



2020 Results

28 October 2020



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Index:

- **Results Highlights**
- **Business Review**
- **Financial Review**
- **Final Remarks & Outlook**

2020 at a glance

Robust results, challenging environment due to COVID-19



- Revenues +4.0%
- Economic Sales +0.7%
- EBIT +1.0%
- Adj. EBIT -1.9%
- Net Profit -4.5%

Managing COVID-19 impacts: Ensuring distribution

A different playing field

Most activities declared essential

Omni-channel ordering, flexibility in operations, key to operate

Lockdowns and human mobility restrictions

Proximity retail gaining SoM

E-commerce boom

Opportunity to provide a high-quality distribution

Business Intelligence

Service of growing importance for our clients

Tobacco

- Building up security stocks close to points of sale

Convenience

- Widening product portfolios accessible to end-consumers during lockdowns

Pharma

- Direct-to-patient clinical trials
- Home delivery - chronic disease treatments

Nacex

- Contactless delivery
- Lockers and dropping points [Nacex.shop](https://nacex.shop)

Books

- Home delivery of the on-demand printing purchases

Managing COVID-19 impacts: Protecting our people

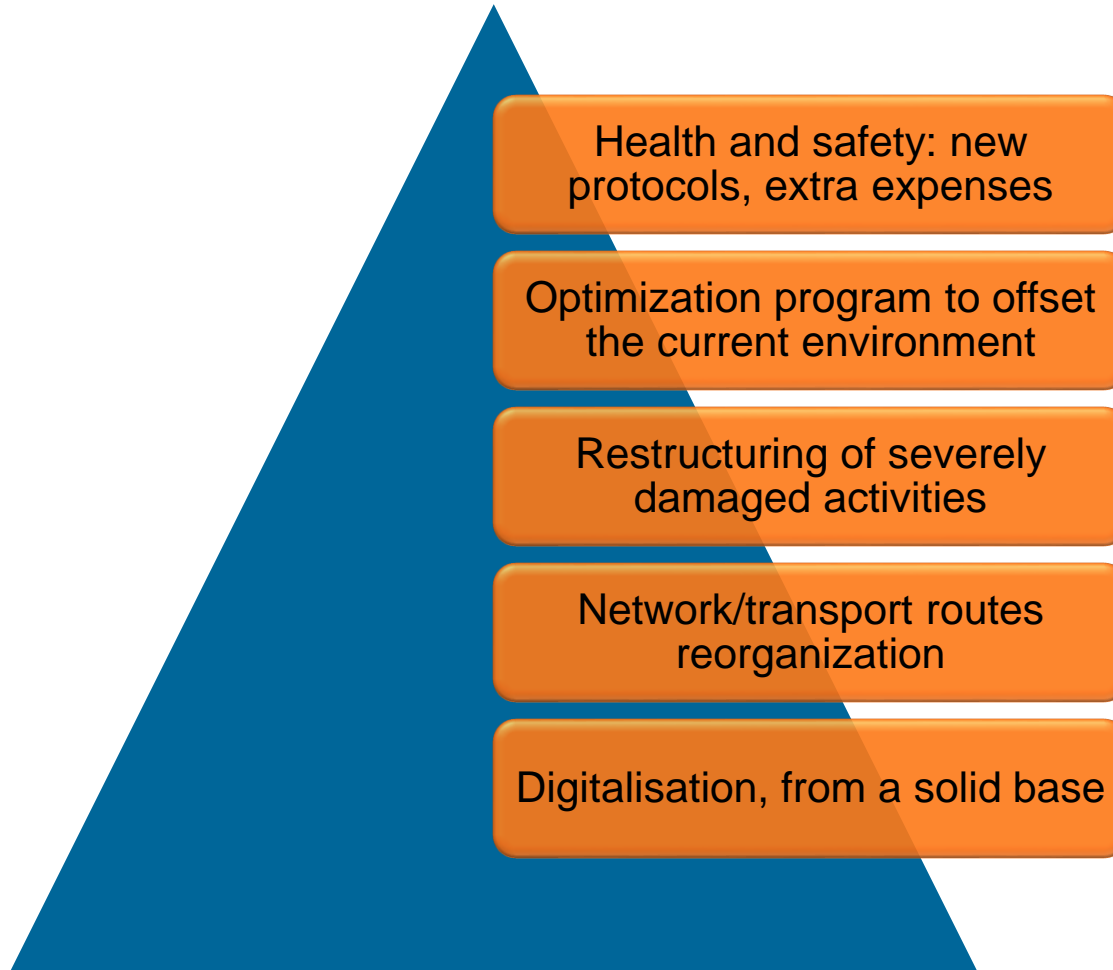
Increased focus on health & safety

Employees,
collaborators, their
families, our
communities

- Ensuring health and wellbeing, preventing contagion
- Smart working policy implemented
- Maintaining activity during pandemic

