

# Annual Report 2019



A nighttime aerial view of a city, featuring a prominent cable-stayed bridge on the left and a dense cluster of illuminated skyscrapers on the right. The city lights reflect on the water in the foreground.

'Taking steps  
together  
to make a  
stronger future'

Four curved segments arranged in a circle, alternating in color between red and blue.

smarter **focus.**  
brighter **tomorrow.**

# Foreword

2019 was a good year for Batenburg Techniek. This annual report primarily concerns the results and events in 2019.

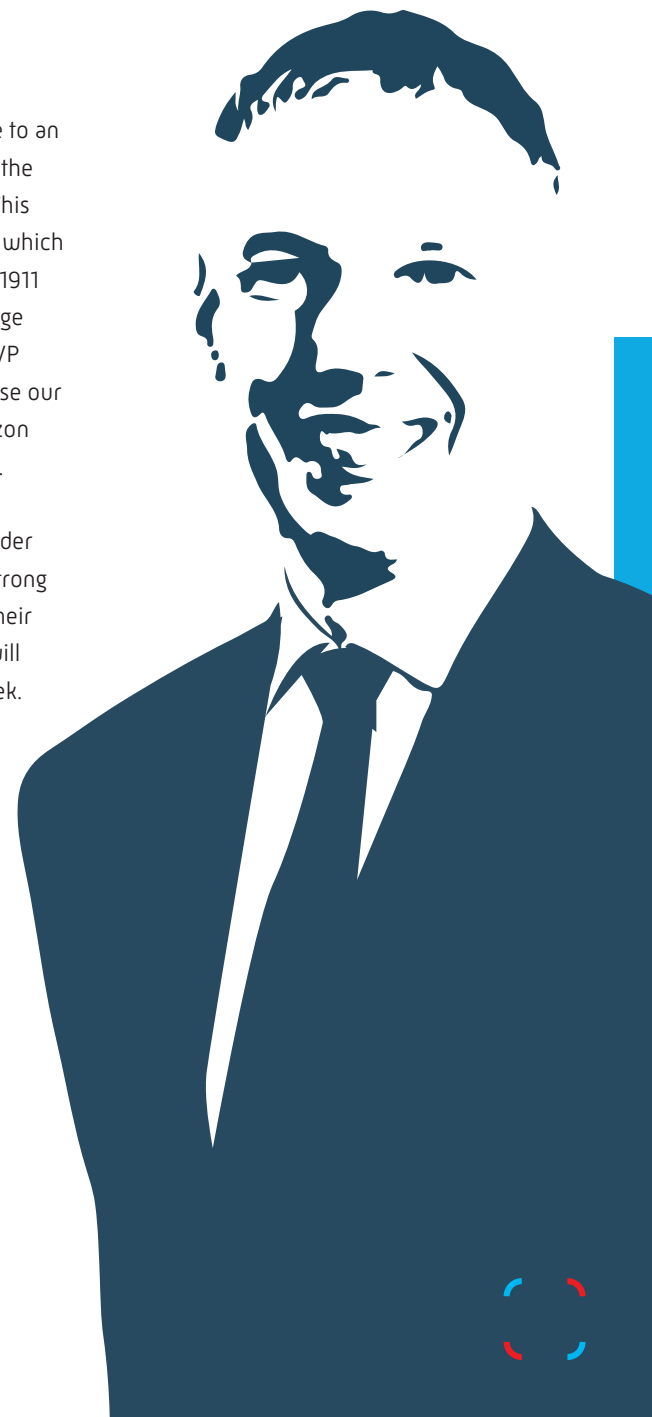
Since the start of 2020, the world has changed enormously due to the coronavirus. Our primary interest is the health and safety of our employees, of which there are more than 1,000, and of our clients, with and for whom our professionals work every day. Together we are finding solutions for working safely, so that we can continue to help our clients to be successful, including at this time.

Through our focus on technological innovation and sustainability, we respond to various developments in energy transition, digitisation and industry and the global demand for food innovation. We help our clients here with the steps towards a sustainable and circular economy. This is reflected in our theme: Smarter Focus. Brighter Tomorrow. A theme that is more topical today than ever. As an innovative business, in 2020 we are continuing to invest in cooperation with partners in our chains, educational institutes and in research and development.

The stock market listing of Batenburg Techniek came to an end in 2019. Our majority shareholder VP Capital, of the Van Puijenbroek family, sold the remaining shares. This led to the start of a new era for Batenburg Techniek, which was incorporated by Piet Batenburg in Rotterdam in 1911 and had been listed on the Amsterdam stock exchange since 1956. As an autonomous company within the VP Capital family business, we expect to be able to realise our strategy still more effectively, with a long-term horizon and a focus on growth in industry and infrastructure.

