



# Interim financial report 2023

## B&S Group S.A.

Interim condensed consolidated financial statements  
for the six-month period ended June 30, 2023



## Contents

<b>Interim Management report</b>	<b>3</b>
Statement by the Executive Board	
Message from the CEO	
Operational review	
Principal risks & uncertainties	
<b>Interim condensed consolidated financial statements</b>	<b>10</b>
Condensed consolidated statement of profit or loss	
Condensed consolidated statement of profit or loss and other comprehensive income	
Condensed consolidated statement of financial position	
Condensed consolidated statement of changes in equity	
Condensed consolidated statement of cash flows	
<b>Notes to the interim condensed consolidated financial statements</b>	<b>18</b>



## Interim Management report

*This Interim Financial Report should be read in conjunction with our Annual Report 2022, 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, 2023 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, 2023 gives a fair review of the information required pursuant the Luxembourg Transparency Law.

Luxembourg, August 21, 2023

Peter van Mierlo, CEO

Mark Faasse, CFO

Bas Schreuders, Senior Counsel



## Message from the CEO

Inflation continues to impact both our cost base as well as consumer behavior, nonetheless, based on a strong first quarter of the year and a flat second quarter, we realized a turnover increase of 7.6% over the first half year. All segments showed growth in turnover compared to the second quarter last year, except for Liquors and Food. In the Liquors segment, the market was very challenging, while in Food we choose margin over turnover. Personal Care significantly outperformed last year, while also Beauty, Health and Retail continued its strong performance.

We continued to grow our workforce. Within Beauty, the larger workforce comes from the acquisition of Europe Beauty Group last year, as well as the temporary increase as we anticipate efficiency increases in the newly opened FragranceNet warehouse. In Personal Care, we continue to see strong market demand while in the Retail segment, we continued to open new airport shops. The spending on all cost categories was higher than last year, which was partly due to the continued growth. Our working capital is now below last year. We have developed action plans to further improve focus on aged inventory.

We expect the challenging market conditions in several of our markets to continue, while we remain confident about the underlying trends and longer-term outlook. B&S has six strong segments in branded consumer goods in different markets, realizing synergies in IT and Warehousing, next to Talent management, Finance and Legal. All segments have strong and experienced leaders with very close ties in the markets they operate. During the year under review, we have strengthened our leadership team and further improved our governance. The new Executive Team is defining focus points for the coming years. Our main focus will be on operational excellence, and we will address working capital and cost management, while we will also develop plans for further organic and acquisitive growth opportunities. We plan to communicate an updated strategy in November of this year.

Peter van Mierlo, CEO



## Operational review

### Financial performance

#### Turnover

Total turnover over HY 2023 grew 7.6% compared to HY 2022 levels. Organically, turnover increased by 6.1% which was mainly driven by the Personal Care segment and further aided by the Beauty, Health and Retail segments. Revenue from Liquors and Food decreased over the period. Acquired turnover contributed 0.8%, stemming from the acquisition of Europe Beauty Group per May last year in the Beauty segment.

#### B&S Liquors

The 2.3% decrease in turnover for the Liquors segment when compared to HY 2022 was driven through decreased demand during Q2 both in international markets as well as our wholesale markets within Europe. The consumer demand decreased, and combined with increased product availability, resulted in decreased gross profit margins.

#### B&S Beauty

Turnover increased by 9.0%, of which 5.8% is organic. The segment faced challenging circumstances with inflation and declining consumer confidence. Revenue growth is driven by our B2C-market. There is still some product scarcity in the market. Within the B2B-business margins tightened compared to the high prices of last year.

#### B&S Personal Care

The 33.0% growth in turnover was driven by the broad variety of in-stock items, including the enhanced Private Label assortment, enabling to meet increased demand of our customers. Portfolio changes have impacted margins positively.

#### B&S Food

Turnover decreased by 3.6% compared to HY 2022, with a 6.8% decrease in Q2 2023. Focus on margins in the Brand Distribution and Duty-Free markets resulted in strong gross profit margin improvements at the expense of revenues. Turnover in the maritime market increased as a result of post COVID recovery in the Cruise business. Digital turnover increased significantly as a result of the digital transformation, enabling sustainable future growth.



### B&S Health

Market conditions in 2023 improved compared to 2022, although continued shortages of supplies in the market limited the growth. With travel related vaccine business continuing to recover, turnover increased by 11.0% in the first half of 2023 compared to HY 2022, with 8.0% growth in Q2 2023 compared to the same quarter last year. Gross profit margins were stable.

