



Results H1 2024

October 2023 – March 2024



Logista closes the first half 2024 with a 27% increase in Net Profit

Financial Highlights

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Revenue	6,206	5,935	4.6%
Economic Sales¹	867	834	4.0%
Adjusted EBIT¹	193	183	5.4%
Economic Sales Margin ¹	22.3%	22.0%	30 b.p.
Operating Profit (EBIT)	168	146	14.9%
Net Profit	160	126	26.8%

Macroeconomic context for the period

The first half of 2024 has continued with the macroeconomic environment that we have been describing throughout the previous year, although it is worth mentioning that there has been a moderation in inflation compared to the previous year. In addition, the European Central Bank finalised its interest rate hike strategy after registering the last hike in September 2023 to reach a reference rate of 4.50%, although it has not yet begun to lower interest rates.

In the geopolitical front, the conflict between Russia and Ukraine, which reached its second anniversary in February, continues with no end in sight. To this conflict must be added the conflict between Israel and Palestine, which aggravates global uncertainty, as well as the growth of economies for the coming months. Finally, we should mention the attacks on cargo ships transiting through the Red Sea, which have resulted in the need to divert transits through the Cape of Good Hope, substantially lengthening the average period of the journey between Asia and Europe and affecting maritime transport and increasing the associated costs.

Despite this, Logista has obtained good results and has achieved increases in the main items of its income statement.

Business trend and income statement highlights

New acquisitions during the period:

On October 2nd, **SGEL Libros** was formally acquired by Logista Libros, a 50% subsidiary of Logista and Grupo Planeta.

SGEL Libros is a national book distribution and publishing company that stands out for the distribution of general publications and educational books nationwide and has a publishing line specialized in the education sector. SGEL distributes to more than 8,000 points of sale in different marketing channels including bookstores, kiosks and hypermarkets, as well as through online distribution, handling more than 300,000 orders per year.

¹ See appendix "Alternative Performance Measures."

In fiscal year 2022, SGEL Libros recorded sales of €50 million and the price paid for the purchase of 100% of the share capital of the company amounts to €6 million.

On December 29th, 2023, Logista completed the acquisition of **Belgium Parcels Service (BPS)**, a company specializing in the express distribution of pharmaceutical parcels in Belgium and Luxembourg. This strategic acquisition continues Logista's expansion in Europe by strengthening its position in the pharmaceutical distribution and courier segment.

BPS is a company that offers 24-hour courier services in Belgium and Luxembourg and 24 to 48-hour courier services to the Netherlands, France and Germany. The Belgian company specializes in the distribution of sensitive products, mainly temperature-controlled pharmaceuticals to hospitals and pharmacies.

BPS, which has been present in the transport and logistics market for more than 25 years, has a warehouse of 3,500 sqm and handles nearly 700,000 shipments per year.

The acquisition of 100% of the company has been executed for a value of approximately €8 million, subject to the closing of the audited accounts for the year 2023.

Consolidated income statement summary

- **Revenue** of €6,206 million, +5% vs last year with increases recorded in all geographies.
- **Economic Sales**¹ of €867 million, +4% vs the previous year with improvements in all of Iberia's businesses and in Italy.
- **Adjusted EBIT**¹ of €193 million, +5% vs. the previous year.
- **Adjusted EBIT margin on Economic Sales**¹ was 22.3% compared to 22.0% in the same period of 2023.
- **Changes in inventory values** due to changes in tobacco taxes and prices during the period in Spain, France and Italy have resulted in an estimated positive impact of €25 million, as the tax increase in Italy and France was offset by changes in tobacco prices in all three regions, vs. €24 million in the previous year.
- **Restructuring costs**¹ of €1.5 million v. €12.3 million in the same period of the previous year.
- **Profit/(loss) from disposal** of €5.8 million thanks to the sale of the warehouse, which was foreclosed in France last year, compared to a loss of €99 thousand, due to the sale of miscellaneous assets in 2023.
- **Operating profit** of €168 million vs. €146 million, on the previous year.
- **Net financial income** of €48 million vs. €25 million in the previous year, due to a higher interest rate compared to the previous year.
- The **tax rate** of 25.6% remains the same as for the first half of 2023.
- **Net Profit** climbed 26.8% up to €160 million.

¹ See appendix "Alternative Performance Measures."

