

PostNord Quarter 3 2020

23 October 2020

Annemarie Gardshol, President and Group CEO

Viktor Davidsson, CFO



Overview

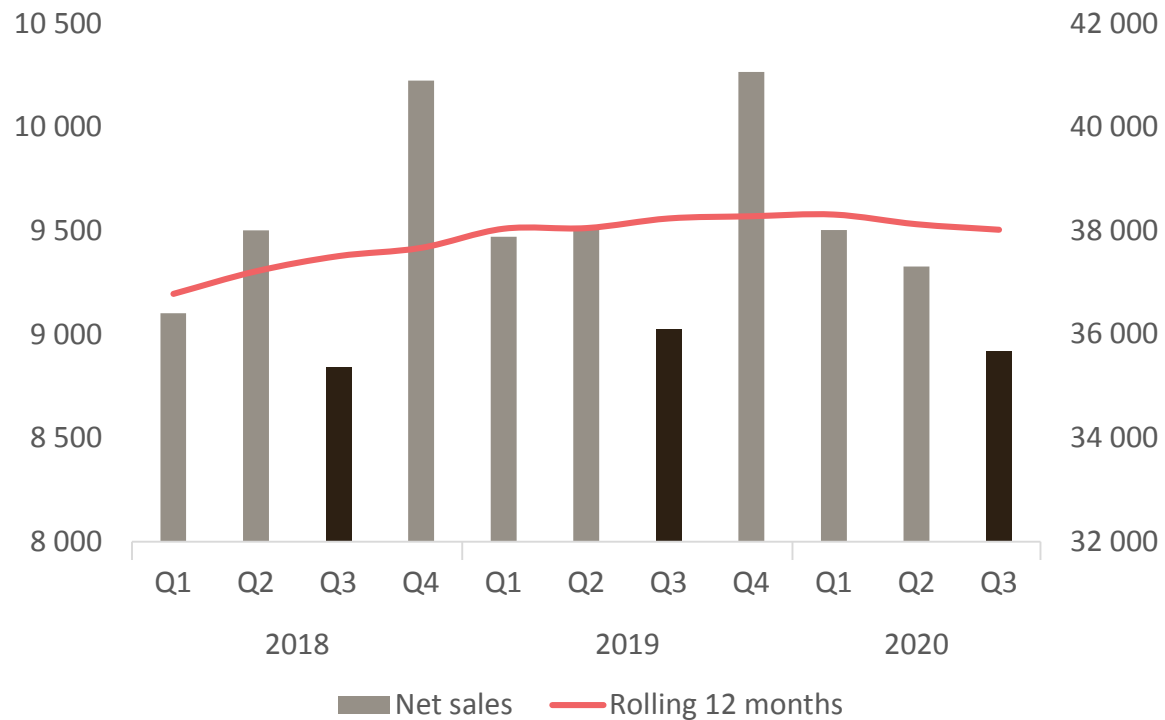
Third quarter

- Significantly improved income
- Target of 40 percent reduction in emissions achieved, from base year 2009
- Start of pilot project for every other day deliveries in Sweden

