

PRESS RELEASE

RESULTS 2018/2019 HOLLAND COLOURS

Revenue € 91 million – up 9%, driven by Europe and Asia

Holland Colours, a global colorants producer with strong footholds in the Building & Construction and Packaging markets reports

- 9% revenue growth for the financial year 2018/2019 over prior year;
- Net margin up 6% despite ongoing shortages of certain raw materials;
- Operating cost increased by 5%, partly relating to incidentals;
- Operating result from continued operations was € 8.8 million (ROS of 9.6%) versus € 8.2 million the year before (ROS 9.8%);
- Net result after discontinued operations was € 6.1 million versus € 5.9 million previous year.

Net earnings per share came in at € 7.04 versus € 6.78 prior year.

The 9% revenue growth to € 90.9 million was to a large extent driven by price and volume increases in Europe (12%) and Asia (25%). Revenues in the Americas declined with 4% as a result of the slowdown in the USA housing market. The currency translation impact was negligible.

Two of the three focus segments were drivers of the global revenue growth. Packaging added the most while sales in the Building and Construction segment was up as well, despite the market downturn in the USA. Coatings and Sealants were flat. The majority of the Group revenue (89%) is realized within these three focus segments. B&C is still the largest segment.

Shortages on global raw materials markets and related increases in raw material cost continued to have a negative impact on the margins, especially in Europe. Margin protection actions and selling price increases were implemented, albeit with some delay due to market pressures. Net margin % for the Group ended at 45% versus 46% prior year. In absolute terms, the net margin increased by € 2.1 million.

Operating costs from continued operations increased by € 1.6 million of which about € 0.9 million relates to incidental cost in personnel and consultancy. The tax burden was higher versus prior year amongst others due to the revaluation of the deferred tax asset in the Netherlands.

Net cash flow came in at € 2.1 million positive versus € 2.2 million negative last year. The € 4.3 million improvement over prior year relates amongst others to € 0.6 million increase in cash from operations (EBIT base) and € 3.2 million lower absorption in Operating Working Capital. Capital expenditures ended at € 2.9 million versus € 2.5 million prior year while the dividend payment was up at € 2.9 million versus € 2.6 million prior year. There were no changes in the funding of the company. The company remains loan free.

The dividend proposal to be approved by the General Meeting of Shareholders on July 16, 2019 amounts to € 3.52 in cash per share (compared to € 3.39 in 2017/2018).



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

Outlook 2019/2020

It is hard to interpret the various signals around us: there are no signs yet of recovery in the USA housing market and key raw materials remain in short supply, to name just a few of our current challenges.

Based on our growth initiatives and internal improvement programs we look with confidence to the year ahead. However we will – as we did in previous years – not provide any forward-looking statements.

Apeldoorn, June 4th, 2019

Board of Management

C.W.H. Vinke
M.G. Kleinsman
E.M.S. van Hamersveld

For further information

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INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Revenue	90,902	83,513
Direct Selling Cost and Raw Materials	(50,516)	(45,385)
Changes in Finished Product	68	189
Net Margin	40,454	38,317
Personnel Expenses	(18,313)	(17,975)
Amortization and Impairments	(121)	(177)
Depreciation and Impairments	(1,784)	(1,785)
Other Operating Expenses	(11,469)	(10,156)
Total Operating Expenses	(31,687)	(30,093)
Operating Result	8,767	8,224
Finance Income	35	20
Finance Expense	(102)	(69)
Finance Income and Expense	(67)	(49)
Result Before Income Tax	8,700	8,175
Income Tax	(2,333)	(2,182)
Net Result from Continued Operations	6,367	5,993
Discontinued Operations	(238)	(121)
Net Result after Discontinued Operations	6,129	5,872
Attributable to:		
▪ Shareholders of the Company	6,053	5,836
▪ Non-controlling Interest	76	36
	6,129	5,872
Earnings per Share in euros		
Average Number of Shares Issued	860,351	860,351
Earnings per Share	7.04	6.78



STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Net Result	6,129	5,872
Items that will not be reclassified to the Income Statement		
Actuarial result on Employee Benefits, after Tax	(80)	(60)
Other comprehensive income that could in future be classified to the income statement		
Foreign Currency Translation Differences	1,943	(2,426)
Other Comprehensive Income and Expenses	1,863	(2,486)
Total Comprehensive Income after Expenses	7,992	3,386
Attributable:		
Shareholders of the Company	7,916	3,350
Non-controlling Interest	76	36
	7,992	3,386

