solid and resilient performance in a more difficult market environment

highlights

- revenue +3% to EUR 2,841 million (organic +1.1%)
- operating profit (EBITA) EUR 362.6 million with an EBITA-margin of 12.8%
- net profit before amortisation EUR 267.4 million; per share EUR 2.42 (-3%)
- free cash flow EUR 312.1 million; ROCE 15.1% (before IFRS 16)
- increased investments in organic growth and innovation initiatives
- portfolio optimisation: acquired PPC and Applied, annual revenue USD 62 million; divested STAG and HFI, annual revenue EUR 30 million
- updated strategy 'focused acceleration', presented December 2019

CEO statement

"WE DELIVERED A SOLID AND RESILIENT PERFORMANCE.

In the course of the year we faced more difficult market circumstances in the automotive and several industrial niche end markets, due to market uncertainty, postponement of orders and inventory reduction. This was compensated with growth and innovation initiatives in the end markets eco-friendly buildings, sustainable transportation and semicon efficiency, resulting in overall organic revenue growth. Our EBITA performance was impacted by the revenue mix. Besides this, 2019 included less incidental benefits compared to 2018.

Overall, our performance was solid and resilient, due to our sustainable business model, focused business teams, many organic revenue growth, innovation initiatives and cost reductions. We continued our focus on the operational excellence projects. There is still a lot to gain the coming years.

To facilitate the many good business plans, we increased our investments and further optimised our portfolio. Our updated strategy 'focused acceleration' 2018-2022 was presented during our Capital Markets Day (CMD) in December."

key figures

in EUR million	**2019**	**2018***	**delta**
revenue	2,841	2,759	3%
added-value as a % of revenue	62.8	62.6	
operating profit (EBITA)	363	366	(1%)
EBITA as a % of revenue	12.8	13.3	
net profit before amortisation	267	275	(3%)
earnings per share before amortisation (in EUR)	2.42	2.49	(3%)
net debt	755	586	29%
leverage ratio: net debt / EBITDA (12-months-rolling)	1.5	1.3	
free cash flow (before interest and tax)	312	312	-
free cash flow conversion ratio (FCF as a % of EBITDA)	63.2	67.6	
capital expenditure	148	134	
net working capital	490	464	
return on capital employed (ROCE 12-months-rolling)	14.1	16.6	

* IFRS 16 is effective as of 1 January 2019, 2018 comparative figures have not been restated. See note basis of preparation and summary of accounting policies for 2019 impact adoption IFRS 16.

dividend

We propose a cash dividend of EUR 0.80 per share (2018: EUR 0.75) to the General Meeting, an increase of 7%.

outlook

We will accelerate our actions as presented during our CMD. We remain confident in realising our organic growth and innovation plans and operational excellence projects, achieving our strategic objectives.

financial development

Revenue increased by EUR 82.4 million to EUR 2,841.3 million. Overall we realised an organic revenue growth of EUR 29.1 million with a mixed picture. We faced an organic revenue decline of EUR 21.2 million in our European surface technologies activity (part of material technology) and a EUR 50.3 million organic revenue growth in the other Aalberts activities. The 2018 and 2019 (PPC & Applied) acquisitions caused a positive revenue effect of EUR 78.2 million. Divestments in 2018 and 2019 (HFI & STAG) caused a negative revenue effect of EUR 59.4 million. Currency translation | FX impact amounted to EUR 34.5 million positive (mainly US Dollar).

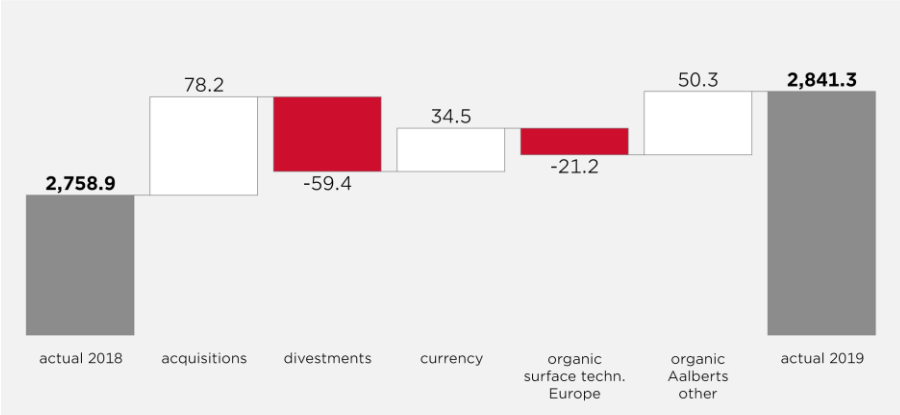
Overall, operating profit (EBITA) decreased by EUR 2.9 million to EUR 362.6 million. 2018 EBITA was positively impacted by incidental benefits of EUR 10.6 million (holding | eliminations). We realised an organic EBITA decline of EUR 3.6 million, divided into EUR 17.1 million EBITA decline in our European surface technologies activity (incl. restructuring | one-off costs) and EUR 13.5 million EBITA growth in the other Aalberts activities. IFRS 16 impact on EBITA is EUR 0.7 million positive. Further in 2019 there was a positive effect of EUR 14.8 million from 2018 and 2019 (PPC & Applied) acquisitions. Divestments in 2018 and 2019 (HFI & STAG) had a negative impact of EUR 6.3 million. Currency translation | FX impact amounted to EUR 2.8 million positive (mainly US Dollar).

