

LA POSTE 2020
**CONQUÉRIR
L'AVENIR**

**Annual results 2017
Le Groupe La Poste**

Press conference
22 February 2018



LE GROUPE LA POSTE



Agenda

2017 key highlights

Philippe Wahl, CEO

2017 key figures

Yves Brassart, Executive VP in charge of Finance and Development



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2017 key highlights

Philippe Wahl



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Sound results

Increased revenue and operating profit driven by business development and the expansion into new markets

Operating revenue

€24,110 million, +3.5%

Operating profit¹

€1,012 million, +3.8%

Net result Group share

€851 million, +0.3 %

Economic health indicator²

€436 million (vs. €233 million in 2016)

Net debt³

€3,820 million, +€101 million

Net debt/Equity ratio³

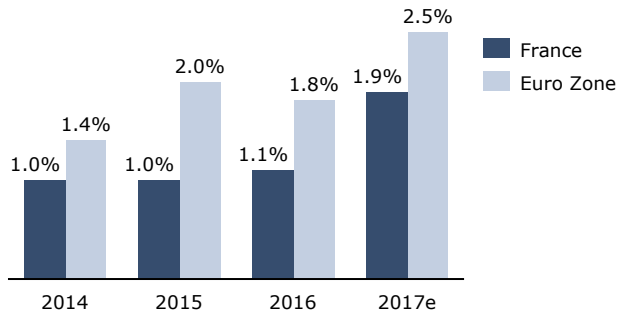
0.34 (vs. 0.34 in 2016)



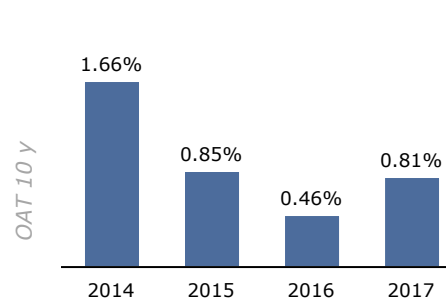


Economic background

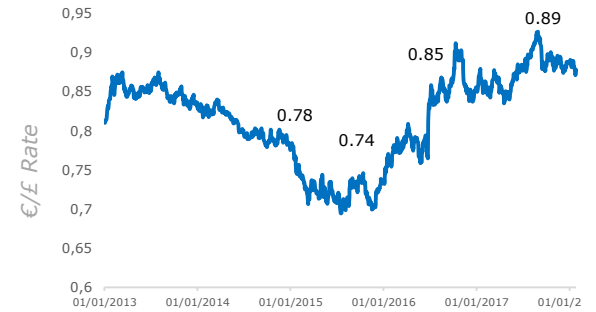
GDP France and Euro Zone¹



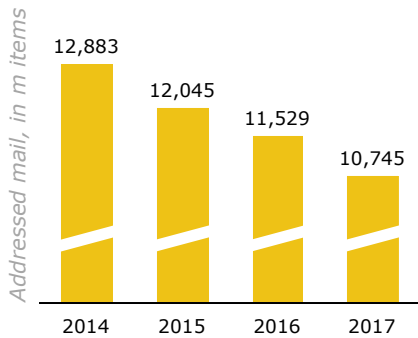
Interest rate²



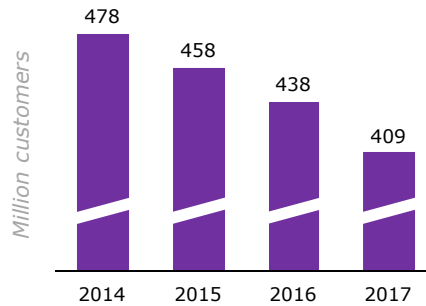
Exchange rate € / £



Mail volumes

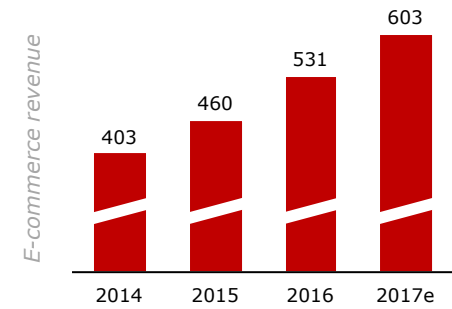


Post offices attendance



E-commerce³

BtoC Europe, in €bn



1) GDP in volume, in terms of annual average, sources Insee, Eurostat, LBP
 2) Average annual rate – Source : Banque de France
 3) Source : Report e-commerce Foundation 2017





