

RATP Group 2024 half-year results

Successful first half-year at RATP Group

Highlights from the first half of 2024

- **Strong trends in revenue growth (up by 10.2%, excluding foreign currency effects)** from the first half of 2023, amounting to **€3.48 billion**. The encouraging performance was buoyed by the recovery in service productivity across the bus network; the expansion of the public transport offering in the Île-de-France region, including the metro line 11 and 14 extensions; continued development of subsidiaries in France, the Middle East, and the United States; and pegging transport authority remunerations to inflation.
- **Marked increase in operating income (€56 million increase from H1 2023), reaching €51 million as at the end of June**. This reflects the effectiveness of the policies that had been implemented to restore service coverage, and to reduce absenteeism in the Île-de-France region; the favourable effects of lower energy prices; and better protection against inflation through contract-based indexing provisions, following the December 2023 signing of a contract amendment with Île-de-France Mobilités.
- **The Group's net share of income rose by €75 million from H1 2023**, both as a result of RATP EPIC's restored operational efficiency, and RATP Dev's operation of buses in London. RATP EPIC posted a balanced corporate net income of €3 million, compared to -€65 million in the first half of 2023.
- **Boom in RATP investment spending across the Île-de-France region (up 37%)** from the first half of 2023, totalling **€1.209 billion**. These investments included €316 million on behalf of Société des Grands Projets (SGP), attesting to the exceptional amount of resources that were deployed with support from Île-de-France Mobilités and SGP for the purpose of accelerating the completion of projects to develop and upgrade the public service offering. These projects also serve to improve service quality, in order to successfully host the Olympic and Paralympic Games Paris 2024. In addition, 25 km of new commercial lines were commissioned with the extension of tram line T3b to Porte Dauphine in April, and extensions to metro lines 11 and 14 in June 2024. RATP Group consolidated investments were worth **€1.276 billion**, surging by 32% from the previous year.
- **Consolidated net debt stood at €6.255 billion in June 2024, in contrast to €6.074 billion as at the end of December 2023**. This increase, which reflects accelerated investment, the unfavourable calendar variations on RATP EPIC's and RATP Dev's operating WCR, and the decrease in investment WCR by season, is expected to turn around in the second half of the year.

Chaired by Jean Castex, Group Chairman and Chief Executive Officer, the RATP Board of Directors convened on 13 September 2024 to review RATP Group's consolidated financial statements and RATP EPIC's corporate accounts as at 30 June 2024.

RATP Group Chairman and Chief Executive Officer Jean Castex declared: “The past half-year has been a successful one for RATP Group, which took up significant challenges at the beginning of the year, in addition to ongoing preparations for the Olympic and Paralympic Games Paris 2024. The Group has restored service productivity across various transport modes; successfully commissioned the tram line T3b extension in April, and metro line 11 and 14 extensions in June; and negotiated several major collective agreements to guarantee the mobilisation of its staff. The peak in investment across the Île-de-France region (€1.2 billion in half a year, or a 37% increase from the same period a year ago) demonstrates the exceptional scale of the construction projects that have been implemented to develop and improve the passenger transport offering, backed by Île-de-France Mobilités and Société des Grands Projets.

RATP Group’s experience and expertise have also been recognised through other major commercial accomplishments at the beginning of this year: the contract to operate the railway networks in the Lyon urban area (metro and tram networks), tram-train lines T12 and T13 in the Île-de-France region, as well as the transport networks in Bayonne, Saintes, and Quimper.

Income figures as at the end of June show this trend at work: revenue was 10% higher than the previous year, and operating income grew by €56 million. Simultaneously, these numbers show our improved internal efficiency, and the impact of the contract amendment signed at the end of 2023 with Île-de-France Mobilités (IDFM), which officialises the pegging of the transport authority’s contributions to inflation.”

Progression of RATP Group's key performance indicators

En M€	30 juin 2022 proforma*	30 juin 2023	30 juin 2024	Evolution 2024/2023
Chiffre d'affaires consolidé	3 085	3 160	3 476	+10%
EBIT	130	-5	51	+1 096%
Résultat net part du Groupe	64	-129	-54	+58%
Capacité d'autofinancement	580	347	401	+16%
Dette nette	5 536**	5 552**	6 255	+13%

A pro forma statement of the accounts was established as at 30 June 2022 by retroactively applying the IFRS 5 standard to enable comparability with accounts for 2023.

**net debt as at 31 December of the prior year

Strong trends in business growth, boosted by RATP EPIC and its subsidiaries

In the first half-year, ridership across the Île-de-France region went up by 4.4% (compared to H1 2023), to reach 1.586 billion journeys over a six-month period. The recovery in ridership can be attributed notably to the marked increase in bus network productivity, and relatively greater efficiency compared to the poor ridership during the strikes in spring 2023, and riots in June 2023. However, improved surface network productivity was dampened by road use restrictions as of May in preparation for the Olympic and Paralympic Games, as well as scheduled service suspensions across the metro network for planned works to extend metro lines 11 and 14.

