



Fourth quarter 2018

*A quarter of intensive activity, with a high level of
quality sustained*

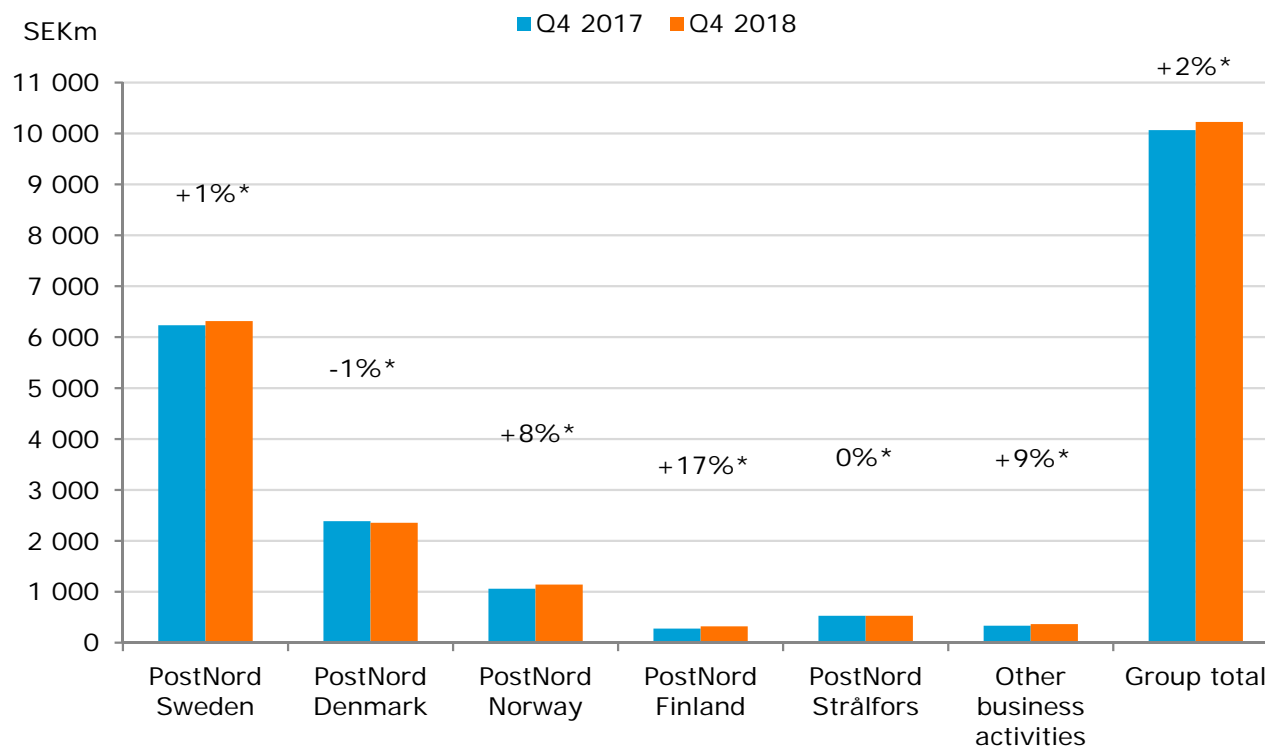
February 1,
2019

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Net sales, Q4 2018

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- Continued decrease in mail volumes in Sweden and Denmark; however, lower letter sales are largely offset by stronger logistics revenue
- Continued increase in e-commerce-related volumes, above all in B2C parcels, and in third-party logistics
- Increased sales in Norway, mainly through growth in e-commerce
- Increased sales in Finland, mainly through strong growth in B2C parcels and firmer prices
- Unchanged net sales for Strålfors, but some decline over the whole year as a result of digitization

