

# La Poste Groupe FY 2021 Results

24 February 2022

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Philippe Wahl, Chairman and CEO

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

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Philippe Wahl, Chairman and Chief Executive Officer

# 2021 key figures and highlights

Philippe Wahl, Chairman and CEO

# 2021 key figures

Operating revenue	€34.6bn	+11.0% and +9.6% at constant scope and exchange rates of which 41.0% outside France
Operating profit/(loss) <sup>1</sup>	€3.4bn	+€282m and <b>+€3.1bn</b> at constant scope and exchange rates and excluding the effects of the first consolidation of CNP Assurances
Operating profit/(loss) excluding the effects of the consolidation of CNP Assurances and excluding the provision for impairment of Mail assets	€2.5bn	<b>+€1.5bn</b>
Net profit Group share	€2.1bn	Stable and <b>+€3.5bn</b> at constant scope and exchange rates and excluding the effects of the first consolidation of CNP Assurances
Net profit Group share excluding the consolidation of CNP Assurances, excluding the impairment of Mail assets and the impairment of deferred tax assets	€1.2bn	<b>+€1.5bn</b>
Free cash flow <sup>2</sup>	+€248m	vs. -€510m as at 31/12/2020
Net debt <sup>3</sup>	€10.2bn	vs. €8.8bn as at 31/12/2020
Equity <sup>3</sup>	€20.9bn	vs. €18.4bn as at 31/12/2020
Net debt/Adjusted EBITDA <sup>4</sup>	3.6	vs. 7.1 as at 31/12/2020

<sup>1</sup> After share of profit of jointly controlled entities.

<sup>2</sup> Free cash flow (excluding banking activities): cash flow from operating activities - purchases of property, plant and equipment and intangible assets net of disposals - net financial interest paid - repayment of lease liabilities.

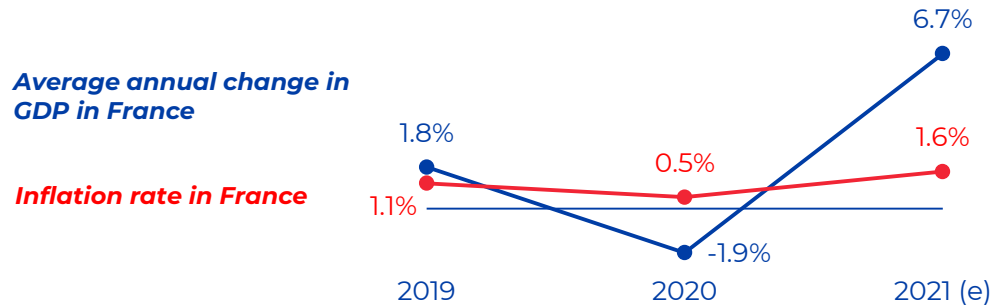
<sup>3</sup> Excluding banking activities, for which this concept is not relevant.

<sup>4</sup> Adjusted EBITDA = operating revenue excluding LBP - running costs - personnel expenses (excluding end-of-career provisions excluding LBP) + dividends

# Structural trends



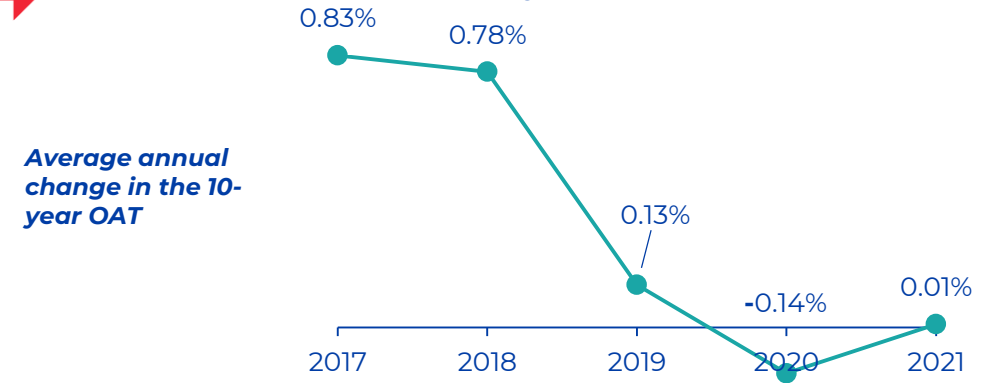
**A macroeconomic environment disrupted by the health crisis**



Source: Insee 2022



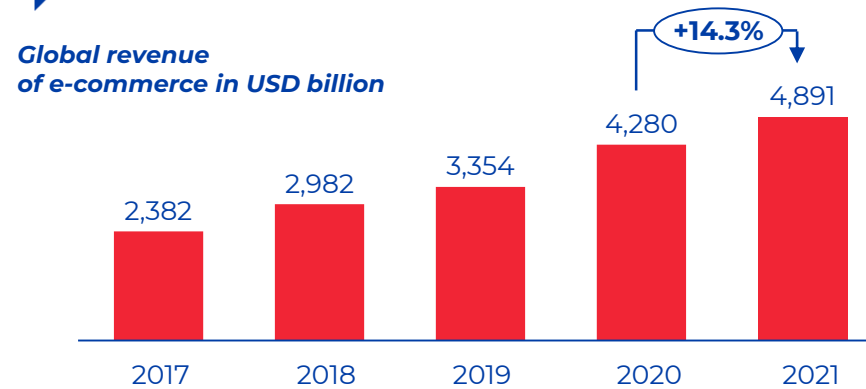
**Interest rates still very low in 2021**



