



Regulated information
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SPADEL GROUP: 2023 ANNUAL RESULTS

Spadel recorded a significant increase in its operating profit thanks to strong sales growth across all the markets where the Group is active, supported in particular by several new products performing well.

- ▶ **Strong growth of 7,9% in sales** reflected across all markets and driven by the dynamism of the Group's brands in a market where volumes are generally under pressure.
- ▶ **Operating profit (EBIT) rose by 65,2%**, enabling the Group to partially restore its margins compared with a difficult 2022, which was heavily impacted by soaring raw materials and energy prices. This performance was underpinned by sales growth and general cost control aimed at restoring the Group's margins, despite inflationary pressures weighing heavily on energy, transport and wage costs.

Spadel, the mineral water group, ended 2023 with consolidated net sales of 345,9 million euros, up 7,9% thanks to strong growth in sales, volumes and market share. At the same time, operating profit (EBIT) rose by a remarkable 65,2%.

Sales growth was reflected across all the Group's markets, with increases of almost 9% in Belgium, 2% in the Netherlands, 7% in France and more than 16% in Bulgaria, enabling Spadel to gain market share and strengthen its leadership position in Belgium, Bulgaria and the Netherlands, in a bottled water market that overall is under pressure.

Sales were buoyed by the strong performance of a number of new products. These include the more environmentally friendly 5L and 10L Spa Reine Eco Pack and the 5L Wattwiller Fountain, as well as the new 'Devin Mineral and Vitamins' range of mineral water enriched with vitamins and microelements, recently launched on the Bulgarian market.

The significant rise in operating profit (EBIT), despite inflationary pressures weighing heavily on energy, transport, wage and raw material costs, is mainly the result of sales growth underpinned by the good commercial performance of our brands, as well as the various measures taken to reduce the cost structure and restore the Group's profitability.

The Spadel Group aims to continue its growth in 2024, in particular through the addition of more new products. A few weeks ago, the Group launched a new range of natural, less sweetened energy drinks on the Belgian market under the brand name 'Zyla', a new addition to the Spadel Group's portfolio of brands.

Marc du Bois, CEO of the Spadel Group: “Despite the difficult context for the bottled water sector and for the economy in general, with inflation remaining particularly high, we managed to record very good growth in all our markets during 2023. I can only salute the work of all the Group's teams. Thanks to our commercial dynamism and our capacity for innovation, whether in terms of our product range or our packaging, we are constantly adapting to changing consumer trends and gaining market share. These solid strengths mean that I am optimistic about the Group's continued development in the months and years ahead, even if the current environment continues to call for caution particularly with regard to the increase in the tax burden, due in part to new ‘litter’ taxes. The impact of these new taxes will be extremely significant in Belgium, and is likely to encourage even more Belgians to cross the border for lower prices.”

1. KEY FIGURES

Consolidated results (in 000 €)	2023	2022	Difference
Net turnover	345.939	320.751	7,9%
Raw materials, consumables & merchandises	-86.230	-87.316	-1,2%
Services and other goods	-138.911	-130.405	6,5%
Payroll costs	-74.596	-67.830	10,0%
Amortization and depreciation	-22.622	-21.687	4,3%
Other operating income / (costs)	10.666	7.220	47,7%
Operating result (EBIT)	34.247	20.733	65,2%
Financial income	2.536	213	1090,6%
Financial charges	-2.201	-3.192	-31,0%
Equity accounting method	0	-577	-100,0%
Result before taxes	34.582	17.177	101,3%
Taxes	-6.346	-4.389	44,6%
Profit / (loss) of the year	28.236	12.788	120,8%
REBIT (recurrent operating result)	34.247	23.448	46,1%
EBITDA (operating cash-flow) (*)	56.869	42.420	34,1%

(*) Operating profit plus amortization and depreciation

Consolidated balancesheet (in 000 €)	2023	2022	Difference
Assets			
Fixed assets	234.995	238.088	-1,3%
Current assets	190.866	157.893	20,9%
Total assets	425.861	395.981	7,5%
Equity and liabilities			
Equity	279.126	257.839	8,3%
Long term liabilities	32.594	34.019	-4,2%
Current liabilities	114.141	104.123	9,6%
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Total liabilities	146.735	138.142	6,2%
Total equity and liabilities	425.861	395.981	7,5%

