28 March 2018

ANNUAL RESULTS 2017

NEW CHALLENGES IN THE RETAIL SECTOR

2017 HIGHLIGHTS

2017 RESULTS

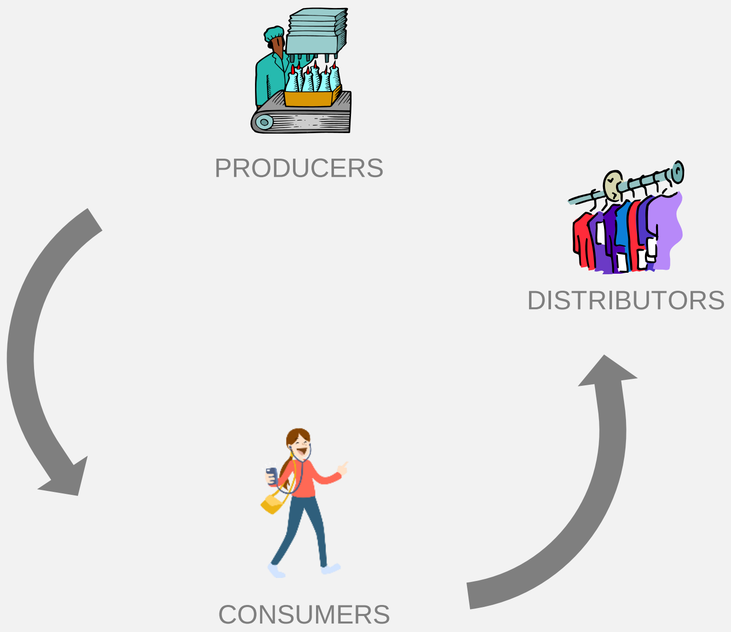
OUTLOOK

NEW CHALLENGES IN THE RETAIL SECTOR

A RETAIL REVOLUTION

1960-1970

The producer agrees the contract, and the distributor puts on sale the products designed by the manufacturer



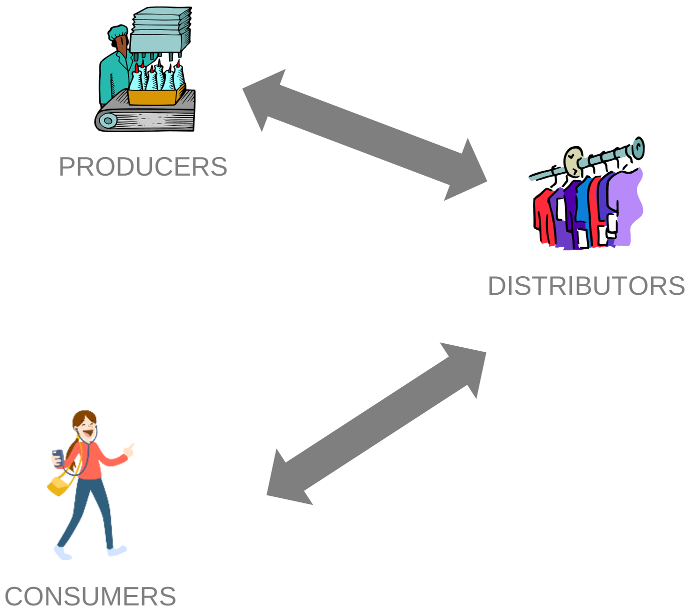
Implications for logistics

- Low number of SKUs
- Storage at production plants ready for shipment
- Direct store deliveries
- Focus of attention on transport issues (including forwarding)

A RETAIL REVOLUTION

1980-2010

The distributor dominates the market and states its requirements to its suppliers