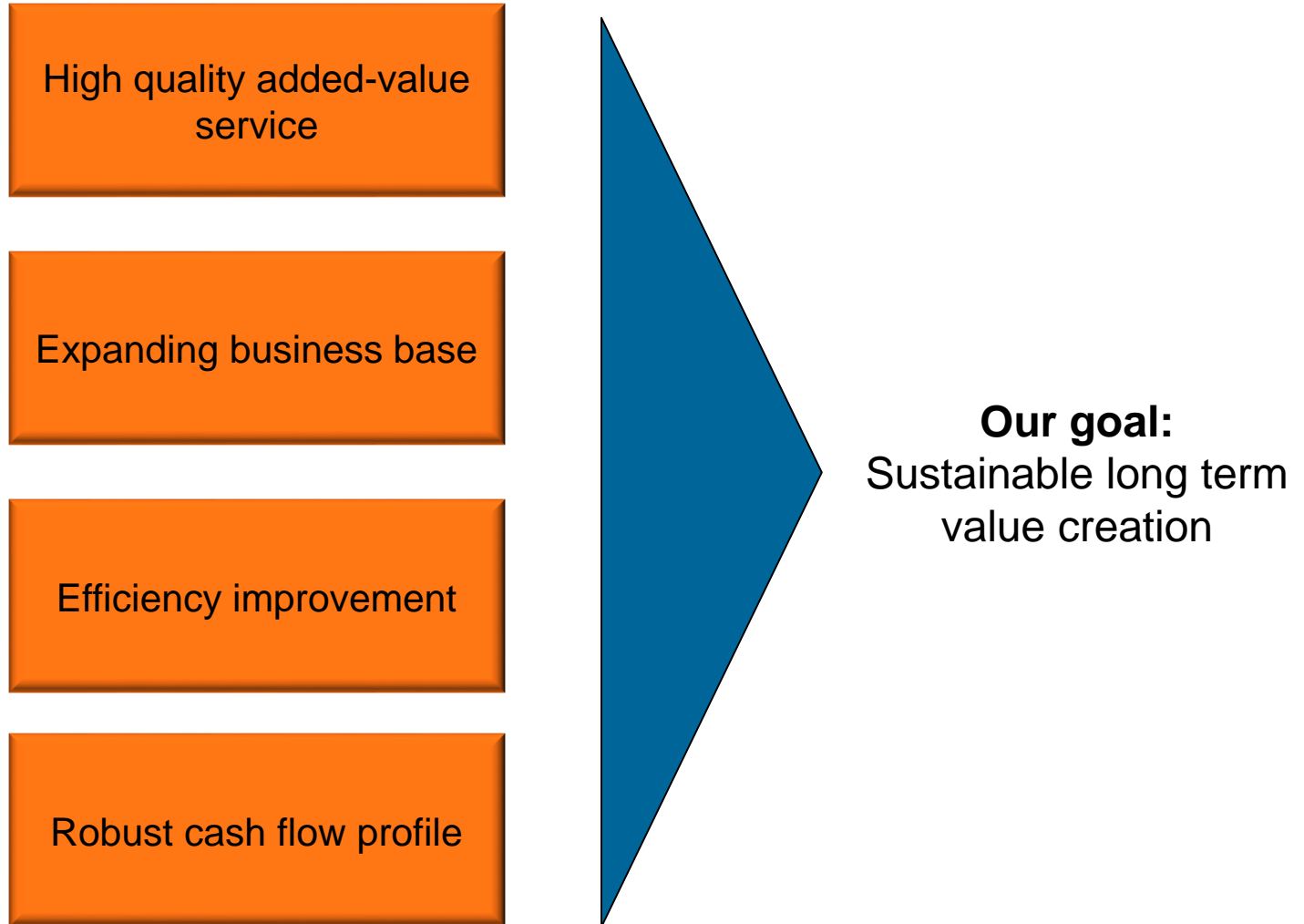
Managing COVID-19 impacts: Cost management

