Half-year results 2019/20 (1 April 2019 – 30 September 2019)

21 November 2019

Revenue up 2.5% with a stable EBIT margin and net profit up 8%

Highlights first half year 2019/20

- **Revenue came in at € 46.3 million, up 2.5% compared to last year. At constant currencies revenue was flat compared to last year**
- **The global brands reported revenue growth of 3.5%, while revenue at the regional brands slightly decreased compared to last year (-1.1%)**
- **Both Asia-Pacific (+7.9%), mainly China, and Emerging Markets (+10.1%) showed strong revenue growth. Revenue in North America (-1.7%) was down on high comparable numbers, while the in-market depletions in the US continued to grow. Revenue in Western Europe was up slightly (+0.8%) despite the difficult retail market in France**
- **The gross margin increased by 30 bps to 58.5%, driven by higher gross margins of the global brands**
- **EBIT increased by 2.6% to € 13.3 million, with a stable EBIT margin. Investments in the brands were higher while currencies had a positive impact of € 0.7 million**
- **Net profit came in at € 8.5 million, up 8.1% compared to last year**
- **The operating free cash flow improved by 35.8% to € 8.9 million**
- **The interim dividend has been set at € 0.35 per share in cash**

Huub van Doorne, CEO Lucas Bols: *"We have delivered a solid performance both in terms of revenue and net profit in a more challenging global market environment. In a number of markets we performed well in the first half of the year, particularly in the Emerging Markets and Asia, driven by China where growth continued to accelerate both in volume and pricing. In North America we see continued underlying growth in the US market, although revenue for the first half of the year does not reflect this as we had high shipments on the back of the launch of Nuvo and the further roll-out of Passoã in the US last year. Our core brand Bols Liqueurs performed well with mid-single digit revenue growth in a dynamic global cocktail market. We continued to invest in our brands while keeping the EBIT margin at a stable level of 28.6% supported by currency benefits. The operating free cash flow improved by 36% to € 8.9 million. We are pleased to offer an interim dividend of € 0.35 per share."*

(in € million unless otherwise stated, for the half year ended)	30 September 2019	30 September 2018	% change reported	% change organic[1]
Revenue	46.3	45.2	2.5%	0.0%
Gross margin	58.5%	58.3%	+30 bps	- 30 bps
EBIT[2]	13.3	12.9	2.6%	-5.2%
EBIT margin	28.6%	28.6%	0 bps	-160 bps
Net profit	8.5	7.9	8.1%	
Operating free cash flow[3]	8.9	6.5	35.8%	
Earnings per share (in €)	0.68	0.63	8.1%	
Interim dividend per share (in €)	0.35	0.35		

[1] at constant currencies and excluding one-off items (€ 0.3 million restructuring costs at Avandis in H1 2018/19)
[2] EBIT is defined as operating profit plus share of profit of joint ventures
[3] Operating free cash flow is defined as net cash from operating activities minus CAPEX

Financial review

Revenue
Lucas Bols' revenue for the first half of the financial year amounted to € 46.3 million, up 2.5% on the first half of last year (€ 45.2 million). The effect of currencies on revenue was € 1.1 million positive.

The global brands segment showed an improvement in revenue of 3.5% (+0.6% at constant currencies), with a strong performance in the Emerging Markets and Asia-Pacific regions being partially offset by the decline in North America against high comparable figures. The revenue decline of the regional brands narrowed to 1.1% (-1.9% at constant currencies) due to the strong recovery of Africa compared to the first half of last year.

Gross profit
Gross profit for the first half of 2019/20 increased by 3.0% to € 27.1 million compared to last year (H1 2018/19: € 26.3 million). The gross margin increased slightly to 58.5% (58.3% in H1 2018/19). The positive gross margin development of the global brands, driven especially by North America, China and currencies, more than compensated for the negative impact of approximately € 0.3 million relating to higher production costs at Avandis. This increase in production costs is mainly the result of significant investments following environmental requirements that cannot yet be compensated by efficiency benefits.

EBIT
EBIT for the first half of 2019/20 came in at € 13.3 million, up 2.6% on the same period last year. Currencies had a positive impact of € 0.7 million. Advertising & Promotion (A&P) increased to 8.3% of revenue compared to 7.8% year ago as Lucas Bols continues to invest in the brands. Furthermore, depreciation was higher than last year following the renovation of our headquarters. Last year's EBIT included one-off costs of € 0.3 million for the restructuring of Avandis. The reported EBIT margin came in at 28.6%, in line with last year.

Developments in the Lucas Bols brand portfolio

Global brands
Our portfolio of global brands consists of Bols Liqueurs, Bols Genever, Bols Vodka, Damrak Gin, Passoã, Nuvo and our Italian liqueurs Galliano and Vaccari Sambuca.

(in € million unless otherwise stated, for the half year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	36.4	35.2	3.5%	0.6%
Gross profit	22.7	21.5	5.4%	1.4%
Gross margin	*62.3%*	*61.2%*	*+110 bps*	*+50 bps*
EBIT	16.9	16.0	5.8%	0.1%
EBIT margin	*46.5%*	*45.5%*	*+100 bps*	*-20 bps*

* at constant currencies and excluding one-off items (€ 0.1 million restructuring costs at Avandis in H1 2018/19)

Revenue of the global brands for the first half of 2019/20 amounted to € 36.4 million, a 3.5% increase compared to € 35.2 million in the same period in 2018/19. At constant currencies the global brands were up 0.6%.

