ID LOGISTICS GROUP

GENERAL PRESENTATION – December 2014

ID Logistics at a glance

ID LOGISTICS

1. Market overview

2. Business model

3. 2014 H1 results
Q3 revenues

4. Outlook

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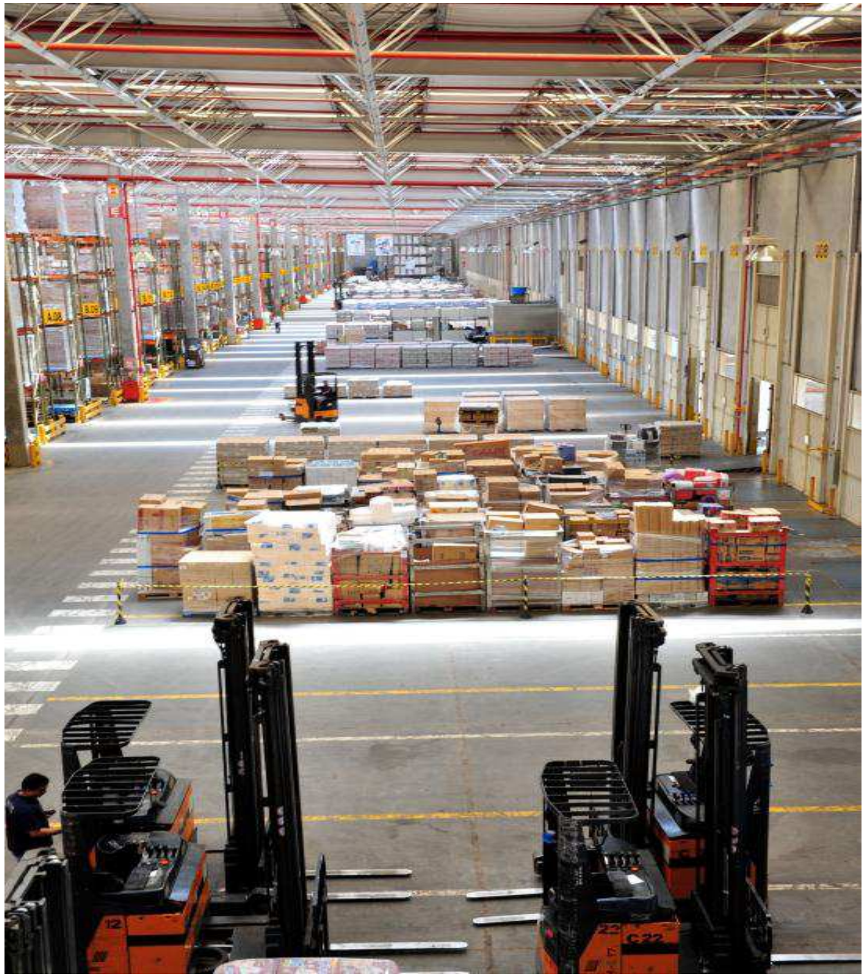
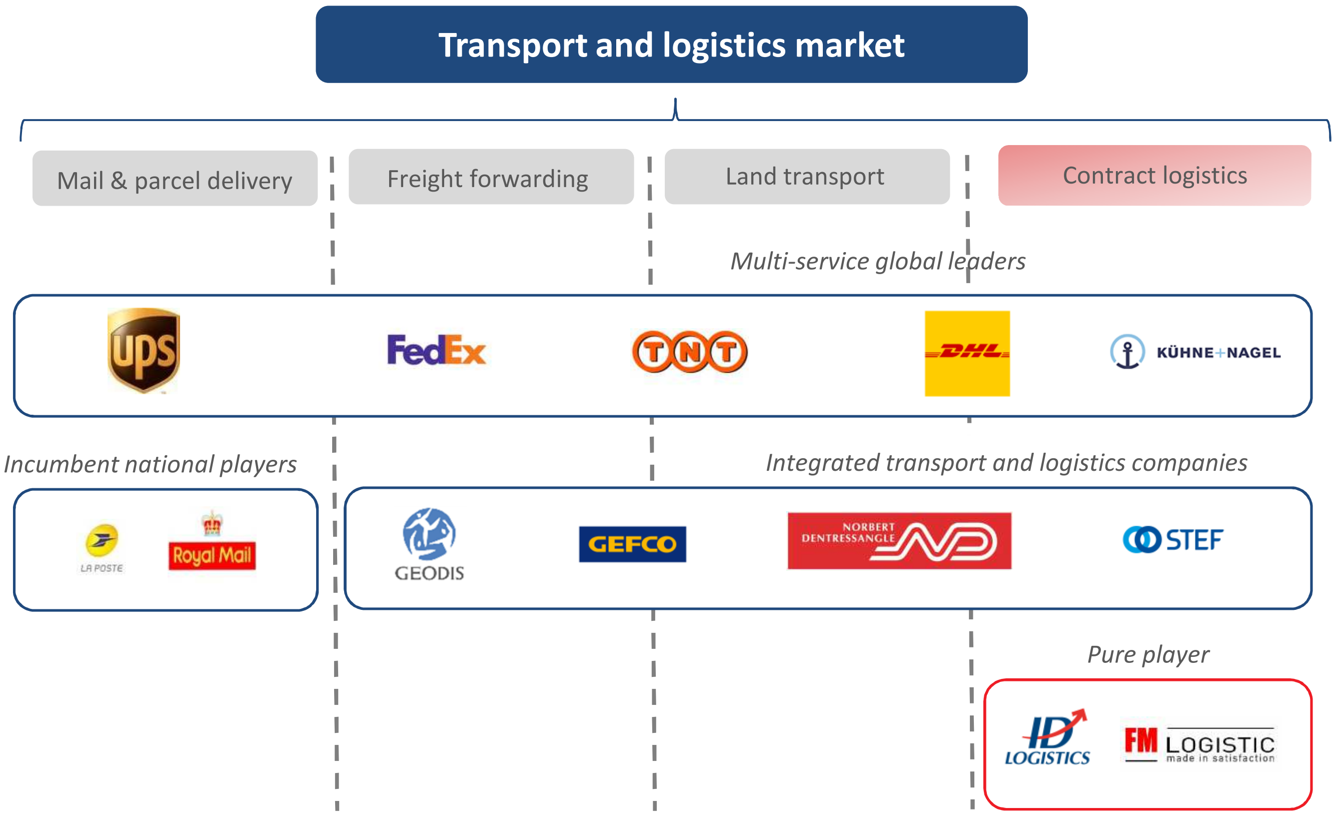
What is contract logistics?