Nonetheless, ridership remains below pre-Covid levels (10% lower than in the first half of 2019), due to the long-term adoption of remote work, and commuters' modal shift to soft mobility options.

The Group's consolidated revenue over the first half of 2024 was €3.48 billion, up 10.2% (€324 million) from the first half of 2023, excluding foreign currency effects.

RATP EPIC's business activity expanded by 8.5% (up €198 million), bolstered by the recovery in bus network productivity, development of the transport offering (extensions to metro lines 11 and 14, and tram line T3b, and preparations for the Olympic and Paralympic Games), and by pegging the transport authority's remunerations to inflation.

Revenue from subsidiaries grew substantially (up by 14.4%, or 15.4% excluding foreign currency effects), a result of the year-on-year earnings from contracts that were awarded in 2023 in France and in the United States, the commissioning of metro line 2 in Riyadh at the end of 2023, and the pegging of transport authority contracts to inflation. However, unfavourable foreign currency effects penalised subsidiaries' earnings by €8.4 million.

Subsidiaries' contribution to the Group's overall revenue amounted to **€0.94 billion**, equal to **27.1%** of the Group's consolidated revenue, compared with 26% in the first half of 2023.

Spike in the recovery of earnings, boosted by greater productivity, and better protection against inflation through contract-based indexing provisions.

Consolidated operating income (EBIT) was €51 million, a €56 million rise from June 2023.

RATP EPIC's operating income surged by €67 million. This reflects the simultaneous positive effects of enhancing bus service productivity, reducing absenteeism, and lowering energy prices, as well as the impact of a contract amendment signed in December 2023 with Île-de-France Mobilités, which restored the practice of pegging remunerations received from the transport authority to match fluctuations in employees' sectors.

Subsidiaries' operating income edged downwards by €12.6 million, due notably to issues encountered in Optile contracts across the Île-de-France region, which mirror the overall situation that operators in the same market are facing.

Despite the Group's net share moving upwards by €75 million, it remains in the red at -€54 million, compared to -€129 million as at 30 June 2023. Losses sustained from London bus operations (reclassified since 2022 as "discontinued operations" based on the IFRS5 standard) left an adverse impact on the Group's earnings, although its operational and economic performance showed a sharp improvement from the first half of 2023.

RATP EPIC is showing promise with a balanced net income of €17 million (according to IFRS standards).

Accelerated influx of investments, in view of hosting the Olympic and Paralympic Games Paris 2024

In the first half of 2024, RATP demonstrated its commitment to honouring the goals set in the investment programme contract that the operator signed with Île-de-France Mobilités for the period spanning 2021-2024 (€8.5 billion).

Under the programme, RATP invested **€1.209 billion** (including €316 million in the capacity of delegate project owner acting on behalf of Société du Grand Paris, as part of the metro line 14 southward extension, and the acquisition of the required rolling stock), which is €325 million (37%) more than in the first half of 2023. RATP also passed several important, highly awaited milestones in anticipation of hosting the Olympic and Paralympics, notably the commissioned extensions to tram line T3b, and metro lines 11 and 14.

The following sums were invested in the first half of 2024:

- **€632 million towards network upgrades, and infrastructure maintenance:**
 - Acceleration of energy transition projects across the bus network (converting bus depots to electricity and biogas, and replacing rolling stock) in the first half-year to factor in road use restrictions in view of the Games.
 - Continuation of rolling stock replacement programmes on the metro (ongoing deliveries of MP14 trains for metro lines 11 and 14, and the MF19 project), RER (MI20), and tram (TW20) networks, and the refurbishment of MI2N and MI84 trains on RER lines A and B.
 - Upgrades to metro line 6 with the delivery of refurbished MP89 trains.
 - Adaptation of infrastructure and maintenance centres, to accommodate new rolling stock.
 - Anticipation of asset investments in the first half-year to factor in constraints relating to the Games, in order to guarantee the sustainability and efficiency of infrastructure (heavy-duty track maintenance, replacement of industrial maintenance vehicles, among others).
- **€509 million towards metro and tram line extensions:**
 - Commissioning of extensions on metro line 14 at Saint-Denis Pleyel and Orly, and on metro line 11 at Rosny Bois Perrier in June; and extension of tram line T3b at Porte Dauphine in April.
 - Continuation of works to build connecting corridors with future Grand Paris Express metro line 15, and the project to extend tram line T1 to Val-de-Fontenay.
- **€68 million towards enhancing passenger comfort:**
 - Upgrades to RER and metro stations, and improvements to inter-modal travel and accessibility: renovation of stations, notably Austerlitz, Charles de Gaulle – Étoile, Montparnasse and République, and the deployment of bike sheds.
 - Enhancements to passenger information, with upgrades to passenger information systems; and the deployment of new Syspad display screens on RER line B, and Paname screens across the metro network.
 - Upgrades to ticketing systems in anticipation of the Olympic and Paralympic Games, with the replacement of ticket machines, and the deployment of a mobile sales tool.

