

# FIRST HALF 2014 RESULTS



Technologie



International



Supply chain

The logo for ID Logistics, featuring a stylized 'ID' with an upward-pointing arrow and the word 'LOGISTICS' below it.

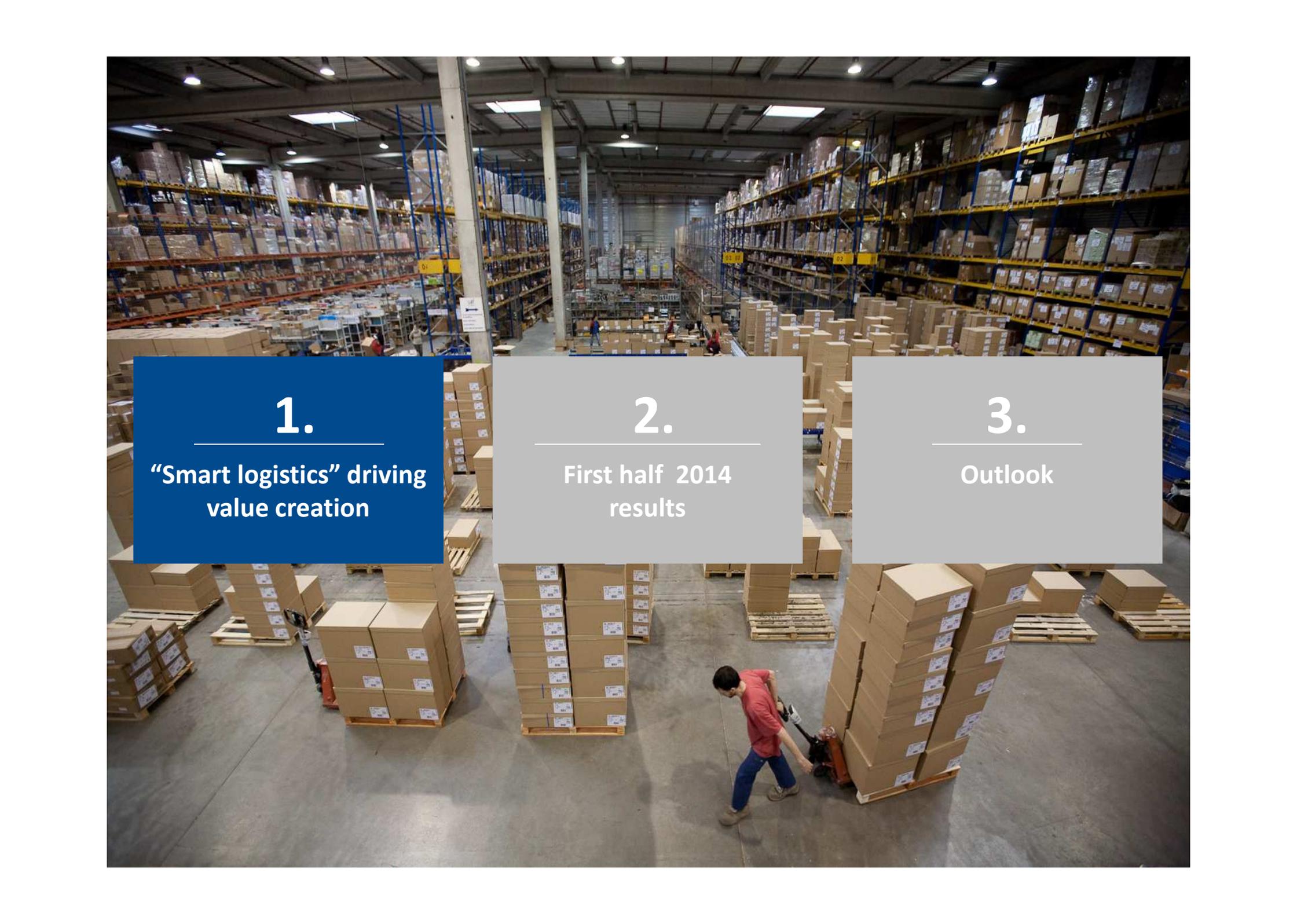
**ID**  
LOGISTICS

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# A dynamic first-half performance for ID Logistics

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- Continued strong commercial performance
- Strategic benefits of acquiring CEPL and new opportunities opening up for the Group
- Strong financial performance during the first half
  - Increased revenue
  - Further margin improvement
  - Robust balance sheet and further deleveraging
- Goals for 2015



**1.**

**“Smart logistics” driving  
value creation**

**2.**

**First half 2014  
results**

**3.**

**Outlook**

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# ID Logistics' three fundamental strengths

