



## 2024 half-yearly figures press release

### Total revenue down 8%, recurring revenue up 20%

Groenlo, the Netherlands, 18 July 2024, 07:00 CET.

#### Key points

- Revenue amounted to €124.1 million in the first half of 2024, 8% less than in the first half of 2023.
- Recurring revenue was up 20% and accounts for 39% of total revenue (30% in the first half of 2023).
- Added value in percentage of revenue increased to 71% (H1 2023: 69%).
- Operating profit decreased to €10.6 million (H1 2023: €16.1 million) in the first half of 2024. The operating margin was 8.5% (H1 2023: 12.0%).
- Nedap expects revenue growth in the second half of 2024.

Ruben Wegman, Nedap CEO: 'As indicated earlier, the first half of 2024 started slower compared to the same period in 2023. The catch-up effect that boosted our revenue in the first half of 2023 has tapered off. Additionally, softening market conditions within Livestock and Retail have lasted longer than anticipated. While we continue to invest in growth, we are mindful of the temporary slowdown in revenue development and tempered the hiring of new talent in the first half of 2024. The upward trend in our recurring revenue continued, resulting in a higher added value as a percentage of revenue and reducing volatility in revenue development. We are confident in the long-term outlook for our key markets and foresee revenue growth in the second half of the year compared to the same period last year.'

#### Key figures

In millions of euros or percentage	H1 2024	H1 2023	Change
Revenue	124.1	134.4	-8%
Recurring revenue	48.7	40.5	20%
Added value as % of revenue	71%	69%	
Operating profit	10.6	16.1	-34%
Operating margin <sup>1</sup>	8.5%	12.0%	
Net profit	8.2	12.5	-35%
Earnings per share (x €1)	1.24	1.91	-35%
	30/6/2024	30/6/2023	
Net debt/EBITDA	1.2	0.2	
Solvency	54%	58%	

<sup>1</sup> Defined as operating profit expressed as a percentage of revenue.



## **Financial affairs in the first half of 2024**

### **Revenue and added value**

Revenue for the first half of 2024 came in at €124.1 million, 8% lower than the €134.4 million in revenue posted in the first half of 2023. Recurring revenue, i.e. revenue from software subscriptions (licenses) and services, was up 20% compared to the same period last year, representing 39% of total revenue (30% in the first half of 2023).

Revenue in the Healthcare and Security key markets grew in the first six months of 2024 compared to the same period last year. The Healthcare key market maintained its growth in revenue in elderly care, disabled care and mental healthcare. Within Security, revenue was up as a result of growth from both existing and new customers. Revenue in the Livestock and Retail key markets showed a decline, partly because of high revenue in the first half of 2023 from catching-up on delivery backlogs. Additionally, temporary softening conditions in both markets driven by macro-economic factors impacted revenue development.

Added value as a percentage of revenue rose from 69% in the first half of 2023 to 71% in the first half of 2024, driven by the higher share of recurring revenue. This is partly levelled off by a different mix of hardware revenue in key markets. Combined with a lower revenue, this resulted in an added value of €88.1 million (€92.7 million in the first half of 2023).

### **Costs**

Operating costs were up 1% to €77.5 million in the first half of 2024 (€76.5 million in the first half of 2023). Personnel costs (including insourced staff fees) were up 2% to €57.1 million in the first half of 2024 (€55.8 million in the first half of 2023). This increase is mainly driven by the increase in the number of employees. In line with the long-term strategy, new talent was attracted as part of our continued investments in scale propositions. However, we slowed the hiring of new employees in the first half of 2024. The number of FTEs had grown to 1,001 by 30 June 2024 (30 June 2023: 913 FTEs, 31 December 2023: 964 FTEs). Next to this, the personnel costs increased as a result of overall salary increases effective 1 April 2023, in line with the collective labor agreement. The insourced staff fees were down in the first half of the year as less temporary capacity was brought in. Finally, costs ensuing from employee participation plans decreased as a result of lower operating profit compared to the first half of 2023.

