

RATP Group 2023 annual results

A year that saw significant growth in activity and investment against a challenging economic backdrop

Highlights of the 2023 financial year

- **Steady growth in turnover (+7.2%, amounting to +8% excluding currency effects), reaching €6.512 billion**, boosted by the increasing transport offering on both the bus and metro networks across the Île-de-France region, the development of the RATP Dev subsidiary in France and abroad, notably in the United States and the Middle East, and the indexation on inflation for the contracts signed with concerned transport authorities.
- **RATP Epic income reached €132 million, a €74 million decrease that still amounted to a net positive of €18 million (€9 million according to French standards)**. Although the contract signed with Île-de-France Mobilités in December covered applied salary raises, **the surge in energy prices caused a loss of €135 million on the 2023 EBIT**. Improvements to the transport offering and sustained productivity efforts have aided in softening the blow of this external impact.
- **Operating income coming from the subsidiaries was stable at -€26 million compared to 2022, excluding technical effects and the impact of fluctuations in exchange rates¹**. The continued adverse effect of inflation and operating issues in London have impacted RATP Dev's London bus business, which in turn affected **the subsidiaries' net income (-€127 million)**. The withdrawal process from this business, which began at the end of 2022, is ongoing.
- **Overview:**
 - **RATP Group' consolidated operating income was severely adversely affected by inflation, standing at €107 million, a €87 million drop compared to 2022;**
 - **The Group share of net income was at -€109 million, compared to -€26 million in 2022.**
- **A record-breaking year for investments:**
 - **€2.371 billion** (including €359 million as delegate project manager on behalf of *Société du Grand Paris*, as part of the metro line 14 southern extension project) **were invested in the Île-de-France region, with the support of Île-de-France Mobilités**. It is a 7.3% increase compared to 2022, and translated into the accelerated roll out of new MP14 and MF19 rolling stock and costs stemming from infrastructure upgrading and maintenance;
 - **RATP Group invested €2.536 billion** in 2023, a 6.7% increase compared to 2022.
- **Consolidated net debt was stable at €5.552 billion**, (+€17 million compared to 2022), despite strong growth in investment supported by a considerable rise in subsidiaries' working capital requirements and RATP Epic's working capital requirements.

¹ Impact of the IFRC 12 processing for RATP Dev's contract in Tuscany (-€8 million) and fluctuations in currency (-€5 million).

- **RATP Group, strongly committed to combating climate change:**

- The Group's decarbonisation scheme continued in 2023 with a 30% decrease in greenhouse gas emissions linked to energy consumption, compared to 2019. It is worth noting that RATP Group has committed to a 43% reduction in its GHG emissions (in tCO₂e) by 2027, compared to 2019. RATP's climate objectives are aligned with the 1.5°C target and have been validated by the SBTi;
- The continuation of the Bus2025 programme roll-out contributed to reaching this outcome, with 59% clean buses (hybrid, electric or biomethane-powered) in 2023, including 700 electric buses and 1,100 biomethane-powered buses, as part of the 4,900-bus fleet in the Île-de-France region;
- 44 GWh of energy consumption prevented in 2023, through rolling stock upgrading programmes carried out on behalf of Île-de-France Mobilités and in compliance with RATP's energy efficiency plan;
- RATP Group activities were highly eligible and aligned² with the climate change mitigation goal set by the EU taxonomy regulation for sustainable activities, with which RATP Group has voluntarily chosen to comply: 92% of RATP Group's turnover is eligible and 41% aligned, with 88% of investments eligible and 31% aligned with this objective.

Chaired by Jean Castex, Group Chairman and Chief Executive Officer, the RATP Board of Directors convened on 8 March 2024 to review and approve RATP Group's consolidated financial statements and the EPIC's corporate accounts as at 31 December 2023.

RATP Group Chairman and Chief Executive Officer Jean Castex declared: "In 2023, RATP Group demonstrated its dynamism and resilience, despite a challenging global economic context. In the Île-de-France region, the Group prioritised the recovery of the transport offering and providing passengers with high quality service. This decision proved fruitful with a net rise in production on our networks thanks to massive recruitment efforts, increased productivity through the signing of the shift agreement with bus drivers and measures implemented to strengthen the appeal of our professions and our employees' motivation. We will maintain these efforts in 2024 to rise to the challenge of the Olympic and Paralympic Games and improve our service quality for commuters.