Source: Banque de France 2022



**Acceleration of global e-commerce**

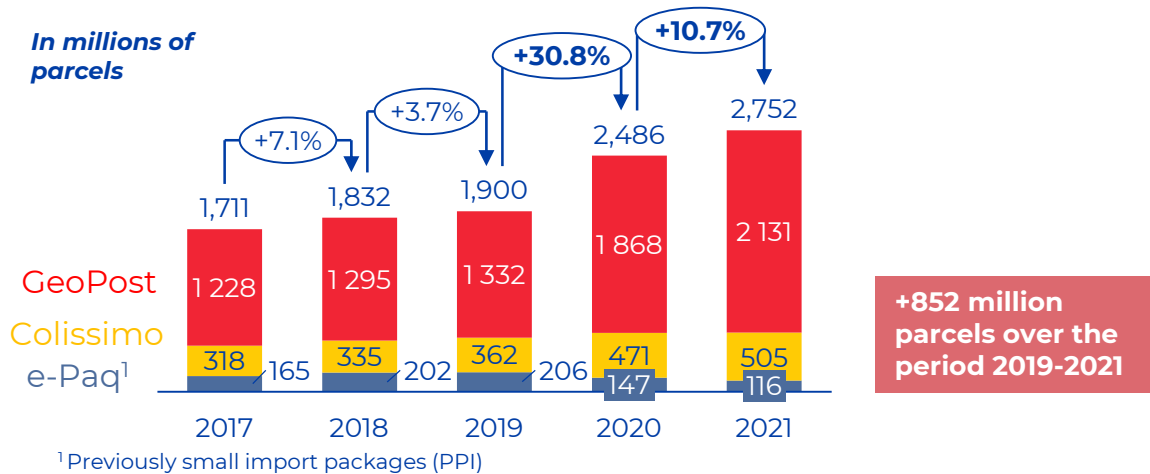


Source: Statista 2022

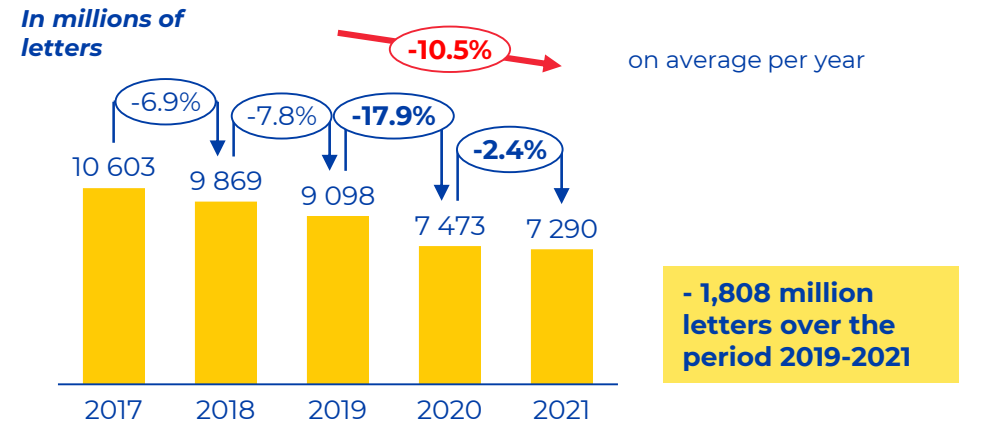
# Structural trends



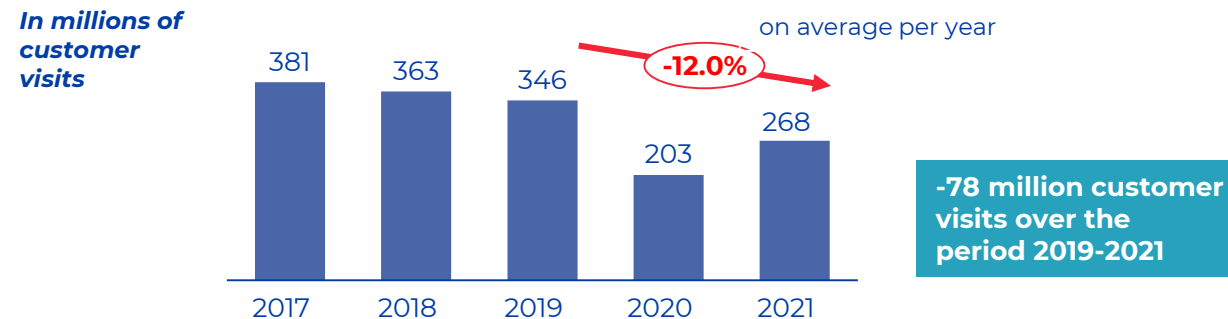
## Parcel volumes at the highest level



## Continued decline in addressed mail volumes despite a partial recovery due to a favourable base effect in H1



## Decrease in footfall at post offices



# 2021 key highlights

## Strengthening growth drivers





### Services-Mail-Parcels

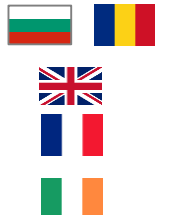
- Decision to implement **the second part of the investment in Colissimo's industrial facilities** in France: a second tranche of **€450 million over four years** in order to meet **the ambition of sorting and delivering one billion Colissimo items per year by 2030**
- Digital marketing services: acquisition of **TimeOne** (100%), a specialist in the generation of qualified profiles



### GeoPost

#### Acquisitions in Europe

- Express-parcel:
  - Increase in the share capital of  **speedy** (69.8%),
  - Acquisition (100%)  **citySprint** (same day delivery)
  - Takeover of **epicery** in food (87.5%)
- E-commerce: Asendia increases its stake to 100% in **esw**, a facilitator of cross-border e-commerce



#### Intercontinental acquisitions

- Express-parcel:
  - Increase in capital of  **ninjavan** (43.3%)<sup>1</sup>
  - Entry into the capital of **aramex** (24.9%), a logistics transport company



<sup>1</sup> Diluted from other securities that may give access to the share capital, the percentage is 40%.

# 2021 key highlights

## Strengthening growth drivers









### La Banque Postale

- Creation of the **“citizen” Corporate and investment bank** <sup>(1)</sup>
- Completion of the acquisition of  Italy by CNP Assurances 
- Deployment of  a new operating structure for contingency, consumer loan insurance and pension products in Brazil 
- **Acquisition of the CNP Assurances shares** held by BPCE Group for **€2.4 billion** increasing LBP’s stake in CNP Assurances to **78.9%**; Proposed public takeover bid for the free float of CNP Assurances and a delisting if the conditions are met.



### Digital Services

#### Strengthening of digital expertise

- Acquisition of:
  -  **OPENVALUE** (80%), Big Data consulting, 
  -  **BOXTAL** (100%), comparator of online parcel delivery solutions, 
  - the **electronic signature activities of**  **IDEMIA** 
- **IT investments** for the employees in contact with customers: 10,000 computers and 7,000 tablets

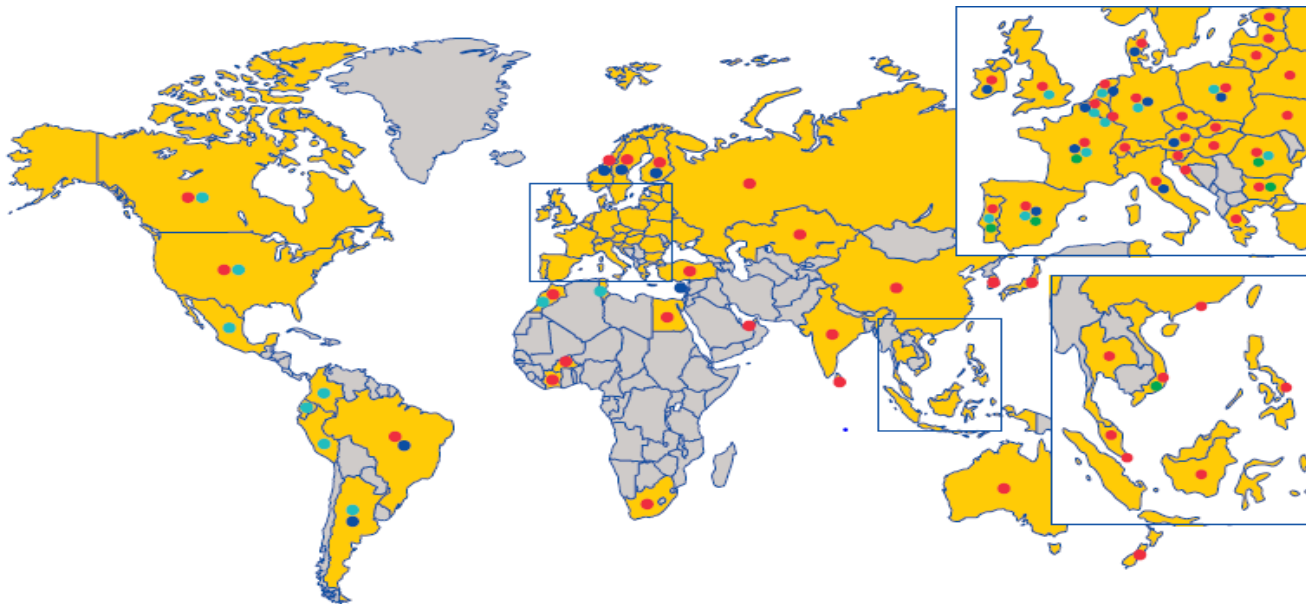
<sup>1</sup>On 16 November 2021, La Banque Postale announced the creation on 1 January 2022 of the new corporate and investment bank.