Facing a new reality



Delivering on our goal

Four building blocks

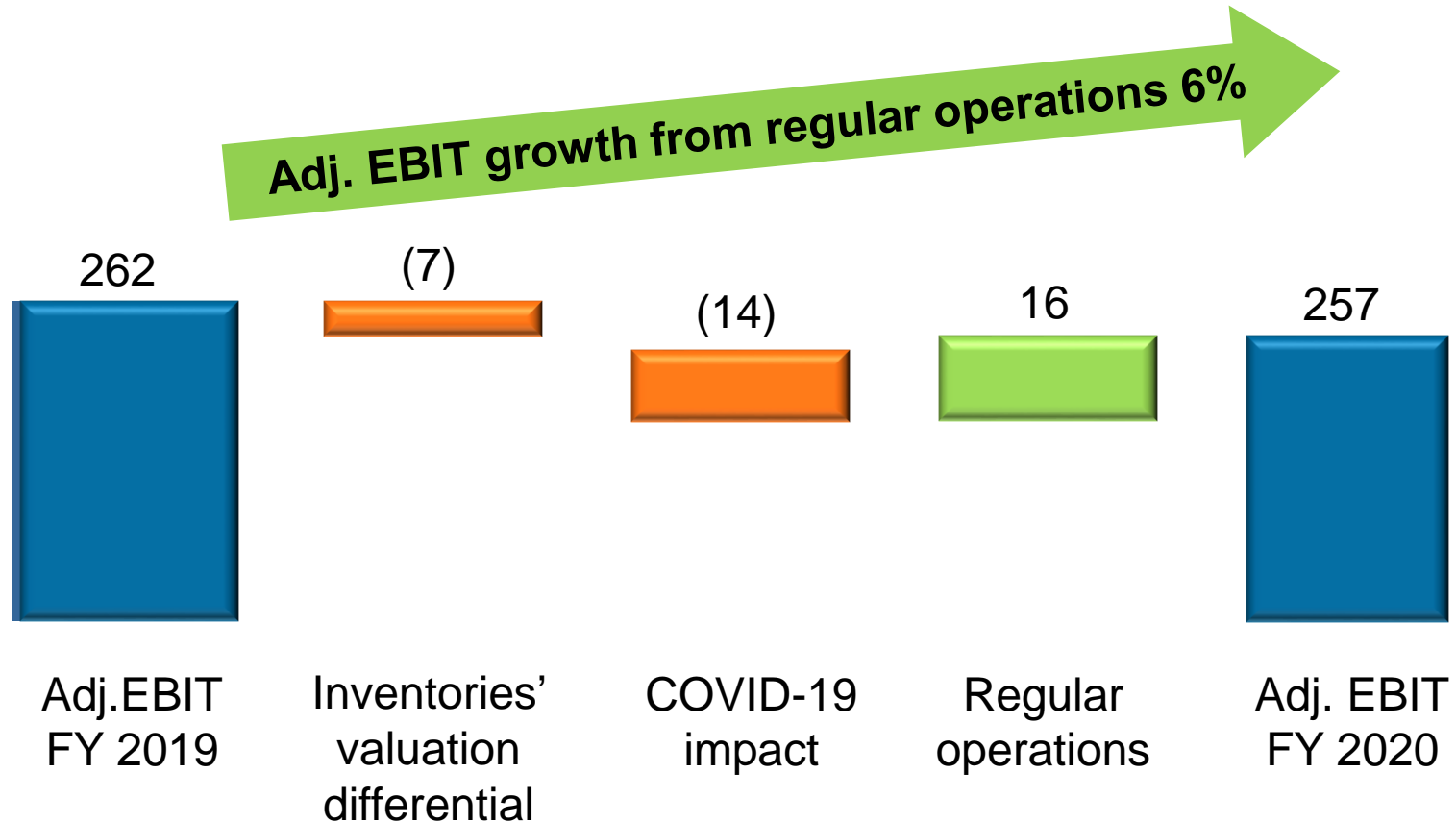




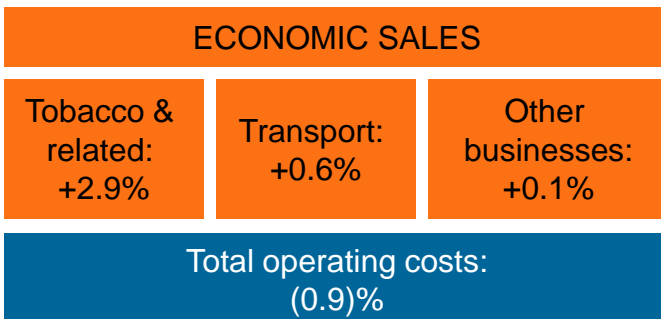
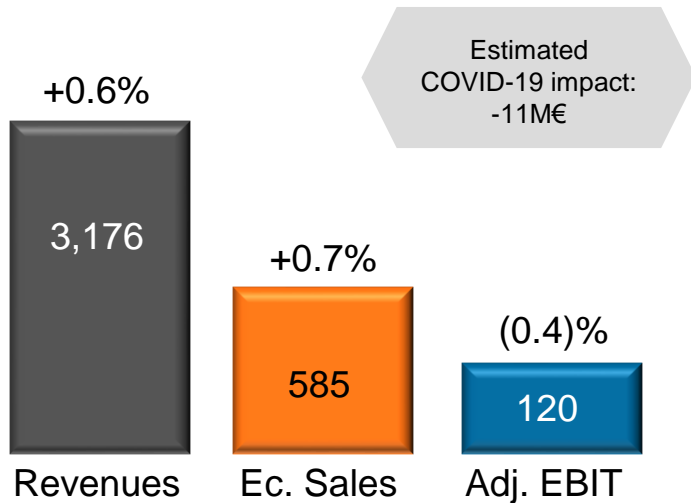
Business Review

Business Review

Robust results, challenging environment due to COVID-19



All data in M€, unless otherwise stated



o Tobacco distribution:

- Volumes* down 3.8%, affected by cross-border/inbound tourism sales drop
- No relevant impact of inventories' valuation

o Convenience distribution:

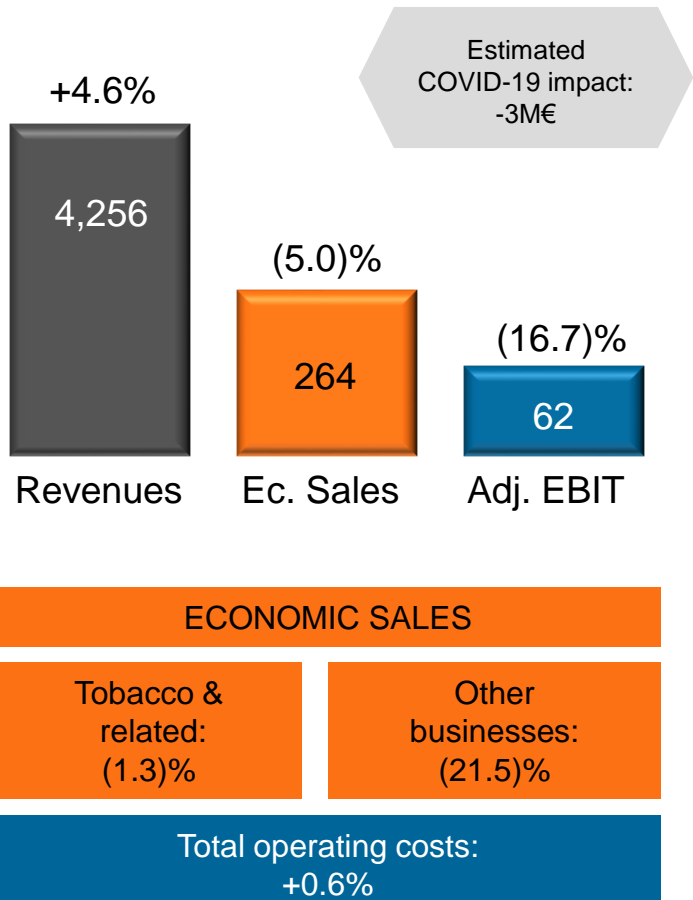
- Wider portfolio, points-of-sale open during lockdowns, average ticket sale up
- New clients in petrol station channel

o Transport:

- Long distance and Parcel impacted by general economy
- Courier growing in selective e-commerce

o Pharma:

- Acceleration capture of new clients
- Launch of new services during pandemic



o Tobacco distribution:

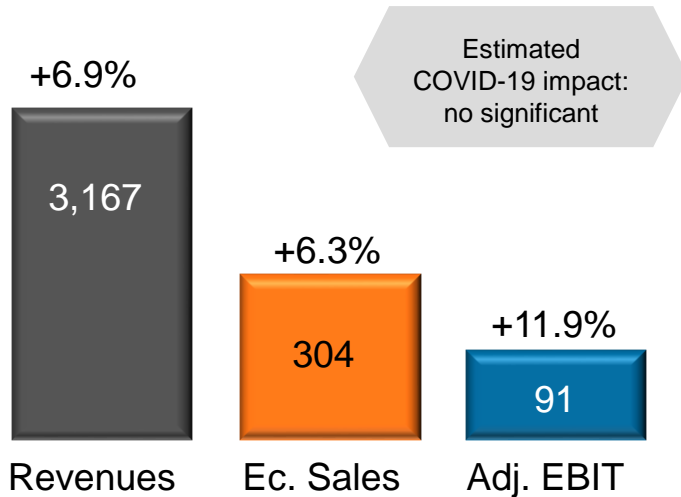
- Volumes* down 3.1% due to retail selling price increases
- Inventories' valuation impact: negative in FY2020

o Convenience distribution to tobacconists:

- Closure of HORECA activity at “café tabac”
- Very positive performance of e-transactions

o Convenience distribution to other channels

- Closure of points-of-sale during lockdown



ECONOMIC SALES

Tobacco & related: +6.3%

Total operating costs:
(4.1)%

o Tobacco distribution:

- Volumes* , similar to FY2019
- Value added services
- Inventories' valuation impact: slightly below FY2019

o Solid growth in Next Generation Products and related value-added services

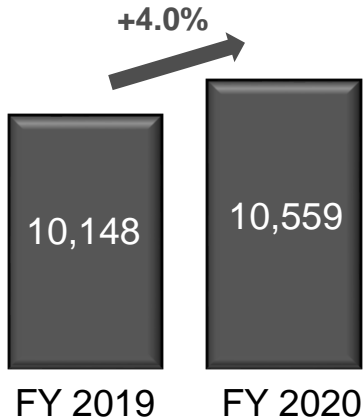
o Convenience distribution:

- RYO paper, exclusive-compulsory sale through tobacconist channel
- Other convenience (FMCG) sales growing, new purchasing habits: proximity sales trend



