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# AUSTRIAN POST Investor Presentation Q1-3 2022



Walter Oblin, CFO  
Vienna, 11 November 2022



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## 1. Highlights and Overview



2. Strategy Implementation

3. Group Results Q1-3 2022

4. Outlook 2022 and 2023

# AUSTRIAN POST Q1-3 2022



## Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Revenue:  
EUR 887m



## Parcel & Logistics

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

Revenue:  
EUR 865m



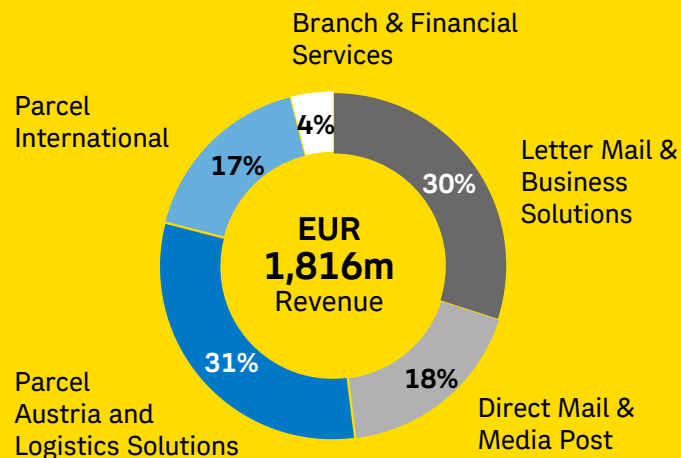
## Retail & Bank

- Branch and Financial Services
- Customer Services

Revenue:  
EUR 85m



## Revenue mix Q1-3



## Group

Revenue: EUR 1,816m

EBITDA: EUR 258m

EBIT: EUR 125m

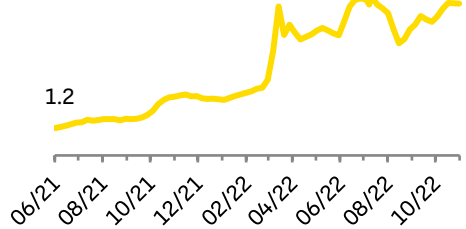
# MACROECONOMIC HEADWINDS IN 2022



## Rising energy costs

### Diesel price in Austria

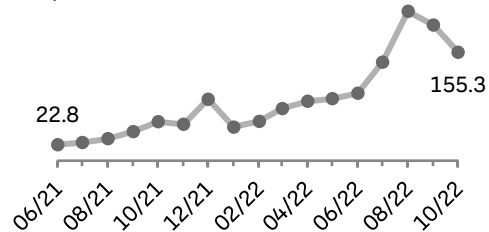
EUR/Liter



Source: Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (as at November 2022)

### Gas price

EUR/MWh

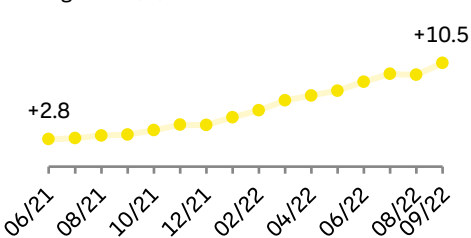


Source: Central European Gas Hub AG (as at November 2022)

## Inflation hinders consumption

### Austrian Consumer Price Index

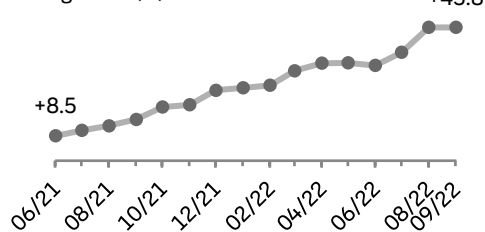
Change YOY (%)



Source: Statistics Austria (as at October 2022), Basis 2015=100

### Producer prices in Germany

Change YOY (%)

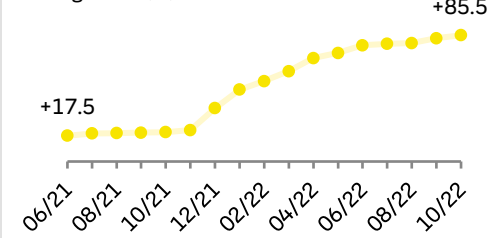


Source: Federal Statistical Office of Germany (Destatis) (as at October 2022)

## Difficult conditions in Turkey

### Turkish Consumer Price Index

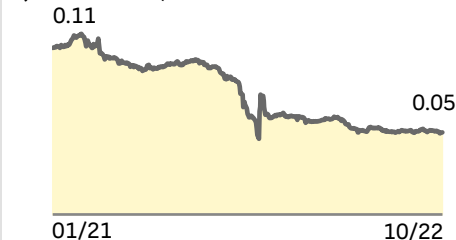
Change YOY (%)



Source: Central Bank of the Republic of Turkey (as at November 2022), Basis 2003=100

### Turkish Lira exchange rate

(1 TRY in EUR)



Source: Austrian National Bank (as at November 2022)

## Risks: gas availability and economic slowdown in 2023



## Macroeconomic environment as a challenge for postal and parcel service providers



## Positive revenue development Q3 in all divisions

Q3 2022

Q1-3 2022

### Group revenue

**+5.7%**

**-1.0%**

- Mail with positive special effects

+0.8%

-0.7%

- Parcel & Logistics with increase in volume and revenue

+5.6%

-4.5%

- Retail & Bank with growth after expansion of retail business

+91.0%

+62.2%



## Earnings confirms outlook 2022

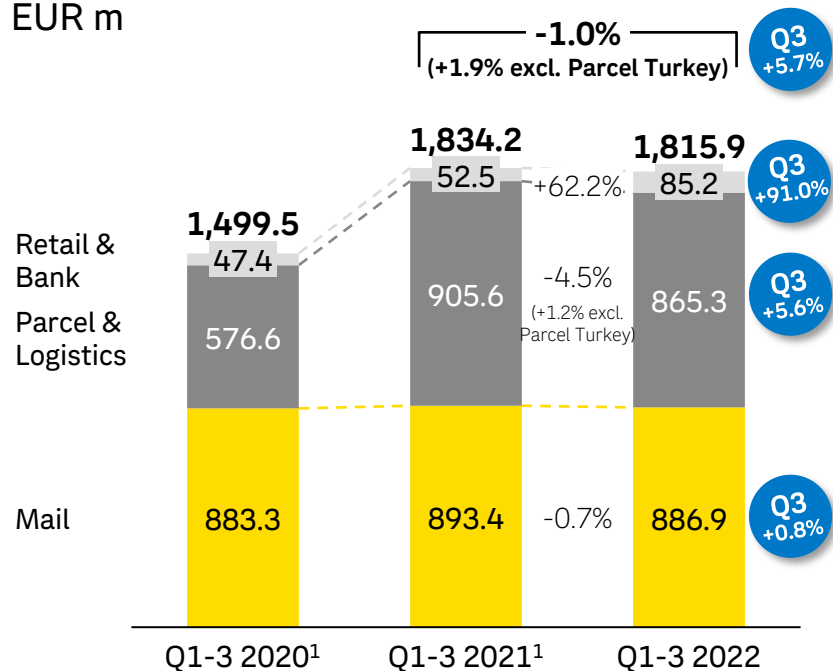
EBIT at least at the mid-point of the previously indicated range (2021 EBIT: EUR 205m, 2020 EBIT: EUR 161m)

# Q1-3 2022 GROUP REVENUE SLIGHTLY BELOW PRIOR YEAR, WHEREAS Q3 2022 UP BY 5.7%



## Revenue development

EUR m



## Group: -1.0% in Q1-3 (Q3: +5.7%)

Special and catch-up effects in letter and direct mail, parcel decline due to the Turkish subsidiary Aras Kargo, revenue increase of 1.9% in Q1-3 and 5.6% in Q3 excl. Parcel Turkey

