

## ID Logistics: a good 1<sup>st</sup> half in 2018, strong growth in sales and earnings

- Sustained organic sales growth: up 6.1% to €680 million
- Rebound in underlying operating profit: up 52% to €14.9 million
- Strong operating cash flow: €13.6 million after investments
- Reduction in net financial debt to €55 million, or 0.8x EBITDA

Orgon, 29 August 2018 – 6:00pm CEST - ID Logistics, (ISIN: FR0010929125, Ticker: IDL) one of the European leaders in contract logistics, announces 2018 first half results with revenue of €680.4 million, an increase of 3.4%, or 6.1% at constant exchange rates, current operating income up 52% to €14.9 million, and net income rising sharply to €7.4 million.

Commenting on these figures, **Eric Hémar, Chairman and CEO of ID Logistics**, said: *“The good results for the 1<sup>st</sup> half of 2018 validate our business model, and the investment, particularly in human resources, made in 2017 to support our growth, deliver expected results. Business remains brisk especially with e-commerce players.”*

### Main financial indicators

€ million	H1 2018	H1 2017
Revenues	680.4	658.3
Current operating income	14.9	9.8
	% of revenue	1.5%
Consolidated net income	7.4	0.7
	% of revenue	0.1%
	30/06/2018	31/12/2017
Net debt	54.8	63.4
Shareholders' equity	169.1	162.3

### SUSTAINED SALES GROWTH

Over the 1<sup>st</sup> half, ID Logistics generated revenue of €680.4 million, an increase of 3.4%, or 6.1% at constant exchange rates, with a marked acceleration in the second quarter, with growth of 5.0%, or 8.3% at constant exchange rates.

This strong performance was spread across all markets:

- In **France**, revenue was 6.8% higher at €330.6 million.
- In **International markets** there was strong progress, with revenue of €349.8 million, an increase of 5.4% at constant exchange rates, with a negative impact of unfavourable currency movements notably in Argentina and Brazil.

#### CURRENT OPERATING INCOME BOUNCES BACK

The Group pursued the improvement in operating profitability that began at the end of 2017: current operating income was €14.9 million, compared to €9.8 million in H1 2017, giving an operating margin 70 basis points higher at 2.2%.

- In **France**, current operating income rose from €7.0 million in H1 2017 to €11.8 million. Productivity improvements at sites opened in 2016 and 2017 back the sharp increase in operating margin from 2.3% in H1 2017 to 3.6%.
- In **international markets** the improvement in current operating income continued, with an increase from €2.8 million in H1 2017 to €3.1 million, despite the unfavourable impact of currency movements for Brazil and Argentina.

Investment in 2017 to strengthen operations and support teams, particularly in France, helped support growth and contain costs of recently opened projects (3 in France and 4 in international markets in H1 2018).

#### STRONG GROWTH IN NET INCOME

Net income for the first half rose sharply, to €7.4 million, from €0.7 million in H1 2017. In addition to stronger operating income, this reflected the reduction to €-2.3 million of net financial result, the absence of exceptional items and a €2.0 million increase in the tax charge, to €4.7 million, in line with the improvement in results.

#### STRONG CASH FLOW AND A SOLID FINANCIAL STRUCTURE

Stronger income, combined with tight management of working capital requirements, more than offset the small sum of €2.0 million in operational capital expenditure: in H1 2018, ID Logistics businesses generated €13.6 million in cash, compared to a cash consumption of €3.8 million in H1 2017.

At end-June 2018, after taking into account non-current investments, notably the new ID Logistics HQ, the Group's net financial debt was reduced to €54.8 million, €8.6 million lower than at the end of 2017. With financial leverage reduced to 0.8 times EBITDA, ID Logistics has strong investment capacity.

#### OUTLOOK

Historically, ID Logistics results have benefited from a favorable seasonality in H2. Growth at Group level continue to be particularly driven by important developments in e-commerce, thanks to the relevance of its commercial position.

*Additional note:*

*A limited review of the interim consolidated financial statements has been carried out; the report on this review will be issued after finalisation of the procedures required for the publication of the interim financial report.*

#### DEFINITIONS

- **EBITDA** Current operating income before net amortisation of tangible and intangible assets
- **Net debt** Gross debt plus bank overdrafts less cash and cash equivalents

#### NEXT REPORT

3<sup>rd</sup> quarter revenues 2018: 23 October 2018, after market close

#### ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €1,329 million in 2017. ID Logistics has close to 300 sites across 17 countries, representing 5.5 million square meters of warehousing facilities in Europe, Latin America, Asia and Africa, and 19,000 employees. With a client portfolio balanced between retail, industry, detail picking, healthcare and e-commerce sectors, ID Logistics delivers high-tech solutions and is firmly committed to sustainable development.

ID Logistics is listed on Compartment B of NYSE Euronext's regulated market in Paris (ISIN Code: FR0010929125).

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## APPENDIX

- Simplified income statement

€ million	H1 2018	H1 2017
<i>France</i>	330.6	309.6
<i>International</i>	349.8	348.7
<b>Revenues</b>	<b>680.4</b>	<b>658.3</b>
<i>France</i>	11.8	7.0
<i>International</i>	3.1	2.8
<b>Current operating income</b>	<b>14.9</b>	<b>9.8</b>
Amortisation of customer relationships	(0.6)	(0.6)
Non-recurring costs	-	(3.2)
<b>Operating income</b>	<b>14.3</b>	<b>6.0</b>
Financial income/(expense)	(2.3)	(2.7)
Tax	(4.7)	(2.7)
Affiliated companies	0.1	0.1
<b>Consolidated net income</b>	<b>7.4</b>	<b>0.6</b>
<i>of which Net income attributable to equity holders of the parent</i>	6.0	(0.1)

- Simplified cash flow statement

€ million	H1 2018	H1 2017
Consolidated net income	7.4	0.6
Depreciation and amortisation	12.6	13.6
Change in WCR and other items	10.4	(3.5)
Net operating investment	(16.8)	(14.8)
<b>Cash generated (consumed) by operations</b>	<b>13.6</b>	<b>(3.8)</b>
Non-operational capital expenditures*	(6.4)	-
Other changes	1.4	(2.2)
<b>Non-operating changes</b>	<b>(5.0)</b>	<b>(2.2)</b>
<b>Reduction/(increase) in net debt</b>	<b>8.6</b>	<b>(6.0)</b>

\* Mainly new HQ