

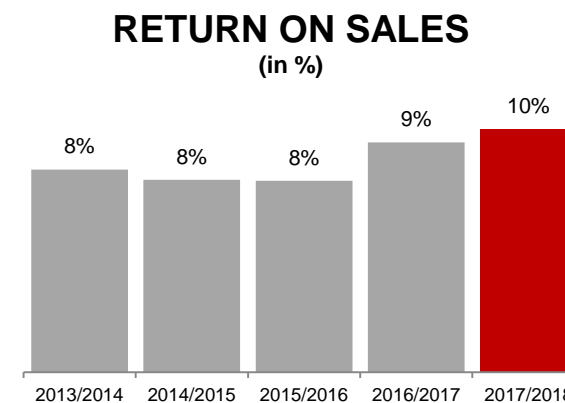
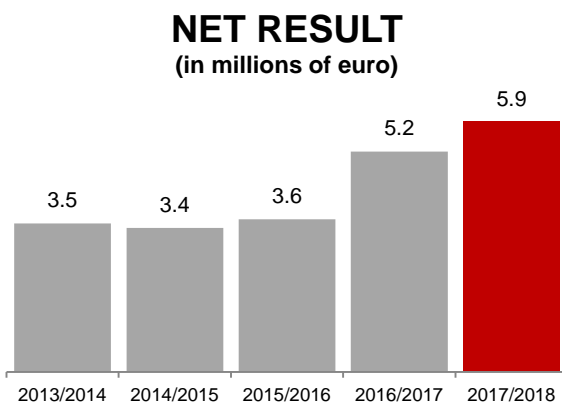
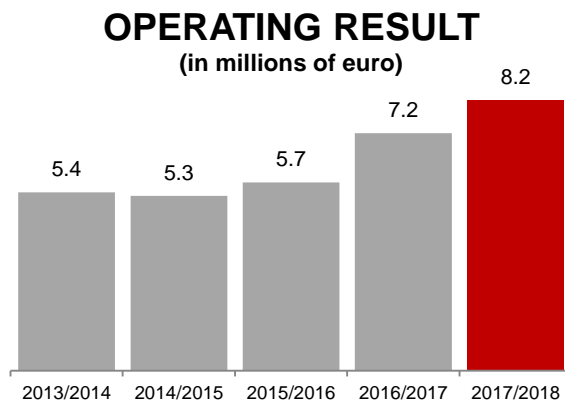
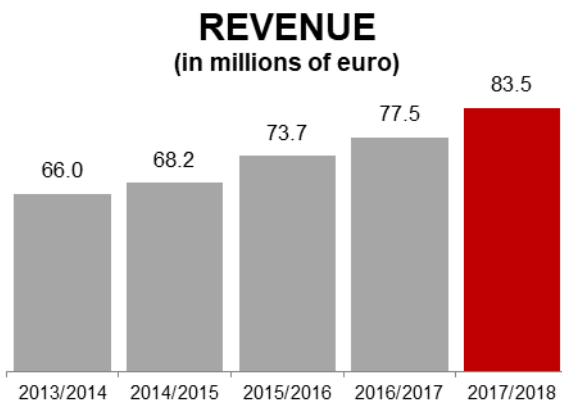


PRESS RELEASE

RESULTS 2017/2018 HOLLAND COLOURS

Revenue up 8% - Margin pressure from higher raw material cost - Net result up 13%

Holland Colours, a global producer of colorants for the polymer industry, announces revenue up 8% for their financial year that ended March 31st, 2018. Steep increases of raw material cost, especially in Europe resulted in margin pressure. This was more than offset by lower operating cost for the group resulting in 14% improvement of the operating result from continued operations to end at EUR 8.2 million versus EUR 7.2 million the year before. Net earnings per share came in at EUR 6.78 versus EUR 6.03 prior year.



