INVESTOR INFORMATION
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AUSTRIAN POST Q1–3 2024:
Successful first three quarters of 2024 with double-digit revenue growth

Revenue in Q1–3 2024

- Revenue +13.6% to EUR 2,237.6m (+10.7% excl. Parcel Türkiye)
- Positive underlying conditions: effects from elections and exchange rate of the Turkish Lira
- Mail +5.1% to EUR 911.0m
- Parcel & Logistics +19.1% to EUR 1,201.4m (+14.2% excl. Parcel Türkiye)
- Retail & Bank +23.1% to EUR 146.0m

Earnings Q1–3 2024

- EBITDA +7.9% to EUR 304.9m
- EBIT +10.7% to EUR 144.7m
- Earnings per share from EUR 1.30 to EUR 1.48

Cash flow and balance sheet

- Operating free cash flow Q1–3 2024 of EUR 229.3m
- Equity of EUR 710.7m as at 30 September 2024

Outlook

- Revenue forecast of EUR 3bn for the entire year 2024
- 2024 EBIT increase of at least 5%; this is expected to be slightly over EUR 200m
- Forecast for 2025: revenue anticipation of EUR 3bn and the aim to generate again EUR 200m of earnings (EBIT)

The first nine months of 2024 have developed very well for Austrian Post. This is against the backdrop of a challenging economic environment. The weak economy is reflected in both lower investment conditions among companies and subdued consumer behaviour in private households. The increasing use of postal voting in Austria – particularly in major elections such as the European Parliament elections or the Austrian parliamentary elections – but also rising parcel volumes in Austria as well as in Southeast and Eastern Europe due to sustained e-commerce, provided positive impetus in 2024. "Double-digit revenue growth – despite the economic headwind – shows that we have been able to make good use of the opportunities in our markets," says Austrian Post's new CEO Walter Oblin, who took over as Chairman of the Management Board on 1 October 2024. "In addition to quality leadership, we also aspire to be an innovation leader with new services such as the expansion of our self-service infrastructure or the delivery of parcels on Sundays," Walter Oblin continues.

Revenue of the Austrian Psot Group rose by 13.6% to EUR 2,237.6m in the first three quarters of 2024. Excluding revenue in Türkiye, where business was characterized by higher quarterly volatility relating to the exchange rate development of the Turkish Lira, revenue still increased by 10.7%. Higher revenue was reported in all divisions in the first nine months of the year. Mail Division revenue was up 5.1% to EUR 911.0m and is negatively affected by the structural decline of addressed letter mail volumes caused by electronic substitution. In contrast, the postage rate adjustments in the previous year and elections in the first three quarters of 2024 had a positive impact. Furthermore, a restrained advertising business is perceptible, which is related to the weak development of individual retail segments. The Parcel & Logistics Division generated a 19.1% rise in revenue to EUR 1,201.4m in the reporting period. The parcel business developed very positively in all regions. Strong revenue was particularly recorded in Türkiye, impacted by high inflation and the exchange rate of the Turkish Lira. Excluding the parcel business in Türkiye, revenue was up 14.2%. The Retail & Bank Division achieved revenue of EUR 146.0m in the first three quarters of 2024 (+23.1%). The ramp up of customers at bank99 as well as the interest rate developments in recent months positively contributed to divisional revenue.

In terms of earnings, Austrian Post also reported very good results in the first three quarters of 2024. EBITDA climbed 7.9% to EUR 304.9m and earnings before interest and taxes (EBIT) rose by 10.7% to EUR 144.7m. Mail Division EBIT was EUR 115.2m in the first three quarters of EUR, up from EUR 102.1m in the previous year (+12.8%). This improvement is attributable to adjustments to the product and pricing structure as well as elections in the first three quarters of 2024. The Parcel & Logistics Division's EBIT totalled EUR 64.7m compared to EUR 60.7m in the prior-year period (+6.7%). The parcel business in Türkiye made a major contribution to this earnings growth. Business performance in Türkiye continues to be strongly affected by inflation and currency translation. A valuation effect of EUR 9.6m in the third quarter for the option liability relating to the remaining 20% stake in Aras Kargo negatively impacted earnings. EBIT of the Retail & Bank Division equalled minus EUR 7.4m in the first three quarters of 2024, down from minus EUR 5.6m in the previous year. This decline is mainly attributable to special IT expenses related to the migration of the core banking systems of bank99. The profit for the period of the Austrian Post Group equalled EUR 106.1m (+16.9%) in the first three quarters of 2024. Accordingly, earnings per share equalled EUR 1.48 from EUR 1.30 in the prior year period (+14.0%).

