

## Trading update and revised full year expectations

10-03-2021

Following the third quarter trading update published on 11 February 2021, recent letter volume and revenue trends in Royal Mail have been more robust than anticipated, with Advertising, Business and Stamped Mail all performing above our previous expectations. Growth in parcels in the UK has remained strong but broadly in line with expectations.

As we near the completion of the Royal Mail management restructuring programme announced in June 2020, the charge associated with this is now anticipated to be c. £90 million compared to the original estimate of £140 million. We will deliver the targeted savings of £130 million annually, with around £15 million realised in the current financial year FY2020-21.

GLS performance remains in line with prior expectations.

As a result, if the current trading performance in Royal Mail continues for the

remainder of March, we would expect Royal Mail revenue for FY2020-21 to be more than £900 million higher year on year.

For the Group, adjusted operating profit for FY2020-21 is now expected to be around £700 million.

Royal Mail plc will issue a pre-close announcement on 30 March and a business update on GLS will also be provided at that time, followed by an update on Royal Mail in the UK alongside FY2020-21 results on 20 May.

Source: [Royal Mail Group](#)