



AUSTRIAN POST IN 2022:

Sound second half-year period (+4.2 %) could offset the first half-year decline (-4.0 %): revenue of EUR 2,522m

Revenue in 2022

- Group revenue up by 0.1% to EUR 2,522.0m
- Volatile development during the quarters: Q1-Q4: -7.1%/-0.8%/+5.7%/+3.0%
 - Mail down by 0.5% to EUR 1,218.0m (Q4: +0.1%)
 - Parcel & Logistics down by 2.5% to EUR 1,214.6m or up by 0.8% excl. Parcel Türkiye (Q4: +2.7% or stable excl. Parcel Türkiye)
 - Retail & Bank up by 64.0% to EUR 122.5m (Q4: +68.3%)

Earnings in 2022

- EBITDA up by 0.6% to EUR 372.7m (Q4: +10.3%)
- EBIT down by 8.0% to EUR 188.4m (Q4: +3.9%)
 - Mail up by 1.6% to EUR 157.6m
 - Parcel & Logistics down by 24.8% to EUR 88.8m
 - Retail & Bank up by 32.0% to minus EUR 26.7m

Cash flow, balance sheet and dividend

- Operating free cash flow 2022 of EUR 183m
- Balance sheet total of EUR 5.4bn as at 31 December 2022 significantly expanded since inclusion of bank99 in 2020
- Dividend proposal to the Annual General Meeting on 20 April 2023 of EUR 1.75 per share

Outlook for 2023

- Inflation remains a challenge, economic environment and purchasing power in the regions are difficult to forecast, lower visibility
- Target of revenue growth in the low to mid-single digit range
- Earnings (EBIT) target at about the same level as the previous year

Austrian Post faced challenging overall geopolitical and economic conditions in 2022. High inflation and the war in Ukraine, together with the related energy shortages, affected consumer behaviour. Similar to other companies, Austrian Post needs to address in the current situation both revenues and costs to maintain operational stability.

"Against this backdrop, 2022 was satisfactory with stable revenue of EUR 2,522.0m" states CEO Georg Pölzl and adds: "Although revenue was down by 4.0% in the first half of the year compared to the very sound half-year figures of the previous year, second half-year revenue increased by 4.2%." In the 2022 financial year, revenue in the Mail Division declined from EUR 1,224.2m to EUR 1,218.0m (-0.5%), with revenue in the Parcel & Logistics Division down from EUR 1,245.7m to EUR 1,214.6m (-2.5%) and revenue in the Retail & Bank Division increasing from EUR 74.7m to EUR 122.5m (+64.0%). Revenue in 2022 in the Mail Division was negatively impacted by the structural decline in addressed letter mail and



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direct mail volumes due to electronic substitution. Special effects for traditional letters as well price adjustments across the entire product portfolio had a positive impact. In the financial year 2022, the Parcel & Logistics Division reported reduced revenue, especially in the Türkiye parcel business, as well as declines in pandemic-related special logistics services. Positive effects in interest and commission income led to an increase in the 2022 revenue of the Retail & Bank Division.

The key earnings indicators for the year 2022 are as follows: EBITDA increased by 0.6% to EUR 372.7m (Q4: +10.3%) and earnings before interest and taxes (EBIT) decreased by 8.0% to EUR 188.4m (Q4: +3.9%). The Mail Division reported an increase in earnings (EBIT) of 1.6% to EUR 157.6m (Q4: +5.7%). EBIT of the Parcel & Logistics Division was reduced from EUR 118.1m to EUR 88.8m (-24.8%; Q4: -17.9%) and the Retail & Bank Division improved to minus EUR 26.7m in 2022 after minus EUR 39.2m (+32.0%; Q4: +65.6%) in the previous year. Austrian Post's profit for the period amounted to EUR 128.1m compared to EUR 158.4m (-19.1%; Q4: -9.4%) last year. This results in earnings per share of EUR 1.86 for 2022. Based on a solid performance and balance sheet position, an attractive dividend of EUR 1.75 per share will again be proposed to the Annual General Meeting on 20 April 2023.

