

# First quarter 2022

April 26, 2022

**postnord**



# The result affected by a sharp decline in volumes

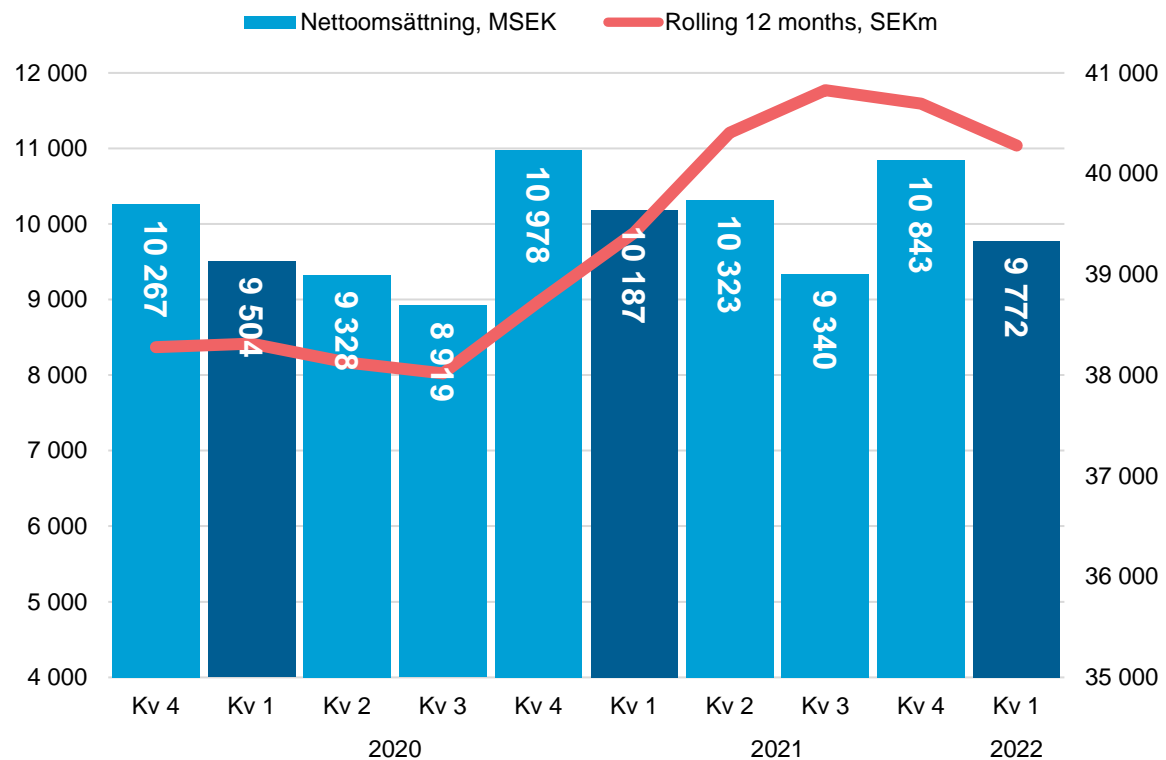
## General comments

- Income decreased as a result of a sharp fall in parcel volumes, lower mail volumes and increased transport costs
- Since the pandemic restrictions have been removed in the Nordic markets, we have faced challenges in adapting capacity quickly enough to realign with the significant volume reduction this has caused
- Within the framework of PostNord's updated sustainability agenda, the organization is working at a high level of intensity.

## Income

- Net sales totaled SEK 9,772 million (10,187), a decrease of -6 percent in fixed currency for like-for-like units
- Parcel volumes decreased overall by -10 percent (30), driven by a sharp drop in B2C volumes
- Mail volumes decreased by -13 percent (-10)
- Operating income (EBIT) totaled SEK 98 million (878)

# Net sales



Net sales totaled  
**SEK 9,772m**

(10,187) -6%  
like-for-like

Mail volume totaled  
**306 million**

-13% (-10)

