

La Poste Groupe

First-half 2024 results

1 August 2024



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1. First-half 2024 key figures and significant events



First-half 2024 key figures

(in €m)	H1 2024	H1 2023	Change
Revenue	16,985	17,086	-0.6%
Operating profit ¹	1,127	1,166	-3.4%
Operating profit <i>excluding material non-recurring items</i> ²	1,079	1,417	-23.8%
Attributable net profit	495	461	+7.3%
Attributable net profit <i>excluding material non-recurring items</i> ²	450	632	-28.8%
Free cash flow ³	(261)	(128)	<i>n.m.</i>

(in €bn)	H1 2024	H1 2023	Change
Internal investments ⁴ <i>(excluding LBP)</i>	634	638	-0.6%
External growth	58	433	-86.7%

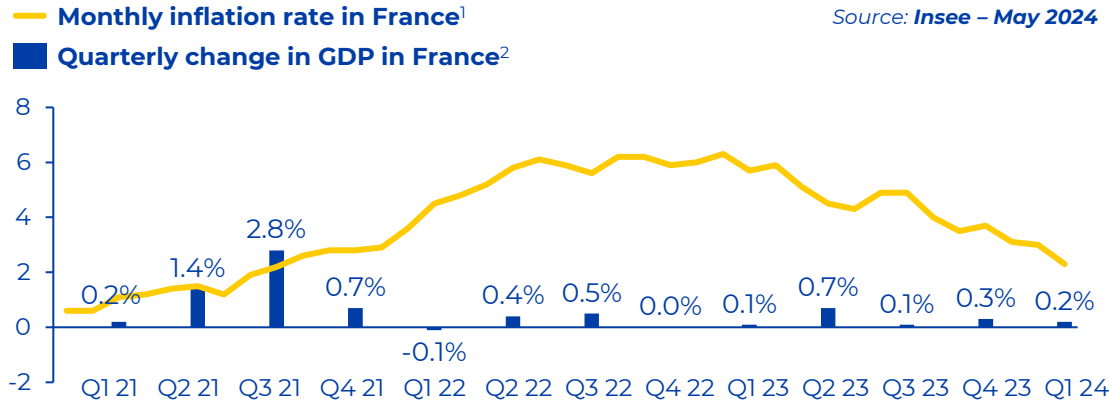
(in €bn)	30/06/2024	31/12/2023	Change
Attributable equity	22.7	22.4	+1.1%
Net debt ⁵	12.4	12.0	+3.0%

- 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.

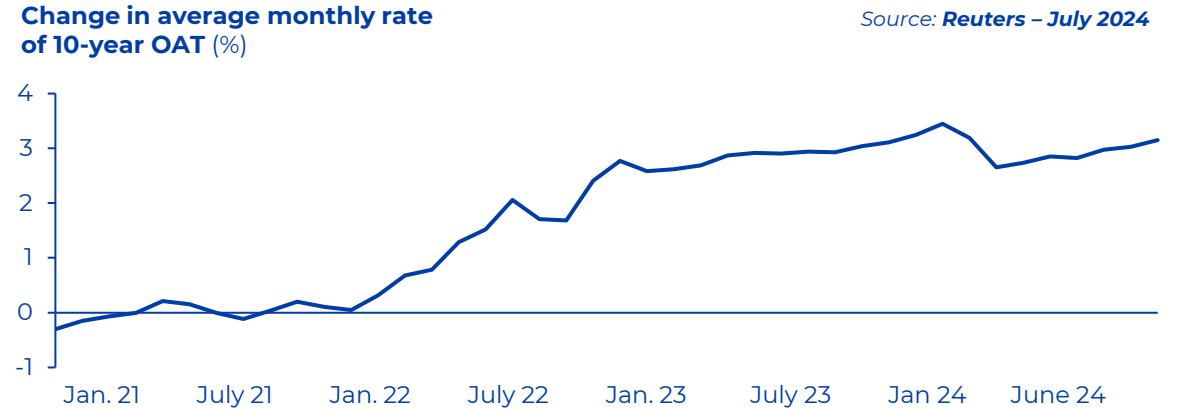
- Purchases of property, plant and equipment and intangible assets
- Excluding banking activities, for which this concept is not relevant.