Thanks to our clients, employees, partners, shareholder and supervisory directors, Batenburg Techniek is a strong and resilient company. We are grateful to them for their trust and engagement and together with them, we will continue to work for the future of Batenburg Techniek.

**Ralph van den Broek, CEO**





smarter focus.  
brighter tomorrow.

Batenburg Technik.

Revenue\*

Operating income\*



Batenburg  
Industrial automation

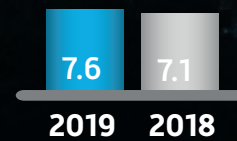
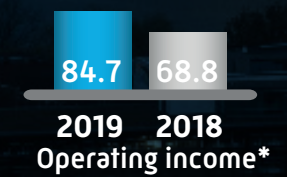
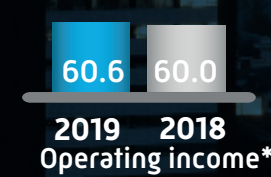
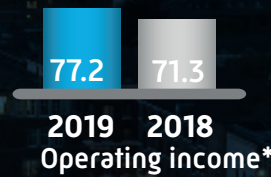
Batenburg  
Technical Installation

Batenburg  
Industrial Components

Revenues

Revenues

Revenues



\* Revenue and operating income are carried forward and normalised and are shown in millions of



# Profile

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Batenburg Techniek is a technical service provider that operates in the heart of the smart industry. More than 1,000 employees are specialised in industrial automation, supply industrial components and provide for their installation. Batenburg Techniek enters into long-term partnerships and so realises successful projects. Distinguishing features here are creative problem-solving capacity and an energetic working attitude. Batenburg Techniek works through three divisions in five markets.

## **Batenburg Industrial Automation**

The core activities of the Batenburg Industrial Automation division are the design and management of control systems for applications in industry, infrastructure and horticulture.

## **Batenburg Installation Technology**

The Batenburg Installation Technology division focuses on installations in and sustainability of commercial properties and offices. With innovative solutions, the division also specialises in projects related to energy transition (sustainability, energy technology, electrical transportation and renewable energy) and security (security and camera technology). The activities are regionally concentrated in the Central Netherlands.

## **Batenburg Industrial Components**

Batenburg Industrial Components focuses on developing smart solutions and the supply of smart appliances for manufacturing industry and energy infrastructure. The division's specialisms in these markets are energy technology, mechatronics, industrial electronics and fastening techniques. With engineering, product development and logistical support, Batenburg Techniek matches customer demand with the latest technologies.

A nighttime photograph of a cityscape featuring modern residential buildings with illuminated windows and an industrial harbor area with cranes and ships in the background. The scene is lit with warm yellow and blue tones.

# Strategy

## Smarter focus. Brighter tomorrow.

With a focus on the supply of products and services for clients in industrial and infrastructure markets, Batenburg Techniek is a respected technical service provider that operates in the heart of the smart industry. We work with highly qualified and experienced employees, who are distinguished by domain knowledge of clients and by our core values: personal, creative and energetic.

We are active in profitable niche segments within the industrial and infrastructure markets. We add value here through smart use of technology. Our strengths include industrial automation, the supply of industrial components and installation. Via three divisions, we are active in five markets. We make use of two trends here, that are brought together in our motto:

