



AUSTRIAN POST H1 2024: Strong first half of 2024 supported by favourable conditions

Revenue H1 2024

- Revenue up by 17.2% to EUR 1,505.2m (+10.3% excl. Parcel Türkiye)
- Favourable conditions: effects from elections and the exchange rate of the Turkish Lira
- Mail +3.5% to EUR 619.0m
- Parcel & Logistics +28.1% to EUR 804.9m (+15.2% excl. Parcel Türkiye)
- Retail & Bank +25.0% to EUR 95.7m

Earnings H1 2024

- EBITDA +11.9% to EUR 211.5m
- EBIT +10.9% to EUR 105.6m
- Earnings per share from EUR 1.13 to EUR 1.12

Cash flow and balance sheet

- H1 2024 operating free cash flow of EUR 147.1m
- Equity of EUR 682.0m as at 30 June 2024

Outlook

- 2024 revenue increase at least in the upper single-digit range
- 2024 EBIT growth expected in the mid-single-digit range

The performance of Austrian Post in the first half-year 2024 was characterised by a solid operational business development and several favourable conditions. This was reflected in the solid revenue and earnings increase. "Against the backdrop of a challenging environment and inflation-related cost increases, the first half of 2024 proceeded very successfully, resulting in an increase in revenue and earnings," states Georg Pölzl, CEO of Austrian Post. In particular, the major nationwide elections in Austria such as the Chamber of Labour and the European Parliament elections, resulted in higher revenue and earnings for the company in the letter mail and direct mail business. The national parcel market showed a robust development, driven by high volumes from European and Asian e-commerce retailers. The business development in Türkiye was strongly impacted by the high inflation and the currency exchange rate, with a positive impact on half-year performance indicators.

Total Group revenue rose by 17.2% in the first half of 2024 to EUR 1,505.2m. Revenue increase excluding Türkiye still amounted to 10.3%. Revenue was up in all divisions in the first six months. Mail Division revenue was up by 3.5% to EUR 619.0m and is impacted by the structural decline of addressed letter mail volumes as a result of electronic substitution but at the same time positively affected by postal rate adjustments in the previous year as well as by elections in the first half of 2024. Furthermore, a restrained advertising business related to the weak development in certain retail segments was noticeable. The Parcel & Logistics Division generated a revenue improvement of 28.1% to EUR 804.9m in the reporting period. The parcel business developed very positively in all regions. Strong growth was reported particularly in Türkiye, which was impacted by high inflation and the comparatively favourable exchange rate of the Turkish Lira. Divisional revenue was up by 15.2% even without including the parcel business in Türkiye. The Retail & Bank Division achieved revenue of EUR 95.7m (+25.0%) in the first half-



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year 2024. The customer ramp-up of bank99 as well as the development of interest rates positively contributed to divisional revenue.

In terms of earnings, Austrian Post also generated solid business results in the first half-year. EBITDA increased by 11.9% to EUR 211.5m and earnings before interest and taxes (EBIT) were up by 10.9% to EUR 105.6m. Mail Division EBIT was EUR 83.0m in the first half-year of 2024, compared to EUR 77.6m in the prior-year period (+6.9%). This improvement is related to both the adjustments to the letter mail product and pricing structure effective 1 September 2023 and the elections in the first half of 2024, as well as to price increases for direct mail and media post. The Parcel & Logistics Division's EBIT amounted to EUR 47.3m compared to EUR 36.3m in the prior-year period (+30.1%). The parcel business in Türkiye made a significant contribution to the earnings improvement. The Retail & Bank Division's EBIT was minus EUR 5.3m in the first half of 2024 compared to a positive EUR 1.1m in the previous year. The decline is mainly attributable to special IT expenses related to the core banking system migration project of bank99. The profit for the period of Austrian Post Group totalled EUR 78.5m in the first half of 2024 (-0.2%), after including the positive valuation effect in the financial result of the previous year. On that basis, earnings per share resulted in EUR 1.12 compared with EUR 1.13 in the first half of 2023 (-1.5%).