The 8% revenue growth to EUR 83.5 million was to a large extent volume driven with all regions and market segments contributing. Europe was up 12%, Americas 1% and Asia 13%. The tailwind from the growth of the global economy was supported by new business wins in Packaging and Coatings Sealants & Adhesives. This was partly offset by negative USD translation impact (3 percent points) of the revenue from the Americas and Asia (their growth measured in USD was respectively 7% and 21%).

Shortages on global raw materials markets and related increases in raw material cost had a negative impact on the margins, especially in Europe. Net margin for the group came down from 49% in 2016/2017 to 46% this year.

The majority of the Group revenue (91%) is realized within the focus segments. B&C is still the largest segment where 2% overall growth over prior year was realized. Packaging showed 20% growth over prior year whereby especially Europe and Asia contributed. The CS&A segment netted 8% growth.

In absolute terms, the net margin remained almost flat versus prior year due to the raw material cost pressure in Europe as well as currency and mix effects.

Operating costs decreased by € 0.8 million, mainly due to lower operating cost in Asia (closing China entity) and vacancies in Europe and Americas.

Consulting and closing cost for the China entity (in liquidation as of Feb 15th 2017) of EUR 0.2 million are reported separately under discontinued operations.

The operating result from continued operations ended at € 8.2 million versus € 7.2 million prior year.

The tax burden was higher versus prior year amongst others due to the revaluation of the deferred tax asset in the USA. The net result after discontinued operations came in at € 5.9 million (or € 6.78 per share) versus € 5.2 million in the prior year (€ 6.03 per share).

Decrease of net cash flow mainly from increased inventories

Net cash flow came in at € 2.2 million negative versus € 0.7 million positive last year. The € 10.2 million cash flow from operations was partly absorbed by € 4.7 million increase in operating working capital, of which € 3.1 is explained by higher inventories. Capital expenditures ended at € 2.5 million, slightly over the 5 year average depreciation of € 2.2 million.

The dividend paid over prior year result was € 2.6 million and there were no changes in the funding of the company. The company remains loan free. Holland Colours paid a total amount of € 1.8 million corporate income tax.

The dividend proposal to be approved by the General Meeting of Shareholders on July 12, 2018 amounts to € 3.39 in cash per share (compared to € 3.01 in 2016/2017).

For more information on the full financial results as published today, please refer to the Holland Colours website (www.hollandcolours.com).

Outlook 2018/2019

We expect to benefit from the strengthening of the global economy. On the other hand, we also expect raw material shortages to continue with related volatility in prices. Although the impact is hard to predict these trends will continue to put pressure on our margins, particularly in Europe.

Steps to improve the profitability in Europe remain important.

Next to that, Holland Colours stays committed to its strategic intent to broaden the technology base via in-house development as well as external options.

Combined with increasing demands on regulatory and food safety compliance, this may result in capital expenditures above the historical average.

Apeldoorn, May 31st , 2018

Board of Management

R. Harmsen
M.G. Kleinsman

For further information

Holland Colours NV
Rob Harmsen
CEO Holland Colours
Tel: +31(0)55 3680700

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In thousands of euros	April 1, 2017/ March 31, 2018	April 1, 2016/ March 31, 2017
Revenue	83,513	77,485
Direct Selling Cost and Raw Materials	(45,385)	(39,437)
Changes in Finished Product	189	38
Net Margin	38,317	38,086
Personnel Expenses	(17,975)	(17,700)
Amortization and Impairments	(177)	(125)
Depreciation and Impairments	(1,785)	(1,777)
Other Operating Expenses	(10,156)	(11,251)
Total Operating Expenses	(30,093)	(30,853)
Operating Result	8,224	7,234
Finance Income	20	47
Finance Expense	(69)	(190)
Finance Income and Expense	(49)	(143)
Result before Income Tax	8,175	7,091
Income Tax	(2,182)	(1,699)
Net Result from continuing operations	5,993	5,392
Discontinued operations	(121)	(212)
Net Result after discontinued operations	5,872	5,180
Attributable to:		
▪ Shareholders of the Company	5,836	5,190
▪ Non-controlling interest	36	(10)
	5,872	5,180
Earnings per share in euros		
Average number of shares issued	860,351	860,351
Earnings per share	6.78	6.03

