

The background of the slide is a photograph of numerous brown lentils falling through the air against a light grey background. The lentils are in various stages of motion, creating a sense of dynamic movement. A large, semi-transparent white circle is centered on the right side of the slide, containing the text.

INFORMATION MEETING MAJOR SHAREHOLDERS

Apeldoorn, July 16, 2019

AGENDA

- Welcome and introduction
- Annual report and financial statements 2018 / 2019
- Strategy update: Growing Together 2023

ANNUAL REPORT AND FINANCIAL STATEMENTS 2018/2019



MARKET CONDITIONS



- Asia: growing demand for UHT dairy and yogurt drinks;
- North America: slow down in the housing market;
- Russia, Middle East and Africa: continued growth of packaging market;
- Europe: stable markets.

NET MARGIN IMPROVED, HIGHER OPERATING RESULT



- Volume growth in Asia and Europe, lower volumes in the USA;
- Short supply and higher market prices of various raw materials;
- Sales prices increased; margin management program;
- Absolute margin improved, marge % slightly decreased;
- Higher cost, primarily due to one-off personnel and consultancy costs.

NET CASH FLOW POSITIVE, HIGHER DIVIDEND



- Increase of operating profit (EBIT base);
- Operating working capital increased - continued shortages on raw material markets and higher revenue;
- Investments higher than previous financial year (primarily Asia);
- Higher dividend (50% pay-out policy unchanged);
- Financing unchanged (no loans).

OVERALL OBJECTIVES AND REALISATION

	2018/2019	2017/2018
Sustainable revenue growth	+ 8.9%	+ 7.8%
Return on Sales > 10%	9.6%	9.8%
Return on Investment > 15%	24.0%	25.2%
Zero safety accidents (LTI)	1	2
Innovation Index > 10%	16.6%	10.4%
Solvency ratio > 40%	72.3%	73.1%

DEVELOPMENTS



- First year of Board of Management (BoM) with three members (CTO, CFO en CEO);
- Divisional teams strengthened (Technology Manager North America, Business Controller Europe);
- Developments Corporate Social Responsibility (CSR) positive;
- Innovation examples: Holcomer Circulaire, dark colors suitable for recycling (NIR systems);
- Strategy project “Spectrum 2023”: continued growth and continuous improvement of internal processes.

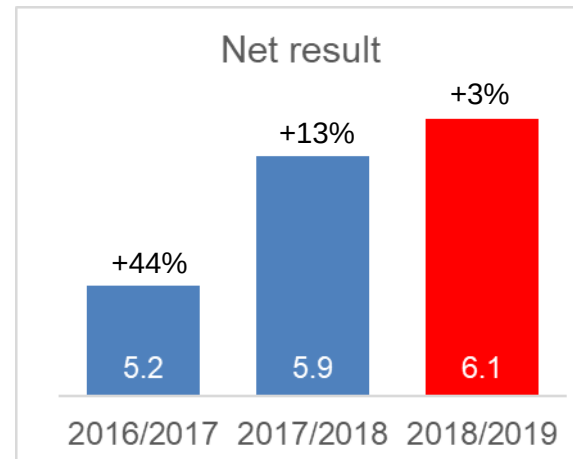
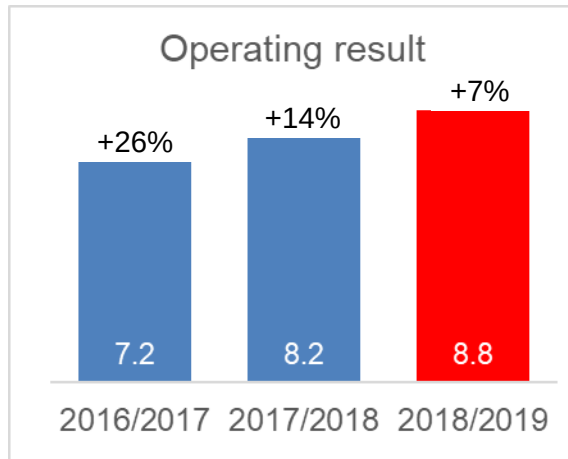
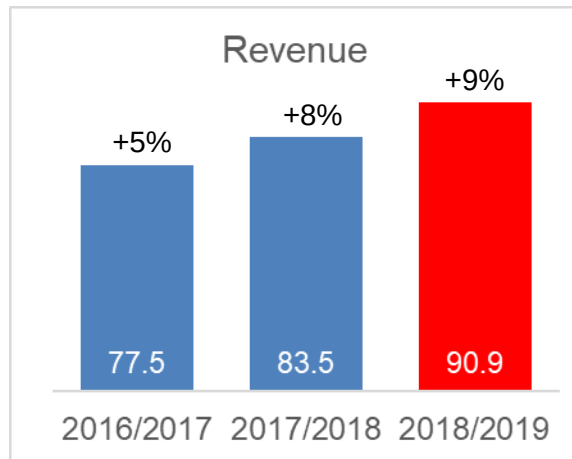
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FINANCIAL RESULTS

