

PRESS RELEASE – LA PLAINE SAINT-DENIS, 27 JULY 2023

## SNCF GROUP 2023 HALF-YEAR RESULTS

### SNCF Group reported a net profit that confirms its growth trajectory despite the current economic and social environment.

Business held steady in the first half of 2023, with a rise in rail ridership confirming trains' core appeal for travellers since the end of the Covid pandemic.

In logistics, GEODIS managed to remain profitable despite tough conditions in its sector.

Notwithstanding persistently high inflation and the financial impact of social unrest in France in the first quarter of the year, the Group turned in an encouraging performance, with positive net profit and free cash flow reflecting the relevance of its strategy. These good results in the current environment confirm its ability to pursue the development of sustainable mobility.

#### Rising demand for rail travel buoys Group revenue

- **Group revenue totalled €20.7 billion, up +2.2%** from H1 2022.
- **Passenger numbers** continued to rise, confirming both **the appeal of rail travel** and **SNCF Voyageurs' ability to mobilize its commercial and industrial expertise to meet demand**. At **SNCF Voyageurs**, revenue was up +11.3% (including a 21% rise for TGV high-speed rail) over H1 2022, which felt the lingering effects of the pandemic in the first quarter. **A +7.3% rise in revenue at KEOLIS confirmed robust demand**.
- In line with the trends shaping the broader logistics market, GEODIS reported a -12% drop in revenue (-20% at constant scope of consolidation and exchange rates), as volume dropped in response to the slowing economy worldwide and normalization of pricing in air and sea freight.
- SNCF Group demonstrated the **relevance of a business model based on a diversified portfolio of activities**.

#### The first half of 2023 confirmed the Group's healthy economic and financial fundamentals.

**Group margins held steady: EBITDA totalled €2.8bn** (EBITDA/revenue at 13.4% vs 14.7% in H1 2022). Without the Q1 strike, EBITDA would be €3.2bn or 15.3% of revenue.

- The Group successfully absorbed inflation's significant impact on expenses thanks to its **proactive sales strategy and deployment of a performance and productivity plan that generated savings of €390m** in the first half of the year. The nationwide strike linked to national pension reforms took a marked toll, trimming revenue by €500m and EBITDA by €400m.
- **The Group re-affirmed its ability to generate profits despite the challenging economic and social environment, reporting net profit of €158m.**

#### Thanks to this strong performance, SNCF Group continued to grow while maintaining its financial equilibrium.

- **SNCF Group continued to invest heavily, with outlays totalling €4.6bn (97% in France) that prioritized efforts to regenerate and modernize its rail network and stations.**
- **Commitments made to the French state in its role as shareholder were confirmed:** SNCF Group is set to generate **positive cash flow by the end of the current year (€2.7bn at June 30)** thanks to business momentum and strict management. It **continued to reduce debt**, with net debt down €0.5bn to €23.9bn), while financing the acquisition of Trans-o-flex by GEODIS as part of its business strategy.

#### In keeping with its corporate purpose—"Working for a dynamic, caring, sustainable society"—SNCF Group confirmed its environmental and social commitments.

- SNCF Group has continued to **promote energy efficiency**, announcing that it is **set to become a producer of solar power**. By 2030, it plans to meet the rise in strategic demand for decarbonized electricity by equipping 1,000 hectares with solar panels generating 1,000 MWh.
- **SNCF Group is already one of France's top employers, and in H1 made over 8,500 new hires on permanent contracts** in all business areas (2023 target in France: 21,000 permanent and temporary hires plus 6,000 recruits under work-study contracts).
- **SNCF Group's CSR results have won it an 82/100 score by non-financial rating agency EcoVadis**, (+3 points from 2022), ranking the group in the **top 1% of all rated businesses**.

