

# Annual results - 2013

## Le Groupe La Poste

Investor Presentation  
20 February 2014



LE GROUPE LA POSTE

 **2013 Key highlights**

 **2013 Results**

 **Outlook**

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# 2013 Key highlights



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# Key business highlights

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**1** New public service contract  
2013-2017 with the State



**2** New local postal  
coverage agreement  
2014-2016

**5** Committing strongly  
to CSR

**4** Roll out of the digital  
strategy well under way

**3** A key social year  
Agreements with the unions on  
work life quality and  
Teleworking

# New public service contract: confirmation of the key role for the French State

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## 4 public service missions confirmed

### Reinforced quality of service objectives

- Priority letters: > 85% (D+1)
- Registered letters: 95% (D+2<sup>1</sup>)
- Green letters: 95% (D+2<sup>1</sup>)



### Missions adapted to meet users' expectations and technological advances

Online letters introduced within Universal Service, new weight-based parcel tariffs

### Commitments to citizens

- For regional development
- For those most vulnerable
- For the digital society development
- In the CSR area

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(1) Targets : 93% in 2013, 94% in 2014, 95% in 2015

# 2014-2016 local postal coverage agreement: a major social integration mission

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## State financing rolled forward

€170m per year

## Extended perimeter

in particular for urban cities of  
<2,000 inhabitants



## Further developing partnerships and renovating post offices

## Digital accessibility and pooling of public services

# Towards a social pact

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**Social agreement on quality of life at work** signed on 22 January 2013

**Strengthened training and local HR structures**



**Social agreement on Teleworking**  
signed on 25 June 2013

**Training and employment of young people**  
5 106 work-study contracts

# La Poste & Digital: trust & proximity

**Boosting the Group  
digital  
transformation**



- Innovation
- Leveraging digital to improve operating performance

**La Poste on the  
Internet : simplicity,  
proximity, security**

laposte.fr

**Laposte.net**

**New mission as a  
trusted third party for  
digital  
communications**





Protected digital services

# Committing strongly to CSR

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## Supporting vulnerable clients



## Committing to diversity and equal opportunities

Signature of specific charters and conventions in 2013

## Promoting the circular economy

CART TOUCH



## 1<sup>st</sup> park of electric vehicles

UEHIPOSTE 

# 2013 Results



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# Key financial highlights 2013

- **Revenue: €22,084m**, up **2.0%**  
(+1.0% at constant scope and change)
- **Operating profit: €770m**, down **5.6%**  
(-5.0% at constant scope and exchange rates)
- **Net profit Group share: €627m**, up **30.9%**  
(+33% at constant scope and exchange rates)
- **Increase in net debt (€3,778m)** by **€318m**
- **A stable financial structure**
  - Capital increase of €600m
  - Net debt / Equity at 0.45 (stable vs. 2012)

