

La Poste Groupe

2023 results



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Philippe Wahl, Chairman and Chief Executive Officer

1. 2023 key figures and significant events

Philippe Wahl, Chairman and Chief Executive Officer



2023 key figures

(in €m)	2023	2022 restated IFRS 17	Change vs. restated
Revenue	34,073	33,287	+2.4%
Operating profit ¹	1,680	624	<i>n.m.</i>
Operating profit excluding material non- recurring items ²	2,134	1,793	+19.0%
Attributable net profit	514	1,011	-49.2%
Attributable net profit excluding material non- recurring items ²	977	937	+4.3%
Free cash flow ³	(437)	1,530	<i>n.m.</i>
Capital expenditure (excluding LBP)	2,065	2,079	-0.7%

(in €bn)	December 2023	December 2022 restated IFRS 17	Change vs. restated
Attributable equity	22.4	21.4	+4.9%
Net debt ⁴	12.0	10.2	+17.7%
Ratio			
Net debt/adjusted EBITDA ⁵	6.2	2.8 ⁶	

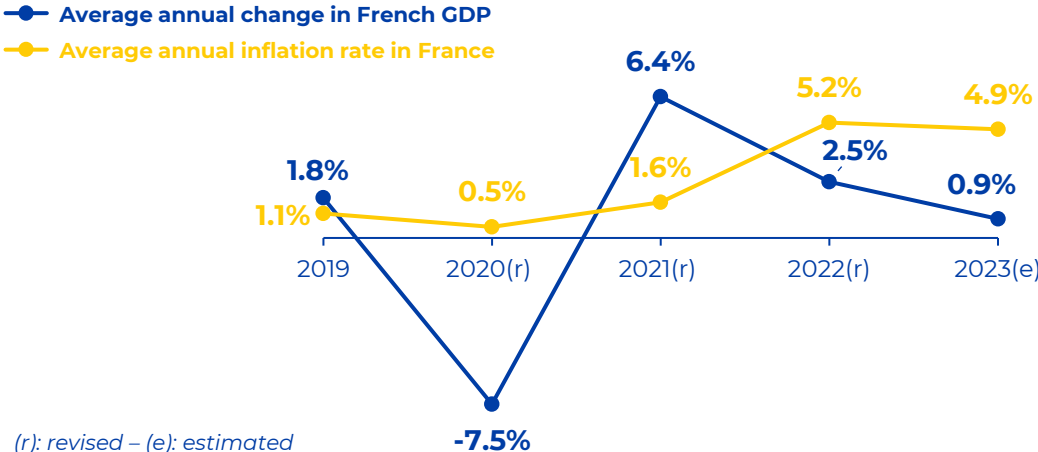
The impact of IFRS 17 on the group's main reporting indicators at 31 December 2022 (revenue, operating profit, attributable net profit and attributable equity) **is presented on slides 34 and 35.**

- Throughout the document, operating profit/(loss) is presented after the share in net profit/(loss) of jointly-controlled companies.
- The impact of material non-recurring items is detailed in section 2 of this document.
- Free cash flow (excluding banking activities): cash flow from operating activities – purchases of PPE and intangible assets net of disposals – net interest paid – repayment of lease liabilities.

- Excluding banking activities, for which this concept is not relevant.
- Adjusted EBITDA: revenue excluding LBP – general operating expenses – personnel expenses (excluding additions to end-of-career benefits excluding LBP) + dividends.
- Included a €1,256m payment by La Banque Postale in 2022 corresponding to a catch-up on dividends for previous years.

A difficult macro-economic environment

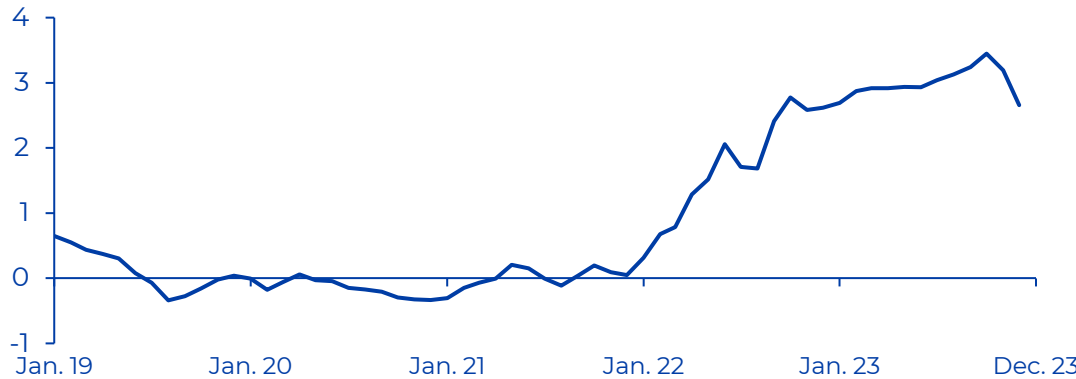
High inflation and slowing growth



(r): revised – (e): estimated
 Source: INSEE – January 2024.

High interest rate environment

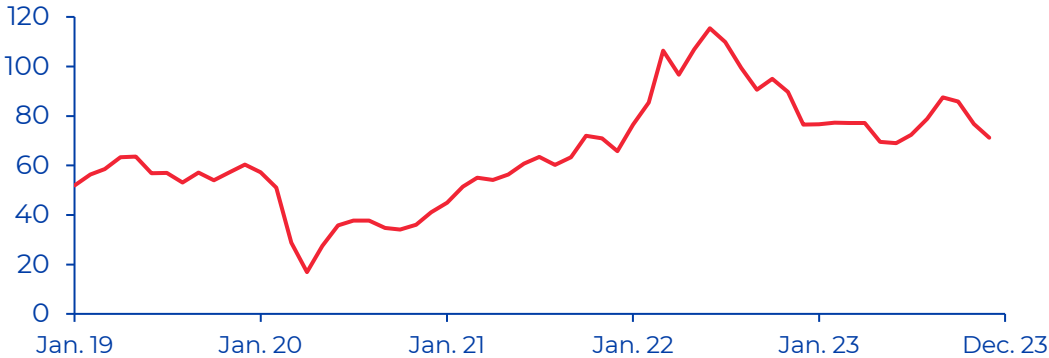
Average monthly change in 10-year OAT (%)



Source: Banque de France – February 2024.

Stabilisation in Brent prices

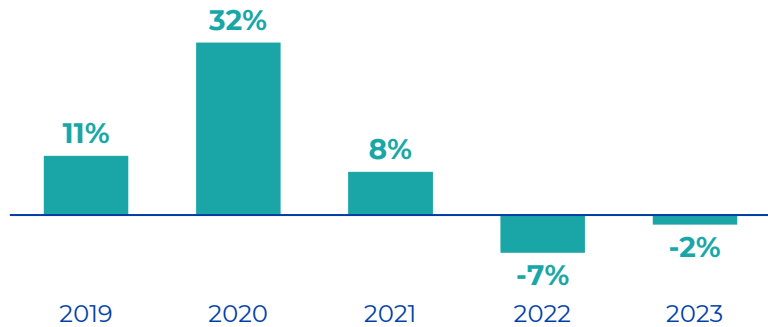
Average monthly change in Brent prices (€)



Source: INSEE – January 2024.

e-commerce: slight slowdown in product sales

Average annual change in online product sales in France (%)



Source: FEVAD – February 2024.

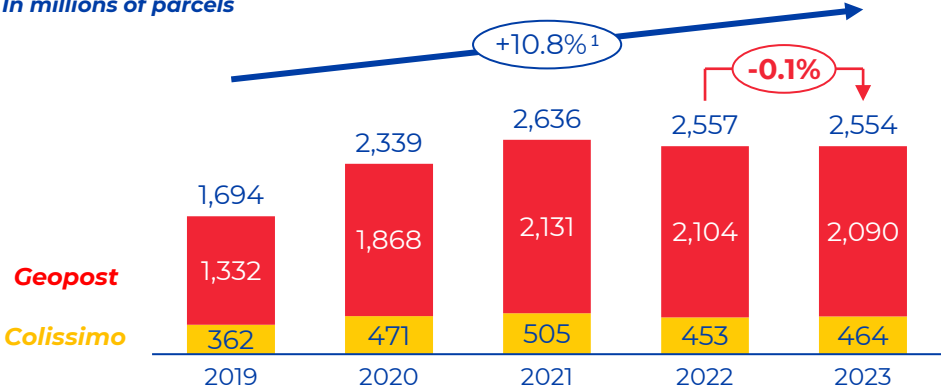
Performance indicators



Parcel volume trends

Parcel volumes remained stable in 2023 due to a difficult economic climate. Volumes remain at a high level compared with the pre-Covid period.

