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## PRESS RELEASE

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29 March 2019

### RATP Group 2018 results: a year of profitable growth and investments to the benefit of passengers

- A major **acceleration in the Group's development**, in France and abroad
  - **Economic performance on the rise** along with a consolidation of the financial fundamentals
  - **The maintaining of a very high level of investment in Île-de-France**, with the support of Île-de-France Mobilités, to develop, maintain and upgrade the networks, and also continue to increase the quality of service provided to passengers
  - An **ongoing effort for innovation**, in order to position RATP Group as champion of sustainable and connected mobility and the privileged partner of smart cities
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- The Group's **turnover** reached **€5,563 million** in 2018, a +3.2% increase (3.6% excluding currency impact), equalling + €172 million. The **contribution on the part of the subsidiaries** with regards to the consolidated turnover grew to **21.8% in 2018 (21.1% in 2017)**
  - **The recurring operating profit (EBIT)** has grown to 6.3% reaching **€476 million, equal to +€28 million**
  - **The Group's share of the recurring earnings** amounts to **€290 million (+9%), a €24 million increase**
  - RATP is continuing its massive investment drive in **Île-de-France** equal to **€1,579 million, nearly 35% of RATP's turnover**, within a solid financial framework: **the net debt has remained stable at €5.2 billion**, and the debt-to-equity ratio (gearing) has reached 1.07x

On 29 March 2019, during a meeting chaired by Chairwoman and Chief Executive Officer Catherine Guillouard, RATP's Executive Board reviewed and approved RATP Group's consolidated accounts, as well as the EPIC's corporate accounts, through 31 December 2018.

On this occasion, **Catherine Guillouard stated**: *"2018 was marked by acceleration in the Group's development throughout every segment (Île-de-France, France, and internationally). Continuing to improve our economic and financial performance reinforces our profitable growth strategy in leading markets for sustainable mobility and smart cities.*

*We have continued our massive investment effort in Île-de-France amounting to €1,579 million, with the support of Île-de-France Mobilités, to the benefit of passengers, while being able to self-finance our equity share and at the same time slightly decrease our net debt to €5.19 billion.*

*The Group is firmly committed to answering the calls for tender in Île-de-France (Optile bus, Tramway T9), in France (Brest, Saint-Malo, Creil, ...) and abroad (Buenos Aires, Austin...). It is also actively preparing for the opening to competition on the Paris bus network."*

### **Developments in RATP Group's key performance indicators**

| In € Millions                     | 31 December 2017 | 31 December 2018 |       |
|-----------------------------------|------------------|------------------|-------|
| Turnover*                         | 5,391            | 5,563            | +3.2% |
| Recurring operating result (EBIT) | 448              | 476              | +6.3% |
| Group share net recurring profit  | 266              | 290              | +9%   |
| Cash flow                         | 976              | 1,004            | +2.9% |
| Net debt                          | 5,233            | 5,188            | -0.9% |

\* 2017 turnover is adjusted for the impact stemming from the IFRS 15.

## **Major acceleration in the Group's development, in Île-de-France, in French regions and abroad**

**In 2018, the Group's consolidated turnover reached €5,563 million in 2018, a 3.2% increase (3.6% excluding currency impact), compared to 31 December 2017.**

- **Contribution on the part of the EPIC amounts to €4,352 million, a 2.3% increase.** In Île-de-France, the activity benefits from the high-level ridership and passenger revenue (with a 2.8% increase excluding tariff evolutions), and the development in the transport and service offer financed by Île-de-France Mobilités (line extensions and increased service on the bus network, the T3b extension to Porte d'Asnières, RER line A's new schedule, upgrading of the ticket system, cleanliness action plan, ...).
- **Contribution on the part of the subsidiaries amounts to €1,211 million, rising to 6.7% (8.9% excluding currency impact).** This momentum is primarily fuelled by RATP Dev, which has grown by 9.1% excluding currency impact (equal to + €100 million), thanks to major organic growth, notably in Algeria, the United Kingdom and France, as well as the launching of new contracts (Lorient transport network, the Riyadh metro, the United States).

