

# Ireland: EUR 40m EIB backing for An Post Transformation

## **Finance will drive An Post's Digital, Retail and Green transformation**

- **First ever EIB financing for An Post investment will “greatly benefit the Irish economy”**
- **Digitalisation will improve access to financial services, upgrade retail technology and modernise the national parcels infrastructure**
- **Sustainable investment will cut carbon emissions and fund innovation**

A new EUR 40 million, 10-year European Investment Bank (EIB) loan to An Post was formally announced in Dublin earlier today by Richard Bruton T.D., Minister for Communications, Climate Action and the Environment; Andrew McDowell, European Investment Bank Vice President, and David McRedmond, CEO, An Post. More than EUR 82 million of new investment by An Post over the next three years, is backed by this first ever long-term EIB loan to Ireland's national mails & parcels and retail post office operator.

**Minister for Communications, Climate Action and the Environment, Richard Bruton T.D.** said: “One of the challenges of climate action is the need to mobilize capital for new, sustainable technologies. Today's announcement allows an Post to be a leader in putting sustainability at the core of their business.”

**Andrew McDowell, European Investment Bank Vice President responsible for Ireland** said: “As a leading European postal services provider, An Post is demonstrating how support for local communities and climate action can be at the core of a sustainable business. For that reason, I am very pleased to confirm a new EUR 40 million loan from the European Investment Bank – the EU Bank – to finance its greener delivery fleet and to accelerate use of innovation and digitalisation to enhance access to financial services and improve mails, parcels and e-commerce services for customers”.

**David McRedmond, An Post CEO** said: “This ground-breaking contract demonstrates confidence in An Post's transformation and digital strategy for the Irish economy, business of all sizes and local communities. It enables us move faster and be smarter in changing from the old world of letters and cash to the new digital world of e-Commerce and financial services.

The Strategy being implemented at An Post has brought a turnaround from losses of €12.4m in 2016 to profit of €41.2m in 2018. The transformation is continuing. We will achieve a similar or better performance in 2019, exceeding our targets for the year and delivering continued growth in e-Commerce fulfilment and financial services. Sustainable plans are in place for 2020.

Attracting the support of the EIB enables further investment and ensures that we stay ahead of the massive societal and commercial changes across the

globe. We've taken big steps already to modernise and digitalise our Retail and Mails and Parcels business. We're committed to our Sustainable Development Goals and working for the common good".

### **Improving green deliveries and An Post financial services across Ireland**

The new EIB backed investment will enable more than 750 fully electric vehicles to be used for local deliveries across the country and digital customer services to be upgraded across the retail network, including 950 modernised post offices.

### **Investing in state of the art digital technology**

An Post customers will also benefit from high-performance automated parcel sorting and replacement of paper forms with app-based technology as part of broader digitalisation and innovation investment to cater for the growing eCommerce parcel business.

In recent years the EIB has supported new innovation investment by postal companies in France, Germany, Italy and Sweden.

An Post took the opportunity to showcase some of the new electric vehicles responsible for making their "Emission Free deliveries Between the Canals" plan a reality for the 60,000 addresses between Dublin's canals in time for Christmas. Zero Emission Electric Vehicles will be introduced to Cork, Galway, Kilkenny, Limerick, Waterford and other towns within 12 months.

An Post is one of Ireland's inaugural Sustainable Development Goal Champions. In addition to Climate Action and supporting sustainable cities & communities, the Company has also committed to Decent Work – including gender equality, staff diversity & inclusion, and investment in native forestry, solar power generation, and innovation through partnerships and responsible procurement.