Effect of the corona pandemic

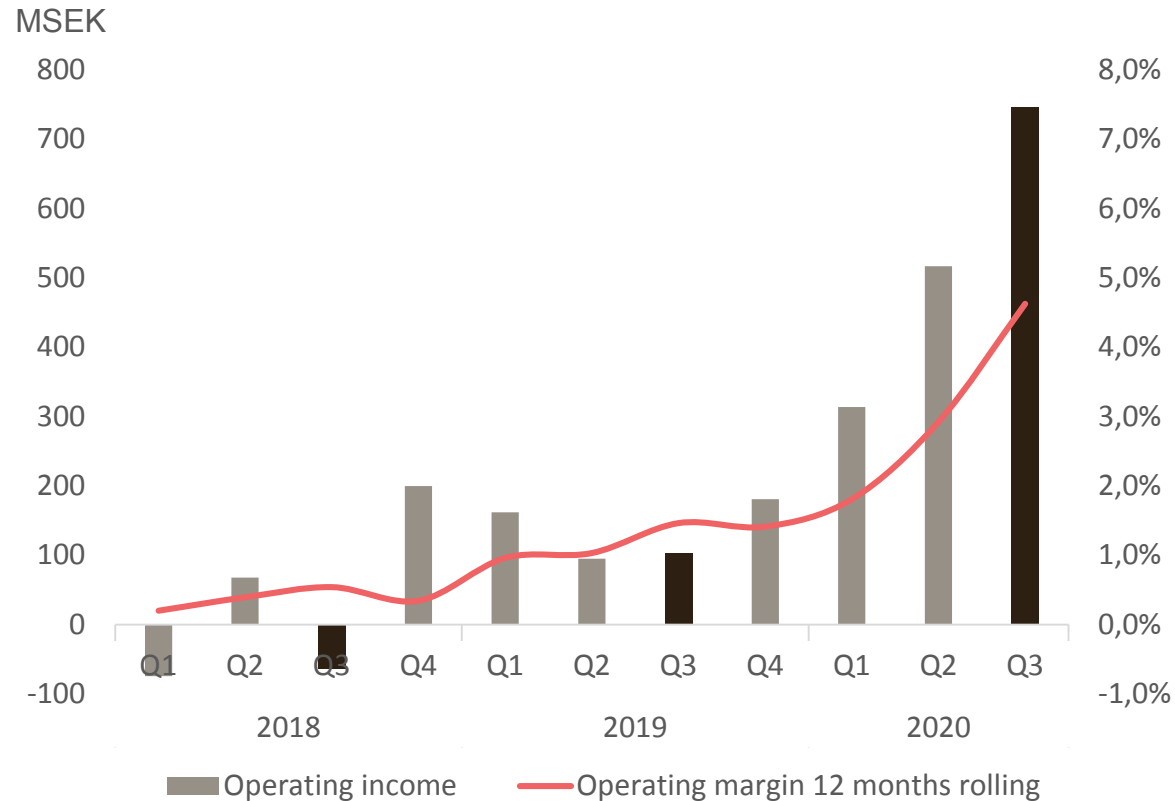
- Continued high growth in e-commerce
- Decrease in advertising mailings and incoming foreign mail

Net sales MSEK



- Net sales amounted to SEK 8,919m (9,026), +2.9% like-for-like
- Mail volumes amounted to 311 million letters, -10%
- Parcel volumes business-to-consumer +16%
- Parcel volumes business-to-business -2%

Operating income



- Operating income amounted to 747 MSEK, 8.4%
- Adjusted operating income 520 MSEK, 5.8%
 - Items affecting comparability of 227 MSEK, relating to capital gains from property sales
- Long-term positive trend
- Transformation programs deliver

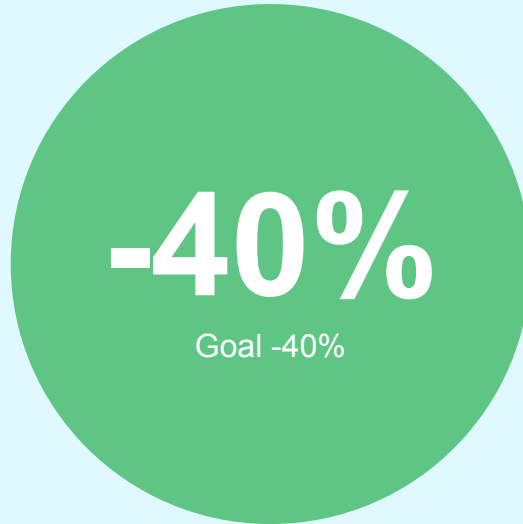
Delivery quality parcels



- Delivery quality PostNord Group 96%
- Challenging conditions during the corona pandemic

Sustainability goals

Climate impact



- CO₂ emissions reduction in relation to 2009 levels

Gender equality



- Percentage of PostNord's managers and leaders being women

Sustainable supply chain



- Share of significant suppliers accepting and adhering to PostNord's Code of Conduct for Suppliers

