

# PRESS RELEASE

## HOLLAND COLOURS RESULTS 2022/2023

### *A CHALLENGING YEAR*

Financial year 2022/2023 was challenging for Holland Colours, and results were down significantly on the previous year.

Our financial year began shortly after the start of the war in Ukraine. This, plus the changes in consumption patterns and demand as our markets (except China) opened up following COVID-19, impacted our business. We were faced with a general climate of rising inflation and interest rates, customer destocking and increased caution. This had a negative effect on our sales volumes. We also faced increasing raw material prices, which we successfully mitigated by increasing our selling prices in an open and transparent manner. At the same time, we continued to deliver the strategic projects that will make us more resilient and more in tune with our customers and market developments going forward.

Holland Colours can report the following results for the 2022/2023 financial year:

- 0.8% revenue increase on the previous financial year;
- Operating result of € 7.3 million versus € 13.6 million in the previous year;
- Net result of € 5.9 million versus € 10.2 million in the previous year, while net earnings per share came in at € 6.82 versus € 11.83 the previous year;
- Final dividend proposed of € 2.95 million (€ 3.41 per share).

Revenue for the 2022/2023 financial year was € 111.4 million, an increase of 0.8% on the previous year (€ 110.5 million). This included a positive impact (€ 6.2 million) arising from the translation from USD to EUR.

The EMEIA division (Europe, Middle East, India and Africa) saw a revenue decrease of 6.8%. Sales volumes fell, most notably in the second half of the financial year. The third quarter was especially weak, but we saw a slight recovery in Q4 of our financial year. Revenue in Asia was down by 9.2% in USD, primarily due to lower volumes. Despite lower volumes the Americas division saw revenues grow by 1.1% in USD, primarily due to higher average sales prices.

The net margin for the Group was € 48.5 million, a decrease of € 3.1 million on the year before. The margin as a percentage of revenue ended lower at 43.5%, versus 46.7% in the previous year. This decrease was mainly due to increasing raw material prices.

Operating expenses were € 41.2 million, € 3.2 million (8.4%) higher than the previous year, primarily due to increased labor and energy costs. In addition, consultancy and software costs were also higher than the previous year.

The net result was € 5.9 million (€ 6.82 per share) versus € 10.2 million in the previous year (€ 11.83 per share).

Net cash flow came in at € 1.2 million negative in 2022/2023, versus € 0.3 million positive the previous year. This stemmed from operating activities of € 8.5 million, a cash outflow from investment of € 4.3 million, a dividend payout of € 5.1 million and a negative result on other financial activities of € 0.3 million.

### OUTLOOK 2023/2024

Overall, there continues to be a high degree of uncertainty about global developments. Higher interest rates have a negative influence on activity in the building and construction industry, which is our biggest market in Europe and North America. Packaging markets are primarily consumer related, and demand here is less subject to business cycles. Holland Colours is strongly committed to innovation and new business development, and we have embraced the challenges and opportunities related to sustainability. The ongoing review of our strategy is based on a commitment to solidify our position as an independent supplier of colorants and additives. Holland Colours traditionally does not include financial forward-looking statements in our annual reports.

Apeldoorn, June 1, 2023

### Board of Management

Coen Vinke (CEO)

Eelco van Hamersveld (CTO)

Geert Rutgers (CFO ad interim)

## CONSOLIDATED

# INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

In thousands of euros	Note	April 1, 2022/March 31, 2023	April 1, 2021/March 31, 2022
<b>Revenue</b>	7	111,438	110,465
Cost of Materials		(62,938)	(58,827)
<b>Direct Contribution Margin</b>		<b>48,500</b>	<b>51,638</b>
Personnel Expenses	8	(23,374)	(22,370)
Amortization and Impairments	12	(64)	(87)
Depreciation and Impairments	13/14	(3,189)	(3,325)
Other Operating Expenses	9	(14,580)	(12,226)
Total Operating Expenses		(41,207)	(38,008)
<b>Operating Result</b>		<b>7,293</b>	<b>13,630</b>
Finance Income	10	229	94
Finance Expense	10	(308)	(180)
Finance Income and Expense		(79)	(86)
Result Before Income Tax		7,214	13,544
Income Tax	11	(1,345)	(3,301)
<b>Net Result</b>		<b>5,869</b>	<b>10,243</b>
Attributable to:			
• Shareholders of the Company		5,869	10,179
• Non-Controlling Interest	22	-	64
		<b>5,869</b>	<b>10,243</b>
<b>Earnings per Share in euros</b>			
Average Number of Shares Issued	21	860,351	860,351
Earnings per Share from Total Net Result		6.82	11.83

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# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

