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# AUSTRIAN POST Investor Presentation Q1 2021



Walter Oblin, CFO  
Vienna, 12 May 2021



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## 1. HIGHLIGHTS AND OVERVIEW



2. Strategy Implementation
3. Group Results Q1 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**



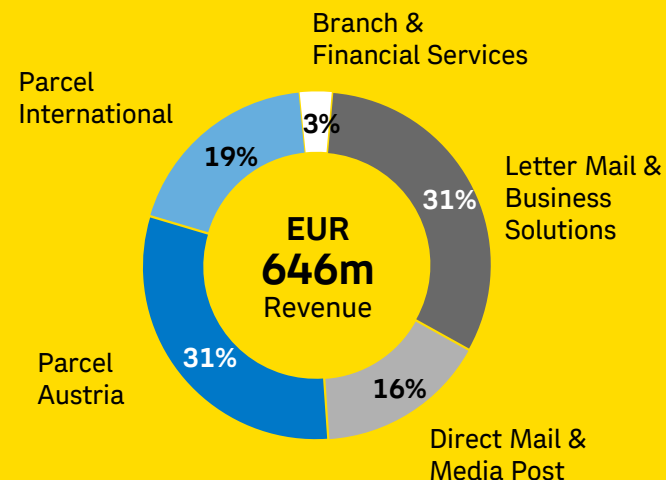
## Group

**Revenue 2020: EUR 2,189m**

**EBITDA 2020: EUR 303m**

**EBIT 2020: EUR 161m**

## Revenue mix Q1 2021



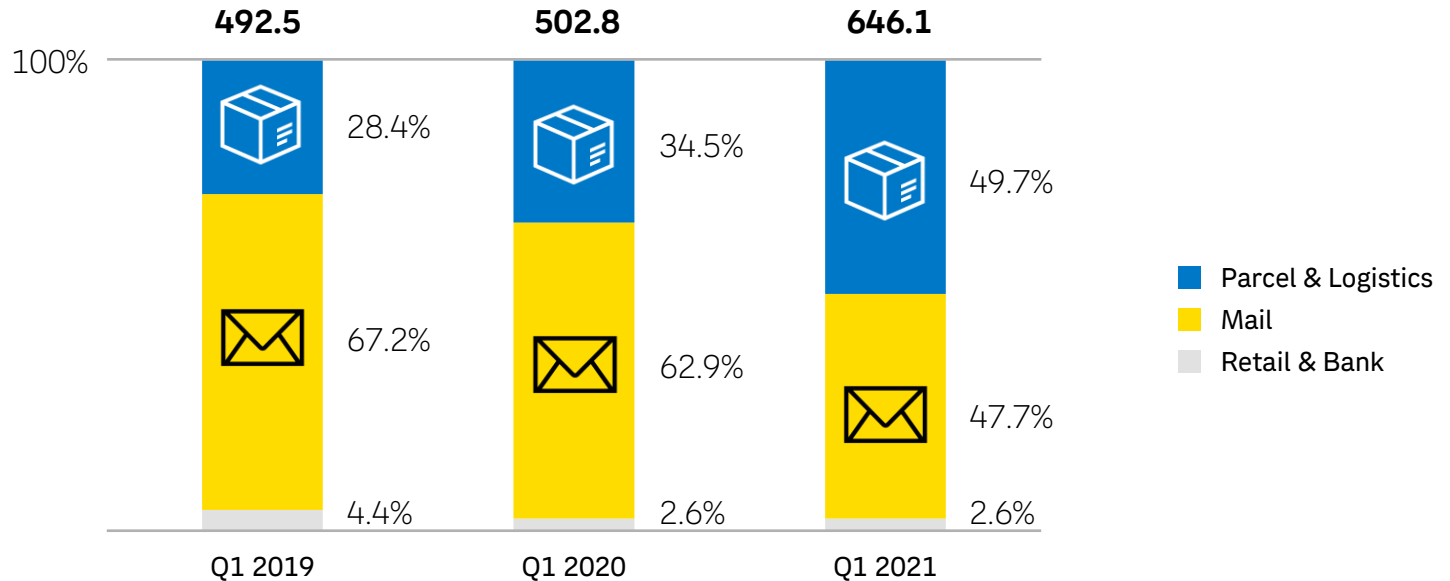
# STRUCTURAL CHANGE IN THE AUSTRIAN POST PORTFOLIO

## Consistent strategy implementation enables repositioning



### Mail and parcel as strong pillars

Revenue in EUR m



# OVERVIEW Q1 2021



## COVID-19

- Ongoing pandemic and countermeasures imposed by authorities (in case of Austria: 5-week lockdown in Q1 2021)
- Focus on safety and operational performance



## Volume development

- Negative impact on letter mail and direct mail volumes
- Parcel volumes positively influenced by intensified e-commerce
- Investments in logistics related to capacity expansion will be accelerated



## Revenue

- |                       |        |   |               |
|-----------------------|--------|---|---------------|
| - Mail:               | -2.1%  | ▶ | Group: +28.5% |
| - Parcel & Logistics: | +85.5% |   |               |
| - Retail & Bank:      | +27.3% |   |               |



## Earnings

- EBITDA: +51.5% to EUR 99.0m
- EBIT: +79.2% to EUR 59.8m

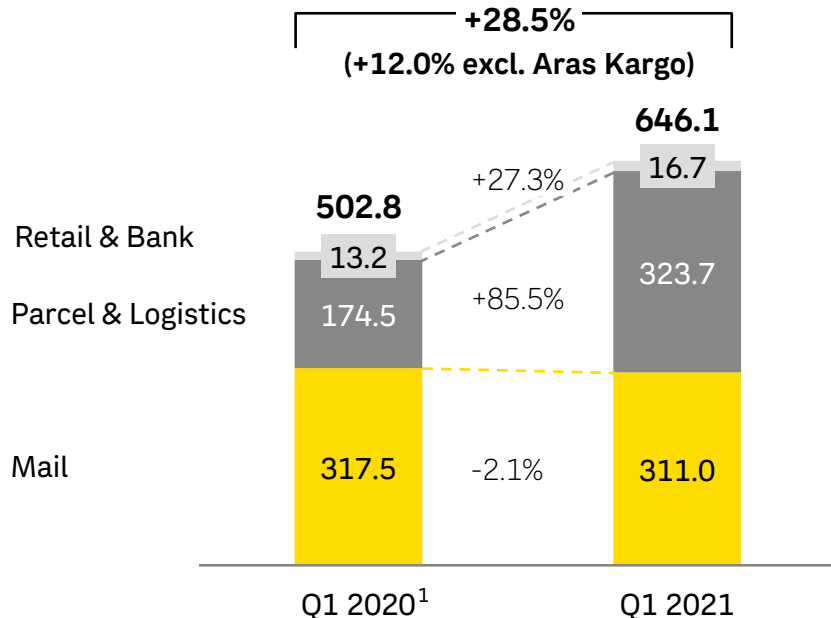
# STRONG REVENUE DEVELOPMENT IN Q1 2021

## Organic and inorganic growth



### Revenue development

EUR m



**Group: +28.5% to EUR 646.1m**

Growth driven by strong parcel business

- ▶ **Mail: -2.1% to EUR 311.0m**
  - Solid revenue development in Letter Mail & Business Solutions (+1.1%) to EUR 205.6m
  - Direct Mail business particularly impacted by the COVID-19 pandemic: revenue decline of 8.6%
- ▶ **Parcel & Logistics: +85.5% to EUR 323.7m**
  - Revenue increase in Austria of 39.5% to EUR 200.5m
  - Full consolidation of Aras Kargo
  - International business: revenue of EUR 123.2m
- ▶ **Retail & Bank: +27.3% to EUR 16.7m**
  - Launch of bank99 on 1 April 2020
  - Positive revenue contribution from financial services

