

# PRESS RELEASE

## RESULTS 2020/2021 HOLLAND COLOURS

### *Better Than Expected At The Outset*

Holland Colours, a global producer of colorants and additives for plastics for the building & construction, packaging and coatings markets, delivered better results in 2020/2021 than the company expected at the start of the financial year, which coincided with many countries around the world going into lockdown. Thanks to a stringent focus on employee safety, commitment to customers, and tight controls on costs and investments, the Company is able to report the following results for financial year 2020/2021:

- 5% revenue decrease on the previous financial year;
- Operating result from continued operations was € 12.4 million versus € 10.8 million previous year;
- Net result after discontinued operations was € 9.6 million versus € 7.9 million prior year and net earnings per share came in at € 11.00 versus € 9.09 prior year;
- Final dividend proposed of € 4.8 million (€ 5.50 per share).

Revenue for the 2020/2021 financial year was € 96.0 million, a decrease of 5% on the previous year (€ 101.5 million). This included a negative impact (€ 2.2 million) arising from the translation from USD to EUR.

The EMEIA division (Europe, the Middle East, India, and Africa) saw a revenue decline of 6%, and all focus segments were down compared to the previous year. Revenue in Asia was down by 8% in functional currency, primarily due to lower volumes. Revenue growth of 5% in functional currency for the Americas division was mainly the result of higher volumes.

The net margin for the Group was € 46.2 million, an increase of € 0.5 million on the year before. The margin as a percentage of revenue ended higher at 48%, versus 45% in the previous year. This increase was due to a favorable geographical and product mix.

Operating expenses were € 33.8 million, down € 1.1 million (3%) from the previous year, primarily due to lower travel costs. Labor costs, maintenance and forex-related devaluations of receivables were also favorable compared to the previous year. In the United States the Company received assistance amounting to € 1 million under the US government's Payroll Protection Program. The operating result from continued operations was € 12.4 million, versus € 10.8 million for the previous year.

The net result was € 9.6 million (€ 11.10 per share) versus € 7.9 million in the previous year (€ 9.09 per share). In line with Holland Colours' dividend policy, a final dividend of € 4.8 million is proposed (€ 5.50 per share).

Net cash flow came in at € 9.0 million, versus € 0.2 million last year. The higher net cash flow was a result of, among other things, a higher cash flow from operating activities of € 2.0 million, the favorable development of working capital, which amounted to € 3.8 million, a reduction in investments to € 2.3 million, and favorable translation differences on Cash and Cash Equivalents of € 0.6 million.

The Company paid € 0.8 million less income tax. Higher dividend of € 0.9 million paid in November 2020. There were no changes in the company's funding. Except for the liabilities related to IFRS 16, the company remains loan free.

## COVID-19

Our priority at the outset of the COVID-19 pandemic was to first take care of our employees. The divisions took various steps, including introducing new work schemes, and our people acted carefully and responsibly to minimize the chances of the coronavirus entering Holland Colours.

With all measures in place, we could then focus on keeping our customers supplied. The deliveries to our customers have not been affected due to the pandemic.

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

## OUTLOOK 2021/2022

Holland Colours does not make forward-looking statements. However, because of COVID-19, the outlook appears more unstable and there continues to be uncertainty.

At the same time, based on our growth strategy and accompanying internal improvements we feel there are grounds for optimism.

