First half 2013 results presentation

29 August 2013

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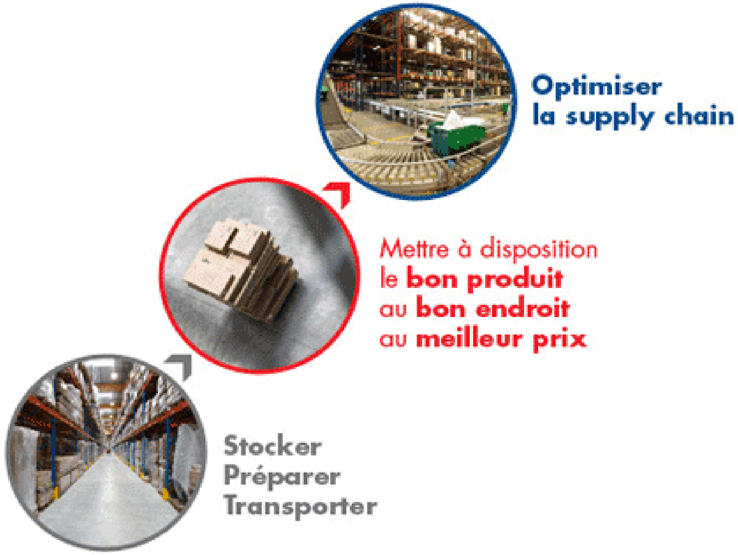
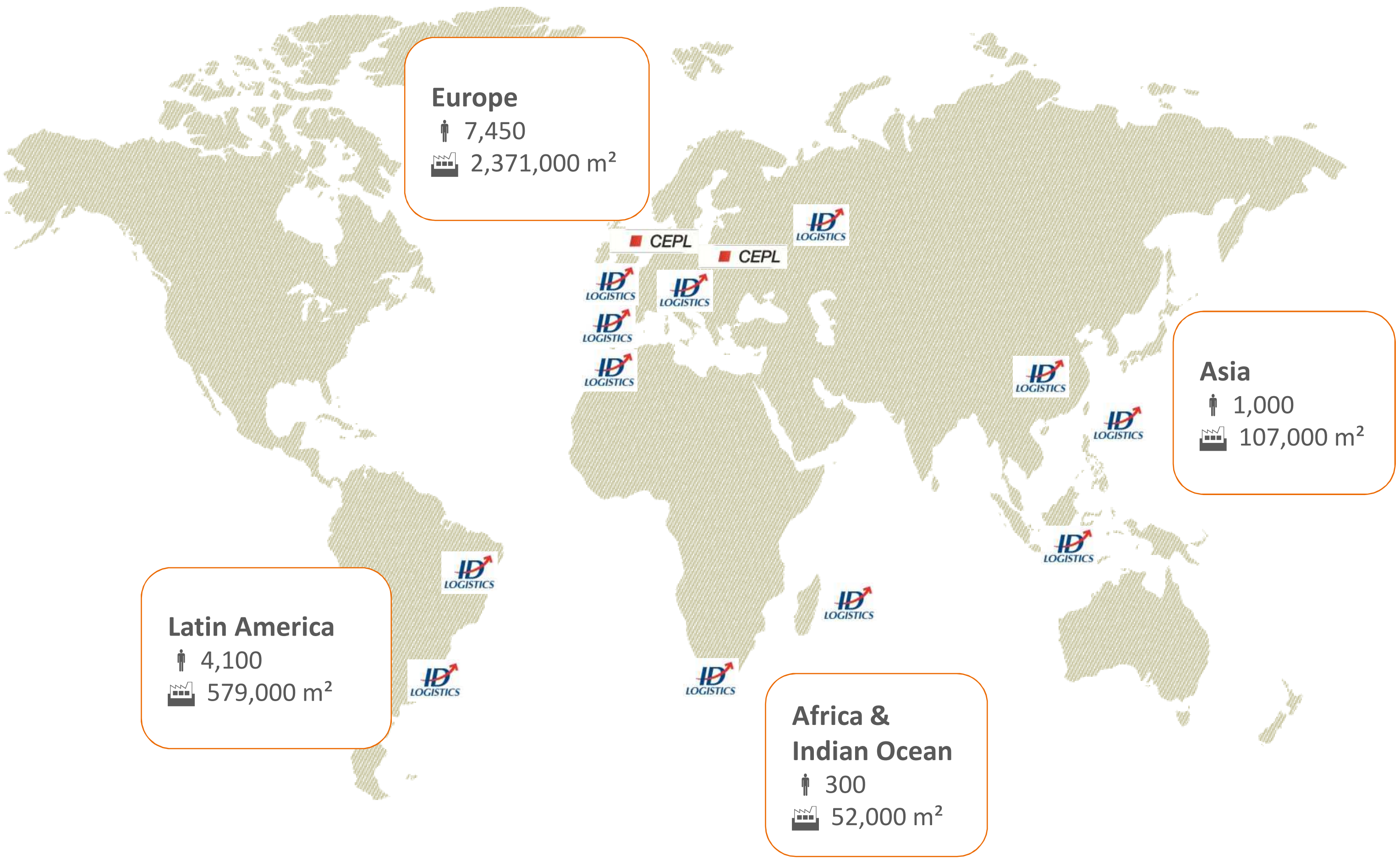
What is contract logistics?