- Bols Liqueurs posted mid-single digit revenue growth. The strong performance in China continued both in terms of volume and pricing and the Liqueurs range also performed well in Eastern Europe. In the US Bols Liqueurs saw modest growth in a stable market.
- Revenue of Passoã was in line with the year-ago period. The brand continued to grow in many markets, particularly in the Netherlands, the US and Asia-Pacific. The challenging retail environment in France, however, negatively impacted Passoã.
- The white spirits segment showed an overall stable performance, with continued growth for Damrak Gin in both the US and the Netherlands, while we continue to support Bols Genever with the roll-out of the Red Light Negroni concept.
- Revenue of the Italian liqueurs was below last year. Galliano was impacted by lower shipments in Australia, while underlying depletions were in line with last year. Shipments of Vaccari were down as we intentionally decreased shipments to some trading customers.
- The Nuvo brand faced high comparable numbers as the brand was launched in the first half of last year. The depletions in the US show a growing trend.

Western Europe achieved low single-digit growth despite challenges in markets such as France and Belgium. New legislation for retail promotions in France (Egalim law) is negatively impacting the market, which is most noticeable in the Passoã shipments. These developments were offset by growth in a number of other markets like Scandinavia, Italy and the Netherlands.

Asia-Pacific was up overall, driven by a continued acceleration of growth in China, where the Bols Liqueurs range is further expanding its strong leadership position. The increase is not only volume-driven also margins are increasing. Helped by a positive currency impact, Japan showed an increase in revenue and the underlying depletion trend also improved. Australia reported lower shipments, while the underlying depletions were stable.

In North America we see an improved performance in Canada where the change in distributor is already paying off. Reported revenue in the US was at the same level as last year, while on an organic basis revenue declined due to high shipments last year with the launch of Nuvo and the further roll-out of Passoã, along with a reduction of shipments to traders. The in-market depletions in the US continued to grow. Puerto Rico reported a revenue decline in the first half because of the phasing of shipments, while depletions are positive.

Revenue of the global brands in Emerging Markets showed good growth. Both Eastern Europe and South America are posting good growth. In the Africa region we introduced Bols Liqueurs and Bols Vodka in Nigeria, both of which had a promising start.

Gross profit of the global brands came in at € 22.7 million, up 5.4% compared to last year (at constant currencies +1.4%). The gross margin was up 110 bps to 62.3%, driven by a positive product mix and positive currency impact. EBIT came in at € 16.9 million, an increase of 5.8% compared to the first half of 2018/19 (€ 16.0 million). Currencies had a positive impact of € 0.8 million.

Regional brands
Our regional brand portfolio contains the portfolio of Dutch Genevers and Vieux (which enjoy market leadership in the Dutch market), the Pisang Ambon and Coebergh brands as well as a broader range of products that are sold on one continent or in a specific country, such as the Henkes brand in Africa and Regnier Crème de Cassis in Japan.

(in € million unless otherwise stated, for the half year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	9.9	10.1	-1.1%	-1.9%
Gross profit	4.5	4.8	-7.5%	-9.2%
Gross margin	*44.9%*	*48.0%*	*-310 bps*	*-360 bps*
EBIT	4.3	4.4	-1.3%	-6.8%
EBIT margin	*43.5%*	*43.6%*	*-10 bps*	*-230 bps*

* at constant currencies and excluding one-off items (€ 0.2 million restructuring costs at Avandis in H1 2018/19)

Revenue of the regional brands for the first half of 2019/20 amounted to € 9.9 million, a small decline of 1.1% compared to the first half of 2018/19. Revenue of the domestic jenever/vieux portfolio continued to decrease in the first half of the year as a result of the declining market, albeit less than last year. The Bols and Bokma brands are benefiting from the promotional activities in the Dutch market. The Henkes brand in Western Africa achieved strong growth against low comparable figures last year. Furthermore, we successfully produced and delivered the number 100 KLM Delft Blue miniature house.

Gross profit decreased to € 4.5 million from € 4.8 million in the first half of 2018/19 as a result of higher promotional costs in the Dutch market and higher production costs. Reported EBIT for the regional brands was down 1.3%, with a stable EBIT margin of 43.5%. EBIT in the first half of 2018/19 included one-off restructuring costs of € 0.2 million relating to Avandis.

Finance costs
Finance costs improved slightly to € 1.7 million (H1 2018/19: € 1.8 million), in line with the more favourable terms of the new financing facility and lower net debt.

Taxes
The effective tax rate was approximately 26% for the first half of 2019/20 (H1 2018/19: 29%), which is higher than the Dutch nominal tax rate as profits of Passoã are taxed at a higher rate in France. As a consequence of recent

tax law changes in the Netherlands the one-off tax benefit recognised in the second half of 2018/19 (€ 5.3 million) will partially be reversed, which will be reflected in a non-cash one-off tax loss of € 1.2 million in the second half of the year.

Profit for the period
Net profit came in 8.1% higher at € 8.5 million in the first half of the year (H1 2018/19: € 7.9 million). Net profit per share increased to € 0.68 compared to € 0.63 in H1 2018/19.

