AUSTRIAN POST IN Q1 2025:
Top line modestly improved after strong increase in previous period, while earnings as expected slightly below previous year

Revenue

- Solid first-quarter revenue development after positive special effects in the previous year
- Group revenue +0.7% to EUR 763.6m
- Mail –5.1% to EUR 299.5m
- Parcel & Logistics +3.8% to EUR 418.3m
- Retail & Bank +3.1% to EUR 48.7m

Earnings

- EBITDA –1.8% to EUR 101.6m
- EBIT at EUR 48.4m by –7.6% below Q1 2024 but +2.9% above Q1 2023
- Earnings per share –4.5% to EUR 0.56

Cash flow and balance sheet

- Operating free cash flow of EUR 124.6m
- Balance sheet total incl. bank99 of EUR 6.4bn

Outlook for 2025

- Modest revenue growth expected
- Group investments (CAPEX) in the range of previous years (EUR 150m -160m)
- The targeted goal remains to generate earnings (EBIT) of around EUR 200m

"Austrian Post has had a solid start in 2025 as expected against the backdrop of a challenging economic environment and following positive special effects in the previous year," says Walter Oblin, CEO of Austrian Post. First-quarter revenue rose by 0.7% to EUR 763.6m. Whereas the previous year in Austria and, especially at the beginning of 2024, was positively impacted by increased parcel volumes from Asia in the Southeast and Eastern Europe region, the first quarter of 2025 included two working days less than the prior-year quarter.

This comparison to the previous year and the difficult economic environment were particularly relevant for the Mail Division. The ongoing negative economic growth in Austria and the lack of business momentum in the field of direct mail are reflected in the division's revenue decline of 5.1% to EUR 299.5m. In contrast, revenue of the Parcel & Logistics Division increased by 3.8% to EUR 418.3m in the first quarter of 2025. This division generated 55% of total Group revenue. Revenue growth was achieved in the Austrian market (+6.4%) and in Türkiye (+10.9%), whereas Southeast and Eastern Europe showed a decline of 11.8%. In the latter region, the support from Asian volumes had resulted in a 44% parcel increase in the CEE/SEE region at the beginning of 2024. The Retail & Bank Division reported revenue of EUR 48.7m (+3.1%), showing a positive development both in the Branch Services and Financial Services areas. The last integration step at bank99 involving the migration of core banking systems following the acquisition of ING's retail business in Austria could be concluded. The new rating by Moody's (Baa2) also marks a significant milestone for bank99's capital market capability.

First-quarter 2025 earnings were at a solid level. The decrease in earnings is mainly attributable to the very strong performance in the previous year due to positive special effects. EBITDA of EUR 101.6m was down by 1.8% from the first quarter of 2024, but still above the comparable figure of 2023. Earnings before interest and taxes (EBIT) equalled EUR 48.4m, thus 7.6% below Q1 2024, but 2.9% higher than the first three months of 2023. The profit for the period of the Austrian Post Group totalled EUR 39.6m in the reporting period compared to the prior-year level of EUR 41.6m (–4.8%). Accordingly, earnings per share were EUR 0.56 in the first quarter of 2025 or compared to EUR 0.59 in the prior-year quarter (–4.5%).

The underlying trends of the international letter and parcel markets remain the same. The ongoing decline in letter mail and direct mail volumes contrasts with the growth in parcel volumes driven by e-commerce. These trends are influenced by the current difficult market environment against the backdrop of weak economic growth in many European countries. In turn, this impacts the investment behaviour of companies and public institutions as well as consumer purchasing behaviour. Following the strong revenue increase of 13.9% in 2024, driven by positive special effects, Austrian Post targets a modest revenue growth in 2025. This is based on the assumption that any trade conflicts or regulatory measures will not significantly influence consumer behaviour and that the Turkish Lira develops in line with current forecasts. In addition to the focus on revenue growth, efficiency and productivity are the key factors underlying performance to ensure the desired stability of Austrian Post. In line with the revenue forecast for 2025 and the assumptions described above, the target of achieving earnings (EBIT) of around EUR 200m in 2025 remains unchanged.

Considering the average investment requirement of recent years, necessary investments (CAPEX) in 2025 are expected to be between EUR 150m and EUR 160m. This includes growth investments as well as investments in maintenance and decarbonisation of logistics.