## Commenting on SNCF Group's results, Chairman and CEO Jean-Pierre Farandou said:

*SNCF Group's consolidated results for the first half of 2023 are good. They show the effectiveness and strength of our business model in a time of deteriorating economic and geopolitical conditions, continuing inflation and social unrest in response to pension reform in France.*

*The people of France are choosing rail, and that's good news. This positive fundamental trend continues, extending last year's historic figures into 2023. Sales of long-distance train tickets are up 10% this summer.*

*We're pursuing our planned investments in the rail network, with 1,500 project sites throughout France. Our stations continue to modernize, offering improved accessibility and services for our passengers.*

*We're also winning tenders: in the first half of the year SNCF Voyageurs expanded its contract transport business, signing several deals with transport authorities and winning two TER tenders in the Hauts-de-France and Pays de la Loire regions, in an ambitious effort to expand France's regional rail offer.*

*Meanwhile, KEOLIS was awarded lines 16 and 17 of Grand Paris Express in the Paris region and continues to grow on international markets, scoring major contracts to operate two bus networks in Stockholm and California and a rail network in the Netherlands.*

*GEODIS' growth on international freight forwarding and contract logistics markets is also fuelling our momentum, even as freight rates return to more moderate levels. GEODIS supports customers worldwide and is actively expanding its range of services, as illustrated by its self-funded acquisition of Trans-O-Flex in Germany.*

*Buoyed by these results, we're preparing for the future: we're working with public officials to expand rail's share of day-to-day mobility. We've continued to invest in upgrading our network and stations and in acquiring new types of TGVs—all to boost customer satisfaction. I would also like to applaud Prime Minister Élisabeth Borne's 24 February announcement of a new rail deal and the French government's plans to invest €100bn in the sector by 2040.*

*In line with our corporate purpose—working towards a dynamic, caring, sustainable society—SNCF Group will soon produce solar energy. Thanks to SNCF Renouvelables, a new subsidiary launched early this summer, we'll be positioned to meet the growing strategic need for decarbonized, renewable electricity. This new energy source could cover as much as 20% of our consumption in 2030, in tandem with the energy efficiency plan deployed last winter, which has already cut energy use by 10%.*

*SNCF Group's success will depend on the engagement of all our employees. I'd like to applaud them for their remarkable work around the world—and we can't forget the shippers, the industrial companies and SNCF Group's partners more broadly. All of them play a part in the vitality of our business. In our rail operations, the women and men of SNCF work day after day, year-round, to get our passengers to their destinations. Our employees contribute to the vitality of France, where rail is the backbone of sustainable mobility.*

*Everyone at SNCF Group is actively preparing to meet the challenges of the Rugby World Cup this autumn. During this major international event, Antoine Dupont, captain of the French national team, will be the standard bearer for France. And because he's been our ambassador to the world of rugby for nearly two years, he'll be a standard bearer for SNCF, too."*

## CONTENTS

<b>Key figures for H1 2023</b>	<b>page 4</b>
<b>Financial and non-financial performance in the first half of 2023</b>	<b>page 5</b>
Strict management of financial performance	page 5
Financial rating agencies recognize the solidity of Group fundamentals	page 6
“100% sustainable finance” strategy	page 6
Supporting the green transition and boosting economic, social and industrial vitality in France’s regions	page 7
Strengthening employee relations	page 7
Non-financial rating agencies recognize the Group’s performance	page 8
<b>Outlook for year-end 2023</b>	<b>page 8</b>
<b>Overview: first half of 2023</b>	<b>page 9</b>
Change in revenues between H1 2023 and H1 2022	page 9
1. PASSENGER TRANSPORT	page 9
1.1. SNCF VOYAGEURS	page 9
1.1.1 High-speed rail in France	page 9
1.1.2 High-speed rail outside France	page 10
1.1.3 Tendered rail transport—Transilien, TER & Intercités	page 10
1.2. KEOLIS	page 10
2. FREIGHT TRANSPORT AND LOGISTICS	page 11
2.1. GEODIS	page 11
2.2. Rail Logistics Europe	page 11
3. INFRASTRUCTURE MANAGERS	page 11
3.1. SNCF RESEAU	page 11
3.2. SNCF Gares & Connexions	page 12

