

ANNUAL GENERAL MEETING OF SHAREHOLDERS JULY 13, 2023

CO-DESIGNING **A COLORFUL FUTURE**



1. OPENING

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AGENDA (1-7)

1. Opening
2. Report of the Board of Management on the financial year 2022/2023
3. Financial Statements 2022/2023
 - a. Advisory vote regarding the remuneration report financial year (2022/2023) (*advisory vote*)
 - b. Adoption of the financial statements 2022/2023 (*voting item*)
4. Reserves and dividend policy
5. Profit appropriation and dividend
Adoption of the appropriation of the profit (*voting item*)
6. Discharge to the Board of Management (*voting item*)
7. Discharge to the Supervisory Board (*voting item*)

AGENDA (8-13)

8. Appointment external auditor *(voting item)*
9. Strategy Holland Colours Group
10. Authorization to the Board of Management, subject to the approval of the Supervisory Board, to acquire ordinary shares in the Company on behalf of the Company *(voting item)*
11. Supervisory Board
 - a. Re-appointment of Mrs. A.R. Doornbos as member of the Supervisory Board *(voting item)*
 - b. Appointment of Mrs. J.W. van der Vlist as chair of the Supervisory Board *(voting item)*
12. Any other business
13. Closure

2. REPORT OF THE BOARD OF MANAGEMENT ON THE FINANCIAL YEAR 2022/2023

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TO BE
RECOGNIZED AS A
CONTRIBUTOR TO
THE DEVELOPMENT
OF A SUSTAINABLE
INDUSTRY

OUR MISSION



TO BE OUR
CUSTOMERS'
CO-DESIGNER
OF COLOR AND
FUNCTIONAL
SOLUTIONS

REPORT OF THE BOARD OF MANAGEMENT

A CHALLENGING YEAR

- Negative impact of the war in the Ukraine on the economy and our industry
- Lower demand due to customer destocking and extended COVID-19 lockdown in China
- Steeply rising costs of materials and energy; multiple selling price increases
- Higher operating expenses; investment in people and processes; hiring freeze in H2
- Operating result and net result considerably down from previous year
- All investments from internal cash flow

REPORT OF THE BOARD OF MANAGEMENT

MARKETS

- Packaging: increasing impact of sustainability demands
- Building & Construction: lower activity levels due to increasing interest rates
- Coatings & Sealants: lower industry demand
- Value chain: strong destocking effect and lack of predictability of incoming orders
- Application testing resumed at customers, after two Covid years

REPORT OF THE BOARD OF MANAGEMENT

OUR BUSINESS

- EMEIA
 - Building & Construction and CS&A: lower volumes due to customer destocking
 - Packaging: lower demand from Africa / compliance with 15th amendment food contact EU
 - Russia: compliant with EU sanctions, limited deliveries, no new business development
- Americas
 - Volume decline in our largest segment: Building & Construction in North America
 - Packaging stable, with signs of sustainability pressure on design for UHT dairy bottles
- Asia
 - No growth in home market Indonesia and export S.E. Asia
 - Lower export to China due to continued Covid 19 lock down

REPORT OF THE BOARD OF MANAGEMENT

COST AND INVESTMENTS

- Raw materials
 - Easing of markets in H2 and decrease of stocks
 - Price stabilization in H2
- Operating expenses
 - Increased labor costs, hiring freeze in H2
 - Higher IT costs and proces improvement (digitalization) to prepare for more growth
- Investments
 - First part of modernization and increase of extrusion capacity in Apeldoorn site
 - New color lab in Jakarta

REPORT OF THE BOARD OF MANAGEMENT

DEVELOPMENTS

- Safety: Lost Time plus Restricted duty, three accidents (seven previous year)
- Sustainability: preparation started for new reporting according to CSRD
- Compliance: new policy, roadmap and governance
- Diversity target for senior management: min. 35% (M/F) by year 2025

OVERALL OBJECTIVES

RESULTS 2022/2023

- Zero accidents 3
- Sustainability goals, year 2030 on track
- Continued revenue growth + 0.8%
- Innovation index over 10% 7.0%
- Return on Sales of at least 10% 6.6%
- Return on Investment of at least 15% 15.8%
- Solvency remains above 60% 79.7%

FINANCIAL RESULTS FY 2022/2023



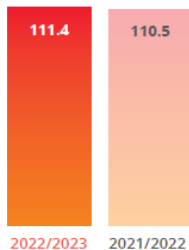
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FINANCIAL RESULTS FY 2022/2023