The complete version of the outlook as well as detailed information (excerpts) from the Group management report for the first quarter 2025 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 2024	Q1 2025	Change %	Change EUR m
Revenue	**758.6**	**763.6**	**0.7 %**	**4.9**
Mail	315.6	299.5	–5.1 %	–16.0
Parcel & Logistics	402.9	418.3	3.8 %	15.4
Retail & Bank	47.2	48.7	3.1 %	1.5
Corporate/Consolidation	-7.0	-3.0	57.5 %	4.0
Other operating income	23.6	32.0	35.6 %	8.4
Raw materials, consumables and services used	-224.3	-222.0	1.0 %	2.3
Expenses from financial services	-11.3	-12.9	-14.2 %	-1.6
Staff costs	-341.9	-360.2	-5.4 %	-18.3
Other operating expenses	-103.8	-102.6	1.2 %	1.2
Results from financial assets accounted for using the equity method	0.5	1.0	86.8 %	0.5
Net monetary gain	1.9	2.8	44.4 %	0.9
EBITDA	**103.4**	**101.6**	**–1.8 %**	**–1.8**
Depreciation, amortisation and impairment losses	–51.0	–53.2	–4.2 %	–2.2
EBIT	**52.4**	**48.4**	**–7.6 %**	**–4.0**
Mail	42.3	37.9	–10.4 %	–4.4
Parcel & Logistics	24.2	18.6	–23.2 %	–5.6
Retail & Bank	-2.7	-1.1	59.5 %	1.6
Corporate/Consolidation[1]	-11.4	-7.0	38.8 %	4.4
Financial result	1.3	2.3	78.4 %	1.0
Profit before tax	**53.7**	**50.7**	**–5.5 %**	**–3.0**
Income tax	–12.0	–11.1	7.9 %	0.9
Profit for the period	**41.6**	**39.6**	**–4.8 %**	**–2.0**
Earnings per share (EUR)[2]	**0.59**	**0.56**	**–4.5 %**	**–0.03**
Gross cash flow	**92.7**	**81.4**	**–12.2 %**	**–11.3**
Cash flow from operating activities	**147.0**	**64.0**	**–56.4 %**	**–83.0**
CAPEX	25.0	24.8	–0.8 %	–0.2
Free cash flow	**74.9**	**45.2**	**–39.6 %**	**–29.7**
Operating free cash flow[3]	**72.3**	**124.6**	**72.3 %**	**52.3**

[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 GROUP MANAGEMENT REPORT Q1 2025

REVENUE DEVELOPMENT IN DETAIL

In view of a challenging economic environment and following positive one-off effects in the previous year, revenue improved by 0.7% year-on-year to EUR 763.6m. Significant one-off effects in the previous year included the product and pricing adjustments for letter mail effective 1 September 2023 and numerous elections. In addition, the current quarter had two fewer working days than the same period last year. Revenue of the Mail Division was down by 5.1%, whereas Parcel & Logistics revenue increased by 3.8% and the Retail & Bank Division showed a 3.1% rise in revenue.

The share of the **Mail Division** in the total revenue of Austrian Post in the first quarter of 2025 amounted to 39.1%. The division's revenue of EUR 299.5m is negatively impacted by the structural decline of addressed letter mail volumes due to electronic substitution as well as by discontinuation of positive special effects of last year. Furthermore, direct mail business is visibly subdued further to the weaker development of particular retail segments.
The **Parcel & Logistics Division** generated 54.6% of Group revenue or EUR 418.3m during the reporting period. Divisional revenue in Austria and Türkiye showed a satisfactory development, while declines were recorded in South-Eastern and Eastern Europe, primarily in volumes from Asia. Business in Türkiye continues to be significantly impacted by the high inflation rate and the exchange rate of the Turkish Lira.
The **Retail & Bank Division** accounted for 6.3% of Group revenue in the first quarter of 2025 or EUR 48.7m. Revenue developed positively both in the Branch Services as well as in the Financial Services business.

Revenue of the **Mail Division** totalled EUR 299.5m in the first quarter of 2025, of which 64.0% is attributed to the Letter Mail & Business Solutions area. Direct Mail accounted for 25.3% of the total divisional revenue, and Media Post had a 10.7% share.
In the first three months of 2025, **Letter Mail & Business Solutions** revenue equalled EUR 191.6m, implying a year-on-year decline of 4.5%. 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 5% in the first quarter of 2025. The previous year's business was particularly impacted by positive special effects from elections and postal rate adjustments. International letter mail showed a slight revenue increase, whereas the Business Solutions area remained stable.
Direct Mail revenue dropped by 6.6% in the first quarter of 2025 to EUR 76.0m. The subdued advertising environment due to current economic conditions as well as the structural decline in certain customer segments (e.g., furniture sector, mail order business) continue to prevail. The annual adjustments to the pricing structure could not offset the loss of revenue caused by the volume decline.
Revenue from **Media Post**, i.e., the delivery of newspapers and magazines, fell by 4.8% year-on-year to EUR 31.9m.
On balance, Direct Mail and Media Post volumes in the first three months of 2025 were down 2% from the prior-year quarter impacted by positive special effects.

