

# Second quarter 2022

July 19, 2022



# Major actions taken to deal with a world that continues to present challenges

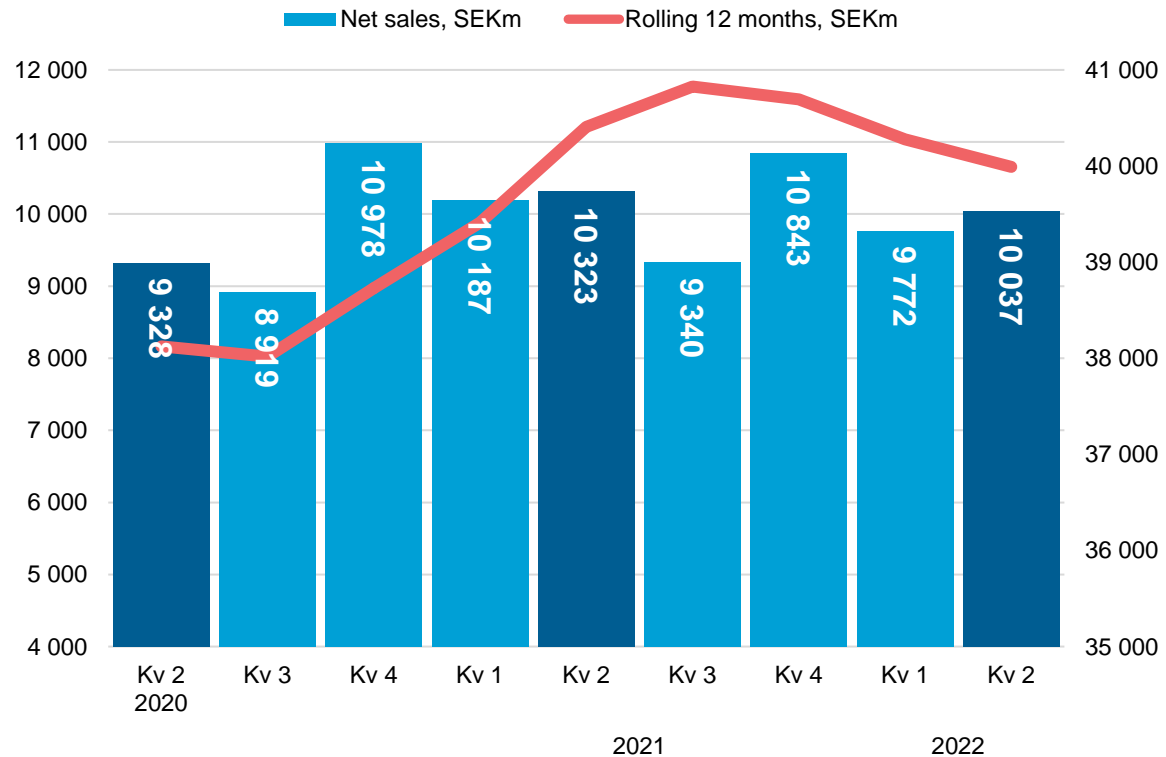
## General comments

- Income decreased as a result of a continued sharp decline in parcel and mail volumes
- PostNord takes appropriate actions related to prevailing conditions
  - Adjusting our capacity to current volumes
  - Price adjustments
- At the same time, we continue to develop our customer offering and infrastructure to improve competitiveness
  - Parcel lockers roll-out continues
  - Continue to invest in terminals and vehicles

## Income

- Net sales totaled SEK 10,037 million (10,323), a decrease of -5 (13) percent in fixed currency for like-for-like units
- Overall, parcel volumes decreased by -7 percent (14), driven by a sharp drop in B2C volumes
- Mail volumes decreased by -12 percent (-4)
- Operating income (EBIT) totaled SEK 214 million (518)

