PRESS RELEASE

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SNCF GROUP 2020 ANNUAL RESULTS

SNCF Group's full-year results for 2020 reflect the economic impact of the Covid-19 crisis.

In this unprecedented environment, SNCF implemented a sweeping cost-cutting programme and the French State offered support by rolling out a recovery plan for the rail industry.

SNCF Group stepped up its operational and commercial adaptation and continued its development.

The Group's objective is unchanged: become a world-class champion of sustainable mobility for passengers and freight by 2030, with rail as its core business and France as its touchstone country.

SNCF Group's results for 2020 reflect the impact of the Covid-19 crisis, and, more marginally, strikes in early 2020 linked to pension reforms in France.

- **Revenue came to €30bn, down 14%** from 2019, with -€6.8bn reflecting the impact of the pandemic.
- **EBITDA stood at €2.0bn**, with **a net loss of -€3.0bn**, including -€5.4bn due to Covid-19.
- **SNCF's net indebtedness stood at -€38.1bn** (following the transfer of €25bn to the State on 1 January 2020).

But SNCF Group also showed the resilience of its business model and its ability to cushion the impact of upheavals in an unprecedented crisis.

- **It took the initiative to adapt its product/service offer and sales strategy,** taking part in and supporting the recovery, with a marked rebound during the summer and winter holidays.
- **The Group's diversified business portfolio made it more resilient:** Geodis in particular saw a rise during the year (+4.5%) and operations under contract showed signs of resilience (Transilien +2%, TER -4% and Keolis -8%).
- **A crisis response plan for core operations combined with unprecedented cost-cutting** from April on **had a positive €2.5bn impact on SNCF Group's cash position** at year-end 2020.
- At the end of the exceptional year, **the company has retained both its sound financial footing** and investor confidence, due in particular to the €4.7bn rail recovery plan and measures to promote rail, in particular rail freight, by the French government.
- **SNCF demonstrated its public utility more than ever, at every stage of the pandemic,** working with State and regional authorities on a daily basis to assist health authorities and keep mobility services essential to the economy running (commuter travel and transport of essential goods).

SNCF Group has stepped up the pace of change and development to meet its aim of becoming the world champion in sustainable mobility.

- **The Group is pursuing both operational and commercial adaptation while strengthening its core activities.**
- On international markets, **Keolis and Geodis** have ongoing, selective growth targets. **The two companies are strategic assets that will serve as growth drivers for the future, contributing to Group resilience and profitability**.
- **With passenger rail in France set to open up to competition, the Group is approaching the challenge from a winning position.** It has increased its exchanges with mobility organizing authorities to offer customized strategies and solutions.

The Board of Directors of SNCF SA met today under the chairmanship of Jean-Pierre Farandou to approve SNCF Group's consolidated financial statements for the 2020 financial year.

Jean-Pierre Farandou, Chairman and CEO of SNCF group, said:

"This year, we have shown that SNCF Group is resilient and confirmed that our diversification strategy is the right choice. The full commitment of all our teams was decisive as we continued to adapt our offers to the government's health strategy and meet essential mobility needs. We didn't just manage the crisis: we mobilized to lay the groundwork for the future by accelerating our operational and commercial adaptation.

That is the meaning of our "Tous SNCF/All SNCF" strategic plan, built on four pillars: people, regions, the planet, and innovation, including digital technology. This work was made possible by renewed dialogue within SNCF and with our regional partners in France, which has been my priority since being named to my current position.

Today we are ready to move; we are determined to seize opportunities in our sector and expand in all types of mobility in France and abroad. The rail recovery plan approved by the French government will help revitalize our network and strengthen the rail industry. And we will prove our capacity to offer customized, competitive solutions to each by responding to every call for tender for passenger rail operations in France.

