B&S group

Value adding distribution partner

FY 2018 Results Presentation | February 25, 2019

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Today’s speakers

Bert Meulman, CEO

- CEO since 2004
- Joined B&S in 1992, held several leadership positions
- Shareholding partner since 1995

Gert van Laar, CFO

- CFO since 2009
- Former CFO of Paul Global, acquired by B&S Group in 2000
- Chartered Accountant and 8 years at PWC and other senior finance positons

Agenda

- FY 2018 Highlights
- FY 2018 Financial Review
- Outlook
- Q&A

FY 2018 Highlights

FY 2018 – Financial Highlights

Overall turnover growth	▪ **16.8% to € 1,746.5 M** (18.2% on a constant currency basis)
Organic turnover growth	▪ **9.6%** (11.0% on a constant currency basis)
EBITDA	▪ On a reported basis EBITDA increased by 4.0% to € 109.0 million, when adjusted for acquisition costs, share-based payments and FX-effects EBITDA increased by **11.5%** to **€ 116.9 million** (2017: € 104.8 million)
Financial position	▪ Solid financial position with net debt / EBITDA at 2.7
FragranceNet.com	▪ Acquisition of FragranceNet.com, consolidated from 1 October onwards, contributed directly to turnover and EBITDA growth in the HTG Segment

FY 2018 - Key developments

Channel and market growth

- Challenging global economic markets
- Expansion of leading positions internationally

Transition to public company

- Raised profile; beneficial in executing our growth strategy
- Enthusiastic workforce committed to support growth

Acquisition FragranceNet .com

- Further growth along the value chain
- Substantial footprint USA
- Further growth in Health & Beauty product category

Operational efficiency focus

- Expansion of logistical platform
- Start of transfer of operations to our new warehouse in B&S Segment

FY 2018 - Business segment developments

- Overall increase in demand especially in Asia
- Increased turnover in Health & Beauty product category, as a result of ongoing focus on EU client portfolio and intensified cooperation with key accounts in value retail
- Last quarter of FragranceNet.com directly contributed

HTG

- Increase in demand for products and services in remote markets
- Expansion of logistical platform and the start of operations in the warehouse resulted in temporary higher staff costs
- In second half, we were confronted with major increases in international transport costs; with delay into 2019 most of the increase could be passed on to customers

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- We saw an increase in turnover as a result of increase of the number of passengers on the airports we operate our shops
- Growth further supported by new shop openings in Vienna and Helsinki late 2017

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FY 2018 Financial Review

FY 2018 - Key figures

€ million (unless stated otherwise)	FY 2018		FY 2018 constant FX		FY 2017		Δ (%)	Δ (%) constant FX
Profit or loss account								
Turnover	1,746.5		1,768.6		1,495.8		16.8%	18.2%
Gross profit (*margin*)	245.4	*14.1%*	248.8	*14.1%*	214.9	*14.4%*	14.2%	15.8%
Other gains and losses	(3.1)		(1.2)		3.3			
EBITDA (*margin*)	109.0	*6.2%*	114.4	*6.5%*	104.8	*7.0%*	4.0%	9.1%
Adjusted EBITDA (*margin*)[1]	111.5	*6.4%*	116.9	*6.6%*	104.8		6.4%	11.5%
EBITA	103.3		108.7		98.8		4.6%	10.0%
Adjusted Profit before tax [2]	93.3		98.7		88.7		5.2%	11.3%
Earnings per share (in euro)	0.72				0.81			

