

Public passenger transport in urban networks

The RATP group, which operates in 13 countries on four continents, is the fifth largest urban public transport group in the world. It is made up of a parent company (EPIC) that operates the Ile-de-France network - one of the most complex multimodal networks - and around a hundred subsidiaries that offer a variety of expertise in France and abroad.

2022: A year of traffic recovery and continued development in a deteriorated macroeconomic and social context that is weighing on results.

Highlights of the year

A net recovery in passenger traffic in the Île-de-France region (+21% compared to 2021), which continues to catch up after the health crisis. Nevertheless, ridership remains on average -14% below its 2019 level (versus -29% in 2021).

- A dynamic growth of +10%¹ (+€536 million) in consolidated revenues (€6.1 billion) driven by the recovery in traffic and the development of subsidiaries (+50%).

- However, 2022 will be marked by significant difficulties in France and abroad:

an unfavorable macro-economic context linked to the conflict in Ukraine, with a sharp acceleration in inflation impacting energy supply costs and the dynamics of salary increases. These changes are only partially covered by contracts with the transit authorities, particularly in the Paris region and London. In total, the net negative impact of inflation on the Group's income in 2022 is €104 million;

difficulties in providing transportation services due to high tensions in the labor market, both in France and abroad, leading to recruitment difficulties, and high absenteeism rates which have not returned to their pre-covid level. This situation has had a significant impact on revenue and net income (-€95 million, of which -€78 million for RATP EPIC and -€17 million for the subsidiaries), through the rebates and penalties paid to the organizing authorities, but also, for RATP, through the increase in the deficit of the social insurance scheme borne by the employer. The RATP group is working to normalize the situation as quickly as possible and to improve service quality in all the affected markets, by accelerating its recruitment plans and implementing a salary policy designed to make its professions more attractive.

in the United Kingdom, a difficult situation in the London bus business, due in particular to a shortage of labor and social tensions in a context of strong inflationary pressures on wages and energy costs. These difficulties are common to most operators in this market.

tensions on global supply chains, which are slowing down the implementation of investment projects.

Results strongly impacted by this unfavorable context, despite the positive effects of the business recovery and continued productivity efforts:

Operating profit (EBIT) of €193m (3.2% of revenues), compared with €327m in 2021 (5.9%);

A net loss (Group share) of €26 million, compared with €207 million in 2021.

- Continued massive investment in Île-de-France (€2,209 million³) to prepare for the future, with the support of Île-de-France Mobilités. This is due to the expiry of metro line extension projects and procurement difficulties, particularly with regard to rolling stock. Consolidated capital expenditure for the RATP group amounted to €2,386 million.

- Net debt of €5,536 million, down €159 million compared with 2021, thanks to a sharp improvement in operating working capital. Gearing (net debt to equity ratio) of 1.02x compared to 1.14x at the end of 2021.

- A group resolutely committed to the fight against climate change, with significant and credible indicators validated in 2022 by the Science Based Targets (SBTi) initiative. The year 2022 is marked by a 21% reduction in greenhouse gas emissions (gCO₂e) per passenger-kilometer compared to 2015.

- A high level of eligibility and alignment of EPIC and RATP Group activities with the climate change mitigation and adaptation objectives of the European Green Taxonomy, which the RATP Group has voluntarily chosen to comply with: 89% of eligible revenue (including 97% for EPIC RATP) and 51% of aligned revenue (including 69% for EPIC RATP).

Results strongly affected by the impact of the economic and health crisis.

A clear upturn in traffic in Île-de-France

The year 2022 saw a clear rebound in passenger traffic in the Paris Region, reaching 2,859 million trips, an increase of +21% compared with 2021. The recovery is driven by the gradual easing of the effects of the health crisis, the recovery in tourism and the impact of rising fuel prices. It is more pronounced on the rail networks (+32% on the metro, +35% on the RER, +17% on the tramway) than on the bus network (+2%), which was affected by major production difficulties in the second half of the year. Overall, passenger traffic remains on average -14% below its pre-crisis level (compared with -29% in 2021).

A 10% increase in consolidated revenues

The Group's consolidated revenues for 2022 amount to €6.1 billion, up significantly (+€536 million pro forma, or +10%) compared to 2021.

This rebound was driven by the strong development momentum of the subsidiaries (+€420 million), with the ramp-up of the Tuscany contract (for +€356 million) and development in France, the United States and Egypt, and by the favorable impact of the recovery in business and passenger traffic on Group revenues (+€149 million, of which +€119 million for RATP EPIC).