An adverse economic climate

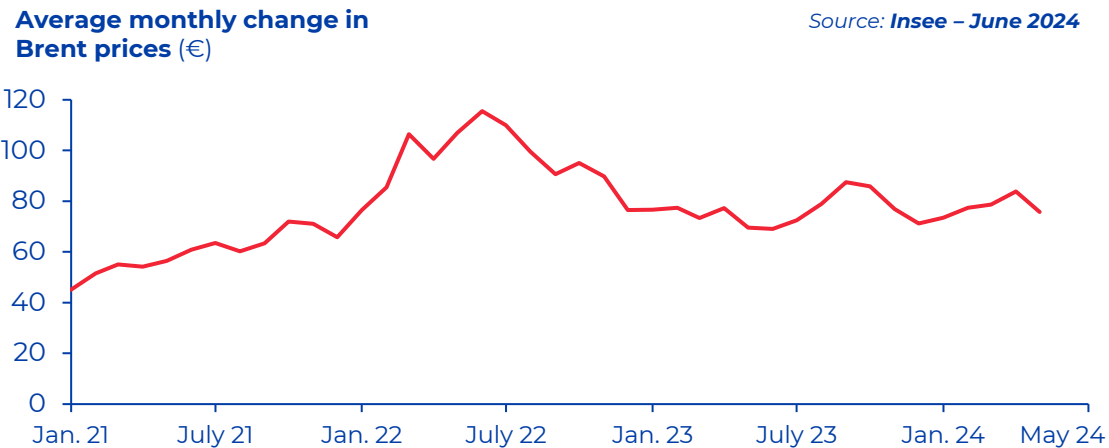
Easing inflation and limited growth



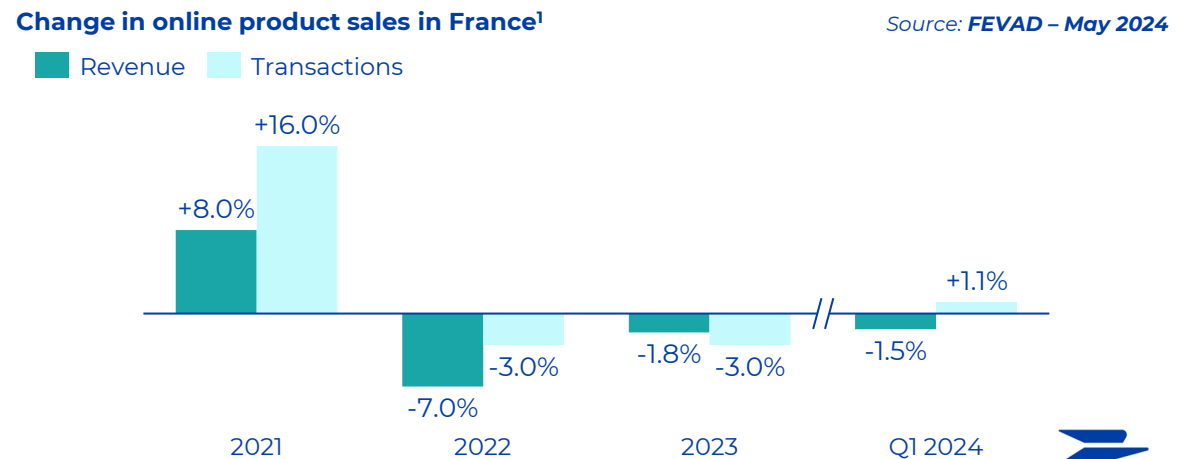
High interest rate environment



Stabilisation in Brent prices



E-commerce: recovery in product sales



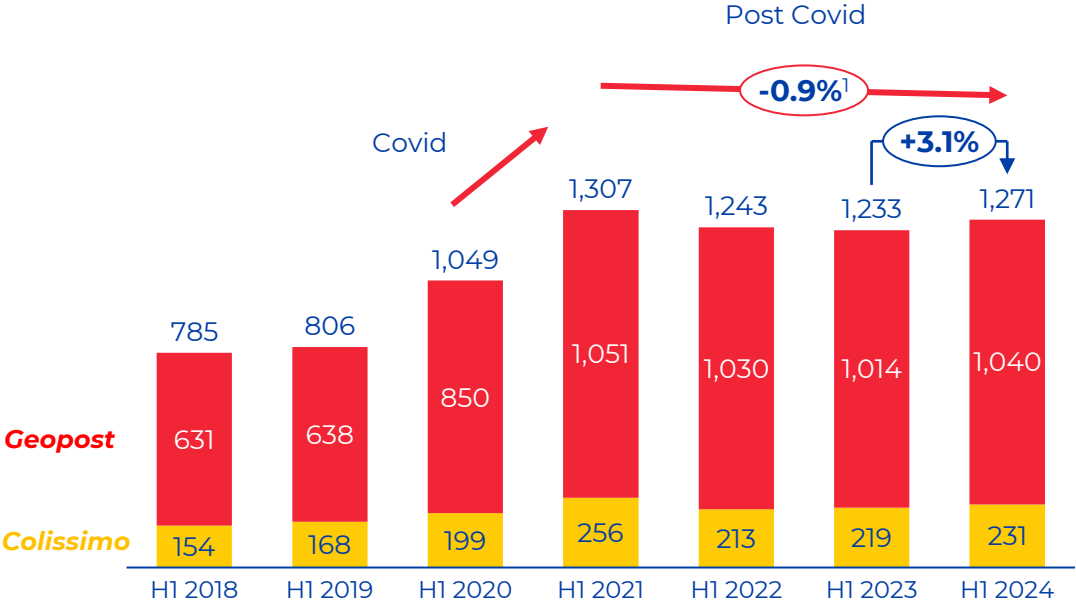
Performance indicators



Parcel volume trends

Slight upturn in parcel volumes in first-half 2024, amid persistently challenging market conditions.

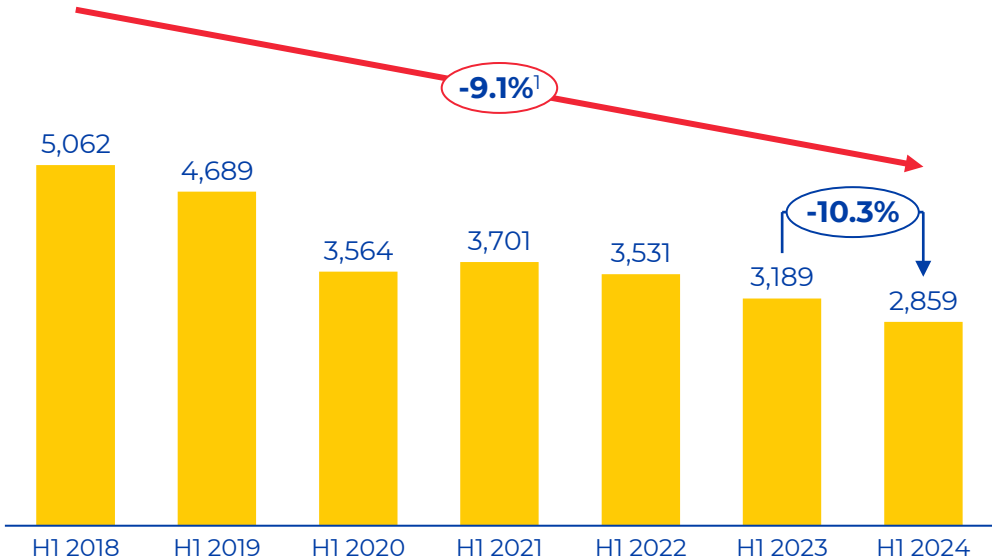
In millions of parcels



Sharp fall in mail volumes

The attrition rate for mail was 10.3% in H1 2024.

In millions of letters delivered



1. Average annual growth rate.

Significant events in first-half 2024

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




Services-Mail-Parcels


● E-health services

In May, La Poste Santé & Autonomie teamed up with the start-up  to launch the first solution for the administrative and medical preparation procedures for hospital admittance.

● E-commerce services

Building on the solid relationship between Geopost and **Vinted** in France and 11 other European countries, in January a new milestone was reached in the partnership between La Poste and Vinted, with the launch of a new  **colissimo** delivery service that makes it faster and easier to send and receive second-hand goods.


● Data marketing

In June, **ISOSKÉLE** acquired a 75% stake in  **LineUP7** a technological marketing agency that uses data to create tailored marketing strategies for its customers.




Geopost

● Logistics

- In February,  **brt** opened a new strategic hub in Cessalto (a province of Treviso) – one of Italy's most intensive industrial areas – aimed at increasing the efficiency of BRT's entire network in the north east of the country.
- In June, DPD Portugal opened its largest hub, in Loures (near Lisbon), which has one of the highest BREEAM¹ certifications.

● Out-of-Home deliveries

Geopost stepped up the rollout of its Pickup out-of-home delivery network – one of the largest and densest of its kind in Europe, comprising 115,000 pick-up points and lockers at end-June – and  **Pickup** launched France's first solar-powered lockers.

● Specialised logistics

In late June, Geopost sold a 15% interest in  **C Chez Vous** to the  **RHENUS LOGISTICS** group, a European leader in the home & living logistics market, giving C Chez Vous access to Rhenus Logistics' expertise.

Significant events in first-half 2024



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

● Asset Management

In early April, a European leader in conviction management was created through the merger of  Tocqueville Finance – LBP AM’s equity management subsidiary – into  LA FINANCIÈRE DE L'ÉCHIQUIER, which was acquired by LBP AM in July 2023.

● Insurance activities

- In July, binding agreements were signed between CNP Assurances and  LA MUTUELLE générale to enter into a partnership to create a major player in the field of social protection (individual and group health and personal protection insurance).
- In July,  CNP Assurances signed an agreement to sell the entire capital of CNP Cyprus Insurance Holdings (which carries out CNP Assurances’ insurance activities in Cyprus and Greece) to Hellenic Bank Public Company Ltd as part of CNP Assurances’ strategy of refocusing its footprint in Europe.
- On 1 July, CNP Assurances signed an exclusive 20-year distribution agreement with  BRB¹.

● Closure of MA FRENCH BANK

In late April, La Banque Postale confirmed its decision to close down Ma French Bank, to take place over a period of 15 months.




Retail Customers & Digital Services

● Planned disposal of La Poste Telecom



In February, a process was launched to sell La Poste Telecom – France’s leading mobile virtual network operator which operates under the brand name  La Poste Mobile – paving the way for a new phase in the company’s development, via:

- the acquisition by  Bouygues Telecom of La Poste Telecom’s entire capital (51% owned by La Poste and 49% by  SFR) for €950 million;
- the signing of a partnership agreement providing for exclusive distribution in the postal network and a license agreement for using the La Poste Mobile brand (which is owned by La Poste).

● Digital services

In March,  DOCAPOSTE launched the first full cybersecurity offering that meets the needs of businesses, regional authorities and healthcare establishments, and in April it entered into a partnership with  bpifrance for this offering to be relayed among micro-enterprises and SMEs via Bpifrance’s own channels.

● Digital trust services

In May, Docaposte launched Dalvia Santé, its ethical and sovereign generative AI solution designed for healthcare professionals and establishments in collaboration with French players ( MISTRAL AI and  NumSpot). Currently in the test phase, this solution will be marketed by La Poste Santé & Autonomie as from September 2024.

1. Subject to the customary conditions precedent, such as approval by the Brazilian competition authority.

Significant events in first-half 2024

Recognition of the group's sustainability commitment and leadership

● Goals and commitments

- Recognition of  's leadership in ESG with the approval of its carbon emissions reduction targets by the SBTi in the areas of shipping, logistics and banking. The group is aiming for "zero net emissions" by 2040, a decade ahead of the goals set in the Paris Agreement.
-  was placed first out of the world's 23 largest life insurers in the 2024 ranking published by the UK NGO, ShareAction, with a score of 51/100, thanks to its climate and biodiversity commitments.

A group committed to climate action


● Governance and oversight

Carbon budgets are being put in place in the group's business lines in order to manage emissions reductions in line with the group's carbon reduction pathway and ensure rigorous management of the associated resources, costs and investments.

● Low-carbon deliveries

All of the parcels delivered by  within Paris are carbon free, and the company is working towards achieving the same goal for the whole of Greater Paris by the end of 2024.

● Decarbonising the vehicle fleet

 is continuing to increase the number of electric vehicles in its fleet in Europe. At 30 June 2024, the fleet of electric vehicles managed by Véhiposte¹ totalled 23,531 and Geopost's fleet included more than 9,300 alternative fuel vehicles.