### B&S Retail

A further recovery of passengers since the COVID pandemic, led to an approx. 30% increase in turnover. The passenger mix has changed across airports due to economic challenges (also in China), high ticket prices and the closed airspace above Russia, leading to a slow return of Asian passengers.

### Turnover split per segment

Amounts in € million	HY 2023 reported	HY 2023 organic	HY 2023 acquisitive	HY 2023 FX	HY 2022 reported	Δ % reported	Δ % constant currency
B&S Liquors	311.1	(9.7)		2.4	318.4	(2.3%)	(3.0%)
B&S Beauty	344.4	17.1	7.9	3.4	316.0	9.0%	7.9%
B&S Personal Care	182.1	45.2		-	136.9	33.0%	33.0%
B&S Food	147.5	(6.4)		0.9	153.0	(3.6%)	(4.2%)
B&S Health	25.3	2.5		-	22.8	11.0%	11.0%
B&S Retail	47.1	10.9		-	36.2	30.1%	30.1%
Holding & eliminations	-	0.1		-	(0.1)		
<b>TOTAL TURNOVER</b>	<b>1,057.5</b>	<b>59.7</b>	<b>7.9</b>	<b>6.7</b>	<b>983.2</b>	<b>7.6%</b>	<b>6.9%</b>



Amounts in € million	Q2 2023 reported	Q2 2023 organic	Q2 2023 acquisitive	Q2 2023 FX	Q2 2022 reported	Δ % reported	Δ % constant currency
B&S Liquors	147.1	(29.3)		(1.5)	177.9	(17.3%)	(16.5%)
B&S Beauty	174.6	8.6	1.9	(2.0)	166.1	5.1%	6.3%
B&S Personal Care	93.0	23.8		-	69.2	34.4%	34.5%
B&S Food	77.2	(5.2)		(0.4)	82.8	(6.8%)	(6.3%)
B&S Health	13.3	1.0		-	12.3	8.1%	8.1%
B&S Retail	26.4	4.8		(0.1)	21.7	21.7%	22.1%
Holding & eliminations	-	-		-	-	0.0%	0.0%
<b>TOTAL TURNOVER</b>	<b>531.6</b>	<b>3.7</b>	<b>1.9</b>	<b>(4.0)</b>	<b>530.0</b>	<b>0.3%</b>	<b>1.1%</b>

## Gross profit

Gross profit amounted to € 157.7 M compared to € 139.0 M over HY 2022, an increase of 13.5%. As a percentage of turnover, margins increased from 14.1% to 14.9%. Reported gross profit for the period was impacted by provisions for three doubtful debtors, totaling to € 3.6 M in the Liquors segment, while HY 2022 was impacted by a provision for doubtful debtors in the Food segment of \$ 7.5 M.

## Operating expenses

Operating expenses increased from € 98.4 M over HY 2022 to € 115.5 M over HY 2023. The increase occurred across all categories. With the growing workforce and higher salaries driven by both the consumer inflation and the tight labor market, staff costs increased by 16.7% to € 79.5 M. The other operating costs (+19.9%) were impacted by approx. € 2.0 M one-off advisory and review costs of reported Governance matters. Excluding these, the other operating expenses increased by € 4.0 M (+13%).

## EBITDA

EBITDA over the period increased by 3.3% as the higher revenues at higher gross margins were offset by increased costs. EBITDA amounted to € 42.2 M, compared to € 40.6 M over HY 2022. EBITDA margin decreased to 4.0% (HY 2022: 4.1%).

## Group result for the period



Depreciation of tangible fixed assets and amortisation of intangible fixed assets amounted to €18.1 M (HY 2022: € 15.7 M). Financial expenses increased by € 3.7 M as a result of increased interest rates. This resulted in profit before tax of € 17.1 M (HY 2022: € 21.5 M).

Net profit attributable to non-controlling interests amounted to € 5.2 M (HY 2022: € 4.4 M). Net profit attributable to the owners of the Company amounted to € 7.0 M compared to € 12.3 M over HY 2022.

### **Cash flow & financial position**

Net cash from operations amounted to € -0.3 M (2022: € -23.8 M) mainly following the limited working capital increase during HY 2023 as compared to the build-up in HY 2022. Net working capital amounted to € 467.7 M, compared to € 518.4 M at June 30, 2022. Working capital in days decreased from 103 days in HY 2022 to 85 days in HY 2023.

Investing activities mainly related to new stores in the Retail segment as well as the expansion and improvement of our warehouses.

Net debt decreased from € 414.8 M to € 349.0 M as per June 30, 2023. The net debt / EBITDA ratio stood at 3.8 (HY 2022: 3.7). For the purpose of Net debt/ adjusted EBITDA ratio the adjusted EBITDA is calculated in accordance with the definition used by the banks for the determination of the covenants, resulting in a leverage ratio of 3.6 and ICR of 4.7.

