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B&S Group announces intention to launch Initial Public Offering and listing on Euronext Amsterdam

Larochette, Luxembourg – 26 February 2018

B&S Group S.à r.l. ("B&S Group" or the "Group") today announces its intention to launch an initial public offering ("IPO") and listing of its ordinary shares ("Shares") on Euronext Amsterdam. B&S Group is a fast-growing, global distribution partner, providing essential distribution services to both suppliers and customers. The Group is focused on supply chain complexities in the consumer goods sector and holds leading positions in attractive channels and specialised markets.

B&S Group highlights

- B&S Group is a global value-adding distribution partner with roots dating back to 1872. With a well-trained and experienced workforce, the Group serves as a trusted and reliable partner to both suppliers and customers, providing essential distribution services and solving their supply chain complexities
- B&S Group has a track record of strong and consistent growth. Through a combination of organic growth and acquisitions, the Group increased its turnover from 2009¹ to 2017 with a compounded annual growth rate of 12.8%. Over the same period, the Group increased its net profit attributable to the owners of the company with a compounded annual growth rate of 21.6%
- B&S Group holds leading positions in a large number of attractive channels and specialised markets, such as B2B Retail, Maritime, Remote and Airport retail. In the Value Retail channel, the Group is a longstanding supplier to fast-growing customers such as Action. In E-commerce, the Group partners globally with successful e-commerce platforms such as Amazon (since 2009) and over 100 others
- B&S Group operates a flexible, well invested and highly efficient distribution platform that comes with strong barriers to entry. Powered by automated and high capacity warehouses and delivered with experience in customs and compliance, the Group offers over 40,000 consumer goods to its customers in 100+ countries
- B&S Group is led by a committed and entrepreneurial management team, combining deep and extensive sector experience with a founder-led perspective. Over 80% of

¹ This announcement contains financial information of the Group for the years ended 31 December 2009 through 2014, which has been prepared in accordance with Dutch Generally Accepted Accounting Principles ("**Dutch GAAP**"), and financial information of the Group for the years ended 31 December 2015 through 2017, which has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Certain differences exist between IFRS and Dutch GAAP. There are no material differences between IFRS and Dutch GAAP in respect of the Group's turnover and EBITDA (EBITDA is defined as earnings before interest, taxes, depreciation and amortisation).

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managers of the Group's segments started their careers with the Group, and hold an average tenure of 17 years

- B&S Group has delivered strong profitability and cash generation, increasing EBITDA Margin from 4.6% to 7.0% from 2009 to 2017. Over the same period the Group delivered a compounded annual EBITDA growth rate of 18.9%. The Group realised a turnover of € 1.5 billion and EBITDA of € 106 million for the year ended 31 December 2017
- B&S Group is well positioned to capture growth opportunities organically and through strategic acquisitions. Through a new, semi-automated warehouse in Dordrecht, the Netherlands, which is anticipated to be completed in Q2 2018, the Group expects to require no new capacity for the coming 5 years. In addition, the Group intends to continue its successful acquisition strategy, historically contributing 34% to the Group's turnover growth (2013-2017)
- Barring exceptional circumstances, B&S Group's intention is to pay increasing dividends per share to its shareholders over time. The Group aims for an initial ordinary dividend pay-out ratio at the lower end of a target range between 40-60% of annual Group results attributable to the owners of the company.

Bert Meulman, CEO B&S Group:

"B&S Group provides comprehensive, tailor-made distribution and logistical solutions throughout the supply chain. We link suppliers and customers in attractive channels and specialised markets that would otherwise find it difficult to connect. Although our various markets differ widely in terms of products and customers, they share the characteristic that they are in a sense difficult to serve. This can be due to geography, remoteness, geopolitical circumstances, extensive regulation or fast-changing market conditions. We offer solutions for these challenges, meeting the specific needs of these markets. At the very heart of our organisation lies our philosophy of source, serve and supply.