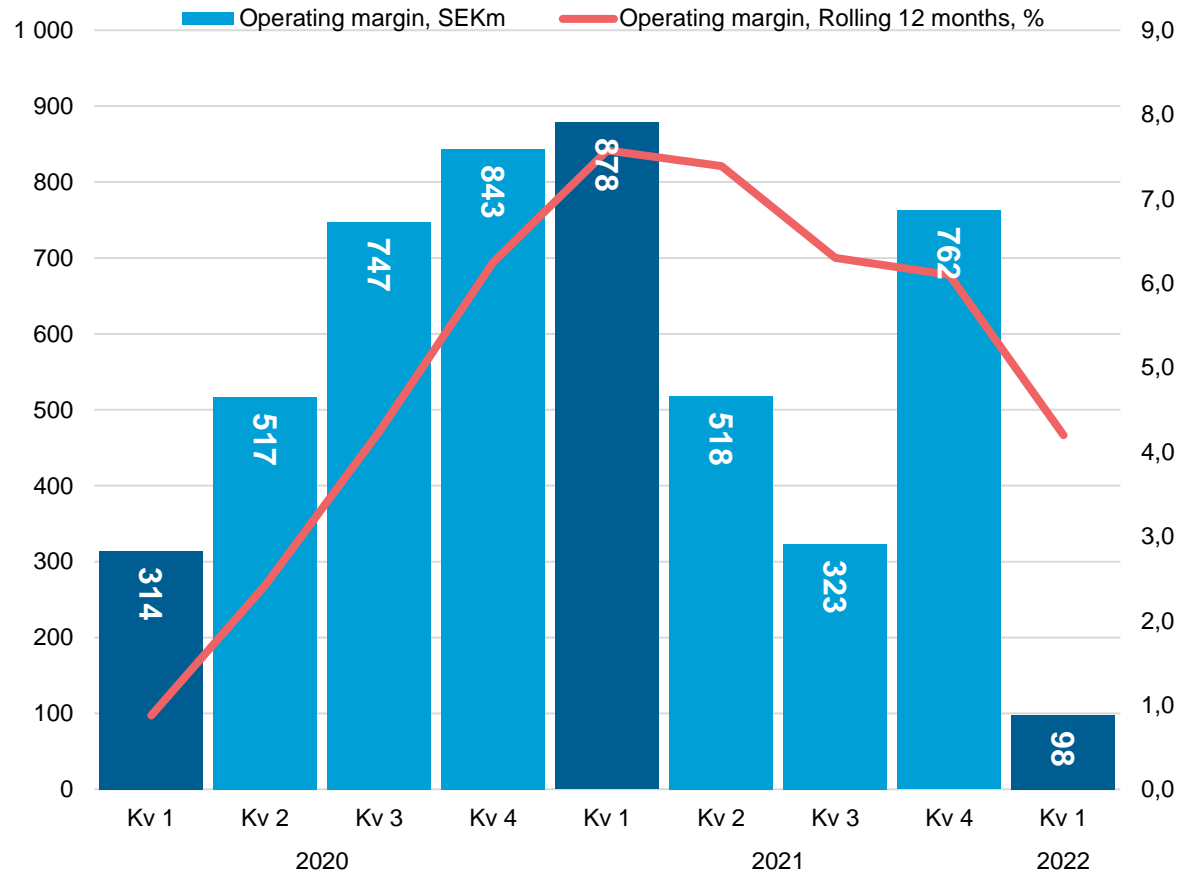
Parcel volume business-to-business

**+3% (5)**

Parcel volume business-to-consumer

**-14 % (40)**

# Operating income



Operating income totaled

**SEK 98m**  
(878)

Adjusted operating income totaled

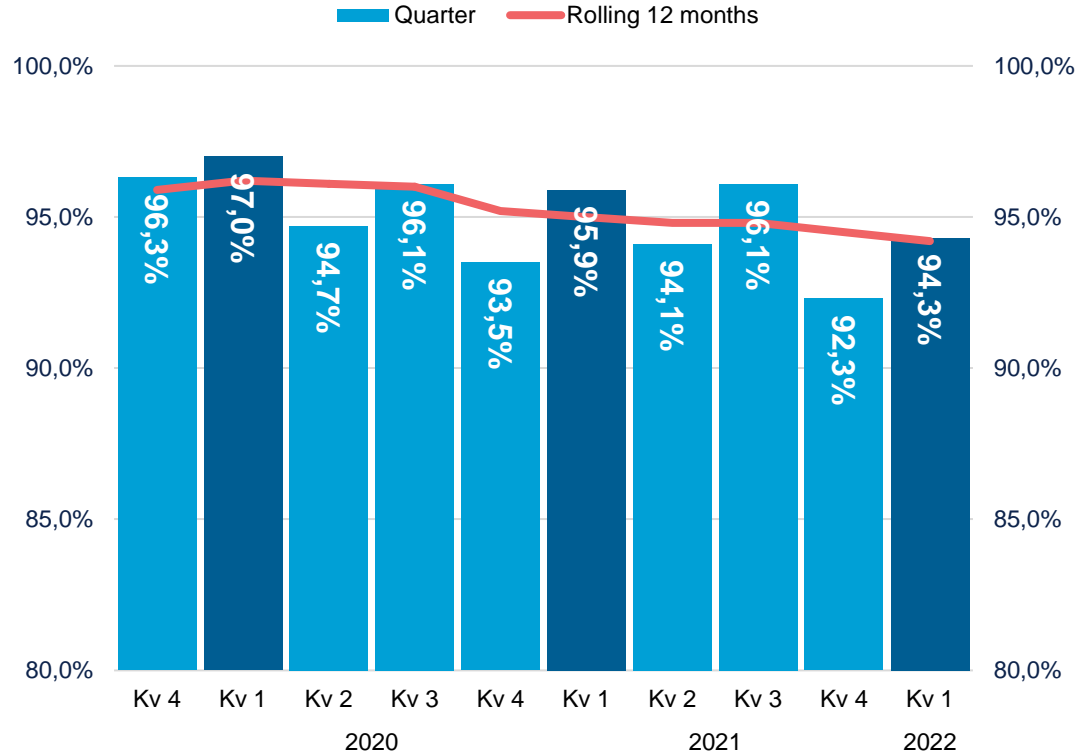
**SEK 98m**  
(805)

Operating margin, Q4  
**1.0%** (8.6)

Rolling 12 months  
**4.2%**

Income decreased as a result of a sharp fall in parcel volumes, lower mail volumes and increased transport costs.

# Delivery quality parcels in Q1

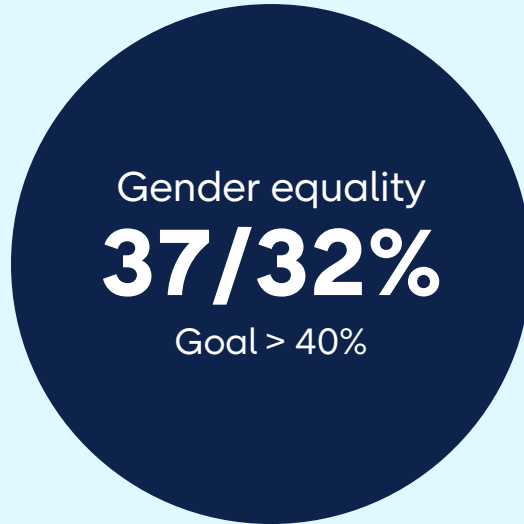


- Delivery quality, Group, rolling 12 months 94,2% (94,3% in the quarter)
- Volume growth in B2B, sharp decline in B2C
- Challenges due to high sick leave