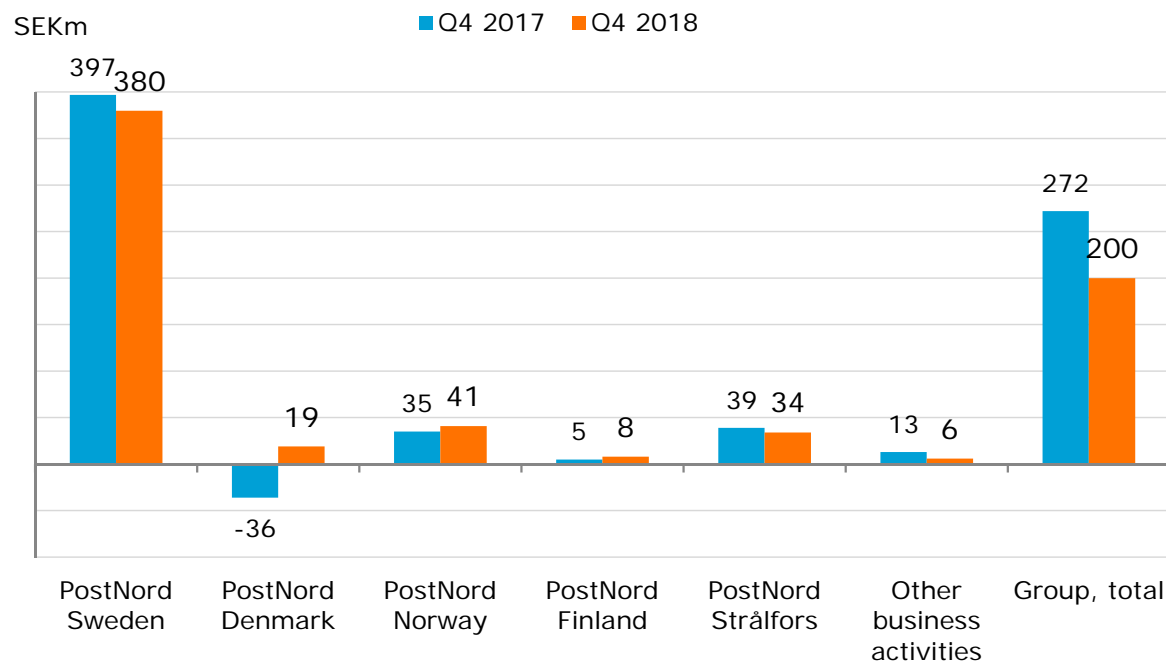


*Not currency adjusted

Adjusted operating income (EBIT) Q4 2018

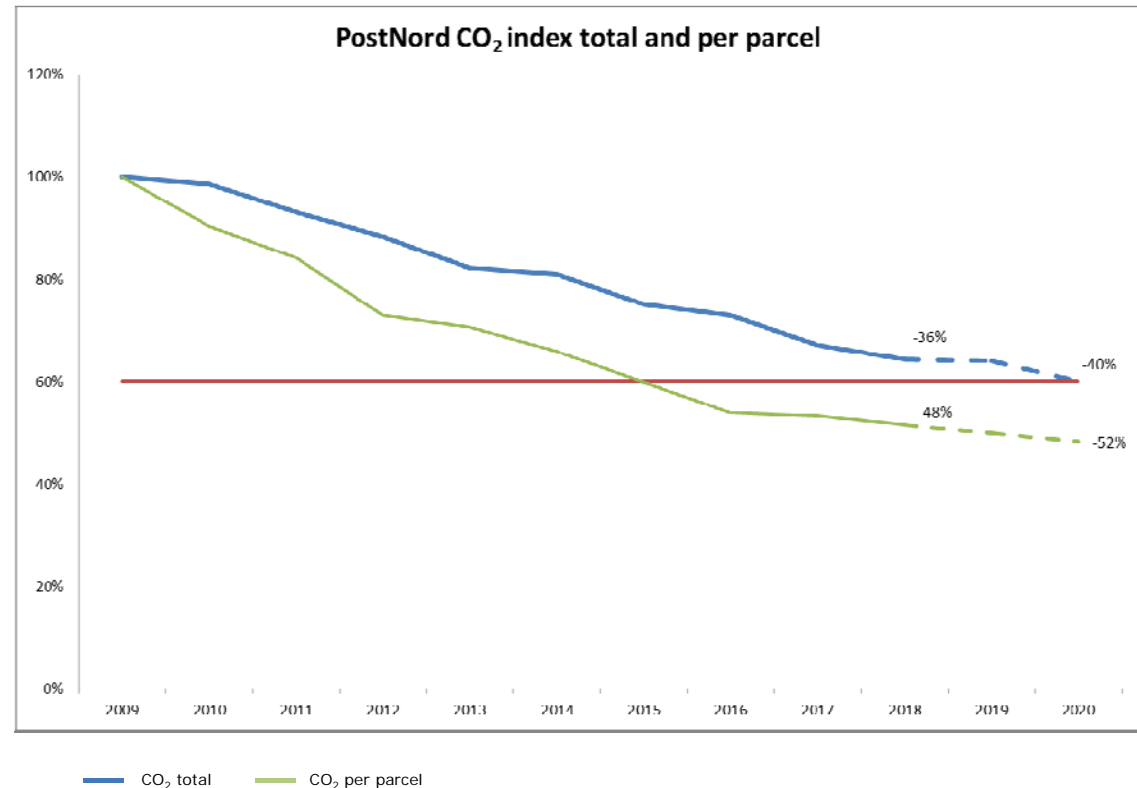
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- Decline in income in Sweden primarily because of lower mail revenue and costs incurred to ensure delivery quality
- Denmark reports improved income as a result of cost savings
- Higher operating income in Norway through increased growth, improved capacity and good quality
- Improved operating income in Finland as a result of growth in above all B2C parcels
- Income for Strålfors positively affected by growth in digital services but weighed down by a decline in print volumes



