



Full-year results 2018/19 (1 April 2018 – 31 March 2019)

23 May 2019

Revenue up 1.2%, driven by 3.5% revenue growth of global brands

Route to market strengthened, credit facility improved and Avandis integration completed

Highlights full-year 2018/19¹

- Revenue of € 92.5 million, an increase of 1.2% compared to last year
- The global brands reported revenue growth of 3.5%, mainly driven by strong growth in the US, the UK and China, while the decline in revenue of the regional brands moderated to 5.9% due to improved trends in the second half of the year
- North America showed strong double-digit growth, driven by 20% revenue growth in the US, while Western Europe saw revenue decline by 3.9%. Asia-Pacific was in line with last year while Emerging Markets returned to growth on the back of a good performance in the second half year
- The overall gross margin was 59.2% (down 160 bps) as a result of geographic mix with higher shipments to lower margin markets and the introduction of Nuvo
- Normalised EBIT amounted to € 20.8 million, a decrease of 7.6% as a result of the lower gross margin. Currencies had a € 1.1 million negative impact on EBIT
- One-off restructuring costs at Avandis (€ 0.6 million) and one-off advisory costs and finance costs (€ 1.0 million) were more than offset by a one-off tax gain of € 5.3 million
- Normalised net profit came in at € 12.9 million; reported net profit amounted to € 16.6 million
- The renewal of existing distribution contracts and signing of new ones, together covering around one third of total revenue, secures a strong route to market for the coming years
- Proposed final dividend of € 0.25 per share, putting total full-year dividend at € 0.60 per share, equal to last year

Huub van Doorne, CEO Lucas Bols: “2018/19 was a year in which we accomplished a lot strategically and strengthened the base for further growth. We are pleased to see the global brands grow by 3.5%, driven by strong growth in the US, the UK and China. However, the retail environment in Western Europe was more challenging and the liqueurs market in Japan was in decline. We are glad to see that we outperformed the market in the US and China, both of which are important growth areas for our global brands. Thanks to a substantial number of new and renewed distribution contracts with both existing and new distribution partners, we have secured and optimised our access to important markets for the years to come. Our ability to partner with leading distributors around the world is a reflection of our strong portfolio of brands.”

Key figures (in € million unless otherwise stated, for the full year ended)	Pre-IFRS 15/16				Post-IFRS 15/16
	31 March 2019	31 March 2018	Δ reported	Δ organic ²	31 March 2019
Revenue	92.5	92.2	+ 0.3%	+ 1.2%	87.0
Gross margin	59.2%	62.0%	- 280 bps	- 160 bps	56.6%
Normalised EBIT ³	20.8	23.6	-11.9%	-7.6%	20.8
Normalised EBIT margin	22.5%	25.6%	- 310 bps	-220 bps	24.0%
Normalised net profit ⁴	12.9	14.7	-12.5%	-5.2%	12.8
Reported EBIT ⁵	19.6	23.6			19.6
Reported net profit	16.6	20.4			16.5
Earnings per share (in €)	1.33	1.64			1.32
Total dividend per share (in €)	0.60	0.60	-		

¹ All comparisons are on an organic basis, i.e. at constant currencies, excluding one-off items and on a pre-IFRS 15/16 basis

² at constant currencies and excluding one-off items

³ Normalised EBIT is EBIT excl. one-off items (i.e. one-off restructuring costs of € 0.6 million (net) at Avandis and one-off advisory costs of € 0.6 million in 2018/19)

⁴ Normalised net profit is net profit excl. one-off items (i.e. one-off tax benefit of € 5.3 million, one-off advisory costs and finance costs totalling € 1.0 million and one-off restructuring costs of € 0.6 million (net) at Avandis in 2018/19 and a one-off tax benefit of € 5.6 million in 2017/18)

⁵ EBIT is defined as operating profit plus share of profit of joint ventures

Please note that the results stated in this press release are pre-IFRS 15/16 figures, unless otherwise mentioned. The financial statements in the annex provide a bridge between the pre-IFRS 15/16 and post-IFRS 15/16 results.

Operational review

Consolidating and strengthening our route to market

In 2018/19 the company renewed the distribution contracts with a large number of distributors with whom Lucas Bols has partnered for many years, including the Edrington Group in Scandinavia, China, South Korea, Hong Kong and Europe Travel Retail. The contract with Asahi was renewed in Japan, as was the contract with Beam Suntory in Australia and New Zealand.

