

LA POSTE GROUPE 2022 RESULTS

**Steady business and earnings in a highly unfavourable environment
Strategic diversification continuing to pay off**

Financial performance

- **Operating revenue¹: €35.39bn**
 - ✓ up 2.3% vs 2021
 - ✓ down 0.3% at constant scope and exchange rates (like for like)
- **Operating profit²:**
 - ✓ **€1.20bn** vs €3.43bn in 2021
 - ✓ **€2.39bn** excl. material non-recurring items^(a), down €94m vs 2021
- **Attributable net profit:**
 - ✓ **€1.20bn** vs €2.07bn in 2021
 - ✓ **€1.25bn** excl. material non-recurring items^(b), up €119m vs 2021
- **Free cash flow³: €1.53bn**
 - ✓ vs €248m in 2021
 - ✓ incl. €1.26bn relating to a catch-up on dividends for previous years paid by La Banque Postale
- **Attributable equity: €17.55bn**
vs €20.93bn at 31/12/2021
- **Net debt³: €10.19bn**
stable (down €42m) vs 31/12/2021
- **Net debt/adjusted EBITDA³: 2.8**
vs 3.6 at 31/12/2021

^(a) Excluding the impact on operating profit of impairment charged against Mail, Mediapost and DPD Russia assets and the net impact of other accounting effects.

^(b) Excluding the impact on attributable net profit of the items mentioned in (a) and the utilisation of deferred taxes ahead of CNP Assurances' potential inclusion in the group's tax consolidation scope.

¹ Throughout the press release, "operating revenue" refers to all of the group's top line earnings, comprising revenue from industrial and commercial activities plus La Banque Postale's net banking income (which in turn includes net revenue from CNP Assurances).

² Operating profit (group and business lines) is presented after the share in net profit/(loss) of jointly-controlled companies.

³ Definition presented in the appendix to the press release.

Significant events in 2022

- **2022 was shaped by the outbreak of war in Ukraine, higher energy prices, the return of inflation and rising interest rates.** Against this backdrop:
 - The structural decline in **Mail** volumes continued (down 8% in 2022);
 - **Colissimo** volumes fell sharply, down 10% year on year due to a downturn in consumer spending, exacerbated by an unfavourable base effect (volumes in the first half of 2021 had been boosted by the lockdowns). **GeoPost**'s parcel volumes fell slightly (down 1% on 2021), mainly due to the decline in the BtoC business. In all, the group delivered 2.6 billion parcels in 2022, down by a slight 3% on 2021;
 - Commercial activity at **La Banque Postale** remained upbeat, with stable savings deposits and outstanding loans to customers up 8% compared with end-2021.
- **Major advances in all aspects of the strategic plan**
 - **Consolidating the group's core historical activities**
 - by undertaking major investments totalling **€500 million through to 2025**. These are aimed at modernising the distribution network and broadening the group's geographic footprint to 40,000 postal service points⁴ and will be based on partnerships with local councils and retailers as well as on a stronger locker network;
 - **Accelerating the development of growth drivers**
 - in logistics, with **€600 million in investments through to 2025** in order to double the number of electric vehicles and remain the leader in green logistics in France; and in local logistics under the **Log'issimo** brand, with a new range of customised solutions targeting companies and local authorities;
 - in express delivery, with the acquisition of **CitySprint** (100%), a specialist in same-day deliveries in the United Kingdom, and the acquisition of a further 3% stake in **Aramex** (bringing the total interest to 28%) by **GeoPost**;
 - in e-commerce, with the acquisition by **eShopWorld** (a wholly-owned subsidiary of **Asendia**) of the **Scalefast** platform, a start-up providing global e-commerce solutions, and in food e-commerce, with the acquisition of **Pourdebon.com** (100%) to develop synergies with **Chronofresh**;
 - in specialised logistics within the bulky goods transport segment, with the acquisition of **C Chez Vous** (95%) by **GeoPost**, and in the temperature-controlled transport segment, with the acquisition of **Cool Runnings Transport BV** (100%) by DPD Netherlands;
 - in bancassurance, with:
 - ✓ the finalisation of **La Banque Postale**'s acquisition of **CNP Assurances** (100%) at the end of the first half of 2022, and the extension of asset management partnerships with **BPCE** through to the end of 2030; the operational launch of the new sustainable corporate and investment bank (CIB) in January 2022; and the development of the wealth management division with **Louvre Banque Privée** (formerly BPE),
 - ✓ the ongoing expansion of **CNP Assurances** internationally through the acquisition of **Aviva**'s life insurance business in Italy, now its second-largest market, and the acquisition (resulting in a 100% stake) of five companies in Brazil⁵;

