



INTERIM FINANCIAL REPORT 2021

B&S GROUP S.A.

Interim condensed consolidated financial statements for the six-month period ended
June 30, 2021



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Interim Management report

This Interim Financial Report should be read in conjunction with our Annual Report 2020 which includes a detailed analysis of our operations and activities as well as explanations of financial measures used.

Statement by the Executive Board

In accordance with the Luxembourg Transparency Law, i.e. the law of January 11, 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended, we confirm that, to the best of our knowledge:

- the interim condensed consolidated financial statements for the six-month period ended June 30, 2021 have been prepared in accordance with IAS 34 as adopted by the European Union and give a true and fair view of, assets, liabilities, financial position and profit or loss of B&S Group S.A.; and
- the interim report for the six-month period ended June 30, 2021 gives a fair review of the information required pursuant the Luxembourg Transparency Law.

Luxembourg, August 23, 2021

Tako de Haan, CEO
Peter Kruithof, CFO
Bas Schreuders, Senior Counsel
Niels Groen, Managing Director

Message from the CEO

In the first half of 2021, delivery on strategy and financial performance was good. We focused on leveraging the business opportunities that developed on the back of our strategic direction. We further built our presence in selected geographies in our Liquor, Beauty and Food business and increased our majority interest in JTG Holding B.V. (JTG) and thus Fragrancenet.com Inc (FragranceNet), making the next step moving closer to the end consumer¹. The focus on higher margin business in Liquor and the introduction of selected product assortments in Food underline our focus on scalable, profitable growth.

The pandemic lasted longer than expected and continued to have its impact on commercial activities in the first half of 2021. This was most noticeable in Q1 2021, especially when compared to the relatively limited impact in Q1 2020. The second quarter saw developments of recovery albeit slower than anticipated at the time of our Q1 2021 trading update. Indirectly, the pandemic caused industrywide container shortages, freight delays and product scarcity in the market. The weakened USD also impacted results noticeably.

Our focus on higher margin business, simplified operations and elimination of operating expenses resulted in a 29.2% growth in EBITDA. EBITDA margins increased to 5.5% and considering the current market circumstances, we are confident to reiterate our FY 2021 guidance for EBITDA margin of at least 6%.

As the roll out of our Digital First program continues, we see further signs of success. Year to date, well over € 80 M in commercial transactions ran over our newly developed e-com platform and we are rapidly onboarding more and more B2B, B2R and B2C activities and businesses. As part of our wider effort to enhance our digital operations platform (DOP), investments were made to digitize our end-to-end processes. This will help us realize further business growth from existing and new customers by providing access to our long-tail assortments 24/7 from any place in the world. The focus on e-commerce activities combined with our extensive marketing services further supports our geographical expansion. The recent appointment of Arben Hajrullahu as Chief Commercial Officer further fortifies the execution of this strategy.

We have taken next steps in streamlining the organization by flattening the organization structure and already notice the effects in our execution power. With the recent acquisition of additional shares in JTG and the planned conversion of the remaining JTG shares to the Beauty segment (as communicated June 30, 2021) we will ensure swift strategic alignment of and collaboration between all beauty companies.

Looking ahead, continued growth is foreseen in all e-commerce channels and we will reap the benefits of simplifying and digitizing the organization and positioning B&S as a global brand. As the world gradually opens and social activities return to normal we assume that the travel related markets in our Food, Health and Retail segments) will slowly recover and add to our overall performance. This is in addition to growth in the other business segments.

Tako de Haan, CEO

¹ Following the acquisition of additional shares in JTG Holding B.V. and consequently an increased majority interest in FragranceNet.com Inc. on June 30, 2021, B&S holds a 65.4% stake in FragranceNet (previously 53.7%). Additionally, B&S plans to convert the remainder 8.2% of JTG shares – currently owned by the Managing Director of JTG – into the B&S Beauty segment.

Operational review

Key figures HY 2021 ²

€ million (unless otherwise indicated)	HY 2021 reported		HY 2020 reported		Δ (%) reported
Profit or loss account					
Turnover	823.6		835.8		(1.5%)
Gross profit (<i>margin</i>)	126.8	15.4%	114.9	13.7%	10.4%
EBITDA (<i>margin</i>)	45.6	5.5%	35.3	4.2%	29.2%
Depreciation & Amortisation	15.1		15.9		5.0%
Profit before tax	28.5		14.9		91.3%
Net profit	21.8		12.8		70.3%
EPS (in euro)	0.17		0.07		
Inventory in days	87		78		
Working capital in days	96		92		
Net cash from operations	(29.1)		70.4		
ROIWC	22.8%		21.9%		
Financial position					
Solvency Ratio*	34.8%		37.2%		
Net Debt*	247.3		239.6		
Net Debt/EBITDA**	2.8		2.8		

^{*}on Pre-IFRS 16 basis

^{**}Net debt and EBITDA on pre-IFRS 16 basis

Financial performance

Turnover

HY 2021 overall turnover declined by 1.5% (increased 2.3% at constant currency), driven by the EUR/USD FX impact. Organically, turnover declined by 2.9% (increased 0.9% at constant currency).

² Due to the international nature of our business, significant portions of our turnover and expenses are denominated in currencies other than the Euro, including the US dollar. Consequently, our results from operations are affected by translational foreign exchange risk and currency translation can affect the comparability of our consolidated financial results. To explain the impact of currency volatility on our consolidated financial results, in this press release we include some constant currency disclosure, which is calculated by translating current balances at prior rates. The average EUR/USD FX rate for HY 2021 is 1.2053 (vs. 1.1020 for HY 2020).

