

ID LOGISTICS
Full-year results
2018



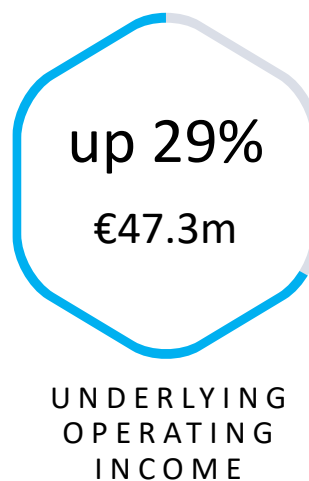
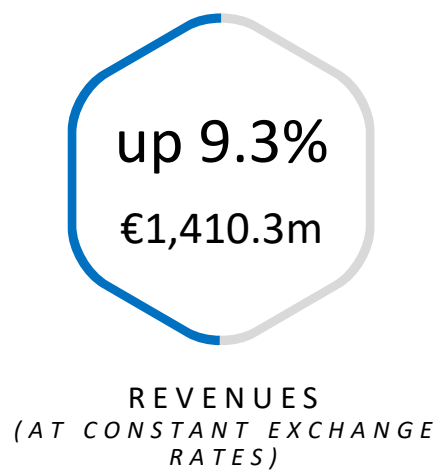
ERIC HEMAR
Chairman and Chief Executive
Officer



CHRISTOPHE SATIN
Managing Director



YANN PEROT
Chief Financial Officer





Overview

01 | GROWING
SOPHISTICATION
OF OUR BUSINESS

02 | 2018 HIGHLIGHTS

03 | 2018 RESULTS

04 | OUTLOOK



Overview

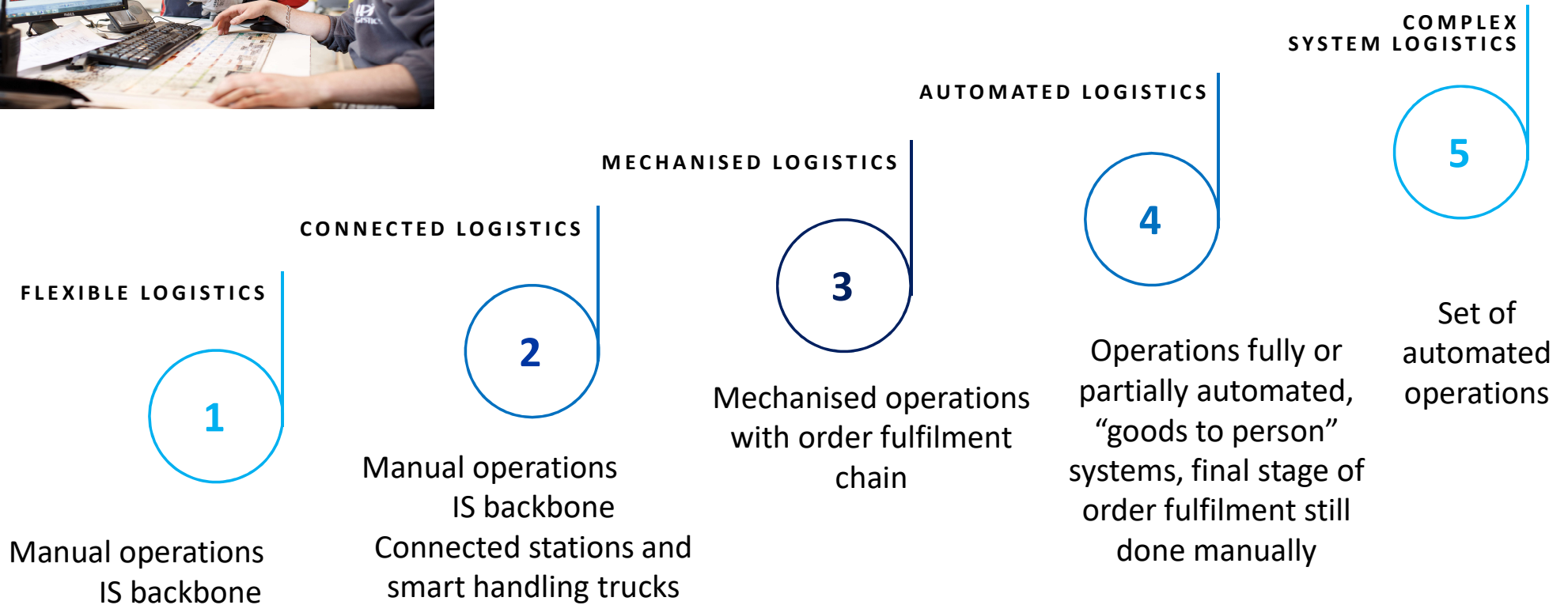
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Range of services provided to our customers



