

A man with a beard is shown in profile, looking towards the right. He is using his hands to frame the sun, which is low on the horizon, creating a starburst effect. The background features a calm body of water, distant mountains, and some reeds in the foreground. The overall scene is bathed in the warm, golden light of a sunset or sunrise.

GENERAL MEETING OF SHAREHOLDERS KENDRION N.V.

24 JUNE 2020

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.

AGENDA

- 1. Kendrion overview**
2. COVID-19
3. Business review
4. Strategic and operational update
5. Summary
6. Q&A

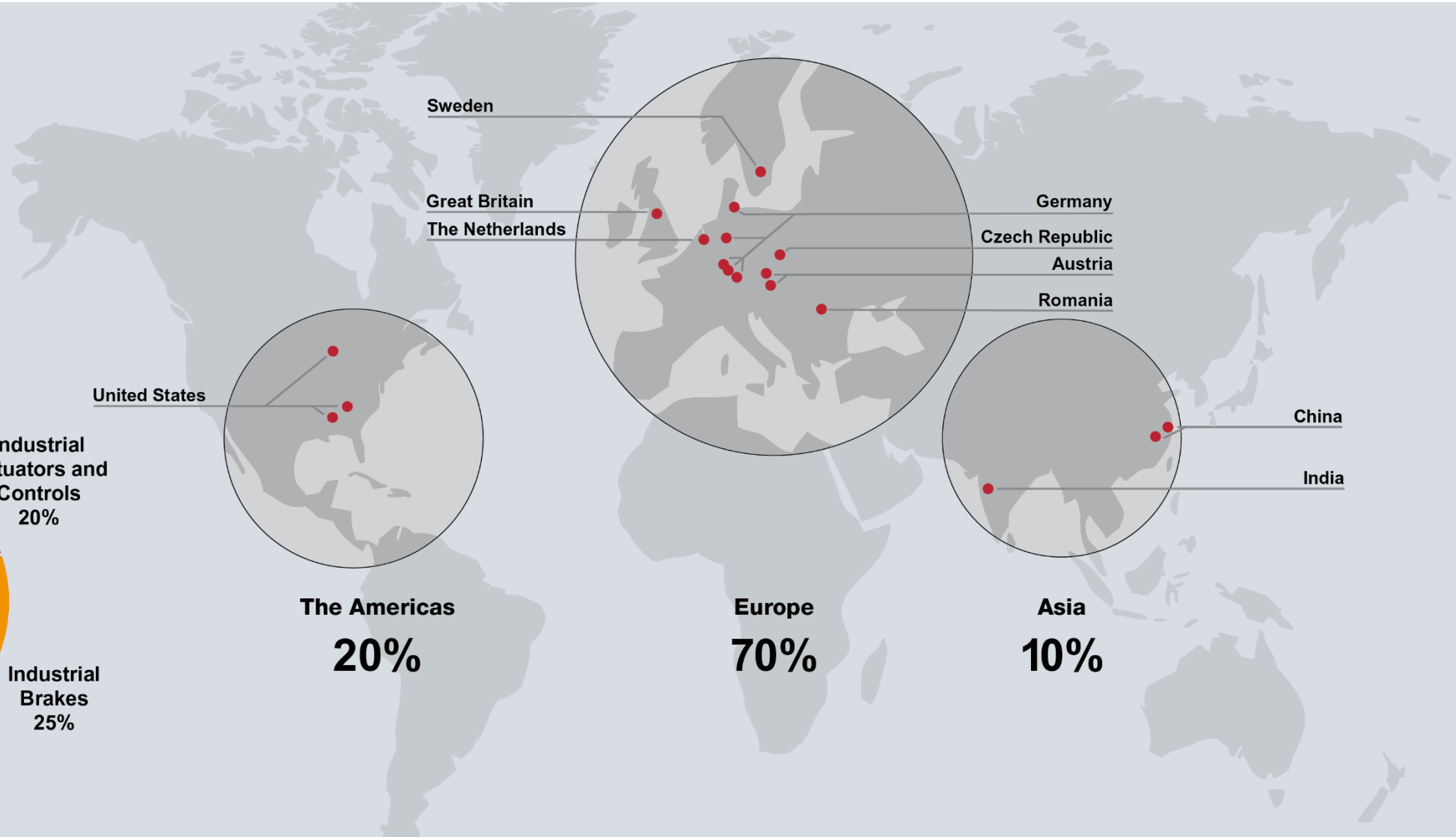
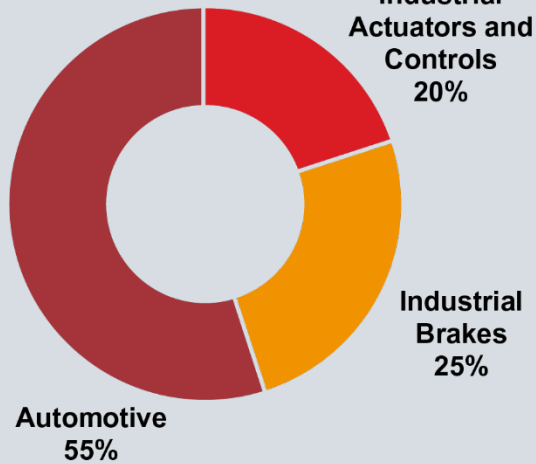