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 compelling position in contract logistics



> Global market worth **€200bn** including **€9.5bn** in France

> **5% average annual growth** expected for 2014-2015*

> ID Logistics **#2 in France** (market share approx. 4.5%)

Sources: Xerfi, Insee, and Supply Chain Magazine

Prestigious and diversified customer base

RETAIL (30% of rev.)

U, E.LECLERC, Auchan, franprix, Carrefour, Netto Marken-Discount, SiMPLY, les Mousquetaires, GRUPO EROSKI, makro, Label'Vie

LUXURY GOODS (13% of rev.)

Elizabeth Arden, L'ORÉAL, PUIG, COTY, LVMH MOËT HENNESSY. LOUIS VUITTON, Marionnaud, GUERLAIN PARIS, LANCEL PARIS, YVES ROCHER, Chloé, GIVENCHY

INDUSTRY (30% of rev.)

ambev, PANZANI, Lindt, Henkel, DANONE, PEPSICO FRANCE, FUCHS, AIRFRANCE, NIVEA, Chevron, Unilever, evian, SAGEMCOM, HILTI, Bouygues Telecom, SOGEFI GROUP, SONY, SAFRAN, FUJIFILM

SPECIALISED RETAIL (19% of rev.)

castorama, BRICO MARCHÉ, BRICOMAN PLUS PRO, MOINS CHER, CEDEO, Weldom, LEROY MERLIN, BRICO DÉPÔT, Alinéa, LA PLATEFORME DU BATIMENT, Conforama, boulanger, Norauto, Mbuqeo, GO SPORT, SAINT-GOBAIN DISTRIBUTION

TEXTILES - FOOTWEAR (4% of rev.)

le coq sportif, KIABI, dunhill LONDON, GRUPO CORTEFIEL (CORTEFIEL, PH, SPRINGFIELD, women'secret), ANDRÉ, delaveine, DDP

E-COMMERCE (4% of rev.)

LA POSTE, vente-privee.com, LEROY MERLIN, Conforama, Auchan.fr, GrosBill.com, privalia, Alinéa, GRUPO CORTEFIEL, SiMPLY, hachette BOOK GROUP, Marionnaud, NESPRESSO, Greenweez.com, Cdiscount