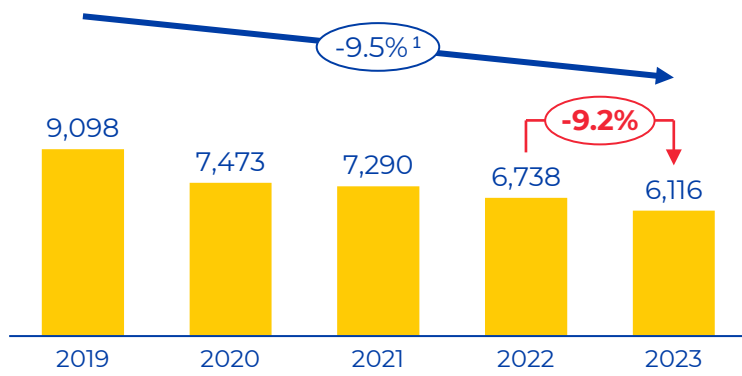
In millions of parcels



Continued decline in mail

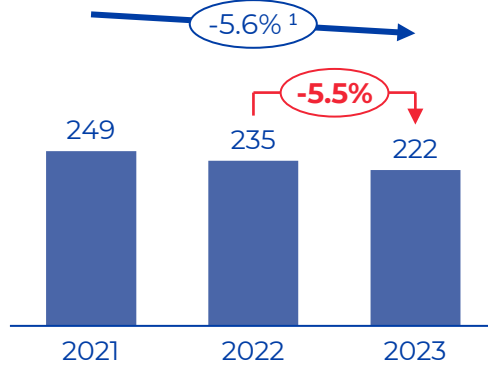
The fall in mail volumes in 2023 is in line with the average rate of erosion observed over the last five years.

In millions of letters delivered



Drop in post office footfall

In millions of customer visits²



The fall in post office footfall in 2023 is in line with the rate of erosion observed over the last three years.

¹ Average annual growth rate
² New counting method implemented in 2022 (2021 data restated).



Significant events in 2023



Services-Mail-Parcels

Development of the Mail range

Since 1 January 2023, renewal of the Mail range in order to respond to changing customer behaviours, reduce its carbon footprint and future-proof the universal postal service:

- *Lettre Verte* (regular correspondence), with 3-day delivery;
- *Lettre Services Plus* (important items with tracking and flat-rate financial compensation);
- *e-Lettre Rouge* (urgent and eco-friendly option for one-off items).

Mail continues to be delivered six days a week.



Creation of La Poste Health & Autonomy in October

In home healthcare services and health data, this new entity aims to become a partner of choice for healthcare professionals, institutions and industries.



Geopost

Express delivery

- Announcement in May of the creation of DPD Argentina through a joint venture with  ;
- Acquisition in February of  , a UK-based last-mile delivery specialist, by DPD UK; 
- Signature of a cooperation agreement with  in June aimed at developing complementary supply chain strengths in the international market (outside France).

Out-of-home logistics

- New milestone reached by Geopost in the expansion of its out-of-home delivery network, with the number of Pickup points in Europe exceeding 100,000 as from November.

Specialised logistics

- To help meet the goals and challenges of the food and healthcare sectors,  **chronopost** now has the largest temperature-controlled network of all of France's transport carriers, with 4 new temperature-controlled hubs.  and  aim to double their volumes in the next five years;
- Sale of  **stuart** a specialist in ultra-fast urban deliveries, in November.

Urban logistics

- Discontinuation of  .

Consolidating the core historical activities

Accelerating the development of growth drivers

Laying the foundations for future growth

Raising the bar in terms of profitability and critical mass

Significant events in 2023



La Banque Postale

Consolidating the core historical activities

Accelerating the development of growth drivers

Laying the foundations for future growth

Raising the bar in terms of profitability and critical mass


Creation of a full-service bancassurance model

- **CNP Assurances** became a full-service insurer, with the formation of a dedicated hub bringing together all of the group's insurance activities under the umbrella of **CNP Assurances Holding**, which is wholly owned by La Banque Postale.

Strengthening of asset management

- Completion in early July of the acquisition of  , with consolidated assets under management of €67bn at end-2022;
- Extension of the partnership with  until 2035.

International expansion

- In January, completion of the acquisitions announced by CNP Assurances in Brazil and creation of the **CNP Seguradora** brand to market the entities' products and drive CNP Assurances' development under an open model (e.g., via long-term partnerships, such as with Brazilian postal operator ).

Planned closure of

- Since December, we have been reviewing the plan to close down this 100% online banking activity.



Retail Customers & Digital Services

Digital services

- Acquisitions in January of  (80%), a cybersecurity consultancy, and in September of  (100%), a web technology agency (web and mobile applications, business tools).

E-health services

- Acquisition in February of  (98%), a developer of healthcare software solutions for hospitals, to create a sovereign tech leader to drive the digital transformation of healthcare services.

Healthcare services and data

- Acquisition of  (70%), offering digital healthcare consulting services, and of  (100%), a clinical research company.

Digital trust services

- In November, Docaposte launched its 1st sovereign generative AI solution in partnership with French players **Lighton**, **BLEIA** and  .
Fast track to AI

Continued modernisation of post offices

- 450 post offices modernised each year over the last three years.

Significant events in 2023



New 2023-2027 public service agreement between La Poste & French State

2023-2025 regional coverage agreement between La Poste, the French State and the Association of French Mayors

This new agreement is structured around three objectives:

- enshrining the recent, significant consolidation of public service missions;
- establishing a method and a timetable for evaluating and, where necessary, planning changes to public service missions so that they continue to meet the needs of the community;
- setting out the contributions La Poste can make to the deployment of major public policies around four themes (independent living, mobility, digital trust and regional cohesion).



Universal postal service

Launch of a new Mail range on 1 January 2023 to respond to changing customer behaviours, reduce its carbon footprint and future-proof the universal postal service.

The French State offsets part of the net cost of the mission through annual compensation of between €500m and €520m, based on service levels¹.

Under the provisions of the 2024 Finance Bill, the compensation for 2023 amounts to €500m².



Press transport and delivery

Clearance from the European Commission on 1 January 2023 of the new agreement on press delivery between the French State, La Poste, Arcep and press trade associations:

- introduction of the principle of a per-copy subsidy for mailed press titles;
- compensation for the cost of transport and delivery in low-density areas (€40m for 2023)³.



Regional development

La Poste strengthened and adapted the regional presence of its network, with the support of the French State and in consultation with local elected representatives, by pooling service offerings within postal service points.

The maximum annual compensation received is €177m (€168m for 2023)⁴.



Accessible banking

The inclusive banking scheme run by La Banque Postale continues to be essential.

The public contribution received directly by La Banque Postale is provided in the form of a budget allocation (€303m for 2023).

1 This service was declared compatible with internal market rules by the European Commission in its decision of 7 December 2023.
2 Full-cost UPS account with a negative balance of €703m in 2022 in accordance with the accounting rules defined by Arcep.
3 Press business deficit of €338m in 2022 in accordance with the accounting rules defined by Arcep.
4 Net cost of the regional development mission of €348m in 2022 in accordance with the accounting rules defined by Arcep.

2. Group financial performance

Yves Brassart, Executive Vice President in charge
of Finance and Development



2023 consolidated income statement

<i>(in €m or as a %)</i>	2023	2022 restated IFRS 17	Change VS.restated	Change VS. restated
Operating revenue	34,073	33,287	786	+2.4%
Operating profit	1,680	624	1,055	n.m.
Operating profit <i>excluding material non-recurring items¹</i>	2,134	1,793	341	+19.0%
Net financial income/(expense)	(239)	(207)	(32)	+15.2%
Income tax benefit/(expense)	(496)	952	(1,448)	n.m.
Share in net profit/(loss) of equity-accounted companies	(169)	(87)	(82)	+94.4%
Non-controlling interests	262	271	(9)	-3.5%
Attributable net profit	514	1,011	(497)	-49.2%
Attributable net profit <i>excluding material non-recurring items²</i>	977	937	40	+4.3%

1 Excluding the impact of material non-recurring items on operating profit (€1,169m negative impact at 31 December 2022 and €454m negative impact at 31 December 2023).