Cash flow
The operating free cash flow improved 35.8% compared to last year, amounting to € 8.9 million in the first half of 2019/20 (H1 2018/19: € 6.5 million). A € 3.1 million final cash dividend payment to shareholders was recognised in the cash flow from financing activities, in line with the cash dividend last year.

Financial position

Equity
Equity increased by € 4.7 million to € 196.9 million, largely as a result of the recorded net profit of € 8.5 million and the distribution of the final dividend of € 3.1 million.

Net debt
Net debt decreased by € 0.7 million to € 48.1 million at 30 September 2019 (31 March 2019: € 48.8 million). The net debt to EBITDA ratio was 3.3 at 30 September 2019 (3.4 at 31 March 2019).

In December 2016, as part of the Passoã transaction, the company assumed a debt related to the exercise of the call/put option with a net present value of € 69.9 million as of 30 September 2019. The total net debt of the company, including assumed debt and the accumulated cash within the Passoã entity, was reduced to € 100.0 million at 30 September 2019 (€ 103.6 million at 31 March 2019). The total net debt to EBITDA ratio was 4.6 at 30 September 2019 (4.8 at 31 March 2019). Covenants based on this ratio will only be applicable at the first, semi-annual, testing date after the conclusion of the Passoã transaction, and the ratio will include the envisaged debt reduction utilising future cash flows until that date.

Passoã transaction
As previously communicated, the Passoã transaction will not be exercised before 1 December 2020. The financing is secured. The cash accumulated within the Passoã entity amounted to € 18 million at 30 September 2019. In addition, our financing facility includes a € 50 million acquisition facility specifically earmarked for the Passoã transaction. Furthermore, the agreed flat leverage covenant of 4.0x net debt/adjusted EBITDA can be increased to 4.5x for two consecutive testing periods in support of transactions.

Dividend
An interim dividend of € 0.35 per share in cash has been set for 2019/20 (2018/19 interim dividend: € 0.35). The dividend will be made payable on 2 December 2019.

Outlook
Despite continued geopolitical uncertainty and volatility, the underlying market dynamics in the global cocktail market remain healthy. At the moment our products are not affected by the recent US import tariffs on certain European spirit categories.

For the 2019/20 financial year we anticipate a temporary slowdown in the growth of the global brands due to the current retail challenges in France and the high comparable basis in the second half of the year in the US and the UK (related to Brexit). We remain fully committed to our medium term objective of an average annual revenue growth of 3-4% for the global brands.

In the current financial year we expect limited upward pressure on our raw material costs, while the higher production costs at Avandis will continue in the second half of the 2019/20 financial year. Premiumisation and revenue management initiatives are ongoing while we continue to prudently manage the indirect cost base.

Taking into account the foreign currency position already hedged and assuming the current level of the euro, foreign currencies are expected to have a positive impact of around € 1.1 million on EBIT for the full 2019/20 financial year.

Overall, based on the above, we expect reported profit before tax for the full year 2019/20 to be above last year.

We expect the full-year operating free cash flow to increase significantly compared to last year and to return to normal levels. The effective tax rate for the 2019/20 financial year is expected to be in line with last year.

For further information

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About Lucas Bols

Lucas Bols is the world's oldest distilled spirits brand and one of the oldest Dutch companies still in business. Building on its more than 440-year-old heritage dating back to 1575, the company has mastered the art of distilling, mixing and blending liqueurs, genever, gin and vodka. Lucas Bols owns a portfolio of more than 20 premium and super premium brands of different spirits used in cocktail bars worldwide. Its products are sold in more than 110 countries around the world. Lucas Bols has been listed on Euronext Amsterdam (BOLS) since 4 February 2015.

Lucas Bols holds the number one position in liqueur ranges worldwide (outside the USA) and is the world's largest player in the genever segment. Many of Lucas Bols' other products have market or category-leading positions. Furthermore, Lucas Bols is a leading player in the bartending community. Through the House of Bols Cocktail & Genever Experience and Europe's largest bartending school, the Bols Bartending Academy, the company provides inspiration and education to both bartenders and consumers.

Financial calendar

28 May 2020	Publication of 2019/20 full-year results
9 July 2020	Annual General Meeting of Shareholders

Interim dividend

25 November 2019	Ex-dividend date
26 November 2019	Record date
2 December 2019	Payment of interim dividend

Annexes

1. Brand information
2. Segment information
3. Interim condensed consolidated report for H1 2019/20

Brand information

Global brands

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	36.4	35.2	3.5%	0.6%
Gross profit *Gross margin*	22.7 *62.3%*	21.5 *61.2%*	5.4% *+110 bps*	1.4% *+50 bps*
D&A expenses *% of revenue*	5.8 *16.0%*	5.4 *15.4%*	7.3% *+60 bps*	5.6% *+80 bps*
EBIT *EBIT margin*	16.9 *46.5%*	16.0 *45.5%*	5.8% *+100 bps*	0.1% *-20 bps*

Regional brands

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	9.9	10.1	-1.1%	-1.9%
Gross profit *Gross margin*	4.5 *44.9%*	4.8 *48.0%*	-7.5% *-310 bps*	-9.2% *-360 bps*
D&A expenses *% of revenue*	0.4 *4.3%*	0.5 *4.7%*	-8.2% *-30 bps*	-8.1% *-30 bps*
EBIT *EBIT margin*	4.3 *43.5%*	4.4 *43.6%*	-1.3% *-10 bps*	-6.8% *-230 bps*