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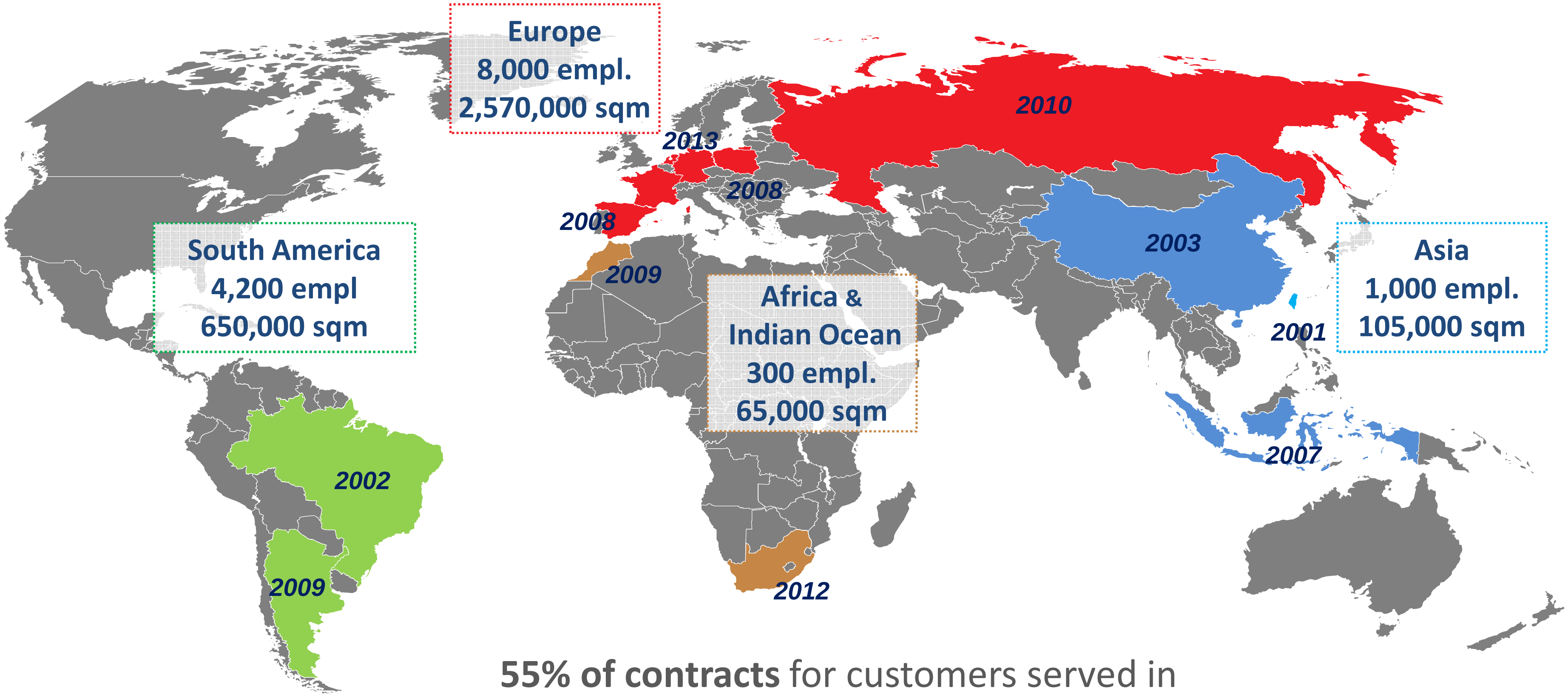
ID Logistics : a balanced international presence between emerging and mature countries



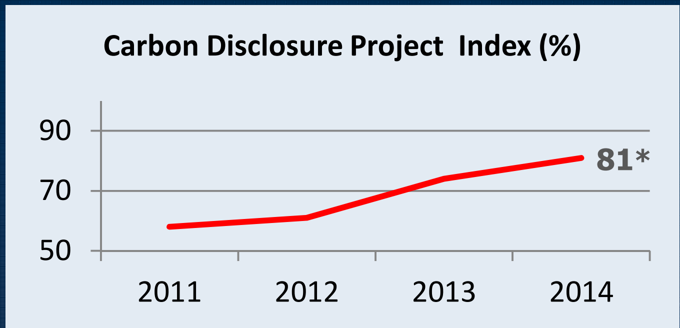
55% of contracts for customers served in **two or more** countries

ID Logistics : strong corporate values

DEMANDING	Rigorousness, discipline and professionalism
OPERATIONAL EXCELLENCE	Absolute compliance with requirements and service levels
ENTREPRENEURSHIP	Dare, imagine and develop innovative solutions
SOLIDARITY	Reinforce solidarity between the group's people and between its divisions

ID Logistics : sustainable solutions

Carbon footprint



** Peer group note : 53*

Environment

- ✓ CO_2 / pallet : 0.69 kg (-8% vs 2012)
- ✓ Waste recycling : 66% (+8% vs 2012)
- ✓ Use of resources :
  - Electricity : 4.0 kWh / pallet (-8% vs 2012)
  - Water : 0.004 m3 / pallet (-33% vs 2012)

Governance

- ✓ 4 directors (1 independant) + 2 non voting
- ✓ Executive committee : 5 members
- ✓ Main shareholders : founders and managers

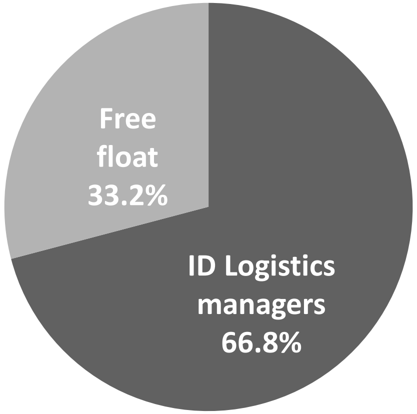
Social

- ✓ « Talents 2020 » training program
- ✓ Staff turnover : 16,5% (incl. voluntary)
- ✓ Trained staff : 60,1%
- ✓ Accident at work
  - Frequency 54,6 / Gravity 1,9

ID LOGISTICS

Stock market data

Ownership structure
(December 15, 2014)



	Capital	Voting rights
Eric Hémar	53.1%	70.1%
Christophe Satin	7.4%	3.0%
Others	6.3%	6.4%
Managers	**66.8%**	**79.5%**

Share price (€) and volume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A proven growth strategy : organic growth as a first priority

Four growth drivers fuelling each others

1	Positive price/volume effect with existing customers
2	New contracts from existing customers (incl. new country)
3	New customers in existing sectors (retail or manufacturing)
4	New customers in new sectors

Positive momentum fuelled by organic growth

- **Existing scope**
  - Embedded growth
  - Long-term contracts offer good visibility
- **New contracts**
  - Profitability:
    - Follows a J curve
    - Peaks at end of Year 2
  - Investment:
    - CapEx at the beginning of the contract
- **New countries**
  - Same profitability & investment profile as new contracts
  - Headquarters, overhead costs

