

Le Groupe La Poste FY 2020 Results 2030 Strategic Plan

25 February 2021



Agenda



Key figures and highlights of 2020

Philippe Wahl, Chairman and CEO

Presentation of FY 2020 consolidated accounts

Yves Brassart, Executive VP in charge of Finance and Development

Strategic Plan – La Poste 2030, committed to you

Philippe Wahl, Chairman and CEO





Key figures and highlights of 2020

Philippe Wahl, Chairman and CEO



2020 Key Figures



Operating Revenue

€31.2bn

+20.0% and +4.4% at constant scope and forex



Operating Profit¹

€3.1bn

vs. €889m in 2019
-€1.3bn excluding CNPA integration

Net Profit Group Share

€2.1bn

vs. €822m in 2019
-€1.8bn excluding CNPA integration



Free Cash Flow²

-€510m

vs. €223m in 2019

Net Debt³

€8.8bn

vs. €6.5bn in 2019



Equity³

€18.2bn

vs. €12.6bn in 2019

Debt/Equity ratio³

0.48x

vs. 0.51x in 2019

1) After the share of net income from Associates
2) Free Cash Flow (ex Bank) = operating cash flow – purchases of property, plant and equipment and intangible assets net of disposals – net interest paid – repayment of lease liabilities
3) Group's debt doesn't take into account banking activities, for which this concept is not relevant



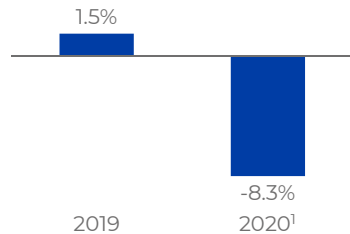
2020 Key Highlights

An adverse macroeconomic environment



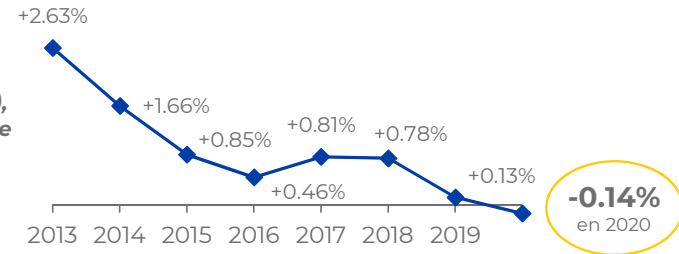
An economy strongly marked by the health crisis in 2020

Yearly average evolution of GDP in France



Continued low interest rates, now negative (10-year OAT)

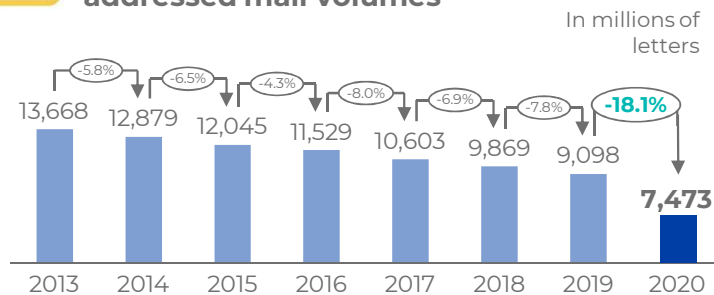
OAT (10 years), yearly average



Structural trends emphasized by the crisis



Accelerated drop of addressed mail volumes

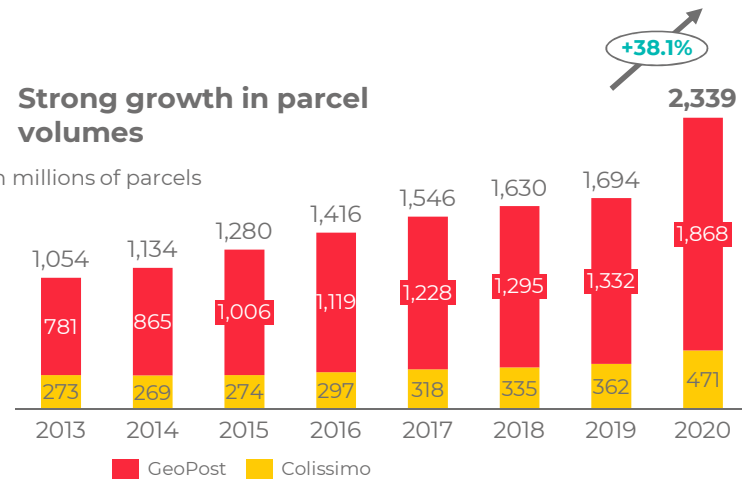


-1,625M of letters between 2019 et 2020



Strong growth in parcel volumes

In millions of parcels



+645M of parcels between 2019 and 2020

1) INSEE: quarterly national accounts- 1st estimate of the GDP which will be consolidated in the 2020 provisional annual account as at end-May 2021
2) Restated for the Business Days effect

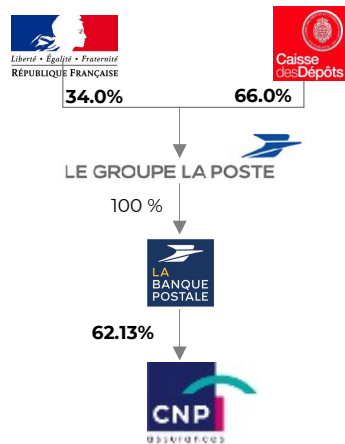


2020 Key highlights



Alliance between La Poste and CDC and between La Banque Postale and CNP Assurances: creation of the large public financial unit and cooperation on 5 industrial projects

As at 4 March 2020



- **La Banque Postale** becomes a major **bancassurer**
- **Cooperation** on 5 **industrial projects** (regional divide, urban logistics, silver economy and services to individuals, energy and environmental transition, digital transformation)



Both the Group and postmen were strongly committed during the health crisis















- **Continuity of service** ensured
- **Adaptation** of all **organisations** and **processes**
- **Support** to the economy
- **Usefulness of La Poste** for the society
- Numerous **solidarity** actions