Similar to 2022, although our financial results remained strongly affected by the high inflation level - especially due to the rise of electricity costs - underlying trends were encouraging; with the Epic's break-even results, notably thanks to production improvements, productivity efforts and the signing of the contract with Île-de-France Mobilités to guarantee better coverage of the impact of inflation.

In 2023, our subsidiaries recorded several commercial achievements in France and abroad, with a 10% increase in their activity while actively working to improve their operating and financial performance on ailing activities.

In addition, RATP also set a new investment record in the Île-de-France region in 2023 with €2.4 billion, amounting to 8% growth compared to 2022. This is a testimony to our ability to invest massively, with the support of Île-de-France Mobilités, in complex projects such as the automation of metro line 4 (completed in December 2023) and the extension of metro lines 11 and 14.

This significant investment effort did not adversely affect RATP Group's net debt, which remained stable at €5.55 billion in 2023, as evidence of our financial foundations' reliability."

² European taxonomy ranks economic activities that have a positive impact on the environment. Its goal is to direct investments towards greener activities. An activity is eligible if it provides products or services associated with activities that contribute to achieving the six environmental goals set by the European Commission taxonomy regulation. An eligible activity becomes aligned when it significantly contributes to achieving one of the environmental goals set by the European taxonomy without hindering other environmental goals, according to the technical criteria detailed in the regulation, while complying with minimal social guarantees (human rights, anti-corruption measures, and best practices regarding taxes and competition law).

Progression of RATP Group's key performance indicators

<i>In million euro</i>	<i>Pro forma statement 2021*</i>	<i>2022</i>	<i>2023</i>	<i>Evolution 2023/2022</i>
<i>Consolidated turnover</i>	5,540	6,076	6,512	+7.2%
<i>EBIT</i>	327	193	107	-45.1%
<i>Group net income</i>	207	-26	-109	-323%
<i>Cash flow</i>	1,070	994	834	-16.1%
<i>Net debt as at 31 December</i>	N/A	5,536	5,552	+0.29%

* A pro forma statement of the 2021 accounts was established to enable comparability with accounts for 2022, following the reclassification of certain businesses abroad (London buses [excluding sightseeing] and tram operations in Algeria) in 2022, in compliance with IFRS5.

Strong activity growth trend boosted by RATP EPIC and its subsidiaries

2023 saw a 4.3% increase in ridership in the Île-de-France region to amount to 2.981 billion journeys. These numbers were boosted by the railway network's return to its original service offering as well as improvement to surface network production, the recovery of tourism in the Île-de-France region (+9.2% during the first 11 months of 2023) and the Rugby World Cup, in a macro-economic context that promotes modal shift to public transport. However, in the first semester, ridership was negatively impacted by retirement-related strikes and urban riots in June; as a consequence, overall ridership levels are 14% lower than they were in 2019.

RATP Group's consolidated turnover amounted to €6.5 billion, a 7.2% increase (+€436 million) compared to 2022 (+8% excluding currency effects).

The EPIC's activity has increased by 6.3% (+€238 million), through an improved service coverage on the bus network, an increasing metro service offering and the indexation on inflation affecting compensations paid by Île-de-France Mobilités.

Turnover stemming from subsidiaries has increased by 9.6% (+12.6% excluding currency effect), boosted by new tenders won by RATP Dev in the United States and in France, network extension projects in Africa and the Middle East, the revival of the Sightseeing activity and the indexation on inflation impacting transport authority contracts. This progress was delayed by adverse conversion effects (-€48 million).

The contribution from subsidiaries to the Group's overall turnover is on the rise, at **€1.75 billion**, equal to **26.8%** of the consolidated turnover, compared with 26.2% in 2022.

Results that still reflect the hard-hitting impact of inflation

The consolidated operating income (EBIT) amounted to €107 million, an €87 million decrease compared to 2022.

RATP EPIC's operational income decreased by €73 million, due to the colossal impact of inflation on production costs (+€396 million in 2023). Although the signing of a new contract with Île-de-France Mobilités in December 2023 has ensured better coverage of the compensation increase due to their indexation on inflation, the outcome was affected by a negative price scissors effect and suffered a €136 million decrease, mainly due to the surge of electricity prices. The impact was partially absorbed by increased efforts to limit operating costs and through an exceptional €50 million subvention granted by the government to offset the financial difficulties suffered by RATP during the lock-down from March to June 2020.

