INVESTOR INFORMATION
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AUSTRIAN POST 2023 RESULTS:
Increase in 2023 revenue and earnings driven by strong parcel growth and improvement in bank99

Revenue in 2023

- Revenue +8.7% to EUR 2,740.8m
- Mail –2.3% to EUR 1,190.4m
- Parcel & Logistics +16.6% to EUR 1,416.5m
- Retail & Bank +37.6% to EUR 168.6m

Earnings in 2023

- EBITDA +5.0% to EUR 391.6m
- EBIT +1.0% to EUR 190.2m
- Earnings per share +5.5% to EUR 1.96

Cash flow, balance sheet and dividend

- Operating free cash flow of EUR 221.6m (+21.0%)
- Equity of EUR 716.7m as at 31 December 2023
- Dividend proposal to the Annual General Meeting on 18 April 2024: EUR 1.78 per share (+1.7%)

Outlook for 2024

- Revenue growth target in the low to mid-single digit range
- Continuation of the stable earnings development: operating earnings (EBIT) is projected to be at the same level as last year

Austrian Post faced challenging economic conditions in 2023. High inflation and the simultaneous economic decline had negatively impacted the investment behaviour of consumers and companies. On the back of this difficult market environment retail segments were particularly affected. This negative trend also influenced Austrian Post's mail order and advertising customers. "Against the backdrop of the challenging macroeconomic environment, we are very satisfied with the performance of our company," explains CEO Georg Pölzl. "Growth in the parcel business as well as the increase in financial services of bank99 have more than offset the decline in letter mail and direct mail items," Pölzl adds.

Group revenue improved by 8.7% to EUR 2,740.8m in 2023. In this context, the Parcel & Logistics Division showed a revenue increase of 16.6% to EUR 1,416.5m based on volume growth in all regions of Austrian Post for the full-year 2023, parcel volumes rose by 10% in Austria, 29% in Southeast and Eastern Europe and 4% in Türkiye. The business in Türkiye continues to be impacted by high inflation and a volatile exchange rate development. In 2023, the Mail Division reported a 2.3% drop in revenue to EUR 1,190.4m, which is due to a further decline in the conventional letter mail business as well as volume decreases in direct mail. The Retail & Bank Division generated strong revenue growth of 37.6% to EUR 168.6m on the back of an improved interest rate environment for banks.

Despite the challenges from inflation and closely related price pressure for energy, materials and staff costs, Austrian Post achieved an improvement in its main earnings indicators in 2023. EBITDA increased by 5.0% to EUR 391.6m and earnings before interest and taxes (EBIT) by 1.0% to EUR 190.2m. The Mail Division generated EBIT of EUR 152.3m in 2023, down by 3.3% from the previous EUR 157.6m. Declining volumes could only be partially offset by postal rate adjustments. EBIT achieved by the Parcel & Logistics Division equalled EUR 89.5m, up by 0.8% from EUR 88.8m in the previous year. The Retail & Bank Division reported an EBIT of minus EUR 13.7m in 2023 compared to minus EUR 26.7m in 2022, thus achieving a strong earnings improvement of 48.6%. In this respect, a significant contribution was made by the positive development of the financial services business of bank99, which can be attributed to the improved interest rate environment in Europe. The profit for the period of the Austrian Post Group rose from EUR 128.1m to EUR 138.7m in the 2023 financial year, resulting in improved earnings per share of EUR 1.96 compared to EUR 1.86 in the previous year (+5.5%). Due to this solid performance and balance sheet position, an attractive dividend at EUR 1.78 per share will be proposed to the Annual General Meeting on 18 April 2024 (+1.7%). This corresponds to a payout ratio of 87% of the Group net profit and a dividend yield of 5.4% in relation to the closing share price on 31 December 2023.

The markets in which Austrian Post operates continue to be negatively impacted by a high level of inflation and weak economic stimulus. These conditions adversely affect both the willingness of companies to invest and the purchasing behaviour of consumers. In order to address these challenges, it is crucial for Austrian Post to achieve a positive revenue development driven by innovative solutions, new products and services as well as price adjustments. In line with current forecasts, Austrian Post expects to generate low to mid-single digit growth in the 2024 financial year. Revenue growth and, at the same time, cost discipline and efficiency measures are required to ensure the targeted stability of Austrian Post. Assuming a positive economic development in Austrian Post's markets, the company is therefore targeting earnings (EBIT) at the previous year's level for the 2024 financial year.

