

Nedap posts increased revenue in first months of 2016

Supply chain reorganisation on schedule; financial position further reinforced

Groenlo, Netherlands, 29 March 2016

Nedap's revenue in the first months of 2016 was up by around 3% compared with the same period in the previous year. The Healthcare, Identification Systems, Library Solutions, Retail, Security Management and Nsecure business units all helped to achieve this growth, while the Energy Systems, Light Controls and Livestock Management units posted lower revenue for this period.

The Board of Directors is optimistic about this year's developments, but finds it too early at this stage to make any statements about the level of growth in revenue over 2016 as a whole. Such growth depends on developments on certain markets and orders from individual customers, as well as the general economic climate.

The supply chain reorganisation is on schedule. Satisfactory progress is being made in talks with potential production partners and internal preparations are progressing well. External production is expected to start in late 2016, so Nedap should gradually begin to notice the targeted cost price reduction and decrease in the balance sheet total over the course of 2017. Completion of the reorganisation is currently scheduled for late 2017, but since continuity of deliveries to customers is a top priority, the speed of the outsourcing process can be adjusted. In order to guarantee deliveries, Nedap may temporarily have larger inventories in 2016 and 2017. Nedap may also see an increase in operational costs in these years, since in-house production facilities will be maintained as a backup for production partners. Non-cash impairments of assets whose value has dropped due to the outsourcing drive is also a possibility. The Board of Directors will explain the reorganisation's expected impact on profits and the balance sheet in the 2016 half-yearly report.

The Energy Systems business unit's operations have been significantly downscaled, as planned, with a small group of employees taking care of existing delivery, maintenance and warranty obligations. The remaining employees have been reassigned to other business units.

Nedap has entered into a new credit agreement with its main bank ABN AMRO, extending the term of the credit facility up to May 2023. The committed credit facilities amount to €44 million in total and have a flexible repayment schedule, taking seasonal patterns into account. No covenants have been agreed and rates remain unchanged. In May 2021, ABN AMRO and Nedap will decide whether a change to the credit facility's rates and volume is justified. Together with the solvency ratio of over 40%, the new credit agreement has further reinforced Nedap's financial position.

The 2016 half-yearly report will be published on Thursday 28 July (after the close of trading).

The annual general meeting of shareholders will take place at 11am on Thursday 31 March at Nedap's site in Groenlo (Parallelweg 2).

Nedap develops and supplies smart technological solutions to relevant problems. Feeding a growing population, providing clean drinking water all over the world and creating smart sustainable energy networks are just some of the issues Nedap works on. The company's focus is always maintained on relevant technology.

N.V. Nederlandsche Apparatenfabriek "Nedap" was founded in 1929. It has been listed on the stock exchange since 1947 and has over 760 employees worldwide.



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