

COMPANY PROFILE

Who we are and what we do

B&S Group is a value adding distribution partner for consumer goods in attractive channels and across specialised markets worldwide. We focus on serving distinct niche markets around the globe that are generally difficult to serve efficiently due to their specific demands and characteristics.

With a well-trained and experienced workforce of over 2,500 employees, the Group serves as a trusted and reliable partner by providing essential distribution services, solving supply chain complexities and offering compelling value along the value chain all the way to the end-customer. By providing these tailored solutions throughout the supply chain, we link suppliers and customers who would otherwise find it difficult to connect.

Added value for suppliers

We engage in mutually beneficial relationships with our suppliers, seeking to simplify the supply chain while enabling them to expand their business and brand exposure by giving them access to niche markets, market intelligence, customer expertise and marketing support. Our suppliers include brand owners, producers, wholesalers, distributors and international retail chains.

Added value for customers

B2B

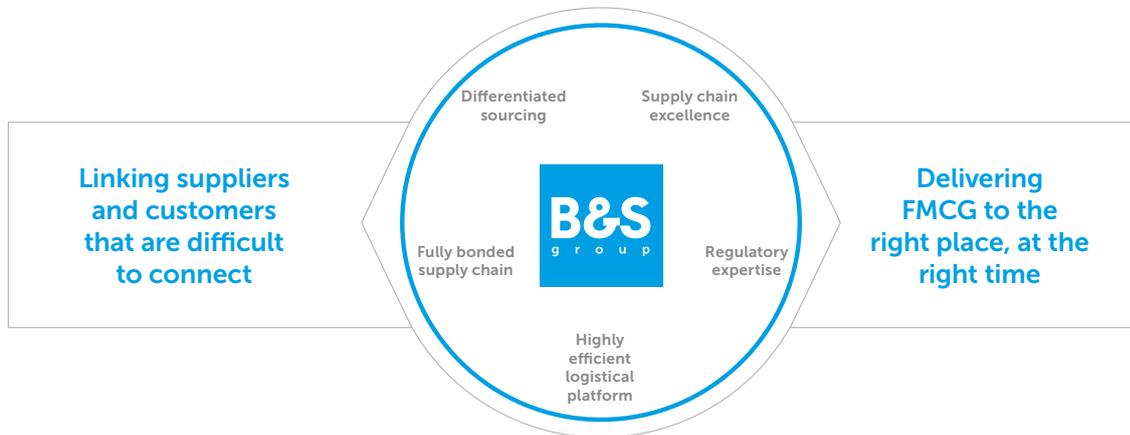
We offer our B2B customers a one-stop-shop solution with a portfolio of over 40,000 products at competitive prices, while adhering to strict compliance standards and arranging customs handling and transportation to locations that are often hard to reach. Adding to this, we simplify their operations with inventory management services and automated procurement solutions. Our B2B customers include value retailers and e-commerce platforms, maritime operators and remote operations.

B2C

For our end-customers both in specialty retail markets and in e-commerce, we add a powerful focus on marketing to our procurement and logistics skills. Combining this with our scale and sourcing expertise as a specialty distributor, we provide end-customers with a long-tail and relevant assortment that is available on demand and at attractive prices.

'We add value to both customers and suppliers by making their interests converge'

Value adding distribution partner



Serving 100+ countries and complex end-markets

Turnover per region



Our product offering

We offer a wide range of consumer goods across multiple categories, mostly from A-brand manufacturers, so they are valuable brands. The range includes health & beauty products, liquors, food and beverages and consumer lifestyle electronics.



HEALTH & BEAUTY

47%

of turnover FY 2019



LIQUORS

32%

of turnover FY 2019



FOOD & BEVERAGES

12%

of turnover FY 2019



CONSUMER ELECTRONICS
& OTHER

9%

of turnover FY 2019

Our markets

With our diversified product categories, we serve four fragmented key markets:



RETAIL B2B

Value for money retailers, secondary channels and e-commerce platforms, underserved and duty-free markets



MARITIME

Ship suppliers and cruise lines



REMOTE

Caterers at remote industrial sites, peacekeeping missions, government and defence operations



RETAIL B2C

End-customers in (travel) retail outlets, specialty retail markets such as military shops and shops on board of cruise vessels, and on e-commerce platforms

Our segments



Distribution of bonded liquors and health & beauty products to specialty retailers and online end-customers

TURNOVER 2019
€ 1,408.2 mln

69%
of Group turnover



Specialty distribution of FMCG products to maritime and remote markets

TURNOVER 2019
€ 497.8 mln

24%
of Group turnover



Specialty retail at high traffic airports and remote locations

TURNOVER 2019
€ 140.0 mln

7%
of Group turnover

PRODUCT CATEGORIES



65%



35%

PRODUCT CATEGORIES



46%



42%



12%

PRODUCT CATEGORIES



69%



31%

MAIN MARKETS



Retail B2B



Retail B2C

MAIN MARKETS



Maritime



Remote



Retail B2B

MAIN MARKET



Retail B2C

Our business model

As a provider of specialty distribution services, our focus is on leading positions in attractive channels and captive markets. Our markets share the characteristic of being difficult to serve, either due to geography, remoteness, extensive regulation or high compliance requirements or due to fast-changing conditions and consumer behaviour.