Organic growth

=

Ongoing positive momentum

A resilient and efficient business model

- **Revenue: prices and volumes**
  - Based on the volume of goods stored or handled
  - Main costs are linked to indices (real estate prices and inflation)
  - Fairly insensitive to the value of goods stored or handled
- **Cost structure can adapt to changing volumes**
  - Main expense is personnel costs
  - 21% of personnel are temp workers
- **Asset-light business model (2013 ROCE pre-tax : 20%)**
  - Resources allocated to each contract
  - Operating assets are leased
  - Real estate strategy
- **Effective organisational structure suited to rapid growth**
  - 13 years' experience in operational financial controls
  - Centralised cash management and financing

A proven growth strategy, completed by selective acquisitions

Strategic rationale : accelerate organic growth

- Acquiring a portfolio of new customers in new sectors and gaining new development opportunities
- Internalizing technical competencies
- Reinforcing geographical presence in countries with the capacity to integrate acquisitions

Recent acquisitions

- 2011 : Mory Logidis - Revenue of M€ 25 (France)
  - Industrial customers : SNECMA, L'Oreal (Chimex), Ingenico, Remy Cointreau
- 2012 : France Paquets - Revenue of M€ 10 (France)
  - E-commerce pure player customers (boxes) + mechanized solution
- 2013 : CEPL – Revenue of M€ 180 (France, Spain, Germany, Netherlands)
  - Customer base : cosmetics, luxury, perfume and high tech
  - Detail picking and mechanized solution

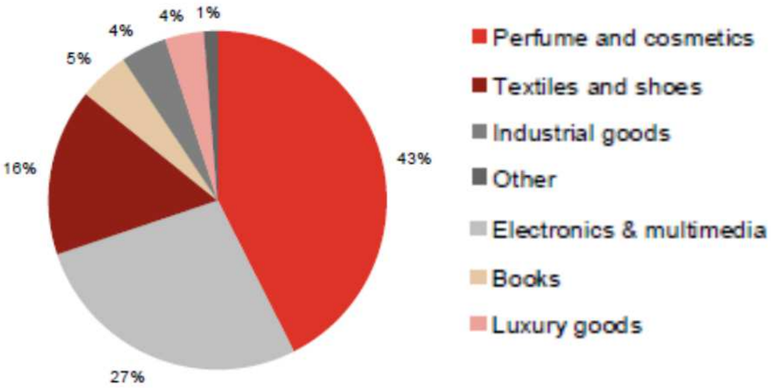
CEPL – French specialist in highly automated solutions for unit picking

Key figures

- Revenue of €180m
- 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**
- Pure player in contract logistics
- Long term contract
- Corporate culture

> **Complementarity**
- Customer portfolio (only 1 client in common)
- International exposure
- Technical expertise in mechanization

> **Differences**
- 50% of real estate is owned (vs. asset light model)
- One subsidiary by site
- No labour-related harmonization

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

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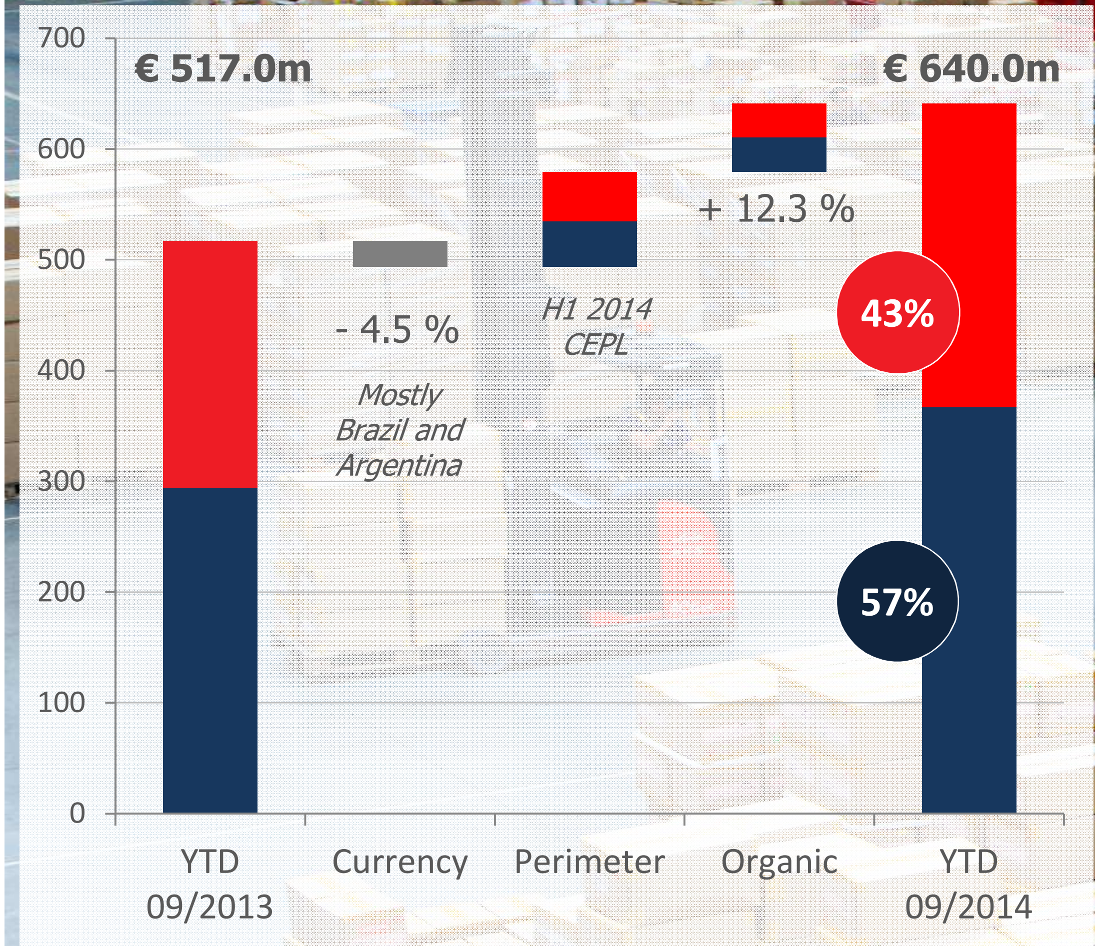
Continued strong revenue growth in first 9 months of 2014 : +23.8%



