



AUSTRIAN POST Investor Presentation H1 2020



Walter Oblin, CFO
Vienna, 7 August 2020



1. HIGHLIGHTS AND OVERVIEW



2. Strategy Implementation

3. Group Results H1 2020

4. Outlook 2020

AUSTRIAN POST AT A GLANCE

New divisional structure enhances transparency



Mail

- Letter Mail
- Direct Mail
- Newspapers and magazines

Revenue 2019:
EUR 1,320m



Parcel & Logistics

- Parcels and express
- Fulfillment and cash transport
- E-commerce services

Revenue 2019:
EUR 632m



Retail & Bank

- Branch and Financial services
- Customer services

Revenue 2019:
EUR 80m

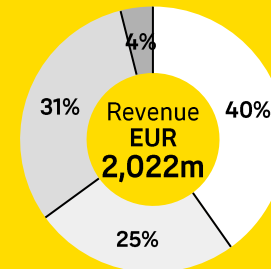


Group

Revenue 2019: EUR 2,022m

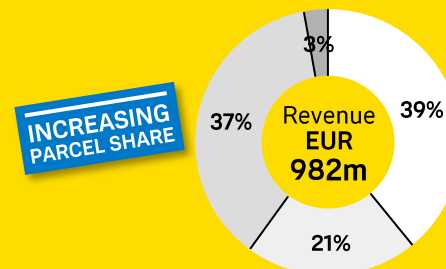
EBIT 2019: EUR 201m

Revenue mix 2019



- Letter Mail & Mail Solutions
- Direct Mail & Media Post
- Parcel Austria & CEE
- Branch services & Financial services

Revenue mix H1 2020



COVID-19: STRICT HYGIENIC MEASURES IN THE OPERATING BUSINESS



Successfully maintained the nationwide logistics and branch network and universal postal services for the traditional letter and parcel business



Comprehensive health and precautionary measures

- Hygienic and physical distancing rules as well as **personal protective equipment**
- Increased frequency of **facility cleaning**
- Leave of absence for **risk groups** and intensified testing



Logistics centres



- Access restrictions and checks (e.g. temperature measurement)
- Separation of shifts
- Restrictions of contacts, small groups in every work area

Delivery/branch offices



- Limited number of customers in branches, social distance floor markers
- Contactless delivery
- Staggered work shifts
- Plexiglass partitions at counters

Measures taken (Selection)

- 7,300 PCR tests
- 700,000 disposable gloves
- 360,000 masks
- 3,000 plexiglass walls in branches
- 30,000l disinfectant

COVID-19 IMPACTS REVENUE AND EARNINGS DEVELOPMENT IN Q2 2020



Letter Mail

About -13% in Q2
due to loss in public
and private mailings



Direct Mail

About -25% in Q2
related to decline in
non-food advertising
mailings



Parcels

>40% in Q2 due to
intensified online
volumes because of
COVID-19 in Austria

Logistics infrastructure

- Additional volumes in Q2 of up to 50% during the lockdown exceeded logistics capacities
- Increase in bulky goods affect distribution centres
- COVID-19-related quarantine in two logistics centres; assistance provided by the Austrian Federal Army
- In total higher additional expenses due to health measures and increased logistics costs (about EUR 20m)



STABLE REVENUE DESPITE COVID-19 (+0.1% IN H1, -2.0% IN Q2)



Revenue development

Change vs. H1 2019 (EUR m)

Group: +0.1% (Q2: -2.0%)

Strong parcel business compensates for decline in the Mail and Retail & Bank divisions

Mail: -10.5% (Q2: -16.6%)

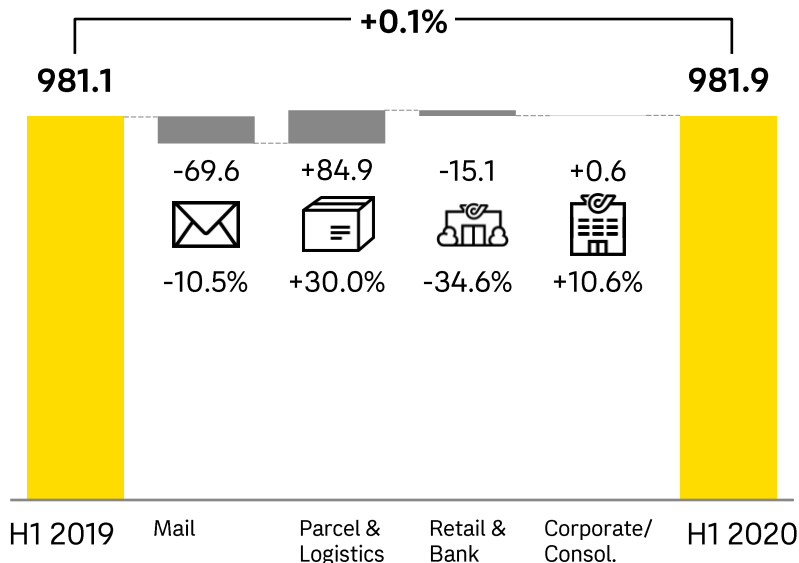
- 6.7% revenue decline in H1 2020 for Letter Mail & Mail Solutions
- Advertising market particularly impacted by COVID-19 pandemic (reduced Direct Mail revenue of -18.0% in H1)

Parcel & Logistics: +30.0% (Q2: +36.1%)

- Strong rise in e-commerce
- Growth impetus due to DHL cooperation since August 2019

Retail & Bank: -34.6% (Q2: -29.5%)

- Launch of bank99 in April 2020
- Discontinuation of service fees from the former banking partner (EUR 18.8m) in H1 2019, revenue of Branch Services of EUR 22.4m and income from financial services of EUR 6.2m in H1 2020



Adjusted to the new segment structure since 1 January 2020

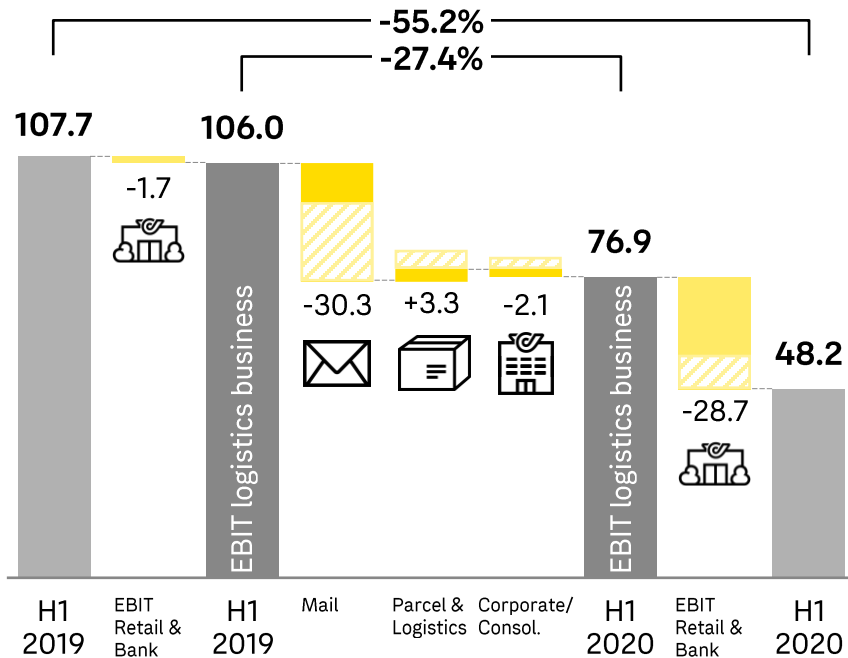
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EBIT IMPACTED BY COVID-19 AND THE SET-UP OF BANK99



EBIT development

Change vs. H1 2019 (EUR m)



Group:

Earnings in the logistics business of EUR 76.9m (-27.4%) in H1; COVID-19 impacts earnings in all divisions

Mail:

Decline in revenue and COVID-19 additional costs lead to EBIT reduction of 29.3% (EUR 30.3m) in H1 or 45.0% (EUR 21.5m) in Q2

Parcel & Logistics:

Strong revenue rise against backdrop of high additional logistics costs increase EBIT by 22.1% (EUR 3.3m) in H1 or 16.7% (EUR 1.4m) in Q2

Retail & Bank:

- Long-term investment: Launch of bank99 in April 2020
- Negative earnings impact in H1 2020 of EUR 28.7m

COVID-19 effect:

- Earnings impact due to discontinued revenue of about EUR 25m
- Additional costs of about EUR 20m

Adjusted to the new segment structure since 1 January 2020

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1. Highlights and Overview



2. STRATEGY IMPLEMENTATION

3. Group Results H1 2020

4. Outlook 2020

CLEAR STRATEGIC PRIORITIES



01 Defending market leadership in the core business



Safeguarding market position in a competitive environment

03 Enhancing efficiency and flexibilisation of the cost structure



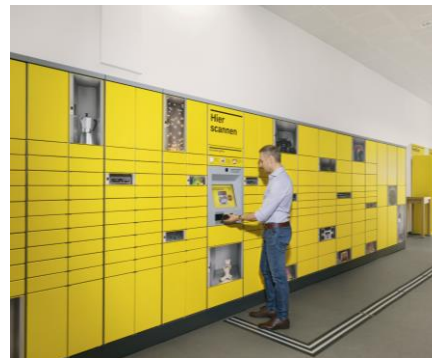
Logistics infrastructure and process optimisation

