



AUSTRIAN POST Investor Presentation H1 2021



Walter Oblin, CFO
Vienna, 12 August 2021



1. HIGHLIGHTS AND OVERVIEW



2. Strategy Implementation

3. Group Results H1 2021

4. Outlook 2021

AUSTRIAN POST AT A GLANCE



Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Revenue 2020:
EUR 1,223m



Parcel & Logistics

- Parcels and Express
- Fulfillment and Cash Transport
- E-Commerce Services

Revenue 2020:
EUR 914m



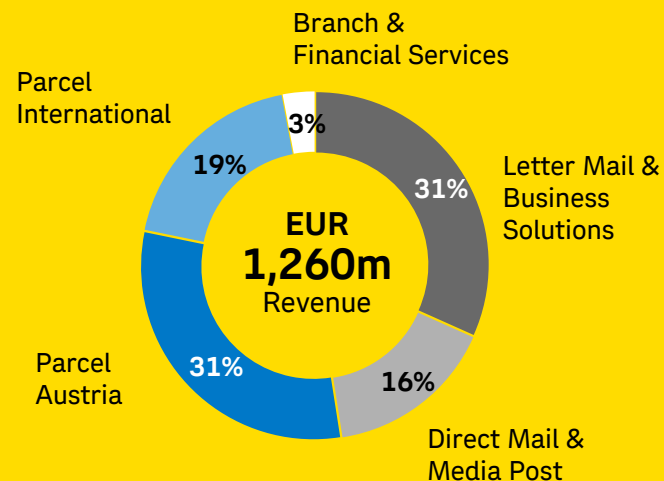
Retail & Bank

- Branch and Financial Services
- Customer Services

Revenue 2020:
EUR 65m



Revenue mix H1 2021



Group

Revenue 2020: EUR 2,189m

EBITDA 2020: EUR 303m

EBIT 2020: EUR 161m

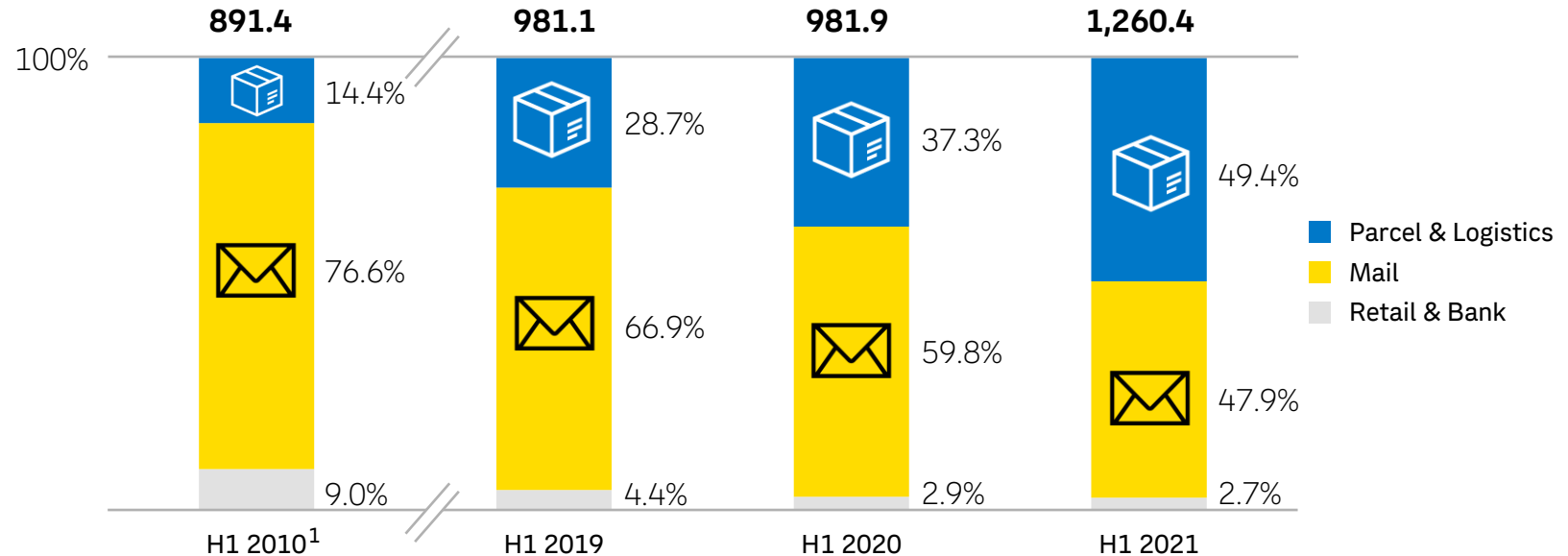
CONTINUOUS STRUCTURAL CHANGE



Consistent strategy implementation enables balanced positioning

Mail and parcel as strong pillars

Revenue in EUR m



¹Adjusted presentation – excl. trans-o-flex

H1 2021 OVERVIEW



COVID-19

- Rebound of business activities of many customer segments
- Ongoing negative impacts due to restrictions and uncertainties



Trends

Mail

- Volatile development
- Continuing decline of Letter Mail volumes

Parcel & Logistics

- Good volume development in all regions
- Special effects relating to logistics services

Retail & Bank

- Acquisition of ING retail business in Austria
- Closing expected by the end of 2021



