



Investor Presentation  
Q1 Report 2020





**Mats Steen**

*Chief Executive Officer*

5.5 years at Logent

- 25+ years of supply chain experience, both from industrial and logistics companies
- Previous experience includes 7 years at DB Schenker
  - Divisional head for the land transport division in Sweden with SEK 12.5bn in revenue
  - MD of the Contract Logistics division in Sweden, Denmark, UK and Ireland



**Sara Fors**

*Chief Financial Officer*

5.5 years at Logent

- 20+ years of experience within finance from various businesses including staffing, retail and industrials
- Most recent experience as CFO at Lernia, one of the largest staffing and educational companies in Sweden, where she was a key manager in the turnaround of the company

# Introduction to Logent

Unique service offering covering entire logistics value chain

Extensive customer offering with warehousing and transport management as core, supported by customs services and ports together with an integrated staffing business

**Contract logistics**  
11,1% reported EBITDA margin for 2019<sup>1)</sup>

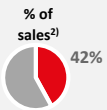
**Staffing support**  
5,9% EBITDA margin 2019<sup>1)</sup>



## Warehousing

Provider of mainly dedicated warehousing solutions with Logent running the customer's warehouse. Ranging from warehousing design to full outsourcing incl. staffing

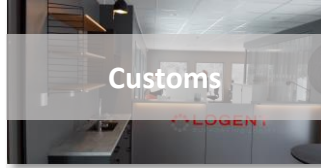
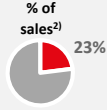
Customer examples



## Transport management

Transport solutions where client outsources logistic function to Logent: from bookings to vendor selection, invoice control, KPI follow-up, general admin and IT integration

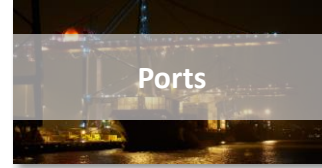
Customer examples



## Customs

Customs services with on-site border stations and central services hub. Offering ranges from customs declarations to full outsourcing of customs admin

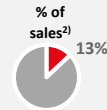
Customer examples



## Ports

Operations of ports focused on loading/unloading of goods, cargo handling, leasing of space and un/mooring of ships

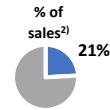
Customer examples



## Staffing

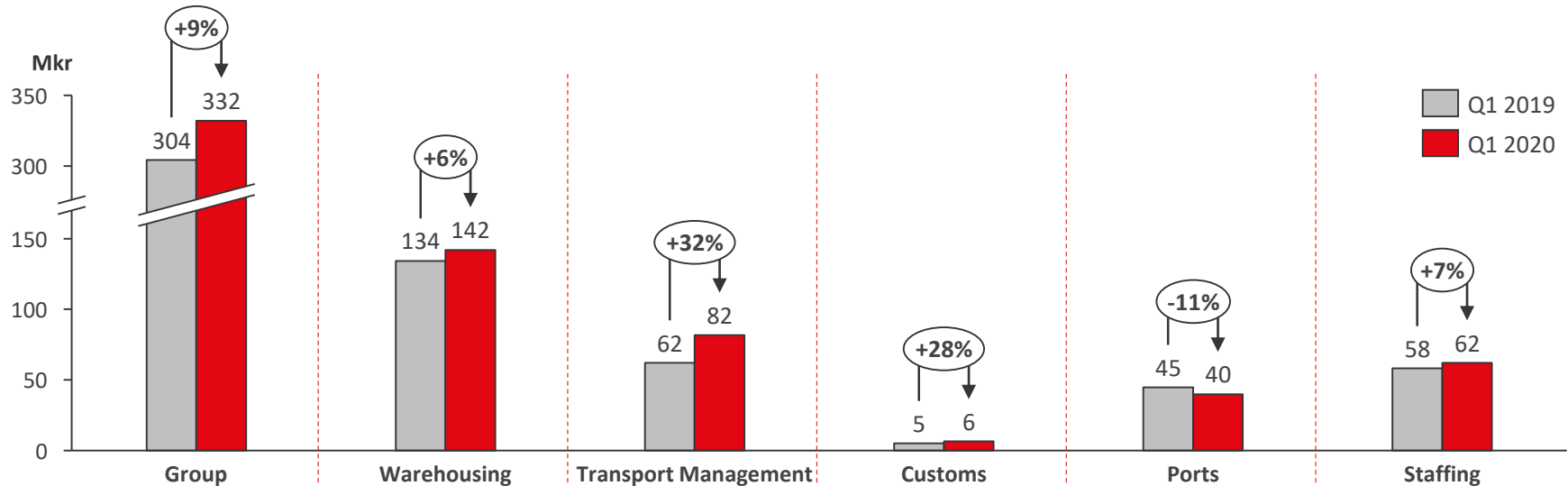
Staffing solutions related to logistics built to manage volume fluctuations. Both external and internal staffing (e.g. to Warehousing), and for recruitment services

