

# **La Poste Groupe**

## **Results as at 30 June 2022**

29 July 2022

# Content

- **Key figures and highlights of H1 2022**
- **Presentation of the consolidated financial statements at 30 June 2022**
- **Outlook**

# Key figures and highlights of H1 2022

# Key figures for H1 2022

Operating revenue

**€17.5 bn** +3.7% and +1.4% at constant scope and exchange rates vs 30/06/2021

Operating profit/(loss)<sup>1</sup>

**€0.4 bn** vs €1.1 bn at 30/06/2021

Operating profit/(loss) excluding provisions for impairment of Mail assets and DPD Russia assets

**€1.5 bn** +€369 m vs 30/06/2021

Net profit Group share

**€0.9 bn** vs €0.5 bn at 30/06/2021

Net profit Group share excluding provisions for impairment of Mail assets and DPD Russia assets and capitalisation of DTAs<sup>2</sup>

**€0.8 bn** +€295 m vs 30/06/2021

Free cash flow<sup>3</sup>

**€1.1 bn** Including an exceptional dividend of €1.3 bn paid by LBP vs €55 million at 30/06/2021

Net debt<sup>4</sup>

**€10.3 bn** vs €10.2 bn at 31/12/2021

Equity Group share

**€18.6 bn** vs €20.9 bn at 31/12/2021, impacted by interest rate effects on LBP and CNPA reserves

Net debt / Adjusted EBITDA<sup>5</sup>

**2.4** vs 3.6 at 31/12/2021

<sup>1</sup> Operating profit after share of net profit/(loss) of jointly controlled entities

<sup>2</sup> Related to the increase to 100% of the share capital of CNP Assurances by La Banque Postale

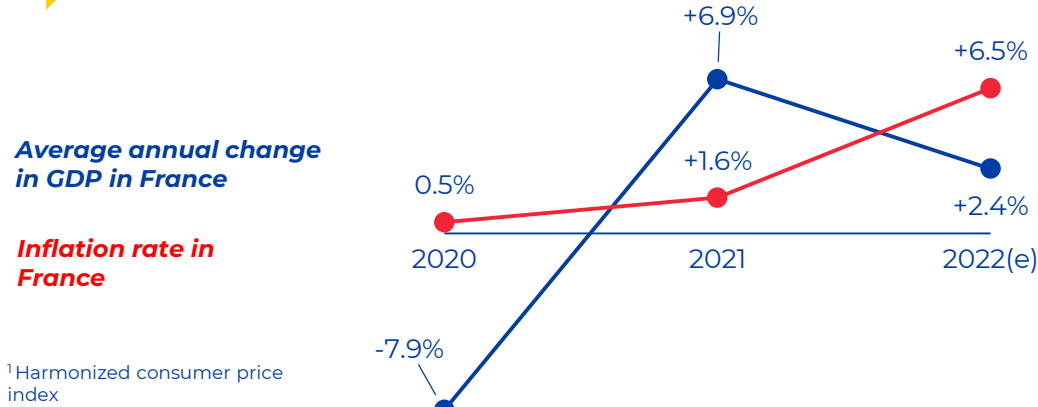
<sup>3</sup> Free cash flow (excluding banking): cash flows from operating activities - purchases of property, plant and equipment and intangible assets net of disposals - net financial interest paid repayment of lease liabilities

<sup>4</sup> Excluding banking activities, for which this concept is not relevant

<sup>5</sup> Adjusted EBITDA = revenue excluding LBP - running costs - personnel expenses (excluding end-of-career benefits excluding LBP) + dividends, on a rolling 12-month basis

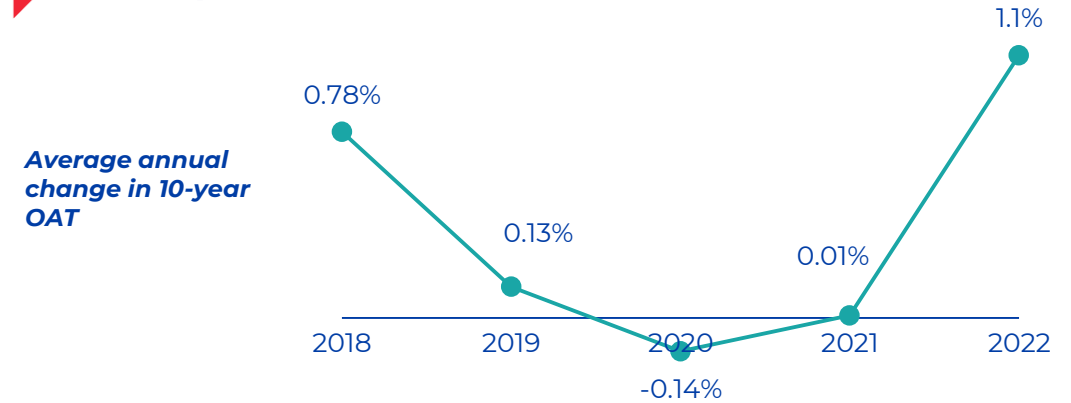
# Structural trends

➔ **A macroeconomic environment impacted by the conflict in Ukraine**



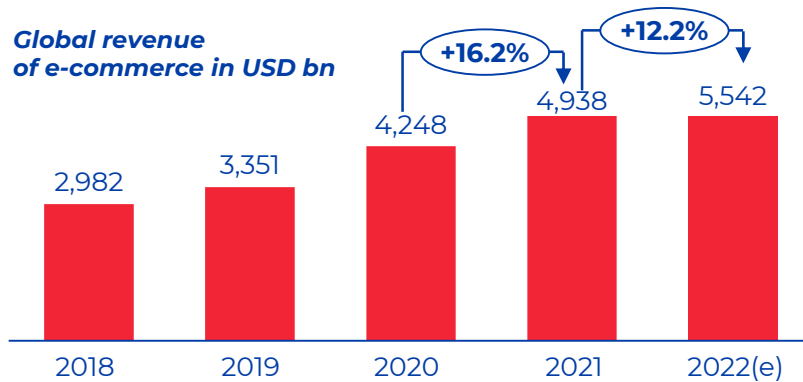
Source: INSEE 2022 (data updated in June 2022)