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros	April 1, 2018/ March 31, 2019	April 1, 2017/ March 31, 2018
Non-current Assets		
Intangible Assets	476	473
Property, Plant and Equipment	18,150	16,485
Deferred Tax Assets	1,696	1,921
	20,322	18,879
Current Assets		
Inventory	12,533	11,786
Trade and Other Receivables	17,278	14,104
Income Tax Receivables	183	97
Cash and Cash-Equivalents	7,434	5,338
	37,428	31,326
Total Assets	57,750	50,205
Equity		
Share Capital	1,953	1,953
Share Premium Reserve	1,219	1,219
Other Reserves	379	(1,585)
Retained Earnings	38,088	35,048
Equity Attributable to Shareholders of the Company	41,638	36,635
Non-Controlling Interest	160	84
Total Equity	41,798	36,719
Non-current Liabilities		
Long-Term Debt	-	-
Employee Benefit Obligations	1,211	1,224
Deferred Tax Liabilities	-	-
	1,211	1,224
Current Liabilities		
Trade and Other Liabilities	13,359	11,779
Income Tax Liabilities	1,298	399
Employee Benefit Obligations	84	84
	14,741	12,262
Total Equity and Liabilities	57,750	50,205

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros

Equity attributable to Shareholders of the Company

	Share Capital	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, 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
Net Result for the 2018/2019 Financial Year	-	-	-	-	-	6,053	6,053	76	6,129
Other Comprehensive Income	-	-	1,943	-	-	(78)	1,865	-	1,865
Total Comprehensive Income	-	-	1,943	-	-	5,975	7,918	76	7,994
Transfer of Reserve for Intangible Assets	-	-	-	-	20	(20)	-	-	-
Change of Capital	-	-	-	-	-	-	-	-	-
Dividends for 2017/2018	-	-	-	-	-	(2,916)	(2,916)	-	(2,916)
As at March 31, 2019	1,953	1,219	329	(353)	402	38,088	41,638	160	41,798

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

In thousands of euros	Apr 2018/ Mar 2019	Apr 2017/ Mar 2018
Operating Result	8,767	8,224
Adjustments for:		
Amortisation of Intangible Assets and Impairments	121	177
Depreciation of Property, Plant and Equipment and Impairments	1,784	1,785
Changes in Provisions	(63)	(92)
Exchange-rate Differences	143	3
Cash Flow from Operating Activities before Changes in Working Capital, Tax and Interest	10,752	10,097
Changes in Working Capital	(1,465)	(4,672)
Income Tax Paid	(1,270)	(1,808)
Interest Received and Paid	(68)	(49)
Cash Flow from Operating Activities from Continuing Operations	7,949	3,568
Cash Flow from Operating Activities from Discontinued Operations	(219)	(251)
Cash Flow from Operating Activities	7,730	3,317
Proceeds from Asset Disposals	19	-
Capital Expenditures in Intangible Assets	(124)	(187)
Capital Expenditures in Property, Plant and Equipment	(2,819)	(2,274)
Cash Flow from Investment Activities	(2,924)	(2,461)
Change in Capital	-	-
Dividend Paid	(2,916)	(2,590)
Cash Flow from Financing Activities	(2,916)	(2,590)
Exchange-rate and Translation Differences on Cash and Cash Equivalents	207	(443)
Net Cash Flow	2,096	(2,177)
Cash and Cash Equivalents as at April 1	5,338	7,515
Cash and Cash Equivalents as at March 31	7,434	5,338
Net Cash Flow	2,096	(2,177)