● Financing the environmental transition

- In July,  signed a new partnership with the European Investment Bank to support French businesses in financing their mobility and energy transition projects, representing a total amount of €600 million.
- In July 2023, La Banque Postale launched its impact home loans offering to help customers carry out energy-efficiency renovation projects on their homes. Financing for acquiring homes with these types of projects increased six-fold since then.

1. The fleet managed by Véhiposte does not include e-bikes.

Significant events in first-half 2024

An attentive group that is committed to vocational training, social innovation and performance

● Transforming employer-employee dialogue



A major milestone was reached in the process of transforming La Poste's employer-employee dialogue¹ with the signature of ten collective agreements, paving the way for Social and Economic Committees (SECs) to be set up by 31 October 2024.


● Employee profit-sharing



The new profit-sharing agreement, signed in June 2024, includes social and environmental responsibility indicators for the first time, such as La Poste SA's lost-time accident frequency rate and the group's greenhouse gas (GHG) reduction rate.


● Family carers



Care for carers:  signed an amendment extending the agreement relating to postal workers who are carers, providing for specific measures to help them achieve a better balance between their working lives and role as carers.

● Term creditor insurance



 has announced that it will no longer charge excess premiums or apply insurance exclusions for breast cancer survivors. They will therefore now be able to take out term creditor insurance as soon as their treatment ends without having to wait for the statutory five-year medical history exemption period applicable in France.

An innovative group that takes into account planetary limits

● Recycling and re-use

On 1 January, through its subsidiary **recygo**, La Poste set up the first collection and recycling offering for occupational clothing. This network will help companies comply with the new regulations in France that require occupational clothing to be sorted and recycled as from 1 January 2025.


● Ethical digital solutions

In line with the group's values of trust and integrity,  presented its new data & AI charter at VivaTech 2024.

A group with a local presence that contributes to regional development and service accessibility

● New post office formats



 is trialling a mobile post office model called "*camions jaunes*", in rural areas of five regions of France (Creuse, Gers, Jura, Haute-Marne and Orne). This project clearly demonstrates the group's determination to boost its presence in rural areas and, more broadly, help maintain public services throughout the country.

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



Top 6%, all sectors combined
Leadership CDP Climate Change, A- score

(January 2024)

MOODY'S | ESG Solutions

Joint second, all sectors combined –
score: **77/100**

(January 2024)

ecovadis

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

(September 2023)

2. Group financial performance



First-half 2024 consolidated income statement

<i>(in €m or as a %)</i>	H1 2024	H1 2023	Change	Change
Operating revenue	16,985	17,086	-102	-0.6%
Operating profit	1,127	1,166	-39	-3.4%
Operating profit <i>excluding material non-recurring items¹</i>	1,079	1,417	-337	-23.8%
Net financial expense	(137)	(111)	-27	+24.1%
Income tax expense	(369)	(455)	+87	-19.0%
Share in net profit/(loss) of equity-accounted companies	2	(27)	+30	n.m.
Non-controlling interests	128	112	+17	+14.9%
Attributable net profit	495	461	+34	+7.3%
Attributable net profit <i>excluding material non-recurring items²</i>	450	632	-182	-28.8%

¹ Excluding the impact of material non-recurring items on the year-on-year change in operating profit (€48 million positive impact in first-half 2024 and €251 million negative impact in first-half 2023).

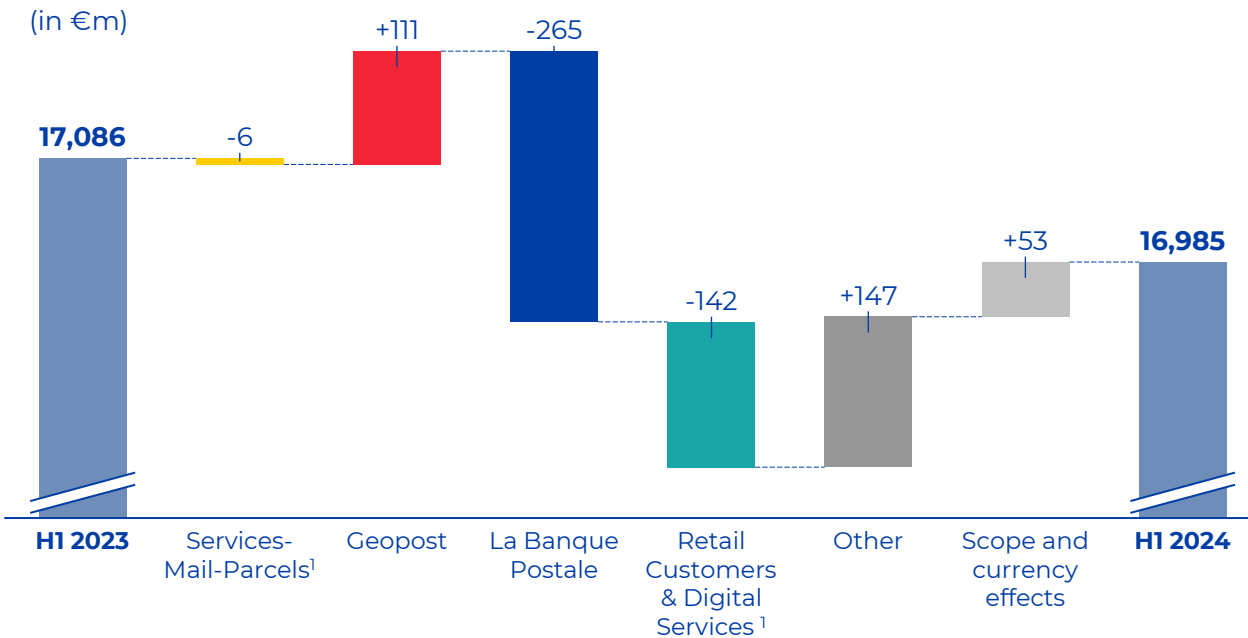
² Excluding the impact of material non-recurring items on the year-on-year change in attributable net profit (€44 million positive impact in first-half 2024 and €171 million negative impact in first-half 2023).



Revenue down slightly in a context of easing inflation, limited growth and lower interest rates in Europe

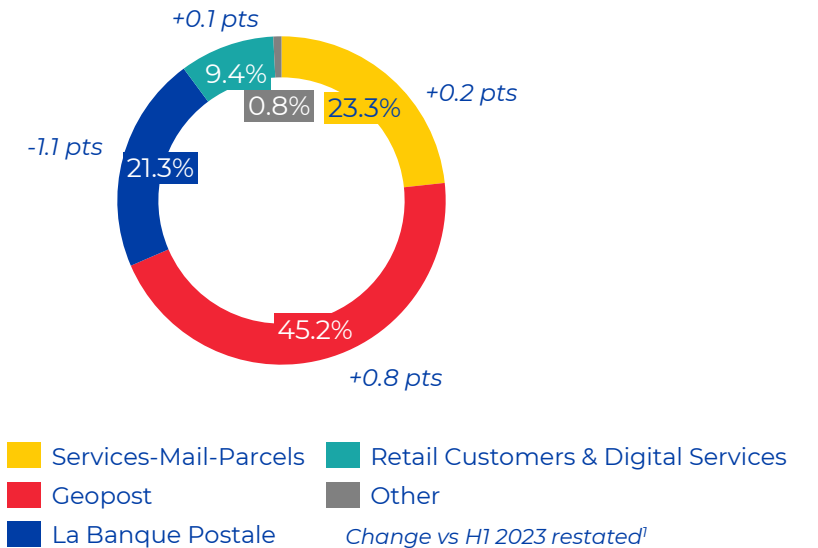
Consolidated revenue edged down 0.6% year on year as reported and 0.9% like for like.

This decrease was due to continuing attrition for Mail, higher volumes but lower margins for Parcels, and a contraction in revenue from insurance activities resulting from the high basis of comparison in the first half of 2023 (gains in France and Brazil).