➔ **Sharp rise in interest rates**



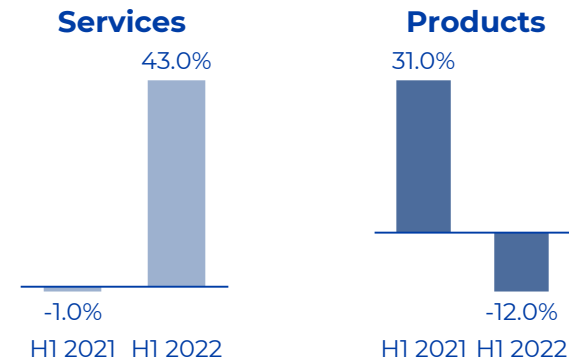
Source: Banque de France 2022 (data updated at 30 June 2022)

➔ **Slight slowdown in global e-commerce growth**



Source: Statista (data updated in February 2022)

➔ **E-commerce in France : decrease in product sales**



Source: FEVAD

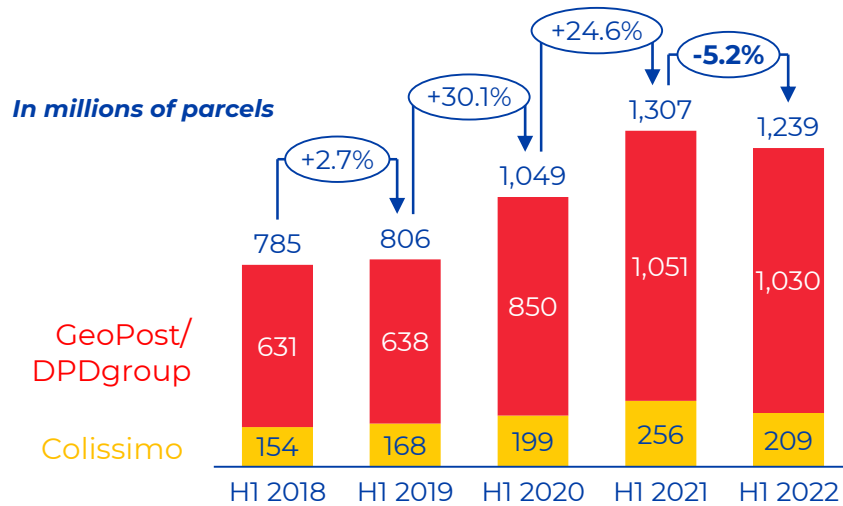
# Structural trends



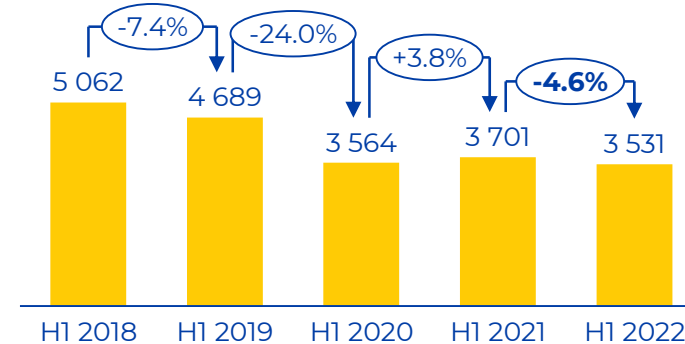
**Parcel volumes normalisation following the lifting of restrictions related to the health crisis in many countries**



**Continued fall in mail despite a partial catch-up due to a favourable base effect in H1 2021**



*In millions of letters*



Decrease in the overall number of parcels:

- Peak in H1 2021 due to the lockdown
- First effects in H1 2022 of the normalisation of e-commerce and the decline in consumption

Decrease of 6.1% in the number of letters at equivalent working days

# Key highlights of H1 2022

## Modernisation of historical activities and acceleration of growth drivers




### Services-Mail-Parcels

#### In logistics

- Announcement of **€600 million in investments by 2025** to double the number of electric vehicles and remain the leader in green logistics in France

#### In local logistics

- Under the brand  LOG'ISSIMO, launch of a new range of customised logistics solutions targeting companies and local authorities



### GeoPost/DPDgroup

#### Intercontinental acquisitions

##### e-commerce

- eShopWorld, a wholly-owned subsidiary of Asendia announced the acquisition of the  SCALEFAST platform, a global e-commerce solutions start-up

##### Express parcel

- Increase in the share capital of **aramex** (+3%), and transport logistics company, increasing stake to 28%

#### Ambitious targets in the fight against climate change

**Net zero emissions target in 2040** submitted to **SBTi** by GeoPost/DPDgroup

# Key highlights of H1 2022

## Modernisation of historical activities and acceleration of growth drivers



### La Banque Postale

- Finalisation of the increase in the share capital of **CNP Assurances** by La Banque Postale. LBP holds **100%** of the share capital of CNP Assurances following the simplified public tender offer followed by a squeeze-out procedure
- Finalisation of the sale of the equity holdings in  and  to Natixis Investment Managers and **extension of the industrial partnerships in asset management** with Groupe BPCE until the end of 2030
- Rationalisation of the Italian activities of **CNP Assurances** with the signing of a memorandum of understanding to become a 100% shareholder of **CNP Vita Assicura SpA**
- Acceleration of the development of BPE, which becomes **Louvre Banque Privée**



### Retail Customers & Digital

Announcement of a **exceptional investment of €800 million by 2025:**

- **Including €500 million**
  - **to modernise the omnichannel distribution network** with the aim of making it a real lever for development
  - **to expand the regional coverage with a target of 40,000 postal service outlets** by developing partnerships with retailers and strengthening the network of lockers
- **Including €300 million to accelerate the digital transformation:** development of online offers (e.g. launch of the digital stamp) and deployment of new digital services

# Key highlights of H1 2022

## Public service missions offsetting mechanisms, evolution of the Mail range



### Signature of an amendment to the 2018-2022 Public Service Agreement between La Poste and the French State formalising

- the **offsetting for the Universal Postal Service** through an annual budget allocation of **between €500 and €520 million** over the 2021-2025 period<sup>1</sup>
- the memorandum of understanding signed in February 2022 by the French State, ARCEP and the press publishers, relating to the **press transport and delivery reform** for the next five years: single fee schedule and payment of a State contribution to offset the additional costs of sparsely populated areas<sup>1</sup>



### Financial offsetting for regional planning mission

- Budget allocation of €37 million for H1 2022 to partially offset the decrease of a tax allowance



### Evolution of the Mail range as at 1<sup>st</sup> January 2023

- It aims at **improving the carbon footprint** of the Mail business and perpetuating the Universal Postal Service, while responding to new uses
- **Six days a week**, mail delivery (three types of letter), press, parcels and delivery of local services.