Other operating costs came in at €15.3 million in the first half of 2024, which marks a decrease from the €15.8 million posted in the first half of 2023. The sales & marketing costs increased, while general and administrative expenses rose largely in line with the increase in the number of employees. Of the development costs, €1.7 million (€1.0 million in the first half of 2023) was capitalized. Exchange differences were down €0.5 million, going from €0.5 million costs in the first half of 2023 to approximately €0.0 million in the first half of 2024.

### **Depreciation and amortization**

Depreciation came in at €4.9 million in the first half of 2024 (€4.8 million in the first half of 2023). Amortization came in at €0.3 million (€0.2 million in the first half of 2023).

### **Operating profit**

Over the first six months of 2024, operating profit fell to €10.6 million, compared to €16.1 million over the first six months of 2023. This decline is caused by lower revenue and a small increase in operating expenses. Operating profit is positively impacted by the increase in added value as a percentage of revenue. The operating



margin, i.e. the operating profit as a percentage of revenue, came in at 8.5%, compared to 12.0% in the first half of 2023.

#### **Financing costs and taxation**

Net financing costs rose over the first six months of 2024 to €0.4 million (€0.3 million in the same period of 2023). Taxation came in at €2.0 million (€3.4 million in the first half of 2023), which led to a net tax rate of 19.4% for the first half of 2024 (21.4% in the first half of 2023). The decrease in the net tax rate came largely as a result of lower non-tax-deductible expenditures.

#### **Profit**

A net profit of €8.2 million was posted for the first six months of 2024, compared to €12.5 million for the same period of 2023. Earnings per share in the first half of 2024 came in at €1.24, compared to €1.91 in the first half of 2023.

The average number of outstanding shares in the first half of 2024 was 6,573,622 (6,539,228 in the first half of 2023).

#### **Financial position**

The balance sheet total as at 30 June 2024 was €135.7 million (€139.9 million as at 31 December 2023). This decrease came as a result of the dividend paid out for 2023 in April 2024. Trade and other receivables increased, coming from a relatively low position at year-end 2023. Inventories increased due to lower flexibility in the supply chain in combination with decreased product demand. Payables to suppliers and other payables were down, while taxation showed an increase. Cash and cash equivalents fell from €10.2 million as at 31 December 2023 to €1.5 million as at 30 June 2024, largely due to the dividend payment and working capital growth in the first half of 2024.

An amount of €21.0 million has been drawn on the credit facilities totaling €44.0 million available on 30 June 2024. The net debt position as at 30 June 2023 amounted to €19.5 million, compared to €3.8 million as at 31 December 2023.

Net debt/EBITDA stood at 1.2 at 30 June 2024 (0.1 at year-end 2023). Solvency came in at 54% at 30 June 2024 (61% at 31 December 2023).

#### **Progress on our strategy**

Through our Step Up! Strategy, we aim to accelerate our growth. By concentrating on four key markets, Healthcare, Livestock, Retail and Security, our organization has become more streamlined and focused. We are seeing the impact of strategic decisions, such as developments in SaaS propositions and the discontinuation of our pig farming operations, on our added value. Additionally, our concentrated efforts on the four key markets result in a clear strategic direction and enhanced execution power, driving anticipated revenue growth.

As a company with a long-term perspective, we also integrate sustainability into our strategic decision-making process. In the first half of 2024, we continued to work toward compliance with the Corporate Sustainability Reporting Directive (CSRD). In addition, we continued to make our products more sustainable, with a focus on reducing energy consumption during the use phase of our products. For example, the introduction of a sleep mode feature for our Retail products can reduce energy consumption by 30% or more.



## **Key market developments**

### **Healthcare**

Within Healthcare (the automation of administrative tasks for healthcare professionals in the Netherlands), the half-year results show the continued and consistent growth of our healthcare solutions, which is driven by the expansion of our service offering to existing customers and the addition of new customers.