2020 Key highlights



Continued geographical expansion and business diversification

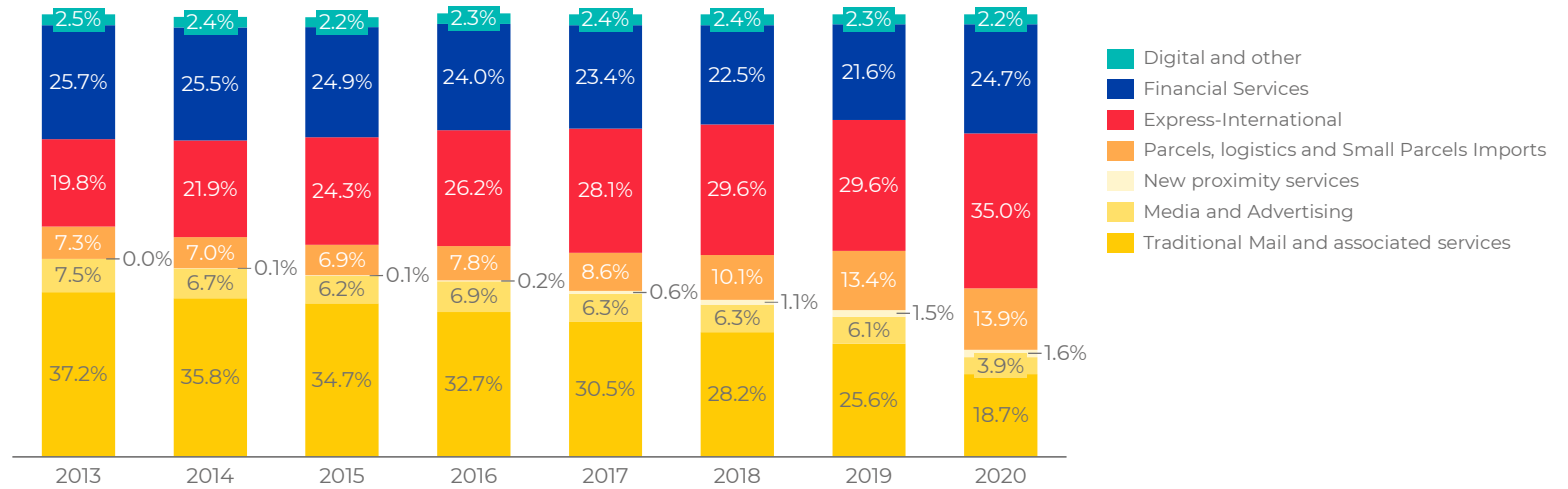
<p>Express parcels</p>	  <small>Global Logistics</small> 	<ul style="list-style-type: none"> • Takeover of BRT, the Italian parcel leader • 100% of Geis Parcel activities in Czech Republic and in Slovakia owned • Increased stake in Jadlog, a player in parcel delivery in Brazil, from 60% to 98% 	   
<p>La Banque Postale</p>	 <small>ASSURANCES IARD</small>  <small>ASSET MANAGEMENT</small>	<ul style="list-style-type: none"> • Acquisition of the 35% stake held by Groupama in La Banque Postale Assurances IARD, now fully owned • Combination of fixed-income and insurance-related asset management activities with Natixis, within Ostrum AM (45%-held by LBPAM) 	
<p>Digital</p>		<ul style="list-style-type: none"> • Strengthening of digital expertise with the acquisition of AR24 	
<p>Silver</p>		<ul style="list-style-type: none"> • Takeover of Nouveal e-santé in-home-based health services, leader in the digitalisation of the patient path 	



2020 Key highlights

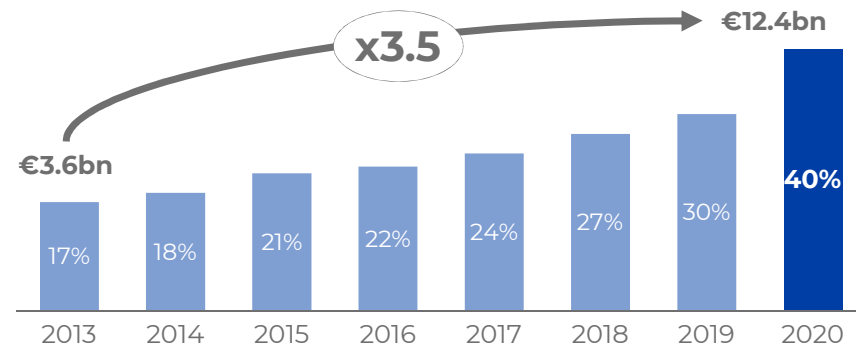


Share of traditional mail now below 20% of the Group's operating revenue



Share of international revenues now at 40%

Growing share of international activities in the Group's operating revenue



Group social policy as a transformation lever for the Group



Training and professional development

- **80% of postmen** trained during the year
- **37,835 postmen trained** in the two institutes of the Group (Institute for management et Institute for development)
- **46,313 postmen** followed a qualifying path between 2015 and 2020
- **More than 15,000 postmen** benefited from a professional evolution in 2020
- **30,000 postmen promoted** thanks to the 2017 postmen agreement



Social dialogue

- **14 new national agreements¹**, with significant **commitments** to protect postmen's health and support them, of which:
 - **100%-secured compensation** for postmen in partial activity (vulnerable people and child care)
 - **agreement on housing** (continuity of existing measures and new offers for postmen according to their situation)
 - agreements related to forward planning of employment, of which an agreement designed to facilitate the **integration of young people** and **senior employment**



Health and quality of life at work

- From the start of the pandemics, priority has gone to ensuring health and safety for **all postmen**
- **40,000 postmen** have been teleworking during the health crisis
- **196 million euros** allocated in 2020 to social activities



An acknowledged and multi-awarded socially responsible commitment



Le Groupe La Poste ranks **#1 worldwide**, across all sectors, among corporates assessed by Vigeo Eiris.

La Banque Postale ranks **#1 worldwide** among « Retail and specialised banks » assessed by Vigeo Eiris.

Le Groupe La Poste ranks **#1 worldwide** among Airfreight and Logistics corporates assessed by Sustainalytics.

La Banque Postale ranks **#1 in France** and **#3 worldwide** among banks assessed by Sustainalytics.



Ecological transitions

- A **100%** carbon-neutral Group
- Accelerated deployment of urban logistics: Urby in **17** large cities
- Committed for air quality:
 - **-52%** of fine particles' emissions
 - **-55%** of Nox emissions (2015-2020)
- Mobilised assets:
 - **18,746** electrical vehicles
 - **48** solar plants and **10** self-consumption energy projects (6 GWh/yr)



Social and local cohesion

- **97.1%** of the French population lives less than 5km and 20min by car from a La Poste contact point
- LBP granted more than **€15bn** of financings to 2,500 local authorities (modernisation and environmental transition)
- **84%** of La Poste suppliers are **SMEs**
- More than **500,000** direct, indirect or induced **jobs** supported in France
- **8,000** part-time working and studying students and interns, **11%** of which come from **priority neighbourhoods**, i.e. almost twice the national average



Ethical and responsible digital activities

- **100%** of data hosted in Europe, all servers in Europe
- **La Poste, a player for digital inclusion :**
 - **11,000** people supported following detections led in 500 post offices in priority urban neighbourhoods
 - **80,000** customers helped in their online administrative formalities
 - **c.41,000** students and **27,000** institutions accompanied during the Covid crisis thanks to the "Homework at Home" application