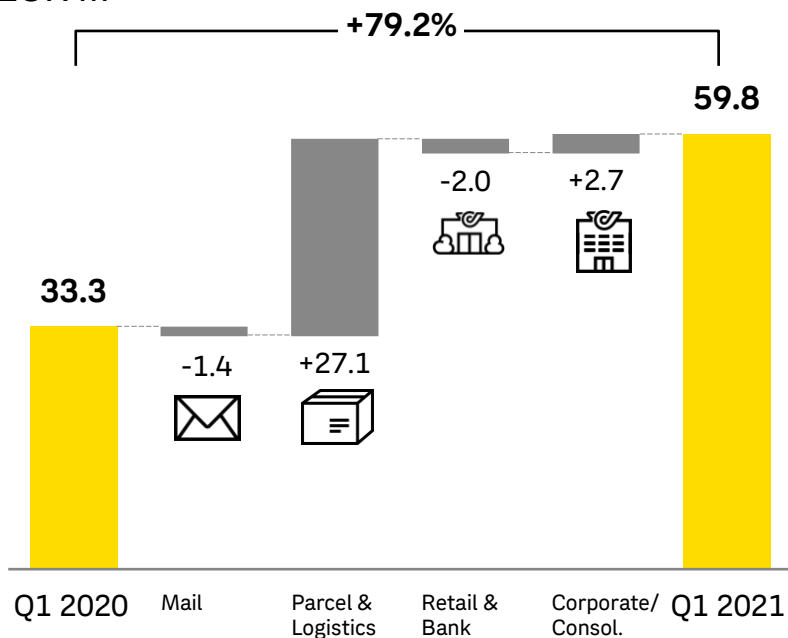
<sup>1</sup>Adjusted presentation

# EARNINGS IMPROVEMENT DUE TO STRONG PARCEL BUSINESS



## EBIT development

EUR m



**Group: +79.2% to EUR 59.8m**

Operating earnings up as a result of parcel growth

- ▶ **Mail: -3.0% to EUR 45.5m**
  - Reduced earnings caused by Direct Mail and Media Post revenue decline due to COVID-19 restrictions
- ▶ **Parcel & Logistics: EUR +27.1m to EUR 35.8m**
  - Earnings growth driven by excellent revenue development in all markets and positive special effects from logistics services
- ▶ **Retail & Bank: -12.4% to EUR -18.4m**
  - 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



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1. Highlights and Overview



**2. STRATEGY IMPLEMENTATION**

3. Group Results Q1 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

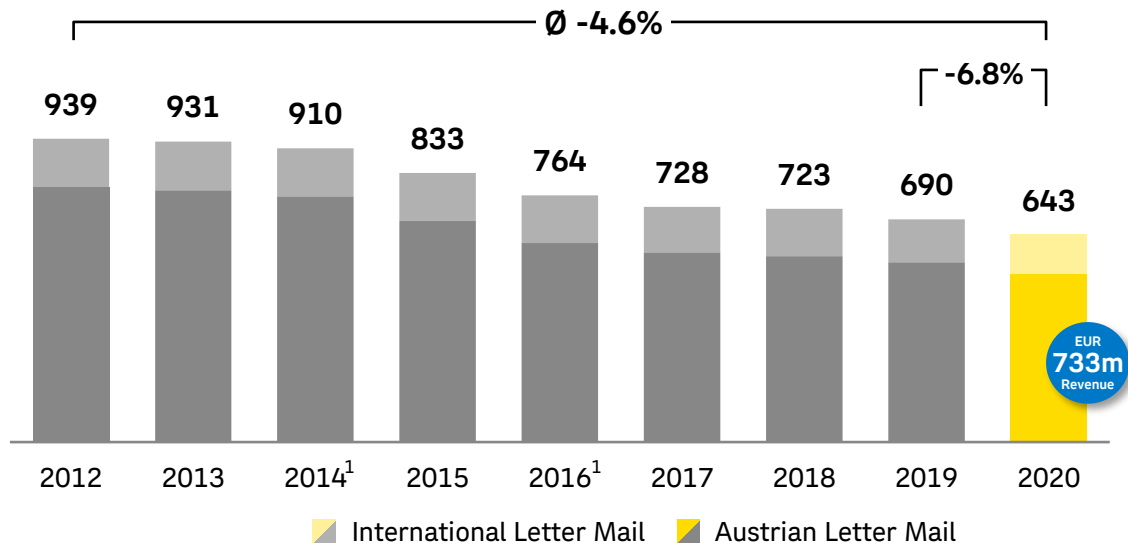


**3** Development of retail and digital offerings for private customers and SMEs

# 1 LETTER MAIL



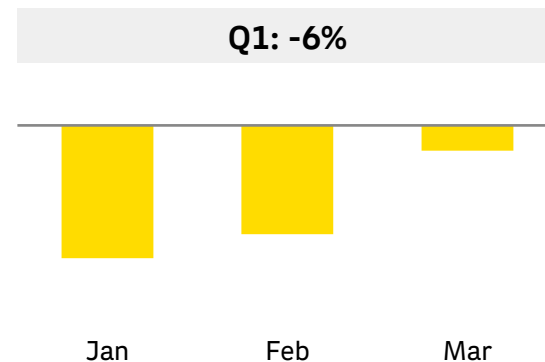
Volumes (millions of items)



## Letter Mail in Q1 2021

Mail volumes in 2021 still declining and volatile due to the pandemic, decline of 6%

## 2021 Letter Mail volumes in Austria

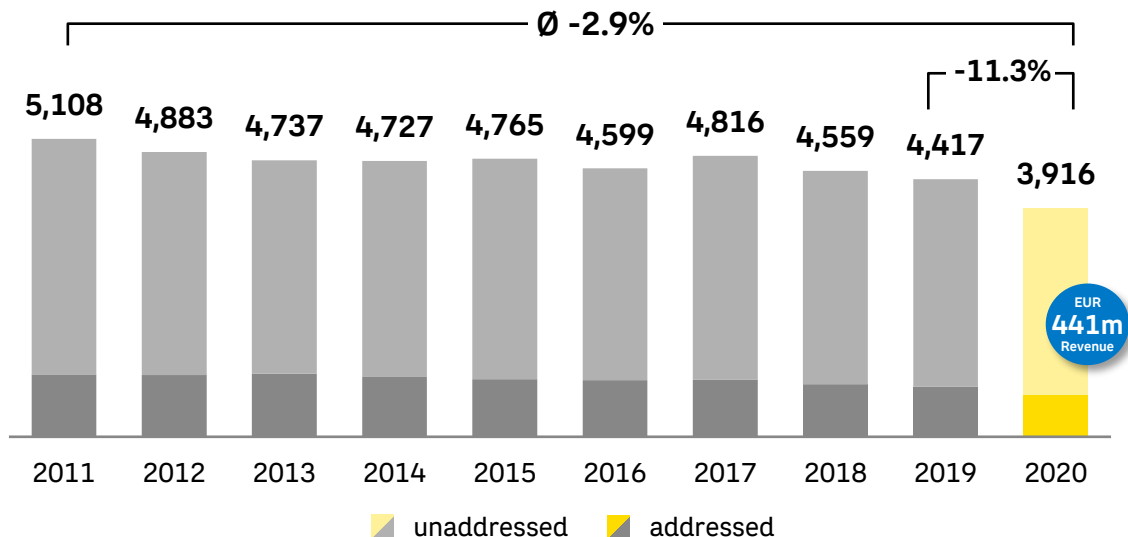


<sup>1</sup> Adjusted presentation due to automated calculation methodology

# 1 DIRECT MAIL/MEDIA POST IN AUSTRIA



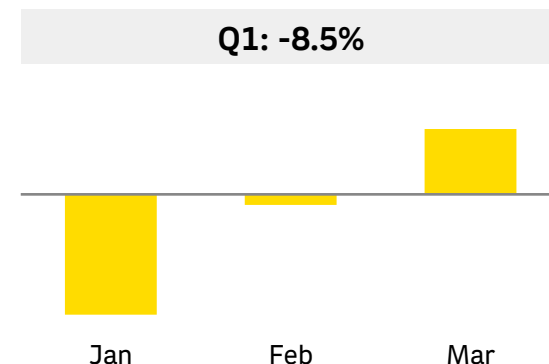
Volumes (millions of items)



