

Q1 Results 2022

October 2021 – December 2021

Logista

The results at the close of the first quarter of this fiscal year can be described as very solid, increases being recorded in the main figures in the Profit & Loss Account:

- An increase of 2.6% in Economic Sales¹
- Good performance of the activity, resulting in increases of 8.5% in the Adjusted Operating Profit¹ and of 19.9% in the Operating Profit.
- An increase of 14.1% in the Net Profit.

• Summary of the Main Financial Figures

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Revenues	2,766.6	2,643.7	+4.7%
Economic Sales ¹	299.3	291.7	+2.6%
Adjusted Operating Profit ¹	75.2	69.3	+8.5%
Margin on Economic Sales ¹	25.1%	23.8%	+130 b.p.
Operating Profit	68.1	56.9	+19.9%
Net Profit	51.7	45.3	+14.1%

Estimated impact of COVID-19 on business performance and results

During the first quarter of this fiscal year there were new waves of the pandemic, caused by the appearance of new variants of the virus. Although these variants, especially 'omicron', proved to be much more contagious than the previous ones, their effects on infected people are much less severe. This fact, together with a high level of vaccination and the maintenance of hygiene, allowed the restoration of a more normal level of general activity than in the same months of the preceding fiscal year. Nevertheless, it was sometimes necessary to take measures to restrict movements or control them.

As in the preceding fiscal year, this year the adverse effects of COVID-19 on results were offset by cost reduction and by boosting activity in those business lines which had been showing a better performance during the pandemic. For this reason, it is considered that the overall effect of COVID-19 on the Company's results was nil.

The progress of the business and the main figures from the P&L account

The Group's **Revenues** increased by 4.7% compared with the same period of the preceding year, increases being recorded in the main businesses in Iberia and Italy.

Economic Sales¹ showed an increase of 2.6%, reaching 299.3 million euros thanks to improvements in tobacco distribution, in Transport and in Pharmaceutical distribution in Iberia, and in the distribution of convenience products in Iberia and Italy. Of note was the double-digit increase in Economic Sales¹ resulting from the distribution of convenience products in Italy.

¹ See the appendix 'Alternative Performance Measures'

Our business model and the cost containment measures habitually taken in the Group restricted the increase in operating costs¹ to 0.8%, a much smaller increase than that recorded for Economic Sales¹, in spite of the inflationary trends observed during the quarter.

The **Adjusted Operating Profit**¹ reached 75.2 million euros, which was 8.5% higher than last year's figure. The Adjusted Operating Profit margin on Economic Sales¹ was 25.1%, against the 23.8% obtained in the first quarter of the 2021 fiscal year.

The net positive impact on results caused by the changes in the valuation of inventories due to the movements in taxes and tobacco prices during the quarter was of approximately +1 million euros, whereas in the same period of the 2021 fiscal year that impact was of about -5 million euros.

The costs of restructuring¹ were of the same order as in the first quarter of the preceding fiscal year, reaching 1.7 million euros.

In this first quarter, capital gains of 6.1 million euros were generated, against those worth 1.1 million euros that were generated in the same period of the preceding fiscal year. These capital gains resulted from the sale of two warehouses in Spain.

The **Operating Profit** increased by 19.9% and reached 68.1 million euros.

The **Financial Results** decreased significantly, mainly because of the receipt, during the first quarter of the 2021 fiscal year, of the interest generated on the excessive advance payments of corporation tax in Spain in fiscal years 2017 and 2018, in accordance with a ruling of the Constitutional Court. In the first quarter of the current fiscal year, the **Financial Results** amounted to 3.9 million euros, compared with 7.9 million euros in the same period of the preceding fiscal year.

The effective tax rate remained almost completely stable and was 26.8% in the first three months of this fiscal year, and 26.9% in the first quarter of the 2021 fiscal year.

The net result obtained from the continuing operations increased by 11.4%, reaching 52.7 million euros, and the net result from discontinued operations was -1.1 million euros, compared with the -1.8 million euros recorded in the first quarter of the preceding fiscal year.