Total

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	46.3	45.2	2.5%	0.0%
Gross profit *Gross margin*	27.1 *58.5%*	26.3 *58.3%*	3.0% *+30bps*	-0.5% *-30bps*
D&A expenses (allocated) *% of revenue*	6.2 *13.5%*	5.9 *13.0%*	6.0% *+40 bps*	4.5% *+60 bps*
D&A expenses (unallocated) *Overhead (excl. depreciation) % of revenue*	8.0 *15.4%*	7.4 *15.0%*	7.1% *+40 bps*	5.7% *+60 bps*
EBIT *EBIT margin*	13.3 *28.6%*	12.9 *28.6%*	2.6% *0 bps*	-5.2% *-160bps*

***** at constant currencies and excluding one-off items

Segment information

Western Europe

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	24.1	23.9	0.8%	0.7%
% of total revenue	*51.9%*	*52.8%*		
Gross profit	13.5	13.5	-0.3%	-0.4%
% of total gross profit	*49.8%*	*51.4%*		
Gross margin	56.1%	56.7%	-60 bps	-60 bps

Asia-Pacific

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	8.6	7.9	7.9%	3.0%
% of total revenue	*18.5%*	*17.5%*		
Gross profit	6.0	5.6	8.7%	1.7%
% of total gross profit	*22.3%*	*21.1%*		
Gross margin	70.8%	70.2%	+50 bps	-90 bps

North America

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	8.6	8.7	-1.7%	-8.0%
% of total revenue	*18.5%*	*19.3%*		
Gross profit	4.7	4.7	0.9%	-7.2%
% of total gross profit	*17.4%*	*17.7%*		
Gross margin	55.0%	53.5%	+150 bps	+50 bps

Emerging Markets

(in € million unless otherwise stated, for the year ended)	**30 September 2019**	**30 September 2018**	**% change reported**	**% change organic***
Revenue	5.1	4.7	10.1%	6.8%
% of total revenue	*11.1%*	*10.3%*		
Gross profit	2.9	2.6	11.8%	5.9%
% of total gross profit	*10.6%*	*9.7%*		
Gross margin	55.6%	54.8%	+90 bps	-50 bps

* at constant currencies

Interim condensed consolidated financial information
for the six-month period ended 30 September 2019

Interim condensed consolidated statement of profit or loss

for the six-month period ended 30 September 2019 and 2018

Amounts in EUR '000 for the six-month period ended 30 September	Note	2019	2018
Revenue	4	**46,334**	**45,208**
Cost of sales		(19,206)	(18,873)
Gross profit		**27,128**	**26,335**
Distribution and administrative expenses	6	(14,217)	(13,331)
Operating profit		**12,911**	**13,004**
Share of profit of joint ventures, net of tax	7	355	(81)
Finance income		206	46
Finance costs		(1,873)	(1,816)
Net finance costs	8	**(1,667)**	**(1,770)**
Profit before tax		**11,599**	**11,153**
Income tax expense	10	(3,063)	(3,262)
Result for the period		**8,536**	**7,891**
Result attributable to the owners of the Company		**8,536**	**7,891**
Weighted average number of shares	9	12,477,298	12,477,298
Earnings per share			
Basic earnings per share (EUR)		0.68	0.63
Diluted earnings per share (EUR)		0.68	0.63

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of other comprehensive income

for the six-month period ended 30 September 2019 and 2018

Amounts in EUR '000 for the six-month period ended 30 September	Note	2019	2018
Result for the period		**8,536**	**7,891**
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability		(121)	21
Related tax		30	(5)
Equity-accounted investees - share of other comprehensive income		(68)	45
		(159)	**61**
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		(22)	54
Equity-accounted investees - share of other comprehensive income		46	(50)
Net change in hedging reserve		(757)	95
Related tax		189	(24)
		(544)	**75**
Other comprehensive income for the period, net of tax		**(703)**	**136**
Total comprehensive income for the period, net of tax		**7,833**	**8,027**
Total comprehensive income attributable to the owners of the Company		**7,833**	**8,027**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of changes in equity

for the six-month period ended 30 September 2019 and 2018

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2019		**1,248**	**129,695**	**-**	**(163)**	**(754)**	**11,790**	**38,840**	**11,498**	**192,154**
Transfer result prior period		-	-	-	-	-	-	11,498	(11,498)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	8,536	**8,536**
Other comprehensive income		-	-	-	24	(568)	-	(159)	-	**(703)**
Total comprehensive income		**-**	**-**	**-**	**24**	**(568)**	**-**	**(159)**	**8,536**	**7,833**
Dividend paid		-	-	-	-	-	-	(3,119)	-	**(3,119)**
Purchase own shares (ESPP)	16	-	-	2	-	-	-	-	-	**2**
Own shares delivered (ESPP)	16	-	-	(2)	-	-	-	-	-	**(2)**
Changes in estimates of costs related to the issuance of shares		-	-	-	-	-	-	-	-	**0**
Transfer to Other legal reserves [1]		-	-	-	-	-	3,022	10	(3,032)	-
Balance as at 30 September 2019		**1,248**	**129,695**	**0**	**(139)**	**(1,322)**	**14,812**	**47,070**	**5,504**	**196,868**

Note 1: Transfer from Retained earnings to Other legal reserves comprises the transfer of undistributed profits from the jointly owned entity and from joint ventures