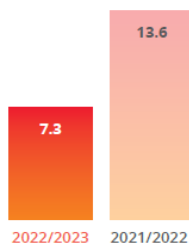
HOLLAND COLOURS NV - KEY FIGURES

€ Revenue
In million euros



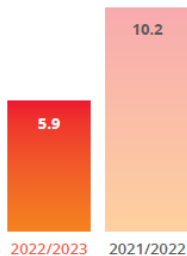
↑
0.8%

€ Operating Result
In million euros



↓
-46.3%

Net Result
In million euros



↓
-42.2%

Return on Sales

2022/2023
2021/2022

6.6%
12.3%

Return on Investment

2022/2023
2021/2022

15.8%
34.2%

Earnings per Share

2022/2023
2021/2022

€6.82
€11.83

Innovation Index

2022/2023
2021/2022

7.0%
7.9%

OWC as % of Revenue

2022/2023
2021/2022

20%
24%

Solvency

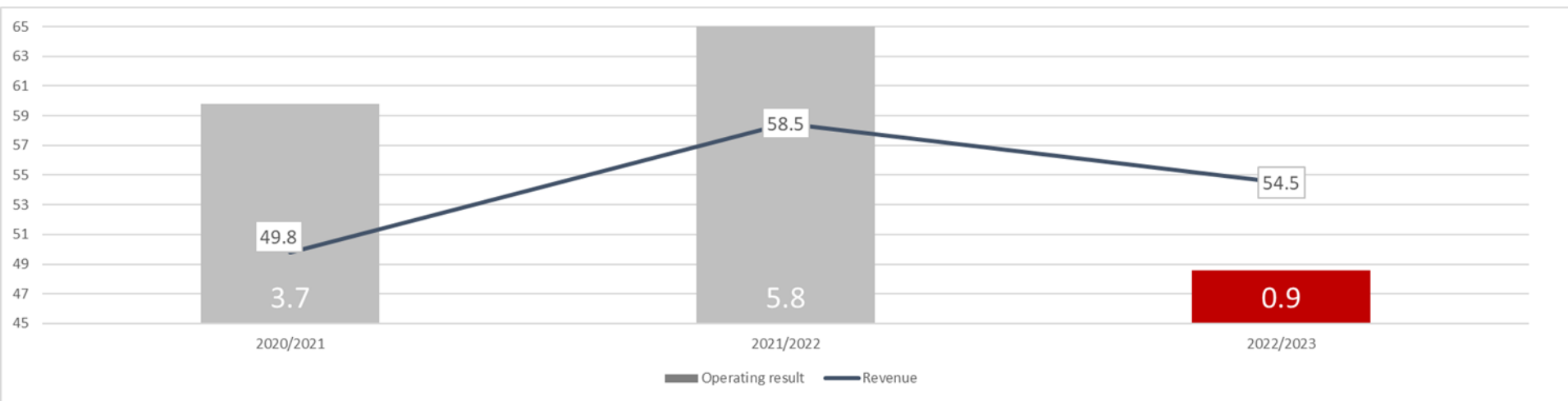
2022/2023
2021/2022

79.7%
72.5%

FINANCIAL RESULTS FY 2022/2023