1. Kendrion overview

OUR ORGANISATION

Employees
2,522

Revenue mix



NEW BUSINESS UNITS

Markets that offer opportunity for profitable growth

AUTOMOTIVE

Innovative mobility solutions for passenger cars and commercial vehicles focused on drive systems, fluid control and smart actuation technologies

INDUSTRIAL BRAKES

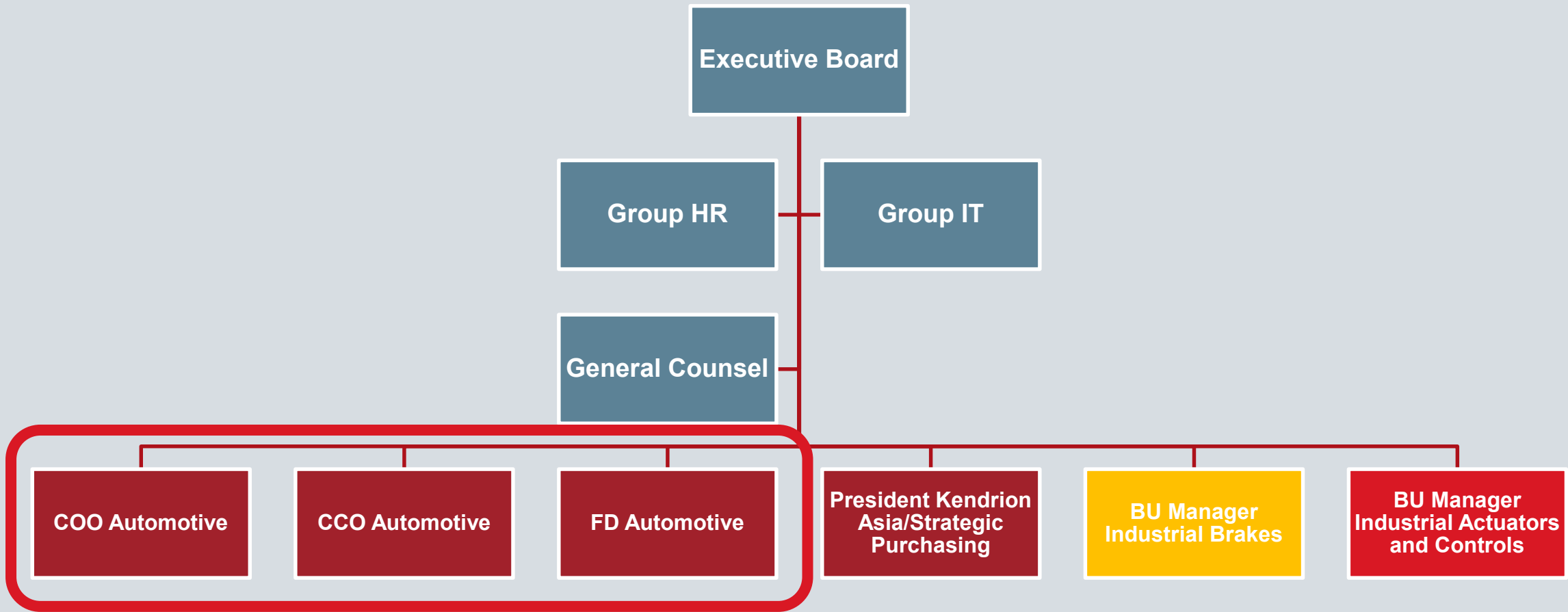
Full-line provider of electromagnetic brakes, spring-applied brakes and clutches for industrial applications

INDUSTRIAL ACTUATORS AND CONTROLS

Industrial automation, locking units and fluid control systems, customised solutions for switching, locking, holding and positioning based on electromagnetic technology

