

# La Poste Groupe 2022 results

23 February 2023

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# 2022 key figures and significant events

Philippe Wahl, Chairman and Chief Executive Officer

# 2022 key figures

		<i>Year-on-year change</i>
<b>Operating revenue</b>	<b>€35.39bn</b>	+2.3% and -0.3% at constant scope and exchange rates (LFL), of which 44% internationally
<b>Operating profit<sup>1</sup></b>	<b>€1.20bn</b>	-€2.23bn and -€2.40bn LFL
<b>Operating profit</b> excluding material non-recurring items <sup>2</sup>	<b>€2.39bn</b>	<b>-€94m</b>
<b>Attributable net profit</b>	<b>€1.20bn</b>	-€0.87bn and -€1.27bn LFL
<b>Attributable net profit</b> excluding material non-recurring items <sup>3</sup>	<b>€1.25bn</b>	<b>+€119m</b>
<b>Free cash flow<sup>4</sup></b>	<b>€1.53bn</b>	+€1.28bn
<b>Net debt<sup>5</sup></b>	<b>€10.19bn</b>	-€42m
<b>Attributable equity<sup>5</sup></b>	<b>€17.55bn</b>	-€3.39bn
<b>Net debt/adjusted EBITDA<sup>6</sup></b>	<b>2.8</b>	-0.8 pts

1. After the share in net profit/(loss) of jointly-controlled companies.

2. Excluding the impact on operating profit of impairment charged against Mail, Mediapost France and DPD Russia assets and the net impact of other accounting effects.

3. Excluding the impact on attributable net profit mentioned in 2 and the utilisation of deferred tax assets ahead of CNP Assurances' potential inclusion in the group's tax consolidation scope.

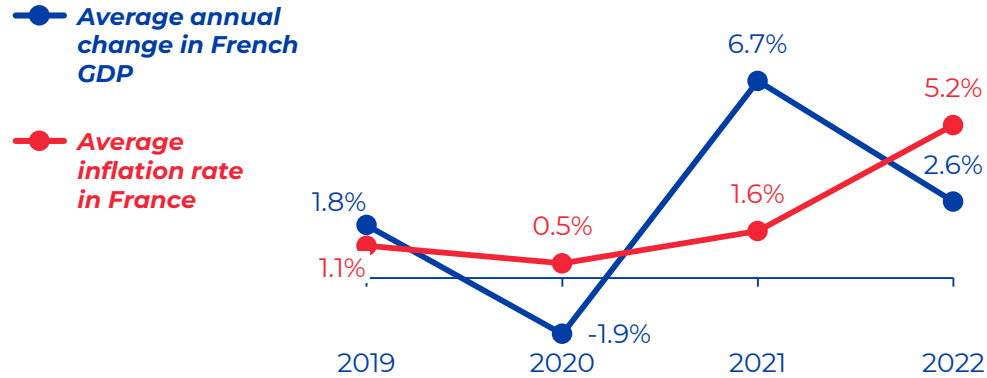
4. Free cash flow (excluding banking activities): cash flow from operating activities – purchases of property, plant and equipment and intangible assets net of disposals – net interest paid – repayment of lease liabilities received.

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 received.

