



Interim Results for the 6 months ended
31 October 2021

9th December 2021

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Financial highlights

Interim Results for the 6 months ended 31 October 2021



Financial highlights: Six months ended 31 Oct 2021

Revenue

£406.1m (+33.1%)

EBIT*

£22.6m (+12.1%; +18.8% on IAS 17 basis)

Cash generated from operations

£32.5m

Earnings per share

12.6p, +12.5%

Interim dividend

4.5p, +12.5%

Net debt reduction

from £27.7m to £11.2m, 0.2x EBITDA



New site Venray Netherlands opened for FARFETCH in Q2 2021

- Strong momentum in e-commerce
- Acceleration in mainland Europe
- Building global footprint

* EBIT is defined as operating profit before the amortisation of intangible assets and exceptional items. IAS 17 removes the impact of leases arising on application of IFRS16, replacing the depreciation on ROU assets with operating lease

Financial highlights: **New contract wins**

New contract wins

- JD Sports
- River Island
- FARFETCH



RIVER ISLAND

FARFETCH

ASOS

Additional services for

- John Lewis
- Wilko
- ASOS



Clipper: a unique platform to accelerate growth and profitability

Interim Results for the 6 months ended 31 October 2021



A unique platform to accelerate growth & profitability

Value-added Logistics revenue: structural shift to online driving growth acceleration

E-fulfilment &
returns management revenue

£247.6m

% of Group logistics revenue

68%

(FY21: £188.0m)

+31.7%



Non e-fulfilment revenue

£116.4m

% of Group logistics revenue

32%

(FY21: £82.2m)

+41.6%



A unique platform to accelerate growth & profitability

Locations

52 sites across Europe

Operational Space

c15m square feet

Employees

+c600 FTE in H1

Countries

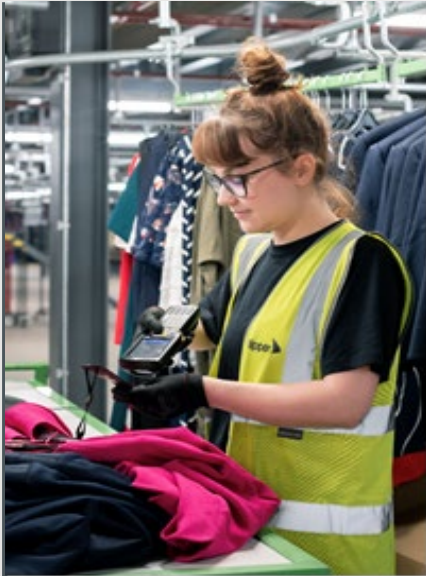


M&A

CE Repair (Benelux)
FARFETCH JV (Global)

A unique platform to accelerate growth & profitability

Full end-to-end solution



E-FULFILMENT



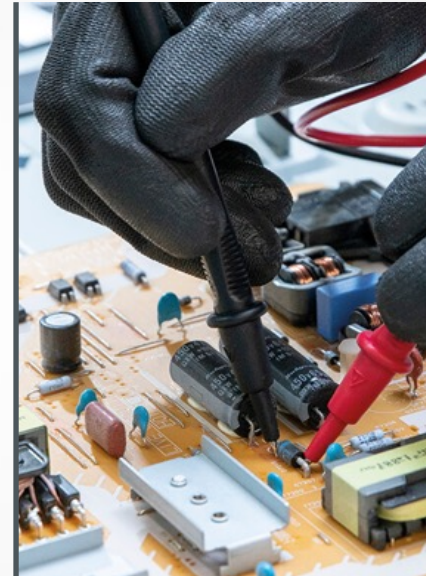
CLICK & COLLECT

clicklink
connecting retailers to customers



RETURNS
MANAGEMENT

Boomerang
Returns Management by Clipper



REPAIR &
REMEDIAL

Servicecare
part of the Clipper group

RepairTech
part of the Clipper group

CE REPAIR SERVICES



DISPOSITION

Environmental, Social and Governance

Interim Results for the 6 months ended 31 October 2021



Environmental, Social and Governance

- ▶ Commitment to Science based targets – a **net-zero target** in line with **a 1.5°C future**.
- ▶ **Net Zero** by **2035**
- ▶ Strategy: CO₂ emissions: **50%↓ by 2030**
 - ▶ 150 sustainability ambassadors
 - ▶ 100% renewable energy sources by 2025
 - ▶ Retrofitting of depots
 - ▶ Transition to alternative fuels and electric vehicles across our fleet
 - ▶ Installation of LED lighting, 100% by 2030
- ▶ Zero waste to landfill: **50% of sites by 2025**



Site infrastructure “Retrofit”

▶ LED lighting

- ▶ Sherburn, Ollerton (2022)
- ▶ Rolled out across remaining portfolio (2030)

237,000 kg CO₂

(per site per annum saving)



▶ Solar PV

- ▶ Sherburn, Ollerton (2022)
- ▶ Rolled out across remaining portfolio

118,000 kg CO₂

(per site per annum saving)