Long-term contract between an industrial or a retailer and a logistics contractor, to **provide end-to-end specific solutions**, which will ensure **the optimization of its supply-chain management and cost control.**



A balanced international presence



A diversified customer base

Retail *(65% of revenue)*

Including CEPL: 50% of revenue

- **Supermarkets**

E.LECLERC, Netto, makro, U, Les Mousquetaires, Monoprix

- **DIY**

BRICOMARCHÉ, POINT.P Matériaux de Construction, castorama, LEROY MERLIN

- **Home appliances and electronics**

Alinéa, Conforama, boulanger, fnac, GPDÉCORS

- **Specialist retailing**

DECATHLON, GRUPO CORTEFIEL, andré

Manufacturing *(30% of revenue)*

Including CEPL: 45% of revenue

- **Processed food**

ambev, Heineken, DANONE, PEPSICO FRANCE, Lindt

- **Non-food**

Chevron, ingenico, SAFRAN, SANOFI, HILTI

- **Fragrances / Cosmetics**

Elizabeth Arden, YVES ROCHER, GUERLAIN PARIS, GIVENCHY, COTY, LVMH MOËT HENNESSY. LOUIS VUITTON, PUIG

- **Electronics / Multimedia**

Bouygues Telecom, SONY, hachette BOOK GROUP, FUJIFILM

- **Textiles / Luxury**

le coq sportif, DDP, LANCEL, dunhill LONDON

E-commerce *(5% of revenue)*

GrosBill.com, Auchan.fr, Marionnaud, SiMPLY MARKET, LA POSTE, obuy.com, Alinéa, vente-privee.com

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A compelling position in contract logistics

Transport and logistics market

Mail & parcel delivery | Freight forwarding | Land transport | Contract logistics

Multi-service global leaders

Incumbent national players

Integrated transport and logistics companies

Pure player

- Global market worth **€200bn** including **€8.5bn** in France
- 3.3% average annual growth expected for 2012-2015*

**Sources: Xerfi, Insee, and Supply Chain Magazine*

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A dynamic H1 2013 for ID Logistics

- **Strong organic growth**
  - France: sustained commercial activity and outperformed its market
  - International: like-for-like growth close to 40%, growth across all 11 of the Group's locations

- **Winning new customers**

Brazil *Poland* *France* *Spain* *Russia*

- **Profitable growth, well managed margins**

- **Acquisition of CEPL**
  - ID Logistics has become the French leader in highly automated solutions for retail order fulfilment

