

# AUSTRIAN POST Investor Presentation FY 2018



Walter Oblin, CFO  
Vienna, March 14, 2019





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## 1. HIGHLIGHTS AND OVERVIEW



2. Strategy Implementation

3. Group Results 2018

4. Outlook 2019

# AUSTRIAN POST AT A GLANCE



## Mail & Branch Network

- Letter mail
- Direct mail
- Newspapers/magazines
- Branch/financial services



Revenue 2018: EUR 1,412m

## Parcel & Logistics

- Parcels
- Express mail items
- Fulfilment & cash transport
- E-commerce services



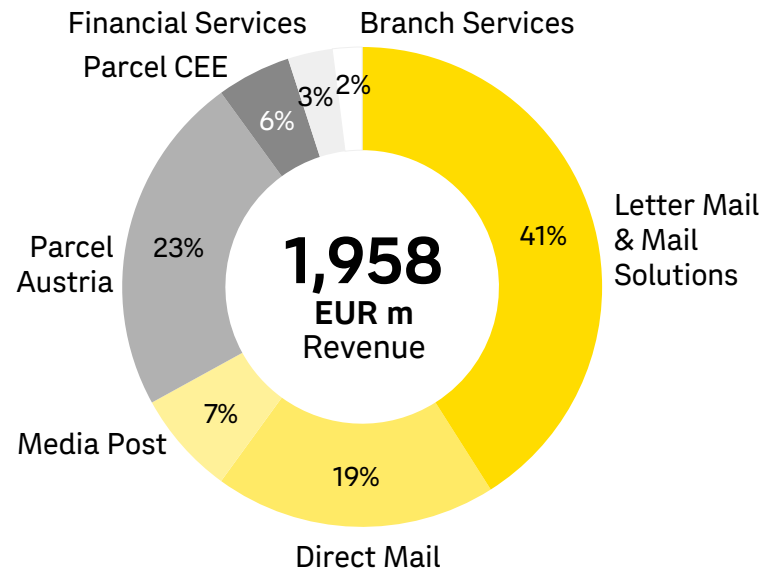
Revenue 2018: EUR 552m

## Group

Revenue 2018: EUR 1,958m

EBIT 2018: EUR 211m

## Revenue Mix 2018



# CHALLENGING MARKET ENVIRONMENT IN 2018



## Mail market

- Mail volumes continuously under pressure (only moderate decline in 2018)
- Online solutions by large customers and e-government initiatives promote electronic substitution of physical mail



## Direct mail market

- Advertising market dependent on the economic situation and respective industry trends
- Uncertainties among many direct mail customers due to GDPR



## Parcel market

- Boom in e-commerce leads to steady market growth
- Increasing competition, own delivery by a large-volume customer in the Vienna region

# AN OUTSTANDING YEAR FOR AUSTRIAN POST IN 2018



## Revenue

- Revenue +1.0%
- Mail decline of 2.5% offset by 11.5% parcel growth



## Earnings

- EBIT increase by 1.5% to EUR 210.9m as a result of solid revenue development and cost discipline
- Dividends up by 1.5% to EUR 2.08<sup>1</sup>



## Investment programme 2018-2021

- First new parcel distribution centre already under construction
- Step-by-step parcel capacity expansion in the coming years, depending on volume growth



## Outlook 2019

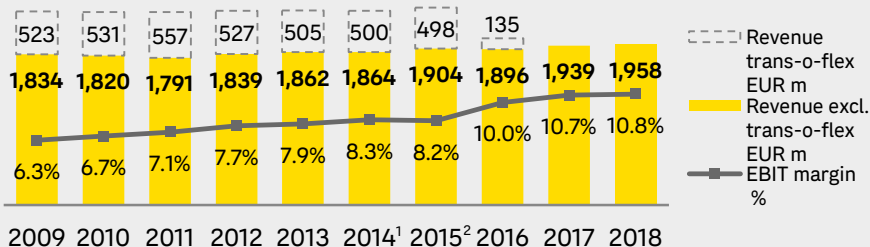
- Targeted ongoing stability in revenue and operating earnings

<sup>1</sup> Proposal to the Annual General Meeting on April 11, 2019

# CLEAR CAPITAL MARKET POSITIONING

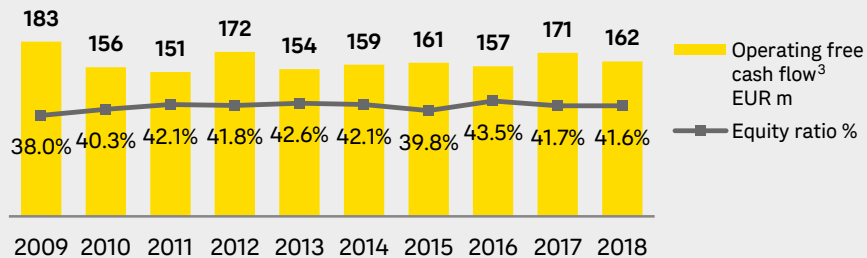


## Solid and profitable business model



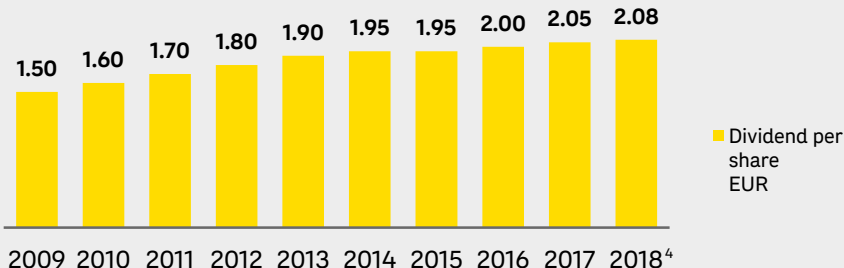
<sup>1</sup> Adjustment of revenue reporting in the Parcel & Logistics Division. Exported services recognised according to the net method (previously recognised as revenue and expenses for services used).  
<sup>2</sup> EBIT adjusted for special effects

## Strong balance sheet and solid cash flow



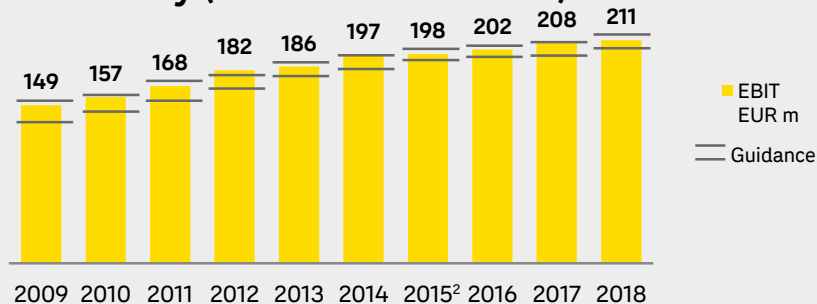
<sup>3</sup> 2009-2017: Free cash flow before acquisitions/securities and new corporate headquarters and adjusted for significant property sales  
 2018: Free cash flow before acquisitions/securities and growth CAPEX, excl. special effect BAWAG P.S.K.

## Attractive dividend policy



<sup>4</sup> Proposal to the Annual General Meeting on April 11, 2019

## Reliability ("Promise & Deliver")



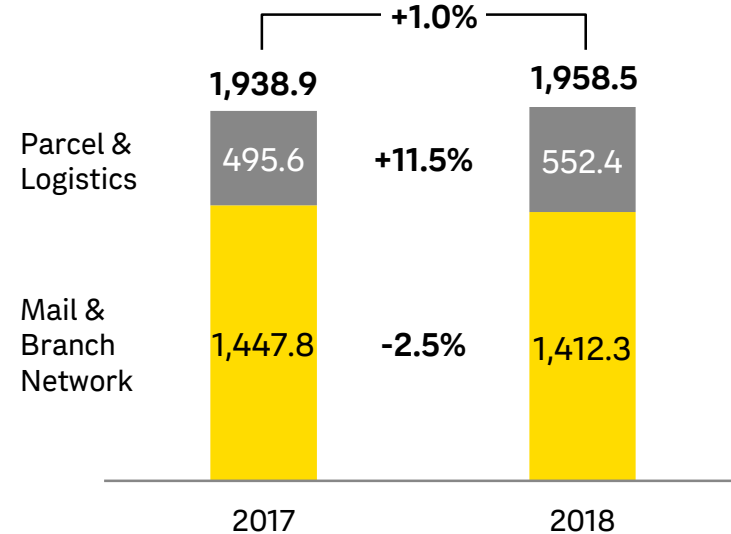
<sup>2</sup> EBIT adjusted for special effects