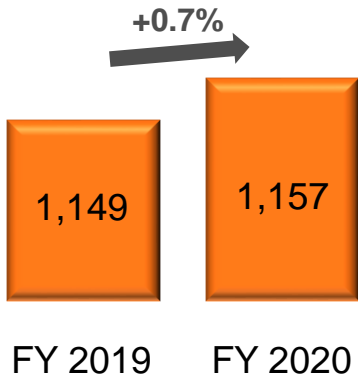
Financial Review

REVENUES



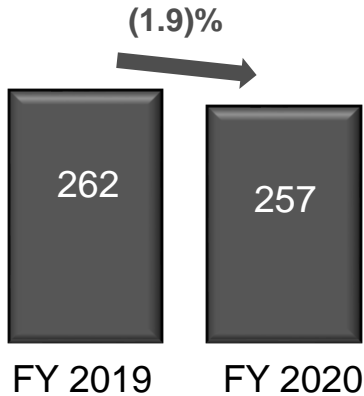
- Main activities grew Revenues except Long distance, Parcel transport and Publications, in Spain, Convenience in France

EC. SALES



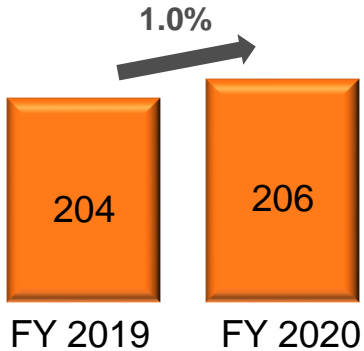
- Positive performance in Spain and Italy offset France decline
- Tobacco tariffs updated by track & trace services in all regions at year end, uneven timing of activation

ADJ. EBIT

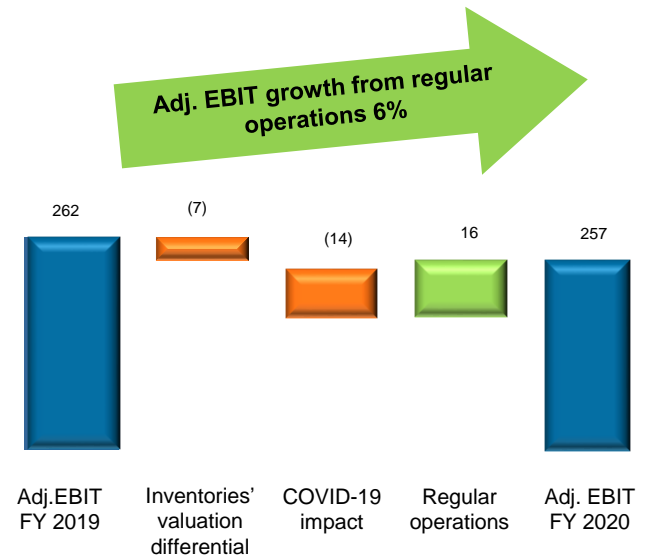


- Total operating costs up by 1.4%
- New/increased costs due to COVID-19, some others reduced
- Efficiency measures, savings' program

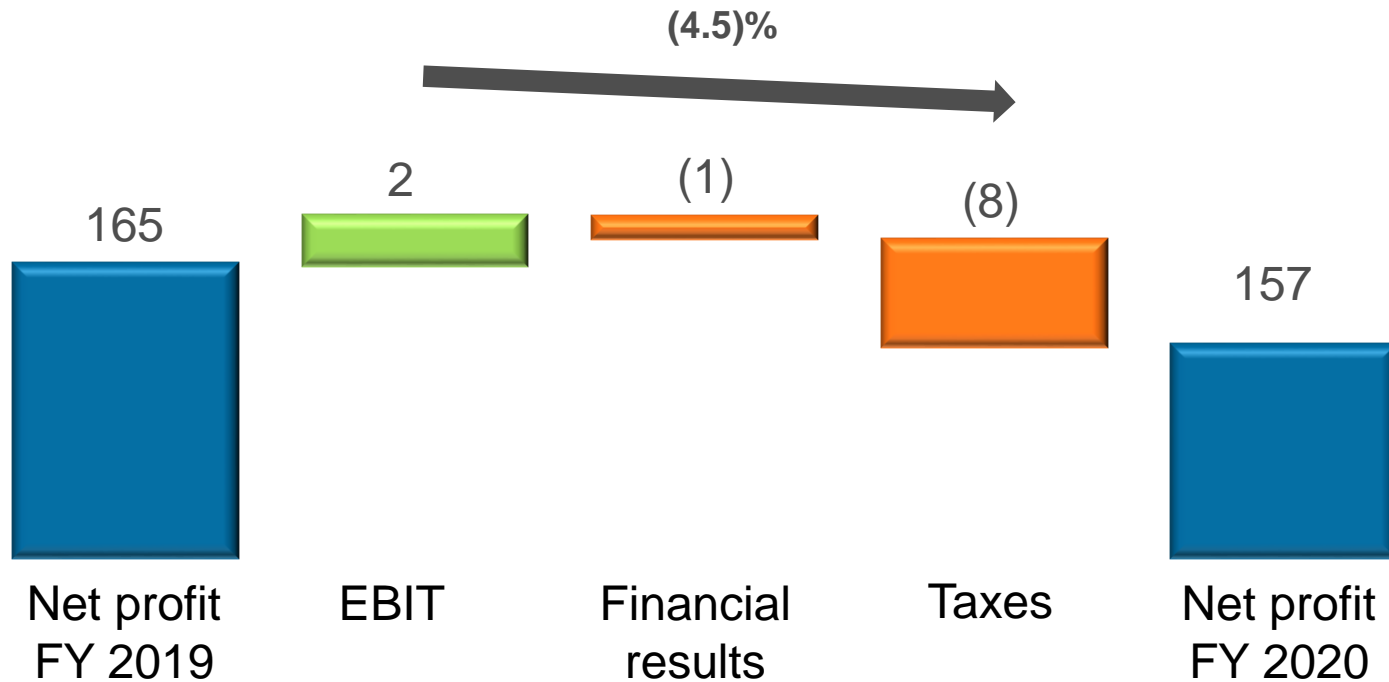
EBIT



- Similar restructuring cost: 12M€
- Higher capital gains (8M€ vs. 3M€)
- Provision reversal 5M€ vs. positive impairment result 2M€