- ▶ **Mail: -0.7% in Q1-3 (Q3: +0.8%)**
  - Letter Mail revenue increase to EUR 557.5m due to positive special effects, Direct Mail/Media Post revenue up by 1.9% to EUR 329.4m
- ▶ **Parcel & Logistics: -4.5% in Q1-3 (Q3: +5.6%)**
  - Positive revenue development of Parcel Austria (+1.3% in Q1-3; +8.6% in Q3)
  - Parcel business in Turkey negatively impacted by the market situation: -21.3% in Q1-3, recovery in Q3 (+6.4%)
  - Parcel CEE/SEE development remains positive (+6.0% in Q1-3; +5.5% in Q3)
- ▶ **Retail & Bank: +62.2% in Q1-3 (Q3: +91.0%)**
  - Strong increase in Income from Financial Services to EUR 56.4m (+149.9%)
  - Branch Services of EUR 28.7m (-3.9%)

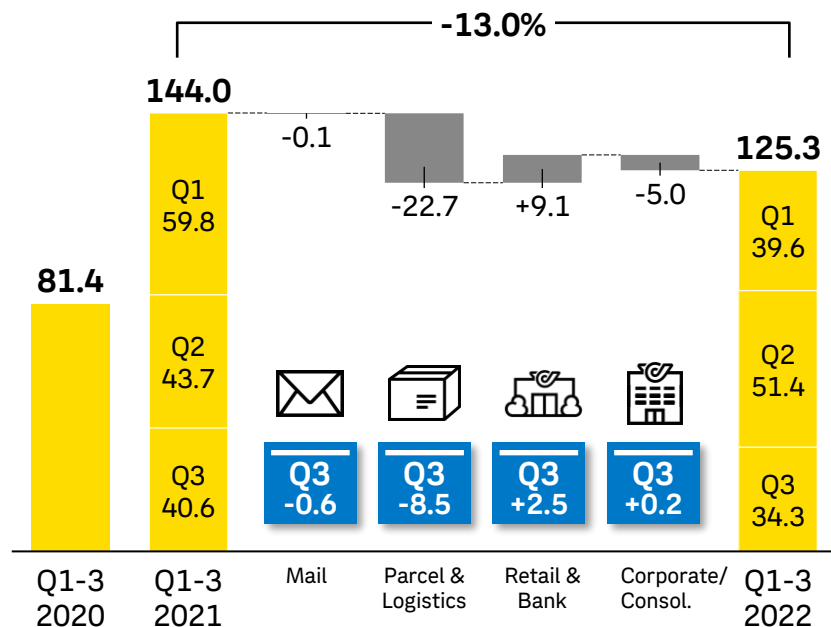
<sup>1</sup> Adjusted presentation

# SOLID EARNINGS Q1-3 2022 IN A CHALLENGING ENVIRONMENT



## EBIT development

EUR m



**Group: -13.0% in Q1-3 (Q3: -15.5%)**

Generally difficult business environment and market situation in Turkey negatively affect Group earnings

- ▶ **Mail: -0.1% to EUR 110.7m**
  - Stable volume development in letter and direct mail thanks to special and catch-up effects
- ▶ **Parcel & Logistics: -27.9% to EUR 58.6m**
  - Reduced earnings contribution of the Turkish business after strong performance in 2021
  - EBIT special effects of EUR +8.9m related to Aras Kargo mainly in Q2 (positive effect: option valuation for remaining 20% stake; negative effect: IAS 29 hyperinflation)
- ▶ **Retail & Bank: +26.8% to minus EUR 24.8m**
  - Positive earnings contribution of branch network
  - Improved earnings in division with high integration and IT expenses of bank99



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# STRATEGY OF AUSTRIAN POST: 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

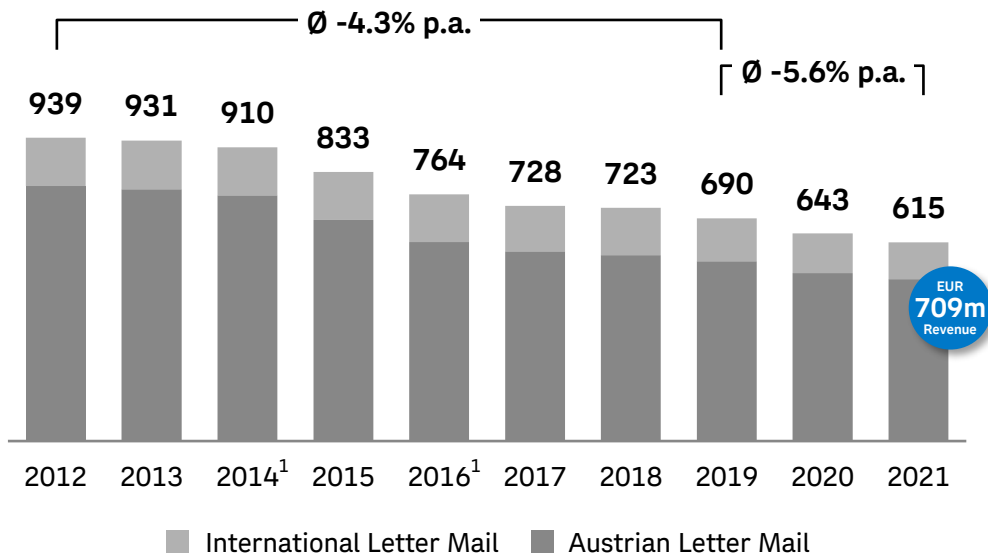


**3** Development of retail and digital offerings for private customers and SMEs

# 1 LETTER MAIL

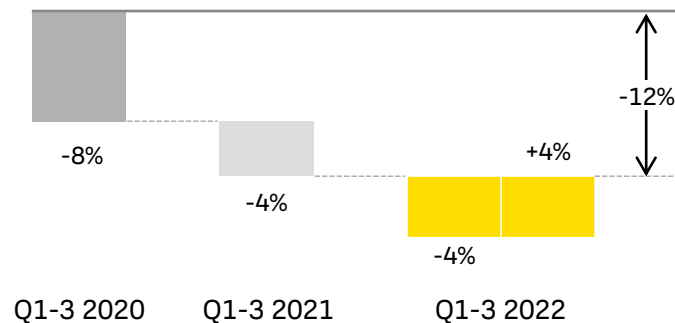


## Austrian and International Volumes (millions of items)



## Austrian Letter Mail volumes

- Letter Mail volumes driven by special Q2 and Q3 mailings (Energy Bonus, mailings by utilities, Climate Bonus, elections)
- Letter Mail development 2022:
  - Q3: operating -6%, incl. special effects -1%
  - Q1-3: operating -4%, incl. special effects  $\pm$ 0%