02 Profitable growth in selected markets



Focusing and performance enhancement

04 Customer orientation and innovation

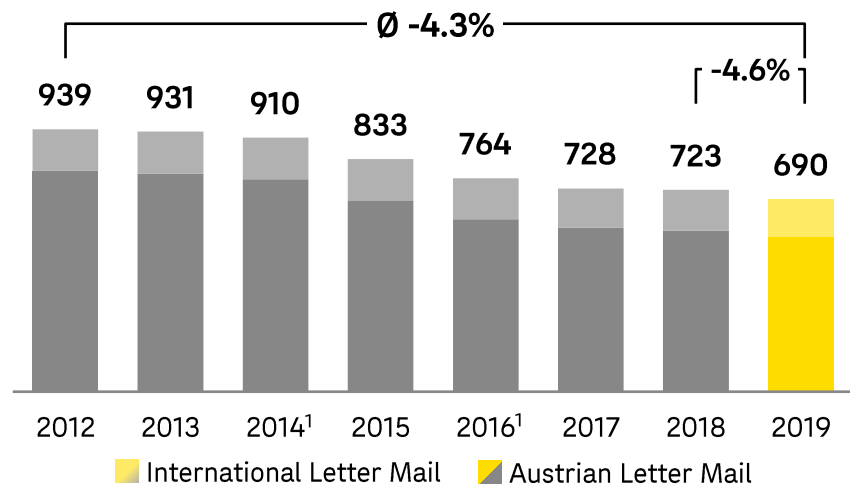


Promotion of self-service solutions and service improvements

01 LETTER MAIL



Letter Mail volumes (millions of items)



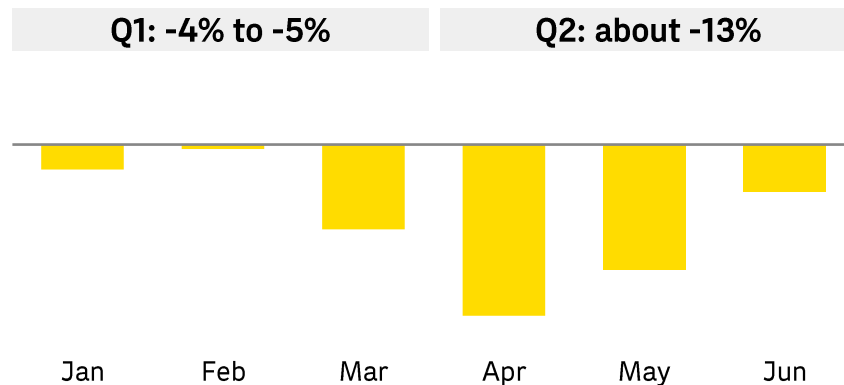
¹Adjusted reporting due to automated calculation methodology

Letter Mail H1 2020

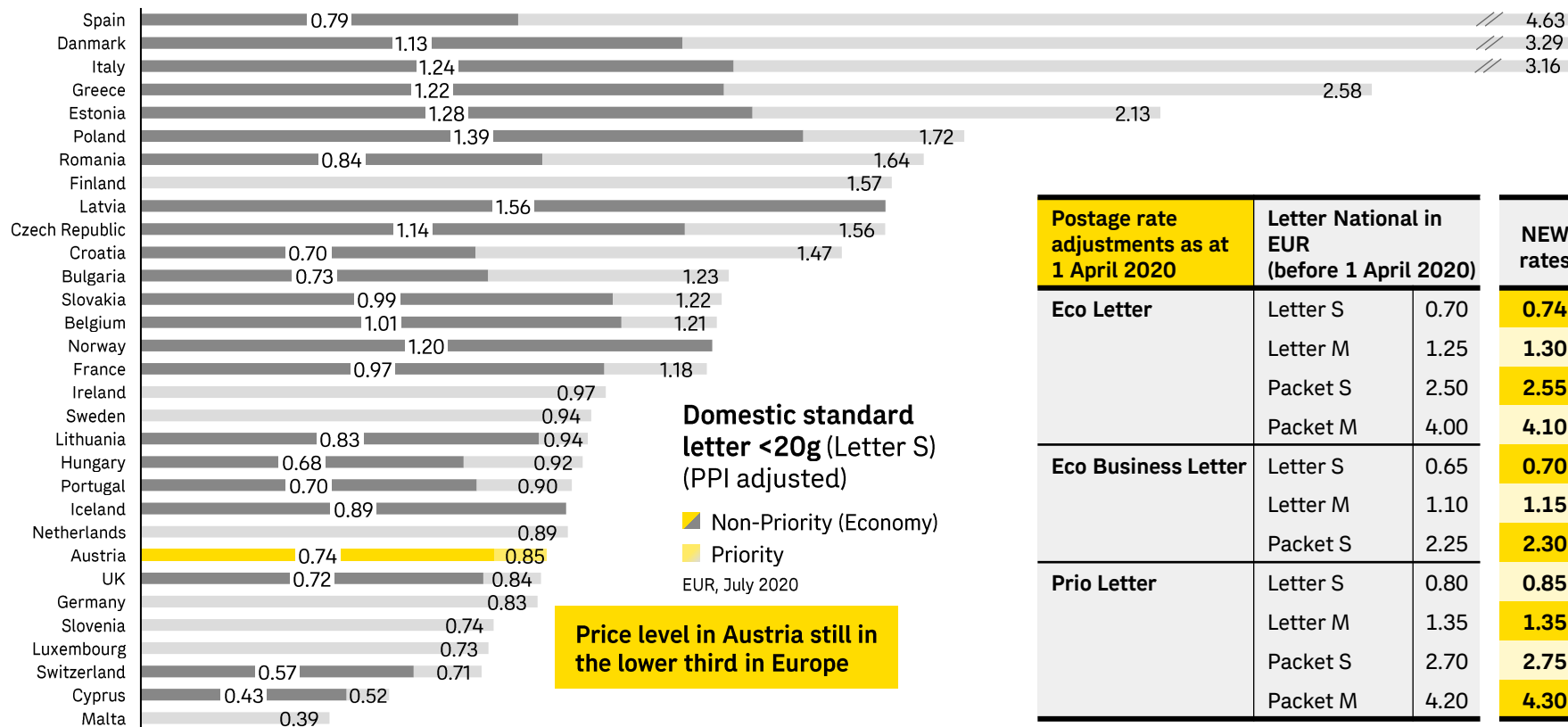
- Decline in Austria in Q1 of 4%- 5% with minor COVID-19 effects
- Decline in Austria in Q2 of about 13% (9% in H1) due to the closure of many governmental offices and businesses as well as economic weakness

Letter Mail volumes Austria 2020

(on a daily basis)



01 POSTAGE RATE ADJUSTMENTS AS AT 1 APRIL 2020

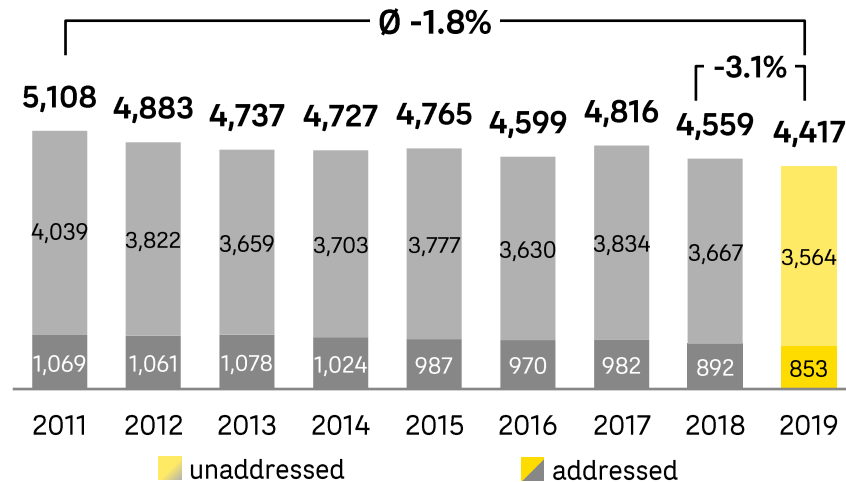


Postage rate adjustments as at 1 April 2020	Letter National in EUR (before 1 April 2020)	NEW rates
Eco Letter	Letter S	0.70
	Letter M	1.25
	Packet S	2.50
	Packet M	4.00
Eco Business Letter	Letter S	0.65
	Letter M	1.10
	Packet S	2.25
Prio Letter	Letter S	0.80
	Letter M	1.35
	Packet S	2.70
	Packet M	4.20