2018 / 2019

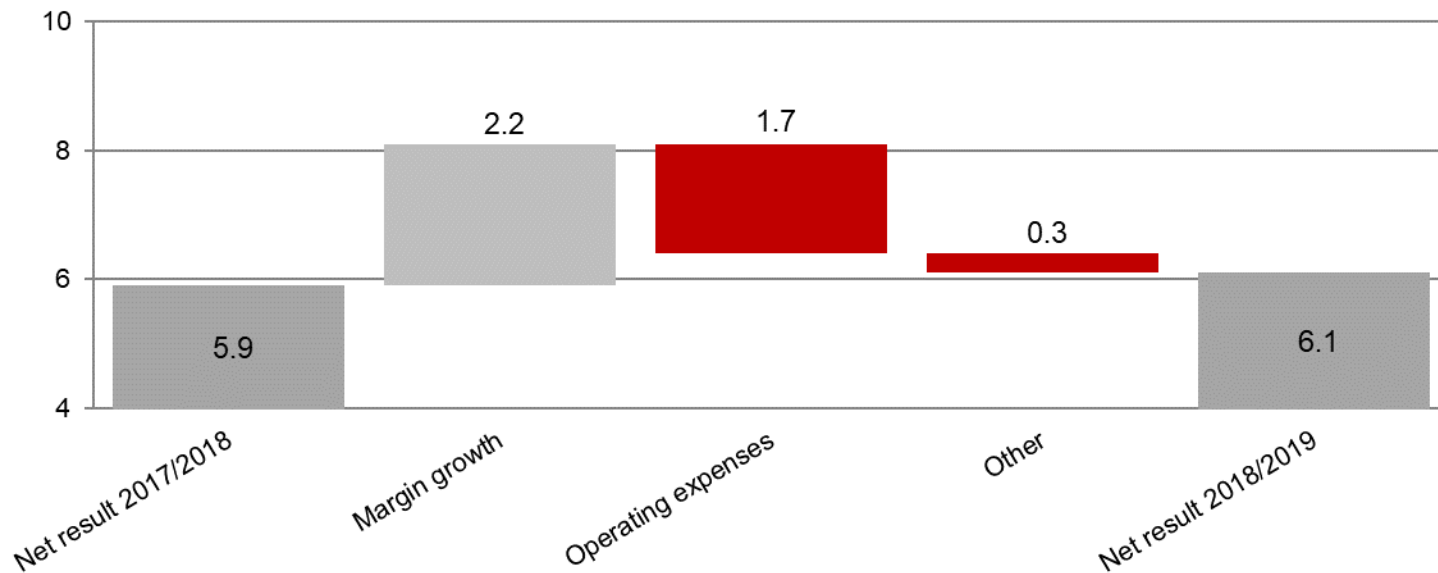
HOLLAND COLOURS GROUP: KEY FIGURES

In million euros



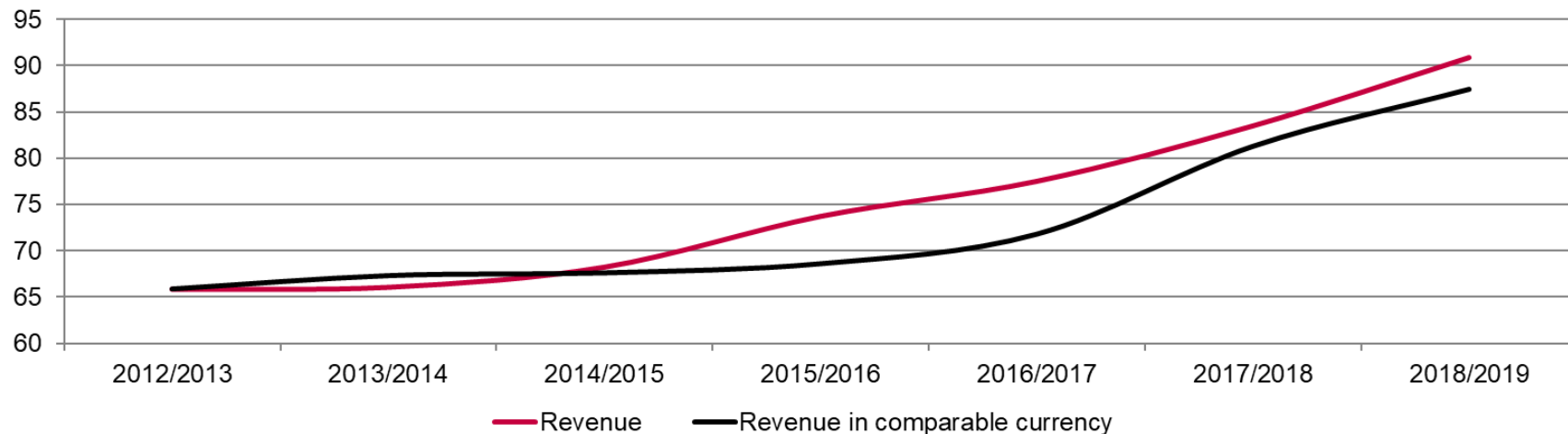
