



SHARES GENKOS

Growth and
Innovation

F O R U M

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Presentation Team



Stephen Blyth

Chief Executive Officer



Robert Ross

Chief Finance Officer

- **Introduction**
- **Strategy**
- **Market**
- **Operating Divisions**
- **Future Prospects**

An aerial photograph of a busy port at night, showing several large cargo ships docked at a quay. The ships are covered with stacks of colorful shipping containers in shades of red, blue, yellow, and green. Bright lights illuminate the scene, reflecting on the water and the containers. The image is positioned in the top-left corner of the slide.

Agenda

The Xpediator Model

Why Transport?

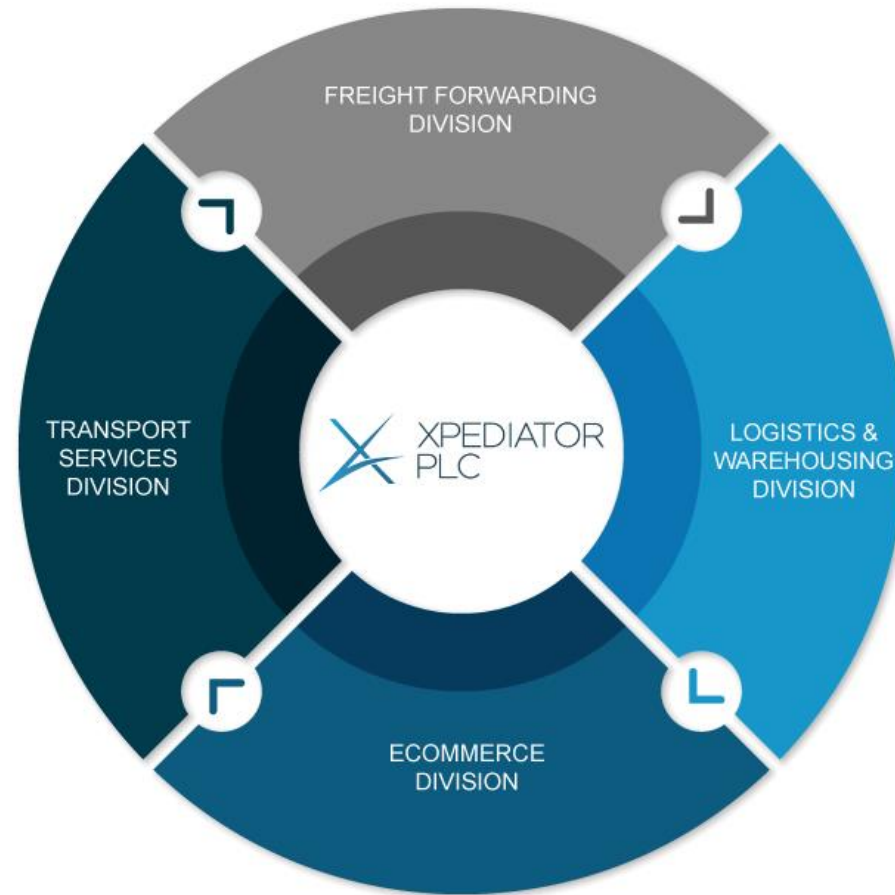
- Demand for transport services is high
- Fragmented marketplace and supply chain
- Markets growing across CEE region
- Consumer led growth drivers, e.g. e-commerce

Why Xpediator?

- Asset light broker
- Acting as a consolidator in a fragmented marketplace
- Increased scale leading to increased buying power
- Cross-selling within expanding group – provides organic growth opportunities

Our Divisional Model

- Freight management specialist operating across UK & Europe with a particular focus and expertise in Central & Eastern European (“CEE”) markets



- Experienced owner-led management team
- Broad customer base
- Cash generative
- Progressive dividend policy

European Coverage

- Established in **1988**
- **1,000+** employees
- **9** dedicated country European offices
- **38** European operational sites
- **14,000+** customers
- **3,000+** hauliers



2019 saw the Group increase sales by £33 million, an excellent achievement and one we intend to build upon in 2020

