

# Investor Presentation

April 2023



# Disclaimer

This presentation contains the Board of Directors' forward-looking statements and expectations based on current insights and assumptions, which are subject to known and unknown risks and uncertainties. A number of factors could cause actual results or events to differ from the Board of Directors' expectations, such as changes in the economic climate, developments on specific markets, orders from individual customers and/or other developments. Nedap cannot be required to update the forward-looking statements contained in this document or held responsible for doing so, regardless of whether they are related to new information, future events or suchlike, unless Nedap is required to do so by law.

Nedap N.V. ("Nedap")

**nedap.com**

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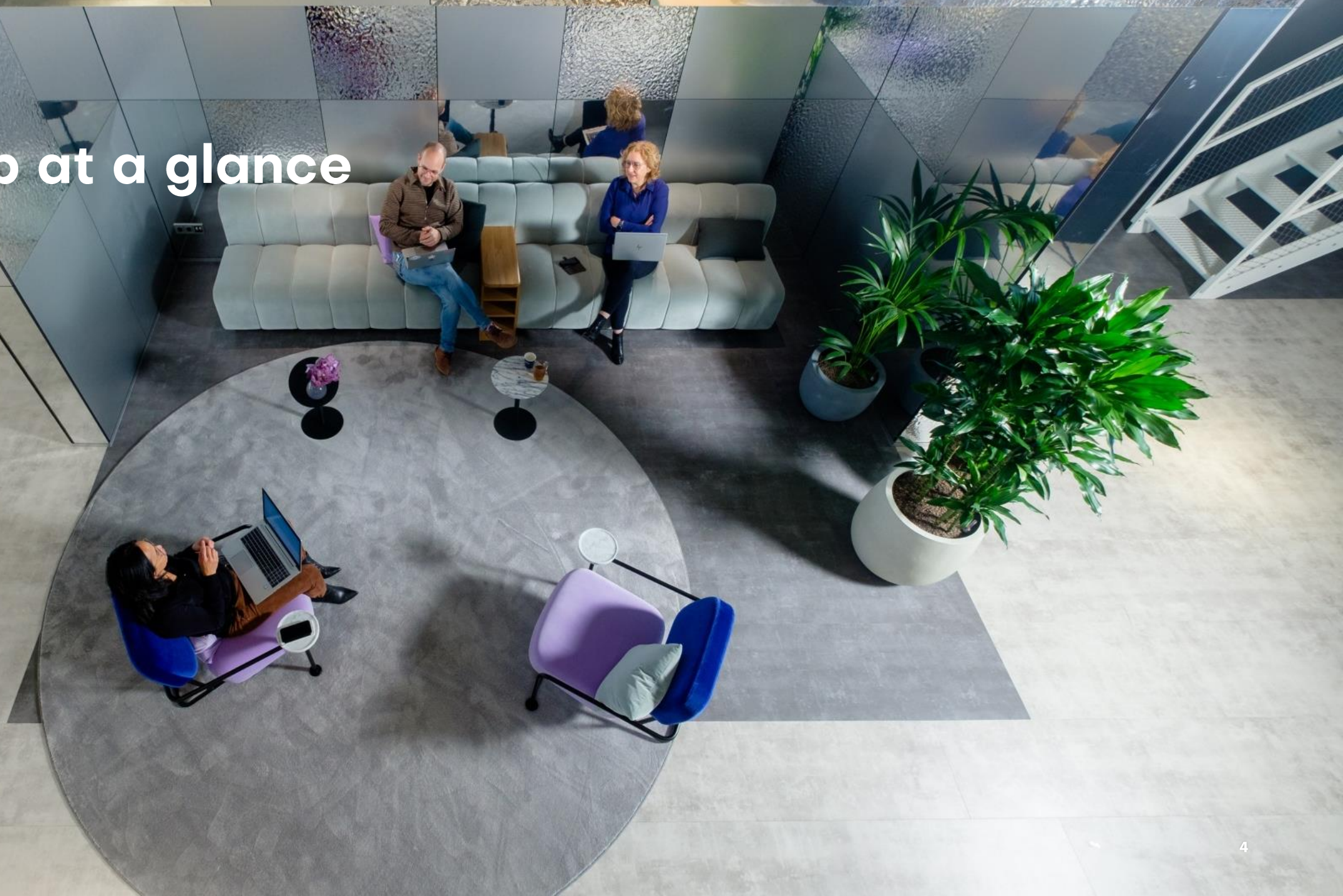
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# Nedap at a glance





