

The background of the slide features a soft-focus, top-down view of numerous chocolate chips falling from the top. The chips are in various stages of motion, creating a sense of dynamic movement. A large, semi-transparent white circle is centered on the page, serving as a backdrop for the main text.

# MEETING OF MAJOR SHAREHOLDERS

APELDOORN  
NOVEMBER 29, 2016

# Agenda

- Introduction
- Half Year Results
- Strategy

Mr. R. Zoomers

Mrs. M.G. Kleinsman

Mr. R. Harmsen



# INTRODUCTION

MR. R. ZOOMERS

# Present

## **Holland Pigments BV**

- Mr. H. Mannak
- Mrs. A. Eikelenboom

## **OtterBrabant Beheer BV**

- Mr. J.W. Friso

## **Lazard Frères Gestion SAS**

- Mr. J. Ogilvy

## **Elned Holding BV**

- Mr. J. M. De Heer

## **Holland Colours NV**

Mr. R. Zoomers

Mr. R. Harmsen

Mrs. M.G. Kleinsman



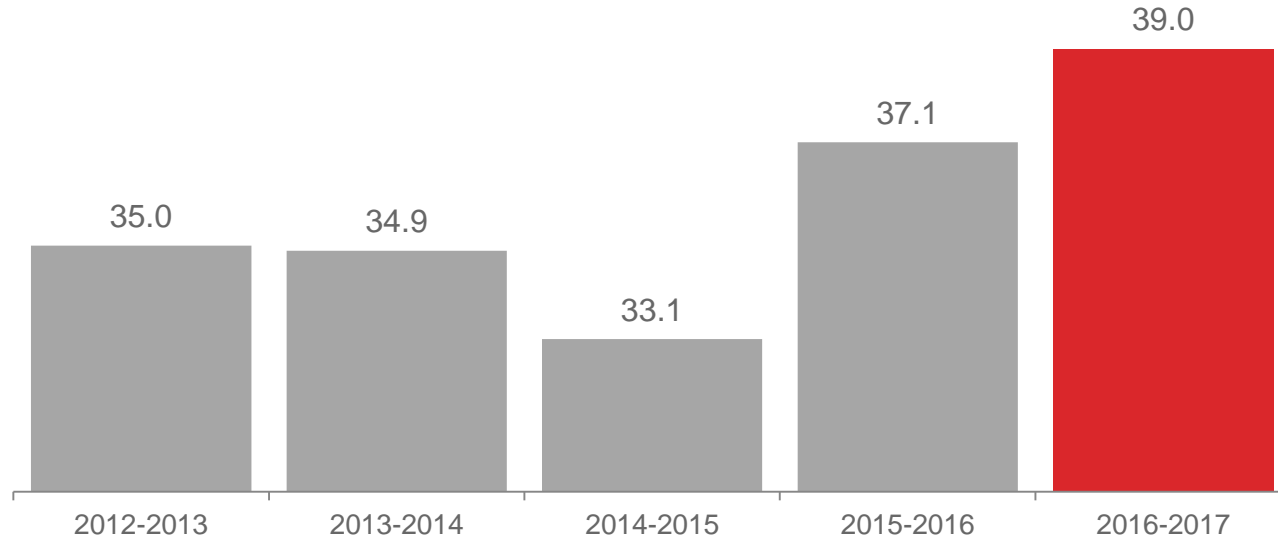
# HY RESULTS 2016/2017

MRS. M.G. KLEINSMAN

# Holland Colours Key Figures Group

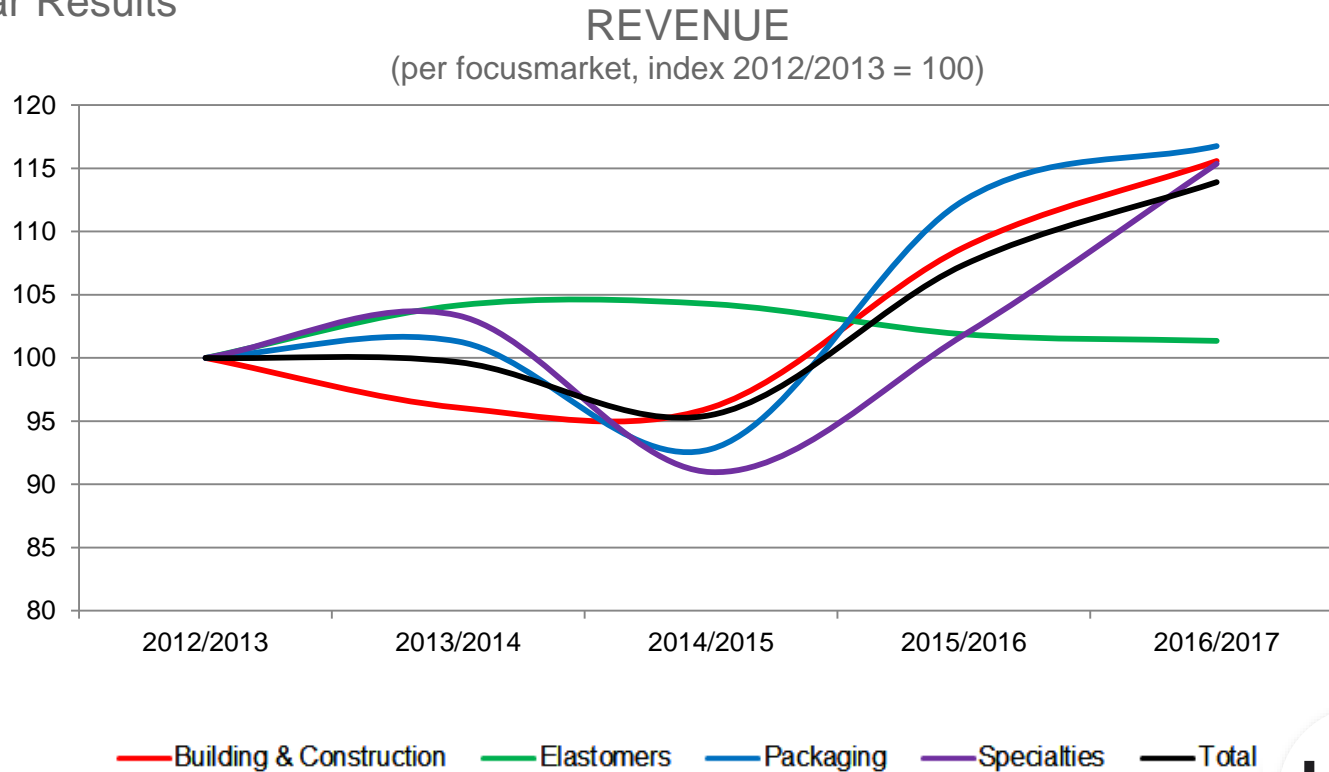
Half Year Results

REVENUE  
(in € mln)



