

PRESS RELEASE

Trading update

Record revenue for Hydratec Industries in Q3

26 October 2022

AMERSFOORT – Hydratec Industries posted record revenue in the third quarter, which was substantially higher than the level attained in the first half-year. As a result, revenue for the first three quarters of 2022 showed a limited increase compared to the previous year. The increase translates to a considerable rise in Hydratec Industries’ profitability in the third quarter compared to the previous two quarters. The net result continues to lag behind that for 2021.

Hydratec Industries’ margins are under limited pressure. Increases in the cost of materials can only be passed on in sales prices with some delay. Operating costs are rising, mainly due to higher energy costs, but are actually falling in relation to revenue.

Bart Aangenendt, CEO of Hydratec: *“As a result of both the shortage of raw materials and shortages on the labour market there is an increasing need for process automation and solutions that save on raw materials. Our order books are well filled, but supply chains are still severely disrupted in the aftermath of the pandemic and due to the ongoing war in Ukraine. This has resulted in shortages, price increases and a drop in demand. Despite these uncertain times, our decentralised organisation structure and relatively low financing costs put us in a good position to respond to changing circumstances.”*

Plastic Components

Revenue generated by Plastic Components in the first three quarters of 2022 is the same as in the same period in 2021. The loss of revenue at Polmer and the lower revenue in the Mobility market as a consequence of the shortage of chips are compensated by an increase in revenue in the other markets. Margins are lower due to the strong rise in the cost of materials, which cannot immediately be passed on to customers. Combined with higher operating costs due to higher energy costs, this has led to lower profitability in the first three quarters.

Various markets are recovering and the shortage of chips in the Mobility market is likely to end next year. Furthermore, developments in the Health market for Plastic Components are very positive.



Industrial Systems

Revenue at Industrial Systems was considerably higher in the third quarter than in the previous two quarters. Given that projects are generally taken on with prices set in advance, increases in the costs of materials and equipment can currently only be passed on in sales prices with some delay. This has put the margins under pressure. As a result of the higher revenue, profitability rose sharply in the third quarter compared to the first half of the year. Higher operating costs led to lower profitability in the first three quarters. Order intake at Industrial Systems was at a good level up to and including the third quarter.

Expectations for the 2022 financial year

Turmoil in the energy market, rising prices for raw materials, labour shortages, war in Ukraine and surging inflation are putting our markets under pressure, which could adversely affect revenue and margins. Nonetheless, based on the results for the first three quarters and the well-filled order book, we expect to achieve a reasonable result for 2022 as a whole.

Bart Aangenendt

CEO

Hydratec Industries is listed on the Euronext Amsterdam NV stock exchange (ISIN NL0009391242, ticker: HYDRA.)

Profile

1997

Listed since 1997



1380

Colleagues



2 Segments

Industrial Systems



Plastic Components



5 Companies



Lan
Handling
Technologies



Royal Pas Reform
Integrated
Hatchery Solutions



Rollepaal
Pipe Extrusion
Technology



Helvoet
High-Precision
Plastic Components



Timmerije
High-Tech Plastic
Components

3 Markets



Food

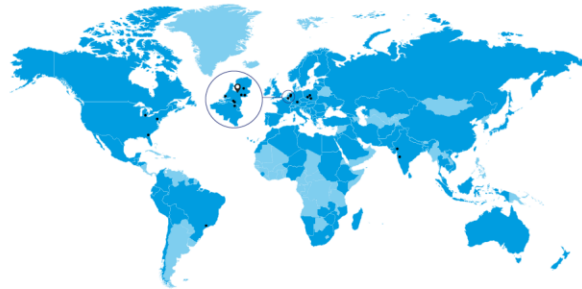


Health

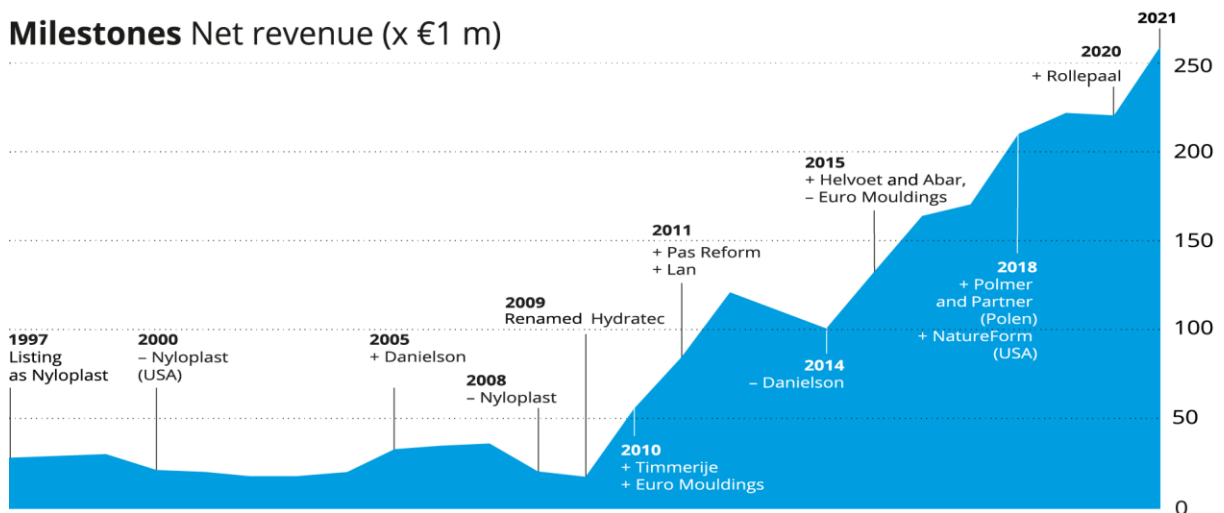


Mobility

Global presence



Milestones Net revenue (x €1 m)





For more information on Hydratec Industries' results, visual material or requests for interviews, please contact:

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