

Mole Valley Valves

2022 Annual Report – Against All Odds: Committed to Resilience and Recovery

From the CEO: Bob “Bulletproof” Mulligan

"They say adversity builds character, and if that's true, Mole Valley Valves has enough character to fill a football stadium. Earthquakes, floods, fires — we've faced them all, yet here we are, ready to rise again in 2023. Ten thousand jobs depend on us, and we're as determined as ever to come out stronger, sustainable, and successful. This isn't just a company; it's a comeback story in the making."

Welcome to our 2022 Annual Report. The past year has been nothing short of chaotic, but with resilience and a little optimism, we're looking forward to a brighter, stronger, and highly productive 2023.

1. A Year of Setbacks and Recovery: 2021 vs. 2022 Overview

2022 was a year marked by unforeseen disasters. Despite this, we maintained EU Taxonomy compliance and pushed forward to mitigate damage. Here's a look at our performance over the past two years.

Date	Event	Impact
January 2022	Earthquake at primary factory in Stourton, England	30% production capacity loss for two months
March 2022	Flooding in northern warehouse during drought	€3 million in damages; half of stock destroyed
June 2022	Cybersecurity breach (via phishing)	80% of customer data compromised
August 2022	Electrical fire in R&D division	Prototype designs and 20% of R&D budget lost
September 2022	Supply chain collapse due to valve part shortages	40% increase in costs; production delays

Date	Event	Impact
November 2022	Product recall after Precision 5000 malfunction	Customer lawsuits and reduced confidence
December 2022	Second fire in R&D after break room incident	R&D setback; revamped safety policies

“Through earthquakes, fires, floods, and more, we’re still standing. Mole Valley Valves hasn’t just faced challenges; we’ve embraced them, with EU Taxonomy compliance as our guiding light. Together, we’re moving forward with hope.”

2. Financial Performance: A Rocky Year and Hopes for Recovery

Here’s how 2022 impacted our financials in comparison to 2021, and what we’re (optimistically) projecting for 2023.

Financial Metric	2021 (€M)	2022 (€M)	2023 Forecast (€M)	Change 2021-2022 (%)	Forecasted Change 2022-2023 (%)
Total Revenue	120	75	110	-37.5%	+46.7%
Operating Expenses	100	130	105	+30.0%	-19.2%
Net Profit/(Loss)	5	(55)	10	-1,200%	N/A
Product Recall Costs	0	10	2	N/A	-80.0%
Legal & Settlement Expenses	0	7	1	N/A	-85.7%
R&D Budget Remaining	25	5	15	-80.0%	+200%
Cybersecurity & Compliance Spend	2	6	4	+200.0%	-33.3%

“Financially, we took a beating in 2022. But the forecast is bright: streamlined operations, revamped R&D, and no more bad luck in 2023. We’ve planned meticulously for a massive turnaround, and we believe that this year is ours for the taking.”

3. EU Taxonomy Compliance: Standing Firm in Sustainability

Despite the setbacks of 2022, Mole Valley Valves remained steadfast in its commitment to EU Taxonomy standards. In 2023, we plan to deepen our alignment, ensuring that our production, cybersecurity, and environmental practices meet the highest sustainability criteria.

EU Taxonomy Category	Metric Type	2021 Aligned (%)	2022 Aligned (%)	2023 Target (%)
Low-Impact Manufacturing & Energy Efficiency	CapEx	60%	50%	70%
Sustainable Warehousing & Storage	OpEx	65%	40%	75%
Employee Health & Safety Investments	OpEx	75%	70%	80%
Cybersecurity and Data Protection Upgrades	CapEx	55%	50%	65%

Through it all, Mole Valley Valves has invested in sustainable practices, upgrading machinery and refining processes to improve efficiency. As we head into 2023, we're aligning more deeply with EU standards, focusing on reducing our environmental footprint and ensuring secure, energy-efficient operations.

"Every euro we've put into sustainability is a step toward a stable future. The EU Taxonomy isn't just a requirement; it's a roadmap to resilience, one we're committed to following in 2023."

4. Production and Operations: Shaking Off Setbacks

In the face of continuous challenges, Mole Valley Valves managed to keep production moving, albeit at a higher cost and with decreased output. In 2023, we aim to get back on track, increasing our production targets with streamlined, sustainable processes.