SEGMENT REPORTING

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Segments 2018/2019 in thousands of euros	Europe	Americas	Asia	Other	Adjustments/ eliminations	Total
Revenue	48,151	27,837	14,913	-	-	90,902
Intersegmental Transactions	773	128	1	-	(902)	-
Revenue Including Intersegmental Transactions	48,925	27,965	14,914	-	(902)	90,902
Depreciation, Amortisation and Impairments	(917)	(528)	(212)	(255)	7	(1,905)
Operating Result from Continued Operations	1,547	1,926	3,839	1,455	-	8,767
Operating Result from Discontinued Operations	-	-	(221)	-	-	(221)
Operating Result after Discontinued Operations	1,547	1,926	3,618	1,455	-	8,546
Net Financial Expense	-	-	-	-	(68)	(68)
Tax	-	-	-	-	(2,333)	(2,333)
Net Result	-	-	-	-	6,129	6,129
Non-current Assets	8,690	5,719	3,253	34,139	(31,749)	20,322
Current Assets	15,886	11,344	7,386	7,654	(4,884)	37,386
Liabilities	13,610	2,696	2,569	1,468	(4,390)	15,952
Total Investments	1,214	684	826	218	-	2,942
Average Number of Employees (in FTE)	204	96	100	19	-	419

Segments 2017/2018 in thousands of euros	Europe	Americas	Asia	Other	Adjustments/ eliminations	Total
Revenue	42,626	28,969	11,918	-	-	83,513
Intersegmental Transactions	1,229	162	52	-	(1,443)	-
Revenue Including Intersegmental Transactions	43,856	29,132	11,970	-	(1,443)	83,513
Depreciation, Amortisation and Impairments	(956)	(518)	(217)	(280)	9	(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	-	2,624
Average Number of Employees (in FTE)	201	95	98	19	-	413



NOTES

General

The condensed consolidated financial information for the year 2018/2019 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 June 4, 2019 and contains only a part of these statements. The annual financial statements are published on June 4, 2019 and will be presented to the General Meeting of Shareholders for adoption on July 16, 2019.

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, 2019

	2018/19	2017/18	2016/17	2015/16	2014/15
Income statement (€ million)					
Revenue	90.9	83.5	77.5	73.7	68.2
Operating result before depreciaton and amortisation (EBITDA)	10.7	10.2	9.1	7.7	7.3
Depreciation of property, plant, equipment and intangibles	(1.9)	(2.0)	(1.9)	(2.0)	(2.0)
Operating result	8.8	8.2	7.2	5.7	5.3
Interest	(0.1)	-	(0.1)	(0.1)	(0.3)
Income tax	(2.3)	(2.2)	(1.7)	(2.0)	(1.6)
Result of discontinued operations	(0.2)	(0.1)	(0.2)	-	-
Net result	6.1	5.9	5.2	3.6	3.4
Statement of financial position (€ million)					
Total assets	57.8	50.2	49.4	45.3	45.0
Total equity	41.8	36.7	35.9	32.1	30.7
Interest-bearing debt	-	-	-	1.1	1.1
Working capital	19.4	17.2	14.3	13.4	15.6
Invested capital	36.6	32.6	29.7	28.5	30.7
Cash	7.4	5.3	7.5	6.8	5.3
Statement of cashflows (€ million)					
Cash flow from operating activities	7.7	3.3	7.2	7.6	5.7
Investments	(2.9)	(2.5)	(3.6)	(1.7)	(1.1)
Dividend	(2.9)	(2.6)	(1.9)	(1.7)	(1.8)
Other financial activities	0.2	(0.4)	(1.0)	(2.7)	0.4
Net cash flow	2.1	(2.2)	0.7	1.5	3.1
Revenue per division (million)					
Europe in €	48.9	43.9	39.1	37.9	36.7
Americas in USD	32.4	34.1	31.6	29.6	28.4
Asia in USD	17.2	14.0	11.6	11.0	12.5
Ratios					
Return on Sales (ROS)	9.6%	9.8%	9.3%	7.7%	7.8%
Solvency	72.3%	73.1%	72.7%	70.9%	68.2%
Return on Investment (ROI)	24.0%	25.2%	24.2%	20.0%	17.3%
Working capital in % of revenue	21.3%	20.6%	18.5%	18.2%	22.9%
Market capitalisation as at 31 March (€ million)	65.7	76.6	59.8	39.1	39.5
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 building and construction plastics (PVC) and packaging (PET and polyolefins). 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 16, 2019	General Meeting of Shareholders
July 18, 2019	Ex-dividend listing
July 19, 2019	Dividend record date
July 25, 2019	Dividend payable
October 24, 2019	Publication of half-year figures 2019/2020
June 4, 2020	Publication of 2019/2020 financial statements
July 16, 2020	General Meeting of Shareholders

Holland Colours NV

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