



## Value adding distribution partner

FY 2018 Investor Presentation | March, 2019



**WE SOURCE**



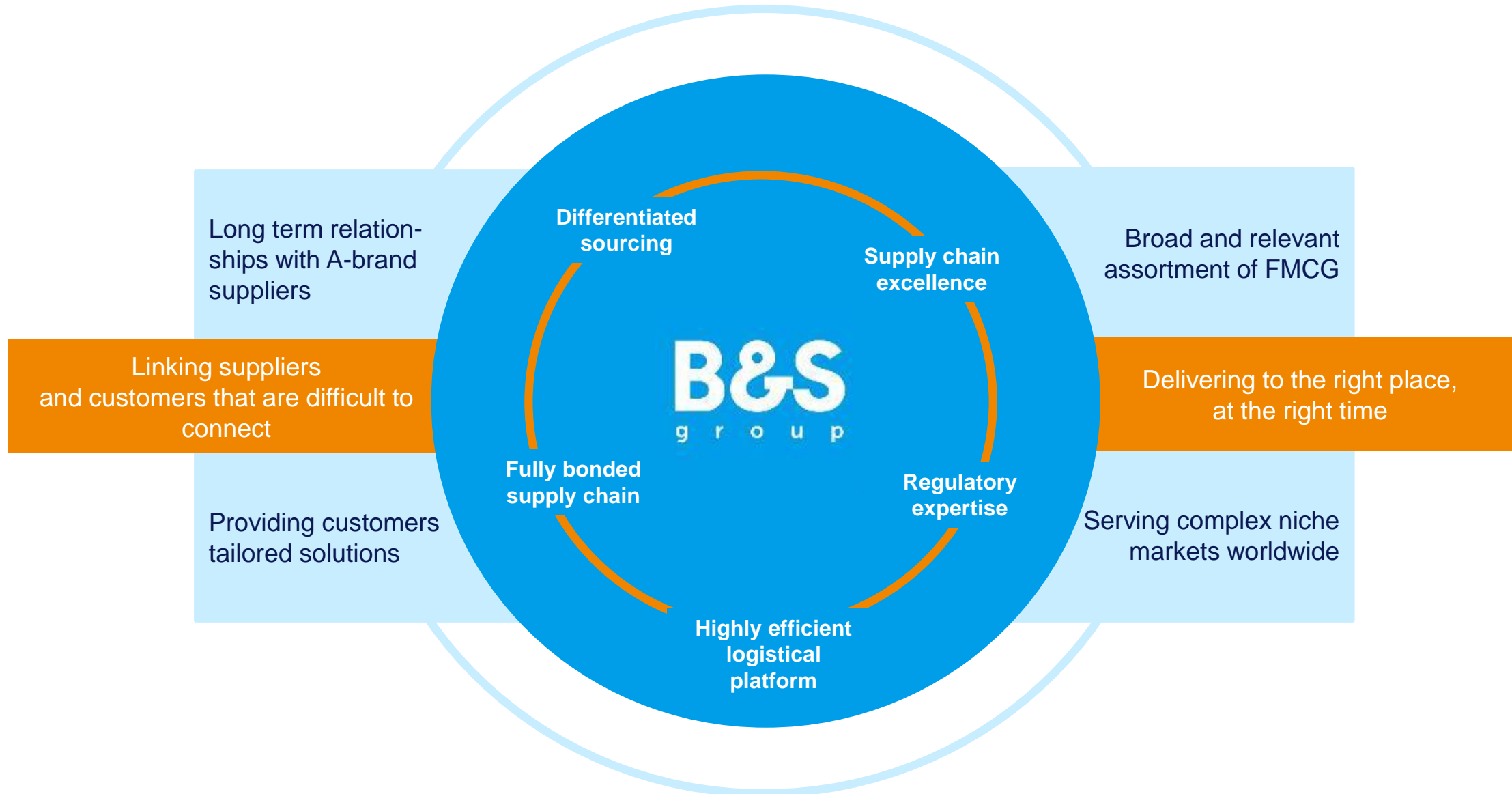
**WE SERVE**



**WE SUPPLY**

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# A unique value adding proposition



# Serving a diversified customer base worldwide



Empowering wholesalers and retailers (B2B)



Serving complex end-markets in maritime



Partner in remote distribution



Experienced in retail (B2C)

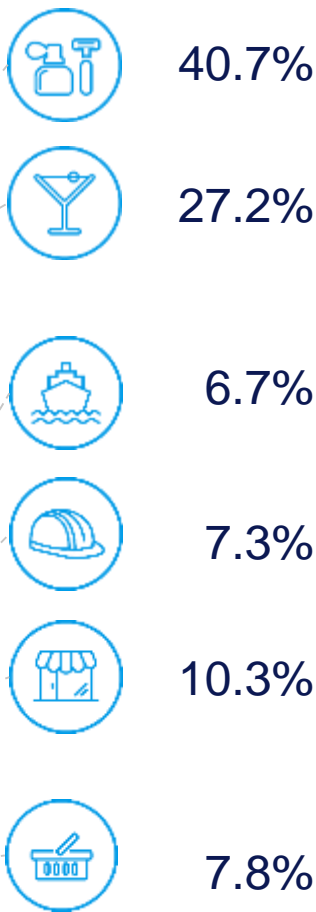


# Active in markets that are exposed to attractive long term trends

**Business segments**  
Turnover per segment 2018\*



**B&S Group markets/ channels**  
Contribution to B&S Group turnover 2018



**Attractive long term trends**



\*On a constant currency basis

# Entrepreneurial segments supported by centralised backbone



IT



Distribution



Legal &  
Compliance



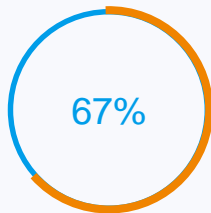
HR



Finance & Control



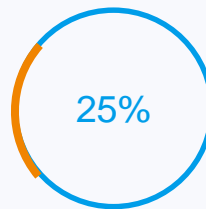
Distribution of bonded liquors and health & beauty products to specialty retailers and online end-customers



of Group turnover



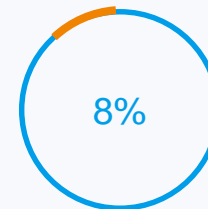
Specialty distribution of FMCG products to maritime and remote markets



of Group turnover



Specialty retail at high traffic airports and remote locations



of Group turnover

# Driven by a defensive and global profile

1

Robust and global product categories that tend to outperform in economic hardship