## Direct Mail/Media Post in Q1 2021

Continuing structural volume decline and negative impact due to COVID-19 restrictions: Q1 -8.5%

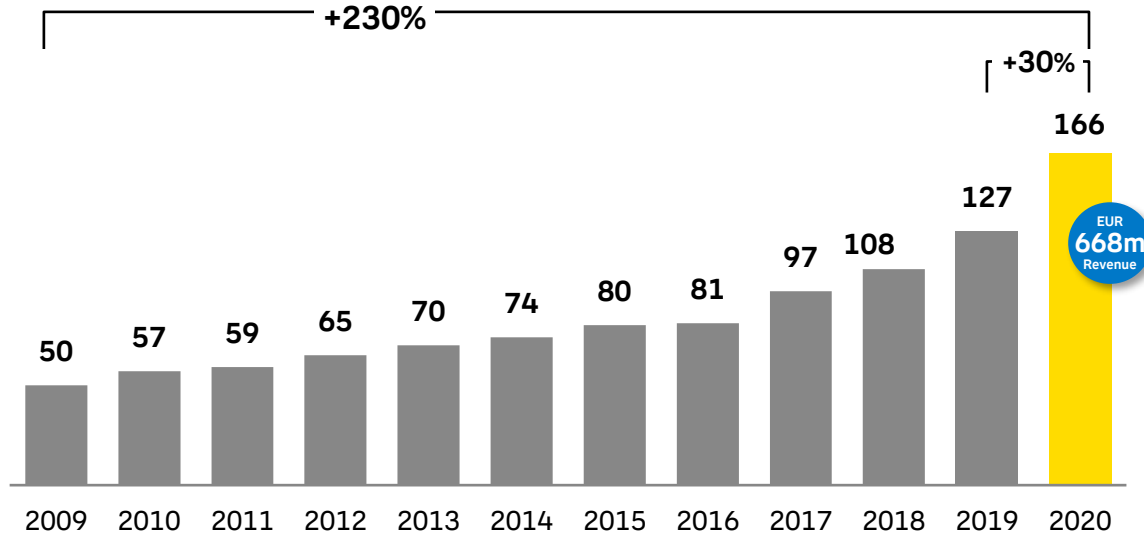
## 2021 Direct Mail/Media Post volumes in Austria



# 1 AUSTRIAN PARCEL BUSINESS MAINTAINS STRONG GROWTH



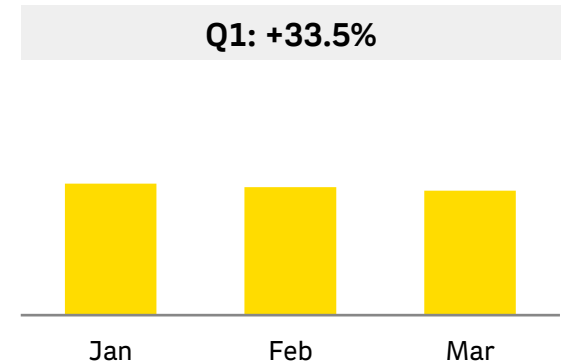
Volumes (millions of parcels)



## Parcel business in Q1 2021

Parcel growth of 33.5% driven by e-commerce and positive lockdown effects

## 2021 Parcel business volumes in Austria



# 1 FURTHER EXPANSION OF SORTING CAPACITIES

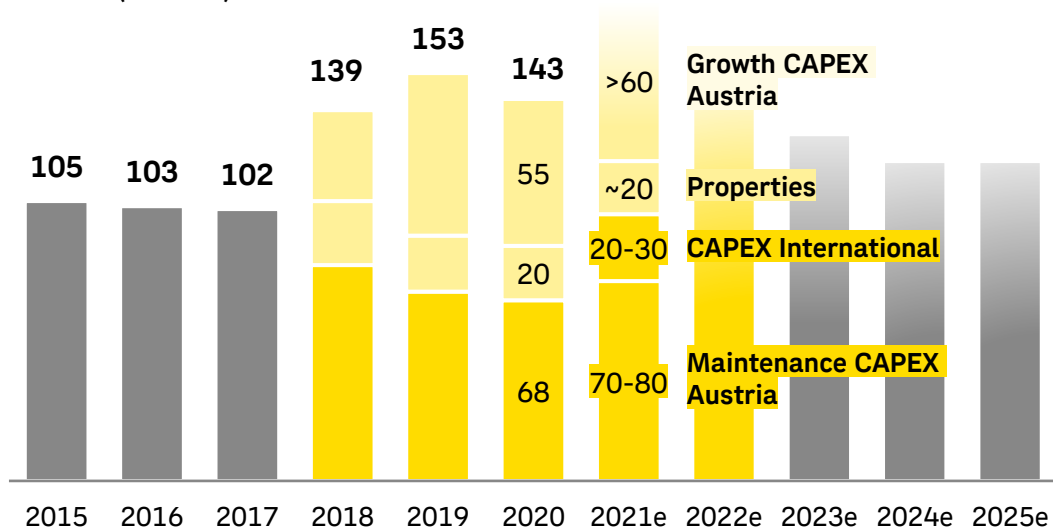


Capacity expansion is the top priority:

- Maintenance CAPEX of EUR 13.7m in Q1 2021
- Growth CAPEX (incl. properties) of EUR 4.7m in Q1 2021

Ongoing implementation of the 2018-2022 investment programme:  
+30% sorting capacity by 2022

CAPEX (EUR m)<sup>1</sup>



<sup>1</sup> 2015-2017 incl. CAPEX for new corporate headquarters

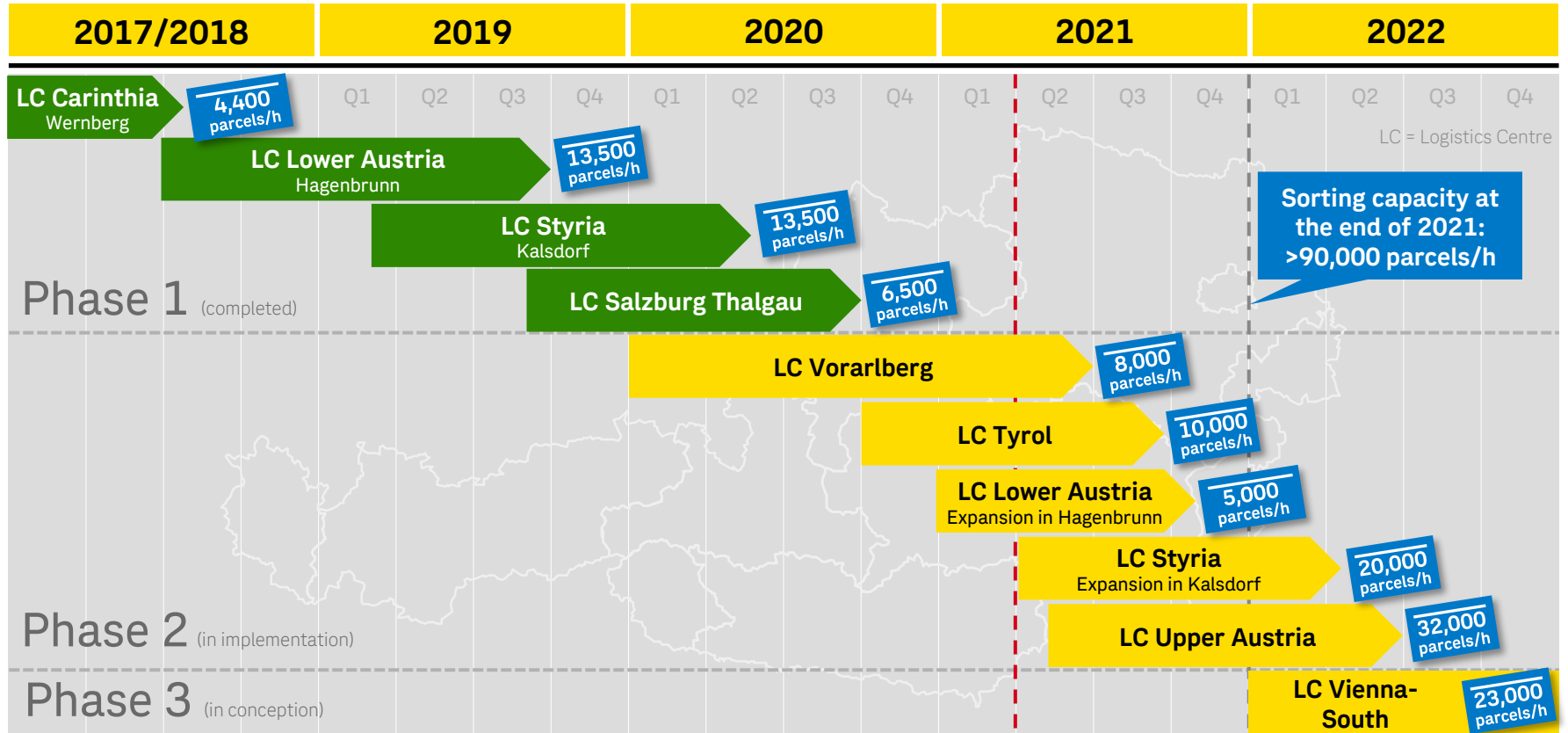
Logistics Centre Tyrol  
104,000 m<sup>2</sup> property



