

**K E N D R I O N N . V .****P R E S S R E L E A S E****8 F e b r u a r y 2 0 2 3****Kendrion completes Automotive split to focus on Automotive E business; takes non-cash impairment of goodwill in its Automotive Core Group**

- **Automotive split into Automotive Core and E strengthens ability to benefit from the move towards automotive electrification and clean energy**
- **Non-cash impairment of goodwill and other acquisition related intangibles of EUR 57 – 59 million related to Automotive Core**
- **Impairment charge does not affect Kendrion’s liquidity position, 2025 financial targets, financial covenants, and dividend policy**

The automotive industry is transitioning to hybrid and electric cars. This transition is driven by the urgent need for sustainable mobility and mandated by legislative initiatives across the world. It will lead to a phase out of the combustion engine over the next 10 to 15 years. Due to this fundamental change combined with increased interest rates, Kendrion will impair EUR 57 - 59 million in goodwill and other intangibles related to the acquisitions of Linnig (2007), FAS Controls (2011) and Kuhnke Automotive (2013), to the extent allocatable to Automotive Core. Goodwill attributable to Automotive E, amounting to EUR 7 million, is unaffected, with the recoverable amount exceeding the carrying value by a healthy margin based on a strong outlook. The impairment is a non-cash item and has no impact on Kendrion’s liquidity position, 2025 financial targets, financial covenants, and dividend policy.

**Joep van Beurden, Kendrion CEO:**

*“By splitting our Automotive Group into Automotive Core and Automotive E, we have taken an important strategic, operational and organizational step forward and benefit from the fast-growing market for electric vehicles. As presented during our Capital Markets Day in 2022, we expect that the market for electric vehicles will grow with around 40% per year between 2018 and 2027, while the market for passenger cars with combustion engines will decline with about 3% per year over the same period. We believe it is necessary to impair the goodwill resulting from the 3 acquisitions related to products for the combustion engine, all done before 2014. We remain confident to deliver on our medium-term financial targets by 2025.”*

The Automotive Group split was completed in December 2022. Automotive Core and Automotive E each have full P&L responsibility with separate performance goals. Automotive Core focuses on operational excellence, cost efficiency, profitability and cashflow. Automotive E concentrates on innovation, close collaboration with customers, project management and profitable growth. Automotive E currently generates around one third of the Automotive Group revenue.

Kendrion will announce its fourth quarter and full-year results 2022 on 28 February 2023.

**About Kendrion**

Kendrion designs, manufactures, and delivers intelligent actuators that help advance the global push towards electrification and sustainable energy. Today, our compact and connected actuators can be found in wind power, robots, factory automation, electric vehicles, energy distribution and industrial heating processes, where they support our OEM customers around the world to transition to safer and cleaner forms of energy.

As a technology pioneer and innovator, building on a foundation of over 100 years of experience, we are driven by a desire to explore creative solutions for the engineering challenges of tomorrow. We take broad responsibility for how we source, manufacture, and conduct business. Sustainable business practices are integrated in our processes and embedded in our culture. Rooted in Germany, headquartered in the Netherlands, and listed on the Amsterdam stock exchange, our footprint extends across Europe to the Americas and Asia.

Amsterdam, 8 February 2023.

The Executive Board

**For more information, please contact:**

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