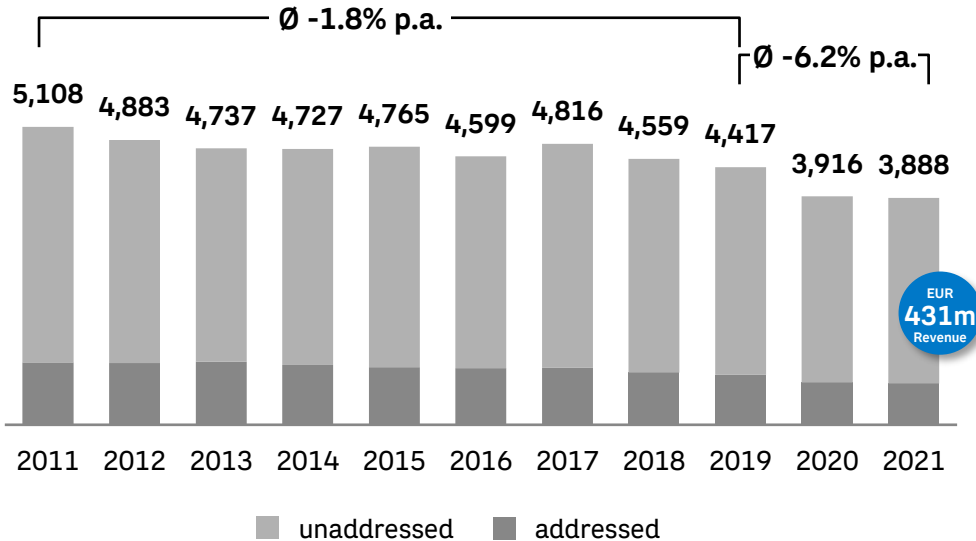


<sup>1</sup> Adjusted presentation due to automated calculation methodology

# 1 DIRECT MAIL/MEDIA POST IN AUSTRIA

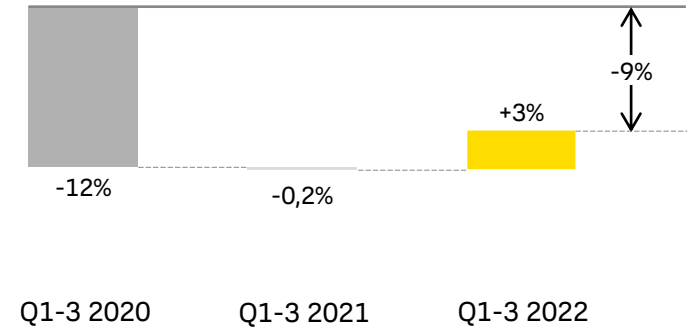


Volumes  
(millions of items)



## Direct Mail/Media Post volumes

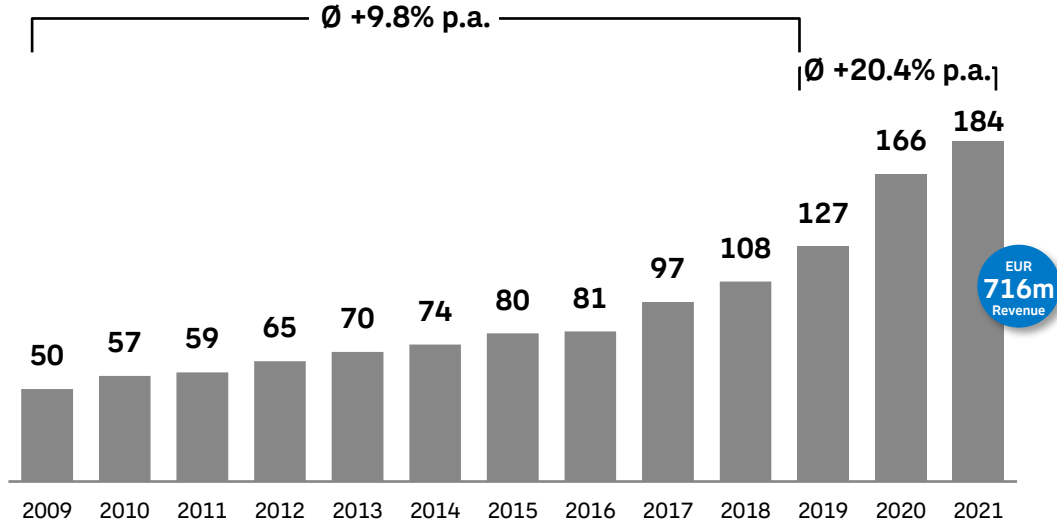
- After recovery effect in H1 2022 now restrained market sentiment with -5% in Q3 (high paper prices – smaller print runs, weight reductions)
- Volume +3% in Q1-3



# 1 PARCEL BUSINESS IN AUSTRIA

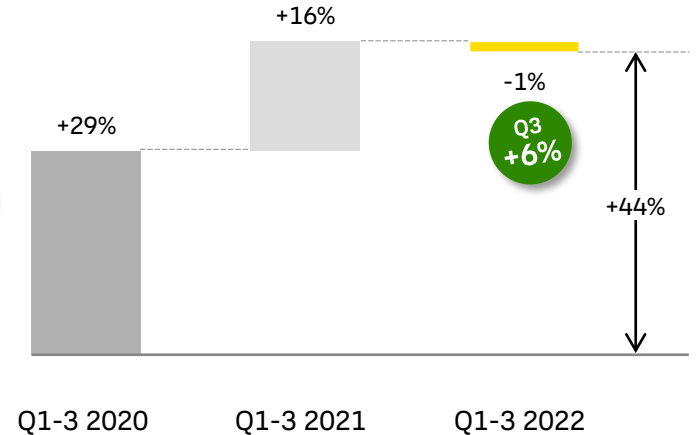


Volumes  
(millions of items)



## Parcel volumes

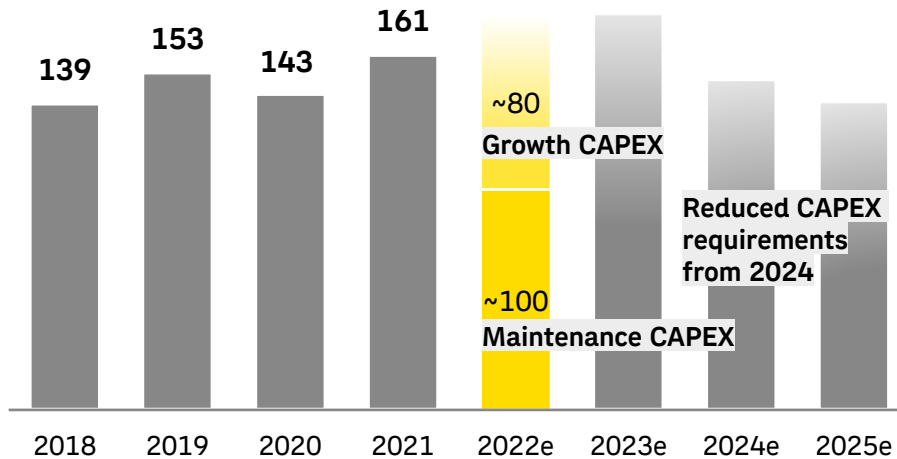
- Turnaround in volume development vs. strong prior-year period
- Increase of 6% in Q3 2022, -1% in Q1-3



# 1 INVESTMENTS IN SUSTAINABLE INFRASTRUCTURE



CAPEX (EUR m)