# Sustainability



Carbon dioxide emissions by PostNord relative to Q1 2021 level



Percentage of PostNord managers and leaders who are of the under-represented gender

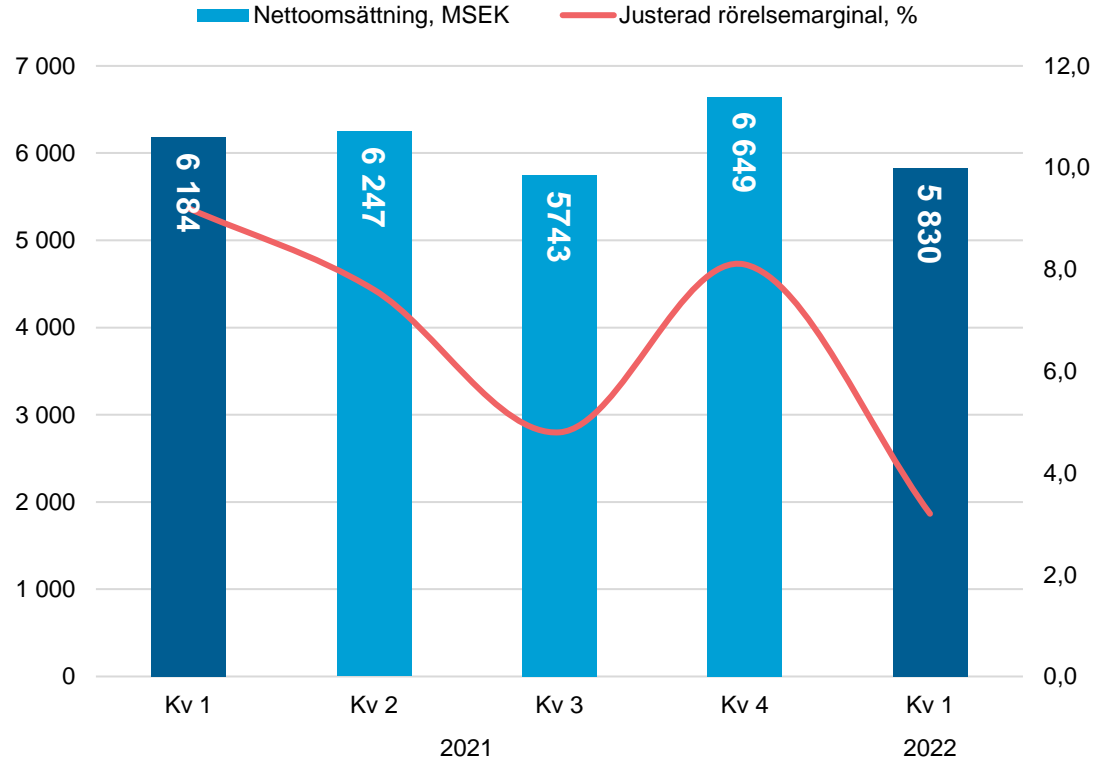
Level 1–3: 37% women

Level 4–6: 32% women



Weighted Responsible Procurement Index containing 3 KPI:s

# PostNord Sweden



# 97.3%

Delivery quality, mail, in quarter

Legal requirement 95%

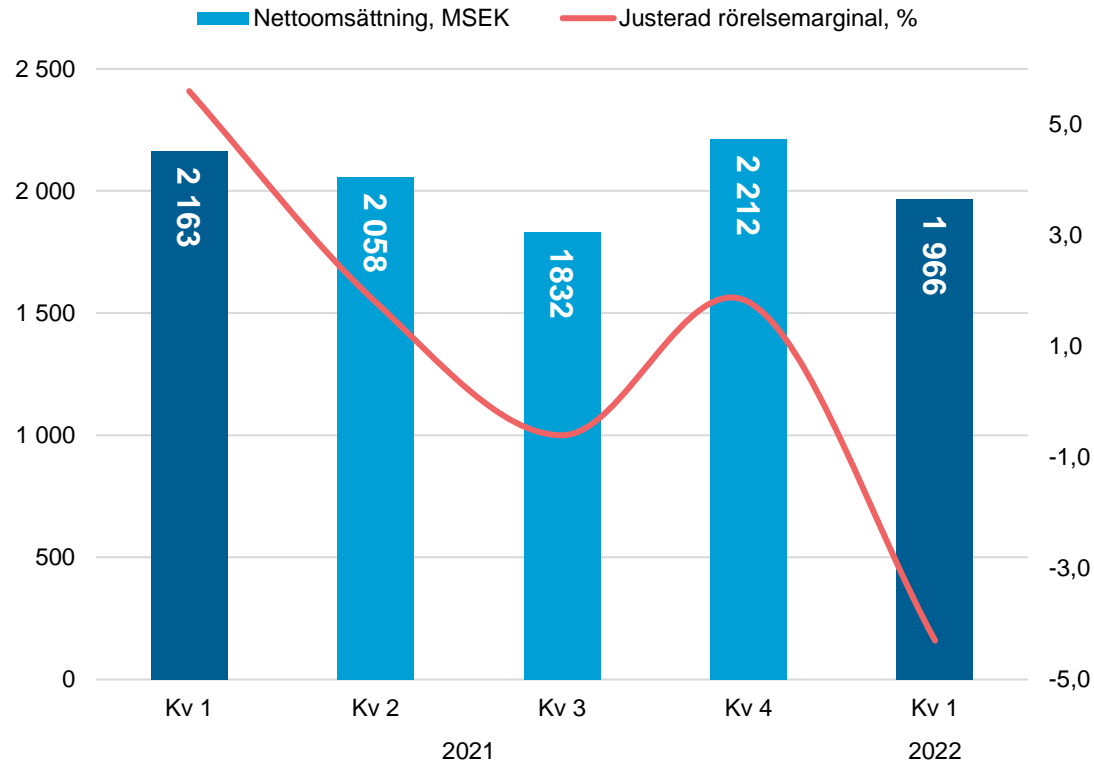
# 94.5%

Delivery quality, parcels, in quarter

Goal 97%

- **Net sales totaled SEK 5,830 million (6,184)**
  - Mail volumes -14%
  - Parcel volumes -7%
- **Decrease in parcel and mail volumes**
- **Operating income totaled SEK 187 million (568)**