Climate target 2020

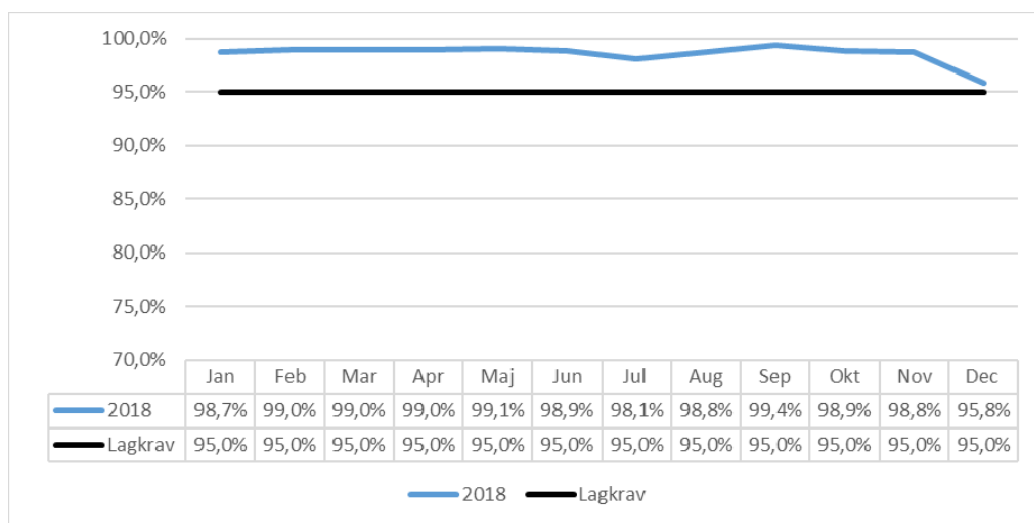
- Our target: To have reduced our CO₂ emissions by 40% in absolute figures by 2020, compared with 2009
- Total CO₂ emissions in 2018 were 5% lower than in 2017
- With the results from 2018 PostNord has reduced its CO₂ emissions by 36% from 2009, so the target for the year was achieved
- Emissions per parcel decreased by 48% over the same period, mainly due to logistics optimization measures, energy savings and the use of biofuels
- A further 4% CO₂ reduction will be required if the target of 40% in 2020 is to be achieved, a challenge that will demand major efforts