## **Increasing economic and financial performance**

Dynamism in the sector and strict management of operating expenses lead to a significant improvement in the Group's operational performance, despite the negative impact coming from several external factors (decrease in the CICE, increase in the CSG and employer pension contributions, external social movements, etc....), which have had a negative impact on 2018's results: **the recurring operating result (EBIT) has had a €28 million increase (+6.3%) compared to 2017, amounting to €476 million.** This represents 8.6% of the turnover, compared to 8.2% in 2017.

**The Group's share net recurring profit reached €290 million, a €24 million increase, with respect to 2017.** This represents 5.2% of the turnover, compared to 4.8% in 2017.

**The Group share of net profit is €200 million (-€139 million).** This major variation stems from accounting issues, which are non-recurring and having no impact on the treasury. The issues are linked to changes in tax legislation (CICE reform in 2017, the "*rabot fiscal*" reform - a cap on deductible interest), leading to a variation in the differed tax asset amounting to -€133 million.

**The Group's financial strength was once again reinforced in 2018:**

- Cash flow (excluding the revaluation of the deferred tax asset) exceeds 1 billion euros, reaching €1,004 billion, a €28 million increase, thus, enabling the Group to self-finance using its own funds.
- Consolidated net debt decreased by €45 million, down to €5,188 million at the end of 2018.
- The debt-to-equity ratio (gearing) is continuing its improvement track at 1.07 x end of 2018 compared to 1.13 x end of 2017, ahead of its 1.1 x target for 2020.

## Ever-growing ridership in Île-de-France

The basic trend observed over the last few years in Île-de-France was confirmed in 2018, with a 1.1% increase in ridership on the RATP EPIC network (3,389 million journeys - MJ), despite SNCF strikes in the spring, social movements and demonstrations at the end of the year. This positive trend is driven by good economic health in the Île-de-France region, a dynamic tourist industry in Paris and a political and societal climate that is favourable to public transport.

Growth is primarily driven by the Metro and the Tramway networks:

- **Metro:** a 1.3% increase in traffic (equal to + 20.8 MJ), driven by a favourable economic environment and by occasional, tourist traffic.
- **RER:** a slight increase in traffic, amounting to +0.8 % (equal to + 4 MJ). RER line A's excellent dynamic performance (+2.2%), made possible through the new offer, is partially compensated by a decrease in traffic on RER line B (-1.7%), impacted by strikes at SNCF and by operation difficulties linked to works on the network.
- **Bus:** a slight decrease in traffic, amounting to 0.6 % (-6.1 MJ), affected by difficulties in road circulation in the capital (road works, demonstrations).
- **Tramway:** a significant increase in traffic, amounting to +6.5% (+18.4 MJ), notably driven by the extension of the T3b line to Porte d'Asnières and increased service.

## A high-performance metro network, and a notable improvement in punctuality on RER line A

Throughout 2018, **the metro network achieved a very high production level during peak hours**, at 98.2% (+ 0.1 points compared to 2017) on average across all lines, affirming 2017's good results. 13 out of 14 metro lines reached the punctuality targets during peak hours. Line 4 was the only line to have a slight decrease in punctuality, at 96.1%. This was related to acceleration in automation works.

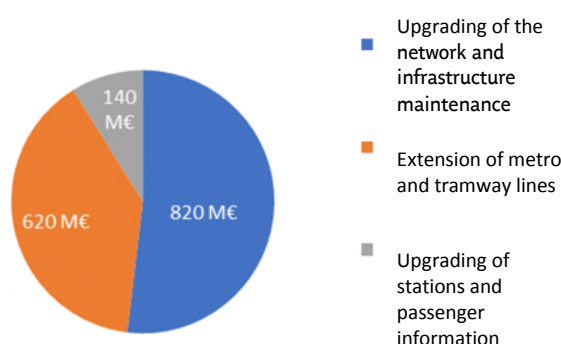
**With regards to the RER, punctuality on the A line has seen significant improvement, up to 90% (86.3% in 2017), which is +3.7 points over a one-year period.** Between 2016 and 2018, punctuality on the line has increased by more than 6 points, chiefly thanks to the installation of an autopilot on

the central section and the new timetable. The establishment of the Single Command Centre will strengthen and consolidate this upward trend.

