

Paris, 6<sup>th</sup> September 2023,

INVESTOR INFORMATION

**Action Logement Services (ALS), social housing provider and subsidiary of Action Logement Groupe (ALG), has published its consolidated financial statements for the 2022 financial year:**

- The year 2022 marked the end of the five-year Agreement and its addenda signed with the French State. In total, over the period from 2018 to 2022, nearly €24.1bn have been committed to helping households, landlords and supporting public housing policies, illustrating the success of the schemes established.
- Net collection of employer's contribution (€1.5bn) increased by 3.5% in 2022 as the economy recovered from the health crisis.
- In line with the strategic guidelines defined in consultation with the French State, in particular when the Voluntary Investment Plan was signed in 2019 and the Recovery Schedule was signed in 2021, the year 2022 is characterised by a sustained activity, with almost €6.4bn committed and support provided for 806,000 households (795,000 in 2021).
- ALS's consolidated financial statements for 2022 report net income of -€1,081m, with the upward trend (-€3,954m in 2021) reflecting developments of the activity over the year, characterised by a lower volume of subsidies distributed.

**Consolidated annual result for 2022 of Action Logement Services and its subsidiaries**

The Board of Directors of Action Logement Services, meeting under the joint chairmanship and vice-chairmanship of MEDEF and CFTC on 11 May 2023, approved ALS' annual consolidated financial statements.

**1. Scope of consolidation**

The scope of consolidation based on the parent company Action Logement Services, the consolidating company, includes the following companies: Ma Nouvelle Ville, Astria Foncier, Solendi Expansion and Opérateur National de Vente.

There were no changes to this arrangement in the 2022 financial year.

ALS accounts for a significant proportion (over 90%) of the balance sheet contributions of the five companies included in the ALS consolidation scope.

## 2. Action Logement Services Business Activities

In millions of euros	2018	2019	2020	2021	2022	Change 2022/2021 (€m)	Change 2022/2021 (%)
Net collection	1,695	1,742	1,572	1,486	1,537	+51	+3%
Loan repayments	1,355	1,275	1,213	1,224	1,124	-101	-8%
State compensation	-	-	238	-	-	-	-
<b>Total resources excluding bond issues</b>	<b>3,051</b>	<b>3,018</b>	<b>3,023</b>	<b>2,710</b>	<b>2,661</b>	<b>-49</b>	<b>-2%</b>
Financial support to employees	666	582	1,201	2,407	1,313	-1,095	-45%
Financial support to social landlords	1,381	1,548	3,333	3,355	4,373	+1,018	+30%
Public housing policies	535	534	1,304	1,759	693	-1,066	-61%
<b>Total commitments</b>	<b>2,582</b>	<b>2,663</b>	<b>5,838</b>	<b>7,521</b>	<b>6,379</b>	<b>-1,143</b>	<b>-15%</b>
<i>of which PIV</i>	-	9	2,696	3,301	2,053	-1,285	-38%
<i>of which special payments to the Fonds National d'Aide au Logement (FNAL) (French National Fund for Housing Assistance)</i>	-	-	500	1,000	-	-1,000	-100%

In its capacity as a financing company, Action Logement Services is responsible for the operational implementation of Action Logement Groupe's commitments in support of housing and employment throughout France, by collecting the Employers' Contribution to the Construction Effort (*Participation des Employeurs à l'Effort de Construction, PEEC*) and the subscription of resources needed to distribute loans, subsidies and services.

In 2022, net collection of repayments due in 20 years, mainly from companies' contributions to the PEEC, amounted to €1,537m, up 3.5% compared to 2021. This increase is explained by the increase in gross collections<sup>1</sup> in the context of economic recovery following the health crisis. Of the gross funds raised, 78% was received in the form of subsidies and 22% in the form of 20-year bullet loans, a distribution comparable to that seen in previous years.

Loan repayments, down over one year (-8.2%), amounted to €1,124m of funds.

Excluding bond issues, total resources for the 2022 financial year thus amounted to €2,661m, down by €49m over one year, i.e. -1.8%.

In 2022, as part of its 100% sustainable EMTN programme, Action Logement Services carried out two bonds issues for €1.25bn and €0.75bn, bringing the total amount issued to €5bn by 31 December 2022.