Contract logistics specialist

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**1**

**Constantly expand its market by bringing in new customers and moving into new areas**

**2**

**Support its customers with their worldwide expansion**

**3**

**Develop innovative technical solutions, "smart logistics"**

# ID Logistics' three fundamental strengths

Leveraging the Group's historical profile

**1**

**Market expansion**

**Historical profile**

**Retail, Specialised retail, FMCG**

**2**

**Support for customers**

**France, Latin America, Asia, Africa**

**3**

**"Smart logistics"**

**Voice-picking, detail picking and warehouse geared to high volumes**

**Transport organisation and flow management (TMS)**

# ID Logistics' three fundamental strengths

Reinforced by the acquisition of CEPL in 2013

**1**

**Market expansion**

**Historical profile**

Retail, Specialised retail, FMCG

**CEPL**

Luxury goods, fragrances, cosmetics, cultural goods

**2**

**Support for customers**

France, Latin America, Asia, Africa

European positions strengthened: France, Netherlands, Germany, Spain

**3**

**"Smart logistics"**

Voice-picking, detail picking and warehouse geared to high volumes

Automated solutions for detail picking, kitting, copacking

# ID Logistics' three fundamental strengths

Extended in the first half of 2014

	1	2	3
Historical profile	<b>Market expansion</b> Retail, Specialised retail, FMCG	<b>Support for customers</b> France, Latin America, Asia, Africa	<b>"Smart logistics"</b> Voice-picking, detail picking and warehouse geared to high volumes
CEPL	Luxury goods, fragrances, cosmetics, cultural goods	European positions strengthened: France, Netherlands, Germany, Spain	Automated solutions for detail picking, kitting, copacking
H1 2014	e-commerce, luxury goods, new customers	Brazil, Russia, South Africa (customer joint venture), China	<ul style="list-style-type: none"><li>- Auto weighing pallet truck (Sony),</li><li>- European shipping optimisation portal (Danone), etc.</li></ul>

# Business development in H1 2014

Contracts renewed and new business won

- **CEPL's customers contracts renewed including LVMH and Le Coq Sportif**
- **Prestigious new contracts won in detail picking and e-commerce:**
  - E.g. Nespresso, Conforama, Cdiscount
- **Development in selective logistics, with clients such as Lancel and Chloé**
- **Acquisition of new customers**
  - E.g. Henkel in Brazil, Ferrero in Poland, Saint Gobain in France
- **Support for customers with their worldwide expansion**
  - E.g. Sogefi in Poland and in Brazil
- **Numerous calls for tenders in progress**



# Prestigious and diversified customer base

## RETAIL (30% of rev.)



## SPECIALISED RETAIL (19% of rev.)



## LUXURY GOODS (13% of rev.)



## TEXTILES - FOOTWEAR (4% of rev.)



## INDUSTRY (30% of rev.)



## E-COMMERCE (4% of rev.)



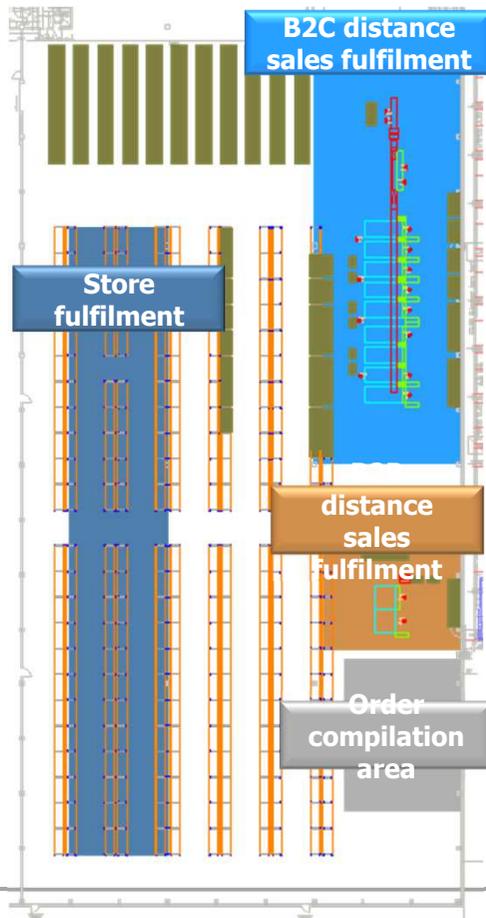
# Case study: Nespresso

Flawless processing required in automated solutions for detail picking

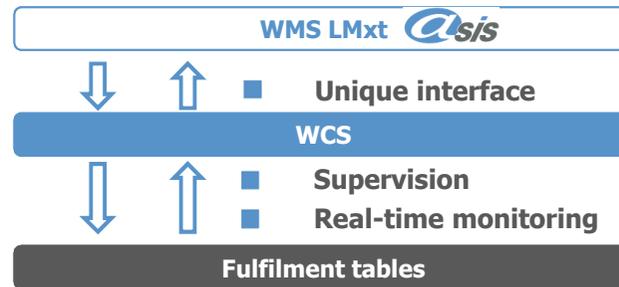


NESPRESSO

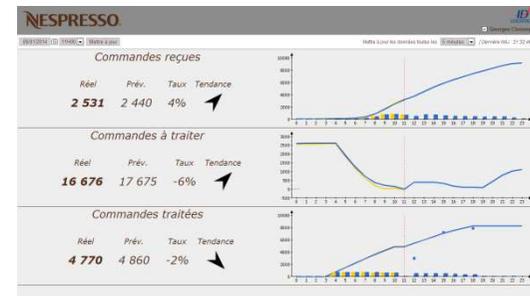
Processes adapted by type of flow



Proven IT solution



Real-time monitoring system



Innovative detail picking process



QUALITY

PRODUCTIVITY

ERGONOMICS

# Case study: Nespresso



Flawless processing required in automated solutions for detail picking



1- Invoice inserted into the envelope



2. An indicator lights up in the compartment from which an item needs to be taken. And the quantity to be taken is shown on the pigeon hole display.