Breakdown of external revenue

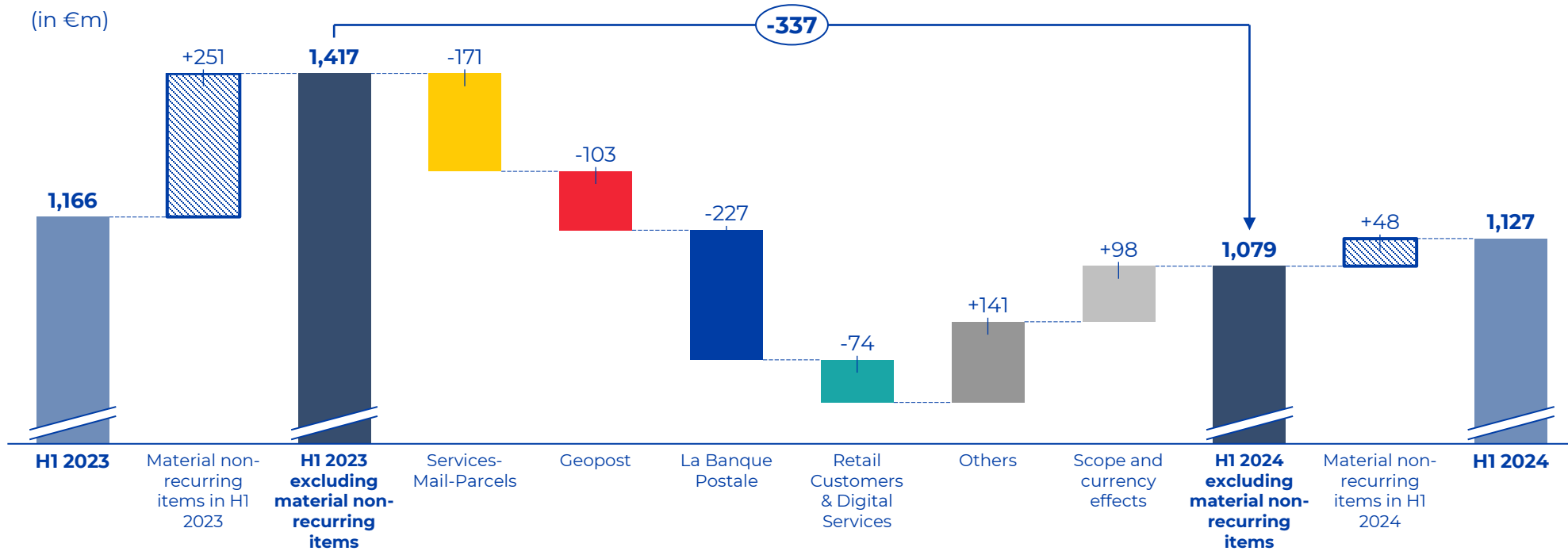
More than 52% of the group's revenue comes from the Parcels and Express businesses.



1. H1 2023 data has been restated for the purposes of comparison to include the impact of the transfer in H1 2024 of BPO IS from the Retail Customers & Digital Services business line to the Services-Mail-Parcels business line (Mail).



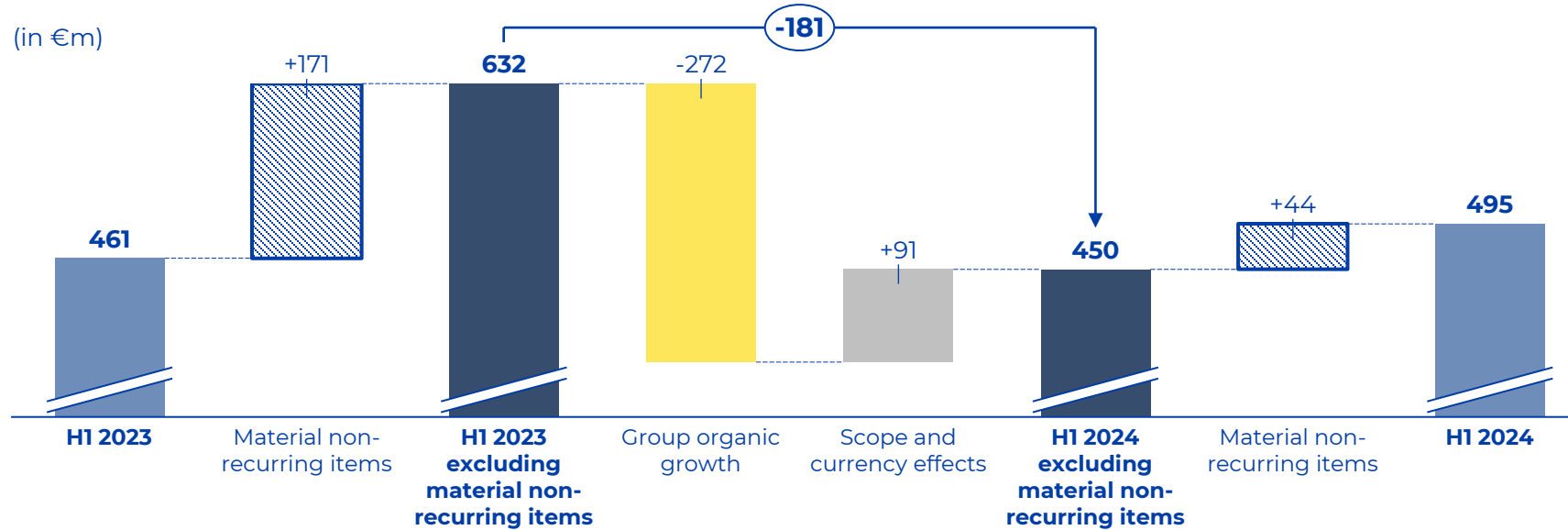
The group's operating profit excluding material non-recurring items was €1,079m, down €435m like for like.



Material non-recurring items			
○ In H1 2023	-€251m	○ In H1 2024	+€48m
✓ Geopost	-€272m	✓ Services-Mail-Parcels	-€5m
✓ La Banque Postale	-€5m	✓ Geopost	+€61m
✓ Other (pension schemes and remediation)	+€27m	✓ La Banque Postale	-€9m



Attributable net profit excluding material non-recurring items came in at €450m, down €272m like for like.



Material non-recurring items

○ In H1 2023	-€171m	○ In H1 2024	+€44m
✓ Geopost	-€248m	✓ Services-Mail-Parcels	-€3m
✓ La Banque Postale	-€5m	✓ Geopost	+€61m
✓ Other (pension schemes and remediation)	+€82m	✓ La Banque Postale	-€9m
		✓ Other	-€4m

3. Business line performance



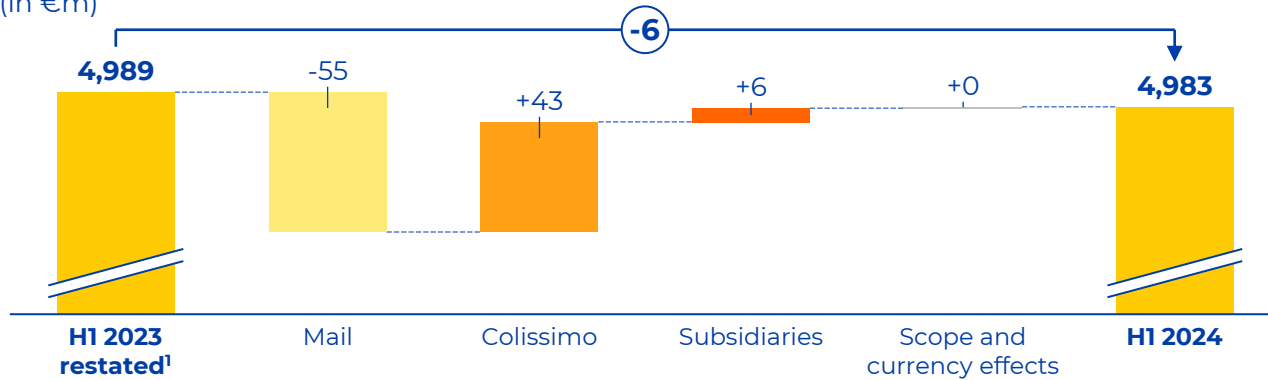


Services-Mail-Parcels

Accelerated attrition of Mail volumes, partly offset by price increases Higher volumes but lower margins for Parcels

