Full-year results 2020/21 (1 April 2020 – 31 March 2021)

27 May 2021

Significant COVID-19 impact but improving trends

Strong cash generation led to further net debt reduction

Highlights full-year 2020/21

- **Revenue was negatively impacted by COVID-19, mainly as a result of on-trade closures, travel restrictions and destocking by distributors, and came in at € 57.3 million (down 32% year-on-year)**
- **Depletions (sales by distributors) were down 16%, which should be seen in the context of the fact that over half of Lucas Bols' business is normally conducted in the on-trade**
- **Important markets like the UK, the US, France, Australia and China showed growth in depletions for the 2020/21 financial year despite the pandemic, while Emerging Markets returned to growth in March 2021**
- **Retail-oriented brands such as Passoã, Galliano, Pisang Ambon and Nuvo performed strongly on the back of depletion growth in their core markets**
- **The gross margin of 52.5% (down 420 bps vs. last year) reflects a different sales channel mix and lower production cost absorption**
- **Strong cost saving measures led to an € 8.9 million (or 31%) reduction in total A&P and overhead expenses while investments were further optimised between brands and markets**
- **Operating profit (excl. one-off items) amounted to € 8.6 million (-51.3%) while net profit (excl. one-off items) came in at € 3.3 million**
- **After one-off items, including an impairment (€ 8.9 million) and a non-cash tax expense (€ 3.9 million), reported net loss was € 8.6 million**
- **A strict focus on cash management resulted in a solid free operating cash flow of € 11.4 million (2019/20: € 15.8 million), enabling Lucas Bols to reduce its net debt by € 6.9 million to € 92.4 million**
- **The Passoã acquisition was completed in December 2020. The payment of the purchase price (€ 71.3 million) did not affect the net debt position**
- **A two-year extension of the temporary amendments to the financing arrangements was agreed with the banks in April 2021, facilitating the further execution of our growth strategy**
- **In light of the impact of pandemic the Management Board decided not to propose a dividend for the 2020/21 financial year and to waive its entitlement to variable remuneration**

Huub van Doorne, CEO of Lucas Bols: *"The 2020/21 financial year was one of the most challenging years in the history of Lucas Bols. The implementation of lockdown measures around the world coincided more or less with the start of our fiscal year, and our on-trade exposure amplified the impact on our business. Significant destocking by distributors also negatively impacted revenue, leading to an overall drop in revenue of 32% for the year. We swiftly adapted to the highly uncertain and unpredictable circumstances by taking decisive mitigating actions. Strict cash and working capital management enabled us to further reduce net debt.*

Alongside the measures taken to navigate this crisis we managed to stay innovative and even launched exciting new products, right on trend. Lucas Bols was able to grow a number of its key brands and continued to be cash-generative, even in an unprecedented year like this. The flexibility and unwavering commitment of the Lucas Bols team and our partners made this happen, and I am proud of that.

The vaccination programmes that are currently being rolled out globally provide comfort that the on-trade will gradually reopen in most key markets. We will increase our investments behind the brands on a market-by-market basis, with an unabated drive to bring great cocktails around the world and an accelerated focus on in-home cocktail consumption. The two-year extension of the amendments to the financing arrangements further facilitates this.

Although trends are clearly improving, the pandemic is not over yet. We therefore continue to pursue enhanced cost and cash control, part of the impact of which is structural. We have used the past financial year to further strengthen the foundation of Lucas Bols and I am confident that the unique profile and resilience of our brands will bring us back to profitable growth."