Revenue trend (by segment and business)

M€		1 Oct.-2023 31-Mar.-24	1-Oct.-22 31-Mar.-23	% Variation
Iberia		2,263.1	2,112.7	7.1%
	Tobacco and Related Products	1,787.9	1,669.1	7.1%
	Transport	440.3	416.3	5.8%
	Pharmaceutical distribution	134.0	120.3	11.3%
	Other businesses	9.7	9.1	6.1%
	Adjustments	(108.8)	(102.2)	(6.4)%
Italy		2,144.9	2,050.8	4.6%
	Tobacco and Others ²	2,144.9	2,050.8	4.6%
France		1,827.1	1,800.1	1.5%
	Tobacco and Related Products	1,827.1	1,800.1	1.5%
Adjustments		(28.6)	(28.2)	(1.3)%
Total Revenue		6,206.5	5,935.4	4.6%

Economic sales¹ (by segment and business)

M€		1-Oct.-23 31-Mar.-24	1-Oct.-22 31-Mar.-23	% Variation
Iberia		569.3	547.8	3.9%
	Tobacco and Related Products	192.8	190.5	1.2%
	Transport	361.2	336.4	7.4%
	Pharmaceutical distribution	48.7	46.4	4.9%
	Other businesses	9.4	8.7	7.4%
	Adjustments	(42.8)	(34.3)	(24.8)%
Italy		190.1	176.9	7.5%
	Tobacco and Others ²	190.1	176.9	7.5%
France		110.8	111.3	(0.4)%
	Tobacco and Related Products	110.8	111.3	(0.4)%
Adjustments		(3.1)	(2.3)	(39.0)%
Total Economic Sales¹		867.2	833.8	4.0%

¹ See appendix "Alternative Performance Measures". ² Includes new segment of pharmaceutical distribution.

Adjusted EBIT¹ and EBIT trends

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Iberia	108.8	104.4	4.1%
Italy	53.7	49.7	8.0%
France	30.7	29.0	5.8%
Adjusted EBIT¹	193.1	183.1	5.4%
(-) Restructuring costs ¹	(1.5)	(12.3)	88.0%
(-) Depreciation of assets acquired	(30.6)	(26.5)	(15.7)%
(+/-) Profit/(loss) on disposal and impairment	5.8	(0.1)	n.m.
(+/-) Equity-accounted profit/(loss) and other	1.0	1.8	(44.8)%
Operating Profit (EBIT)	167.8	146.1	14.9%

Adjusted Operating Profit¹ (or, Adjusted EBIT¹) is the main indicator employed by Group Management to analyze and measure business performance. This indicator is essentially calculated by discounting from EBIT costs that are not directly related to the Group's revenue in each period, which facilitates the analysis of trends in operating costs¹ and in the Group's margins. The table above sets out the reconciliation of Adjusted EBIT¹ and EBIT for H1 2024 and H1 2023.

Amortization of assets from acquisitions includes Logista France, Speedlink, Transportes El Mosca and Carbó Collbatallé.

¹ See appendix "Alternative Performance Measures."

Segment performance

A. Iberia: Spain, Portugal, Poland, The Netherlands and Belgium

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% Variation
Revenue	2,263.1	2,112.7	7.1%
Tobacco and Related Products	1,787.9	1,669.1	7.1%
Transport	440.3	416.3	5.8%
Pharmaceutical distribution	134.0	120.3	11.3%
Other businesses	9.7	9.1	6.1%
Adjustments	(108.8)	(102.2)	(6.4)%
Economic Sales¹	569.3	547.8	3.9%
Tobacco and Related Products	192.8	190.5	1.2%
Transport	361.2	336.4	7.4%
Pharmaceutical distribution	48.7	46.4	4.9%
Other businesses	9.4	8.7	7.4%
Adjustments	(42.8)	(34.3)	(24.8)%

Revenue of €2,263 million was up +7% compared to 2023. **Economic Sales¹** of €569 million grew by +4% in 2023.



Tobacco and Related Products

- **Economic Sales¹** increase of 1% during the period, despite a slight drop in total volumes during the period compared to the previous year.
- **Volumes distributed** of cigarettes plus RYO and others² in Iberia decreased by -0.9% compared to 2023. This reduction is mainly due to the decline in traditional cigarette volumes in Spain (-2.2%), which was partially offset by an increase in RYO and others². It is also worth noting the significant growth in the distribution of electronic cigarettes in both countries, although it still represents a small percentage compared to traditional tobacco.
- During the period, there have been variations in retail prices of all of the main tobacco manufacturers between 0.20-0.25€/pack, with no changes in tobacco excise taxes. As a consequence, we have estimated a positive impact on results due to variations in **the value of inventories** of €19 million (vs. €23 million in 2023).
- **Revenue** and **Economic Sales¹** in the distribution of **convenience products** have grown at double-digit rates. **Logista Retail** has continued to expand its activity in main channels and in logistics services to producers in other channels.

