



Regulated information
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SPADEL GROUP: ANNUAL RESULT 2021

The Spadel Group posted a solid performance despite inflationary cost pressures.

The mineral water group Spadel, posted a solid performance in 2021. The Group closed the year with a 5.8% increase in turnover and a 2.1% increase in operating result (EBIT).

This increase in turnover was mainly due to sales on the Bulgarian market (+17%) and in the Benelux (+4%). This favourable evolution in turnover was due to brand dynamics and the relaxation of lockdown measures from the 2nd quarter of 2021 onwards.

The higher operating result (EBIT) was mainly due to the increased volumes sold and the continued implementation of cost-cutting measures. However, the operating result was negatively affected by higher costs of raw materials and energy in the second half of 2021.

The Group remains very alert to the very high price inflation on all prices of raw materials, packaging, energy, transport and labour observed since the second half of 2021. It is clear that this unprecedented general cost inflation, exacerbated by the war in Ukraine and the shortages of certain raw materials that are also being observed, will have an impact on the Group's results in the short and medium term. It can also be expected that this will inevitably lead to price increases for its customers. These increases are essential for ensuring the Group's profitability and to continue to invest and innovate in the coming years.

- ▶ **Turnover increased by 5.8%** thanks to the dynamism of the Group's brands and the easing of lockdown measures from the second quarter.
- ▶ **Operating result (EBIT) increased by 2.1%**, partly due to revenue growth, further savings and some non-recurring items, despite higher overheads and higher prices of raw materials and energy in the second half of the year. The recurrent operating result (REBIT) decreased slightly by 2.8%.
- ▶ **Proposed gross dividend: 2.00 euros/share** (1.40 euros net) stable compared to the previous year.

1. KEY FIGURES

Consolidated results (in 000 €)	2021	2020	Difference
Net turnover	282.159	266.607	5,8%
Raw materials, consumables and merchandise	-60.117	-57.823	4,0%
Services and various goods	-115.390	-104.979	9,9%
Personnel costs	-63.566	-63.781	-0,3%
Amortisations and depreciations	-20.259	-19.498	3,9%
Other operating revenue income/(costs)	13.728	15.265	-10,1%
Operating result (EBIT)	36.554	35.791	2,1%
Financial income	320	228	40,0%
Net financial expenditure	-636	-971	-34,5%
Equity accounting method	-150		
Result before tax	36.088	35.049	3,0%
Taxes	-9.439	-7.715	22,3%
Profit/(loss) of the financial year	26.649	27.334	-2,5%
REBIT (Current operating profit)	30.978	31.864	-2,8%
EBITDA (Operating Cash-flow)(*)	56.813	55.289	2,8%

(*)Operating profit plus amortisations and depreciations

Consolidated balance sheet (in 000 €)	2021	2020	Difference
Assets			
Fixed assets	242.101	242.241	-0,1%
Current assets	156.546	150.126	4,3%
Total assets	398.647	392.367	1,6%
Equity capital and liabilities			
Equity capital	251.537	229.901	9,4%
Long-term liabilities	38.702	51.941	-25,5%
Current liabilities	108.408	110.525	-1,9%
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Total liabilities	147.110	162.466	-9,5%
Total equity capital and liabilities	398.647	392.367	1,6%

Key figures per share	2021	2020	Difference
Number of shares	4150350	4150350	=
Operating profit/(loss) per share (EUR)	8,81	8,62	2,1%
Net profit/(loss) per share	6,42	6,59	-2,5%

At the date of this press release, the statutory auditor has confirmed that its audit work on the consolidated financial statements, which is finished in substance, did not reveal any corrections that should be made to the accounting information included in this document.

2. EXPLANATORY NOTES TO THE CONSOLIDATED RESULTS

2.1 Turnover

The Group's consolidated net turnover amounted to 282.2 million euros, a strong increase of 5,8% compared to 2020.

This strong turnover growth reflects the dynamism of the Group's brands, its innovations and its commercial policy.

Turnover in the **Benelux** increased by 4% compared to the previous year (+3% in the de Belux and +5% in the Netherlands). Spa further strengthened its position as the market leader in Belgium and the Netherlands for water and flavoured waters, and increased its overall market share. Bru, in turn, showed signs of recovery in 2021 after a number of difficult years.

The fact that the Group's brands did so well, despite the gloomy weather during the summer, is partly due to the relaxation of lockdown measures and the gradual reopening of the hospitality sector from the second quarter.

In **Bulgaria**, the turnover showed a remarkable increase of 17%. Devin, as the undisputed leader, increased its lead over the competition. As such, it strengthened its market share of its various brands: Devin Mineral, Devin Air and Devin Spring. Sales were also supported by the launch of a new range of mineral water, 'Devin Mineral and Vitamins', enriched with vitamins and micronutrients, and by the launch of a new multipack of 1,8 litre bottles. Good weather conditions during the summer season in Bulgaria and the relaxation of lockdown measures also contributed to an increase in sales.

In **France**, turnover decreased by 2,3%. The market was disrupted by closures and restrictions due to the corona crisis and by the development of drive-through sales, to the detriment of physical shop activity. The particularly bad summer weather also impacted sales. In this context, Wattwiller succeeded in strengthening its market share and stabilising its turnover. On the other hand, the Carola brand, due to its greater exposure to out-of-home consumption, suffered more in 2021, and its turnover fell by 5%.

