### ANNUAL GENERAL MEETING OF SHAREHOLDERS

July 15, 2021

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## **OUR MISSION**

To be recognized as a contributor to the development of a sustainable industry To be our customers' **co-designer** of color and functional solutions



## AGENDA (1-6)

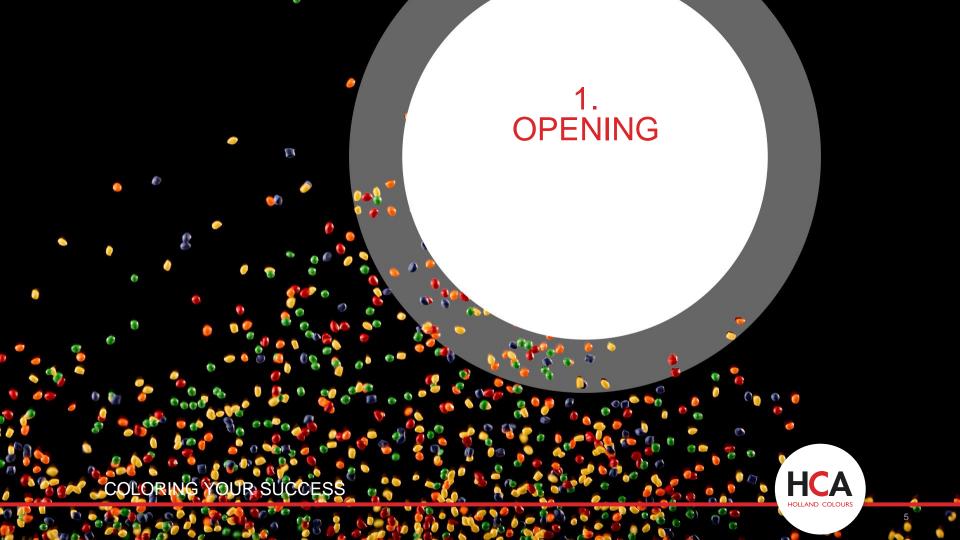
- 1. Opening
- 2. Report of the Board of Management on the Financial Year 2020/2021
- 3. Financial Statements FY 2020/2021
  - a. Advisory vote regarding the Remuneration Report Financial Year 2020/2021 (advisory vote)
  - b. Adoption of the Financial Statements 2020/2021 (voting item)
- 4. Reserves and Dividend Policy
- Profit Appropriation and Final Dividend Adoption of the Appropriation of the Profit (voting item)
- 6. Discharge to the Board of Management (voting item)



## **AGENDA (7-12)**

- 7. Discharge to the Supervisory Board (voting item)
- Composition of the Supervisory Board Re-appointment of Mr. J. Klaus as member of the Supervisory Board (voting item)
- 9. Update strategy Holland Colours Group
- 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. Any other business
- 12. Closure





### 2. REPORT OF THE BOARD OF MANAGEMENT ON THE FINANCIAL YEAR 2020/2021

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## REPORT OF THE BOARD OF MANAGEMENT COVID-19, CONTINUATION OF BUSINESS

- High engagement level and sense of responsibility of all employees
- Management focus on keeping people safe and continuation of operations
- Globally no customers lost due to supply issues
- Video calls: good alternative, but will not replace all travel and physical meetings
- Strong basis and liquidity position (re)confirmed:
  - Interim dividend of EUR 4.55 in November 2020
  - Final dividend proposal of EUR 5.50 in July 2021





### REPORT OF THE BOARD OF MANAGEMENT MARKETS

- Manufacturing industry, including our core segments: business interruptions in H1
- Packaging overall solid, however PET bottle "on-the-go" negatively impacted by travel restrictions
- Building and Construction: housing renovations up in H2 in Europe and North America
- Customer product testing and new product development disrupted