The extensive investment programme implemented in previous years has been concluded and led to a tripling of sorting capacities in Austria. Over the next few years, the investment priorities will be automation, digitalisation, the expansion of international logistics and e-mobility. For example, one goal is to realise CO_2-free delivery in Austria over the last mile by 2030. This is because "we want to continue being a leader in climate-friendly logistics and strengthen our service performance, efficiency and speed through continuous improvements," states CEO Georg Pölzl. Therefore, Austrian Post plans capital expenditures of about EUR 140–150m in 2024.

"Our more than 27,00 employees form the foundation of our successful performance, because they are working with great commitment each and every day for our customers. They deserve our sincere gratitude for their efforts," Georg Pölzl concludes.

The complete version of the outlook as well as detailed information (excerpts) from the Group management report for the 2023 financial year can be found starting on page 4. The entire report is available on the website of Austrian post under post.at/investor in the Download Centre.

KEY FIGURES

EUR m	2022	2023	Change %	Change EUR m	Q4 2022	Q4 2023
Revenue	**2,522.0**	**2,740.8**	**8.7%**	**218.8**	**706.2**	**771.5**
Mail	1,218.0	1,190.4	-2.3%	-27.6	331.1	323.8
Parcel & Logistics	1,214.6	1,416.5	16.6%	201.9	349.4	407.4
Retail & Bank	122.5	168.6	37.6%	46.1	37.3	50.0
Corporate/Consolidation	-33.2	-34.7	-4.7%	-1.6	-11.6	-9.6
Other operating income	107.3	100.3	-6.5%	-6.9	28.3	23.4
Raw materials, consumables and services used	-750.1	-832.4	-11.0%	-82.3	-218.9	-235.4
Expenses for financial services	-11.3	-21.6	-90.6%	-10.3	-1.8	-9.7
Staff costs	-1,144.2	-1,215.4	-6.2%	-71.2	-298.8	-328.7
Other operating expenses	-352.3	-387.4	-10.0%	-35.1	-102.3	-112.9
Results from financial assets accounted for using the equity method	-0.3	2.1	>100%	2.5	-0.1	0.6
Net monetary gain	1.8	5.1	>100%	3.3	2.2	0.3
EBITDA	**372.7**	**391.6**	**5.0%**	**18.8**	**114.7**	**109.1**
Depreciation, amortisation and impairment losses	-184.3	-201.3	-9.2%	-17.0	-51.6	-49.7
EBIT	**188.4**	**190.2**	**1.0%**	**1.8**	**63.1**	**59.5**
Mail	157.6	152.3	-3.3%	-5.3	46.9	50.2
Parcel & Logistics	88.8	89.5	0.8%	0.7	30.1	28.8
Retail & Bank	-26.7	-13.7	48.6%	12.9	-1.8	-8.1
Corporate/Consolidation[1]	-31.3	-37.9	-20.9%	-6.6	-12.1	-11.4
Financial result	-24.7	-3.0	87.8%	21.7	-3.6	0.5
Profit before tax	**163.7**	**187.2**	**14.4%**	**23.5**	**59.5**	**60.0**
Income tax	-35.6	-48.5	-36.4%	-12.9	-16.1	-12.0
Profit for the period	**128.1**	**138.7**	**8.3%**	**10.6**	**43.4**	**47.9**
Earnings per share (EUR)[2]	**1.86**	**1.96**	**5.5%**	**0.10**	**0.61**	**0.66**
Gross cash flow	**330.6**	**320.6**	**-3.0%**	**-10.1**	**96.8**	**104.5**
Cash flow from operating activities	**-80.0**	**254.5**	**>100%**	**334.4**	**65.5**	**181.1**
CAPEX	151.8	155.3	2.3%	3.4	52.4	57.3
Free cash flow	**-270.3**	**158.8**	**>100%**	**429.1**	**9.6**	**136.7**
Operating free cash flow[3]	**183.1**	**221.6**	**21.0%**	**38.5**	**35.5**	**44.4**

[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 GROUP MANAGEMENT REPORT 2023

REVENUE DEVELOPMENT IN DETAIL

The Austrian Post Group's revenue rose by 8.7% to EUR 2,740.8m in 2023. The Parcel & Logistics Division recorded strong revenue growth of 16.6% in 2023 with its Turkish business. Excluding the parcel business in Türkiye, the division generated sales growth of 10.2% in 2023.