Apeldoorn, June 3, 2021

### Board of Management

Coen Vinke  
Tanja van Dinteren  
Eelco van Hamersveld

# INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

| In thousands of euros                           | April 1, 2020/March 31, 2021 |               | April 1, 2019/March 31, 2020 |               |
|---|------------------------------|---------------|------------------------------|---------------|
| Revenue   |                              | 96,029        |                              | 101,539       |
| Cost of Materials                               |                              | (49,781)      |                              | (55,772)      |
| <b>Direct Contribution Margin</b>               |                              | <b>46,248</b> |                              | <b>45,767</b> |
| Personnel Expenses                              | (19,939)                     |               | (20,186)                     |               |
| Amortization and Impairments                    | (124)                        |               | (142)                        |               |
| Depreciation and Impairments                    | (2,935)                      |               | (2,747)                      |               |
| Other Operating Expenses                        | (10,834)                     |               | (11,904)                     |               |
| Total Operating Expenses                        |                              | (33,832)      |                              | (34,979)      |
| <b>Operating Result</b>                         |                              | <b>12,416</b> |                              | <b>10,788</b> |
| Finance Income                                  | 22                           |               | 20                           |               |
| Finance Expense                                 | (97)                         |               | (105)                        |               |
| Finance Income and Expense                      |                              | (75)          |                              | (85)          |
| Result Before Income Tax                        |                              | 12,341        |                              | 10,703        |
| Income Tax                                      |                              | (2,762)       |                              | (2,784)       |
| <b>Net Result from Continued Operations</b>     |                              | <b>9,579</b>  |                              | <b>7,919</b>  |
| Discontinued Operations                         |                              | -             |                              | (23)          |
| <b>Net Result after Discontinued Operations</b> |                              | <b>9,579</b>  |                              | <b>7,896</b>  |
| Attributable to:                                |                              |               |                              |               |
| • Shareholders of the Company                   |                              | 9,471         |                              | 7,823         |
| • Non-Controlling Interest                      |                              | 108           |                              | 73            |
|   |                              | <b>9,579</b>  |                              | <b>7,896</b>  |
| <b>Earnings per Share in euros</b>              |                              |               |                              |               |
| Average Number of Shares Issued                 |                              | 860,351       |                              | 860,351       |
| Earnings per Share from Continued Operations    |                              | 11.00         |                              | 9.12          |
| Earnings per Share from Total Net Result        |                              | 11.00         |                              | 9.09          |

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

| In thousands of euros  | April 1, 2020/March 31, 2021 | April 1, 2019/March 31, 2020 |
|--|------------------------------|------------------------------|
| <b>Net Result</b>  | 9,579                        | 7,896                        |
| <b>Items that will not be reclassified to the Income Statement</b>                           |                              |                              |
| Actuarial Results on Employee Benefits, after Tax  | (8)                          | (56)                         |
| <b>Other Comprehensive Income that could in future be classified to the Income Statement</b> |                              |                              |
| Foreign Currency Translation Differences   | (2,134)                      | 392                          |
| <b>Other Comprehensive Income</b>  | (2,142)                      | 336                          |
| <b>Total Comprehensive Income</b>  | <b>7,437</b>                 | <b>8,232</b>                 |
| Attributable to:   |                              |                              |
| • Shareholders of the Company  | 7,329                        | 8,159                        |
| • Non-Controlling Interest   | 108                          | 73                           |
|  | <b>7,437</b>                 | <b>8,232</b>                 |