### **Outlook**

We continue to see uncertainties related to inflation and we expect consumer buying behavior to remain a factor impacting turnover and margin levels in H2 2023. We expect to continue growth in our Personal Care, Beauty, Health and Retail segments, albeit at less steep growth percentages than in HY 2023. We expect a decline in our Liquors and Food segment as we anticipate the market conditions from the second quarter of 2023 to continue in the remainder of the year. All in all, turnover for the Group is expected to increase marginally in the second half of the year, compared to the second half of 2022, with continued higher margins as a result of the composition of turnover. We remain focused on working capital and cost management throughout all segments. Considering the effect of the margin and cost aspects, we expect the reported EBITDA margin for this year to be around 5%.





## Principal Risks & uncertainties

We refer to the Risk Management paragraph in our Annual Report 2022 in which we described the significant strategic, compliance, financial and operational 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 2022. 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 Company's Enterprise Risk Management model ('ERM model') ensures the timely identification of 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)

	Note	2023	2022
<b>Continuing operations</b>			
Turnover	5	1,057,538	983,228
Purchase value		899,807	844,244
<b>Gross profit</b>		<b>157,731</b>	<b>138,984</b>
Personnel costs		79,476	68,134
Amortisation		6,567	6,152
Depreciation		5,450	3,732
Depreciation right-of-use assets		6,063	5,861
Other operating expenses		36,056	30,258
<b>Total operating expenses</b>		<b>133,612</b>	<b>114,137</b>
<b>Operating result</b>		<b>24,119</b>	<b>24,847</b>
Financial expenses		(7,027)	(3,358)
Share of profit of associates		39	(1)
<b>Result before taxation</b>		<b>17,131</b>	<b>21,488</b>
Taxation on the result	6	(4,932)	(4,759)
<b>Profit for the first half year from continuing operations</b>		<b>12,199</b>	<b>16,729</b>
<b>Attributable to:</b>			
Owners of the Company		7,032	12,287
Non-controlling interests		5,167	4,442
<b>Total</b>		<b>12,199</b>	<b>16,729</b>
<b>Earnings per share *</b>			
From continuing operations in euros		<b>0.08</b>	<b>0.15</b>

\* 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)	2023	2022
Profit for the first half year from continuing operations	12,199	16,729
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss		
• Foreign currency translation differences net of tax	(2,926)	9,706
• Effective portion of changes in fair value of cash flow hedges net of tax	(1,033)	(1,075)
<b>Other comprehensive income for the first half year net of tax</b>	<b>(3,959)</b>	<b>8,631</b>
<b>Total comprehensive income for the first half year</b>	<b>8,240</b>	<b>25,360</b>
<b>Attributable to:</b>		
Owners of the Company	3,499	20,367
Non-controlling interests	4,741	4,993
<b>Total</b>	<b>8,240</b>	<b>25,360</b>

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



## Condensed consolidated statement of financial position

x € 1,000	Note	30.06.2023	30.06.2022	31.12.2022
<b>Non-current assets</b>				
Goodwill	7	78,642	88,827	79,470
Other intangible assets		42,677	51,510	48,598
Property, plant and equipment		52,597	42,767	50,031
Right-of-use assets		73,798	76,643	77,879
Investments in associates		2,817	2,868	2,925
Receivables		890	1,234	889
Deferred tax assets		23,747	2,790	4,082
		<b>275,168</b>	<b>266,639</b>	<b>263,874</b>
<b>Current assets</b>				
Inventory	8	456,294	452,221	416,878
Trade receivables	9	175,373	204,772	176,301
Corporate income tax receivables		8,021	17,077	4,322
Other tax receivables		18,370	20,444	14,279
Other receivables		24,440	27,355	21,438
Cash and cash equivalents		30,064	16,013	38,723
		<b>712,562</b>	<b>737,882</b>	<b>671,941</b>
<b>Total assets</b>		<b>987,730</b>	<b>1,004,521</b>	<b>935,815</b>