# SLIGHT REVENUE IMPROVEMENT THANKS TO ROBUST MAIL BUSINESS AND PARCEL GROWTH



## Revenue development

EUR m



## Group: +1.0% (Q4: +1.5%)

- Slight revenue increase due to moderate mail decline and strong parcel growth

## Parcel & Logistics: +11.5% (Q4: +11.5%)

- Basic revenue trend in Austria in 2018 of +10%
- Additional revenue attributed to segment change of Weber Escal, Croatia and full consolidation of ACL

## Mail & Branch Network: -2.5% (Q4: -1.9%)

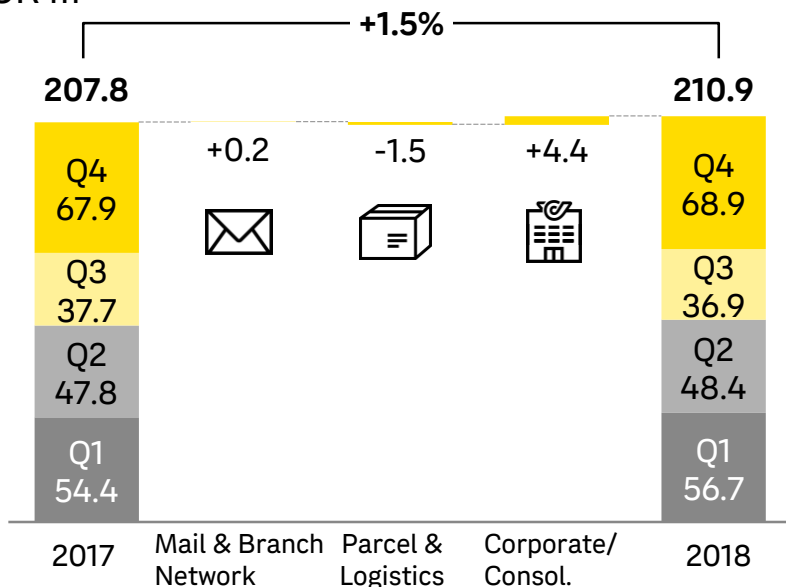
- New product structure well received
- Lower direct mail volumes following positive special effects in 2017
- Decline in financial services of BAWAG P.S.K. as a result of gradual redimensioning



# IMPROVED OPERATING EARNINGS (EBIT)



## EBIT development EUR m



### Mail & Branch Network:

- Slight EBIT increase to EUR 0.2m in 2018 (+ EUR 1.2m in Q4)
- Already from Q1 2018: Provisions for redimensioning of financial services (- EUR 21.5m) largely compensated by one-off payment (+ EUR 20.1m) due to end of the cooperation with BAWAG P.S.K.

### Parcel & Logistics:

- EBIT decline of EUR 1.5m in 2018 due to intense competition and high cost pressure (+ EUR 0.8m in Q4)

### Corporate/Consolidation:

- EBIT improvement of EUR 4.4m in 2018 (- EUR 0.9m in Q4)
- Lower need to allocate provisions vs. 2017





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1. Highlights and Overview



**2. STRATEGY IMPLEMENTATION**

3. Group Results 2018

4. Outlook 2019

# CLEAR STRATEGIC PRIORITIES



## 01 Defending market leadership in the core business



Safeguarding market position in a competitive environment

## 02 Profitable growth in selected markets



Focusing and performance enhancement

## 03 Enhancing efficiency and flexibilisation of the cost structure



Expansion of logistics infrastructure and process optimisation

## 04 Customer orientation and innovation



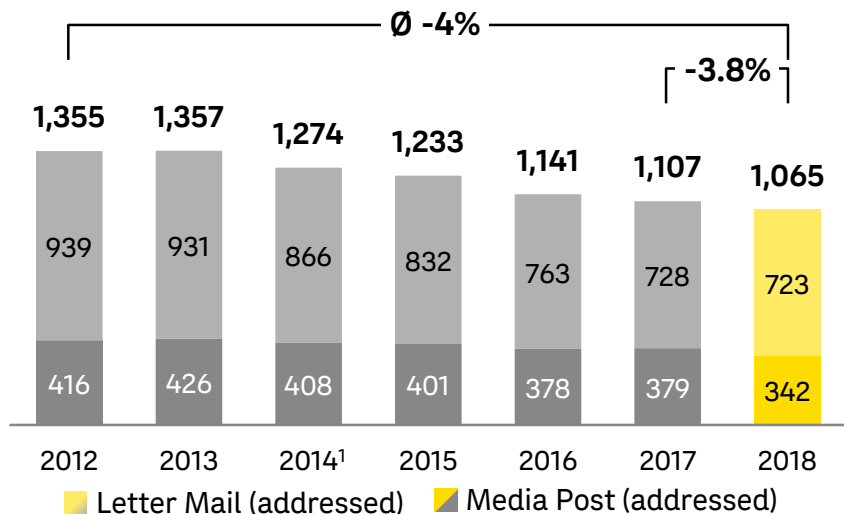
Promotion of self-service solutions and service improvements

# 01 DEVELOPMENT OF MAIL VOLUMES IN AUSTRIA



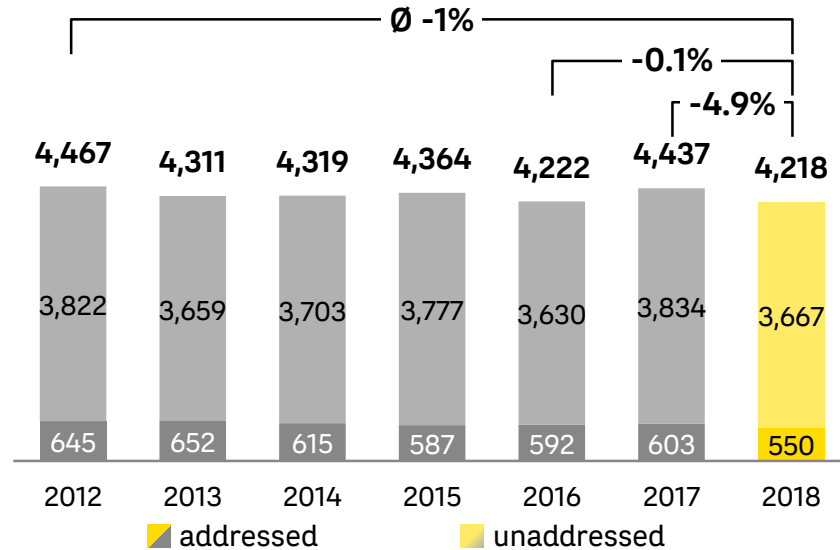
## Letter Mail/Addressed Media Post (millions of items)

- Basic trend of electronic substitution continues; positive special effects/mailings in 2018



## Direct Mail/Unaddressed Media Post (millions of items)

- Direct mail volumes back to 2016 level after positive special effects in 2017



<sup>1</sup> Adjusted reporting due to automated calculation

# 01 LETTER MAIL & DIRECT MAIL IN AUSTRIA



## Current Letter Mail trends

- New product structure as of July 1, 2018 was well received
  - 50:50 volume split between PRIO (next-day delivery) vs. ECO (2-3 days delivery)
- Basic volume decline due to e-substitution
- Positive special effects and mailings (banks, data protection mailings of many companies)

## Current Direct Mail/Media Post trends

- 2018 volumes back to 2016 level after discontinuation of special sales campaigns in 2017
- Perceived uncertainty with respect to addressed volumes within the context of GDPR
- Unaddressed direct mail with positive impetus from various food retailers and decline in the furniture business