Presentation of FY 2020 consolidated accounts

Yves Brassart, Executive VP in charge of Finance and Development



Consolidated P&L account

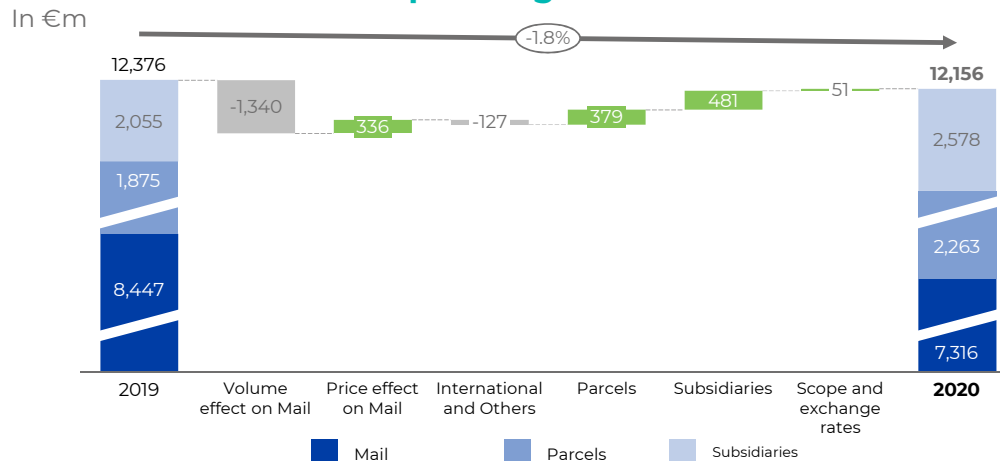
In €m	2019	2020	Impact of the initial recognition of CNP Assurances shares ¹	Variation At constant scope and forex
Operating Revenue	25,983	31,185		+1,148
Operating Profit²	889	3,149	3,007	-2,277
<i>Operating Profit² excluding CNPA</i>		<i>-1,263</i>		
Financial profit	-225	-243		-5
Income tax	-134	-880		-338
Share in profits of associates	305	635	594	-18
Minority interests	-13	-576		-65
Net Profit Group share	822	2,084	3,600	-2,702
<i>Net Profit Group share excluding CNPA</i>		<i>-1,823</i>		





Services-Mail-Parcels business unit

Operating Revenue

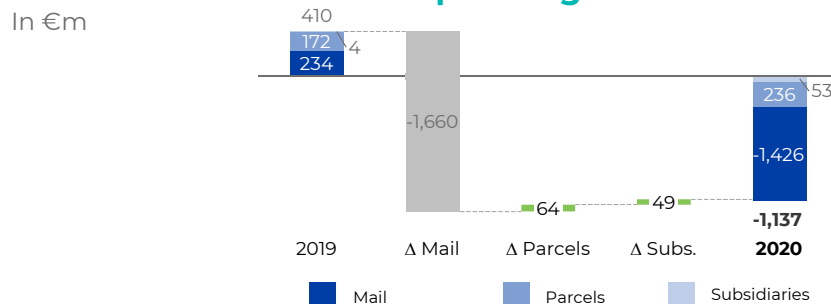


Key Highlights

Operating revenue: €12.2bn, -1.8% and -2.2% at constant scope and exchange rates

- **Scope effects at +€51m** related to the integration of EDE (acquired end-2019) and disposal of VLC
- **Mail:** -13.4% as a result of strong negative impacts from the crisis on **volumes (-18.1%)**, partially offset by the **tariff increase (+4.8%)** on average
- **Colissimo:** +20.1% thanks to volumes growth of **+28.8% driven by e-commerce burst** (471m of parcels delivered)
- **Subsidiaries:**
 - **Asendia:** +51% at constant scope and forex, buoyed by e-commerce growth and its subsidiary **eShopWorld (+78%)**
 - **La Poste Silver:** +9.1%, +4.9% in organic terms

Operating Profit



Operating results: -€1.1bn

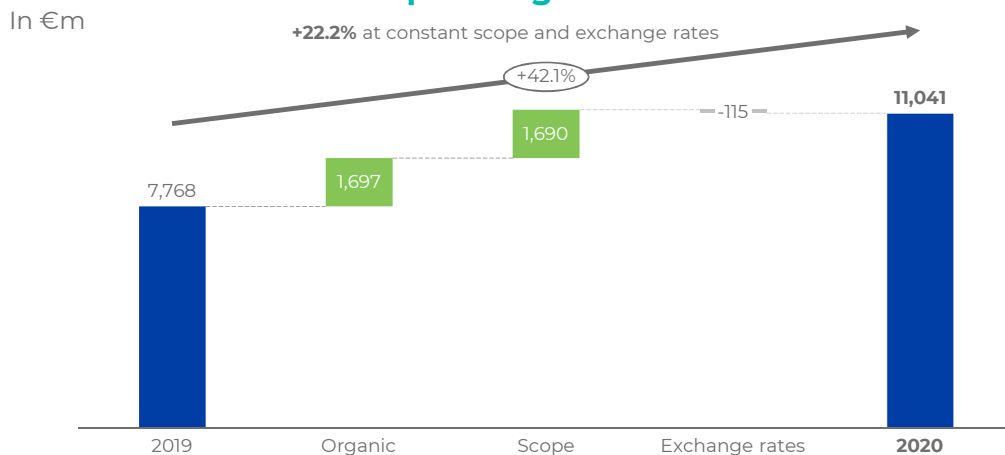
- **Mail: -€1,7bn**, down sharply mainly in relation with the health crisis, of which -€900m of assets depreciation
- **Parcels: +37.2%** related to the strong growth in volumes, which was absorbed thanks to the investments made in the parcel industrial system over the past two years
- **Net Covid impact: -€1,334m**



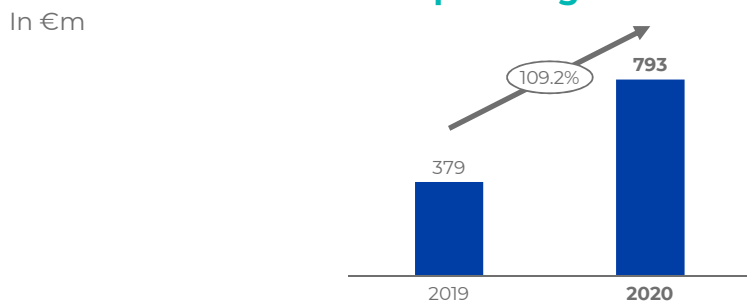


GeoPost/DPDgroup

Operating Revenue



Operating Profit



Key Highlights

Operating revenue: €11.0bn, +42.1% and +22.2% at constant scope and exchange rates

- Scope effect: mainly BRT (revenues: €1.5bn)
- Exchange rates effect: primarily Brazilian real, rouble, British pound
- Strong **organic growth** driven by **volumes (+23.6%)**, induced by e-commerce boost
- High volumes growth **across all countries**, of which UK+38.5% / Chronopost in France: +12.9% / Germany: +12.8% / Benelux: +40.2% / Russia: +31.9% / Poland: +25.6%
- **Strong evolution towards BtoC**