The Mail Division accounted for 42.9% of Austrian Post's revenue in 2023. The division's revenue of EUR 1,190.4m was impacted by the structural decline in the volume of addressed letters due to electronic substitution, but has benefited from the positive effect of the latest price adjustments. The advertising environment is also subdued due to the economic downturn in specific retail segments.
The Parcel & Logistics Division generated 51.0% of Group revenue, or EUR 1,416.5m, in the reporting period. The parcel business showed very positive development in all regions. Logistics Solutions saw lower revenue due to the discontinuation of special logistics services commissioned due to the pandemic.
The Retail & Bank Division achieved a 6.1% share of Group revenue in the 2023 financial year with revenue of EUR 168.6m. The development of the interest rate landscape in the 2023 financial year made a positive contribution to revenue in this division.

Revenue in the **Mail Division** amounted to EUR 1,190.4m in 2023, 63.0% of which can be attributed to the Letter Mail & Business Solutions business, 26.1% to Direct Mail and 10.9% to Media Post.
At EUR 750.4m, revenue in the **Letter Mail & Business Solutions** business fell short of the prior-year level by 2.3% in the 2023 financial year. Volumes continued to decline as a result of the substitution of letters by electronic forms of communication. While letter volumes hardly fell from 2021 to 2022, supported by positive special effects such as the election of the Austrian president and campaigns to send out energy and climate bonuses, the decline in 2023 was more pronounced in the absence of as many special effects. The average for the last two years (2021 – 2023) was around 6% p.a. Inflationary pressure on all cost types led to adjustments in the product and price structure, as well as to necessary efficiency improvements in internal processes. International letter mail was influenced by a reduction or shift in volume towards parcel products. Business Solutions reported slightly lower figures.
Revenue from **Direct Mail** fell by 3.9% to EUR 310.2m in the 2023 financial year. The advertising environment, which was subdued due to economic challenges and structural decline in specific customer segments (mail order), was only partially offset by adjustments to the price structure. There are also signs of consolidation in bricks-and-mortar retail (e.g. furniture sector).
The revenue from **Media Post**, i.e. the delivery of newspapers and magazines, rose by 2.5% year-on-year to EUR 129.9m. This increase is mainly due to adjustments to the product and price structure.

Revenue in the **Parcel & Logistics Division** rose by 16.6% to EUR 1,416.5m in the 2023 financial year. The parcel business showed very positive development in all regions.
The Austrian parcel business (**Parcel Austria**) saw revenue increase by 10.9% to EUR 806.4m in the reporting period. Parcel growth showed a positive volume trend of 10% in 2023, helped along by high levels of confidence in the quality offered by Austrian Post and rising volume flows from Asia.
Revenue in Türkiye and Azerbaijan (**Parcel Türkiye**) increased by 41.0% compared to 2022 to EUR 355.1m. On the one hand, this high growth can be traced back to increasing volumes. On the other, the increases / fluctuations in revenue in the individual quarters of 2023 are influenced by high inflation

and the exchange rate of the Turkish lira (accounting in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies).
The parcel business in Southeast and Eastern Europe (**Parcel CEE/SEE**) continues to show positive growth rates, with revenue up 15.2 % at EUR 198.1m in the 2023 financial year. There was also a sharp increase in volumes from Asia in this region (+29 %).
Logistics Solutions (including consolidation) reported a drop of 10.7 % to EUR 56.9m in the current reporting period. This effect is due primarily to the discontinuation of special logistics services commissioned in response to the pandemic in previous years.

Revenue in the **Retail & Bank Division** increased by 37.6 % from EUR 122.5m to EUR 168.6m in the 2023 financial year, with 75.9 % attributable to income from financial services and 24.1 % to branch services. **Income from Financial Services** rose by 54.2 % to EUR 128.0m in the current reporting period. This is due primarily to what is now an improved interest rate environment in Europe. **Branch Services** reported an increase of 2.8 % to EUR 40.6m in 2023 due to price adjustments for merchandise to reflect inflation.

EARNINGS DEVELOPMENT

The structure of expenses at Austrian Post features a high share of staff costs. Accordingly, 45.7 % of total operating expenses incurred in 2023 were attributable to staff costs. The second largest expense item, at 31.3 %, was the cost of raw materials, consumables and services used, which largely includes outsourced transport services. Furthermore, 14.6 % could be attributed to other operating expenses and 7.6 % to write-downs. Expenses for financial services account for 0.8 % of total operating expenses.

Staff costs in the 2023 financial year amounted to EUR 1,215.4m, up by 6.2 % or EUR 71.2m. The change includes salary adjustments under collective bargaining agreements in operating staff costs, which are offset by a high level of cost discipline. The Austrian Post Group had an average of 27,254 employees (full-time equivalents) in the 2023 financial year, compared to an average of 27,132 employees in the same period of the previous year (+0.4 %). Non-operating staff costs relate to termination benefits and changes in provisions, which can be attributed primarily to the specific employment situation of civil servant employees. In the 2023 financial year, there were no significant negative effects, unlike in the previous year.