## BALANCE SHEET

AS OF MARCH 31, 2021

| In thousands of euros         | March 31,<br>2021 | March 31,<br>2020 | In thousands of euros                              | March 31,<br>2021 | March 31,<br>2020 |
|-------------------------------|-------------------|-------------------|--|-------------------|-------------------|
| <b>Non-Current Assets</b>     |                   |                   | <b>Equity</b>                                      |                   |                   |
| Intangible Assets             | 156               | 280               | Share Capital                                      | 1,953             | 1,953             |
| Property, Plant and Equipment | 19,354            | 20,398            | Share Premium Reserve                              | 1,219             | 1,219             |
| Right-of-Use Assets           | 1,616             | 1,425             | Other Reserves                                     | (1,633)           | 608               |
| Deferred Tax Assets           | 1,319             | 1,318             | Retained Earnings                                  | 48,719            | 43,064            |
| Long-Term Receivables         | 60                | 80                | Equity Attributable to Shareholders of the Company | 50,258            | 46,844            |
|                               | <u>22,505</u>     | <u>23,501</u>     | Non-Controlling Interest                           | 341               | 233               |
|                               |                   |                   | <b>Total Equity</b>                                | <b>50,599</b>     | <b>47,077</b>     |
| <b>Current Assets</b>         |                   |                   | <b>Non-Current Liabilities</b>                     |                   |                   |
| Inventory                     | 12,604            | 12,782            | Long-Term Debt                                     | -                 | -                 |
| Trade and Other Receivables   | 16,647            | 18,857            | Lease Liabilities                                  | 956               | 565               |
| Income Tax Receivables        | 331               | 396               | Employee Benefit Obligations                       | 1,093             | 1,134             |
| Cash and Cash Equivalents     | 16,638            | 7,666             | Deferred Tax Liabilities                           | 189               | 271               |
|                               | <u>46,220</u>     | <u>39,701</u>     |  | <u>2,238</u>      | <u>1,970</u>      |
|                               |                   |                   | <b>Current Liabilities</b>                         |                   |                   |
|                               |                   |                   | Lease Liabilities                                  | 643               | 879               |
|                               |                   |                   | Trade and Other Liabilities                        | 13,615            | 12,414            |
|                               |                   |                   | Income Tax Liabilities                             | 1,546             | 775               |
|                               |                   |                   | Employee Benefit Obligations                       | 84                | 87                |
|                               |                   |                   |  | <u>15,888</u>     | <u>14,155</u>     |
| <b>Total Assets</b>           | <b>68,725</b>     | <b>63,202</b>     | <b>Total Equity and Liabilities</b>                | <b>68,725</b>     | <b>63,202</b>     |

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

In thousands of euros

Equity attributable to Shareholders of the Company

|   | Share Capital | Share Premium Reserve | Legal Reserve for Currency Translation | Legal Reserve for Hedge | Legal Reserve for Intangible Assets | Retained Earnings | Total   | Non-Controlling Interest | Total Equity |
|---|---------------|-----------------------|--|-------------------------|-------------------------------------|-------------------|---------|--------------------------|--------------|
| <b>As at March 31, 2019</b>               | 1,953         | 1,219                 | 343                                    | (353)                   | 402                                 | 38,154            | 41,718  | 160                      | 41,878       |
| Net Result for the Financial Year         | -             | -                     | -                                      | -                       | -                                   | 7,823             | 7,823   | 73                       | 7,896        |
| Other Comprehensive Income                | -             | -                     | 392                                    | -                       | -                                   | (56)              | 336     | -                        | 336          |
| Total Comprehensive Income                | -             | -                     | 392                                    | -                       | -                                   | 7,767             | 8,159   | 73                       | 8,232        |
| Transfer of Reserve for Intangible Assets | -             | -                     | -                                      | -                       | (176)                               | 176               | -       | -                        | -            |
| Dividends Paid                            | -             | -                     | -                                      | -                       | -                                   | (3,033)           | (3,033) | -                        | (3,033)      |
| <b>As at March 31, 2020</b>               | 1,953         | 1,219                 | 735                                    | (353)                   | 226                                 | 43,064            | 46,844  | 233                      | 47,077       |
| Net Result for the Financial Year         | -             | -                     | -                                      | -                       | -                                   | 9,471             | 9,471   | 108                      | 9,579        |
| Other Comprehensive Income                | -             | -                     | (2,134)                                | -                       | -                                   | (8)               | (2,142) | -                        | (2,142)      |
| Total Comprehensive Income                | -             | -                     | (2,134)                                | -                       | -                                   | 9,463             | 7,329   | 108                      | 7,437        |
| Transfer of Reserve for Intangible Assets | -             | -                     | -                                      | -                       | (107)                               | 107               | -       | -                        | -            |
| Dividends Paid                            | -             | -                     | -                                      | -                       | -                                   | (3,915)           | (3,915) | -                        | (3,915)      |
| <b>As at March 31, 2021</b>               | 1,953         | 1,219                 | (1,399)                                | (353)                   | 119                                 | 48,719            | 50,258  | 341                      | 50,599       |