Key figures

in € million unless otherwise stated, for the year ended 31 March	Excluding one-off items[1] 2021	2020	% change organic[2]		Reported 2021	2020	% change reported
Revenue	57.3	84.0	-31.3%		57.3	84.0	-31.8%
Gross margin	52.5%	56.7%	-434 bps		52.5%	56.7%	-420 bps
Operating profit/(loss)	8.6	17.6	-51.8%		(0.3)	17.6	-102.0%
Operating profit/(loss) margin	14.9%	20.9%	-640 bps		(0.6)%	20.9%	n/a
EBIT[3]	8.1	18.6	-56.9%		0.2	17.7	-99.1%
Net profit/(loss)	3.3	11.3	-70.4%		(8.6)	9.2	-193.0%
Free operating cash flow[4]	11.4	15.8	n/a		11.4	15.8	-27.9%
Earnings per share (in €)	0.26	0.90	-70.4%		(0.69)	0.74	n/a
Total dividend per share (in €)	-	0.35	n/a		-	0.35	n/a

Business review

Brands

Global brands

The more retail-focused brands like Passoã, Galliano and Nuvo performed strongly given the increased in-home consumption of cocktails and easy-mix drinks. Conversely, the more on-trade driven brands like Bols Liqueurs, Damrak and Vaccari were heavily impacted by the pandemic.

The past year has been strong and promising for Passoã, despite the pandemic. Depletions were up year-on-year in the UK, the US, the Netherlands, France, the BeLux and Puerto Rico, all of which are key markets for the brand. Consolidating its position as the number one cocktail in the UK, the Porn Star Martini strongly boosts Passoã's performance. The brand was also successful in retail channels, where it benefitted from expanded distribution and the increased popularity of in-home cocktail mixing. Passoã continues its growth trajectory in the US, driven mainly by retail sales thanks to distribution gains and increased rotation resulting in significant brand growth. The popularity of Passoã is gaining momentum in other markets as well, including Australia.

Bols Liqueurs and the white spirits are predominantly positioned in the on-trade channel and were consequently heavily impacted by the pandemic. We observed a strong recovery in depletions for the Bols Liqueurs range when the on-trade reopened in the second quarter, driven by strong growth in China and a clear improvement in depletion trends in many other markets, including the US. After the reintroduction of lockdown measures in many markets in the third quarter, the Bols brand was again severely impacted. The gradual reopening of the on-trade in the US in the fourth quarter had an immediate positive effect on the brand. One of our trend-setting product developments, reinforcing our leadership in the cocktail market, was the global relaunch of our Bols Liqueurs range. All recipes are now crafted with natural botanicals and the packaging of the Bols Liqueurs has been fully revamped to reflect the improved product proposition. Our latest innovations include the award-winning Damrak Virgin 0.0 that was launched in the Netherlands and the US.

In the year under review Galliano clearly reversed the declining trend, showing solid year-on-year growth in 2020/21. Galliano achieved strong results specifically in Australia and New Zealand. Commercial initiatives and in-store promotions drove the accelerated growth in retail sales. In Scandinavia, the Galliano brand performed well driven by the signature serve ritual 'The Original Galliano Hot Shot'. Galliano also returned to growth in the US.

Retail brand Nuvo performed well in the past year. The US business showed significant growth due to an expansion in the number of points of distribution and improved rotation. E-commerce and direct-to-consumer activation programmes supported Nuvo sales across various US retail states.

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[1] An overview of the one-off items is listed on page 6 of this press release under 'One-off items'

[2] Organic: excluding one-off items and at constant currencies

[3] EBIT is net profit before net finance costs and the income tax expense. Thus, EBIT is defined as operating profit plus share of profit of joint ventures

[4] Free operating cash flow is net cash from operating activities minus cash used for the acquisition of property, plant and equipment and intangible assets

Regional brands
The portfolio performance within the regional brands was mixed. More retail-oriented brands, like Pisang Ambon, performed well. The performance of the Dutch genever and vieux portfolio, a category which has been in decline for several years, dropped further due to the on-trade lockdown measures. The Henkes brand performed well in West Africa with results in line with the previous financial year. Revenue from the KLM Delft Blue houses was significantly down due to COVID-related travel restrictions.

In terms of product development we extended our specialty product range in the Netherlands by introducing Bols Corenwyn 10 years. We also introduced Coebergh 0.0, the non-alcoholic version of Coebergh.

One of the focuses of the regional brands is to protect and, where possible, increase profitability. In 2020/21 steps were taken to increase the gross margin, including the implementation of price increases in the Netherlands and Emerging Markets. Together with a favourable product mix this resulted in a 270 bps increase in the gross margin.