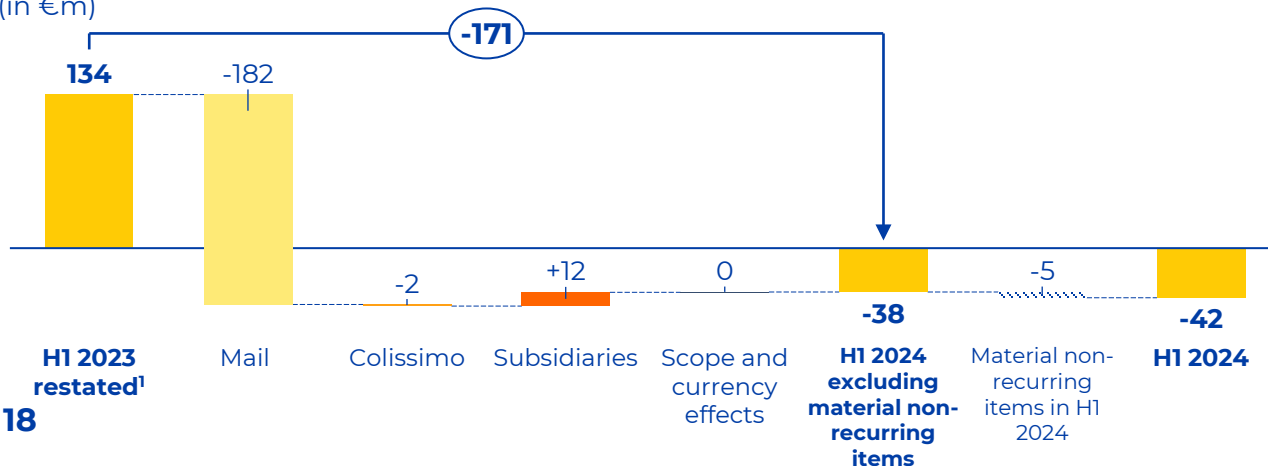
Revenue holds firm in a persistently challenging economic climate
(down 0.1% as reported and like for like).

(in €m)



€171m negative swing for operating profit excluding material non-recurring items. Adjusted for the effect of the reversal of the provision for end-of-career arrangements in 2023 and 2024, operating profit contracted by €72 million.

(in €m)



Revenue by division



Mail Colissimo Subsidiaries

- The decline in **Mail** revenue stemmed mainly from a negative 9.9% volume effect, partly offset by a favourable 6.6% price impact² (1 January 2024 price increase).
- The revenue rise for **Colissimo** reflects 6.5% growth in parcel volumes³ at equivalent working days and the effect of price increases.

Adjustments for material non-recurring items

- In H1 2024: impact of the printed advertising business transformation**
 - Mail +€20m
 - Subsidiaries -€24m

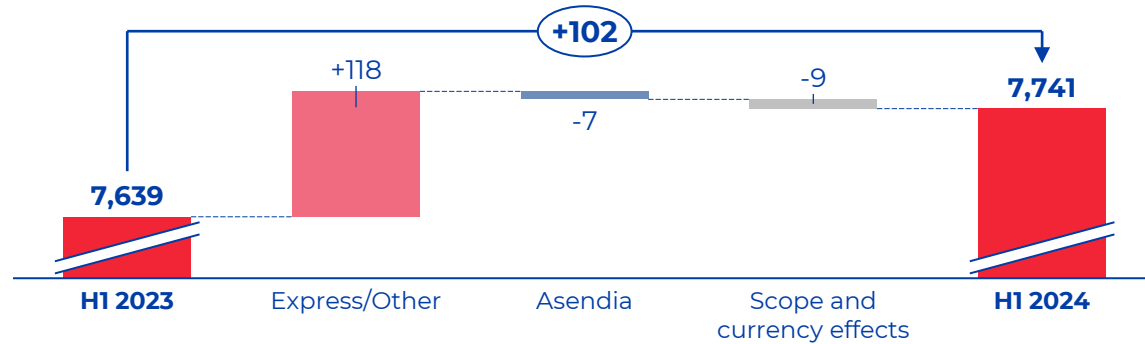
1. H1 2023 data has been restated for the purposes of comparison to include the impact of the transfer in H1 2024 of BPO IS from the Retail Customers & Digital Services business line to the Services-Mail-Parcels business line (Mail).
2. Based on traffic-generating revenue in the "Business" customer scope.
3. Services-Mail-Parcels scope.



Higher volumes but lower margins due to fierce competition and a persistently challenging economic climate

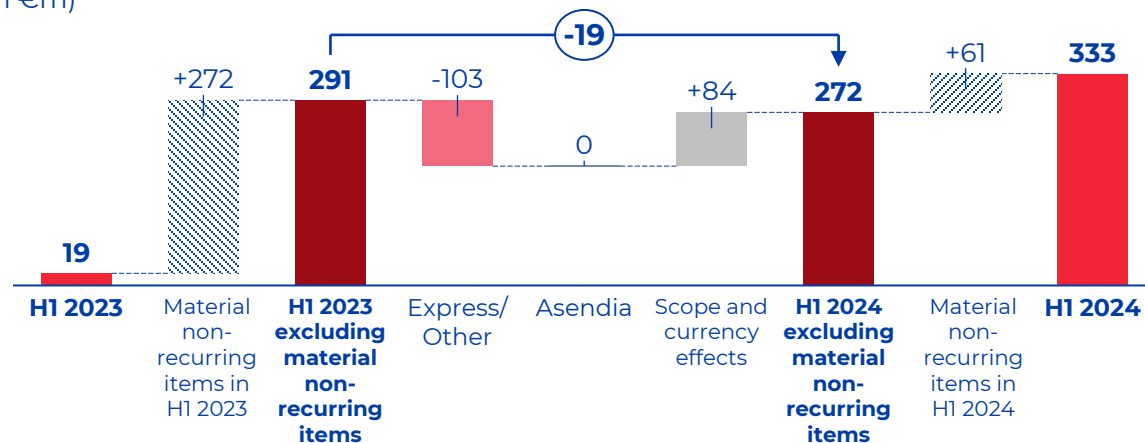
Revenue growth of 1.3% (up 1.5% like for like).

(in €m)



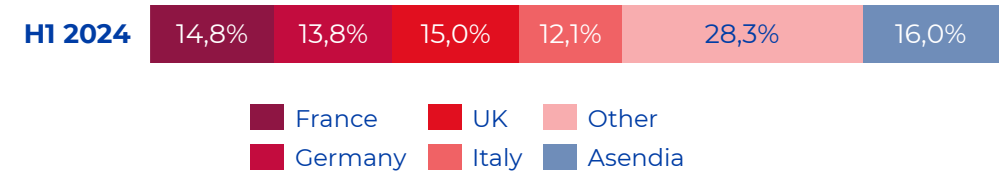
€103m decrease in operating profit excluding material non-recurring items at constant scope and exchange rates.

(in €m)



Revenue by division

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



- **Express/Other:** increase in revenue driven by higher volumes led by Out-of-Home activities, and parcels sent from Asia.
- **Asendia:** revenue more or less stable year on year, reflecting the combined impact of a rise in logistics revenue and a decline in revenue from digital activities.
- **Scope and currency effects:** primarily related to the sale of Stuart in November 2023 and the first-time consolidation of Absolutely.

Adjustments for material non-recurring items

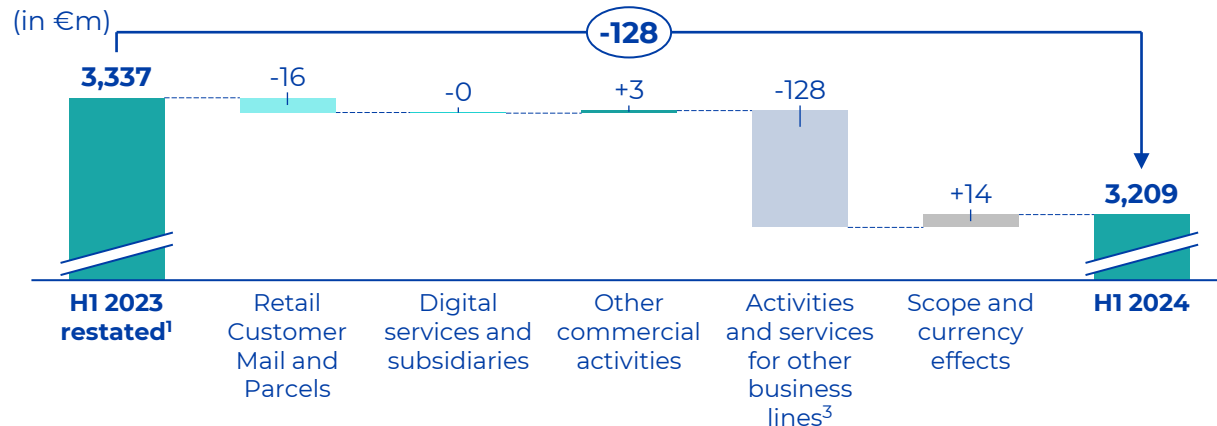
- **In H1 2023:** **-€272m**
 - Impact of a legal dispute at an Italian subsidiary: -€162m
 - Urby: -€45m
 - Stuart: -€65m
- **In H1 2024:** **+€61m**
 - Adjustments for prior-year non-recurring items: +€29m
 - Inter-business line sale: +€32m