# Holland Colours Key Figures Group

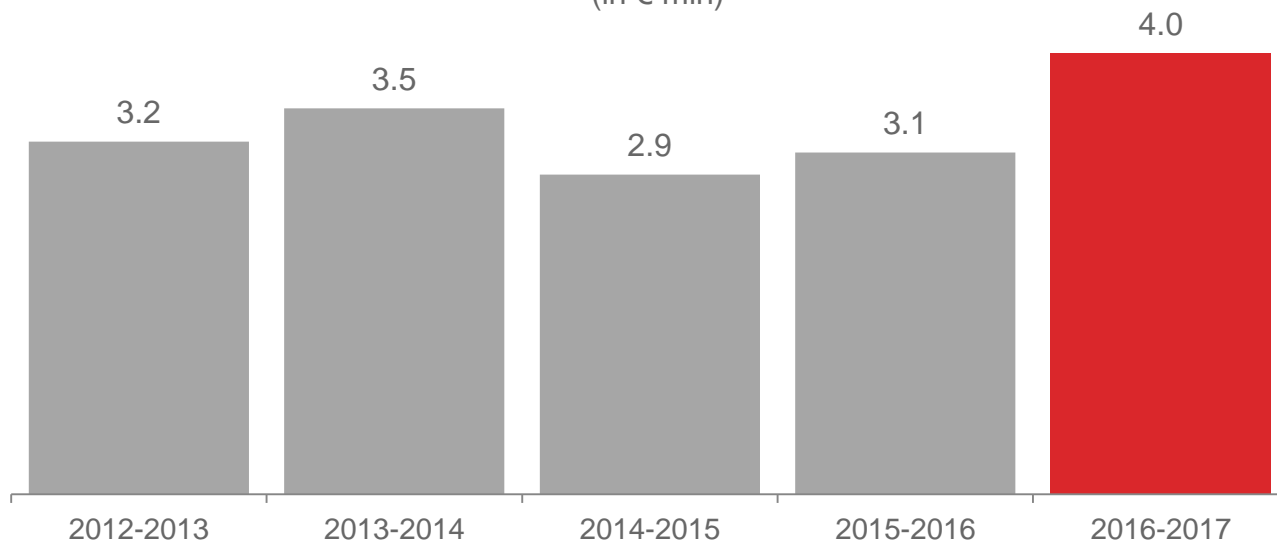
## Half Year Results



# Holland Colours Key Figures Group

## Half Year Results

### OPERATING RESULT (in € mln)



Return on sales

9.1%

10.0%

8.8%

8.4%

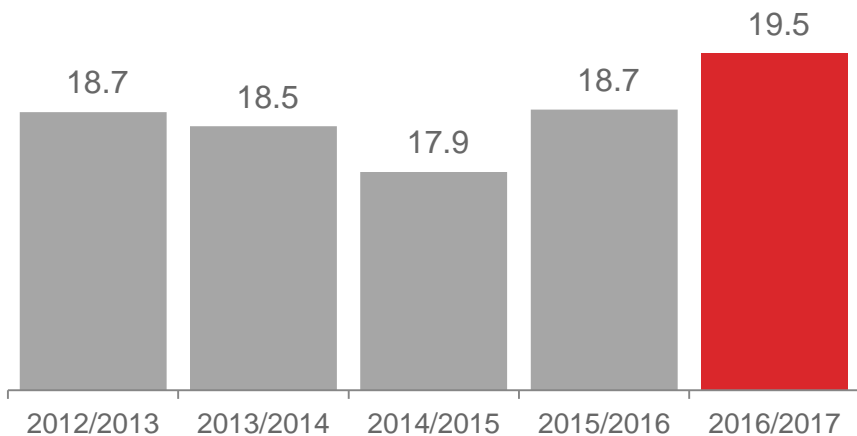
10.3%



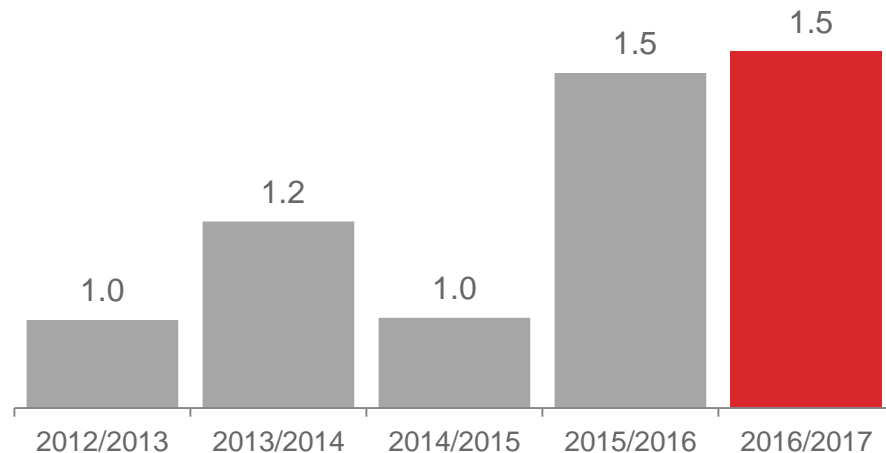
# Holland Colours Key Figures Division Europe

## Half Year Results

REVENUE  
(in € mln)



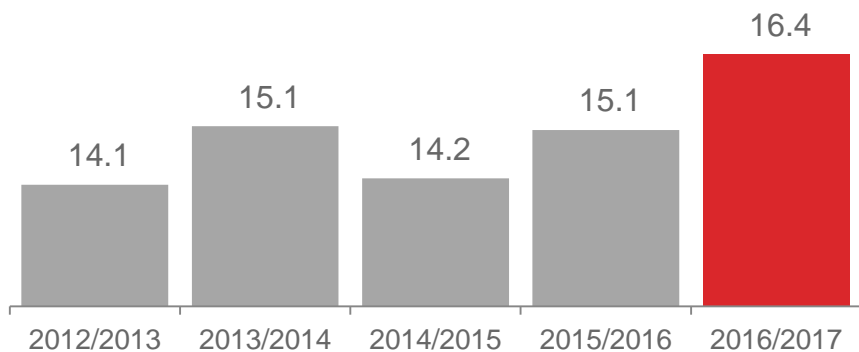
OPERATING RESULT  
(in € mln)