3. Once the item has been taken, the picker confirms this by pressing the button next to the display and puts the products in the preselected box

6. Package placed on a conveyor belt to check its weight, then taken to the palletisation station



5. Print-out of the end recipient label



4. Validation of the latest item taken



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# Organisational and process improvements

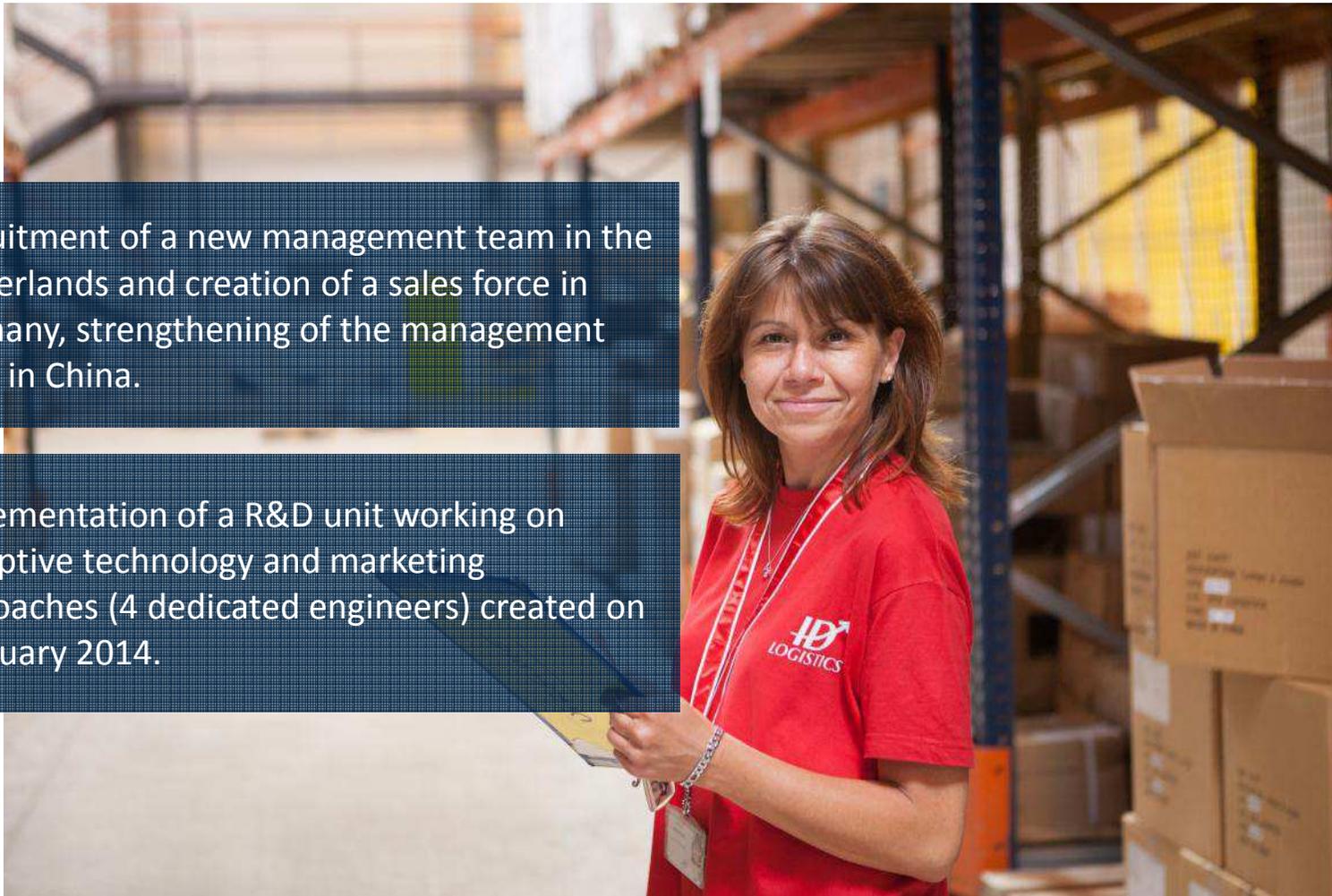
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1

Recruitment of a new management team in the Netherlands and creation of a sales force in Germany, strengthening of the management team in China.

2

Implementation of a R&D unit working on disruptive technology and marketing approaches (4 dedicated engineers) created on 1 January 2014.