Customer examples



Note: Financial information represents consolidated Entlog Holding AB accounts. 1) EBITDA Margin for Contract Logistics and Staffing as of 2019A. 2) Sales split based on Gross Sales excl. "other" as of 2019A

# Q1 Performance (Revenue)



In total a group development of net revenue +9% mostly driven by Transport Management and Warehousing.

A total growth of 6% in this segment. Volume decrease in Q1 for Automotive business, -8% compare to Q1 2019. This development was not related to Covid-19 but more a general decline that started in Q4. Still strong growth in the E-business segment, where new customers like HelloFresh and Blomsterlandet are increasing.

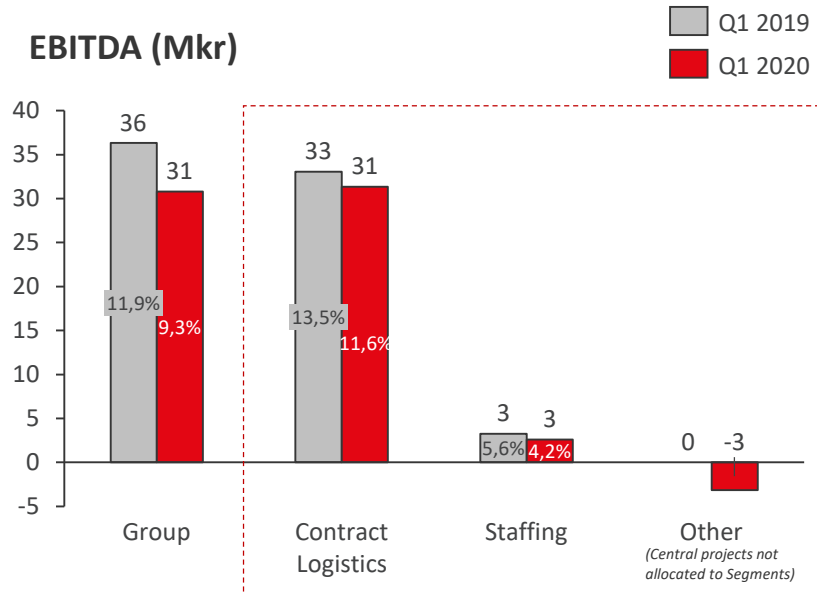
Strong growth in this business area, +32% compared to Q1 2019. Growth has been generated by implementation of new customers like ITAB and Kanthal.

Strong development with 28% growth compared to last year. Growth is related to implementation of new customers and the new establishment at the Norwegian/Swedish boarder at Örje.

Revenue 11% lower than last year mainly driven by the ports in Stockholm where volumes went down due to customer contracts that was exited by Logent 2019.

Total growth of 7% for the first quarter compared to last year. Strong development of the e-business segment in Norway.

# Q1 Performance (EBITA & Cash Flow)



## CASH FLOW (Group)

	Q1 2020	Q1 2019
Cash flow before changes in working capital excluding interest paid	47,5	51,2
Interest paid	-16,0	-6,3
Change in working capital	-19,7	-28,1
<b>Cash flow from operating activities</b>	<b>11,9</b>	<b>16,9</b>
Cash flow from investing activities	-22,4	-1,4
Cash flow from financing activities	-18,6	-16,6
<b>Total cash flow for the period</b>	<b>-29,1</b>	<b>-1,1</b>

- Margin drop in Q1 2020 compared to Q1 2019. Volume shift from certain high margin services to lower margin services within Segment Contract Logistics.
- Within Segment Staffing there has also been a volume shift towards larger customers with lower margin. Increased margin in Norway and slightly decrease in Sweden.
- We expect the long term margin to stay around 10%. 11,6% in Q1 2019 was exceptional high.
- A number of customers are under implementation and have not impacted the financials yet.

