

PRESS RELEASE

HOLLAND COLOURS HALF YEAR RESULTS 2022/2023

- Revenues at EUR 62.9 million against EUR 54.7 million previous year, an increase of 15%, of which 8% was due to a favorable translation from USD to EUR;
- Operating result amounts to EUR 5.3 million versus EUR 7.9 million previous year;
- Net result of EUR 4.1 million versus EUR 6.1 million prior year resulting in net earnings per share of EUR 4.75 versus EUR 6.99 prior year.

The EMEIA division saw a fractional decrease of revenue. Due to customer inventory destocking and lower market demand in markets Building & Construction and Coatings, Sealants & Adhesives, volumes were down. This effect was largely compensated by sales price increases. Revenue growth in Asia in functional currency was mainly the result of increased sales prices. The revenue of division Americas in functional currency increased due to higher volumes in Q1 and higher sales prices.

The direct contribution margin for the Group was EUR 26.8 million, an increase of EUR 0.8 million compared to the same period last year. The margin as a percentage of revenue ended at 43%, versus 48% in the previous year. The drop is largely explained by an increased difficulty to pass on continued and sharply rising raw material prices, timely and in full to our end markets. The net revaluation of inventories (EUR 0.5 million) favorably impacted the margin with 1% point.

Operating expenses were EUR 21.5 million, up by EUR 3.4 million (19%) from the previous year, primarily due to higher labor-, energy-, consulting-, travel costs and unfavorable exchange rate differences. The increase is to a large extent related to the Groups' ongoing program of process optimizations and IT upgrades.

The operating result was EUR 5.3 million, versus EUR 7.9 million for the previous year. The net result was EUR 4.1 million (EUR 4.75 per share) versus EUR 6.1 million in the previous year (EUR 6.99 per share).

Net cash flow was negative at EUR 4.9 million versus a negative cashflow of EUR 1.9 million last year. The negative net cash flow was a result of unfavorable development in the cash flow from operating activities and from financing activities. These were partially compensated by translation differences in Cash and Cash Equivalents.

The lower cash flow from operating activities is mainly explained by an increase in working capital. The higher working capital is a result of higher inventory because of higher raw material prices and higher stock positions to avoid supply disruptions. The lower cash flow from financing activities is caused by expenditures in fixed assets, such as new machines.

OUTLOOK 2022/2023

The situation in Ukraine and the current global economic climate contribute to a high level of uncertainty related to market developments. In line with previous years, Holland Colours refrains from making forward-looking statements.

Apeldoorn, October 21st, 2022

Board of Management

Coen Vinke
Eelco van Hamersveld
Geert Rutgers

Key Figures

	April 1, 2022/ September 30, 2022	April 1, 2021/ September 30, 2021
RESULTS (in millions of euros)		
Revenue	62,9	54,7
Revenue growth versus comparable period	15,0	12,7
Operating result	5,3	7,9
Net result	4,1	6,0
CASH FLOW (in millions of euros)		
Net cash flow	(4,9)	(1,9)
Investments	2,7	1,4
Depreciations	(1,5)	1,4
BALANCE SHEET (in millions of euros)		
Trade working capital ¹	25,7	23,1
Invested capital	49,6	38,5
Shareholders equity (excl. Minority interest)	60,4	50,0
Balance-sheet total	78,9	70,2
RATIOS		
Return on Sales (ROS) (%)	8,4	14,4
Solvency ² (%)	76,5	74,4
Return on invested capital ³ (ROI) (%)	22,2	36,5
Working capital (%)	21,6	22,4
FIGURES PER SHARE (In euros)		
Total net result	4,8	6,99
Growth of earnings per share (%)	(32,0)	34,4
Equity (excl. Minority interest)	70,2	58,12
Closing price	123,0	153,50
OTHER DATA		
Number of outstanding shares	860.351	860.351
Average number of employees (fte's)	464	431

Unaudited



Condensed interim consolidated Income Statement

In thousands of EUR	April 1, 2022/ September 30, 2022	April 1, 2021/ September 30, 2021
Revenue	62.921	54.709
Cost of Materials	(36.113)	(28.698)
Direct Contribution Margin	26.808	26.011
Personnel Expenses	(12.112)	(10.772)
Amortization and Impairments	(43)	(44)
Depreciation and Impairments	(1.454)	(1.398)
Other Operating Expenses	(7.895)	(5.923)
Total Operating Expenses	(21.504)	(18.136)
Operating Result	5.304	7.875
Finance Income	68	50
Finance Expense	(106)	(86)
Finance Income and Expense	(38)	(36)
Result before Income Tax	5.266	7.839
Income Tax	(1.176)	(1.789)
Net Result	4.090	6.050
Attributable to:		
▪ Shareholders of the Company	4.090	6.016
▪ Non-controlling interest	-	34
	<u>4.090</u>	<u>6.050</u>
Earnings per share in euros		
Average number of shares issued	860.351	860.351
Earnings per Share from Continued Operations	4,75	6,99
Earnings per Share from Total Net Result	4,75	6,99

