KENDRION

AMSTERDAM, 27 FEBRUARY 2026

# Transformation complete: Industrial Motion Control Technology

Q4/Full Year 2025 results

# Agenda

Q4/FULL YEAR 2025 RESULTS

1. Key highlights
2. Strategic position
3. Full Year 2025 financial review
4. Operational update
5. Outlook
6. Q&A

# CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the Company's share of new and existing markets, general industry and macro-economic trends and the Company's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside the Company's control that could cause actual results to differ materially from such statements.

# 2. Key highlights

# Key highlights

Q4 AND FULL YEAR 2025

## Financial highlights

- Normalized Q4 EBITDA grew 73%, driven by higher volumes, margin improvements, and cost control.
- Long-term financial targets achieved ahead of plan, with FY 2025 at a 15.5% EBITDA margin and 24.6% ROIC.
- Normalized free cash flow of EUR 25.6 and proceeds China divestments enabled debt reduction to EUR 30.3 million (FY 2024: EUR 103.4 million).
- Paid a special dividend of EUR 1.0 per share and initiated a EUR 10 million share buyback program.
- Proposed FY 2025 cash dividend of 0.70 per share (FY 2024: 0.45 per share).

## Strategic highlights

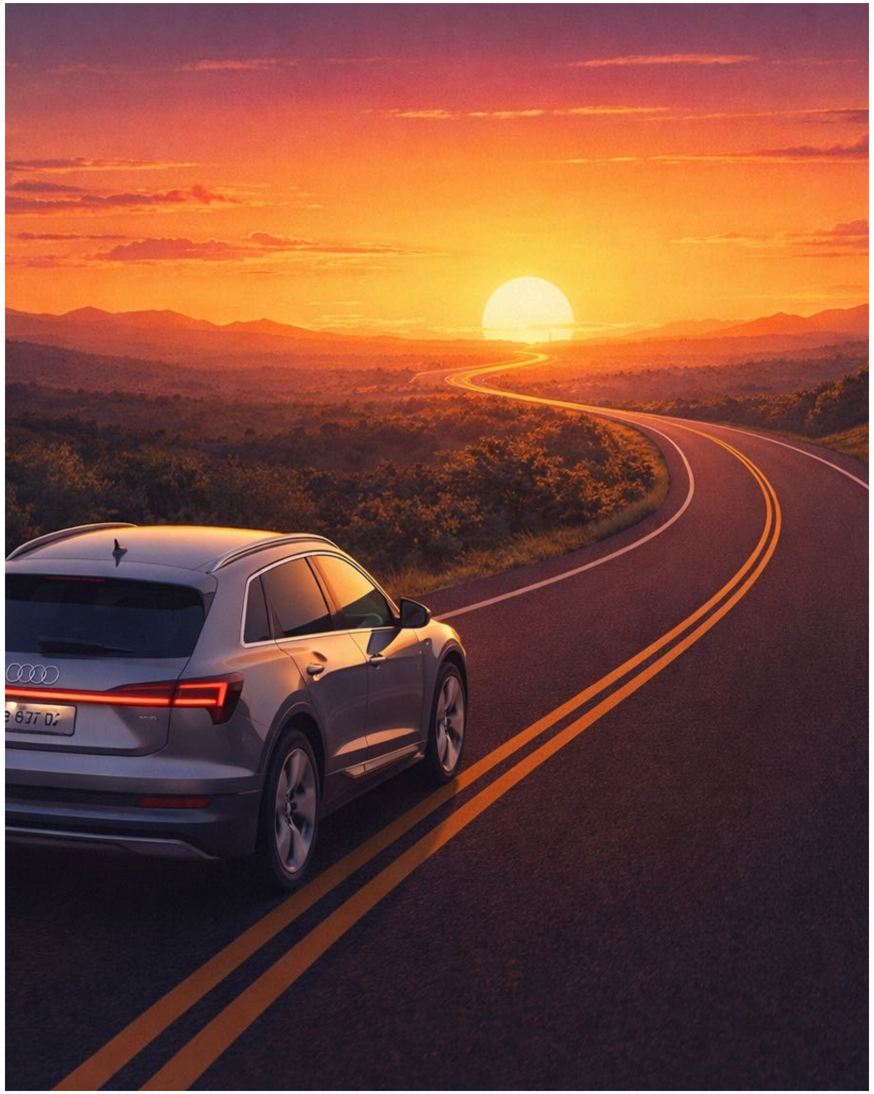
- Completed divestment Automotive, finalizing transition to pure play industrial company.
- New revenue pipeline expanded to highest level on record.
- Strong Q4 2025 momentum, providing solid foundation for FY 2026 outlook.