- **EBIT negatively affected by challenges in adjusting capacity to the sharp decrease in volumes. High sick leave and increased transport costs also affected the result negatively**

# PostNord Denmark



# 97.6%

Delivery quality, mail, in quarter

# 95.5%

Delivery quality, parcels, in quarter

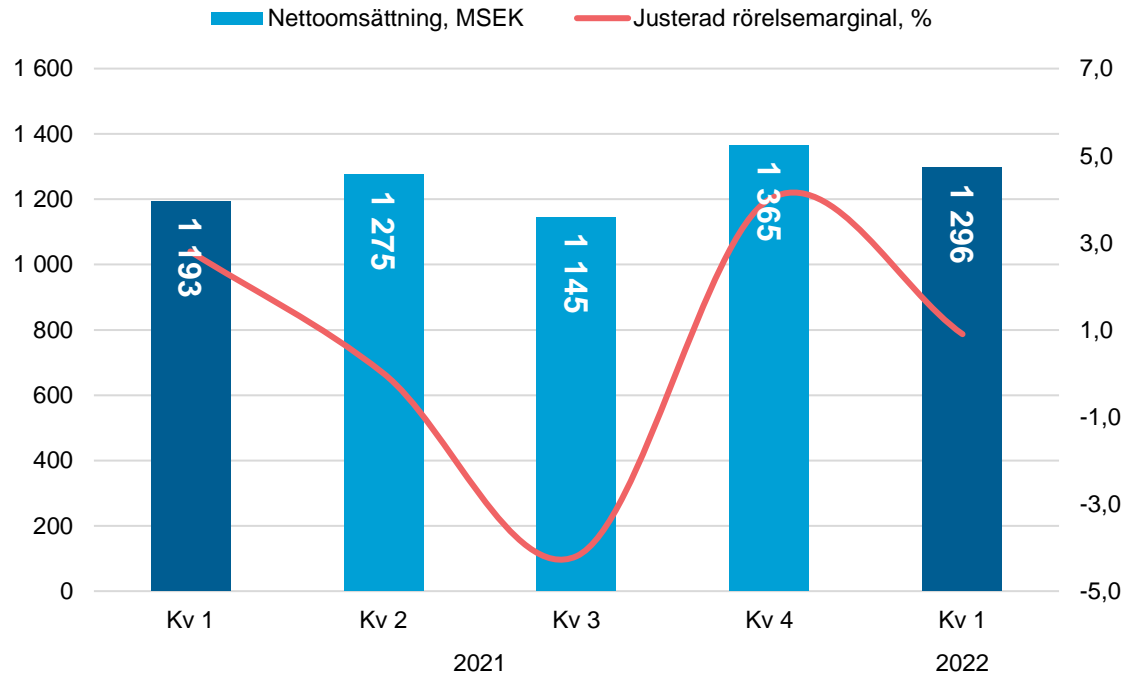
Legal requirement 93%

Goal 97%

- **Net sales totaled SEK 1,966 million (2,163)**
  - Mail volumes -9%
  - Parcel volumes -17 %
- **Continued decline in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU**
- **Operating income totaled SEK -85 million (194)**
- **The sharp drop in parcel volumes main reason to the declining result. EBIT also negatively affected by lower mail volumes and higher costs**