Increasing maturity: more and more complex facilities



FLEXIBLE LOGISTICS



CONNECTED LOGISTICS



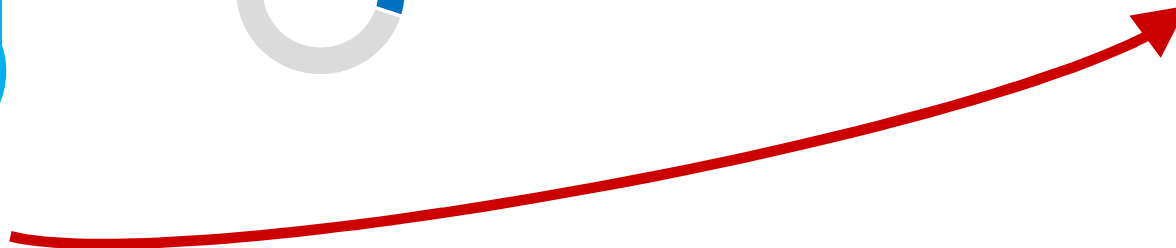
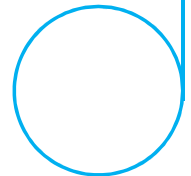
MECHANISED LOGISTICS



AUTOMATED LOGISTICS



**COMPLEX
SYSTEM LOGISTICS**



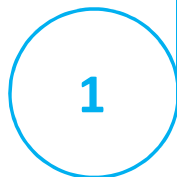
**Greater technical component,
greater complexity, greater expertise**

Increasingly highly skilled workforce...

