International Post Corporation

Austrian Post in Q1 2025: top line modestly improved after strong increase in previous period, while earnings as expected slightly below previous year

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Solid first-quarter revenue development after positive special effects in the previous year

"Austrian Post has had a solid start in 2025 as expected against the backdrop of a challenging economic environment and following positive special effects in the previous year," says Walter Oblin, CEO of Austrian Post. First-quarter revenue rose by 0.7 % to EUR 763.6m. Whereas the previous year in Austria and, especially at the beginning of 2024, was positively impacted by increased parcel volumes from Asia in the Southeast and Eastern Europe region, the first quarter of 2025 included two working days less than the prior-year quarter.

This comparison to the previous year and the difficult economic environment were particularly relevant for the Mail Division. The ongoing negative economic growth in Austria and the lack of business momentum in the field of direct mail are reflected in the division's revenue decline of 5.1 % to EUR 299.5m. In contrast, revenue of the Parcel & Logistics Division increased by 3.8 % to EUR 418.3m in the first quarter of 2025. This division generated 55 % of total Group revenue. Revenue growth was achieved in the Austrian market (+6.4 %) and in Türkiye (+10.9 %), whereas Southeast and Eastern Europe showed a decline of 11.8 %. In the latter region, the support from Asian volumes had resulted in a 44 % parcel increase in the CEE/SEE region at the beginning of 2024. The Retail & Bank Division reported revenue of EUR 48.7m (+3.1 %), showing a positive development both in the Branch Services and Financial Services areas. The last integration step at bank99 involving the migration of core banking systems following the acquisition of ING's retail business in Austria could be concluded. The new rating by Moody's (Baa2) also marks a significant milestone for bank99's capital market capability.

First-quarter 2025 earnings were at a solid level. The decrease in earnings is mainly attributable to the very strong performance in the previous year due to positive special effects. EBITDA of EUR 101.6m was down by 1.8 % from the first quarter of 2024, but still above the comparable figure of 2023. Earnings before interest and taxes (EBIT) equalled EUR 48.4m, thus 7.6 % below Q1

2024, but 2.9 % higher than the first three months of 2023. The profit for the period of the Austrian Post Group totalled EUR 39.6m in the reporting period compared to the prior-year level of EUR 41.6m (–4.8 %). Accordingly, earnings per share were EUR 0.56 in the first quarter of 2025 or compared to EUR 0.59 in the prior-year quarter (–4.5 %).

The underlying trends of the international letter and parcel markets remain the same. The ongoing decline in letter mail and direct mail volumes contrasts with the growth in parcel volumes driven by e-commerce. These trends are influenced by the current difficult market environment against the backdrop of weak economic growth in many European countries. In turn, this impacts the investment behaviour of companies and public institutions as well as consumer purchasing behaviour. Following the strong revenue increase of 13.9 % in 2024, driven by positive special effects, Austrian Post targets a modest revenue growth in 2025. This is based on the assumption that any trade conflicts or regulatory measures will not significantly influence consumer behaviour and that the Turkish Lira develops in line with current forecasts. In addition to the focus on revenue growth, efficiency and productivity are the key factors underlying performance to ensure the desired stability of Austrian Post. In line with the revenue forecast for 2025 and the assumptions described above, the target of achieving earnings (EBIT) of around EUR 200m in 2025 remains unchanged.

Considering the average investment requirement of recent years, necessary investments (CAPEX) in 2025 are expected to be between EUR 150m and EUR 160m. This includes growth investments as well as investments in maintenance and decarbonisation of logistics.

Source: Austrian Post