## KEY FIGURES: H1 2023

CONSOLIDATED DATA (IFRS) IN € MILLIONS	H1 2023	H1 2022
<b>Revenue</b>	<b>20,723</b>	20270
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	-0.1%	
<b>EBITDA</b>	<b>2,771</b>	2983
<i>As % of revenue</i>	13.4%	14.7%
Recurring net profit (attributable to equity holders of the parent company)	165	899
<b>Net profit, Group share</b>	<b>158</b>	928
<b>Investments (all funding sources combined)</b>	<b>-4,637</b>	-4342
<i>Incl. net investments financed by SNCF</i>	1164:	-1053
Free cash flow, SNCF group	2663	1064
<b>Net indebtedness, SNCF Group</b>	23893	24314

SNCF Group's consolidated financial statements at 30 June 2023 have been audited. The review procedures have been finalized and the report is being prepared. It will once again include the auditors' qualified opinion in respect of the carrying amount of the Infrastructure cash-generating unit's assets and the amount of deferred tax assets.

€ MILLIONS	REVENUE	EBITDA	EBITDA / REVENUE
<b>SNCF Réseau</b>	3610	731	20.2%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	+2.4%		
<b>SNCF Gares &amp; Connexions</b>	882	176	20.0%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	+8.3%		
<b>SNCF Voyageurs</b>	9334	977	10.5%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	+11.3%		
<b>Keolis</b>	3488	290	8.3%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	+7.3%		
<b>Rail Logistics Europe (incl Fret SNCF)</b>	838	28	3.4%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	-3.6%		
<b>Geodis</b>	5934	589	9.9%
<i>Change H1 2023 / H1 2022 (CS&amp;ER)</i>	-19.7%		
Other & inter-segment eliminations	-3363	-21	
<b>Total</b>	<b>20723</b>	<b>2771</b>	<b>13.4%</b>

CS&ER: Change at constant scope of consolidation and exchange rates

SNCF Group's H1 2023 financial report will be available at: [sncf.com/fr/groupe/finance](https://sncf.com/fr/groupe/finance)

## FINANCIAL AND NON-FINANCIAL PERFORMANCE IN THE FIRST HALF OF 2023

### Strict management of financial performance

- **Business was steady, with total Group revenue rising +2.2% to €20.7bn.** At constant scope of consolidation and exchange rates, business was unchanged from H1 2022. The Group achieved these results in a challenging economic and labour environment, illustrating the relevance of a diversified portfolio of businesses that can withstand external shocks:
  - **SNCF Voyageurs reported historic rail ridership levels.** Rail proved its **appeal** for commuter transport and for high-speed travel in France and beyond, with TGV-Intercités up +10% over H1 2022; TGV Europe (including Eurostar) up +40% / TER: +18% / Transilien +5% / Intercités +2.5%). **At SNCF Voyageurs, revenue was up +11.3% (including a +21% rise for TGV) over H1 2022**, which felt the lingering effects of Covid-19 in the first quarter.
  - In the public contracts market, SNCF Voyageurs signed **several deals with transport authorities** (in the Paris, Occitanie and Nouvelle-Aquitaine regions) and won tenders for TER service in the Hauts-de-France and Pays de la Loire regions.
  - Meanwhile, **KEOLIS continued to benefit from positive trends in mass transit, with business up +7.3%** over H1 2022. KEOLIS also won an Île-de-France Mobilités tender to operate metro lines 16 and 17 of the Grand Paris Express, and continued to grow its business internationally, with gains in Sweden, the Netherlands and the United States.
  - In line with the broader logistics market, GEODIS reported a -12% drop in revenue (-20% at constant scope of consolidation and exchange rates) as volumes dropped in response to the worldwide economic slowdown and normalization of rates for air and sea freight.
  - Rail freight felt the double impact of strikes in France and reduced production by industrial customers, with revenue down -3.6% from H1 2022.