<sup>1</sup> Subject to approval by the European Commission

<sup>2</sup> The operational implementation of this new system will be effective as soon as the green light is obtained from the European Commission

# **Presentation of the consolidated financial statements for H1 2022**

# H1 2022 consolidated income statement

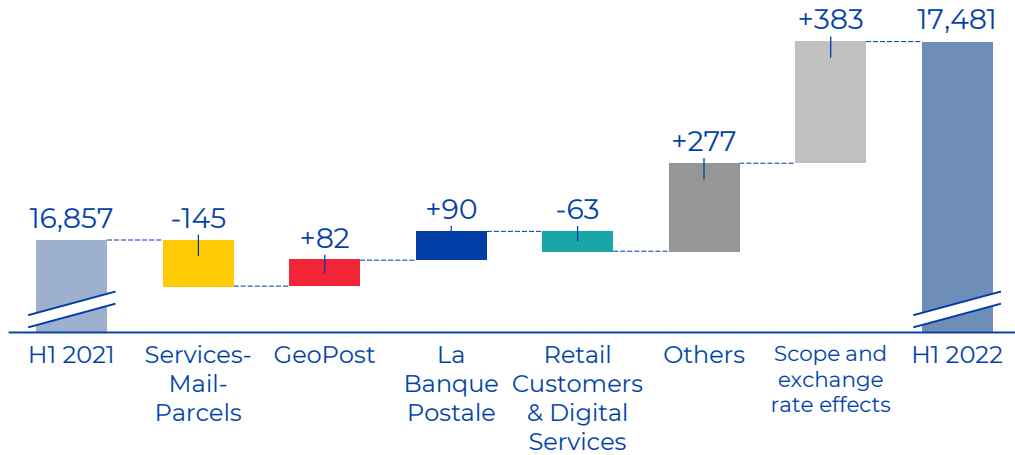
In €m	30/06/2022	30/06/2021	Change N / N-1	Change at constant scope and exchange rates
<b>Operating revenue</b>	<b>17,481</b>	<b>16,857</b>	<b>+624</b>	<b>+240</b>
<b>Operating profit/(loss)<sup>1</sup></b>	<b>445</b>	<b>1,145</b>	<b>-700</b>	<b>-765</b>
<b>Operating profit/(loss)</b> excluding provisions for impairment of Mail and DPD assets	<b>1,514</b>	<b>1,145</b>	<b>+369</b>	<b>+304</b>
Financial profit/(loss)	(101)	(108)	+7	
Income tax	737	(312)	+1,049	
Share of profit of equity associates	(33)	6	-39	
Non-controlling interests	164	206	-42	
<b>Net profit/(loss) Group share</b>	<b>883</b>	<b>525</b>	<b>+359</b>	<b>+229</b>
<b>Net profit/(loss) Group share</b> excluding provisions for impairment of Mail assets and DPD Russia assets and capitalisation of DTAs	<b>819</b>	<b>525</b>	<b>+295</b>	<b>+165</b>

<sup>1</sup> Operating profit after share of net profit/(loss) of jointly controlled entities The overall operating profit of the Group and the business units is presented after the share of the net profit of jointly controlled entities.

