

PRESS RELEASE

HALF YEAR RESULTS 2021/2022 HOLLAND COLOURS

Highlights

- Revenues at EUR 54.7 million against EUR 48.5 million for the first half year of previous financial year, an increase of 13%.
- Net margin includes EUR 0.9 million inventory revaluation against actual raw material prices.
- Operating result from continued operations amounts to EUR 7.9 million versus EUR 6.1 million previous year.
- Net result of EUR 6.1 million versus EUR 4.5 million prior year resulting at net earnings per share of EUR 6.99 versus EUR 5.20 prior year.

Holland Colours, a global producer of concentrates of colorants and additives for plastics for the building & construction, packaging and coatings markets, delivered better results in the first half year of 2021/2022 than previous year.

Revenue for the first half year of 2021/2022 financial year was EUR 54.7 million, a net increase of 13% versus the previous year (EUR 48.5 million). The revenue development was negatively impacted from the translation from USD to EUR for an amount of EUR 1.3 million.

The EMEIA division saw a revenue growth of 26%, with the highest contribution coming from segments building & construction and coatings, sealants & adhesives. Revenue in Asia was down by 26% in functional currency. Recovery of our main markets in the region takes longer due to ongoing COVID-19 restrictions. Revenue growth of 26% in functional currency for the Americas division was mainly the result of higher volumes. Revenue of all three divisions was also up as a result of higher selling prices.

The current high market demand for raw materials meant that the Group faced longer delivery times and higher prices from its suppliers. Due to the dual supplier strategy for key raw materials, the Group mitigated the risk of supply disruption and was able to keep on servicing its customers.

The net margin for the Group was EUR 26.0 million, an increase of EUR 3.2 million on the same period the year before. The margin as a percentage of revenue ended at 48%, versus 47% in the previous year. The revaluation of inventories (EUR 0.9 million) favorably impacted the margin with 2% point.

Operating expenses were EUR 18.1 million, up EUR 1.4 million (8%) from the previous year, primarily due to higher labor, consulting costs and exchange rate differences. This is in line with plan and related to the Groups' program of process optimizations.

The operating result was EUR 7.9 million, versus EUR 6.1 million for the previous year. The net result was EUR 6.1 million (EUR 6.99 per share) versus EUR 4.5 million in the previous year (EUR 5.20 per share).

Net cash flow was negative by EUR 1.9 million versus a positive cashflow of EUR 7.2 million last year. The lower net cash flow was a result of unfavorable development in the cash flow from operating activities and



the cash flow from financing activities. The lower cash flow from operating activities is mainly explained due to 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 disruption. The lower cash flow from financing activities is caused by the dividend payment.

OUTLOOK 2021/2022

In line with previous years Holland Colours does not share forward-looking statements.

Apeldoorn, October 22nd, 2021

Board of Management

Coen Vinke
Tanja van Dinteren
Eelco van Hamersveld

Key Figures

	Apr 1, 2021 to Sep 30, 2021	Apr 1, 2020 to Sep 30, 2020
RESULTS (in millions of euros)		
Revenue	54.7	48.5
Revenue growth versus comparable period (%)	12.7	(7.1)
Operating Result	7.9	6.1
Net Result	6.1	4.5
CASH FLOW (in millions of euros)		
Net cash flow	(1.9)	7.2
Investments	(1.4)	(1.2)
Depreciations	1.4	1.5
BALANCE SHEET (in millions of euros)		
Trade Working Capital ¹	23.1	18.7
Invested Capital	38.5	35.9
Shareholders Equity (excl. Non-Controlling Interest)	50.0	49.1
Balance-Sheet Total	70.2	66.4
RATIOS		
Return on Sales (ROS) (%)	14.4	12.6
Solvency ² (%)	74.4	74.4
Return on Invested Capital ³ (ROI) (%)	36.5	29.7
Working Capital (%)	22.4	19.1
FIGURES PER SHARE (in EUR)		
Total Net Result	6.99	5.20
Growth of Earnings per Share (%)	34.4	1.5
Equity (excl. Non-Controlling Interest)	58.12	57.08
Closing Price	153.50	86.00
OTHER DATA		
Number of outstanding Shares	860,351	860,351
Average Number of Employees (FTE's)	430	431