1 Adjusted for acquisition costs and share based payments

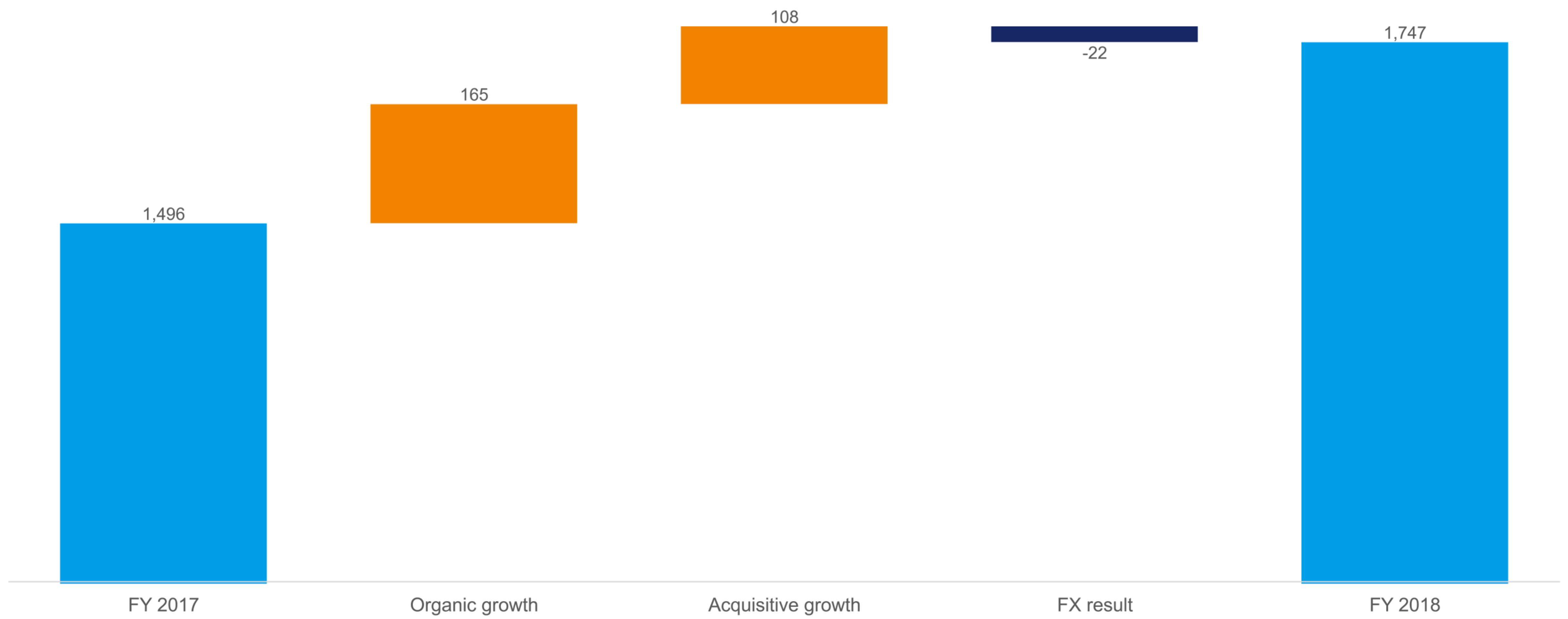
2 Adjusted for acquisition costs and share based payments, FY 2017 adjusted for the other gains and losses line

Commentary

- Turnover grew 16.8% (18.2% on a constant currency basis)
- Gross profit grew 14.2%
- Gross margin affected by temporary higher staff costs and increased transport costs in H2 2018
- Other gains and losses largely driven by the adverse development of the EUR/USD exchange rate
- Profit before tax adjusted for acquisition costs and share based payments

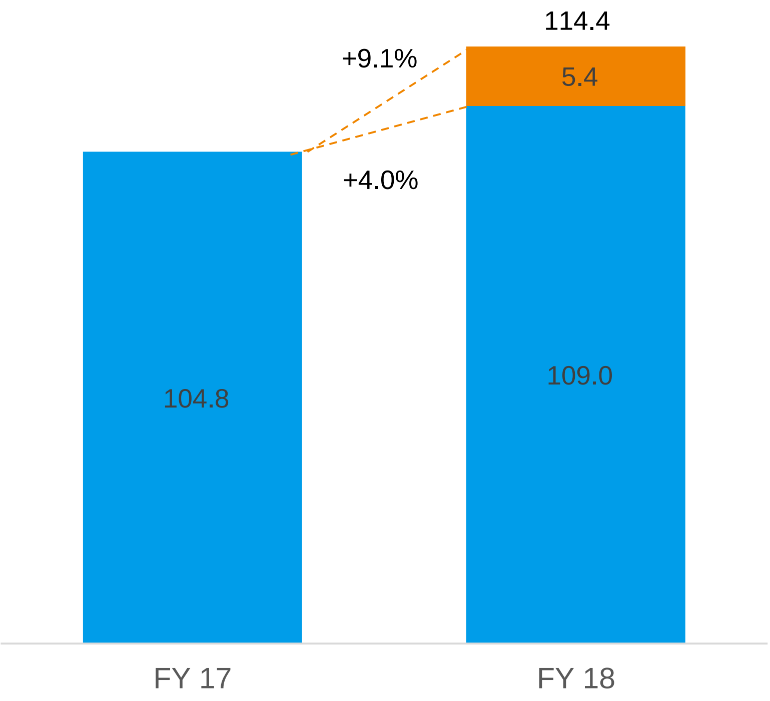
FY 2018 - Overall turnover growth analysis

