

AUSTRIAN POST

INVESTOR PRESENTATION Q1-3 2018

Walter Oblin/CFO
Vienna, November 15, 2018



1. HIGHLIGHTS AND OVERVIEW

2. Strategy Implementation

3. Group Results Q1-3 2018

4. Outlook 2018 and 2019

HIGHLIGHTS Q1-3 2018



Market: Continuation of basic trends in Austria: addressed letter mail volumes principally in decline, positive special effects in the third-quarter, double-digit parcel growth against tough competition



Revenue: Slight rise of 0.8% in Q1-3 2018; revenue decline in the Mail & Branch Network Division (-2.6%) offset by parcel growth (+11.5%)



Earnings: EBIT increase of 1.5% to EUR 141.9m due to solid revenue development and cost discipline

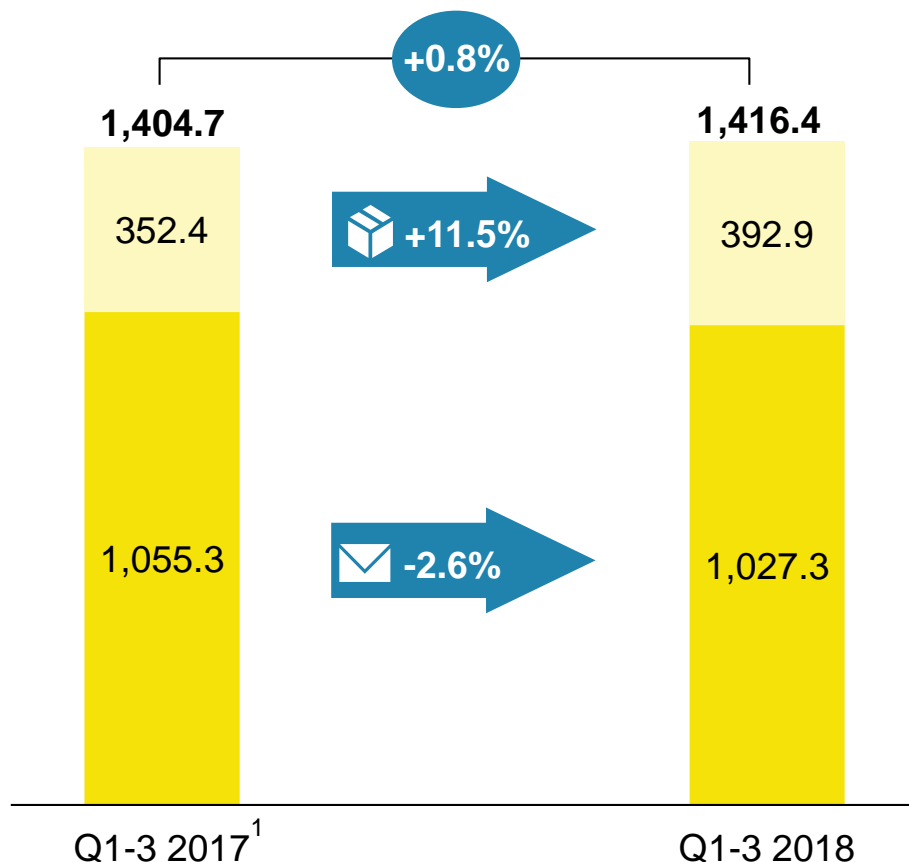


Outlook 2018 and 2019: Objective of achieving ongoing stability in revenue and operating earnings

SLIGHT REVENUE IMPROVEMENT DUE TO PARCEL GROWTH

REVENUE DEVELOPMENT

EUR m



GROUP: +0.8% (Q3: +2.3%)

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

PARCEL & LOGISTICS: +11.5% (Q3: +10.3%)

- Basic upward revenue trend of 10% in Austria in 2018
- Additional revenue related to segment change of Weber Escal, Croatia

MAIL & BRANCH NETWORK: -2.6% (Q3: -0.5%)

- New product structure well received by customers
- Lower advertising mail revenue due to positive special effects in 2017
- Revenue decrease in financial services with BAWAG P.S.K. related to step-by-step redimensioning

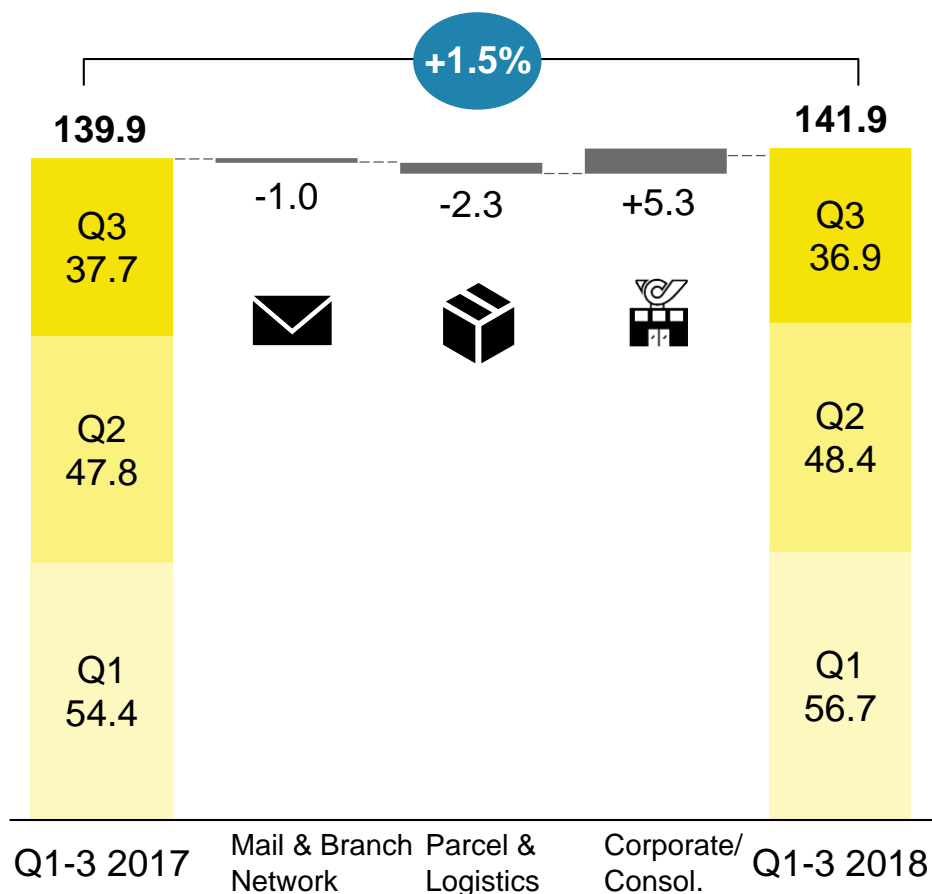
■ Mail & Branch Network
 ■ Parcel & Logistics