More than ever, throughout the pandemic we have shown that our Group is useful to the people of France and that we contribute to national solidarity. Tomorrow, I'm convinced that this public utility will be one of the keys to our attractiveness and our performance. We owe it to the people of France to improve our operational and industrial performance and our contribution to society even more. Which we will do by winning back sales volumes with a fare policy that is at once more accessible, simpler and clearer.

In 2020, operations were hit by an unprecedented crisis, but SNCF Group showed its resilience.

On the heels of labour disputes linked to French pension reform in early 2020, the Covid-19 pandemic produced the longest, most severe halt in operations that SNCF Group has ever known. Passenger travel—and high-speed rail in particular—fell sharply, with a 48% decline in passengers on the high-speed rail network (TGV INOUI, OUIGO, Eurostar, Thalys and other services), including a 45% fall within France. For transport services under contract, passenger travel fell 45% for Transilien, 32% for TER and 30% for Keolis (on major French networks) from 2019 levels.

These upheavals cut into the Group's financial performance:

- Full-year revenue came to €30.0bn, down nearly 14% from 2019 (at constant scope of consolidation and exchange rates). The pandemic cut total revenue by €6.8bn in 2020, including €4.8bn for high-speed rail.
- Revenue for all high-speed rail services combined was down 54%, as international mobility came to a standstill and the French market slowed significantly. At SNCF Réseau, revenue fell 9%, with track access fees hit by reduced transport offerings. At SNCF Gares & Connexions, revenue was down 4%, due in particular to income from retail tenants falling a steep 31%.
- EBITDA stood at €2.0bn at year-end 2020 (6.6% of revenue vs 15.9% at the end of 2019), with the decline offset by savings achieved through SNCF's crisis plan. The pandemic trimmed EBITDA by €5.4bn full year.

Nonetheless, SNCF Group showed the resilience of its business model and its ability to cushion the shock by drawing on five complementary strengths:

- **A diversified business portfolio cushioned the impact of the crisis and preserved growth drivers.** Geodis reported revenue up 4.5% from 2019, with a record second half buoyed by e-commerce operations in contract logistics and freight forwarding. Rail freight as a whole averaged 85% of levels recorded under a normal transport plan, with revenue down 12%. Services delivered under contract also proved fairly resilient, reflecting regional and urban transport organizing authorities' commitment to maintaining their service offering, and this cushioned the impact of the pandemic. Declines in revenue were held in check at TER (-4%) and Keolis (-8%).
- **A proactive sales policy helped fuel a recovery in passenger travel at the end of each lockdown.** These successful restarts underscore the Group's responsiveness along with the enduring popularity of rail travel in France. One example was TGV high-speed rail, which saw a summer rebound to 80% occupation rates at the end of France's first lockdown, after bottoming out in April and May, when only 10% of seats were sold. Working in partnership with regional authorities, TER also launched a successful campaign in June to encourage travel within France, offering special low-price tickets throughout the TER network during the summer months.
- **Growth on international markets continued, amid promising new contracts and renewals.** In the UK, Keolis was awarded extensions of two contracts in London—the South-eastern network and the DLR driverless metro. The company also won new contracts in Denmark, to operate electric buses in Greater Copenhagen and bio-fuel

powered buses in the North, along with a contract renewal in Odense, and signed an agreement for services in Stockholm, Sweden. In the US, contracts for rail networks in the Boston and Washington, DC suburbs were extended. Finally, Geodis sales on international markets rose by over 8%, with the most notable gains in Asia and the Americas.

- **Despite the crisis, the Group succeeded in carrying out projects essential to future growth in mass transit and rail**. It signed a contract to operate and upgrade service in 2020-2023 with Île-de-France Mobilités (the transport organizing authority for the Paris Region), a deal that recognizes SNCF's expertise in mobility for densely populated urban environments. Transilien has the world's No. 3 regional rail network by number of passengers carried, and ranks No. 1 outside Asia. The launch in July of a low-cost OUIGO service linking the centre of Paris and the centre Lyon was also a major event in the run-up to competition for this corridor.
- **SNCF Group continues to promote solidarity in France, delivering more utility and hands-on service than ever.** The Group worked with the French government to roll out the nation's pandemic strategy, adapting transport solutions on offer to changing needs. SNCF freight operations carried food and other products required for strategic economic activity. Geodis met urgent transport needs, including shipment of 1 billion masks through an air and maritime link between China and France, as air freight capacity was scaled back. SNCF also organized specially equipped trains to carry patients from hard-hit regions across France to available hospital beds and medical services in other parts of the country.