France : €366.1m (+10.4% l-f-l)

- Contributions from business started up in 2013: Carrefour Sud-Est, Point P, Panzani, Orangina/Schweppes
- New contracts won in 2014: Nespresso, Chloé, Saint-Gobain Distribution, Conforama

International : €273.9m (+15.2% l-f-l)

- Growth across all geographical regions
- High base of comparison effect compared with 2013
- Growth particularly evident in Russia, Poland, Argentina and Spain
- Positions strengthened in Europe (Germany and the Netherlands)

Business development in 2014 : selection of new business

France

Conforama	54.000 sqm – domestic e-commerce activity – start in 3/2014
Chloé	14.000 sqm – worlwide distribution – start in 4/2014
Danone	Danone water transport management – road and rail – start in 4/2014
Saint-Gobain Distribution	75.000 sqm on 3 platforms – start between 3 and 9/2014
Nespresso	9.000 sqm – BtoB and e-commerce for the South of France – start in 7/2014
Cdiscount	50.000 sqm – large white goods and small hifi equipment – start in 10/2014

International

Sogefi Group	Brazil – 4.000 sqm – start in 10/2014 Poland – 13.000 sqm – start in 8/2014
Carrefour	China - 26.000 sqm to deliver 62 hypermarkets in Shanghai area – start in 7/2014
Privalia	Brazil - 16.000 sqm – e commerce – start in 7/2014
М.Видео	Russia - 30.000 sqm in Rostov – start in 10/2014
Unilever	Argentina – transport management – start in 11/2014
Henkel	Brazil - 10.000 sqm – dangerous products – start in 12/2014

- Maintain a high renewal rate, including on CEPL perimeter
- Still high number of tenders in process for new clients (longer decision process)

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H1 2014 : continued improvement in operating margin to 3.3% (up 0.6 point)

	H1 2014			H1 2013				% chg.
(€ m)	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%

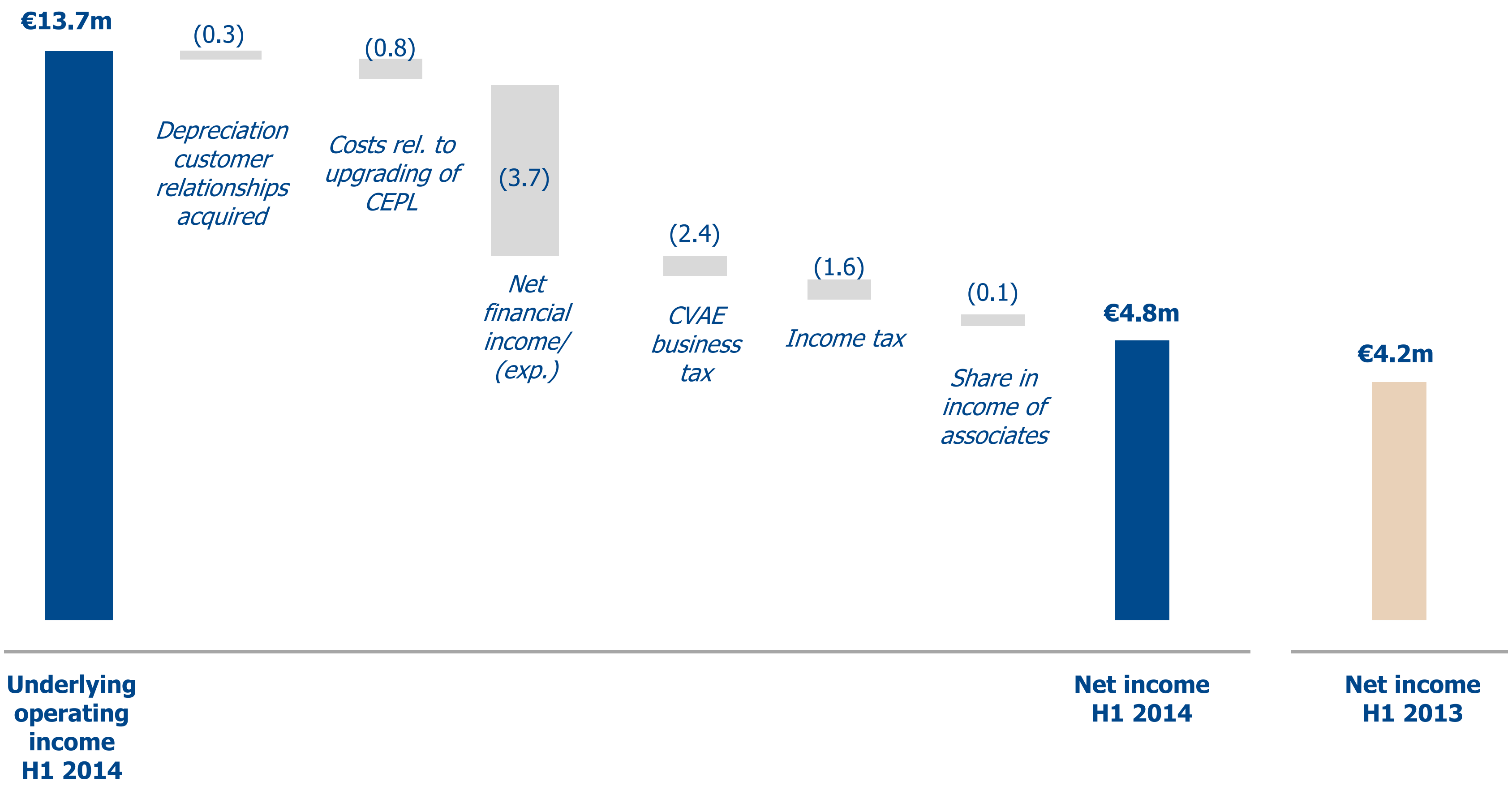
- Negative impact on margins of the new business started up in late 2013 and H1 2014
- Mildly dilutive impact of the first-time consolidation of CEPL's activities in France, offset by cost savings