### i. Finalisation of the five-year Agreement and its addenda

The last financial year of the five-year Agreement signed on 16 January 2018 by the French State and Action Logement Groupe, and its addenda concluded in 2019 (Voluntary Investment Plan) and 2021 (Recovery Schedule) confirms the ongoing activity of Action Logement Services to ensure that uses are distributed in line with the envelopes determined by the agreement and its addenda:

- The implementation of the five-year Agreement has led to mobilise uses to facilitate access to housing for employees, taking into account the needs of priority groups of Action Logement, and to participate in the construction of housing in areas of high property pressure:

<sup>1</sup> The basis for calculating the gross contribution is the total payroll for the year preceding payment of the contribution

- Commitments to company employees will total €1.1bn in 2022:

In particular, the attractiveness of the "Accession Loan" offer for people with financial resources at or below the regulatory ceilings has made it possible to maintain the support granted to the most vulnerable groups at a time when access to traditional bank financing is tightening.

In a context of high inflation and household vulnerability, assistance to employees in difficulty (+11% compared to 2021) and social engineering funding (+86% compared to 2021) confirm the social utility of the Action Logement Groupe.

In addition, 282,541 VISALE guarantees were signed, to give low-income employees access to private rental accommodation, and 105,241 tenancies were allocated, mainly via the AL'in.fr platform.

- The year 2022 was also marked by legal entity financing, with commitments amounting to €2.8bn (+€1.2bn compare to 2021):

Financing was notably driven by an increase in commitments to social and intermediate housing (+€0.2bn), by support for the deployment of the activity of the Opérateur National de Vente (ONV) subsidiary under the terms of the five-year Agreement and the Recovery Schedule, and by continued commitments to revitalise town centres as part of the national Action Cœur de Ville programme. €1.4bn has been invested in this programme since 2018.

All these financing (excluding capitalisation flows) have made it possible to negotiate almost 70,000 new reservation rights.

- Over the year, Action Logement Services continued to contribute €693m to national housing and housing policies, including €324m to the National Agency for Urban Renewal (ANRU). In addition, following the signing of an agreement between the French State and Action Logement formalising a partnership under the *Fonds National d'Accompagnement Vers et Dans le Logement* (FNAVDL) on 13 December 2021, ALS paid €10m in 2022 to support disadvantaged households.

- After three full years of operation coming to an end on 31 December 2022, the Voluntary Investment Plan granted €8.1bn in financing, including:

- €2.0bn to individuals for mobility projects, energy improvements and adapting homes for the senior citizens;
- €5.2bn in financing, mainly for renovation, refurbishment and production of social and intermediate housing, or for innovative projects (co-working, apartment-sharing, conversion of offices into housing);
- €0.9bn in funding to support the *Fonds national des aides à la pierre* (for building subsidies).

The implementation of the Voluntary Investment Plan resulted in the negotiation of nearly 150,000 reservation rights over three years.

ii. Focus on the commercial activity of the Opérateur National de Vente (ONV)

Among the subsidiaries, the ONV, a social housing sales company, continued to expand in 2022, acquiring 44 properties representing 1,467 homes for €159m. As a result, the total portfolio acquired by 31 December 2022 amounted to 6,594 homes in 188 buildings.

By 2022, 274 sales had been completed, generating sales of €39m, and rental income from the rental management business amounted to €24m.

In its fourth financial year, the ONV has demonstrated the robustness of its business model by generating a profit of €6m (€3m in 2021).

### 3. Consolidated financial results

In millions of euros	2018	2019	2020	2021	2022	Change (m€)	Change (%)
<b>Net non-banking income</b>	<b>601</b>	<b>580</b>	<b>-1,676</b>	<b>-3,714</b>	<b>-769</b>	<b>+2,945</b>	<b>-79%</b>
Employer contribution (+)	1,507	1,536	1,600	1,304	1,386	+82	+6%
Subsidies (-)	-906	-955	-3,276	-5,017	-2,154	+2,863	-57%
<b>Net banking income</b>	<b>152</b>	<b>134</b>	<b>126</b>	<b>113</b>	<b>84</b>	<b>-29</b>	<b>-25%</b>
<b>Net operating income</b>	<b>753</b>	<b>715</b>	<b>-1,550</b>	<b>-3,600</b>	<b>-684</b>	<b>+2,916</b>	<b>-81%</b>
Management fees and other income	-303	-357	-295	-296	-298	-1	+1%
<b>Gross operating income</b>	<b>450</b>	<b>358</b>	<b>-1,845</b>	<b>-3,897</b>	<b>-982</b>	<b>+2,915</b>	<b>-75%</b>
Cost of risk	-13	11	-62	-57	-98	-41	+72%
<b>Operating income</b>	<b>437</b>	<b>368</b>	<b>-1,906</b>	<b>-3,953</b>	<b>-1,080</b>	<b>+2,874</b>	<b>-73%</b>
Gains or losses on fixed assets		43	1	1	0	-1	-80%
<b>Recurring net income before tax</b>	<b>437</b>	<b>411</b>	<b>-1,905</b>	<b>-3,952</b>	<b>-1,080</b>	<b>+2,873</b>	<b>-73%</b>
non-recurring net income		-2					
Income tax	-1	-11	-1	-1	-1	0	-3%
<b>Net income (group share)</b>	<b>436</b>	<b>398</b>	<b>-1,906</b>	<b>-3,954</b>	<b>-1,081</b>	<b>+2,873</b>	<b>-73%</b>

