

B&S

9M 2022 trading update

B&S Group S.A.

Topline growth of 18.7% in first nine months 2022. Q3 growth slightly less steep although above expectations.

Mensdorf, Luxembourg – November 7, 2022 (07:00 CET)

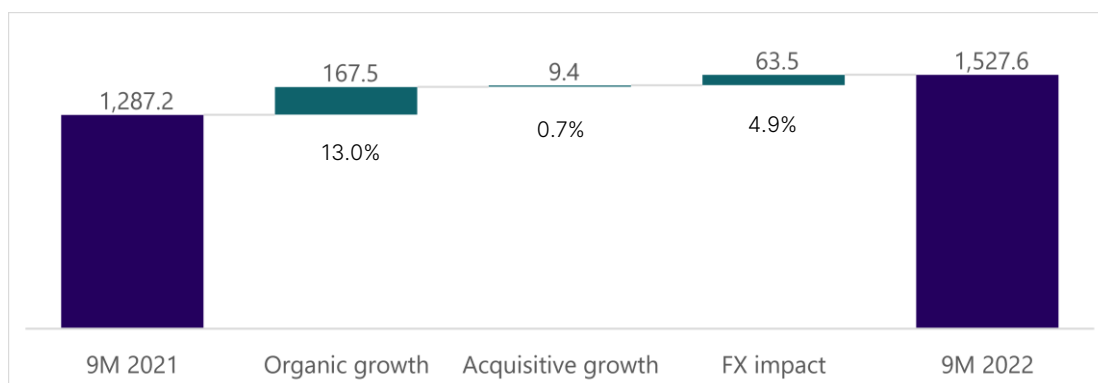
B&S Group S.A. ("B&S") tech company in the consumer goods industry, today publishes its trading update for the first nine months of 2022 ("9M 2022").

Highlights 9M 2022 (compared to 9M 2021)

- Overall turnover increased by 18.7% to € 1,527.6 M (13.7% on a constant currency basis);
- Organic turnover increased 17.9% (13.0% on a constant currency basis);
- Staff costs increased due to challenging labour market and inflation.

Highlights Q3 2022 (compared to Q3 2021)

- Overall turnover increased by 17.4% to € 544.3 M (11.3% on constant currency);
- Organic turnover increased by 16.4% (10.3% on constant currency), above anticipated levels given global economic developments;
- Supply chain constraints started to normalise with exception of the Beauty segment and the international liquor market.



Tako de Haan, CEO: “In the first nine months of 2022 we realised double digit turnover growth, although Q3 growth was slightly less steep. While product scarcity continued to affect results in this quarter, we saw industry wide supply challenges slowly starting to normalise in all segments with the exception of our Beauty segment and the international liquor market.

In the ongoing global economic turmoil, our teams managed to make strategic progress with the continued digitisation of our services. This resulted in increased traction on our platforms, especially in the Food segment. Also, the ongoing focus on brand partnerships resulted in new distribution contracts in the Beauty segment.

Operational expenses continued to be influenced mainly by increased labour costs. This was especially driven by inflation, increased hourly rates of warehousing personnel and the tight labour market in Europe resulting in higher salaries for qualified personnel. At this point, we see no indication for improved conditions in the remainder of the year.

In conclusion, our strategic progress is clearly visible in terms of digital transformation and brand partnership development. Yet the effects of the global economic developments on margins and cost levels are expected to impact our results for FY 2022.”

Segmental review

The 2022 turnover levels exceeded 2021 levels by 18.7%, most of which originated from organic growth. The acquisition of the French Beauty Company contributed 0.7%. The Liquors segment was the main contributor to increased turnover levels, followed by Retail and Food. FX had a positive impact on turnover growth; at constant currency turnover increased by 13.7%.

Turnover split per segment

€ million (unless otherwise indicated)	9M 2022 reported	9M 2022 organic	9M 2022 acquisitive	9M 2022 FX	9M 2021 reported	Δ (%) reported	Δ (%) constant currency
B&S Liquors	474.2	78.8	-	23.2	372.2	27.4%	21.2%
B&S Beauty	490.9	(2.1)	9.4	29.2	454.4	8.0%	1.6%
B&S Personal Care	215.6	16.6	-	-	199.0	8.3%	8.3%
B&S Food	248.3	36.1	-	10.5	201.7	23.1%	17.9%
B&S Health	35.8	1.3	-	0.2	34.3	4.4%	3.8%
B&S Retail	62.8	36.8	-	0.4	25.6	145.3%	143.8%
Holding & eliminations	-	-	-	-	-		
TOTAL TURNOVER	1,527.6	167.5	9.4	63.5	1,287.2	18.7%	13.7%