2

Solid sales channels with growth potential

3

Bonded supplier status limits macroeconomic impact

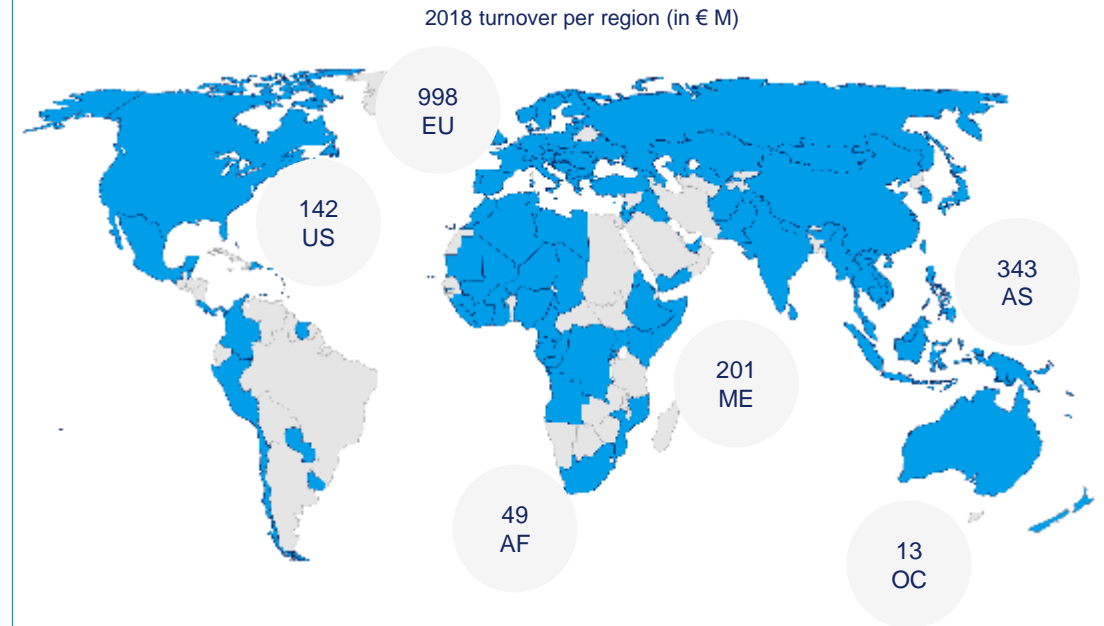
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Strong balance sheet with high solvency levels and healthy net debt / EBITDA ratio

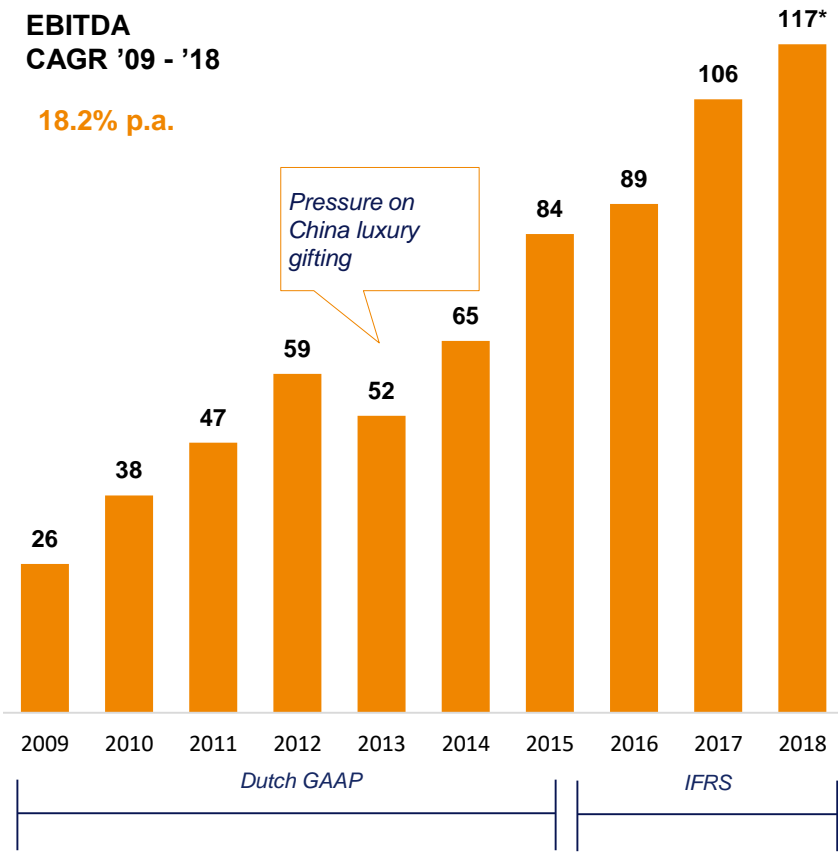
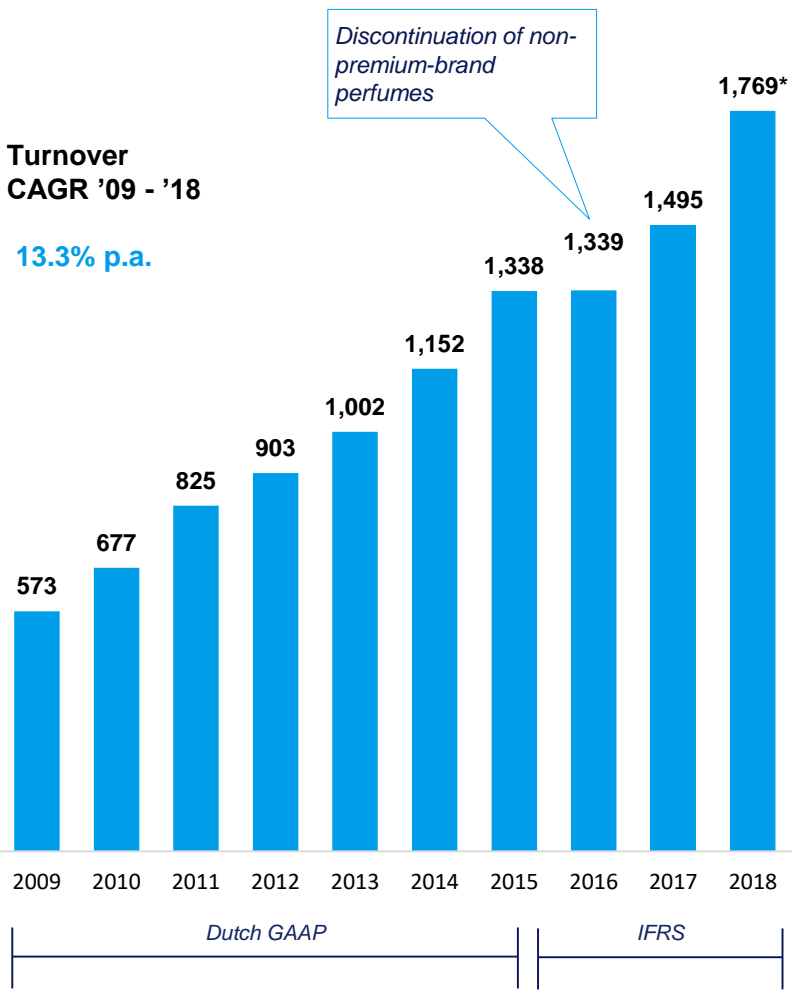
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Large and diversified supplier and customer base with long-term relationships