Revenue

- Mail: +3.0%
- Parcel & Logistics: +70.7%
- Retail & Bank: +18.9%

Group: +28.4%



Earnings

- EBITDA: +64.3% to EUR 184.5m
- EBIT: +114.5% to EUR 103.4m

Outlook 2021:
Group EBIT up by at least +20%

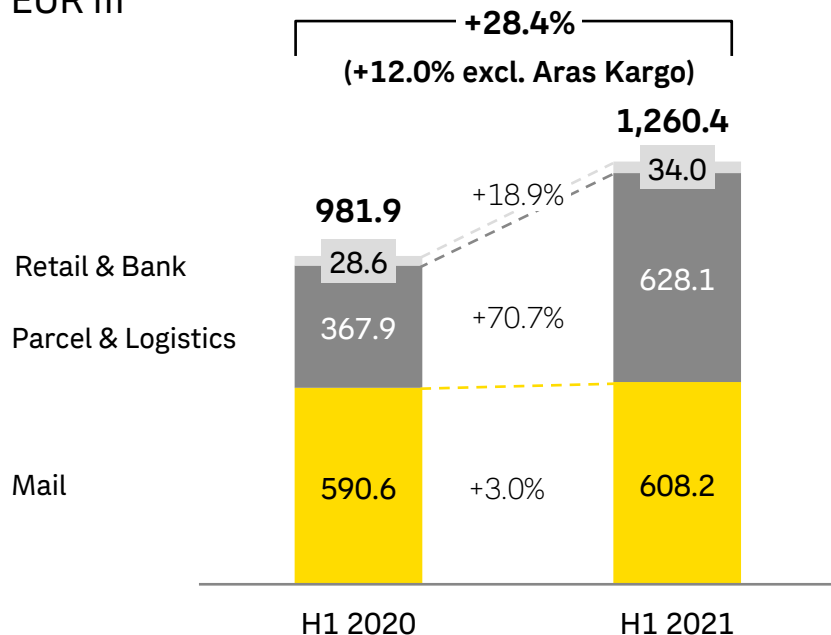
GOOD REVENUE DEVELOPMENT IN H1 2021

Organic and inorganic growth



Revenue development

EUR m



Group: +28.4% to EUR 1,260.4m

Good revenue development in the mail and parcel business

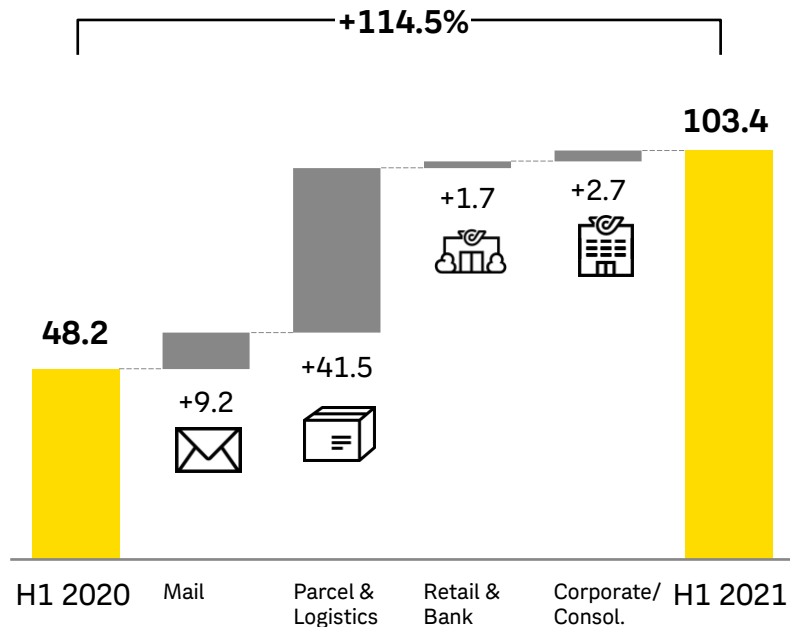
- ▶ **Mail: +3.0% to EUR 608.2m**
 - Positive revenue development of +2.8% in Letter Mail & Business Solutions to EUR 391.9m
 - Improved revenue development of +3.1% (Q2: +17.3%) in the advertising market after strong declines in 2020
- ▶ **Parcel & Logistics: +70.7% to EUR 628.1m**
 - Revenue increase in Austria of 28.6% to EUR 387.7m
 - Full consolidation of Aras Kargo as at 25 August 2020
 - International business: revenue of EUR 240.4m in H1
- ▶ **Retail & Bank: +18.9% to EUR 34.0m**
 - Launch of bank99 on 1 April 2020
 - Positive earnings contribution from financial services

EXCELLENT EARNINGS RESULT DUE TO STRONG PARCEL BUSINESS



EBIT development

EUR m



Group: EUR +55.2m to EUR 103.4m

Operating earnings up as a result of parcel growth

- ▶ **Mail: +12.6% to EUR 82.4m**
 - Positive earnings development based on improved revenue in the Letter Mail and Direct Mail segments compared to the COVID-19-year 2020
- ▶ **Parcel & Logistics: EUR +41.5m to EUR 59.7m**
 - Earnings growth driven by excellent organic and inorganic revenue development in all markets and positive special effects from logistics services
- ▶ **Retail & Bank: +6.1% to EUR -27.0m**
 - Long-term investment: Launch of bank99 in April 2020
 - Positive earnings trend from the financial services business of bank99
 - One-off negative effect on earnings due to staff-related provisions in the branch network in Q1 2021



1. Highlights and Overview



2. STRATEGY IMPLEMENTATION

3. Group Results H1 2021

4. Outlook 2021

AHEAD TO THE FUTURE



1 Defending market leadership and profitability in the core business



Sustainability, diversity and customer orientation as guideline for all activities

2 Profitable growth in near markets

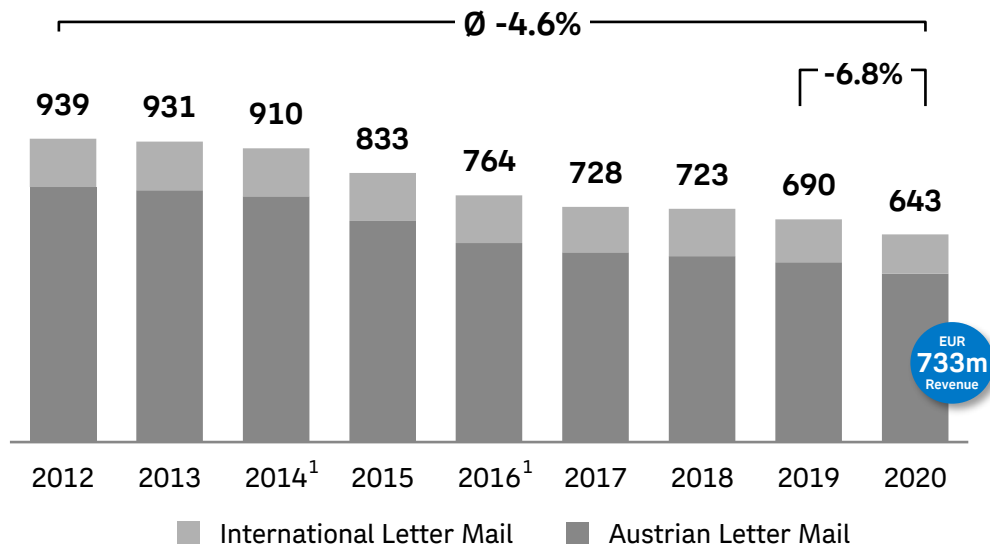


3 Development of retail and digital offerings for private customers and SMEs

1 LETTER MAIL



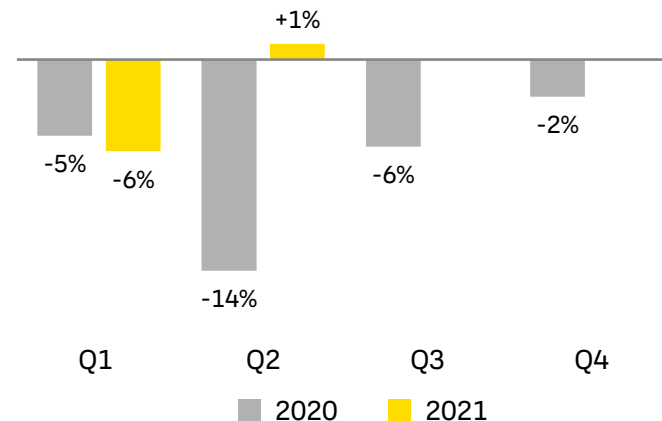
Volumes (millions of items)



Letter Mail in H1 2021

Further decline of letter mail volumes compared with weak first half year of previous year due to lockdown, now at lower level: H1 2021 -3% (after -9% in H1 2020)

2020-2021 Letter Mail volumes in Austria

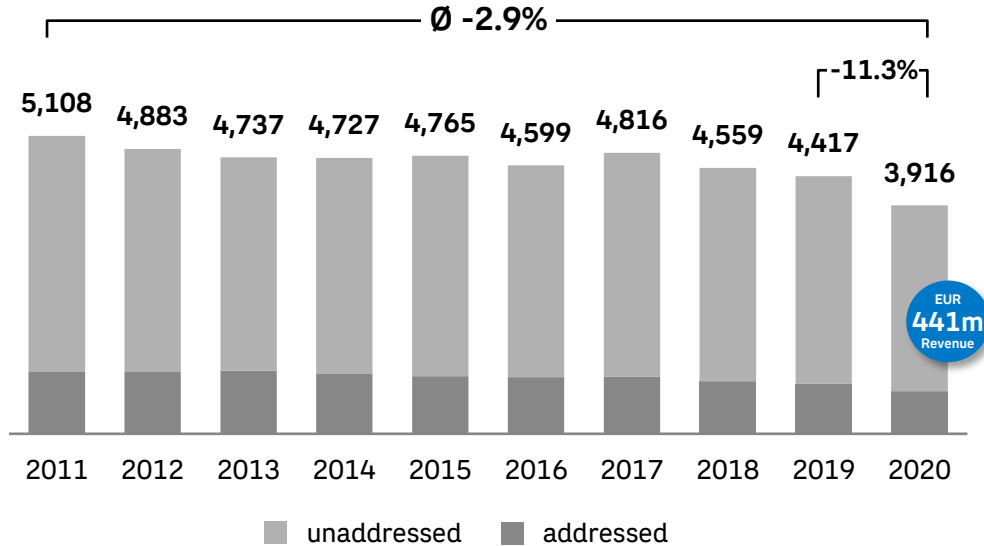


¹ Adjusted presentation due to automated calculation methodology

1 DIRECT MAIL/MEDIA POST IN AUSTRIA



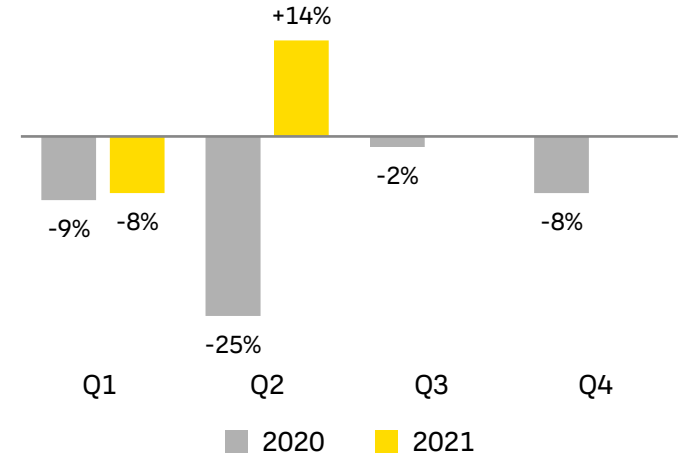
Volumes (millions of items)



