

ID Logistics to acquire Kane Logistics in the United States

- Signed agreement to acquire 100% of Kane Logistics in the United States (2021 revenues of \$235 million)
- Expands presence in the U.S. with 20 new locations, new blue-chip customers and experienced management
- Maintaining a sound financial structure with a pre-IFRS16 debt to equity ratio estimated at 2.6x post-acquisition proforma EBITDA

Orgon, February 14th, 2022 – 7.45 am CET: ID Logistics (ISIN: FR0010929125, Ticker: IDL), one of the European leaders in contract logistics announces the signing of the acquisition to acquire 100% of Kane Logistics, an American pure player in contract logistics.

Eric Hémar, Chairman and CEO of ID Logistics comments: *“The acquisition of Kane Logistics represents one of the most important external growth operations in the history of the company. After starting in 2001 with a few large retail customers that we were able to quickly support internationally, the company shifted to e-commerce and retail preparation in 2013 with the acquisition of CEPL. It then strengthened its presence in Europe with the recent acquisition of GVT in Benelux. Today, with the acquisition of Kane Logistics, we are opening up new prospects in North America, where we are enhancing our know-how, in particular with consumer package goods customers, and welcoming experienced and dynamic managers to our team.”*

Acquisition of Kane Logistics

Kane Logistics is a pure player in value-added warehousing and contract logistics founded in the United States in 1930 by the Kane family. The business was acquired by Harkness Capital Partners in 2019 with the goal of building the Company's platform and accelerating growth. Over the past 3 years, Kane Logistics has deeply transformed itself to become a leading player in contract logistics, notably with blue-chip consumer packaged goods and food and beverage manufacturers, and distribution specialists. By adding value-added services to traditional logistics services, and strengthening its overall team, Kane Logistics has grown its revenue by +20% annually since 2019 to reach \$235 million by 2021. Kane Logistics now operates 20 hubs across the country (especially in Pennsylvania, Georgia, Ohio, Illinois and California) representing 725,000 square meters.

This shift was led by an experienced management team with deep operating experience, including at leading contract logistics companies such as Ryder, and Jacobson Companies (the U.S. based logistics business acquired in 2014 by Norbert Dentressangle). The Kane team will continue with the Company post the closing of the investment with a continued focus on providing world-class customer service and growing its customer base.

Tony Tegnolia, CEO of Kane Logistics, adds: *“I believe very strongly that the cultural fit between the two organizations is close to perfect. ID Logistics is the ideal next partner to move the Company forward, to serve our customers, and to help maintain our growth trajectory. Their cultural values are a mirror of our values, and they also have a very strongly committed management team.”*

Ted Dardani, Partner at Harkness Capital and Kane Board member concludes: *“The combination of ID Logistics and Kane Logistics creates a strong opportunity for continued future growth. The Kane team has done a great job in further building the business over the past few years. We benefited from and appreciated the leadership and long heritage of the Kane family in creating a company dedicated to serving its customers. The next chapter for ID and Kane should be equally exciting.”*

This transaction is particularly relevant because of the close proximity of the company's cultures, complementary customer portfolios and the potential commercial synergies. Indeed, Kane Logistics has a business model very similar to the one of ID Logistics: asset light approach, dedicated warehouses, and providing solutions adapted to the specific needs of each customer. In addition, the "key account" approach employed by both companies enables them to offer common solutions in the United States and Europe.

Two years after its first steps in the United States with the acquisition of Nespresso's logistics operations, ID Logistics has the means to achieve its ambitions in a high-potential region. The group will rely on the management of Kane Logistics to manage all its North American activities.

Financial details of the operation

At closing, the transaction will be based on an enterprise value of \$240 million and will be settled entirely in cash. ID Logistics will maintain a sound financial structure with a pre-IFRS16 debt ratio estimated at 2.6x post-acquisition proforma EBITDA. This acquisition will be accretive on the EBITDA of the ID Logistics group from the first year of consolidation.

The transaction remains subject to the approval of the competent US antitrust authorities (Hart-Scott-Rodino Antitrust Improvement Act). The acquisition is expected to be completed before the summer of 2022.

NEXT FINANCIAL RELEASE

2021 annual results: March 16, 2022, after market close.

ABOUT ID LOGISTICS

ID Logistics managed by Eric Hémar is an international contract logistics group, with revenue of €1,911 million (\$2,179 million) in 2021. ID Logistics manages 350 sites across 17 countries, representing nearly 7.0 million square meters of warehousing facilities in Europe, America, Asia and Africa, with 25,000 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 Euronext's regulated market in Paris (ISIN Code: FR0010929125, Ticker: IDL).

ABOUT HARKNESS CAPITAL

Harkness Capital is a U.S. based private equity investment firm focused on investments in service-oriented companies. Harkness Capital is dedicated to 'transformational' investing and building long-term value in its portfolio companies. Harkness works in partnership with talented business owners and managers seeking to grow their companies by investing capital and committing operating resources to support rapidly growing companies across a variety of segments within business and outsourced services. Harkness Capital looks for companies with EBITDA between \$5-25 million in areas including logistics/distribution, environment/health/safety (EH&S), specialty rental / infra-structure, and test / inspection / certification / compliance (TICC). The Harkness Capital team of investment professionals and operating executives have diverse backgrounds as business founders, builders and leaders in services businesses. For more information, visit <https://www.harknesscapital.com>.

ABOUT KANE LOGISTICS

Since 1930, Kane Logistics' employees deliver exceptional logistics.

As a key player in the contract logistics industry, Kane Logistics helps consumer goods manufacturers and their retail partners efficiently distribute products throughout the United States. KANE's omnichannel logistics solutions provide value and expertise in execution coupled with the transparency of tier one technology. Kane Logistics' service offerings include warehousing and distribution, transportation capabilities, contract packaging, and cross docking.

Kane brings a long-standing expertise and exceptional customer service approach to the outsourcing logistics cases which are embodied in the KANE Code, which reflects the heritage of uncompromising excellence and personal attention to operational teams. For more information, visit www.kanelogistics.com.

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)
- Leverage ratio : Net financial debt divided by pre-IFRS 16 EBITDA

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