Regions

Western Europe
The UK was a clear outperformer in Western Europe with depletions of Passoã growing substantially. The increased retail business more than offset lower on-trade sales. The French market stabilised after the significant impact of new legislation (the EGalim law) in 2019/20. In a number of markets including the Netherlands, the BeLux and Scandinavia, retail sales could only partially mitigate the downturn in the on-trade. Southern European markets are focused more on the on-trade and were therefore more severely impacted by the lockdown measures. Hardly any sales were realised in the travel retail segment as a consequence of the impactful global travel restrictions. When lockdown measures across Western Europe were eased in the second quarter, depletions bounced back to last year's levels.

Asia-Pacific
Within the Asia-Pacific region Australia and New Zealand achieved outstanding results, driven by growth of Galliano, a well-recognised consumer brand in these markets. In Australia the further expansion of Passoã also contributed to growth. China continued its upward trajectory, resulting in year-on-year growth despite hardly any depletions in the first months of 2020/21 due to the COVID-19 measures. The Japanese market remains challenging as a result of restrictive on-trade measures. Our business in South-East Asia is still very much impacted by the lack of tourism.

North America
In North America we witnessed a strong recovery as soon as the on-trade reopened. This was reflected both in second-quarter (+4%) and fourth-quarter depletions (+42%). As on-trade activities were limited by COVID-19 measures in 2020/21, the full-year performance in the US was mainly driven by our more retail-oriented brands Passoã, Galliano and Nuvo. The strong growth of these premium brands is also a reflection of the success of our premiumisation strategy. Bols Liqueurs was heavily impacted by the closure of the on-trade but did show an improving trend towards the end of the financial year as the on-trade gradually reopened in the fourth quarter. Canada, a largely retail-driven market, and Puerto Rico performed relatively well with stable performances year-on-year.

Emerging Markets
The Emerging Markets region includes on-trade driven markets in Eastern Europe and Latin America. Depletions were down significantly in the period from April to December but returned to growth in the fourth quarter (+5%), mainly fuelled by Russia, Latin America and Western Africa.

Commercial initiatives
Despite the challenges posed by the pandemic, including being unable to meet with distributors in person and having to work from home for most of the year, we launched a set of promising initiatives in the 2020/21 financial year. Inspiring efforts were undertaken to fuel the enthusiasm of our business partners and brand ambassadors and we continued to engage with bartenders around the world. We accelerated our focus on retail, ready-to-serve propositions and do-it-yourself cocktail packs. Increased in-home consumption of cocktails in many markets is an important driver for our retail and direct-to-consumer strategy. Our online strategy was boosted by a stronger social media presence and digital campaigning. We actively invested in growing e-commerce sales.

Depletions

Depletions (value), % change vs. same period last year	**FY 2020/21**	**Q1**	**Q2**	**Q3**	**Q4**
Total	-16%	-36%	-5%	-21%	-1%
Brands					
Global brands	-17%	-35%	-4%	-21%	-6%
Regional brands	-15%	-42%	-10%	-23%	+16%
Regions					
Western Europe	-16%	-25%	0%	-23%	-15%
Asia-Pacific	-26%	-53%	-16%	-16%	-22%
North America	+1%	-28%	+4%	-7%	+42%
Emerging Markets	-33%	-76%	-25%	-40%	+5%

In the first quarter of our financial year (April-June) our business was severely impacted around the globe as most markets faced lockdown measures directly affecting the on-trade channel. When the on-trade reopened in a number of markets around summertime, depletions recovered rapidly and strongly. This even allowed certain markets - including China, the US, the UK and Australia - to show year-on-year growth in the second quarter. Restrictive measures were however reintroduced in the third quarter of our fiscal year following the outbreak of second and third COVID-19 waves. A strong recovery was achieved towards the end of the fourth quarter with depletions coming in at last year’s levels, driven by growth in North America and Emerging Markets as well as continued strong growth in the UK, France and Australia. March depletions were even ahead of last year.

Full-year depletions were down 16%.