The political and economic challenges of last year are also expected to shape the economic environment in 2023. As a result, it is crucial for Austrian Post to address these underlying conditions in terms of both revenue and costs. Therefore, the company aims to grow in the low to mid-single digit range based on the Group revenue of EUR 2.5bn in 2022. Despite the expected increase in costs due to the ongoing inflation, earnings (EBIT) of about the same level as last year should be achievable with planned revenue growth in 2023.

The capacity expansion programme in Austria should also be completed by the end of 2023, resulting in a sorting capacity of around 140,000 parcels per hour. We are also investing heavily in the further expansion of our sustainable vehicle fleet to use more electric vehicles, because "our aim is to continue securing our leading position in terms of quality of service provision, as well as efficiency and speed, through climate-friendly logistics" CEO Georg Pölzl adds. Austrian Post is therefore planning capital expenditures in the range of EUR 160m – EUR 180m for 2023.

"At the moment, we express our sincere sympathy especially to the people affected by the severe earthquakes in Türkiye and Syria. Austrian Post provided immediate aid in the form of large tents for emergency shelters and also participated in a fundraising campaign, as well as provides support to employees and the local population through its Turkish subsidiary Aras Kargo. In addition, we would like to extend our sincere thanks to all employees and partners of Austrian Post. They all performed an outstanding job under the challenging conditions of 2022. Together, we will successfully continue to remain the preferred partner for our customers" CEO Georg Pölzl concludes.

The complete version of the outlook as well as detailed information (excerpts) from the Group management report for the 2022 financial year can be found starting on page 4. The entire report is available on the Internet under post.at/investor in the Reporting - Download Centre.



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KEY FIGURES

EUR m	2021	2022	Change		Q4 2021	Q4 2022
			%	EUR m		
Revenue	2,519.6	2,522.0	0.1%	2.4	685.4	706.2
Mail	1,224.2	1,218.0	-0.5%	-6.2	330.8	331.1
Parcel & Logistics	1,245.7	1,214.6	-2.5%	-31.1	340.1	349.4
Retail & Bank	74.7	122.5	64.0%	47.8	22.2	37.3
Corporate/Consolidation	-25.0	-33.2	-32.6%	-8.2	-7.7	-11.6
Other operating income	95.2	107.3	12.7%	12.1	35.8	28.3
Raw materials, consumables and services used	-715.7	-750.1	-4.8%	-34.4	-198.8	-218.9
Expenses for financial services	-5.4	-11.3	<-100%	-5.9	-1.7	-1.8
Staff costs	-1,160.1	-1,144.2	1.4%	15.9	-312.6	-298.8
Other operating expenses	-363.8	-352.3	3.2%	11.5	-104.5	-102.3
Results from financial assets accounted for using the equity method	0.6	-0.3	<-100%	-1.0	0.4	-0.1
Net monetary gain	0.0	1.8	>100%	1.8	0.0	2.2
EBITDA	370.4	372.7	0.6%	2.4	104.0	114.7
Depreciation, amortisation and impairment losses	-165.6	-184.3	-11.3%	-18.7	-43.3	-51.6
EBIT	204.7	188.4	-8.0%	-16.3	60.7	63.1
Mail	155.2	157.6	1.6%	2.4	44.4	46.9
Parcel & Logistics	118.1	88.8	-24.8%	-29.3	36.7	30.1
Retail & Bank	-39.2	-26.7	32.0%	12.6	-5.3	-1.8
Corporate/Consolidation ¹	-29.3	-31.3	-6.9%	-2.0	-15.1	-12.1
Financial result	11.7	-24.7	<-100%	-36.4	10.1	-3.6
Profit before tax	216.4	163.7	-24.4%	-52.7	70.8	59.5
Income tax	-58.0	-35.6	38.7%	22.5	-22.9	-16.1
Profit for the period	158.4	128.1	-19.1%	-30.3	47.9	43.4
Earnings per share (EUR)²	2.25	1.86	-17.5%	-0.39	0.69	0.61
Gross cash flow	442.4	330.6	-25.3%	-111.8	124.5	96.8
Cash flow from operating activities	493.3	-80.0	<-100%	-573.3	80.6	65.5
CAPEX	161.2	151.8	-5.8%	-9.4	67.3	52.4
Free cash flow	748.4	-270.3	<-100%	-1,018.7	378.4	9.6
Operating free cash flow³	217.9	183.1	-16.0%	-34.8	21.5	35.5