⁴ The network currently comprises 35,500 postal retail outlets (brick-and-mortar outlets such as post offices and partners along with other access points such as business areas, pick-up points and lockers).

⁵ Acquisition of Caixa Seguridade's 48.25% stake in four CNP Seguros Holding Brasil entities and of Caixa Seguridade's 24.61% stake in CNP Capitalização SA (completed at the end of January 2023).

- **Laying the foundations for future growth**
 - in sovereign and trusted cloud services, through the alliance formed by **Docaposte** as leader of an entirely French consortium⁶ in October to create **Numspot**, a company targeting the European market;
 - through the acquisition of **Happytal** (86%) to build a services platform for hospitalised patients within the Health & Autonomy division;
 - by undertaking major investments totalling **€300 million through to 2025** to accelerate the digital transformation of the post office network and the development of the omnichannel experience (video conferencing, electronic signatures, etc.) and online solutions (new digital services).
- **A socially engaged group**
 - Still ranked **number one worldwide** across all sectors **by Moody's ESG Solutions**, ranked **Platinum by EcoVadis**⁷ and included in the **CDP's prestigious "A List"**⁸ for its climate commitment;
 - **Successful inaugural issue of a €1.2 billion sustainable bond by La Poste**;
 - **GeoPost** is stepping up its efforts to combat climate change and – in a first for a logistics company – recently obtained SBTi⁹ validation of its 2040 “net zero” pathway, submitted in July 2022;
 - **La Banque Postale became a mission-led company** in February 2022.
- **Financial ratings unchanged**, with the exception of the S&P Global Ratings outlook, which moved from stable to negative as a result of France's sovereign debt downgrade in December.

Meeting today under the chairmanship of Philippe Wahl, the Board of Directors of La Poste approved the group's consolidated financial statements for 2022.

“Business and earnings showed steadiness in 2022. La Poste Groupe's operating revenue increased to more than €35 billion and its earnings remained solid¹⁰ compared with 2021, in a challenging environment shaped by the war in Ukraine, higher energy prices, the return of inflation, and rising interest rates.

These results reflect the strength of the group's multi-business model, the relevance of our 'La Poste 2030, committed for you' strategic plan, and the support of our shareholders, Caisse des Dépôts and the French State.

Our performance testifies to the daily commitment and efficiency shown by postal workers and means that we can award all our people a substantial profit-sharing bonus.

During the year, La Poste continued to fulfil its public service missions and pushed ahead with its growth and diversification strategy.

As in 2021, parcels and express deliveries accounted for more than half of La Poste Groupe's operating revenue. Mail volumes continued to decline and, in July 2022, La Poste announced a new Mail range, introduced as from January 2023. During the year, La Poste decided to invest €800 million through to 2025 to modernise its omnichannel distribution network, expand its geographic footprint and accelerate its digital transformation. Digital trust services continued to grow (Docaposte delivered revenue of €826 million¹¹, up 8.9% year on year). The Numspot sovereign cloud project launched at the end of 2022 with

⁶ Banque des Territoires, Dassault Systèmes and Bouygues Telecom.

⁷ Platinum as a Top 1% supplier, with a score of 78/100 (October 2022).

⁸ Of the nearly 20,000 companies assessed worldwide, only 284 were awarded this score.

⁹ SBTi is a leading independent body led by four international organisations.

¹⁰ Excluding material non-recurring items; see the analysis provided in this press release.

¹¹ Within the group, Docaposte revenue amounted to €764 million.

Caisse des Dépôts, Dassault Systèmes and Bouygues Telecom marked a decisive step forward in European digital security. Lastly, at the end of the first half of the year, La Banque Postale raised its stake in CNP Assurances to 100%, consolidating its position as a leading bancassurer.