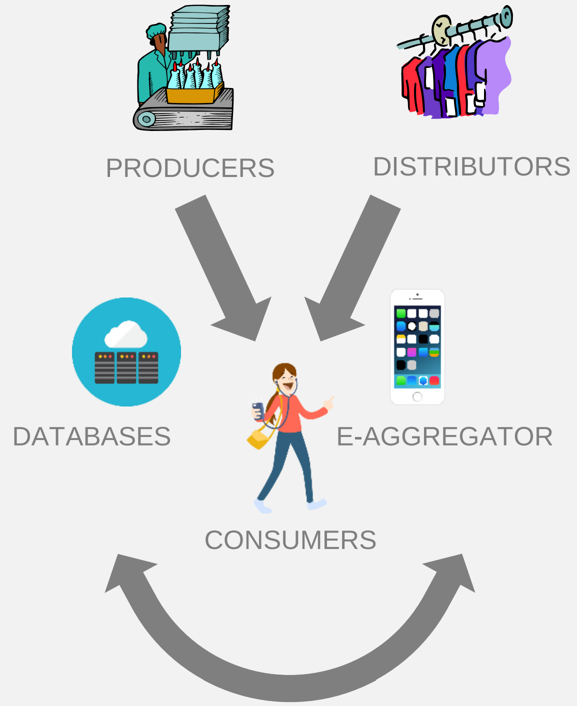
Implications for logistics

- Steep increase in the number of SKUs
- Introduction of major logistics hubs handling order integration and fulfilment
- Manufacturers have to fit in with the distribution arrangements created by distributors (ready to sell, promotion, etc.)
- Information systems play a major role

A RETAIL REVOLUTION

2010 onwards

Distribution formats are becoming more diversified, and consumer behaviour is changing



Implications for logistics

- Retail order fulfilment a priority
- Development of e-commerce, small city-centre stores, home deliveries
- Increase in the number of SKUs
- Flexible multi-format logistics

WHAT ARE THE RAMIFICATIONS FOR ID LOGISTICS?

- **Crucial to understand the end consumer (B2B2C)**
- Acceleration in **processes**, **flows** and **delivery times**
- Increase in the number of **SKUs** and growing intensity of **unit-based retail order fulfilment**
- Need for **general overview** of flows and order **traceability**

WHAT SOLUTIONS DO WE PROVIDE?

INNOVATION

STRUCTURED INNOVATION-BASED APPROACH (INNOVATION CAMPUS)

COLLABORATIVE AND PARTNERSHIP-BASED FRAMEWORK

- RESEARCH CENTRES
- TOP EDUCATIONAL INSTITUTIONS AND UNIVERSITIES
- START-UPS
- CALL FOR INNOVATIVE PROJECTS

BROADER OFFERING

ENRICHED AND FLEXIBLE SOLUTIONS

- MECHANISATION AND AUTOMATION
- FLOW MANAGEMENT AND TRANSPORT ORGANISATION
- FULFILLMENT CONTROLS

NEW OPPORTUNITIES FOR ID LOGISTICS

STRENGTHEN PARTNERSHIPS with major customers: switchover from a **BACK-OFFICE** partnership to a **FRONT-OFFICE** partnership

EXPAND our geographical footprint by supporting customers and making processes replicable

DEVELOP A MORE TECHNICAL AND AUTOMATED MODEL that remains “asset light”

BUSINESS CASE #1

RISE TO THE “*LECLERC CHEZ MOI*” CHALLENGE

- **Goal: launch the new e-commerce business dedicated to the Paris market**
    - Home delivery
    - Click-and-Collect

- **Implementation: start-up of E.Leclerc’s new operations in late March 2018**
    - 6,000 m^2 platform in Pantin
    - 12,000 SKUs
    - 80 employees
    - 3 temperature levels
    - Next-generation technology

- **Objective: deliver on the customer promise of rapid and reliable service**

BUSINESS CASE #2

SUPPORT MARABRAZ WITH THE TRANSFORMATION OF ITS MODEL

- **Goal: transform the Brazilian furniture retailing leader’s conventional model into a multi-format model incorporating e-commerce**

- **Implementation: start up in September 2017**
  - 7,500 m^2 platform in Cajamar (SP)
  - Number of SKUs doubled to 12,000
  - 1.7 million packages per year
  - 50 employees