Net profit before amortisation decreased by EUR 7.5 million to EUR 267.4 million, per share by 2.8% to EUR 2.42 (2018: EUR 2.49). Earnings per share was impacted with EUR 0.04 negative by a 1.5% higher effective tax rate compared to 2018 and EUR 0.01 negative by IFRS 16.

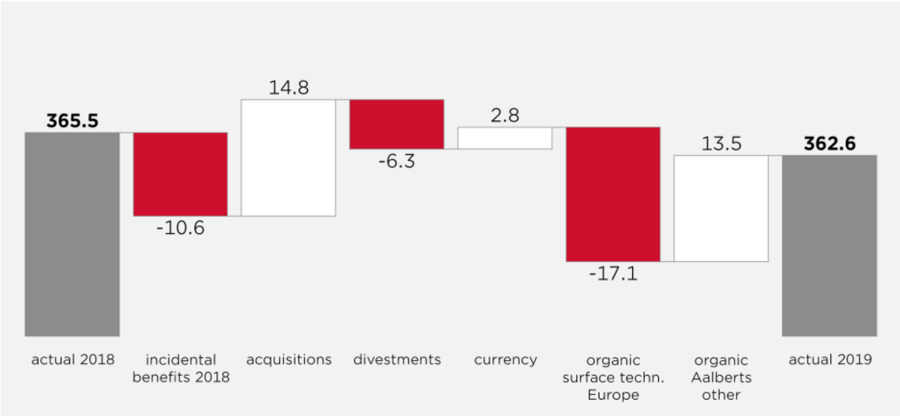
Free cash flow (before interest and tax) was equal to 2018 at EUR 312.1 million, despite increased capital expenditure cash out of EUR 38.5 million and a positive IFRS 16 impact of EUR 33.9 million. Working capital slightly increased to 61 days or EUR 490 million (2018: 60 days or EUR 464 million) with a stable DIO, despite all new product launches. FCF conversion ratio was 63.2% (2018: 67.6%), IFRS 16 impact was 2.7% positive.

ROCE (before IFRS 16) decreased from 16.6% to 15.1%. Capital employed was impacted by IFRS 16 with EUR 165 million. Total equity remained at a solid level of 53.0% of the balance sheet total (2018: 53.2%), despite a negative IFRS 16 impact of 2.7%. Net debt amounted to EUR 755 million (2018: EUR 586 million) and was impacted by EUR 167 million lease liabilities (IFRS 16). Net debt before IFRS 16 increased by EUR 2 million to EUR 588 million, despite increased capital expenditure and two acquisitions. The leverage ratio before IFRS 16 remained stable at 1.3, well below the bank covenant of < 3.0.

revenue bridge



EBITA bridge



operational development

We delivered a solid and resilient performance in a more difficult market environment with an overall organic revenue growth of 1.1% .

This was achieved in our business segments installation, climate and industrial technology, mainly driven by the growth and innovation initiatives of the last years. In the automotive and several industrial niche end markets, we faced a slowdown in Europe, North America and APAC, due to market uncertainty, postponement of orders and inventory reduction. This situation stabilised in the last quarter of the year.