Diverging trends continue to be expected on international mail and parcel markets in upcoming quarters. Weak economic growth in many European countries and the related restrained investment climate impact the purchasing behaviour of companies and private consumers. In turn, this results in a subdued volume development of letter mail and direct mail but simultaneously increasing parcel volumes as a result of the further growth of the online retail business. As was already evident in the first six months of the year, revenue growth in 2024 is being supported by favourable prevailing conditions. In line with current developments – and depending on the exchange rate of the Turkish lira by year end – a revenue increase at least in the upper single-digit range should be possible. Revenue growth on the one hand but also cost discipline and efficiency on the other hand are necessary to ensure the stability targeted by Austrian Post. Austrian Post expects an increase in earnings in 2024. Under the assumption of a continuously stable macro-economic environment in the markets the company operates in, a mid-single-digit EBIT growth is anticipated.

The massive investment programme in recent years, which has almost tripled sorting capacity in Austria, has been completed in the meantime. The investment focus in the coming years will be on expanding international logistics infrastructure and e-mobility. For example, the company aims to achieve CO₂-free last mile delivery in Austria by 2030. "I would like to sincerely thank all employees and customers for their great work and support which have made my 15 years as CEO of Austrian Post so successful and rewarding," concludes Georg Pölzl.

The complete version of the outlook as well as detailed information (excerpts) from the Group Management Report for the first half of 2024 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.



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KEY FIGURES

EUR m	H1 2023	H1 2024	Change		Q2 2023	Q2 2024
			%	EUR m		
Revenue	1,284.8	1,505.2	17.2 %	220.4	620.2	746.6
Mail	598.1	619.0	3.5 %	21.0	289.5	303.5
Parcel & Logistics	628.4	804.9	28.1 %	176.5	301.3	402.0
Retail & Bank	76.5	95.7	25.0 %	19.1	39.1	48.4
Corporate/Consolidation	-18.2	-14.4	20.8 %	3.8	-9.7	-7.4
Other operating income	38.0	47.8	26.0 %	9.9	19.4	24.3
Raw materials, consumables and services used	-374.7	-433.9	-15.8 %	-59.2	-177.1	-209.6
Expenses from financial services	-5.8	-23.7	<-100 %	-17.8	-3.9	-12.4
Staff costs	-579.2	-692.7	-19.6 %	-113.5	-279.4	-350.9
Other operating expenses	-177.9	-196.2	-10.3 %	-18.3	-86.6	-92.4
Results from financial assets acc. for using the equity method	0.8	1.3	63.8 %	0.5	0.8	0.8
Net monetary gain	3.1	3.6	15.9 %	0.5	0.7	1.7
EBITDA	189.0	211.5	11.9 %	22.5	93.9	108.1
Depreciation, amortisation and impairment losses	-93.8	-105.9	-12.9 %	-12.1	-45.7	-54.9
EBIT	95.2	105.6	10.9 %	10.4	48.2	53.2
Mail	77.6	83.0	6.9 %	5.3	36.7	40.7
Parcel & Logistics	36.3	47.3	30.1 %	10.9	19.7	23.1
Retail & Bank	1.1	-5.3	<-100 %	-6.4	0.3	-2.6
Corporate/Consolidation ¹	-19.9	-19.4	2.6 %	0.5	-8.4	-7.9
Financial result	5.7	-1.6	<-100 %	-7.3	9.1	-2.9
Profit before tax	100.9	104.0	3.0 %	3.1	57.3	50.3
Income tax	-22.3	-25.5	-14.5 %	-3.2	-10.6	-13.5
Profit for the period	78.6	78.5	-0.2 %	-0.2	46.6	36.8
Earnings per share (EUR)²	1.13	1.12	-1.5 %	-0.02	0.67	0.53
Gross cash flow	156.7	185.8	18.6 %	29.2	76.9	93.2
Cash flow from operating activities	11.4	185.7	>100 %	174.3	62.3	38.7
CAPEX	47.6	46.3	-2.7 %	-1.3	23.5	21.3
Free cash flow	-23.0	154.1	>100 %	177.2	83.8	79.3
Operating free cash flow³	115.5	147.1	27.3 %	31.6	40.4	74.8

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 MANAGEMENT REPORT H1 2024

REVENUE DEVELOPMENT IN DETAIL

In the first half of 2024, Austrian Post's Group revenue increased by 17.2% year-on-year to EUR 1,505.2m. Revenue excl. Parcel Türkiye was up by 10.3%. All divisions produced higher revenue in the first six months of 2024. Revenue of the Mail Division was up by 3.5%, whereas Parcel & Logistics revenue climbed by 28.1% (+15.2% excl. Parcel Türkiye) and the Retail & Bank Division showed a 25.0% increase.