B&S Liquor turnover was negatively impacted by product scarcity in the market. Secondly, the supply chain challenges from delays in sea freight and container shortages that arose in Q1 continued to have an effect in Q2. In Liquor Wholesale Europe, turnover growth was realized mainly in Q2 and driven by our increased focus on new geographies and the (partial) lifting of Covid-19 related restrictions.

B&S Beauty turnover increased as a result of continued growth in online sales, increased focus on geographical expansion as well as the addition of Top Care which was acquired August 2020. Further turnover growth in Q2 was held back by industry-wide product scarcity especially in B2B and by EUR/USD FX impact in B2C.

B&S Personal Care performed better than the same period last year, but further recovery was held back by newly inflicted Covid-19 restrictions with forced store closures in several European countries towards the end of Q2.

B&S Food saw the duty-free and travel related business recover slower than initially expected. The food business in the Middle East on the other hand outperformed with revenue growth from both existing and new clients. In the remote business, the turnover decline following the withdrawal of troops from Afghanistan in H1 was in line with expectations.

B&S Health saw the travel vaccines business recovering slower than expected, where the Covid-19 related sales in the medical supply business declined when compared to 2020. The newly added projects in the industrial and remote tender portfolio are starting to contribute the first results.

B&S Retail continued to see severe impact from global travel restrictions. Although around 90% of our shops opened towards the end of Q1, sales kept lagging. Recovery in Q2 was slower than expected due to newly inflicted Covid-19 travel restrictions.

Turnover split per segment**

€ million (unless otherwise indicated)	HY 2021 reported	HY 2021 organic	HY 2021 acquisitive	HY 2021 FX	HY 2020 reported*	Δ (%) reported	Δ (%) constant currency
B&S Liquors	230.9	0.9		(9.3)	239.3	(3.5%)	(0.4%)
B&S Beauty	302.0	37.2	11.8	(15.7)	268.7	12.4%	18.2%
B&S Personal Care	124.7	8.0		-	116.7	6.9%	6.9%
B&S Food	132.9	(13.2)		(6.3)	152.4	(12.8%)	(8.7%)
B&S Health	22.5	(8.8)		(0.2)	31.5	(28.6%)	(27.9%)
B&S Retail	10.5	(16.4)		(0.2)	27.1	(61.3%)	(60.5%)
Holding & eliminations	0.1				0.1	-	-
TOTAL TURNOVER	823.6	7.7	11.8	(31.7)	835.8	(1.5%)	2.3%

*The comparative information has been re-presented due to the new segment structure as per 2021

**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 available on our corporate website.

€ million (unless otherwise indicated)	Q2 2021 reported	Q2 2021 organic	Q2 2021 acquisitive	Q2 2021 FX	Q2 2020 reported*	Δ (%) reported	Δ (%) constant currency
B&S Liquors	125.7	(1.0)		(4.8)	131.5	(4.4%)	(0.8%)
B&S Beauty	152.0	11.2	6.6	(8.2)	142.4	6.7%	12.5%
B&S Personal Care	63.0	12.5		-	50.5	24.8%	24.8%
B&S Food	70.0	1.1		(3.4)	72.3	(3.2%)	1.5%
B&S Health	10.2	(4.7)		(0.1)	15.0	(31.3%)	(31.3%)
B&S Retail	7.0	3.6		(0.1)	3.5	100%	102.9%
Holding & eliminations	0.1	-		-	0.1	-	-
TOTAL TURNOVER	428.1	22.8	6.6	(16.6)	415.3	3.1%	7.1%

*The comparative information has been re-presented due to the new segment structure as per 2021

Gross Profit

Gross profit came in at € 126.8 M (HY 2020: € 114.9 M). As a percentage of turnover, this was an increase to 15.4% from 13.7%, mainly the net effect of shift in focus on higher margin business in the Liquor segment combined with a price increase as a result of scarcity in the market. Additionally, a more focussed product assortment in our Food business led to an improved gross profit margin.

Operating expenses

Operating expenses amounted to € 81.2 M (HY 2020: € 79.7 M) as the outcome of:

- Slight decline in staff costs to € 54.9 M (HY 2020: € 55.8 M) following decrease in temporary staff costs and cost savings from the 2020 reorganisations. Adjusting for the € 3.4 M government grants received in H1 2020, staff costs decreased significantly;
- Increase in IT costs driven by e-commerce investments and expensing instead of capitalising of IT costs in 2021;
- Slight increase in marketing costs resulting from our focus on online marketing services;
- Reduced travel costs due to travel restrictions.

EBITDA

As a result of gross margin increase combined with a cost base similar to H1 2020, EBITDA increased 29.2% to € 45.6 M (HY 2020: € 35.3 M). EBITDA margin amounted to 5.5% (HY 2020: 4.2%). At constant currency and with HY 2020 corrected for received government support, EBITDA grew 54.9% to € 49.4 M (HY 2020 corrected: € 31.9 M).

Result for the period

Financial expenses decreased mainly as a result of less average outstanding debt in 2021 when compared to H1 2020 following reduced average working capital levels and decreased lending rates. This resulted in profit before tax of € 28.5 M (HY 2020: € 14.9 M). The effective tax rate in H1 2021 was in line with H2 2020. This resulted in net profit from continuing operations of € 21.8 M (HY 2020: € 12.8 M).