# 2021 key highlights



## International, a strong area of development

La Poste Groupe's geographic footprint (31/12/2021)

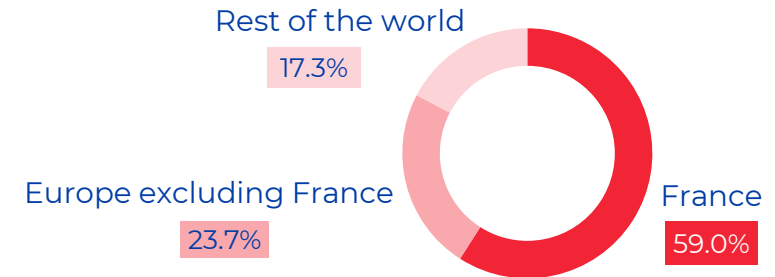


Countries in which La Poste Groupe operates at end 2021

● GeoPost  
● Retail Customers and Digital Services business unit

● La Banque Postale  
● Services-Mail-Parcels business unit

Geographic breakdown of operating revenue



■ France: **€20,433 million**  
 ■ Europe excluding France: **€8,187 million**  
 ■ Rest of the world: **€5,989 million**

# 2021 key highlights



## Adoption of the status of “entreprise à mission”<sup>1</sup>

### 4 commitments

- Contributing to the development and cohesion of the regions
- Improving social inclusion
- Promoting ethical, inclusive and frugal digital services
- Working to accelerate the environmental transition for all

### In line with the UN SDGs<sup>2</sup>



## State financial compensation for public service missions reassessed

### ✉ Universal Postal Service mission

- **Annual allocation** of between **€500 million and €520 million depending on the quality of service**
- A first payment in 2022 in respect of 2021

### 🔒 Banking accessibility mission

- Extension of compensation up to **€1.77 billion for the period 2021-2026**

### 🏠 Regional planning mission

- Budget allocation of **€74 million** to offset the decrease in production taxes reduction (CFE and CVAE)

<sup>1</sup>ie whose social and environmental objectives are aligned with its purpose and set out in its Articles of association.

<sup>2</sup> Sustainable Development Goals



# Highlights of the Group social policy

## Acting for professional development

- **Training rate** in 2021: 81.9%
- Appropriate teaching methods: **62% of postal workers trained** through distance learning (e-learning, virtual classes, etc.)
- A programme dedicated to **training postal workers in digital, AI and DATA uses** : 25,000 postal workers already trained in 2021; 100% of postal workers will have been trained by 2025
- **Innovative career paths** created in 2021 to support postal workers towards jobs that recruit
- **More than 18,000 postal workers** benefited from professional development in 2021



## Promoting constructive social dialogue



- **18 new national agreements**, with significant commitments to support La Poste's transformation
  - Employee agreement "**La Poste committed with postal workers**" signed on 4 May 2021
  - **Incentive agreement** signed on 22 June 2021 for the period 2021-2023
  - As part of the management of the health crisis: **full compensation for postal workers on partial employment**
  - Amendment to the **Remote working** agreement signed on 4 November 2021
  - **Support for changes in jobs business unit** agreements (Retail Customers and Digital Services, Services-Mail-Parcels business units)

## Improving the quality of life at work, protecting the health and safety of postal workers

- The level of **participation in the engagement barometer increased in 2021**
- Managing the health crisis, prioritising **the health and safety of postal workers and customers**
- **A social offer** adapted to the daily lives of postal workers: €190 million dedicated to benefits in kind and a housing policy for employees
- **Significant drop** in the frequency rate of **workplace accidents** compared to 2019 <sup>1</sup>



<sup>1</sup> within the Group France scope.

# A recognised socially responsible commitment

## Working to accelerate the environmental transition for all



- **Net Zero Commitment before 2050** (SBTi Business Pledge 1.5 °C)
- **GHG trajectories certified as compliant with the Paris Agreement** (La Poste SA and La Banque Postale)
- **Exit from fossil fuels by La Banque Postale by 2030**
- **Deployment of Urby:** deliveries in dense urban areas with 220 low-emission vehicles; local storage
- **A Biodiversity diagnosis and policy**

## Promoting ethical, inclusive and frugal digital services



- **Over 500,000 digital identities created**
- **180,000 people** supported, trained or equipped

## Contributing to the development and cohesion of the regions



- **La Banque Postale granted more than €15 billion of financing** to 2,500 local authorities (modernisation and environmental transition) **of which €600 million in green loans**
- **La Poste retail outlets:**
  - **17,000** registered in the **postal coverage agreement**
  - **plus another 15,000** giving access to **La Poste's services** (Pro areas, Pickup pick-up and drop-off points)
- Close to **500,000 direct, indirect or induced jobs** supported in France

## Improving social inclusion



- **No.1 employer for disabled people:** **14,000**, OED rate<sup>1</sup> at **7.7%**
- **1,300 Active partnerships** with **SSE structures**
- **1,800 recruitments under the age of 25**, including 8% from urban priority neighbourhoods
- **49.6% of Livret A accounts with outstandings of less than €150**

<sup>(1)</sup> Beneficiary of Obligation to Employ Disabled Workers



# A recognised socially responsible commitment



**La Poste Groupe ranks first worldwide,**  
in all sectors, for the third consecutive year,  
on the “CSR performance” component

**La Banque Postale**  
**ranks first worldwide** in the banking  
sector



**La Poste Group and La Banque Postale,**  
both classified LIST A,  
*i.e.* among **world leaders**  
for their climate commitment

# **Presentation of FY 2021 consolidated accounts**

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

# 2021 consolidated P&L account

In €m	2020	2021	Change N/N-1	Impact of the contribution of CNP Assurances shares	Change at constant scope and exchange rates
<b>Operating revenue</b>	<b>31,185</b>	<b>34,609</b>	<b>+3,424</b>		<b>+2,959</b>
<b>Operating profit/(loss)<sup>1</sup></b>	<b>3,149</b>	<b>3,431</b>	<b>+282</b>	<b>-3,007</b>	<b>+3,060</b>
<b>Operating profit/(loss)</b> <i>excluding the effects of the first consolidation of CNPA and the provision for impairment of Mail assets</i>	<b>1,042</b>	<b>2,531</b>	<b>+1,489</b>		
Financial profit/(loss)	-243	-202	+41		
Income tax	-880	-620	+260		
Share in profits of equity associates	635	-12	-647		
Non-controlling interests	-576	-528	+48		
<b>Net profit Group share</b>	<b>2,084</b>	<b>2,069</b>	<b>-15</b>	<b>-3,600</b>	<b>+3,534</b>
<b>Net profit Group share</b> <i>excluding the effects of the first consolidation of CNPA securities, excluding impairment of Mail assets and excluding impairment of deferred tax assets</i>	<b>-318</b>	<b>1,169</b>	<b>+1,487</b>		

1) After share of profit of jointly controlled entities. All operating results for the Group and the business units are presented after the share of profit of jointly controlled entities.