# Net sales



Net sales totaled  
**SEK 10,037m**

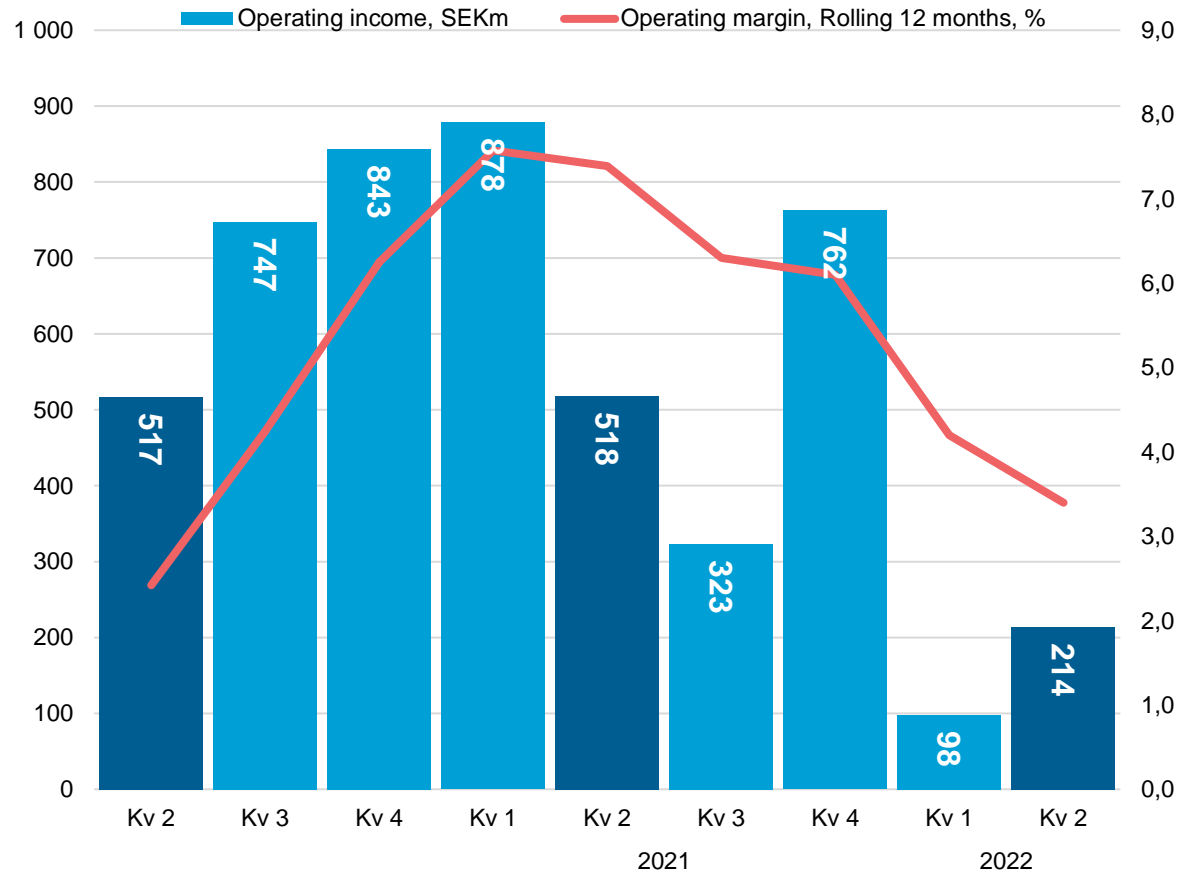
(10,323) -5%  
like-for-like

Mail volume totaled  
**286 million**  
-12% (-4)

Parcel volume business-to-business  
**+3% (19)**

Parcel volume business-to-consumer  
**-10% (13)**

# Operating income



Operating income totaled

**SEK 214m**

(518)

Adjusted operating income totaled

**SEK 214m**

(518)

Operating margin, Q2

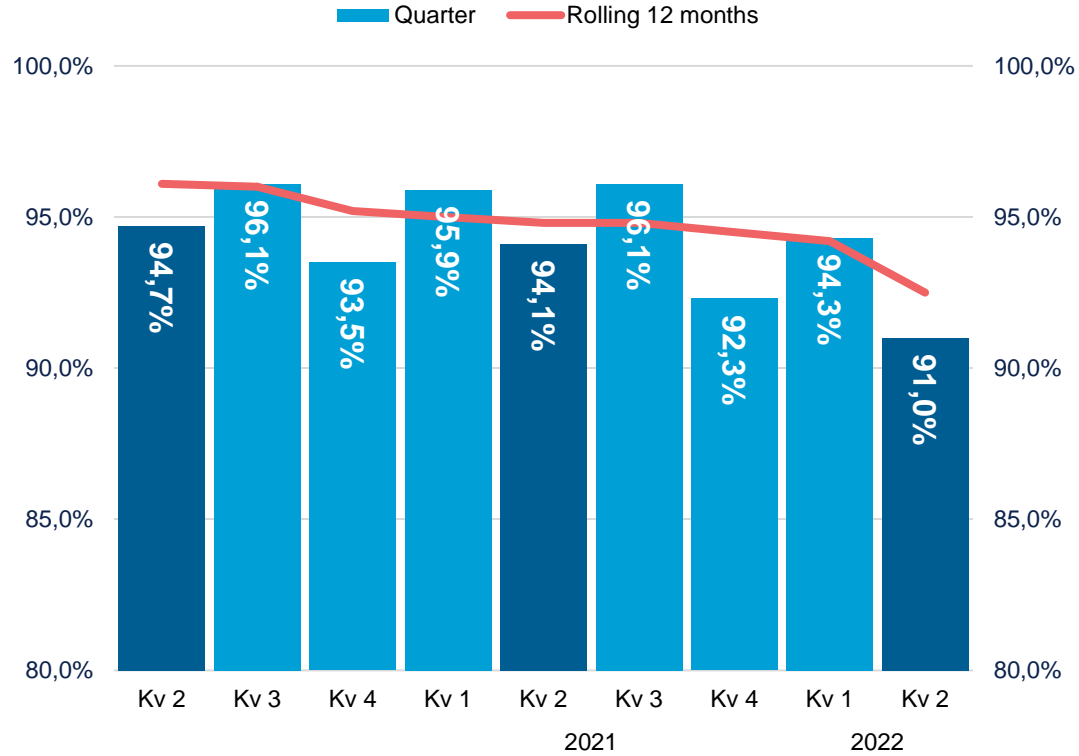
**2.1%** (5.0)

