# AUSTRIAN POST FY 2020:
# Extreme challenges due to declining letter mail, increasing parcel volumes and COVID-19 well mastered

**2020 impacted by COVID-19**

- Letter Mail volume decline of 7%, 12% drop in Direct Mail volumes
- 30% rise in Austrian parcel volumes, CEE/SEE parcels up by 27%, 37% increase in Turkey

**Revenue 2020 increased by 8.3%**

- Revenue growth of 8.3% to EUR 2,189.2m (+3.3% excl. Aras Kargo)
- Strong parcel growth (+44.4%) offsets decline in Letter Mail and Direct Mail (–7.4%)

**Earnings below prior-year level**

- EBITDA down by 5.0% to EUR 302.8m
- EBIT of the logistics business 2020 (excl. Retail & Bank Division) of EUR 204.4m
  - Mail down by 16.4% to EUR 164.4m
  - Parcel & Logistics up by 94.5% to EUR 73.5m
- Group EBIT 2020 reduced by 19.9% to EUR 160.6m
  - Loss of EUR 43.8m in the Retail & Bank Division due to start-up costs for bank99

**Cash flow reduced and balance sheet extended**

- Gross cash flow down by 2.0% and operating free cash flow down by 16.5% to prior-year level
- Increased balance sheet total of EUR 2,680.2m (+31.2%) due to launch of bank99
- Dividend proposal of EUR 1.60 per share (payout of 94% of net profit)

**Positive outlook 2021**

- Revenue 2021 up by 8% to 10% expected
- Targeted earnings (EBIT) increase of at least 10% (EBIT 2020: EUR 161m)
- Continuation of capacity expansion programme: +30% sorting capacity by 2022

2020 was a huge challenge for many companies across the globe, including Austrian Post. In particular, the COVID-19 pandemic at the beginning of 2020 and the following temporary lockdown regulations and restrictions have left their mark on Austrian Post and of its customers, both in social and economic terms. The market environment has somewhat improved in the third and fourth quarters. Many companies managed to adapt to the difficult conditions. "We succeeded in maintaining the safety and health of employees as well as the business performance of Austrian Post. Against the backdrop of current framework conditions, the results in the past financial year can be considered as entirely satisfactory" says CEO Georg Pölzl. Austrian Post Group revenue rose by 8.3% to EUR 2,189.2m in 2020. This revenue increase can be attributed to the good development in the parcel business (+44.4%): while the Mail Division registered a disproportionately drop in revenue of 7.4% related to COVID-19, the Parcel & Logistics Division managed to record further volume gains in the Austrian market (parcel volume +30 %), in South East and Eastern Europe (parcel volume +27 %) as well as in the newly consolidated Turkish market (parcel volume +37 %).

In terms of earnings, a good fourth quarter also enabled the company to end 2020 on a conciliatory note. Fourth-quarter EBIT reached a level of EUR 79.2m compared to EUR 70.5m last year. Accordingly, EBIT in 2020 amounted to EUR 160.6m, down by 19.9 % from EUR 200.6m in 2019. The start-up costs of bank99 in the Retail & Bank Division, which was launched in April 2020, accounted for a substantial share of the decline. Disregarding the negative earnings contribution of the Retail & Bank Division, EBIT of the logistics business was almost stable at EUR 204.4m for the 2020 financial year. EBITDA for the 2020 financial year fell by 5.0 % to EUR 302.8m.

Earnings per share equalled to EUR 1.75 in 2020. On the basis of Austrian Post's solid performance and balance sheet strength, it will be proposed to the Annual General Meeting scheduled for 15 April 2021 to once again approve the payout of an attractive dividend of EUR 1.60 per share, corresponding to a payout ratio of 94 % of the net profit and a dividend yield of 5.6 % at the closing share price on 31 December 2020.

Austrian Post aims for both revenue and earnings growth in 2021. The objective is to continue further improving despite the reduced visibility and higher volatility in the market. Austrian Post expects revenue growth of 8 % to 10 % and an earnings improvement of 10 %. Moreover, in 2021 it remains important to continue the logistics capacity expansion programme. Sorting capacity in Austria should be expanded by another 30 % by the end of 2022. The objective of Austrian Post is to strengthen its leadership position in terms of service quality as well as efficiency and speed.

"Our special thanks go to the employees and the partners of Austrian Post. All of them were working strenuously on a daily basis during the challenging fourth quarter to ensure that Austrian Post customers receive their parcels on time in spite of record parcel volumes", states Georg Pölzl. "This is the basis for our quality leadership. Together we will manage to continue being the preferred partner of our customers", concludes Pölzl.