New product structure since July 1, 2018

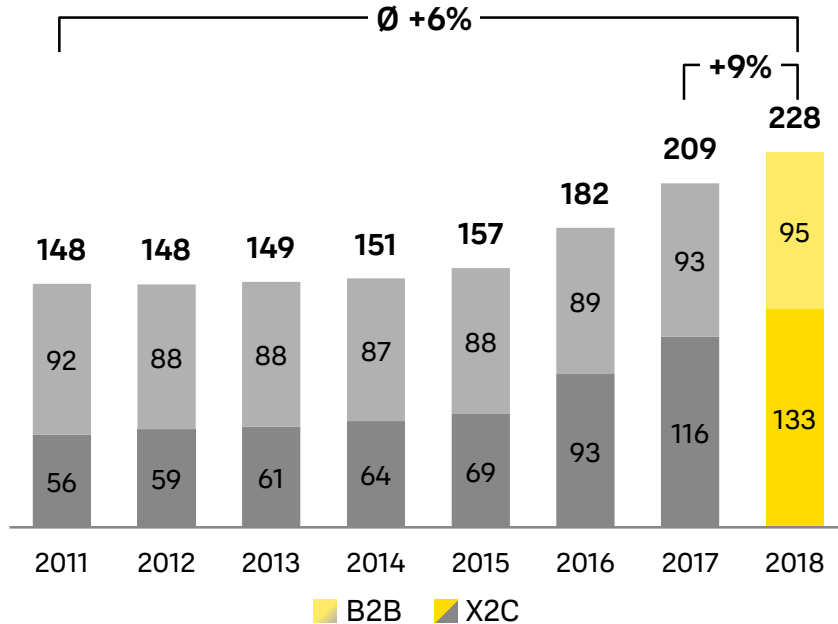
	Rates before July 1, 2018	PRIO Universal service J+1 day	ECO Universal service J+2/3 days	ECO BUSINESS Not part of universal service J+4/5 days
Letter S	0.68	0.80	0.70	0.65
Letter M	1.25	1.35	1.25	1.10
Packet S	2.50	2.70	2.50	2.25
Packet M	4.00	4.20	4.00	-



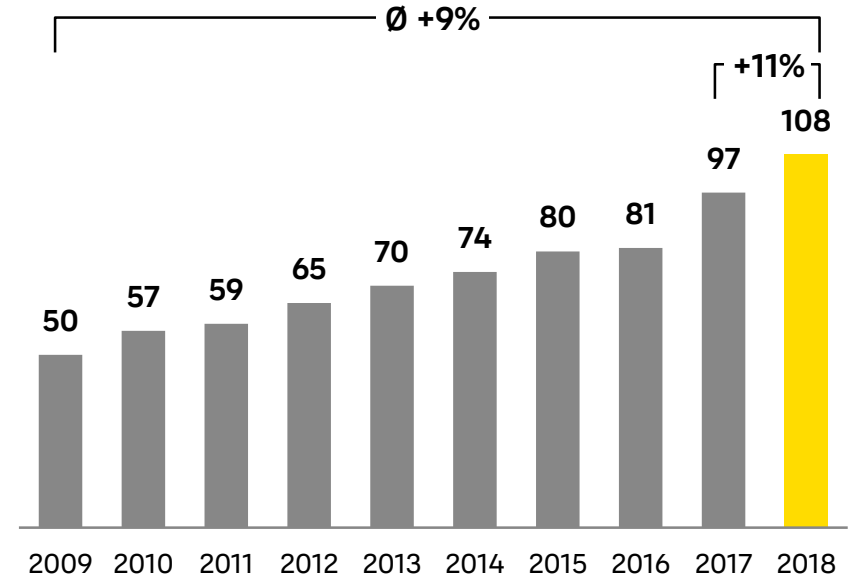
# 01 MARKET ENVIRONMENT ON THE AUSTRIAN PARCEL MARKET



**Austrian parcel market**  
(millions of parcels)



**Austrian Post parcel volumes**  
(millions of parcels)



Source: BRANCHENRADAR.com Marktanalyse GmbH, February 2019

# 01 MARKET ENVIRONMENT ON THE AUSTRIAN PARCEL MARKET

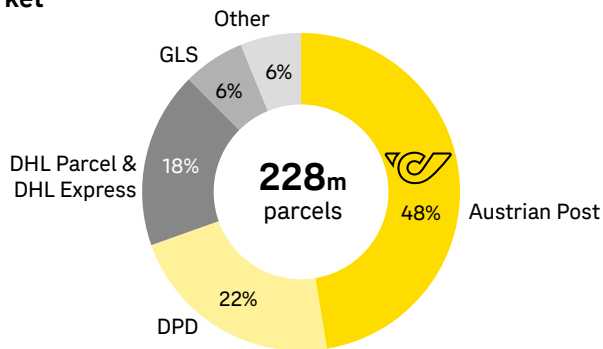


## Market statistics for Austria in 2018

- Total market volume up by 9.0% in Austria
- Private parcel market +14.6% to 132.7m parcels
- Business parcel market +2.1% to 95.0m parcels
- Upper single-digit growth expected in the coming years
- Slight improvement in Austrian Post's market shares

## Total Austrian market

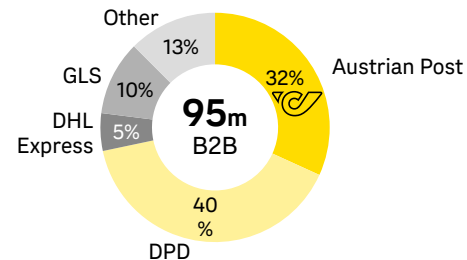
+9.0%



## Market shares by volume 2018

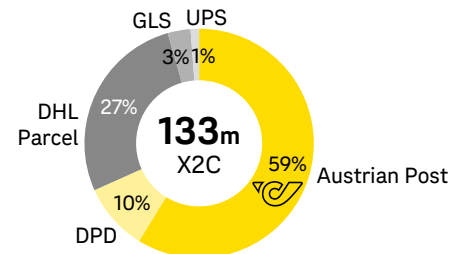
### Business parcels

+2.1%



### Private customer parcels

+14.6%



# 01 AUSTRIAN POST WILL SERVE AS A DELIVERY PARTNER OF DEUTSCHE POST DHL GROUP IN AUSTRIA



- Austrian Post will become a delivery partner of Deutsche Post DHL Group in Austria



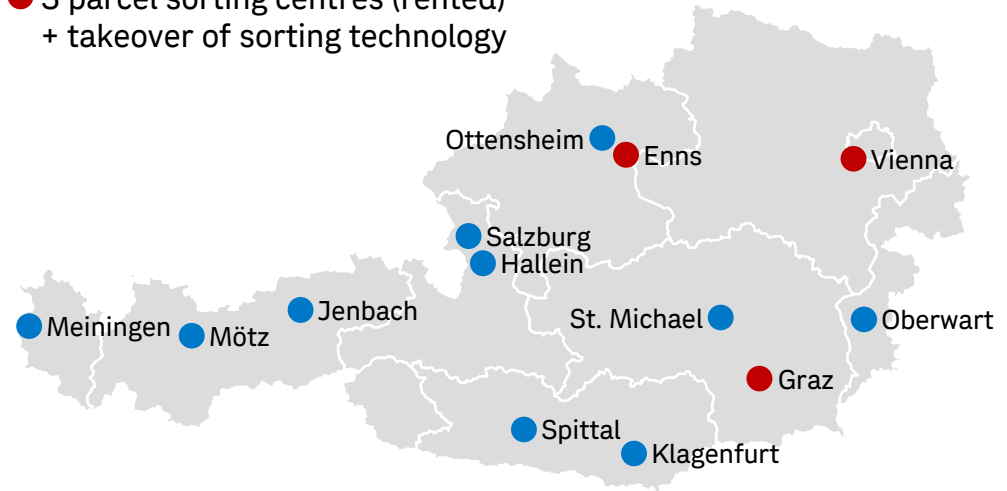
- Cooperation planned in the course of 2019 after review by competition authorities



- Austrian Post will take over DHL employees and most logistics sites

## Takeover of employees and facilities

- 10 delivery bases (rented)
- 3 parcel sorting centres (rented)  
+ takeover of sorting technology





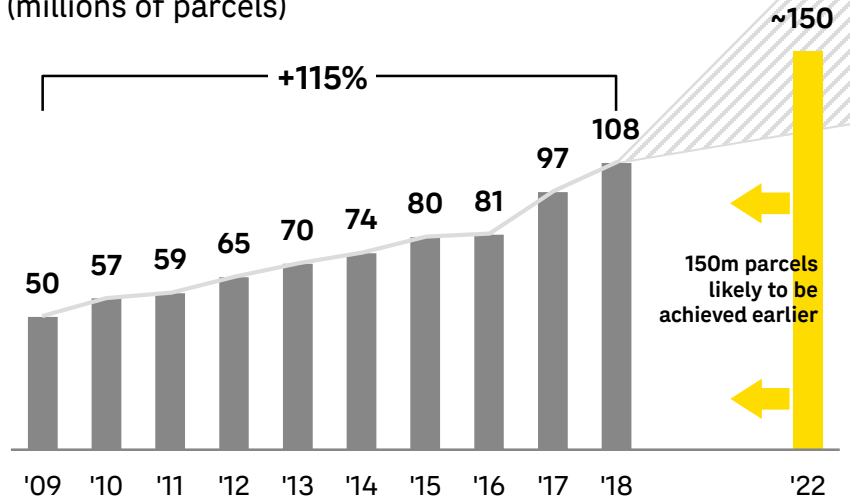
# 01 PARCEL & LOGISTICS BUSINESS IN AUSTRIA



