

B&S Group full year 2019 results

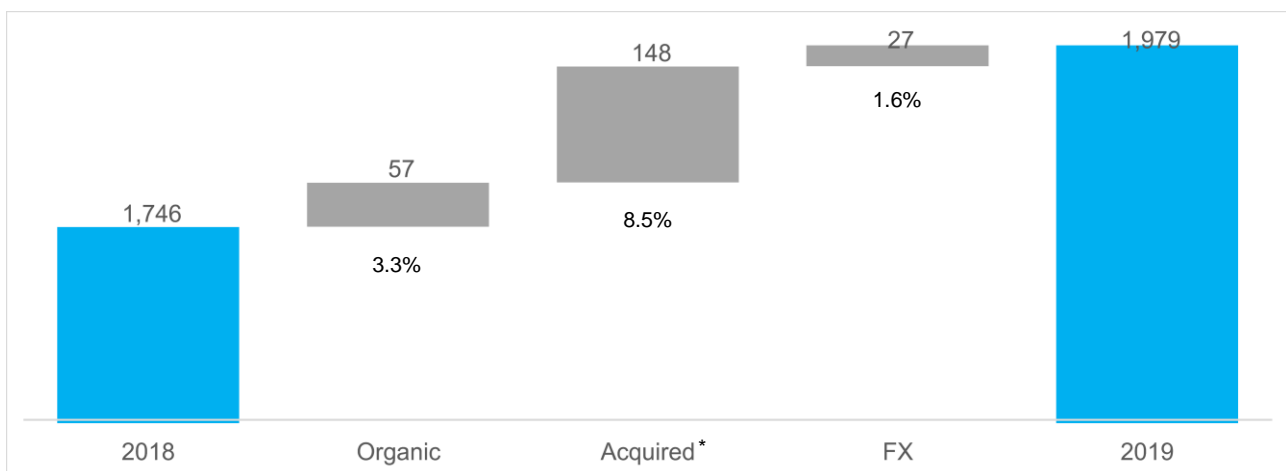
Mensdorf, Luxembourg – February 24, 2020 (07:00 CET)

B&S Group S.A. (“B&S Group” or the “Group”), a fast-growing, global distribution partner for consumer goods, today announces its full year 2019 results.

Highlights FY 2019 (compared to FY 2018)

- Overall turnover growth of 13.3% to € 1,978.8 M (11.8% on a constant currency basis), fuelled by Health & Beauty category in the HTG Segment and volume contracts in the B&S Segment;
- Organic turnover growth of 4.9% (3.3% at constant currency);
- EBITDA amounted to € 104.6 M pre IFRS 16 or € 114.6 M post IFRS 16 (FY 2018: € 109.0 M), growth held back by unfavourable developments in Asian markets in H2 and logistical constraints in B&S Segment in H1;
- Profit before tax of € 77.5 M (FY 2018: € 90.8 M);
- Net cash from operations amounted to € 114.7 M (FY 2018: € 3.5 M), back in line with the years prior to 2018;
- Net profit amounted to € 60.3 M (FY 2018: € 71.4 M);
- Earnings per share (EPS) of € 0.56 (FY 2018: € 0.72);
- Net debt / EBITDA stood at 2.8 pre IFRS 16 or at 3.2 post IFRS 16;
- Proposed cash dividend € 0.09, subject to shareholder approval, bringing total dividend for 2019 to € 0.22, corresponding to a pay-out ratio of 40%; constant with prior year pay-out ratio.

Turnover growth breakdown FY 2019 in € million (unless otherwise indicated)



* Acquired growth originating from FragranceNet.com, Lagaay, Rotterdam & Weeze Airport



Bert Meulman, CEO; “2019 was a mixed year for the Group. We managed to realise double-digit turnover growth of which nearly 5% was organic, but unfavourable developments in some of our key markets in the second half of the year together with the logistical constraints in the first half, had a significant effect on our results. In parallel, we further invested in our digital and operational infrastructure, focused on leveraging our positions in key growth markets and continued the execution of our M&A strategy in selected niche markets. In 2019, we identified a number of strategic initiatives to support our future years growth strategy allowing us to meet changing market conditions.