As a result of all of the foregoing, the **Net Profit** increased by 14.1%, to 51.7 million euros.

CLARIFYING NOTE ABOUT THE COMPARABILITY OF DIFFERENT FISCAL YEARS

At the close of the 2021 fiscal year, there were some changes in the Group's financial reporting which affected the comparability of different fiscal years, with the result that the figures reported during that fiscal year have been re-expressed so as to ensure comparability. The changes consist of considering the Supergroup subsidiary (previously in the sub-segment 'Other Businesses France') as an asset available for sale, the separate reporting of the business of Logista Pharma (currently in the sub-segment 'Pharmaceutical Distribution Iberia', but previously part of 'Other Businesses Iberia') and the inclusion of business in Poland in the sub-segment 'Tobacco and Related Products Iberia' (it was previously in the segment 'Corporate and Other'). Finally, the segment 'Corporate and Other' disappears, and the corporate expenses are apportioned among the other three segments.

¹ See the appendix 'Alternative Performance Measures'

Changes in Revenues (by segment and activity)

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Iberia	890.5	802.4	11.0%
Tobacco and Related Products	767.8	687.0	11.7%
Transport	110.4	105.0	5.2%
Pharmaceutical distribution	51.3	44.6	15.2%
Other Businesses	4.4	4.4	(1.8)%
Adjustments	(43.4)	(38.6)	(12.2)%
France	928.8	1,011.4	(8.2)%
Tobacco and Related Products	928.8	1,011.4	(8.2)%
Italy	959.6	840.6	14.2%
Tobacco and Related Products	959.6	840.6	14.2%
Adjustments	(12.2)	(10.6)	(15.3)%
Total Revenues	2,766.6	2,643.7	4.7%

Changes in Economic Sales¹ (by segment and activity)

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Iberia	172.0	161.4	6.6%
Tobacco and Related Products	83.1	74.3	11.9%
Transport	78.3	77.0	1.7%
Pharmaceutical distribution	21.9	20.7	5.7%
Other Businesses	4.2	4.2	(0.9)%
Adjustments	(15.5)	(14.8)	(4.8)%
France	54.3	56.4	(3.6)%
Tobacco and Related Products	54.3	56.4	(3.6)%
Italy	74.1	75.2	(1.5)%
Tobacco and Related Products	74.1	75.2	(1.5)%
Adjustments	(1.1)	(1.3)	12.3%
Total Economic Sales¹	299.3	291.7	2.6%

¹ See the appendix 'Alternative Performance Measures'

Changes in Adjusted EBIT¹ (by segment)

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Iberia	43.4	34.8	24.7%
France	11.9	13.9	(14.4)%
Italy	19.8	20.5	(3.4)%
Total Adjusted EBIT¹	75.2	69.3	8.5%

Adjusted Operating Profit¹ (or, without distinction, Adjusted EBIT¹) is the principal indicator used by the Group's Management to analyse and measure the progress of the business. Basically, this indicator is calculated by deducting from the Operating Profit all those expenses that are not directly linked to the revenue obtained by the Group in each period, which facilitates the analysis of the changes in the Group's operating expenses¹ and typical margins. The following table shows the reconciliation between Adjusted Operating Profit¹ and Operating Profit at the close of the first quarters of the 2022 and 2021 fiscal years:

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020
Adjusted Operating Profit¹	75.2	69.3
(-) Restructuring Costs ¹	(1.7)	(1.7)
(-) Amortisation of Assets Logista France	(13.0)	(13.1)
(+/-) Result of Disposal and Impairment	6.1	1.1
(+/-) Result by Equity Method and Others	1.6	1.2
Operating Profit	68.1	56.9

¹ See the appendix 'Alternative Performance Measures'

Changes by segment

A. Iberia: Spain, Portugal and Poland

Iberia's **Revenues** amounted to 890 million euros, 11.0% more than those of the preceding fiscal year. **Economic Sales**¹ amounted to 172 million euros, 6.6% more than the 161.4 million euros recorded in the first quarter of the 2021 fiscal year.