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

| In thousands of euros  | April 1,<br>2020/<br>March 31,<br>2021 | April 1,<br>2019/<br>March 31,<br>2020 | In thousands of euros  | April 1,<br>2020/<br>March 31,<br>2021 | April 1,<br>2019/<br>March 31,<br>2020 |
|--|--|--|--|--|--|
| Operating Result   | 12,416                                 | 10,788                                 | Capital Expenditures in Intangible Assets                              | -                                      | (3)                                    |
| Adjustments for:   |  |  | Capital Expenditures in Property, Plant and Equipment                  | (1,953)                                | (4,290)                                |
| • Amortization of Intangible Assets and Impairments  | 124                                    | 142                                    | <b>Cash Flow from Investment Activities</b>                            | <b>(1,953)</b>                         | <b>(4,293)</b>                         |
| • Depreciation of Property, Plant and Equipment and Impairments                                | 2,310                                  | 2,139                                  | Dividend Paid  | (3,915)                                | (3,033)                                |
| • Depreciation of Right-of-Use Assets  | 625                                    | 608                                    | <b>Cash Flow from Financing Activities</b>                             | <b>(3,915)</b>                         | <b>(3,033)</b>                         |
| • Changes in Provisions  | 44                                     | (82)                                   | Exchange Rate and Translation Differences on Cash and Cash Equivalents | 318                                    | (246)                                  |
| • Exchange Rate Differences  | 20                                     | (80)                                   | <b>Net Cash Flow</b>   | <b>8,972</b>                           | <b>232</b>                             |
| <b>Cash Flow from Operating Activities before changes in Working Capital, Tax and Interest</b> | <b>15,539</b>                          | <b>13,515</b>                          | Cash and Cash Equivalents as at April 1                                | 7,666                                  | 7,434                                  |
| Changes in Working Capital   | 1,066                                  | (2,774)                                | Cash and Cash Equivalents as at March 31                               | 16,638                                 | 7,666                                  |
| Income Tax Paid  | (2,008)                                | (2,831)                                | <b>Net Cash Flow</b>   | <b>8,972</b>                           | <b>232</b>                             |
| Interest Received  | 22                                     | 20                                     |  |  |  |
| Interest Paid  | (97)                                   | (103)                                  |  |  |  |
| <b>Cash Flow from Operating Activities from Continued Operations</b>                           | <b>14,522</b>                          | <b>7,827</b>                           |  |  |  |
| Cash Flow from Operating Activities from Discontinued Operations                               | -                                      | (23)                                   |  |  |  |
| <b>Cash Flow from Operating Activities</b>   | <b>14,522</b>                          | <b>7,804</b>                           |  |  |  |

## SEGMENT REPORTING

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

| Segments 2020/2021                             | EMEIA   | Americas | Asia   | Other  | Adjustments/<br>Eliminations | Total   |
|--|---------|----------|--------|--------|------------------------------|---------|
| Revenue  | 48,929  | 32,236   | 14,864 | -      | -                            | 96,029  |
| Intersegmental Transactions                    | 902     | 29       | -      | -      | (931)                        | -       |
| Revenue including Intersegmental Transactions  | 49,831  | 32,265   | 14,864 | -      | (931)                        | 96,029  |
| Depreciation, Amortization and Impairments     | (1,242) | (707)    | (349)  | (313)  | (448)                        | (3,059) |
| Operating Result from Continued Operations     | 3,676   | 3,745    | 3,805  | 1,190  | -                            | 12,416  |
| Operating Result from Discontinued Operations  | -       | -        | -      | -      | -                            | -       |
| Operating Result after Discontinued Operations | 3,676   | 3,745    | 3,805  | 1,190  | -                            | 12,416  |
| Financial Income                               | -       | -        | -      | -      | 22                           | 22      |
| Financial Expense                              | -       | -        | -      | -      | (97)                         | (97)    |
| Tax  | -       | -        | -      | -      | (2,762)                      | (2,762) |
| Net Result                                     | -       | -        | -      | -      | 9,579                        | 9,579   |
| Non-Current Assets                             | 10,024  | 5,940    | 3,822  | 52,093 | (49,375)                     | 22,505  |
| Current Assets                                 | 20,230  | 16,264   | 7,516  | 2,134  | 76                           | 46,220  |
| Liabilities                                    | 14,182  | 3,781    | 2,291  | 3,297  | (5,425)                      | 18,126  |
| Total Investments                              | 1,388   | 406      | 159    | 1      | -                            | 1,954   |
| Average Number of Employees (in FTE)           | 208     | 101      | 112    | 15     | -                            | 436     |