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## Organisational and process improvements

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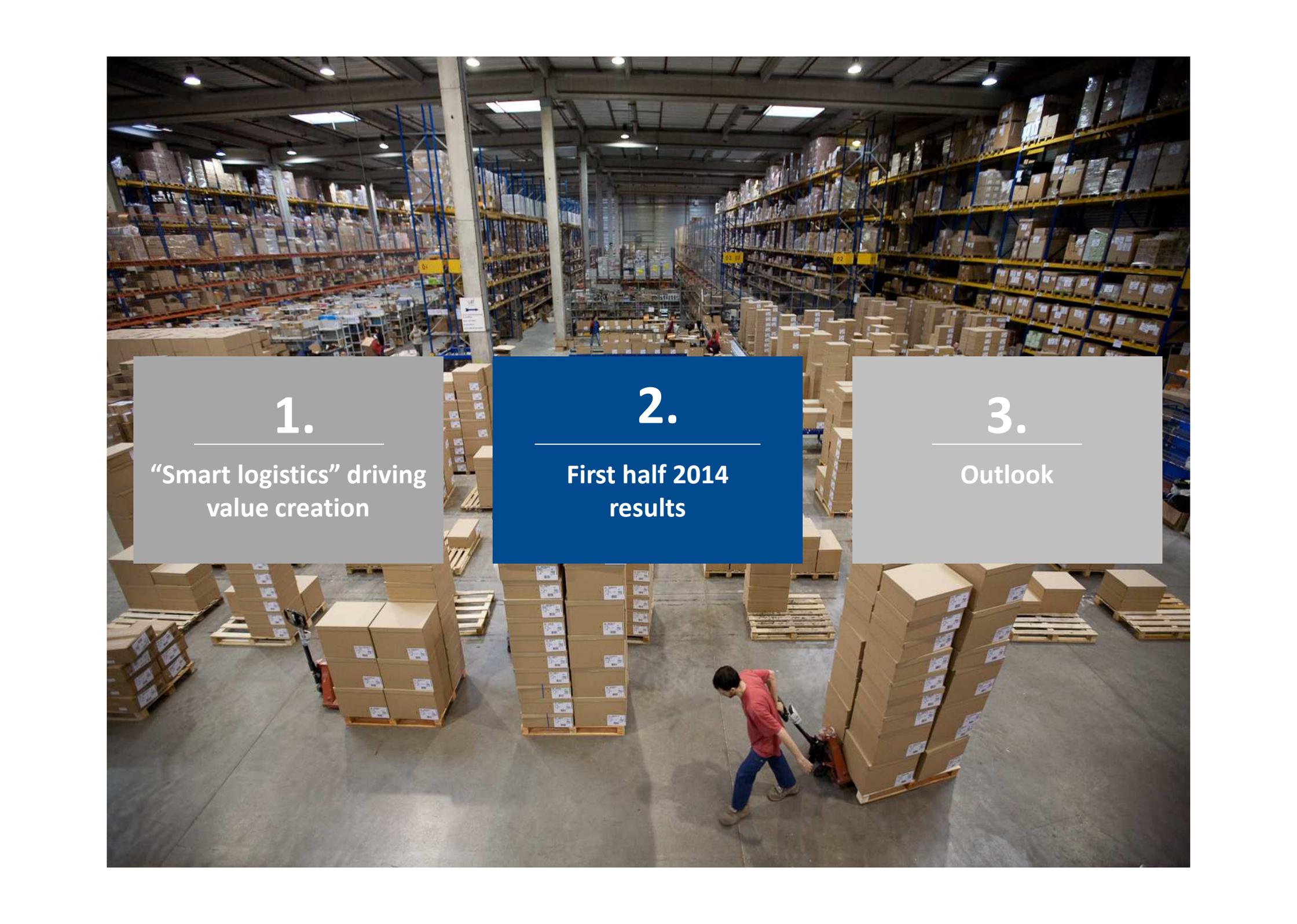
3

Roll-out of a Group project known as “New Step” in April 2014, involving all subsidiaries, to harmonise processes globally with deployment scheduled for 2014 and 2015.

4

Appointment of 3 Executive VPs (R&D, Finance, Operations) to tighten up monitoring process, promote harmonisation of the Group’s operations and support its expansion goals.