# 3. Strategic position

# Divesting automotive: strategic rationale

MORE FOCUS, BETTER PROFITABILITY

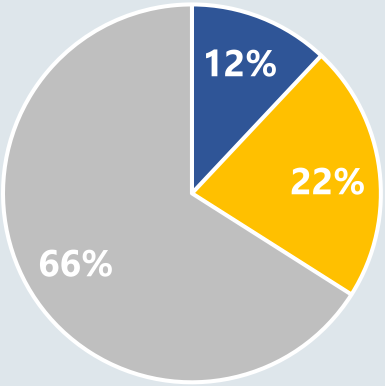
- Automotive requires high investment but delivers lower margins.
- Industrial investments offer stronger growth and profitability.
- The China divestment completes the shift away from Automotive.
- The partnership with Knorr-Bremse offers an effective and capital-efficient path to wind down the remaining Automotive activities while optimizing cash flow.
- The automotive divestment sharpens focus, frees capital, and strengthens financial resilience.



# A leaner, more profitable Group

STRATEGIC JOURNEY

**2015**
(% of revenue)

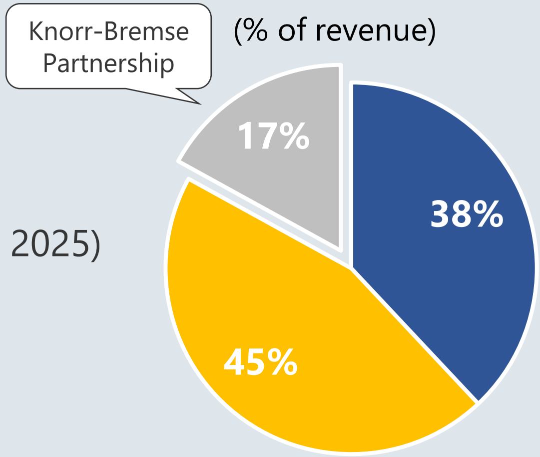



STRATEGIC JOURNEY

**Industrial**
INTORQ (2020)
3T (2021)

**Automotive**
Solero (2024 / 2025)
China MBO (2025)
Knorr-Bremse (2025)

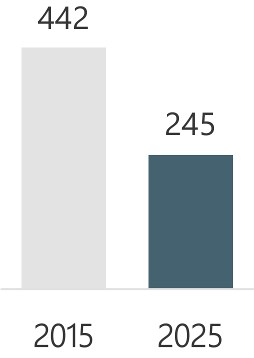
**2025**
(% of revenue)



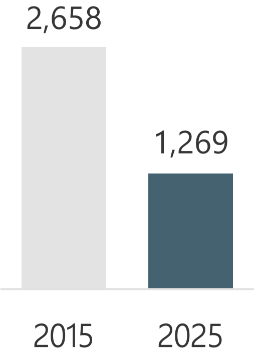

- Industrial Brakes
- Actuators & Controls
- Automotive

## SIMPLIFIED ORGANISATION

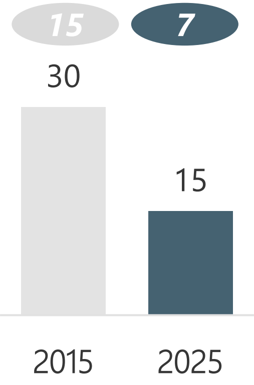
**Revenue**
EUR million




**No. Employees**

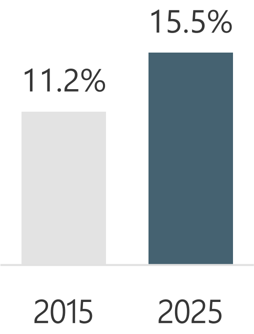



**No. Sites**
*Countries*

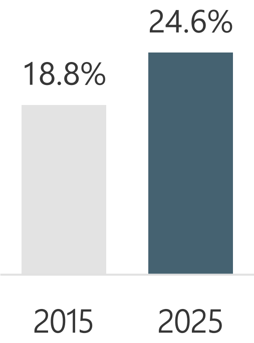



## SIGNIFICANTLY IMPROVED FINANCIAL PROFILE

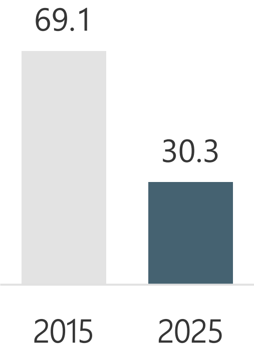
**EBITDA Margin**
%




**ROIC**
%




**Net Debt**
EUR million



# Strategic Phase-out of Remaining Automotive Activities

PARTNERSHIP KNORR-BREMSE (KB)

- Partnership secures factory continuity as Kendrion volumes decline
- Cash flow contribution of partnership of around EUR 7 million
- Employees to be transferred: around 190 FTE

**Kendrion ownership**

- Continue regular production of automotive electronics.
- Utilize spare capacity as contract manufacturer for KB.