PostNord Sweden



- Net sales amounted to 5 428 (5 433) MSEK, +3% like-for-like
 - Mail volumes -10%
 - Parcel volumes +6%
- Adjusted operating income amounted to 499 (223) MSEK, 9.2%
 - Transformation programs deliver
- Start of pilot project for every other day deliveries
- Swedish government set out terms of reference for an inquiry to review how the universal postal service (USO) should be financed

98.3%

Delivery quality, mail. Legal requirement 95%
Period from October 2019 to September 2020

95.7%

Delivery quality, parcels. Goal 97%
Refers to the third quarter 2020

PostNord Denmark



- Net sales amounted to 2 123 (2075) MSEK, +5% like-for-like
 - Mail volumes -12%
 - Parcel volumes +14%
- Adjusted operating income amounted to -8 (-51) MSEK, -0.4%
 - Transformation programs deliver
- Compensation under the universal postal service (USO) agreement with the Danish government does not fully offset costs
- Dialogue with politicians continues concerning long-term sustainable mail business in Denmark

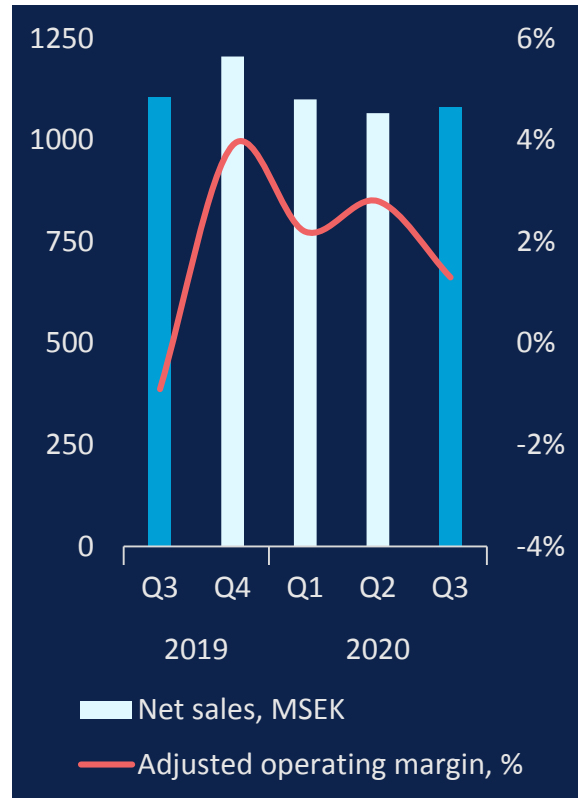
94.8%

Delivery quality, mail. Legal requirement 93%
Period from October 2019 to September 2020

97.4%

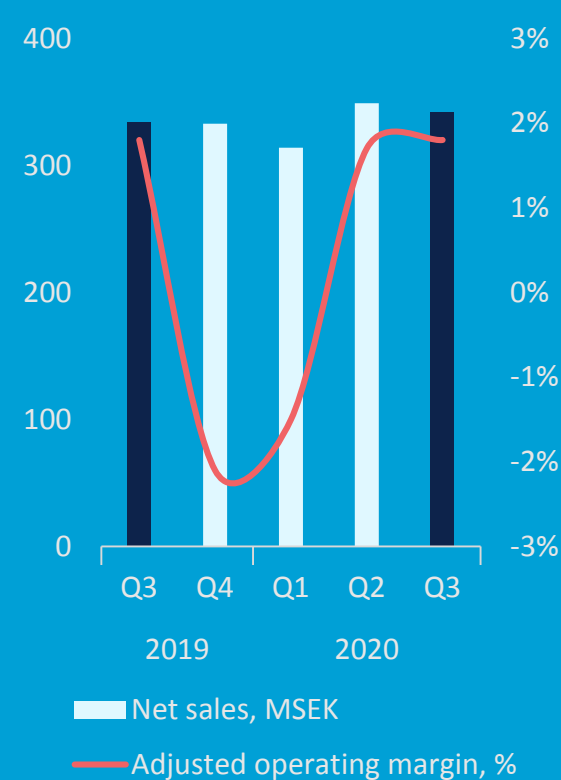
Delivery quality, parcels. Goal 97%
Refers to the third quarter 2020