¹ See appendix "Alternative Performance Measures". ² Includes heated tobacco units.



Transport Services

- **Revenue** of €440 million, +6% v. the previous year, and **Economic Sales¹** of €361 million, +7% v. 2023.
- **Economic Sales¹** in long-distance transport recorded single-digit growth, despite having been affected by lower demand in Europe, and by the Red Sea conflict that has led to a significant increase in transit time, leading to delays and cost overruns. Additionally, it is worth mentioning that the fruit and vegetable campaigns during the period in Spain have been lower due to the adverse climate impact during the period.
- The **parcel** segment's **Economic Sales¹** posted single-digit growth thanks to an increase in volumes distributed in both the pharmaceutical and food sectors.
- **Economic Sales¹** relating to the **courier** segment posted double-digit growth, thanks to increased shipments in Spain as well as in Portugal and the Netherlands, and also thanks to the consolidation of BPS within the segment.



Pharmaceutical Distribution

- **Revenue** of €134 million, +11% v. the previous year and **Economic Sales¹** of €49 million +5% thanks to the incorporation of new customers, growth in the hospital distribution segment and growth in annual vaccination campaigns.



Publications – Other Businesses

- **Revenues** have registered an increase of +6% and **Economic Sales¹** +7% vs. the previous year thanks to the inclusion of the distribution contract with RBA during the second half of last year.

Adjusted EBIT¹ of €109 million, 4% on the same period of 2023.

Restructuring costs¹ amounted to €1.4 million v. €1.5 million for the previous year.

Capital gains or losses on asset sales close to zero alike the previous year. A **Purchase Price Amortization** charge of €4.6 million was recognized in the current year due to the acquisition of Speedlink, Transportes El Mosca and Carbó.

Equity-accounted profits totaled €1.1 million (book distribution) v. €1.8 million in the previous year. The decrease in income from this segment is mainly due to expenses associated with the acquisition of SGEL Libros during the first quarter.

EBIT of €104 million, slightly down on the previous year, mainly due to the higher amount of Purchase Price Amortization accounted for during the period compared to the previous year.

¹ See appendix "Alternative Performance Measures".

B. Italy

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Revenue	2,144.9	2,050.8	4.6%
Tobacco and Others ³	2,144.9	2,050.8	4.6%
Economic Sales¹	190.1	176.9	7.5%
Tobacco and Others ³	190.1	176.9	7.5%

Revenue of €2,145 million and **Economic Sales¹** of €190 million rose by +5% and +7% on the previous year, respectively, thanks to the lower negative impact of inventory changes, higher volumes and tariff changes.



Tobacco and Related Products

- **Volumes** distributed of cigarettes plus RYO and other² rose by 1.6% vs. the previous year, with strong growth in new product categories offsetting the decline in traditional cigarette volumes (-1.2%). Distributed volumes of new-generation products continued to perform positively, with double-digit growth in volume, particularly thanks to heated tobacco.
- In Italy, an increase in **excise duties** on traditional tobacco was carried out with effect from January 1st, 2024. This new tax hike is part of a package of government measures that includes annual increases until 2025. In response to this tax increase, the main tobacco manufacturers **increased their prices** on average between €0.10 and €0.30 per pack during February, March and April, partially offsetting the tax increase.
- The variation in **the value of inventories** as a result of the tax hike and tobacco price increase has registered a negative net impact of c. -€1.5M vs. -€2.6M in the period of the previous year. The impact on the value of inventories of the latest announced price increases will be accounted for during the third quarter of the year.
- **Economic Sales¹** from the distribution of **convenience products**, have registered a slowdown compared to the previous year in the sale of new generation products, particularly disposable electronic cigarettes, in the tobacconist channel.



Pharmaceutical Distribution

- This line of business is carried out through **Gramma Farmaceutici**, which formalized its acquisition in July 2023.
- Logista continues to work on the integration of IT systems and in its commercial development.

Adjusted EBIT¹ of €54 million, +8% vs. the previous year.

No Restructuring costs¹ during the period v. €0.8 million in 2023.

EBIT of €54 million, +10% up on the previous year.

