



AUSTRIAN POST RESULTS FOR Q1 2023: First-quarter revenue and earnings above prior year

Revenue growth in all divisions

- Revenue +10.5% to EUR 664.7m
- Mail +3.3% to EUR 308.6m
- Parcel & Logistics +15.5% to EUR 327.1m (+4.6% excluding Parcel Türkiye)
- Retail & Bank +41.8% to EUR 37.5m

Higher year-on-year earnings

- EBITDA +17.1% to EUR 95.1m
- EBIT +18.7% to EUR 47.0m
- Earnings per share at the prior-year level of EUR 0.46

Cash flow and balance sheet

- Operating free cash flow of EUR 75.1m
- Total assets including bank⁹⁹ of EUR 5.4bn
- Stable equity capital of EUR 739.7m

Outlook for 2023

- Targeted Group revenue growth in the mid-single-digit range
- Ongoing aim to achieve earnings (EBIT) close to the prior year level

Macroeconomic conditions from the previous year continued impacting Austrian Post during the first quarter of 2023. The current inflation is evident in higher costs of energy and purchased services but also increasingly rising personnel costs. In order to counteract these developments, the company needs to implement revenue but also cost-related measures.

"Against the backdrop of rising costs, the first quarter went well, as reflected in the higher revenue and earnings," states Austrian Post CEO Georg Pölzl. "In particular, our Retail & Bank Division benefits from higher interest rates and could significantly improve its revenue as well as earnings," CEO Pölzl adds. Group revenue increased by 10.5% to EUR 664.7m in the first quarter of 2023, showing improvements in all divisions: revenue equalled EUR 308.6m in the Mail Division (+3.3%) and were impacted by the structural decline of addressed letter mail volumes and the reduced direct mailing business, but also benefits from postal rate adjustments implemented in the previous year. The Parcel & Logistics Division accounted for revenues of EUR 327.1m (+15.5% or +4.6% excluding Parcel Türkiye) with a very positive parcel business in all regions. Revenue of the Retail & Bank Division climbed to EUR 37.5m (+41.8%), recent interest rate developments made a positive impact on the division's revenue.

Earnings have also improved in the first quarter. EBITDA rose by 17.1% to EUR 95.1m, and earnings before interest and taxes (EBIT) was up by 18.7% to EUR 47.0m. In this regard, it is important to highlight



INVESTOR INFORMATION
12 May 2023

the earnings increase in the Retail & Bank Division of EUR 11.6m year-on-year, which now made a slightly positive contribution of EUR 0.9m to Group earnings. Accordingly, the slight EBIT decrease in the Mail Division (-0.3% to EUR 41.0m) and Parcel & Logistics Division (-4.4% to EUR 16.7m) could be more than offset. Austrian Posts' net profit for the period amounted to EUR 32.0m compared to EUR 30.5m (+4.9%) in the previous year, implying earnings per share of EUR 0.46 in the first quarter of 2023.

Further cost pressure is expected for the entire 2023 and, from mid-2023, higher staff costs due to salary and wage adjustments in Austria as stipulated in collective labour agreement. On top of that, economic developments and the purchasing behaviour of consumers are becoming harder to predict. Nevertheless, Austrian Post is aiming to maintain or increase revenue in all divisions and targets Group revenue growth in the mid-single-digit range. In the Mail Division, a slight drop in revenue is forecasted. The structural trend of a volume decline in conventional letter mail will continue, but an adapted and up-to-date offering providing value for money should ensure availability and delivery quality at a high level and will cover cost increases. Revenue growth in the upper single-digit range is expected in the Parcel & Logistics Division. However, the increase will heavily depend on the exchange rate development of the Turkish Lira as well as consumer behaviour in an inflationary environment. Revenue of the Retail & Bank Division in 2023 will be supported by the improved interest rate environment and is expected to show a significant increase.

With respect to its earnings development, Austrian Post will continue to target EBIT in 2023 at about the same level as last year. Following a good start in the first quarter, higher costs are expected from the third quarter of 2023.

