

**Holders Technology plc  
 (" Holders Technology" or the "Company")  
 Half Year Report**

Holders Technology, (AIM: HDT), is pleased to announce its unaudited half year results for the six months ended 31 May 2020.

## Highlights

Holders Technology supplies specialty laminates and materials for printed circuit board manufacturers ("PCB") and operates as a lighting and control solutions ("LCS") provider.

Unaudited results for the half year ended 31 May 2021 are summarised as follows:

		2021 £'000	2020 £'000
Revenue	PCB	3,798	4,157
	LCS	1,991	1,170
	Total	5,789	5,327
Gross profit		1,718	1,398
Margins		29.7%	26.2%
Overheads		1,616	1,482
Operating profit		102	(84)
Finance expense		(10)	(6)
Income from joint ventures		12	-
Profit before tax		104	(90)
Taxation		-	-
Profit after tax		104	(90)
Earnings per share		2.46p	(2.13p)
Interim dividend per share		0.50p	0.25p
Net assets per share		95p	99p

# Chairman's statement

Half year ended 31 May 2021

Following a very challenging time in the last financial year, I am pleased to report that revenue has increased in the half year to 31 May 2021, and that the Group has returned to profitability. The improving economic environment has affected both business segments in different ways. Details of this are set out below.

Group revenue increased by 8.7% to £5.8m (H1 2020: £5.3m), gross margins increased from 26.2% to 29.7%, and pre-tax profit was £104,000 (H1 2020: loss of £90,000).

## PCB

As the global economy returned to growth, the PCB industry experienced significant instability, with widespread raw material shortages and marked cost increases both for goods and freight. PCB sales in the period decreased by 8.6% compared to the same period in 2020, from £4,157,000 to £3,798,000. PCB gross margins, however, increased by 2.2% to 25.5%. Administration expenses were similar to the previous year in value terms, although as a percentage of sales they increased from 16.4% to 17.8%. Overall, PCB activities recorded a pre-tax profit of £134,000 (H1 2020: profit of £124,000).

On 24 August 2021 we announced that our UK and Germany operating subsidiaries had conditionally agreed to sell certain PCB assets to the Ventec International Group for a cash consideration of c. £1,600,000. The sale proceeds will be used for investment in the continuing PCB and LCS segments and for general working capital purposes.

## LCS

The LCS divisions recovered strongly in 2021 as the economy improved and building projects resumed: revenue increased by 70.2% overall to £1,991,000 (2020: £1,170,000). Margins improved from 36.8% to 37.7%, and overheads as a percentage of sales fell from 49.7% to 32.3%. The overall result for the LCS divisions was a profit of £53,000 (H1 2020: loss of £174,000).

The two LCS joint ventures, Holders Technology Austria, and Holders Technology Data Analytics, made further progress during the period and together contributed £12,000 profit (H1 2020: nil profit because both joint ventures commenced trading in H2 2020).

## Cash and Debt

Group cash at the period end was £1,277,000 (H1 2020: £723,000). Other than lease liabilities, the company has no debt.

## Outlook

The outlook for the second half of the year is encouraging, although there is still a level of uncertainty regarding global supply chains. Holders continues to expand its product and services portfolio, as well as investing in people and additional technology to support this expansion. The company also seeks additional complementary revenue streams when opportunities arise. Its ability to do this will be enhanced by the asset disposal outlined above.

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.*

Rudolf W. Weinreich  
Executive Chairman

Holders Technology plc  
27-28 Eastcastle Street

For further information, contact:

**Holders Technology plc**

Rudi Weinreich, Executive Chairman  
Victoria Blaisdell, Group Managing Director  
Paul Geraghty, Group Finance Director

**01896 758781**

**SP Angel Corporate Finance LLP – Nomad and Broker**

Matthew Johnson/ Caroline Rowe, Corporate Finance

**020 3470 0470**

**Website**

[www.holdersgroup.com](http://www.holdersgroup.com)