The trade war between the USA and China and the political turmoil in Hong Kong had an effect on demand for luxury products in Asia. The effect of these market circumstances became evident for the Group from Q3 onwards, advancing beyond the level we anticipated in the latter part of Q4 - the quarter where we historically realise high turnover and gross profit given the holiday gifting season as well as preparations for Chinese New Year. As a result, gross profit for the year in both our Liquor category in Asia and in our fast-moving consumer goods activities in the B&S Segment were impacted. Consequently, the performance improvement we noted after the second quarter in the B&S Segment did not materialise further in Q4. We consider these developments that impacted Group results in 2019 to be isolated events, and we are confident that our positions in the unique market and channels that we serve together with our strategic initiatives for 2020-2022, position us for further profitable growth moving forward.

In our Health & Beauty category, we identified new business opportunities in our B2B distribution to value retailers and ecommerce platforms, and initiated new partnerships in these fast-growing markets. The 2019 investments in our infrastructure were primarily focused at growth in our Health & Beauty ecommerce markets in Europe and the USA. By reorganising and expanding our robotised warehousing infrastructure and automated processes we are equipped for both further organic growth and the roll out of the B2C model to Europe. In addition, our FragranceNet.com model in the USA further benefitted from the opening of their second warehouse in the West Coast of the USA that facilitated faster delivery services at lower costs. We also took additional steps to prepare for the roll out of our B2B model in the USA. All in all, this resulted in turnover growth in the Health & Beauty category of 28.2% for FY 2019, of which 11.3% organic.

Our cash flow in 2019 was strong, and back in line with the years prior to 2018. This is the result of our decision in Q3 to sustain our sales volumes in our Asian markets, therewith optimising our cash flow while keeping this business positioned to pick up again as soon as market circumstances improve.”



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Key figures FY 2019 ¹

€ million (unless otherwise indicated)	FY 2019 reported		FY 2019 pre IFRS 16	FY 2018 reported		Δ (%) reported
Profit or loss account						
Turnover	1,978.8		1,978.8	1,746.5		13.3%
Gross profit (<i>margin</i>)	271.9	13.7%	271.9	242.3	13.9%	12.2%
EBITDA (<i>margin</i>)	114.6	5.8%	104.6	109.0	6.2%	5.1%
Depreciation & Amortisation	26.6		16.9	10.7		152.1%
Profit before tax	77.5		78.2	90.8		(15.9%)
Net profit	60.3		60.8	71.4		(17.2%)
EPS (in euro)	0.56			0.72		(23.6%)
Inventory in days	80			92		
Working capital in days	95			113		
Net cash from operations	114.7			3.5		
Financial position						
Solvency Ratio			34.6%	34.3%		
Net Debt			296.0	312.7		
Net Debt/EBITDA			2.8	2.9		

Post IFRS 16, the solvency ratio was 31.9%, with net debt at € 367.4 M and net debt / EBITDA at 3.2.

Financial performance

Turnover

The 2019 turnover growth of 13.3% (11.8% on a constant currency basis) was mainly driven by e-commerce and value retail in the Health & Beauty category, the focus on volume contracts in the B&S Segment and the effect of the inclusion of nine months FragranceNet.com and five months Lagaay.

¹ Due to the international nature of our business, significant portions of our turnover and expenses are denominated in currencies other than the Euro, including the US dollar. Consequently, our results from operations are affected by translational foreign exchange risk and currency translation can affect the comparability of our consolidated financial results. To explain the impact of currency volatility on our consolidated financial results, in this press release we include some constant currency disclosure, which is calculated by translating current balances at prior rates. The average EUR/USD FX rate for FY 2019 is 1.1195 (vs. 1.1810 for FY 2018).