The planned investment programme is a top priority in 2023 alongside revenue generation and cost discipline. This primarily refers to finalising capacity expansion of parcel logistics in Austria and expanding the sustainable vehicle fleet towards enhanced e-mobility. As a result, investments in the range of EUR 160m to EUR 180m to ensure sustainability and secure growth are expected.

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



INVESTOR INFORMATION
12 May 2023

KEY FIGURES

EUR m	Q1 2022	Q1 2023	Change	
			%	EUR m
Revenue	601.4	664.7	10.5%	63.3
Mail	298.9	308.6	3.3%	9.7
Parcel & Logistics	283.1	327.1	15.5%	44.0
Retail & Bank	26.4	37.5	41.8%	11.1
Corporate/Consolidation	-7.0	-8.5	-21.1%	-1.5
Other operating income	28.4	18.6	-34.5%	-9.8
Raw materials, consumables and services used	-175.6	-197.6	-12.5%	-22.0
Expenses for financial services	-3.2	-1.9	40.0%	1.3
Staff costs	-288.0	-299.8	-4.1%	-11.8
Other operating expenses	-81.9	-91.3	-11.5%	-9.4
Results from financial assets accounted for using the equity method	0.2	0.1	-62.8%	-0.1
Net monetary gain	0.0	2.4	>100%	2.4
EBITDA	81.2	95.1	17.1%	13.9
Depreciation, amortisation and impairment losses	-41.6	-48.1	-15.6%	-6.5
EBIT	39.6	47.0	18.7%	7.4
Mail	41.1	41.0	-0.3%	-0.1
Parcel & Logistics	17.4	16.7	-4.4%	-0.8
Retail & Bank	-10.7	0.9	>100%	11.6
Corporate/Consolidation ¹	-8.2	-11.5	-40.3%	-3.3
Financial result	1.1	-3.4	<-100%	-4.5
Profit before tax	40.7	43.6	7.2%	2.9
Income tax	-10.2	-11.6	-14.0%	-1.4
Profit for the period	30.5	32.0	4.9%	1.5
Earnings per share (EUR)²	0.46	0.46	0.4%	0.00
Gross cash flow	77.9	79.8	2.4%	1.9
Cash flow from operating activities	-20.6	-50.9	<-100%	-30.3
CAPEX	23.6	24.1	2.2%	0.5
Free cash flow	-38.4	-106.8	<-100%	-68.4
Operating free cash flow³	72.1	75.1	4.1%	3.0

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

CONTACTS

Austrian Post
Ingeborg Gratzner
Head of Media Relations & Internal Communications
Tel.: +43 (0) 57767-32010
presse@post.at

Austrian Post
Harald Hagenauer
Head of Investor Relations, Group Auditing & Compliance
Tel.: +43 (0) 57767-30400
investor@post.at

Vienna, 12 May 2023



EXCERPTS FROM THE MANAGEMENT REPORT Q1 2023

REVENUE DEVELOPMENT IN DETAIL

In the first quarter of 2023, Austrian Post's Group revenue increased by 10.5% year-on-year to EUR 664.7m. Revenue improved in all operating divisions in the first three months. The Mail Division reported a revenue increase of 3.3%, whereas revenue of the Parcel & Logistics Division went up by 15.5% and the Retail & Bank Division produced a revenue increase of 41.8%.

The share of the Mail Division as a proportion of the total revenue generated by Austrian Post in the first quarter of 2023 amounted to 45.8%. The division's revenue of EUR 308.6m is negatively impacted by the structural decline of addressed letter mail volumes as a result of electronic substitution, however, also benefits from postal rate adjustments implemented in the previous year. In addition, the direct mailing business is in decline, in general, and currently faces considerable cost pressure.

The Parcel & Logistics Division accounted for 48.6% of Group revenue or EUR 327.1m in the reporting period. The parcel business developed very positively in all regions. Only the Logistics Solutions business area faced a revenue decline due to the lack of special pandemic-related logistics services in previous years.

