

B&S

HY 2024 results

B&S Group S.A.

EBITDA increased significantly to € 52.7M in first half year 2024 and earnings per share doubled

Mensdorf, Luxembourg – August 19, 2024 (07:00 CET)

B&S Group S.A. ("B&S") a company in the consumer goods industry, today publishes its half year 2024 results ("HY 2024").

Highlights HY 2024

- Overall turnover increased organically by 4.2% to € 1,102.1 M;
- Gross profit increased by 5.2% to € 166.0 M (HY 2023: € 157.7 M), with a gross profit margin of 15.1% (HY 2023: 14.9%);
- EBITDA increased to € 52.7 M (HY 2023: € 42.2 M). EBITDA margin increased to 4.8% (HY 2023: 4.0%) mainly due to higher gross profit;
- Net cash from operations amounted to € -/- 44.1 M (HY 2023: € -0.3 M), as a result of higher working capital positions;
- Net debt / EBITDA at June 30, 2024 stood at 3.4 (3.6 at June 30, 2023);
- Net profit amounted to € 16.4 M (HY 2023: € 12.2 M);
- Net profit attributable to shareholders B&S Group € 13.2 M (HY 2023: € 7.0 M);
- Earnings per share equals € 0.16 (HY 2023: € 0.08);
- Acquisition in Personal Care of € 7 M enabling synergies and contributing to the execution of the strategy of Personal Care;
- Acquired a 50% economic ownership in Government and Defense Projects;
- Acquired 24,2% in Personal Care for a price of €46.9 M of which € 23.45 M was paid in Q1 2024. The remainder is payable in Q1 2025. Through this transaction the Group now holds 95% of the shares in Personal Care.

Highlights Q2 2024 [compared to Q2 2023]

- Overall turnover increased by 7.7% from € 531.6 M to € 572.4 M (7.2% on a constant currency basis).

Message from the Executive Board

In the first half year Personal Care (+11%), and Beauty (+7%) showed continued strong performance. Health (+14%) grew on the back of the vaccine business, focus on the cruise market is starting to pay off. Food (+14%) delivered on the promise of the cruise industry, Travel Retail (+27%) benefited from prior years' investments in new stores and the recovering traveller's market. Liquors (-/- 11%) saw decreasing revenues especially in the global trade business.

Net debt/EBITDA ratio improved from 3.6 to 3.4. This improvement created also room to further invest into inventories in the segments Personal Care (€ 19.3 M) Food (€ 16.4 M) and Beauty (€ 7.0 M) partly attributable to seasonal patterns and to the growth in turnover of € 45 M. Stronger focus on Working Capital management continues to be needed in HY2.

Operating expenses increased with 0.8% and as a consequence the Gross Margin increase of 5,2% directly contributed to the increase in EBITDA.

In the first HY we revisited the strategy of Liquors and decided to further integrate the European wholesale business from a managerial and logistical perspective. The global trade purchasing model was revisited leading to a decrease in the risk profile of certain product categories. Both decisions are expected to contribute to a lower working capital level.

We expect the remainder of the year to be influenced by increased container prices due to the current geopolitical reality, inflation rates and development of the global economy especially in Asia.

Our CSRD related programs are on track. Furthermore there was an improvement in the engagement scores and participation levels in our annual people engagement survey.

For the remainder of 2024, we reconfirm the previously shared outlook with projected topline growth of 5%-7% in line with our Financial objectives 2024-2026. We project staff cost and other operating expenses in line, yet inflation is expected to remain a factor. Despite projected market circumstances increasing pressure on gross profit margins, we still project EBITDA margin in the range 5% - 6%.

Key figures HY 2024

€ million (unless otherwise indicated)	HY 2024 reported		HY 2023 reported		Δ (%) reported
Profit or loss account					
Turnover	1,102.1		1,057.5		4.2%
Gross profit (<i>margin</i>)	166.0	15.1%	157.7	14.9%	5.3%
EBITDA (<i>margin</i>)	52.7	4.8%	42.2	4.0%	25.0%
Depreciation & Amortisation	18.6		18.1		2.8%
Profit before tax	23.3		17.1		36.3%
Net profit	16.4		12.2		34.3%
EPS (in euro)	0.16		0.08		
ROIWC	23.0%		19.7%		
Financial position					
Inventory in days	106		96		
Working capital	528.2		467.7		
Solvency Ratio	24.2%		27.1%		
Net Debt	425.0		349.0		
Net Debt/EBITDA*	3.4		3.6		
Interest Coverage Ratio*	4.4		4.8		

*For the purpose of Net debt/ adjusted EBITDA and ICR ratio the adjusted EBIT(DA) is calculated in accordance with the definition used by the banks for the determination of the covenants

Financial performance

Turnover

Total turnover over HY 2024 grew 4.2% compared to HY 2023 levels. This organic turnover growth was realized across all segments, except for Liquors. Turnover for the Liquor segment decreased by € 34.7 M (-11.2%).

