

ID Logistics: dynamic first quarter with sales up 9.6% to €392.5 million

- **First-quarter 2020 sales: €392.5m, up 9.6% and 7.4% on a like-for-like basis**
 - **Good activity in France: €173.5m, +3.5%**
 - **Strong international growth: €219.0m, up 15.0% and 11.2% on a like-for-like basis**
- **Resilience of ID Logistics' business model in the COVID-19 crisis**
- **Priorities focused on protecting teams, customer support and the Group's cash flow**

Orgon, 28 April 2020 – 5.45pm: ID Logistics (ISIN: FR0010929125, Ticker: IDL) one of the European leaders in contract logistics, is today reporting its revenues for the first quarter of 2020.

Eric Hémar, Chairman and CEO of ID Logistics, commented: *“During the first quarter of 2020, marked by the COVID-19 health crisis, the Group was able to react quickly by taking advantage of the flexibility of its organization and its pure player business model, both to support the fast-growing activities of its food and e-commerce customers and to limit costs for its customers whose activity is in decline or at a time of shutdown. ID Logistics makes every effort to ensure the safety of its teams, strengthen the support of its customers and maintain its financial resources. I would like to thank all ID Logistics employees for their exceptional commitment.”*

Revenues (€ million)	2020	2019	% change	Like-for-like % change
1st quarter				
France	173.5	167.7	+3.5%	+3.5%
International	219.0	190.4	+15.0%	+11.2%
Total	392.5	358.1	+9.6%	+7.4%

GOOD START FOR 2020 WITH DYNAMIC GROWTH IN THE 1ST QUARTER

ID Logistics has made a good start to the year 2020 with sustained sales growth in the 1st quarter to reach €392.5 million, up +9.6% and +7.4% on a like-for-like basis.

- **In France**, ID Logistics recorded a 3.5% increase in sales over the past quarter to €173.5 million. The first two months of the year posted a good performance, while the containment measures taken from 17 March in the context of Covid-19 weighed on March's growth, which was limited to +0.6%. Over the last month, the food, hygiene, personal care and e-commerce activities experienced strong growth which compensated for the decline in activity recorded in the other sectors.

- **International revenues** for the first quarter of 2020 recorded strong growth of +15.0% and +11.2% on a like-for-like basis, to €219.0 million. Business in the first two months of the year continued at the same pace in March: lower volumes in some countries affected by the containment measures in March (mainly Spain and Belgium) were more than offset by continued strong sales momentum in other countries (particularly Germany and the Netherlands). The Group recalls that China represents less than 1% of its business and that it is not present in Italy.

Over the last quarter, the foreign exchange impact was unfavorable overall, while the scope of consolidation effect includes the end of operations in South Africa in September 2019 and the consolidation in December 2019 of the Jagged Peak business in the United States, whose integration is now finalized and ahead of schedule.

UPDATE ON THE COVID-19 SITUATION

- **Summary of measures taken to deal with the crisis**

As soon as the crisis begins, the Group defined three priorities:

- 1) *Safety of its teams.* This was notably reflected in the setting up of a Group crisis unit and a specific operational organisation, formalized in France and in Spain by a best practices manual which has been widely adopted at the level of the professional branches and validated by all stakeholders (professional organizations, trade unions and government). These good practices (barrier gestures, temperature taking, production spread out over the day, distribution of masks and hydroalcoholic gel on all sites ...) are also deployed in the Group's other countries.
- 2) *Supporting and preserving the security of customers.* The Group reacted quickly by taking advantage of the flexibility of its organization and its "pure player" business model, both to support the fast-growing activities of its food and e-commerce customers and to limit costs for its customers whose activity is in decline or at a time of shutdown. In addition, a methodology has been developed with each client in all the Group's countries in order to already prepare the resumption of activity under the best possible conditions and as soon as possible, once the situation has returned to more normalized conditions.
- 3) *Company safety.* ID Logistics pays particular attention to cash management and costs adjustment. Thus, the Group has used the various government measures proposed to limit costs for its low activity customers. In addition, the Group has set up specific agreements with those that have experienced stronger than normal activity in order to share the additional costs related to unusual operational constraints.