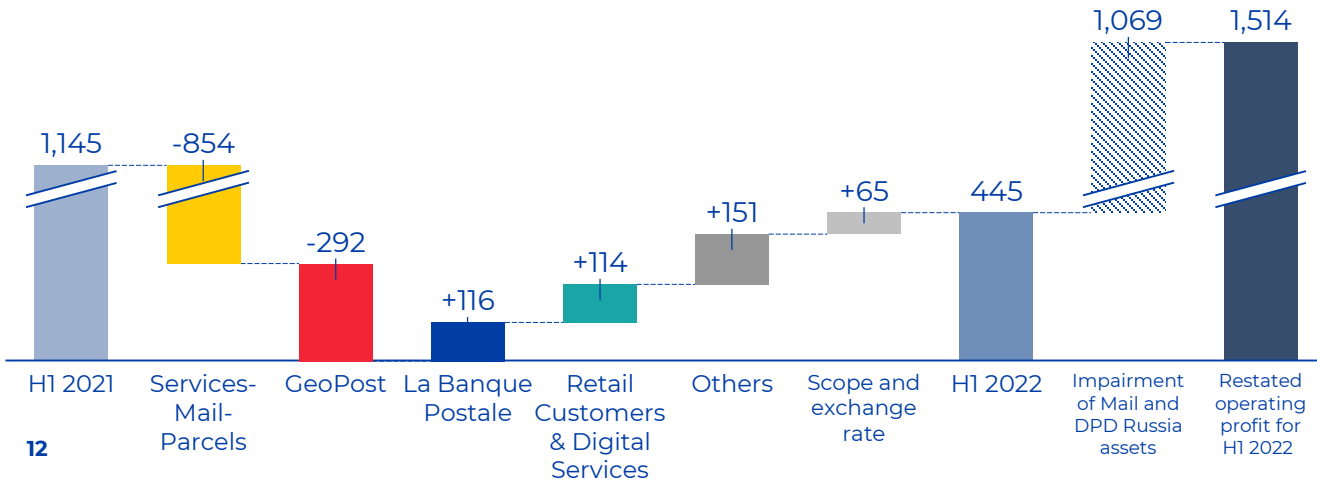


# La Poste Groupe

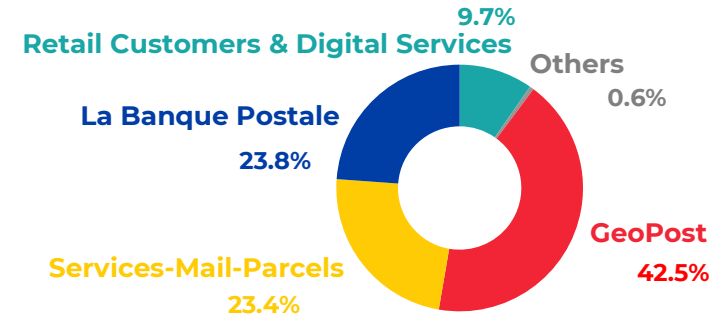
## Change in revenue



## Change in operating profit/(loss)



## External revenue by business line



- **Revenue was up by 3.7%** and by 1.4% on an organic basis (including €228 million in scope effects and €155 million in exchange rate)

### Accounting effects :

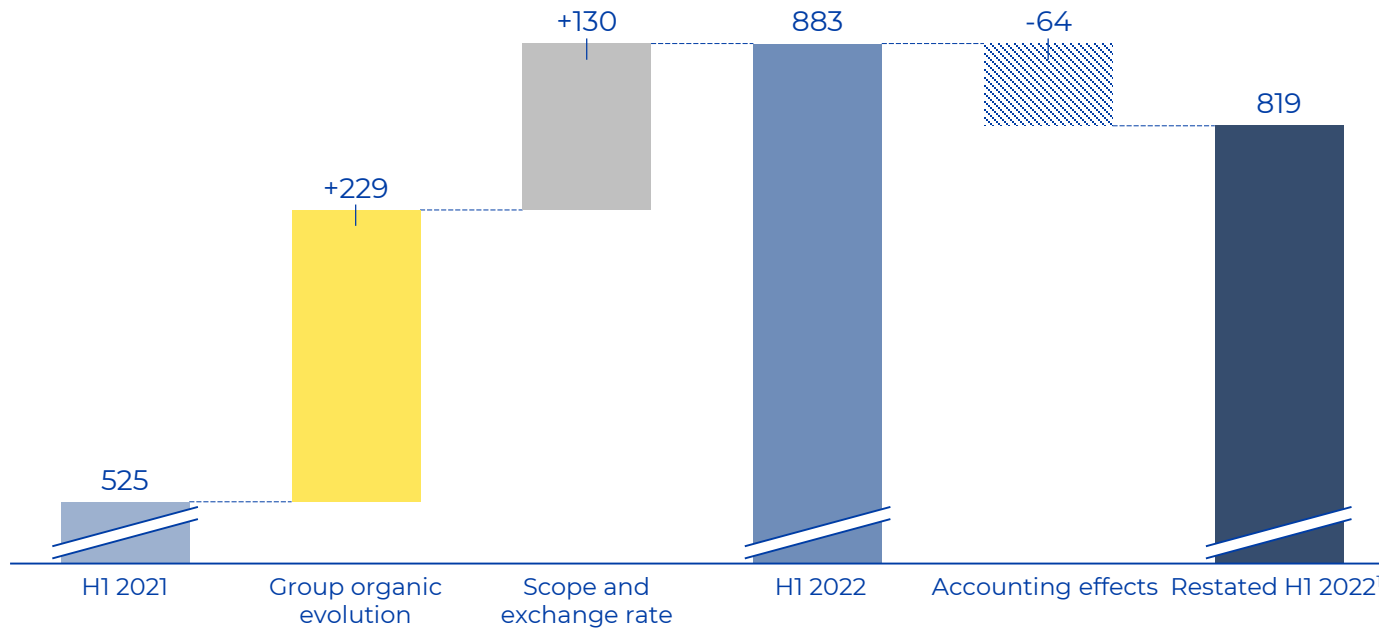
- Impairment of Mail assets with an impact on operating profit of €912 million
- Impairment of DPD Russia registered by GeoPost assets with an impact on operating profit of €157 million

Excluding these accounting effects, **the operating result stands at €1,514 million, an increase of €369 million**



# La Poste Groupe

## Change in net profit Group share



Accounting effects are as follows:

- Impairment of Mail assets: -€682 million
- Impairment of DPD Russia assets: - €157 million
- Capitalisation of DTAs: +€903 million

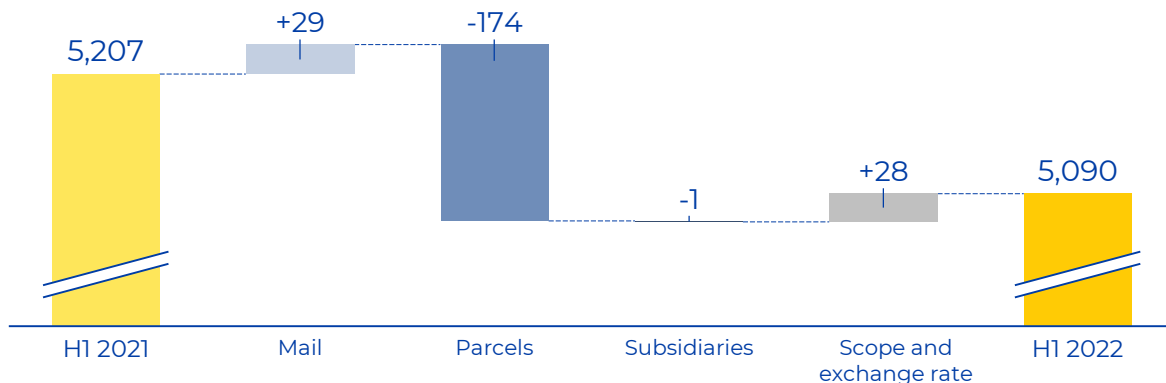
**Excluding accounting effects**, the net profit Group share amounted to **€819 million, up by €295 million**

<sup>1</sup>Excluding impairment of Mail assets and excluding impairment of deferred tax assets