The international mail and parcel markets will show diverging trends going forward. In many European countries, weak economic growth and the related restrained investment climate impact the purchasing power of companies and private consumers. In turn, this leads to a decrease in letter mail and direct mail items, whereas parcel volumes are increasing due to the ongoing growth of online retailing. Business results in the first nine months of the year 2024 were supported by positive overall conditions. In line with current developments and depending on the exchange rate of the Turkish Lira at the end of the year, revenue in 2024 is forecast to rise to EUR 3bn. Revenue growth combined with cost discipline and efficiency are necessary to ensure the targeted stability for Austrian Post. Austrian Post anticipates an earnings improvement in 2024. Assuming a continuing stable macroeconomic environment in the company's markets, EBIT is expected to rise by at least 5%, thus an expected EBIT of slightly over EUR 200m.

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

KEY FIGURES

EUR m	Q1–3 2023	Q1–3 2024	Change %	Change EUR m	Q3 2023	Q3 2024
Revenue	**1,969.3**	**2,237.6**	**13.6%**	**268.2**	**684.5**	**732.4**
Mail	866.7	911.0	5.1%	44.3	268.6	291.9
Parcel & Logistics	1,009.1	1,201.4	19.1%	192.2	380.7	396.5
Retail & Bank	118.6	146.0	23.1%	27.4	42.1	50.4
Corporate/Consolidation	–25.2	–20.8	17.2%	4.3	–6.9	–6.4
Other operating income	77.0	75.9	–1.4%	–1.0	39.0	28.1
Raw materials, consumables and services used	–597.0	–644.0	–7.9%	–47.0	–222.4	–210.2
Expenses from financial services	–12.0	–36.6	<-100%	–24.6	–6.1	–12.9
Staff costs	–886.7	–1,026.1	–15.7%	–139.4	–307.5	–333.4
Other operating expenses	–274.5	–311.1	–13.4%	–36.7	–96.5	–115.0
Results from financial assets acc. for using the equity method	1.5	3.1	>100%	1.6	0.7	1.7
Net monetary gain	4.8	6.1	28.0%	1.3	1.7	2.5
EBITDA	**282.4**	**304.9**	**7.9%**	**22.4**	**93.4**	**93.4**
Depreciation, amortisation and impairment losses	–151.7	–160.1	–5.6%	–8.5	–57.8	–54.2
EBIT	**130.8**	**144.7**	**10.7%**	**14.0**	**35.6**	**39.2**
Mail	102.1	115.2	12.8%	13.0	24.5	32.2
Parcel & Logistics	60.7	64.7	6.7%	4.1	24.3	17.5
Retail & Bank	–5.6	–7.4	–33.2%	–1.9	–6.7	–2.2
Corporate/Consolidation[1]	–26.5	–27.7	–4.9%	–1.3	–6.6	–8.4
Financial result	–3.5	–2.6	26.1%	0.9	–9.2	–1.0
Profit before tax	**127.2**	**142.1**	**11.7%**	**14.9**	**26.3**	**38.2**
Income tax	–36.5	–36.0	1.2%	0.4	–14.2	–10.5
Profit for the period	**90.8**	**106.1**	**16.9%**	**15.3**	**12.2**	**27.6**
Earnings per share (EUR)[2]	**1.30**	**1.48**	**14.0%**	**0.18**	**0.17**	**0.37**
Gross cash flow	**216.1**	**276.3**	**27.9%**	**60.2**	**59.4**	**90.4**
Cash flow from operating activities	**73.4**	**58.4**	**–20.4%**	**–15.0**	**62.0**	**–127.4**
CAPEX	97.9	90.7	–7.4%	–7.3	50.3	44.3
Free cash flow	**22.1**	**–19.2**	**<-100%**	**–41.4**	**45.1**	**–173.4**
Operating free cash flow[3]	**177.2**	**229.3**	**29.4%**	**52.1**	**61.7**	**82.2**