DIVISION EMEIA

In million euros

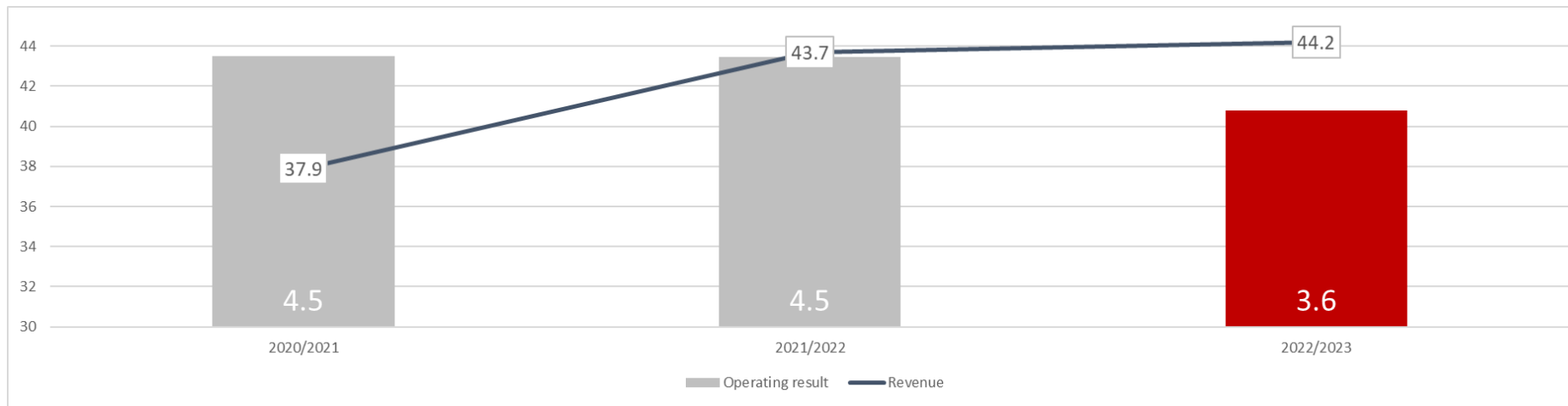


- The primary driver for lower volume was customer destocking in Europe
- Selling price increases compensated higher raw material costs

FINANCIAL RESULTS FY 2022/2023

DIVISION AMERICAS

In million USD

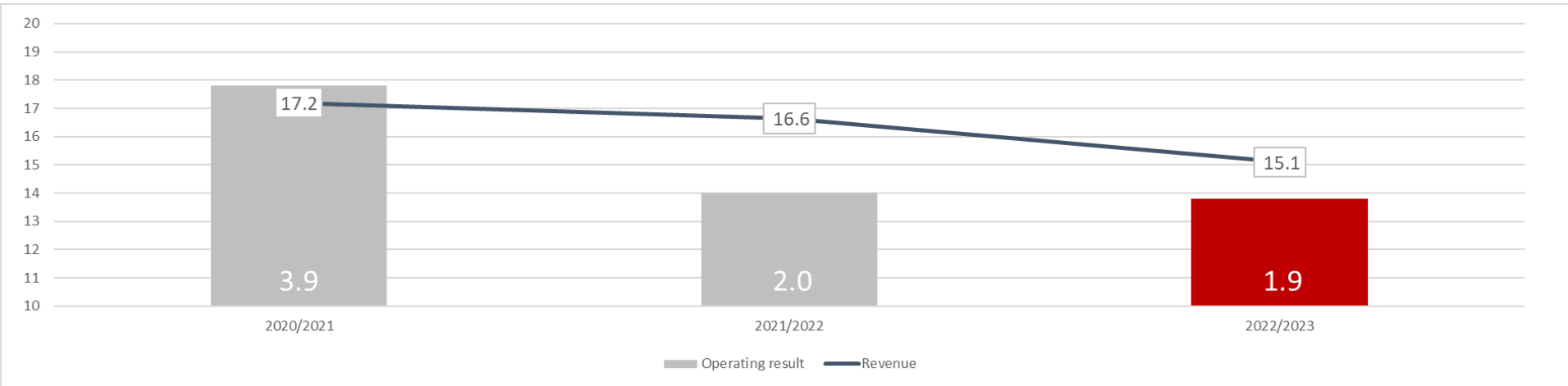


- Revenue stable as a result of lower volume and higher selling prices

FINANCIAL RESULTS FY 2022/2023

DIVISION ASIA

In million USD

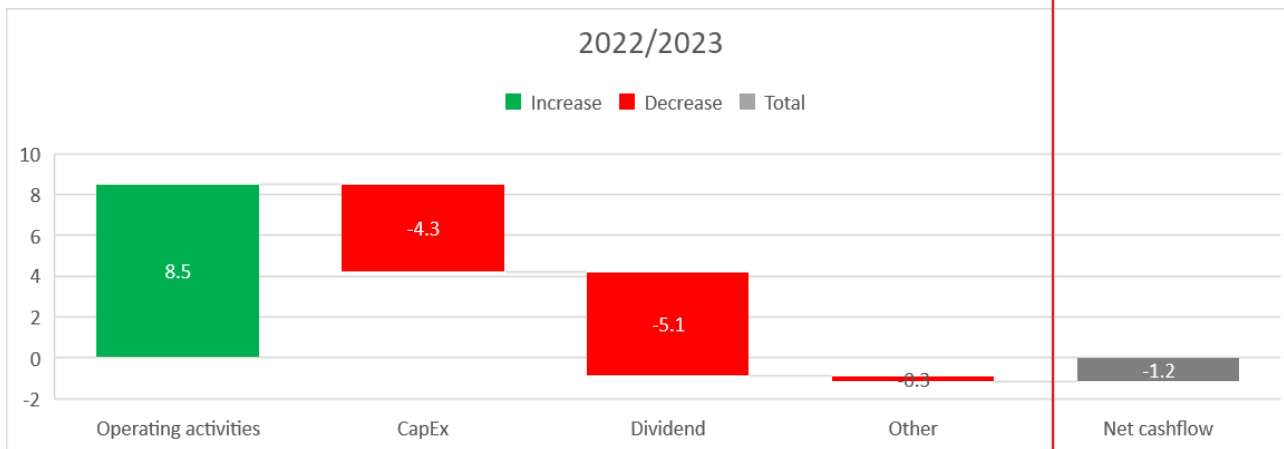


- Both domestic and South East Asia export markets were stable; no growth
- Export for China under pressure

