



Value adding distribution partner

HY 2019 Results Presentation | August 27, 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 positions

Agenda

- HY 2019 Highlights
- HY 2019 Financial Review
- Outlook
- Q&A



HY 2019 Highlights

HY 2019 – Financial Highlights

Overall turnover growth

- **17.1% to € 898.3 M**

Organic turnover growth

- **Growth of 7.4%**

Business segment contribution

- All segments contributed to turnover growth with HTG fuelling growth
- **HTG +28.5% | B&S +0.5% | Retail +1.6%**

EBITDA

- **EBITDA amounted to € 52.9 M**
- pre IFRS 16 EBITDA came in at € 48.1 M

Financial position

- Solvency close to 34%
- Net debt / EBITDA at 2.9

Key developments HY 2019

Investments on Group level

- Expansion of robotised warehouse in HTG segment and combined with FNET technology to further boost Health & Beauty category
- Logistics operations in B&S Segment fully on track
- Acquisition Lagaay Medical Group in B&S Segment enhances single source supply concept
- Acquisition Rotterdam & Weeze Airport in Retail Segment strengthens regional store portfolio

Performance on Segment level

- Growth driven by Health & Beauty value retail and e-commerce markets
- Strengthened international positions, intensified relationships in value retail and increased focus on the online platform business
- Synergies from combined sourcing in Health & Beauty category
- Maritime market circumstances remain unfavourable
- Opportunities identified in remote markets
- Performance in B&S Segment as expected given market conditions and additional costs in logistics (as communicated) with clear performance improvement in B&S Segment trend noticeable in H2
- Lagaay integration into the B&S Segment in preparation
- Retail segment performed as expected



