

Paris, 5 March 2024

## Geopost 2023 annual results

**In a complex market environment, Geopost revenues remain stable in 2023 and the company pursues the roll-out of its strategic roadmap. Further to its net zero SBTi commitment, Geopost publishes for the first time both financial and extra-financial results.**

- **Stable revenues recorded in 2023 and decline in operating income:**
  - €15.69 billion in revenue<sup>1</sup>, up by 0.7% from 2022, demonstrating Geopost ability to adapt to adverse market conditions.
  - 2.1 billion parcels delivered worldwide, stable compared to 2022 (-0.6%)
  - EBIT of €330 million reflecting both exogenous factors such as the global economic slowdown and high pressure on costs, as well as exceptional items
  - Restated from one-off effects, Geopost EBIT stands at €635 million.
- **Further strengthening of strategic segments such as out-of-home and food delivery, to build a performing global network:**
  - Accelerated growth in out-of-home delivery (+25% in volumes compared to 2022), with 100,000 Pickup points<sup>2</sup> reached in Europe, as well as new temperature-controlled delivery solutions deployed in three new countries
  - Sustained reinforcement of both quality and efficiency with the exact day delivery of DPD Classic offer, ensuring reliable and predictable service all over Europe
  - Reinforcement of Geopost global network with the creation of DPD Argentina, a joint venture with local operator TASA Logistica
  - Acquisition of the final mile courier company Absolutely in February 2023, aiming at strengthening the same day activities in the UK.
- **Further progress made in Geopost ambition to become an international reference in sustainable delivery:**
  - Formal endorsement of Geopost “Net Zero Emissions by 2040” trajectory by the Science Based Targets initiative.
  - Second consecutive year of absolute reduction in GHG emissions with -25,673 tons (-1.4% compared to 2022).
  - Continued transformation and diversification of the delivery fleet - 2,500 low-emission vehicles were added in 2023, bringing the fleet to more than 9,000 low-emission vehicles - and the addition of electric, biogas and biofuel trucks to the HGV fleet.

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<sup>1</sup> Asendia’s revenue and operating income included, as La Poste Groupe has incorporated its shareholding in Asendia into the operational management of Geopost since 1 st July 2021

<sup>2</sup> 100,000 Pickup points in Europe, incl. 9,400 points in Scandinavia via Geopost’s partnership with PostNord

- Launch of the Carbon Calculator, an innovative tool enabling the simple, efficient, and accredited calculation of carbon emissions, supporting Geopost's clients in their carbon-reduction strategies

**Commenting on these results, Yves Delmas, CEO of Geopost, said:** *“2023 has proved to be another year full of challenges for Geopost. We have ended the year with stable revenues. In a complex market environment, impacted by adverse trends that weighed on the entire parcel delivery market, our teams succeeded in demonstrating their best resilience. Altogether, 2023 has been a pivotal year: we continued to deliver on our strategy by adapting and taking the necessary actions to protect our operating performance whilst resolutely carrying out our ambitious sustainability agenda. A case in point is the endorsement of our net-zero targets by the Science Based Targets Initiative (SBTi), a major achievement and a testament to our commitment to fighting climate change. Today, we're confident in our strategy and our long-term ambitions, and we're looking forward to 2024 as a new milestone in our economic, sustainable and social development.”*

### **Stable revenues in 2023**

In 2023, uncertainties and disruptions linked to a complex geopolitical environment, marked by several international conflicts, persisted. Energy prices and inflation continued to weigh on global demand, while economic growth stagnated and even decreased in certain regions. The fast/express parcel business faced ever-increasing pressure on costs, in both BtoB and BtoC segments.

For the first time since the emergence of e-commerce, it has declined notably in Germany (-12% in value) in the UK (-3% in value), and in France (-1,8% in value), which corresponds to even higher decreases in volumes. This e-commerce volume decline significantly reflects the choices made by households against a backdrop of falling purchasing power and more cautious consumer habits in most of the markets where Geopost operates.