## Serving over 100 complex end markets worldwide



# Resulting in a strong track record of profitable growth



\*2018 on a constant currency basis, EBITDA adjusted for acquisition costs and sharebased payments



# Well positioned to capture growth opportunities





## FY 2018 Highlights

# FY 2018 – Financial Highlights

## Overall turnover growth

- 16.8% to € 1,746.5 M (18.2% to € 1,768.6 M on a constant currency basis)

## Organic turnover growth

- 9.6% (11.0% on a constant currency basis)

## Adjusted EBITDA

- Adjusted EBITDA\* increased by 11.5% to € 116.9 M (2017: € 104.8 M) on a constant currency basis
- If hedge accounting would have been applied as of January 2017, EBITDA increased by 15.2% on a constant currency basis compared to 2017

## Financial position

- Solid financial position with net debt / EBITDA at 2.7\*\*

## FragranceNet.com

- Acquisition of FragranceNet.com, consolidated from October 1, 2018 onwards, contributed directly to turnover and EBITDA growth in the HTG Segment

\*Adjusted for acquisition costs and share based payments

\*\*Taking into account the FY EBITDA of FragranceNet.com over 2018

# FY 2018 - Key developments

## Channel and market growth

- Challenging global economic markets
- Expansion of leading positions internationally

## Transition to public company

- Raised profile; beneficial in executing our growth strategy
- Enthusiastic workforce committed to support growth

## Acquisition FragranceNet .com

- Further growth along the value chain
- Substantial footprint in USA
- Further growth in health & beauty product category

## Operational efficiency focus

- Expansion of logistical platform
- Start of transfer of operations to our new warehouse in B&S Segment

# FY 2018 - Business segment developments



- Overall increase in demand, especially in Asia
- Increased turnover in health & beauty product category mainly as a result of ongoing focus on EU client portfolio and intensified cooperation with key accounts in value retail
- FragranceNet.com consolidated from fourth quarter onwards, immediately enhancing earnings
- FragranceNet.com integration ahead of schedule

€ million	2018	2017
Turnover	1,209 (24.1%)	974
EBITDA	82 (26.6%)	65



- Remote business continues, no indications that number of missions and troops are as yet being reduced, working on new contract for government & defence organisations
- Maritime sector stable
- Expansion of logistical platform and start of operations in the warehouse resulted in temporary higher staff costs
- In second half, we were confronted with major increases in international transport costs; most could be passed on to customers with delay into 2019

€ million	2018	2017
Turnover	456 (7.0%)	426
EBITDA	24 (-17.8%)	29

## RETAIL

- Growth in number of passengers
- New contract awarded for Malaga
- Airport concessions for Abu Dhabi and Berlin to get into operation (early) 2020
- Working on multiple tenders