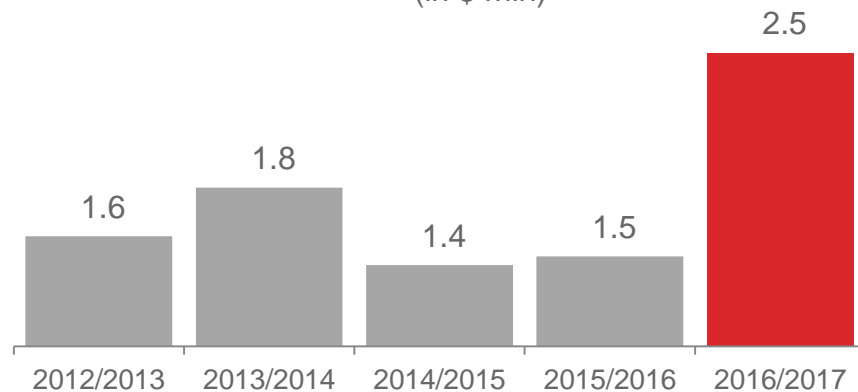
# Holland Colours Key Figures Division Americas

## Half Year Results

REVENUE  
(in \$ mln)



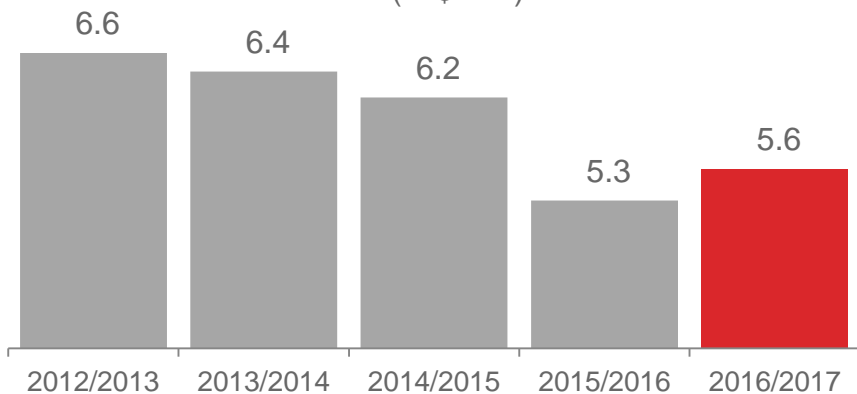
OPERATING RESULT  
(in \$ mln)



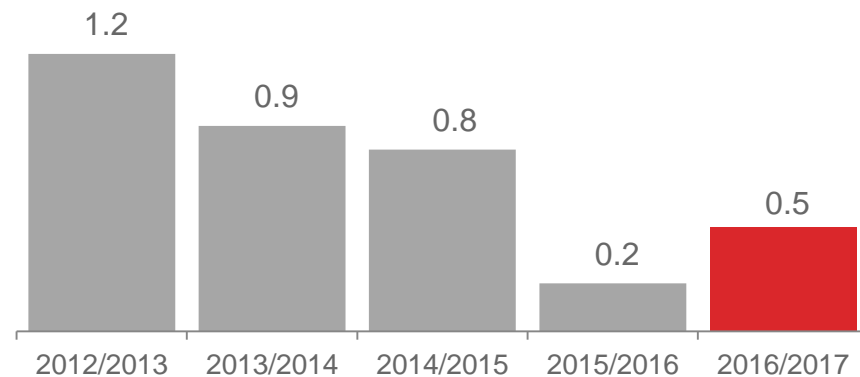
# Holland Colours Key Figures Division Asia

## Half Year Results

REVENUE  
(in \$ mln)