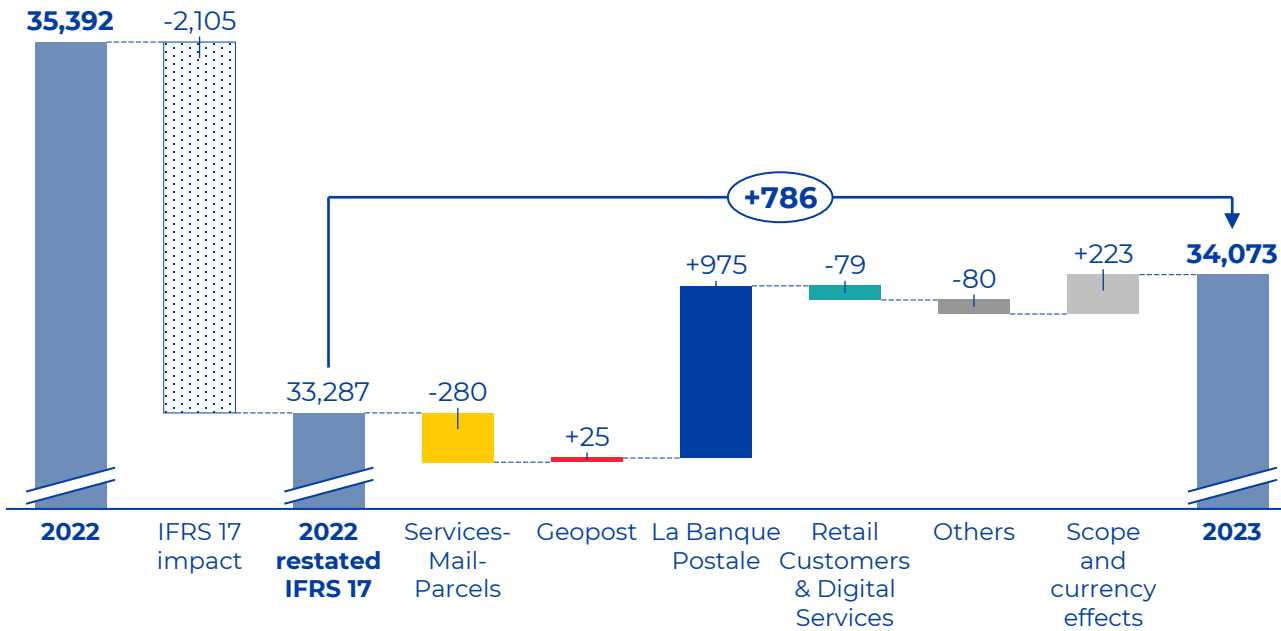
2 Excluding the impact of material non-recurring items on attributable net profit (€74m positive impact at 31 December 2022 and €463m negative impact at 31 December 2023).



Consolidated revenue growth was driven by La Banque Postale's insurance activities.

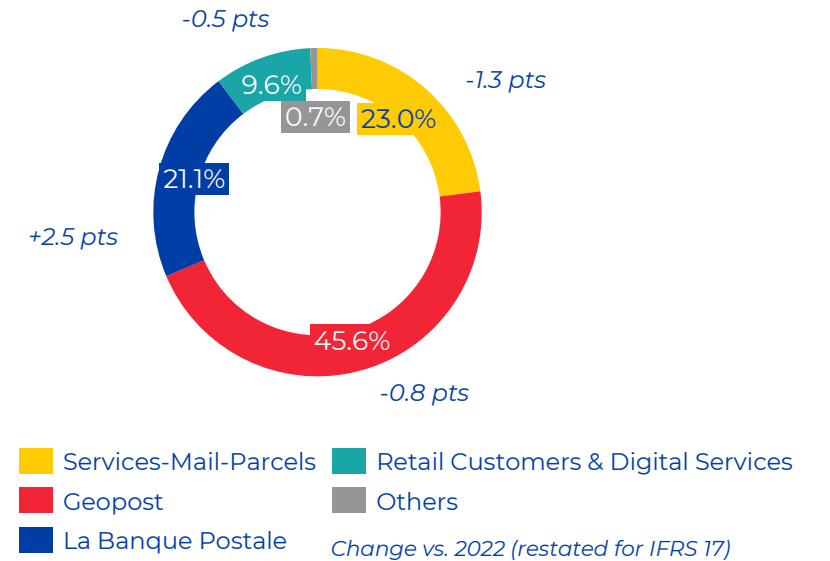
Consolidated revenue grew by 2.4% versus 2022 restated for IFRS 17¹ (+1.7% at constant scope and exchange rates, or like for like) against a backdrop of rising interest rates and high inflation.

(in €m)



Breakdown of external revenue

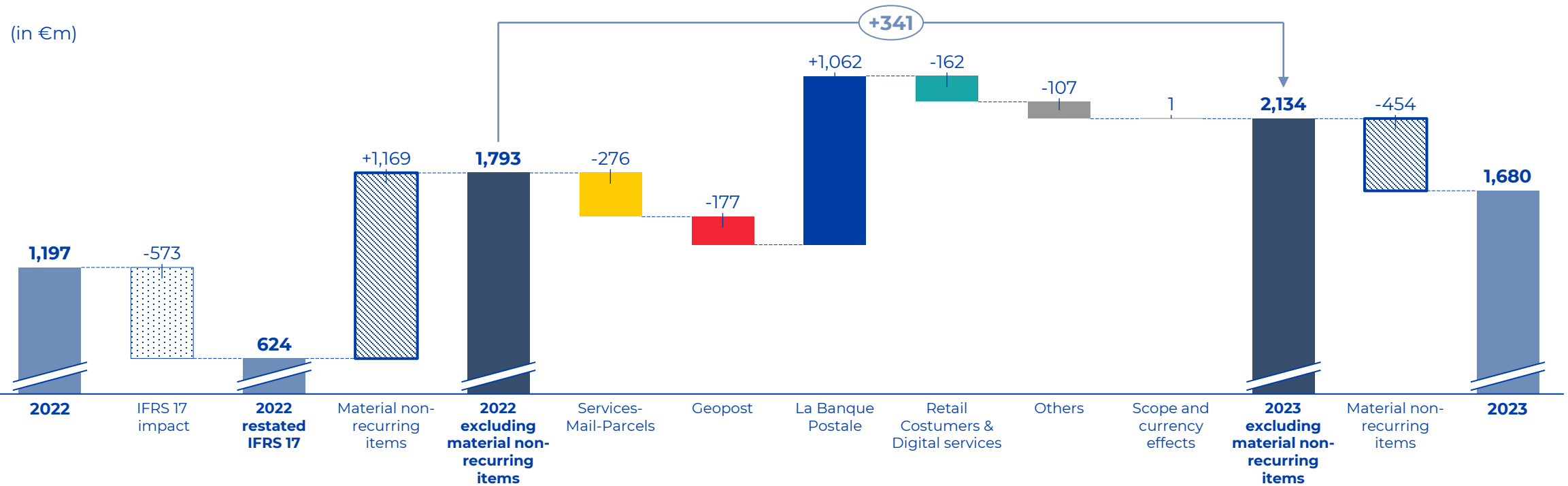
More than 53% of the group's revenue comes from the Parcels and Express businesses.



¹ See "Impact of IFRS 17 on the main reporting indicators" in the appendices.



The group's operating profit excluding material non-recurring items was €341m higher, at €2,134m.



