
AUSTRIAN POST Investor Presentation Q1 2022



Walter Oblin, CFO
Vienna, 13 May 2022





1. HIGHLIGHTS AND OVERVIEW



2. Strategy Implementation
3. Group Results Q1 2022
4. Outlook 2022

AUSTRIAN POST AT A GLANCE



Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Revenue 2021:
EUR 1,224m



Parcel & Logistics

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

Revenue 2021:
EUR 1,246m



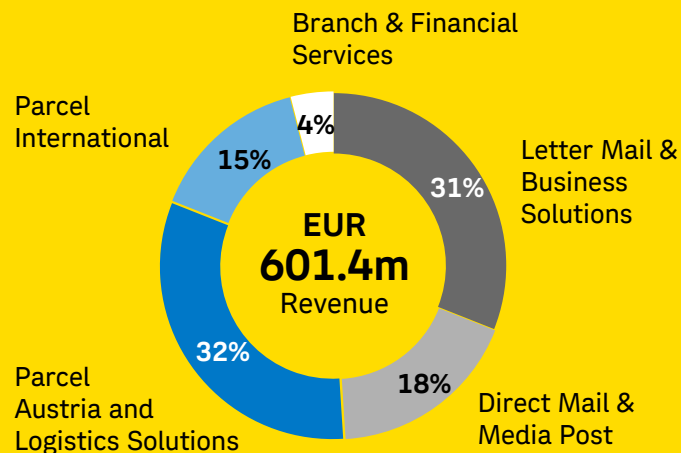
Retail & Bank

- Branch and Financial Services
- Customer Services

Revenue 2021:
EUR 75m



Revenue mix Q1 2022



Group

Revenue 2021: EUR 2,520m

EBITDA 2021: EUR 370m

EBIT 2021: EUR 205m

LATEST TRENDS IN 2022



General mail and parcel trends

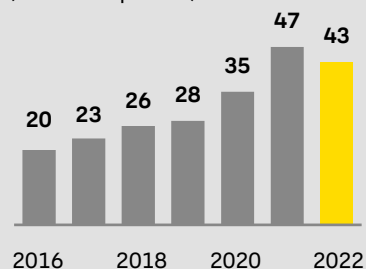
- Decrease of positive special effects from 2021
 - Record parcel volumes during lockdowns
 - Additional pandemic-related business
- Restrained consumer sentiment at present

Additional international trends

- Pressure on the Turkish lira
- Higher raw materials' prices, particularly for energy
- Soaring inflation and bottlenecks in global supply chains

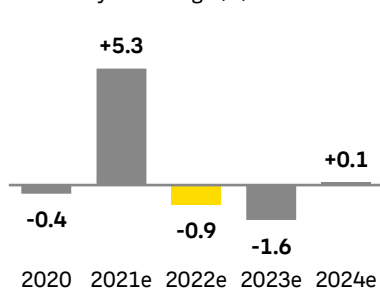
Q1 Austrian parcel volumes

Consolidation after sharp rise
(millions of parcels)



Public consumption

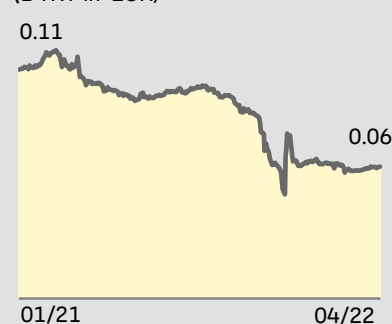
Macro problems with a negative impact
Year-on-year change (%)



Source: Austrian National Bank (OeNB), WIFO, IHS
(April 2022)

FX rate Turkish lira

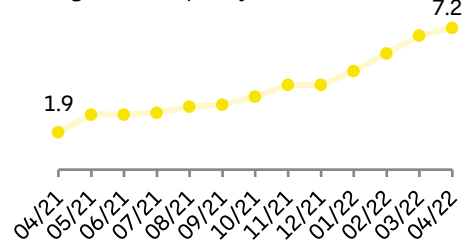
Strong pressure in H2 2021
(1 TRY in EUR)



Source: Austrian National Bank (OeNB)

Consumer price index Austria

Soaring inflation
Change from the prev. year (%)



Source: Statistics Austria (April 2022); Basis 2015 = 100

Q1 2022 OVERVIEW



Revenue
EUR 601.4m (-7.1%/-2.4%¹)

Mail	-3.9%	EUR 298.9m
Parcel & Logistics	-12.5%	EUR 283.1m
excl. Parcel Turkey	-3.4%	EUR 232.7m
Parcel Turkey	-39.1%	EUR 50.4m
Retail & Bank	+49.3%	EUR 26.4m



EBIT
EUR 39.6m (-33.7%)

	Q1 2022	Q1 2021
EBIT margin	6.6%	9.2%
Mail	13.7%	14.6%
Parcel & Logistics	6.2%	11.1%



Measures

- Revenue: Moderate inflation adjustments
- Expenditure: Services with utmost efficiency
- CAPEX: Assessment of investments



Outlook 2022

- Increased uncertainty in forecasting
- Targeted of as much as possible stable revenue (2021: EUR 2.5bn)
- Expected 2022 EBIT in the range of 2021 (EUR 205m) and 2020 (EUR 161m)

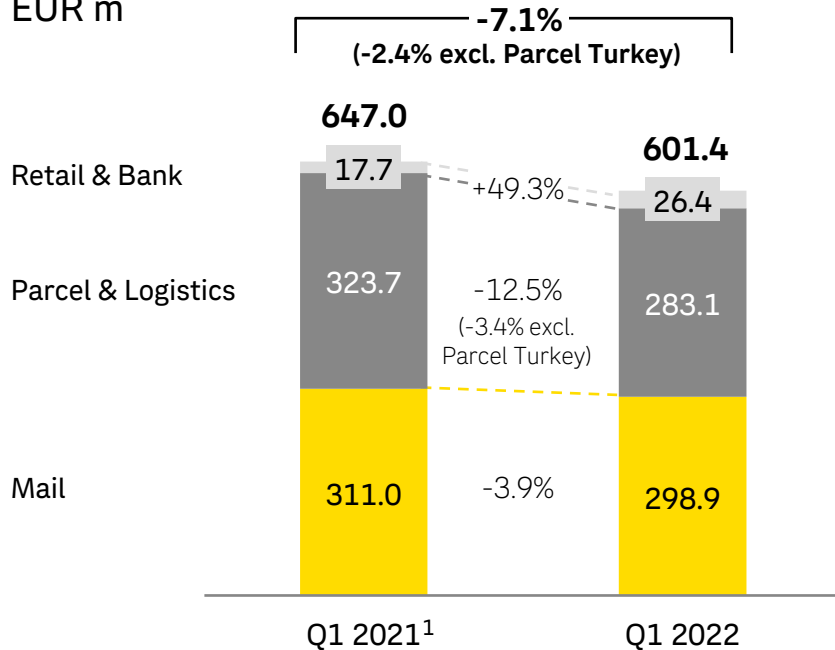
¹Excl. Parcel Turkey

GROUP REVENUE IN Q1 2022 BELOW THE HIGH PRIOR-YEAR LEVEL



Revenue development

EUR m



Group: -7.1% to EUR 601.4m

Decline in Mail and Parcel, Parcel Turkey revenue down by approx. -40% in Euro YOY