1) Trade Working Capital: inventory plus trade accounts receivable less trade accounts payable

2) Solvency: total equity / balance sheet total

3) Return on Invested Capital: operating result / (equity plus provisions plus interest-bearing liabilities less cash)

Condensed interim consolidated Income Statement

In thousands of euros

	Apr 1, 2021 to Sep 30, 2021	Apr 1, 2020 to Sep 30, 2020
Revenue	54,709	48,530
Net Margin	26,011	22,848
Personnel Expenses	(10,772)	(10,406)
Amortisation and Impairments	(44)	(66)
Depreciation and Impairments	(1,398)	(1,426)
Other Operating Expenses	(5,923)	(4,857)
Total Operating Expenses	(18,136)	(16,755)
Operating Result	7,875	6,093
Finance Income	50	45
Finance Costs	(86)	(73)
Tax on profits	(1,789)	(1,546)
Net Result	6,050	4,519
Attributable to:		
Shareholders of the Company	6,016	4,474
Minority Interest	34	45
	6,050	4,519
Average number of shares issued	860,351	860,351
Earnings per share attributable to shareholders	6.99	5.20



Condensed interim consolidated Statement of Comprehensive Income

In thousands of euros

	Apr 1, 2021 to Sep 30, 2021	Apr 1, 2020 to Sep 30, 2020
Net Result	6,050	4,519
Items that will not be reclassified to the Income Statement		
Actuarial results on employee benefits, after Tax	-	-
Other comprehensive Income that could in future be classified to the Income statement		
Foreign Currency Translation Differences	306	(2,219)
Total Comprehensive Income	6,356	2,300
Attributable to:		
Shareholders of the Company	6,322	2,255
Non-Controlling Interest	34	45
	6,356	2,300



Condensed interim consolidated Balance Sheet

In thousands of euros

	Sep 30, 2021	Sep 30, 2020
<i>Non-Current Assets</i>		
Intangible Assets	112	214
Property, Plant and Equipment	19,765	19,902
Right-of-Use Assets	1,481	1,543
Deferred Tax Assets	456	824
Long-Term Receivables	60	95
<i>Total Non-Current Assets</i>	21,874	22,578
<i>Current Assets</i>		
Inventory	16,411	12,670
Trade and Other Receivables	18,555	15,406
Income Tax Receivables	363	838
Cash and Cash Equivalents	13,004	14,877
<i>Total Current Assets</i>	48,333	43,791
Total Assets	70,207	66,369
<i>Equity</i>		
Total Equity	52,223	49,390
<i>Non-Current Liabilities</i>		
Lease Liabilities	917	951
Employee Benefit Obligations	1,029	1,004
Deferred Tax Liabilities	33	270
<i>Total Non-Current Liabilities</i>	1,979	2,225
<i>Current Liabilities</i>		
Current Lease Liabilities	483	621
Trade and Other Liabilities	14,443	12,262
Income Tax Liabilities	995	1,787
Employee Benefit obligations	84	84
<i>Total Current Liabilities</i>	16,005	14,754
Total Equity and Liabilities	70,207	66,369

Condensed interim consolidated Statement of Changes in Equity

	Share Capital	Share Premium Reserve	Legal Reserve for Currency Translation	Other Legal Reserves	Retained Earnings	Minority Interest	Total Equity
As at March 31, 2020	1,953	1,219	735	(127)	43,064	233	47,077
<i>For the 1st half year 2020/2021</i>							
Net result 1st half year 2020/2021	-	-	-	-	4,474	45	4,519
Other comprehensive income	-	-	(2,219)	-	-	-	(2,219)
<i>Total comprehensive income</i>	-	-	(2,219)	-	4,474	45	2,300
Dividends Paid	-	-	-	-	-	-	-
As at September 30, 2020	1,953	1,219	(1,484)	(127)	47,538	278	49,377
<i>For the 2nd half year 2020/2021</i>							
Net result 2nd half year 2020/2021	-	-	-	-	4,997	63	5,060
Other comprehensive income	-	-	85	-	(8)	-	77
<i>Total comprehensive income</i>	-	-	85	-	4,989	63	5,137
Transfer intangible fixed assets	-	-	-	(107)	107	-	-
Dividends Paid	-	-	-	-	(3,915)	-	(3,915)
As at March 31, 2021	1,953	1,219	(1,399)	(234)	48,719	341	50,599
<i>For the 1st half year 2021/2022</i>							
Net result 1st half year 2021/2022	-	-	-	-	6,016	34	6,050
Other comprehensive income	-	-	306	-	-	-	306
<i>Total comprehensive income</i>	-	-	306	-	6,016	34	6,356
Dividends Paid	-	-	-	-	(4,732)	-	(4,732)
As at September 30, 2021	1,953	1,219	(1,093)	(234)	50,003	375	52,223