As the first carbon-neutral postal operator, La Poste Groupe has confirmed its commitment to the fight against climate change. It has updated its 2030 CO₂ emissions reduction target (i.e., a 42% reduction in emissions between 2020 and 2030) and has committed to reaching “net-zero” by 2040. After La Banque Postale in 2021, the emissions reduction pathway drawn up by GeoPost was validated by the SBTi in 2023. On the logistics front, La Poste is to invest €600 million through to 2025 to double the number of its electric vehicles and decarbonise middle- and long-distance transport. La Banque Postale was the first bank in Europe to commit to exiting the coal, oil and gas sectors by 2030. It became a mission-led company in February 2022, following in the footsteps of La Poste a year earlier.

La Poste Groupe is determined to continue its development and to fully embrace its role as a mission-led company.”

2022 summary financial information

2022	2021	Change	Change at constant scope and exchange rates	
			YoY as a %	YoY as a %
in €m	in €m	in €m	in €m	in €m

Operating performance

Operating revenue	35,392	34,609	+783	+2.3	-118	-0.3
Operating profit ^(a)	1,197	3,431	-2,235	-65.1	-2,396	-68.8
Operating profit <i>excluding material non-recurring items^(b)</i>	2,392	2,486	-94	-3.8	-	-
Net financial expense	(207)	(202)	-5	+2.4	-3	+1.4
Income tax benefit/(expense)	605	(620)	+1,225	n.m.	+1,274	n.m.
Net profit attributable to owners of the parent	1,203	2,069	-866	-41.9	-1,267	-61.6
Net profit attributable to owners of the parent <i>excluding material non-recurring items^(c)</i>	1,250	1,131	+119	+10.5	-	-
Free cash flow	1,530	248	+1,282	n.m.	-	-

^(a) After share in net profit/(loss) of jointly-controlled companies.

^(b) Excluding the impact on operating profit of impairment charged against Mail, Mediapost and DPD Russia assets and the net impact of other accounting effects.

^(c) Excluding the impact on attributable net profit of the items mentioned in (a) and the reversal of deferred taxes ahead of CNP Assurances' potential inclusion in the group's tax consolidation scope.

31/12/2022	31/12/2021	Change	
in €m	in €m	in €m	YoY as a %

Financial structure at 31/12

Net debt	10,191	10,233	-42	-0.4
Equity attributable to owners of the parent	17,546	20,932	-3,386	-16.2
Net debt/adjusted EBITDA	2.8	3.6		-34.7

Key ratios of La Banque Postale and CNP Assurances

CET1 ratio ^(d)	14.7%	19.1%	-4.4 pts
NSFR ratio ^(d)	129%	143%	-14 pts
Liquidity coverage ratio ^(d)	147%	186%	-40 pts
SCR coverage ratio ^(d)	230%	217%	+13 pts

^(d) Definitions presented in the appendix to this press release.

Operating revenue

Consolidated operating revenue amounted to €35,392 million, up 2.3% compared with 2021, due mainly to the first-time consolidation of new entities.

Scope effects added €591 million to operating revenue, resulting primarily from GeoPost (€316 million related to the acquisitions of CitySprint, Scalefast, TIPSA and Speedy, and to the disposal of Tigers) and La Banque Postale (€176 million related mainly to the first-time consolidation of Aviva's life insurance business). Favourable currency effects added €309 million to operating revenue (with €144 million arising on the Brazilian real, €46 million on the rouble, €38 million on the US dollar and €36 million on the Hong Kong dollar). Adjusted for these effects, operating revenue was down slightly like for like, losing €118 million (0.3%) compared with 2021.

This change was the result of contrasting dynamics among the business lines (see "Detailed analysis by activity").

Operating profit

Consolidated operating profit amounted to €1,197 million, down €2,235 million. Excluding scope effects (positive €107 million impact, resulting mainly from the first-time consolidation of Aviva and Citysprint) and currency effects (positive €54 million impact, arising predominantly on the Brazilian real), like-for-like operating profit fell by €2,396 million.