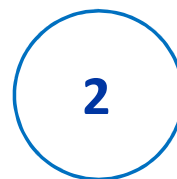


Managerial expertise
Firm grasp of information systems
Process engineers on site

FLEXIBLE LOGISTICS



CONNECTED LOGISTICS



IT engineer
Maintenance technician
Process engineer

MECHANISED LOGISTICS



AUTOMATED LOGISTICS

Industrial project design
Production engineer
IT
Process
Maintenance

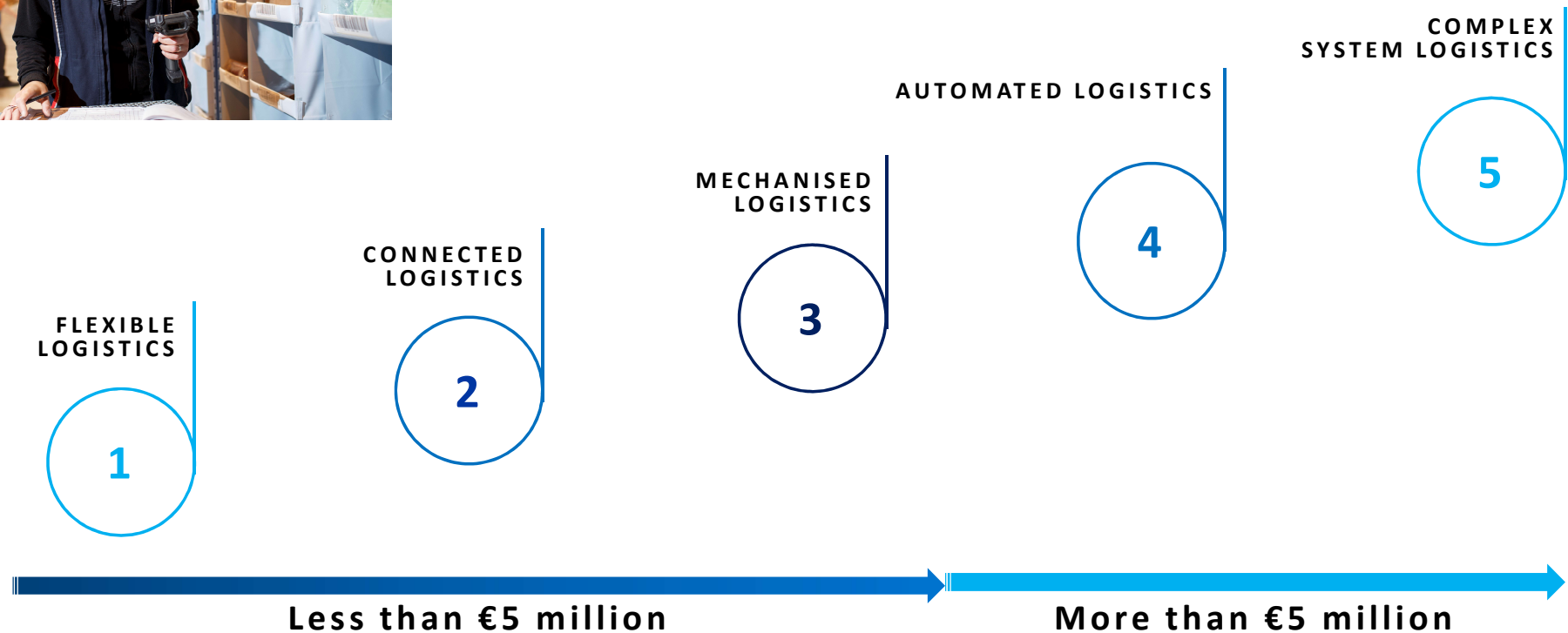


Delegated project management
External engineering

COMPLEX SYSTEM LOGISTICS



Larger investments linked to project complexity



The growing sophistication of our market...

01

Is the product of the strong development in e-commerce and multi-format models

02

Means logistics is becoming critically important
Management of peaks in activity and promotional periods (Black Friday, end of year holidays, etc.)

03

Has led to the growing specialisation and concentration of expertise (engineering, investment, and HR management capabilities, etc.)

04

Has shifted customer relationships towards a more partnership-based model

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3 examples



MEDIAMARKT

SPAIN



**DESCOURS &
CABAUD**

FRANCE



UNILEVER

CHILE

MEDIAMARKT in Spain: connected logistics



Location

Pinto, Madrid (ESP)

Space

29,082

SKUs

<25,000

FTEs

50-150



Storage

> 260,000 items



Warehouse pictures



Profile of the operations

> 17,000 incoming pallets p.a. + 64,000 bulk items + 800,000 units
> 1,400 to 2,000 orders per day.
Peak season: >10,000 orders per day

Process

Acceptance | Storage | Picking | Shipment | Inventory management |
Reconditioning | Reverse logistics

WMS & specific technologies

- WMS INFOLOG
- Radio Frequency

Products

- Household electrical appliances
- Smart products
- Brown and white goods
- Technological devices

DESCOURS & CABAUD in France: automated logistics



Location

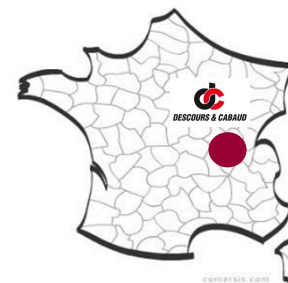
Pont d'Ain (Ain department)

Space

18,000 m²

FTEs

47



Pictures of the fittings and warehouse



Profile of the operations

Regional distribution hub

Process

Acceptance | Storage | Fulfilment | Shipment | Inventory management | Oversized picking