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Turnover split per segment

€ million (unless otherwise indicated)	FY 2019 reported	FY 2018 reported	Δ (%) reported	Q4 2019 reported	Q4 2018 reported	Δ (%) reported
HTG Segment	1.408,2	1,196.7	17.7%	448.6	429.6	4.4%
<i>Liquors</i>	497.3	483.5	2.9%			
<i>Health & Beauty</i>	914.2	713.1	28.2%			
<i>Other</i>	(2.3)	0.1				
B&S Segment	497.8	445.6	11.7%	138.6	116.4	19.1%
Retail Segment	140.0	136.6	2.5%	36.8	35.5	3.6%
Holding & Eliminations	(67.3)	(32.4)	107.5%	(17.9)	(8.4)	
TOTAL TURNOVER	1,978.8	1,746.5	13.3%	606.2	573.1	5.8%

Gross Profit

Gross profit came in at € 271.9 M (2018: € 242.3 M). As a percentage of turnover, this was a decline to 13.7% from 13.9% in 2018, being the net effect of the lower margins in our Liquor category and FMCG activities in Asia.

EBITDA

EBITDA amounted to € 104.6 M pre IFRS 16 (2018: € 109.0 M). Post IFRS 16, EBITDA came in at € 114.6 M. Staff costs amounted to € 110.7 M (2018: € 86.3 M), the increase primarily related to the full year consolidation of FragranceNet.com and the increase in staff costs in the B&S Segment.

Result for the year

Depreciation of right-of-use assets increased with € 9.7 M as a result of the first-time adoption of IFRS 16 in 2019. Amortisation of intangible fixed assets amounted to € 9.6 M (2018: € 5.0 M) mainly as an effect of the full year inclusion of FragranceNet.com. Financial expenses increased to € 9.7 M (2018: € 7.6 M) as a result of the FragranceNet.com acquisition and an increased USD lending rate (average USD LIBOR interest rate of 2.22% in 2019 vs 2.02% in 2018). This resulted in profit before tax of € 77.5 M (2018: 90.8 M).

The effective tax rate stood at 22.2% compared to 21.4% FY 2018 as an effect of the full year consolidation of FragranceNet.com which significantly increases our share of business in the US, a high tax jurisdiction. As a result, net profit amounted to € 60.3 M (2018: € 71.4 M). Profit for the year from non-controlling interests increased in 2019 as a result of clear focus on e-commerce (FragranceNet.com) and value retail markets (Topbrands), and both companies benefitting from gross profit margin increase resulting from Group sourcing synergies. Net profit attributable to the owners of the Company came in at € 47.0 M (2018: € 60.4 M).



Cash flow & financial position

As a result of our decision to sustain sales volumes despite the earlier described market circumstances in Asia and our continuous focus on working capital, net cash from operations increased from € 3.5 M in 2018 to € 114.7 M in 2019. Working capital in days improved from 113 days in 2018 to 95 days in 2019.

The Group invested over € 34 M in the acquisitions of Lagaay and two airport retail shops, as well as in warehouse infrastructure and digitisation in the HTG and B&S Segments.

Net cash from financing activities mainly related to dividend distributions and the termination of the supplier finance arrangements. The supplier finance arrangements were replaced by bank financing to facilitate cost savings.

Net debt pre IFRS 16 stood at € 296.0 M (2018: € 312.7), net debt post IFRS 16 stood at € 367.4 M. Pre IFRS 16 net debt decreased € 37.9 M including the effect of repaying € 21.2 M supplier finance arrangements.

Net debt / EBITDA ratio pre-IFRS 16 stood at 2.8 (FY 2018: 2.9). Post IFRS 16, net debt / EBITDA stood at 3.2.

Dividends

At the Annual General Meeting to be held on May 19, 2020, B&S Group will propose the payment of a dividend of € 0.09 per share, in cash (subject to withholding tax if applicable). On December 9, 2019, B&S Group paid an interim dividend of € 0.13 per share, representing 40% of the semi-annual 2019 results attributable to the owners of the Company. This brings the total dividend to € 0.22 per share. In line with the dividend policy, this translates into a pay-out ratio of 40% of the annual Group results attributable to the owners of the Company (similar to prior year pay-out ratio).

Notice of change to timing of dividend payments

For practical reasons, the Group will propose to the shareholders in the May 2020 Annual General Meeting to shift from semi-annual payment of dividend to an annual payment.