In 2022, net income is negative by €1,081m, due to the following factors:

- Net Non-Banking Income in line with the evolution of the activity. It reflects the success of the strategy defined in 2019 for the exceptional development of Action Logement Services over the period from 2020 to 2022 for the benefit of employees and employment. The activity was sustained in 2022, with €6.4bn committed, compared to €7.5bn in 2021, in a context of lower volumes of subsidies distributed;
- Net banking income of €84m, down by -€29m compared with 2021. This decrease was mainly due to the reduction in the net interest margin;
- Operating expenses and other income stable over the year (+0.5%);
- Net allocation to provisions for risks of €98m, limited in relation to customer loans of €16.7bn.

#### 4. Consolidated balance sheet information

Action Logement Services' consolidated balance sheet total was €21.3bn at 31 December 2022, up by €1.2bn over one year.

Outstanding customer loans totalled €16.7bn.

Cash and cash equivalents stood at €3.2bn at 31 December 2022, up by €0.4bn over one year.

Off-balance sheet commitments totalled €23.8bn, up by €1.7bn over 2022.

The increase in these commitments illustrates the attractiveness of the VISALE free rental deposit scheme. Offered by Action Logement Services, this guarantee for tenants gives a wide range of people the opportunity to access a housing and provides private landlords with security insurance for their rented property.

#### 5. Prudential information

Taking into account all the activities of Action Logement Services, the solvency ratio was 31.7% at 31 December 2022, confirming the financial strength of Action Logement Services. This ratio is significantly higher than the regulatory threshold of 10.5% applicable to Action Logement Services at 31 December 2022.

#### 6. Rating of Action Logement Services

Action Logement Services' rating is aligned with that of the French State.

In March 2023, Moody's confirmed a long-term rating of Aa2 with a stable outlook since February 2020, following the change from positive to stable in the outlook associated with France's Aa2 sovereign bond rating.

In May 2023, Fitch Ratings, on the basis of its methodology for rating entities linked to the French State, revised ALS's rating from AA to AA- and revised its outlook from negative to stable, reflecting the downgrading of France's sovereign rating on 28 April 2023. The short-term rating remains unchanged.

	Moody's Investors Service	Fitch Ratings
Long-term senior unsecured rating	Aa2	AA-
Short-term rating		F1+
Outlook	Stable	Stable
Date of last report	14/03/2023	12/05/2023

## 7. Events after the reporting period

- Five-year agreement 2023-2027 and business model

Discussions between Action Logement Groupe (ALG) and the French State led to an agreement constituting the 2023-2027 five-year Agreement signed by ALG with the French State in accordance with paragraph 1 of article L.313-18-1 of the French Construction and Housing Code (*Code de la construction et de l'habitation*) on 16 June 2023. The five-year Agreement 2023-2027 published in the Official Journal on 12 August 2023 is available on the Action Logement website: [https://groupe.actionlogement.fr/sites/alg/files/cq\\_2023-2027\\_jo.pdf](https://groupe.actionlogement.fr/sites/alg/files/cq_2023-2027_jo.pdf).

On this basis, on 21 June 2023, ALS's Board of Directors approved the 2023-2027 medium-term plan, which forms the operational implementation of this new five-year Agreement, the purpose of which is:

- to preserve the core of Action Logement's historical activities and focus its efforts on the priorities defined by the social partners, with a provisional overall budget of €14.4bn, distributed by type of Uses:
  - o loans, subsidies and services to individuals;
  - o financing social and intermediary landlords;
  - o support for the deployment of public policies;
- to ensure the medium-term sustainability of the ALS business model.

