

# HALF-YEAR REPORT

## Stable development for Hydratec Industries

12 August 2024

**AMERSFOORT** – Hydratec Industries’ revenue of €137.5 million in the first half-year was 2.8% higher than that in the first half of 2023. The margin also increased. Operating costs were lower, but without non-recurring costs the costs showed a modest increase. The higher revenue, which was unequally distributed last year, means that the normalised operating result of €13.6 million was €2.8 million higher than in the same period last year. A normalised result of €28.2 million was achieved over 2023 as a whole.

### Key figures

	First half of 2024	First half of 2023	Full financial year 2023
Revenue	137,495	133,696	282,748
Gross margin	74,851	70,469	147,051
Normalised operating result*	13,576	10,801	28,198
Normalised operating result %	10%	8%	10%
Operating result (EBIT)	11,670	6,312	22,026
Net result attributable to shareholders	8,651	4,201	15,693
Investments in tangible/intangible fixed assets	3,736	4,869	11,622
Solvency ratio	45.7%	35.0%	42.6%

\* Normalisation relates to reorganisation costs (first half of 2024: €0.9 million, first half of 2023: €4.4 million and full financial year 2023: €6.2 million) and Hydratec delisting costs (first half of 2024: €0.9 million).

Bart Aangenendt, CEO of Hydratec Industries: *“The margin saw a marked increase at Industrial Systems in particular. Revenue showed a marked decrease within Hightech Components, on the one hand because of the deliberate choice to cease certain activities, and on the other due to the ongoing cautiousness in the supply chain. Meanwhile, interest rates and geopolitical tensions have increased. This has led to increased uncertainty, which had a dampening effect on order intake. Despite that, demand for food, health and mobility remains as strong as ever and we have a well-filled order book.”*

## Industrial Systems

	First half of 2024	First half of 2023	Full financial year 2023
Revenue	78,212	69,329	162,214
Gross margin	39,692	32,183	76,072
Normalised operating result	11,092	7,445	24,575
Normalised operating result %	14%	11%	15%
Operating result (EBIT)	11,092	7,445	24,575

Revenue at Industrial Systems rose to €78.2 million, which is 13% higher than in the first half of last year. This revenue increase is mainly due to the delivery of previously received major orders from the US. A total revenue of €162 million was generated over 2023 as a whole. The gross margin as a percentage saw a marked increase compared to 2023. There were fewer supply chain disruptions compared to last year, plus there were more possibilities to pass on increased costs in new projects. Operating costs were significantly higher than last year mainly due to increased salary costs. This led to an operating result of €11.1 million (14.2% of revenue) over the first half of the year, compared to €7.4 million (10.7%) last year. A total operating result of €24.6 million (15.1%) was realised over 2023 as a whole. The project-based nature of the activities can lead to significant fluctuations in revenue and results. Higher interest rates and increased geopolitical tensions have worsened the investment climate. Despite this, the order book remained at a good level, while order intake was under pressure because of investment decisions taking longer.

## Hightech Components

	First half of 2024	First half of 2023	Full financial year 2023
Revenue	59,605	64,657	121,273
Gross margin	35,160	38,344	70,979
Normalised operating result	3,572	4,590	5,514
Normalised operating result %	6.0%	7.1%	4.5%
Operating result (EBIT)	2,604	101	-658

Over the course of last year, certain structural measures were taken to increase profitability in due course. It was decided to have fewer locations with higher revenue per location, plus it was decided to cease certain activities. The first quarter of 2023 was still strong, after which our clients started winding down the additional stock levels they had built up. This is why Hightech Components saw a 7.8% revenue drop this year compared to the same period last year. Revenue totalled €59.6 million over the first six months, compared to €64.7 million in 2023.

A total revenue of €121.3 million was generated over 2023 as a whole. The gross margin expressed as a percentage of revenue was similar to that for the first half of 2023 and for 2023 as a whole. The operating costs decreased significantly in 2024, especially due to a €4.3 million reorganisation provision in the first half of 2023. The normalised operating result totalled €3.6 million (6.0% of revenue) compared to €4.6 million (7.1% of revenue) in the first half of 2023 and €5.5 million over 2023 as a whole (4.5% of revenue).

## **Expectations for 2024**

Hydratec Industries got the year off to a good start and has a well-filled order book. In view of macroeconomic developments, such as volatile exchange rates, trade restrictions, supply chain uncertainties, higher interest rates and rising geopolitical tensions, we are unable to make any concrete statements about 2024.

## **2024 half-year report available online**

This half-year report is also available on the website [www.hydratec.nl](http://www.hydratec.nl). The figures in the half-year report have not been audited.

