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PRESS RELEASE – LA PLAINE SAINT-DENIS, 28 JULY 2022

SNCF GROUP 2022 HALF-YEAR RESULTS

H1 2022 results are encouraging:

SNCF Group has rallied around a sound, ambitious strategy and is meeting its financial commitments despite challenging conditions in the wider economy

- €20.3 billion in revenue (+27% from H1 2021 and +14% from H1 2019), thanks to a diversified business model and a successful sales strategy that has taken full advantage of a rebound in demand
- EBITDA up 120% compared with H1 2021 (+2.6% from H1 2019) and net profit of €0.9 million
- €4.3 billion invested to accelerate network upgrades and modernization
- Positive free cash flow of €1.1 billion

SUMMARY

- SNCF Group's H1 2022 results are encouraging: **SNCF Group is on track to meet its financial commitments under the rail reform of 2018**, despite deteriorating economic and geopolitical conditions.
- These strong results reflect the **robustness of a model grounded in a diverse portfolio of businesses**. At **SNCF Voyageurs**, passenger rail traffic has **bounced back** since March, both for commuting and for high-speed leisure travel in France and beyond, despite the new surge in Covid-19 cases at the beginning of the year. **GEODIS continued to deliver high growth, confirming its role as the Group's second mainstay**.
- **Robust performances by these two businesses contributed to a significant rise in EBITDA, which came to €3.0 billion**, up €1.6 billion over H1 2021. The Group's EBITDA/revenue stands at 14.7%, a marked improvement over H1 2021 (8.7%) but still below H1 2019 (€16.3%).
- **The Group continued to make significant investments (€4.3 billion** in H1 2022, all funding sources combined), focusing largely on core projects to upgrade and modernize the rail network and stations.
- **Free cash flow was positive at the end of H1**, thanks in part to follow-through on the Group's ambitious performance plans.
- SNCF Group is a vital player in the ecological transition, and corporate social responsibility (CSR) is central to its strategy. SNCF's purpose—**"Working towards a dynamic, caring, sustainable society"**—has therefore been incorporated into its corporate articles, along with its commitments.
- The Group's businesses should prove resilient through the end of 2022 despite rising inflation. In 2023, SNCF Group will focus closely on the impact of deteriorating macro-economic conditions on its financial position.

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

Our H1 2022 results reflect the Group's resilience and adaptability in a period that continued to feel the effects of the Covid-19 pandemic and inflationary pressure. I want to recognize the work of all our employees, whose day-to-day commitment contributes to this strong showing.

It's important to point out that these results are in line with our commitment to the French State, our sole shareholder, under the rail reform of 2018. The transfer of €35 billion in debt to the State was contingent on a turnaround in our financial trajectory, with the goal of reaching positive cash flow by 2022. Today we are on our way to reaching that goal, despite deteriorating economic and geopolitical conditions.

Although we continue to keep a close eye on our financial trajectory, we have taken steps to boost the purchasing power of our employees, in particular at the lowest pay levels.

Given the uncertain economic outlook, however, we remain cautious, especially regarding 2023, which is expected to bring much higher costs for energy and engineering works."

H1 2022 — CLOSE-UP

Freight transport and logistics continued to perform very well, while passenger transport has trended upward since March

Freight transport and logistics

The Group's logistics and freight transport activities reaffirmed their value as strategic growth drivers.

At GEODIS, revenue was up 34% from H1 2021 (+67% from H1 2019), buoyed by freight forwarding, distribution & express delivery and road transport. Contract logistics continued to expand rapidly, especially in the United States, even though cost inflation put pressure on its margins. Pekaes, Gandon and Perrier, acquired in 2021, contributed to positive momentum in France and Poland, and in H1 2022 GEODIS acquired de Keppel Logistics (after June's financial close), strengthening its position in the contract logistics industry in the Asia-Pacific region, especially in Singapore. In road transport, a new road-rail line was launched between France and Italy in H1 2022.

RAIL LOGISTICS EUROPE (RLE) reported a satisfactory performance, with revenue up +6.8% from H1 2021.

Passenger transport

Although the Omicron surge took a toll on passenger traffic in early 2022, SNCF Voyageurs saw a sharp rebound starting in March, with revenue up 36% from H1 2021, but was still 4% below its H1 2019 level. This was particularly evident in high-speed rail, both in France and internationally.

