



## B&S Group Q1 2021 trading update

Adaptability and diversification continue to limit Covid-19 impact in first quarter. Business opportunities develop on the back of sharpened strategic focus.

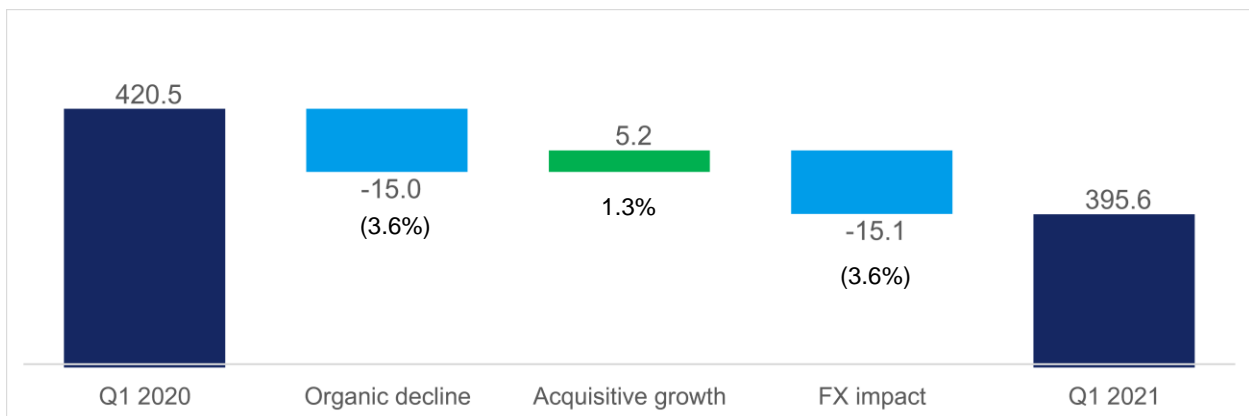
Mensdorf, Luxembourg – May 17, 2021 (07:00 CEST)

B&S Group S.A. (“B&S Group” or “B&S”), a global distribution partner for consumer goods, today published its trading update for the first quarter of 2021 (“Q1 2021”).

### Highlights Q1 2021 (compared to Q1 2020)

- Overall turnover amounted to € 395.6 M, a decrease of 5.9% (-2.3% at constant currency);
- 7.2% organic turnover decrease (-3.6% at constant currency);
- Recovery of sales & margin international Liquor distribution, Beauty strongest contributor driven by e-com;
- Food and Retail segment remain to see impact from travel related restrictions. Marketing services starting to contribute positively in Food segment;
- Financial position remained solid with continued focus on working capital.

### Turnover breakdown Q1 2021 in € million (unless otherwise indicated)





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**Tako de Haan, CEO:** “I am pleased to report our Q1 2021 update, a quarter in which the majority of our business demonstrated relentless flexibility in response to the continued impact of the pandemic. Overall, turnover declined by 5.9% when compared to Q1 2020, where we should keep in mind that the impact of the pandemic became significant from early Q2 2020 onwards. Our resilience was further aided by the recovery of our international Liquor distribution, our continued focus on e-commerce business and our newly introduced marketing services of which we are starting to reap the benefits already in our Food segment.

We took further action to streamline and simplify the organisation and focused on accelerating development of our digital business solutions. The progress made so far reinforces my confidence in our ability to adapt swiftly in a changed business environment. It’s the driver behind our newly introduced financial targets for 2021-2023 and fast-forwards our transition towards a high-tech global brand.”

### Segmental review

#### Turnover split per segment

€ million (unless otherwise indicated)	Q1 2021 reported	Q1 2020 reported	Δ (%) reported
Liquors	105.2	107.8	(2.4%)
Beauty	150.1	126.3	18.8%
Personal Care	61.7	66.2	(6.8%)
Food	62.9	80.1	(21.5%)
Health	12.2	16.5	(26.1%)
Retail	3.5	23.6	(85.2%)
<b>TOTAL TURNOVER</b>	<b>395.6</b>	<b>420.5</b>	<b>(5.9%)</b>

*A detailed set of figures containing the quarterly sales for the new segments as well as segmented profit and loss figures for HY + FY 2019 and HY + FY 2020 is published on the corporate website.*

#### B&S / Liquors

In Q1 2021, we have seen international B2B Liquor distribution pick-up both sales and margin wise when compared to FY 2020 and Q1 2020. With the oversupply in the market behind us, we are seeing the positive contribution of our focus on margin business in this segment. However, this is slightly held back by industry-wide supply chain challenges from delays in sea freight and shortage of containers.

B2B liquor Europe was still impacted by continued lock-downs in several countries. This impact was partly counterbalanced by increased sales to customers with online presence.

Overall it resulted in a turnover decline of 2.4% for our Liquor segment compared to Q1 2020.



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### B&S / Beauty

The strong performance of Beauty in H2 of 2020 continued in Q1 2021. Within Beauty we saw the increase of turnover and margin mainly stemming from focus on our online business, both to reseller platforms (B2R) and end-consumers (B2C).

Although we forecasted in 2020 that margins would normalise within B2C in 2021, the upward trend continued in Q1 2021 driven by demand. This effect reverses with future inventory buildup, a trend that is noticeable already in the first part of Q2.