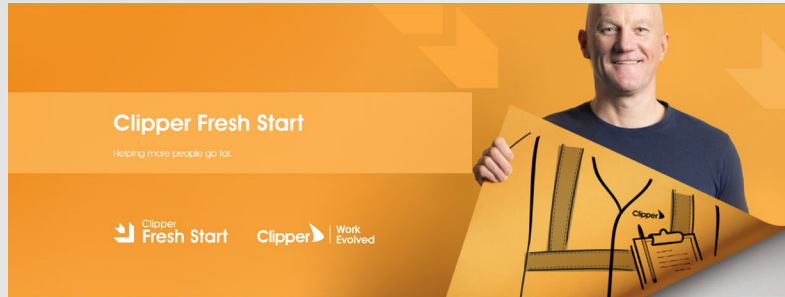


▶ Heating

- ▶ More energy efficient solutions
 - ▶ Air source heat pumps
 - ▶ Hydro zero
 - ▶ Biomass
 - ▶ Solar thermal



Inclusion, Diversity and Equality



Fresh Start Employees

We offer flexible working and expert training to individuals who are:

- ▶ Learning and physically disabled
- ▶ Ex-offenders
- ▶ Ex-military
- ▶ Homeless
- ▶ Refugees
- ▶ Retirees
- ▶ Full-time parents and carers



- ▶ “Fresh Start in The Community” to support the locality around each DC location, and creation of a range of family-friendly policies to help attract more talent into the business – at all levels
- ▶ Introduction of Wagestream: 9,000 employees are eligible to access up to 30% of their wage prior to pay date
- ▶ Our degree in partnership with Sheffield Hallam University is aimed at creating the next generation of industry leaders
- ▶ Intensification of our partnerships with Mencap and Tempus Novo to accelerate access to work for disabled people and ex offenders

Headline financials

Interim Results for the 6 months ended 31 October 2021



Headline financials

Group revenue

For the 6 months to 31 October

£m	Reported		Change %
	2021	2020	
E-fulfilment & returns management services	247.6	188.0	+31.7%
Non e-fulfilment logistics	116.4	82.2	+41.6%
Total value-added logistics services	364.0	270.2	+34.7%
Commercial vehicles	43.4	36.7	+18.3%
Inter-segment sales	(1.3)	(1.7)	
Group Revenue	406.1	305.2	+33.1%

Group EBIT

For the 6 months to 31 October

£m	Reported			(IAS 17)		
	2021	2020	Change %	2021	2020	Change %
E-fulfilment & returns management services	16.6	14.8	+12.6%	13.7	11.8	+15.5%
Non e-fulfilment logistics	11.7	10.1	+15.4%	10.5	8.3	+25.8%
Central logistics overheads	(4.6)	(4.4)	+6.3%	(4.7)	(4.4)	+6.3%
Total value-added logistics services	23.7	20.5	+15.3%	19.5	15.7	+23.5%
Commercial vehicles	1.6	1.6	+0.8%	1.5	1.6	-5.3%
Head office costs	(2.7)	(1.9)	+37.2%	(2.7)	(1.9)	+37.2%
Group EBIT	22.6	20.2	+12.1%	18.3	15.4	+18.8%

Group revenue growth of +£100.9m was attributable to growth in both the **E-fulfilment & returns management business activity, which grew by +31.7%** and in **Non e-fulfilment logistics, which grew by 41.6%**.

- ▶ This revenue growth is due to a combination of:
 - ▶ structural shift to online retail and increased market share
 - ▶ the impact of new contracts won in the prior year (H&M, Linenbundle, Revolution Beauty, TM Lewin)
 - ▶ new contracts won in the half year ended 31 October 2021 (including JD Sports, Farfetch and John Lewis)

- ▶ **Group EBIT grew by 12.1% (18.8% on an IAS 17 basis)** on revenue growth of 33.1%.

- ▶ **Commercial vehicles revenue growth of +18.3% is driven by** an increase in new vehicle sales as well as increasing after sales services.

Headline financials

Group Income Statement

For the 6 months to 31 October

£m	2021	2020	Change %
Revenue	406.1	305.2	+33.1%
Cost of sales	(278.2)	(212.5)	
Gross profit	127.9	92.7	+38.0%
Other net gains	1.5	(0.1)	
Admin expenses	(107.8)	(73.6)	
Operating profit before share of equity-accounted investees, net of tax	21.6	19.0	+14.0%
Share of equity-accounted investees, net of tax	0.2	0.4	
Operating profit	21.8	19.4	+12.6%
EBIT (IAS 17)	18.3	15.4	+18.8%
IFRS 16 impact	4.3	4.8	
EBIT (IFRS 16)	22.6	20.2	+12.1%
Less: amortisation of other intangible assets	(0.6)	(0.7)	
Exceptional costs	(0.1)	-	
Share of tax and finance costs of equity-accounted investees	(0.1)	(0.1)	
Operating profit	21.8	19.4	
Net finance costs	(5.7)	(5.1)	
Profit before income tax	16.1	14.3	+12.6%
Income tax	(3.3)	(2.9)	
Profit for the financial period	12.8	11.4	+12.1%
Basic earnings per share (p)	12.6	11.2	+12.5%