# Results by Business Line

## Mail

## Parcels-Express

## Banking activities

Revenue

-2.7%

11,410

11,103

2012

2013

+7.3%

5,580

5,988

2012

2013

+5.7%

5,241

5,539

2012

2013

Operating profit

-31.1%

684

471

2012

2013

+4.1%

403

419

2012

2013

+14.0%

621

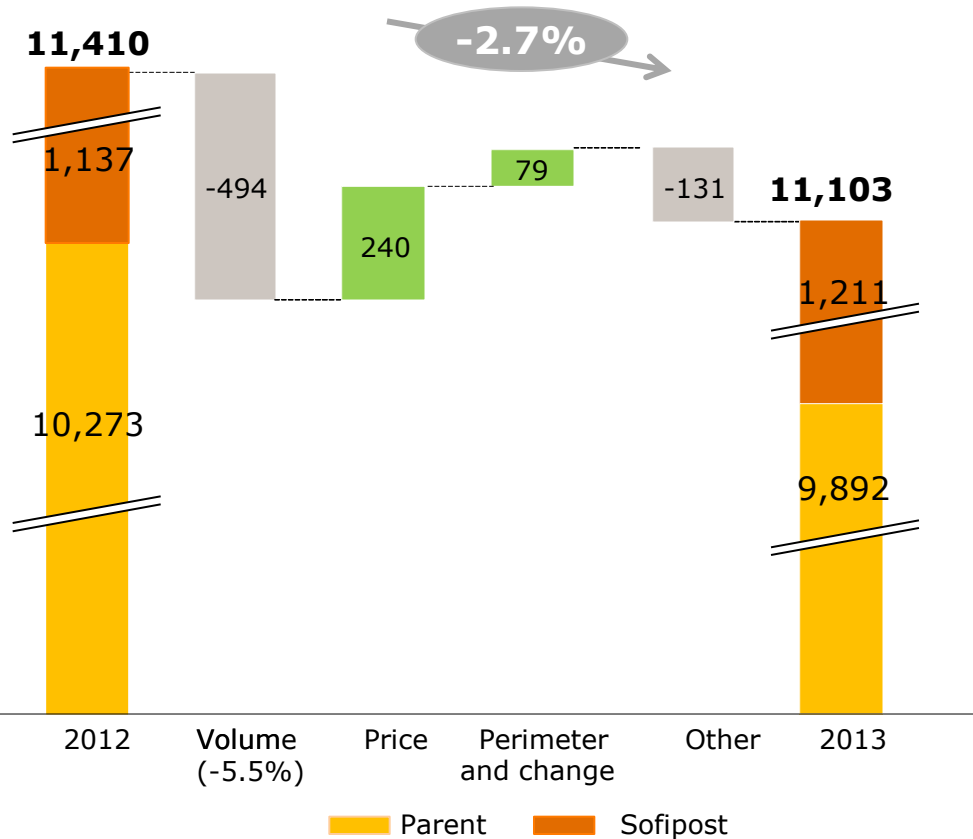
708

2012

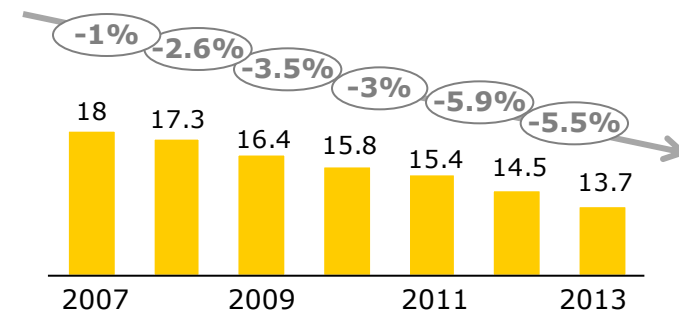
2013

# Mail: volumes and operating profit down

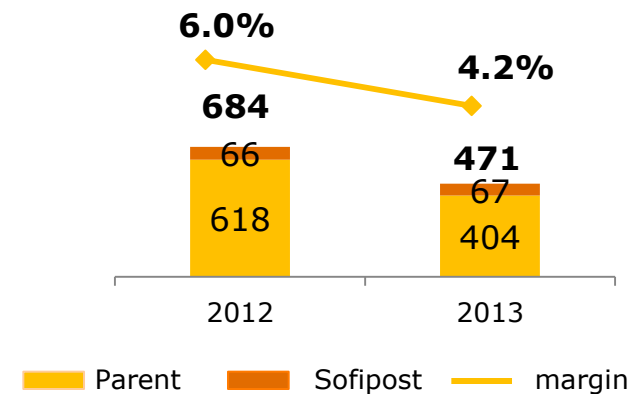
## Revenue in €m



## Volume in billions

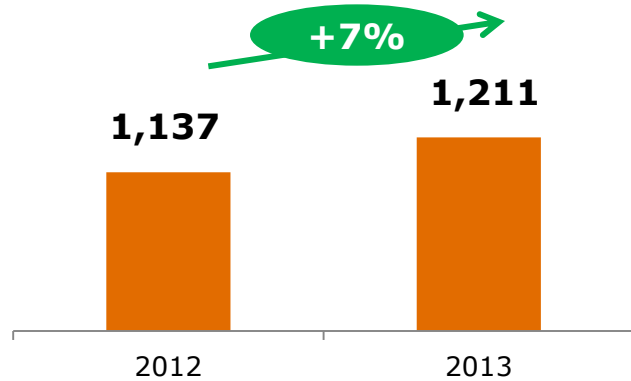


## Operating profit in €m

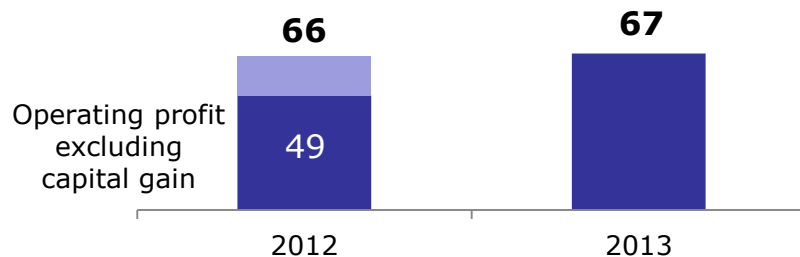


# Sofipost: growth potential

## Revenue in €m



## Operating profit in €m



## Developments 2013



Positioning on the multichannel media market segment



Moving upmarket on value-added activities



Developing the Group e-logistics assets



Rolling out the partnership with Swiss Post, network optimization in key countries

