LUCAS BOLS

Full-year results 22/23 (1 April 2022 – 31 March 2023)

25 May 2023

9% revenue growth results in reaching the € 100 million milestone

Supply disruptions, cost inflation and brand investments impact profit

Highlights

- Revenue came in at € 100.6 million. The 9% growth was driven by premiumisation, the acquisition of Tequila Partida, price increases and positive exchange rate fluctuations
- Revenue was 20% higher than 19/20 pre-pandemic, mainly driven by the US and our focus on cocktails, reflecting the successful implementation of our Fit for Growth strategy
- In 22/23 there was a robust recovery in Japan and South-East Asia, and a strong performance in Southern and Eastern Europe. Industry-wide glass shortages materially held back US sales and profits, particularly in the second and third quarters
- Depletions value (sales by distributors) were up 5% compared to 21/22 with a clear upward trend towards the end of the year
- Gross margin decreased to 51.7% (21/22: 55.9%). Severe input cost inflation could only be partly offset by price increases and positive exchange rate fluctuations. Despite this, our successful premiumisation strategy resulted in a 4% higher gross profit per case (in €)
- Normalised operating profit decreased to € 15.1 million (21/22: € 20.6 million) due to higher input costs, a clear step up in brand investments and significantly higher logistics costs (partly non-recurring). Normalised net profit came in at € 10.1 million (21/22: € 14.7 million)
- After one-off items (all non-cash), including an impairment (€ 24.1 million), a book loss on the sale of Avandis (€ 3.9 million) and a gain related to expected earn-out payments (€ 2.4 million), reported net loss was € 16.2 million
- Free operating cash flow came in at € 6.8 million (21/22: € 15.6 million) and was adversely impacted by lower operating profit, higher income tax paid and significant investments in inventory to counter global supply disruptions and support the integration of Tequila Partida and new product introductions
- The balance sheet remains healthy: net debt was further reduced to € 59.6 million and leverage remains prudent at 3.36x. The financing arrangements with the banks were successfully extended to November 2025
- The proposed final dividend of € 0.13 per share would put the total full-year dividend at € 0.34. This represents a dividend pay-out ratio of 50%, at the upper end of our dividend policy
- Leading non-alcoholic spirits brand Fluère was acquired effective January 2023, a strategically important acquisition towards playing a leading role in the growing no- and lower-alcohol (cocktail) market
- The sale and unbundling of Avandis was successfully completed in H2

Huub van Doorne, CEO of the Lucas Bols Company: *"In 22/23 we operated in a very challenging environment. We put emphasis on countering global supply challenges while at the same time input costs increased significantly – adding to the already high cost levels experienced during the pandemic. We successfully implemented price increases across brands and markets.*
We achieved a solid 9% revenue growth for the full year, but more importantly 20% growth versus pre-pandemic 19/20 resulting in 22/23 revenue exceeding the € 100 million milestone.

Sustainability plays an increasingly important role in our organisation and our license to operate. In the past year we invested in designing a more explicit and integrated ESG strategy and started embedding it in the day-to-day Lucas Bols operations. We have defined three ESG pillars – People, Planet and Pleasure – that contain clear commitments to further progress on our sustainability journey in the years to come together with our business partners.

The completion of the Tequila Partida integration, the sale of Avandis and the acquisition of Fluère – all achieved in 22/23 – also further strengthen our strategic business foundation. Although the geopolitical and economic climate remains volatile and costs are expected to remain inflated, we are confident in the continued growth of our brands. We will leverage that foundation, demonstrating the strength of our brands and the agility and resilience of the Lucas Bols organisation."

Key figures

(in € million unless otherwise stated, for the year ended)	Excluding one-off items			Reported		
	31 March 2023	31 March 2022	% change organic[1]	31 March 2023	31 March 2022	% change reported
Revenue	100.6	92.0	7%	100.6	92.0	9%
Gross margin	*51.7%*	*55.9%*	*(430) bps*	*51.7%*	*55.9%*	*(420) bps*
Operating profit	15.1	20.6	(26)%	(9.1)	20.4	(145)%
Operating profit margin	*15.0%*	*22.4%*	*(690) bps*	*(9.1)%*	*22.2%*	*(3130) bps*
EBIT[2]	16.3	22.8	(28)%	(11.8)	22.6	(152)%
Net profit[3]	10.1	14.7	(30)%	(16.2)	11.8	(238)%
Free operating cash flow[4]	6.8	15.6	n/a	6.8	15.6	(57)%
Earnings per share (in €)[3]	0.68	1.11	n/a	(1.08)	0.89	(221)%
Total dividend per share (in €)	0.34	-	n/a	0.34	-	n/a

ESG

Environmental, Social and Governance (ESG) has always played a prominent role in the day-to-day decision-making and operations of the Lucas Bols Company. In view of the increasing importance of ESG and the additional laws and regulations that will soon be applicable the company has further defined, fine-tuned and specified its ESG strategy in 22/23. This process was tackled bottom-up and involved a wide range of stakeholders, for example by conducting interviews.

