



## **AUSTRIAN POST Q1 2024: First-quarter revenue and earnings above the prior-year level**

### **Revenue growth in all divisions**

- Revenue up by 14.1% to EUR 758.6m
- Mail +2.3% to EUR 315.6m
- Parcel & Logistics +23.2% to EUR 402.9m (+16.9% excl. Parcel Türkiye)
- Retail & Bank +26.0% to EUR 47.2m

### **Earnings higher YOY**

- EBITDA +8.7% to EUR 103.4m
- EBIT +11.4% to EUR 52.4m
- Earnings per share +28.2% to EUR 0.59

### **Cash flow and balance sheet**

- Operating free cash flow of EUR 72.3m
- Balance sheet total incl. bank99 of EUR 5.9bn

### **Outlook 2024**

- Expected Group revenue growth in the mid-single-digit range
- Earnings (EBIT) at least at the prior-year level

The first quarter of 2024 continued to be impacted by difficult macroeconomic conditions prevailing in Austrian Post's markets. The high inflation rate and weak economic catalysts negatively affected the willingness of companies to invest as well as consumer purchasing behaviour. On the one hand, a decline in traditional retail stores was noticeable whereas on the other hand growth in national and international e-commerce was reported. Austrian Post generated a 15% increase in parcel volumes in Austria in the first quarter of 2024, compared with a 6% rise in Türkiye and 44% in Southeast and Eastern Europe.

"Against the backdrop of a difficult market environment as well as inflation-related cost increases, the company performed very well in the first quarter of the year, generating both revenue and earnings increases," says Austrian Post CEO Georg Pözl. Total Group revenue in the first quarter of 2024 increased by 14.1% to EUR 758.6m and showed improvements in all divisions. Mail Division revenue equalled EUR 315.6m (+2.3%) and was impacted by the structural decline of addressed letter mail volumes and a decrease in the direct mail business. However, it was positively affected by postal rate adjustments in the letter mail, direct mail and media post segments. The Parcel & Logistics Division generated EUR 402.9m in revenue in the first quarter of the year (+23.2%; +16.9% excl. Parcel Türkiye), showing a very positive development in all regions. Revenue of the Retail & Bank Division amounted to EUR 47.2m (+26.0%). Interest rate developments in recent months positively contributed to divisional revenue.



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Earnings also improved in the first quarter of 2024. EBITDA was up by 8.7% to EUR 103.4m, whereas earnings before interest and taxes (EBIT) increased by 11.4% to EUR 52.4m. Parcel & Logistics Division earnings increased by 44.9%, with Parcel Türkiye making a substantial contribution to the earnings improvement. Business in Türkiye continues to be more strongly influenced by inflation and currency translation than in other markets. The Mail Division generated a 3.3% earnings increase in contrast to the decline of EUR 3.5m in the Retail & Bank Division attributable to one-time IT expenditures for the core banking migration project of bank99. The profit for the period of the Austrian Post Group totalled EUR 41.6m in the reporting period compared to EUR 32.0m in the previous year (+30.1%). In turn, this equalled earnings per share of EUR 0.59 in the first quarter of 2024 (+28.2%).

In addition to market challenges, Austrian Post faces inflation-related cost increases for the entire 2024. On the revenue side, this will be dealt with new products and services as well as upward price adjustments. Based on current forecasts, revenue growth in the mid-single-digit range is expected in the 2024 financial year. 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 benefits, but which also enable efficient and plannable processes. Austrian Post's 2024 target is for earnings (EBIT) to be at least at the same level as last year. A slight rise in earnings is possible if the current macroeconomic environment continues in Austrian Post's markets.

The planned investment programme remains a top priority alongside revenue generation and cost discipline. Investments in the coming years will focus on expanding international logistics as well as e-mobility. For example, the company aims to ensure CO<sub>2</sub>-free last mile delivery in Austria by 2030. Austrian Post expects investments in 2024 in total of EUR 140-160m in order to secure sustainability and growth.

"We are extremely grateful to our employees for their commitment and joint efforts to work on providing first-class service to our customers," concludes CEO Georg Pölzl.