*You can find the complete version of the outlook as well as detailed information (excerpts) from the Management Report for the financial year of 2020 starting on page 4. The entire report is available on the Internet under post.at/ir in the Reporting-Download Centre.*

# KEY FIGURES

| EUR m | 2019 | 2020 | Change % | Change EUR m | Q4 2019 | Q4 2020 |
|---|---|---|---|---|---|---|
| **Revenue** | **2,021.6** | **2,189.2** | **8.3%** | **167.6** | **559.3** | **691.3** |
| Mail[1] | 1,320.1 | 1,222.7 | –7.4% | –97.4 | 349.9 | 339.4 |
| Parcel & Logistics[1] | 632.5 | 913.6 | 44.4% | 281.1 | 195.2 | 336.9 |
| Retail & Bank[1] | 80.5 | 64.7 | –19.7% | –15.8 | 17.1 | 18.9 |
| Corporate/Consolidation[1] | –11.5 | –11.7 | –2.0% | –0.2 | –2.9 | –3.9 |
| Other operating income | 131.5 | 64.1 | –51.2% | –67.4 | 17.6 | 20.1 |
| Raw materials, cons. and serv. used | –495.7 | –596.2 | –20.3% | –100.5 | –162.2 | –217.9 |
| Staff costs | –976.7 | –1,041.4 | –6.6% | –64.7 | –232.0 | –295.2 |
| Other operating expenses | –361.3 | –314.4 | 13.0% | 46.8 | –79.7 | –75.6 |
| Results from financial assets acc. for using the equity method | –0.6 | 1.5 | >100% | 2.2 | –0.4 | 0.1 |
| **EBITDA** | **318.7** | **302.8** | **–5.0%** | **–15.9** | **102.7** | **122.9** |
| Depreciation, amort., impairment | –118.1 | –142.2 | –20.4% | –24.1 | –32.2 | –43.7 |
| **EBIT** | **200.6** | **160.6** | **–19.9%** | **–40.0** | **70.5** | **79.2** |
| Mail[1] | 196.7 | 164.4 | –16.4% | –32.3 | 67.8 | 57.7 |
| Parcel & Logistics[1] | 37.8 | 73.5 | 94.5% | 35.7 | 16.4 | 40.9 |
| Retail & Bank[1] | –4.6 | –43.8 | <–100% | –39.2 | –2.7 | –6.4 |
| Corporate/Consolidation[1] | –29.4 | –33.5 | –14.2% | –4.2 | –10.9 | –12.9 |
| Financial result | 10.7 | 1.4 | –86.5% | –9.3 | –2.9 | –2.5 |
| **Profit before tax** | **211.3** | **162.1** | **–23.3%** | **–49.3** | **67.7** | **76.8** |
| Income tax | –66.8 | –46.8 | 30.0% | 20.1 | –23.3 | –25.9 |
| **Profit for the period** | **144.5** | **115.3** | **–20.2%** | **–29.2** | **44.4** | **50.8** |
| **Earnings per share (EUR)[2]** | **2.17** | **1.75** | **–19.2%** | **–0.42** | **0.69** | **0.72** |
| | | | | | | |
| Gross cash flow | 333.7 | 327.1 | -2.0% | -6.6 | 118.4 | 135.3 |
| **Cash flow from operating activities** | **327.4** | **732.6** | **>100%** | **405.2** | **98.7** | **214.1** |
| Investment in property, plant and equipment (CAPEX) | –153.1 | –143.3 | 6.4% | 9.8 | –52.9 | –81.6 |
| **Free cash flow** | **36.7** | **739.6** | **>100%** | **702.9** | **–13.1** | **158.7** |
| **Operating free cash flow[3]** | **150.5** | **125.7** | **–16.5%** | **–24.8** | **16.4** | **31.1** |

[1] Adjusted for the new segment structure since 1 January 2020
[2] Undiluted earnings per share in relation to 67,552,638 shares
[3] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets; 2019: excluding cash inflow from the real estate development projekt Neutrogasse EUR 32.8m and credited repayment claims related to non-wage labour costs paid in previous periods EUR 65.7m

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# EXCERPTS FROM THE MANAGEMENT REPORT

## REVENUE DEVELOPMENT IN DETAIL

In 2020, the Austrian Post Group's revenue increased by 8.3% to EUR 2,189.2m. On a comparable basis, i.e. excluding Aras Kargo, revenue growth came to 3.3%. Growth in the parcel business generated revenue growth of 44.4% (+28.4% excluding Aras Kargo), which more than compensated for the revenue decrease reported by the Mail and Retail & Bank Divisions.

