

K E N D R I O N N . V .
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Kendrion delivers a solid start to 2025 as a pure-play Industrial company, with increased revenue and profitability

- Revenue from continuing operations increased by 4% to EUR 78.1 million (Q1 2024: EUR 75.1 million)
- Normalized EBITDA from continuing operations rose by 7% to EUR 10.8 million (Q1 2024: EUR 10.1 million)
- Normalized EBITDA margin improved to 13.8% (Q1 2024: 13.4%)
- Industrial Brakes revenue continues its gradual recovery with 7% year-on-year growth
- Strong revenue growth in Mobility (+26%) as projects in China ramp up
- Net debt reduced to EUR 97.0 million, with the leverage ratio improving to 2.5
- Divestment of Automotive activities completed, with the final EUR 8.6 million payment received

Key figures

Reported (in EUR million)	Q1 2025	Q1 2024	delta ³
Revenue	78.1	75.1	4%
EBITDA	10.5	10.1	4%
EBITA	6.6	6.2	6%
Net profit from continuing operations	3.1	4.2	-26%
Net profit from discontinued operations	0.1	(1.5)	NM
Net profit	3.2	2.7	19%
EBITDA as a % of revenue	13.4%	13.4%	
EBITA as a % of revenue	8.5%	8.3%	

Normalized (in EUR million) ¹	Q1 2025	Q1 2024	delta ³
Revenue	78.1	75.1	4%
EBITDA	10.8	10.1	7%
EBITA	6.9	6.2	11%
Net profit before amortization from continuing operations	3.7	3.6	3%
Net profit before amortization from discontinued operations	-	2.2	NM
Net profit before amortization	3.7	5.8	-36%
EBITDA as a % of revenue	13.8%	13.4%	
EBITA as a % of revenue	8.8%	8.3%	
Return on invested capital ² (12 months rolling)	13.4%	13.2%	

¹ Results are normalized for costs and benefits outside the ordinary course of operations.

Normalized in Q1 2025: EUR 0.3 million restructuring costs (EUR 0.2 million after tax) and EUR 0.0 million from measurement to fair value (EUR -0,1 million after tax).

Normalized in Q1 2024: EUR 3.8 million from measurement to fair value and EUR 1.3 million income tax expense related to tax benefit due to change in estimate.

² Invested capital excluding intangibles arising from acquisitions. 2024 is including discontinued operations.

³ NM: not meaningful

Joep van Beurden, Kendrion CEO:

“We are pleased to report a solid start to 2025, demonstrating resilience and growth despite ongoing global economic challenges. Revenue for the first quarter increased by 4% compared to the first quarter of 2024, reaching EUR 78.1 million.

In particular, our Industrial Brakes (IB) segment showed a gradual recovery, with revenue growing by 7% year-over-year, while Industrial Actuators and Controls (IAC) experienced a decline, primarily due to a stronger comparison base from the previous year. Our China factory performed well, as revenue grew due to higher Mobility projects and a rebound in the Windpower segment.

As a pure-play Industrial company, we are making steady progress toward our profitability target of 15% EBITDA by the end of 2025. In the first quarter, the Added Value margins improved across IAC, IB, and China. Normalized EBITDA reached EUR 10.8 million, reflecting a 7% increase compared to the first quarter of last year. The EBITDA percentage of revenue for continued operations improved to 13.8%, up from 13.4% in the same quarter last year. These positive results demonstrate that our initiatives to improve added value margins while keeping costs under control are starting to deliver tangible benefits.

We completed the divestment of our Automotive franchise with the receipt of the final EUR 8.6 million payment from Solero Technologies LLC. Together with improved profitability and disciplined working capital management, this led to a reduction of our net debt to EUR 97.0 million.

Looking ahead, our regionally organized, 'local for local' supply chains in the US, China, and Europe help shield us from the direct impact of tariffs. While reduced economic activity may impact our business, we believe that our exclusive focus on the Industrial sector and our niche positioning provide a strong foundation to navigate any potential challenges. We remain committed to driving profitability toward our 15% EBITDA target and further reducing net debt.

Progress on strategy

Kendrion is a global leader in innovative actuator solutions, dedicated to industrial markets with a strong focus on electrification, cleaner energy, and other high-potential sectors. Our strategy prioritizes profitability over growth, focusing on industrial market segments aligned with our goal of achieving at least 15% EBITDA by the end of 2025.

Our business is organized into two key groups: IB and IAC. Leveraging our deep expertise in valves, actuators, brakes, and control technology we deliver differentiated solutions tailored to our customers' needs. In IB, we are capitalizing on the growing market for electromotors and electrified solutions in sectors such as intralogistics, robotics, and windpower. IAC encompasses a diverse range of products, including inductive heating systems, industrial locks, and beverage dispensing valves as well as Mobility (automotive electronics and China Automotive). Financial results for Mobility are reported separately from the Industrial business.