### **Smarter Focus**

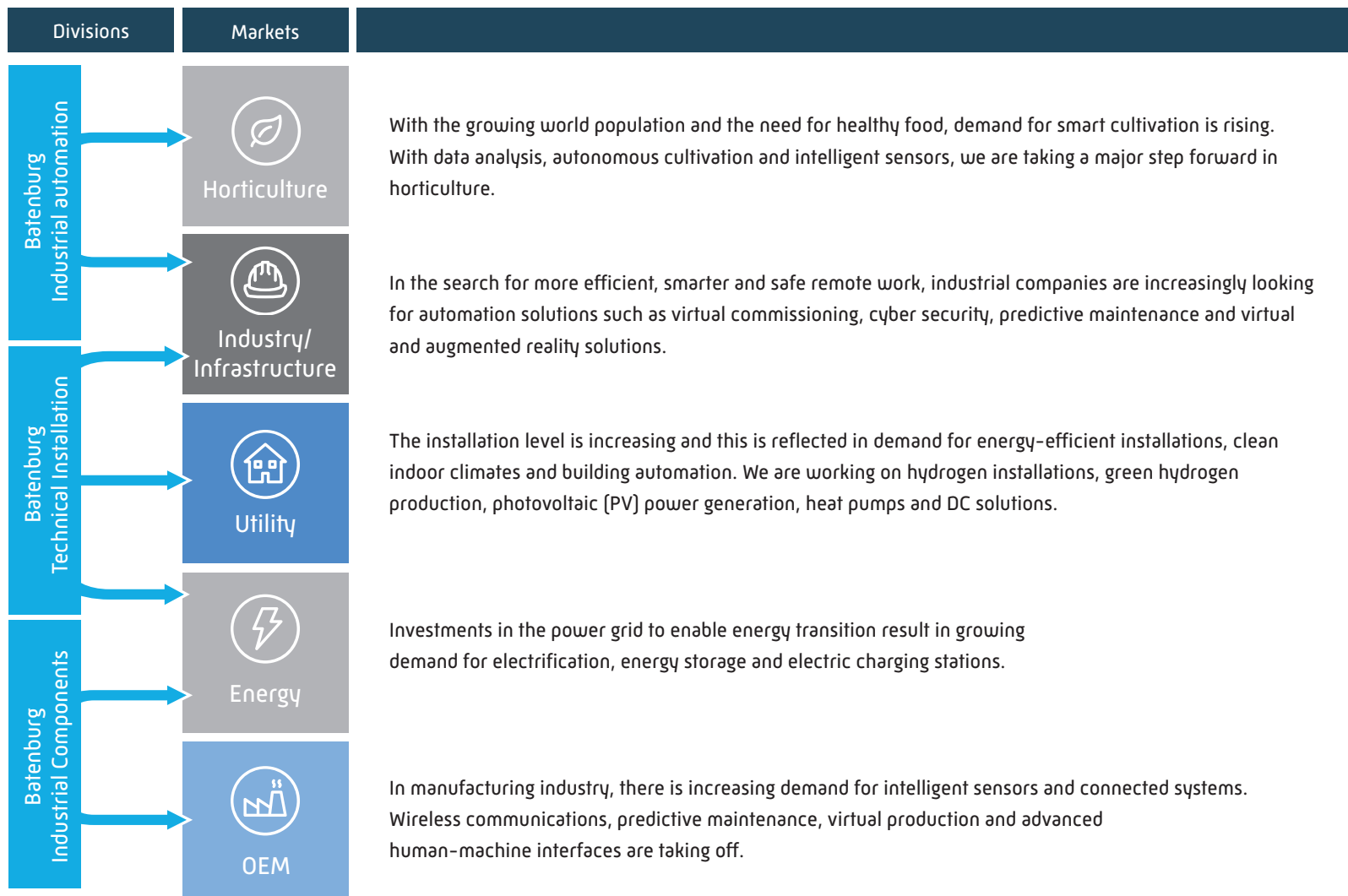
Making smart use of technology in order to make new developments possible for clients in practice.

### **Brighter Tomorrow**

Deploying the energy transition, sustainability and the circular economy to create progress.

# The power of three divisions in five markets

At Batenburg Techniek, we work with our colleagues via three divisions. Each division has its own specialism and niche market. The connections between the businesses within the divisions create strong cooperation and growth opportunities for the company.



# Smarter focus

We focus every day on making the production, cultivation and property management processes of our clients smarter, safer and more sustainable. We do this by supplying smarter products, installing these and by developing advanced software to control processes and systems. This includes digital twins, predictive maintenance and augmented and virtual reality solutions.

In close cooperation with clients, partners, universities and research institutes, we make the latest technologies applicable in practice. A sample of the applications we realise in industry is presented here.



## Consultancy

With increasingly demanding requirements for production processes, we support clients with machine and explosion safety, cyber security and project management.



## R&D

We develop virtual and augmented reality solutions for clients and work with data and information tracking. We train operators so that they have mastered the systems before commissioning.



## Software implementation

We are specialised in the development, implementation and connection of DCS, PLC SCADA, MES/MOMS solutions. We work on the basis of three fields:

- process automation
- process information
- factory automation



## Digital twin

By making digital replicas, we test and create complete processes and systems with care. This substantially improves the safety and chances of success.



## Robotisation

We work on automation of production for our clients in order to introduce or further implement and refine remote working safely.



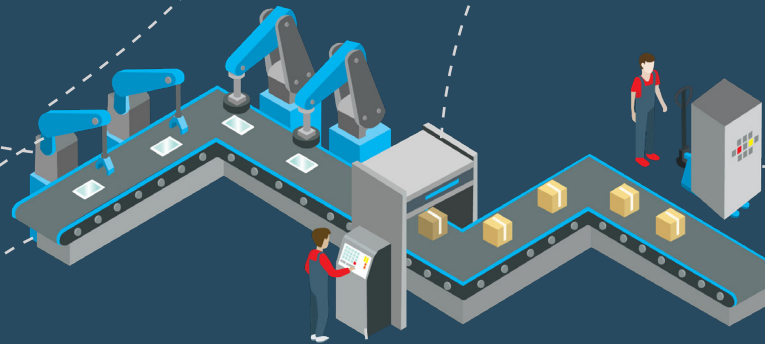
## Service and Maintenance

We provide support 24/7 and ensure correct migration of outdated systems in order to retain existing processes.