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



## Condensed consolidated statement of financial position

x € 1,000	Note	30.06.2023	30.06.2022	31.12.2022
<b>Equity attributable to</b>				
Owners of the Company		244,629	277,179	281,876
Non-controlling interest		23,384	44,485	25,121
		<b>268,013</b>	<b>321,664</b>	<b>306,997</b>
<b>Non-current liabilities</b>				
Loans and borrowings	10	180,968	183,075	182,059
Lease liabilities		68,867	74,303	73,804
Deferred tax liabilities		27,786	10,645	9,025
Employee benefit obligations	13	635	1,677	1,027
Other provisions		976	990	650
Other liabilities	12	77,333	32,934	45,999
		<b>356,565</b>	<b>303,624</b>	<b>312,564</b>
<b>Current liabilities</b>				
Loans and borrowings	10	115,692	160,803	105,136
Lease liabilities due within one year		13,516	11,750	12,716
Derivative financial instruments		-	-	91
Trade payables		163,919	138,544	137,519
Corporate income tax liabilities		4,598	15,276	4,432
Other tax liabilities		7,188	8,453	9,933
Other current liabilities		58,239	44,407	46,427
		<b>363,152</b>	<b>379,233</b>	<b>316,254</b>
<b>Total equity and liabilities</b>		<b>987,730</b>	<b>1,004,521</b>	<b>935,815</b>

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



## Condensed consolidated statement of changes in equity

x € 1,000

2023

	Paid-up share capital	Hedging reserve	Translatio n reserve	Retained earnings	Total attributabl e to Owners	Non- controllin g interest	Total equity
Opening balance at January 1,	5,051	1,505	5,915	269,405	281,876	25,121	306,997
<b>Total comprehensive income</b>							
• Profit for the period	-	-	-	7,032	7,032	5,167	12,199
• Other comprehensive income for the period	-	(1,033)	(2,500)	-	(3,533)	(426)	(3,959)
	-	(1,033)	(2,500)	7,032	3,499	4,741	8,240
<b>Other transactions</b>							
• Dividend	-	-	-	(10,245)	(10,245)	(2,500)	(12,745)
• Share-based payments	-	-	-	225	225	-	225
	-	-	-	(10,020)	(10,020)	(2,500)	(12,520)
<b>Deferred payments</b>							
• Reclassification to non-current liabilities*	-	-	-	-	-	(3,978)	(3,978)
• Fair value adjustment non-current liabilities*	-	-	-	(30,726)	(30,726)	-	(30,726)
	-	-	-	(30,726)	(30,726)	(3,978)	(34,704)
<b>Closing balance at June 30,</b>	<b>5,051</b>	<b>472</b>	<b>3,415</b>	<b>235,691</b>	<b>244,629</b>	<b>23,384</b>	<b>268,013</b>

\* Reference is made to note 12 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

2022

	Paid-up share capital	Hedging reserve	Translatio n reserve	Retained earnings	Total attributabl e to Owners	Non- controllin g interest	Total equity
Opening balance at January 1.	5,051	(31)	(175)	259,319	264,164	39,107	303,271
<b>Total comprehensive income</b>							
• Profit for the period	-	-	-	12,287	12,287	4,442	16,729
• Other comprehensive income for the period	-	(1,075)	9,155	-	8,080	551	8,631
	-	(1,075)	9,155	12,287	20,367	4,993	25,360
<b>Other transactions</b>							
• Dividend	-	-	-	(15,152)	(15,152)	(6,000)	(21,152)
• Share-based	-	-	-	450	450	-	450
• Profit share certificates	-	-	-	-	-	262	262
• Acquired in business combinations	-	-	-	-	-	7,500	7,500
	-	-	-	(14,702)	(14,702)	1,762	(12,940)
<b>Deferred payments</b>							
• Reclassification to non-current liabilities	-	-	-	-	-	(1,377)	(1,377)
• Fair value adjustment non-current liabilities	-	-	-	7,350	7,350	-	7,350
	-	-	-	7,350	7,350	(1,377)	5,973
Closing balance at June 30,	5,051	(1,106)	8,980	264,254	277,179	44,485	321,664

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)	2023	2022
Profit for the period from continuing operations	12,199	16,729
<b>Adjustments for:</b>		
Taxation on the result	4,932	4,759
Share of profit of associates	(39)	1
Financial expenses	7,027	3,358
Depreciation and impairment of right-of-use assets	6,063	5,861
Depreciation and impairment of property, plant and equipment	5,450	3,732
Amortisation and impairment of goodwill and other intangible	6,567	6,152
Provisions	(66)	213
Non-cash share-based payment expense	225	450
Other non-cash movements	(3,096)	(119)
<b>Operating cash flows before movements in working capital</b>	<b>39,262</b>	<b>41,136</b>
Decrease / (increase) in inventory	(39,416)	(63,133)
Decrease / (increase) in trade receivables	928	(7,165)
Decrease / (increase) in other tax receivables	(4,092)	(3,421)
Decrease / (increase) in other receivables	(2,977)	(3,598)
Increase / (decrease) in trade payables	26,401	24,781
Increase / (decrease) in other taxes and social security charges	(2,746)	(1,337)
Increase / (decrease) in other current liabilities	(1,786)	1,722
<b>Cash generated by operations</b>	<b>15,574</b>	<b>(11,015)</b>
Income taxes paid	(9,369)	(9,537)
Interest paid	(6,472)	(3,242)
<b>Net cash from operations</b>	<b>(267)</b>	<b>(23,794)</b>