Results varied by type of customer. Demand for leisure travel rose a steep +57% over H1 2021 and was +8% above H1 2019, which predated the Covid-19 crisis. Though business travel is still down from 2019 (-10%), SNCF Voyageurs has experienced a return of these customers since spring 2022 and is watching to see whether this trend continues in the autumn.

Even so, the high-speed rail model must be strengthened to reach a sustainable breakeven point for all destinations, amid continued economic uncertainty in coming months.

SNCF Voyageurs continues to expand its offer to maintain its appeal as the market opens to competition. TGV-Intercités has pursued an energetic sales strategy, encouraging passengers to return to rail after the latest Covid surge with special offers and price ceilings for Avantage card holders. SNCF Voyageurs also aims to win new customers by expanding its offer. Additions include the new OUIGO Train Classique offer, serving the Paris-Lyon and Paris-Nantes lines since the spring.

On international markets, H1 2022 highlights included the **arrival of Eurostar Group, a new contender offering sustainable high-speed mobility in Europe.** Created by the merger of Eurostar and Thalys, it aims to carry 30 million passengers a year within a decade, up from 19 million in 2019. In H1 2022, demand in Europe proved dynamic, including the return of most Eurostar and Thalys customers. Over this period, SNCF Voyageurs also celebrated the **first anniversary of OUIGO Spain**—an opportunity to make a preliminary assessment of its performance. **With**

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occupancy rates averaging above 90% and 2 million passengers carried in just one year, the offer has scored a clear success.

Contract transport activities also reported strong showings, with ridership up +53% over H1 2021 for TER and +38% for Transilien. The Pays de la Loire and Centre-Val de Loire regions renewed their TER contracts for the period 2022-2031.

For 2022 as a whole, the Group is largely shielded from rising energy prices, thanks to a special agreement securing additional power resources under the ARENH (Regulated Access to Historic Nuclear Electricity) mechanism, which partially limits the effects of higher energy costs. But rising costs in coming months and years will present a challenge to the business model of every SNCF company.

KEOLIS: ridership rebound continues. The mass transit specialist showed its adaptability, countering the residual effects of the Covid-19 crisis and rising energy prices with major cost-control efforts. Revenue was up 8% from H1 2021, and +2% from H1 2019. KEOLIS strengthened its market positions by winning renewal of an eight-year, €2.2 billion contract with the Bordeaux Metropolitan Council, new contracts with the cities of Perpignan and Valenciennes, and four sections of the Paris region's Optile bus network, serving Seine Sénart, Brie, Vélizy, and Etampes Dourdan. On international markets, KEOLIS scored commercial successes in Sweden and Denmark. It also won a three-year renewal of its contract to operate London's Govia Thameslink Railway with its partner Go-Ahead, and renewal of its contract to operate and maintain the driverless metro network in Hyderabad, India. Other highlights included the successful launch of Dubai's transport network, with record ridership for the Universal Exposition, which closed in March 2022.

[Infrastructure manager](#)

[As traffic has resumed, revenue has rebounded for infrastructure managers](#)

Reflecting the upturn in passenger traffic since March, **SNCF Réseau's revenue is up 14% from H1 2021 and 7% from H1 2019.**

