

## FIRST HALF-YEAR 2021 RESULTS OF LE GROUPE LA POSTE

The Group has launched its new strategic plan  
“La Poste 2030, committed for you”  
and presents results that mark the beginning of a recovery

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### Group performance

- **Revenue<sup>1</sup>: €16.9 billion**, i.e. +16.3% and +14.5% at constant scope and exchange rates
- **Operating profit<sup>2</sup>: €1,145 million**, i.e. +€1,425 million excluding the effects of the initial recognition of CNP Assurances shares<sup>3</sup> and at constant scope and exchange rates
- **Net profit Group share: €525 million**, i.e. +€1,801 million excluding the effects of the initial recognition of CNP Assurances shares<sup>3</sup> and at constant scope and exchange rates
- **Free cash flow<sup>4</sup>: €55 million** (vs -€659 million at end June 2020)
- **Net debt<sup>4</sup>: €9.5 billion** (vs €8.8 billion at end December 2020)
- **Net debt / equity ratio: 50.9%** (vs 48.2% at end December 2020)

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<sup>1</sup> In the present press release, the term “Operating revenue” refers to all of the Group’s operating revenue, including revenue from industrial and commercial activities and La Banque Postale’s net banking income which itself comprises the net insurance income from CNP Assurances.

<sup>2</sup> After share of the net profit of the jointly controlled entities.

<sup>3</sup> As of 30 June 2020, the positive impact of the initial recognition of the CNP Assurances shares amounted to €3,007 million on the operating profit and €3,600 million on the net profit Group share.

<sup>4</sup> Definitions presented in the paragraph "Alternative performance measures" in the notes to the press release.

## Highlights of the first half-year 2021

- **A macroeconomic context still marked by the effects of the health crisis**
  - The **parcels** and **express** businesses continue to see a strong acceleration in volumes (+25.4%<sup>5</sup>) compared to the first half of 2020, driven by the dynamic trend in e-commerce and building on robust logistics,
  - The **mail** business remains in deficit due to the slowdown in the economy and society's accelerated digitisation,
  - **La Banque Postale**, whose strategic equity alliance with CNP Assurances is a success, is experiencing dynamic commercial activity in an unfavourable context of low interest rates;
- **Strengthening of the Group's growth drivers and businesses that will drive future growth**
  - In e-commerce, acquisition by **Asendia**<sup>6</sup> of 49.9% of eShopWorld, a facilitator of cross-border e-commerce, bringing its stake to 100%,
  - In the **express** business, increased stake in **Speedy AD** (69.8%), a leading player in Bulgaria and also present in Romania,
  - In insurance, signature by **CNP Assurances**<sup>7</sup> of an agreement with the Aviva Group for the acquisition of life insurance activities in Italy (51% of Aviva and 100% of Aviva Life and Aviva Italia Servizi),
  - In the **digital** business, strengthening of digital expertise, through the acquisition of **Openvalue** (80%), data and AI consulting, and **Boxtal** (96%), a comparator of online parcel delivery solutions;
- The European Commission has authorized a financial compensation for La Banque Postale to pursue its **banking accessibility public service mission from 2021 to 2026**;
- **Creation of the Retail Customers and Digital Services**<sup>8</sup> business unit from 1 July 2021 as part of the new strategic plan and integrating the power of digital technology with La Poste's retail outlet network, placing quality of service to customers at the heart of the Group's transformation;
- After having adopted a **purpose** developed in consultation with its stakeholders in early 2021, **La Poste has become an "entreprise à mission"**<sup>9</sup> and thus reinforces its positioning as a positive impact company, serving society as a whole.

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<sup>5</sup> Cumulative growth in parcels and express volumes

<sup>6</sup> Asendia, majority shareholder of eShopWorld (eSW) since 2017, is 60% held by Le Groupe La Poste and 40% held by La Poste Suisse.