¹ See appendix "Alternative Performance Measures". ² Includes heated tobacco units, ³ Includes the new pharma distribution segment in Italy.

C. France

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Revenue	1,827.1	1,800.1	1.5%
Tobacco and Related Products	1,827.1	1,800.1	1.5%
Economic Sales¹	110.8	111.3	(0.4)%
Tobacco and Related Products	110.8	111.3	(0.4)%

Revenue of €1.827 million, +1% vs. the previous year, thanks to the positive impact of inventory revaluation and higher tariffs, which offset the reduction in volumes.

Economic Sales¹ of €111 million (-0.4%) vs. the previous year due to the reduction in volumes distributed, which has been partially offset by an increase in tariffs and a positive impact of inventory gains.



Tobacco and Related Products

- The decrease in tobacco **volumes** distributed in comparison to the previous year amounted to (-10.7%) in cigarettes plus RYO and other². The double-digit growth in the distribution of electronic cigarettes is especially significant, although still on a reduced basis.
- With effect from March 1st, an **increase in excise duties** of €0.50/pack was implemented, which was later offset by an **increase in sale price** from €0.50 to €1.00/pack, published by several tobacco manufacturers.
- **Tobacco tax** and **price movements** had an estimated positive impact of €7.6 million in the period, vs. a positive impact of €3.9 million in the first half of the previous year.

Adjusted EBIT¹ of €31 million, 6% vs. the previous year.

Restructuring costs¹ close to zero vs. €-10.1 million in the previous year. The **gain on disposal** amounted to c.€6 million, thanks to the sale of the warehouse in France we closed during 2023, vs. -€0.1 million in the previous year.

The same **depreciation** was recorded for the assets generated in the acquisition of the French business, which amounted to €26 million in both periods.

EBIT of €10.3 million v. -€7.3 million in the previous year.

¹ See appendix "Alternative Performance Measures". ² Includes heated tobacco units.

Financial trends

A. Net Financial Income/(Expense)

The Group has entered into a reciprocal **credit line** agreement with its majority shareholder (Imperial Brands Plc.), whereby it lends its surplus cash on a daily basis up to a limit of €2,600 million or receives the cash necessary to meet its payment obligations.

The remuneration of the balances in this contract is referenced to the European Central Bank (ECB) reference rate plus a spread of 75 basis points.

The European Central Bank had a strategy of interest rate hikes throughout the calendar year 2023 to mitigate the inflationary environment, with the last increase in September 2023 to a rate of 4.50%. The average reference rate of the European Central Bank was 4.50% during the first semester of 2024, to which the spread of 0.75% should be added.

During the previous year, the average European Central Bank reference rate for the period was 2.30%, plus a spread of 0.75%.

On February 22nd, an **addendum** to the **credit line agreement** with Imperial Brands was announced, whereby from June 2024 the credit will be structured in two tranches with the aim of partially covering the risk against possible interest rate cuts over the next 3 years. The new terms include:

1. **First tranche** up to €1,000 million will be remunerated at a fixed rate of 2.865% plus a spread of 0.75%, for a total of 3.615%.
2. **Second tranche** for balances above €1,000 million and up to €3,000 million, which will be remunerated at a Euribor 6-month's rate plus a spread of 0.75%. This tranche includes a new maximum limit of the credit line of €3,000 million.

The **average credit line balance** during the period was €1,936 million vs. €1,896 million in the previous year.

Financial income amounted to €53 million, much higher than that obtained during fiscal year 2023 of €29 million.

Financial expenses for the period amounted to €5 million, above the €4 million figure recorded in 2023.

Net financial income/(expense) for the period therefore totaled €48 million, higher than the figure obtained during the same period of 2023 of €25 million.

B. Net Profit

Restructuring costs¹ of €1.5 million during the analyzed period of 2024. A **capital gain** of €5.8 million was recorded, compared to a capital loss close to zero in the previous year. **Financial results** have been much higher than those obtained in the previous year (€48 million vs. €25 million), reaching a **Profit Before Tax** of €216 million, 26% higher than that achieved in the same period of 2023.

The **tax rate** remained at 25.6% alike the previous year.

Profit from continuing operations in 2024 increased to reach €161 million, which is 26% higher than 2023 figure of €128 million.

¹ See appendix "Alternative Performance Measures."

Attributable **Net Profit** rose to €160 million, registering an increase of 27% compared to the previous year.