2017: a year of strong expansion

Human
proximity

Conquest
and Innovation

Development
and Diversification

Digital
trust

Local Postal coverage



Services-Mail-Parcels Towards the world of services

Expansion
strategy



All activities contributed to **offset** the decrease in traditional mail

Value in mail



International flows increase
Advertising mail stabilisation

Parcels, key
driver of growth



318 million parcels sold (+**8,1%**¹ vs 2016)

New services



€84m revenue (vs €46m in 2016)

7 million « new services » provided by postmen (**+40%**)

768,000 theoretical examination for the driving license

54% market share

Joint venture with SUEZ: **RECYGO**

The « Silver
Economy »



3,400 « *Look after my parents* » contracts signed

14,000 Ardoiz tablets sold

Majority **stake** in Asten Santé





GeoPost

Continued conquest and innovations

Strong volumes



1,228 million parcels (+9.8% vs 2016)

39%BtoC¹

International company




78% of operating revenue abroad


Operates in **44 countries**²

Active external growth



DPD Russie/SPSR 
(77.9%)

BRT 
(37.5%)

Stuart 
(100%)

Delifresh
(100%)

Jadlog 
(60%)

Ninja Van 
(minority shareholding)

Innovative solutions and services



In-home services



Delivery on sundays
operated by Chronopost³

Precise
(interactivity service)

Out-of-home services



32,000
pick-up and drop-off points

1,000
automated lockers



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1) Versus 35% in 2016
2) Worldwide, including 23 countries in Europe, through subsidiaries
3) In the 15 major cities of France



La Banque Postale

Development and diversification

Commercial momentum



Credit outstanding : €85bn, +12%

Of which credit outstanding to legal entities¹ +43.5%

Asset management division outstanding : **€218bn, +15%**



Synergies with La Poste network



317 advisors dedicated to « Professionals » in post offices

22 BPE dedicated areas in post offices



Digital strategy



KissKissBankBank



Digital bank



Operational efficiency



Roll out of **IT programs** dedicated to **transformation** and quality

Citizen Bank



1st Convention of the Citizen Bank : launch of the **plan « banking inclusion through digital »**

Banking accessibility



Agreement from the European Commission related to the amount of compensation granted by the State to La Banque Postale for the 2015-2020² period for its **banking accessibility mission**



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1) Companies, social housing associations, local authorities and associations

2) Decision dated the 24th October 2017 pertaining to the amount of €1.83bn for a six year-period



La Poste network

Adapting the postal presence

Wide variety of formats



504 public service areas and **755** postman-counter clerks

198 openings of « La Poste relais urbains » **La Poste & Partenaires**

Development of new formats : Station F, airports, Nomade



Banking priority



« **Granting delegations** » to area managers for simple credit reports of consumer and home loans

Customised advice for **high net worth customers and « professionals »**

A deeply renewed **management organisation**



Training



« **The Bank and Network School** » :
312,000 training days¹ provided in 2017



La Poste Mobile



Strengthening growth and **widening of product ranges** (box, « pro » mobile offer ...)

A portfolio of **1.38 million** mobile lines, **+6.4%**



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Digital Major actor of digital trust

Customer
knowledge



9.8 million La Poste **Client Accounts** created

Online sales



€181m online sales (+12% vs 2016)

Offers to
individuals and
companies



2.2 million users of **Digiposte+** personal assistant

Expertise



Acquisitions of **Ametix, Localéo et Eukles**¹



Internal digital
transformation



More than 100,000 postal workers trained to digital (60,000 in 2016)



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Reaffirmed Public Service Missions

French State

Signature on 11 January 2017 of the 4th **local postal coverage agreement** for 2017-2019 (French State, French Mayors' Association, La Poste)

Signature on 16 January 2018 of the 2018-2022 **Government Service Contract** (French State, La Poste)

- Reinforced postal presence
- New indicators for quality of service
- Renewed citizen commitments

ARCEP¹

Setting of the 2018 **price cap 2018** pertaining to the Postal Universal Service

Universal postal service **price cap** for the **2019-2022** period

- Increase capped at 5% in 2018
- Annual average increase capped at 5% for the period, with a mid-term revision clause





Social commitment

Make each employee a key participant and beneficiary of the Group's development

Social dialogue

12 national agreements signed

of which The « Facteurs 2017 » **Agreement**¹ on improving working conditions for postmen and their managers