Our objectives – for which we will increasingly (where possible) report quantified targets and results as of the 22/23 Annual Report – are grouped into the following three pillars under the overall ambition of 'Crafting sustainable cocktail history':

1. PEOPLE – Empower the Lucas Bols community. This pillar addresses themes including diversity & inclusivity, well-being, development and our role in society, both locally and society at large.
2. PLANET – Respect the planet & craftsmanship. Themes such as packaging, CO_2 and sustainable ingredients are addressed in this pillar.
3. PLEASURE – Inspire responsible cocktail consumption. This pillar is mainly about consuming our products and cocktails in a responsible way as well as about educating, facilitating and inspiring others (including bartenders) to contribute to this.

[1] At constant currencies, and including Tequila Partida for which Lucas Bols took over distribution from April 2022 onwards. Adjusted for Tequila Partida organic revenue growth amounted to 4%

[2] EBIT is defined as operating profit plus share of profit of joint ventures. Normalised EBIT in 22/23 is excluding the impairment on the Dutch Brands CGU of € 24.1 million, the one-off book loss on the sale of Avandis of € 3.9 million and one-off project costs of € 0.1 million

[3] Normalised net profit is excluding one-off items with a net negative impact of € 26.3 million in 22/23. In 21/22 one-off items related to project costs (€ 0.6 million), a gain on the curtailment of the defined benefit plan (€ 0.5 million), expenses relating to the financing of the BolsKyndal JV in India (€ 1.9 million) and a non-cash income tax expense (€ 0.9 million)

[4] Free operating cash flow is defined as net cash from operating activities minus CapEx

We will continue to implement this strategy step-by-step through careful project management in the 23/24 financial year. In areas such as measuring and reporting on our CO_2 reduction we are largely dependent on third-party partners. We will work together and align objectives with key partners where possible to address this serious challenge.

We are convinced that this major step in the field of ESG not only strengthens our role in society but also benefits our financial and commercial strategy.

Business review

Brands

Global Cocktail Brands

Bols Cocktails
The Bols Cocktails brand (Liqueurs, Vodka, Genever and Ready-to-Enjoy Cocktails) showed good growth, supported by a strong recovery in South-East Asia and Japan on the back of colourful cocktails like the Margarita Azul and the Cassis Fizz. The further recovery of the on-trade also supported improved performance of the brand in Western Europe, particularly in Italy, Spain and Germany with easy-mix cocktails like Bols Blue, Ginger Beer & Orange juice at home or the Bols Margarita Azul in on-trade. The growth of Bols Cocktails was held back by lower sales in the US due to shortages of glass for Bols Liqueurs. The Bols Ready-to-Enjoy Cocktail Tubes and multi-serve bottles increased listings in the US, the Netherlands and Belgium. Bols Vodka was introduced in the US, which will give us a stronger position in the vodka-based cocktails like the Espresso Martini, one of the largest segments of the cocktail market.

Passoã
After the strong growth path of recent years Passoã's revenue stabilised in the year under review, but remains 34% ahead of pre-pandemic 19/20. Strong performance in Southern and Eastern Europe (on the back of the growing popularity of the Pornstar Martini cocktail) and Scandinavia was offset by a slow-down in retail and e-commerce sales in the UK and lower sales in Puerto Rico (high comps and a hurricane). In March 2023 we introduced Passoã into China and South Korea.

Galliano
The Galliano brand continued to rise with another year of double-digit revenue growth. Galliano Sambuca is driving the ongoing increased sales in Australia/New Zealand whilst the new Galliano Vanilla Mule signature cocktail is gaining popularity. The Original Galliano Hot Shot continues to gain momentum in Scandinavia while, in the US, it was the Espresso Martini cocktail that promoted growth of Galliano Espresso.

Regional Liqueurs & Spirits
The Regional Liqueurs & Spirits portfolio posted double-digit growth, mainly due to the addition of Tequila Partida at the start of the fiscal year. Growth was also supported by the strong performance of Vaccari and Nuvo. The Dutch genever & vieux portfolio maintained its leading market share in a market segment that continues to decline and face pricing pressure. Overall the Regional Liqueurs & Spirits segment grew its revenue by over a third compared to pre-pandemic 19/20. Top-line growth excluding Tequila Partida and Pallini (distribution brand only) stabilised, delivering on the strategic objective for the Regional Liqueurs & Spirits portfolio.

