

## Half-year results

# Strong profitable growth dynamics

- **Pick-up in activity growth, fuelled both by the dynamics of RATP EPIC and the subsidiaries' increased activity in France and abroad**
- **Sharp increase in investments in the Île-de-France region, to the benefit of passengers in Île-de-France, and with support from Île-de-France Mobilités**
- **Controlled financial trajectory**

- Maintained **strong dynamics in passenger traffic** in the Île-de-France region, up +2.5%
- **Substantial increase in consolidated turnover** (+6.4%, i.e. +€179 million), at €2.966 billion
- **Increased contribution from the subsidiaries**, at 21.6% of the Group's turnover, versus 20.8% in June 2018
- Continued improvement in operational performance: recurring EBIT up 14.5% to €242 million, i.e. 8.2% of turnover (versus 7.6% in 2018)
- **Acceleration in the pace of investments in the Île-de-France region**: €666 million invested by the end of June, an increase of +16%
- Solid financial fundamentals, with net debt slightly down, at €5.1 billion, and a gearing that continues to improve, at 1.05x versus 1.07x at the end of December 2018

RATP's Board of Directors, which convened on 30 August 2019 under the chair of RATP Group Chairwoman and Chief Executive Officer Catherine Guillouard, examined and approved RATP Group's consolidated financial statements and the EPIC's (state-owned industrial and commercial enterprise) corporate financial statements, as at 30 June 2019.

On this occasion, **Catherine Guillouard stated the following**: "The increase in RATP Group's half-year results demonstrates the Group's ability to achieve growth at a sustained rate, in line with the objectives set in its Challenges 2025 plan, while improving its profitability and effectively controlling its debt.

In the Île-de-France region, with the support of Île-de-France Mobilités, we are pursuing our massive investment programme to improve both the transport offer and service quality. We have stepped up the pace of investment in this first half-year, with an increase of 16% over the first half-year of 2018, i.e. €666 million to the benefit of passengers in order to extend the metro and tram lines, ensure existing equipment and infrastructure maintenance, renew and renovate the rolling stock, and upgrade the stations and passenger information.

We are continuing with our network upgrade and extension policy, unparalleled in Europe, which includes the simultaneous extension of four metro lines (L4, 11, 12 and 14 north and south), the automation of line 4, and the energy transition of all of our bus depots.

The Group is also pushing ahead with its development dynamics in France and abroad, winning major calls for tenders and renewing RATP Dev's operating contracts."

## Trend in RATP Group's key performance indicators

In €m	30 June 2018	30 June 2019	Evolution
Consolidated turnover	2,787	2,966	+6.4%
Recurring EBIT	212	242	+14.5%
Group share net income	114	126	+10.5%
Cash flow	484	549	+13.5%
Net debt	5,188	5,128	-1.2%

## Substantial pick-up in activity growth

On 30 June 2019, **consolidated turnover stood at €2.966 billion, up +6.4% (+6.1% excluding currency effects) compared with H1 2018 (€2.787 billion)**, versus +0.2% in June 2018 and +3.2% over the entire year 2018. The pace of growth in the Group's activity has thus picked up sharply over the past year, reflecting the success of the development policy undertaken in France and abroad.

The contribution by the EPIC (state-owned industrial and commercial enterprise) to the Group's consolidated turnover stands at €2.326 billion, up 5.4%, thanks to the buoyancy of passenger income in the Île-de-France region (+4.4% in volume), and the development of the offer, including the restructuring of the Paris bus network. Subsidiary activity also increased substantially to €640 million (+10.3%), driven by the uptrend in growth by RATP Dev.

Barring the currency effect, favourable in the first half-year, RATP Dev's activity grew 8.6%, thanks to the buoyancy of the contract portfolio in France, North Africa and Italy, and to new contracts won in 2018 in the United States, Saudi Arabia (Riyadh metro) and Italy (Latium Cilia contract).

The subsidiaries' share in the consolidated turnover continues to advance, reaching 21.6% versus 20.8% in June 2018.

## Operational and financial performance continues its ascent

Recurring EBIT comes out at €242 million (8.2% of turnover, versus 7.6% in June 2018), up €31 million (+14.5%) compared with June 2018. This improvement reflects the Group's upbeat activity, combined with solid control over the operating expenses of the EPIC, which achieved productivity gains of €15 million in the first half-year.

**The Group's share of net profits stands at €126 million (+€12 million versus 2018), i.e. 4.2% of turnover, versus 4.1% at the end of June 2018.**

Cash flow is up €65 million to €549 million, allowing the Group to finance its own investments through equity capital and to cover seasonal changes in the WCR for investments.

Net debt thus comes out at €5.128 billion, down €60 million compared with the end of December 2018. The Group's gearing continues to improve at 1.05x versus 1.07x at the end of December 2018, ahead of the targeted trajectory of the Challenges 2025 plan.

In this context, RATP successfully launched a new Green Bond issuance of €500 million on 13 June 2019, with a maturity of 10 years. The operation was a resounding success with a high subscription rate (>5 times), reflecting the credit quality of the RATP issuer and the credibility of its strategy in the fight against climate change. This success enabled the company to benefit from favourable financing conditions, with a 0.35% coupon.

