
AUSTRIAN POST

Investor Presentation

Q1 2023



Walter Oblin, CFO
Vienna, 12 May 2023



AUSTRIAN POST AT A GLANCE



Mail

- Letter Mail
- Direct Mail
- Newspapers and Magazines

Revenue 2022:
EUR 1,218m

Parcel & Logistics

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

Revenue 2022:
EUR 1,215m

Retail & Bank

- Branch and Financial Services
- Customer Services

Revenue 2022:
EUR 123m

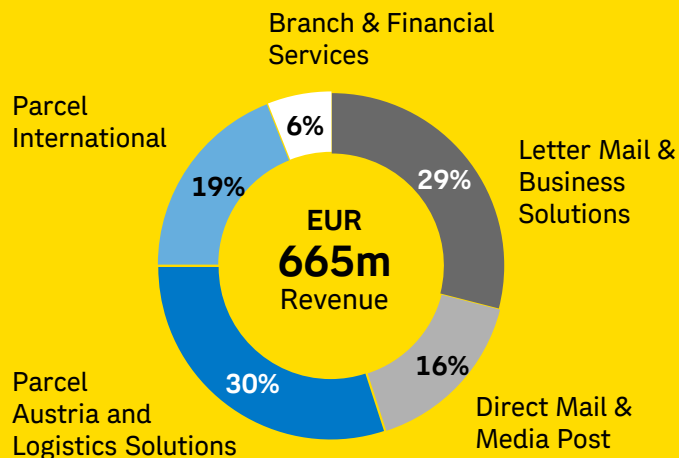
Group

Revenue 2022: EUR 2,522m

EBITDA 2022: EUR 373m

EBIT 2022: EUR 188m

Revenue mix Q1 2023

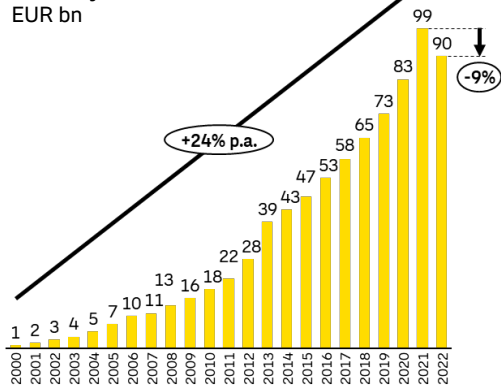


ECONOMIC ENVIRONMENT 2023 IMPACTED BY INFLATION AND CURRENCY EFFECTS



Consolidation in e-commerce (also in stationary trade)

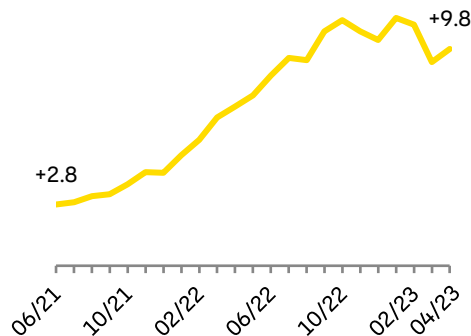
E-commerce revenue with goods in Germany (nominal)
EUR bn



Source: Statista (2023)

Inflation drives costs

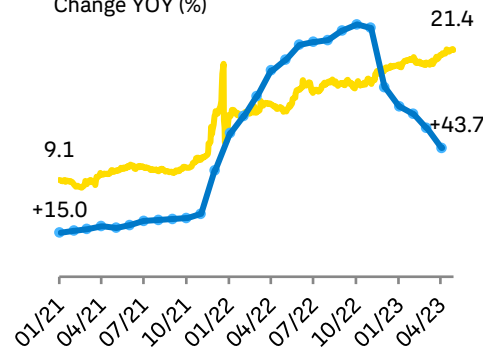
Austrian Consumer Price Index
Change YOY (%)



Source: Statistics Austria (as at May 2023), Basis 2015=100

Türkiye: high inflation with volatile currency

Turkish Lira exchange rate
(1 EUR in TRY)
Turkish Consumer Price Index
Change YOY (%)



Source: Austrian National Bank (as at May 2023), Central Bank of the Republic of Türkiye (as at May 2023), Basis 2003=100

OVERVIEW OF 2023



Good start in Q1

	Δ Q1 22/23	EUR m
Revenue	+10.5%	664.7
Mail	+3.3%	308.6
Parcel & Logistics	+15.5%	327.1
excl. Parcel Türkiye	+4.6%	243.6
Retail & Bank	+41.8%	37.5
EBITDA	+17.1%	95.1
EBIT	+18.7%	47.0

Challenges

- **Volatile economic development**
- **Staff costs**
Increase mandated by collective labour agreements in Austria as of July 2023 (EUR +1,800 per employee in 2023, +9.8%/+10.0% as of 1/1/2024)
- **Cost increases**
Energy and transport costs
- **Turkish Lira exchange rate**

Actions

- **Processes & costs**
Improved efficiency of logistics processes and cost discipline in purchasing and transport
- **Product/Price policy**
Ongoing adjustments necessary in the parcel and letter mail businesses

Targets for 2023

Revenue

- Target of revenue increase in the mid-single-digit range (depending on the Turkish Lira exchange rate)

CAPEX

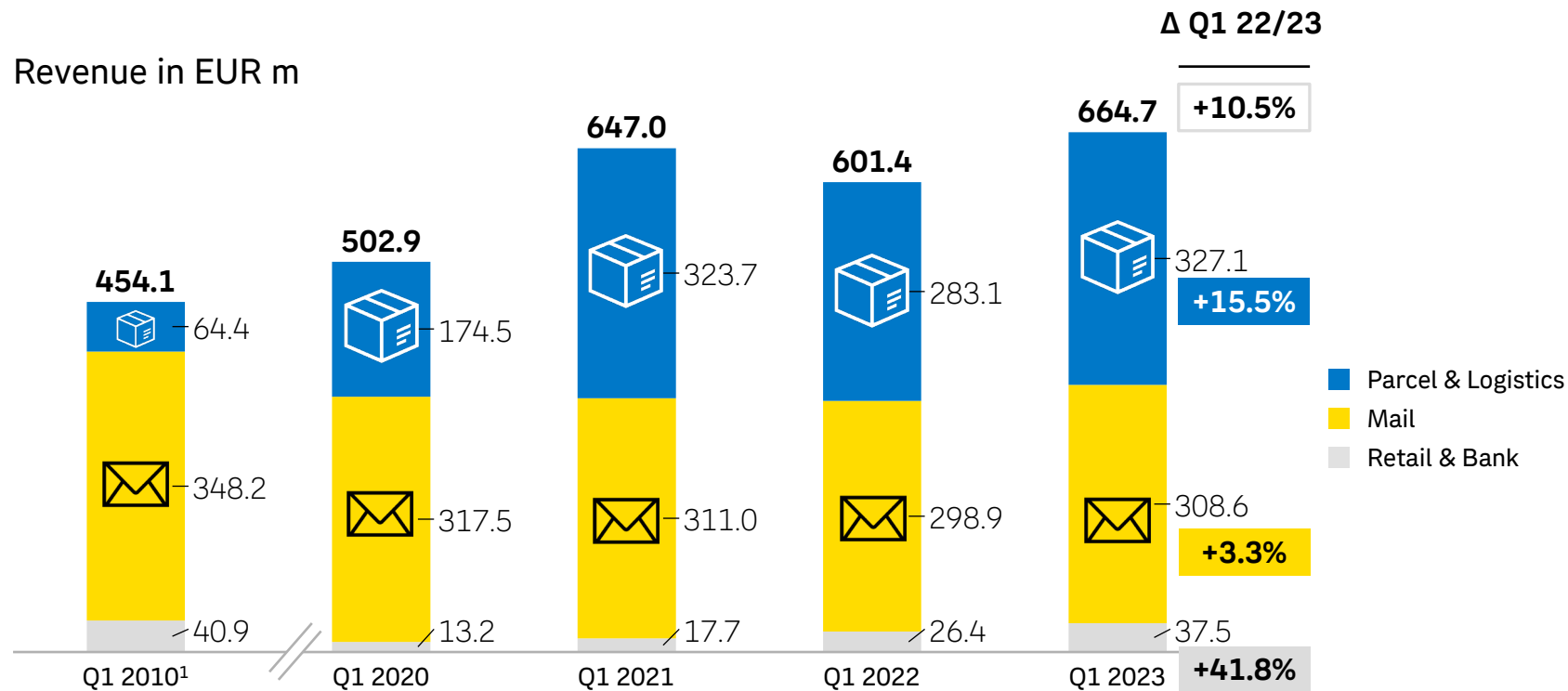
- Final expansion of the logistics infrastructure in Austria
- Investments in CO₂-free delivery

Earnings

- Seasonality in 2023: good start in Q1, cost pressure beginning Q3
- Target EBIT at approximately last year's level