Revenue of the **Parcel & Logistics Division** increased by 3.8% in the first quarter of 2025 to EUR 418.3m. Growth was generated in Austria and Türkiye, whereas revenue in Southeast and Eastern Europe declined year-on-year compared to the strong increase of the first quarter of 2024.

Parcel Austria grew its revenue by 6.4% to EUR 229.2m in the reporting period. Parcel volumes increased by 5% on a daily basis in the first quarter of 2025.
Revenue in Türkiye and Azerbaijan (**Parcel Türkiye**) rose by 10.9% to EUR 131.1m compared to the first three months of 2024. The business development continues to be significantly impacted by inflation and the exchange rate of the Turkish Lira.
Parcel revenue in Southeast and Eastern Europe (**Parcel CEE/SEE**) fell by 11.8% to EUR 49.0m in the first quarter of 2025. The prior-year quarter showed volume growth of 44% attributable to a strong increase in parcels from Asia.
Revenue of **Logistics Solutions** decreased from EUR 16.8m to EUR 13.1m in the current reporting period.

Revenue of the **Retail & Bank Division** improved by 3.1% in the first three months of 2025 to EUR 48.7m. Income from Financial Services contributed 78.3% to the divisional revenue, whereas Branch Services accounted for 21.7%. **Income from Financial Services** increased by 2.3% to EUR 38.1m in the current reporting period. The customer ramp-up of bank99 drove up revenue, whereas the decline in the interest income relating to the lower key interest rate negatively affected the revenue development.
Branch Services revenue increased by 5.9% to EUR 10.6m in the first quarter of 2025 due to inflation-related price adjustments in the retail products business area.

EARNINGS DEVELOPMENT

The largest expense items in relation to Austrian Post's Group revenue are staff costs (47.2%), raw materials, consumables and services used (29.1%) and other operating expenses (13.4%). In this context, 7.0% can be attributed to depreciation, amortisation and impairment losses and 1.7% to expenses from financial services.

Staff costs in the first quarter of 2025 totalled EUR 360.2m, implying a year-on-year increase of 5.4% or EUR 18.3m. The change results from an increase in the number of employees in the Austrian Post Group as well as from collective wage and salary adjustments reported under operational staff costs, both in Austria and abroad. Austrian Post Group employed an average of 28,014 people (full-time equivalents) in the first three months of 2025 compared to the average of 27,870 employees in the prior-year period (+0.5%). Non-operating staff costs refer to severance payments and changes in provisions, which are primarily related to the specific employment conditions of civil servant employees at Austrian Post. No significant charges were incurred in the first three months of 2025.

Raw materials, consumables and services used were down by 1.0% to EUR 222.0m. In particular, the decline related to fuel and energy costs.

Other operating income rose in the first quarter of 2025 to EUR 32.0m. Other operating expenses fell to EUR 102.6m.

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 2024, 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 quarter of 2025, the net monetary gain amounted to EUR 2.8m (+44.4%).

EBITDA equalled EUR 101.6m in the first quarter of 2025, implying a year-on-year decrease of 1.8 % from EUR 103.4m. This corresponds to an EBITDA margin of 13.3 %. Depreciation, amortisation and impairment losses amounted to EUR 53.2m in the first three months of 2025, representing a year-on-year increase of 4.2 % or EUR 2.2m. Group EBIT reached EUR 48.4m in the first quarter of 2025, down by 7.6 % from the prior-year level of EUR 52.4m. The EBIT margin amounted to 6.3 %.

The Group's financial result in the first quarter of 2025 was up from EUR 1.3m to EUR 2.3m. The income tax decreased from EUR 12.0m to EUR 11.1m (+7.9 %). The profit for the period for the first three months of 2025 equalled EUR 39.6m compared to EUR 41.6m in the first quarter of the previous year (–4.8 %). Undiluted earnings per share were EUR 0.56 compared to EUR 0.59 in the prior-year period (–4.5 %).

EBIT BY DIVISION

The Mail Division achieved an EBIT of EUR 37.9m in the first three months of 2025 compared to EUR 42.3m in the prior-year period (-10.4 %). This decrease is due to the very solid first quarter of 2024 that benefited from positive special effects.

The Parcel & Logistics Division generated an EBIT of EUR 18.6m in the first quarter of 2025 compared to EUR 24.2m in the prior-year period (-23.2 %). While the Austrian parcel business developed positively, earnings in international markets declined from the high level of the first quarter of 2024.