Our global reach, scale, sourcing acumen and experience in customs, logistics and compliance are the key aspects of our added value to the distribution chain, actively managing our supplier and customer relationships. We seek to benefit from structural growth trends in the Value Retail, E-commerce and Travel markets as well as macro and market trends such as the growth in outsourcing by suppliers, globalisation, increasing demand in luxury brands and focus on compliance.

After many successful years of private ownership, B&S Group is now ready for a next step in its development. Being a listed company will increase the public awareness of B&S Group and provide us with financial flexibility through access to a wider range of capital-raising options. We look forward to the opportunities a listing on Euronext Amsterdam can bring."

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IPO rationale

The expected IPO is anticipated to consist of existing shares held by Sarabel Invest S.à r.l. (“**Sarabel**”), Lebaras Belgium BVBA (“**Lebaras**”) and B&S Participations B.V.² The Group believes that the expected IPO and listing of its Shares on Euronext Amsterdam will enhance its public profile with existing and future business partners as well as existing and future employees, thereby further strengthening its ability to continue to recruit, incentivise and retain key management and employees. In addition, the IPO will create a market in the Shares for existing and future shareholders, will provide Mr Blijdorp, through Sarabel, and Mr Meulman, through Lebaras, with a partial realisation of their investments in the Group and create continuity in the shareholder base going forward.

Following the closing of the expected IPO, Mr Blijdorp intends to remain a majority shareholder in the Group. Over time, both Mr Blijdorp and Mr Meulman intend to remain significant long-term shareholders.

Business description and strategy

B&S Group’s operations have a global reach, combining activities in developed markets with strong positions in emerging markets. The Group supplies a wide range of consumer goods, including health and beauty products, food and beverages, liquors, and electronics to:

- retailers, such as value-for-money retailers, drugstores and e-commerce platforms;
- the maritime sector, such as cruise ships and ship suppliers;
- remote channels, such as government and defence operations and remote industrial sites; and
- travel retail consumers.

B&S Group offers a clear value proposition to both suppliers and customers. With its expertise in international supply chain logistics and customs regulations, the Group can remove logistics and customs complexities for suppliers, simultaneously simplifying their distribution processes and providing them the benefit of its high compliance standards. The Group also offers suppliers access to channels and markets that they would otherwise find difficult to reach due to their geographic location or specific characteristics and requirements. At the other end of the supply chain, B&S Group offers its customers direct access to a wide range of over 40,000 mostly branded products, providing them with a single source solution. B&S Group operates three business segments: (i) HTG, (ii) B&S and (iii) Retail. These segments are supported by centralised back-office services at group level with respect to finance and administration, IT, human resources, legal and tax.

² Sarabel is indirectly wholly-owned by Mr Blijdorp, the founder of the Group and member of the Supervisory Board, Lebaras is indirectly wholly-owned by Mr Meulman, the Group’s CEO and B&S Participations B.V. represents a group of managers who together will hold c. 5% of the Group’s shares prior to the IPO.

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The strategy of B&S Group is focused on continuing to deliver profitable growth and to increase returns to shareholders. It is based on four pillars:

- *Continue to grow in existing markets*

B&S Group continuously seeks to enhance its leadership in existing channels and markets and to expand operations with existing customers and finding new long-term partners.

We particularly seek to expand in the Middle East and in East Asia, where the fast-moving consumer goods market is expected to grow, and the demand for the A-brand products that B&S Group delivers is expected to increase. The Group furthermore seeks to benefit from structural growth trends in the Value Retail, E-commerce and Travel markets. For example, the number of e-commerce customers has rapidly grown over the years and the Group now serves 100+ e-commerce platforms (including Amazon and Bol.com) and will continue to focus on this channel.

- *Continue to focus on digitisation*

By further investing in digital innovation, the Group believes that it will be better able to anticipate future business requirements and trends, building on what is already a differentiating aspect compared to often much smaller and local competitors. In 2016, the Group completed the second phase of the implementation of the AutoStore system in its warehouse in Delfzijl, the Netherlands, which allows automated processing of cosmetics and beauty products in the HTG segment. The Group is currently building a new, semi-automated warehouse in Dordrecht, the Netherlands, which is expected to be completed in Q2 2018.