Amounts in EUR '000	Note	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the period	Total equity
Balance as at 1 April 2018		**1,248**	**130,070**	**-**	**(273)**	**(484)**	**6,742**	**31,091**	**15,181**	**183,575**
Transfer result prior period		-	-	-	-	-	-	15,181	(15,181)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	7,891	**7,891**
Other comprehensive income		-	-	-	4	71	-	61	-	**136**
Total comprehensive income		**-**	**-**	**-**	**4**	**71**	**-**	**61**	**7,891**	**8,027**
Dividend paid		-	-	-	-	-	-	(3,119)	-	**(3,119)**
Purchase own shares (ESPP)	16	-	-	10	-	-	-	-	-	**10**
Own shares delivered (ESPP)	16	-	-	(10)	-	-	-	-	-	**(10)**
Changes in estimates of costs related to the issuance of shares		-	(375)	-	-	-	-	-	-	**(375)**
Transfer to Other legal reserves and Retained earnings [2]		-	-	-	-	-	3,060	(29)	(3,031)	-
Balance as at 30 September 2018		**1,248**	**129,695**	**0**	**(269)**	**(413)**	**9,802**	**43,185**	**4,860**	**188,108**

Note 2: Transfer to Other legal reserves and Retained earnings comprises the transfer of undistributed profits from the jointly owned entity to Other legal reserves and the transfer of distributed profits from joint ventures to Retained earnings

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of financial position

as at 30 September 2019 and 31 March 2019

Amounts in EUR '000 as at	Note	30 September 2019	31 March 2019
Assets			
Property, plant and equipment	11	10,058	10,371
Intangible assets	12	306,813	306,836
Investments in joint ventures	7	7,571	7,590
Other investments		599	599
Non-current assets		**325,041**	**325,396**
Inventories		8,281	10,879
Trade and other receivables		27,141	23,328
Other investments, including derivatives		24	-
Cash and cash equivalents		33,837	21,221
Current assets		**69,283**	**55,429**
Total assets		**394,324**	**380,825**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of financial position (continued)

Amounts in EUR '000 as at	Note	30 September 2019	31 March 2019
Equity			
Share capital		1,248	1,248
Share premium		129,695	129,695
Treasury shares		-	-
Translation Reserve		(139)	(163)
Hedging Reserve		(1,322)	(754)
Other legal reserves		14,812	11,790
Retained earnings		47,070	38,840
Result for the period		5,504	11,498
Total equity		**196,868**	**192,154**
Liabilities			
Loans and borrowings	13	49,675	47,636
Other non-current financial liabilities	15	78,278	76,449
Employee benefits		483	334
Deferred tax liabilities		41,275	39,975
Total non-current liabilities		**169,711**	**164,394**
Loans and borrowings	13	13,976	7,551
Trade and other payables		13,206	15,661
Corporate income tax payable		192	-
Other current financial liabilities, including derivatives	15	370	1,065
Total current liabilities		**27,745**	**24,277**
Total liabilities		**197,456**	**188,671**
Total equity and liabilities		**394,324**	**380,825**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Interim condensed consolidated statement of cash flows

for the six-month period ended 30 September 2019 and 2018

Amounts in EUR '000 for the six-month period ended 30 September	Note	2019	2018
Cash flows from operating activities			
Result for the period		**8,536**	**7,891**
Adjustments for:			
• Depreciation		830	664
• Net finance costs	8	1,667	1,770
• Share of profit joint ventures		(355)	81
• Income tax expense		3,063	3,262
• Provision for employee benefits		28	34
		13,769	**13,702**
Change in:			
• Inventories		2,604	1,008
• Trade and other receivables		(4,295)	(4,045)
• Trade and other payables		(2,353)	(712)
Net changes in working capital	14	**(4,044)**	**(3,749)**
Dividends from joint ventures		450	450
Interest received		99	43
Income tax paid		(1,039)	(3,088)
Net cash from operating activities		**9,235**	**7,358**

Interim condensed consolidated statement of cash flows (continued)

Amounts in EUR '000 for the six-month period ended 30 September	Note	2019	2018
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(358)	(822)
Acquisition of intangible assets		(19)	
Net cash from (used in) investing activities		**(377)**	**(822)**
Cash flows from financing activities			
Proceeds from loans and borrowings		2,000	1,000
Repayment of loans and borrowings		-	(4,017)
Cash dividends paid to shareholders		(3,119)	(3,119)
Payments made in lease contracts		(423)	(392)
Interest paid		(1,110)	(848)
Net cash from (used in) financing activities		**(2,652)**	**(7,376)**
Net increase (decrease) in cash and cash equivalents		**6,206**	**(840)**
Cash and cash equivalents as at 1 April		13,670	12,380
Effect of exchange rate fluctuations		(15)	55
Net cash and cash equivalents as at 30 September		**19,861**	**11,595**
Cash and cash equivalents (asset)		33,837	12,203
Less: bank overdrafts included in current loans and borrowings		(13,976)	(608)
Net cash and cash equivalents as at 30 September		**19,861**	**11,595**

The notes on page 9 to 19 are an integral part of this interim condensed consolidated financial information

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 September 2019 and 2018

1. Reporting entity

Lucas Bols N.V. (the ‘Company’) is domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, Amsterdam. The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 September 2019 comprise the Company and its subsidiaries (together referred to as the ‘Group’) and the Group's interest in jointly controlled entities.