¹ Adjustment of revenue in segment reporting

IMPROVED OPERATING EARNINGS (EBIT)

EBIT DEVELOPMENT

EUR m



MAIL & BRANCH NETWORK:

- EBIT decline of EUR 1.0m in Q1-3 2018 (+EUR 5.3m in Q3)
- Already in Q1 2018: provisions for redimensioning of financial services (-EUR 21.6m) largely compensated by one-off income as a result of the dissolution of the partnership with BAWAG P.S.K. (+EUR 20.1m)

PARCEL & LOGISTICS:

- EBIT down by EUR 2.3m in Q1-3 2018 against the backdrop of intense competition and high cost pressure (-EUR 3.7m in Q3)

CORPORATE:

- EBIT improvement of EUR 5.3m in Q1-3 2018 (-EUR 2.4m in Q3)
- Lower expenses for social plan models

1. Highlights and Overview

2. STRATEGY IMPLEMENTATION

3. Group Results Q1-3 2018

4. Outlook 2018 and 2019

CLEAR STRATEGIC PRIORITIES

1. DEFENDING MARKET LEADERSHIP IN THE CORE BUSINESS

Safeguarding market position in a competitive environment



2. PROFITABLE GROWTH IN SELECTED MARKETS

Focusing and performance enhancement



3. ENHANCING EFFICIENCY AND OPTIMISING THE COST STRUCTURE

Logistics infrastructure and process optimisation



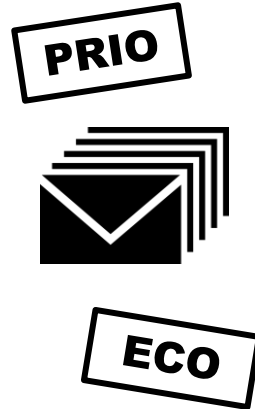
4. CUSTOMER ORIENTATION AND INNOVATION

Promotion of self-service solutions and service improvements



1 LETTER MAIL AND DIRECT MAIL IN AUSTRIA

LETTER MAIL



CURRENT TRENDS

- New product structure as of July 1, 2018 has been well received
 - 50% of letter mail volume currently sent ECO by customers (2-3 days delivery time)
 - 50% sent as PRIO products (next day delivery)
- Basic volume trend principally in decline due to e-substitution
- Positive special effects and mailings, especially in Q3 2018 (banks, information on data protection)
- Volumes below very high prior-year level (impetus from sales campaigns in 2017)
- Perceptible uncertainty in addressed mail because of GDPR
- Unaddressed direct mail: positive stimulus in unaddressed direct mail business from retail food sector but decline from furniture business

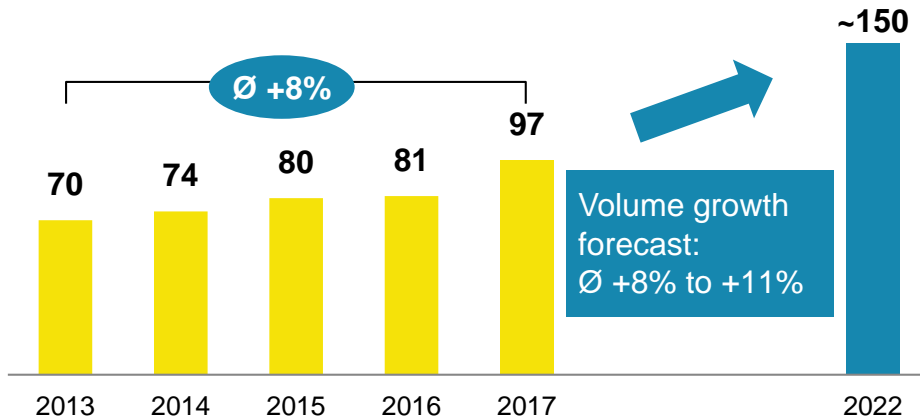
DIRECT MAIL/MEDIA POST



1 PARCEL & LOGISTICS BUSINESS IN AUSTRIA

AUSTRIAN POST PARCEL VOLUMES

(millions of parcels)

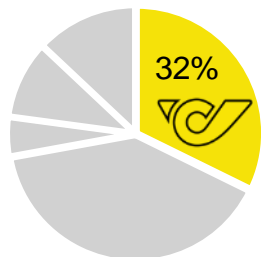


CURRENT TRENDS

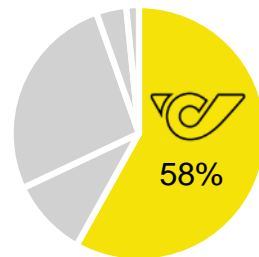
- Approx. 10% volume rise in Austria in Q1-3 2018
- Additional volumes lead to higher logistics costs in case of capacity bottlenecks
- Top priority is to expand sorting capacities
- Ongoing intense competition and increased own delivery by one large customer expected in Vienna
- Forecast of low to mid single-digit growth in 2019

MARKET SHARES BY VOLUME 2017

Business parcels
(93m B2B)



Private customer parcels
(116m X2C)



Source: BRANCHENRADAR.com Marktanalyse GmbH, February 2018

2

BRANCH NETWORK: STABILITY IN THE CORE BUSINESS, REDIMENSIONING OF FINANCIAL SERVICES

1,779 POSTAL SERVICE POINTS

- **38m CUSTOMER CONTACTS** p.a. in the branch offices
- **19m CUSTOMER CONTACTS** p.a. at postal partners