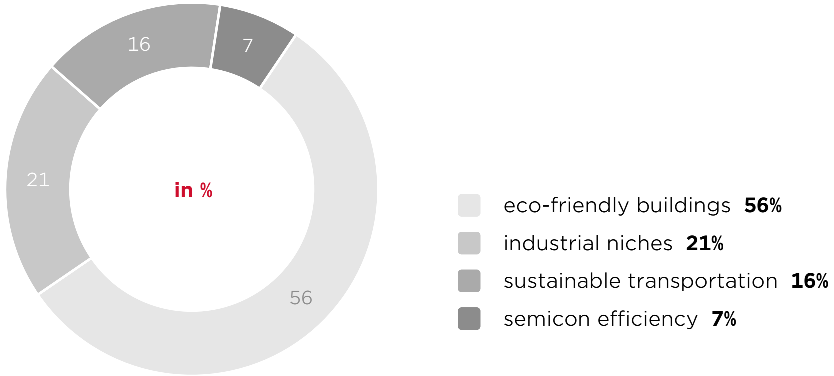
In material technology our business organically declined in Europe in the automotive and several industrial niche end markets, due to the same reasons. We have initiated efficiency and restructuring actions, causing additional restructuring costs and streamlined our organisation. In North America and the aerospace end market a good growth and performance was realised, mainly due to previous investments and the integration of the acquisitions of the last years.

We realised a solid and resilient EBITA performance, showing a mixed picture. In three business segments we achieved EBITA growth. Our European surface technologies activity (part of the material technology) faced challenging market circumstances and showed an organic EBITA decline. Less incidental benefits compared to 2018 impacted our overall EBITA performance and percentage.

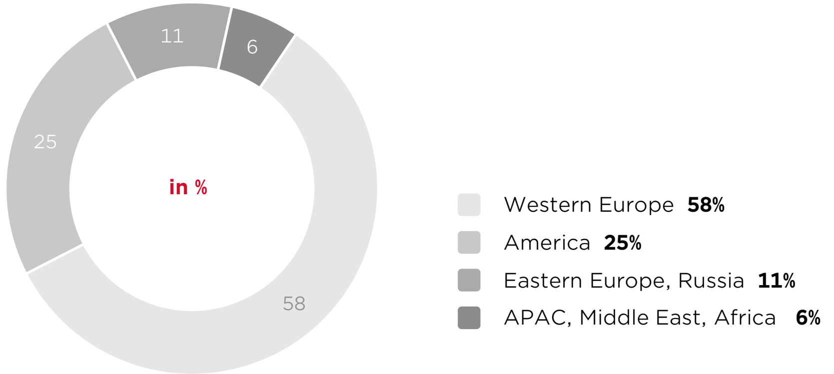
After a thorough evaluation of our businesses and structure, we decided to further narrow our focus and allocate our capital in the most efficient way, where we can achieve the best leading market positions, generating the highest returns, following the Aalberts playbook. This was presented in December 2019 during our CMD in an update of our strategy ‘focused acceleration’ 2018-2022.

To facilitate the organic growth and innovation initiatives, we increased the CAPEX to EUR 148 million and launched more than 15 new product lines, increasing our innovation rate for the coming years. We continued to work on our operational excellence projects and reduced our current footprint with five locations, three closures and two divestments.

revenue per end market



revenue per region



operational development - installation technology

organic growth and innovation initiatives
The markets in Western and Eastern Europe and America were on a good level during the year, with an exception for the UK and the industrial end markets in America. Overall we realised a good organic growth. The portfolio was further optimised through pricing excellence, optimisation of our offering and improved quality of our inventory. There is a lot to gain the coming years through further implementation of the initiatives, which have been started the last years, due to the newly installed global structure and management. A good example of our potential is the launch of innovations in our press portfolio, which were very successful. It gained a lot of additional business with existing and new customers in Europe and North America. We expect an accelerating growth of these innovations, pulling forward also the rest of the portfolio. We successfully gained several larger key accounts in all regions, stocking our innovations and existing portfolio. Newly developed patented innovations are in progress to be launched the coming year. Due to the global approach, the innovations are launched more efficiently and increase the operational leverage of our investments. The expanded capacity, invested in several locations in Western and Eastern Europe was utilised well, showing a good growth in our piping systems. We faced special market circumstances in the UK where the business was volatile and challenging due to market uncertainty, which affected our profitability. We launched initiatives to accelerate our organic growth and innovations.