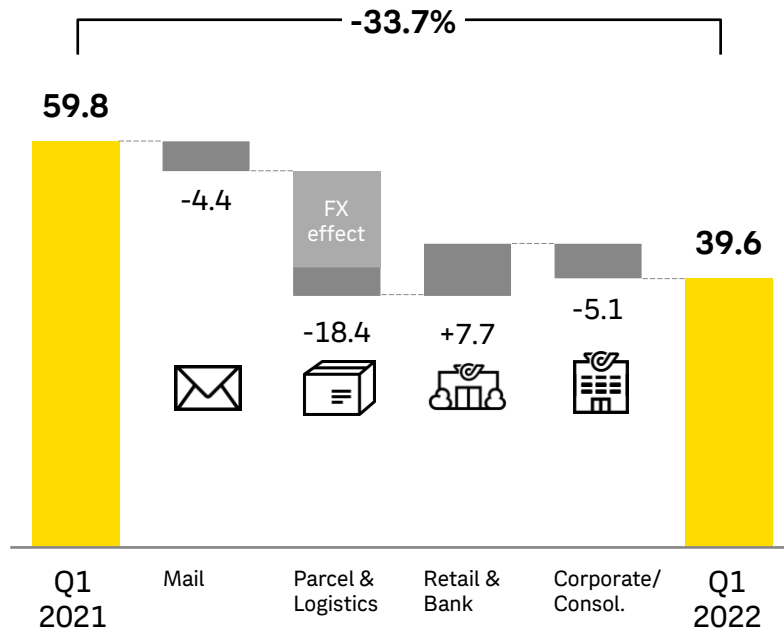
- ▶ **Mail: -3.9% to EUR 298.9m**
 - Decrease in letter mail to EUR 187.6m (Austria -5.1%; International -23.9%)
 - 5.5% increase in Direct Mail and Media Post to EUR 111.2m following a weak prior-year quarter
- ▶ **Parcel & Logistics: -12.5% to EUR 283.1m**
 - Downward revenue development of Parcels Austria (-6.8%) after a strong Q1 2021
 - Parcel Turkey revenue drop due to FX rate (-39.1%)
 - Further growth in Parcel CEE/SEE revenue (+3.8%)
 - Sharp rise in Logistics Solutions revenue (+16.0%)
- ▶ **Retail & Bank: +49.3% to EUR 26.4m**
 - Income from Financial Services up from EUR 7.1m to EUR 17.4m
 - Branch Services revenue down from EUR 10.5m to EUR 9.0m

¹ Adjusted presentation

Q1 2022 EARNINGS STRONGLY IMPACTED BY THE PARCEL BUSINESS



EBIT development EUR m



Group: -33.7% to EUR 39.6m

Decline in parcel business heavily affected by Turkish lira FX rate, positive development in the Retail & Bank Division

- ▶ **Mail: -9.7% to EUR 41.1m**
 - Volume drop in letter mail and discontinuation of special mailings; high level of fixed costs
 - Recovery of Direct Mail after a weak Q1 2021
- ▶ **Parcel & Logistics: -51.3% to EUR 17.4m**
 - Reduced earnings contribution of the Turkish business (FX rate lira/euro in Q1 2022 of 15.7 vs. 8.9 in Q1 2021) as well as the decrease in positive COVID-19 special effects
 - Mid single-digit EBIT margin in Turkey
- ▶ **Retail & Bank: +41.8% to minus EUR 10.7m**
 - Acquisition of ING Austria's retail business



1. Highlights and Overview



2. STRATEGY IMPLEMENTATION

3. Group Results Q1 2022

4. Outlook 2022

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

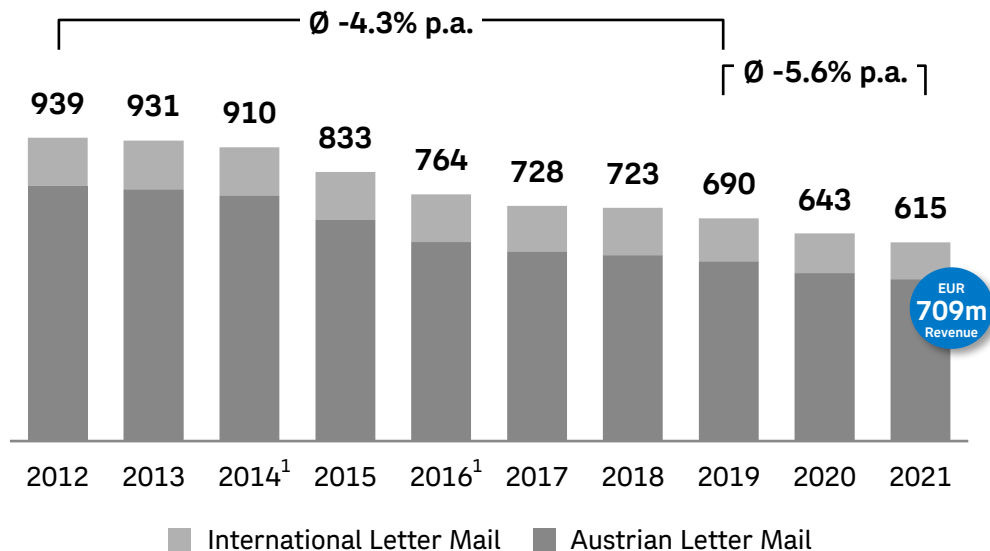


3 Development of retail and digital offerings for private customers and SMEs

1 LETTER MAIL

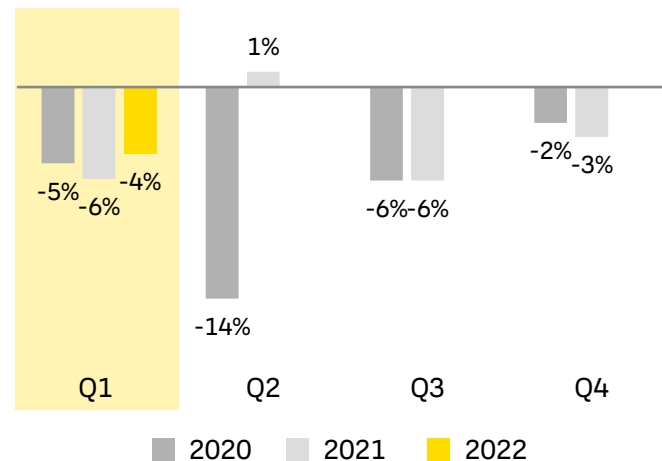


Austrian and International Volumes (millions of items)



Austrian Letter Mail volumes

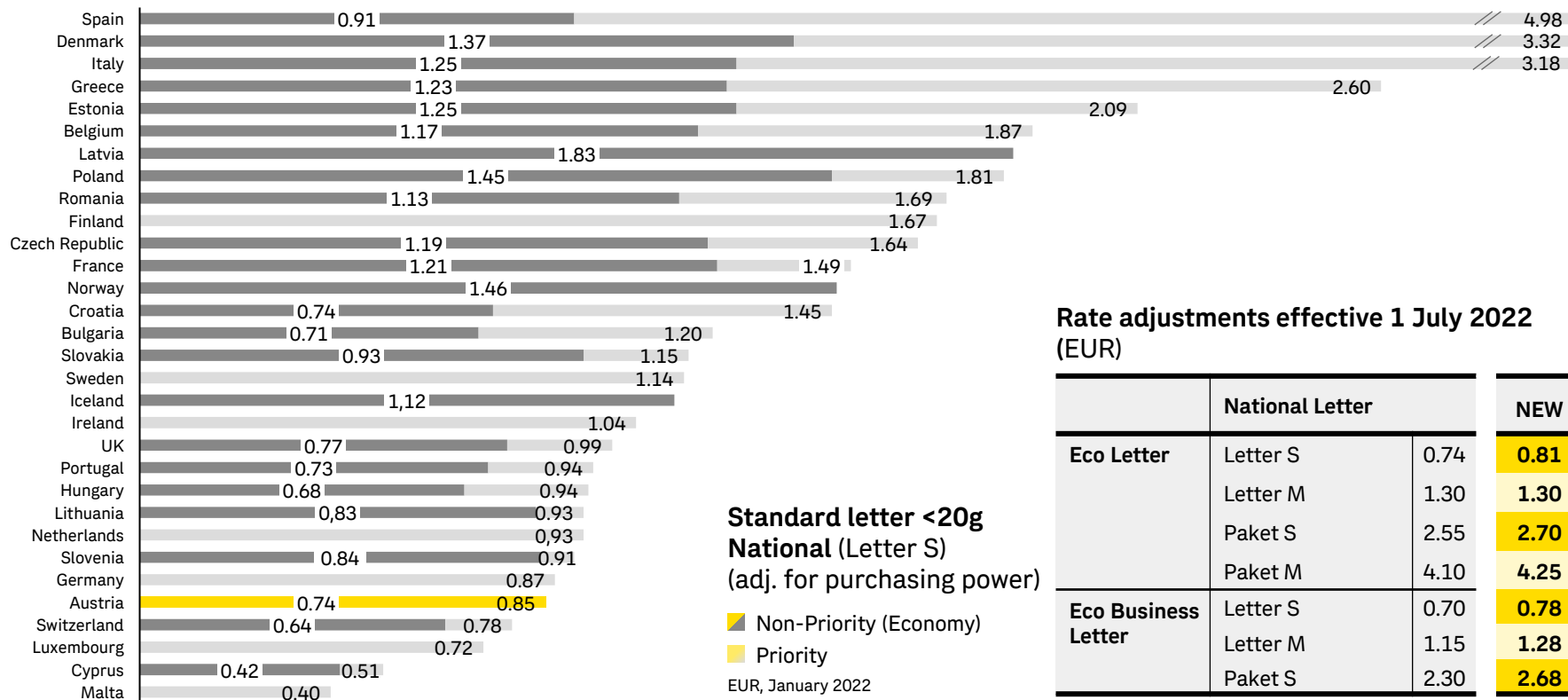
- Ongoing decline of letter mail volumes
- Drop of 4% in Q1 2022



