



**Speech – annual results press conference, 14.03.2024**  
**Christian Levrat, Chairman of the Board of Directors of Swiss Post**

(Check against delivery)

Ladies and gentlemen,

- First of all, welcome to Swiss Post for the presentation of our annual results.
- Let me remove all suspense right away. The results we are about to present to you demonstrate a degree of stability, although they also show a slight decline. They are in line with the previous year's results. Our CEO Roberto Cirillo is going to give you a summary and explain the progress we have made in implementing our "Swiss Post of tomorrow" strategy. Then Alex Glanzmann, our CFO, and Kurt Fuchs, Interim CEO of PostFinance, will present the details.
- Our stable result is not the sign of an easy year. Quite the opposite. It is the result of all the work performed by our teams, and I have to begin this press conference by paying tribute to them for their efforts. From our leaders to our mail carriers, from our Postbus drivers to the sales staff in our branches, from PostFinance employees to those in our digital communication department, every single person has put in a phenomenal amount of work to ensure that we achieved a respectable result, despite strong headwinds.
- But let's start from the beginning. Firstly, we have reached all our service quality targets. These figures are calculated objectively using precise measurements relating to postal services or based on the results of customer satisfaction surveys. Depending on the subject matter, they are verified and validated by either the Federal Council or various supervisory authorities, including PostCom and OFCOM.
- Our efforts were even rewarded last year – for the seventh time in a row, Swiss Post was named the world's best postal service by the Universal Postal Union. The UPU doesn't just assess two or three postal organizations – it evaluates organizations in 172 countries based on around 40 criteria, year after year!



- I see that as extra proof that we provide high-quality services. Thank you again to all our employees for your exceptional dedication.
- The figures that we are about to show you are reasonably good, considering the context. Our revenue is rising. That's the first sign that diversifying our activities is proving a success. Unfortunately, our result is down slightly. This is due to the combined effect of declining letter volumes, cyclical fluctuations in the number of parcels we are transporting and the last effects of the negative interest period on PostFinance. But behind this apparent stability lies another reality. In truth, we have had a challenging year that has required strong measures to achieve this result. You know what I'm referring to:
  - Inflation
  - The climate of subdued consumption
  - The long-term decline in letter volumes and over-the-counter transactions.
- In this anniversary year – Swiss Post is celebrating 175 years since it was created – our values are intact: reliability, security, precision. But what does the future have in store for us? As far as the Group is concerned, I am reasonably optimistic. We have a solid balance sheet with 10 billion francs of equity, we have been financing our own investments for years, we have sufficient liquid assets, and we are continuing to pay dividends to the Swiss Confederation. And even though PostFinance was hit hard during the negative interest rate period, it is re-establishing its position each quarter – firstly, by taking advantage of the fact that rates have returned to some level of normality, and secondly, by expanding its activities independently of the fluctuations in interest rates.
- However, our main challenge is still our core business, the heart of Swiss Post. The letter business (down by 5 percent a year for the past 20 years or so) and over-the-counter transactions (down by 20 percent a year over the past three years) are declining rapidly due to the digitization of society and the economy. And this decline cannot be fully offset by expanding our digital and logistics business or by opening up the branch network.



- This means we have to redouble our efforts and act decisively, without delay. We have to leverage the company's current healthy condition in order to complete the process of transforming our core business. Why do we need to be so proactive?
- Firstly, because Swiss Post aims to remain relevant to both the public and the economy in future. We have to be more flexible, adapting ourselves to our customers' changing needs and aligning our services appropriately. Nowadays, we can manage our parcels and registered mail from our smartphones. And that's the reason why we're investing in e-post – so that everyone can have a digital, secure and reliable mailbox in Switzerland. It's also why we have developed e-voting, and why we provide the basic infrastructure for the EPR.
- Secondly, because we believe that Swiss Post must continue providing its services without state subsidies. The modern public service has to be efficient. We are running or have run several efficiency programmes in order to reduce our costs – in the logistics sector last year, and in print delivery and centralized services this year. These efforts are not just the necessary counterpart to the price rises that were decided upon last year; they are above all a prerequisite for the development of a modern and efficient public service.
- Ultimately, there is no time to lose – and I would even say there is some degree of urgency. We are in the midst of a fundamental transformation process that will see some of our company's traditional services lose importance. Meanwhile, other services will grow in importance – for instance, parcel post traffic, the logistics business and digital services, areas that we are expanding rapidly. At Group level, we have developed our first solutions for tackling this evolution, and we are obviously going to continue in this direction during the next strategy period. But that won't be enough for us to be able to look to the future with confidence. We need a new legal framework and the necessary room for manoeuvre to ensure that we can adapt our services to our customers' wishes. Several proposals have been discussed publicly over recent months, and these are currently being examined by the Federal Council, so I won't go into the details here. But our situation requires political intervention. We need more freedom to develop our services in line with our customers'



expectations. To be able to phase out specific services that have become obsolete or are in danger of becoming so, and to be able to promote others.

- It is up to politicians to define the framework and the limits of our commercial activities. We understand this principle and adhere to it rigidly, despite what some may think. But it is our duty to highlight the major trends that are threatening our business model and to offer solutions that ensure Swiss Post can continue providing relevant services, remain financially independent and work efficiently to fulfil its public service obligation for the public and economy in our country.
- Three years ago, Roberto Cirillo told you that “we don’t want to become a museum”. That’s a good summary of the challenge we face, and I will now hand over to him to present the results from the past financial year and the strength of the reforms we are implementing.
- Thank you.