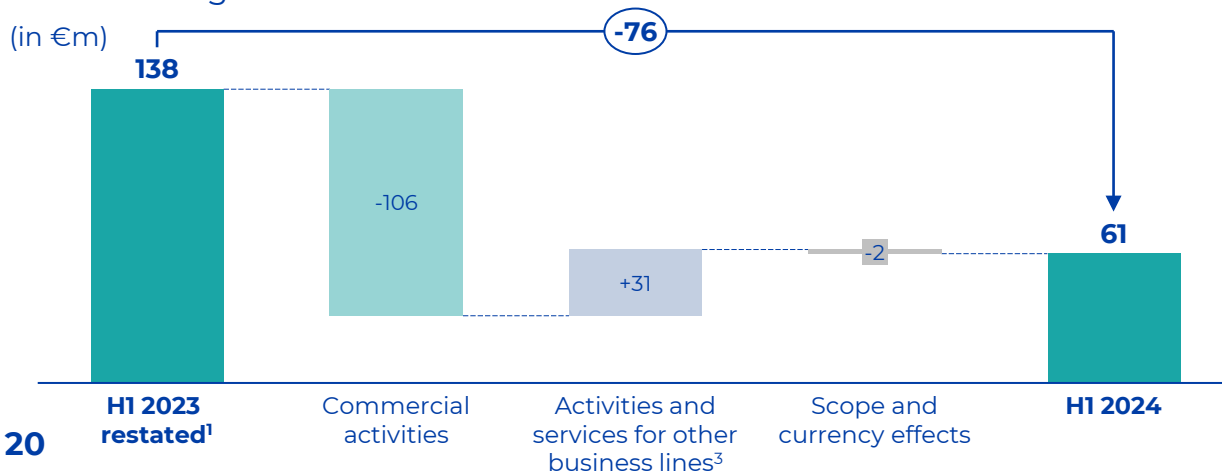
Retail Customers & Digital

Stable revenue from commercial activities despite the structural decline for Mail and cost inflation

3.8% contraction in revenue (4.3% decrease like for like); stable revenue excluding changes in internal rebillings.

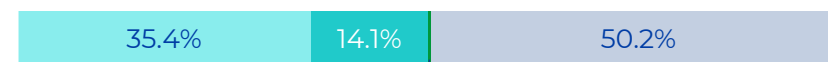


Operating profit down €74m at constant scope and exchange rates but up €81m excluding the impact of the reversal in 2023 of the provision for end-of-career arrangements.



Revenue by division

H1 2024



- Retail Customer Mail and Parcels
- Digital services and subsidiaries
- Other commercial activities
- Activities and services for other business lines

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

Stable revenue for the business line's commercial activities:

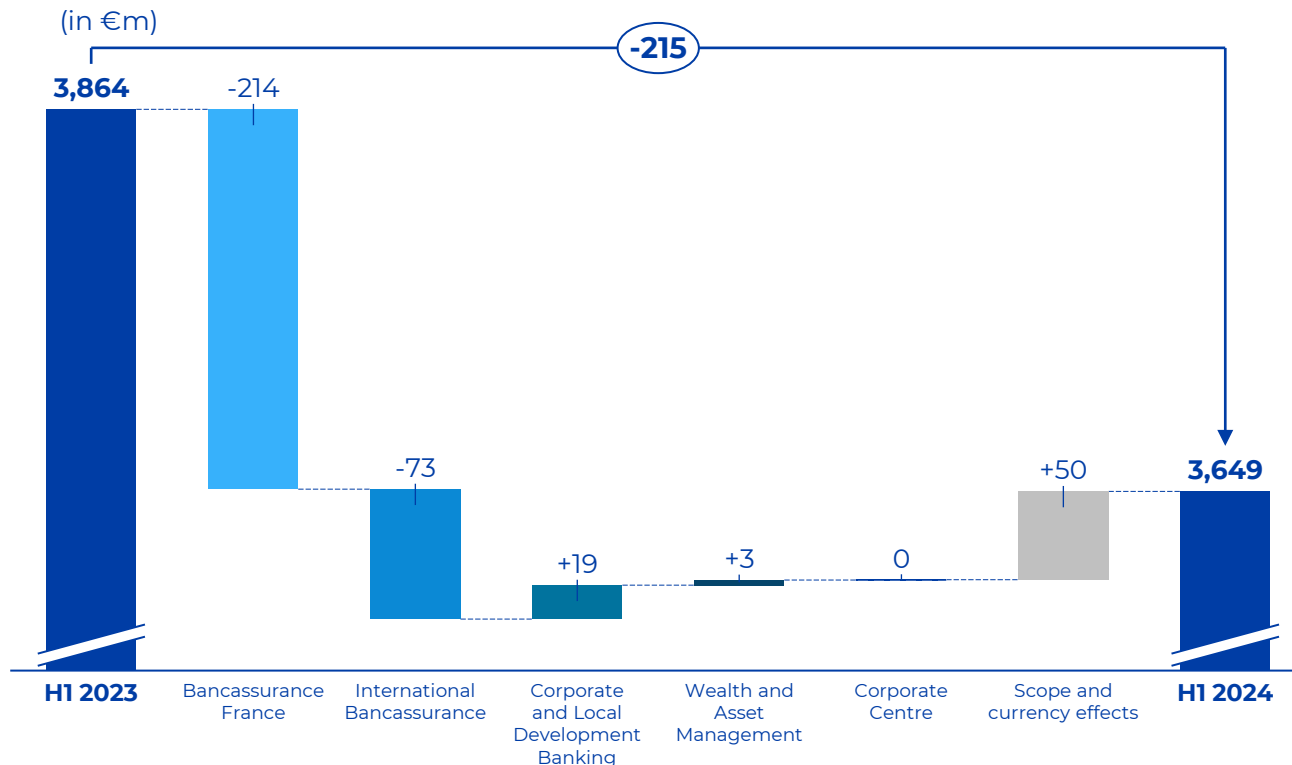
- fall-off for Retail Customers Mail, due to a 14% drop in volumes offset by a 9% favourable price effect
- slight growth for Retail Customers Parcels, led by a 5% rise in volumes thanks to dispatches by small businesses and sole traders and the Vinted offering
- stable performance for Digital Services²

1. H1 2023 data has been restated for the purposes of comparison to include the impact of the internal transfer in H1 2024 of BPO IS from the Retail Customers & Digital Services business line to the Services-Mail-Parcels business line (Mail).
2. Including subsidiaries (Docaposte, LPII and La Poste Service à la Personne).
3. Internal rebillings

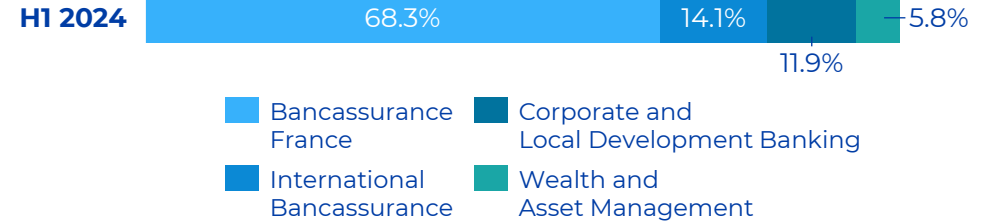
Contraction in La Banque Postale's results due to the base effect in first-half 2023 for insurance activities

Net banking income (NBI) decreased 5.6% (or 6.9% like for like) reflecting a base effect for insurance activities that was less favourable in H1 2024 than in H1 2023, but banking activities recorded a slight rise in fee and commission income.

Business line NBI decreased €265m like for like.

