

# GETLINK & YOU

## LETTER TO SHAREHOLDERS

25 February 2021

Dear Shareholder,

In this letter, you will find details of our **2020 results, which reflect the Group's robustness**. In addition to the revenue figures that we published at the end of January, we are proud to have been able to deliver an EBITDA of €328M, down 41% compared to 2019, but nevertheless very satisfactory given the truly unique context of the year 2020, of which there is no need to remind you.

This performance was achieved in the following context:

- **Eurotunnel, more than ever the vital link, continued to operate throughout**, with health protection precautions for the safety of our customers and employees. This enabled us to accommodate a high volume of passenger vehicles last summer and to facilitate truck deliveries for shops and businesses taking precautionary stockpiling measures before the end of the Brexit transition period at the end of the year.
- At the same time, at Eurotunnel and Getlink level, a recourse to partial activity, both in the UK and in France, and a significant effort to limit other expenses have enabled us **to reduce operating costs by €40M** compared to 2019.
- **Europorte**, for its part, had a very good year, with an **EBITDA up 17% (+€4M)** to €28M.

We have also been **selective in our investments**, deferring those that could be, notably because of the decrease in traffic, **without compromising either safety or the future** and our ability to benefit when traffic levels begin to recover.

This enabled us to generate a positive free cash flow of €31M. Other good news includes a reduction in net debt of €92M. Cash held as at 31 December 2020 was €629M, up €104M. The net result is obviously negative, with a loss of €113M, but compares reasonably well with the very heavy losses incurred in the transport sector.

**We are therefore starting 2021 in a good condition**, despite two obvious challenges:

- **The public health crisis** is still here, with constraints in terms of lockdowns, travel restrictions, testing and isolation that impact passenger traffic. But the success of the vaccination campaign in the United Kingdom and its progressive increase in France give reasonable hope of a return of this traffic, both for Le Shuttle and Eurostar.
- **Adaptation to Brexit**: as anticipated, the first weeks for freight traffic through the Tunnel were disrupted for various reasons, including errors in the documentation of the transported goods and carriers waiting for the nature of the controls to settle before resuming their crossings.

Such teething problems are understandable given that the European Union-United Kingdom 1,200-page agreement was only reached just before Christmas... These aspects will normalise in the coming weeks. We have been analysing this agreement ourselves in order to provide advice and added-value to our customers.

**The evolution of the health crisis** remains the main uncertainty for 2021. To mitigate this situation, we have further strengthened our processes to improve flexibility, adaptation to market developments and cost reduction.

In the absence of clear visibility on the future decisions by the governments concerning the public health crisis and associated travel restrictions, the Board of Directors is postponing any announcement regarding the Group's 2021 financial performance. However, we do not have any worries in terms of cash, which we manage meticulously.

Our confidence in a progressive return to a normal situation leads us to propose that you **vote at the Annual General Meeting to resume payment of a dividend, albeit a very modest one, of €0.05 per share**. Our 200,000 individual shareholders who are waiting for this dividend would certainly like to receive more, but you know that we always favour a cautious approach.

The Channel Tunnel is a unique asset benefiting from a long life, Europorte has a lot of potential and ElecLink is... on track! Your Group benefits from favourable environmental assets that we will further strengthen by continuing **our efforts to reduce greenhouse gas emissions and fight against climate change**. We are working on a climate plan with ambitious but achievable objectives that we will detail in a future letter.

These are difficult times for many of us. This does not detract from our willingness to always do better, in your service. And it is with great pleasure that I invite you to take part at our General Meeting on 28 April.

Yours faithfully,



**Jacques Gounon**  
Chairman of Getlink

## SUMMARY OF GETLINK'S 2020 ANNUAL RESULTS\*

### An operational and financial discipline that is paying off to get through the health crisis and anticipate Brexit

In 2020, **the Group's consolidated revenues**, severely impacted by the effects of the pandemic, **amounted to €816M**, a decrease of €264M (-24%) compared to 2019.

**Operating costs** totalled €488M, a decrease of €35M (-7%) compared to 2019, as a result of the measures put in place by the Group to limit the impact of the pandemic on its profitability, such as the implementation of partial activity in France and the job retention scheme in the UK as well as postponing certain projects.