<sup>7</sup> Subsidiary 62.84% owned by La Banque Postale

<sup>8</sup> The organisational changes in line with the new strategic plan "La Poste, committed for you" (i.e. the creation of the Retail Customer and Digital Services business unit and the incorporation of Asendia into the GeoPost business unit) came into effect on 1 July 2021.

<sup>9</sup> ie whose social and environmental objectives are aligned with its purpose and set out in its Articles of association. On 8 June 2021, the Extraordinary General Meeting of Le Groupe La Poste adopted the status of the company's mission statement.

After meeting today under the chairmanship of Philippe Wahl, the Board of Directors of La Poste approved the Group's consolidated financial statements for the first half of 2021.

*«The first half of 2021 was marked by the launch of the new Strategic Plan « **La Poste 2030, committed for you** », with the aim of being a profitable growth company that succeeds in its transformation to a sustainable model.*

*During the first half of 2021, La Poste strengthened the foundation of its activities, accelerated the development of its growth engines, while remaining fully committed to its four public service missions. In support of its strategic plan, La Poste has signed a new national employee agreement "La Poste, committed to employees", an indicator of a proactive social policy making it possible to support employees in their professional development by excluding any forced departure measures.*

*During the first half of the year, La Poste adopted the status of a company with a mission, thus committing to contribute to the common good of society as a whole.*

*The results presented today mark the beginning of a turnaround made possible by the continued commitment of employees. »*

## Selected financial information on 30 June 2021

30/06/2021	30/06/2020	Impact of the initial recognition of CNP Assurances shares	Change			
			vs. N-1 (excluding the impact of the contribution of CNP Assurances shares)		vs. N-1 at constant scope and exchange rates	
			In €m	in %	In €m	in %

### Operating performance

	30/06/2021	30/06/2020					
Revenue	16,857	14,495	+2,362	+16.3	+2,071	+14.5	
Operating profit (*)	1,145	2,588	-3,007	+1,563	n.s.	+1,425	n.s.
Financial Profit/(Loss)	-108	-112	+4	-3.7	+4	-3.6	
Income tax	-312	-576	+264	-45.8	+300	-55.3	
Net profit Group share	525	2,315	-3,600	+1,810	n.s.	+1,801	n.s.

### Financial structure

	30/06/2021	31/12/2020	Change	
Net debt (ND)	9,451	8,802	+649	+7.4%
Equity Group share (E)	18,559	18,247	+312	+1.7%
ND/E	50.9%	48.2%	-	+2.7 pts

### Key ratios - La Banque Postale

	30/06/2021	30/06/2020	Change
CET1 ratio (**)	20.2%	20.4%	-0.2 pt
NSFR Ratio (**)	145%	140%	+5 pts
Liquidity coverage ratio (**)	220%	179%	+41 pts

### Key ratio - CNP Assurances

	30/06/2021	30/06/2020	Change
Solvency 2 ratio (**)	219%	208%	+11 pts

(\*) After share of the net profit of the jointly controlled entities

(\*\*) Definitions provided in the "Alternative performance indicators" section at the end of the press release

## Revenue

**Consolidated revenue stands at €16,857 million**, up strongly by 16.3% compared to the end of June 2020, thanks to the very strong momentum in e-commerce benefiting certain activities and the consolidation of new entities, in particular CNP Assurances over a full six months. Excluding scope effects amounting to +€437 million, mainly driven by La Banque Postale (+€405 million) and the Digital Services business unit (+€32 million), and unfavourable foreign exchange effects (-€146 million, of which -€109 million on the Brazilian real, -€16 million on the rouble and -€14 million on the US dollar), the organic growth<sup>10</sup> stands at 14.5% at the end of June 2021.

<sup>10</sup> Definitions available in the paragraph "Alternative performance measures" annexed to the press release.