[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 Q1–3 2024

REVENUE DEVELOPMENT IN DETAIL

In the first three quarters of 2024, Austrian Post's Group revenue increased by 13.6 % year-on-year to EUR 2,237.6m. Revenue excl. Parcel Türkiye was up by 10.7 %. All divisions generated higher revenue in the first nine months of 2024. Revenue of the Mail Division was up by 5.1 %, whereas Parcel & Logistics revenue increased by 19.1 % (+14.2 % excl. Parcel Türkiye) and the Retail & Bank Division showed a 23.1 % revenue increase.

The share of the Mail Division in the total revenue of Austrian Post in the first three quarters of 2024 amounted to 40.3 %. The division's revenue of EUR 911.0m is negatively impacted by the structural decline of addressed letter mail volumes due to electronic substitution. However, it benefited from last year's postal rate adjustments as well as the major nationwide elections in Austria (Chamber of Labour, European Parliament, Austrian national parliamentary election) in the first three quarters of 2024. Moreover, the advertising business remains subdued, caused by weak development of certain retail segments.
The Parcel & Logistics Division accounted for 53.2 % of Group revenue of EUR 1,201.4m 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 6.5 % of Group revenue, equivalent to EUR 146.0m in the first three quarters 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 911.0m in the first three quarters of 2024, of which 63.1 % is attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 25.9 % of the total divisional revenue, and Media Post had an 11.0 % share.
In the first three quarters of 2024, **Letter Mail & Business Solutions** revenue equalled EUR 574.6m, implying a year-on-year increase of 4.4 %. 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 6 % in the first three quarters of 2024. Postal rate adjustments implemented in September of last year as well as the elections in the first three quarters of 2024 (mainly the Chamber of Labour, European Parliament, Austrian national parliamentary elections) 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 enhancements 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 5.3 % in the first three quarters of 2024 to EUR 235.8m. 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. Major elections in the first three quarters of 2024 also positively impacted revenue.
Revenue from **Media Post**, i.e., the delivery of newspapers and magazines, rose by 9.2 % year-on-year to EUR 100.5m. This increase is primarily related to adjustments in the pricing structure.

Revenue of the **Parcel & Logistics Division** increased by 19.1 % in the first three quarters of 2024 to EUR 1,201.4m. Growth amounted to 14.2 % when excluding Parcel Türkiye. The parcel business developed very positively in all regions.
Parcel Austria grew its revenue by 16.0 % to EUR 656.2m in the reporting period. Parcel volumes increased by 13 % in the first three quarters of 2024, which can be attributed to increasing national and international parcel volumes. In turn, this reflects strong customer confidence in the quality of Austrian Post.
Revenue in Türkiye and Azerbaijan (**Parcel Türkiye**) rose by 32.9 % to EUR 345.3m compared to the first nine months of 2023. This high level of growth is significantly impacted by inflation in Türkiye and the exchange rate of the Turkish Lira. However, revenue in the first three quarters of 2024 also included a negative currency effect due to the application of hyperinflation accounting.
The parcel business in Southeast and Eastern Europe (**Parcel CEE/SEE**) continues to generate positive growth rates, with revenue up by 12.9 % to EUR 158.1m in the first nine months of 2024. There was a strong increase in parcel volumes from Asia in this region.
Revenue of **Logistics Solutions**/Consolidation decreased from EUR 43.8m to EUR 41.8m in the current reporting period due to consolidation effects.

Revenue of the **Retail & Bank Division** improved by 23.1 % in the first three quarters of 2024 to EUR 146.0m. **Income from Financial Services** contributed 78.9 % to the divisional revenue, whereas Branch Services accounted for 21.1 %. Income from Financial Services increased by 28.8 % to EUR 115.2m 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 5.7 % to EUR 30.8m in the first three quarters 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 (45.9 %), raw materials, consumables and services used (28.8 %) and other operating expenses (13.9 %). In this context, 7.2 % can be attributed to depreciation, amortisation and impairment losses and 1.6 % to expenses from financial services.

