



La Poste Groupe **First-half 2023 results**

2 August 2023

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1. First-half 2023 key figures and significant events



First-half 2023 key figures

(in €m)	H1 2023	H1 2022 restated IFRS 17	Change vs restated
Operating revenue	17,086	16,436	+4.0%
Operating profit ¹	1,166	235	<i>n.m.</i>
Operating profit excluding material non- recurring items ²	1,447	1,304	+11.0%
Attributable net profit	461	919	-49.9%
Attributable net profit excluding material non- recurring items ³	663	753	-12.0%
Free cash flow ⁴	(128)	1,130	<i>n.m.</i>
Capital expenditure (excluding LBP)	638	498	+28.1%

(in €bn)	30/06/2023	31/12/2022 restated IFRS 17	Change vs restated
Attributable equity	22.3	21.4	+4.3%
Net debt ⁵	11.3	10.2	+11.0%
Ratio			
Net debt/ adjusted EBITDA ⁶	4.9	2.8 ⁷	

The impact of IFRS 17 on the group's main reporting indicators in first-half 2022 (operating revenue, operating profit, attributable net profit) and at 31 December 2022 (attributable equity) is presented on slide 26.

1 Throughout the document, operating profit/(loss) is presented after the share in net profit/(loss) of jointly-controlled companies.

2 Excluding the impact of material non-recurring items on operating profit (€1,069m negative impact in first-half 2022 and €281m negative impact in first-half 2023).

3 Excluding the impact of material non-recurring items on attributable net profit (€166m positive impact in first-half 2022 and €202m negative impact in first-half 2023).

4 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.

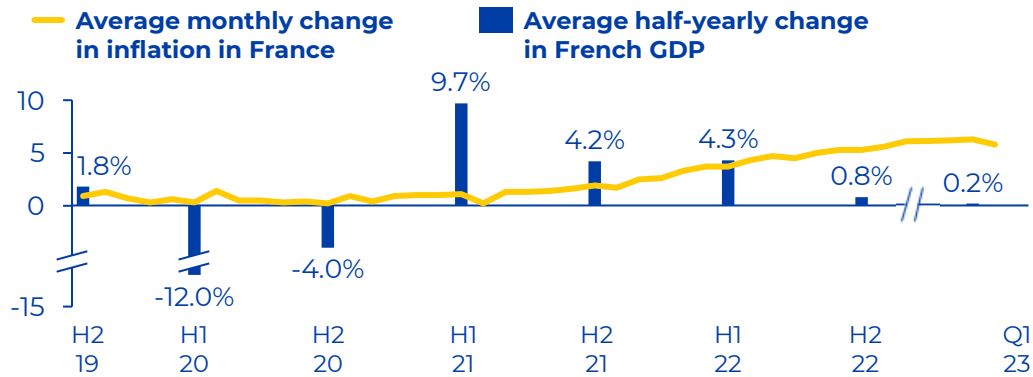
5 Excluding banking activities, for which this concept is not relevant.

6 Adjusted EBITDA = revenue excluding LBP – general operating expenses – personnel expenses (excluding additions to end-of-career benefits excluding LBP) + dividends over a rolling 12-month period.

7 Included a €1,256m payment by La Banque Postale in 2022 corresponding to a catch-up on dividends for previous years.

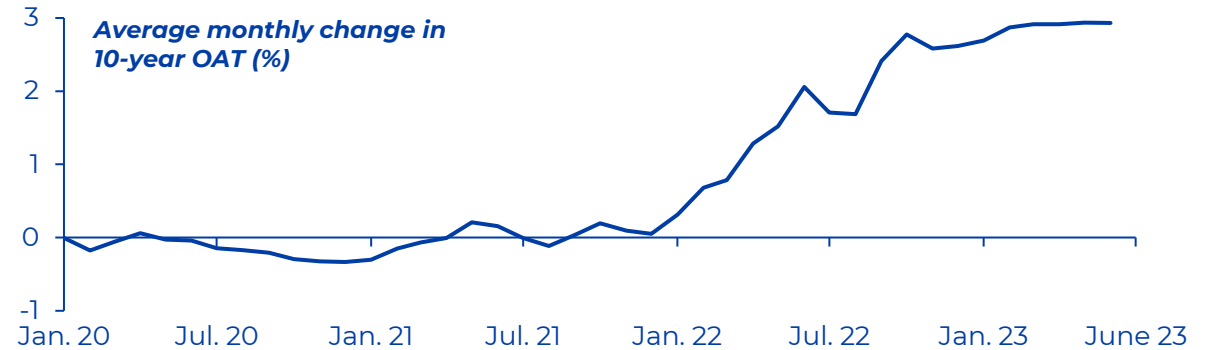
Macro-economic environment

High inflation and slowing growth



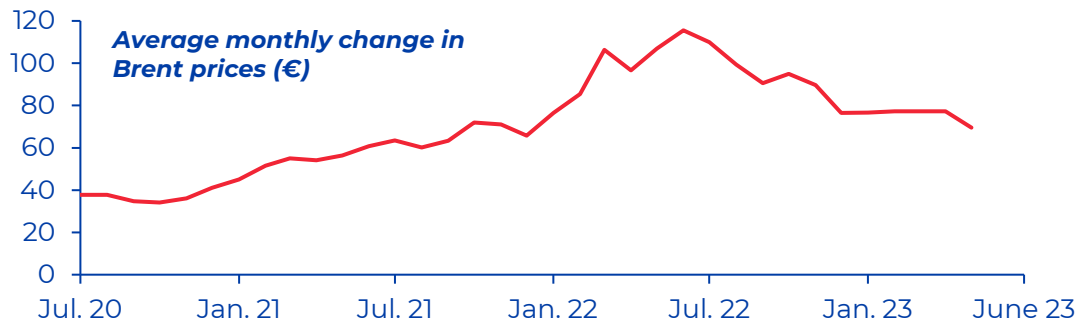
Source: Insee (data updated in June 2023)

Sharp rise in interest rates



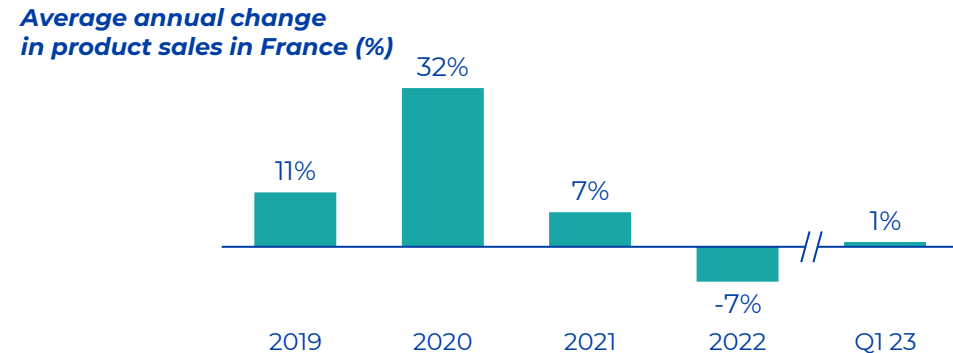
Source: Banque de France 2023 (at 30 June 2023)