01 DIRECT MAIL/MEDIA POST IN AUSTRIA



Direct Mail/Media Post (millions of items)

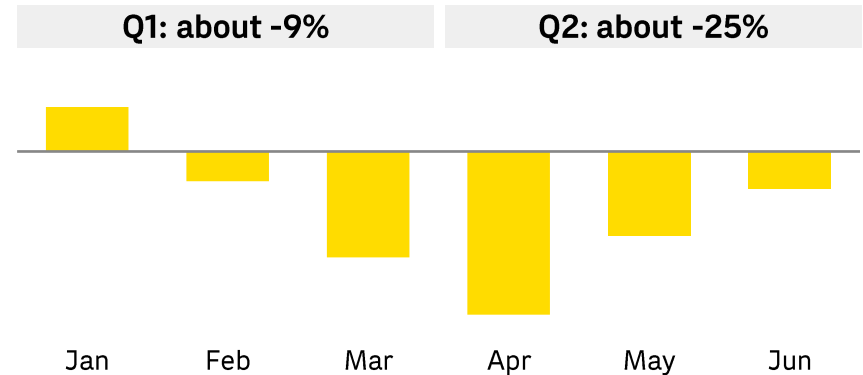


Direct Mail/Media Post H1 2020

- Strong decline of 50% in Direct Mail and Media Post in the lockdown period
- Q1 with decline of about 9% in Austria
- Q2 with decline of about 25% in Austria (15% in H1)
- Further volatile development

Direct Mail/Media Post volumes Austria 2020

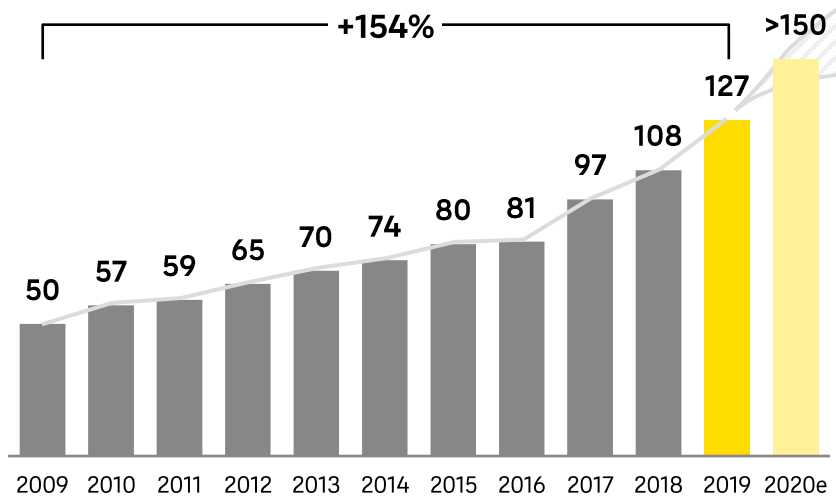
(on a daily basis)



01 PARCEL BUSINESS IN AUSTRIA: 150M PARCELS ALREADY EXPECTED IN 2020



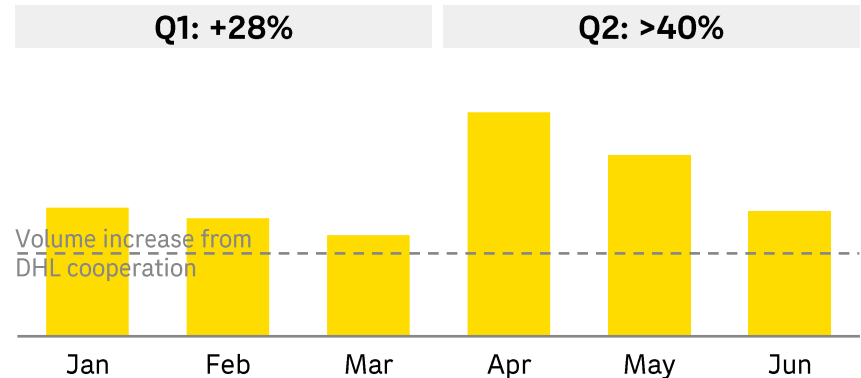
Parcel volumes (millions of parcels)



Current Parcel business trends H1 2020

- Unexpectedly strong growth in Q2 of >40%; H1 thus 35% above previous year volumes
- Growth includes effects from cooperation with DHL since August 2019
- Forecast of 150m parcels already expected in 2020

Parcel business volumes in 2020 (on a daily basis)



02 GROWTH IN SELECTED MARKETS

Growth focus on Parcel & Logistics



GERMANY

AEP (51.5% stake, at-equity consolidation)

- Pharmaceutical wholesale joint venture
- Revenue H1 2020 up by 16% to EUR 272m
- Positive EBIT H1 2020

Austrian Post International Germany

- Strong competition in the international mail business, H1 2020 revenue of EUR 28m (+14%)

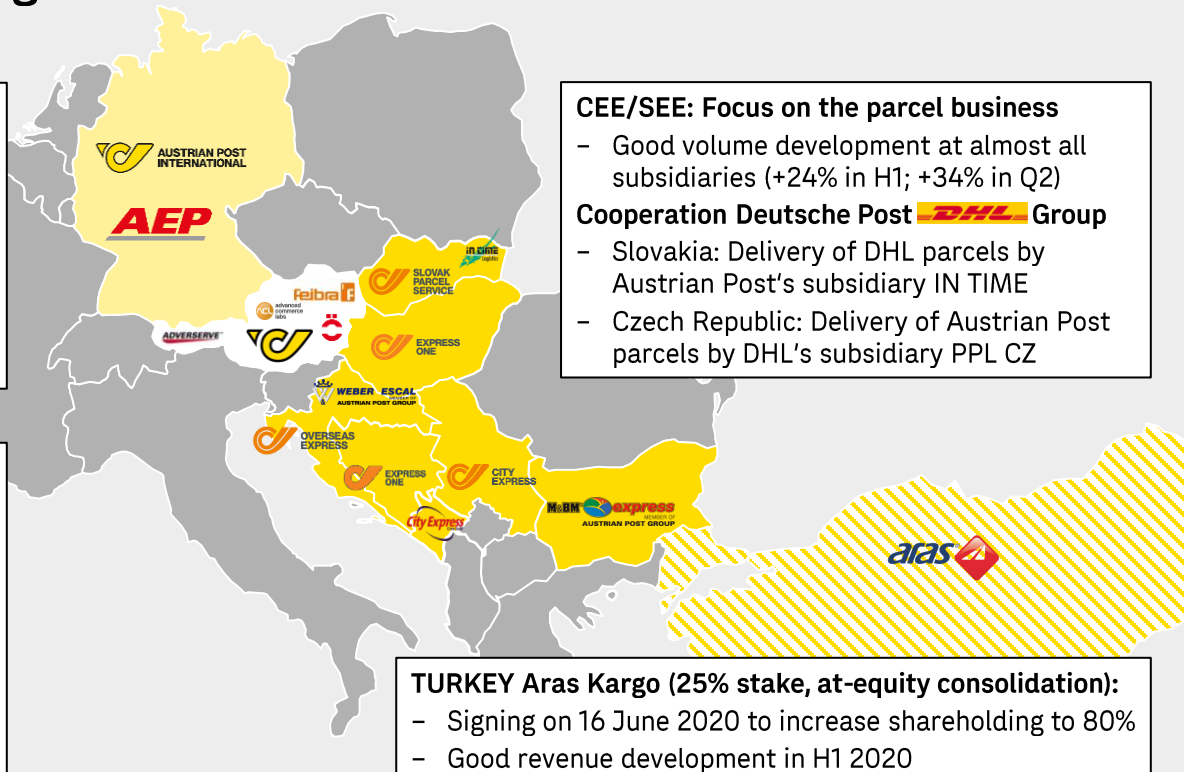
AUSTRIA

ACL advanced commerce labs

- Provider of e-commerce solutions
- H1 2020 revenue of EUR 5m (+22%)

adverserve

- Expert in the fields of ad technologies and digital advertising
- H1 2020 revenue of EUR 3m (full consolidation since 1 August 2019)



CEE/SEE: Focus on the parcel business

- Good volume development at almost all subsidiaries (+24% in H1; +34% in Q2)

Cooperation Deutsche Post Group

- Slovakia: Delivery of DHL parcels by Austrian Post's subsidiary IN TIME
- Czech Republic: Delivery of Austrian Post parcels by DHL's subsidiary PPL CZ

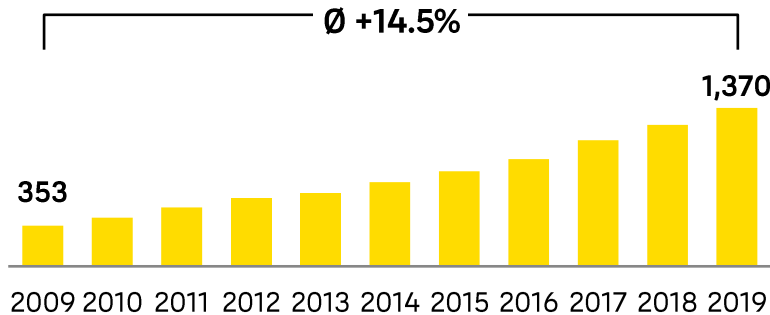
TURKEY Aras Kargo (25% stake, at-equity consolidation):