The share of the Mail Division as a proportion of the total revenue generated by Austrian Post in the first half of 2024 amounted to 40.7%. The division's revenue of EUR 619.0m is negatively impacted by the structural decline of addressed letter mail volumes due to electronic substitution, however benefited from last year's postal rate adjustments as well as the major nationwide elections in Austria (Chamber of Labour, European Parliament) in the first half of 2024. Moreover, advertising business remains subdued, caused by weak development of certain retail segments.

The Parcel & Logistics Division accounted for 53.0% of Group revenue or EUR 804.9m in the reporting period. The parcel business developed very positively in all regions. In particular, strong revenue growth was generated in Türkiye, predominantly impacted by high inflation and the exchange rate of the Turkish Lira.

The Retail & Bank Division accounted for 6.3% of Group revenue or EUR 95.7m in the first half of 2024. The customer ramp-up of bank99 as well as the development of interest rates in recent months made a positive contribution to the division's revenue.

Revenue of the **Mail Division** totalled EUR 619.0m in the first half of 2024, of which 62.9% is attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 26.0% of the total divisional revenue, and Media Post had an 11.1% share.

In the first half of 2024, **Letter Mail & Business Solutions** revenue equalled EUR 389.3m, implying a year-on-year increase of 2.8%. 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 7% in the first half of 2024. Postal rate adjustments implemented in September last year as well as elections in the first half of 2024 (mainly Chamber of Labour, European Parliament) positively affected the revenue development. Inflationary pressure on all types of costs led to adjustments in the product and pricing structure as well as to necessary efficiency increases of internal processes. International letter mail declined in terms of volumes and revenue, while the Business Solutions area developed positively.

Direct Mail revenue rose by 3.6% in the first half of 2024 to EUR 160.9m. The subdued advertising environment impacted by economic difficulties as well as by structural decline in certain customer segments (e.g., furniture sector, mail order business) was offset by adjustments to the pricing structure. Big elections in the first half of 2024 also positively impacted revenue.

Revenue from **Media Post**, i.e., the delivery of newspapers and magazines, rose by 7.4% year-on-year to EUR 68.8m. This increase is related mainly to adjustments in the pricing structure.

Revenue of the **Parcel & Logistics Division** rose by 28.1% in the first half of 2024 to EUR 804.9m. Growth amounted to 15.2% excluding Parcel Türkiye. The parcel business developed very positively in all regions.



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Parcel Austria grew its revenue by 16.3% to EUR 434.8m in the reporting period. Parcel volumes grew by 13% in the first half of 2024, attributable to both strong customer confidence in the quality of Austrian Post as well as to increasing national and international parcel volumes.

Revenue in Türkiye and Azerbaijan (**Parcel Türkiye**) increased by 76.2% to EUR 234.5m compared to the first six months of 2023. This high level of growth is significantly impacted by inflation in Türkiye and the relatively stable exchange rate of the Turkish Lira in the first half of 2024.

The parcel business in Southeast and Eastern Europe (**Parcel CEE/SEE**) continues to generate positive growth rates, with revenue up by 17.7% to EUR 107.9m in the first half of 2024. There was a strong increase in parcel volumes from Asia in this region.

Revenue of **Logistics Solutions/Consolidation** fell by EUR 2.0m in the current reporting period to EUR 27.8m due to consolidation effects.

Revenue of the **Retail & Bank Division** improved by 25.0% in the first half of 2024 to EUR 95.7m. Income from Financial Services contributed 78.6% to the divisional revenue, whereas Branch Services accounted for 21.4%. **Income from Financial Services** climbed by 32.9% to EUR 75.2m in the current reporting period. This is mainly due to the improved interest rate environment in Europe as well as to the customer ramp-up of bank99. **Branch Services** revenue increased by 2.8% to EUR 20.5m in the first half of 2024 as a result of inflation-related price adjustments in the retail products division.

EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (46.0%), raw materials, consumables and services used (28.8%) and other operating expenses (13.0%). In this context, 7.0% can be attributed to depreciation, amortisation and impairment losses and 1.6% to expenses from financial services.

Staff costs in the first half of 2024 totalled EUR 692.7m, implying a year-on-year increase of 19.6% or EUR 113.5m. The change results from an increase in the number of employees in the Austrian Post Group outside Austria as well as from collective wage salary adjustments reported under operational staff costs both in Austria and abroad. Austrian Post Group employed an average of 27,803 people (full-time equivalents) in the first six months of 2024 compared to the average of 26,950 employees in the prior-year period (+3.2%).

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 extra charges were incurred in the first half of 2024.

Raw materials, consumables and services used rose by 15.8% to EUR 433.9m. This development relates mainly to higher transport costs for external freight companies attributable to the increased volumes in Austria as well as in Southeast and Eastern Europe.

Other operating income increased by 26.0% in the first half of 2024 to EUR 47.8m. This development can be attributed to inflation-related price adjustments (e. g., rentals). Other operating expenses increased by 10.3% to EUR 196.2m, particularly for IT services and maintenance costs.

Accounting standard IAS 29 (Financial Reporting in Hyperinflationary Economies) needs to be applied for the Turkish subsidiary. Accordingly, all items in the income statement as well as the non-monetary items



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were adjusted using a general price index (refer to the Annual Report 2023, 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 first half of 2024, the net monetary gain amounted to EUR 3.6m (+15.9%).

EBITDA equalled EUR 211.5m in the first half of 2024, an increase of 11.9% from the comparable figure of EUR 189.0m in the previous year. This implies an EBITDA margin of 14.1%. Depreciation, amortisation and impairment losses amounted to EUR 105.9m in the first six months of 2024, representing an increase of 12.9% or EUR 12.1m year-on-year. The increase is mainly due to investments in new parcel logistics infrastructure locations. Group EBIT totalled EUR 105.6m in the first half-year of 2024, up by 10.9% from EUR 95.2m in the previous year. The EBIT margin amounted to 7.0%.

The Group's financial result in the first half of 2024 changed from EUR 5.7m to minus EUR 1.6m. The prior-year period included a positive effect of EUR 7.1m related to the valuation of financial parameters for the option liability for the remaining 20% stake in Aras Kargo. The income tax rose from EUR 22.3m to EUR 25.5m. The profit for the period for the first six months of 2024 equalled EUR 78.5m, compared to EUR 78.6m in the first half of the previous year (-0.2%). Undiluted earnings per share were EUR 1.12, in contrast to EUR 1.13 in the prior-year period.

EARNINGS BY DIVISION

Total earnings (EBIT) in the first half of 2024 rose from EUR 95.2m to EUR 105.6m (+10.9%) and were impacted by a very positive revenue development (+17.2%) as well as by inflation-related cost increases.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 83.0m in the first six months of 2024 compared to EUR 77.6m in the prior-year period (+6.9%). This increase resulted from adjustments to the Letter Mail product and pricing structure effective 1 September 2023, the elections in the first half of 2024 as well as price increases in the Direct Mail and Media Post business.

The Parcel & Logistics Division generated an EBIT of EUR 47.3m in the first half of 2024 compared to EUR 36.3m in the prior-year period (+30.1%). The parcel business showed a positive development in all regions in which Austrian Post operates. The parcel business in Türkiye made a significant contribution to the earnings improvement. Business operations in Türkiye continue to be more strongly impacted by inflation and currency translation than other markets.

The Retail & Bank Division recorded an EBIT of minus EUR 5.3m in the first half of 2024, compared to EUR 1.1m in the previous year. The decline is mainly due to one-off IT expenses in connection with the bank99 core bank migration project.

The EBIT of the Corporate Division (including Consolidation and the intra-Group cost allocation procedure) changed from minus EUR 19.9m to minus EUR 19.4m. The Corporate Division provides non-operating services which are typically essential for the purpose of the administration and 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 half of 2024 equalled EUR 185.8m, compared to EUR 156.7m in the first half of 2023 (+18.6%). The cash flow from operating activities amounted to EUR 185.7m in the reporting period, compared to the prior-year figure of EUR 11.4m. In this regard, the largest effect is attributable to changes in the core banking assets of bank99 totalling EUR 10.5m compared to minus EUR 128.5m in the prior-year period. 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 balances with central banks, and thus encompass the deposit and investment business of bank99. The cash flow from operating activities excluding core banking assets totalled EUR 175.2m in the first half of 2024 compared to EUR 139.9m in the previous reporting period.