Market clusters

Sophisticated Cocktail Markets (US, Canada and Puerto Rico)
Bols Liqueurs sales in the US were seriously impacted by the industry-wide glass shortage, particularly in the first half of the financial year. The supply issues that followed were mitigated to quite an extent by a temporary shift in production to the Netherlands but nevertheless resulted in the loss of a number of accounts. Thanks to the strong position of our Bols Liqueurs in the on-trade, however, we were able to take back important accounts in H2 and are confident that most accounts will be re-gained. Revenue in Puerto Rico (Passoã only) decreased due to high comps and the devastating hurricane Fiona that hit the country in September 2022. The addition of Tequila Partida, the expansion of Bols Ready-to-Enjoy Cocktails, the introduction of Bols Vodka together with the continued strong momentum of Galliano more than off-set the decline in Bols Liqueurs, resulting in modest revenue growth in North America over last year.

Notwithstanding the temporary impact of the glass shortage, the US market continues to be Lucas Bols' key growth driver, as is also evidenced by the 64% revenue growth compared to pre-pandemic 19/20. Excluding Tequila Partida and Pallini, revenue has increased by 20% over this period.

Developed Cocktail Markets (Western Europe, Japan and Australia/New Zealand)
Almost all key markets of the Developed Cocktail Markets cluster showed strong performance. Japan reported strong growth on the back of the recovery from the pandemic. In addition, many Western European markets, including but not limited to Spain, Germany and Italy, reported significant growth leveraging the strong position of the Bols Cocktails and Passoã brands. Scandinavia also continued to deliver an excellent performance across all Global Cocktail Brands. The UK market saw sales of Passoã soften in a more challenging and competitive post-pandemic retail market. Overall the Netherlands posted stable performance: the impact of the ongoing Dutch genever & vieux category decline was offset by growth in other brands and a record year for our Experiences. The House of Bols Cocktail & Genever Experience hit a record 60,000 visitors whilst the Wynand Fockink Tasting Tavern reported its highest ever revenue. Australia/New Zealand, mainly driven by Galliano Sambuca and the Galliano Vanilla Mule, continued its solid performance, also benefitting from travel retail in the region recovering post-pandemic.

Emerging Cocktail Markets (Eastern Europe, Asia (excl. Japan), Latin America and Africa/Middle East)
The Emerging Cocktail Markets segment posted excellent performance in almost all key markets despite having ceased all business with Russia as soon as the war in Ukraine started (1-2% impact on total revenue). Revenue growth was driven by rapid recovery in South-East Asia, excellent growth in South Korea and a strong business in Eastern Europe. China faced a turbulent year as COVID-19 adversely impacted sales and operations, with business slowly rebounding towards the end of the fiscal year. Africa/Middle East saw revenue decrease due to a tough comparable base and a planned distributor change in South Africa. Although Latin America continues to face uncertainties and challenges this region did well.

Depletions

Depletions showed an upward trend towards the end of 22/23, resulting in a full-year depletions increase of 5%. The Global Cocktail Brands were up 3% full year. All three brands contributed: Bols Cocktails was up 3% despite the US supply issues, Galliano recorded a growth of 9% and Passoã improved by a further 1% versus 21/22. Regional Liqueurs & Spirits depletions grew 11%: a steady performance. This growth was mainly driven by the addition of Tequila Partida (1% growth was achieved excluding Tequila Partida), but also Vaccari, Nuvo and Pallini locked in good depletions under challenging circumstances.

Depletions (value)	**% change 22/23 vs. 21/22**
Total	5%
Brands	
Global Cocktail Brands	3%
Regional Liqueurs & Spirits	11%
Market clusters	
Sophisticated Cocktail Markets	7%
Developed Cocktail Markets	4%
Emerging Cocktail Markets	5%

Fluère acquisition

Effective January 2023 the Lucas Bols Company completed the acquisition of leading non-alcoholic spirits brand Fluère. Fluère's range of premium products comprises Original, Spiced Cane, Raspberry, Smoked Agave and a Bitter that was launched in January 2023. This acquisition is strategically important as it enables Lucas Bols to play a leading role in the fast growing no- and lower-alcohol cocktail market. The brand is now fully integrated into the Lucas Bols organisation. With its strong distribution platform and on-trade expertise Lucas Bols intends to rapidly scale up Fluère so that it can achieve its full potential and contribute to overall strategic growth.

