

Austrian Post in 2017

15-03-2018

Austrian Post showed a very satisfactory business development in the 2017 financial year. Group revenue increased by 2.3 % to EUR 1,938.9m compared to EUR 1,895.6m in the previous year (excl. trans-o-flex). The Mail & Branch Network Division reported a revenue decline of 2.1 % to EUR 1,447.8m due to the ongoing trend of e-substitution, which was more than offset by the 17.7 % increase in Parcel & Logistics divisional revenue up to EUR 495.6m.

Austrian Post showed a very satisfactory business development in the 2017 financial year. Group revenue increased by 2.3 % to EUR 1,938.9m compared to EUR 1,895.6m in the previous year (excl. trans-o-flex). The Mail & Branch Network Division reported a revenue decline of 2.1 % to EUR 1,447.8m due to the ongoing trend of e-substitution, which was more than offset by the 17.7 % increase in Parcel & Logistics divisional revenue up to EUR 495.6m. The parcel business showed strong growth as a result of the e-commerce trend against the backdrop of continuing high competitive intensity. In spite of these challenging conditions, parcel volumes rose by 20 %, thus increasing Austrian Post's overall market share from 45 % to 47 %. "This proves that the services provided by Austrian Post meet the highest standards with respect to quality and delivery speed. We are striving in both the mail and the parcel segment to improve our high quality level and steadily develop our products on the basis of current customer needs even further", says CEO Georg Pözl.

The trends over previous quarterly periods continued in the fourth quarter. Traditional addressed letter mail volumes decreased in the year under review by about 5 %. That is why it is even more important to maintain the high quality standards and to continually develop the product offering – both physical and electronic - in line with customer

requirements. Direct mail volumes rose by about 5 % during the reporting period, underlining the fact that flyers and interactive marketing remain indispensable components of the advertising mix of companies. The parcel business showed an even higher growth, with a rise of 20 % to 97m parcels on the back of the ongoing trend of online-shopping.

FURTHER EARNINGS IMPROVEMENT

The set goal to further increase earnings was also achieved. Group EBIT rose to EUR 207.8m (+2.7 % compared to EUR 202.3m in 2016). The Mail & Branch Network Division slightly improved earnings to EUR 289.6m in spite of declining revenue, whereas EBIT of the Parcel & Logistics Division at EUR 42.8m surpassed the prior-year results significantly. The intensification of logistics synergies between the mail and parcel businesses positively impacted earnings during the reported period. About 52 % of all parcels were delivered by letter mail logistics in 2017, and this share is expected to increase in the future. Profit for the period was up to EUR 165.0m in 2017 from EUR 152.7m in the previous year, including the positive effect in the other financial result from the sale of securities. This corresponds to earnings per share of EUR 2.45, up from EUR 2.26 in 2016.

HIGHER DIVIDENDS (+2.5 %) AND EMPLOYEE PROFIT SHARING (+2.6 %)

Based on the strong cash flow and solid balance sheet, the Management Board of Austrian Post will propose to the Annual General Meeting scheduled for April 19, 2018 to approve a dividend of EUR 2.05 per share (2016: EUR 2.00). This once again underlines Austrian Post's positioning as a reliable and predictable company. Employees also benefit from this development. Austrian Post has offered its employees a voluntary profit-sharing scheme for 16 years. Employees entitled to participate will receive a bonus of EUR 875, up 2.6 % from the prior-year level.

STABLE OUTLOOK CONFIRMED FOR 2018

Austrian Post confirms its previously communicated outlook for the 2018 financial year expecting a stable revenue development. Stable operating earnings are also targeted,

assuming a continuation of current basic mail and parcel trends. Against the backdrop of ongoing market growth for private customer parcels, measures are being taken to double sorting capacities over the next four years to more than 100,000 parcels/hour. For this reason, in addition to ongoing investments in the core business, also growth investments in the field of parcel logistics are planned. "Our objective is to expand existing sorting capacities as quickly as possible. We want to maintain our positioning as a reliable company in the future, and continue to keep the focus of our operations geared to quality and reliability", concludes CEO Georg Pölzl.

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

Source: [Austrian Post](http://www.post.at)