## In Île-de-France, increase in traffic and massive investments

In Île-de-France, strong dynamics in passenger traffic continued in the first half-year, with an increase of +2.5%, i.e. 1.780 billion trips (1.736 billion in 2018). This trend is underpinned by the robust health of the Île-de-France economy, the dynamism of tourism in the Île-de-France region, and an ongoing political context that promotes the development of public transport. In the first half of 2019, the trend also benefited from the catch-up effect after the SNCF strikes in the spring of 2018, but was impaired by the demonstrations which disrupted traffic on weekends.

Rail transport increased significantly and shoulders the increase in traffic, with growth of 1.8% for the metro, 6.3% for the RER and 10.7% for the tram. RER suburban line B saw a sharp increase in traffic (+13.4%), while ridership for RER line A continues to rise (+2.7%). Meanwhile, the tram benefits from an increased service provision and the extension of the T3b line to Porte d'Asnières.

Bus activity (-0.9% overall), however, continues to be heavily penalised across Paris (-8.7%) by social movements at the weekend and by the extent of roadworks in Paris. For their part, suburban bus lines (+2.5%) and dedicated lines (+4.4%) are up.

In the first half of 2019, **RATP, with support from Île-de-France Mobilités, pursued its policy for sustained investment, with a total €666 million invested:**

- €257 million for the extension of the metro and tram lines (extensions of lines 4, 11, 12, 14 north and south in progress). The inauguration of the extension of tram T1 to Asnières Quatre Routes is scheduled for the end of 2019. Draft proposal studies have been carried out for the extension of tram T3b to Porte Dauphine;
- €348 million for the maintenance and upgrade of infrastructures and existing equipment (awarding of the contract for the purchase of a maximum 1,000 electric buses, conversion of the bus depots to electric or biogas, commissioning of RER A line's unified control centre, continuation of upgrade works on the RER B terminus at Orsay and Saint-Rémy-lès-Chevreuse, automation of metro line 4, upgrade of metro line 6 to accommodate the new rolling stock by 2021, feasibility study for a possible automation of line 13, multiple worksites on escalators and lifts, and so on);
- €61 million to upgrade transport spaces, improve passenger information and quality of service: continued renovation of stations (Auber, Vincennes, Trinité d'Estienne d'Orves) and work on the accessibility of the Luxembourg station (RER B), 301 stations equipped with 3G/4G (more than 80% of the network), Wi-Fi deployment underway in some 90 stations, new real-time dynamic display system deployed on the RER, launch of the new version of the RATP app, upgrade of the ticketing system with the launch of the new Navigo Easy and Navigo Lab formats, and testing of the new Navigo Liberté + service.

In all, RATP is busy with more than 3,200 projects of all sizes in order to improve service quality and ensure optimal safety of its installations. **The company maintains its objective for high-level investment of more than €1.8 billion in 2019.**

## High level of production on the rail network

During this first half-year, the metro network achieved an average peak-time production rate of 96.8% on all lines, confirming the previous years' positive results.

RER A attains a punctuality rate of 93.6%, up 4.5 points compared with the same period in 2018. This marked improvement ties in notably with the new timetable and the deployment of the automatic driving control system on the central section, just as this line has seen a +2.7% increase in its ridership.

RER B's punctuality rate is up 0.9 point to 89.1% (versus 88.2% in the first half of 2018), thanks in particular to the continued improvement of the line's joint operation by SNCF and RATP.

On the surface networks, the offer for the first half of 2019 stands at 94.8%, and the deployment of the new Paris bus network in April should bring about a significant increase in bus transport punctuality.

# Increase in subsidiary activity in France and abroad

## → Strong growth dynamics for RATP Dev

In the first half of 2019, RATP Dev's activity grew by +8.6% excluding currency conversion effects, i.e. +€48 million. Growth dynamics are strong for the contract portfolio in France, in Algeria with the extension of the networks operated, and in Italy with the opening of the tram line that connects with the Florence airport and the extension of line 1. These dynamics are driven by the start-up of contracts won in 2018 in the United States (Washington, D.C. Circulator, Santa Maria, Yuma), the Middle East (ramp-up of the Riyadh metro contract, commissioning of the new metro line in Doha) and Italy (Latium Cilia).

RATP Dev also won a number of major contracts in early 2019 for the operation of the networks in Angers, Saint-Malo, Brest, Creil (Oise) and the CDG Express (joint-venture with Keolis). In addition, the subsidiary's service was renewed in the United States for the contracts in Tucson (Arizona) and Charlotte (North Carolina). The operating contracts for metro line 1 in Mumbai and metro line 9 in Seoul expired in June 2019.

## → Fast-growing activity for the Group's other subsidiaries and shareholdings

**RATP Smart Systems**, the subsidiary specialised in mobility assistance services, enjoyed a 30% increase in activity in the first half-year, fuelled by its active involvement in the Group's digital transformation.

Gross sales by **RATP Real Estate** rose by +9%, reflecting the ramp-up of the subsidiary's activities for the benefit of the group, in particular on the BUS 2025 programme (energy conversion of bus depots) and the ongoing Vaugirard project (reconfiguration of the workshops and creation of a new district in the 15<sup>th</sup> arrondissement of Paris alongside RATP Habitat).

Engineering firm **Systra**, a joint venture between the SNCF and RATP groups, achieved a high order intake, reaching €316 million (an increase of +€12 million over 2018). The first half-year was marked by the awarding of design contracts in the United Arab Emirates, India and Poland, a contract for the renovation of outdoor works of art as part of the renovation of the Chicago metro, and the awarding of project management responsibilities for the central infrastructure part of the 3<sup>rd</sup> line of the automated metro in Toulouse.

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