Stabilisation in Brent prices



5 Source: Insee 2023 (data updated in June 2023)

e-commerce France: lower growth in product sales



Source: FEVAD

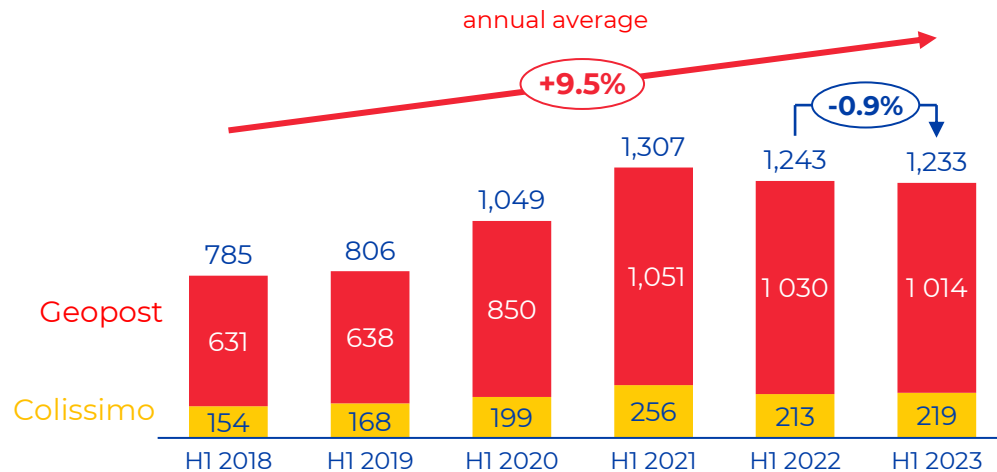
Structural trends confirmed



Parcel volume trends

Despite a slight slowdown compared with the first half of 2022, due to a difficult economic climate (high inflation leading to slower growth and lower consumer spending), parcel flow trends have remained highly dynamic on average over the last 5 years.

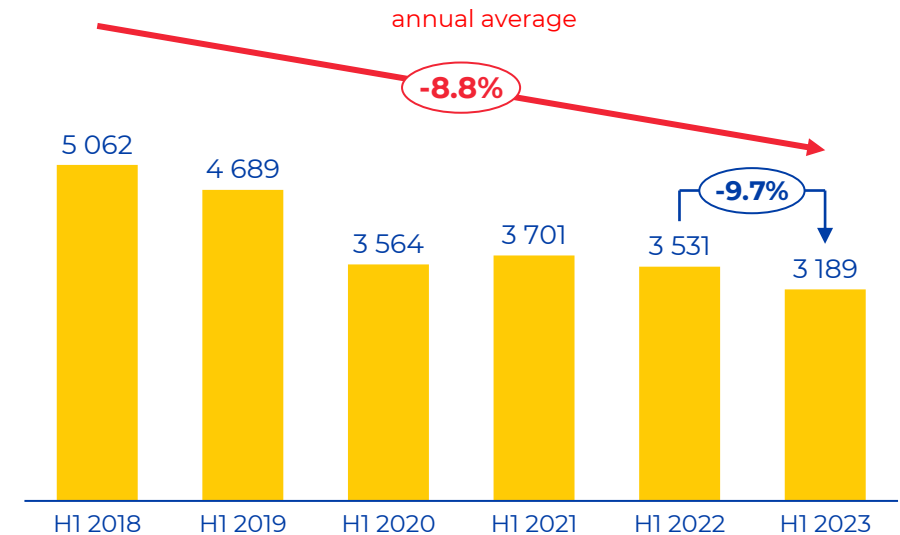
In millions of parcels



Lower mail volumes

The fall in mail volumes over the last 12 months is in line with the average rate of erosion observed over the last 5 years.

In millions of letters



Significant events in first-half 2023

Consolidating
the core
historical
activities

Accelerating
the
development
of growth
drivers

Laying the
foundations
for future
growth



Services-Mail-Parcels

Retail Customers & Digital Services

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 6 days a week.




Geopost


Express delivery

- Announcement in May of the creation of DPD Argentina through a joint venture with , which operates in  South America;
- Acquisition in February of *Absolutely*, a UK-based last-mile delivery specialist, by DPD UK. 

Logistics

Signing of a memorandum of understanding with  in June, aimed at harnessing both groups' complementary supply chain strengths in the international market (outside France) and reducing their carbon emissions.

Specialised logistics

To help meet the goals and challenges of the food and healthcare sectors,  now has the largest temperature-controlled network of all of France's transport carriers, with €22m invested in 4 new temperature-controlled hubs.  and Chronopost Healthcare are seeking to double their volumes within 5 years.

Significant events in first-half 2023



La Banque Postale

Consolidating
the core
historical
activities

Accelerating
the
development
of growth
drivers

Laying the
foundations
for future
growth


- **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  **LA FINANCIÈRE DE L'ÉCHIQUIER** with consolidated assets under management of €67 billion at 31 December 2022;
- Extension of the partnership with  **AEGON** Asset Management 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 these entities' products and drive CNP Assurances' development under an open model (i.e., via long-term partnerships, such as with Brazilian postal operator  **Correios**).



Retail Customers & Digital Services

- **Digital services**

Acquisition by Docaposte in January of  **thiga** (80%), a cybersecurity consultancy.

- **E-health services**

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

Significant events in first-half 2023



New 2023-2025 public service agreement between La Poste & French State

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, if 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 levels.

The compensation expected for 2023 amounts to €520m.



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; and
- compensation for the cost of transport and delivery in low-density areas (€40m for 2023).



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 to be received is €177m.



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).