Net profit attributable to the owners of the Company came in at € 14.7 M (HY 2020: € 5.7 M) mainly as a result of margin growth in the B&S Liquor segment and continued growth of the Beauty segment. Net profit attributable non-controlling interests came in at € 7.1 M (HY 2020: € 7.2 M) and was largely attributable to e-commerce (FragranceNet). Following the acquisition of additional shares in JTG and consequently an increased majority interest in FragranceNet on June 30, 2021, B&S holds a 65.4% stake in FragranceNet (previously 53.7%). This effect will be reflected in the results from July 1, 2021 onwards.

Cash flow & financial position

As a result of ongoing focus on healthy working capital management, our financial position remained solid.

Operating cash flow stood at € -29.1 M (HY 2020: € 70.4 M) mainly as a result of inventory build-up related to our seasonally stronger H2 and particularly Q4.

Investing activities related mainly to the acquisition of additional shares in JTG. Financing activities were limited and related to dividend paid to non-controlling interests to upstream cash.

B&S continued its strict measures related to healthy working capital and cost control as initiated during the pandemic, which are concentrated on aligning net debt and EBITDA to allow us to keep operating within covenants. This is particularly relevant in relation to inventory build-up towards the seasonally stronger H2. While the covenant holiday for three test periods (HY 2021, FY 2021 and HY 2021) still applied, net debt / EBITDA as at June 30, 2021 stood at 2.8, well within our covenant of 3.5.

Outlook

Based on the current market outlook we foresee a partial recovery of overall Group sales volumes in Q3 with further positive trends towards and in Q4. This will primarily be driven by continued focus on online channels, higher margin business and geographic expansion. The indirect impact from Covid-19 resulting in container shortages and product scarcity is expected to continue to have an effect in H2 2021.

Even though we expect this scarcity to have a positive effect on our gross profit we also expect this to limit our turnover growth in H2. Apart from the scarcity, the forecasted growth as presented at our capital markets day in April 2021 is affected for the short term by the slower than expected recovery of the travel related markets and the weakened USD when compared to the EUR.

We do anticipate our EBITDA margins in H2 to increase further compared to H1, partly given the seasonality of our business with a traditionally strong Q4 and partly because of our focus on higher margin business. Adding to this, focus remains on optimizing internal processes and digitizing our operations driven by our Digital First approach and executing our commercial strategy. All in all, we expect to meet our EBITDA margin target of at least 6% at FY 2021.

In general, we remain focused on working capital management throughout all segments to ensure our currently healthy financial position. As such, we reiterate our Net debt / EBITDA and ROIWC objectives.

Developments by business segment
B&S Liquors

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	230.9	239.3	(3.5%)	125.7	131.5	(4.4%)
Gross profit	23.5	14.1	66.7%			
EBITDA	9.4	2.3	308.7%			
EBITDA margin	4.1%	1.0%				

Our focus on higher margin paid off in our international Liquor business. Further sales growth was held back by industry wide product scarcity and freight delays as an indirect result of the pandemic. Although in our European wholesale certain areas remained difficult, in general sales levels were back to pre-Covid levels with increased margins.

B&S Beauty

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	302.0	268.7	12.4%	152.0	142.4	6.7%
Gross profit	57.6	47.9	20.3%			
EBITDA	27.7	23.3	18.9%			
EBITDA margin	9.2%	8.7%				

Although the Beauty segment was significantly impacted by the EUR / USD impact (5.8%), at constant currency sales grew by 13.8% organically. This was mainly driven by the online sales both in our B2B and B2R channels. Further growth in this segment was held back by scarcity in the market especially in the B2B part. Margins were ahead of 2020 but started to get back to pre-Covid levels from Q2 onwards as competition caught up and third-party delivery costs increased.

B&S Personal Care

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	124.7	116.7	6.9%	63.0	50.5	24.8%
Gross profit	19.2	18.5	3.8%			
EBITDA	8.4	7.7	9.1%			
EBITDA margin	6.7%	6.6%				

The Personal Care segment outperformed H1 2020 but continued to face the effects from lockdown measures in the value retail market. Q2 2021 saw re-enforced store closures that directly impacted sales albeit to a lesser extent than in Q2 2020. Indirect Covid-19 impact came from increased international freight rates that affected margins especially in the private label assortment.

B&S Food

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	132.9	152.4	(12.8%)	70.0	72.3	(3.2%)
Gross profit	19.4	21.0	(7.6%)			
EBITDA	3.7	4.4	(15.9%)			
EBITDA margin	2.8%	2.9%				

As anticipated, the geopolitical changes resulting in the withdrawal of troops from Afghanistan in H1 put pressure on sales volumes in our remote business. Travel related markets in our Food segment recovered slower than expected and as such these markets underperformed on expectations. Our relatively new international brand distribution services outperformed 2020 levels, driven by the activities led by our Dubai office.

B&S Health

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	22.5	31.5	(28.6%)	10.3	15.0	(31.3%)
Gross profit	3.8	7.1	(46.5%)			
EBITDA	1.0	4.3	(76.7%)			
EBITDA margin	4.4%	13.7%				

The margins in our Health business declined substantially when compared to H1 2020, when Covid-19 related products with higher margins were in demand. This market stabilized in the second half of 2020. The travel vaccine business declined due to global travel restrictions, resulting in turnover and margin below 2020 levels.