Operating results: €793m, +86% at constant scope and exchange rates

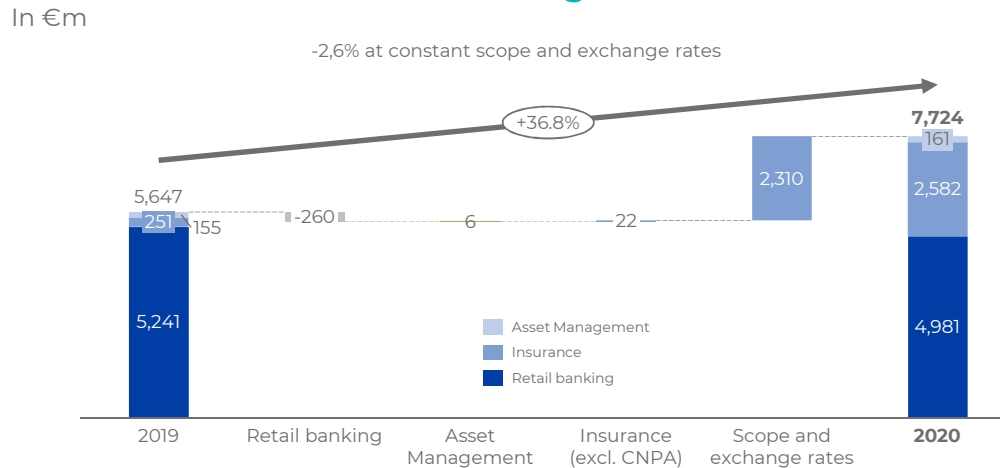
- Growth in relation with sales growth
- Good absorption of fixed costs in connection with volumes increase
- **Net Covid impact: +€197m**





La Banque Postale

Net Banking Income



Key Highlights

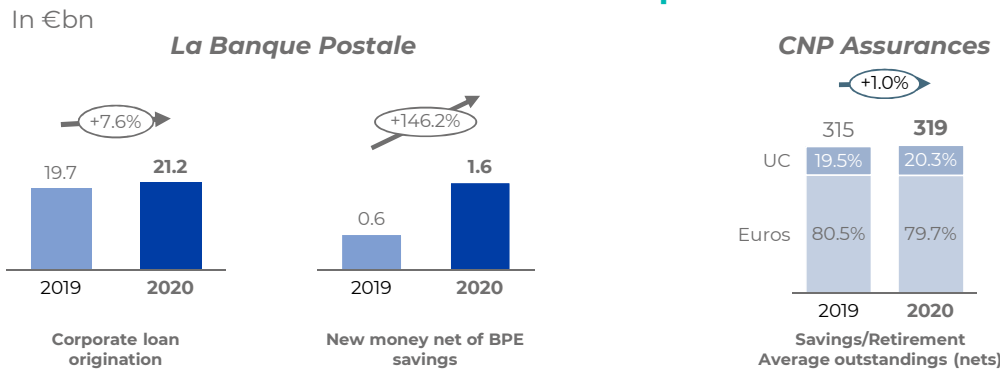
Net Banking Income: €7.7bn, +36.8% and -2.6%¹ at constant scope and exchange rates

- **Retail banking: €5bn**, -3.3%¹: lower net interest margin (-8%¹) related to lower interest rates and to the Covid crisis, partially offset by commissions' growth (+3.9%)
- **Insurance: €273m** excl. CNPA (and **€2.6bn** with CNPA)
 - **Life insurance** (CNPA): stable, cf. focus below
 - **Non-life insurance** (excl. CNPA): **+9%** thanks to the good performance of IARD (growth in the number of contracts)
- **Asset Management: €161m**, +3.6% in relation with the management fees increase

Focus on CNP Assurances²:

- **Retirement savings:**
 - **Development of Units in France** (26.6% of the total vs 19.8% as at end-2019) and in Europe: 76.7% (driven by Unicredit Vita) vs 65.6% in 2019
 - **Multi-partner development in Brazil** with new distribution agreements (Caixa, Correios)
- **Personal risk and Protection:**
 - **France:** good dynamics of the new borrower offers (protection)
 - **Europe:** lower borrower activity
 - **LatAm:** growth of the Brazilian subsidiary, now the market leader

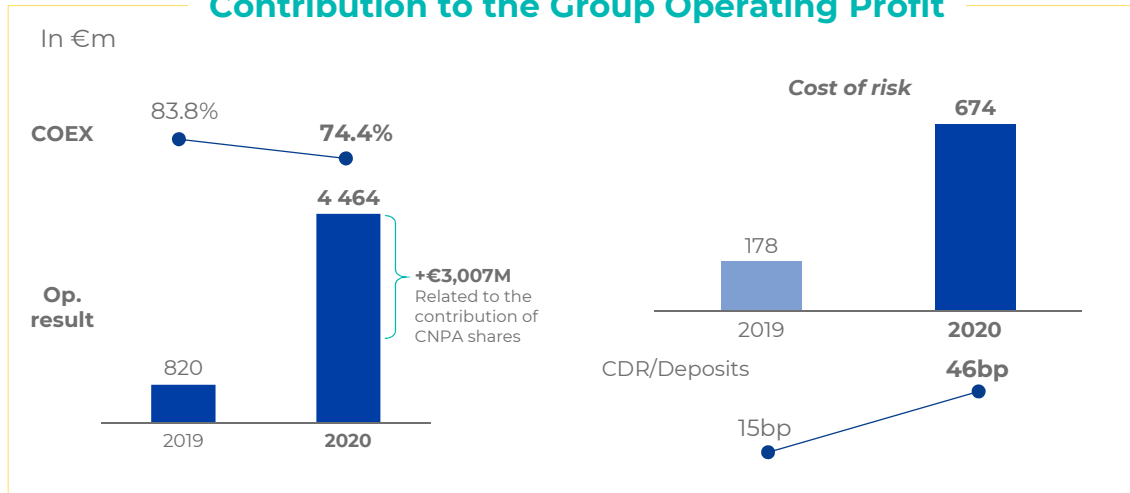
Commercial Development





La Banque Postale

Contribution to the Group Operating Profit



Key Highlights

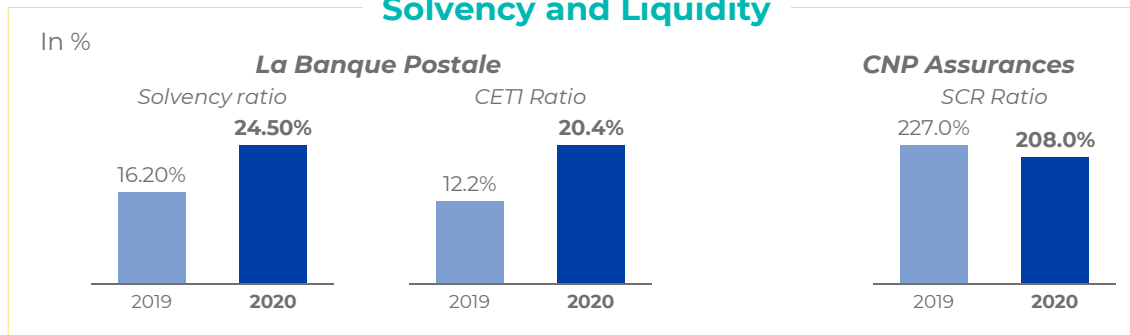
Contribution to Group operating profit: €4.5bn and €51.6m excluding CNP Assurance (of which €3bn impact from the 1st consolidation of the CNPA shares)