# New organisation of the Group's activities

As at 1 July 2021, following the launch of the new strategic plan



## Services-Mail-Parcels

### The business unit includes:

- Business Mail, BtoC parcels, ePAQ and local services activities
- Diversification subsidiaries (Mediapost, Viapost, Silver & Healthcare) and energy transition services



## GeoPost

### Expansion of GeoPost's operational scope:

- Includes express parcel activities in France and abroad and New Urban Services (urban logistics)
- Since 1 July 2021, ensures the operational management of Asendia



## Retail Customers and Digital Services

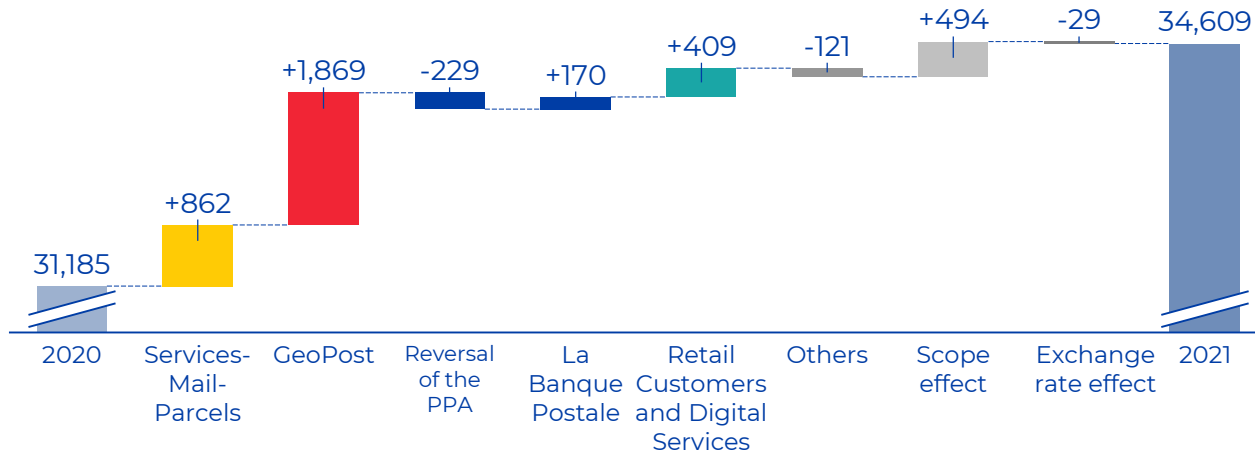
### Creation of the Retail Customers and Digital Services business unit, including:

- La Poste Network
- Former Digital Services business unit
- The Retail Customers activities and the Docaposte, LP11 and La Poste Services to Individuals subsidiaries