B&S Retail

€ million (unless stated otherwise)	HY 2021 reported	HY 2020 reported	Δ (%) reported	Q2 2021 reported	Q2 2020 reported	Δ (%) reported
Turnover	10.5	27.1	(61.3%)	7.0	3.5	100.0%
Gross profit	2.3	5.9	(61.0%)			
EBITDA	(3.8)	(4.2)	(9.5%)			
EBITDA margin	(36.2%)	(15.5%)				

Although sales levels in Q2 2021 were significantly above 2020 levels, the relatively good Q1 2020 (pre-Covid) put us behind on H1 2020. In Q2 2021 we saw sales levels of around 20% of 2019 levels, which is lower than previously anticipated. While the vast majority of our stores were open during H1 2021, the passenger numbers were lagging with slower than expected recovery of the international travel sector. Although passenger numbers improved towards the end of Q2, at this point we do not expect to reach the break-even level for this segment by end 2021.

Non-IFRS Financial Measures Glossary

Gross profit margin	Gross profit margin is defined as realized turnover minus purchase value of items sold
EBITDA	EBITDA is defined as earnings before interest, taxes, depreciation and amortisation
EBITDA Margin	EBITDA Margin is defined as EBITDA as a percentage of turnover
Inventory in days	Inventory in days is defined as inventory as per period end divided by the Last Twelve Months (LTM) purchase value times 365
Solvency	Solvency is defined as group equity as a percentage of total assets
Working capital	Working capital is defined as Inventory plus Trade receivables minus Trade payables
Net Debt	Net debt is defined as interest bearing liabilities minus cash and cash equivalents
ROIWC	Return on invested working capital defined as the LTM EBITDA divided by Working Capital.

Principal Risks & uncertainties

In our Annual Report 2020 we described certain risks that could have a material impact on our business, our financial condition, our reputation or that could cause actual results to differ materially from those discussed in the forward-looking statements included throughout this Interim Financial Report.

During the reporting period we have identified no further significant risks besides those presented in our Annual Report 2020. There may be risks or risk categories that are currently identified as not having a significant impact on the business but that could develop into main risks in the future. The objective of the Group's ERM (Enterprise Risk Management) model is to timely identify changes in risk profiles so that appropriate measures can be taken.

Interim condensed consolidated financial statements

Condensed consolidated statement of profit or loss

x € 1,000 (for six-month period ended June 30)

	2021	2020
CONTINUING OPERATIONS		
Turnover	823,551	835,794
Purchase value	696,717	720,900
Gross profit	126,834	114,894
Personnel costs	54,886	55,771
Amortisation	5,743	5,854
Depreciation	3,782	4,779
Depreciation right-of-use assets	5,597	5,191
Other operating expenses	26,328	23,886
Total operating expenses	96,336	95,481
Operating result	30,498	19,413
Financial expenses	(1,987)	(4,520)
Share of profit of associates	(22)	(37)
Result before taxation	28,489	14,856
Taxation on the result	(6,694)	(2,009)
Profit for the first half year from continuing operations	21,795	12,847
Attributable to:		
Owners of the Company	14,698	5,663
Non-controlling interests	7,097	7,184
Total	21,795	12,847
Earnings per share *		
From continuing operations in euros	0.17	0.07

* The diluted earnings per share are equal to the basic earnings per share.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

x € 1,000 (for six-month period ended June 30)	2021	2020
Profit for the first half year from continuing operations	21,795	12,847
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
• Effective portion of changes in fair value of cash flow hedges net of tax	(1,000)	552
• Foreign currency translation differences net of tax	3,314	(194)
Other comprehensive income for the first half year net of tax	2,314	358
Total comprehensive income for the first half year	24,109	13,205
Attributable to:		
Owners of the Company	15,566	5,885
Non-controlling interests	8,543	7,320
Total	24,109	13,205

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of financial position

x € 1,000	30.06.2021	30.06.2020	31.12.2020
Non-current assets			
Goodwill	63,608	65,793	62,337
Other intangible fixed assets	56,375	66,914	60,258
Property, plant & equipment	37,776	37,909	37,327
Right-of-use assets	66,372	67,866	66,075
Investments in associates	2,678	2,194	2,630
Receivables	1,792	2,866	1,444
Deferred tax assets	1,453	433	1,417
	230,054	243,975	231,488
Current assets			
Inventory	375,582	355,407	308,273
Trade receivables	167,506	181,677	195,628
Corporate income tax	5,287	6,050	4,312
Other tax receivables	13,280	4,758	11,295
Other receivables	27,071	23,998	17,619
Cash and cash equivalents	14,442	28,653	38,870
	603,168	600,543	575,997
Total assets	833,222	844,518	807,485

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of financial position

x € 1,000	30.06.2021	30.06.2020	31.12.2020
Equity attributable to			
Owners of the Company	233,760	234,655	256,375
Non-controlling interest	33,321	54,080	50,527
	267,081	288,735	306,902
Non-current liabilities			
Borrowings	43,955	51,297	49,496
Lease liabilities	56,459	58,886	56,698
Deferred tax liabilities	10,105	12,202	10,684
Employee benefit obligations	1,062	985	1,001
Other provisions	1,500	-	1,500
Other liabilities	46,769	55,223	42,727
	159,850	178,593	162,106
Current liabilities			
Credit institutions	209,162	205,666	166,393
Borrowings due within one year	11,607	11,340	11,737
Lease liabilities due within one year	10,815	9,397	10,034
Trade payables	100,967	93,344	102,477
Corporate income tax liabilities	4,832	12,325	9,096
Other tax liabilities	8,232	20,451	11,425
Other current liabilities	60,676	24,667	27,315
	406,291	377,190	338,477
Total equity and liabilities	833,222	844,518	807,485