ONGOING STRUCTURAL CHANGE

Mail and parcel as strong pillars for Group revenue



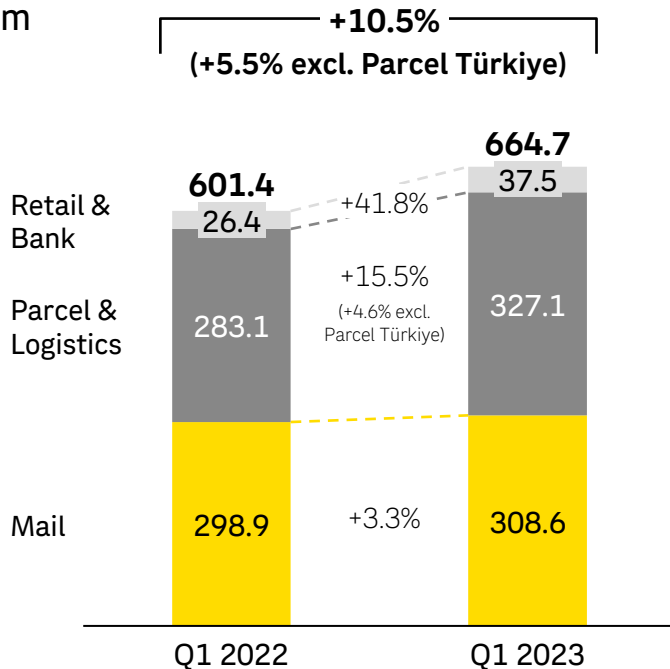
¹Adjusted presentation – excl. trans-o-flex

POSITIVE DEVELOPMENT OF Q1 2023 GROUP REVENUE



Revenue development

EUR m



Group: +10.5% in Q1 2023

Letter and direct mail business positively impacted by postal rate increases, recovery of the parcel business in Austria and Türkiye, good development in the interest and commission income of bank99



Mail: +3.3% in Q1 2023

- Positive postal rate effects for letter mail, revenue up by 5.6% to EUR 198.2m
- Decline in direct mail revenue to EUR 79.2m (-2.8%)
- Media post increase to EUR 31.2m (+4.9%)



Parcel & Logistics: +15.5% in Q1 2023

- Positive revenue development (+8.3%) of Parcel Austria
- Parcel business in Turkey up by +65.9% to EUR 83.6m
- Parcel revenue CEE/SEE revenue up by 2.3%



Retail & Bank: +41.8% in Q1 2023

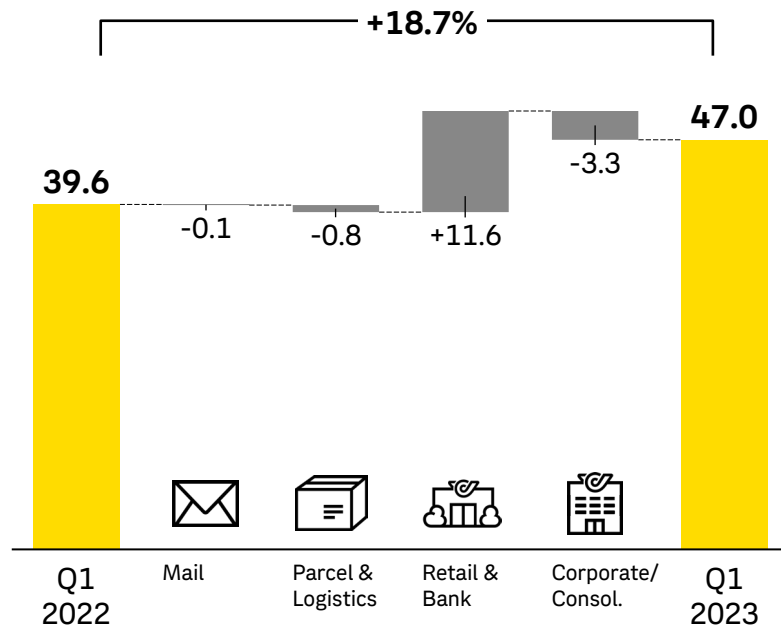
- Steady increase in Income from Financial Services to EUR 27.6m (+58.5%)
- Branch Services revenue increases to EUR 9.9m (+9.7%)

GROUP EARNINGS IN Q1 2023 SUPPORTED BY IMPROVED EARNINGS OF RETAIL & BANK



EBIT development

EUR m



Group: +18.7% in Q1 2023

Positive development of Group earnings due to positive impact from Retail & Bank Division

- ▶ **Mail: -0.3% to EUR 41.0m**
 - Declining letter and direct mail volumes offset by postal rate increases
- ▶ **Parcel & Logistics: -4.4% to EUR 16.7m**
 - Increase in the earnings contribution of the Turkish and Austrian parcel business
 - Lack of special pandemic-related logistics services (logistics solutions)
- ▶ **Retail & Bank: +108.0% to EUR 0.9m**
 - Positive earnings due to good branch network business and positive interest rate developments at bank99

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

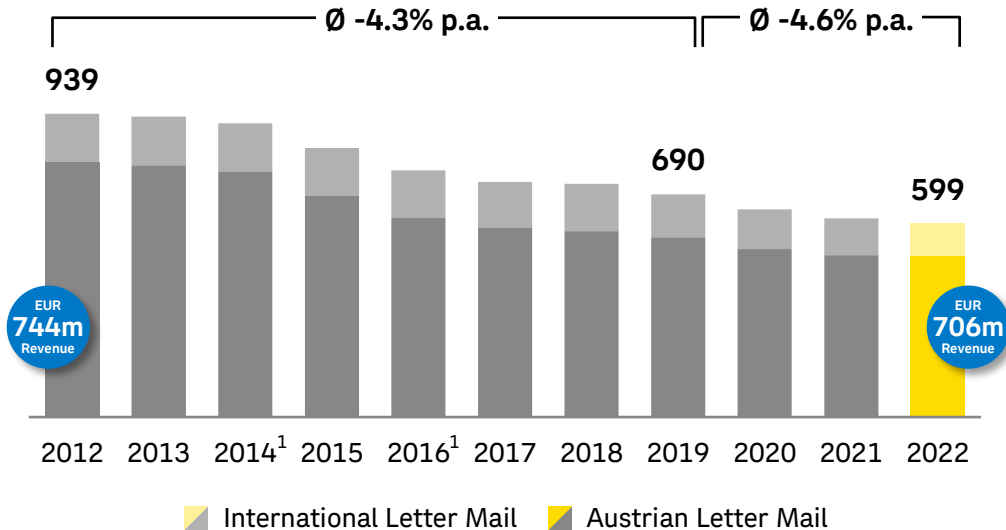


3 Development of retail and digital offerings for private customers and SMEs

1 LETTER MAIL

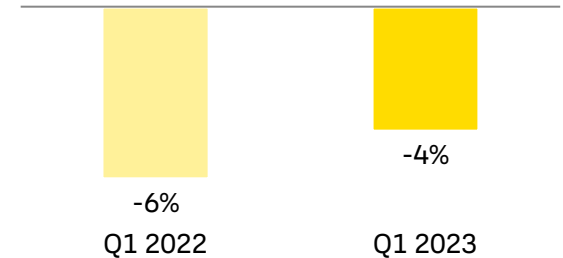


Volumes Austria and International (millions of items)