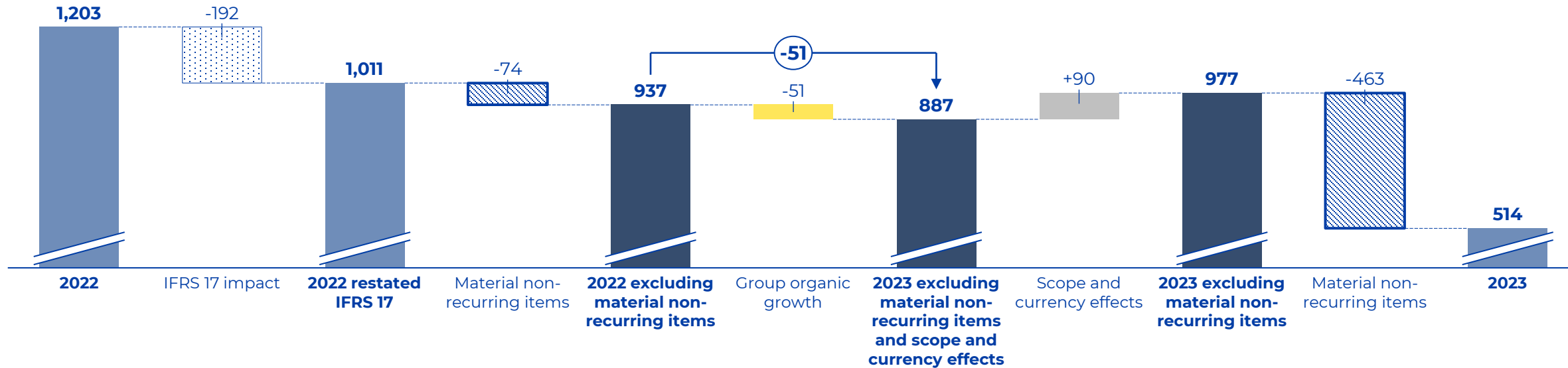
Material non-recurring items			
o In 2022			-€1,169m
o ✓ Services-Mail-Parcels			-€1,020m
o ✓ Geopost			-€149m
o In 2023			-€454m
o ✓ Services-Mail-Parcels			+€30m
o ✓ Geopost			-€338m
o ✓ La Banque Postale			-€223m
o ✓ Pension schemes and remedies			+€77m



Attributable net profit stands at €514m.

Excluding material non-recurring items, attributable net profit stands at €977m, down €51m like for like.

(in €m)



Material non-recurring items

○ In 2022

- ✓ Services-Mail-Parcels
- ✓ Geopost
- ✓ Deferred tax assets

+€74m

- €783m
- €149m
- +€1,005m

○ In 2023

- ✓ Services-Mail-Parcels
- ✓ Geopost
- ✓ La Banque Postale
- ✓ Pension schemes and remediation

-€463m

- +€22m
- €408m
- €196m
- +€118m

3. Group non-financial performance

Stéphanie Dupuy-Lyon,
Chief Sustainability Officer



CSR leadership, at the heart of our company

Our purpose: **“At everyone’s service and of use to each individual, La Poste is a people-oriented company with a local presence that develops exchanges and builds essential links by contributing to the common wealth of society as a whole”.**
A **mission-led company** since 2021

La Poste has identified **four major CSR transitions**: ecological, regional, digital, demographic and social.

These represent a series of challenges and opportunities to which the group is committed through **its strategic plan in the public interest**.

The group has set itself goals and is measuring its impact for each of these transitions.

**Comprehensive view of the company's performance:
profitable and responsible growth**

The group's impact on the ecological transition

Challenge:
Reduce the group's GHG emissions by 42% by 2030¹.



¹ Provisional and unaudited data
² 2022 data - EY EU Taxonomy Barometer 2023

The group's impact on the ecological transition

Challenge:
Contribute to capping global warming at 1.5°C¹.

First bank in the world to commit to a complete exit from the coal and oil & gas sectors by 2030

Since these policies came into effect, the bank's new exposures to players in these sectors correspond only to players that have drawn up a carbon reduction pathway that has been approved by the SBTi, or players for which La Banque Postale (LBP) has solely financed renewable energy projects (solar power, wind power, etc.).

Unprecedented development of an Impact Weighting Factor

Created jointly with WWF.
Covers environmental, social and regional aspects.

64% of LBP's financing portfolio subject to this index; LBP is the only bank to use it.

Launch of positive-impact mortgages, which encourage customers to carry out capital projects that have a positive impact, such as energy-efficient home renovations.

€27.7bn in green investments by CNP Assurances to drive the ecological transition

An increase of 7% compared with 2022, tripling in 7 years with a target of €30bn by 2025.

These investments will help to finance renewable energy projects, energy-efficient buildings and low-carbon transport.

€12bn contribution to Caisse des Dépôts group's ecological transformation plan

CDC group plan: €100bn for 2024-2028

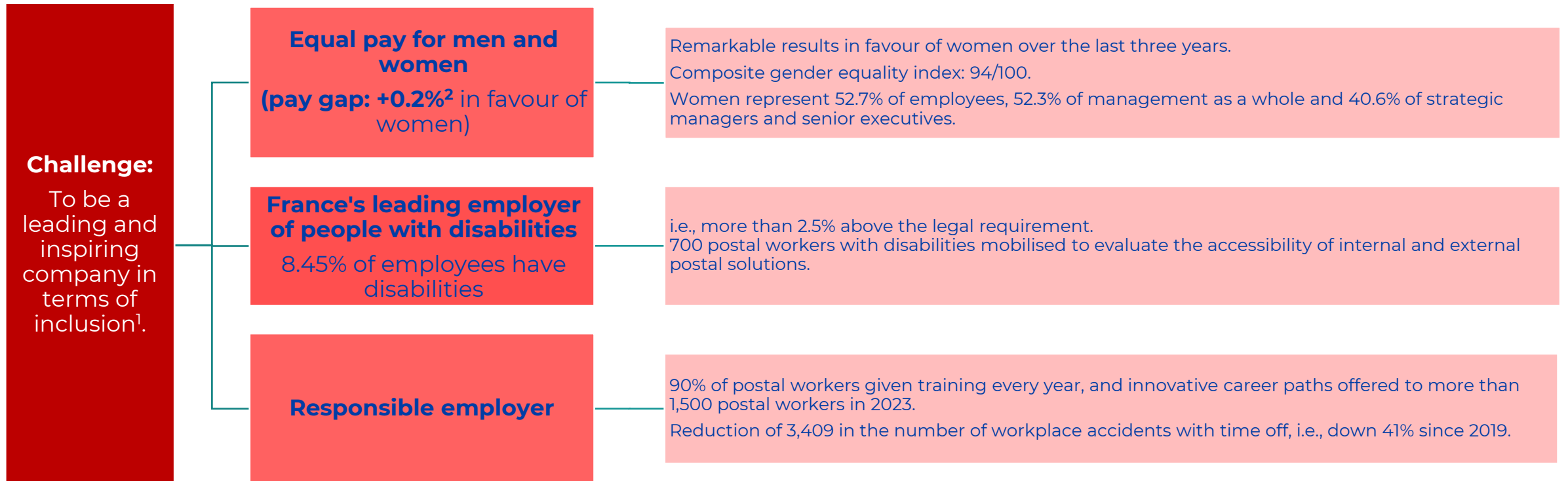
CNP Assurances: €7bn (new purchases of green bonds, net commitments to energy-efficient real estate, forests and green infrastructure).

La Banque Postale: €5bn (loans signed with green local public organisations (SPL) and businesses, loans to individuals for energy-efficient building work, etc.).

A group helping to **finance France's ecological transformation**

¹ Provisional and unaudited data

The group's impact on the demographic and social transition



¹ Provisional and unaudited data

² Based on 102,392 employees of La Poste SA

The group's impact on the regional and digital transitions



¹ Provisional and unaudited data
² Utopies x La Poste study: La Poste Groupe's socio-economic footprint, January 2024.