The Retail & Bank Division accounted for 5.6% of Group revenue or EUR 37.5m in the first three months of 2023. Recent interest rate developments made a positive impact on the division's revenue.

Revenue of the **Mail Division** totalled EUR 308.6m in the first quarter of 2023, 64.2% of which can be attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 25.7% of the total divisional revenue, and Media Post had a 10.1% share.

In the first quarter of 2023, **Letter Mail & Business Solutions** revenue amounted to EUR 198.2m, implying a year-on-year increase of 5.6%. Letter mail volumes continue to show a downward trend resulting from the substitution of letters by electronic forms of communication. Conventional letter mail volumes in Austria fell by a further 4% in the first quarter of 2023. Postal rate adjustments implemented in the previous year had a positive effect on revenue. Inflationary pressures on all types of costs led to adjustments in the product and pricing structure as well as necessary efficiency increases in internal processes. International letter mail showed a stable revenue development against the backdrop of a volume decline, whereas the Business Solutions area developed positively.

Direct Mail revenue fell by 2.8% in the first quarter of 2023 to EUR 79.2m. The current restrained advertising behaviour could be partially offset by adjustments to the price structure. Pressure in the advertising market can also be attributed to higher prices of energy and paper.

Revenue from **Media Post**, i.e., the delivery of newspapers and magazines, rose by 4.9% year-on-year to EUR 31.2m. This increase is mainly related to adjustments in the product and pricing structure.

Revenue of the **Parcel & Logistics Division** increased by 15.5% in the first quarter of 2023 to EUR 327.1m. The parcel business developed very favourably in all regions.

Parcel Austria generated a revenue growth of 8.3% reaching EUR 185.0m. Parcel volumes showed an upward trend of 5% following the normalisation of volumes in the previous year.

Revenue in Türkiye (**Parcel Türkiye**) rose by 65.9% to EUR 83.6m compared to the first three months of 2022. This high level of growth is due to increasing volumes (+8%) as well as inflation in Türkiye.

The parcel business in Southeast and Eastern Europe (**Parcel CEE/SEE**) continues to generate positive growth rates, with revenue up by 2.3% to EUR 43.4m in the first three months of 2023.



INVESTOR INFORMATION
12 May 2023

Revenue of the **Logistics Solutions** area (incl. Consolidation) fell by 22.4% in the reporting period to EUR 15.1m. This decline is related to the lack of special pandemic-related logistics services provided in previous years.

Revenue of the **Retail & Bank Division** improved by 41.8% in the first quarter of 2023, increasing to EUR 37.5m from EUR 26.4m in the prior-year period. **Income from Financial Services** climbed from EUR 17.4m to EUR 27.6m in the current reporting period. This is mainly attributable to the improved interest rate environment in Europe. **Branch Services** revenue increased by 9.7% to EUR 9.9m in the first quarter of 2023.

EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (45.1%), raw materials, consumables and services used (29.7%) and other operating expenses (13.7%). 7.2% can be attributed to depreciation, amortisation and impairment losses and 0.3% to expenses for financial services.

Staff costs in the first quarter of 2023 totalled EUR 299.8m, implying a year-on-year increase of 4.1% or EUR 11.8m. The change results from salary adjustments in operational staff costs under collective labour agreements. The Austrian Post Group employed an average of 27,095 people (full-time equivalents) in the first three months of 2023 compared to the average of 27,239 employees in the prior-year period (-0.5%). Non-operating staff costs refer to severance payments and changes in provisions, which are primarily related to the specific employment situation of civil servant employees at Austrian Post. No significant additional expenses were incurred in the first quarter of 2023.

Raw materials, consumables and services used rose by 12.5% to EUR 197.6m. Fuel and energy costs as well as transport costs for external freight companies had an increasing effect.

Other operating income decreased by 34.5% in the first quarter of 2023 to EUR 18.6m. This development can be attributed to the lack of COVID-19 related reimbursements paid in the previous year. Other operating expenses increased by 11.5% to EUR 91.3m, particularly for IT services and maintenance costs.