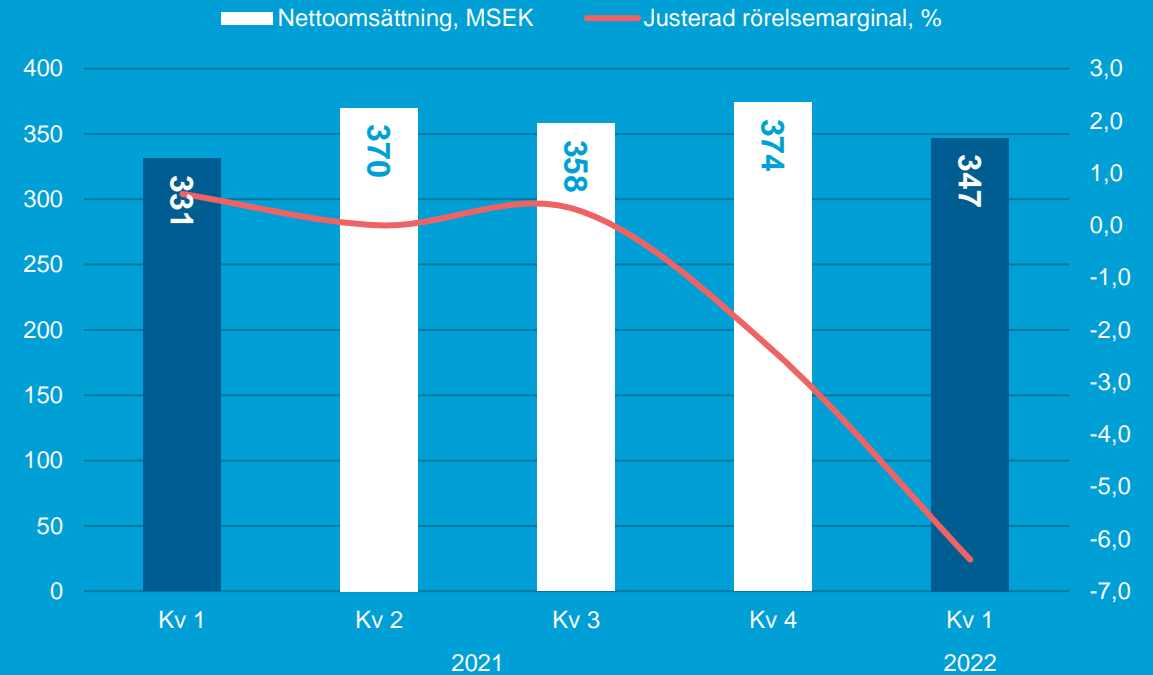


# PostNord Norway



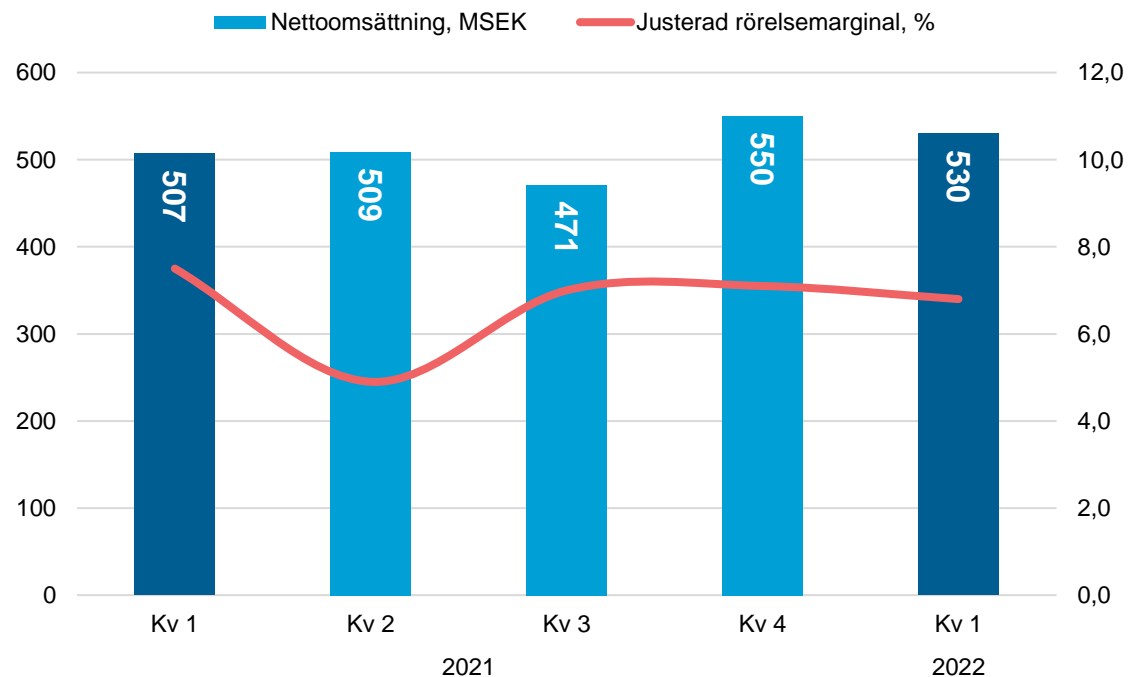
- Net sales totaled SEK 1,296 million (1,193)
- Operating income totaled SEK 11 million (33)
- EBIT negatively affected by high sick leave, implementation costs for new terminal and challenges in adjusting capacity to declining parcel volumes
- Delivery quality was 92.2 (96.1) percent in the quarter. The lower quality was mainly due to high sick leave in the organisation

# PostNord Finland



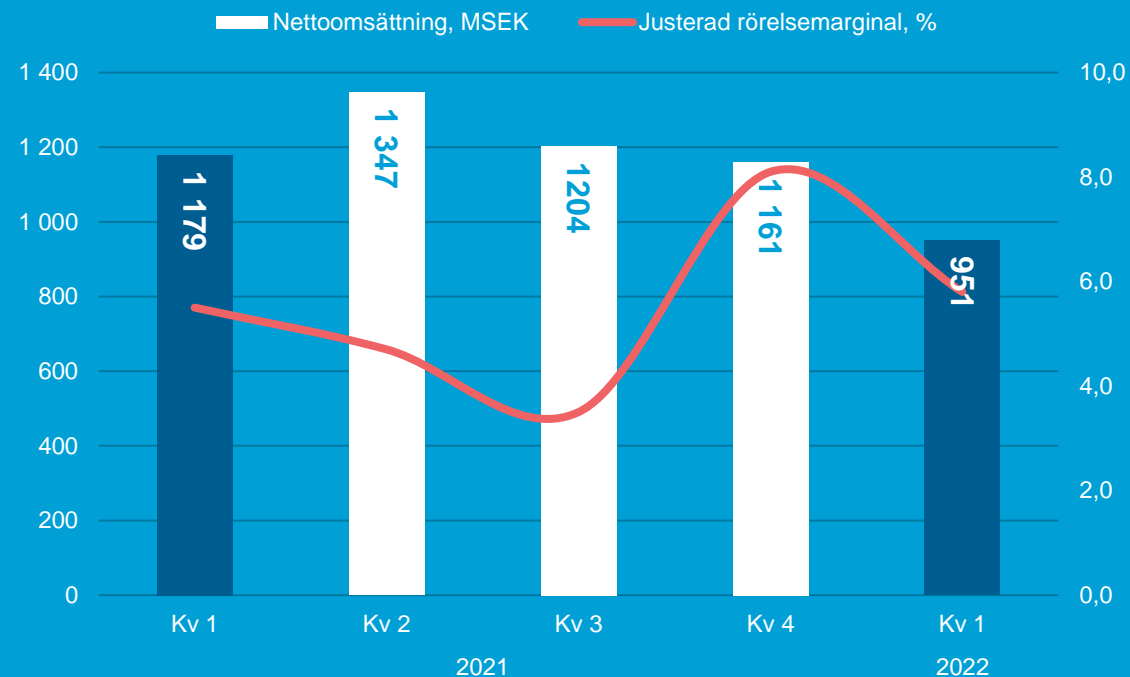
- Net sales totaled SEK 347 million (331)
- Increased deliveries to the healthcare sector
- Operating income totaled SEK -22 million (2)
- The decrease in income is attributable to increased costs related to the start-up of a new terminal in Tampere, increased staffing in the TPL business, higher costs in supply chain and changes in the product mix
- Delivery quality for parcels was 89.1 percent. The lower quality was mainly due to high sick leave in the organisation

