



# PRESS RELEASE

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## HIGHLIGHTS 2024 HALF-YEAR RESULTS

- Lotus Bakeries reports sales growth of almost 20% or EUR 100 million in the first six months of 2024
- Lotus<sup>®</sup> Biscoff<sup>®</sup> and Lotus<sup>™</sup> Natural Foods have continued momentum and realise robust volume growth
- Underlying operating cash flow or EBITDA(u) and net result rose by more than 20%
- Net financial debt remains low at 0.7 times EBITDA(u)
- Allocation of capital investments for 2024 and 2025 combined is increased to EUR 275 million

### 1. HALF-YEAR RESULTS 2024

INCOME STATEMENT <sup>1</sup> (IN THOUSANDS OF EUR)	JAN - JUNE 2024	JAN - JUNE 2023	CHANGE %
<b>REVENUE</b>	<b>599,255</b>	<b>501,125</b>	<b>+ 19.6 %</b>
EBIT(u) – Underlying operating result <sup>2</sup>	97,463	78,430	+ 24.3 %
<b>EBITDA(u) – UNDERLYING OPERATING CASH FLOW<sup>3</sup></b>	<b>115,819</b>	<b>95,789</b>	<b>+ 20.9 %</b>
Non-underlying items	(2,534)	(782)	- 224.2 %
EBIT – Operating result <sup>4</sup>	94,929	77,648	+ 22.3 %
Financial result	(702)	(1,066)	+ 34.1 %
Result for the period before taxes	94,227	76,583	+ 23.0 %
Income taxes	(22,102)	(17,346)	- 27.4 %
<b>NET RESULT</b>	<b>72,125</b>	<b>59,237</b>	<b>+ 21.8 %</b>
Underlying net result	74,136	59,842	+ 23.9 %
Total number of shares on June 30 <sup>5</sup>	812,123	811,510	
<b>KEY FIGURES PER SHARE (IN EUR)</b>			
EBIT(u)	120.01	96.65	+ 24.2 %
EBITDA(u)	142.61	118.04	+ 20.8 %
Earnings per share (EPS)	88.83	73.02	+ 21.7 %
<b>STATEMENT OF FINANCIAL POSITION (IN THOUSANDS OF EUR)</b>	<b>JUNE 30, 2024</b>	<b>JUNE 30, 2023</b>	<b>CHANGE %</b>
Balance sheet total	1,288,565	1,179,888	+ 9.2 %
Equity	694,463	589,314	+ 17.8 %
Investments <sup>6</sup>	42,432	33,917	+ 25.1 %
Net financial debt <sup>7</sup>	150,102	184,412	- 18.6 %

(1) For more details on the income statement and the balance sheet, we refer to the condensed consolidated financial statements of the interim financial report.

(2) EBIT(u) is defined as the underlying operating result, consisting of all the income and expenses relating to normal business.

(3) EBITDA(u) is defined as EBIT(u) excluding depreciations and amortisations, provisions and amounts written off and non-cash costs valuation option and warrant plan.

(4) EBIT is defined as EBIT(u) + non-underlying items.

(5) Total number of shares as per June 30, excluding treasury shares.

(6) Investments include capital expenditures and investments in other companies.

(7) Net financial debt is defined as interest-bearing financial debts - cash and cash equivalents and term deposits - treasury shares, and are reported excluding the 'lease liabilities' that result from the implementation of IFRS 16 Leases. Including these 'lease liabilities', the net financial debt amounts to EUR 171 million.

## 2. MANAGEMENT COMMENTS

### 2.1 LOTUS BAKERIES' REVENUE UP BY ALMOST 20% OR EUR 100 MILLION

Lotus Bakeries reports consolidated sales of EUR 599.3 million in the first half of 2024. This represents a year-on-year increase of 19.6% or EUR 98.1 million.

The sales growth is primarily driven by a robust and broad-based volume increase of more than 16% across geographical segments and across the three strategic pillars of Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes. Price increases have, combined with foreign currency impact, a limited contribution of 3% in the total revenue growth of 19.6%.

