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SNCF GROUP 2021 ANNUAL RESULTS

In 2021, SNCF Group confirmed its recovery despite the crisis:

- €34.8bn revenue (+15% vs 2020)
- Recurring net profit -€185m
- Free cash flow much improved but still negative at -€690m, and net indebtedness lower

SUMMARY

- SNCF's diversified business portfolio paid off, confirming the strength and resilience of the Group's business model. Employee commitment and adaptability, together with proactive management helped it cushion fallout from the ongoing pandemic throughout the first half of the year, with operations marking a sharp rebound in the second half. Consolidated revenue for the full year was in line with the 2019 figure, and the Group remained on track to meet its financial commitments.
- Diversification helped create new sources of growth during the pandemic, and subsidiaries GEODIS and KEOLIS—both strategic assets—made a strong showing. As world markets for logistics and e-commerce soared, freight transport and logistics specialist GEODIS reported record revenues in 2021 and became the Group's second mainstay alongside SNCF VOYAGEURS. The business model and strategic priorities defined by SNCF in early 2020 were borne out: core rail operations retained room for manoeuvre thanks to growth in non-rail business.
- Thanks to very substantial support received under France Relance, the French State's recovery plan, SNCF Group continued to invest heavily in the French rail system as a whole in 2021. In addition to this support, the company adopted a new approach to rail offers and client relations, introducing the new Avantage rail card, expanding low-cost offers in France and Spain, stepping up use of digital technology, and more. Together with the sale of Ermewa and SNCF's own proactive cost-cutting plans, these factors helped mitigate the financial impact of Covid.
- The Group's financial trajectory is designed to enable it to meet commitments made under the 2018 rail reform package, in particular a pledge to bring free cash flow into the black in 2022.
- Today sustainable mobility is on the rise, with the arrival of a new high-speed rail operator in France and market liberalization reshaping rail service in some regions. Against this backdrop, SNCF Group has remained focused on building client loyalty, winning back rail passengers, and taking part in the vigorous rebound in logistics and freight transport.

SNCF Group reported a sharp rebound from 2020 and stands by the commitments set for its finances and investments:

- **Revenue of €34.8bn, up 15%** from 2020 (-1% from 2019).
- **EBITDA rose to €4.3bn**, or 12% of revenue (vs 6% in 2020), while remaining below the 2019 figure of 16% of revenue.
- While still a negative -€690m for the year, free cash flow showed a marked improvement from 2019 and 2020. This reflects the combined impact of structural and operational cost-cutting, a reduction in industrial expense, the postponement of some non-critical projects, and reduced financial expense.
- Recurring net profit was a negative -€185m, but with €1.1bn in non-recurring income from the sale of Ermewa as part of the Group strategy calling for the sale of non-core assets, net profit stood at €890m.
- Net indebtedness was down sharply at €36.3bn (before transfer of a second tranche of debt totalling €10bn to the State on 1 January 2022).

SNCF Group's diversification strategy and capacity to adapt have cushioned the impact of the Covid-19 crisis:

- **Logistics and freight transport turned in a very strong showing** throughout the year: revenue and EBITDA rose sharply for GEODIS, and Fret SNCF ended the year with both EBITDA and free cash flow in the black for the first time.
- In the first half of the year, the pandemic took a heavy toll on SNCF VOYAGEURS, particularly its TGV high-speed rail service. **But a rebound appeared in June and the year ended on a high note**, with a record 3.2 million TGV tickets sold for the end-of-year holidays—a 50% rise on 2020. **Sales benefited from the Group's proactive fare strategy, including its new Avantage rail pass and continued expansion of low-cost OUIGO rail service in France and in Spain.**
- **Throughout the year, SNCF staff worked long and hard** to meet challenges arising from the pandemic, **demonstrating both resilience and adaptability. Their responsiveness and commitment** played a key role in adapting the Group's offer and coping with swings in traffic, particularly the steep recovery from summer on.
- Ongoing internal cost-cutting (representing €1.9bn in free cash flow in 2021 after €2.5bn in 2020) combined with **State support** under the France Relance recovery programme allowed the Group to maintain its ambitious investment plan while **respecting its commitment to return free cash flow to the black by the end of 2022.**

Despite the pandemic, SNCF Group made investments totalling €10.3bn in 2021. A full 95% went to rail operations within France, including rail network and station regeneration and upgrades, new trainsets, TGV M and other priorities.

