

Austrian Post's Q1 results for 2019

16-05-2019

Austrian Post's Group revenue in the first quarter of the current financial year amounted to EUR 492.5m, comprising a slight increase of 0.4% year-on-year. The market development of the mail and parcel business in the first quarter confirmed the trends forecasted for the 2019 financial year.

The traditional letter mail business is anticipated to experience volume declines of about 5% annually as a consequence of electronic substitution. The direct mail business is also generally declining, additionally influenced by the current data protection regulations. The share of total Group revenue generated by the Mail & Branch Network Division was somewhat over 70% in the first quarter of 2019. The new product and pricing model as well as additional revenue from elections positively impacted the division's development in contrast to the fundamental decline in addressed letter mail volumes and lower direct mail revenue.

In contrast, good growth rates are expected in the Austrian parcel business in 2019, driven by the expansion of e-commerce. Competitive intensity – especially due to own delivery by a large customer in Vienna – as well as demands for delivery quality remain high. The Parcel & Logistics Division generated nearly 30% of the total Group revenue in the reporting period against the

backdrop of an ongoing upward trend. Revenue growth of 6.7% in the parcel business was primarily driven by the e-commerce trend and the related parcel volume increases in Austria. Austrian Post profits from dynamic market growth driven by the ongoing online shopping trend. The related competitive intensity and price pressure remain high. Predicted future parcel volumes have led Austrian Post to work full steam ahead on an extensive expansion of parcel logistics capacities in Austria.

"Parcel capacities are expected to increase by 25% starting in summer of 2019 when the new parcel centre in Hagenbrunn in the north of Vienna starts its operation", states Austrian Post CEO Georg Pölzl. The groundbreaking ceremony for the second planned parcel centre in Kalsdorf near Graz took place on March 18, 2019. Completion is scheduled for mid-2020. Overall transport and sorting capacities should each be doubled over the medium-term. Furthermore, Austrian Post is steadily pressing ahead with the expansion of its

service offering based on self-service and online solutions, making it easier and more convenient to send and receive parcels. On the basis of the solid revenue development combined with strict cost discipline, Group EBIT rose by 1.3% year-on-year to EUR 57.4m. Earnings per share improved from EUR 0.62 to EUR 0.64 compared to the prior-year period.

A dividend of EUR 2.08 per share was distributed on April 25, 2019. In this way, Austrian Post has once again confirmed its clear capital market positioning as a reliable dividend stock. "Reliability and stability towards 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 both revenue and operating earnings in the core business in line with the previous year. "We want to remain faithful to our positioning as a reliable company going forward. In the spirit of customer orientation, the quality of our services will continue to be the focus of our business operations", Pölzl concludes.

The entire report is available at post.at/ir (Reporting).

Source: [Austrian Post](#)