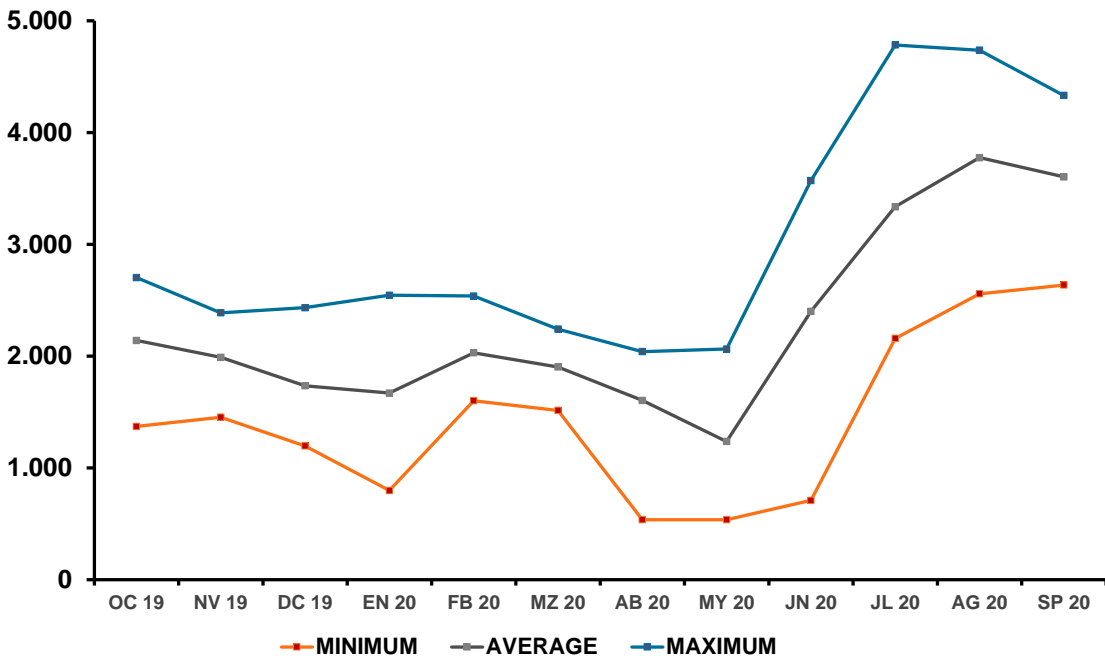


Limited impact in Net profit



- Financial income up: same interest rate on higher average cash position
- Financial expenses up: first year accounting IFRS 16
- Consolidated tax rate up: end of previous years' deductions

Annual evolution of cash position



- Seasonality driving cash position to its peak towards year end
- Better than expected, temporary change in tax payment cycle in France and Italy (COVID-19)
- Treasury agreement with majority shareholder: temporary uplift of limit
- Dividend payments during FY2020: 156M€

M€	Minimum	Average	Maximum
Cash	537	2,285	4,784

Investing in differentiation and high-quality services

M€	2020	2019	Δ%
IT investments (technology)	18	25	(30,6)%
Infrastructure	9	18	(48,6)%
Maintenance	6	8	(15,8)%
Total investments	33	50	(34,6)%

- > 50% dedicated to technology
- Investment calendar maintained despite COVID-19
- Track & Trace investments already completed

Cash generation

M€	2020	2019	Change
EBITDA	340	310	+30
Restructuring & Other Payments	(16)	(12)	(4)
Rental payments	(34)	0	(34)
Financial Results	15	14	+1
Normalised Taxes	(72)	(68)	(4)
Capex	(27)	(49)	+22
Normalised Free Cash Flow	207	195	+12
WC Variation	611	39	572
Cut off effect on Taxes	(51)	62	(113)
Free Cash Flow	767	296	+471

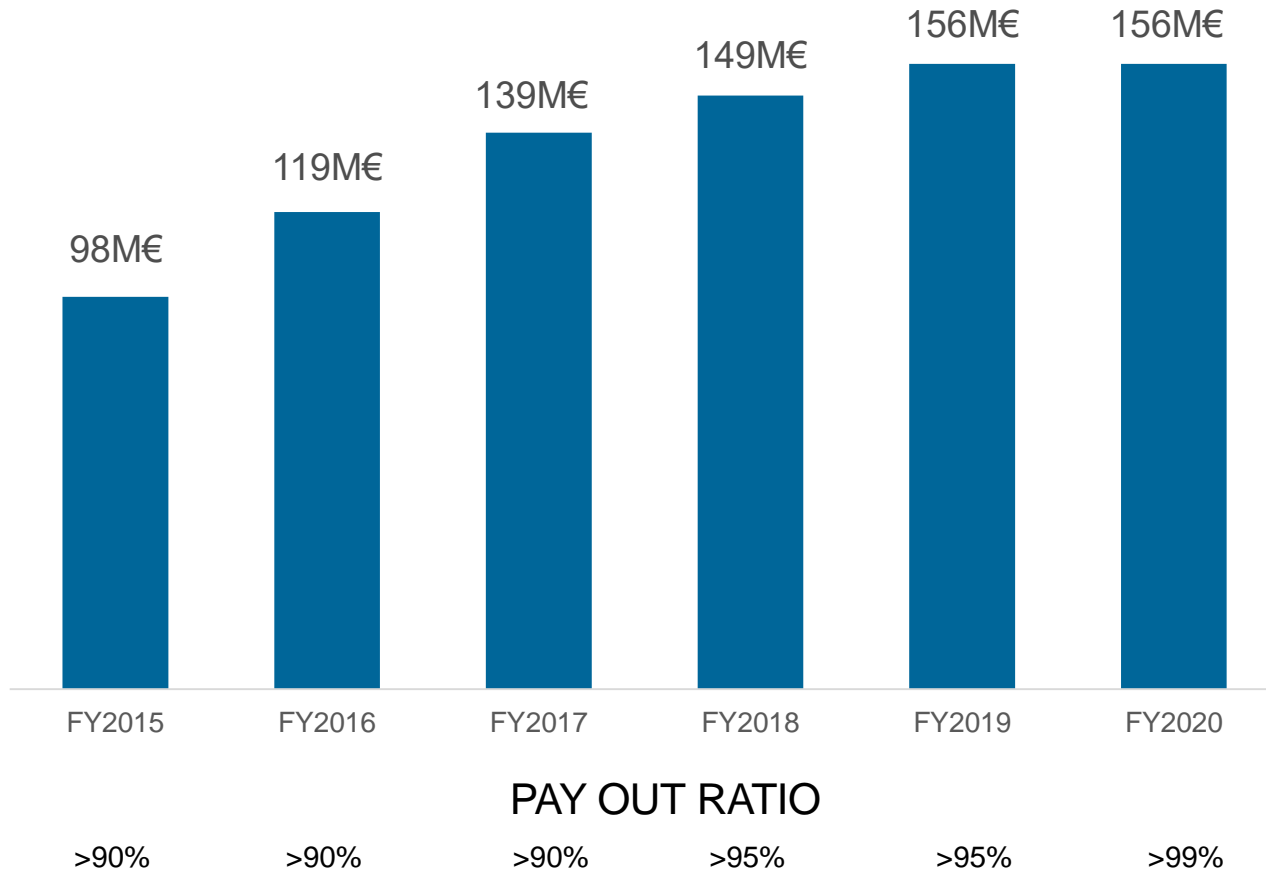
- EBITDA growth, IFRS 16 impact (comparable down 0.9%)
- Lower capex and higher interest received off-set increased restructuring and normalised taxes
- Temporary WC effect