The following non-recurring items had a material impact on the change in operating profit:

- in 2021, the reversal of impairment charged against Mail assets (positive €900 million impact) and the impact of other accounting effects (positive €45 million impact);
- in 2022, impairment charged against Mail assets (negative €940 million impact) to reflect the lower operating profit outlook for the business in an adverse macro-economic environment; impairment charged against Mediapost assets (negative €80 million impact) following the slowdown in the printed advertising business; impairment charged against DPD Russia assets (negative €149 million impact) further to GeoPost's decision to withdraw from the Russian market; and the net impact of other accounting effects (negative €27 million impact).

Adjusted for material non-recurring items in 2022, consolidated operating profit came in at €2,392 million, down €94 million on 2021 as restated (see "Detailed analysis by activity").

Attributable net profit

Net profit attributable to owners of the parent amounted to €1,203 million, a decline of €866 million year on year, or €1,267 million after adjusting for positive scope and currency effects of €400 million.

The change in attributable net profit was mainly driven by operating profit. Net financial expense remained stable at €207 million (up 1.4% like for like). The €1,274 million positive change in income tax on a like-for-like basis chiefly reflects the utilisation of deferred tax assets (positive €903 million impact) as allowed by the future inclusion of CNP Assurances in the group's tax consolidation scope after La Banque Postale increased its interest to 100%.

The following non-recurring items had a material impact on the change in attributable net profit:

- in 2021, the reversal of impairment charged against **Mail** assets (positive €900 million impact) and the net impact of other accounting effects (positive €38 million impact);
- in 2022, impairment charged against **Mail** assets (negative €702 million impact), impairment charged against **Mediapost** assets (negative €80 million impact), impairment charged against DPD Russia assets (negative €149 million impact), the net impact of other accounting effects (negative €20 million impact), and the utilisation of deferred tax assets mentioned above (positive €903 million impact).

Adjusted for material non-recurring items in 2022, attributable net profit amounted to €1,250 million, up €119 million on 2021 as restated.

Free cash flow

Free cash flow generated in 2022 represented €1,530 million (versus €248 million in 2021) and chiefly related to the payment by La Banque Postale of a catch-up on dividends for prior years (positive €1,256 million impact) following the removal of restrictions resulting from the European Central Bank's recommendations during the health crisis.

Investments and external growth

Investments made by the group (excluding La Banque Postale) in 2022 totalled €2.1 billion (24.4% less than in 2021) and included:

- internal investments¹² for €1.2 billion (versus €1.3 billion in 2021), a year-on-year decline of 6.5%;
- external growth¹³ for €0.9 billion (versus €1.4 billion in 2021), a year-on-year decrease of 40.5%.

La Banque Postale's internal investments amounted to €487 million in 2022 (versus €446 million in 2021).

Net debt¹⁴ and financial structure

Net debt amounted to €10,191 million at 31 December 2022 (of which €3,869 million in lease liabilities), virtually stable (down €42 million) compared with end-2021. The change in net debt is closely correlated with free cash flow generation (€1,530 million), net cash flows used to finance external growth (€862 million) and the change in finance lease liabilities (down €109 million, most of which results from external growth).

Equity attributable to owners of the parent amounted to €17,546 million, €3,386 million lower than at end-2021 due mainly to changes in unrealised gains and losses on CNP Assurances financial instruments.

As a result, the net debt/equity ratio stood at 58.1% versus 48.9% at end-2021.

¹² Purchases of property, plant and equipment and intangible assets (see details by business line in the "Analysis by activity" section).

¹³ Net balance of cash flows related to external growth and financial assets.

¹⁴ Excluding La Banque Postale, for which this concept is not relevant.

The **financial and non-financial ratings** of La Poste Groupe were as follows at the end of 2022:

	Long- and short-term rating	Outlook	Last revised
Standard & Poor's	A+ / A-1	Negative	7/12/2022
Fitch Ratings	A+ / F1+	Stable	5/12/2022

	Non-financial rating	Date of update
Moody's ESG Solutions	No. 1 worldwide, across all sectors 77/100	October 2022
CDP	Leader in intermodal transport & logistics CDP Climate Change A List Top 1%	December 2022
Ecovadis	Platinum as a Top 1% supplier 78/100	October 2022

Detailed analysis by activity

The contribution of the business lines to consolidated operating revenue and operating profit is a result of contrasting business trends and can be analysed as follows:

	2022	2021	Change			
			YoY	YoY at constant scope and exchange rates		
	in €m	in €m	in €m	as a %	in €m	as a %
Operating revenue by business line/segment						
Services-Mail-Parcels	10,201	10,620	-419	-3.9	-474	-4.5
GeoPost	15,573	14,701	+872	+5.9	+360	+2.4
La Banque Postale	8,320	8,017	+303	+3.8	+14	+0.2
Retail Customers & Digital Services	6,576	6,723	-146	-2.2	-178	-2.6
Other segments and intercompany	(5,278)	(5,452)	+173	-3.2	+160	-2.9
Operating revenue	35,392	34,609	+783	+2.3	-118	-0.3
Operating profit/(loss) by business line/segment						
Services-Mail-Parcels	(767)	1,246	-2,013	n.m.	-2,012	n.m.
GeoPost	654	1,057	-403	-38.1	-419	-39.3
La Banque Postale	1,841	1,642	+198	+12.1	+58	+3.4
Retail Customers & Digital Services	199	155	+43	+27.8	+38	+24.7
Other segments and intercompany	(729)	(669)	-60	-9.0	-61	-9.2
Operating profit	1,197	3,431	-2,235	-65.1	-2,396	-68.8
Operating profit <i>excluding material non-recurring items^(a)</i>	2,392	2,486	-94	-3.8	-	-

^(a) Excluding the impact on operating profit of impairment charged against Mail, Mediapost and DPD Russia assets and the net impact of other accounting effects.

Services-Mail-Parcels

Revenue for the business line came in at €10,201 million, down €419 million, or 3.9%, year on year. Excluding scope effects (positive €55 million impact, due in particular to the first-time consolidation of Cybercité and TimeOne), revenue declined by 4.5% like for like.

- o **Business Mail** revenue amounted to €7,057 million, down €292 million, or 4.0%, like for like. This change results from a decline of 6.5% in volumes at equivalent working days, partially offset by the price increase of 3.3% on average implemented on 1 January 2022¹⁵. The deficit of the universal postal service was mitigated thanks to the compensation paid by the French State, of which €303 million was attributable to the business line¹⁶. International business contracted by €55 million, or 31%, due to a fall in e-PAQ¹⁷ traffic on the back of the new 2021 Customs Directive and a change in consumer behaviour.
- o **Business Parcels** generated revenue of €2,124 million, down €128 million, or 5.7%, like for like following a 9.8% decline in parcel volumes at equivalent working days. After strong growth in e-commerce up to the end of the first half of 2021 (resulting in an unfavourable base effect), the impact of the return of inflation began to be felt on consumer spending in 2022. The business line sold a total of 409 million Colissimo parcels in the year¹⁸.
- o Revenue reported by **subsidiaries** totalled €1,019 million, a like-for-like decrease of €54 million, or 5.3% after adjusting for the scope effects discussed above. The revenue decline reflects the following underlying trends:
 - stability in **Mediapost** revenue (down €3 million) despite the fall in printed advertising distribution (down €23 million);
 - a €58 million (24.7%) decrease in revenue for the **New Services** division, mainly due to the cyclical downturn in sales of energy savings certificates by EDE¹⁹;
 - like-for-like growth of €6 million (3.1%) in revenue for the **Health & Autonomy** division amid unfavourable market conditions for home healthcare services rates.

In all, **New Local Human Services** reported €709 million in revenue in 2022²⁰, a rise of 3.7%, hampered by the cyclical downturn in EDE's business.

The business line's operating loss amounted to €767 million, a sharp €2,013 million negative change (non-material scope and currency effects). The following non-recurring items had a material impact on operating loss: reversal of impairment charged against Mail assets in 2021 (positive €900 million impact), impairment charged against these same assets in 2022 (negative €940 million impact) mainly due to inflation, and impairment charged against Mediapost assets (negative €80 million impact).

Adjusted for these items, the business line generated an operating profit of €253 million (down €93 million). The effects of inflation were felt as early as the beginning of the year but were mostly offset by cost optimisation efforts, which helped limit the decline in operating profit for the Mail and Parcels businesses to €27 million and €19 million, respectively.