# PostNord Strålfors



- **Net sales totaled SEK 530 million (507)**
- **Operating income totaled SEK 36 million (38). The decrease is mainly attributable to a lower gross margin associated with the product mix sold and increased service development costs in the growing digital business and a capital gain from the sale of property 2021**

# Other business activities



- **Net sales totaled SEK 951 million (1,179)**
- **Operating income totaled SEK 55 million (65)**
  - **Increased transport costs, as well as declining volumes for some customers have negatively affected sales and income for Direct Link. Additionally, restrictions connected to corona outbreak in China affected volumes and profits negatively**
  - **Decline in parcel volumes corresponding to -6 (43) percent in the logistics business in Germany**
  - **Operating profit includes a revaluation effect of SEK 19 (-) million in the quarter from the hedging of forecast foreign currency transaction exposure in the German business**

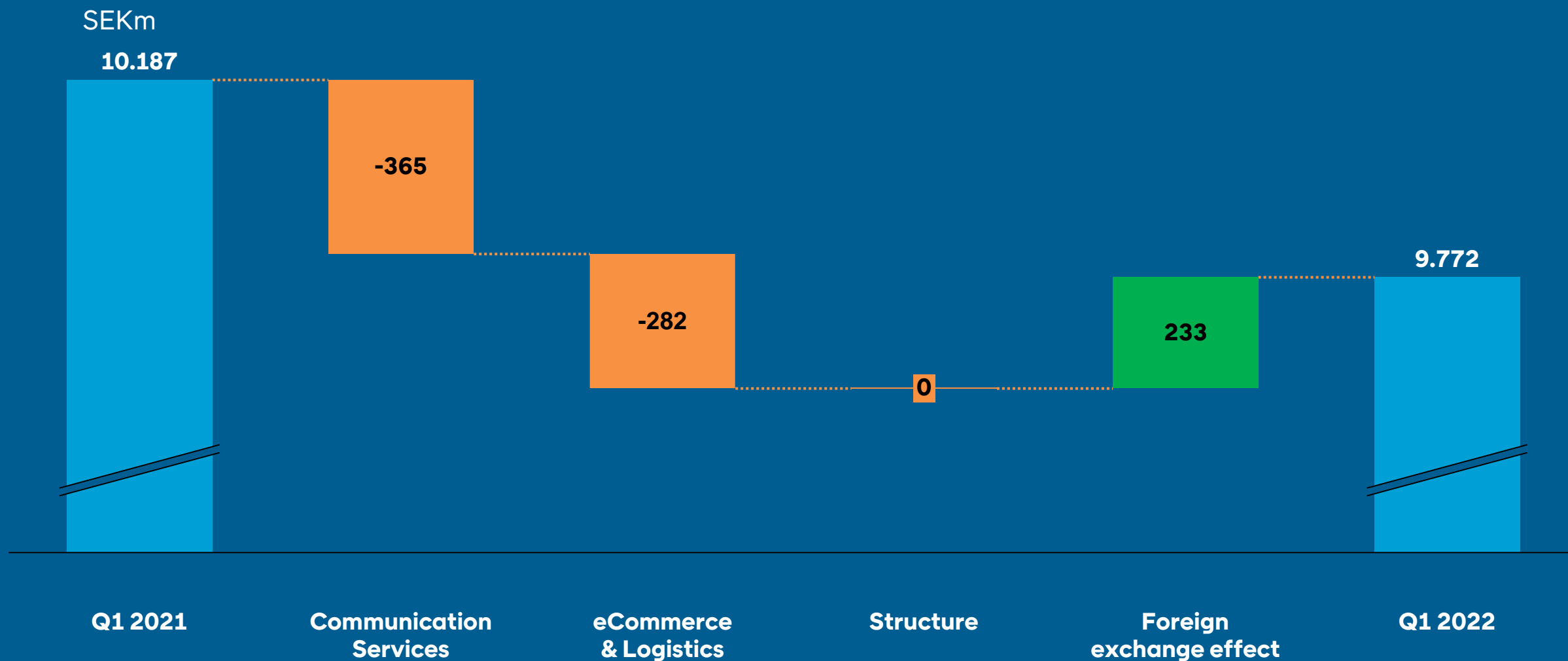
# Financial summary

	Quarter 1/2022	Quarter 1/2021	Change
Net sales, SEKm	9,772	10,187	-6%*
Operating income, SEKm	98	878	-89%
Operating margin, %	1.0%	8.6%	
Adjusted operating income, SEKm	98	805	-88%
Net financial items, SEKm	-45	-48	
Cash flow from operating activities SEKm	225	1,134	
Return on capital employed (ROCE), %	13.0%	22.9%	