The impact on **EBITDA** was consequently limited to a decrease of €229M (-41%), to €328M and the **trading profit** decreased by €233M to €142M.

At €134M, the **operating profit** for 2020 was down by €271M compared to 2019 (down €233M after excluding a one-off income of €38M recorded in 2019).

**The pre-tax result for the Group's continuing operations** was a loss of €121M for the 2020 financial year, down by €274M compared to 2019 (of which €38M was due to the one-off income recorded in 2019).

After taking into account a net profit from discontinued activities of €8M, **the Group's net consolidated result** for the 2020 financial year was a loss of €113M, down by €269M compared to the profit of €156M (restated) in 2019.

**Free cash flow** generated in 2020 amounted to €31M.

**Net cash available** amounted to €629M at 31 December 2020, an increase of €104M compared to €525M at 31 December 2019.

All comparisons with the 2019 income statement are based on the average exchange rate for 2020 of £1 = €1.126.

#### 2021 financial outlook

In the absence of clear visibility on the future decisions by the governments concerning the public health crisis and associated travel restrictions, the Group is postponing any announcement regarding its 2021 financial performance.

#### Dividend

Payment of a dividend of €0.05 per share, subject to approval at the General Meeting on 28 April 2021.

#### More information:

- Read the [press release](#) published on 25 February 2021 available on the Getlink website.
- Consult the [presentation to institutional investors and financial analysts](#) on the Getlink website.

#### 2021 CALENDAR

**22 April**

Revenue and traffic figures for the 1<sup>st</sup> quarter of 2021

**28 April**

General meeting

**22 July**

Results for the 1<sup>st</sup> half of 2021

# Interview with Yann Leriche, Chief Executive Officer of Getlink

Yann Leriche joined Getlink on 1 July 2020, during the Covid-19 health crisis and shortly before the end of the Brexit transition period.



## **1 . Today you present Getlink's annual results. What is your assessment of the year 2020?**

Despite the health crisis and the travel restrictions imposed by the British and French governments, which impacted 9 months of 2020 and the end of the Brexit transition period on 31 December, Getlink's teams managed to deliver a triple achievement: human, financial and commercial. I would like to thank all the Group's employees who, through their exemplary flexibility and commitment, have made it possible to continue to offer a vital service to our customers as well as the social partners for the quality of the social dialogue. Without them, we would not have been able to achieve these results.

As expected, our results are down (see the financial highlights on page 2). However, we managed to maintain our profitability thanks to the Shield cost control plan, recording an EBITDA of €328M.

## **2. In terms of activities, what is the performance of the Group's various businesses?**

All segments delivered solid results in 2020. Europorte improved its EBITDA despite the health crisis thanks to increased traffic in its strategic segments, particularly chemicals for the needs of the pharmaceutical industry and cross-border traffic to Belgium and Germany, which now accounts for 16% of its revenues. These good results were achieved thanks to the quality of the services provided and the renewed confidence of our customers, who have, for example, enabled us to renew all our contracts on private branch line sites expiring at the end of 2020, as well as the contract with the port of Dunkirk for 7 years.

Faced with the crisis, Eurotunnel reduced costs, adapted its working tools and offered its customers a service that continued to operate 24/7 even during the worst of the pandemic, in the safest possible health conditions. This unique mobilisation made it possible to maintain traffic levels well above those observed in other sectors. At the same time, Eurotunnel prepared for Brexit and was ready from 1st January to handle the customs formalities provided for in the agreement between the European Union and the United Kingdom reached on 24 December 2020.

Concerning ElecLink, we have stepped up the dialogue with the IGC and managed to obtain authorisation to continue the project. We have been installing the cable in the Tunnel since the end of January and works are progressing at a good pace, with 5 km already in place to date (see page 4).

## **3. What is the outlook for the year 2021 and beyond?**

In the current and still uncertain environment, we are continuing to manage our cash and costs with discipline. The Shield plan implemented in 2020 is on-going: limiting expenses to what is strictly necessary, a freeze on recruitment, recourse to partial activity in France and furlough in the United Kingdom, but maintaining safety-related expenditure and targeted investments.