# Mail: innovation & developments

## Developing new services for the postman



## Integrating and developing the e-logistics business



Simplifying peoples' lives

Collecting information

Developing the circular economy

## Going further in cross-border mail

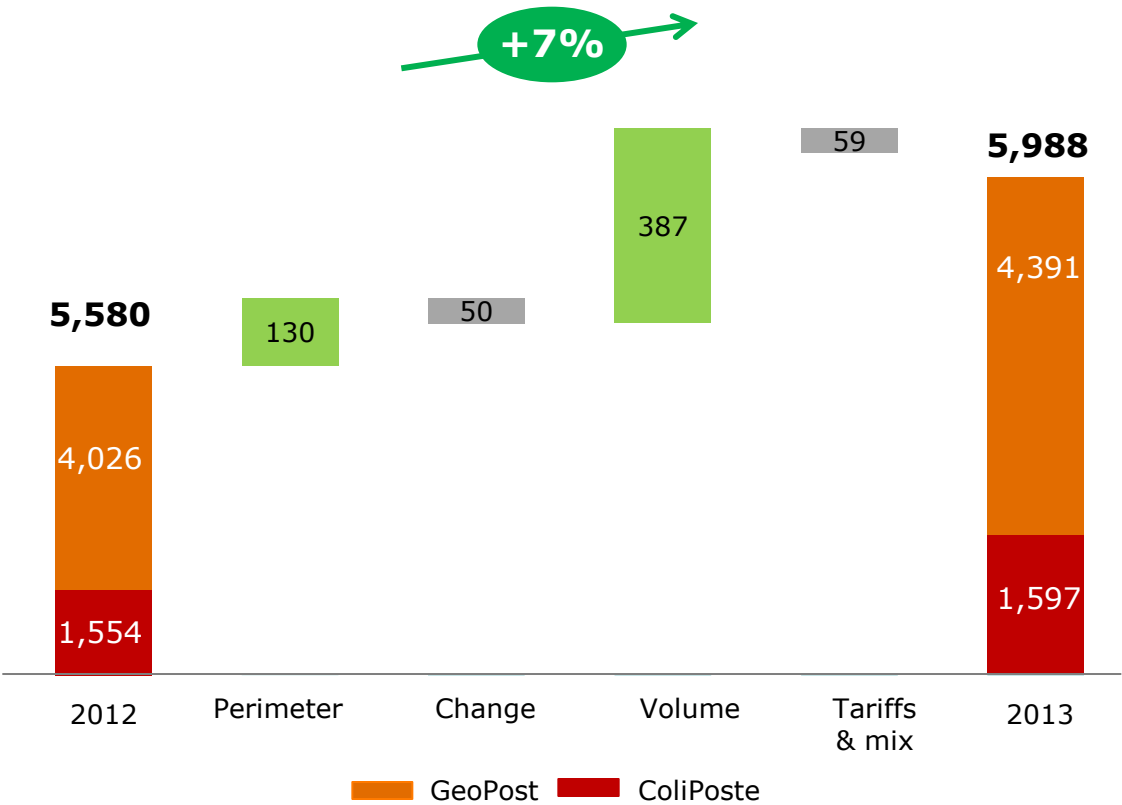


Acquisition of the international mail in the UK

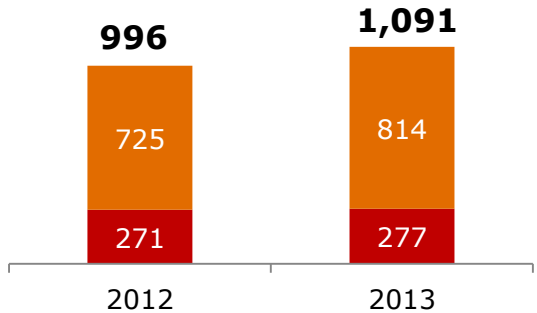
stake of 40%

# Parcels-Express: sustainable growth

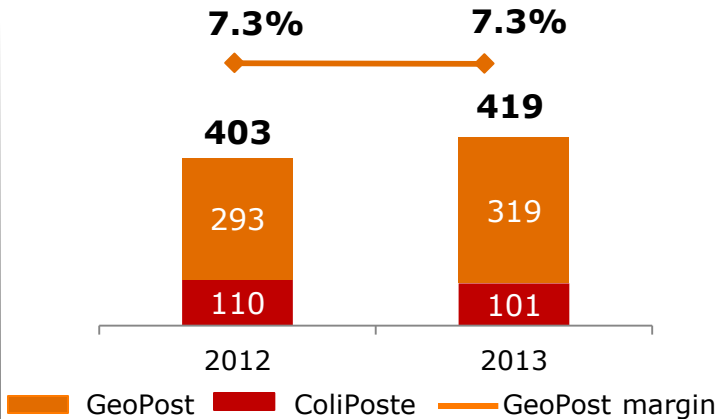
## Revenue in €m



## Volume in millions



## Operating profit in €m



# Parcels-Express: quality & expansion

## Strong development of BtoC and continuing improvement in services



## A cutting-edge industrial network

- UK : biggest parcel sorting hub of Europe (will be completed in 2015)
- New platforms (sorting, delivery)

## Targeted acquisitions

- Business extension <sup>1</sup>
- Geographical expansion <sup>2</sup>
- Strengthened European network <sup>3</sup>

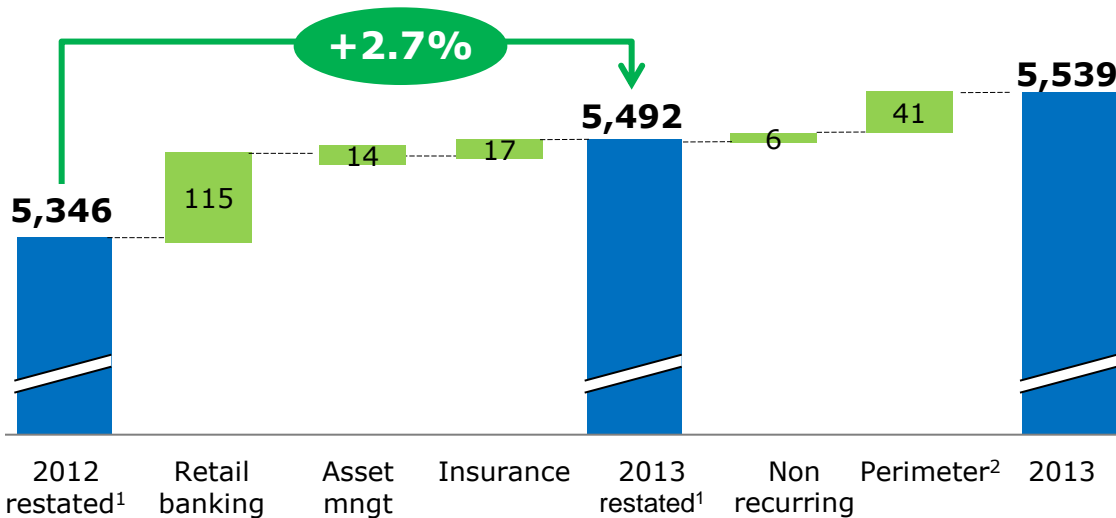
(1) Control (direct 66% stake) of Tigers (freight forwarder in Asia, US, Europe & Australia) ;

(2) Share (40%) in DTDC (parcel transportation in India);