Overall turnover growth

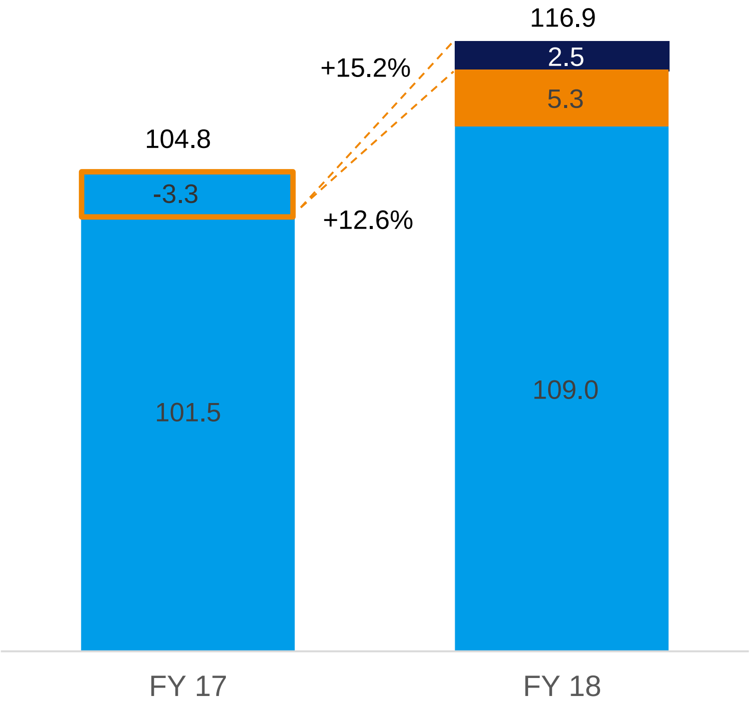


FY 2018 - EBITDA development

EBITDA development



EBITDA reported and at constant currency



EBITDA reported and at constant currency
2017 corrected for Other Gains & Losses
2018 adjusted for acquisition costs and share-based payments

FY 2018 - Financial position

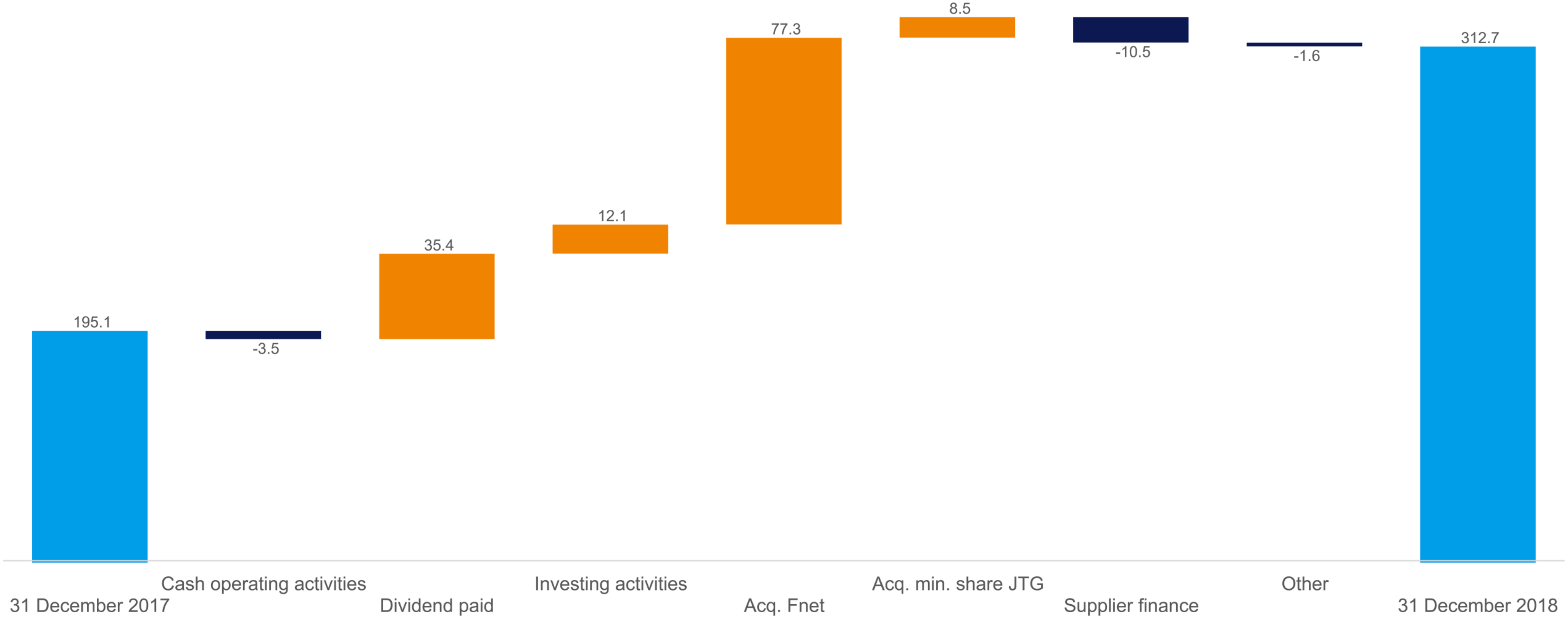
€ million (unless stated otherwise)	FY 2018	FY 2017
Financial position		
Solvency ratio	34.3%	42.7%
Net debt	312.7	195.1
Net debt / EBITDA	2.7[1]	1.9
Inventory in days	92	91
Debtors in days	43	34

