International Post Corporation

Austrian Post FY 2020

12-03-2021

Extreme challenges due to declining letter mail, increasing parcel volumes and covid-19 well mastered.

2020 impacted by Covid-19

- Letter Mail volume decline of 7 %, 12 % drop in Direct Mail volumes
- 30 % rise in Austrian parcel volumes, CEE/SEE parcels up by 27 %, 37 % increase in Turkey

Revenue 2020 increased by 8.3 %

- Revenue growth of 8.3 % to EUR 2,189.2m (+3.3 % excl. Aras Kargo)
- Strong parcel growth (+44.4 %) offsets decline in Letter Mail and Direct Mail (–7.4 %)

Earnings below prior-year level

- EBITDA down by 5.0 % to EUR 302.8m
- EBIT of the logistics business 2020 (excl. Retail & Bank Division) of EUR 204.4m
  - Mail down by 16.4 % to EUR 164.4m
  - Parcel & Logistics up by 94.5 % to EUR 73.5m
- Group EBIT 2020 reduced by 19.9 % to EUR 160.6m
  - Loss of EUR 43.8m in the Retail & Bank Division due to start-up costs for bank99

Cash flow reduced and balance sheet extended

- Gross cash flow down by 2.0 % and operating free cash flow down by 16.5 % to prior-year level
- Increased balance sheet total of EUR 2,680.2m (+31.2 %) due to launch of bank99
- Dividend proposal of EUR 1.60 per share (payout of 94 % of net profit)

Positive outlook 2021

- Revenue 2021 up by 8 % to 10 % expected
- Targeted earnings (EBIT) increase of at least 10 % (EBIT 2020: EUR 161m)
- Continuation of capacity expansion programme: +30 % sorting capacity by 2022

2020 was a huge challenge for many companies across the globe, including Austrian Post. In particular, the COVID-19 pandemic at the beginning of 2020 and the following temporary lockdown regulations and restrictions have left their mark on Austrian Post and of its customers, both in social and economic terms. The market environment has somewhat improved in the third and fourth quarters. Many companies

managed to adapt to the difficult conditions. "We succeeded in maintaining the safety and health of employees as well as the business performance of Austrian Post. Against the backdrop of current framework conditions, the results in the past financial year can be considered as entirely satisfactory" says CEO Georg Pölzl. Austrian Post Group revenue rose by 8.3 % to EUR 2,189.2m in 2020. This revenue increase can be attributed to the good development in the parcel business (+44.4 %): while the Mail Division registered a disproportionately drop in revenue of 7.4 % related to COVID-19, the Parcel & Logistics Division managed to record further volume gains in the Austrian market (parcel volume +30 %), in South East and Eastern Europe (parcel volume +27 %) as well as in the newly consolidated Turkish market (parcel volume +37 %).

In terms of earnings, a good fourth quarter also enabled the company to end 2020 on a conciliatory note. Fourth-quarter EBIT reached a level of EUR 79.2m compared to EUR 70.5m last year. Accordingly, EBIT in 2020 amounted to EUR 160.6m, down by 19.9 % from EUR 200.6m in 2019. The start-up costs of bank99 in the Retail & Bank Division, which was launched in April 2020, accounted for a substantial share of the decline. Disregarding the negative earnings contribution of the Retail & Bank Division, EBIT of the logistics business was almost stable at EUR 204.4m for the 2020 financial year. EBITDA for the 2020 financial year fell by 5.0 % to EUR 302.8m.

Earnings per share equalled to EUR 1.75 in 2020. On the basis of Austrian Post's solid performance and balance sheet strength, it will be proposed to the Annual General Meeting scheduled for 15 April 2021 to once again approve the payout of an attractive dividend of EUR 1.60 per share, corresponding to a payout ratio of 94 % of the net profit and a dividend yield of 5.6 % at the closing share price on 31 December 2020.

Austrian Post aims for both revenue and earnings growth in 2021. The objective is to continue further improving despite the reduced visibility and higher volatility in the market. Austrian Post expects revenue growth of 8 % to 10 % and an earnings improvement of 10 %. Moreover, in 2021 it remains important to continue the logistics capacity expansion programme. Sorting capacity in Austria should be expanded by another 30 % by the end of 2022. The objective of Austrian Post is to strengthen its leadership position in terms of service quality as well as efficiency and speed.

"Our special thanks go to the employees and the partners of Austrian Post. All of them were working strenuously on a daily basis during the challenging fourth quarter to ensure that Austrian Post customers receive their parcels on time in spite of record parcel volumes", states Georg Pölzl. "This is the basis for our quality leadership. Together we will manage to continue being the preferred partner of our

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customers", concludes Pölzl.

The entire report is available on the Internet at post.at/ir --> Reporting

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