We are not neglecting the future by implementing the WAYforward plan for 2021-2025. This plan, which comprises 16 structural transformation projects, aims to strengthen our leadership in our businesses and to improve our operational and commercial excellence, as well as our CSR performance, by focusing more closely on our customers, lean management and digital technologies. We will also continue to work closely with Eurostar to help them regain their traffic. Despite health constraints, they carried 2.5 million passengers in 2020, which bodes well for the future: demand for transport remains strong.

The uncertain context we are experiencing in the short term in no way affects our confidence in the solidity of our various activities, their medium and long-term growth potential and the creation of shared value. Through the in-depth work we are doing, Getlink will emerge from this crisis stronger than ever.

## **4. Beyond the financial results, what are the environmental performance and outlook?**

There can be no long-term profitable growth without better control of our environmental impacts. Getlink has been committed to low carbon transport from the outset, and has adopted an ambitious approach that places the fight against climate change at the heart of its environmental policy.

In 2020, Getlink has recorded a reduction in greenhouse gas emissions but has above all worked to strengthen its environmental strategy and ambitions. We must play our part in the ecological transition by using all the levers at our disposal. For us, this is a key factor of competitiveness. Our strategy also aims to lead our teams into a meaningful dynamic at the service of all our stakeholders, employees, customers and partners.



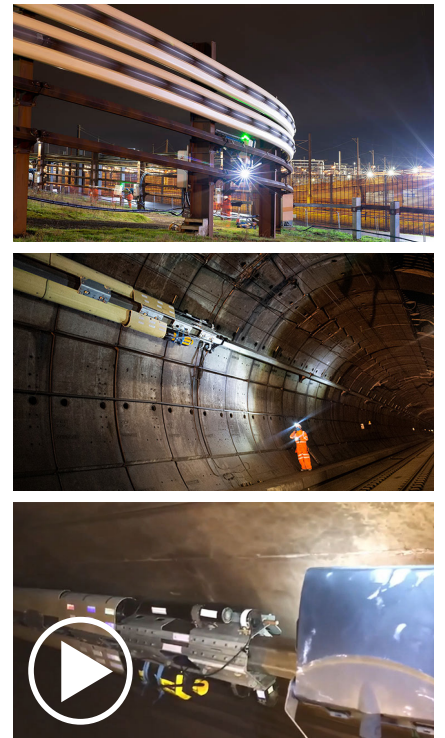
## NEWS

### **ElecLink: ongoing installation of the cable in the Tunnel**

Following the authorisation given by the IGC on 10 December 2020, installation operations for the ElecLink cable are under way in the North Tunnel. Four nights of testing were successfully carried out between 23 January and 7 February 2021: a total of 5 km of cable, split between the French and English sides, is already in place.

The entire cable system, which is pre-assembled on connected trolleys, consists of two main cables and additional cables (fibre optic cable and earth cable) and weighs approx. 100 kg per metre. The installation will be carried out in sections of 2.5 km on scheduled or additional weekend work nights between the beginning of April and the end of May. The installation method consists of pushing the cable system from the helix located near the entrances to the Tunnel at Coquelles and Folkestone towards the Tunnel and of pulling the cables on the guide rail inside the Tunnel by means of winches installed on the works trains. Operations inside and outside the Tunnel involve teams of up to 50 technicians per shift.

More information of the cable pulling operations in the Tunnel is available in the video, opposite.



### **Getlink: Gender Equality at Work**

Following the publication last July of an internal Charter on Professional Equality, the Getlink Group has defined a new policy for the female composition of its workforce, which reinforces its ambition on this subject. The deployment of this policy within the different entities of the Group, which has already started, will allow the operational implementation of the following four complementary areas of action: recruitment phase, career development, the articulation between private and professional life and remuneration.

By setting quantified medium-term objectives and using several levers for action, the Group intends to make gender equality in the workplace one of its CSR priority actions in the years to come. Progress made will be reported on a regular basis.