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

x € 1,000

2021

	Paid-up share capital	Hedging reserve	Translation reserve	Retained earnings	Total attributable to Owners	Non- controlling interest	Total equity
Opening balance at January 1,	5,051	1,066	(5,360)	255,618	256,375	50,527	306,902
Total comprehensive income							
• Profit for the period	-	-	-	14,698	14,698	7,097	21,795
• Other comprehensive income for the period	-	(980)	1,848	-	868	1,446	2,314
	-	(980)	1,848	14,698	15,566	8,543	24,109
Other transactions							
• Dividend	-	-	-	-	-	(11,820)	(11,820)
• Share-based payments	-	-	-	450	450	-	450
• Acquisition non-controlling interest JTG	-	-	-	(34,255)	(34,255)	(14,245)	(48,500)
	-	-	-	(33,805)	(33,805)	(26,065)	(59,870)
• Reclassification to non-current liabilities*	-	-	-	-	-	316	316
• Fair value adjustment non-current liabilities*	-	-	-	(4,376)	(4,376)	-	(4,376)
	-	-	-	(4,376)	(4,376)	316	(4,060)
Closing balance at June 30,	5,051	86	(3,512)	232,135	233,760	33,321	267,081

* Reference is made to note 11 for an explanation on the 'Reclassification to non-current liabilities' and the 'Fair value adjustment non-current liabilities'.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

x € 1,000

2020

	Paid-up share capital	Hedging reserve	Translation reserve	Retained earnings	Total attributable to Owners	Non- controlling interest	Total equity
Opening balance at January 1,	5,051	643	273	236,704	242,671	49,096	291,767
Total comprehensive income							
• Profit for the period	-	-	-	5,663	5,663	7,184	12,847
• Other comprehensive income for the period	-	487	(265)	-	222	136	358
	-	487	(265)	5,663	5,885	7,320	13,205
Other transactions							
• Dividend	-	-	-	-	-	(3,572)	(3,572)
• Share-based payments	-	-	-	450	450	-	450
	-	-	-	450	450	(3,572)	(3,122)
• Reclassification to non- current liabilities	-	-	-	-	-	1,236	1,236
• Fair value adjustment non- current liabilities	-	-	-	(14,351)	(14,351)	-	(14,351)
	-	-	-	(14,351)	(14,351)	1,236	(13,115)
Closing balance at June 30,	5,051	1,130	8	228,466	234,655	54,080	288,735

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of cash flows

x € 1,000 (for six-month period ended June 30)

	2021	2020
Profit for the period from continuing operations	21,795	12,847
Adjustments for:		
Taxation on the result	6,694	2,009
Share of profit of associates	22	37
Financial expenses	1,987	4,520
Depreciation right-of-use assets	5,597	5,191
Depreciation	3,782	4,779
Amortisation	5,743	5,854
Provisions	44	76
Non-cash share-based payment expense	450	450
Other non-cash movements	223	278
Operating cash flows before movements in working capital	46,337	36,041
Decrease / (increase) in inventory	(67,309)	20,158
Decrease / (increase) in trade receivables	28,122	19,579
Decrease / (increase) in other tax receivables	(1,985)	1,756
Decrease / (increase) in other receivables	(9,372)	1,738
Increase / (decrease) in trade payables	(1,510)	(11,276)
Increase / (decrease) in other taxes and social security charges	(3,193)	9,187
Increase / (decrease) in other current liabilities	(5,024)	(819)
Cash generated by operations	(13,934)	76,364
Income taxes paid	(12,547)	(1,314)
Interest paid	(2,580)	(4,614)
Net cash from operations	(29,061)	70,436

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Condensed consolidated statement of cash flows

x € 1,000 (for six-month period ended June 30)	2021	2020
Interest received	21	94
Repayment on loans to associates and third parties	-	404
New loans to associates and third parties	(348)	-
Net cash outflow on acquisition of subsidiaries	(10,000)	-
Payment for property, plant and equipment	(4,159)	(3,323)
Payment for intangible assets	(827)	(2,878)
Proceeds from disposals	88	1
Net cash from investing activities	(15,225)	(5,702)
Repayments on loans from banks	(5,670)	(6,668)
Repayments on lease liabilities	(5,422)	(4,909)
New loans received from banks	-	3,000
Dividend paid to non-controlling interests	(11,820)	(3,572)
Changes in credit facilities	42,770	(74,816)
Net cash from financing activities	19,858	(86,965)
Balance at January 1,	38,870	50,884
Movement	(24,428)	(22,231)
Balance at June 30,	14,442	28,653

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Corporate information

B&S Group S.A. (the “Company” or the “Group”) has its registered office at 14 Rue Strachen, L-6933, Mensdorf, G.D. Luxembourg.

Group structure

At June 30, 2021 the Group acquired an additional 16.42% of the shares of JTG Holding B.V. and JTG W.W.L. S.à r.l. for an amount of € 48,500,000 of which € 38,500,000 will be paid in January 2022. The difference between the acquisition price and the minority share in the assets and liabilities is accounted for in the retained earnings.

Following this transaction, the stake of B&S in JTG increases to 91.8%. In the upcoming months, B&S plans to convert the remainder 8.2% of JTG shares – currently owned by the Managing Director of JTG – into shares in the B&S Beauty segment. This supports further interest alignment of all beauty companies within the B&S Beauty segment to maximize synergy potential. All current and previous JTG shareholders remain on board as an active director.

