



Value adding distribution partner

HY 2020 Results Presentation | August 24, 2020



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Today's speakers



Peter Kruithof, CFO

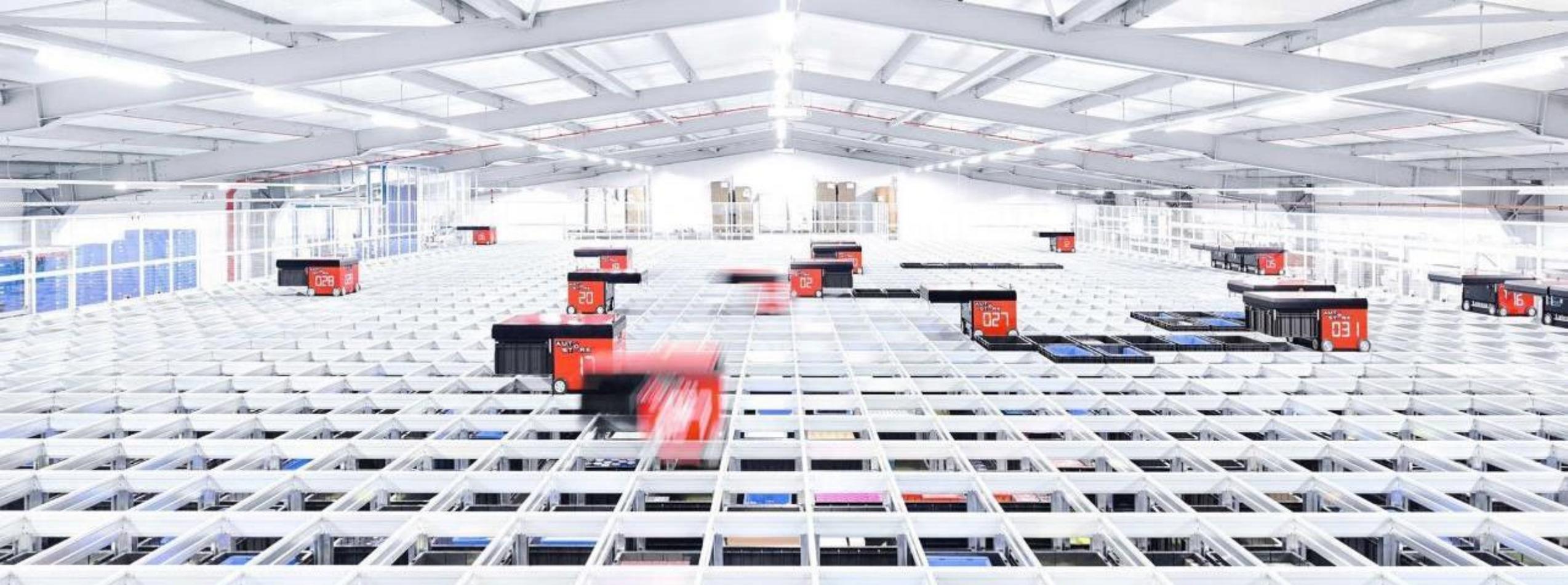


Tako de Haan, CEO



Agenda

- HY 2020 Highlights
- HY 2020 Financial Review
- Outlook
- Q&A



HY 2020 Highlights

Performance highlights HY 2020

Covid-19 developments

- After a sales decline of 1.3% over Q1, the second quarter saw sales decline by 12.1% (15.3% organically)
- Enhanced focus on online sales channels resulting in growth particularly in B2C
- Swift recovery of value retail business after the re-opening of shops starting in April
- Continuance of sales recovery in Asian markets (albeit at low margins) that started late Q1
- Standstill of cruise and travel retail business

Cost control measures

- Reducing opex, mainly comprising staff costs, by bringing temporary staff in line with sales volumes to the extent possible
- Utilising government support in the countries we are present
- All investment programs re-evaluated

