INVESTOR INFORMATION
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AUSTRIAN POST Q1 2021 RESULTS: Improved First-Quarter Revenue and Earnings Development

COVID-19 and lockdowns reinforce general trends

- Positive parcel development in Austria, CEE/SEE and Turkey; mail business negatively impacted
- Parcel volumes up by 33.5 % in Austria, +39 % in South East and Eastern Europe, +37 % in Turkey
- Letter mail volumes –6 %, direct mail –8.5 %

Q1 revenue increase of 28.5 % (+12.0 % organic growth) to EUR 646.1m

- Structural change: Mail Division and Parcel & Logistics Division now have the same size
- Mail –2.1 % to EUR 311.0m
- Parcel & Logistics +85.5 % to EUR 323.7m
- Retail & Bank +27.3 % to EUR 16.7m

Earnings increase driven by parcel growth

- EBITDA +51.5 % to EUR 99.0m
- EBIT +79.2 % to EUR 59.8m
  - Mail –3.0 % to EUR 45.5m
  - Parcel & Logistics EUR +27.1m to EUR 35.8m
  - Retail & Bank –12.4 % to minus EUR 18.4m

Improved cash flow

- Cash flow from operating activities +28.3 % to EUR 124.1m (+20.5 % to EUR 85.0m before core banking assets)
- Operating free cash flow +27.9 % to EUR 74.4m

Positive outlook for 2021

- Revenue increase of over 10 % expected
- Targeted earnings increase (EBIT) of about 15 %
- Focus on investment programme to ensure the company's operating capability

The first quarter of the year 2021 continued to be impacted by the COVID-19 pandemic and the related government-imposed restrictions. Numerous lockdown measures improved the market environment in the parcel business but at the same time, reduced business activities in Letter and Direct Mail. Parcel volumes were about 30 % higher than in the first quarter of 2020 prior to COVID-19. In contrast, letter and direct mail volumes fell by 6 % and 8.5 % respectively. "Our focus continues to be on ensuring health and safety of our employees as well as on operating performance of our logistics Group", says Austrian Post CEO Georg Pölzl. "Under these circumstances, we are very satisfied with the development of our business activities and the current revenue increase", Georg Pölzl adds.

Austrian Post's Group revenue increased by 28.5 % in the first quarter of 2021 to EUR 646.1m. This was driven by a solid core business, as parcel growth has sufficiently offset the mail business decline, as well as due to the full consolidation of the Turkish company Aras Kargo. In the period under review, the Parcel & Logistics Division generated revenue of EUR 323.7m, slightly above the Mail Division revenue of EUR 311.0m for the very first time. Consistent implementation of the company's strategy made this structural change possible. The Retail & Bank Division also produced growth, reporting revenue of EUR 16.7m in the first quarter of 2021. bank99 has been offering its own range of financial services since April 2020.

Austrian Post's earnings grew substantially year-on-year. Group EBITDA rose by 51.5 % to EUR 99.0m and EBIT was up by 79.2 % to EUR 59.8m. The Parcel & Logistics Division significantly contributed to earnings improvement, with EBIT increasing from EUR 8.7m to EUR 35.8m year-on-year. This can be attributed to the full consolidation of the Turkish company Aras Kargo as well as to solid parcel volume development and positive special effects relating to logistics services. The Mail Division faced a 3.0 % decline in EBIT to EUR 45.5m. In this case, the lockdown measures accelerated the negative volume trend and the related earnings effect. The Retail & Bank Division reported an EBIT of minus EUR 18.4m compared to minus EUR 16.4m in the prior-year quarter. The positive development of the financial services business was in contrast to a negative one-off effect from a staff-related provision in the branch network. Austrian Post's profit for the period was EUR 49.9m in the first quarter of 2021 compared to EUR 26.2m the year before. Earnings per share equalled EUR 0.71 in the period under review, up from EUR 0.42 in the first quarter of 2020.

This good start to the year confirms Austrian Post's optimistic outlook for the full year 2021. The year should result in a solid revenue and earnings improvement in spite of the reduced visibility in many business areas along with heightened revenue volatility. Revenue is expected to increase by more than 10 %, which should, in turn, lead to about 15 % improvement of targeted earnings in 2021. The growth objective is combined with current capacity expansion measures. The foreseeable medium-term parcel volume increases will continue to be delivered on the basis of excellent logistics quality. "We assure our customers that we will continue to guarantee the highest possible operational capability despite increasing transport volumes", Georg Pölzl concludes.