## CAPEX Q1-3 2022

- Maintenance CAPEX of EUR 42.9m
- Growth CAPEX of EUR 56.6m

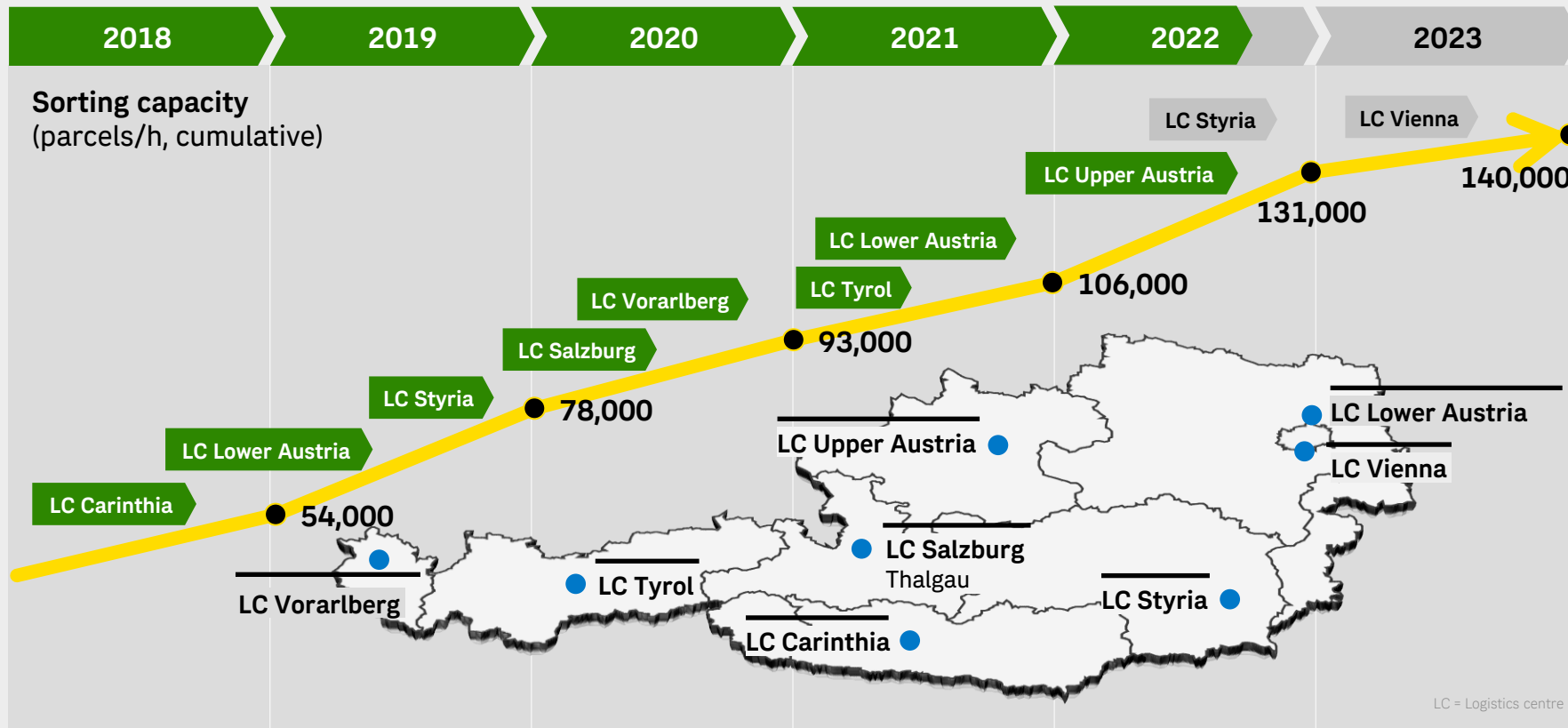
## CAPEX forecast 2022e

- Expected total of about EUR 180m
- Assuming availability of vehicles and construction work

## Adherence to investment programme

- Conversion to CO<sub>2</sub>-free delivery
- Sorting capacity: 140,000 parcels/h by the end of 2023

# 1 EXPANSION OF AUSTRIAN LOGISTICS INFRASTRUCTURE

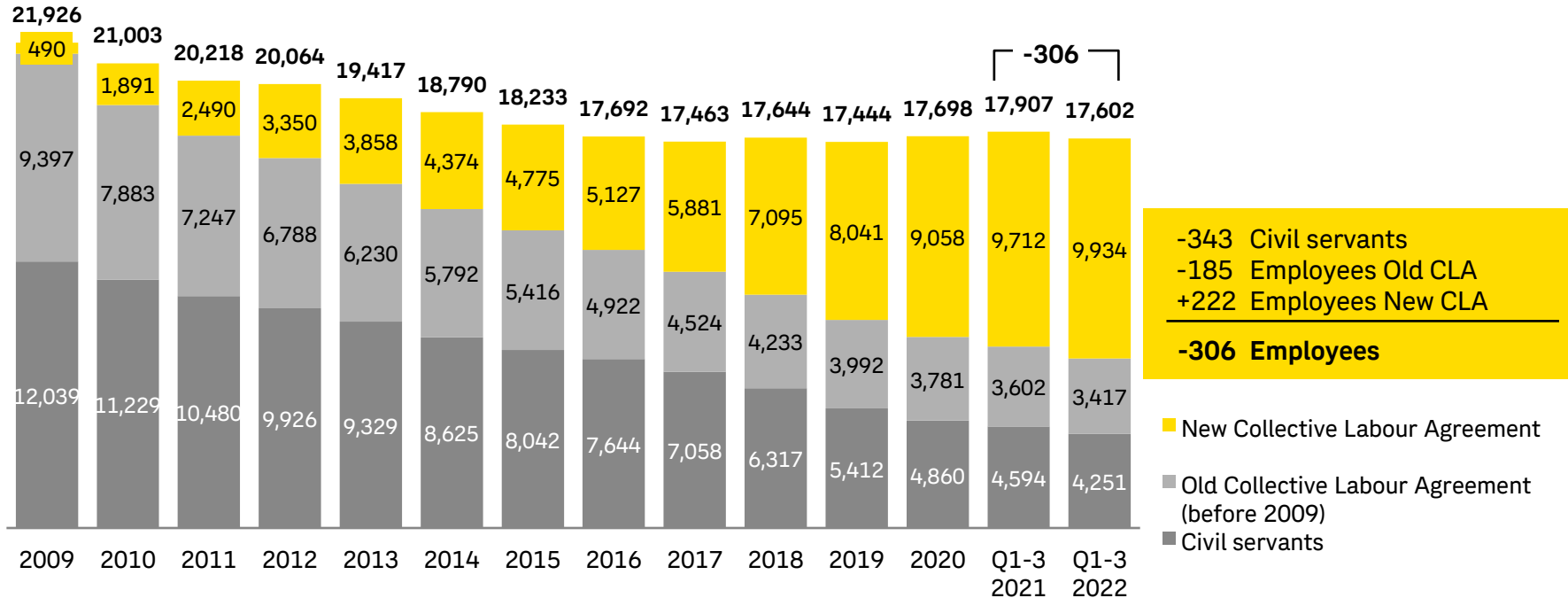


# 1 STAFF STRUCTURE IN AUSTRIA

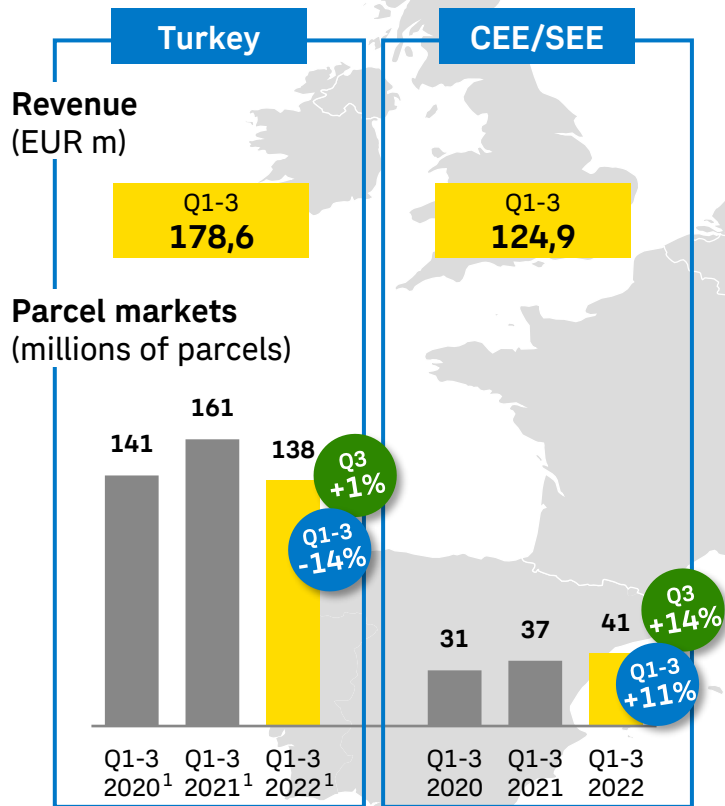
## Employees in the Austrian core business