THREE PRODUCT GROUPS CONTINUE TO BE A FIXED PART OF THE SERVICE OFFERING

POSTAL PRODUCTS

TELECOMMUNICATIONS & RETAIL GOODS

FINANCIAL SERVICES – NEW PARTNERSHIP

- Agreement on step-by-step dissolution of cooperation with banking partner BAWAG P.S.K. by the end of 2019 (special payment of EUR 107m received in Q1 2018)
- Redimensioning initiated for banking consulting services, counter transactions unchanged
- Implementation of partnership with FinTech Group  **fintechgroup**
 - Founding of a 50/50 joint venture with the FinTech Group AG
 - New financial services offering in preparation
 - Austrian Post acquired 6.5% of FinTech Group AG

2 GROWTH IN SELECTED MARKETS

GROWTH FOCUS ON PARCEL & LOGISTICS

GERMANY

Austrian Post International:

- Growth in the international letter mail business, revenue up by 8.0% in Q1-3 2018

AEP (50% stake, consolidated at equity):

- Joint venture in pharmaceutical wholesale
- Revenue in Q1-3 2018 in excess of EUR 300m



CEE/SEE

Focus on profitable parcel growth

- Ongoing positive organic volume development
 - Tough competition and price pressure
- Pull-out from the letter mail business completed**

AUSTRIA

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

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

- Operational level: parcel volume rise >15% in Q1-3 2018, revenue of more than EUR 160m in Q1-3 2018
- Ongoing arbitration proceedings and talks with the family owners regarding an increase of shareholding



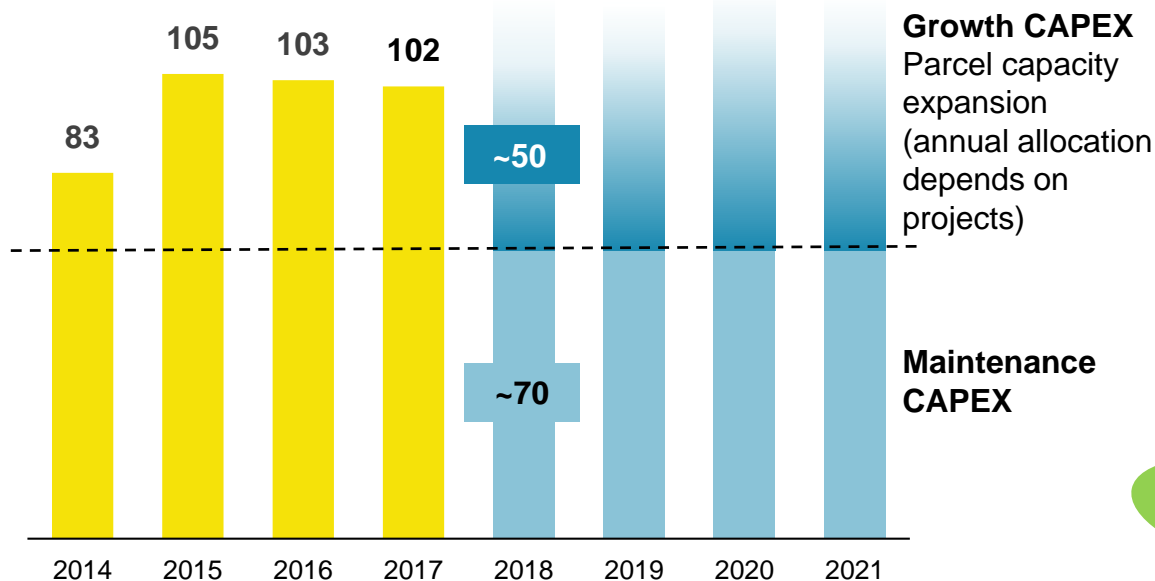
3 CAPACITY AND QUALITY DRIVE

EXPANSION OF PARCEL LOGISTICS IN AUSTRIA

Q1-3 2018:

- EUR 56.9m in maintenance CAPEX and growth CAPEX of EUR 29.3m
- Ground-breaking ceremony for the Hagenbrunn Parcel Centre in Lower Austria on July 10, 2018, completion planned by summer 2019

CAPEX (EUR m)¹



HAGENBRUNN PARCEL CENTRE (LOWER AUSTRIA)