€ million	2018	2017
Turnover	137 (5.0%)	130
EBITDA	11 (2.9%)	10



## FY 2018 Financials



# FY 2018 - Key figures

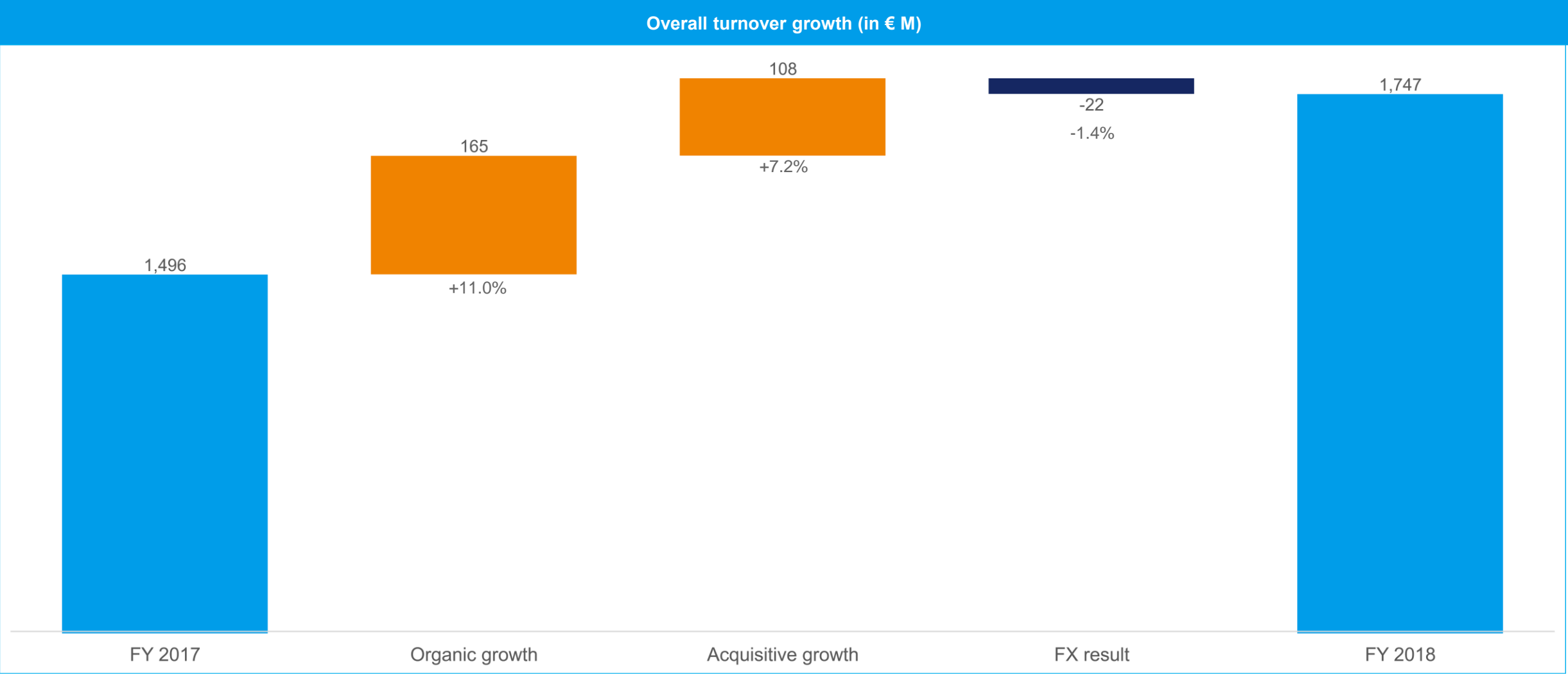
€ million (unless stated otherwise)	FY 2018	FY 2018 constant FX	FY 2017	Δ (%)	Δ (%) constant FX
<b>Profit or loss account</b>					
Turnover	1,746.5	1,768.6	1,495.8	16.8%	18.2%
Gross profit ( <i>margin</i> )	245.4 14.1%	248.8 14.1%	214.9 14.4%	14.2%	15.8%
Other gains and losses	(3.1)	(1.2)	3.3		
Adjusted EBITDA ( <i>margin</i> )*	111.5 6.4%	116.9 6.6%	104.8	6.4%	11.5%
Earnings per share (in euro)	0.72		0.81		

\* Adjusted for acquisition costs and share based payments

## Commentary

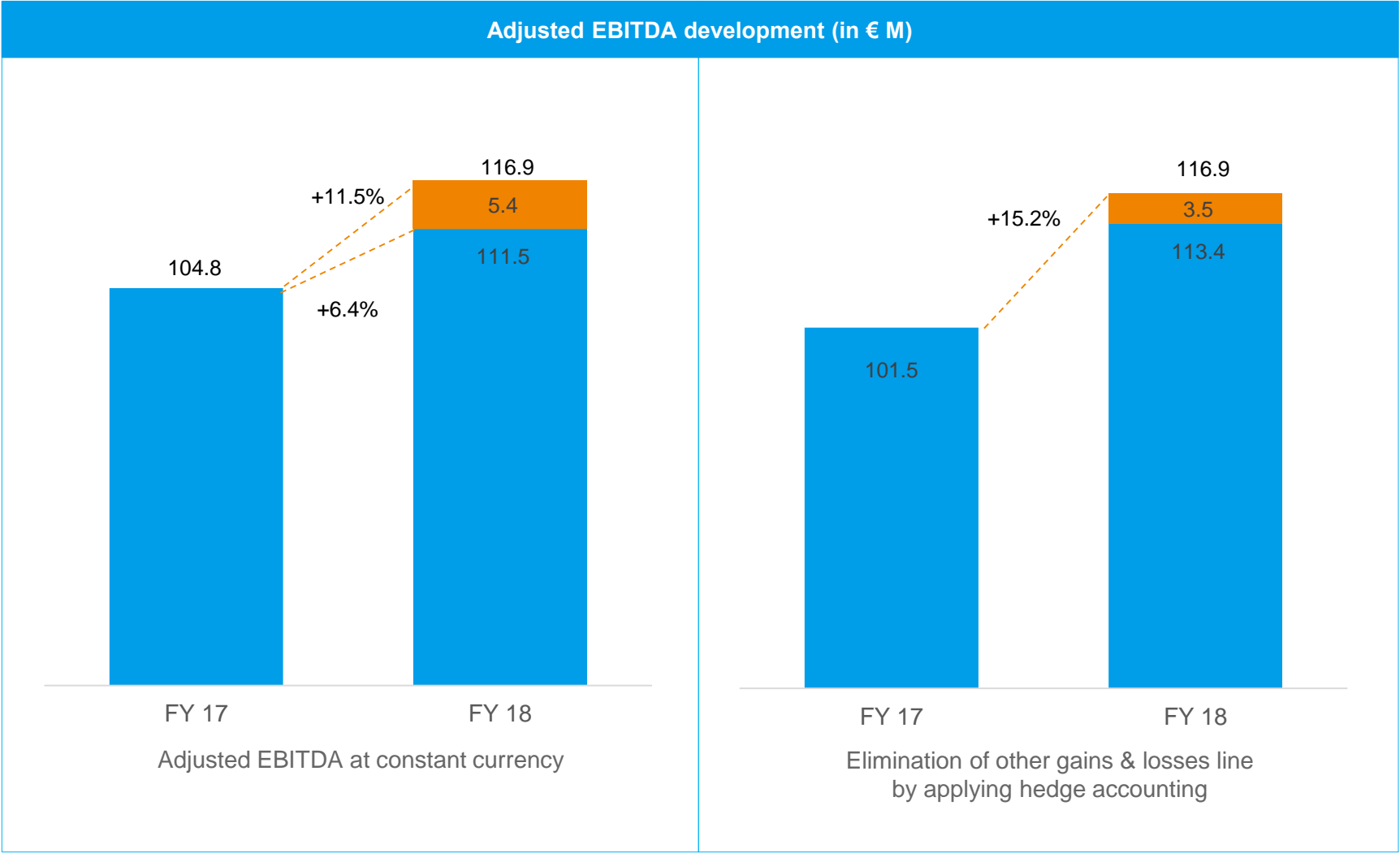
- Turnover grew 16.8% (18.2% on a constant currency basis)
- Gross profit grew 14.2%
- Gross margin affected by temporary higher staff costs and increased transport costs in H2 2018
- Other gains and losses (a non cash item) largely driven by the adverse development of the EUR/USD exchange rate
- Hedge accounting will be applied as of 2019, eliminating timing differences (other gains and losses)

