



/// PRESSE RELEASE

ID Logistics in H1 2020 : A committed player against the pandemics, growth in sales and underlying operating income, reduction in net financial debt

- Good resilience of ID Logistics' business model despite the Covid-19 health crisis
- First-half sales growth of 4.3% (+2.0% like-for-like)
- Underlying operating income up to €20.1 million
- Net financial debt reduced by €30.1m to 0.7x EBITDA

Orgon, 26 August 2020 – 05:45 pm - ID Logistics, (ISIN : FR0010929125, Mnémo : IDL) one of the European leaders in contract logistics, announces its results for the first half of 2020 with revenues of €776.6 million, up 4.3% (+2.0% like-for-like), an increase in underlying operating income to €20.1 million (2.6% operating margin) and a decrease of €30.1 million in net financial debt to 0.7x EBITDA.

Eric Hémar, Chairman and CEO of ID Logistics, commented: « *During a first half of 2020 marked by the health crisis linked to the Covid-19 pandemics, all the ID Logistics teams have been particularly proud to have been able to ensure, at the heart of the crisis, the essential logistics needs in the countries most affected by the virus. ID Logistics has also been able to allow, under good conditions, the rapid recovery of the activity of some of its customers. In this unprecedented context, the Group experienced growth in its business and its underlying operating income. This first half illustrates the resilience of our Group's business model and the flexibility of our organization. The diversified client portfolio, the quality of our partnerships, our well-balanced international footprint and the commitment of our teams have been decisive assets in overcoming this unprecedented crisis.* »

Key financial indicators

€m	H1 2020	H1 2019
Revenues	776.6	744.5
EBITDA	97.5	95.3
<i>As a % of revenues</i>	<i>12.6%</i>	<i>12.8%</i>
Underlying operating income	20.1	19.5
<i>As a % of revenues</i>	<i>2.6%</i>	<i>2.6%</i>
Consolidated net income	6.5	6.6
<i>As a % of revenues</i>	<i>0.8%</i>	<i>0.9%</i>
	30/06/2020	31/12/2019
Net financial debt	59.0	89.2
Lease liabilities (IFRS 16)	375.2	379.7
Net debt	434.2	468.9
Equity	209.3	204.0

ID Logistics: a committed player against the pandemics

Facing the health crisis, ID Logistics has identified three main priorities:

- ensure the safety of its employees by providing working conditions that meet the highest standards of health safety ;
- support its customers as closely as possible to their needs, whether they are in high volume (sites dedicated to food distribution, health, hygiene or e-commerce), with reduced or stopped activity ;
- preserve the Group's cash flow and financial structure.

The pursuit of these three priorities enabled ID Logistics to ensure a full continuity of service throughout the crisis and a rapid restart of activity.

Revenue growth in the first half of 2020

In the first half of 2020, ID Logistics generated sales of €776.6 million (+4.3% and +2.0% like-for-like):

- In **France**, sales for the first half of 2020 came to €344.1 million, down slightly (-1.4%) vs. H1 2019. After good growth in activity (+3.5% in Q1 2020), the second quarter was impacted by lock-down measures and ended down (-5.9% compared with 2019).
- **International** revenues for the first half of the year came to €432.5 million, up 9.4% vs. H1 2019. This performance includes a generally unfavorable exchange rate effect, particularly in Latin America, and a change in the scope of consolidation due to the end of operations in South Africa in September 2019 and the consolidation in December 2019 of the Jagged Peak activities in the United States. Excluding these items, revenue growth for the first half of the year was +5.4%. As in France, the second quarter saw a slowdown due to the Covid-19 crisis (-0.2%) after a very good performance in the first quarter (+11.2%).

Over the period, the Group started up 10 new sites (3 in France and 7 internationally), in line with the initial business plan.

Increase in underlying operating income

In this unique context, the diversified customer portfolio, the Group's balanced international footprint and the commitment of its teams enabled ID Logistics to improve its current operating income to €20.1 million at June 30, 2020 (vs. €19.5 million at June 30, 2019), and to maintain a stable operating margin at 2.6%.