Financial review

Revenue

For the 22/23 financial year, Lucas Bols' revenue came in at € 100.6 million, up 9% compared to last year. This growth was driven by the addition of Tequila Partida, increased sales prices, premiumisation, a more favourable mix and positive foreign exchange rate developments (€ 1.8 million).

Revenue of the Global Cocktail Brands was up 6%, to € 69.9 million. Despite the impact of the US glass shortage on Bols Liqueurs, sales growth was achieved on all three Global Cocktail Brands. The Regional Liqueurs & Spirits reported € 30.7 million in revenue: an improvement of 19% year-on-year. The growth of this portfolio is largely driven by the addition of Tequila Partida and the strong performance of Vaccari, Pallini and Nuvo.

All three market clusters reported revenue growth, with the Developed and Emerging Cocktail Markets showing the strongest growth (10% and 11%, respectively). Markets that improved notably include Japan, Australia/New Zealand, Western Europe, South-East Asia and South Korea. Although performance in the Sophisticated Cocktail Markets cluster was held back by the US glass shortage at Bols Liqueurs and lower shipments to Puerto Rico a growth of 7% could be achieved still.

Gross profit

Gross profit for the full year 22/23 increased to € 52.0 million, from € 51.4 million a year earlier. Gross profit as a percentage of revenue came down 420bps versus the same period last year to 51.7%. Increased input costs were partially offset by global sales price increases, the successful premiumisation strategy and beneficial foreign exchange developments. Although gross margin came down, gross profit per case increased by 4%.
Gross margin for the Global Cocktail Brands was down 420bps, mainly reflecting increased cost of goods and a negative mix. For the Regional Liqueurs & Spirits there was a decrease of 300bps, mainly driven by increased input costs.

Operating profit

Normalised operating profit came in at € 15.1 million, down € 5.5 million compared to last year (€ 20.6 million). The € 0.6 million better gross profit was more than offset by intensified brand investments (up € 1.6 million, or 20%, also aimed at the mid term), € 2.7 million higher logistics costs and an increase of € 2.1 million in overhead costs.
€ 1.4 million of the rise in logistics costs relates to the one-time production of Bols Liqueurs for the US market at Avandis rather than at our production partner in the US which was necessary to partially mitigate the impact of the US glass shortages. The overall increase also relates to higher shipping rates, which started to stabilise and even come down towards the end of the year under review.
Overhead costs (excluding commissions and depreciation & amortisation) rose in line with management's expectations. To facilitate and plan for further growth we (prudently) expanded our team in the US and we indexed salaries globally. In addition, the acquisition of Tequila Partida led to an increase of seven employees (all based in Mexico) and more business travel expenses were incurred after travel restrictions were lifted. Structural reductions in overhead costs realised during the pandemic remain in place: overhead costs (excluding government grants) as a percentage of revenue remained more or less stable compared to last year.

Share of profit of joint ventures

Our normalised share of profit of joint ventures came in at € 1.2 million versus € 2.2 million last year. Last year's joint-venture results were boosted by Avandis' net profit and by Maxxium benefiting from the favourable impact of the pandemic on retail sales in the Netherlands.

Sale of Avandis to Refresco
In October 2022 Lucas Bols and De Kuyper signed an agreement with Refresco for the sale of their 50/50 joint venture Avandis. In addition, Lucas Bols entered into a long-term manufacturing agreement with Refresco. The gross purchase price for 100% of the shares amounted to € 25.0 million. Adjusted for Avandis' net debt position and working capital, this resulted in a net purchase price of € 10 million (of which approx. € 5 million was paid to Lucas Bols). The carrying value of Lucas Bols' 50% share in Avandis amounted to € 8.8 million, and consequently a non-cash, one-off book loss of € 3.9 million was required to be accounted for. Part of this book loss (€ 1.7 million) relates to the non-cash, one-off "badwill" that had to be recognised when Lucas Bols acquired half of Herman Jansen's share in Avandis in 20/21.

EBIT

Normalised EBIT for the 22/23 financial year was € 16.3 million (21/22: € 22.8 million).

	Global Cocktail Brands		Regional Liqueurs & Spirits	
(in € million unless otherwise stated, for the full year ended)	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	69.9	66.2	30.7	25.8
Gross profit	39.2	39.9	12.8	11.6
Gross margin	*56.0%*	*60.2%*	*41.7%*	*44.7%*
EBIT	20.7	27.7	8.0	9.3
EBIT margin	*29.7%*	*41.8%*	*26.0%*	*35.8%*

Net finance costs

Normalised net finance costs came in at € 2.7 million in 22/23. This is well below last year's net finance costs (€ 3.3 million), reflecting the improved net debt position which more than offsets the significant increase in EURIBOR during the year.