Beauty

Despite the global economy still being affected by the prevailing inflation and inherent challenging market conditions, the Beauty segment realized a 6.6% increase in turnover compared to HY 2023. Our B2C business was the main contributor to the reported growth (+14%), which aligns with the long-term strategy of the Beauty segment. Furthermore, B2R is demonstrating robust performance partly as a result of the expansion of its product portfolio.

The investments made especially within our B2C-activities in recent years, are slowly starting to contribute to an improvement of the operating results due to the efficiency gains in logistics.

Food

In the first half of 2024, the Food segment focused on stable operations and service excellence in the midst of challenging market conditions. The turnover growth in the Maritime market was driven by the Cruise business. Within the Export markets margins 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. All in all. turnover grew 14.0% compared to HY 2023.

During the first half year of 2024, the G&D Investment contributed approximately € 1 M to EBITDA. The income stemming from these contract asset(s) is reported as other income as part of the operating result and EBITDA.

Health

The travel related vaccine business continuing to improve during the first half of 2024. The availability of vaccines from manufacturers has enabled the Health segment to meet the continued high demand from its customers, contributing to the increase in turnover and gross profit. Turnover increased by 13.8% in the first half of 2024 compared to HY 2023, with 7.5% growth in Q2 2024 compared to the same quarter last year. Gross profit margins slightly improved.

Liquors

The challenging market circumstances in the international liquor markets continued throughout the first half of 2024 leading to a decrease in turnover and gross profit in the subsegment Liquor Trade. As a result, the global trade purchasing model was revisited leading to a decrease in the future risk profile of certain product categories for which cancellation fees of € 2.8 M were incurred in HY1 2024.

Our European liquor wholesale companies were also confronted with difficult market circumstances, however turnover decrease was less significant and during Q2 a marginal recovery in turnover was noted (+1.7% as compared to Q2 2023).

All in all, this resulted in a decrease in turnover of 11.2% for the Liquor segment compared HY1 2023. Despite a decrease in both personnel as well as other operating expenses the aforementioned led to a negative EBITDA of € 0.8 M.

Personal Care

Personal Care realized a turnover growth of 10.9% during the first half of 2024. This increase is mainly driven by our Private Label product category. Private Label turnover benefited from the introduction of a successful Spring Collection line. This positive trend offset the decline in our turnover of A-brand products due to continuously reduced product availability and ongoing pressure on purchase prices. Although realized gross profit margins increased as compared to first half of 2023, it should be noted that gross profit margins Q2 declined as compared to Q1.

Travel Retail

Travel Retail realized an increase in turnover of 26.5% as a result of higher passenger numbers and newly opened shops in 2023 and 2024. Throughout the first half year of 2024 passengers have returned to approximately 90% (depending on the location) of pre-corona levels in 2019. Despite this recovery, the passenger profile has shifted predominantly towards leisure travellers across most airports, with a notable absence of business travellers. Additionally, passengers from Asia have not yet returned but are anticipated to gradually resume in second half 2024. All in all the average spend per customer has not yet recovered to the desired level.

Gross margin for electronics has been under pressure due to limited innovation coming from the product owners during the first HY and increased competition including online sales. Gross margin within the multi-category business improved compared to the same period last year, partially offsetting the pressure on electronics.

During the second quarter, the former Travel Retail office building, located at Hoofddorp has been sold, which resulted in a profit of € 2.1 M.