¹ Includes the intra-Group cost allocation procedure

² Undiluted earnings per share in relation to 67,552,638 shares

³ Free cash flow before acquisitions/securities/money market investments, Growth CAPEX and core banking assets

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EXCERPTS FROM THE MANAGEMENT REPORT 2022

REVENUE DEVELOPMENT IN DETAIL

The Austrian Post Group's revenue rose slightly by 0.1% to EUR 2,522.0m in 2022. After a subdued first half of the year (-4.0%) compared to the excellent development in the previous year, there was a positive trend in the second half (+4.2%). The parcel business in Türkiye was hit hard by inflation and currency effects after an extraordinarily successful year in 2021. Excluding the business in Türkiye (Parcel Türkiye), revenue increased by 1.9% in the 2022 financial year.

The Mail Division recorded a slight drop in revenue of 0.5% in the 2022 financial year, with the Parcel & Logistics Division reporting a drop of 2.5%. Excluding the business in Türkiye (Parcel Türkiye), revenue increased by 0.8%. The Retail & Bank Division showed positive development with revenue up by 64.0% to EUR 122.5m in 2022.

The Mail Division accounted for 47.7% of Austrian Post's revenue in the 2022 financial year. The decline in revenue of 0.5% was due to the structural decline in the volume of addressed letters and direct mail due to electronic substitution and a lower volume of international mail. This was countered by positive special effects in conventional letters, as well as adjustments in the price structure in the entire product portfolio.

The Parcel & Logistics Division generated 47.5% of total revenue in the reporting period. Particularly in the parcel business in Türkiye, the current market situation (inflation and currency effects) led to a decline compared with the successful business performance witnessed in 2021. In Austria, parcel revenue rose by 1.5% compared to the previous year, with the increase in Southeast and Eastern Europe coming in at 4.0%. Logistics Solutions recorded lower revenue than in the same period of the previous year due to reduced positive special logistics services associated with the pandemic.

The Retail & Bank Division achieved a 4.8% share of revenue in the 2022 financial year with revenue of EUR 122.5m (+64.0%). The retail banking business of ING in Austria was taken over in December 2021. This had a positive effect on the interest and commission income of bank99.

Revenue in the **Mail Division** amounted to EUR 1,218.0m in 2022, 63.1% of which can be attributed to the Letter Mail & Business Solutions business, 26.5% to Direct Mail and 10.4% to Media Post.

At EUR 768.4m, revenue in the **Letter Mail & Business Solutions** business fell short of the prior-year level by 0.4%. The fundamental trend towards declining volumes resulting from the substitution of letters by electronic forms of communication continued. The decline in vaccination and test-related communication also had a negative impact. Price adjustments in the second half of the year, as well as special effects due to one-off mailings from public authorities and energy suppliers, as well as elections, had a positive impact on revenue. Conventional letter volumes fell slightly in the 2022 financial year (-3%), supported by special effects. The development in letter volumes is still characterised by the difficult overall conditions. Increases in fuel, energy and staff costs prompted by inflation also lead to necessary price adjustments: a price adjustment for economy letters came into effect on 1 July 2022 and an adjustment of prices for priority items took effect on 1 October 2022. There was a decline in international letter mail, while the Business Solutions segment showed an increase.

Revenue from **direct mail** fell by 1.9% to EUR 322.9m in the 2022 financial year. In the direct mail business, the move by governments to close businesses in response to COVID-19 had a particularly negative impact in the previous year. The current restrained direct mail behaviour was partially offset by adjustments to the price structure. The pressure in the direct mail market is being exacerbated further by



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the higher energy and paper prices. As a result, we expect the direct mail business to continue on a downward trend.