Kendrion is advancing two key initiatives to achieve its targeted EBITDA for 2025. The first is a significant improvement in the added value margin, with a strong focus on IB, operations in China, and Mobility. The second is maintaining strict cost control through optimized operational expenses. A key part of these efforts is the transition to a simpler and more cost-effective cloud-based Enterprise Resource Planning (ERP) system, which is moving forward as scheduled.

Despite ongoing geopolitical challenges and their potential impact on economic growth, Kendrion remains optimistic about the long-term growth potential of its products, which play a vital role in advancing global electrification and sustainable energy solutions. Additionally, Kendrion's diverse product portfolio reduces dependence on any single industry or market segment. Its local-for-local approach further mitigates risks from trade tariffs, including those currently imposed by the US government.

Financial review

Revenue

Q1 2025

In the first quarter of 2025, revenue totaled EUR 78.1 million, a 4% increase compared to EUR 75.1 million from continuing operations in Q1 2024. Currency effects had no material impact on revenue. Revenue in IB rose by 7%, from EUR 28.2 million in Q1 2024 to EUR 30.1 million in Q1 2025, building on the gradual market recovery that began in the second half of last year.

In IAC, revenue declined by 8%, from EUR 32.3 million in Q1 2024 to EUR 29.6 million in Q1 2025. This decline was primarily attributed to continued weakness in machine-building markets, partially offset by growth in infrastructure-related segments.

Revenue in the Mobility segment increased by 26%, reaching EUR 18.4 million in Q1 2025, up from EUR 14.6 million in the previous year. This growth was driven by the ramp-up of projects in China.

Results

Q1 2025

The normalized operating result before depreciation and amortization (EBITDA) from continuing operations totaled EUR 10.8 million, a 7% increase compared to EUR 10.1 million in Q1 2024. Profitability improved primarily due to the increase in the added value margin across all our business groups. All actions to mitigate the dyssynergies following the sale of Automotive were successfully implemented before the start of the year.

Net operating costs and depreciation charges remained broadly stable, resulting in a normalized EBITA from continuing operations of EUR 6.9 million (Q1 2024: EUR 6.2 million). Net finance charges increased by EUR 0.2 million to EUR 1.5 million, driven by negative currency results. The effective tax rate on normalized income was 29.3%, up from 27.1% in Q1 2024. Normalized net profit before amortization amounted to EUR 3.7 million, compared to EUR 3.6 million in Q1 2024. Reported net profit rose by 19% to EUR 3.2 million as the first quarter of the previous year was impacted by a net loss from discontinued operations.

A total of EUR 0.3 million in operating costs was normalized from the first-quarter results, primarily related to restructuring charges.

Financial Position

At the end of Q1 2025, total net debt amounted to EUR 97.0 million, compared to EUR 103.4 million at year-end 2024. The reduction was supported by the receipt of the final payment of EUR 8.6 million from Solero Technologies LLC related to the sale of our Automotive business.

Excluding this one-off inflow, free cash flow was negative at EUR 2.3 million, primarily due to seasonal working capital effects. The leverage ratio improved to 2.5 (FY 2024: 2.7). Kendrion remains focused on further reducing its net debt.

Number of employees

At the end of Q1 2025, Kendrion employed 1,546 FTEs, a reduction of 63 FTEs compared to 1,609 at the end of Q4 2024. This decrease reflects the final stages of organizational rightsizing following the divestment of the Automotive business, including the wind-down of R&D activities in Malente and FTE reductions in Group Services. At quarter-end, our workforce comprised 835 direct and 711 indirect employees.

Outlook

Kendrion anticipates that trading conditions in the second quarter of 2025 will remain largely consistent with those in the first quarter. Despite ongoing global uncertainties and trade tensions, the company is well-equipped to navigate these challenges, supported by its regional supply chain structure and focused industrial strategy.

In the short term, Kendrion will maintain its emphasis on improving added value margins, enforcing cost discipline and enhancing operational efficiency. The company remains confident in achieving its strategic financial targets, including an EBITDA margin of 15–18% from 2025 onward, a return on investment (ROI) of 23–27% by 2027, and annual dividend payments of at least 50% of normalized net profit starting in 2025.

Looking further ahead, Kendrion is strategically positioned to capitalize on long-term secular trends, including the global transition to cleaner energy, automation, and electrification. As a specialized industrial company with strong niche positions, Kendrion is committed to achieving sustainable, profitable growth in its target markets.

Analysts' call Q1 2025 results

Kendrion CEO Joep van Beurden and CFO Jeroen Hemmen will present the interim results on Tuesday 13 May 2025, at 11:00 a.m. CEST via an analysts' webcast.

Profile of Kendrion N.V.

