


# H1 2017 results



## IN A NUTSHELL...



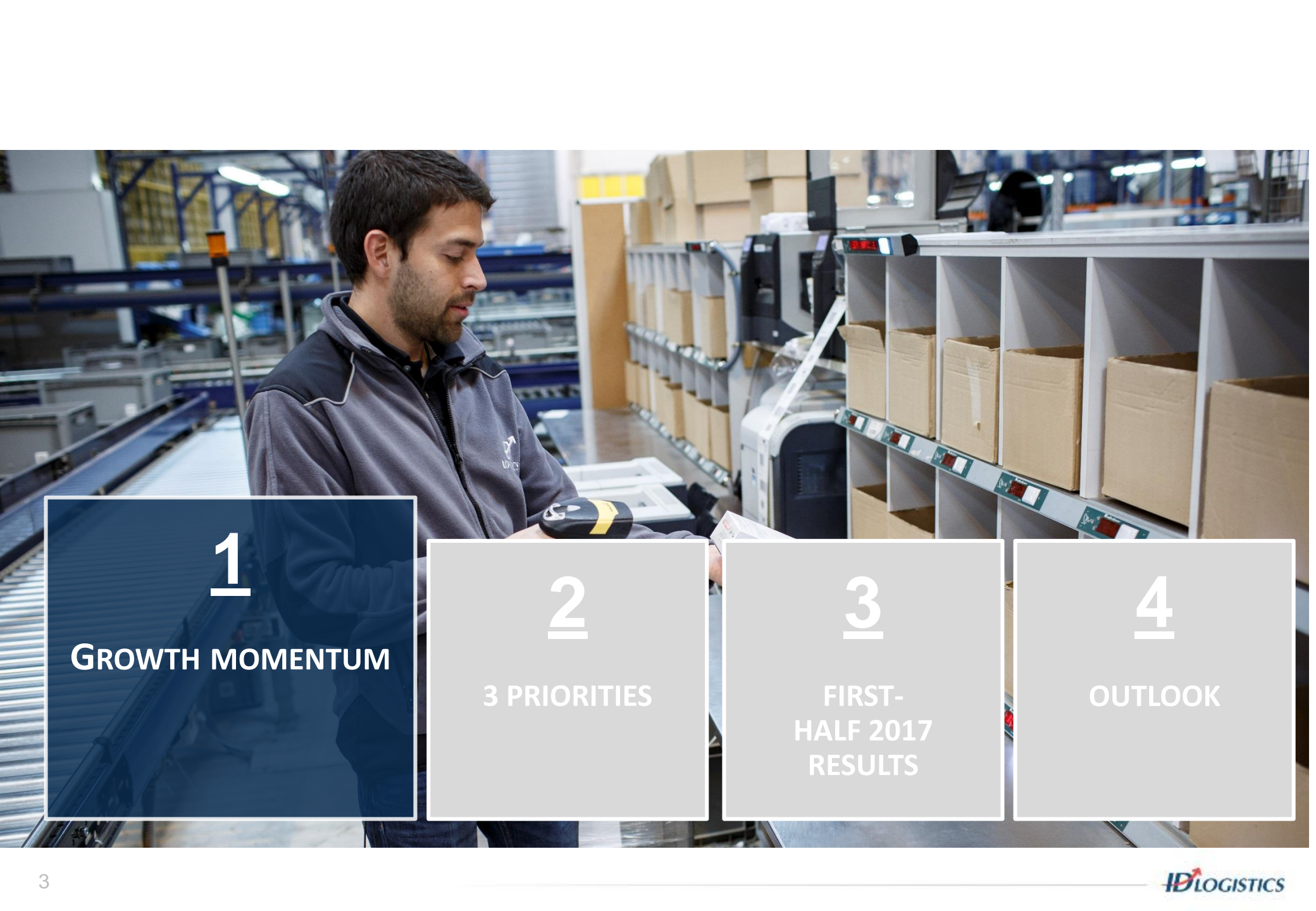
**43%  
revenue  
growth**



**Underlying  
operating  
income of  
€9.8 million**



**3 priorities for  
2017**



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GROWTH MOMENTUM

2

3 PRIORITIES


3

FIRST-  
HALF 2017  
RESULTS

4

OUTLOOK

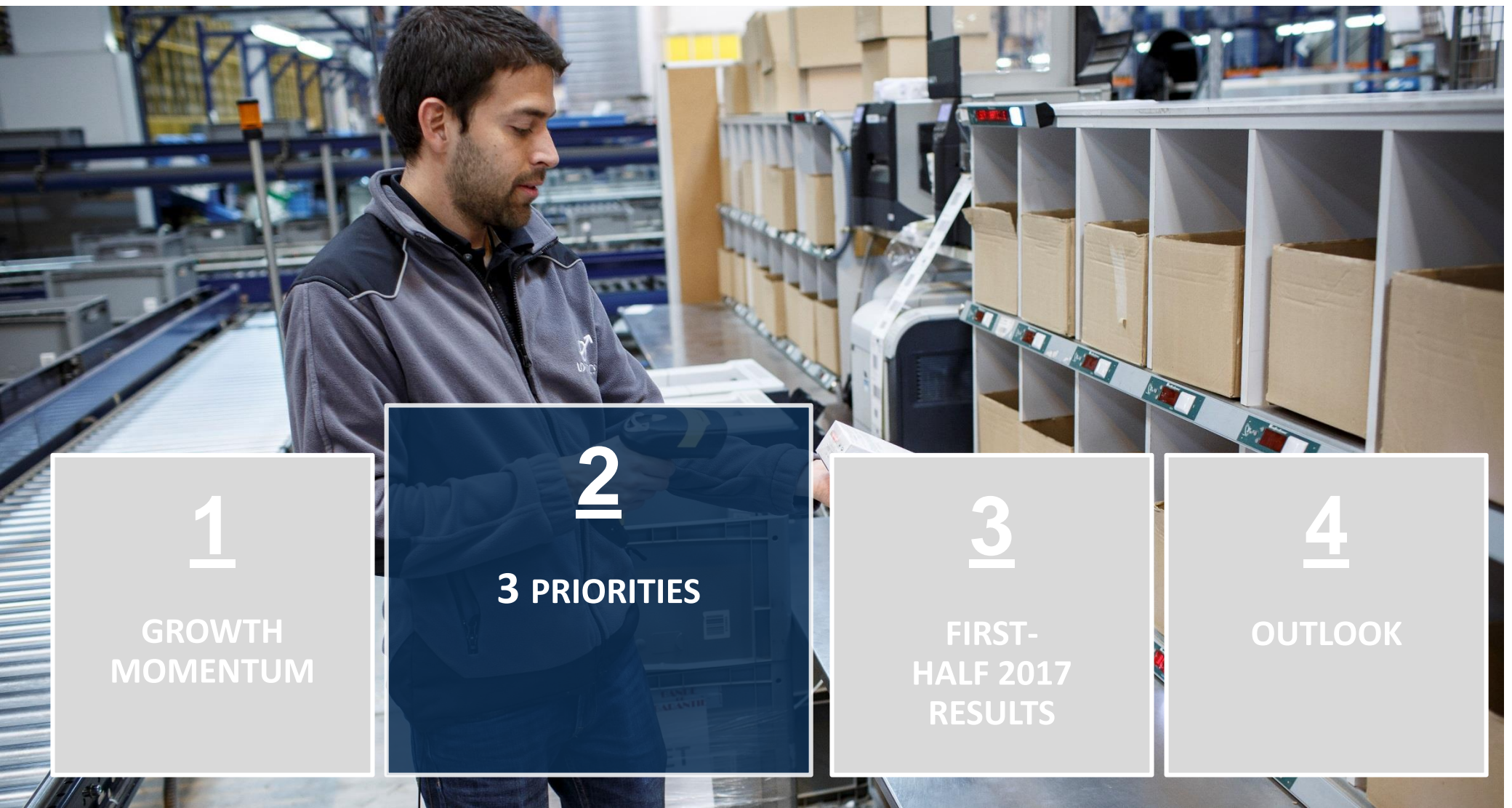
# EFFECTS OF GROWTH FOR ID LOGISTICS



**Revenue growth  
of +43%**

- **31 start-ups**
- **around 10,000 additional operational staff integrated or hired**
- **over 1,000 managers integrated and trained**
- **30 new clients in various areas (FMCG, Automotive, Healthcare)**
- **10 new information and automation/mechanisation systems integrated**