#### Continued momentum and outstanding volume growth for Lotus® Biscoff®

Lotus® Biscoff®, the Group's first and largest strategic pillar, realised outstanding volume growth of more than 20%. The Biscoff® growth strategy which was initialised in 2023 puts a clear focus on building penetration first for the hero products, Biscoff cookies and Biscoff spreads. Moreover, the strategy emphasises broadening the number of demand spaces beyond 'the best cookie with coffee' and the Biscoff partnerships with global CPG brands. Next to securing broad distribution and securing excellent in-store execution, media investments are a key activation lever of the strategy. A new and digital-only media plan was announced last year and the step-up in media investments in targeted growth markets went in full execution in the first half of 2024. The brand has continued momentum across its core concepts of Biscoff cookies, Biscoff sandwich cookies and Biscoff spread.

The growth of Lotus Biscoff in the first half of the year was geographically broad-based with strong performance in Continental Europe, the UK, the US and Asia-Pacific. In Continental Europe the growth is – amongst others – driven by larger consumer markets like Germany, the Netherlands and Spain that still have ample room to grow household penetration. Other notable penetration gains in the last 12 months have been realised in Canada and Australia.

The step-up in volume of Biscoff cookies, Biscoff sandwich cookies and Biscoff spread over the past 12 months was possible through increased production capacity made available by gradually gearing up towards full continuous production and shift regimes, by improved productivity and by the commissioning of a new production line in the plant in Mebane (US).



## Lotus™ Natural Foods also continues to outperform the market with double digit growth

The second strategic pillar of Lotus Bakeries is **Lotus™ Natural Foods**. In the first half of 2024, all Natural Foods brands continue to outperform the market via a strong, double-digit growth. International Lotus Natural Foods activities outside the UK grew again by almost 30% in the first six months of this year and account for more than one third of total Lotus Natural Foods sales. Besides sustained good performance of BEAR® in the US, nākd® and Kiddylicious® also realise relevant distribution gains in several European markets. A recent strategic review confirms the international potential of the Group's healthy snacking portfolio under the brand umbrellas of BEAR, nākd, TREK® and Kiddylicious.

Also in the UK, Lotus Natural Foods realises sustained growth across all core concepts and further supported by promising innovations. The nākd Protein Bar and the BEAR Fruit Splits are two new products that were launched successfully in the course of 2023 and are in the meantime proven contributors to the growth of the Natural Foods business in the UK. Another interesting innovation in the UK was the TREK Power Biscoff bar, which was launched in 2024 and already became a top selling bar in the category.



## Lotus® Local Heroes realise mid-single digit growth above historic trend

The third pillar of the Lotus Bakeries strategy is to focus on the 'local heroes' in the home markets of Belgium, the Netherlands, France and Sweden. While the sales increase in 2023 was primarily driven by pricing, the local heroes' portfolio delivered mid-single digit volume growth in the first half of 2024. Belgium and France were the main contributors with increases for both pastry driven by the successful launch of the Cake Donut and for waffles driven by sustained growth of the Liège Waffle.

## 2.2 EBITDA(u) INCREASES MORE THAN 20%

The EBIT(u) (EUR 97.5 million or 16.3% on revenue) and the EBITDA(u) (EUR 115.8 million or 19.3% on revenue) increased by EUR 19.0 and EUR 20.0 million respectively compared with last year.

The increase of EBIT(u) and EBITDA(u) of 24.3% and 20.9% respectively confirms the robustness of the growth strategy. The strategic focus on Lotus® Biscoff® and Lotus™ Natural Foods allows to translate sustainable organic growth into solid profits and cash flow. The latter in turn allows to continue investments in the brands and in the expansion of production capacity to fuel and support further future growth.

With the exception of chocolate, the input and production costs for raw materials, packaging, co-manufacturing, utilities and labour have, on an aggregated level, stabilised year-over-year. The Biscoff® and BEAR® plants have been capable to deliver the additional output needed to fulfil market demand contributing positive operational leverage. This allows to continue to invest in strengthening the organisation further and to upscale the media investments, both key to sustain continued growth.

The non-underlying items of EUR -2.5 million relate mainly to costs to support capacity expansion for Lotus Biscoff on the greenfield site in Chonburi, Thailand.

The financial result of EUR -0.7 million consists mainly of interest expenses, net of cash deposit income, and bank charges.

