

ID Logistics: strong growth in results for the first half of 2021, in line with 2020

- Revenues: +15.0% to €893.1m
- Underlying operating income: +38% to €27.7m (+50 bps)
- Net income: more than doubled to €14.8 m
- Financial debt: limited to 0.7x EBITDA

Orgon, 25 August 2021 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 2021 with revenues up 15.0% to €893.1 million and underlying operating income up 38% to €27.7 million, representing a margin gain of 50 bps.

Eric Hémar, Chairman and CEO of ID Logistics, commented: « *The growth of the first half of 2021 has accelerated with a +17.7% increase on a like-for-like basis compared to the first half of 2020, which had itself proven the strong resilience of ID Logistics' model (+4.3% compared to 2019 despite the pandemic). The Group's operating profitability is growing faster than its activity: underlying operating income is up +38% due to the increased productivity of the sites started up in the last two years and the good control of start-up costs for new projects. The Group continues to strengthen its position in e-commerce, which now accounts for 27% of activity in the first half of the year, and continues to manage its cash flow and investments carefully* ».

In €m	H1 2021	H1 2020	Change
Revenues	893.1	776.6	+15.0%
EBITDA	117.9	97.5	+20.9%
<i>As a % of revenues</i>	<i>13.2%</i>	<i>12.6%</i>	<i>+60 bps</i>
Underlying operating income	27.7	20.1	+37.8%
<i>As a % of revenues</i>	<i>3.1%</i>	<i>2.6%</i>	<i>+50 bps</i>
Consolidated net income	14.8	6.5	x2.3
<i>As a % of revenues</i>	<i>1.7%</i>	<i>0.8%</i>	<i>+90 bps</i>

SUSTAINED ACTIVITY IN THE FIRST HALF OF 2021 WITH REVENUES GROWTH OF +15.0%

ID Logistics' revenues stood at €893.1 million at June 30, 2021, up +15.0% and +17.7% on a like-for-like basis compared to the first half of 2020, which itself recorded growth of +4.3%:

- In France, revenues in the first half of 2021 amounted to €376.7 million, up +9.5% compared with the first half of 2020.
- Outside France, revenues for the first half of 2021 reached €516.4 million, up 19.4% compared with the first half of 2020. This performance includes a generally unfavorable exchange rate effect, particularly in Latin America, and a scope effect linked to the end of activities in China in 2020. Excluding these items, revenues rose by 24.6% in the first half of the year.

UNDERLYING OPERATING INCOME UP 38% TO €27.7 MILLION

ID Logistics continues to improve its underlying operating income, up 38% to €27.7 million for the first half of 2021 compared to €20.1 million in 2020, and its underlying operating margin (up 50 basis points to 3.1%):

- In France, underlying operating income has bounced back to €13.5 million at June 30, 2021, or 3.6% of revenues, compared with €9.7 million and 2.8% in 2020. The first half of 2020 was impacted by direct and indirect additional costs related to the Covid-19 health crisis (masks, hydroalcoholic gel, social distancing, loss of productivity), which are now more limited and better managed. The increased productivity of the sites started up in 2019 and 2020 and the good control of start-up costs for new contracts since the beginning of the year have also contributed to the improved results.
- Outside France, underlying operating income continued to rise to €14.2 million at June 30, 2021, representing a margin of 2.7%, compared with €10.4 million and 2.4% in 2020. As in France, the Covid crisis effects on the results of the first half of 2020, particularly in Spain, did not reproduced to the same extent in the first half of 2021. Beyond this specific effect, recent contracts are improving their overall productivity compared to 2020 and offsetting the cost of start-ups in early 2021.

NET INCOME DOUBLED TO €14.8M

In the first half of 2021, the Group did not recognize any non-current expenses, which amounted to €1.5m in the first half of 2020, in relation to the closure of operations in China. At the same time, the financial result improved and the tax charge benefited from the reduction in the CVAE contribution rate, which generated a saving of €1.2 million over the first 6 months of 2021.

Consolidated net profit thus amounted to €14.8 million at June 30, 2021, up 127% compared to H1 2020 (€6.5m).