You can find the complete version of the outlook as well as detailed information (excerpts) from the Interim Report for the First Quarter of 2021 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	Q1 2020[1]	Q1 2021	Change %	Change EUR m
Revenue	**502.8**	**646.1**	**28.5%**	**143.3**
Mail	317.5	311.0	–2.1%	–6.6
Parcel & Logistics	174.5	323.7	85.5%	149.1
Retail & Bank	13.2	16.7	27.3%	3.6
Corporate/Consolidation	–2.4	–5.3	<-100%	–2.9
Other operating income	13.3	22.2	66.7%	8.9
Raw materials, consumables and services used	–127.0	–185.6	–46.1%	–58.6
Staff costs	–253.5	–303.5	–19.7%	–50.0
Other operating expenses	–70.3	–80.5	–14.6%	–10.3
Results from financial assets accounted for using the equity method	0.0	0.2	>100%	0.3
EBITDA	**65.3**	**99.0**	**51.5%**	**33.6**
Depreciation, amortisation and impairment losses	–32.0	–39.2	–22.5%	–7.2
EBIT	**33.3**	**59.8**	**79.2%**	**26.4**
Mail	46.9	45.5	–3.0%	–1.4
Parcel & Logistics	8.7	35.8	>100%	27.1
Retail & Bank	–16.4	–18.4	–12.4%	–2.0
Corporate/Consolidation[2]	–5.8	–3.1	46.5%	2.7
Financial result	1.1	2.4	>100%	1.3
Profit before tax	**34.5**	**62.2**	**80.3%**	**27.7**
Income tax	–8.3	–12.3	–48.2%	–4.0
Profit for the period	**26.2**	**49.9**	**90.5%**	**23.7**
Earnings per share (EUR)[3]	**0.42**	**0.71**	**68.2%**	**0.29**
Gross cash flow	**72.0**	**108.9**	**51.3%**	**36.9**
Cash flow from operating activities[4]	**96.73**	**124.1**	**28.3%**	**124.1**
Investment in property, plant and equipment (CAPEX)	21.9	18.3	–16.2%	–3.6
Free cash flow[4]	**97.7**	**117.6**	**20.4%**	**19.9**
Operating free cash flow[4,5]	**58.2**	**74.4**	**27.9%**	**16.2**

[1] Net interest and commission income is now reported in revenue. In the first quarter of 2020, interest and commission expenses were reported under expenses for financial services.
[2] Includes the intra-Group cost allocation proceeding
[3] Undiluted earnings per share in relation to 67,552,638 shares
[4] The presentation of the provision of financial services has been adjusted. Cash and cash equivalents now also include receivables from banks arising from payment transactions of the bank itself, which were reported as part of financial assets from financial services in the previous year.
[5] Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets

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EXCERPTS FROM THE MANAGEMENT REPORT

REVENUE DEVELOPMENT IN DETAIL

In the first quarter of 2021, Austrian Post's Group revenue increased by 28.5 % to EUR 646.1m year-on-year. Without accounting for Aras Kargo, revenue increased by 12.0 % on a comparable basis. Growth in the parcel business led to a revenue increase of 85.5 % (organic growth of 38.0 %), which has sufficiently offset revenue decline in the Mail Division.

On a divisional basis, developments in the first quarter of 2021 reflected a major change characterised by the increased importance of the parcel business. The share of the Mail Division as a proportion of total divisional revenue reduced to 47.7 %. This division produced an expected revenue decline, with revenue down by 2.1 %. On the one hand, this is attributable to the accelerated decrease in conventional letter mail due to electronic substitution as well as due to lockdown measures. On the other hand, the drop in revenue is due to the reduction in direct mail items as a consequence of government-imposed store closings in response to COVID-19. An adjustment in the letter mail product offering and postal rates took place on 1 April 2020, which has positively impacted the division's revenue development. The significance of the Parcel & Logistics Division increased within the Austrian Post Group. It generated 49.7 % of the total divisional revenue in the reporting period compared to 34.5 % in the prior-year quarter. The 85.5 % revenue increase in the first quarter of 2021 was primarily driven by organic volume growth from online orders. Further growth was achieved due to the full consolidation of the Turkish subsidiary Aras Kargo on 25 August 2020, with revenue of EUR 82.8m in the first quarter of 2021. The Retail & Bank Division accounted for 2.6 % of divisional revenue in the first three months of 2021, producing revenue of EUR 16.7m (+27.3 %). bank99 started operating in the market on 1 April 2020.