All existing contracts were renewed in the UK, Ireland, Switzerland and Portugal, while in Germany and Scandinavia we consolidated the Lucas Bols brands with one distributor. In Spain we combined the portfolio with a new distributor who is more focused on the on-trade, creating new growth opportunities for the Lucas Bols brands. With the new arrangement in Canada, where contracts were signed with two new distributors, we aim to create more synergies with our own US business.

All these steps enable Lucas Bols to secure and optimise the route to market for the coming years, providing a solid base for further growth of our brands.

Successful introduction of Nuvo

After signing an agreement for a strategic partnership for Nuvo in December 2017, the sparkling liqueur brand was successfully launched in the US in the spring of 2018, with an initial focus on ten states in the year under review. The first cases of Nuvo were also shipped to South America. The brand had to be rebuilt from scratch, from production to distribution. While Nuvo fully contributes to revenue, its contribution to EBIT is still limited due to marketing investments and royalty payments, as previously communicated.

Strengthening of Avandis through integration of Distillery Coymans

In 2018/19 the operations of Distillery Coymans (acquired in 2016) were fully integrated into the Avandis blending and bottling operation in Zoetermeer. The process of integrating the activities into the Zoetermeer location and closing the Tilburg plant went smoothly and according to plan. All operational activities in Tilburg were terminated in December 2018 and the building was sold for an attractive price in March 2019. The restructuring costs for this process amounted to € 0.6 million, a balance of costs relating to the restructuring and the gain on the sale of the building.

The integration of the Coymans Distillery and the ongoing modernisation of the Zoetermeer plant, including the addition of a can line, creates a leading North European spirits blending and bottling plant. This will safeguard the production of Lucas Bols products for years to come.

Modernised headquarters supporting new way of working

In the course of 2018/19 the head office of Lucas Bols was completely renovated. This was an extensive project that provided the opportunity to translate our new way of working principles into the architecture and interior design of our new office. To this end an open office space was created with a focus on diverse teamwork possibilities to stimulate an agile and transparent way of working that fits a target and objective-driven organisation. New ICT tools and infrastructure were implemented to facilitate (international) teamwork and create a paperless office. The new office is fit for growth and an inspiring work environment for employees and future talent alike.

10th edition of leading global bartender competition Bols Around the World

In 2018/19 the tenth edition of the well-known bartending competition Bols Around the World (BATW) was launched, entirely via social media. This year international bar teams were invited to take part in the contest and create a unique recipe and creative theatrical concept using one or more products from Lucas Bols' complete global portfolio. Six teams, selected from participating teams from 40 countries worldwide, will compete for the title of Bols Master Bar Team 2019 in Amsterdam in June 2019. The BATW competition is one of the leading global bartender competitions and a valuable source of inspiration for the bartending community around the world.

Financial review

Revenue

Lucas Bols' revenue for the financial year ended 31 March 2019 amounted to € 92.5 million, an increase of 1.2% compared to last year at constant currencies. As a result of the stronger euro, foreign currencies had a negative impact of € 0.8 million on revenue.

Our global brands portfolio showed revenue growth of 3.5%, at constant currencies, mainly driven by a strong performance in the US, the UK and China. Revenue of the regional brands decreased by 5.9% compared to last year, mainly due to the challenging retail markets in the Benelux and France. In the second half of the year we saw a recovery of the regional brands, driven by Western Africa where temporary import restrictions that impacted the first half of the year were lifted in the second half.

Gross profit

At constant currencies gross profit for the 2018/19 financial year fell slightly to € 54.7 million from the year before, with a gross margin of 59.2%. Organically the gross margin declined by 160 bps as a result of geographical mix with lower shipments to higher margin markets and higher shipments to lower margin ones, and the introduction of Nuvo.

EBIT

Normalised EBIT for 2018/19 came in at € 20.8 million (€ 23.6 million in 2017/18), a decrease of 7.6% at constant currencies, as a result of the lower gross margin. As anticipated, currencies had a negative impact of € 1.1 million on EBIT. The normalised EBIT margin came in at 22.5%, compared to 25.6% in 2017/18.

Allocated D&A expenses were in line with the year before and included commission payments related to Nuvo. Following the introduction of IFRS 15 we further optimised our A&P spending, which is reflected in a small reduction (€ 0.7 million) compared to last year.