GOOD CASH MANAGEMENT AND CONTINUED STRONG INVESTMENT CAPACITY

Cash flow from operations after taking into account operating investments amounted to €72.0 million in H1 2021 compared to €97.5 million in H1 2020:

- It benefited from the improvement in results and in particular Ebitda, which rose by €20.4m over the period.
- The Group did not use the government measures authorizing the deferral of payment of certain social security contributions that it had activated as a precaution in the first half of 2020 for an amount of €20.5 million, fully repaid in the second half of 2020.
- The strict management of working capital, which during the health crisis reduced the average customer collection time by 4 days in the first half of 2020, generating €18.7 million in current cash, has continued and has enabled the working capital requirement to remain stable since the beginning of the year 2021.
- Since the beginning of 2021, operating investments stood at €41.0 million and consist mainly of new e-commerce projects currently being launched (IT equipment, mechanized solutions, ...) whereas during the first half of 2020, ID Logistics and its customers have been selective and gradual in investments, which were limited to €26.9 million.

At the beginning of 2020, ID Logistics had finalized the refinancing of the remaining acquisition debts by a new 5-year €100 million loan with its historical banking syndicate, benefiting from better financial conditions compared to the refinanced loans and very progressive repayments. This transaction resulted in a net cash inflow of €30.4 million in the first half of 2020. At the same time, the Group had also concluded a 5-year €50 million revolving credit facility, which has not been drawn down to date.

Taking into account these elements, and after payment of rental debts (IFRS 16) and other changes, the Group had a net current cash position of €139.6 million at June 30, 2021, and net financial debt was limited to €66.9 million, or 0.7x EBITDA excluding IFRS 16.

OUTLOOK

In line with its roadmap, ID Logistics intends to rely on its good performance in 2020 and early 2021 and its strong positioning in e-commerce to continue its profitable development, while remaining cautious of developments in the Covid-19 crisis. The Group recalls that its results traditionally benefit from a more favorable seasonality in the second half of the year. The company remains attentive to external growth opportunities, particularly in Northern Europe and the United States.

Additional note: Board of Directors have validated half-year results on August, 25th and 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 interim financial report.

Next Report

Release of third-quarter 2021 revenues after the market close on 25 October 2021.

ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €1,643 million in 2020. ID Logistics has more than 340 sites across 17 countries, representing 6.0 million square meters of warehousing facilities in Europe, America, Asia and Africa, with 21,500 employees. With a client portfolio balanced between retail, industry, detail picking, healthcare and e-commerce sectors, ID Logistics is characterized by offers involving a high level of technology. Developing a social and environmental approach through a number of original projects since its creation in 2001, the Group is today resolutely committed to an ambitious CSR policy.

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 2021	H1 2020
<i>France</i>	376.7	344.1
<i>International</i>	516.4	432.5
Revenues	893.1	776.6
<i>France</i>	13.5	9.7
<i>International</i>	14.2	10.4
Underlying operating income	27.7	20.1
Amortisation of customer relationships	(0.6)	(0.6)
Non-recurring expenses	-	(1.5)
Financial result	(5.8)	(6.9)
Income tax	(6.8)	(5.1)
Share in income of associates	0.3	0.5
Consolidated net income	14.8	6.5
<i>o/w attributable to ID Logistics' shareholders</i>	12.9	5.3

- Simplified statement of cash flows

(€m)	H1 2021	H1 2020
EBITDA	117.9	97.5
Change in working capital	0.0	38.7
Other changes (non-recurring, tax, etc.)	(4.9)	(11.8)
Net investments	(41.0)	(26.9)
Net cash generated/(used) by operating activities	72.0	97.5
Net issuance (repayment) of debt	1.0	30.5
Reimbursement of lease liabilities (IFRS 16)	(75.0)	(65.9)
Others	(2.4)	(4.0)
Increase (decrease) in cash and cash equivalents	(4.4)	58.1
Cash and cash equivalent – beginning of period	144.0	90.5
Cash and cash equivalent – end of period	139.6	148.6

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)