Turnover split per segment

€ million (unless otherwise indicated)	HY 2024 reported	HY 2024 organic	HY 2024 acquisitive	HY 2024 FX	HY 2023 reported	Δ (%) reported	Δ (%) constant currency
Beauty	367.2	22.9	-	(0.1)	344.4	6.6%	6.6%
Food	168.1	20.8	-	(0.2)	147.5	14.0%	14.1%
Health	28.8	3.5	-	-	25.3	13.8%	13.8%
Liquors	276.4	(34.8)	-	0.1	311.1	-11.2%	-11.2%
Personal Care	202.0	19.9	-	-	182.1	10.9%	10.9%
Travel Retail	59.6	12.5	-	-	47.1	26.5%	26.5%
TOTAL TURNOVER	1,102.1	44.8	-	(0.2)	1,057.5	4.2%	4.2%

€ million (unless otherwise indicated)	Q2 2024 reported	Q2 2024 organic	Q2 2024 acquisitive	Q2 2024 FX	Q2 2023 reported	Δ (%) reported	Δ (%) constant currency
Beauty	183.5	7.8	-	1.1	174.6	5.1%	4.5%
Food	93.1	15.7	-	0.2	77.2	20.6%	20.3%
Health	14.3	1.0	-	-	13.3	7.5%	7.5%
Liquors	144.8	(3.2)	-	0.9	147.1	-1.6%	-2.2%
Personal Care	103.8	10.8	-	-	93.0	11.6%	11.6%
Travel Retail	32.9	6.4	-	0.1	26.4	24.6%	24.2%
TOTAL TURNOVER	572.4	38.5	-	2.3	531.6	7.7%	7.2%

Gross profit

Gross profit amounted to € 166.0 million compared to € 157.7 million over first half year of 2023, an increase of 5.2%. As a percentage of turnover, margins increased from 14.9% to 15.1%.

Reported gross profit HY 2024 was negatively impacted by purchase cancellation fees, totalling to € 2.8 million in the Liquors segment. Please bear in mind that HY 2023: € 3.6 million provisions had been accounted for in the Liquor segment.

Operating expenses

Operating expenses increased from € 115.5 million over HY 2023 to € 116.4 million over HY 2024 (+0.8%). The increase is caused by personnel costs, which increased by 4.8% to € 83.3 million, impacted by both inflation and the tight labour market. The other operating expenses decreased by € 3.0 million (-8.3%), although it should be noted that HY 2023 included € 2.0 million one-off advisory and review costs.

Other income

Other income amounted to € 3.1 million (HY 2023: € nil) and comprises of the sale of the former Travel Retail office building, located at Hoofddorp (€ 2.1 million) and the reported income stemming from the newly acquired G&D contracts in the Food segment € 1 million.

EBITDA

Reported EBITDA over the period increased by 25.0% as the higher revenues and higher gross margins were further increased by Other income. EBITDA amounted to € 52.7 million, compared to € 42.2 million over HY 2023. EBITDA margin increased to 4.8% (HY 2023: 4.0%).

Group result for the period

Depreciation of tangible fixed assets, right-of-use assets and amortization of intangible fixed assets amounted to € 18.6 million (HY 2023: € 18.1 million). Financial expenses increased by € 4.0 million to € 11.0 million (+57%) as a result of increased interest rates and higher average debt positions outstanding. This resulted in profit before tax of € 23.3 million (HY 2023: € 17.1 million).

Net profit attributable to non-controlling interests amounted to € 3.2 million (HY 2023: € 5.2 million). Net profit attributable to the owners of the Company amounted to € 13.2 million compared to € 7.0 million over HY 2023. As a result, earnings per share increased from € 0.08 to € 0.16 over the first six months.

Cash flow & financial position

Net cash from operating activities amounted to € -44.1 million (2023: € -0.3 million) mainly following the increase in inventory of € 89 million during HY 2024. Net working capital amounted to € 528.2 million, compared to € 467.7 million at June 30, 2023. Working capital in days increased from 94 days in HY 2023 to 103 days in HY 2024.

Investing activities are mainly related to the acquisition of an additional stake in Personal Care. The purchase of the 24.2% stake brings the total stake to 95%. In addition, the acquisition of 100% of the shares in Tastemakers Holding B.V. was completed in HY 2024. The purchase price was € 7.0 million on a debt and cash free basis.

The Group has further invested in 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. An amount of € 17.6 million (\$18.8 million) has been agreed as payment for the contracts, with deferred considerations over the next 3 years, with an initial payment of € 8.8 million in Q3 2024.