OUR ORGANISATION'S STRUCTURE

Management Team as of 1 January 2020



AGENDA

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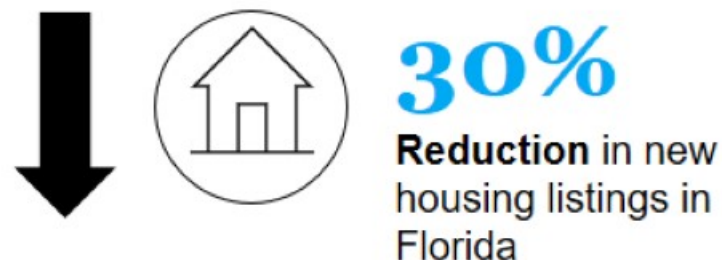
2. COVID-19

LEADERSHIP IN TIMES OF CRISIS

- Decisions, decisions!
- Be brave
- Unity of effort: we are all in the same boat
- Learn and correct if needed
- We stick to our values

Consumer spending is taking a hit around the world

SELECTED EXAMPLES



Preliminary insights, based on latest available weekly data – to be refreshed weekly

Source: OpenTable, Skyhook, Earnest, Stackline, press clippings; team analysis

Scenarios for the Economic Impact of the COVID-19 Crisis

GDP Impact of COVID-19 Spread, Public Health Response, and Economic Policies

Virus Spread & Public Health Response

Effectiveness of the public health response in controlling the spread and human impact of COVID-19

Rapid and effective control of virus spread

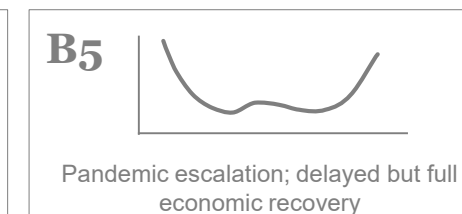
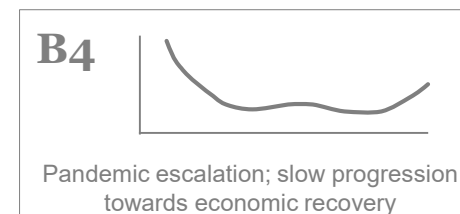
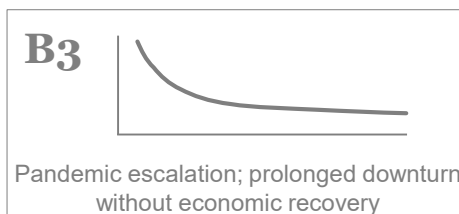
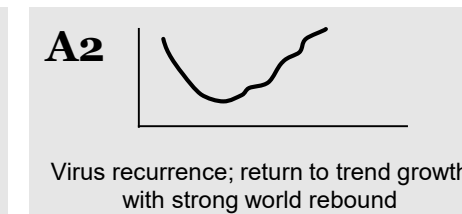
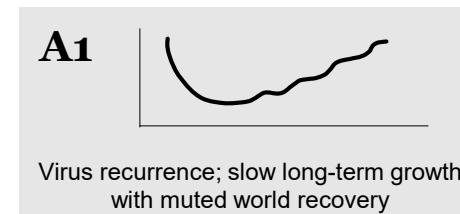
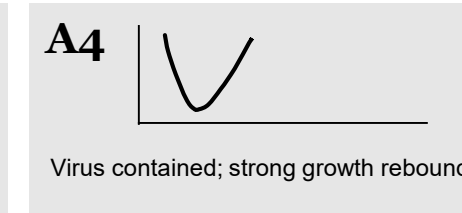
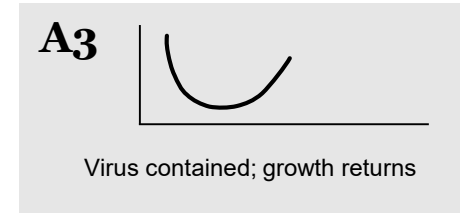
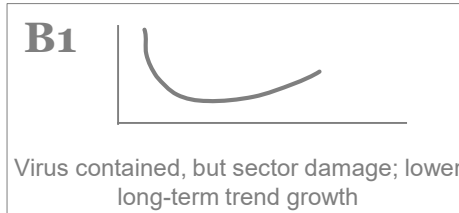
Strong public health response succeeds in controlling spread in each country within 2-3 months

Effective response, but (regional) virus recurrence

Initial response succeeds but is insufficient to prevent localized recurrences; local social distancing restrictions are periodically reintroduced

Broad failure of public health interventions

Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)