This change will be effective from 2020 onwards, where a year-end dividend pay-out for the FY 2020 period is anticipated in H1 2021. The earlier indicated dividend policy will further remain intact.

Long term value creation – strategic initiatives

Our growth strategy builds on our entrepreneurial business acumen and our focus on connecting supply and demand in niche markets and specialty channels that are characterised by a high level of complexity. We remain firmly focused on continuing our growth strategy through organic growth complemented by growth from acquisitions that add to our unique position in the markets we serve.

Through our strategic review in 2019, we have identified four key focus areas for 2020 – 2022 that support our growth strategy by meeting changing market conditions, optimising our operational efficiency and leveraging our positions in key growth markets:



- Further centralising digital and operational infrastructure, simplifying the supply chain and intensifying segmental collaboration
- Digitising the supply chain, embedding digital capabilities in the organisation and steering on results based on data outcomes
- Focus on growth markets: Investing in unique positions in niche markets where we bring compelling advantage and that are driven by mega trends, further complemented by strategic M&A
- Organic expansion: capturing opportunities for geographical expansion, expanding in adjacencies and offering data driven services

These focus areas will allow us to remain firmly focused on our growth strategy.

Outlook

Although the effects of the protests in Hong Kong and the trade war between USA and China affected our FY 2019 results, we are optimistic that these circumstances will not last throughout 2020. The outbreak of the corona virus will have an impact on general demand for luxury brands in Asia in the coming period, however we remain positive about this market for the medium and long term. We continue to closely follow the developments in these Asian markets to determine the potential impact on our performance in 2020.

We are confident about the overall growth opportunities in Europe and USA, especially for our Health and Beauty category in the B2B and B2C platform business and our liquor distribution business, both for which we expect short and medium term performance levels to increase by growth from geographical expansion.

In our B&S Segment, the increased operational effectiveness and cost reductions in our logistics operations combined with growth in our volume contract business, is expected to result in increased profitability from 2020 onwards.

In the coming period, our commercial focus areas are aimed at long-term value creation in key growth markets and designed to benefit from global developments and market trends like digitisation, retail re-design and supply chain simplification. Emphasis will further lie on further solidifying our financial position by operational effectiveness and cost reductions following our investments in digitisation and automation. Overall, we will continue our focus on growing our business profitably by executing on our 2020-2022 strategic initiatives and leveraging our positions in the unique channels and markets that we serve.



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Financial calendar

May 18, 2020	Q1 2020 results
May 19, 2020	Annual General Meeting
August 24, 2020	HY 2020 results

Upcoming roadshows & conferences

February 25, 2020	Roadshow, The Netherlands
February 26 & 27, 2020	Roadshow, London
March 4, 2020	Roadshow, Paris
March 5, 2020	Roadshow, Frankfurt
March 19, 2020	Kepler Cheuvreux European GEMS seminar, New York

Analyst call and audio webcast

Our CEO Bert Meulman and CFO Gert van Laar will host an analyst call today, Monday February 24, 2020 at 10:30 CET to discuss the full year results 2019.

The presentation can be downloaded shortly before the call and the audio webcast can be followed via the website of B&S Group; www.bs-group-sa.com/investors/reports-results/

The call will be recorded and archived for playback purposes and will be available on our website shortly after the call.

For additional information please contact:

Anke Bongers, Manager Investor Relations

T: +31 (0)78 653 4128

E: investor.relations@bs-group-sa.com



About B&S Group

B&S Group is a global distribution partner for consumer goods in attractive channels and across specialised markets, such as Retail B2B (business-to-business), Maritime, Remote and Retail B2C (business-to-consumer). With a well-trained and experienced workforce of over 2,500 employees, the Group serves as a trusted and reliable partner to suppliers and customers, providing essential distribution services and solving their supply chain complexities. B&S Group operates a flexible, well invested and highly efficient distribution platform that comes with strong barriers to entry. Powered by high capacity warehouses and delivered with expertise in customs and compliance, the Group offers over 40,000 consumer goods to its customers in more than 100 countries.