Revenue of the **Mail** Division totalled EUR 311.0m in the period under review, of which 66.1 % can be attributed to the Letter Mail & Business Solutions business. Direct Mail accounted for 24.6 % of total divisional revenue, and Media Post had a 9.3 % share.

In the first quarter of 2021, **Letter Mail & Business Solutions** revenue amounted to EUR 205.6m, implying a year-on-year increase of 1.1 %. The declining volume trend resulting from the substitution of letters by electronic forms of communication continued. In particular, revenue declined as a consequence of the lockdown measures and economic restrictions affecting senders. The volume decline continues to be negatively affected by current conditions. In contrast, special mailings in the first quarter of 2021 as well as the product and postal rate adjustments carried out effective on 1 April 2020 positively impacted the revenue. International letter mail produced growth, whereas the Business Solutions business area reported a slight revenue decline compared to the prior-year period.
Direct Mail revenue fell by 8.6 % in the first three months of 2021 to EUR 76.6m. The government-imposed store closings in response to COVID-19 accelerated the structural decline in advertising business. Currently visibility is low and direct mail business is volatile.
Revenue from **Media Post**, i.e. the delivery of newspapers and magazines, fell by 5.5 % year-on-year to EUR 28.8m. This decrease can also be primarily attributed to the COVID-19 pandemic.

Revenue of the **Parcel & Logistics** Division improved by 85.5 % in the first quarter of 2021, increasing to EUR 323.7m. Amongst other reasons, excellent revenue development in the parcel business is based on the ongoing e-commerce trend in all markets. Austrian Post also succeeded in participating in market

growth in Austria during this reporting period despite intense competition and price pressure. The uncertainty and restrictions related to the current COVID-19 pandemic continue to provide a boost to the online business. Furthermore, positive special effects in the period under review resulted from logistics services. Growth also included revenue of EUR 82.8m in the first quarter of 2021 generated by the Turkish subsidiary Aras Kargo, recognised as a fully consolidated company in the consolidated financial statements of Austrian Post since 25 August 2020.
The development towards the faster delivery of parcels can be observed as a clear trend. In total, 67.1 % of the division's revenue in the first three months of 2021 was generated in the **Premium Parcels** business (next working day delivery). This corresponds to an increase of more than 100 % to EUR 217.2m in the first quarter of 2021.
The **Standard Parcels** business area accounted for 24.9 % of divisional revenue and produced a revenue increase of 41.9 % to EUR 80.6m in the first quarter of 2021.
Other Parcel Services, which encompasses various additional logistics services, generated 8.0 % of divisional revenue totalling EUR 25.9m in the first three months of 2021. This corresponds to an increase of 46.7 %.
Regional analysis shows that 61.9 % of the first quarter 2021 Parcel & Logistics Division revenue was generated in Austria. The Austrian parcel business produced year-on-year revenue growth of 39.5 %. 38.1 % of divisional revenue can be attributed to the international business of subsidiaries in Turkey (25.6 %) as well as in South East and Eastern Europe (12.5 %). Revenue of EUR 82.8m was generated in Turkey in the first quarter of 2021. The revenue increase in the highly competitive region of South East and Eastern Europe equalled 31.2 % in the first quarter of 2021, driven by higher parcel volumes as a result of the COVID-19 pandemic.

Revenue of the **Retail & Bank** Division reached a level of EUR 16.7m in the first quarter of 2021, compared to EUR 13.2m in the previous year. Branch Services included higher revenue from retail goods and branch products, however the prior-year period still included service fees from the former banking partner. In the current reporting period, **Branch Services** revenue amounted to EUR 10.5m. The **Result from Financial Services** of EUR 6.2m in the first quarter of 2021 showed a positive development. bank99 was launched on the market on 1 April 2020.

EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (47.0 %), raw materials, consumables and services used (28.7 %) and other operating expenses (12.5 %). 6.1 % can be attributed to depreciation, amortisation and impairment losses. There is only limited comparability of the individual items in the consolidated income statement with the figures from the prior-year quarter due to the full consolidation of the Turkish company Aras Kargo since 25 August 2020.