Financial Highlights

- Group turnover increased 19% to £212 million (2018: £179.2 million) driven by a healthy mix of organic and acquisition led growth:
 - £18 million / 10.4% organic sales growth
 - £15 million / 8.6% generated from acquisitions
- Good organic growth across the Group:
 - Freight Forwarding, sales up 16%
 - Transport Solutions, sales down 3%
 - Logistics & Warehousing, sales up 32%
- Adjusted pre-tax profit expected to be slightly above £5.0 million, in line with management guidance provided in the Company's 2019 interim results
- Net cash increased to £6.9 million (2018: £3.4 million) excluding finance leases, reflecting strong cash generation and the Group's asset light structure

A selection of our Customers

Over 10,000 live customers in total



No one customer is worth more than 5% of revenue

Acquisition Strategy

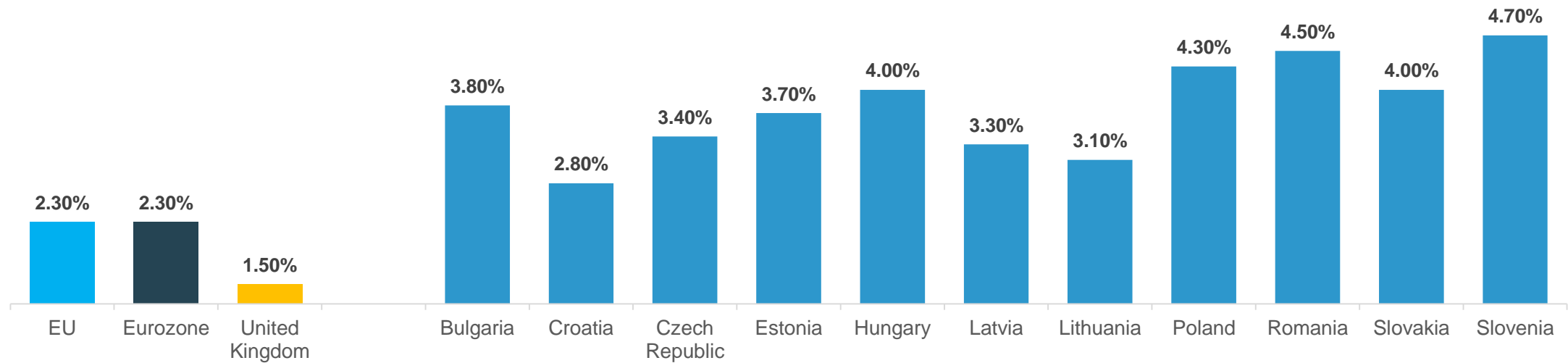
Acquisition Strategy

- Take advantage of highly fragmented market with smaller owners or sub-scale operations seeking exits
- Expand geographically, growing the Group's existing strong presence in CEE and Balkan states
- Extend capabilities, developing air and sea freight services towards providing one-stop solution for customers
- Ability to cross-sell and drive efficiencies across the Group's existing platform

Acquisitions

- Five completed to date: Anglia, Regional, Benfleet, ISL and EMT
- Collectively these acquisitions have integrated well and contributed strongly

2018 YEAR ON YEAR GDP GROWTH %



- Romania has one of the highest forecast GDP growth in Europe
- Developing Romania as a major regional supply chain hub for the Group
- Together with targeting other high growth neighbouring countries
- Brexit a potential opportunity

* Source ec.europa.eu

The Group is prepared for the Brexit transition and will determine best course of action to manage the risks for its customers.

Xpediator has been helping its customers prepare for Brexit, offering advice and support in planning ahead for every eventuality.

- The Group has been very focused on positioning the business to support our clients.
- A BREXIT committee has been in place for the past 2 years.
- Creation of a customs clearance control tower to manage and process customs formalities.
- Close contact with HMRC and industry Associations.
- AEO certification held within the Group.
- Significant investment to make the Group Brexit ready:
 - Development of customs clearance teams
 - IT system developments



FREIGHT FORWARDING

Anglia Forwarding
Benfleet Forwarding
Delamode International Logistics
EshopWedrop
Regional Express

