International Post Corporation

DHL Group gets off to a solid start in 2024

07-05-2024

The logistics company DHL Group got off to a solid start to the new fiscal year in 2024. As expected, there was no significant upturn in the global economy in the first quarter of 2024. Despite these conditions, the Group generated revenue of EUR 20.3 billion (Q1 2023: EUR 20.9 billion). As anticipated, the operating profit (EBIT) of EUR 1.3 billion was below the previous year’s level (Q1 2023: EUR 1.6 billion) but exceeded the same period of the pre-pandemic year 2019 (Q1 2019: EUR 1.2 billion).

Measures to safeguard earnings and cash flow show an impact

DHL Group had already anticipated the slowdown in global economic momentum in 2022 and successfully introduced appropriate measures to safeguard earnings and cash flow. These measures include consistent capacity and cost management as well as price adjustments. In the first quarter of 2024, gross investments (capex) amounted to EUR 483 million (Q1 2023: EUR 569 million).

The Group continued to make targeted investments in the quality of its services and in structural growth trends such as omnishoring, e-commerce, sustainability and digitalization. Free cash flow was EUR 608 million (Q1 2023: EUR 983 million; Q1 2019: EUR -256 million).

In total, DHL Group generated consolidated net profit after non-controlling interests of EUR 743 million in the first three months of 2024 (Q1 2023: EUR 911 million). In the same period, basic earnings per share amounted to EUR 0.63 after EUR 0.76 in the first quarter of 2023.

Group confirms forecast for 2024

As expected, a broad and dynamic economic upturn failed to materialize in the first three months of the year. DHL Group continues to expect more positive global economic momentum in the second half of 2024. Overall, the Group confirms its forecast for the 2024 fiscal year and expects EBIT of between EUR 6.0 billion and EUR 6.6 billion and free cash flow excluding acquisitions and divestments of around EUR 3.0 billion.

In its medium-term forecast for 2026, DHL Group continues to expect operating profit of between EUR 7.5 billion and EUR 8.5 billion.

Express: Continued focus on revenue and cost management
At Express, the expected continued weak demand led to a slight decline in shipment volumes. The division is countering the sluggish market environment with productivity improvements, network optimizations and effective yield and cost management.

Source: [DHL Group]

Australia Post and Beyond Blue mental health campaign expands to five million households

13-05-2024

Five million mailboxes, including every regional and rural home across Australia, will receive a special prepaid postcard this May, thanks to an expanded campaign between Australia Post and Beyond Blue.

In response to the pressing need for mental health support, Australia Post and Beyond Blue have significantly increased distribution of their annual campaign, adding an extra one million postcards to the Connection Postcard program, now in its fourth year. These postcards carry important mental health messages to encourage greater community connection and support mental wellbeing across the country.

With research* indicating that nearly one in three Australians grapple with loneliness, especially in remote or regional areas, this initiative offers a simple way for people to connect.

Millions of Australians will open their mailbox this May to discover a newly designed two-part 'Connection Postcard'. One part includes important mental health information and Beyond Blue contact details; while the detachable second part includes a pre-paid postcard for recipients to pen a personalised note to send to a friend or loved one.

Created by regional Australian artist, Jocelyn Proust, the brand-new illustration includes two fairy wrens in a vibrant natural setting to signify the power of communication for connection and begins with the words, "sharing this postcard because I care".

Australia Post General Manager Community and Stakeholder Engagement, Nicky Tracey, said Australia Post is proud to be expanding the campaign in 2024.

"We know that when we connect, we feel better. This is why we're delighted to be a longstanding partner of Beyond Blue, helping to connect people with each other and to mental health information.

"Since 2020, over 16 million Connection Postcards have been delivered, providing Australians, including those in regional and remote communities, access to Beyond Blue's incredible resources and the opportunity to connect with someone they care about. In fact, last year's Connection Postcard campaign demonstrated that 95%** of recipients who sent on the postcard felt more positive," Ms Tracey said.

Journalist, TV presenter, mental health advocate and Beyond Blue ambassador of 13 years, Brad McEwan, has joined the campaign to encourage more people to send a connection postcard this year.