Creation of a **committee for strategic social dialogue** at Le Groupe La Poste

Training and career development

More than 84% postmen benefited from a **training** during the year

10,730 managers trained within the **Group's Management Institute** (+36% vs 2016)

28,000 qualifying courses implemented at end 2017

21,000 promotions throughout the year² for La Poste

Quality of life at work

Disabled people employment rate above 6%

« **Right to disconnection** », implemented

2,300 renovation works of business premises



1) Agreement on the improvement of working conditions and on the evolution of professions related to distribution and to services provided by postmen and their managers

2) Groupe France scope



Societal commitment

On environmental, digital and local major transitions

Implementation of environmental transition

Exemplarity

- **Decrease** of 14% in La Poste's activities' greenhouse gas emissions since 2013
- **7,197** electric light commercial vehicle owned

Commitment

- **12** cities in which delivery service is mainly operated in green transportation mode
- **Energy transition operating revenue: €3.6m** (Bemobi, Action habitat)
- **Recy'go operating revenue: €14.8m**

Social and territorial cohesion

Exemplarity

- **€26m** purchases from disabled/sheltered sector and the insertion sector
- **504** Public Service Areas

Commitment

- **1 million** people took **the theoretical examination for the driving license** since launch¹
- Territorial momentum: **85 accompanied start'up**, of which **solidarity-based economy** players

Responsible and ethical digital

Exemplarity

- Roll out of the **Data charter**
- Launch of **the plan « banking inclusion through digital »**

Commitment

- **4,100 tablets** for customers in Local Postal Agencies





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2017 key figures

Yves Brassart



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Consolidated P&L

In €m	2016	2017	Δ in %
Operating revenue	23,294	24,110	+3.5%
Operating profit after share in results of companies under joint control	975	1,012	+3.8%
<i>Operating margin</i>	4.2%	4.2%	stable
Financial loss	-169	-168	-0.7%
Income tax	-104	-248	n.s
Share in profits of associates	191	297	+55.5%
Net result Group share	849	851	+0.3%

+2.5% at constant change and scope
+12.6% excluding non-recurring items¹ and at constant change and scope



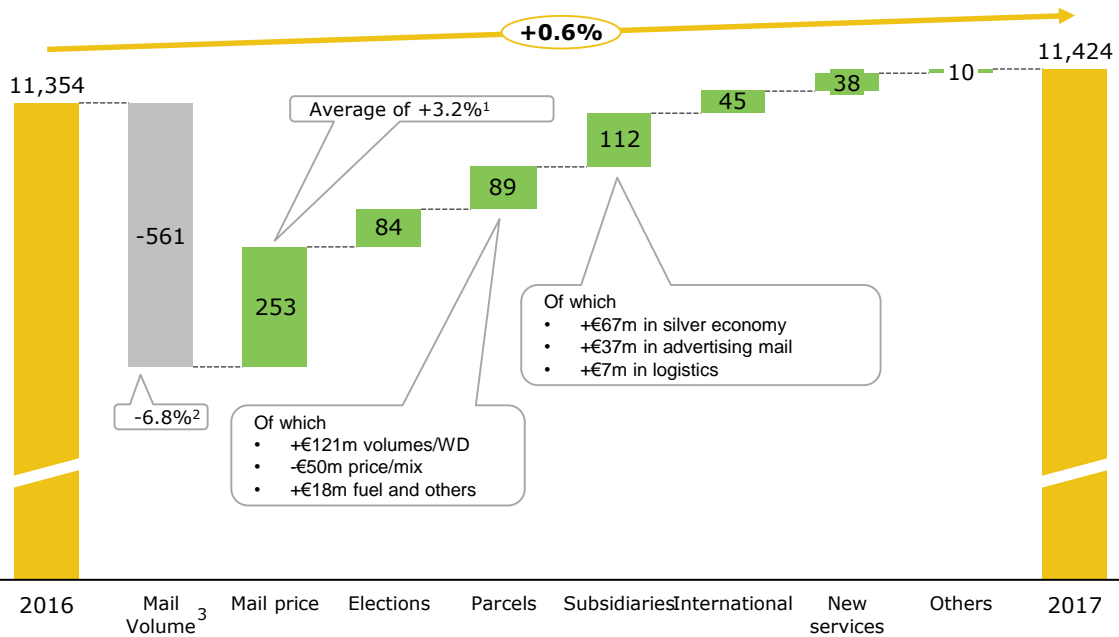


Services-Mail-Parcels

Continued decrease in traditional mail volumes, positive contribution of parcels, growth in new markets and services