2. Basis of preparation

The interim condensed consolidated financial statements include the parent company and its subsidiaries (together also referred to as the “Group”). The interim condensed consolidated financial statements cover the first six months of 2021, from January 1, 2021 to June 30, 2021, inclusive. The comparative figures cover the corresponding period in 2020.

The interim condensed consolidated financial statements for the six-month period ended June 30, 2021 have been prepared in accordance with International Accounting Standards (“IAS”) No. 34, Interim Financial Reporting as adopted by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with B&S Groups’ consolidated financial statements as of December 31, 2020 which are available on www.bs-group-sa.com.

The interim condensed consolidated financial statements have not been audited or reviewed by the external auditor. The interim condensed consolidated financial statements were authorised for issuance on August 23, 2021 by the Company’s Executive Board.

3. Significant accounting policies

The accounting policies applied, and methods of computation used in preparing these interim condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2020. To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from January 1, 2021, have been adopted by the Group from January 1, 2021. These standards and interpretations had no material impact for the group. All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on January 1, 2021 have not yet been adopted.

4. Non-GAAP measures

EBITDA is one of the measures that the Executive Board uses to assess the performance of the Group. EBITDA is defined as 'Operating result' corrected for 'Depreciation and amortisation'. Net debt is defined as interest bearing liabilities minus cash and cash equivalents.

5. Use of estimates

The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2020.

6. COVID-19

During the first six months of 2021 the global outbreak of COVID-19 continued to affect the company's results, statement of financial position and cash flows presented in these interim condensed consolidated financial statements. The impact of the pandemic on specific reporting areas is disclosed below. Other reporting areas have also been impacted, but did not have a significant impact and are therefore not separately disclosed.

Goodwill

Goodwill is not amortised but tested for impairment annually and whenever specific indicators require such testing. The COVID-19 outbreak and the subsequent deterioration in economic conditions, as well as increase in economic uncertainty, have triggered additional goodwill impairment testing per June 30, 2021.

Consistent with the approach and methodology used for the Group's annual impairment testing as disclosed in the Group's consolidated financial statements for 2020, the recoverable amount per cash-generating unit (CGU) was determined based on a value in use calculation. These CGUs correspond with the Group's operating segments. The key assumptions used to determine the recoverable amount for the different CGUs were disclosed in the annual consolidated financial statements for the year ended December 31, 2020.

In determining the recoverable amounts, consideration was given to the uncertainties embedded in the discounted cash flow projection and the appropriateness of key assumptions. This includes increased uncertainty about forecasted revenues, as well as increased volatility in applied discount rates. An updated post-tax discount rate (WACC) of 7.1% has been applied.

The impairment tests performed per June 30, 2021 did not result in any impairments. Sensitivity tests showed that a reasonably possible change in the key assumptions of the cash flow projection did not alter this outcome.

Inventories

Management has assessed the impact of both current and expected market conditions on the valuation of inventories. This resulted in a write-off of inventories of € 0.9 million (HY 2020: € 0.8 million).

Trade receivables

Management has updated its assessment of expected credit losses, resulting in an increase of the allowance for impairment of trade receivables by € 0.1 million (HY 2020: € 0.9 million).

Net Debt

As per June 30, 2021, Net Debt excluding lease liabilities amount to € 247.3 million (June 30, 2020: € 239.6 million / December 31, 2020: 185.8 million). This resulted in a Net Debt / EBITDA (pre IFRS 16) ratio of 2.8 (June 30, 2020: 2.8 / December 31, 2020: 2.3), comfortably within the covenant ratio as agreed with the various financial institutions (Net Debt / EBITDA ratio of 3.5).

To avoid becoming limited by our balance sheet when sales volumes picked up again and sourcing opportunities arise, we pro-actively engaged with our relationship banks in 2020 to agree on a covenant holiday for three test periods (HY 2020, FY 2020 and HY 2021).

Seasonal influences

Although there is ongoing demand for our Fast Moving Consumer Goods ("FMCG"), in previous years we experienced a peak in sales in the third and fourth quarter of the year, with a tendency for sales to even move into the fourth quarter of the year. The Beauty and Liquor business are generating the vast majority of its turnover and profitability in the second half of the year, however it should be noted that developments with respect to the COVID-19 pandemic might influence this pattern.

While our airport retail business normally peak in summer, due to the COVID-19 pandemic and the corresponding impact on the travel and tourism industry as a whole, these businesses have been and will continue to be impacted in the remainder of 2021.

7. Segment information

The operating segments are identified and reported on the basis of internal management reporting as provided to the Executive Board and Supervisory Board (which are the Chief Office Decision Makers) to facilitate strategic decision-making, resource allocation and to assess performance. The Group has identified the following reportable segments, that jointly form the Group's strategic divisions: B&S-Liquors, B&S-Beauty, B&S-Personal Care, B&S-Food, B&S-Health and B&S-Retail.

B&S Liquors is active as a global distributor of premium brand liquors to retailers, local distributors and wholesalers. B&S Liquors has its headquarters in Delfzijl, the Netherlands.

B&S Beauty mainly distributes and sells its premium brand perfumes and cosmetics to wholesalers, speciality retailers (value for money, e-commerce) and online consumers. B&S Beauty has its headquarters in Delfzijl, the Netherlands.

B&S Personal Care distributes and sells its a-branded and Private label personal care products to value and secondary retailers (B2B). B&S Personal Care has its headquarters in Oud-Beijerland, the Netherlands.