The subsidiaries' operational income remained stable in 2023, excluding the IFRS technical effects (-€8 million) and the impact of currency effects (-€5 million).

The Group share of net income was negative at -€109 million, compared to -€26 million in 2022. This income remains affected by the difficulties related to the operation of buses in London (the activity has been requalified as discontinued activity according to the IFRS5 standard). However, its overall operational and economic performance has improved during the second semester.

The net debt remained stable despite a sharp increase in investments

Cash flow stood at €834 million, a -€158 million decrease compared to 2022 and enough to fully fund capital investments (€980 million).

Nevertheless, the consolidated net debt remained stable at €5.552 billion (+€17 million compared to 2022).

The Group's gearing (net debt equity ratio) stood at 1.09x compared to 1.02x at the end of 2022.

A significant investment in the Île-de-France region with the support of Île-de-France Mobilités

RATP is fully committed to implementing the ambitious investment programme set by the contract signed with Île-de-France Mobilités (€8.6 billion over the 2021-2024 time period) to accelerate the development and upgrades to the networks.

RATP Group's investments in the Île-de-France region in 2023 set a historical record at €2.371 billion (including €359 million as delegate project manager on behalf of *Société du Grand Paris*, as part of the metro line 14 southern extension project) which amounts to a **7.3%** increase compared to 2022 and translated into the accelerated roll out of new (MP14 and MF19) rolling stock and costs stemming from infrastructure upgrading and maintenance:

- **€1.402 billion to upgrade the network and maintain infrastructure:** the bus network energy transition (conversion of bus depots to electricity and biogas and purchase of electric buses); 63% of the fleet was made up of clean buses by the end of 2023, with 8 bus depots converted, 5 currently being deployed and 10 under works), renewal of rolling stock on the metro (MF14 and MF19 projects), RER (MI20) and tram (TW20 for tram line T1) networks, train renovation for the RER network, automation of metro line 4, upgrades to metro line 6 and commissioning of renovated MP89 trains, upgrades to infrastructure and maintenance workshops to accommodate new rolling stock and fixed asset maintenance to ensure the durability and optimal working order of infrastructure (Track Ballast Renewal (RVB) finalised on RER line A, Pont de Chartres bridge renewed, and so forth);
- **€817 million for metro and tram line extensions:** extension of metro line 14 to Saint-Denis Pleyel and Orly and metro line 11 to Rosny – Bois-Perrier, connections with future *Grand Paris Express'* metro line 15, extension of tram line T1 to Asnières Quatre Routes and tram line T3B to Porte Dauphine;
- **€152 million invested in improving passengers' comfort by upgrading stations, passenger information and accessibility:** Upgrades to Charles de Gaulle-Étoile and Austerlitz stations with studies under way for République, Nation, Saint-Michel Notre-Dame, Cité Universitaire and Val-de-Fontenay stations and Gare de Lyon's connection hall, improving safety and accessibility (Place d'Italie), upgrading of passenger information systems and installation of new Syspad displays on RER line B and PANAM displays on the metro network and upgrading of ticketing systems (to accommodate new digital tickets and roll out the first Olympic and Paralympic Games ticket machines).

Overall, RATP Group's consolidated investment amounted to €165 million invested by subsidiaries, mainly in France and Italy, and RATP Group's consolidated investments stood at €2.536 billion (of which €359 million were spent on the southern extension of metro line 14 on behalf of SGP), which amounts to a 6.7% increase compared to 2022.

A Group in rapid expansion in France and abroad

RATP Group continued its fast-paced expansion in 2023, both in France and abroad, with 10% growth in its subsidiaries' activities.

RATP Dev reports strong growth boosted by the new tenders won in France and the United States and the positive trend brought by the contracts signed in the Middle East, notably with the commissioning of LRT in Egypt and the trial run for high-service-level buses in Casablanca, as well as the recovery of the Sightseeing activity. RATP Dev successfully began its contract for the operation and maintenance of the Mistral network (land and sea transport network in the Toulon Provence Méditerranée urban area) in May 2023, a milestone for RATP Dev in this new region.