Revenues in **Tobacco and Related Products** increased by 11.7% as a result of the increases in the prices and distributed volumes of tobacco.

In the first quarter of the fiscal year the volumes of cigarettes plus RYO and others (including the units of heated tobacco) distributed in Iberia increased by 3.5% compared with the same period in the 2021 fiscal year. The volumes were bigger in both Spain and Portugal.

In the first quarter of the year, some tobacco manufacturers increased the retail prices of certain references by 0.15 euros per packet, so positive results of about 7 million euros were obtained, due to the variation in the value of the inventories, whereas in the preceding fiscal year there were no comparable material impacts. There were no changes in the excise duty on tobacco in this period, in either of the two fiscal years.

Activity in Poland was performed well at the beginning of the fiscal year.

Revenues from the distribution of convenience products increased by more than 15% in the first quarter of the fiscal year, and there were very good results from the new customers who were added last year, through whom we gained access to new channels. There was also a solid increase in distribution to Repsol service stations and to tobacconists.

Compared with the preceding fiscal year, Iberia's Economic Sales¹ of Tobacco and Related Products increased by 11.9%. This was due to higher volumes of distributed tobacco and to the invoicing of services of added value for tobacco manufacturers. There was also an increase in Economic Sales¹ resulting from the distribution of convenience products.

Revenues from the **Transport** business line increased by 5.2%, to 110.4 million euros.

Activity in Parcels (Nacex) declined slightly in the first three months of the fiscal year. Thanks to more deliveries and good rates in the B2B activity, the impact of the smaller number of B2C deliveries in e-commerce was mitigated (following the big increase experienced in the first quarter of the preceding fiscal year).

Of note was the development of the Nacex network of delivery and collection points – there are now more than 2,300 of them in Spain. The number of deliveries through this network is double that of last year, and this results in greater efficiency and sustainability of deliveries compared with other operators.

The gradual recovery of activity in industrial parcels (Logista Parcels) in recent months produced medium/high-digit increases in the first quarter of the current fiscal year. In that same period, there was also a clear recovery in the pharmaceutical and food sectors, especially in the latter, which for many months had been suffering the impact of the pandemic.

There was a double-digit increase in Revenues from Long-Distance Transport (Logista Freight), with positive performance in all the sectors which we serve. Economic Sales¹ showed signs of the inflationary pressures to which the sector was subjected and regressed in comparison with the first quarter of the

¹ See the appendix 'Alternative Performance Measures'

2021 fiscal year. It is to be hoped that this trend will be reversed in the course of the year, as the customers' rates are revised.

Economic Sales¹ in **Transport** increased by 1.7%, to 78.3 million euros.

Revenues from **Pharmaceutical Distribution** increased by 15.2%, to 51.3 million euros, and Economic Sales¹ rose by 5.7%, to 21.9 million euros.

The constant addition of new customers and the increased activity with the current customers, with new services, have enabled us to stay on the path of double-digit growth in revenues, despite the fact that the general improvement in the situation connected with the pandemic has caused, in this first quarter, a considerable reduction in the managed volumes associated with healthcare equipment, especially in those of the critical drugs against COVID-19. New customers have been found, with activities centred on distribution to chemist's shops, including distribution of the COVID-19 self-testing equipment to chemist's shops and other health centres.

Two services for our customers were given special emphasis in this period:

- the distribution of medicines to patients' homes from the hospitals' pharmaceutical departments – an activity which became incorporated into the portfolio of services normally offered in the sector, and
- the distribution of veterinary medicines, resulting from the great new vibrancy in the pet sector and the legislative change which came into effect in January, and which involves stricter requirements for the distribution of medicines for animals. We increased and strengthened our services for their distribution to veterinary clinics and, especially, to chemist's shops, which are expecting an increase in their share of the market for animal medicines.

Revenues from the distribution of publications (**Other Businesses**) decreased slightly, as did their Economic Sales¹, which decreased by 0.9%, to 4.2 million euros.

