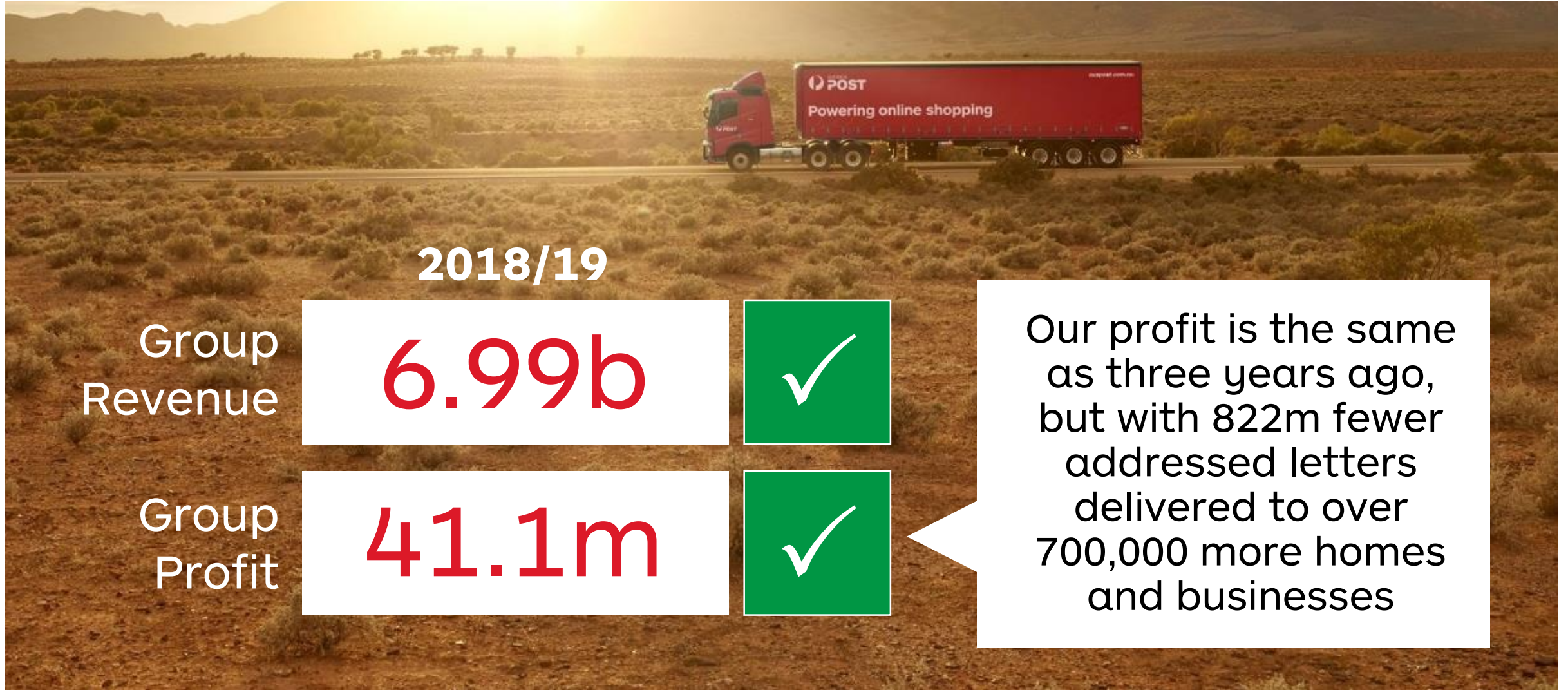


F2019 Australia Post Annual Results

22 August 2019



Record revenue and significant transformation



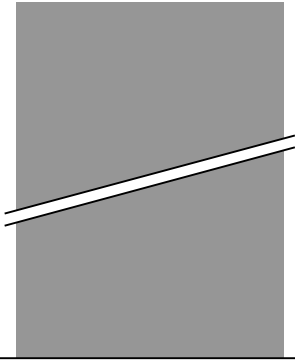
Significant Transformation: While our parcels business grew strongly it did not offset the profit impact of letter declines