**FLIP**

- Revenue KB > revenue Kendrion

*OR*

- 31 December 2028

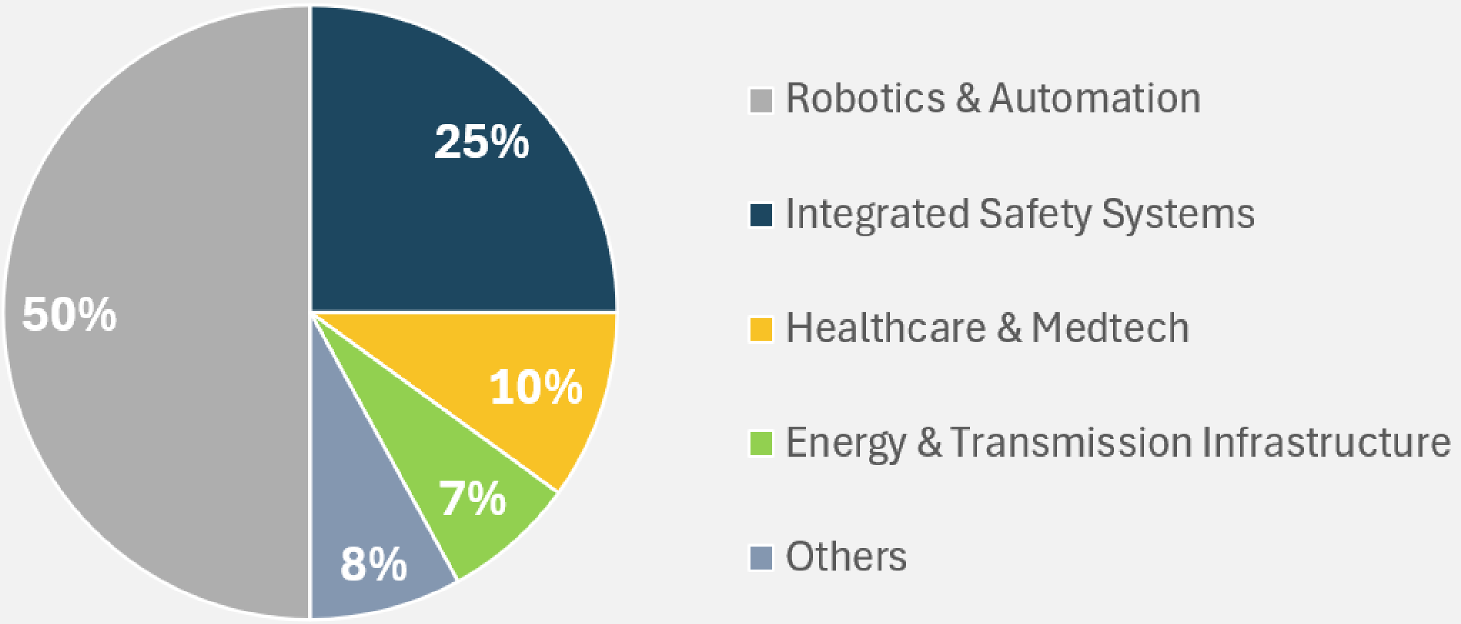
**KB ownership**

- Sibiu staff offered transfer to KB.
- All production equipment transferred to KB.
- KB to serve as contract manufacturer for remaining Mobility revenue Kendrion.

# Kendrion today

WE KEEP ADVANCED MACHINES MOVING SAFELY, PRECISELY, AND RELIABLY.

- Today, Kendrion enables industrial machines and systems to move with safety, precision, and reliability.
- With our advanced motion technology and control solutions, we ensure our customers' systems perform exactly as intended.
- Revenue per end-market *:




* Excludes Mobility

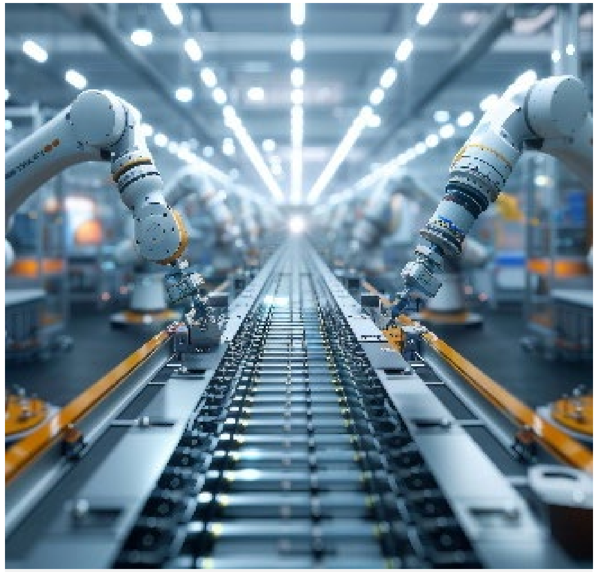
# Turning digital innovation into real world motion

A SIGNIFICANT OPPORTUNITY FOR KENDRION

- Today's digital innovation, transforms industrial machines.
- We invest in products that power the next generation of machines: robotics and automation, safety systems, renewable energy, and med-tech.
- Precise, Safe, Reliable.