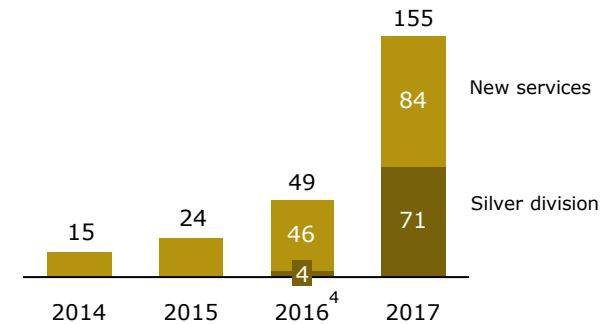
Operating Revenue in €m

Stable at constant scope and exchange rates

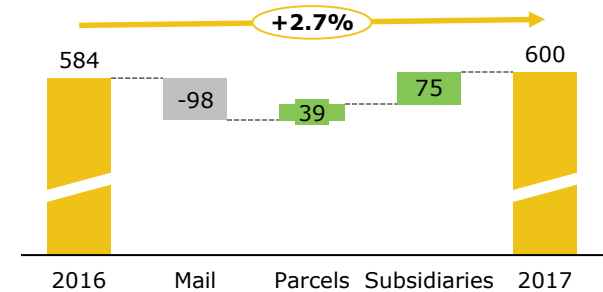


Expansion into new markets

Operating revenue in €m



Operating Profit⁵ in €m



1) Increase related to the operating revenue generating traffic
 2) In equivalent working days
 3) Mix, and others effects included
 4) Proforma 2016
 5) After share of net profit/loss of companies under joint control



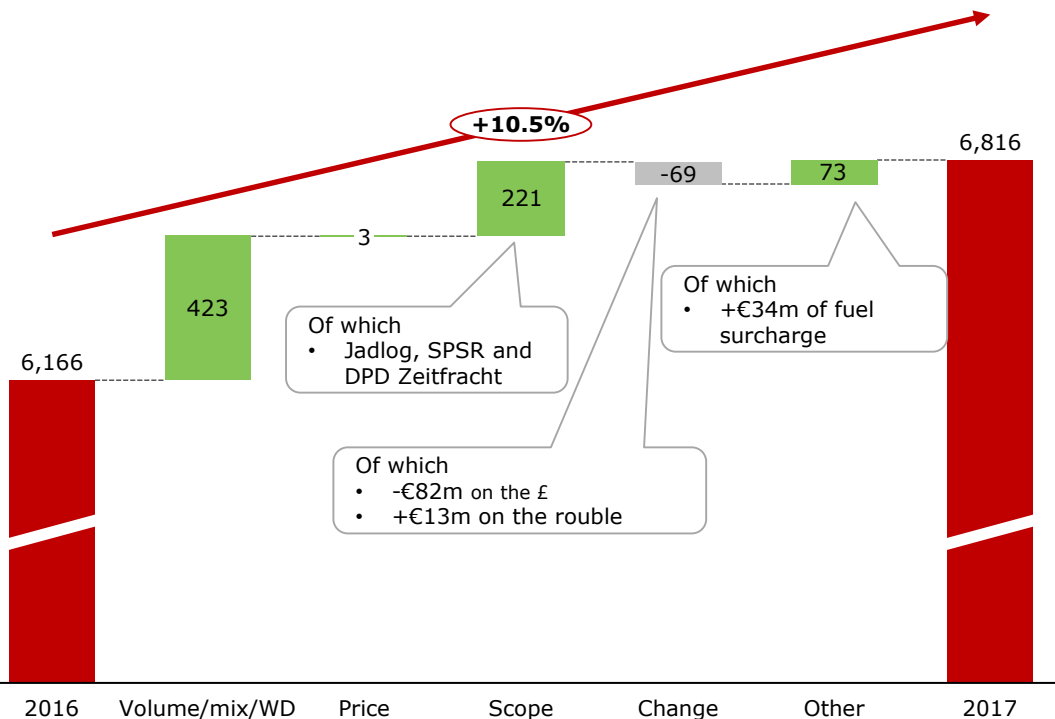


GeoPost

Volumes momentum, positive contribution of the acquisitions

Operating revenue in €m

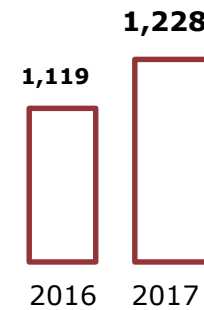
+8.2% at constant scope and exchange rates



