

# PRESS RELEASE

## HOLLAND COLOURS RESULTS 2021/2022

### *A STRONG FINANCIAL YEAR*

Despite the continuing challenge of COVID-19 to people and economies around the world, Holland Colours turned in a strong performance in the 2021/2022 financial year. While we struggled with the same problems as other manufacturing companies – logistics and supply chain issues; the rising price of many raw materials; increasing energy costs – our people continued to show their commitment to doing what needed to be done to deliver for our clients and justify the trust they place in us.

Thanks to this strong team effort, Holland Colours can report the following results for the 2021/2022 financial year:

- 15% revenue increase on the previous financial year;
- Operating result of € 13.6 million versus € 12.4 million in the previous year;
- Net result of € 10.2 million versus € 9.6 million in the previous year, while net earnings per share came in at € 11.83 versus € 11.00 the previous year;
- Final dividend proposed of € 5.08 million (€ 5.91 per share).

Revenue for the 2021/2022 financial year was € 110.5 million, an increase of 15% on the previous year (€ 96.0 million). This included a positive impact (€ 0.25 million) arising from the translation from USD to EUR.

The EMEIA division saw a revenue increase of 17%. Both volume sold and average sales prices within all focus segments were higher compared to the previous year. Revenue in Asia was down by 3% in functional currency, primarily due to lower volumes. Higher volumes and higher average sales prices drove revenue growth of 15% in functional currency for the Americas division.

The net margin for the group was € 51.6 million, an increase of € 5.4 million on the year before. The margin as a percentage of revenue ended lower at 47%, versus 48% in the previous year. This decrease was mainly due to increasing raw material prices.

Operating expenses were € 38.0 million, € 4.2 million (12%) higher than the previous year, primarily due to increased labor costs. In addition, travel, consultancy and software costs were also higher than the previous year. The company continued its program of process improvements and IT upgrades.

The net result from continued operations was € 10.2 million (€ 11.83 per share) versus € 9.6 million in the previous year (€ 11.00 per share).

Net cash flow came in at € 0.3 million in 2021/2022, versus € 9.0 million the previous year. While the cash position improved over the previous year, the cash flow result was € 8.7 million lower. This was the result of, among other reasons, a higher cash flow from operating activities of € 0.8 million, the unfavorable development of working capital, which amounted to € 6.8 million, an increase in investment of € 1.4 million, a higher dividend payout of € 0.8 million and higher taxes of € 0.6 million.

The higher working capital of € 6.8 million was mainly due to the higher value of inventories as a result of building up raw material stocks and increasing raw material prices. There were no changes in the company's funding. Except for the liabilities related to IFRS 16, the company remains loan free.

## Living with COVID-19

Last year was the second year of COVID-19. Unfortunately, things did not return to normal. The good news was that we felt we could cope with the situation and that the organization became less anxious. We kept many of the same measures in place – social distancing, fixed teams, working from home, hygiene measures – from the previous year, and those worked well. Even so, a certain mental fatigue started to set in. At the same time, we saw a lot of camaraderie and a continued willingness to help each other and keep customers supplied. That sense of togetherness is something we want to build on going forward.

## Responding to the situation in Ukraine

Ukraine, Russia and Belarus form only a modest part of our business (around 4% of total Holland Colours Group revenues), and we have no operations of our own there. We have publicly condemned the violence and its impact on the people of Ukraine. We also decided to halt all market and business development in Russia and Belarus, but to continue to supply existing clients in line with EU sanctions. We continue to monitor the situation closely and will follow the applicable international laws and regulations regarding sanctions.

## OUTLOOK 2022/2023

Holland Colours traditionally does not include forward-looking statements in our Annual Reports. We made an exception in the last two financial years because of the exceptional circumstances and potential impact of COVID-19. However, with the situation around COVID-19 currently less severe, and having learned, to a degree at least, to cope with its impact, we are reverting to our previous approach. Obviously, we will continue to monitor the COVID-19 situation and its wider consequences closely, as we will the situation in Ukraine. Clearly, there continues to be a very high degree of uncertainty about current events and what these will mean for the global economy, for our clients and so for our business going forward.