Value proposition

Our proposition distinguishes itself in its high level of complexity, and we are recognised for consistently delivering to the right place, at the right time. Our flexible, well-invested and highly efficient distribution platform comes with strong barriers to entry:

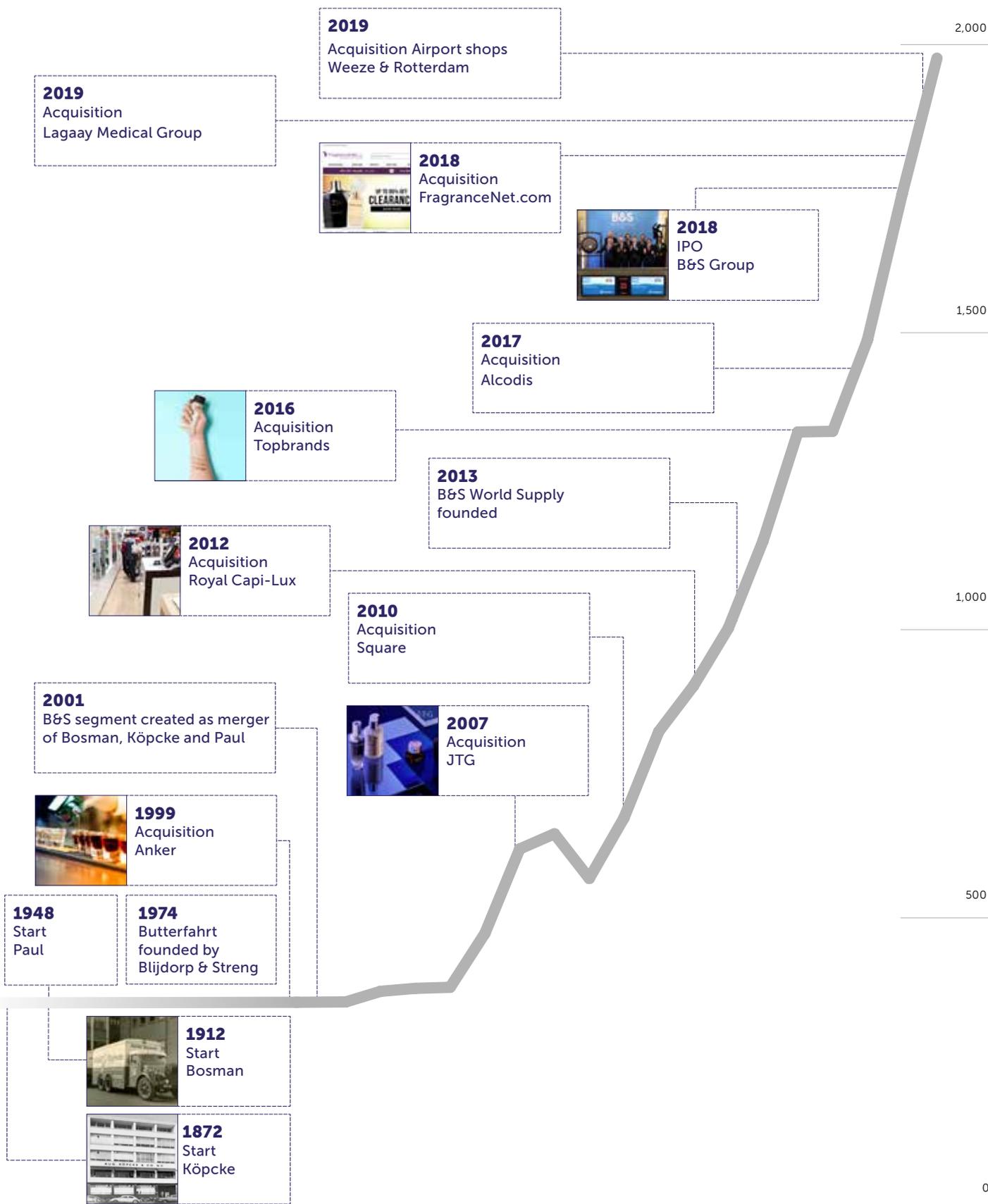
- Our **differentiated sourcing mechanism** enables us to act quickly and benefit from sourcing opportunities whenever and wherever they arise. We have full internal price transparency and closely compare sourcing prices, trends, and opportunities across our segments.
- Our extensive **customs knowledge and regulatory expertise** allows for a smooth international supply chain across borders with all relevant paperwork in order, from product sourcing to supplying to the end-customer.
- We operate a **fully bonded supply chain** with warehouses that have a registered status with the Dutch government to store goods under bond. This allows us to distribute our product assortment internationally without having to pay import duties, VAT or excise duties anywhere other than in the end-market.
- Our **automated procurement platform** speeds up operations and resourcefully matches demand with efficiently procured supply based on data intelligence.
- Our global scale gives access to a vast range of suppliers and products while our balance sheet allows us to take-in and supply large quantities at favorable prices. This enables us to serve our customers with a large **in-stock assortment on demand**.
- Our focus on building **long-term business relations** fosters trusted partnerships aimed at mutual growth.