In those challenging conditions, Geopost recorded stable revenues of €15.69 billion (+ 0.7% compared to 2022):

- Revenue from the express and parcel activities amounted to €13,028 million, stable (-€13 million, or -0.1%), in an adverse macroeconomic context (high inflation, weak growth, slowdown in consumption) resulting in a stabilisation in volumes (2.1 billion parcels delivered i.e. -0.6% compared to 2022 and representing more than 8 million parcels delivered each day). Turnover in the four main European countries (France, United Kingdom, Germany and Italy) represents more than 55% of the total revenue. Some countries saw organic revenue increase, notably Italy (+5.7%), France (+2.8%), Spain (+1.6%) and Poland (+1.0%), while others recorded an organic decline such as Germany (-5.7%), the United Kingdom (-3.1%) and Benelux (-1.0%).
- Benefiting from the dynamism of international e-commerce, Asendia generated revenue of €2,623 million, an increase of €113 million (+4.5%). Excluding scope (+€69 million) and foreign exchange (+€4 million) impacts, organic growth was +€41 million (+1.6%), driven by its logistics business.

Geopost operating result stood at €329.8 million in 2023, reflecting the economic situation, the effect of the inflationary environment on its costs structure, as well as some exceptional items:

As of 31/12/2023, the payment and accruals related to tax and social litigations of the Italian subsidiary of -€169 million, the impact of the sale of Stuart's activities of €136 million,

Excluding this significant non-recurring items, Geopost operating profit decreased by -€183 million, mainly reflecting the cyclical slowdown in the parcel and express business in an adverse macroeconomic context.

Geopost's overall investments amounted to €667 million (vs. €1,236 million at the end of 2022). It consisted of €471 million in internal investments (stable vs. 2022), focused on the development of delivery processing capacity, the expansion of the distribution network and the development of New Services, and €194 million in external growth (down 74.6% vs. 2022).

## **Geopost consolidated its position as the leader of parcel delivery in Europe by developing strategic segments**

### ***Sustained consolidation of Geopost's growth engines***

**Out-of-home delivery** has been one of the main growing segments and a major asset for leading in BtoC in recent years, as outlined by Geopost 2023 e-shopper barometer. With a 25% growth of parcels delivered out-of-home in 2023 vs 2022, Geopost showed a robust activity in this field, thanks to the support of a strong network. By the end of 2023, Geopost had a network of more than 100,000 Pickup points throughout Europe, the densest and most extensive network of PUDOs<sup>3</sup> on the market. This network now includes 25,000 points in Poland, 18,000 in France, 10,000 in the UK, 8,000 in Germany, 7,500 in Italy (Fermopoint) and 5,000 in Spain, plus more than 9,000 in the Nordic countries thanks to Geopost strategic partnership with the PostNord group (Denmark, Finland, Norway and Sweden). Automatic lockers are also growing fast in Europe, with almost 19,000 lockers deployed to date by Geopost (6,000 more than by the end of 2022).

In **food delivery**, Geopost recorded a 14.4% growth vs 2022, with 8.5 million food parcels delivered with active temperature control solutions. Geopost extended its range of fresh and frozen deliveries to new countries in Europe, drawing on its expertise in temperature-controlled transport. Portugal, Italy and Lithuania are now among the territories covered by these solutions.

**Healthcare product deliveries** continued to be a priority for Geopost in 2023. To accelerate its growth in this segment, Geopost acquired companies with expertise in temperature-controlled transport, such as BK and Cool Runnings in the Netherlands. Biocair also successfully accelerated its expansion in the US, through the relocation and expansion of its Chicago office and warehouse facility. In France, Chronopost invested 20 million euros in its Healthcare division. Overall in 2023, the healthcare vertical recorded a +3% sales growth.

### ***Stronger-than-ever dedication to improving customer experience***

Geopost worked to further enhance its delivery offer by giving business customers even more reliable and accurate delivery times, as well as digital tools for better predictability of delivery by destination postcode. This upgrade of the DPD Classic service was launched in February 2023 in 10 countries and rolled out across Europe a few months later. With the exact day delivery, DPD Classic now enables business customers to strengthen their operations in 30 European markets and provide a better experience for their own recipient customers.

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<sup>3</sup> Pick up and drop off points

Furthermore in 2023, Asendia launched with its subsidiary ESW, the "**e-PAQ Returns**" solution, a returns management platform, which leverages an extensive global reverse logistics network and is executed in partnership with ESW technology.