¹ Adjusted presentation due to automated calculation methodology

1 PRIORITY AND NON-PRIORITY POSTAL RATES IN EUROPE

Rate adjustments effective 1 July 2022



**Standard letter <20g
National (Letter S)**
(adj. for purchasing power)

■ Non-Priority (Economy)
■ Priority

EUR, January 2022

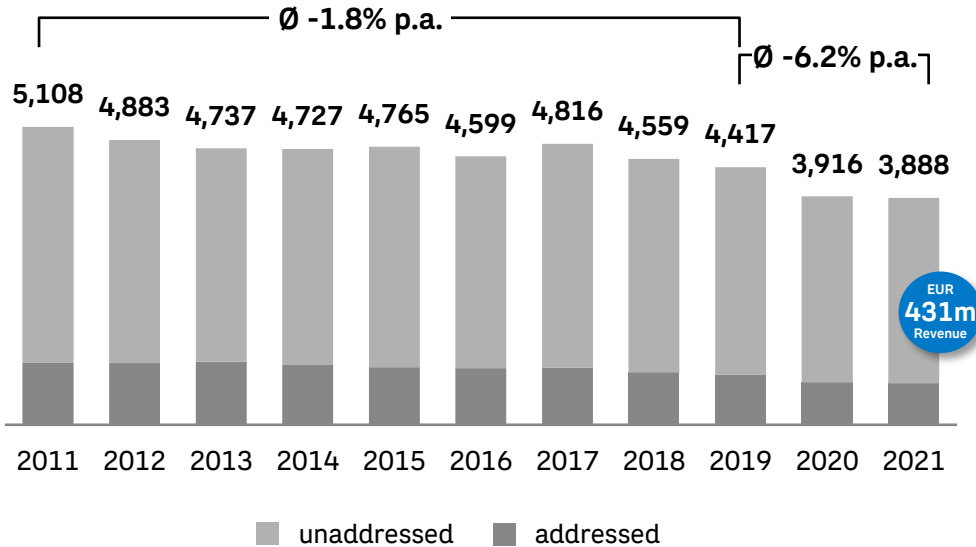
Rate adjustments effective 1 July 2022 (EUR)

	National Letter		NEW
Eco Letter	Letter S	0.74	0.81
	Letter M	1.30	1.30
	Paket S	2.55	2.70
	Paket M	4.10	4.25
Eco Business Letter	Letter S	0.70	0.78
	Letter M	1.15	1.28
	Paket S	2.30	2.68

1 DIRECT MAIL/MEDIA POST IN AUSTRIA

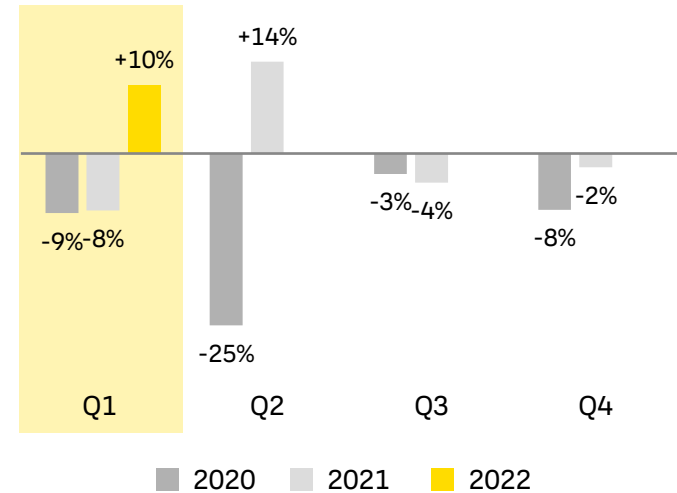


Volumes
(millions of items)



Direct Mail/Media Post volumes

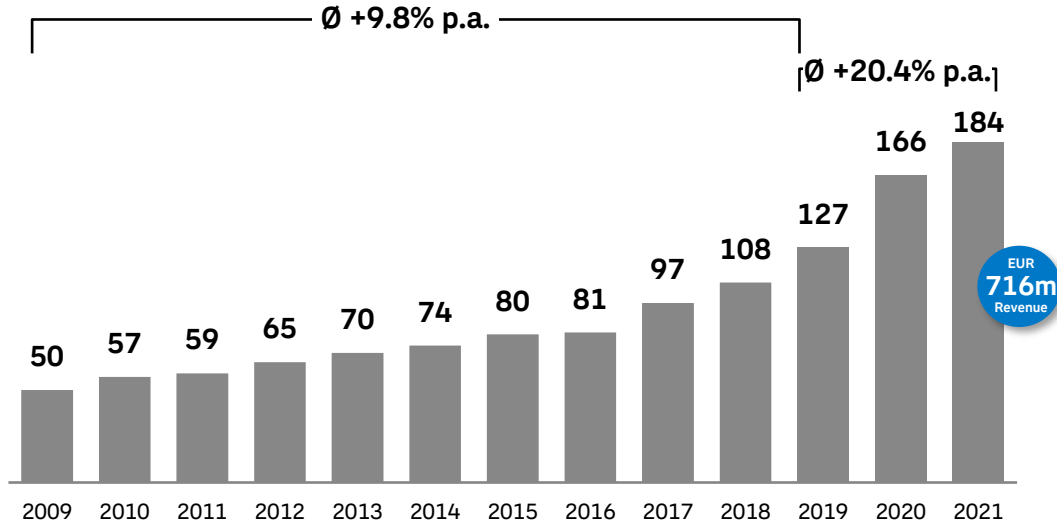
- Recovery, above all for unaddressed items, after a weak prior-year quarter
- Increase of 10% in Q1 2022



1 PARCEL BUSINESS IN AUSTRIA

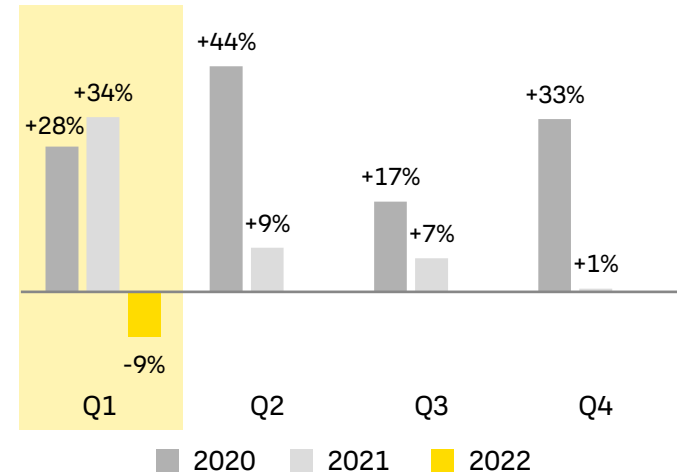


Volumes
(millions of items)