WAREHOUSING & LOGISTICS

Delamode
EMT Logistics
Import Services
PallEx Romania

TRANSPORT SERVICES

Affinity Transport Solutions

DIVISION OVERVIEW

Freight forwarding

- Investing to develop e-forwarding strategy
- Largest business – asset light broking model
- Turnover in excess of £140 million
- Specialises in connecting CEE with rest of Europe
- Creating specialist Retail & Fashion FF division
- Proprietary database of 3,000 hauliers
- One stop solution in UK & Romania



eCommerce

EshopWedrop

- Award winning service
- Enables CEE consumers to purchase products from online retailers in 5 European countries and the US
- Low delivery costs
- Delivering to 12 destination markets

Regional Express

- Approved service provider to Amazon Global Selling
- Organises VAT registration, accounting support and returns management for overseas Amazon customers
- Increased volumes for USA customers
- Commenced returns management service out of Germany



- Agent of DKV in Romania and the Balkans for supply of fuel cards
- “One stop” solution including: roadside assistance and ferry bookings
- Servicing database of c. 2,000 Eastern European hauliers (1,200 at IPO) and c.14,000 trucks (c.8,000 cards in issue at IPO)
- Expand service offering:
 - Affinity Leasing, with partners
 - Affinity Insurances, with partners



PALL-EX ROMANIA

- 25-year master franchise licence awarded in 2012
- Romanian palletised network, now handling 60,700 pallets p/m delivered to customers (2018: 50,000)
- Fast-growing high performing franchise

LOGISTICS & WAREHOUSING

- +90,000 sqm of shared user space
- Expand e-fulfilment service solution and cross-border e-commerce
- Expand warehouse capacity and develop returns logistics offering



Positioned for Future Growth

- Established scalable platform to support expanding business lines, services and geographies
- Combination of UK, Europe and particular CEE expertise is a key point of differentiation and opportunity
- Strong market fundamentals indicating continued high demand for Group services
- Asset light model, low fixed costs with no customer concentration risk
- Strong board and senior management team
- Confident in ability to source capacity to manage forecast increase in demand





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Profit and loss

INCOME STATEMENT	2018 £m	2017 £m
REVENUE	179.2	116.3
Cost of sales	(137.5)	(88.2)
GROSS PROFIT	41.7	28.1
Other operating income	0.9	0.7
Impairment losses on receivables	(1.1)	(0.6)
Administrative expenses	(35.4)	(25.1)
Exceptional items included in Administrative expenses above	(0.3)	(0.9)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS	6.5	4.0
OPERATING PROFIT	6.2	3.1
Net finance costs	(0.6)	(0.7)
PROFIT BEFORE TAX	5.6	2.4
Income tax	(0.9)	(0.6)
PROFIT FOR THE YEAR	4.7	1.8
Gross Profit %	23%	24%

Reconciliation between profit before tax and adjusted profit before tax	2018 £m	2017 £m
Profit before tax	5.6	2.4
Exceptional items	0.3	0.9
Unwind and addback of discount on deferred consideration	0.2	0.3
Amortisation on intangibles	1.0	0.3
Adjusted Profit before tax	7.2	4.0

Balance sheet and working capital

BALANCE SHEET	2018 £m	2017 £m
Non-current assets	28.8	17.2
Current assets	70.0	59.2
TOTAL ASSETS	98.8	76.4
TOTAL EQUITY	29.1	14.8
Non-current liabilities	8.5	6.2
Current liabilities	61.2	55.4
TOTAL LIABILITIES	69.7	61.6
TOTAL EQUITY AND LIABILITIES	98.8	76.4

WORKING CAPITAL	2018	2017
Trade and other receivables	£60.3m	£51.8m
Trade and other payable	£56.1m	£51.0m
Days Sales Outstanding (based on gross billing)	70.4	81.5
Days Payable Outstanding (based on cost of sales)	75.6	91.3

Strong cash generation

CASH	2018 £m	2017 £m
Net cash from operating activities	3.7	1.7
Net cash outflow from investing activities	(7.0)	(6.5)
Net cash inflow from financing activities	5.4	7.0
Effect of foreign exchange movements	0.2	(0.1)
Cash and cash equivalents at end of year	9.6	7.3

HEADROOM	2018 £m	2017 £m
Cash and cash equivalents	9.6	7.3
Undrawn debt facilities	8.3	-
Available cash	17.9	7.3