## REPORT OF THE BOARD OF MANAGEMENT OUR BUSINESS

- Europe and South East Asia: lower market demand H1, recovery speed different per country in H2
- China: pipeline filling in H1, emptying in H2, dairy markets UHT versus cold chain
- Middle East, Africa and South America: lower demand in H1 and H2
- North America: low demand in H1, strong recovery of Building & Construction markets in H2



## REPORT OF THE BOARD OF MANAGEMENT COST AND INVESTMENTS



- Raw materials
  - H1: some price relaxation, improved relative margins, also mix related
  - H2: cautious start of global recovery
  - March 2021: first signs of disbalance in supply/demand material markets and price increases
- OPEX and CAPEX
  - H1 strong cost control and investment stop
  - H2 hiring ban lifted, strategy implementation resumed, no travel
  - H2 investments resumed, in extrusion equipment
  - Payroll Protection Program, US government grant of USD 1.15 million



## REPORT OF THE BOARD OF MANAGEMENT DEVELOPMENTS

- Safety: Safety Ladder methodology will increase awareness and performance
- Sustainability: vision and objectives defined, road map in development
- New general manager (Asia) and new financial management (Asia and Americas)
- Strategy execution 'Growing Together 2023':
  - Growth plan one year delayed due to COVID-19
  - H2: senior product/market manager 'Additives' hired
  - Various new products launched
  - H2: internal transition program



### REPORT OF THE BOARD OF MANAGEMENT KPI'S AND PERFORMANCE

	FY 2020/2021	FY 2019/2020
Revenue growth	-/-5.0%	+12.0%
ROS > 10%	12.9%	10.6%
ROI > 15%	32.6%	27.0%
Zero accidents	5	2
Innovation index > 10%	12.9%	14.6%
Solvency > 60%	73.6%	74.5%





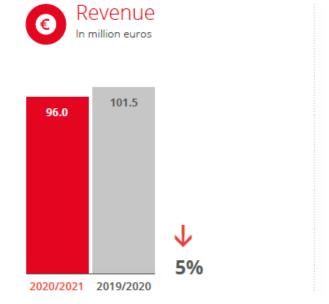


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# **Better Than Expected At The Outset**

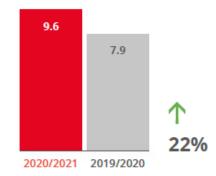
ANNUAL REPORT

### FINANCIAL RESULTS FY 2020/2021 HOLLAND COLOURS GROUP KEY FIGURES





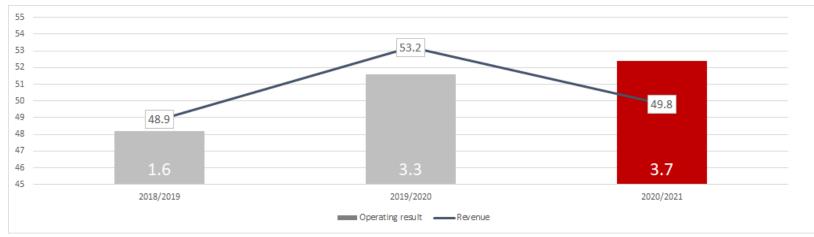






## FINANCIAL RESULTS FY 2020/2021 DIVISION EMEIA

In million euros



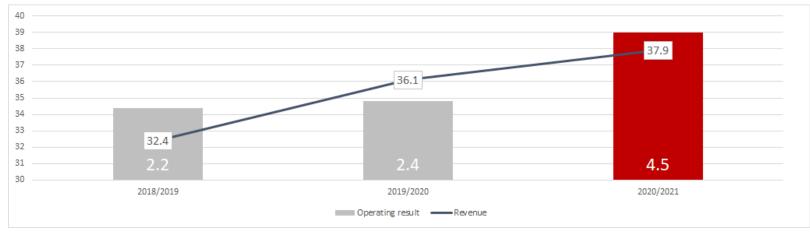
- · Lower revenues for this financial year
- Cost savings, mainly due to travel restrictions.