B&S Food is active as a speciality distributor for a wide range of Food and Beverage products and Health and Beauty products to maritime, remote and retail B2B markets. B&S Food sources its product assortment from A-brand owners and manufacturers. The segment has its headquarters in Dordrecht, the Netherlands.

B&S Health mainly distributes and sells its medical products to remote and maritime markets, pharmacies and travel clinics. B&S Health has its headquarters in Dordrecht, the Netherlands.

B&S Retail primarily operates an electronic consumer lifestyle format at international airports under the Royal Capi-Lux brand and a consumer goods format at regional airports and other 'away from home' locations under the B&S brand. B&S Retail has its headquarters in Hoofddorp, the Netherlands.

New segment structure

As from 2021, the segments have been redefined as indicated above as compared to the operating segments in the previous years. The new segment structure is in line with the new operating segments as identified and reported on the basis of internal management reporting as provided to the Executive Board and Supervisory Board.

The tables under heading 'Previously reported figures redefined to the new segment structure' illustrates the impact of new segment structure on the comparative numbers and the previously reported figures. The consolidated Group figures have not changed as compared to previously reported.

Please note that a detailed set of figures containing the quarterly sales for the new segments as well as segmented profit and loss figures for HY + FY 2020 and HY + FY 2019 have also previously been published on the corporate website.

x € 1,000 (for six-month period ended June 30)	2021	2020*
Turnover		
B&S Liquors	230,869	239,316
B&S Beauty	302,044	268,718
B&S Personal Care	124,743	116,682
B&S Food	132,923	152,426
B&S Health	22,456	31,507
B&S Retail	10,515	27,143
Holdings & Eliminations	1	2
	823,551	835,794
Gross profit		
B&S Liquors	23,520	14,061
B&S Beauty	57,628	47,861
B&S Personal Care	19,213	18,513
B&S Food	19,380	21,047
B&S Health	3,795	7,071
B&S Retail	2,338	5,905
Holdings & Eliminations	960	436
	126,834	114,894
EBITDA		
B&S Liquors	9,378	2,349
B&S Beauty	27,699	23,270
B&S Personal Care	8,439	7,688
B&S Food	3,737	4,357
B&S Health	983	4,296
B&S Retail	(3,847)	(4,153)
Holdings & Eliminations	(769)	(2,508)
	45,620	35,299
Result before taxation		
B&S Liquors	7,619	(879)
B&S Beauty	23,681	17,781
B&S Personal Care	5,691	4,626
B&S Food	(456)	(798)
B&S Health	122	3,423
B&S Retail	(4,568)	(5,814)
Holdings & Eliminations	(3,600)	(3,483)
	28,489	14,856

**The comparative information has been re-presented due the new segment structure as per January 1, 2021 (refer to note 7).*

x € 1,000	30.06.2021	30.06.2020*
Total assets		
B&S Liquors	197,348	218,886
B&S Beauty	299,745	366,965
B&S Personal Care	152,605	138,227
B&S Food	219,586	274,264
B&S Health	27,436	24,784
B&S Retail	42,782	76,028
Holdings & Eliminations	(106,280)	(254,636)
	833,222	844,518

*The comparative information has been re-presented due the new segment structure as per January 1, 2021 (refer to note 7).

x € 1,000	FY 2020*	HY 2020*	FY 2019*	HY 2019*
Turnover				
B&S Liquors	575,520	239,316	554,463	265,607
B&S Beauty	646,090	268,718	637,818	273,153
B&S Personal Care	262,607	116,682	274,908	136,005
B&S Food	277,854	152,426	346,940	159,230
B&S Health	55,153	31,507	25,049	-
B&S Retail	44,532	27,143	139,600	64,338
Holdings & Eliminations	4	2	39	3
	1,861,760	835,794	1,978,817	898,336
Gross profit				
B&S Liquors	36,642	14,061	35,188	18,566
B&S Beauty	115,606	47,861	100,616	44,589
B&S Personal Care	44,291	18,513	42,639	20,628
B&S Food	37,562	21,047	50,974	24,105
B&S Health	10,303	7,071	3,621	-
B&S Retail	8,471	5,905	35,940	16,534
Holdings & Eliminations	2,016	436	2,914	1,849
	254,891	114,894	271,892	126,271

*The comparative information has been re-presented due the new segment structure as per January 1, 2021 (refer to note 7).

x € 1,000	FY 2020*	HY 2020*	FY 2019*	HY 2019*
EBITDA				
B&S Liquors	12,888	2,349	12,888	7,243
B&S Beauty	65,400	23,270	53,594	23,399
B&S Personal Care	22,685	7,688	21,504	9,949
B&S Food	3,916	4,357	18,048	9,303
B&S Health	4,661	4,296	1,379	-
B&S Retail	(11,974)	(4,153)	9,537	4,151
Holdings & Eliminations	(7,257)	(2,508)	(2,562)	(1,327)
	90,319	35,299	114,388	52,718
Result before taxation				
B&S Liquors	6,726	(879)	6,463	3,684
B&S Beauty	53,678	17,781	42,299	18,074
B&S Personal Care	16,696	4,626	15,876	7,042
B&S Food	(4,937)	(798)	8,900	5,203
B&S Health	2,936	3,423	631	-
B&S Retail	(15,180)	(5,814)	7,263	3,081
Holdings & Eliminations	(8,745)	(3,483)	(3,924)	(1,975)
	51,174	14,856	77,508	35,109

x € 1,000	31.12.2020	30.06.2020	31.12.2019	30.06.2019
Total assets				
B&S Liquors	299,012	218,886	228,777	206,957
B&S Beauty	366,348	366,965	370,921	362,599
B&S Personal Care	144,708	138,227	132,627	137,989
B&S Food	309,995	274,264	301,082	276,500
B&S Health	25,665	24,784	20,737	-
B&S Retail	50,165	76,028	90,289	89,425
Holdings & Eliminations	(388,408)	(254,636)	(229,920)	(146,454)
	807,485	844,518	914,513	927,016

*The comparative information has been re-presented due the new segment structure as per January 1, 2021 (refer to note 7).