The cash flow from investing activities was minus EUR 31.6m in the first six months of 2024, compared to minus EUR 34.4m in the prior-year period. Expenditures for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 46.3m in the current reporting 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 147.1m in the current reporting period compared to EUR 115.5m in the previous year. This increase of 27.3% is attributable to the good operational business development as well as a positive tax effect from a prior-year period.

The cash flow from financing activities came to minus EUR 126.4m in the first six months of 2024, compared to minus EUR 99.0m in the prior-year period. This included the dividend payment of EUR 120.2m to Austrian Post shareholders.

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 6.0bn as at 30 June 2024. On the asset side, property, plant and equipment of EUR 1,359.2m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 378.1m. In addition, there are intangible assets and goodwill from company acquisitions, which are reported in the amount of EUR 148.4m as at 30 June 2024. The balance sheet shows receivables of EUR 474.8m, other financial assets amounted to EUR 17.1m as at 30 June 2024. Financial assets from financial services amounted to EUR 3,655.3m at the end of the second quarter of 2024 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 682.0m as at 30 June 2024, representing an equity ratio of 11.4%. The pro-forma equity ratio, taking into account bank99 using the equity method, stands at 28% at the end of June 2024. Provisions of EUR 570.8m are shown on the equity and liabilities side at the end of June 2024, other financial liabilities amounted to EUR 659.0m and trade and other payables totalled EUR 575.8m. Financial liabilities from financial services amounting to EUR 3,469.5m result primarily from the business activities of bank99 (deposit and investment business of bank99's customers).



OUTLOOK 2024

International mail and parcel markets are showing diverging trends. The weak economic growth in many European countries and the related restrained investment climate impact the purchasing behaviour of companies and private consumers. This results in a subdued volume development of letter mail and direct mail. At the same time, parcel volumes are rising as a result of the continuing growth in the online retail business.

Revenue growth in 2024

As was already evident in the first six months of the year, revenue growth in 2024 was supported by the positive business environment. 2024 revenue growth is expected to be at least in the upper-single digit range, depending on the exchange rate of the Turkish Lira at the end of the year.

A largely stable revenue development is anticipated in the Mail Division. The fundamental trend towards declining volumes in the traditional mail segment will continue. Furthermore, reduced volumes of direct mail and media post are expected due to the weak economy and the respective difficult environment for retailers. In contrast, big elections in Austria on a local and national level as well as price adjustments for various products, should have a positive effect.

A double-digit revenue increase is expected in the Parcel & Logistics Division. Growth forecasts vary by region. Revenue development in Türkiye is strongly impacted by inflation and the exchange rate of the Turkish Lira due to the application of hyperinflation accounting.

The Retail & Bank Division aims to achieve double-digit revenue growth, depending on the interest rate environment. The most important goal here for 2024 will be finalising the migration of the core banking system.

Group earnings in 2024

Both revenue growth and cost discipline combined with efficiency are necessary to ensure the stability that Austrian Post is aiming to achieve. Austrian Post anticipates increased earnings in 2024 on the basis of the good revenue trend. Mid-single-digit EBIT growth is expected if the macroeconomic environment in Austrian Post's markets continues to be stable.

CAPEX programme 2024

In the meantime, the substantial CAPEX programme implemented in recent years – which has almost tripled sorting capacity in Austria – has been completed. Investments in the coming years will focus on expanding international logistics and e-mobility. For example, the company is aiming for last-mile delivery to be completely CO₂-free by 2030. In total, the plan for 2024 is to invest around EUR 70–80m in maintenance CAPEX (automation, digitalisation, maintenance), EUR 40–50m in green transformation (photovoltaic systems, e-mobility, electric charging infrastructure) as well as about EUR 30m in growth CAPEX, primarily now in Türkiye and Southeast and Eastern Europe.