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STRONG REVENUE GROWTH IN Q1 2015, UPWARD TREND CONTINUES

- **9% increase in revenue to EUR 114.4 million**
- **EBITA at EUR 8.3 million, in line with last year**
- **Continuing good market conditions in both the industrial and automotive activities**

Key figures

(x EUR 1 million unless otherwise stated)	Q1 2015¹	Q1 2014¹	Difference in %
Revenue	114.4	105.2	9%
EBITDA	13.1	12.2	7%
EBITA	8.3	8.3	0%
Net profit	5.1	5.0	2%
ROS	7.3%	7.9%	

¹ The quarterly figures are unaudited

Piet Veenema, Kendrion's CEO:

"In the first quarter of this year, Kendrion again succeeded in continuing the upward trend that began in mid-2013. We once again generated a new quarterly revenue record in this quarter. Our profit was somewhat pressured, mainly due to business development projects (including market surveys) we carried out in several parts of the world and the recent investments in new projects. The economic conditions are favourable, in particular in Germany and the USA, our most important home markets. This is also reflected in the further increase in our order book. All in all the company is well on track to realise further growth in the future."

- The quarterly results are unaudited -

Financial review

Revenue

Revenue growth amounted to 9% in the first quarter, due to a combination of new projects launched in 2014 and the good economic conditions. Exchange rates had a positive impact of almost 4% on revenue. The Industrial Division recorded 5% growth in revenue, and the Automotive Division achieved revenue growth of 10%. Compared to the fourth quarter of 2014, revenue grew by 8%.

Almost all Kendrion's industrial activities developed well. The European machine building sector is growing and the company's Chinese and US activities are also doing well at present. The Automotive Division continues to benefit from the good market conditions, which are mainly attributable to the German car makers, and the global bus and truck market is doing well. The growth of the Automotive Division was somewhat pressured, as expected, by some projects that are nearing completion in the business unit Automotive Control Systems.

Results

The added value percentage was in line with last year with broadly stable raw material prices. Staff costs as a percentage of revenue improved slightly. Only the operating expenses were somewhat higher than normal, mainly due to some market surveys we carried out in several parts of the world. Furthermore, depreciation costs increased strongly (EUR 0.9 million higher than last year), due to the investments made in 2014 in new - especially automotive - projects, that will lead to further growth in the near future. The operating result before amortisation (EBITA) was therefore at the same level as last year, EUR 8.3 million. EBITA as a percentage of revenue was 7.3%, an increase compared to the fourth quarter of 2014 (6.5%). Profit before tax in the first quarter (EUR 6.6 million) improved by 10% compared to the same quarter of last year. The effective tax rate in Q1 2015 amounted to 23%, which was less favourable than in the first quarter of last year (17%), which benefited from tax gains.

Net profit in the first quarter of 2015 was EUR 5.1 million (Q1 2014: EUR 5.0 million).

The number of employees increased by 47 from the end of 2014 to 2,760 FTEs, including 107 temporary employees.

Financial position

The balance sheet total increased by EUR 30 million in the first quarter of 2015, mainly as a result of the increased level of activities.

As a result of tight control of the company's working capital, Kendrion's net debt only increased slightly, by EUR 1.8 million, from the level at the end of 2014, to EUR 84.8 million.

Investments amounted to EUR 4.7 million in the first quarter, at a depreciation level of EUR 4.8 million. Investments in 2015 will be substantially higher than the depreciation level, largely due to new automotive projects. The investments in the implementation of the new ERP system will decrease, as the last major implementation at year-end in the Kendrion Kuhnke companies has now been successfully completed. Only a few smaller companies still need to be converted to the new ERP system in 2015.

Kendrion's financial position is strong, with a solvency ratio of 46% at the end of March 2015.

Outlook

Kendrion has a favourable view of the developments in the remaining part of the year, partly due to the good economic prospects in its most important home markets, Germany and the USA. The favourable developments in the Industrial Division are expected to continue in the coming months, in particular due to the growth in the European machine building sector, while the Automotive Division will continue to benefit from new projects. A number of new projects will be launched mainly in the second half of the year, in particular in Germany and China. The order books therefore continued to grow further in the first quarter.

In 2015, Kendrion therefore forecasts further growth in revenue as a result of the favourable developments in both divisions. However, in view of the unpredictability of the longer-term economic developments, it is still difficult to issue a specific forecast for the whole of 2015.

Dividend 2014

In the Annual General Meeting of Shareholders held on 13 April 2015, the dividend over 2014 was approved at EUR 0.78 per share, in cash and/or in stock. Based on the weighted average price of Kendrion shares for the period 27, 28, 29 and 30 April and 4 May 2015, the exchange ratio is 35.88. Today, 7 May 2015, 146,148 new shares have been issued as stock dividend. As a result thereof the total number of issued shares will increase to a maximum of 13,188,154. This number includes shares that have been recently issued pursuant to the share plan for key management. Also the cash dividend will be made payable today.

Profile of Kendrion N.V.