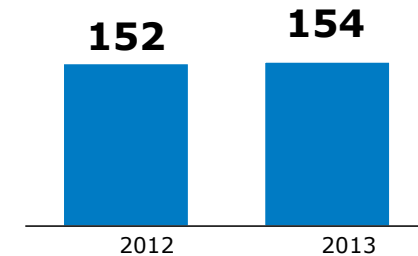
(3) Further acquisitions of SEUR franchisees in Spain

# Banking activities: NBI and operating profit up, stabilized cost of risk

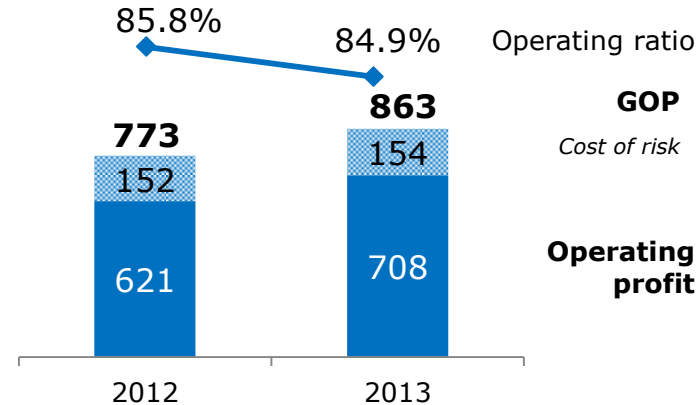
## Net banking income in €m



## Cost of risk in €m



## Gross operating profit (GOP) & Operating profit

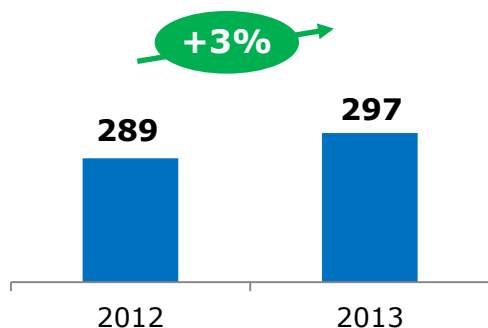


(1) NBI 2012 (€5,241m) – change in home savings & EIC fine ; NBI 2013 – BPE – change in home savings & EIC  
 (3) BPE

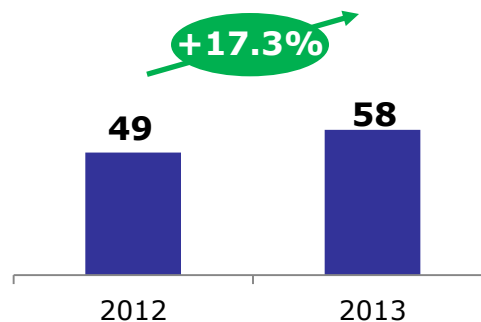
# Banking activities: strong credit and client equipment development

## Commercial momentum

Savings/Sight deposits outstanding<sup>1</sup> in €bn



Credit outstanding<sup>2</sup> in €bn



Successful roll-out of financing offers to local authorities and legal entities

Local authorities

€6.5bn

Loans<sup>3</sup> issuance

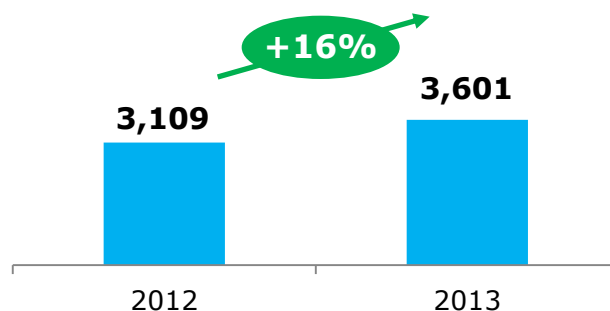
Legal entities

€2.9bn

Loans<sup>3</sup> issuance

## Client service offerings strongly developing

Insurance policies outstanding, in thousands units



+66% Property & casualty

+5% Personal risk

+125% Health

(1) Growth excl. BPE : 2.1 % (+ 6.2 €bn) ;

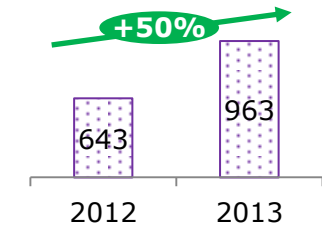
(2) Growth excl. BPE : 12.2% (+ 6.0 €bn) ;

(3) Including short-term.