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## 3 PRIORITIES FOR MANAGING THIS GROWTH

At the beginning of 2017, we set 3 priorities for the year:

- 1 ***“Finalise Logiters’ integration within ID Logistics”***
- 2 ***“Complete the ramp-up in the productivity of the new sites that started up in 2016”***
- 3 ***“Continue to deliver growth outpacing that in the broader market and meet the new challenges facing clients”***

## 3 PRIORITIES

### 1 “Finalise Logiters’ integration within ID Logistics”

#### **Streamlining management:**

a unique organisation led by Javier Echenique

DONE

#### **Reorganising activities around an ID Logistics standard:**

4 BUs (Dedicated clients, Shared clients and Healthcare, Automotive, Transport)

DONE

#### **Reviewing the client portfolio and pricing negotiations**

DONE

#### **Streamlining the back office:**

Standardisation of information systems and organisational optimisation

DONE

## 3 PRIORITIES

2

*“Complete the ramp-up in productivity of the 31 new sites that started up in 2016”*

**Implement** all the technical and IT investments

**DONE**

**Recruit and stabilise** teams

**DONE**

**Achieve** the quality of service **objectives**

**DONE**

**Increase** productivity (J curve)

**75%**

Where appropriate, **revisit contract specifications** and pricing with the client

**80%**



## 3 PRIORITIES

3

*“Continue to deliver growth outpacing that in the broader market and meet the new challenges facing clients”*

**Upskill teams and recruit** high-level expertise, in areas such as automation and automation

25 engineers  
hired since 2016

Enhance our skills in **e-commerce** to become the European leader

17 e-commerce  
contracts  
won since 2016

**Invest** even more in innovation

Group's principal  
strategic driver

# INNOVATION – GROUP’S MAJOR STRATEGIC DRIVER



Jan.  
2017

- » **Top prize for innovation** at “Rois des Supply Chain” Awards



May  
2017

- » Creation of ID Logistics’ **Innovation Campus** in Châtres encompassing around 15 innovations implemented at various Group sites

July  
2017

- » **Second call for projects** launched by ID Logistics’ Innovation department concerning the “Smart Warehouse” & “Supply Chain Digitalisation”