Staff costs in the first quarter of 2021 totalled EUR 303.5m, implying an increase of 19.7 % or EUR 50.0m. On a like-for-like basis excluding Aras Kargo, staff costs were up by 12.3 % or EUR 31.3m from the previous year. This increase is primarily related to higher personnel requirements in response to increasing parcel volumes. Operational staff costs also rose year-on-year as a consequence of the full consolidation of the Turkish subsidiary Aras Kargo as well as increased costs to deal with the higher parcel volumes. The Austrian Post Group employed an average of 27,541 people (full-time equivalents) in the first three months of 2021 compared to the average of 20,231 employees in the prior-year quarter (+36.1 %). In addition to operational staff costs, staff costs of Austrian Post also include various non-operating staff-related expenses such as severance payments and changes in provisions, which are primarily related to the specific employment situation of civil servant employees at Austrian Post. Non-operating staff costs in the first quarter of 2021 included the need for higher allocations to provisions compared to the prior-year period.

Raw materials, consumables and services used increased by 46.1 % to EUR 185.6m. On a like-for-like basis without Aras Kargo the increase was 14.7 %. This is attributable primarily to an increase in transport expenses as a result of huge parcel volumes.

Other operating income increased by 66.7 % to EUR 22.2m in the first quarter of 2021. On a like-for-like basis excluding Aras Kargo, other operating income was up by 41.0 % from the prior-year level. Other operating expenses also rose by 14.6 % to EUR 80.5m or by 5.3 % year-on-year on a like-for-like basis. The higher costs mainly related to IT services and maintenance.

EBITDA equalled EUR 99.0m, up by 51.5 % from the prior-year figure of EUR 65.3m. This implies an EBITDA margin of 15.3 %. The improvement is attributable to the excellent parcel revenue development in all markets. Depreciation, amortisation and impairment losses amounted to EUR 39.2m, up by 22.5 % or EUR 7.2m from the previous year. The increase is mainly due to the new logistics sites for the parcel logistics infrastructure as well as to the full consolidation of Aras Kargo. Group EBIT increased to EUR 59.8m in the first quarter of 2021 compared to EUR 33.3m in the first quarter of 2020. The EBIT margin amounted to 9.2 %.

The Group's financial result of EUR 2.4m was EUR 1.3m above the first quarter of 2020. After deducting the income tax of EUR 12.3m, the profit for the period totalled EUR 49.9m (+90.5 %). This equals undiluted earnings per share of EUR 0.71, compared to EUR 0.42 in the prior-year period.

EARNINGS BY DIVISON

The EBIT of EUR 59.8m (+79.2 %) generated in the first quarter of 2021 was positively impacted by the excellent parcel revenue development in all markets and enhanced by the COVID-19 pandemic and government-imposed lockdown measures. Furthermore, the full consolidation of the Turkish company Aras Kargo since 25 August 2020 has positively affected quarterly earnings.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 45.5m in the first three months of 2021. The year-on-year decline of 3.0 % can be attributed to the drop in revenue relating to letter and direct mail volumes as a consequence of the COVID-19 pandemic. In contrast, letter mail product and postal rate adjustments on 1 April 2020 as well as special mailings had a positive effect in the current reporting period.

The Parcel & Logistics Division achieved revenue growth against the backdrop of intense competition and margin pressure, generating an EBIT of EUR 35.8m in the first quarter of 2021. This corresponds to a year-on-year increase of EUR 27.1m. Earnings momentum due to outstanding revenue development was evident in all markets. In particular, the full consolidation of the Turkish subsidiary Aras Kargo as well as special effects relating to logistics services made a positive contribution to the division's earnings.
The Retail & Bank Division recorded an EBIT of minus EUR 18.4m in the first quarter of 2021, compared to minus EUR 16.4m in the prior-year period. A positive earnings trend has been perceptible in the

financial services business since the launch of bank99. In turn, earnings were negatively affected by a staff-related provision in the branch network.

EBIT of the Corporate Division (incl. Consolidation) improved from minus EUR 5.8m to minus EUR 3.1m. The Corporate Division provides non-operating services which are typically essential for the purpose of the administration and financial control of a corporate group. In addition to conventional corporate governance tasks, these services include the management and development of commercial properties not required for company operations, the management of key financial investments, the rendering of IT services, the development of new business models and the administration of the Internal Labour Market of Austrian Post.

CASH FLOW AND BALANCE SHEET

The gross cash flow in the first quarter of 2021 equalled EUR 108.9m, compared to EUR 72.0m in the first quarter of 2020 (+51.3 %). The cash flow from operating activities amounted to EUR 124.1m, up from EUR 96.7m in the prior-year period. In this regard, the financial assets and liabilities (core banking assets) of bank99 constituted the biggest effect, positively impacting the cash flow in the amount of EUR 39.0m. The core banking assets include those items resulting from the deposit and investment business of bank99.

The cash flow from investing activities was minus EUR 6.4m in the first three months of 2021, compared to EUR 1.0m in the prior year period.