Total overhead costs (excluding one-off costs and depreciation) came in at 16.2% of revenue compared to 15.5% a year ago. This is mainly related to the expansion in the US with the addition of Nuvo.

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.

(in € million unless otherwise stated, for the full year ended)	Pre-IFRS 15/16				Post-IFRS 15/16
	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	71.6	69.9	+2.5%	+3.5%	66.4
Gross profit	45.4	46.9	-3.1%	-0.6%	40.2
Gross margin	63.4%	67.1%	-370 bps	-270 bps	60.6%
EBIT	27.6	29.5	-6.4%	-2.3%	27.6
EBIT margin	38.5%	42.2%	-370 bps	-230 bps	41.5%

* at constant currencies and excluding one-off items

Revenue of the global brands for the 2018/19 financial year amounted to € 71.6 million, an increase of 3.5% at constant currencies.

- The Passoã brand continued to perform strongly with mid-single-digit revenue growth. The growth was mainly driven by the expansion of distribution in the UK, the expansion of Passoã to 45 states in the US, a substantial rise in the number of distribution points, and recovery in Puerto Rico after the hurricane of 2017. Furthermore, global distribution was expanded to over 50 countries.
- Revenue of the Bols Liqueurs range showed a mixed performance with a decline in markets such as Germany and Canada where we will change distributor in the first quarter of 2019/20, and a declining market in Japan partly offset by continued growth in the US and accelerated growth in China and South Korea. Furthermore, we continued to reduce our shipments to traders following significant price increases.

- Overall the white spirits segment saw a low single-digit decline compared to last year. Damrak Gin continued to grow in its most important markets, the Netherlands and the US, while the focus for Bols Genever remained on key US cities with the activation and expansion of our signature cocktail, the Red Light Negroni. Bols Vodka continued to show good growth in the Netherlands, while fierce price competition is still negatively impacting the brand in Canada.
- The Italian liqueurs returned to growth, resulting in overall revenue growth for the full year. Both Galliano and Vaccari contributed to this growth.
- Nuvo was successfully launched in the US with an initial focus on ten states, targeting the Latin community. The brand had to be rebuilt from scratch, from production to distribution.

Revenue of the global brands in Western Europe was slightly down from a year ago. The challenging retail environment, mainly in France, Belgium and Germany, negatively impacted revenue in this region. We also decided to stop loss-making price promotions in Germany and France which impacted revenue in these markets. The strong growth of Passoã in the UK and double-digit growth of the global brands in the Netherlands could not fully compensate for this.

At constant currencies revenue in Asia-Pacific was in line with last year, mainly driven by accelerated growth in China where the underlying positive market trends translated into significant revenue growth for Bols Liqueurs. South Korea showed good growth too. Revenue in Japan was down as a result of challenging market conditions. Australia/New Zealand showed low single-digit growth in a stable market environment.

In North America the positive growth trend continued with double-digit growth. The very strong performance in the US (+20% compared to last year) was mainly driven by Passoã, Damrak Gin and the introduction of Nuvo. Also, Bols Liqueurs achieved low single-digit revenue growth in a stable range liqueur market. In Canada heavy price competition continued with respect to Bols Vodka, resulting in lower revenue, while Passoã in Puerto Rico fully recovered and contributed to the revenue growth in North America.

Emerging Markets performed well, with the region returning to revenue growth in the second half, resulting in overall good growth for the full year. This was mainly driven by the good performance in South America, related to the positive impact of the change in route to market in a number of markets (from royalty to direct sales). Eastern Europe showed a decline compared to last year, mainly due to higher shipments in 2017/18 when we entered a number of new markets, but underlying depletions show mid-single-digit growth. The Africa/Middle East region showed healthy growth.