# Kendrion today: revenue per end-market

FULL YEAR 2025

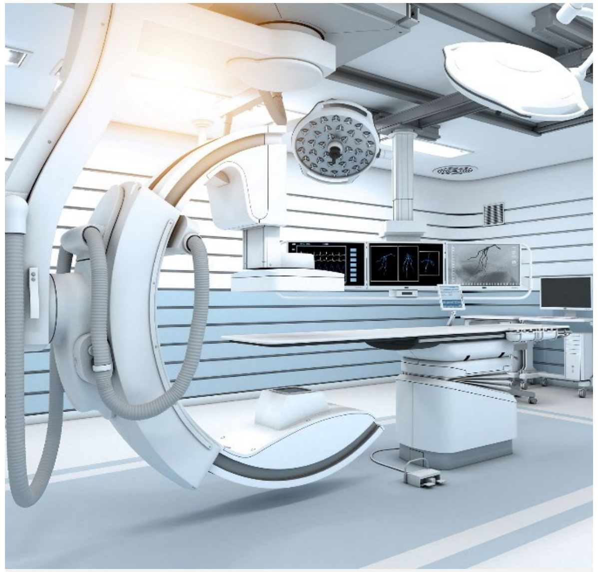


### Robotics & Automation
### ~€ 100 million

Key growth drivers:
- AI-driven automation.
- Components optimized for next generation machines.
- Supply chain resilience and reshoring.

### Integrated Safety Systems
### ~ € 50 million

Key growth drivers:
- Safe Automation for machines. interacting directly with humans.
- Ever stricter regulatory safety approvals.



### Healthcare & MedTech
### ~ € 20 million

Key growth drivers:
- Ageing population.
- Shift to robotic procedures.
- Strict medical safety approvals.

### Energy & Transmission Infrastructure
### ~ € 15 million

Key growth drivers:
- Fast growth in (renewable) electricity use.
- Investments in AI infrastructure.
- Energy security and infrastructure resilience.

# Investment criteria for new projects

DRIVING PROFITABLE GROWTH

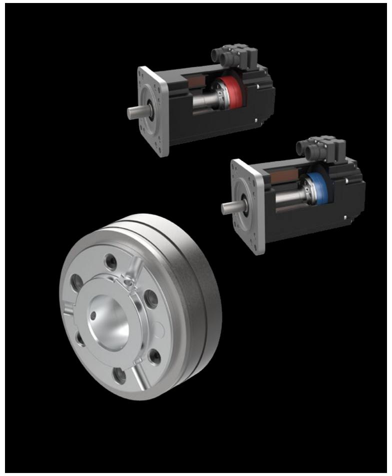
- New business investment decisions are made per project based on a set of financial criteria:
  - Healthy growth potential of at least 10% per year, and typically more.
  - Steady-state, fully costed EBITDA margin >20%.
- Clear differentiator(s) through patents, required regulatory approvals and specific know-how.
- Mission critical product, high cost of failure, low cost compared to BOM.

# Robotics and automation, Integrated Safety

DRIVING PROFITABLE GROWTH

### Slim line PM Brake

– Optimized for high-performance use in space-constrained Cobots and Humanoid robots.
– Patent granted, securing full IP protection.
– Mission-critical safety component with low relative BOM cost.
– Platform architecture enables scalable portfolio expansion.



### Ultra compact lock

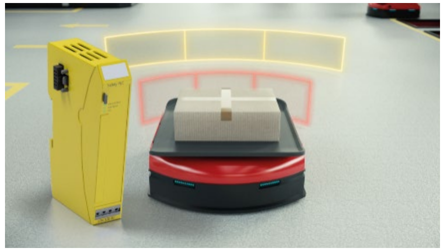
– Low-power design suitable for solar-powered units like parcel lockers.
– Unique mechanism with no solenoid or motor.
– Patent pending.
– Major EU customers highly interested and currently testing.


### AGV Wheel drives

– Optimized for fast-growing warehouse and intralogistics automation market.
– Platform integration into wheel-hub drives.
– Early involvement in customer architecture increases long-term stickiness.
– Represents a small share of the overall BOM.

### Functional safety module

– Safety critical motion control across automated machinery and robotics
– Extremely reliable, TÜV-certified Safety PLC.
– Helps customers comply with the European Machinery Directive 2006/42/EC.
– Currently in production



# Medical technology, Energy

DRIVING PROFITABLE GROWTH

### Bio-compatible pressure regulator

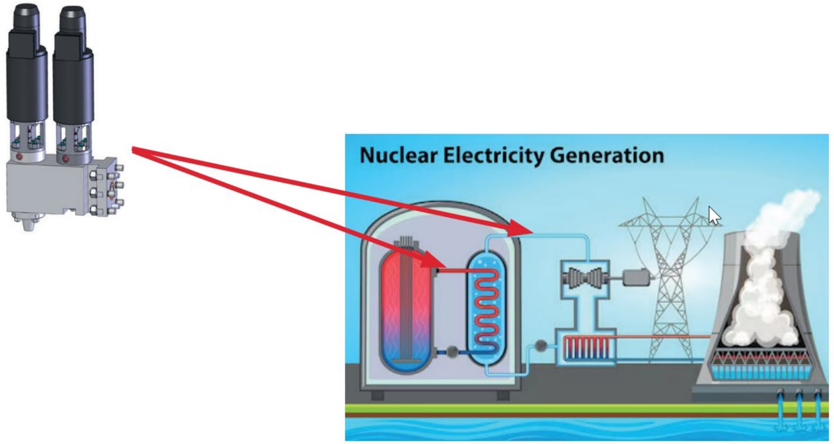
- Valves and pressure regulator family for dialysis and anesthesia systems.
- Compliant with EU MDR 2017/745 and FDA requirements.
- Certified to ISO 18562, ISO 10993 and ISO 15001 for biocompatible materials.
- First products and clean-room production facility ready.
- Strong demand, first orders booked.