Logistics Centre Upper Austria  
126,000 m<sup>2</sup> property



# 1 LOGISTICS INFRASTRUCTURE EXPANSION IN AUSTRIA

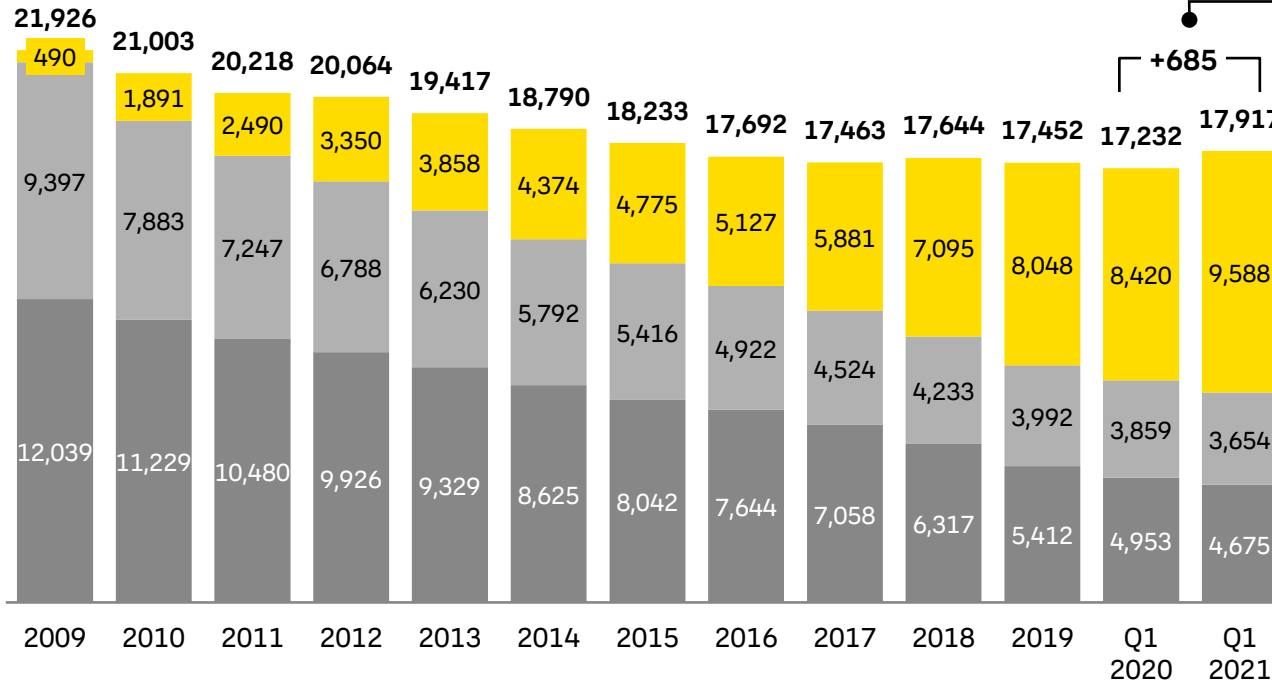


# 1 STAFF STRUCTURE IN AUSTRIA

## Full-time equivalents in the Austrian core business



FTEs (average for the period)



Increased demand for logistics staff due to higher parcel volumes

-278 Civil servants  
 -205 Employees Old CLA  
+1,168 Employees New CLA  
**+685 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

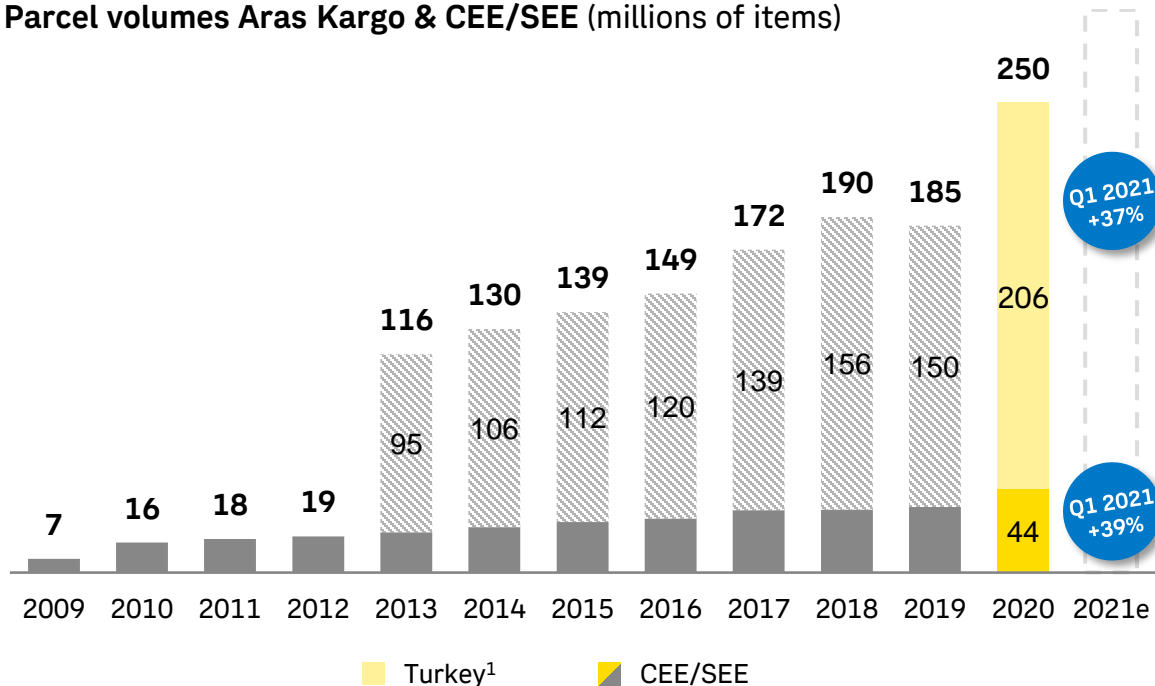
- |            |                          |
|------------|--------------------------|
| - Turkey   | - Serbia                 |
| - Slovakia | - Bulgaria               |
| - Hungary  | - Bosnia and Herzegovina |
| - Croatia  | - Montenegro             |



## 2 ONGOING GROWTH IN THE INTERNATIONAL PARCEL MARKETS OF AUSTRIAN POST



Parcel volumes Aras Kargo & CEE/SEE (millions of items)



Turkey: positive Q1 development based on solid volume growth

CEE/SEE: e-commerce as the driving force in all markets

<sup>1</sup> Including documents; full consolidation of the company as at 25. August 2020 (prior to that 25% stake)

