

Holders Technology plc  
 (“the Group”)

Specialised PCB Materials, Lighting and Control Solutions

Final results for the year ended 30 November 2020

Holders Technology plc (AIM: HDT) announces its audited results for the year ended 30 November 2020.

The Group supplies specialty laminates and materials for printed circuit board manufacture (“PCB”) and operates as a Lighting and Control Solutions (“LCS”) provider. The Group operates from the UK and from Germany, with PCB divisions and LCS divisions in each country. During the year, investments were also made in LCS joint ventures in the UK and Austria.

Revenue for all divisions was reduced by the economic consequences of the Covid-19 pandemic, particularly the LCS divisions. The companies have reduced costs whenever possible, and PCB divisions taken together remained profitable. However, the LCS divisions became loss making.

The directors will recommend payment of a final dividend of 0.25p per share, a total of 0.50p for the year (2019 total: 0.75p).

The results are summarised below.

		2020	2019
		£'000	£'000
• Revenue	PCB	7,314	8,647
	LCS	2,524	3,515
	Group	9,838	12,162
• Operating Profit/ (Loss)	PCB	102	230
	LCS	(246)	69
	Central costs	(105)	(155)
	Group	(249)	144
• (Loss)/ profit before tax	Group	(264)	150
	Tax (expense)/ credit	-	31
	(Loss)/ profit after tax	(264)	181
• Cash Balances	Group	1,113	734
• Basic (Loss)/ earnings per Share	Group	(6.25p)	4.31p
• Diluted (Loss)/ earnings per Share	Group	(6.25p)	4.30p

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014. For further information, contact:

Holders Technology plc

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## Chairman's statement

The Group principally operates from the UK and from Germany, with a PCB division and an LCS division in each country. In addition, during the year investments were made in LCS joint ventures in the UK and Austria.

Inevitably the Group results were impacted by the economic consequences of the Covid-19 pandemic. We have reduced costs in the UK and Germany wherever possible, including salary reductions for higher paid employees, and making use of government support schemes where available.

Revenue for the year was £9.8m (2019: £12.2m), with gross margins of 27.5% (2019: 27.9%). The operating loss for the year was £249,000 (2019: operating profit of £144,000), and the loss after tax was £264,000 (2019: profit of £181,000).

The PCB divisions taken together had revenue of £7.3m (2019: £8.7m) and achieved an operating profit of £102,000 (2019: profit of £230,000). PCB gross margins increased from 24.3% to 24.4%. In both the UK and Germany, PCB revenues held up well in the first half but showed a material reduction in the second half of the year.

As reported last year, the LCS sales and technical team was strengthened in the second half of 2019. Despite the exceptional economic situation in 2020, this team was retained in anticipation of an improvement in market conditions in 2021. LCS revenues overall amounted to £2.5m (2019: £3.5m) with gross margins decreasing from 36.7% to 36.5% and there was an operating loss of £246,000 (2019: profit of £69,000).

Two new 50:50 joint ventures were set up in 2020 as follows:

- Holders Technology Austria GmbH is a joint venture with a sales partner based in Austria. The new company sells wireless lighting control solutions in Austria, Switzerland, Czechia, and Slovakia. The joint venture achieved breakeven in the period.
- Holders Technology Data Analytics Ltd was set up with a data analytics company in the Netherlands. The new company has developed a data analytics platform for smart lighting and building solutions. It will commence trading in 2021.

On behalf of the Board, I would like to record our thanks to our staff for their hard work during the exceptional conditions experienced in 2020. Given the outcome for the year, the Board recommends a final dividend of 0.25p in respect of the 2020 year.

The outlook for the first half of 2021 is more positive than the second half of 2020, with increased sales levels and order books. As for many similar companies however, sustained improvement is heavily dependent on a recovery in the wider economy during 2021.

**R W Weinreich**

*Executive Chairman*

19 February 2021

## Group income statement for the year ended 30 November 2020

	Note	2020 £'000	2019 £'000
Revenue		9,838	12,162
Cost of sales		(7,135)	(8,770)
<b>Gross profit</b>		<b>2,703</b>	<b>3,392</b>
Distribution costs		(348)	(419)
Administrative expenses		(2,562)	(2,890)
Other operating (expenses)/ income		(42)	61
<b>Operating (loss)/ profit</b>		<b>(249)</b>	<b>144</b>
Income from joint ventures		1	-
Finance (expenses)/ income		(16)	6
<b>(Loss)/ profit before taxation</b>		<b>(264)</b>	<b>150</b>
Tax credit/ (expense)	2	-	31
<b>(Loss)/ profit after taxation attributable to equity shareholders</b>		<b>(264)</b>	<b>181</b>
<b>Basic (loss)/ earnings per share</b>	4	<b>(6.25p)</b>	<b>4.31p</b>
<b>Diluted (loss)/ earnings per share</b>	4	<b>(6.25p)</b>	<b>4.30p</b>

## Group statement of comprehensive income for the year ended 30 November 2020

	2020 £'000	2019 £'000
Profit for the year	(264)	181
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	120	(94)
<b>Total comprehensive income for the year</b>	<b>(144)</b>	<b>87</b>