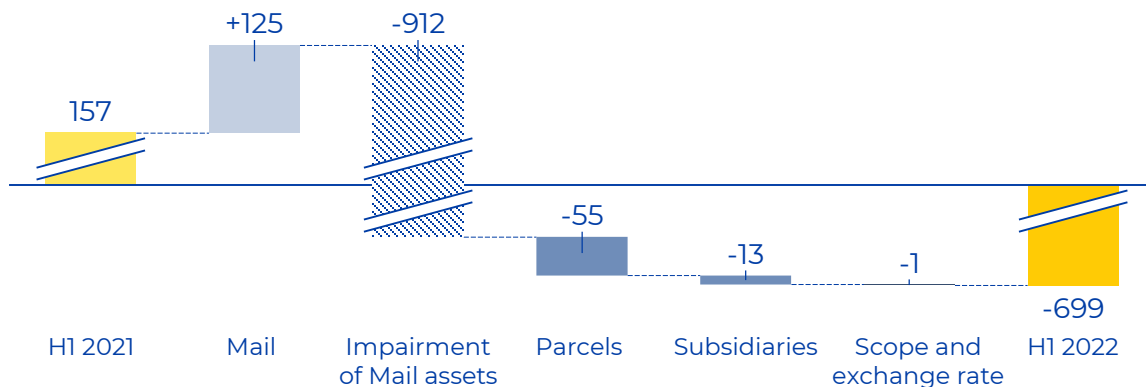


# Services-Mail-Parcels

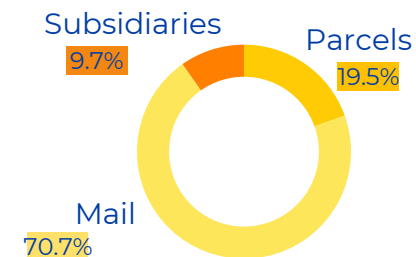
## Change in revenue



## Change in operating profit/(loss)



## Breakdown of revenue by division



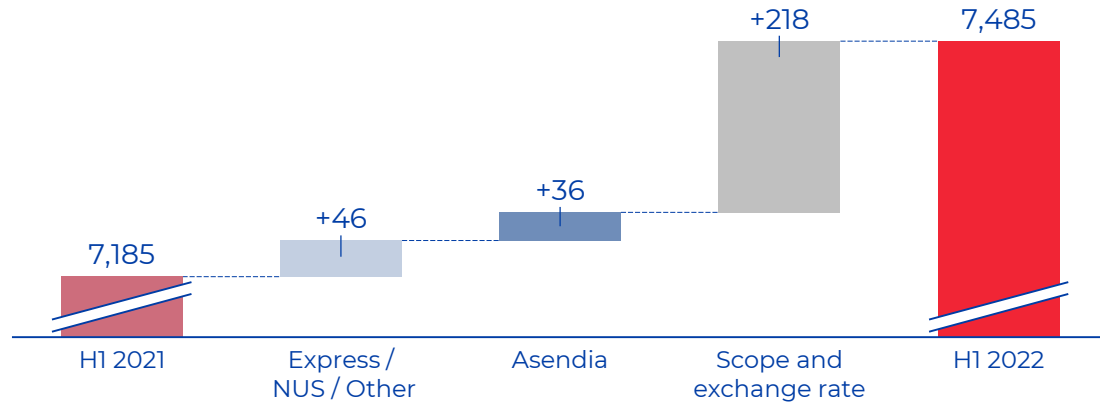
**Change in revenue** :-2.2% and -2.8% on an organic basis

- Decrease in **Corporate Mail** volumes: -7.3% at equivalent working days partially balanced by a positive price effect
- €152 million contribution granted by the French State to improve the deficit of the Universal Postal Service
- Decrease in **Parcel** volumes processed: -20.3% on an equivalent working day basis resulting from the difficult base effect due to the health crisis in H1 2021
- Impairment of Mail assets with an impact on operating profit of -€912 million