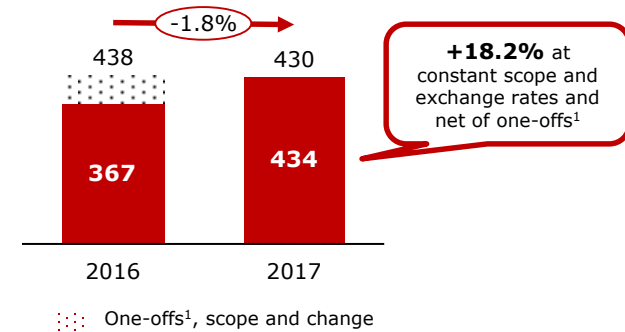
Commercial momentum

Volume (in m)

(in % of revenue)



Operating profit¹ in €m



(1) 2016 EBIT includes a +€60 million securities revaluation after the acquisition by GeoPost of the remaining 50% share of Armadillo (Russia). The effects of changes in scope of consolidation and exchange rates amounts to €14 million in 2016 and 2017.

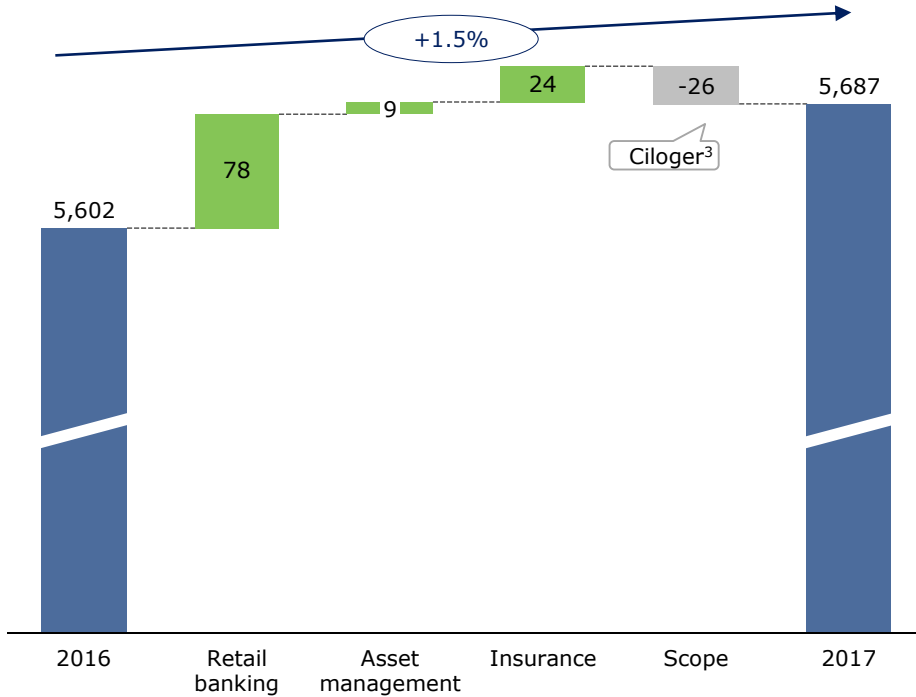


La Banque Postale

Positive commercial momentum and contribution of all divisions

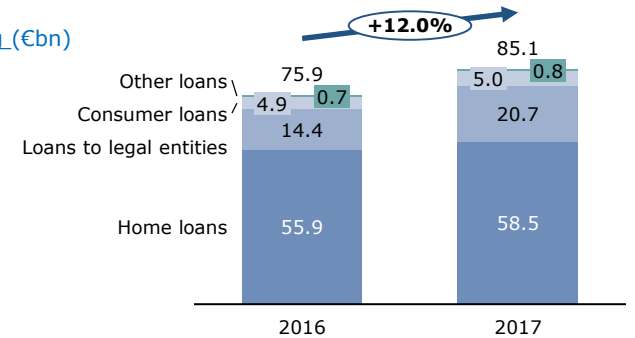
Net banking income¹ in €m

+3.4% excl. scope and home savings provision²

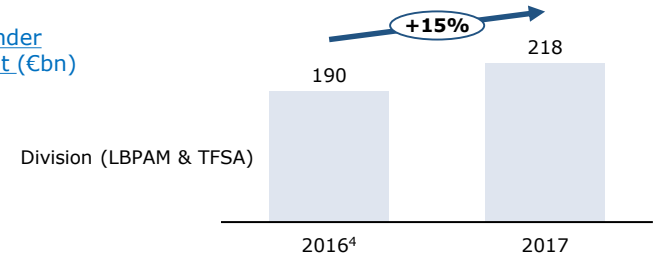


Commercial momentum

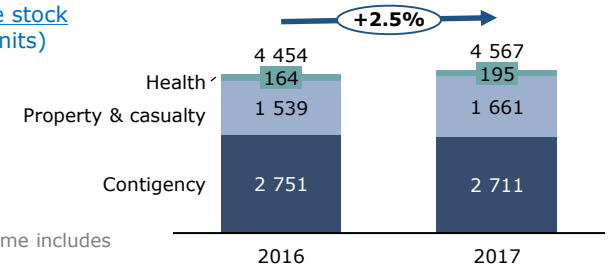
Credit outstanding (€bn)



Assets under management (€bn)



Non-life insurance stock (in thousands units)



1) The 2016 net banking income included a €107m capital gain from the sale of Visa Europe securities. The 2017 net banking income includes +€130m increase of the compensation for the 2016 banking accessibility mission.