Total operating expenses¹ in Iberia increased by 1.4% in the period.

The **Adjusted Operating Profit**¹ was 43.4 million euros, representing an increase of 24.7% compared with the amount for the first quarter of the preceding fiscal year.

Restructuring costs¹ were not very significant in either of the two fiscal years (1.4 million euros in the current year and 0.6 million euros in the preceding year). However, capital gains from the sale of assets were higher than those obtained in the first quarter of the 2021 fiscal year (6.3 million euros and 1.2 million euros respectively). All of this resulted in a 36.3% increase in the **Operating Profit**, to 49.9 million euros, compared with the 36.6 million euros recorded in the same period of the preceding fiscal year

B. France

Economic Sales¹ in France decreased by 3.6%, to 54.2 million euros. The increases obtained through electronic transactions did not compensate for the adverse effect of the Economic Sales¹ in the distribution of tobacco and convenience products.

The reduction in the volumes of tobacco distributed compared with those in the first quarter of the preceding fiscal year, which was of 8.1% in cigarettes plus RYO and others (including the units of heated tobacco) was the main reason for the 8.2% decrease in **Revenues**, to 929 million euros, because during

¹ See the appendix 'Alternative Performance Measures'

the period there were no significant changes in tobacco prices, which contrasted with the increase recorded in the first quarter of the preceding fiscal year, which was due to the last of the French Government's tax increases, designed to result in a price of 10 euros for a packet of 20 cigarettes in the year 2020.

The changes in tobacco taxes and prices had an adverse impact on the value of the stocks amounting to about 2 million euros in the 2021 fiscal year, but have had no impact so far this year.

There was irregular performance in the distribution of convenience products, depending on their category. There was growth in food and drugstore products, which mitigated the decreases in the products more directly related to the consumption of RYO tobacco, especially in rolling papers.

Total operating costs¹ in France were reduced by 0.1%, and the **Adjusted Operating Profit**¹ fell by 14.4%, to 11.9 million euros, compared with the 13.9 million euros obtained in the first quarter of the preceding fiscal year.

Restructuring costs¹ were almost inexistent in the first few months of the 2022 and 2021 fiscal years, and the amortisation of assets generated from the acquisition of business in France produced the same figure in both periods: 13 million euros. The **Operating Profit** decreased to -1.3 million euros from the 0.7 million euros obtained in the same period of the preceding fiscal year.

C. Italy

Revenues in Italy increased by 14.2%, to 959 million euros, thanks to higher revenues both from convenience products and from tobacco, in comparison with the same period of the 2021 fiscal year.

The distributed volumes of cigarettes plus RYO and others (including the units of heated tobacco) were 4.1% greater than those of the first quarter of the preceding fiscal year, due to the good performance of the new categories of products and to almost complete stability in the volumes of cigarettes (-0.6%).

During the current quarter there have been no changes in the excise duty on tobacco, and the retail prices of tobacco products have remained almost stable. However, there was a net impact of -6 million euros on the quarter's results as a consequence of the revision of taxes resulting from the application of the weighted average price in the year 2021, taking effect from 1st January, 2022. The variations in prices and taxes had a net effect of about -3 million euros on the results of the same period of the preceding fiscal year.

The increase in revenues derived from services to manufacturers, and from the distribution of convenience products, mitigated the slight decrease in the Economic Sales¹ from tobacco distribution, such that **Economic Sales**¹ in Italy regressed by 1.5%, to 74.1 million euros.

There is still a solid growth of new categories of tobacco products in Italy, resulting in positive development of the added-value services associated with this type of product.

The trend towards growth observed in the distribution of convenience products in previous periods was confirmed in the first quarter of the current fiscal year, and the Economic Sales¹ from the distribution of convenience products continued to increase at double-digit rates.

In spite of the persistence of the pandemic there was a good performance in sales, thanks to two key accelerators:

- on the one hand, the broadening of the commercial offer by the inclusion of new products/categories (for example, beverages, with the marketing of new leading brands),
- and on the other hand,

- the stimulation of the sales force, which led to the achievement of the sales targets, the continuing expansion of the customer base and the attainment of new points of sale in the HORECA channel.