Direct Mail/Media Post H1 2021

Direct mail and media post volumes show slight recovery after sharp decline in previous year: H1 +2% (after -17% in H1 2020)

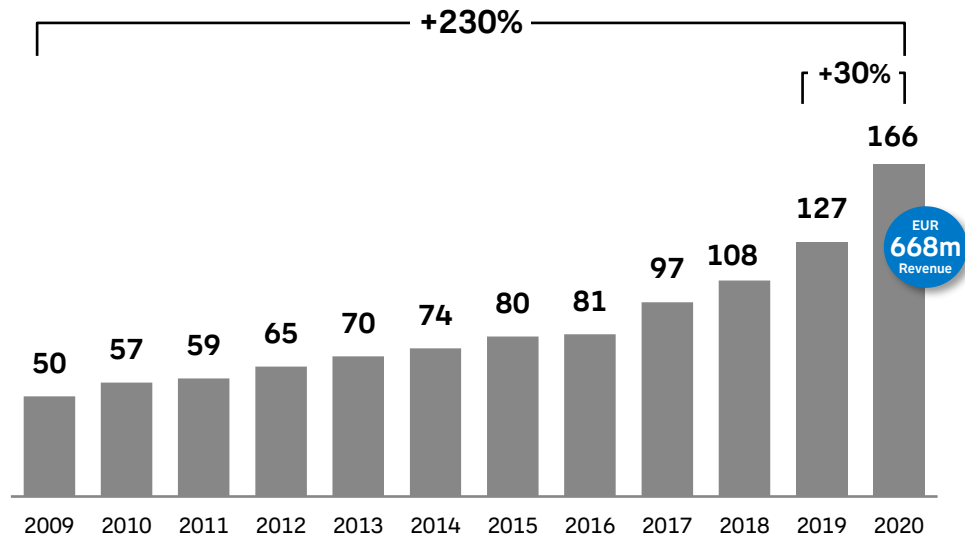
2020-2021 Direct Mail/Media Post volumes in Austria



1 GOOD GROWTH IN THE AUSTRIAN PARCEL BUSINESS



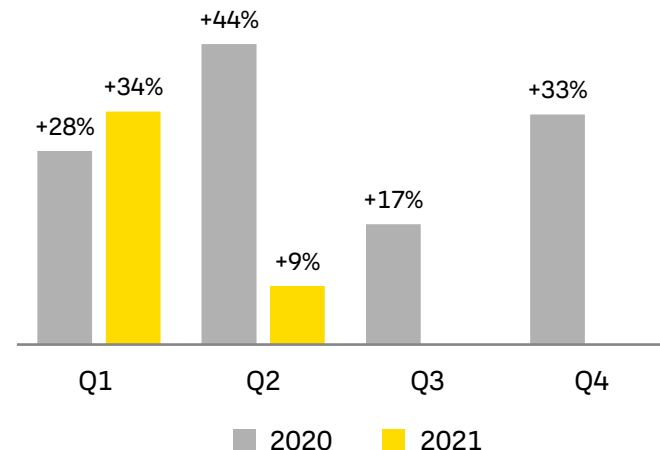
Volumes (millions of parcels)



Parcel business in H1 2021

Growth slowed down after high increases in the prior-year, +20% in H1 (after +36% in H1 2020)

2020-2021 Parcel business volumes in Austria



1 INVESTMENTS IN THE LOGISTICS INFRASTRUCTURE

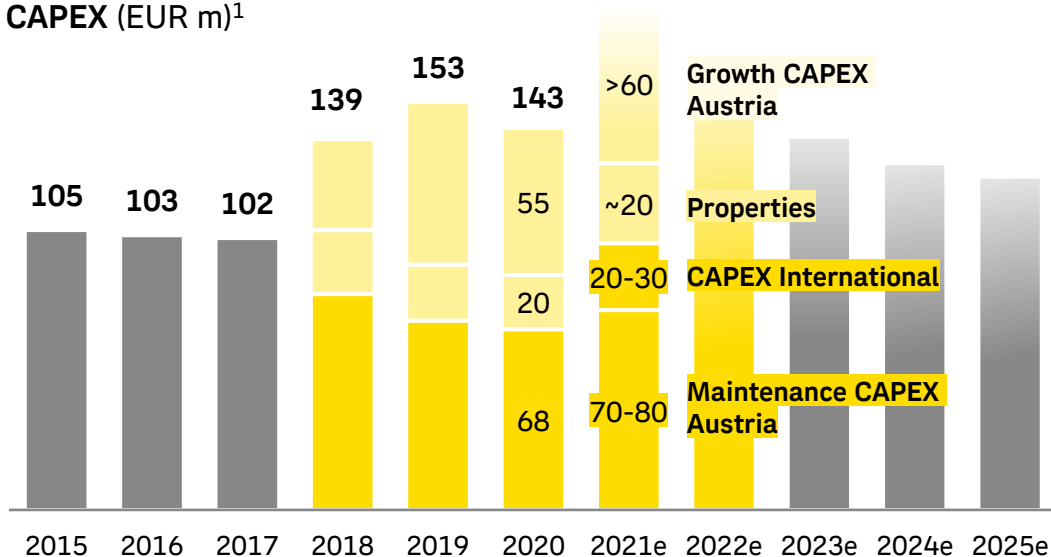


Capacity expansion is the top priority:

- Maintenance CAPEX of EUR 25.9m in H1 2021
- Growth CAPEX (incl. properties) of EUR 21.0m in H1 2021

Ongoing implementation of the investment programme:
+50% sorting capacity in 2020-2022

