

## CTT ups forecasts as parcels grow again

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Portuguese postal group CTT now expects parcel volumes to grow solidly again this year after an upturn last quarter helped bolster its financial results and outlook.

The listed company increased revenue by 2% to €212 million in April – June 2022, with stable mail revenues of €108 million, but operating profits fell by 25% to 11.3 million.

There was a recovery in the parcels business whose revenues were a low 1.7% behind Q2, 2021, levels. This was better than in the first quarter of this year when revenues dropped 3.3% on a 2.9% volume decline compared to last year's strong Q1.

For 2022 as a whole, “within the context of increased macro-economic and persistent geopolitical risks”, CTT expects low double-digit growth in Express & Parcel volumes, “subject to normalization of supply chains”, mid-to-high single-digit overall revenue growth and recurring EBIT above €65 million.

### Portuguese recovery

At a country level, parcel volumes in Portugal bounced back with a rise of 1.9% last quarter after a 7.2% drop in the first quarter, although revenues were 4.7% below last year's level on lower average prices. This low volume growth was supported essentially by e-commerce (B2C) customers, with a particular focus on large global marketplaces.

In contrast, CTT's volumes in Spain fell by 9.9% last quarter but revenues were 1.2% higher thanks to stronger pricing. “The implementation of a new commercial model and expansion of the offer will allow for the consolidation of the growth trajectory in the second half of 2022,” CTT commented.

Source: [CEP-Research](#)