Annual Results 2020

Green Light Strategy 2021—2026

an post

Overview of 2020

"**In 2020 An Post discovered its soul, the soul of a vital Public Service:** it was there to show social solidarity, to be imaginative in responding to citizens' needs, empathetic in every community, resourceful in its self-sufficiency, and industrious to scale the seismic logistical challenges it faced."

Delivering a public service

- 2017-2020 Transformation enabled An Post to fund networks through the Pandemic.
- Post Office & Delivery networks remained open, with more digital options for customers.
- Just-in-time infrastructure for e-commerce surge.
- We showed solidarity with Citizens, standing up for older and vulnerable customers.
- €2m in supports to SMEs – discounted parcel postage & stamps, Direct Mail & expert advice.
- We ensured our employees health & wellbeing.
- An Post's Transformation accelerated while Sustainability remained at our core.
- An Post was commercially successful and self-sufficient – no State subsidies.

Transformation sustains performance through Pandemic

Revenue

€916m
an increase of 2.6%
Revenue for year ended 31 December 2020

€32.5m
Profit before depreciation and amortisation, transformation costs, one off items, net finance income and taxation

€80.7m
Unrestricted cash at 31 December 2020

102%
Funded Pension Scheme as at 31 December 2020

100%
Parcels Volume Up in 2020

99%
Routes operating Post Offices open

Highlights

an post

Financial performance

	2020 €m	2019 €m
Revenue	915.5	892.1
Profit before depreciation and amortisation, one off items, net finance income/(costs) and taxation	**32.5**	**79.6**
Depreciation and amortisation	(43.2)	(37.7)
(Loss)/Profit before one off items, net finance income/(costs) and taxation	**(10.7)**	**41.9**
Exceptional costs (including transformation costs)	(27.3)	(15.3)
Other Income: Profit on disposal of subsidiaries/assets	6.0	40.0
(Loss)/Profit before net finance income/(costs) and taxation	**(32.0)**	**66.6**
Balance Sheet Net assets (before pension asset/liability)	278.7	308.4

Pandemic impact

An Post committed to a focus on its social promise to act for the common good.
This combined with an accelerated decline in letter volumes and €50m Covid readiness cost.

Cost of Covid	FY20
PPE	(9.2)
Associated staff cover	(8.1)
Accelerated Mail volume decline	(23.5)
Price forfeited	(10.0)
Post Office footfall impact	(14.2)
Cost savings	15.0
Impact FY 20	**(50.0)**

An Post – Quarter One 2021

An Post 2020 Q1	Actual Q1 €m's	Prior Year Q1 €m's	Change €m's
Revenue	225.4	202.5	22.9
Profit before Depreciation	2.5	(1.6)	4.1
Profit after Depreciation	(8.4)	(11.4)	3.0

- Trading in Q1 2021 has been strong.
- Revenue up 11% compared with Q1 2020, on like-for-like basis.
- Operating Profit €4m ahead for Q1 versus 2020.
- As business normalises and price increase reinstated, expect return to pre-Pandemic profitability.
- Strategy accelerated through the Pandemic with switch to e-commerce, more banking services through Post Offices, and rapid development of digital infrastructure.