2016  
First call:  
10 candidates

**56 candidates  
in 2017**

2017

- » **10 projects incorporating new and innovative processes**



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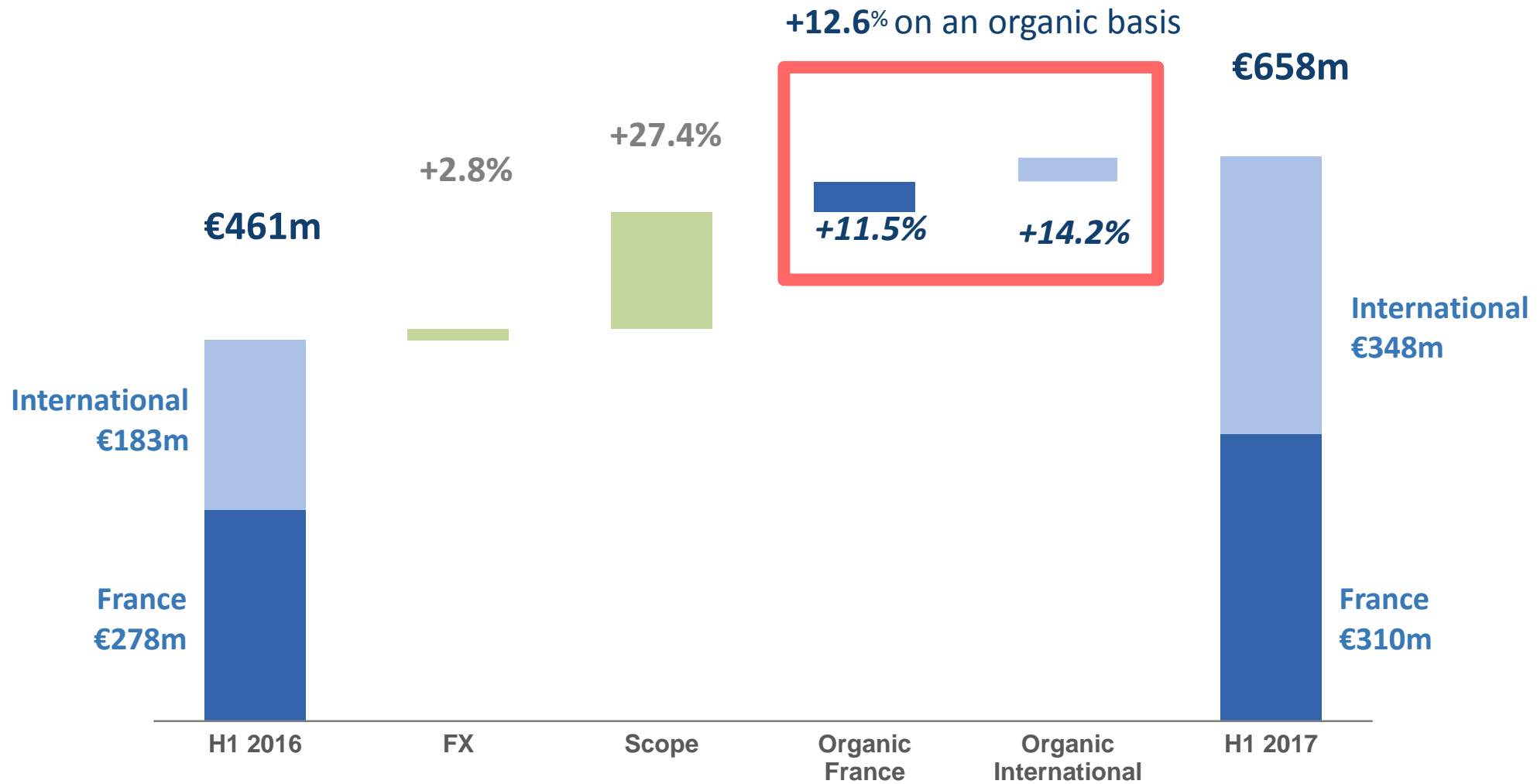
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# FURTHER STRONG GROWTH MOMENTUM





## H2 2016 START-UP COSTS AGAIN HAD AN IMPACT ON H1 2017

| (€ m)                       | H1 2017 |           |             | H1 2016 |           |             | Change |
|-----------------------------|---------|-----------|-------------|---------|-----------|-------------|--------|
|                             | France  | Internat. | TOTAL       | France  | Internat. | TOTAL       |        |
| Underlying operating income | 7.0     | 2.8       | <b>9.8</b>  | 14.6    | (0.1)     | <b>14.5</b> | -32%   |
| <i>As a % of revenues</i>   | 2.3%    | 0.8%      | <b>1.5%</b> | 5.3%    | -         | <b>3.1%</b> | -165bp |

- » **In France: Underlying op. income of €7.0m (vs. €14.6m in H1 2016)**
  - Start-up costs
  - Investments in innovation and upskilling teams, including for automated and mechanised contracts
- » **International: Underlying op. income of €2.8m (vs. loss of €0.1m H1 2016)**
  - Effects of the action plans implemented in 2016
  - Improving situation in emerging markets