## Predictive maintenance

With smart sensors and measurements, we can prevent downtime and high costs. Energy monitoring and thermal management contribute towards this.





# Brighter tomorrow

As a technical service provider, we can realise enormous environmental benefits for and together with our clients. For example, in energy transition we are already making great strides forward possible with electric vehicle (EV) charging infrastructure for our clients. In installation technology, energy conservation and CO<sub>2</sub> reduction are already a standard part of new construction and renovation contracts. In all our projects, we work to realise environmental benefits wherever possible.



## Solar power

In the fields of electrical engineering/energy technology, we provide for safe connections of PV parks, from the transformers to the connection of the local grid operator.



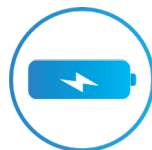
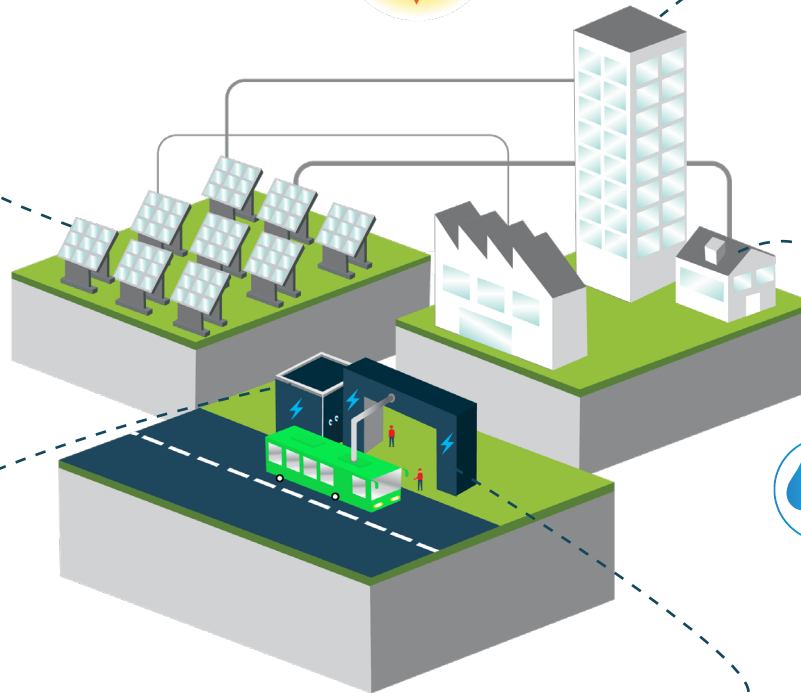
## Energy distribution

We realise power supplies from high voltage to low voltage for power grids and for industry and utilities construction. In this way, we prepare the power grid for energy transition.



## Clean indoor climate

In the design of and consulting on clean indoor climates, we take account of important factors such as air pollution and CO<sub>2</sub>.



## Energy storage

We develop solutions for energy storage in order to realise optimal and efficient use of the grid.



## Hydrogen

Through the use of hydrogen in central heating systems, we save natural gas and, therefore, reduce CO<sub>2</sub> emissions. With this smart hybrid solution, we develop and take an important step forward with hydrogen in the energy transition.



## EV charging infrastructure [charge points for electric vehicles]

We realise the engineering, installation and maintenance of EV charging infrastructure. Our service organisation provides for fast, professional support and for the performance of preventive maintenance.