Ineffective interventions

Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

Partially effective interventions

Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

Highly effective interventions

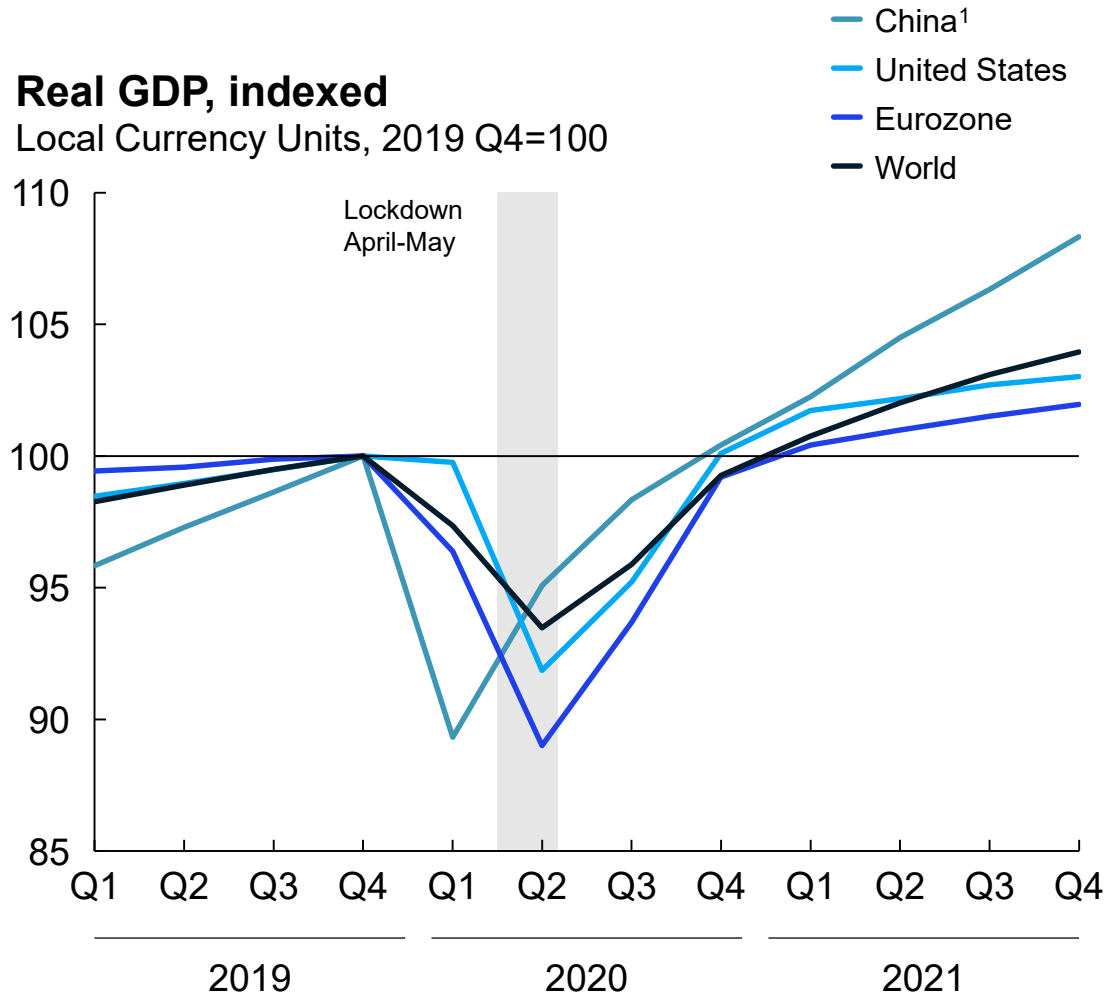
Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

Knock-on Effects & Economic Policy Response

Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)