Key Production Stats

Production Metric	2021	2022	2023 Forecast
Production Target (Units)	500,000	350,000	450,000
Actual Production	480,000	320,000	430,000
Production Cost Increase (%)	+5%	+40%	-10%
Number of Replacement Parts	15,000	100,000	20,000
EU Taxonomy-Aligned Production Processes	60%	70%	75%

Despite a year of costly setbacks, we're making a comeback with a renewed commitment to sustainable production and EU-aligned processes in 2023. Our forecast for increased output reflects our drive to improve efficiency and restore customer confidence.

"2023 is our year to shine. We've streamlined operations, and with no more disasters on the horizon, we're ready to meet our ambitious targets and exceed customer expectations."

5. R&D: Rising from the Ashes

The R&D department faced immense challenges this year, with fires wiping out critical prototypes and budget. However, in 2023 we plan to focus our R&D efforts on a few key, high-impact projects aimed at securing a competitive edge in sustainable valve technology.

R&D Metric	2021 (€M)	2022 (€M)	2023 Forecast (€M)
R&D Budget Allocation	25	5	15
EU Taxonomy-Aligned R&D Spend	15	3	12
Planned Product Launches	8	3	5
New Eco-Friendly Prototypes	3	1	4

Our R&D team may have been literally burned, but they are more committed than ever. In 2023, we will narrow our focus, making the most of our budget to deliver innovative, EU-aligned products that meet the rising demand for sustainable valves.

“R&D may have been put through the wringer, but we’ve emerged stronger and more determined. We’re scaling back but focusing deeply on impactful, sustainable products that will lead us into a better year.”

6. Cybersecurity: A Painful Lesson Learned

In 2022, a cybersecurity breach underscored the importance of robust data protection measures. Since then, we have overhauled our security protocols, aligning fully with EU standards. We’re forecasting a stable, secure 2023 with continued investments in cybersecurity.

Cybersecurity Metric	2021	2022	2023 Forecast
EU Taxonomy-Aligned Security Spend	55%	50%	65%
Cybersecurity Incidents	0	1	0
Security Training for Staff	60% completion	100% completion	100% maintenance

We’ve taken the breach seriously, implementing extensive security training and infrastructure upgrades. With these proactive steps, we are confident in a more secure future.

“One breach was enough to teach us the importance of vigilance. We’re doubling down on cybersecurity to ensure that in 2023, Mole Valley Valves stands secure and EU-compliant.”

7. Product Recall and Customer Confidence

The 2022 recall of our Precision 5000 model dealt a serious blow to customer confidence, but we are committed to rebuilding trust. With quality control improvements and EU-aligned safety checks, we aim to restore our brand’s reputation in 2023.

Recall and Customer Confidence Metric	2021	2022	2023 Forecast
Total Units Recalled	0	25,000	1,000

Recall and Customer Confidence Metric	2021	2022	2023 Forecast
EU Taxonomy-Aligned Quality Control Spend	€1M	€3M	€4M
Customer Retention Post-Recall	85%	45%	70%

By increasing our quality control investments and prioritizing customer satisfaction, we're taking serious steps to regain trust and make 2023 a year of renewal.

"It's tough to come back from a recall, but we're putting everything into quality assurance to rebuild trust. Our customers deserve the best, and we're determined to give it to them."

8. 2023 Outlook: A Path to Redemption

With a new year on the horizon, Mole Valley Valves is optimistic about a strong recovery. Despite the setbacks of 2022, we believe our revised strategies, streamlined operations, and adherence to EU Taxonomy standards will bring us back to profitability and growth.

Justification for Optimism

Our 2023 forecast reflects an unwavering belief in our resilience. We've weathered everything from natural disasters to cyber breaches, and it's only made us more determined. With reduced operational costs, a focused R&D strategy, and a rock-solid cybersecurity plan, we're confident that 2023 will be a breakthrough year. We anticipate a return to profitability, a revitalized workforce, and increased customer trust as we show the world that Mole Valley Valves is here to stay.

"It's easy to doubt a comeback after a year like ours, but we're Mole Valley Valves. We don't give up, and we don't back down. We're forecasting a remarkable recovery in 2023 because we know what we're capable of — resilience, strength, and growth."

9. Closing Remarks

To our employees, partners, and customers: thank you for your resilience, patience, and belief in Mole Valley Valves. We're standing strong and looking ahead with optimism, ready to take on 2023 with everything we've got.

For more on our plans and progress, visit:
<https://www.molevalleyvalves.com/annualreport2022>.