Creating value since 1872

Dating back to 1872, when the first of several trading companies were created, B&S Group was formed through the combination of key players in our industry. We have consistently grown and expanded in the current and adjacent markets and product categories, both geographically and along the value chain. With a focus on constantly expanding our role as a value adding distributor, we continue to grow and find niches in which we can excel.

‘We continue to grow and find niches in which we can excel’

Turnover
x € 1,000,000



B&S group organisation

B&S Group has a decentralised organisation structure, operating three entrepreneurial segments that each focus on distinct channels and end markets. They all benefit from the centralised backbone that provides a highly efficient platform with centralised support and control functions.



IT



Distribution



Legal &
Compliance



HR



Finance &
Control



Safety &
Security

Tailored IT systems

Our centralised IT function offers enhanced collaboration and interaction between our segments and provides data-driven insights that support integrated communication.

Our BiT ERP system is fully tailored to our operations, enabling us to track and manage inventory levels across our platforms and to plug newly acquired businesses into our centralised backbone in no-time.

IT is the driver behind our automated and high-capacity warehouses that especially benefits our online proposition to e-commerce platforms. In our e-commerce operations to end-customers, we utilise proprietary technology that continuously strengthens our sourcing network, buying power and assortment by self-learning and matches supply directly to demand of the end-customer.

Efficient distribution

Our warehouses are equipped with highly efficient and automated storage mechanisms that reduce warehouse space requirements. This, combined with the quick turn-around of our assortment, ensures optimal use of storage capacity. The continued expansion of automation in our e-commerce procurement boosts the speed of operations, supports our online proposition and enables us to directly serve the end-customer. Finally, the outsourcing of logistics to key partners enables us to focus on our core competences and provide flexibility in capacity and costs.

Legal and compliance standards

Our compliance function, both at group level and at segment level, focuses on supplier and customer acceptance procedures, export controls, customs, tax, data protection and general legal matters. We have very strict customs, quality control and food safety standards that are vital to the organisation and top of mind throughout the whole company. We are certified as an Authorised Economic Operator in the Netherlands, making us a trusted partner to customs and related authorities.

Centrally-led HR function

Our people are our most important resource and we safeguard recruitment, development and retention through a centrally-led HR function. Our strategic programmes are typically developed centrally and executed locally. The nature of our business requires an integrated approach from staff in all departments and we believe their mindset is critical to identifying and capturing business opportunities. Our Company DNA is instilled through the B&S Academy, where we train our talent at every stage of their careers.

More information on people development can be found in the Report of the Executive Board.

Advanced finance and control

Our strategy is defined by the Executive Board in close cooperation with broader senior management and includes the encouragement of entrepreneurship and accountability. To mitigate strategic and financial risks throughout the organisation, our Enterprise Risk Management (ERM) is an integral part of our day-to-day operations. Risk management procedures are performed in accordance with our ERM model and combine various internal and external sources of information. *More information on Risk Management can be found under Governance.*

Corporate Safety & Security

Our Corporate Safety & Security is focussed on integral safety, security, fraud preventions and integrity matters both at Group level as well as segment level. Operational risks related to people, data and property are mitigated and prevented based on integral policies that are embedded in our day-to-day operations.



What we stand for

Our mission is bringing together supply and demand in niche markets around the globe that need fast moving consumer goods to be delivered to the right place and at the right time. And by doing so, becoming the preferred partner for (end-)customers and suppliers in niche markets worldwide.