 2) Change in home savings provision represents €-73m in 2017, i.e. €+69m in 2017 and €+142m in 2016
 3) Removed from the consolidation scope following its sale to AEW Europe (accounted for by the equity method in 31/12/2016).
 4) € 9bn technical adjustment at the end of 2016



La Banque Postale

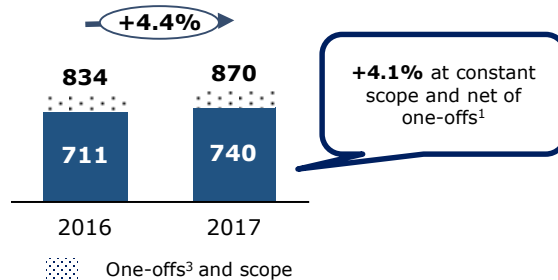
Expenses and cost of risk under control, sound financial structure

Operational performance

Operating ratio



Operating profit¹ (€m)

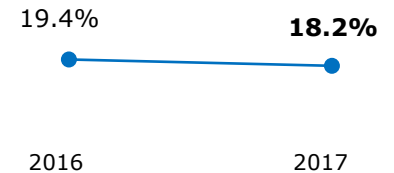


Solvability

CET1



Total capital ratio

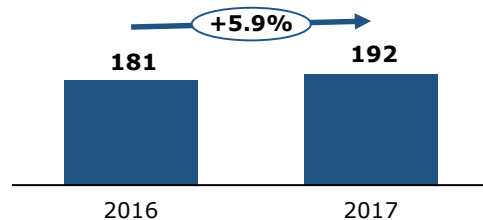


Cost of risk

CoR/outstandings²



Cost of risk (€m)

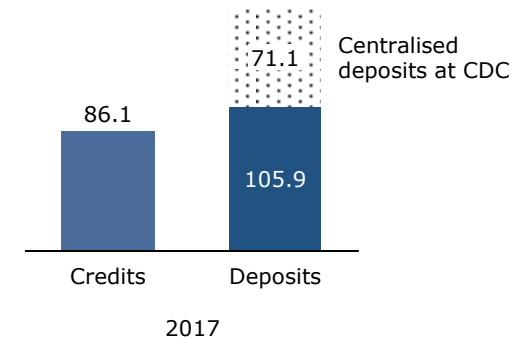


Liquidity position

in €bn

Loan/Deposit ratio 81%

(out of deposits centralised at the CDC)



1) The 2016 operating profit included a €107m capital gain from the sale of Visa Europe securities. The 2017 net banking income includes +€130m increase of the compensation for the 2016 banking accessibility mission. The change in scope amounts €16 million for 2016