Condensed interim consolidated Statement of Cash Flows

In thousands of euros

	Apr 1, 2021 to Sep 30, 2021	Apr 1, 2020 to Sep 30, 2020
Operating Activities		
Operating Result	7,875	6,093
Adjustments for:		
Amortisations, Depreciations and Impairments	1,442	1,492
Change in Provisions	(70)	(77)
Exchange Rate Differences	(353)	(15)
Changes in Working Capital	(3,882)	1,405
Cash Flow from Operating Activities before Tax and Interest	5,011	8,898
Income Tax Paid	(689)	(785)
Interest Paid	(11)	(33)
Cash Flow from Operating Activities	4,311	8,080
Cash Flow from Investment Activities		
Capital Expenditures	(1,445)	(1,205)
Cash Flow from Operating and Investment Activities	2,866	6,875
Cash Flow from Financing Activities		
Dividend Paid	(4,732)	-
Change in (long-term) liabilities	-	755
Cash from Financing Activities	(4,732)	755
Change in Cash and Cash Equivalents	(1,866)	7,630
Exchange Rate and Translation Differences on Cash and Cash Equivalents	(7)	(419)
Net Cash Flow	(1,873)	7,211
Cash and Cash Equivalents as at April 1	14,877	7,666
Cash and Cash Equivalents as at September 30	13,004	14,877
Net Cash Flow	(1,873)	7,211

Segment Information for the first half year of 2021/2022

In thousands of euros

	EMEIA	Americas	Asia	Other	Adjustments and Eliminations	Total
Revenue	29,534	18,401	6,774	-	-	54,709
Intersegmental Transactions	590	29	-	-	(619)	-
Revenue including Intersegmental Transactions	30,124	18,430	6,774	-	(619)	54,709
Depreciation, Amortization 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)	203	98	111	18	-	430

Segment Information for the first half year of 2020/2021

In thousands of euros

	EMEIA	Americas	Asia	Other	Adjustments and Eliminations	Total
Revenue	23,623	15,284	9,623	-	-	48,530
Intersegmental Transactions	363	-	-	-	(363)	-
Revenue including Intersegmental Transactions	23,987	15,284	9,623	-	(363)	48,530
Depreciation, Amortization and Impairments	(581)	(365)	(155)	(106)	(285)	(1,492)
Operating Result	1,378	827	2,882	1,006	-	6,093
Financial Income	-	-	-	-	45	45
Financial Expense	-	-	-	-	(73)	(73)
Tax	-	-	-	-	(1,546)	(1,546)
Net Result	-	-	-	-	4,519	4,519
Assets	27,713	21,357	13,497	55,704	(51,902)	66,369
Liabilities	13,366	5,497	2,537	5,758	(10,179)	16,979
Total Investments	1,079	107	19	-	-	1,205
Average Number of Employees (in FTE)	208	100	109	14	-	431



NOTES

Basis of preparation

The interim financial information regarding the period ending September 30, 2021 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 2020/2021 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 30, 2021, which have been prepared in accordance with IFRS EU.

Audit

The interim financial information is not audited.

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 on every continent. To find out more, visit us at hollandcolours.com.

KEY DATES (indicative)

May 25, 2022	Publication of 2021/2022 financial statements
July 7, 2022	Annual General Meeting of Shareholders

Holland Colours NV

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