- *Continue to leverage scale*

B&S Group believes that its strong focus on profitability and excellence in execution will drive further increases in gross margins, EBITDA margins, and return on capital employed ("**ROCE**"). Increased scale and reach means the ability to better serve these customers and suppliers and to provide them with better prices, a broader product offering, and more comprehensive services.

- *Continue to undertake strategic acquisitions*

The Group in its current form represents the consolidation and integration of a number of distribution and wholesale businesses. Examples in recent years include JTG in 2007, Royal Capi-Lux in 2012, Topbrands in 2016 and Alcodis in 2017. In the last 5 years, 34% of B&S Group's growth has come from acquisitions. Acquired businesses foster entrepreneurship and provide the Group with potential to further expand and strengthen its position, and the Group intends to continue this successful approach.

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Financial highlights

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
	<i>(in € millions)</i>		
Turnover.....	1,507.3	1,339.5	1,338.3
Gross profit	216.0	188.9	187.0
Operating result.....	97.5	81.4	77.3
Profit for the year from continuing operations	82.9	69.4	66.4

The following table presents the key performance indicators for each of FY 2017, FY 2016 and FY 2015.

	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>CAGRⁱ⁾</u> <u>FY 2015-</u> <u>17</u>
	<i>(in € millions, unless indicated otherwise)</i>			
Turnover.....	1,507.3	1,339.5	1,338.3	6.1%
EBITDA ^{a)}	105.9	88.9	83.7	12.5%
EBITDA margin ^{b)}	7.0%	6.6%	6.3%	
Net profit to owners of the company ...	68.8	60.9	60.2	6.9%
Capital expenditure ^{c)}	7.5	5.4	5.1	
Free cash flow ^{d)}	83.4	71.2	67.5	11.2%
Cash conversion ratio ^{e)}	92.9%	93.9%	93.9%	
ROCE ^{f)}	36.1%	31.2%	37.0%	
Solvency ratio ^{g)}	42.9%	41.9%	42.0%	
Earnings efficiency ^{h)}	78.3%	78.1%	79.4%	
Net debt ⁱ⁾	195.1	204.5	149.2	

The following table presents the condensed overview of results per business segment for FY 2017³.

	<u>HTG</u>	<u>B&S</u>	<u>Retail</u>
	<i>(in € millions, unless indicated otherwise)</i>		
Turnover.....	985.2	426.2	130.2
EBITDA ^{a)}	65.7	29.7	10.4
EBITDA margin ^{b)}	6.7%	7.0%	8.0%

- a) EBITDA is defined as earnings before interest, taxes, depreciation and amortisation.
b) EBITDA margin is defined as EBITDA as a percentage of turnover.
c) Capital expenditure is defined as investments in tangible and intangible fixed assets.
d) Free cash flow is defined as EBITDA minus capital expenditure minus financial expenses minus taxation on the result.
e) Cash conversion ratio is defined as EBITDA minus capital expenditure as a percentage of EBITDA.
f) ROCE is defined as operating result as a percentage of total assets minus current liabilities.
g) Solvency ratio is defined as group equity as a percentage of total assets.
h) Earnings efficiency is defined as profit for the year from continuing operations as a percentage of EBITDA.
i) Net debt is defined as interest bearing liabilities minus cash and cash equivalents.
j) CAGR is defined as compounded annual growth rate

³ Combined turnover and EBITDA of the segments does not add up to Group turnover and EBITDA, which include the impact of the "Holding and eliminations" segment, comprising consolidation effects of intra-group transactions

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Leadership team and governance

B&S Group is led by a committed and incentivised leadership team. The experience and expertise of the leadership team are highly complementary.

Mr Bert Meulman (CEO) has over 25 years of sector experience, and has been with the Group since 1992. Mr Meulman started his career in a sales role at Kamstra Shipstores – which currently forms part of the HTG segment – and became partner there three years later. After becoming the managing director of a group of companies that currently forms part of the HTG segment, he was appointed B&S Group's CEO in 2004. In his role as CEO he holds responsibility for corporate strategy, business development, marketing and sales, and human resources.