WMS & specific technologies

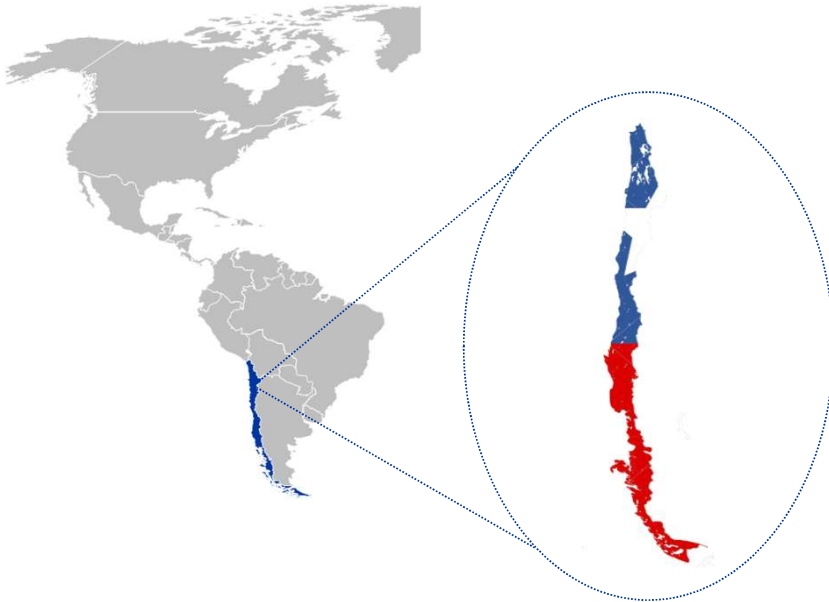
- WMS: LMxt (IDL)
- Picking stations
- Shuttle system, "goods to person" system, order fulfilment stations

Products

DIY equipment, electrical equipment, building materials



Expansion into a new country: Chile



CUSTOMER: UNILEVER



SANTIAGO DE CHILE: LAMPA

SPACE: 52,000 M² NATIONAL DISTRIBUTION HUB

WORKFORCE: 415 EMPLOYEES

PROFILE: NATIONWIDE DISTRIBUTION WITH VALUE-ADDED SERVICES, CO-PACKING

PROCESS: ACCEPTANCE AND STORAGE OF FINISHED GOODS AND CONSUMABLES, CO-PACKING, BUNDLING, LABELLING, RECONDITIONING, PALLETISATION