Scenario A3: virus contained, growth returns

Large economies



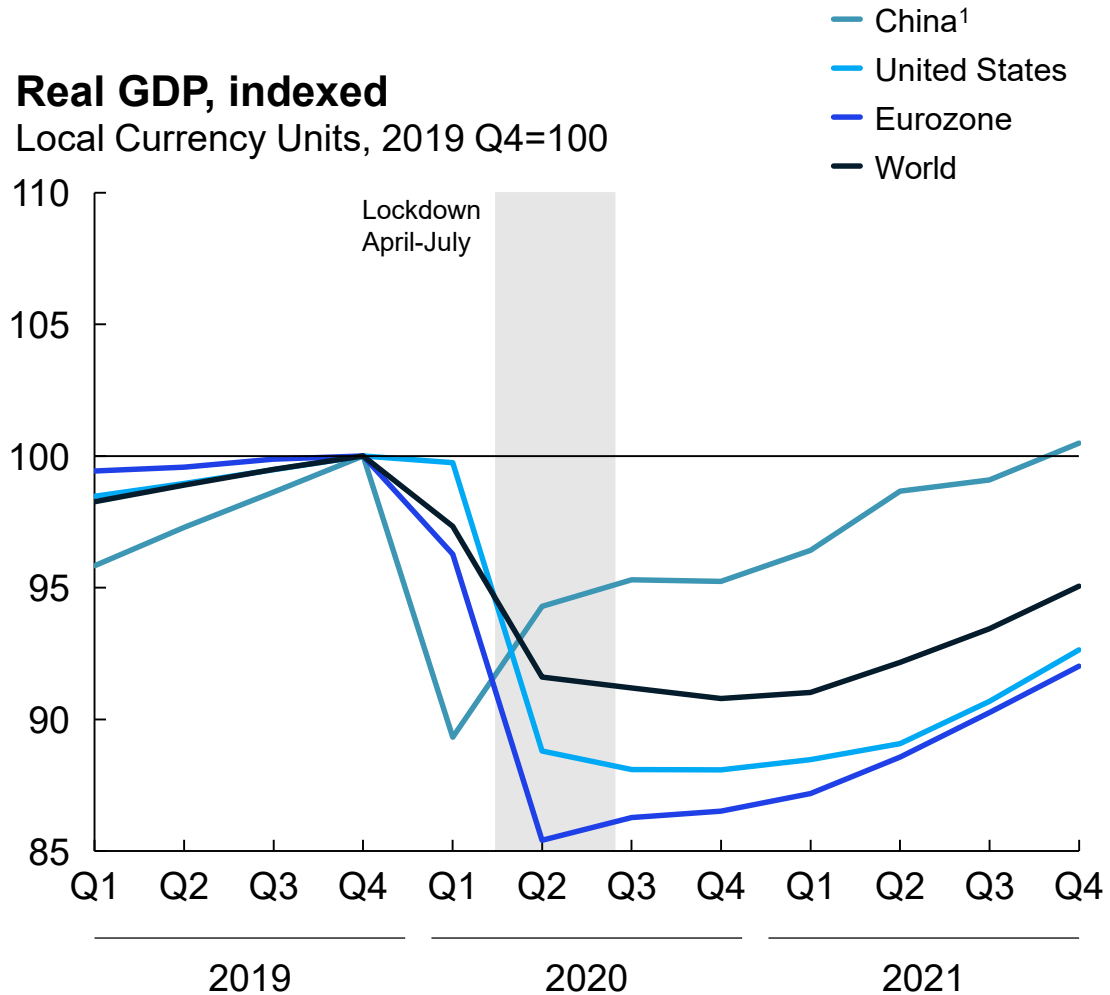
1. Seasonally adjusted by Oxford Economics

Source: McKinsey analysis, in partnership with Oxford Economics

	Real GDP Drop 2019Q4-2020Q2 % Change	2020 GDP Growth % Change	Return to Pre- Crisis Level Quarter (+/- 1Q)
China	-4.9%	-2.0%	2020 Q4
United States	-8.1%	-2.5%	2020 Q4
Eurozone	-11.0%	-5.2%	2021 Q1
World	-6.5%	-2.7%	2021 Q1

Scenario A1: virus recurrence, with muted recovery

Large economies



1. Seasonally adjusted by Oxford Economics

Source: McKinsey analysis, in partnership with Oxford Economics

	Real GDP Drop 2019Q4-2020Q2 % Change	2020 GDP Growth % Change	Return to Pre- Crisis Level Quarter (+/- 1Q)
China	-5.7%	-4.4%	2021 Q4
United States	-11.2%	-8.1%	2023 Q1
Eurozone	-14.6%	-11.1%	2023 Q3
World	-8.4%	-6.5%	2022 Q3

COVID-19: PRIORITIES

1. Keep our employees and their families healthy and safe
2. Protect the job of everybody currently employed at Kendrion, in all parts of the world
3. Safeguard the Group's continuity so that when we come out of this, our prospects are better than ever

KEY ACTIONS

1. Kurzarbeit direct workers
2. Kurzarbeit indirect workers
3. A voluntary reduction in salary of 15% by management including RvC
4. Minimal capital investment protecting current and future revenue
5. No use of consulting or other external services
6. Aggressive managing of inventory, both in terms of finished goods and parts
7. Chasing payments
8. Use of government measures to support business, including the delay of income tax, VAT and wage tax payments
9. No dividend payment



3. Business review

FULL-YEAR RESULTS 2019

Normalised (in EUR million)	FY 2019	FY 2018	delta
Revenue	412.4	448.6	-8%
EBITDA	43.4	58.5	-26%
EBITA	19.4	35.4	-45%
Net profit	10.6	22.6	-53%
EBITDA as a % of revenue	10.5%	13.0%	
EBITA as a % of revenue	4.7%	7.9%	
Return on invested capital (12 months rolling)	7.1%	12.4%	
Normalised items (after tax)	2.7	8.8	