FINANCIAL RESULTS FY 2022/2023

CASH FLOW DEVELOPMENT

In million euros



- Positive cash flow from business
- Favorable effect in working capital due to effective inventory management
- Capital expenditures in accordance with budget
- Dividend payout according to policy

FINANCIAL RESULTS FY 2022/2023

DIVIDEND DISTRIBUTION 5 YEAR OVERVIEW (per share)

	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	5 year total
Net result	EUR 7.04	EUR 9.09	EUR 11.00	EUR 11.83	EUR 6.82	EUR 45.78
Interim dividend	-	-	EUR 4.55	-	-	EUR 4.55
Final dividend	EUR 3.52	-	EUR 5.50	EUR 5.91	EUR 3.41	EUR 18.34
Total dividend	EUR 3.52	-	EUR 10.05	EUR 5.91	EUR 3.41*	EUR 22.89
Dividend in % of net result	50%	0%	91%	50%	50%	50%

*proposal

OUTLOOK 2023/2024

HIGH DEGREE OF UNCERTAINTY

- 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 & construction and coatings industry; mid- /long term the underlying demand is structurally healthy
- Packaging markets are primarily consumer related, and demand is less subject to business cycles; sustainability brings risks and opportunities

3. FINANCIAL STATEMENTS 2022/2023

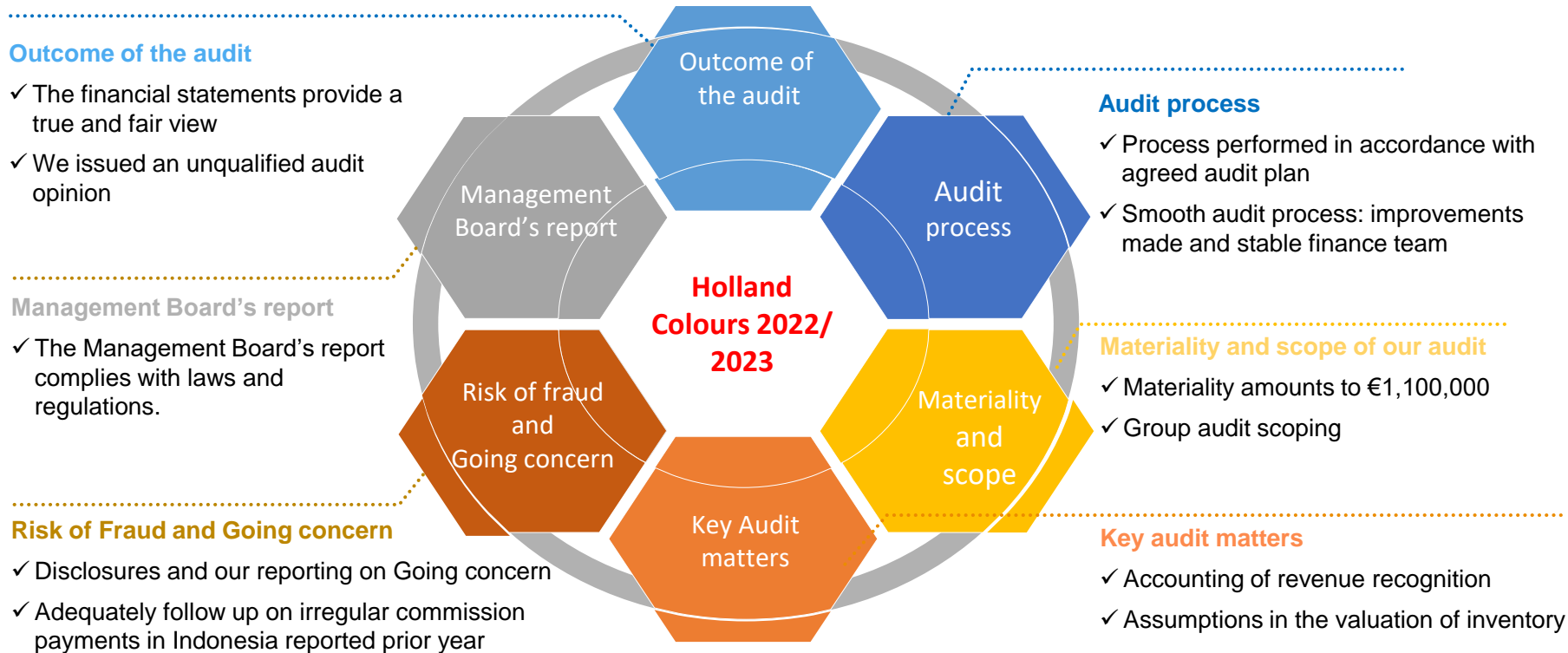
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Holland Colours N.V. AGM 2022