DEVELOPMENT NET RESULT

In million euros



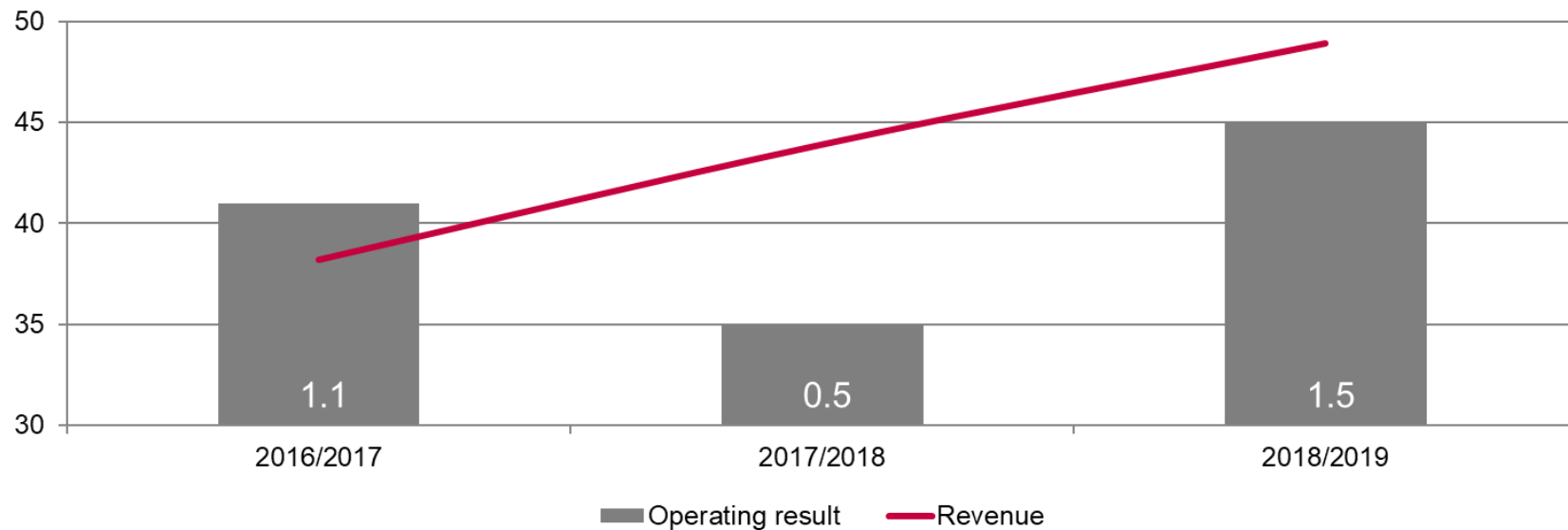
REVENUE GROWTH HCA EXCL. CURRENCY RESULTS

