

B&S

9M 2024 trading update

B&S Group S.A.

B&S Group third quarter trading update

Mensdorf, Luxembourg – November 11, 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 nine months of 2024 ("9M 2024").

Highlights 9M 2024 [compared to 9M 2023]

- Overall turnover increased by 6.8% to € 1,711.2 M (9M 2023: € 1,602.5 M);
- Strong turnover growth in all but one segment;
- Overall gross profit margin as a percentage of turnover slightly decreased;
- Staff costs increased, impacted by both inflation and the tight labour market.

Highlights Q3 2024 [compared to Q3 2023]

- Overall turnover increased by 11.8% to € 609.1 M (Q3 2023: € 545.0 M);
- Turnover increased across all segments, while gross margins decreased;
- Increase in staff cost in line with expectations.

Message from the Executive Board

Although the underlying trends per segment differ, all segments contributed to an overall turnover growth of 11.8% in the third quarter. This strong growth was realised in market circumstances impacted by geopolitical uncertainty. Trade tensions and global logistical disruptions are directly and indirectly affecting both our realised gross margins as well as our working capital positions. Our 9M YTD turnover increased by 6.8% well within our projected turnover growth of 5%-7%.

We reconfirm the previously shared outlook for 2024. As a result of current market circumstances, we expect EBITDA margin to land at the lower half of the range of 5%-6%.

Segmental review

The YTD 2024 turnover increased by 6.8% compared to 2023. All segments, except for Liquors, contributed to this increase. The acquisition of Tastemakers within the Personal Care Segment contributed € 1.4 million in turnover during Q3.

Turnover split per segment

9M YTD € million	2024 reported	2024 organic	2024 acquisitive	2024 FX	2023 Reported	Δ (%) reported	Δ (%) constant currency
Beauty	554.4	41.5	-	(0.8)	513.7	7.9%	8.1%
Food	278.5	42.8	-	(0.3)	236.0	18.0%	18.1%
Health	45.8	7.6	-	-	38.2	19.9%	19.9%
Liquors	419.3	(25.4)	-	(0.7)	445.4	(5.9%)	(5.7%)
Personal Care	317.7	27.3	1.4	-	289.0	9.9%	9.9%
Travel Retail	95.5	15.4	-	(0.1)	80.2	19.1%	19.2%
TOTAL TURNOVER	1,711.2	109.2	1.4	(1.9)	1,602.5	6.8%	6.9%

Q3 € million	2024 reported	2024 organic	2024 acquisitive	2024 FX	2023 reported	Δ (%) reported	Δ (%) constant currency
Beauty	187.2	18.6	-	(0.7)	169.3	10.6%	11.0%
Food	110.4	22.0	-	(0.1)	88.5	24.7%	24.9%
Health	17.0	4.1	-	-	12.9	31.8%	31.8%
Liquors	142.9	9.4	-	(0.8)	134.3	6.4%	7.0%
Personal Care	115.7	7.4	1.4	-	106.9	8.2%	8.2%
Travel Retail	35.9	2.9	-	(0.1)	33.1	8.5%	8.8%
TOTAL TURNOVER	609.1	64.4	1.4	(1.7)	545.0	11.8%	12.1%

Beauty

As a result of improving market conditions due to flattening global inflation combined with improved availability of goods, turnover increased by 10.6% during Q3, attributable to the B2B (+16%) and B2C (+12%) sub-segments of Beauty. Whilst for B2B there was a decrease in turnover per HY compared to last year, this was reversed into sales growth during the third quarter and is partly the result of inventory availability. B2R sales (-/-6%) have come under pressure due to increased competition.

Food

In this third quarter the Food segment continued its solid business growth, on the back of the segment's focus on stable operations and service excellence. Turnover growth in the Maritime market was driven by the Cruise business. The Duty Free business within the segment showed significant increase in turnover during Q3, mainly the result of onboarded new clients. Expansion of the team and the existing brand partnerships has led to new added customers, as well as growth of the existing portfolio. Focus on value retail customers fuelled the turnover growth within the Export markets margins further tightened due to increased product availability. The segment continued to focus on digital transformation and improved its client and supplier interactions supported by the KingofReach.com platform.

Health

In the third quarter B&S Health showed continued strong performance, with 31.8% turnover increase compared to the same quarter last year. The continued high demand for travel related vaccines contributed to the higher turnover, as well as growth in other product segments like medical devices and medicines. The strategic focus on the cruise market is starting to pay off, resulting in a growing order portfolio and increasing footprint in the cruise industry.

Liquors

The challenging market circumstances in the international Liquor markets continued throughout the third quarter of 2024. Although turnover increased, the challenging market circumstances lead to decreased gross profit levels. Our European Liquor Wholesale companies continued its modest turnover growth in Q3. Furthermore, the segment has been working on the further integration of the European wholesale business from both a managerial and logistical perspective, which is expected to be rolled out in HY1 2025.

Personal Care

Personal Care realized a turnover growth of 8.2% during the third quarter of 2024. This increase is mainly driven by our Private Label product category. Pressure on Stocklot and Regular items will persist due to the ongoing scarcity of A-brands and increased competition in certain product categories. Furthermore gross profit margins were impacted by increased container prices from Asia to Europe.

Travel Retail

Turnover for the period increased by 8.5% as a result of the higher number of visitors and the newly opened shops late 2023 (3 shops) and beginning of 2024 (1 shop). While passenger numbers have rebounded to approximately 90% of pre-pandemic levels, depending on the location, the passenger profile has shifted, and average spending per customer has yet to return to the desired level.

Cash flow & financial position

Working capital increased compared to year-end 2023, due to higher stock levels and higher receivables outstanding, following the seasonality of our activities.

Despite falling interest rates, which have been implemented by central banks, interest rates remain relatively high. During Q3 we have hedged a significant portion of our variable interest exposure based on our implemented interest risk policy. We will continue to closely monitor the interest developments and working capital management. We were within the agreed covenants per the end of the quarter. Furthermore, we project to be within agreed covenants as per the end of Q4 as well.

Outlook

For the remainder of 2024, we reconfirm the previously shared outlook with projected topline growth of 5%-7% and EBITDA margin in the range of 5% to 6%. Both in line with our Financial objectives 2024-2026. Although it should be noted that as a result of current market circumstances, we project EBITDA margin to land at the lower half of the range.

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 9M 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

March 18, 2025	Full Year 2024 results (07:00 CET)
March 19, 2025	Annual Report 2024
April 25, 2025	Annual General Meeting
May 13, 2025	3M trading update (07:00 CET)
August 4, 2025	Half Year 2025 results (07:00 CET)
November 11, 2025	9M trading update (07:00 CET)

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



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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.