- 9% organic revenue decrease at constant rates of exchange
- EUR 6.1 million (5%) lower staff costs
- EUR 5.7 million adjusted one-off operating costs in FY 2019 (2018: EUR 8.8 million)
- EUR 5.0 million cost-saving program implemented in Q4
- Record free cash flow of EUR 25.5 million in 2019 (2018: EUR 10.5 million)
- Year-end solvency of 56.8% and leverage ratio of 0.8 (excluding IFRS 16)
- Net debt reduction of EUR 33.1 million to EUR 47.4 million, fueled by EUR 30.5 million net proceeds equity offering to partially fund acquisition of INTORQ

FIRST QUARTER RESULTS 2020

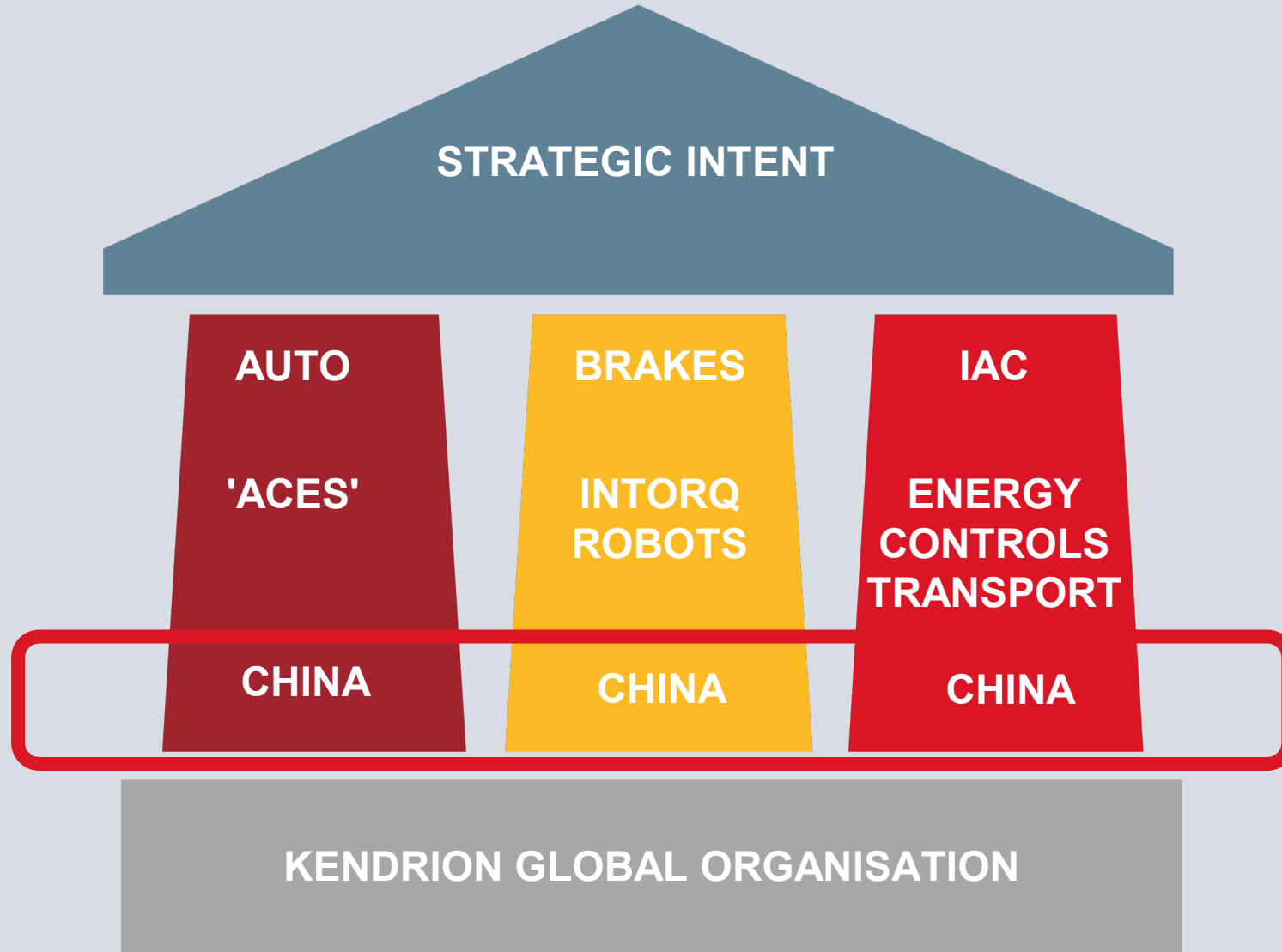
Normalised (in EUR million)	Q1 2020	Q1 2019	delta
Revenue	109,6	108,3	1%
EBITDA	13,7	12,7	8%
EBITA	7,3	6,7	9%
Net profit before amortisation	4,7	4,7	0%
EBITDA as a % of revenue	12,5%	11,8%	
EBITA as a % of revenue	6,7%	6,2%	
Return on invested capital (12 months rolling)	6,4%	10,4%	