### Medically approved PM brakes

- Unparalleled precision and reliability: use in robotic-assisted brain surgery.
- Strong demand following FDA approval.
- Highly regulated market limits low-cost. competition.
- Long qualification cycles drive customer stickiness and deep partnerships.

### Nuclear Power Plant Steam Relieve Valve

- Actuator solenoids for safety valves in primary and secondary nuclear steam circuits.
- Compliant with 10CFR50 and AFCEN RCC-E nuclear standards.
- Kendrion the sole qualified supplier for this component.
- 35 EU/US/CN reactor projects (new builds and upgrades) in order book.



# Summary

THE RIGHT TO WIN

Focussed on high growth, high margin industrial end-markets benefitting from secular trends

Unique expertise and differentiated technologies enabling safe, precise and reliable motion

High barriers to entry: IP, regulatory approvals, deep application know-how and experienced people

Mission-critical components with low replacement incentive due to high cost of failure, and low share of BOM

Once designed in, Kendrion's component remains part of the customer's machine for the entire production life cycle, creating long-standing customer relationships.

# 4. Full Year 2025

FINANCIAL REVIEW

# 2024 – 2028 ESG PROGRAM

ACHIEVEMENTS IN 2025

**Environmental**

Targets
- Progressing emission reduction 27% in 2025
- Increase renewableelectricity achieving 92% in 2025

2025 Results
- Progressing emission reduction 27% in 2025
- Increase renewable electricity achieving 92% in 2025

**Social**

Targets
- Implement gender diversity targets at Business Group level for indirect staff
- Continue progressing corporate norms and values

2025 Results
- Diversity target unchanged - 33% m/f indirect employees by 2028
- Employee survey in 2025


**Governance**

Targets
- Integratation of ESG metrics into sourcing process
- Sustain ESG ratings from EcoVadis and CDP

2025 Results
- Robust supplier sustainability screening
- Improved ratings for both EcoVadis and CDP
- Improved sustainability reporting

# Business review

## Q4 AND FULL YEAR 2025 RESULTS

| Normalized (in EUR million) | Q4 2025 | Q4 2024 | delta |
|---|---|---|---|
| Revenue | 61,5 | 57,0 | 8% |
| EBITDA | 9,7 | 5,6 | 73% |
| EBITA | 6,5 | 2,3 | 183% |
| Net profit before amortization from continuing operations | 4,1 | 1,3 | 215% |
| Net profit before amortization from discontinued operations | 0,4 | 0,2 | NM |
| Net profit before amortization | 4,5 | 1,5 | 200% |
| EBITDA as a % of revenue | 15,8% | 9,8% | |
| EBITA as a % of revenue | 10,6% | 4,0% | |

| | FY 2025 | FY 2024 | delta |
|---|---|---|---|
| Revenue | 245,5 | 247,5 | -1% |
| EBITDA | 38,1 | 33,2 | 15% |
| EBITA | 25,3 | 20,4 | 24% |
| Net profit before amortization from continuing operations | 15,7 | 12,3 | 28% |
| Net profit before amortization from discontinued operations | 2,2 | (0,5) | NM |
| Net profit before amortization | 17,9 | 11,8 | 52% |
| EBITDA as a % of revenue | 15,5% | 13,4% | |
| EBITA as a % of revenue | 10,3% | 8,2% | |
| Return on invested capital[3] (12 months rolling) | 24,6% | 12,0% | |

### Q4 2025 highlights

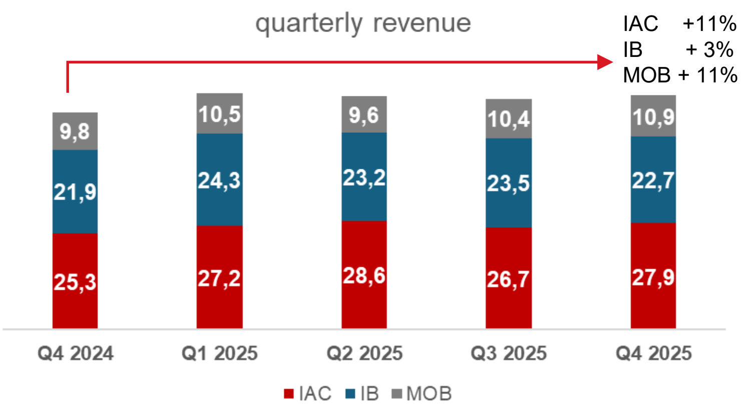
- Strong sales growth supported by all business groups.
- Normalized EBITDA margin increase of 600bp driven by volume growth, pricing actions and cost reductions.
- Transaction gain of EUR 5.0 million on China divestment recorded in reported net profit of discontinued operations.