2) CoR : cost of risk of the commercial bank

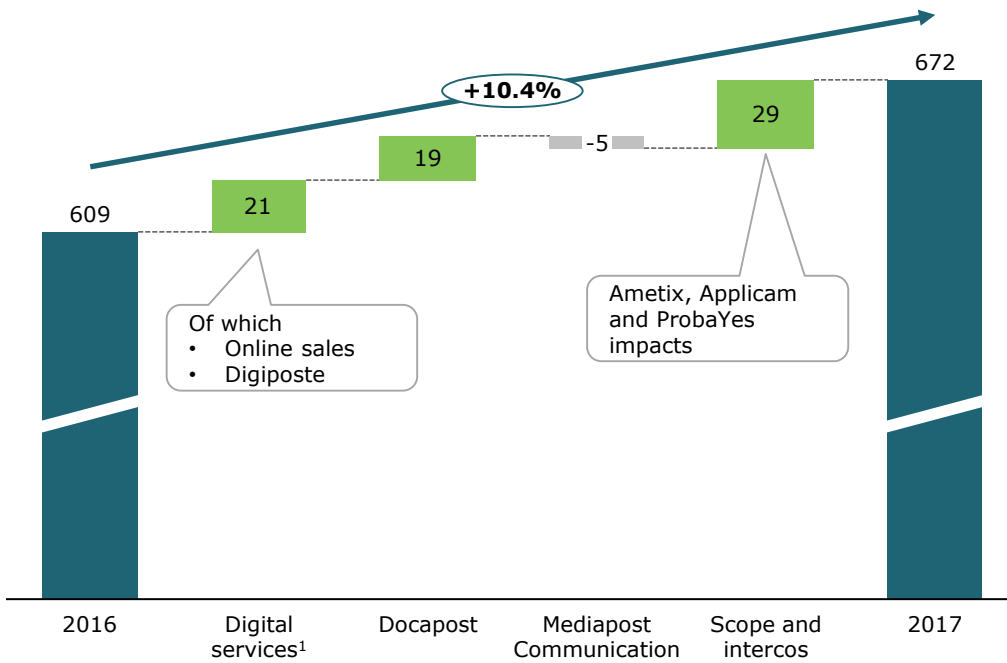


Digital

Acquisitions and digital projects

Operating revenue in €m

+5.7% at constant scope and exchange rates

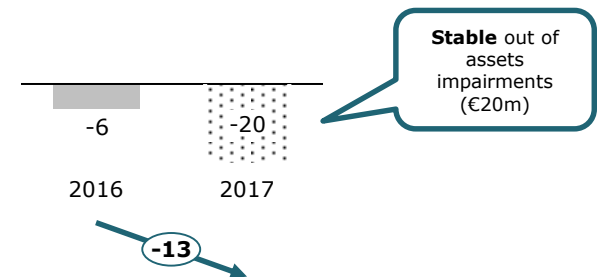


La Poste en ligne

Online sales: +12%

Share of e-service in the operating revenue: **54%**

Operating Profit in €m



Assets impairments



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Income tax	-104	-248	n.s.
Share in profits of associates	191	297	+55.5%
Net result Group share	849	851	+0.3%