# FY 2018 - Overall turnover growth analysis





# EBITDA development

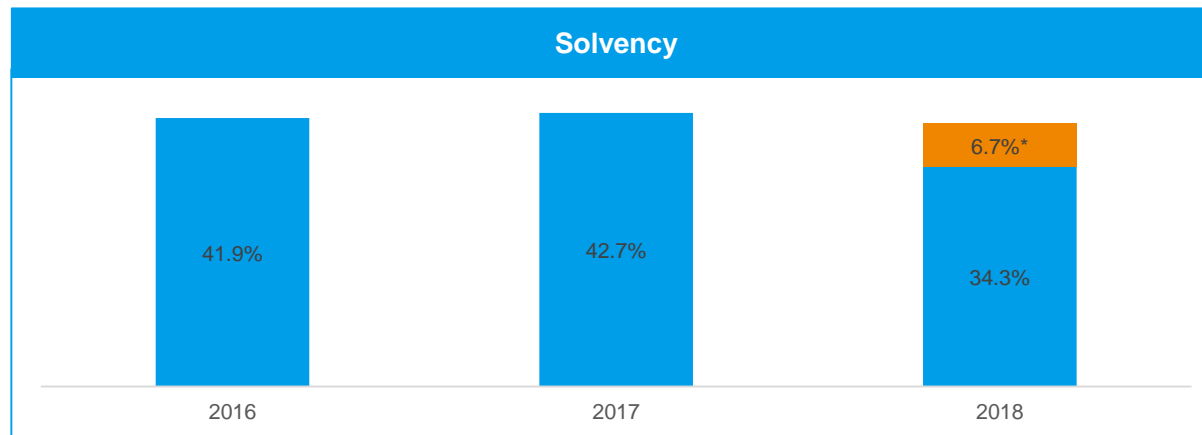


- | Commentary   |
|--|
| <ul style="list-style-type: none"><li>Adjusted EBITDA grew 6.4% to € 111.5 M</li><li>On a constant currency basis, adjusted EBITDA increased 11.5% to € 116.9 M</li><li>Effective 2019, B&amp;S Group applies hedge accounting, resulting in elimination of other gains &amp; gosses line that affects EBITDA (non-cash)</li><li>Applying hedge accounting – comparing 2018 to 2017 excluding the other gains and losses line – results in adjusted EBITDA growth of 15.2% on a constant currency basis.</li></ul> |

# FY 2018 - Financial position

€ million (unless stated otherwise)	YE 2018	YE 2017
<b>Financial position</b>		
Solvency ratio	34.3%	42.7%
Net debt	312.7	195.1
Net debt / EBITDA	2.7*	1.9
Inventory in days	92	91
Debtors in days	43	34