  

| Segments 2019/2020                             | EMEIA   | Americas | Asia   | Other  | Adjustments/<br>Eliminations | Total   |
|--|---------|----------|--------|--------|------------------------------|---------|
| Revenue  | 52,207  | 32,541   | 16,791 | -      | -                            | 101,539 |
| Intersegmental Transactions                    | 1,015   | 25       | 24     | -      | (1,064)                      | -       |
| Revenue including Intersegmental Transactions  | 53,222  | 32,566   | 16,815 | -      | (1,064)                      | 101,539 |
| Depreciation, Amortization and Impairments     | (1,149) | (642)    | (285)  | (222)  | (591)                        | (2,889) |
| Operating Result from Continued Operations     | 3,275   | 2,144    | 3,534  | 1,835  | -                            | 10,788  |
| Operating Result from Discontinued Operations  | -       | -        | (23)   | -      | -                            | (23)    |
| Operating Result after Discontinued Operations | 3,275   | 2,144    | 3,511  | 1,835  | -                            | 10,765  |
| Financial Income                               | -       | -        | -      | -      | 20                           | 20      |
| Financial Expense                              | -       | -        | -      | -      | (105)                        | (105)   |
| Tax  | -       | -        | -      | -      | (2,784)                      | (2,784) |
| Net Result                                     | -       | -        | -      | -      | 7,896                        | 7,896   |
| Non-Current Assets                             | 9,924   | 6,688    | 3,534  | 46,815 | (43,460)                     | 23,501  |
| Current Assets                                 | 16,487  | 13,466   | 8,637  | 1,681  | (570)                        | 39,701  |
| Liabilities                                    | 13,050  | 3,899    | 2,894  | 1,634  | (5,352)                      | 16,125  |
| Total Investments                              | 2,371   | 1,692    | 461    | (289)  | 1,856                        | 6,091   |
| Average Number of Employees (in FTE)           | 207     | 99       | 103    | 16     | -                            | 425     |





## NOTES

### **General**

The condensed consolidated financial information for the year 2012/2021 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 and contains only a part of these statements. The annual financial statements are published on June 3, 2021 and will be presented to the General Meeting of Shareholders for adoption on July 15, 2021.