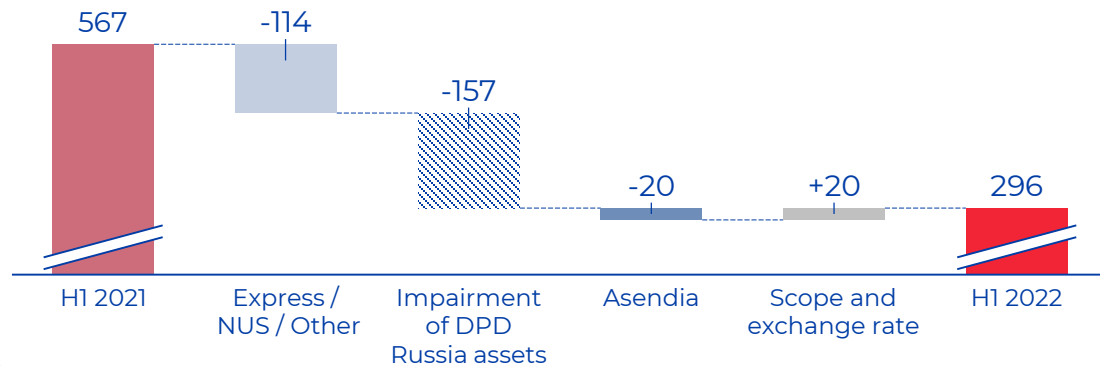


# GeoPost

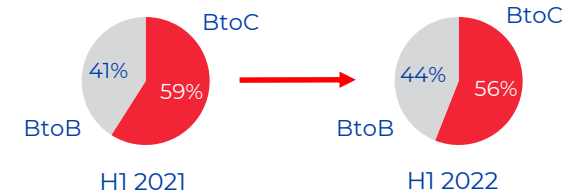
## Change in revenue



## Change in operating profit/(loss)



## Volume rebalancing in favour of BtoB

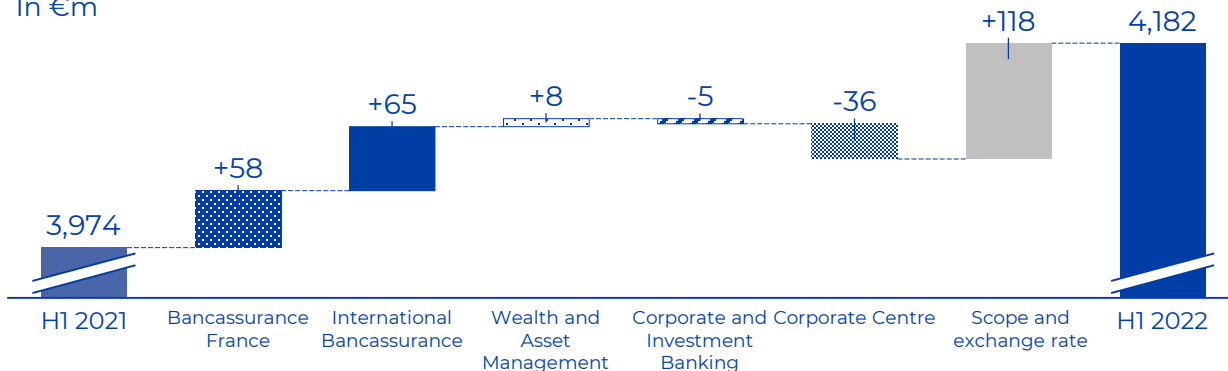


**Revenue growth: +4.2%** on a reported basis and +1.1% on an organic basis, despite the 4% organic decline in volumes

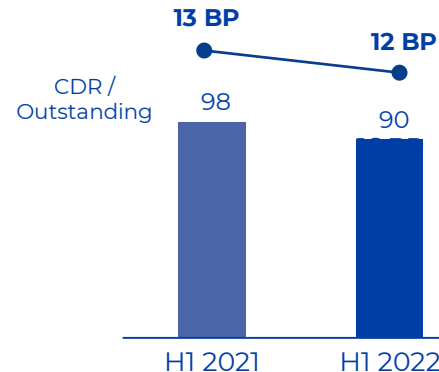
- Slowdown in BtoC activity (-8.4%) due to an unfavorable base effect linked to the confinement of H1 2021
- Partially offset by rate increases and fuel surcharges
- Impairment of DPD Russia assets for an amount of €157 million

## Change in net banking income

In €m

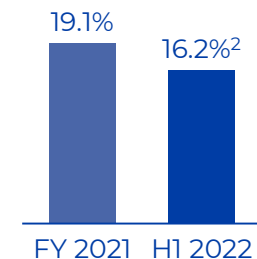


## Cost of risk



## CET 1

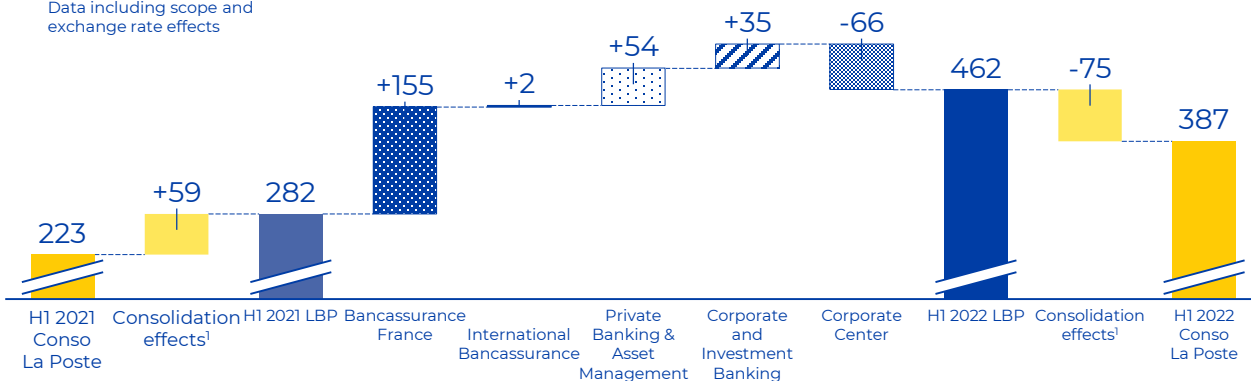
CET1 ratio



## Change in net profit Group share

In €m

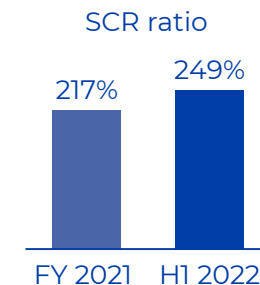
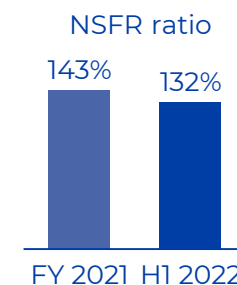
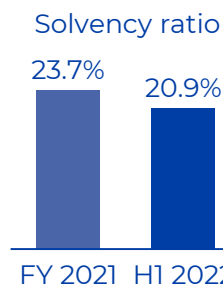
Data including scope and exchange rate effects



## Solvency and liquidity

### La Banque Postale

### CNP Assurances



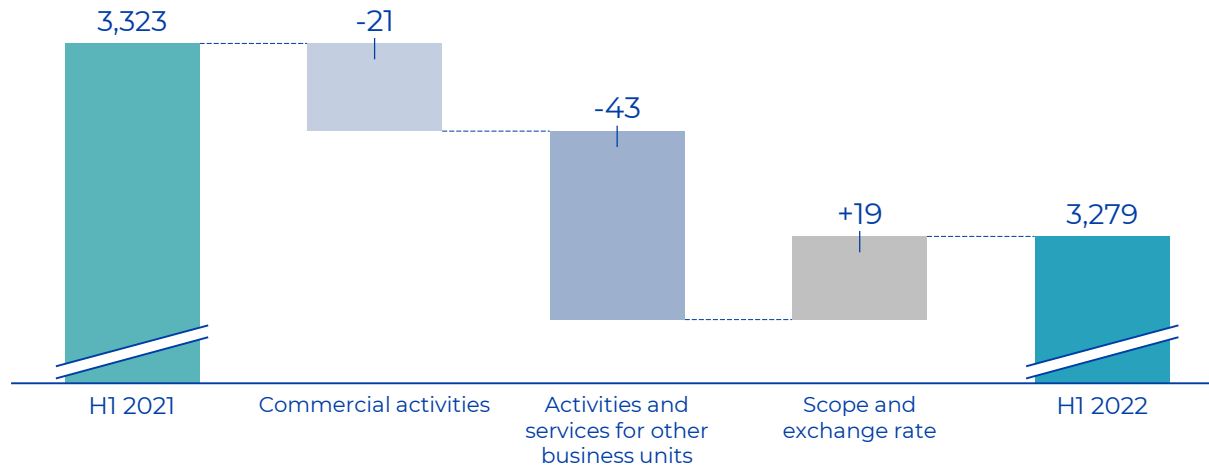
<sup>1</sup> Mainly due to capitalisation of the deferred tax assets