A proven growth strategy

Four growth drivers	France	International	New countries
Positive price/volume effect with existing customers	↗	↗	
New contracts from existing customers	↗↗ groupe carrefour	↗↗↗ ATAK Супермаркет, Auchan	
New customers in existing sectors (retail or manufacturing)	↗↗ BRICO DEPÔT	↗ privalia	
New customers in new sectors		↗ NIVEA	

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Good performances in H1 2013: revenue growth and improved profitability

- **Strong revenue growth: 18.9% at constant scope**
  - Dynamic business activity in France
  - Further growth acceleration in international markets

- **Continued improvement in profitability**
  - Significant improvement in operating margins in France
  - Margins maintained in international markets despite the start-up of operations in a new country (South Africa in late 2012)

- **Net profit of €4.2m vs. net loss of €3.0m in H1 12**

Like-for-like growth close to 20%

€ m	H1 2013 reported	H1 2012 reported	Change	Like-for-like change*
Revenue	**310.7**	268.0	15.9%	18.9%
France	180.2	168.6	6.9%	7.8%
International	130.5	99.4	31.3%	38.1%

** At constant scope and exchange rates and excluding the closure of the fruit and vegetables business in June 2012*

> **France (58% of revenue)**
- – Good management of existing contracts with a positive price and volume effects
- – Market share gains thanks to accurate anticipations of customer demand
- – Ramp-up of the e-commerce businesses

> **International (42% of revenue)**
- – Strong momentum in international markets (Brazil, Argentina, South Africa and Poland) and growth in all the Group's countries

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Improvement in operating margin

€ m	H1 2013 reported	H1 2012 reported	Change	H1 2012 adjusted*	Change
Current operating income	**8.5**	4.5	+89%	6.4	+33%
Operating margin	***2.7%***	*1.7%*	*+100bp*	*2.4%*	*+30bp*
France	**7.2**	3.5	+105%	5.4	+33%
Operating margin	***4.0%***	*2.1%*	*+190bp*	*3.3%*	*+70bp*
International	**1.3**	1.0	+30%	1.0	+30%
Operating margin	***1.0%***	*1.0%*	*+0bp*	*1.0%*	*+0bp*

** Excluding the fruit and vegetables business discontinued in June 2012*

> **France: operating margin up 190 bps to 4%**
– Strong overall performance of existing contracts
– Relutive effect of the closure of the fruits and vegetables business in June 2012
– Impact of the “CICE” competitiveness and jobs tax credit (+€1.5m in H1 2013)

> **International: sustained operating margin**
– Despite the opening of several sites during the period and the start-up of the South African business in late 2012

> **Operating margin taking into account the traditional seasonality of our business**

Strong improvement in net income

€ m	H1 2013 reported	H1 2012 reported	H1 2012 adjusted
Current operating income	**8.5**	4.5	6.4
Non-recurring expenses	**-**	(6.4)	-
Net financial items	**(1.7)**	(1.5)	(1.5)
Tax	**(2.7)**	0.3	(2.4)
Consolidated net income	**4.2**	**(3.0)**	**2.6**

** Excluding the fruit and vegetables business discontinued in June 2012*

> **Strong growth in net profit to €4.2m in H1 2013 versus a €3.0m loss in H1 2012 due to:**

– Improved operating profitability

– €6.4m restructuring provision related to the closure of the fruits and vegetables business in H1 2012

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Well-managed cash flow

€ m	H1 2013 reported	H1 2012 reported		H1 2013 adjusted*	H1 2012 adjusted*
Cash flow from operating activities before WCR	**12.6**	3.9		12.6	11.2
Change in WCR	**(1.0)**	(0.4)	*Well managed WCR*	(0.1)	(3.9)
Capex	**(8.4)**	(10.7)	*Capex in line with growth*	(8.4)	(10.7)
Other changes	**(2.7)**	(1.9)		(2.7)	(1.9)
Total cash generated	**0.5**	**(9.1)**		**1.4**	**(5.3)**
Capital increase net of expenses	-	26.7		-	26.7
Reduction in net debt	**0.5**	17.6		1.4	21.4