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)	2023	2022
Acquisition of subsidiaries, net of cash acquired	-	(53,763)
Payment for property, plant and equipment	(7,803)	(7,550)
Payment for intangible assets	(1,343)	(652)
Proceeds from disposals	79	861
<b>Net cash from investing activities</b>	<b>(9,067)</b>	<b>(61,104)</b>
Repayments on loans from banks	(540)	(404)
Repayments on lease liabilities	(6,120)	(5,212)
Transaction costs related to loans and borrowings	(125)	(50)
Dividend paid to non-controlling interests	(2,500)	(5,770)
Changes in credit facilities	9,960	99,800
<b>Net cash from financing activities</b>	<b>675</b>	<b>88,364</b>
Balance at January 1,	38,723	12,547
Net movement in cash and cash equivalents	(8,372)	3,249
Net foreign exchange difference	(287)	217
<b>Balance at June 30,</b>	<b>30,064</b>	<b>16,013</b>

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.

### 2 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, 2022. All figures in this document are unaudited. To the extent relevant, all IFRS standards and interpretations including amendments that were issued and effective from January 1, 2023, have been adopted by the Group from January 1, 2023.

The Group has adopted *Deferred Tax related to Assets and Liabilities arising from a single Transaction – Amendment to IAS 12* from January 1, 2023. Under the amendment the Group presents a separate deferred tax liability of € 21.0 million and a deferred tax asset of €21.9 million based on the leases as per January 1, 2023. There is no material impact on retained earnings on adoption of this amendment.

The Group has adopted *International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12* upon their release on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023. The Group expects to be subject to the top-up tax in relation to its operations in Dubai.

Adoption of other standards and interpretations had no material impact for the consolidated financial statements of the group. All IFRS standards and interpretations that were issued but not yet effective for reporting periods beginning on January 1, 2023 have not yet been adopted.



## 2.1 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 2023, from January 1, 2023 to June 30, 2023, inclusive. The comparative figures cover the corresponding period in 2022.

The interim condensed consolidated financial statements for the six-month period ended June 30, 2023 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 at December 31, 2022 which are available on [www.bs-group-sa.com](http://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 21, 2023 by the Company’s Executive Board.

## 2.2 Non-GAAP measures

Gross Profit is used to provide insight in the gross profit realised on the sale of products to customers and as such used to measure performance of product lines, customer groups and companies. The gross profit is calculated by deducting the purchase value of items sold from the realised turnover.

EBITDA is one of the measures that the Executive Board uses to assess the performance of the Group and its operating segments. EBITDA is defined as ‘Operating result’ adjusted for ‘Depreciation and amortisation’.

The following financial covenants are applicable:

- Leverage Ratio: Net Debt / Adjusted EBITDA;
- Interest Coverage Ratio: ‘Operating result’ to Net Finance Charge.

Net debt is defined as interest bearing liabilities minus cash and cash equivalents. Net Debt specifies the exposure towards banks and other lenders and is also used to measure compliance with bank covenants. Net Debt can be reconciled to the balance sheet as follows:



x € 1,000	30.06.2023	30.06.2022	31.12.2022
Lease liabilities due within one year	13,516	11,750	12,716
Loans and borrowings, current	115,692	160,976	105,136
Lease liabilities	68,867	74,303	73,804
Loans and borrowings, non-current	180,968	183,764	182,059
Cash and cash equivalents	(30,064)	(16,013)	(38,723)
	<b>348,979</b>	<b>414,780</b>	<b>334,992</b>

Adjusted EBITDA is for the purpose of calculating the financial covenant. Adjusted EBITDA is defined as:

- EBITDA for the last twelve months (the Relevant Period) adjusted by the EBITDA of a member of the Group acquired during the Relevant Period as if the acquisition occurred on the first day of such Relevant Period and;
- excluding the EBITDA attributable to any member of the Group disposed of during the Relevant Period for that part of the Relevant Period as if the disposal occurred on the first day of such Relevant Period.

Net Finance Charge is defined as interests related to bank facilities including interests on lease liabilities, other interests and interests received.

### 2.3 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, 2022.



## 2.4 Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at June 30, 2023 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 or liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our consolidated financial statements as at December 31, 2022.