2. Group performance



First-half 2023 consolidated income statement

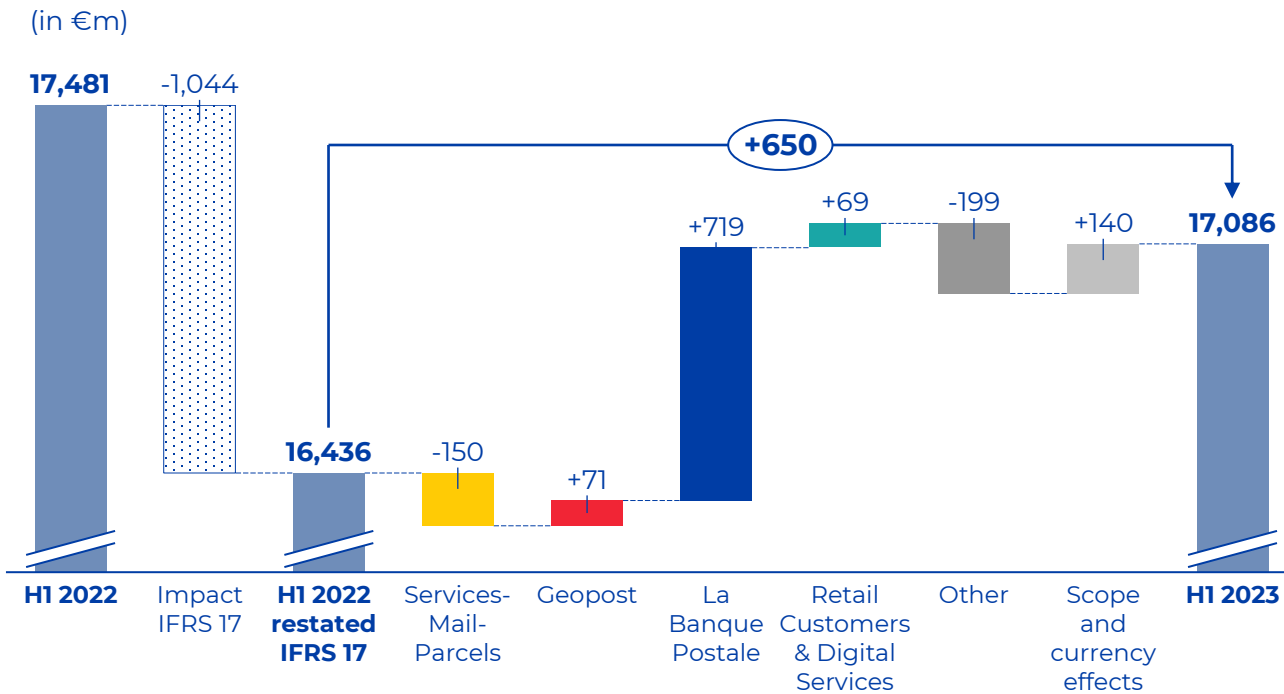
<i>(in €m or as a %)</i>	H1 2023	H1 2022 restated IFRS 17	Change vs restated	Change vs restated
Operating revenue	17,086	16,436	650	+4.0%
Operating profit	1,166	235	931	n.m.
Operating profit <i>excluding material non-recurring items¹</i>	1,447	1,304	143	+11.0%
Net financial expense	(111)	(101)	(10)	+9.6%
Income tax benefit/(expense)	(455)	962	(1,418)	n.m.
Share in net loss of equity-accounted companies	(27)	(33)	6	-16.9%
Non-controlling interests	112	144	(32)	-22.4%
Attributable net profit	461	919	(458)	-49.9%
Attributable net profit <i>excluding material non-recurring items²</i>	663	753	(90)	n.m.

1 Excluding the impact of material non-recurring items on operating profit (€1,069m negative impact in first-half 2022 and €281m negative impact in first-half 2023).

2 Excluding the impact of material non-recurring items on attributable net profit (€166m positive impact in first-half 2022 and €202m negative impact in first-half 2023).



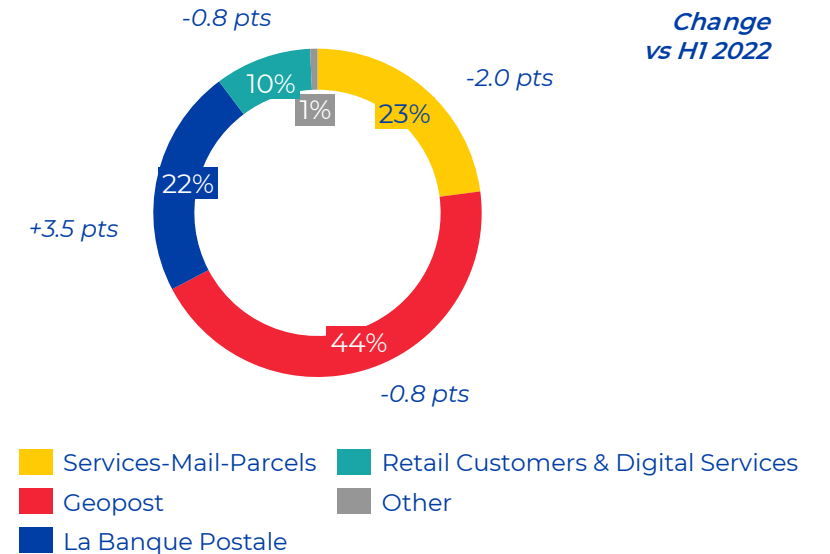
Consolidated operating revenue grew by 4.0% versus first-half 2022 restated for IFRS 17¹ (+3.1% at constant scope and exchange rates, or like for like) against a backdrop of rising interest rates and high inflation.



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

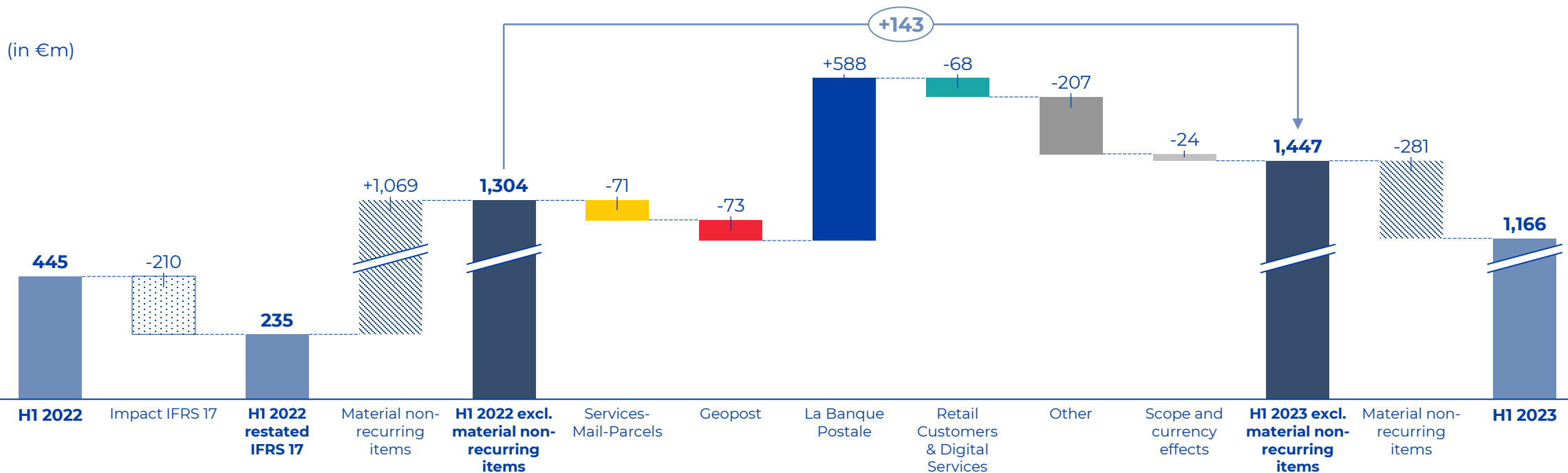
Breakdown of external operating revenue

More than 50% of the group's operating revenue comes from the Parcels and Express businesses.





The group's operating profit excluding material non-recurring items was €1,447m, up €167m like for like.