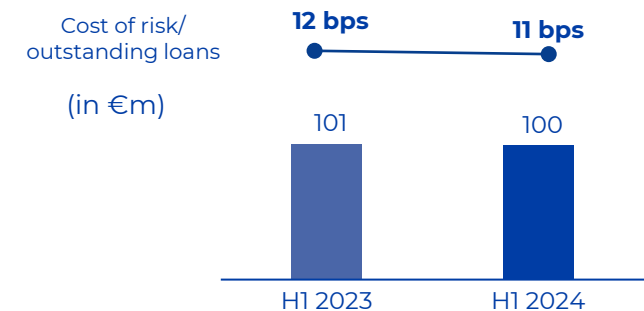


Net banking income by business line

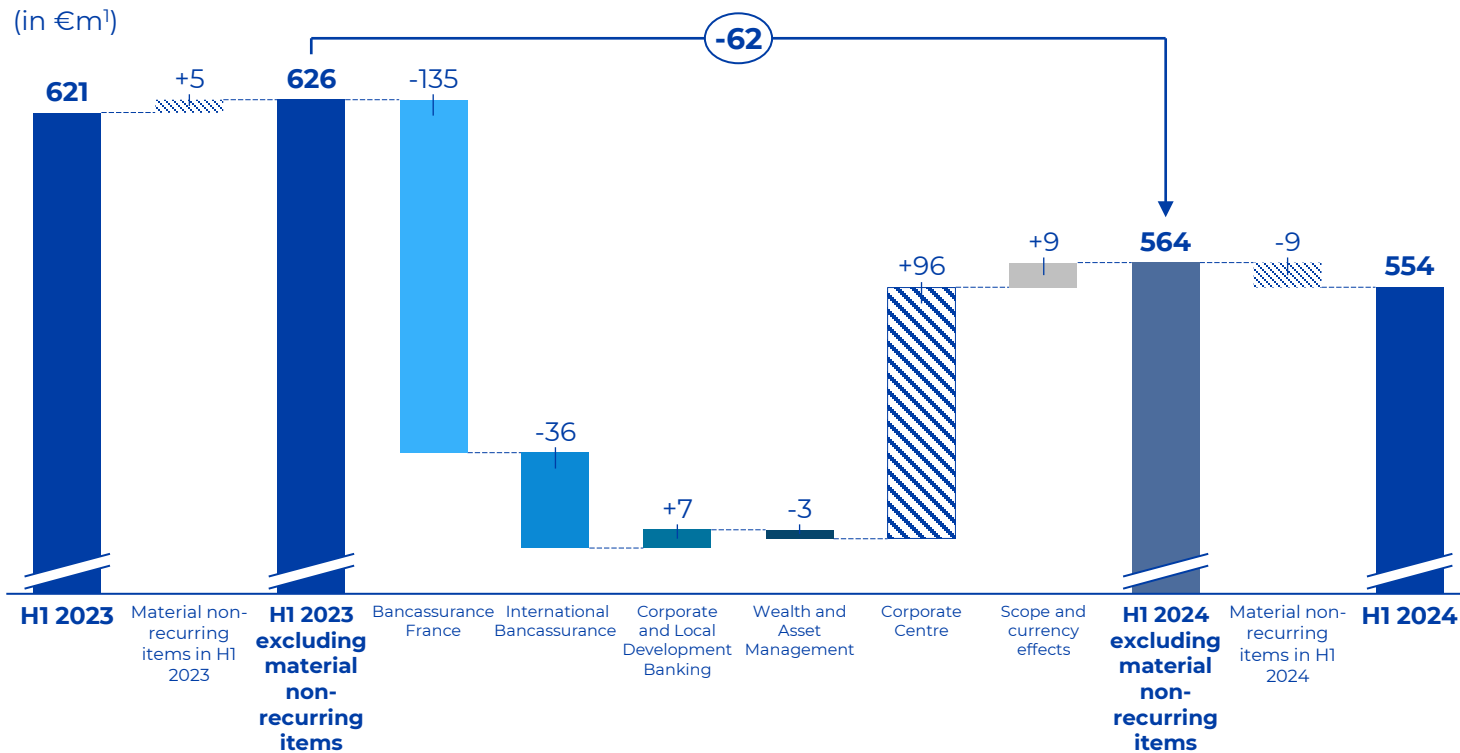


Cost of risk

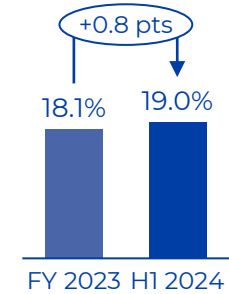
The cost of risk was €100m, more or less unchanged from first-half 2023, in an economic environment that was still uncertain.



Attributable net profit down €71m excluding material non-recurring items at constant scope and exchange rates

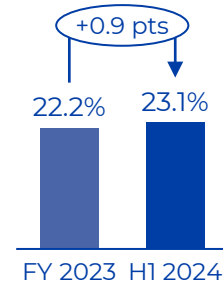


Estimated CET 1 ratio

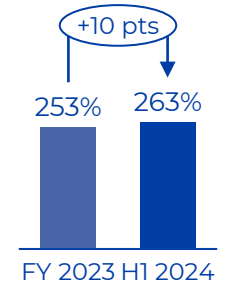


Solvency and liquidity

La Banque Postale
Solvency ratio



CNP Assurances
SCR coverage ratio¹



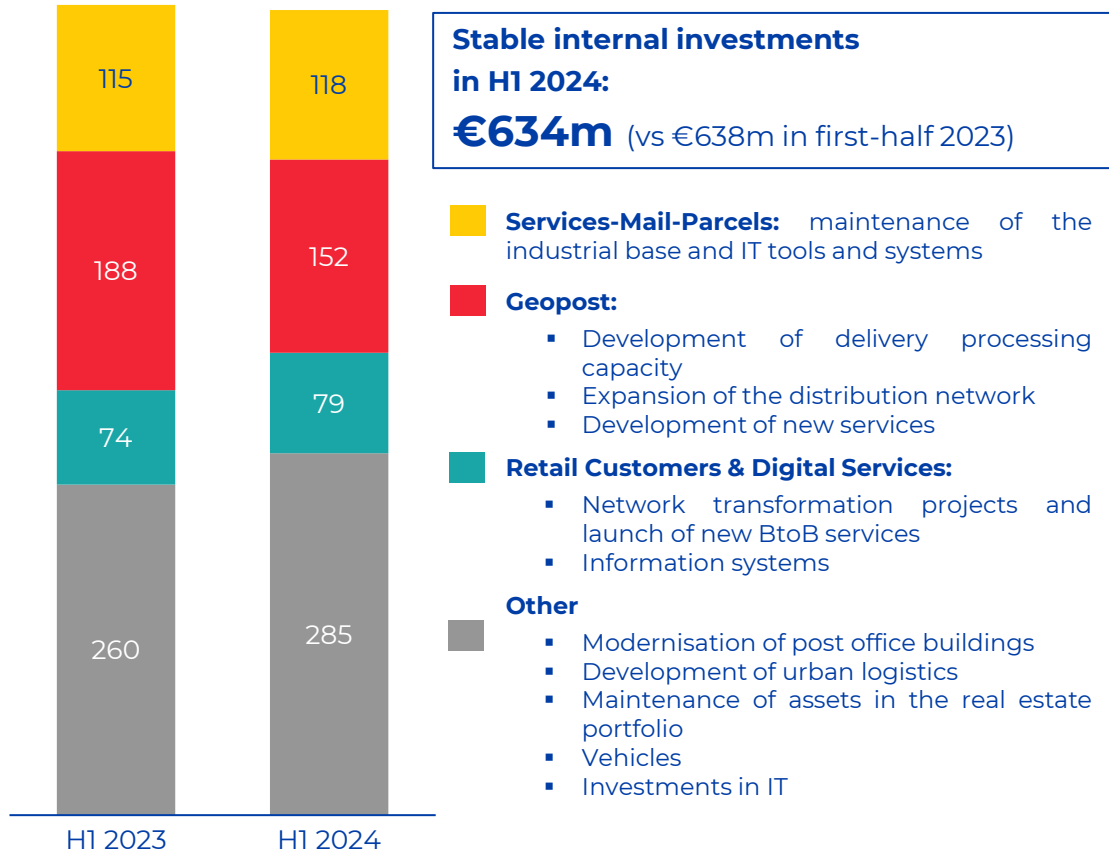
1. Scope: CNP Assurances Holding.