CAPEX (EUR m)¹



¹ 2015-2017 incl. CAPEX new corporate headquarters

Logistics centre Tyrol

104,000 m² property

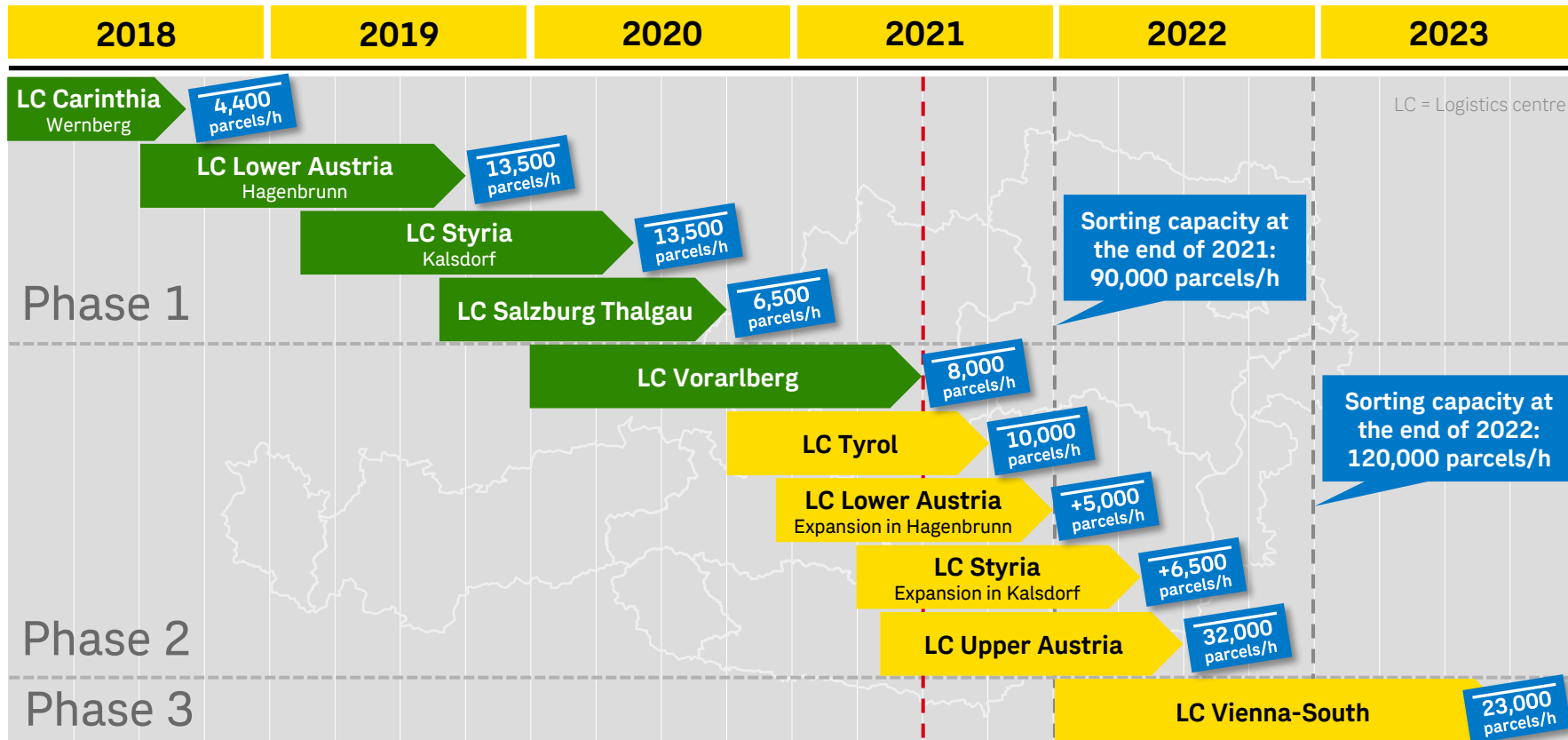


Logistics centre Upper Austria

126,000 m² property



1 EXPANSION OF THE AUSTRIAN LOGISTICS INFRASTRUCTURE



VALUE INVESTMENTS: >1 MILLION SQUARE METRES USABLE SPACE OWNED BY AUSTRIAN POST



1

Logistics centres in Austria



- Usable area 233,000 m²
- Property area 1,070,000 m²
- Book value EUR 233m

Logistics space international

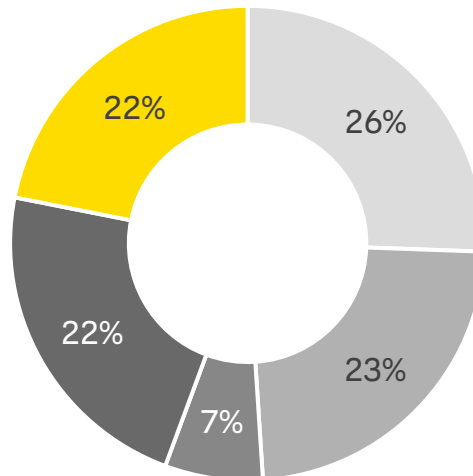


- Usable area 239,000 m²
- Book value EUR 45m

Delivery bases in Austria



- Usable area 71,000 m²
- Book value EUR 37m



Branches and others

- Usable area 272,000 m²
- Book value EUR 131m



Renting and Leasing (IAS 40)

- Usable area 249,000 m²
- Book value EUR 74m
- Market value EUR 274m



Development projects

- Post City Linz
 - Usable area 128,000 m²
- Postsport Viertel+ Vienna
 - Property area 150,000 m²



Status as at 31.12.2020

INVESTOR PRESENTATION Investor Relations Vienna, 12 August 2021

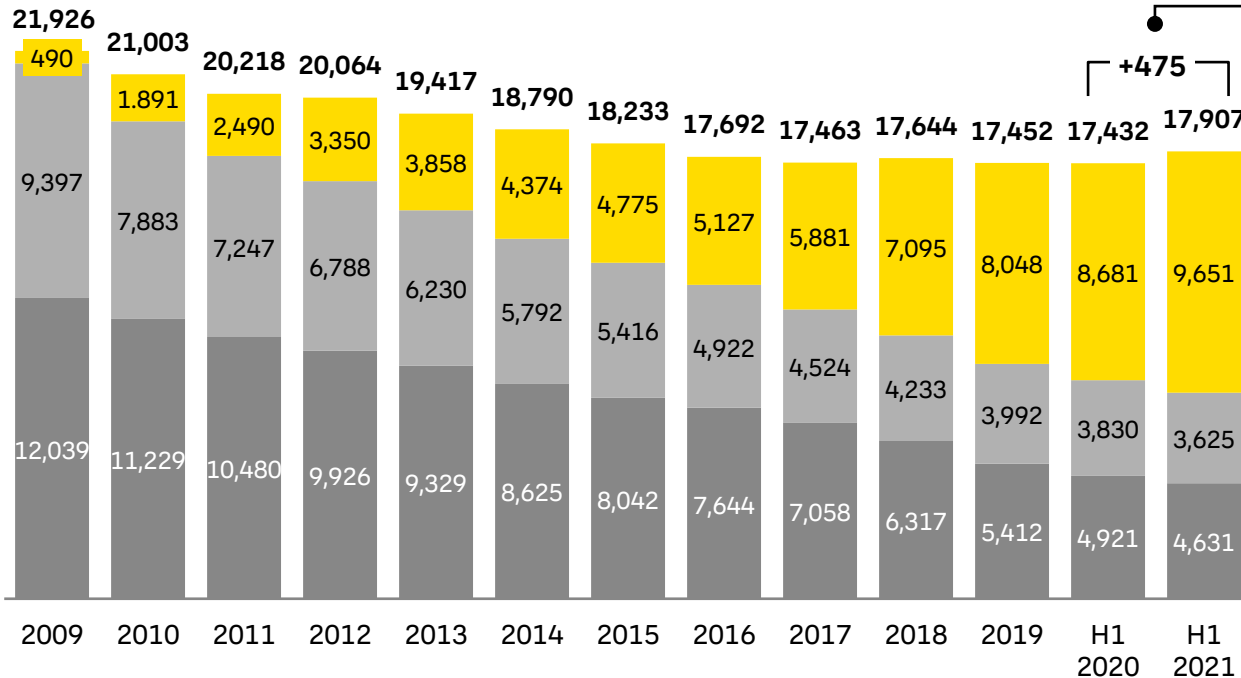
2

1 STAFF STRUCTURE IN AUSTRIA

Full-time equivalents in the Austrian core business



FTEs (average for the period)



Increased demand for logistics staff due to higher parcel volumes

-289 Civil servants
 -206 Employees Old CLA
 +970 Employees New CLA

+475 Employees

- New Collective Labour Agreement since 2009
- Old Collective Labour Agreement before 2009
- Civil Servants

2 GROWTH IN NEAR MARKETS



**Proximity to the core business:
Extending the value chain and digital development
of the business model**

Extending the value chain

- Scanpoint – scanning services
- D2D – print services
- Systemlogistik – warehousing, order picking, shipping
- Wertlogistik – transport of valuable goods and cash
- EMD – electronic and microfilm documentation systems

Digital development of the business model

- ACL advanced commerce labs – e-commerce software solutions
- adwerserve – digital advertising solutions
- sendhybrid – e-letter

EUR
~60m
REVENUE P.A.



**Regional proximity:
Focus on parcel business in CEE/SEE
and Turkey**

EUR
>400m
REVENUE P.A.

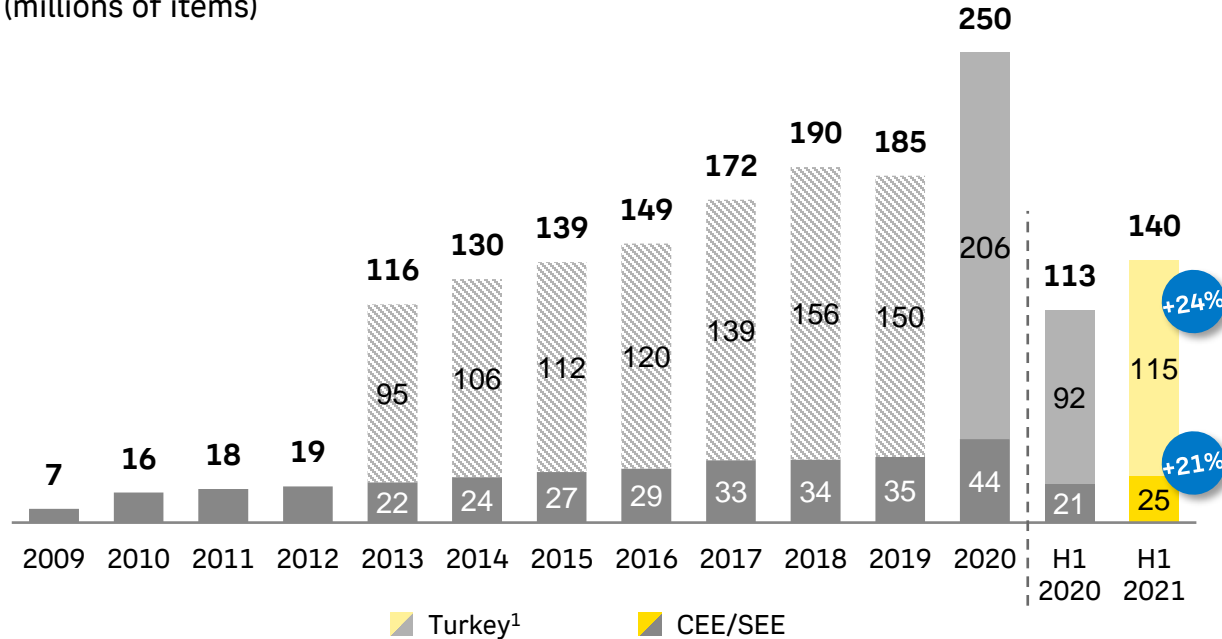
Top player in near markets

- Turkey
- Slovakia
- Hungary
- Croatia
- Serbia
- Bulgaria
- Bosnia and Herzegovina
- Montenegro