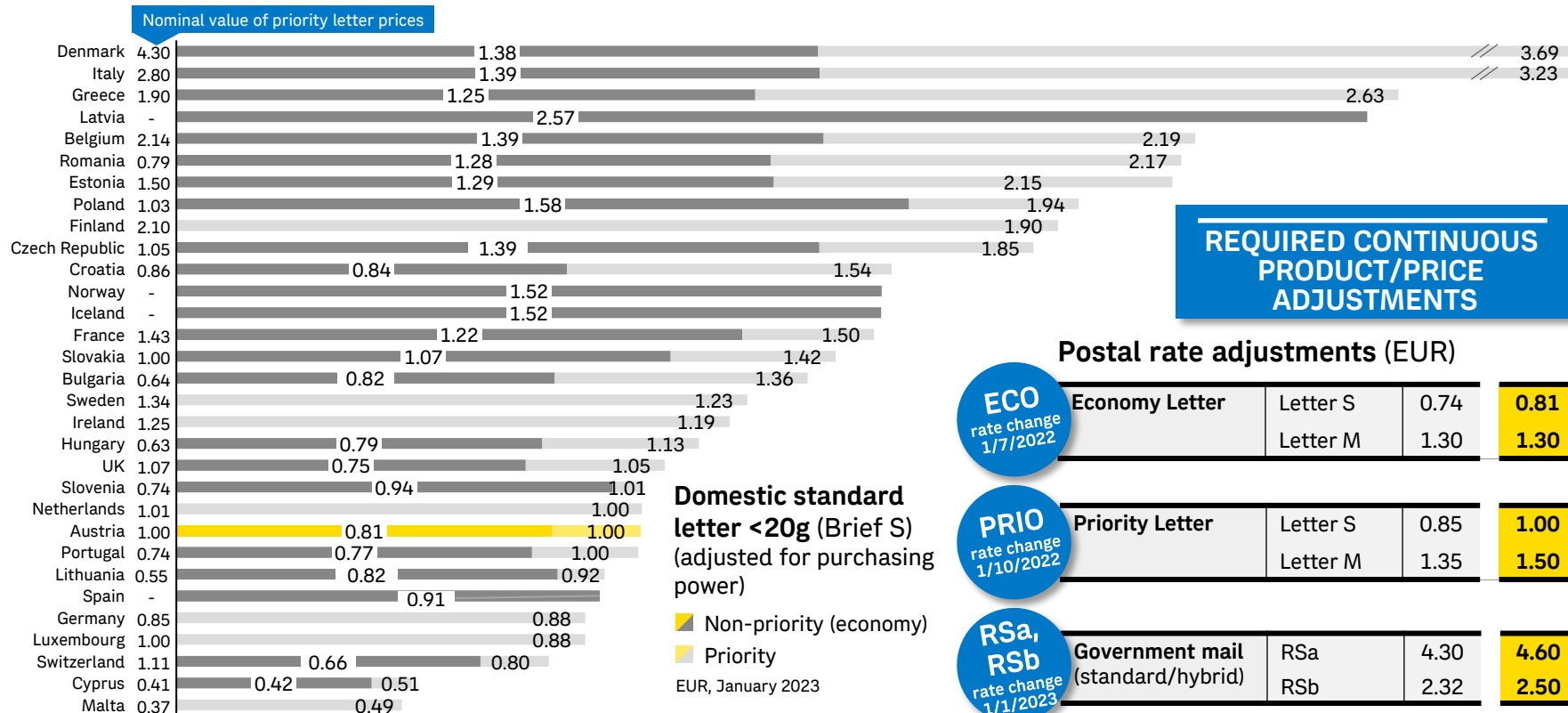
Q1 2023 Letter Mail volumes in Austria (daily items)

- Austrian letter mail volumes down by 4% vs. Q1 2022
- Few special mail volumes and effects in Q1
- Ongoing strong decline in international letter mail



¹ Adjusted reporting due to automated calculation methodology

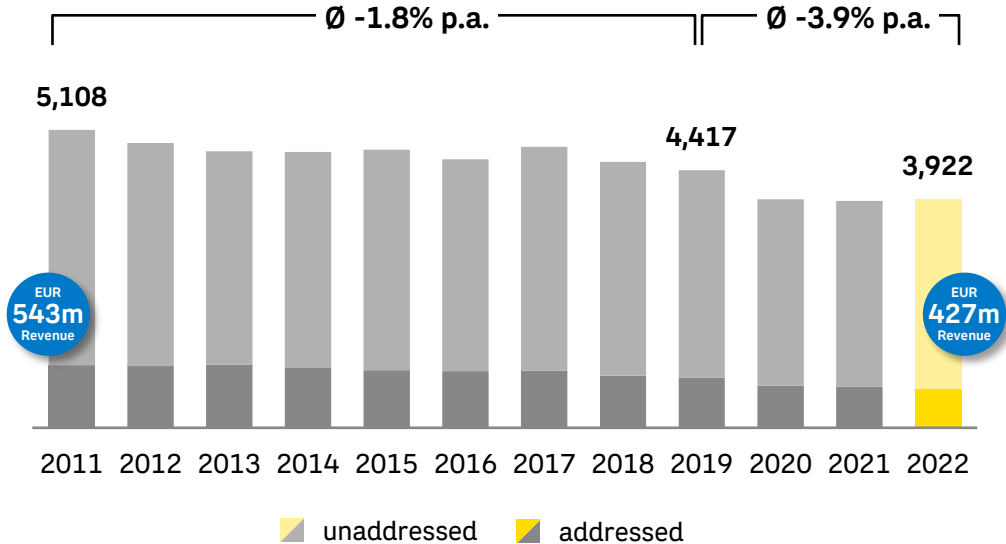
1 PRIORITY AND NON-PRIORITY RATES IN EUROPE



1 DIRECT MAIL/MEDIA POST IN AUSTRIA

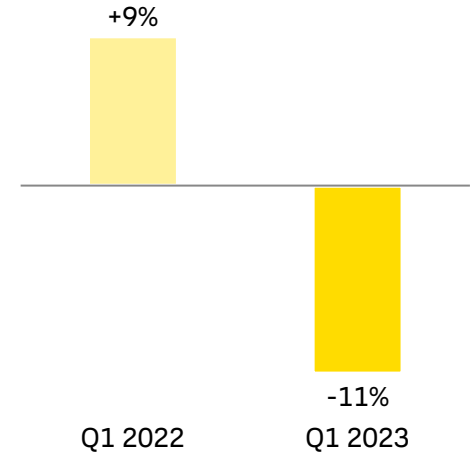


Volumes
(millions of items)



Q1 2023 Direct Mail/Media Post volumes (daily items)

- 11% volume decrease in direct mail/media post in Q1 2023 after +9% in Q1 2022
- Generally declining advertising business can be observed with varying advertising behaviour by customer segments (especially non-food retail)



1 PARCEL BUSINESS IN AUSTRIA

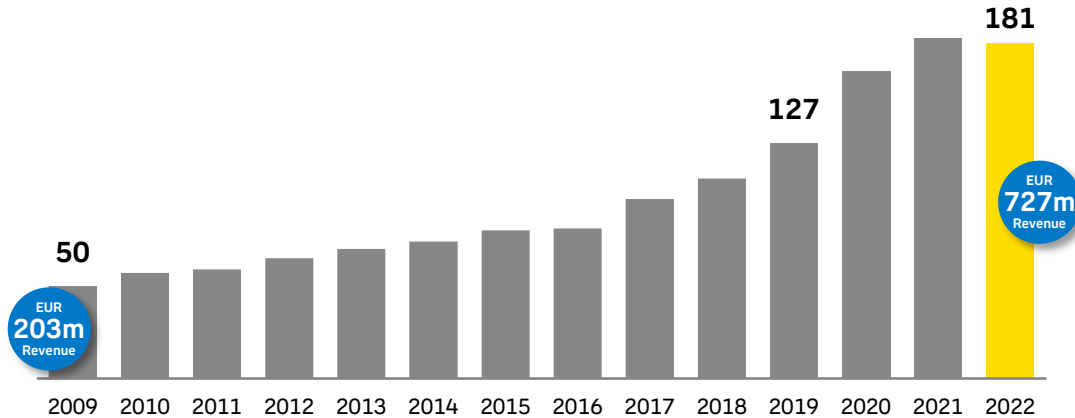


Volumes
(millions of items)



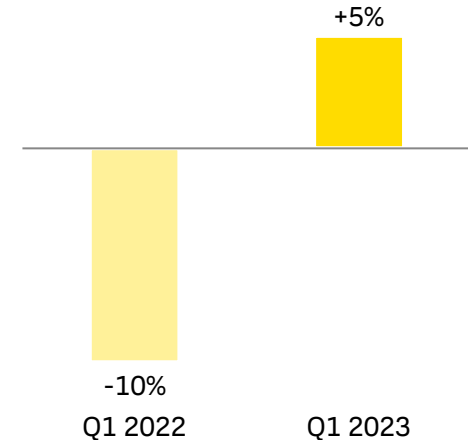
Ø +9.8% p.a.

Ø +12.5% p.a.

