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Geopost shows sustained operating performance in a challenging 2022

Geopost announces a 6% increase of revenue despite the challenging operating environment of the past year

- **Further increase in revenue despite slight adjustment of volumes in 2022**
 - €15.6 billion in revenue¹, up 6% from 2021, demonstrating Geopost's ability to adapt to difficult market conditions and maintain growth.
 - 2.1 billion parcels² delivered worldwide, down slightly from 2021 (-1.3%), reflecting an overall slowdown in consumption and the normalization of the parcel delivery market.
 - Group result³ of €669 million, down from 2021 (€1,071 million), which was a record year. A decline mainly related to the slight decline in express volumes, reflecting the first impacts of the decline in purchasing power in an inflationary context, reinforced by a negative base effect related to the peak traffic in the first half of 2021 and the impairment of DPD Russia's assets (-€149 million).
- **Sustained progress on the company's strategic roadmap, aiming at positioning Geopost as the international reference in sustainable delivery and as a leading enabler of the e-commerce acceleration**
 - Accelerated growth in strategic market segments, such as out-of-home, food services, and healthcare and temperature-controlled delivery solutions
 - Strengthened the offer of new urban and specialized services with the acquisition of CitySprint, UK's leading same-day delivery network, and of C ChezVous, a specialist in the delivery of heavy and bulky goods in France.
 - Continued international expansion, with the increase in Aramex's capital from 24.9% to 28%.
- **Continued implementation of the company's sustainable development strategy with the 2040 net-zero ambition formally approved by the Science Based Targets initiative (SBTi)**
- **In 2023, GeoPost/DPDgroup becomes Geopost, its new corporate identity, affirming its customer-focused strategy and global scale**

¹ Asendia's revenue included, as La Poste Groupe has incorporated its shareholding in Asendia into the operational management of GeoPost since 1st July 2021

² Geopost volumes only

³ Asendia's operating result included

Commenting on these results, Yves Delmas, CEO of Geopost, stated: *“2022 was an incredibly challenging year that tested Geopost’s resiliency and ability to adapt to volatile and adverse market conditions. Thanks to the hard work and commitment of all our teams, we have been able to stay the course and record another year of growth while maintaining a solid operating performance. We look forward to 2023 with determination and confidence in our **capacity** to continue our profitable growth path. As a pioneer in the decarbonization of the parcel delivery industry, we remain committed to accelerating our energy transition and reaching our ambitious science-based net-zero by 2040 targets.”*

Geopost recorded revenue growth in 2022 amid challenging market conditions

After two years of record results driven by the dynamism of the parcel delivery market in the wake of the Covid-19 pandemic and successive lockdowns, 2022 proved to be much more challenging, marked by several major geopolitical and macroeconomic shocks, such as the war in Ukraine, record inflation in many countries, a sharp rise in energy costs and an overall slowdown in household consumption.

As a result, Geopost recorded a slight **adjustment** in volumes (-1.3% compared with 2021), while maintaining a volume of parcels delivered in excess of 2 billion per year, representing more than 8 million parcels delivered each day. Despite this limited decline in volumes, sales continued to grow (+6% vs. 2021, already a record year), demonstrating Geopost’s ability to adapt to difficult market conditions and enforce price increase to its customers. Besides, 2022 saw a slight rebalancing of the BtoB and BtoC segments, showing the relevance of the strategic plan and Geopost’s hybrid model: in 2022, 43% of the volumes were BtoB, compared to 42% in 2021.

In May 2022, Geopost announced its withdrawal from the Russian market, after having suspended all shipments to and from Russia in February 2022. Geopost depreciated the assets of its Russian subsidiary by €149 million.

Restated from this depreciation, Geopost’s operating result stands at €818 million in 2022, versus €1,071 million in 2021, a record year.

In 2022, the company successfully continued to roll out its "Together & beyond" strategy

In 2022, Geopost further consolidated its position as the leading international parcel delivery network in Europe, with strong positions in most countries:

- No. 1 in France, Spain, Ireland, Italy, Slovakia, Latvia, Lithuania.
- No. 2 in Portugal, the UK, Germany, Austria, the Czech Republic, Bulgaria, Poland, and Estonia.
- No. 3 in Switzerland, Croatia, and Slovenia.

In line with its strategic agenda, the company kept on expanding along three strategic pillars: developing core activities, accelerating in strategic segments and conquering new geographic horizons.

Solid contribution from our main growth drivers

The deployment of **out-of-home** delivery services accelerated sharply in several of the key countries where Geopost and its subsidiaries are present. Volumes increased by 40% throughout 2022. The company now offers 13,000 more Pickup points than at the end of 2021, reaching almost 83,000 Pickup points worldwide.

Geopost aims at offering the best coverage in Europe with 100,000 Pickup contact points by 2025, allowing 90% of Europeans to be within 10 minutes of a Pickup point. These distribution services lie at the heart of Geopost global strategy as they enrich the range of services through which the company seeks to respond to the changing needs of consumers.

In **food delivery**, Geopost recorded a slight growth (+1% in sales compared to 2021, a year strongly impacted by lockdowns), reflecting how consumers' habits have deeply transformed since the sanitary crisis. Geopost intends to further accelerate in that field, as indicated by the acquisition of the fresh products delivery platform Pourdebon.com as well as Cool Runnings, an expert company in temperature-controlled fresh and frozen food transport. Geopost also bolstered its subsidiary Chronofresh, a refrigerated express delivery specialist, which gained significant momentum in France.