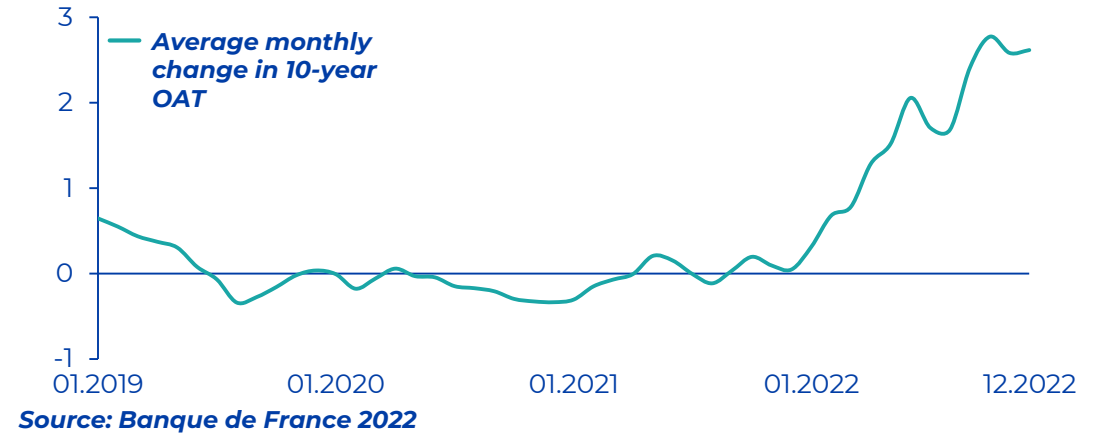
# Macro-economic environment

## High inflation and slowing growth



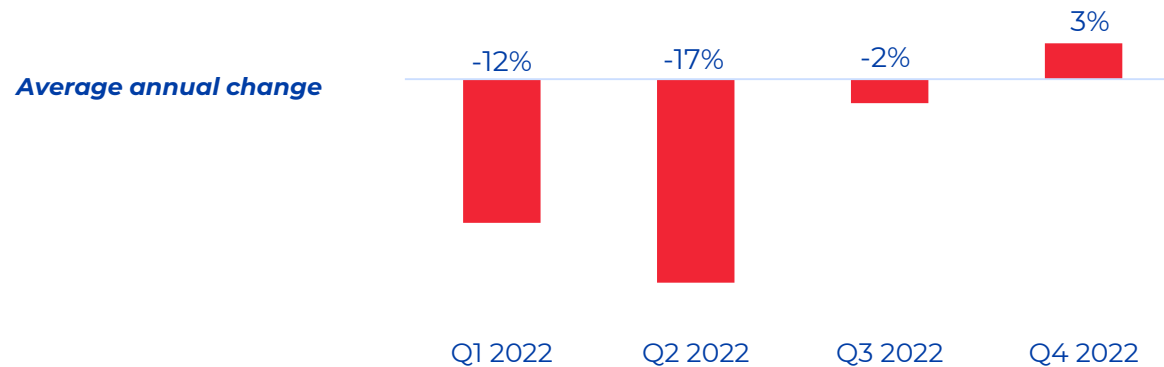
Source: Insee 2022

## Pronounced rise in interest rates



Source: Banque de France 2022

## e-commerce France: decline in product sales

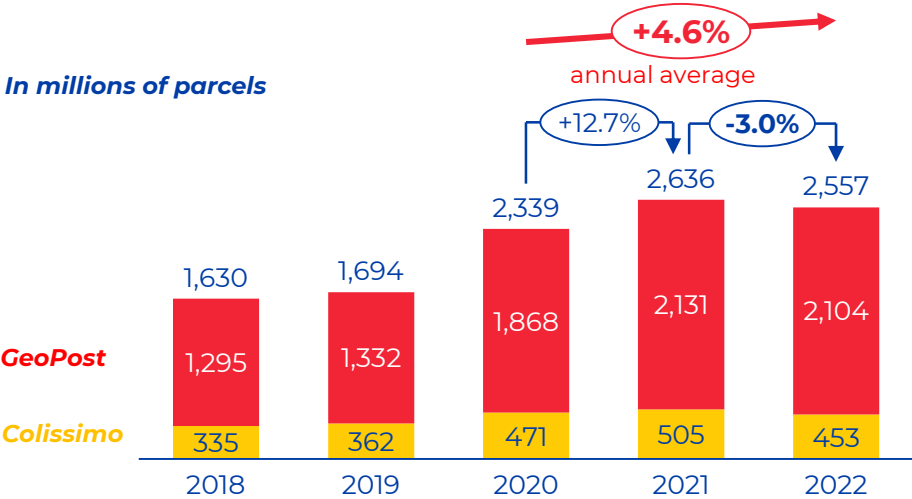


Source: FEVAD

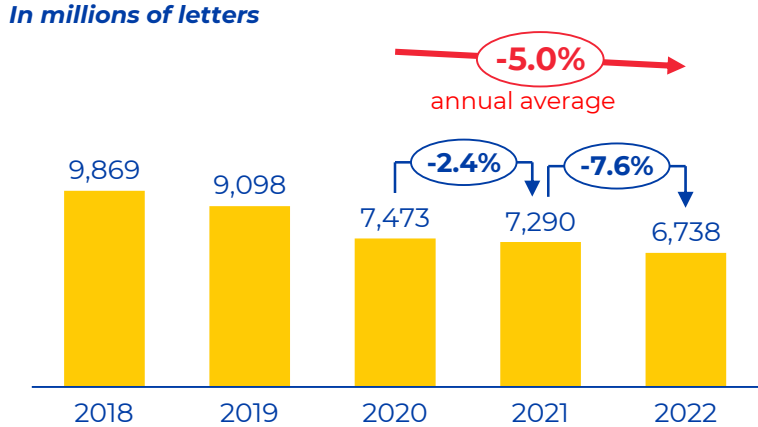
# Structural trends



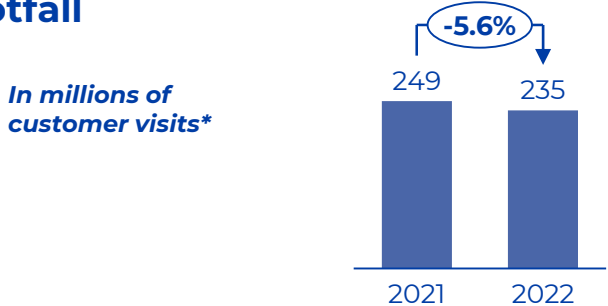
## Dip in parcel volumes



## Continued decline in mail



## Drop in post office footfall



\* New counting method implemented in 2022 (2021 data restated)

# 2022 significant events

## Consolidating the historical core activities



### Retail Customers & Digital Services

#### Significant €500m investment effort through to 2025

- Modernising the distribution network and making it a genuine growth driver
- Broadening the group's geographic footprint to 40,000 postal service points by building partnerships with retailers and strengthening the locker network



### Services-Mail-Parcels

#### Announcement of the launch of the new Mail range in July 2022, introduced as from 1 January 2023

- **Securing universal postal service over the long term** while addressing new behaviours, and **improving the carbon footprint** of the Mail business
- Delivering mail (three categories of letters), press and parcels, and providing local services, **6 days a week**

# 2022 significant events

## Accelerating the development of growth drivers



### Services-Mail-Parcels

#### Logistics

- €600m in investments through to 2025 to double the number of electric vehicles and convert the truck fleet to low-carbon energy in order to remain the leader in green logistics in France
- Launch of **LOG'ISSIMO**, a new range of customised local logistics solutions targeting businesses and local authorities



### GeoPost

#### Express delivery

- Acquisition of **CitySprint** (100%), a specialist in same-day deliveries, by DPD UK



#### E-commerce

- Acquisition of the **SCALEFAST** platform, a Los Angeles-based start-up providing global e-commerce solutions, by **esw**.



#### Specialised logistics

- In the transport of bulky goods, acquisition of **Chez vous** (95%)
- Acquisition of **POUR DE BON** (100%), in food e-commerce to develop synergies with **chronofresh**



#### International

- Acquisition of a further stake in **aramex** (+3%, for a total interest of 28%)



# 2022 significant events

## Accelerating the development of growth drivers



La Banque Postale

### Banking

- Finalisation of La Banque Postale's acquisition of **CNP Assurances** (100%) at the end of the first half of 2022
- Sale of equity investments in **Ostrum** and **AEW EUROPE** to **Natixis IM** and extension of asset management partnerships with **BPCE** through to the end of 2030
- Operational launch of the new **sustainable corporate and investment bank** (January 2022)
- Creation of **Louvre Banque Privée** (formerly BPE)

### Insurance

- Acquisition of **AVIVA**'s life insurance business in Italy, now CNP Assurances' second-largest market
- Acquisition of 5 companies in Brazil



# 2022 significant events

## Laying the foundations for future growth



### Services-Mail-Parcels

#### Local human and digital services

- Health & Autonomy division: acquisition of  (86%) to build a services platform for hospitalised patients
- In January 2023, alliance announced between  , a telemedicine specialist (joint investment by La Poste Santé Autonomie and BPI through its Patient Autonome fund) and  , to create a leader in telemedicine in France and expand internationally
- Acquisition by  , a home healthcare provider, of three small regional IV drip companies, thereby consolidating its market share and further diversifying its business



### Retail Customers & Digital Services

#### Digital services

- Alliance formed by Docompost (leader of an entirely French consortium<sup>1</sup>) to create **Numspot**, a company targeting the European sovereign cloud services market
- Investments totalling €300m through to 2025 to accelerate digital transformation and the development of online solutions (new digital services)
- Start of exclusive negotiations by Docompost to acquire  , a French specialist in healthcare software

<sup>1</sup> Banque des Territoires, Dassault Systèmes and Bouygues Telecom.