Mr Gert van Laar (CFO) has close to 40 years of experience in the field of finance and audit. In 2009, Mr van Laar was appointed CFO, after being advisor to the B&S Group for a number of years. His experience and knowledge gained in various previous senior finance positions support him in his role as CFO, holding responsibility for finance, risk management and IT.

The leadership team is supported by segment managers, who report directly to the leadership team and are highly involved in day-to-day management. Over 80% of the managers of the business segments started their careers at B&S Group, with an average tenure of 17 years.

B&S Group recognises the importance of proper corporate governance and will, on a voluntary basis, adopt the principles of the Dutch corporate governance code. Its Supervisory Board consists of five members: Mr Jan Arie van Barneveld (independent chairman), Mr Blijdorp (vice-chairman), Mrs Kitty Koelemeijer, Mr Rob Cornelisse and Mr Coert Beerman.

Details of the IPO

The expected IPO is anticipated to be made available to institutional and retail investors in the Netherlands and via a private placement to certain institutional investors in various other jurisdictions. B&S Group is anticipated to complete the IPO and the listing on Euronext Amsterdam in the coming weeks subject to market conditions, amongst other matters.

The Group has appointed ABN AMRO Bank N.V., ING Bank N.V. and Morgan Stanley & Co. International plc as joint global coordinators and, together with Coöperatieve Rabobank U.A. (in cooperation with Kepler Cheuvreux as its distribution partner) and Deutsche Bank AG, London Branch, as joint bookrunners for the expected IPO.

If and when the expected IPO is launched, further details of the IPO and listing will be included in the prospectus relating to the IPO and the listing.

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Once approved by the Commission de Surveillance du Sector Financier (the "**CSSF**") and notified by the CSSF to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**"), the prospectus will be made generally available at the start of the offering period through the websites of the AFM, the CSSF and the Group, or copies can be obtained at no cost from the Group, subject to securities law restrictions in certain jurisdictions. The approval of the prospectus by the CSSF shall not constitute an approval of the soundness of the transaction proposed to investors.

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For more information about B&S Group see Annex.

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ANNEX

Key strengths

B&S Group distinguishes itself through its differentiated sourcing proposition, using its scale and its in-depth knowledge of product markets, to source products globally and on terms that the Group believes are generally favourable. Its global reach, scale, sourcing acumen and experience in customs, logistics and compliance are the key aspects of the value that B&S Group adds to the distribution chain of its suppliers and customers, which is the reason that B&S Group believes to be a distribution partner that many of its suppliers and customers would find difficult to replace.

B&S Group is a trusted and reliable partner with a clear value proposition

B&S Group benefits from having a reputation as a reliable business partner that provides high-quality and high-value services. The Group does not merely serve as a link between suppliers and customers, but offers a clear value proposition to both. B&S Group provides suppliers with a distribution channel and with market intelligence, customer expertise and marketing support. Additionally, the Group arranges customs handling and transportation to locations that are often difficult to reach, while adhering to strict compliance standards.

B&S Group operates a highly efficient sourcing and distribution platform with a tailored IT backbone

B&S Group has developed a highly efficient trading and distribution platform. Over the years the Group has made various investments with a view to operating more efficiently. The Group has invested more than € 27 million in IT in the last five years. To facilitate further growth, it is currently building a new, semi-automated warehouse in Dordrecht, the Netherlands, which is expected to be completed in the second quarter of 2018. After the completion of this new warehouse, the Group will have thirteen warehouses at its disposal with a total storage capacity of more than 147,000 square meters, one of which is fully automated and one of which will be semi-automated. These automated and semi-automated warehouses allow for faster order picking and delivery compared to conventional warehouses. The Group does not foresee a need to add further warehousing capacity to its operations to accommodate its anticipated growth in the coming five years.