- **Update on Financing Capacity and Cash Management**

The Group recalls that at 31 December 2019, its net financial debt / EBITDA ratio was 1.1, for a net financial debt of €89m excluding IFRS 16 rental debt, including €91m of cash and cash equivalent.

At the beginning of March 2020, ID Logistics finalised the refinancing of the balance of its acquisition debt with a new €100 million 5-year loan. This operation resulted in a net cash inflow of €29 million, better financial terms than the refinanced loans, and very gradual repayments. On this occasion, the Group also negotiated a 5-year revolving credit facility of €50 million, which has not been used to date.

Attentive to its cash management in the context of Covid-19, ID Logistics is also engaged in reviewing its investments planned for 2020 in collaboration with its customers, with the aim of being selective in its choices and progressive in the pace of its investments.

ID Logistics points out that, as in previous years, it does not plan to pay a dividend in 2020, preferring to reinvest the cash generated in its growth.

Finally, in this particular context, all members of the Group's Executive Committee agreed to reduce their fixed compensation by 15% during the confinement period in solidarity with Group employees placed on short-time unemployment due to the shutdown or decline in activity at their site.

OUTLOOK

During the first two weeks of April 2020, the decline in sales observed at the end of March 2020 accelerated, in particular due to the shutdown of fewer than 20 sites worldwide which represent approximately 6% of Group sales. Since then, some countries are starting to reopen stores, such as in Belgium and in Germany. It is therefore difficult at this stage to predict whether the trend of the first few days of April will continue, but the Group can rely on its balanced customer portfolio and diversified geographical exposure with a 40% share of the Group's business in the food retailing and personal care, hygiene and health products sectors, and 20% in e-commerce not concerned by containment.

Moreover, to date, ID Logistics has not experienced any significant delay in the start-up of new sites: after having launched 5 since the beginning of the year, the objective remains to open a further ten or so in 2020. At the same time, the Group continues to receive tenders and is also approached for one-off activities related to the COVID-19 crisis (implementation of e-commerce solutions, receiving and storing containers from Asia, opening overflow sites...).

Given the unpredictable nature of the evolution of the situation in the short term, to date, the Group is not in a position to quantify the impact of this crisis on its 2020 business. ID Logistics will continue to monitor and periodically re-evaluate, with the greatest attention, the evolution of the situation and its impact on its activities and results.

The Group remains fully focused on its core business fundamentals: operational management of its activities, sound cash management and external growth opportunities, particularly in Northern Europe and the United States.

NEXT REPORT

Publication of second-quarter 2020 revenues on 23 July 2020 after market close.

ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €1,534 million in 2019. ID Logistics has more than 320 sites across 18 countries, representing 5.8 million square meters of warehousing facilities in Europe, America, Asia and Africa, with 21,000 employees. With a client portfolio balanced between retail, industry, detail picking, healthcare and e-commerce sectors, ID Logistics delivers high-tech solutions and is firmly committed to sustainable development.

ID Logistics is listed on Compartment A of NYSE Euronext's regulated market in Paris (ISIN Code: FR0010929125, Ticker: IDL).

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Appendix

Like-for-like change

Changes in revenue on a like-for-like basis reflect ID Logistics' organic performance excluding the impact of:

- acquisitions and disposals: the revenue contribution of companies acquired during the period is excluded from the same period, and the revenue contribution made by companies sold during the previous period is also excluded from that period;
- changes in the applicable accounting principles;
- changes in exchange rates by calculating the revenues in the various periods based on identical exchange rates, so that the reported figures for the previous period are translated using the exchange rates for the current period

Reconciliation of reported revenues to revenues on a like-for-like basis

(€ m)	2019	Effects of acquisitions and disposals	Effects of exchange rate fluctuations	Effects of adoption of IAS 29*	% like-for-like change	2020
1st quarter	358.1	+3.5%	-1.3%	-0.0%	+7.4%	392.5

*Accounting treatment for hyperinflationary in Argentina

Definitions

- **EBITDA:** Underlying operating income before net depreciation of property, plant and equipment and amortisation of intangible assets
- **Net financial debt:** Gross debt plus bank overdrafts and less cash and cash equivalents
- **Net debt :** Net financial debt plus rent liabilities (IFRS 16)