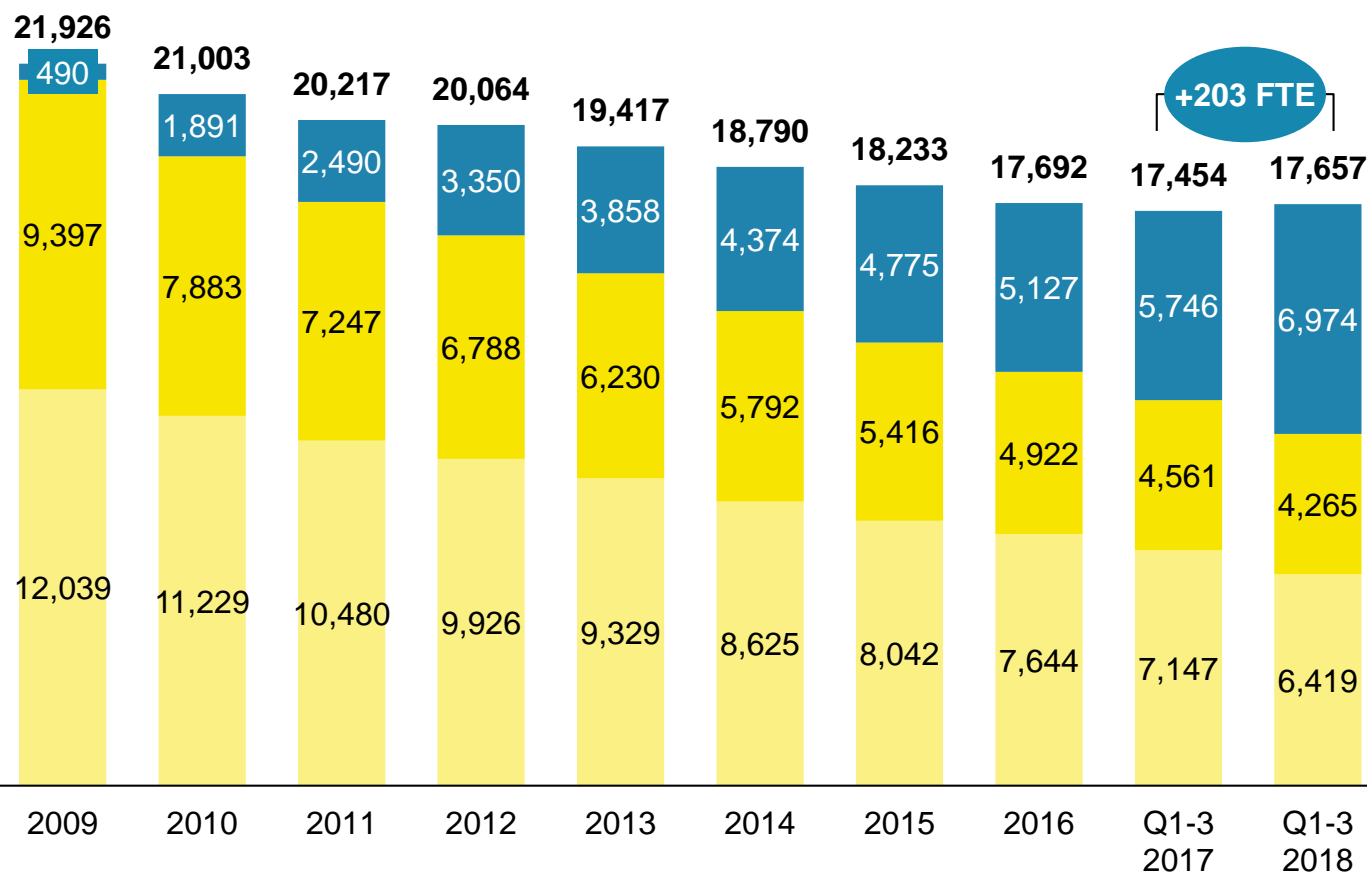


NEW

¹ 2014-2017 including CAPEX for the new corporate headquarters

3 STAFF STRUCTURE IN AUSTRIA

FULL-TIME EQUIVALENTS IN THE AUSTRIAN CORE BUSINESS (average for the period)



Change Q1-3 2017 / Q1-3 2018:

- 728 Civil servants
- 297 Employees old CWA
- +1,228 Employees new CWA

+203 Employees

Medium-term trend:

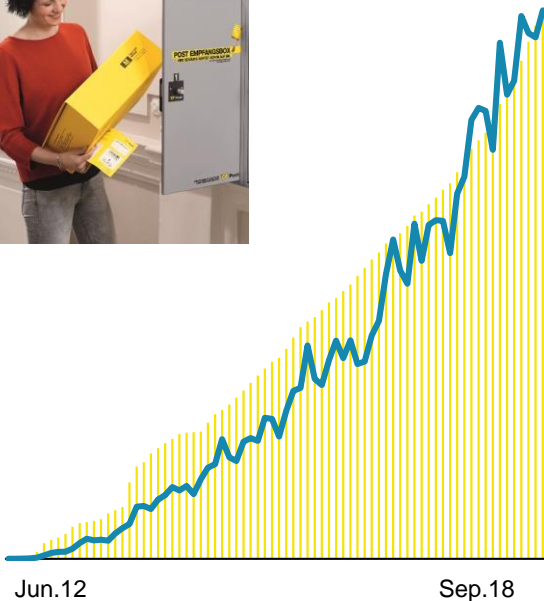
Ongoing structural change to employees with new collective wage agreement