State support and SNCF's own efforts to deploy a crisis response and cost-cutting plan helped the Group withstand upheavals and get finances back on track.

SNCF enjoys the support and commitment of government authorities in France, who view the rail industry as a priority and an essential contributor to economic recovery. **The €4.7bn rail industry recovery plan announced by the State, primarily for the rail network, including a €4.05bn capital increase for SNCF SA,** comes on top of the transfer of €35bn in debt to the State (€25bn on 1 January 2020 and €10bn in 2022). These measures underscore **the importance of sustainable mobility to the French government, and place SNCF at the heart of France's low-carbon strategy.** Funds will be used to revitalize and upgrade the nation's rail network. The plan also addresses other goals and initiatives, including a revival of rail freight and a concerted effort to achieve equal access and coverage for all regions in France.

In addition, SNCF has launched a series of unprecedented cost-cutting measures to curb the impact of the crisis. These include reducing structural and operating costs, postponing or cancelling some non-critical projects and investments, and tightening cash management. **Safety and network revitalization have been isolated from the cost-cutting:** efforts to maintain operation of rolling stock, fixed installations and information systems have been spared**. By year-end 2020, the combined impact of these projects had generated savings that boosted available cash by €2.5bn.**
As part of this drive, at year-end 2020 SNCF launched a project to consider the sale of Ermewa, a subsidiary specialized in leasing railcars and tankers whose operations were deemed non-strategic for the Group.

Together these measures are aimed at restoring SNCF's financial trajectory and enabling it to confirm its financial commitments under the 2018 French rail reform package: free cashflow at breakeven by 2022, net indebtedness/EBITDA at or below 6.0x in 2023, and FFO[1] / Net indebtedness at or above 10% in 2022.

Despite these disruptions, SNCF has not changed its priorities for employment, and has not considered—and is not now considering—any economic layoffs due to the crisis. In 2020, the number of jobs fell 1%, and 2021 projections show reductions of less than 2% for rail operations in France. Adjustments remain very limited, and the Group's commitment to hiring is unchanged. And SNCF has made progress in workplace diversity, gaining 10 points in the gender equality index introduced under former French Minister of Labour Muriel Pénicaud, rising from 78 to 88/100. **SNCF Group is one of the top recruiters in France, with over 10,000 new hires in 2020** (including 3,850 in rail) and nearly 8,500 more anticipated in 2021 (including 2,500 to 3,000 in rail). It will also take on 7,000 students on work-study programmes.

SNCF amplified its commitment to the communities it serves in 2020. This was reflected in the top A1+ score awarded to it by non-financial rating agency Vigéo-Eiris, which assesses companies' environmental, social and governance performance. **SNCF Group ranks No. 5 worldwide, all sectors combined, in a field of 4,879 businesses, and No. 1 in the Tourism and Transport sector in a selection of 20 European companies.**

[1] FFO = EBITDA – interest expense – tax

Despite the sharp deterioration in its performance, SNCF retains robust financial capacity, enabling it to maintain the confidence of its partners and look to the future.

Net profit attributable to equity holders of the parent company came to -€3.0bn, hit hard by the Covid crisis and the January strikes.

As a result, free cash flow was a negative -€2.8bn, linked directly to the -€3.6bn year-on-year fall in EBITDA, among other factors.