"Having experienced loss through mental health issues and also having grown up in a regional town myself, I know the power of checking in with friends and family to increase social connection. It might not seem like a lot, but these Postcards pack a powerful message, beyond just the words on the paper. For the five million households opening their mailbox to find a connection postcard, I'd encourage you to please take a moment to read the message and think about someone in your life that would love to hear from you. This simple gesture can make a profound impact on someone's life," Mr McEwan said.

Source: Australia Post

Royal Mail drop-off now available at Collect+ stores nationwide

08-05-2024

Royal Mail customers can now drop off parcels in convenience stores around the UK using the Collect+ network. More than 700 locations are now live in shops including Londis and independent newsagents, with 5,000 planned by summer.

Royal Mail customers are able to drop off packages up to large parcel size using 1st and 2nd class and Tracked 24 and Tracked 48. This applies to both returns and items that someone has paid for the postage for online and either printed a label or generated a QR code. In the future, the service will be expanded to enable customers to collect online purchases.

The locations can be found on the services for you section of the Royal Mail website.

Nick Landon, Chief Commercial Officer at Royal Mail, said: “By giving our customers access to the Collect+ network we are significantly increasing the number of locations where they can drop off parcels and giving them more options to do so during weekends and evenings.

“This helps us meet demand from the growing number of customers who pay for parcel postage online and is one of the ways we’re continuing to make sending and receiving parcels as convenient as possible by giving customers greater choice.”

Nick Wiles, CEO of PayPoint, said: “Today marks an important step in the roll-out of our Royal Mail partnership, with customers now officially able to use Collect+ on a nationwide basis across the UK. We have a number of activities planned for the coming year to promote this service and invest in its success as part of our Out of Home network offering.

“We know that people today want as many options as possible to make their lives more convenient, which is why we continue to provide our retailer partners with additional services and market leading brands that drive footfall and generate commissions. In doing so their businesses are set-up for success to grow, as well as remain essential access points for the day-to-day services local communities rely on.”

Joshua James, Store Owner, Fresh and Proper, Fordham, Cambridgeshire said: “We were very excited by the news that Royal Mail and PayPoint were partnering and to be one of the first locations offering the service to the local community is brilliant. We are already seeing interest among our usual shoppers and expect the service to increase our footfall as more people locally begin to use us for drop offs. We are also enjoying getting to know our local postie thanks to their collections!”

Source: [Royal Mail]

UPS Chief Financial Officer Brian Newman to Depart

06-05-2024

UPS (NYSE: UPS) announced today that Brian Newman, executive vice president and chief financial officer, will leave the company on June 1. UPS will evaluate internal and external CFO candidates to identify Newman’s successor.

“On behalf of the company and the entire Board of Directors, I thank Brian for his significant contributions to UPS,” said Carol Tomé, UPS chief executive officer. “Brian has been a great partner, having guided the company through unprecedented economic conditions. He is leaving us well-positioned for future growth as we execute our 1+2 strategy and continue to deliver on our purpose. We affirm our full year guidance as previously shared in the last earnings call.”

“I am honored to have served as CFO of such a storied company with so many great leaders around the world,” said Newman. “I am confident in the company’s continued success and growth trajectory. My near-term priority is to focus on my health.”

Source: [UPS]

PostNL to adjust stamp prices from 1 July

06-05-2024

PostNL will adjust prices for sending letters with effect from 1 July. The price of stamps for letters in the Netherlands will change to €1.14 from €1.09 today – a necessary interim price increase as less and less mail is being sent and costs are rising steeply. The new domestic stamp price as well as other price changes are within the scope granted to PostNL by the government every year.

A necessary change to sustain the postal service

Maurice Unck, Director of Mail at PostNL, said: "Every day, we at PostNL make sure that everyone across the country is able to send and receive their mail, with some 25,000 postal workers doing everything in their power to make that happen. Labour costs, which account for around 80% of our total costs, have surged in the past few years, at the same time as fewer and fewer letters are being sent. In combination, this makes for a great deal of pressure in terms of keeping our postal service going. We don't like confronting consumers with interim price rises, but we must, as we're still delivering post five days a week while there's a lot less mail and costs keep on rising."

2024 prices for mail and parcels

The price for a stamp on letters in the Netherlands is going up by €0.05 to €1.14, while the basic rate for letters abroad will be €1.80, up from €1.75. Prices for sending regular parcels will remain unchanged.