Apeldoorn, May 25, 2022

### Board of Management

Coen Vinke (CEO)

Eelco van Hamersveld (CTO)

Geert Rutgers (CFO ad interim)

# INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

In thousands of euros	Note	April 1, 2021/March 31, 2022	April 1, 2020/March 31, 2021
<b>Revenue</b>	7	110,465	96,029
Cost of Materials		(58,827)	(49,781)
<b>Direct Contribution Margin</b>		<b>51,638</b>	<b>46,248</b>
Personnel Expenses	8	(22,370)	(19,939)
Amortization and Impairments	12	(87)	(124)
Depreciation and Impairments	13/14	(3,325)	(2,935)
Other Operating Expenses	9	(12,226)	(10,834)
Total Operating Expenses		(38,008)	(33,832)
<b>Operating Result</b>		<b>13,630</b>	<b>12,416</b>
Finance Income	10	94	22
Finance Expense	10	(180)	(97)
Finance Income and Expense		(86)	(75)
Result Before Income Tax		13,544	12,341
Income Tax	11	(3,301)	(2,762)
<b>Net Result from Continued Operations</b>		<b>10,243</b>	<b>9,579</b>
Attributable to:			
• Shareholders of the Company		10,179	9,471
• Non-Controlling Interest	22	64	108
		<b>10,243</b>	<b>9,579</b>
<b>Earnings per Share in euros</b>			
Average Number of Shares Issued	21	860,351	860,351
Earnings per Share from Continued Operations		11.83	11.00
Earnings per Share from Total Net Result		11.83	11.00

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

In thousands of euros	Note	April 1, 2021/March 31, 2022	April 1, 2020/March 31, 2021
<b>Net Result</b>		10,243	9,579
<b>Items that will not be reclassified to the Income Statement</b>			
Actuarial Results on Employee Benefits, after Tax	25	82	(8)
<b>Other Comprehensive Income that could in future be classified to the Income Statement</b>			
Foreign Currency Translation Differences	20	1,558	(2,134)
<b>Other Comprehensive Income</b>		1,640	(2,142)
<b>Total Comprehensive Income</b>		<b>11,883</b>	<b>7,437</b>
Attributable to:			
• Shareholders of the Company		11,804	7,329
• Non-Controlling Interest		79	108
		<b>11,883</b>	<b>7,437</b>

# BALANCE SHEET

AS OF MARCH 31, 2022

In thousands of euros	Note	March 31, 2022	March 31, 2021	In thousands of euros	Note	March 31, 2022	March 31, 2021
<b>Non-Current Assets</b>				<b>Equity</b>			
Intangible Assets	12	69	156	Share Capital	19	1,953	1,953
Property, Plant and Equipment	13	20,817	19,354	Share Premium Reserve		1,219	1,219
Right-of-Use Assets	14	1,247	1,616	Other Reserves	20	(18)	(1,633)
Deferred Tax Assets	15	1,415	1,319	Retained Earnings		54,176	48,719
Long-Term Receivables		-	60	Equity Attributable to Shareholders of the Company	21	57,330	50,258
		<b>23,548</b>	<b>22,505</b>	Non-Controlling Interest	22	420	341
<b>Current Assets</b>				<b>Total Equity</b>		<b>57,750</b>	<b>50,599</b>
Inventory	16	20,598	12,604	<b>Non-Current Liabilities</b>			
Trade and Other Receivables	17	18,145	16,647	Lease Liabilities	24	744	956
Income Tax Receivables		366	331	Employee Benefit Obligations	25	1,105	1,093
Cash and Cash Equivalents	18	16,959	16,638	Deferred Tax Liabilities	15	273	189
		<b>56,068</b>	<b>46,220</b>			<b>2,122</b>	<b>2,238</b>
<b>Total Assets</b>				<b>Current Liabilities</b>			
		<b>79,616</b>	<b>68,725</b>	Lease Liabilities	24	535	643
				Trade and Other Liabilities	26	17,392	13,615
				Income Tax Liabilities		1,729	1,546
				Employee Benefit Obligations	25	88	84
						<b>19,744</b>	<b>15,888</b>
				<b>Total Equity and Liabilities</b>		<b>79,616</b>	<b>68,725</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

In thousands of euros

Equity attributable to Shareholders of the Company

	Share Capital	Share Premium Reserve	Legal Reserve for Currency Translation	Legal Reserve for Hedge	Legal Reserve for Intangible Assets	Retained Earnings	Total	Non- Controlling Interest	Total Equity
<b>As at March 31, 2020</b>	1,953	1,219	735	(353)	226	43,064	46,844	233	47,077
Net Result for the Financial Year	-	-	-	-	-	9,471	9,471	108	9,579
Other Comprehensive Income	-	-	(2,134)	-	-	(8)	(2,142)	-	(2,142)
Total Comprehensive Income	-	-	(2,134)	-	-	9,463	7,329	108	7,437
Transfer of Reserve for Intangible Assets	-	-	-	-	(107)	107	-	-	-
Dividends Paid	-	-	-	-	-	(3,915)	(3,915)	-	(3,915)
<b>As at March 31, 2021</b>	1,953	1,219	(1,399)	(353)	119	48,719	50,258	341	50,599
Net Result for the Financial Year	-	-	-	-	-	10,179	10,179	64	10,243
Other Comprehensive Income	-	-	1,543	-	-	82	1,625	15	1,640
Total Comprehensive Income	-	-	1,543	-	-	10,261	11,804	79	11,883
Transfer of Reserve for Intangible Assets	-	-	-	-	72	(72)	-	-	-
Dividends Paid	-	-	-	-	-	(4,732)	(4,732)	-	(4,732)
<b>As at March 31, 2022</b>	1,953	1,219	144	(353)	191	54,176	57,330	420	57,750