A REVOLUTION AFFECTING THE MAJORITY OF OUR CUSTOMERS…

Selection of our 2017 and 2018 projects

YVES ROCHER

KIABI
la mode à petits prix

Alinéa

Conforama
C'est bon de changer

LAPEYRE

DESCOURS & CABAUD

MediaMarkt

AuchanDirect.fr

2017 HIGHLIGHTS

2017 HIGHLIGHTS - IN LINE WITH OUR GROWTH MODEL

Growth

Start-ups

Organisation

2017 HIGHLIGHTS

GROWTH OF 24% TO €1,329M

- **Consistently strong organic growth:**
  - France: Revenues up 8.8% to €632.6m
  - International: Revenues up 7.9% to €696.7m

- **E-commerce: strong acceleration, now a leader in France**
  - 1% of revenues in 2012, 12% of revenues in 2017

- **Expansion into a new country - Romania - and consolidation of European operations**
  - 17^{th} country in 17 years

2017 HIGHLIGHTS

START-UPS

- **Efficiency improvements in 2017 on the 31 contracts started up in 2016**
- **16 new contract start-ups in 2017: back to a more normal level**
- **ID Logistics' organic growth model has proven its worth (J curve)**

2017 HIGHLIGHTS

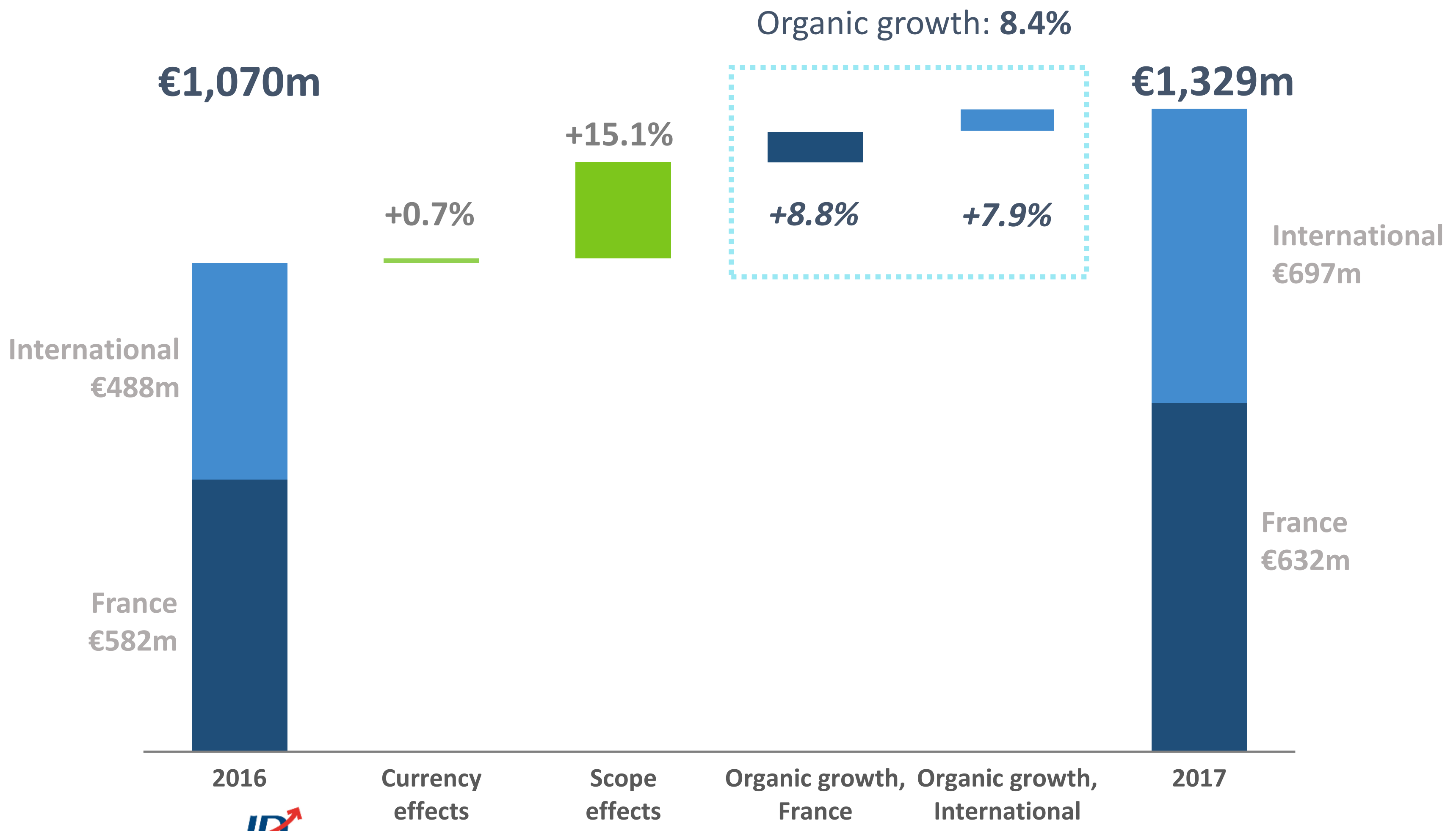
ORGANISATION

- **Executive Committee strengthened**
  - Laurent Nicastro, Executive Vice-President, Operations
  - Marie Gay de Tailly, Executive Vice-President, Human Resources
- **Support functions strengthened (Innovation/R&D, Operations and HR)**
  - Creation of a dedicated re-engineering unit (EMIP) with 7 engineers
  - Creation of the Innovation Campus and appointment of 11 innovation experts and 16 country correspondents

2017 RESULTS

2017 RESULTS

BRISK PACE OF REVENUE GROWTH: 24.2%



2017 RESULTS

UNDERLYING OPERATING INCOME UP 32%

	2017			2016			change
(€ m)	France	Internat.	**TOTAL**	France	Internat.	**TOTAL**	
Underlying operating income	24.7	12.0	**36.7**	28.0	(0.2)	**27.8**	+32%
As a % of revenues	*3.9%*	*1.7%*	***2.8%***	*4.8%*	*-0.0%*	***2.6%***	*+20bp*

France