### ***Robust growth on intra-European business and reinforcement of Geopost presence beyond Europe***

In 2023, the intra Europe crossborder business grew by 4% in revenue compared to 2022, with an acceleration on the second half of the year up to 6%, confirming the leading position of Geopost on this segment.

Outside Europe, over the past years, Geopost has been pursuing its international expansion strategy in Asia (Ninja Van, DTDC, Lenton, etc.), the Middle East & Africa (Aramex, DPD Laser) and Latin America (Jadlog in Brazil). Revenues generated by the out of Europe flows grew by 8% in 2023.

In 2023, Geopost joined forces with TASA Logistica, the long-standing local logistics operator, to **create DPD Argentina**, a specialist in last-mile delivery for BtoB and BtoC customers. This new subsidiary offers its delivery solutions to BtoB and BtoC customers in Argentina, with the aim of becoming a major last-mile player in the country over the next five years.

### **Sustainability remained at the core of Geopost's agenda with far-reaching progress made in 2023**

In 2023, Geopost consolidated its position as an industry leader in sustainable delivery. The year began with the formal approval of its "Net Zero emissions by 2040" trajectory by the **Science-Based Targets initiative (SBTi)**. Geopost became the first global parcel delivery company to have its short- and long-term carbon emission reduction targets approved by the SBTi.

As per this trajectory, Geopost ambitions to radically reduce its absolute GHG emissions from scopes 1, 2 and 3 compared with 2020:

- by 43% by 2030;
- by 90% by 2040, and Geopost will also neutralise all residual emissions through relevant carbon capture and sequestration projects by then.

In line with its decarbonation trajectory, Geopost achieved in 2023 a 1.4% reduction of its GHG emissions compared to 2022, representing a total reduction of 25,763 tonnes.

The **transformation of the delivery fleet** has been one of Geopost's key priorities for achieving its climate ambitions. By December 2023, Geopost operates more than 9,000 low-emission vehicles across Europe – representing 12,5% of Geopost's last-mile fleet (30% in Hungary, 27% in the UK) -, with 126 cities fully serviced by low-emission vehicles. Geopost pursued the deployment of the use of biofuel (HVO 100) in long- and medium-distance transport activities, particularly in the United Kingdom, Ireland and the Netherlands. In total, 13.3% of the kilometres driven by Geopost linehaul fleet are powered by alternative energies (62% in the UK and Ireland).

In 2023, Geopost earmarked specific investments of €51 million and €22 million CAPEX to improve its carbon performance, three quarters of which was dedicated to electrifying the last mile.

In order to support Geopost ambitions and its Net Zero trajectory, the Sustainability and Finance teams put together an **annual carbon budget process**. This internal process enables each BU to take responsibility for the reduction of emissions, the tight management of decarbonisation measures and the associated costs and investments. It is synchronised with the financial budget, and the carbon performance is audited in parallel with the financial results.

To better support its customers on their journey towards Net Zero, Geopost also launched its **Carbon Calculator**, a powerful technology to accurately track carbon emissions, by using scan events to track each parcel as it moves through the Geopost network.

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### About Geopost

Geopost, a European leader in parcel delivery and solutions for e-commerce, operates in more than 50 countries across all continents through its network of expert delivery brands, including: DPD, Chronopost, SEUR, BRT, Speedy and Jadlog. Leveraging its industry-specific expertise, Geopost is further growing the development of Out-Of-Home delivery services with Pickup, the densest parcel shop and locker network in Europe and is also expanding temperature-controlled solutions for food and healthcare business. In a world of acceleration and transformation, Geopost engages and embraces new e-commerce territories with ESW via Asendia, epicery and Pourdebon.com.

With 57,000 employees, Geopost endeavors to make commerce more convenient, profitable and sustainable for their customers and communities. Committed to becoming an international reference in sustainable delivery, Geopost is the first global delivery company to have its roadmap to Net Zero by 2040 approved by the Science Based Targets initiative (SBTi).

Part of the La Poste group, Geopost generated a €15.7 billion revenue and delivered 2.1 billion parcels worldwide in 2023.

### Press Contacts

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