operational leverage and excellence
During the year the newly installed American management team streamlined the distribution setup and realised reductions in inventories and costs, as a first step. In addition, the internal overhead organisation was reduced and streamlined, causing additional redundancy costs. Pricing excellence initiatives were started. In the manufacturing locations, operational excellence projects were initiated and will accelerate the coming years, driving the organisation to a higher efficiency. Parallel we invested in additional equipment to facilitate the growth in fast-growing connection and valve product lines and reduce the cost price through automated manufacturing processes. We are just at the beginning of this improvement process, which will take some years to gain full potential. In Europe, a new assembly and distribution centre was built, expected to be fully operational in the second half of 2020. Further supply chain improvements were initiated to leverage the global advantages of the group in purchase and inventory reduction. Big steps were made improving the efficiency of our manufacturing processes in Europe, adding capacity to facilitate the growth of several product lines.
In the UK we launched efficiency initiatives during the year to streamline the organisation, reduce our costs and automate our manufacturing. These actions will continue in the first half of 2020 and will have effect in 2020 and 2021. Further consolidation projects are in preparation to streamline our manufacturing footprint to create 'world class' competence centres.

allocation of capital and portfolio optimisation
We allocated our capital mainly to increase the manufacturing efficiency and capacity of existing and new product lines with the newest equipment to fulfil the service to our customers. Capital was also spent to pursue our many operational excellence projects, new assembly and distribution centres in Europe and innovation roadmaps. Exchange of manufacturing technology between the regions has increased, driven by the operational excellence network.

Our expectation is that the sales, innovation and efficiency initiatives will have a positive annual effect on our organic revenue and EBITA growth in the coming years. There is a lot to gain.

revenue (in EUR million) 1,124 **-**	**EBITA** (in EUR million) 138 **+3%**
capital expenditure (in EUR million) 46 **+23%**	**EBITA %** (in % of revenue) 12.2 **2018: 12.0**

operational development - material technology

organic growth and innovation initiatives
In the course of the year the business in Europe deteriorated gradually in the automotive and industrial niche end markets, due to market uncertainty, postponement of orders and inventory reduction. The last months of the year, order intake and reduction of inventories stabilised on a lower level. Revenue was partly compensated by a good performance of the business in North America, a good integration of the acquisitions of the last years, new developments in electrification of vehicles and aerospace driven by weight reduction and changes in voltage. Especially in surface treatments, in combination with precision extrusion, we have many new business opportunities utilising co-developments and our global footprint. Overall, we faced an organic decline. In North America, the implementation of the business integration plans of the acquisitions made good progress, but there is still further alignment and improvement possible. With the acquisitions of PPC and Applied, we have built up a good American footprint to utilise our combined offering to key accounts, serving different regions in the country. We will continue this strategy the coming years and professionalise the organisation to drive synergies and organic revenue growth in combination with further bolt-on acquisitions, adding technology and regional footprint presence. In Eastern Europe, we performed well and have expanded our capacity further through a building extension, additional equipment in several locations and starting a greenfield successfully during the year. Other expansions are in development for the coming years.

operational leverage and excellence
Due to the more difficult market circumstances within automotive and industrial niche end markets, actions were taken to reduce costs in the European service locations. Although less volume in our service facilities can only be compensated partly. Additional cost reductions and restructuring initiatives were initiated to streamline the overhead of the business, especially in group management and surface treatment after the integration of the two separate organisations during the last years. The overall structure will be simplified. The service network, in preparation of our updated strategy 'focused acceleration', was further evaluated to optimise the technology portfolio and European footprint. An action plan is in place and the full effect of these actions will become visible the coming years.

allocation of capital and portfolio optimisation
The capital was mainly allocated to growth initiatives in Eastern Europe and America, where we expanded our existing business, including two acquisitions. We also added new post-processing technology for additive manufacturing. Other capital was allocated to maintenance and improvement of efficiency of existing service facilities.

Our expectation is that the business will gradually recover in Europe, although it is difficult to predict in which speed. We will continue to implement the efficiency actions to drive profitability. Parallel our footprint and technology portfolio in Europe will be further optimised. Another focus point is to realise the expansion plans of our activities in Eastern Europe and (the acquired businesses in) North America, collecting the synergies and driving organic revenue and EBITA growth.

revenue (in EUR million) 772 **+3%**	**EBITA** (in EUR million) 97 **-5%**
capital expenditure (in EUR million) 67 **+14%**	**EBITA %** (in % of revenue) 12.6 **2018: 13.7**

operational development - climate technology

organic growth and innovation initiatives
The end market for eco-friendly buildings in Western and Eastern Europe and North America developed well and we realised a good organic growth. The growth was realised in all regions through sales initiatives and the launch of many new product lines, which had still a minor impact on the revenue of this year. These product lines were presented during several exhibitions and led to additional costs in sales, marketing, manufacturing and supply chain. Also, we faced manufacturing and service issues during the year to bring these product lines on the market. Most issues were solved towards the end of the year, unfortunately slowing down our organic revenue and EBITA growth. These new innovations will be launched step by step in more countries in Western and Eastern Europe and North America. The sales of these product lines will grow over time and strengthen our market position further in all regions. The customer functionality of the new innovations is to improve the energy efficiency in heating and cooling systems in buildings. More and more the product innovations are combined with digital content to connect the products and to gain data, creating new business models with our customers to optimise their installations. We developed many applications in our digital hubs in the Netherlands and France, including a digital platform for our spare parts business. We see a great growth potential the coming years in these digital applications combined with new product innovations, aiming to reduce energy costs and shaping eco-friendly buildings.