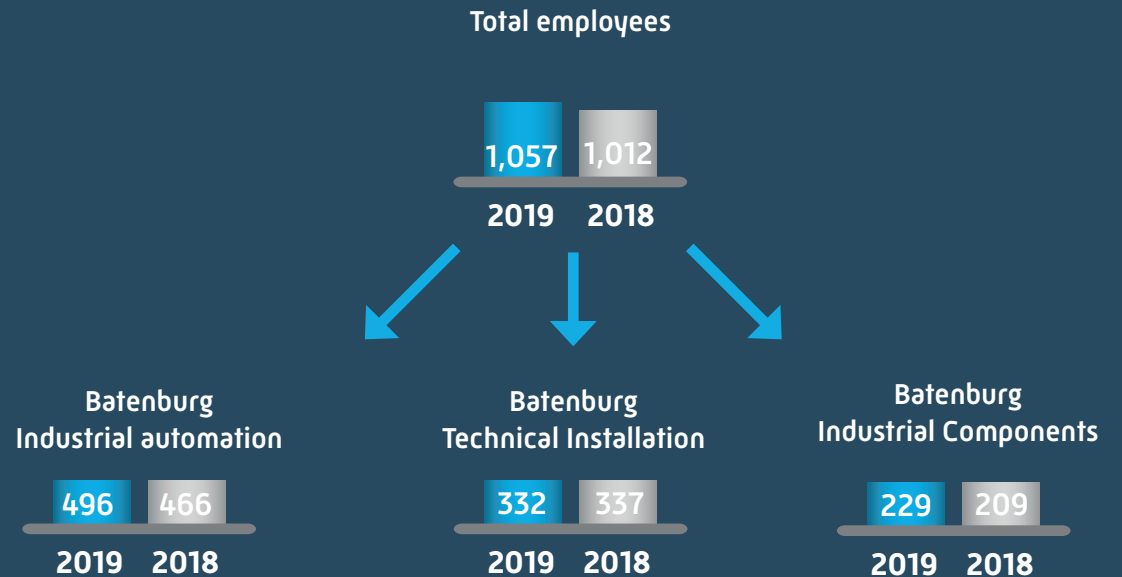


# Employees

Batenburg Techniek aims to be an attractive employer. An organisation that people want to work for. Associated with energetic people with a passion and eye for creative solutions. All teams work with great drive, enthusiasm and engagement to realise their targets. Balance in teams, in age structure, capacities and competencies is an important point for attention.



We work closely with educational institutions, for example by giving guest lectures and tours at project locations. We offer a generous number of training and graduation placements. These also lead to young people joining Batenburg Techniek. This year, a total of 125 joined the company, an increase of 5% in comparison with the year before. On average, our employees have an employment record of 11 years with the company. The absence rate of 3.1% was unchanged from 2018.


Batenburg Techniek operates at the heart of society and takes its social responsibilities seriously. We offer opportunities for members of disadvantaged groups.



# Social Development Goals of the United Nations

Batenburg Techniek executes many projects and develops new methods for working on the environment and our society. We aim to make this clearer by linking it to the SDG categories that are used internationally. The six selected categories cover a large proportion of our projects.

SDG	Batenburg Techniek applications	Project examples
	<ul style="list-style-type: none"> <li>- Implementing sustainable food production systems and robust agricultural practices that increase productivity and production</li> </ul>	<p>Horticultural automation project, China/Japan Data management (LetsGrow.com)</p> 
	<ul style="list-style-type: none"> <li>- Efficient water use</li> <li>- Development and maintenance of water treatment</li> </ul>	<p>Water reduction in the built-up environment for Pleijsier Bouw Drinkwaterontkleuring Vitens De Stichtse Kraan V.O.F. combination</p> 
	<ul style="list-style-type: none"> <li>- Supply, installation and maintenance of sustainable energy technologies and electrification (solar power, wind energy, ground heat)</li> </ul>	<p>Aardwarmte Vogelaer Hydrogen installation, Voorst municipal authority</p> 
	<ul style="list-style-type: none"> <li>- Safer, more efficient and more sustainable processes and infrastructure</li> <li>- Sustainable industrial property</li> </ul>	<p>Sustainable installations for the new production location of Koninklijke Euroma</p> 
	<ul style="list-style-type: none"> <li>- Sustainable new construction and sustainable renovation</li> <li>- Sustainable cities (charging infrastructure, heat networks, camera security and waste processing)</li> </ul>	<p>Charging infrastructure for Qbuzz Climate control systems for schools Camera security for the Rotterdam Electric Tram (RET)</p> 
	<ul style="list-style-type: none"> <li>- Circular processes (re-use, recycling, modular construction, sustainable procurement)</li> <li>- Waste reduction</li> </ul>	<p>Ioniqa - Circular PET Plastic Upcycling B.V. Installations for plastic recycling at PreZero</p> 



## Gusto Chela

The Chela crane by Gusto MSC is a new type of crane that makes a crab-like movement which means it can be used at locations of drilling rigs that are normally difficult to access. The controls were first developed and tested by Batenburg Techniek with VR.

Batenburg  
Industrial automation

# Batenburg Industrial Automation review

The Batenburg Industrial Automation division focuses on the design and management of control systems for applications in industry, infrastructure and horticulture.

The revenue of the Batenburg Industrial Automation division increased by 8% as a result of organic growth in the industrial and horticultural markets. In most industrial market segments, partly as a result of the growing economy, there was considerable demand for industrial automation. In order to meet that growing demand, Batenburg Techniek is recruiting young engineers, often directly from training institutions. Increasingly, different operating companies work together in projects and so utilise the different disciplines available within Batenburg Techniek.