At SNCF Réseau, revenue was down (-0.8% excluding electricity costs and +2.4% over H1 2022 at constant scope of consolidation and exchange rates. Traffic was down sharply (-9%) in Q1 due to the national strike.
- **Group margins held steady:**
  - EBITDA reached €2.8bn, with EBITDA/revenue at 13.4% vs 14.7% for H2 2022. Without Q1 strikes, EBITDA would be €3.2bn, or 15.3% of revenue.
  - **The Group successfully absorbed inflation's significant impact on expenses, thanks to its proactive sales strategy and deployment of its performance and productivity plan.** Cost-cutting at structural, industrial and project levels **contributed to competitiveness gains of €390m** in H1 2023, a major step towards achieving the €650m full-year goal for 2023.
  - **GEODIS preserved its freight transport margins** despite lower volumes, thanks to its diversified business portfolio and successful productivity efforts targeting prices and costs. Rail freight felt the double impact of industrial action in France and cutbacks in production by industrial customers.
  - Even so, social unrest in response to France's national pension reform took a toll on performance, reducing revenue by €500m and EBITDA by €400m.
- **The Group re-affirmed its ability to generate profits, despite a challenging economy, inflation and the Q1 strike:**
  - **with net profit of €158m versus €928m in H1 2022.**
  - This figure is down €350m due to non-cash accounting requirements: provisions for future employee benefit payments were re-evaluated to reflect salary increases agreed in 2022 and higher interest rates.
- **Thanks to this strong performance, the Group continues to grow while honouring its financial commitments:**
  - **Group investments reached €4.6bn in H1 2023**, with one-quarter financed by SNCF Group and **97% made in France**. In line with its strategy, the Group prioritized investments that advance the green transition, with **the majority funding core projects to regenerate and modernize the rail network**

**and stations.** A total of €2.44bn went to the rail network; €420m to stations; €1.55bn to rolling stock and operations facilities at SNCF Voyageurs, including 54 new trainsets; and €200m in rolling stock powered by electricity or natural gas (NGVs) for KEOLIS, GEODIS and Captrain.

- The Group generated positive free cash flow of €2.7bn at 30 June 2023, up from €1.1bn in H1 2022, thanks to its robust business activity and strict management. In H1, SNCF Réseau received the remaining €0.6bn in the French State's rail recovery plan, designed to maintain investment momentum in the wake of the COVID crisis in 2020 and 2021. In addition, the French State declined to take €0.8M in dividends, which were returned to SNCF Réseau in late June to support improvements to the rail network. **This puts the Group in a strong position to report positive cash flow at year-end.**
- **GEODIS' acquisition of Trans-o-flex, a German specialist in pharmaceutical transport, was entirely financed by SNCF Group,** in line with its strategy to self-fund all transactions outside its core rail business.
- **The Group continued to reduce debt,** thanks to robust business activity and strict management. **Net debt fell to €23.9bn,** down -€0.4bn from 30 June 2022 and -€0.5bn from 31 December 2022. **Bottom line: the Group continued its return to a financially sound, sustainable footing.**

### Financial rating agencies recognize the solidity of Group fundamentals

France's sovereign downgrade to "AA-/Stable" by Fitch Ratings in April 2023 automatically resulted in downgrades for government-related entities, including SNCF Réseau. **SNCF Group,** which now shares the same rating as the French State, **retained its "AA-" rating, but its outlook improved from "negative" to "stable".**

Standard & Poor's confirmed SNCF Group's "AA-/Negative" rating until the next review at year-end 2023.

**Thanks to the Group's steady ratings, it retains all existing latitude in terms of financing.**

### SNCF Group continues to pursue its "100% sustainable finance" strategy,

**which calls for converting all of its financial products—debt, investments and more—to responsible investment criteria by 2025.**

In H1 2023, the Group raised €1.5bn in two transactions:

- a 10-year fixed-rate public issue totalling €1.25bn;
- a 10-year fixed-rate issue in Swiss francs totalling CHF 275m;

Finally, after June's financial close, the Group made an innovative private placement. In a worldwide first, SNCF issued a 12-year €300m charity bond benefiting the Paris Hospital Foundation.