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In thousands of euros	April 1, 2017/ March 31, 2018	April 1, 2016/ March 31, 2017
Net Result	5,872	5,180
Items that will not be reclassified to the Income Statement		
Actuarial result on Employee Benefits, after Taks	(60)	(36)
Other comprehensive income that could in future be classified to the income statement		
Foreign Currency Translation Differences	(2,426)	467
Change in Cash Flow Hedge, after Tax		63
Other Comprehensive Income and Expenses	(2,486)	494
Total Comprehensive Income after Expenses	3,386	5,674
Attributable:		
Shareholders of the Company	3,350	5,684
Non-controlling Interest	36	(10)
	3,386	5,674

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In thousands of euros	April 1, 2017/ March 31, 2018	April 1, 2016/ March 31, 2017
Non-Current Assets		
Intangible Assets	473	437
Property, Plant and Equipment	16,485	16,705
Deferred Tax Assets	1,921	2,173
	18,879	19,315
Current Assets		
Inventory	11,786	8,695
Trade and Other Receivables	14,104	13,624
Income Tax Receivables	97	258
Cash and Cash-Equivalents	5,338	7,515
	31,326	30,091
Total Assets	50,205	49,406
Equity		
Share Capital	1,953	1,953
Share Premium Reserve	1,219	1,219
Other Reserves	(1,585)	854
Retained Earnings	35,048	31,849
Equity Attributable to Shareholders of the Company	36,635	35,875
Non-Controlling Interest	84	7
Total Equity	36,719	35,882
Non-Current Liabilities		
Employee Benefit Obligations	1,224	1,264
	1,224	1,264
Current Liabilities		
Trade and Other Liabilities	11,779	11,874
Income Tax Liabilities	399	186
Employee Benefit Obligations	84	200
	12,262	12,260
Total Equity and Liabilities	50,205	49,406

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In thousands of euros

Equity attributable to Shareholders of the Company

	Share Capital	Share Premium Reserve	Foreign Currency Translation Reserve	Hedge Reserve	Legal Reserve for Intangible Assets	Retained Earnings	Total	Non-Controlling Interest	Total Equity
As at March 31, 2016	1,953	1,219	345	(416)	351	28,589	32,041	16	32,057
Net Result for the 2016/2017 Financial Year	-	-	-	-	-	5,190	5,190	(10)	5,180
Other Comprehensive Income	-	-	467	63	-	(36)	494	-	494
Total Comprehensive Income	-	-	467	63	-	5,154	5,684	(10)	5,674
Transfer of Reserve for Intangible Assets	-	-	-	-	44	(44)	-	-	-
Dividends for 2015/2016	-	-	-	-	-	(1,850)	(1,850)	-	(1,850)
As at March 31, 2017	1,953	1,219	812	(353)	395	31,849	35,875	6	35,881
Net Result for the 2017/2018 Financial Year	-	-	-	-	-	5,836	5,836	36	5,872
Other Comprehensive Income	-	-	(2,426)	-	-	(60)	(2,486)	-	(2,486)
Total Comprehensive Income	-	-	(2,426)	-	-	5,776	3,350	36	3,386
Transfer of Reserve for Intangible Assets	-	-	-	-	(13)	13	-	-	-
Change of Capital	-	-	-	-	-	-	-	42	42
Dividends for 2016/2017	-	-	-	-	-	(2,590)	(2,590)	-	(2,590)
As at March 31, 2018	1,953	1,219	(1,614)	(353)	382	35,048	36,635	84	36,719