Parcel volumes

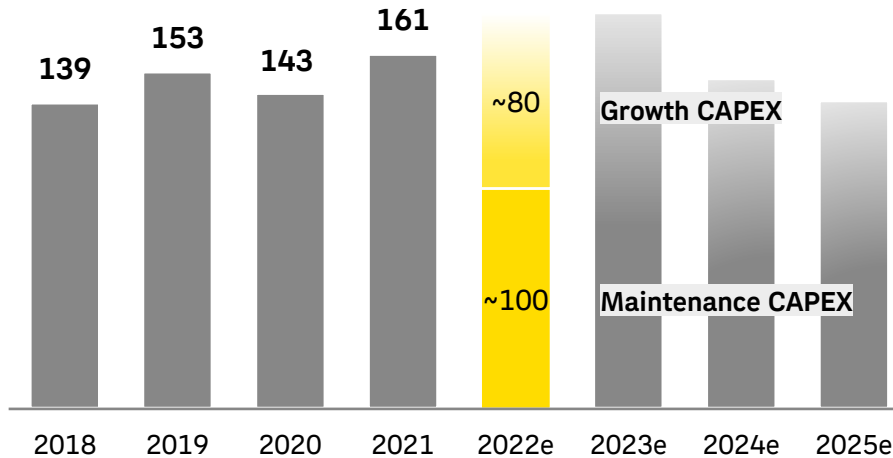
- Consolidation effect after extraordinarily high volumes in the prior-year quarter (driven by Q1 2021 lockdowns)
- Drop of 9% in Q1 2022



1 INVESTMENTS IN THE LOGISTICS INFRASTRUCTURE



CAPEX (EUR m)



Q1 2022 CAPEX

- Maintenance CAPEX of EUR 11.8m
- Growth CAPEX of EUR 11.9m

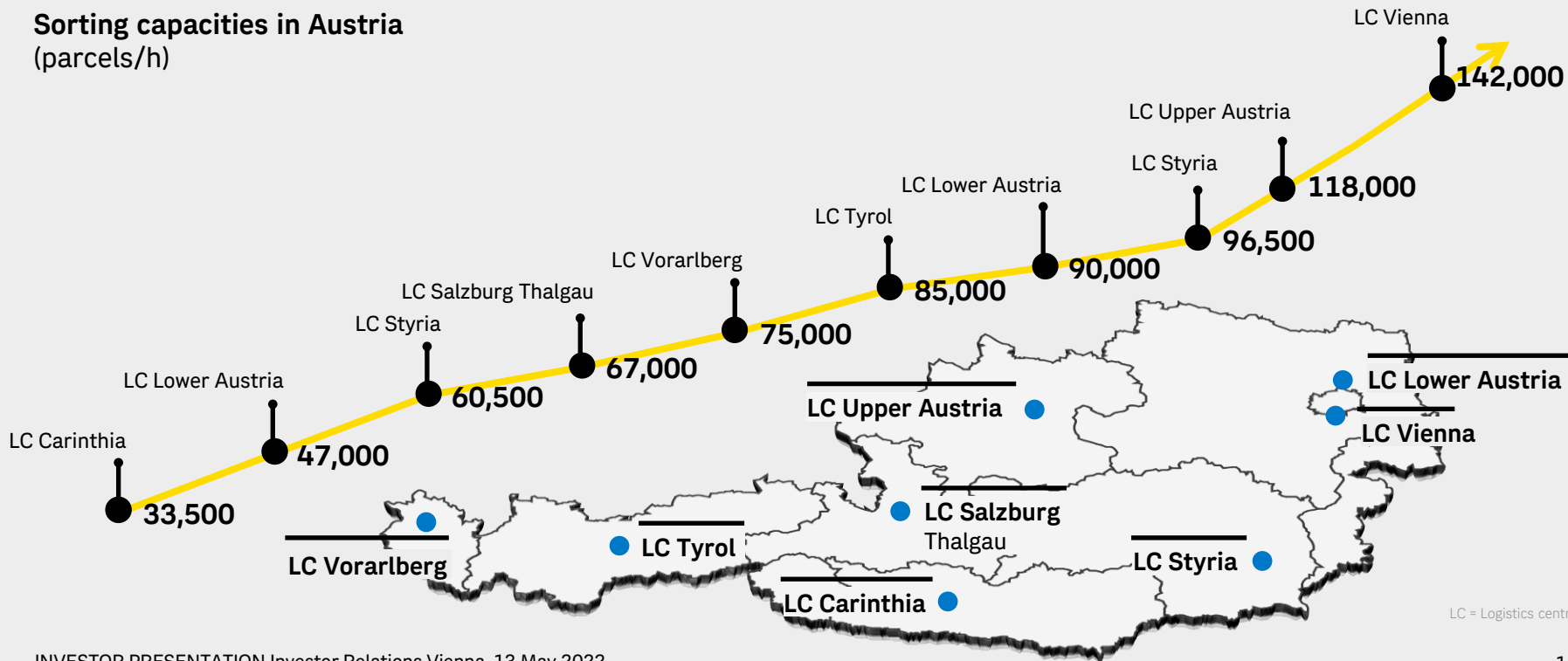
Continuation of investment programme

- Transition to CO₂-free delivery
- Sorting capacity: 118,000 parcels/h by end of 2022
- 2022: completion of logistics centres' expansion in Styria and Upper Austria, beginning of Vienna logistics centre expansion

1 EXPANSION OF AUSTRIAN LOGISTICS INFRASTRUCTURE



Sorting capacities in Austria
(parcels/h)

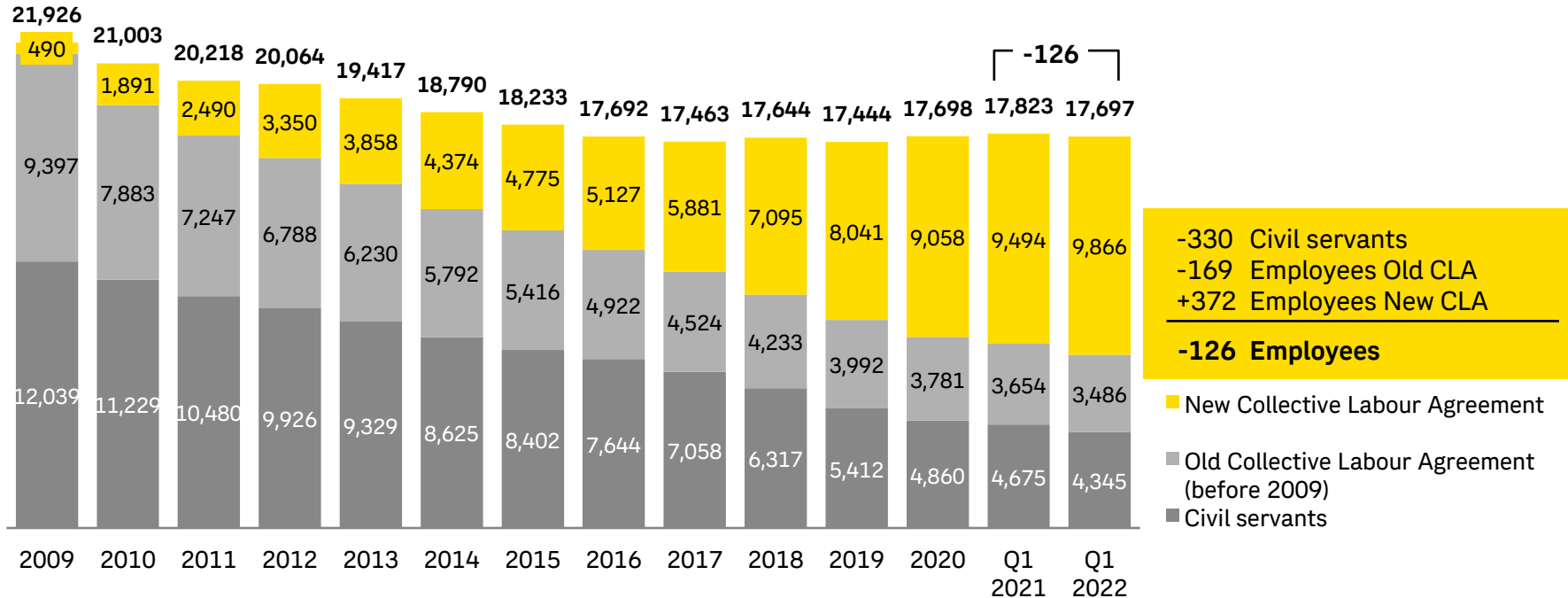


1 STAFF STRUCTURE IN AUSTRIA

Employees in the Austrian core business (without bank99)



FTEs (average for the period)



2 PROFITABLE GROWTH IN NEAR MARKETS



Business proximity

Proximity in line with the business model

Expansion of Austrian Post's range of services

- Digital and hybrid communications
- Business process solutions
- Digital advertising

Expansion of service portfolio along the e-commerce value chain

- Printing and intelligent scanning
- Digital marketing
- E-commerce software solutions
- Contract logistics, fulfillment

EUR
>100m
REVENUE P.A.