Batenburg Techniek also saw revenues rise in Belgium, and the number of engineers grew. Batenburg Techniek primarily supports clients in Belgium with projects in the process industry. Slight growth in revenue was achieved in Spain, following a fall in 2018.

Revenue increased in horticultural automation while the EBIT remained at the same level as in 2018. The global horticultural markets face increasing water shortages, population growth and growing demand for locally-grown fresh and safe food. As a result, demand for cultivation under cover in greenhouses is still rising and with it, the demand for horticultural automation.

Batenburg Techniek responds to the trend of growing data use in the optimisation of cultivation. For example, Batenburg Techniek developed a harvest forecasting module that helps market gardeners to estimate expected greenhouse production. In 2019, a horticultural establishment was opened in Mexico.

## Royal A-ware



Batenburg provides the production automation for the Royal A-ware cheese, cream and dairy producer.

## Ioniqa



Ioniqa chemically recycles PET bottles in a process that reduces PET plastic to molecules. We help Ioniqa with the automation of the plastic decolourisation process.





## Charging electric buses

Qbuzz works with Batenburg Techniek in its search for emission-free bus transportation. We provide the energy infrastructure for the Qbuzz charge points in Dordrecht and Groningen.

Batenburg  
Technical Installation

# Batenburg Installation Technology review

The Installation Technology division is primarily active in utilities construction, industry and energy technology.

## Hydrogen central heating



Batenburg took a major step forward in energy transition with our first modular hydrogen central heating system.

## Total installation technology



We installed all electrical and mechanical engineering installations of the Bavelse Berg distribution centre in Breda. This was delivered with a BREEAM certificate.

The revenue of Batenburg Installation Technology remained virtually unchanged, while the EBIT rose by 11%. During the first half of the year, demand for installation technology services outstripped the market capacity. There were shortages of professionals and materials needed in order to meet the market demand. During the summer, problems with nitrogen and per- and polyfluoroalkyl substances (PFAS) became an issue. This resulted in delays in projects in both industry and in utilities construction. As a result, clients in these markets appear to be somewhat more uncertain about the future and cautious with investments.

The activities of the OSP service and maintenance business in the retail and private sectors were discontinued. OSP's other activities were merged with the service and maintenance activities of Van Dalen Installatietechniek. Most of the employees were transferred to Van Dalen Installatietechniek on 1 January 2020.

The energy transition is leading to growing demand in a number of areas:

- connection and installation of power generation systems for renewable energy, such as solar farms;
- improving the sustainability of buildings and more efficient use or re-use of energy in buildings;
- technological innovations, for example in relation to hydrogen;
- electrification of transportation.

Batenburg Installation Technology saw growth in all segments during the past year. Despite the current coronavirus crisis, our markets are expected to show further growth in due course.



A 3D CAD rendering of a vehicle chassis, likely for a Range Rover Evoque. The chassis is shown from a top-down perspective, highlighting the front and rear suspension systems, the steering rack, and the drivetrain. A prominent feature is a large, bright blue battery casing mounted in the center of the chassis. The engine and other mechanical components are rendered in a dark grey or black color. The wheels are shown with black tires and silver alloy rims. The background is a plain white surface.

## Range Rover battery casing

We shared ideas on the fastening techniques for the battery casing of the new Range Rover Evoque. With these designs and the technology supplied, Range Rover is working on the sustainable future of its cars.

Batenburg  
Industrial Components



## Batenburg Industrial Components review

The companies in the Industrial Components division focus on manufacturing industry and energy engineering. The division consists of five companies: Batenburg Energietechnik (focuses on energy grid companies and installers in industry and the utilities sector), Batenburg Bevestigingstechnik, Batenburg Mechatronica, Adelco Electronics and Batenburg Industriële Elektronica, all four focusing on the manufacturing industry.

Revenue increased sharply [23%] and the EBIT also rose substantially [32%]. This primarily relates to the activities in energy technology. The results of Adelco Electronics were included in the figures for the full year of 2019.

Revenue for supplies to manufacturing industry fell slightly as did the EBIT, after correction for the six extra months of Adelco Electronics. The imbalance in the global market for the procurement of components is easing. The extra inventories in the production chain were largely eliminated during the past year. As a result, customer demand has stabilised.

In line with its strategy, Batenburg Technik increasingly responds to the demand from clients to add value to final products.