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

In thousands of euros	Note	April 1, 2021/ March 31, 2022	April 1, 2020/ March 31, 2021
Operating Result		13,630	12,416
Adjustments for:			
• Amortization of Intangible Assets and Impairments	12	87	124
• Depreciation of Property, Plant and Equipment and Impairments	13	2,314	2,310
• Depreciation of Right-of-Use Assets	14	1,008	625
• IFRS 16: reversal of lease costs		(921)	-
• Changes in Provisions	25	(17)	44
• Exchange Rate Differences		253	20
<b>Cash Flow generated from Operating Activities before changes in Working Capital, Tax and Interest</b>		<b>16,354</b>	<b>15,539</b>
Changes in Working Capital		(5,715)	1,066
Income Tax Paid		(2,594)	(2,008)
Interest Received		94	22
Interest Paid		(128)	(97)
<b>Cash Flow generated from Operating Activities</b>		<b>8,011</b>	<b>14,522</b>

In thousands of euros	Note	April 1, 2021/ March 31, 2022	April 1, 2020/ March 31, 2021
Capital Expenditures in Intangible Assets	12	-	-
Disposal of Property, Plant and Equipment	12	26	-
Capital Expenditures in Property, Plant and Equipment	13	(3,346)	(1,953)
<b>Cash Flow used in Investment Activities</b>		<b>(3,320)</b>	<b>(1,953)</b>
Dividends Paid		(4,732)	(3,915)
<b>Cash Flow used in Financing Activities</b>		<b>(4,732)</b>	<b>(3,915)</b>
Exchange Rate and Translation Differences on Cash and Cash Equivalents		362	318
<b>Net Cash Flow</b>		<b>321</b>	<b>8,972</b>
Cash and Cash Equivalents as at April 1		16,638	7,666
Cash and Cash Equivalents as at March 31		16,959	16,638
<b>Net Cash Flow</b>	18	<b>321</b>	<b>8,972</b>

# SEGMENT REPORTING

Segments 2021/2022	EMEIA	Americas	Asia	Other	Adjustments/ Eliminations	Total
Revenue	58,489	37,622	14,354	-	-	110,465
Intersegmental Transactions	1,195	38	-	-	(1,233)	-
Revenue including Intersegmental Transactions	59,684	37,660	14,354	-	(1,233)	110,465
Depreciation, Amortization and Impairments	(1,256)	(722)	(382)	(254)	(798)	(3,412)
Operating Result from Continued Operations	5,813	3,901	1,923	1,992	-	13,629
Financial Income	-	-	-	-	94	94
Financial Expense	-	-	-	-	(86)	(86)
Tax	-	-	-	-	(3,301)	(3,301)
Net Result	-	-	-	-	10,243	10,243
Non-Current Assets	10,853	6,318	4,251	59,572	57,447	23,547
Current Assets	26,543	18,461	10,032	2,178	(1,145)	56,069
Liabilities	17,005	3,996	3,087	4,016	(6,239)	21,866
Total Investments	2,141	809	324	74	(3)	3,345
Average Number of Employees (in FTE)	205	95	129	19	-	448

Segments 2020/2021	EMEIA	Americas	Asia	Other	Adjustments/ Eliminations	Total
Revenue	48,929	32,236	14,864	-	-	96,029
Intersegmental Transactions	902	29	-	-	(931)	-
Revenue including Intersegmental Transactions	49,831	32,265	14,864	-	(931)	96,029
Depreciation, Amortization and Impairments	(1,242)	(707)	(349)	(313)	(448)	(3,059)
Operating Result from Continued Operations	3,676	3,745	3,805	1,190	-	12,416
Financial Income	-	-	-	-	22	22
Financial Expense	-	-	-	-	(97)	(97)
Tax	-	-	-	-	(2,762)	(2,762)
Net Result	-	-	-	-	9,579	9,579
Non-Current Assets	10,024	5,940	3,822	52,093	(49,375)	22,505
Current Assets	20,230	16,264	7,516	2,134	76	46,220
Liabilities	14,182	3,781	2,291	3,297	(5,425)	18,126
Total Investments	1,388	406	159	1	-	1,954
Average Number of Employees (in FTE)	208	101	112	15	-	436



## NOTES

### **General**

The condensed consolidated financial information for the year 2021/2022 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS).

