



30 November 2020

SELECTA GROUP B.V.
(“Selecta” and together with its subsidiaries, the “Group”)

Q3 FY20 RESULTS

Selecta, Europe’s leading route-based unattended self-service retailer, announces its results for the three months ended 30 September 2020.

Q3 Performance Summary¹

The Group’s financial performance continued to be impacted by COVID-19 and lockdown measures implemented across Europe, resulting in reduced time spent in the workplace and lower footfall in travel hubs.

However, quarterly sales evolution showed a sequential improvement between Q2 and Q3 versus corresponding periods in FY19 as lockdown measures were eased, with a revenue reduction of -29.8% in Q3 compared to -47.3% in Q2.

- Revenue fell by 29.8% to €289.3 million for the three months ended 30 September 2020 (three months ended 30 September 2019: €412.2 million)
- Adjusted EBITDA^{2,3} reduced by 58.1% to €29.9 million for the three months ended 30 September 2020 (three months ended 30 September 2019: €71.5 million), integrating mitigation actions taken to reduce operating costs.
- Reported EBITDA³ was €11.2 million, down 78.3% compared with the three months ended 30 September 2019: €51.9 million, reflecting one-off costs of €18.7 million to support rightsizing of the business
- While Q3 sales and profitability were ahead of expectations, the second wave of the virus in Europe has resulted in new lockdown measures and a more cautious sales outlook for Q4. Further actions are being taken to mitigate these impacts and ensure proper delivery of profitability and cash-flows.
- The recent completion of the recapitalization gives sufficient liquidity headroom to execute the ONE Selecta strategy.
- Reconfirmation of our long-term plan and focus on the execution of our vision to transform and grow the Company.

¹ At actual exchange rates. ²Adjusted EBITDA: Earnings before Interest, Tax, Depreciation and Amortization and prior to one off items (external and internal costs which are not related to the on-going business). ³ 2020 number include the effects of IFRS 16, which was adopted from 1 Jan 2020

Execution of transformation strategy

Selecta has a new and highly experienced management team, with transformation and operational expertise to drive change and position the Group for the next stage of its growth.

The ‘ONE Selecta’ strategy is focused on transforming the Group and transitioning to a “GLOCAL” model by leveraging its global resources and world-class distribution network to deliver excellent local execution.

The first step on this journey was the recapitalization of the Group completed in October 2020, which provided financial strength and flexibility to enable execution of the strategy.

A new leadership team has been appointed, focused on business culture and streamlining local operations to capture synergies and efficiencies from working as “ONE Selecta”. This includes investment in the standardization of group-wide IT systems and processes.

The pandemic has been a catalyst to accelerate the Group’s transformation, with rightsizing of the organization a key priority to align the structure to lower sales assumptions. In addition, there is a strong focus on contingency planning in Q4, zero based budgeting for 2021 and a move to a metric-driven organization to mitigate the impact of the second wave of the virus.

There is also a renewed focus on strengthening and developing client relationships and operational excellence to deliver industry leading client retention levels, as well as working with partners to bring globally recognized brands to clients. In addition, the Group has continued to innovate and has now installed 200 FOODIE’S MicroMarkets in Europe. New self-service smart fridge solutions - Selecta Deli and Selecta Minicooler - have been introduced in Sweden, providing flexible food and refreshment solutions for different workplace needs, and a range of convenient hygiene and safety solutions were launched for public and private vending as a response to the COVID-19 pandemic.

Joe Plumeri, Executive Chairman, said:

“Our vision is for Selecta to become a great and admired company with a clear purpose of making people feel great and creating millions of moments of joy and happiness every day. The pandemic has been a catalyst to accelerate transformation of the Group and we have made good progress in executing our ONE Selecta strategy and rightsizing the organization to position it for future growth.”

Christian Schmitz, Group Chief Executive Officer, commented:

“We have taken and continue to take swift and decisive action to mitigate the impact of the pandemic. We are focused on driving organic and profitable growth through retaining our clients and selling more products and services. We want Selecta to be the go-to organization in the industry and the innovator, delivering best-in class service to clients, driven by a motivated and engaged workforce with an entrepreneurial mindset.”

- ENDS -

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About Selecta Group

Headquartered in Switzerland since 1957, Selecta is Europe's leading route-based unattended self-service retailer, providing coffee and convenience food solutions in the workplace and in public spaces. The excellence of Selecta's route-based operations has been recognized with multiple industry awards.

For more information, please visit www.selecta.com

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