

NORBERT  
DENTRESSANGLE



2014 H1 Results

*July 31<sup>th</sup>, 2014*



# Table of Contents

1.	Introduction	p.3
2.	Transport Business	p. 6
3.	Logistics Business	p. 11
4.	Air & Sea Business	p. 16
5.	Group Financials	p. 20
6.	Appendices	p. 31

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# 1. Introduction

# H1 2014

## Strong momentum across all business activities

- **+13% revenue / +19% EBITA**
- **Norbert Dentressangle benefits from its European size and scale and exposure to strong performing countries and verticals (UK & Spain)**
- **Logistics: strong growth in revenue and profitability**
- **Transport: revenue continues to grow and profitability improves**
- **Air & Sea: revenue and performance in line with expectations**

## Growth in revenue and EBITA

In €m	30/06/14	30/06/13	Overall % change	Organic growth
Revenue	2,191	1,932	+13.4%	+5.8%
Underlying operating profit	72.5	59.6	+22%	
<i>As % of turnover</i>	3.3%	3.1%		
Operating profit before goodwill (EBITA)	65.5	55.1	+19%	
<i>EBITA Margin</i>	3.0%	2.9%		
Net income	24.4	24.5	-1%	

## 2. Transport Business



## Transport at a glance - 30/06/2014

A major European player with robust and mature operations in France, United Kingdom and Spain, and with an improved network coverage and increased presence in Central and Eastern Europe

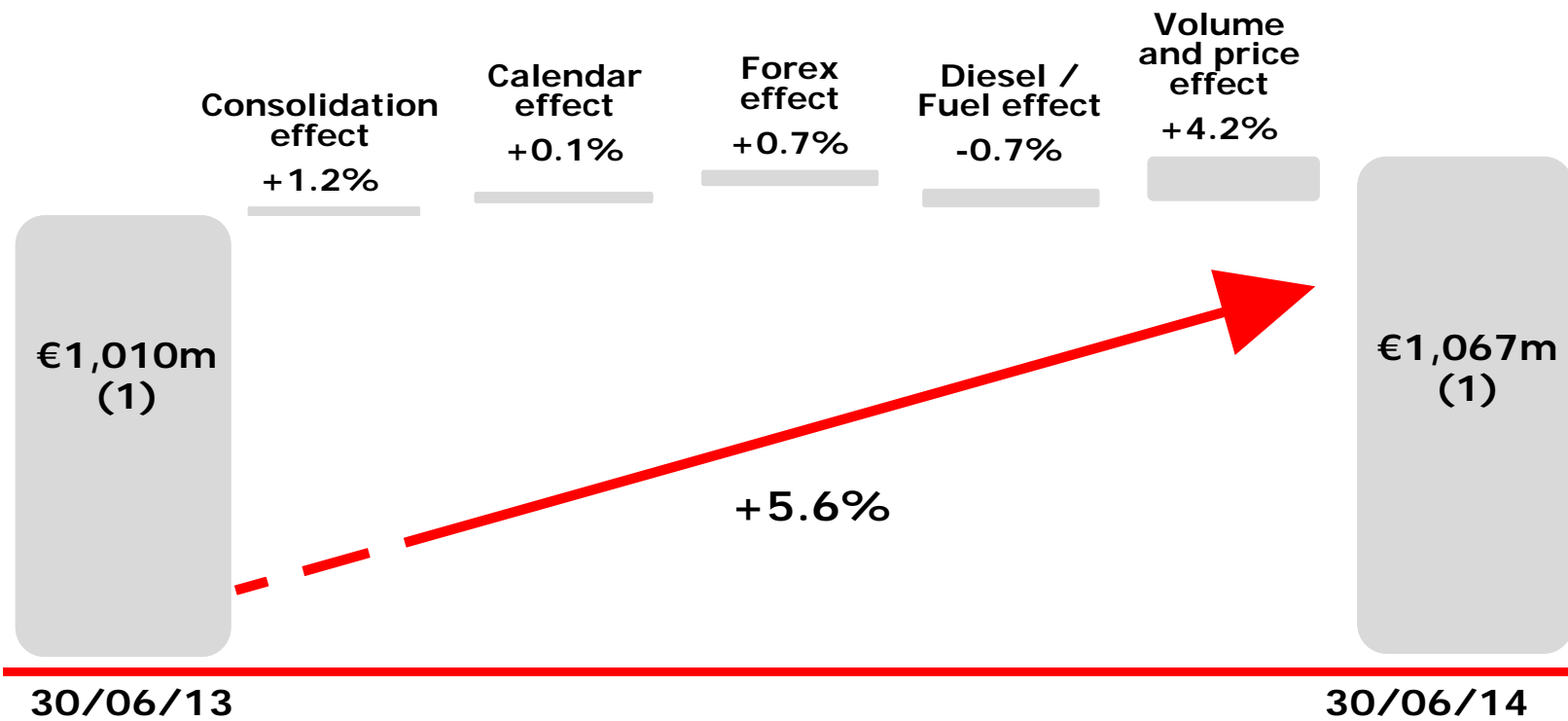
- €1,067m revenue (before interco TO)
- €26.9m EBITA
- 13,400 employees
- 182 sites in 13 countries
- #1 vehicle fleet in Europe with 8,863 tractor units operated\*
  - Of which 5,800 owned fleet
- Europe's cleanest vehicle fleet
  - 95% EURO V & VI
  - 54,000 TCO<sub>2</sub> less since 2010
- Each driver runs an average 550,000km without causing accidents