Group finances have improved significantly, and it has confirmed financial commitments including positive free cash flow as of 2022.

Commenting on SNCF Group's 2021 financial results, Chairman and CEO Jean-Pierre Farandou said:

"2021 saw a sharp rebound from 2020, particularly in the second half, with passenger travel bouncing back over the summer and again at the end of the year. Our 2021 results put us on track to meet our financial commitment to the French State, our sole shareholder, to reach positive free cash flow by 2022.

We did just that in the second half of 2021, thanks to our highly adaptable teams, proactive management of our businesses, and continued structural cost-cutting to bring free cash flow back into the black. This rigorous management and support from the French State enabled us to push ahead with projects essential to the rail system's overall performance: adapting transport plans, improving service fundamentals (safety, reliability and passenger information), and carrying out works to regenerate and upgrade the rail network and infrastructure.

These results also show that our diversification strategy was the right choice. GEODIS reported record revenues, driven by robust growth worldwide in freight transport and e-commerce. Growth at KEOLIS strengthened SNCF Group's global leadership in integrated solutions for sustainable mobility. Fret SNCF broke even—a very encouraging sign for the future of rail freight in Europe. And in 2021, we saw the first concrete effects of opening the passenger market up to competition. SNCF RÉSEAU and SNCF GARES & CONNEXIONS are now working with new players in a spirit of fair and impartial treatment, and SNCF VOYAGEURS has made its products and services even more competitive. SNCF Group is present throughout France and in 120 countries around the world, and we've adopted an ambitious CSR roadmap for lasting gains in our overall performance. We must press ahead in transforming our business and innovating to make SNCF Group the world leader in sustainable mobility.

I would like to extend my warmest thanks to all SNCF Group teams in France and worldwide. I salute their outstanding engagement throughout the pandemic."

2021 — CLOSE-UP

SNCF's diversification strategy offset the impact of measures taken to combat the pandemic, and made a direct contribution to the Group's rebound

[Freight transport and logistics](#)

Strong demand in logistics and freight helped cushion fallout from the health crisis and is set to drive future growth.

- **GEODIS reported record revenues in 2021**, with sales up 28% at €10.9bn. Freight forwarding was the strongest driver amid favorable price trends and rising volumes. Contract logistics also did well, buoyed by e-commerce and strong demand in the United States and in Europe. GEODIS made several strategic acquisitions during the year, including road transport specialist Pekaes in Poland.
- **RAIL LOGISTICS EUROPE had solid showings overall**, with sales up 9% from 2020. EBITDA and free cash flow were also in the black, including Fret SNCF for the first time.

[Passenger transport](#)

SNCF VOYAGEURS: long-distance passenger rail captured the rebound in demand that appeared when travel restrictions were lifted in May 2021 (sales +32% from 2020). **New fares introduced in June 2021 fuelled the rebound and helped offset a fall in business travel.** Three million Avantage rail cards were sold between June and December 2021.

INTERCITÉS developed new offers including night trains linking Paris and Nice in May. Full year business was well below 2019, the pre-Covid benchmark.

International high-speed rail carriers (Eurostar, Thalys and other cross-border services) suffered from restrictive measures imposed by the pandemic, but managed to adapt offers to leisure travel. Exporting high-speed rail service to Spain was a great success: low-price OUIGO España started up in May 2021 and reached 95% seat capacity.

Regional transport by SNCF VOYAGEURS saw a strong rise in revenue, with Transilien +3% and TER +6% from 2020.

- **For Transilien, serving commuters in the Paris region, passenger traffic fell by one-third as working from home took a toll.** Operating performance was positive, with punctuality outperforming contractual obligations and service quality at an all-time high.
- **Like Transilien, TER regional rail was hit by fallout from Covid restrictions.** Occasional travellers flocked back in summer 2021, with overall traffic reaching 80% of 2019 levels—a 35% rise from 2020.