operational leverage and excellence
The launch of the new product lines resulted in additional costs in sales, marketing, manufacturing and supply chain, which affected our EBITA. Our manufacturing footprint and supply chain will be streamlined in combination with a further reduction of locations to simplify the organisation. There is a lot to gain the coming years. Several product lines faced a good growth. To further facilitate growth, we added assembly lines and started the construction of a new facility in the Netherlands where the manufacturing of one of our product lines will be further expanded in combination with a high level of manufacturing automation. A new automated distribution centre and warehouse management system will be part of this new facility, integrating existing warehouse facilities. The new manufacturing and distribution centre will be operational early 2021.

allocation of capital and portfolio optimisation
Investments were made in product line innovations and related manufacturing and assembly equipment in mainly two locations in Europe. The portfolio needs further optimisation the coming years to improve the profitability. A good step was made in the last quarter of the year, through the divestment of STAG.

Our expectation is that we leverage the newly launched product lines, accelerate our organic revenue growth in combination with the execution of the operational excellence initiatives to optimise our footprint. This will lead to a higher efficiency and profitability. Parallel, we will further work on the optimisation of the portfolio, needed to achieve a higher EBITA margin.

revenue
(in EUR million)
552
+1%

EBITA
(in EUR million)
67
+3%

capital expenditure
(in EUR million)
10
+7%

EBITA %
(in % of revenue)
12.2
2018: 12.0

operational development - industrial technology

organic growth and innovation initiatives
Our activities in the semicon efficiency end market realised a solid organic growth, although on a lower level than the last two years. The advanced mechatronics business team concentrated on manufacturing and supply chain efficiency and organisation improvements during the year to be ready for the next strong ramp up in organic revenue growth, expected the coming years. In the meantime, several new co-development projects are in progress, where additional market share will be achieved. We also worked on further expansion in Europe and Asia to fulfil the service to our key accounts going forward. In the first half of 2020 additional plans will be launched, including further expansion of capacity in Europe and Asia.

Our fluid control activities in the automotive and industrial niche end markets suffered from uncertainty in the market environment, postponement of orders and inventory reductions during the year. This market situation improved in the last months of the year, where inventory reductions and order intake stabilised. The business teams continued to work on several new innovations in the end market sustainable transportation, like pressure regulators for CNG, LNG and hydrogen, full flow valves, special sensors and metering for fuel reduction, valves and pressure regulators for industrial niche applications and several new custom-made dispensing systems for our existing key accounts. New legislation stimulates the development of innovations with our key accounts.

operational leverage and excellence
Despite lesser organic revenue growth than previous years in our advanced mechatronics business and the market uncertainty and inventory reductions in our fluid control business, we improved the overall profitability, increased our efficiency, realising a lot of operational and pricing excellence initiatives.

Within fluid control we aligned the cost structure and organisation to the less favourable market environment. Our profitability was solid and resilient, especially in the last months of the year when the order intake and the inventory reduction of our customers stabilised. The operational and pricing excellence initiatives and the full year sales effect of the VAF acquisition supported the good result.

allocation of capital and portfolio optimisation
The capital was allocated to the innovations, related manufacturing and assembly equipment and operational excellence initiatives in the locations. We finished the expansion in our facility in Graz, where we opened our new R&D centre and expanded manufacturing. The CAPEX of previous years in advanced mechatronics to facilitate growth was fully utilised and we further expanded our capacity. The portfolio was optimised through the divestment of one facility in the Netherlands (HFI).

Our expectation is that we see a strong growth in the semicon efficiency end market the coming years. Due to the organisation and efficiency improvements we are ready to service our customers and have the capacity to deliver. We are working on further capacity and footprint expansions and co-development projects.