\* *Plus 2,000 spot sub-contractors*



# Transport 2014 H1

## Robust growth recovery



(1) Before elimination of "inter-division" revenue



## 2014 H1 Transport turnover and operating profit

In €m	Transport at 30/06/14	Transport at 30/06/13	Overall % change	Organic growth
Revenue*	1,067	1,010	+5.6%	+4.1%
Underlying operating profit	29.4	25.2	+17%	
<i>As % of turnover</i>	<i>2.9%</i>	<i>2.5%</i>		
Operating profit before goodwill (EBITA)	26.9	23.8	+13%	
<i>EBITA Margin</i>	<i>2.6%</i>	<i>2.4%</i>		

\* Before elimination of "inter-division" revenue

# Transport 2014 H1 - Good sales momentum and improved profitability

- **Robust sales pipeline**
  - Successful renewal of key customers contracts
- **Growth driven by added value service offerings**
  - +4% in Red Inside – our contract distribution service
  - +12% in domestic pallet network
  - +7% in Red Europe – our European pallet network
- **Full truck load business: improved profitability**
  - Increased operating profit due to higher revenue
  - Benefit from action plans introduced H2 2013 to improve flexibility and competitiveness
  - Facing sluggish market in France with low visibility
- **Pallet network remains on track with good profit levels**
- **Bulk activity: successful integration of the Hopkinson business in the UK**
  - 25 tractor units / 40 tankers
  - £4m annual turnover
  - Increasing niche market position in the UK
- **Strict control of overheads**

