

Paris, August 2<sup>nd</sup>, 2023

## 2023 half-year results

# Geopost steadily rolls-out strategy in a challenging market environment

- **Against a backdrop of persistent inflation, Geopost<sup>1</sup> announces a €7,639 million revenue, slightly increasing (+2,2%) despite an overall decline in parcel volumes (-1,6%) and the impact of some one-off effects**
- **Further strengthening in strategic market segments such as out-of-home deliveries through the development of the Pickup network, and temperature-controlled delivery with extension of Chronopost networks**
- **Dynamic cross-border performance and continued global expansion with the creation of DPD Argentina through a Joint-Venture with domestic market leader Tasa Logística**
- **Key milestone on the environmental roadmap: the company's net-zero trajectory for 2040 approved by SBTi<sup>2</sup> and launch of Carbon Calculator tool.**

**Yves Delmas, CEO of Geopost, stated:** *“Despite significant headwinds in most of Geopost's markets, I am satisfied that in the first half of the year, Geopost kept on rolling-out its “Together & Beyond” strategy with determination. In Europe, our business units showed notable resilience in the B2B segment and promising growth in cross-border flows thanks to an enhanced day certain service. And we strengthened our position in strategic segments such as out-of-home and temperature-controlled delivery, which confirm their significant growth potential. I am also proud of the tremendous work achieved by our teams to move the company forward on its decarbonization trajectory. Early 2023, Geopost became the first global parcel delivery company to have both its near and long-term CO2 emissions reduction targets approved by the SBTi, and we launched our own Carbon Calculator to help our customers manage their own carbon emissions. These achievements are significant milestones on our environmental roadmap and reflect our unwavering determination to achieve our net zero ambition.”*

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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<sup>st</sup> July 2021

<sup>2</sup> The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science

## Slight revenue growth in a challenging environment

The market dynamics that prevailed in 2022 have continued into the first half of 2023. Uncertainties and disruptions caused by the war in Ukraine remain, inflation, high energy prices and volatility are persistent. This adverse market environment is impacting household spending and consumption habits in most of the Geopost's markets that show a decline of e-commerce activity, namely Germany and the UK.

To contain the negative effects of these difficult market conditions, Geopost implemented a set of operational efficiency measures adapting its pricing policy to the environment. This resulted in a slight 2,2% increase in revenue despite industry-wide volume variations. Volumes recorded by Geopost over the first half of the year were down by 1,6% compared to the first half of 2022. Of note, Geopost managed to keep on rolling-out its BtoB to BtoC rebalancing strategy: 57% of volumes were BtoC in the first half of 2023, compared to 56% in the same period in 2022.

Some of Geopost's business units have demonstrated a good performance over the first half of the year, with an increase of their organic turnover such as France (+2,6%)<sup>3</sup>, Italy (+5,4%), Poland (+4,1%) and Spain (+4,2%) while others recorded a decline such as the UK (-1,8%), Germany (-4,9%) and Benelux (-1,9%).

Geopost's operating income amounted to +€74,7 million, down €228 million. At constant scope and exchange rate effects (€20 million), the organic decline was -€208 million.

Significant non-recurring items impact Geopost's operating income:

- As of 30<sup>th</sup> June 2022, the impairment of DPD Russia assets of -€157 million, and
- As of 30<sup>th</sup> June 2023, the provisions relating to legal proceedings in progress at its Italian subsidiary of -€162 million<sup>4</sup> and the impairment of Stuart's assets of €134 million<sup>5</sup>.

Excluding significant non-recurring items, the decrease in Geopost's operating income is - €70 million at constant scope and exchange rates, mainly reflecting the economic slowdown in parcel and express activities in an adverse macro-economic context.

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<sup>3</sup> Evolution of the combined turnover of DPD France and Chronopost.

<sup>4</sup> On tax and social issues relating to subcontracting services

<sup>5</sup> Motivated by the accumulation of losses since its acquisition and the difficulty of envisaging a financial turnaround within a reasonable timeframe

## Sustained and fruitful implementation of “Together & Beyond” strategy

In the first half of 2023, Geopost stayed the course and grew along the three axes of its “Together & Beyond” strategy: expanding core activities, accelerating initiatives in strategic segments and conquering new horizons.