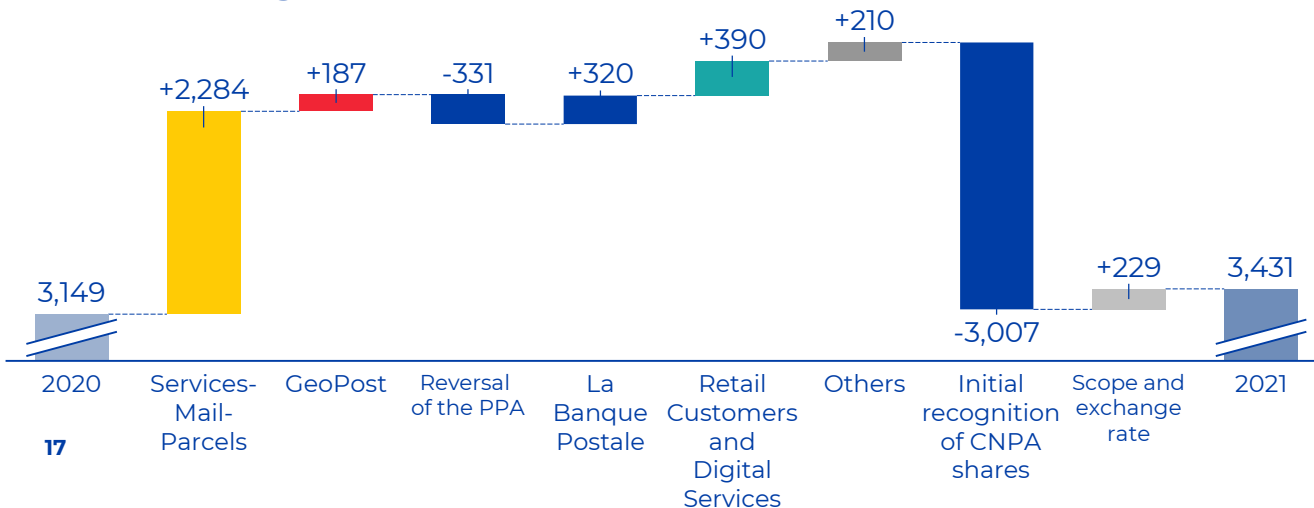


# La Poste Groupe

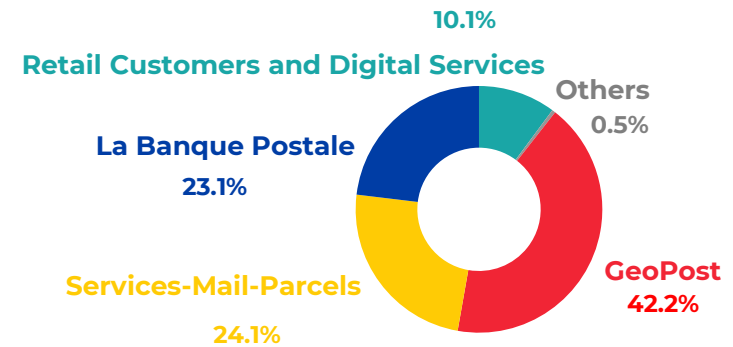
## Operating revenue



## Operating profit/(loss)



## Breakdown of external operating revenue by business unit

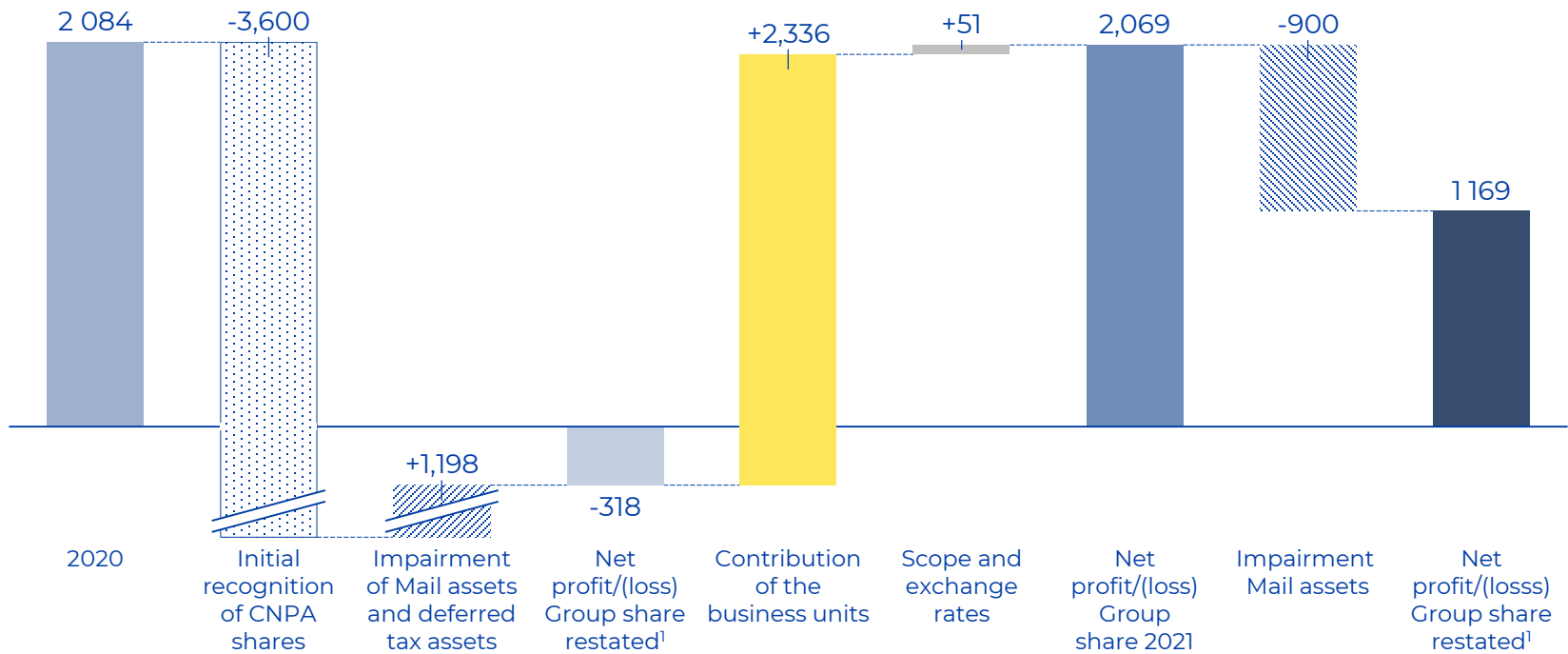


- Operating revenue grew by 11.0% and organic growth by 9.6%
- Full reversal of the €900 million impairment recorded in 2020 on mail assets
- Allocation of a first allowance of €520 million by the French State in accordance with the Universal Postal Service for 2021



# La Poste Groupe

## Net profit Group share

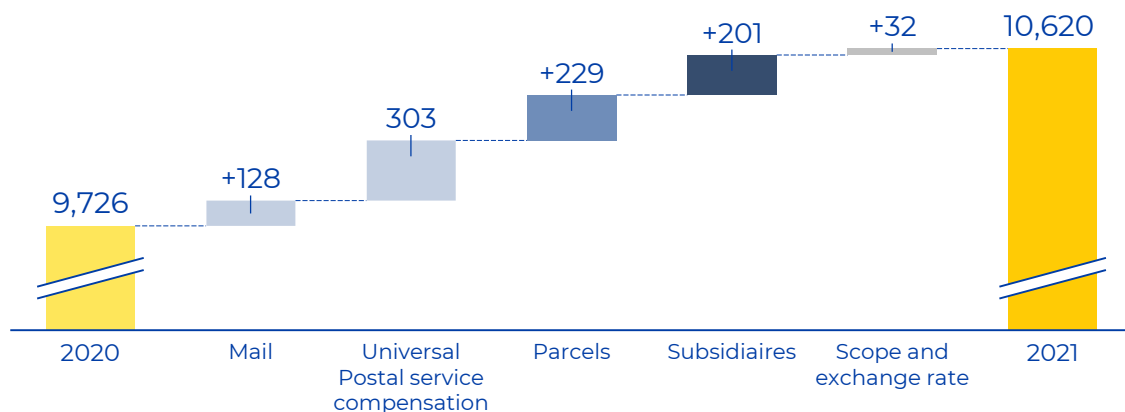


<sup>1</sup>excluding the effects of the first consolidation of CNP Assurances, excluding impairment of Mail assets and impairment of deferred tax assets.

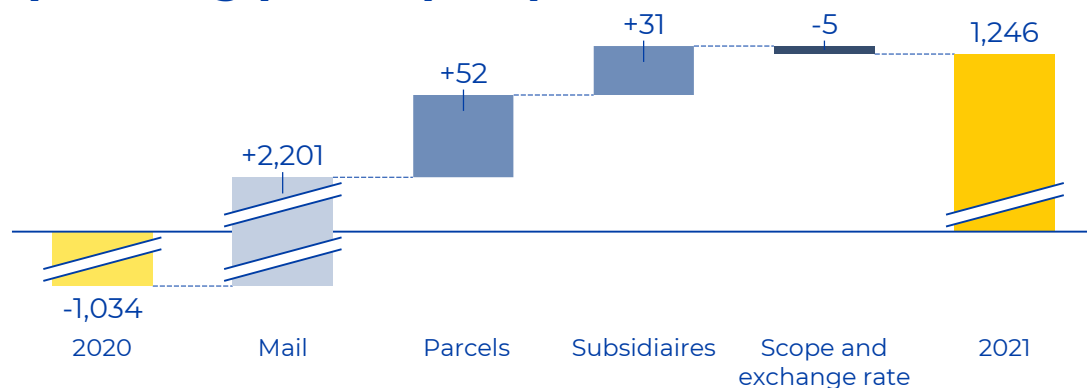


# Services-Mail-Parcels

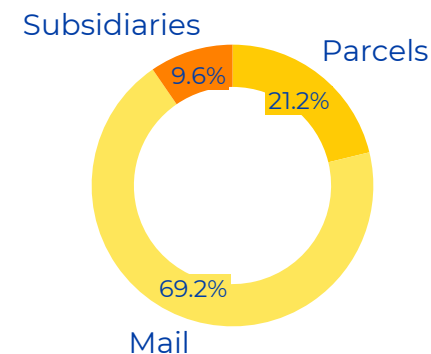
## Operating revenue



## Operating profit/(loss)



## Breakdown of operating revenue by division



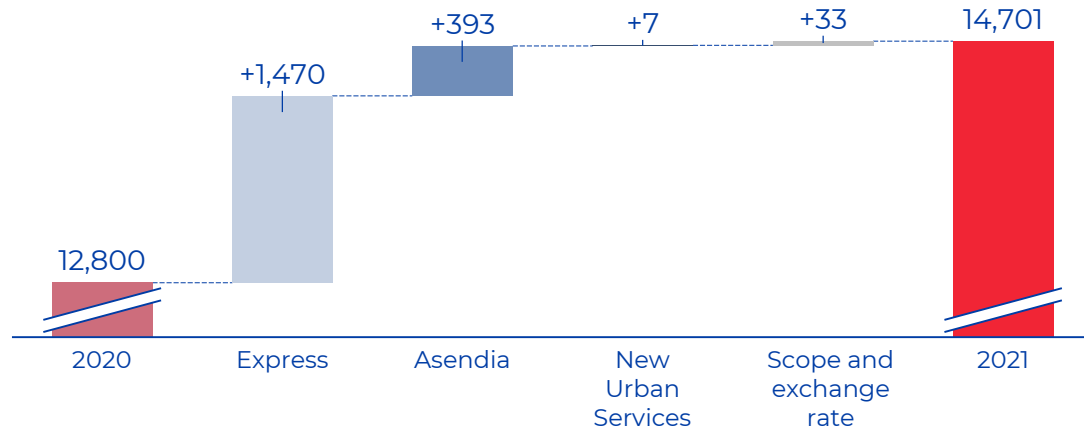
- Operating revenue growth: 9.2% and 8.9% organically
- Full reversal of the impairment of mail assets recorded in 2020: €900 million
- Share of the Universal Postal Service compensation allocated to the SMP: €303 million<sup>1</sup>
- Strong growth in the New Services division: organic growth of 61%

<sup>1</sup> The State's total compensation for the Universal Postal Service for 2021 amounts to €520 million.



