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ID Logistics delivers further business and earnings growth in the first half

- **Healthy pace of organic revenue growth: 10.9% to €744.5 million (up 9.4% at current exchange rates)**
- **Underlying operating income up 15,4% to €17.2 million before IFRS 16 (up 31% to €19.5 million under IFRS 16)**
- **Debt burden of just 1.0x EBITDA before IFRS 16 (2.0x under IFRS 16)**

Orgon, 28 August 2019 - 6:00pm - ID Logistics, (ISIN: FR0010929125, Ticker: IDL) one of the European leaders in contract logistics, is announcing its first-half 2019 results. Its revenues totalled €744.5 million, up 10.9% or up 9.4% at current exchange rates, its underlying operating profit advanced 31% to €19.5 million and its net income held firm at €6.6 million.

Eric Hémar, **Chairman and CEO of ID Logistics**, commented: "We maintained our financial performance at a high level in the first half of 2019, thanks to strong demand from clients for an effective logistics organisation. Our thoroughbred positioning continues to drive a healthy pace of growth and to lift our profitability. By increasing customer satisfaction levels, expanding our business portfolio and extending our geographical footprint, we intend to make fresh strides in this direction.

Key financial indicators

(€ m)	H1 2019	H1 2019 Excl. IFRS 16*	H1 2018
Revenues	**744.5**	**744.5**	**680.4**
EBITDA	**95.3**	**32.6**	**27.5**
As a % of revenues	*12.8%*	*4.4%*	*4.0%*
Underlying operating income	**19.5**	**17.2**	**14.9**
As a % of revenues	*2.6%*	*2.3%*	*2.2%*
Consolidated net income	**6.6**	**8.2**	**7.4**
As a % of revenues	*0.9%*	*1.1%*	*1.1%*
	30 June 2019	**30 June 2019 Excl. IFRS 16***	**31 December 2018**
Net debt	**411.8**	**81.9**	**63.0**
Equity	**196.9**	**198.5**	**189.8**

**IFRS 16 accounting standard applicable to leases effective 1 January 2019 (see appendix)*

Brisk pace of revenue growth

ID Logistics' first-half revenues came to €744.5 million, up 9.4% or up 10.9% at constant exchange rates.

- **In France**, revenues totalled €349.0 million, up 5.6% compared with the first half of 2018. Growth was driven mainly by the new contracts that started up in 2018 and since the beginning of 2019.
- **International** revenues totalled €395.5 million, up 13.1% compared with the first half of 2018. Restated for a negative currency effect and the accounting treatment of hyperinflation in Argentina, organic growth ran at 16.0%. The contribution from the new contracts that started up in 2018 and 2019 and from the broadly positive price and volume effects thus offset the vast majority of the currency headwinds. Performance in international markets was chiefly driven by Spain, Germany, the Netherlands and Russia.

Increase in underlying operating income

ID Logistics posted further improvement in the profitability of its operations. Its underlying operating income advanced to €19.5 million in the first half of 2019. That represents an operating margin of 2.6%, a rise of 31% on the level in the first half of 2018. The introduction of IFRS 16 in 2019 gave the figure a boost. Restated for this effect, underlying operating income totalled €17.2 million, up 15.4% compared with the first half of 2018.

- In **France**, the underlying operating margin restated for the impact of IFRS 16 came to 3.7% in the first half of 2019, compared with 3.6% in the same period of 2018. It continued its gradual improvement, while keeping the cost of the new contracts that started up in 2019 under control and absorbing the negative impact of the end of the CICE tax credit.
- The **international** underlying operating margin restated for the impact of IFRS 16 came to 1.1%, representing an improvement on the 1st semester of 2018. The productivity gains unlocked on existing contracts offset the start-up costs on new contracts in tandem with the strong growth in business and approximately €0.3 million in negative currency effects.

Higher net income excluding the IFRS 16 effect

First-half 2019 net income edged down to €6.6 million from €7.4 million in the first half of 2018. That figure includes a negative effect of €1.6 million resulting from the introduction of the IFRS 16 accounting standard. Restated for this effect, it stands at €8.2 million, representing an increase of 10.8%.