## Parcel volume development

- Doubling of volumes over the last nine years
- Capacity expansion in 2018-2021 to double sorting capacity, likelihood of achieving medium-term target earlier

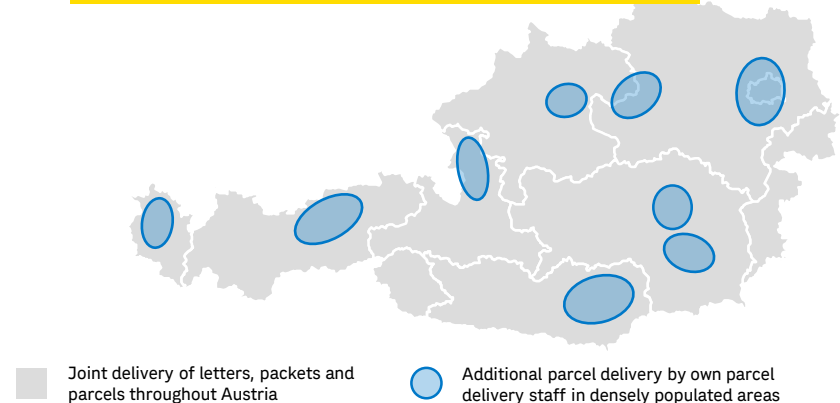
Parcel volumes of Austrian Post  
(millions of parcels)



INVESTOR PRESENTATION Investor Relations Vienna, March 14, 2019

## Success factors in the parcel business

- 1 Integrated delivery of letters and parcels results in quality and cost advantages
  - 2 Top service level by the branch network and self-service solutions
- ⇒ Austrian Post as quality and cost leader
- ⇒ Expansion of integrated logistics within the context of the new organisational structure in 2019



## 02 GROWTH IN SELECTED MARKETS

### Growth focus on Parcel & Logistics



#### GERMANY

##### Austrian Post International

- Growth in international mail business, revenue up by 7% in 2018

##### AEP (50% share, at-equity consolidation)

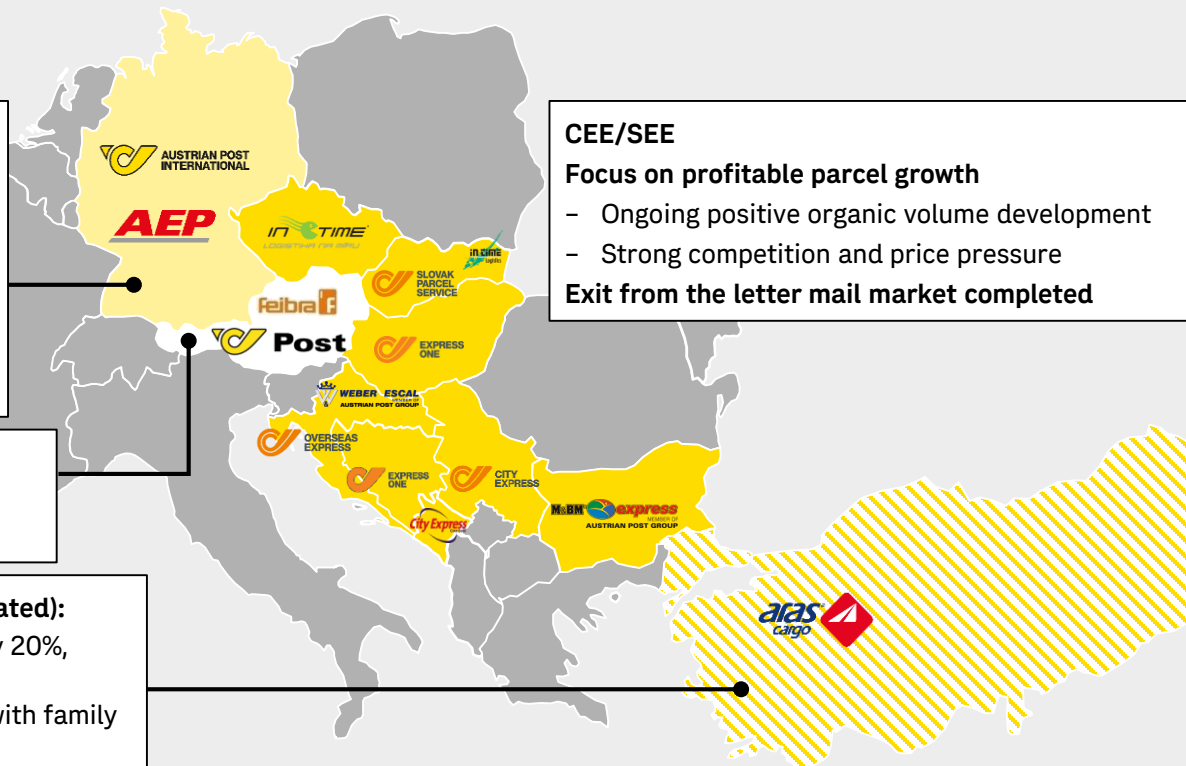
- Pharmaceutical wholesale joint venture
- Revenue (wholesale) in excess of EUR 420m in 2018

#### AUSTRIA

- Expand vertical integration in e-commerce (Systemlogistik, e-commerce enabler ACL)

#### TURKEY Aras Kargo (25% stake, not consolidated):

- Operational level: parcel volume increase by 20%, revenue in excess of EUR 210m in 2018
- Ongoing arbitration proceedings and talks with family owners about increased shareholding



#### CEE/SEE

##### Focus on profitable parcel growth

- Ongoing positive organic volume development
- Strong competition and price pressure

Exit from the letter mail market completed

## 02 START-UPS: AEP & ACL ADVANCED COMMERCE LABS

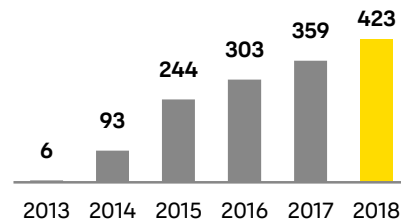


### AEP – Pharmaceutical wholesale in Germany since 2013

- Complete, efficient and customer-oriented offering from one location for all of Germany
- 25% market reach (more than 5,000 pharmacies as customers)



Wholesale revenue (EUR m)  
Consolidated at equity



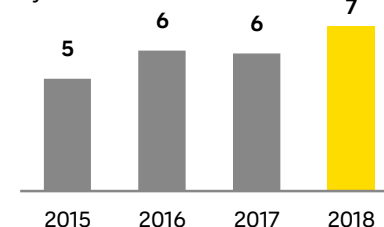
- Start on Oct. 1, 2013
- EBITDA break-even achieved in 2018

### ACL – E-Commerce Enabler

- Comprehensive e-commerce software solutions, from consulting to implementation
- Integrated shopping experience through omni-channel products



Revenue<sup>1</sup> (EUR m)  
Fully consolidated since 11/2017



<sup>1</sup> Excl. revenue with trans-o-flex



- Initial acquisition of 25% stake in Q3 2016
- 70% and full consolidation since Nov. 1, 2017

## 02 NATIONWIDE BRANCH NETWORK: Service offering consists of three product groups



### 1. Postal Products



### 2. Telecommunications & retail products



### 3. Financial services



- Termination of the cooperation with BAWAG P.S.K. by the end of 2020
- Redimensioning of banking consulting already initiated, counter transactions remain unchanged
- Business plans currently being reviewed to see how financial services will be offered in the future

## 02 GROUP REAL ESTATE



### Value appreciation through optimised asset management

Value appreciation of investment property pursuant to IAS 40 through active, yield-oriented portfolio management, incl. development

- Carrying amount IAS 40 EUR 78m
- Market value IAS 40 EUR 263m



#### Vienna, Postgasse

Sale of 26,600 m<sup>2</sup> net commercial space, offices in historic stock



#### Vienna, Rochusmarkt

Realisation of about 43,000 m<sup>2</sup> of net commercial space, own use of offices, business and garage areas



#### Vienna, Neutorgasse "Cotton Residence"

4,460 m<sup>2</sup> of living space with 25 luxury flats, 85% sold until January 2019, completion end of 2019



#### Salzburg, "SGKK-Tower"

350 m<sup>2</sup> property incl. building permits developed/sold; another 5,100 m<sup>2</sup> property in strategic development phase: co-living, hotel, serviced apartments



#### Linz, "Post City Linz"

35,000 m<sup>2</sup> property, aim of 150,000 gross retail space, initiation phase EU-wide competition, target of zoning and building regulations in 2019