\*Taking into account the FY EBITDA of FragranceNet.com over 2018

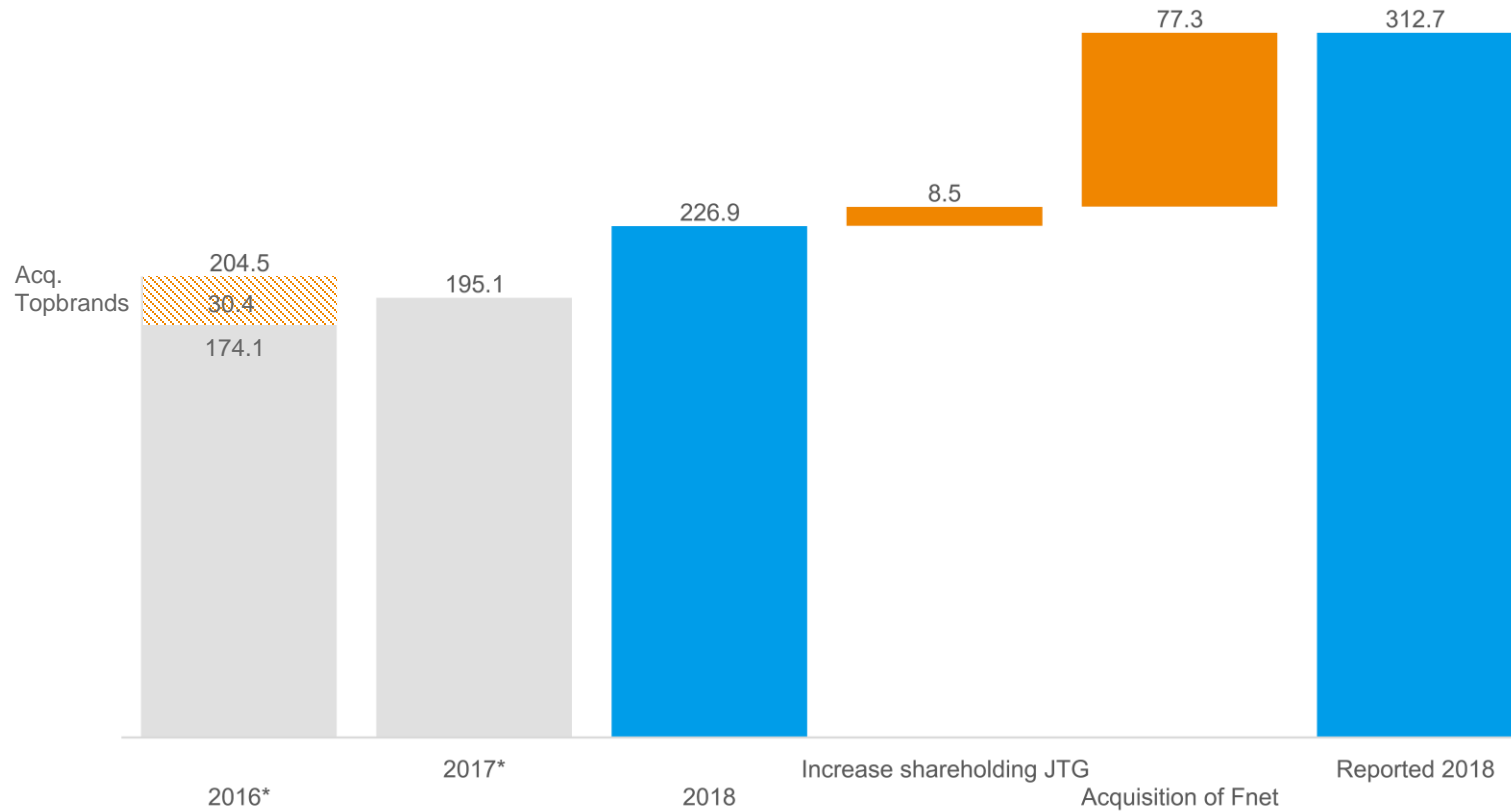


\*Impact of FragranceNet.com acquisition on solvency

## Commentary

- Net debt increase mainly due to the FragranceNet.com acquisition and associated consolidation, and the increase in working capital
- Balance sheet and as such solvency impacted by € 87 M intangibles following FragranceNet.com acquisition
- Financial position well within pre-determined objectives
- Solvency position remains strong

# Net debt level as at December 31, 2018\* (in € M)



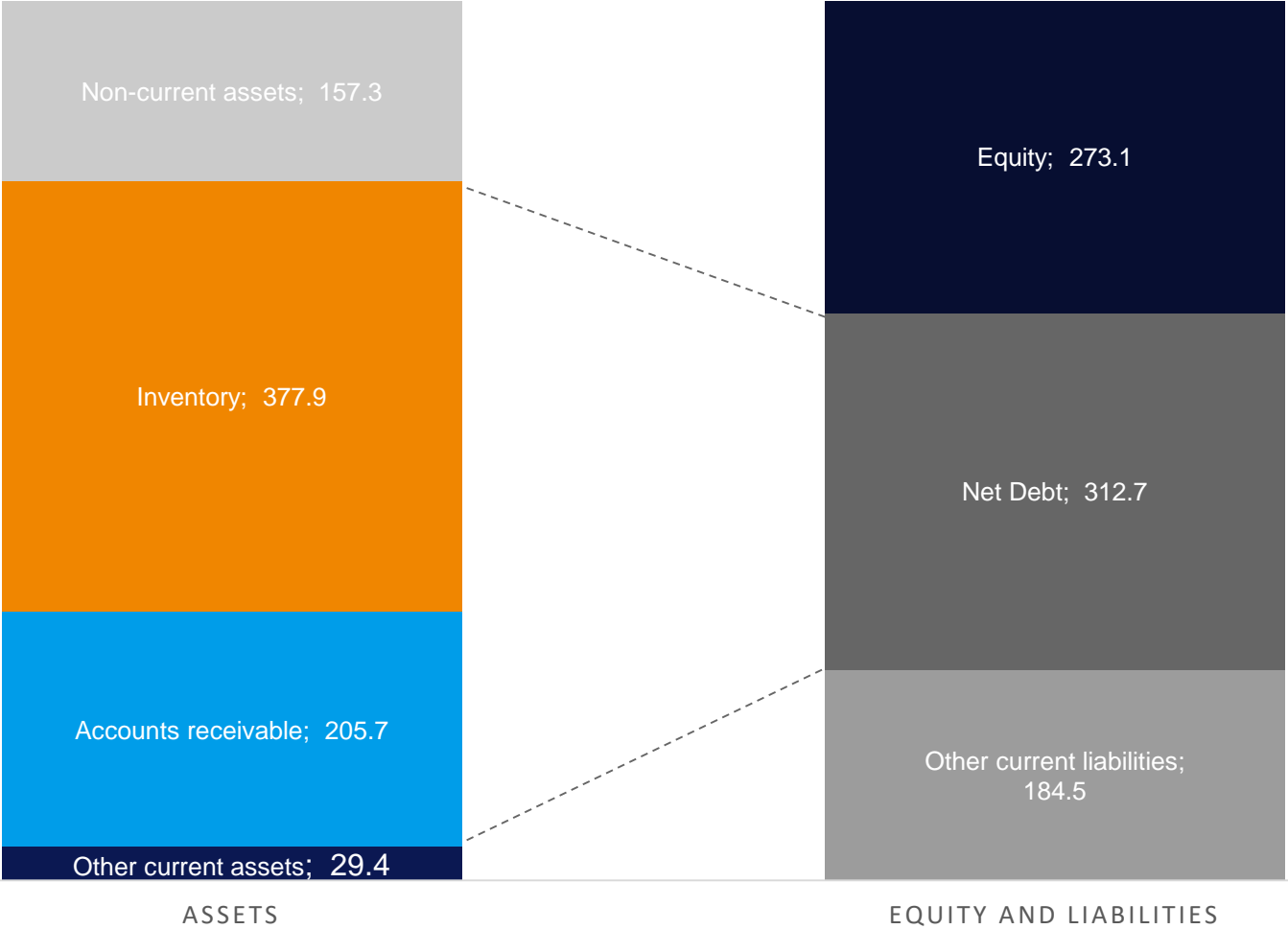
\*After dividend distribution

## A view on 2019

- We expect to continue our growth in line with disclosed MTOs
- No capex expected in excess of 2018 levels
- Limited working capital requirements for FragranceNet.com