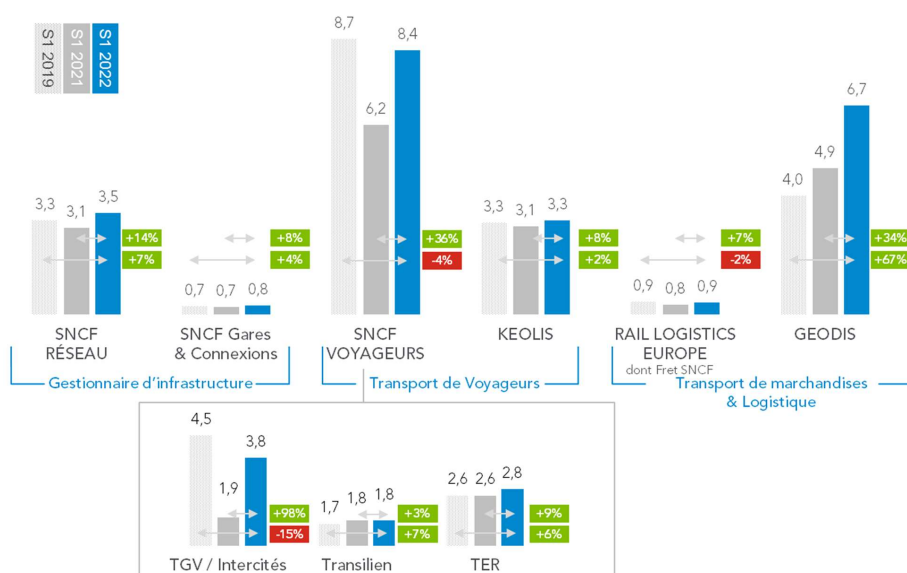
In April, SNCF Réseau signed a 2021-2031 performance agreement with the French State. The aim is to deliver better service quality to all customers by upgrading and modernizing the French rail network over the long term. The accord also reaffirms the goal of bringing cash flow back into balance by 2024.

SNCF Gares & Connexions also signed its first contract with the French State in April, covering 2021-2026. This accord covers four targets: (1) deliver quality customer service to promote transparent, non-discriminatory development of rail transport, (2) transform stations to increase efficiency and customer satisfaction, (3) respond to new challenges to make stations more eco-friendly and (4) apply a sustainable business model to Gares & Connexions. Although revenue from in-station businesses has rebounded, it is still below pre-Covid levels. **Total revenue for SNCF Gares & Connexions was up 8% from H1 2021 and 4% from H1 2019.**

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Change in H1 revenues in 2019, 2021 and 2022 (€ bn and %)



Massive investment programme continues

Investments totalled **€4.3bn** in the first half of the year including all sources of funding (figure includes €1.1bn in own funds), and targeted ongoing upgrades of rail infrastructure and rolling stock.

SNCF Réseau invested heavily, with **€2.5bn** for renovation and upgrades—a level comparable to that reported at the end of June 2021. This included €1.3bn in continued funding of regeneration and €0.6bn for major engineering works, with key projects including Eole, the westward extension of RER line E serving suburban Paris, and the Charles de Gaulle Express, a direct rail link between Paris-Est station and Charles-de-Gaulle airport.

In addition to massive spending on rail infrastructure, **€1.8bn** was invested in other Group companies' operations (including all sources of funding). Over half was by SNCF Voyageurs for the acquisition of new rolling stock—63 units in all, including 51 Transilien trainsets for Paris Region commuter service, 10 TER trainsets for other regional services, and 2 TGV Océane high-speed trainsets—and renovation of existing equipment.

SNCF Group pursues focus on performance and productivity

The Group is actively pursuing efforts to improve its performance and productivity through cost-cutting at all levels—structural, industrial and projects. Together these efforts led to **savings of €360 million in the first half of 2022**, or 55% of its €660 million full-year target.

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H1 2022 at a glance—an encouraging financial performance

Revenue bounced back to €20.3 billion, up +27% from H1 2021 and +14% from H1 2019, fueled by a strong showing in Logistics and Freight as well as the steep surge in passenger rail.

EBITDA stood at €3.0 bn, up €1.6 bn from H1 2021. EBITDA/revenue came to 14.7%.

This strong overall performance generated a positive €1.1 bn in cash flow and €928 million in profit despite lingering fallout from the pandemic at the beginning of the year.

The Group's total net indebtedness was -€24.3 bn, down €12 bn from the end of 2021, reflecting in particular the transfer of the second tranche of debt (€10 bn) from SNCF Réseau to the State, effective 1 January 2022.

This satisfactory showing means the Group is on track to meet the commitments it made under the rail reform adopted in 2018, which include:

- Positive free cash flow from 2022
- FFO¹ / Net indebtedness > 10% from 2022
- Net indebtedness / EBITDA < 6x from 2023

Standard & Poor's (S&P) recognized the Group's strong performance by confirming SNCF SA's AA- rating on 16 June and revising its outlook from "negative" to "stable" (Stable Outlook)². S&P based its revision on the recovery in passenger traffic (in particular high-speed rail), the very strong showing in logistics, and measures aimed at cutting costs and mitigating inflationary pressures. It also highlighted SNCF's control of its debt trajectory thanks to asset sales and State support, as well as the Group's capacity to meet its financial commitments.