In thousands of euros	Note	April 1, 2022/March 31, 2023	April 1, 2021/March 31, 2022
<b>Net Result</b>		5,869	10,243
<b>Items that will not be reclassified to the Income Statement</b>			
Actuarial Results on Employee Benefits, after Tax	25	27	82
<b>Other Comprehensive Income that could in future be classified to the Income Statement</b>			
Foreign Currency Translation Differences	20	715	1,558
<b>Other Comprehensive Income</b>		742	1,640
<b>Total Comprehensive Income</b>		<b>6,611</b>	<b>11,883</b>
Attributable to:			
• Shareholders of the Company		6,611	11,804
• Non-Controlling Interest		-	79
		<b>6,611</b>	<b>11,883</b>

## CONSOLIDATED

# BALANCE SHEET

AS OF MARCH 31, 2023

In thousands of euros	Note	March 31, 2023	March 31, 2022	In thousands of euros	Note	March 31, 2023	March 31, 2022
<b>Non-Current Assets</b>				<b>Equity</b>			
Intangible Assets	12	5	69	Share Capital	19	1,953	1,953
Property, Plant and Equipment	13	22,327	20,817	Share Premium Reserve		1,219	1,219
Right-of-Use Assets	14	974	1,247	Other Reserves	20	506	(18)
Deferred Tax Assets	15	1,047	1,415	Retained Earnings		55,135	54,176
Long-Term Receivables		–	–	Equity Attributable to Shareholders of the Company	21	58,813	57,330
		<b>24,353</b>	<b>23,548</b>	Non-Controlling Interest	22	–	420
				<b>Total Equity</b>		<b>58,813</b>	<b>57,750</b>
<b>Current Assets</b>				<b>Non-Current Liabilities</b>			
Inventory	16	15,565	20,598	Lease Liabilities	24	441	744
Trade and Other Receivables	17	16,588	18,145	Employee Benefit Obligations	25	854	1,105
Income Tax Receivables		1,492	366	Deferred Tax Liabilities	15	106	273
Cash and Cash Equivalents	18	15,757	16,959			<b>1,401</b>	<b>2,122</b>
		<b>49,402</b>	<b>56,068</b>	<b>Current Liabilities</b>			
				Lease Liabilities	24	439	535
				Trade and Other Liabilities	26	12,786	17,392
				Income Tax Liabilities		124	1,729
				Employee Benefit Obligations	25	192	88
						<b>13,541</b>	<b>19,744</b>
<b>Total Assets</b>		<b>73,755</b>	<b>79,616</b>	<b>Total Equity and Liabilities</b>		<b>73,755</b>	<b>79,616</b>

## CONSOLIDATED

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

In thousands of euros

Equity attributable to Shareholders of the Company

	Share Capital	Share Premium Reserve	Foreign Currency Translation Reserve	Legal Reserve for Intangible Assets	Retained Earnings	Total	Non-Controlling Interest	Total Equity
<b>As at March 31, 2021</b>	1,953	1,219	(1,752)	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	(209)	191	54,176	57,330	420	57,750
Net Result for the Financial Year	-	-	-	-	5,869	5,869	-	5,869
Other Comprehensive Income	-	-	715	-	27	742	-	742
Total Comprehensive Income	-	-	715	-	5,896	6,611	-	6,611
Transfer of Reserve for Intangible Assets	-	-	-	(191)	191	-	-	-
Buyout of minority shareholder*	-	-	-	-	-	-	(420)	(420)
Dividends Paid	-	-	-	-	(5,128)	(5,128)	-	(5,128)
<b>As at March 31, 2023</b>	1,953	1,219	506	-	55,135	58,813	-	58,813

## CONSOLIDATED

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

In thousands of euros	Note	April 1, 2022/ March 31, 2023	April 1, 2021/ March 31, 2022	In thousands of euros	Note	April 1, 2022/ March 31, 2023	April 1, 2021/ March 31, 2022
Operating Result		7,293	13,630	Capital Expenditures in Intangible Assets	12	–	–
Adjustments for:				Capital Expenditures in Financial Fixed Assets		(420)	–
• Amortisation of Intangible Assets and Impairments	12	64	87	Disposal of Property, Plant and Equipment	13	3	26
• Depreciation of Property, Plant and Equipment and Impairments	13	2,574	2,314	Capital Expenditures in Property, Plant and Equipment	13	(3,879)	(3,346)
• Depreciation of Right-of-Use Assets	14	616	1,008	<b>Cash Flow from Investment Activities</b>		<b>(4,296)</b>	<b>(3,320)</b>
• IFRS 16: reversal of lease costs		–	(921)	Dividends Paid		(5,128)	(4,732)
• Changes in Provisions	25	(147)	(17)	Lease Liabilities Payments		(597)	–
• Exchange-rate Differences		(41)	253	<b>Cash Flow from Financing Activities</b>		<b>(5,725)</b>	<b>(4,732)</b>
<b>Cash Flow generated from Operating Activities before changes in Working Capital, Tax and Interest</b>		<b>10,359</b>	<b>16,354</b>	Exchange Rate and Translation Differences on Cash and Cash Equivalents		303	362
Changes in Working Capital		2,153	(5,715)	<b>Net Cash Flow</b>		<b>(1,202)</b>	<b>321</b>
Income Tax Paid		(3,918)	(2,594)	Cash and Cash Equivalents as at April 1		16,959	16,638
Interest Received		229	94	Cash and Cash Equivalents as at March 31		15,757	16,959
Interest Paid		(307)	(128)	<b>Net Cash Flow</b>	18	<b>(1,202)</b>	<b>321</b>
<b>Cash Flow generated from Operating Activities</b>		<b>8,516</b>	<b>8,011</b>				