FIXED USD EXCHANGE RATE OF 2012/2013



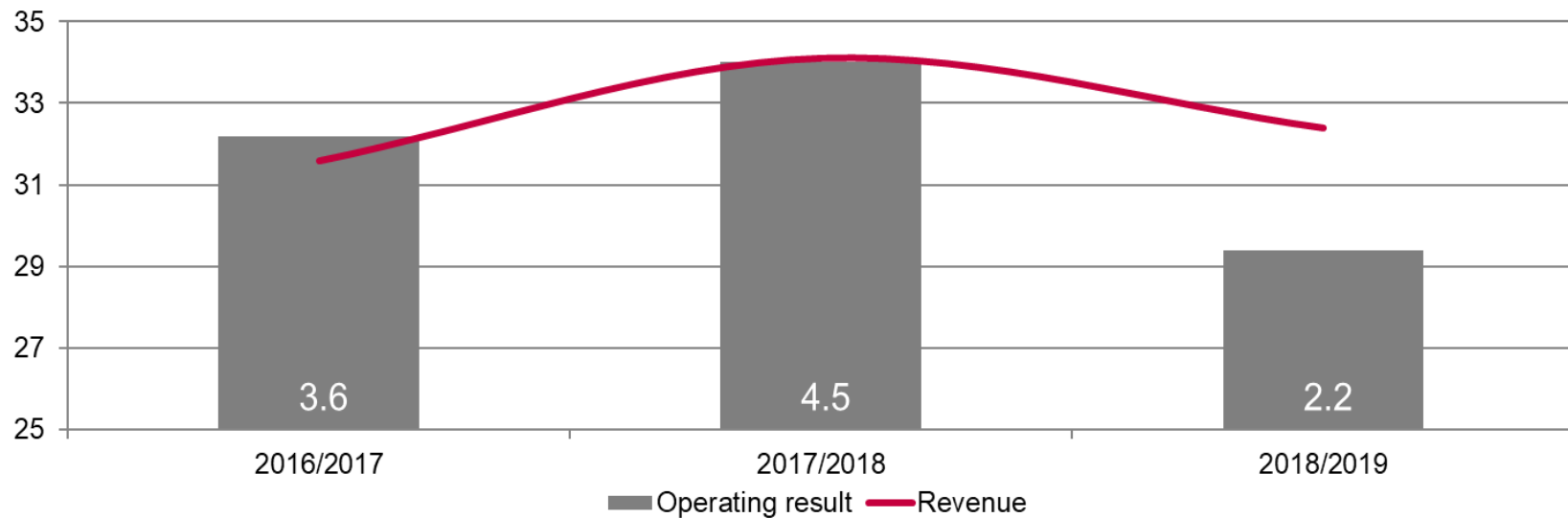
DIVISION EUROPE

In million euros



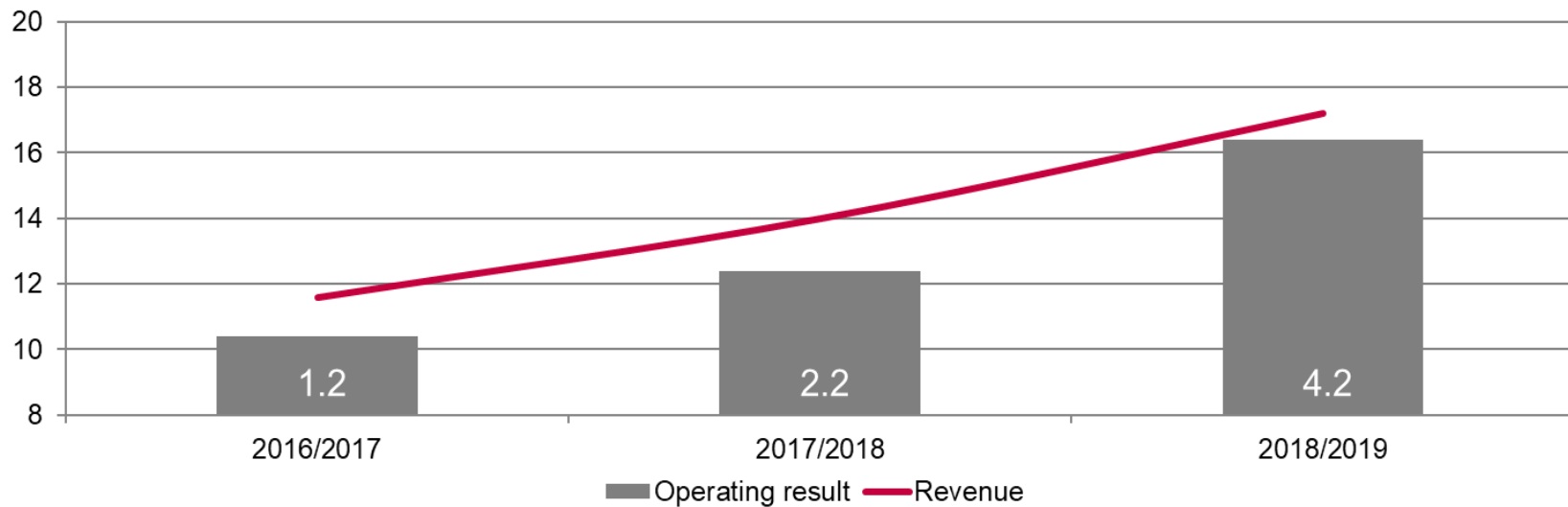
DIVISION AMERICAS

In million USD



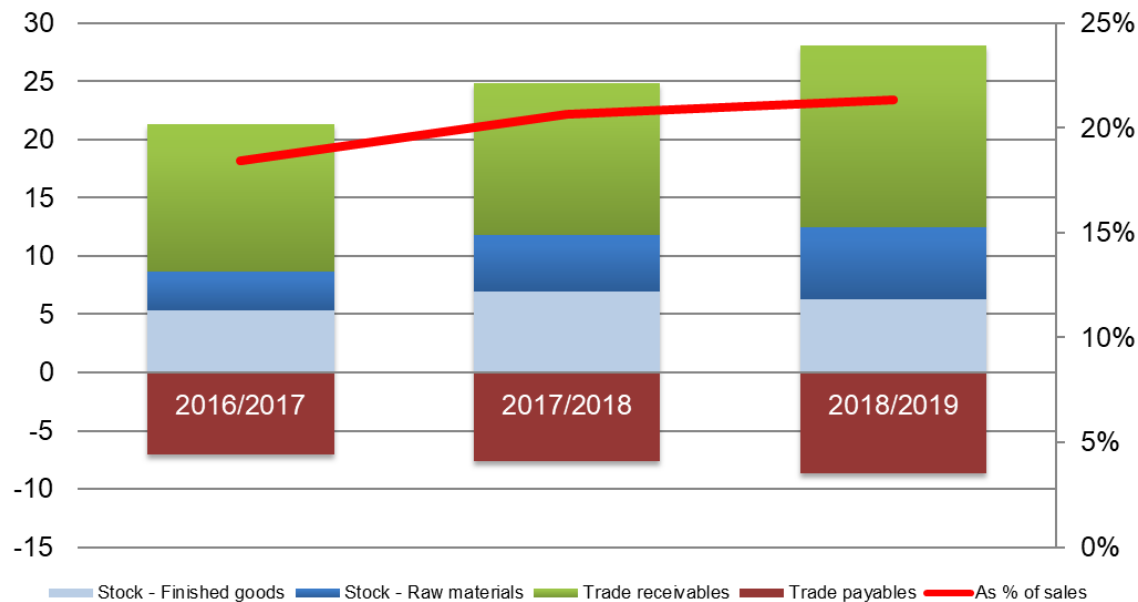
DIVISION ASIA

In million USD



OPERATING WORKING CAPITAL

In million euros



	2016/2017	2017/2018	2018/2019
Total OWC	14.3	17.2	19.4
As % of sales	18%	21%	21%

OUTLOOK 2019/2020

- Development growth global economy;
- Ongoing shortage of certain raw materials and related volatility of prices;
- Implementation strategy.