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

## FIVE-YEAR SUMMARY

IN MILLIONS OF EUROS, UNLESS STATED OTHERWISE

|   | 2020/21 | 2019/18 | 2018/19 | 2017/18 | 2016/17 |   | 2020/21 | 2019/18 | 2018/19 | 2017/18 | 2016/17 |
|---|---------|---------|---------|---------|---------|---|---------|---------|---------|---------|---------|
| <b>Income statement</b>                                       |         |         |         |         |         | <b>Statement of cash flows</b>          |         |         |         |         |         |
| Revenue   | 96.0    | 101.5   | 90.9    | 83.5    | 77.5    | Cash flow from operating activities     | 14.5    | 7.8     | 7.7     | 3.3     | 7.2     |
| Operating result before depreciaton and amortisation (EBITDA) | 15.5    | 13.7    | 10.7    | 10.2    | 9.1     | Investments                             | (2.0)   | (4.2)   | (2.9)   | (2.5)   | (3.6)   |
| Depreciation of property, plant, equipment and intangibles    | (3.1)   | (2.9)   | (1.9)   | (2.0)   | (1.9)   | Dividend                                | (3.9)   | (3.0)   | (2.9)   | (2.6)   | (1.9)   |
| Operating result  | 12.4    | 10.8    | 8.8     | 8.2     | 7.2     | Other financial activities <sup>3</sup> | 0.3     | (0.5)   | 0.2     | (0.4)   | (1.0)   |
| Interest  | (0.1)   | (0.1)   | (0.1)   | -       | (0.1)   | Net cash flow                           | 9.0     | 0.2     | 2.1     | (2.2)   | 0.7     |
| Income tax  | (2.8)   | (2.8)   | (2.3)   | (2.2)   | (1.7)   | <b>Revenue per division</b>             |         |         |         |         |         |
| Result of discontinued operations                             | -       | (0.0)   | (0.2)   | (0.1)   | (0.2)   | EMEIA                                   | 49.4    | 53.2    | 48.9    | 43.9    | 39.1    |
| Net result  | 9.6     | 7.9     | 6.1     | 5.9     | 5.2     | Americas (in USD)                       | 37.9    | 36.1    | 32.4    | 34.1    | 31.6    |
| <b>Statement of financial position</b>                        |         |         |         |         |         | Asia (in USD)                           | 17.2    | 18.7    | 17.2    | 14.0    | 11.6    |
| Total assets  | 68.7    | 63.2    | 57.8    | 50.2    | 49.4    | <b>Ratios</b>                           |         |         |         |         |         |
| Total equity  | 50.6    | 47.1    | 41.8    | 36.7    | 35.9    | Return on Sales (ROS)                   | 12.9%   | 10.6%   | 9.6%    | 9.8%    | 9.3%    |
| Interest-bearing debt   | -       | -       | -       | -       | -       | Solvency <sup>4</sup>                   | 73.6%   | 74.5%   | 72.3%   | 73.1%   | 72.7%   |
| Working capital <sup>1</sup>                                  | 19.6    | 21.3    | 19.4    | 17.2    | 14.3    | Return on Investment (ROI) <sup>5</sup> | 32.6%   | 27.0%   | 24.0%   | 25.2%   | 24.2%   |
| Invested capital <sup>2</sup>                                 | 38.1    | 39.9    | 36.6    | 32.6    | 29.7    | Working capital in % of revenue         | 20.4%   | 21.0%   | 21.3%   | 20.6%   | 18.5%   |
| Cash  | 16.6    | 7.7     | 7.4     | 5.3     | 7.5     | Market capitalisation as at March, 31   | 106.7   | 68.8    | 65.7    | 76.6    | 59.8    |
|   |         |         |         |         |         | Number of shares outstanding            | 860,351 | 860,351 | 860,351 | 860,351 | 860,351 |

<sup>1</sup> Inventories + trade accounts receivable -/- trade accounts payable.

<sup>2</sup> Property, plant & equipment, intangible assets, other investments -/- non interest bearing current liabilities.

<sup>3</sup> Sum of long-term financing, translation differences on cash and cash equivalents and derivatives.

<sup>4</sup> Equity as % of balance sheet total.

<sup>5</sup> Operating result as % of the invested capital.

## PROFILE

Holland Colours develops, produces and commercializes solid and liquid colorants, masterbatches and additives for 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, EMEIA and Asia, we provide personal local service on a global scale.

## KEY DATES (indicative)

|                  |   |
|------------------|---|
| July 15, 2021    | Annual General Meeting of Shareholders        |
| July 19, 2021    | Ex-dividend listing                           |
| July 20, 2021    | Dividend record date                          |
| July 23, 2021    | Dividend payable                              |
| October 22, 2021 | Publication of interim results 2021/2022      |
| May 25, 2022     | Publication of 2021/2022 financial statements |
| July 7, 2022     | Annual 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 |