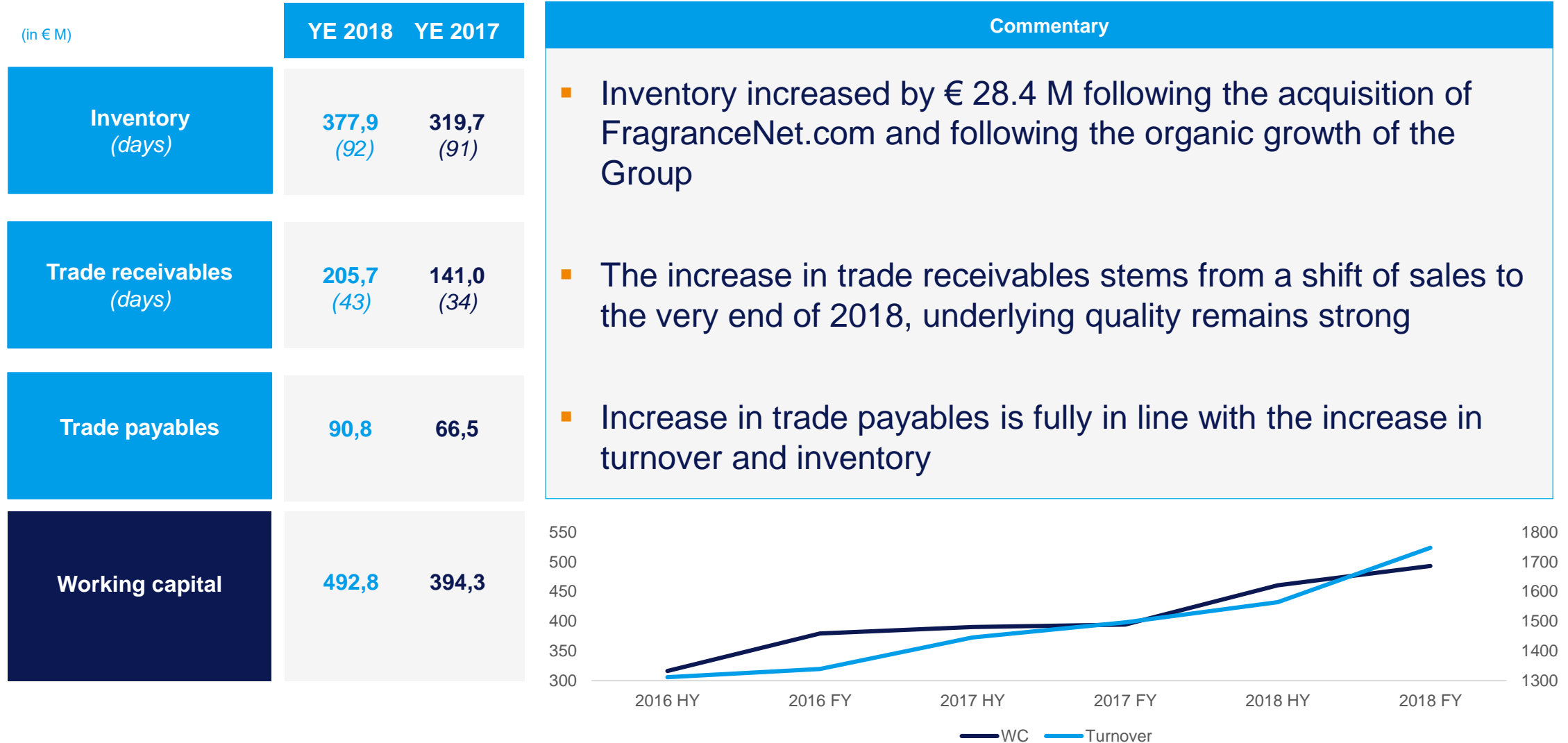
# Strong and conservative financial position

Healthy positions  
with high  
turnaround and  
cash generation



Commentary
<ul style="list-style-type: none"> <li>Balance sheet remains solid post acquisition of FragranceNet.com</li> <li>Working capital forms the main part of the asset side of the balance sheet</li> <li>Inventories and receivables (total of € 584.6 M) are partly financed by debt (€ 312.7 M)</li> <li>As a result of our M&amp;A price discipline, the goodwill on the balance sheet is limited (€ 59.9 M)</li> <li>Ample head room within covenants and facilities combined with cash generation enables financing of further acquisitions</li> </ul>

# FY 2018 - Working capital development

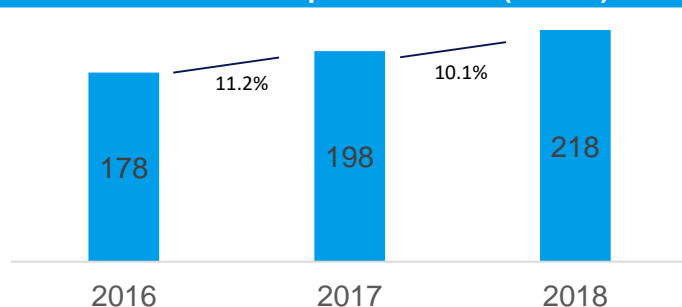




**FragranceNet.com**

# FragranceNet.com: strong organic growth profile with further acceleration post-acquisition

Turnover development in USD (Million)



## Market access

- Access to the US market – a white spot until 2018 for B&S Group
- Distribution of health & beauty products to end-customer online is a growing industry worldwide

## Online fragrance market

- FragranceNet.com is one of the leading online discount health & beauty companies in the US
- Market research commissioned indicates that market in which FragranceNet.com operates will continue to grow at a pace in line with previous years