KEOLIS: despite health measures in the first half and significant changes in scope (including the sale of Wales & Borders in the UK), revenue was 3% higher than in 2020. Contributing factors were a gradual return of French and international passengers in the second half, and the company's continued service. KEOLIS is preparing for the future with major commercial wins including an operating contract for Dubai's metro.

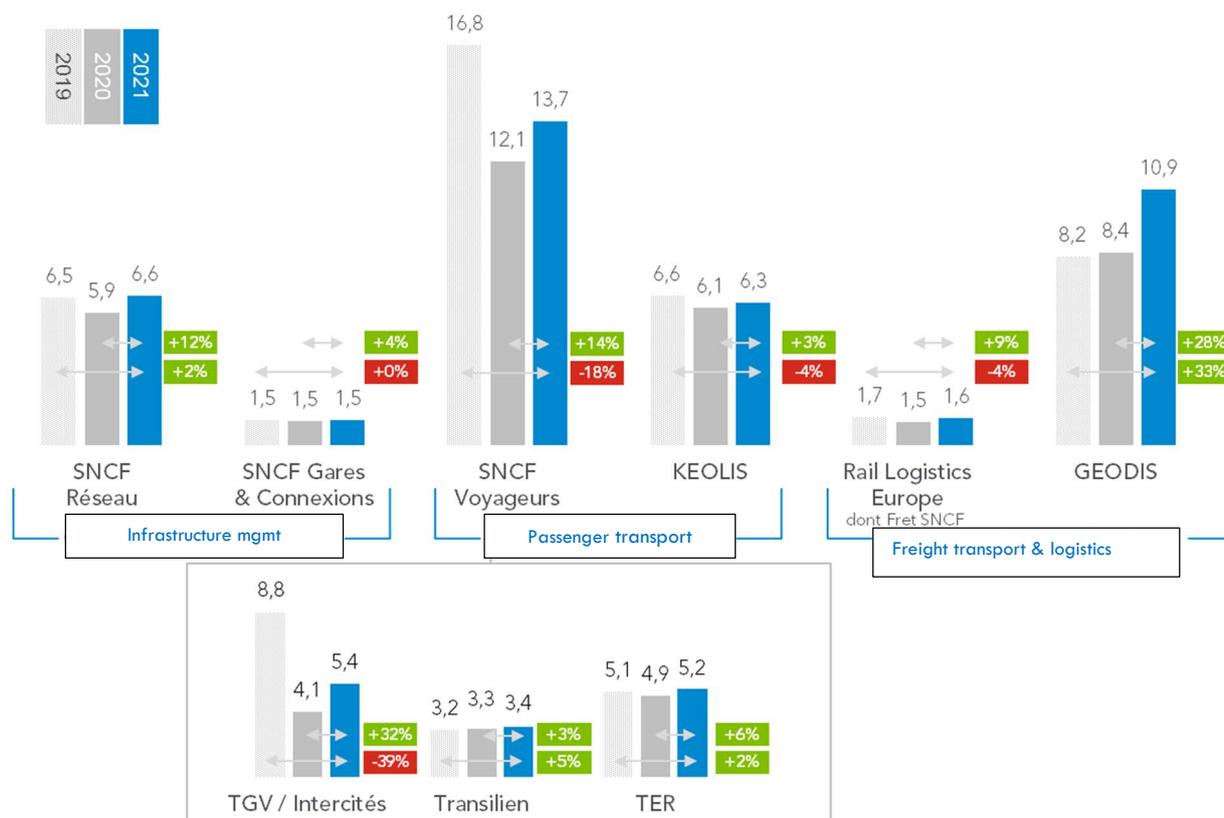
[Infrastructure manager](#)

Passenger and freight rail traffic was back to near-normal from June on

- **SNCF RÉSEAU reported revenue up 12%** from 2020, buoyed by a 19% rise in traffic, which was nonetheless 4% below the 2019 benchmark.
- **SNCF GARES & CONNEXIONS reported revenue up 4%** from 2020, although rental income from retail outlets in train stations was 12% below 2019.

[Revenue by business from 2019 to 2021 \(€ bn, %\)](#)

Improvement in all areas compared with 2020. 50% of growth generated by GEODIS.