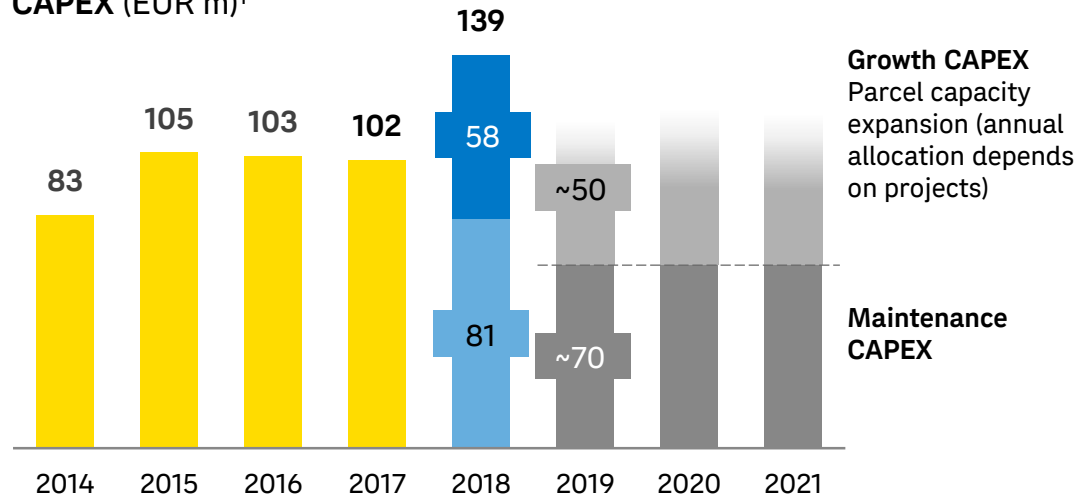
# 03 CAPACITY AND QUALITY DRIVE

## Expansion of parcel logistics in Austria



- Maintenance CAPEX 2018 of EUR 81.3m, mainly new investments in the vehicle fleet
- Growth CAPEX 2018 of EUR 58.1 primarily for Hagenbrunn, Lower Austria and Vienna-South
- 2019: Maintenance CAPEX of about EUR 70m and growth CAPEX in excess of EUR 50m planned; in addition, expansion of existing properties or acquisition of new ones is possible

CAPEX (EUR m)<sup>1</sup>



<sup>1</sup> 2014-2017 incl. CAPEX new corporate headquarters

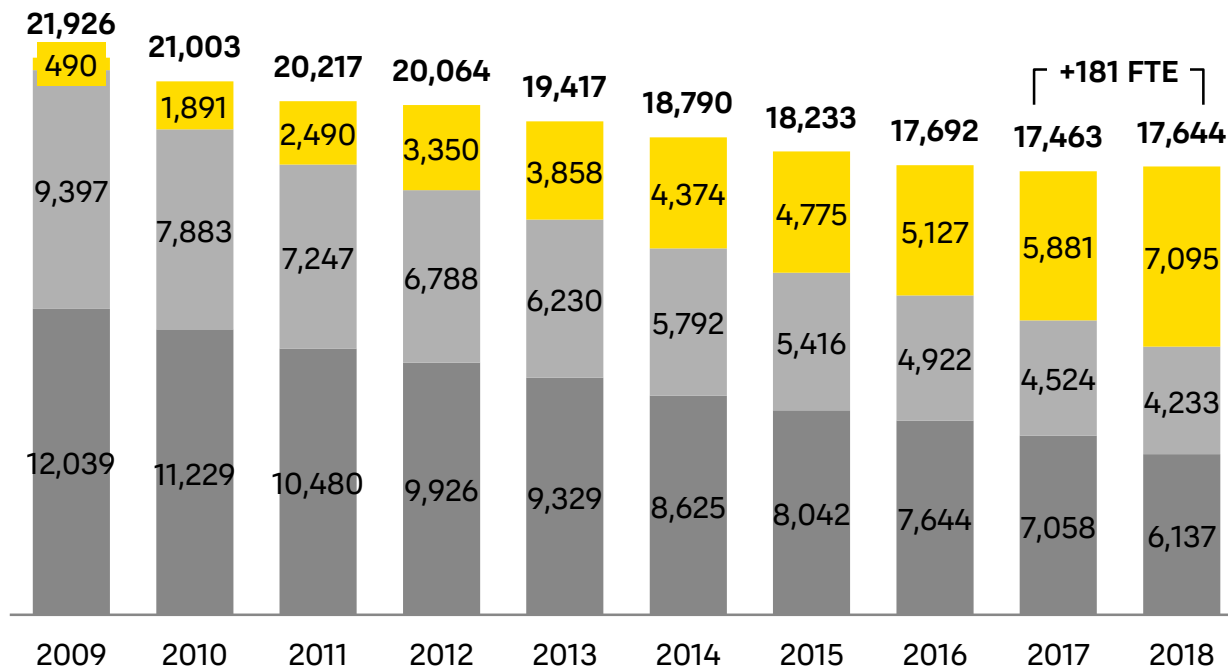
**HAGENBRUNN PARCEL CENTRE**  
(Lower Austria)



**COMMISSIONING SUMMER 2019**  
**SORTING CAPACITY +25%**

# 03 STAFF STRUCTURE IN AUSTRIA

## Full-time equivalents in the Austrian core business (average for the period)



### Change 2017/2018

-741	Civil servants
-292	Employees old CWA
+1,214	Employees new CWA

**+181 Employees**

### Medium-term trend:

Ongoing structural change to employees under the new collective wage agreement

- New collective wage agreement since 2009
- Old CWA before 2009
- Civil servants



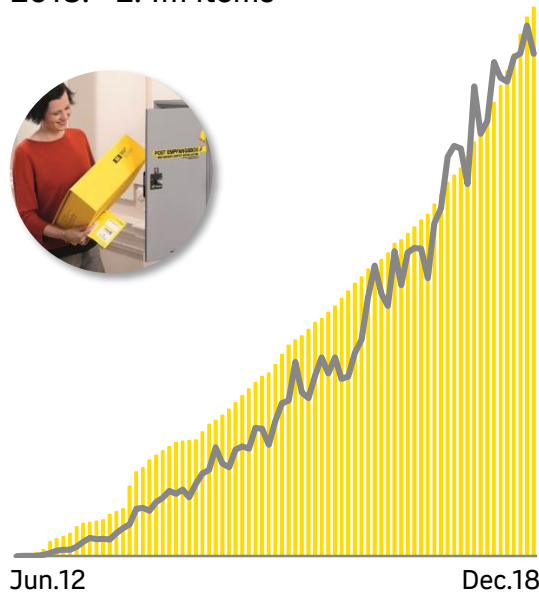
# 04 SELF-SERVICE SOLUTIONS REMAIN IMPORTANT



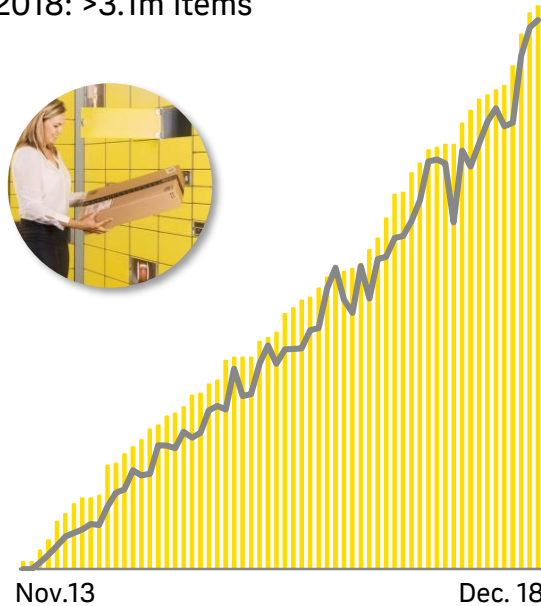
## Steady increase in usage

**11% OF PARCEL VOLUMES ALREADY VIA SELF-SERVICE SOLUTIONS IN 2018**

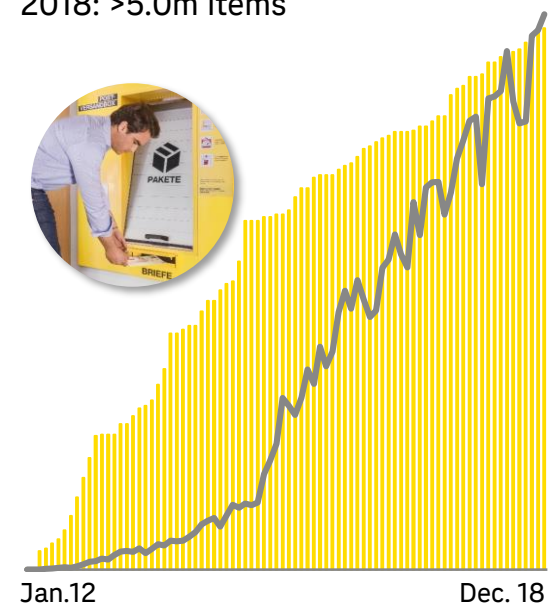
**34,100 pick-up boxes**  
2018: >2.4m items