Income tax expenses

Income tax expenses amounted to € 3.5 million versus € 4.8 million a year earlier (normalised), mainly as a result of lower profit before tax. The effective tax rate (normalised) was approximately 26.0%, compared to 24.6% a year earlier. The effective tax rate is slightly above the Dutch nominal tax rate due to temporary tax differences and an adjustment for prior years.

Net profit

Normalised net profit came in at € 10.1 million for the 22/23 financial year (21/22: € 14.7 million). Normalised earnings per share amounted to € 0.68 (21/22: € 1.11).

One-off items

In 22/23 the following four one-off items were recognised with a net negative impact on profit before tax of € 25.7 million (i.e. an expense):

- € 0.1 million in costs relating to projects such as the sale of Avandis and the acquisition of Fluère (included in distribution and administrative expenses).
- A non-cash book loss of € 3.9 million following the sale of Lucas Bols' 50% stake in Avandis (included in share of profit of joint ventures).
- A non-cash impairment charge of € 24.1 million on the Dutch brands accounted for in the second half of the financial year (included in distribution and administrative expenses). This impairment mainly reflects a substantial increase in the applicable discount rates as a consequence of rising global interest rates. Moreover, the Dutch brands primarily consist of genever & vieux brands: a price competitive category that has been in decline for years and has faced above-average increases in input costs.
- A non-cash gain of € 2.4 million included in net finance costs pertaining to a reduction in expected earn-out payments on the Tequila Partida acquisition. Although our mid-term plans for the brand are unchanged the distributor transition and supply issues in the US are expected to result in a delay in the realisation of those plans.

Including these one-off items the reported 22/23 net result came in at a loss of € 16.2 million.

Cash flow

The free operating cash flow decreased from € 15.6 million last year to € 6.8 million this year. Our cash generation was adversely impacted by reduced operating profits, higher income tax paid (mainly payments relating to Passoã's high profits last year) and significant investments in inventory to counter global supply disruptions and to support the integration of Tequila Partida and new product introductions. Although certain investments will sustain we expect to bring down inventory levels in 23/24.

Equity

Equity decreased by € 18.9 million to € 206.6 million at the end of the 22/23, mainly as a result of the recorded net loss of € 16.2 million and the € 3.1 million interim dividend distribution.

Net debt

During the 22/23 financial year our net debt reduced to € 59.6 million (31 March 2022: € 60.7 million). Even with a lower EBITDA this resulted in a solid leverage ratio of 3.36x. Lucas Bols fully complied with the bank covenants in place.

Extension of the financing arrangements

The Company's financing arrangements returned to their original conditions after the temporary COVID-19 amendments expired on 31 March 2023. The original financing arrangements were in place until November 2023. During the second half of the year, management agreed a two-year extension of the financing arrangements with the banks under comparable conditions. This reflects the banks' ongoing support, commitment and confidence to Lucas Bols in challenging macro-economic and banking times.

Dividend

Lucas Bols will propose to the Annual General Meeting of Shareholders on 7 July 2023 that a final dividend of € 0.13 per share in cash be distributed for the 22/23 financial year. Following the distribution of an interim dividend of € 0.21 in November 2022, the total dividend for the financial year would then amount to € 0.34 per share. This represents a dividend pay-out ratio of 50% of the normalised net profit and is at the upper end of our dividend policy (a pay-out of 40 to 50% of net profit) and is underpinned by a healthy balance sheet, the cash generated from the sale of Avandis and the ongoing strong cash generating capabilities.

Outlook

In recent years, despite the pandemic and global supply chain issues, we have implemented many considerable projects to strengthen our operations and enhance our global cocktail proposition. Now that the pandemic is behind us and global supply chains are recovering, it is time to reap the full benefits of these projects. As the global political and economic climate remains volatile and costs are expected to remain inflated, we will continue our mitigating efforts to control input costs and implement additional sales price increases.

In a still challenging environment we aim for a revenue growth of our Global Cocktail Brands ahead of our medium-term target of 4-5%, amongst others driven by the return to growth of Bols Cocktails in the US and the growth potential of our cocktail brands in the Developed and Emerging Cocktail Markets. Furthermore, our Regional Liqueurs & Spirits are expected to grow based on the expansion of Tequila Partida and the addition of Fluère, amongst others. We believe in the fundamental strength of our portfolio of brands, the worldwide growth of cocktails and further premiumisation supported by continued investments in marketing and brand building.