Punctuality on RER line B rose slightly to 87.6% (87% in 2017). An emergency plan has just been launched to help the line to score punctuality points and improve passenger service.

## Continuing record investments in Île-de-France

The investments made in 2018 by RATP in Île-de-France, with the support of Île-de-France Mobilités and other public co-financiers under the State Region Projects Contract (CPER), were maintained at a very high level with €1,579 million invested to develop, maintain and modernise the network, renovate spaces and improve passenger information and services\*:



In 2018, over 3,000 projects of all sizes were completed to ensure passenger safety and the continuity of service, representing a very high volume of work on the Paris region networks.

\* See details in appendices

## Accelerating RATP Group's growth and development dynamic in France and abroad

**In 2018, RATP Dev achieved significant commercial and operational success worldwide. This profitable growth is simultaneously driven by the dynamics of existing contracts, including:**

- Extensions made to the networks in Algeria, with the commissioning of the Ouargla and Setif trams, as well as the two extensions on the Algiers metro.
- The extension of the tramway in Florence, Italy.
- The launching of operations for Lorient's transport network (bus and maritime shuttle service).
- RATP Dev USA's new contracts to operate the DC Circulator buses in Washington D.C. and Prince George's County, Maryland, as well as the transportation network operating agreements for the cities of Santa Maria, California, and Yuma (Arizona).

RATP Dev has also acquired the California company Roadrunner, therefore taking over all the operational activities of transport: regular lines, vehicles for people with reduced mobility, airport shuttles, coach hire and shuttles with a driver.

2018 also saw the winning of new major contracts:

- Operation and maintenance contract for Riyadh metro lines 1 and 2 (Saudi Arabia), awarded to RATP Dev and its partner SAPTCO for a period of 12 years. RATP Dev strengthens its presence in Saudi Arabia after winning the Riyadh bus network, which will be launched in 2019.
- Operation and maintenance contract for the Doha metro and Lusail tramway (Qatar), for a 20-year period, awarded to RKH Qitarat, a joint venture between RATP Dev, Keolis and Hamad Group. The mobilisation phase is underway, with 1,500 people being recruited and trained over the first two years of the contract.
- In France, the contract award of the CDG Express to RATP Dev, in a consortium with Keolis. The contract includes a 5-year operational preparation period (2019-2023) and a 15-year operating period (2024-2038).

Lastly, RATP Group has extended its network of tourist buses in Europe by welcoming Rome and Monaco into its international alliance Extrapolitan, launched in 2015. The goal is to bring together, under the same label, the best operators of tourist buses.

## Rapid growth in other subsidiaries in France and abroad

- RATP Smart Systems (formerly Ixxi), an RATP Group subsidiary dedicated to the development of new digital mobility solutions, continues to grow (+7% growth) through its Navocap and SETIM subsidiaries: awarded the SIM New Aquitaine contract, providing an operating aid system for the Procars transporter. In South America, RATP Smart Systems will also develop ticketing projects for buses in Guadalajara (Mexico) and the Guayaquil cable car (Ecuador).
- RATP Real Estate (formerly SEDP) is significantly developing its activity (+16%), through the project management of conversion projects for RATP bus depots with electricity and biogas, the Vaugirard Ateliers project for the modernisation of metro line 12's maintenance workshops, and several expertise missions abroad with RATP Dev. RATP Real Estate has also signed a partnership with Woodeum, aiming to develop innovative low carbon construction methods.
- **RATP Connect** has doubled its number of orders with 16 new contracts (Banque de France, Galeries Lafayette, etc.) and is continuing the deployment of 3G/4G in the Paris metro. Over 300 stations are now equipped.
- **Systra**, a joint investment between RATP and SNCF, is restoring its activity and its performance despite an unsettled international context. In 2018, 70% of SYSTRA's turnover was generated abroad. Orders reached €585 million with the awarding of engineering, project management or project management assistance contracts for emblematic projects: the HS2 high-speed line project in the United Kingdom, phase 2 of the Dubai tramway, Florence tramway in Italy, the third line of the Toulouse metro, extension of line 14 South for the Société du Grand Paris, the tunnel base of the Lyon-Turin railway project.