Solid financial position

- Decreased net debt position as a result of ongoing focus on working capital reduction
- Cancellation of final dividend for 2019
- Strong operating cash flow as a result of matching purchase with sales levels and as such re-balancing inventory in line with market developments

HY 2020 – Highlights

Turnover

- Overall: - **7.0% to € 835.8 M** (- 7.9% on a constant currency basis)
 - Organic: - **10.5%** (- 11.5% on a constant currency basis)
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Business segment contribution

- **HTG Liquors** -9.1%
 - **HTG Health & Beauty** -5.8%
 - **B&S** +8.8%
 - **Retail** -57.8%
-

EBITDA

- EBITDA of **€ 35.3 M** (HY 2019: € 52.7 million)
-

M&A

- **Lagaay Medical Group** contributed to B&S segment
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Financial position

- Net cash from operations of **€ 70.4 M** (HY 2019: - € 0.4 M)
- Inventory in days: **78** (HY 2019: 98)
- Debtors in days: **35** (HY 2019: 38)

Business segment performance HY 2020



- Asian Liquor market impacted in the first part of Q1. Early signs of recovery towards end Q1, which further developed in the second quarter – although at low margins
- Liquor Europe saw impact from the lockdowns starting end Q1, which enhanced beginning of Q2 and remained throughout the quarter.



- Online Health & Beauty distribution to platforms and end-consumers showed resilience and Q2 performed even above anticipated levels
- Distribution to physical retail outlets in European countries was affected by the closing of shops end Q1. With these shops opening again over the course of Q2, sales did recover towards the end of Q2.



- International FMCG distribution, food supply to remote areas and the acquired medical supply business showed resilience throughout the first half of the year.
- Cruise market came to a standstill towards the end of Q1 and this situation continued in Q2.



- Our travel retail activities at international and regional airports were severely impacted by Covid-19 and came to an almost complete standstill at the end of Q1.