2016 amount particularly low due to little or no taxable income

Mainly linked to CNP Assurances and, for the 1st year, BRT



2017: a year of internal investments and external growth

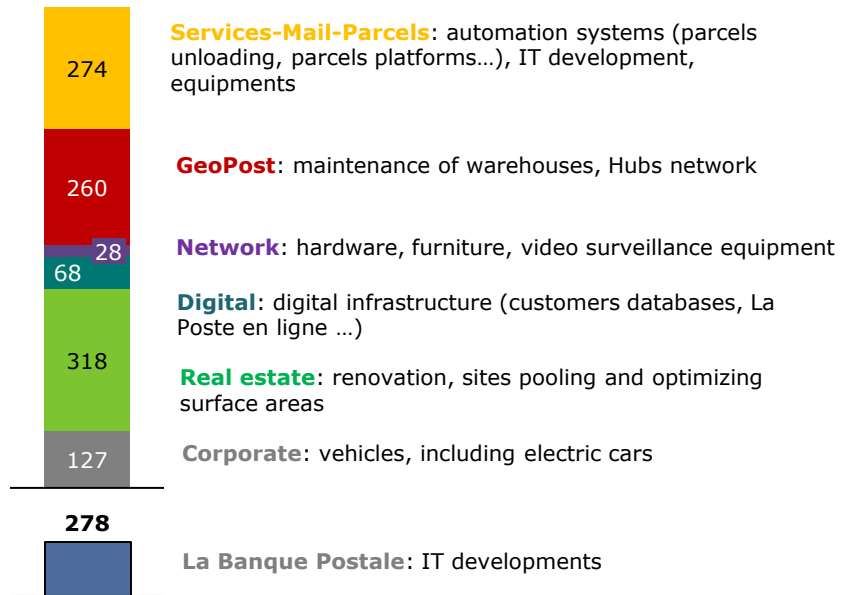
Investments

€1,352 m

External growth

€677 m

1,075



677

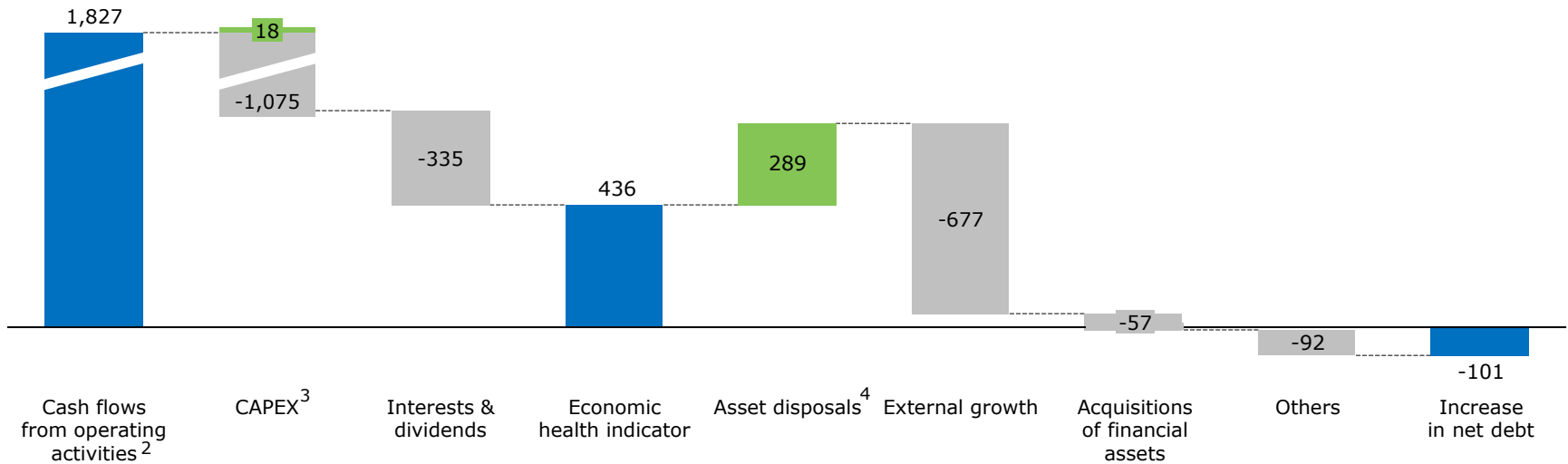


€2 billion



Change in net debt¹

In €m



page 24

1) Group net debt doesn't take into account La Banque Postale for which this concept is not relevant
 2) Cash flows from operating activities excl. banking, but including dividends paid by La Banque Postale and other equity associates
 3) Gross CAPEX excl. Banking (tangible and intangible) by business units (€1,075m) ; vehicles disposals (€18m)
 4) Excl. vehicles disposals

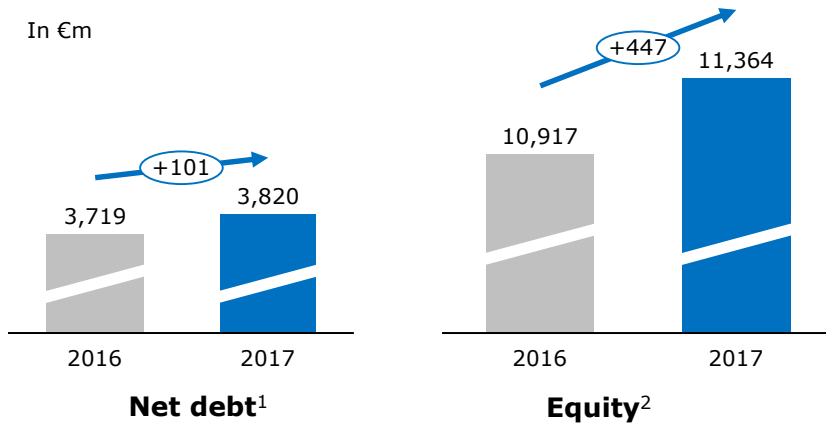


Balance sheet and rating

Net debt¹ / Equity²

Ratings

In €m



S&P Global
Ratings

A / A-1 Stable

confirmed in October 2017

FitchRatings

A+ / F1 Stable

Confirmed in December 2017

Net debt/Equity ratio





simplifier la vie

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