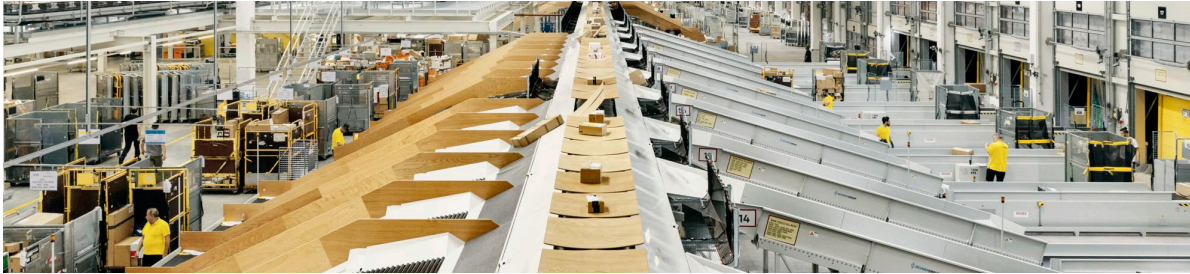


Q1 2023 parcel volumes
(daily items)

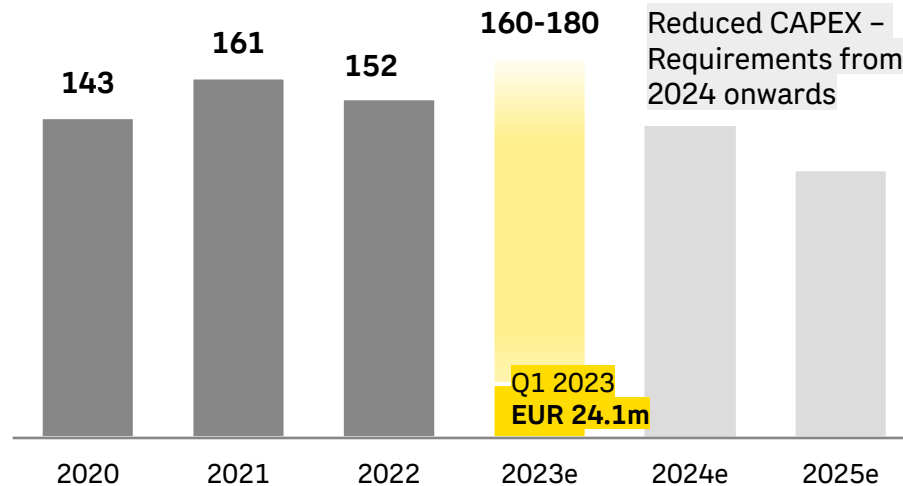
- 5% parcel growth YOY in Austria
- Quarterly comparison impacted by pandemic and lockdowns
- Slight increase once again after consolidation of volumes in the previous year



1 SUSTAINABLE INFRASTRUCTURE INVESTMENTS



CAPEX (EUR m)



CAPEX Q1 2023

- Maintenance CAPEX of EUR 13.4m
- Growth CAPEX of EUR 10.7m

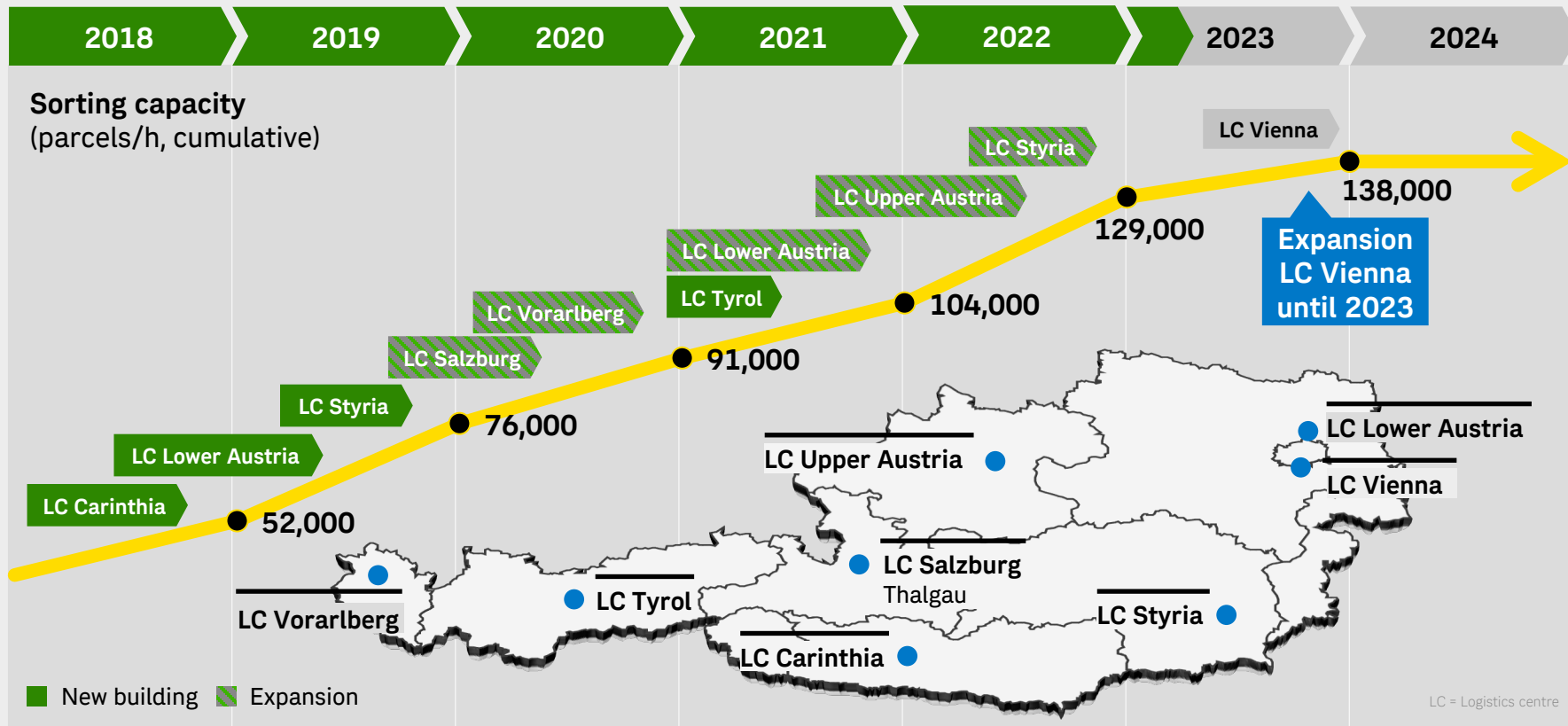
CAPEX forecast for 2023

- Expected level of EUR 160m-180m
- Availability of vehicles and construction services remains a challenge

Continuation of the investment programme

- Conversion to CO₂-free delivery
- Sorting capacity of nearly 140,000 parcels/h by the end of 2023

1 EXPANSION OF AUSTRIAN LOGISTICS INFRASTRUCTURE

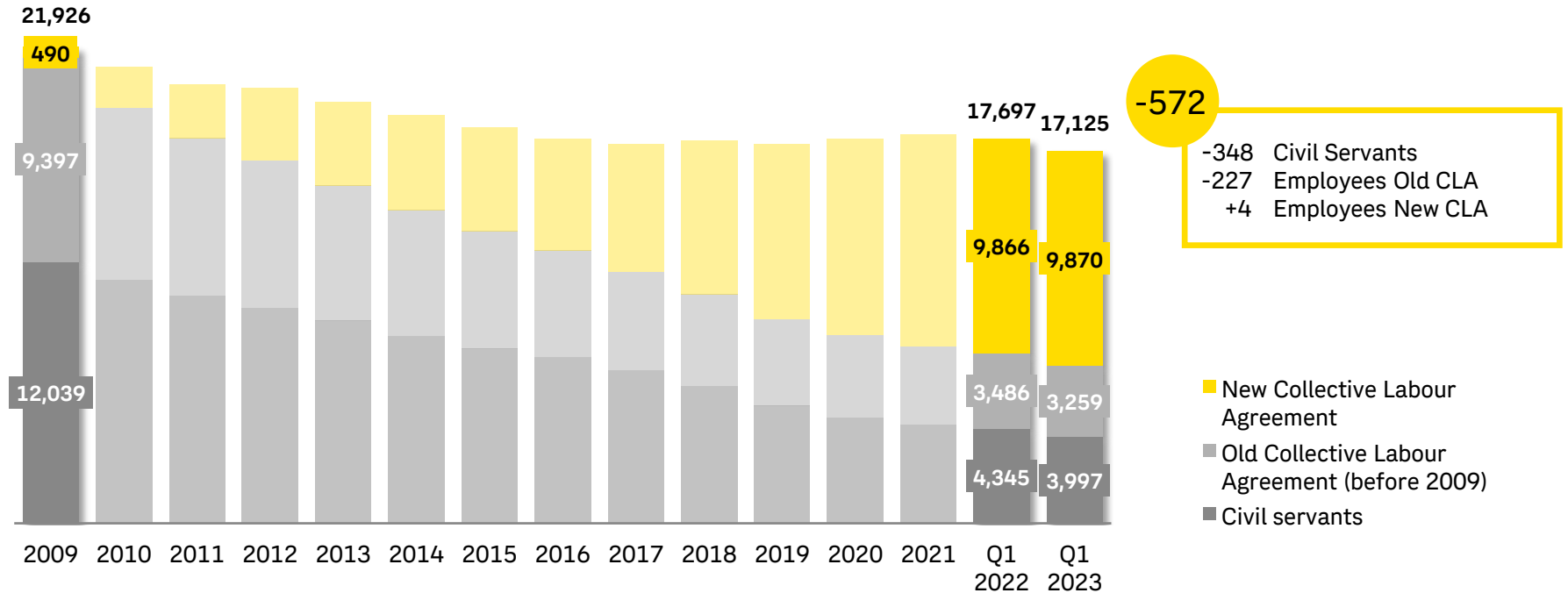


1 STAFF STRUCTURE IN AUSTRIA

Employees in the Austrian core business



FTEs (average for the period)