## 3 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 fourth quarter of the year, with a tendency for sales to even move into the fourth quarter of the year. The B&S Liquors and B&S Beauty segment are generating the vast majority of its turnover and profitability in the second half of the year, however it should be noted that the developments in general economic conditions, market disruption and customer behaviour might influence this pattern.

## 4 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 Operating 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 branded premium liquors to wholesalers, e-commerce platforms and consumers. B&S Liquors has its headquarters in Delfzijl, the Netherlands.

**B&S Beauty** mainly distributes and sells branded premium fragrances and cosmetics to consumers, wholesalers and e-commerce platforms. B&S Beauty has its headquarters in Delfzijl, the Netherlands.

**B&S Personal Care** distributes and sells branded premium personal and home care products to mainly value retailers. B&S Personal Care has its headquarters in Oud-Beijerland, the Netherlands.

**B&S Food** is active as a specialty distributor for a wide range of branded premium food and beverages to duty-free, remote, retail and maritime markets. B&S Food has its headquarters in Dordrecht, the Netherlands.



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

**B&S Retail** operates retail stores at international airports, regional airports and other 'away from home' locations, where it sells branded premium consumer electronics and multi-category assortments. B&S Retail has its headquarters in Hoofddorp, the Netherlands.

The activities of the holding companies are group-wide activities including finance, ICT, human resource management and marketing. Costs incurred at Group level for business units have been allocated as much as possible to the operating segments. The results of the holding activities are separately reported to the Executive Board and are present on the line 'Holding & Eliminations'.

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

2023

	B&S Liquors	B&S Beauty	B&S Personal Care	B&S Food	B&S Health	B&S Retail	Holdings & Eliminations	Total
Turnover	311,136	344,413	182,051	147,506	25,269	47,103	60	<b>1,057,538</b>
Purchase value	289,153	285,679	146,713	122,872	21,032	36,078	(1,720)	<b>899,807</b>
EBITDA	1,319	16,010	21,312	7,740	725	(1,840)	(3,067)	<b>42,199</b>
Financial expenses	2,568	2,857	1,210	208	75	207	(98)	<b>7,027</b>
Result before taxation	(1,708)	7,705	16,693	4,795	(215)	(3,272)	(6,867)	<b>17,131</b>
Total assets	176,359	356,118	208,944	142,024	19,061	49,054	36,170	<b>987,730</b>
Total liabilities	124,956	253,548	125,182	81,534	10,812	39,095	84,590	<b>719,717</b>
Capital Expenditures	174	997	326	552	80	3,969	1,705	<b>7,803</b>



x € 1,000 (for six-month period ended June 30)								2022
	B&S Liquors	B&S Beauty	B&S Personal Care	B&S Food	B&S Health	B&S Retail	Holdings & Eliminations	Total
Turnover	318,354	315,967	136,908	153,031	22,751	36,218	(1)	983,228
Purchase value	284,797	259,798	115,466	138,842	18,810	27,112	(581)	844,244
EBITDA	16,536	18,924	10,165	(2,640)	905	315	(3,615)	40,590
Financial expenses	1,933	768	107	852	15	64	(381)	3,358
Result before taxation	14,205	14,096	7,120	(6,897)	36	(300)	(6,772)	21,488
Total assets	267,030	378,230	197,676	213,251	27,907	46,480	(126,053)	1,004,521
Total liabilities	208,611	207,605	127,631	147,490	15,179	34,387	(58,046)	682,857
Capital Expenditures	247	1,442	1,436	1,004	13	2,498	910	7,550

x € 1,000 (for six-month period ended June 30)								2023
	B&S Liquors	B&S Beauty	B&S Personal Care	B&S Food	B&S Health	B&S Retail	Holdings & Eliminations	Total
<b>Turnover</b>								
Europe	160,958	132,592	176,418	71,326	20,367	42,822	60	604,543
America	14,738	165,391	1,773	10,300	1,171	-	-	193,373
Asia	114,260	22,309	1,031	14,875	2,397	-	-	154,872
Middle East	12,414	21,360	2,294	28,341	1,276	677	-	66,362
Africa	6,374	36	500	22,443	33	3,604	-	32,990
Oceania	2,392	2,725	35	221	25	-	-	5,398
<b>Total Turnover</b>	<b>311,136</b>	<b>344,413</b>	<b>182,051</b>	<b>147,506</b>	<b>25,269</b>	<b>47,103</b>	<b>60</b>	<b>1,057,538</b>
<b>Non-current assets</b>								
Europe	10,696	21,417	64,880	28,188	7,236	20,797	28,148	181,362
America	-	90,542	-	-	-	-	-	90,542
Middle East	50	-	-	867	38	2,309	-	3,264
<b>Total Non-current assets</b>	<b>10,746</b>	<b>111,959</b>	<b>64,880</b>	<b>29,055</b>	<b>7,274</b>	<b>23,106</b>	<b>28,148</b>	<b>275,168</b>