We strengthened our market position in elderly care, disabled care, and mental healthcare. To fulfill our position as market leader, we aligned our strategic development plans in close collaboration with our customers. In addition, we continued to invest in our propositions, including MediKIT for the general practitioner (GP) sector. By entering the GP sector, we can make more strategic investments to facilitate the transition to network care. This fundamental market change is characterized by the growing role of the GP in home care and the shift from institutional to at-home and informal care. Network care plays an important role in building a sustainable healthcare system in the Netherlands.

### **Livestock**

Within Livestock (technological solutions for the dairy industry worldwide), revenue was down partly as a result of the catch-up effect during the same period last year. Additionally, market conditions such as lower milk prices, elevated feed costs and higher interest rates resulted in lower investment appetite, thereby affecting short-term demand. Due to ongoing market volatility, it is difficult to predict short-term revenue development. However, we anticipate long-term growth of the global livestock market. Consequently, we continue to invest in our R&D and commercial activities. We have expanded our commercial and support organization with new colleagues across different continents to enhance our service levels and strengthen our local presence and relationships with business partners.

Our investments in the Nedap Now cloud platform have improved our market position by accelerating the deployment of new features, such as heat stress and fertility insights, and enabling new business models, such as SmartTag as a service. Additionally, the SmartFlow milk meter is actively being sold and installed by several business partners.

### **Retail**

Within Retail (global RFID solutions for optimized inventory management, seamless shopping experiences and prevention of shrinkage), revenue was down compared to the first half of 2023, mainly due to our loss prevention proposition. Our iD Cloud proposition gained traction, and we closed and extended contracts with large retail chains including Carter's, which has nearly 1,000 stores in North America. We expanded our team in the United States to capitalize on commercial opportunities in the region.

Retailers exercised caution in investing in new technologies and store upgrades due to concerns about a potential recession at the end of 2023. As of the second quarter of 2024, demand for our RFID devices began trending upward. The introduction of innovative RFID solutions such as the iD Gate Pro and iD POS 2 positions us to benefit from a growing RFID market for retailers.

### **Security**

Within Security (access management and global security systems), we experienced continued revenue growth. This growth is primarily driven by increased business from our existing customers and the addition of new customers, mainly related to our AEOS access control solution. Additionally, the first clients have successfully



been onboarded to Mobile Access. Our Physical Identity Access Management (PIAM) system Pace gained traction during the first half of 2024 and was actively being developed.

### **Outlook**

We foresee revenue growth for the second half of the year compared to the same period in 2023. Due to ongoing volatility, primarily in the livestock market, it is too early to predict the impact on the revenue growth for the year as a whole. We reiterate our Step Up! financial ambitions, including an EBIT margin growing toward 15%, albeit with a potential one-year delay.

### **Key dates ahead**

- 17 October 2024 – publication Q3 trading update
- 7 November 2024 – Capital Markets Day
- 4 March 2025 – publication 2024 annual report

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### **About Nedap N.V.**

Nedap focuses on the development and supply of Technology for Life: technological solutions that make people more comfortable and successful in their professional lives. Nedap N.V. has a workforce of over 1,000 employees and operates on a global scale. The company was founded in 1929 and has been listed on Euronext Amsterdam since 1947. Its headquarters are located in Groenlo, the Netherlands.

### **For more information,**

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### **Disclaimer**

This press release 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. The actual results or events could differ from these expectations due to 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.

*In case of discrepancies, inconsistencies or interpretation differences between the English and the Dutch version of this press release, this English version will be leading.*