8. Turnover

The distribution of the turnover over the geographical regions can be specified as follows:

x € 1,000 (for six-month period ended June 30)	2021	2020
Europe	427,039	407,378
America	159,738	146,003
Asia	133,506	145,457
Africa	25,699	27,186
Middle East	71,697	102,558
Oceania	5,872	7,212
	823,551	835,794

9. Income tax charge

Interim period income tax is accrued based on the estimated average annual effective income tax rate applicable in each country of operation.

10. Dividend

During the six-month period ended June 30, 2021 no dividend has been paid to the shareholders, similar to the corresponding period in 2020. The final 2020 dividend amounting to € 8.4 million has been paid on July 2, 2021.

11. Deferred payment FragranceNet

The line item 'Other liabilities' mainly consists out of the Deferred payment for FragranceNet.com. The movements for this deferred payment can be specified as follows:

x € 1,000 (for six-month period ended June 30)	2021	2020
Opening balance at January 1,	41,850	40,857
Reclassification from 'Non-controlling interest'	(316)	(1,236)
Fair value adjustment	4,376	14,351
Closing balance at June 30,	45,910	53,972

In October 2018 the Group acquired 75% of the shares of FNet Acquisition Company LLC, the established 100% parent company of FragranceNet.com, Inc. As part of the acquisition, two put and two call options have been written on the remaining 25% of the shares. The exercise date of the "first tranche", a put and call option on effectively 12.5% of the FNet Acquisition Company LLC shares, is 5 years after closing date. The exercise date of the options on the remaining 12.5% of shares is 10 years after closing date (effectively October 29, 2028). The put and call options have a similar strike price and exercise date and as such a liability exists. The exercise prices are dependent on the EBITDA realised in the 12 months preceding the exercise date and a multiple that is dependent on the EBITDA growth rate in the years prior to the exercise

date. The non-controlling interest is reclassified to other liabilities (long-term) at the end of each reporting period and valued at fair value, being the value of the expected future consideration discounted against long term US government bond yields plus a company specific mark-up. As such, apart from the discount rate, the fair value measurement is derived from valuation techniques that include inputs that are not based on observable market data. The fair value adjustments are recognised in retained earnings.

12. Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at June 30, 2021 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our consolidated financial statements as of December 31, 2020.

13. Share-based payments

Share appreciation rights (cash-settled)

On February 22, 2021, the Group granted 145,000 share appreciation rights (SARs) to the CEO and CFO that entitle them to a cash payment after three years of service. The SARs can be exercised during three years after vesting (from February 22, 2024 to February 22, 2027). The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise. Total carrying amount of liabilities for SARs as per June 30, 2021 is € 0.1 million. An amount of € 0.1 million related to the Cash-settled share-based payments (SARs) has been recognised in the employee benefit expenses.

The fair value of the SARs at grant date is determined using the Black-Scholes model. The fair value of the liability, classified as an employee benefit liability, is remeasured at each reporting date and at settlement date.

The inputs used in the measurement of the fair values at grant date and measurement date of the SARs were as follows:

	30.06.2021	Grant date 22.02.2021
Fair value	€ 3.16	€ 2.56
Share price	€ 8.66	€ 7.34
Exercise price	€ 7.34	€ 7.34
Expected volatility (weighted-average)	56.57%	59.36%
Expected life (weighted-average)	2.67 years	3.00 years
Expected dividends	2.00%	2.00%
Risk-free interest rate (based on government bonds)	(0.841%)	(0.456%)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

14. Related party transactions

Associates

The following entities are considered as associates of the Group:

- Comptoir & Clos SAS, France (in liquidation)
- Capi-Lux South Africa (PTY) Ltd., South Africa
- STG Logistica Y Depositos S.L., Spain
- Next Generation Perfumes B.V., the Netherlands

The table below sets out the transactions with these entities:

	2021		2020	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	234	140	301	51
Purchase of products and services	982	78	464	136
Interest received on loans issued	19	8	7	12
Loans issued	-	150	-	-
Other receivables	-	1,200	-	-
Charged costs	85	9	-	-

Entities with joint control of, or significant influence over, the entity

The table below sets out the transactions with entities where the ultimate shareholders have joint control of, or significant influence over, the entity:

	2021		2020	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	5,640	690	2,633	161
Purchase of products and services	10,023	276	16,554	15,192
Premises rented	3,930	238	3,772	915
Other receivables	-	9,190	-	2,676
Interest received on loans issued	-	-	91	752
Loans received	-	1,500	-	-
Loans issued	-	-	-	1,778
Operating expenses	478	10	50	-

15. Subsequent events

There were no material events after June 30, 2021 that would have changed the judgement and analysis by management of the financial condition as at June 30, 2021 or the result for the interim period ended June 30, 2021 of the Group.



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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 digitized 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.