Key figure by share	2023	2021	Difference
Number of shares	4.150.350	4.150.350	=
Operating result by share (euros)	8,25	5,00	65,2%
Net profit /(loss) by share (euros)	6,80	3,08	120,8%

The auditor has confirmed that his audit work, which has been substantially completed, has not revealed any material misstatements in the draft consolidated accounts, and that the accounting information included in the annual press release is consistent, in all material respects, with the said draft accounts from which it is extracted.

2. COMMENTS ON THE CONSOLIDATED RESULTS

2.1 Sales figures

The Group's consolidated net sales amount to 345,9 million euros, a strong increase of 7,9% compared with 2022. This remarkable growth in sales, driven by a volume effect of 1,1% and a price/mix effect of 6,8%, was reflected in all our markets and reflects the dynamism of our brands, our new products and our sales policy.

Sales in **Benelux** countries were up by more than 6% on the previous year (up 9% in Belux and up 2% in the Netherlands) despite category volume being in decline. This performance, which reflects an increase in our market share in both Belgium and the Netherlands, was achieved thanks in particular to the high profile of the Spa brand, supported by an advertising campaign focusing on the brand's raison d'être, "Drink better, live better", the postponement for a full year of the listing of our products in all hard discount chains in Belgium and the Netherlands until mid-2022, and the successful launch of the new, more ecological 5L Spa Reine Eco Pack format. The Bru brand has also strengthened its positions by continuing to expand its presence in Belgian hotels, restaurants and cafés, and in gourmet restaurants in particular

Sales in **France** rose by almost 7%. Wattwiller's sales are growing by around 1% compared with 2022, in a still mineral water category that is down by 2,6%. Sales of the brand were boosted by the new 5L Fontaine Eco Pack, available exclusively at Système U stores, and by the relaunch of its sparkling range, combined with distribution gains. Carola also continued to grow, with sales up almost 14% on the previous year. The brand has further strengthened its reputation and penetration thanks to its local presence and strong commitment to the region. It has strengthened its market share in eastern France. Sales were also boosted by a great performance by the flavoured water range.

In **Bulgaria**, Devin continued to grow at an above-average rate in its category, strengthening its market share and its position as undisputed leader. The Bulgarian subsidiary recorded a remarkable increase in sales of over 16%. This performance was underpinned by effective sales execution across the various distribution channels, making the product available at anytime and anywhere, and by an appropriate packaging strategy. Sales also benefited from the recent extension of the product portfolio and the emphasis placed on developing the 'Devin Mineral and Vitamins' range, based on mineral water enriched with vitamins and microelements, and the 'Devin Air' range.

2.2 Operating profit

Operating profit (EBIT) is up by a remarkable 65,2% to 34,2 million euros, compared with 20,7 million euros in 2022.

This increase in operating profit, despite inflationary pressures weighing heavily on the costs of energy, transport, wages, etc., is mainly the result of the rise in sales sustained by growth in volumes and by our commercial policy aimed at reinforcing value and restoring our margins.

The result was also boosted by an efficiency and savings plan targeting all our costs, both operational and commercial.

Operating profit for 2022 was also affected by restructuring costs totaling 2,7 million euros. Taking this non-recurring item into account, recurring operating income was up 46,1% on last year.

Operating cash flow (EBITDA) at the end of 2023 will be 56,9 million euros, compared with 42,4 million euros in 2022 (up 34,1%).

2.3 Financial results

Financial income amounted to 2,5 million euros, up on 2022 (0,2 million euros).

Financial expenses were 2,2 million euros, down on the previous year (3,2 million euros), which was impacted by a write-down recorded on financial investments.

Financial expenses were also impacted by a write-down of 1,5 million euros to fully write off the value of the equity stake in Contaynor SRL, as well as the convertible loans granted, following the latter's declaration of bankruptcy.

2.4 Taxes

The tax charge for the year was 6,3 million euros, up on 2022 (4,4 million euros) as a result of the growth in profit before tax.