The contribution of subsidiaries to Group revenues will represent €1.6 billion in 2022, or 26% of consolidated revenues.

Operational and financial performance affected by a difficult macro-economic and social context

Consolidated operating profit (EBIT) is €193 million, compared with a proforma figure of €327 million in 2021 (-€134 million). This change reflects both the net impact (after application of indexation clauses) of inflation on service production costs (€96 million for RATP) the effects of absenteeism due to illness and recruitment difficulties (including a €36 million increase in penalties for failure to meet contractual obligations and a €35 million deterioration in the results of the RATP health insurance scheme), as well as the €42 million provision made by RATP in 2022 in respect of its dispute with the URSSAF. These changes offset the positive effects of the recovery in business and the continuation of performance plans, both for RATP and its subsidiaries.

Consolidated operating income as a percentage of revenues reached 3.2%, compared with 5.9% in 2021.

Net income (group share) is -€26 million, compared with +€207 million in 2021 (-€233 million). This deterioration, which was more marked than that of operating income, mainly reflects the difficulties encountered by the public transport activities operated by RATP Dev in London (recorded in net income in accordance with IFRS 5), for which the Group has undertaken a review of its strategic options, as well as the change in the deferred tax charge.

Cash flow from operations is down by €76 million compared to 2021, to €994 million.

However, net debt fell by €159 million (-2.8%) to €5,536 million at the end of 2022, thanks to a significant improvement in working capital requirements. The slowdown in investment compared with 2021 only affects subsidized investment, with no impact on debt; investment using RATP's own funds is up slightly (+€29 million to €865 million).

The Group's gearing (net debt/equity ratio) is improving and will be 1.02x in 2022 compared with 1.14x at the end of 2021.

Massive investments in Île-de-France

RATP is fully mobilised to implement the ambitious investment programme set out in the 2021-2024 contract with Île-de-France Mobilités (€8.5 billion over four years). 319 million as delegated project manager on behalf of Société du Grand Paris for the extension of line 14 to the south), down slightly from 2021 (-7%), due in particular to the expiry of major metro line extension projects and the difficulties encountered by manufacturers in delivering rolling stock:

1,202 million to modernize the network and maintain the infrastructure: energy transition of the bus network (conversion of bus centers to electric and biogas and purchase of electric buses), renewal of metro (MF19 project), RER (MI20) and tramway (TW20 for T1) rolling stock, renovation of MI2N and MI84 trains for the RER, automation of line 4 modernization of line 6 with the arrival of renovated MP89 trains, adaptation of infrastructure and maintenance workshops to accommodate the new rolling stock, and investments in heritage to guarantee the durability and performance of the infrastructure (completion of RVB4 on RER A, renewal of the Chartres Bridge, etc.) ;

- 850 million to extend metro and tramway lines: extension of lines 14 north and south, 11, 12, connections with the future line 15 of the Grand Paris Express, extension of T1 to Val de Fontenay and T3B to Porte Dauphine;

- 157 million to improve passenger comfort by modernizing stations, passenger information and accessibility: renovation of Auber, Vincennes and Charles de Gaulle-Etoile stations and 11 metro stations, improving safety and accessibility (Place d'Italie, Saint-Michel Notre-Dame), modernizing passenger information systems and deploying new display screens on the RER A, modernizing ticketing systems (adapting them to the new dematerialized media)

319 million on line 14 South on behalf of SGP), down by 12% compared to 2021. 177 million, down from 2021, following the purchase of the assets required to operate buses in Tuscany.

An expanding group in France and abroad

The RATP group continued to develop at a sustained pace in 2022, both in France and abroad, with proforma growth of 50% in the subsidiaries' activity. The growth in the subsidiaries' activity was driven by a clear upturn in traffic, particularly for the tourist bus business, which benefited from the upturn in tourism in the major capitals, by the indexation of the organizing authorities' contributions, and above all by the positive effects of commercial development.

RATP Dev has successfully started new contracts to operate buses in Tuscany and Greensboro in the United States, the Lusail tramway in Qatar, and rail services for the new capital in Egypt. In Doha, RATP and its partner Keolis met the major challenge of operating the metro during the Football World Cup, with an exemplary level of service quality. The RATP group mobilised 75 of its experts to support the operational management of the metro for this exceptionally large-scale sporting event.

In the Île-de-France region, RATP Cap Île-de-France has begun operating two Optile contracts that will be won in 2021 (Paris-Saclay and Bièvre networks).