### 3. Logistics Business



## Logistics at a glance - 30/06/2014

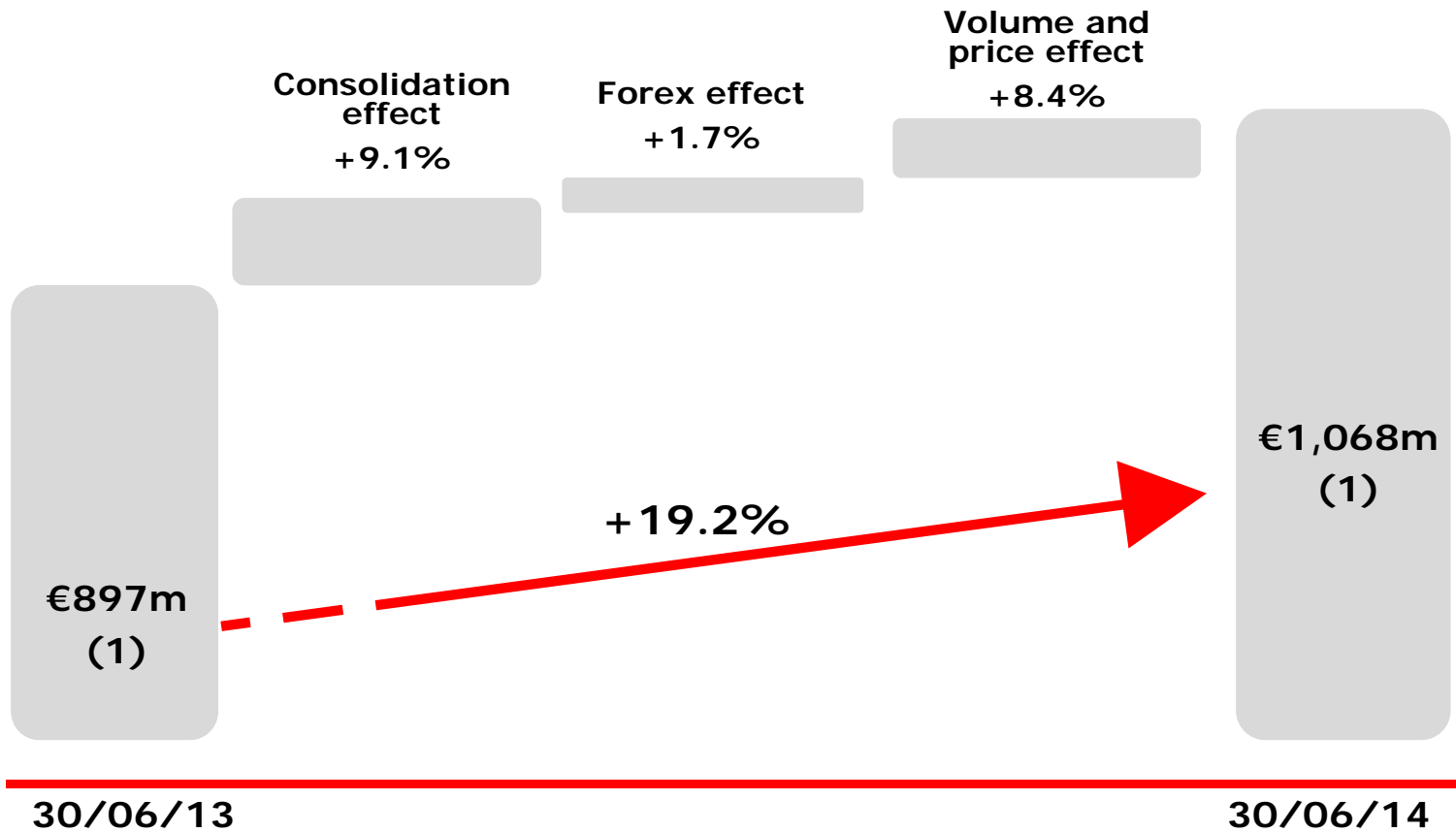
One of the few European players with an increasing international profile  
(the UK represents 41% of the total sales of logistics business)



- €1,068m revenue (before interco TO)
- €37.7m EBITA
- Contracted business (4 years average length)
- 23,600 employees
- 281 sites across 15 countries
- 7.8m m<sup>2</sup> warehouse space
- 3.6m m<sup>3</sup> Temperature Controlled volume

# Logistics H1 2014

## Solid revenue growth



(1) Before elimination of "inter-division" revenue

## Logistics turnover and operating profit

In €m	Logistics at 30/06/14	Logistics at 30/06/13	Overall % change	Organic growth
Revenue*	1,068	897	+19.2%	+8.4%
Underlying operating profit	42.2	34.7	+22%	
<i>As % of turnover</i>	4.0%	3.9%		
Operating profit before goodwill (EBITA)	37.7	31.8	+18%	
<i>EBITA Margin</i>	3.5%	3.6%		