Tax expense amounts to EUR 22.1 million or 23.5% of profit before tax. The effective tax rate is slightly higher than the 2023 full year tax rate and also linked to the increase of the corporate income tax rate in the UK from 19% to 25%.

Net profit increases by EUR 12.9 million compared to the first half of 2023 and amounts to EUR 72.1 million or 12.0% on revenue. Earnings Per Share (EPS) increased by 21.7% to EUR 88.8 per share. Underlying net result amounts to EUR 74.1 million or 12.4% on revenue. The underlying net result is the reported net result for the period excluding non-underlying items.

## 2.3 NET FINANCIAL DEBT REMAINS LOW AT 0.7 TIMES EBITDA(u)

Over the past 12 months, Lotus Bakeries has generated a record underlying operating cash flow (EBITDA(u)) of EUR 227.6 million. Investments over the last 12 months and 24 months were close to EUR 100 million and EUR 220 million respectively. Continued strong cash flow generation, combined with disciplined investments in maintenance capex and working capital control keeps the net financial debt/EBITDA(u) ratio at 0.7 at the end of June 2024. The reported net financial debt of Lotus Bakeries amounts to EUR 171.0 million and includes EUR 20.9 million of debt to be expressed by applying IFRS 16 Leases.

### **3. MONDELĒZ INTERNATIONAL AND LOTUS BAKERIES JOIN FORCES TO EXPAND THE BISCOFF BRAND IN INDIA AND CREATE CO-BRANDED CHOCOLATE INNOVATIONS IN KEY MARKETS**

In June of 2024, Mondelēz International and Lotus Bakeries announced a strategic partnership to expand and grow the Biscoff® cookie brand in India, and to develop exciting new chocolate products combining the unique, caramelised, crunchy Biscoff taste and texture with Mondelēz's iconic Cadbury, Milka and other key chocolate brands in Europe, with potential options to expand into additional markets and/or adjacent segments.

Through this partnership, Mondelēz will leverage its extensive distribution network and local market presence to manufacture, market, distribute and sell Biscoff cookies in India. Lotus Bakeries aims to achieve significant visibility and sales growth in this high-potential market, while Mondelēz will build upon its already strong presence in both traditional and modern trade to expand its cookie offerings into high-demand premium spaces.

For Lotus® Biscoff®, this partnership allows to unlock the high-potential yet challenging Indian market. Today, Lotus Biscoff sales in India account for less than 0.5% of total Biscoff sales. To successfully operate in India, it is required to have thorough market knowledge, strong local presence, a vast supply chain and distribution network and a customised pricing strategy. Lotus Bakeries is convinced that working together with a strong and respected partner as Mondelēz in India will create optimal value for both companies. Lotus Bakeries is providing Mondelēz India with a licence to manufacture, market and sell Biscoff cookies in India but retains control over the Biscoff branding, the product taste and texture, product specifications and quality and most importantly the confidentiality of the recipe.

In addition to growing Biscoff in India, the two companies will work together to develop and market co-branded chocolate products in other markets. While specific formats are still in the early stages of development, the companies aim to bring new innovations to the chocolate category that will surprise and delight consumers. The first co-branded products are expected to launch in early 2025, with Cadbury and Biscoff in the United Kingdom, as well as Milka and Biscoff in Europe.

For the entire licence scope, Lotus Bakeries retains ownership of the brand identity and Biscoff's global brand guidelines, both present and future, will be adhered to. The direct sales and profit contribution of this partnership are expected to be limited in the first years.

**CEO Jan Boone about the new partnership:**

*We are thrilled to join forces with the world's number-one cookie player, Mondelēz International, and we are grateful for their belief in our Biscoff® brand. We look forward to building on their commercial expertise and market-specific knowledge and presence in India, and we believe now is the right time to expand our distribution in this growing market. Additionally, we are excited to add our Biscoff brand to one of the world's leading chocolate companies. Our delicious flavours complement each other perfectly, and we're confident that our shared commitment to innovation and quality will delight customers and consumers.*

### **4. APPOINTMENT OF CHIEF PROCUREMENT OFFICER**

John Van de Par, Dutch national, is appointed as Chief Procurement Officer (CPO) as of October 1, 2024. As CPO, John will be leading amongst other the Corporate departments Procurement, Quality and R&D. He joined Lotus Bakeries in 2008 as Finance Director of Koninklijke Peijnenburg, after having had a career at Friesland Campina. He quite rapidly evolved to the role of Corporate Director at HQ and in 2016 he became General Manager of Area Belgium, his current position.