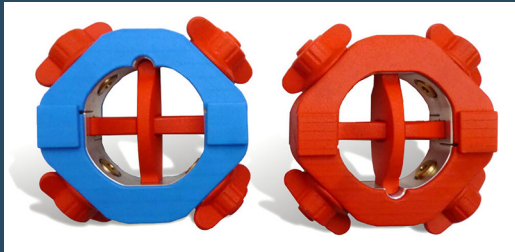
It may involve simple adjustments and casings or complex test protocols.

The revenues of Batenburg Energietechnik were higher in comparison with 2018, as a result of a number of new clients.

The revenue and EBIT of Batenburg Energietechnik rose sharply during the past year. As a result of the energy transition, there is strong demand for components and services for the electricity grid. Electricity will increasingly be used as an energy carrier, as a result of which the electricity grid must be reinforced and expanded. The electrification of transportation will give this an extra push.

Alpha Railkoker was acquired in May 2019. Alpha Railkoker is specialised in busbar trunks. Busbar trunks were a missing link in our components portfolio in the energy technology market.

## KortSluitRing



Batenburg developed the KortSluitRing [short circuit ring] for the low voltage grid and situations with feedback, which takes place increasingly as a result of the energy transition. The ring is easy to apply and ensures the safety of engineers during electrical engineering work.

## Sirius Medical



Sirius Medical offers a new method for localising breast cancer. The depth and location are shown very securely with a metal seed, so that a minimum of healthy tissue is damaged during surgery. Batenburg produces the unit, casing, display and software and provides for the final tests.



# The year in figures

## Key figures

	2019 Normalised *1	2018 Normalised *1	2019	2018	2017	2016	2015
<b>(€ million)</b>							
Revenues	222.5	200.1	222.5	200.6	172.7	146.3	135.9
EBIT [*2]	15.4	13.1	15.0	14.2	7.5	5.3	3.2
EBITDA [*3]	21.3	16.4	20.8	17.5	11.2	7.5	5.5
Net result	11.4	9.8	11.0	10.1	5.0	3.9	2.2
Balance sheet total			115.3	102.5	85.5	78.5	66.0
Equity			52.0	49.3	42.1	39.3	37.2
Working capital [*4]			13.6	11.3	13.4	12.1	8.9
Net debt [*5]			-6.3	-5.8	0.2	2.4	-10.0
<b>Employees</b>							
Average number of employees	1,035	981	1,035	986	922	846	828
<b>Ratios</b>							
EBIT on revenue [%]	6.9	6.6	6.7	7.1	4.3	3.6	2.4
EBITDA on revenue [%]	9.6	8.2	9.3	8.7	6.5	5.1	4.1
Net debt on EBITDA			-0.3	-0.3	-	0.3	-1.8
Net result on revenue	5.1	4.9	4.9	5.0	2.9	2.7	1.6
Solvency [including IFRS 16 in 2019] [%] [*6] [*7]			45.1	48.2	49.3	50.1	56.4

\*1) The normalised columns for 2019 and 2018 show key figures based on continued activities, normalised before the costs of the retention payment for the acquisition of Bellt (2018: €1.8 million), before transition costs (2019: €0.3 million; 2018: €0.1 million), before the costs of the stock market exit (2019: €0.2 million) and excluding the costs of the acquisition of Adelco (2018: €0.3 million).

\*2) EBIT concerns the operating profit before tax and funding income and expenses.

\*3) EBITDA concerns the operating result before tax, net funding income and expenses, depreciation of property, plant and equipment and amortisation of intangible assets.

\*4) Working capital is shown exclusive of cash and cash equivalents, loans and other funding liabilities.

\*5) Net debt = long-term loans and funding liabilities plus current loans and funding liabilities, less cash and cash equivalents.

\*6) Solvency = equity/balance sheet total.

\*7) Solvency 2019 excluding IFRS 16: 47.9%.

## Per division

<b>Batenburg Techniek operating income, carried forward and normalised* (€ million)</b>	<b>2019</b>	<b>2018</b>
Revenues	222.5	200.1
EBITDA	21.3	16.4
Operating income (EBIT)	15.4	13.1
EBIT as % of revenue**	6.9%	6.6%
Net profit	11.4	9.8

\* Concerns activities normalised before the costs of the retention payment for the acquisition of Bellt (2018: €1.8 million), before transition costs (2019: €0.3 million; 2018: €0.1 million), before the costs of the stock market exit (2019: €0.2 million) and excluding the costs of the acquisition of Adelco (2018: €0.3 million).

\*\* EBIT as % of revenue is based on figures that are not rounded off.