Nedap at a glance

# Technology for Life

- Nedap focuses on **Technology for Life**: developing technological solutions that make people more successful and happier in their professional lives. We create **True Value**.
- To have a positive impact on people's professional lives this requires a people-centred approach; **First People, then Technology**.
- Designing Technology for Life requires a **long-term perspective**. This perspective is essential for the continuity of our purpose.
- We regard market share as proof of our relevance; therefore, we always **strive for leadership** in the markets we are active in.
- **A high added value per employee** is the indicator for our success in converting market and technology insights into real market impact.
- Our people, our culture and our perspective on leadership collectively form the basis of our distinctive capabilities, therefore **we are uniquely qualified** to create Technology for Life.



Nedap at a glance

# Key facts



Founded in  
**1929**



Listed since  
**1947**



High-tech  
company



4 core  
technologies



**900+**  
employees



Shared value  
creation



Leading  
positions in 4 key  
markets



**Headquarters in Groenlo,  
The Netherlands**

Offices in Belgium, China, Dubai,  
Germany, Hong Kong, the  
Netherlands, Poland, Spain, UK and  
the U.S.A.



Entrepreneurial,  
innovative  
culture



Highly skilled  
and dedicated  
staff

Revenue

(2022)

**€ 231 million**

Market Cap

(31-12-2022)

**€ 368 million**

Operating Profit

(2022)

**€ 23.8 million**

ROIC

(2022)

**31%**

Nedap at a glance

# Board of directors



**Ruben Wegman (1966)**

CEO

Joined Nedap in 1997

CEO since 2009



**Daniëlle van der Sluijs (1972)**

CFO

Joined Nedap in 2020

Nedap board member since 2020



**Rob Schuurman (1969)**

CCO

Joined Nedap in 2004

Nedap board member since 2022



# Strategy

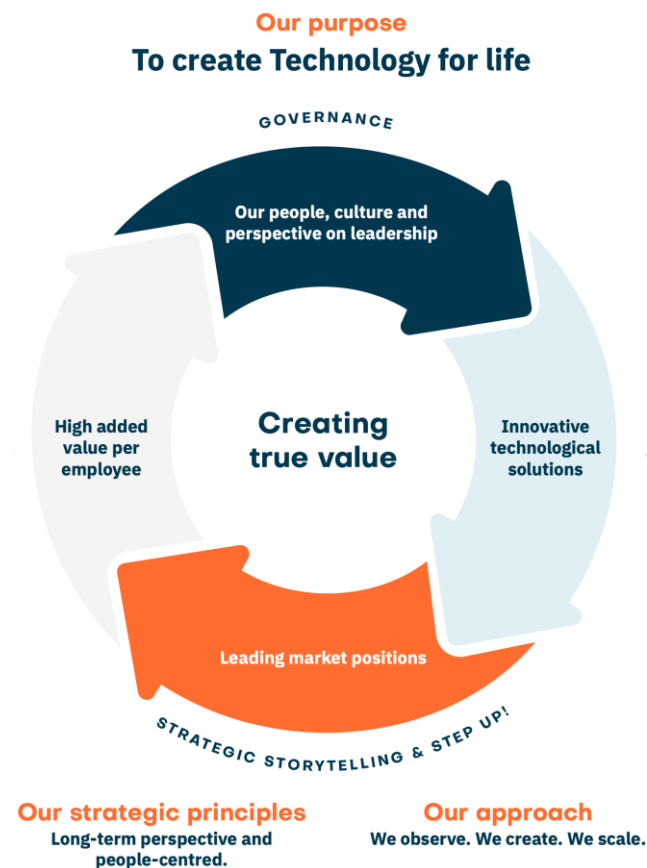




# Our business model

## Focus on 4 core technologies

1. Connected devices
2. Communications technology
3. Software architecture
4. User eXperience



### Employees

We all take the lead in our work and talent development.