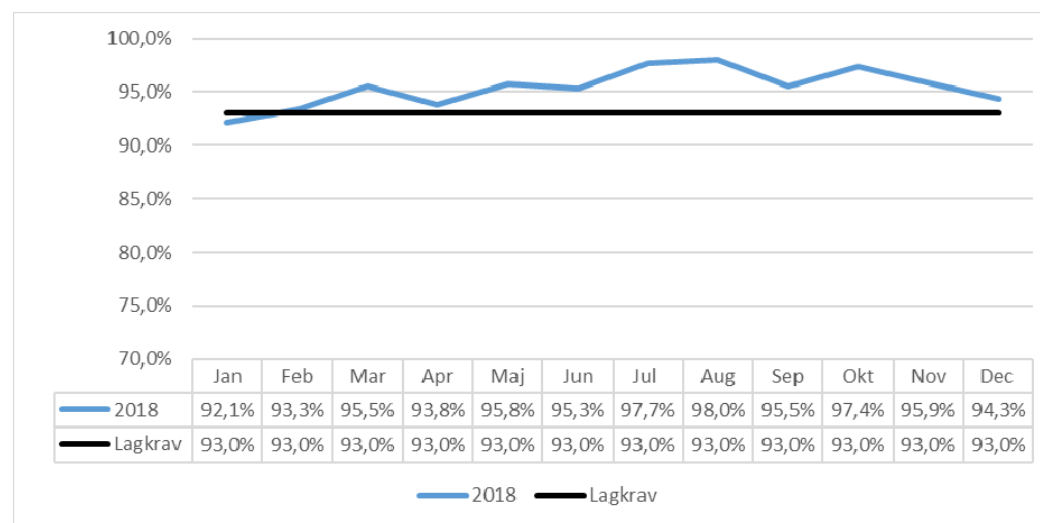
Good quality in mail in 2018

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Sweden



Denmark

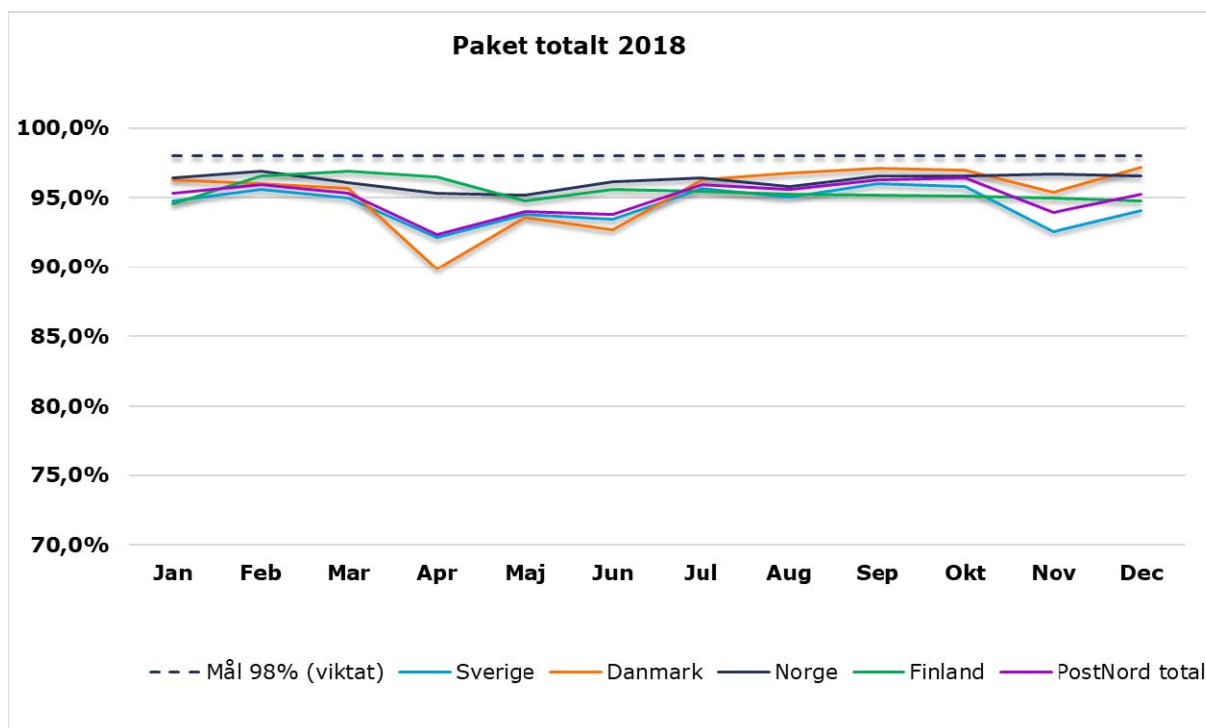


Comment: As of 2018, a new system of postal regulation in Sweden requires 95% of letters posted for two-day delivery to be delivered within two business days. Statistically assured results for comparison with earlier years have not been produced by Kantar TNS.

Quality for parcels in 2018

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- Parcel volumes are increasing in pace with the growth in e-commerce
- The weighted quality in parcels for the PostNord Group was 95.2% in December and 95.2% for the year



Two opposing market trends

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TOTAL PARCELS: +9%
(+ (10%))

PARCELS B2C: +16% (+20%)



LETTERS SE: -13% (-12%)
LETTERS DK: -18% (-11%)
TOTAL LETTERS: -14% (-12%)

PostNord's universal postal service obligation in Sweden and Denmark

- Through Swedish regulation, PostNord is under a duty to ensure that the requirements of the universal postal service are fulfilled; these requirements include, for example, deliveries and collections five days a week throughout the country, together with a quality requirement of 95% within two days
- In Denmark, the three-year universal postal service agreement with the Danish State expires at year-end 2019; against that background, work has started on bringing about a new agreement to apply after 2019
- If the universal postal service is to be operated in an economically sustainable way, the system of regulation must become more predictable and flexible and must allow both increased revenue and ways of limiting the costs of distribution
- To meet the rising costs per letter delivered, and in that way enable the universal postal service to be maintained over time, it is of the utmost importance for PostNord to be allowed the scope to make gradual adjustments to the letter rate in Sweden



From “Black Friday” to “Happy Christmas” – how it went