- **Growing** despite the health crisis impact, thanks to CNPA integration
- Higher **management expenses** excluding scope, mots of it related to a one-off declassification of intangible assets hiding the **cost control efforts**
- **Higher cost of risk** of €496m, primarily attributable to the Covid crisis (specific provision of €455m)
- **Cost/income ratio:** 74.4% vs 83.8% in 2019, better operating efficiency under the effect of CNPA integration
- **Net Covid impact:** -€807m

Financial structure:

- **CET1 ratio:** 20.4%, + 8.2pts as compared to 2019, thanks to the integration of CNP Assurances. Level well above the minimal requirement of 8.375% set by the ECB
- **SCR ratio:** 208.0% vs 227.0% in 2019, slight decrease related to unfavourable markets variations (mainly the decline in 10-years interest rates)

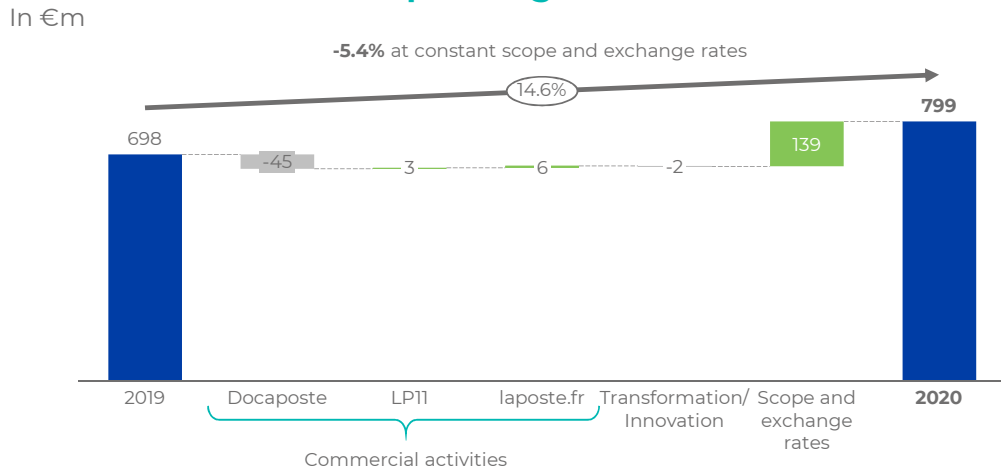
Solvency and Liquidity



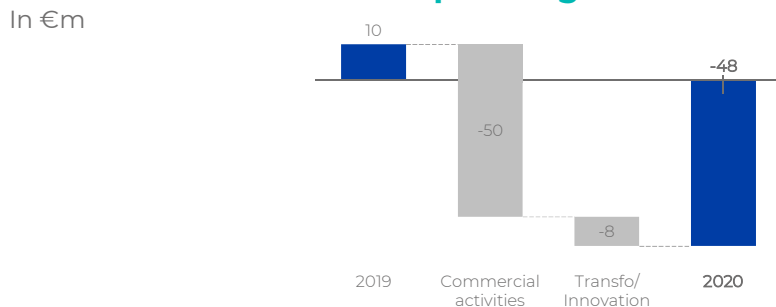


Digital business unit

Operating Revenue



Operating Profit



Key Highlights

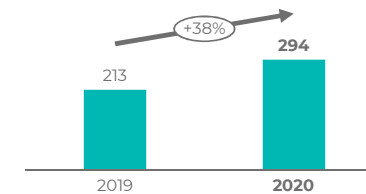
Operating revenue: €799m, +14.6% and -5.4% at constant scope and exchange rates

- **Docaposte:**

- +17.9% thanks to scope effects (acquisition of Softeam, Arkhinéo and Icanopée)
- Organic performance affected by the closure of customers sites, the significant bank checks volumes decrease and the production conditions

- **LP11 (Mediapost Communication):** +7.7%, thanks to the Marketshot activities performance in telecommunications and energy

- **Laposte.fr: +38.0%** (strong online sales progression), 3 million new customers in 2020 (+85% vs. 2019)



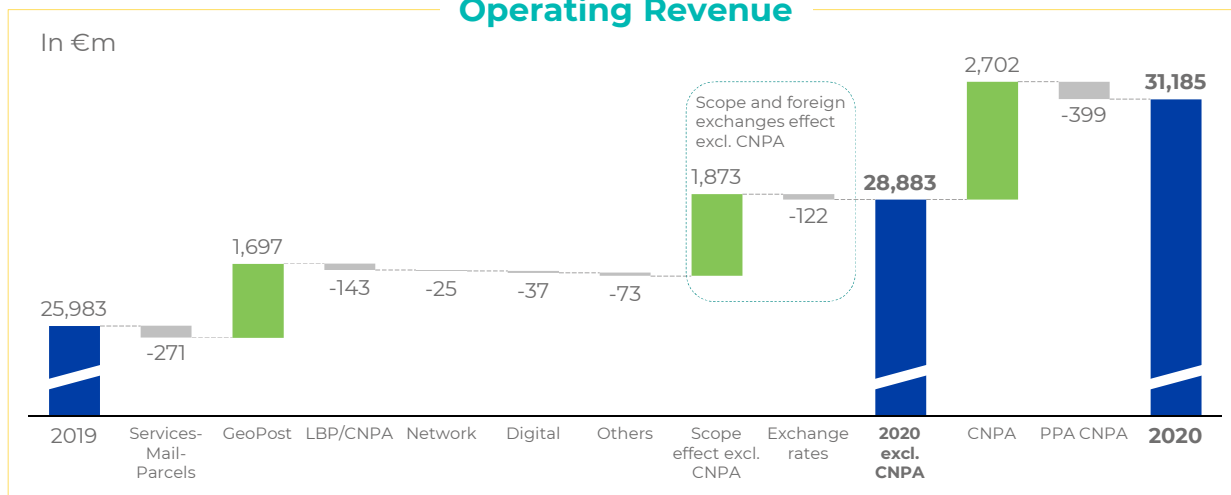
Operating profit: -€48m

- Decrease in relation with the health crisis
- **Net Covid impact: -€41m**



Le Groupe La Poste

Operating Revenue

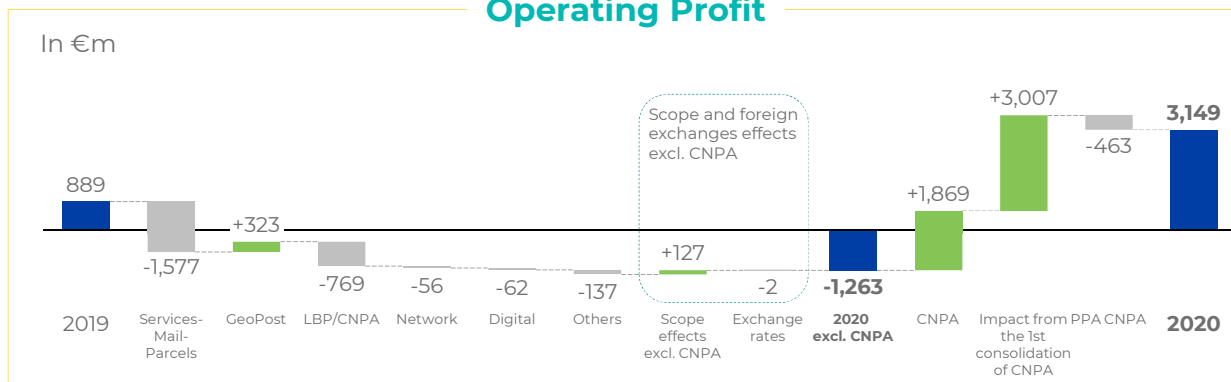


Key Highlights

Operating Revenue: €31.2bn, i.e. +20.0% and +4.4% at constant scope and exchange rates