### Customers

Our solutions support our customers in running a more sustainable business.



### Partners/products

Minimal negative impact along the entire value chain.



### Operations

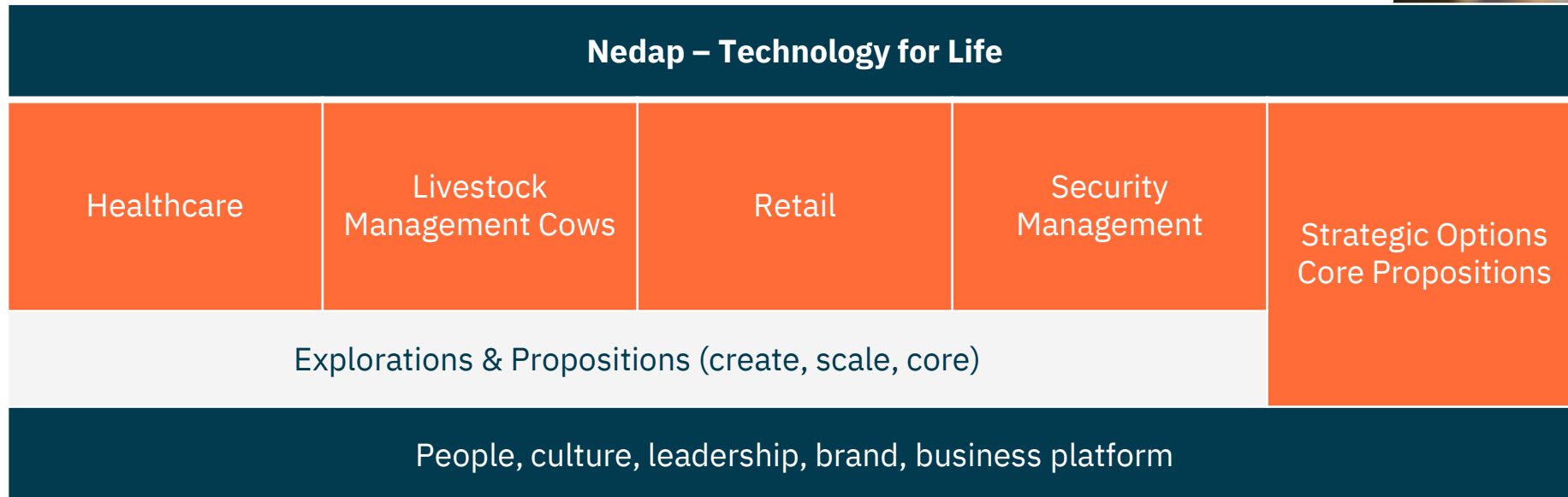
Net-zero negative CO<sub>2</sub>-impact of our operations.

Our contribution to the UN SDGs



Strategy

# Create-Scale-Core model



# Key market positions



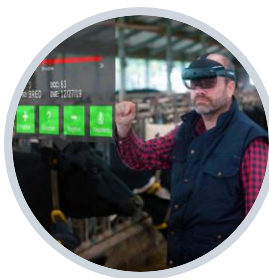
## Healthcare

Software services that allow healthcare professionals in the Netherlands to interconnect



## Retail

RFID solutions that help retailers make their inventories completely transparent optimise their shop processes, and prevent loss of income



## Livestock Management Cows

Technological solutions for individual animal monitoring and management for the dairy farming



## Security Management

Develops and markets physical access control and security systems for companies and institutions

## Core propositions and strategic option



## Identification Systems

Develops and markets hardware and software for vehicle identification systems worldwide



## Light Controls

Smart UV lamp drivers



## Staffing Solutions

Cloud-based software for timesheet processing, employee scheduling, and access control



## Strategy

# Focus areas sustainability

### Employees

Talent developments, diversity and inclusivity

### Customers

We want to pursue opportunities with propositions that contribute to making our customers' business model more sustainable

### Operations

Net zero CO<sub>2</sub> for scope 1 and 2 in 2030

### Partners

We want to reduce the negative environmental impact of our products throughout the value chain in collaboration with our partners