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

4 FURTHER EXPANSION OF SELF-SERVICE CUSTOMER SOLUTIONS

31,210 PICK-UP BOXES

Q1-3 2018: >1.7m items



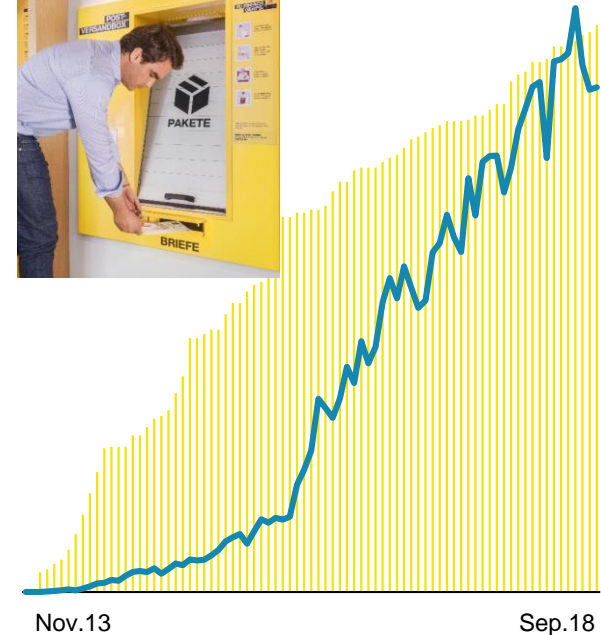
329 PICK-UP STATIONS

Q1-3 2018: >2.2m items



402 DROP-OFF BOXES

Q1-3 2018: >3.6m items



■ Number of solutions
■ Items/month

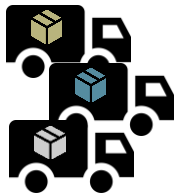
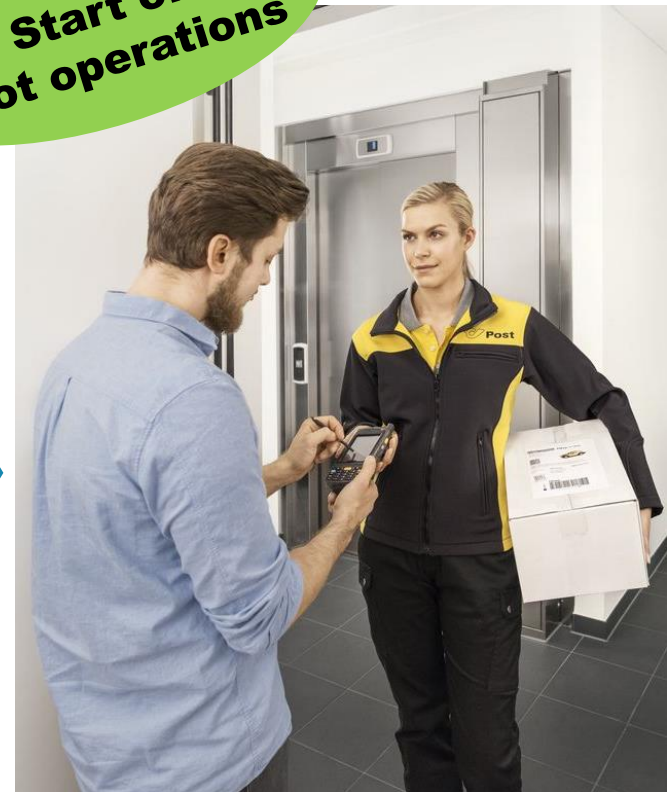
MEDIUM-TERM GOAL TO DOUBLE THE NUMBER OF SELF-SERVICE SOLUTIONS

4 NEW OFFERINGS FOR ENHANCED CUSTOMER SERVICE

NEW SERVICE: "ALLESPOST" (ALL PARCELS BY POST)

- Customers would like to actively select their delivery company, not possible with many mail order companies
→ Solution: "AllesPost"
- By designating the "AllesPost" address, all items are delivered by Austrian Post
- In this way the customer can use Austrian Post services (e.g. Post App, parcel redirection, delivery authorisation, delivery on the desired day)

Start of pilot operations



1. Highlights and Overview

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3. GROUP RESULTS Q1-3 2018

4. Outlook 2018 and 2019

Q1-3 2018 FINANCIAL INDICATORS AT A GLANCE

	Q1-3 2017	Q1-3 2018	
Revenue (EUR m)	1,404.7	1,416.4	Revenue slightly above the previous year (+0.8%)
EBITDA margin	14.1%	14.6%	Improved EBITDA margin of 14.6%
EBIT margin	10.0%	10.0%	Stable profitability
Earnings/share (EUR)	1.57	1.56	Earnings per share at the prior-year level
Cash flow (EUR m)	166.5	252.5	Strong increase in the cash flow from operating activities due to special payment by BAWAG P.S.K.
Equity ratio	43.3%	39.6%	Increased equity; lower equity ratio due to higher balance sheet total

KEY INCOME STATEMENT INDICATORS

EUR m	Q1-3 2017 ¹	Q1-3 2018	%	Δ	Q3 2017 ¹	Q3 2018	
Revenue	1,404.7	1,416.4	0.8%	11.7	451.0	461.1	+EUR 20.1m one-off income already in Q1 due to dissolution of BAWAG P.S.K. partnership
Other operating income	43.2	73.9	71.1%	30.7	15.5	22.9	
Raw materials, consumables and services used	-296.5	-313.3	-5.7%	-16.8	-100.2	-107.0	
Staff costs	-744.8	-756.9	-1.6%	-12.1	-230.4	-240.4	Provisions of EUR 21.6m for redimensioning of financial services
Other operating costs	-206.7	-211.3	-2.2%	-4.6	-80.0	-73.4	
At equity consolidation	-1.1	-1.7	-57.1%	-0.6	-0.4	-0.5	
EBITDA	198.7	207.1	4.2%	8.4	55.4	62.8	
<i>EBITDA margin</i>	14.1%	14.6%	-	-	12.3%	13.6%	
Depreciation, amortisation and impairment	-58.8	-65.2	-10.8%	-6.3	-17.7	-25.9	
EBIT	139.9	141.9	1.5%	2.0	37.7	36.9	
<i>EBIT margin</i>	10.0%	10.0%	-	-	8.4%	8.0%	Stable EBIT margin of 10%
Other financial result	0.6	4.2	>100%	3.6	0.7	1.0	
Income tax	-34.7	-40.9	-17.9%	-6.2	-8.8	-8.5	Higher income tax payment (partly from previous years)
Profit for the period	105.9	105.3	-0.6%	-0.6	29.7	29.4	
Earnings per share (EUR) ²	1.57	1.56	-0.8%	-0.01	0.44	0.43	

¹ Adjustment of revenue in segment reporting

² Undiluted earnings per share in relation to 67,552,638 shares



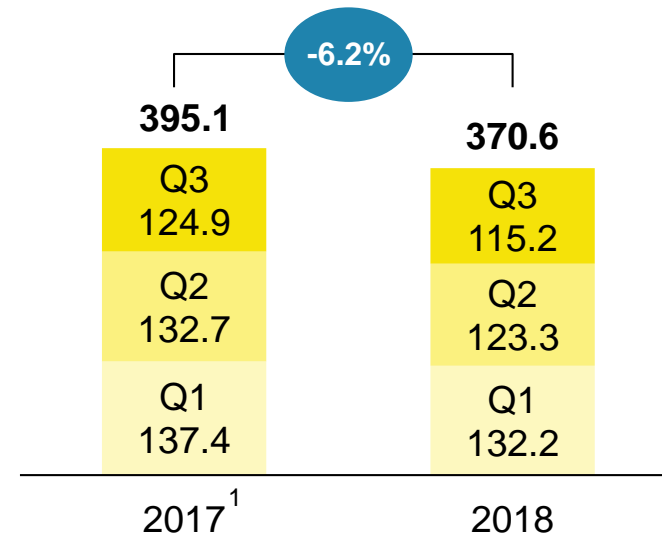
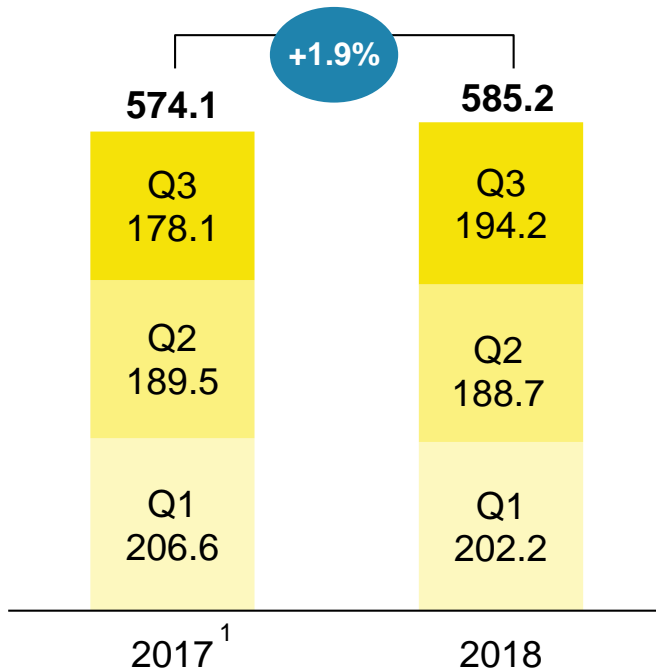
MAIL & BRANCH NETWORK DIVISION: Q1-3 2018 REVENUE DEVELOPMENT