# 2022 significant events



International expansion, a powerful avenue for growth

Revenue by geographic area



France: **€19.8bn**

Europe excl. France: **€8.9bn**

Rest of the world: **€6.6bn**

# 2022 significant events

## 4 secured public service missions



### Amendment to the 2018-2022 public service agreement between La Poste and the French State



#### Accessible banking

- Renewal of compensation for the **2021-2026 period** for a maximum amount of **€1.77bn**



#### Regional development

- Introduction of budget allocations of **€74m** and **€105m** for 2022 and 2023 to maintain **maximum annual compensation of €177m** and offset a lower rebate following production tax changes (CFE and CVAE)



#### Press transport and delivery

- Signing of a memorandum of understanding in February 2022 between the French State, press industry organisations, Arcep and La Poste, reforming the conditions for press transport by post **for the 2023-2026 period** and increasing the rates for daily publications
- Compensation expected for **2022** and **2023** amounts to **€84m** and **€40m**, respectively



#### Universal postal service

- Partial compensation for additional costs over the 2021-2025 period via an **annual allocation** of between **€500m and €520m depending on service levels**
- **€520m budget allocation for 2021 received in 2022**, and a **€520m** budget allocation for 2022 included in France's 2023 Budget Law

# 2022 significant events



4 SDG-aligned <sup>1</sup> commitments measured using precise indicators <sup>2</sup> and monitored by the Mission Committee

<p><b>Contributing to the development and cohesion of local areas</b></p>		<p><b>Fostering social inclusion</b></p>	
<p><b>Promoting ethical, inclusive and affordable digital services</b></p>		<p><b>Working to accelerate the environmental transition for all</b></p>	

1. Sustainable development Goals defined by the ONU  
 2. See appendix for details on the indicators.

# 2022 significant events

## La Poste Groupe, committed to the ecological transition

### Ambitious GHG reduction pathways for main activities converging



#### La Poste Groupe

- Under the “La Poste 2030, committed for you” strategic plan, the group has committed to implementing pathways in line with the Paris Agreement (1.5°C)
- In 2022, this commitment took the shape of medium-term (2030) and long-term (-90% by 2040) GHG reduction pathways undergoing SBTi<sup>1</sup> validation
- **Based on these pathways, the group is committed to reaching “net-zero” by 2040<sup>2</sup>**



#### GeoPost

- Commitment to reducing emissions by **43% by 2030** (scopes 1, 2 and 3) and to reaching **“net-zero” by 2040** (2020 baseline)
- **Validation of these pathways in February 2023** by the SBTi (submitted in July 2022)



#### La Banque Postale

- Decarbonisation commitment based on reducing emissions by **46% by 2030** (2019 baseline) and commitment to achieving science-based targets (SBTi) for 85% of its total financing and investment portfolio by 2030
- Commitment to reaching **“net-zero” by 2040 for all banking activities**
- These pathways have been validated by the SBTi (October 2021)



#### La Poste<sup>3</sup>

- Commitment to reducing emissions by **42% by 2030** (scopes 1 and 2) and by **25% by 2030** (scope 3) (2021 baseline) and to reaching **“net-zero” by 2040**
- These pathways were submitted to the SBTi in December 2022

1. Science Based Targets initiative: a collaborative venture helping companies to reduce the CO<sub>2</sub> emissions behind global warming.  
2. Reaching “net-zero” as defined by the SBTi requires a 90% to 95% reduction in emissions by 2040.  
3. Services-Mail-Parcels, Retail Customers & Digital Services, La Poste Immobilier and Corporate.

# Recognised social engagement

MOODY'S | ESG Solutions

**No. 1 ranking worldwide**

for **La Poste Groupe**  
across all sectors

for **La Banque Postale**  
banking sector



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

Top 1% of companies worldwide for  
climate action

ecovadis

**La Poste Groupe**  
**Platinum**, top 1% of suppliers

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

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

# 2022 consolidated income statement

(in €m)	2022	2021	Change YoY	Change YoY at constant scope and exchange rates
<b>Operating revenue</b>	<b>35,392</b>	<b>34,609</b>	+783	-118
<b>Operating profit<sup>1</sup></b>	<b>1,197</b>	<b>3,431</b>	-2,235	-2,396
<b>Operating profit</b> <i>excluding material non-recurring items<sup>2</sup></i>	<b>2,392</b>	<b>2,486</b>	-94	
Net financial expense	(207)	(202)	-5	-3
Income tax benefit/(expense)	605	(620)	+1,225	+1,274
Share of net profit/(loss) of equity-accounted companies	(87)	(12)	-76	-66
Non-controlling interests	(304)	(528)	+224	-76
<b>Net profit attributable to owners of the parent</b>	<b>1,203</b>	<b>2,069</b>	-866	-1,267
<b>Net profit attributable to owners of the parent</b> <i>excluding material non-recurring items<sup>3</sup></i>	<b>1,250</b>	<b>1,131</b>	+119	

1. After the share in net profit/(loss) of jointly-controlled companies. Operating profit for the group and business lines is presented after the share in net profit/(loss) of jointly-controlled companies.

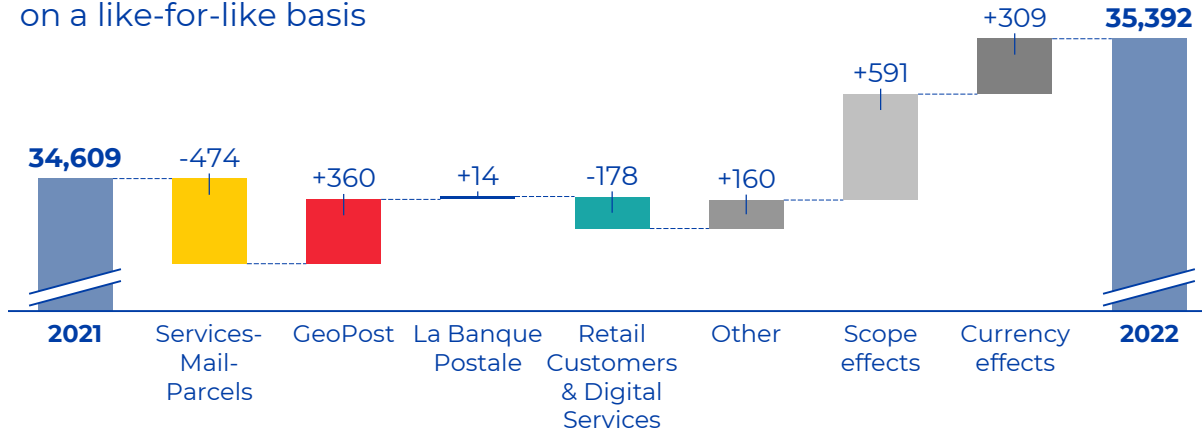
2. Excluding the impact on operating profit of impairment charged against Mail, Mediapost France and DPD Russia assets and the net impact of other accounting effects.

3. Excluding the impact on attributable net profit mentioned in 2 and the utilisation of deferred tax assets ahead of CNP Assurances' potential inclusion in the group's tax consolidation scope.