## Strategy

# Financial ambition

## Towards 2025

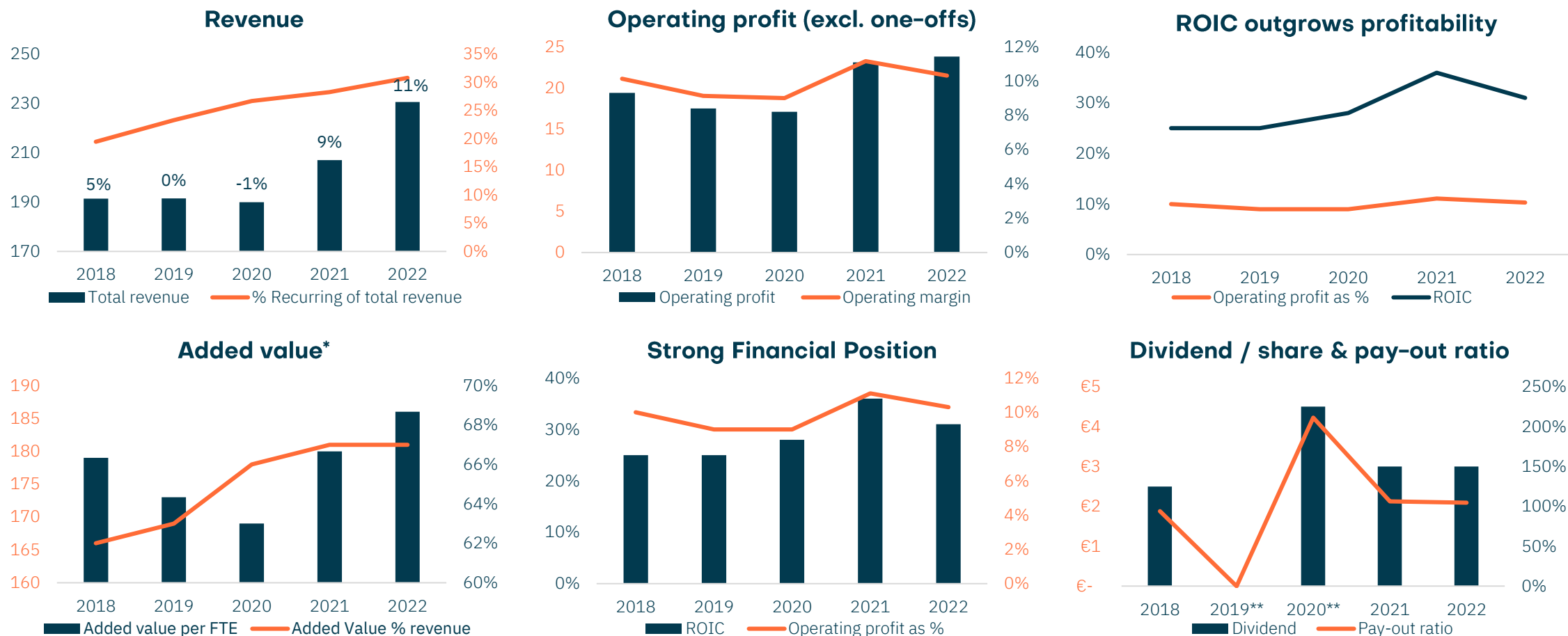
- An autonomous **high-single-digit revenue** growth
- A growing operating **margin towards 15%** (excluding one-offs)
- Return on invested capital (**ROIC**) that outgrows profitability

To ensure our long-term perspective and focus on growth and innovation we need a **strong financial position**:

- Solvency rate of at least 50% and Net debt/EBITDA of a maximum of 1.5
- Profits are paid out as dividend to shareholders, after deduction of the amount needed for investments in profitable growth and the intended financial structure



# Financial performance





# Scale propositions



Scale propositions

# iD Cloud

**Merchandise simply available**

**iD Cloud is the scale-proposition within key market position Retail**

Fashion retailers have great difficulty in keeping an accurate overview of their stock levels. This leads to a mismatch in supply and demand, dissatisfied customers and missed revenue opportunities.

By combining RFID knowledge with powerful new software concepts, Nedap has created iD Cloud. This solution gives fashion retailers detailed insight into their stock in the shortest possible time with up to more than 98% accuracy, whilst it is still compatible with the retailers' total ICT environment.

