

# An Post 2021 Results Published Today: public service prioritised as Covid costs and Brexit funded by balance sheet

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An Post put the essential needs of the nation first, pausing elements of its Transformation plan, and expediting others in order to meet the urgent needs of individuals, communities, business and the Government.

The continued additional labour costs (Covid replacement staffing) through the pandemic in 2021 to meet societal needs; and the costs of Brexit disruption investment in new infrastructure dictated by new EU Customs and tax regulations in 2021; and declines in revenues on UK trade due to Brexit led to an overall Group loss.

An Post continues to transform its business, to drive growth and profit in the coming years, despite ongoing energy cost increases. A strong balance sheet of €680m in net assets, up from €368m in 2020, has been built through a significant transformation since 2017, putting An Post on a sound financial footing. An Post's pension scheme is now amongst the largest in the State with assets of over €4bn at the end of 2021 and a surplus of €499m.

## Pandemic costs

The Covid pandemic adversely impacted results by over €50m per annum in 2020 and again in 2021, due to PPE costs, replacement staff costs, vastly reduced Post Office transactions and a postponed price increase. The impact was fully serviced from An Post's strong balance sheet without any recourse to State funding or subsidies, for the second year. No other postal service in Europe kept as high a percentage of delivery routes open, delivering every route every working day and keeping almost every post office open throughout the pandemic in the interest of social inclusion and supporting communities around Ireland.

## Impact of EU Customs and Brexit

New and complex EU customs rules came into force in 2021 and were exponentially complicated by Britain's exit from the Customs Union. At very considerable cost, An Post rapidly developed the infrastructure and systems to manage the complex new digital documentation required to enable the in-flow of parcels from outside the EU and to assist customers in overcoming massive initial disruption – all funded by An Post resources. Close to €90m was collected

by An Post in customs charges on behalf of the State in 2021, an increase of €86m on the previous year. Postal trade with Britain fell by 58% when the new regulations came into force in July 2021 due to the complexities and the absence of adequate information and support systems for UK e-tailers. The digital innovations developed by An Post will be a significant asset as the Company continues to transform.

#### Revenue

Revenue at €890.6m is very satisfactory given the disruption brought about by both the pandemic and the impact of new EU Customs rules and Brexit. E-commerce generated volume grew by over 100% since 2019, compensating for steadily decreasing letter revenue. An Post's ongoing investment in infrastructure means it is well-positioned for further growth. The Pandemic reduced Post Office footfall and several revenue lines were adversely impacted, including cash bill payments and Foreign Currency, as foreign travel ground to a halt. In contrast, there was continued growth in new financial services products such as An Post Money credit cards, loans, and current accounts, and community banking with the addition of Bank of Ireland to post office banking.

David McRedmond CEO, An Post said:  
"No-one could have predicted the seismic geo-political changes of the past couple of

years, all of which have shaped An Post as we lived up to our purpose "to act for the common good, now and for generations to come.

"Thanks to the transformation of An Post delivered by staff over the previous three years, the balance sheet had a strong cash surplus which could fund the costs of providing the public service through the Pandemic. I thank all of An Post's employees for exemplary public service across the State.

"Our focus now post-Pandemic is to move back into profitable growth. I am delighted that the Post Office network in 2022 is on course to grow revenues by 5% and to move back into profit after two years of losses in the Pandemic.

"An Post Commerce, the Delivery network, is also moving back into growth and strong profit in the second-half of 2022, as the company gains share in contract parcels, offsetting consumer softness which is reducing eCommerce across Europe by 10% (IPC).

"While the Pandemic is largely behind us, the impact of Brexit remains profound. An Post has worked with the major e-tailers (such as Amazon and M&S) to provide a seamless service, and with Royal Mail to improve postal flows. But the abject failure of the State-owned UK Post Office to implement new export rules into the EU has collapsed

over-the-counter trade, with exports through this channel (essential for citizens and SMEs) into Ireland down 58%. Ireland was the first country to implement the new EU Customs' regime but it will be mandated across the EU from the end of 2022. An Post continues to work tirelessly to help Irish consumers navigate the more complex trading rules globally.

"Now, the war in Ukraine has created the largest humanitarian crisis in Europe since the Second World War. An Post is helping refugees with a range of measures to assist them, and to support our postal colleagues in UKRPoshta. Against these crises, An Post has maintained a focus on the long-term. In 2021 we became the first postal service in the world to have zero emissions deliveries in all our cities. Our commitment to Sustainability is at the forefront of Ireland as we show strong action to decarbonise, act for the common good and develop a truly sustainable and profitable future. At the

core of An Post's performance is the quality and commitment of my colleagues, An Post's 9,811 employees, and I thank each of them for their commitment to public service", he concluded

Peter Quinn, CFO, An Post said:

"As we move into 2022, we expect to return to growth and profit, especially in the second half of the year. The inflation in energy costs and recovery from the pandemic as well as the new EU customs rules and Brexit, have required An Post to increase prices, but our commitment to the State and its citizens is undiminished. We will rebuild the Company's reserves for ongoing investment, future crises, and events. The investments we made in An Post's transformation over the past five years proved invaluable through the pandemic, and ensure a solid infrastructure for the years ahead."

Source: [An Post](#)