Rolling 12 months

**3.4%**

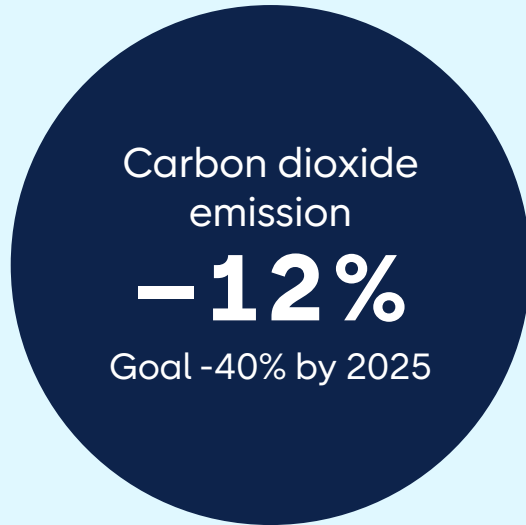
Income decreased as a result of continued sharp fall in parcel and mail volumes

# Delivery quality parcels in Q2

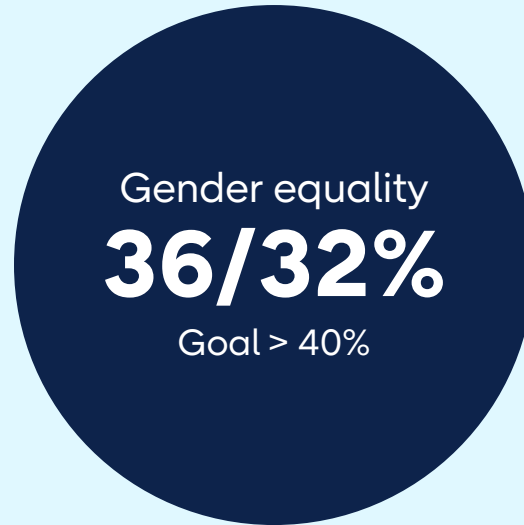


- **Delivery quality, Group, rolling 12 months 92.5% (91.0% in the quarter)**
- **Volume growth in B2B, sharp decline in B2C**

# Sustainability Q2



**Carbon dioxide emissions by PostNord relative to Q2 2021 level**

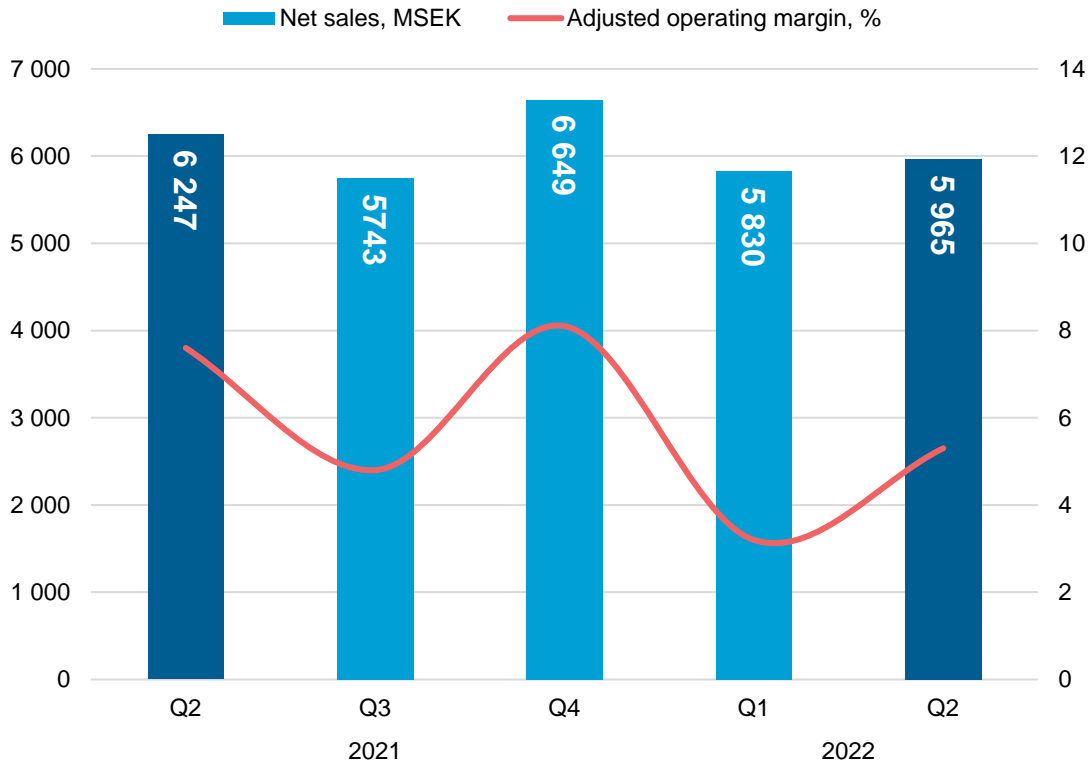


**Percentage of PostNord managers who are of the under-represented gender**  
**Level 1–3: 36% women**  
**Level 4–6: 32% women**