Gross profit of the global brands came in at € 45.4 million. The gross margin was down 270 bps on an organic basis, impacted by negative geographic mix with lower shipments to higher-margin markets and strong growth in some lower margin markets, and the introduction of Nuvo which has a lower than average gross margin. EBIT was down 2.3% year-on-year at constant currencies and excluding the one-off costs related to Avandis, while the EBIT margin came in at 38.5%. Currencies had a negative impact of € 0.9 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 full year ended)	Pre-IFRS 15/16				Post-IFRS 15/16
	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	20.9	22.3	-6.4%	-5.9%	20.6
Gross profit	9.3	10.2	-9.2%	-5.0%	9.0
Gross margin	44.5%	45.9%	-140 bps	+40 bps	43.9%
EBIT	8.3	9.0	-7.5%	-2.7%	8.4
EBIT margin	39.7%	40.2%	-50 bps	+140 bps	40.6%

* at constant currencies and excluding one-off items

Revenue of the regional brands for the 2018/19 financial year amounted to € 20.9 million, down 5.9% from € 22.3 million for 2017/18. In Western Africa temporary import restrictions for the Henkes brand into Togo and Benin impacted revenue in the first half of the financial year. The restrictions were lifted in the second half of the year and the Henkes business normalised. The increased brand activation of Henkes further strengthened our market position in Western Africa.

Revenue of the Dutch domestic genever/vieux portfolio was down as a result of the continuously declining market, although the second half of the year showed an improvement over the first half. Two important brand activations took place in the second half of the year in the Dutch genever portfolio: 'Bols komt met een biertje' ('Bols comes with a beer'), and a restyling of the complete Bokma packaging range and the introduction of the Bokma 5-year-old Bourbon Cask, targeting new consumer groups in order to gradually compensate for the decline in the traditional young genever and vieux segment.

Gross profit decreased to € 9.3 million from € 10.2 million in 2017/18, in line with the revenue development. Organically the gross margin increased by 40 bps as a result of price increases in Africa. Excluding the one-off restructuring charge at Avandis and at constant currencies, EBIT for the regional brands was down 2.7% in 2018/19, while the EBIT margin was up 140 bps organically.

One-off items

The one-off items in 2018/19 comprise the € 0.6 million net restructuring charge at Avandis relating to the closure of the Cooymans distillery which was completed in the last quarter of 2018/19, and advisory costs and finance costs of € 1.0 million. Furthermore, in 2018/19 a tax gain of € 5.3 million was recognised relating to the deferred tax liability as a result of the upcoming reduction in the Dutch corporate tax rate. In 2017/18 a one-off profit of € 5.6 million was realised mainly due to the positive impact of reductions in the French corporate tax rate on the company's deferred tax liabilities.

Finance costs

Finance costs came in at € 3.7 million in 2018/19, compared to € 3.5 million the year earlier. The finance costs in 2018/19 include one-off costs related to the accelerated amortisation of financing costs associated with the previous credit facility (€ 0.4 million).

Taxes

Normalised tax expenses amounted to € 4.6 million in 2018/19 compared to normalised expenses of € 5.3 million in 2017/18, in both years excluding the abovementioned one-off tax gains. Reported tax income for 2018/19 amounted to € 0.7 million, compared to € 0.3 million in 2017/18.

The effective tax rate, excluding the one-off tax benefit, was 26.4% for the 2018/19 financial year (2017/18: 26.5%), above the Dutch nominal tax rate as profits of Passoã are taxed at a higher rate in France.

Profit for the period

Net profit came in at € 16.6 million in 2018/19, a decrease compared to € 20.4 million in 2017/18. Excluding the one-off items, net profit was € 12.9 million, down 5.2% at constant currencies compared to the normalised net profit of € 14.7 million in 2017/18. Normalised net profit per share came in at € 1.03 for 2018/19, compared to € 1.18 per share in 2017/18 (reported earnings per share for 2018/19: € 1.33 and for 2017/18: € 1.64).

Cash flow

The operating free cash flow decreased to € 11.0 million (2017/18: € 18.7 million) as a result of lower operating income (€ 2.8 million), higher taxes paid in France (€ 2.7 million, of which € 1.7 million was non-recurring as it relates to a change in the French tax collection system) and one-off higher capital investments (€ 1.4 million, mainly related to the renovation of the new office).

Financial position

Equity

Equity increased by € 8.6 million to € 192.2 million at the end of the 2018/19 financial year, mainly as a result of the recorded net profit of € 16.6 million and the € 7.5 million dividend distribution.

Net debt

Net debt increased by € 2 million to € 48.8 million at 31 March 2019 (31 March 2018: € 46.8 million). The net debt to EBITDA ratio stood at 3.4 on 31 March 2019 (2.8 on 31 March 2018).

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 € 69.3 million as of 31 March 2019. The total net debt of the company, including assumed debt, was reduced to € 103.6 million at 31 March 2019 (€ 104.2 million at 31 March 2018). The net debt to EBITDA ratio including assumed debt was 4.8 at 31 March 2019 (4.3 at 31 March 2018).