### **Bart Aangenendt**

CEO

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

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## Profile

**1997**

Listed since 1997



**1,331**

Colleagues



**2 Segments**

Industrial Systems



Hightech Components



**5 Companies**



**Lan**  
Handling  
Technologies



**Royal Pas Reform**  
Integrated  
Hatchery Solutions



**Rollepaal**  
Pipe Extrusion  
Technology



**Helvoet**  
High Precision  
Components



**Timmerije**  
Hightech Plastic  
Components

**3 Markets**



**Food**

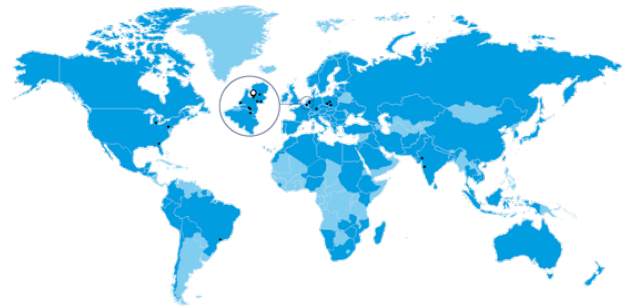


**Health**

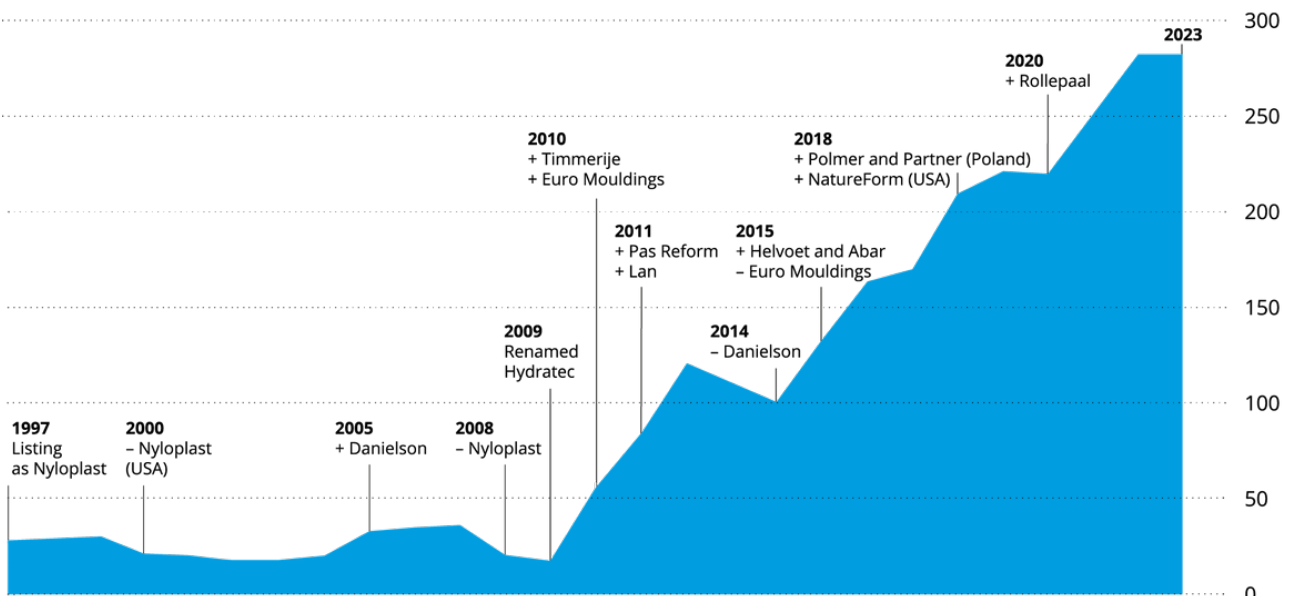


**Mobility**

**Global presence**



**Milestones** Net revenue (x €1 m)



## Consolidated statement of profit or loss

### 1 January to 30 June

x €1,000 (unless stated otherwise)	2024	2023
<b>Net revenue</b>	<b>137,495</b>	<b>133,696</b>
Consumption of materials and supplies	-62,644	-63,227
<b>Gross margin</b>	<b>74,851</b>	<b>70,469</b>
Operating costs	-63,181	-64,157
<b>Operating result</b>	<b>11,670</b>	<b>6,312</b>
Financial income and expenses	-526	-427
<b>Result from ordinary activities before tax</b>	<b>11,144</b>	<b>5,885</b>
Taxes	-2,553	-1,608
<b>Net result (from continuing operations)</b>	<b>8,591</b>	<b>4,277</b>
Net result (attributable to shareholders)	8,651	4,201
Net result (attributable to third parties)	-60	76
<b>Earnings per share attributable to shareholders:</b>		
Earnings per ordinary share (x €1)*	6.66	3.24
Diluted earnings per ordinary share (x €1)**	6.66	3.24
<b>Earnings per share from continuing operations:</b>		
Earnings per ordinary share (x €1)*	6.62	3.30
Diluted earnings per ordinary share (x €1)**	6.62	3.30

\* Net result divided by the number of shares outstanding as at 30 June of the reporting year.