**FY19 Letters¹
revenue (\$'m)**

▼ \$217m

\$2,216m



**FY19 Letters
profit (\$'m)**

▼ \$175m

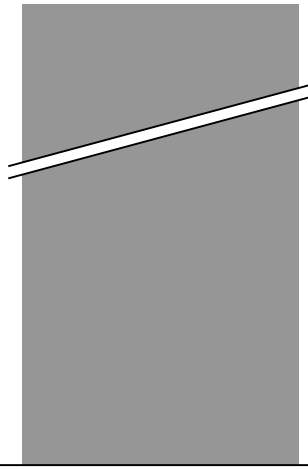
\$-192m



**FY19 Parcels²
and Services
revenue (\$'m)**

▲ \$341m

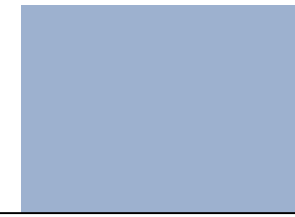
\$4,765m



**FY19 Parcels
and Services
profit (\$'m)**

▲ \$103m

\$259m



Note 1: Letters include domestic and international letters, and international small packets less than 2kgs

Note 2: Parcels include domestic and international parcels

Current year revenue and expenditure allocation reflects the new organisational structure effective 1 July 2019. Prior year revenue and expenditure have been restated to be presented on a consistent basis.

Progress on our strategy



More Business and Government customers chose Australia Post



Record parcel volumes

- 40m in Dec
- Record day 3m
- Eleven 2m+ days



Safety: rollout of eDVs.

- Launched One Safe
- Strong Injury Management



Customer Satisfaction

- NPS up 3 pts to 20.5
- Highest rated App
- Ombudsman complaints down 30%



New LPO payment agreement and investment in new POST+



Significant investment in our core operations with no increases to debt



- Full acq of AP Global
- Sold 10% of Aramex
- International parcels up 16%



\$1.3b paid in taxes and dividends

We secured access to essential banking services for all Australians with Bank@Post¹



Note 1: This is a sample of our 70 Bank@Post partners

Operational efficiency



Delivered over \$250m in operational efficiencies

- *Over 40% of parcels streamed to Posties*



Letters business achieved **Total Factor Productivity of 1.46**

- *4 times the Australian average*



Improved our cash position, **Cash up \$36m**

- *Invested \$424m, up \$114m from FY18*
- *Debt reduced and fewer property sales*

While we continue to face challenges, there are clear opportunities to pursue



Challenges



Significant decline in letter volumes



Realising growth from new revenue streams



Potential disruption to UPU income



Maintaining ongoing business efficiencies

Opportunities

Strong parcels growth through a world leading processing & delivery capability



New growth opportunities in financial, identity and government services



Realising cross border international growth through AP Global



Rolling out 1,000 EDVs to enable Posties to carry more parcels more safely



FY20 Outlook



BPR 10c increase in January 2020 is critical to offset declining volumes and increasing delivery points



Growth in Parcels, International and other services



Investment to support eCommerce expansion (e.g. Redbank in Brisbane)



Must continue our focus on operational efficiency



Grow revenues and remain profitable

Appendix: Key financial highlights



\$'m	FY19	FY18	Change
Letters revenue ¹	2,216.3	2,433.7	▼ -8.9%
Parcels and services revenue ²	4,765.3	4,424.7	▲ 7.7%
Other revenue	8.2	18.6	▼ -55.9%
Total income	6,989.8	6,877.0	▲ 1.6%
Total expenses (excluding finance costs)	(6,916.1)	(6,725.6)	▲ 2.8%
Profit before tax	41.1	125.7	▼ -67.3%
Profit after tax	40.6	134.2	▼ -69.8%
Dividends paid	42.2	78.5	▼ -46.2%

Addressed letter revenue declined \$186m (down 9%)

International letters revenue continue to decline, down 11%, with volume down 16%, mainly from inbound letters.

Domestic parcels revenue growth 9% YoY supported by record operational volumes experienced during peak

International parcel revenue growth (up 16%). Growth due to securing full ownership of Australia Post Global eCommerce Solutions (AP Global).

The increase in total expenses with higher operational network costs across processing and delivery functions resulted from growth in our parcels business and additional costs associated with AP Global.

Fixed costs growth associated with the EBA³ were offset by the ongoing business efficiency program that has saved over \$250m.

Note 1: Letters revenue include addressed letters, unaddressed letters, international letters and international packets.

Note 2: Parcels revenue include domestic B2C parcels & express products, road business and international parcels.

Note 3: Enterprise Agreement refers to our award staff salary agreement with our unions.