# FINALISATION OF LOGITERS' RESTRUCTURING

| (€ m)  | H1 2017      | H1 2016     |  |
|--|--------------|-------------|--|
| <b>Underlying operating income/(loss)</b>      | <b>9.8</b>   | <b>14.5</b> |  |
| Amortisation of customer relationships         | <b>(0.6)</b> | (0.3)       | Cost of restructuring Logiters   |
| Non-recurring expenses                         | (3.2)        | -           |  |
| <b>Operating income</b>                        | <b>6.0</b>   | <b>14.2</b> | Stable financial expense despite the increase in debt following the September 2016 acquisition of Logiters |
| Net financial income/(exp.)                    | (2.7)        | (2.9)       |  |
| Income tax                                     | (2.8)        | (4.8)       | Lower tax expense in line with the earnings decline  |
| Share in income of associates                  | 0.1          | (0.0)       |  |
| <b>Net income</b>                              | <b>0.6</b>   | <b>6.5</b>  |  |
| <i>o/w attr. to non-controlling interests</i>  | <i>0.8</i>   | <i>0.4</i>  |  |
| <i>o/w attr. to ID Logistics' shareholders</i> | <i>(0.2)</i> | <i>6.1</i>  |  |

# NET DEBT UNDER CONTROL

| (€ m)   | H1 2017      | H1 2016       |
|---|--------------|---------------|
| <b>EBITDA</b>                                 | <b>23.4</b>  | <b>24.9</b>   |
| Change in the WCR                             | (3.7)        | (24.2)        |
| Other   | (8.7)        | (8.4)         |
| Net capital expenditure                       | (14.8)       | (6.8)         |
| <b>Cash generated by operating activities</b> | <b>(3.8)</b> | <b>(14.9)</b> |
| Net interest paid                             | (2.2)        | (2.3)         |
| Other changes                                 | 0.0          | 0.4           |
| <b>Non-operating changes</b>                  | <b>(2.2)</b> | <b>(1.9)</b>  |
| <b>Reduction/(increase) in net debt</b>       | <b>(6.0)</b> | <b>(16.4)</b> |

WCR improvement through tight receivables management: June 2017 DSO of 51 days vs. 55 days at June 2016

Stable gross capex/rev. ratio (reduction in disposals by comparison with 2016)

# SOLID BALANCE SHEET

| (€ m)                              | 30 June 2017  | 31 Dec. 2016  |
|------------------------------------|---------------|---------------|
| Goodwill                           | 169.4         | 168.4         |
| Other non-current assets           | 128.4         | 127.5         |
| <b>Non-current assets</b>          | <b>297.7</b>  | <b>295.9</b>  |
| <b>Working capital requirement</b> | <b>(95.4)</b> | <b>(99.4)</b> |
| Current net cash                   | 73.9          | 89.0          |
| Gross debt                         | (131.0)       | (140.1)       |
| <b>Net debt</b>                    | <b>(57.1)</b> | <b>(51.1)</b> |
| <b>Equity</b>                      | <b>145.2</b>  | <b>145.4</b>  |