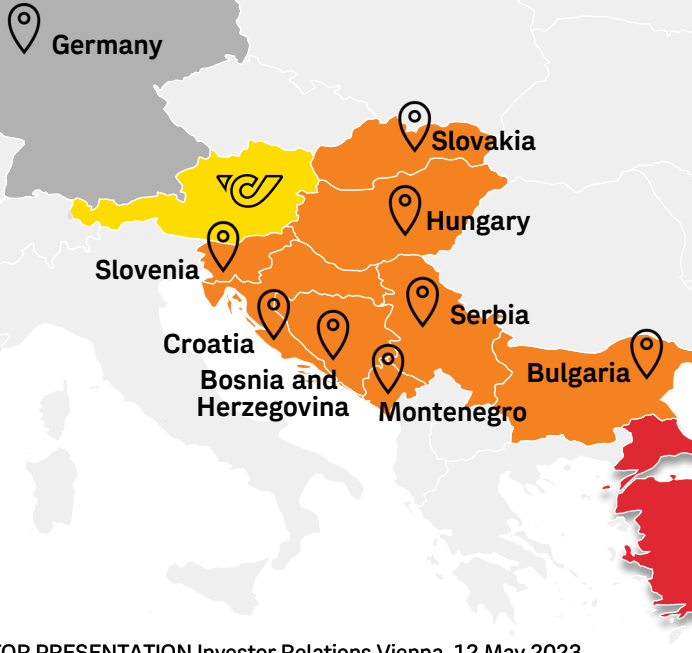


2 PROFITABLE GROWTH IN NEAR MARKETS

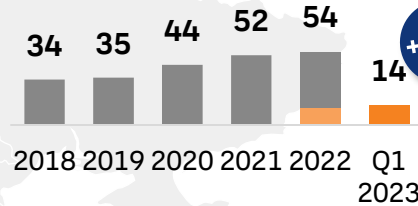
Focus on Parcel & Logistics



Q1 2023 revenue
EUR 11.4m

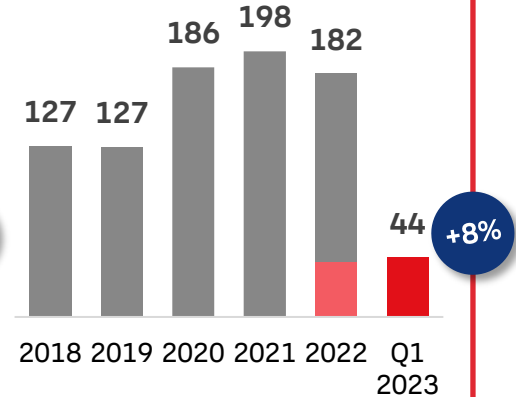


CEE/SEE
millions of parcels



Q1 2023 revenue
EUR 43.4m

TÜRKIYE
millions of parcels



Q1 2023 revenue
EUR 83.6m

2 PARCEL TÜRKIYE – ARAS KARGO

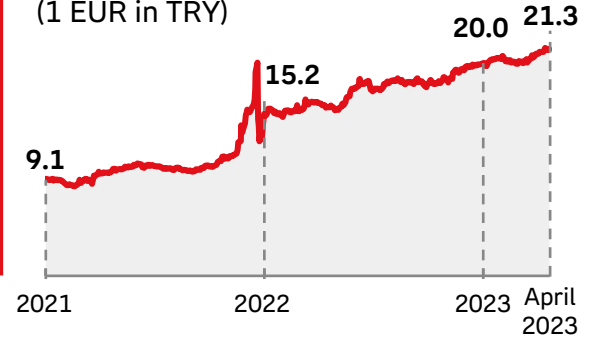


Financial indicators

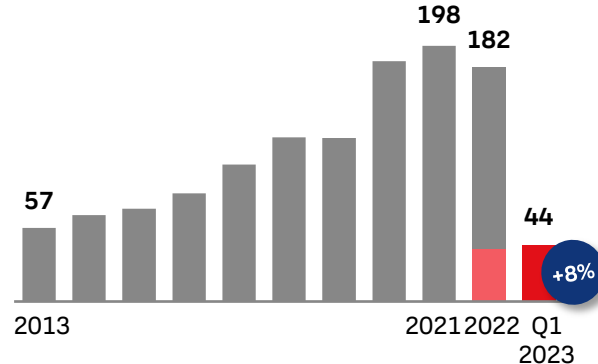


- Parcel growth of 8% in Q1 2023
- Revenue up by 120% (after hyperinflation accounting) to TRY 1,743m $\hat{=}$ EUR 84m
- Solid business development despite difficult market environment

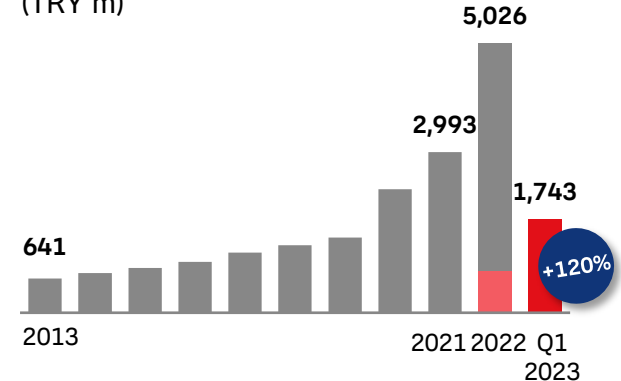
Turkish Lira FX rate (1 EUR in TRY)



Parcel volumes (millions of items)



Revenue (TRY m)



3 BANK99: INTEGRATION FORMS SOLID FOUNDATION

Positive momentum from improved interest rate environment

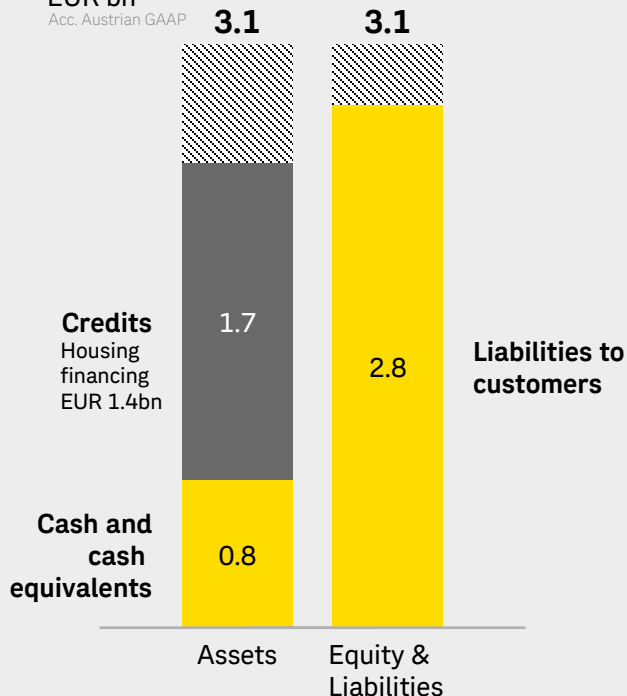


31.3.2022	31.3.2023
	Retail & digital bank
245,000	Customers 260,000
EUR 2.9bn	Balance sheet total EUR 3.1bn
EUR 1.4bn	Credit volume EUR 1.7bn
EUR 7.0m	Interest income EUR 15.9m

bank99 balance sheet total as at 31.3.2023

EUR bn

Acc. Austrian GAAP



Top issues in 2023

Technical integration

(IT system of bank99/ING)