- Despite a challenging FY2020, the Board intends to propose distributing the same total dividends as in FY2019
- Dividend proposal FY2020 of 156M€
- Total dividend proposal will represent 99.7% pay out over FY2020 Net Income

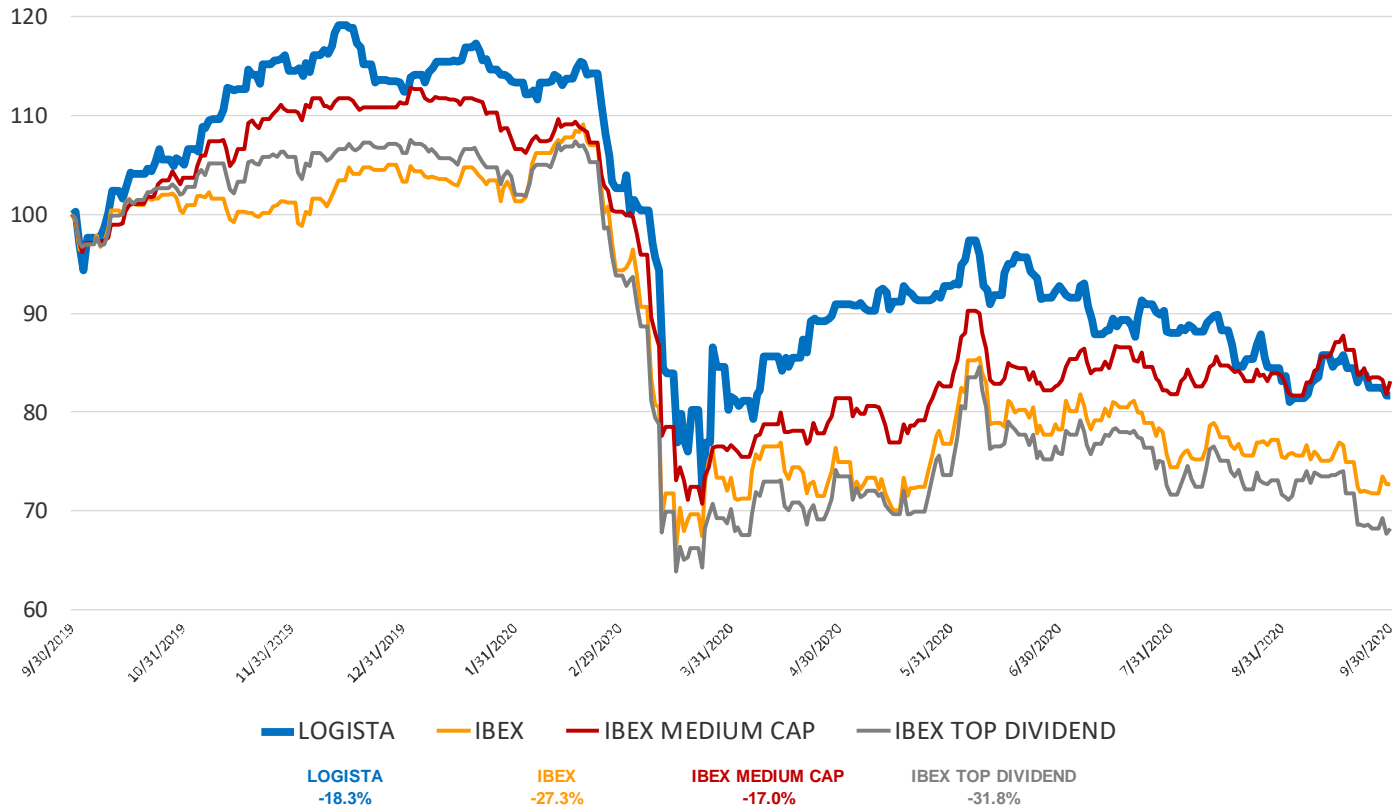
Dividend Policy

Pay out consistently above 90% of Net Profit

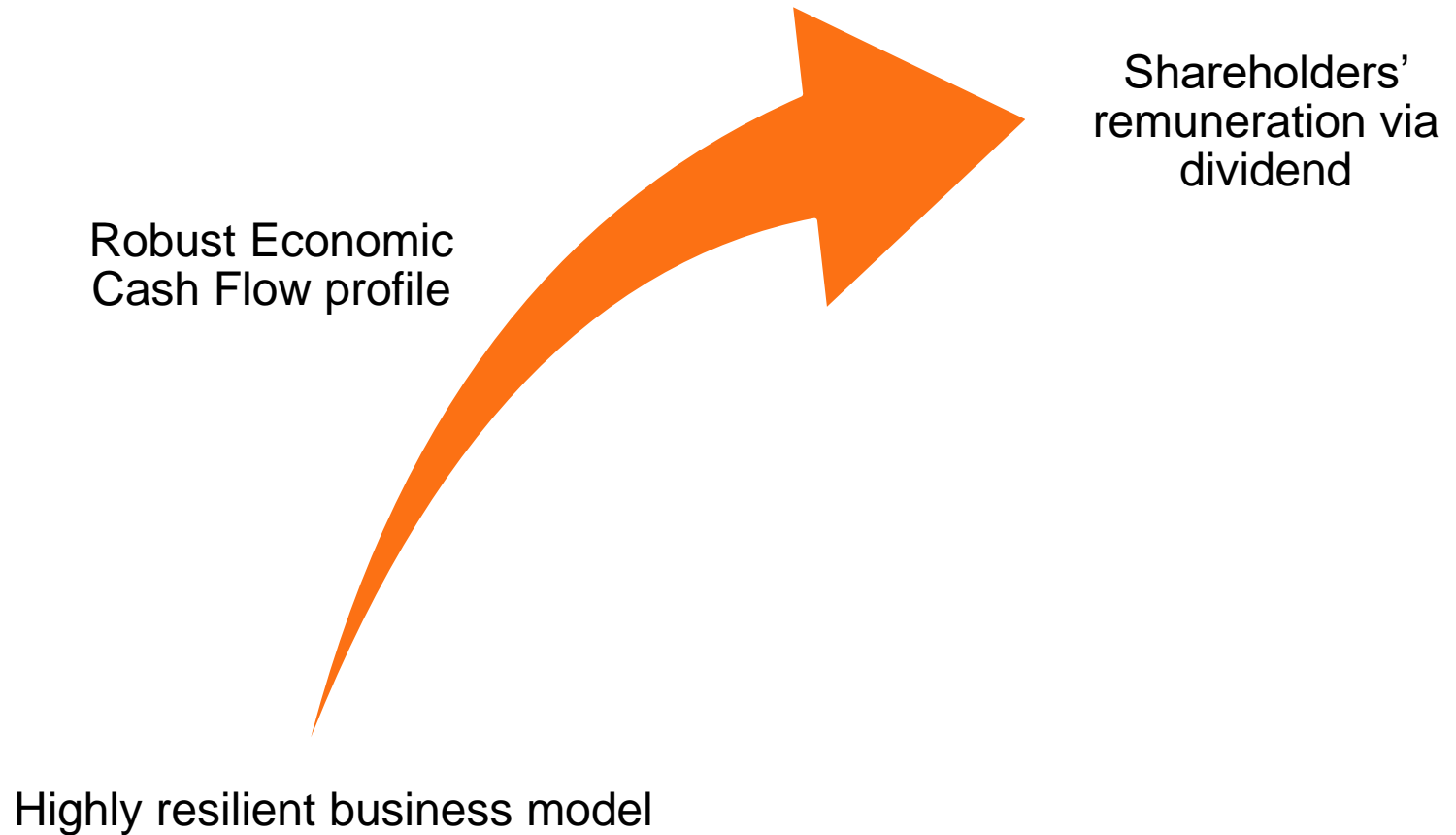
Total dividends paid since IPO: c. 820M€