The Group's net indebtedness stood at -€38.1bn at 31 December 2020, or €22.1bn down from 31 December 2019 (-€60.3bn). This change reflects the transfer to the French State of part of SNCF Réseau's debt (€25bn) under the French rail reform package, and negative free cash flow of -€2.8bn in 2020.

Despite the deterioration in its performance, SNCF Group's finances remain solid thanks to the recovery plan, to new measures by the French State placing rail transport at the heart of the country's low-carbon strategy for transport and development of sustainable mobility, and, finally, cost-cutting measures adopted by the Group itself. This is reflected in unchanged ratings from Moody's (Aa3/Stable outlook), S&P Global (AA- / A-1+ / Negative outlook) and Fitch Ratings (A+ / Negative outlook) published on 20 October, 21 October and 4 December 2020, respectively.

The Group can therefore look to the future with its financing capacities intact, a €6.3bn cash position in mid-February 2021, and a fully available €3.5bn credit line. SNCF SA, SNCF Group's new debt issuing entity, raised €6.8 billion on financial markets in 2020, confirming investors' confidence in SNCF Group and its growth prospects.

SNCF has already made the ecological transition a core component of its CSR strategy, in line with France's National Low-Carbon Strategy.

SNCF is taking action across the board to **reduce its environmental footprint, advance the circular economy by reclaiming materials, reduce pressure on biodiversity, and increase the share of renewables in its energy mix**. The Group is also working to reduce its own consumption through a range of green practices such as eco-driving and eco-parking, which should cut its energy bill by 8% and 12% respectively.

SNCF Group is working to guide green research and incorporate environmental concerns into the design of its facilities and equipment. Its operational and innovation choices reflect this commitment.

Working with manufacturers Alstom and Bombardier, and in partnership with French regions, SNCF has embarked on an unprecedented, ambitious plan to **green its diesel rolling stock** by deploying **hybrid, battery- and hydrogen-powered TER regional trains**. The hybrid TERs will make their first test runs in 2021, equipped with lithium-ion batteries able to recover, store and recycle braking energy. SNCF will also be testing rapeseed-based bio-fuel (B110). **TGV M, tomorrow's TGV,** has also been revamped: scheduled to go into service in 2024 for the Olympic Games, **it will reduce energy consumption by 20% and will be 97% recyclable.**

SNCF Group is stepping up the pace of change and development to meet its aim of becoming the world champion in sustainable mobility.

While 2020 was a year of disruption and 2021 promises to be complicated, too, SNCF's aim remains the same: by 2030, it will become a world-class champion of sustainable mobility for passengers and freight, with rail as its core business and France as its touchstone country. **This means meeting short- and medium-term challenges:** achieving 95% on-time arrivals for TGV high-speed trains and TER regional trains in 2025; reducing notable safety events and workplace accidents; transforming passenger information delivery, and more. These priorities are addressed in major industrial programmes that include FIRST for passenger information; H:00 for on-time arrivals; and PRISME for safety.

In France, trends observed in 2020, including growth in remote working, are expected to continue and will be part of structuring passenger and freight mobility offers in the future. Night train service will be reintroduced in France and the rest of Europe. **These changes represent opportunities for SNCF,** provided it accelerates the transformation of its businesses through increased use of digital technology, adjusts its business model; and continues to grow. It must also win back sales volumes by deploying a more accessible, simpler and clearer fare policy. **A new sales and marketing drive is already under way.** And an overhaul of TGV high-speed rail fares is being developed to offer passengers greater clarity, while new, more flexible passes for business travellers and remote workers are set for rollout during the year. A **single app** is also planned, combining OUI.sncf and L'Assistant SNCF.

In addition, SNCF is responding to every call for tender in passenger rail in France, bidding with a winning attitude—and going all out. Each competition is an opportunity to showcase its strengths, from teams' expertise to innovative flair and flexibility.

