International Post Corporation

2022 Results show An Post returning to Growth, Profit, and Transformation post-Pandemic

22-06-2023

Today, An Post announced its results for 2022 and gave a trading update for 2023. 2022 revenue (â‚¬888.1m) was level with the prior year and EBITDA (â‚¬18.6m) up 15%. This was delivered through a tough H1 2022 against the lockdown trading of the prior year, but a strong recovery in the second half with revenues up 3.5% on H2 2022. This recovery post-Pandemic has strengthened in 2023 with revenues up 5.4% while EBITDA has improved by â‚¬12.7m versus the same period in 2022 (Jan to May inclusive).

The strategy to replace mature revenues with new revenues across both businesses is delivering. The Post Office network grew revenues in 2022 by 7% vs 2021, as declining social welfare and across-the-counter postal were replaced by accelerating financial services, especially An Post Money and Agency Banking. In the Mails & Parcel business, An Post Commerce, declining letter volumes of 5.9% were replaced by the inexorable growth in e-Commerce. In H2 2022 parcel growth was 21% up on the same period in 2021, and 2022 growth was over 100% above the pre-pandemic level of 2019.

The results have been significantly impacted by a ground-breaking and transformational pensions' agreement resulting from the strong surpluses in the fund built up over the past decade, reversing a -€440m pension deficit in 2014 by €1.1bn in growth and leading to a €666m surplus by the end of 2022. In a win/win deal, benefits which members forewent in that period have been restored, while the company's contributions have been reduced from 14% to 8%. The pension fund remains strongly in surplus. There is a non-cash exceptional charge to the P&L of €217.9m which is included in the 2022 accounts.

An Post's transformation, largely on-hold during the pandemic, has been reignited. The move of 900 staff to a new HQ at The EXO Building on Dublin City's North Wall Quay is substantially completed; digital and technology innovation has been accelerated with the launch of the world's first trackable digital stamp; a new transformation agreement with the An Post Group of Unions has been negotiated with the assistance of the Labour Court appointed Monitoring Group; An Post's sustainability initiatives are on track to deliver 50% carbon reduction by the end of 2025; the gender pay gap has been

eliminated for the second year in a row, and support to Ukrainian refugees has seen Ukraine become the third largest postal destination from Ireland. More than 500 An Post employees across the business have already benefitted from personal and professional development programmes as part of An Post's Green Institute including Strategic Leadership and management programmes, Frontline Management training and Aspire initiatives to support women wishing to progress into management roles.

The increased complexity and cost of regulation also impacted the 2022 results. The new EU Customs' regime, implemented more onerously in Ireland than anywhere else in the EU, has substantially reduced imports from countries outside the EU, especially Britain. Imports (parcels) from Britain through postal channels (from Post to Post) fell by 68% in the year, representing a fall in revenue to An Post of €15m. At the same time the collection of VAT by An Post raised an additional €150m for the State since the introduction of the new Customs regime, using systems developed and funded by An Post.

A strong balance sheet of €811m in net assets in 2022, up from €680m in 2021 and €368m in 2020, has been built through strong pension fund performance since 2014 and a significant transformation since 2017, putting An Post on a sound financial footing.

Commenting on the results, David McRedmond, CEO, An Post said:

"2022 was the ultimate year of two-halves: the first half, against the boom lockdown trading of 2021 was a real challenge, but growth returned strongly in the second-half. I am delighted to see An Post continue in 2023 to emerge robustly from the Pandemic, and to recommence the great programme of transformation. An Post is one of the best-performing postal services in Europe, with an almost uniquely profitable and vibrant post office network, and a booming eCommerce business. The Pensions' deal shows our commitment to Decent Work while delivering strongly for the company as contributions are normalised. The new Transformation Agreement with the Unions, combined with our move to The EXO Building, our fast growth in digital technology and the next phase of our Sustainability action plan will deliver rapid change for the new world we are in. I am very proud of the work of my colleagues, all the staff in An Post, to achieve strong results and great change."

Peter Quinn, CFO, An Post said:

"The Group reported EBITDA of €18.6m, an improvement on the prior year result of €16.2m. The An Post Group continues to implement an ambitious and forward looking strategy and has adequate resources to achieve this. There is a solid base for the continued success of the business."

CLASSIFICATION: CORPORATE | WWW.IPC.BE © 2026

Source: An Post

CLASSIFICATION: CORPORATE | WWW.IPC.BE © 2026