The Retail & Bank Division produced an EBIT of minus EUR 1.1m in the first three months of 2025 compared to minus EUR 2.7m in the prior-year quarter. The earnings improvement is related to the operational development of bank99. The migration of core banking systems was completed in April 2025.

EBIT of the Corporate Division (including Consolidation and the intra-Group cost allocation procedure) changed from minus EUR 11.4m to minus EUR 7.0m. 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.

CASHFLOW and BALANCE SHEET

The gross cash flow in the first quarter of 2025 equalled EUR 81.4m, down from EUR 92.7m in the previous year (–12.2 %). The cash flow from operating activities amounted to EUR 64.0m in the reporting period, compared to the prior-year figure of EUR 147.0m. In this regard, the largest effect is attributable to changes in the core banking assets of bank99 totalling minus EUR 79.3m compared to minus EUR 60.1m 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 143.4m in the first quarter of 2025 compared to EUR 86.9m in the previous reporting period.

The cash flow from investing activities was minus EUR 18.8m in the first three months of 2025, compared to minus EUR 72.1m in the prior-year period. Expenditures for the acquisition of property, plant and equipment and investment property (CAPEX) amounted to EUR 24.8m 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 124.6m in the current period under review compared to EUR 72.3m in the previous year. This increase also includes a favourable tax effect from a prior-year period.
The cash flow from financing activities came to minus EUR 78.1m in the first three months of 2025, in comparison to minus EUR 2.2m in the prior-year period.

Austrian Post relies on a solid balance sheet and financing structure. Total assets amounted to EUR 6.4bn as at 31 March 2025. On the asset side, property, plant and equipment at EUR 1,372.5m is one of the largest balance sheet items and includes right-of-use assets under leases of EUR 383.8m. In addition, there are intangible assets and goodwill from company acquisitions, which are reported in the amount of EUR 157.4m as at 31 March 2025. The balance sheet shows receivables of EUR 488.3m, other financial assets amounted to EUR 47.4m as at 31 March 2025. Financial assets from financial services equalled EUR 4,070.8m at the end of the first quarter of 2025 and result mainly from the business activities of bank99.
On the equity and liabilities side of the balance sheet, equity of the Austrian Post Group amounted to EUR 801.2m as at 31 March 2025, implying an equity ratio of 12.5 %. The logistics equity ratio (equity in relation to total capital excluding financial liabilities from financial services), stands at 31 % at the end of March 2025. At the end of the reporting period, provisions totalled EUR 562.5m, other financial liabilities amounted to EUR 611.6m and trade and other payables totalled EUR 611.7m. Financial liabilities from financial services in the amount of EUR 3,840.2m result primarily from business activities of bank99 (deposit and investment business of bank99's customers).

OUTLOOK 2025

The underlying trends of the international letter and parcel markets remain the same. The ongoing decline in letter mail and direct mail volumes contrasts with the growth in parcel volumes driven by e-commerce. These trends are influenced by the current difficult market environment against the backdrop of weak economic growth in many European countries. In turn, this impacts the investment behaviour of companies and public institutions as well as consumer purchasing behaviour.

Revenue in 2025
Following the strong revenue increase of 13.9 % in 2024, driven by positive special effects, Austrian Post targets a modest revenue growth in 2025. This is based on the assumption that any trade conflicts or regulatory measures will not significantly influence consumer behaviour and that the Turkish Lira develops in line with current forecasts. The exchange rate impact on the accuracy of the revenue forecast has a range of approximately ±2 %.
The revenue of the Mail Division is expected to decline due to the overall conditions described above and the positive special effects of last year. The general trend of declining volumes of conventional mail continues. Similarly, direct mail and media post volumes are also expected to decrease due to low economic momentum.

In contrast, further growth is expected in the Parcel & Logistics Division. Growth in revenue should be in the mid-single-digit range. However, the accuracy of the forecast is impacted by uncertainties relating to international trade as well as the extent to which inflation and the currency in Türkiye could fluctuate. The Retail & Bank Division is also expected to have a mid-single-digit increase in revenue in the 2025 financial year based on stable or slightly lower interest rates.

Earnings in 2025

In addition to the focus on revenue growth, efficiency and productivity are the key factors underlying performance to ensure the desired stability of Austrian Post. In line with the revenue forecast for 2025 and the assumptions described above, the target of achieving earnings (EBIT) of about EUR 200m in 2025 remains unchanged.

Investments in 2025

Considering the average investment requirement of recent years, necessary investments (CAPEX) in 2025 are expected to be between EUR 150m and EUR 160m. This includes growth investments as well as investments in maintenance and decarbonisation of logistics.