

B&S

Q1 2024 trading update

B&S Group S.A.

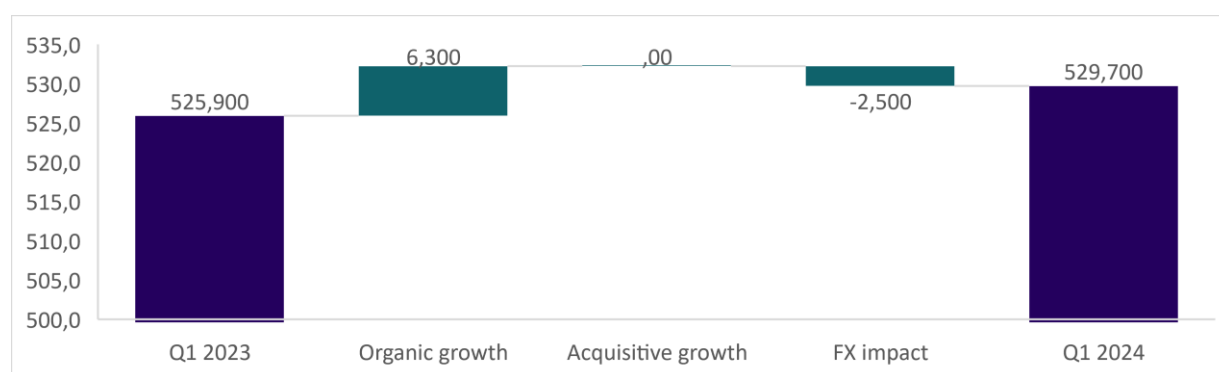
TOPLINE IS STABLE WITH STRONG PERFORMANCE IN ALL SEGMENTS EXCEPT FOR LIQUORS

Mensdorf, Luxembourg – May 14, 2024 (07:00 CET)

B&S Group S.A. ("B&S") a company in the consumer goods industry, today publishes its trading update for the first quarter of 2024 ("Q1 2024").

Highlights Q1 2024

- With € 529.7 million turnover the first quarter of 2024 ended just above same period last year (+€ 4.1 million; +0.8%);
- Strong growth in all segments compared to Q1 2023 except for Liquors;
- Overall gross profit margin as a percentage of turnover showed a limited improvement as compared to Q1 2023;
- Staff costs in line with same period last year;
- Other operating expenses decreased as a result of one off advisory costs in 2023);
- Acquired a 50% economic ownership in Government and Defense projects which are expected to contribute to net result and operational cash flows in 2024 and beyond.



Message from the Executive Board

Our Q1 2024 was characterized by all segments showing strong performance except for Liquors. The challenging market circumstances as reported in Q4 continued throughout Q1 for the Liquor segment. The good topline growth in most of our segments is in line with our organic turnover breakdown, shared with the market during the last Capital Markets Day in November 2023.

G&D Investment

As announced during Capital Markets Day, we will invest further in our activities in the Government & Defense (“G&D”) sector with a focus on providing food (services) to personnel engaged in foreign, diplomatic, military, and/or (non-)governmental operations across the world. These operations are mostly executed under tendered, multi-year contracts. During 2023, the majority shareholder of B&S invested, directly and indirectly, € 10 million and \$ 8 million into G&D projects, which were launched in 2022 and 2023. These investments have been acquired by B&S at cost, with the underlying partnership-contracts for these investments novated to the company. These investments lead to an economic ownership of 50% in these projects. Purchase price through deferred considerations over the next 3 years, with an initial payment of approx. € 9 million in Q3 2024. We expect these contracts to contribute positively to our net results and our operational cash flows in 2024 and beyond.

Review per segment

The Q1 2024 consolidated turnover showed a limited increase, but with differences between segments. All segments showed growth versus the same quarter last year except for our Liquor Segment.