Operating profit for the **subsidiaries** was down €125 million on a like-for-like basis.

The business line's investments amounted to €200 million (down €49 million versus 31 December 2021) and focused mainly on the continued development of the industrial and IT roadmap for Parcels.

¹⁵ Based on traffic-generating revenue.

¹⁶ The compensation paid for 2022 in respect of universal postal service amounted to €520 million and was allocated to the Services-Mail-Parcels, Retail Customers & Digital Services and Other business lines.

¹⁷ Previously called "small import packages"

¹⁸ Within the group (Services-Mail-Parcels and Retail Customers & Digital Services business lines), a total of 453 million Colissimo parcels were delivered, down 10.3%.

¹⁹ Intermediation platform designed to support households in home energy retrofits.

²⁰ Of which €51 million managed by the Retail Customers & Digital Services business line.

GeoPost

The business line posted revenue of €15,573 million, up €872 million, or 5.9%. Excluding scope effects (positive €316 million impact due mainly to the first-time consolidation of CitySprint, TIPSA and Speedy and to the disposal of Tigers) and currency effects (positive €196 million impact, of which €46 million arising on the rouble, €38 million on the US dollar and €36 million on the Hong Kong dollar), like-for-like revenue growth was €360 million, or 2.4%, and can be analysed as follows:

- o **Express** revenue was €13,032 million, up slightly by €196 million, or 1.6%, on a like-for-like basis. Revenue growth was driven by price increases and fuel surcharges aimed at curbing the impacts of inflation and was achieved despite the small like-for-like contraction in volumes in 2022 (down 3%), with 2.1 billion parcels delivered over the period. This performance reflects the slowdown in the BtoC business, owing to an unfavourable base effect caused by lockdowns in first-half 2021 as well as the first impacts on consumer spending of the adverse macro-economic climate in 2022.

Like-for-like revenue trends in the main countries in which GeoPost operates included a 3.7% decline in the United Kingdom, a 1.8% decline in Germany, a 3.1% increase in France²¹ and a 6.1% increase in Italy.

- o **Asendia** generated revenue of €2,510 million, a like-for-like rise of €155 million, or 6.9%, driven by the good performance of its subsidiary eShopWorld, which offset the decline in logistics.

The business line recorded operating profit of €654 million, down €419 million, or 39.3%, like for like, after adjusting for the non-material scope and currency effects (positive €16 million impact). This decrease in operating profit mainly reflects the slight drop in Express volumes processed, as the first impacts of reduced purchasing power owing to inflation began to be felt. This was exacerbated by a negative base effect related to the spike in traffic in the first half of 2021 and by impairment charged against DPD Russia assets (negative €149 million impact).

The business line's investments amounted to €473 million, down €89 million on 2021. Investment projects focus on the development of express delivery and delivery processing capacity (construction of depots, expansion of the distribution network and development of new services).

La Banque Postale

Net banking income (NBI) came in at €8,320 million, up €303 million, or 3.8%, amid rapidly rising interest rates. Excluding scope effects (positive €176 million impact relating to the first-time consolidation of Aviva's businesses) and currency effects (positive €113 million impact), NBI for the business lines grew by €400 million like for like, which can be analysed as follows:

- o **Bancassurance France** NBI (70% of total NBI) amounted to €6,614 million, up €395 million at constant scope. Robust commercial momentum drove an 8.0% rise in outstanding loans (including an 8.0% rise in home loans and a 7.1% rise in consumer finance). *Livret A* savings deposits, on which the interest rate was raised from 0.5% to 1.0% and then to 2.0% in 2022²², were up by 3.8%. Business contracted in life insurance, with premium income down 5.2%, mainly due to the reduced flow of new money into traditional savings/pensions contracts, despite good unit-linked sales, which drove a 2.1-point increase in the proportion of total new money invested in unit-linked funds.
- o **International Bancassurance** NBI (18% of total NBI) was €1,684 million, up €149 million like for like, lifted by the first-time consolidation of the Italian subsidiary CNP Vita Assicura S.p.A. (CVA) in Europe, the impact of higher savings/pensions business

²¹ Like-for-like change in cumulative revenue for Chronopost France and DPD France.