Registered mail will cost €1 more. To safeguard the quality of registered mail, PostNL has set up a separate network for delivering these items, which is a more costly service to operate.

In 2024, the price of PostNL's December stamps will be €1.06, 8 eurocents less than regular stamps. A sheet of 20 December stamps will sell at €21.20 and will be available to buy from 18 November via postnl.nl, or at post offices, parcel points or other designated stamp outlets.

PostNL's full product offering and prices can be found at postnl.nl/tarieven/juli-2024

Future-proof and financially healthy

PostNL is looking for a change to the postal service that better reflects customer and consumer expectations as well as today's current labour market. At the moment, a card or letter posted today must be delivered tomorrow. PostNL wants to move to a situation where post mailed today will be delivered within two days and, in time, within three. This requires a change to postal rules and regulations to help PostNL adapt its network further and keep the postal service future-proof and financially healthy.

Source: PostNL

Price of a domestic stamp rises to 99 cents in Canada

06-05-2024

Canada Post's proposed postage rate increase takes effect today. For stamps purchased in a booklet, coil or pane, which represent most stamp sales, the rate increases by seven cents, to 99 cents per stamp. The price of a single domestic stamp increases to $1.15, up from $1.07.

Prior to these changes coming into effect, domestic letter mail rates increased twice over the last decade (five cents in 2019 and two cents in 2020), with the last major pricing change made on March 31, 2014.

Canada Post understands the importance of the delivery service it provides and works to minimize the impact of price changes on all customers, ensuring any increases are fair and reasonable.

Regulatory approval of new rates

Changes to Canada Post's regulated letter mail rates are made according to the regulatory process outlined in the Canada Post Corporation Act. The proposed rate changes were published in the Canada Gazette in February 2024 and received final regulatory approval in April. As an organization funded by revenue from the sale of its products and services, not taxpayer dollars, rate changes are a reality.

Canadians can continue to use their Permanent™ stamps, which will always be accepted at the current domestic postage price. The rate changes also affect other products, including U.S., international letter-post and domestic Registered Mail™ items. Commercial price changes, also effective today, correspond to the regulated letter mail rate increase.

Source: [Canada Post]

PostNL reports Q1 2024 results

06-05-2024

Herna Verhagen, CEO of PostNL, said: "We are making steady progress on the strategic actions that we announced in February and keep on adjusting our operations and offerings to adapt to changing market circumstances. In the first quarter we operated in a challenging environment with rising costs, mainly labour-related. In line with expectations, the result came in below last year.

"The combination of the ongoing severe decline in mail volumes and a further shift toward non-24 hour mail services, along with high labour costs, has led to a negative performance by Mail in the Netherlands. This underpins the urgent need for transformation. We aim to adjust the service level for standard mail to delivery within two days, moving towards three days over time, aligning with our customers' and consumers' needs. To achieve this, a modification in postal regulation is needed. The Minister of Economic Affairs is in the lead of this process. Our efforts to fill the vacancies for mail deliverers are showing good progress and will contribute to enhancing delivery quality. We are committed to keeping the postal service in the Netherlands reliable, accessible and affordable, providing job security to thousands of people.

"At Parcels, overall volumes grew, trending towards our full year growth projections. Domestic volumes resumed growth, and volumes from international customers have increased significantly, leading to a continuation of the shift to a less favourable mix. As expected, ongoing organic cost increases put pressure on our results. We are gaining momentum on our strategic actions to better balance volume and value and these will start contributing to our results in the course of 2024. Concrete steps are currently being taken to rationalise our products and services portfolio. We are committed to sustainable growth and recently added to our network a state-of-the-art sorting facility equipped with innovative solar energy storage.

"We are confident in the long-term growth potential of the e-commerce market, driven by online penetration and assuming improving economic conditions. Taking into account the developments in Q1 and the still volatile geopolitical and economic environment, we confirm our 2024 outlook for normalised EBIT between €80 million and €110 million and free cash flow of between €0 and €40 million."

Source: [PostNL]

bpostgroup results first quarter 2024

03-05-2024

Chris Peeters, CEO of bpostgroup: â€œIn Belgium, the results show resilience. We recently achieved a milestone by reaching an agreement with the Flemish editors on the newspaper distribution. We are doing our utmost to do the same with the French-speaking editors soon.