**Consolidated income statement**  
for the half year ended 31 May 2021 (Unaudited)

		<b>Half year ended 31 May 2021</b>	Half year ended 31 May 2020	Full year ended 30 Nov 2020
	Notes	<b>£'000</b>	£'000	£'000
Revenue	4	<b>5,789</b>	5,327	9,838
Cost of sales		<b>(4,071)</b>	(3,929)	(7,135)
Gross profit		<b>1,718</b>	1,398	2,703
Distribution costs		<b>(213)</b>	(186)	(348)
Administrative expenses		<b>(1,399)</b>	(1,294)	(2,562)
Other operating expenses		<b>(4)</b>	(2)	(42)
Operating profit/ (loss)		<b>102</b>	(84)	(249)
Income from joint ventures		<b>12</b>	-	1
Finance costs		<b>(10)</b>	(6)	(16)
Profit/ (loss) before taxation		<b>104</b>	(90)	(264)
Taxation	5	<b>-</b>	-	-
Profit/ (loss) for the period		<b>104</b>	(90)	(264)
Total and continuing				
Basic earnings per share	7	<b>2.46p</b>	(2.13p)	(6.25p)
Diluted earnings per share	7	<b>2.46p</b>	(2.13p)	(6.25p)

**Consolidated statement of comprehensive income**

for the half year ended 31 May 2021 (Unaudited)

	Half year ended 31 May 2021	Half year ended 31 May 2020	Full year ended 30 Nov 2020
	£'000	£'000	£'000
Profit/ (loss) for the period	104	(90)	(264)
Reserves adjustment for IFRS 16	-	(10)	-
Exchange differences on translation of foreign operations	(89)	133	120
Total comprehensive income for the period	<b>15</b>	<b>33</b>	<b>(144)</b>

## Consolidated statement of changes in equity

for the half year ended 31 May 2021 (Unaudited)

	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 Dec 2019	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
Total comprehensive income for the year	-	-	-	120	(264)	(144)
Balance 30 Nov 2020	422	1,590	1	248	1,738	3,999
Dividends	-	-	-	-	(10)	(10)
	-	-	-	-	(10)	(10)
Profit for the period	-	-	-	-	104	104
Exchange differences on translating foreign operations	-	-	-	(89)	-	(89)
Total comprehensive income for the period	-	-	-	(89)	104	15
Balance 31 May 2021	<b>422</b>	<b>1,590</b>	<b>1</b>	<b>125</b>	<b>1,832</b>	<b>4,004</b>

## Consolidated balance sheet at 31 May 2021 (Unaudited)

	Notes	Half year ended 31 May 2021 £'000	Half year ended 31 May 2020 £'000	Full year ended 30 Nov 2020 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible fixed assets		378	388	381
Property, plant and equipment	3	1,127	654	560
Investment in joint venture		40	15	28
Deferred tax assets		12	12	12
		<b>1,557</b>	<b>1,069</b>	<b>981</b>
<b>Current assets</b>				
Inventories		1,953	2,358	2,340
Trade and other receivables		1,642	1,461	1,420
Cash and cash equivalents		1,277	723	1,113
		<b>4,872</b>	<b>4,542</b>	<b>4,873</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(1,270)	(765)	(1,274)
Lease liabilities	3	(930)	(419)	(105)
Current tax liabilities		-	-	-
		<b>(2,200)</b>	<b>(1,184)</b>	<b>(1,379)</b>
Net current assets		<b>2,672</b>	<b>3,358</b>	<b>3,494</b>
<b>Non-current liabilities</b>				
Retirement benefit liability		(216)	(221)	(223)
Lease liabilities		-	-	(244)
Deferred tax liabilities		(9)	(9)	(9)
		<b>(225)</b>	<b>(230)</b>	<b>(476)</b>
Net assets		<b>4,004</b>	<b>4,197</b>	<b>3,999</b>
<b>Shareholders' equity</b>				
Share capital		422	422	422
Share premium account		1,590	1,590	1,590
Capital redemption reserve		1	1	1
Retained earnings		1,829	1,923	1,738
Cumulative translation adjustment		162	261	248
Equity attributable to the shareholders of the parent		<b>4,004</b>	<b>4,197</b>	<b>3,999</b>