In the Executive Committee, John is the successor of William Du Pré who retires after a career of more than 40 years at Lotus Bakeries. He rose through the ranks, took several roles in sales and marketing, successfully led Area Belgium as General Manager for many years and became a member of the Executive Committee in 2016. John will join the five-headed Executive Committee led by CEO Jan Boone and further consisting of Isabelle Maes (CMO Lotus Bakeries and CEO Natural Foods), Ignace Heyman (COO) and Mike Cuvelier (CFO).

## 5. CONCLUSION AND OUTLOOK

In the first six months of 2024, Lotus Bakeries' consolidated sales increased by almost 20% or EUR 100 million to reach EUR 599.3 million. More specifically, the first half of the year is marked by an outstanding volume growth, exceeding expectations going into the year and contributing more than 16% to the total growth. Strong performance was recorded across the three strategic pillars, Lotus® Biscoff®, Lotus™ Natural Foods and Lotus® Local Heroes.

Lotus Biscoff's volume growth of more than 20% stands out, building on continued momentum for the brand and on the Biscoff® growth strategy initialised in 2023. The steep increase in demand for Biscoff is broad-based across the hero concepts Biscoff cookies and Biscoff spread. The Biscoff plants in Lembeke (Belgium) and Mebane (US) have delivered record output to fulfil this additional volume. The increased production capacity was made available by gearing up towards full and continuous production and shift regimes, increased productivity on prior years' production line start-ups and the commissioning of a new production line in the plant in Mebane (US). In the meantime, the greenfield project in Thailand is progressing according to plan and remains on track to go live with commercial production in the first half of 2026 at the latest.

The increased capacity requirements compounding over recent periods challenge the plant teams to gear up shift regimes and to explore relentlessly further production efficiencies. The outlook for Biscoff in the second half of the year remains positive while recent half year's growth rates need to be tempered. An increasing comparable in the second half of the year, a further phase out of the annualised pricing impact and limitations of installed and available production lines to generate ever more incremental output warrant some caution in the forecast for the second half of 2024 and 2025. The first production line in Thailand is planned to start up in the first half of 2026 at the latest. Until that step-up is realised, production planning and output need to be diligently balanced with evolution and mix of demand.

The teams are equally challenged to execute effectively and timely the committed and ongoing expansion projects. At the same time, a step-up and acceleration of the expansion plans is necessary. Therefore, the previously announced investment programme of EUR 200 million for 2024 and 2025 combined will be increased to EUR 275 million and is forecasted to be almost evenly split over the two years.

CEO Jan Boone at the end of the first half of the year:



## 8. FINANCIAL CALENDAR

Announcement of the 2024 annual results:	6 February 2025
General Meeting of Shareholders:	13 May 2025

### Lotus Bakeries in a nutshell

Lotus Bakeries, founded in 1932, operates worldwide in the indulgent and natural snacking segment with brands including Lotus®, Biscoff®, nākd®, TREK®, BEAR®, Kiddylicious®, Peter's Yard®, Dinosaurus®, Peijnenburg® and Annas®. Headquartered in Belgium, Lotus Bakeries is a dynamic and internationally oriented company with production facilities in Belgium, the Netherlands, France, Sweden, South Africa and the United States. A third production facility for Biscoff is currently under construction in Thailand and will be operational by 2026. It has 23 sales organisations in Europe, America, Asia and Australia. Lotus Bakeries also works with commercial partners in approximately fifty countries worldwide. Lotus Bakeries has around 3,000 employees and achieved a revenue of EUR 1,063 million in 2023. Lotus Bakeries is listed on Euronext Brussels and is part of the BEL20-Index. The majority of shares are owned by the Boone and Stevens family.

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Further information about Lotus Bakeries can be found on [www.lotusbakeries.com](http://www.lotusbakeries.com)