# Condensed consolidated financial statements

## Consolidated balance sheet (€ x 1,000)

Assets	2024 30/6	2023 31/12
<i>Fixed assets</i>		
Intangible fixed assets	11,794	10,156
Tangible fixed assets	42,184	42,636
Deferred tax assets	979	1,373
	<b>54,957</b>	<b>54,165</b>
<i>Current assets</i>		
Inventories	39,754	38,904
Income tax receivable	953	75
Trade and other receivables	38,508	36,566
Cash and cash equivalents	1,537	10,156
	<b>80,752</b>	<b>85,701</b>
	<b>135,709</b>	<b>139,866</b>
<b>Liabilities</b>		
<i>Group equity</i>		
Shareholders' equity attributable to shareholders	72,930	85,331
<i>Non-current liabilities</i>		
Borrowings	14,000	14,000
Lease liabilities	690	837
Employee benefits	1,073	1,001
Provisions	604	682
	<b>16,367</b>	<b>16,520</b>
<i>Current liabilities</i>		
Lease liabilities	913	957
Employee benefits	62	85
Provisions	1,019	1,010
Bank overdrafts	7,012	-
Income tax payable	216	600
Taxation and social security contributions	7,112	4,047
Trade and other payables	30,078	31,316
	<b>46,412</b>	<b>38,015</b>
<b>Total liabilities</b>	<b>62,779</b>	<b>54,535</b>
	<b>135,709</b>	<b>139,866</b>

## Consolidated statement of profit or loss (€ x 1,000)

	2024 half-year	2023 half-year
<b>Revenue</b>	<b>124,063</b>	<b>134,414</b>
Cost of materials and outsourced work	-38,460	-46,590
Inventory movements of finished goods and work in progress	2,496	4,833
	<b>-35,964</b>	<b>-41,757</b>
<b>Added value</b>	<b>88,099</b>	<b>92,657</b>
Personnel costs	-57,106	-55,832
Amortisation	-290	-162
Depreciation	-4,885	-4,784
Other operating costs	-15,259	-15,752
<b>Operating costs</b>	<b>-77,540</b>	<b>-76,530</b>
<b>Operating result</b>	<b>10,559</b>	<b>16,127</b>
Financing income	82	6
Financing costs	-521	-339
<b>Net financing costs</b>	<b>-439</b>	<b>-333</b>
<b>Result before taxation from continued operations</b>	<b>10,120</b>	<b>15,794</b>
Taxation	-1,960	-3,375
<b>Result from continued operations</b>	<b>8,160</b>	<b>12,419</b>
Result from discontinued operations	-	81
<b>Result for the financial half-year</b>	<b>8,160</b>	<b>12,500</b>
Result attributable to shareholders of Nedap N.V.	8,160	12,500
Average number of outstanding shares	<b>6,573,622</b>	<b>6,539,228</b>
Earnings per ordinary share from continued operations (in €)	1.24	1.90
Diluted earnings per ordinary share from continued operations (in €)	1.24	1.90
Earnings per ordinary share (in €)	1.24	1.91
Diluted earnings per ordinary share (in €)	1.24	1.91

## Consolidated statement of comprehensive income (€ x 1,000)

	2024 half-year	2023 half-year
Result from continued operations	8,160	12,419
Result from discontinued operations	-	81
<b>Result for the financial half-year</b>	<b>8,160</b>	<b>12,500</b>
<b>Unrealised result</b>		
Items that will (or may) be reclassified to profit or loss after initial recognition:		
Currency translation differences	318	-143
<b>Unrealised result, after taxation</b>	<b>318</b>	<b>-143</b>
<b>Total realised and unrealised result for the financial half-year</b>	<b>8,478</b>	<b>12,357</b>
<b>Total realised and unrealised result for the financial half-year attributable to:</b>		
<b>Nedap N.V. shareholders</b>	<b>8,478</b>	<b>12,357</b>