Material non-recurring items

o In H1 2022

- ✓ Services-Mail-Parcels: Mail assets
- ✓ Geopost: DPD Russia

-€1,069m

-€912m

-€157m

o In H1 2023

- ✓ Geopost:
 - Italian subsidiary
 - Stuart
 - Urby
- ✓ Other items

-€162m

-€134m

-€45m

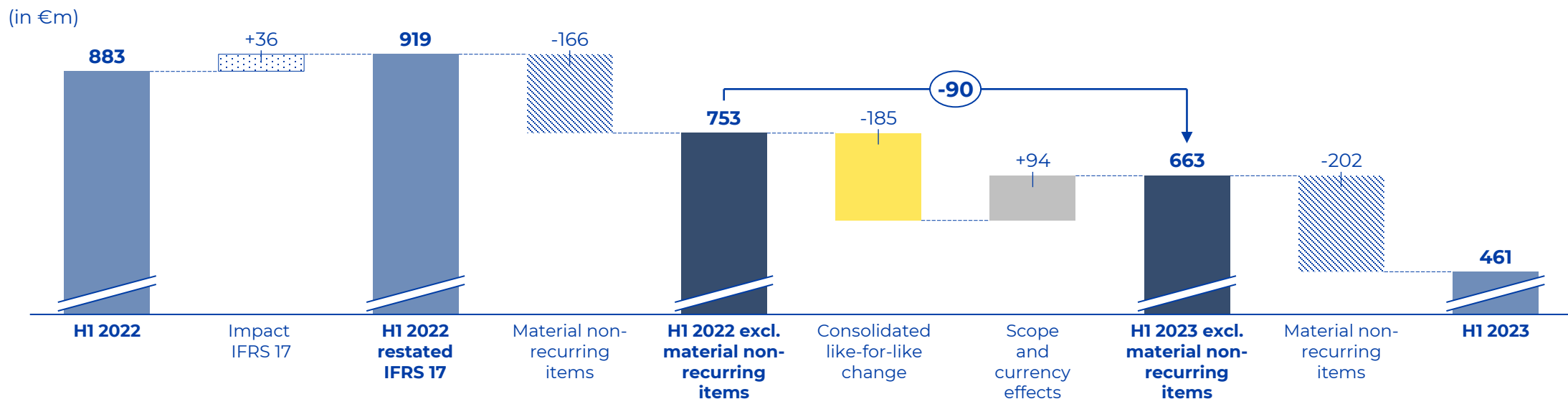
-€281m

-€341m

+€60m



Attributable net profit excluding material non-recurring items came in at €663m, down €185m like for like (-24.6%).



Material non-recurring items				
○ In H1 2022		+€166m	○ In H1 2023	-€202m
✓ Services-Mail-Parcels: Mail assets		-€682m	✓ Geopost: impairment of	-€317m
✓ Geopost: DPD Russia		-€157m	▪ Italian subsidiary	-€138m
✓ La Poste Groupe: deferred tax assets		+€1,005m	▪ Stuart	-€134m
			▪ Urby	-€45m
			✓ Other items	+€115m

3. Business line performance

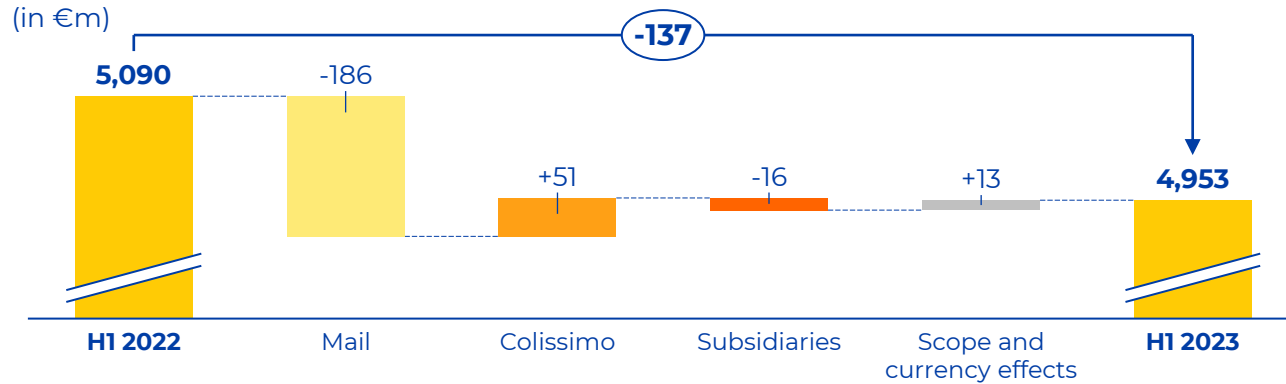




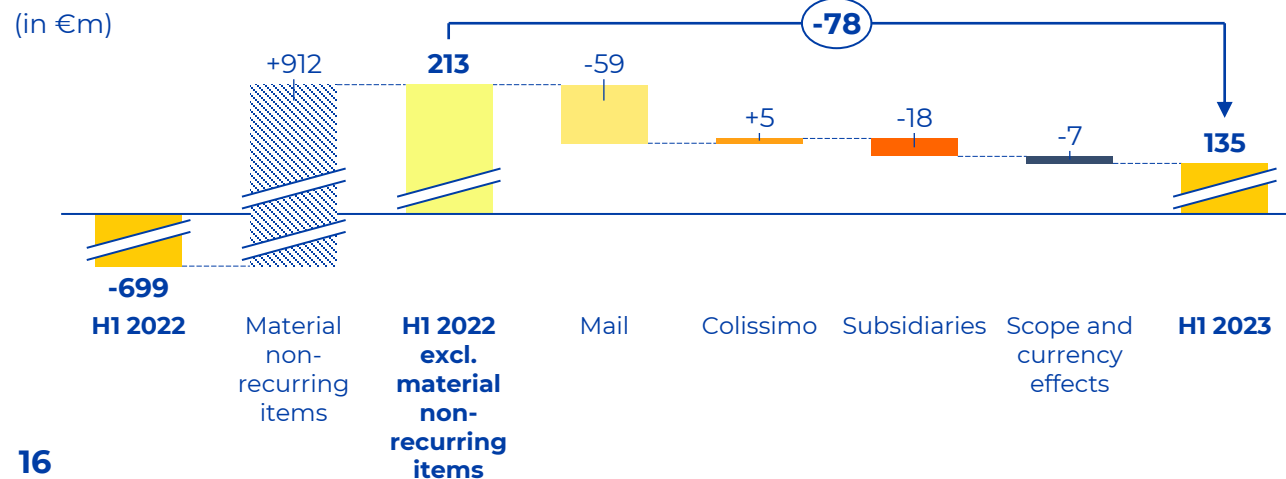
Services-Mail-Parcels

Revenue steady (-2.7%) in an adverse economic climate

(-3.0% like for like).



Operating profit down €71m excluding material non-recurring items like for like.