- Higher interest payments than last year due to new financing.
- CAPEX in new customer SAAB in January 2020
- Improved Net working capital due to improved processes for cash collection.

# Business Highlights

## Material customers

### Warehousing



NA-KD have contracted Logent (fashion e-commerce) to operate their new automated warehouse located in Landskrona. The project implementation has started and the operation will go live Q3 2020. The operations will initially include around 60 FTE, but will increase along with NA-KD's growth.

The new contract with Saab AB started 1<sup>st</sup> of January 2020 where Logent manage internal supply of components to their assembly stations for the fighter plane JAS Gripen. Furthermore, Logent have a dialog with Saab AB to take over additional businesses. Logent currently employs 85 FTE.

Hello-Fresh (food recipe boxes via e-commerce) made a market entrance on the Swedish and Danish markets September 2019. Logent have operated their warehouse in Bjuv since the beginning and the business has grown from 5 FTE to currently employ 60 FTE.

Part of the automotive business started to decline in the end of Q4, but "collapsed" end of Q1 as a consequence of COVID-19. Logents two dedicated automotive sites was completely shut down one week in march and is still not running at full speed.

During Q1 Logent was awarded one new customer (Celsius) which will go live during Q2 2020. This client will be operated at the multi-client facility in Hallsberg and require 3-4 additional FTE

### Transport Management



Transport Management was impacted by Covid-19 towards end of Q1, with a volume decline for customers of 10-15%. However, the total volume increased due to new customers which are under implementation.

Transport Management was awarded two new customers during Q1, HL Display and CTEK.

The rollout of ITAB phase 1 was completed and phase 2 is currently being discussed.

### Customs



The existing customer Plantagen started their high-season and the volume was positively impacted.

New material customers awarded Q1 and to be implemented Q2 are Glava, Saint Gobain and Reach Logistics.

### Ports



The port business has been negatively impacted in Gothenburg, mainly caused by the automotive sector

### Staffing & recruitment



We expected significant volume drop for Staffing as a consequence of Covid-19, but this expectation did not materialized, instead overall strong volumes.

New customer Kolonial.no (food chain via e-commerce) have contributed to the volume increase (around 80 FTE).

During Q1 the customer Samsung was awarded Logent which is expected to employ roughly 10 FTE and go-live Q2.

**Logent acted quickly to mitigate the COVID-19 impact. The main actions implemented has been:**



Quickly made short term layoffs ("permitterat") operative staff to compensate for volume decrease  
Several central resources has also been made short term layoff  
Total around 300 FTE impacted, the layoff level various between 20% to 60%



Close dialogue with customers to understand development



Introduced new daily reports to have full visibility of volume development to act quickly



Introduced daily management meeting initially, now bi-daily



More closely monitoring cash-collection process, including evaluating ongoing customer credit worthiness

The performance of the group will be significantly impacted by Covid-19 which in reality only had an impact last weeks of March in Q1. We see that revenue will have a drop on existing customers, but mitigate to some extent since Logent has a underlying growth from new customers being implemented.

The actual April result showed a rather stable revenue compared 2019, but result much lower mainly caused by the automotive segment. We expect April to be the month with the most sever impact from Covid-19 and expect May and June to have less impact. The overall group result was positive in April.

We will continue to focus on actions to mitigate the impact from Covid-19 to ensure minimized financial impact

Important to complete the implementation of Celsius (WH), HP Display and a number of customs customers

Sales activities was very low during the first 5-6 weeks of Covid-19, but the sales pipeline starts to build up again

M&A activity has temporarily been put on hold due to Covid-19, but strong pipeline with relevant opportunities



# Q&A