Decline in underlying op. income to €24.7m

- First half of the year affected by start-up costs on new contracts from 2016 and investments in operational teams and in innovation
- Much stronger second-half performance with the greater efficiency of the 2016 contracts

International

Strong improvement in underlying op. income to €12.0m

- Improved efficiency of contracts that started up in 2016 from the first half, offsetting establishment costs in Belgium and Romania
- Logiters progressing on track
- Firm trends in emerging markets, especially Brazil

2017 RESULTS

NET INCOME UP 5.2%

(€ m)	2017	2016
Underlying operating income	**36.7**	**27.8**
Amortisation of customer relationships	(1.3)	(0.8)
Non-recurring gains/(expenses)	(5.6)	2.5
o/w restructuring costs	*(5.6)*	*(4.9)*
o/w subsidiary acquisition costs	-	*(2.3)*
o/w real estate capital gain	-	*9.7*
Net financial income/(expense)	(5.6)	(5.7)
Income tax	(6.3)	(6.4)
Share in income of associates	0.4	0.0
Consolidated net income	**18.3**	**17.4**
o/w non-controlling interest	*2.2*	*1.9*
o/w attr. to ID Logistics' shareholders	*16.1*	*15.5*

2017: Logiters' restructuring costs; 2016: cost of shutting down site in Germany

Stable financial expense despite the increase in debt following the September 2016 acquisition of Logiters

No change in income tax expense through use of tax loss carryforwards

2017 RESULTS

TIGHT GRIP ON DEBT

(€ m)	2017	2016
Net income	**18.3**	**17.4**
Depreciation and amortisation	27.6	24.0
Change in the WCR and other items	(17.5)	2.9
Net operating capex	(32.5)	(26.6)
Cash generated/(used) by operating activities	**(4.1)**	**17.7**
Acquisition of subsidiary	-	(86.7)
Real estate disposal	-	37.8
Non-operating capex	(4.3)	-
Net interest paid	(4.7)	(4.5)
Other changes	0.8	(0.8)
Non-operating changes	**(8.2)**	**(54.2)**
Increase in net debt	**(12.3)**	**(36.5)**