- The fourth quarter is PostNord’s most intensive period, as Black Friday marks the start of Christmas trading
- Sharply higher e-commerce in the Nordics in the quarter, above all during this period
- Robust planning and preparations produced high delivery quality; more than 3,000 extra employees and an increase in the number of service partners and service outlets during the period
- Record 24-hour period including the night before Tuesday November 27; for the first time, 702,000 parcels passed through the terminals in Sweden and 441,000 in Denmark
- Christmas cards still popular but volumes declining: 16.5 million Christmas cards were sent in Sweden, compared with 20.5 million in 2017
- Planning for the same period in 2019 has begun



PostNord Sweden's CEO Annemarie Gardshol and Head of Communications Emma Riblom sort parcels at the Veddesta terminal during the Christmas period.

Continued expansion of service network for deliveries

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- Most partner outlets in the Nordics, with around 7,200 service points
- Average rating from recipients in PostNord lists, on a scale of 1 to 5 is approximately 4.5-4.7. Around 1.5 ratings over the year
- Analysis of need to expand the number of service points is in progress; indication that the need for partner outlets will be considerable in 2019 in order to meet the growth of volumes in parcels in the Nordics
- Incentive for partner outlets will be increased number of visitors to store, with great opportunity to add value to the business via additional sales
- In addition to the work of expanding the number of service points, strong growth is taking place in various options for home delivery to the mailbox, to the door or to a designated location
- Delivery without confirmation of receipt will also be launched in 2019

Collaborations and channels



Grocery stores



Independent



New partners



partner outlets

Parcel machines



Home delivery

**“Win the trust of employees,
customers and consumers”**