Expanded product portfolio



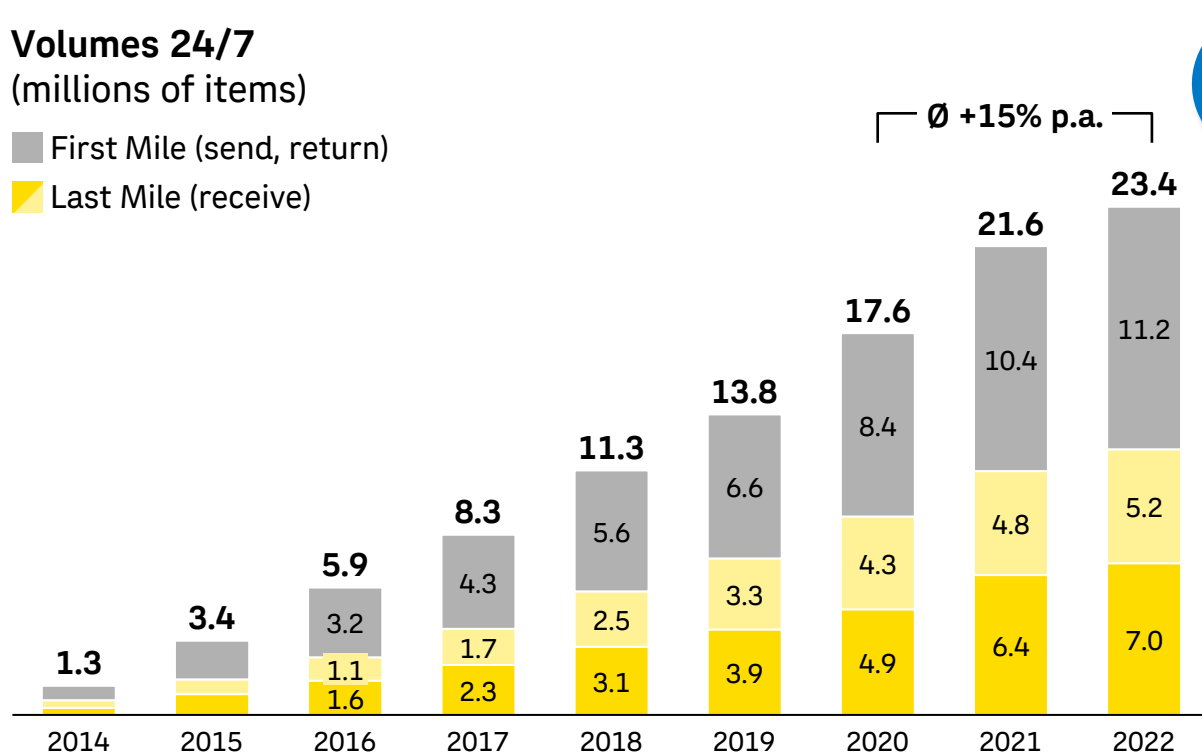
- Fixsparen99 (savings) (online & postal counter)
- Deposits and withdrawals for former ING customers in postal service points since April 2023

3 SELF-SERVICE SOLUTIONS ARE VERY POPULAR WITH POST CUSTOMERS



Volumes 24/7
(millions of items)

- First Mile (send, return)
- Last Mile (receive)



715
Drop-off devices



68,567
Pick-up boxes



106,956
Lockers in pick-up stations



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



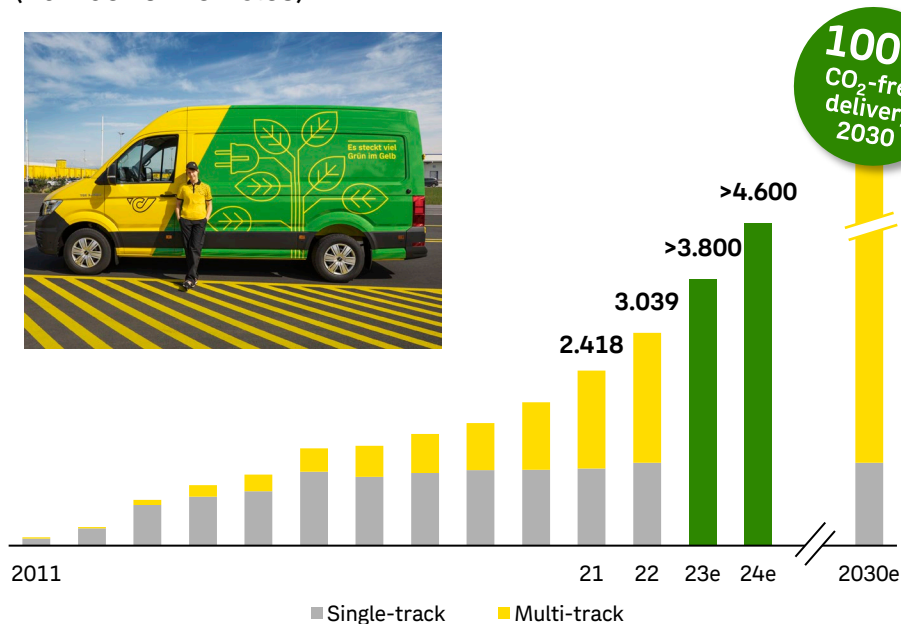
3 Development of retail and digital offerings for private customers and SMEs

FROM CO₂-NEUTRAL TO CO₂-FREE IN AUSTRIA

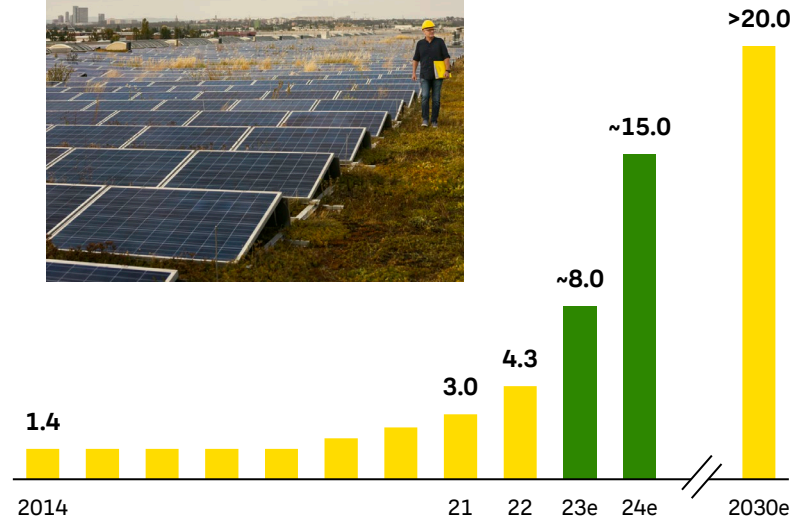


Further expansion of the E-vehicle fleet and PV facilities

E-vehicle fleet ramp-up curve
(number of vehicles)



Photovoltaic facilities
(output in cumulative MWp)



OUR ESG CREDENTIALS DEMONSTRATE A LEADING ROLE



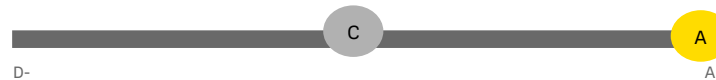
AAA (range from AAA to CCC)



Prime Status,
Rating C+ (range from A+ to D-)



A (range from A to D-), Supplier Engagement Leader



15.7 (low risk)
(range from 0 to 50)



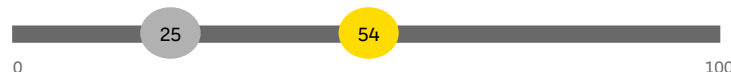
58 out of 100 points



59 out of 100 points



54 out of 100 points



81 out of 100 points



Average Score Peers

Score/Ranking Austrian Post



▶ AMBITIONS OF AUSTRIAN POST ARE RECOGNISED



**ALC Award
2022
ESG Reporting**



**CEO & CFO
of the Year
2023 in the
category ESG**

**Included
again in the
CDP A List**

**2nd Place
Austrian
Sustainability
Reporting
Award
2022**



**1st Place
Effective
Sustainability
Communicator
2022
Austria**



FINANCIAL INDICATORS AT A GLANCE



	Q1 2022	Q1 2023	
Revenue (EUR m)	601.4	664.7	Positive revenue development (+10.5%)
EBITDA margin (%)	13.5	14.3	EBITDA margin improves to 14.3%
EBIT margin (%)	6.6	7.1	EBIT margin develops solidly at 7.1%
Earnings/share (EUR)	0.46	0.46	Earnings per share stable YOY
Cash flow (EUR m)	72.1	75.1	Operating free cash flow of EUR 75.1m

KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2022	Q1 2023	%	Δ	
Revenue	601.4	664.7	10.5%	63.3	Positive revenue development in all divisions: Mail +3.3%, Parcel & Logistics +15.5%, Retail & Bank +41.8%
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	Increase in operational staff costs based on collective labour adjustments
Other operating costs	-81.9	-91.3	-11.5%	-9.4	
At equity consolidation	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	
<i>EBITDA margin</i>	<i>13.5%</i>	<i>14.3%</i>	-	-	
Depreciation, amortisation and impairment	-41.6	-48.1	-15.6%	-6.5	Stable earnings in Mail, slight decline in Parcel & Logistics and positive earnings in Retail & Bank
EBIT	39.6	47.0	18.7%	7.4	
<i>EBIT margin</i>	<i>6.6%</i>	<i>7.1%</i>	-	-	
Financial result	1.1	-3.4	<-100%	-4.5	
Income tax	-10.2	-11.6	-14.0%	-1.4	Group income tax rate of 26.7% (previous year: 25.1%)
Profit for the period	30.5	32.0	4.9%	1.5	
Earnings per share (EUR)	0.46	0.46	0.4%	0.00	