\* Before elimination of "inter-division" revenue

# Strong organic growth

## Successful integration of acquisitions

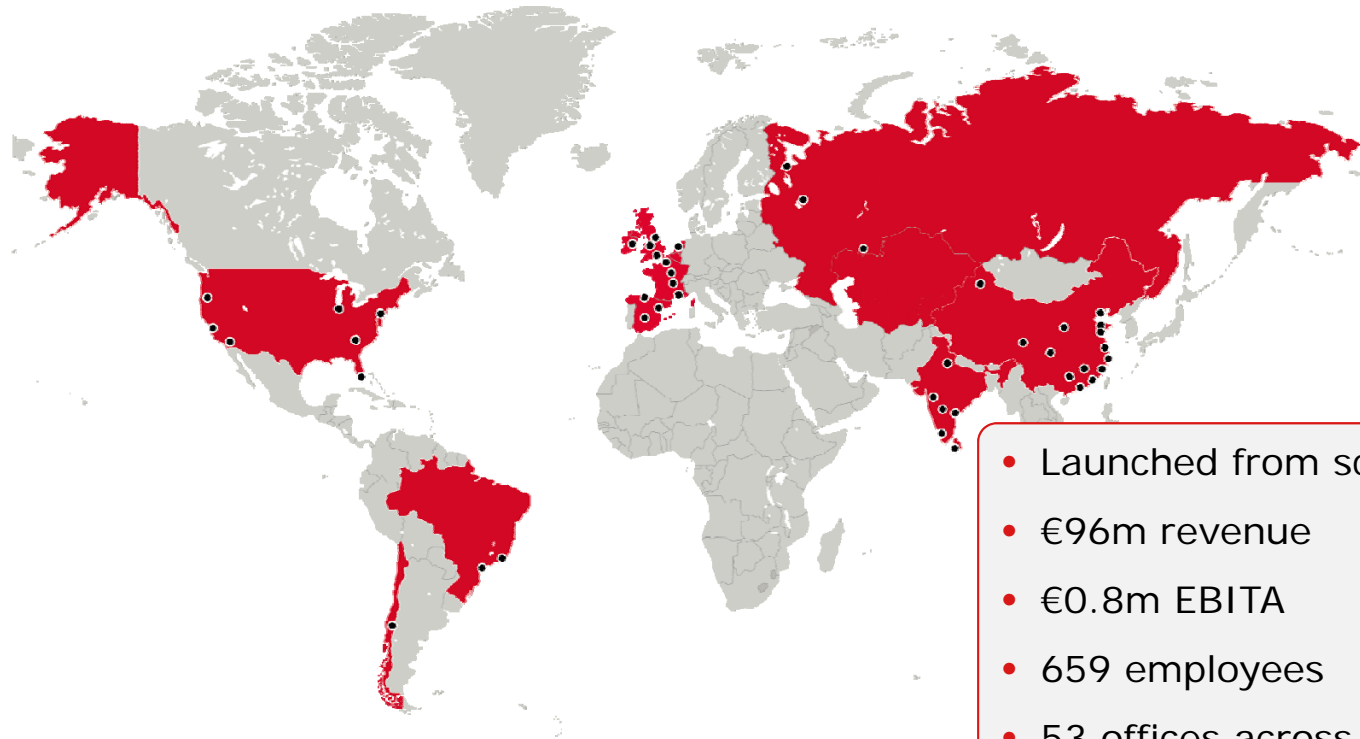
- **Russian activities of our JV with Danone in line with expectations**
- **Good sales momentum in key countries**
  - France, UK
- **Benefits from cross-selling opportunities in buoyant verticals such as e-Commerce and from 2013 breakthroughs**
- **Positive impact on sales from the acquisition of Fiege's logistics activities in Italy and Iberia**
- **Acquisition of 9 warehouses from MGF in France**
  - 4 integrated from 1<sup>st</sup> June
- **Belgium still remains the only non-performing country**

## 4. Air & Sea Business





## Air & Sea by Norbert Dentressangle



- Launched from scratch in 2010
- €96m revenue
- €0.8m EBITA
- 659 employees
- 53 offices across 14 countries
- 24,000 Tons Air freight
- 60,000 TU's Sea freight
- Strong position in the Russian market
- Member of the WACO global network

# Air & Sea H1 2014

## revenues and operating income (EBITA)

In €m	Air & Sea at 30/06/14	Air & Sea at 30/06/13	Overall % change	Organic growth
Revenue*	96	64	+50.5%	-2.5%
Operating profit before goodwill (EBITA)	0.8	(0.6)	+242%	
<i>EBITA Margin</i>	<i>0.9%</i>	<i>-0.1%</i>		

\* Before elimination of "inter-division" revenue

## Activity and profitability in line with expectations

- **Improved average net margin up to 20.7%**
  - Strong performance of Russian and French activities, particularly in customs engineering
  - Recovery in China
- **Ex-Daher business in line with expectations**
- **Focus on skills, added value to customers, process and bottom line**
  - Roll out of SAP EM for customer track and trace solutions
  - Positive impact from membership of global specialized networks