<b>Batenburg Industrial Automation net sales and operating income, carried forward and normalised* (€ million)</b>	<b>2019</b>	<b>2018</b>
Revenues	77.2	71.3
Operating income (EBIT)	7.6	7.1
EBIT as % of revenue**	9.9%	10.0%

\* Concerns activities normalised before the costs of the retention payment for the acquisition of Bellt (2018: €1.8 million).

\*\* EBIT as % of revenue is based on figures that are not rounded off.

<b>Batenburg Installation Technology net sales and operating income, carried forward and normalised (€ million)</b>	<b>2019</b>	<b>2018</b>
Revenues	60.6	60.0
Operating income (EBIT)	4.2	3.8
EBIT as % of revenue*	6.9%	6.3%

\* EBIT as % of revenue is based on figures that are not rounded off.

<b>Batenburg Industrial Components net sales and operating income, carried forward and normalised* (€ million)</b>	<b>2019</b>	<b>2018</b>
Revenues	84.7	68.8
Operating income (EBIT)	4.9	3.7
EBIT as % of revenue**	5.8%	5.4%

\* Concerns activities normalised before transition costs (2018: €0.1 million) and excluding costs of Adelco acquisition (2018: €0.3 million).

\*\* EBIT as % of revenue is based on figures that are not rounded off.



# The year in figures

## Consolidated profit and loss statement

in € million	2019	2018
<b>Total operating income</b>	<b>222.5</b>	<b>200.6</b>
Costs of raw materials, consumables and trade goods	87.2	74.1
Outsourced work and other external costs	22.7	24.1
Wages and salaries	57.7	53.7
Social insurance charges and other personnel costs	13.9	12.5
Depreciation of property, plant and equipment	4.4	2.0
Amortisation of intangible fixed assets	1.4	1.3
Other operating expenses	20.2	21.9
<b>Total operating expenses</b>	<b>207.5</b>	<b>189.6</b>
Result for discontinued operating activities	-	3.2
<b>EBIT (operating income)</b>	<b>15.0</b>	<b>14.2</b>
Net funding income and expenses	-0.3	-
<b>Result before tax</b>	<b>14.7</b>	<b>14.2</b>
Tax on the result	3.7	4.1
<b>Result after tax</b>	<b>11.0</b>	<b>10.1</b>

## Consolidated balance sheet

(before profit appropriation) in € million	31 December 2019		31 December 2018	
<b>Assets</b>				
Property, plant and equipment	15.3		8.2	
Intangible assets and goodwill	26.2		27.3	
<b>Total fixed assets</b>		<b>41.5</b>		<b>35.5</b>
Inventories	19.0		16.5	
Receivables and accrued income	46.5		41.7	
Cash and cash equivalents	8.3		8.8	
<b>Total current assets</b>		<b>73.8</b>		<b>67.0</b>
<b>Total assets</b>		<b>115.3</b>		<b>102.5</b>
	31 December 2019		31 December 2018	
<b>Equity</b>		<b>52.0</b>		<b>49.3</b>
Loans and other funding liabilities	5.3		2.0	
Provisions	0.5		0.8	
Deferred tax liabilities	2.0		2.5	
<b>Non-current liabilities</b>		<b>7.8</b>		<b>5.3</b>
Loans and other funding liabilities	3.6		1.0	
Provisions	3.3		3.0	
Corporation tax	1.6		2.4	
Other current liabilities	47.0		41.5	
<b>Current liabilities</b>		<b>55.5</b>		<b>47.9</b>
<b>Total equity and liabilities</b>		<b>115.3</b>		<b>102.5</b>

The group applied IFRS 16 for the first time from 1 January 2019. The comparative figures have not been adjusted.





Core values

## Batenburger employees are ...

Batenburg employees are happy to work together with passion and energy on creative solutions for our clients. Our core values are important to us and show who we are and what we stand for.



### Personal

We work closely with our clients. We listen and familiarise ourselves. We focus on long-term client relationships.



### Creative

We work on our passion every day. As a result, we keep up-to-date and surprise our clients with creative solutions. Solutions that make the step towards tomorrow possible for our clients.



### Energetic

Batenburg employees are driven, enthusiastic and optimistic. Every day we go the extra mile to ensure top quality results.

## How to contact us

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### Batenburg Techniek

Rotterdam

### Batenburg Industrial Automation

Vlaardingen

Heerenveen

Zwolle

Zeist

Zundert

Schilde (Belgium)

Madrid (Spain)

Querétaro (Mexico)

Ontario (Canada)

Beijing (China)

### Batenburg Installation Technology

Rotterdam

Twello

Nijkerk

Nijmegen

Monster

Waalwijk

### Batenburg Industrial Components


Rotterdam

Veenendaal

Neede

Capelle aan den IJssel

Zaventem (Belgium)



smarter **focus.**  
brighter **tomorrow.**