

Holders Technology plc  
 (“The Group”)

Specialised PCB Materials, Lighting and Control Solutions

Final results for the year ended 30 November 2019

Holders Technology plc (AIM: HDT) announces its audited results for the year ended 30 November 2019.

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 a PCB division and an LCS division in each country.

LCS divisions made further progress during the year and achieved profitability, and the PCB UK division in the UK made modest progress. Market conditions for the PCB in Germany remained difficult which resulted in reduced revenue and profitability for the division. The UK legacy tax liabilities were resolved with a favourable outcome. The overall profit after tax was a modest improvement compared to 2018, from slightly reduced revenue.

The directors will recommend payment of a final dividend of 0.75p per share, a total of 1.00p for the year (2018 total: 0.75p).

The results are summarised below.

		2019 £'000	2018 £'000
• Revenue	PCB	8,647	9,374
	LCS	3,515	3,112
	Group	12,162	12,486
• Operating Profit/ (Loss)	PCB	230	280
	LCS	69	(13)
	Central costs	(155)	(83)
	Group	144	184
• Profit before tax	Group	150	177
	Tax credit/ (expense)	31	(8)
	Profit after tax	181	169
• Cash Balances	Group	734	403
• Basic Earnings per Share	Group	4.31p	4.06p
• Diluted Earnings per Share	Group	4.30p	4.03p

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

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## Chairman's statement

The Group operates from the UK and from Germany, with a PCB division and an LCS division in each country.

I am pleased to report that both LCS divisions have continued to make good progress during 2019, and PCB UK has achieved modest growth. Market conditions for PCB Germany however have remained difficult. As a consequence, Group revenue was slightly lower than 2018. Operating profitability was lower than 2018, while after-tax profitability improved slightly compared to 2018.

Revenue for the year was £12.2m (2018: £12.5m), with gross margins of 27.9% (2018: 26.2%). The operating profit for the year was £144,000 (2018: operating profit of £184,000), and the profit after tax was £181,000 (2018: profit £169,000).

The PCB divisions together had revenue of £8.6m (2018: £9.4m) and achieved an operating profit of £230,000 (2018: profit £280,000). Margins increased from 23.5% to 24.3%.

Economic conditions in Germany, especially in the manufacturing sector, remained difficult during 2019. This adversely impacted our German PCB operations, the largest single element of the Group, with lower revenue and profitability than in 2018.

UK PCB operations achieved a modest improvement in the year despite the continuing challenging market.

LCS revenues overall amounted to £3.5m (2018: £3.1m) with gross margins increasing from 34.1% to 36.7% and a profit of £69,000 was achieved (2018: loss of £13,000). In the second half the sales and technical team was considerably strengthened, and further LCS investments are planned for 2020.

HMRC has now agreed the 2005 Cross-Border Corporation Tax claim reported previously. As a result, the related £29,000 tax and £14,000 interest liabilities recognised at last year end were reversed during the year.

On behalf of the Board I would like to record our thanks to our staff for their hard work during 2019 which resulted in a profitable year for the Group. Given the improved earnings, the Board recommends an increased final dividend of 0.75p in respect of the 2019 year.

The outlook for 2020 is in many ways the same as 2019. Our LCS divisions are well placed to deliver further improvements, whilst improvement in results from the German PCB operations is heavily dependent on recovery in the German automotive sector and wider economy.

**R W Weinreich**

*Executive Chairman*

13 March 2019

## Group income statement for the year ended 30 November 2019

	Note	2019 £'000	2018 £'000
Revenue		12,162	12,486
Cost of sales		(8,770)	(9,220)
<b>Gross profit</b>		<b>3,392</b>	3,266
Distribution costs		(419)	(422)
Administrative expenses		(2,890)	(2,696)
Other operating (expenses)/ income		61	36
<b>Operating profit</b>		<b>144</b>	184
Finance income		6	-
Finance expenses		-	(7)
<b>Profit before taxation</b>		<b>150</b>	177
Tax credit/ (expense)	2	31	(8)
<b>Profit after taxation attributable to equity shareholders</b>		<b>181</b>	169
<b>Basic earnings per share</b>	4	<b>4.31p</b>	4.06p
<b>Diluted earnings per share</b>	4	<b>4.30p</b>	4.03p

## Group statement of comprehensive income for the year ended 30 November 2019

	2019 £'000	2018 £'000
Profit for the year	181	169
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	(94)	15
<b>Total comprehensive income for the year</b>	<b>87</b>	184