Staff costs in the first three quarters of 2024 totalled EUR 1,026.1m, implying a year-on-year increase of 15.7 % or EUR 139.4m. The change results from an increase in the number of employees in the Austrian Post Group outside of 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 27,816 people (full-time equivalents) in the first nine months of 2024 compared to the average of 27,119 employees in the prior-year period (+2.6 %).
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 three quarters of 2024.

Raw materials, consumables and services used rose by 7.9 % to EUR 644.0m. This development relates mainly to higher transport costs charged by external freight companies due to the increased volumes in Austria as well as in Southeast and Eastern Europe.

Other operating income fell by 1.4 % in the first three quarters of 2024 to EUR 75.9m. Other operating expenses increased by 13.4 % to EUR 311.1m, 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 separate item in the income statement. In the first three quarters of 2024, the net monetary gain amounted to EUR 6.1m (+28.0 %).

EBITDA equalled EUR 304.9m in the first three quarters of 2024, an increase of 7.9 % from the comparable figure of EUR 282.4m in the previous year. This implies an EBITDA margin of 13.6 %. Depreciation, amortisation and impairment losses amounted to EUR 160.1m in the first nine months of 2024, representing a year-on-year increase of 5.6 % or EUR 8.5m year-on-year. The increase is primarily due to investments in new parcel logistics infrastructure facilities. Group EBIT totalled EUR 144.7m in the first three quarters of 2024, up by 10.7 % from EUR 130.8m in the previous year. Earnings were negatively impacted by a valuation effect of EUR 9.6m in the third quarter relating to the option liability for the remaining 20 % of the shares in Aras Kargo. The EBIT margin amounted to 6.5 %.

The Group's financial result in the first three quarters of 2024 changed from minus EUR 3.5m to minus EUR 2.6m. The income tax decreased slightly from EUR 36.5m to EUR 36.0m. The profit for the period for the first nine months of 2024 equalled EUR 106.1m compared to EUR 90.8m in the first three quarters of the previous year (+16.9 %). Undiluted earnings per share were EUR 1.48, up from EUR 1.30 in the prior-year period.

EARNINGS BY DIVISON

Total earnings (EBIT) in the first three quarters of 2024 rose from EUR 130.8m to EUR 144.7m (+10.7 %) and were impacted by a very positive revenue development (+13.6 %) as well as by inflation-related cost increases and a negative valuation effect.

From a divisional perspective, the Mail Division achieved an EBIT of EUR 115.2m in the first nine months of 2024 compared to EUR 102.1m in the prior-year period (+12.8 %). This increase resulted from adjustments to the Letter Mail product and pricing structure effective 1 September 2023, the elections in the first three quarters of 2024 as well as price increases in the Direct Mail and Media Post business.

The Parcel & Logistics Division generated an EBIT of EUR 64.7m in the first three quarters of 2024 compared to EUR 60.7m in the prior-year period (+6.7 %). The parcel business showed a positive development in all regions where Austrian Post operates. The parcel business in Türkiye made a significant contribution to the earnings improvement. Business performance in Türkiye continues to be strongly impacted by inflation and currency translation. A third-quarter valuation effect equalling EUR 9.6m relating to the option liability for the remaining 20 % stake in Aras Kargo negatively affected earnings.

The Retail & Bank Division recorded an EBIT of minus EUR 7.4m in the first three quarters of 2024, compared to minus EUR 5.6m in the previous year. Earnings were mainly impacted by one-off IT expenses in connection with the migration of core banking systems of bank99.