<sup>2</sup> ie. a margin of 7.8 percentage points above the regulatory requirement set at 8.380%

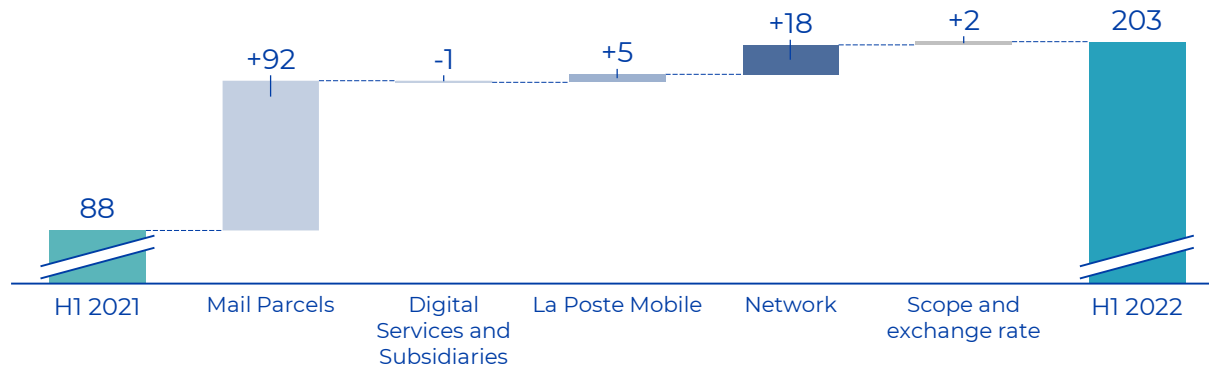


# Retail Customers & Digital

## Change in **revenue**



## Change in **operating profit/(loss)**



- **Revenue down by 1.3% and by 1.9%** on an organic basis
- Decrease in revenue from commercial activities of €21 million including
  - a €21 million decrease in Retail Customers Mail and Parcels activities
  - a €10 million increase of Digital activities
- Decrease of €43m in revenues from other activities and services, reflecting good cost control
- **Increase in operating profit at constant scope exchange rate: €114 million**
- €87 million contribution granted by the French State to improve the deficit of the Universal Postal Service

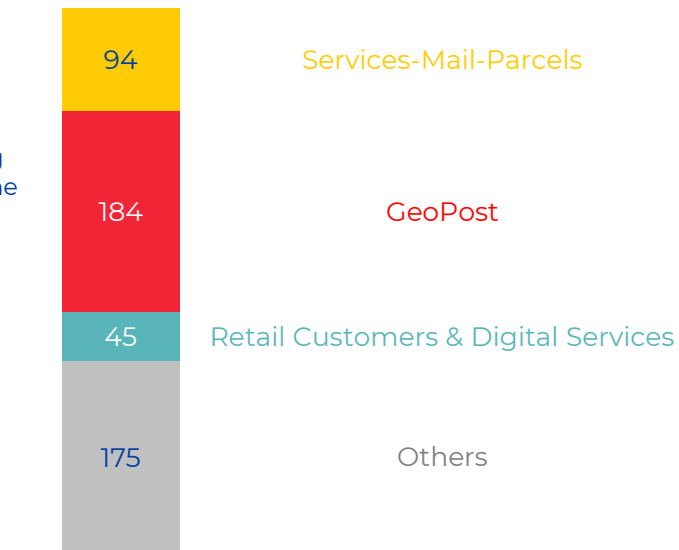
# Investments (excluding La Banque Postale)

**€1.1 billion**

## Internal investments

**€498 million**

- Continued development of the industrial and IT master plan for Parcels
- Development of Express and delivery processing capacity (construction of depots, expansion of the distribution network and development of new services)
- Continued digitisation
- Vehicle acquisition