PRODUCTS: AEROSOLS, HOME CARE & PERSONAL CARE

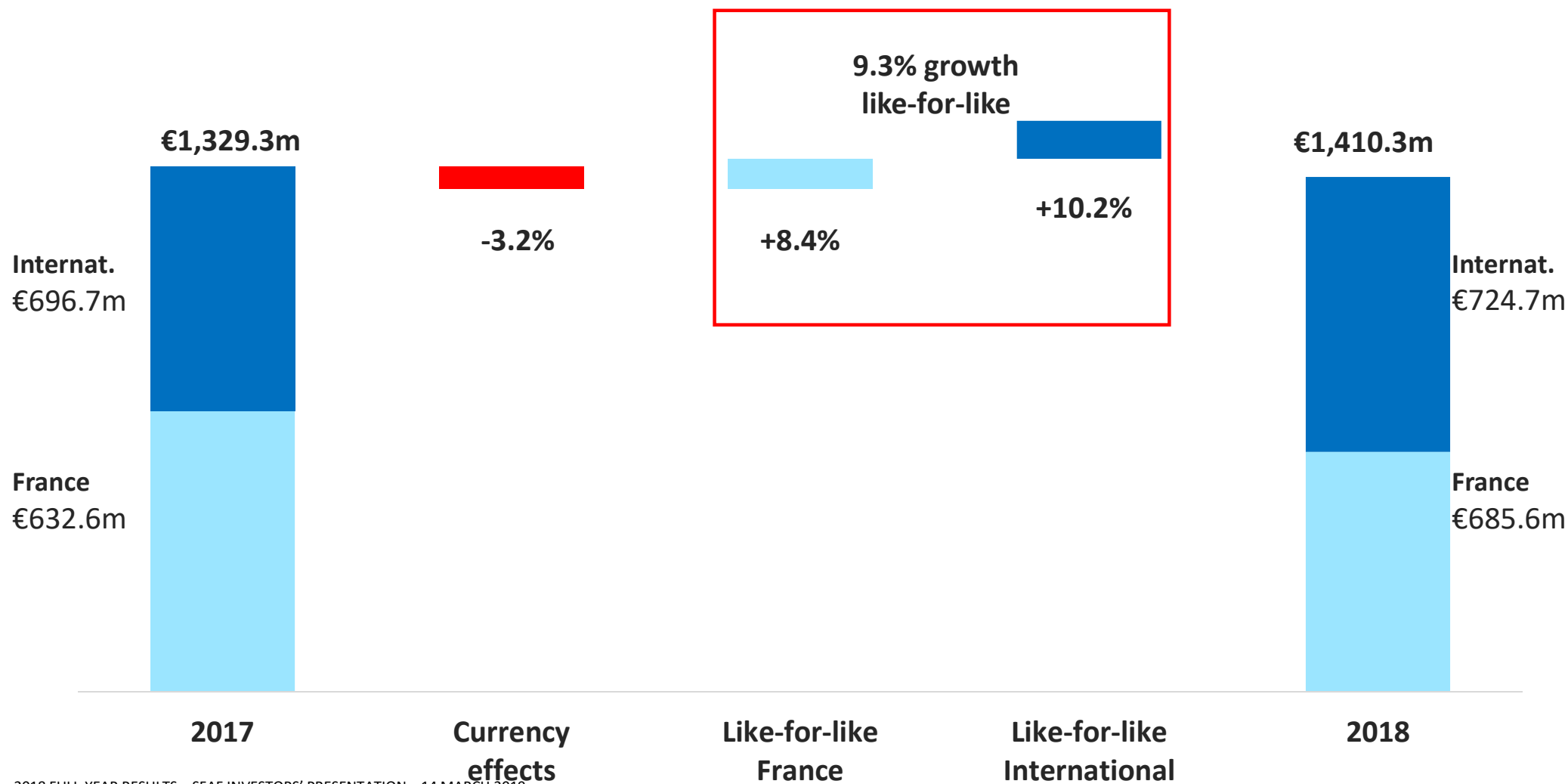


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2018 underlying operating income: up 29%

	2018			2017			
(€ m)	France	Internat.	TOTAL	France	Internat.	TOTAL	% chg.
Underlying operating income	33.5	13.8	47.3	24.7	12.0	36.7	+€10.6m
As a % of revenues	4.9%	1.9%	3.4%	3.9%	1.7%	2.8%	+60bp

- **France**

- Productivity gains on contracts that started up in 2016 and even more so on those that started up in 2017
- Tight grip on contracts that started up in 2018
- Modest “yellow vests” effect

- **International**

- Productivity gains on contracts that started up in 2016 and 2017
- Tight grip on contracts that started up in 2018
- Negative currency effect of €1.5m vs. 2017 (incl. €0.4m from hyperinflation in Argentina)

(€ m)	2018	2017
Underlying operating income	47.3	36.7
Amortisation of customer relationships	(1.3)	(1.3)
Non-recurring income/(expense)	-	(5.6)
Net financial income/(expense)	(5.2)	(5.6)
Income tax	(12.6)	(6.3)
Share in income of associates	0.5	0.4
Consolidated net income	28.7	18.3
<i>o/w non-controlling interest</i>	<i>3.4</i>	<i>2.2</i>
<i>o/w attr. to ID Logistics' shareholders</i>	<i>25.3</i>	<i>16.1</i>

Restructuring costs at Logiters in 2017

Lower borrowing costs and higher currency and discounting effects

Increase in overall tax rate from 25% to 30% including CVAE business tax

(€ m)	2018	2017
Net income	28.7	18.3
Depreciation and amortisation	28.1	27.6
Change in the WCR and other items	4.9	(17.5)
Net operating capex	(52.4)	(32.5)
Cash generated/(used) by operating activities	9.3	(4.1)
Non-operating capex	(6.9)	(4.3)
Net interest paid	(3.6)	(4.7)
Other changes	1.6	0.8
Non-operating changes in cash	(8.9)	(8.2)
Decrease/(increase) in net debt	0.4	(12.0)