With the cloud-based software service and a growing global ecosystem of implementation and technology partners, Nedap iD Cloud can roll out quickly and easily in large retail chains. At the moment Nedap is the global market leader in this fast growing market.



DECATHLON





Scale propositions

# CowControl™

Where is Bertha 128?

**CowControl is the scale-proposition within key market position Livestock Management Cows**

The market for dairy farming is changing rapidly: Scaling up is a prerequisite for remaining profitable, while suitable personnel are becoming scarcer.

Nedap has created an all-in-one monitoring and management system for dairy cows. This produces simple to use action-oriented management information based on collected essential animal data. This solution contributes to higher returns, better business operations, and better animal welfare.

Nedap is the global market leader in management systems of dairy cows because its propositions are and remain relevant for every type of dairy farm worldwide. Thanks to the distribution network of business partners that are active internationally, Nedap is further expanding its market position.





## Scale propositions

# ONS software platform

Improved care, better working conditions

**ONS is the scale-proposition within key market position Healthcare**

The healthcare sector suffers from a large staff shortage and a high workload, partly due to a high administrative burden. At the moment, existing administrative systems do not sufficiently meet the specific requirements and wishes of healthcare providers.

Nedap has developed a single system, Ons, that supports the entire care process and reduces the complexity of administrative processes. By combining the most modern software technologies with a great emphasis on user-friendliness, healthcare providers once again enjoy their work.

By adding functionalities and connecting partners and systems, the Ons software platform has evolved into a core system for healthcare institutions. Nedap is now the market leader in care for the elderly and is rapidly expanding its position in care for the disabled and mental health care.





# Nedap investment proposition



# Investment proposition

- Focus on 4 core technologies in 4 key market positions
- Ample autonomous growth potential through scalable propositions
- High and growing added value per FTE driven by our entrepreneurial culture
- Create sustainable value for our customers, employees and partners
- Growth in margins and recurring software services
- Asset light business model that enhances capital efficiency and cash conversion
- Solid financial position
- Attractive dividend