*The complete version of the outlook as well as detailed information (excerpts) from the Group management report for the first quarter 2024 can be found starting on page 4. The entire report is available on the website of Austrian post under [post.at/investor](https://post.at/investor) in the Download Centre.*



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## KEY FIGURES

EUR m	Q1 2023	Q1 2024	%	Change
				EUR m
<b>Revenue</b>	<b>664.7</b>	<b>758.6</b>	<b>14.1 %</b>	<b>94.0</b>
Mail	308.6	315.6	2.3 %	7.0
Parcel & Logistics	327.1	402.9	23.2 %	75.8
Retail & Bank	37.5	47.2	26.0 %	9.8
Corporate/Consolidation	-8.5	-7.0	17.5 %	1.5
Other operating income	18.6	23.6	26.7 %	5.0
Raw materials, consumables and services used	-197.6	-224.3	-13.5 %	-26.7
Expenses from financial services	-1.9	-11.3	<-100 %	-9.4
Staff costs	-299.8	-341.9	-14.0 %	-42.1
Other operating expenses	-91.3	-103.8	-13.7 %	-12.5
Results from financial assets accounted for using the equity method	0.1	0.5	>100 %	0.5
Net monetary gain	2.4	1.9	-20.9 %	-0.5
<b>EBITDA</b>	<b>95.1</b>	<b>103.4</b>	<b>8.7 %</b>	<b>8.2</b>
Depreciation, amortisation and impairment losses	-48.1	-51.0	-6.0 %	-2.9
<b>EBIT</b>	<b>47.0</b>	<b>52.4</b>	<b>11.4 %</b>	<b>5.3</b>
Mail	41.0	42.3	3.3 %	1.3
Parcel & Logistics	16.7	24.2	44.9 %	7.5
Retail & Bank	0.9	-2.7	<-100 %	-3.5
Corporate/Consolidation <sup>1</sup>	-11.5	-11.4	0.4 %	0.0
Financial result	-3.4	1.3	>100 %	4.7
<b>Profit before tax</b>	<b>43.6</b>	<b>53.7</b>	<b>23.0 %</b>	<b>10.0</b>
Income tax	-11.6	-12.0	-3.4 %	-0.4
<b>Profit for the period</b>	<b>32.0</b>	<b>41.6</b>	<b>30.1 %</b>	<b>9.6</b>
<b>Earnings per share (EUR)<sup>2</sup></b>	<b>0.46</b>	<b>0.59</b>	<b>28.2 %</b>	<b>0.13</b>
<b>Gross cash flow</b>	<b>79.8</b>	<b>92.7</b>	<b>16.1 %</b>	<b>12.9</b>
<b>Cash flow from operating activities</b>	<b>-50.9</b>	<b>147.0</b>	<b>&gt;100 %</b>	<b>197.9</b>
CAPEX	24.1	25.0	3.6 %	0.9
<b>Free cash flow</b>	<b>-106.8</b>	<b>74.9</b>	<b>&gt;100 %</b>	<b>181.7</b>
<b>Operating free cash flow<sup>3</sup></b>	<b>75.1</b>	<b>72.3</b>	<b>-3.7 %</b>	<b>-2.8</b>

<sup>1</sup> Includes the intra-Group cost allocation procedure

<sup>2</sup> Undiluted earnings per share in relation to 67,552,638 shares

<sup>3</sup> 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 Q1 2024

### REVENUE DEVELOPMENT IN DETAIL

In the first quarter of 2024, Austrian Post's Group revenue increased by 14.1% year-on-year to EUR 758.6m. All divisions produced increased revenue in the first three months of 2024: Revenue of the Mail Division was up by 2.3%, whereas Parcel & Logistics revenue climbed by 23.2% and the Retail & Bank Division showed a 26.0% increase.

The share of the **Mail Division** as a proportion of the total revenue generated by Austrian Post in the first quarter of 2024 amounted to 41.2%. The division's revenue of EUR 315.6m is negatively impacted by the structural decline of addressed letter mail volumes as a result of electronic substitution but also benefits from last year's postal rate adjustments. Moreover, a subdued advertising environment is notable, which is related to the economic weakness of certain retail segments.

The **Parcel & Logistics Division** accounted for 52.6% of Group revenue or EUR 402.9m in the reporting period. The parcel business developed very positively in all regions. In particular, high growth was generated in Türkiye, impacted by high inflation and the exchange rate of the Turkish Lira.

The **Retail & Bank Division** accounted for 6.2% of Group revenue or EUR 47.2m in the first quarter of 2024. The customer ramp-up of bank99 as well as the interest rate environment in recent months made a positive contribution to the division's revenue.

Revenue of the **Mail Division** totalled EUR 315.6m in the first quarter of 2024, of which 63.6% is attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 25.8% of the total divisional revenue, and Media Post had a 10.6% share.

In the first quarter of 2024, **Letter Mail & Business Solutions** revenue equalled EUR 200.6m, implying a year-on-year increase of 1.2%. 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 quarter of 2024. Postal rate adjustments implemented in the previous year positively affected the revenue development. Inflationary pressures 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 showed a decline in both volumes and revenue, whereas the Business Solutions area developed positively (+10.4%).