Net debt increased from € 349.0 million to € 425.0 million as per June 30, 2024. The net debt / EBITDA ratio stood at 3.4 (HY 2023: 3.6) and the interest coverage ratio came in at 4.4 (HY 2023: 4.8). We will continue to closely monitor the interest developments and working capital management.

Outlook

For the remainder of 2024, we reconfirm the previously shared outlook with projected topline growth of 5%-7% in line with our Financial objectives 2024-2026. We project staff cost and other operating expenses in line, yet inflation is expected to remain a factor. Despite projected market circumstances increasing pressure on gross profit margins, we still 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 HY 2024 results.

The call will be recorded and archived for playback purposes and will be available on [our website](#) shortly after the call.

Financial calendar

November 11, 2024	9M 2024 trading update (07:00 CET)
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 - Key figures per segment

Beauty

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	367.2	344.4	6.6%	183.5	174.6	5.1%
Gross profit	61.8	58.7	5.2%			
EBITDA	16.8	16.0	4.7%			
EBITDA margin	4.6%	4.6%				

Food

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	168.1	147.5	14.0%	93.1	77.2	20.6%
Gross profit	26.9	24.6	9.4%			
EBITDA	8.0	7.7	3.7%			
EBITDA margin	4.8%	5.2%				

Health

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	28.8	25.3	13.8%	14.3	13.3	7.5%
Gross profit	5.4	4.2	27.2%			
EBITDA	1.8	0.7	142.8%			
EBITDA margin	6.1%	2.8%				

Liquors

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	276.4	311.1	(11.2%)	144.8	147.1	(1.6%)
Gross profit	16.7	22.0	(23.8%)			
EBITDA	(0.8)	1.3	(157.3%)			
EBITDA margin	(0.3%)	0.4%				

Personal Care

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	202.0	182.1	10.9%	103.8	93.0	11.6%
Gross profit	42.4	35.3	20.0%			
EBITDA	26.3	21.3	23.3%			
EBITDA margin	13.0%	11.7%				

Travel Retail

€ million (unless stated otherwise)	HY 2024 reported	HY 2023 reported	Δ (%) reported	Q2 2024 reported	Q2 2023 reported	Δ (%) reported
Turnover	59.6	47.1	26.5%	32.9	26.4	24.6%
Gross profit	12.6	11.0	14.5%			
EBITDA	1.1	(1.8)	161.2%			
EBITDA margin	1.9%	(3.9%)				

Please note that EBITDA HY 2024 is positively influenced by Other income stemming from the sale of the former Travel Retail office building amounting to € 2.1 million.

Appendix 2: 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

Appendix 3 – Normalisation Key figures HY 2024

€ million	HY 2024 reported		HY 2024 Normalized		HY 2023 reported		HY 2023 Normalized		Δ (%) reported
Profit or loss account									
Turnover	1,102.1		1,102.1		1,057.5		1,057.5		4.2%
Gross profit (<i>margin</i>)	166.0	15.1%	168.8	15.3%	157.7	14.9%	161.3	15.3%	5.2%
EBITDA (<i>margin</i>)	52.7	4.8%	53.4	4.8%	42.2	4.0%	47.8	4.5%	25.0%
Depreciation & Amortisation	18.6		18.6		18.1		18.1		2.8%
Profit before tax	23.3		23.9		17.1		22.7		36.3%
Net profit	16.4		16.9		12.2		16.4		34.3%
EPS (in euro)	0.16		0.19		0.08		0.13		
ROIWC	23.0%		22.4%		19.7%		21.0%		
Financial position									
Inventory in days	106		106		96		96		
Working capital	528.2		528.2		467.7		467.7		
Solvency Ratio	24.2%		24.2%		27.1%		27.4%		
Net Debt	425.0		425.0		349.0		349.0		
Net Debt/EBITDA	3.5		3.4*		3.8		3.6*		
Interest Coverage Ratio	4.4		4.4*		4.3		4.8*		

Normalization HY 2024

- One off Liquor segment - Cancellation fees: € 2.8 M;
- One off Travel retail – Gain on the sale of former office building: € 2.1 M

Normalization HY 2023

- One offs provisions Liquor segment: € 3.6 M;
- One off advisory cost – OPEX: € 2.0 M

*For the purpose of Net debt/ adjusted EBITDA and ICR ratio the adjusted EBIT(DA) is calculated in accordance with the definition used by the banks for the determination of the covenants



Contact Investor Relations

investor.relations@bs-group-sa.com

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.