The Mail Division accounted for 55.6% of the total revenue of Austrian Post. Revenue in the Mail Division declined as expected, down by 7.4%. On the one hand, this is due to a more pronounced downward trend in addressed letter mail as a result of electronic substitution and the lockdowns imposed at many public offices and companies. On the other hand, this was also caused by the loss of direct mail items as a direct effect of the business closures imposed by the authorities as a result of COVID-19 in 2020. On 1 April 2020, letter mail products and prices were adjusted, with a positive impact on revenues. The Parcel & Logistics Division generated 41.5% of the total revenue in the reporting period. The revenue growth of 44.4% in 2020 was driven by positive organic growth from online orders, as well as by additional volumes due to cooperation with Deutsche Post DHL Group from August 2019 onwards. The full consolidation of the Turkish company Aras Kargo on 25 August 2020 brought further revenue growth with a contribution of EUR 101.5m. The Retail & Bank Division achieved a share of total revenue of 2.9% in the 2020 reporting period. The 19.7% decline in revenue in the newly reported Retail & Bank Division is due to the fact that bank99 was launched in the market on 1 April 2020, whereas the previous year's figure included service fees of EUR 29.3m from the former banking partner.

Revenue in the **Mail** Division amounted to EUR 1,222.7m, 63.9% of which can be attributed to the Letter Mail & Business Solutions business, 26.2% to Direct Mail and 9.8% to Media Post.

At EUR 781.8m, the revenue in the **Letter Mail & Business Solutions** business fell short of the prior-year's level by 4.2%. The declining volume trend resulting from the substitution of letters by electronic forms of communication continued. In particular, the revenue was down due to the lockdown measures and the economic restrictions on public offices and companies. Volume development stabilised again towards the end of 2020, after declining considerably in the second quarter, but remains dominated by what are currently difficult framework conditions. Positive effects from elections are included both in the current reporting period and in the previous year, although the election effects in 2019 were significantly higher pronounced. Further, letter mail products and prices were adjusted on 1 April 2020, with a positive impact on revenues. Compared to the same period of the previous year, international letter mail achieved a positive trend while the Business Solutions segment faced a slight decrease.
Revenues in the **Direct Mail** segment fell by 13.7% to EUR 320.9m in the 2020 financial year. In the second quarter of 2020, the impact of the business closures imposed by the authorities in response to COVID-19 left a particular mark on the direct mail business. Currently, visibility is limited, as further official lockdown measures are difficult to predict. The cyclical nature of revenue development points towards volatile direct mail business.
The revenue from **Media Post**, i.e. the delivery of newspapers and magazines, fell by 9.1% year-on-year to EUR 120.0m. This decline is also predominantly due to the COVID-19 pandemic.

Revenue in the **Parcel & Logistics** Division increased by 44.4 % from EUR 632.5m to EUR 913.6m in the 2020 financial year. Among other things, this strong growth in the parcel business is based on the positive development due to the ongoing trend towards e-commerce in Austria. Despite the internal delivery service of a major customer in eastern Austria, Austrian Post was able to continue benefiting from market growth in this reporting period. The environment is still one of intense competition and considerable price pressure. The total parcel volume in Austria increased by around 30 % in 2020. The uncertainties and restrictions facing retail shops in the wake of the current COVID-19 pandemic are fuelling an ongoing boom in online retail. Cooperation with Deutsche Post DHL Group in Austria, which was launched in August 2019, has also made a considerable contribution to the current growth. In addition, the revenue reported by the Turkish subsidiary Aras Kargo, which has been included in the consolidated financial statements as a fully consolidated company since 25 August 2020, amounted to EUR 101.5m.
The development towards faster delivery of parcels can be observed as a clear trend. In total, 62.2 % of the division's revenue in the 2020 financial year was generated in the **Premium Parcels** segment (delivery on the working day after posting). This implies an increase of 60.9 % to EUR 568.0m. The **Standard Parcels** segment accounted for 30.0 % of total revenue for the division. In 2020, this segment recorded a 26.0 % increase in revenues to EUR 274.0m. The **Other Parcel Services** segment, which comprises various additional logistics services and accounts for 7.8 % of divisional revenue, generated EUR 71.5m in revenue in the reporting period, implying an increase of 15.3 %.
Regional analysis shows that in 2020, 73.2 % of divisional revenue was generated in Austria, with an increase of 29.9 % compared to the same period of the previous year. 26.8 % of revenue was generated by the international business of the subsidiaries in Southeast and Eastern Europe and Turkey. In this highly competitive region, revenue grew in excess of 100 % in the reporting period, driven by increased parcel volumes due to the COVID-19 pandemic.