LETTER MAIL & MAIL SOLUTIONS (EUR m)

- Good Q3 2018 in the core business
 - Volume development supported by one-time mailings
 - New product structure has been well received
- Revenue increase due to positive special effects
 - More international e-commerce volumes (+EUR 12.0m)
 - Positive development of Mail Solutions (+EUR 4.0)

DIRECT MAIL/MEDIA POST (EUR m)

- Operating revenue down by about 2-3%, significant election effects in 2017
- Addressed mail volumes in decline (negatively impacted by uncertainty relating to GDPR)
- Loss in revenue due to pull-out from CEE/SEE market and changed product assignment (-EUR 13.7m)



¹ Adjustment of revenue in segment reporting



MAIL & BRANCH NETWORK DIVISION: INCOME STATEMENT

EUR m	Q1-3 2017 ¹	Q1-3 2018	%	Δ	Q3 2017 ¹	Q3 2018	
Revenue	1,055.3	1,027.3	-2.6%	-28.0	333.9	332.3	Good development due to e-commerce and new product structure
• Letter Mail & Mail-Solutions	574.1	585.2	1.9%	11.2	178.1	194.2	Market pull-out in CEE/SEE and changed product assignment: -EUR 13.7m
• Direct Mail	298.3	277.9	-6.8%	-20.4	95.2	86.9	
• Media Post	96.8	92.8	-4.1%	-4.0	29.7	28.2	
• Branch Services	86.2	71.5	-17.0%	-14.7	31.0	22.9	
Revenue intra-Group	71.9	79.7	10.8%	7.8	24.3	26.7	Drop in financial services due to dissolution agreement
Total revenue	1,127.2	1,107.1	-1.8%	-20.2	358.2	359.1	
EBITDA	217.8	214.0	-1.7%	-3.8	59.8	65.5	
<i>EBITDA margin²</i>	<i>19.3%</i>	<i>19.3%</i>	-	-	<i>16.7%</i>	<i>18.3%</i>	
Depreciation, amortisation and impairment	-17.8	-14.9	15.8%	2.8	-4.8	-5.2	
EBIT	200.0	199.0	-0.5%	-1.0	55.1	60.3	Stable EBIT related to cost discipline and synergy effects
<i>EBIT margin²</i>	<i>17.7%</i>	<i>18.0%</i>	-	-	<i>15.4%</i>	<i>16.8%</i>	

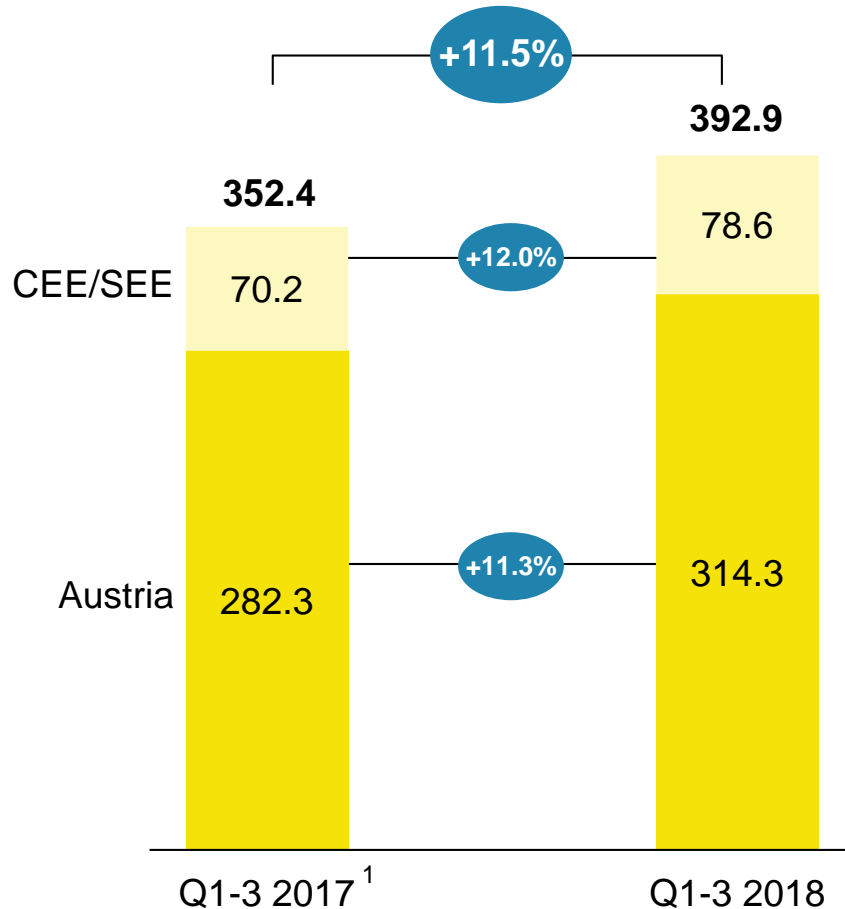
¹ Adjustment of revenue in segment reporting

