

B&S

9M 2023 trading update

B&S Group S.A.



On track to deliver 2023 outlook

Mensdorf, Luxembourg – November 6, 2023 (07:00 CET)

B&S Group S.A. (“B&S”) tech company in the consumer goods industry, today publishes its trading update for the first nine months of 2023 (“9M 2023”).

Highlights 9M 2023 (compared to 9M 2022)

- Overall turnover increased by 4.9% to € 1,602.5 M (+5.5% on a constant currency basis);
- Continued gross profit improvement influenced by business mix;
- Staff cost increases due to continued challenges in labor market, growth and inflation.

Highlights Q3 2023 (compared to Q3 2022)

- Overall turnover stable for the quarter at € 545.0 M (Q3 2022: € 544.3 M);
- Increase in staff cost during the quarter albeit less steep compared to prior quarters.



Peter van Mierlo, CEO: “B&S has shown a solid performance over the third quarter, with stable overall revenue, and increased gross margin. The underlying trends were different across our segments, with Personal Care as outperformer. At the same time, Liquors was impacted by continued challenging market circumstances, and Beauty was down mainly due to currency effects. All in all, our third quarter results were in line with our forecasted projections and put us in the position to deliver on our outlook for 2023.

We will maintain our focus on operational excellence, while we continue to address working capital and strict cost management. We will update the market during our Capital Markets Day later this month.”

Segmental review

The YTD 2023 turnover increased 4.9% compared to 2022. All segments, except for Food and Liquors, contributed to increased turnover. The acquisition of Europe Beauty Group in France contributed 0.5%. FX had a negative impact on turnover growth, at constant currency, turnover increased by 5.5%.

Turnover split per segment

9M YTD € million	2023 reported	2023 organic	2023 acquisitive	2023 FX	2022 reported	Δ (%) reported	Δ (%) constant currency
B&S Liquors	445.4	(26.5)	-	(2.3)	474.2	(6.1%)	(5,6%)
B&S Beauty	513.7	19.8	7.9	(4.9)	490.9	4.6%	5,6%
B&S Personal Care	289.0	73.4	-	-	215.6	34.0%	34,0%
B&S Food	236.0	(10.9)	-	(1.4)	248.3	(5.0%)	(4,4%)
B&S Health	38.2	2.4	-	-	35.8	6.7%	6,7%
B&S Retail	80.2	17.7	-	(0.3)	62.8	27.7%	28,2%
TOTAL TURNOVER	1,602.5	75.9	7.9	(8.9)	1,527.6	4.9%	5.5%

Q3 € million	2023 reported	2023 organic	2023 acquisitive	2023 FX	2022 reported	Δ (%) reported	Δ (%) constant currency
B&S Liquors	134.3	(16.8)	-	(4.7)	155.8	(13.8%)	(10.8%)
B&S Beauty	169.3	2.7	-	(8.3)	174.9	(3.2%)	1.5%
B&S Personal Care	106.9	28.2	-	-	78.7	35.8%	35.8%
B&S Food	88.5	(4.5)	-	(2.3)	95.3	(7.1%)	(4.7%)
B&S Health	12.9	(0.1)	-	-	13.0	(0.8%)	(0.8%)
B&S Retail	33.1	6.8	-	(0.3)	26.6	24.4%	25.6%
TOTAL TURNOVER	545.0	16.3	-	(15.6)	544.3	0.1%	3.0%



B&S Liquors

As expected, the challenging market circumstances as reported in Q2 continued throughout Q3, with decreased demand combined with increased product availability, leading to a decrease of 6.1% compared to 9M 2022. Gross profit decreased, as a result of the one-offs recognized and reported in the second quarter.

B&S Beauty

Turnover in Q3 was impacted by the EUR / USD exchange rates. At constant currency, turnover in the third quarter increased with 1.5% (+ € 2.7 million) compared to the same period last year. Sales growth was largely achieved through an improved business mix favoring B2C markets. Furthermore B2R market sub-segment had a strong 3rd quarter, whilst per HY there was a backlog in sales compared to prior year. This was reversed during the 3rd quarter into sales growth and the result of a more aggressive pricing strategy. Turnover in the B2B market sub-segment decreased due to increasing availability of goods.

