

Austrian Post Q1-3 2019

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Austrian Post's Group revenue developed very satisfactorily in the first three quarters of the current financial year, amounting to EUR 1,462.2m. This implies an increase of 3.2% from the prior-year level. Both the Parcel & Logistics Division (+11.3%) and the Mail & Branch Network Division (+0.6%) showed a positive development in the reporting period.

The mail business (+0.6% to EUR 1,033.5m) continues to be characterised by the ongoing substitution of traditional letter mail by electronic forms of communication. Similar to addressed direct mail volumes, it is subject to a structural decline which is also impacted by uncertainty relating to the General Data Protection Regulation. Financial services revenue in the branch offices of Austrian Post is continuously declining as a consequence of the termination of the cooperation with BAWAG P.S.K. The division achieved positive revenue effects in the first half-year on the back of a new product and postal rate structure and, in the course of the year, due to one-off mailings and elections.

In the reporting period, significant volume increases were generated in the parcel business (+11.3% to EUR 437.2m), as Austrian Post capitalised on dynamic market growth resulting from the ongoing online shopping trend. However, the related competitive intensity and price pressure remain high. Parcel revenue growth was

driven primarily by the e-commerce trend and the related increase of parcel volumes in Austria. "The partnership with Deutsche Post DHL Group to deliver parcels in Austria had a very good start. Since 1 August 2019, DHL parcels for Austria are delivered by Austrian Post. As a consequence, total monthly transport and delivery volumes are now about 25% higher than in the previous year", says Austrian Post CEO Georg Pölzl.

Against the backdrop of this parcel volume development, Austrian Post is intensifying its parcel logistics capacity expansion drive. Capacities were already substantially increased as of September 2019 when the parcel logistics centre Lower Austria (Hagenbrunn) became fully operational. The next milestones will be the completion of the parcel logistics centre Styria (Kalsdorf) and of the delivery base Thalgau/Salzburg in the middle of next year.

From an earnings perspective, EBIT of the Austrian Post Group showed an upward operating trend in the first nine months of 2019, consistent with the previous two

quarters. The reported EBIT of EUR 130.0m was down by 8.4% from the previous year due to the provision for data protection totalling EUR 19.8m, allocated in the third quarter of 2019. Earnings per share equalled EUR 1.48, compared to EUR 1.56 in the first three quarters of 2018.

In addition to the investment programme designed to provide sufficient capacities and quality against the backdrop of parcel growth, Austrian Post's top priority in the upcoming quarterly periods is to further develop its product portfolio and the set-up of the Bank of the Post.

Source: [Austrian Post](#)