Visit our corporate website: www.bs-group-sa.com

Forward-looking information / disclaimer

This press release includes forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond B&S Group's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Appendix 1: Developments by business segment²

HTG Segment TOTAL

€ million (unless stated otherwise)	FY 2019 reported	FY 2019 pre IFRS 16	FY 2018 reported	Δ (%) reported
Turnover	1,408.2	1,408.2	1,196.7	17.7%
Gross profit	176.3	176.3	148.8	18.4%
EBITDA	88.2	83.6	79.7	10.6%
EBITDA margin	6.3%	5.9%	6.7%	(0.4%)

The HTG Segment realised a turnover growth of 17.7% to € 1,408.2 M (16.4% on a constant currency basis) with a gross profit growth of 18.4% in FY 19 compared to FY 18. EBITDA amounted to € 88.2 M, resulting in an EBITDA margin of 6.3%.

The growth in turnover was mainly attributable to increased focus and demand from the value retail in Europe and Health & Beauty markets in Europe and USA, resulting in substantial contribution to Group results from Topbrands and FragranceNet.com. In addition, our Liquor category in Europe realised growth in line with expectations.

The decline in EBITDA margin is due to the impact of the USA – China trade war and turmoil in Hong Kong on our Liquor category that became evident in Q3 and amplified in Q4. This offset the margin increase in our Health & Beauty category. Further to this, staff costs increased with the full year consolidation of Fragrancenet.com as well as organic company growth.

HTG Liquors

€ million (unless stated otherwise)	FY 2019 reported	FY 2019 pre IFRS 16	FY 2018 reported	Δ (%) reported
Turnover	496.3		483.6	2.6%
Gross profit	30.1		42.1	(28.5%)
EBITDA	12.6		24.7	(48.9%)
EBITDA margin	2.5%		5.1%	(2.6%)

HTG Health & Beauty

€ million (unless stated otherwise)	FY 2019 reported	FY 2019 pre IFRS 16	FY 2018 reported	Δ (%) reported
Turnover	914.2		713.1	28.2%
Gross profit	143.3		104.7	36.9%
EBITDA	76.5		56.4	35.7%
EBITDA margin	8.4%		7.9%	0.5%

² Reported turnover per segment includes intercompany sales



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B&S Segment

€ million (unless stated otherwise)	FY 2019 reported	FY 2019 pre IFRS 16	FY 2018 reported	Δ (%) reported
Turnover	497.8	497.8	455.6	11.7%
Gross profit	60.5	60.5	59.3	1.9%
EBITDA	19.3	13.9	21.4	(9.8%)
EBITDA margin	3.9%	2.8%	4.8%	

Our focus on serving volume contracts resulted in organic turnover growth for the B&S Segment. From August onwards, the acquisition of Lagaay Medical Group further contributed to turnover growth by enhancing our position to remote and maritime markets and strengthening our single source supply concept. This resulted in turnover of € 497.8 M, an increase of 11.7% (9.0% on a constant currency basis) for FY 2019 compared to FY 2018.

Gross profit margin amounted to 12.1% (FY 2018: 13.3%). This is due to the impact of the USA – China trade war and turmoil in Hong Kong, which in Q4 impacted margins of the Asian FMCG business in this Segment.

EBITDA margin decreased to 3.9%. This is related to the higher than expected staff costs we endured from the delay in taking the automated warehouse into operation in the B&S Segment (as communicated in our HY 2019 results). While these cost levels remained in Q3, we focused on volume contracts which resulted in noticeable performance improvement in this quarter. We anticipated this performance improvement to continue in Q4, however this did not materialise due to the developments in our Asian FMCG market in this Segment.

Retail Segment

€ million (unless stated otherwise)	FY 2019 reported	FY 2019 pre IFRS 16	FY 2018 reported	Δ (%) reported
Turnover	140.0	140.0	136.6	2.5%
Gross profit	35.9	35.9	34.7	3.7%
EBITDA	9.5	9.5	10.6	(10.1%)
EBITDA margin	6.8%	6.8%	7.8%	

The Retail Segment showed a turnover increase of 2.5% to € 140 M (2.3% on a constant currency basis) with an increased gross profit to € 35.9 M following new shop openings of multi-category stores at regional airports and the addition of the acquired Rotterdam and Weeze airport shops to this portfolio.