The revenue from **media post**, i.e. the delivery of newspapers and magazines, rose by 2.7% year-on-year to EUR 126.7m.

Revenue in the **Parcel & Logistics Division** fell by 2.5% to EUR 1,214.6m in the 2022 financial year. The decline is mainly due to the **parcel business in Türkiye**. While the revenue reported by the Turkish subsidiary in local currency terms increased by almost 70% (based on an IAS 29 hyperinflation measurement) in the 2022 financial year, a decline of 13.4% was reported in euros. Parcel volumes in 2022 were down by 9% compared to the previous year, although a recovery emerged in the fourth quarter of 2022 (+7%).

The **Austrian parcel business** saw revenue increase by 1.5% year-on-year in the 2022 reporting period. After extraordinarily high volume growth in previous years (2021: +11%, 2020: +30%), parcel volumes are now showing signs of consolidation (-1%). The second half of 2022 brought a parcel volume increase of 4% (adjusted on a daily basis) and showed a return to a positive trend.

The **parcel business in Southeast and Eastern Europe** continues to grow, rising by 4.0% to EUR 172.0m in the 2022 financial year, with parcel volumes up by 6% year-on-year in 2022.

Logistics Solutions (incl. consolidation), which also provides special logistics services such as the transportation of COVID-19 test kits, decreased by 13.2% to EUR 63.7m in the current reporting period. The decline in positive special effects from logistics services provided in connection with the pandemic in the previous year had an impact in the 2022 financial year.

Revenue in the **Retail & Bank Division** improved by 64.0% from EUR 74.7m to EUR 122.5m in the 2022 financial year. Revenue from **branch services** decreased by 5.4% from EUR 41.8m to EUR 39.5m in the current reporting period. **Income from financial services** increased from EUR 32.9m to EUR 83.0m in 2022, showing a strong increase due to the acquisition of ING's retail banking business at the end of 2021. Bank99 offers a focused portfolio of financial products and services, such as current accounts, loans, housing loans and fund and savings products.

EARNINGS DEVELOPMENT

The Group's earnings were driven by stable revenue and higher expenses in 2022. The structure of expenses of Austrian Post is characterised by a high share of staff costs. Accordingly, 46.9% of total operating expenses incurred by Austrian Post in 2022 were accounted for staff costs. The second largest expense item, at 30.7%, was the cost of raw materials, consumables and services used, which largely includes outsourced transport services. Furthermore, 14.4% could be attributed to other operating expenses and 7.5% to writedowns. Expenses for financial services account for 0.5% of total operating expenses.

Staff costs in the 2022 financial year amounted to EUR 1,144.2m, down by 1.4% or EUR 15.9m. Operating staff costs increased compared to the previous year, while non-operating staff costs decreased. The Austrian Post Group had an average of 27,132 employees (full-time equivalents) in 2022, compared to an average of 27,275 employees in the same period of the previous year (-0.5%). Non-operating staff costs relate to severance payments and changes in provisions, which can be attributed



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primarily to the specific employment situation of civil servant employees. In contrast to 2021, no additional provisions had to be made for this in the 2022 financial year.

Raw materials, consumables and services used increased by 4.8% to EUR 750.1m in 2022. The increase is due primarily to higher fuel and energy costs, as well as the resulting increase in transport costs for external freight companies. The currency translation of the Turkish lira, which resulted in lower expenses in euros compared to the previous year, had the opposite effect on this item.

EBITDA in 2022 came to EUR 372.7m, 0.6% above the previous year's level of EUR 370.4m, corresponding to an EBITDA margin of 14.8% in 2022. Depreciation, amortisation and impairment losses in 2022 were up by 11.3% or EUR 18.7m year-on-year to EUR 184.3m. The increase is mainly due to investments in new parcel logistics infrastructure locations.