Supply chain
Thanks to strong supply-chain partnerships, Lucas Bols did not encounter any raw material shortages, disruptions in the production of products or major adverse impacts on logistics. We continued to deliver our products to all our markets around the world without facing out-of-stock situations.

Avandis
In 2020/21 the production of Passoã was transferred from the Rémy Cointreau production site in Angers (France) to Avandis in Zoetermeer (the Netherlands). From January 2021 onwards most of the Passoã volume has been bottled at Avandis. Due to the strategic reorientation of one of the joint-venture partners, we increased our stake in Avandis at terms favourable to Lucas Bols. Our equity stake is now 50% (up from 33%), which is more aligned with Lucas Bols’ relative share of production volumes at Avandis.

Pallini
Italy-based Pallini is a leading premium limoncello brand with steady mid-single-digit annual growth rates in the US. In October 2020 Lucas Bols signed an agreement with Pallini regarding the US distribution of the Pallini Limoncello brand. Pallini successfully transitioned onto the Lucas Bols distribution platform, including local marketing, sales and logistics services, with distribution of the brand in the US effectively starting in December 2020.

Passoã transaction
In December 2020 Lucas Bols completed the Passoã acquisition by purchasing the remaining shares in the Passoã SAS joint venture held by Rémy Cointreau. Passoã SAS’ financials were already fully consolidated in Lucas Bols’ financial reporting and this remains unchanged. In addition, the liability relating to the purchase price had been carried on Lucas Bols’ balance sheet since the incorporation of the joint venture. Hence the payment of the purchase price did not affect the net debt position of Lucas Bols.

Financial review

Revenue
Lucas Bols' revenue for the 2020/21 financial year came in at € 57.3 million, down 32% compared to last year due to the significant impact of the COVID-19 pandemic on depletions and substantial destocking by distributors. The net effect of currencies on revenue was very limited.

Revenue of our global brands, generally more focused on the on-trade, was down 35% to € 42.1 million while the regional brands reported a 22% decrease to € 15.2 million.

Emerging Markets were impacted the most in relative terms and reported a 42% decrease in revenue. Revenue in North America and Western Europe was down 33% and 27%, respectively, compared to last year. Asia-Pacific reported a 33% decline in revenue, despite a strong performance and growth in Australia and New Zealand.

Gross profit
Gross profit for the full year 2020/21 decreased to € 30.1 million (2019/20: € 47.7 million), reflecting lower revenue and a decline in gross margin as a percentage of revenue. The latter decreased by 420 bps to 52.5% (2019/20: 56.7%), mainly attributable to a changed mix as sales shifted from the higher margin on-trade channel to retail, with a changed regional mix also contributing to the decline. Moreover, we faced a lower absorption of production costs due to lower production volumes at Avandis. Currencies had a positive impact of € 0.2 million on gross profit.

Operating profit
Operating profit (excluding one-off items) came in at € 8.6 million for 2020/21 compared to € 17.6 million in 2019/20. Currencies had a positive impact of € 0.5 million. In response to the pandemic, Advertising & Promotion (A&P) and overhead costs were reduced substantially. Total A&P was scaled back by € 5.0 million, down 34% from last year as investments behind the brands were balanced following on-trade closures. Overhead costs were down € 3.9 million for the full year, a 27% reduction compared to last year. This mainly relates to lower personnel expenses and reduced travel and entertainment costs. Where applicable Lucas Bols applied for government support. Whilst some of the cost savings are temporary, we also made a structural reduction in our overhead cost base.

The operating profit margin (excluding one-off items) came in at 14.9% in 2020/21 compared to 20.9% a year earlier.

The reported operating result was negatively impacted by a non-cash, one-off impairment of € 8.9 million (detailed below) and came in at a loss of € 0.3 million.

Share of profit of joint ventures
The share of profit of joint ventures came in at € 0.5 million in 2020/21 (2019/20: € 0.2 million).

The temporary impact of the pandemic on Avandis' blending and bottling volumes – and hence operating and financial performance – was significant. Consequently, Avandis incurred an operating loss, the vast majority of which was accounted for in the first half. At the same time a non-cash, one-off gain of € 1.7 million was recognised following the increase of Lucas Bols' shareholding in Avandis.

