**Regulated Information**
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# SPADEL GROUP: 2024 HALF-YEARLY RESULTS

## Spadel records an increase of almost 27% in operating profit, driven by strong sales growth in all countries where the Group operates

- **Strong sales growth of 7,4%** in the first half of the year, reflected across all markets and driven by the dynamism of the Group's brands
- **Operating profit (EBIT) rose by 26,8%,** supported by sales growth and general cost control aimed at restoring the Group's margins, despite inflationary pressures weighing heavily on labour costs in particular.
- The Group expects full-year operating profit to be significantly higher than in 2023.

In the first half of 2024, the mineral water group Spadel achieved significant growth in its sales, closing the period with a 7,4% increase in turnover. Operating profit (EBIT) also rose substantially, by 27%.

Sales growth was reflected across all the Group's markets, with increases of 25% in Bulgaria, 5,9% in the Netherlands, 4,0% in France and almost 1% in Belux, enabling Spadel to gain market share and strengthen its leadership position in Belgium, Bulgaria and the Netherlands, against a backdrop of overall growth in the bottled water market. The significant increase in turnover is primarily due to growth in volumes sold and the mix effect. A number of innovations were also warmly received by consumers, such as the new Spa Touch Mocktails flavoured waters, Zyla 100% natural energy drinks and the Spa Fountain water fountain, and continued to favour the 5 L and 10 L Spa Reine Eco Packs, the 5 L Wattwiller Water Fountain and the new 'Devin Mineral and Vitamins' range.

The strong rise in operating profit (EBIT) was mainly due to the increase in turnover, underpinned by growth in volumes and a commercial policy aimed at boosting value and restoring Group margins, despite inflationary pressures linked to wage costs. This increase in operating profit represents a further step towards restoring the Group's profitability.

The Group continues to closely monitor developments in the bottled water market and to political developments in its various markets. Based on the results for the first half of the year, the Group expects operating profit for the full year 2024 to be significantly higher than in 2023.

## 1. KEY FIGURES

| Consolidated results (in 000 €) | June 2024 | June 2023 | Difference |
|---|---|---|---|
| **Net turnover** | **190.672** | **177.579** | 7,4% |
| Raw materials, consumables & merchandises | -39.903 | -41.769 | -4,5% |
| Services and other goods | -73.713 | -69.812 | 5,6% |
| Payroll costs | -39.518 | -35.918 | 10,0% |
| Amortization and depreciation | -10.901 | -11.701 | -6,8% |
| Other operating income / (costs) | 3.431 | 5.340 | -35,7% |
| **Operating result (EBIT)** | **30.068** | **23.719** | 26,8% |
| Financial income | 1.567 | 1.022 | 53,3% |
| Financial charges | -465 | -315 | 47,6% |
| Equity accounting method | 0 | -1.523 | -100,0% |
| **Result before taxes** | **31.170** | **22.903** | 36,1% |
| Taxes | -6.976 | -4.921 | 41,8% |
| **Profit / (loss) of the year** | **24.194** | **17.982** | 34,5% |
| **EBITDA**(Operating cashflow) (*) | **40.969** | **35.420** | 15,7% |

(*) Operating profit plus amortization and depreciation

| Consolidated balancesheet (in 000 €) | June 2024 | Dec 2024 | Difference |
|---|---|---|---|
| <u>Assets</u> | | | |
| Fixed assets | 230.453 | 234.995 | -1,9% |
| Current assets | 228.170 | 190.866 | 19,5% |
| **Total assets** | **458.623** | **425.861** | 7,7% |
| <u>Equity and liabilities</u> | | | |
| Equity | 294.182 | 279.126 | 5,4% |
| Long term liabilities | 35.785 | 32.594 | 9,8% |
| Current liabilities | 128.656 | 114.141 | 12,7% |
| | ------------ | ------------ | |
| Totaal liabilities | 164.441 | 146.735 | 12,1% |
| **Total equity and liabilities** | **458.623** | **425.861** | 7,7% |

| Key figure by share | June 2024 | June 2023 | Difference |
|---|---|---|---|
| Number of shares | 4.150.350 | 4.150.350 | = |
| Operating result by share (euros) | 7,24 | 5,71 | 26,8% |
| Net profit /(loss) by share (euros) | 5,83 | 4,33 | 34,5% |

### 1.1 Turnover

Consolidated net turnover, excluding excise duties and eco-taxes, is 190,7 million euro for the first half of the year, a significant increase of 7,4% compared to the previous year.