1 Taking into account the FY EBITDA of FragranceNet.com over 2018

Commentary

- Financial position well within pre-determined objectives
- Balance sheet and as such solvency impacted by € 87 M intangibles following Fnet acquisition
- Net debt increase mainly resulting from Fnet acquisition and associated consolidation, and the increase in working capital
- Increase in working capital: anticipated effect of Fnet consolidation and shift of sales towards year-end

FY 2018 - Net debt development

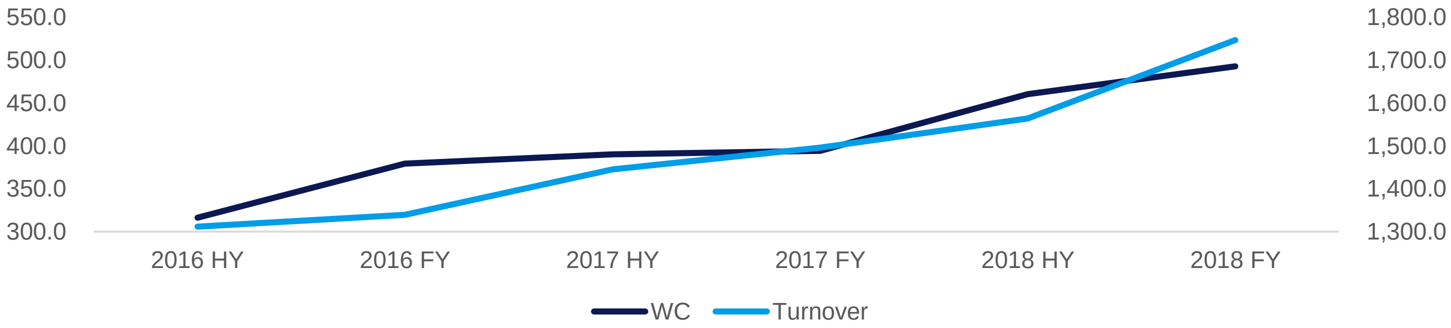


FY 2018 - Working capital development

(€ x 1,000)	FY 2018	FY 2017
Inventory	377,9	319,7
Trade receivables	205,7	141,0
Trade payables	90,8	66,5
Working capital	492,8	394,3

Commentary

- Inventory increased following the acquisition of FragranceNet € 28.4 M and following the organic growth of the group
- The increase in trade receivables stems from a shift of sales to the very end of 2018
- Increase in trade payables is fully in line with the increase in turnover and inventory



Outlook

Outlook

Management focus	▪ Continuing organic growth – which may be complemented by selective acquisitions ▪ Further extending business synergies with FragranceNet.com ▪ Leveraging investments in logistical platform
Outlook	▪ Based on the current market outlook and the opportunities we see ahead, we are confident to realise further organic and acquisitive growth ▪ Pipeline of potential acquisition candidates on our shortlist
MTOs	▪ Focus on top line growth and underlying EBIT(D)A, combined with a strong balance sheet, overall guided by our medium term objectives

Q&A

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