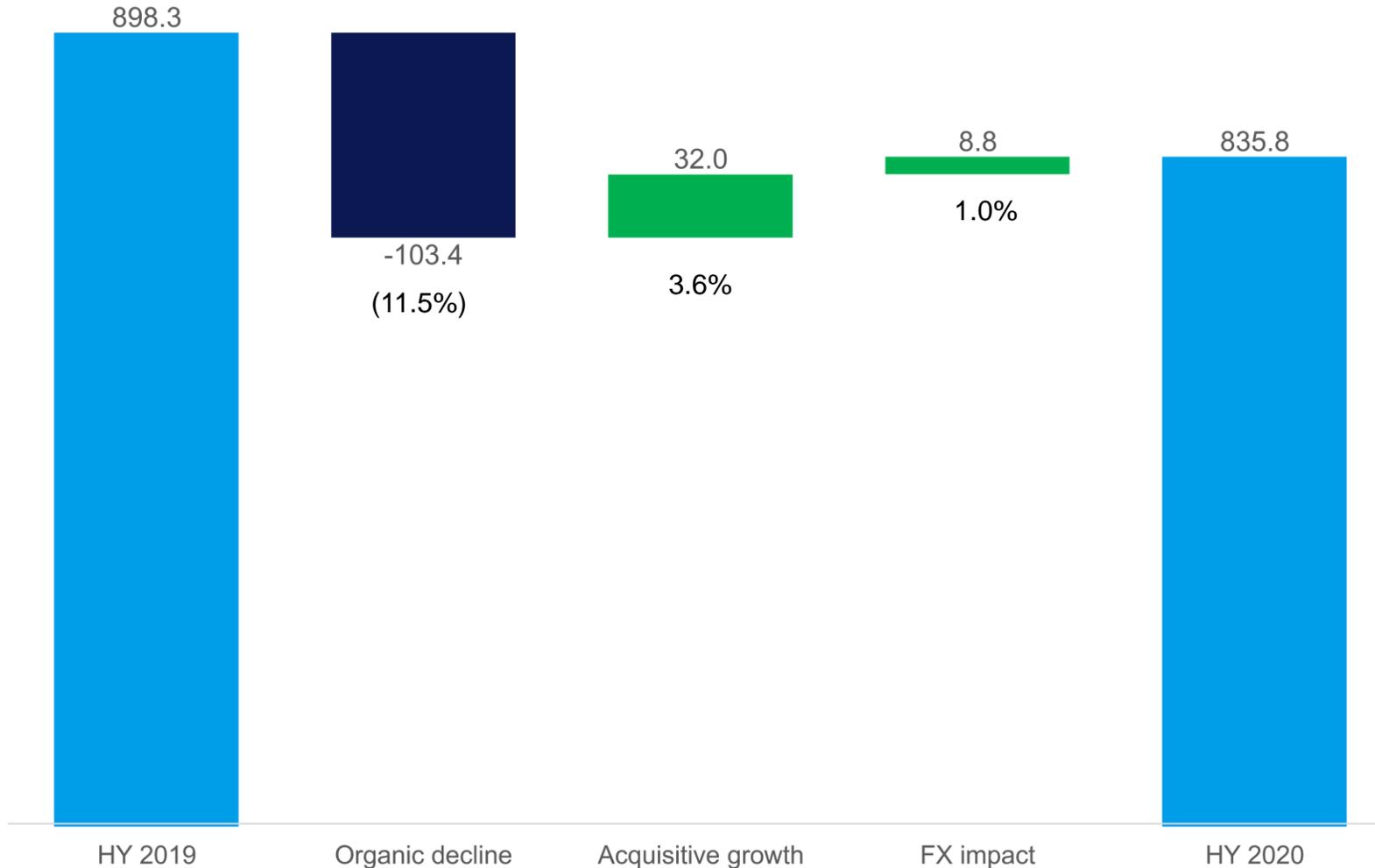
HY 2020 Financial Review

Key figures HY 2020

€ million (unless stated otherwise)	HY 2020 reported		HY 2019 reported		Δ (%) reported
Profit or loss account					
Turnover	835.8		898.3		(7.0%)
Gross profit (<i>margin</i>)	114.9	13.7%	126.3	14.1%	(9.0%)
EBITDA (<i>margin</i>)	35.3	4.2%	52.7	5.9%	(33.0%)
Depreciation & amortisation	15.9		12.1		
Profit before tax	14.9		35.1		(57.7%)
Net profit	12.8		28.2		(54.6%)
EPS (in euro)	0.07		0.27		(75.2%)

- The HY 2020 turnover decline of 7.0% was driven by Covid-19 developments
- Gross profit margin declined to 13.7%, mainly the net effect of low margins in our Liquor category in Asia, and partly the effect of the sales decline in the Retail segment which comes at higher margins.
- EBITDA declined by 33.0% as a result of fixed cost base combined with declined sales

Overall turnover development analysis



- Driven by Covid-19, organic turnover declined € 103.4 M
- The € 32.0 M acquisitive growth stems mainly from Lagaay Medical Group
- The development of the EUR/USD exchange rate had a positive impact of € 8.8 M on turnover