**Weighted Responsible Procurement Index containing three KPI:s**

# PostNord Sweden



# 95.5%

Delivery quality, mail, in quarter

Legal requirement 95%

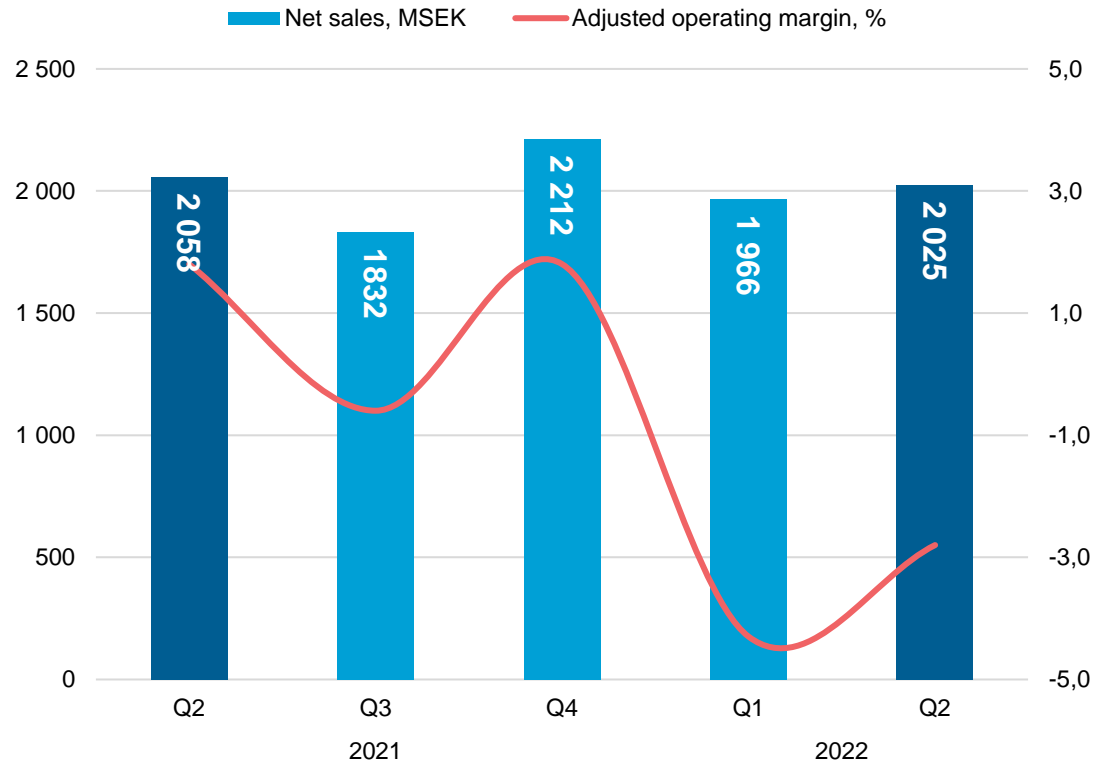
# 91.0%

Delivery quality, parcels, in quarter

Target 97%

- **Net sales totaled SEK 5,965 million (6,247)**
  - Mail volumes -14%
  - Parcel volumes -4%
- **Decrease in parcel and mail volumes**
- **Operating income totaled SEK 318 million (474)**
- **EBIT negatively affected primarily by the decline in B2C parcels and mail volumes. The work of adjusting capacity to lower volumes continues on an ongoing basis**

# PostNord Denmark



# 95.1%

Delivery quality, mail, in quarter

Legal requirement 93%

# 91.9%

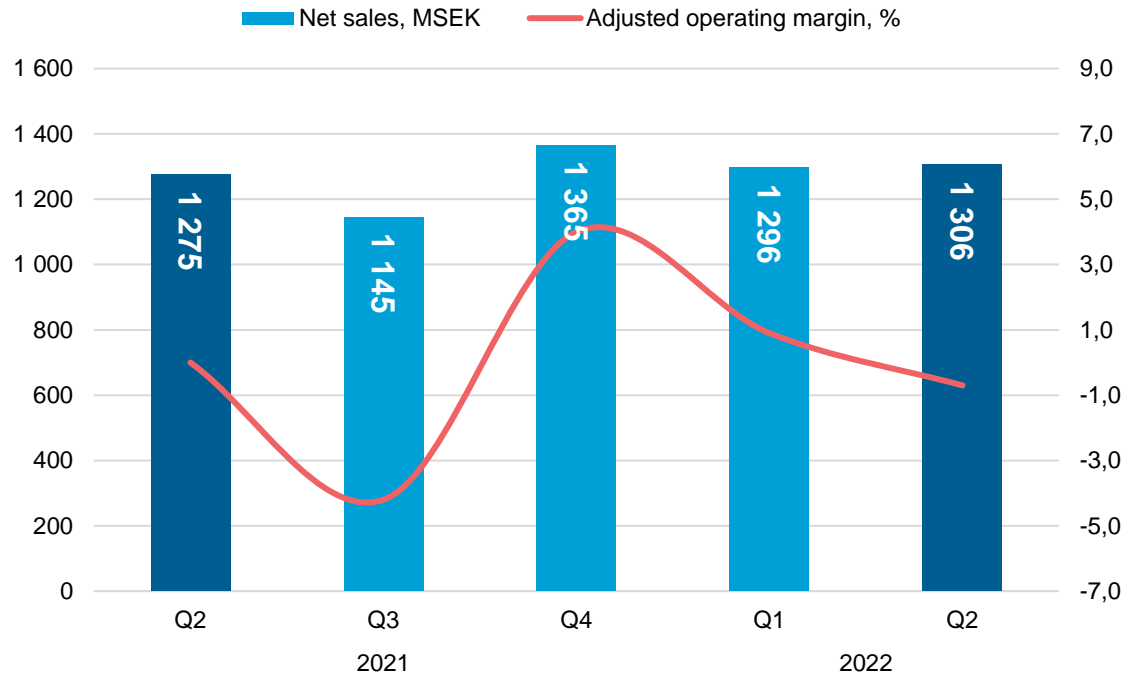
Delivery quality, parcels, in quarter

Target 97%

- **Net sales totaled SEK 2,025 million (2,058)**
  - Mail volumes +/-0%
  - Parcel volumes -6 %
- **Operating income totaled SEK -57 million (38)**
- **EBIT negatively affected mainly by the sharp drop in B2C volumes. Result also negatively affected by decreased volumes of import and higher costs in the business, driven by rising inflation**