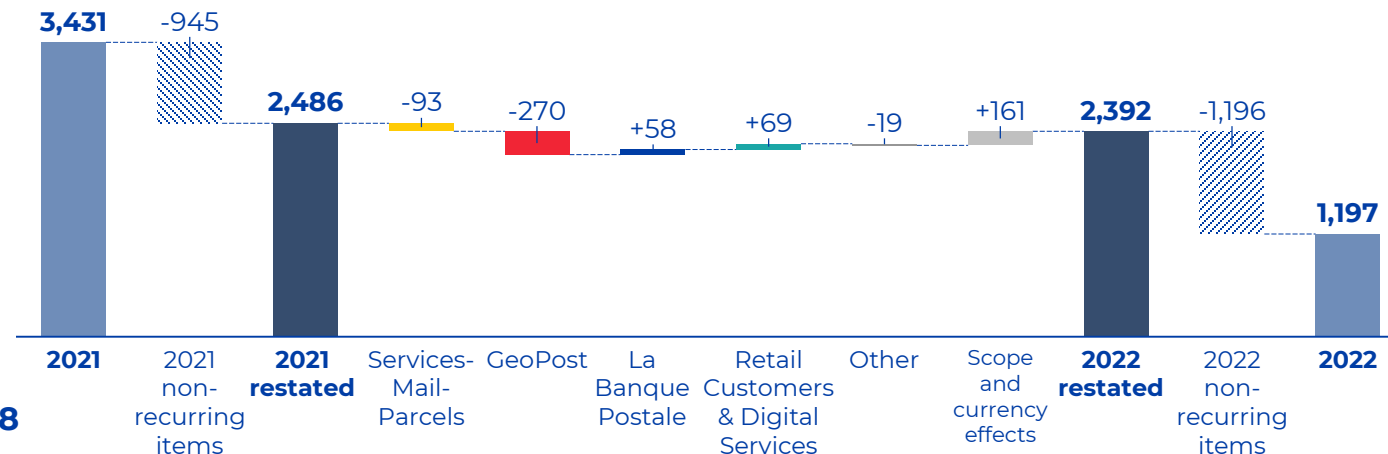
## Operating revenue (in €m)

Operating revenue up slightly and stable on a like-for-like basis

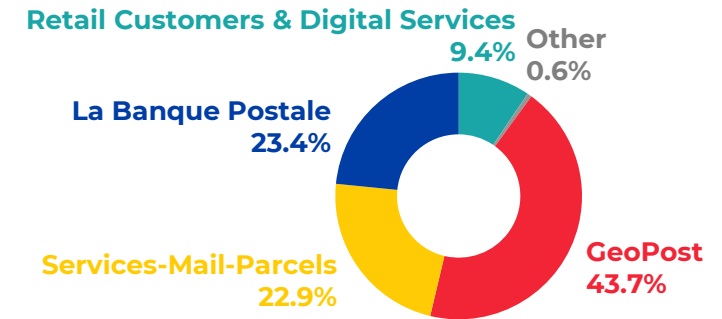


## Operating profit (in €m)

Operating profit stable after restating for accounting effects



## External operating revenue by business line



Operating revenue was up 2.3% and virtually stable on a like-for-like basis (-0.3%)

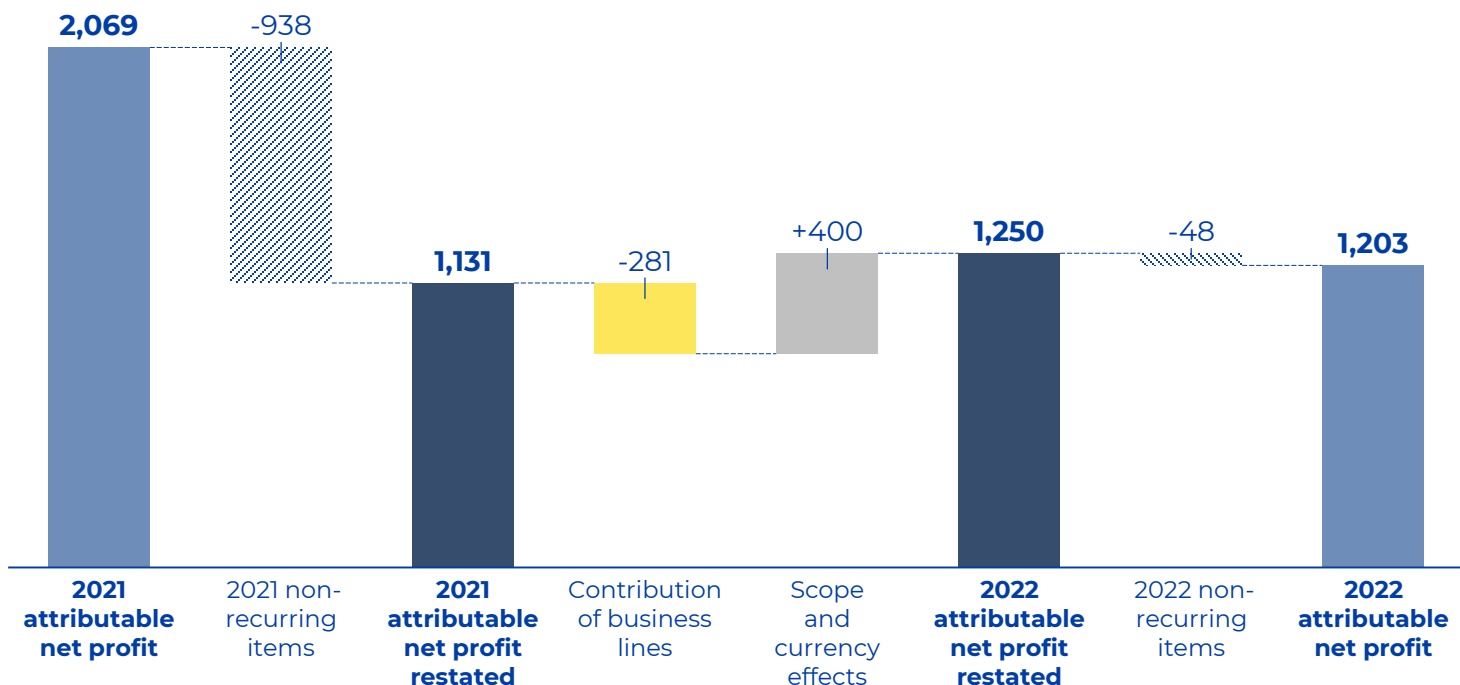
It included annual compensation for universal postal service of €520m

## Restatement of material non-recurring items

- In 2021,
  - ✓ reversal of impairment for Mail assets +€900m
  - ✓ net impact of other accounting effects +€45m
  - +€945m**
- In 2022,
  - ✓ impairment for assets of:
    - Mail -€940m
    - Mediapost -€80m
    - DPD Russia -€149m
  - ✓ net impact of other accounting effects -€27m
  - €1,196m**



### Attributable net profit (in €m)



The future inclusion of CNP Assurances in the group's tax consolidation scope, after La Banque Postale increased its interest to 100%, will allow **€903m in deferred tax assets to be utilised**