Record investment backed by the recovery plan, in projects essential to the future of rail in France

With support from the French State, SNCF Group **continued robust investments to complete projects critical to its future**, in particular the regeneration and modernization of the national rail network. In 2021 **the spend came to €10.3bn**, nearly 35% financed by SNCF funds, with **95% earmarked for rail operations in France**. Investment in the rail network totalled €5.6bn, while €2.9bn was invested in rolling stock and operations at SNCF VOYAGEURS.

The French State has thrown its support behind a rail recovery plan totalling €4.05bn, and €1.6bn of this was paid in 2021—a very significant sum that allowed **network regeneration and modernization to proceed on schedule, along with station upgrades**.

SNCF Group's on-going performance plan and exceptional cost-cutting measures

Since 2016, SNCF Group has pursued a performance plan and major cost-cutting measures that include adaptation of structural and operating costs, reduced industrial and project costs, and postponement of non-critical projects. Together these measures led to significant improvements in the Group's performance, **totalling €1.9bn in 2021 after €2.5bn in 2020**.

Financial performance improved very significantly in 2021, without returning to pre-Covid levels

EBITDA rallied to €4.3bn or 12% of revenue (from 6% in 2020) but is still lower than in 2019 (16% of revenue).

The pandemic cut profitability compared with 2019—a benchmark, as the last pre-Covid year—particularly in the first half. The pandemic cut EBITDA by an estimated €3.7bn in 2021, including €2.6bn in the first six months alone. A full 80% of its impact was on high-speed rail (compared with 2019).

GEODIS turned in a strong performance with profitability up in nearly all of its businesses, surging above 2019 levels. **RAIL LOGISTICS EUROPE**, which handles all rail freight operations including Fret SNCF, **reported a solid**

showing in a tough environment. Fret SNCF reported both EBITDA and free cash flow in the black for the first time in 2021.

The Group's recurring net profit was a negative -€185m, but the sale of Ermewa Holding SAS and its subsidiaries generated €1.1bn in non-recurring income, raising net non-recurring profit to €890m. Finalized in October 2021, this transaction was a direct result of the Group's policy of disposing of non-core assets.

Free cash flow totalled -€690m. This was a significant improvement on the -€2.8bn recorded in 2020. Robust business volumes in the second half combined with cost-cutting put free cash flow in the black (€56m) in the second half.

As a result, the Group's net indebtedness stood at -€36.3bn on 31 December 2021, down €1.9bn from 31 December 2020.

For information, the Group's total net indebtedness after transfer of the second tranche of debt (€10bn) from SNCF RÉSEAU to the French State on 1 January 2022, as provided by the rail reform plan, stood at around €26bn.

SNCF Group finances are well in hand

SNCF Group's financing capacities are intact, with net cash at a robust €8.5bn at the end of December 2021 and an available credit line of €3.5bn.

For financing, the Group completed numerous transactions in 2021, raising a total of €2.8bn. Thanks to a €1.5bn 40-year public benchmark issue, long private placements in foreign currencies, and a return to the sterling market, it has secured financing at 0.6% for an average maturity of 28 years.

Altogether the Group raised the equivalent of over €900m in foreign currencies in 2021, or 32.6% of the year's total, on maturities ranging from 2 to 40 years. This diversified its sources of financing across Asia and Scandinavia, with new investors in particular.

SNCF's credit rating has been confirmed by all of its rating agencies: S&P: AA-, Moody's: Aa3, and Fitch: A+.

Confirmation: SNCF is on track for a return to equilibrium

The measures implemented by the Group combined with the French State's recovery programme have had a positive impact on SNCF's cash position:

- €1.9bn in savings in 2021 achieved through performance plans (after €2.5bn in 2020)
- €3.2bn from the sale of a non-strategic asset
- €1.6bn received from the French State in 2021 under the rail recovery plan (with the balance to arrive in 2022 and 2023)

Together these developments put the Group on track to meet its **financial commitments under the 2018 French rail reform package**. **SNCF confirms 2022 targets calling for free cash flow at breakeven**, net indebtedness/EBITDA ratio at or below 6.0x in 2023, and an FFO¹ / Net indebtedness ratio at or above 10%.