# GeoPost

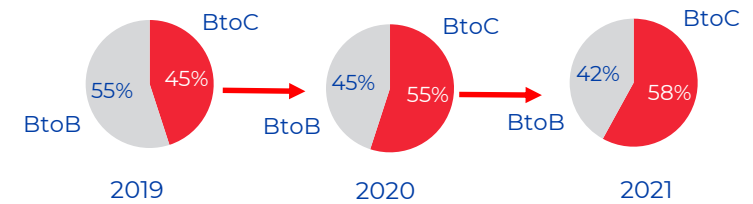
## Operating revenue



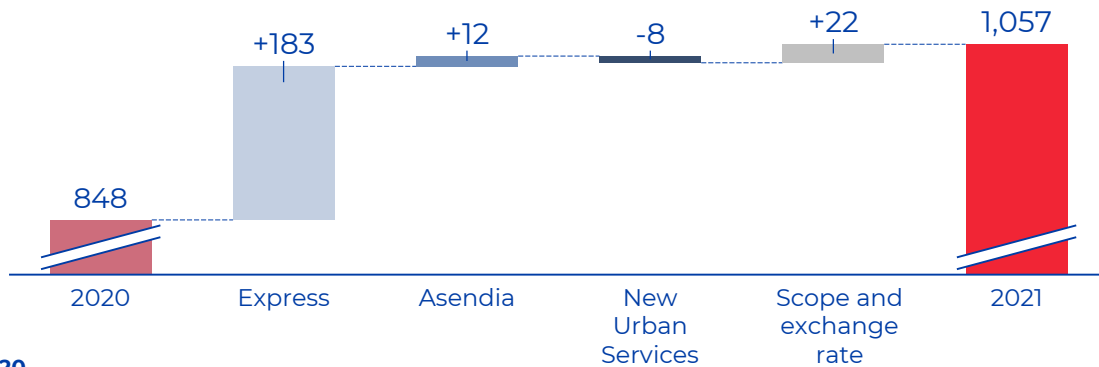
**Operating revenue growth:** 14.8% reported and organic, driven by higher volumes

Net margin: 7.2%, i.e. +60 bps vs. 2020

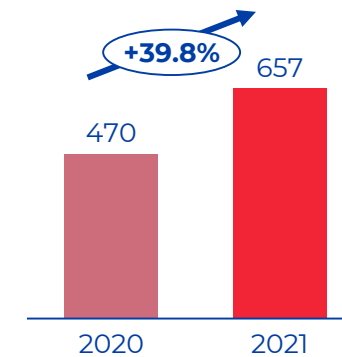
**A growing weight of BtoC volumes:**



## Operating profit/(loss)

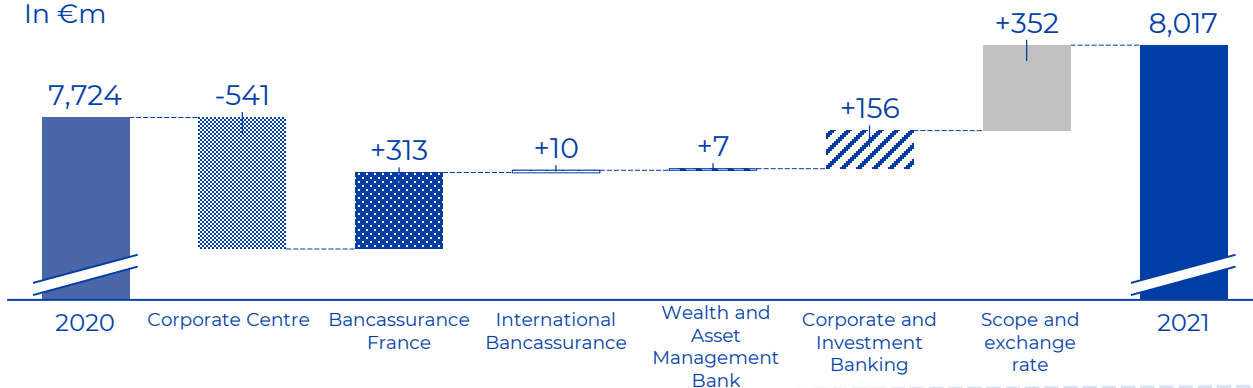


## Net profit Group share

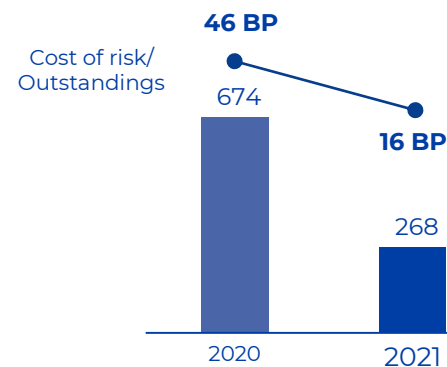


## Net banking income

In €m

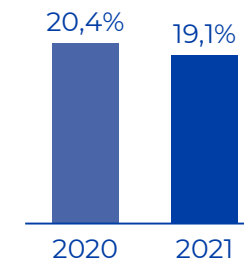


## Cost of risk



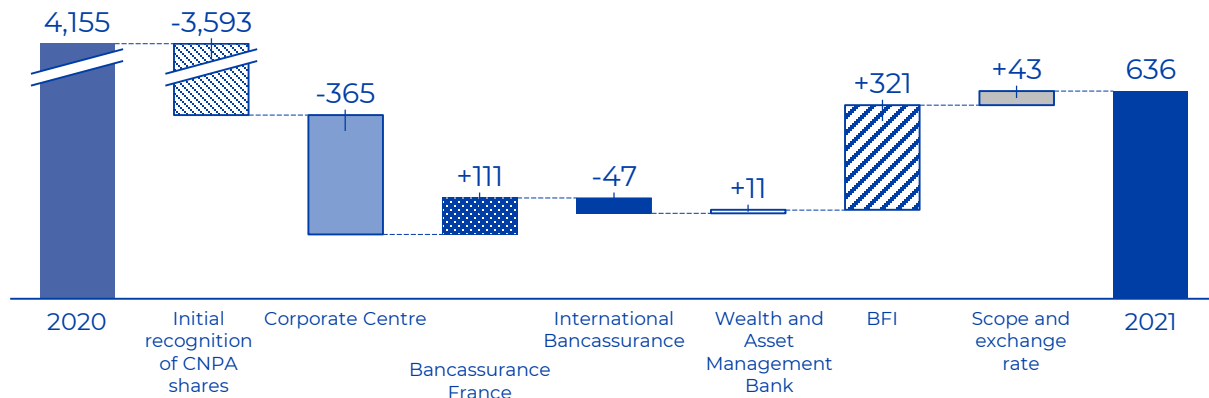
## CET 1

CET1 Ratio



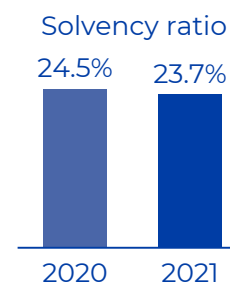
## Net profit Group share

In €m

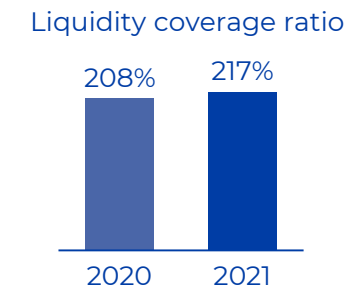
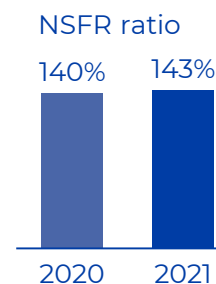