Kendrion N.V., a solution provider, develops, manufactures and markets innovative high-quality electromagnetic and mechatronic systems and components for customers all over the world. Kendrion's operations are carried out by two divisions with a total of seven business units that are focused on specific market segments, namely the Industrial Division's Industrial Magnetic Systems, Industrial Control Systems and Industrial Drive Systems business units and the Automotive Division's Passenger Car Systems, Automotive Control Systems, Commercial Vehicle Systems and Heavy Duty Systems business units.

Kendrion has leading positions in a number of business-to-business niche markets. Germany is Kendrion's main market, although other countries are becoming increasingly important.

Kendrion's activities

Kendrion develops advanced electromagnetic and mechatronic solutions for industrial and automotive applications. These are used by customers all over the world in systems such as lifts, door-locking systems, industrial robots, medical equipment, electrical switchbox systems, diesel and gasoline engines, air-conditioning installations, motor cooling systems and beverage dispensers. Kendrion's key customers include Bosch, Continental, Daimler, Delphi, Evobus, Hyundai, Siemens, ThyssenKrupp Bilstein, Volkswagen, Wabco, Yutong and ZF.

Kendrion's shares are listed on Euronext's Amsterdam market.

Zeist, 7 May 2015

The Executive Board

- The quarterly results are unaudited -



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Annexes

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Financial calendar 2015 – 2016

- The quarterly results are unaudited -



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Annex 1 – Consolidated statement of comprehensive income

(EUR million)	Q1 2015	Q1 2014	full year 2014
Revenue	114.4	105.2	428.9
Other income	0.0	0.0	0.2
Total revenue and other income	114.4	105.2	429.1
Changes in inventories of finished goods and work in progress	(1.1)	(2.5)	(1.4)
Raw materials and subcontracted work	60.2	56.0	225.9
Staff costs	33.9	31.7	125.4
Depreciation and amortisation	5.7	4.8	19.8
Other operating expenses	8.3	7.8	29.9
Result before net finance costs	7.4	7.4	29.5
Finance income	0.0	0.1	0.8
Finance expense	(0.8)	(1.5)	(5.4)
Net finance costs	(0.8)	(1.4)	(4.6)
Profit before income tax	6.6	6.0	24.9
Income tax expense	(1.5)	(1.0)	(4.7)
Profit for the period	5.1	5.0	20.2
Basic earnings per share (EUR), based on weighted average	0.39	0.38	1.56
Diluted earnings per share (EUR)	0.39	0.38	1.55

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Annex 2 – Consolidated statement of financial position

(EUR million)	31 March 2015	31 March 2014	31 Dec. 2014
Assets			
Non-current assets			
Property, plant and equipment	83.4	80.3	83.1
Intangible assets	129.6	120.2	124.2
Other investments, including derivatives	0.8	0.4	0.9
Deferred tax assets	13.9	15.0	14.5
Total non-current assets	227.7	215.9	222.7
Current assets			
Inventories	53.5	51.8	49.0
Current tax assets	3.3	2.9	3.0
Trade and other receivables	66.5	58.8	49.2
Cash and cash equivalents	12.6	16.5	9.6
Total current assets	135.9	130.0	110.8
Total assets	363.6	345.9	333.5
Equity and liabilities			
Equity			
Share capital	26.1	25.9	26.1
Share premium	68.8	74.4	68.8
Reserves	65.3	33.7	38.1
Retained earnings	5.1	5.0	20.2
Total equity	165.3	139.0	153.2
Liabilities			
Loans and borrowings	91.5	64.3	85.5
Employee benefits	19.7	17.9	19.6
Government grants received in advance	-	0.0	-
Provisions	0.4	1.7	0.4
Deferred tax liabilities	11.8	10.9	11.4
Total non-current liabilities	123.4	94.8	116.9
Bank overdraft	5.2	1.3	6.5
Loans and borrowings	0.7	0.4	0.6
Current tax liabilities	1.3	1.5	1.5
Trade and other payables	67.7	108.9	54.8
Total current liabilities	74.9	112.1	63.4
Total liabilities	198.3	206.9	180.3
Total equity and liabilities	363.6	345.9	333.5

- The quarterly results are unaudited -

Annex 3 - Financial calendar 2015 - 2016

2015

Publication of Q1 2015 results	Thursday, 7 May 2015	08.00 a.m.
Cash dividend made payable and delivery stock dividend	Thursday, 7 May 2015	
Publication of HY1 2015 results	Thursday, 20 August 2015	08.00 a.m.
Analysts' meeting	Thursday, 20 August 2015	11.30 a.m.
Publication of Q3 2015 results	Thursday, 5 November 2015	08.00 a.m.

2016

Publication of 2015 full-year figures	Thursday, 25 February 2016	08.00 a.m.
Analysts' meeting	Thursday, 25 February 2016	11.30 a.m.
General Meeting of Shareholders	Monday, 11 April 2016	02.30 p.m.
Publication of Q1 2016 results	Tuesday, 3 May 2016	08.00 a.m.
Publication of HY1 2016 results	Thursday, 18 August 2016	08.00 a.m.
Analysts' meeting	Thursday, 18 August 2016	11.30 a.m.
Publication of Q3 2015 results	Thursday, 3 November 2016	08.00 a.m.