Dividend

Lucas Bols will propose to the Annual General Meeting of Shareholders on 10 July 2019 that a final dividend of € 0.25 per share in cash be distributed for the 2018/19 financial year. Following the distribution of an interim dividend of € 0.35 in November 2018, the total dividend for the financial year would amount to € 0.60, equal to last year. This represents a dividend pay-out ratio of 58% of the normalised net profit, in line with our dividend policy of a pay-out of at least 50% of net profit.

New credit facility

In the third quarter of the 2018/19 financial year Lucas Bols entered into a new € 130 million syndicated credit facility agreement, replacing the previous agreement. This leverage-neutral transaction improves the terms and conditions of Lucas Bols' financing structure through extended maturity, lower rates and increased operational flexibility to support the expected development of the business.

Outlook

Despite the geopolitical uncertainty and volatility that characterises current times, the underlying market dynamics in the global cocktail market remain healthy. At Lucas Bols we want to add flavour to the world and to provide great cocktail experiences.

We will continue to activate and grow our global brands in line with our strategy, with innovative drink concepts and by acting on upcoming trends around the world. We will further capitalise on the growth of our global brands in the US and China by further strengthening our market position. The retail markets in Western Europe are likely to remain challenging, continuing to impact the performance of the regional brands.

We see upward pressure in our raw material and logistics costs, which we aim to offset by premiumisation and revenue management initiatives while prudently managing 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 broadly neutral impact on EBIT in the 2019/20 financial year.

We expect the operating free cash flow and Capex to return to normal levels, as the financial year under review was impacted by a number of non-recurring items.

Given the recent tax adjustments we expect the effective tax rate for the 2019/20 financial year to be around 25%.

We will continue to monitor potential add-ons of brands which can be integrated into our production and distribution platform.

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 US) 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

29 May 2019	Publication of 2018/19 annual report
10 July 2019	Annual General Meeting of Shareholders
21 November 2019	Publication of 2019/20 half-year results
28 May 2020	Publication of 2019/20 full-year results
9 July 2020	Annual General Meeting of Shareholders

Annexes

1. Brand information
2. Segment information
3. Financial statements 2018/19

1. Brand information

Global brands

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	71.6	69.9	+2.5%	+3.5%	66.4
Gross profit	45.4	46.9	-3.1%	-0.6%	40.2
Gross margin	63.4%	67.1%	-370 bps	-270 bps	60.6%
D&A expenses	-18.0	-17.7	+2.2%	+1.9%	-12.9
% of revenue	25.2%	25.3%	+10bps	+40bps	19.3%
EBIT	27.6	29.5	-6.4%	-2.3%	27.6
EBIT margin	38.5%	42.2%	-370bps	-230bps	41.5%

Regional brands

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	20.9	22.3	-6.4%	-5.9%	20.6
Gross profit	9.3	10.2	-9.2%	-5.0%	9.0
Gross margin	44.5%	45.9%	-140bps	+40bps	43.9%
D&A expenses	-1.8	-2.0	-12.1%	-12.1%	-1.5
% of revenue	8.6%	9.1%	+60bps	+60bps	7.1%
EBIT	8.3	9.0	-7.5%	-2.7%	8.4
EBIT margin	39.7%	40.2%	-50bps	+140bps	40.6%

Total

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	92.5	92.2	+0.3%	+1.2%	87.0
Gross profit	54.7	57.1	-4.2%	-1.4%	49.3
Gross margin	59.2%	62.0%	-280bps	-160bps	56.6%
D&A expenses (allocated)	-19.8	-19.7	+0.7%	+0.4%	-14.3
% of revenue	21.4%	21.4%	+0bps	-20bps	-16.5%
D&A expenses (unallocated)	-16.3	-14.8	+10.0%	+5.6%	-16.3
% of revenue	17.6%	16.0%	+160bps	+70bps	18.7%
EBIT	19.6	23.6	-17.1%	-7.6%	19.6
EBIT margin	21.2%	25.6%	-440bps	-220bps	22.6%