Improved WCR management in 2018

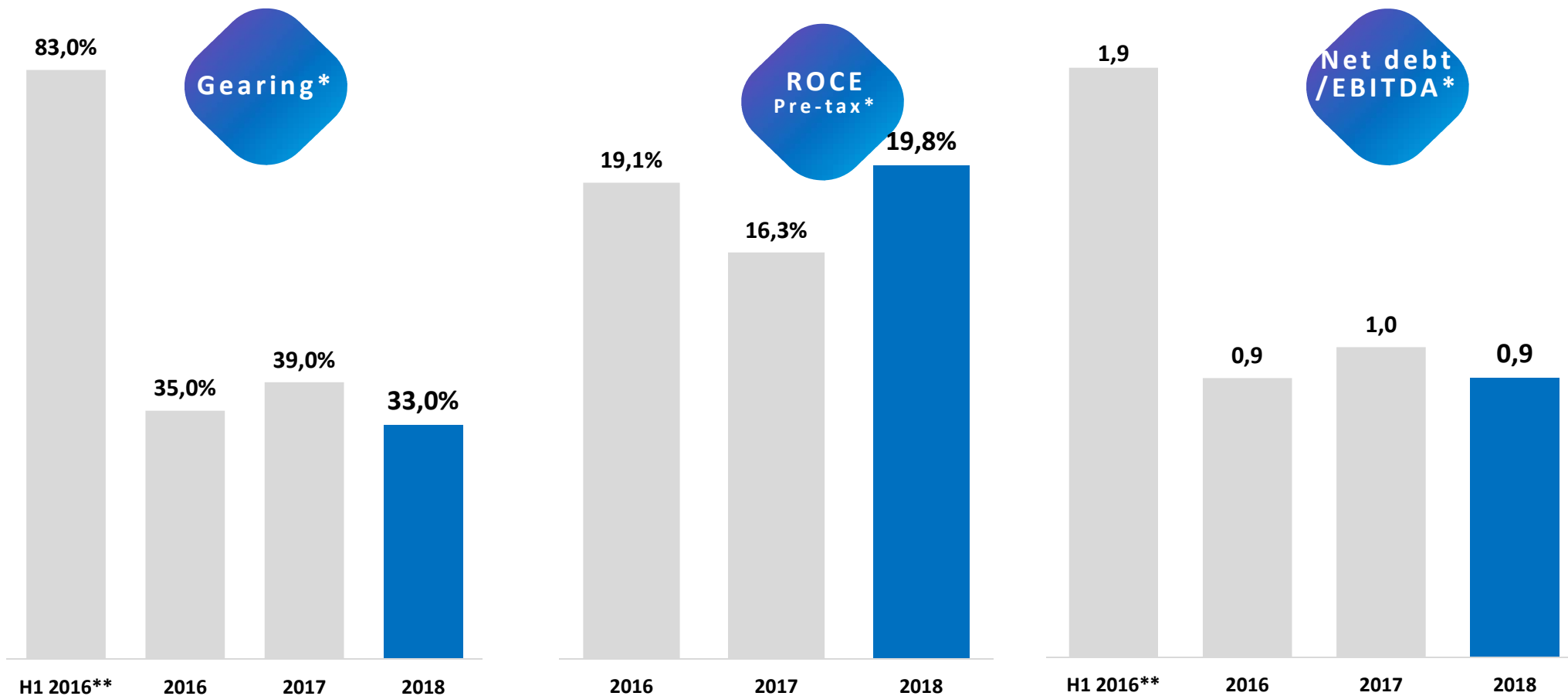
Capex increased from 2.4% of revenues to 3.7% as a result of mechanised projects

Remainder of investments in 2018 in the new headquarters and roll-out of the new ERP suite

(€ m)	31/12/2018	31/12/2017
Goodwill	172.7	172.7
Other non-current assets	148.7	122.3
Non-current assets	321.4	295.0
(Negative) working capital requirement	(68.6)	(69.3)
Current net cash	105.7	90.1
Gross debt	(168.7)	(153.5)
Net debt	(63.0)	(63.4)
Equity	189.8	162.3