2.5 Net income

The Group ended the year with a net profit of 28,2 million euros, compared with 12,8 million euros the previous year.

3. INVESTMENTS

Investments in tangible and intangible fixed assets by the Spadel Group in 2023 amounted to 21,3 million euros, compared with 17,1 million euros in 2022.

Investments mainly concern:

- Investments linked to the new design of PET bottles, the extension of solar panels, investments linked to the new attached cap, work on tank renovation, work on collection chambers, the purchase of glass bottles, etc. at the Spa site.
- Equipment for bottling lines, work on production halls and warehouses to keep pace with growth, the purchase of refrigerators for points of sale, the purchase of dispensers and cans for the HOD business, and the acquisition of vehicles in Bulgaria.
- The fitting out of new office space, the implementation of a new Customer Relationship Management application and IT hardware and software for Spadel SA.
- The installation of a new combi block (PET line), the purchase of glass bottles and crates, electrical equipment and a compressor at the Ribeauvillé site.
- Wastewater treatment equipment, a new compressor, investments linked to the new 'Bag in Box' format, as well as the new 1L sparkling bottles format at the Wattwiller site.
- The purchase of glass bottles and crates, and the replacement of pipes at the Bru site.

4. BALANCESHEET

At 31 December 2023, shareholders' equity, valued in accordance with IFRS, amounted to 279,1 million euros, compared with 257,8 million euros at the end of 2022. Equity covers 118,8% of non-current assets.

The solvency ratio, which is the ratio of shareholders' equity to total liabilities, is 65,5%.

Operating activities generated cash of 58,2 million euros in 2023, compared with 40,9 million euros the previous year. After financing working capital requirements and investing and financing activities, the net cash generated by the Group in 2023 amounted to 31,1 million euros.

The Group therefore closes 2023 with a cash position of 114,1 million euros and no financial debt.

5. DIVIDEND

The Board of Directors will propose a gross dividend of 2,20 euros per share (1,54 euros net) to the Annual General Meeting. This gross dividend is 46,7% higher than that distributed last year.

6. OUTLOOK

The growth in operating profit achieved in 2023 reflects both the solid commercial performance of our brands and the various measures taken to reduce our cost structure and restore our margins.

However, the Group remains attentive to developments in the bottled water market, which was under pressure in 2023, to inflation, which remains high, and to the increase in fiscal pressure due in particular to new 'litter' taxes, the impact of which will be extremely significant in Belgium, and to new penalties applicable in France to plastic packaging.

With a financial structure that has been strengthened over the past year and solid fundamentals, the Group aims to continue its growth, particularly through new products. In this respect, 2024 will be marked by (i) the launch of a new range of natural, less sweetened energy drinks under the 'Zyla' brand, available on the Belgian market in three varieties: Vitality, Focus and Boost and (ii) the strengthening of the 'Devin Mineral and Vitamins' range in Bulgaria.

As a leader in the mineral water market, the Group is continuing its efforts and investments to offer consumers ever more innovative products, focused on health, hydration, naturalness and sustainability. This focus on our social and environmental impact in favour of a more circular and inclusive economy also demonstrates our capacity for innovation.

7. SHAREHOLDER CALENDAR:

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|-------------------------------------------------------------------------------|----------------|
| - Annual report (website www.spadel.com) | 19 April 2024 |
| - General Meeting of Shareholders | 28 May 2024 |
| - Dividend payable (coupon no. 25) | 5 June 2024 |
| - Publication of half-yearly results 2023 | 29 August 2024 |

SPADEL IN BRIEF

- Brands marketed: SPA, BRU, WATTWILLER, CAROLA, DEVIN.
- Five production sites: SPA MONOPOLE, BRU-CHEVRON, LES GRANDES SOURCES DE WATTWILLER (France), LA S.A. EAUX MINERALES DE RIBEAUVILLE (France) and DEVIN (Bulgaria).
- Consolidated sales 2023: 345,9 million euros.
- Staff employed at 31 December 2023: 1310 people.
- Operating profit (EBIT) 2023: 34,2 million euros.
- Net profit 2023: 28,2 million euros.

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