Revenue breakdown

H1 2023: Mail 68.9%, Colissimo 21.1%, Subsidiaries 10.0%

Mail Colissimo Subsidiaries

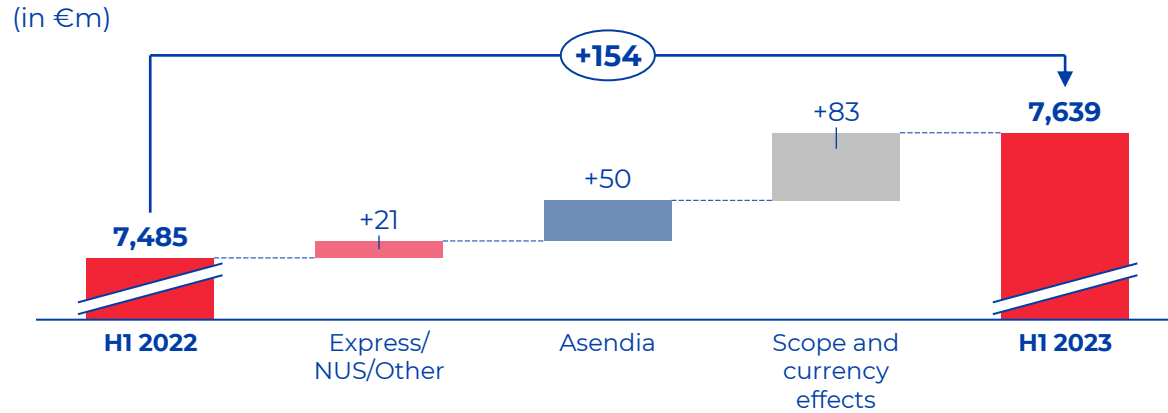
- Decline in **Business Mail** volumes: -9.2% at equivalent working days, partially offset by a favourable price effect
- Increase in **Colissimo** volumes: +4.1% at equivalent working days

Adjustments for material non-recurring items

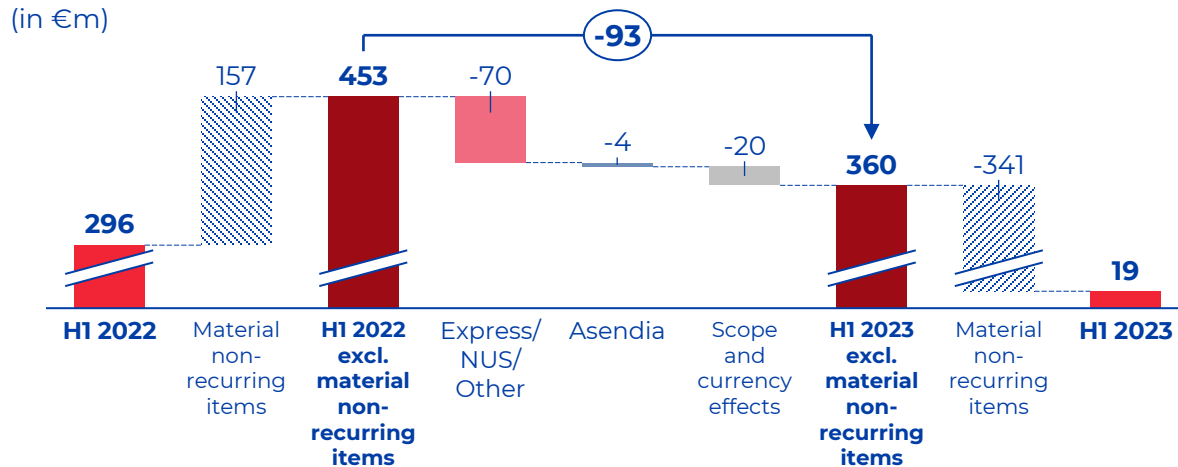
- In H1 2022:
 - Impairment of Mail assets -€912m
- In H1 2023: N/A



Revenue growth of 2.1% (+1.0% like for like).

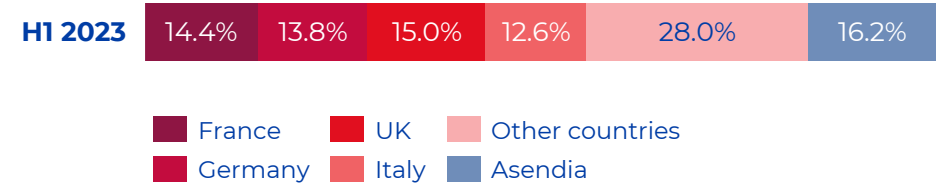


Operating profit down €73m excluding material non-recurring items like for like.



Revenue breakdown

Revenue in the main European countries accounts for almost 56% of the business line's total.



- **Express/NUS/Other:** revenue stable (+0.3% like for like) despite lower volumes, partly offset by rate increases and fuel surcharges
- **Asendia:** revenue up 4.5% 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

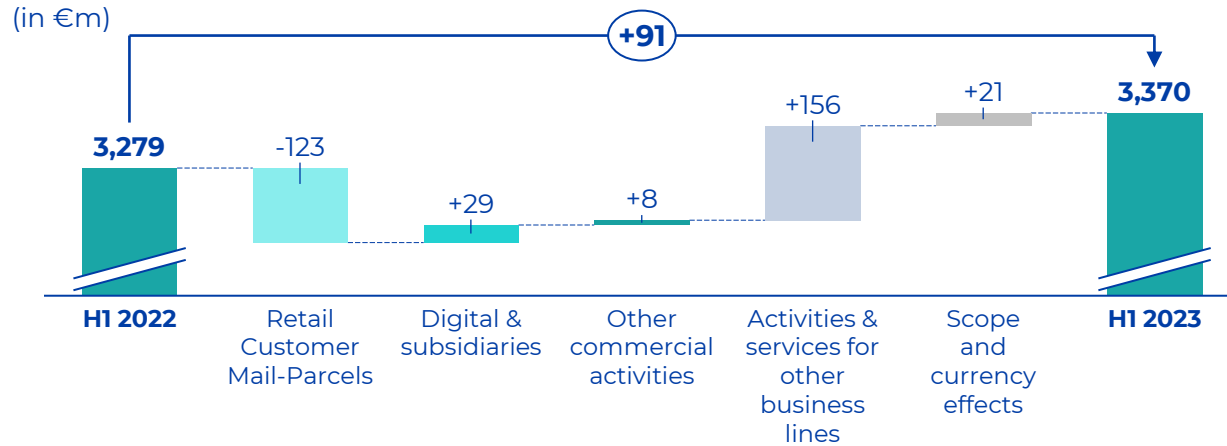
- **In H1 2022:** **-€157m**
 - Impairment of DPD Russia assets **-€157m**
- **In H1 2023:** **-€341m**
 - Impact of ongoing legal proceedings at an Italian subsidiary **-€162m**
 - Impairment of Stuart assets **-€134m**
 - Impairment of Urby assets and prov. For contingencies **-€45m**



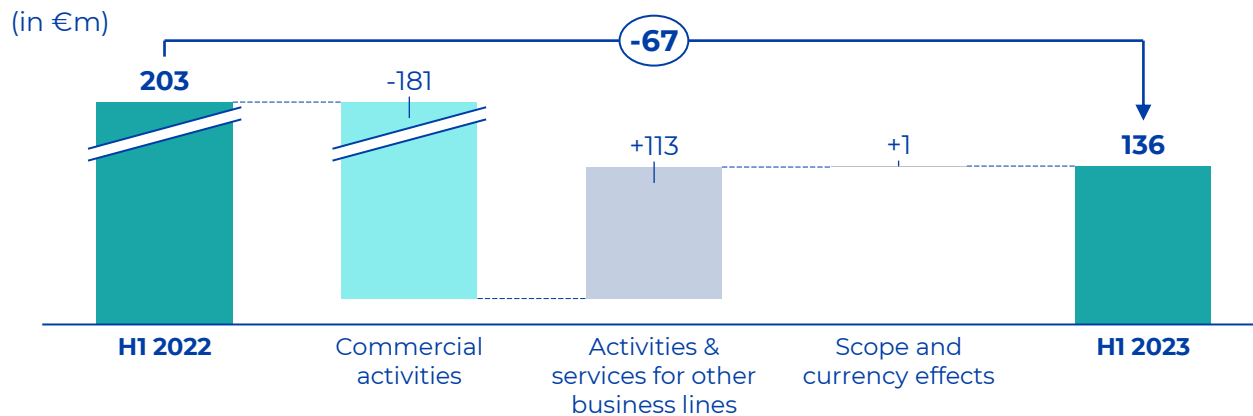


Retail Customers & Digital Services

Revenue growth of 2.8% (+2.1% like for like).



