International Post Corporation

NZ Post announces half year result of $7 million profit

26-02-2024

NZ Post is reporting a 2023/2024 half year profit of $7 million. This result compares with a profit of $115 million for the same period in the prior financial year. The result to 31 December 2022 included one-off items arising from the sale of Kiwi Group Holdings and the receipt of the final tranche of Government funding under the mail contract for service.

The current year to date is showing a $26 million improvement compared to the prior year if these one-off items are excluded.

"The results for the six months ending 31 December 2023 reflects the progress we are making in executing NZ Post's long-term strategy," NZ Post Chief Executive David Walsh says.

"We are pleased that our underlying business performance is in line with expectations, particularly given the economic environment, cost inflation and labour market constraints," Walsh said.

"We have a clear strategy to continue to grow NZ Post as a commercially successful business delivering both mail and parcels. Critical to this strategy is the continued investment in our parcel network to support the growth aspirations of New Zealand businesses."

Walsh said NZ Post continued to make significant progress on its network investment programme and looked forward to the opening of the new 30,000sqm Auckland Processing Centre (APC) in Wiri in the next few months. This new facility adds to the automated sites opened in Wellington and Christchurch recently.

Walsh said the APC will in time be able to process up to 25,000 parcels per hour, a substantial increase in throughput at full capacity. This will enable us to continue to provide our customers with the best possible delivery experience and support their future growth ambitions.

Walsh said mail volumes continue to decline at a rapid pace.

"We delivered 95 million letters in the six months to 31 December 2023 compared to 108 million letters in the same period last year, a 12% decrease.

"We have a clear strategy to proactively respond to volume decline so that the mail delivery service does not require government funding. Critical to this strategy is the programme we announced in June 2023 to change the way we deliver mail over the next five years.

"This change is commercially feasible as parcel volumes are expected to continue to grow, while mail volumes continue to decline.

"We have commenced consultation with our people on this important change. Our focus, as always, will be on our people and supporting them through this transition."

Walsh said NZ Post remained confident its business strategy is the right one.

"We will continue to support all our people and deliver the best for our customers."

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