EBITDA equalled EUR 95.1m in the first quarter of 2023, implying an increase of 17.1% from the prior-year figure of EUR 81.2m. This implies an EBITDA margin of 14.3%. Depreciation, amortisation and impairment losses amounted to EUR 48.1m in the first three months of 2023, comprising a year-on-year rise of 15.6% or EUR 6.5m. The increase is mainly due to investments in new parcel logistics infrastructure locations. For the Turkish subsidiary, the accounting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) has to be applied. Accordingly, all items in the income statement as well as the non-monetary items were adjusted using a general price index (refer to the Annual Report 2022, Consolidated Financial Statements, Note 3.3). The profit or loss from net monetary items is presented as a separate item in the income statement. In the first quarter of 2023, the net monetary gain amounted to EUR 2.4m. Group EBIT totalled EUR 47.0m in the first quarter of 2023, up from EUR 39.6m in the previous year. The EBIT margin equalled 7.1%.

The Group's financial result amounted to minus EUR 3.4m, down from the prior-year figure of EUR 1.1m. As a consequence, after deducting the income tax of EUR 11.6m, the profit for the period for the first



INVESTOR INFORMATION
12 May 2023

three months of 2023 equalled EUR 32.0m compared to EUR 30.5m in the first quarter of 2022. This implies unchanged undiluted earnings per share of EUR 0.46.

EARNINGS BY DIVISION

From a divisional perspective, the Mail Division achieved an EBIT of EUR 41.0m in the first quarter of 2023 compared to EUR 41.1m in the prior-year quarter (-0.3%). This stability in the current reporting period resulted from the combination of volume declines, postal rate effects alongside a focus on efficient work processes.

The Parcel & Logistics Division generated an EBIT of EUR 16.7m in the first quarter of 2023, down by 4.4% from EUR 17.4m in the prior-year period. The parcel business in Austria and Türkiye developed favourably, whereas earnings declined at several Southeast and Eastern European subsidiaries. The lack of special pandemic-related logistics services also negatively impacted the division's earnings.

The Retail & Bank Division recorded an EBIT of EUR 0.9m in the first quarter of 2023, compared to minus EUR 10.7m in the previous year. Accordingly, the earnings improvement equalled EUR 11.6m. The positive development in the financial services business based on higher net interest income made a significant contribution to earnings.

The EBIT of the Corporate Division (incl. Consolidation and the intra-Group cost apportionment procedure) changed from minus EUR 8.2m to minus EUR 11.5m. The Corporate Division provides non-operating services which are typically essential for the purpose of the administration and financial control of the company. In addition to conventional corporate governance tasks, these services include the management and development of commercial 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

The gross cash flow in the first quarter of 2023 equalled EUR 79.8m, compared to EUR 77.9m in the first quarter of 2022 (+2.4%). The cash flow from operating activities amounted to minus EUR 50.9m in the reporting period, compared to the prior-year figure of minus EUR 20.6m. In this regard, the biggest effect is attributable to changes in the core banking assets of bank99 totalling minus EUR 138.4m compared to minus EUR 104.2m in the previous year. The cash flow from operating activities excluding core banking assets totalled EUR 87.5m in the first quarter of 2023. The cash flow from investing activities was minus EUR 56.0m in the first three months of 2023, compared to minus EUR 17.8m in the prior-year period. Austrian Post relies on operating free cash flow as a key metric to assess the financial strength of its operating business and to cover the dividend for the financial year. Excluding the change in core banking assets, the operating free cash flow totalled EUR 75.1m in the current reporting period compared to EUR 72.1m in the first quarter of 2022. The cash flow from financing activities came to minus EUR 30.1m in the first three months of 2023, compared to minus EUR 85.2m in the previous year.