Certain receipts delayed until 2018

Operating capex stable at 2.4% of revenues

Investment in a new head office and roll-out of a new ERP suite

SOLID BALANCE SHEET

(€ m)	31/12/2017	31/12/2016
Goodwill	172.7	168.4
Other non-current assets	122.3	127.5
Non-current assets	**295.0**	**295.9**
Working capital requirement	**(69.3)**	**(99.4)**
Current net cash	90.1	89.0
Gross debt	(153.5)	(140.1)
Net debt	**(63.4)**	**(51.1)**
Equity	**162.3**	**145.4**

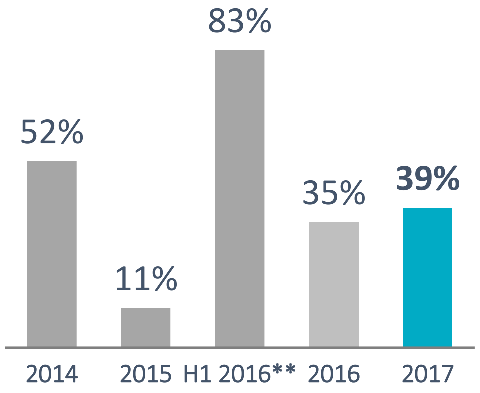
Stable non-current assets

Financial liabilities primarily comprising the Logiters acquisition loan

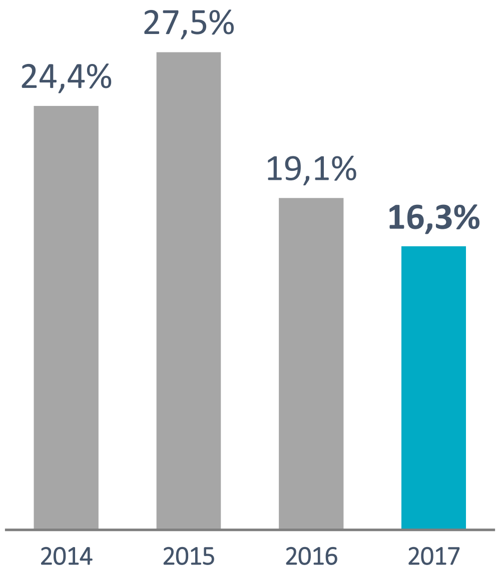
2017 RESULTS

SUBSTANTIAL INVESTMENT CAPACITY

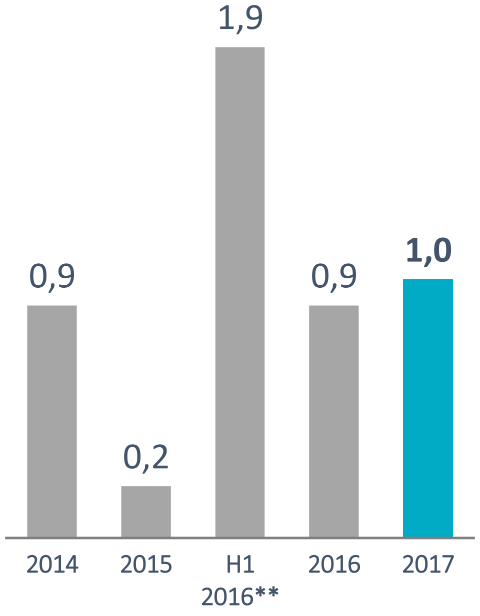
Gearing*



Pre-tax ROCE*



Net debt /EBITDA*



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

OUTLOOK

OUTLOOK

Continue delivering growth in excess of the market at large as a key player in this retail revolution by harnessing:

- our expertise
- our ability to support our customers in new regions and to deliver seamless management

Continue to raise our margins

Expand our investment capacity

Seize acquisition opportunities to provide broad coverage, especially in Europe:

- Proven integration capability
- Solid finances

THANK YOU

Q&A

APPENDIX

APPENDIX

DEFINITIONS

EBITDA

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

Net debt

Gross debt plus bank overdrafts and less cash and cash equivalents

Gearing

Ratio of net debt to consolidated equity

ROCE

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