Raw materials, consumables and services used increased by 11.0 % to EUR 832.4m. Transport by external service providers in particular contributed to this increase due to higher volumes in all parcel regions. Other operating income fell by 6.5 % to EUR 100.3m in 2023. While the current reporting period included a gain of EUR 19.3m from the sale of a property, the previous year’s figure included COVID-19 refunds from the federal government and a positive one-off effect in connection with Aras Kargo (option valuation). The EBIT effect in 2022 in connection with Aras Kargo (option valuation), including the IAS 29 hyperinflation valuation and goodwill amortisation, amounted to EUR 13.6m. Other operating expenses increased by 10.0 % to EUR 387.4m. There was a particular increase in the area of IT services.

The accounting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) is to be applied for the Turkish subsidiaries. Accordingly, items in the income statement and non-monetary items were adjusted on the basis of the general price index (see Notes to the consolidated financial statements, Note 3.3 Hyperinflation). The profit or loss from net monetary items is presented as a separate item in the income statement. In the 2023 financial year, the gain from net monetary items amounted to EUR 5.1m.

EBITDA in 2023 came to EUR 391.6m, 5.0% above the previous year's level of EUR 372.7m, corresponding to an EBITDA margin of 14.3%. Depreciation and amortisation in 2023 were up by 4.4% or EUR 8.1m year-on-year to EUR 189.7m. The increase is due predominantly to investments in new parcel logistics infrastructure locations. Impairment losses totalling EUR 11.6m in connection with software and right-of-use assets related to buildings are also included. EBIT increased by 1.0% in the financial year under review from EUR 188.4m in the previous year to EUR 190.2m, despite higher depreciation and amortisation. The EBIT margin for 2023 came to 6.9%.

The Group's financial result improved from minus EUR 24.7m to minus EUR 3.0m in 2023. The change is due to the fact that the previous year included a valuation effect from financial parameters related to the option liability for the remaining 20% of the shares in Aras Kargo in the amount of minus EUR 18.8m. Income tax increased from minus EUR 35.6m to minus EUR 48.5m in 2023. This resulted in a profit for the period of EUR 138.7m for the 2023 financial year, compared with EUR 128.1m in the previous year (+8.3%). Basic earnings per share were EUR 1.96 compared to EUR 1.86 in the same period of the previous year (+5.5%).

EBIT BY DIVISION

Earnings (EBIT) for the 2023 financial year rose from EUR 188.4m to EUR 190.2m (+1.0%), reflecting a very positive revenue trend (+8.7%) as well as cost increases due to inflation.

In terms of divisional result, the Mail Division achieved EBIT of EUR 152.3m in 2023 as against EUR 157.6m in the previous year (–3.3%). This decrease is due to the steady drop in volumes and cost increases in all areas, which could only be partially offset by the pricing measures implemented.

The Parcel & Logistics Division generated EBIT of EUR 89.5m in the 2023 financial year, compared to EUR 88.8m in the previous year (+0.8%). Looking at the year-on-year comparison, it is important to note that increased positive special effects had an impact in 2022 (primarily the option valuation related to the increase in the stake in Aras Kargo). From a regional perspective, the operating parcel business in Austria, Türkiye and Azerbaijan showed positive development, while earnings in Southeast and Eastern Europe were lower due to market pressure in a number of countries. In addition, business performance in Türkiye is more affected by inflation and currency translation than other markets. The discontinuation of special logistics services commissioned in response to the pandemic in the current reporting year had a negative impact on the division's result.

The Retail & Bank Division reported EBIT of minus EUR 13.7m in the 2023 financial year, compared to minus EUR 26.7m in the previous year, meaning that earnings improved by a significant 48.6% or EUR 12.9m. The positive trend in the financial services business, based on increased interest income, made a significant contribution to this. Special expenses in connection with the bank99 core bank migration project had a negative effect running into the upper single digits.

EBIT in the Corporate Division (incl. consolidation and the intra-Group apportionment procedure) changed from minus EUR 31.3m to minus EUR 37.9m, mainly due to higher energy costs and expenses associated with IT services. The Corporate Division provides non-operating 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.