## 2 ARAS KARGO



### Profile of Aras Kargo

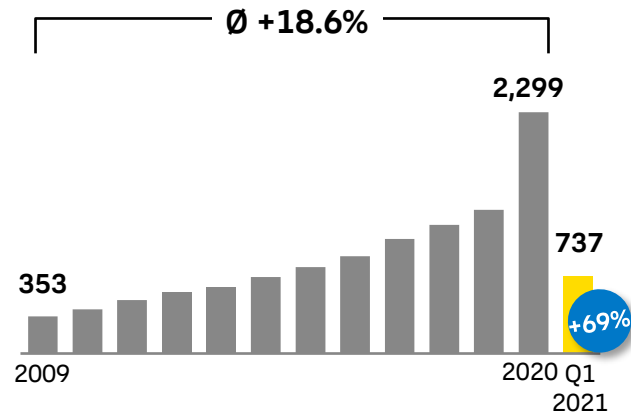
- Top player in Turkey's parcel market, founded in 1979
- 6,500 employees (FTEs), 47 logistics sites
- 900 branches and 5,000+ vehicles
- 55m parcels and documents in Q1 2021 (+37%)

### Financial indicators

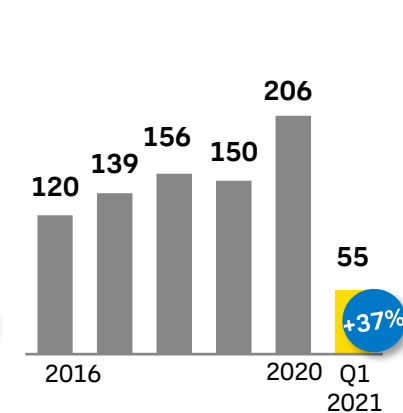
- Q1 2021 revenue: TRY 737m (EUR 83m)
- Full consolidation as at 25 August 2020
- Company is cash positive, no financial liabilities