PostNord Norway



- Net sales amounted to 1 082 (1 105) MSEK, +9% like-for-like
- Operating income amounted to 14 (-10) MSEK, 1.3%
- Weak economy in Norway impacted negatively
- Increased market share
- Delivery quality parcels amounted to 96.0%

PostNord Finland



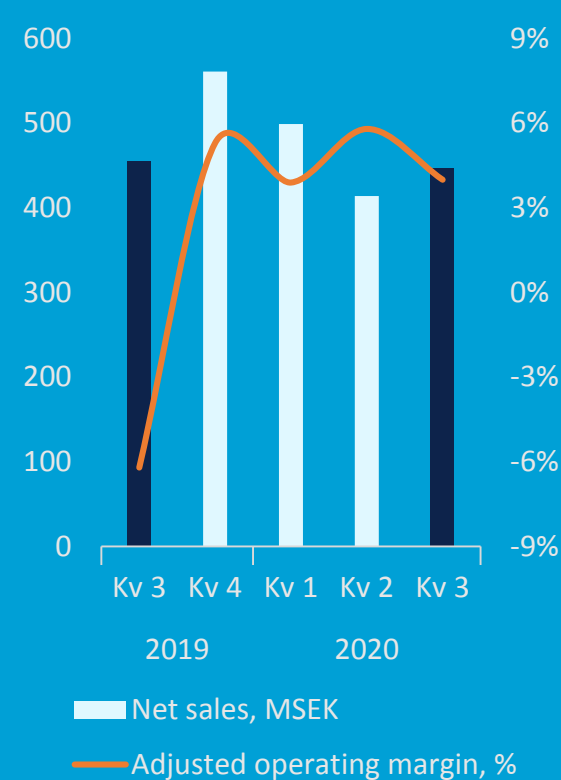
- Net sales amounted to 342 (334) MSEK, +5% like-for-like
- Operating income amounted to 6 (6) MSEK, 1.8%
- Business deals secured and delivered in the Healthcare sector
- Business-to-consumer-volumes +70%
- Delivery quality parcels amounted to 95.6%

PostNord Strålfors



- Net sales amounted to 461 (445) MSEK, +7% like-for-like
- Operating income amounted to 31 (33) MSEK, 6.8%
- Declining market for printing matter
- Transformation program progressed well

Other business activities



- Net sales amounted to 447 (455) MSEK, +3% like-for-like
- Operating income amounted to 18 (-28) MSEK, 4.0%
- Significantly improved income for Direct Link