#### Restatement of material non-recurring items

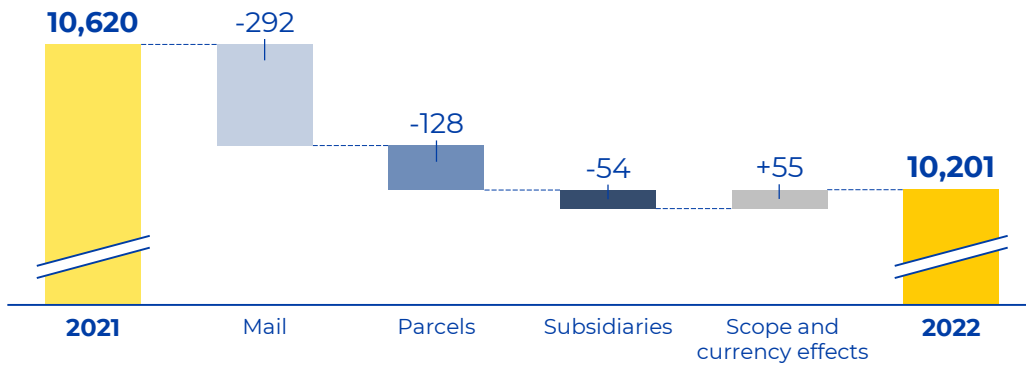
- In 2021,
  - ✓ reversal of impairment for Mail assets +€900m
  - ✓ net impact of other accounting effects +€38m
  - +€938m**
- In 2022,
  - ✓ impairment for assets of:
    - Mail -€702m
    - Mediapost -€80m
    - DPD Russia -€149m
  - ✓ net impact of other accounting effects -€20m
  - ✓ deferred tax assets +€903m
  - €48m**



## Services-Mail-Parcels

Despite the inflationary environment and the gradual decline in Mail volumes, the business line virtually broke even in operating terms thanks to cost control efforts

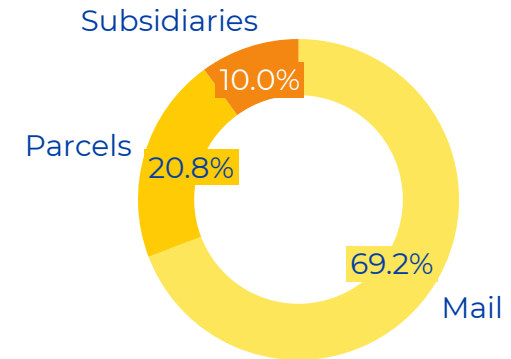
### Revenue (in €m)



### Operating loss (in €m)



## Revenue by division



**Revenue performance: -3.9% and -4.5% like for like**

- Decline in **Business Mail** volumes: **-6.5%** at equivalent working days, partially offset by a favourable price effect
- **€303m in compensation** granted by the French State, mitigating the deficit of the universal postal service
- Decline in **Business Parcels** volumes: **-9.8%** at equivalent working days due to an unfavourable base effect in the first half and inflationary pressure on consumer spending

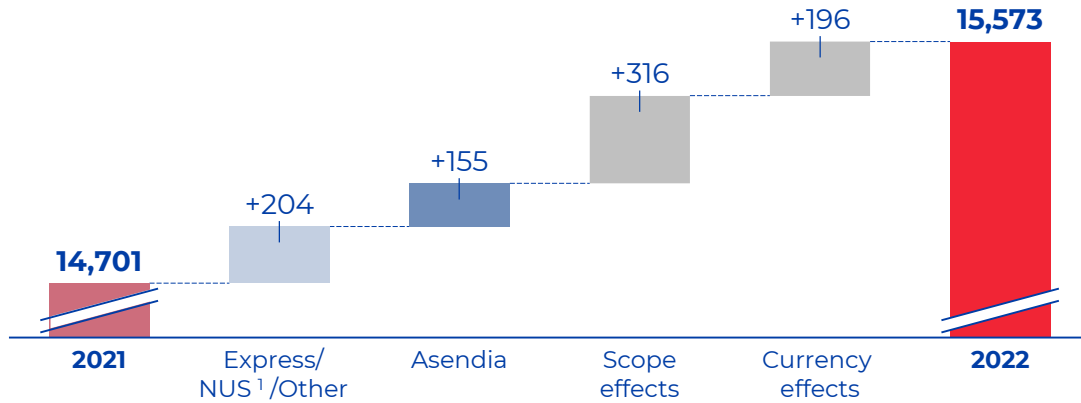
### Restatement of non-recurring items

- In 2021, reversal of impairment for assets of:
  - Mail +€900m
- In 2022, impairment for assets of:
  - Mail -€940m
  - Mediapost -€80m

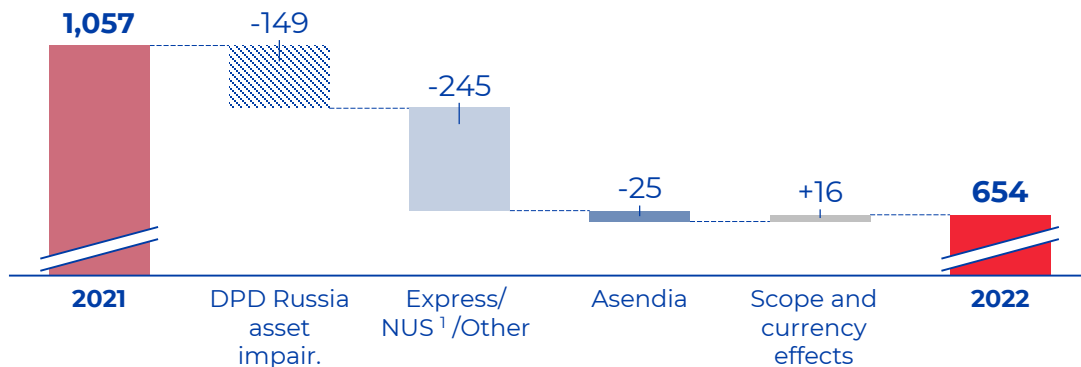


Revenue was up despite a slight drop in volumes, after an exceptional year in 2021

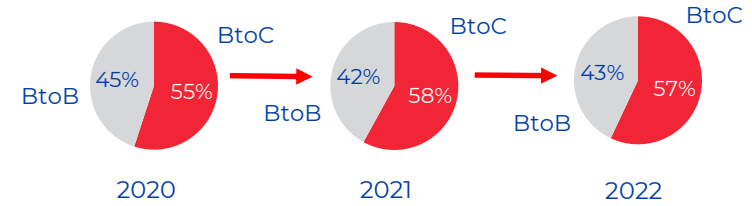
### Revenue (in €m)



### Operating profit (in €m)



### Partial shift in GeoPost parcel volumes towards BtoB



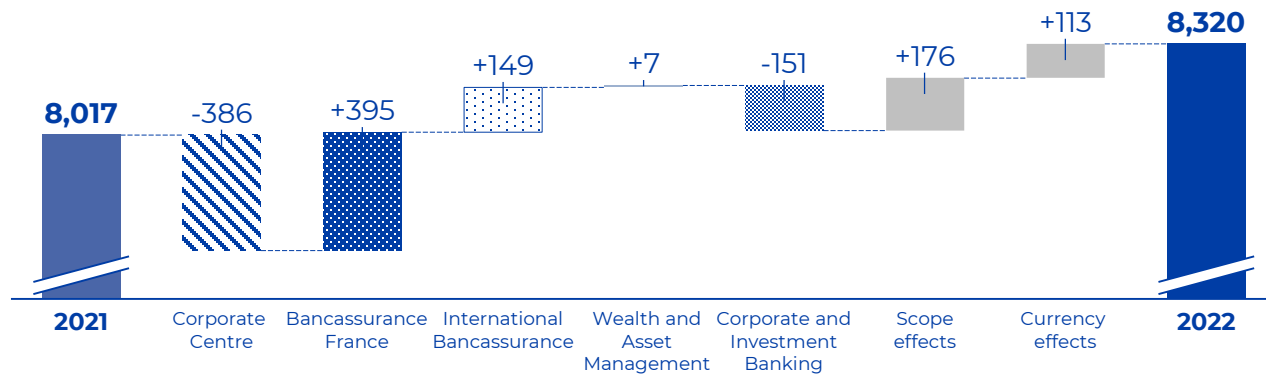
#### Revenue growth: +5.9%

and +2.4% on a like-for-like basis, despite a 3% like-for-like decline in volumes

