

INVESTOR INFORMATION

**Consolidated annual result 2020 of Action Logement Services and its subsidiaries**

The Board of Directors of Action Logement Services (ALS), meeting under the joint chairmanship and vice-chairmanship of MEDEF and CFTC on 9 June 2021, approved the Company's annual consolidated accounts.

**1. Scope of consolidation**

The scope of consolidation around the parent company ALS, the consolidating company, is unchanged from the previous year and includes the following companies: Projimmo Conseil, Ma Nouvelle Ville, Astria Foncier, Solendi Expansion and Opérateur National de Vente, with ALS's contribution representing 98% of the consolidated balance sheet total.

**2. Business activity and consolidated annual results 2020 of Action Logement Services**

| In millions of euros                          | 2019         | 2020         | 2020/2019    |             |
|---|--------------|--------------|--------------|-------------|
|   |              |              | Amount       | %           |
| Net PEEC collection                           | 1,742        | 1,572        | -170         | -10%        |
| Loan repayments                               | 1,275        | 1,213        | -62          | -5%         |
| State compensation                            | -            | 238          | 238          | na          |
| <b>Total resources excluding market calls</b> | <b>3,018</b> | <b>3,023</b> | <b>6</b>     | <b>0%</b>   |
| Support for employees                         | 569          | 1,188        | 619          | 109%        |
| Support for social landlords                  | 1,450        | 3,233        | 1,783        | 123%        |
| Public housing policies                       | 634          | 1,404        | 770          | 121%        |
| <b>Total commitments</b>                      | <b>2,653</b> | <b>5,825</b> | <b>3,172</b> | <b>120%</b> |

The net collection of repayments due in 20 years, mainly from the contribution of companies to the Participation des Employeurs à l'Effort de Construction (PEEC) [Employers' Contribution to Building and Construction Work], amounted to EUR 1.6 billion in 2020, down 9.8% compared to 2019.

This decrease is the consequence of the increase on 1 January 2020 of the threshold for companies to be subject to the PEEC from 20 to 50 employees, in application of the Law on the Action Plan for Growth and Transformation of Companies (PACTE Law).

The impact of this increase for the 2020 financial year is a decrease in gross collections, offset by a payment from the State of EUR 238m, in accordance with the provisions of the 2018-2022 Five-Year Agreement.

Loan repayments, the second component of Action Logement Services' resources, represent EUR 1.2 billion. They are down by 4.9%, as a result of the downward trend in customers' outstanding debts.

Thus, the resources, excluding the issue on the markets, amount to EUR 3 billion for the 2020 financial year. These resources are stable compared to the previous year.

After the launch in the second half of 2019 of its inaugural EUR 1 billion bond issue, its financing needs did not lead Action Logement Services to come on the markets in 2020.

Activity in 2020 rose sharply to EUR 5.8 billion in commitments in the form of grants and loans, due to the intensification of support for all beneficiaries in the current health crisis and the ramping up of all the measures in the Voluntary Investment Plan (PIV) signed with the State on 25 April 2019 for a total amount of EUR 9.1 billion.

- Aid to employees:
  - EUR 1.2 billion, an amount double that compared to fiscal 2019, with mainly the distribution of PIV aid for adapting housing to ageing residents, residential mobility to move closer to the workplace and energy renovation work.
  - Action Logement Services supported nearly 644,000 families in 2020 alone, i.e. 134,000 beneficiaries more than in 2019, helping in particular employees in difficulty. In this respect, in order to meet the needs of people made vulnerable by the health crisis, Action Logement Services has deployed exceptional assistance for unpaid rent and mortgage payments from June 2020.
- Funding for social landlords:
  - EUR 3.2 billion, up by EUR 1.8 billion compared to the 2019 financial year, at the heart of which is the deployment of the PIV for an amount of EUR 1.9 billion.
- Contribution to public housing policies:
  - EUR 1.4 billion in commitments, including the payment of an exceptional amount of EUR 0.5 billion to the National Housing Assistance Fund (FNAL), in accordance with the 2020 Finance Act.

In June 2020, Action Logement Services launched AL'in, a fully digitalised national rental solution platform that aims to facilitate the processing of housing applications. Thanks to this platform, which brings together all the players in the customer process (landlords, companies and employees), each applicant now has a personalised space.

For the financial year 2020, the following highlights can be noted for the activity of the consolidated subsidiaries:

- While rental payments and tenant behaviour were not affected by the health crisis, the relocation projects carried out by Solendi Expansion were delayed during the containment period, resulting in a delayed start to some lettings;
- In order to diversify the activity of Ma Nouvelle Ville, its corporate purpose has been extended to include "*rental management*";
- Projimmo Conseil has been confronted with the evolution of the banking world's positioning in the context of intermediation but also in the distribution of real estate loans, leading to a decrease in the remuneration paid;

- For its second year of activity, ONV, a HLM sales company, has completed its first sales and put 308 housing units on the market, thus starting the resale cycle of its assets. In order to support its development, the subsidiary benefited in December 2020 from the payment by Action Logement Services of the second tranche of the increase in its share capital of EUR 333 million. The remaining EUR 333 million of ONV's equity will be paid out in the form of shareholder current account loans.