In addition to the resources provided by the collection and loan repayments, the terms of the 2023-2027 five-year Agreement provide a framework for the use of bond financing, based on a renewed programme of 100% sustainable issues.

The 2023-2027 medium-term plan is a continuation of the Uses assumed for 2023, which it replaces, drawn up on the basis of Article L.313-3 of the French Construction and Housing Code in the period preceding the conclusion of the 2023-2027 five-year Agreement, and validated by the Board of Directors on 30 January 2023.

- Use of the bond market

On 8 February 2023, ALS completed a €1.2bn bond issue, bringing the total amount of sustainable bonds issued by ALS to €6.2bn, the maximum amount of its EMTN programme. The issue of this new 20-year bond with a coupon of 3.625%, in a particularly active and volatile primary market, confirmed the interest of the existing investor base and attracted new investors to ALS.

- ALS rating revised by Fitch Ratings

Fitch Ratings has downgraded the long-term rating of "French Government-Related Entities", which includes ALS according to the rating agency's rating methodology, following the downgrade of the sovereign rating to AA-/Stable on 28 April 2023, with an outlook revised from negative to stable.

## 8. Outlook

Following the update of the national accounts published on 31 August 2022, which led INSEE to classify ALS as a public administration, in the ODAC category (*Organismes Divers d'Administration Centrale*), ALS's situation remains unchanged: at the date of publication of this press release, this statistical and accounting classification has no impact on its status insofar as the decree specifying the list of organisations affected by the prohibition to borrow or issue with a term of more than 12 months has not been issued by the Minister of Public Accounts.

For the 2023 financial year, Action Logement Services will carry out its social utility missions on the basis of the stipulations of the 2023-2027 five-year Agreement, while preserving the sustainability of its economic model in line with its ability to harness the necessary resources, in accordance with the principle of a balance between uses and resources.

\*\*\*

*The audit procedures on the parent company and annual consolidated financial statements of Action Logement Services for the period from 1 January 2022 to 31 December 2022 were carried out by the Statutory Auditors, whose audit reports on the unqualified certification of the financial statements are available and published on the Action Logement website.*

\*\*\*

*For more information:*

- [Consolidated results ALS 2022 \[EN\] \(pdf\)](#)
- [Financial results ALS 2022 \[EN\] \(pdf\)](#)

*Regulated information is available on the Action Logement website:*

[Investor Relations | Groupe Action Logement](#)

\*\*\*

*This press release contains certain forward-looking statements with respect to the outlook for 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 cause actual results to differ from those announced.*

\*\*\*

### ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance actions in the field of housing, in particular for employee housing, in order to promote employment and contribute to economic growth throughout France. As such, Action Logement Services collects the Employers' Contribution to the Construction Effort and grants loans, financial aid and services to employees, companies and social and intermediary landlords.

\*\*\*\*\*

\*\*\*

\*\*\*\*\*

\*\*\*

## ABOUT ACTION LOGEMENT

For 70 years, Action Logement, the leading player in social and intermediary housing in France, has been committed to facilitating access to housing to promote employment.

Action Logement ensures collection of employers' contributions in construction effort (the "PEEC" for *Participation des Employeurs à l'Effort de Construction*) financing of social or intermediate housing and national policies. Thanks to its local presence, close to companies and their employees, its 19,000 employees carry out two main missions.

To build and finance social and intermediate housing, primarily in areas of high demand, while contributing to the challenges of eco-housing, urban renewal and social diversity. The Group has 45 social housing companies (*Entreprises Sociales pour l'Habitat, ESH*), 5 intermediate housing subsidiaries and a portfolio of over one million social and intermediate housing units.

Its second mission is to support employees in their residential and professional mobility. The Group is committed to offering services and financial aid that facilitate access to housing, and therefore to employment, for beneficiaries, whether they are young workers, mobile employees or in difficulty.

Find out more about the Group, visit: [groupe.actionlogement.fr](http://groupe.actionlogement.fr)

Follow us:  [@ActionLogement](https://twitter.com/ActionLogement) -  [Action Logement](https://www.linkedin.com/company/actionlogement) -  [Action Logement](https://www.youtube.com/channel/UC...)

## PRESS CONTACTS

Sophie Benard: 07 50 60 95 78/[sophie.benard@actionlogement.fr](mailto:sophie.benard@actionlogement.fr)

Franck Thiebaut: 06 73 76 74 98/[franckthiebaut@ft-consulting.net](mailto:franckthiebaut@ft-consulting.net)