### Revenue (TRY m)



### Volumes (millions of items)



### 3 BANK99 – THE BANK OF AUSTRIAN POST



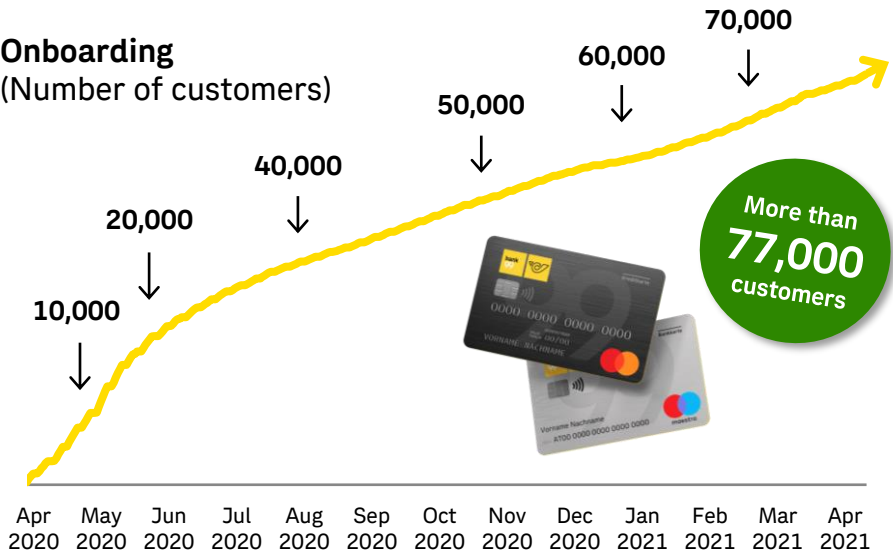
#### Product offering

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

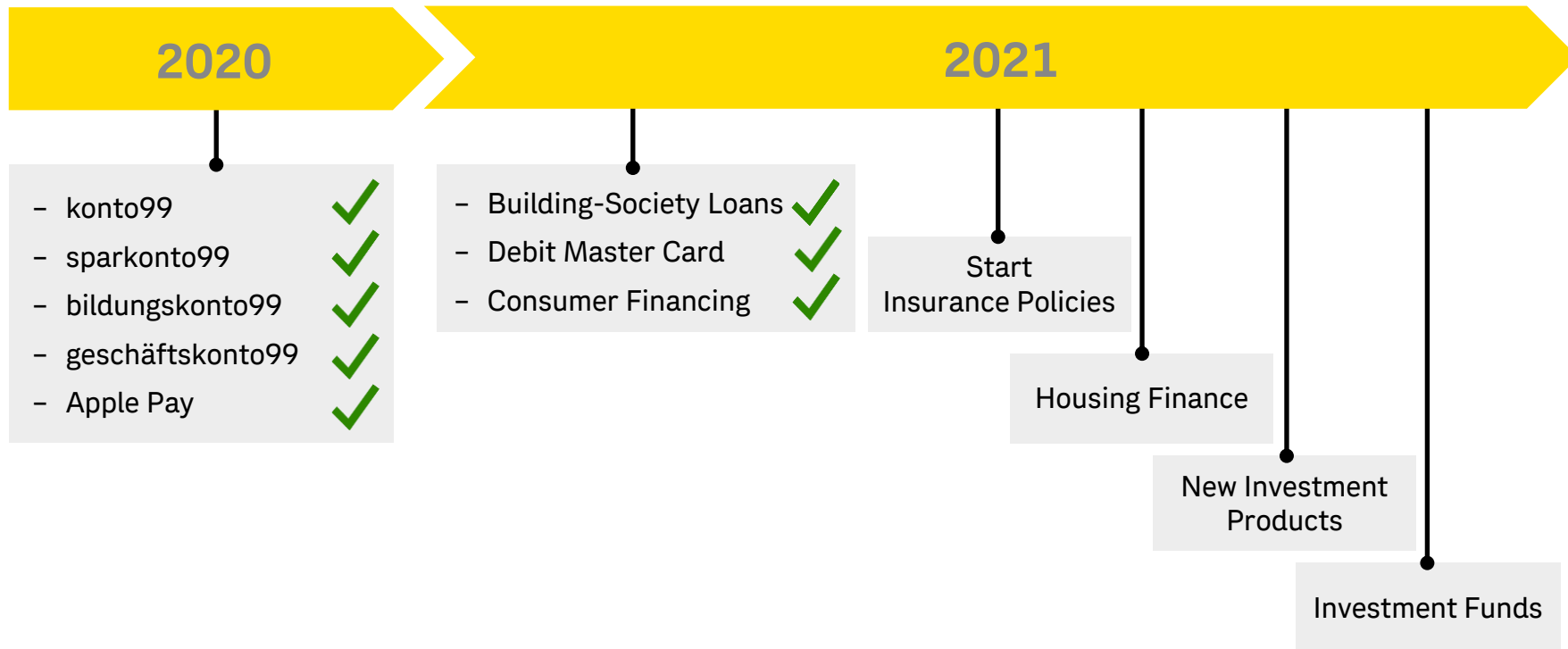
#### Strengths of bank99

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

#### Onboarding (Number of customers)



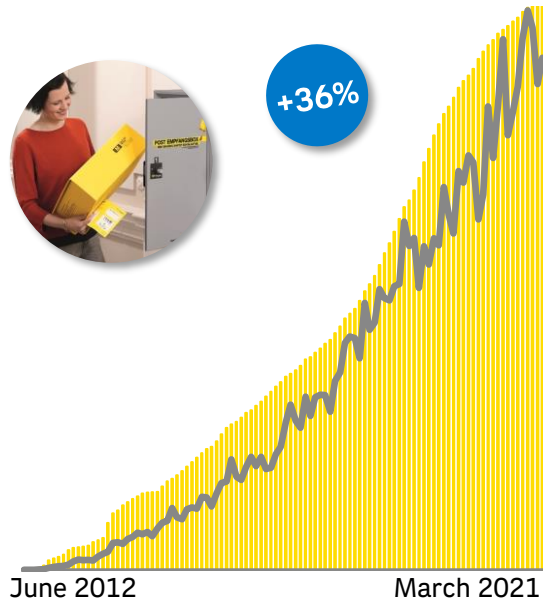
### 3 THE PRODUCT ROADMAP OF BANK99



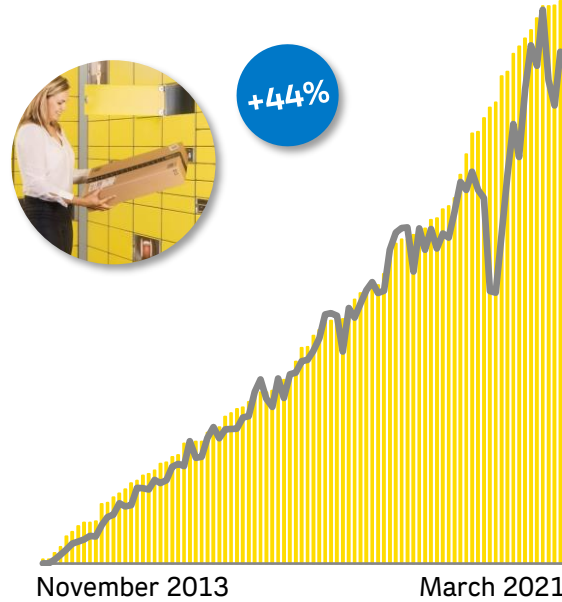
### 3 INNOVATIVE SERVICES IN OUR SELF-SERVICE ZONES



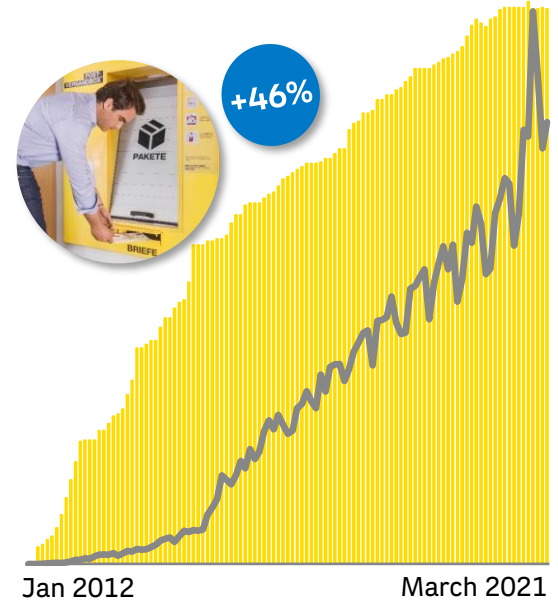
**Q1 2021: >1.2m items**  
53,215 pick-up boxes



**Q1 2021: >1.3m items**  
86,915 pick-up stations



**Q1 2021: >2.2m items**  
463 drop-off boxes



● Q1 2021 vs. Q1 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

# ► SUSTAINABILITY MASTER PLAN 2030 – KEY TOPICS



## Economy & Customers

- 1 Sustainable appearance & services for private customers
- 2 Sustainable mail & parcel products
- 3 Sustainable procurement
- 4 Sustainable governance & compliance
- 5 Stakeholder value

**Create infrastructure:**  
Initiative “Land Partner” in rural areas

**Test operations – hallway delivery:**  
another innovative solution to receive mail items



## Environment & Climate

- 6 Green & efficient mobility
- 7 Green & efficient buildings
- 8 Resource-efficient processes
- 9 Circular economy

**Green Graz:** already 50% implemented, CO<sub>2</sub>-free letter and parcel delivery

**2021 order of additional 600 e-vehicles**



## People & Social

- 10 Corporate & work culture
- 11 Integrated diversity management
- 12 Occupational health & safety
- 13 Digital responsibility
- 14 Social dialogue & partnerships

**COVID-19 – testing & vaccinating:** 33 in-house vaccination stations, testing services at more than 30 sites

**Re:Post – Uniform recycling:** implemented through workshops for people in need of assistance





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1. Highlights and Overview
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  - 3. GROUP RESULTS Q1 2021**
  4. Outlook 2021





## FINANCIAL INDICATORS AT A GLANCE



	Q1 2020	Q1 2021	
<b>Revenue</b> (EUR m)	502.8	<b>646.1</b>	Strong revenue growth of 28.5% in Q1 2021
<b>EBITDA margin</b> (%)	13.0	<b>15.3</b>	Earnings improvement leads to higher EBITDA margin
<b>EBIT margin</b> (%)	6.6	<b>9.2</b>	Good Q1 2021 EBIT margin
<b>Earnings/share</b> (EUR)	0.42	<b>0.71</b>	Earnings per share up by EUR 0.29 year-on-year
<b>Cash flow</b> (EUR m)	58.2	<b>74.4</b>	Strong operating free cash flow in Q1 2021

# KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2020 <sup>1</sup>	Q1 2021	%	Δ	
<b>Revenue</b>	<b>502.8</b>	<b>646.1</b>	<b>28.5%</b>	<b>143.3</b>	Higher national and international growth in parcels offsets decline in the Mail Division
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	Strong volume increase leads to higher transport costs
Staff costs	-253.5	-303.5	-19.7%	-50.0	Staff costs up by 7.4% due to full consolidation of Aras Kargo
Other operating costs	-70.3	-80.5	-14.6%	-10.3	
At equity consolidation	0.0	0.2	>100%	0.3	
<b>EBITDA</b>	<b>65.3</b>	<b>99.0</b>	<b>51.5%</b>	<b>33.6</b>	EBITDA improvement of EUR 33.6m compared to prior-year quarter
<i>EBITDA margin</i>	<i>13.0%</i>	<i>15.3%</i>	-	-	
Depreciation, amortisation and impairment	-32.0	-39.2	-22.5%	-7.2	
<b>EBIT</b>	<b>33.3</b>	<b>59.8</b>	<b>79.2%</b>	<b>26.4</b>	Good quarterly EBIT driven by positive revenue development
<i>EBIT margin</i>	<i>6.6%</i>	<i>9.2%</i>	-	-	
Financial result	1.1	2.4	>100%	1.3	
Income tax	-8.3	-12.3	-48.2%	-4.0	
<b>Profit for the period</b>	<b>26.2</b>	<b>49.9</b>	<b>90.5%</b>	<b>23.7</b>	
Earnings per share (EUR)	0.42	0.71	68.2%	0.29	

<sup>1</sup> Adjusted presentation

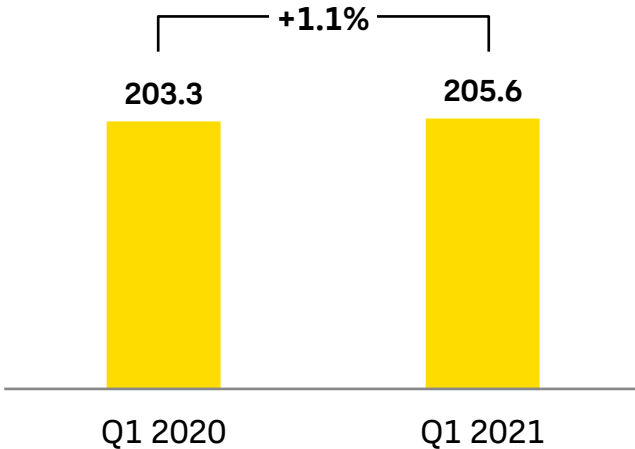


# MAIL DIVISION: Q1 2021 REVENUE DEVELOPMENT



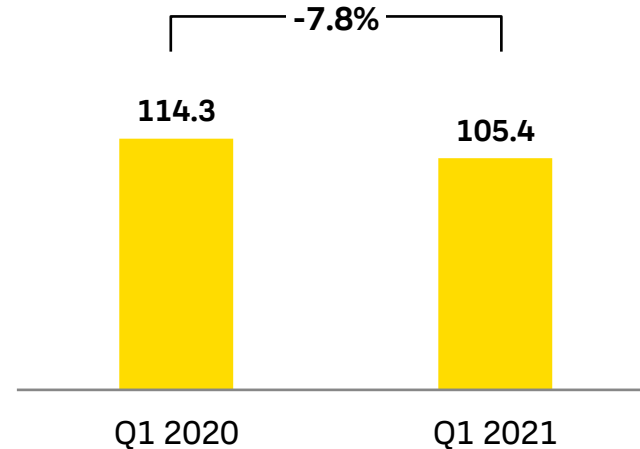
## Letter Mail & Business Solutions (EUR m)