This position testifies to SNCF's resilience amid the pandemic, at a time when many other transport specialists facing the same challenges saw their ratings downgraded.

The Group accelerated deployment of its CSR roadmap, in keeping with its aim of becoming the world leader in sustainable mobility.

In the first half of 2022, SNCF Group took a major step forward by making its corporate purpose—"Working towards a dynamic, caring, sustainable society"—an integral part of its articles.

Doing so confirms the Group's vital role and responsibility to society as a whole, opening a new stage in its governance—an approach that places care for the planet and social engagement at very heart of its management priorities. Initial fundamental decisions have been made, including the introduction of an internal carbon pricing mechanism to calculate tons of CO₂ avoided and prioritize investment projects that serve the ecological transition.

At the same time, the Group is stepping up the pace of its own energy transition by actively pursuing a number of strategic choices:

- **Ramping up energy-saving measures** by deploying new practices that use less power (eco-driving and eco-parking) while focusing on investment programmes that revisit energy practices, phasing out oil-fired boilers, replacing standard lighting with LEDs, and more.
- **Continued focus on solar power**, including, for example, rollout of an initial set-up of solar panels by SNCF Gares & Connexions atop 156 shelters that provide shade in station parking areas. Plans call for a total of 1.1 million sq m panels to be installed at station premises by 2030.
- **Accelerated greening of equipment and vehicles**, including the unveiling of France's first electric/thermal/battery-powered hybrid train by SNCF Voyageurs and Alstom. Equipped with a system that recovers and reuses energy produced in braking, this pioneering unit runs on 20% less energy than standard rolling stock. In another example, GEODIS has announced plans to team up with Renault Trucks to develop a new electric van custom-designed for urban deliveries, and signed an order for 120 more natural gas-powered vehicles to handle last-mile deliveries in city centres, raising the total number to 320. The new units use compressed natural gas.

¹ FFO = EBITDA – charges d'intérêts – impôts et taxes

² SNCF SA avait été placé sous surveillance négative (« Negative credit watch ») en juillet 2020 par S&P compte tenu de l'impact de la crise sanitaire sur le Groupe. Cette orientation impliquait un risque de rétrogradation de la note de SNCF dans une période de 6 à 12 mois, avec des conséquences négatives pour le Groupe sur le coût de ses financements.

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- **Expanding the circular economy's role** in Group operations and processes. Example: in the first six months of 2022, SNCF Voyageurs recycled over 600 decommissioned train carriages/locomotives, recovering more than 30,000 metric tonnes of steel and 3,000 tonnes of copper, while generating significant savings in maintenance through massive re-use of parts. A fifth plant for dismantling end-of-life rolling stock was opened in Grémonville in early 2022, with two more set to start up in autumn 2022 in Saintes and Romilly. Over time these will create 400 rail recycling jobs in French regions.

SNCF remains committed to social issues:

- **The Group has taken robust measures to protect employee purchasing power. In line with its commitments, in early July 2022, SNCF organized a round table to take stock of changes in the economy and their impact on employees and the company.** Given the rapid rise in inflation, and after discussions with trade unions, management announced a package of exceptional measures on top of those already adopted during annual salary negotiations in 2022. Altogether, these provide for an increase of 3.7% for the lowest salaries and 2.2% for executives (median increase: 3.1%). Coming on the heels of a 2.7% increase agreed at the beginning of 2022, this represents a year-to-date rise of around +5.8%. A fresh round of annual negotiations on pay is also scheduled to get under way at the end of the year.
- **At the same time, SNCF&Moi** has been expanded to incorporate employee input and discussion of key issues such as work-life balance. SNCF&Moi is an integral part of the Group's *Tous SNCF* ("All SNCF") programme designed to promote employee satisfaction and engagement. Both are key contributors to collective performance at a time of transformational changes that include market liberalization, a demanding financial trajectory, the end to prior employee categories, and more.
- **Lastly, SNCF's CSR efforts and strategy have been recognized by Moody's ESG (formerly Vigeo Eiris),** which upgraded the Group's extra-financial rating to 77/100, 3 points higher than in 2021. **SNCF thus shares first place worldwide, all business sectors combined. EcoVadis rated SNCF 79/100, up 2 points from 2021,** placing the Group in the top 1% of companies in rail transport.