Basic earnings per share amounted to €1.21 vs. €0.95 in the previous period, with the number of shares representing capital stock remaining the same. As of March 31st, 2024, the Company held 800,600 treasury shares (0.6% of share capital). Most of these shares were purchased to cover future commitments to deliver shares under long-term executive remuneration plans. The other shares secure the liquidity agreement entered into on January 20th, 2021, with Banco Santander, S.A.

C. Cash flows

The positive performance of the activity in the period has resulted in an increase in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of 4.8% compared to the previous year.

The increase in operating and financial results in the period more than financed the higher restructuring, rent, and normalized tax payments, generating normalized cash creation 11.2% higher than that achieved in the previous year.

The variation in working capital in the first half of 2024 is in line with the company's historical trend of decline in the first half of the year to recover in the second half, due to the seasonality of the business which causes cash generation to be negative during the first and second quarters of the year, to recover during the second half of the year, usually peaking towards the end of the year. In addition, the working capital position at the end of the period is adversely affected by a calendar effect considering that the period included Easter 2024, while Easter 2023 took place during the third quarter.

Finally, cash outflows from acquisitions during the period amounted to €12.6 million compared to the €154 million disbursed in the previous year, offset by the positive cash flow from asset divestments. Free cash generation in the period was €-556.5M.

D. Dividend policy

The General Shareholders' Meeting held on February 2nd, 2024, approved the distribution of a **final dividend** for the 2023 financial year of €181 million (€1.36 per share), which was paid on February 29th, 2024.

Therefore, the total dividend for the 2023 financial year reached an amount of €245 million (€1.85 per share), which represents an increase of 34% compared to the previous year (€1.38 per share) and a payout of 90%.

E. Business outlook

Logista will continue to record sustained growth for the year 2024, estimating **mid-single digit growth** in Adjusted EBIT¹ over that achieved in 2023. This expected growth excludes the effect of the inventory's revaluation recorded for both years and any new acquisitions that may be made during the year.

In line with Logista's strategic plan, whose essential focus is to bring additional growth and diversification to the current business base, the Group continues to seek acquisition opportunities of complementary and synergistic businesses. In any case, maintaining the dividend policy will remain a priority for Logista.

¹ See appendix "Alternative Performance Measures."

Appendix

Income statement

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Revenue	6,206.5	5,935.4	4.6%
Economic Sales¹	867.2	833.8	4.0%
(-) Operating cost of logistics networks ¹	(591.4)	(570.8)	(3.6)%
(-) Commercial operating expenses ¹	(33.5)	(33.4)	(0.4)%
(-) Operating expenditure on research and central offices ¹	(49.2)	(46.5)	(5.7)%
Total Operating Costs¹	(674.1)	(650.7)	(3.6)%
Adjusted EBIT¹	193.1	183.1	5.4%
<i>Margin¹ %</i>	22.3%	22.0%	30 p.b.
(-) Restructuring costs ¹	(1.5)	(12.3)	88.0%
(-) Depreciation of assets acquired	(30.6)	(26.5)	(15.7)%
(+/-) Profit/(loss) on disposal and impairment	5.8	(0.1)	n.m.
(+/-) Profit/(loss) from equity-accounted companies and other	1.0	1.8	(44.8)%
Operating Profit (EBIT)	167.8	146.1	14.9%
(+) Financial income	52.6	29.3	79.9%
(-) Financial expenses	(4.7)	(3.8)	(22.2)%
Profit/(loss) before tax	215.8	171.5	25.8%
(-) Corporate income tax	(55.2)	(43.9)	(25.8)%
<i>Effective tax rate</i>	25.6%	25.6%	0 p.b.
(+/-) Other income/(expenses)	0.0	0.0	n.m.
(-) Non-controlling interests	(1.0)	(1.8)	n.m.
Net Profit	159.5	125.8	26.8%

¹ See appendix "Alternative Performance Measures."

Cash Flow Statement

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	Variation (M€)
EBITDA	246.4	235.2	11.2
Restructuring ¹ and other payments	(10.3)	(5.0)	(5.3)
Net financial income/(expense)	51.8	28.2	23.5
Normalised taxes	(60.3)	(49.9)	(10.5)
Investment	(24.5)	(28.0)	3.5
Rent payments	(33.5)	(28.2)	(5.3)
Normalised Cash Flow	169.5	152.4	17.1
Change in working capital	(755.5)	(480.7)	(274.9)
Effect of cut-off date on taxes	28.5	26.7	1.8
Divestments	13.6	0.2	13.4
Company acquisitions (M&A)	(12.6)	(154.0)	141.4
Free Cash Flow	(556.5)	(455.4)	(101.1)