**Direct Mail** revenue rose by 2.8% in the first quarter of 2024 to EUR 81.4m. The subdued advertising environment characterised by economic difficulties as well as the structural decline in certain customer segments (e.g., mail order business) was offset by adjustments to the pricing structure.

Revenue from **Media Post**, i.e., the delivery of newspapers and magazines, rose by 7.4% year-on-year to EUR 33.6m. This increase is related mainly to adjustments in the product and pricing structure.

Revenue of the **Parcel & Logistics Division** increased by 23.2% in the first quarter of 2024 to EUR 402.9m. The parcel business developed very positively in all regions.

**Parcel Austria** grew its revenue by 16.4% to EUR 215.5m in the reporting period. Parcel volumes grew by 15% in the first quarter of 2024, attributable to both strong customer confidence in the quality of Austrian Post as well as to increasing national and international parcel volumes.



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Revenue in Türkiye and Azerbaijan (**Parcel Türkiye**) increased by 41.4% to EUR 118.2m compared to the first three months of 2023. On the one hand, this high level of growth is due to increasing volumes. On the other hand, revenue is impacted by high inflation and the exchange rate of the Turkish Lira.

The parcel business in Southeast and Eastern Europe (**Parcel CEE/SEE**) continues to generate positive growth rates, with revenue up by 27.9% to EUR 55.5m in the first quarter of 2024. There was a strong increase in parcel volumes from Asia in this region.

Revenue of **Logistics Solutions/Consolidation** fell by EUR 1.4m in the current reporting period to EUR 13.7m due to consolidation effects.

Revenue of the **Retail & Bank Division** improved by 26.0% in the first quarter of 2024 from EUR 37.5m to EUR 47.2m. **Income from Financial Services** contributed 78.9% to the divisional revenue, whereas Branch Services accounted for 21.1%. Income from Financial Services climbed by 35.3% to EUR 37.3m in the current reporting period. This is mainly due to the improved interest rate environment in Europe as well as the customer ramp-up of bank99. **Branch Services** revenue increased slightly by 0.7% to EUR 10.0m in the first quarter of 2024 as a result of inflation-related price adjustments in the field of retail products.

## 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 (29.6%) and other operating expenses (13.7%). 6.7% can be attributed to depreciation, amortisation and impairment losses and 1.5% to expenses from financial services.

Staff costs in the first quarter of 2024 totalled EUR 341.9m, implying a year-on-year increase of 14.0% or EUR 42.1m. The change results primarily from collective wage salary adjustments reported under operational staff costs in Austria as well as internationally. Austrian Post Group employed an average of 27,870 people (full-time equivalents) in the first three months of 2024 compared to the average of 27,095 employees in the prior-year period (+2.9%). 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 quarter of 2024.

Raw materials, consumables and services used rose by 13.5% to EUR 224.3m. This development mainly relates to increased fuel and energy costs as well as to higher transport costs for external freight companies attributable to the increased volumes in all parcel regions.

Other operating income increased by 26.7% in the first quarter of 2024 to EUR 23.6m. This development can be attributed to inflation-related price adjustments (e. g. rentals). Other operating expenses rose by 13.7% to EUR 103.8m, 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 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



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separate item in the income statement. In the first quarter of 2024, the net monetary gain amounted to EUR 1.9m.

EBITDA equalled EUR 103.4m in the first quarter of 2024, an increase of 8.7% from the comparable figure of EUR 95.1m in the previous year. This implies an EBITDA margin of 13.6%. Depreciation, amortisation and impairment losses amounted to EUR 51.0m in the first three months of 2024, constituting a year-on-year increase of 6.0% or EUR 2.9m. The increase is mainly due to investments in new parcel logistics infrastructure locations. Group EBIT totalled EUR 52.4m in the first quarter of 2024, up from EUR 47.0m in the previous year (+11.4%). The EBIT margin equalled 6.9%.

The Group's financial result in the first quarter of 2024 improved to EUR 1.3m compared to minus EUR 3.4m in the prior-year period. The current period under review included a positive effect related to the valuation of financial parameters for the option liability for the remaining 20% stake in Aras Kargo. The income tax rose slightly from EUR 11.6m to EUR 12.0m. The profit for the period for the first three months of 2024 equalled EUR 41.6m, compared to EUR 32.0m in the first quarter of the previous year (+30.1%). Undiluted earnings per share were EUR 0.59, up from the comparable figure of EUR 0.46 in the prior-year period.