Increase in non-current assets in line with capex

Slight improvement in negative WCR to 12 days' revenues



**See definitions in the appendix*

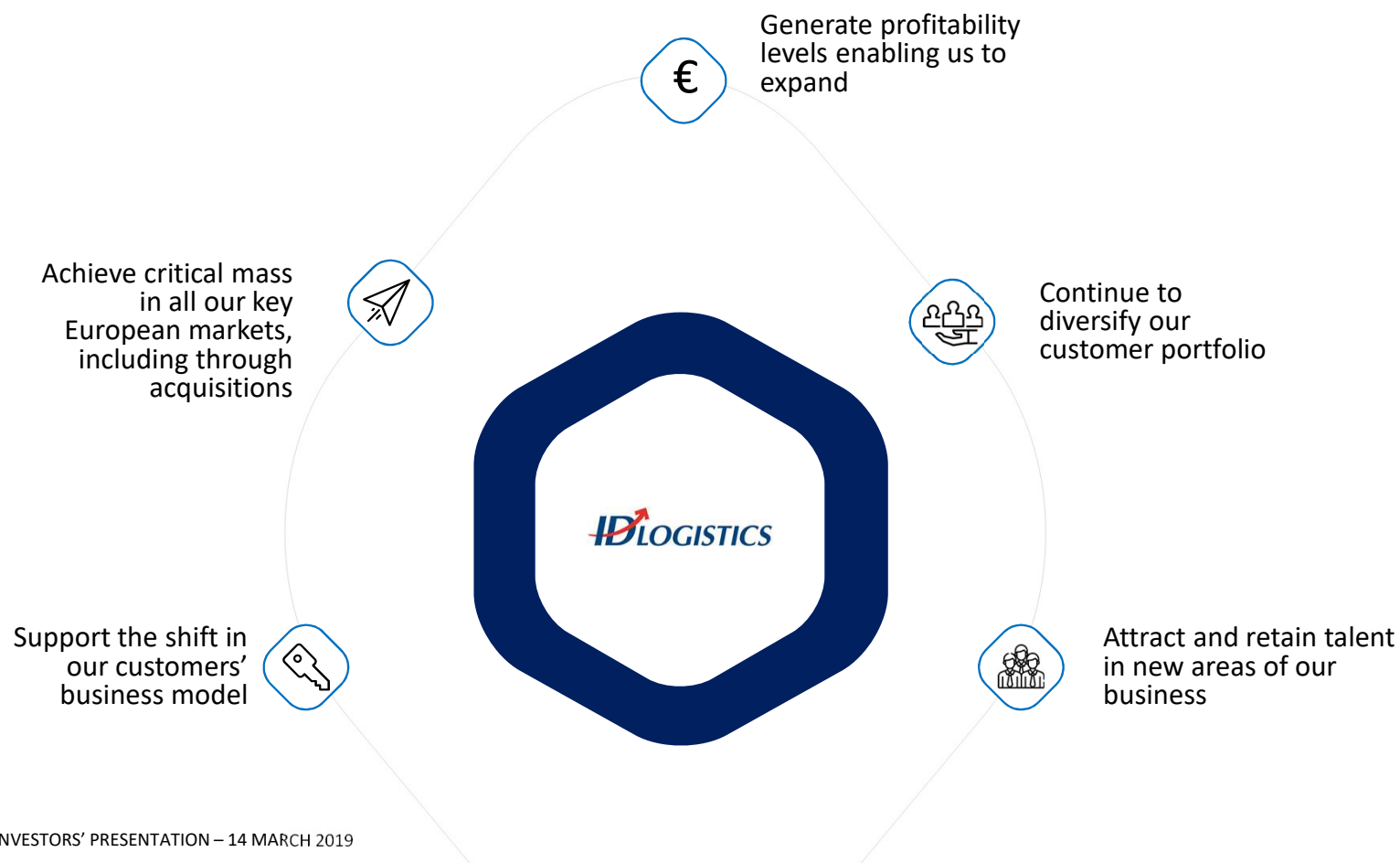
*** pro forma of the Logiters acquisition*