We expect gross margin to improve (mainly in the second half of the year) based on further price increases and continue to grow the gross profit per case as a result of premiumisation. We aim for operating profit to return closely to the 21/22 level whilst brand investments remain elevated and logistics costs are expected to moderate now that container rates are coming down and manufacturing of Bols Liqueurs in the US has been restored. As a result of lower working capital investments and a reduction in inventory levels we expect free operating cashflow to improve, allowing a further reduction in net debt.

If the current put or call option in place is executed in June 2023, we would acquire full ownership and control of the Nuvo brand by 1 July 2023.

In line with our policy, we have hedged more than 60% of our expected 23/24 net cashflows in foreign currencies to minimise the impact of foreign currency development.

Further information

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About the Lucas Bols Company

The Lucas Bols Company is a leading global cocktail and spirits player in the worldwide cocktail market and one of the oldest Dutch companies still active. Our mission is to create great cocktail experiences around the globe. The Lucas Bols Company is active in over 110 countries worldwide with a portfolio of more than 20 premium and super-premium brands. Bols The World’s First Cocktail Brand includes the number-one liqueur range globally (not including the US). We are also the world’s largest player in the genever segment, and our portfolio of brands includes Passoã, the number one passion fruit liqueur, and the ultra-premium Tequila Partida brand.

Through the House of Bols Cocktail & Genever Experience and the Bols Cocktail Academy, the company provides inspiration and education to both bartenders and consumers.
With almost 450 years of experience in the art of distilling and blending spirits and cocktails combined with the creative spirit of Amsterdam, we truly are 'Masters of Taste'.

The Lucas Bols Company has been listed on Euronext Amsterdam (BOLS) since 4 February 2015.

Financial calendar

7 July 2023	Annual General Meeting of Shareholders
16 Nov 2023	Publication half-year results 23/24

Dividend

11 July 2023	Ex-dividend date
12 July 2023	Record date
19 July 2023	Payment of final dividend

Annexes

- Brand information
- Market cluster information
- Full-year condensed consolidated report for 22/23

1. Brand information

Global Cocktail Brands (Bols Cocktails, Passoã and Galliano)

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	69.9	66.2	6%	4%
Gross profit	39.2	39.9	(2)%	(3)%
Gross margin	56.0%	60.2%	(420) bps	(420) bps
D&A expenses	16.0	12.8	25%	20%
% of revenue	22.8%	19.3%	350 bps	300 bps
EBIT	20.7	27.7	(25)%	(25)%
EBIT margin	29.7%	41.8%	(1210) bps	(1170) bps

Regional Liqueurs & Spirits (all other brands)

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	30.7	25.8	19%	15%
Gross profit	12.8	11.6	11%	6%
Gross margin	41.7%	44.7%	(300) bps	(340) bps
D&A expenses	4.7	3.6	30%	22%
% of revenue	15.2%	13.9%	130 bps	80 bps
EBIT	8.0	9.3	(14)%	(17)%
EBIT margin	26.0%	35.8%	(980) bps	(990) bps

Total

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	100.6	92.0	9%	7%
Gross profit	52.0	51.4	1%	(1)%
Gross margin	51.7%	55.9%	(420) bps	(430) bps
D&A expenses (allocated)	20.6	16.4	26%	21%
% of revenue	20.5%	17.8%	270 bps	230 bps
D&A expenses (unallocated)	40.5	14.3	(183)%	(16)%
Overhead (excl. depreciation) % of revenue	14.7%	13.8%	90 bps	60 bps
EBIT	(11.8)	22.6	(152)%	(28)%
EBIT margin	(11.7)%	24.6%	(3630) bps	(800) bps

2. Market cluster information (geographical)

Sophisticated Cocktail Markets (North America)

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	27.5	25.7	7%	(1)%
% of total revenue	27.4%	27.9%		
Gross profit	14.0	13.7	2%	(6)%
% of total gross profit	27.0%	26.7%		
Gross margin	51.0%	53.5%	(250) bps	(290) bps

Developed Cocktail Markets (Western Europe, Japan and Australia/New Zealand)

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	57.4	52.3	10%	10%
% of total revenue	57.1%	56.8%		
Gross profit	29.7	29.9	(1)%	(1)%
% of total gross profit	57.1%	58.2%		
Gross margin	51.7%	57.2%	(550) bps	(550) bps