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

Usual seasonality with H1 results lower than H2 results

Net income of €4.8 million in H1 2014



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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)
Cash generated by operating activities	16.5	3.2
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

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Rapid decrease in net debt

(€ m)	30 June 2014	31 Dec. 2013	30 June 2013 pro forma*	o/w addition of CEPL	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
Gross debt	**136.5**	**153.2**	**158.6**	**104.8**	**53.8**
Underlying net cash	62.5	66.6	38.7	(6.7)	45.4
Net debt	**74.0**	**86.6**	**119.9**	**111.5**	**8.4**

**Pro forma including the effects of the CEPL acquisition as if it had been completed at 30 June 2013*

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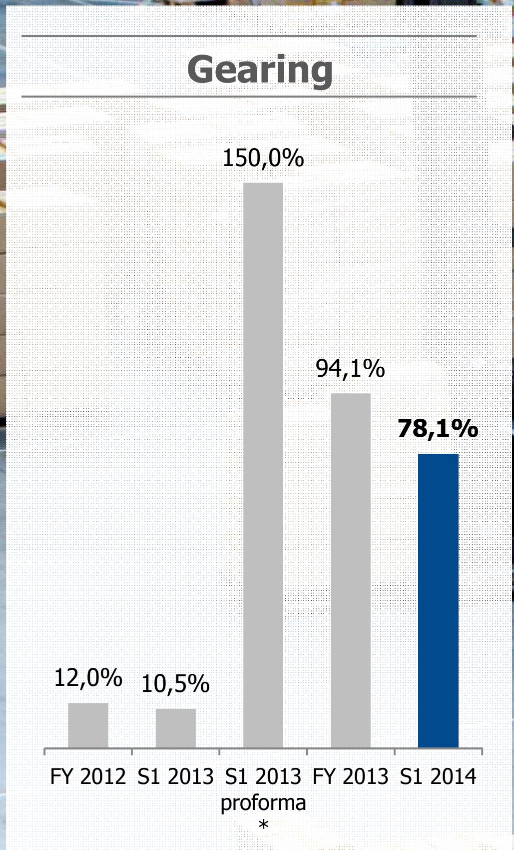
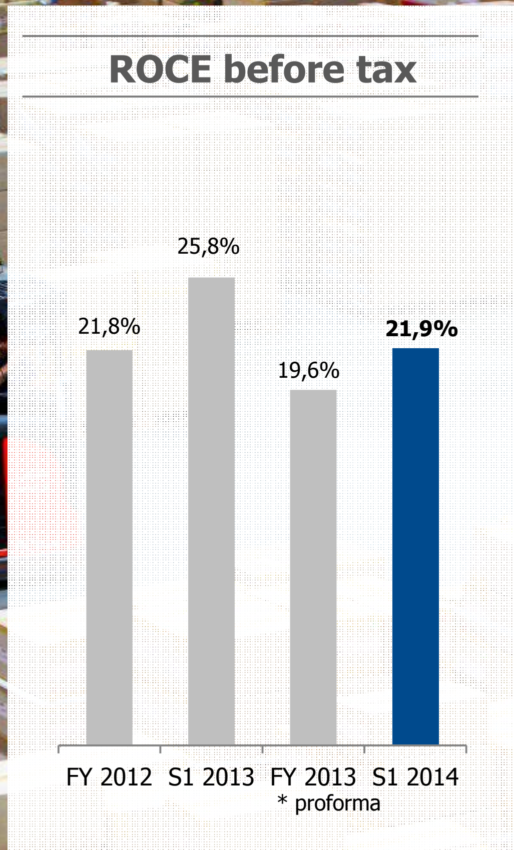
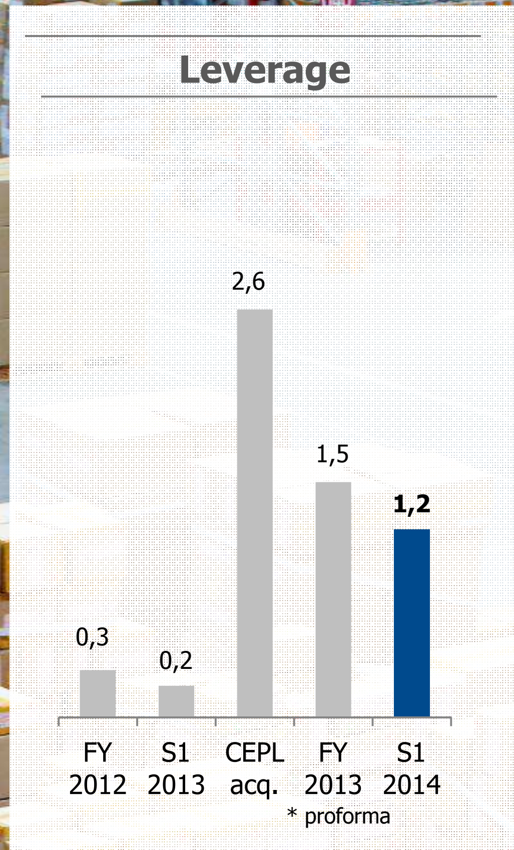
Sound financial structure