	30/06/2021	30/06/2020	Change			
			vs. N-1		vs. n-1 at constant scope and exchange rates	
			In €m	in %	In €m	in %
Services-Mail-Parcels	6,532	5,510	+1,022	+18.5	+1,027	+18.7
GeoPost	6,171	5,057	+1,114	+22.0	+1,157	+23.3
La Banque Postale	3,974	3,793	+181	+4.8	-128	-3.5
Digital Services	469	369	+99	+26.9	+68	+18.4
Other segments and intercompany	-289	-235	-54	+23.1	-53	+22.8
<b>REVENUE</b>	<b>16,857</b>	<b>14,495</b>	<b>+2,362</b>	<b>+16.3</b>	<b>+2,071</b>	<b>+14.5</b>

Consolidated revenue growth for the first half of 2021 reflects the strong overall performance at business unit level.

#### • Services-Mail-Parcels business unit

The revenue of the Services-Mail-Parcels business unit amounted to €6,532 million, up by 18.5% (up 18.7% in organic terms), to which each business unit contributed:

- **Mail:** Mail revenue amounted to €3,791 million, up by 10.4% compared to the end of June 2020. This change is partly due to a favourable comparable base due to the severe impact of the first lockdown imposed on account of the Covid-19 crisis in the first half of 2020 and to the pricing adjustment of 4.8%<sup>11</sup> on average which took effect in 1 January 2021. Mail traffic thus increased by 6.4%<sup>12</sup> (i.e. +€180 million of volume/product mix effect);
- The **Parcel** (Colissimo) business generated revenue of €1,243 million (i.e. +26.8%), building on the dynamic trend in e-commerce fostered by the health crisis; the very strong growth in parcel volumes (+31.9% at equivalent working days) brought the number of items distributed to 265 million;
- Taken as a whole, the **Mail services subsidiaries** recorded strong growth of €402 million, i.e. + 36.7% (and +37.8% in organic terms). **Asendia**<sup>13</sup>, which provides cross-border logistics solutions in e-commerce, generated revenue of €1,028 million, a strong 38.6% increase (+41.8% in organic terms<sup>14</sup>), buoyed by the excellent performances of its subsidiary eShopWorld and Asendia Logistics. **Mediapost** (advertising mail) generated revenue of €232 million, up by 34.2% (+31.4% in organic terms) partly due to a favourable base effect, as the first half of 2020 saw a complete shutdown of the printed advertising activity during the first lockdown. Also of note is the buoyant activity of **La Poste Silver**, which achieved revenue of €100 million, up by 13.2% (+7.6% in organic terms).

#### • GeoPost

GeoPost's revenue rose sharply to €6,171 million (up 22.0%). After restatement of the scope effect (-€8 million) resulting from the sale of Tigers<sup>15</sup> and the majority takeover of Speedy

<sup>11</sup> Based on traffic generating revenue

<sup>12</sup> At equivalent working days, on the basis of traffic-generating revenue.

<sup>13</sup> The grouping of international logistics activities through the transfer of Asendia to GeoPost, announced in the press release of 25 February 2021 "2030 strategic plan, La Poste, committed for you" will be effective from 1 July 2021.

<sup>14</sup> The difference between reported and organic growth is due to negative foreign exchange effects.

<sup>15</sup> Disposal in April 2021 of Tigers Ltd, a global delivery logistics operator.

AD, and the foreign exchange effect (-€35 million) mainly on the rouble and the Brazilian real, organic growth remained very dynamic at +23.3%, mainly due to the strong growth in volumes handled (+23.6%). Overall, GeoPost delivered 1.1 billion parcels over the period (unprecedented volumes), driven by the buoyant momentum in e-commerce favoured by the lockdowns and changing consumer habits. The BtoC segment thus represented 59% of the volumes in the first half of 2021 (vs. 54% in the first half of 2020).

Most countries saw growth in organic revenue (+29.3% in the United Kingdom, despite the drop in cross-border flows due to the implementation of Brexit on 1 January 2021, +22.5% in France<sup>16</sup>, +18.1% in Germany, +17.5% in Spain, +19.4% in Italy, +21.4% in Poland and +20.9% in Benelux).

To be noted also the €57 million increase in revenue for New Urban Services (new delivery methods), which totalled €86 million.