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

2022

	B&S Liquors	B&S Beauty	B&S Personal Care	B&S Food	B&S Health	B&S Retail	Holdings & Eliminations	Total
<b>Turnover</b>								
Europe	151,239	120,250	133,356	63,651	19,381	31,577	(1)	<b>519,453</b>
America	14,352	155,705	740	7,669	1,533	-	-	<b>179,999</b>
Asia	128,031	20,586	206	23,143	1,432	-	-	<b>173,398</b>
Middle East	11,827	16,443	1,803	33,317	328	1,553	-	<b>65,271</b>
Africa	10,225	65	803	25,251	66	3,088	-	<b>39,498</b>
Oceania	2,680	2,918	-	-	11	-	-	<b>5,609</b>
<b>Total Turnover</b>	<b>318,354</b>	<b>315,967</b>	<b>136,908</b>	<b>153,031</b>	<b>22,751</b>	<b>36,218</b>	<b>(1)</b>	<b>983,228</b>
<b>Non-current assets</b>								
Europe	4,697	25,132	58,381	27,357	8,177	15,198	28,273	<b>167,215</b>
America	-	96,734	-	-	-	-	-	<b>96,734</b>
Middle East	88	111	-	1,523	66	902	-	<b>2,690</b>
<b>Total Non-current assets</b>	<b>4,785</b>	<b>121,977</b>	<b>58,381</b>	<b>28,880</b>	<b>8,243</b>	<b>16,100</b>	<b>28,273</b>	<b>266,639</b>





## 5 Turnover

The revenue per product group is as follows:

x € 1,000 (for six-month period ended June 30)	2023	2022
Liquors	311,232	326,935
Beauty	324,338	315,967
Personal Care	213,171	136,908
Food	151,909	154,807
Health	24,735	22,751
Electronics	32,153	25,860
	<u>1,057,538</u>	<u>983,228</u>

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

x € 1,000 (for six-month period ended June 30)	2023	2022
Europe	604,543	519,453
America	193,373	179,999
Asia	154,872	173,398
Middle East	66,362	65,271
Africa	32,990	39,498
Oceania	5,398	5,609
	<u>1,057,538</u>	<u>983,228</u>

## 6 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.

## 7 Goodwill

Goodwill is not amortised but tested for impairment annually and whenever specific indicators require such testing.



## 8 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 2022: € 0.7 million).

## 9 Trade receivables

Management has updated its assessment of expected credit losses, resulting in an increase of the allowance for impairment of trade receivables by € 2.7 million (HY 2022: € 7.2 million), mainly related to B&S Liquors.

## 10 Loans and borrowings

The covenants can be specified as follows:

	30.06.2023	30.06.2022	31.12.2022
Net Debt	349.0 million	414.8 million	335.0 million
Leverage Ratio	3.8	3.7	3.7
Leverage Ratio (normalised)	3.6	3.6	3.5
Interest Coverage Ratio	4.3	11.6	5.8
Interest Coverage Ratio (normalised)	4.7	12.6	6.3

With the present Leverage Ratio and Interest Coverage Ratio, B&S Group S.A. is within the covenants agreed with the various financial institutions of a maximum Leverage Ratio of 4.0 or a maximum Leverage Ratio of 4.5 after a considerable acquisition and a minimum Interest Coverage Ratio of 4.0. These agreed covenants are the same for all financial institutions who are involved in the borrowings from banks.

## 11 Dividend

The proposed dividend of € 10,101,000 was approved by the General Meeting of the Shareholders on May 23, 2023. The approved dividend is recognised as a liability as at June 30, 2023. The dividend has been paid on July 4, 2023. During the corresponding period in 2022 a dividend of € 15,152,000 was approved. The dividend has been paid to the shareholders on July 4, 2022.

## 12 Deferred payments

The line item 'Other liabilities' mainly consists out of the Deferred payments. The movements can be specified as follows:

x € 1,000 (for six-month period ended June 30)	2023	2022
<b>Opening balance at January 1,</b>	<b>52,437</b>	<b>38,349</b>
Reclassification from 'Non-controlling interest'	3,978	1,377
	56,415	39,726
Fair value adjustment	30,726	(7,350)
	87,141	32,376
Reclassification to 'Current liabilities'	(10,408)	-
<b>Closing balance at June 30,</b>	<b>76,733</b>	<b>32,376</b>

The Group has three deferred payments with three minority shareholders for written put options.

The exercise prices are dependent on the agreed terms with the minority shareholders. 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 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.