Maxxium's result was in line with last year, a clear reflection of the competitive strength of its distribution activities and relationships. Furthermore, a non-cash, one-off loss of € 0.7 million was recognised relating to an impairment of the carrying value of our BolsKyndal joint venture in India.

EBIT
Excluding one-off items (all non-cash) EBIT came in at € 8.1 million compared to € 18.6 million last year. Reported EBIT for 2020/21 was € 0.2 million (2019/20: € 17.7 million).

The table below provides an overview of EBIT (excluding one-off items) for our global brands and regional brands.

	Global brands		Regional brands	
(in € million unless otherwise stated, for the year ended 31 March)	**2021**	**2020**	**2021**	**2020**
Revenue	42.1	64.5	15.2	19.4
Gross profit	23.1	39.2	7.0	8.4
Gross margin	*54.9%*	*60.8%*	*46.0%*	*43.3%*
EBIT*	14.0	26.5	6.4	8.1
*EBIT margin**	*33.3%*	*41.0%*	*42.1%*	*41.7%*

* excluding one-off items

Net finance costs
Net finance costs came in at € 3.4 million in 2020/21, comparable to last year (€ 3.3 million).

Income tax expenses
Normalised income tax expenses amounted to € 1.3 million in 2020/21, compared to € 4.0 million in the previous financial year.

Reported income tax expenses amounted to € 5.3 million for the year, compared to € 5.2 million in 2019/20. One-off income tax expenses were recorded in both financial years. In 2019/20 a one-off income tax gain that was recorded in 2018/19 was partially reversed due to announced changes in the future Dutch income tax rate, resulting in a non-cash one-off income tax expense of € 1.2 million. In 2020/21 additional future income tax rate changes were announced, resulting again in a non-cash one-off income tax expense (€ 3.9 million).

The 2020/21 effective tax rate was approximately 28.7% (2019/20: 26.2%). This is higher than the Dutch nominal tax rate due to the good performance of Passoã, whose profits are taxed in France at a higher income tax rate.

Net profit / (loss)
Net profit excluding the one-off items explained below came in at € 3.3 million in 2020/21 compared to € 11.3 million in 2019/20. The reported net result was a loss of € 8.6 million (2019/20: € 9.2 million profit).

Net earnings per share
Net earnings per share excluding one-off items came in at € 0.26 for 2020/21 (2019/20: € 0.90). Reported net earnings per share amounted to a loss of € 0.69 in 2020/21 compared to a profit of € 0.74 in 2019/20.

One-off items
The 2020/21 one-off items referred to above are all non-cash and consist of:

- an impairment of € 8.9 million related to the Dutch brands, recognised in depreciation and amortisation expenses. The drivers of the impairment were mainly the impact of the COVID-19 pandemic in the markets where these brands are sold, changes in the competitive market environment in the Benelux for jenever/vieux and the continuous decline in consumer consumption of these brands;
- a gain of € 1.7 million following the increase in Lucas Bols' shareholding in Avandis (included in share of profit of joint ventures);
- a € 0.7 million impairment of the remaining carrying value of the BolsKyndal joint venture, reflecting a further deterioration of economic, political and market circumstances in India; and
- an income tax expense of € 3.9 million as specified above.

In 2019/20 one-off items included one-off restructuring costs of € 0.5 million at Avandis, one-off costs of € 0.4 million relating to a write-down of doubtful debt at BolsKyndal and a one-off income tax expense of € 1.2 million.

Cash flow
The free operating cash flow came in at € 11.4 million (2019/20: € 15.8 million), a solid performance given the negative impact of the COVID-19 pandemic on operating profit. Strict cash and working capital management measures contributed to this achievement and resulted in a cash conversion ratio of 108.5% for the 2020/21 financial year (2019/20: 82.2%).

Equity
Equity decreased by € 8.9 million to € 184.8 million, mainly as a result of the recorded net result.

Net debt
Our highly cash-generative business model combined with an intensified focus on cash and working capital provided a solid cash flow, even during the pandemic. Consequently, we reduced our total net debt by € 6.9 million to € 92.4 million as at the end of the financial year (31 March 2020: € 99.3 million). Lucas Bols fully complied with the amended bank covenants.