Our Green Light Strategy 2021-2026

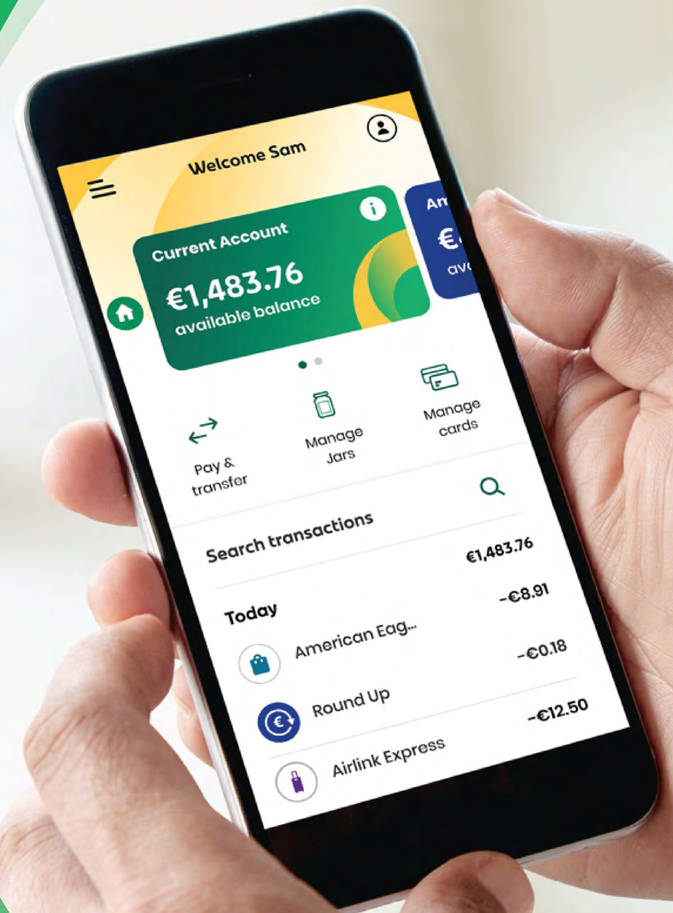
Our big moves

- Increased profitability through a re-modelled logistics network.
- An advanced digital platform making e-commerce easy.
- Growth of An Post Commerce, for Irish businesses and consumers and expansion new international supply chains.
- A transformed and sustainable Post Office network.
- Better Banking with An Post Money’s expanded range of services.
- An expert, lean Corporate Centre ‘CC2.0’ for a post-Covid world.

An Post Retail

Debbie Byrne, Managing Director

We’re investing in the Post Office network and digital technology, delivering new products and services to make people’s daily lives simpler and more sustainable.



An Post Retail

- Nationwide network in communities of 500+ with longer opening hours meeting the needs of communities.
- Better Banking with An Post Money - delivering a market leading user experience and great value products.
- Leveraging our network, we'll partner with Banks to offer community banking services for everyone on their doorstep.
- Continue to provide cash services that fuel local communities.
- Make online shopping and trading easier for consumers and SMEs with Ireland's largest out-of-home network.
- Enable consumers to live more sustainably and reduce carbon emissions with the Green Hub, a one-stop-shop for greener living.
- Expand our range of government services.

An Post Commerce

Garrett Bridgeman, Managing Director

A redesigned network for Ireland’s leader in e-commerce, future-proofing our services and and helping businesses to thrive.

An Post Commerce

- More choice & value for customers with sustainable, future-proofed services.
- We will have the best ‘Delivery Manager’ in the market for customers to manage their parcel deliveries.
- We will rebuild our network for e-commerce with world class tech and equipment to ensure a world class parcel delivery service.
- We will help all business to thrive with integrated products – a one-stop-shop to drive their sales growth in Ireland and abroad.
- Our business bundle will be best in class - we’ll clean their data, we’ll print & deliver their letters, parcels & samples, manage their returns and provide a choice of payment options, including the Post Office.
- We will connect Irish business with the world, helping them scale up, interact and trade around the globe.

Building a Sustainable Future

- Transformation 2017-20 created platform and funding for Pandemic response.
- In 2020 An Post lived up to its promise *to act for the common good, now and for generations to come.*
- Strategy accelerated through 2020 with switch to e-commerce, expanded banking services in Post Office network, and rapid development of digital infrastructure.
- As business normalises post-Pandemic, we expect to return to pre-Pandemic profitability… and more.
- Green Light Strategy will see €200-300m investment in physical networks and digital infrastructure; a revenue target in excess of €1bn annual revenue at a point during the plan and net margin target of 7-10%.
- Green Light programme will secure sustainable future for our networks, and a world-class sustainable infrastructure for Ireland.

Video

Questions?