- Signing on 16 June 2020 to increase shareholding to 80%
- Good revenue development in H1 2020

02 ARAS KARGO



Revenue of Aras Kargo (TRY m)



Profile of Aras Kargo

- Turkey's second largest parcel services provider, founded in 1979
- 5,100 employees, 28 hub centres
- 1,000+ branches and 4,000+ vehicles
- 150m parcels and documents in 2019
- Signing on 16 June 2020 to increase shareholding by 55% to 80%

Financial indicators

- Revenue 2019: TRY 1,370m (about EUR 215m)
- Growth over the last three years (2016 - 2019) about 15%
- Average EBIT margin in the last five years 4%- 5%
- Company is cash positive, no financial liabilities
- 25% stake currently valued at EUR 23m

02 BANK99 – THE NEW BANK OF AUSTRIAN POST SINCE 1 APRIL 2020



Product offering:

- Focused proprietary offering (payment transactions, current accounts, savings products, consumer financing)
- Commission-based partner solutions (private housing loans, insurance products, credit cards, pension products)

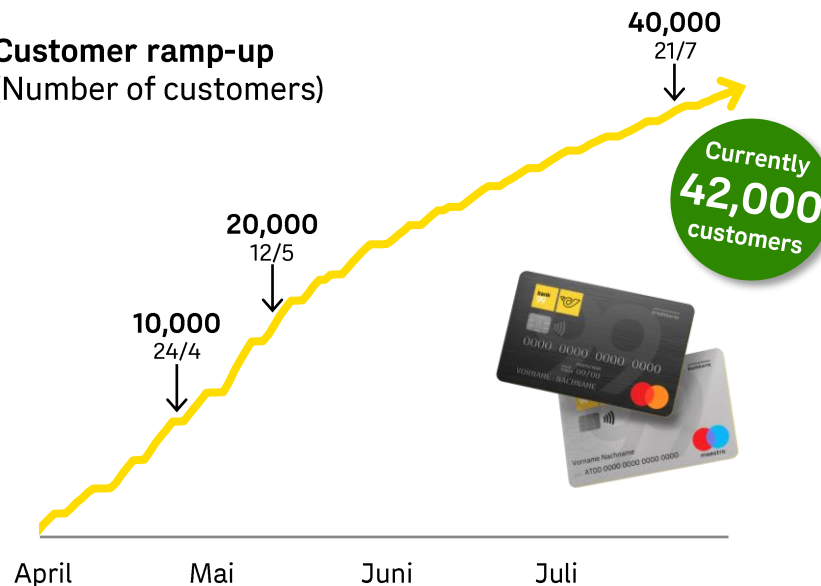
Major strengths

- Customer proximity with about 1,800 postal service points
- The longest opening hours of all banks

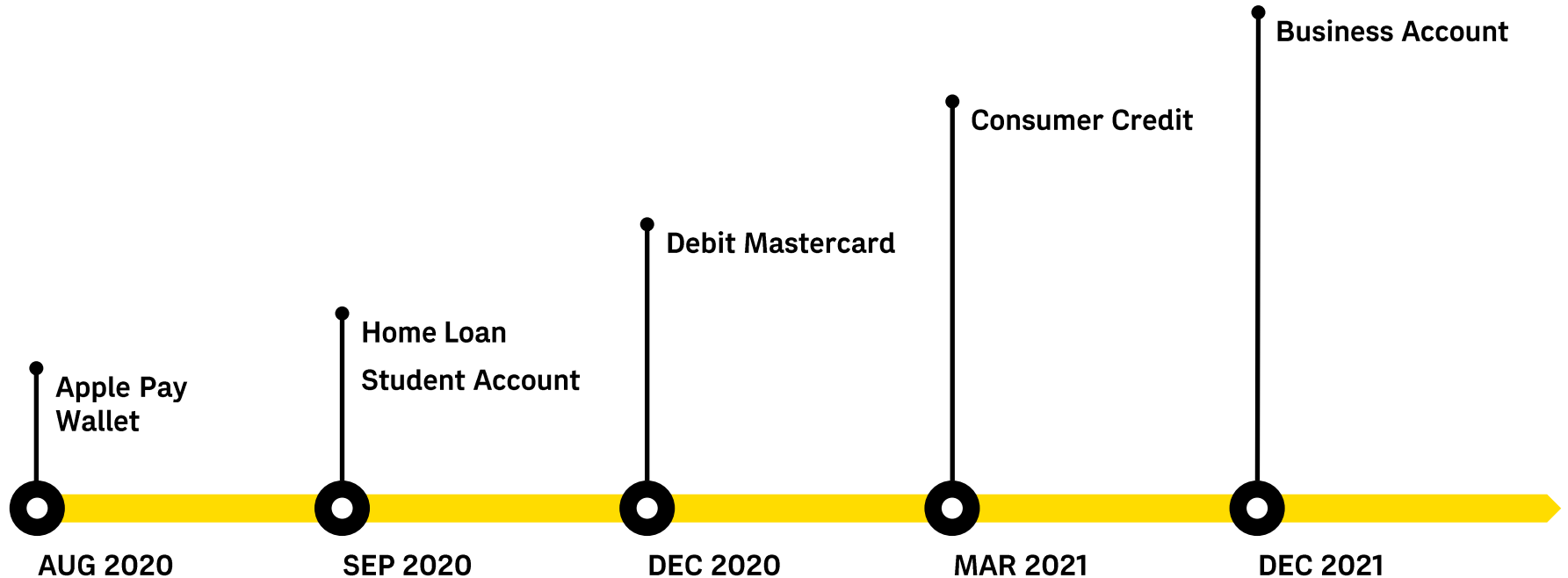
COVID-19 impact in 2020:

- Lower frequency in branch offices
- Reduced use of ATMs and payment slips

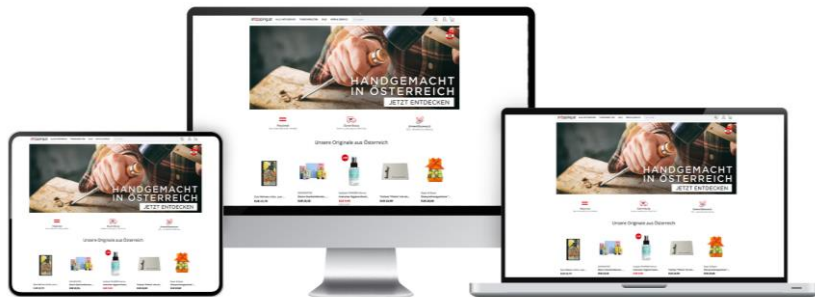
Customer ramp-up (Number of customers)



02 ROADMAP OF BANK99 IN THE AUSTRIAN POST BRANCH NETWORK

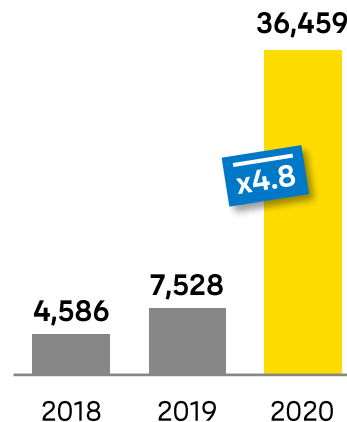


02 shopping.at – AUSTRIA'S LARGEST ONLINE-SHOPPING-PLATFORM

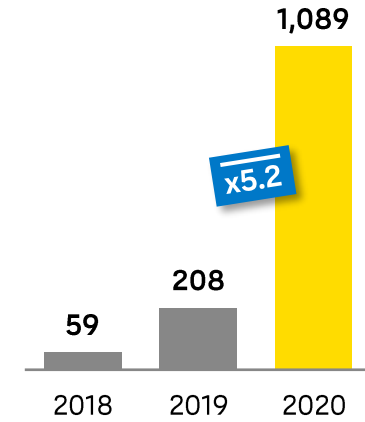


- More than 6.6m visits to the online-shopping-platform in the period January – June 2020
- Shipment of close to 200,000 parcels in H1 2020
- More than 2m products listed, over 900 active retailers
- Strong growth due to COVID-19 parcel boom

Accesses H1 2020
(Ø accesses per day)



Parcel volumes H1 2020
(Ø items/day)