2.2 Operating result

The operating result (EBIT) amounts to 36.6 million euros, an increase of 2,1% compared to the result of 2020(35.8 million euros).

This result was favourably influenced by an adjustment of the debt for packaging that is subject to a deposit, in the amount of 5.6 million euros, due to a change in the collection system for PET packaging that is subject to a deposit in the Netherlands in 2021.

Excluding this exceptional item, the recurring operating result (REBIT – excluding exceptional item)

amounts to 31.0 million euros, a slight decrease of 2,8% compared to the previous year.

This slight decrease in recurring operating result, despite the strong performance of the Group's brands and turnover growth in their respective markets, is mainly due to higher operating costs related to specific projects, to savings that were made in 2020 during the lockdown period but that could not be repeated in 2021, and to higher raw material and energy prices in the second half of the year. The Group also continued its cost-cutting measures, which led to significant reductions in commercial and production costs.

2.3 Financial results

The financial revenues amounted to 0.3 million euros. This is higher than in 2020 (0.2 million euros). The financial costs amounted to 0.6 million euros. This is lower than last year (1.0 million euros).

2.4 Taxes

The tax expense for the financial year amounted to 9.4 million euros. This is an increase compared to 2020 (7.7 million euros) due to the increase in profit before taxes and an increase in deferred taxes.

2.5 Net result

The Group closed the year with a net profit of 26.6 million euros, compared to 27.3 million euros the previous year.

3. INVESTMENTS

The Spadel Group's investments in tangible and intangible assets amounted to 19.6 million euros in 2021, compared to 22.9 million euros in 2020.

The investments mainly concern:

- the purchase of a range of new industrial equipment and the adaptation of the existing facilities in Spa in order to be able to innovate in the course of 2022;
- the installation of new production lines and storage facilities in Bulgaria to increase capacity and accommodate growth;
- the purchase of crates and glass bottles in Spa and Bru;
- roofing work on the warehouses in Wattwiller;
- the replacement of industrial programmable machines and the purchase of a new labelling machine in Ribeauvillé;
- the installation of software and the purchase of computer equipment.

4. BALANCE SHEET DATA

On 31 December 2021, the equity capital, according to IFRS standards, amounted to 251.5 million euros, compared to an amount of 229.9 million euros at the end of 2020. The equity capital included 103.9% of the fixed assets.

The solvency ratio, i.e. the ratio of equity capital to total liabilities, amounted to 63,1%.

The Group's financial debt amounted to 10.5 million euros on 31 December 2021, a decrease from the previous year due to the annual repayment of the debt incurred for the acquisition of the Bulgarian subsidiary in 2017. This debt will be fully repaid in July 2022.

Operating activities generated a cash flow of 55.8 million euros in 2021, compared to 51.9 million euros the previous year. After financing the working capital, investments and financing activities, the net cash flow generated by the Group in 2021 is 3.7 million euros.

Therefore the Group closed 2021 with a cash position of 87.9 million euros.

5. DIVIDEND

At the general meeting of shareholders, the board of directors will propose the payment of a gross dividend of 2.00 euros per share (1.40 euros net). This proposed gross dividend remains stable compared to the gross dividend paid out last year.

6. PROSPECTS

The Group continues to innovate and invest in its brands and remains confident of a positive evolution in sales in the coming months.

However, the Group remains alert to the very high price inflation recorded since the second half of 2021 for all raw materials, packaging, energy, transport and working hours.

It has been a long time since there has been inflation of this magnitude, and it looks set to continue in 2022. This will have an impact on the Group's results in the short and medium term. In the coming months it will continue to be a challenge to strike a balance between rising raw materials prices and pressure on the selling price to retail customers.

The Group also remains alert to the evolution of the healthcare crisis and the impact of the measures taken in our various markets to deal with it.

We will continue to act with agility and resilience in response to such crises, taking the necessary measures to minimise the impact on short-term results.

Thanks to the Group's profitability and solid balance sheet structure, it can face this unprecedented context with confidence.

The Group continues its efforts as a market leader in mineral waters. The Group will continue to invest and strive to offer its consumers ever more innovative products focused on health, hydration, naturalness and sustainability. After achieving some major milestones (such as carbon neutrality and Platinum certification for sustainable water management from the Alliance for Water Stewardship (AWS)), the Group became the first family-owned mineral water group to obtain B Corp certification. The focus of the Group on its social, societal and environmental impact in order to achieve a more circular and inclusive economy also demonstrates its ability to innovate.

7. SHAREHOLDER'S CALENDAR

- Annual Report (website www.spadel.com)	29 April 2022
- General Meeting of Shareholders	24 May 2022
- Payment of dividend (coupon no. 23)	3 June 2022
- Publication of the half-year results 2022	26 August 2022

BRIEF OVERVIEW OF SPADEL

- Commercialised brands: SPA, BRU, WATTWILLER, CAROLA, DEVIN.
- Five production sites: SPA MONOPOLE, BRU-CHEVRON, LES GRANDES SOURCES DE WATTWILLER (France), LA S.A. des Eaux Minérales de Ribeaupillé (France) and DEVIN (Bulgaria).
- Consolidated turnover 2021: 282.2 million euros.
- Staff employed on 31 December 2021: 1.295 people.
- Operating result (EBIT) 2021: 36.6 million euros.
- Net profit 2021: 26.6 million euros.

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