* at constant currencies and excluding one-off items

2. Segment information

Western Europe

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	45.9	48.0	-4.4%	-3.9%	44.1
% of total revenue	49.6%	52.1%			50.7%
Gross profit	25.3	27.9	-9.3%	-6.2%	23.6
% of total gross profit	46.2%	48.8%			47.8%
Gross margin (gross profit in % of revenue)	55.1%	58.0%	-300bps	-140bps	53.4%

Asia-Pacific

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	15.3	16.2	-5.7%	-0.4%	15.0
% of total revenue	16.5%	17.6%			17.3%
Gross profit	10.9	12.1	-9.3%	-2.2%	10.6
% of total gross profit	20.0%	21.1%			21.6%
Gross margin (gross profit in % of revenue)	71.5%	74.3%	-280bps	-130bps	70.9%

North America

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	19.5	16.6	+17.2%	+15.0%	17.9
% of total revenue	21.1%	18.0%			20.5%
Gross profit	11.5	9.9	+15.7%	+13.5%	9.9
% of total gross profit	21.0%	17.4%			20.0%
Gross margin (gross profit in % of revenue)	59.0%	59.8%	-70bps	-80bps	55.3%

Emerging Markets

	Pre-IFRS 15/16				Post- IFRS 15/16
(in € million unless otherwise stated, for the year ended)	31 March 2019	31 March 2018	Δ reported	Δ organic*	31 March 2019
Revenue	11.8	11.3	+4.5%	+5.6%	10.0
% of total revenue	12.8%	12.3%			11.5%
Gross profit	7.0	7.3	-3.6%	-1.7%	5.2
% of total gross profit	12.8%	12.7%			10.6%
Gross margin (gross profit in % of revenue)	59.2%	64.2%	-490bps	-450bps	52.0%

* at constant currencies and excluding one-off items



CONSOLIDATED FINANCIAL STATEMENTS 2018/19

Consolidated statement of profit or loss

Amounts in EUR `000 for the year ended 31 March	2019	2018 *
Revenue	86,983	92,191
Cost of sales	(37,712)	(35,064)
Gross profit	49,271	57,127
Distribution and administrative expenses	(30,623)	(34,477)
Operating profit	18,648	22,650
Share of profit of joint ventures	990	991
Finance income	93	23
Finance costs	(4,003)	(3,550)
Net finance costs	(3,910)	(3,527)
Profit before tax	15,728	20,114
Income tax expense	747	288
Net profit	16,475	20,402
Result attributable to the owners of the Company	<u>16,475</u>	<u>20,402</u>
Weighted average number of shares	12,477,298	12,477,298

Earnings per share

Basic earnings per share (EUR)	1.32	1.64
Diluted earnings per share (EUR)	1.32	1.64

* The Company applied the modified transition approach for IFRS 15 and 16 and therefore did not restate the comparative figures for 2017/18 for the impact of adopting these new standards. Consequently these financials statements should be read in conjunction with the bridge provided on page 15 of this press release, where the impact of adopting IFRS 15 and 16 is presented.



Consolidated statement of other comprehensive income

Amounts in EUR `000 for the year ended 31 March	2019	2018 *
Net profit	16,475	20,402
Other comprehensive income - Items that will never be reclassified to profit or loss		
Remeasurement of defined benefit liability	(4)	(64)
Related tax	1	16
Equity accounted investees – share of other comprehensive income	127	144
	124	96
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	72	(128)
Equity accounted investees – share of other comprehensive income	38	(184)
Net change in hedging reserve	(360)	221
Related tax	90	(55)
	(161)	(146)
Other comprehensive income for the year, net of tax	(36)	(50)
Total comprehensive income for the year, net of tax	16,439	20,352
Total comprehensive income attributable to the owners of the Company	<u>16,439</u>	<u>20,352</u>

* The Company applied the modified transition approach for IFRS 15 and 16 and therefore did not restate the comparative figures for 2017/18 for the impact of adopting these new standards. Consequently these financials statements should be read in conjunction with the bridge provided on page 15 of this press release, where the impact of adopting IFRS 15 and 16 is presented.



