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POST LUXEMBOURG CLOSED 2019 WITH ITS FINANCIAL RESULTS SHOWING SIGNIFICANT GROWTH

- POST Luxembourg Group recorded a 4.2% increase in turnover, reaching 862 million euros in 2019
- EBITDA and net income for 2019 increased by 6.1% and 13% respectively, compared with the previous financial year.
- POST Luxembourg Group's workforce increased to 4,652 employees.

On Thursday 14 May 2020, Serge Allegrezza, Chairman of the Board of Directors, and Claude Strasser, Managing Director, presented the POST Luxembourg Group's 2019 financial results at a press conference which exceptionally was held at the discretion of the journalists at POST's head office (in full compliance with prescribed safety regulations) but also available digitally via live streaming.
In 2019, the POST Luxembourg Group recorded a 35-million-euro growth in turnover, which rose to 861.9 million, equivalent to a 4.2% increase. In particular, this performance was achieved thanks to the postal division whose logistics business was highly successful and to the telecoms division which strengthened its positioning in the ICT sector for professional customers. Faced with difficult market conditions, resulting in long-term erosion of the interest margin, the finance division managed to stabilise its turnover.

Income from operations (EBITDA) increased 6.1% to reach 183 million euros compared to 2018 performance, which had already seen a rise. Net profit amounted to 37.8 million euros, a 13.2% increase.

"For a country like Luxembourg, which is experiencing significant demographic growth, the contribution of POST is crucial. For instance, very substantial investment is being made to support digitalisation and in particular the company has played a major role in developing telecommunications infrastructures," explained Serge Allegrezza, Chairman of the Board of Directors of POST Luxembourg.

"POST's 2019 financial results are very positive at all levels, and in particular for the Postal/Logistics and Telecom/ICT divisions," confirmed Claude Strasser, Managing Director of POST Luxembourg.
The postal division has continued to be influenced by developments in the field of digitalisation, and since 2015 this has resulted in an almost 4%

reduction in letter volumes in Luxembourg each year, a trend which has been gathering momentum since summer 2019. At the same time, parcel volumes, which continue to show rapid growth, exceeded the 4-million-parcel threshold in 2019, equivalent to a 17% increase compared to 2018.

In 2019, over 96% of parcels were delivered within one working day (next day delivery). Claude Strasser stated: "With investments, such as installing a new parcel sorting machine at the national sorting centre in Bettembourg, we are now able to deal with daily volumes which can exceed 30,000 parcels, while maintaining a high-quality service for our customers. At the end of 2019, we opened our 100th PackUp 24/24 station. This method of parcel delivery is extremely popular and accounts for a quarter of delivered parcel volumes, which last year amounted to 1 million parcels."
The logistics business which POST Luxembourg set up in 2017 is developing beyond expectation. Whereas in 2018 at the Findel Centre, POST took delivery of 4 million parcels from Asia to be distributed throughout Europe, in 2019 the annual volume exceeded 13 million parcels.
In the field of telecommunications, where the market has been characterised by structural decline in fixed telephony and fierce competition in the mobile telephony and internet access segments, POST Luxembourg managed to close the 2019 financial year with an increase in turnover for the second year running.

This good performance is due in particular to an increase in the number of mobile lines, growth in ICT business for professional customers as well as increased numbers of private fixed internet customers. Such performance is in part the result of ongoing massive investment in telecommunications networks, over 50 million euros a year. In line with the targets set by the Luxembourg government and the European Union, POST is actively involved in implementing the national 5G strategy and in migrating the traditional landline network to the "all-IP" network. Nowadays, thanks to sizeable investment, almost 70% of the population is able to connect to Internet access offering speeds up to 1 Gbit/s. Moreover, POST is preparing for and supporting the national economy's digital transformation, for which the rollout of the future 5G network will be a key element, in the medium term, to respond to exponential growth in data traffic.

Faced with modern society's hyper-connectivity, as far back as 2015 POST developed a digitalisation strategy for the Group, in particular by setting up a department dedicated to cybersecurity. "In 2019, POST brought together all the Group's cybersecurity expertise and skills to work in a single team "POST Cyberforce" and support POST's digitalisation strategy and that of our customers in the Grand Duchy and beyond our borders. Faced to cyber threats, we have succeeded in providing innovative solutions in accordance with standard information systems security practices, thanks to the expertise and experience of our in-house experts."

Unlike the previous two divisions, POST Finance has been confronted with decreased profitability, being particularly impacted by the economic conditions of negative interest rates.
At the same time, POST Finance has done its utmost to optimise digital customer experience. In order to simplify online procedures, "eboo", its new online banking solution, was officially launched early 2020.

A real ecosystem of businesses, in 2019 there were around twenty POST Luxembourg Group companies, spread across 3 main business sectors with a wealth of know-how and expertise. Ultimately, POST is absolutely determined to nurture and challenge this diversity of expertise on a daily basis so that it really makes a difference and stimulates innovation, thereby meeting the real

needs of its customers.

The leading employer in Luxembourg, POST Luxembourg Group employed in 2019 on average 4,652 workers of 50 different nationalities. With skill development as top priority, each employee has undertaken an average of 14 hours of annual training.

Although the POST Group's annual press conference is traditionally dedicated to the previous year's financial and non-financial performance, Serge Allegrezza and Claude Strasser were keen to seize this opportunity to emphasise that despite the lockdown arising from the health crisis caused by COVID-19 and unprecedented safety measures, the work achieved during this period in each POST Luxembourg business line has been remarkable. And Claude Strasser concluded that "this is the result of the commitment and dedication which a vast number of our employees have shown, sharing a single common objective to ensure that essential services for the population and businesses were provided whatever the circumstances."

Download: Rapport Intégré 2019, www.post.lu, www.postgroup.lu