2 ONGOING GROWTH IN THE INTERNATIONAL PARCEL MARKETS OF AUSTRIAN POST



Parcel volumes of Turkey & CEE/SEE
(millions of items)



Turkey: Continuing positive development based on solid volume growth

CEE/SEE: E-commerce as the driving force in all markets, intensified by the COVID-19 pandemic

¹ Including documents; full consolidation of the company since 25 August 2020 (prior to that 25% stake)
INVESTOR PRESENTATION Investor Relations Vienna, 12 August 2021

2 ARAS KARGO



Profile of Aras Kargo

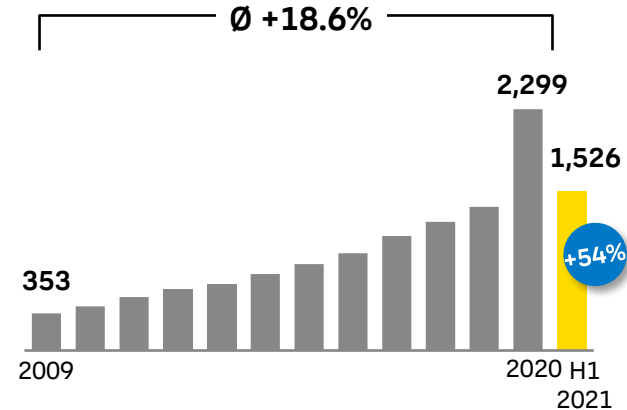
- Top player in Turkey's parcel market
- About 6,500 employees (FTEs), 47 logistics sites
- 900 branches and 5,000+ vehicles
- 115m parcels and documents in H1 2021 (+24%)

Financial indicators

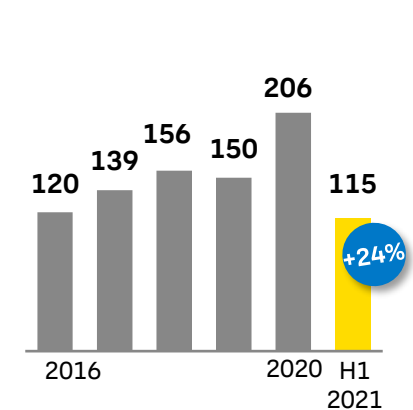
- H1 2021 revenue: TRY 1,526m (EUR 161m)
- Full consolidation as at 25 August 2020
- Company with strong balance sheet, no loans



Revenue (TRY m)



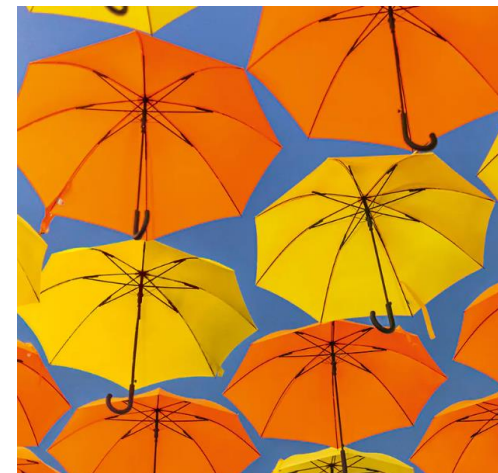
Parcel volumes (millions of items)



3 BANK99 ACQUIRES ING RETAIL BUSINESS IN AUSTRIA



- ▶ Acquisition of ING retail business in Austria: current accounts, consumer and mortgage loans, securities investments
- ▶ Balance sheet total of about EUR 1.7 billion will be taken over
 - Mortgage loans of about EUR 1bn
 - Consumer loans of about EUR 0.4bn
 - Fund saving (assets under management) of about EUR 0.6b
- ▶ Equity of bank99 is estimated to be increased by EUR 100m by the end of 2021



Expected Closing

End 2021

Technical integration

By mid-2022

Regular operations

From mid-2022

3 ING IS AN OPTIMAL STRATEGIC ADDITION: RETAIL PLUS DIGITAL



bank99 AG

ING in Austria (retail business)

Complementary customer structure from a regional and demographic perspective

✓ More than 80,000 customers

✓ More than 100,000 customers

Complementary strengths in the product structure

✓ Current accounts
✓ Payment transactions

✓ Consumer and mortgage loans
✓ Investment products

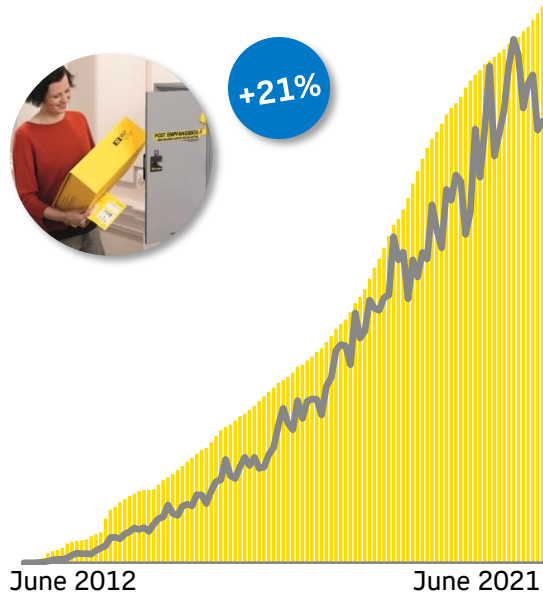
Branch office strength of bank99

Digital competence of ING

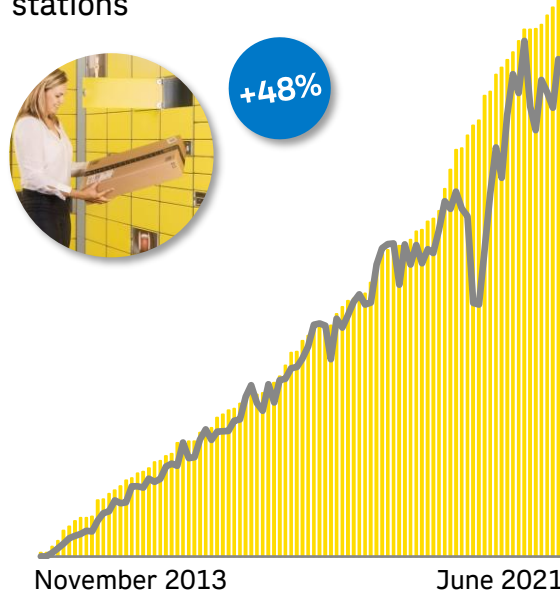
3 SELF-SERVICE ZONES: INNOVATIVE SERVICES FOR SENDING AND RECEIVING



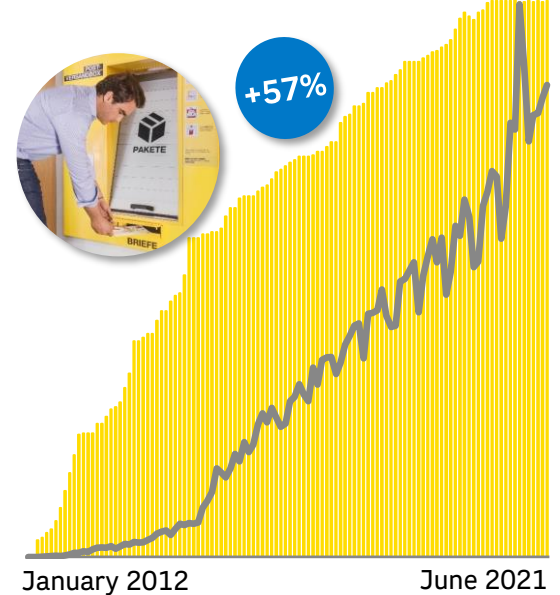
H1 2021: >2.3m items
55,269 pick-up boxes