B&S Personal Care

2023 has been a successful year for B&S Personal Care, marking our best Q3 to date, with strong growth in both revenue and profit. This surge is primarily due to product scarcity in the market and widespread inflation, factors that have collectively contributed to our turnover increase compared to the same period last year. Additionally, a strategic shift in our product portfolio in favor of our Brand & Private Label assortment has positively impacted our profit margins.

B&S Food

Within B&S Food turnover decreased within the Brand Distribution services due to substantial price increases not being absorbed by the end-customers. Macro economical and geo-political influences strengthened the headwind. On the other hand, turnover of the Food Service distribution have remained robust, bolstered by our brand partnerships and digital innovations through our B2B platform, www.kingofreach.com.

B&S Health

The quarterly turnover of B&S Health is in line with last year. Whereas turnover increased, due to a higher demand for travel related vaccines (+84%), as well as veterinary and beauty (24%) sales, turnover of worldwide medical supply is lower due to one off deals in 2022 partly related to Covid.

B&S Retail

Turnover for the period increased by 27.8% as a result of the higher number of visitors and the newly opened shops late 2022 (3 shops) and during 2023 (12 shops).



Cash flow & financial position

Working capital increased compared to year-end 2022, due to higher stock levels and higher receivables outstanding, following the seasonality of our activities. Within our existing financing agreements we have agreed on a different distribution of the covenant between Q3 and Q4 to better fit our seasonal pattern. We were well within the agreed covenants of 4.25 (leverage ratio) and 3.75 (interest cover) per the end of the quarter.

New banking covenant

	Prior		Q1	Q2	Q3	Q4
Leverage Net Debt / EBITDA	< 4.0	<	4,0	4,0	4,25	3,75
Interest Coverage Ratio (ICR)	> 4.0	>	4,0	4,0	3,75	4,25

Outlook

We continue to see uncertainties related to inflation and we expect consumer buying behavior to remain a factor impacting turnover and margin levels in the remainder of the year. We reiterate our outlook for H2 2023 with a marginal increase in turnover for the Group, compared to the second half of 2022, and continued higher gross margins as a result of the composition of turnover. We remain focused on working capital and cost management throughout all segments. Considering the effect of the margin and cost aspects, we expect the reported EBITDA margin for this year to be around 5%.

Conference call

Our CEO Peter van Mierlo and CFO Mark Faasse will host an analyst call at 10:30 CET this morning to discuss the 9M 2023 trading update.

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



Financial calendar

November 21, 2023 Capital Markets Day

April 16, 2024 Full Year 2023 results (07:00 CET)

April 17, 2024 Annual Report 2023

May 14, 2024 Q1 2024 trading update (07:00 CET)

May 24, 2024 Annual General Meeting

August 19, 2024 Half Year 2024 results (07:00 CET)

November 11, 2024 9M trading update (07:00 CET)



Appendix 1: Non-IFRS Financial Measures Glossary

Gross profit margin	Gross profit margin is defined as realised turnover minus purchase value of items sold
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
Working capital	Working capital is defined as Inventory plus Trade receivables minus Trade payables
Net Debt	Net debt is defined as interest bearing liabilities minus cash and cash equivalents
ROIWC	Return on invested working capital defined as the LTM EBITDA divided by Working Capital



Contact Investor Relations

Uneke Dekkers / CFF Communications

M : +31(0) 650261626

E : uneke.dekkers@cffcommunications.nl / investor.relations@bs-group-sa.com

About B&S

B&S exists to make branded consumer goods available to everyone, anywhere. We believe that getting access to consumer products that bring joy and comfort into everyday lives, should be easy around the globe. With our ever-growing international network and physical local presence, we bring suppliers, brand owners, logistics partners, wholesalers, retailers and consumers all over the world together that are in many ways difficult to connect.

We work with the world's premium consumer brands in beauty, liquors, personal care, food, health and consumer electronics to serve millions of consumers daily - either directly or through our wholesaler and reseller partners. Powered by our high-tech platform and arising from supply chain expertise, we provide sourcing, warehousing, distribution, digital commerce, marketing and brand development solutions that enhance choice, speed up delivery, drive conversion and increase reach.

Additional information can be found on [our website](#) and on [LinkedIn](#).

Forward Looking Statement

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'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.