GROWING
TOGETHER
2023

STRATEGY PROJECT 'SPECTRUM 2023'



Insights obtained

- HCA has a **solid base** with strong market positions and the foundation to retain its independence;
- Our core markets keep evolving and will **remain attractive**;
- The benefits of plastic are acknowledged; **color will stay**; requirements change continuously;
- **Our customers** explicitly mention as **HCA strengths**: product quality, technical service and flexibility.

Competition is ...

- **Continuously developing** new products and market initiatives.

This means that we ...

- Need to **grow existing market positions** and make **clear decisions**;
- Must continuously improve and invest to **increase profitability**;
- Must **innovate** and **co-develop** new technologies with customers.



OUR MISSION

Our Brand

Coloring Your Success

Our Core Values

- Teamwork
- Accountability
- Competence
- Proactiveness
- Responsibility

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 shareholders of the company and we are proud to provide the highest levels of **service to our customers**.

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 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 and construction;
- Extending market positions in coatings and sealants, primarily in EMEA.



THE CHOICES WE MADE

REVENUE GROWTH

Grow core

Geographic focus

Portfolio expansion

CONTINUOUS
IMPROVEMENT

Commercial excellence

Operational excellence

People excellence

Innovation excellence

Target & Initiative Management

STRATEGY ROAD MAP: “GROWING TOGETHER 2023”

From project (“Spectrum 2023”) to execution (“Growing Together 2023”)

- Growing: current and related product/market segments;
- Together: customer driven (co-design) and result driven (continuous improvement);
- Target and Initiative Management (TIM): execution program.

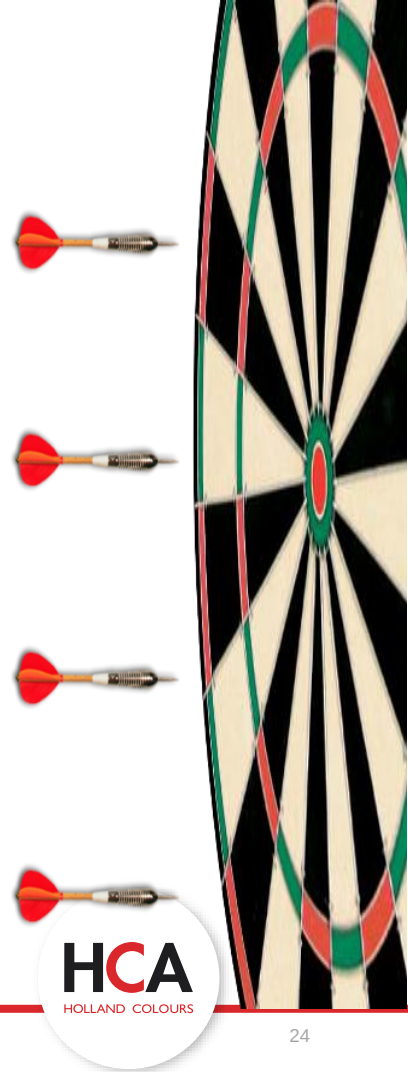
Investments

- Investments (Property, Plant and Equipment) in tune with revenue - and profit development;
- M&A not a pro-active part of the strategy; we remain open for opportunities if and when they arise;

OUR OVERALL OBJECTIVES

Streefgetallen

- Zero safety incidents;
- Innovation Index above 10%;
- Continued revenue growth;
- Return on Sales of at least 10%;
- Return on Investment of at least 15%;
- Debt as % of balance sheet total below 40%.



GROWING
TOGETHER
2023

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THANK YOU FOR
YOUR VISIT AND
WE HOPE TO
SEE YOU AGAIN!