H1 2021: >2.8m items
91,101 compartments in pick-up stations



H1 2021: >4.5m items
464 drop-off boxes



● H1 2021 vs. H1 2020 ■ Number of self-service solutions — Items/month

AHEAD TO THE FUTURE



1 Defending market leadership and profitability in the core business



Sustainability, diversity and customer orientation as guideline for all activities

2 Profitable growth in near markets



3 Development of retail and digital offerings for private customers and SMEs

► SUSTAINABLE STRATEGIC TARGETS 2030



Economy & Customers

- **Continuation of growth trend**
Revenue of EUR 3bn in 2030 based on steady parcel growth



Environment & Climate

- **Decarbonisation of logistics:**
 - 40% reduction in absolute carbon emissions
 - 70% decrease in specific carbon emissions
 - 100% carbon-free delivery in Austria



People & Social

- **Top employer providing a safe and respectful work environment**
40% women in leadership positions



▶ THERE IS MUCH GREEN IN THE YELLOW POST



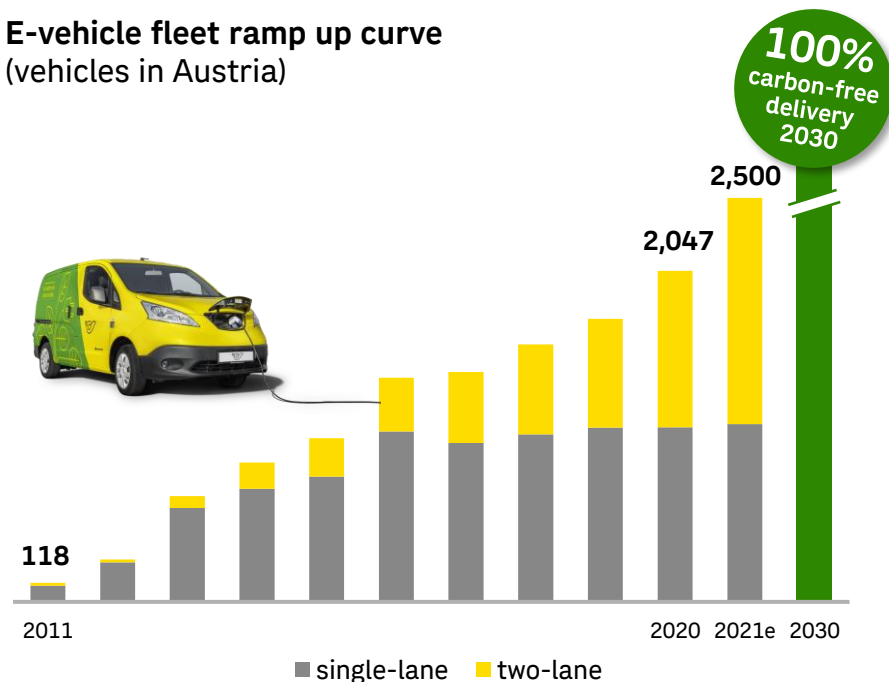
Ecological advantage of online shopping compared to stationary shopping

Source Oliver Wyman, 2021: Savings of 1,155 grammes CO₂e per product



Carbon neutral delivery of Austrian Post since 2011

E-vehicle fleet ramp up curve (vehicles in Austria)



▶ TURKEY: AUSTRIAN POST PLANTS 68,000 TREES



Tree planting campaign in Turkey as part of the World Day to Combat Desertification

- In cooperation with the Aegean Forest Foundation and the Austrian Post subsidiary Aras Kargo
- 68,000 trees in total



Aegean Forest Foundation
Next Generations should not say "There are No Forests"



Restoration. Land. Recovery.
We build back better with healthy land





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1. Highlights and Overview
 2. Strategy Implementation
 - 3. GROUP RESULTS H1 2021**
 4. Outlook 2021



FINANCIAL INDICATORS AT A GLANCE



	H1 2020	H1 2021	
Revenue (EUR m)	981.9	1,260.4	Good revenue development of +28.4% in H1 2021
EBITDA margin (%)	11.4	14.6	Improved EBITDA margin due to improved parcel business
EBIT margin (%)	4.9	8.2	Positive development of EBIT margin in H1 2021
Earnings/share (EUR)	0.66	1.18	Earnings per share up by EUR 0.52 from the prior year
Cash flow (EUR m)	45.3	139.1	Strong operating free cash flow in H1 2021

KEY INCOME STATEMENT INDICATORS



EUR m	H1 2020 ¹	H1 2021	%	Δ	Q2 2020 ¹	Q2 2021	
Revenue	981.9	1,260.4	28.4%	278.5	479.1	614.3	Good development in mail and parcel, positive special effects as a result of one-off mailings and logistics services
Other operating income	28.4	43.1	51.9%	14.7	15.0	20.9	
Raw materials, consumables and services used	-260.4	-355.0	-36.3%	-94.6	-133.4	-169.5	Material costs/ services used excl. Aras Kargo up by 6.9%
Staff costs	-494.7	-587.6	-18.8%	-92.9	-241.2	-284.1	Staff costs excl. Aras Kargo up by 11.5%
Other operating costs	-143.4	-176.8	-23.3%	-33.4	-73.1	-96.3	Increase of EUR 17.1m due to subsequent measurement for option Aras Kargo
At equity consolidation	0.5	0.4	-21.0%	-0.1	0.5	0.1	
EBITDA	112.3	184.5	64.3%	72.2	46.9	85.5	EBITDA improvement of EUR 72.2m from the previous year
<i>EBITDA margin</i>	<i>11.4%</i>	<i>14.6%</i>	-	-	<i>9.8%</i>	<i>13.9%</i>	
Depreciation, amort. and impairment	-64.0	-81.1	-26.6%	-17.0	-32.0	-41.8	Good quarterly EBIT driven by positive revenue development
EBIT	48.2	103.4	>100%	55.2	14.9	43.7	
<i>EBIT margin</i>	<i>4.9%</i>	<i>8.2%</i>	-	-	<i>3.1%</i>	<i>7.1%</i>	
Financial result	5.1	4.7	-9.2%	-0.5	4.0	2.3	
Income tax	-14.2	-23.9	-68.1%	-9.7	-5.9	-11.7	
Profit for the period	39.1	84.2	>100%	45.0	12.9	34.3	
Earnings per share (EUR)	0.66	1.18	79.2%	0.52	0.24	0.47	

¹ Adjusted presentation

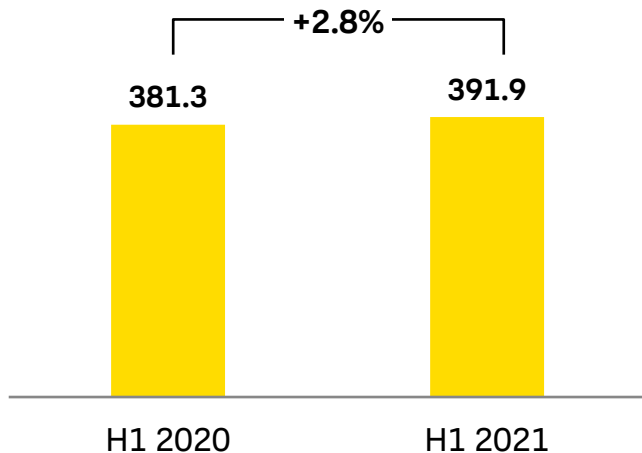


MAIL DIVISION: H1 2021 REVENUE DEVELOPMENT



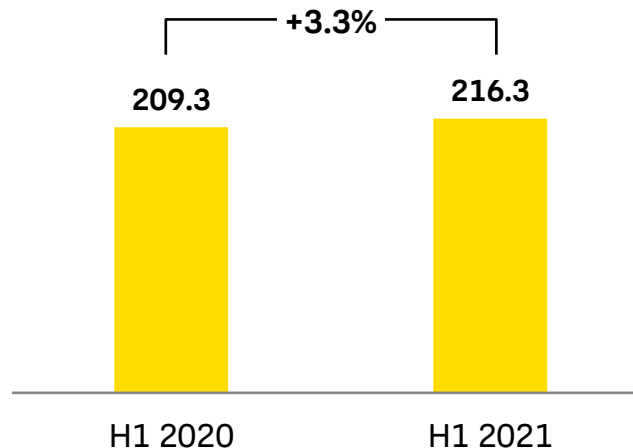
Letter Mail & Business Solutions (EUR m)