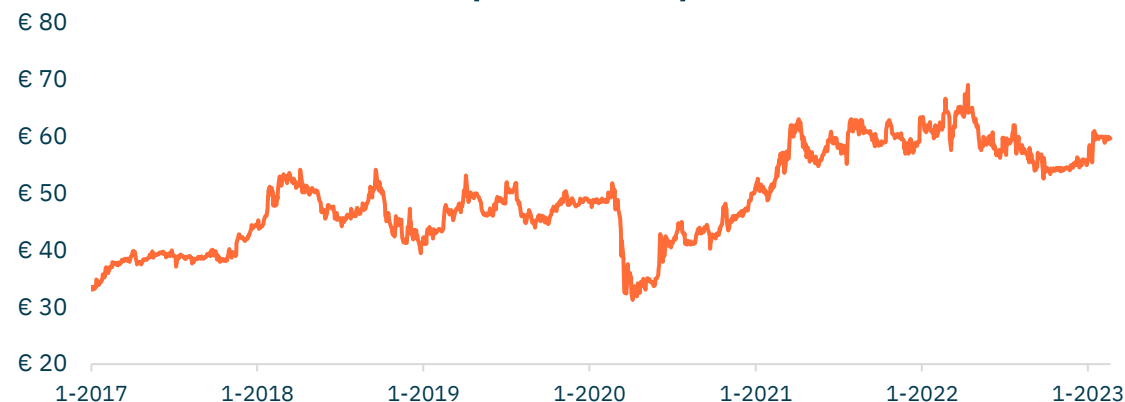




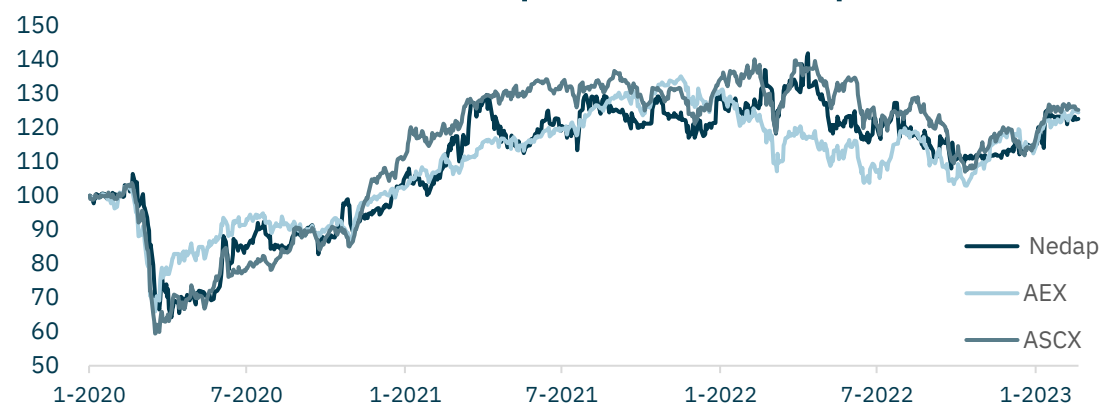
## Nedap investment proposition

# Nedap share

Share price development



Relative share performance Nedap



## Overview of notifications major shareholdings AFM \*

Shareholder	Stake in Nedap
Cross Options Beheer B.V.	14.61%
Teslin Participaties Coöperatief U.A.	10.19%
Kempen Capital Management N.V.	10.00%
NN Group NV.	9.97%
ASR Nederland N.V.	8.20%
Decico B.V.	5.01%
Add Value Fund N.V.	3.36%
Stichting Medewerkerparticipatie Nedap	3.35%

The Nedap Share	2022	2021
# shares outstanding (end of year)	6.519.965	6.486.501
# Shares traded	525.590	848.936
Share price end of year	€ 55,00	€ 62,60
Dividend per share	€ 3,00	€ 3,00
Price-earnings ratio	19	22
Dividend yield (end of year)	5.45%	4.79%
Market cap (end of year)	€ 368 M	€ 419 M



# Financial updates



## Financial updates

# Highlights FY 2022

- Revenue for 2022 amounted to €230.6 million, up 11% on 2021 (€207.0 million). Practically all business units contributed to the revenue growth.
- Recurring revenue rose by 21% and made up 31% of revenue (2021: 28%).
- Added value as a percentage of revenue remained consistent and came in at 67%.
- Able to attract bright people, increase in employees from 820 to 917
- The operating profit was up 3% to €23.8 million (€23.1 million in 2021). The operating margin dropped to 10.3% (11.1% in 2021).
- The profit for the financial year came in at €18.7 million (€18.3 million in 2021), i.e. earnings per share of €2.87 (€2.82 in 2021).
- The dividend for the 2022 financial year has been set at €3.00 (2021: € 3.00).
- A further growth in revenue is expected for 2023.

Nedap reconfirms its financial objectives towards 2025, unveiled during the Capital Markets Day in March 2021. These objectives include a revenue that is developing towards annual high-single-digit autonomous growth and an operating (EBIT) margin that grows towards 15%.





# Key figures 2022

Key Financials (in millions of euros)	FY2022	FY2021	%
Revenue	230.6	207.0	11%
Recurring revenue	71.0	58.5	21%
Recurring revenue as percentage of revenue	31%	28%	
Added value* as percentage of revenue	67%	67%	
Added value per FTE (x € 1,000)	186	180	
Operating profit	23.8	23.1	3%
Operating margin	10.3%	11.1%	
Net profit	18.7	18.3	2%
Earnings per share (x € 1)	2.87	2.82	2%
Dividend per share (x € 1)	3.00	3.00	
Return on invested capital (ROIC)	31%	36%	
Net debt/EBITDA	-0.1	-0.5	
Solvency	60%	61%	

# Consolidated income statement

(€ x 1,000)

	2022	2021
<b>Revenue</b>	<b>230,559</b>	<b>207,012</b>
Cost of goods sold	-76,015	-67,687
<b>Added value</b>	<b>154,544</b>	<b>139,325</b>
Personnel costs	-92,047	-83,317
Amortisation	-813	-1,039
Depreciation	-8,855	-8,450
Other operating costs	-29,039	-23,447
<b>Operating costs</b>	<b>-130,754</b>	<b>-116,253</b>
<b>Operating result</b>	<b>23,790</b>	<b>23,072</b>
Net financing result	-30	-321
<b>Result before taxation</b>	<b>23,460</b>	<b>22,751</b>
Taxation	-4,756	-4,467
<b>Result for the financial year</b>	<b>18,704</b>	<b>18,284</b>
Profit attributable to shareholders of Nedap N.V.	18,704	18,284