FTEs (average for the period)



## 2 PROFITABLE GROWTH IN NEARBY MARKETS



Focus on parcel business in Southeast and Eastern Europe and Turkey



<sup>1</sup> Including documents; full consolidation of the company as at 25 August 2020 (25% stake since 2013)  
 INVESTOR PRESENTATION Investor Relations Vienna, 11 November 2022

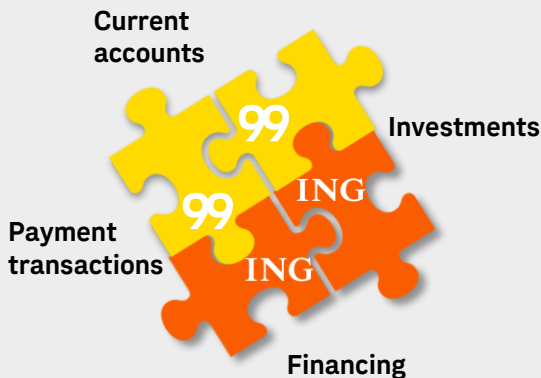










# 3 BANK99: INTEGRATION LEADS TO SOLID FOUNDATION

## Positive momentum from improved interest rate environment



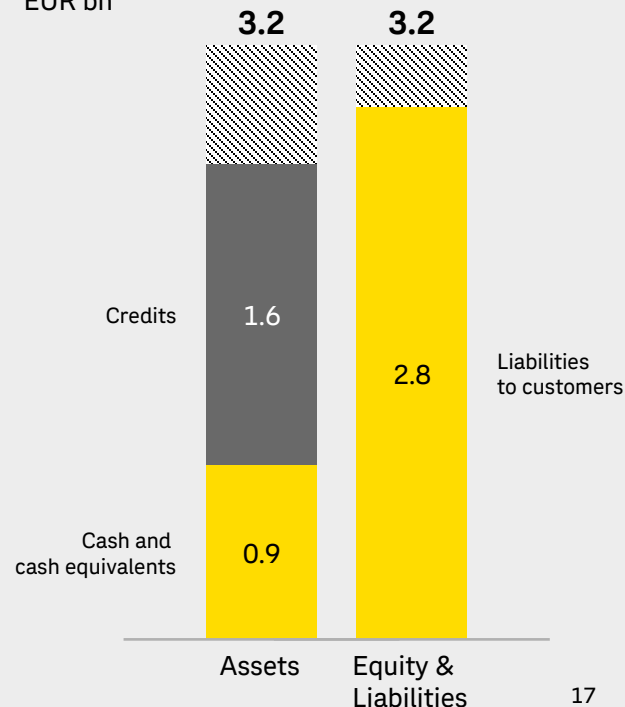
Complementary strengths  
in the product structure 



30.09.2021	30.09.2022
	Retail & digital bank 
80,000	Customers <b>255,000</b> 
90	Employees <b>301</b> 
EUR 0.8bn	Balance sheet total <b>EUR 3.2bn</b> 
EUR 0.4bn	Credit volume <b>EUR 1.6bn</b> 
-	Investment products <b>EUR 493m</b> 
1,766	Branch offices <b>1,732</b> 
347	No. self-service devices <b>476</b> 

bank99 balance sheet total  
as at 30.09.2022

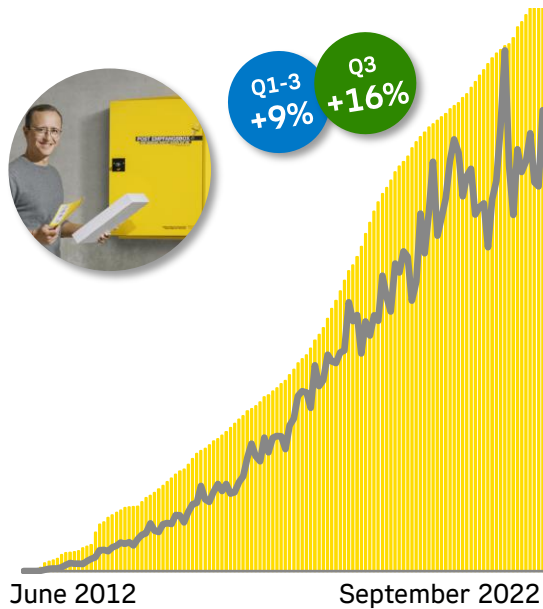
EUR bn



### 3 SELF-SERVICE ZONES: FURTHER INCREASE IN USAGE



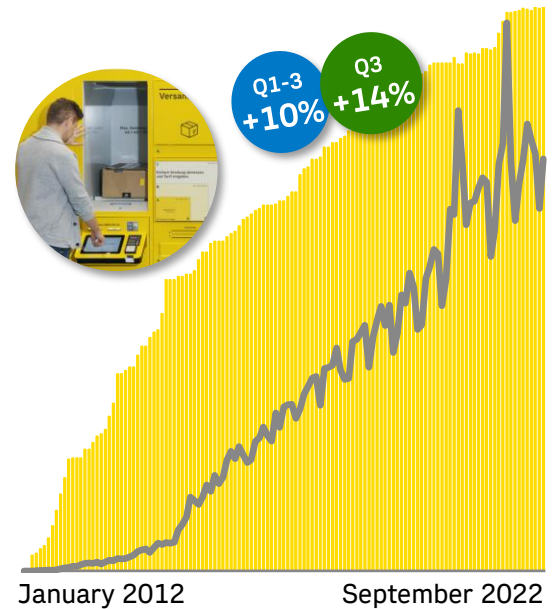
**64,481 pick-up boxes**  
Q1-3 2022: >3.7m items



**103,066 compartments in pick-up stations**  
Q1-3 2022: >4.6m items



**521 shipping stations**  
Q1-3 2022: >7.3m items



Number of self-service solutions      Items/month



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# FINANCIAL INDICATORS AT A GLANCE



	Q1-3 2021	Q1-3 2022	
<b>Revenue</b> (EUR m)	1,834.2 <sup>1</sup>	<b>1,815.9</b>	Revenue down by 1.0% from the prior-year level
<b>EBITDA margin</b> (%)	14.5	<b>14.2</b>	Solid EBITDA margin of 14.2%
<b>EBIT margin</b> (%)	7.9	<b>6.9</b>	EBIT margin impacted by developments in the Turkish business
<b>Earnings/share</b> (EUR)	1.57	<b>1.25</b>	Earnings per share down by EUR 0.32 from 2021
<b>Cash flow</b> (EUR m)	196.4 <sup>1</sup>	<b>147.6</b>	Operating free cash flow of EUR 147.6m

