

ID Logistics: good financial performance in 2020, driven by international business

Improvement in all financial indicators in 2020:

- Revenues: +7.1% to €1,642.8 million
- Underlying operating income: +12.0% to €60.5 million
- Cash flow from operations: +27% to €154.2 million after operating investments
- Financial debt: down to 0.7x EBITDA

Orgon, 17 March 2021 – 5:45 pm - CET: ID Logistics (ISIN: FR0010929125, Mnémo: IDL) one of the European leaders in contract logistics, announces its 2020 results with revenues up +7.1% to €1,642.8 million and underlying operating income of €60.5 million, up +12.0%.

Eric Hémar, Chairman and CEO of ID Logistics, commented: « We have achieved the three targets we had set at the beginning of the health crisis: we have been able to protect our teams and none of our 340 ID Logistics sites has been closed for health reasons; we have been able to support our customers and deploy e-commerce solutions in record time; and finally, thanks to strict financial management, we have emerged from this crisis stronger than ever and we can continue our ambitious development strategy. I would like to thank once again all our teams for their unfailing commitment and our customers for their trust and loyalty ».

In €m	2020	2019	Change
Revenues	1,642.8	1 534.2	+7.1%
Underlying operating income	60.5	54.0	+12.0%
<i>As a % of revenues</i>	3.7%	3.5%	+20 bps
Consolidated net income	28.2	16.9	+66.9%
<i>As a % of revenues</i>	1.7%	1.1%	+60 bps
Cash flow from operations after operating investments	154.2	121.3	+27.1%
Net financial debt*	61.0	89.2	-28.2

*See definitions in appendix

A NEW YEAR OF SUSTAINED REVENUE GROWTH AT +7.1%

ID Logistics' 2020 revenues amounted to €1,642.8 million, up +7.1% and +4.9% on a like-for-like basis:

- **In France**, sales came to €721.0 million, up +0.9%. The temporary decline in the second quarter (-5.9%) in a context of strict lockdown, was offset by the good recovery in activity in the second half (+3.1%).
- **International revenues** reached €921.8 million, up sharply by +12.5%. This performance includes a currency effect that remains unfavorable overall, particularly in Latin America, and changes in the scope of consolidation (end of activities in South Africa in August 2019 and in China in June 2020, consolidation of Jagged Peak's activities in the United States since December 2019). Restated for these items, revenue growth was +8.7% for the year 2020.

In 2020, e-commerce was once again the most buoyant business sector for the Group. ID Logistics confirms its expertise in this segment, which now represents 25% of its revenues.

UNDERLYING OPERATING INCOME UP 12.0% TO €60.5M

Despite the Covid crisis and the cost of starting up the 18 new sites in 2020, the Group's operating profitability continued to improve, with underlying operating income up +12.0% to €60.5m from €54.0m in 2019 and the Group's recurring operating margin up 20 basis points to 3.7%:

- In France, 2020 underlying operating income was down to €26.6 million, or 3.7% of revenues, compared with €29.0 million and 4.1% in 2019. The increased productivity of recently started projects partially offset the additional direct and indirect costs related to the Covid-19 health crisis (masks, hydroalcoholic gel, social distancing, loss of productivity).
- Outside France, underlying operating income for 2020 rose sharply to €33.9 million, representing a margin of 3.7%, compared with €25.0 million and 3.1% in 2019. This improvement in profitability is the result of good control over the many site start-ups and specific actions taken on the least profitable operations. These initiatives largely offset the unfavorable effects of the Covid-19 crisis, which weighed on all the Group's countries.

NET INCOME UP 67% TO €28.2M

Consolidated net income is up 67% to €28.2 million in 2020 compared to €16.9 million in 2019. It includes in particular non-recurring expenses of €3.4 million in 2020 (mainly costs for the closure of activities in China and covid-related restructuring in Spain), compared with €7.3 million in 2019 (costs for the closure of South Africa and the acquisition of Jagged Peak in the USA).

GOOD CASH GENERATION AND CONTINUED STRONG INVESTMENT CAPACITY

In 2020, ID Logistics demonstrated good working capital management, while maintaining a sustained pace of operational investments to support its customers' development. Cash flow from operations thus came to €154.2 million after taking into account operating investments, up +27% compared to 2019.

Net financial debt excluding IFRS 16 amounted to €61.0 million at the end of 2020, compared to €89.2 million at the end of 2019. It represents 0.7x EBITDA excluding IFRS 16 (2.0x including IFRS 16), confirming ID Logistics' strong investment capacity.

OUTLOOK

Thanks to its good performance in 2020 and to the strengthening of its positioning in e-commerce, ID Logistics intends to continue its profitable development, while remaining cautious about the evolution of the Covid-19 crisis. The pandemic has already highlighted the decisive impact of customers' logistics organizations, when they are organized, flexible and global. ID Logistics plays an active role in these changes which will now be deployed on a larger scale.

At the same time, ID Logistics is pursuing an ambitious CSR (Corporate Social Responsibility) approach in order to meet the challenges of its customers and in the social area for the Group.

Finally, ID Logistics remains attentive to external growth opportunities, particularly in Northern Europe and the United States.

Additional note: Audit procedures on the consolidated financial statements have been performed. The certification report will be issued after completion of the procedures required for the purpose of publishing the annual financial report.

NEXT REPORT

Q1 2021 revenues: April 26, 2021, after market close.

ABOUT ID LOGISTICS

ID Logistics is an international contract logistics group, with revenue of €1,643 million in 2020. ID Logistics has more than 340 sites across 17 countries, representing 6.0 million square meters of warehousing facilities in Europe, America, Asia and Africa, with 21,500 employees. With a client portfolio balanced between retail, industry, detail picking, healthcare and e-commerce sectors, ID Logistics is characterized by offers involving a high level of technology. Developing a social and environmental approach through a number of original projects since its creation in 2001, the Group is today resolutely committed to an ambitious CSR policy.

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

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APPENDIX

- Simplified statement of income

(€m)	2020	2019
<i>France</i>	721.0	714.7
<i>International</i>	921.8	819.5
Revenues	1,642.8	1,534.2
<i>France</i>	26.6	29.0
<i>International</i>	33.9	25.0
Underlying operating income	60.5	54.0
Amortization of customer relationships	(1.3)	(1.3)
Non-recurring expenses	(3.4)	(7.3)
Financial result	(12.7)	(15.9)
Income tax	(15.8)	(13.1)
Share in income of associates	0.8	0.5
Consolidated net income	28.2	16.9
<i>o/w attributable to ID Logistics' shareholders</i>	<i>25.2</i>	<i>14.8</i>

- Simplified statement of cash flows

(€m)	2020	2019
EBITDA	223.8	205.1
Change in working capital and others	6.6	(1.4)
Other changes	(18.4)	(21.6)
Net investments	(57.8)	(60.8)
Net cash generated/(used) by operating activities	154.2	121.3
Acquisition of subsidiary	-	(17.2)
Net financing costs	(4.9)	(4.7)
Net debt repayments	(91.9)	(113.6)
Other changes	(3.9)	(1.0)
Increase (decrease) in cash and cash equivalents	53.5	(15.2)
Cash and cash equivalent – beginning of period	90.5	105.7
Cash and cash equivalent – end of period	144.0	90.5

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)