**All of these issues qualify as green bonds.**

**Non-financial performance: SNCF Group pursued its non-financial strategy supporting the green transition and boosting economic, social and industrial vitality in France's regions.**

## **1. Investing in renewable energies**

SNCF Group is now a solar energy producer, through its new subsidiary SNCF Renouvelables, launched in July 2023. This venture will meet the Group's growing strategic need for affordable decarbonized electricity while monetizing its property portfolio. **Its goals are very ambitious: by 2030, SNCF Renouvelables aims to install photovoltaic panels on 1,000 hectares, meeting the equivalent of 15%-20% of the Group's current demand** for electricity. Work will begin this year on some 30 sites of varying sizes in several French regions, with solar arrays mounted on the ground, on rooftops and on canopies in car parks. The project will involve local authorities and boost the vitality of their communities. It will also support a broader national effort to make France more energy-independent.

## **2. Cutting energy consumption**

SNCF continues to **promote energy efficiency**. The action plan launched in autumn 2022 has delivered results. Buildings on the Group's tertiary campus in Saint-Denis have cut consumption by 20% in one year. Under new measures rolled out this summer, air conditioning starts at 26°C.

## **3. Fueling growth in the circular economy**

Industrial-scale recycling and re-use of SNCF workwear will soon be a reality. Starting this autumn, old uniforms worn by SNCF's 24,000 customer-facing employees will be converted into raw materials for textile and plastics recycling by Nouvelles Fibres Textiles at its plant in France.

## **4. Promoting biodiversity**

SNCF Réseau is experimenting with new solutions that let animals in local ecosystems cross its tracks safely. The biggest challenge is to find customized strategies that suit each locality and its environment. In the Rhône Delta, for example, SNCF Réseau is testing hollow sleepers that allow amphibians to make their way safely across train lines. Launched in 2023, the experiment is the first of its kind in Europe.

## **Strengthening employee relations**

**In H1 2023 SNCF added over 8,500 permanent employees in France**, hiring both white- and blue-collar staff. Recruitment focused primarily on technical jobs in civil, electrical and mechanical engineering, and on IT expertise. This brought the Group's workforce in France to 215,000 at 30 June 2023, **bolstering its position as a leading French employer**.

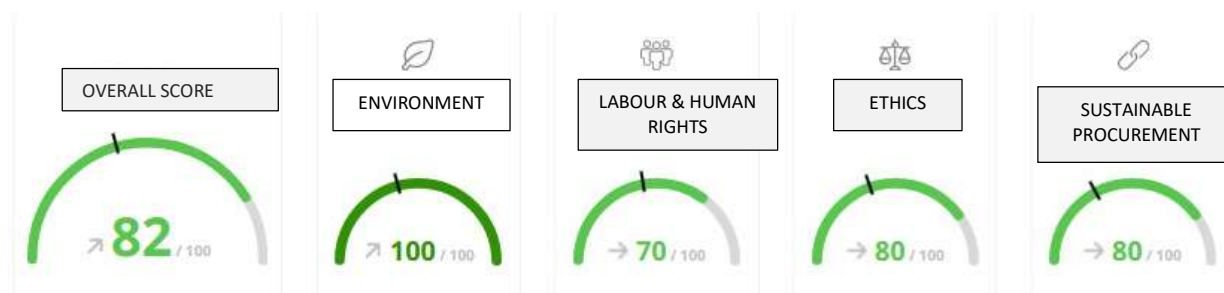
### **SNCF remains committed to its employees.**

- In May the Group held a **round table on compensation** to adjust last year's significant salary measures in light of the Group's economic and labour position. **On average, rail worker salaries rose by nearly +6% in both 2022 and 2023 to offset the effects of inflation**. The talks focused on adjusting variable pay components and increasing the recognition of seniority in salary scales.
- The Group created a €400 Sustainable Mobility Pass and is covering 75% of employees' public transport costs to help decarbonize travel between home and work.
- SNCF plans to expand health and death/disability coverage to any staff under legacy railway worker status or an employment agreement. The June talks produced an agreement on method that was signed in July by the majority of unions representing SNCF employees. It defines the framework and major components of the additional coverage set for rollout in January 2025.
- **The SNCF&moi programme, a component of the Group's *Tous SNCF* corporate strategy, has kicked off an initiative to optimize the daily work experience for all employees**. Focus areas include work/life balance, day-to-day working conditions, career development and civic engagement. Some 30 measures have been or are being deployed.
- **The SNCF Foundation expanded its efforts to help young people find their place in society**. In H1 2023 the Foundation held its first Youth Outreach Days, with 220 Group employees providing coaching to 260 young people from across France. In all, 7,000 employees already participate in SNCF's skill-sharing programme. The

Foundation also opened its governance to the young people it serves, placing 28 of them on its project-approval committees.