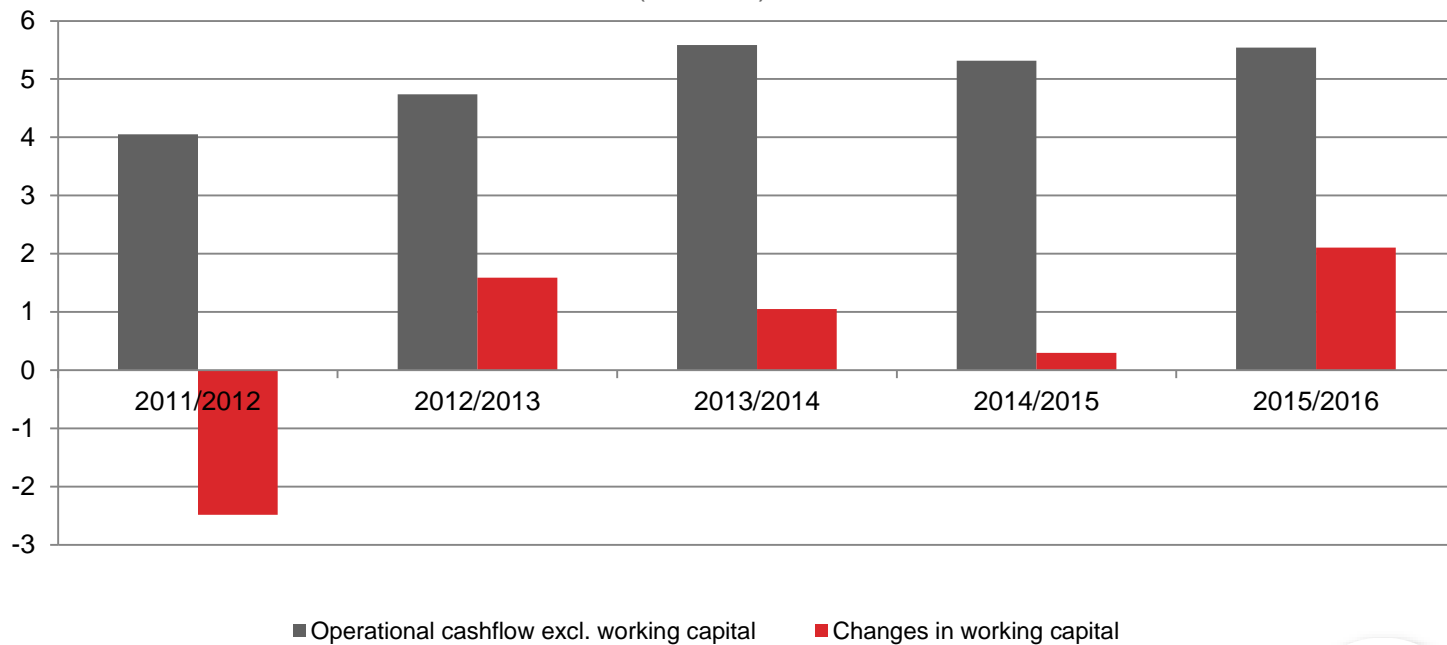
OPERATING RESULT  
(in \$ mln)



# Holland Colours Key Figures Group

Full Year Results

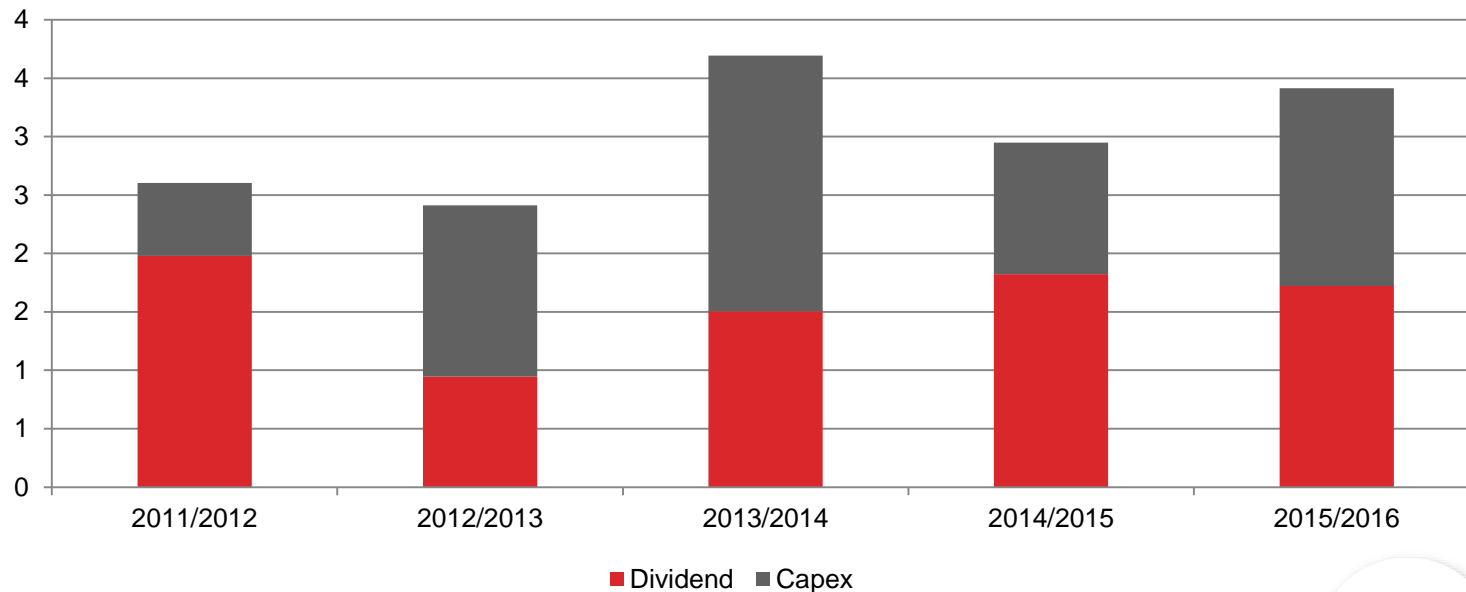
INCOMING CASHFLOW  
(in € mln)