13 July 2023

Report of the auditor PwC: our key messages



Thank you

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4. RESERVES AND DIVIDEND POLICY

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PROFIT APPROPRIATION AND DIVIDEND POLICY

- Holland Colours intends to distribute at least 50% of its net profit in the form of dividend
- Under the condition that the solvency ratio after distribution is at least 40%

5. ADOPTION OF THE APPROPRIATION OF THE PROFIT (*voting item*)

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DIVIDEND PROPOSAL FY 2022/2023

- It is proposed to distribute EUR 3.41 as a final dividend for the FY 2022/2023
- Final dividend payable July 28, 2023

6. DISCHARGE OF THE BOARD OF MANAGEMENT (*voting item*)

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7. DISCHARGE OF THE SUPERVISORY BOARD *(voting item)*

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8. APPOINTMENT EXTERNAL AUDITOR *(voting item)*

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9. STRATEGY

HOLLAND COLOURS GROUP

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OUR CORE VALUES

PROVIDING A FRAMEWORK FOR SUCCESS

Our five core values underpin everything we do as a company. They are part of our DNA and determine how we behave and what we are like as people and as an organization.



TEAMWORK

We work together, internally and with our clients, to achieve one common goal.



PROACTIVENESS

We make things happen instead of waiting for them to happen to us.



COMPETENCE

We have the skills and expertise to do things well.



ACCOUNTABILITY

We can be trusted that we take responsibility for what we do (and do not do).



RESPONSIBILITY

At Holland Colours, we are committed to our company, our colleagues, our society and our environment.

OUR STRATEGIC GOALS

FOCUS ON CURRENT AND RELATED PRODUCT/MARKET SEGMENTS

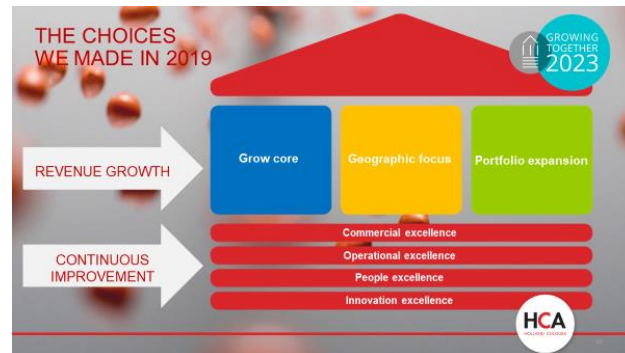
- Extending and protecting global market positions in Packaging
- Extending and protecting global market positions in Building & Construction
- Extending market positions in Coatings & Sealants, primarily in EMEIA



CURRENT STRATEGY

VALUE DRIVERS

- Revenue growth
 - Several, but not all key initiatives were (fully) realized
 - COVID-19 negative impact on speed of market- and product development
 - Increasing sustainability impact on business (risks and opportunities)
 - Since year 2022 a negative impact of unfavorable global market conditions
- Continuous improvement / Excellence to drive growth
 - Progress on digitalization (program BP/IT)
 - Investment in extrusion capacity in all production locations



STRATEGY RENEWAL

SHORT TERM CHALLENGING ECONOMIC CLIMATE

- Starting points
 - Independence, continuity and people centricity
- Five 'must win battles'
 - Grow core business faster than the market
 - Improve cost efficiency
 - Establish a new position in the circular value chain
 - Prepare for renewable ingredients
 - Create a winning culture
- Our aim remains unchanged: sustainable long term value creation, achieve the overall objectives (ref. slide 13)

10. AUTHORIZATION TO THE BOARD OF MANAGEMENT, subject to the approval of the Supervisory Board, to acquire ordinary shares in the Company on behalf of the Company (*voting item*)

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11. SUPERVISORY BOARD

- a. Re-appointment of Mrs. A.R. Doornbos as member of the Supervisory Board (*voting item*)
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12. ANY OTHER BUSINESS

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13. CLOSURE

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**THANK YOU
FOR YOUR ATTENTION!**

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