Geographical proximity

Focus on the parcel business in Southeast and Eastern Europe and Turkey

EUR
~470m
REVENUE P.A.



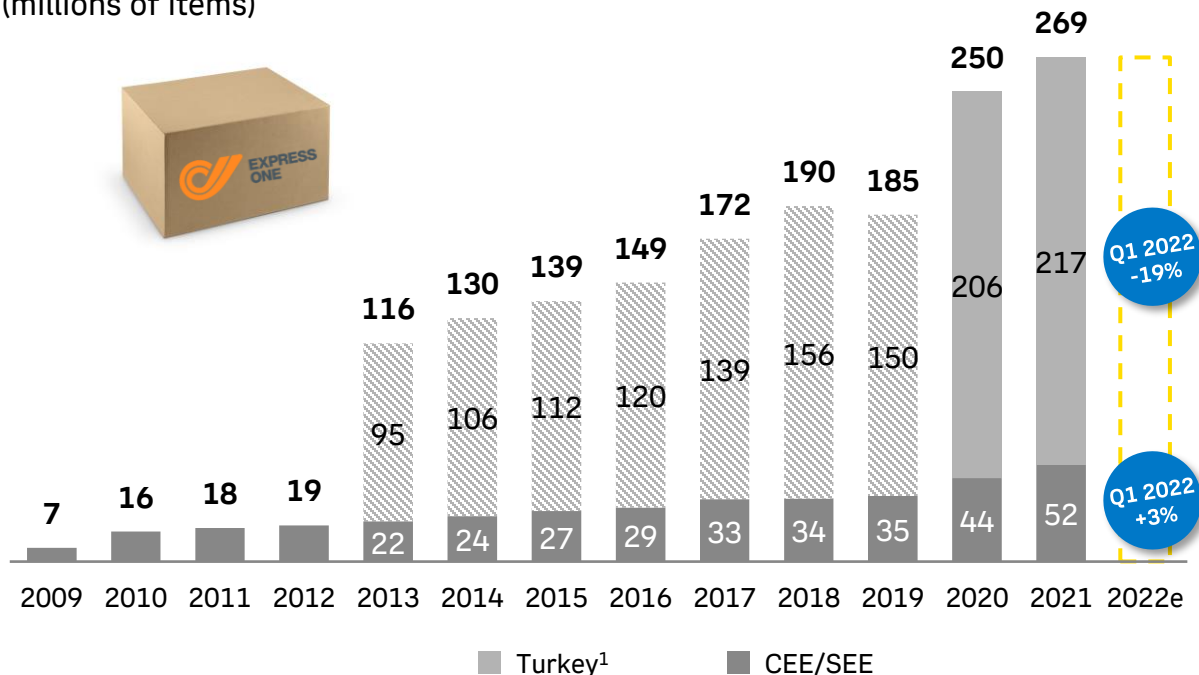
Value chain in retail and e-commerce



2 INTERNATIONAL PARCEL MARKETS



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



Turkey: Major growth opportunities in e-commerce; pressure on the Turkish lira in H2 2021 and high inflation

CEE/SEE: Ongoing positive volume development in Southeast and Eastern Europe

¹ Including documents; full consolidation of the company as of 25 August 2020 (25% stake since 2013)

2 PARCELS TURKEY – ARAS KARGO

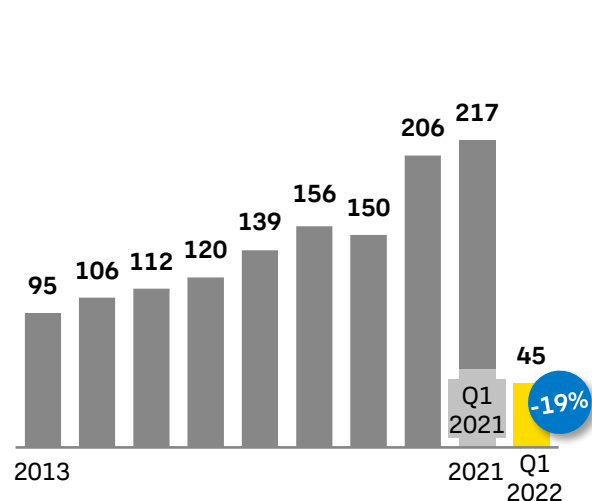


Financial indicators

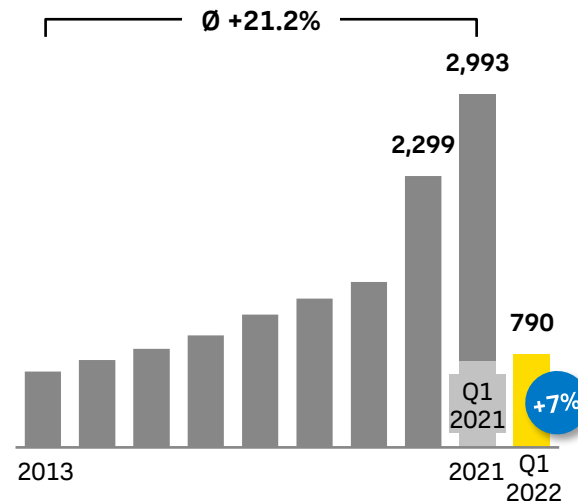
- 19% parcel volume decline in Q1 2022
- Q1 2022 revenue: +7% to TRY 790m (≅ EUR 50m)
- Strong and debt-free balance sheet



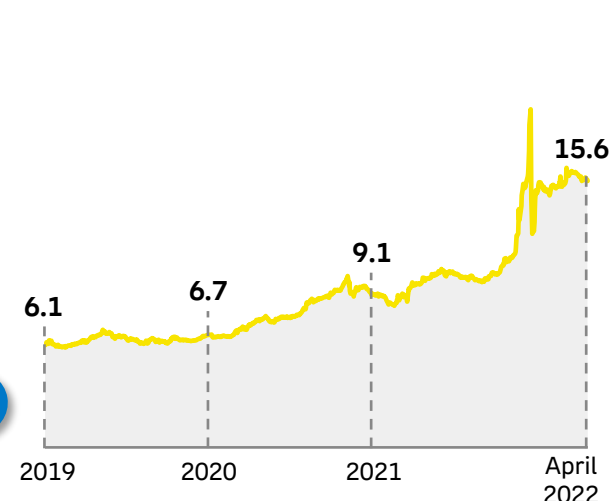
Parcel volumes¹
(millions of items)



Revenue
(TRY m)



FX rate Turkish lira
(1 EUR in TRY)



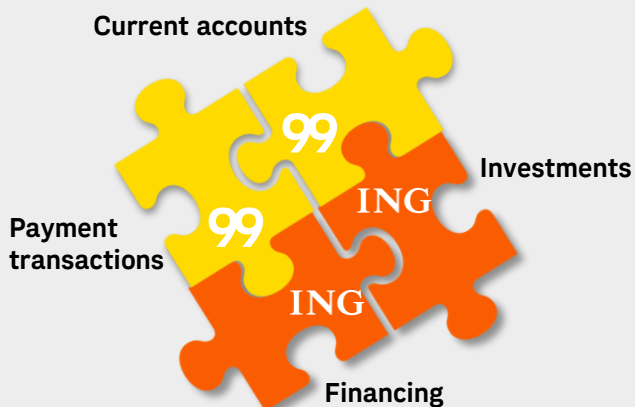
¹ Including documents; full consolidation of the company as of 25 August 2020 (25% stake since 2013)