# FINANCIAL RESULTS FY 2020/2021

#### **DIVISION AMERICAS**

#### In million USD



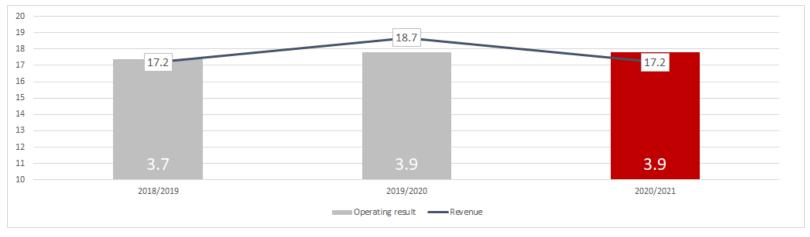
- Revenue growth despite challenges due to COVID-19
- Lower operating expenses due to cost savings and government support



## FINANCIAL RESULTS FY 2020/2021

#### **DIVISION ASIA**

In million USD



- Favorable exchange rate differences on IDR/USD resulted in same operating result
- Lower volumes in Packaging segment

### FINANCIAL RESULTS FY 2020/2021 CASH FLOW DEVELOPMENT



- Positive effect of measures taken
- EUR 2 million
- Favorable effect in working capital due to stringent measurements
- Lower capital expenditures in first half year



# FINANCIAL RESULTS FY 2020/2021

DIVIDEND DISTRIBUTION 5 YEAR OVERVIEW (per share)

	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	5 year total
Net result	EUR 6.03	EUR 6.78	EUR 7.04	EUR 9.09	EUR 11.00	EUR 39.94
Interim dividend	-	-	-	-	EUR 4.55	EUR 4.55
Final dividend	EUR 3.01	EUR 3.39	EUR 3.52	-	EUR 5.50*	EUR 15.42
Total dividend	EUR 3.01	EUR 3.39	EUR 3.52	-	EUR 10.05	EUR 19.97
Dividend in % of net result	50%	50%	50%	0%	91%	50%
* proposal					HOL	LAND COLOURS

\* proposal

## FINANCIAL STATEMENTS FY 2020/2021

a. Advisory vote regarding the remuneration report financial year 2020/2021(advisory vote)
b. Adoption of the financial statements 2020/2021
(voting item)

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### Note from our external auditor PwC PwC: OUR KEY MESSAGES







## 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 2020/2021**

- It is proposed to distribute EUR 5.50 as a final dividend for the FY 2020/2021
- An interim dividend of EUR 4.55 is distributed in November 2020
- Final dividend payable July 23, 2021



## 6. DISCHARGE TO THE BOARD OF MANAGEMENT

(voting item)

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### 7. DISCHARGE TO THE SUPERVISORY BOARD

(voting item)

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### 8. SUPERVISORY BOARD

Re-appointment of Mr. J. Klaus as member of the Supervisory Board

(voting item)

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## 9. UPDATE STRATEGY HOLLAND COLOURS GROUP

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## **OUR MISSION**

#### **Our Brand**

**Coloring Your Success** 

#### **Our Core Values**

- Teamwork
- Accountability
- Competence
- Proactiveness
- Responsibility

#### **Our Mission**

- To be our customers' co-designer of color and functional solutions
- To be recognized as a contributor to the development of a sustainable industry

#### **Our Differentiators**

- We develop existing and new customer relationships into **design** partnerships
- We do not compromise on regulatory compliance and we maintain the highest **quality** standards
- We continuously build our **competence** and strengthen our **innovation** capabilities
- Our employees are co-owners of the company and we are proud to provide the highest levels of **service to our customers**