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In thousands of euros	April 1, 2017/ March 31, 2018	April 1, 2016/ March 31, 2017
Operating Result	8,224	7,234
Adjustments for:		
Amortisation of Intangible Asstes and Impairments	177	125
Depreciation of Property, Plant and Equipment and Impairments	1,785	1,791
Changes in Provisions	(92)	(32)
Exchange-rate Differences	3	(113)
Cash Flow from Operating Activities before Changes in Working Capital, Tax and Interest	10,097	9,005
Changes in Working Capital	(4,672)	273
Income Tax Paid	(1,808)	(1,732)
Interest Received and Paid	(49)	(101)
Cash Flow from Operating Activities from continuing operations	3,568	7,445
Cash Flow from Operating Activities from discontinued operations	(251)	(269)
Cash Flow from Operating Activities	3,317	7,176
Proceeds from Asset Disposals	-	1
Capital Expenditures in Intangible Assets	(187)	(184)
Capital Expenditures in Property, Plant and Equipment	(2,274)	(3,389)
Cash flow from Investment Activities	(2,461)	(3,572)
Dividends paid to equity holders of the Company	(2,590)	(1,850)
Repayment of Long-term Finance	-	(1,125)
Settlement of Derivatives	-	(48)
Cash Flow from Financing Activities	(2,590)	(3,023)
Exchange-rate and Translation Differences on Cash and Cash Equivalents	(443)	144
Net Cash Flow	(2,177)	725
Cash and Cash Equivalents as at April 1	7,515	6,791
Cash and Cash Equivalents as at March 31	5,338	7,515
Net Cash Flow	(2,177)	724

SEGMENT REPORTING

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Segments 2017/2018	Europe	Americas	Asia	Other	Adjustments and eliminations	Total
Revenue	42,626	28,969	11,918	-	-	83,513
Inter segmental transactions	1,229	162	52	-	(1,444)	-
Revenue including inter segmental transactions	43,856	29,132	11,970	-	(1,444)	83,513
Depreciation, amortisation and impairments	956	518	217	280	(10)	1,962
Operating Result from continued operations	532	3,823	2,101	1,768	-	8,224
Operating result from discontinued operations	-	-	(121)	-	-	(121)
Operating result after discontinued operations	532	3,823	1,979	1,768	-	8,103
Net Financial Expense	-	-	-	-	(49)	(49)
Tax	-	-	-	-	(2,182)	(2,182)
Net result	-	-	-	-	5,872	5,872
Non-current Assets	8,354	5,177	2,249	39,428	(36,336)	18,872
Current Assets	10,759	10,948	5,811	7,136	(3,321)	31,333
Liabilities	9,187	3,298	1,876	2,777	(3,652)	13,486
Total investments	1,111	902	198	413	0	2,624
Average number of employees (in FTE)	201	90	98	19	-	408

Segments 2016/2017	Europe	Americas	Asia	Other	Adjustments and eliminations	Total
Revenue	38,207	28,756	10,522	-	-	77,485
Inter segmental transactions	876	39	96	-	(1,011)	-
Revenue including inter segmental transactions	39,083	28,795	10,628	-	(1,011)	77,495
Depreciation, amortisation and impairments	(831)	(562)	(275)	(244)	10	(1,902)
Operating Result from continued operations	1,087	3,288	1,257	1,602	-	7,234
Operating result from discontinued operations	-	-	(520)	-	-	(520)
Operating result after discontinued operations	1,087	3,288	737	1,558	-	6,714
Net Financial Expense	-	-	-	-	(143)	(143)
Tax	-	-	-	-	(1,699)	(1,699)
Net result	-	-	-	-	5,180	5,180
Non-current Assets	8,261	5,629	2,197	31,336	(28,108)	19,315
Current Assets	9,363	9,510	6,161	6,023	(965)	30,092
Liabilities	8,011	3,258	2,283	1,342	(1,370)	13,524
Total investments	2,708	458	149	322	-	3,637
Average number of employees (in FTE)	197	87	106	21	-	411



NOTES

General

The condensed consolidated financial information for the year 2017/2018 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS).