3 BANK99: NEW STARTING POINT WITH MORE CRITICAL MASS

Next phase following acquisition of the ING retail business in Austria



Complementary strengths
in the product structure



bank99

Retail and digital bank



Customers

245,000



Employees

316



Balance sheet total

EUR 2.9bn



Credit volume

EUR 1.4bn



Investment products

EUR 560m



Branch offices

1,748



Number of self-service devices

475



Next Steps

> Technical integration

> Organisational integration

> Product integration

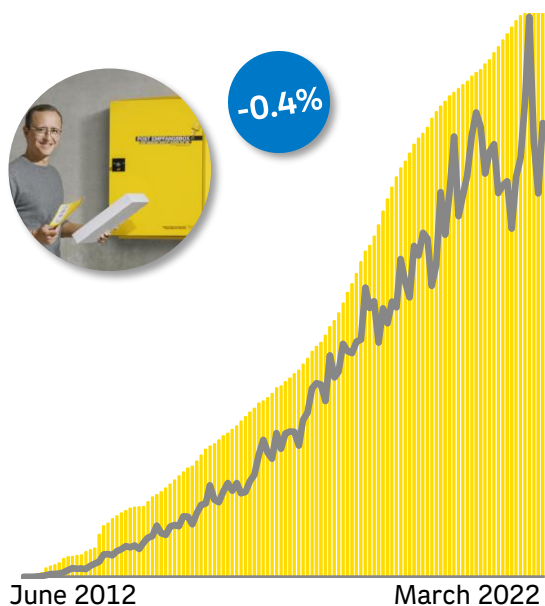
- Investments
- Financing/
new consumer credit



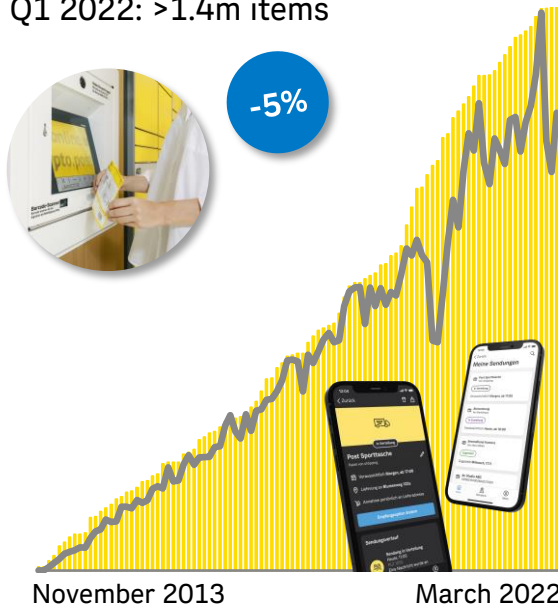
3 SELF-SERVICE ZONES: SLIGHT DECLINE DUE TO LOWER PARCEL VOLUMES



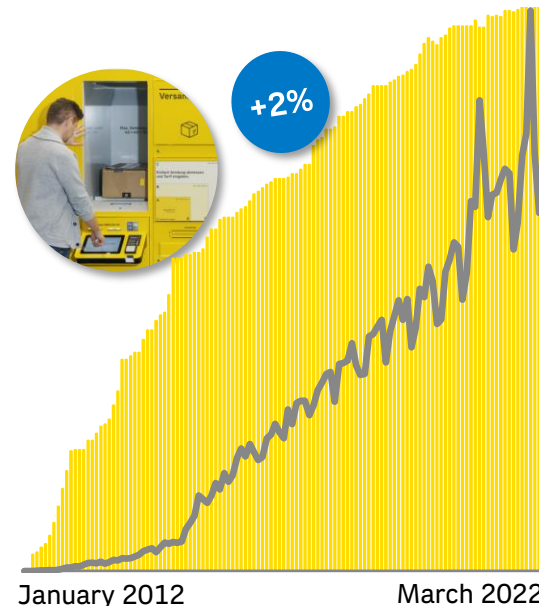
60,674 pick-up boxes
Q1 2022: >1.1m items



98,778 compartments in pick-up stations
Q1 2022: >1.4m items



512 shipping stations
Q1 2022: >2.3m items



● Q1 2022 vs. Q1 2021 ■ 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

▶ 2030 SUSTAINABILITY MASTER PLAN – 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

Expansion of bank99:
Security of country-wide banking supply for 245,000 customers

Sustainability report:
CO₂ indicators confirmed with reasonable assurance



Environment & Climate

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

Green Graz: 100% completed, CO₂-free mail and parcel delivery

PV facilities:
3.5 MW peak capacity installed so far



People & Social

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

Cultural initiative:
Programme to improve the corporate and work culture

Gender balance project:
Steady increased of women in management positions (at present: 35.1% share)





-
1. Highlights and Overview
 2. Strategy Implementation
 - 3. GROUP RESULTS Q1 2022**
 4. Outlook 2022



FINANCIAL INDICATORS AT A GLANCE



	Q1 2021	Q1 2022	
Revenue (EUR m)	647.0 ¹	601.4	Decline in Mail and Parcel, increase in Retail & Bank
EBITDA margin (%)	15.3	13.5	EBITDA margin below good prior-year quarter
EBIT margin (%)	9.2	6.6	EBIT margin strongly impacted by the Turkish business (FX)
Earnings/share (EUR)	0.71	0.46	Earnings per share down by EUR 0.26 from the previous year
Cash flow (EUR m)	74.4	72.1	Operating free cash flow at the prior-year level

¹ Adjusted presentation

KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2021 ¹	Q1 2022	%	Δ
Revenue	647.0	601.4	-7.1%	-45.7
Other operating income	22.2	28.4	27.8%	6.2
Raw materials, cons. and services used	-185.6	-175.6	5.4%	10.0
Expenses for financial services	-1.0	-3.2	<-100%	-2.2
Staff costs	-303.5	-288.0	5.1%	15.5
Other operating costs	-80.5	-81.9	-1.8%	-1.4
At equity consolidation	0.2	0.2	-38.1%	-0.1
EBITDA	99.0	81.2	-17.9%	-17.7
<i>EBITDA margin</i>	<i>15.3%</i>	<i>13.5%</i>	-	-
Depreciation, amortisation and impairment	-39.2	-41.6	-6.2%	-2.4
EBIT	59.8	39.6	-33.7%	-20.2
<i>EBIT margin</i>	<i>9.2%</i>	<i>6.6%</i>	-	-
Financial result	2.4	1.1	-54.0%	-1.3
Income tax	-12.3	-10.2	16.8%	2.1
Profit for the period	49.9	30.5	-38.9%	-19.4
Earnings per share (EUR)	0.71	0.46	-35.9%	-0.26

Positive revenue development in the Retail & Bank Division, decrease in Mail and Parcel & Logistics (revenue decline excl. Parcel Turkey: -2.4%)

Stable operational staff costs, lower non-operating staff-related expenses

EBIT below Q1 2021, but above Q1 2020 (EUR 33.3m)