# Consolidated balance sheet

(as per 31 December 2022, € x 1,000)

Assets	2022	2021	Equity and liabilities	2022	2021
<b>Fixed assets</b>			<b>Shareholders' equity</b>	<b>81,194</b>	<b>80,306</b>
Intangible fixed assets	2,847	1,806			
Tangible fixed assets	41,121	39,393	<b>Non-current liabilities</b>		
Deferred tax assets	1,161	1,365	Borrowings	14,000	14,000
	<b>45,129</b>	<b>42,564</b>	Provisions	1,162	1,059
<b>Current assets</b>			Other non-current liabilities	1,786	2,363
Inventories	28,343	23,466		<b>16,948</b>	<b>17,422</b>
Trade and other receivables	43,722	35,866			
Cash and cash equivalents	17,483	29,615	<b>Current liabilities</b>		
	<b>89,548</b>	<b>88,947</b>	Borrowings	-	-
			Provisions	928	1,160
			Trade and other payables	35,607	32,623
				<b>36,535</b>	<b>33,783</b>
<b>Total assets</b>	<b>134,677</b>	<b>131,511</b>	<b>Total equity and liabilities</b>	<b>134,677</b>	<b>131,511</b>



## Financial updates

# Financial calendar 2023

6 April	Trading update Q1 2023
13 April	Annual General Meeting
17 April	Ex-dividend date
18 April	Record date
24 April	Dividend payable date
20 July	Half-yearly results 2023
19 October	Trading update Q3 2023