Additionally, B&S Group has a tailored IT platform aimed at optimising its operational and financial controls. Its IT systems are designed to enable the Group to operate business effectively and to monitor data on customer orders, inventory, orders with suppliers and operational performance on a segment and sub-segment level. These capabilities are instrumental in monitoring the Group's business on a day-to-day basis, and of critical importance to the Group's efforts to continuously optimise its performance.

B&S Group has highly skilled people thriving in its entrepreneurial culture

The Group's well-trained and experienced workforce is a key component of its business. The quality and expertise of employees is critical to building long-term relationships with suppliers and customers and providing them with high-quality distribution services. The employees of B&S Group have the capabilities to identify unique sourcing opportunities and help structure

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tailor-made solutions to service the Group's customers within the complex environment in which it operates.

The Group has developed an entrepreneurial and highly motivating management culture throughout the organisation. Employees at all levels are trained, encouraged and incentivised to identify new markets, new products, new sources of supply and new customers in pursuit of the profitable expansion of the business.

B&S Group has leading positions in attractive channels and specialty markets

The operations of B&S Group span a wide range of distinct channels and specialty markets addressing a vast number of different products, customers, physical locations and sources of supply. Although the Group's various markets differ widely in terms of products, suppliers and customers, they all share the characteristic that they are in some sense difficult to serve, whether due to geography, remoteness, geopolitical circumstances, extensive regulation or fast-changing market conditions. These difficulties present attractive opportunities for B&S Group, as it can meet the specific needs of the often demanding customers operating within these markets.

B&S Group has a strong track record of profitability and cash generation, underpinned by a strong balance sheet

B&S Group believes that its entrepreneurial culture, its excellence in sourcing and its positions in attractive markets have enabled the Group to deliver strong operating results over an extended period of time. B&S Group has experienced consistent earnings growth over the past years, as evidenced by a compound annual EBITDA growth rate of 18.9% from 2009 to 2017, a compound annual net profit attributable to the owners of the company growth rate of 21.6% and an increase in its EBITDA Margin from 4.6% to 7.0% from 2009 to 2017. B&S Group has a strong focus on profitable growth and maintaining its gross margins.

B&S Group is well positioned to capture growth opportunities organically and through strategic acquisitions

The Group has a history of continued turnover growth, as evidenced by a compound annual turnover growth rate of 12.8% from 2009 to 2017. The compound annual turnover growth rate from 2015 to 2017 was 8.5% for the HTG segment, 1.4% for the B&S segment and 6.3% for the Retail segment. The Group has historically grown by increasing its presence in its current markets, by tapping into new products and into new markets, by cross-selling its products to existing customers, and by utilising the growth of customers by meeting their increased demand for the Group's products. B&S Group believes it is well positioned to capture further opportunities for organic growth, to leverage long-term market trends and structural developments and to continue to expand its business.

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the Prospectus Directive. The offer to acquire securities pursuant to the proposed offering will be made, and any investor should make his investment decision, solely on the basis of information that will be contained in the prospectus to be approved by the CSSF and to be notified by the CSSF to the competent authority in the Netherlands, the AFM) and to be made generally available in the Netherlands in connection with such offering. This document should not be published, reproduced, distributed or otherwise made available, in whole or in part, to any other person without the prior consent of the Group. When made generally available, copies of the prospectus may be obtained at no cost from the Group or through the website of the Group. The information in this announcement is subject to change.

*Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares of the Group (the "**Shares**") have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.*

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

*ABN AMRO Bank N.V., ING Bank N.V., Morgan Stanley & Co. International plc, Coöperatieve Rabobank U.A. (in cooperation with Kepler Cheuvreux as its distribution partner) and Deutsche Bank AG, London Branch (collectively, the "**Underwriters**") are acting exclusively for the Group and the Selling Shareholders and no one else in connection with any offering of securities and will not be responsible to anyone other than the Group and the Selling Shareholders for providing the protections afforded to their respective customers or for providing advice in relation to any offering or any transaction or arrangement referred to herein.*

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