EBITDA and EBITDA margin were impacted by staff costs and operating expenses related to the new shop openings.



Appendix 2: Non-IFRS Financial Measures Glossary

EBITDA	EBITDA is defined as earnings before interest, taxes, depreciation and amortisation
EBITDA Margin	EBITDA Margin is defined as EBITDA as a percentage of turnover
Solvency	Solvency is defined as group equity as a percentage of total assets
Working capital	Working capital is defined as Inventory plus Trade receivables minus Supplier finance arrangements minus Trade payables
Net Debt	Net debt is defined as interest bearing liabilities minus cash and cash equivalents



FULL YEAR 2019 RESULTS

B&S GROUP S.A.

Financial statements for the year ended December 31, 2019



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Consolidated statement of profit or loss for the year ended December 31, 2019

x € 1,000	2019	2018
CONTINUING OPERATIONS		
Turnover	1,978,817	1,746,477
Purchase value	<u>1,706,925</u>	<u>1,504,220</u>
Gross profit	271,892	242,257
Investment income	244	223
Personnel costs	110,682	86,250
Amortisation	9,588	5,027
Depreciation	7,346	5,717
Depreciation right-of-use assets	9,712	-
Other operating expenses	<u>46,822</u>	<u>47,231</u>
Total operating expenses	184,150	144,225
Operating result	87,986	98,255
Financial expenses	(9,663)	(7,609)
Interest on lease liabilities	(1,247)	(37)
Share of profit of associates	<u>432</u>	<u>203</u>
Result before taxation	77,508	90,812
Taxation on the result	<u>(17,196)</u>	<u>(19,432)</u>
Profit for the year from continuing operations	60,312	71,380
Attributable to:		
Owners of the Company	46,962	60,394
Non-controlling interests	<u>13,350</u>	<u>10,986</u>
Total	60,312	71,380
Earnings per share (basic / diluted)		
From continuing operations in euros	0.56	0.72



Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2019

x € 1,000	2019	2018
Profit for the year from continuing operations	60,312	71,380
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
▪ Foreign currency translation differences net of tax	1,473	28
▪ Effective portion of changes in fair value of cash flow hedges	<u>652</u>	<u>-</u>
Other comprehensive income for the year net of tax	2,125	28
Total comprehensive income for the year	62,437	71,408
Attributable to:		
Owners of the Company	48,418	60,460
Non-controlling interests	<u>14,019</u>	<u>10,948</u>
Total	62,437	71,408

Consolidated statement of financial position at December 31, 2019

x € 1,000	31.12.2019	31.12.2018
Non-current assets		
Goodwill	65,656	59,915
Other intangible assets	69,748	61,678
Property, plant and equipment	39,312	31,033
Right-of-use assets	71,498	-
Investments in associates	2,517	2,140
Receivables	3,270	2,331
Deferred tax assets	366	160
	252,367	157,257
Current assets		
Inventory	375,565	377,880
Trade receivables	201,256	205,722
Corporate income tax	2,191	1,752
Other tax receivables	6,514	5,985
Other receivables	25,704	21,690
Derivative financial instruments	32	-
Cash and cash equivalents	50,884	26,900
	662,146	639,929
Total assets	914,513	797,186

x € 1,000	31.12.2019	31.12.2018
Equity attributable to		
Owners of the Company	242,671	233,985
Non-controlling interest	49,096	39,110
	291,767	273,095
Non-current liabilities		
Borrowings	54,557	55,429
Lease liabilities	62,091	341
Deferred tax liabilities	12,986	11,737
Employee benefit obligations	893	603
Other liabilities	42,124	24,627
	172,651	92,737
Current liabilities		
Credit institutions	280,482	271,494
Borrowings due within one year	11,548	11,807
Lease liabilities due within one year	9,575	571
Supplier finance arrangements	-	21,177
Derivative financial instruments	-	288
Trade payables	104,620	69,630
Corporate income tax liability	6,920	11,811
Other taxes and social security charges	11,264	14,588
Other current liabilities	25,686	29,988
	450,095	431,354
Total equity and liabilities	914,513	797,186