## • La Banque Postale

The net banking income (NBI) reached €3,974 million, up by 4.8%. At constant scope and exchange rate and excluding the **Corporate Center** segment, the organic growth of the business lines stood at 10.2% compared to the end of June 2020, in the current context of low interest rates and after the decline observed in 2020 due to the health crisis.

On 30 June 2021, La Banque Postale changed the presentation of its segment reporting based on four divisions and an additional segment comprising items not directly related to the business lines<sup>17</sup>.

- The **Bancassurance France** division mainly includes retail banking, Ma French Bank and domestic life and non-life insurance subsidiaries.  
In a context of dynamic commercial activity, outstanding loans to private individuals grew by 3.4%<sup>18</sup> to €68.0 billion, of which €62.5 billion in home loans, up by 3.3%. Outstanding customer savings reached €329.0 billion, up by 3.2%. Lastly, at €3.6 billion in the first half, La Banque Postale's life insurance inflows increased by 41.3%, with the share of unit-linked products in production reaching 30.3% in June. The share of unit-linked outstandings increased by three points to 13%.  
The division's NBI amounted to €3,135 million, up by 21.8% (and by 8.3% excluding scope effects), driven by a strong contribution from the insurance activities (up 16%).
- The **Wealth and Asset Management** division comprises the activities of BPE, La Banque Postale Asset Management, Tocqueville Finance and Ostrum<sup>19</sup>.  
The commercial activity of Wealth Management is well oriented over the period. Outstanding loans rose significantly by 14.2% to €4.2 billion. Outstanding savings increased by 27.6% to €6.3 billion. Assets under management<sup>20</sup> and distributed assets were up by 9% thanks to a positive market effect and a slight increase in inflows. The division's NBI amounted to €146 million, up by 12% compared to 30 June 2020.
- The **Corporate and Investment Banking** division includes the financing activities for legal entities, specialised financing and financial markets activities.  
Outstanding loans to legal entities continued to grow (up 4.9%) reaching €38.0 billion.

<sup>16</sup> Organic change in the cumulative revenue of Chronopost France and DPD France.

<sup>17</sup> In accordance with IFRS 8.

<sup>18</sup> All changes in outstandings are year-on-year from 30 June 2020 to 30 June 2021.

<sup>19</sup> Held with Natixis, LBP with a minority stake.

<sup>20</sup> Assets under management consist of those of La Banque Postale Asset Management (restated for the transfer of assets under management to the JV Ostrum following the merger with CNP Assurances) and Tocqueville Finance.

The division's NBI amounted to €571 million, up by 34.8%, driven by contributions from all customer segments: growth in financing (+16%) and account management activities (+16%) and a good performance in financial market activities in a favourable context.

- o The **International Bancassurance** division's NBI (CNP Assurances International) amounted to €577 million, up by 17.7% (slightly down 1.7% at constant scope and exchange rates).
- o The **Corporate Center** includes items not directly related to the business lines (PPA<sup>21</sup>, contributions to the Single Resolution Fund (SRF) and the Fonds de Garantie des Dépôts (FGDR), La Poste management fees, revision of ALM methodological review in 2020).

#### • Digital Services

The business unit's revenue was up by a solid 26.9% to €469 million. Excluding scope and exchange rates effects (+€31 million), organic growth remains high, at +18.4%. In particular, within the **Commercial activities** division:

- o the revenue of **Docaposte** amounts to €356 million, an increase of +20.2% (+13.5% on an organic basis after excluding the scope effects relating to the acquisitions of Index Education and AR24 in particular), thanks to a catch-up effect compared to the first half of 2020 and the development of digital trust services;
- o sales by **laposte.fr** stand at €144 million (i.e. +6.5%), confirming the success of online sales solutions;
- o the revenue of **LP11**<sup>22</sup> (€38 million) was up significantly by 114.6% (+50.0% on an organic basis excluding the scope effects of the Boxtal and Openvalue acquisitions), thanks to the performance of the internet activities.