€ million (unless otherwise indicated)	Q3 2022 reported	Q3 2022 organic	Q3 2022 acquisitive	Q3 2022 FX	Q3 2021 reported	Δ (%) reported	Δ (%) constant currency
B&S Liquors	155.8	5.4	-	9.0	141.4	10.2%	3.8%
B&S Beauty	174.9	4.1	4.9	13.5	152.4	14.8%	5.9%
B&S Personal Care	78.7	4.4	-	-	74.3	5.9%	5.9%
B&S Food	95.3	21.3	-	5.3	68.7	38.7%	31.0%
B&S Health	13.0	1.1	-	0.1	11.8	10.2%	9.3%
B&S Retail	26.6	11.3	-	0.2	15.1	76.2%	74.8%
Holding & eliminations	-	0.1	-	-	(0.1)	(100.0%)	(100.0%)
TOTAL TURNOVER	544.3	47.7	4.9	28.1	463.6	17.4%	11.4%

B&S Liquors

The 27.4% growth in turnover for this segment when compared to 9M 2021 was driven by the absence of covid restrictions in the European markets as well as continued increased demand for specialty items in the international market. However, growth in Q3 was less steep due to increased consumer inflation for the European market and supply chain constraints following zero-covid policies for the international market. Although normalisation of margins was expected compared to last year, gross profit margins for the first nine months slightly exceeded last year as a result of strong stock positions.

B&S Beauty

B&S Beauty increased turnover by 8.0% when compared to 9M 2021. This was driven by acquisitive growth and a strong US dollar. The B2B business in the Beauty segment continued to see the impact of industry-wide product scarcity which resulted in decreased turnover yet at increased margins. The B2C business (FragranceNet.com) on the other hand increased turnover which originated from the strong US dollar. In 2022 the margin levels for this business declined, with marketing and shipping expenses increasing compared to the same period last year.

B&S Personal Care

Turnover for this segment increased by 8.3% as a result of sales growth to key customers that continued in Q3. This growth was aided by well managed stock positions to meet increased demand after the (on and off) shop closures of value retail in Europe throughout 2021.

B&S Food

Turnover grew 23.1% when compared to 9M last year, driven by the better than expected recovery of the Duty-free and travel related market in our Brand Distribution services. Also the Foodservice business outperformed following increased demand in the Maritime market, aided by automated order processing via our platform. However, this was partly offset by the lack of growth in the Remote business.



B&S Health

Turnover grew 4.3% compared to 9M last year mainly as a result of recovery in the vaccine business related to travel and flu vaccines during Q3. Gross margins slightly decreased due to increased transportation costs in the export business that could only be partly passed on to the customer.

B&S Retail

The Retail segment increased turnover with 145.3% in the first nine months of 2022. Turnover growth in Q3 was less steep, as Q3 2021 benefitted from easing of travel restrictions in that quarter.

Outlook

For Q4, the performance of the Personal Care segment is expected to continue as a result of increased demand and strong stock positions. Furthermore, we foresee the performance of the Health segment to continue into Q4 and we project further turnover growth for the Retail segment aided by the opening of 4 additional airport shops. On the other hand, in the Food segment we anticipate decrease in turnover yet at similar margins.

For Liquor and Beauty, current market circumstances are expected to continue and impact turnover, margins and operational expenses in the - traditionally - seasonally strong last quarter. Consumer inflation is likely to continue, therewith affecting consumer spending patterns in particular for the high-end product range. Adding to this, the strong US dollar is negatively affecting demand especially in the international liquor market - which traditionally peaks in the last months of the year in preparation for Chinese new year. In the Beauty segment we expect ongoing product scarcity to affect growth in the last quarter, specifically for volume products. Given the fact that our Liquor and Beauty business historically peak in Q4, we expect that current market circumstances will substantially impact overall results for FY 2022.

Conference call

Our CEO Tako de Haan and CFO Mark Faasse will host an analyst call at 10:30 CET this morning to discuss the 9M 2022 trading update.

The call will be recorded and archived for playback purposes and will be available on our website shortly after the call.



Financial calendar

November 17, 2022	Extraordinary General Meeting (13:30 CET)
February 27, 2023	Full Year 2022 results (07:00 CET)
March 7, 2023	Annual Report 2022
May 15, 2023	Q1 2023 trading update (07:00 CET)
May 16, 2023	Annual General Meeting
August 21, 2023	Half Year 2023 results (07:00 CET)
November 6, 2023	9M 2023 trading update (07:00 CET)

Extraordinary General Meeting 2022

B&S Group S.A. convenes an Extraordinary General Meeting on November 17, 2022 without physical presence of shareholders, as permitted by Luxembourg law. More information can be found in the convening notice that is published on the corporate website.



Appendix 1: Non-IFRS Financial Measures Glossary

Gross profit margin	Gross profit margin is defined as realised 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
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



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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](#).

Forward Looking Statement

This press release includes forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond B&S's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.