While our Eurasian activities continue their growth path, our revenues in North America remain under pressure due to adverse market conditions; we take the necessary measures to mitigate this through continued focus on productivity gains.

The envisioned acquisition of Staci is an important stepping stone in the transformation of our group. It brings our growth strategy to live and will enable us to refresh and expand our service offering, in order to appeal to a whole new B2B segment and to create new market opportunities.”

Source: bpost

Postmaster General and CEO Louis DeJoy's Remarks During May 9, 2024, Postal Service Board of Governors Meeting

09-05-2024

The below remarks are as prepared for delivery by Postmaster General and CEO Louis DeJoy during the open session meeting of the Postal Service Board of Governors on May 9, 2024.

"Thank you, Mr. Chairman.

The second quarter has been an engaging one as we have started to intensify the transformation efforts of our facilities and operations to reduce our costs, grow our revenue, engage our employees, improve our infrastructure, and serve our customers in a modern, efficient, and more logistically sophisticated manner.

During this third quarter, we had three Regional Processing and Distribution Centers significantly activated, four partially activated, and another four under design or construction. We have begun to make improvements to more than 20 Local Processing Centers and have launched 25 new Sorting and Delivery Centers.

These initiatives have required the investment of billions of dollars to renovate old or add new facilities; the repositioning or hiring of tens of thousands of people; the installation or relocation of hundreds of complex mail and package processing systems; and the scheduling and rescheduling of thousands of daily air and ground transportation routes.

This effort has been engaged with historic intensity by the postal leadership and its employees across the country to carry out a long overdue transformational change.

We are also in the process of redefining our Priority network, so that it leverages our ground assets as we strive to produce a totally integrated mail and package network that will reduce cost and improve and grow revenue so that we can be financially self-sufficient as we are required to be by law.

In addition, we have rolled out our new Environmental Sustainability Plan targeting impressive reductions in carbon emissions through 2030. This year, we are accepting over 27,000 new vehicles – the most in a quarter century. Ten thousand of these vehicles that we will accept this year will be electric, and we are well on our way to having the required 10,000 live charging ports across 75 sites by the end of this calendar year.

Recently, we have reorganized over 3,000 sales personnel and supporting organizations to create new focus and inspire winning attitudes to compete for increased revenue for the United States Postal Service. And we are achieving that growth.

In terms of costs, year to date we reduced transportation costs by $700 million compared to the same six-month period last year. We have worked hard to align schedules, implement new processes, and improve productivity to reduce workhours by nearly 9 million hours over the same six-month period last year and over 11 million hours year to date. In fact, over the last two and a half years, we have reduced 47 million work hours for an estimated $2.4 billion in cost savings and nearly $1.3 billion in transportation cost savings while increasing our career workforce.

To address postal crime, we have completed a seven-city law enforcement surge as part of our Project Safe Delivery program. Overall, there have been more than 1,300 arrests for mail theft and robberies since May 2023. In fact, when compared to the same period last year, robbery-related arrests are up 72%, reported letter carrier robberies are down 21%, and mail theft complaints are down 32%.

Across the organization, there are many initiatives within every function, in every plant and every delivery unit that are producing results. In fact, since the release of the Delivering for America (DFA) plan we have accomplished many of the specified initiatives, but most importantly, we are the changing our mindset and culture, creating an organization that has passion for pursuing its initiatives to drive efficiency and reliability while competing for our financial survival as required by law.

Since the release of the DFA, we have reduced our projected operating losses by $15 billion, and if not for the excessive $9 billion of inflation incurred beyond our pricing power, we would be very close to breakeven. We have reduced our projected 10-year losses from nearly $160 billion to $65 billion and have strategies to reduce this further.

The DFA plan has changed this organization in so many positive ways, it represents the Postal Service's commitment as an independent agency to evolve our services to enable us to cover our costs by selling our products and services. This is what we must continue to do to survive – we must evolve – and that means change!

Unfortunately, to do that we cannot just focus on delivering mail tomorrow but must be focused on the long-term viability of the Postal Service. Well, the fact is the long-term viability of the Postal Service had been in doubt for over 14 years, prior to the issuance of the Delivering for America plan, and it still would be today without the changes we are pursuing.