### **Disclaimer**

This press release is based on the annual financial statements and contains only a part of these statements. The annual financial statements are published on May 25, 2022 and will be presented to the General Meeting of Shareholders for adoption on July 7, 2022.

The auditor has issued an independent auditor's statement of approval for the annual financial statements that have been prepared.

# FIVE-YEAR SUMMARY

IN MILLIONS OF EUROS, UNLESS STATED OTHERWISE

	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Income statement</b>					
Revenue	110.5	96.0	101.5	90.9	83.5
Operating result before depreciation and amortisation (EBITDA)	17.0	15.5	13.7	10.7	10.2
Depreciation of property, plant, equipment and intangibles	(3.3)	(3.1)	(2.9)	(1.9)	(2.0)
Operating result	13.6	12.4	10.8	8.8	8.2
Interest	(0.1)	(0.1)	(0.1)	(0.1)	–
Income tax	(3.3)	(2.8)	(2.8)	(2.3)	(2.2)
Result of discontinued operations	–	–	(0.0)	(0.2)	(0.1)
Net result	10.2	9.6	7.9	6.1	5.9
<b>Statement of financial position</b>					
Total assets	79.6	68.7	63.2	57.8	50.2
Total equity	57.8	50.6	47.1	41.8	36.7
Interest-bearing debt	–	–	–	–	–
Working capital <sup>1</sup>	26.0	19.6	21.3	19.4	17.2
Invested capital <sup>2</sup>	39.8	38.1	39.9	36.6	32.6
Cash	17.0	16.6	7.7	7.4	5.3

<sup>1</sup> Inventories + trade accounts receivable -/- trade accounts payable

<sup>2</sup> Property, plant & equipment, intangible assets, other investments -/- non interest bearing current liabilities

<sup>3</sup> Sum of long-term financing, translation differences on cash and cash equivalents and derivatives

<sup>4</sup> Equity as % of balance sheet total

<sup>5</sup> Operating result as % of the invested capital

	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Statement of cash flows</b>					
Cash flow from operating activities	8.0	14.5	7.8	7.7	3.3
Investments	(3.3)	(2.0)	(4.2)	(2.9)	(2.5)
Dividend	(4.7)	(3.9)	(3.0)	(2.9)	(2.6)
Other financial activities <sup>3</sup>	0.4	0.3	(0.5)	0.2	(0.4)
Net cash flow	0.3	9.0	0.2	2.1	(2.2)
<b>Revenue per division</b>					
EMEIA	58.5	49.4	53.2	48.9	43.9
Americas (in USD)	43.7	37.9	36.1	32.4	34.1
Asia (in USD)	16.6	17.2	18.7	17.2	14.0
<b>Ratios</b>					
Return on Sales (ROS)	12.3%	12.9%	10.6%	9.6%	9.8%
Solvency <sup>4</sup>	72.5%	73.6%	74.5%	72.3%	73.1%
Return on Investment (ROI) <sup>5</sup>	34.2%	32.6%	27.0%	24.0%	25.2%
Working capital in % of revenue	23.5%	20.4%	21.0%	21.3%	20.6%
Market capitalisation as at March, 31	134.6	106.7	68.8	65.7	76.6
Number of shares outstanding	860,351	860,351	860,351	860,351	860,351

## PROFILE

Holland Colours develops and manufactures groundbreaking solid and liquid color concentrates, plus masterbatches and additive concentrates for rigid and flexible PVC for the building & construction industry, and for the production of PET and polyolefin-based packaging. We also produce color concentrates for use in coatings, sealants & adhesives and other applications.

As a company, we set out to deliver customer peace of mind through superior product performance, world-leading product stewardship and outstanding technical service. Our experts co-design color and functional solutions with our customers, develop solutions to support recycling and actively contribute to creating a more sustainable industry overall.

Holland Colours is a Dutch company, founded in 1979 and listed on the Euronext Amsterdam Stock Exchange. With committed employee shareholders and production locations in the Americas, Europe and Asia, we serve customers on every continent. To find out more, visit us at [hollandcolours.com](https://hollandcolours.com).

## KEY DATES (indicative)

July 7, 2022	Annual General Meeting of Shareholders
July 11, 2022	Ex-dividend listing
July 12, 2022	Dividend record date
July 22, 2022	Dividend payable
October 21, 2022	Publication of interim results 2022/2023
June 1, 2023	Publication of 2022/2023 financial statements
July 13, 2023	Annual General Meeting of Shareholders

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