EBIT reached EUR 188.4m in the 2022 financial year, compared to EUR 204.7m in the previous year. The EBIT margin amounted to 7.5%. The option measurement of the remaining 20% stake in the Turkish parcel Services provider Aras Kargo and the IAS 29 hyperinflation measurement led to positive one-off effects of EUR 13.6m in EBIT and negative valuation effects of EUR 18.8m in the financial result.

The Group's financial result in 2022 came to minus EUR 24.7m, as against EUR 11.7m in the previous year. After deducting income taxes of EUR 35.6m, the profit for the period in the 2022 financial year was EUR 128.1m, compared to EUR 158.4m in 2021. Basic earnings per share were EUR 1.86 compared to EUR 2.25 in the previous year.

EARNINGS BY DIVISION

Due to the current challenging market environment, consolidated EBIT for 2022 decreased from EUR 204.7m to EUR 188.4m (-8.0%). In particular, the earnings contribution made by the Turkish parcel business decreased in the 2022 financial year due to volume consolidation, inflation and currency pressure after an extremely successful 2021.

In terms of divisional result, the Mail Division achieved EBIT of EUR 157.6m as against EUR 155.2m in the previous year. The positive revenue trend, bolstered by special effects from one-off mailings, led to this positive contribution to earnings.

The Parcel & Logistics Division generated EBIT of EUR 88.8m in the 2022 financial year, compared to EUR 118.1m in the previous year. This corresponds to a decline of 24.8% and can be attributed to the fact that special logistics services were reduced, as well as to the difficult environment on the Turkish market, where the local subsidiary was able to achieve a reduced but positive result.

The Retail & Bank Division reported EBIT of minus EUR 26.7m in 2022, compared to minus EUR 39.2m in the previous year, meaning that earnings improved by 32.0% or EUR 12.6m. The ramp-up of the financial services business resulting from the takeover of ING's retail banking business in Austria at the end of 2021 had a positive effect. Increased integration and IT expenses counteracted this positive trend.

EBIT in the Corporate Division (incl. Consolidation and the intra-group apportionment procedure) changed from minus EUR 29.4m to minus EUR 31.3m. The Corporate Division provides non-operating



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services which are essential for the purpose of the administration and financial control of a corporate group. In addition to conventional governance tasks, these activities include the management and development of properties not required for operations, the management of significant financial investments, the provision 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

At minus EUR 80.0m, cash flow from operating activities was below the previous year's figure of EUR 493.3m. The biggest effects here can be traced back to changes in the core banking assets of bank99 amounting to minus EUR 334.3m, as against EUR 193.2m in the same period of the previous year. Cash flow from operating activities excluding core banking assets amounted to EUR 254.3m in the 2022 financial year. Cash flow from investing activities amounted to minus EUR 190.4m in 2022 as against EUR 255.1m in the previous year. Expenses for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 151.8m in the reporting period.

Austrian Post relies on operating free cash flow as an indicator in order to assess the financial strength of its operating business and to cover the dividend for the financial year. Operating free cash flow, excluding the change in core banking assets, amounted to EUR 183.1m in the current reporting period, compared to EUR 217.9m in the previous year, putting it at a solid level.

Austrian Post's total assets of EUR 5.4bn as at 31 December 2022 have expanded significantly since the inclusion of bank99 in 2020. On the assets side, the consolidated balance sheet as at 31 December 2022 showed cash and cash equivalents of bank99 amounting to EUR 0.9bn and loans of bank99 amounting to EUR 1.6bn, while on the liabilities side, the consolidated balance sheet includes customer deposits of bank99 amounting to EUR 2.8bn.

Including bank99, the balance sheet is as follows: property, plant and equipment of EUR 1,333.6m was one of the largest balance sheet items and included right-of-use assets under leases of EUR 403.0m. The balance sheet shows receivables of EUR 390.0m, other financial assets amounted to EUR 71.6m as at 31 December 2022. Financial assets from financial services amounted to EUR 3,125.1m at the end of 2022 and mainly result from the business activities of bank99.