In the end markets sustainable transportation and industrial niches we see a more stabilised environment looking at the order intake and inventory reductions. Our organic revenue and innovation initiatives are accelerated, as presented during our CMD.

revenue (in EUR million) 433 **+6%**	**EBITA** (in EUR million) 72 **+13%**
capital expenditure (in EUR million) 24 **-4%**	**EBITA %** (in % of revenue) 16.7 **2018: 15.7**

acquisitions and divestments

Aalberts acquired 100% of the shares of two companies in material technology. An annual revenue of USD 62 million was acquired (2019 includes EUR 31 million).
Aalberts divested two activities in climate technology and material technology. An annual revenue of EUR 30 million was divested (2019 includes EUR 25 million).

webcast

A webcast will take place on Thursday 27 February 2020, starting at 2:00 pm (CET). Please register via aalberts.com/webcast2019

regulated information

This press release contains information that qualifies or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

contact

+31 (0)30 3079 301 (from 8:00 am CET)
investors@aalberts.com

financial calendar 2020-2021

date	Event
11 March 2020	publication annual report 2019
25 March 2020	registration date for general meeting
22 April 2020	general meeting
24 April 2020	quotation ex-dividend
27 April 2020	record date for dividend
20 May 2020	paying out dividend
23 July 2020	publication interim results 1H2020 (before start of trading)
25 February 2021	publication full year results 2020 (before start of trading)
15 April 2021	general meeting

Condensed consolidated financial information for 2019 with related comparative information.
IFRS 16 is effective as of 1 January 2019, 2018 comparative figures have not been restated.

consolidated income statement

in EUR million	2019	2018
REVENUE	**2,841.3**	**2,758.9**
raw materials and work subcontracted	(1,056.7)	(1,033.3)
personnel expenses	(856.4)	(816.5)
amortisation of intangible assets	(41.7)	(36.7)
depreciation of property, plant and equipment	(95.7)	(95.9)
depreciation of right-of-use assets	(35.1)	-
other operating expenses	(434.8)	(447.7)
total operating expenses	**(2,520.4)**	**(2,430.1)**
OPERATING PROFIT	**320.9**	**328.8**
net finance cost	(23.2)	(22.4)
PROFIT BEFORE INCOME TAX	**297.7**	**306.4**
income tax expense	(68.2)	(65.6)
PROFIT AFTER INCOME TAX	**229.5**	**240.8**
attributable to:		
shareholders	225.7	238.2
non-controlling interests	3.8	2.6
NET PROFIT BEFORE AMORTISATION	**267.4**	**274.9**
earnings per share before amortisation (in EUR)		
basic	2.42	2.49
diluted	2.41	2.48

consolidated balance sheet

before profit appropriation in EUR million	31-12-2019	31-12-2018
ASSETS		
intangible assets	1,319.8	1,234.8
property, plant and equipment	874.3	818.2
right-of-use assets	173.7	-
deferred income tax assets	14.7	15.1
total non-current assets	**2,382.5**	**2,068.1**
Inventories	626.0	613.7
trade receivables	338.5	342.9
current income tax receivables	6.3	13.1
other current assets	53.8	56.4
cash and cash equivalents	58.5	53.7
total current assets	**1,083.1**	**1,079.8**
TOTAL ASSETS	**3,465.6**	**3,147.9**
EQUITY AND LIABILITIES		
shareholders' equity	1,809.8	1,651.6
non-controlling interests	28.0	24.2
total equity	**1,837.8**	**1,675.8**
non-current borrowings	581.9	459.5
deferred income tax liabilities	122.2	117.0
employee benefit plans	76.1	69.6
other provisions and non-current liabilities	12.8	27.9
total non-current liabilities	**793.0**	**674.0**
current borrowings	64.7	52.2
current portion of non-current borrowings	166.4	128.0
trade and other payables	403.9	417.2
current income tax payables	32.0	39.2
other current liabilities	167.8	161.5
total current liabilities	**834.8**	**798.1**
TOTAL EQUITY AND LIABILITIES	**3,465.6**	**3,147.9**