<sup>1</sup>Adjusted presentation

# KEY INCOME STATEMENT INDICATORS



EUR m	Q1-3 2021 <sup>1</sup>	Q1-3 2022	%	Δ	Q3 2021 <sup>1</sup>	Q3 2022	
<b>Revenue</b>	<b>1,834.2</b>	<b>1,815.9</b>	<b>-1.0%</b>	<b>-18.3</b>	<b>571.6</b>	<b>604.1</b>	Positive revenue development in all divisions: Mail +0.8%, Parcel & Logistics +5.6%, Retail & Bank +91.0%
Other operating income	59.3	78.9	33.0%	19.6	16.2	19.7	
Raw materials, consumables and services used	-516.9	-531.2	-2.8%	-14.2	-161.9	-181.7	
Expenses for financial services	-3.7	-9.5	<-100%	-5.8	-1.4	-3.1	
Staff costs	-847.5	-845.4	0.2%	2.1	-259.9	-273.6	Staff costs: lower need to allocate provisions
Other operating costs	-259.3	-250.0	3.6%	9.3	-82.5	-84.9	
At equity consolidation	0.3	-0.2	<-100%	-0.5	-0.1	-0.3	Application of IAS 29: Financial Reporting in Hyperinflationary Economies (Turkey)
Net monetary gain	0.0	-0.4	<-100%	-0.4	0.0	-1.6	
<b>EBITDA</b>	<b>266.3</b>	<b>258.0</b>	<b>-3.1%</b>	<b>-8.3</b>	<b>81.9</b>	<b>78.6</b>	
<i>EBITDA margin</i>	<i>14.5%</i>	<i>14.2%</i>	-	-	<i>14.3%</i>	<i>13.0%</i>	
Depreciation, amortisation and impairment	-122.3	-132.7	-8.5%	-10.4	-41.3	-44.2	EBIT special effects related to Aras Kargo: EUR +10.9m in Q2 (option valuation for remaining 20% stake, IAS 29 hyperinflation); effect of EUR -2.0m in Q3 (IAS 29 Hyperinflation)
<b>EBIT</b>	<b>144.0</b>	<b>125.3</b>	<b>-13.0%</b>	<b>-18.7</b>	<b>40.6</b>	<b>34.3</b>	
<i>EBIT margin</i>	<i>7.9%</i>	<i>6.9%</i>	-	-	<i>7.1%</i>	<i>5.7%</i>	
Financial result	1.6	-21.1	<-100%	-22.7	-3.0	-7.6	
Income tax	-35.1	-19.5	44.6%	15.7	-11.2	3.2	
<b>Profit for the period</b>	<b>110.5</b>	<b>84.8</b>	<b>-23.3%</b>	<b>-25.7</b>	<b>26.3</b>	<b>30.0</b>	Valuation effect of financial parameters for Aras Kargo option EUR -16.6m
Earnings per share (EUR)	1.57	1.25	-20.5%	-0.32	0.39	0.41	

<sup>1</sup> Adjusted presentation

INVESTOR PRESENTATION Investor Relations Vienna, 11 November 2022

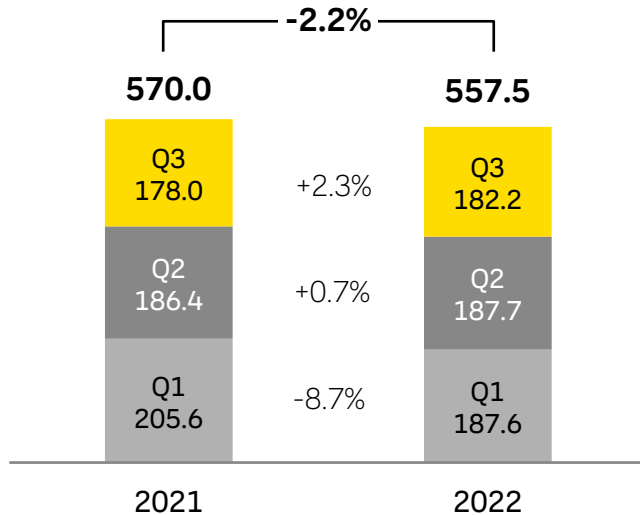


# MAIL DIVISION: Q1-3 2022 REVENUE DEVELOPMENT



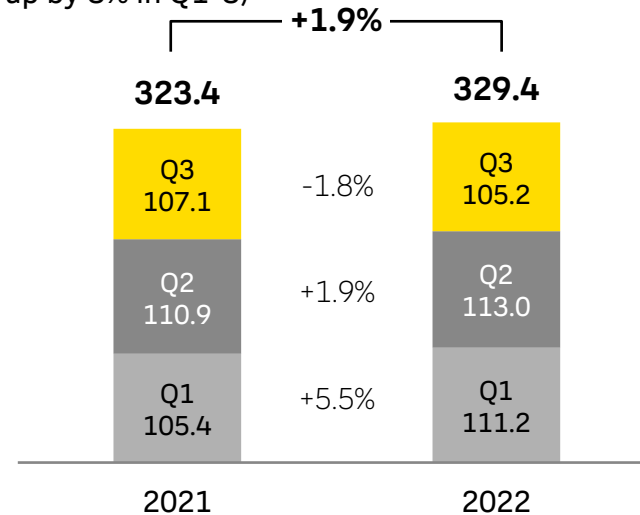
## Letter Mail & Business Solutions (EUR m)

- Positive Q1-3 special effects on letter mail volumes (-4% excl./±0% incl. special effects)
- International Letter Mail decline
- Stability in Business Solutions



## Direct Mail/Media Post (EUR m)

- Advertising market under cost pressure (higher energy and paper costs)
- Restrained market sentiment partially offset by price adjustments
- Direct Mail/Media Post volumes down by 5% in Q3 but up by 3% in Q1-3)





## MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



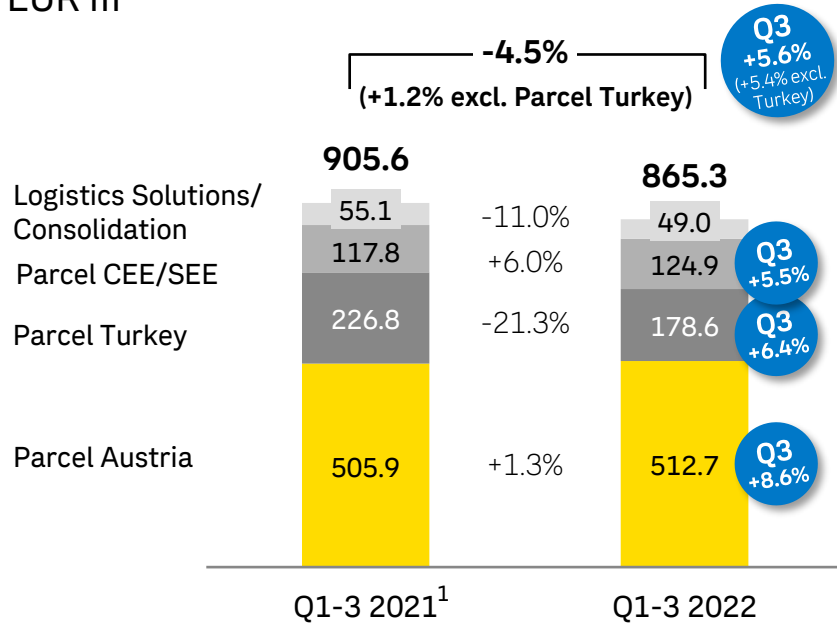
EUR m	Q1-3 2021	Q1-3 2022	%	Δ	0	Q3 2022	
<b>Revenue</b>	<b>893.4</b>	<b>886.9</b>	<b>-0.7%</b>	<b>-6.5</b>	<b>285.2</b>	<b>287.4</b>	Sound volume and revenue development for Austrian Letter Mail thanks to special mailings, decline in the international mail business
• Letter Mail & Business Solutions	570.0	557.5	-2.2%	-12.5	178.0	182.2	
• Direct Mail	236.3	239.1	1.2%	2.8	78.7	77.4	
• Media Post	87.1	90.3	3.7%	3.2	28.4	27.8	
Revenue intra-Group	2.0	2.6	32.2%	0.6	0.6	0.7	Restrained market sentiment and low Media Post revenue
Total revenue	895.3	889.5	-0.7%	-5.8	285.7	288.1	
<b>EBIT</b>	<b>110.8</b>	<b>110.7</b>	<b>-0.1%</b>	<b>-0.1</b>	<b>28.4</b>	<b>27.8</b>	Stable EBIT margin
<i>EBIT margin<sup>1</sup></i>	<i>12.4%</i>	<i>12.4%</i>	-	-	<i>9.9%</i>	<i>9.7%</i>	