- 1% increase in revenue. Organic revenue (excluding INTORQ) decrease of 12%
- EUR 5 million structural cost savings implemented in Q4 2019 fully effective and an additional EUR 0.6 million savings implemented
- One-off costs of EUR 1.1 million for incurred related to the INTORQ acquisition and restructuring costs
- Net debt increase of EUR 84.4 million to EUR 131.8 million, caused by the acquisition of INTORQ (EUR 78 million) and negative free cash flow (EUR 6.4 million) due to seasonal effects on working capital
- Solvency of 44% at the end of the first quarter and leverage ratio of 2.3 (excluding IFRS16)
- Tight cost and cash management started end of March



4. Strategic and operational update

KENDRION STRATEGIC HOUSE

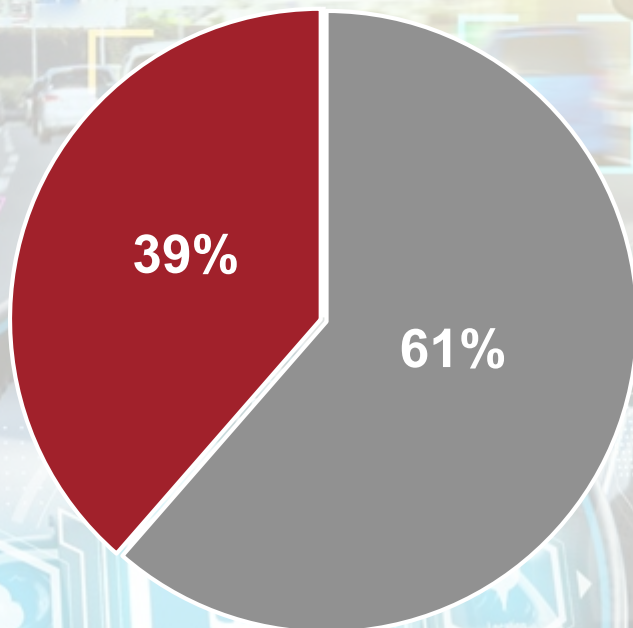




NOMINATIONS

Automotive

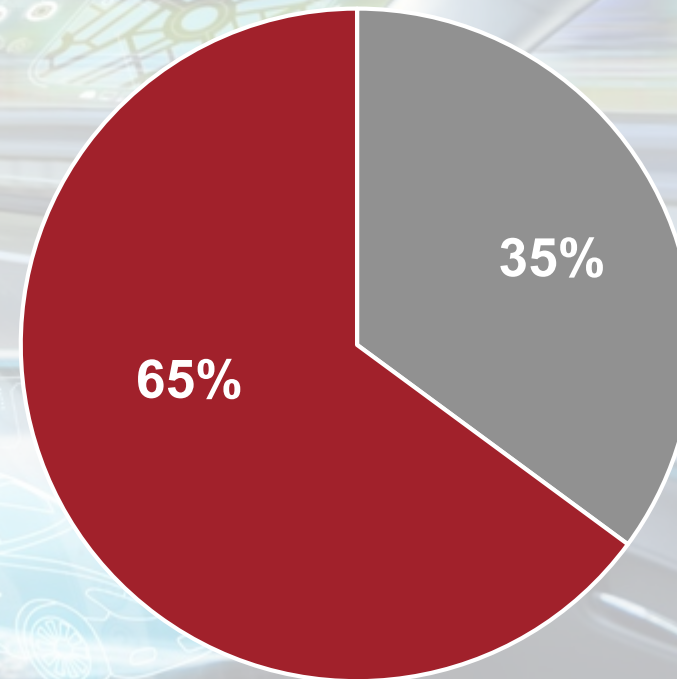
2018
100% = EUR 340 million



■ Independent ■ ICE technology

book-to-bill 1.20

2019
100% = EUR 320 million



■ Independent ■ ICE technology

book-to-bill 1.25



LIGHTHOUSE PLATFORMS

Automotive

Smart actuation

Combination of modular valve systems and electronic control units, aligned with future car computer architecture

- Development is proceeding as planned
- Nomination in OEM platform for battery cooling platform

AVAS sound system

Supporting the legal sound requirements for electrical cars

- Our AVAS platforms integrate the latest generation of microcontrollers based on a new Kendrion software architecture
- First customers are testing our new 'sound creator tool', which enables customisation of our standard hardware platform by custom sound patterns