Revenue in the **Retail & Bank** Division came to EUR 64.7m in the 2020 financial year, compared to EUR 80.5m in the previous year. Branch Services in 2019 included service fees from the former banking partner amounting to EUR 29.3m. In the current reporting period, **Branch Services** (retail goods and branch products) amounted to EUR 44.8m, with a positive impact of the COVID-19 pandemic in the sections of packaging materials and stationery. In the revenue reported **Financial Services Earnings** of EUR 19.8m in 2020 also included cash payments for third parties (e.g. pensions). bank99 was launched on 1 April 2020 and had already more than 60,000 customers by the end of the year.

## EARNINGS DEVELOPMENT

The structure of expenses of Austrian Post is characterised by a high share of staff costs. Accordingly, 49.7 % of total operating expenses in 2020 were accounted for staff costs. The second largest expense item, which constituted 28.5 % of operating expenses, was raw materials, consumables and services used, a large part of which related to outsourced transport services. Furthermore, 15.0 % could be attributed to other operating expenses and 6.8 % to depreciation, amortisation and impairment losses. Year-on-year comparability of single income statement items is limited due to the full consolidation of the Turkish company Aras Kargo with effect from 25 August 2020.

Staff costs in the 2020 financial year amounted to EUR 1,041.4m, up by 6.6 % or EUR 64.7m. On a comparable basis, i.e. excluding Aras Kargo, staff costs were up by 4.5 % or EUR 43.6m in a year-on-year comparison. Operational staff costs increased compared to the same period of the previous year due to the full consolidation of the Turkish company Aras Kargo as well as additional expenses for the growing parcel business. The Austrian Post Group had an average of 22,966 employees (full-time equivalents) in 2020, compared to an average of 20,338 employees in the same period of the previous year (+12.9 %). In addition to operational staff costs, staff costs of Austrian Post generally also include various non-operating expenses such as severance payments and changes in provisions, which can be attributed primarily to the specific employment situation of civil servant employees. The non-operating staff costs for 2020 required only a small amount of provisions. A positive effect was recorded in the previous year due to the reversal of provisions.

Raw materials, consumables and services used increased by 20.3 % to EUR 596.2m. On a comparable basis, i.e. excluding Aras Kargo, the cost of materials was up by 9.4 % or EUR 46.4m on the previous year's level. The increase is mainly due to higher transport expenses as a result of the huge parcel volumes and higher sales commission.

Other operating income fell by 51.2 % to EUR 64.1m in 2020. Both other operating income and other operating expenses were significantly higher in the prior-year period. In the 2019 reporting period, credited recovery claims from non-wage labour costs paid in previous periods in the amount of EUR 58.0m were included in other operating income (recovery of contributions from the payroll of civil servants). Other operating expenses fell by 13.0 % to EUR 314.4m. On a comparable basis, i.e. excluding Aras Kargo, other operating expenses were down by 15.5 % or EUR 55.9m on the previous year's level. The reporting period also included initial expenses for setting up the infrastructure for the new bank99.

EBITDA amounted to EUR 302.8m, 5.0 % below the previous year's EUR 318.7m due to negative effects associated with the COVID-19 pandemic. This equals to an EBITDA margin of 13.8 %. Depreciation, amortisation and impairment losses in the reporting period totalled EUR 142.2m, compared with EUR 118.1m in 2019. Depreciation and amortisation increased primarily as a result of the commissioning of new locations for our parcel logistics infrastructure, while impairment losses of EUR 2.3m were up only slightly on the previous year's level of EUR 1.7m. Reported EBIT fell from EUR 200.6m to EUR 160.6m in the 2020 financial year. EBIT margin amounted to 7.3 %. EBIT for logistics business (excl. Retail & Bank Division) reached a level of EUR 204.4m in 2020, resulting in an EBIT margin of 9.6 %.

The Group's financial result of EUR 1.4m was EUR 9.3m lower than in 2019, mainly due to the recognition of interest income from recovery claims from non-wage labour costs paid in previous periods in the 2019 financial year. After deducting income tax of EUR 46.8m, the profit for the period therefore came to EUR 115.3m (–20.2 %). Basic earnings per share were EUR 1.75 compared to EUR 2.17 in the same period of the previous year.