Distribution to physical wholesale (B2B) still saw the impact of lockdowns due to Covid-19, with overall performance in line with 2020.

These developments led to an overall turnover increase of 18.8% in the Beauty segment compared to Q1 2020.

### B&S / Personal care

With the value retail chains in Europe still closed to a large extent during Q1 2021, the sales in the Personal Care segment was lagging. We have however seen in the past year that sales pick-up rapidly once stores reopen, as was also the case in the first weeks of May 2021.

The extension of our private label assortment is having positive effect on gross margins. However, industry-wide supply chain challenges from shortage of containers is holding back margin growth at this point.

All in all, turnover declined by 6.8% in Q1 2021 compared to Q1 2020.

### B&S / Food

Within the food segment we have seen most markets develop in line with what we saw in H2 2020. The duty-free and other travel related markets remained severely impacted by Covid-19 related restrictions. The remote business was lagging to the extent already forecasted, following the withdrawal of troops from Afghanistan. Our international brand distribution services are however starting to flourish on the back of successful marketing services. It underlines our renewed focus on digital brand building driven by social media marketing.

Still, overall turnover decreased by 21.5% in the Food segment compared to Q1 2020.

### B&S / Health

The Health segment continued to show mixed results. Where last year we saw the merely positive impact from sales of Covid-19 related products, this stabilised early Q1 2021. In the travel vaccines business we remained to see a sharp sales decline compared to Q1 2020.



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The medical supply business that is not related to Covid-19 remained stable throughout Q1 2021. Besides, the initiation of a dedicated tender team for industrial and remote projects resulted in the first new tenders added to the portfolio. We expect this to add further to our business during the year.

All in all, turnover in the Health segment declined by 26.1% in Q1 2021 compared to Q1 2020.

### B&S / Retail

Driven by the renewed travel restrictions across Europe end 2020, the vast majority of our travel retail shops remained closed early Q1 2021, with more and more openings towards the end of the quarter. This led to an overall turnover decrease of 85.1% when compared to Q1 2020.

At the date of this press release, around 90% of the airport locations in our portfolio are opened again, with the majority of our shops also open albeit with turnover levels at less than 20% when compared to 2019 levels.

The renegotiated contracts for all our airport concessions as well as the strict cost reduction measures we took mainly related to staff costs, allows us to break-even at 50% of 2019 turnover levels. With vaccination programs in place and travel bookings for summer 2021 starting to pick up, we reiterate our expectation that reaching this level is realistic by end 2021 (notwithstanding reinforced travel restrictions).

### **Financial position**

Our balance sheet and liquidity remained strong in Q1 2021. Working capital in days declined significantly when compared to the first quarter last year, where working capital as absolute number will increase in the coming months as market volumes recover and inventories increase to meet customer demand (towards the traditionally busier H2). As communicated in our Capital Markets Day in April, return on invested working capital (ROIWC) is expected to be over 25% at year end.

### **2021 – 2023 Strategic priorities**

In April 2021 we presented our three-year strategic direction towards a compelling high-tech global brand. This has also resulted in the following updated targets for 2021-2023:

- Average organic revenue growth of 7.5% p.a. complemented by an average acquisitive growth of 7.5% p.a.;
- EBITDA margin over 6% in 2021 with 25 bps increase p.a. in 2022 and 2023;
- Return On Invested Working Capital (ROIWC) of >25%;
- Build a future-fit organisation and supporting digital culture.



### Outlook 2021

On the back of our strategic focus of shifting towards the end-consumer in all our markets, we expect our overall gross margin to improve gradually throughout 2021. Our efforts to simplify operations and eliminate costs from decentralised activities will further optimise EBITDA margins while our capex investments focus on platform expansion and efficiency. This way, we position ourselves to swiftly expand our reach by adding geographies, products and services to our business portfolio. All in all, we are confident to meet our strategic objectives and FY 2021 financial targets.

### Conference call

Our CEO Tako de Haan and CFO Peter Kruithof will host an analyst call at 10:30 CEST this morning to discuss the Q1 2021 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

May 18, 2021	Annual General Meeting (13:30 CEST, <i>virtual meeting</i> ) Extraordinary General Meeting (14:00 CEST, <i>virtual meeting</i> )
August 23, 2021	Half Year 2021 results (07:00 CEST)
November 8, 2021	9M 2021 update (07:00 CET)

### Annual General Meeting & Extraordinary General Meeting May 18, 2021

In view of the Covid-19 pandemic and related limitations on travel, B&S Group has decided to hold its Annual General Meeting on May 18, 2021 without physical presence of shareholders, as permitted by Luxembourg law. More information can be found in the convening notice that is published on the corporate website.

### Upcoming events

June 15, 2021	Degroef Petercam Consumer Goods conference
June 17, 2021	ING Benelux conference



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### **About B&S Group**

B&S Group is a global distribution partner for consumer goods to Business-to-business (B2B), Business-to-reseller (B2R) and Business-to-consumer (B2C) channels. With a well-trained and experienced workforce of over 2,000 employees, B&S provides essential distribution and marketing services that drive conversion and increase reach. This way, it connects suppliers to wholesalers, retailers and consumers globally.

B&S operates a flexible, increasingly digitised 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, B&S offers a long-tail assortment of consumer goods to a wide range of customers in all the far corners of the world.

Visit our corporate website: [www.bs-group-sa.com](http://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.