Consolidated statement of changes in equity for the year ended at December 31, 2019

x € 1,000	2019						
	Paid-up share capital	Cash flow hedge reserve	Reserve for translation differences	Retained earnings	Total attributable to owners of the Company	Non-controlling interest	Total equity
Opening balance at 01.01.2019	5,051	-	(540)	229,474	233,985	39,110	273,095
Total comprehensive income							
▪ Profit for the year	-	-	-	46,962	46,962	13,350	60,312
▪ Other comprehensive income for the year	-	643	813	-	1,456	669	2,125
	-	643	813	46,962	48,418	14,019	62,437
Other transactions							
▪ Dividend	-	-	-	(24,411)	(24,411)	(6,544)	(30,955)
▪ Acquired in business combinations	-	-	-	-	-	3,779	3,779
▪ Profit share certificates	-	-	-	(38)	(38)	(465)	(503)
▪ Share-based payments	-	-	-	900	900	-	900
▪ Other movements	-	-	-	-	-	-	-
	-	-	-	(23,549)	(23,549)	(3,230)	(26,779)
▪ Reclassification to non-current liabilities	-	-	-	-	-	(803)	(803)
▪ Fair value adjustment non-current liabilities	-	-	-	(16,183)	(16,183)	-	(16,183)
	-	-	-	(16,183)	(16,183)	(803)	(16,986)
Closing balance at 31.12.2019	5,051	643	273	236,704	242,671	49,096	291,767

Consolidated statement of cash flows for the year ended December 31, 2019

x € 1,000	2019	2018
Profit for the year from continuing operations	60,312	71,380
<i>Adjustments for:</i>		
Taxation on the result	17,196	19,432
Share of profit of associates	(432)	(203)
Interest on lease liabilities	1,247	37
Financial expenses	9,663	7,609
Depreciation right-of-use assets	9,712	-
Depreciation	7,346	5,717
Amortisation	9,588	5,027
Investment income	(244)	(223)
Provisions	269	(1,031)
Non-cash share-based payment expense	900	675
Other non-cash movements	378	(759)
Operating cash flows before movements in working capital	115,935	107,661
Decrease / (increase) in inventory	6,828	(29,085)
Decrease / (increase) in trade receivables	8,793	(61,894)
Decrease / (increase) in other tax receivables	(529)	(2,419)
Decrease / (increase) in other receivables	(4,182)	(6,304)
Increase / (decrease) in trade payables	30,623	8,209
Increase / (decrease) in other taxes and social security charges	(3,572)	3,195
Increase / (decrease) in other current liabilities	(4,853)	3,765
Cash generated by operations	149,043	23,128
Income taxes paid	(24,433)	(11,563)
Interest paid	(9,951)	(8,024)
Net cash from operations	114,659	3,541

x € 1,000	2019	2018
Interest received	244	223
Dividend received from associates	93	95
New loan to associates	(1,088)	-
Repayments on loans issued to associates	149	256
Net cash outflow on acquisition of subsidiaries	(12,867)	(88,449)
Payment for property, plant and equipment	(15,126)	(8,929)
Payment for intangible assets	(5,643)	(4,133)
Proceeds from disposals	68	348
Net cash from investing activities	(34,170)	(100,589)
Repayments on loans from banks	(9,848)	(4,547)
Repayments on loans from shareholders	(2,500)	-
Repayments on lease liabilities	(10,610)	(614)
New loans received from banks	10,100	45,250
Paid to profit share certificates	(503)	(100)
Capital contribution non-controlling interest	-	8,525
Repurchase P-shares	-	(228)
Dividend paid to owners of the Company	(24,411)	(35,354)
Dividend paid to non-controlling interests	(6,544)	(3,940)
Change in supplier finance arrangements	(21,177)	10,527
Changes in credit facilities	8,988	87,044
Net cash from financing activities	(56,505)	106,563
Balance January 1,	26,900	17,385
Movement	23,984	9,515
Balance December 31,	50,884	26,900