## Statement of changes in equity for the year ended 30 November 2019

Group	Share capital	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 December 2017</b>	416	1,590	1	207	1,718	3,932
Dividends	-	-	-	-	(21)	(21)
Share based payments	-	-	-	-	4	4
Transactions with owners	-	-	-	-	(17)	(17)
Profit for the year	-	-	-	-	169	169
Exchange differences on translating foreign operations	-	-	-	15	-	15
Total comprehensive income for the year	-	-	-	15	169	184
<b>Balance at 30 November 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)
Total comprehensive income for the year	-	-	-	(94)	181	87
<b>Balance at 30 November 2019</b>	<b>422</b>	<b>1,590</b>	<b>1</b>	<b>128</b>	<b>2,023</b>	<b>4,164</b>

## Group balance sheet at 30 November 2019

	2019 £'000	2018 £'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible fixed assets	394	416
Property, plant and equipment	237	259
Deferred tax assets	12	10
	<b>643</b>	<b>685</b>
<b>Current assets</b>		
Inventories	2,530	2,849
Trade and other receivables	1,758	1,791
Cash and cash equivalents	734	403
	<b>5,022</b>	<b>5,043</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	(1,280)	(1,373)
Current tax liabilities	-	(43)
	<b>(1,280)</b>	<b>(1,416)</b>
<b>Net current assets</b>	<b>3,742</b>	<b>3,627</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	(212)	(204)
Deferred tax liabilities	(9)	(9)
	<b>(221)</b>	<b>(213)</b>
	<b>4,164</b>	<b>4,099</b>
<b>Shareholders' equity</b>		
Share capital	422	416
Share premium account	1,590	1,590
Capital redemption reserve	1	1
Retained earnings	2,023	1,870
Cumulative translation adjustment reserve	128	222
	<b>4,164</b>	<b>4,099</b>

## Statement of cash flows for the year ended 30 November 2019

	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	150	177
Share-based payment charge	4	4
Depreciation	74	71
Decrease/ (Increase) in inventories	237	(427)
(Increase) in trade and other receivables	(140)	(407)
Increase in trade and other payables	92	571
Interest (Income)/ Expense	(6)	8
Cash used in operations	411	(3)
Interest paid	(8)	(8)
Corporation tax paid	-	(88)
Net cash (used in)/ generated from operations	403	(99)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(42)	(58)
Proceeds from sale of property, plant and equipment	1	-
Net cash (used in)/generated from investing activities	(41)	(58)
<b>Cash flows from financing activities</b>		
Sale of shares	6	-
Equity dividends paid	(32)	(21)
Net cash used in financing activities	(26)	(21)
<b>Net change in cash and cash equivalents</b>	<b>335</b>	<b>(178)</b>
Cash and cash equivalents at start of period	403	579
Effect of foreign exchange rates	(4)	2
<b>Cash and cash equivalents at end of period</b>	<b>734</b>	<b>403</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

	2019 £'000	2018 £'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	(2)	8
Total tax	(31)	8

#### Tax reconciliation

The tax for the period is lower (2018: lower) than the standard rate of corporation tax in the UK, effectively 19.0% (2018: 19.0%) for the company's financial year. The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	150	177
Profit before taxation multiplied by the rate of corporation tax in the UK of 19.0% (2018: 19.0%)	29	34
Effects of:		
Accelerated capital allowances	-	2
Adjustment from prior years	(29)	-
Taxation losses	(31)	(28)
Taxation	(31)	8

### 3. Dividends

The directors have proposed a final dividend of 0.75p per share payable on 19 May 2020 to shareholders on the register at close of business on 1 May 2020. The total dividend for the year, including the interim dividend of 0.25p (2018: 0.25p) per share paid on 8 October 2019, amounts to £42,000 (2018: £32,000), which is equivalent to 1.00p (2018: 0.75p) per share.

- The basic earnings per share are based on the profit for the financial year of £181,000 (2018: profit of £169,000) and on ordinary shares of 4,199,735 (2018: 4,159,551 shares), the weighted average number of shares in issue during the year. Diluted earnings per share is based on 4,207,199 ordinary shares (2018: 4,190,594 shares), being the weighted average number of ordinary shares after an adjustment of 7,464 (2018: 31,043) in relation to share options.
- This statement, which has been approved by the Board on 13 March 2020, is not the Company's statutory accounts. The statutory accounts for each of the two years to 30 November 2018 and 30 November 2019 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 2018 accounts have been filed with the registrar of Companies, but the 2019 statutory accounts are not yet filed.