At the same time, the launching of new services intended for manufacturers, as a development of our traditional business model, enabled us to begin expanding our activity towards new proximity channels.

Total operating costs¹ in Italy fell by 0.8% compared with the same period of the preceding fiscal year, resulting in an **Adjusted Operating Profit**¹ of 19.8 million euros, 3.4% less than the 20.5 million euros obtained in the first quarter of the 2021 fiscal year.

In this fiscal year the restructuring costs¹ associated with the gradually improving efficiency in operations have been slightly lower than those in the preceding fiscal year, and not very significant in either of the two fiscal years (0.3 million euros, and 0.9 million euros in 2021).

The **Operating Profit** in this first quarter was 19.6 million euros, unchanged from that in the same period of the preceding fiscal year.

Financial Overview

A. Overview of Financial Results

The Group has a reciprocal credit facility agreement with its majority shareholder (Imperial Brands Plc.) under which it lends its daily cash excess, up to a maximum of 2,600 million euros, or receives the necessary cash to fulfil its payment obligations. The remuneration of the balances is set at the base rate of the European Central Bank, plus a differential of 75 basis points. The base rate of the European Central Bank remained at 0.0% in the first quarter of both fiscal years (2021 and 2022).

The average cash position during the first quarter of the current fiscal year was 2,253 million euros, compared with 2,563 million euros in the same period of the preceding fiscal year.

The financial results of the first three months of the fiscal year (3.9 million euros), were far worse than those of the first quarter of the 2021 fiscal year (7.9 million euros) because in the latter period they included, in addition to the remuneration resulting from the better cash position, receipt of the interest generated on the excessive advance payments of corporation tax in Spain in fiscal years 2017 and 2018, in accordance with a ruling of the Constitutional Court (3.6 million euros).

B. Changes in Net Profit

The restructuring costs¹ recorded thus far in the current fiscal year have been at the same level as in the first quarter of the preceding fiscal year (1.7 million euros), and capital gains (6.1 million euros) have been higher than those in the preceding fiscal year (1.1 million euros), which compensated for the worse financial results. This, combined with good progress in the businesses, resulted in an increase of 11.3% in the Profit Before Taxes, to 72.1 million euros.

The effective rate of tax (26.8%) was very similar to that in the first quarter of the 2021 fiscal year (26.9%).

The Profit from Continuing Operations increased to 52.7 million euros, which was 11.4% more than the 47.3 million euros obtained in the same period of the preceding fiscal year.

At the close of the past fiscal year, the Company decided to classify Supergroup (the Group subsidiary engaged in the distribution of convenience products to points of sale in tobacconist's shops in France) as an "asset available for sale", so from now on, both its results during the fiscal year and the estimated cost of its restructuring (included in the 2021 fiscal year) will appear under Results of Discontinued Operations. To ensure that the 2022 and 2021 fiscal years can be correctly compared, the Results of both have been re-expressed in accordance with this classification, the Results of Discontinued Operations being -1.1 million euros in the first quarter of the 2022 fiscal year, and -1.8 million euros in the same period of the 2021 fiscal year.

On 2nd February 2022 the company has been sold to Benoît & Co., a French family firm, once the consultations with the unions and all other customary processes in this kind of deals were completed. The impact of this transaction, in addition to the one already registered in the first quarter Results of Discontinued Operations, has amounted to -10 million euros and will be reflected in the second quarter results.

The Net Profit for the period, including continuing and discontinued operations, amounted to 51.7 million euros, an increase of 14.1% compared with the same period of the preceding fiscal year.

The basic Earnings Per Share in the period were 0.39 euros, compared with 0.34 euros in the first quarter of the 2021 fiscal year, and there were no changes in the number of shares representing the

¹ See the appendix 'Alternative Performance Measures'

share capital. As at 31st December, 2021, the Company possessed 874,881 shares of its own (0.7% of the share capital). Most of them are to cover undertakings to award shares in the future, under the directors' long-term remuneration schemes. The remaining shares are for the operation of the liquidity agreement signed with Banco Santander S.A. on 20th January, 2021.