Kendrion develops, manufactures, and markets high-quality electromagnetic systems and components for a broad range of industrial applications. For more than a century, we have been engineering precision parts for the world's leading innovators in industrial applications and passenger cars and commercial vehicles. As a leading technology pioneer, Kendrion invents, designs, and manufactures complex components and customized systems as well as local solutions on demand.

We are committed to the engineering challenges of tomorrow, and taking responsibility for how we source, manufacture and conduct business is embedded into our culture of innovation. Headquartered in the Netherlands and listed on the Amsterdam stock exchange, Kendrion's expertise extends across Europe, to the Americas and Asia. Created with passion and engineered with precision—our work drives progress worldwide.

Amsterdam, 13 May 2025

The Executive Board

For more information, please contact:

Kendrion N.V.

Mr. Joep van Beurden

Chief Executive Officer

Tel: +31 6 82 56 85 65

Email: IR@kendrion.com

Website: www.kendrion.com

Annexes

- 1. Consolidated statement of comprehensive income**
- 2. Consolidated statement of financial position**
- 3. Financial calendar 2025**

Annex 1 – Consolidated statement of comprehensive income

(EUR million)	Q1 2025	Q1 2024	full year 2024
Revenue	78.1	75.1	301.5
Other income	1.4	0.1	1.7
Total revenue and other income	79.5	75.2	303.2
Changes in inventories of finished goods and work in progress	1.6	(1.0)	(2.0)
Raw materials and subcontracted work	37.0	37.5	151.6
Staff costs	24.1	23.6	94.3
Depreciation and amortization	4.5	4.7	19.1
Impairments of fixed assets	0.0	0.0	1.2
Other operating expenses	6.3	5.0	24.2
Result before net finance costs	6.0	5.4	14.8
Finance income	0.0	0.0	0.1
Finance expense	(1.5)	(1.3)	(6.1)
Share profit or loss of an associate	(0.1)	-	(0.1)
Profit before income tax	4.4	4.1	8.7
Income tax expense	(1.3)	0.1	(2.6)
Profit for the period continuing operations	3.1	4.2	6.1
(Loss_/profit after tax from discontinued operations	0.1	(1.5)	(10.6)
(Loss)/profit for the period	3.2	2.7	(4.5)
Basic earnings per share (EUR), based on weighted average	0.20	0.18	(0.29)
Diluted earnings per share (EUR), based on weighted average	0.20	0.17	(0.29)
Earnings per share for continuing operations			
Basic earnings per share (EUR), based on weighted average	0.20	0.27	0.39
Diluted earnings per share (EUR), based on weighted average	0.20	0.27	0.39

Annex 2 – Consolidated statement of financial position

(EUR million)	31 March 2025	31 March 2024	31 Dec. 2024
Assets			
Non-current assets			
Property, plant and equipment	91.9	97.2	96.0
Intangible assets	111.8	119.0	112.8
Other investments, including derivatives	3.7	0.2	3.9
Deferred tax assets	20.4	20.0	21.4
Total non-current assets	227.8	236.4	234.1
Current assets			
Inventories	55.3	60.5	58.5
Current tax assets	2.6	3.8	3.2
Trade and other receivables	54.3	44.9	58.6
Cash and cash equivalents	7.8	16.0	8.5
Assets classified as held for sale	1.9	103.7	1.9
Total current assets	121.9	228.9	130.7
Total assets	349.7	465.3	364.8
Equity and liabilities			
Equity			
Share capital	31.0	30.6	31.0
Share premium	37.1	37.3	37.1
Reserves	88.1	105.0	94.9
Retained earnings	3.2	2.7	(4.5)
Total equity	159.4	175.6	158.5
Liabilities			
Loans and borrowings	93.3	146.7	97.8
Employee benefits	6.9	6.1	7.1
Deferred tax liabilities	14.6	17.4	14.7
Provisions	0.8	0.7	0.9
Total non-current liabilities	115.6	170.9	120.5
Bank overdraft	0.1	9.1	1.7
Loans and borrowings	11.4	2.9	12.4
Provisions	2.7	-	5.2
Current tax liabilities	7.3	7.3	7.6
Contract liabilities	0.0	0.2	0.2
Trade and other payables	53.2	53.6	58.7
Liabilities classified as held for sale	-	45.7	-
Total current liabilities	74.7	118.8	85.8
Total liabilities	190.3	289.7	206.3
Total equity and liabilities	349.7	465.3	364.8

Annex 3 – Financial calendar 2025

Publication Q1 2025 results	Tuesday, 13 May 2025	07.30 a.m.
Analysts' call Tuesday	Tuesday, 13 May 2025	11.00 a.m.
Publication Q2 and HY1 2025 results	Wednesday, 27 August 2025	07.30 a.m.
Analysts' meeting	Wednesday, 27 August 2025	11.00 a.m.
Publication Q3 2025 results	Tuesday, 11 November 2025	07.30 a.m.
Analysts' call	Tuesday, 11 November 2025	11.00 a.m.