Austrian Post focuses on the key indicator of operating free cash flow to both assess the financial strength of its operating business and to cover the dividend. The operating free cash flow after deducting core banking assets totalled EUR 74.4m in the current reporting period compared to EUR 58.2m in the first quarter of the previous year. The cash flow from financing activities amounted to minus EUR 42.1m in the first three months of 2021, whereas the prior-year figure was minus EUR 11.5m.

Austrian Post relies on a conservative balance sheet and financing structure. This is demonstrated in particular by the high level of liquid financial resources and solid investment of cash and cash equivalents at the lowest possible risk. Austrian Post's total assets amounted to EUR 2,761.2m as at 31 March 2021. On the asset side, property, plant and equipment at EUR 1,114.2m constitute the largest balance sheet item and include leased assets of EUR 310.3m. Intangible assets totalled EUR 93.2m, whereas goodwill reported for acquisitions equalled EUR 63.8m at the end of the first quarter of 2021. Receivables totalled EUR 409.6m, including current trade receivables of EUR 331.5m. Other financial assets equalled EUR 106.7m as at 31 March 2021. Financial assets from financial services amounted to EUR 644.9m at the end of the first quarter of 2021, and largely relate to the deposit and investment business of bank99 as well as the handling of cash payments for third parties (e.g. pensions).

On the equity and liabilities side of the balance sheet, equity of the Austrian Post Group equalled EUR 701.7m as at 31 March 2021 (implying an equity ratio of 25.4 %). Provisions amounted to EUR 660.5m, while trade and other payables totalled EUR 510.0m at the end of March 2021. Financial liabilities from financial services of EUR 574.8m mainly relate to the deposit and investment business of bank99.

OUTLOOK FOR 2021

The year 2021 continues to be impacted by the burdens imposed by the COVID-19 pandemic and the consequences of various lockdown measures. An economic recovery is expected in the course of the year. Nevertheless, several customer segments will continue to be negatively affected by restrictions. In turn, this means increased volatility as well as reduced visibility with respect to short-term revenue and earnings forecasts.

Revenue growth >10 %
On balance, Austrian Post expects its revenue to increase by more than 10 % in 2021, primarily driven by the growing parcel business.

Revenue in the Parcel & Logistics Division could increase by about 25 % in 2021. Further growth should be possible this year following the strong organic growth generated in the previous year. Moreover, the Turkish subsidiary Aras Kargo (full consolidation since 25 August 2020) will make a positive contribution to Group revenue.

In contrast, the Mail Division is negatively affected by the pandemic and related lockdown measures as well as by possible negative economic impacts felt by various customers. In the Letter Mail segment, the volume decline for conventional letters should remain at a level of about 5 % in 2021. The decrease in the Direct Mail and Media Post areas will be even higher than expected. All in all, Austrian Post anticipates a stable or slightly declining revenue development in the Mail Division, depending on how the coronavirus pandemic plays out.

However, the revenue development of bank99 launched in April 2020 should steadily improve in the course of the year 2021.

Higher Group Earnings in 2021
Austrian Post aims to achieve an earnings improvement of about 15 % in the current financial year (basis 2020 EBIT: EUR 161m). A stable or slightly declining earnings situation is expected in the Mail Division, whereas earnings of the Parcel & Logistics Division should improve by about 25 %. Revenue growth in the Retail & Bank Division should also have a positive impact on the division's operational EBIT.

Investments/CAPEX
Parcel growth in 2020 but also in 2021 has shown how important it is to have the required capacities available in a timely manner. Austrian Post succeeded in ensuring good quality service by handling the record parcel volumes of recent quarterly periods. This should also be the case in managing the foreseeable volume increases in the years to come. For this reason, Austrian Post will continue to press ahead with its investment programme. The aim is to increase the company's sorting capacity by a further 30 % by the end of 2022. Austrian Post's objective is to expand its leading position in Austria in terms of the quality of its services as well as its efficiency and speed.

In addition to maintenance CAPEX on a current scale of about EUR 70-80m in Austria, more than EUR 60m in growth CAPEX is planned again in Austria. Moreover, about EUR 20m in investments are

planned for expansion measures or land purchases to support the logistics infrastructure along with approx. EUR 20-30m for investments in international holdings.
Austrian Post continues to pursue the objective of combining growth and dividend strength. The growth opportunities that arise will be secured by corresponding structural investments. Furthermore, the cash flow generated from operating activities will continue to be used to finance the necessary basic investments and to ensure an attractive dividend policy.