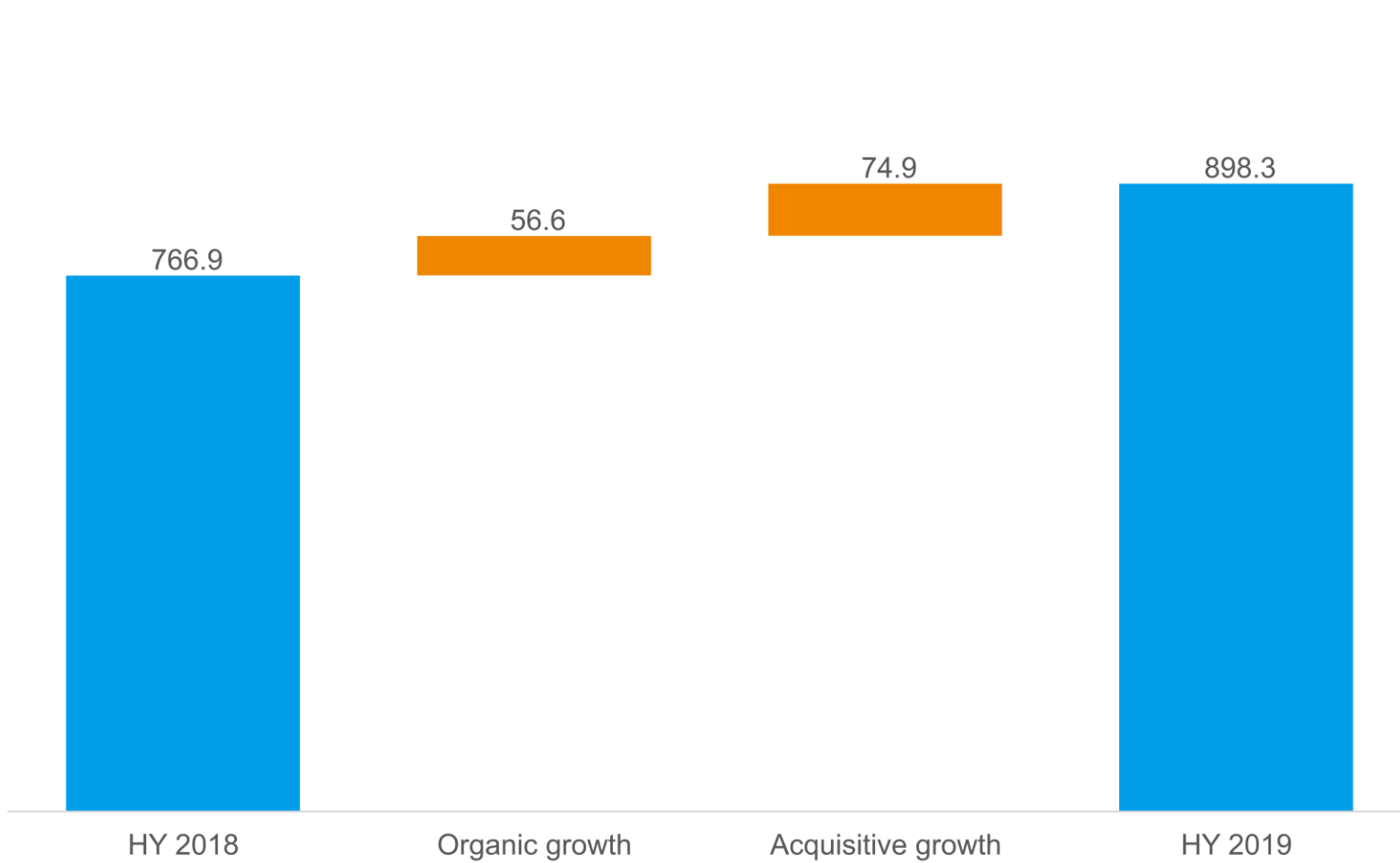
HY 2019 Financial Review

Key figures HY 2019

€ million (unless otherwise indicated)	HY 2019 reported	HY 2019 pre IFRS 16	HY 2018 reported	Δ (%) reported
Profit or loss account				
Turnover	898.3	898.3	766.9	17.1%
Gross profit	126.3	126.3	108.5	19.9%
EBITDA	52.9	48.1	45.9	15.2%
Depreciation & Amortisation	12.1	7.6	4.4	
Profit before tax	35.1	35.5	38.4	(8.6%)

Commentary
<ul style="list-style-type: none"> Turnover grew 17.1%, gross profit grew 19.9%, margin was 14.1% EBITDA grew 15.2% IFRS 16 positively impacted EBITDA by € 4.8 M, logistical costs B&S Segment negatively impacted EBITDA Fnet realises over 60% of EBITDA in H2, as such straight-line amortisation of intangible fixed assets has a material impact on contribution to results in H1 from Fnet

Overall turnover growth analysis



Commentary

- All segments contributed to turnover growth but it was fuelled by the performance of HTG
- The inclusion of the acquisition of FragranceNet.com contributed € 81.8 M of which € 6.9 M organic growth