Emerging Cocktail Markets (Eastern Europe, Asia excl. Japan, Latin America and Africa/ Middle East)

(in € million unless otherwise stated, for the period ended)	31 March 2023	31 March 2022	% change reported	% change organic[1]
Revenue	15.6	14.1	11%	11%
% of total revenue	15.6%	15.3%		
Gross profit	8.3	7.8	7%	6%
% of total gross profit	15.9%	15.1%		
Gross margin	53.0%	55.2%	(220) bps	(250) bps

Consolidated financial statements 2022/23

Consolidated statement of profit or loss

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2023	2022
Revenue	100,614	92,030
Cost of sales	(48,613)	(40,606)
Gross profit	**52,001**	**51,424**
Distribution and administrative expenses	(61,149)	(30,990)
Operating profit/(loss)	**(9,148)**	**20,434**
Share of result of joint ventures	(2,665)	2,175
Finance income	56	29
Finance costs	(361)	(5,185)
Net finance costs	**(305)**	**(5,156)**
Profit/(loss) before tax	**(12,118)**	**17,453**
Income tax expense	(4,120)	(5,682)
Net profit/(loss)	**(16,238)**	**11,771**
Result attributable to the owners of the Company	**(16,238)**	**11,771**
Weighted average number of shares	14,972,756	13,238,276
Earnings per share		
Basic earnings per share (EUR)	(1.08)	0.89
Diluted earnings per share (EUR)	(1.08)	0.89

Consolidated statement of other comprehensive income

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2023	2022
Net profit/(loss)	**(16,238)**	**11,771**
Other comprehensive income – Items that will never be reclassified to profit or loss		
Remeasurement of net defined benefit liability/(asset)	–	10
Related tax	–	(3)
Equity accounted investees – share of other comprehensive income	–	(46)
	–	**(39)**
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences*	(197)	(52)
Equity accounted investees – share of other comprehensive income	–	–
Net change in hedging reserve	856	937
Related tax	(221)	(234)
	438	**651**
Other comprehensive income for the year, net of tax	**438**	**612**
Total comprehensive income for the year, net of tax	**(15,800)**	**12,383**
Total comprehensive income attributable to the owners of the Company	**(15,800)**	**12,383**

Consolidated statement of changes in equity

AMOUNTS IN EUR '000	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANS-LATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE YEAR	TOTAL EQUITY
Balance as at 1 April 2022	1,497	157,787	–	(289)	(287)	7,630	47,417	11,771	225,526
Transfer result prior period	–	–	–	–	–	–	11,771	(11,771)	–
Total comprehensive income									
Profit (loss) for the year	–	–	–	–	–	–	–	(16,238)	(16,238)
Other comprehensive income	–	–	–	(197)	635	–	–	–	438
Total comprehensive income	**–**	**–**	**–**	**(197)**	**635**	**–**	**–**	**(16,238)**	**(15,800)**
Issue of share capital	–	–	–	–	–	–	–	–	–
Transaction costs, net of tax	–	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	–	(3,144)	–	(3,144)
Purchase own shares (ESPP)	–	–	(4)	–	–	–	–	–	(4)
Own shares delivered (ESPP)	–	–	4	–	–	–	–	–	4
Transfer from legal reserves	–	–	–	–	–	0	(0)	–	–
Balance as at 31 March 2023	**1,497**	**157,787**	**–**	**(486)**	**348**	**7,630**	**56,044**	**(16,238)**	**206,582**

AMOUNTS IN EUR '000	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANS-LATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE YEAR	TOTAL EQUITY
Balance as at 1 April 2021	1,248	129,695	–	(237)	(990)	7,630	56,014	(8,558)	184,802
Transfer result prior period	–	–	–	–	–	–	(8,558)	8,558	–
Total comprehensive income									
Profit (loss) for the year	–	–	–	–	–	–	–	11,771	11,771
Other comprehensive income	–	–	–	(52)	703	–	(39)	–	612
Total comprehensive income	**–**	**–**	**–**	**(52)**	**703**	**–**	**(39)**	**11,771**	**12,383**
Issue of share capital	249	28,648	–	–	–	–	–	–	28,897
Transaction costs, net of tax	–	(556)	–	–	–	–	–	–	(556)
Dividend paid	–	–	–	–	–	–	–	–	–
Purchase own shares (ESPP)	–	–	(54)	–	–	–	–	–	(54)
Own shares delivered (ESPP)	–	–	54	–	–	–	–	–	54
Transfer to legal reserves	–	–	–	–	–	0	(0)	–	–
Balance as at 31 March 2022	**1,497**	**157,787**	**–**	**(289)**	**(287)**	**7,630**	**47,417**	**11,771**	**225,526**