### **Régionéo: candidate for regional passenger rail transport services**

As part of the opening up of the French rail market to competition, the Hauts-de-France region, in charge of regional train services, has decided to open up 20% of its rail services to competition: private operators will be able to operate trains in the region from December 2023. Régionéo, the joint-venture between RATP Dev and Getlink, has submitted a pre-qualification dossier for three regional rail passenger transport contracts: the Saint-Pol-sur-Ternoise railway hub, the Paris-Beauvais line and the Amiens railway hub (except for the Paris-Amiens line). Régionéo will also offer, on certain lines such as the Abbeville-Le Tréport line, maintenance of the infrastructure, or on the Amiens hub, an integrated solution including operation and maintenance of the equipment.

In addition, Régionéo, in partnership with Méridiam and Groupe Colas, has pre-qualified in the process of future calls for tender for the Nancy-Contrexéville and Bruche-Piémont-Vosges lines opened to competition by the Grand-Est region.

Régionéo's ambition is to offer services that meet the needs and interests of users and that are built in consultation with the region as well as with local elected representatives. In short, Régionéo will offer reliable, punctual, regular and high-quality mobility solutions to all the regions concerned.

More information on Régionéo's [LinkedIn account](#).



## Getlink: launch of Short Straits to Smart Straits

On 4 February, Getlink and the Port of Dover presented a new initiative to the British government, called "Short Straits to Smart Straits", which aims to build on the specific advantages of the Short Straits gateway for the long-term economic prosperity of the UK in a post-EU, low-to-no-carbon future.

This innovative proposal, which brings together a powerful coalition of transport operators, innovators and industry partners across the UK, would not only develop the world's smartest border through dynamic digital optimisation but would also pioneer the UK's first zero-emission logistics corridors linking to key industrial hubs across the UK, in line with the British Government's sustainability agenda to build back through its Green Industrial Revolution and Maritime 2050.

With its high volume of traffic, fast and frequent services, the Short Straits sees 90% of trade by truck between Great Britain and Europe passing through, representing a value of approximately £250 billion per year. This initiative will transform the Short Straits into the UK's most innovative, high-speed, low carbon trading gateway.

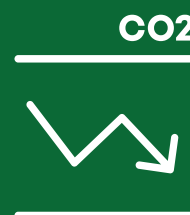
## Eurotunnel: ongoing study on climate risks

A study was carried out by three students in Master2 «Environmental Expertise and Treatment» programme at the Université du Littoral Côte d'Opale (ULCO) on the resilience of Eurotunnel's infrastructures to climate risks. This supervised project, carried out between December 2020 and January 2021, has enabled the understanding of the physical hazards that apply to the Concession to be updated in the context of global warming and to begin the analysis of the possible vulnerability of the systems to these hazards. This study represents an important and useful prerequisite for the analysis of climate risks and opportunities that the Group is preparing to launch as part of the climate strategy to be announced in the spring, in accordance with its commitments to align itself with the recommendations of the Task Force on Climate-Related Financial Disclosures. This partnership demonstrates the strength of the ties that the Group has with the region, which is strongly involved in climate issues.



## Getlink: reduction in greenhouse gas emissions

The Group recorded a 21% decrease in greenhouse gas emissions in 2020 compared to 2019, according to figures confirmed during the CSR audit that has just been completed. This change can be explained mainly by the decrease in electricity consumption for the Concession and in fuel consumption for the Group's locomotives and vehicles as a result of the health crisis, as well as an update of emission factors that are globally favourable.



## Getlink's registered shareholders: let's go digital!

**Nearly 5,000 registered shareholders** have already chosen **to receive the notice of meeting and the documents relating to the General Meeting by email** from the first day of the opening of voting for shareholders. We invite those of you who have not yet opted for this efficient way of voting to do so without delay and **as a precautionary measure in the current uncertain context of the Covid-19 crisis, which could impact postal or publishing services in 2021**: go to Société Générale Securities Services' [Sharinbox](#) website. In "Personal Information", fill in or check your email address, then click on "Subscribe for free" in the "E-services/E-notices for general meetings" section.

You can also opt for the Votaccess electronic voting by logging on to Sharinbox using your login and password. If you no longer have your login password, click on "Get your codes" on the home page of the site so that SGSS can send it to you securely by mail without delay.