# PostNord Norway



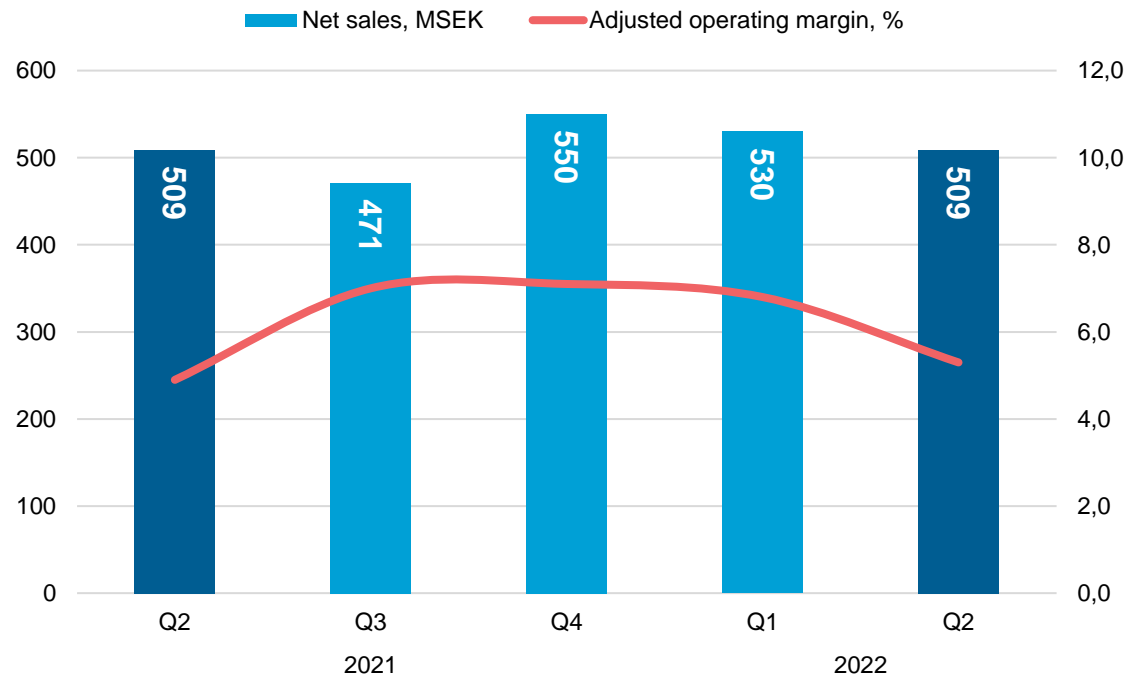
- Net sales totaled SEK 1,306 million (1,275)
- Operating income totaled SEK -9 million (-3)
- The lower result is explained by higher transport costs, reduced e-commerce volumes and challenges in adapting production capacity quickly enough to current volumes
- Delivery quality was 91.1 (89.2) percent in the quarter

# PostNord Finland



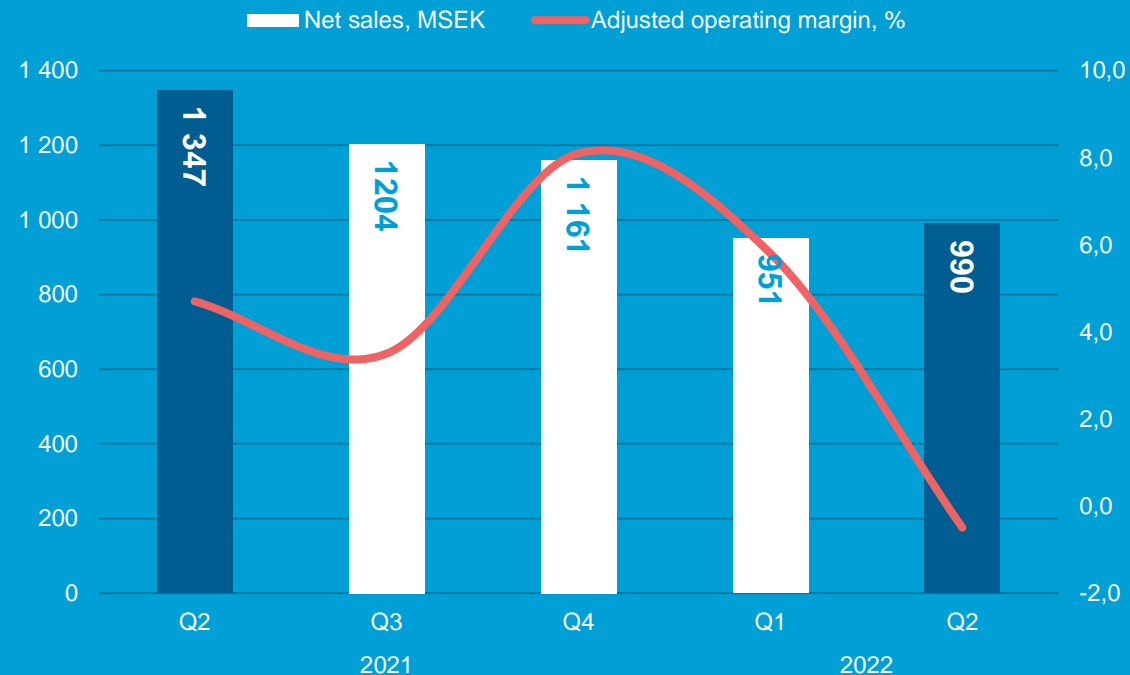
- Net sales totaled SEK 391 million (370)
- Increased deliveries to the healthcare sector
- Operating income totaled SEK 1 million (-1)
- The improved result is a consequence of the increased sales
- Delivery quality for parcels was 86.2 (95.6) percent