### *Key developments in strategic segments*

Geopost significantly increased its **out-of-home** activity, one of the main pillars of its BtoC strategy. The company extended its Pickup network by more than 14,000 points in the first half of 2023 and now has more than 97,000 Pickup points worldwide. Geopost achieved this extension notably by joining the Esso gas stations network and Louvre Hotels Group network in France, and the Zabka stores network in Poland, among other actions.

Significant progress was achieved in **temperature-controlled delivery**, another strategic area of development. Indeed, both temperature-controlled revenues and volumes increased by respectively 12,7% and 15,6% compared to H1 2022. Future growth is expected in this segment as Geopost announced the launch of four new-generation Chronopost hubs in France which are dedicated to **food** and **healthcare**, two temperature-controlled activities. Chronopost, a member of Geopost, thus became the French carrier with the largest temperature-controlled network in the country. In Spain, SEUR frío became the first in the country to receive ISO 23412 certification for temperature-controlled transport. Compared to H1 2022, DPDfresh’s revenue increased by 79% and volumes by 82%. In 2023, DPD Portugal and DPD Lithuania will also launch a fresh delivery solution.

### *New milestones reached in strengthening global network*

Further developing in LatAm after the successful acquisition of Jadlog in Brazil in 2017, Geopost set foot in Argentina through **DPD Argentina**, a joint venture with domestic market leader, family-run TASA Logística. DPD Argentina will seize opportunities from rapidly growing Argentinian e-commerce (+23% in 2022 vs 2021<sup>6</sup>) by combining TASA’s heritage footprint and Geopost’s experience in last-mile delivery for BtoB and BtoC. DPD Argentina aims at becoming a market leader in last-mile delivery over the next five years.

Geopost, alongside La Poste group, entered a major partnership with **CMA CGM** and CEVA Logistics to harness both groups’ complementary supply chain assets in Europe outside France. This alliance will reinforce its partners in last-mile delivery, reverse logistics, circular economy services and carbon emissions control, as many gears of Geopost’s “Together & Beyond” strategy.

Overall, Geopost is recording solid growth on international flows, with a +4,2% of volumes in H1 2023 vs H1 2022, and +1,3% of sales, showing the high potential of this strategic priority for the company.

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<sup>6</sup> Source : e-Marketer

## Tangible actions to lead the way in sustainable delivery

In February 2023, Geopost became the first global parcel delivery company to have both its near- and long-term CO2 emissions reduction targets approved by the **Science Based Targets initiative (SBTi)**. By significantly reducing its absolute greenhouse gas (GHG) emissions across scopes 1, 2 and 3 and with a first reduction step by 2030, Geopost will contribute to limiting global temperature rises to 1.5°C. This landmark approval scientifically endorsed Geopost's plan to reach net-zero by 2040 and strengthened the company on its path to be the international reference in sustainable delivery.

In June 2023, Geopost launched its **Carbon Calculator**. This digital tool is a service built for and with Geopost's customers to support shippers' carbon reduction strategies and enable customers to track, analyse, report and ultimately reduce carbon emissions over the long term.

Several **local initiatives** were also launched across Europe by subsidiaries to push Geopost forward in its sustainability ambitions: DPD Switzerland, DPD Czech Republic, Chronopost and DPD France are now using e-trucks for specific localized distribution needs, DPD UK is currently switching all diesel HGVs to renewable fuel, Biocair added 100% electric vans to its fleet of delivery and collection vehicles, SEUR and Repsol entered into a sustainability agreement which includes the installation and operation of more than 150 recharging points for electric vehicles in Spain, and DPD Latvia launched an air quality monitoring programme in Riga, among others.

## About Geopost

Geopost, a European leader in parcel delivery and solutions for e-commerce, operates in 49 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 122,000 employees and partners, 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 €15.6 billion revenue and delivered 2.1 billion parcels worldwide in 2022.

## Press contacts

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