High-quality non-financial performance at the highest global level



Top 6%
CDP Climate Change leadership: score A-

MOODY'S | ESG Solutions

Joint 2nd
score: **77/100**

ecovadis

Top 2%
score: **77/100**



Leading French bank and 3rd
worldwide in the “Diversified Banks”
category

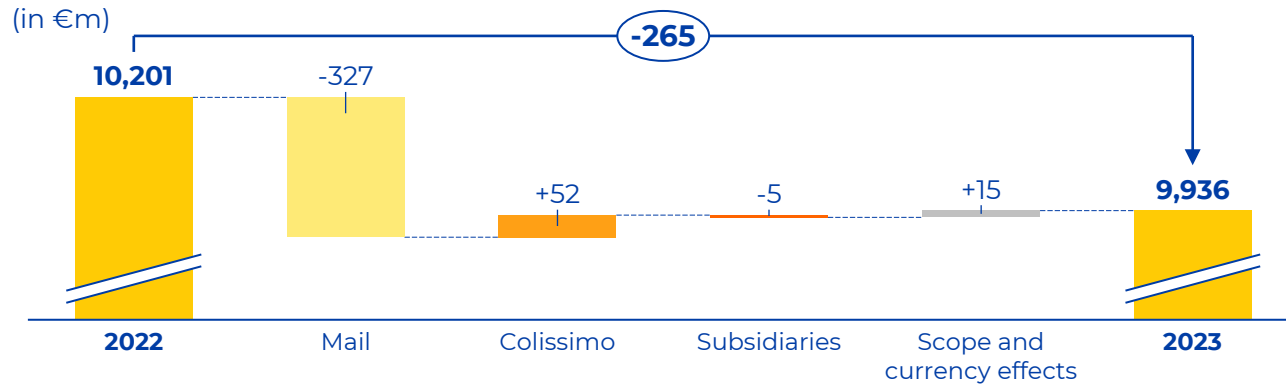
4. Business line performance

Yves Brassart, Executive Vice President in charge
of Finance and Development

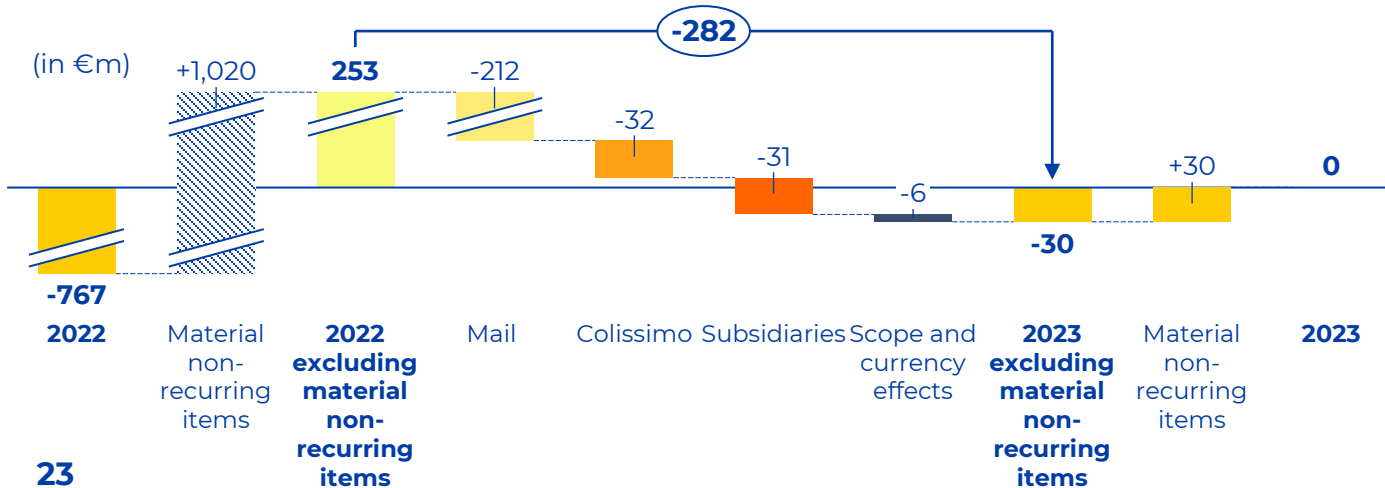




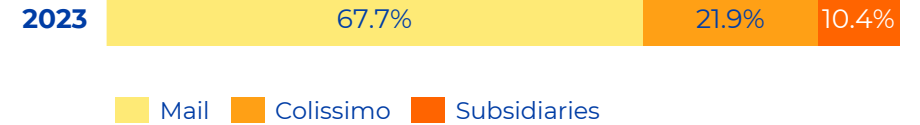
Revenue holds firm (-2.6%) in a downbeat economic climate
(-2.7% like for like)



Operating profit down €282m excluding material non-recurring items



Revenue by division



- Negative **Business Mail** volume and product mix effect of 11.0% at equivalent working days, partly offset by a favourable price effect of 5.3%.

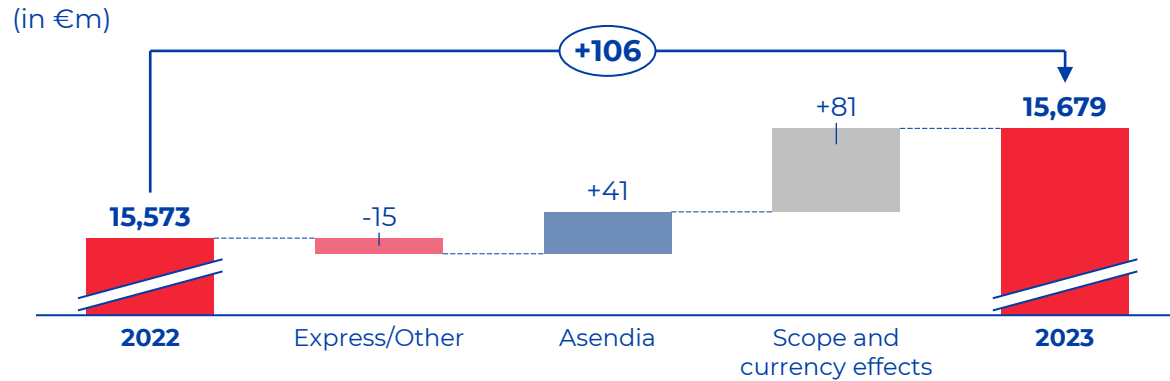
Adjustments for material non-recurring items

- In 2022:**
 - Impairment of Mail assets: -€1,020m
 - Impairment of Mediaposte assets: -€940m
 - Impairment of Mediaposte assets: -€80m
- In 2023:**
 - Reversal of impairment of Mail assets: +€30m
 - Reversal of impairment of Mail assets: +€61m
 - Impairment of Mediaposte assets: -€31m

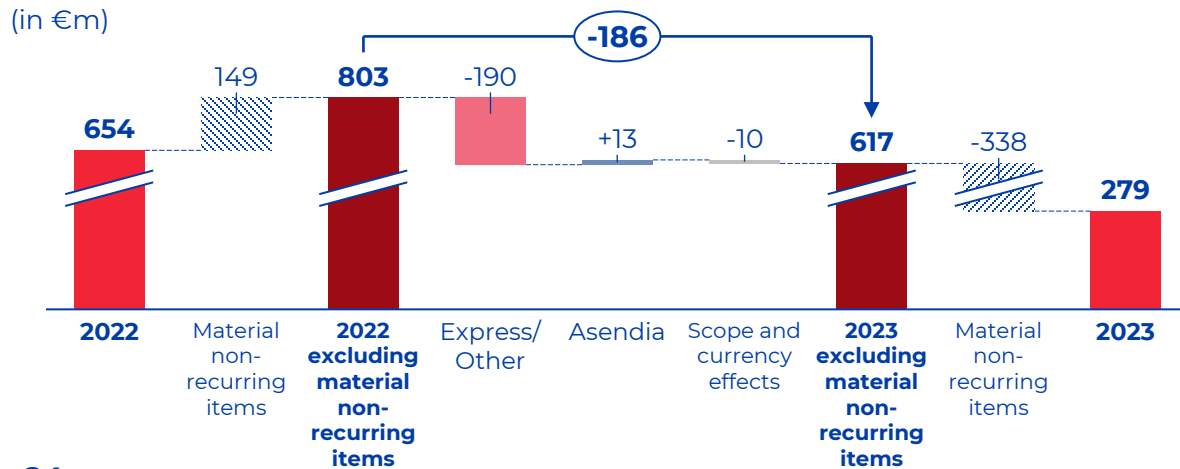


Decline in earnings reflecting the impact of remedies on certain subsidiaries and lower margins

Revenue growth of 0.7% (0.2% like for like).

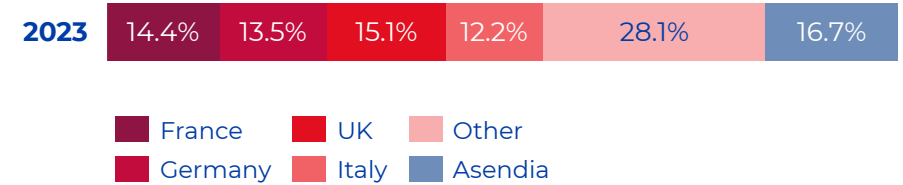


Decrease of €186m in operating profit excluding material non-recurring items



Revenue by division

Revenue in the main European countries accounts for almost 55% of the business line's total.



- **Express/Other:** revenue stable despite a slight fall in volumes (0.7% vs. 2022), partially offset by price increases.
- **Asendia:** revenue up 1.6% like for like, mainly driven by the Logistics business.
- **Scope and currency effects:** mainly due to the first-time consolidation of Scalefast and C Chez Vous.