# PostNord Strålfors



- **Net sales totaled SEK 509 million (509)**
- **Operating income totaled SEK 27 million (25). The improved result is mainly due to growth within digital services and products as well non-recurring deals in graphic products**

# Other business activities



- **Net sales totaled SEK 990 million (1,347)**
- **Operating income totaled SEK -5 million (63)**
  - Direct Link's sales and earnings decreased sharply after losing a major Asian customer. Additionally, new pandemic restrictions in Asia led to lost volumes
  - In the logistics operations in Germany, parcel volumes have decreased by -7 (32) percent driven by lower exports to the Nordic business-to-consumer market
  - Operating profit includes realized and unrealized gains/losses from forward exchange contracts of SEK -61 (-) million

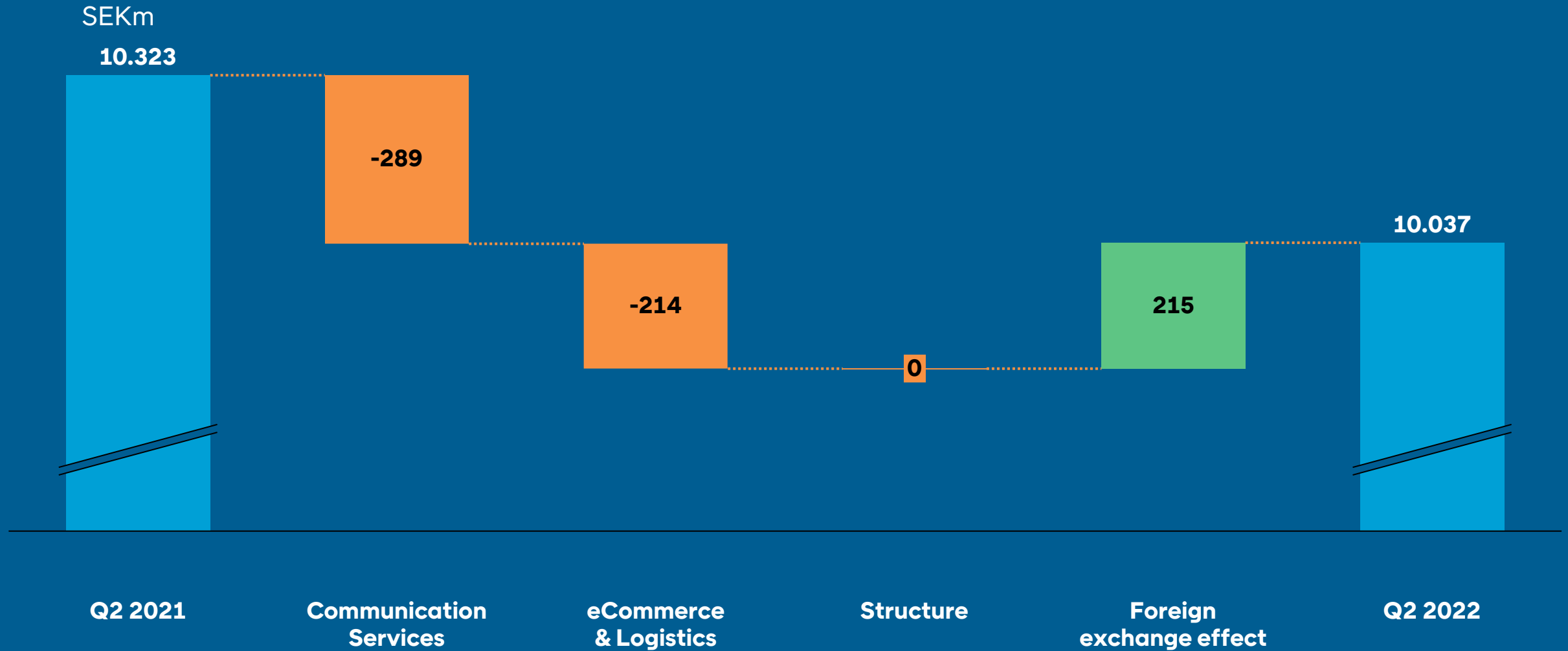
# Financial summary

	Quarter 2/2022	Quarter 2/2021	Change
Net sales, SEKm	10,037	10,323	-5%*
Operating income, SEKm	214	518	-59%
Operating margin, %	2.1%	5.0%	
Adjusted operating income, SEKm	214	518	-88%
Net financial items, SEKm	-24	-46	
Cash flow from operating activities SEKm	536	835	
Return on capital employed (ROCE), %	10.6%	23.0%	