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value creation**

**2.**

**First half 2014  
results**

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**Outlook**

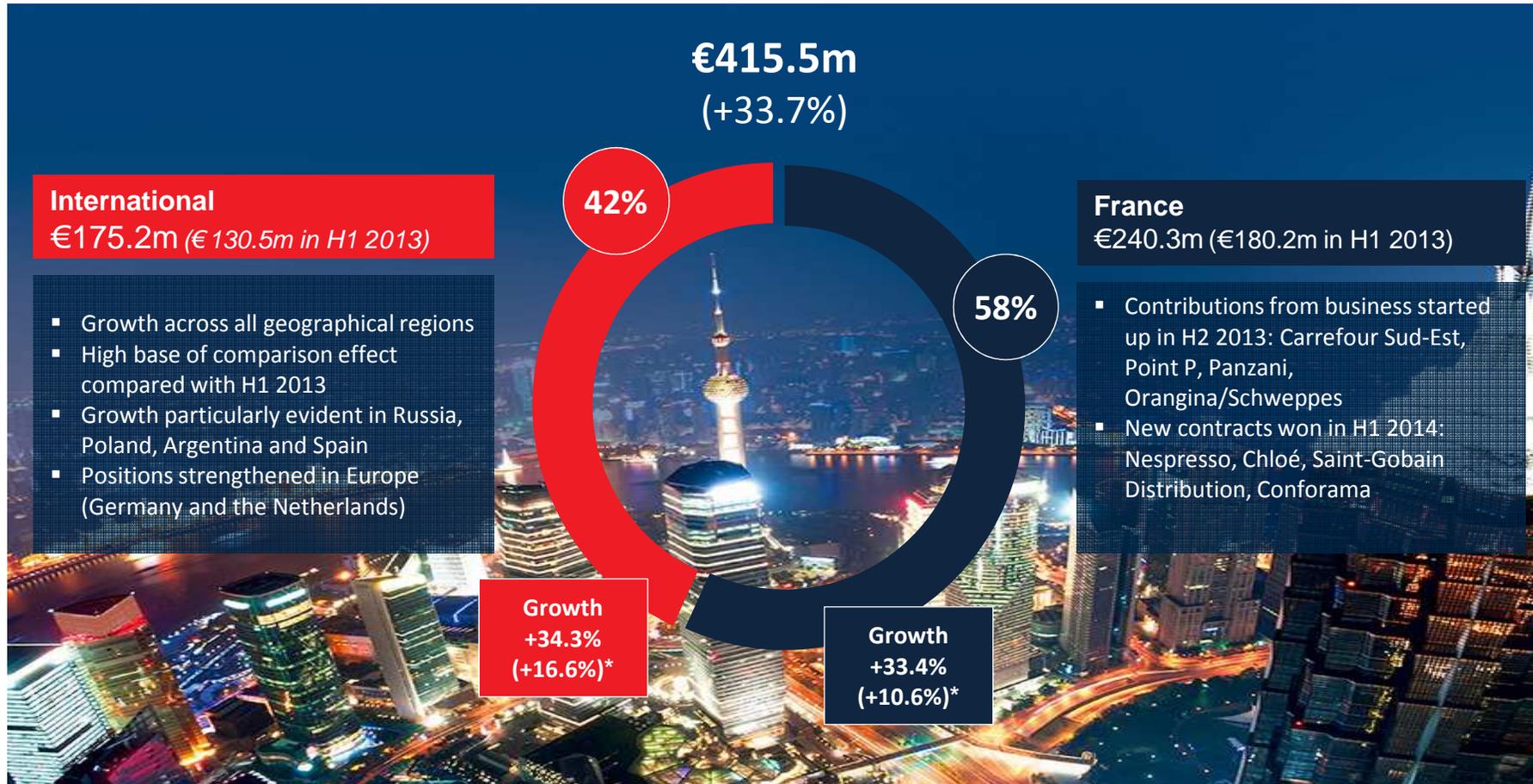
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## Further profitable growth in H1 2014

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# Continued strong revenue growth in H1 2014



\*change vs. H1 2013 (like-for-like)

# Continued improvement in operating margin to 3.3% (up 0.6 point)

(€ m)	H1 2014			H1 2013				% chg.
	France	Internat.	Total	France	Internat.	Reported total	Pro forma total*	
Underlying op. income	9.2	4.5	13.7	7.2	1.3	8.5	11.5	+61%
As a % of revenues	3.8%	2.6%	3.3%	4.0%	1.0%	2.7%	2.9%	+0.6 points