Operating profit down €68m like for like.



Revenue breakdown

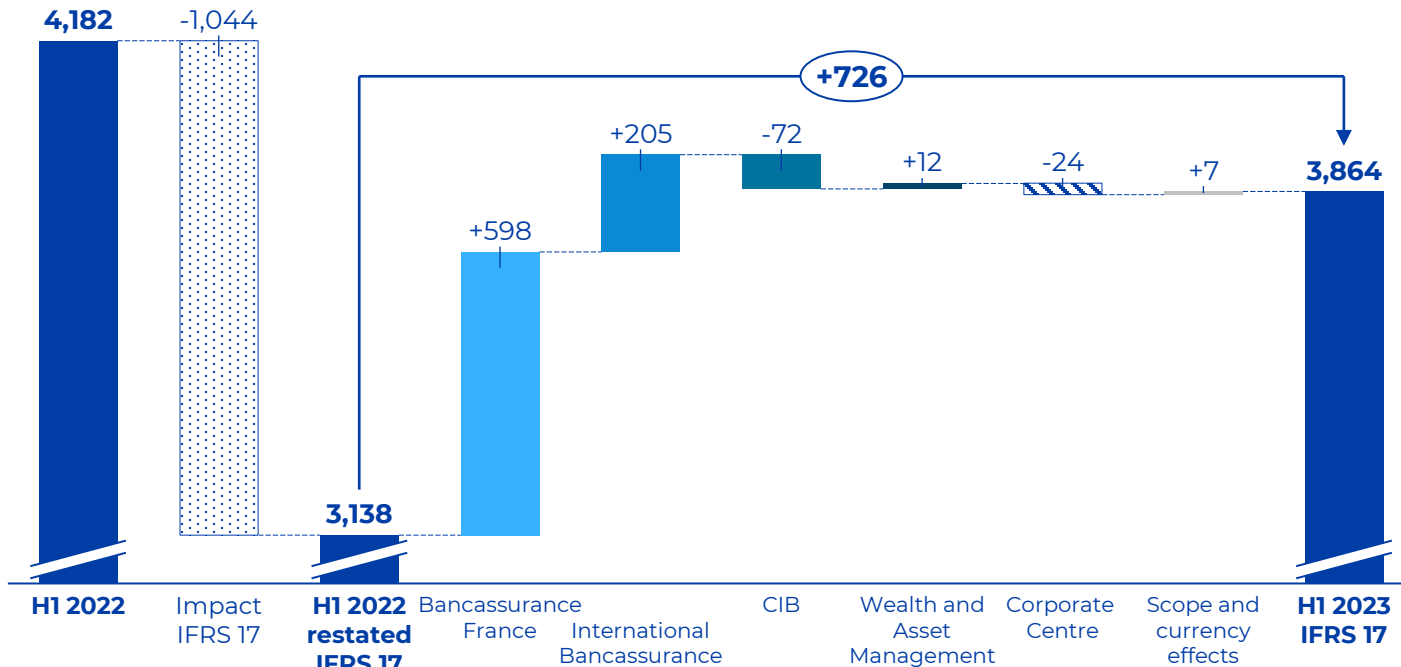


- Like-for-like revenue contraction for Mail and Parcels, offset by a rise in rebilling for activities and services for other business lines
- Operating profit down, reflecting an increase in expenses due to inflation

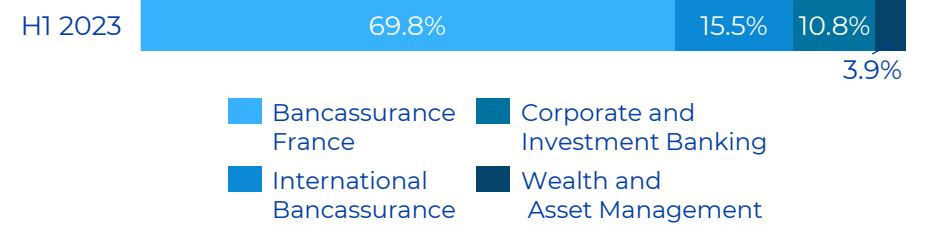
Net banking income growth of 23.1% against a backdrop of inflation and rapidly rising interest rates.

Net banking income for the business lines up €743m like for like (+21.4%) driven by the improvement in financial markets.

(in €m)