**50,070 boxes at pick-up stations**  
2018: >3.1m items



**413 drop-off boxes**  
2018: >5.0m items



## 04 NEW OFFERINGS FOR ENHANCED CUSTOMER SERVICE

### New service: "AllesPost"



- 1 Customer places an order, specifies his "AllesPost address"
- 2 Delivery by any delivery service to the "AllesPost address" at the Austrian Post logistics centre
- 3 "Last mile" delivery by Austrian Post



"AllesPost" rates	Price
3 month subscription (up to 10 items)	EUR 14.90
12 month subscription (up to 40 items)	EUR 39.90

The first three months free.



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1. Highlights and Overview
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  - 3. GROUP RESULTS 2018**
  4. Outlook 2019



# FINANCIAL INDICATORS AT A GLANCE



	2014	2015	2016	2017	2018	
<b>Revenue<sup>1</sup></b> (EUR m)	1,863.5 <sup>2</sup>	1,903.9	1,895.6	1,938.9	<b>1,958.5</b>	Revenue slightly above previous year (+1.0%)
<b>EBIT</b> (EUR m)	196.9	198.0 <sup>3</sup>	202.3	207.8	<b>210.9</b>	Improved operating earnings
<b>EBITDA margin</b> (%)	14.1	12.6	13.6	15.2	<b>15.6</b>	Slightly higher EBITDA margin of 15.6%
<b>EBIT margin</b> (%)	8.3	8.2 <sup>3</sup>	10.0	10.7	<b>10.8</b>	Stable profitability
<b>Earnings/share<sup>4</sup></b> (EUR)	2.17	2.10 <sup>3</sup>	2.26	2.45	<b>2.13</b>	Earnings per share negatively impacted by special effects in financial result 2017 and 2018
<b>Cash flow</b> (EUR m)	232.2	216.2	223.6	255.7	<b>295.9</b>	Strong increase in cash flow from operating activities due to special payment by BAWAG P.S.K.
<b>Equity ratio</b> (%)	42.1	39.8	43.5	41.7	<b>41.6</b>	Stable equity ratio

<sup>1</sup> Revenue excl. trans-o-flex

<sup>2</sup> Adjustment of revenue reporting in the Parcel & Logistics Division. Exported services are recognised according to the net method (previously as revenue and expenses for services used).

<sup>3</sup> Adjusted for special effects

<sup>4</sup> Undiluted earnings per share in relation to 67,552,638 shares

# MAIN ACCOUNTING EFFECTS IN 2018 AND 2019



2018	EUR m
<b>BAWAG P.S.K. – Termination of the partnership</b>	
<b>Effects on the income statement in Q1 2018</b>	
- Lump-sum payment for shortening the contractual period	+20.1
- Allocation to provisions for redimensioning financial services	-21.5
<b>Effects on cash flow</b>	
Special payment received in Q1 2018 (+ EUR 107m)	+107.0
- thereof financial services rendered in the reporting period (EUR 37.0m)	<u>-37.0</u>
= Special effect on cash flow in 2018	70.0
- thereof compensation for redimensioning of financial services in 2017 recognised in the income statement (EUR 26.9m)	
- thereof lump-sum payment for shortening the contractual period (EUR 20.1m)	
- thereof deferred income for financial services to be rendered in 2019 (EUR 22.9m)	
2019	EUR m
<b>IFRS 16 Leases – initial application as at January 1, 2019</b>	
Expected effects on Austrian Post Group (subsequent measurement on the basis of current forecasts)	
- Balance sheet extension (right of use and leasing liabilities as at December 31, 2019)	~240
- EBITDA effect 2019 (previous expense split into depreciation/amortisation and interest paid)	+32
- EBIT effect 2019	+2
- Profit for the period effect 2019	-2

# KEY INCOME STATEMENT INDICATORS



EUR m	2017	2018	%	Δ	Q4 2017	Q4 2018	
<b>Revenue</b>	<b>1,938.9</b>	<b>1,958.5</b>	<b>1.0%</b>	<b>19.6</b>	<b>534.3</b>	<b>542.1</b>	Revenue increase, moderate decline of mail revenue and strong parcel growth
Other operating income	112.7	96.2	-14.7%	-16.5	69.5	22.3	
Raw materials, consumables and services used	-409.9	-441.2	-7.6%	-31.3	-113.4	-128.0	2017: positive net effect from claims related to non-wage costs paid in previous periods amounting to EUR 21.0m
Staff costs	-1,020.1	-1,008.7	1.1%	11.4	-275.3	-251.8	
Other operating costs	-325.0	-295.7	9.0%	29.3	-118.3	-84.5	
At equity consolidation	-1.9	-3.6	-85.4%	-1.7	-0.8	-1.9	
<b>EBITDA</b>	<b>294.6</b>	<b>305.4</b>	<b>3.7%</b>	<b>10.8</b>	<b>95.9</b>	<b>98.3</b>	Planned depreciation increased by EUR 7.8m compared to 2017 incl. one-off effect from replacement of mobile phones
<i>EBITDA margin</i>	<i>15.2%</i>	<i>15.6%</i>	-	-	<i>17.9%</i>	<i>18.1%</i>	
Depreciation, amortisation and impairment	-86.8	-94.5	-8.9%	-7.7	-28.0	-29.4	
<b>EBIT</b>	<b>207.8</b>	<b>210.9</b>	<b>1.5%</b>	<b>3.1</b>	<b>67.9</b>	<b>68.9</b>	2017: disposal of stake in BAWAG Group AG for EUR 11.0m
<i>EBIT margin</i>	<i>10.7%</i>	<i>10.8%</i>	-	-	<i>12.7%</i>	<i>12.7%</i>	2018: EUR 14.4m valuation effect for shares in FinTech Group AG
Other financial result	12.8	-13.1	<-100%	-25.9	12.2	-17.3	
Income tax	-55.6	-53.6	3.6%	2.0	-20.9	-12.7	
<b>Profit for the period</b>	<b>165.0</b>	<b>144.2</b>	<b>-12.6%</b>	<b>-20.8</b>	<b>59.1</b>	<b>38.9</b>	

<sup>1</sup> 99.0% of Austrian Post revenue is generated in the eurozone. For this reason, there are no material currency translation effects.

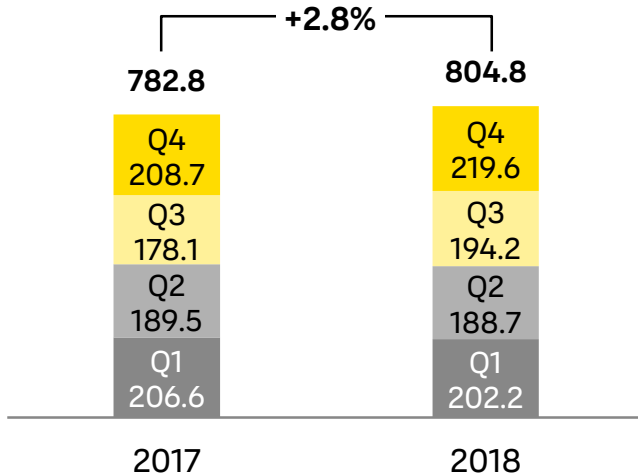


# MAIL & BRANCH NETWORK DIVISION: REVENUE DEVELOPMENT IN 2018



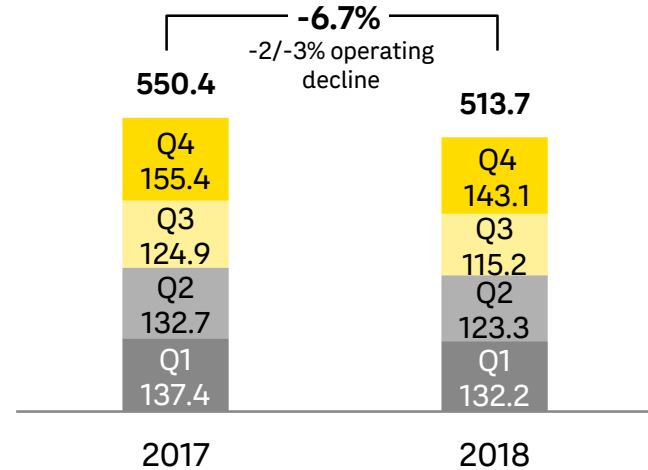
## Letter Mail & Mail Solutions (EUR m)