RATP Dev defended its commercial position in France by renewing its urban contracts in La Rochelle-sur-Yon, Lorient and Epernay. In 2023, RATP Dev also won the operating contract for *Grand Paris Express'* metro line 15, in partnership with Alstom and ComfortDelGro.

In the United States, RATP Dev notably won two tenders in 2023, for the cities of Raleigh and Durham in North Carolina, thus establishing itself more firmly in that state.

In the United Kingdom, in a tense market context due to the surge of inflation and traffic issues, the operation of London buses is encountering difficulties, common to most operators present on this market. At the end of 2022, RATP Dev began the process of withdrawing from this contact. This

activity's operational and economic performance has improved in stages over the course of the second semester due to a net increase in service quality indices.

In Algeria, RATP Dev sold its SETRAM (tram operating company) shares to the Algerian government in March 2023.

RATP Solutions Ville, the RATP Group urban services subsidiary, has pursued the growth of its activity to facilitate cities' ecological transition. The subsidiary continues to expand its operations in the Île-de-France region across five sectors: real estate, telecommunications, energy, urban logistics, and new forms of mobility. Over the 2023 financial year, RATP Group crossed a symbolic threshold by building 9,000 social housing units.

The **RATP Smart Systems** subsidiary continued its development of RATP Group's MaaS project, as represented by the Bonjour RATP and Mappy applications, and enriched with new services. Among the 2023 highlights, there is also the launch of the Bayonne and Clermont-Ferrand SAEs and of the tram line T10 contract, as well as the execution of the Nantes contract through its Navocap subsidiary.

RATP Group owns 43.4% of **Systra's** capital, which is a global leader in railway transport engineering. Its turnover increased by 19% in 2023, thus exceeding one billion euro. This expansion was boosted by the contract to build the high-speed line connecting London and Manchester (High Speed 2), new contracts signed in Saudi Arabia, Italy and France and by the acquisition of three companies in Australia, Spain and Scandinavia.

Sustainable transformation of RATP Group's activities

RATP Group is fully committed to mitigating climate change and preserving resources, and in line with this commitment, it has voluntarily published its performance indicators according to the European taxonomy regulation since it was first applicable in 2022.

Indeed, 41% of the turnover and 31% of consolidated investments are aligned with the environmental goal to mitigate climate change according to the ambitious criteria set by the European commission. The corresponding eligibility ratio stand at 92% and 88% respectively³.

RATP Group has assimilated the foundation of sustainable finance promoted by the European Union, thus asserting its will to integrate environmental and social issues into its activities and adopt an efficient decarbonisation strategy in compliance with its climate objectives validated by the SBTi.

Among the 2023 milestones, the remarkable progress made in two key areas of the taxonomy regulation stand out: adapting to climate change (an in-depth reflexion was led on the Group's infrastructure resilience to withstand global warming) and circular economy. In 2023, the Group pursued its efforts to reduce GHG emissions to contribute to achieving the carbon neutrality goal, and their levels have decreased by 30% since 2015.

Outlook

³ It is worth noting that an eligible activity, meaning an activity listed in the European taxonomy regulation, becomes aligned when it significantly contributes to achieving one of the environmental goals set by the European taxonomy without hindering other environmental goals, according to specific technical criteria, while complying with minimal social guarantees.

RATP Group will have to overcome several major challenges in 2024:

- **Rise to the challenge of the Olympic and Paralympic Games**, an endeavour that entails exceptional mobilisation from the Group to welcome spectators and carry them to the Olympic sites;
- **Continue to work on the transport offering recovery and the improvement of service quality** on Île-de-France region networks;
- **Commission several major line extensions on the Île-de-France network before the Olympic and Paralympic Games:** extension of the metro line 11 extension to Rosny Bois Perrier (6 stations and 6 extra kilometres), metro line 14 to Orly and Saint-Denis Pleyel (8 stations and 14 extra kilometres), tram line T3b to Porte Dauphine (7 stations et 3.2 extra kilometres);
- **Prepare and successfully operate the transition of the opening up to competition of the bus activity.**

RATP Group will dedicate additional efforts to **attract, inspire and retain employees** to rise to the challenge. Following the record set in 2023, RATP Group intends to hire over 5,300 employees in the Île-de-France region in 2024, including 3,700 people in permanent contracts.