Adjustments for material non-recurring items

- In 2022: **-€149m**
 - Impairment of DPD Russia assets **-€149m**
- In 2023: **-€338m**
 - Impact of tax and employee disputes paid and provisioned in 2023 in one of the Italian subsidiaries **-€169m**
 - Disposal of Stuart **-€136m**
 - Impairment of assets and provisions for contingencies relating to Urby **-€33m**

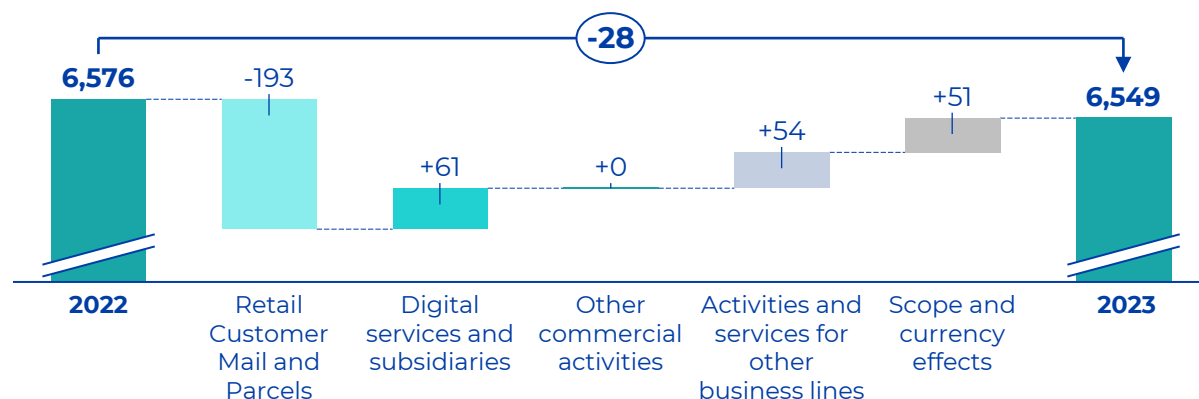


Retail Customers & Digital

Transformation of the Network to address the decline in Mail business and inflation in costs

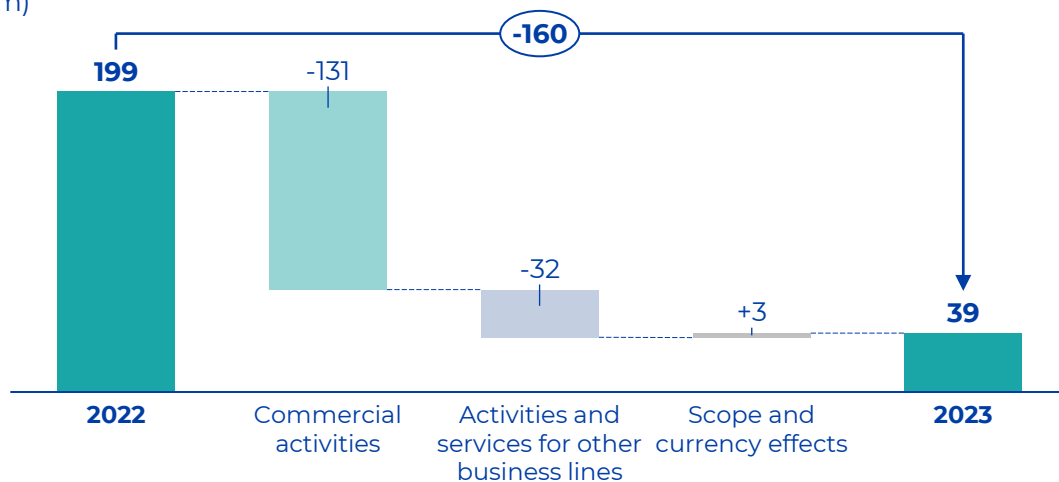
Slight 0.4% decline in revenue (-1.2% like for like)

(in €m)



Operating income down by €160m

(in €m)



Revenue by division



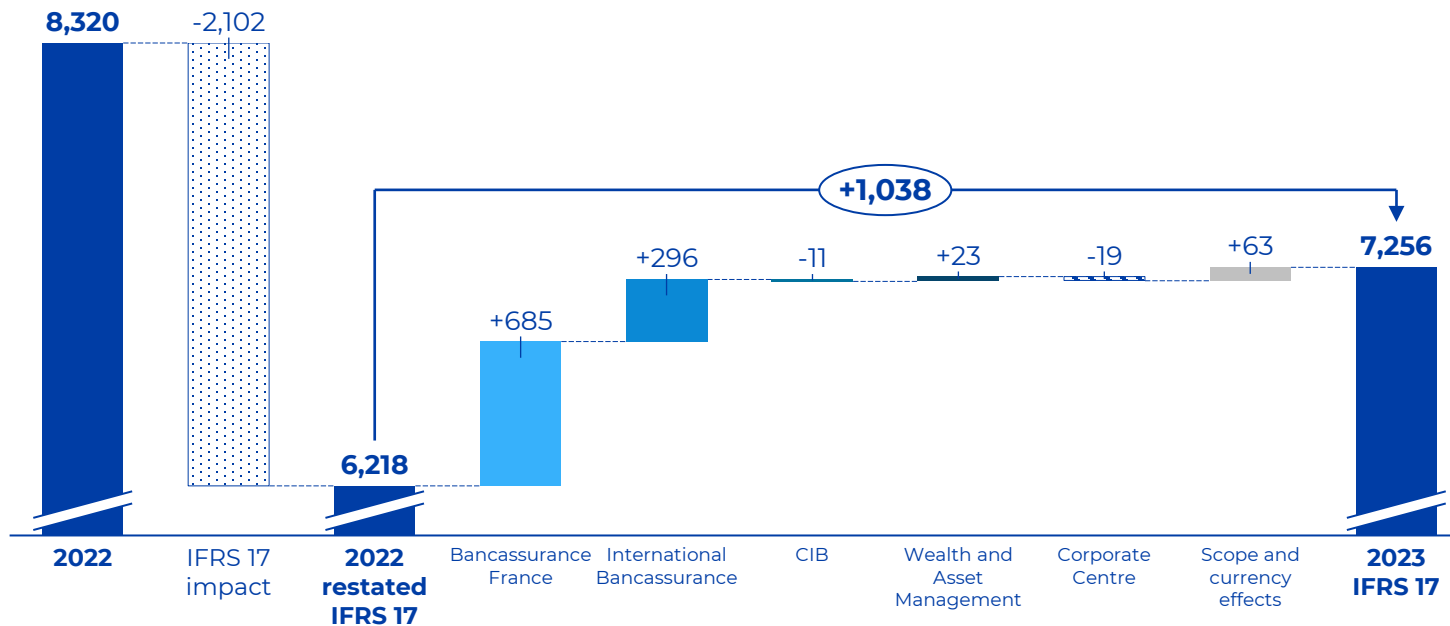
Commercial activities: Mail-Parcels, Digital Services and subsidiaries, and Other commercial activities

- o Like-for-like decline (7.7% vs. 2022) of Mail and Parcels revenue, partly offset by:
 - growth in digital activities driven by Docaposte, which posted €955m in revenue¹
 - higher rebilling of activities and services for other business lines
- o Operating profit down, reflecting an increase in expenses due to inflation

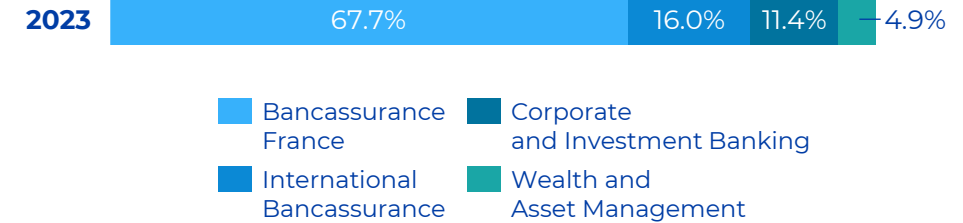
Net banking income growth of 16.7% against a backdrop of inflation and rapidly rising interest rates.

Net banking income for the business lines up €994m like for like (+14.4%), lifted by market effects for CNP Assurances.