(€ 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)
Non-current assets	**278.9**	**283.0**	**(4.1)**
(Negative) working capital requirement	**(110.2)**	**(105.5)**	**(4.7)**
Underlying net cash	62.5	66.6	(4.1)
Gross debt	136.5	153.2	(16.7)
Net debt	**74.0**	**86.6**	**(12.6)**
Equity	**94.7**	**90.9**	**3.8**

An investment capacity preserved







**Pro forma including the effects of the CEPL acquisition as if it had been completed at 30 June 2013*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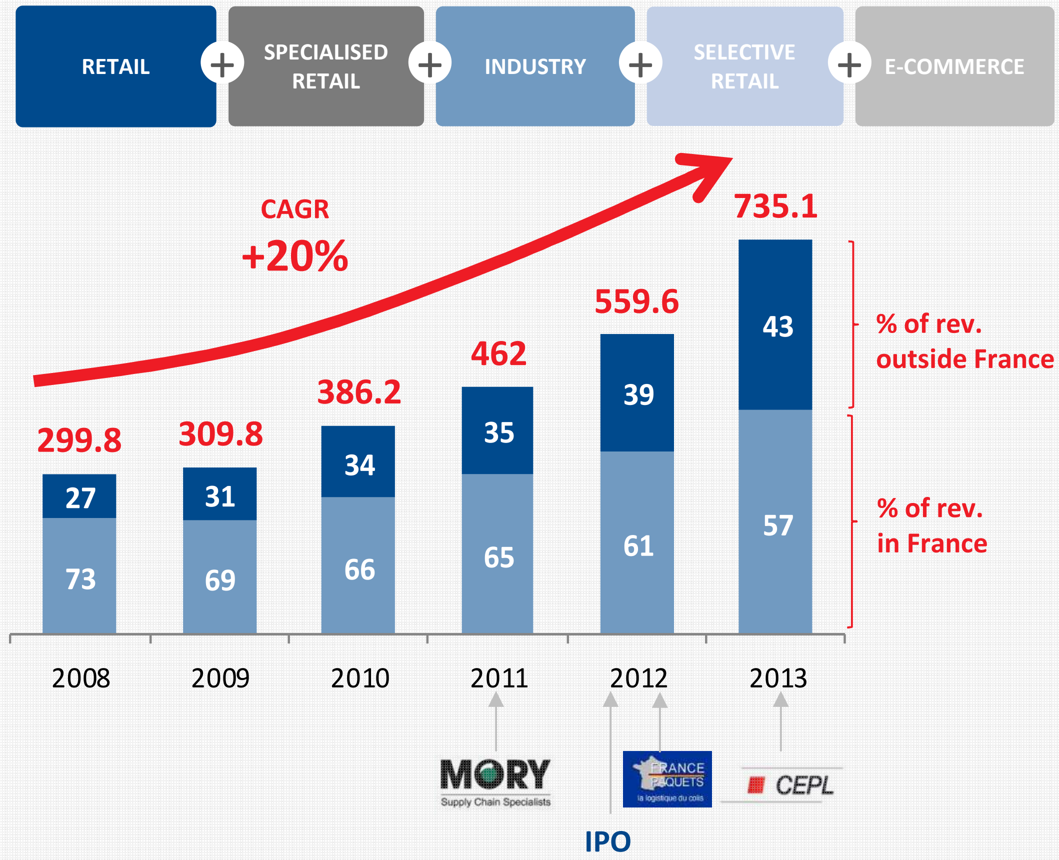
Track record of growth



