

Austrian Post Q1-3 2018

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Austrian Post's Group revenue in the first three quarters of 2018 improved to EUR 1,416.4m, comprising a year-on-year increase of 0.8%. Growth in the parcel business (+11.5%) compensated for the decrease of revenue in the Mail & Branch Network Division (-2,6%).

The Mail & Branch Network Division accounted for 72.3% of total Group revenue. The mail business was characterised by a fundamental decline in addressed letter mail volumes due to electronic substitution, along with lower direct mail revenue compared to the strong advertising business in the previous year and the structural reduction in financial services revenue. In turn, the new product and postal pricing model offering customers the choice between time-critical and not time-critical items since July 1, 2018 has positively impacted the division's revenue development.

The Parcel & Logistics Division generated 27.7% of Group revenue in the period under review against the backdrop of an ongoing upward trend. The 11.5% revenue increase was primarily driven by organic volume growth in Austria. Austrian Post profited from dynamic volume growth related to the ongoing online shopping trend. The implied competition and price pressure remain high. "We are optimistic that we will be able to continue maintaining our strong position in this highly competitive market thanks to our outstanding delivery quality and a broad offering of individual customer solutions", states Austrian Post CEO Georg Pölzl. A capacity expansion programme was launched to enable the company to handle the steep increase in parcel volumes in the future on the basis of expanding existing sorting capacities as quickly as possible. The ground-breaking ceremony for the new parcel centre

in Hagenbrunn in the north of Vienna took place in July 2018. Preparations are underway for construction of a new logistics centre in Kalsdorf near Graz. Austrian Post is also steadily pressing ahead to enhance its service offering based on self-service and online solutions to make it even easier and more convenient to send and receive parcels.

It is important for Austrian Post to roll out a new nationwide financial services business by the beginning of 2020 alongside its regular mail and parcel operations. An important step in this process is the implementation of a banking joint venture with FinTech Group AG.

These targeted growth investments should enable Austrian Post to safeguard its strategic positioning, whereas the cash flow from operating activities will continue to be used for investments in the operating business and maintaining the attractive dividend policy.

On the basis of the solid revenue development combined with strict cost discipline, Group EBIT totalled EUR 141.9m, implying a year-on-year increase of 1.5%. This solid development in the first nine months of 2018 should enable Austrian Post to maintain its clear capital market positioning as a reliable dividend stock. "Reliability and stability towards our shareholders and other stakeholders of our company remain the focal point of our strategic activities, and we want to continue along this path", adds CEO Georg Pölzl. Accordingly, Austrian Post aims

to achieve a stable development in revenue
and operating results for the entire year 2018

in line with the previous year.

Source: [Austria Post](#)