



Swiss Post recovers from the financial impact of the coronavirus pandemic

16-11-2021

Swiss Post's financial expectations were largely met in the third quarter of 2021. In the first nine months of the year, it generated Group profit of 370 million francs, some 234 million more than in 2020, a year impacted by coronavirus, and 107 million more than in 2019. The rise in parcel volumes remains a challenge for Swiss Post, as its staff still sort thousands of parcels by hand. For this reason, Swiss Post is continuing to invest in the expansion and renewal of its infrastructure – for example, its investment in the construction of new regional parcel centers, which will total 1.5 billion francs by 2030.

The result for the third quarter of 2021 was significantly better than in the previous year. The most important key figures – operating income, EBIT and Group profit – are all well above the figures for 2020. However, Head of Finance Alex Glanzmann offers some perspective on these figures: "2020 was severely impacted by the pandemic. As a result, a comparison with 2019 is more useful. If we look back to 2019, we can see that Swiss Post's financial situation has stabilized." For example, at 5,427 million francs, operating income in the third quarter is up 127 million over 2019. At 360 million francs, operating profit (EBIT) is lower than 2019, with a difference of 11 million francs. At 370 million francs, Group profit is 107 million higher than in 2019. The result shows that Swiss Post has recovered from the financial impact of the coronavirus pandemic in the past year.

Communication Services under development

The stable financial result for the first nine months is partly due to optimization measures at PostalNetwork: Swiss Post has adapted a further 70 branches based on customer frequencies, converting them into other models such as branches with partners. Swiss Post is now consistently pursuing its strategy of stabilizing the branch network at around 800 self-operated branches, while at the same time opening the network up to service companies and public authorities. PostBus also operated more replacement services for trains. At the same time, PostFinance achieved greater revenue in several areas, including investment business and foreign exchange trading. Swiss Post Solutions benefited from additional new customers abroad. In the Communication Services unit, the operating result is negative. Alex Glanzmann explains: "We want to offer our customers simple and secure digital



solutions. To achieve this, we are continuing to build up the Communication Services unit. This phase involves initial outlays and higher expenses. The negative result is in line with our expectations, but should reduce steadily over the coming years.”

“The expansion of the parcel centers costs money, but is worth it”

However, the structural challenges facing Swiss Post remain in place. These include the negative interest rate environment at PostFinance, a further 2.2 percent decline in letter volumes and a simultaneous rise of 13.2 percent in parcel volumes. As in previous years, however, the rising parcel volumes cannot compensate for the decline in profit due to falling letter volumes. Alex Glanzmann states: “We are of course pleased with the steadily growing parcel volumes, but managing them is also a challenge for the Group and our staff. We still sort around 100,000 parcels per day by hand. That is why we are already investing heavily in the expansion of our parcel sorting capacities – that is to say, in new parcel centers. The expansion of the parcel centers costs money and is already being felt in the result for the Logistics Services unit. Construction of the

new regional parcel centers in Pratteln (BL), Buchs (AG) and Rümlang (ZH) started in the first three quarters of 2021.” Swiss Post intends to continue delivering parcels quickly and reliably to every doorstep in the future. Glanzmann is confident that this goal will be achieved: “With these investments, we can ensure our quality even as volumes rise. The investments make sense, and they will pay off, both for us and for our customers.”

On track with the “Swiss Post of tomorrow” strategy

Swiss Post expects parcel volumes to remain high in the wake of the coronavirus pandemic. Over the next ten years, it is looking to invest 1.5 billion francs in the renewal and expansion of its sorting and delivery infrastructure. It wants to do this with its own resources, and must therefore grow. Glanzmann is confident: “The increase in operating income in the third quarter of 2021 makes me optimistic, and we are on the right track with our strategy. We want to continue to achieve good financial results so that we can invest in Swiss Post’s infrastructure – with a view to ensuring high-quality public service for Switzerland in the long term.”

Source: [Swiss Post](#)