# Holland Colours Key Figures Group

## Full Year Results

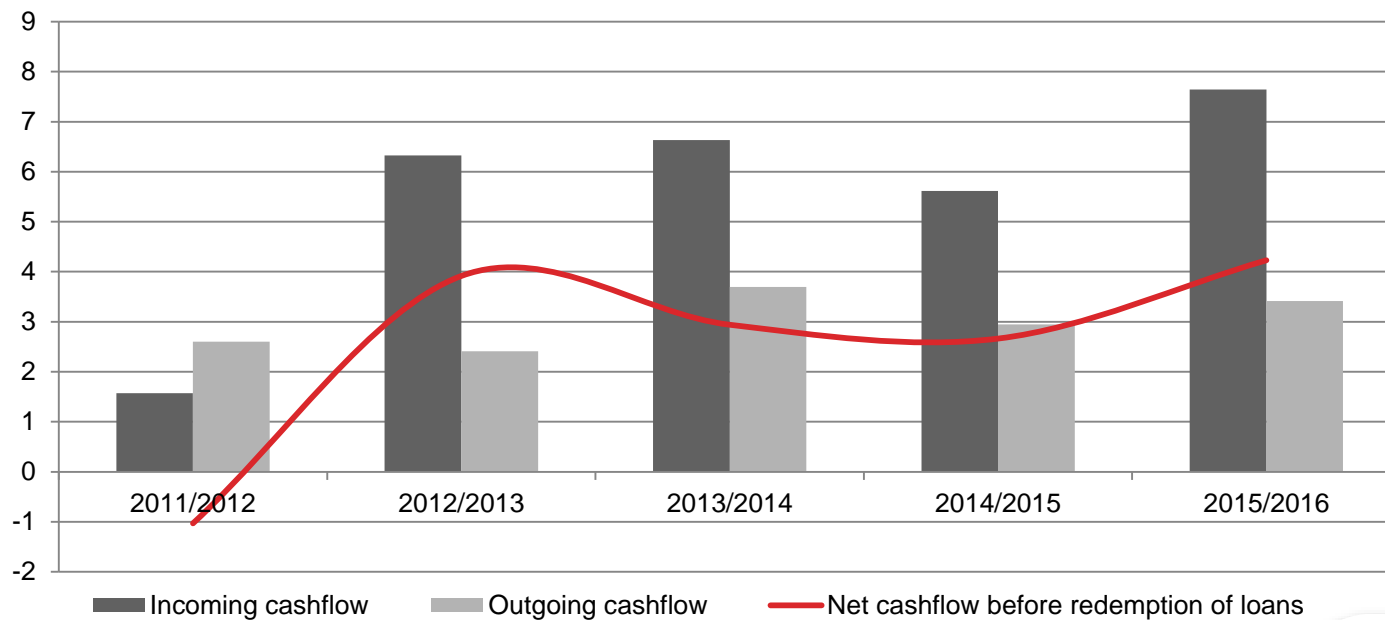
OUTGOING CASHFLOW before redemption of loans  
(in € mln)



# Holland Colours Key Figures Group

## Full Year Results

### CASHFLOW before redemption of loans (in € mln)



# STRATEGY

MR. R. HARMSEN



# Strategy

- **Holland Colours' current position**
- Strategic direction





# Strategy

## Starting points

- Grow to achieve continuity
- More focussed
- Project Management embedded in organization



# Holland Colours current market position

## Europe / Middle-East / Africa (EMEA), Americas

- Relevant market share in niche markets (PVC, transparent PET)
- Based on unique solids colorants technology (Holcobatch, Holcoprill)
- Limited possibilities in other polymers and / or other applications