consolidated cash flow statement

in EUR million	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
operating profit	320.9	328.8
amortisation and depreciation	172.5	132.6
result on sale of equipment	(3.1)	1.1
changes in provisions	(10.0)	(21.6)
changes in inventories	(3.7)	(66.9)
changes in trade and other receivables	39.7	14.3
changes in trade and other payables	(51.2)	38.3
changes in working capital	**(15.2)**	**(14.3)**
CASH FLOW FROM OPERATIONS	**465.1**	**426.6**
finance cost paid	(20.2)	(19.2)
income taxes paid	(67.1)	(85.6)
NET CASH GENERATED BY OPERATING ACTIVITIES	**377.8**	**321.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
acquisition and disposal of subsidiaries	(110.6)	(131.5)
purchase of property, plant and equipment	(144.0)	(128.1)
purchase of intangible assets	(13.7)	(8.0)
proceeds from sale of equipment	4.7	21.6
NET CASH GENERATED BY INVESTING ACTIVITIES	**(263.6)**	**(246.0)**
CASH FLOWS FROM FINANCING ACTIVITIES		
change of non-current borrowings	(5.9)	30.2
lease payments	(34.7)	-
dividends paid	(82.9)	(71.9)
settlement of share based payment awards and other	(0.2)	(7.1)
NET CASH GENERATED BY FINANCING ACTIVITIES	**(123.7)**	**(48.8)**
NET INCREASE/(DECREASE) IN CASH AND CURRENT BORROWINGS	**(9.5)**	**27.0**
cash and current borrowings at beginning of period	1.5	(19.7)
net increase/(decrease) in cash and current borrowings	(9.5)	27.0
currency translation differences on cash and current borrowings	1.8	(5.8)
CASH AND CURRENT BORROWINGS AS AT END OF PERIOD	**(6.2)**	**1.5**

consolidated statement of comprehensive income

in EUR million	2019	2018
profit for the period	229.5	240.8
currency translation differences	20.1	0.9
fair value changes derivative financial instruments	(2.6)	(1.6)
remeasurements of employee benefit obligations	(7.2)	(1.2)
income tax effect	2.2	0.2
TOTAL COMPREHENSIVE INCOME / (LOSS)	**242.0**	**239.1**
attributable to:		
Shareholders	238.0	237.2
non-controlling interests	4.0	1.9

consolidated statement of changes in equity

in EUR million	ISSUED AND PAID-UP SHARE CAPITAL	SHARE PREMIUM ACCOUNT	CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	RETAINED EARNINGS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
as at 1 January 2018	**27.6**	**200.8**	**(44.0)**	**(1.1)**	**1,307.0**	**1,490.3**	**22.4**	**1,512.7**
profit for the period	-	-	-	-	238.2	**238.2**	2.6	**240.8**
other comprehensive income	-	-	1.6	(1.2)	(1.4)	**(1.0)**	(0.7)	**(1.7)**
dividend 2017	-	-	-	-	(71.9)	**(71.9)**	(0.1)	**(72.0)**
share based payments	-	-			(4.0)	**(4.0)**	-	**(4.0)**
as at 31 December 2018	**27.6**	**200.8**	**(42.4)**	**(2.3)**	**1,467.9**	**1,651.6**	**24.2**	**1,675.8**
as at 1 January 2019	**27.6**	**200.8**	**(42.4)**	**(2.3)**	**1,467.9**	**1,651.6**	**24.2**	**1,675.8**
profit for the period	-	-	-	-	225.7	**225.7**	3.8	**229.5**
other comprehensive income	-	-	19.9	(1.9)	(5.7)	**12.3**	0.2	**12.5**
dividend 2018	-	-	-	-	(82.9)	**(82.9)**	(0.2)	**(83.1)**
share based payments	-	-	-	-	3.1	**3.1**	-	**3.1**
as at 31 December 2019	**27.6**	**200.8**	**(22.5)**	**(4.2)**	**1,608.1**	**1,809.8**	**28.0**	**1,837.8**

segment reporting

REVENUE (in EUR million)	**2019**	**2018**	**delta**
installation technology	1,124.4	1,119.4	-
material technology	772.0	746.7	3%
climate technology	551.5	546.0	1%
industrial technology	432.7	409.3	6%
holding / eliminations	*(39.3)*	*(62.5)*	
TOTAL	**2,841.3**	**2,758.9**	**3%**

EBITA (in EUR million)	**2019**	**2018**	**Delta**
installation technology	137.5	134.1	3%
material technology	97.2	102.1	(5%)
climate technology	67.2	65.4	3%
industrial technology	72.4	64.3	13%
holding / eliminations	*(11.7)*	*(0.4)*	
TOTAL	**362.6**	**365.5**	**(1%)**

EBITA % (% of revenue)	**2019**	**2018**	**Delta**
installation technology	12.2	12.0	0.2
material technology	12.6	13.7	(1.1)
climate technology	12.2	12.0	0.2
industrial technology	16.7	15.7	1.0
TOTAL	**12.8**	**13.3**	**(0.5)**