2013-2014 : a turning point

- Strong organic growth
- Strategic acquisition
- New technical expertise gained
- European position strengthened
- Solid financial structure following the acquisition of CEPL

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ID Logistics, a Group moving forward

This track record and the business model should allow the Group to continue with

- **organic growth on revenues higher than market**
  - Support existing customers and prospects with their need for organisational adjustments in an uncertain world
  - Provide development capacity in every country

- **progressive margin improvement**
  - Absorb better start up costs
  - Grow in recently opened countries to reduce weight of local structure costs

- **debt reduction**
  - Manage working capital
  - Control capex

ID Logistics, a Group moving forward

- **To be in a position from 2015**
  - To expand internationally, including into new countries
  - To make further acquisitions


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Management team

- **Eric Hémar – Chairman and CEO**
  Eric Hémar, 51, a former student of ENA, began his career at the *Cour des comptes* (French government Court of Auditors) before joining the French Equipment, Transport and Tourism Ministry in 1993, where he was technical advisor to minister Bernard Bosson. In 1995, he joined the Sceta Group, followed by Geodis as Corporate Secretary. He managed Geodis Logistics until March 2001, then founded ID Logistics Group.

- **Christophe Satin – Managing Director**
  Christophe Satin, 44, graduated from ISG and began his career at Arthur Andersen. He then worked for various industrial groups before joining Geodis as Overseas Financial Manager for Geodis Logistics. In 2001 he co-founded ID Logistics and became its Chief Financial Officer. He was appointed Managing Director in 2007.

- **Yann Perot – Executive VP Finance**
  Yann Perot, 44, graduated from EDHEC and began his career at Deloitte in France and in the USA. In 2000, he joined the Lagardère Group as Chief Financial Officer of the Lagardère Active business unit. In 2007 he became Chief Financial Officer of the NRJ Group before joining ID Logistics in 2009 as Chief Financial Officer.

- **Ludovic Lamaud – Executive VP Sales & Innovation**
  Ludovic Lamaud, 43, holds a DESS postgraduate diploma in pharmaceutical distribution and began his career working for OCP Répartition Pharmaceutique as Head of Production Facilities, before moving on to Geodis as Re-engineering Strategic Manager and then joining ID Logistics as Deputy R&D Director in 2002.

- **Vincent Fontaine – Executive VP Operations**
  Vincent Fontaine, 62, graduated from ESC Rouen and began his career with Infomat, the IT subsidiary of CIC Group. From 1981 to 1994, he worked for the Les Pêcheries de Fécamp group as CEO, before switching to Kuehne & Nagel, where he stayed from 1994 to 2004. He became Supply Chain Director for Castorama France in 2004 and moved on to Flowserve USA in 2008 as Logistics Director for the EMEA region, before joining ID Logistics in 2011 as Director of Operations in France.

Historical consolidated P&L

(million €)	2013		2012		2011	
Revenue	**735,1**		**559.6**		**462.0**	
Purchases and external expenses	(373,3)		(284.8)		(233.4)	
Personnel costs	(299,3)		(232.1)		(193.8)	
Other income and expenses	(11,8)		(9.8)		(5.9)	
EBITDA	**50,7**	***6,9%***	**33.0**	***5.9%***	**28.9**	***6.3%***
Depreciation and amortisation	(18,9)		(14.2)		(14.1)	
Recurring operating income	**31,8**	***4,3%***	**18.8**	***3.4%***	**14.8**	***3.2%***
Non-recurring expenses	(4,3)		(6.4)		-	
Operating income	**27,5**	***3,7%***	**12.4**	***2.2%***	**14.8**	***3.2%***
Net financial expenses	(5,2)		(3.0)		(3.6)	
Tax expenses	(9,3)		(4.8)		(4.4)	
Share of profit of associates	0,1		(0.1)		0.0	
Consolidated net profit	**13,1**	***1,8%***	**4.6**	***0.8%***	**6.8**	***1.5%***

Historical consolidated cash flows

(million €)	**31 Dec. 2013**	**31 Dec. 2012**	**31 Dec. 2011**
Cash flow from operating activities excl. WCR	**41.3**	**22.4**	**25.5**
Change in working capital	16.2	(1.0)	4.1
Cash flow from operating activities	**57.5**	**21.4**	**29.6**
Cash flow from investing activities	**(133.8)**	**(22.0)**	**(17.3)**
Net financial expense	(4.9)	(2.6)	(3.0)
Other changes in cash flow	3.5	28.0	(0.9)
Reduction (increase) in net debt	**(77.7)**	**24.8**	**8.4**
o/w cash and cash equivalent	*21.1*	*27.4*	*4.7*
o/w debt	*(98.8)*	*(2.0)*	*3.7*

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Historical consolidated balance sheet

(million €)	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011
Non-current assets	**283.0**	**142.8**	**133.5**
Trade receivables	131.5	94.9	80.9
Trade payables	(110.2)	(74.9)	(63.4)
Tax and social security liabilities	(109.8)	(78.7)	(72.7)
Net other receivables (payables / liabilities)	(17.0)	2.0	2.5
Net working capital	**(105.5)**	**(56.7)**	**(52.7)**
Net debt	**(86.6)**	**(8.9)**	**(33.8)**
Equity	**90.9**	**77.2**	**47.0**

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