Sustainable business, environmental and social performance

Ambitious CSR strategy backed by clear governance

The "Tous SNCF/All SNCF" plan puts CSR at the heart of SNCF's strategy, opening its governance up to all of the company's internal and external stakeholders. This strategy represents a major competitive advantage and is built around six priorities:

- Giving rail and sustainable mobility a larger share of the transport mix by 2030
- Shrinking the environmental footprint of the Group's operations as a whole
- Adapting Group businesses to climate change and making them more climate-resilient

¹ FFO = EBITDA – interest expense – tax

- Working towards social cohesion and the ecological and solidarity economy in local communities
- Positioning employees as the primary stakeholders and beneficiaries of the social and ecological transition
- Practicing impeccable ethics and open governance

The Board of Directors created a special committee, bringing every area of CSR into its purview. **In SNCF Group companies, Chairs have set up issue-specific strategic committees** to promote diversity, reduce energy consumption and carbon emissions, and adapt to climate change.

In 2021, **SNCF Group's CSR performance earned an A1+ from ratings agency Vigeo Eiris, scoring 75/100 for a 1-point gain over 2020.** Out of nearly 5,000 companies rated, **SNCF was No. 1 in Europe's transport and tourism sector, and No. 6 worldwide** for all sectors combined.

CSR highlights in 2021

[Expanding sustainable mobility](#)

Revival of iconic sustainable mobility offers. SNCF resumed rail freight service between Perpignan and Rungis, and brought back overnight passenger trains. TGV fares became more affordable, thanks to a simplified Avantage rewards card, guaranteed price caps and an expanded range of low-cost OUIGO offerings.

[Stepping up the pace of the Group's energy transition](#)

Energy efficiency/carbon reduction. SNCF used innovation to step up its efforts in a number of areas. These included converting diesel-powered TER trains to hybrid and battery technology, placing the Group's first order for hydrogen trains, expanding KEOLIS' fleet of electric buses, and acquiring LNG-powered buses at GEODIS.

Increased use of renewable energies. The Group signed a new power purchase agreement with EDF, which will add 25 GWh of renewables a year to SNCF's energy mix starting in 2023. Meanwhile, greenhouse gas emissions per passenger per kilometre travelled fell to 9.2 g CO₂e/pkm in 2021. This figure is 8% down from 2020, thanks to increased seat occupancy and the rebound in traffic.

Promoting the circular economy. SNCF opened new facilities to dismantle end-of-life rolling stock, creating 400 jobs over the long term and helping establish a viable recycling industry for railway waste.

Glyphosate use discontinued. At year-end 2021, SNCF RÉSEAU announced that it would stop using glyphosate to remove weeds from track beds.

[Working towards social cohesion and the social and ecological economy in local communities](#)

Responsible purchasing. CSR compliance was assigned **20% weighting in 36% of all purchasing decisions** (up from 5.5% in 2020), contributing to positive momentum towards sustainability. Procurement from the social and solidarity economy reached €33.5m in 2021.

SNCF Foundation. The Foundation provided **funding to over 100 projects** that help young people move into the workforce through two main programmes—"Building a life" and "Protecting the regional environment".

Proactive policy for diversity, gender parity and non-discrimination. SNCF Group moved up by more than 200 places in the Diversity Leader rankings published by the Financial Times in November 2021.

Gender balance. The Group made major strides toward gender balance, including a solidarity agreement signed with all unions. **SNCF was rated 89/100 in the gender equality index—an 11-point increase—thanks to measures ensuring equal treatment of women after maternity leave and a higher percentage of women (38%) on executive committees within Group companies.** In early 2022, SNCF and three unions signed a collective agreement that promotes the employment of people with disabilities. The accord calls for Group companies to deploy yearly roadmaps and for SNCF to track its progress towards proactive targets.

Employment policy maintained in 2021. SNCF continues to rank among the top French recruiters, with over 11,600 new employees in France in 2021 and more than 10,000 new hires expected in 2022. The Group's rail operations also employed 7,000 work-study participants in 2021, with 5,000 more expected in 2022.