## THE CHOICES WE MADE IN 2019

#### GROWING TOGETHER 2023

#### **REVENUE GROWTH**

#### CONTINUOUS IMPROVEMENT

#### **Grow core**

#### **Geographic focus**

#### **Portfolio expansion**

#### **Commercial excellence**

**Operational excellence** 

#### **People excellence**

Innovation excellence



## 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 and Sealants, primarily in EMEIA





## **PRODUCT LAUNCHES**

#### Holcoplast Dazzle



Special effects paste for soft PVC Flooring

### Holcopearl Diffuse

Light diffusing concentrate Lighting

## Tasteguard Liquid and Solid

Protecting the taste of premium water Water bottle

### Thermostretch

Improving sustainability for dairy bottle production Dairy bottle



# GROWING TOGETHER PROGRAM

#### SUPPORT THE GROWTH BY GROWING OUR INTERNAL CAPABILITIES

- Align and optimize activities across integral customer-oriented processes
- Renew supporting IT and data solutions
- Develop organizational skills and capabilities





## SUSTAINABILITY VISION

### WE ENVISION A COLORFUL WORLD IN WHICH WE ARE THE WINNING SUSTAINABLE SOLUTION





### STRATEGIC ROADMAP: GROWING TOGETHER 2023 SUMMARY

- Revamp top-line growth
- Implementation and transition Business Processes and IT
- Increased investments in systems, equipment and people
- Implement sustainability vision



## OUTLOOK 2021/2022

- Grounds for positivity, but continued uncertainty related to COVID-19
  - vaccination programs progressing on a global scale
  - differences per continent and country, government restrictions lifted or maintained
  - mix of segments and geography proves to be a well balanced portfolio
  - raw material markets: continued unbalances and price inflation
- Rigorous strategy implementation
- Cautious optimism



### 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)

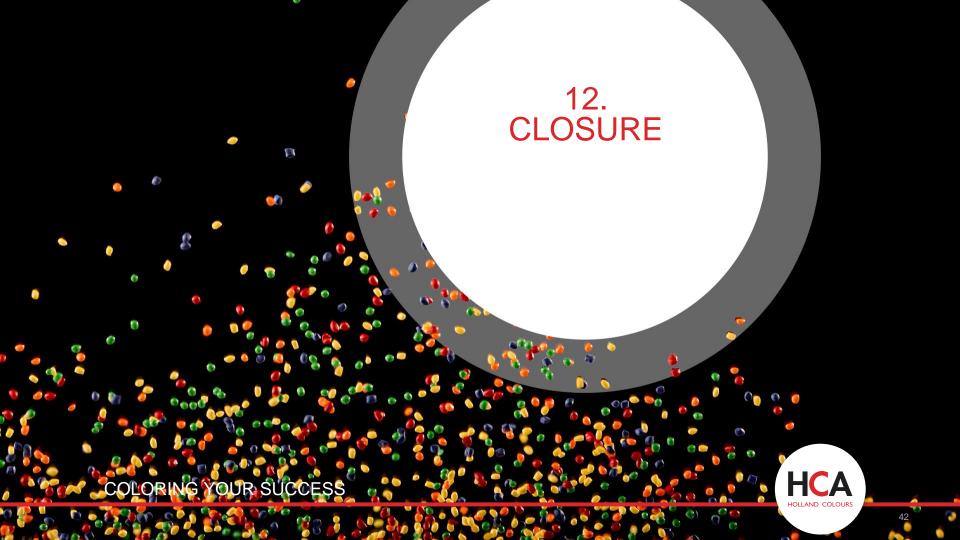
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## **VOTING RESULTS**

Nr	Agenda item	Result
За.	Advisory vote regarding the remuneration report financial year 2020/2021	Positive advice
3b.	Adoption of the financial statements 2020/2021	Approved
5.	Adoption of the appropriation of the profit	Approved
6.	Discharge to the Board of Management	Approved
7.	Discharge to the Supervisory Board	Approved
8.	Re-appointment of Mr. J. Klaus as member of the Supervisory Board	Approved
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	Approved HCA





## **OUR CORE VALUES**





#### TEAMWORK PRO-ACTIVENESS ACCOUNTABILITY COMPETENCE RESPONSIBILITY