\*Pro forma consolidating CEPL with effect from 1 January 2013

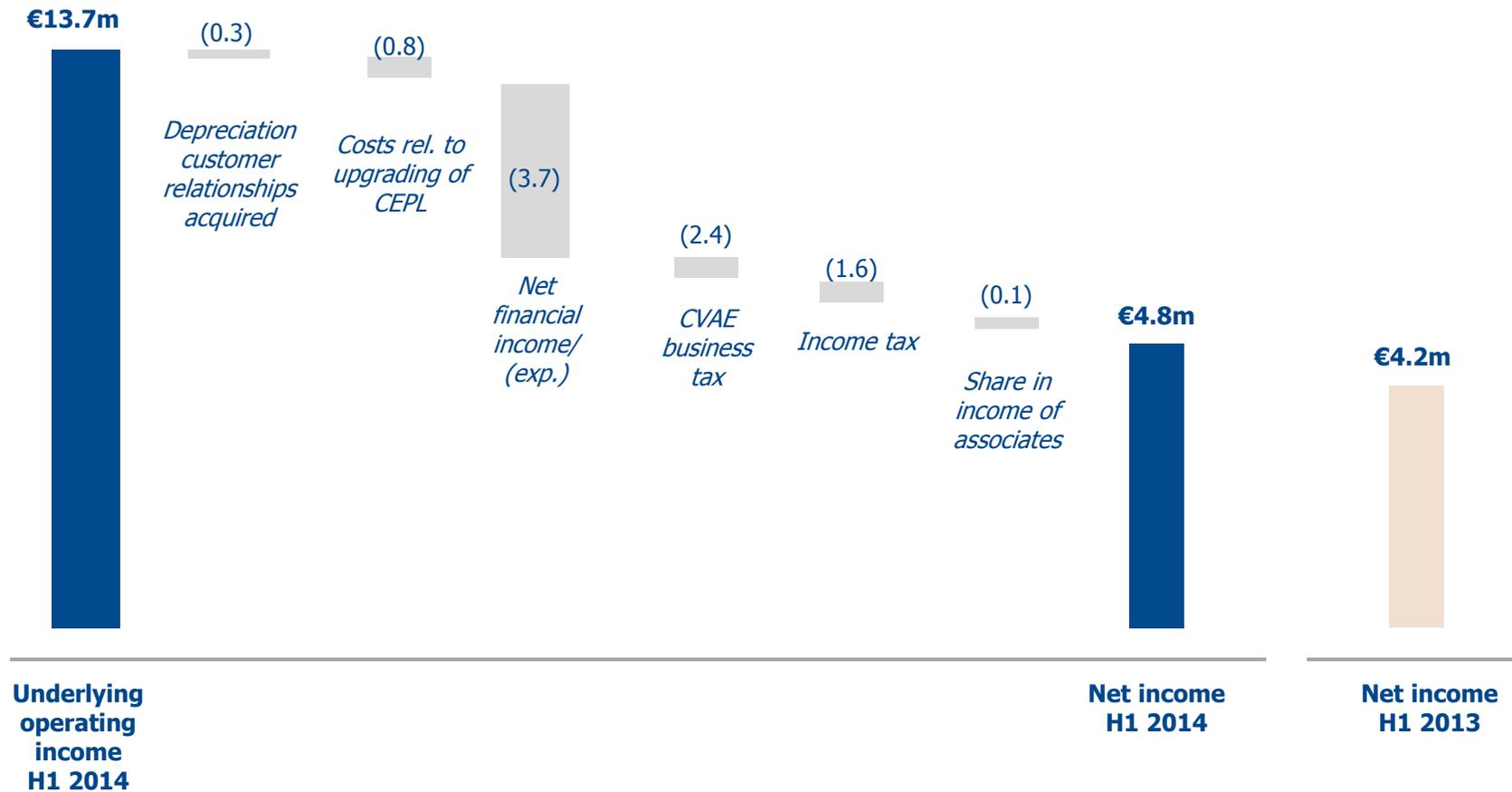
## In France: down 0.2 point to 3.8%

- Negative impact on margins of the new business started up in late 2013 and H1 2014
- Mildly dilutive impact of the first-time consolidation of CEPL's activities in France, offset by cost savings

## International: up 1.6 point to 2.6%

- Negative currency effect vs. 2013 especially in Latin America
- Unfavourable impact of start-ups in Russia and China
- Earnings improvement in Poland and Indian Ocean
- Accretive impact and earnings improvement at CEPL's operations outside France

# Net income of €4.8 million in H1 2014



## Strong cash generation during the first half

(€ m)	H1 2014	H1 2013
Cash generated by operating activities before WCR and capex	17.5	12.6
Change in the WCR	7.3	(1.0)
Capex	(8.3)	(8.4)
<b>Cash generated by operating activities</b>	<b>16.5</b>	<b>3.2</b>
Net interest expense	(3.2)	(1.6)
Other changes	(0.7)	(1.1)
Non-operating changes	(3.9)	(2.7)
Reduction/(increase) in net debt	12.6	0.5

### Increase in cash from operating activities to €16.5 million

- Improvement in the operating margin
- Tight WCR management
- Tight grip on operating capex