² EBIT margin/EBITDA margin in relation to total revenue



PARCEL & LOGISTICS DIVISION: Q1-3 2018 REVENUE DEVELOPMENT

REVENUE (EUR m)



PARCEL & LOGISTICS DIVISION: +11.5% (Q3: +10.3%)

- Revenue growth in Q1-3 2018 excl. segment change of Weber Escal +9.1% (Q3: +8.0%)

CEE/SEE: +12.0% (Q3: +9.4%)

- Stable development of operating revenue, high price pressure
- Segment change of Weber Escal (+EUR 8.3m; previously Mail & Branch Network Division)

AUSTRIA: +11.3% (Q3: +10.5%)

- Basic upward revenue trend in Q1-3 2018 of about 10%; e-commerce drives growth at broad customer base
- Full consolidation of e-commerce enabler ACL as at November 1, 2017 (+EUR 4.3m in Q1-3 2018)

¹ Adjustment of revenue in segment reporting



PARCEL & LOGISTICS DIVISION: INCOME STATEMENT

EUR m	Q1-3 2017 ¹	Q1-3 2018	%	Δ	Q3 2017 ¹	Q3 2018	
Revenue	352.4	392.9	11.5%	40.4	118.1	130.2	+9.1% revenue increase excl. segment change of Weber Escal, Croatia
• Premium	171.3	188.4	10.0%	17.1	59.1	65.1	
• Standard	155.5	163.5	5.1%	7.9	50.6	51.7	
• Other Parcel Services	25.6	41.0	60.3%	15.4	8.3	13.5	Segment change of Weber Escal +EUR 8.3m and full consolidation ACL +EUR 4.3m
Revenue intra-Group	3.5	3.7	3.8%	0.1	1.1	1.1	
Total revenue	356.0	396.5	11.4%	40.6	119.2	131.4	
EBITDA	39.5	34.8	-11.8%	-4.7	12.5	9.0	
<i>EBITDA margin²</i>	<i>11.1%</i>	<i>8.8%</i>	-	-	<i>10.5%</i>	<i>6.9%</i>	
Depreciation, amortisation and impairment	-10.5	-8.2	22.5%	2.4	-2.6	-2.8	EBIT negatively impacted by higher expenses (logistics network bottlenecks, additional IT and consulting costs)
EBIT	28.9	26.6	-8.0%	-2.3	10.0	6.3	
<i>EBIT margin²</i>	<i>8.1%</i>	<i>6.7%</i>	-	-	<i>8.4%</i>	<i>4.8%</i>	

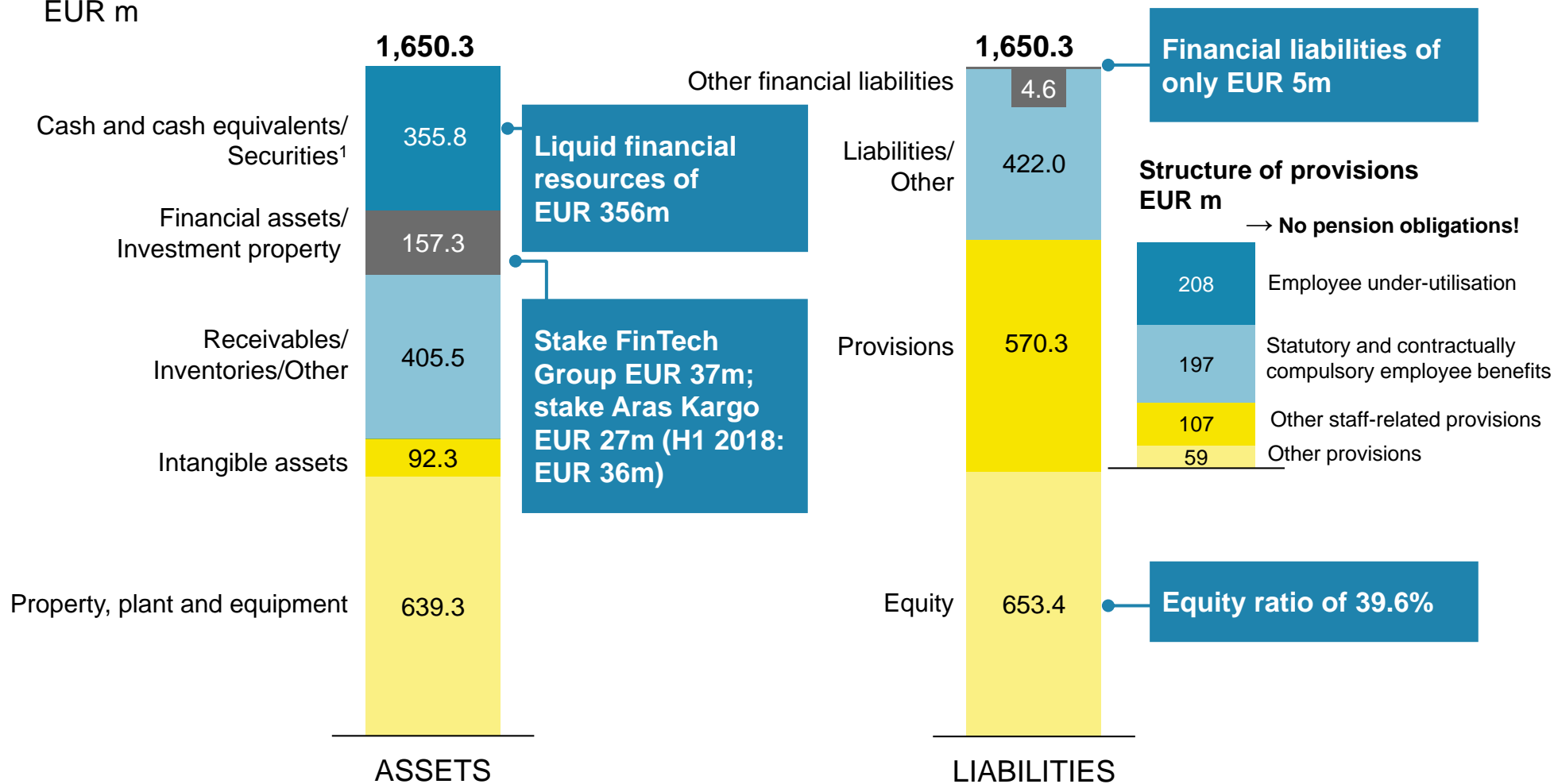
¹ Adjustment of revenue in segment reporting

² EBIT margin/EBITDA margin in relation to total revenue

SOLID BALANCE SHEET STRUCTURE

BALANCE SHEET AS AT SEPTEMBER 30, 2018

EUR m



¹ Securities are recognised on the balance sheet under other financial assets.