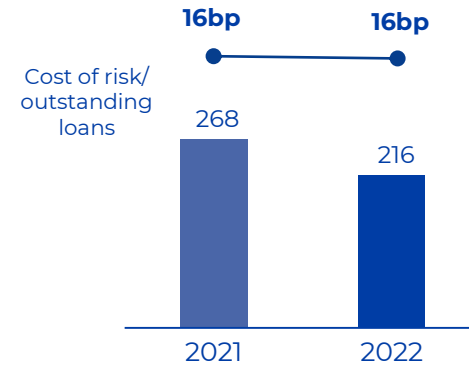
- Slowdown in BtoC activity (-5% in sales)
- Price increases and fuel surcharges to mitigate higher costs due to inflation

## Net banking income (in €m)

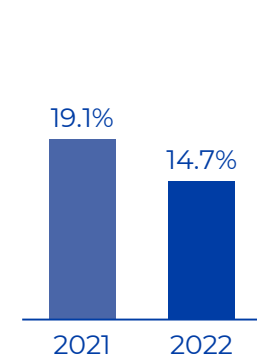
NBI was up €400m (+4.5%)



## Cost of risk

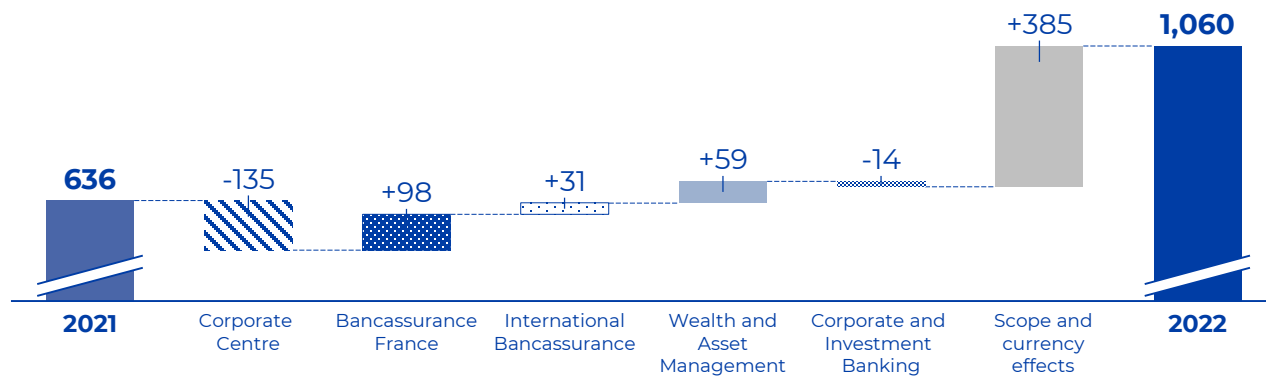


## CET1 ratio



## Attributable net profit (in €m)

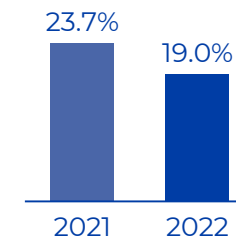
Business line attributable net profit grew by €174m (+15.1%)



## Capital adequacy and liquidity

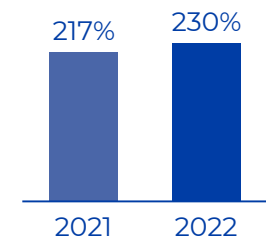
### La Banque Postale

Capital adequacy ratio



### CNP Assurances

SCR coverage ratio

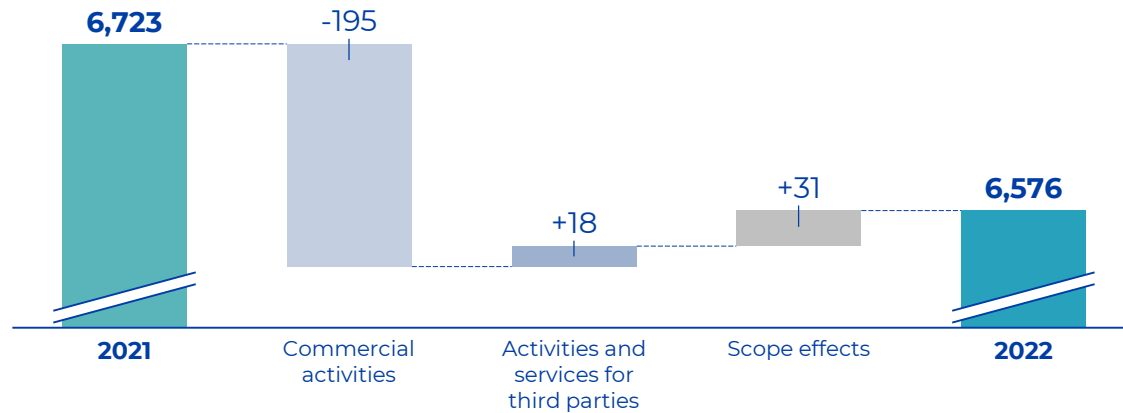




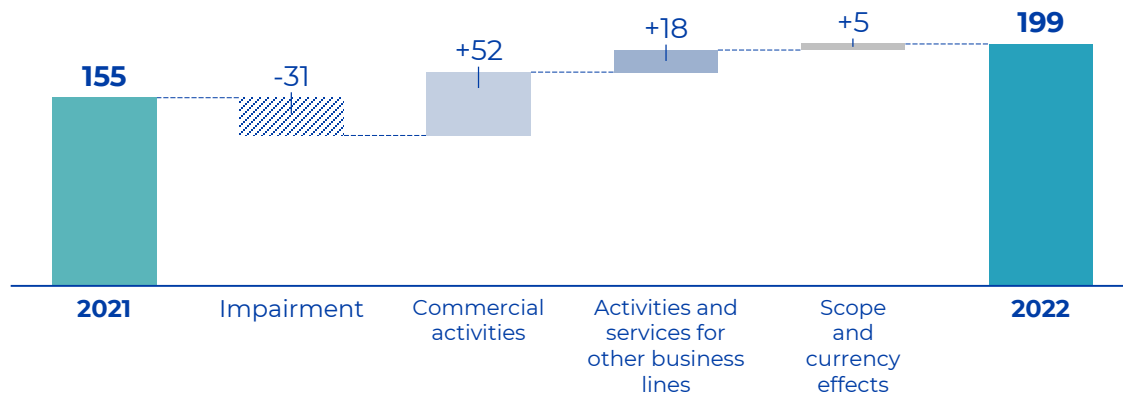
## Retail Customers & Digital Services

Despite the decline in Retail Customer Mail and Parcels, operating profit rose thanks to lower network expenses