Lucas Bols N.V. is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Galliano, Vaccari, Pisang Ambon, Bokma, Hartevelt, Coebergh, Passoã and a large group of Dutch jenevers and liqueurs.

2. Basis of preparation

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2019. All significant transactions and events have been disclosed in the interim financial statement.

The interim condensed consolidated financial statements were authorised for issue by the Management Board and Supervisory Board on November 20, 2019.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on each reporting date on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value;
- interests in the joint venture are accounted for using the equity method;
- the net defined benefit liability is recognised as the present value of the defined benefit obligation, less the fair value of plan assets.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the valuation techniques as outlined below.
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 12 – financial instruments.

(c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousands, except when otherwise indicated.

(d) Use of estimates and judgements

In preparing these interim condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2019.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of new standards effective as of 1 January 2019. The Group has early adopted IFRS16 in financial year 2018/19. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4. Operating segments

The Group sells products which can be divided in two reportable segments. This segmentation is also the structure in which the brands are managed within the Group, as they require different marketing and sales strategies. Within the Group separate financial information is available internally and used by the main operational decision-makers for resource allocation.

Brand information

The Group identifies global and regional brands:

(I) Global brands

The global brands represent the Group's brands which in general are sold on more than one continent, on which the Group achieves a relatively high margin and which have an on-premise character. The main global brands consist of the Bols Liqueur range, Italian Liqueurs (Galliano and Vaccari), the white spirits portfolio (Bols Vodka, Bols Genever and Damrak Gin) and Passoã.

(II) Regional brands

The regional brands represent the Group's brands which in general are sold on one continent and predominantly have an off-premise character.
The main regional brands are the Group's jenever/vieux portfolio, Pisang Ambon, Coebergh, the Strike brands, Regnier and La Fleurette.

The Group's management reviews internal management reports of each segment. Information regarding the results of each reportable segment is set out on the next pages.

Revenue comprises only revenue from contracts with customers. Allocation to the brand segments takes place on specific brand contribution level. Items managed on a group basis (i.e. overheads, finance and tax items) are not allocated to the segments. Only direct brand allocated assets and liabilities are allocated to the brand segments, all other assets and liabilities are managed on a group basis and not allocated to the segments.

Brand Information (continued)

Amounts in EUR '000 for the six months period ended 30 September	Global brands 2019	Global brands 2018	Regional brands 2019	Regional brands 2018	Unallocated 2019	Unallocated 2018	Total 2019	Total 2018
Revenue	36.387	35.150	9.947	10.058	-	-	46.334	45.208
Cost of sales	(13.722)	(13.642)	(5.484)	(5.231)	-	-	(19.206)	(18.873)
Gross profit	**22.665**	**21.508**	**4.463**	**4.827**	**-**	**-**	**27.128**	**26.335**
A&P and distribution expenses	(5.816)	(5.410)	(431)	(482)	-	-	(6.247)	(5.892)
Personnel and other expenses	-	-	-	-	(7.970)	(7.439)	(7.970)	(7.439)
Total result from operating activities	**16.849**	**16.098**	**4.032**	**4.345**	**(7.970)**	**(7.439)**	**12.911**	**13.004**
Share of profits of joint ventures	62	(107)	293	26	-	-	355	(81)
EBIT [1]	**16.911**	**15.991**	**4.325**	**4.371**	**(7.970)**	**(7.439)**	**13.266**	**12.923**

Amounts in EUR '000 as at	Global brands 30 September 2019	Global brands 30 September 2018	Regional brands 30 September 2019	Regional brands 30 September 2018	Unallocated 30 September 2019	Unallocated 30 September 2018	Total 30 September 2019	Total 30 September 2018
Intangible assets	214.651	214.674	92.162	92.162	-	-	306.813	306.836
Inventories	7.232	6.934	1.049	778	-	3.167	8.281	10.879
Other assets	-	-	-	-	79.230	63.110	79.230	63.110
Total segment assets	**221.883**	**221.608**	**93.211**	**92.940**	**79.230**	**66.277**	**394.324**	**380.825**
Total segment liabilities	**-**	**-**	**-**	**-**	**(197.456)**	**(188.671)**	**(197.456)**	**(188.671)**

[1] EBIT is defined as operating profit plus share of profit of joint ventures

Geographical information

From a geographical perspective, management has identified the following regions on which they manage their business:

Amounts in EUR '000 for the six-month period ended 30 September	Revenue by region of destination 2019	2018	Gross profit 2019	2018
Western Europe *)	24,059	23,877	13,498	13,533
Asia Pacific	8,550	7,925	6,049	5,567
North America **)	8,577	8,729	4,716	4,672
Emerging markets	5,148	4,677	2,865	2,563
Consolidated totals	**46,334**	**45,208**	**27,128**	**26,335**

*) of which revenue attributed to The Netherlands: 8,844 (H1 2019/20) and 8,712 (H1 2018/19)

**) of which revenue attributed to the USA: 7,195 (H1 2019/20) and 7,193 (H1 2018/19)

Regional brands are predominately sold in Western Europe; furthermore they are present also in Emerging Markets and Asia Pacific. Global brands are sold in all regions.

