

# First quarter 2021

**Annemarie Gardshol**  
President and Group CEO

**Viktor Davidsson**  
CFO

27 April 2021



# Strong earnings improvement and continued high e-commerce volumes

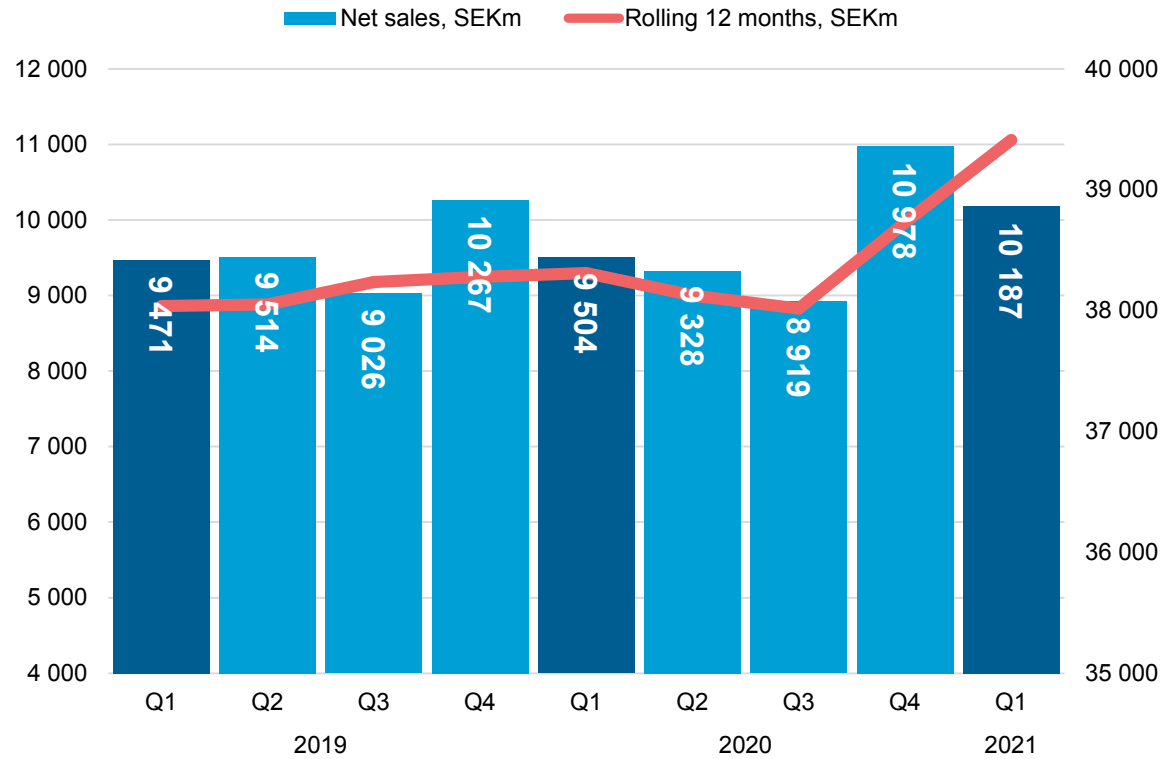
## Overall comments

- The steady growth within e-commerce results in a very strong volume growth for parcels, while the trend for mail volumes remains negative due to ongoing digitalization.
- The improvement programs are running according to plan, which, together with the net sales growth, is the foundation for the sharply improved result.
- Within the framework of PostNord's ambitious sustainability agenda, work is being carried out at a high level of intensity.

## Outcome

- Operating income (EBIT) improved by nearly 180 percent to SEK 878 (314) million – all segments show an improvement in operating income
- Parcel volumes increased by a total of 32 (1) percent, mainly driven by growth in B2C volumes
- Letter volumes decreased by 12 (12) percent
- During the quarter, the corona pandemic contributed to increased parcel volumes (B2C), increased demand for home deliveries and a higher short-term sick leave in Sweden