## Rapid decrease in net debt

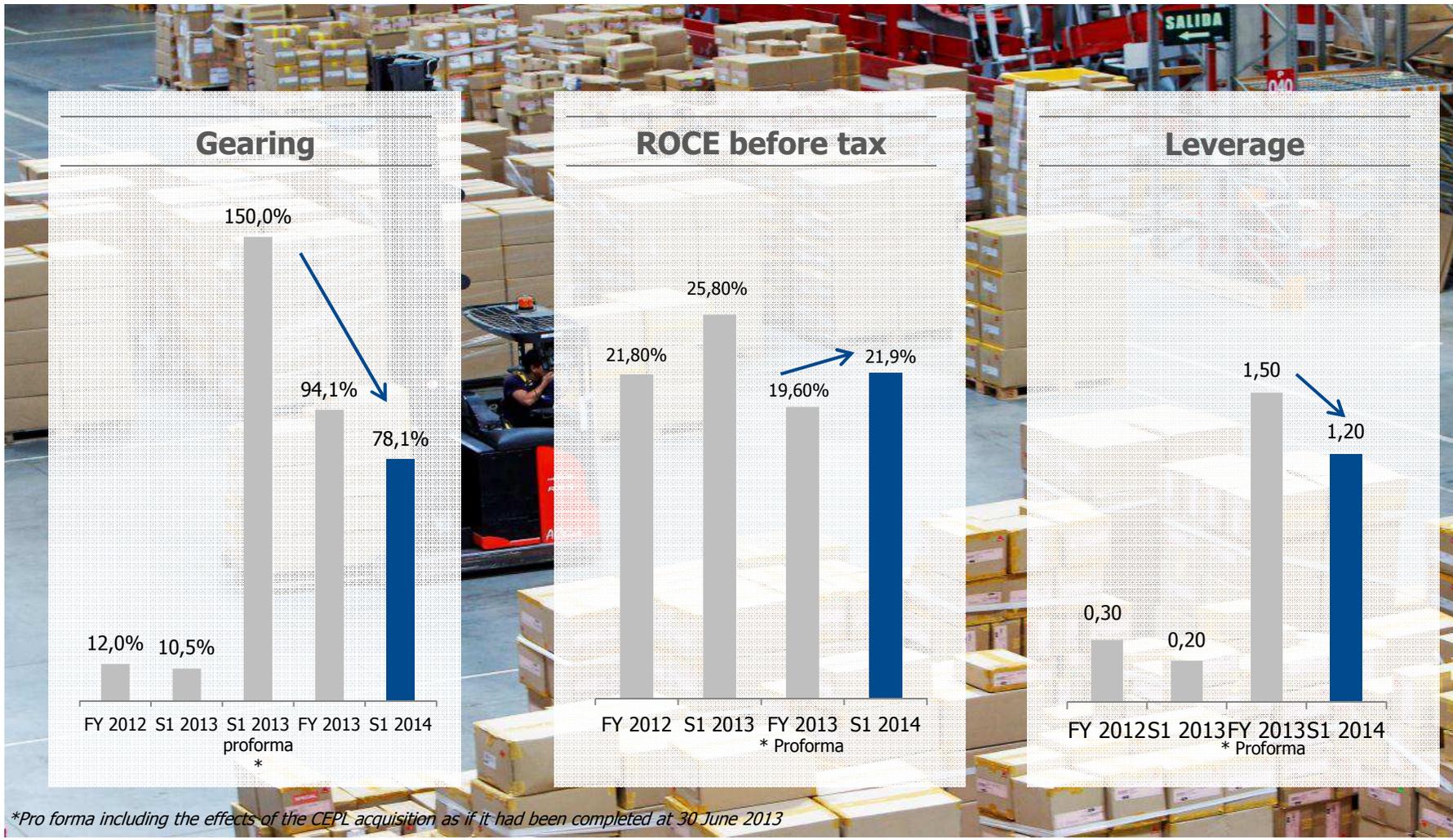
(€ m)	30 June 2014	31 Dec. 2013	30 June 2013 pro forma*	o/w addition of CEP	30 June 2013 reported
CEPL acquisition debt	62.5	75.0	75.0	75.0	-
Real estate leases	47.4	50.5	53.6	27.1	26.5
Equipment leases	22.6	23.7	24.9	2.7	22.2
Other borrowings	3.6	4.0	5.1	-	5.1
<b>Gross debt</b>	<b>136.5</b>	<b>153.2</b>	<b>158.6</b>	<b>104.8</b>	<b>53.8</b>
Underlying net cash	62.5	66.6	38.7	(6.7)	45.4
<b>Net debt</b>	<b>74.0</b>	<b>86.6</b>	<b>119.9</b>	<b>111.5</b>	<b>8.4</b>

\*Pro forma including the effects of the CEPL acquisition as if it had been completed at 30 June . 13

## Sound financial structure

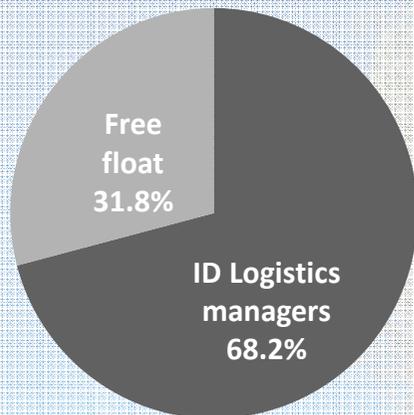
(€ m)	30 June 2014	31 Dec. 2013	% chg.
Goodwill	121.3	121.2	0.1
Other non-current assets	157.6	161.8	(4.2)
<b>Non-current assets</b>	<b>278.9</b>	<b>283.0</b>	<b>(4.1)</b>
<b>(Negative) working capital requirement</b>	<b>(110.2)</b>	<b>(105.5)</b>	<b>(4.7)</b>
Underlying net cash	62.5	66.6	(4.1)
Gross debt	136.5	153.2	(16.7)
<b>Net debt</b>	<b>74.0</b>	<b>86.6</b>	<b>(12.6)</b>
<b>Equity</b>	<b>94.7</b>	<b>90.9</b>	<b>3.8</b>