5. Seasonality of operations

The Group's business is to a certain extent affected by seasonality. In full year 2018/19 the Group made 52% of its revenue in the first half year (April - September 2018) as distributors built up their stocks in anticipation of the year-end period. In 2019/2020 there are no significant changes in the supply patterns, thus no impact on this year’s revenue seasonality.

On the expense side the seasonality is reflected in higher advertising and promotional costs in the second half of the year, which traditionally results in a lower share of operating profit in the second half year.

6. Distribution and administrative expenses

Amounts in EUR '000 for the six-month period ended 30 September	2019	2018
Advertising and promotional expenses	(3,846)	(3,536)
Distribution expenses	(2,401)	(2,356)
Personnel expenses	(5,612)	(5,260)
Other administrative expenses	(1,528)	(1,515)
Depreciation and amortisation	(830)	(664)
	(14,217)	**(13,331)**

7. Joint ventures

The movement in investments in joint ventures is related to actuarial result through OCI, dividend received, as well as the half-year result of Maxxium Nederland BV, Avandis BV and BolsKyndal India Private Limited.

8. Net finance costs

Amounts in EUR '000 for the six-month period ended 30 September	2019	2018
Interest income	206	46
Finance income	**206**	**46**
Interest expenses on loans and borrowings	(657)	(781)
Amortization finance fees	(39)	(91)
Interest expense on liability related to the Passoã call/put option	(588)	(579)
Interest expense on lease liability	(68)	(90)
Other finance costs	(521)	(366)
Finance costs	**(1,873)**	**(1,816)**
Net finance costs recognised in profit or loss	**(1,667)**	**(1,770)**

9. Earnings per share

Total weighted average number of shares has not changed compared to the number in the consolidated financial statements as at and for the year ended 31 March 2019.

10. Tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2019 was 26.4% (six months ended 30 September 2018: 29.2%). The percentage of the effective tax rate for the six months ended 30 September 2019 versus the official tax rate in the Netherlands of 25% was caused predominantly by the effect of Passoã SAS profits against a higher tax rate (see table).

Reconciliation of effective tax rate

For the six-month period ended 30 September	2019		2018	
	%	EUR 1,000	%	EUR 1,000
Profit before tax		11,599		11,153
Tax using the Company's domestic tax rate	25.0	(2,900)	25.0	(2,788)
Effect of tax rates in foreign jurisdictions	3.0	(350)	4.3	(484)
Non-deductible expenses	0.0	(3)	0.3	(28)
Effect of share of profits of equity-accounted investees	(0.8)	89	0.2	(20)
Changes in estimates related to prior years	(0.2)	18	0.4	(46)
R&D tax incentive	(0.7)	83	(0.9)	105
	26.3	**(3,063)**	**29.2**	**(3,262)**

Deferred tax liabilities

The deferred tax liabilities of EUR 41,275 thousand as at 30 September 2019 are a netted amount (EUR 39,775 thousand as at 31 March 2019). It is the net balance of deferred tax assets of EUR 2,135 thousand (EUR 3,254 thousand as at 31 March 2019) and deferred tax liabilities of EUR 43,410 thousand (EUR 43,229 thousand as at 31 March 2019).

11. Property, plant and equipment

During the six months ended 30 September 2019, the Group acquired assets with a cost of EUR 358 thousand (the six months ended 30 September 2018: EUR 822 thousand).
Upon application of IFRS 16 as of financial year 2018/19 the Group recognized right-of-use assets for its operating leases of real estate and office equipment. IFRS 16 requires lessees to bring most leases on balance sheet in a single lease accounting model, recognizing a right of use asset and a lease liability. The balance as at 30 September 2019 is EUR 6,793 thousand (EUR 7,051 thousand as at 31 March 2019).

12. Intangible assets

Each year the Company carries out a formal impairment test at the end of its financial year. For the six-month period ended 30 September 2019 no impairment test has been performed as the operations during the six-month period ended 30 September 2019 are in line with assumptions as used in last year's impairment test which is performed at 31 March 2019. Management did not identify a triggering event at 30 September 2019 and 30 September 2018 that indicated that an asset may be impaired. As such, no additional impairment test was conducted per 30 September 2019.

13. Loans and borrowings

The Group has drawn EUR 30.0 million term loans and EUR 20.0 million revolving credit facilities under the existing bank facilities. For bank covenants, the leverage ratio is 3.34 and the requirement is below 4. There is a slight increase in overdraft due to seasonality compared with 31 March 2019. The agreed flat leverage covenant of 4.0x net debt/adjusted EBITDA can be increased to 4.5x for two consecutive testing periods in support of acquisition transactions.The interest cover ratio is 7.42 and the requirement is above 4.

14. Net working capital

The increase in working capital for the six-month period ended 30 September 2019 and 2018 is caused by seasonality.

15. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 September 2019 Amounts in EUR `000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used for hedging	24	-	-	24	-	24	-	24
	24	**-**	**-**	**24**	**-**	**24**	**-**	**24**
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Trade and other receivables	-	27.141	-	27.141	-	27.141	-	27.141
Cash and cash equivalents	-	33.837		33.837	-	33.837	-	33.837
	-	**61.577**	**-**	**61.577**	**-**	**61.577**	**-**	**61.577**
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(1.640)	-	-	(1.640)	-	(1.640)	-	(1.640)
Forward exchange contracts used for hedging	(147)	-	-	(147)	-	(147)	-	(147)
	(1.787)	**-**	**-**	**(1.787)**	**-**	**(1.787)**	**-**	**(1.787)**
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(49.675)	(49.675)	-	(49.675)	-	(49.675)
Assumed liability Passoã call/put option	-	-	(69.907)	(69.907)	-	(69.907)	-	(69.907)
Lease liabilities (non-current)	-	-	(6.196)	(6.196)	-	(6.196)	-	(6.196)
Lease liabilities (current)	-	-	(757)	(757)	-	(757)	-	(757)
Bank overdrafts	-	-	(13.976)	(13.976)	-	(13.976)	-	(13.976)
Trade and other payables	-	-	(13.207)	(13.207)	-	(13.207)	-	(13.207)
Corporate income tax payable	-	-	(192)	(192)	-	(192)	-	(192)
	-	**-**	**(153.910)**	**(153.910)**	**-**	**(153.910)**	**-**	**(153.910)**

31 March 2019 Amounts in EUR `000	Fair value – hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used for hedging	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Loan to joint venture Avandis CV	-	599	-	599	-	599	-	599
Trade and other receivables	-	23.328	-	23.328	-	23.328	-	23.328
Cash and cash equivalents	-	21.221		21.221	-	21.221	-	21.221
	-	**45.148**	-	**45.148**	-	**45.148**	-	**45.148**
Financial liabilities measured at fair value								
Interest rate swaps used for hedging	(917)	-	-	(917)	-	(917)	-	(917)
Forward exchange contracts used for hedging	(88)	-	-	(88)	-	(88)	-	(88)
	(1.005)	-	-	**(1.005)**	-	**(1.005)**	-	**(1.005)**
Financial liabilities not measured at fair value								
Secured bank loans	-	-	(47.636)	(47.636)	-	(47.636)	-	(47.636)
Assumed liability Passoã call/put option	-	-	(69.319)	(69.319)	-	(69.319)	-	(69.319)
Lease liabilities (non-current)	-	-	(6.554)	(6.554)	-	(6.554)	-	(6.554)
Lease liabilities (current)	-	-	(636)	(636)	-	(636)	-	(636)
Bank overdrafts	-	-	(7.551)	(7.551)	-	(7.551)	-	(7.551)
Trade and other payables	-	-	(15.661)	(15.661)		(15.661)	-	(15.661)
	-	-	**(147.357)**	**(147.357)**	-	**(147.357)**	-	**(147.357)**

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 September 2019 and 30 September 2018, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Not applicable	Not applicable

Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Financial assets	Discounted cash flows	Not applicable
Financials liabilities	Discounted cash flows	Not applicable

Financial assets include trade and other receivables, loans provided and cash and cash equivalents. Other financial liabilities include bank loans, other short-term financial liabilities, call/put option Passoã and trade and other payables. The book value of the secured bank loans is considered to be the best approximation of the fair value. For all other financial instruments, the fair value is considered to be consistent with the book value.

16. Employee Share Purchase Plan (ESPP)

In 2015 the Group set up an employee share purchase plan. Under this plan, employees are offered the opportunity to buy depositary receipts for shares (investment shares) of the Company from own payment twice a year following publication of the half-year and full-year results, whereas the first time occurred after publication of the full-year 2014/15 results. The employees are entitled to buy shares at a discount of 13.5% of the share price at that time. Each participant may determine at his or her own discretion the amount of money to be invested in investment shares with a yearly maximum of 33.33% of the gross base salary of the participant. Shares issued under the ESPP are bought on the regulated market of Euronext Amsterdam and will be held by a trust foundation. A three-year lock up period is applicable, during which the participants cannot dispose of their investment shares. No other vesting or performance conditions are applicable. The plan qualifies as share-based arrangements (equity settled) under IFRS 2. No share-based payment costs are recognized in the profit and loss account as the fair value of the share-based payment is zero.

17. Commitments

Leases as lessee

The Group leases offices under operating lease. Following adoption of IFRS16 these leases are brought on balance sheet, refer to note 11.
For the lessor a guarantee has been issued for an amount of EUR 138 thousand.

There is a CAPEX commitment for new ERP implementation for an amount of EUR800 thousand.

18. Related parties

The Group has related party relationships with its shareholders, subsidiaries, Management Board and Supervisory Board and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing-related transactions and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. The related-party transactions in the first six-month period ended 30 September 2019 do in substance not deviate from the transactions as reflected in the consolidated financial statements as at and for the year ended 31 March 2019.

Other related party transactions

	Transaction values for the 6-month period ended 30 September		Balance outstanding as at	
Amounts in EUR `000	**2019**	**2018**	**30 Sept. 2019**	**31 March 2019**
Sale of goods and services				
Joint ventures	6,985	7,267	1,763	14,005
Purchase of goods and services				
Joint ventures	(9,951)	(8,785)	(762)	(21,701)
Others				
Joint venture dividends received	450	450	-	-
Joint ventures loan and related interest	-	-	599	599

19. Subsequent events

There are no subsequent events.

20. Auditor's review

The interim condensed consolidated financial statements for the period ended 30 September 2019 have not been reviewed by the external auditor.

21. Responsibility statement

The Management Board of Lucas Bols N.V. hereby declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at and for the six months ended 30 September 2019 as prepared in accordance with IAS 34 *Interim Financial Reporting* gives a true and fair view of the assets, liabilities, financial position and the profit or loss of Lucas Bols N.V. and its consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).