- **€4.2bn of scope effects:**
 - La Banque Postale (€2.3bn)
 - GeoPost (€1.7bn)
 - Digital (€139m)
- **More marginal foreign exchanges effects of -€122m** (of which -€36m on Brazilian real, -€24m on rouble, -€23m on British pound)

Operating Profit



Operating Profit: €3.1bn and -€1.3bn excluding CNPA integration vs €889m in 2019:

- +€4.4bn from the integration of CNPA (of which +€3.0bn from the first consolidation of CNP Assurances shares¹⁾)
- +€127m of foreign exchange effects excluding CNPA
- -€2m of foreign exchanges effects
- **Net Covid impact: -€2.0bn**

Consolidated P&L account

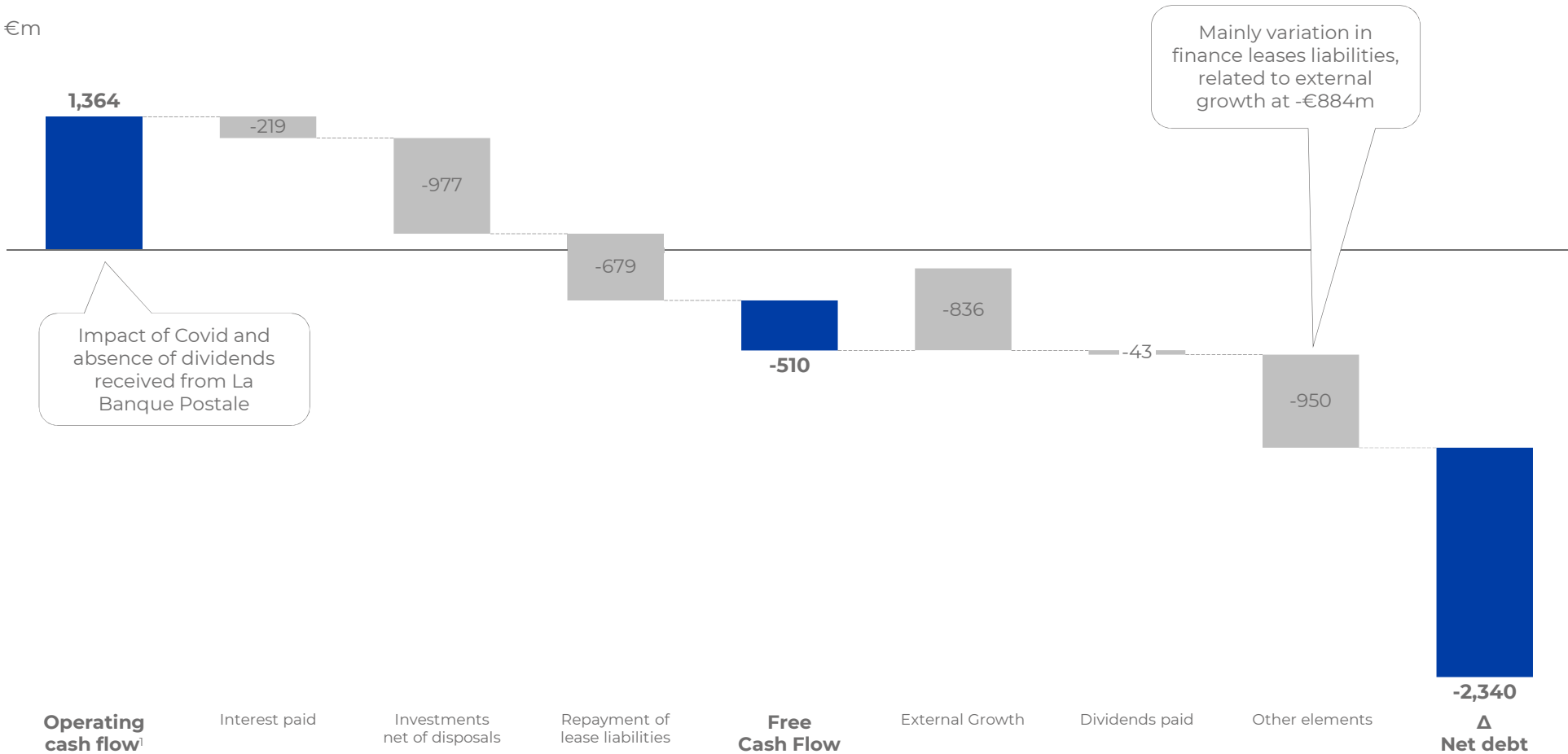
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Variation in net debt

In €m



1) Group debt doesn't take into account banking activities for which this concept is not relevant
 2) Gross tangible and intangible investments excluding banking activities: €1,083m, tangible and intangible assets disposals: €106m.