Adjustments for material non-recurring items

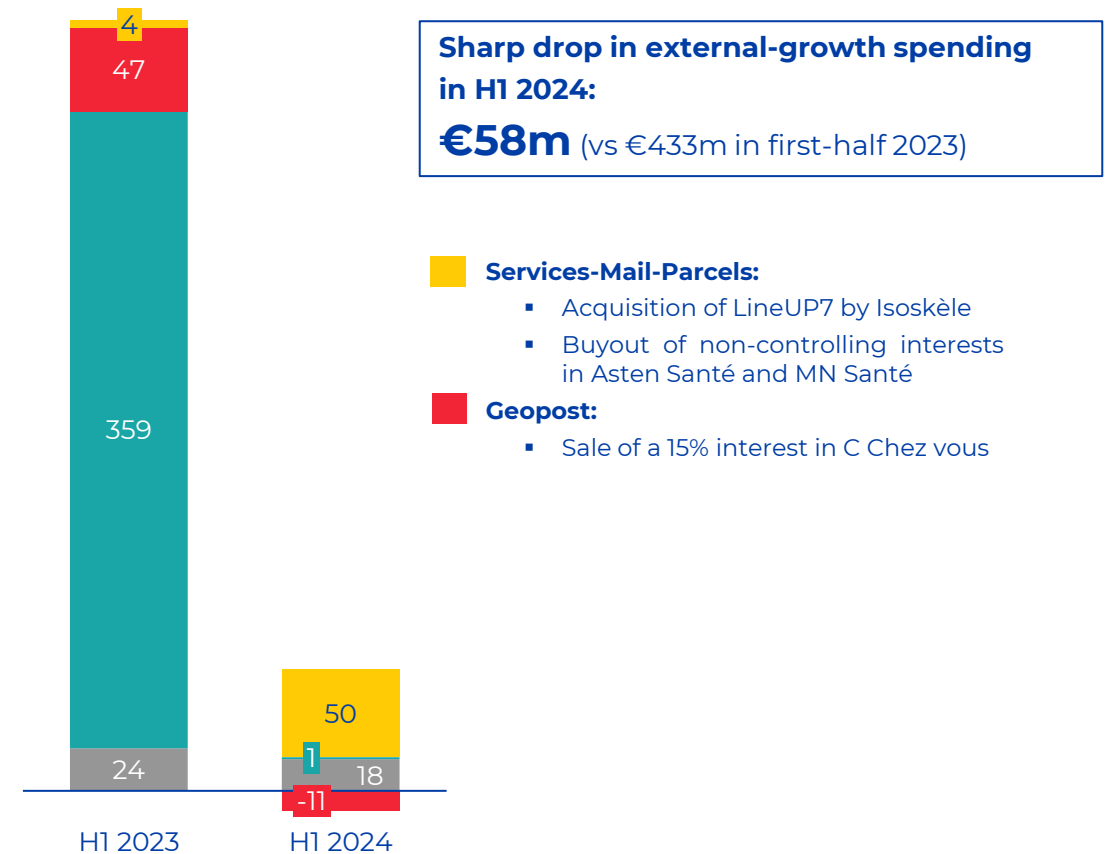
- In H1 2023:
 - Reversal of the provision for Image chèque -€5m
 - Expenses related to the real estate portfolio of CNP Assurances +€33m
 - Expenses related to the real estate portfolio of CNP Assurances -€38m
- In H1 2024:
 - Impairment charge for Ma French Bank -€9m
 - Impairment charge for Ma French Bank -€9m

Investments

Internal investments¹ (excl. La Banque Postale)

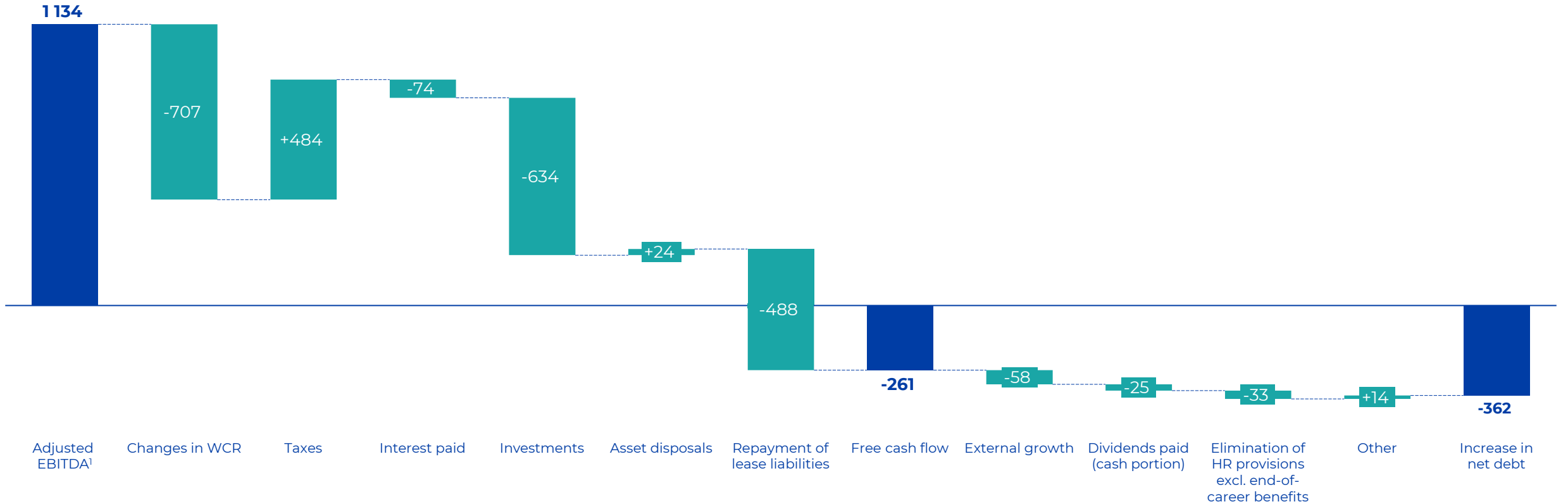


External growth² (excl. La Banque Postale)



Change in net debt in first-half 2024

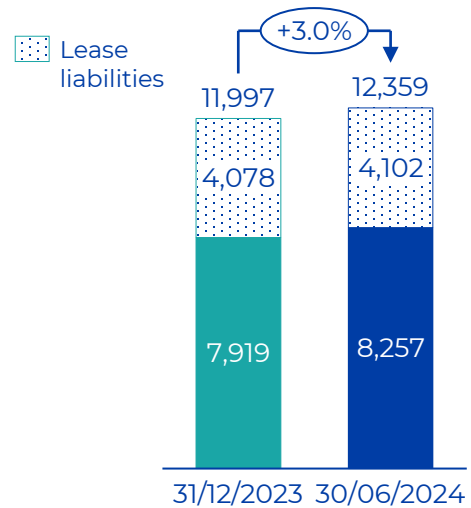
(in €m)



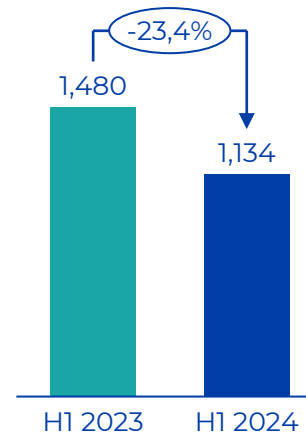
¹ Adjusted EBITDA comprises all revenue within the scope of consolidation excluding La Banque Postale, less general operating expenses and personnel expenses, excluding additions to end-of-career benefits for the same scope excluding La Banque Postale. It also includes dividends received from equity-accounted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

Net debt/adjusted EBITDA ratio

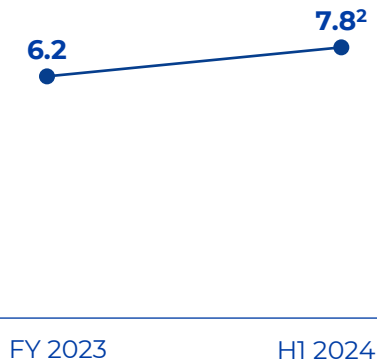
Net debt (in €m)



Adjusted EBITDA (in €m¹)



Net debt/adjusted EBITDA



- 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.
- Adjusted EBITDA calculated over a rolling 12-month period.

Financial ratings

S&P Global
Ratings

A/A-1
Stable outlook

Most recent rating published on 4 June 2024

FitchRatings

A+/F1+
Stable outlook

Last published on 15 December 2023

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