## EBIT BY DIVISION

Total earnings (EBIT) in Q1 2024 rose from EUR 47.0m to EUR 52.4m (+11.4%) and were impacted by very positive revenue development (+14.1%) as well as by inflation-related cost increases.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 42.3m in the first three months of 2024 compared to EUR 41.0m in the prior-year period (+3.3%). This increase resulted from adjustments to the Letter Mail product and pricing structure as well as price increases in Direct Mail/Media Post.

The Parcel & Logistics Division generated an EBIT of EUR 24.2m in the first quarter of 2024 compared to EUR 16.7m in the prior-year period (+44.9%). 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 influenced by inflation and currency translation than other markets.

The Retail & Bank Division recorded an EBIT of minus EUR 2.7m in the first quarter of 2024, compared to EUR 0.9m 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 11.5m to minus EUR 11.4m. 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.



## CASHFLOW and BALANCE SHEET

The gross cash flow in the first quarter of 2024 equalled EUR 92.7m, compared to EUR 79.8m in the first quarter of 2023 (+16.1%). The cash flow from operating activities amounted to EUR 147.0m in the reporting period, compared to the prior-year figure of minus EUR 50.9m. In this regard, the largest effect is attributable to changes in the core banking assets of bank99 totalling EUR 60.1m compared to minus EUR 138.4m in the first quarter of 2023. 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 86.9m in the first quarter of 2024 compared to EUR 87.5m in the previous quarter.

The cash flow from investing activities was minus EUR 72.1m in the first three months of 2024, compared to minus EUR 56.0m in the prior-year period. Expenditures for the acquisition of property, plant and equipment and investment property (CAPEX) equalled EUR 25.0m 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 72.3m in the current reporting period compared to EUR 75.1m in the previous year. The cash flow from financing activities came to minus EUR 2.2m in the first three months of 2024, compared to minus EUR 30.1m in the prior-year period.

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 5.9bn as at 31 March 2024. On the asset side, property, plant and equipment at EUR 1,357.1m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 385.2m. In addition, there are intangible assets and goodwill from business combinations, which are reported in the amount of EUR 145.9m as at 31 March 2024. The balance sheet shows receivables of EUR 480.1m, other financial assets amounted to EUR 77.1m as at 31 March 2024. Financial assets from financial services amounted to EUR 3,509.4m at the end of the first 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 762.8m as at 31 March 2024, representing an equity ratio of 12.9%. The pro-forma equity ratio, taking into account bank99 using the equity method, came to 30% at the end of March 2024. At the end of the reporting period, provisions totalled EUR 595.9m, other financial liabilities amounted to EUR 650.3m and trade and other payables totalled EUR 584.72m. Financial liabilities from financial services amounting to EUR 3,326.8m result primarily from the business activities of bank99 (deposit and investment business of bank99's customers).

## OUTLOOK 2024

International mail and parcel markets are influenced by various factors. In general, forecasts of weak international growth impede both the companies' investment activity and consumer behaviour. In turn, this negatively impacts the volume development of letter mail and direct mail. In contrast, parcel volumes are rising as a result of the strong online retail business.



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### Revenue Growth in 2024

In addition to the challenges of the market, it is also important for Austrian Post to offset inflation-related cost increases. On the revenue side, this can be achieved through new products and services as well as upward price adjustments. Based on current forecasts, revenue growth in the mid-single-digit range is expected for the 2024 financial 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. Difficult conditions in the retail sector as well as reduced volumes of direct mail and media post are expected due to weak economy. In contrast, various elections in Austria at a local and national level, as well as price adjustments for various products, should have a positive effect in 2024.

Further growth is expected in the Parcel & Logistics Division. Depending on developments in the individual countries, an overall increase in the upper single-digit range should be possible at the very least. Growth opportunities also strongly depend on macroeconomic developments. In Türkiye in particular, the economic environment and inflation as well as the exchange rate of the Turkish Lira, make more precise forecast more difficult.

The Retail & Bank Division is likely to achieve single-digit growth in revenue depending on the interest rate environment. The most important goal here for 2024 will be finalising the core bank migration.

### Group Earnings in 2024

Revenue growth on the one hand, but also cost discipline and efficiency on the other hand, 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 which also enable efficient and planable processes. Austrian Post targets earnings (EBIT) in 2024 at least at the same level as in the previous year. A slight increase in earnings is possible if the current macroeconomic environment continues to prevail in Austrian Post's markets.

### Investment Programme in 2024

In the meantime, the massive investment 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 on e-mobility. For example, the company is aiming for last-mile delivery to be completely CO<sub>2</sub>-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 (electric vehicles, photovoltaic systems) as well as about EUR 30m in growth CAPEX, primarily in Türkiye and Southeast and Eastern Europe.