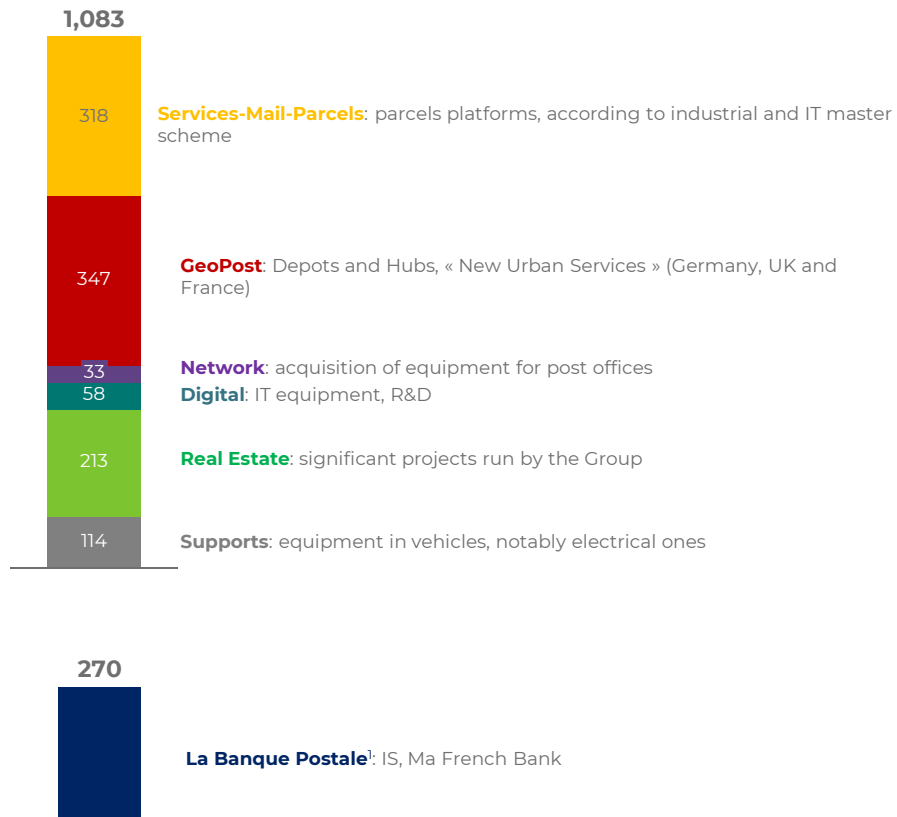




Investments and external growth

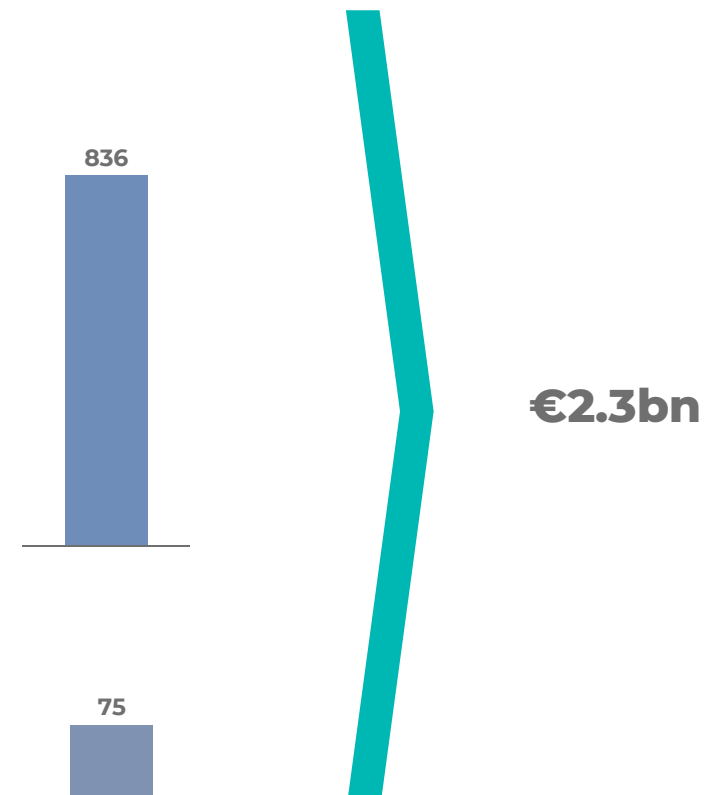
Investments

In €m



External growth

In €m

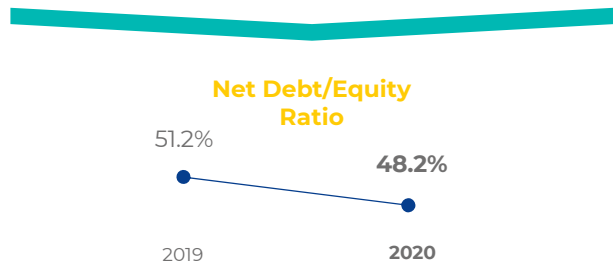
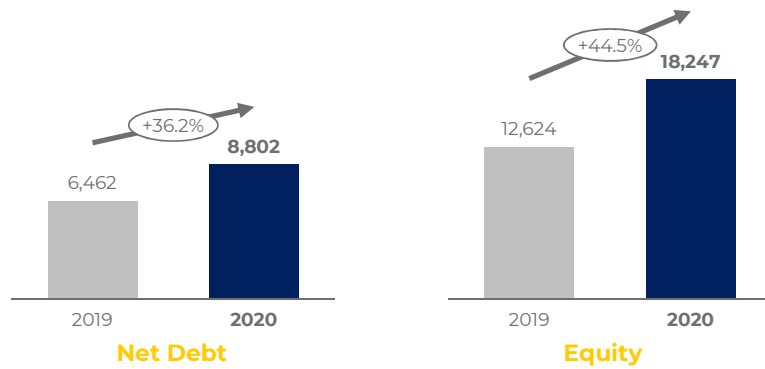




Balance sheet structure and ratings

Net Debt¹/Equity

In €m



Notation

Standard & Poor's

A / A-1 Stable

Last confirmation: March 2020

Fitch

**A+ / F1+
Negative**

Last confirmation: December 2020



Strategic Plan :

La Poste 2030, committed to you

Philippe Wahl, Chairman and CEO



Context and Purpose

The former **“La Poste 2020: conquering the future”** strategic plan succeeded in diversifying rapidly our activities, faced with the drop in Mail: the share of Mail in our operating revenues went from 37% in 2013 to 18.7% in 2020, whereas our operating revenues went from €21.7bn in 2013 to €31.2bn in 2020.

La Poste ability to transform itself has been proven, thanks to **the commitment of postmen and women**, but **the Group is facing an even more difficult than anticipated environment**.

We must continue to transform ourselves in order to **reach a self-carrying economic model** for Le Groupe La Poste and for each of our activities.

Some opportunities to seize:

- A public financial entity and synergies with La Caisse des Dépôts et Consignations and its subsidiaries
- E-commerce growth,
- Request for more proximity,
- Increased requirements for civic and environmental responsibility,
- Acceleration of digital transformation,
- Need for digital safety and trust,
- Expectations for new services (senior citizens, environment, territories, fragile populations...),

While drawing on its 6 centuries of history, as well as on its founding and committing public service missions, Le Groupe La Poste has defined its Purpose and becomes a Mission-led company:

“At the service of everyone, useful to anyone, La Poste is a human and local proximity corporate that develops the exchanges and feeds the links that unite us while contributing to common goods of the entire Society”



2030 Ambition

After running a large participatory approach, which enabled to listen to more than 142,000 people (postmen, clients, partners, elected representatives, citizens, suppliers) on their expectations regarding La Poste today and in 2030, the Group set as ambition for the **“La Poste 2030, committed to you”** Strategic Plan to be:

**The first European platform for link and exchanges,
human and digital, green and civic,
at the service of all customers in all their projects,
and of the entire society in its transformations.**

Our objective is to be a corporate with profitable growth:

- comfort the base of our activities,
- accelerate the development of our growth engines
- build tomorrow’s growth in each of our activities.

This 2030 ambition crosses our 5 activities:

Logistics: mail, parcels, services to e-commerce

Bank insurance

Digital services of trust

Human proximity services, of which silver-health

Distribution network

To reach this ambition, **7 priorities** are deployed within the Group and its business units.