Consolidated statement of changes in equity

Amounts in EUR `000	Share capital	Share premium	Treasury shares	Currency translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the year	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 year	-	-	-	-	-	-	-	16,475	16,475
Other comprehensive income	-	-	-	110	(270)	-	124	-	(36)
Total comprehensive income	-	-	-	110	(270)	-	124	16,475	16,439
Dividend paid	-	-	-	-	-	-	(7,486)	-	(7,486)
Purchase own shares (ESPP)	-	-	106	-	-	-	-	-	106
Own shares delivered (ESPP)	-	-	(106)	-	-	-	-	-	(106)
Changes in estimates of costs related to the issuance of shares *	-	(375)	-	-	-	-	-	-	(375)
Transfer to legal reserves **	-	-	-	-	-	5,048	(70)	(4,977)	-
Balance as at 31 March 2019	<u>1,248</u>	<u>129,695</u>	<u>-</u>	<u>(163)</u>	<u>(754)</u>	<u>11,790</u>	<u>38,840</u>	<u>11,498</u>	<u>192,154</u>

* Amount recognized in changes in estimates refers to settlement with the tax authorities regarding tax deductibility of costs related to the issuance of shares

** 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	Share capital	Share premium	Treasury shares	Currency translation reserve	Hedging reserve	Other legal reserves	Retained earnings	Result for the year	Total equity
Balance as at 1 April 2017	1,248	130,070	-	40	(650)	1,650	24,468	14,009	170,835
Transfer result prior period	-	-	-	-	-	-	14,009	(14,009)	-
Total comprehensive income									
Profit (loss) for the year	-	-	-	-	-	-	-	20,402	20,402
Other comprehensive income	-	-	-	(312)	166	-	96	-	(50)
Total comprehensive income	-	-	-	(312)	166	-	96	20,402	20,352
Dividend paid	-	-	-	-	-	-	(7,611)	-	(7,611)
Purchase own shares (ESPP)	-	-	5	-	-	-	-	-	5
Own shares delivered (ESPP)	-	-	(5)	-	-	-	-	-	(5)
Transfer to legal reserves	-	-	-	-	-	5,092	129	(5,221)	-
Balance as at 31 March 2018 ***	<u>1,248</u>	<u>130,070</u>	<u>-</u>	<u>(272)</u>	<u>(484)</u>	<u>6,742</u>	<u>31,091</u>	<u>15,181</u>	<u>183,576</u>

*** The Company applied the modified transition approach for IFRS 15 and 16 and therefore did not restate the comparative figures for 2017/18 for the impact of adopting these new standards. Consequently these financials statements should be read in conjunction with the bridge provided on page 15 of this press release, where the impact of adopting IFRS 15 and 16 is presented.



Consolidated statement of financial position

Amounts in EUR `000 as at 31 March

	2019	2018 *
Assets		
Property, plant and equipment	10,371	1,987
Intangible assets	306,836	306,918
Investments in associates and joint ventures	7,590	7,363
Other investments	599	599
Non-current assets	325,396	316,867
Inventories	10,879	8,720
Trade and other receivables	23,328	21,247
Other investments, including derivatives	0	50
Cash and cash equivalents	21,221	12,420
Current assets	55,429	42,437
Total assets	<u>380,825</u>	<u>359,304</u>
Equity		
Share capital	1,248	1,248
Share premium	129,695	130,070
Treasury shares	-	-
Currency translation reserve	(163)	(273)
Hedging reserve	(754)	(484)
Other legal reserves	11,790	6,742
Retained earnings	38,840	31,091
Result for the year	11,498	15,181
Total equity	192,154	183,575
Liabilities		
Loans and borrowings	47,636	43,885
Other non-current financial liabilities	76,449	68,482
Employee benefits	334	280
Deferred tax liabilities	39,975	43,120
Total non-current liabilities	164,394	155,767
Loans and borrowings	7,551	4,040
Trade and other payables	15,661	15,522
Other current financial liabilities, including derivatives	1,065	400
Total current liabilities	24,277	19,962
Total liabilities	188,671	175,729
Total equity and liabilities	<u>380,825</u>	<u>359,304</u>

* The Company applied the modified transition approach for IFRS 15 and 16 and therefore did not restate the comparative figures for 2017/18 for the impact of adopting these new standards. Consequently these financials statements should be read in conjunction with the bridge provided on page 15 of this press release, where the impact of adopting IFRS 15 and 16 is presented.