## Consolidated statement of cash flows (€ x 1,000)

	2024 half-year	2023 half-year
<b>Cash flow from operating activities</b>		
Result from continued operations	<b>8,160</b>	<b>12,419</b>
Adjustments for:		
Depreciation and amortisation including impairment	5,175	4,946
Book result on sale of tangible fixed assets	-105	116
Exchange differences	249	-16
Net financing costs	439	333
Share-based remuneration	-1,999	1,049
Income taxes	1,960	3,375
	<b>5,719</b>	<b>9,803</b>
Movements in trade and other receivables	-1,942	-4,881
Movements in inventories	-850	-6,268
Movements in taxation and social security contributions	3,065	2,709
Movements in trade and other payables	-1,346	-614
Movements in employee benefits	49	45
Movements in provisions	-69	-3
	<b>-1,093</b>	<b>-9,012</b>
Interest paid	-397	-236
Interest received	82	6
Income tax paid	-2,828	-2,288
	<b>-3,143</b>	<b>-2,518</b>
Cash flow from operating activities from continued operations	9,643	10,692
Cash flow from operating activities from discontinued operations	-	978
<b>Cash flow from operating activities</b>	<b>9,643</b>	<b>11,670</b>
<b>Cash flow from investing activities</b>		
Investments in tangible fixed assets	-4,161	-5,359
Investments in intangible fixed assets	-1,980	-1,299
Proceeds from sale of tangible fixed assets	246	113
Proceeds from sale of Nedap Beveiligingstechniek B.V.	-	23
Cash flow from investing activities from continued operations	-5,895	-6,522
Cash flow from investing activities from discontinued operations	-	-1,104
<b>Cash flow from investing activities</b>	<b>-5,895</b>	<b>-7,626</b>

## Consolidated statement of cash flows (€ x 1,000)

	2024 half-year	2023 half-year
<b>Cash flow from financing activities</b>		
Lease payments	-568	-425
Dividend paid to shareholders of Nedap N.V.	-21,083	-19,662
Dividend received from Nedap Beveiligingstechniek B.V.	-	982
Sale of own shares	2,203	1,884
Cash flow from financing activities from continued operations	-19,448	-17,221
Cash flow from financing activities from discontinued operations	-	-3
<b>Cash flow from financing activities</b>	<b>-19,448</b>	<b>-17,224</b>
<b>Movements in cash and cash equivalents and bank overdrafts</b>	<b>-15,700</b>	<b>-13,180</b>
Cash and cash equivalents and bank overdrafts at 1 January	10,156	17,354
Exchange differences for cash and cash equivalents and bank overdrafts	69	-127
<b>Cash and cash equivalents and bank overdrafts at 30 June</b>	<b>-5,475</b>	<b>4,047</b>
Cash and cash equivalents	1,537	4,047
Bank overdrafts	-7,012	-
	<b>-5,475</b>	<b>4,047</b>

## Consolidated statement of changes in shareholders' equity (€ x 1,000)

	Share capital	Statutory reserves	Other reserves	Result attributable to shareholders	Total shareholders' equity
<b>Balance as at 1/1/2023</b>	<b>669</b>	<b>1,739</b>	<b>60,082</b>	<b>18,704</b>	<b>81,194</b>
Realised result for 1st half-year	-	-	-	12,500	12,500
Unrealised result for 1st half-year	-	-	-143	-	-143
<b>Result for 1st half-year</b>	<b>-</b>	<b>-</b>	<b>-143</b>	<b>12,500</b>	<b>12,357</b>
Dividend	-	-	-19,662	-	-19,662
Appropriation of result for previous financial year	-	73	18,631	-18,704	-
Movement in share-based remuneration	-	-	1,049	-	1,049
Movement in own shares	-	-	1,884	-	1,884
<b>Balance as at 30/6/2023</b>	<b>669</b>	<b>1,812</b>	<b>61,841</b>	<b>12,500</b>	<b>76,822</b>
Balance as at 1/1/2024	669	2,093	60,928	21,641	85,331
Realised result for 1st half-year	-	-	-	8,160	8,160
Unrealised result for 1st half-year	-	-	318	-	318
<b>Result for 1st half-year</b>	<b>-</b>	<b>-</b>	<b>318</b>	<b>8,160</b>	<b>8,478</b>
Dividend	-	-	-21,083	-	-21,083
Appropriation of result for previous financial year	-	1,484	20,157	-21,641	-
Movement in share-based remuneration	-	-	-1,999	-	-1,999
Movement in own shares	-	-	2,203	-	2,203
<b>Balance as at 30/6/2024</b>	<b>669</b>	<b>3,577</b>	<b>60,524</b>	<b>8,160</b>	<b>72,930</b>

Movement in own shares concerns the sale of shares held by the company itself to cover employee participation plans, plus or less changes in shareholders' equity relating to the recognition of liabilities under IFRS 2 regarding these employee participation plans.