Clutch for hybrid off-highway vehicles

Convergence of mechanical electromagnetic clutches and software controlled actuation

- Several OEMs and Tier 1's are testing under mass production conditions

Active damping actuation platform

Enabling customers to develop next generation of suspension systems

- On track delivering A and B samples several lead customers
- Continuous segment growth expected for the coming decade



INTORQ AT A GLANCE

Brakes

Key statistics

- 2018-2019 revenue: EUR 57 million (April year-end)
- Employees: ~300
- Units per year: ~1 million
- Global network: 63 sales partners in 49 countries

Presence

- Aerzen (HQ, Germany)
- Shanghai (China)
- Atlanta (USA)
- Pune (India)



Application areas

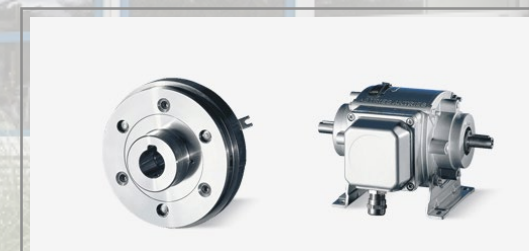
- Geared & servomotors
- Electric forklifts
- Wind power
- Cranes & hoists
- Elevators & escalators

Main products

Spring-applied brakes



Electromagnetic brakes and clutches



COMPELLING STRATEGIC RATIONALE

Brakes



Strong strategic fit

- Substantial strengthening of our position in industrial brakes
- Further expansion of our footprint in the Chinese growth market
- INTORQ's strength in spring-applied brake technology complementary to Kendrion's leading position in permanent magnet brake technology
- Geographical expansion: Europe, China, USA and India
- Shared market segments include electric motors, wind power and elevators
- Complimentary markets include geared motors, forklifts, cranes and hoists

Substantial synergy potential

- Optimised operational efficiencies with integration of selected manufacturing sites, expected to result in substantial cost synergies
- Improved market position and product range with potential for cross-sell due to complementary customer base and market segments

Value creation

- Value creative transaction with double digit EPS accretion expected from year 1*

* Excluding amortisation of purchase price allocation

INDUSTRIAL ACTUATORS AND CONTROLS



ICS/IMS

- Combination of Industrial Control Systems and Industrial Magnetic Systems
- Effective as of 1 January 2020
- Focus on profitability in four distinct verticals

Key market segments



Machinery



Transportation



Energy distribution



Fluid control

COMMERCIAL TRACTION

China



Business review



Germany + China Strengths



- Year-on-year growth of 29% despite difficult market
- Successful ramp of park lock production for local key automotive car player
- Lifetime nominations 2019 significantly higher than size of business
- Permanent magnet brake project awarded for innovative bus brake system, first industrial brake application for automotive
- Strong growth from in permanent magnet brakes from wind power application
- Nomination pipeline to support substantial growth over the coming years
- Significant investment in quantity and quality of local team, local supply chain and production and quality assurance



PROGRESSING ON CSR

Target framework 2019-2023

- Completed the five-year CSR roadmap and started with implementation
- 2.5% absolute energy reduction in 2019
- 8.5% decrease in absolute CO₂ emission
- Established a health task force to further reduce illness rate from current level of 2.9%

Natural Capital

15%
Relative reduction of energy consumption

15%
Relative reduction of CO₂ emission

Implementation of the waste management hierarchy
in global waste management practices

Social and Human Capital

Recurring annual improvement of health & safety figures
number of accidents per 1,000 FTE, lost time injury rate per 1,000 FTE, group-wide illness rate

The establishment of a Global Diversity Committee,
responsible for advancing diversity

The implementation of a global company culture campaign

Rewarding 10 community investment initiatives per year
through Together@Kendrion

Responsible Business Conduct

Maintain a responsible product portfolio
Products that Keep you Safe, Products that Reduce Climate Impact and Products that Improve Health

Sustainable sourcing
Sourcing only from approved suppliers and conducting at least 25 implementation audits annually

Continuous improvement and strengthening of the Global Legal Compliance and Governance Framework
to secure responsible business conduct



5. Summary

SUMMARY

- The effects of the COVID-19 corona virus on our business are severe
 - Automotive most affected
 - Industrial more stable
 - China 'back to normal'

- Kendrion has taken maximum measures with the objective to optimise and protect liquidity and cash flow

- The global economic outlook is highly uncertain and volatile for 2020 and beyond

- The long-term outlook is unchanged and remains good for both the Automotive Group and the Industrial activities



6. Questions & answers

KENDRION



PRECISION. SAFETY. MOTION.