In April 2021 Lucas Bols reached agreement on an extension of the amendments to the financing arrangements for two years, i.e. until 31 March 2023. The covenants will continue to be tested on EBITDA and liquidity levels until 30 September 2022. At 31 March 2023 we will return to ratio testing, with the net debt / EBITDA ratio being tested against a 4.50x covenant level.

Dividend in 2020/21
Given the ongoing uncertainties related to the COVID-19 situation, and further to the decision not to pay an interim dividend this fiscal year, the Management Board and Supervisory Board decided to refrain from proposing a final dividend for the 2020/21 financial year. The Management Board, in consultation with the Supervisory Board, decided to waive its entitlement to any variable remuneration for the 2020/21 financial year.

Outlook
Now that vaccination programmes are being rolled out globally and markets are gradually reopening, we are confident that the strength and resilience of our brands will enable us to recover most of the COVID-19 sales decline, where shipments are expected to follow depletions.

However, we do expect the pandemic to continue to impact our markets and performance in the first half of the 2021/22 financial year. We remain focused on cost control, cash management and further net debt reduction while at the same time executing our growth strategy by increasing A&P on a market-by-market basis.

In light of the above the Management Board and Supervisory Board expect there will be no interim dividend for the 2021/22 financial year.

Taking into account the foreign currency position already hedged and assuming the current level of the euro, foreign currencies are expected to have a negative € 1 million impact on EBIT in the 2021/22 financial year.

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 445-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 (not including 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.

Annexes

1. Brand information
2. Segment information
3. Full-year condensed consolidated report for 2020/21

Disclaimer

Some statements in this press release may be considered ’forward-looking statements’. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industry in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only express views as at the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

1. **Brand information**

Global brands

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	42.1	64.5	-34.8%	-34.2%
Gross profit	23.1	39.2	-41.1%	-40.5%
Gross margin	*54.9%*	*60.8%*	*-590bps*	*-580bps*
D&A expenses	-8.3	-13.0	-35.9%	-34.5%
% of revenue	*19.8%*	*20.1%*	*-30bps*	*-10bps*
EBIT	15.0	26.2	-42.5%	-46.7%
EBIT margin	*35.7%*	*40.5%*	*-480bps*	*-780bps*

Regional brands

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	15.2	19.4	-21.6%	-21.4%
Gross profit	7.0	8.4	-16.6%	-17.9%
Gross margin	*46.0%*	*43.3%*	*+270bps*	*+200bps*
D&A expenses	-9.8	-1.1	n/a	-20.9%
% of revenue	*64.2%*	*5.8%*		*+0bps*
EBIT	-2.5	*7.5*	-133.7%	-22.1%
EBIT margin	*-16.6%*	*38.7%*		*-40bps*

Total

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	57.3	84.0	-31.8%	-31.3%
Gross profit	30.1	47.7	-36.8%	-36.5%
Gross margin	*52.5%*	*56.7%*	*-420 bps*	*-434 bps*
D&A expenses (allocated)	-18.1	-14.1	+28.4%	-33.4%
% of revenue	*31.6%*	*16.8%*		*-50 bps*
D&A expenses (unallocated)	-12.3	-16.0	-22.7%	-21.9%
Overhead (excl. depreciation) % of revenue	*18.2%*	*17.1%*	*+110 bps*	*+120 bps*
EBIT	0.2	17.7	-99.1%	-56.9%
EBIT margin	*0.3%*	*21.1%*		*-850 bps*

* at constant currencies and excluding one-offs

2. Segment information

Western Europe

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	30.8	42.1	-27.0%	-27.4%
% of total revenue	*53.7%*	*50.1%*		
Gross profit	14.7	22.4	-34.5%	-35.2%
% of total gross profit	*48.7%*	*47.0%*		
Gross margin	47.7%	53.2%	-550bps	-570bps