#### • The Network

The health crisis accelerates the digitisation of uses while accentuating the need for a stronger postal presence. At the end of June 2021, the La Poste Network had 17,046 La Poste retail outlets (7,496 post offices and 9,525 partnerships within town halls and local shops throughout the country).

During the first half of 2021, La Poste Mobile strengthened its position as the number one virtual mobile operator in France. The total subscription and prepaid customer base grew by 12.5% to 1.95 million customers.

#### • Other Segments

**Other segments and intercompany** notably includes Real Estate and Supports & Structures, primarily internal within the Group.

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<sup>21</sup> Purchase price allocation.

<sup>22</sup> Formerly Mediapost Communication

## Operating profit/(loss)<sup>23</sup>

The consolidated operating profit for the first half of 2021 was €1,145 million. Excluding the impact of the contribution of CNP Assurances shares (-€3,007 million) and excluding scope and exchange rates effects (-€140 million), the operating profit increased by €1,425 million. The impact of the Covid-19 crisis on the Group's operating profit was estimated at approximately €-140 million in the first half of 2021.

	30/06/2021		30/06/2020		Impact of the initial recognition of CNP shares		Change vs. N-1 (excluding the impact of CNP Assurances shares)		vs. N-1 at constant scope and exchange rates			
	In €m		In €m		In €m		in %		In €m		in %	
Services-Mail-Parcels	187	-1,177			+0	+1,364	n.s		+1 362	n.s		
GeoPost	533	351			+0	+182	+51.8		+182	+52.3		
La Banque Postale	755	3,913			-3,007	-151	-16.7		-279	-33.9		
Digital services	17	-35			+0	+52	n.s		+43	n.s		
Network, other segments and intercompany	-348	-464			+0	+116	-25.0		+116	-25.0		
<b>OPERATING PROFIT/(LOSS)</b>	<b>1,145</b>	<b>2,588</b>			<b>-3,007</b>	<b>+1,563</b>	<b>n.s</b>		<b>+1,425</b>	<b>n.s</b>		

- Services-Mail-Parcels:** The operating profit amounted to €187 million, up by €1,364 million compared to the end of June 2020. This change is due to a favourable base effect generated by (i) the impairment of Mail assets for -€863 million in the first half of 2020 following the accelerated decline in activity observed, and (ii) a partial recovery in the first half of 2021, induced by the very strict conditions of the first lockdown. The operating loss of the **Mail** business thus stands at -€31 million (i.e. +€1,235 million compared to end June 2020). For **Parcels**, the good performance of the business led to a strong increase in operating profit of 79.9% to €175 million, with its strengthened industrial network able to deal with the strong growth in volumes. Lastly, the operating profit of **Subsidiaries** stands at €44 million, an increase of €51 million, thanks to a relative improvement in the Mediapost business and the strong performance of Asendia.
- GeoPost** generated an operating profit of €533 million, up sharply by 51.8% compared to the end of June 2020, driven by the momentum in e-commerce and accentuated by the effect of a comparable base impacted by the beginning of the health crisis. After restatement of the very limited scope and exchange rate effects, which offset each other, the organic growth in operating profit was +52.3%. This strong increase in profitability is mainly due to better absorption of fixed costs thanks to the increase in volumes.
- The contribution of **La Banque Postale** to the Group's operating profit is €755 million, a decrease of €3,158 million including the impact of the initial recognition of the contribution of CNP Assurances shares in the first half of 2020 for an amount of +€3,007 million. Excluding this impact, at constant scope and exchange rates, and

<sup>23</sup> Operating profit/(loss) (for the Group and business units) is presented after share of net profit/(loss) of jointly controlled entities throughout this press release.

excluding the **Corporate Center** segment, the contribution to the growth of the operating profit was up by €321 million. The cost of risk amounted to €98 million, a significant decrease of 57%, reflecting the limited exposure of La Banque Postale's asset portfolio to the sectors most affected by the health crisis. As a proportion of outstanding loans, it is at a low level of 13 basis points<sup>24</sup>.