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

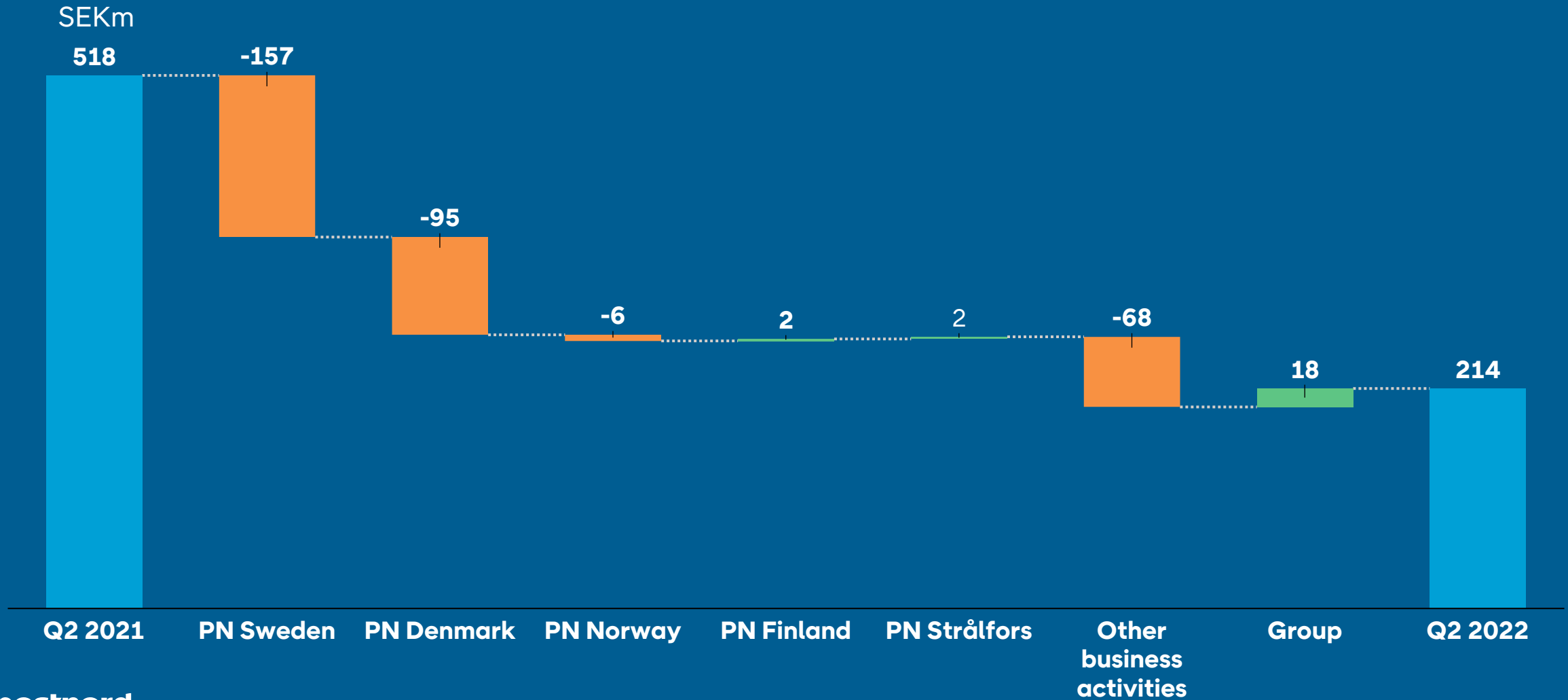
# Net sales

## Q2 2022 vs Q2 2021

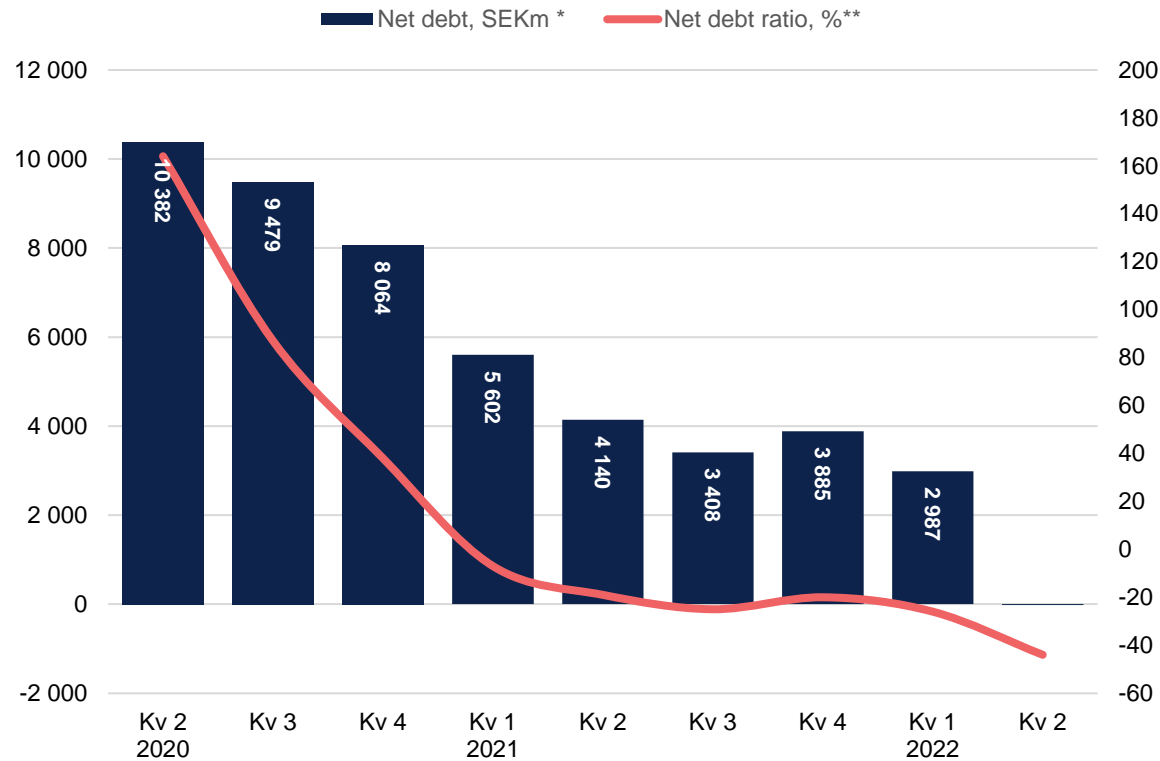


# Operating income

## Q2 2022 vs Q2 2021 (before IAC)



# Net debt

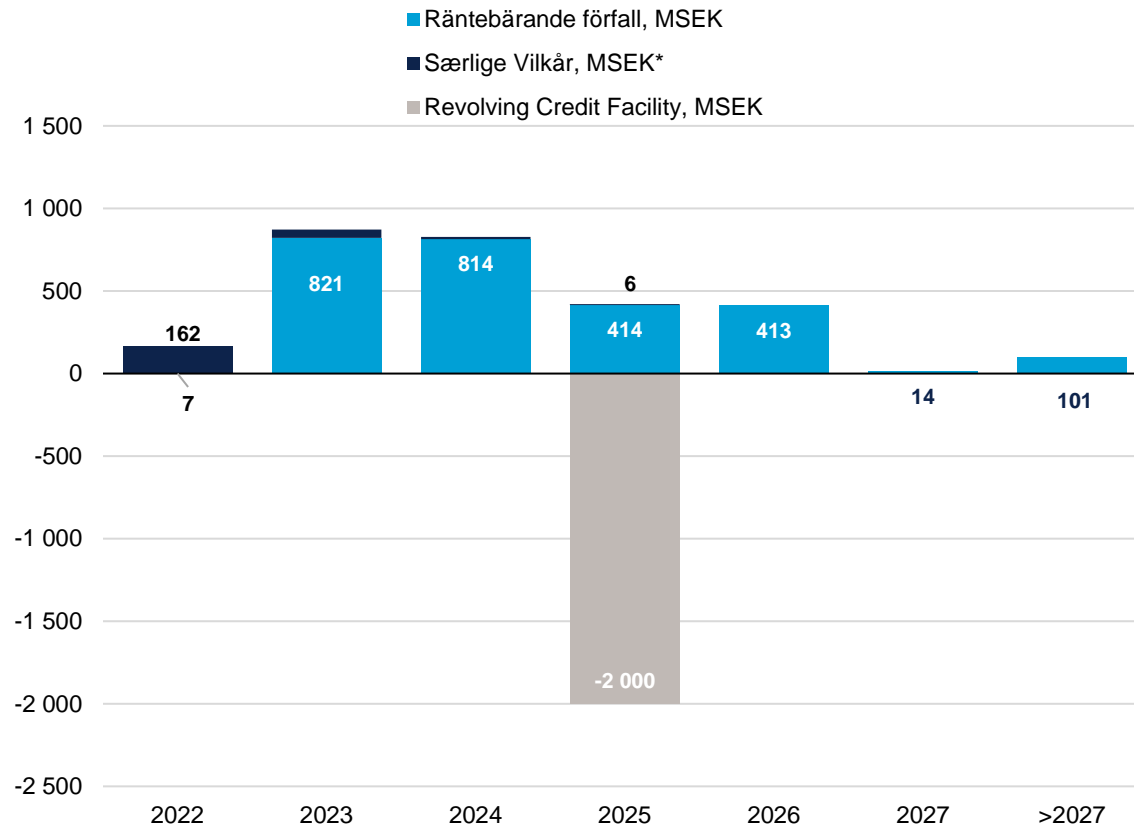


\* Net debt, including lease liability and pension liability

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

- Net debt, including pensions and lease liabilities, decreased by SEK 3,002 million, mainly due to a greater access to pensions and sickness benefit plans
- The net debt ratio including pensions but excluding lease liabilities was -44 percent (target: 10-50%)

# Maturity profile



Exchange rate SEK/DKK 1.44

- 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 continued decline in parcel and mail volumes**
- **PostNord takes appropriate actions to adjust capacity and prices**
- **Continuing to develop our customer offering and infrastructure to improve competitiveness**





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