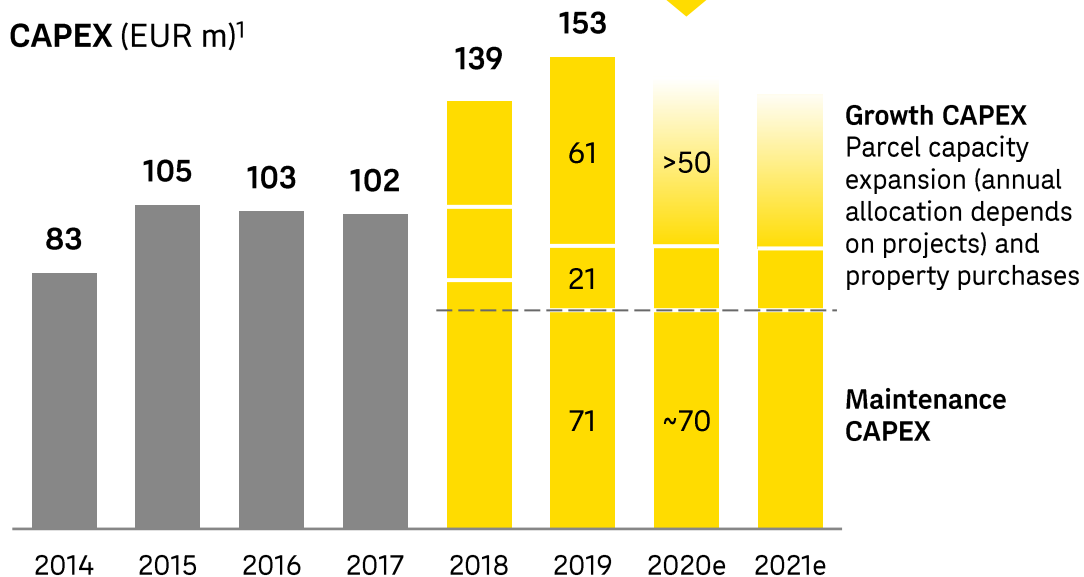
03 DRIVE FOR CAPACITY EXPANSION BASED ON GROWTH FORECASTS



Investment programme will be maintained in 2020 to handle volume growth and enable efficiency improvements in the coming years; CAPEX still at a high level:

- Maintenance CAPEX of EUR 20.9m in H1 2020
- Growth CAPEX (incl. properties) in H1 2020 of EUR 16.8m

CAPEX (EUR m)¹



Growth CAPEX
Parcel capacity expansion (annual allocation depends on projects) and property purchases

Maintenance CAPEX

Logistics Centre Styria (Kalsdorf)

100,000m² property, 13,500 parcels/h



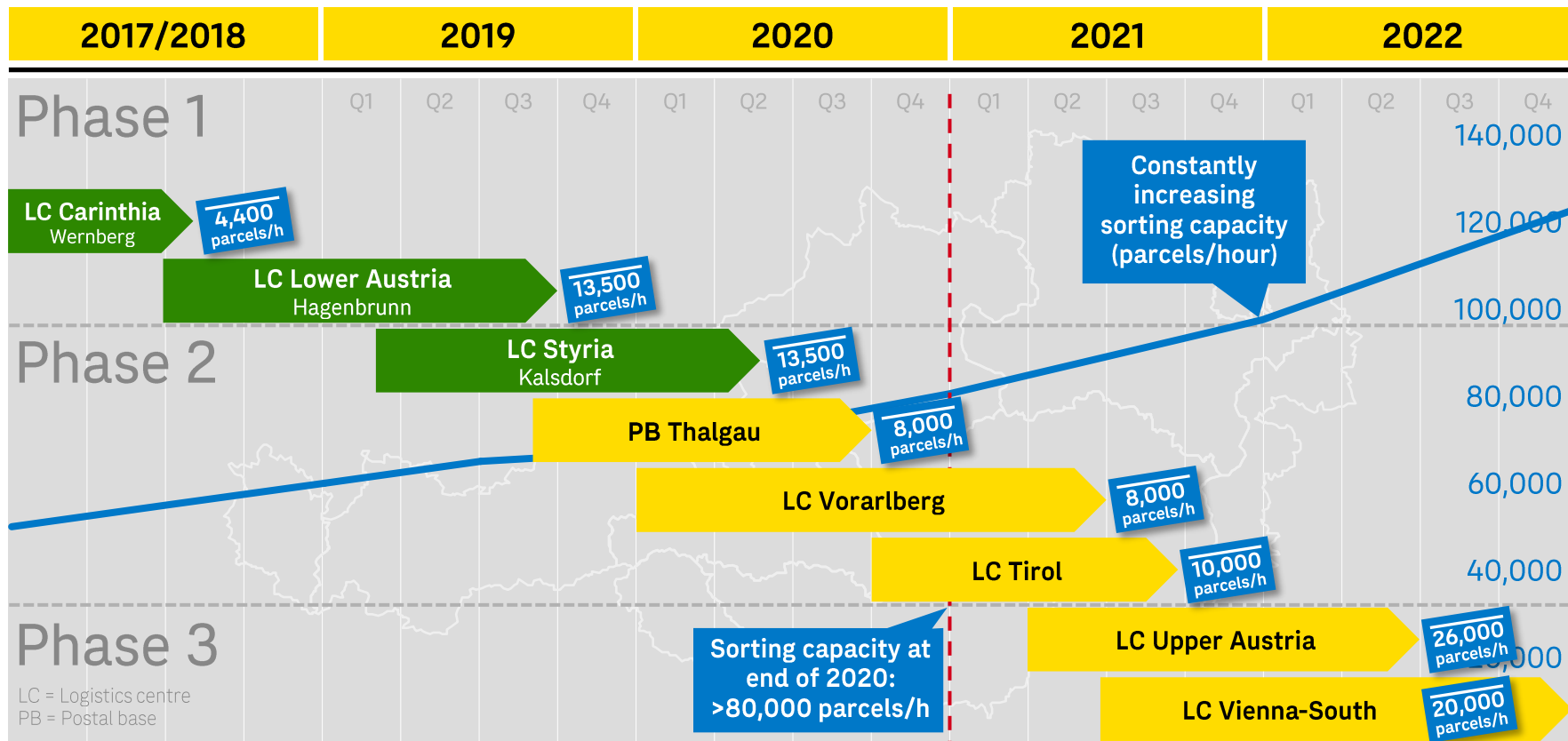
IN OPERATION SINCE Q2

Green space concept for Styrian logistics centre



¹ 2014-2017 including CAPEX new corporate headquarters

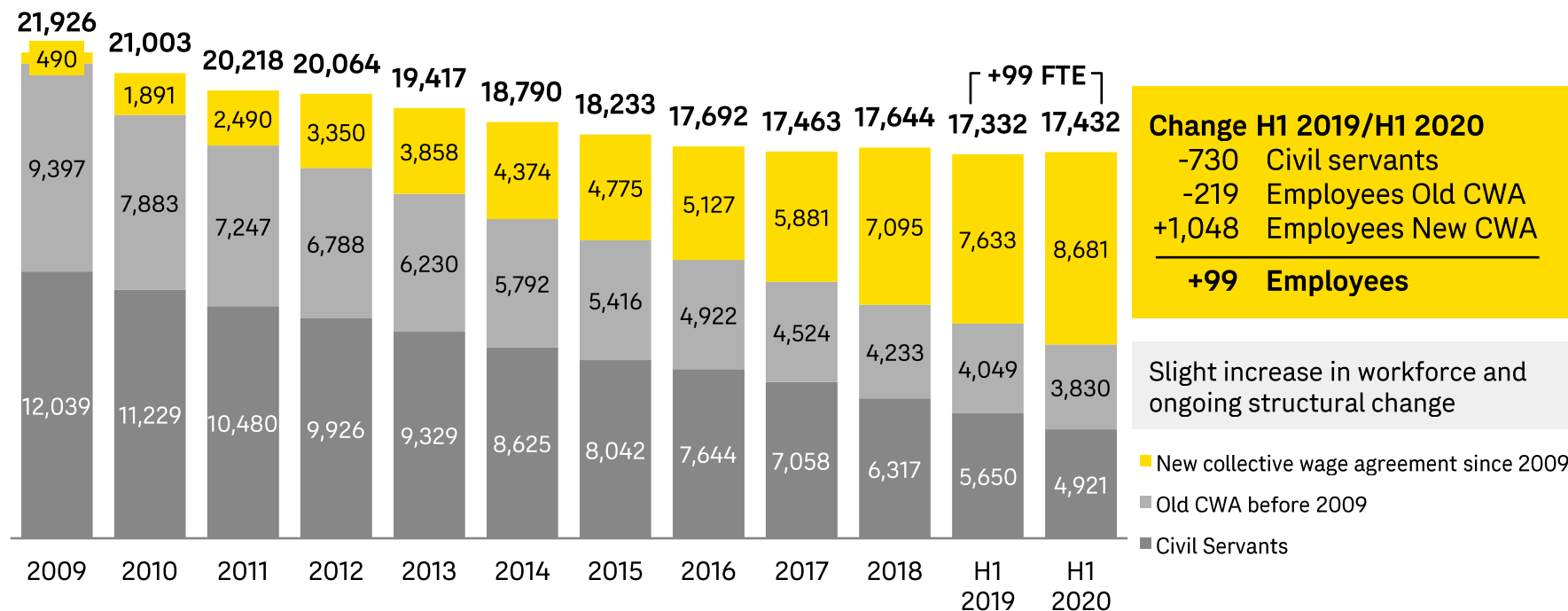
03 EXPANSION OF THE LOGISTICS INFRASTRUCTURE IN AUSTRIA