## Consolidated statement of changes in shareholders' equity (€ x 1,000)

Statutory reserves can be broken down as follows:

<b>Statutory reserves</b>	<b>2024</b>	<b>2023</b>
	<b>30/6</b>	<b>30/6</b>
Capitalised development costs	3,516	1,896
Exchange differences	49	-96
Result from participations not freely distributable	12	12
<b>Total</b>	<b>3,577</b>	<b>1,812</b>

## **Accounting policies**

### *General*

Nedap N.V.'s headquarters are registered and located in Groenlo, the Netherlands. The company's consolidated interim report for the first half year of 2024 covers the company and its subsidiaries, who together form the Group, referred to below as Nedap.

Nedap develops and supplies smart technological solutions for relevant themes, including sufficient food, clean drinking water, security and healthcare. The company's focus is always maintained on relevant technology.

The company concentrates on markets where its technological know-how, market expertise and knowledge of the customer's business process can create added value for the customer. These markets are approached through the company's own sales channels as well as through third parties.

Nedap's consolidated financial statements for the 2023 financial year are available on request by emailing [info@nedap.com](mailto:info@nedap.com) or calling +31 (0) 544 471111. They can also be downloaded from our website [www.nedap.com](http://www.nedap.com).

### *Statement of compliance*

These consolidated interim financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not contain all of the information required for full financial statements and should be read in combination with Nedap's 2023 consolidated financial statements.

These condensed consolidated interim financial statements were compiled by the Board of Directors on 17 July 2024.

### *Key accounting policies*

The accounting policies and calculation methods used by Nedap in these consolidated interim financial statements are the same as the accounting policies and calculation methods applied in the consolidated financial statements for the 2023 financial year, with the exception of new standards and interpretations.

### *New standards and interpretations*

Several new or changed standards and interpretations took effect on 1 January 2024 and are of limited relevance to Nedap. The application of these new standards and interpretations has had no impact on the Group's result or financial position.

### *Estimates*

Compilation of the interim report requires management to make judgements, estimates and assumptions that affect the application of accounting policies used for financial reporting and the reported value of assets, liabilities, income and costs. The actual results may differ from these estimates. In compiling these consolidated interim financial statements, the important assessments formed by the management used for the application of the accounting policies for Nedap's financial reporting and the most important sources of estimates used are the same as the assessments and sources applied in the compilation of the consolidated financial statements for the 2023 financial year. The most critical estimate relates to the capitalisation of development costs. Further estimates relate primarily to measurement of tangible and intangible fixed assets, employee benefits, deferred tax assets, provisions and inventories.

### *Financial risk management*

Nedap's financial risk management objectives and measures are in line with the objectives and measures set out in the 2023 consolidated financial statements.

### *Income taxes*

Income taxes are defined as the product of the weighted average tax rate expected for the financial year and the interim result before taxation.

### *Transactions with related parties*

Parties related to Nedap are the Stichting Preferente Aandelen Nedap, the members of the Supervisory Board and the Board of Directors. No transactions took place with Stichting Preferente Aandelen Nedap, and only the normal usual transactions took place with the members of the Supervisory Board and the Board of Directors.

### *As yet unimplemented standards and interpretations*

Several new or changed standards and interpretations will take effect on or after 1 January 2025 and are of limited relevance to Nedap. The application of these new standards and interpretations are not expected to have a material impact on the Group's result or financial position.

### *Audit*

The half-yearly financial statements have not been audited or assessed by an external auditor.

## Statement

### Statement of the Board of Directors pursuant to Article 5:25d of the Dutch Financial Supervision Act

To the best of our knowledge:

1. the half-yearly financial statements give a faithful representation of the assets, liabilities, financial position, and profit/loss of Nedap N.V. and the companies included in the consolidation in accordance with IAS 34; and
2. the half-yearly Directors' Report, as included in this half-yearly report, gives a faithful representation of the information required under Article 5:25d, subsections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*).

Groenlo, the Netherlands, 17 July 2024

Board of Directors:

R. M. Wegman  
D. van der Sluijs  
R. Schuurman