C. Cash flow

The seasonality of the Group's business results in negative cash generation during the first and second quarters of the fiscal year. Cash generation recovers during the second half-year, and normally reaches its peak towards the end of the fiscal year.

The Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), which in the first quarter of the current fiscal year increased by 8.8% compared with the same period of the preceding fiscal year, due to the positive performance of the activity, and the smaller cash outflows for investments in the period, comfortably covered the smaller contribution of the financial results and the larger amount of normalised taxes. As a result of all this, the cash position was 11.9% higher than that achieved in the same period of the preceding fiscal year.

The variation in working capital at the close of the first quarter had a positive impact on the generation of cash in the period, which contrasted with the adverse impact recorded at the close of the first quarter of the 2021 fiscal year, because in that fiscal year one could notice the effect of the ending of the temporary modification, in certain countries, to the conditions for the payment of excise duties.

The generation of free cash flow at 31st December, 2021, was positive, having reached 195.2 million euros.

D. Dividend Policy

The General Shareholders' Meeting of 3rd February, 2021, approved the distribution of a final dividend for the 2021 fiscal year of 110 million euros (0.83 euros per share), which will be paid on 24th February, 2022. Consequently, when this payment is added to the interim payment for the 2021 fiscal year, which was of 54 million euros (0.41 euros per share) and was made on 27th August, 2021, the total dividend for the 2021 fiscal year was 164 million euros (1.24 euros per share), which represented an increase of 5.1% compared with the amount distributed in the preceding fiscal year, and 95% of the Net Profit in the fiscal year.

E. Outlook

The current market circumstances and the performance of the activity in these first three months of the fiscal year lead us to expect that at the close of the 2022 fiscal year the Adjusted Operating Profit¹ will show mid-single-digit organic growth compared with that obtained in the 2021 fiscal year.

Aligned with Logista's strategic plan, the essential purpose of which is to generate growth and diversification of the current business base, the Group is continuing to pursue opportunities to acquire small/medium-sized companies which are complementary and synergetic. Maintaining the dividend policy will remain a priority for Logista.

Appendix

Profit & Loss Account

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Revenues	2,766.6	2,643.7	4.7%
Economic Sales¹	299,3	291.7	2.6%
(-) Distribution Operating Costs ¹	(189.7)	(189.1)	(0.3)%
(-) Sales and Marketing Operating Expenses ¹	(12.9)	(12.2)	(5.9)%
(-) Research and G&A Operating Expenses ¹	(21.5)	(21.1)	(1.8)%
Total Operating Costs¹	(224.1)	(222.4)	(0.8)%
Adjusted EBIT¹	75.2	69.3	8.5%
<i>Margin¹ %</i>	25.1%	23.8%	130 p.b.
(-) Restructuring Cost ¹	(1.7)	(1.7)	1.0%
(-) Amort. of Assets Logista France	(13.0)	(13.1)	0.0%
(+/-) Disposals and Impairments	6.1	1.1	(443.3)%
(+/-) Share of Results of Companies and Others	1.6	1.2	32.2%
Operating Profit	68.1	56.9	19.9%
(+) Financial Income	4.5	8.8	(49.3)%
(-) Financial Expenses	(0.6)	(0.9)	38.6%
Profit before Taxes	72.1	64.8	11.3%
(-) Corporation Tax	(19.3)	(17.4)	(10.8)%
<i>Effective Tax Rate</i>	26.8%	26.9%	110 b.p.
(+/-) Result of Discontinued Operations	(1.1)	(1.8)	(41.8)%
(+/-) Other Income / (Expenditure)	0.0	0.0	n.r.
(-) Minority Interests	(0.0)	(0.2)	97.2%
Net Profit	51.7	45.3	14.1%

¹ See the appendix 'Alternative Performance Measures'