- Operating volume decline of about 3.5%
- 2018 revenue supported by one-off mailings, new product structure was well received
- Positive special effects of EUR 18.2m due to changed product assignment and e-commerce volumes from Asia



## Direct Mail/Media Post (EUR m)

- Operating revenue down by about 2-3%
- Revenue comparison impacted by positive election effects and individual sales initiatives in 2017
- Inorganic revenue decline of EUR 16.5m due to market exit from CEE/SEE and changed product assignment







# MAIL & BRANCH NETWORK: INCOME STATEMENT



EUR m	2017	2018	%	Δ	Q4 2017	Q4 2018	
<b>Revenue</b>	<b>1,447.8</b>	<b>1,412.3</b>	<b>-2.5%</b>	<b>-35.6</b>	<b>392.5</b>	<b>384.9</b>	Good development due to one-off mailings, e-commerce and new product structure
• Letter Mail & Mail-Solutions	782.8	804.8	2.8%	22.0	208.7	219.6	
• Direct Mail	413.3	382.6	-7.4%	-30.7	115.0	104.7	Market exit from CEE/SEE and changed product assignment
• Media Post	137.1	131.2	-4.3%	-6.0	40.3	38.4	
• Branch Services	114.6	93.7	-18.2%	-20.9	28.5	22.2	Redimensioning of financial services and change in reporting for mobile telephony products (IFRS 15)
Revenue intra-Group	101.7	112.9	11.0%	11.2	29.8	33.2	
Total revenue	1,549.5	1,525.2	-1.6%	-24.4	422.3	418.1	
<b>EBITDA</b>	<b>312.8</b>	<b>311.2</b>	<b>-0.5%</b>	<b>-1.6</b>	<b>95.0</b>	<b>97.2</b>	
<i>EBITDA margin<sup>1</sup></i>	<i>20.2%</i>	<i>20.4%</i>	-	-	<i>22.5%</i>	<i>23.3%</i>	
Depreciation, amortisation and impairment	-23.2	-21.4	7.7%	1.8	-5.5	-6.5	Stable EBIT due to high cost discipline and synergy effects from integrated delivery
<b>EBIT</b>	<b>289.6</b>	<b>289.8</b>	<b>0.1%</b>	<b>0.2</b>	<b>89.6</b>	<b>90.7</b>	
<i>EBIT margin<sup>1</sup></i>	<i>18.7%</i>	<i>19.0%</i>	-	-	<i>21.2%</i>	<i>21.7%</i>	

<sup>1</sup> EBIT margin/EBITDA margin in relation to total revenue

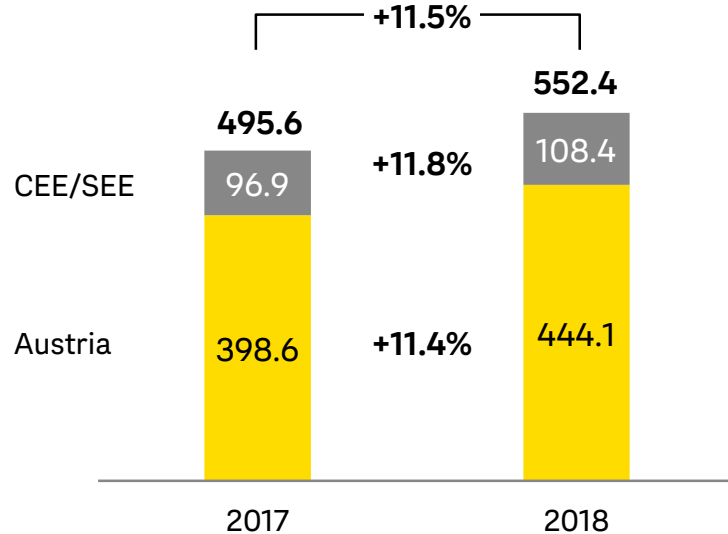


# PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT IN 2018



## Revenue development

EUR m



## Parcel & Logistics Division: +11.5% (Q4: +11.5%)

- Revenue growth of 8.1% excl. Weber Escal and full consolidation of ACL

## South East/Eastern Europe: +11.8% (Q4: +11.4%)

- Stable operating revenue development, high price pressure
- Segment change of Weber Escal (+ EUR 11.4m), previously Mail & Branch Network Division

## Austria: +11.4% (Q4: +11.5%)

- Basic upward revenue trend in 2018 of 10%; e-commerce drives growth on a broad customer base
- Full consolidation of e-commerce enabler ACL increases the revenue by EUR 5.6m



# PARCEL & LOGISTICS DIVISION: INCOME STATEMENT



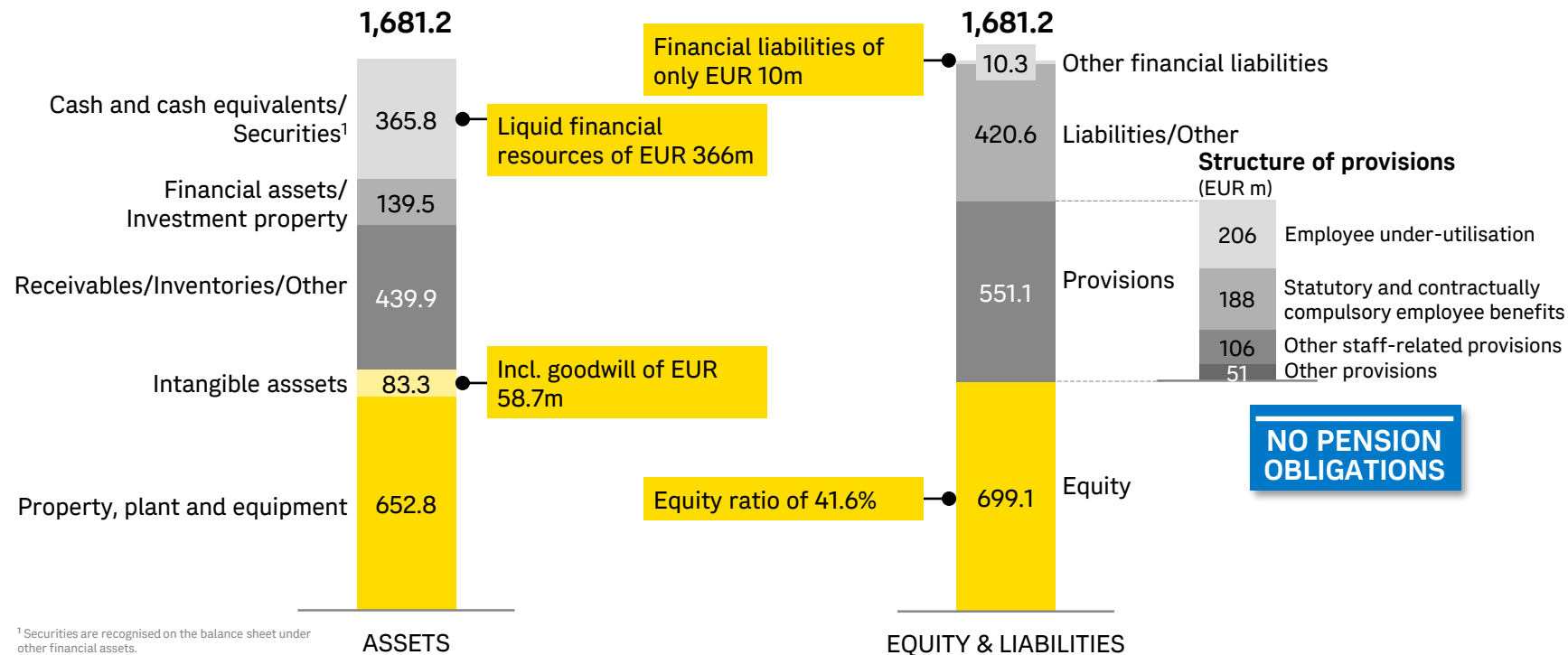
EUR m	2017	2018	%	Δ	Q4 2017	Q4 2018	
<b>Revenue</b>	<b>495.6</b>	<b>552.4</b>	<b>11.5%</b>	<b>56.9</b>	<b>143.1</b>	<b>159.6</b>	Overall 8.1% organic revenue growth, +10.0% in Austria
• Premium	240.7	266.1	10.6%	25.5	69.3	77.8	
• Standard	219.0	229.6	4.8%	10.6	63.5	66.2	
• Other Parcel Services	35.9	56.6	58.0%	20.8	10.3	15.6	Revenue increase mainly related to full consolidation of ACL advanced commerce labs and segment change of Weber Escal
Revenue intra-Group	4.8	4.9	2.1%	0.1	1.3	1.3	
Total revenue	500.4	557.4	11.4%	57.0	144.4	160.8	
<b>EBITDA</b>	<b>58.1</b>	<b>54.9</b>	<b>-5.5%</b>	<b>-3.2</b>	<b>18.6</b>	<b>20.1</b>	
<i>EBITDA margin<sup>1</sup></i>	<i>11.6%</i>	<i>9.8%</i>	-	-	<i>12.9%</i>	<i>12.5%</i>	
Depreciation, amortisation and impairment	-15.2	-13.6	11.1%	1.7	-4.7	-5.4	
<b>EBIT</b>	<b>42.8</b>	<b>41.3</b>	<b>-3.5%</b>	<b>-1.5</b>	<b>13.9</b>	<b>14.7</b>	EBIT margin of 7.4%, additional expenditures due to capacity bottlenecks
<i>EBIT margin<sup>1</sup></i>	<i>8.6%</i>	<i>7.4%</i>	-	-	<i>9.6%</i>	<i>9.1%</i>	