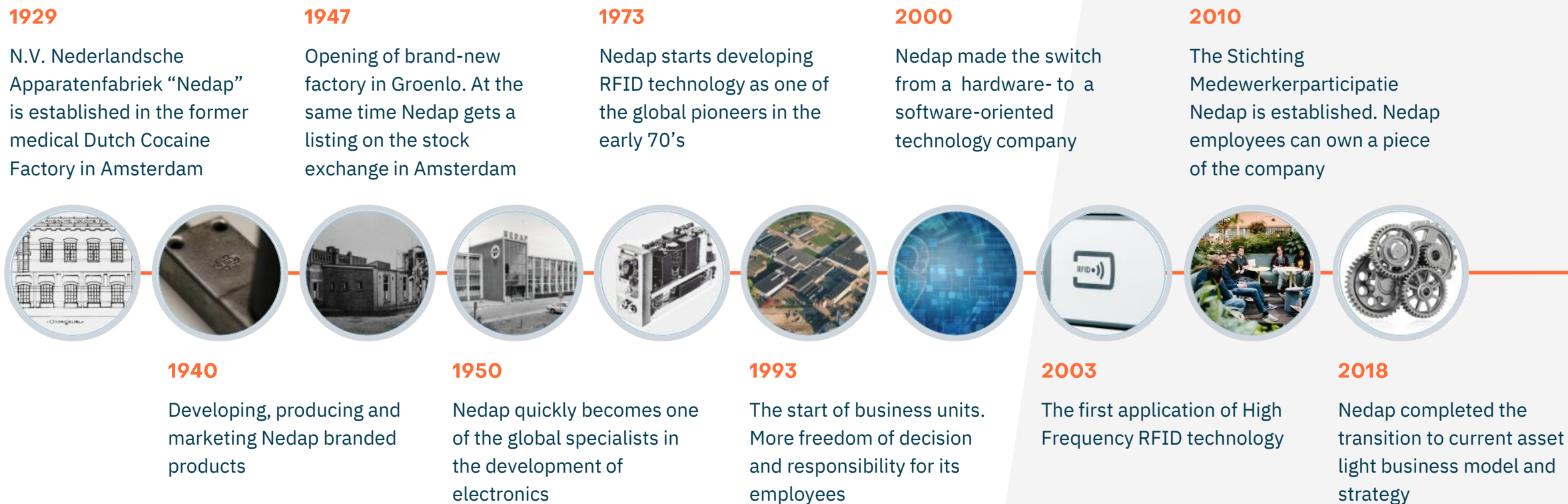
# Appendix



## Appendix

# History of Nedap

**Evolving from hardware manufacturer to provider of scalable and proprietary propositions**





# Overview key market positions

Key market position	Size*	Market (focus)	Propositions	Competitive position	Growth driver	Market
<b>Healthcare</b>	>15%	Long term care providers	<b>ONS</b> Electronic Health Record cloud solution for administrative, logistic and care processes at care providers	<ul style="list-style-type: none"> <li>• #1 in elderly care</li> <li>• #1 in disabled care</li> <li>• #1 in mental healthcare</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing demand for long-term care</li> <li>• Entering new verticals</li> </ul>	NL
<b>Livestock Management Cows</b>	>15%	Management of cows	<b>Dairy</b> Automation of livestock management processes based on identification of individual animals	<ul style="list-style-type: none"> <li>• #1 in dairy farming sensors</li> </ul>	<ul style="list-style-type: none"> <li>• Animal welfare</li> <li>• Increase in scale of farming business</li> <li>• Increased demand in animal proteins</li> </ul>	Global
<b>Retail</b>	>15%	International fashion and food retailers	<b>EAS RF, EAS RFID, iD Cloud</b> RFID solutions for optimised inventory management, simplified shop processes and prevention of shrinkage	<ul style="list-style-type: none"> <li>• #1 in inventory management</li> <li>• Top-3 player in anti-shop lifting solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Omni-channel retailing</li> <li>• Expansion in the Americas</li> </ul>	Global
<b>Security Management</b>	<15%	Larger companies, financial institutions and governments	<b>AEOS / Security Atlas / AtWork</b> Solutions for access control and security systems	<ul style="list-style-type: none"> <li>• Top-3 player</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraging solution across key-clients globally</li> </ul>	Global

## Appendix

# Overview other business units

Business units	Size*	Market (focus)	Propositions	Competitive position	Nedap proposition	Market
<b>Identification Systems</b>	< 15%	(Local) Governments and larger companies in parking, industry and security	<b>Readers</b> Vehicle access control solutions	<ul style="list-style-type: none"><li>• Global leader in identification of vehicles</li></ul>	Core proposition	Global
<b>Light Controls</b>	< 15%	General industries and water treatment companies	<b>UV</b> Power electronics and control systems for curing and disinfection	<ul style="list-style-type: none"><li>• #1 in high-power UV power supplies</li></ul>	Core proposition	Global
<b>Staffing Solutions</b>	< 15%	Logistics and production companies	<b>Flux</b> Digitised timesheet processing, planning and employee scheduling	<ul style="list-style-type: none"><li>• Largest independent solution</li></ul>	Strategic option	Benelux

## Appendix

# 5-Year financial history

**Key figures** (in millions of euros or as a percentage)

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Revenue	230,6	207,0	189,9	191,5	191,4
Revenue growth	11%	9%	-1%	0%	5%
Recurring revenue	71,0	58,5	50,7	44,6	37,2
Recurring revenue as % of revenue	31%	28%	27%	23%	19%
Added value as % of revenue	67%	67%	66%	63%	62%
Added value per FTE (x € 1,000)	186	180	169	173	179
Operating profit excl. one-off items	23,8	23,1	17,1	17,5	19,4
Operating profit as % of revenue excl. one-off items	10%	11%	9%	9%	10%
Profit for the financial year	18,7	18,3	13,8	24,1	17,1
Return on invested capital (ROIC)	31%	36%	28%	25%	25%
Net debt/EBITDA	-0,1	-0,5	-0,4	-0,2	0,6
Solvency	60%	61%	62%	61%	56%
<b>Per share (x € 1)</b>					
Earnings	2,87	2,82	2,13	3,74	2,66
Earnings excl. one-off items	2,87	2,82	2,13	3,74	2,66
Dividend	3,00	3,00	4,50 *	- *	2,50
Dividend yield	5,5%	4,8%	8,8%	0%	6,0%
Dividend pay-out ratio	105%	106%	211%	0%	94%





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