## Non-financial rating agencies recognize the Group's performance

EcoVadis rated SNCF 82/100, up +3 points from 2022, placing the Group in the top 1% of companies evaluated. With a score above 78/100, the Group earned EcoVadis' Platinum rating.



## OUTLOOK FOR YEAR-END 2023

**Today's geopolitics and deteriorating macroeconomic environment present risks for the second half of 2023.**

Recent publications by economic forecasting institutes agree with the latest central scenario from the Bank of France. These projections call for inflation to peak above 5% in mid-2023, fall back to 2.4% in 2024, and stabilize at 2% in 2025.

Projections for 2023 GDP growth in France are still low at around 0.7%, due primarily to sluggish household consumption of -0.1%.

In H2 2023, the Group will continue to manage its key challenges: structural increases in post-crisis energy costs, rising costs for engineering works due to inflation, and ongoing economic uncertainty. Management will continue guiding the Group to keep its financial structure in balance while continuing to invest for the future.

## THE FIRST HALF OF 2023

Change in revenues between H1 2022 and H1 2023

(€ bn and % at constant scope of consolidation and exchange rates)



Group results were buoyed by robust trends in passenger transport, which captured the additional demand in France and beyond. Its logistics business returned to pre-Covid volumes and freight rates.

### 1. PASSENGER TRANSPORT

#### 1.1. SNCF VOYAGEURS

Ridership continued to rise at SNCF Voyageurs, reflecting the strong appeal of rail for commuting and high-speed leisure travel in France and other European countries. SNCF Voyageurs has continued to expand its offer to win even more business as the market opens to competition.

Revenue was up +11.3% over H1 2022.

Energy price increases were tempered by a hedging strategy for energy purchases and special authorization to increase output volumes granted under ARENH, France's regulated programme for access to nuclear power.

##### 1.1.1. HIGH-SPEED RAIL IN FRANCE

The high-speed TGV segment benefited from French consumers' enthusiasm for long-distance rail travel, reflected in rising occupancy rates. TGV Intercités ridership was up +10% over H1 2022, which felt the lingering effects of Covid-19 in the first quarter.

The TGV segment continued its energetic sales strategy, which pushed revenue up +21% over H1 2022. The Avantage card's special offers and discount prices have been a success, attracting over 4.5 million cardholders. In summer 2023, one TGV ticket in two is priced under €45. A fare cap introduced in January 2023 has limited the

average increase in TGV ticket prices to 5% for the year. Meanwhile, SNCF Voyageurs was hit with a 13% rise in costs for TGV operations, which are not subsidized. Among other provisions, the fare cap rules out any increases in the minimum fares for TGV INOUI and OUIGO travel.

TGV costs still carry the burden of significant inflation, in particular for electricity.

Furthermore, **profits from the Group's TGV business are used exclusively to finance the rail system**, in particular through payment of track access fees and investment in new high-speed rolling stock.

OUIGO, **the world's only high-speed, low-cost rail offer**, is now celebrating its tenth anniversary. In late 2022, it began serving new destinations, adding Paris – Perpignan, Brest and La Rochelle to its roster.

**OUIGO now accounts for 20% of SNCF Voyageurs' high-speed offer, with one in two tickets on sale at under €25.**

## 1.1.2. HIGH-SPEED RAIL OUTSIDE FRANCE

**The market for travel to other European countries was buoyant, thanks to returning Eurostar and Thalys customers.** In 2022, Eurostar and Thalys merged to form Eurostar Group, a new provider of sustainable high-speed mobility for Europe. This joint entity unveiled its new brand in January 2023 and continues to revamp its structures.