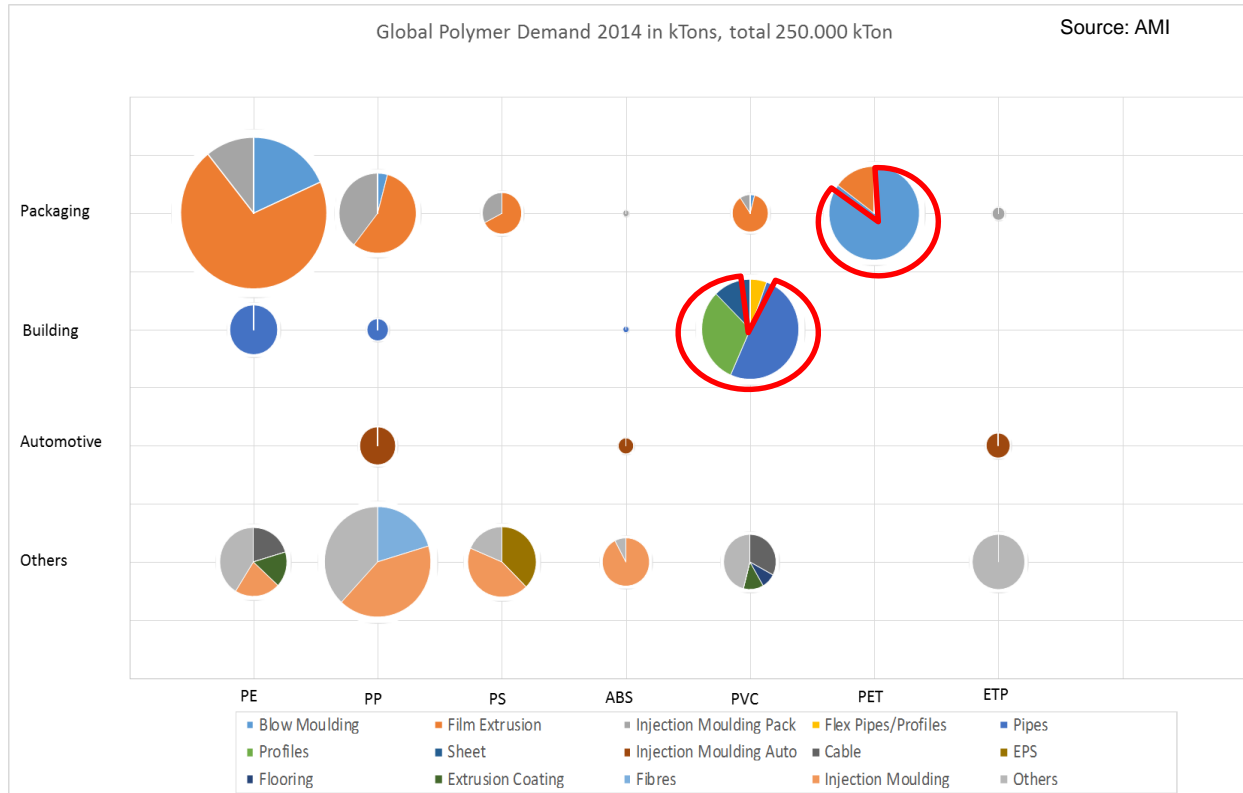
## Asia (Indonesia)

- Different market dynamics → Stronger focus on Specialties and Silicones & Elastomers



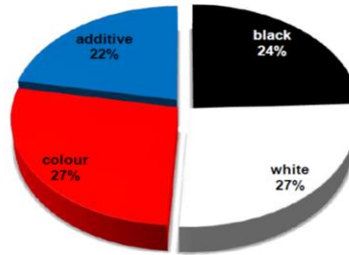
# Global Polymer Demand

## Holland Colours operates in small part of the market

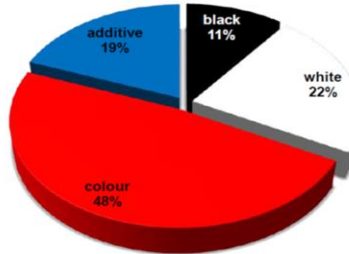


# Holland Colours is by choice active in a limited part of the market

No presence in (bulk) black & white business, nor/limited in additive segment



Total Volume 3.9 million tonnes 2011



Value € 11.1 billion 2011

Source: AMI

# Holland Colours current position - Competitive playing field

## **Selected number of global (multi – regional) players**

- Such as Clariant, Polyone, Schulman, PennColor, Repi, Ampacet

## **Many local players with focus on one / a few application(s)**



# Market dynamics

## Colorants technology mature

- Except for building in Asia the switch from pigments to color concentrates has happened
- BASF & Clariant set apart their pigment business, following Bayer who split it off into Lanxess in 2005: limited new pigment chemistries
- Market is showing some consolidation

## Market moves to service as main competitive edge

- Speed of color matching
- Application knowledge
- Ease of use



# Holland Colours Position - Summary

## **Solid colorants**

- Unique products and processes
- Strong position in niche markets: Building & Construction (PVC) and Packaging (PET)
- Limited position outside these markets / polymers

