

## THIRD QUARTER | 2018 | INDUSTRY AVERAGE

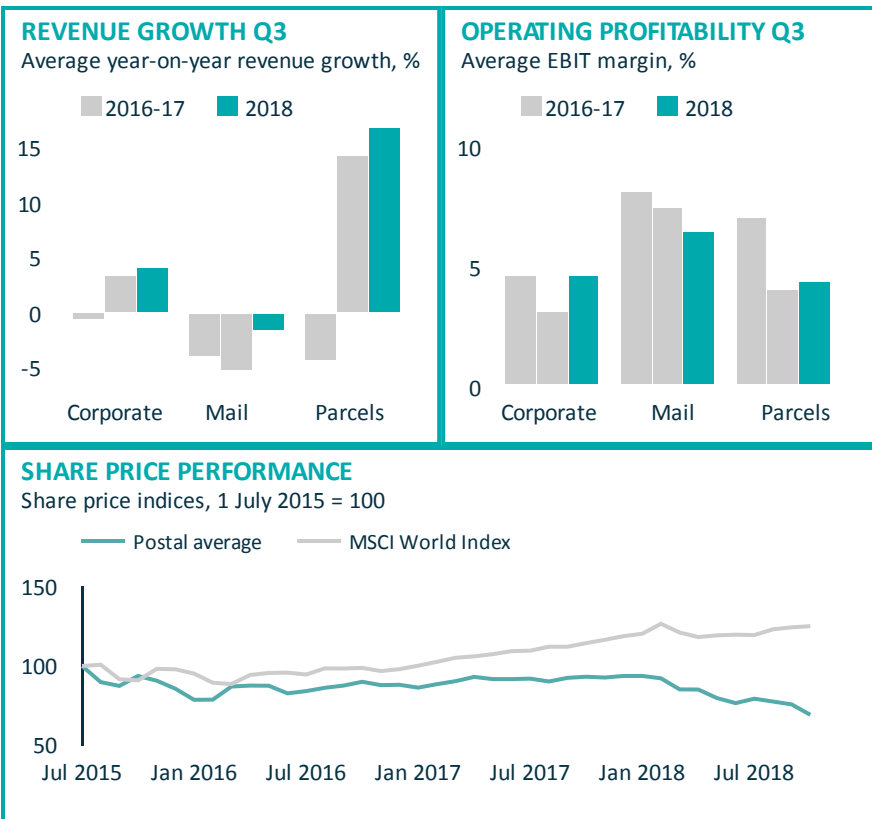
SCOPE  
**19**  
POSTAL OPERATORS

CORPORATE  
**4.1%**  
REVENUE GROWTH

**4.3%**  
EBIT MARGIN

MAIL  
**-1.6%**  
REVENUE GROWTH

PARCELS  
**16.4%**  
REVENUE GROWTH



### MAIL REVENUE AND VOLUME DECLINE

**Mail revenue declines:** Corporate revenue increased 4.1% on average during Q3'18, a stronger rate of growth than the third quarter of the prior two years. Mail division revenue, however, declined 1.6% and the average mail EBIT margin dipped to 6.1%. Mail volume decline accelerated, falling 7.3% on average based on 10 operators. Some operators reported that large customers are rationalising their advertising expenditure.

**Improved parcel capacity:** Parcels and express division revenue remained very strong, growing at 16.4%. Volumes grew 9.9%, bolstered by B2C e-commerce items. Posts have invested in increasing parcel capacity to cope with higher volume levels: three new PostNL parcel sorting centres became operational during the period; Posten Norge has a new terminal structure and production processes for logistics operations; Österreichische Post launched a capacity expansion programme in Q3'18 and opened a new parcel centre in July 2018. Average return on assets was positive during the quarter, after being negative on average in the other two quarters during the year.

**Slight increase in employees:** Based on nine posts, employee numbers grew by 0.2% on average in Q3'18 driven by bpost's recent acquisitions and growth in Deutsche Post DHL's Express and PeP divisions. Posten Norge and Posti Group saw the largest reported declines in employees, at 11.0% and 8.2% respectively.

Operator	Latest	CORPORATE							MAIL		PARCELS	
		Revenue €m	Revenue Δ YOY	EBIT €m	EBIT margin	Assets €m	Capex €m	Share price (Δ in Q3)	Revenue Δ YOY	EBIT margin	Revenue Δ YOY	EBIT margin
*Average	null	null	4.1%	null	4.3%	null	null	null	-1.6%	6.1%	16.4%	4.1%
Bpost	Q3'18	874	34.9%	41	4.6%	3,124	27	0.0%	-1.8%	12.7%	125.5%	-2.1%
CTT Portugal Post	Q3'18	170	2.4%	7	4.0%	1,742	5	13.0%	2.1%	null	9.1%	null
Canada Post	Q3'18	1,407	6.8%	-40	-2.8%	5,844	82	null	-3.1%	null	17.7%	null
Chunghwa Post	Q3'18	1,565	-25.6%	86	5.5%	199,248	null	null	2.8%	null	null	null
Correios Brasil	Q3'18	1,219	7.0%	35	2.9%	3,553	null	null	null	null	null	null
Deutsche Post DHL	Q3'18	15,376	1.6%	376	2.4%	48,310	1,540	-7.0%	0.6%	-4.8%	7.2%	10.5%
Japan Post	Q3'18	25,885	0.2%	1,710	6.6%	2,379,703	null	9.0%	5.2%	-4.0%	null	null
Latvian Post	Q3'18	21	12.9%	-0.4	-1.7%	null	null	null	null	null	null	null
Omniva	Q3'18	27	19.0%	0.4	1.4%	83	null	null	null	null	null	null
Osterreichische Post	Q3'18	484	3.8%	37	7.7%	1,650	19	-11.0%	0.2%	16.8%	10.2%	4.8%
Pos Malaysia	Q2'18	129	-3.6%	null	null	726	null	22.0%	-10.4%	-17.5%	15.7%	10.0%
PostNL	Q3'18	612	0.9%	21	4.8%	1,607	26	-22.0%	-6.1%	-0.2%	10.6%	8.0%

Notes: Latest public quarterly reports used for all operators except Royal Mail, which provides half-yearly reports and therefore excluded from industry averages. Not all operators' financial year matches the calendar year; quarters refer to calendar years. Quarterly figures may be calculated by subtracting prior quarterly results when only cumulative figures are available. Reported figures are unaudited for many operators. Business unit revenue attributed to the most relevant segment based on where the majority of revenues reside. Multiple business units may be allocated to one segment. Share price change calculated over the quarter, using the first day of the first month of the quarter compared with the first day of the subsequent quarter. Close prices for all operators.