

Trading update Q3 2024

Groenlo, the Netherlands, 17 October 2024, 07:00 CET.

Key points

- In the third quarter, as well as over the first three quarters, revenue was 7% lower than in the same period last year.
- Recurring revenue over the first nine months was up 20% compared to the same period in 2023 and accounted for 40% of total revenue.
- Nedap anticipates that revenue for the second half of 2024 will be in line with the second half of 2023.

In the third quarter of 2024, revenue decreased by 7% compared to the same period in 2023, mainly in the Livestock and Security key markets. Less favorable market conditions within Livestock have led to reduced product demand, a trend that has persisted since the last quarter of 2023. While market recovery is taking longer than anticipated, the first signs of improvement are visible. In the Security key market revenue was down compared to the strong comparable base driven by last year's catch-up effect. The Healthcare and Retail key markets showed growth compared to the third quarter in 2023.

Key market developments

Healthcare

Within Healthcare (automation of administrative tasks for healthcare professionals in the Netherlands), revenue grew in the third quarter of 2024. This growth is driven by the expansion of our services to existing customers and addition of new customers in the elderly care, disabled care and mental healthcare sector. In the general practitioner market, the first customers have been contracted and onboarded on our MediKIT platform. The integration of MediKIT into our product portfolio strengthens our market position in the transition to network care.

Livestock

Revenue within the Livestock key market (technological solutions for the dairy farming industry worldwide) declined in the third quarter of 2024, compared to the strong results in the third quarter of 2023, which were boosted by catching-up on delivery backlogs. Although market conditions are improving, uncertainty around the development of milk prices and rising cost of doing business have led to hesitation in the market, impacting investments by farmers. Despite these challenges, there has been growing interest in our SmartTag-as-a-service offering, reflecting increasing demand for our cloud-based data solutions.

Retail

Within Retail (RFID solutions for optimized inventory management, seamless shopping experiences and prevention of shrinkage), revenue in the third quarter was up compared to the same period in 2023. This growth is driven by an increasing adoption of our iD Cloud solution by existing and new customers. Within our loss

prevention proposition, revenue declined compared to the strong results in 2023, which were influenced by catch-up deliveries. Recently introduced products are receiving positive feedback from customers, reinforcing our expectations that these will contribute to revenue growth.

Security

Within the Security key market (access management and global security systems), revenue was down in the third quarter of 2024 compared to the same period in 2023 when revenue was boosted by catching up on delivery backlogs. Positive customer feedback on the introduction of our Mobile Access and Physical Identity and Access Management solutions (PACE) confirms market conditions remain attractive. We therefore continue to develop our product portfolio.

Outlook

We anticipate that improving market and economic conditions specifically in the dairy sector will strengthen investment appetite, though the speed at which our revenue responds to the improved conditions remains uncertain. We are confident in the growth opportunities for all our key markets on which we will elaborate during our Capital Markets Day on 7 November 2024.

We anticipate that total revenue in the second half of the year will be in line with the second half of 2023.

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 is located in Groenlo, the Netherlands.

For more information, please contact:

Daniëlle van der Sluijs
CFO
+31 (0)544 47 11 11
ir@nedap.com
nedap.com

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