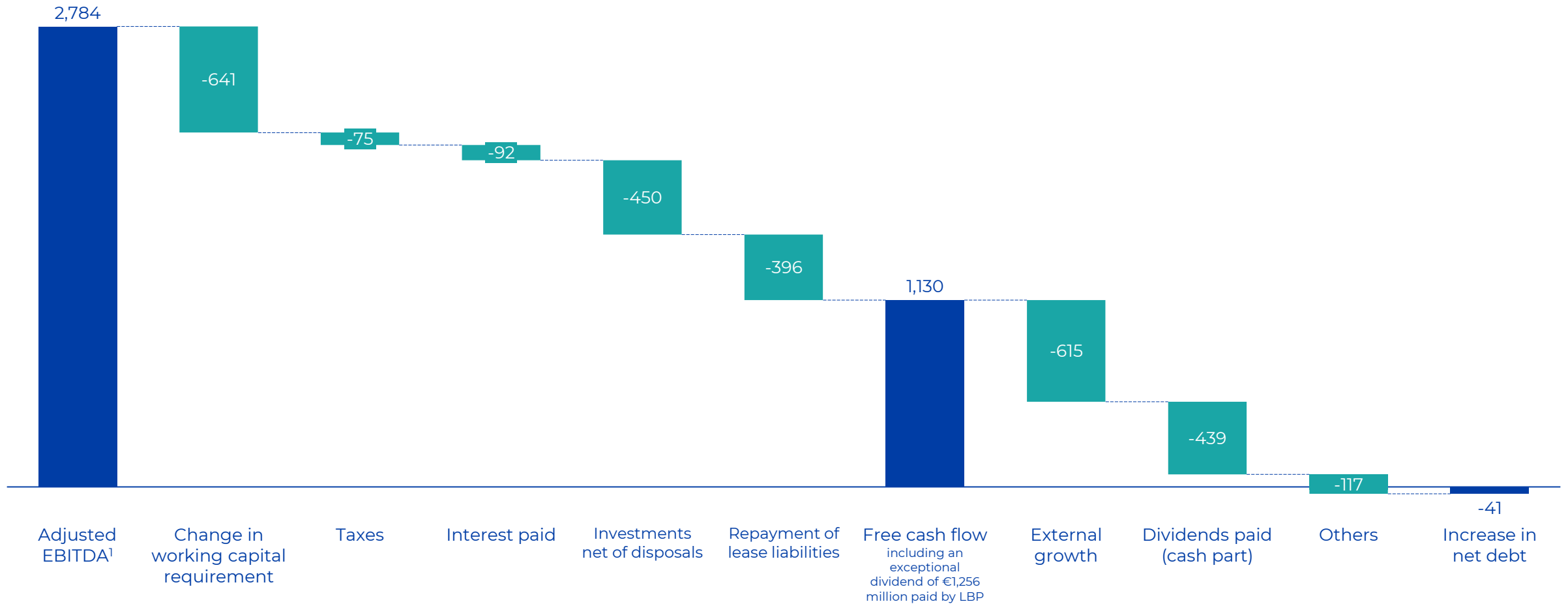
## External growth

**€615 million**

- Acquisition of CitySprint, specialised in the express transport of same-day deliveries
- Takeover of Scalefast, a global e-commerce solutions provider
- Increased stake in Aramex (+3%) to 28%

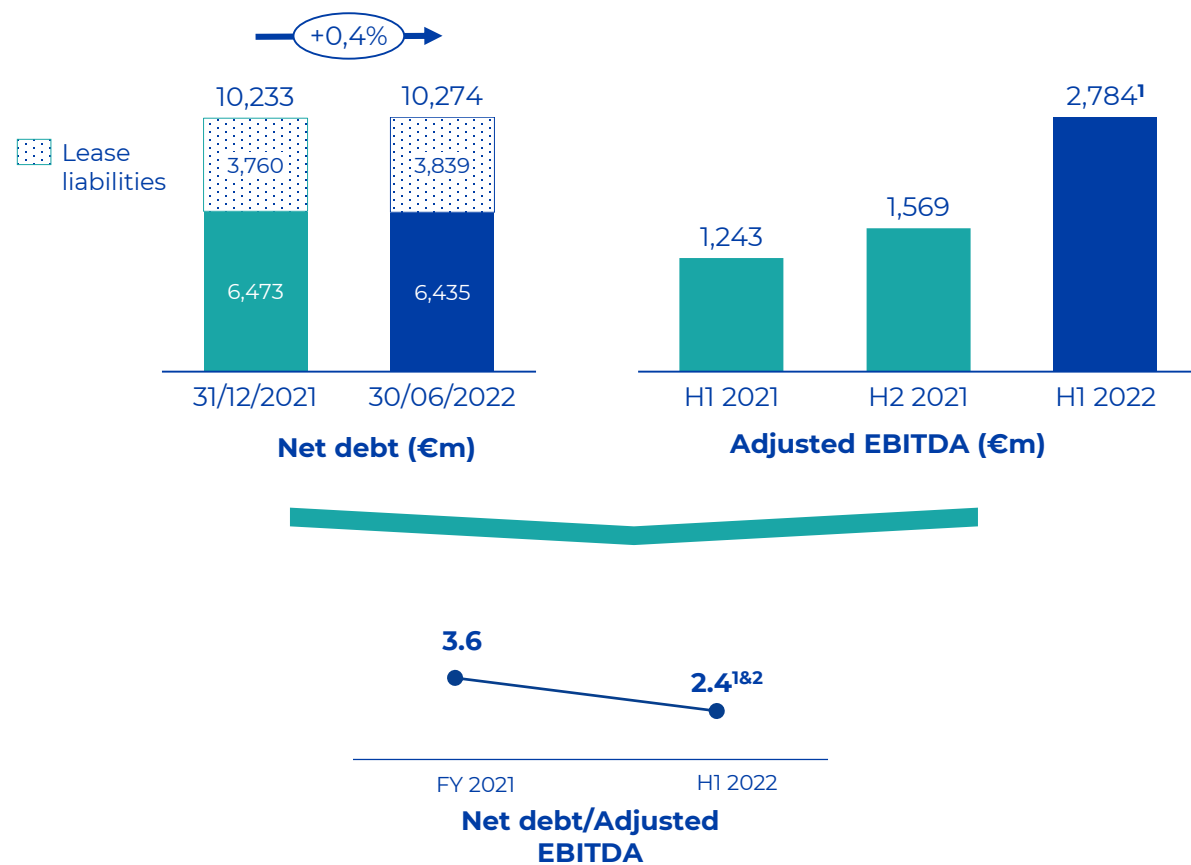


# Change in net debt



<sup>1</sup> Adjusted EBITDA comprises all operating revenue within the scope of consolidation, La Banque Postale excluded, less running costs and personnel expenses, excluding allocations to end-of-career benefits. To this is added the dividends received from equity associates and dividends received from La Banque Postale during the period relating to the previous year's results.

# Balance sheet structure and credit rating



**S&P Global**  
Ratings

**A+/A-1**  
Stable outlook

Rating upgraded to A+ on 4 November 2021

**Fitch Ratings**

**A+/F1+**  
Stable outlook

Outlook revised to Stable on 7 December 2021

1 Including exceptional dividend paid by LBP  
2 Over a rolling 12-month period

**Press relations:**

Virginie Gueidier

[virginie.gueidier@laposte.fr](mailto:virginie.gueidier@laposte.fr)

**Investor relations:**

Stéphane Dalla Sartora

[stephane.dalla-sartora@laposte.fr](mailto:stephane.dalla-sartora@laposte.fr)

**Financial Communication:**

Annie Dupeyron

[annie.dupeyron@laposte.fr](mailto:annie.dupeyron@laposte.fr)