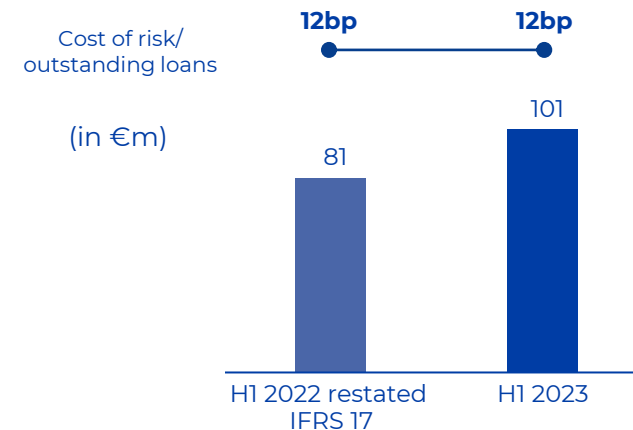


Net banking income by business line



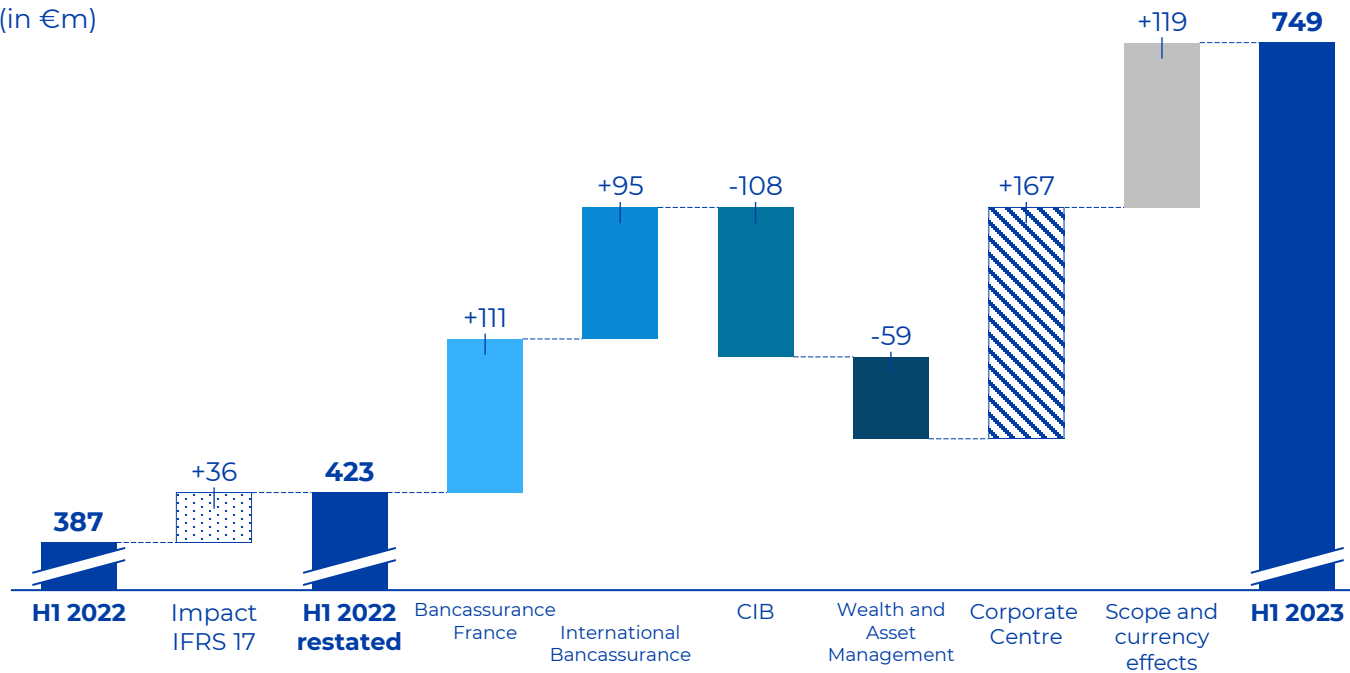
Cost of risk

The cost of risk was €101m higher than at 30 June 2022 restated for IFRS 17, amid an uncertain economic environment.

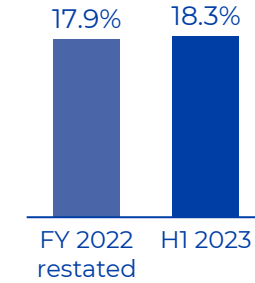


Business line attributable net profit up €40m, driven by higher earnings from CNP Assurances and a positive jaw effect on costs.

(in €m)

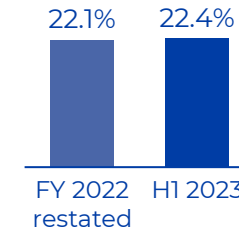


Estimated CET 1 ratio

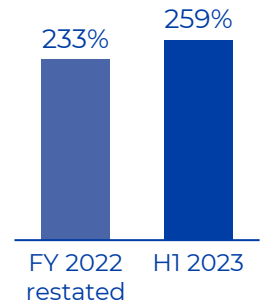


Capital adequacy and liquidity

La Banque Postale
Capital adequacy ratio



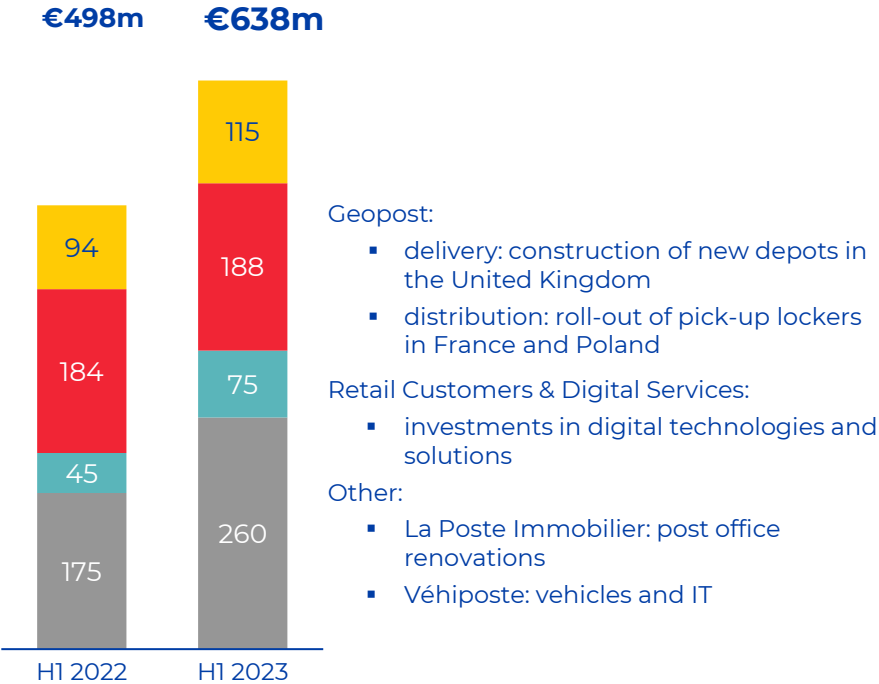
CNP Assurances
SCR coverage ratio¹



¹ Ratio calculated at the level of the holding company now hosting all La Banque Postale insurance activities.

Capital expenditure

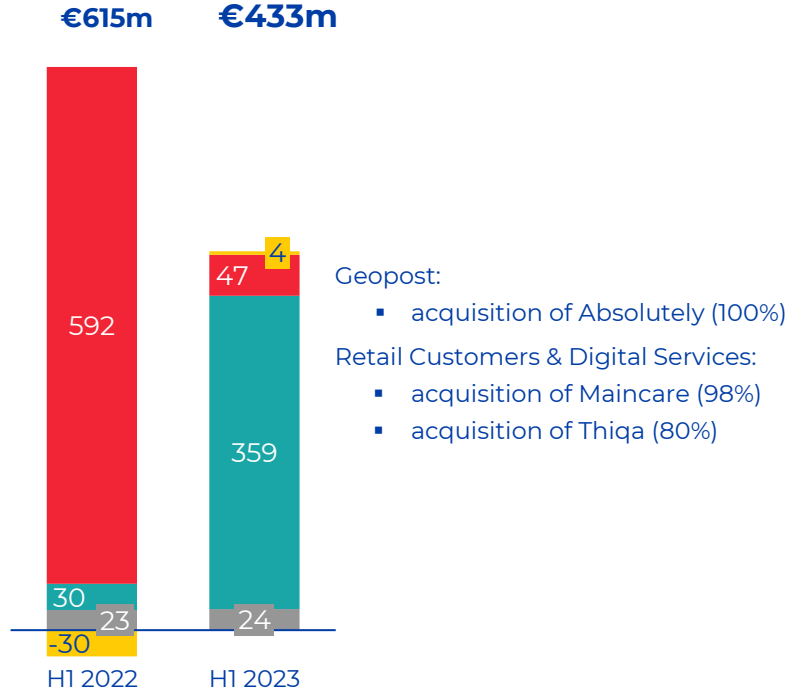
Internal capital expenditure (excl. La Banque Postale)



- Geopost:**
- delivery: construction of new depots in the United Kingdom
 - distribution: roll-out of pick-up lockers in France and Poland
- Retail Customers & Digital Services:**
- investments in digital technologies and solutions
- Other:**
- La Poste Immobilier: post office renovations
 - Véhiposte: vehicles and IT