SNCF Voyageurs has expanded further in Spain, opening a new OUIGO service for Madrid-Albacete-Alicante. **Launched in 2021, OUIGO España has carried over 5 million passengers in two years.**

## 1.1.3. TENDERED RAIL TRANSPORT—TRANSILIEN, TER & INTERCITÉS

**Enthusiasm for rail travel boosted ridership for the Group's tendered transport activities**, with Transilien up +5% and TER up +18% over H1 2022.

**SNCF Voyageurs continued to sign contracts with transport organizing authorities, scoring new wins in TER tenders offered by French regional governments:**

- **Hauts-de-France:** In March 2023, SNCF Voyageurs was chosen to operate the Etoile d'Amiens lines for nine years starting in 2025, under a 2020 tender.
- In March SNCF Voyageurs won a new operating agreement in Occitanie for 2023-2032, and in July it received another from the Nouvelle-Aquitaine region for 2024-2030.
- **Pays-de-Loire:** in May an amendment to the 2022-2031 operating agreement was signed, setting out a financial roadmap for 2025-2031. SNCF Voyageurs won the South Loire tram-train lot under a 2020 tender.
- Paris region: in addition to a two-year amendment to the operating contract signed in late 2022, in July 2023 Île-de-France Mobilités extended a multi-year Transilien investment programming agreement with SNCF Voyageurs through 2025.

**This summer's discounted Intercités ticket offer, with the French transport ministry as transport organizing authority, underscored the success of the aggressive sales strategy launched in Q1 2023**, with significant bookings on all lines, and particularly for night trains.

## 1.2. KEOLIS

**Business up amid major contract wins**

**Revenue reached €3.5 billion, up +7.3% from H1 2022.** In France, KEOLIS won bus and metro contracts in the Paris region, including lines 16 and 17 of Grand Paris Express.

**In Northern Europe, KEOLIS scored commercial successes**, winning a ten-year, €600m contract to operate and maintain a 54-line bus network in Stockholm (Sweden) that will take effect in August 2024. Electric buses serve 80% of the kilometres covered, with biodiesel buses accounting for the remainder. The mass transit specialist also won a 13-year, €150m rail contract in the Netherlands. **In the United States, KEOLIS was awarded two bus contracts in the Los Angeles region.**

The SNCF subsidiary proved its adaptability, countering rising energy prices with major cost-control efforts. KEOLIS also signed two contracts with Urbasolar, a French photovoltaic energy specialist. The move supplements the company's renewable energy supply and underscores its commitment to the energy transition.

## FREIGHT TRANSPORT AND LOGISTICS

### 1.3. GEODIS

#### **GEODIS boosts profitability despite a challenging international environment.**

Revenue came to **€5.9bn**, down **-12%** from H1 2022, and down **-20%** at constant scope of consolidation and exchange rates. Meanwhile, the company's EBITDA/revenue ratio rose **9%-10%** between H1 2022 and H1 2023.

As with other players in the market, the global economic slowdown resulted in **declining volumes**, which affected all GEODIS activities. The impact was particularly marked in freight forwarding, with air down **-19%**, sea down **-14%** and a particularly marked decline in road transport, especially at GRN (formerly Pekaes). In France, strikes made these trends even more pronounced.

Yet rate increases to offset rising energy prices and structural costs remained limited and failed to compensate these entirely.

Despite a decline in sales volumes, **GEODIS preserved its margins**, thanks to resilience from its diverse business portfolio and successful efforts to contain costs.

**Contract logistics**, buoyed by the recent acquisition of US-based Need It Now Delivers, put in a strong showing thanks to retail sales and consumer products in the United States. In other signs of its thriving business, GEODIS opened a cross-dock facility for French housewares retailer Conforama in Poland; new multi-user warehouses in Shanghai and Mexico City; and a new Coventry, UK-based eLogistics site for e-retailers interested in outsourcing their logistics operations.