EBIT of the Corporate Division (including Consolidation and the intra-Group cost allocation procedure) changed from minus EUR 26.5m to minus EUR 27.7m. 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 three quarters of 2024 equalled EUR 276.3m, compared to EUR 216.1m in the first three quarters of 2023 (+27.9 %). The cash flow from operating activities amounted to EUR 58.4m in the reporting period, compared to the prior-year figure of EUR 73.4m. In this regard, the largest effect is attributable to changes in the core banking assets of bank99 totalling minus EUR 234.7m compared to minus EUR 138.6m 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 combine the deposit and investment business of bank99. The cash flow from operating activities excluding core banking assets totalled EUR 293.1m in the first three quarters of 2024 compared to EUR 212.0m in the previous reporting period.
The cash flow from investing activities was minus EUR 77.6m in the first nine months of 2024, compared to minus EUR 51.3m in the prior-year period. Expenditures for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 90.7m 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 229.3m in the current reporting period compared to EUR 177.2m in the previous year. This increase of 29.4 % is attributable to positive operational business development as well as favourable tax effect from a prior-year period.
The cash flow from financing activities came to minus EUR 154.6m in the first nine months of 2024, compared to minus EUR 130.5m 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 6.1bn as at 30 September 2024 and have expanded significantly since the inclusion of bank99 in 2020. On the asset side, property, plant and equipment of EUR 1,353.2m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 375.5m. In addition, there are intangible assets and goodwill from company acquisitions, which are reported in the amount of EUR 149.8m as at 30 September 2024. The balance sheet shows receivables of EUR 467.5m. Other financial assets amounted to EUR 27.1m as at 30 September 2024. Financial assets from financial services amounted to EUR 3,758.2m at the end of the third 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 710.7m as at 30 September 2024, implying an equity ratio of 11.7 %. The logistics equity ratio (equity in relation to total capital excluding financial liabilities from financial services), stands at 28 % at the end of September 2024. Provisions of EUR 590.3m are shown on the equity and liabilities side at the end of September 2024, other financial liabilities amounted to EUR 646.6m and trade and other payables totalled EUR 579.7m. Financial liabilities from financial services in the amount of EUR 3,538.5m result primarily from business activities of bank99 (deposit and investment business of bank99's customers).

OUTLOOK

International mail and parcel markets are developing in different directions. The weak economic growth in many European countries and the related restrained investment climate impact the purchasing behaviour of companies and private consumers. The trend towards the decline in letter mail and the ongoing growth of parcel volumes relating to the strong online business continues.

Revenue growth in 2024

Revenue growth in 2024 is supported by framework conditions and special effects in all divisions during the entire financial year. 2024 revenue is expected to reach EUR 3bn, depending on the exchange rate of the Turkish Lira.

A stable or modestly positive revenue development is anticipated in the Mail Division. The basic trend towards of declining volumes in the traditional mail segment will continue. Furthermore, due to the weak economy, a difficult environment for retailers as well as reduced volumes of direct mail and media post continue to be expected. In contrast, major elections in Austria as well as price adjustments for various products had a positive effect in the first three quarters.

Revenue of the Parcel & Logistics Division should increase by about 15 %. Ultimately, the realised revenue for 2024 will depend on the exchange rate of the Turkish Lira at the end of the year.

The Retail & Bank Division aims to achieve double-digit revenue growth, depending on the interest rate environment.

Group earnings in 2024

Revenue growth combined with cost discipline and efficiency are necessary to ensure the stability that Austrian Post aims to achieve. Assuming an ongoing stable market environment in the fourth quarter of 2024, EBIT in 2024 should increase by at least 5 %, thus leading to a total EBIT of slightly over EUR 200m for the year.

CAPEX programme 2024

In the meantime, the substantial CAPEX programme implemented in recent years – which has almost tripled the sorting capacity in Austria – has been largely completed. Investments in the coming years will focus on growth (international logistics), the digital transformation and the expansion of e-mobility. For example, the company is aiming for last-mile delivery to be completely CO_2-free by 2030 in Austria. In total, the plan for 2024 is to invest around EUR 70–80m in maintenance CAPEX for technology and automation, EUR 40–50m in green transformation (photovoltaic systems, e-mobility, electric charging infrastructure) as well as about EUR 30m in growth CAPEX, primarily in Türkiye and Southeast and Eastern Europe.

Forecast for 2025

The overall macroeconomic environment is expected to improve only slightly in 2025. In contrast to 2024, several positive special effects on the business results of Austrian Post, such as product reforms implemented as of 1 September 2023 as well as the absence of major elections, will no longer have a similar impact in 2025. Following robust growth in 2024, revenue in the parcel business should be in the single-digit range, depending on the exchange rate development of the Turkish Lira.

Accordingly, Austrian Post also anticipates revenue of over EUR 3bn in 2025 and aims to generate again EUR 200m of earnings (EBIT).

Austrian Post continues to pursue the objective of distributing of at least 75 % of the Group net profit to shareholders and thus confirms its attractive dividend policy.