- In **France**, one of the countries most affected by Covid-19, the operating margin went from 3.8% in H1 2019 to 2.8% in H1 2020. Most of the decrease is due to direct costs (masks, hydroalcoholic gel, specific incentives, etc.) and indirect costs (loss of productivity, volume volatility, non-attendance, etc.) of the health crisis, partly shared with clients.
- **Outside France**, on the other hand, the operating margin rose sharply, from 1.6% in the first half of 2019 to 2.4% in the first half of 2020. The impact of the health crisis in Spain was more than offset by solid performances in countries such as Germany, the Netherlands and Russia, which benefited from the good productivity gains on recently launched projects. Results outside France also benefited from the favorable integration over the first half of the year of the activities in the United States acquired at the end of 2019.

Stable consolidated net income

H1 2020 results include a non-current expense of €1.5m (including €0.8m of asset impairment) following the Group's decision to cease its activities in China (representing less than 1% of the Group revenues), following the change of shareholder of its main client in the country. Despite this expense, net profit for the first half of 2020 is stable compared to the first half of 2019 at €6.5 million.

Disciplined cash management and reduction of net financial debt

In the context of the health crisis linked to Covid-19, the Group has been particularly attentive to the management of its cash flow:

- The cash generated by the activities amounted to €97.5 million during the first half of 2020 (+€51.8 million vs. 2019) :
 - o A strict management of the working capital requirement has enabled the Group to reduce the average time to receive payment from customers by 4 days, representing €18.7 million in current cash;
 - o The Group used government measures allowing the deferral of certain social contributions for an amount of €20.5 million during the first half of 2020;
 - o Finally, ID Logistics and its customers have adopted a selective and progressive investment logic, limiting the latter to €26.9 million during the first half of 2020 (-€9.8 million vs. 2019).
- During the first half of 2020, ID Logistics finalized the refinancing of the balance of its acquisition debt with a new €100 million 5-year loan with its historic bank syndicate. This operation resulted in a net cash inflow of €30.4 million before expenses, 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.

At June 30, 2020, after payment of lease debt (IFRS 16) and other changes, the Group thus has a net current cash position of €148.6 million and net financial debt is limited to €59.0 million, or 0.7x EBITDA.

Outlook

ID Logistics intends to continue its development while remaining alert to the evolution of the health crisis. It will be particularly attentive to the openings planned for 2020 (15 in total), to the increase in productivity of the projects already started and to the support of its customers.

After having validated its business model during this crisis, ID Logistics is ready to seize the opportunities that will arise through the development of e-commerce, the industrial relocation in Europe, the strengthening of outsourcing and the concentration of the sector.

Additional note: Audit procedures on the consolidated financial statements have been performed. The certification report will be issued after completion of the procedures required for the purpose of publishing the annual financial report.

NEXT REPORT: Publication of third-quarter 2020 revenues after the market close on 22 October 2020.

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

- Simplified statement of income

(€m)	H1 2020	H1 2019
<i>France</i>	344.1	349.0
<i>International</i>	432.5	395.5
Revenues	776.6	744.5
<i>France</i>	9.7	13.2
<i>International</i>	10.4	6.3
Underlying operating income	20.1	19.5
Amortisation of customer relationships	(0.6)	(0.6)
Non-recurring expenses	(1.5)	-
Financial result	(6.9)	(7.6)
Income tax	(5.1)	(5.0)
Share in income of associates	0.5	0.3
Consolidated net income	6.5	6.6
<i>o/w attributable to ID Logistics' shareholders</i>	5.3	5.5

*IFRS 16

- Simplified statement of cash flows

(€m)	H1 2020	H1 2019
EBITDA	97.5	95.3
Change in working capital and others	38.7	(4.9)
Other changes (non-recurring, tax, etc.)	(11.8)	(8.2)
Net investments	(26.9)	(36.7)
Net cash generated/(used) by operating activities	97.5	45.5
Net issuance (repayment) of debt	30.5	(1.8)
Reimbursement of lease liabilities (IFRS 16)	(65.9)	(62.7)
Others	(4.0)	(1.4)
Increase (decrease) in cash and cash equivalents	58.1	(20.4)
Cash and cash equivalent – beginning of period	90.5	105.7
Cash and cash equivalent – end of period	148.6	85.3

Definitions

- **Like-for-like change:** change 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 (revenues in the various periods calculated based on identical exchange rates, so that the reported figures for the previous period are translated using the exchange rates for the current period).
- **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)