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## **NZ Post reports a Half Year result of \$27 million profit**

NZ Post has reported an operating profit of \$9 million for the half year with record-breaking volumes of parcels, while maintaining a high quality of service. Including our share of earnings from Kiwi Group Holdings Limited this results in a net profit after tax of \$27million.

“This volume growth, and the increasing trend of New Zealanders shopping online, shows that NZ Post has a successful and exciting future. NZ Post’s previously announced investment in our network will help set us to be more efficient and continue to meet our customers’ needs and help New Zealand businesses grow,” NZ Post Chief Executive David Walsh says.

The Half Year financial results for 2020/2021 include:

- A net profit after tax (NPAT) of \$27 million (including our share of earnings from Kiwi Group Holdings Limited) compared to NPAT of \$31 million for the same period last year
- A \$2 million increase in revenue, which includes a \$42 million increase in parcel revenue and a \$39 million decline in letter revenue
- An increase of \$28 million in operating expenditure, as we dealt with an increase in costs associated with increased and unpredictable COVID parcel volumes, and maintained our high quality service
- 32.2 million fewer letters sent (an 18% decrease)
- An \$8 million increase in profit after tax from Kiwi Group Holdings

“We’ve just delivered another record-breaking Christmas, with an average of 6 parcels being delivered every second across New Zealand. We’re so proud of what our people did to make this happen, and that during this time Kantar measured us as delivering 98% of domestic courier parcels on time.

“Our International business had to be innovative by using more sea freight, setting up different transit hubs, and even chartering planes ourselves to get items to the right place, wherever that may be in the world, as we responded to the impact of the pandemic on freight movements. We will continue to face challenges as the world grapples with the pandemic response with fewer flights entering and leaving the country but will look to minimise the impact on our customers as much as possible.

“In the last six months our Māori leadership programme Te Hononga finished its second successful year, we were also thrilled to receive the Rainbow tick, and we welcomed two new members of our Executive Leadership team, Monica Ayers and Rhonda Richardson.”

During the first six months of the financial year NZ Post successfully supported the General Election, with an increased emphasis on postal voting, however, letters revenue continues to fall overall.

“This ongoing decline was acknowledged by the Government in the 2020 Budget, with a Contract for Mail Services of \$130 million over three years to allow NZ Post to maintain service levels in the mail operation. We need to maintain a financially sustainable mail service that will allow us to continue to deliver mail to New Zealanders across the country. We will continue to have conversations with the Government about the future of mail.”

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