[100% sustainable finance strategy](#)

In 2021 the Board of Directors voted to ensure that **100% of financial products issued by the Group will comply with responsible investment criteria by 2025**. SNCF is already the **world's No. 6 green bonds issuer**, with €7.6bn outstanding. Projects funded by its green bonds have saved 26 million tonnes of CO₂. In 2021 **SNCF launched a green commercial paper programme that meets green bond principles—a worldwide first**—and KEOLIS has refinanced €600 million in debt as a sustainability-linked loan.

2022 OUTLOOK

The clear rebound that took shape in the second half of 2021 strengthens SNCF Group's business outlook for 2022. Combined with the recovery plan and ongoing cost-cutting, **this momentum puts the Group on track to achieve its positive cash flow target in 2022**.

Against this backdrop, SNCF Group's strategy is to win (back) business volume by **making fares more attractive and promoting rail as an eco-friendly mobility solution**.

Nonetheless, uncertainty persists over what lies ahead on the Covid front, as seen with the emergence of the Omicron variant. New health restrictions would inevitably affect domestic and international traffic.

On international markets, SNCF Group aims to consolidate and secure contracts won by KEOLIS and maintain favourable trends at GEODIS. Both are strategic assets, and both are set to remain genuine growth drivers that will keep the Group resilient and profitable.

As part of its domestic and European policy, **SNCF Group is working to double the current volume of freight and passengers transported by rail** to meet the goals set out in France's nationwide Low Carbon Strategy (SNBC). More broadly, this strategy helps customers reconcile their strong desire to travel with rising concern for the environment.

KEY FIGURES: FULL-YEAR 2021

CONSOLIDATED DATA (IFRS) € MILLIONS	2021	2020	2019
Revenue	34,752	29,975	35,120
Change 2021 / 2020 (CS&ER)	+15%		
Change 2021 / 2019	-1%		
Gross profit	4,232	1,977	5,591
As % of revenue	12%	6%	16%
EBITDA*	4,343	1,936	5,658
Recurring net profit (attributable to equity holders of the parent company)	-185	-2,764	-301
Net profit (attributable to equity holders of the parent company)	890	-3,030	-801
Investments (all funding sources combined)	10,293	8,932	10,012
Incl. net investments financed by SNCF	3,435	3,667	5,237
Free cash flow SNCF	-689	-2,838	-2,350
Net debt SNCF	-36,296	-38,148	-60,281

SNCF Group's consolidated financial statements at 31 December 2021 have been audited. The review procedures have 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. This new indicator is virtually equivalent to the "Gross profit" indicator previously reported by SNCF.

€ MILLIONS	REVENUE	GROSS PROFIT /~EBITDA*	GROSS PROFIT /~EBITDA* / REVENUE
SNCF RÉSEAU	6,605	1,721	26%
Change 2021 / 2020 (CS&ER)	+12%		
Change 2021 / 2019	+2%		
SNCF GARES & CONNEXIONS	1,545	305	20%
Change 2021 / 2020 (CS&ER)	+4%		
Change 2021 / 2019	0%		
SNCF VOYAGEURS	13,708	328	2%
Change 2021 / 2020 (CS&ER)	+14%		
Change 2021 / 2019	-18%		
KEOLIS	6,314	618	10%
Change 2021 / 2020 (CS&ER)	+3%		
Change 2021 / 2019	-4%		
RAIL LOGISTICS EUROPE (incl. Fret SNCF)	1,594	226	14%
Change 2021 / 2020 (CS&ER)	+9%		
Change 2021 / 2019	-4%		
GEODIS	10,906	948	9%
Change 2021 / 2020 (CS&ER)	+28%		
Change 2021 / 2019	+33%		
Other & inter-segment eliminations	-7,317	-296	
Total	34,752	4,232	12%

CS&ER: Change at constant scope of consolidation and exchange rates

SNCF Group's 2021 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 revenue of €34.8 billion in 2021, of which one-third on international markets. The Group does business in 120 countries and has 270,000 employees, with 208,000 working in France and over half in its core rail business. 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, Aléo and Lyria (international rail), and SNCF Connect (distribution); KEOLIS (a global operator of urban, suburban and regional mass transit systems); RAIL LOGISTICS EUROPE (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](https://www.sncf.com)

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