(in € millions)



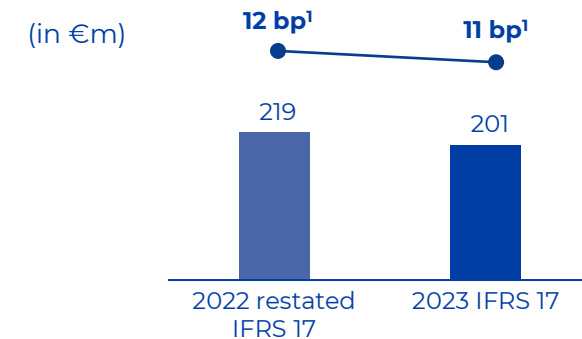
Net banking income by business line



Cost of risk

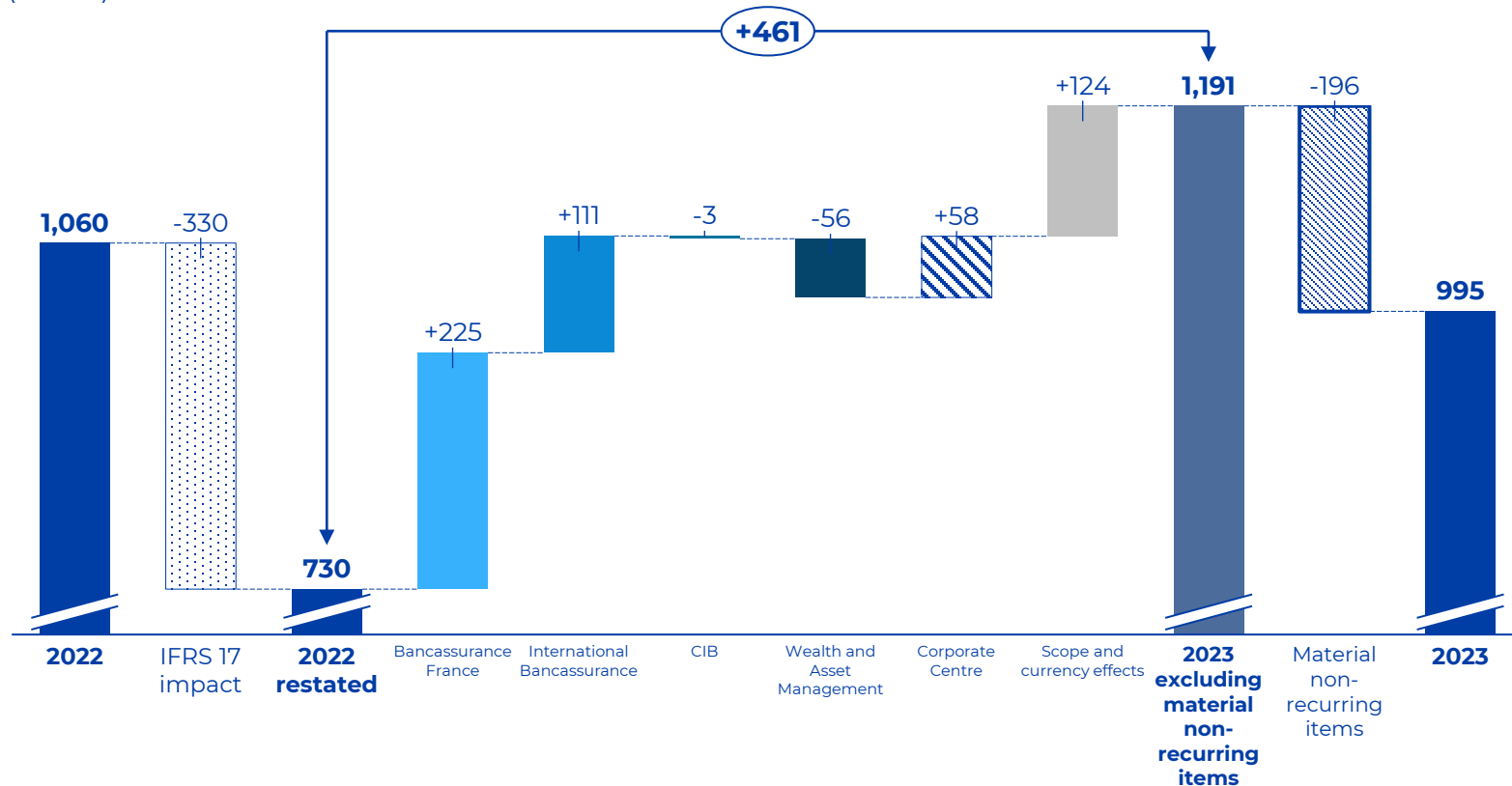
The cost of risk was €201m, €18m lower than in 2022 restated for IFRS 17, amid an uncertain economic environment.

Cost of risk/outstanding loans

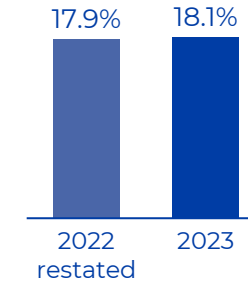


Growth in **attributable net profit of €461m excluding material non-recurring items**, driven in particular by higher earnings at CNP Assurances.

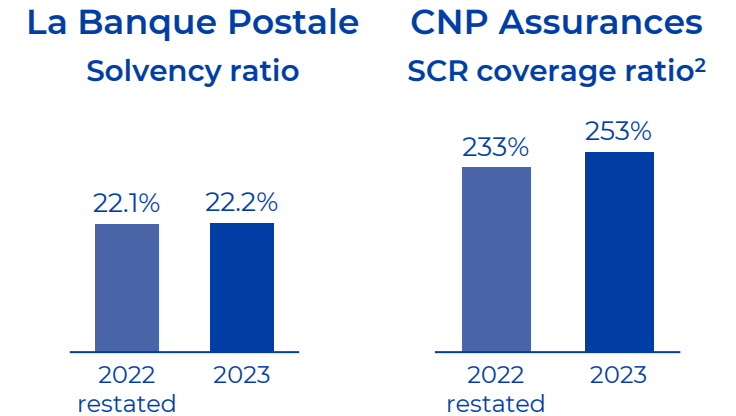
(in €m¹)



Estimated CET 1 ratio



Solvency and liquidity

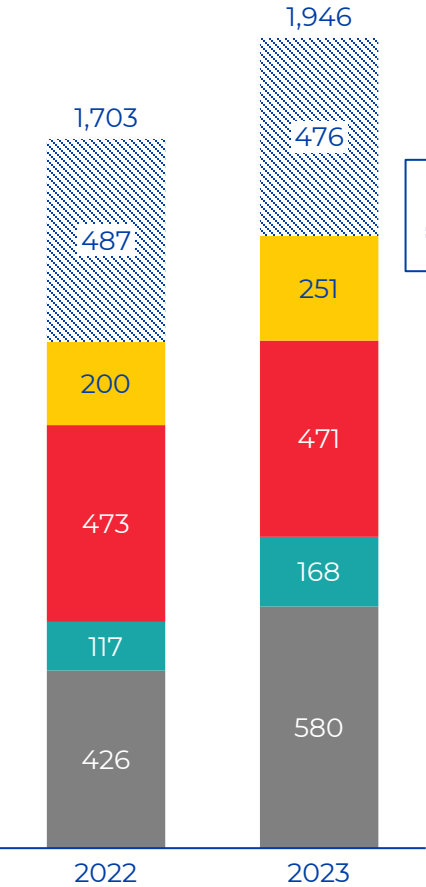


² Ratio calculated at the level of the holding company now hosting all La Banque Postale insurance activities.