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OUTLOOK FOR YEAR-END 2022

The Group and its businesses have demonstrated resilience in 2022, but will face tougher conditions and a worsening environment in 2023.

The outlook for SNCF Voyageurs and Logistics operations is bright for the end of the year:

- **In passenger rail, summer bookings have been high**, exceeding 2019 levels by 10% for some destinations. The company has put all of its trainsets into service to run over 800 TGV and Intercités trains a day during peak departure periods.
- **GEODIS reports robust activity for all business lines and geographical markets**, despite uncertainty on fallout from the pandemic in China and pressure on capacity in some maritime areas.

Geopolitics combined with the deteriorating macronomic environment are nonetheless risk factors for the end of the year and, even more, 2023. The Group will pay special attention to the rising cost of planned investments, the reduction in its hedging of energy risk, and the impact that slower growth might have on demand.

KEY FIGURES: H1 2022

CONSOLIDATED DATA (IFRS) € MILLIONS	H1 2022	H1 2021	H1 2019
Revenue	20,270	16,060	17,854
Change H1 2022/H1 2021 (CS&ER)	+27.0%		
Change H1 2022/H1 2019	+13.5%		
EBITDA*	2,983	1,394	2,906
As % of revenue	14.7%	8.7%	16.3%
Recurring net profit (attributable to equity holders of the parent company)	899	-790	10
Net profit (attributable to equity holders of the parent company)	928	-780	20
Investments (all funding sources combined)	-4,342	-4,662	-4,317
Incl. net investments financed by SNCF	-1,053	-874	-3,055
Free cash flow SNCF	1,064	-745	-1,666
Net debt SNCF	24,313	38,404	59,161

SNCF Group's consolidated financial statements at the end of June 2022 were subject to a limited review by the statutory auditors. The limited review has been finalized and the report is being prepared. It will once again include auditors' qualified opinion in respect of the carrying amount of the infrastructure cash-generating unit's assets and the amount of deferred tax assets.

* EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) consists of revenue and other income minus expenses directly attributable to operating activities.

€ MILLIONS	REVENUE	EBITDA*	EBITDA*/ REVENUE
SNCF Réseau	3,526	931	26.4%
Change H1 2022/H1 2021 (CS&ER)	+14.4%		
Change H1 2022/H1 2019	+6.8%		
SNCF Gares & Connexions	780	165	21.1%
Change H1 2022/H1 2021 (CS&ER)	+8.0%		
Change H1 2022/H1 2019	+4.1%		
SNCF Voyageurs	8,395	910	10.8%
Change H1 2022/H1 2021 (CS&ER)	+36.0%		
Change H1 2022/H1 2019	-3.8%		
KEOLIS	3,319	314	9.5%
Change H1 2022/H1 2021 (CS&ER)	+8.1%		
Change H1 2022/H1 2019	+2.0%		
Rail Logistics Europe (incl Fret SNCF)	859	90	10.4%
Change H1 2022/H1 2021 (CS&ER)	+6.8%		
Change H1 2022/H1 2019	-2.1%		
GEODIS	6,748	598	8.9%
Change H1 2022/H1 2021 (CS&ER)	+33.8%		
Change H1 2022/H1 2019	+67.0%		
Other & inter-segment eliminations	-3,358	-23	
Total	20,270	2,983	14.7%

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

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SNCF Group's H1 2022 financial report will be available at: sncf.com/fr/groupe/finance

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ABOUT SNCF GROUP

SNCF is a global leader in passenger and freight transport services, including management of the French rail network, with revenue of €34.8 billion in 2021, of which one-third on international markets. The Group does business in 120 countries and has 270,000 employees, with 208,000 working in France and over half in its core rail business. The new SNCF, a public limited company that began operating on 1 January 2020, 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), TGV INOUI, OUIGO and INTERCITÉS (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 its customers—passengers, local authorities, shippers and railway operators using SNCF RÉSEAU services—and with regional communities, building on its expertise in all aspects of rail and all types of transport to deliver simple, seamless, sustainable solutions for every mobility need. Learn more at sncf.com

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