# An investment capacity preserved



# Stock market data

## Ownership structure

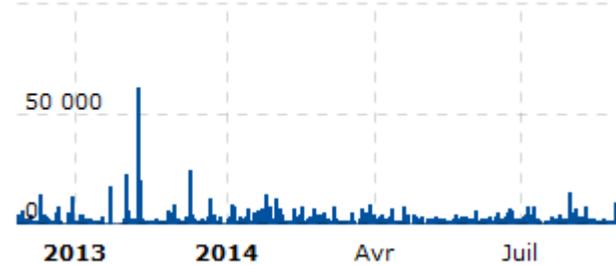


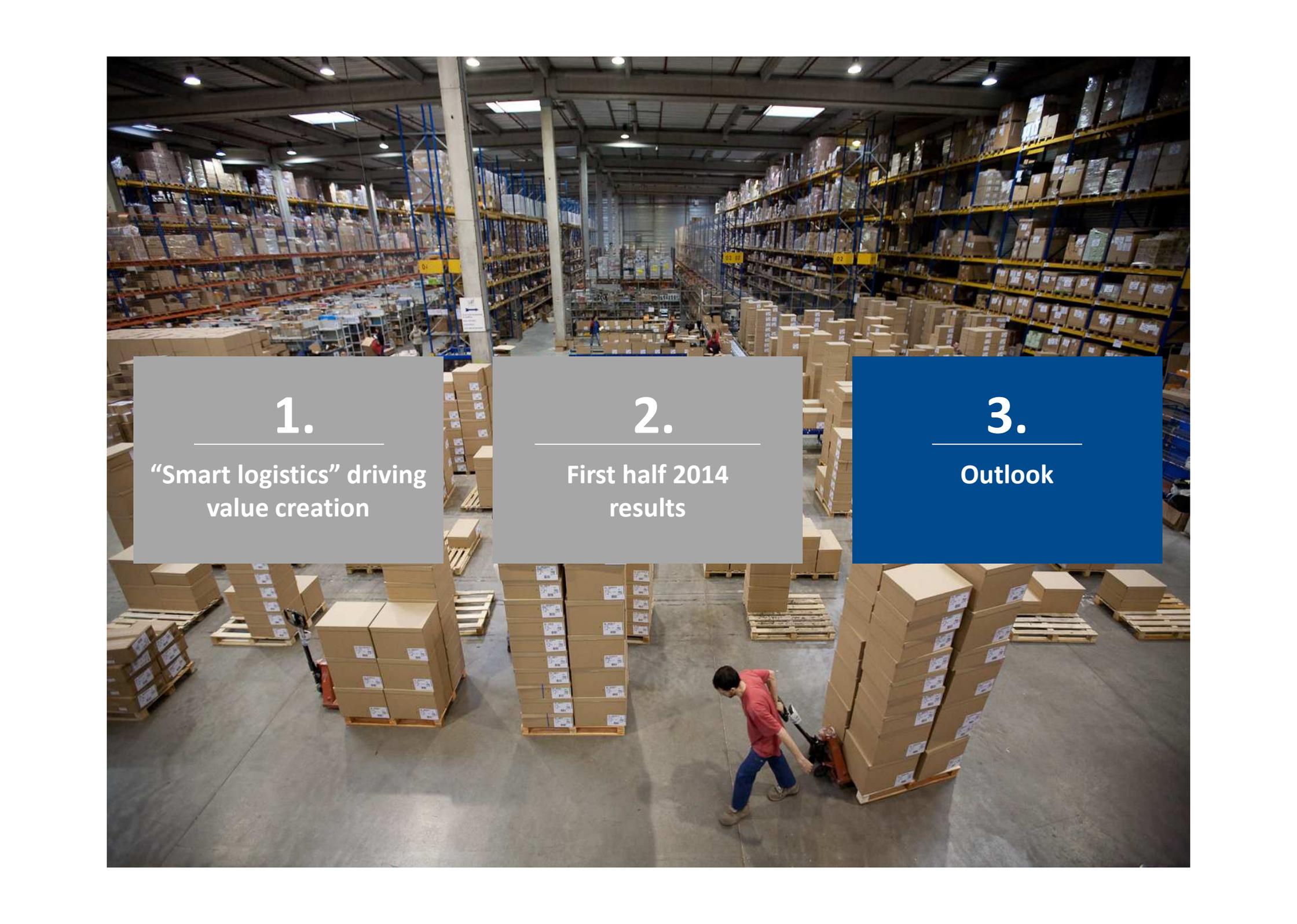
	Capital	Voting rights
Eric Hémar	53.1%	69.4%
Christophe Satin	7.4%	3.0%
Other	7.7%	8.1%
<b>Managers</b>	<b>68.2%</b>	<b>80.5%</b>

## Share price (€) and volume



### Volume





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# ID Logistics, a Group moving forward

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- **In the short term:** be in a position to support customers with their need for organisational adjustments in an uncertain world. Numerous optimisation/deployment projects underway in several countries (e.g. Sogefi or Sony or Carrefour project)
- **In the medium term:** provide development capacity in every country where we have a presence, even in those countries we moved to recently (Netherlands, Germany, South Africa, Russia, etc.) as a consequence the quality of the teams hired and the emphasis placed on unified, shared processes (“New Step”).
- **To be in a position from 2015**
  - To expand into new countries
  - To make further significant acquisitions