## EARNINGS BY DIVISON

The result for the 2020 financial year of EUR 160.6m (–19.9 %) was negatively impacted by the COVID-19 pandemic and initial set-up costs for the new bank99. The good parcel business and the full consolidation of the Turkish company Aras Kargo had a positive effect. EBIT for logistics business (excl. Retail & Bank Division) amounted to EUR 204.4m in the 2020 financial year.

In terms of divisional result, the Mail Division achieved an EBIT of EUR 164.4m in 2020. The 16.4% year-on-year decline is a direct result of the loss of revenue from the letter mail and direct mail business due to the COVID-19 pandemic. Due to the high amount of fixed costs in the letter mail business, the decline in revenue has a strong impact on earnings. The product and price adjustments made in the letter mail business as at 1 April 2020 had a positive effect. Comprehensive provisions for data protection procedures were also recognised in the previous year.

The Parcel & Logistics Division achieved revenue growth against the backdrop of intense competition and margin pressure, generating an EBIT of EUR 73.5m in 2020. This is almost twice the amount (+94.5%) reported in the previous year. The full consolidation of the Turkish company Aras Kargo as at 25 August 2020 had a positive impact on the result. In turn, additional costs due to health and safety measures and higher logistics costs related to the pandemic had a negative impact on the result particularly in the second quarter.

The Retail & Bank Division recorded an EBIT of minus EUR 43.8m in 2020 compared with minus EUR 4.6m in the previous year. The decline in earnings is attributed to reduction in revenue. While bank99 was launched in the market in April 2020, the previous year still included EUR 29.3m in service fees the former banking partner. Earnings were also impacted by negative factors relating to COVID-19 and by start-up costs for bank99.

EBIT in the Corporate Division (incl. Consolidation) changed from minus EUR 29.4m to minus EUR 33.5m. The Corporate Division provides non-operating services which are essential for the purpose of the administration and management of the company. In addition to conventional governance tasks, these activities include management and development of properties not required for operations, the management of significant financial investments, provision of IT services, development of new business models and administration of the Internal Labour Market of Austrian Post.

## CASH FLOW AND BALANCE SHEET

Gross cash flow amounted to EUR 327.1m in the 2020 financial year, compared with EUR 333.7m in the previous year (–2.0%). Cash flow from operating activities amounted to EUR 732.6m in the reporting period after EUR 327.4m in the previous year. The biggest effect here comes from the financial assets/liabilities from financial services (Core Banking Assets) of bank99, which had a positive effect of EUR 522.2m. Core banking assets combine positions resulting from the deposit and investment business of bank99 since the beginning of April 2020.

Cash flow from investing activities amounted to EUR 7.0m in 2020 after minus EUR 290.7m in the previous year. The change resulted primarily from the inflow of payments for securities and money market investments, which had an effect of EUR 130.2m on cash flow in the reporting period (compared to a cash outflow of EUR 124.0m in the same period of the previous year). This includes additionally the sale of the stake in flatexDEGIRO AG (previously flatex AG) at the amount of EUR 38.0m in the 2020 financial year. Free cash flow before securities, money market investments and core banking assets came to EUR 87.3m in 2020.

Austrian Post focuses on the operating free cash flow both to assess the financial strength of its operating business and to cover the dividend. The operating free cash flow amounted to EUR 125.7m in the current reporting period, compared to EUR 150.5m in the previous year. In addition, there are growth investments (growth CAPEX) that are partly financed using balance sheet savings. Cash flow from financing activities comprised mainly the dividend distribution and the repayment of lease liabilities, amounting to minus EUR 153.1m in the 2020 financial year.