¹Adjusted presentation

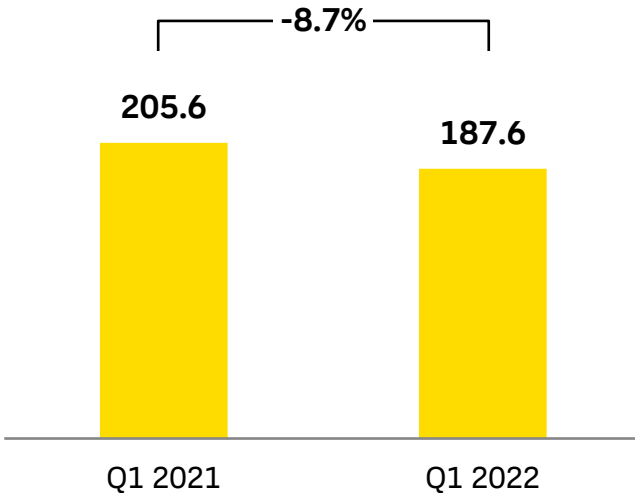


MAIL DIVISION: Q1 2022 REVENUE DEVELOPMENT



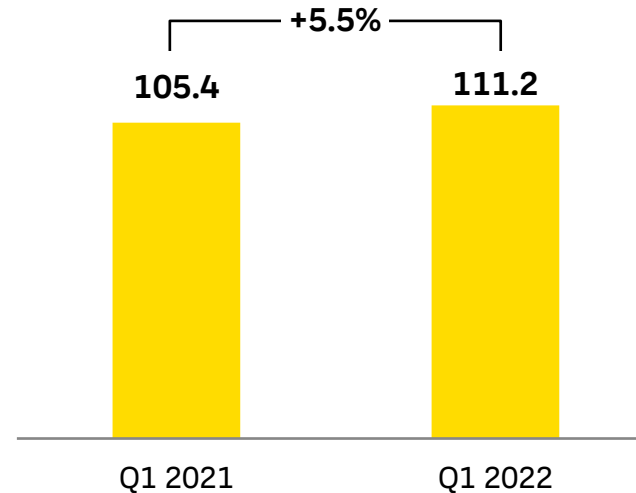
Letter Mail & Business Solutions (EUR m)

- Volume decline continues at consistent level: -4%
- Decrease of positive effects from special COVID-19 mailings in the prior-year period
- Stability in Business Solutions



Direct Mail/Media Post (EUR m)

- Volume increase of 10%
- Recovery following a weak Q1 2021, mainly for unaddressed items
- Advertising business remains volatile; paper bottlenecks





MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2021	Q1 2022	%	Δ
Revenue	311.0	298.9	-3.9%	-12.1
• Letter Mail & Business Solutions	205.6	187.6	-8.7%	-17.9
• Direct Mail	76.6	81.5	6.3%	4.9
• Media Post	28.8	29.8	3.4%	1.0
Revenue intra-Group	0.7	0.9	25.2%	0.2
Total revenue	311.7	299.8	-3.8%	-11.9
EBIT	45.5	41.1	-9.7%	-4.4
<i>EBIT margin¹</i>	<i>14.6%</i>	<i>13.7%</i>	-	-

Decrease in traditional letter mail (especially international e-commerce items). Decrease of positive effects from special COVID-19 mailings

Q1 2021 negatively impacted by lockdowns

Robust EBIT margin despite the revenue decline

¹ EBIT margin in relation to total revenue

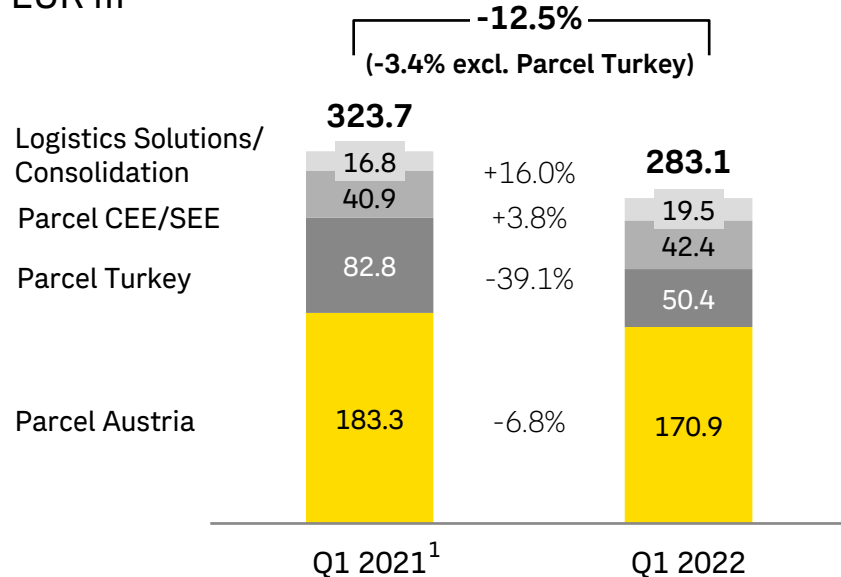


PARCEL & LOGISTICS DIVISION: Q1 2022 REVENUE DEVELOPMENT



Revenue development

EUR m



Parcel & Logistics Division: -12.5%

Decline in Austria and Turkey, growth in Southeast and Eastern Europe and in Logistics Solutions (e.g. special logistics services)

- ▶ **Austria: -6.8% (EUR -12.4m)**
 - Austrian parcel volumes -9%
- ▶ **Turkey: -39.1% (EUR -32.4m)**
 - 19% parcel volume decline compared to strong Q1 2021
 - 7% revenue growth in Turkish lira
- ▶ **CEE/SEE: EUR +1.6m**
 - Volume growth in Southeast and Eastern Europe (+3%)
- ▶ **Logistics Solutions/Cons.: EUR +2.7m**
 - Positive effects due to change in reporting, modest decrease in special logistics services

¹Adjusted presentation



PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2021 ¹	Q1 2022	%	Δ
Revenue	323.7	283.1	-12.5%	-40.5
• Parcel Austria	183.3	170.9	-6.8%	-12.4
• Parcel Turkey	82.8	50.4	-39.1%	-32.4
• Parcel CEE/SEE	40.9	42.4	3.8%	1.6
• Logistics Solutions/Consolidation	16.8	19.5	16.0%	2.7
Revenue intra-Group	0.2	0.2	-33.0%	-0.1
Total revenue	323.9	283.3	-12.5%	-40.6
EBIT	35.8	17.4	-51.3%	-18.4
<i>EBIT margin²</i>	<i>11.1%</i>	<i>6.2%</i>	-	-

Volume decline of 9% after strong prior quarters

Revenue growth of 7% in Turkish lira

Business in Turkey strongly affected by year-on-year development of the Turkish lira (EBIT margin currently in the mid single-digit range)

¹ Adjusted presentation

² EBIT margin in relation to total revenue

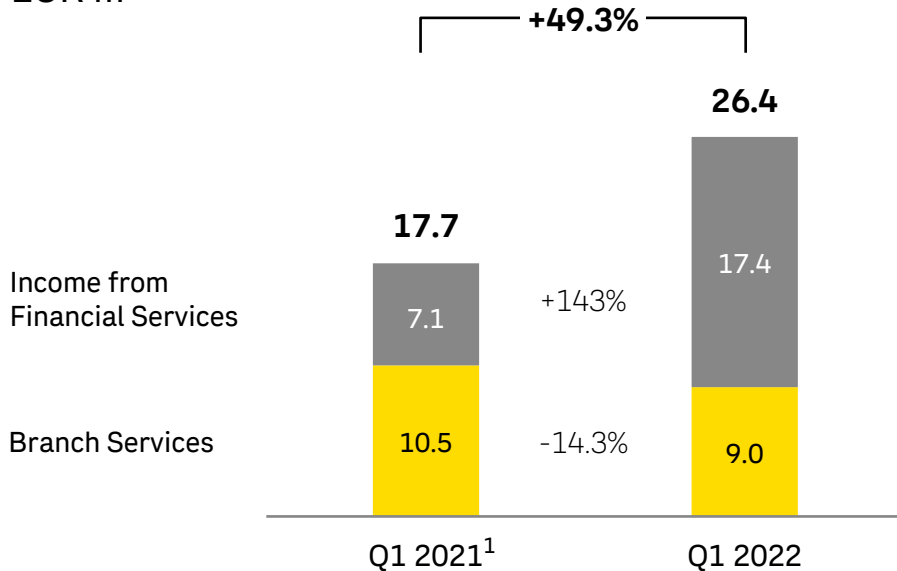


RETAIL & BANK DIVISION: Q1 2022 REVENUE DEVELOPMENT



Revenue development

EUR m



Retail & Bank Division: +49.3%

Acquisition of the private customer business of ING in Austria at the end of 2021 led to the Q1 2022 revenue increase