03 STAFF STRUCTURE IN AUSTRIA



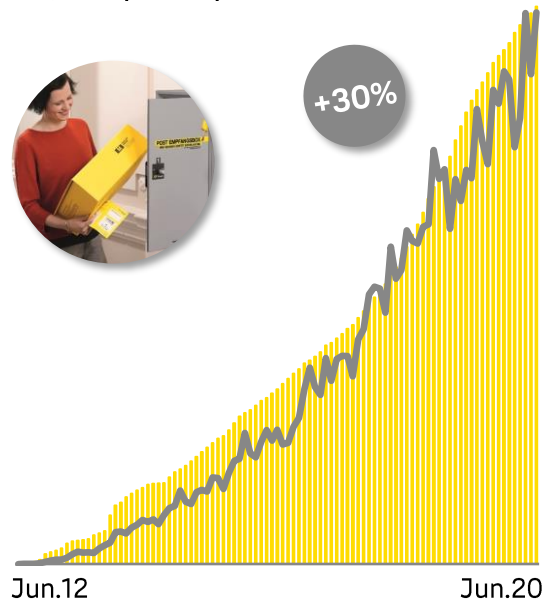
Full-time equivalents in the Austrian core business (average for the period)



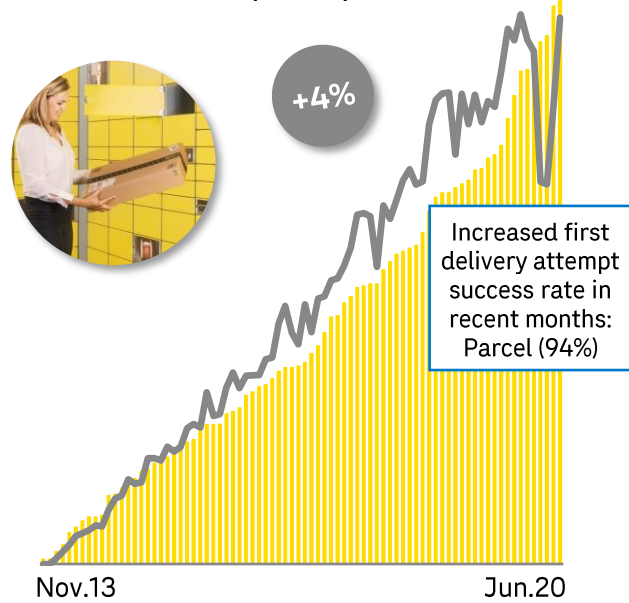
04 SELF-SERVICE SOLUTIONS AS A COMPETITIVE ADVANTAGE



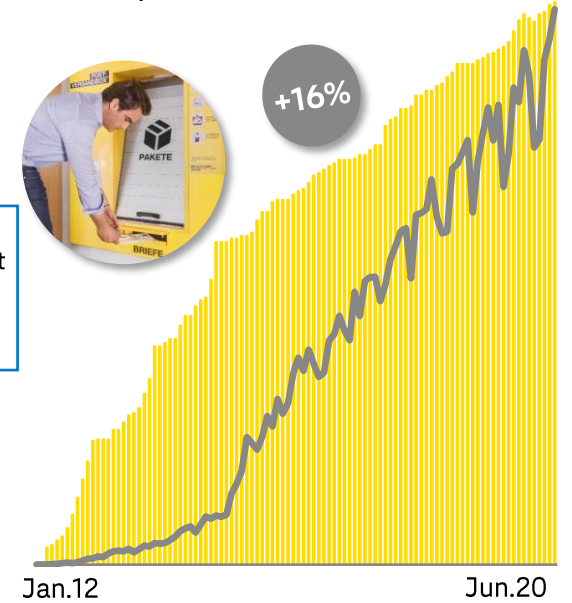
H1 2020: >1.9m items
49,505 pick-up boxes



H1 2020: >1.9m items
75,984 boxes at pick-up stations



H1 2020: >3.4m items
464 drop-off boxes



04 CRYPTO STAMP 2.0

The hunt for the golden unicorn has begun



Stamp motive 4 animals, 60,000 each
Digital twin in 5 colours (EUR 7)

600 x Red
4,000 x Yellow
8,000 x Blue
16,000 x Green
31,400 x Black

**STAMP ALREADY
SOLD OUT**



Stamp with the highest nominal value in the world (EUR 500)

- Volume: 1,000 items
- Release date 23 July 2020



Incl. 1 gram gold
bar issued by
Münze Österreich



**SOLD OUT AFTER
20 MINUTES**



-
1. Highlights and Overview
 2. Strategy Implementation
 - 3. GROUP RESULTS H1 2020**
 4. Outlook 2020



FINANCIAL INDICATORS AT A GLANCE



	H1 2019	H1 2020	
Revenue (EUR m)	981.1	981.9	Stable revenue despite COVID-19
EBITDA margin (%)	16.5	11.4	EBITDA margin down to 11.4%
EBIT margin (%)	11.0	4.9/8.1	EBIT margin below previous year due to COVID-19: EBIT margin of the logistics business of 8.1%, Group-EBIT margin of 4.9%
Earnings/share (EUR)	1.17	0.66	Earnings per share EUR 0.52 below H1 2019
Cash flow (EUR m)	99.6	45.3	Operating free cash flow below the prior-year level
Equity ratio (%)	33.0	27.8	Reduced equity ratio due to balance sheet extension

KEY INCOME STATEMENT INDICATORS



EUR m	H1 2019	H1 2020	%	Δ	Q2 2019	Q2 2020	
Revenue	981.1	981.9	0.1%	0.8	488.6	479.1	Strong parcel growth offsets decline in letter mail and direct mail volumes
Other operating income	42.2	28.4	-32.8%	-13.8	21.2	15.0	Positive effect in 2019 due to apartment sales of EUR 14m
Raw materials, consumables, services	-218.7	-247.5	-13.1%	-28.7	-108.5	-127.2	
Staff costs	-507.3	-494.7	2.5%	12.6	-255.6	-241.2	Rise in transport costs based on higher volumes and additional fallback solutions
Other operating costs	-134.7	-156.3	-16.1%	-21.7	-68.3	-79.3	
At equity consolidation	-0.5	0.5	>100%	0.9	0.2	0.5	
EBITDA	162.2	112.3	-30.8%	-49.9	77.6	46.9	Improved operational staff costs, no significant changes in non-operational staff costs
<i>EBITDA margin</i>	<i>16.5%</i>	<i>11.4%</i>	-	-	<i>15.9%</i>	<i>9.8%</i>	
Depreciation, amortisation, impairment	-54.5	-64.0	-17.6%	-9.6	-27.3	-32.0	Additional logistics costs to meet peak requirements; higher bank-related IT and advertising expenses
EBIT	107.7	48.2	-55.2%	-59.5	50.3	14.9	
<i>EBIT margin</i>	<i>11.0%</i>	<i>4.9%/8.1%¹</i>	-	-	<i>10.3%</i>	<i>3.1%</i>	Reduced EBIT due to decline in revenue and COVID-19 additional costs as well as start-up bank99
Other financial result	0.8	5.1	>100%	4.3	-2.6	4.0	
Income tax	-29.1	-14.2	51.2%	14.9	-11.6	-5.9	
Profit for the period	79.4	39.1	-50.7%	-40.2	36.0	12.9	
Earnings per share (EUR)	1.17	0.66	-43.9%	-0.52	0.53	0.24	

¹ EBIT margin of the logistics business of 8.1% (excl. Retail & Bank Division)

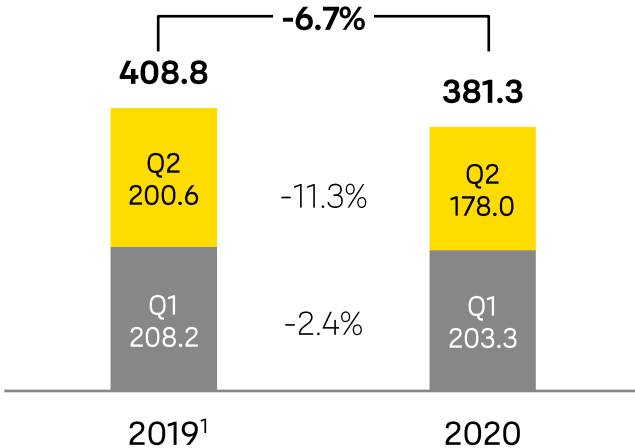


MAIL DIVISION: REVENUE DEVELOPMENT H1 2020



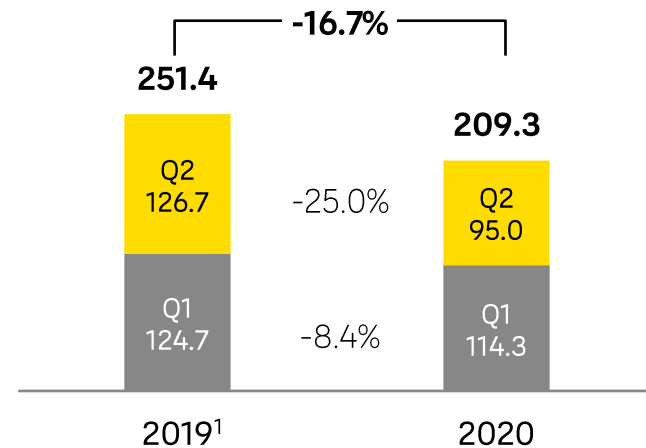
Letter Mail & Mail Solutions (EUR m)