Viktor Davidsson, CFO

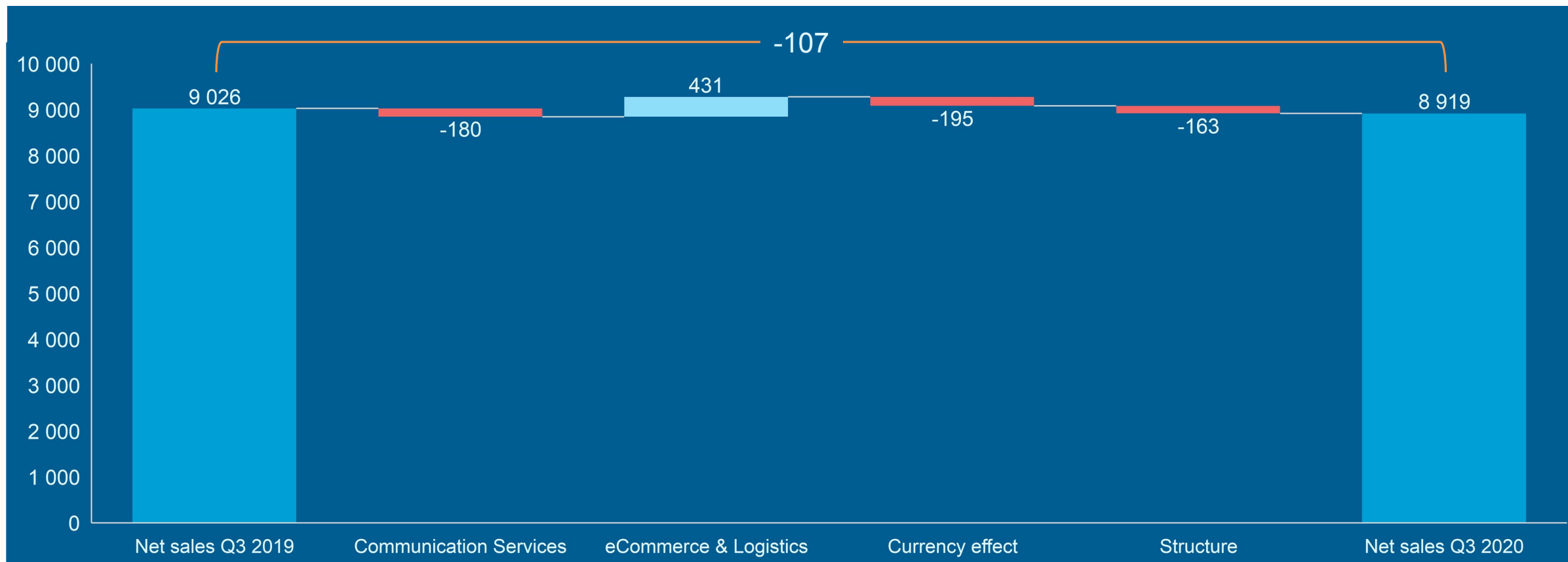


Financial summary

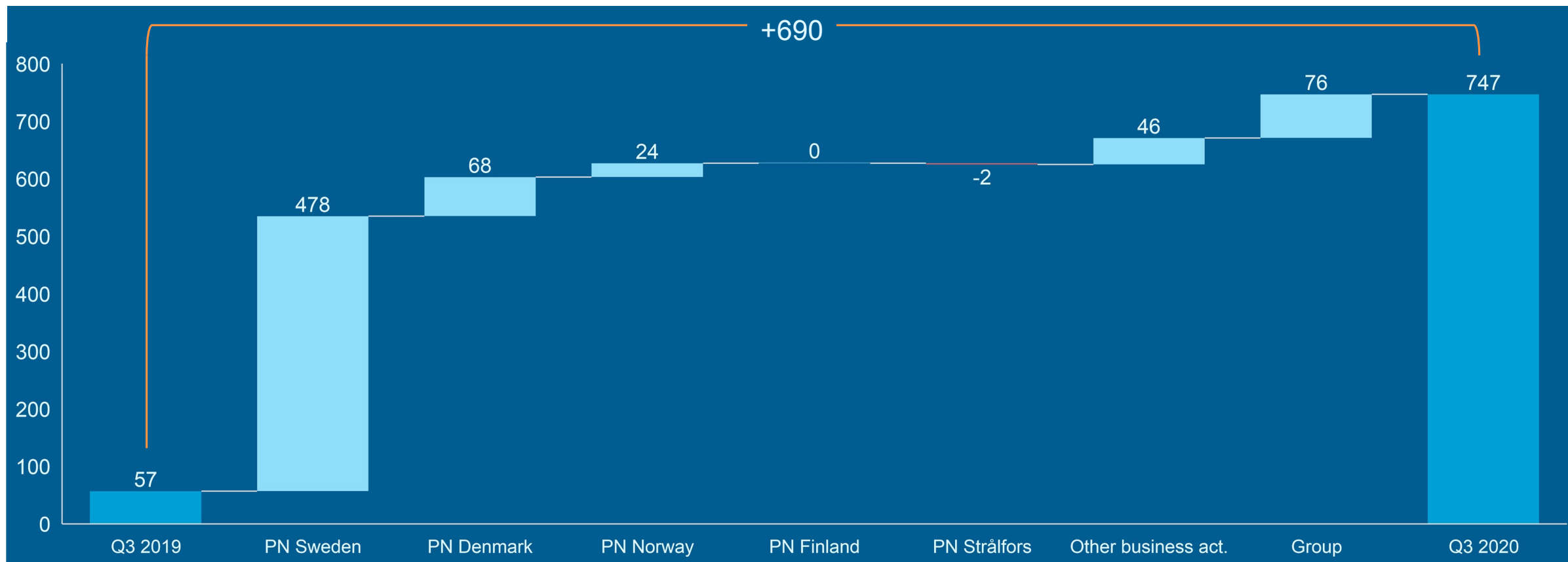
	Quarter 3 2020	Quarter 3 2019	Change
Net sales, MSEK	8,919	9,026	+3%*
Operating income, MSEK	747	57	-
Operating margin, %	8.4%	0.6%	-
Adjusted operating income, MSEK	520	103	-
Financial net, MSEK	-73	-79	+8%
Cash flow from operating activities, MSEK	1,342	0	-
Return on capital employed (ROCE)	12.2%	3.3%	-