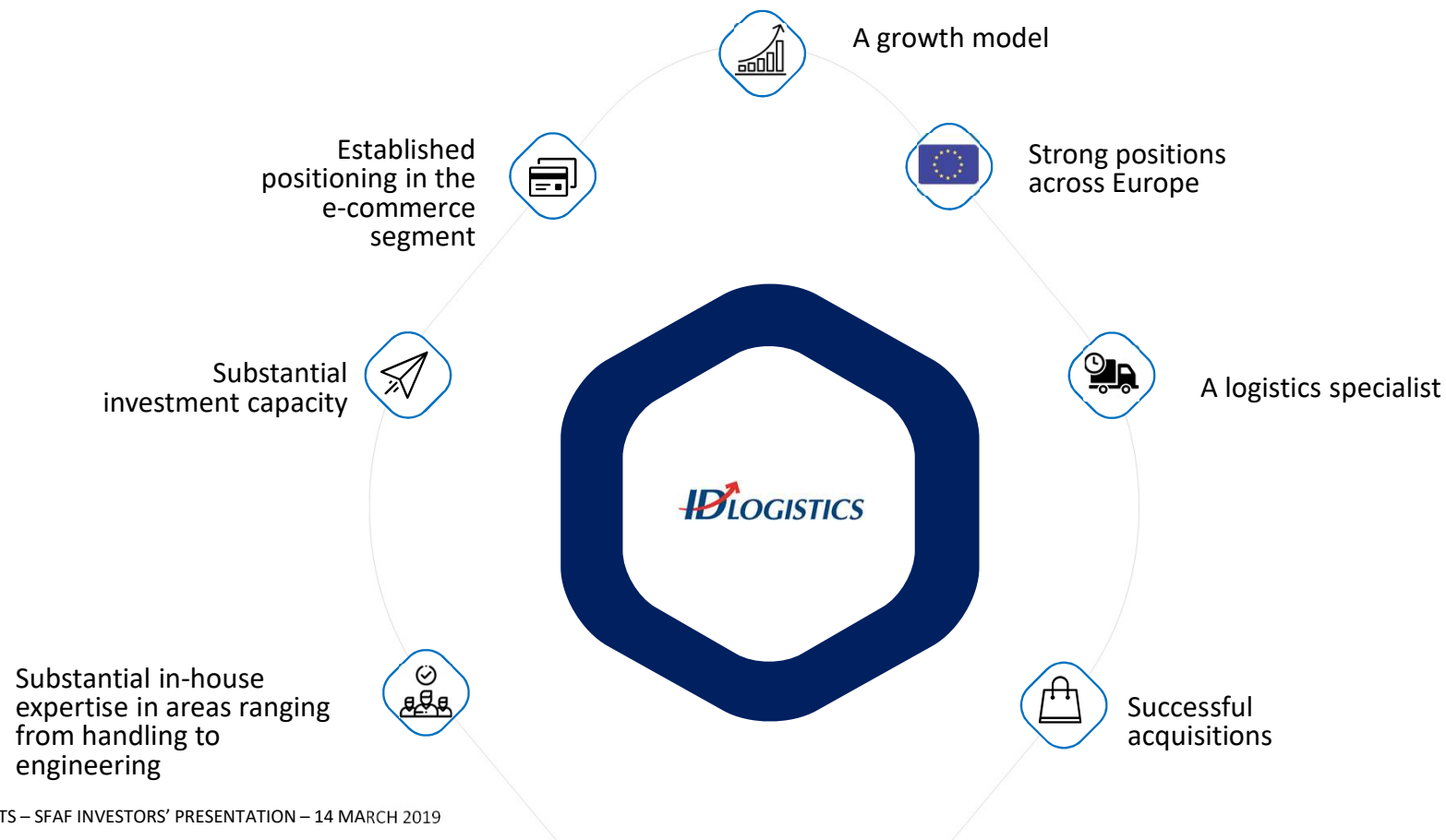
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Thank you for listening!



LIKE-FOR-LIKE

Organic performance excluding the impact of:

- acquisitions and disposals: the revenue contribution of companies acquired during the period is excluded from the same period, and the revenue contribution made by companies sold during the previous period is also excluded from that period
- changes in the applicable accounting principles
- changes in exchange rates by calculating the revenues in the various periods based on identical exchange rates, so that the reported figures for the previous period are translated using the exchange rates for the current period



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)



FLEXIBLE LOGISTICS

Traditional logistics (racks, shelves, and conventional handling truck) enhanced with digital technologies (ibeacon, video-tracking, display of KPIs).



MECHANISED LOGISTICS

Warehouse with a pick-and-pack order fulfilment chain with teams working in shifts.



COMPLEX SYSTEM LOGISTICS

All operations are automated. Acceptance is handled by a team working in shifts and goods are transferred to the warehouse automatically by robot shuttles. Fulfilment is handled by a combination of technologies (goods-to-person, high-speed sortation, picking stations). Shipment is mechanised or handled by robots.



CONNECTED LOGISTICS

Traditional logistics enhanced by easy-to-use and smart handling devices (remote quick-pick pallet truck, multi-code put to light systems, automatic packaging, etc.).



AUTOMATED LOGISTICS

Products are brought to the operator by robot shuttles. Teams work in shifts. Inventory movements are automated.