- Revenue decline of 6.7% in H1 2020 (-2.4% in Q1; -11.3% in Q2)
- Volume decline of about 9% for Letter Mail in Austria in H1 2020 due to the COVID-19 pandemic



Direct Mail/Media Post (EUR m)

- Revenue decline of 16.7% in H1 2020, volume decrease of about 15% in Austria
- Addressed items: structural decline in Austria, temporarily intensified by COVID-19 measures
- Unaddressed items: strong decline by non-food retailers (-50% during lockdown)



¹Adjusted to the new segment structure since 1 January 2020



MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2019 ¹	H1 2020	%	Δ	Q2 2019 ¹	Q2 2020
Revenue	660.2	590.6	-10.5%	-69.6	327.3	273.1
• Letter Mail & Mail-Solutions	408.8	381.3	-6.7%	-27.5	200.6	178.0
• Direct Mail	186.3	152.8	-18.0%	-33.5	92.3	69.0
• Media Post	65.1	56.5	-13.2%	-8.6	34.4	26.0
Revenue intra-Group	1.3	1.4	6.1%	0.1	0.6	0.7
Total revenue	661.5	592.0	-10.5%	-69.5	327.9	273.8
EBIT	103.5	73.2	-29.3%	-30.3	47.9	26.3
<i>EBIT margin²</i>	<i>15.6%</i>	<i>12.4%</i>	-	-	<i>14.6%</i>	<i>9.6%</i>

Accelerated decline in letter mail due to COVID-19; slight growth in Mail Solutions

Revenue decrease for addressed and unaddressed direct mail as a result of the COVID-19 pandemic and decreasing economic output

EBIT margin held up well at 12.4% despite significant revenue decline and COVID-19 additional costs

¹Adjusted to the new segment structure since 1 January 2020

²EBIT margin in relation to total revenue

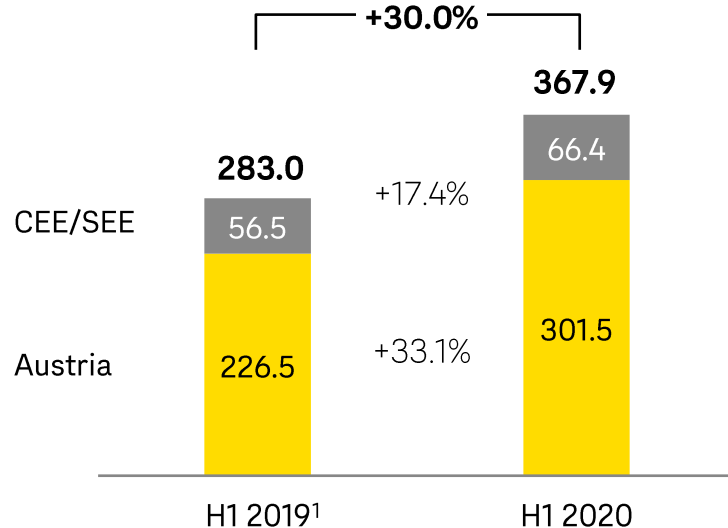


PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT H1 2020



Revenue development

EUR m



Parcel & Logistics Division: +30.0% (Q2: +36.1%)

E-commerce boost due to COVID-19 pandemic;
DHL cooperation leads to further growth in revenue

South East/Eastern Europe: +17.4% (Q2: +22.8%)

- E-commerce impetus due to COVID-19 results in B2C growth

Austria: +33.1% (Q2: +39.5%)

- Revenue increase due to DHL cooperation since August 2019
- Organic growth in the upper single-digit range in H1 2020 due to strong online business in spite of own delivery by a large customer in Eastern Austria

¹Adjusted to the new segment structure since 1 January 2020



PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2019 ¹	H1 2020	%	Δ	Q2 2019 ¹	Q2 2020
Revenue	283.0	367.9	30.0%	84.9	142.0	193.4
• Premium	146.7	212.1	44.5%	65.3	77.9	112.0
• Standard	107.4	122.1	13.6%	14.6	49.4	65.3
• Other Parcel Services	28.9	33.7	16.9%	4.9	14.7	16.1
Revenue intra-Group	0.4	0.5	39.4%	0.1	0.2	0.2
Total revenue	283.4	368.4	30.0%	85.0	142.2	193.6
EBIT	14.9	18.2	22.1%	3.3	8.1	9.4
<i>EBIT margin²</i>	<i>5.2%</i>	<i>4.9%</i>	-	-	<i>5.7%</i>	<i>4.9%</i>

Organic revenue growth and increased volumes due to cooperation with DHL

Earnings impacted by additional COVID-19 and logistics costs to handle higher volumes

¹Adjusted to the new segment structure since 1 January 2020

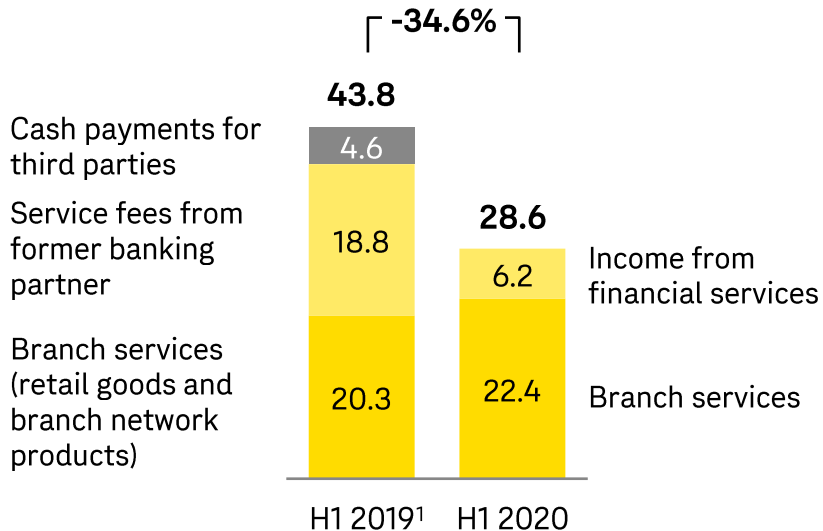
²EBIT margin in relation to total revenue



RETAIL & BANK DIVISION: REVENUE DEVELOPMENT H1 2020



Revenue development EUR m



Retail & Bank Division: -34.6% (Q2: -29.5%)

- Launch of bank99 in April 2020
- Discontinuation of service fees from former banking partner

Income from financial services

- Discontinuation of service fees from former banking partner of EUR 18.8m
- Income from financial services of EUR 6.2m in H1 2020, including cash payments for third parties

Branch services

- Increase in retail goods and branch products to EUR 22.4m

¹Adjusted to the new segment structure since 1 January 2020



RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2019 ¹	H1 2020	%	Δ	Q2 2019 ¹	Q2 2020	
Revenue	43.8	28.6	-34.6%	-15.1	21.9	15.5	
• Branch Services	43.7	22.4	-48.7%	-21.3	21.9	11.2	H1 2019 included retail goods and branch network products of EUR 20.3m
thereof service fees from former banking partner	18.8	-	-	-	9.3	-	
thereof cash payments for third parties (e.g. pensions)	4.6	-	-	-	2.3	-	
• Income from financial services	0.0	6.2	-	6.2	0.0	4.2	
Revenue intra-Group	88.7	87.5	-1.3%	-1.2	44.0	43.8	
Total revenue	132.5	116.2	-12.3%	-16.3	66.0	59.3	
EBIT	1.7	-28.7	<-100%	-30.4	-0.1	-12.3	Earnings impacted by COVID-19 additional costs and start-up bank99
<i>EBIT margin²</i>	<i>1.3%</i>	<i>-24.7%</i>	<i>-</i>	<i>-</i>	<i>-0.1%</i>	<i>-20.8%</i>	