CAPEX (in EUR million)	**2019**	**2018**	**Delta**
installation technology	46.2	37.7	23%
material technology	66.8	58.7	14%
climate technology	10.2	9.5	7%
industrial technology	23.9	24.9	(4%)
holding / eliminations	*0.9*	*3.1*	
TOTAL	**148.0**	**133.9**	**11%**

notes to the financial statements

basis of preparation and summary of accounting policies

The condensed consolidated financial information for the year 2019 with comparative information has been prepared using accounting policies which are in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and with Part 2 Book 9 of the Dutch Civil Code. The accounting policies and methods of computation applied in the condensed consolidated financial information are the same as those applied in the Financial Statements for the year ended 31 December 2018, except for the adoption of IFRS 16 'Leases'. The Group has adopted IFRS 16 Leases retrospectively from 1 January 2019. The Group has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019 as follows:

impact adoption IFRS 16 on the opening balance	carrying value 31-12-2018	IFRS 16 impact	carrying value 1-1-2019
right-of-use assets	-	155.6	155.6
property, plant and equipment (transfer of previous finance leases)	818.2	(11.0)	807.2
assets	**818.2**	**144.6**	**962.8**
lease liabilities	-	153.9	153.9
finance liabilities	9.3	(9.3)	-
liabilities	**9.3**	**144.6**	**153.9**

The change in accounting policy did not impact equity at the initial application date because the right-of-use assets were equally valued to the lease liabilities for an amount of EUR 144.6 million. In addition, the finance leases and the related property, plant and equipment were transferred at their carrying amounts as at 31 December 2018. As a result of the adoption of IFRS 16, the key figures are impacted as follows:

impact adoption IFRS 16 at year-end	2019 before IFRS 16	adoption IFRS 16	2019 as reported
EBITDA	459.5	33.9	493.4
EBITA	361.9	0.7	362.6
net interest expense	(20.1)	(2.6)	(22.7)
income tax expense	(68.7)	0.5	(68.2)
net profit before amortisation	268.8	(1.4)	267.4
net debt	587.9	166.6	754.5
total assets	3,300.4	165.2	3,465.6
total equity as a % of total assets	55.7	(2.7)	53.0
leverage ratio	1.3	0.2	1.5
return on capital employed	15.1	(1.0)	14.1

The implementation of IFRS 16 has no economic or cash impact on the Group or the way we manage our business, nor does it drive decisions on the allocation of capital. The impact of the adoption of the standard IFRS 16 is in line with the preliminary assessment as disclosed in the financial statements for the year ended 31 December 2018. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial information. The consolidated and company financial statements of Aalberts N.V. for the year ended 31 December 2019 have been prepared, audited and will be published on 11 March 2020.

key figures

	2019	2018	2017	2016	2015
results (in EUR million)					
revenue	2,841	2,759	2,694	2,522	2,475
operating profit (EBITDA)	493	462	422	392	367
operating profit (EBITA)	363	366	336	298	272
net profit before amortisation	267	275	238	212	190
cash flow from operations	465	427	427	383	330
free cash flow (before interest and tax)	312	312	310	273	243
balance sheet (in EUR million)					
intangible assets	1,320	1,235	1,127	1,128	1,050
property, plant and equipment	874	818	775	762	736
capital expenditure	148	134	119	106	96
net working capital	490	464	455	480	461
total equity	1,838	1,676	1,513	1,391	1,285
net debt	755	586	569	713	718
capital employed	2,592	2,262	2,081	2,104	2,002
total assets	3,466	3,148	2,910	2,859	2,741
number of employees at end of period (x1)	16,094	16,452	16,003	15,338	14,709
ratios					
total equity as a % of total assets	53.0	53.2	52.0	48.7	46.9
leverage ratio	1.5	1.3	1.3	1.7	1.8
EBITA as a % of revenue	12.8	13.3	12.5	11.8	11.0
free cash flow conversion ratio	63.2	67.6	73.4	69.8	66.1
return on capital employed (ROCE)	14.1	16.6	16.2	14.7	14.3
added-value as a % of revenue	62.8	62.6	62.3	62.2	61.5
effective tax rate as a % of profit before tax	22.9	21.4	24.6	25.2	25.8
net debt / total equity	0.4	0.3	0.4	0.5	0.6
interest cover ratio	22.1	27.2	25.9	24.6	21.8
number of ordinary shares issued (in millions)	110.6	110.6	110.6	110.6	110.6
figures per share (in EUR)					
net profit before amortisation	2.42	2.49	2.15	1.92	1.72
dividend	0.80	0.75	0.65	0.58	0.52
share price at year-end	40.01	29.05	42.40	30.82	31.79