- Lastly, **RATP Capital Innovation**, RATP Group's investment fund, continues to explore new shared mobility and smart city sectors, with €12 million invested, to date, in several promising startups: intelligent shared parking with Zenpark, the self-service electric scooter with Cityscoot, car sharing with Communauto, car-to-work with Klaxit, and transporting people with Citizen Mobility...

## 2019 Growth prospects

**In 2019, RATP Group will continue its investment and growth dynamic both in Île-de-France, regionally and internationally, with three priorities: excellence in passenger service, innovation and the smart and sustainable city.**

- **In Île-de-France**, the year will be marked by the tender for the waterfront network (T9 tramway and bus) and by the opening to competition of the Optile network, on which RATP Dev will position itself.
- The 2025 Bus Plan, with the objective of converting 2/3 of bus depots to electric and 1/3 to biogas in 2025, is becoming a tangible reality for passengers, with a quarter of the fleet already converted. The results of the first massive tender of electric buses (an order of up to 1,000 buses) will be known within a few weeks. After the successful connection of the Lagny bus depot (Paris 20<sup>th</sup> arrondissement) to the Enedis network, work on the adaptation of bus depots is continuing, with twelve bus depots undergoing transformation.
- Work is continuing on lines 4, 11, 12 and 14. Work to extend line 14 North, which will open in the summer of 2020, is entering the final straight with the commissioning of the Saint-Ouen Maintenance and storage site, laying the last rail in the summer of 2019, and the end of the adaptation of existing stations.
- Regarding the RER, the RER A Single Command Centre was set up in Vincennes, which will allow better coordination of operations and passenger information between the RATP and SNCF zones. An emergency plan for the RER B will also be implemented with extra human presence to manage passenger flows, increased comfort in the station with the creation of "micro-working" spaces, and the reinforcement of police dog teams.
- The year will also be marked by the implementation of an ambitious project to improve our customer experience, chiefly through the deployment of contactless ticketing, a new upgraded RATP app - boasting extra, more intuitive features - , the testing of new services and innovation in retail offerings.

**Regarding development outside the Île-de-France region, RATP Dev has already won the call for tenders for bus and tramway operations in the city of Angers**, which reinforces the Group's positioning in the west of France, together with the networks of Lorient and Vannes. RATP Dev's contract **on the Salève cable car has also been renewed for 12 years.**

**RATP Dev has positioned itself on calls for tender** whose results are expected this year: in Brest for the cable car and bus network operation, in Saint-Malo for the bus network, and in Creil in Oise.

**In the Middle East**, the first two subway lines in Doha (Qatar) will be opened, as well as the Lusail tram line, and the Riyadh (Saudi Arabia) bus network will open in the second half of 2019. The company is also working on the commissioning of lines 1 and 2 of the Riyadh metro scheduled for the end of 2020 / early 2021.

**Latin America** is still a land for conquest: RATP Dev is a candidate for the tender for the operation of the Buenos Aires metro (Argentina).

**In North Africa**, RATP Dev is a candidate for the operation of the bus network in the economic capital of Morocco, after commissioning the second Casablanca tram line (T2) in 2018, a first milestone in the most ambitious urban transport project on the African continent. Also in Casablanca, RATP Dev is extending the T1 tram line.

**In Algeria**, the year will be marked by the extension of the Constantine tramway and the opening of the 7<sup>th</sup> Algerian tramway network in Mostaganem.



## APPENDICES

### Details of the investments in the Île-de-France region in 2017, with the support of Île-de-France Mobilités

#### 1 / €820 million to upgrade the network and maintain infrastructure

RATP owns and manages the metro and RER rail network infrastructure on a long-term basis and broadly participates in the renewal of the transport operator's assets in the Île-de-France region. Therefore, the results generated by RATP should enable it to finance its network upgrade and renewal investments.