- ▶ **Income from Financial Services: EUR +10.2m**
 - Positive customer ramp-up and acquisition of ING's Austrian retail business
- ▶ **Branch Services: EUR -1.5m**
 - Slight drop in revenue for retail goods and branch products

¹Adjusted presentation



RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2021 ¹	Q1 2022	%	Δ
Revenue	17.7	26.4	49.3%	8.7
• Branch Services	10.5	9.0	-14.3%	-1.5
• Income from Financial Services	7.1	17.4	>100%	10.2
Revenue intra-Group	45.9	46.6	1.5%	0.7
Total revenue	63.6	73.0	14.8%	9.4
EBIT	-18.4	-10.7	41.8%	7.7

Positive development driven by customer ramp-up and ING's retail business in Austria

Improved earnings contribution vs. Q1 2021: EUR +7.7m to EUR -10.7m

¹Adjusted presentation

SOLID BALANCE SHEET AND FINANCING STRUCTURE



EUR m
ASSETS

Cash, money market/securities investments

Financial assets, investment property

Financial assets from financial services

Receivables, inventories, other¹

Intangible assets, goodwill

Property, plant and equipment

Financial services/
bank99

¹ Includes IFRS 5 assets

4,792.6

117.2
90.1

2,715.8

519.2

143.8

1,206.5

31/12/2021

4,885.1

108.9
90.4

2,831.0

514.6

138.0

1,202.2

31/03/2022

Liquid financial resources of EUR 109m

EUR 1,099m in cash and cash equivalents from bank99 and EUR 1,407m in receivables from customers

Includes EUR 329m in leased assets (IFRS 16)

EQUITY & LIABILITIES

Other financial liabilities

Liabilities, other

Financial liabilities from financial services

Provisions

Equity

4,792.6

404.4

484.6

2,543.5

687.9

672.2

31/12/2021

4,885.1

332.0
500.8

2,675.7

683.1

693.5

31/03/2022

Includes lease liabilities of EUR 330m (IFRS 16)

EUR 2,613m in liabilities to customers

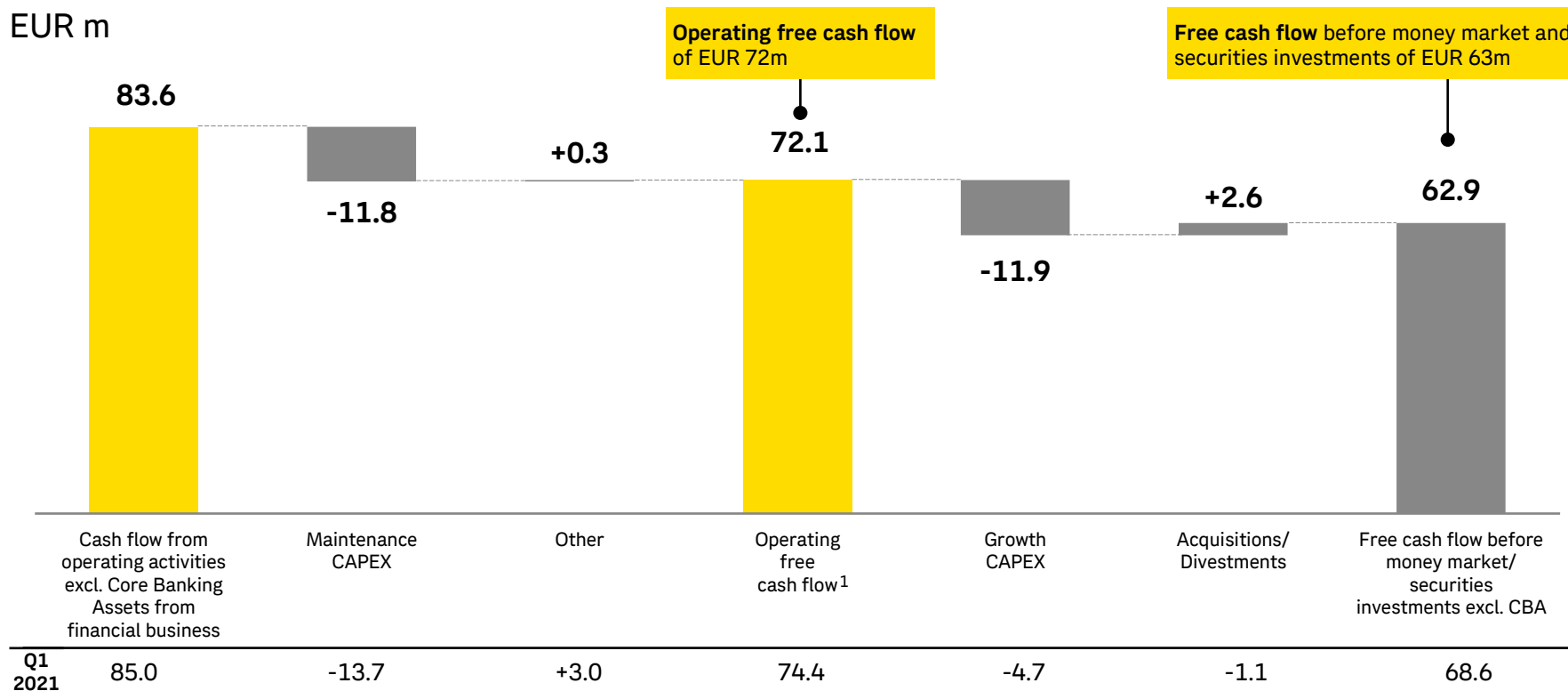
201 Social capital
196 Employee under-utilisation
107 Other staff-related provisions
179 Other

Equity ratio of 14.2%
Proforma equity ratio of 32% with bank99 under equity method

OPERATING FREE CASH FLOW AT A SOLID LEVEL



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 Q1 2022
 - 4. OUTLOOK 2022**



OUTLOOK 2022



Market environment

- Economic environment in 2022 characterised by inflation and restrained consumer behaviour
- Entrenchment of inflation due to shortages of raw materials and retail goods as well as high staff costs
- Fewer positive special effects for parcel and logistics services in 2022 arising from the pandemic



Revenue

- Target of as stable as possible revenue in 2022 (2021: EUR 2.5bn)
- Mail business with declining volumes and inflation-driven pricing adjustments (e.g., increased rate for Eco letters from EUR 0.74 to EUR 0.81 as at 1 July 2022)
- Expected decline in parcel business in H1 2022 following the high prior-year level and catch-up effects in H2 2022; Turkish lira exchange rate developments hard to predict
- Increasing revenue in the Retail & Bank Division based on growing financial services business



Investments

- Investment programme remains a top priority (capacity expansion and conversion to climate-neutral delivery)
- Maintenance CAPEX of about EUR 100m and growth CAPEX of approx. EUR 80m in 2022



Earnings

- Forecast involves significant uncertainty and is conditional upon stability of the energy supply and market environment as far as possible
- 2022 EBIT expected to be in the range between 2021 (EUR 205m) and 2020 (EUR 161m)
- Ambition of the company is to get close to the level of 2021

CONTACT



Austrian Post

Investor Relations

Rochusplatz 1, 1030 Vienna

Website: post.at/ir

E-mail: investor@post.at

Telephone: +43 57767-30400

Financial calendar 2022

11 August 2022

11 November 2022

Half-Year Financial Report 2022

Interim Report Q1-3 2022

Disclaimer

This presentation contains forward-looking statements, based on the currently held beliefs and assumptions of the management of Austrian Post, which are expressed in good faith and, in their opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Austrian Post, or results of the postal industry generally, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on the forward-looking statements. Austrian Post disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Österreichische Post AG (Austrian Post) | Legal form: limited company under Austrian law | Registered seat in the Municipality of Vienna | Commercial register number: FN 180219d of the Commercial Court of Vienna. This presentation can contain legally protected and confidential information and is protected by copyright. The reproduction, dissemination or duplication of this presentation, either in part or as a whole, requires the express written permission of Austrian Post.