



B&S Group 9M 2020 trading update

Business diversification continues to limit Covid-19 impact on turnover. Improvement trend reflected in Q3 but caution needed for Q4.

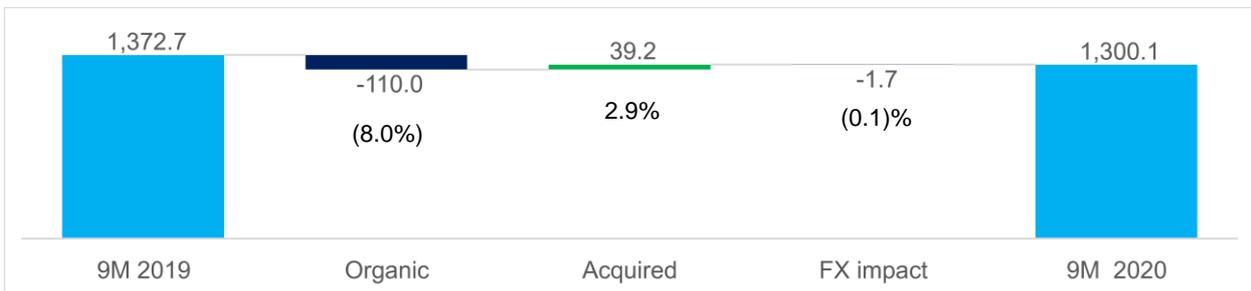
Mensdorf, Luxembourg – November 9, 2020 (07:00 CET)

B&S Group S.A. (“B&S Group” or the “Group”), global distribution partner for consumer goods, today publishes its trading update for the first nine months of 2020 (“9M 2020”).

Highlights 9M 2020 (compared to 9M 2019)

- Driven by the impact of Covid-19, overall turnover decreased by 5.3% and amounted to € 1,300.1 M (-5.2% or € 1,301.7 M on a constant currency basis);
- Organic turnover declined by 8.1% (-8.0% at constant currency) while acquired turnover contributed 2.9%.

Turnover breakdown 9M 2020 in € million (unless otherwise indicated)



Highlights Q3 2020 (compared to Q3 2019)

- Covid-19 impact resulted in overall turnover decrease of 2.1% over Q3 2020
- Organic turnover decrease of 3.6% (-1.4% at constant currency)

Tako de Haan, CEO: “Covid-19 continues to influence channel dynamics in our markets, although the third quarter turnover saw an improvement trend compared to the first half. This was mainly driven by our Health & Beauty segment – in particular by online channels and value retail in Europe. In addition, our Liquor business showed prudent recovery in Asia where Liquor Europe saw positive developments mainly for the online channels.

These encouraging signs were however offset by the sustained negative impact on our Cruise and Airport retail business. Adding to this, towards the end of Q3 our Remote business started to see the impact from Covid-19 as well as from geopolitical developments.



Our financial position remained stable given the ongoing focus on working capital. As communicated at our HY 2020 results, we are in the process of sharpening our strategic focus areas and business priorities in light of 2020 developments. After our FY 2020 results, we plan to present our 2021-2023 strategy in detail during a Capital Markets Day.”

Segmental review

Turnover split per segment

€ million (unless otherwise indicated)	9M 2020 reported	9M 2019 reported	Δ (%) reported	Q3 2020 reported	Q3 2019 reported	Δ (%) reported
HTG Segment	938.5	933.5	0.5%	355.7	307.3	15.8%
<i>Liquors</i>	329.2	321.7	2.3%	131.9	104.6	26.1%
<i>Health & Beauty</i>	609.3	611.8	(0.4%)	223.9	202.7	10.5%
B&S Segment	324.8	336.2	(3.4%)	98.9	128.4	(23.0%)
Retail Segment	36.8	103.0	(64.3%)	9.6	38.6	(75.1%)
TOTAL TURNOVER	1,300.1	1,372.7	(5.3%)	464.3	474.3	(2.1%)

HTG Liquors

Liquor distribution to Asia, and particularly to China, showed early signs of recovery in Q2 which continued to gain momentum in Q3 - albeit still at low gross profit margins when compared to Q3 2019.

Liquor wholesale in Europe saw turnover increase in Q3 2020 compared to Q2 2020 and Q3 2019. This was the result of both new and intensified relationships mainly within e-commerce.

HTG Health & Beauty

Our online distribution business to platforms and end-customers continued to show strong performance in Q3. This was driven by increased demand and more favorable sourcing conditions related to Covid-19.

The reopening of physical value retail shops throughout Europe brought sales in these channels back in line with 2019 levels. On the other hand, our perfume distribution to physical retail outlets in Europe declined as consumers shifted to online channels, whereas the distribution to physical retail in Asia declined due to market oversupply.



B&S segment

After a stable H1 2020 for our food distribution to remote caterers, the downscaling of industrial sites due to Covid-19 became evident in Q3. Adding to this, our distribution to military caterers started to see declined demand in Q3 as a result of geopolitical developments.

The sub segments Cruise and International FMCG distribution to duty free markets continued to be severely impacted by Covid-19 with almost non-existing business in Q3. Moreover, the performance in our medical supply business stagnated compared to Q2 given the absence of travel related business seasonality.

Retail segment

The travel sector continued to be severely impacted by the Covid-19 pandemic. Although most of our shops at airports reopened in the course of Q3, performance was lagging due to the very limited number of passengers. Discussions to obtain waivers as well as renegotiations for existing concessions are still ongoing.

Outlook

In the first weeks of Q4 – traditionally our strongest quarter - we have seen the Q3 trends continue, with our e-commerce activities in Health & Beauty and Liquor categories as main driver. However, given the recent Covid-19 developments with newly declared lockdowns in several European countries, we remain cautious with statements on the development of sales volumes in the coming months.

We will continue our cost control measures to reduce operating expenses by bringing costs in line with sales volumes. This way we mitigate the impact on our EBITDA levels where possible. The Group maintains focused on its Digital First approach to enhance operational efficiency and enable the business to leverage opportunities in online channels.

Conference call

Our CEO Tako de Haan and CFO Peter Kruithof will host an analyst call at 10:30 CET this morning to discuss the 9M 2020 trading update.

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



Announcement Capital Markets Day in 2021

B&S Group plans to host a Capital Markets Day in 2021 (shortly after its FY 2020 results publication) to present its sharpened strategic focus areas and business priorities for 2021-2023. More information and event details will be published on our corporate website in due course.

Financial calendar

February 22, 2021	Full Year 2020 results (07:00 CET)
May 17, 2021	Q1 2021 trading update (07:00 CET)
May 18, 2021	Annual General Meeting
August 23, 2021	Half Year 2021 results (07:00 CET)
November 8, 2021	9M 2021 trading update (07:00 CET)

Upcoming events

November 24, 2020 Deutsche Bank BLT Conference

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 SKUs 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.