Unaudited



Condensed interim consolidated Statement of Comprehensive Income

In thousands of euros	April 1, 2022/ September 30, 2022	April 1, 2021/ September 30, 2021
Net Result	4.090	6.050
Items that will not be reclassified to the Income Statement		
Actuarial result on Employee Benefits, after Tax	-	
Other comprehensive income that could in future be classified to the income statement		
Foreign Currency Translation Differences	4.044	306
Other Comprehensive Income and Expenses	4.044	306
Total Comprehensive Income after Expenses	8.135	6.356
Attributable:		
Shareholders of the Company	8.135	6.322
Non-controlling Interest	-	34
	8.135	6.356

Unaudited

Condensed interim consolidated Balance Sheet

In thousands of EUR	April 1, 2022/ September 30, 2022	April 1, 2021/ September 30, 2021
Non-Current Assets		
Intangible Assets	25	112
Property, Plant and Equipment	23.336	19.765
Right-of-Use Assets	970	1.481
Deferred Tax Assets	1.526	456
Long-Term Receivables	-	60
	25.857	21.874
Current Assets		
Inventory	21.677	16.411
Trade and Other Receivables	18.335	18.555
Income Tax Receivables	1.001	363
Cash and Cash Equivalents	12.029	13.004
	53.042	48.332
Total Assets	78.899	70.206
Equity		
Share Capital	1.953	1.953
Share Premium Reserve	1.219	1.219
Other Reserves	4.027	(1.327)
Retained Earnings	53.181	50.003
Equity Attributable to Shareholders of the Company	60.380	51.848
Non-Controlling Interest	-	375
Total Equity	60.380	52.223
Non-Current Liabilities		
Long-Term Debt	-	-
Lease Liabilities	457	917
Employee Benefit Obligations	1.138	1.029
Deferred Tax Liabilities	272	33
	1.867	1.979
Current Liabilities		
Lease Liabilities	406	483
Trade and Other Liabilities	14.348	14.443
Income Tax Liabilities	1.810	995
Employee Benefit Obligations	88	84
	16.652	16.005
Total Equity and Liabilities	78.899	70.206

Unaudited

Condensed interim consolidated Statement of Changes in Equity

In thousands of EUR	Equity attributable to Shareholders of the Company						Controlling Interest	Total Equity
	Share Capital	Premium Reserve	Currency Reserve	Legal Reserves	Retained Earnings	Total		
As at March 31, 2021	1.953	1.219	(1.399)	(234)	48.719	50.258	341	50.599
Net result 1st half year 2021/2022	-	-	-	-	6.016	6.016	34	6.050
Other Comprehensive Income	-	-	306	-	-	306	-	306
Total Comprehensive Income	1.953	1.219	(1.093)	(234)	54.735	56.580	375	56.955
Transfer of Reserve for Intangible Assets	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(4.732)	(4.732)	-	(4.732)
As at September 30, 2021	1.953	1.219	(1.093)	(234)	50.003	51.848	375	52.223
Net result 2st half year 2021/2022	-	-	-	-	4.163	4.163	30	4.193
Other Comprehensive Income	-	-	1.237	-	82	1.319	15	1.334
Total Comprehensive Income	-	-	1.237	-	4.245	5.482	45	5.527
Transfer of Reserve for Intangible Assets	-	-	-	72	(72)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
As at March 31, 2022	1.953	1.219	145	(162)	54.176	57.330	420	57.750
Net Result for the 1st half year 2022/2023	-	-	-	-	4.090	4.090	-	4.090
Other Comprehensive Income	-	-	4.044	-	-	4.044	-	4.044
Buy out of minority shareholder	-	-	-	-	-	-	(420)	(420)
Total Comprehensive Income	-	-	4.044	-	4.090	8.135	(420)	7.715
Transfer of Reserve for Intangible Assets	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(5.085)	(5.085)	-	(5.085)
As at September 30, 2022	1.953	1.219	4.189	(162)	53.181	60.380	-	60.380