On the equity and liabilities side of the balance sheet, the equity of the Austrian Post Group amounted to EUR 710.4m as at 31 December 2022 (equity ratio of 13.2%). The pro forma equity ratio, taking into account bank99 using the equity method, came to 30% at the end of December 2022. Furthermore, provisions of EUR 627.5m are shown on the equity and liabilities side as at 31 December 2022, trade and other payables amounted to EUR 500.3m. Financial liabilities from financial services amounting to EUR 2,965.6m result mainly from the business activities of bank99 (deposit and investment business of bank99's customers).



OUTLOOK FOR 2023

The political and economic challenges that emerged in Europe in the course of 2022 will continue to shape the economic environment in 2023. In particular, high inflation driven by excess demand, as well as bottlenecks in the energy and commodity markets, will keep companies on their toes for longer due to the wage-price effects that are now starting to set in. It is important to take cost increases that cannot be avoided into account as much as possible when designing products and defining prices.

Revenue Growth in 2023

Austrian Post, too, will have to address these challenging overall conditions both in terms of revenue and costs. This will require both price adjustments as well as efficiency improvements in internal processes. The company is striving to maintain or increase its revenue in all areas. Based on consolidated revenue of EUR 2.5bn in 2022, the company is aiming for growth in the low to mid single-digit range.

In the Mail Division, a slight dip in revenue is forecast for 2023. The fundamental trend in the volume development of conventional letters continue to decline in the order of approx. 5% p.a. Direct mail and media post volumes are also under pressure. Increased gas and paper prices are putting pressure on cost structures for many of our customers. Due to the international pressure of factor cost increases for fuel, energy or staff, for example, it is crucial to constantly evaluate the product and price structure of the entire letter mail portfolio in order to ensure an attractive and up-to-date offering that provides value for money.

The Parcel & Logistics Division is now expected to grow again after the slight decline in the 2022 financial year. Assuming a stable economic environment in the countries in which Austrian Post operates, revenue growth in the upper single-digit range is within the realms of possibility. Challenges remain, however, in all of the regions covered by Austrian Post, and purchasing power and consumer behaviour in the current inflationary environment is difficult to forecast. Planning uncertainty is created by increased self-delivery by customers with large mail volumes and volatile exchange rates with the Turkish lira.

Revenue in the Retail & Bank Division is also expected to continue to increase in 2023. The top priority in bank99's financial services business lies in further expanding the customer base and new services, as well as pushing ahead with IT integration. The aim is still to reach the break-even point at bank99 in 2024.

Group Earnings in 2023

It is difficult to forecast Group earnings for 2023 due to the current overall conditions. The macro issues described earlier will become even more challenging than in the past financial year due to strong factor cost increases coupled with economic headwind. As a result, there is only limited visibility for the mail and parcel markets in 2023. Unavoidable cost increases will have to be taken into account in product design and pricing. Earnings strength must continue to guarantee high-quality operations, as well as the necessary investments in capacity expansion and the switch to sustainable, emissions-free delivery. As a result, the company's target for 2023 is to counteract the increase in costs by generating revenue growth and, in doing so, to achieve earnings (EBIT) at about the same level as the previous year.



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Investment Programme in 2023

The investment programme includes the finalisation of capacity expansion measures for parcel services in Austria to achieve a sorting capacity of 140,000 parcels per hour. Furthermore, the expansion of the sustainable vehicle fleet towards greater e-mobility is set to continue. Investment activities in 2023 will be based on maintenance CAPEX in Austria, Southeast and Eastern Europe, and Türkiye on a scale of EUR 100m. In addition, growth CAPEX of EUR 60m to EUR 80m is planned in Austria.

Austrian Post's aim remains to offer a combination of growth and strong dividends. The growth opportunities that are emerging are being secured by making appropriate structural investments. In addition, the cash flow generated from operations should continue to ensure the necessary basic investments, as well as an attractive dividend policy.

The Management Board will propose to the Annual General Meeting scheduled for 20 April 2023 that it approve the distribution of a dividend in the amount of EUR 1.75 per share. Thus, the company is continuing its attractive dividend policy: Austrian Post continues to pursue the objective of distributing at least 75% of the Group's net profit to its shareholders.