



SPADEL GROUP: 2019 HALF-YEARLY RESULTS

- ▶ Operating profit (EBIT) for the first half of the year shows growth of 8,1%, mainly due to a decrease in promotional expenses and cost control, despite a slight decrease in turnover
- ▶ The Group anticipates a stabilisation of its recurring operating earnings (REBIT) for the whole year 2019. The operating profit (EBIT) for 2019 will however show a decrease compared to last year, taking into account the favourable non-recurring factors from which the 2018 financial year benefited

1. KEY FIGURES FOR THE HALF YEAR (unaudited)

Consolidated results (in thousands of euros)	June 2019	June 2018	Evolution
Turnover	151.987	156.659	-3,0%
Changes in inventories of finished goods and work in progress	1.560	1.443	8,1%
Production of assets for own use	26	40	-35,0%
Raw materials, consumables and goods for resale	-34.449	-34.853	-1,2%
Miscellaneous goods and services	-63.126	-65.849	-4,1%
Employee benefits expenses	-31.950	-31.739	0,7%
Depreciation and impairment	-10.065	-9.281	8,4%
Other operating income and charges	5.263	1.376	282,5%
Operating result (EBIT)	19.246	17.796	8,1%
Financial income	278	60	363,3%
Financial charges	-576	-655	-12,1%
Profit before taxes	18.948	17.201	10,2%
Taxes	-4.179	-4.676	-10,6%
Net result	14.769	12.525	17,9%
REBIT (Recurrent operating result)	19.246	17.796	8,1%
EBITDA (Operational cash-flow) (*)	29.311	27.077	8,3%

(*) Operating result + Depreciation and impairment

Consolidated balance sheet (in thousands of euros)	June 2019	June 2018	Evolution
Assets			
Non-current assets	235.550	234.803	0,3%
Current assets	167.613	152.534	9,9%
Total of assets	403.163	387.337	4,1%
Liabilities			
Equity	200.626	194.136	3,3%
Non-current liabilities	71.464	72.800	-1,8%
Current liabilities	131.073	120.401	8,9%
Total debts	202.537	193.201	4,8%
Total of liabilities	403.163	387.337	4,1%

Key figures per share	June 2019	June 2018	Evolution
Total of shares	4.150.350	4.150.350	=
Operating result (euros)	4,64	4,29	8,1%
Net result (euros)	3,56	3,02	17,9%

2. COMMENTS ON THE CONSOLIDATED REPORT

2.1 Turnover

The net consolidated turnover, excluding excise duties and eco-taxes, amounts to 152,0 million euros for the first half of the year, which represents a decrease of 3,0% compared to last year.

This decrease reflects the shrinking of the bottled water market over the first six months of the year (by nearly 5% in volume) both in the Benelux and in France. The Bulgarian market has continued to grow, but at a slower pace.

This deterioration in the market can be partly explained by climatic conditions, which have been less favourable than last year.

On the other hand, tense discussions with certain major retailers in the Benelux as part of the price negotiations led to temporary dereferencing, which also had an impact on sales in the first half of the year.

The dynamism of our brands and our sustained innovation policy have however partially offset this trend by strengthening our overall market share.

2.2 Operating profit

Operating profit (EBIT) is at 19,2 million euros, which represents an increase of 8,1%% compared to 2018 (17,8 million euros).

This increase - despite the decrease in turnover - is partly the result of a decrease in promotional expenses, which was especially high last year to support the launch of our innovations.

Good control of production and general costs has also contributed to the increase in operating profit.

The operating cash flow (EBITDA) at the end of June 2019 amounts to 29,3 million euros, compared to 27,1 million euros in 2018 (+8,3%).

2.3 Financial results

Financial income stands at 0,3 million euros, slightly up from the previous year (0,1% million euros).

Financial expenses amount to 0,6 million euros, slightly down from the previous year (0,7 million euros in 2018).

2.4 Taxes

Tax expenditure for the first half year stand at 4,2 million euros, compared to 4,7 million euros at the end of June 2018.

2.5 Net result

Net profit at the end of the first half amounts to 14,8 million euros, up 17,9% compared to 2018.

3. BALANCE SHEET DATA

As of 30 June 2019, equity capital, valued according to IFRS standards, stands at 200,6 million euros, compared to 194,1 million euros at the end of 2018. Equity capital covers 85,2% of non-current assets.

The solvency ratio, corresponding to the amount of equity in relation to total liabilities, is 49,8%.

Current assets at the end of June, and more specifically inventories and trade receivables - as well as commercial debts - are up from the end of 2018. These changes reflect the seasonal fluctuations in activity and higher sales during the summer months.

Operational activities generate a gross cash flow before tax of 29,0 million euros, compared to 27,6 million euros during the first half of 2018.

The Group's cash flow on 30 June 2019 amounts to 65,2 million euros.

4. INVESTMENT

Investments of the first half of the year stand at 5,7 million euros. They mainly relate to the equipment required to change the ring size of PET bottles, the purchase of glass bottles and crates, as well as a new crate washer.

5. PROSPECTS FOR 2019

Despite the good financial performance in this first half year, the group remains attentive to the trends in the market for the consumption of bottled water over the following months.

In addition, the second half of 2018 was blessed with exceptionally favourable summer weather, including two heatwaves in July and August.

In this context, the Group anticipates a stabilisation in its recurring operating earnings for the whole year 2019.

On the other hand, the results of 2018 were positively affected by a major deposit debt for returnable packaging reassessment. In view of this non-recurring factor, operating profit for 2019 will be a lot lower than it was for the previous year.

Spadel is pursuing ambitious sustainable development goals and, in particular, the reduction of its carbon footprint. Spadel is also intensifying its research and development efforts in the area of environment-friendly packaging solutions. The Group is continuing its commitment to the fight against litter and to the recycling of materials. All Spadel bottles are already 100% recyclable.

SPADEL IN SHORT

- Trademarks: SPA, BRU, WATTWILLER, CAROLA, BRECON CARREG, DEVIN.
- Six production sites: SPA MONOPOLE, BRU-CHEVRON, LES GRANDES SOURCES DE WATTWILLER (France), LA S.A. DES EAUX MINERALES DE RIBEAUVILLE (France), BRECON (United Kingdom) and DEVIN (Bulgaria).
- Consolidated turnover 2018: 314,4 million euros.
- Staff employed as of 31 December 2018: 1.323 people.
- Recurring operating earnings (REBIT) 2018: 36,7 million euros.
- Operating earnings (EBIT) 2018: 53,6 million euros.
- Net profit 2018: 38,0 million euros.

Media and Investors Relations

Tel.: +32 475 50 75 52

Email: press@spadel.com

www.spadel.com