## Solvency and liquidity

### La Banque Postale



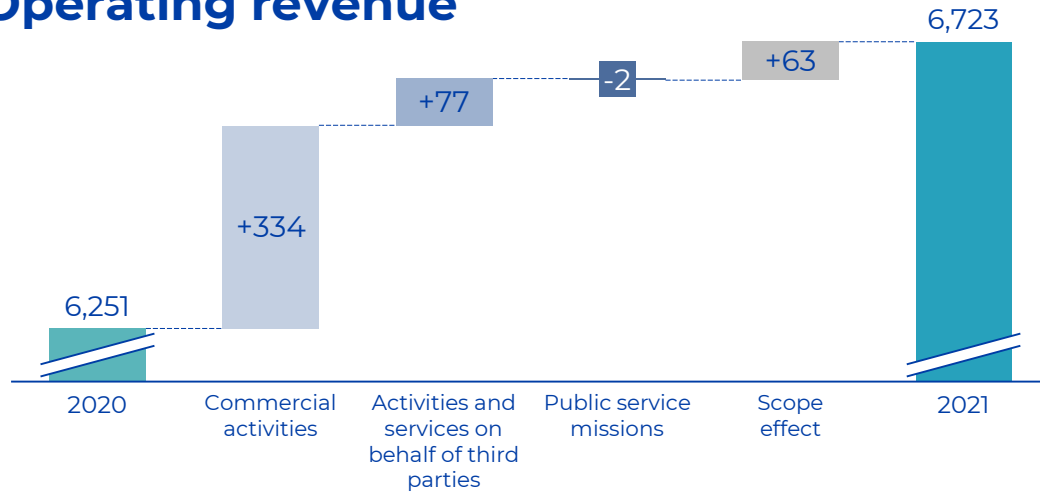
### CNP Assurances





# Retail Customers and Digital Services

## Operating revenue

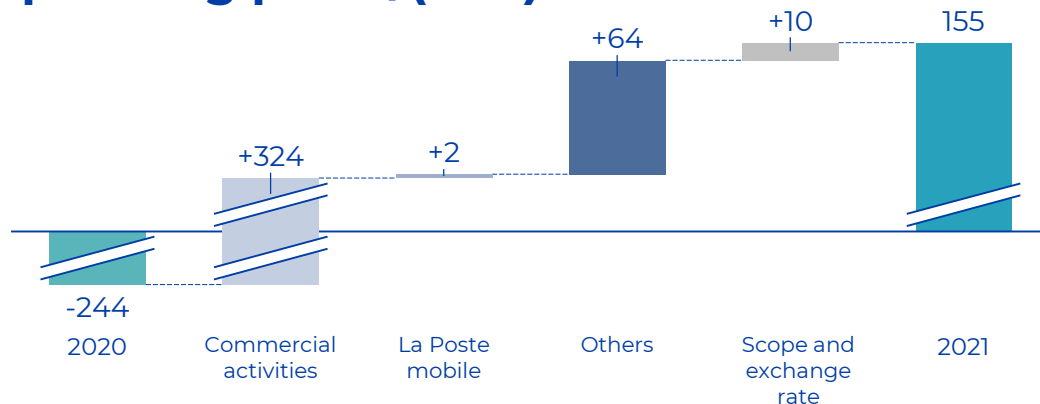


Operating revenue grew by **7.6%** and **6.5%** organically

Share of the Universal Postal Service compensation allocated to Retail Customers and Digital Services: **€174 million**

- o Increase in **operating revenue from commercial activities** (excluding UPS compensation): **€160 million**
  - Retail customers mail: **+€70 million**
  - Retail customers parcels: **+€30 million**
  - Digital Services: **+€3 million**
  - Subsidiaries: **+€57 million**

## Operating profit/(loss)



- o Increase in **operating profit/(loss)** at constant scope and exchange rates: **€389 million**

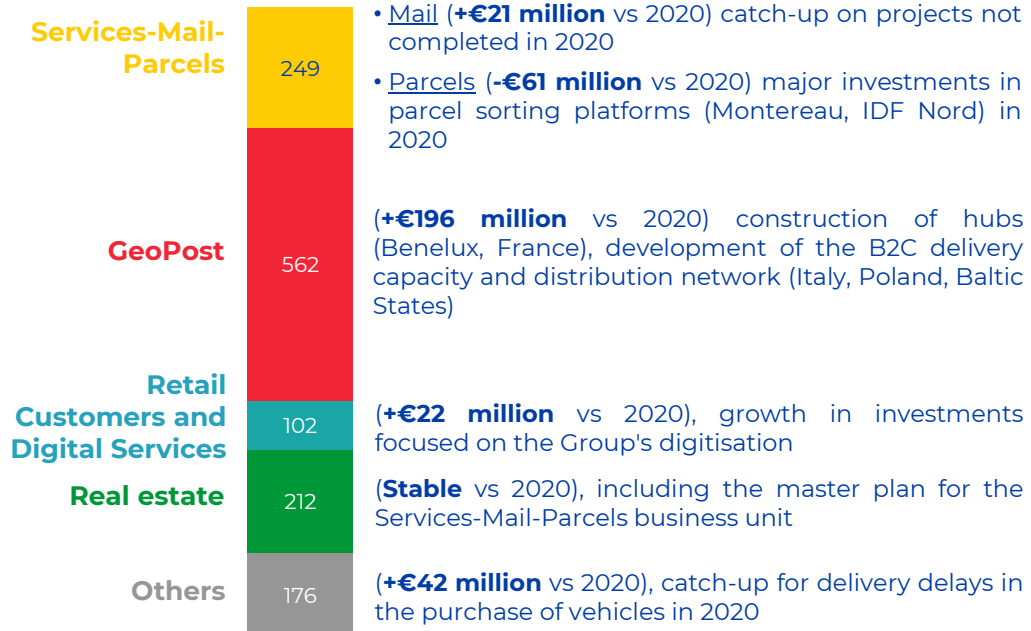
- ✓ **Commercial activities** (excluding UPS compensation)
  - Retail customer mail/parcels: **+€104 million**
  - Digital Services: **+€45 million**
- ✓ **Other:**
  - Network: **+€47 million**
  - Transformation: **+€17 million**