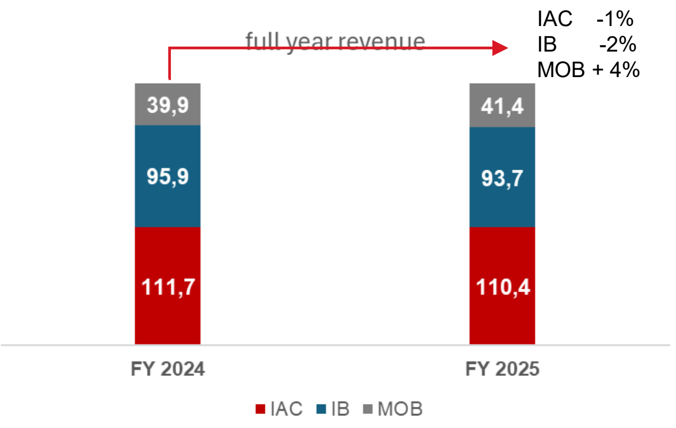
### FY 2025 highlights

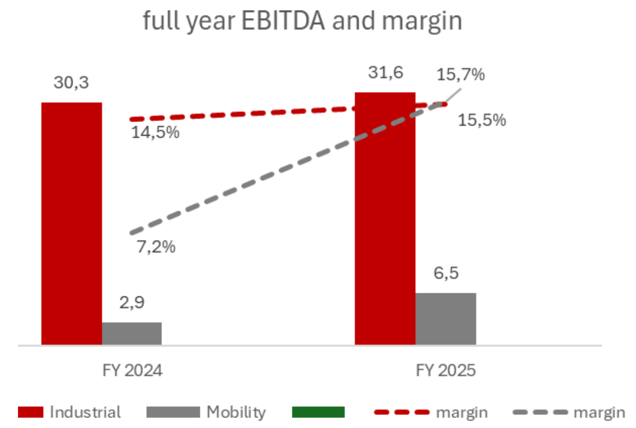
- Revenue decrease of 1% due to weakness in industrial markets in the first half year.
- Normalized EBITDA increases 15% driven by 250bp increase in added value margin.
- EBITDA margin of 15.5% and ROIC of 24.6 delivers long term financial target ahead of schedule.