Asia-Pacific

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	10.6	15.2	-30.1%	-33.4%
% of total revenue	*18.6%*	*18.1%*		
Gross profit	7.5	10.8	-30.7%	-35.3%
% of total gross profit	*24.9%*	*22.8%*		
Gross margin	70.6%	71.3%	-70bps	-210bps

North America

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	10.4	16.8	-38.1%	-33.0%
% of total revenue	*18.2%*	*20.0%*		
Gross profit	5.0	9.2	-46.1%	-38.7%
% of total gross profit	*16.5%*	*19.3%*		
Gross margin	47.7%	54.8%	-710bps	-470bps

Emerging Markets

(in € million unless otherwise stated, for the year ended)	**31 March 2021**	**31 March 2020**	**% change reported**	**% change organic***
Revenue	5.5	9.8	-44.0%	-41.9%
% of total revenue	*9.6%*	*11.7%*		
Gross profit	3.0	5.2	-43.1%	-40.9%
% of total gross profit	*9.8%*	*10.9%*		
Gross margin	53.8%	52.9%	+90bps	+100bps

* at constant currencies and excluding one-offs

CONSOLIDATED FINANCIAL STATEMENTS 2020/21

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2021	2020
Revenue	57,313	83,980
Cost of sales	(27,207)	(36,321)
Gross profit	**30,106**	**47,659**
Distribution and administrative expenses	(30,452)	(30,082)
Operating profit/(loss)	**(346)**	**17,578**
Share of profit of joint ventures	507	154
Finance income	188	250
Finance costs	(3,637)	(3,594)
Net finance costs	**(3,449)**	**(3,344)**
Profit/(loss) before tax	**(3,288)**	**14,387**
Income tax expense	(5,270)	(5,182)
Net profit/(loss)	**(8,558)**	**9,205**
Result attributable to the owners of the Company	**(8,558)**	**9,205**
Weighted average number of shares	12,477,298	12,477,298
Earnings per share		
Basic earnings per share (EUR)	(0.69)	0.74
Diluted earnings per share (EUR)	(0.69)	0.74

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2021	2020
Net profit/(loss)	**(8,558)**	**9,205**
Other comprehensive income – Items that will never be reclassified to profit or loss		
Remeasurement of net defined benefit liability/(asset)	(3)	(29)
Related tax	1	7
Equity accounted investees – share of other comprehensive income	(174)	(5)
	(176)	**(27)**
Items that are or may be reclassified to profit or loss		
Foreign operations – foreign currency translation differences	10	(40)
Equity accounted investees – share of other comprehensive income	–	(44)
Net change in hedging reserve	(233)	(81)
Related tax	58	20
	(165)	**(145)**
Other comprehensive income for the year, net of tax	**(341)**	**(172)**
Total comprehensive income for the year, net of tax	**(8,899)**	**9,033**
Total comprehensive income attributable to the owners of the Company	**(8,899)**	**9,033**

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 2020	1,248	129,695	–	(247)	(815)	16,601	42,835	4,384	193,701
Transfer result prior period	–	–	–	–	–	–	4,384	(4,384)	–
Total comprehensive income									
Profit (loss) for the year	–	–	–	–	–	–	–	(8,558)	(8,558)
Other comprehensive income	–	–	–	10	(175)	–	(176)	–	(341)
Total comprehensive income	**–**	**–**	**–**	**10**	**(175)**	**–**	**(176)**	**(8,558)**	**(8,899)**
Dividend paid	–	–	–	–	–	–	–	–	–
Purchase own shares (ESPP)	–	–	90	–	–	–	–	–	90
Own shares delivered (ESPP)	–	–	(90)	–	–	–	–	–	(90)
Transfer from legal reserves	–	–	–	–	–	(8,971)	8,971	–	–
Balance as at 31 March 2021	**1,248**	**129,695**	**–**	**(237)**	**(990)**	**7,630**	**56,014**	**(8,558)**	**184,802**