### Revenue



### Operating profit



**Revenue was down 2.2%** and down 2.6% on a like-for-like basis, due to lower Mail (-12%) and Parcels (-11%) volumes amid a slowdown in e-commerce

Portion of universal postal service compensation allocated to the business line: **€174m**

- Analysis of the like-for-like change in revenue from commercial activities:
  - Retail Customer Mail and Parcels: **-€219m**
  - Digital Services: **+€20m**
  - Other commercial activities: **+€4m**
- Like-for-like growth in **operating profit: +€38m**
- **Close-up on La Poste Mobile**
  - revenue growth: +€9m (+3%)
  - operating profit growth: +€15m

# Investments

## Internal investments

€2.1bn

(-€0.7bn vs 2021)

## External growth<sup>1</sup>

1,302

- Acquisition by CNP Assurances of a portfolio of 7,600 housing units (SCI Lamartine)
- Acquisition of Aviva's life insurance business in Italy

La Banque Postale

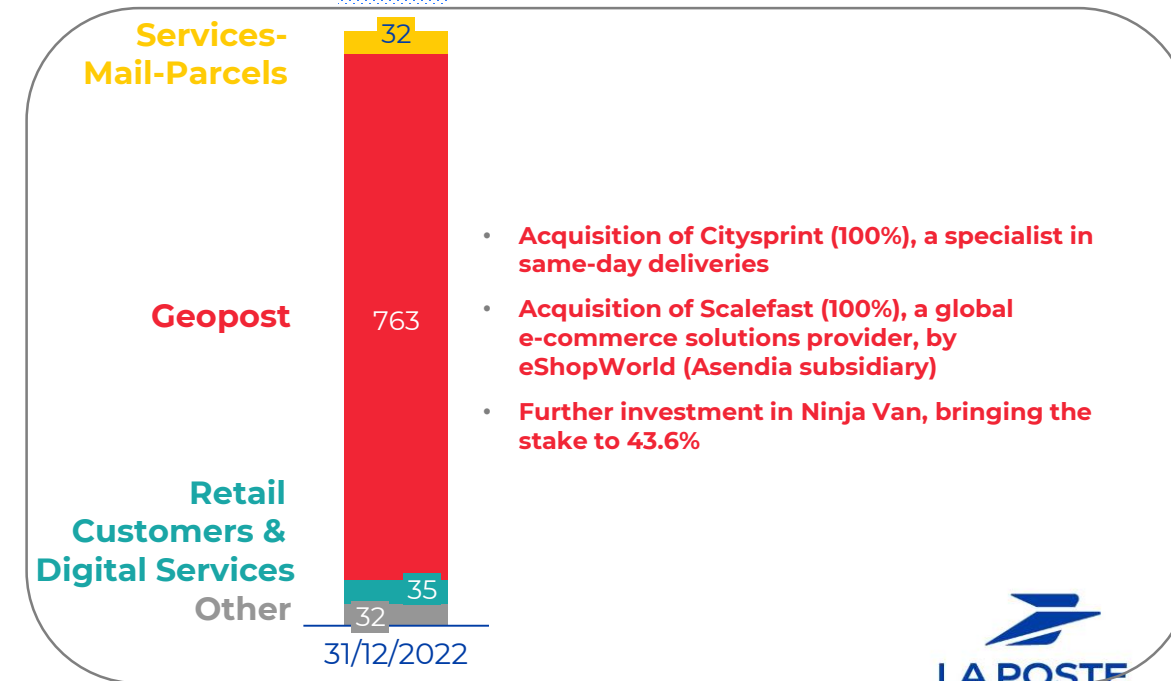
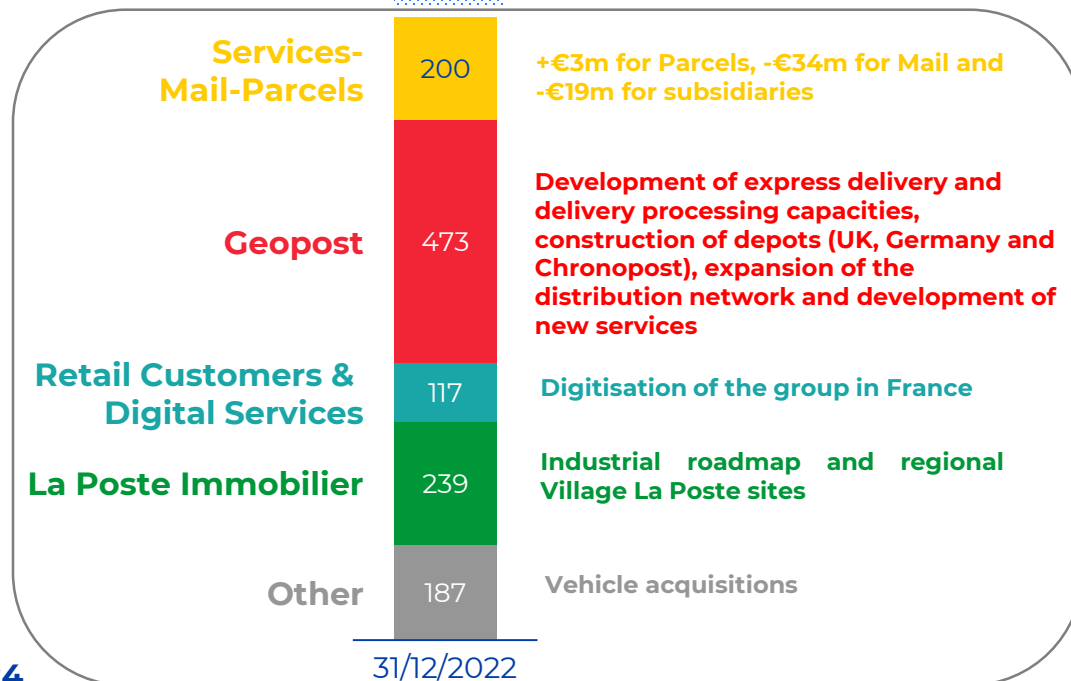
487

€1,217m

(-€85m vs 2021)