²² The interest rate paid on *Livret A* deposits was raised to 1% on 1 February 2022, then to 2% on 1 August 2022.

volumes in Latin America and an improved loss experience on consumer credit life insurance in Brazil.

- o **Corporate and Investment Banking** NBI (10% of total NBI) amounted to €915 million, down €151 million like for like on the back of lower margins triggered by the rise in interest rates and the impact of usury rate rules on the margins of local public sector customers.
- o **Wealth and Asset Management** NBI (3% of total NBI) amounted to €303 million. This €7 million increase was driven by strong momentum in wealth management diversification and a net inflow of new money in the asset management business amid unfavourable market conditions.

The **Corporate Centre** includes accounting items not directly related to the business lines²³.

La Banque Postale's contribution to the group's operating profit was €198 million (12.1%) higher, at €1,841 million. After adjusting for scope effects (positive €98 million impact) and currency effects (positive €43 million impact), like-for-like growth was €58 million, or 3.4%.

Operating expenses rose by €83 million, reflecting business development projects for banking activities (new identity, digitisation, investments), the launch of Louvre Banque Privée and the international expansion of CNP Assurances.

The cost-income ratio was 77.5% in 2022 (down 0.6 points versus 2021). The cost-income ratio for the business lines stood at 66.0% excluding scope and currency effects (down 4.2 points versus 2021). Cost of risk amounted to €216 million, down €52 million year on year. As a proportion of outstanding loans, cost of risk was a low 16 basis points²⁴.

Retail Customers & Digital Services

The business line's revenue totalled €6,576 million, a slight decrease of €146 million, or 2.2%. After adjusting for scope effects (positive €31 million impact mainly relating to the first-time consolidation of Trust & Sign), like-for-like revenue for the business line retreated €178 million, or 2.6%.

Like-for-like revenue from the **commercial activities division** was down €195 million, or 5.5%, mainly reflecting:

- the like-for-like decline of €219 million in the **Retail Customer Mail-Parcels business** due to lower Mail (down 12%) and Parcel (down 11%) volumes on account of an unfavourable base effect compared with first-half 2021 and the downturn in consumer spending in 2022;
- the like-for-like advance in **Digital Services**²⁵, up €20 million driven mainly by Docaposte (up €39 million) on the back of growth in its digital trust and other services. In contrast, LP11 (an AI and data subsidiary) posted a €20 million decline in revenue on a like-for-like basis, primarily due to the loss of e-commerce customers.

The business line reported operating profit of €199 million, a rise of €38 million, or 24.7%, like for like (after adjusting for the positive €5 million scope and currency effects), mainly attributable to lower network expenses. Operating profit includes a portion of the compensation paid by the French State for universal postal service (€174 million), and impairment charged against digital assets (€31 million).

Investments by the business line amounted to €117 million (up €15 million year on year) and focused mainly on the continued digitisation of the group in France.

Other segments

The other segments and intercompany include:

- activities of the La Poste Immobilier real estate segment, which reported 4.5% revenue growth due mainly to the Multiburo acquisition and to the expansion in the property

²³ These include PPAs, contributions to the SRF/FGDR, La Poste management fees and ALM HTC capital gains.

²⁴ Cost of commercial banking credit risk divided by outstanding loans at the beginning of the period.

²⁵ Docaposte, LP11 and La Poste Service à la Personne.

development business, and a 28.1% decline in operating profit following selling of assets in 2021 ;

- the Support & Corporate segment (including costs of the head office, shared departments and services, and vehicle fleet management), which reported stable revenue (down 1.8%) and operating profit (down 1.6%), reflecting a decrease in expenses despite the group's continued digital transformation. Revenue for this segment is generated by invoicing the business lines for services provided and for head office costs;
- unallocated expenses – which include a portion of the costs of the universal postal service and regional development missions, expenses related to end-of-career benefits across the group, and a portion of compensation paid by the French State for universal postal service – increased by €36 million, mainly on account of the rise in the net cost of regional presence.

Outlook

Global economic growth is expected to decelerate in 2023 amid rising inflation, higher interest rates, reduced investment and disruptions caused by the war in Ukraine. The World Bank anticipates a pronounced slowdown in the world economy (1.7% growth in 2023²⁶). In the euro zone, growth is expected to be zero²⁶ or around 0.5%²⁷.