Disclaimer

This press release is based on the annual financial statements prepared by the Board of Management and discussed and approved by the Supervisory Board in its meeting of May 31, 2018 and contains only a part of these statements. The annual financial statements are published on May 31, 2018 and will be presented to the General Meeting of Shareholders for adoption on July 12, 2018.

The auditor has issued an independent auditor's statement of approval for the annual financial statements that have been prepared.

KEY FIGURES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

In millions of euros	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Income statement					
Revenue	83.5	77.5	73.7	68.2	66.0
Operation result before depreciaton and amortisation (EBITDA)	10.2	9.1	7.7	7.3	7.3
Depreciation of property, plant, equipment and intangibles	(2.0)	(1.9)	(2.0)	(2.0)	(1.9)
Operating result	8.2	7.2	5.7	5.3	5.4
Interest	0.0	(0.1)	(0.1)	(0.3)	(0.3)
Income tax	(2.2)	(1.7)	(2.0)	(1.6)	(1.6)
Result of discontinued operations	(0.1)	(0.2)	0.0	0.0	0.0
Net result	5.9	5.2	3.6	3.4	3.5
Statement of financial position					
Total assets	50.2	49.4	45.3	45	40.0
Total equity	36.7	35.9	32.1	30.7	26.0
Interest-bearing debt	0.0	0.0	1.1	1.1	3.2
Working capital	17.2	14.3	13.4	15.6	13.9
Invested capital	32.6	29.7	28.5	30.7	25.9
Cash	5.3	7.5	6.8	5.3	3.2
Statement of cashflows					
Cash flow from operating activities	3.3	7.2	7.6	5.7	6.6
Investments	(2.5)	(3.6)	(1.7)	(1.1)	(2.2)
Dividend	(2.6)	(1.9)	(1.7)	(1.8)	(1.5)
Other financial activities	(0.4)	(1.0)	(2.7)	0.4	(0.7)
Net cash flow	(2.2)	0.7	1.5	3.1	2.3
Ratios					
Return on Sales (ROS)	9.8%	9.3%	7.7%	7.8%	8.2%
Solvency	73.1%	72.7%	70.9%	68.2%	64.5%
Return on Investment (ROI)	25.2%	24.2%	20.0%	17.3%	20.8%
Working capital in % of revenue	20.6%	18.5%	18.2%	22.9%	21.1%
Market capitalisation as at 31 March	76.6	59.8	39.1	39.5	24.6
Number of shares outstanding	860,351	860,351	860,351	860,351	860,351

PROFILE

Holland Colours develops, produces and commercializes solid and liquid colorants, masterbatches and additives for coloring rigid and flexible PVC for the building and construction industry, as well as PET and polyolefins for the packaging industry. Next to serving these global markets, we offer color concentrates for coatings, elastomers and adhesives and other applications. Our technical experts are always creating new color solutions to give our customers peace of mind based on precise color match and color consistency.

Holland Colours is a Dutch company listed on the Euronext Amsterdam Stock Exchange. With committed employee shareholders and operations in the Americas, Europe and Asia, we provide personal local service on a global scale.

Key dates

July 12, 2018	General Meeting of Shareholders
July 16, 2018	Ex-dividend listing
July 17, 2018	Dividend record date
July 20, 2018	Dividend payable
October 25, 2018	Publication of half-year figures 2018/2019
June 4, 2019	Publication of 2018/2019 financial statements
July 16, 2019	General Meeting of Shareholders

Holland Colours NV

PO Box 720 | 7300 AS Apeldoorn | Netherlands
Tel + 31 (0)55 368 07 00 | Fax + 31 (0)55 366 29 81
ir@hollandcolours.com | www.hollandcolours.com |