On the commercial front, RATP Dev has consolidated its positions in France with the renewal of almost all of its urban contracts (with the exception of Valenciennes) and the strengthening of its activities in the Auvergne-Rhône-Alpes and Centre-Val de Loire regions.

Abroad, RATP Dev won two major contracts at the end of 2022 that demonstrate the RATP Group's expertise in automated metros:

- the contract to operate a new metro line linking the future Western Sydney airport. Starting in 2023, with its partners Siemens, WeBuild and Plenary within the Parklife Metro consortium, RATP Dev will participate in the design and preparation of the Sydney Metro-Western Sydney Airport (WSA) for four years, before taking over its operation and maintenance for the following 15 years;

- the technical assistance contract with the city of Belgrade to prepare for the future operation of the three automatic lines of the Belgrade metro, which is scheduled to come into service in 2028.

In the Bus sector, RATP Dev has been awarded the contract for the city of Raleigh, strengthening its position in the southern United States.

In the United Kingdom, in a tense market context due to macro-economic imbalances, labor shortages and social tensions, the operation of London buses is encountering difficulties common to most of the operators present in this market. In this troubled context, RATP Dev has begun to consider ways of strengthening the strategic position of the companies involved in the London market and enabling them to pursue their ambitious transition plan, regardless of their shareholding. It now has six electrified garages and 256 clean buses, or 30% of its fleet.

In Algeria, in agreement with the concession authority, RATP Dev will sell its shares in SETRAM, the company in charge of operating the country's tramways, to the Algerian government at the end of 2022.

The commercial activity of RATP Dev and RATP Cap Île-de-France in 2023 will remain very strong, with calls for tender underway in Île-de-France for the operation of buses (Optile and Paris petite couronne), the Grand Paris Express metro lines, the T4/T11 and T12/T13 tram-trains, as well as the operation of the Lyon, Reims and Toulon urban networks, and the TER lines in several regions.

RATP Solutions Ville, the RATP group's urban services subsidiary, scored new commercial successes in 2022: winning the tender for the renovation of the headquarters of the Assistance Publique des Hôpitaux de Paris with BNP Paribas Real Estate and Apsys, signing the dark fibre and 3G/4G coverage contract for line 14 south with the Société du Grand Paris, opening a new 4,000 m² site in Bagneux to develop the urban logistics offering, and taking joint control of Cityscoot alongside Banque des Territoires in order to support the company in the evolution of its organisational model. In 2022, RATP Solutions Ville began executing the concession contracts for the Grand Paris Express fibre-optic network (with CDC), and, alongside Engie, for the production and distribution of refrigerated energy for the City of Paris. It also accelerated the development of its corpo working activity on the RATP group's tertiary sites.

RATP Smart Systems is continuing to develop the RATP group's MaaS project, which is supported by the Bonjour RATP and Mappy applications, which have been enhanced with new services.

Systra, the world's leading rail transport engineering company, in which the RATP group holds a 43.4% stake, has crossed the €900 million revenue threshold in 2022, with an 18% growth in its activity, which is benefiting from the ramp-up of the HS2 high-speed line project in the United Kingdom. With more than €1 billion in new orders, Systra has an order backlog of more than €1.3 billion, or 16 months of revenue.

A high degree of alignment of the Group's activities with climate change mitigation objectives

As a determined player in the ecological transition to sustainable cities and a carbon-neutral economy, the RATP group has chosen to voluntarily comply with the reporting requirements set out in European regulation 2020/852 on the European Green Taxonomy.

The eligibility and alignment indicators demonstrate the Group's willingness to publish a transparent overview of the sustainability of its activities, and its full commitment to climate change mitigation:

- 89% of eligible consolidated revenue (including 97% for RATP EPIC) and 51% aligned (including 69% for RATP EPIC);

- 86% of eligible consolidated investments (of which 93% for RATP) and 32% aligned (of which 36% for RATP);

64% of eligible consolidated operating expenses (of which 87% for EPIC RATP) and 55% aligned (of which 75% for EPIC RATP).

These results are the result of a committed policy of mitigation and adaptation to climate change. They also reveal areas for improvement that will be the subject of targeted action plans in 2023.

The year 2022 is also marked by a 21% decrease in greenhouse gas emissions (gCO₂e) per passenger.km compared to 2015. This is the result of the decrease in GHG emissions generated by RATP (measured in tonnes of CO₂e), which is -28% compared to 2015.

At the end of 2022, the Science Based Targets initiative (SBTi) validated RATP's climate commitments at the most ambitious level of the Paris Agreements, deeming them compatible with the 1.5° global warming trajectory.