



Speech – annual results press conference, 14.03.2024

Roberto Cirillo, CEO Swiss Post

(Check against delivery)

A warm welcome to our colleagues from the media
Herzlich Willkommen, liebe Medienschaffende
Gentili Signore, egregi Signori, stimate giornaliste, stimati giornalisti,
Madame, Monsieur, Mesdames et Messieurs les représentants des médias,

Swiss Post keeps things moving. It moves people, letters, parcels, money, products and data. And sometimes even minds. Swiss Post keeps things moving – and will keep on moving in future.

Possibly the most important contribution that helps Swiss Post keep things moving comes from our employees. They provide a valuable public service for our customers every day, right into the most remote valleys. People and companies in Switzerland benefit from diverse and reliable services. For their life and work in Switzerland.

I would even say Swiss Post makes life a bit easier.

One of the major reasons for that is the huge commitment shown by around 46,000 employees. A big thank you to all of them! We need to take care of them.

Swiss Post is doing well in a lot of areas today and is evolving in the right direction. However, we are seeing a constant and rapid change in customer requirements. This affects Swiss Post in particular: digitization is moving ahead at speed. While parcel volumes are rising long-term, our traditional core business of letters and over-the-counter payments has been in sharp decline for years.

To ensure it remains relevant for its customers and successful in future, Swiss Post will adapt with foresight to changing customer habits. It needs to transform itself – and keep on moving.

That means we'll expand in areas where people's needs are growing. And we will withdraw or adapt where demand is disappearing or changing. This approach optimally takes account of customer requirements.



And I want to repeat this point because I believe it's really important: Swiss Post keeps things moving – and will need to keep on moving.

That's why we're establishing the core business of tomorrow today. We're doing so by pursuing our current "Swiss Post of tomorrow" strategy, whose time horizon is 2030 and beyond.

Today, we want to take a look back at last year and highlight what we've achieved with our current strategy. We're currently working hard on the definition of the new strategy. I'll say a bit more about that later.

On the path to the Swiss Post of tomorrow, we've achieved a huge amount over the past three years, laying a solid foundation for the future, and we will now continue to build on that.

Let's look at some specific details:

We've merged our logistics organizations to provide a future-oriented, full-service offering for our customers. Specifically, combining the letter and parcel units enables us to continue providing top quality services. We've expanded our capacity significantly and are harnessing synergies. A prime example: we've installed a parcel sorting machine at the Härkingen letter center. This system went into operation last September.

We've achieved growth, both domestically and internationally, in goods logistics and are now one of the major service providers in Switzerland.

We've significantly strengthened our competencies in eCommerce and online direct marketing.

We can now also provide relevant cross-media solutions in the advertising market. Asendia – our joint venture with France's La Poste – has become one of the leading providers in international eCommerce logistics.

And we've positioned ourselves strongly in the digital arena. ePost means our customers can now decide which mail they wish to receive in their private letter box at home and which digitally with access from anywhere in the world. Since last year, cantons including Bern, St. Gallen and Lucerne, have been using our platform to send their information directly to digital mailboxes.



We play a key role in the traditional, analogue-based healthcare system and have now laid the foundation for the introduction of a standard, trustworthy digital patient record. Since last summer, people have been able to conveniently open an electronic patient record from their own homes.

And a development I'm delighted by personally: We enabled both elections and votes to be held digitally for the first time in 2023. There was a premiere in the Canton of Graubünden in early-March, when five municipalities enabled their electorate to cast their vote electronically for the first time. I'm really proud of that achievement.

Swiss Post is an increasingly innovative and reliable driving force in an ever-more interconnected Switzerland. It acts as a bridge-builder between digital and analogue services for people, organizations and public authorities. It provides added value for Switzerland.

Ensuring future generations enjoy a high-quality living environment is also something that really matters to us. That's why we're assuming responsibility for the environment of tomorrow. We're pursuing an ambitious climate target and have made significant progress. In the cities of Bern and Zurich, since the start of 2023 we've only used electric vehicles to deliver letters and parcels to our customers, and, since mid-January 2024, in Geneva too. Just as we promised.