Share Price performance

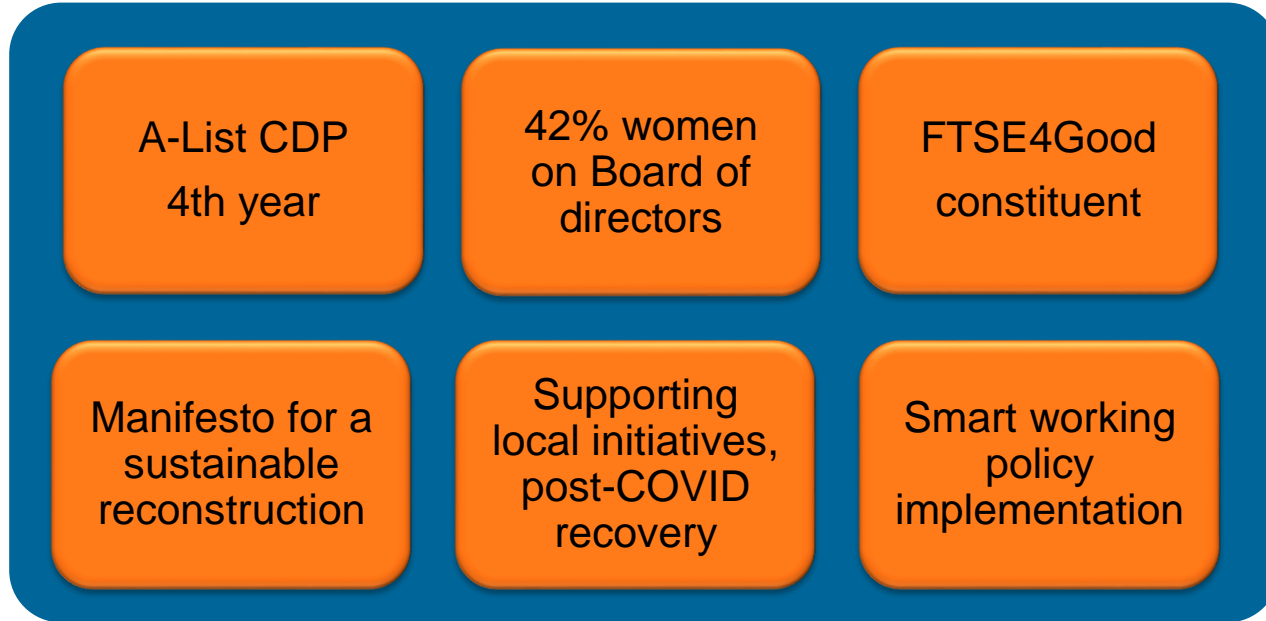


- o Logista’s performance in line with mid-cap companies in Spain, outperforming IBEX Top dividend and IBEX35
- o Significant impact from COVID-19





Closing remarks and outlook



CLIMATE



FTSE4Good





- Revenues +4.0%
- Economic Sales +0.7%
- EBIT +1.0%
- Adj. EBIT -1.9%
- Net Profit -4.5%

- Solid set of results under extremely adverse circumstances
- Successful business model: customer centric, flexible, asset-light

Outlook 2021

Adj. EBIT expected to grow mid-single digit

- Solid performance since COVID-19 crisis started suggests a mid-single digit Adjusted EBIT growth rate in FY2021
- However, the uncertainties regarding the impact on the economy of our main markets and measures to face it may negatively impact the activity
- The outlook will be reviewed quarterly
- The dividend will be a priority in any scenario



Appendix

Tobacco Volumes Evolution

Relatively good volume performance across geographies

Million units

% Y-o-Y Change

	1 Oct. 2019 – 30 Sept. 2020	1 Oct. 2018 – 30 Sept. 2019	1 Oct. 2017 – 30 Sept. 2018	1 Oct. 2019 – 30 Sept. 2020	1 Oct. 2018 – 30 Sept. 2019
TOTAL					
Cigarettes	143,469	151,106	155,821	(5.1)%	(3.0)%
RYO/MYO	27,309	23,218	21,106	+17.6%	+10.0%
Cigars	3,855	4,017	4,028	(4.0)%	(0.3)%
SPAIN					
Cigarettes	41,675	44,484	44,247	-6.3%	+0.5%
RYO/MYO	7,779	7,068	6,443	+10.1%	+9.7%
Cigars	1,765	1,876	1,929	(5.9)%	(2.7)%
PORTUGAL					
Cigarettes	2,479	2,473	2,351	+0.2%	+5.2%
RYO/MYO	119	105	104	+13.4%	+1.0%
Cigars					
FRANCE					
Cigarettes	36,719	38,926	41,637	(5.7)%	(6.5)%
RYO/MYO	8,755	8,000	8,468	9.4%	(5.5)%
Cigars	1,196	1,236	1,246	(3.3)%	(0.8)%
ITALY					
Cigarettes	62,595	65,222	67,587	(4.0)%	(3.5)%
RYO/MYO	10,655	8,045	6,091	+32.4%	+32.1%
Cigars	894	905	854	(1.2)%	+6.0%

