

## Trading update for the nine months ended 23 December 2018

31-01-2019

Royal Mail plc (RMG.L) today issued a trading update covering the nine months ended 23 December 2018.

Rico Back, Group Chief Executive Officer, Royal Mail plc, said:

“We have had a busy Christmas season. In the UK we recruited 23,000 seasonal workers and opened six temporary parcel sorting centres to make sure we had the capacity to handle the high volumes of parcels and cards through our network. In the December trading period alone we handled 164m parcels, up 10% compared with last year. Our people delivered a great Christmas. I thank them for all their efforts.

“Overall, our recent trading performance was broadly in line with our expectations. We now confirm that we expect to deliver adjusted Group operating profit before transformation costs of £500-530m for 2018-19.

“In the UK, our parcels business continued to perform well, with volumes and revenue in the nine months both up 6%. Addressed letter volumes, excluding the impact of elections, were down 8%, with total letter revenue down 6%, largely reflecting the continuing impact of GDPR and a relatively strong prior year

comparative period.

“GLS delivered another good performance with revenue up 13% including acquisitions. Whilst GLS continues to see cost pressures, we confirm that we are targeting adjusted operating profit margins of over 6% for the full year. We will continue to focus on margin protection and as a result we expect to see a slowing in the rate of GLS volume growth next year.

“Due to our letters performance to date, we expect addressed letter volume declines, excluding elections, to be in the range of 7-8% for 2018-19. While the rate of e-substitution remains in line with our expectations, business uncertainty is impacting letter volumes. As a result, addressed letter volume declines, excluding elections, are likely to be outside our forecast medium-term range next year. Otherwise, we are reconfirming the outlook and other guidance for 2018-19 provided in our half year results.”

Source: [Royal Mail](#)