Our values

Our entrepreneurial culture is key to our ambition to deliver sustainable and profitable growth and defined by a clear set of values:



Reliable

Serving our customers with a consistently high level of quality and service that meets and exceeds their expectations



Successful

Building on a strong and healthy financial foundation with a long and proven track record in innovative value adding distribution



Professional

Selecting prospective employees based on professional characteristics, their potential for development and their ambition to get the job done



Flexible

Showcasing customer-driven flexibility, dealing creatively and effectively with unusual challenges and opportunities



Ambitious

Fostering entrepreneurship and co-ownership in every level of the company to keep up with our increasing scale of markets and demands from customers



Unique

Focusing on business diversification in selected product-market combinations while creating operational synergies between our segments



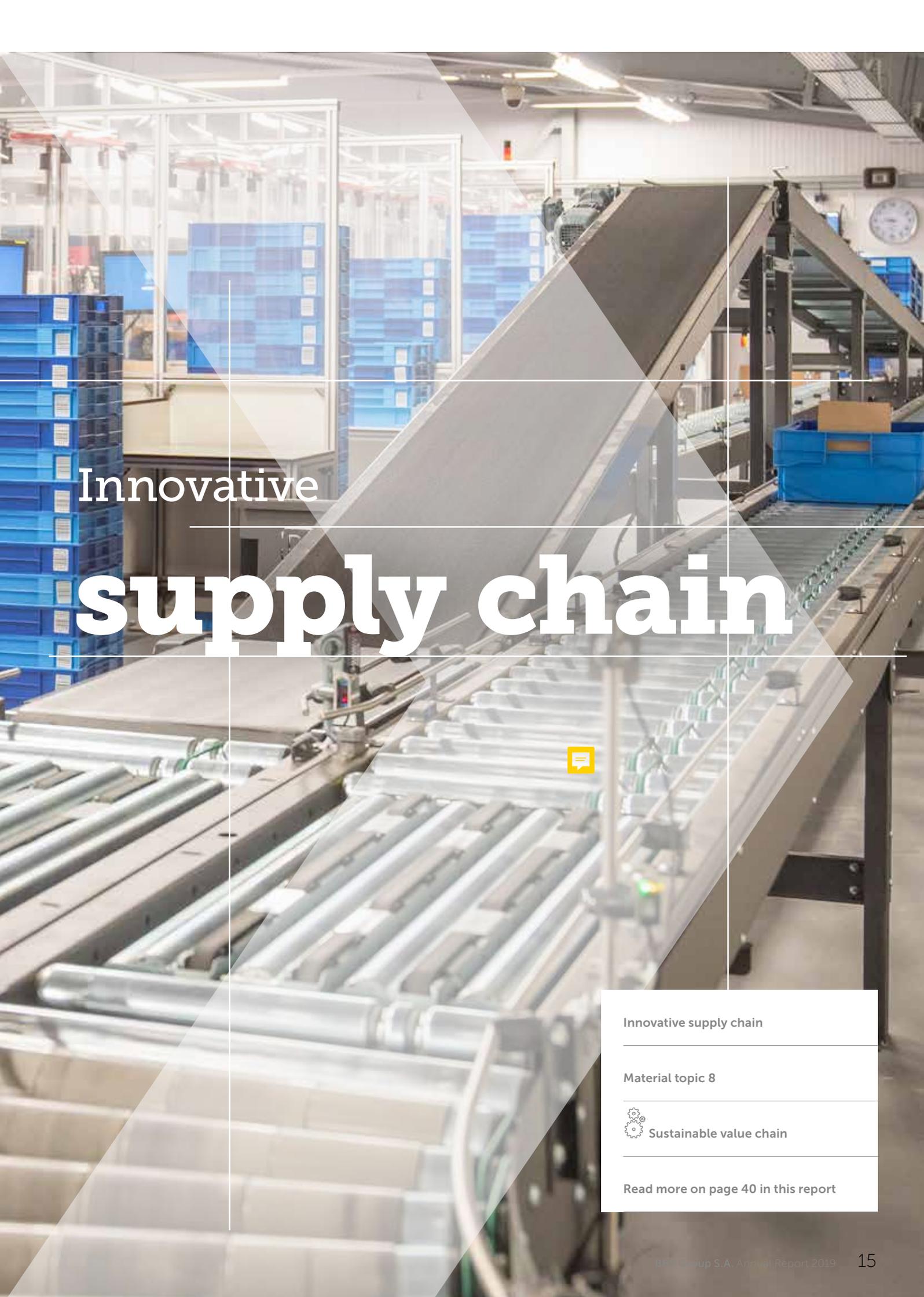
Efficient

Upholding a goal-oriented approach with constant business process innovation that is supported by state-of-the-art technology



Personal

Concentrating on long-term relationships with suppliers, customers and employees that are based on trust, transparency and understanding



Innovative

supply chain



Innovative supply chain

Material topic 8



Sustainable value chain

Read more on page 40 in this report