On international markets, SNCF has selective, steady growth targets for Keolis, including winning major contracts, and, **for Geodis, in e-commerce business** and freight forwarding. One sign is the recent acquisition of Pekaes by Geodis to significantly expand its presence in Poland. **Keolis and Geodis are strategic businesses that will drive growth in the future and contribute to the Group's resilience and profitability**. In spring 2021, SNCF will also **introduce a new low-price high-speed rail offer in Spain's domestic market**, under the OUIGO brand.

These challenges are an integral part of SNCF's growth strategy, which is focused on meeting the requirements of sustainable mobility and the ecological transition in line with priorities in the French government's recovery plan. **For SNCF, the need to move people and goods** and the need for corporate responsibility are inseparable, and this vision shapes all of its choices and priorities.

PRESS RELEASE

SNCF GROUP: KEY FIGURES IN 2020

CONSOLIDATED DATA (IFRS) € MILLIONS	2019	**2020**	Change at constant scope of consolidation, accounting standards and exchange rates
Revenue	35,120	**29,975**	
Change 2020/2019			*-14.2%*
EBITDA	5,591	**1,977**	
As % of revenue	*15.9%*	*6.6%*	
EBITDA*	5,658	1,936	
Recurring net profit attributable to equity holders of parent co.	-301	-2,764	
Net profit (attributable to equity holders of parent company	-801	**-3,030**	
Investments (all funding sources combined)	10,012	**8,932**	
Incl. net investments financed by SNCF	*5,237*	*3,667*	
Free cash flow	-2,350	**-2,838**	
Net indebtedness SNCF*	-60,281	-38,148	

SNCF Group's consolidated financial statements at 31 December 2020 have been audited by the statutory auditors. The audit 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. These expenses mainly comprise purchases; sub-contracting and other external services; employee benefit expenses; taxes and duties other than income tax; disposals of operating assets (property, plant and equipment - mainly transport equipment - used in the operating cycle and disposed of in connection with upgrades to production facilities); and movements in provisions for current assets. This new indicator is virtually equivalent to the "Gross profit" indicator previously reported by SNCF. The difference is due mainly to movements in provisions for trade receivables and for employee benefits.*

*** At 1 January 2020, SNCF Group's net debt stood at around €35bn after the transfer of part of SNCF Réseau's debt to the French State (€25bn) as provided under the Railway Reform Pact.*

€ MILLIONS Change at constant scope of consolidation, accounting standards and exchange rates	**REVENUE**	**EBITDA***	**EBITDA* / REVENUE**
SNCF Réseau	5,884	963	*16.4%*
Change 2020/2019	*-9%*		
SNCF Gares & Connexions	1,479	249	*16.8%*
Change 2020/2019	*-4%*		
SNCF Voyageurs	12,065	-671	*NA*
Change 2020/2019	*-28%*		
Transilien	3,285	320	*9.7%*
Change 2020/2019	*+2%*		
TER	4,858	387	*8.0%*
Change 2020/2019	*-4%*		
Voyages SNCF	4,066	-1,455	*NA*
Change 2020/2019	*-53%*		
Intercités	*3,697* *-54%*	*-1,449*	*NA*
Keolis	6,093	452	*7.4%*
Change 2020/2019	*-8%*		
TFMM rail & multimodal freight transport (incl Fret SNCF)	1,463	84	*+5.8%*
Change 2020/2019	*-12%*		
Geodis	8,361	719	*8.6%*
Change 2020/2019	*+4.5%*		
Other & inter-segment eliminations	-5,371	+181	
Total	29,975	1,977	6.6%

SNCF Group's 2020 financial report will be available at: https://www.sncf.com/en/group/finance

ABOUT SNCF GROUP

SNCF is a global leader in passenger and freight transport services, including management of the French rail network, with annual revenue of €30 billion in 2020, of which one-third on international markets. The Group does business in 120 countries and has 272,000 employees, with over half in its core rail business and 210,000 working in France. 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, Alleo and Lyria (international rail), and OUI.sncf (online ticket sales); Keolis (a global operator of urban, suburban and regional mass transit systems); SNCF Fret (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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