Balance sheet

M€	31 March 2024	30 September 2023
Property, plant and equipment and other fixed assets	480	450
Net long-term financial investments	27	25
Net goodwill	1,018	1,010
Other intangible assets	288	319
Deferred tax assets	16	12
Net inventory	1,658	1,781
Net receivables and other	2,119	1,978
Cash and cash equivalents	1,767	2,484
Held-for-sale assets	0	4
Total Assets	7,372	8,062
Shareholders' funds	566	591
Non-controlling interests	5	5
Non-current liabilities	271	247
Deferred tax liabilities	230	236
Short-term borrowings	95	96
Short-term provisions	13	16
Trade and other receivables	6,193	6,872
Liabilities linked to assets held for sale	-	-
Total Liabilities	7,372	8,062

¹ See appendix "Alternative Performance Measures."

Alternative Performance Measures

- **Economic Sales:** equivalent to Gross Profit; used interchangeably by Group Management to refer to the figure obtained by subtracting Raw materials and consumables from Revenue.

Group management considers this figure to be a significant measure of the tariff revenue generated by distribution services that provides investors with a useful view of the Group's financial performance.

€ million	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023
Revenue	6,206.5	5,935.4
Raw materials and consumables	(5,339.3)	(5,101.6)
Economic Sales (Gross Profit)	867.2	833.8

- **Adjusted EBIT:** This indicator is basically calculated by discounting from EBIT costs that are not directly related to the revenue obtained by the Group in each period, which facilitates the analysis of the Group's operating cost and margin trends.

Adjusted EBIT is the main indicator employed by Group management to analyze and measure business performance.

€ million	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023
Adjusted EBIT	193.1	183.1
(-) Restructuring costs	(1.5)	(12.3)
(-) Depreciation of assets acquired	(30.6)	(26.5)
(+/-) Profit/(loss) on disposal and impairment	5.8	(0.1)
(+/-) Equity-accounted profit/(loss) and other	1.0	1.8
Operating Profit (EBIT)	167.8	146.1

- **Adjusted EBIT Margin on Economic Sales:** calculated as Adjusted EBIT divided by Economic Sales (or, interchangeably, Gross Profit).

This ratio is the main indicator employed by Group Management to analyze and measure the trend in profits obtained from the Group's ordinary business activities in a certain period.

€ million	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023	% variation
Economic sales	867.2	833.8	4.0%
Adjusted EBIT	193.1	183.1	5.4%
Economic Sales Margin	22.3%	22.0%	30 b.p.

- **Operating Costs:** this term comprises logistics network costs, commercial expenses, research expenditure and central office expenses that are directly related to the Group's revenue in each period. It is the main figure used by Group management to analyze and measure cost structure trends. It does not include restructuring costs or depreciation charged on assets derived from the acquisition of Logista France, Speedlink Worldwide Express, Transportes El Mosca or Carbó, which are not directly related to the Group's revenue in each period.

Each segment's operating costs exclude corporate center expenditure, which is however included in the Group's total operating costs so as to show the operating performance of each geographic area.

- **Reconciliation with Interim Financial Statements:**

M€	1 Oct. 2023 – 31 Mar. 2024	1 Oct. 2022– 31 Mar. 2023
Logistics network costs	623.2	608.2
Commercial expenses	33.6	33.4
Research expenses	0.9	1.2
Head office expenses	48.5	46.7
(-) Restructuring costs	(1.5)	(12.3)
(-) Amortisation of Acquired Assets	(30.6)	(26.5)
Operating Costs or Expenses in management accounts	674.1	650.7

- **Non-Recurring Costs:** This term refers to costs which may be incurred in more than one period but are not continuous over time (unlike operating costs) and only affect the accounts at a given moment.

This figure helps Group Management to analyze and measure the Group's business trends during each period.

- **Recurring Operating Costs:** This term refers to costs incurred on a continuous basis that allow the Group's business to continue and are estimated as total operating costs less the non-recurring costs defined in the previous point.

This figure helps Group Management to analyze and measure the Group's business efficiency.

- **Restructuring Costs:** costs incurred by the Group to enhance operational, administrative or commercial efficiency in the organization, including those related to reorganization, lay-offs and the closure or transfer of warehouses or other facilities.
- **Non-Recurring Results:** this refers to results for the year that are not obtained continuously during the year and affect the accounts at a given time. They are included in EBIT.

Legal notice

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