## 5. Group Financials

# Consolidated income statement and contribution by division

In €m	Transport	Logistics	Air & Sea	Conso 30/06/14	Conso 30/06/13	
<b>Total revenue</b>	<b>1,067</b>	<b>1,068</b>	<b>96</b>			
<b>Consolidated revenue *</b>	<b>1,032</b>	<b>1,064</b>	<b>94</b>	<b>2,191</b>	<b>1,932</b>	<b>+13.4%</b>
EBITDA				<b>119.2</b>	<b>112.1</b>	
<b>Operating profit before goodwill (EBITA) **</b>	<b>26.9</b> 2.6%	<b>37.7</b> 3.6%	<b>0.8</b> 0.9%	<b>65.5</b> 3.0%	<b>55.1</b> 2.9%	<b>+19%</b>
EBIT				<b>61.8</b> 2.8%	<b>51.9</b> 2.7%	
Net financial expenses				<b>(16.4)</b>	<b>(12.3)</b>	
Corporate income tax				<b>(11.3)</b>	<b>(8.2)</b>	
CVAE				<b>(6.6)</b>	<b>(6.6)</b>	
Associates				<b>0.0</b>	<b>0.0</b>	
Minority interests				<b>(3.1)</b>	<b>(0.3)</b>	
<b>Net income</b>				<b>24.4</b> 1.1%	<b>24.5</b> 1.3%	<b>-1%</b>

\* Breakdown by Division is net of intercompany revenue

# Breakdown of non-recurring income and expenses

In €m	Conso 30/06/14	Conso 30/06/13
<b>Underlying Operating profit</b>	72.5	59.6
Restructuring costs	(6.7)	(7.7)
Other operational income / expenses and provisions	(0.1)	(0.1)
Non-operating capital gain (losses) on disposals	(0.2)	3.4
<b>Operating profit before goodwill (EBITA)</b>	65.5	55.1

## Net financial expense

In €m	Conso 30/06/14	Conso 30/06/13
<b>Total financial expense</b>	<b>(16.4)</b>	<b>(12.3)</b>
<b>Net financial charges as % of revenue</b>	<b>-0.7%</b>	<b>-0.6%</b>
<b>Including :</b>		
Forex gain (losses)	<b>(1.2)</b>	<b>(0.3)</b>
Actuarial (losses) and income (IDR and pensions)	<b>(3.3)</b>	<b>(3.0)</b>
Others	<b>(0.5)</b>	<b>(0.4)</b>
<b>Net financial charges</b>	<b>(11.2)</b>	<b>(8.0)</b>

## Corporate income taxes

In €m	Conso 30/06/14	Conso 30/06/13
Income tax (*)	(11.3)	(8.2)
Other corporate taxes (including French CVAE)	(6.5)	(6.6)
<b>Corporate income taxes</b>	<b>(17.2)</b>	<b>(14.8)</b>
<b>Effective income tax rate</b>	<b>29.2%</b>	<b>24.8%</b>

In €m

**(\*) Including permanent differences:**

Tax on dividends / "Rabot fiscal sur intérêts d'emprunts"	(0.5)	(0.2)
Non recognised deficits in Belgium, Luxemburg, Spain and Ukraine	(2.4)	(2.5)
Use of deficit in France following restructurations	1.9	2.3
CICE credit	3.5	1.1
Tax rate differences	2.6	2.9
Miscellaneous	(1.6)	0.2



# Cash-flow Statement

In €m	Conso 30/06/14	Conso 31/12/13	Conso 30/06/13
Cash flow	94	196	92
Change in operating WCR	(82)	(36)	(77)
UK pension fund financing	(15)	(10)	(5)
<b>Net cash flow from operations</b>	<b>(3)</b>	<b>150</b>	<b>10</b>
CAPEX (net of disposals)	(54)	(54)	(39)
Sales of warehouses and sites	-	43	-
Acquisition of securities less acquired cash	(3)	(54)	(31)
<b>Net cash flow from investment activities</b>	<b>(57)</b>	<b>(66)</b>	<b>(70)</b>
Dividends	(16)	(15)	(15)
Remaining amount of financing operations	2	81	29
Acquisition of own shares	(1)	(7)	
<b>Net cash from financing transactions</b>	<b>(14)</b>	<b>59</b>	<b>17</b>
Forex impact	2	-	(1)
<b>Change in cash</b>	<b>(71)</b>	<b>+59</b>	<b>(44)</b>
Cash available at period end	318	389	203