With our new partners, we're gradually transforming our Swiss Post branches into service centers, where customers benefit from a variety of services.

As all these examples show: we are right here for the Swiss population. Whether in person or digitally – at our locations and on the move. Always in line with customer needs. Their experience of Swiss Post's service should be a positive one – whether in-person or digitally while on the move.

In the challenging market conditions, we've made less progress than hoped for in some areas. For example, reaching agreement with potential partners for our branches requires more time. And the set-up phase and investment in the Communication Services unit, in other words digital services, is taking longer than we envisaged in 2020.

There are two main reasons for that.



Firstly, the challenging economic climate and regulatory conditions. To some extent, they have prevented us from providing scalable and profitable solutions quickly. One specific example is e-health where regulatory provisions are very stringent and market complexity is very high. Secondly, there are not that many companies on the market in the field of communication services that are a good fit for Swiss Post and its strategy – we carefully weigh up every acquisition.

We strongly believe the shift towards the digital world is an indispensable part of the public service because people are making greater use of the benefits of digital solutions. Public service needs to shape day-to-day life for most people in the country. Otherwise it isn't public service as this must clearly provide up-to-date solutions. Everyday life has become digital for people in Switzerland. That's why Swiss Post's public service should become digital, too.

Last year, we achieved a good result in a challenging climate, not least thanks to a huge effort from our employees. That shows our strategy is working. That makes us confident we can perform well in difficult conditions in future, too. That means we will be right here for people in Switzerland. Reliable, trustworthy and stable. We aim to continue representing these values in future, which is why we're transforming ourselves from a position of strength and building the Swiss Post of tomorrow today.

The forward-looking measures that have already been implemented are helping to improve services for our customers, while making us more efficient. Pricing adjustments are already helping to stabilize the result this year.

Higher interest rates will also have a positive effect on the result of our banking subsidiary PostFinance this year.

Besides strategic developments, you are here today to find out about Swiss Post's performance in 2023.

In 2023, we posted revenue of 7.279 billion. That's comparable with the level in 2019, the year immediately prior to the COVID-19 pandemic. Operating profit of 323 million francs and profit of 254 million are also practically identical, if compared with the figures for 2019.



This level of performance allowed us to make self-funded gross investment of 605 million francs last year. That's 27 percent more than in 2022. Since the start of our strategy, we've made gross investment of 1.75 billion. Most of that has been spent on upgrading our infrastructure, for example new regional parcel centers and sorting systems. We've also invested in developing our digital solutions and in sustainability.

This shows we have consistently invested in areas that will be relevant to our customers in future.

In particular, we've invested in developing our business. Compared with the 2019-2020 period, we've actually doubled annual investment. Exactly as we pledged at the time.

I'm delighted to tell you that all the negative consequences of the pandemic are now behind us – both financially and in terms of the quality of our services. And not only that. We also strengthened our balance sheet. Our equity is now over 10 billion francs. Swiss Post also still has significant liquidity holdings of around 1 billion francs and no net debt. Alex Glanzmann will provide you with more details.

With this financial result and balance sheet, we're working extremely hard on developing the strategy for the period 2025 to 2028. The current strategy is moving in the right direction. We're adjusting it where necessary due to changing requirements. We're addressing the question of how we can develop the network to better meet customer needs. We want to invest in the network to deploy state-of-the-art technologies. At the same time, we also aim to increase relevance for our customers and improve efficiency. This will enable us to continue financing an extensive, Switzerland-wide branch network of Swiss Post access points in future. I can't tell you anything more about our new strategy at this point as we are still working hard on it at the moment.

What I can tell you is that in our core activities, we are working intensively to put Swiss Post on a stronger footing in future. With modern and future-oriented solutions. For our customers, our employees, our owner as well as for the Swiss people and economy.

Swiss Post has been there for the Swiss people for 175 years, and will continue to be. Swiss Post remains there for the people. That's what inspires us every day.



We're committed to a Swiss Post that Switzerland can rely upon. So that our customers can depend on a strong, sustainable public service – today and tomorrow – in the physical and digital worlds, and all funded from Swiss Post's own resources.

One thing is clear – Swiss Post wants to keep things moving, and will continue to do so in future.

Thank you.