Also in H1 2023, GEODIS finalized several acquisitions: **Trans-o-flex**, a German specialist in temperature-controlled transport for pharmaceutical products; **ITS**, a Swiss freight forwarder; **Southern Companies**, a transport provider serving ports in the US; and **Transports Devoluy**, a freight transporter in south-eastern France.

### 1.4. Rail Logistics Europe (RLE)

Revenue for the Group's rail freight logistics specialist was down **-3.6%** from H1 2022.

This was due primarily to strikes against national pension reform in France, which took a heavy toll on business in France and some cross-border traffic.

In addition, rail motorways have suffered from engineering works on the rail network, which require shorter trains and/or longer travel times.

For RLE's Captrain subsidiaries, which form a network across Europe, business volumes are not consistent from one market to the next, but provide resilience in unfavourable macroeconomic conditions.

In H1 2023, the company announced plans to restructure Fret SNCF in response to a European Commission investigation, opened in January 2023, into state aid received by Fret SNCF between 2007 and 2019. In the Commission's view, this aid distorted competition on the rail freight market. A discontinuity plan for the business unit must be deployed to preserve most of Fret SNCF's operational assets and prevent a reverse modal shift from rail to road, while still complying with the Commission's requirements.

## 2. INFRASTRUCTURE MANAGERS

### 2.1. SNCF RÉSEAU

Revenue was down **-0.8%** excluding electricity costs, but up **+2.4%** over H1 2022 at constant scope of consolidation and exchange rates. Traffic was down sharply (**-9%**) in Q1 due to industrial action.

Planned investments in the rail network continue, with 1,500 project sites throughout France. These include:

- **continued work on EOLE**. Since June, this ongoing project has linked the east side of the Paris region with the west side;
- **completion of the first phase of engineering works on the Lyon-Turin rail link**;
- **deployment of a new centralized network command unit in Hauts-de-France** for the 125 km of line making up the Douai railway node.
- signalling work: **the Angoulême-Saintes-Royan line was reopened**.

## 2.2. SNCF GARES & CONNEXIONS

**At SNCF Gares & Connexions, revenue was up +8.3% over H1 2022.** In-station services invoiced to rail transport providers rose a strong +10%, and rental income from in-station retail outlets also showed robust growth, with retailers' business volumes rising more than 10%. This was due to high volumes in stations and was achieved despite labour disputes.

Stations continued to **modernize to provide better accessibility and useful, efficient services for passengers.**

## ABOUT SNCF GROUP

SNCF Group is a global leader in passenger and freight transport services, including management of the French rail network. Its revenue totalled €41.4 billion in 2022, with international markets accounting for nearly 40%. The Group covers 170 countries and has 276,000 employees, with over half in its core rail business and nearly 210,000 working in France. The Group consists of a parent (SNCF) and five subsidiaries: SNCF RÉSEAU (management, operation and maintenance of the French rail network, plus railway engineering) with its own subsidiary SNCF GARES & CONNEXIONS (station design, management and development); SNCF VOYAGEURS and its subsidiaries Transilien (mass transit in the Paris region), TER (regional rail) and INTERCITÉS, TGV INOUI, OUIGO (long-distance rail), Eurostar-Thalys, Aléo and Lyria (international rail), and SNCF Connect (distribution); KEOLIS (a global operator of urban, suburban and regional mass transit systems); Rail Logistics Europe (rail freight); and GEODIS (freight transport and logistics solutions). SNCF Group works closely with customers—passengers, local authorities, shippers and railway operators using SNCF Réseau services—and with local communities, building on its expertise in all aspects of rail and all types of transport, and working towards a dynamic, caring, sustainable society. Learn more at [sncf.com](https://www.sncf.com).

### GROUP FINANCIAL COMMUNICATIONS:

**AXEL BAVIERE** : +33 (0)6 34 21 25 97 / [axel.baviere@sncf.fr](mailto:axel.baviere@sncf.fr) / [finance@sncf.fr](mailto:finance@sncf.fr)

**PRESS OFFICE**: +33 (0)1 85 07 89 89 / [servicedepresse@sncf.fr](mailto:servicedepresse@sncf.fr)