Turnover split per segment

€ million	Q1 2024 reported	Q1 2024 organic	Q1 2024 acquisitive	Q1 2024 FX	Q1 2023 reported	Δ (%) reported	Δ (%) constant currency
B&S Beauty	183.7	15.1	-	(1.2)	169.8	8.2%	8.9%
B&S Food	75.0	5.1	-	(0.4)	70.3	6.7%	7.3%
B&S Health	14.5	2.5	-	-	12.0	20.8%	20.8%
B&S Liquors	131.6	(31.6)	-	(0.8)	164.0	(19.8%)	(19.3%)
B&S Personal Care	98.2	9.1	-	-	89.1	10.2%	10.2%
B&S Travel Retail	26.7	6.1	-	(0.1)	20.7	29.0%	29.5%
TOTAL TURNOVER	529.7	6.3	-	(2.5)	525.9	0.8%	1.2%

Beauty

The increase of 8,2% in turnover of Beauty compared to the first quarter of 2023 is driven by our online activities in both B2C and B2R, whereas B2B ended slightly below prior year. Turnover and margin are improving due to the scale and efficiency advantages in which we have invested over the last 2 years. Our Care and Make-Up categories are growing faster than our Perfume category, which is also in line with our strategy to further diversify our product portfolio.

Food

Turnover of the Food segment increased with 6.7% compared to Q1 2023. Maritime and Export have shown strong seasonal order intake. Gross margins slightly decreased due to increased product availability in the market.

Health

Last year's turnover and gross profit growth continued in the first quarter of this year. Compared to Q1 2023 turnover significantly increased this quarter (+20,8%). The availability of vaccines from manufacturers enabled the Health segment to meet increased demand of its customers.

Liquors

The challenging market circumstances as reported in Q4 2023 continued throughout Q1, with decreased demand combined with increased product availability, leading to a decrease of 19.8% compared to Q1 2023, mainly realized in the international trading activities.

Personal Care

Q1 2024 revenue and gross profit are ahead of Q1 2023—a positive start for 2024. During the first quarter of 2024 the market still experiences a scarcity of premium brand products. Due to the reduced availability of these A-labels, our customers sought affordable and high-quality alternatives. Our Brand and Private Label segment benefited from this shift.

Travel Retail

Turnover for Q1 2024 increased by 29.0% compared to the same period last year as a result of higher number of passengers and newly opened shops in 2023 (12 shops) and 2024 (1 shop). Throughout the first 3 months of 2024 passengers (PAX) have returned to around index 90 compared to pre-corona levels in 2019. The sales margin for electronics has been under pressure and brand owners are spending less on marketing contributions. The sales margin within the multi category business has been stable.

Cash flow & financial position

Our balance sheet and liquidity remained healthy in Q1 2024. Working capital and working capital in days increased when compared to the first quarter last year. Most notable investment concerns the previously announced transaction on 24.2% of the minority shares in the Personal Care segment. The preliminary exercise price amounted to EUR 46,9 million of which EUR 23,45 million (50%) was paid during Q1 at closing.

Outlook

For 2024, we reconfirm the previously shared outlook with projected topline growth across our segments in line with our Financial objectives 2024-2026 albeit at the lower end of the range. We expect the indicated consolidated turnover growth of approximately 5% still to be achievable but could be impacted by the recovery in the Liquor markets. We expect to continue growth in our Personal Care, Beauty and Travel Retail segments. Our segment Food is expected to grow on the back of market developments. Travel Retail will grow in 2024 partly as a result of the full year effects of new stores and the further recovery of travellers. We project staff cost and other operating expenses to normalise, yet inflation is expected to remain a factor. With stable gross profit margins we project EBITDA margin in the range of 5 to 6%.

Conference call

Our CEO Peter van Mierlo and CFO Mark Faasse will host an analyst call at 10:30 CET this morning to discuss the Q1 2024 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

May 14, 2024	Q1 2024 trading update (07:00 CET)
May 24, 2024	Annual General Meeting
August 19, 2024	Half Year 2024 results (07:00 CET)
November 11, 2024	9M 2024 trading update (07:00 CET)

Annual General Meeting 2024

B&S Group S.A. holds its Annual General Meeting on May 24, 2024. 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 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 of turnover 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



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](#).

Forward Looking Statements

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.