# The Retail Brand: supporting the business lines' commercial development

**17,081 retail outlets in France**

**1 million clients**



## Success of La Banque Postale's commercial development

### Servicing the business lines

- 18%** of Mail revenue
- 27%** of ColiPoste revenue
- 10%** of Chronopost revenue
- 97%** of La Poste Mobile sales
- 100%** of net collection for individuals
- 69%** of consumer loans
- 89%** of property loans



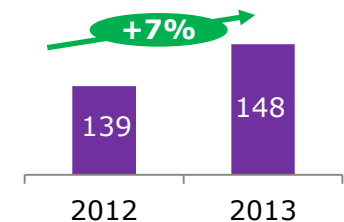
### An enriched offer

- Renewed packages
- New offers



**New local services**  
3D printers, digital pads

**Revenue in €m**



# Consolidated P&L

In €m	2012	2013	% Change
<b>Revenue</b>	21,658	22,084	+2.0%
<b>Operating profit</b>	816	770	<b>-5.6%</b>
<i>Operating margin</i>	3.8%	3.5%	-0.3pt
<b>Financial result</b>	-284	-223	+21.6%
<b>Income tax</b>	-231	-127	<b>+44.9%</b>
<i>Effective tax rate</i>	43%	23%	-20pts
<b>Share of profit of associates</b>	180	215	<b>+19.8%</b>
<b>Net profit Group share</b>	<b>479</b>	<b>627</b>	<b>+30.9%</b>

Including CICE<sup>1</sup> impact of €297m

Impact of decrease in interest rates

CNP Assurances

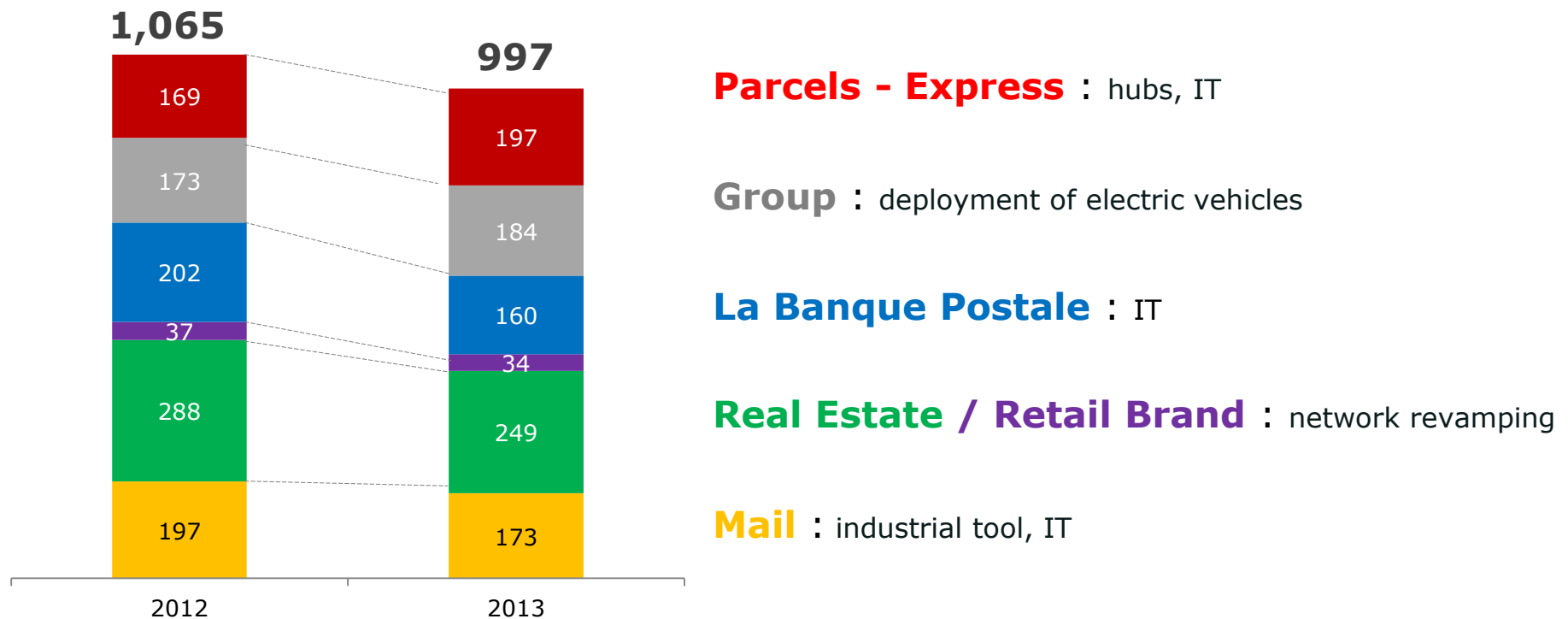
Including CICE<sup>1</sup> impact of €297m