- Revenue increase of 1.1%
- 6% volume decline in Austrian letter mail, intensified by COVID-19 pandemic
- Positive effects due to product/postal rate adjustments as at 1 April 2020 and special mailings in Q1 2021



## Direct Mail/Media Post (EUR m)

- Revenue down by 7.8%
- Volume decrease in Austria of 8.5% in Q1 2021
- Addressed items: structural decline in Austria accelerated by lockdown of retail shops
- High volatility by unaddressed items





# MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2020	Q1 2021	%	Δ	
<b>Revenue</b>	<b>317.5</b>	<b>311.0</b>	<b>-2.1%</b>	<b>-6.6</b>	Solid revenue development of Letter Mail with continuing volume decline
• Letter Mail & Business Solutions	203.3	205.6	1.1%	2.3	
• Direct Mail	83.8	76.6	-8.6%	-7.2	
• Media Post	30.5	28.8	-5.5%	-1.7	
Revenue intra-Group	0.7	0.7	9.0%	0.1	
Total revenue	318.2	311.7	-2.1%	-6.5	
<b>EBIT</b>	<b>46.9</b>	<b>45.5</b>	<b>-3.0%</b>	<b>-1.4</b>	
<i>EBIT margin<sup>1</sup></i>	<i>14.7%</i>	<i>14.6%</i>	-	-	Stable EBIT margin of 14.6%

<sup>1</sup> EBIT margin in relation to total revenue

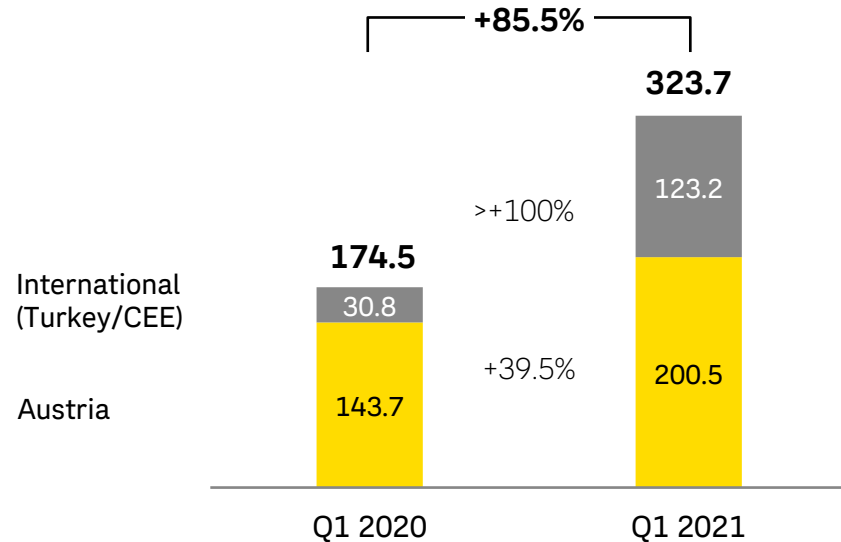


# PARCEL & LOGISTICS DIVISION: Q1 2021 REVENUE DEVELOPMENT



## Revenue development

EUR m



## Parcel & Logistics Division: +85.5%

E-commerce boost continues, Aras Kargo contributes to strong revenue increase

- ▶ **International (Turkey/CEE): EUR +92.4m**
  - Ongoing e-commerce impetus and COVID-19 drive B2C growth
  - Full consolidation of Aras Kargo as at 25 August 2020 adds EUR 82.8m in revenue in Q1 2021
  - Positive development in South East and Eastern Europe
- ▶ **Austria: +39.5%**
  - High organic growth due to strong online business and despite own delivery by one large customer in Eastern Austria



## PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2020	Q1 2021	%	Δ
<b>Revenue</b>	<b>174.5</b>	<b>323.7</b>	<b>85.5%</b>	<b>149.1</b>
• Premium	100.1	217.2	>100%	117.1
• Standard	56.8	80.6	41.9%	23.8
• Other Parcel Services	17.6	25.9	46.7%	8.2
Revenue intra-Group	0.3	0.2	-7.1%	0.0
Total revenue	174.8	323.9	85.3%	149.1
<b>EBIT</b>	<b>8.7</b>	<b>35.8</b>	<b>&gt;100%</b>	<b>27.1</b>
<i>EBIT margin<sup>1</sup></i>	<i>5.0%</i>	<i>11.1%</i>	-	-

High revenue increase due to continuation of ongoing organic revenue growth and full consolidation of Aras Kargo in Q3 2020

EBIT margin positively impacted by current market environment and special effects in logistics services

<sup>1</sup> EBIT margin in relation to total revenue

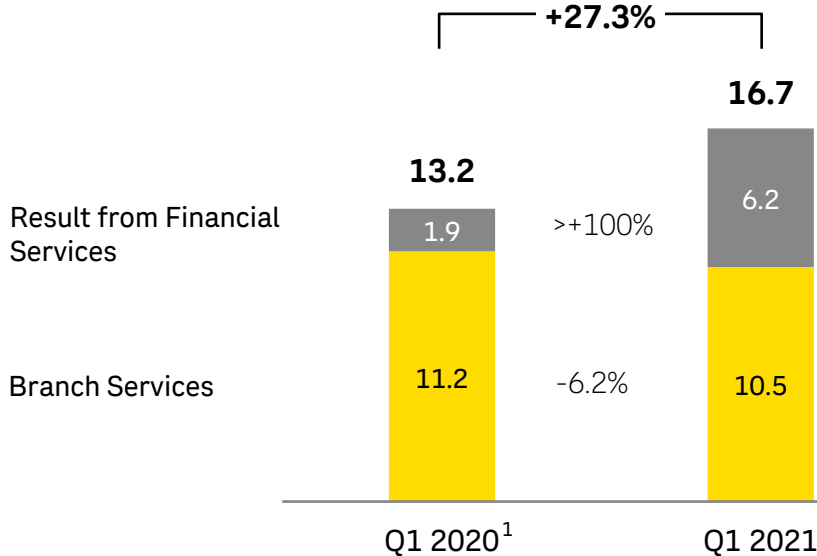


# RETAIL & BANK DIVISION: Q1 2021 REVENUE DEVELOPMENT



## Revenue development

EUR m



## Retail & Bank Division: +27.3%

Launch of bank99 in April 2020

- ▶ **Result from Financial Services**
  - Revenue of EUR 6.2m in Q1
- ▶ **Branch Services: -6.2%**
  - Positive development for retail goods and branch products (2020 still included revenue from the former banking partner)

<sup>1</sup>Adjusted presentation



## RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2020 <sup>1</sup>	Q1 2021	%	Δ
<b>Revenue</b>	<b>13.2</b>	<b>16.7</b>	<b>27.3%</b>	<b>3.6</b>
• Branch Services	11.2	10.5	-6.2%	-0.7
• Result from Financial Services	1.9	6.2	-	4.3
Revenue intra-Group	43.8	45.9	4.9%	2.1
Total revenue	56.9	62.6	10.1%	5.7
<b>EBIT</b>	<b>-16.4</b>	<b>-18.4</b>	<b>-12.4%</b>	<b>-2.0</b>

<sup>1</sup> Adjusted presentation

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

EUR 6.2m in revenue due to good customer growth up and cash payments for third parties (e.g. pensions)

Positive development of bank99, EBIT decline due to staff-related provision allocated in 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