## SEGMENT REPORTING

Segments 2022/2023	EMEIA	Americas	Asia	Other	Adjustments/ Eliminations	Total
Revenue	54,544	42,437	14,457	–	–	111,438
Intersegmental Transactions	1,281	52	–	–	(1,333)	–
Revenue including Intersegmental Transactions	55,825	42,489	14,457	–	(1,333)	111,438
Depreciation, Amortization and Impairments	(1,656)	(960)	(445)	(258)	66	(3,253)
Operating Result	862	3,389	1,797	1,245	–	7,293
Financial Income	–	–	–	–	229	229
Financial Expense	–	–	–	–	(308)	(308)
Tax	–	–	–	–	(1,345)	(1,345)
Net Result	–	–	–	–	5,869	5,869
Non-Current Assets	13,409	6,028	2,717	62,215	(60,016)	24,353
Current Assets	22,182	16,694	10,591	839	(904)	49,402
Liabilities	14,755	1,290	1,795	4,244	(7,142)	14,942
Total Investments	3,264	377	210	28	–	3,879
Average Number of Employees (in FTE)	203	101	139	21	–	464

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	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



## NOTES

### General

The condensed consolidated financial information for the year 2022/2023 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 June 1, 2023 and will be presented to the General Meeting of Shareholders for adoption on July 13, 2023.

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

	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Income statement</b>					
Revenue	111.4	110.5	96.0	101.5	90.9
Operating result before depreciation and amortisation (EBITDA)	10.6	17.0	15.5	13.7	10.7
Depreciation of property, plant, equipment and intangibles	(3.3)	(3.3)	(3.1)	(2.9)	(1.9)
Operating result	7.3	13.6	12.4	10.8	8.8
Interest	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Income tax	(1.3)	(3.3)	(2.8)	(2.8)	(2.3)
Result of discontinued operations	–	–	–	(0.0)	(0.2)
Net result	5.9	10.2	9.6	7.9	6.1
<b>Statement of financial position</b>					
Total assets	73.8	79.6	68.7	63.2	57.8
Total equity	58.8	57.8	50.6	47.1	41.8
Interest-bearing debt	–	–	–	–	–
Working capital <sup>1</sup>	22.6	26.0	19.6	21.3	19.4
Invested capital <sup>2</sup>	46.3	39.8	38.1	39.9	36.6
Cash	15.8	17.0	16.6	7.7	7.4

<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 interest paid and received, translation differences on cash and cash equivalents and lease payment

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

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

	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Statement of cash flows</b>					
Cash flow from operating activities	8.5	8.0	14.5	7.8	7.7
Investments	(4.3)	(3.3)	(2.0)	(4.2)	(2.9)
Dividend	(5.1)	(4.7)	(3.9)	(3.0)	(2.9)
Other financial activities <sup>3</sup>	(0.3)	0.4	0.3	(0.5)	0.2
Net cash flow	(1.2)	0.3	9.0	0.2	2.1
<b>Revenue per division</b>					
EMEIA	54.5	58.5	49.4	53.2	48.9
Americas (in USD)	44.2	43.7	37.9	36.1	32.4
Asia (in USD)	15.1	16.6	17.2	18.7	17.2
<b>Ratios</b>					
Return on Sales (ROS)	6.6%	12.3%	12.9%	10.6%	9.6%
Solvency <sup>4</sup>	79.7%	72.5%	73.6%	74.5%	72.3%
Return on Investment (ROI) <sup>5</sup>	15.8%	34.2%	32.6%	27.0%	24.0%
Working capital in % of revenue	20.3%	23.5%	20.4%	21.0%	21.3%
Market capitalisation as at March, 31	101.5	134.6	106.7	68.8	65.7
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 (provisional)

July 13, 2023	Annual General Meeting of Shareholders
July 17, 2023	Ex-dividend listing
July 18, 2023	Dividend record date
July 28, 2023	Dividend payable
October 25, 2023	Publication of interim results 2023/2024
May 30, 2024	Publication of 2023/2024 financial statements
July 11, 2024	Annual General Meeting of Shareholders

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