(1) Competitive tax credit

# Investing selectively and consistently to ensure growth

## Gross investments by activity<sup>1</sup>

In €m



(1) Gross Investments (tangible and intangible), excluding financial investments and external growth

# Net Free Cash Flow after dividends

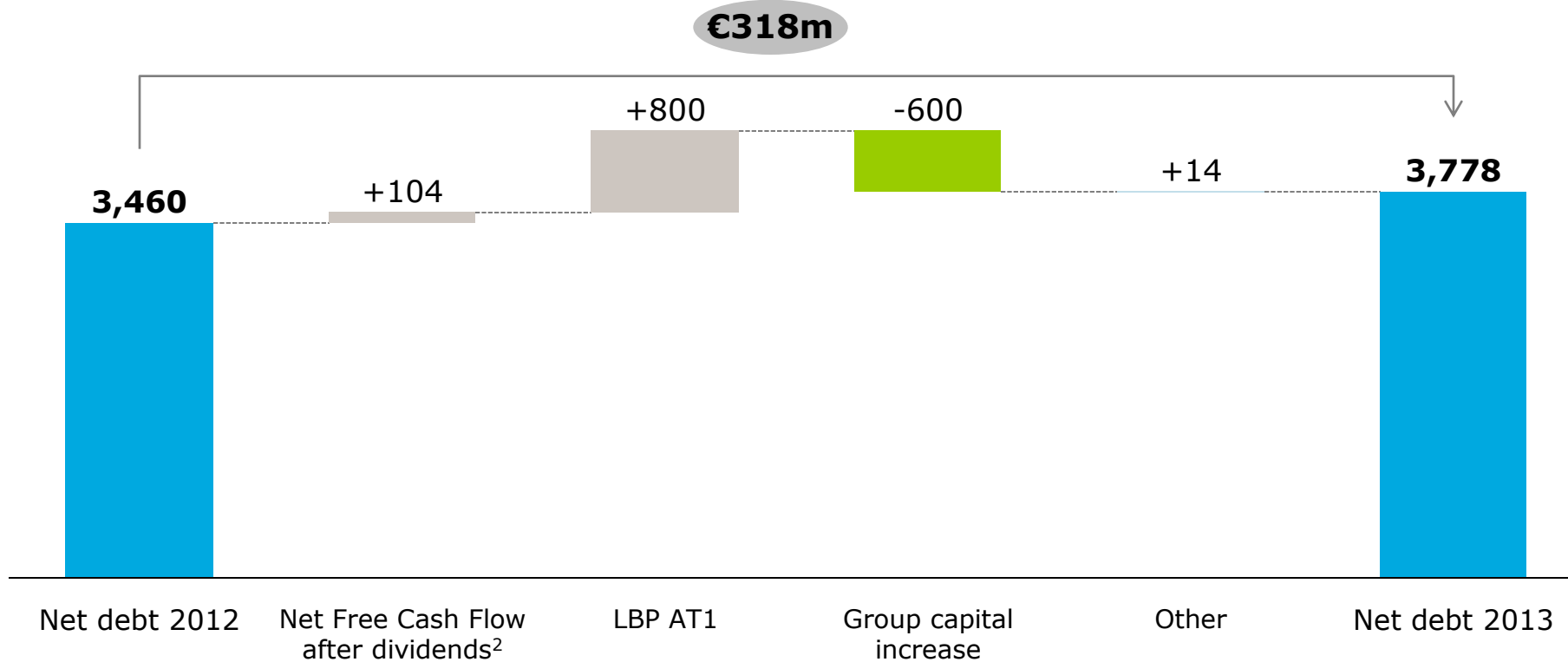
<i>in m€</i>	2012	2013	Change
<b>Cash flow from operating activities <sup>1</sup></b>	1,195	1,056	-139
- <b>Capital expenditure<sup>2</sup></b>	864	837	-27
+ <b>Proceeds from vehicles disposals</b>	18	24	+6
- <b>Interests paid</b>	164	172	-8
- <b>Dividends paid</b>	148	175	27
<b>= Net Free Cash Flow after dividends</b>	<b>37</b>	<b>-104</b>	<b>-141</b>