- Strong revenue growth in both E-fulfilment and returns management services and Non e-fulfilment logistics of **31.7%** and **41.6%** respectively.
- Key EBIT metric saw continuing growth of **12.1%** due to strong growth in Value-added logistics segment.
- Excluding the impact of IFRS 16 **EBIT is up year on year by 18.8%**.
- Profit before tax, amortisation and exceptional costs up **12.3% to £16.8m**.
- Profit before tax increased by **12.6% to £16.1m**.
- Basic EPS growth of **12.5% to 12.6 pence**.

Headline financials

Group Statement of Financial Position At 31 October

£m	2021	2020
Intangible assets	37.8	37.6
Property, plant & equipment	37.8	29.7
Interest in equity-accounted investees	2.2	1.0
Right-of-use assets	205.1	170.7
Deferred tax	1.3	1.6
Non-current financial assets	2.0	2.0
Non-current assets	286.2	242.6
Inventories	26.3	25.1
Trade & other receivables	155.6	124.0
Cash & cash equivalents	19.1	7.7
Current assets	201.0	156.3
Trade & other payables	191.1	159.8
Borrowings	0.1	0.3
Lease liabilities	37.4	36.3
Short term provisions	0.6	0.1
Current tax liabilities	-	1.5
Current liabilities	229.2	197.5
Borrowings	17.7	11.1
Lease liabilities	183.5	148.6
Long term provisions	7.7	6.7
Deferred tax liabilities	-	-
Non-current liabilities	208.9	166.4
Net assets	49.1	35.5

- ▶ Capex spend of £8.1m, largely due to fit out of new sites for new and growing open book customers.
- ▶ ROU assets increased as a result of new distribution centres added to the portfolio, including Venray, a second site in Sheffield and a flagship northern site in Sherburn.
- ▶ Increase in working capital balances as a result of strong growth in H1 FY22.
- ▶ Net debt excluding the impact of IFRS 16 was significantly reduced at £11.2 million (H1 FY21 £27.7 million) of which £21.5 million is capex that is directly recoverable from customers through the open book charging mechanism.

Headline financials

Group Statement of Cash Flows

For the six months ended 31 October

£m	2021	2020
Operating profit	16.1	14.3
Depreciation & Amortisation	3.5	3.0
Other non-cash items	5.0	4.8
Depreciation on Right-of-use asset	19.6	16.9
Change in working capital	(7.4)	10.1
Cash generated from operations	36.8	49.1
Net interest paid	(0.5)	(0.5)
Tax paid	(3.8)	(2.9)
Net cash flows from operating activities	32.5	45.7
Net capital expenditure	(2.8)	(3.1)
Proceeds receivable on a business combination	2.8	-
Net cash flows from investing activities	-	(3.1)
Net (repayment)/drawdown of bank loans	1.9	(8.2)
Financing advanced in relation to ROU	1.1	0.5
Repayment of capital on lease liabilities	(27.2)	(23.7)
Shares issued	0.1	0.1
Dividends paid	(7.3)	(6.3)
Net cash flows from financing activities	(31.4)	(37.6)
Net increase/(decrease) in cash & cash equivalents	1.1	5.0

- ▶ **Net cash flows from operating activities was £32.5m.** Deferrals made in the comparative period have since been paid resulting in a working capital outflow of £7.4m compared to a £10.1m inflow in the prior year. Adjusting for this, working capital is in line with the prior year.
- ▶ Net interest paid comparable to the prior year.
- ▶ Net capital expenditure was £2.8m; a reduction of £0.3m. Investment in capital assets increased by £5.5m on the prior year, offset by proceeds on disposals and a £2.8m receipt relating to a business combination in FY20.
- ▶ Net drawdowns of bank loans due to working capital requirements.
- ▶ Net increase in cash and cash equivalents +£1.1m.

Summary & outlook

Interim Results for the 6 months ended 31 October 2021



Summary and outlook

Very strong H1 outperforming the market

- revenue growth of 33.1% to £406.1m with an EBIT of £22.6m

Increase global footprint

- FARFETCH JV, acquisition CE Repair

Reinforce business model resilience

- through contract mechanism, sourcing and retention initiatives (Fresh Start, Wagestream, Graduate program)

Strong governance and bench strength

- recruitment of a Head of Sustainability and further investment in our Legal function

Strong momentum into H2 2022

- current trading remains strong and on track to meet the Board's full year guidance with the incremental profit from CE Repair being additive to this

Group strategically positioned

- to achieve further growth both in the UK and internationally, with strong tailwinds and further M&A activity



Q&A

9th December 2021

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