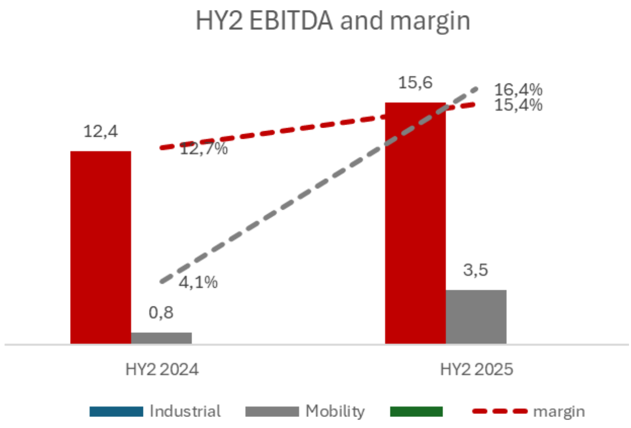
# Business review

## DEVELOPMENT BY SEGMENT




**Industrial**

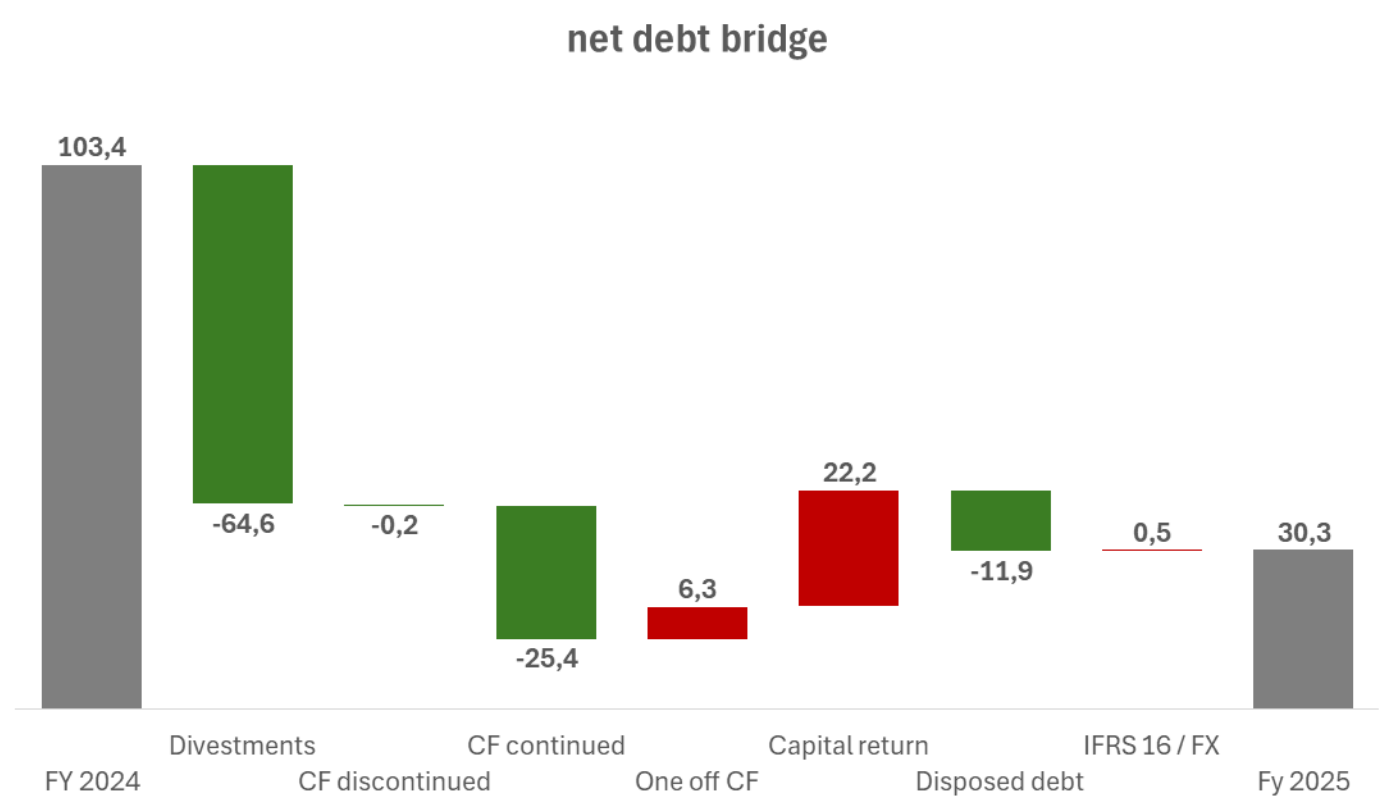
- Revenue down 2% for the full year primarily due to weak manufacturing activity in Germany during the first half year.
- Performance improved in H2 with Q4 delivering 7% growth in Q4 as markets began to recover.
- EBITDA margin increased by 100bp to 15.5% driven primarily by gross margin expansion.
- Strong momentum in HY2 with EBITDA margin up 270bp supported by improved gross margins and disciplined cost control.

**Mobility**

- Revenue increased by 4% year-on-year as sales price increases and new project ramp-ups more than offset the impact of phasing out activities.
- EBITDA margin expanded by 850 basis points, reflecting higher gross margins and cost discipline.
- HY2 EBITDA margin supported by first EUR 0.8 million contribution from capacity sharing agreement.