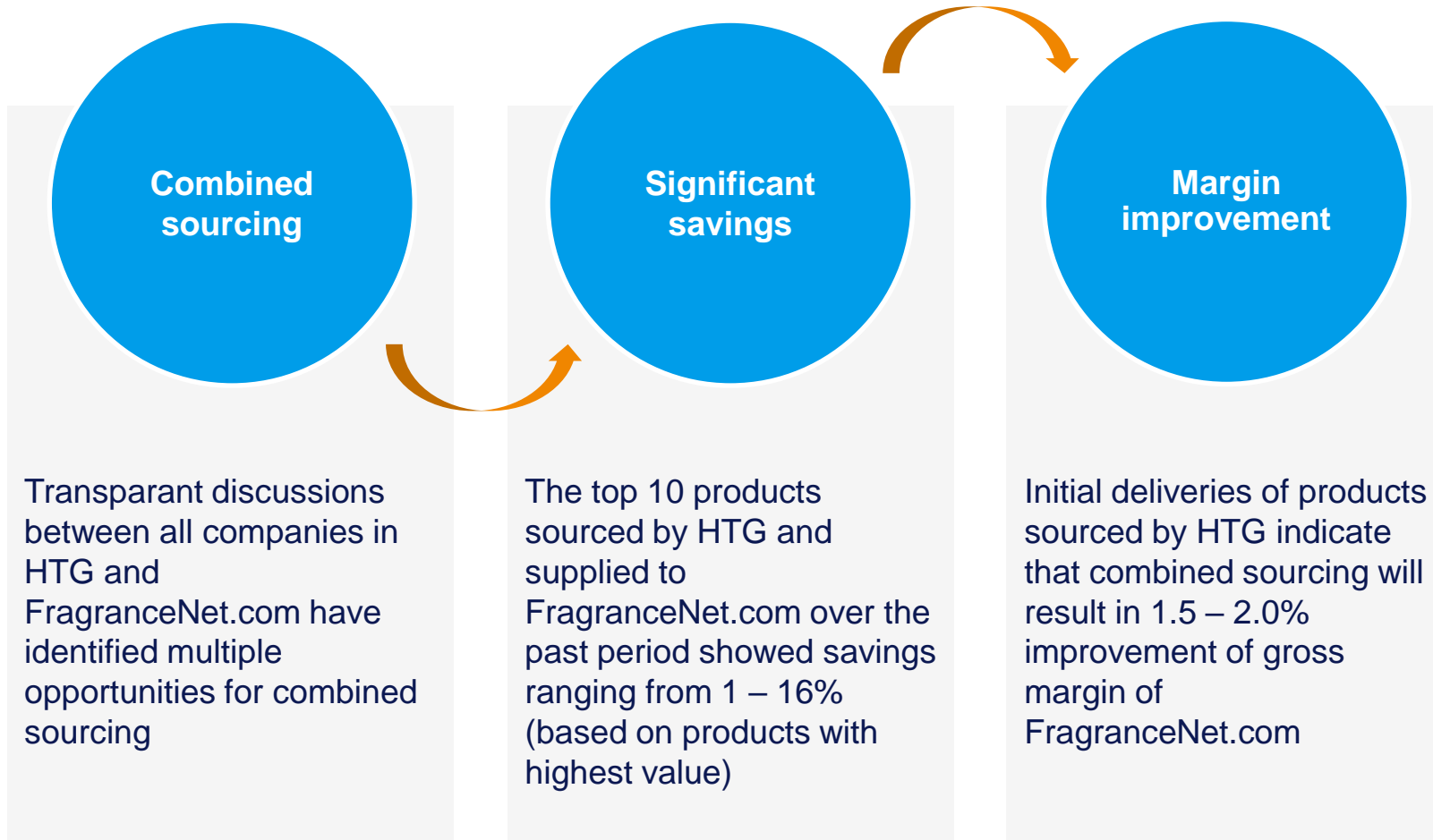
## Distribution expertise

- FragranceNet.com will open a new distribution center in Nevada, close to densely populated states such as California, significantly reducing lead times
- Plans are under development to roll out the FragranceNet.com business model into other regions outside the US

## Strong management

- Minority shareholders' interest in FragranceNet.com fully aligned with that of B&S Group
- Management team of FragranceNet.com is strengthened with B&S Group finance director

# Synergies FragranceNet.com – B&S Group



## Platform ready for growth

- Integration ahead of planning; fully connected to Group platform, strengthened management team in place
- FragranceNet.com is a platform for growth; enabling further cross selling, increasing presence in current markets and tapping into new markets





## Outlook

## Markets

- Continued demand for FMCG with limited vulnerability to macroeconomic conditions and developments
- Geographical spread that limits local exposure and dependency further amplified with the addition of US market
- Online health & beauty is one of our main growth markets for coming years

## Organic & acquisitive growth

- Based on the current market outlook and the opportunities we see ahead, we are confident to continue strong organic growth
- We have a pipeline of potential acquisition candidates that fit our profile, and substantial cash generation combined with head room in lending capacity fully within covenants to grow through acquisitions

## FragranceNet.com

- Integration well ahead of expectations; further improvements in margin expected
- Further focus on operational efficiency and roll out of business model outside US, with initial focus on Europe and Australia

## Segments

- HTG together with JTG, Topbrands and FragranceNet.com are expected to be the main driver of the growth in turnover for B&S Group
- Key focus of the B&S Segment is on solutions for logistical challenges that became manifest in H2 2018, at the same time focussing on medium term growth of turnover
- Retail segment growth through concessions getting into operation in Abu Dhabi and Berlin in 2020 and newly awarded contract in Malaga

## MTOs

- Focus will remain on topline growth and underlying EBIT(D)A, combined with a healthy net debt / EBITDA ratio
- Confident to realise further growth in line with stated medium term objectives

## Forward-looking information / disclaimer

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This presentation includes forward-looking statements. Other than reported financial results and historical information, all statements included in this presentation, 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 Group'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 presentation 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.



Value adding distribution partner



**WE SOURCE**



**WE SERVE**



**WE SUPPLY**