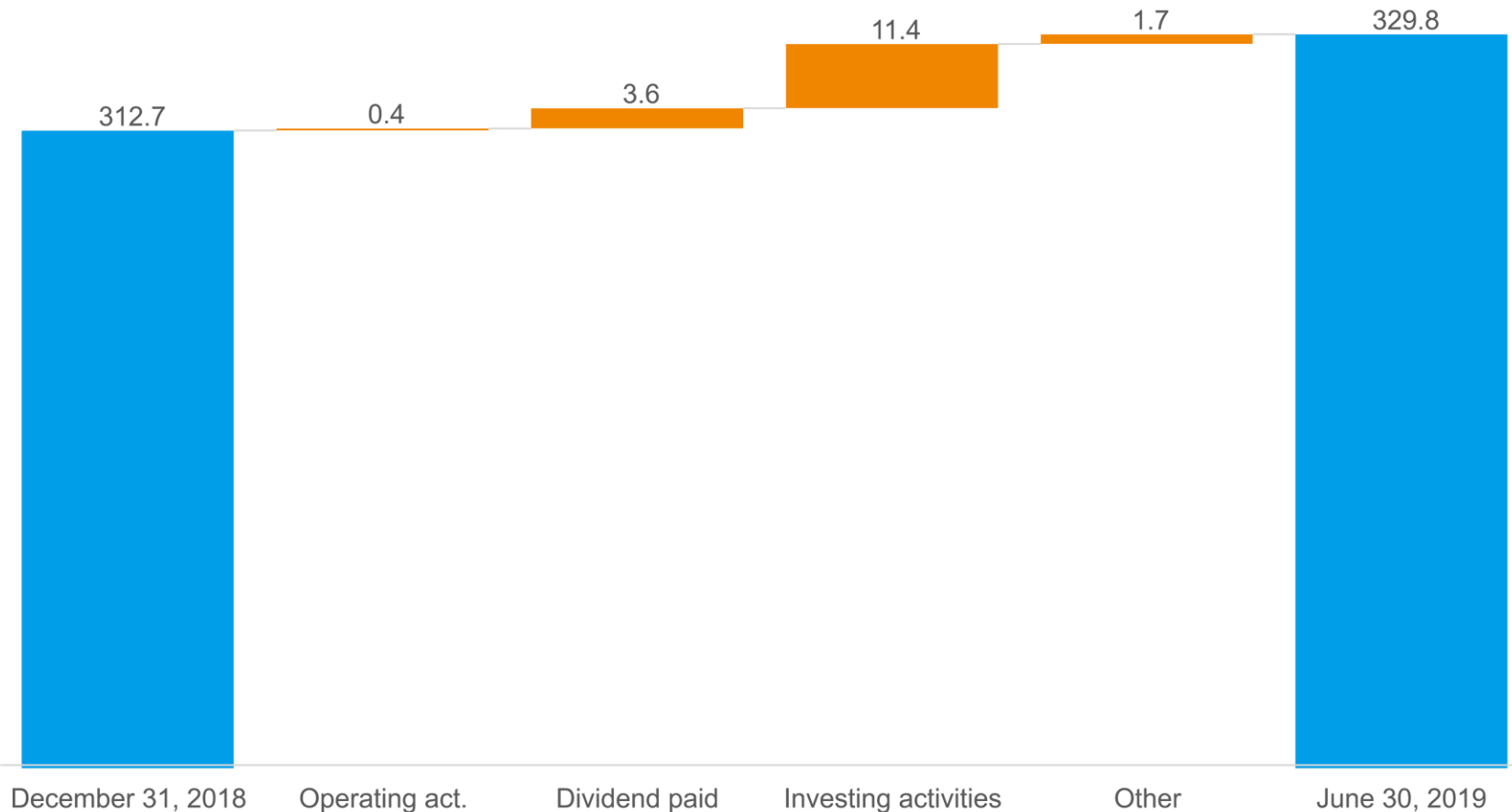
HY 2019 - Financial position

€ million (unless stated otherwise)	HY 2019	HY 2018
Financial position		
Solvency ratio	33.7%	37.3%
Net debt	329.8	277.0
Net debt / EBITDA	2.9*	2.7
Inventory in days	98	103
Working capital in days	100	107

Commentary

- Financial position 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 investment in working capital
- Increase in working capital: mainly related to inventory supporting our growth expectations; working capital in days improved

Net debt development HY 2019



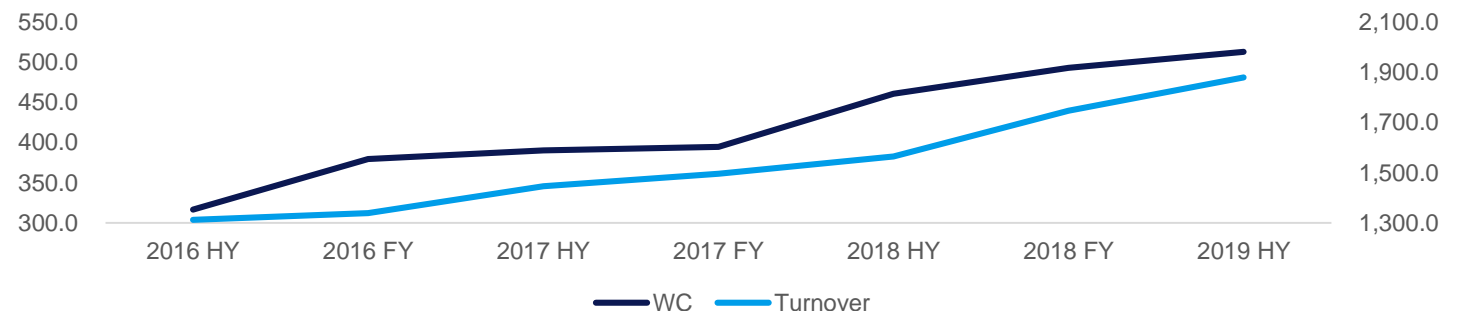
Commentary

- HY 18 negative cash flow from operating activities: € 48.2 M HY 19 only: € 0.4 M. Investment in inventory in 2019 set-off by cash inflow from late Q4 2018 sales as indicated at FY18
- Dividend represents payment to minority shareholders FragranceNet
- Investing activities mainly investment in software € 3.0 M and logistical infrastructure € 7.1M
- Net debt excluding IFRS 16

Working capital development

(€ x 1,000)	HY 2019	HY 2018
Inventory (days)	431.9 (98)	379.0 (103)
Trade receivables (days)	193.4 (38)	160.5 (37)
Trade payables	112.6	79.2
Working capital (days)	512.7 (100)	460.3 (107)

Commentary
<ul style="list-style-type: none"> Inventory development (+14%) in line with business development (+17%) Trade receivables in line with business development Increase in trade payables is fully in line with the increase in turnover and inventory





Outlook

Management focus

- Expanding e-commerce platform business
- Roll out of FragranceNet.com outside the USA
- Integration of Lagaay into B&S Segment
- Capturing further opportunities for organic growth

Expectations H2 and beyond

- Strong H2 in Health & Beauty with new business opportunities in B2B distribution to value retailers and e-commerce platforms
- Demand in online B2C business of FragranceNet.com continues to grow
- Seasonality further amplified and continued trend in sales shifting to late Q4
- Turnover growth and - over time - profitability at stable margins in B&S Segment by serving volume contracts in a cost-efficient way
- Lagaay expected to contribute to maritime and remote business in B&S segment
- New shop openings to contribute to turnover and profitability in Retail



Q&A



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