Austrian Post relies on a conservative balance sheet and financing structure. This is demonstrated by the high level of cash and cash equivalents and solid investment of financial liquidity at the lowest possible risk. Austrian Post's total assets amounted to EUR 2,680.2m as at 31 December 2020. On the asset side, property, plant and equipment amounting to EUR 1,137.2m is the largest balance sheet item and includes the right-of-use assets in connection with leases in the amount of EUR 326.6m. Intangible assets and goodwill resulting from company acquisitions amounted to EUR 158.3m as at 31 December 2020. The balance sheet shows receivables of EUR 379.7m, which include current trade receivables of EUR 314.2m. Other financial assets amounted to EUR 116.1m as at 31 December 2020. Financial assets from financial services amounting to EUR 589.5m were reported for the first time. These result largely from the deposit and investment business of bank99 as well as from the processing of cash payments for third parties (e.g. pensions). On the equity and liabilities side of the balance sheet, the equity of the Austrian Post Group amounted to EUR 655.0m as at 31 December 2020 (equity ratio of 24.4%). Provisions amounted to EUR 632.5m, while trade and other payables totalled EUR 508.2m at the end of December 2020. Financial liabilities from financial services amounting to EUR 532.9m were reported for the first time as a separate item on the equity and liabilities side of the balance sheet. They mainly include the deposit and investment business of bank99 as well as the processing of cash payments for third parties (e.g. pensions).

## OUTLOOK FOR 2021

The COVID-19 pandemic and the related restrictions had an impact on business development at Austrian Post during the year under review and will continue to do so in 2021. Current forecasts do not suggest any immediate return to normality. Although economic recovery is expected during the year, some of Austrian Post's customer segments are still affected by restrictions. This leads to reduced visibility for our business expectations and, as a result, in a wider risk range for revenue and earnings.

**Revenue growth expected in 2021**
At large, Austrian Post expects its revenue to increase by 8% to 10% in 2021, assuming a steady improvement in the macroeconomic environment. The development in the three divisions will differ.

In the Mail Division, both stable revenue development and a slight decline are possible in 2021. In this division, restrictions and lockdown measures imposed in response to the pandemic will have just as negative an impact as potential negative economic consequences of the crisis will have on the ability of major clients to do business. In the letter mail segment, the basic assumption for the electronic substitution of conventional letters has so far been at around 5% p.a. The first quarters of 2021 will show whether this long-term trend will continue. A return to previous trends in direct mail and media post will only be possible if the overall conditions improve.

Revenue in the Parcel & Logistics Division should show a much better development, with an increase of around 20% being expected. While the division benefited from volume increases due to the lockdown of retail shops in 2020, further increases should nevertheless be possible in 2021. The use of e-commerce is spread across a broader retailer and consumer base. In addition, the Turkish subsidiary, which was fully consolidated in August 2020, will also have a positive impact in the 2021 Group's key figures.

The activities of bank99, which was launched on the market in April 2020, will lead to further revenue improvements in the Retail & Bank Division in the course of 2021.

**Improved Group earnings in 2021**
An improvement of earnings of Austrian Post in 2021 is conditional on lockdown situations in the retail sector being avoided and efficient mail and parcel logistics being maintained. Despite various uncertain framework conditions, we are aiming to achieve an increase in earnings of at least 10 % in the current year (EBIT for 2020: EUR 161m). At the same time, the forecast range particularly for the Mail Division has been widened. Depending on the course of economic recovery, a stable or slightly declining earnings situation is expected. In the Parcel & Logistics Division, on the other hand, the focus will be on improving operating results and integrating the new Turkish subsidiary. This should increase earnings by around 20 %. Revenue growth in the Retail & Bank Division should also have a positive impact on the division's EBIT.

**Investments/CAPEX**
2020 has shown the importance of having the required capacity to be able to respond to rapid parcel growth. After bottlenecks emerged in the second quarter of 2020, Austrian Post did a good job of managing record parcel volumes following capacity expansion measures in the fourth quarter of 2020. As a result, Austrian Post will continue to push ahead with its investment programme. By the end of 2022, the aim is to have increased the company's sorting capacity by a further 30 %. Austrian Post's objective is to expand its leading position in Austria in terms of quality of service provision as well as efficiency and speed. In addition to maintenance CAPEX on a current scale of around EUR 70m in Austria, more than EUR 60m in growth CAPEX is planned again for Austria. Furthermore, to support the logistics infrastructure, expansion measures and land purchases in the amount of about EUR 20m, as well as investments in the international holdings in the amount of about EUR 20m are expected.

Due to the strong cash position in the balance sheet, Austrian Post is able to self-finance the targeted growth investments in logistics infrastructure and in the new financial services. The cash flow generated from operating activities will therefore continue to be used for investments in operational areas and will help maintain an attractive dividend policy.

The Management Board will propose to the Annual General Meeting scheduled for 15 April 2021 the distribution of a dividend in the amount of EUR 1.60 per share. The company is continuing its attractive dividend policy on the basis of a solid balance sheet structure and generated cash flow:  Austrian Post continues to pursue the objective of distributing at least 75 % of the net profit to its shareholders.