¹Adjusted to the new segment structure since 1 January 2020

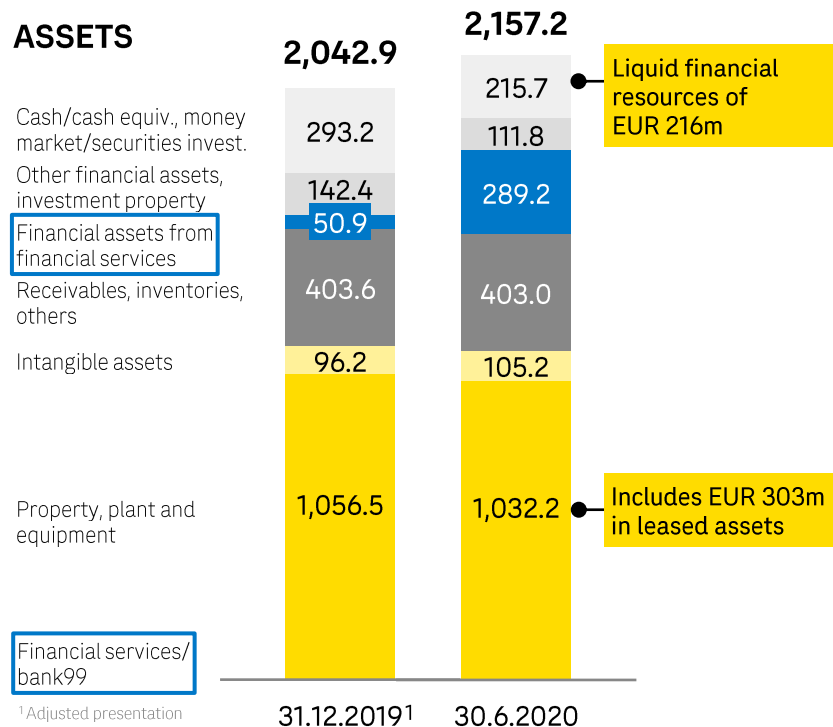
²EBIT margin in relation to total revenue

BALANCE SHEET EXTENSION (+5,6%) THROUGH NEW FINANCIAL SERVICES BUSINESS/BANK99

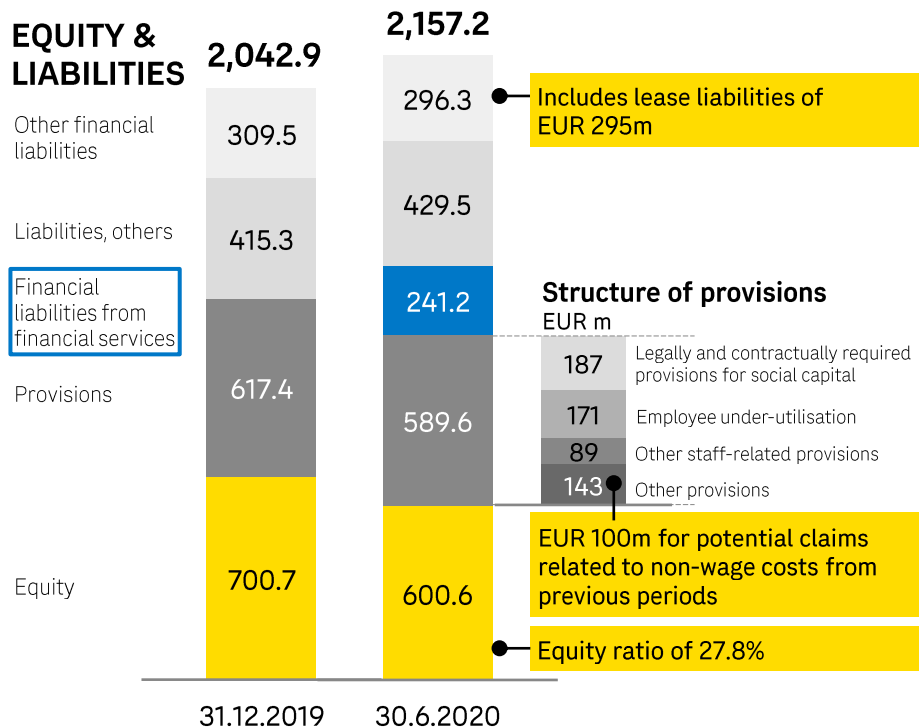


EUR m

ASSETS



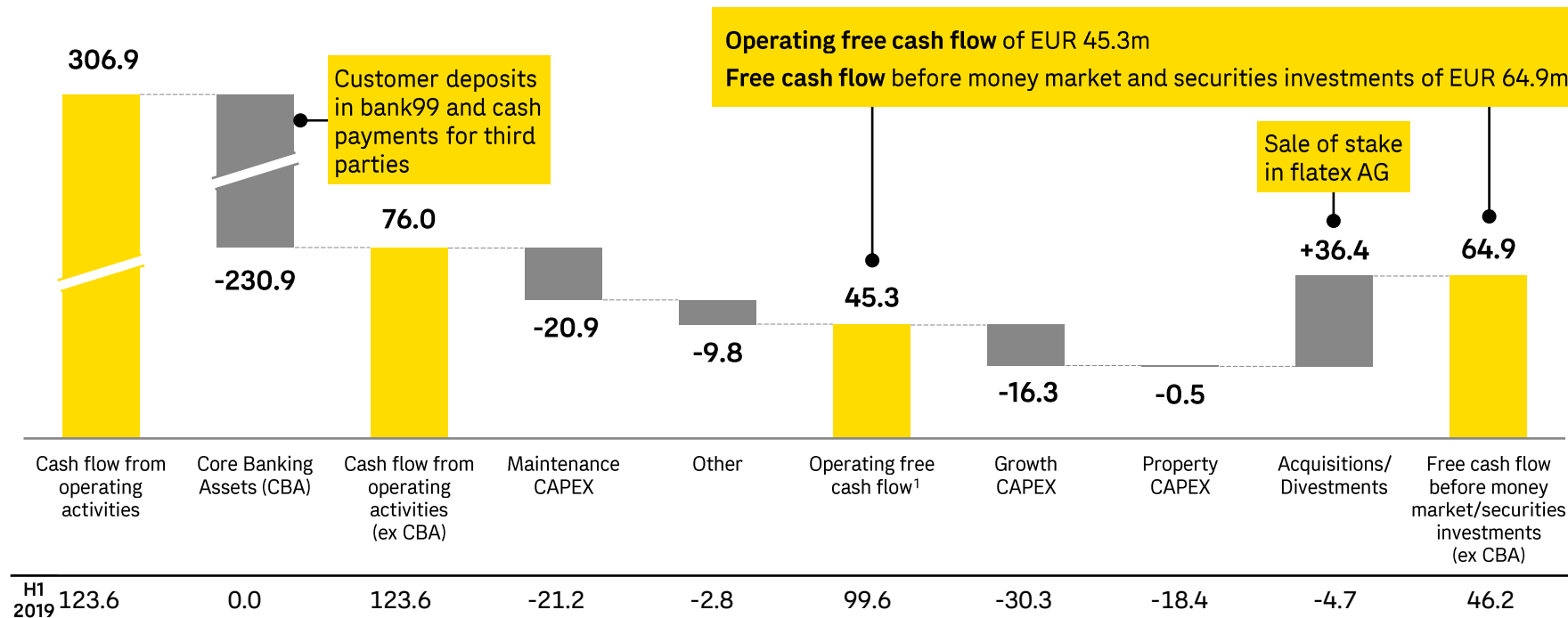
EQUITY & LIABILITIES



CASH FLOW H1 2020

Cash flow adjusted for core banking assets

EUR m



¹Free cash flow before acquisitions/securities/money market investments, growth CAPEX and core banking assets



-
1. Highlights and Overview
 2. Strategy Implementation
 3. Group Results H1 2020
 - 4. OUTLOOK 2020**



OUTLOOK FOR 2020 WITH INITIAL CAUTIOUS FORECAST



Market environment

- Assumption of a slow and steady economic recovery during the year
- Volatile and reduced volume forecasts for Letter Mail and Direct Mail
- Further enhanced positive development in private customer parcels



Revenue

- Largely stable revenue forecast for 2020 (benchmark revenue 2019: EUR 2,022m)
 - Mail Division with decline in the upper single-digit range
 - Parcel & Logistics Division with revenue growth of about 20%
 - Retail & Bank Division below prior-year level due to new start of bank99
- Expected revenue growth after full consolidation of the Turkish company Aras Kargo



Investments/CAPEX

- Investment programme will be continued: securing of market leadership and basis for sustainable efficiency increase
- Investments at the level of 2018 and 2019: maintenance CAPEX of about EUR 70m and growth CAPEX of over EUR 50m, as well as the possibility of acquiring new properties



Earnings

- EBIT of the logistics business (excl. Retail & Bank Division) of at least EUR 160m
- Group EBIT 2020 (benchmark EBIT 2019: EUR 201m) with positive effect from full consolidation of Aras Kargo and negative impact from the start-up of bank99
- Earnings improvement targeted in all divisions in 2021

CONTACT



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Financial calendar 2020/2021

13 November 2020

12 March 2021

15 April 2021

27 April/29 April 2021

12 May 2021

12 August 2021

11 November 2021

Interim Report Q1-3 2020

Annual Results 2020

Annual General Meeting

Ex-day/Dividend Payment Day

Interim Report Q1 2021

Half-Year Report 2021

Interim Report Q1-3 2021

Disclaimer

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