Unaudited

Condensed interim consolidated Statement of Cash Flows

In thousands of euros	April 1, 2022/ September 30, 2022	April 1, 2021/ September 30, 2021
Operating Result	5,304	7,875
Adjustments for:		
Amortisation of Intangible Assets and Impairments	43	44
Depreciation of Property, Plant and Equipment and Impairments	1,207	1,398
Depreciation of Right-of-Use Assets	247	
IFRS 16: reversal of lease costs	(266)	
Changes in Provisions	(51)	(70)
Exchange-rate Differences	(439)	(353)
Cash Flow from Operating Activities before Changes in Working Capital, Tax and Interest	6,045	8,894
Changes in Working Capital	(2,684)	(3,882)
Income Tax Paid	(1,759)	(689)
Interest Received	-	0
Interest Paid	(6)	(11)
Cash Flow from Operating Activities	1,596	4,312
Capital Expenditures in Intangible Assets	(2,666)	(1,445)
Disposal of Property, Plant and Equipment	-	-
Capital Expenditures in Property, Plant and Equipment	-	-
Cash Flow from Investment Activities	(2,666)	(1,445)
Dividends Paid	(5,085)	(4,732)
Cash Flow from Financing Activities	(5,085)	(4,732)
Exchange-rate and Translation Differences on Cash and Cash Equivalents	1,225	(7)
Net Cash Flow	(4,930)	(1,873)
Cash and Cash Equivalents as at April 1	16,959	14,877
Cash and Cash Equivalents as at September 30	12,029	13,004
Net Cash Flow	(4,930)	(1,873)

Unaudited

Segment Information for the first half year of 2022/2023

Segments (first half year of 2022/2023)	EMEIA	Americas	Asia	Adjustments and		Total
				Other eliminations		
Revenue	29.217	25.239	8.465	-	-	62.921
Inter segmental transactions	771	14	-	-	(785)	-
Revenue Including Intersegmental Transactions	29.988	25.253	8.465	-	-	63.706
Depreciation, Amortisation and Impairments	(813)	(498)	(219)	(95)	127	(1.497)
Operating Result	818	2.629	1.107	4.145	(3.395)	5.304
Financial Income	1	6	8	53	-	68
Financial Expense	(65)	(5)	(7)	(29)	-	(106)
Tax	-	-	-	-	(1.176)	(1.176)
Net Result	-	-	-	-	4.090	4.090
Non-current Assets	12.926	7.080	3.326	65.553	(63.028)	25.857
Current Assets	25.271	23.246	11.255	4.193	(10.923)	53.042
Liabilities	17.269	6.425	2.381	9.457	(17.012)	18.520
Total Investments	2.265	229	158	14	(0)	2.666
Average Number of Employees (in FTE)	204	102	137	22	-	464

Segment Information for the first half year of 2021/2022

Segments (first half year of 2021/2022)	EMEIA	Americas	Asia	Adjustments and		Total
				Other eliminations		
Revenue	29.534	18.401	6.774	-	-	54.709
Inter segmental transactions	590	29	-	-	(619)	-
Revenue Including Intersegmental Transactions	30.124	18.430	6.774	-	(619)	54.709
Depreciation, Amortisation and Impairments	(626)	(350)	(170)	(125)	(170)	(1.442)
Operating Result	3.673	2.029	984	1.189	-	7.875
Financial Income	2	4	9	35	-	50
Financial Expense	(37)	-	(4)	(25)	(20)	(86)
Tax	-	-	-	-	(1.789)	(1.789)
Net Result	-	-	-	-	6.050	6.050
Assets	37.311	22.901	12.525	59.559	(62.089)	70.207
Liabilities	18.319	4.457	2.603	7.397	(14.792)	17.984
Total Investments	953	271	163	58	-	1.445
Average Number of Employees (in FTE)	204	98	111	18	-	431

Unaudited

NOTES

Basis of preparation

The interim financial information regarding the period ending September 30, 2022 has been prepared in accordance with the principles for consolidation and financial reporting, as described in the annual report of Holland Colours NV for the fiscal year 2021/2022 and do not include all the information and disclosures required for the annual financial statements. Accordingly, they should be read in conjunction with the financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS EU.

Audit

No audit nor review was performed on the information presented in this half year report.

COMPANY PROFILE

Holland Colours develops and manufactures groundbreaking solid and liquid color concentrates, masterbatches, and additive concentrates for rigid and flexible PVC for the building and 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 in every continent. To find out more, visit us at hollandcolours.com.

KEY DATES *(indicative)*

June 1, 2023	Publication of 2022/2023 financial statements
July 13, 2023	Annual General Meeting of Shareholders

Holland Colours NV

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