- **The Digital Services business unit** generated an operating profit of €17 million, up by €52 million compared to the first half of 2020. Excluding scope and exchange rate effects (+€10 million), the organic increase in operating profit was €43 million, mainly due to a favourable base effect linked to the impacts of the health crisis on Docaposte in the first half of 2020.

- **Other Segments**

**Other segments'** profits/losses are added to those of the business units to obtain the Group's consolidated operating profit/loss:

- The loss from the « unallocated segment » (-€368 million, i.e. +9.9%), includes the cost of universal postal service accessibility and regional planning missions<sup>25</sup>, as well as expenses related to end-of-career arrangements across the Group;
- The loss from support and structure functions (-€69 million), which improved by 26.5%, results from two opposing movements: on the one hand efforts to optimise and reduce recurring expenses, and on the other hand, additional expenses related to the health crisis and the intensification of the Group's digital transformation;
- La Poste Network's net profit saw a slight surplus (+€69 million), up by €118 million due to the increase in internal billings linked to the recovery of activity and the strong growth of the Parcels business;
- Real Estate operating profit (+€20 million) was down by 10.9%, mainly due to the decline in property sales, partially offset by the increase in income from disposals and efforts to reduce operating costs.

## **Net profit/(loss)**

The **net profit Group share** reached €525 million. The first half of 2020 includes the impact of the contribution of CNP Assurances shares in the amount of +€3,600 million<sup>26</sup>. Excluding this item and at constant scope and exchange rates, net profit Group share increased by €1,801 million. This change is mainly due to the increase in operating profit explained above. In addition, the overall expense of the financial result (€-108 million) was 3.7% lower than at the end of June 2020, reflecting a reduction in the weight of financial expenses (-€17 million) despite the increase in the cost of net financial debt (+€13 million) related to the increase in net debt. Lastly, the tax expense also decreased by €300 million at constant scope and exchange rates due to the impairment of deferred tax assets.

The impact of the Covid-19 crisis on the net profit Group share was estimated at around -€140 million in the first half of 2021. As at 30 June 2019 net profit Group share amounted to €474 million.

## **Free cash flow**

The free cash flow generated at the end of June 2021 amounted to €55 million (vs -€659 million at the end of June 2020). This improvement of €714 million is mainly due to the combined effects of the improvement in EBITDA (excluding LBP) mainly driven by

<sup>24</sup> The commercial bank's cost of credit risk in relation to outstanding amounts at the beginning of the period.

<sup>25</sup> The corresponding allowance on local taxes included.

<sup>26</sup> See Appendix 1 "Impact of the initial recognition of CNP Assurances shares".

the Services-Mail-Parcels and GeoPost business units, a reversal of HR provisions resulting from the relative improvement in the economic context (+€83 million), dividends received from La Banque Postale and equity associates (+€181 million) and, lastly, the increase in capex (-€89 million).

### **Investments and external growth**

The Group invested €525 million in the first half of 2021 vs. €436 million in the first half of 2020, mainly:

- o **Services-Mail-Parcels:** €121 million (vs €117 million in the first half of 2020) mainly dedicated to the continued development of its industrial and IT master plan;
- o **GeoPost:** €157 million (vs €117 million in the first half of 2020). Projects focused on the development of express delivery and BtoC delivery capacities; the most important projects are the construction of hubs and local storages (Benelux, Germany, DPD France and Chronopost);
- o **Digital Services:** €34 million (vs €19 million in the first half of 2020); and
- o **Real Estate:** €114 million (vs €113 million in the first half of 2020).

Furthermore, external growth transactions<sup>27</sup> accounted for €633 million vs €667 million in the first half of 2020.

### **Net debt<sup>28</sup> and financial structure**

At the end of June 2021, net debt stood at €9,451 million (of which €3,623 million in lease liabilities), an increase of €649 million compared to end December 2020. Its evolution is strongly correlated with the net flow of external growth financing<sup>27</sup> (+€633 million), the increase in finance lease liabilities (+€115 million, most of which comes from external growth), the setting up of a perpetual financing (-€198 million) in the context of the acquisition of 49.9% of eShopWorld by Asendia, and the positive free cash flow which, for its part, contributed to the decrease in net debt (-€55 million).