<sup>1</sup> EBIT margin/EBITDA margin in relation to total revenue

# SOLID BALANCE SHEET STRUCTURE

## Balance sheet as at December 31, 2018

EUR m



<sup>1</sup> Securities are recognised on the balance sheet under other financial assets.

# ROBUST CASH FLOW IN 2018

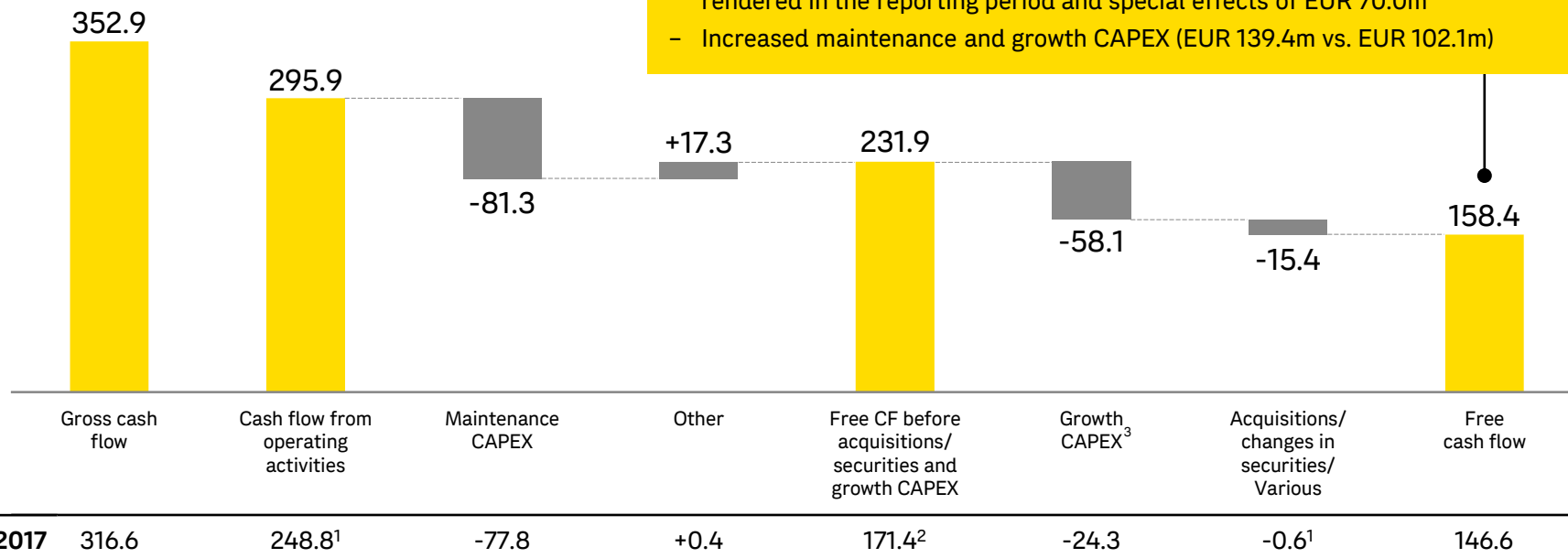
## Cash flow development

EUR m



### Free cash flow impacted by special effects:

- BAWAG special payment of EUR 107.0m includes services of EUR 37.0m rendered in the reporting period and special effects of EUR 70.0m
- Increased maintenance and growth CAPEX (EUR 139.4m vs. EUR 102.1m)



<sup>1</sup> Cash flow from operating activities and the acquisitions/changes in securities are adjusted for the effect of temporary cash holdings not yet transferred to customers.

<sup>2</sup> Free cash flow before acquisitions/securities and CAPEX new corporate headquarters, adjusted for the effect of temporary cash holdings not yet transferred to customers.

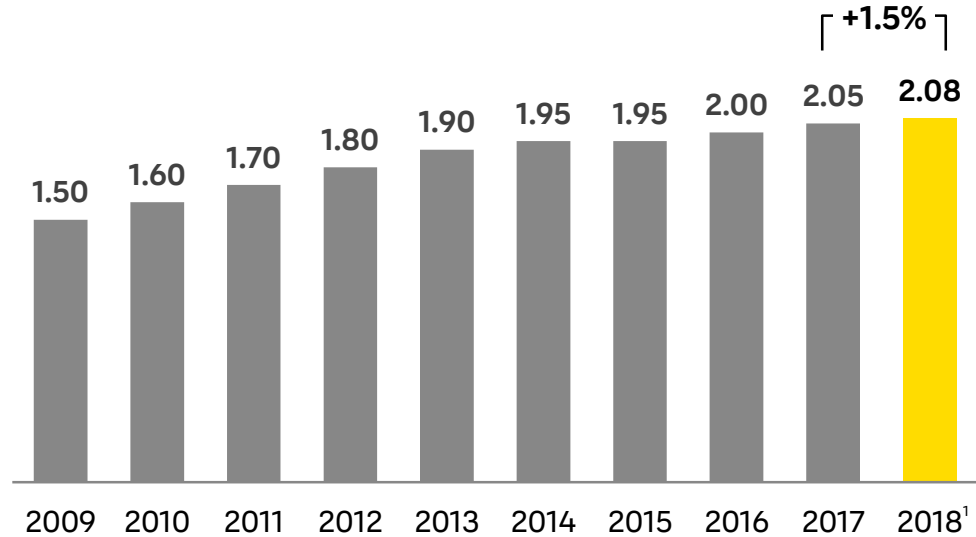
<sup>3</sup> 2017: CAPEX new corporate headquarters; 2018 incl. remaining payment for "Post am Rochus"

# DIVIDEND POLICY



## Continuation of attractive and predictable dividend policy

- Dividend proposal to the Annual General Meeting: EUR 2.08 per share
- Dividend yield as at December 31, 2018: 6.9% (share price of EUR 30.02)
- Unchanged dividend policy: distribution of at least 75% of the Group net profit



<sup>1</sup> Proposal to the Annual General Meeting on April 11, 2019



- 
1. Highlights and Overview
  2. Strategy Implementation
  3. Group Results 2018
  - 4. OUTLOOK 2019**







## Market environment

- Approx. 5% annual decline in addressed letter mail volumes
- Direct mail volumes dependent on economic situation and advertising behaviour of large customers
- Upper single-digit growth forecast in the parcel business, strong competition and price pressure



## Investments (CAPEX)

- Basic investments of about EUR 70m
- Growth investments of over EUR 50m, possible expansion of existing properties or acquisitions of new ones



## Revenue

- Stable revenue development expected
- Assuming a further increase in parcel revenue and a moderate drop in mail revenue
- Aim to continue offering financial services via the Austrian Post branch network in future



## Earnings

- Forecast of stable operating earnings in the core business

# CONTACT



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## Financial Calendar 2019

April 11, 2019

April 23/April 25, 2019

May 16, 2019

August 9, 2019

November 14, 2019

Annual General Meeting

Ex-day/Dividend Payment Day

Interim Report Q1 2019

Half-Year Financial Report 2019

Interim Report Q1-3 2019

### Disclaimer

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