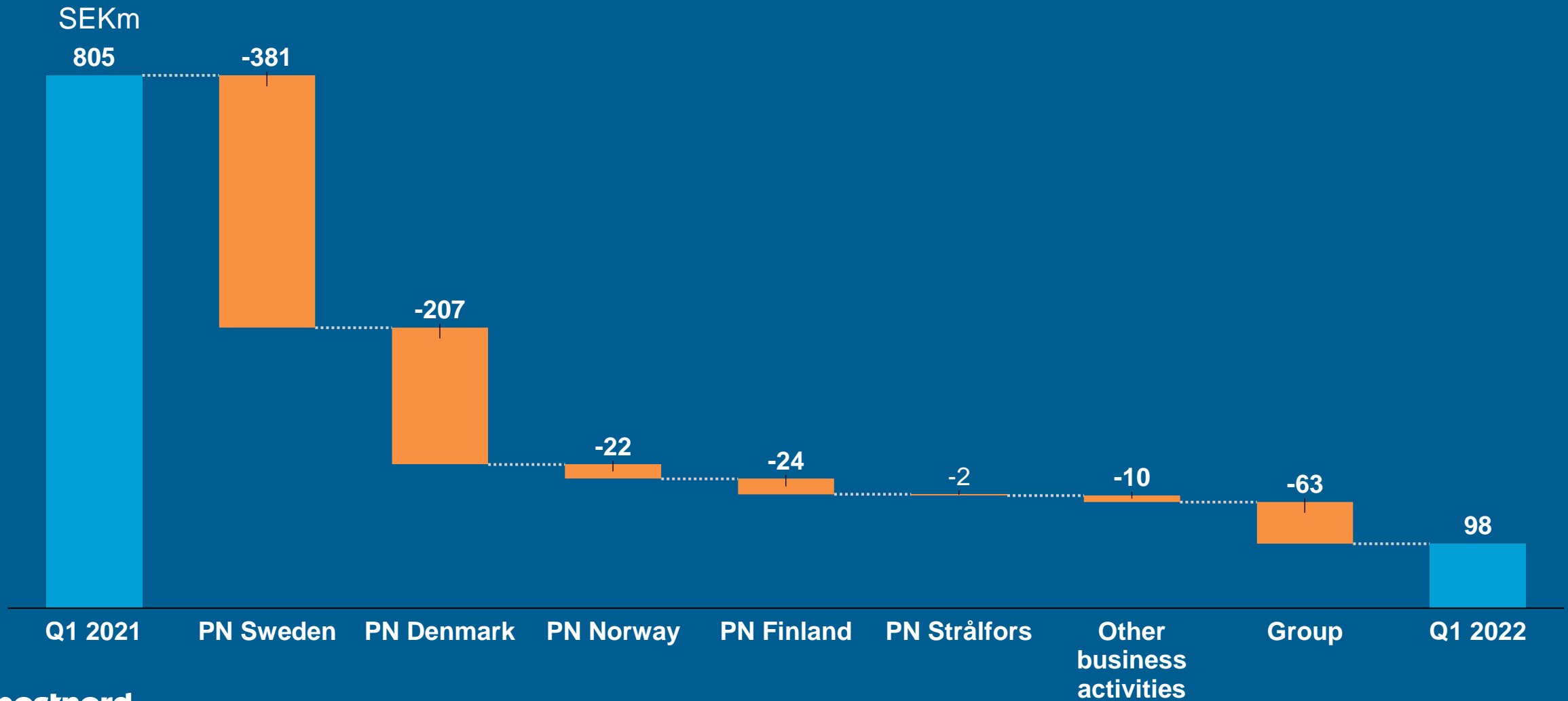
\*Change in fixed currency for like-for-like units