## Change in Working Capital Requirement

In €m	30/06/14	Cash flow for the period	Forex and other non-cash flows	30/06/13
<b>WCR</b>	<b>87</b>			<b>44</b>
Of which:				
- Corporate Tax WC	13	9		4
- Operating WCR	297	43	8	246
- Non-operating WCR	(216)	(5)	(17)	(194)
- Fixed asset WCR	(7)			(12)
DSO (number of days-FIFO)	50.4 days			50.0 days

## Consolidated balance sheet

In €m	Conso 30/06/14	Conso 31/12/13
Goodwill	611	600
Intangible fixed assets (incl. customer relationship management)	129	133
Tangible fixed assets	524	533
Other fixed and non-current assets	83	89
<b>Total non-current and financial assets</b>	<b>1,347</b>	<b>1,355</b>
WCR	87	(18)
<b>TOTAL ASSETS (NET)</b>	<b>1,434</b>	<b>1,337</b>
Equity	607	570
Provisions and deferred tax liabilities	245	284
Other financial liabilities *	31	27
Net debt	551	456
<b>TOTAL LIABILITIES (NET)</b>	<b>1,434</b>	<b>1,337</b>

\* Including fair market value of hedging instruments

## Consolidated net financial debt

In €m	Group 30-June- 14	Group 31-dec-13	Group 30-June- 13
Acquisition debt	-	-	230
Revolving facility ( <i>€400m max</i> )	165	168	95
Asset financing	394	367	367
Euro Private Placement	310	310	75
<b>GROSS FINANCIAL DEBT</b>	<b>869</b>	<b>845</b>	<b>767</b>
<b>CASH &amp; CASH EQUIVALENTS</b>	<b>318</b>	<b>389</b>	<b>201</b>
<b>NET FINANCIAL DEBT</b>	<b>551</b>	<b>456</b>	<b>566</b>



## Key Financial Ratios

	30/06/14	30/06/13	Bank covenants ratios at 30/06/14
<b>Gearing</b> (Net Debt/Equity)	95%	104%	< 200%
<b>Leverage</b> (Net Debt/ EBITDA)	2.1 x	2.4 x	< 3.5 x
<b>Interest cover</b> (EBITA / Net Interest Expense)	5.9 x	6.1 x	
<b>ROCE</b> (EBITA before tax /Average capital employed)	13.3%	11.5%	

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Thank you for your attention

## 6. Appendices

# Consolidated balance sheet

BILAN		
ACTIF	ACTUAL	ACTUAL
En K€	30/06/14	31/12/13
Ecart d'acquisition	610 975	599 951
Immobilisations Incorporelles	128 845	133 128
Immobilisations Corporelles	524 093	532 849
Participations entreprises associées	2 907	2 877
Autres actifs financiers non courants	30 583	33 146
Impôts différés actifs	49 218	53 347
<b>ACTIFS NON-COURANTS</b>	<b>1 346 621</b>	<b>1 355 298</b>
Stocks	14 377	14 049
Clients	860 613	775 879
Créance d'impôt courant	22 503	17 621
Autres créances	196 305	141 743
Trésorerie et équivalents de trésorerie	329 571	396 622
<b>ACTIFS COURANTS</b>	<b>1 423 369</b>	<b>1 345 914</b>
Actifs destinés à être cédés		
<b>TOTAL DE L'ACTIF</b>	<b>2 769 990</b>	<b>2 701 212</b>

PASSIF	ACTUAL	ACTUAL
En K€	30/06/14	31/12/13
Capital social	19 672	19 672
Primes d'émissions	19 077	19 077
Ecart de conversion	(15 330)	(22 464)
Réserves consolidées	531 575	456 182
Résultat net part du groupe	24 359	70 100
<b>CAPITAUX PROPRES PART DU GROUPE</b>	<b>579 353</b>	<b>542 567</b>
Intérêts minoritaires	28 116	27 595
<b>CAPITAUX PROPRES</b>	<b>607 469</b>	<b>570 162</b>
Provisions à long terme	152 770	190 583
Impôts différés passifs	73 345	72 846
Dettes financières à plus d'un an	761 963	742 884
Autres passifs non courants	18 917	17 451
<b>PASSIFS NON-COURANTS</b>	<b>1 006 995</b>	<b>1 023 764</b>
Provisions à court terme	18 544	20 605
Dettes financières à moins d'un an	106 757	102 507
Autres passifs courants	12 413	9 330
Découverts bancaires	11 513	7 200
Fournisseurs	605 089	601 548
Dettes d'impôt courant	9 841	11 528
Autres dettes	391 369	354 568
<b>PASSIFS COURANTS</b>	<b>1 155 526</b>	<b>1 107 286</b>
<b>TOTAL DU PASSIF</b>	<b>2 769 990</b>	<b>2 701 212</b>
Dettes financières nettes	550 662	455 969