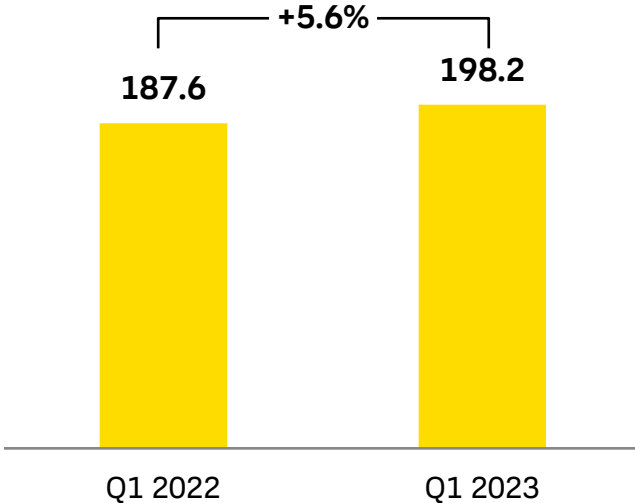


MAIL DIVISION: REVENUE DEVELOPMENT IN Q1 2023



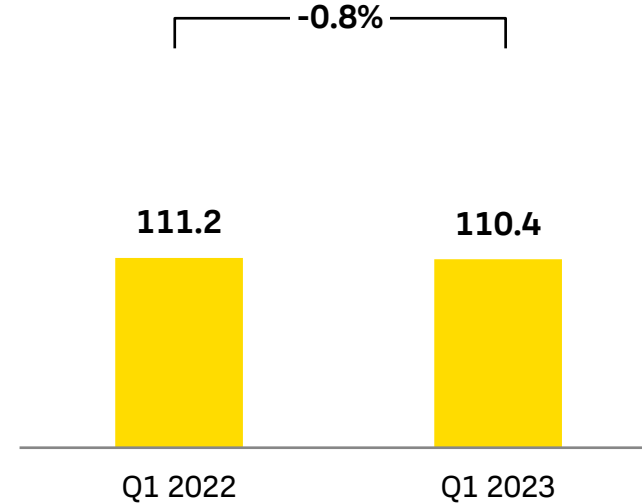
Letter Mail & Business Solutions (EUR m)

- 4% decline in Austrian letter mail volumes
- Ongoing decrease in international letter mail volumes
- Positive development in Business Solutions in input and output management



Direct Mail/Media Post (EUR m)

- Direct mail and media post volumes down by 11%
- Advertising market continues to suffer from cost pressures (energy and paper prices remain high)
- Inflation-based adjustments in the pricing structure





MAIL DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2022	Q1 2023	%	Δ
Revenue	298.9	308.6	3.3%	9.7
• Letter Mail & Business Solutions	187.6	198.2	5.6%	10.6
• Direct Mail	81.5	79.2	-2.8%	-2.3
• Media Post	29.8	31.2	4.9%	1.5
Revenue intra-Group	0.9	1.1	14.3%	0.1
Total revenue	299.8	309.6	3.3%	9.8
EBIT	41.1	41.0	-0.3%	-0.1
<i>EBIT margin¹</i>	<i>13.7%</i>	<i>13.2%</i>	-	-

Revenue increase due to postal rate measures in 2022

Direct Mail business remains under pressure

Stable earnings situation in Q1

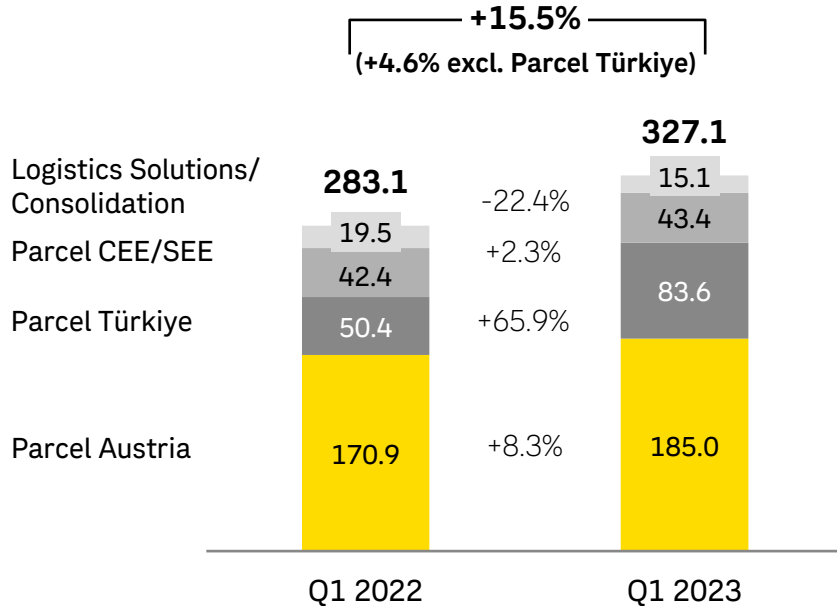
¹ EBIT margin in relation to total revenue



PARCEL & LOGISTICS DIVISION: REVENUE DEVELOPMENT IN Q1 2023

Revenue development

EUR m



Parcel & Logistics: +15.5%

Positive revenue development in all regions; lack of special pandemic-related logistics services

- ▶ **Parcel Austria: +8.3% (EUR +14.2m)**
 - Volume increase and price effects positively affect revenue
- ▶ **Parcel Türkiye: +65.9% (EUR +33.2m)**
 - Parcel volumes up by 8%
 - Revenue increase with high inflation
- ▶ **Parcel CEE/SEE: +2.3% (EUR +1.0m)**
 - Volume growth in Southeast and Eastern Europe (+12%)
- ▶ **Logistics Solutions: -22.4% (EUR -4.4m)**
 - Lack of positive special effects derived from pandemic-related logistics services in the previous year



PARCEL & LOGISTICS DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2022	Q1 2023	%	Δ
Revenue	283.1	327.1	15.5%	44.0
• Parcel Austria	170.9	185.0	8.3%	14.2
• Parcel Türkiye	50.4	83.6	65.9%	33.2
• Parcel CEE/SEE	42.4	43.4	2.3%	1.0
• Logistics Solutions/Consolidation	19.5	15.1	-22.4%	-4.4
Revenue intra-Group	0.2	0.2	11.6%	0.0
Total revenue	283.3	327.3	15.5%	44.0
EBIT	17.4	16.7	-4.4%	-0.8
<i>EBIT margin¹</i>	<i>6.2%</i>	<i>5.1%</i>	-	-

Positive volume and revenue development

Revenue strongly impacted by inflation and currency effect; higher volumes

Lack of special pandemic-related logistics services

EBIT down slightly YOY

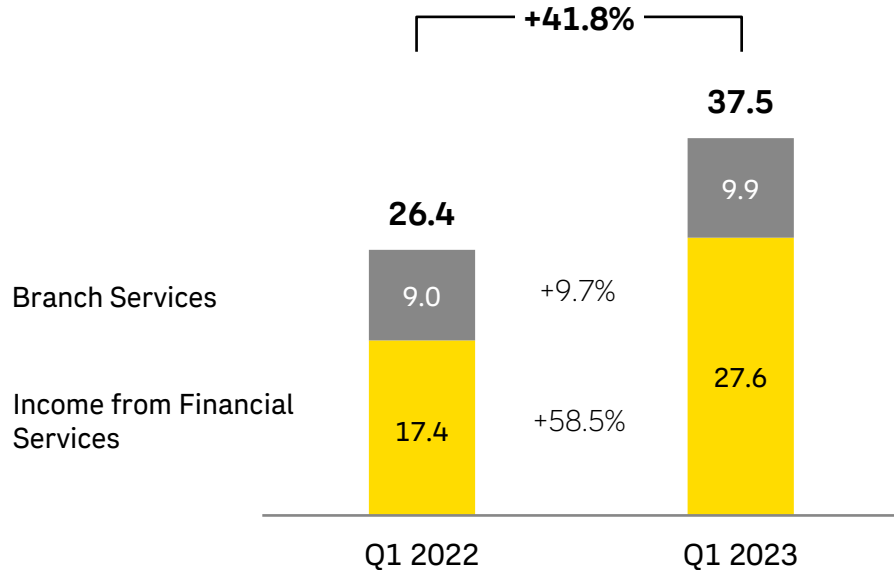
¹ EBIT margin in relation to total revenue



RETAIL & BANK DIVISION: REVENUE DEVELOPMENT IN Q1 2023



Revenue development EUR m



Retail & Bank Division: +41.8%

Continuation of positive revenue development due to improved interest rate environment for banks

- ▶ **Income from Financial Services: EUR +10.2m**
 - Rising net interest income following increase in ECB key interest rates
 - Already more than 260,000 customers at bank99
- ▶ **Branch Services: EUR +0.9m**
 - Slight increase in sales of retail goods (mainly inflation-related price adjustments)



RETAIL & BANK DIVISION: KEY INCOME STATEMENT INDICATORS



EUR m	Q1 2022	Q1 2023	%	Δ
Revenue	26.4	37.5	41.8%	11.1
• Income from Financial Services	17.4	27.6	58.5%	10.2
• Branch Services	9.0	9.9	9.7%	0.9
Revenue intra-Group	46.6	47.4	1.8%	0.8
Total revenue	73.0	84.9	16.3%	11.9
EBIT	-10.7	0.9	>100%	11.6
<i>EBIT margin¹</i>	-	1.0%	-	-