Healthy cash generation and robust finances

In keeping with trends recorded in the second half of 2018, the improvement in EBITDA coupled with effective management of the working capital requirement contributed to the increase in cash generated by operating activities. It has been reinvested in capital expenditures, which rose to €36.7 million in the first half of 2019, up from €23.2 million last year. The lion's share comprises investments in new contracts that have either started up over the past 12 months or will start up over the next 12 months, with an increasingly large automation component to meet customer demand.

At 30 June 2019, ID Logistics net debt rose to €81.9 million excluding the IFRS 16 effect, up from €63.0 million at 31 December 2018. After including lease liabilities under the new IFRS 16 accounting standard, it came to €411.8 million. It stands at 1.0x EBITDA excluding the IFRS 16 effect (or 2.0x under IFRS 16), reflecting ID Logistics' strong investment capacity.

Outlook

Revenue growth will continue throughout the current period. In line with the usual seasonality in its business, ID Logistics expects to achieve a higher level of profitability in the second half compared to the first half.

Additional note:

The consolidated financial statements have been subject to a limited review. The review report will be published after the procedures required for the purposes of the interim financial report have been completed.

Next report

Publication of third-quarter 2019 revenues after the market close on 24 October 2019.

ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €1,410 million in 2018. ID Logistics has more than 300 sites across 18 countries, representing 5.5 million square meters of warehousing facilities in Europe, Latin America, Asia and Africa, and 20,000 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, Ticker: IDL).

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Appendix

- **IFRS 16 « lease »**

IFRS 16 is a new accounting standard for leases, applicable since January 1, 2019. This standard requires accounting:

- On the liabilities side, a rental debt corresponding to the rental commitments given by the Group in the context of its activities (rental of warehouses and material or handling equipment)
- On the assets side, a right of use corresponding to the rental commitments given by the customers to the Group
- In the income statement, rents on leased properties and equipments are now recorded as depreciation.

- **Simplified statement of income**

(€ m)	H1 2019	H1 2019 Excl IFRS 16*	H1 2018
France	*349,0*	*349,0*	*330,6*
International	*395,5*	*395,5*	*349,8*
Revenues	**744,5**	**744,5**	**680,4**
France	*13,2*	12,9	*11,8*
International	*6,3*	4,3	*3,1*
Underlying operating income	**19,5**	**17,2**	**14,9**
Amortisation of customer relationships	(0,6)	(0,6)	(0,6)
Net financial income/(expense)	(7,6)	(3,0)	(2,3)
Income tax	(5,0)	(5,7)	(4,7)
Share in income of associates	0,3	0,3	0,1
Consolidated net income	**6,6**	**8,2**	**7,4**
o/w attributable to ID Logistics' shareholders	*5,5*	*6,8*	*6,0*

- **Simplified statement of cash flows**

(€ m)	***H1 2019***	***H1 2019 Excl. IFRS 16****	***H1 2018***
EBITDA	*95,3*	*32,6*	*27,5*
Change in working capital and others	*(13,1)*	*(13,1)*	*2,9*
Capital expenditure	*(36,7)*	*(36,7)*	*(23,2)*
Net cash generated/(used) by operating activities	***45,5***	***(17,2)***	***7,2***
Loan received (repaid)	*(1,5)*	*(1,5)*	*(1,9)*
Repayment of rent liabilities (IFRS 16)	*(58,1)*	*n/a*	*n/a*
Others	*(6,3)*	*(1,7)*	*0,4*
Increase (decrease) in cash and cash equivalents	***(20,4)***	***(20,4)***	***5,7***
Cash and cash equivalent – beginning of period	*105,7*	*105,7*	*90,1*
Cash and cash equivalent – end of period	***85,3***	***85,3***	***95,8***

Definitions

- **Like-for-like change**: change 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 (revenues in the various periods calculated 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 financial debt:** Gross debt plus bank overdrafts and less cash and cash equivalents
- **Net debt :** Net financial debt plus rent liabilities (IFRS 16)