- Revenue increase of 2.8%
- Ongoing decline of Austrian Letter Mail volumes (-3%) after higher reduction in 2020 (-9%)
- Positive effects due to product/postal rate adjustments as at 1 April 2020 and special mailings in H1 2021



Direct Mail/Media Post (EUR m)

- Revenue increase of 3.3%
- Positive volume development in Austria of +2% in H1 2021, after weak Q2 2020 (-25%)
- Addressed items: advertising continues to be structurally decreasing
- High volatility of unaddressed items





MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2020	H1 2021	%	Δ	Q2 2020	Q2 2021		
Revenue	590.6	608.2	3.0%	17.6	273.1	297.3	Solid revenue development of Letter Mail against the backdrop of an ongoing volume decline	
• Letter Mail & Business Solutions	381.3	391.9	2.8%	10.6	178.0	186.4		
• Direct Mail	152.8	157.6	3.1%	4.8	69.0	81.0		Revenue increase for Direct Mail and Media Post compared to weak (lockdown-related) Q2 2020
• Media Post	56.5	58.7	3.9%	2.2	26.0	29.9		
Revenue intra-Group	1.4	1.4	0.5%	0.0	0.7	0.6		
Total revenue	592.0	609.6	3.0%	17.6	273.8	297.9		
EBIT	73.2	82.4	12.6%	9.2	26.3	36.9	Solid EBIT margin of 13.5% (Q2 2021: 12.4%)	
<i>EBIT margin¹</i>	<i>12.4%</i>	<i>13.5%</i>	-	-	<i>9.6%</i>	<i>12.4%</i>		

¹ EBIT margin in relation to total revenue

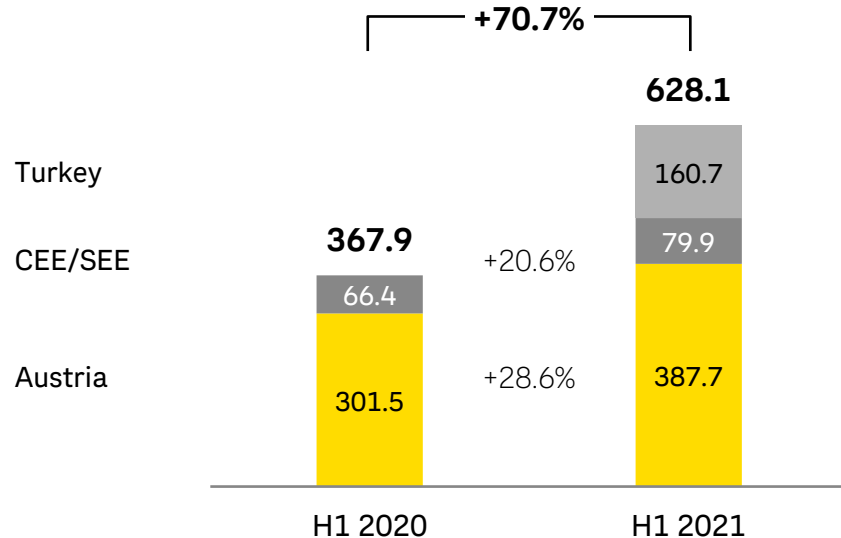


PARCEL & LOGISTICS DIVISION: H1 2021 REVENUE DEVELOPMENT



Revenue development

EUR m



Parcel & Logistics Division: +70.7%

E-commerce development continues, Aras Kargo drives revenue increase

- ▶ **Austria: EUR +86.2m**
 - Slower pace of growth following high increases in the prior-year quarter
- ▶ **CEE/SEE: EUR +13.3m**
 - Positive development in South East and Eastern Europe
- ▶ **Turkey: EUR 160.7m in H1 2021**
 - Full consolidation of Aras Kargo as at 25 August 2020



PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2020	H1 2021	%	Δ	Q2 2020	Q2 2021
Revenue	367.9	628.1	70.7%	260.2	193.4	304.4
• Premium	212.1	424.8	100.3%	212.7	112.0	207.6
• Standard	122.1	153.6	25.8%	31.5	65.3	73.0
• Other Parcel Services	33.7	49.7	47.2%	15.9	16.1	23.8
Revenue intra-Group	0.5	0.5	-6.7%	0.0	0.2	0.2
Total revenue	368.4	628.5	70.6%	260.1	193.6	304.6
EBIT	18.2	59.7	>100%	41.5	9.4	23.8
<i>EBIT margin¹</i>	<i>4.9%</i>	<i>9.5%</i>	-	-	<i>4.9%</i>	<i>7.8%</i>

Continuing organic and inorganic growth in the parcel business

EBIT margin positively impacted by the current market environment, the full consolidation of Aras Kargo and special effects relating to logistics services

¹ EBIT margin in relation to total revenue

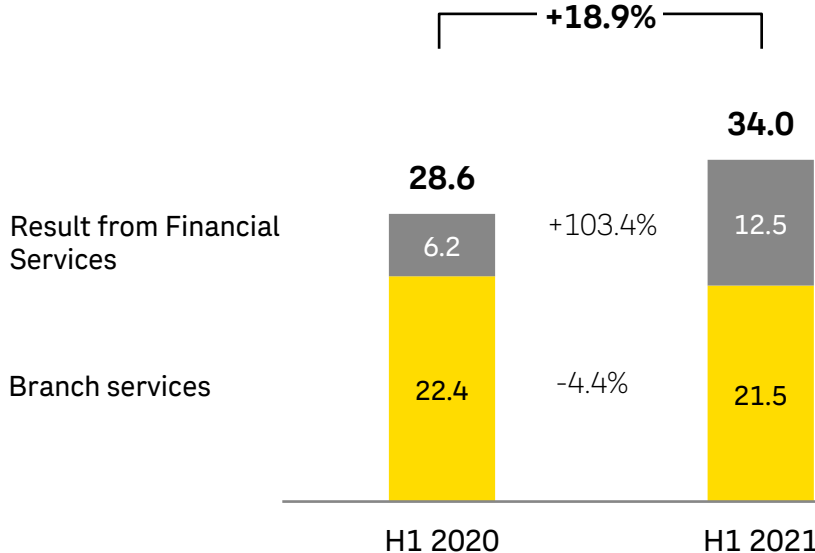


RETAIL & BANK DIVISION: H1 2021 REVENUE DEVELOPMENT



Revenue development

EUR m



Retail & Bank Division: +18.9%

Launch of bank99 in April 2020

- ▶ **Result from Financial Services: EUR +6.4m**
 - Revenue of EUR 12.5m in H1 2021
- ▶ **Branch Services: EUR -1.0m**
 - Revenue with retail goods and branch products constant year-on-year (H1 2020 still included revenue from the former banking partner)



RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	H1 2020	H1 2021	%	Δ	Q2 2020	Q2 2021
Revenue	28.6	34.0	18.9%	5.4	15.5	17.3
• Branch Services	22.4	21.5	-4.4%	-1.0	11.2	10.9
• Result from Financial Services	6.2	12.5	-	6.4	4.2	6.3
Revenue intra-Group	87.5	90.4	3.2%	2.8	43.8	44.5
Total revenue	116.2	124.4	7.1%	8.2	59.3	61.7
EBIT	-28.7	-27.0	6.1%	1.7	-12.3	-8.5

Decline due to discontinuation of service fees from the former banking partner in 2020

EUR 12.5m in revenue due to good customer ramp up and cash payments for third parties (e.g. pensions)

Positive development of bank99, negative one-off effect due to staff-related provision allocated to the branch network

SOLID BALANCE SHEET AND FINANCING STRUCTURE



EUR m

ASSETS

Cash, money market/
securities investments
Other financial assets,
investment property