Investments

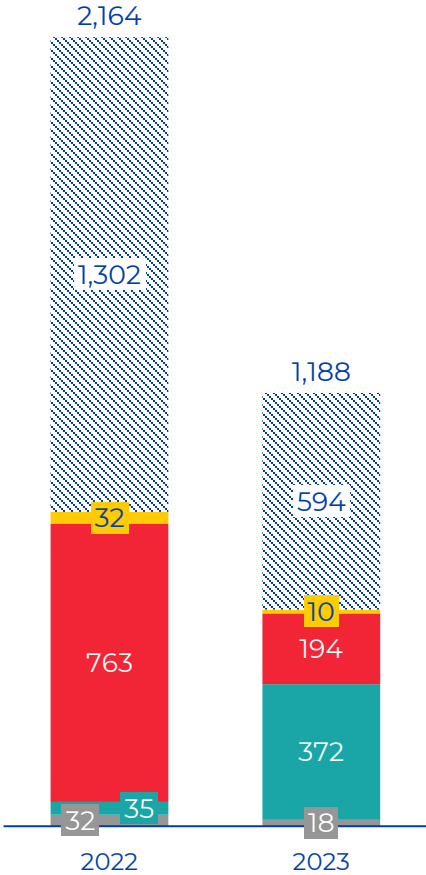
Internal investments¹

External growth²



Internal investments in 2023 (excluding LBP):
€1,470m (vs. €1,217m in 2022)

- Services-Mail-Parcels:**
 - Investments to maintain our industrial facilities
- Geopost:**
 - Development of delivery processing capacity
 - Expansion of the distribution network
 - Development of new services
- Retail Customers & Digital Services:**
 - Network transformation projects and launch of new services
- Other:**
 - Vehicles and IT



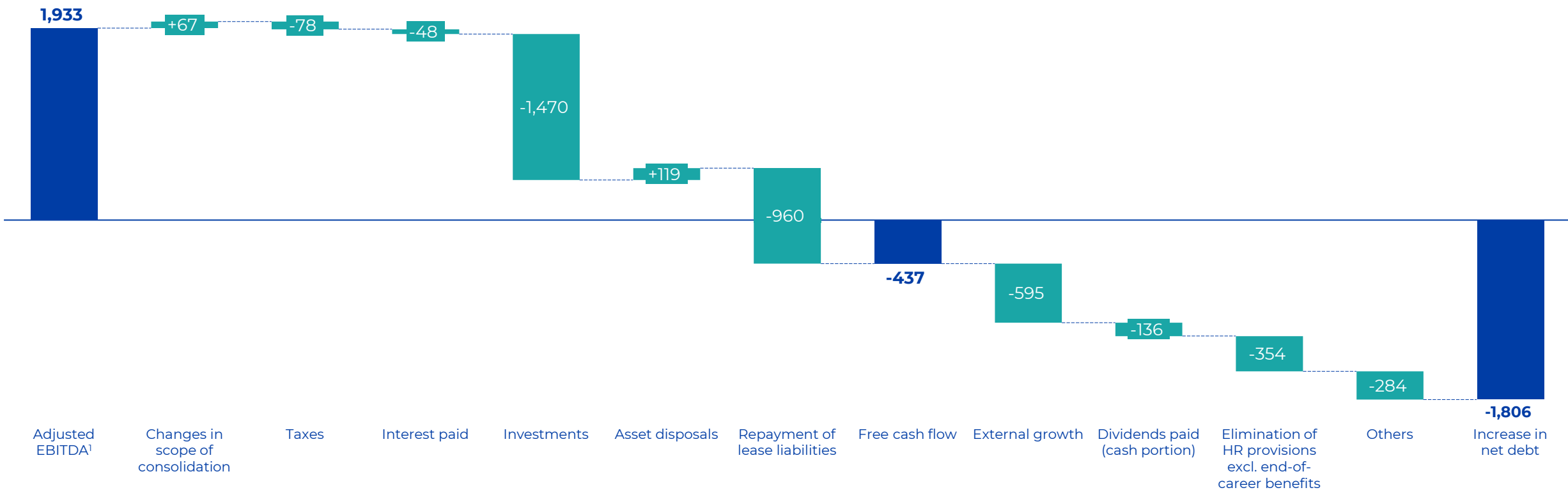
External growth in 2023 (excluding LBP):
€595m (vs. €862m in 2022)

- La Banque Postale:**
 - Acquisition of La Financière de l'Échiquier (100%)
- Geopost:**
 - Completion of Scalefast acquisition (100%)
 - Acquisition of Absolutely (100%)
- Retail Customers & Digital Services:**
 - Acquisitions of Maincare (98%), Thiqā (80%), Tekoway (100%), Weliom (70%) and Axonal Biostatem (100%)

1 Excluding disposals
 2 Including disposals

Change in net debt in 2023

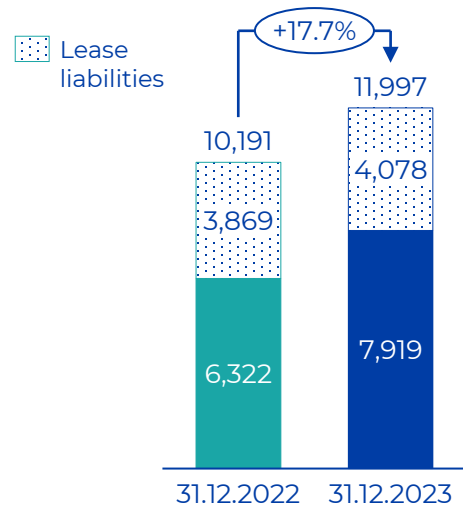
(in €m)



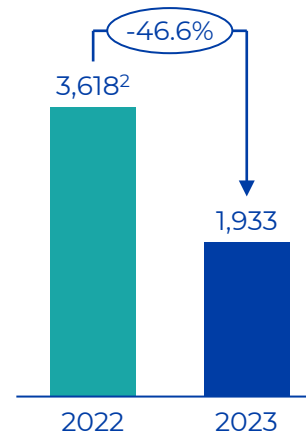
¹ Adjusted EBITDA comprises all revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. It also includes dividends received from equity-accounted companies and dividends received from La Banque Postale during the period in respect of the prior year.

Net debt/adjusted EBITDA ratio

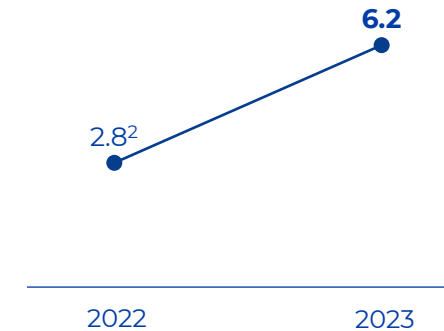
Net debt (in €m)



Adjusted EBITDA (in €m)¹



Net debt/adjusted EBITDA



1 Adjusted EBITDA comprises all revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. It also includes dividends received from equity-accounted companies and dividends received from La Banque Postale during the period in respect of the prior year.
 2 Including €1,256m relating to a catch-up on dividends for previous years paid by La Banque Postale.

Financial ratings

S&P Global
Ratings

A+/A-1
Negative outlook

Last published on 18 December 2023

FitchRatings

A+/F1+
Stable outlook

Last published on 15 December 2023

5. Outlook

Philippe Wahl, Chairman and
Chief Executive Officer



Appendices



Impact of IFRS 17 on the main reporting indicators

The new **international financial reporting standard IFRS 17** applicable to insurance contracts became effective on 1 January 2023, replacing IFRS 4. It introduces fundamental changes in the presentation of insurance companies' published financial information.

As the sole shareholder of La Banque Postale, which wholly owns CNP Assurances, La Poste is directly concerned by the new standard's application.

Impact on the 2022 income statement

Operating revenue: -€2,105m

Main restatements and reclassifications applicable to the income statement

Income and expenses relating to insurance and reinsurance contracts held are presented separately under net banking income (NBI), as follows:

- expenses relating to insurance contracts and those incurred by the bank for insurance product distribution are presented by category as a deduction from NBI (impacts: €1,505 million in 2022);
- the cost of credit risk on financial investments of insurance activities is presented on a separate line as an insurance item in NBI (impacts: (€136 million in 2022).

Operating profit: -€573m

Attributable net profit: -€192m

Impact of IFRS 17 on the main reporting indicators

Impact on the balance sheet at 31 December 2022

	31/12/2022 reported	Transition impact	31/12/2022 restated IFRS 17
TOTAL ASSETS	773,123	(28,405)	744,718
of which:			
Non-current assets	26,824	(1,453)	25,371
Assets specific to banking and insurance activities	734,206	(26,975)	707,231
of which:			
Financial assets at fair value through profit or loss	222,722	(15,877)	206,845
Financial assets at fair value through equity	194,534	15,874	210,408
Insurance contracts issued	0	1,506	1,506
Insurance contracts held	0	8,221	8,221
Other financial assets and accruals	35,847	(26,529)	9,318
TOTAL EQUITY AND LIABILITIES	773,123	(28,405)	744,718
of which:			
Equity attributable to owners of the parent	17,546	3,835	21,381
Non-controlling interests	7,767	320	8,087
Consolidated equity	25,313	4,155	29,468
Non-current liabilities	16,269	777	17,045
Liabilities specific to banking and insurance activities	717,469	(33,381)	684,088
of which:			
Insurance contracts issued and reinsurance contracts held	0	364,613	364,613
Current banking and insurance activity technical provisions (including the home savings provision)	383,763	(383,657)	106
Other financial liabilities and accruals	19,810	(13,331)	6,480

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