# P&L

En K€	RÉEL		RÉEL	
	30/06/14	% CA	30/06/13	% CA
CHIFFRE D'AFFAIRES NET	2 190 501	100%	1 932 120	100%
Autres achats et charges externes	(1 368 918)	62,5%	(1 189 139)	61,5%
Charges de personnel	(670 780)	30,6%	(603 724)	31,2%
Impôts, taxes et versements assimilés	(23 191)	1,1%	(22 438)	1,2%
Dotations aux amortissements	(57 100)	2,6%	(57 591)	3,0%
Autres Produits et Charges opérationnels	467		(811)	
Résultat sur cessions d'actifs d'exploitation	1 342		1 012	
Coûts de restructuration	(6 655)		(7 696)	
Plus ou moins values immobilières	(210)		3 363	
RESULTAT OPERATIONNEL AVANT ECART D'ACQUISITION (EBITA)	65 455	3,0%	55 096	2,9%
Amortissements relation client	(5 023)		(3 166)	
Badwill	1 375			
RESULTAT OPERATIONNEL (EBIT)	61 807	2,8%	51 930	2,7%
Frais financiers nets	(16 423)		(12 292)	
RESULTAT DU GROUPE AVANT IMPOT	45 384	2,1%	39 638	2,1%
Impôt sur le résultat	(17 860)	-0,8%	(14 741)	-0,8%
QP Rst sociétés mises en équivalence	(20)		(39)	
RESULTAT NET	27 504	1,3%	24 858	1,3%
Intérêts ne donnant pas le contrôle	3 145	0,1%	348	0,0%
Dont RESULTAT NET PART DU GROUPE	24 359	1,1%	24 510	1,1%
E.B.I.T.D.A.	119 191	5,4%	112 077	5,8%

# Cash flow statement

	REEL	REEL
K€	30/06/2014	30/06/2013
Résultat Net Part du Groupe	24 359	24 510
Amortissements et provisions	59 802	61 832
Charges financières nettes liées aux opérations de financement	14 004	10 607
Intérêts minoritaires et SME	3 166	387
Impôts sur le résultat (produit) charge	17 860	14 741
EBITDA	119 191	112 077
Plus ou moins values sur cessions d'actifs immobilisés	(1 042)	(4 343)
Autres retraitements	126	(900)
Impôts sur le résultat versé	(24 418)	(17 579)
Marge opérationnelle brute d'autofinancement après impôt versé	93 857	89 255
BFR d'exploitation	(67 287)	(61 737)
BFR hors exploitation (hors impôt sur le résultat)	(14 427)	(12 427)
BFR opérationnel (hors impôt sur le résultat)	(81 714)	(74 164)
Variation Pension Fund	(14 668)	(5 173)
Flux de trésorerie généré par l'activité	(2 525)	9 918
Cession d'immo. Incorporelles et Corporelles	22 916	28 024
Acquisition d'immo. Incorporelles et Corporelles	(61 534)	(69 636)
Créances et dettes sur d'immo.	(15 427)	2 971
Cession d'immo. Financières	113	103
Acquisition d'immo. Financières	(327)	
Acquisition / cession de filiales, nettes de la tréso. acquise / cédée	(2 688)	(31 308)
Flux de tréso. lié aux opé. d'investissement	(56 947)	(69 846)
Flux de trésorerie disponible	(59 472)	(59 928)
Dividendes versés	(15 744)	(14 575)
Emission (remboursement) net d'emprunts	9 321	40 711
Actions propres	(758)	260
Autres Actifs/Passifs financiers	6 961	(1 302)
Charges financières nettes liées aux opérations de financement	(14 041)	(10 607)
Flux de tréso. lié aux opé. de financement	(14 261)	16 967
Ecarts de change lors de la conversion des flux	2 369	(1 380)
Variation de trésorerie	(71 364)	(44 341)
Trésorerie et équivalent à l'ouverture	389 421	247 041
Trésorerie et équivalent à la clôture	318 057	202 700
Variation de trésorerie (clôture - ouverture)	(71 364)	(44 341)

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