### 3. Consolidated financial results

| In millions of euros            | 2019 | 2020   | 2020/2019 |       |
|---------------------------------|------|--------|-----------|-------|
|                                 |      |        | Amount    | %     |
| Net non-banking income          | 580  | -1,676 | -2,256    | -389% |
| Net banking income              | 134  | 126    | -9        | -7%   |
| Net operating income            | 715  | -1,550 | -2,265    | -317% |
| Management costs                | -357 | -295   | 62        | -17%  |
| Gross operating profit          | 358  | -1,845 | -2,202    | -616% |
| Risk cost                       | 11   | -62    | -72       | -685% |
| Operating profit                | 368  | -1,906 | -2,275    | -618% |
| Gains or losses on fixed assets | 43   | 1      | -41       | -97%  |
| Profit before tax               | 411  | -1,905 | -2,316    | -563% |
| Extraordinary profit            | -2   | -0     | 2         | -86%  |
| Income tax                      | -11  | -1     | 10        | -91%  |
| Minority interests              | 0    | 0      | 0         | 75%   |
| Net profit                      | 398  | -1,906 | -2,304    | -579% |

The net non-banking income (PNNB) represents a net charge of EUR 1,676 million, made up of the Participation des Employeurs à l'Effort de Construction (PEEC) [Employers' Contribution to Building and Construction Work] and reduced by the aid distributed in the form of subsidies to the beneficiaries of Action Logement Services, both natural and legal persons.

Net banking income was down to EUR 126 million in 2020, mainly due to a decrease in the net interest margin.

Management costs decreased by 17% compared to the previous year, as 2019 was strongly impacted by the provisioning of the support agreement for external mobility (CMVE).

The cost of risk, a net allocation of EUR 62 million, remains limited in relation to customer outstanding debts.

The net result is a deficit of EUR 1,906 million, mainly due to the acceleration of the PIV deployment.

This mobilisation in favour of employees and employment was thus fuelled by the historical resources of ALS, as had been anticipated when the amendment to the Five-Year Agreement on the Voluntary Investment Plan was signed.

### 4. Consolidated balance sheet information

Action Logement Services' consolidated balance sheet total is EUR 21.2 billion in 2020, down EUR 1.4 billion compared to 2019.

Outstanding customer loans represent EUR 15.6 billion.

Off-balance sheet commitments recorded amounted to EUR 19.7 billion, an increase of EUR 4.7 billion over the year 2020.

The increase in these commitments reflects the activity of Action Logement Services and the group it forms with its consolidated subsidiaries, as presented in the paragraph "*Business activity and consolidated annual results 2020 of Action Logement Services*", plus the commitments made in favour of the financing of Public Housing Policies.

## 5. Prudential information

Taking a global view of all the activities of Action Logement Services, the solvency ratio was 72.9% at 31 December 2020, confirming the financial strength of Action Logement Services.

## 6. Events since the end of the financial year

On 15 February 2021, Action Logement Group and the State signed an amendment to the Five-Year Agreement. This amendment, which aims to define the contribution of Action Logement Services to the France Relance plan in the context of the economic and social crisis, includes three major areas of intervention, around which the objectives and budgets of the Five-Year Agreement and the PIV are specified, namely:

- supporting 20,000 employees who are becoming first-time buyers of a new property with the payment of a EUR 10,000 grant (subject to available funds and the nature of the acquisition).
- securing career paths and support for young people and employees,
- Deploying an additional EUR 1.4 billion to intensify the urban renewal and social mix operations carried out by the National Agency for Urban Renewal in the Priority City Districts.

## 7. Perspectives

Following on from 2020 and taking into account the measures adopted in the Recovery Plan of 15 February 2021, the activity of Action Logement Services and its subsidiaries, as social utility players, will continue to develop in 2021.

From this perspective, the financing needs linked to the deployment of the announced measures could lead Action Logement Services to renew its call for tenders in 2021.

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*The audit procedures on the annual consolidated accounts of Action Logement Services for the period from 1 January 2020 to 31 December 2020 were carried out by the Statutory Auditors, whose audit report on the certification of the accounts is available and published on the Action Logement website.*

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*The regulated information is available on the Action Logement website:*

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*This press release contains certain forward-looking statements concerning the prospects of Action Logement Services, which are based on reasonable assumptions at the date of publication of this press release, but are by their nature subject to uncertainties that could lead to a difference between the actual results and those announced.*

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## ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance activities in the housing sector, in particular for employee housing, in order to promote employment and contribute to the economic dynamic throughout France. As such, Action Logement Services collects the Participation des Employeurs à l'Effort de Construction [Employers' Contribution to Building and Construction Work] and grants loans, financial aid and services for employees, companies and social and intermediary landlords.

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