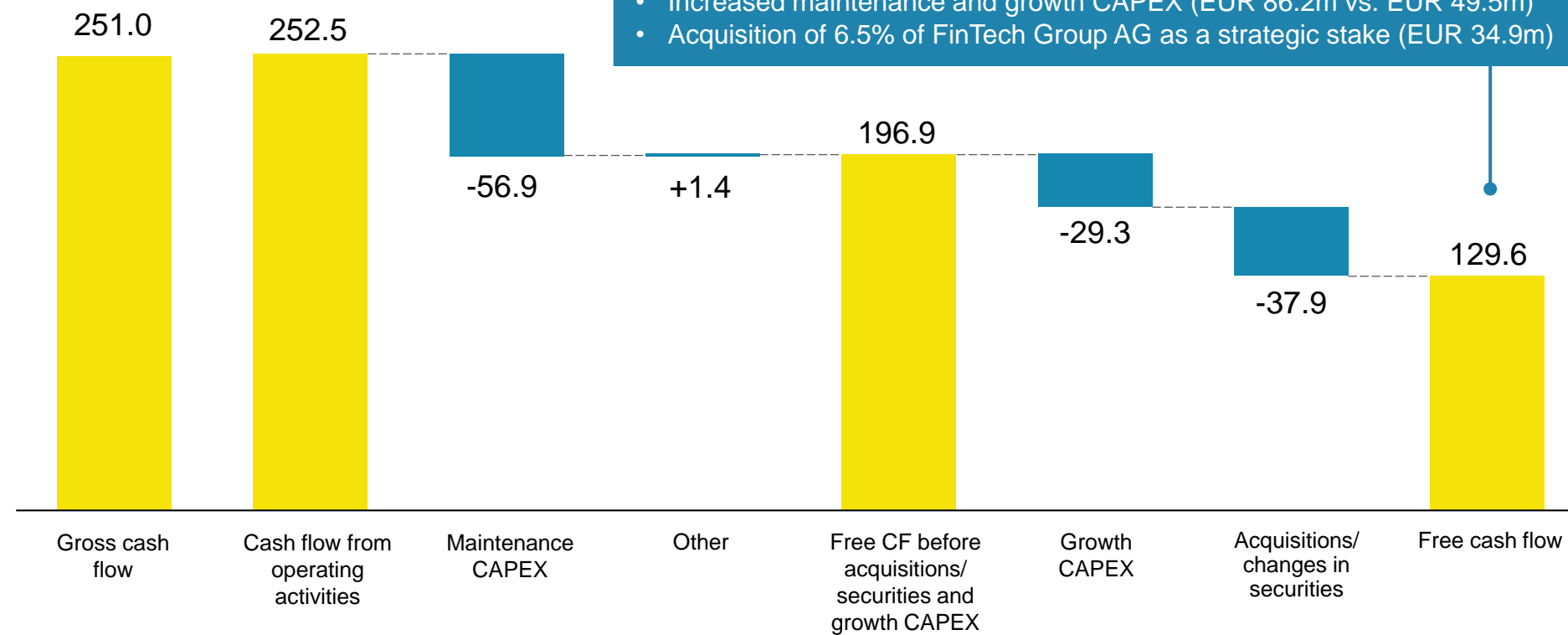
SPECIAL CASH FLOW EFFECTS IN Q1-3 2018

CASH FLOW DEVELOPMENT

EUR m

Free cash flow impacted by special effects:

- BAWAG special payment of EUR 107.0m less services rendered in the reporting period of EUR 29.7m
- Increased maintenance and growth CAPEX (EUR 86.2m vs. EUR 49.5m)
- Acquisition of 6.5% of FinTech Group AG as a strategic stake (EUR 34.9m)



¹ Free cash flow before acquisitions/securities and CAPEX new corporate headquarters

² CAPEX new corporate headquarters

1. Highlights and Overview

2. Strategy Implementation

3. Group Results Q1-3 2018

4. OUTLOOK 2018 AND 2019



OUTLOOK 2018 AND 2019

Market environment

- Approx. 5% volume decline p.a. of addressed letter mail
- Direct mail business dependent on dynamics of the particular customer segment
- Basic rise in parcel volumes, tough competition and price pressure, own delivery of a large-volume customer in the Vienna region

Revenue

- Stable revenue development continues to be expected in 2018
- Revenue forecast also shows stability in 2019
 - Assuming a further increase in parcel revenue and moderate drop in mail revenue
 - Build-up a new, nationwide financial services business by the beginning of 2020 and implementation of a banking joint venture with FinTech Group AG

Investments

- Maintenance investments of about EUR 70m p.a. in both 2018 and 2019
- Growth investments of about EUR 50m in 2018 (focus on Hagenbrunn, Lower Austria)
- Growth investments in 2019 of more than EUR 50m through the new parcel distribution centres (Hagebrunn/Lower Austria, Kalsdorf/Graz), alongside the possible expansion of properties or acquisition of new land (e.g. by the logistics centre in the south of Vienna)

Earnings

- Forecast of stable earnings in 2018 remains unchanged (EBIT 2017: EUR 207.8m)
- Achieving stability in operating earnings is also the target for 2019

CONTACT

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Financial calendar 2019

March 14, 2019

Annual Results 2018

April 11, 2019

Annual General Meeting

April 23 /April 25, 2019

Ex-Day/Dividend Payment Day

May 16, 2019

Interim Report Q1 2019

August 9, 2019

Half-Year Financial Report 2019

November 14, 2019

Interim Report Q1-3 2019

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