# Investments (excluding La Banque Postale)

**€2.7 billion**

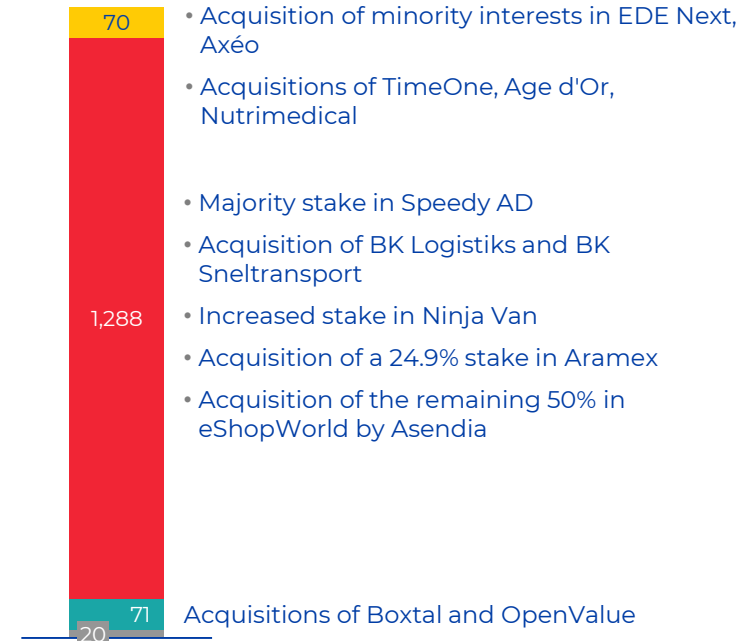
## Internal investments

**€1,302 million**

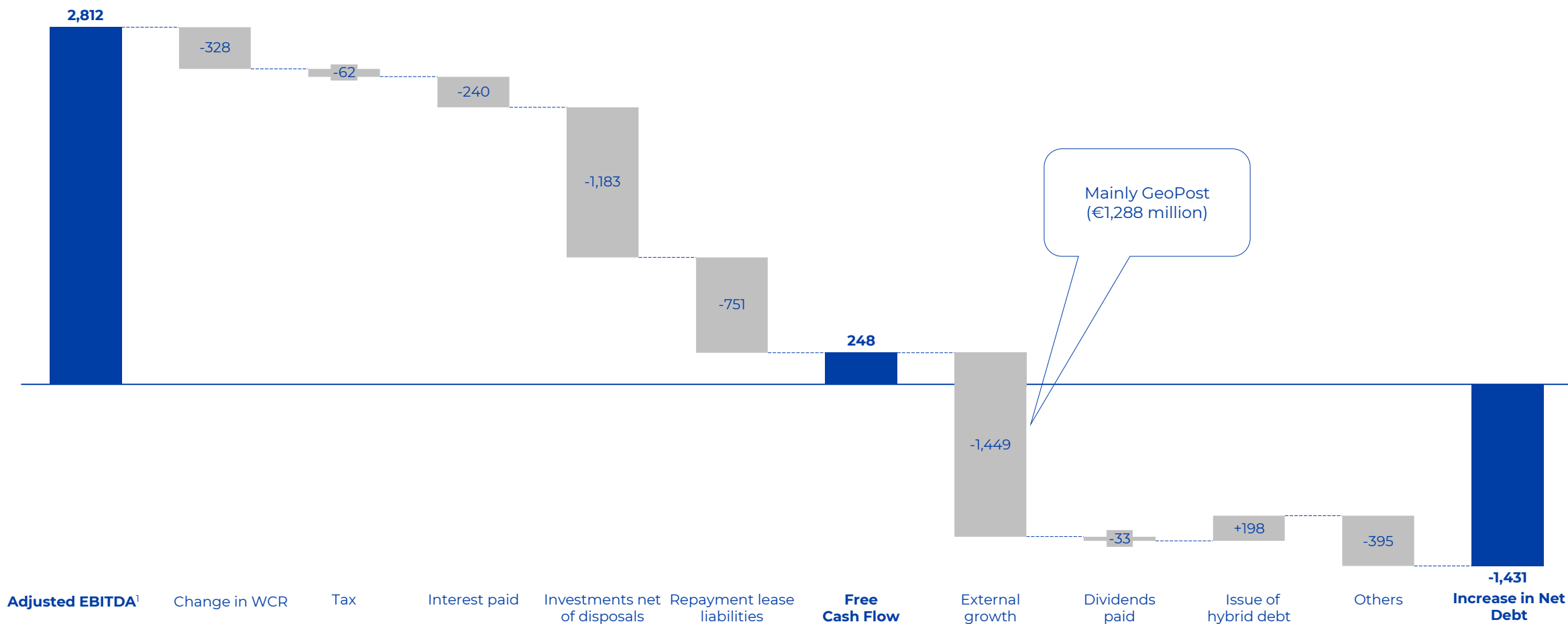


## External growth

**€1,449 million**

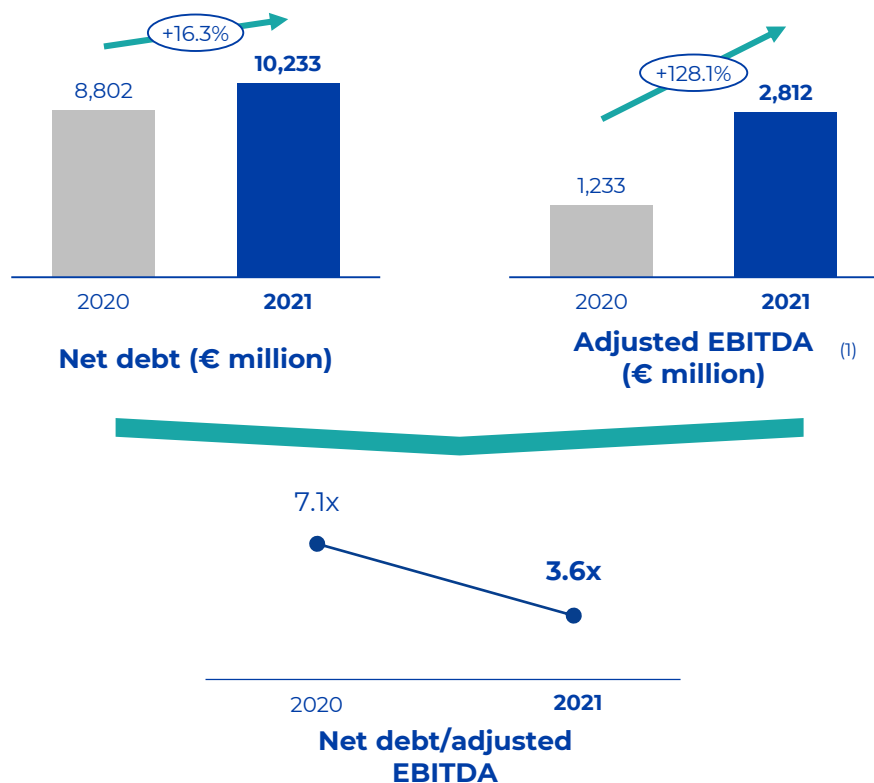


# Variation in net debt



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

# Balance sheet structure and financial rating



**S&P Global**  
Ratings

**A+/A-1**  
Outlook stable

Rating upgraded to A+ on 4 November 2021

**FitchRatings**

**A+/F1+**  
Outlook stable

Outlook revised to Stable on 7 December 2021

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

# Outlook

Philippe Wahl, Chairman and Chief Executive Officer

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