

Austrian Post Q1 2018 results

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Focus on expanding capacities and the service offering

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The Parcel & Logistics Division generated

revenue of EUR 132.2m, or 26.9% of total Group revenue in the reporting period, a continuation of the upward trend. The 12.9% growth in revenue was primarily driven by organic volume growth in Austria. Austrian Post is profiting from dynamic market growth driven by the online shopping trend. The related competitive intensity 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 quality of delivery and a broad offering of individual customer solutions", says CEO Georg Pölzl. "Moreover, we launched a capacity expansion programme that will enable us to handle the steep increase in parcel volumes in the future." Medium-term sorting capacity should be more than doubled to 100,000 parcels per hour. Furthermore, Austrian Post continuously expands the service offering based on self-service and online solutions to make it even easier and more convenient to send or receive parcels.

Austrian Post is also called upon to adapt its service offering in the mail business to current customer requirements. The basic downward trend in mail volumes prevailing in

recent years continued, with a drop of about 5% in traditional addressed mail in the first quarter of 2018. This makes it even more important for Austrian Post to maintain its high quality standards and expand both its physical and electronic product offering. Accordingly, Austrian Post is expanding its product portfolio effective July 1, 2018 by introducing a new letter mail product within the context of universal postal services. In the wake of international trends, the new product and tariff model offers the choice between time-critical and not time-critical delivery. In addition to the PRIO (priority) option featuring next-day delivery, an ECO (economy) delivery will be offered for delivery within 2-3 days as well as an ECO Business service for delivery within 4-5 days. Direct mail revenue also fell in the first quarter of 2018. However, for the most part this drop is attributable to the strong first quarter of the previous year. As a result of the early Easter holidays, the weak advertising phase during the Holy Week took place in the first quarter of the current financial year in contrast to the Holy Week in the second quarter of 2017.

Group EBIT rose by 4.3% year-on-year to EUR 56.7m on the basis of the good revenue development combined with strict cost

discipline. The intensification of logistics synergies between the Mail & Branch Network and Parcel & Logistics divisions also had a positive impact on the company's performance.

A dividend of EUR 2.05 per share was distributed on May 3, 2018. In this way, Austrian Post has once again confirmed its clear capital market positioning as a reliable dividend stock. "Reliability and stability towards our shareholders and other stakeholders of our company are at the heart of our strategic activities – and this path we have taken we would like to continue", 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 its prior-year performance. "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", concludes Pölzl.

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

Source: [Austria Post](#)