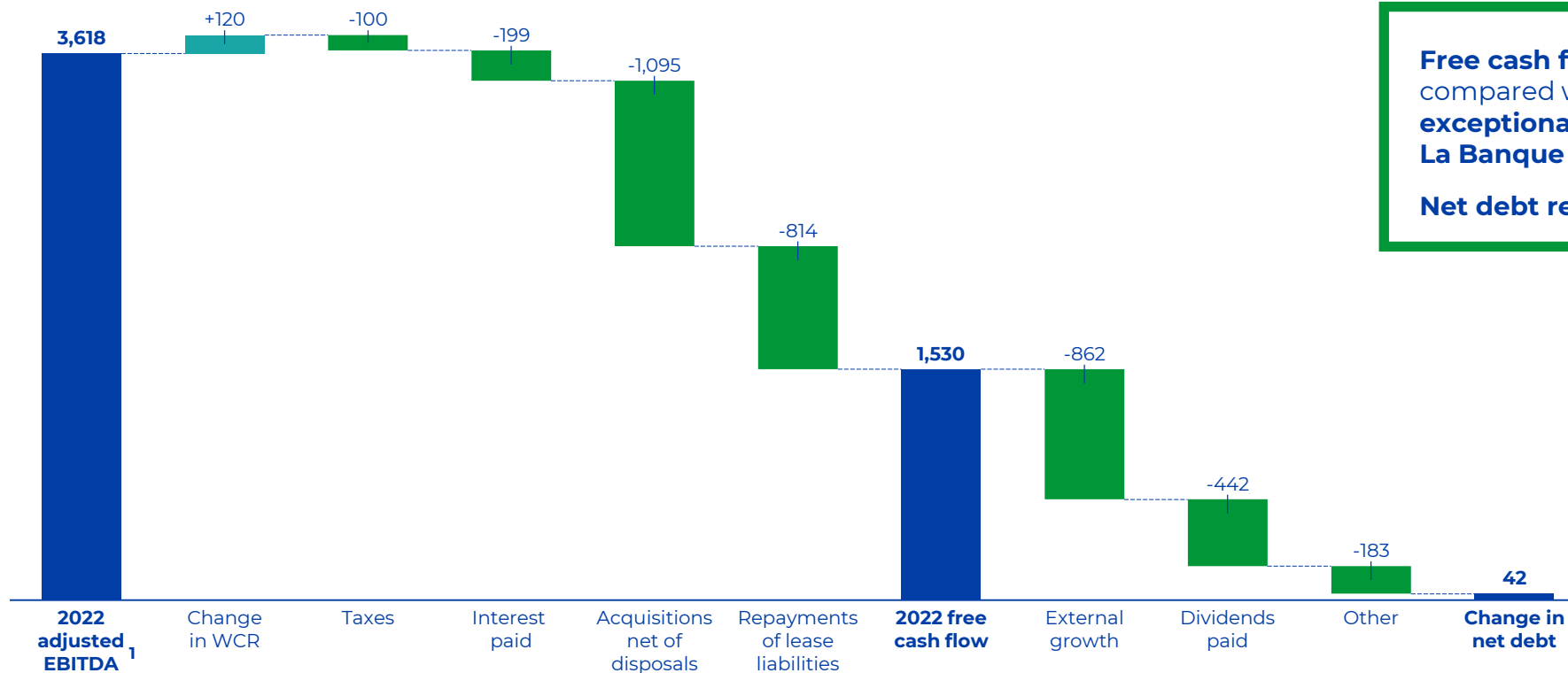
€862m

(-€587m vs 2021)



1. Excluding acquisitions of non-controlling interests in CNP Assurances.

# Free cash flow and change in net debt

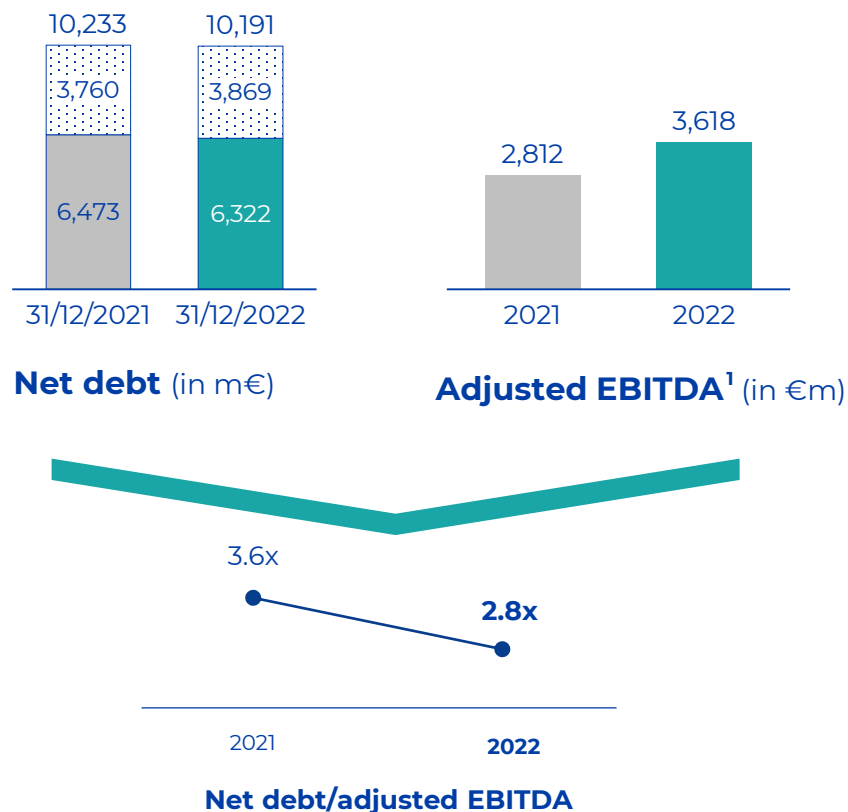


**Free cash flow advanced by €1,282m** compared with 2021, mainly **due to an exceptional dividend payment of €1,256m by La Banque Postale**

**Net debt remained stable**

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.

# Balance sheet structure and 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**

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.

# Outlook

Philippe Wahl, Chairman and Chief Executive Officer

# Appendices

# 2022 significant events



## 4 SDG-aligned commitments measured using precise indicators and monitored by the Mission Committee

### Contributing to the development and cohesion of local areas



97% of the population in France located within 5km or 20 minutes by car from a La Poste retail outlet

446,000 direct, indirect and induced jobs generated by the group's activities

€4.4bn in financing granted to local authorities

€4.9bn in financing granted for social housing, healthcare, non-profit activities and the local economy

### Promoting ethical, inclusive and affordable digital services



473,000 people supported and equipped in the use of digital technology

9.6m active Digiposte and Digital ID users

More than 16,000 tonnes of material saved by extending the life of IT equipment

### Fostering social inclusion



Close to 15,000 young trainees, work-study students and new hires (permanent or fixed-term contracts)

654,000 accessible banking beneficiaries able to receive social benefits

Nearly 233,000 beneficiaries of group support services for the elderly and weak

### Working to accelerate the environmental transition for all



104,558 tCO<sub>2</sub>eq of GHG emissions avoided (scopes 1, 2 and 3 plus subcontractors)

Reduction in atmospheric pollutant emissions<sup>1</sup>:

- Nitrogen oxides: -62%
- Particles: -49%

<sup>1</sup> 2015 baseline.

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