RATP Group's overall consolidated investments were valued at **€1.276 billion**, or €313 million (33%) above 2023 figures.

Net debt on the rise, in response to seasonal variations in working capital requirement

Consolidated net debt totalled close to €6.255 billion, climbing up €703 million from December 2023.

The escalation in debt can be attributed to **higher investment spending (€313 million more than in the first half of 2023)**, linked notably to the acceleration of projects in preparation for the Olympic and Paralympic Games, and the **decrease in RATP EPIC's and RATP Dev's investment WCR by season**, which is due to variations in the investment calendar, and contract amendments. The situation is expected to turn around in the second half of the year.

The Group's gearing (net debt-equity ratio) was calculated at 1.24 as at the end of June 2024.

Sustained expansion in France and abroad

RATP Group continued its fast-paced expansion in the first half of 2024, both in France and abroad, with its subsidiaries' business activity rising by 14%.

RATP Dev's activity was on an upward trajectory (17%), stimulated by profitable contracts that were awarded in 2023 in France and the United States, the beginning of operations on Riyadh's metro line 2 towards the end of 2023, and the launch of trials on the network's metro line 1 on 1 May 2024.

The first half of the year was a commercial success for RATP Dev, which was awarded several operating contracts:

- Metro, tram, and funicular networks across the TCL (Transports en Commun Lyonnais) network, as well as the Rhônexpress airport link, and future river shuttles, for a 10-year period spanning 2025-2035.
- Txik Txak urban transport network along the coast of the Basque region for an eight-year period; and in Quimper, Saintes Grandes Rives, and Brive-la-Gaillarde for a seven-year duration.
- Winston-Salem urban transport network in North Carolina (United States).

RATP Dev also strengthened its presence in the Ardenne department, following the renewal of its contract to operate the bus transport network (seven years and five months). The Ardenne urban area has been an RATP Dev partner since 2012.

In the United Kingdom, the operational and economic efficiency of London bus operations showed clear signs of improvement, with service quality indicators on the upswing, and a substantial price hike when contracts were put back up for tender. RATP Dev has been phasing out its operations in this market since the end of 2022.

In Morocco, trial runs of tram lines T3 and T4 in Casablanca began in the first half of the year, while high service level buses launched operations in March.

In the Île-de-France region, **RATP Cap Île-de-France** was awarded the contract to operate and maintain tram-train lines T12 (Massy-Evry-Courcouronnes) and T13 (Saint-Germain-en-Laye – Saint-Cyr) over a seven-year period, thereby strengthening its role as a reference in Île-de-France regional transport.

Business activity will remain dynamic over the second half of the year, with major tenders for RATP Dev and RATP Cap Île-de-France (bus routes in Paris and inner suburbs, and railway lines across the Île-de-France region).

RATP Group urban services subsidiary **RATP Solutions Ville** pursues its business development, notably with the deployment of optical fibre across Grand Paris Express lines, and extensions to RATP lines (metro lines 11 and 14), . The subsidiary will also be building social housing units in the Île-de-France region, with the inauguration of the Netter project in Paris' 12th *arrondissement*, which provides an array of housing options that meet both social and intermediate housing needs.

RATP Smart Systems is forging ahead with the development of its MaaS project, comprising the Bonjour RATP and Mappy apps, which have been upgraded to include new services in view of the Olympic and Paralympic Games Paris 2024.

RATP Group, strongly committed to a smooth ecological transition, and inclusiveness

In anticipation of the Olympic and Paralympic Games Paris 2024, RATP Group sped up the deployment of its CSR policy in the first half of 2024:

- **Decisive low-carbon mobility projects** were completed, with extensions to metro lines 11 and 14, and tram line T3b.
- **68% of the RATP bus fleet now comprises clean buses** (powered by electricity, biomethane or hybrid energy sources), with over 2,150 electric or biomethane buses currently being operated.
- **Completion of a project to improve accessibility**, with the installation of an application to announce station names on six metro lines, the installation of loudspeakers to announce station names in the central carriages of metro line 10 trains, the deployment of 500 handrail sleeves with Braille lettering in 37 stations across metro lines 9 and 10 and Duroc station, the deployment of extra-large signage in six stations with a crucial role in the Games, the deployment of approximately one hundred ticket machines fitted with sound beacons, and measures to make the ratp.fr website and Bonjour RATP app accessible.
- For better passenger comfort in stations, and to reduce stations' carbon footprint, RATP has committed to **installing water fountains** in stations across the rail network (61 stations are currently equipped with them), and to **sorting waste collected in stations**. Waste has been sorted in all metro line 14 and RER line B stations since July.
- The company has launched the **Académie de la transition écologique** (ecological transition academy) to train and educate Group employees on the stakes involved in CSR.
- RATP Group, **one of the leading employers in the Île-de-France region**, has hired over 2,100 new employees in France on permanent contracts in the first half of 2024.