## Consolidated cash flow statement for the half year ended 31 May 2021 (Unaudited)

	Half year ended 31 May 2021	Half year ended 31 May 2020	Full year ended 30 Nov 2020
	£'000	£'000	£'000
Cash flows from operating activities			
Profit/ (loss) before tax	104	(90)	(264)
Depreciation	131	150	292
Decrease in inventories	323	261	284
(Increase)/ decrease in trade and other receivables	(579)	(75)	385
Increase/ (decrease) in trade and other payables	350	(139)	(50)
Interest expense	10	6	16
Cash generated from operations	<b>339</b>	123	663
Income from investments	(12)	-	(1)
Interest paid	(10)	(6)	(16)
Net cash generated from operations	<b>317</b>	117	646
Cash flows from investing activities			
Purchase of property, plant, and equipment	(30)	(21)	(25)
Investment in joint venture	-	(15)	(27)
Net cash used in investing activities	<b>(30)</b>	(36)	(52)
Cash flows from financing activities			
Equity dividends paid	-	-	(21)
Lease repayments	(95)	(116)	(213)
Net cash used in financing activities	<b>(95)</b>	(116)	(234)
Net change in cash and cash equivalents	<b>192</b>	(35)	360
Cash and cash equivalents at start of period	<b>1,113</b>	734	734
Effect of foreign exchange rates	<b>(28)</b>	24	19
Cash and cash equivalents at end of period	<b>1,277</b>	723	1,113

## Notes

### 1. General information

Holdings Technology plc is incorporated in the United Kingdom under the Companies Act 2006. The principal activity of the group is to provide specialised materials, components and solutions to the electronics and lighting industries.

### 2. Basis of preparation

The condensed consolidated half year financial statements have been prepared in accordance with the AIM Rules for Companies and prepared on a basis consistent with International Financial Reporting Standards (“IFRS”) as adopted by the EU and the accounting policies set out in the group’s financial statements for the year ended 30 November 2020.

The half year financial statements are unaudited and include all adjustments which management considers necessary for a fair presentation of the group’s financial position, operating results and cash flows for the 6-month periods ended 31 May 2020 and 31 May 2021.

The half year financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. A copy of the group’s financial statements for the year ended 30 November 2020 prepared in accordance with IFRS as adopted by the EU has been filed with the Registrar of Companies. The auditors’ report on those financial statements was not qualified and did not contain statements under s498(2) of s498(3) of the Companies Act 2006.

As permitted, the group has chosen not to adopt IAS 34 ‘Interim Financial Statements’ in preparing these half year financial statements and therefore the half year financial information is not in full compliance with IFRS.

The preparation of half year financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

These half year financial statements have been prepared under the historical cost convention.

The board of Holdings Technology plc approved this half yearly report on 26 August 2021.

### 3. IFRS 16 Leases

On 1 January 2021 the lease on the premises at Kirchheimbolanden, Germany was renewed for a 5-year term. As required under IFRS 16, the lease has been shown as a right-of-use asset and lease liability on the balance sheet, both at an initial value of £676,000.

## Notes (continued):

### 4. Segmental information

Management currently identifies two operating segments:

1. PCB distributes materials, equipment, and supplies to the PCB industry.
2. LCS provides lighting and control solutions.

Analysis by operating segment for the half year ended 31 May

	PCB		LCS		Central Costs		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Revenue	3,798	4,157	1,991	1,170	-	-	5,789	5,327
Cost of sales	2,830	3,189	1,241	740	-	-	4,071	3,929
Gross Profit	968	968	750	430	-	-	1,718	1,398
Distribution costs	159	164	54	22	-	-	213	186
Administration costs and other operating expenses	675	680	643	582	85	34	1,403	1,296
Segment Profit/ (Loss)	134	124	53	(174)	(85)	(34)	102	(84)

5. The tax provision for the six months ended 31 May 2021 is calculated based on the tax rates applicable in the country in which each company operates.

6. A final dividend of 0.25p per share on the total issued share capital of 4,224,164 10p ordinary shares was approved by the board on 29 January 2021, and paid on 1 June 2021, in respect of the year ended 30 November 2020.

An interim dividend payment of 0.50p per share (2020: 0.25p per share) will be payable on 5 October 2021 to shareholders on the register at 10 September 2021. The shares will go ex-dividend on 9 September 2021. The interim dividend had not been approved by the board at 31 May 2021 and accordingly, has not been included as a liability as at that date.

7. The basic earnings per share for continuing operations are based on the profit for the period of £104,000 (2020: loss £90,000) and on 4,224,164 ordinary shares (2020: 4,224,164), the weighted average number of shares in issue during the period. There were no share options in issue in 2020 or 2021 and therefore diluted earnings per share and basic earnings per share are the same value for each year.

8. A copy of this half yearly report will be sent to shareholders and is available for inspection at the company's offices at Holders Technology (UK) Ltd., Units 1-4, Block 9, Tweedbank Industrial Estate, Galashiels TD1 3RS and via its website [www.holderstechnology.com](http://www.holderstechnology.com).