During that 14-year period the Postal Service incurred losses of over $87 billion because of onerous legislation by Congress and a disregard for the economic reality of the Postal Service by the Postal Regulatory Commission. These actions, combined with ineffective management strategies, put the organization on a path to lose well over $160 billion over the next ten years, which the DFA plan seeks to correct for.

Think about this: That means the plan for the United States Postal Service, prior to the issuance of the DFA, was for the organization to lose over $250 billion over the course of 24 years. That was it, that was the plan – the Do-Nothing Plan or perhaps the Make-Believe It Wasn't Happening Plan.

There were no comprehensive initiatives from Congress, the Postal Regulatory Commission, the mailing industry, or Postal management for that matter, as to how to stem these losses. No strategies or guidance on how to reinvigorate this organization, so it could serve the public and survive far into the future. No willingness to relinquish the grip – or understand the impact of long failing institutional practices that were manifesting in front of them each day. Very little energy to be transparent to the public about the cumulative destruction inflicted on their constitutionally provided Postal Service as they screamed about the transferring of an operation, the failure of an operating practice or the steady decline in reliability.

Has anyone in Congress or the PRC ever

worked to stem $160 billion in projected organizational losses, while overcoming the devastating impact to an organization that nearly $100 billion in previous losses inflicts? The answer is no. How do I know? Because other than at the Postal Service, this situation has never existed.

I know what it's like. Our leadership team knows what it's like. Our carriers that drive 30-year-old vehicles know what is like. Our employees that work in dark dilapidated facilities know what it is like.

Prior to the Delivering for America plan, there was no path to financial self-sustainability or no growth strategy – no plan to repair the damage. Today, there is, and we are working hard to reduce our go-forward costs by approximately $5 billion, while growing our revenue by close to the same. We are working hard to build an operating and revenue model that delivers for the American people far into the future, and we are having success.

But along this hard journey, we are also experiencing failures. Why wouldn't we be given the magnitude of the transformation we are undertaking and the devastating trajectory we are trying to change?

However proud I am of the DFA plan, our leadership team and our employees that are working hard to implement our initiatives, I must remind our stakeholders that the DFA plan is not a magic wand. And that change, particularly on the scale that is needed, is hard, uncomfortable for everyone and encounters errors of varying magnitude.

We cannot snap our fingers and instantly implement our strategies that correct for years of failed practices while continuing to perform the substantial delivery operations we need to do each day without impacts. Similarly, the DFA plan is not a time machine. We cannot go back in time and undue the devastating conditions across the enterprise that exist because of years of Postal Service and stakeholder inaction.

The Delivering for America strategic plan embodies our ambition to modernize and transform the Postal Service. This massive and complex evolution includes correcting decades of haphazard decision making and neglect to our physical infrastructure and overall network.

Throughout this journey, we recognize that there have been impacts to our customers, especially in regions like Atlanta, Houston, and Richmond, where transformation activities have been elevated. We apologize for these conditions and are working hard and know that we will soon be delivering the service the American people deserve.

Those impacts are inherent to the massive change processes that we are undertaking. Those impacts are also the result of errors in execution that we aim to correct quickly. With that said, we have and will continue to work tirelessly to improve our service for our constituents and ask for your patience and understanding as we work to bring the Postal Service up to the standard we know it can reach within the time limits we have for survival.

Later, we will hear from Dr. Colin regarding the intensified efforts we are deploying in those areas of the country where we are failing to meet service expectations. Again, I apologize for the deteriorated performance and assure you that you will soon see improvement.

I would like to thank my leadership team for their persistent efforts to resolve executional missteps and for their quick response to adverse events we encounter along our journey. I am proud of their dedication and overall conduct.

I also would like to thank our Board of Governors for their continued support of the Delivering for America plan as well as their eagerness to comprehend the massive improvements we are endeavoring to achieve.

Finally, and most importantly, I thank the women and men of the United States Postal Service for their unwavering commitment to the nation.

Thank you, Mr. Chairman."

Source: USPS

International Post Corporation

Zalando reports â€œsubstantial improvementâ€□ i profitability in Q1

10-05-2024

German online retailer Zalando has reported a substantial improvement in profitability for the first quarter of 2024, with the firm delivering growth after winning more multi-channel fulfilment B2B partners over the first three months of the year and boosting the quality of its assortment.