## **Liquid colorants**

- Relatively important in Europe and Asia
- Many diverse applications



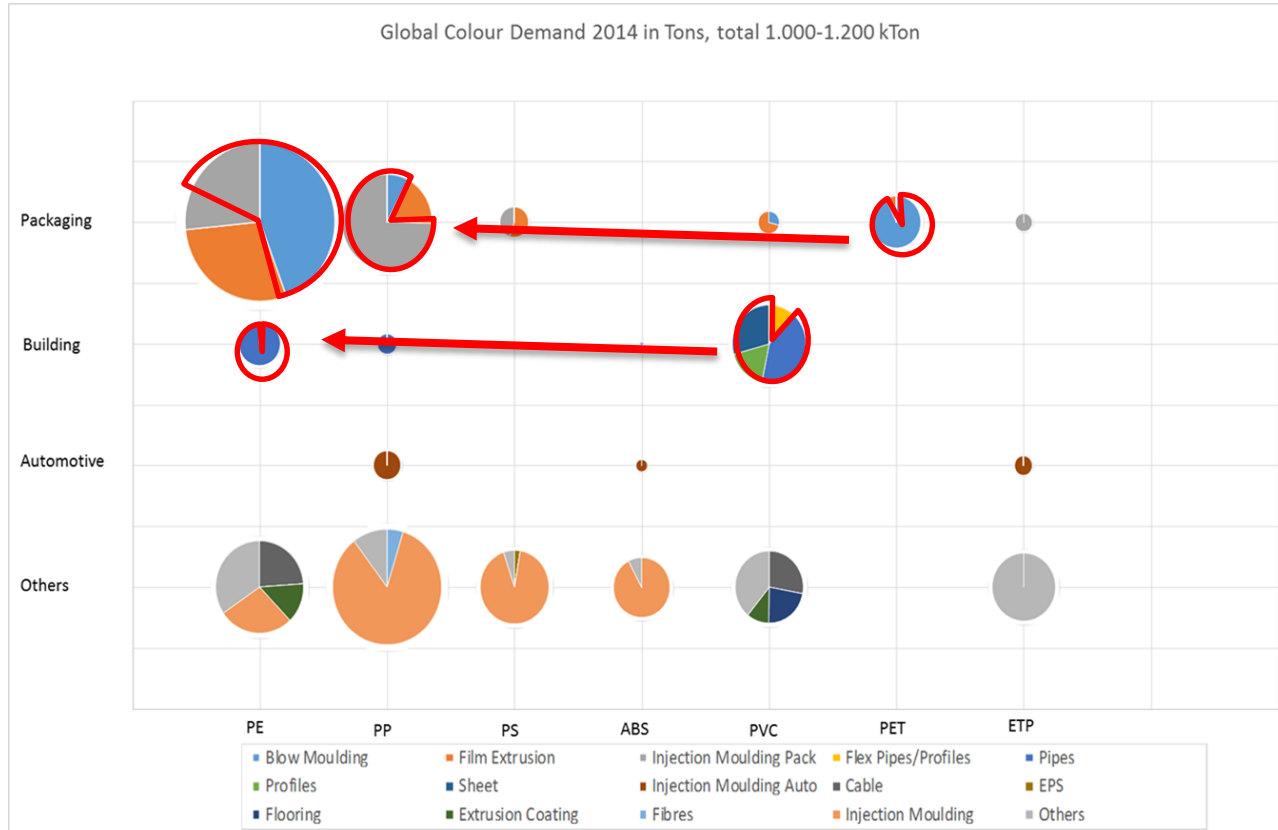
# Strategy

- Holland Colours' Current Position
- **Strategic direction**





# Strategic growth direction



# Strategic direction

## **Broaden product portfolio into polymeric products**

by either in-house development and / or a technology driven acquisition

- The in-house development is progressing
- Acquisition opportunity to speed up process, only based on clearly defined criteria

## **In parallel**

### **continue organic growth e.g.**

- Geographical market share
- Holcomer

### **and defend our existing market positions**

- PET packaging
- PVC Building and Construction



# Strategic direction

## As well as Operational Excellence to keep our cost in line

- Product and Process efficiency
- Improved sales funnel process
- Improve the color matching process efficiency
- Execute on findings Activity Based Costing
- Implement a Project Management Culture



# Major risks

1. Dependence on PVC Building & Construction and PET Packaging markets
2. Polyolefins. While internal development looks promising drawbacks can still occur:
  - Test marketing in early stage
  - Difficulty to attract interest of customers in new markets with new product range
  - Different and more competitive market conditions