CASHFLOW and BALANCE SHEET

Gross cash flow from earnings amounted to EUR 320.6m in the 2023 financial year, compared with EUR 330.6m in 2022 (–3.0%). At EUR 254.5m, cash flow from operating activities outstripped the previous year's figure of minus EUR 80.0m. The most significant effects here are the changes in bank99's core banking assets in the amount of minus EUR 44.2m (2022: EUR –334.3m), which resulted primarily from a less pronounced increase in receivables from customers (lending) and lower investments in government bonds compared to the previous year. Core banking assets include the change in the balance sheet items financial assets from financial services and financial liabilities from financial services, excluding cash, cash equivalents and central bank balances, meaning that they encompass the deposit and investment business of bank99. Cash flow from operating activities excluding core banking assets amounted to EUR 298.6m in the 2023 financial year as against EUR 254.3m a year earlier (+17.4%).
Cash flow from investing activities amounted to minus EUR 95.7m in 2023 after minus EUR 190.4m in the previous year (–49.7%). Expenses for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 155.3m in the reporting period as against EUR 151.8 in the previous year (+2.3%).
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 221.6m in the current reporting period, compared to EUR 183.1m in the previous year (+21.0%). The increase also includes the proceeds from the sale of a property.
Cash flow from financing activities totalled minus EUR 149.8m in 2023 as against minus EUR 90.3m in the previous year and mainly included distributions of minus EUR 121.0m in the current financial year, as well as a loan taken out in 2023 with a three-year term in the amount of EUR 75m.

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 5.7bn as at 31 December 2023. On the asset side, property, plant and equipment at EUR 1,356.3m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 372.2m. In addition, there are intangible assets and goodwill from business combinations, which are reported at the amount of EUR 145.9m as at 31 December 2023. The balance sheet shows receivables of EUR 436.7m, other financial assets amounted to EUR 27.4m as at 31 December 2023. Financial assets from financial services amounted to EUR 3,345.6m at the end of 2023 and result mainly 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 716.7m as at 31 December 2023 (equity ratio of 12.6%). The pro forma equity ratio, taking into account bank99 using the equity method, came to 29% at the end of December 2023. At the end of the reporting period, provisions totalled EUR 592.8m, other financial liabilities amounted to EUR 619.3m and trade and other payables totalled EUR 567.2m. Financial liabilities from financial services amounting to EUR 3,181.1m result mainly from the business activities of bank99 (deposit and investment business of bank99's customers).

OUTLOOK FOR 2024

The macroeconomic environment in Austrian Post's markets remains dominated by high inflation and weak economic momentum. This is having a knock-on effect on the willingness of companies to invest, but also on consumer purchasing behaviour. Changes are evident in the retail sector in particular. There are signs of a further decline in bricks-and-mortar retail alongside growth in national and international e-commerce.

Revenue Growth in 2024
In order to meet the market challenges, it is important for Austrian Post to achieve positive revenue development through innovative solutions, new products and services, as well as price adjustments. Based on current forecasts, growth in the low to mid-single-digit range is expected for the 2024 financial year.
In the Mail Division, a slight dip in revenue is forecast. The fundamental trend towards declining volumes in the traditional mail segment will continue. In addition, the weak economy is expected to result in difficult conditions for the retail sector and, as a result, in a reduced volume of direct mail and media post. Various elections in Austria at local and national level, as well as price adjustments for various products, should have a positive effect in 2024.
In the Parcel & Logistics Division, growth is expected to be in the mid-single-digit range. Further trends will be heavily reliant on economic developments in our markets and, as a result, on consumer purchasing power. In the Turkish market in particular, the economic environment and inflation, as well as the exchange rate of the Turkish lira, make forecasting more difficult.
The Retail & Bank Division is likely to achieve stable to single-digit growth in revenue depending on the interest rate environment. The most important goal here for 2024 will be finalising the transformation programme for core bank migration.

Group Earnings in 2024
Revenue growth on the one hand, but also cost discipline and efficiency on the other, are necessary in order to ensure the stability that Austrian Post is aiming to achieve. In both mail and parcel logistics, Austrian Post is forging ahead with solutions that offer a high level of customer benefit, but also enable efficient processes that are easy to plan. Having achieved stable earnings in 2023, Austrian Post is therefore also aiming to achieve earnings (EBIT) that are on a par with the previous year in the 2024 financial year.

Investment Programme in 2024
The large-scale investment programme implemented in recent years – which has almost tripled sorting capacity in Austria – has now been completed. Investments in the coming years will focus on expanding international logistics and on e-mobility. For example, the company is aiming for last-mile delivery to be completely CO_2-free by 2030. This means that overall investment requirements should decline slightly in 2024. All in all, the plan for 2024 is to invest around EUR 70–80m in maintenance CAPEX (automation, digitalisation, maintenance) and around EUR 40m in green transformation (electric vehicles, photovoltaic systems), as well as EUR 30m in growth CAPEX, primarily now in Türkiye and Southeast and Eastern Europe.

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.