# Net sales

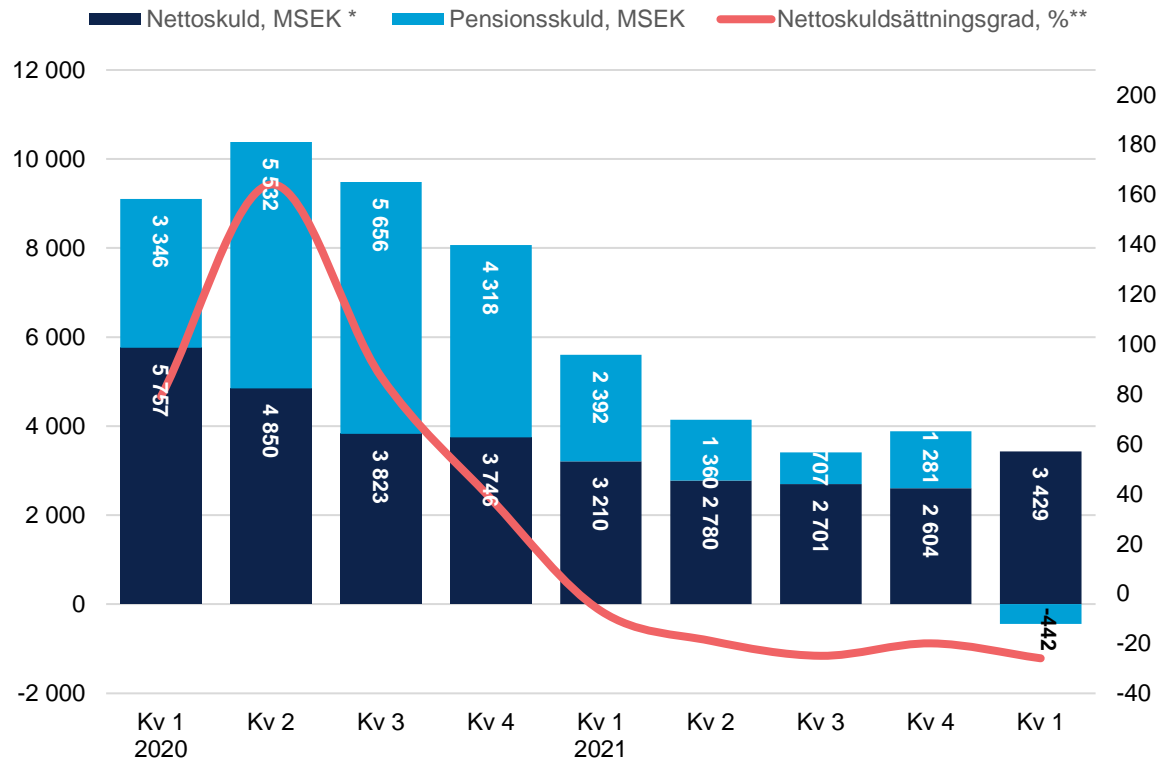
## Q1 2022 vs Q1 2021



# Operating income Q1 2022 vs Q1 2021



# Net debt

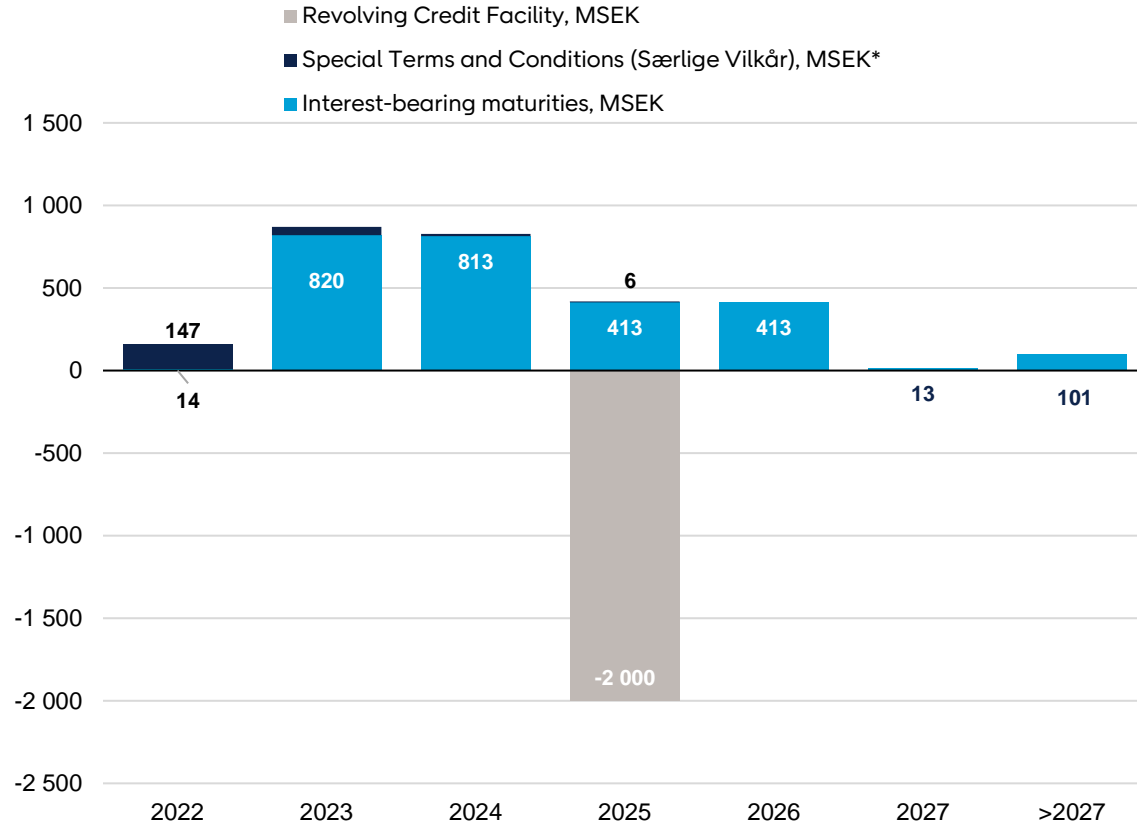


\* Net debt, including lease liability but excluding pension liability

\*\* Net debt ratio, including pensions but excluding lease liabilities

- Net debt, including pensions and lease liabilities, decreased by SEK 898 million, mainly due to a decreased pension liability
- The net debt ratio including pensions but excluding lease liabilities was -26 percent (target: 10-50%)

# Maturity profile



Exchange rate SEK/DKK 1.39

- The interest-bearing debt portfolio consists mainly of bond loans of SEK 1.4 billion and bilateral loans of approximately SEK 1.2 billion
- Payments in accordance with Særlige Vilkår \* mainly operate until the end of 2022
- Revolving Credit Facility unutilized at the end of the quarter

\*The restructuring of the Danish business resulted in personnel cutbacks, the expenses of which were recognized in 2018. Payments to employees under Special Terms and Conditions (“Særlige Vilkår”) will continue until 2025.

# Summary

- **Income decreased as a result of a sharp fall in parcel volumes, lower mail volumes and increased transport costs**
- **Efforts to adopt production capacity to current parcel volumes, and further measures within our transformation programs to increase efficiency**
- **Strategic direction stands firm and we continue to invest to further strengthen our position in the long-term growing e-commerce market**





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