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



# PARCEL & LOGISTICS DIVISION: Q1-3 2022 REVENUE DEVELOPMENT

## Revenue development EUR m



## Parcel & Logistics Division: -4.5%

Q3 positive in all regions

Q1-3 impacted by decline in Turkey

- ▶ **Parcel Austria: +1.3% (EUR +6.8m)**
  - Strong parcel business in Q3: +8.6%
- ▶ **Parcel Turkey: -21.3% (EUR -48.2m)**
  - Parcel volumes +1% in Q3 2022, -14% in Q1-3
  - Revenue increase of 47% in Turkish Lira due to price adjustments and hyperinflation accounting
- ▶ **Parcel CEE/SEE: +6.0% (EUR +7.1m)**
  - Volume growth in Southeast and Eastern Europe (+11%)
- ▶ **Logistics Solutions: -11.0% (EUR -6.1m)**
  - Decrease in special COVID-19-related logistics services

<sup>1</sup>Adjusted presentation





# PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1-3 2021 <sup>1</sup>	Q1-3 2022	%	Δ	Q3 2021 <sup>1</sup>	Q3 2022
<b>Revenue</b>	<b>905.6</b>	<b>865.3</b>	<b>-4.5%</b>	<b>-40.4</b>	<b>277.6</b>	<b>293.2</b>
• Parcel Austria	505.9	512.7	1.3%	6.8	155.6	169.0
• Parcel Turkey	226.8	178.6	-21.3%	-48.2	66.1	70.4
• Parcel CEE/SEE	117.8	124.9	6.0%	7.1	37.3	39.4
• Logistics Solutions/Consolidation	55.1	49.0	-11.0%	-6.1	18.5	14.5
Revenue intra-Group	0.7	0.5	-28.8%	-0.2	0.2	0.2
Total revenue	906.3	865.7	-4.5%	-40.6	277.8	293.4
<b>EBIT</b>	<b>81.3</b>	<b>58.6</b>	<b>-27.9%</b>	<b>-22.7</b>	<b>21.6</b>	<b>13.2</b>
<i>EBIT margin<sup>2</sup></i>	<i>9.0%</i>	<i>6.8%</i>	-	-	<i>7.8%</i>	<i>4.5%</i>

Positive development in Austria

Revenue adversely affected by inflation and currency effects

EBIT impacted by decline in profitability in Turkey vs. the high prior-year level; included special effects of EUR +8.9m in Q1-3

<sup>1</sup> Adjusted presentation

<sup>2</sup> EBIT margin in relation to total revenue

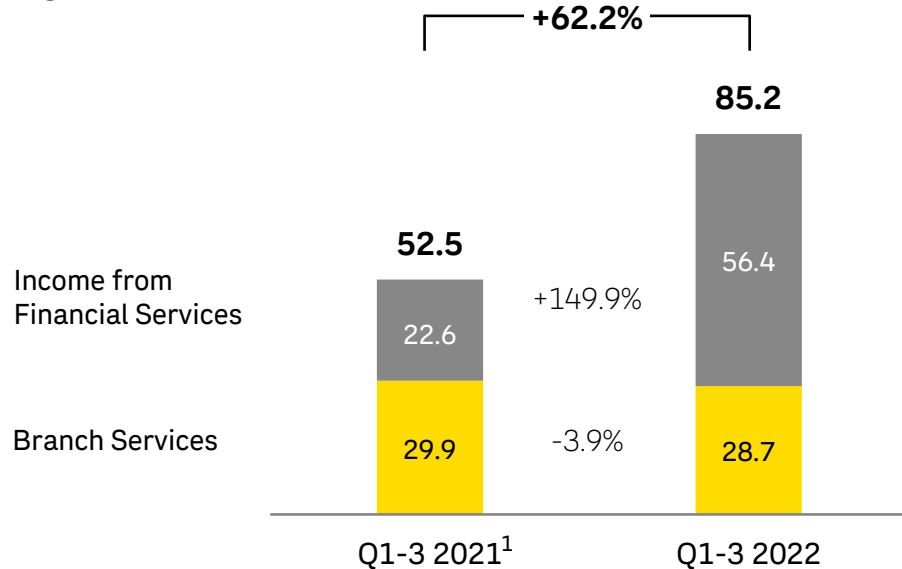


# RETAIL & BANK DIVISION: Q1-3 2022 REVENUE DEVELOPMENT



## Revenue development

EUR m



## Retail & Bank Division: +62.2%

Positive revenue development after acquisition of the ING retail business at the end of 2021

- ▶ **Income from Financial Services: EUR +33.8m**
  - Customer ramp-up and acquisition of the ING retail business
  - Improved interest rate environment
- ▶ **Branch Services: EUR -1.2m**
  - Decrease in sales of retail goods

<sup>1</sup>Adjusted presentation



## RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1-3 2021 <sup>1</sup>	Q1-3 2022	%	Δ	Q3 2021 <sup>1</sup>	Q3 2022
<b>Revenue</b>	<b>52.5</b>	<b>85.2</b>	<b>62.2%</b>	<b>32.7</b>	<b>16.2</b>	<b>31.0</b>
• Branch Services	29.9	28.7	-3.9%	-1.2	8.4	10.0
• Income from Financial Services	22.6	56.4	>100%	33.8	7.8	21.0
Revenue intra-Group	135.3	140.4	3.8%	5.1	45.0	46.7
Total revenue	187.8	225.6	20.1%	37.8	61.2	77.8
<b>EBIT</b>	<b>-33.9</b>	<b>-24.8</b>	<b>26.8%</b>	<b>9.1</b>	<b>-6.9</b>	<b>-4.4</b>

Growth due to acquisition of the ING retail business

Earnings in 2022 include higher integration and IT expenses

<sup>1</sup>Adjusted presentation

# SOLID BALANCE SHEET AND FINANCING STRUCTURE



## EUR m ASSETS

Cash, money market/securities investments

Financial assets, investment property

Financial assets from financial services

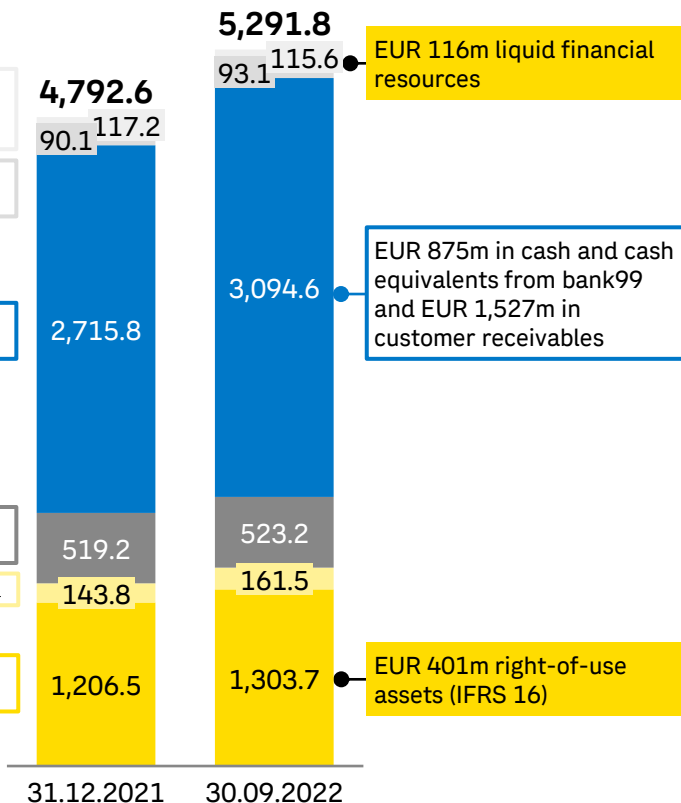
Receivables, inventories, other<sup>1</sup>