* Change in fixed currency for comparable units

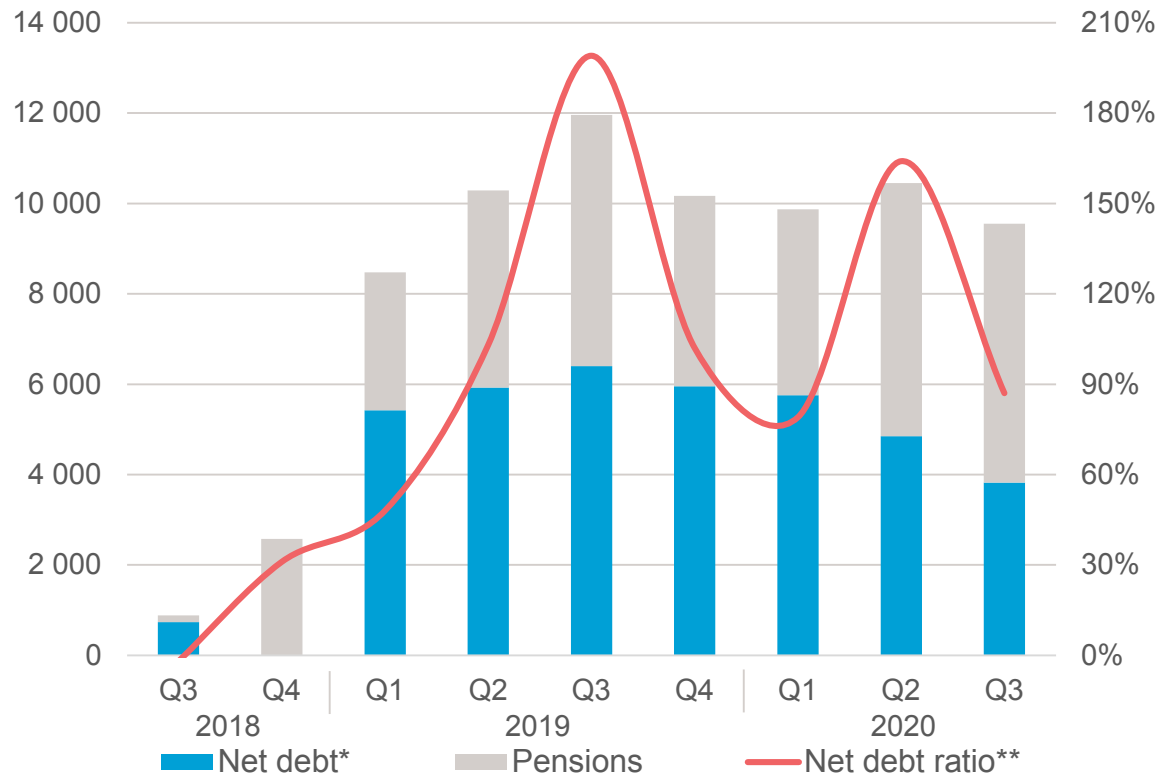
Net sales Q3 2020 versus Q3 2019 MSEK



Operating income Q3 2020 versus Q3 2019 MSEK



Net debt MSEK

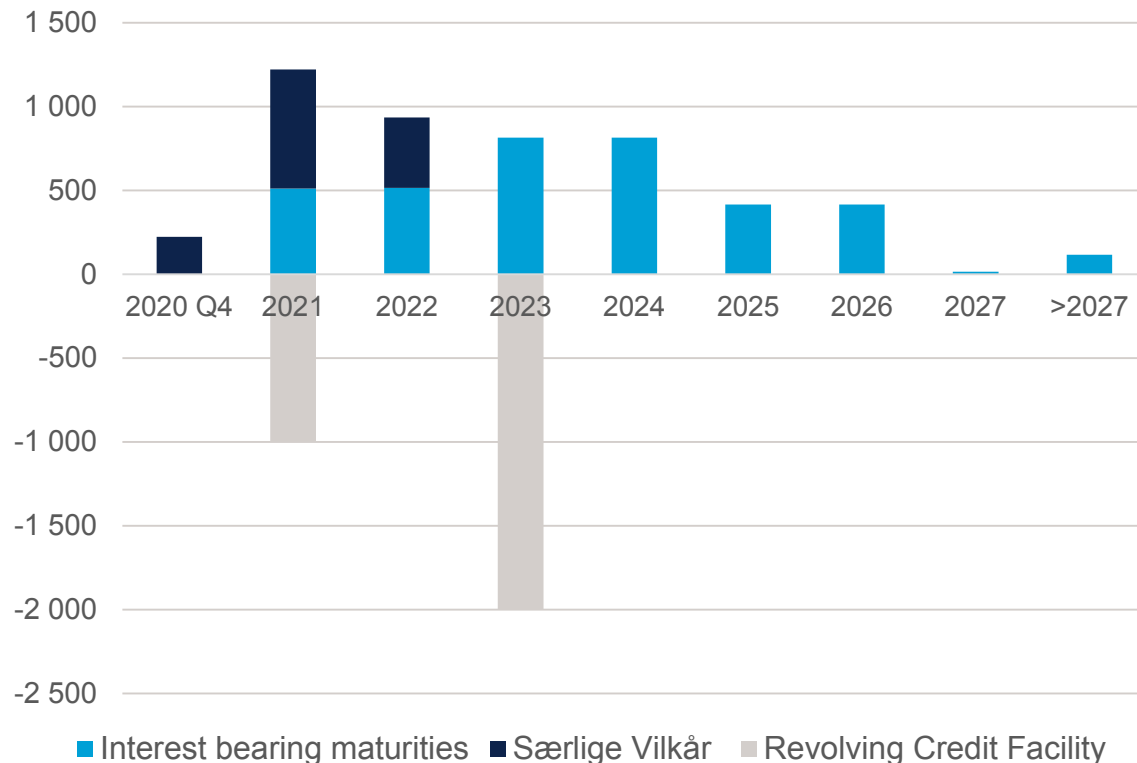


- **Net debt** declined and amounted to 3,823 MSEK
- **Pensions** increased somewhat and amounted to 5,725 MSEK
- **Net debt ratio** amounted to 87%, above the target of 10-50%

*Net debt including lease liabilities, excluding pensions

**Net debt ratio including pensions and excluding lease liabilities

Maturity profile



- The interest bearing debt portfolio primarily consists of bond loans amounting to 2.4 billion SEK and bilateral loans amounting to about 1.2 billion SEK
- Payouts for Særlige Vilkår* until 2022
- Revolving Credit Facility unutilized at the end of the quarter

*The restructuring of the Danish organization resulted in costs for personnel reduction, and was accounted for in 2018. Payout to employees with special conditions, so called 'Særlige Vilkår', extends until 2022.

Summary

- PostNord plays an important role
- Continued good pace in our transformation programs
- Marked shift towards increased eCommerce, home deliveries in particular
- Continued strong result development
- Target of 40 percent reductions in emissions achieved,
- Start of pilot project for every other day mail deliveries in Sweden
- Ongoing dialogue with Danish government concerning a long-term USO agreement



Thank you

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