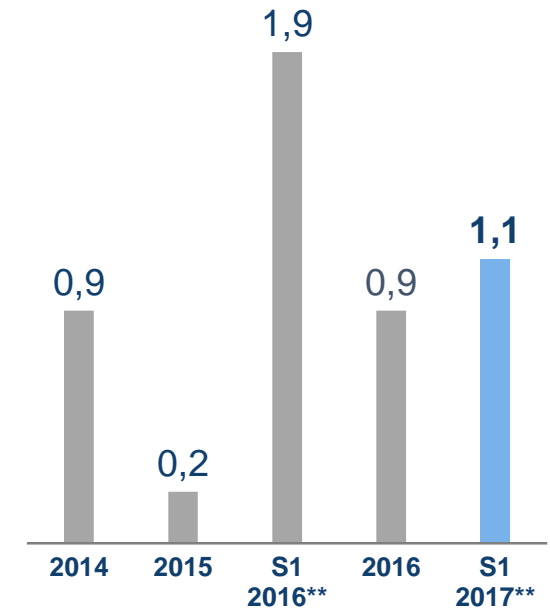
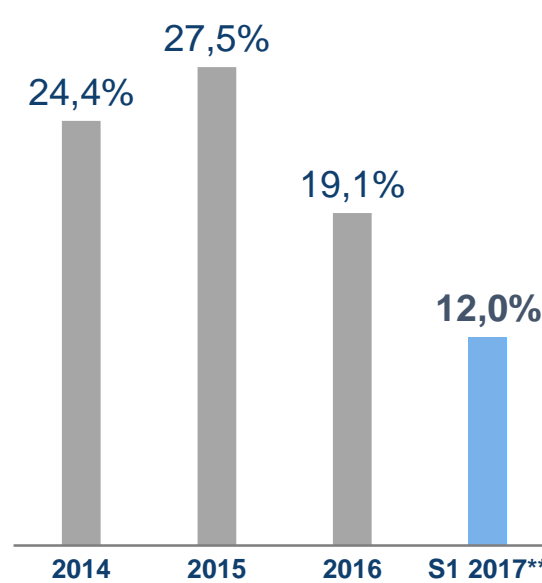
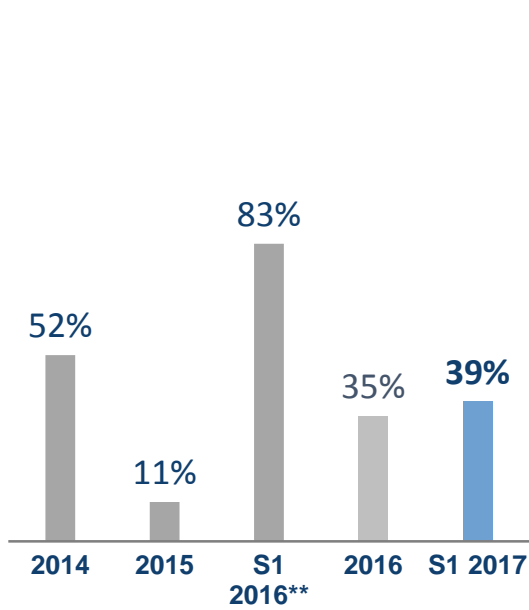
Stable non-current assets

Tight grip on WCR: negative requirement of 27 days' revenues vs. 29 days at 31 Dec. 2016

Financial liabilities primarily comprising the Logiters and CEPL acquisition loans (€106m)



# SUBSTANTIAL INVESTMENT CAPACITY



\*See definitions in the appendix  
 \*\* pro forma of the Logiters acquisition

| Vague | Etat     | Région              | A préparer | Préparé | A faire |
|-------|----------|---------------------|------------|---------|---------|
| 35319 | EN COURS | PROVINCE            |            |         |         |
| 35312 | EN COURS | RÉGION PARISIENNE   | 55 000     | 55 000  | 0       |
| 35311 | EN COURS | RÉGION PARISIENNE   | 20         | 20      | 0       |
| 35296 | EN COURS | PROVINCE, GRAND SUD | 900        | 900     | 0       |
| 35289 | CLOTUREE | RÉGION PARISIENNE   | 740        | 0       | 740     |
| 35222 | EN COURS | RÉGION PARISIENNE   | 99         | 99      | 0       |
|       |          |                     | 500        | 500     | 0       |
|       |          |                     | 1 517      | 357     | 1 160   |

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OUTLOOK

# OUTLOOK

- » Group's profitability expected to improve from the second half of 2017
- » Pursue a strategy of innovation and differentiation to rise to the new challenges facing clients
- » Become Europe's leading logistics specialist, particularly in e-commerce
- » Continue to grow at a faster pace than the contract logistics market
- » Seize acquisition opportunities, especially in Europe, to provide the most seamless geographical coverage possible





**APPENDIX**



## APPENDIX: DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

### » **EBITDA**

Underlying operating income before net additions to depreciation of property, plant and equipment and amortisation of intangible assets

### » **Net debt**

Gross debt plus bank overdrafts and minus cash and cash equivalents

### » **Gearing**

Ratio of net debt to consolidated group equity

### » **ROCE**

Ratio of underlying operating income to capital employed (non-current assets minus negative working capital requirement)

# H1 2017 results