Financial assets from
financial services

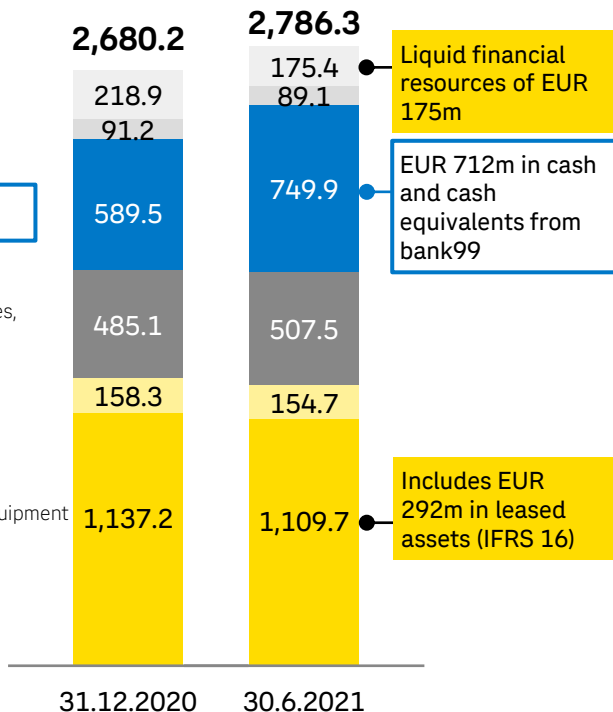
Receivables, inventories,
other¹

Intangible assets

Property, plant and equipment

Financial services/
bank99

¹Includes IFRS 5 assets



EQUITY & LIABILITIES

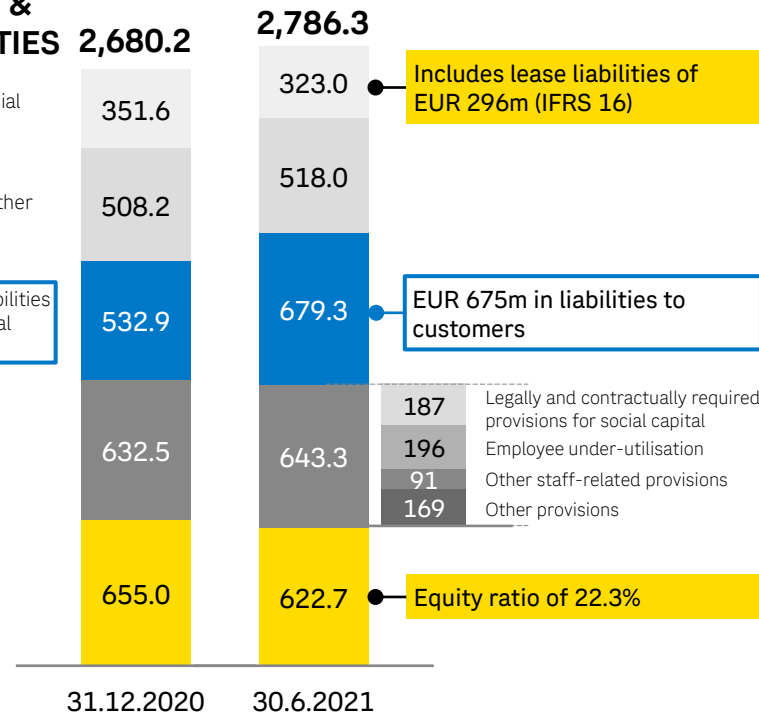
Other financial liabilities

Liabilities, Other

Financial liabilities from financial services

Provisions

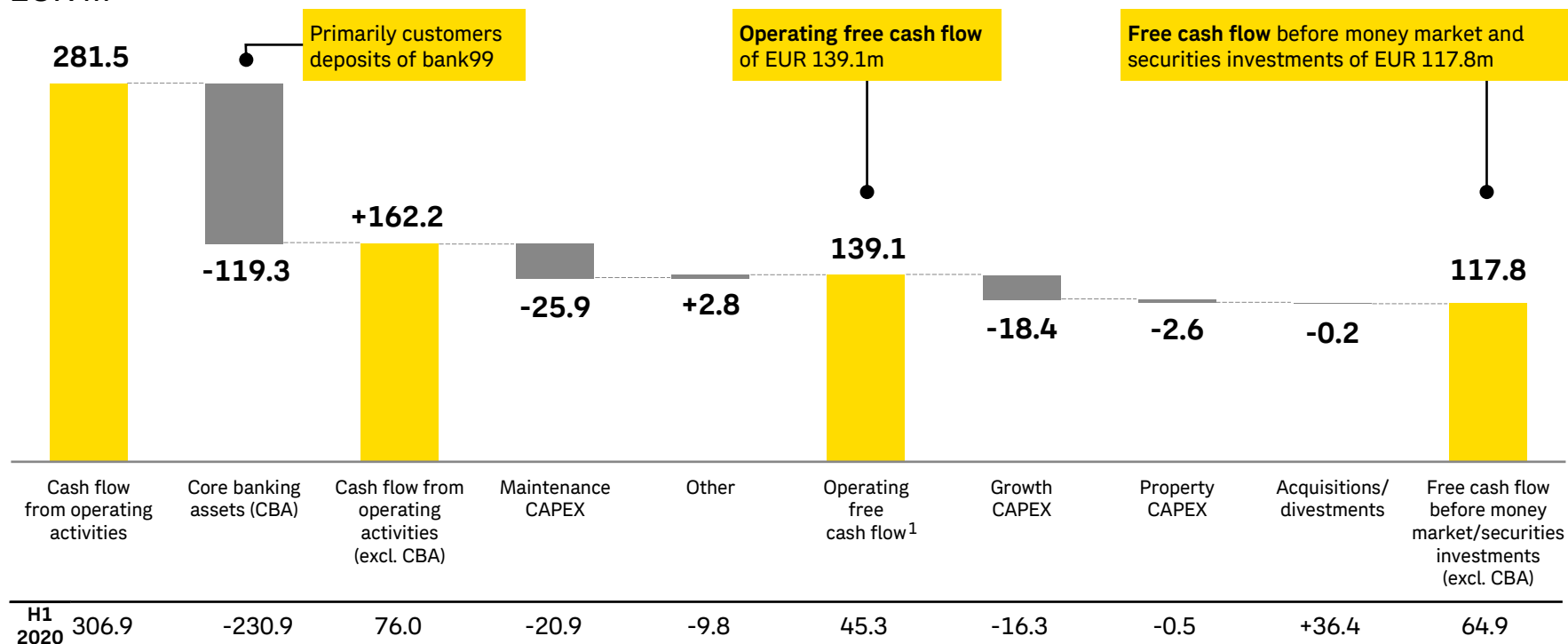
Equity



STRONG OPERATING FREE CASH FLOW H1 2021



EUR m



¹ Free 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 2021
 - 4. OUTLOOK 2021**



OUTLOOK 2021



Market environment

- 2021 continues to be impacted by the pandemic and government-imposed measures
- Assumption of further economic recovery during the second half of the year
- Business development influenced by high volatility
- Closing of ING retail business expected by the end of 2021



Revenue

- Revenue increase of about 15% expected in 2021
 - Stability or slight decline possible in the Mail Division
 - Strong increase of about 35% in the Parcel & Logistics Division forecasted, supported by the integration of Aras Kargo
 - Ongoing revenue growth in the Retail & Bank Division



Investments/CAPEX

- Ongoing implementation of investment programme in Austria: capacity expansion of 50% in 2020-2022
- Austrian CAPEX 2021: Growth CAPEX of more than EUR 60m in addition to maintenance CAPEX of about EUR 70-80m. Property purchases of about EUR 20m are possible.
- International CAPEX 2021: Planned investments of approx. EUR 20-30m in CEE/SEE and Turkey



Earnings

- Targeted increase in operating Group EBIT of at least +20% (basis 2020 EBIT: EUR 161m)
 - Expected stable or slightly declining development in the Mail Division
 - Earnings improvement in the Parcel & Logistics Division of +50% expected
 - Improved earnings in the Retail & Bank Division

CONTACT



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Financial Calendar 2021/2022

11 November 2021	Interim Report Q1-3 2021
11 March 2022	Annual Results 2021
21 April 2022	Annual General Meeting
3 May/5 May 2022	Ex-day/Dividend Payment Day
13 May 2022	Interim Report Q1 2022
11 August 2022	Half-Year Financial Report 2022
11 November 2022	Interim Report Q1-3 2022

Disclaimer

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