	Deferred payment 1	Deferred payment 2	Deferred payment 3
Closing date	October 2018	May 2022	September 2022
Percentage of shares	25.00%	15.00%	29.17%
Exercise date	First tranche of 12.5%: five years after closing date (effectively October 29, 2023). Second tranche: ten years after closing date (effectively October 29, 2028).	Three years after closing date (effectively May 12, 2025), during a three-year period. The seller may exercise the put option between January 1 and June 30 of each year of the put option period. The purchaser may exercise the call option between July 1 and December 31 of each year of the call option period.	One year and three months after closing date (effectively January 1, 2024), during a four-year period. At exercise date 50% will be paid, the remaining amount will be paid after one year.
Calculation method of the exercise price	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 higher price of (a) € 3,7 million (15% of the purchase price at acquisition date) or (b) multiple that is dependent on the EBITDA of the company of the year prior to execution of the option minus net financial debt as per financial year end prior to executing the option x 15%.	The higher price of (a) the minimum price of € 34,056,019.40 for 525 shares including a correction for the solvability ratio or (b) the weighted average of the profit before tax for the last three years prior to exercise period times 5.9 after dividend payment.
Discount rate	US government bond yields plus a company specific mark-up	German bond yields plus a company specific mark-up	German bond yields plus a company specific mark-up
Fair value	€ 32.4 million	€ 3.4 million	€ 51.4 million

## 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 at the time, that entitle them to a cash payment after three years of service. All SARs are forfeited per year-end 2022.

On May 22, 2023, the Group granted 231,290 share appreciation rights (SARs) to the CEO, CFO and Senior Counsel that entitle them to a cash payment after three years of service. All SARs are still outstanding at June 30, 2023 and none have vested yet. The SARs can be exercised during two years after vesting (from May 22, 2026 to May 22, 2028). 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, 2023 is € 13 thousand. An amount of € 13 thousand related to the cash-settled share-based payments (SARs) has been released 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:

	30.06.2023	Grant date 22.5.2023
Fair value	€ 1.33	€1.29
Share price	€ 3.92	€3.80
Exercise price	€ 3.80	€3.80
Expected volatility (weighted-average)	48.08%	48.08%
Expected life (weighted-average)	3.90 years	4.15 years
Expected dividends	2.50%	2.50%
Risk-free interest rate (based on government bonds)	2.468%	2.468%

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

### Entities with joint control or significant influence over the entity

The table below sets out the transactions with entities where the majority shareholders and/or one or more Executive Board members have joint control or significant influence over the entity. The majority shareholder and the Executive Board and the Supervisory Board members as well as the entities they control that are not part of the Group, are considered to be related parties:

	2023		2022	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	5,026	230	6,011	1,124
Purchase of products and services	2,123	51	2,810	275
Premises rented	2,792	527	3,015	798
Operating expenses	(13)	42	-	97
Non-recourse sale of assets	-	111	-	-
Other receivables	-	497	-	4,556
Tangible fixed assets	-	-	-	550
Loans received	-	1,500	-	1,500

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Related party transactions are conducted at arm's length. Sales of products and services and/or purchase of products and services mainly consist of the sales and purchases of goods which vary year on year as a result on product and sourcing availability. For the year 2022 these mainly concern purchase and sales for the Liquor segment. Transaction value of premises rented decreased compared to prior year as a result of the fact that the related party landlord sold the premises rented to a third party during 2022.

## 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 companies:

	2023		2022	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	685	267	500	264
Purchase of products and services	1,324	288	557	240
Interest received on loans issued	24	9	18	23
Loans issued	-	150	-	150
Other receivables	-	400	-	762

## 15 Subsequent events

There were no material events after June 30, 2023 that would have changed the judgement and analysis by management of the financial condition as at June 30, 2023 or the result for the interim period ended June 30, 2023 of the Group.



## Contact Investor Relations

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## About B&S

B&S exists to make premium consumer goods available to everyone, anywhere. We believe that getting access to consumer products that bring joy and comfort into everyday lives, should be easy around the globe. With our ever-growing international network and physical local presence, we bring suppliers, brand owners, logistics partners, wholesalers, retailers and consumers all over the world together that are in many ways difficult to connect.

We work with the world's premium consumer brands in beauty, liquors, personal care, food, health and consumer electronics to serve millions of consumers daily - either directly or through our wholesaler and reseller partners. Powered by our high-tech platform and arising from supply chain expertise, we provide sourcing, warehousing, distribution, digital commerce, marketing and brand development solutions that enhance choice, speed up delivery, drive conversion and increase reach.

Additional information can be found on [our website](#) and [on LinkedIn](#).