\*\* Net result divided by the number of shares outstanding, including all conditionally awarded shares.

## Condensed consolidated statement of comprehensive income

### 1 January to 30 June

x €1,000	2024	2023
Net result	8,591	4,277
<b>Elements which may be recognised in the statement of profit or loss in the future</b>		
Cash flow hedges – adjustment to fair value (incl. taxes)	-30	-18
Foreign activities – currency translation differences	232	45
<b>Comprehensive income after tax</b>	<b>8,793</b>	<b>4,304</b>
<b>Comprehensive income attributable to:</b>		
Shareholders	8,853	4,228
Third parties	-60	76

## Condensed consolidated balance sheet

### Before profit appropriation

x €1,000	30 June 2024	31 December 2023
<b>ASSETS</b>		
Intangible fixed assets	24,843	25,686
Tangible fixed assets	67,724	67,773
Lease assets	6,824	6,914
Financial fixed assets/deferred tax assets	4,864	5,093
<b>Total fixed assets</b>	<b>104,255</b>	<b>105,466</b>
Contract assets	10,855	7,204
Inventories	32,562	38,215
Trade receivables	38,679	47,055
Other receivables, prepayments and accrued income	12,573	11,843
Cash and cash equivalents	9,180	11,137
<b>Total current assets</b>	<b>103,849</b>	<b>115,454</b>
<b>Total assets</b>	<b>208,104</b>	<b>220,920</b>
<b>LIABILITIES</b>		
Shareholders' equity attributable to shareholders	94,905	93,817
Non-controlling interest	138	213
<b>Total shareholders' equity</b>	<b>95,043</b>	<b>94,030</b>
Provisions/deferred tax liabilities	7,702	7,685
Borrowings and lease obligations	12,719	13,658
Financial instruments	194	191
<b>Total provisions and non-current liabilities</b>	<b>20,615</b>	<b>21,534</b>
Contract liabilities	20,759	19,117
Trade payables	17,016	18,610
Bank current account	13	7,621
Provisions	2,973	3,060
Other liabilities, accruals and deferred income	51,685	56,948
<b>Total current liabilities</b>	<b>92,446</b>	<b>105,356</b>
<b>Total liabilities</b>	<b>208,104</b>	<b>220,920</b>

## Condensed consolidated statement of changes in equity

### 1 January to 30 June

x €1,000	Attributable to Hydratec shareholders	Attributable to third parties	2024 shareholders' equity	Attributable to Hydratec shareholders	Attributable to third parties	2023 Shareholders' equity
<b>Balance as at 1 January</b>	<b>93,817</b>	<b>213</b>	<b>94,030</b>	<b>85,990</b>	<b>99</b>	<b>86,089</b>
Dividend distribution	-7,790		-7,790	-7,770		-7,770
Share issue	136		136	169		169
Unappropriated result	8,651	-60	8,591	4,201	76	4,277
Change in exchange rates	247	-15	232	32	13	45
Movements in hedge reserve	-30		-30	-18		-18
Other changes	-126		-126	-141		-141
<b>Balance as at 30 June</b>	<b>94,905</b>	<b>138</b>	<b>95,043</b>	<b>82,463</b>	<b>188</b>	<b>82,651</b>

## Condensed consolidated cash flow statement

### 1 January to 30 June

x €1,000	2024	2023
Cash flow from operating activities	18,651	-10,454
Cash flow from investing activities	-3,305	-4,566
Cash flow from financing activities	-17,156	-1,023
<b>Net cash flow</b>	<b>-1,810</b>	<b>-16,043</b>
Translation differences in cash balances	-147	-114
<b>Movements in cash and cash equivalents</b>	<b>-1,957</b>	<b>-16,157</b>
Cash and cash equivalents as at 1 January	11,137	25,202
<b>Cash and cash equivalents as at 30 June</b>	<b>9,180</b>	<b>9,045</b>

## Selected notes

### 1. General

The half-year financial statements were prepared by the Management Board, discussed with the Supervisory Board and released for publication on 12 August 2024. The external auditor was not engaged to, and did not, conduct an audit or review with respect to this half-year report.

