

Royal Mail PLC

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Royal Mail target price cut by Deutsche Bank as it lowers forecasts after warning

Royal Mail PLC (LON:RMG) has seen its target price cut to 93p from 100p by Deutsche Bank on the back of lower forecasts, following Friday's profit warning.

Analysts at the German bank now expect the letter and parcel carrier to post a loss of £131mln for the current financial year. The previous estimate was for a profit of £57mln.

READ: Royal Mail warns of 'significant uncertainty' as coronavirus hits UK post and key Italian parcel market

Royal Mail said last week that it expected its UK post business to be "materially loss making" this year due to the coronavirus pandemic as marketing campaigns, particularly from the travel sector, were cancelled.

Deutsche Bank's analysts noted that it is difficult to forecast volumes and pricing and the "dramatic impact" they can have on profits.

Royal Mail shares still rose 1% higher to 127p on Tuesday morning, reflecting a market rally.

Price: 172.05

Market Cap: £1.72 billion

1 Year Share Price Graph



Share Information

Code: RMG

Listing: LSE

52 week High Low
258.6 118.856

Sector: Business & education services

Website: www.royalmail.com

Company Synopsis:

As the sole provider of the Universal Service in the UK, Royal Mail Group delivers a six-days-a-week, one-price-goes-anywhere postal service to more than 29 million addresses across the UK. Royal Mail is the preferred delivery company in the UK. We are a vital link connecting communities, businesses and customers.

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