Cash Flow Statement

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	Change
EBITDA	93.9	86.3	7.6
Restructuring & Other Payments	(4.5)	(4.9)	0.4
Financial Result	4.4	8.4	(4.1)
Normalised Taxes	(22.1)	(20.4)	(1.7)
Net Investments	4.4	(1.5)	5.9
Normalised Cash Flow	76.0	67.9	8.1
Variation in Working Capital	79.2	(1,226.2)	1,305.4
Effect of cut-off date on taxes	40.0	32.7	7.3
Free Cash Flow	195.2	(1,125.6)	1,320.8

Balance Sheet

M€	31 December 2021	30 September 2021
Tangible Assets and other Fixed Assets	314.6	320.6
Net Long-Term Financial Assets	21.6	19.8
Net Goodwill	920.8	920.8
Other Intangible Assets	340.3	354.0
Deferred Tax Assets	12.6	14.5
Net Inventory	1,252.8	1,467.1
Net Receivables and Others	1,804.4	2,150.7
Cash & Cash Equivalents	2,462.1	2,298.7
Assets available for sale	32.3	41.6
Total Assets	7,161.6	7,587.8
Equity	573.0	523.6
Minority interests	0.8	0.8
Non-Current Liabilities	129.2	137.1
Deferred Tax Liabilities	236.4	239.3
Short-Term Financial Debt	49.9	72.4
Short-Term Provisions	7.6	7.3
Trade Debtors and Other Accounts Payable	6,123.7	6,566.0
Liabilities linked to assets available for sale	41.1	41.3
Total Liabilities	7,161.6	7,587.8

Alternative Performance Measures

- **Economic Sales:** equivalent to Gross Profit, and used without distinction by the Group's Management to refer to the figure resulting from subtracting Procurements from the Revenue figure.

The Group's Management considers that this figure is a meaningful measure of the fee revenue which we generate from performing our distribution services, and provides investors with a useful view of the Group's financial performance.

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020
Revenue	2,766.6	2,643.7
Procurements	(2,467.3)	(2,352.0)
Gross Profit	299.3	291.7

- **Adjusted Operating Profit (Adjusted EBIT):** This indicator is calculated, basically, by deducting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, thus facilitating the analysis of the Group's 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€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020
Adjusted Operating Profit	75.2	69.3
(-) Restructuring Costs	(1.7)	(1.7)
(-) Amortisation of Assets Logista France	(13.0)	(13.1)
(+/-) Disposals and Impairments	6.1	1.1
(+/-) Share of Results of Companies and Others	1.6	1.2
Operating Profit	68.1	56.9

- **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 Management to analyse and measure the profitability obtained by the Group's typical activity in a given period.

M€	1 Oct. 2021 – 31 Dec. 2021	1 Oct. 2020 – 31 Dec. 2020	% Change
Economic Sales	299.3	291.7	2.6%
Adjusted Operating Profit	75.2	69.3	8.5%
Margin over Economic Sales	25.1%	23.8%	+130 b.p.

- **Operating expenses:** these include the costs of logistics networks, commercial expenses, research expenses and head office expenses that are directly related to the revenues 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 or amortisation of the assets derived from the acquisition of Logista France, because they are not directly related to the revenues obtained by the Group in each period.

- **Non-recurring expenses:** This term refers to those expenses which, although they might occur in more than one period, do not have continuity in time (unlike operating expenses) and only affect the accounts at a specific moment.

This figure 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 which occur continuously and which allow the Group's activity to be sustained. They are calculated from the total operating costs minus the non-recurring costs defined in the previous point.

This figure helps the Group's Management to analyse and measure efficiency in the activities carried out by the Group.

- **Restructuring costs:** are the costs incurred by the Group to increase the operating, administrative and commercial efficiency in our organisation, including the costs related to re-organisation, dismissals and closures or transfers of warehouses or other installations.
- **Non-recurring results:** this term refers to the year's results that do not have continuity during the year and only affect the accounts at a specific moment. Their amount is included in the operating profit.

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