### 2. Accounting policies for the half-year financial statements

The half-year financial statements for the period from 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and the information and notes contained in these are more condensed than that required for annual financial statements. The half-year financial statements have been prepared in accordance with the same accounting policies as those specified in the 2023 consolidated financial statements. Where necessary, comparable figures were adjusted for comparison purposes.

### 3. Seasonal influences

The Group's revenue and results are not structurally influenced by seasonal effects of sales, although project revenue may fluctuate at Industrial Systems.

### 4. Segment reporting

The table below shows the breakdown of a number of key figures between Industrial Systems and Hightech Components for the period from 1 January to 30 June of the year in question.

x €1,000	Industrial Systems		Hightech Components		Total segments		Holding company expenses and items eliminated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net revenue from third parties	78,212	69,329	59,283	64,367	137,495	133,696	-	-	137,495	133,696
Intersegment revenue	-	-	322	290	322	290	-322	-290	-	-
Total segment revenue	78,212	69,329	59,605	64,657	137,817	133,986	-322	-290	137,495	133,696
Operating result	11,092	7,445	2,604	101	13,696	7,546	-2,026	-1,234	11,670	6,312
Depreciation/amortisation	1,817	1,808	3,427	3,948	5,244	5,756	38	53	5,282	5,809
Investments in tangible/intangible fixed assets	978	489	2,758	4,380	3,736	4,869	-	-	3,736	4,869



## 5. Breakdown of revenue by type

The table below shows the breakdown of revenue by type for the period from 1 January to 30 June in the year in question.

x €1,000	2024	%	2023	%
Supply of goods	93,137	67.7	91,983	68.8
Projects	43,320	31.5	40,305	30.1
Other revenue	1,038	0.8	1,408	1.1
<b>Total</b>	<b>137,495</b>	<b>100</b>	<b>133,696</b>	<b>100</b>

## 6. Fair value of financial instruments

x €1,000	Total
<b>Carrying amount as at 1 January 2024</b>	<b>148</b>
Movements in fair value	-10
<b>Carrying amount as at 30 June 2024</b>	<b>138</b>

The financial instruments relate to:

- ▶ An interest rate swap to fix the variable interest component of the loan amounting to €0.9 million as of 30 June 2024, which is due to mature on 1 October 2025.
- ▶ An interest rate swap to fix the variable interest component of the loan amounting to €0.7 million as of 30 June 2024, which is due to mature on 1 July 2027.
- ▶ An interest rate swap to fix the variable interest component of the loan amounting to €1.7 million as of 30 June 2024, which is due to mature on 1 July 2028.

## 7. Dividend distribution

In June 2024, it was decided to pay a dividend of €7.8 million to Hydratec shareholders on 8 July 2024. This payment related to the interim dividend for 2024.

## **8. Share issue**

In 2024, 1,095 ordinary shares were issued with a nominal value of €0.45 per share at an issue price of €124.39 per share. The aim of this share issue was to issue shares for the participation plan for the Management Board and management of Hydratec and its operating companies. This issue resulted in an increase in share capital of €1,000 and an addition to the share premium reserve of €136,000. The other change in equity is accounted for in accordance with IFRS 2.

## **9. Capital investment commitments**

The Group entered into material capital investment commitments on 30 June 2024. These commitments totalled €1.7 million (2023: €4.5 million).

## **10. Bank guarantees issued**

As at 30 June 2024, the Group had issued bank guarantees to customers for the delivery of plant and equipment to the value of €3.1 million (2023: €7.5 million).

## **11. Related party transactions**

Transactions with related parties take place on an arm's length basis.

## **12. Events after the balance sheet date**

Payment of the 2024 interim dividend took place on 8 July 2024. As of 30 June 2024, this amount was included in the current liabilities as payable dividend.

## **13. Involvement of the auditor**

The external auditor was not engaged to, and did not, conduct an audit or review with respect to this half-year report.

## Director's statement (statement as referred to in Article 5:25D[2] [C]FMISA)

The Management Board of the company hereby declares that, as far as it is aware:

- ▶ the half-year financial statements for the first half of the 2024 financial year provide a true and fair view of the assets, liabilities, financial position and profit of the company and of its consolidated companies;
- ▶ the half-year report for the first half of the 2024 financial year contains a true and fair view of:
  - ▶ significant events that occurred in the first six months of the corresponding financial year and of their effect on the half-year financial statements;
  - ▶ the most significant transactions undertaken with related parties in this period;
  - ▶ the main risks and uncertainties for the other six months of the corresponding financial year.

Amersfoort, 12 August 2024

Management Board

*Mr B. F. Aangenendt, CEO Ms E. H. Slijkhuis RA, CFO*