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 5,376.0m as at 31 March 2023. On the asset side, property, plant and equipment at EUR 1,339.0m



INVESTOR INFORMATION
12 May 2023

constitute one of the largest balance sheet items and included right-of-use assets in connection with leases of EUR 417.8m. In addition, there were intangible assets and goodwill from company acquisitions, which were reported at EUR 160.8m as at 31 March 2023. The balance sheet showed receivables totalling EUR 403.0m, other financial assets amounted to EUR 91.7m as at 31 March 2023. Financial assets from financial services totalled EUR 3,057.2m at the end of the first quarter of 2023 and result primarily from the business activities of bank99.

On the equity and liabilities side of the balance sheet, equity of Austrian Post Group amounted to EUR 739.7m as at 31 March 2023 (implying an equity ratio of 13.8%). The pro forma equity ratio (bank99 accounted for using the equity method) equalled 30% at the end of March 2023. Provisions of EUR 631.6m are shown on the equity and liabilities side at the end of March 2023, trade and other payables totalling EUR 519.2m. Financial liabilities from financial services of EUR 2,901.1m result from business activities of bank99 (deposit and investment business of bank99 customers).

OUTLOOK FOR 2023

The economic environment in Europe will continue to be impacted by the macroeconomic developments that prevailed last year, first and foremost by entrenched inflation driven by the intensifying wage-price spiral. This development also relates to energy costs which are currently at a higher level than before the war in Ukraine. The upward pressure on staff costs will lead to significantly higher wages and salaries in Austria as of July 2023 as stipulated by collective agreements. For this reason, it is necessary to take the unavoidable cost increases into account when developing products and setting prices.

Revenue growth in 2023

Similar to other companies, Austrian Post will have to address these challenging overall conditions both in terms of revenue and costs. Inflationary pressure on staff costs will lead to price adjustments in all areas and will require efficiency improvements in internal processes. The company is striving to maintain or increase its revenue in all areas. Based on the Group revenue 2022 of EUR 2.5bn, the company is aiming for growth in the mid-single-digit range.

In the Mail Division, a modest revenue decrease is forecasted for 2023. The structural trend of declining volumes of conventional letters will continue in the order of about 5% p.a. Direct mail and media post volumes are also under pressure. Increased gas and paper prices have a negative impact on the cost structures of many customers. Austrian Post is responding to rises in external energy and transport costs as well as internal staff costs by implementing efficiency and portfolio improvements. The underlying objective is to introduce an adapted letter mail product portfolio and pricing structure before the end of 2023. An up-to-date offering that provides value for money should ensure availability and delivery quality at a high level but also cover cost increases.

The Parcel & Logistics Division expected to resume growth after declining slightly in 2022. Assuming a stable economic environment in the countries in which Austrian Post operates, revenue growth in the upper single-digit range is expected. However, growth will heavily depend on the exchange rate development of the Turkish Lira. In addition, unpredictable consumer behaviour due to the inflationary environment leads to uncertainty in planning.



INVESTOR INFORMATION
12 May 2023

Revenue in the Retail & Bank Division is also expected to increase significantly in 2023. The improved interest rate environment is favourable to the business model of conventional retail banks. The objective of bank99 is to further expand its financial services business in 2023 and accelerate IT-integration. This should serve as the basis for reaching the break-even point at bank99 in 2024.

Group earnings in 2023

On balance, the current overall conditions remain challenging for Group earnings in 2023. Inflation will lead to a steady increase in costs, which applies particularly to staff costs in the second half of 2023. Accordingly, sequential quarterly developments will proceed differently than in the previous year. Following a good start in the first quarter of 2023, higher costs are anticipated as of the third quarter. Austrian Post still aims to generate earnings (EBIT) in 2023 at about the same level as last year.

Investment programme in 2023

Austrian Post will continue to offer a combination of growth and strong dividends. The investment programme mainly consists of finalising the capacity expansion for the parcel logistics in Austria to achieve a sorting capacity of almost 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 as well as in Türkiye on a scale of EUR 100m. In addition, growth CAPEX of EUR 60m to EUR 80m is planned in Austria.