■ Services-Mail-Parcels
 ■ Geopost
 ■ Retail Customers & Digital Services
 ■ Other

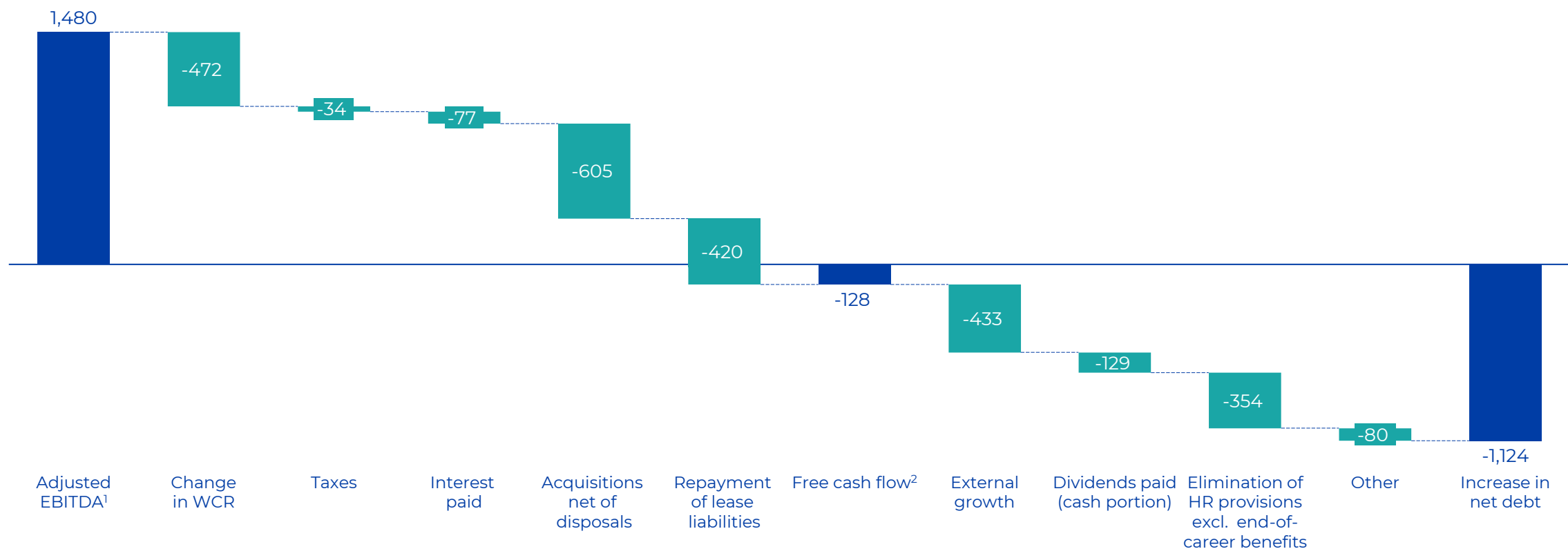
External growth (excl. La Banque Postale)



- Geopost:**
- acquisition of Absolutely (100%)
- Retail Customers & Digital Services:**
- acquisition of Maincare (98%)
 - acquisition of Thiqa (80%)

Change in net debt in first-half 2023

(in €m)

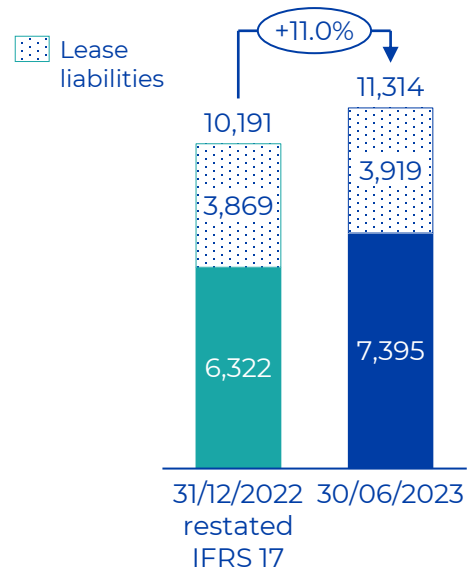


1 Adjusted EBITDA comprises all operating revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. To this is added dividends received from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

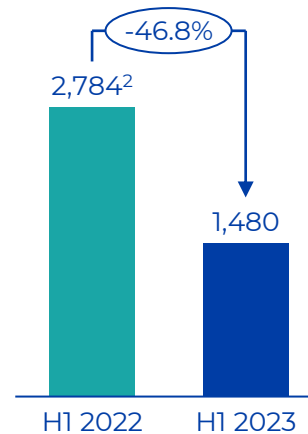
2 Including €1,256m relating to a catch-up on dividends for previous years by La Banque Postale.

Net debt/adjusted EBITDA ratio

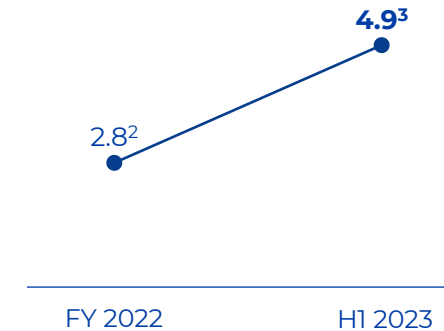
Net debt (in €m)



Adjusted EBITDA (in €m)¹



Net debt/adjusted EBITDA



- 1 Adjusted EBITDA comprises all operating 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. To this is added 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 by La Banque Postale.
- 3 Adjusted EBITDA calculated over a rolling 12-month period.

Credit ratings and non-financial ratings

S&P Global
Ratings

A+/A-1
Negative outlook

Outlook revised to negative on **7 December 2022**

(as a result of France's sovereign debt downgrade)

FitchRatings

A+/F1+
Stable outlook

Rating and outlook confirmed on **5 December 2022**



**Leadership – La Poste Groupe and
La Banque Postale on the A List**

Top 1% of companies worldwide for climate action

MOODY'S | ESG Solutions

No. 1 ranking worldwide

all sectors combined for **La Poste Groupe**
banking sector for **La Banque Postale**

ecovadis

La Poste Groupe
Platinum, top 1% of suppliers

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.

In H1 2022

Operating revenue: -€1,044m

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: €777 million in first-half 2022; €1,504 million in full-year 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: €7 million negative impact in first-half 2022; €136 million positive impact in full-year 2022)

Operating profit: -€210m

Attributable net profit: +€36m

At 31/12/2022

Attributable equity: +€3,835m

Main adjustments to La Poste Groupe's consolidated balance sheet

- Cancellation of intangible insurance assets such as portfolios of insurance contracts acquired and investment contracts with a discretionary participation feature. These items are now included in the projected future cash flows from insurance contracts (€797 million negative impact at 31 December 2022)
- Discontinuation of the overlay approach permitted by IFRS 4 and chosen at the time of first-time application of IFRS 9
- Reclassification of equity instruments available for sale at fair value through other comprehensive income not reclassifiable to profit or loss (€15.9 billion negative impact at 31 December 2022)
- Measurement at fair value through profit or loss, in accordance with the option offered by IAS 40 (as amended following the publication of IFRS 17), of investment property held as the underlying assets for savings and pensions contracts only (€529 million positive impact at 31 December 2022)

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