Rising net interest income supports bank99 revenue development

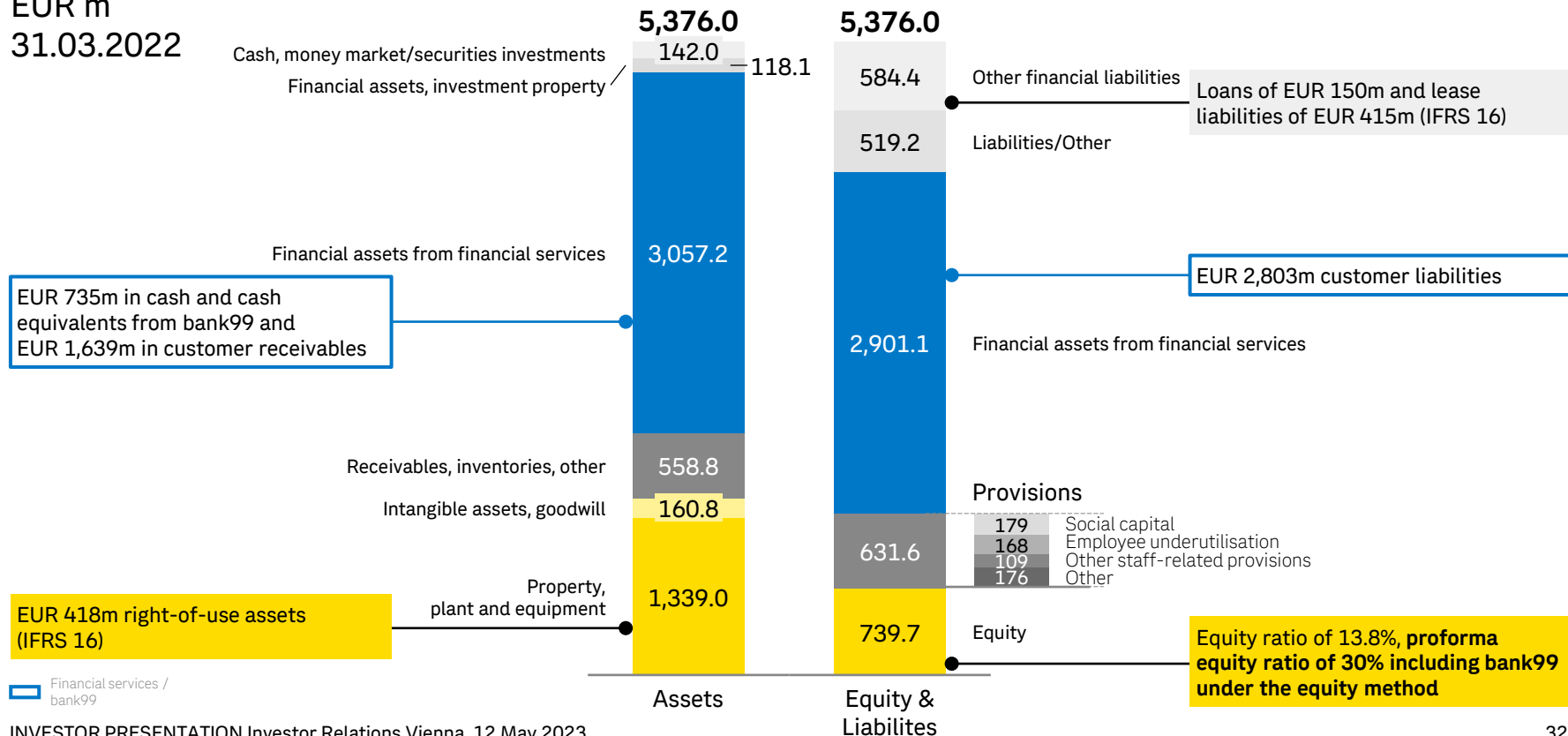
Positive result in branch business and slightly negative result in financial services

¹ EBIT margin in relation to total revenue

SOLID BALANCE SHEET AND FINANCING STRUCTURE



EUR m
31.03.2022

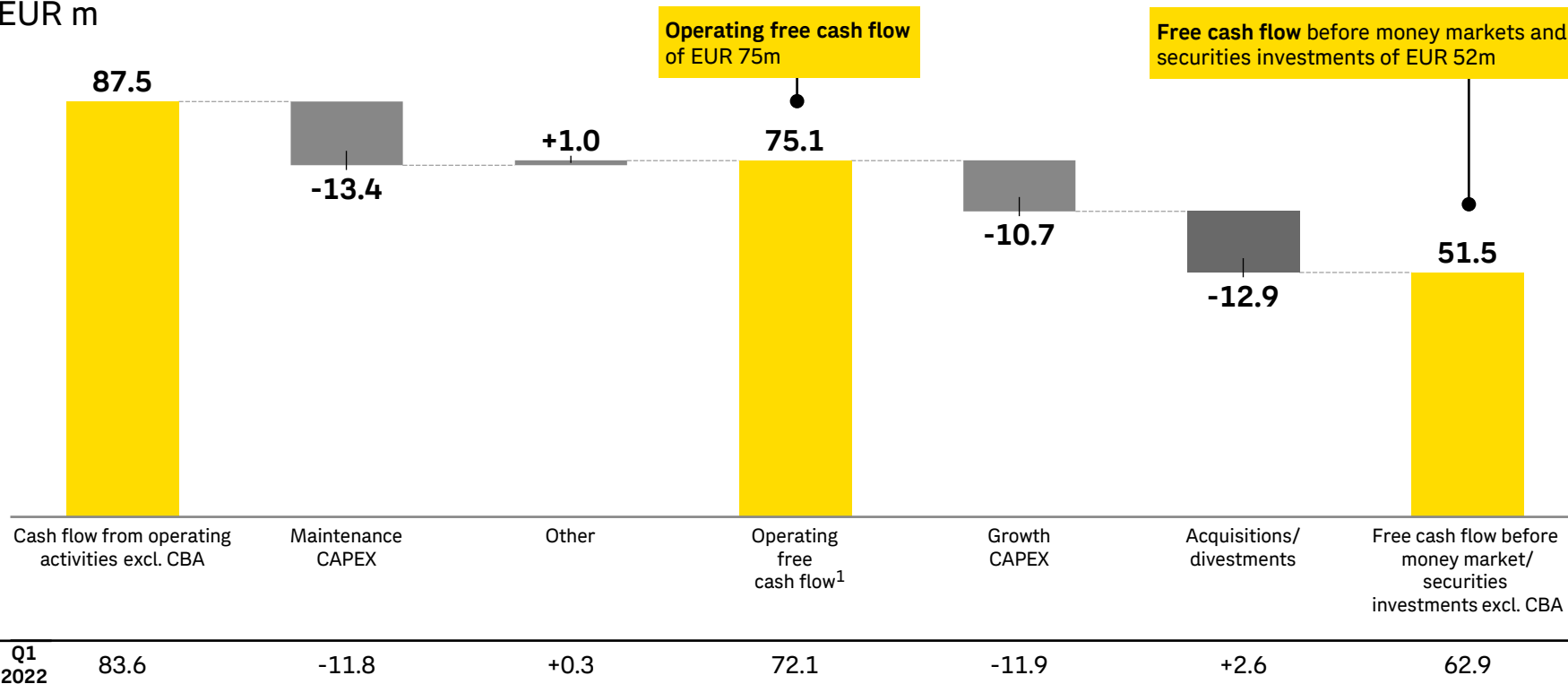


Financial services / bank99

OPERATING FREE CASH FLOW AT A SOLID LEVEL



EUR m



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

OUTLOOK FOR 2023



Market environment

- Inflation as the decisive factor (energy costs, staff costs)
- Economic environment and purchasing power of consumers are difficult to forecast
- Limited visibility of volume development
- Importance of active product design and pricing



Revenue

- Targeted mid-single-digit Group revenue growth
 - Mail: slight revenue decline
 - Parcel & Logistics: revenue growth in the upper single-digit range (growth depends on the Turkish Lira exchange rate)
 - Retail & Bank: revenue increase driven by improved interest rate environment



CAPEX

- Investment programme designed to finalise the capacity expansion drive and conversion to CO₂-free delivery
- Maintenance CAPEX in 2023 of about EUR 100m, growth CAPEX in 2023 of EUR 60m to EUR 80m



Earnings

- Challenge of inflation reflected in the increase in staff costs mandated by the collective labour agreement 2023 in Austria
- Seasonality in 2023: good start to the first quarter, cost pressure as of the third quarter
- 2023 target remains generating earnings (EBIT) at about the prior-year level

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Financial calendar 2023

10 August 2023

14 November 2023

Half-Year Report 2023

Interim Report Q1-3 2023

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