## Statement of changes in equity for the year ended 30 November 2020

Group	Share capital	Share premium account	Capital redemption reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 December 2018</b>	416	1,590	1	222	1,870	4,099
Dividends	-	-	-	-	(32)	(32)
Shares issued	6	-	-	-	-	6
Share based payments	-	-	-	-	4	4
Transactions with owners	6	-	-	-	(28)	(22)
Profit for the year	-	-	-	-	181	181
Exchange differences on translating foreign operations	-	-	-	(94)	-	(94)
Loss and total comprehensive income for the year	-	-	-	(94)	181	87
<b>Balance at 30 November 2019</b>	422	1,590	1	128	2,023	4,164
Dividends	-	-	-	-	(21)	(21)
Transactions with owners	-	-	-	-	(21)	(21)
Loss for the year	-	-	-	-	(264)	(264)
Exchange differences on translating foreign operations	-	-	-	120	-	120
Loss and total comprehensive income for the year	-	-	-	120	(264)	(144)
<b>Balance at 30 November 2020</b>	<b>422</b>	<b>1,590</b>	<b>1</b>	<b>248</b>	<b>1,738</b>	<b>3,999</b>

## Group balance sheet at 30 November 2020

	2020 £'000	2019 £'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible fixed assets	381	394
Property, plant and equipment	560	237
Investments in joint ventures	28	-
Deferred tax assets	12	12
	<b>981</b>	<b>643</b>
<b>Current assets</b>		
Inventories	2,340	2,530
Trade and other receivables	1,420	1,758
Cash and cash equivalents	1,113	734
	<b>4,873</b>	<b>5,022</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	(1,274)	(1,280)
Lease liabilities	(105)	-
	<b>(1,379)</b>	<b>(1,280)</b>
<b>Net current assets</b>	<b>3,494</b>	<b>3,742</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	(223)	(212)
Lease liabilities	(244)	-
Deferred tax liabilities	(9)	(9)
	<b>(476)</b>	<b>(221)</b>
	<b>3,999</b>	<b>4,164</b>
<b>Shareholders' equity</b>		
Share capital	422	422
Share premium account	1,590	1,590
Capital redemption reserve	1	1
Retained earnings	1,738	2,023
Cumulative translation adjustment reserve	248	128
	<b>3,999</b>	<b>4,164</b>

## Statement of cash flows for the year ended 30 November 2020

	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>		
(Loss)/ profit before tax from continuing operations	(264)	150
Share-based payment charge	-	4
Depreciation	292	74
Decrease in inventories	284	237
Decrease/ (increase) in trade and other receivables	385	(140)
(Decrease)/ increase in trade and other payables	(50)	92
Interest (Income)/ Expense	16	(6)
Cash generated from operations	663	411
Interest paid	(16)	(8)
Income from investments	(1)	-
Net cash (used in)/ generated from operations	646	403
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25)	(42)
Investment in Joint Venture	(27)	-
Proceeds from sale of property, plant and equipment	-	1
Net cash (used in)/generated from investing activities	(52)	(41)
<b>Cash flows from financing activities</b>		
Sale of shares	-	6
Repayment of leases	(213)	-
Equity dividends paid	(21)	(32)
Net cash used in financing activities	(234)	(26)
<b>Net change in cash and cash equivalents</b>	360	336
Cash and cash equivalents at start of period	734	403
Effect of foreign exchange rates	19	(5)
<b>Cash and cash equivalents at end of period</b>	<b>1,113</b>	<b>734</b>

## Notes

### 1. Basis of preparation

The Group and parent company financial statements have been prepared in accordance with EU endorsed International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act applicable to companies reporting under IFRS. All accounting standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee effective at the time of preparing these financial statements have been applied.

### 2. Taxation

	2020 £'000	2019 £'000
<b>Analysis of the charge in the period</b>		
Current tax		
- Current period	-	-
- Credit adjustment in respect of prior periods	-	(29)
	-	(29)
Deferred tax charge/ (credit)	-	(2)
Total tax	-	(31)

#### Tax reconciliation

The tax for the period is lower (2019: lower) than the standard rate of corporation tax in the UK, effectively 19.0% (2019: 19.0%) for the company's financial year. The differences are explained below:

	2020 £'000	2019 £'000
(Loss)/ profit before taxation	(264)	150
(Loss)/ profit before taxation multiplied by the rate of corporation tax in the UK of 19.0% (2019: 19.0%)	(50)	29
Effects of:		
Adjustment from prior years	-	(29)
Taxation losses	50	(31)
Taxation	-	(31)

### 3. Dividends

The directors have proposed a final dividend of 0.25p per share payable on 1 June 2021 to shareholders on the register at close of business on 14 May 2021. The total dividend for the year, including the interim dividend of 0.25p (2019: 0.25p) per share paid on 6 October 2020, amounts to £21,000 (2019: £32,000), which is equivalent to 0.50p (2019: 0.75p) per share.

- The basic earnings per share are based on the loss for the financial year of £264,000 (2019: profit of £181,000) and on ordinary shares of 4,224,164 (2019: 4,199,735 shares), the weighted average number of shares in issue during the year. Diluted earnings per share is based on 4,224,164 ordinary shares (2019: 4,207,199 shares), being the weighted average number of ordinary shares after an adjustment of £nil (2019: 7,464) in relation to share options.
- This statement, which has been approved by the Board on 19 February 2021, is not the Company's statutory accounts. The statutory accounts for each of the two years to 30 November 2019 and 30 November 2020 received audit reports which were unqualified and did not contain statements under section 498(2) and section 498(3) of the Companies Act 2006. The 2019 accounts have been filed with the registrar of Companies, but the 2020 statutory accounts are not yet filed.