Revenues Evolution

By segment and activity

M€	2020	2019	Δ%
Iberia	3,176	3,157	+0.6%
Tobacco & Related	2,774	2,754	+0.7%
Transport Services	385	386	(0.1)%
Other Businesses	163	152	+7.0%
Adjustments	(147)	(134)	(9.2)%
France	4,256	4,069	+4.9%
Tobacco & Related	4,111	3,892	+5.6%
Other Businesses	154	187	(17.9)%
Adjustments	(9)	(9)	+2.4%
Italy	3,167	2,962	+6.9%
Tobacco & Related	3,167	2,962	+6.9%
Corporate & Others	(39)	(40)	+1.9%
Total Revenues	10,559	10,148	+4.0%

Economic Sales Evolution

By segment and activity

M€	2020	2019	Δ%
Iberia	585	582	+0.7%
Tobacco & Related	286	278	+2.9%
Transport Services	272	270	+0.6%
Other Businesses	87	86	+0.1%
Adjustments	(59)	(53)	(11.1)%
France	264	278	(5.0)%
Tobacco & Related	230	233	(1.3)%
Other Businesses	41	52	(21.5)%
Adjustments	(7)	(7)	+6.8%
Italy	304	286	+6.3%
Tobacco & Related	304	286	+6.3%
Corporate & Others	3	4	(9.5)%
Total Economic Sales	1,157	1,149	+0.7%

Adjusted EBIT Evolution

By segment

M€	2020	2019	Δ%
Iberia	120	120	-0.4%
France	62	74	(16.7)%
Italy	91	81	+11.9%
Corporate & Others	(15)	(14)	(13.1)%
Total Adjusted EBIT	257	262	(1.9)%

M€	2020	2019	Δ%
Revenues	10,559	10,148	4.0%
Economic Sales	1,157	1,149	0.7%
(-) Operating Costs of Logistic Networks	(750)	(736)	(1.9)%
(-) Sales and Marketing Operating Expenses	(66)	(69)	5.3%
(-) Research and G&A Operating Expenses	(85)	(82)	(3.0)%
Total Operating Costs	(900)	(887)	(1.4)%
Adjusted EBIT	257	262	(1.9)%
Margin %	22.2%	22.8%	(60) p.b.
(-) Restructuring Cost	(12)	(11)	(2.0)%
(-) Amort. of Assets Logista France	(52)	(52)	0.0%
(-) Net Loss on Disposal and Impairments	13	4.8	162.4%
(-) Equity Method and Others	1	1.2	(29.6)%
Operating Profit	206	204.3	1.0%
(+/-) Financial Income	17	15.0	15.2%
(-) Financial Expenses	(5)	(2.2)	(125.4)%
Profit Before Taxes	219	217.1	0.7%
(-) Corporation Tax	(61)	(52.3)	(16.7)%
Effective Tax Rate	27.9%	24.1%	(380) p.b.
(+/-) Other Income / (Expenses)	0	0.0	n.r.
(-) Minority Interests	(0)	(0.1)	(199.3)%
Net Profit	157	164.6	(4.5)%

M€	2020	2019
PP&E and other Fixed Assets	373	229
Net Long Term Financial Assets	19	18
Net Goodwill	921	921
Other Intangible Assets	408	457
Deferred Tax Assets	19	19
Net Inventory	1,294	1,283
Net Receivables	1,986	1,946
Cash & Cash Equivalents	2,827	2,211
Total Assets	7,847	7,084
Group Equity	514	519
Minority interests	2	2
Non Current Liabilities	168	44
Deferred Tax Liabilities	254	265
Short Term Financial Debt	77	38
Short Term Provisions	13	12
Trade and Other Payables	6,819	6,205
Total Liabilities	7,847	7,084

- o **Economic Sales:** equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of subtracting Procurements to the Revenue figure

Management believes that gross profit is a meaningful measure of the fee revenue we generate from performing our distribution services and provides a useful comparative measure to investors to assess our financial performance on an on-going basis

M€	2020	2019
Revenue	10,559	10,148
Procurements	(9,402)	(8,999)
Gross Profit	1,157	1,149

- **Adjusted Operating Profit (Adjusted EBIT):** This item is calculated, fundamentally, discounting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, facilitating the performance of Group's the operating costs and margins

The Adjusted Operating Profit (Adjusted EBIT) is the main indicator used by the Group's Management to analyse and measure the progress of the business

M€	2019	2019
Adjusted Operating Profit	257	262
(-) Restructuring Costs	(12)	(11)
(-) Amortization of Assets Logista France	(52)	(52)
(+/-) Net Loss of Disposals and Impairment of Non-Current Assets	12	5
(+/-) Share of Results of Companies and Other	1	1
Profit from Operations	206	204

- **Adjusted Operating Profit margin over Economic Sales:** calculated as Adjusted Operating Profit divided by Economic Sales (or indistinctly, Gross Profit)

This ratio is the main indicator used by the Group's Managements to analyse and measure the performance of the profitability obtained by the Group's typical activity in a period

M€	2020	2019	%
Economic Sales	1,157	1,149	0.7%
Adjusted Operating Profit	257	262	(1.9)%
Margin over Economic Sales	22.2%	22.8%	(60) b.p.

- **Operating costs:** this term is composed of logistics networks costs, commercial expenses, research expenses and head offices expenses that are directly related to the revenue obtained by the Group in each period

It is the main figure used by the Group's Management to analyse and measure the performance of the costs structure. It does not include restructuring costs and amortization of assets derived from the Logista France acquisition, as they are not directly related to the revenues obtained by the Group in each period

Reconciliation with Annual Accounts:

M€	2020	2019
Logistics network costs	807	799
Commercial expenses	66	70
Research expenses	3	3
Head office expenses	88	79
(-) Restructuring costs	(12)	(11)
(-) Amortization of Assets Logista France	(52)	(52)
Operating Costs or Expenses in management accounts	890	887

- **Non-recurring expenses:** refers to those expenses that, although they might occur in more than one period, do not have a continuity in time (as opposed to operating expenses) and only affect the accounts in a specific moment

This magnitude helps the Group's Management to analyse and measure the performance of the Group's activity in each period

- **Recurring operating expenses:** this term refers to those expenses occurring continuously and sustaining the Group's activity. They are estimated from the total operating costs less the non-recurring costs defined in the previous point

This magnitude helps the Group's Management to analyse and measure the performance of efficiency in the activities carried out by the Group

- **Restructuring costs:** are the costs incurred by the Group to increase the operating, administrative or commercial efficiency in our company, including the costs related to the reorganization, dismissals and closures or transfers of warehouses or other facilities
- **Non-recurring results:** refers to the results of the year that do not have a continuity during the year and affect the accounts in a specific moment. It is included in the Operating Profit



2020 Results

28 October 2020

