

## An Post 2019 Results

17-04-2020

An Post is pleased to post strong financial results for the year to December 31, 2019. The business showed a third successive year of profit and revenue growth, with like-for-like profits up 40% on prior year and like-for-like revenue up 2%. Pre-tax profits increased by 147%, from €-26.8m to €66.3m, helped by the sale of the One4all GVS business which delivered €40m profit (excluded from the like-for-like comparison). By the year-end An Post had positive cash on its balance sheet of €143m.

An Post expects a material decline in revenues during 2020 because of the impact of COVID-19.

The results for 2019 show good progress against the Company's transformation strategy. In 2016, advisers forecast that An Post would lose €110m annual loss in 2019, absent changes. The Company developed a transformation strategy in 2017 which has delivered a €150m turnaround in annual profitability.

The 2017 strategy focused on transforming An Post's two core networks: extending the Post Office cash distribution network into an omnichannel, modern retailer with new financial and e-commerce services; and growing the postal delivery service into a digitally enabled parcels network. The Post Office network transformation accelerated in 2019. By December 31, over 60% of offices were collocated and the number of offices open was 942 compared to 1,127 in 2016.

The focus on new business saw new financial services grow by 20% year-on-year offsetting decline in legacy social welfare of 5.5%. The new services under the An Post Money brand continue to grow strongly in 2020, and further new e-commerce and Government services are targeted.

The postal delivery network accelerated its transformation from mail (which declined by 6% on 2018) into e-commerce parcel delivery (up 30% on 2018). There was also a further reduction in mail-centric employees of 1,032 since 2017 including the closure of Cork Mail Centre while 624 employees were added for the growth in parcel traffic. In October 2019 An Post opened its first automated Parcel Hub in Dublin, processing up to 150,000 parcels per day at the Christmas peak. The year also saw major international agreements concluded to increase the prices paid to An Post by foreign postal operators.

The transformation of An Post was marked

by the completion of the brand refresh, the development of a range of digital services on the AnPost.com platform, and the embedding of the UN sustainable development goals. An Post reported in the year a gender pay gap reduced to a market-leading 3%; and by the year end the company had converted to a 100% zero-emission fleet in Dublin City Centre, and is on track to 100% zero-emissions across all Cities in the State by end-2020.

An Post's balance sheet was strengthened by

the disposal in January 2019 of The One4all Gift Voucher Shop business to Blackhawk Network, in a deal which valued the An Post shareholding at €54m. An Post also agreed a loan facility of €40m with the European Investment Bank to support the strategic plan, €10m of which was drawn down at year end. The Group owned cash at 31 December 2019 was €143m vs €115m at 31 December 2018. The deficit on the Pension Fund at 31 December 2019 had reduced to €28m vs. €48m at the end of 2018.

Source: [An Post](#)