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 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 year	–	–	–	–	–	–	–	9,205	9,205
Other comprehensive income	–	–	–	(84)	(61)	–	(27)	–	(172)
Total comprehensive income	**–**	**–**	**–**	**(84)**	**(61)**	**–**	**(27)**	**9,205**	**9,033**
Dividend paid	–	–	–	–	–	–	(7,486)	–	(7,486)
Purchase own shares (ESPP)	–	–	3	–	–	–	–	–	3
Own shares delivered (ESPP)	–	–	(3)	–	–	–	–	–	(3)
Transfer to legal reserves	–	–	–	–	–	4,811	10	(4,821)	–
Balance as at 31 March 2020	**1,248**	**129,695**	**–**	**(247)**	**(815)**	**16,601**	**42,835**	**4,384**	**193,701**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AMOUNTS IN EUR '000 AS AT 31 MARCH	2021	2020
Assets		
Property, plant and equipment	9,786	10,308
Intangible assets	298,213	307,347
Investments in equity-accounted investees	9,024	7,316
Other investments	831	599
Non-current assets	**317,854**	**325,570**
Inventories	13,295	10,559
Trade and other receivables	16,341	24,920
Other investments including derivatives	47	115
Cash and cash equivalents	18,827	33,108
Current assets	**48,510**	**68,702**
Total assets	**366,364**	**394,273**
Equity		
Share capital	1,248	1,248
Share premium	129,695	129,695
Treasury shares	–	–
Currency translation reserve	(237)	(247)
Hedging reserve	(990)	(815)
Other legal reserves	7,630	16,601
Retained earnings	56,014	42,835
Result for the year	(8,558)	4,384
Total equity	**184,802**	**193,701**
Liabilities		
Loans and borrowings	95,292	49,714
Other non-current financial liabilities	6,142	6,746
Employee benefits	505	434
Deferred tax liabilities	45,908	42,663
Total non-current liabilities	**147,847**	**99,557**
Loans and borrowings	15,703	11,925
Trade and other payables	16,457	17,497
Other current financial liabilities including derivatives	1,555	71,593
Total current liabilities	**33,715**	**101,015**
Total liabilities	**181,562**	**200,572**
Total equity and liabilities	**366,364**	**394,273**

CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2021	2020
Cash flows from operating activities		
Net profit/(loss)	**(8,558)**	**9,205**
Adjustments for:		
• Depreciation, amortisation and impairment	10,828	1,632
• Net finance costs	3,449	3,344
• Share of profit of joint ventures	(507)	(154)
• Income tax expense	5,270	5,182
• Provision for employee benefits	68	71
	10,550	**19,280**
Change in:		
• Inventories	(2,736)	320
• Trade and other receivables	8,578	(1,592)
• Trade and other payables	(3,397)	563
Net changes in working capital	**2,445**	**(709)**
Dividends from joint ventures	900	1,100
Interest received	188	335
Income tax paid	(2,002)	(2,242)
Net cash from operating activities	**12,081**	**17,764**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(71,300)	–
Acquisition of/additions to associates and joint ventures	(850)	(50)
Acquisition of property, plant and equipment	(705)	(1,387)
Acquisition of intangible assets	–	(596)
Net cash from (used in) investing activities	**(72,855)**	**(2,033)**
Cash flows from financing activities		
Proceeds from loans and borrowings	62,000	2,000
Payment of transaction costs related to loans and borrowings	–	–
Repayment of loans and borrowings	(14,000)	–
Cash dividend paid to shareholders	–	(7,486)
Payments made in lease contracts	(832)	(786)
Interest paid	(2,028)	(1,906)
Net cash from (used in) financing activities	**45,140**	**(8,178)**
Net increase/(decrease) in cash and cash equivalents	**(15,634)**	**7,553**
Cash and cash equivalents at 1 April	21,183	13,670
Effect of exchange rate fluctuations	75	(40)
Net cash and cash equivalents as at 31 March	**5,624**	**21,183**
Cash and cash equivalents (asset)	18,827	33,108
Less: bank overdrafts included in current loans and borrowings	(13,203)	(11,925)
Net cash and cash equivalents as at 31 March	**5,624**	**21,183**

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 2021, which will be published on 27 May 2021. The annual accounts will be submitted to shareholders for approval at the General Meeting of Shareholders on 8 July 2021. 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 26 May 2021. 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.