La Poste 2030, committed to you

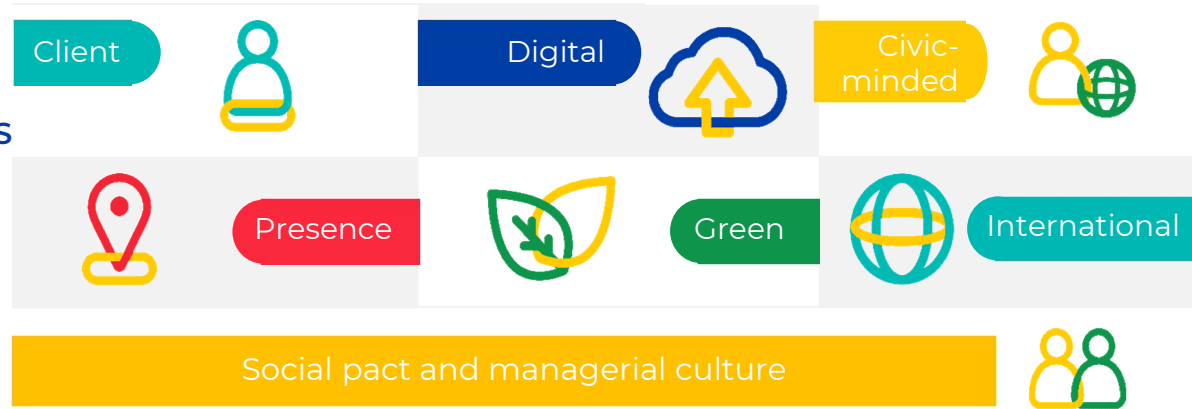
2030 AMBITION

Be the first European platform for contact and exchanges, human and digital, green and civic-minded, at the service of our customers in their projects and society as a whole in its transformations.

OBJECTIVE

Be a corporate with profitable growth, which successfully transformed itself into a sustainable economical model. La Poste strengthens the base of its activities, accelerates the development of its growth engines and builds tomorrow's growth.

PRIORITIES



BRANCHES' TRAJECTORY OF TRANSFORMATION AT THE SERVICE OF THE GROUP'S STRATEGY

Service Mail-Parcels

Network

Digital

La Banque Postale








GeoPost

Support and structure



Our Priorities for 2030

To achieve this ambition and reach our objective, La Poste in its entirety sets for itself the 7 following priority strategic axes :

Client		Strengthen the passion to serve the client at highest quality level , stay the client's preferred intermediary and conquer news customer base (pros, young people...).
Presence		Assert itself through a constantly increasing presence , thanks to the combined power of its physical, digital and human network , at the service of its clients and of its development
Digital		Accelerate the digital transformation , develop the digital trust services and contribute to digital inclusion .
Green		Commit as a corporate leader in ecological transformation and make it accessible to everyone .
Civic-minded		Become a corporate with a purpose which activity creates a positive impact for society , and give proofs of our civic-minded, social and societal responsibility .
International		Expand geographical boundaries by capturing international growth .
Social pact and managerial Culture		Le Groupe La Poste Strategic Plan will strengthen the pride to be a postmen, will introduce a new social pact , and a new organisation enabling agility.



Business units' transformation plans

<p>SMP</p>	<p>1st provider of human proximity services and services to e-commerce</p>	<ul style="list-style-type: none"> • Strengthen the future of our historic businesses: New Mail range of products, modernisation of Universal Postal Service, leader in relationship marketing • Provide all the firepower to e-commerce services by 2030: double Colissimo activity (1bn parcels), triple proximity services (€1bn in rural and urban logistics) • Change in dimension for proximity services: €1.1bn in Silver economy and Health around Home, €800m in housing energy efficiency, circular economy and knowledge of the territories
<p>Network</p>	<p>The multi-activities, digital and human network, with a banking priority.</p>	<ul style="list-style-type: none"> • Formats for contact points redesigned to facilitate physical and digital paths • Development of external partnerships and postmen synergies • Customer experience adapted to local specificities
<p>Digital</p>	<p>3 themes for value creation: Technology and AI Data, Platforms, and Digital Trust</p>	<ul style="list-style-type: none"> • Develop 100 AI Data projects, consolidate the infrastructures (Datalake) and develop their internal use • Build the end-to-end omnichannel paths and a shipping platform (Group offers as well as external offers, marketplace) • La Poste as reference partner for digital trust (Digital Identity and Digiposte), Docaposte growing thanks to digital activities (> €1bn in 2030)
<p>LBP</p>	<p>Become again France's favourite bank, close to its customers and irreproachable in its Quality of Service</p>	<ul style="list-style-type: none"> • Rotate our model towards that of a diversified and international bancassurer • Strengthen the socially responsible bancassurer model leadership in view of environmental constraints regarding climate emergency and social inclusion • Be positioned as "companion bank", by structuring our offers and services into needs ecosystems
<p>GeoPost</p>	<p>Become the international leader for sustainable delivery and a catalyst for the omnichannel acceleration</p>	<ul style="list-style-type: none"> • Reinforce the B2B position and develop cross-border intra-European parcel • Accelerate on volumes destined to C, develop offers in Food and Health and be European leader in low-carbon urban logistics • Conquer new markets on international flows (Express, 2C) and e-commerce verticals
<p>Supports</p>	<p>A platform of support services facilitating the Group's transformation</p>	<ul style="list-style-type: none"> • The quality of the provision of "Support" services is assessed from the customer path standpoint • Structures favouring agility and transversal in territories, with autonomy, responsibility and cooperation



Deployment of the Strategic Plan

5 non-financial key indicators for the monitoring of the Strategic Plan

Client	Net Promoter Score (NPS) of our key products and services in each activity
Digital	% of mail-parcels and bancassurance products for individuals and professionals with a 100%-digital process Online sales ratio for individuals and professionals.
Green	% of net Group GES emissions reduction to comply with the Paris Agreement (trajectory which limits the global warming to 1.5°C)
Civic	Position of La Poste within the global ranking of extra-financial ratings
Social pact and managerial Culture	Indicator for Quality of Life measured within the commitment barometer

5 group acceleration projects to provide a new impulse and find additional potential



Appendices



Effects from the first consolidation of CNP Assurances shares

- The **completion of the transaction regarding the alliance between La Poste and la Caisse des Dépôts, and La Banque Postale and CNP Assurances**, was finalised during the General Assembly of La Poste, held on **4 March 2020**, through the **contribution** by the French State and la Caisse des Dépôts to La Poste, then by the latter to La Banque Postale, of their respective **1.1 %** and **40.9 %** stakes in CNP Assurances. The treatment of the transaction within the consolidated accounts, which is governed by IFRS 3¹ standard on business combinations led to the booking of the following operations:
 - ① **Valuation of transferred CNP Assurances shares** at the stock market price on the day of the transaction (**13,97€**) for a total of **€4,027m**
 - ② **Depreciation of the value of previously held shares** of **-€1,571m**, (market value of €1,933m on 4 March 2020 vs. book value as at 29 February 2020 of €3,504m)
 - ③ Recognition of a **€4,578m badwill**, equal to the difference between the Group share of CNP Assurances' net assets at fair value (€10,538m) and total equity interest held (62.13%) based on the stock market price as at 4 March 2020 (€5,960m),
 - ④ **Reclassification of the Group's share** (20.15%) in the unrealised gains and losses of CNP Assurances, generating an income of **€594m**

- On the day of its completion, this transaction hence generated the **following impacts on FY 2020 consolidated accounts**:
 - On **Group Equity** (①+②+③): **€7,034m**
 - On **Group operating profit** (②+③): **€3,007m**
 - On **Net Profit Group Share** (②+③+④): **€3,600m**