Consolidated statement of financial position

AMOUNTS IN EUR '000 AS AT 31 MARCH	2023	2022
Assets		
Property, plant and equipment	8,018	8,975
Intangible assets	284,569	306,864
Investments in equity-accounted investees	1,652	10,373
Other investments	408	232
Non-current assets	**294,647**	**326,444**
Inventories	24,910	17,624
Trade and other receivables	16,092	19,323
Other investments including derivatives	517	162
Cash and cash equivalents	17,569	25,588
Current assets	**59,088**	**62,697**
Total assets	**353,735**	**389,141**
Equity		
Share capital	1,497	1,497
Share premium	157,787	157,787
Treasury shares	–	–
Currency translation reserve	(486)	(289)
Hedging reserve	348	(287)
Other legal reserves	7,630	7,630
Retained earnings	56,044	47,417
Result for the year	(16,238)	11,771
Total equity	**206,582**	**225,526**
Liabilities		
Loans and borrowings	67,028	80,370
Other non-current financial liabilities	4,762	7,847
Employee benefits	129	–
Deferred tax liabilities	50,337	48,659
Total non-current liabilities	**122,256**	**136,876**
Loans and borrowings	10,044	5,750
Trade and other payables*	13,707	16,552
Corporate income tax payable*	194	1,308
Other current financial liabilities including derivatives*	952	3,129
Total current liabilities	**24,897**	**26,739**
Total liabilities	**147,153**	**163,615**
Total equity and liabilities	**353,735**	**389,141**

Consolidated statement of cash flows

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2023	2022
Cash flows from operating activities		
Net profit/(loss)	**(16,238)**	11,771
Adjustments for:		
• Depreciation, amortisation and impairment	25,733	1,871
• Net finance costs	305	5,156
• Share of result of joint ventures	2,665	(2,175)
• Income tax expense	4,120	5,682
• Stock elimination	106	–
• Provision for share-based payments	129	–
• Provision for employee benefits	–	(505)
	16,820	**21,800**
Change in:		
• Inventories	(7,197)	(2,802)
• Trade and other receivables	3,380	(2,352)
• Trade and other payables	(3,380)	(522)
Net changes in working capital	**(7,197)**	**(5,676)**
Dividends from joint ventures	1,150	1,100
Interest received	123	151
Income tax paid	(3,815)	(1,591)
Net cash from operating activities	**7,081**	**15,784**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(852)	(8,514)
Acquisition of/additions to associates and joint ventures	–	(250)
Proceeds from sale of joint ventures	5,101	–
Acquisition of property, plant and equipment	(300)	(109)
Acquisition of intangible assets	–	(38)
Loans issued and other investments	(176)	–
Net cash from (used in) investing activities	**3,773**	**(8,911)**
Cash flows from financing activities		
Proceeds from issue of share capital, net of related cost	–	28,341
Proceeds from loans and borrowings	–	–
Repayment of loans and borrowings	(9,000)	(12,500)
Settlement of other financial liabilities	(1,637)	–
Cash dividend paid to shareholders	(3,144)	–
Payments made in lease contracts	(969)	(870)
Interest paid	(2,917)	(3,356)
Net cash from (used in) financing activities	**(17,667)**	**11,615**
Net increase/(decrease) in cash and cash equivalents	**(6,813)**	**18,488**
Cash and cash equivalents at 1 April	24,838	5,624
Effect of exchange rate fluctuations	(500)	726
Net cash and cash equivalents as at 31 March	**17,525**	**24,838**
Cash and cash equivalents (asset)	17,569	25,588
Less: bank overdrafts included in current loans and borrowings	(44)	(750)
Net cash and cash equivalents as at 31 March	**17,525**	**24,838**

The consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position and consolidated statement of cash flows, as included in this press release, are based on the annual accounts prepared for the year ended 31 March 2023, which will be published on 25 May 2023. The annual accounts will be submitted to shareholders for approval at the General Meeting of Shareholders on 7 July 2023. In accordance with Section 2:293 and 395 of the Dutch Civil Code, we report that our auditor, PricewaterhouseCoopers Accountants N.V (PwC), has issued an unqualified auditor's report on the annual accounts dated 24 May 2023. For the understanding required to make a sound judgement as to the financial position and results of Lucas Bols N.V. and for a satisfactory understanding of the scope of the audit by PwC, this press release should be read in conjunction with the annual accounts from which this press release has been derived, together with the auditor's report thereon issued by PwC.