For Q1 2024, Zalando reported adjusted EBIT of €28.3 million, in line with market expectations and representing a margin of 1.3%, compared to -€0.7 million in the prior year period. Meanwhile, GMV rose by 1.3% to €3.3 billion, and revenue was €2.2 billion compared with €2.3 billion in Q1 2023.

According to the firm, the substantial improvement in profitability was driven by lower fulfilment costs and successful inventory management, leading to an improved gross margin.

Net income improved from a loss of €38.5 million in Q1 2023 to a loss of €8.9 million in Q1 2024.

The ecosystem approach

The results are a validation of Zalando's updated strategy, announced in March, to build the leading pan-European fashion and lifestyle e-commerce ecosystem around its two main growth vectors: business-to-consumer (B2C) and business-to-business (B2B).

The firm hopes that this ecosystem approach will help drive revenue growth of 0% to 5% in 2024, after a 1.9% drop to €10.1 billion last year. The company is aiming for a compound annual growth rate of 5-10% for both GMV and revenue over the next five years. In 2023, GMV decreased 1.1% to €14.6 billion.

Meanwhile, Zalando confirmed that it still expects adjusted EBIT to be between €380 million and €450 million in 2024 – up from €350 million in 2023, and €185 million in 2022. With both B2C and B2B, Zalando aims to cover in the long term the equivalent of 15% of the European fashion market, which is worth €450 billion.

"As we are executing our ecosystem strategy, we are excited by the positive response from customers and partners in the first quarter. We are returning to growth," said Dr Sandra Dembeck, Zalando CFO.

"B2C customers are showing increased interest in our quality assortment, digital tools, propositions and inspiring content. B2B customers are signing up for our unique offering. Both of our growth vectors are strong and contributing to results, demonstrating the strength of our plans," Dembeck added.

Source: CEP Research

Posten Bring delivers more parcels but harsh winter hits profits

10-05-2024

Posten Bring had a successful commercial start to 2024 with higher quarterly revenues and parcel volumes but the costs of a harsh winter weakened overall profits.

The Norwegian postal group increased turnover to NOK 5,971 million, an increase of NOK 44 million compared to last year's first quarter, in the January – March 2024 quarter.

However, a harsh winter has resulted in higher operating costs, turning last year's Q1 adjusted earnings profit of NOK 107 million into a loss of NOK 12 million, a reduction of NOK 119 million compared with the same period last year. Similarly, last year's reported operating profit (EBIT) of NOK 107 million slumped to a NOK 21 million loss.

Demanding conditions

"It is gratifying that we are still handling growing parcel volumes from e-commerce, but during the period there have also been demanding weather and driving conditions that have resulted in extra high costs," explained CEO Tone Wille.

"The profit development is characterised by challenging market conditions, with weak market developments and a higher cost level, as well as the fact that this year's Easter came in the first quarter and resulted in fewer working days compared with last year," she added.

But Wille stressed: "We have implemented a profitability program that will strengthen our competitiveness and provide room to invest for profitable growth going forward."

Source: CEP Research

The General Shareholders' Meeting of bpost SA/NV approved the 2023 financial results, the dividend pay-out and the appointment of the statutory auditors

08-05-2024

The Ordinary General Meeting of Shareholders held today approved the 2023 financial results of the company and the pay-out of the dividend as proposed by the Board of Directors, amounting to EUR 0.13 gross per share.

The calendar applicable to the dividend payment is as follows:

Ex-dividend date: 15 May 2024
Record date: 16 May 2024
Payment date: 17 May 2024
The Ordinary General Meeting also approved the remuneration report for the financial year 2023 and granted discharge to the directors and the statutory auditors for the exercise of their mandate.

Furthermore, the Ordinary General Meeting decided to appoint EY Bedrijfsrevisoren – Réviseurs d'Entreprises BV/SRL and PVMD Bedrijfsrevisoren – Réviseurs d'Entreprises BV/SRL as statutory auditors of the company for a renewable three-year term ending after the Ordinary General Meeting of 2027.

The 2023 annual report and activity report are available at https://bpostgroup.com/investors/results-reports-presentations/annual-reports.

The Ordinary General Meeting minutes will be made available at the latest on 22 May 2024 at https://bpostgroup.com/investors/governance/shareholders-meetings.

Source: bpost