This substantial increase in turnover, driven by a volume effect of 6,4% and a price/mix effect of 1,0%, was reflected in all our markets, with increases of 25% in Bulgaria, 5,9% in the Netherlands, 4,0% in France and almost 1% in Belux.

This remarkable performance reflects the dynamism of our brands, our innovations and our sales policy.

### 1.2 Operating profit

Operating profit (EBIT) is 30,1 million euro, up 26,8% compared to 2023 (23,7 million euro).

This increase in operating profit, despite inflationary pressures weighing heavily on labour costs in particular, is primarily the result of the increase in turnover sustained by growth in volumes and by our commercial policy aimed at boosting value and restoring our margins. The result was also boosted by the continued streamlining of all our costs in both operational and commercial areas.

Operating cash flow (EBITDA) at the end of June 2024 was 41,0 million euro, compared with 35,4 million euro in 2023 (+17,7%).

### 1.3 Financial result

Financial income is 1,6 million euro, up on the previous year (1,0 million euro), mainly due to the rise in interest rates.

Financial expenses amount to 0,5 million euro, up slightly on the previous year.

### 1.4 Taxes

The tax charge for the first half of the year is 7,0 million euro, compared with 4,9 million euro the previous year, in line with the increase in pre-tax profits.

### 1.5 Net profit

Net profit at the end of the first half of the year was 24,2 million euro, up 34,5% from 2023.

## 2. BALANCE SHEET DATA

At 30 June 2024, shareholders' equity valued in accordance with IFRS stood at 294,2 million euro, up 5,4% compared with the end of 2023. Equity capital covers 127,7% of non-current assets.

The solvency ratio, which is the amount of equity capital over total liabilities, is 64,1%.

Trade receivables, as well as trade payables and inventories, are higher than at the end of 2023. These changes reflect the seasonal fluctuations in activity and higher sales during the summer.

Operational activities generated a gross cash flow before taxes of 41,3 million euro, compared with 35,7 million euro during the first half of 2023.

The Group's cash flow on 30 June 2024 is 115,0 million euro.

## 3. INVESTMENTS

Investments in the first half of the year are 3,9 million euros. These involve mainly the following:

- Bulgaria (Devin): Work to upgrade and improve production lines; purchase of refrigerators, gallons and dispensers for the HOD business; purchase of vehicles; work to improve packaging lines.
- Belgium (Spa): Replacement of the HVAC system in the bottling hall; adaptation of bottle necks on two production lines; installation of pipes and equipment linked to a water catchment; investments linked to the new attached bottle caps; installation of a DLUO laser coder on a production unit; renovation work on tanks.
- France (Carola): Installation of a new combi block (PET line); purchase of bottles and crates.
- France (Wattwiller): Installation of curtains and air circulation; work to upgrade and improve a production line.
- Belgium (Bru): Purchase of bottles and crates; replacement of pipes; investments linked to the new attached bottle caps.
- Belgium (HQ): Purchase of dispensers for the Spa Fountain business; migration from SAP to the Cloud environment (SAP-RISE); purchase of IT hardware and software.

## 4. OUTLOOK

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

Buoyed by a strengthened financial structure and strong fundamentals, the Group intends to pursue its growth, notably through innovation. The first half of the year featured two major innovations. The first was the launch of a new range of natural, less sweetened energy drinks under the 'Zyla' brand, available on the Belgian market in three energy types – Vitality, Focus and Boost – while the second was the launch of the "Spa Fountain", a water fountain that fits easily into any office space and works with 10 L SPA Reine Eco Packs.

The Group continues to closely monitor developments in the bottled water market and to political developments in its various markets.

Based on results from the first half of the year, sales growth and an improved profitability structure, the Group is forecasting a significant increase in operating profit for the full year compared with 2023.

The Group is pursuing its efforts as a leader in the mineral water market by continuing to make investments and working to offer consumers more innovative products, focused on health, hydration, natural ingredients and sustainability. This focus on our social and environmental impact in favour of a more circular and inclusive economy also demonstrates our capacity for innovation.

**SPADEL IN BRIEF**

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

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