International Post Corporation

La Poste buys majority stake in Italian parcels leader BRT as half-year profits slump

01-08-2019

La Poste is taking control of Italyâ€™s largest parcels carrier BRT to continue its international expansion amid a further drop in profits during the first half of 2019.

The French group's international division GeoPost has agreed with BRT shareholders that it will increase its current 37.5% holding, acquired in 2017, to a majority stake, subject to approval by competition authorities. GeoPost will have an 85% stake in future, leaving the founding Bartolini family with 15%, according to the usually well-informed French business newspaper Les Echos.

A La Poste spokeswoman told CEP-Research that the group should complete the acquisition in full "during the first half of 2020".

Privately-owned BRT, which has been the local DPD partner for over 20 years, is the largest parcels carrier in Italy with revenues of €1.4 billion in 2018. The Bologna-based company delivers about 235 million parcels a year through a nationwide network of 180 branches. In comparison, Poste Italiane's parcels business is only about half the size, with revenues of €761 million and 127 million parcels last year.

BRT also makes solid profits. La Poste earned €15 million in profit from its 37.5% stake in the Italian company in the first half of this year, €2 million less than last year, according to the French group's half-year report. Consolidation of the Italian company will thus boost both La Poste's revenues and profits in future.

This will help to tackle the ongoing fall in overall group profits. La Poste increased its turnover by 4.5% to €12.8 billion in the first half of 2019 but its operating profit dropped by a third to €572 million and the net profit was down by a quarter at €474 million due to low interest rates and the ongoing decline in mail volumes. The mail & parcels division saw operating profits slump heavily and there were also lower profits for GeoPost and La Banque Postale.

Source: https://www.cep-research.com/news/la-poste-buys-majority-stake-in-italian-parcels-leader-brt-as-half-year-profits-slump