Against this backdrop, the group will press ahead with its strategic plan, “La Poste 2030, committed for you”, in order to successfully transition to a sustainable business model:

- consolidating the group's core historical activities through the launch of the new Mail range on 1 January 2023, thereby optimising its industrial organisation and reducing its CO₂ emissions by 25%, while continuing to invest in its network of post offices;
- accelerating the development of growth drivers. First, by securing its position as the European leader in low-carbon parcel delivery. And second, by seeking further growth and diversification at La Banque Postale to cement its status as a foremost European bancassurer and a leader in impact finance;
- laying the foundations for future growth in digital trust services with the acceleration of Docaposte activities and the operational launch of the Numspot sovereign cloud. And with the development of new local human services based on reaching out to people and strengthening social ties, thanks to the know-how of postal workers.

In 2023, La Poste will continue its transformation for the good of the whole community. La Poste will remain a socially engaged group serving global trends and addressing society's needs as it navigates the ecological, digital, regional and demographic transitions ahead.

²⁶ Based on World Bank projections (10 January 2023 press release, <https://www.worldbank.org/>).

²⁷ Based on IMF projections (<https://www.imf.org/en/Publications>).

Appendix

Definition of alternative performance measures

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.

Change at constant scope and exchange rates (like-for-like change) refers to the difference between the profit/loss for the reporting period and the profit/loss of a comparative period, following adjustment for any subsequent acquisitions or disposals completed in each of these periods. The two periods may then be compared based on the same scopes of consolidation. Currency transactions for the comparative period are remeasured using the average rate for the reporting period.

Free cash flow comprises the following components: (i) adjusted EBITDA; (ii) change in working capital requirement; (iii) cash flows from purchases of property, plant and equipment and intangible assets net of disposals of property, plant and equipment and intangible assets; (iv) cash flows from taxes; (v) net interest paid; and (vi) repayment of lease liabilities and interest expense on lease liabilities. The value used for each of the free cash flow aggregates is determined in terms of cash flows (positive for cash inflows and negative for cash outflows).

Net debt comprises all current and non-current debt less cash and cash equivalents and derivative instruments linked to group financing. It also includes liabilities arising from the application of IFRS 16 – Leases, short-term financial investments with no significant risk of a change in value but whose original maturity on the subscription date was greater than three months, and the net financial receivable from La Banque Postale.

Group net debt does not take into account La Banque Postale, for which this concept is not relevant.

The **net debt/equity** ratio is calculated by dividing the group's net debt by attributable equity.

Ratios calculated solely for La Banque Postale

The **cost-income ratio** is calculated by dividing operating expenses by net banking income adjusted for doubtful interest. Operating expenses represent the sum of general operating expenses, net depreciation and amortisation, and impairment of property, plant and equipment and intangible assets.

The **Common Equity Tier 1 (CET1) ratio** is calculated by dividing CET1 capital by total risk exposure (i.e., total risk-weighted assets – RWA – for credit and counterparty risk, market risk and operational risk). The CET1 ratio is used by supervisory authorities to assess banks' solvency.

The **Liquidity Coverage Ratio (LCR)** is a monthly short-term liquidity ratio which measures a bank's capacity to withstand a severe deterioration in its financial situation for up to 30 days in a systemic shock environment. Target LCR must be greater than 100%. This ratio is calculated by dividing the sum of unencumbered, high-quality liquid assets by the liquidity requirement in a stress environment over a 30-day period.

The **Net Stable Funding Ratio (NSFR)** corresponds to the amount of available stable funding in relation to required stable funding. This ratio should be at least 100% at any time.

Ratio calculated solely for CNP Assurances

The [Solvency Capital Requirement \(SCR\) coverage ratio](#) is calculated by dividing eligible own funds held to cover the SCR by the SCR. It is an indicator of an insurer's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

La Poste Groupe's consolidated financial statements are published today on the website <https://www.groupelaposte.com/en/investors/hub-investors>.

The annual results for 2022 were approved by the board of directors on 23 February 2023. The audit procedures of the statutory auditors on the consolidated financial statements have been carried out. The statutory auditors' report will be issued shortly.

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