Consolidated statement of cash flows

Amounts in EUR `000 for the year ended 31 March

	Note	2019	2018 *
Cash flow s from operating activities			
Net profit		16,475	20,402
Adjustments for:			
• Depreciation of property, plant and equipment	15	1,428	465
• Net finance costs	8	3,910	3,527
• Share of profit of joint ventures, net of tax		(990)	(991)
• Income tax expense	11	(747)	(288)
• Provision for employee benefits	10	50	-
		20,126	23,115
Change in:			
• Inventories		(2,159)	(767)
• Trade and other receivables		(2,081)	(446)
• Trade and other payables		1,335	(2,363)
Net changes in working capital		(2,905)	(3,576)
Dividends from joint ventures	28	1,200	1,450
Interest received		70	22
Income tax paid		(4,447)	(1,749)
Net cash from operating activities		14,044	19,262
Cash flow s from investing activities			
Acquisition of/additions to associates and joint ventures	17	(300)	-
Acquisition of property, plant and equipment	15	(1,928)	(542)
Acquisition of intangible assets	16	-	(423)
Loans issued and other investments	24	-	281
Net cash from (used in) investing activities		(2,228)	(684)
Cash flow s from financing activities			
Proceeds from loans and borrow ings	21	48,000	5,000
Payment of transaction costs related to loans and borrow ings		(390)	-
Repayment of loans and borrow ings	21	(48,428)	(10,032)
Cash dividend paid to shareholders	19	(7,486)	(7,611)
Payments made in lease contracts		(788)	-
Interest paid		(1,513)	(1,784)
Net cash from (used in) financing activities		(10,605)	(14,427)
Net increase/(decrease) in cash and cash equivalents		1,211	4,151
Cash and cash equivalents at 1 April		12,380	8,359
Effect of exchange rate fluctuations		79	(130)
Net cash and cash equivalents as at 31 March	19	<u>13,670</u>	<u>12,380</u>
Cash and cash equivalents (asset)		21,221	12,420
Less: bank overdrafts included in current loans and borrow ings		(7,551)	(40)
Net cash and cash equivalents as at 31 March		<u>13,670</u>	<u>12,380</u>

* The Company applied the modified transition approach for IFRS 15 and 16 and therefore did not restate the comparative figures for 2017/18 for the impact of adopting these new standards. Consequently these financials statements should be read in conjunction with the bridge provided on page 15 of this press release, where the impact of adopting IFRS 15 and 16 is presented.



IFRS 15 & 16 adoption impact

Amounts in EUR `000 for the year ended 31March	2019 reported	IFRS15 & 16 adoption impact	2019 pre-IFRS
Revenue	86,983	5,518	92,500
Cost of sales	(37,712)	(68)	(37,780)
Gross profit	49,271	5,450	54,720
Distribution and administrative expenses	(30,623)	(5,478)	(36,101)
Operating profit	18,648	(28)	18,620
Share of profit of joint ventures	990	-	990
Finance income	93	-	93
Finance costs	(4,003)	167	(3,836)
Net finance costs	(3,910)	167	(3,743)
Profit before tax	15,728	138	15,866
Income tax expense	747	(35)	712
Net profit	16,475	104	16,579
Amounts in EUR `000 as at 31March	2019 reported	IFRS15 & 16 adoption impact	2019 pre-IFRS
Assets			
Property, plant and equipment	10,371	(7,051)	3,320
Other non-current assets	315,025	-	315,025
Non-current assets	325,396	(7,051)	318,346
Current assets	55,429	-	55,429
Total assets	<u>380,825</u>	<u>(7,051)</u>	<u>373,774</u>
Equity			
Total equity	192,154	104	192,258
Liabilities			
Loans and borrowings	47,636	-	47,636
Other non-current financial liabilities	76,449	(6,554)	69,895
Employee benefits	334	-	334
Deferred tax liabilities	39,975	35	40,010
Non-current liabilities	164,394	(6,519)	157,875
Loans and borrowings	7,551	-	7,551
Trade and other payables	15,661	-	15,661
Other current financial liabilities	1,065	(636)	429
Current liabilities	24,277	(636)	23,641
Total liabilities	188,671	(7,155)	181,516
Total equity and liabilities	<u>380,825</u>	<u>(7,051)</u>	<u>373,774</u>



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 2019, which will be published on 29 May 2019. The annual accounts will be submitted to shareholders for approval at the General Meeting of Shareholders on 10 July 2019.

In accordance with Section 2:293 and 395 of the Dutch Civil Code, we report that our auditor, Ernst & Young Accountants LLP (EY), has issued an unqualified auditor's report on the annual accounts dated 22 May 2019. 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 EY, 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 EY.