The **healthcare vertical** also recorded significant sales growth (+22,8%) and Geopost cemented Chronopost's investment in its Chronopost Healthcare division to enhance its logistics capabilities. Biocair, the pharmaceutical, biotech and life sciences logistics subsidiary of Geopost posted another year of significant growth with a 30% increase in sales volume year on year.

Geopost secured a **stronger presence in new urban and specialized logistics** in 2022. Through its DPD UK subsidiary, the company completed the acquisition of CitySprint, the United-Kingdom's leading same-day delivery network. CitySprint, for its part, announced the acquisition of two major regional players, EcoSpeed and Astral. In France, Geopost acquired a strategic stake in C ChezVous, a company specializing in the delivery of heavy and bulky goods. In Spain, the SEUR Now urgent delivery offer is now available in 10 major cities. More than one million parcels were delivered by SEUR Now in 2022 with an almost entirely low emission fleet. In Portugal, DPD Portugal has partnered with Stuart to launch DPD Now, a new service providing brands and companies with an on-demand, fast, efficient and flexible delivery experience.

In 2022, Geopost strengthened its footprint in **the e-commerce value chain** through the acquisition by eShopWorld of Scalefast, a Los Angeles-based provider of global e-commerce solutions. eShopWorld is a subsidiary of Asendia, whose operational management Geopost has been responsible for since July 2021. The contribution of Asendia to Geopost's turnover reached €2,514 million euros in 2022, a 16% growth versus 2021. The company took advantage of the e-commerce boom linked to the COVID-19 pandemic and was able to quickly adapt its processes to match growing demand.

Geopost kept on expanding and deepening its global network

Geopost reinforced its position in Aramex by increasing its stake in the company from 24.9% in 2021 to 28% in 2022. Aramex has a powerful international network in the Middle East, Asia, Africa and Oceania. This network ideally complements Geopost's strong presence across European delivery markets.

Geopost made significant commitments in line with its pioneering role in sustainable delivery

In July 2022, the company submitted its "Net Zero Emissions by 2040" trajectory to the Science Based Targets initiative, which formally approved it in February 2023.

By doing so, the company will contribute to limiting the global temperature increase to 1.5°C by accelerating its greenhouse gas (GHG) emissions reduction plan. Geopost is committed to drastically reducing its GHG emissions from scopes 1, 2 and 3, by 43% by 2030 compared to 2020, and by 90% by 2040 compared to 2020. The company will also neutralize all residual emissions (around 10%) through relevant offset projects from 2040 onwards.

Among the initiatives contributing to this ambition, Geopost further accelerated in 2022 the gradual transformation of its vehicle fleets. By the end of year, 8,458 low-emission vehicles (electric, natural gas vehicles and cargo bikes) were deployed. Geopost aims at delivering 350 cities in Europe (of more than 50,000 inhabitants) with low emission means by 2025: as end of 2022, the roll out has started in 251 European cities, 97 of which are already served by 100% low-emission vehicles.

Last September, Geopost joined the EV100+ road transport initiative as a founding member. This initiative is led by the international non-profit organization Climate Group. By joining, Geopost is committed to transitioning its fleet of vehicles over 7.5 metric tons to zero tailpipe emissions by 2040.

A new corporate identity to support the geographical and expertise expansion

In a changing world that is reshaping the logistics industry and business, GeoPost/DPDgroup transforms its brand to support its growth ambition and embrace its diversification strategy. In 2023, GeoPost/DPDgroup becomes Geopost, a new brand allowing the company to cover its core areas of expertise today as well as areas of future growth:

- **Delivery:** Geopost's core business of B2B, B2C and cross-border shipping and parcel delivery solutions, including Business, Home and Out-of-Home delivery
- **Specialized Delivery:** Expert delivery solutions designed to meet specific, specialized needs in sectors that include Healthcare, Food and sameday delivery
- **New Commerce:** Developing integrated, digitally-native and data-powered solutions that cover the full E-commerce value chain and support our future expansion
- **Strategic initiatives:** to drive change on Geopost's market (such as the e-shopper barometer) and act as a catalyst for the ecological and societal transition (such as Geopost's sustainability program Driving Change™)

Commercial brands (Chronopost, DPD, SEUR, BRT, Jadlog etc) do not change, and Geopost's new brand will endorse them, creating a single and global banner for all its local and diverse expertises. This strategic move is in line with Geopost's ambition to become the reference in sustainable delivery and the leading enabler of the e-commerce acceleration.

About Geopost

Geopost, a European leader in parcel delivery and solutions for e-commerce, operates in 49 countries across all continents through its network of expert delivery brands, including: DPD, Chronopost, SEUR, BRT, Speedy and Jadlog. Leveraging its industry-specific expertise, Geopost is further growing the development of out-of-home delivery services with Pickup, the densest parcel shop and locker network in Europe and is also expanding temperature-controlled solutions for food and healthcare business. In a world of acceleration and transformation, Geopost engages and embraces new e-commerce territories with eShopWorld via Asendia, epicery and Pourdebon.com.

With 122,000 employees and partners, Geopost endeavours to make commerce more convenient, profitable and sustainable for their customers and communities. Committed to becoming an international reference in sustainable delivery, Geopost is the first global delivery company to have its roadmap to Net Zero by 2040 approved by the Science Based Targets initiative (SBTi).

Part of the La Poste Groupe, Geopost generated a €15.6 billion revenue and delivered 2.1 billion parcels worldwide in 2022.

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