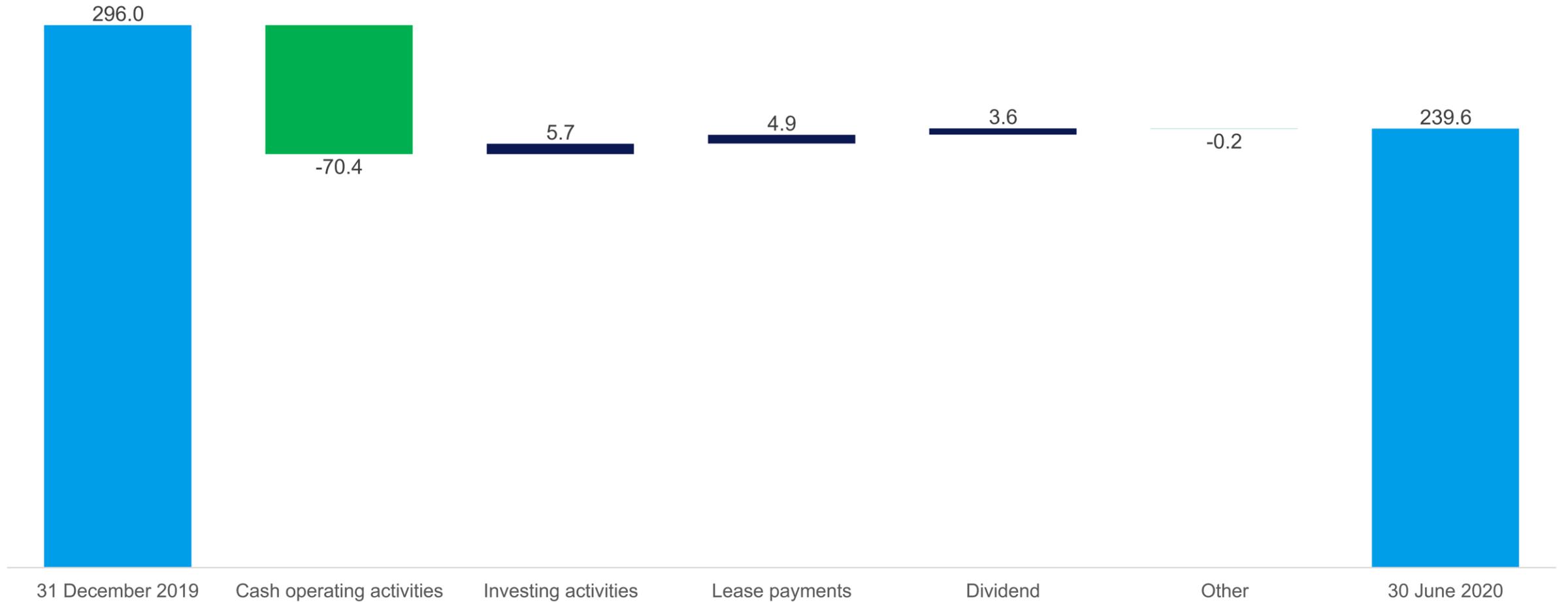
€ million (unless stated otherwise)	HY 2020	HY 2019
Financial position		
Solvency ratio*	37.2%	33.7%
Net debt *	239.6	329.8
Net debt / EBITDA *	2.8	3.0
Inventory in days	78	98
Working capital in days	92	116

- Solvency stood at 37.2% as a result of continued profitability, the cancellation of final dividend for 2019 and a decreased balance sheet total
- Cost control measures and focus on working capital reduction allowed us to keep operating within covenants
- Net cash from operations increased from - € 0.4 M to € 70.4 M

Notes

* Excluding IFRS 16 lease liability.

Net debt development HY 2020



Working capital development

€ million (unless stated otherwise)

	HY 2020	HY 2019
Inventory (days)	355.4 (78)	431.9 (98)
Trade receivables (days)	181.7 (35)	193.4 (38)
Trade payables (days)	93.3 (21)	88.1 (20)
Working capital (days)	443.7 (92)	537.2 (116)

- Decrease in inventory as result of focus on working capital reduction by aligning the inflow levels of our inventory with the outflow of our sales
- Decrease of debtors in days as a result of strong credit management



Outlook

- Partial recovery foreseen of overall Group sales in Q3 with further positive trends towards and in Q4 – provided the absence of a second Covid-19 wave
- Originating from continued momentum in online channels and the recovery of Asian and EU markets, except for Cruise and travel retail

- Improved EBITDA margins expected for H2 compared to H1 given traditionally strong Q4 as well as partial margin recovery for Asian Liquor market

- Continued sharpening of strategic focus areas and business priorities as initiated in 2019



Q&A



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