Intangible assets, goodwill

Property, plant and equipment

Financial services / bank99

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



## EQUITY & LIABILITIES

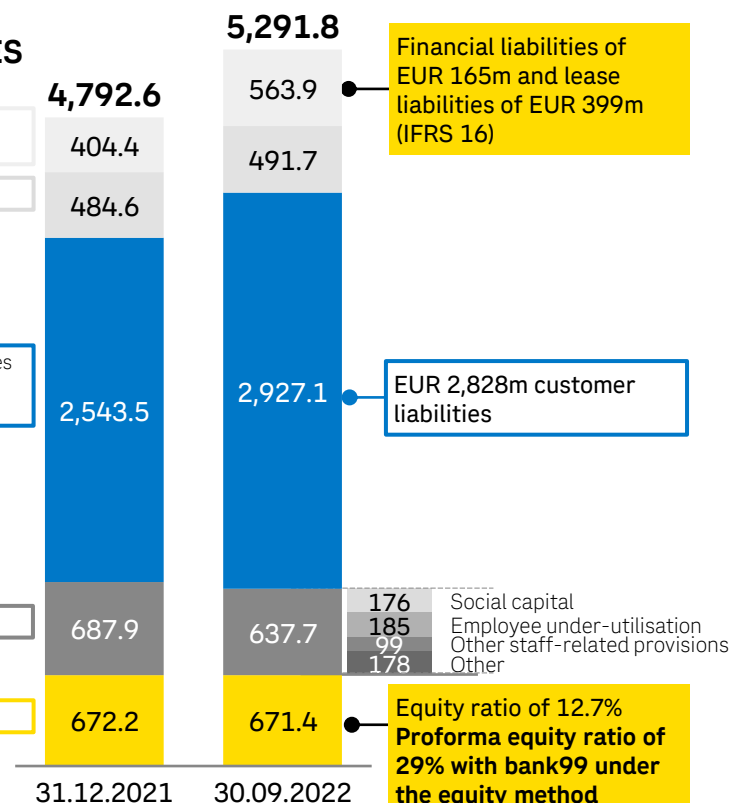
Other financial liabilities

Liabilities, Other

Financial liabilities from financial services

Provisions

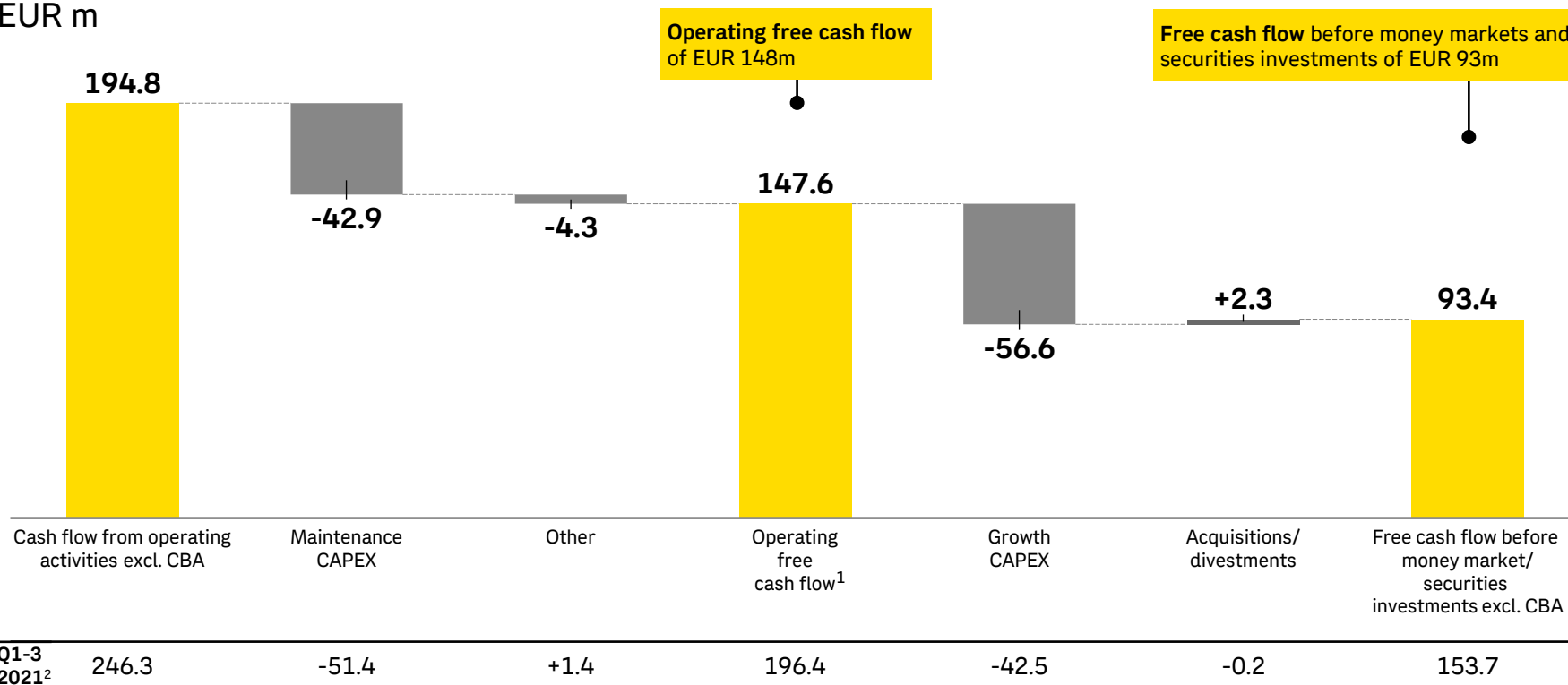
Equity



# OPERATING FREE CASH FLOW AT A SOLID LEVEL



EUR m



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

<sup>2</sup> Adjusted presentation



- 
- 1. Highlights and Overview
  - 2. Strategy Implementation
  - 3. Group Results Q1-3 2022
  - 4. Outlook 2022 and 2023**



# OUTLOOK 2022 AND 2023



## Market environment 2022

- Inflation remains a long-term challenge
- Economic downturn is expected



## Revenue 2022

- Revenue at the prior-year level (2021 revenue: EUR 2.5bn)
- Stable revenue in Mail, decline in Parcel & Logistics, increase in Retail & Bank



## Investments 2022

- Investment programme with the goal of capacity expansion and conversion to climate-neutral delivery
- Maintenance CAPEX of about EUR 100m and growth CAPEX of approx. EUR 80m in 2022



## Earnings 2022

- Forecast based on predictable energy supply
- EBIT at least at the mid-point of the previously indicated range (2021 EBIT: EUR 205m, 2020 EBIT: EUR 161m)



## Market environment and targets for 2023

- Factor cost increases against the backdrop of economic headwinds
- Reduced visibility in the mail and parcel markets
- The aim is to increase revenue against the backdrop of rising costs and thereby to keep earnings as stable as possible

# CONTACT



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## Financial calendar 2023

15 March 2023  
20 April 2023  
02 May/04 May 2023  
12 May 2023  
10 August 2023  
16 November 2023

Annual Report 2022  
Annual General Meeting  
Ex-day/Dividend payment day  
Interim Report Q1 2023  
Half-Year Report 2023  
Interim Report Q1-3 2023

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