#### 1-1 The RER: a top priority

The priority given to this mode of transport results in an investment amount that is three times higher than that of the rest of the network, in proportion to the number of passengers.

##### ➔ RER A: a visible upgrade to improve regularity

- Generalisation of the autopilot system on the central section for better regularity and improved performance on line operation.
- Promise delivered regarding the RVB (Track Ballast Renewal) during the summer of 2018: completion of the entire planned program (2.3 km of track and the renewal of 2 rail switches).

##### ➔ RER B: an expanding upgrade

- Consultation has started with IDFM, for the new MING rolling stock.
- Adaptation of the maintenance and storage workshops (work in progress at the Mitry workshop to accommodate the future MING equipment, and ongoing studies at the Massy and St Rémy workshops).
- The Orsay and St Rémy terminal upgrades continue.

#### 1-2 The metro upgrade is ongoing

##### ➔ Line 4 continues its automation

- Platform reinforcement is over 90% completed for the installation of the future platform screen doors.
- First platform screen doors installed in several stations (Alésia, Mouton-Duvernet, Château-Rouge, ...).

##### ➔ Line 6 upgrade launched

- Adaptation of the platform sizes to accommodate the new equipment on the line starting in 2021 (MP89 trains, transferred from line 4).

##### ➔ First tests of line 14's new train

- Tests of the first MP14 8-carriage train in progress. The MP14 train will eventually equip metro lines 4 and 11 as well.

#### 1-3 An unprecedented transformation of the bus network



- All 25 bus depots will be converted to electricity and biogas by 2025, making RATP the first operator in Europe to have a fleet of 100% clean buses. Twelve bus depots are already undergoing transformations.
- Nearly a quarter of the RATP bus fleet (comprised of 4,700 buses) was already made up of clean buses (hybrid, electric and biogas) at the end of 2018.
- A massive call for tenders is ongoing for the purchase of up to 1,000 electric buses.
- Incorporation of 75 electric buses and 86 biogas buses in 2019. Electric buses will be deployed on the Lagny (Paris 20<sup>th</sup>) and Corentin (Paris 14<sup>th</sup>) sites, biogas buses in Créteil.
- In November 2018, abroad, the Group inaugurated a depot and two electric bus lines in London.

## **2 / €620 million to extend the metro and tram lines: an unprecedented volume of network extension works**

- Extension of metro lines 4, 11, 12 and 14 north and south.
- 30 km of lines under construction, meaning 18 new stations and 6 tunnel boring machines at work, a volume of works not attained since the 1930s.
- The extension of T3 tramway in Porte d'Asnières was put into service in December 2018.
- Acceleration of extension work on the T1 tramway in Colombes for delivery in 2020.
- Completion of large-scale construction sites: shifting of the tunnel on line 11 extension under the A86 highway; craning of a pedestrian crossing at the Créteil-L'Échat station on line 8 for interconnection with line 15; shifting of a 7,000 tonne structure to the Noisy-Champs station on RER line A for the future interconnection with metro lines 15 and 16.

## **3 / €140 million to modernise stations and passenger information**

- ➔ **Continuous improvement of passenger information and services**
  - Testing of SYSPAD screens at Gare de Lyon to make it easier for passengers to read RER train directions.
  - 3G/4G available in over 300 metro and train stations.
- ➔ **Remote monitoring of stations for better security and services**
  - Continuation of metro stations linking to the Central Fire-Control Station.
  - Implementation of the centralised remote monitoring of equipment in stations on lines 13, 3 and 3bis for improved passenger information.
- ➔ **Renovated and more welcoming spaces**
  - The Basilique de St Denis station (line 13) has been renovated, as well as the Trinité d'Estienne d'Orves station (line 12).
  - Regarding RER stations: continuation of renovation works on RER line A stations at Auber, Vincennes, Nogent-sur-Marne and Marne-la-Vallée and commencement of the works at Nanterre-Ville station. Work in progress on the RER line B stations of Croix-de-Berny and Luxembourg.