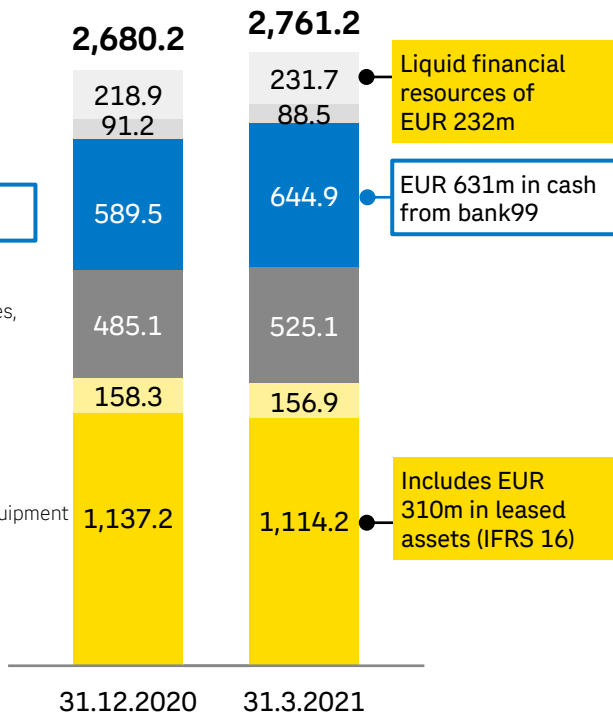
Receivables, inventories,  
other<sup>1</sup>

Intangible assets

Property, plant and equipment

Financial services/  
bank99

<sup>1</sup> Includes IFRS 5 assets



## EQUITY & LIABILITIES

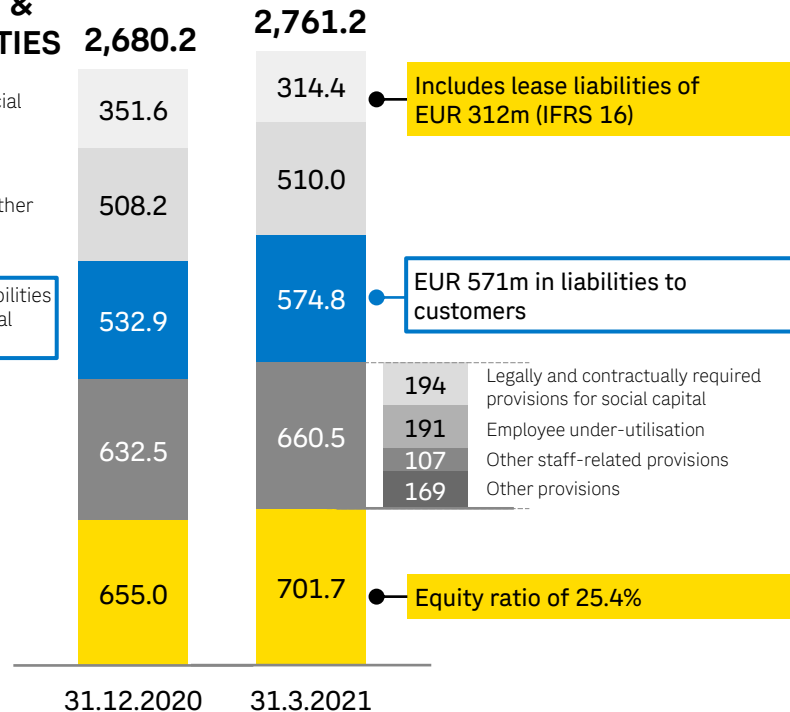
Other financial liabilities

Liabilities, Other

Financial liabilities from financial services

Provisions

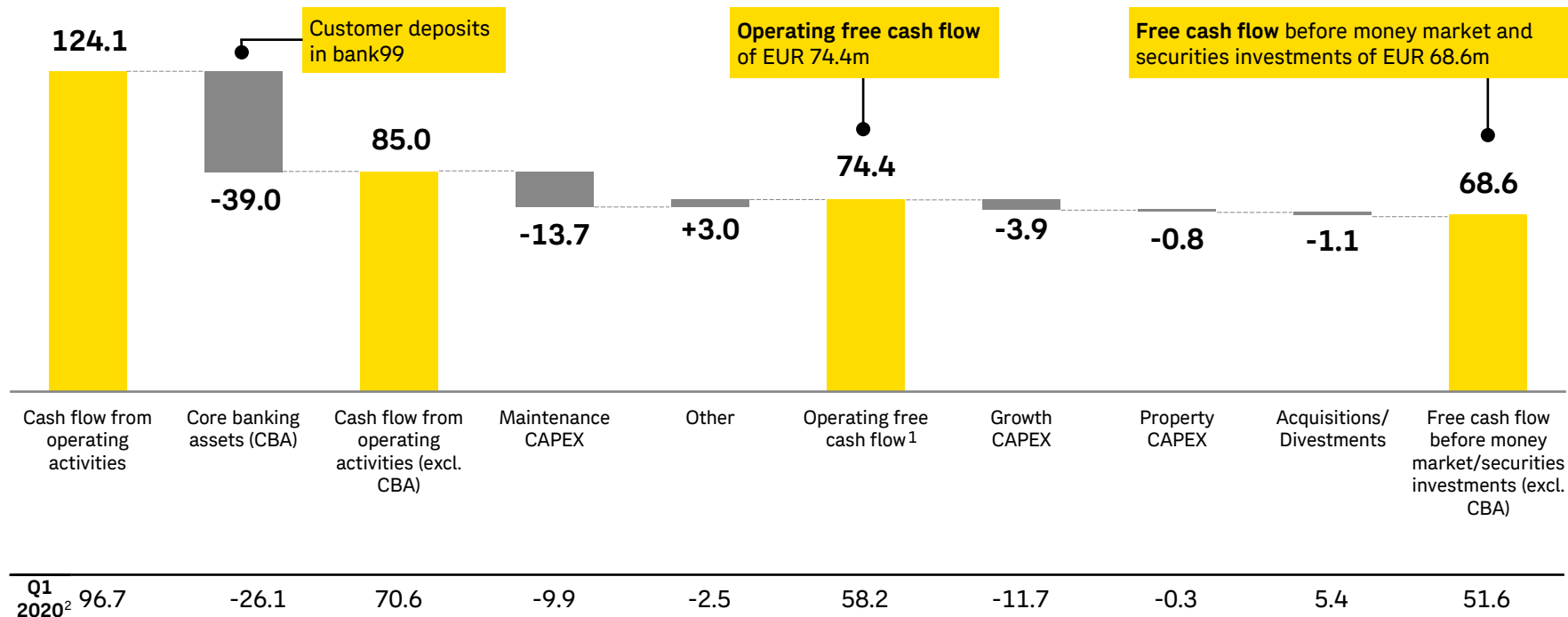
Equity



# IMPROVED Q1 2021 CASH FLOW VS. Q1 2020



EUR m



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

<sup>2</sup> Adjusted presentation



- 
1. Highlights and Overview
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# OUTLOOK 2021



## Market environment

- 2021 still impacted by the pandemic and government-imposed measures
- Assumption of a slow economic recovery in the course of the year
- Business development influenced by high volatility and reduced visibility



## Revenue

- Revenue increase of over 10% expected in 2021
  - Stability or slight decline possible in the Mail Division
  - Strong increase of more than 25% in the Parcel & Logistics Division, supported by Aras Kargo integration
  - Ongoing revenue growth in the Retail & Bank Division



## Investments/CAPEX

- Ongoing implementation of 2018-22 investment programme in Austria: planned capacity expansion of 30% by 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 also possible
- International CAPEX 2021: Planned investments of approx. EUR 20-30m in CEE/SEE and Turkey



## Earnings

- Targeted Group EBIT increase in 2021 of about 15% (basis 2020 EBIT: EUR 161m)
  - Expected stable or slightly declining development in the Mail Division
  - Earnings increase in the Parcel & Logistics Division of at least 25%
  - Improved earnings in the Retail & Bank Division
  - Remaining uncertainty due to the pandemic and related lockdown measures

# CONTACT



## Austrian Post

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## Financial Calendar 2021

12 August 2021

11 November 2021

Half-Year Financial Report 2021

Interim Report Q1-3 2021

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