(1) For La Banque Postale : dividends

(2) Excluding Banking activities



# Net debt<sup>1</sup>



(1) Excluding Banking activities

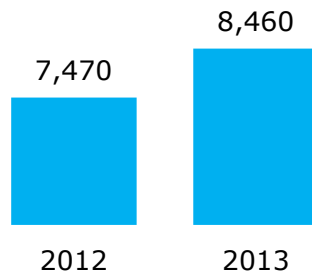
(2) Cash flow from operating activities (1 056 M€) – capital expenditures excluding Banking activities (837 M€) + Proceeds from vehicles disposals (24 M€)  
– Interests paid (172 M€) – Dividends paid (175 M€)



# Balance sheet structure

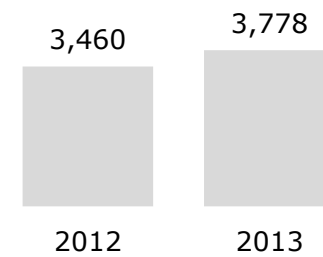
## Equity Group share

In €m

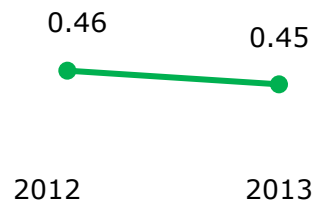


## Net debt<sup>1</sup>

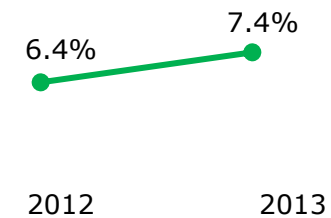
In €m



## Net debt / Equity Group share



## Net profit / Equity Group share



(1) Excluding Banking activities

## Optimisation of debt

Gross debt

7,103 m€

88%

A strong footprint on the bond market

6.7y

Average maturity of gross debt

3.0%

Average cost

92.5%

Mainly fixed rate

A/A-1/Stable

STANDARD  
& POOR'S

AA-/F1+/Stable

FitchRatings

Strong ratings

## A strong liquidity position

Cash & cash equivalents and other assets

3,325 m€

3 goals

Secure

Liquid

Profitable

# Outlook



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# 2014 developments

## Express

1<sup>st</sup> hybrid network in Europe  
Rolling-out innovative services

## Retail Brand

Reference network in services  
and public service  
  
Commercial development of  
La Banque Postale & La Poste  
Mobile

## Mail

Premium media for customer relations  
1<sup>st</sup> logistics network for local services  
Developing synergies with the Parcels  
business



## 3 new public interest missions

Energy transition  
Trusted third party offer  
Public action modernization

## Banking activities

Extending multi services packages  
to all customers  
  
Boosting services and products for  
Professionals

## Digital

New business development  
(trusted third party,  
laposte.net, laposte.fr)

# La Poste 2020: Conquering the future

## Priority: DEVELOPMENT

**Accelerate development in existing businesses**

**Develop new business and innovations**

**Pursue its pro-active approach to external growth**

**2020 PUBLIC SERVICE**

**A SOCIAL PACT**

**A PERFORMING Group in each of its businesses**

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- > Key figures
- > Press releases
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- > Debt issuance programmes
- > Rating

Entreprise de Services

**ACTUALITÉ**  
Le Groupe La Poste partenaire de Villes Internet

**INNOVATION**  
L'Open Data, accélérateur d'innovation pour Le Groupe La Poste

**ACTUALITÉ**  
La Banque Postale soutient le financement participatif

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