# Business review

## CASH FLOW AND FINANCIAL POSITION




**Highlights**

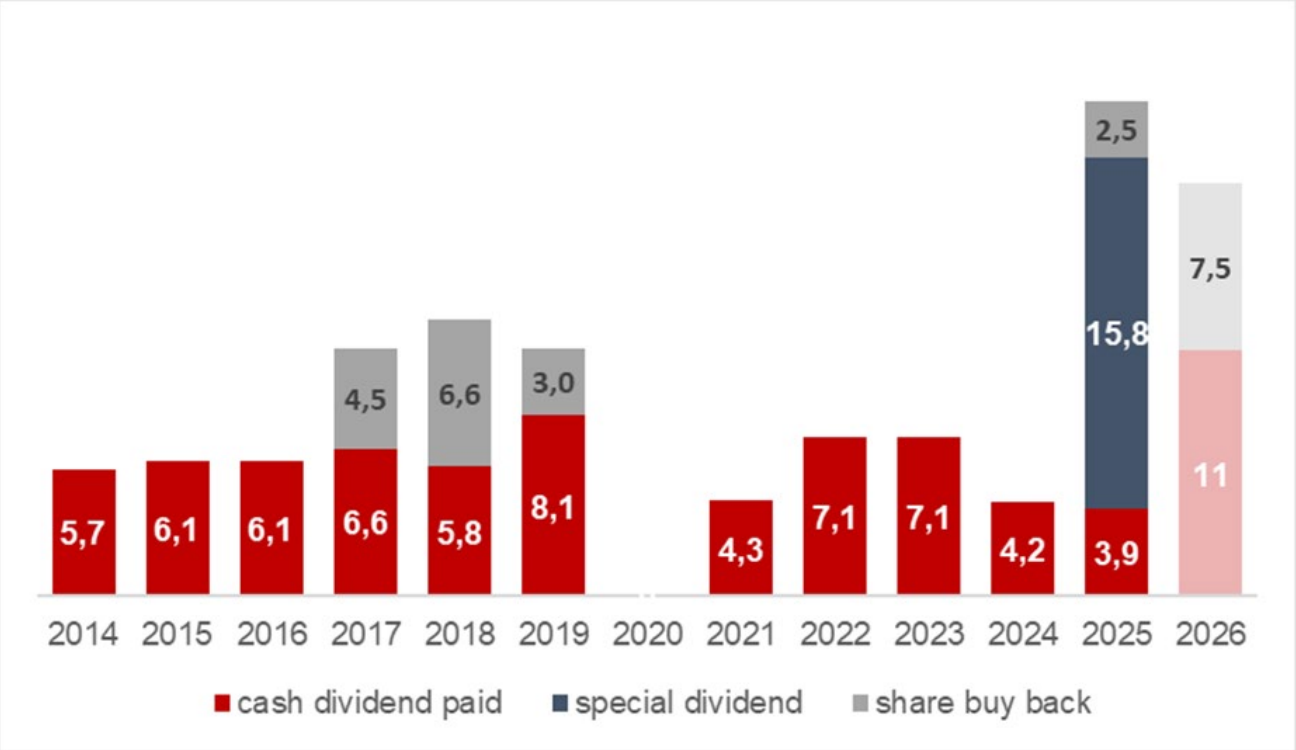
- Strong normalized free cash flow of EUR 25.6 million, with cash conversion of 67% of continued EBITDA.
- Cash flow supported by a net working capital inflow from working capital and capital investments EUR 6.0 million below depreciation.
- Net debt reduced by EUR 73.1 million driven by divestments proceeds and strong free cash flow generation.
- Solid financial position with leverage ratio of 0.8, significantly improved from 2.7 in prior year.
- Disciplined capital expenditure of EUR 9.3 million, well below EUR 15.3 million depreciation.
- Strong liquidity position, with EUR 92 million availability in cash and headroom under credit facilities*

* *After taking into account a EUR 25 million credit line reduction in February 2026 linked to the China divestment*

# Business review

## DIVIDEND PROPOSAL AND CASH DISTRIBUTION

| | 2020 actual | 2021 actual | 2022 actual | 2023 actual | 2024 actual | 2025 proposal |
|---|---|---|---|---|---|---|
| Dividend per share | 0,40 | 0,69 | 0,72 | 0,45 | 0,45 | 0,70 |
| Pay-out | 50% | 50% | 50% | 50% | 59% | 61% |
| Total dividend | 5,9 | 10,3 | 10,8 | 6,9 | 7,0 | 7,0 |




### Highlights

- Dividend policy provides for a payout of at least 50% of normalized net profit before amortization.
- 2025 payout comprised a EUR 0.45 per share optional dividend over FY 2024 profit and a EUR 1.00 per share special dividend, from the proceeds of the China divestment.
- A EUR 10 million share buyback program was launched in November 2025, with EUR 2.5 million repurchased during FY 2025.
- Kendrion proposes a EUR 0.70 per share cash dividend pay out over the normalized net profit in 2025.

# 5. Operational update

# Industrial Brakes

FULL YEAR 2025

**Revenue development**

– Revenue of EUR 93.7 million, 2% below 2024 (EUR 95.9 million).

– Improving orderbook resulted in revenue growth in Q4.

**Improving profitability**

– Added value significantly improved: 55.7% (2024: 52.0%).

**Product development**

– Slim-PM series successfully launched at SPS Nuremberg. Patent granted – protecting technological.

– Sales, product management and R&D Teams closely integrated.

**Customer development**

– Customer project pipeline has doubled in 2025.

– First medical (brain) robotics project received FDA approval. Ramp-up started.

# Industrial Actuators and Controls

FULL YEAR 2025

**Revenue development**

- Stable at  EUR 110.4 million.
- Decline in textile machinery compensated by growth in logistics and medical.

**Improving profitability**

- Added value further improved from 63.0% to 63.7%.

**Product development**

- 2 new customer induction heating products brought into production.
- New product samples delivered to customers for testing: ultra compact lock, power pinch valve, pressure regulator, machinery safety PLC, inductive heating systems, logistics stopper.

**Customer development**

- Key market segments showed higher demand in the second half of 2025.
- Record number of active customer projects.

# 6. Outlook

# Outlook 2026

- European economy is starting to improve.
- Kendrion expects to benefit from long-term growth trends, in Robotics, Automation, Safety systems, Med-Tech and Renewable Energy with AI as an accelerator.
- We anticipate better economic conditions, a stronger pipeline, and rising customer interest to growth in 2026 and beyond.

# 2027 Financial targets - unchanged

| | |
|---|---|
| **Revenue** | Expectation: 5-8% annual growth |
| **EBITDA margin** | 15%-18% from 2025 |
| **ROI*** | 23%-27% from 2027 |
| **Dividend** | At least 50% of Normalized Net Profit |

**EBITA / invested capital, excluding goodwill and intangibles arising from acquisitions*

We are

KENDRION