Consolidated equity Group share amounted to €18,559 million, up by €312 million compared to the end of December 2020.

As a result, the net debt/equity ratio is 50.9%, vs 48.2% at the end of December 2020.

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<sup>27</sup> i.e. net balance of flows related to external growth and financial assets

<sup>28</sup> Excluding La Banque Postale for which this concept is not relevant

**The financial ratings** remain unchanged at the end of the first half of 2021.

	Long and short-term rating	Outlook	Updated
Standard & Poor's	A/A-1	Stable	27/03/2020
Fitch Ratings	A+/F1+	Negative	16/12/2020

Le Groupe La Poste maintains a high level of **non-financial rating:**

	Ratings	Updated
V.E.	No. 1 worldwide, all sectors combined Score: 76/100	July 2021
CDP	Leadership in the intermodal transport & logistics sector Score: A- CDP climate change	December 2020
Ecovadis	Platinum as a Top 1% supplier Score: 78/100	December 2019

## Outlook

The environment of 2021 remains impacted by the health crisis and by numerous uncertainties weighing on certain Group activities. Despite this context, the Group's revenue and results should increase by the end of 2021 compared to the end of 2020, excluding the effects of the initial recognition of CNP Assurances shares.

The Group is implementing its new "**La Poste 2030, committed for you**" strategic plan, placing customer satisfaction at the heart of its strategy. It will continue the intensive development of its growth drivers - parcel and express on the one hand, and bancassurance activities on the other hand - through targeted acquisitions in the service of the consolidation of its activities and the continuation of their geographic expansion.

In the second half of 2021, an important step in the Group's transformation process will take place through:

- the roll-out of the Retail Customers and Digital Services business unit, integrating the power of digital technology with La Poste's retail outlet and service network for individual and professional customers, and the development of a growth driver around digital trust services relying on Docaposte;
- the consolidation of international logistics activities by transferring Asendia to the GeoPost business unit, to develop synergies in logistics and customer services internationally.

Some business units have already presented elements of their five-year roadmap:

- GeoPost is aiming to become the most innovative premium e-commerce player in Europe with an annual growth rate of around 15% up to 2025 and is targeting revenue of €21 billion by 2025;
- La Banque Postale aims to generate 20% of its Net Banking Income internationally by 2025, to reduce La Banque Postale's cost to income ratio by 10 points, and to resolutely

set a course for sustainable growth with a controlled increase in risk-weighted assets<sup>29</sup> of around 3.5% of the CAGR<sup>30</sup> over the 2020 to 2025 period.

Lastly, the French State decided at the end of July 2021 to support the transformation of the universal postal service and to support this public service mission by paying La Poste an annual grant of between €500 million and €520 million from 2022 onwards<sup>31</sup>.

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<sup>29</sup> Risk-Weighted Assets (RWA) i.e. the minimum amount of capital required within a bank according to its level of risk.

<sup>30</sup> Compound Annual Growth Rate (CAGR)

<sup>31</sup> Subject to the approval of the European Commission.

## APPENDICES

### Appendix 1

#### Impact of the initial recognition of CNP Assurances shares on comparable data at 30 June 2020

The strategic equity alliance between La Poste and Caisse des Dépôts, and between La Banque Postale and CNP Assurances was finalised at the La Poste General Shareholders' Meeting on 4 March 2020 by the transfer by the French State and Caisse des Dépôts to La Poste, and then from La Poste to La Banque Postale, of their respective 1.1% and 40.9% stakes in CNP Assurances.

The reporting of this alliance in the consolidated financial statements is governed by IFRS 3 (Business Combinations), which requires:

- the valuation of the transferred shares at the stock market price on the date of the transaction (€13.97),
- the revaluation/devaluation of the previously held shares based on the same stock market price,
- recognition of goodwill/badwill equal to the difference between the total equity interest held (62.1%), valued based on the stock market price and the Group share of the net assets of CNP Assurances at fair value on the transaction date.