** Excluding the fruit and vegetables business discontinued in June 2012*

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Balance sheet at 30 June 2013: solid financial position

€ m	06/30/2013 reported	12/31/2012 reported
Non-current assets	143.1	142.8
WCR resources	54.6	56.7
Net debt	8.4	8.9
Equity	80.1	77.2
Gearing	10.5%	11.5%

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Outlook

- > Strong commercial activity in France and internationally, with **the prospect of substantial new business start-ups** in the second half of 2013 and early 2014

- > Confirmation of **double-digit revenue growth** on ID Logistics' historical perimeter and **improvement in margins**

- > Priority given to the integration of CEPL

CEPL – A strategic acquisition for ID Logistics

With the acquisition of CEPL in July 2013, ID Logistics has:

> Become the **French leader** in **highly automated solutions for retail order fulfilment** and completed its offer as a "pure-player"

> **Expanded its customer portfolio** to cover new market segments

> Gained **growth opportunities** through supporting CEPL customers in international markets

> A month following the completion of the transaction, the integration is underway

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In line with our commitments

> Maintain a strong organic growth despite a challenging economic environment

> Progressive improvement of the margins

> Completion of a transforming acquisition financed in part by the IPO

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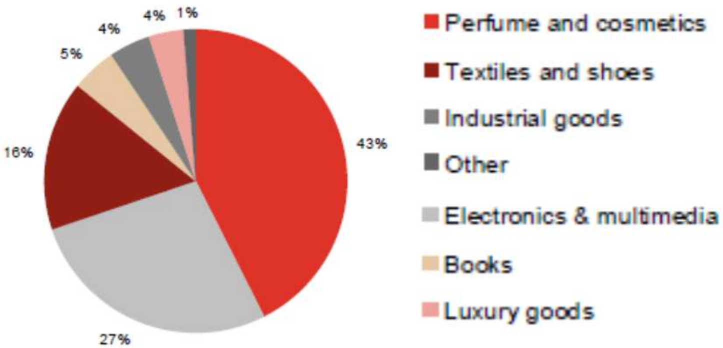
CEPL – French specialist in highly automated solutions for retail order fulfilment

Key figures

- Revenue of €180m (*2013 estimate*)
- 27 sites
- Operations in four countries
- 2,200 staff
- 600,000m² of warehousing facilities, of which 332,000m² owned

Geographical presence

Breakdown of revenue



Main customers

- French specialist in highly automated solutions for retail order fulfilment
- A portfolio of prestigious customers in fragrances, textiles, electronics and home entertainment

Elizabeth Arden SONY YVES ROCHER GUERLAIN PARIS
le coq sportif andré Bouygues Telecom GIVENCHY

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ID Logistics/CEPL – Convergence, complementarity, difference

Convergence	Complementarity	Differences
Pure player in contract logistics	Complementary customer portfolio (only one customer in common)	Low "asset-light" model (around 50% of property is wholly-owned)
Contracts are long term (from 3 to 9 years) Support for customers in international markets	Significant technical expertise in automating order fulfilment. Culture of innovation	Organised into subsidiaried profit centre
Similar corporate culture with an emphasis on entrepreneurship	Geographical fit between subsidiaries in Germany, the Netherlands and Spain	No labour-related harmonisation (facilities kept their original collective agreements)

CEPL – A Balanced financing of the acquisition

- **The amount of the acquisition takes into account:**
  - An equity value of €95.5m
  - A net operational debt of €20.0m primarily property leases
- **The enterprise value breaks down into:**
  - €50.0m in operational activities
  - €65.5m in property assets representing 332,000m² in wholly-owned and leased space

- **The acquisition is funded by:**
  - €75m in bank debt repayable over 6 years
  - €4m in payments in new shares, i.e. 2% of ID Logistics' share capital
  - €16.5m in ID Logistics' available cash