Furthermore, the unrealised gains and losses of CNP Assurances must be reclassified to the income statement when the transaction completes, based on the Group's previous equity stake of 20.15%.

On the day of its completion, this transaction generated the following impacts on the Group's financial statements for the first half of 2020:

- ① Increase in equity of €4,027 million,
  - ② Impairment of the value of securities previously accounted for by the equity method i.e. -€1,571 million,
  - ③ Recognition of goodwill of €4,578 million,
- ▶ i.e. an overall amount (②+③) of €3,007 million recorded under operating profit;
  - ④ Group share of the unrealised gains and losses of CNP Assurances reclassified in the income statement, generating an income of €594 million,
  - ▶ i.e. an overall amount (②+③+④) of €3,600 million recorded under net profit Group share.

## Appendix 2

### Alternative performance indicators - Definitions

Change at constant scope and exchange rates (organic change): Change at constant scope and exchange rates refers to the difference between the profit/loss obtained during the period and the profit/loss of a comparative period, following adjustment for any acquisitions or disposals which have been completed over the periods in question. The comparative periods are thus adjusted for identical scopes of consolidation. Currency transactions for the comparative period are valued at the average rate for the reference period.

Free cash flow: It consists of the following components: (i) Adjusted EBITDA, which comprises all operating revenue within the scope of consolidation excluding La Banque Postale, from which are deducted running costs and personnel expenses excluding allocations to end-of-career benefits (in the same scope excluding La Banque Postale), and to which is added the dividends received from equity associates and dividends received from La Banque Postale during the period relating to the previous year's results; (ii) change in working capital requirement; (iii) cash flows on purchases of property, plant and equipment and intangible assets net of disposals of property, plant and equipment and intangible assets; (iv) cash flows related to taxes (including CICE flows deducted and generated); (v) net interest paid; (vi) repayment of lease liabilities and interest expense on lease liabilities. Each of the free cash flow aggregates is added together for its value in terms of cash flows; positive for cash inflows and negative for cash outflows.

Net debt: Net financial debt includes all current and non-current financial debt, less cash and cash equivalents and derivative instruments linked to Group financing. It also includes the financial debt 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 against La Banque Postale.

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

Net debt to equity ratio: The net debt to equity ratio indicates the proportion of the Group's net debt in relation to the Group share of equity.

Ratios calculated solely for La Banque Postale:

Cost to income ratio: The cost to income ratio is calculated by dividing management expenses by the net banking income adjusted for doubtful interest. Management expenses are the sum of the general operating expenses and the net depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

Common Equity Tier 1 ratio: This ratio is the calculation of the proportion of Tier 1 equity (CET 1) in relation to the total risk exposure amount (i.e. total risk-weighted assets - RWA - for the credit and counterparty risk, the market risk and the operational risk).

The CET1 ratio is the information which enables supervisors to assess the solvency of a bank.

Liquidity coverage ratio (LCR): The LCR is a monthly short-term liquidity ratio which measures the bank's ability to resist a severe degradation of its situation in a context of a systemic shock over a 30-day period. The target ratio must be above 100%. This ratio is calculated by dividing the sum of high-quality, liquid assets free of commitments by the liquidity requirement under stress over 30 days.

NSFR<sup>32</sup>: Basel III ratio \_ Stable funding available to the bank in relation to its required stable funding; it must be greater than 100%.

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<sup>32</sup> Net Stable Funding Ratio.

Ratio calculated solely for CNP Assurances

Solvency 2 ratio: The definition of the performance indicators used by CNP Assurances is available in the glossary on the Group's website at the following address:  
<https://www.cnp.fr/en/the-cnp-assurances-group/investors/results/results-presentation/2021-results>

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The consolidated financial statements of Le Groupe La Poste are available online at <https://www.groupelaposte.com> / Our Financial Information / Publications

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