# Net sales



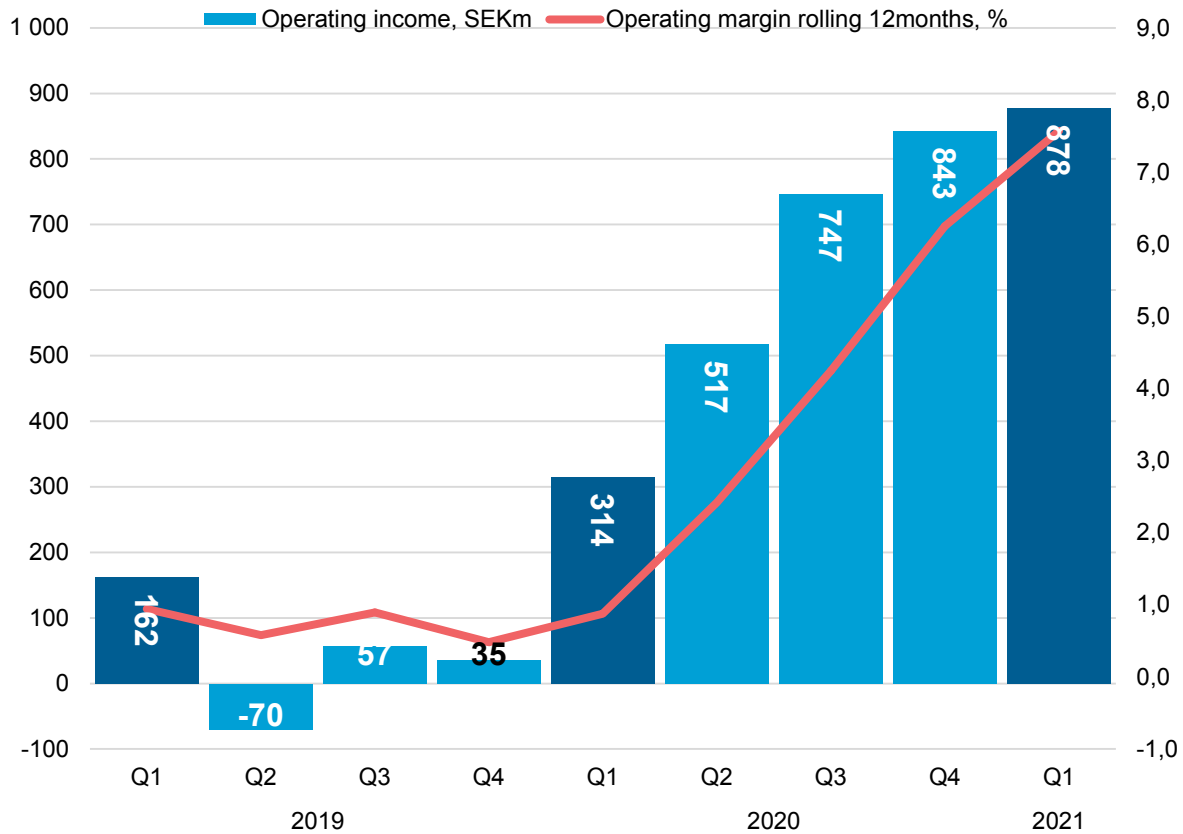
Net sales amounted to  
**SEK 10,187m**  
(9,504), +12%  
Like-for-like

Mail volumes amounted to  
**336 million letters**  
-12% (-12)

Parcel volumes business-to-business  
**+5%**

Parcel volumes business-to-consumer  
**+47%**

# Operating income



Operating income amounted to

**SEK  
878m**  
**+179%**

Adjusted operating income amounted to

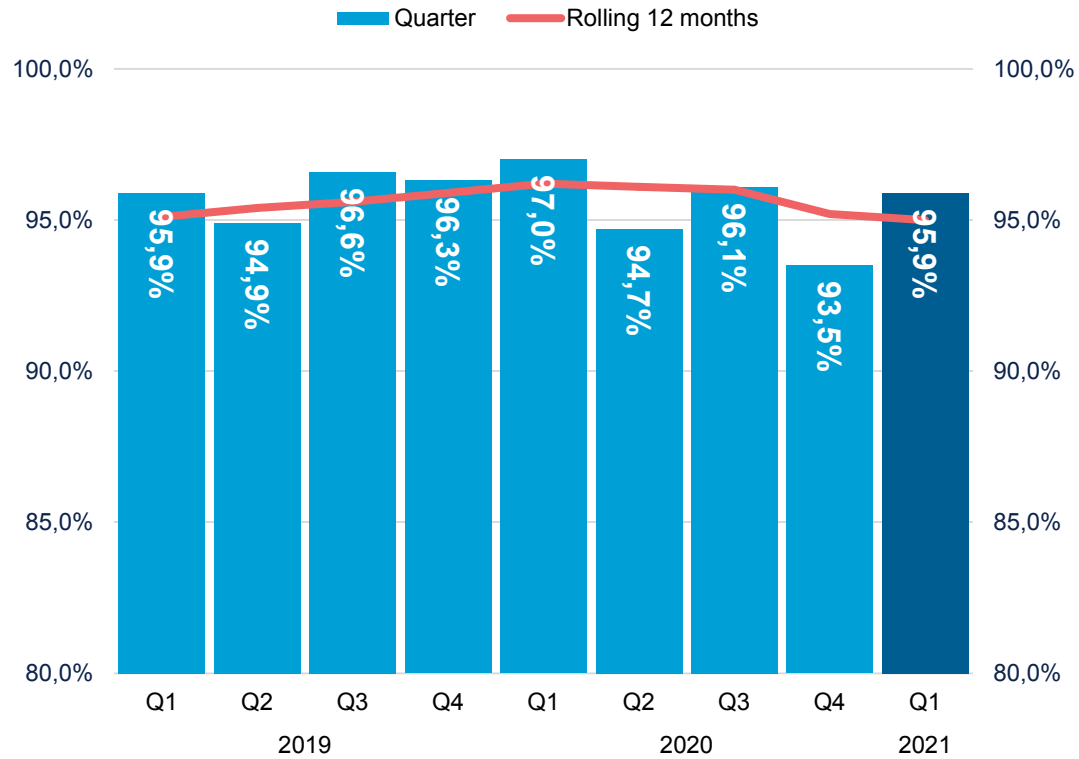
**SEK 805m**  
**+156%**  
Items affecting comparability of SEK 72m mainly from capital gains from property sales.

Improved EBIT-margin

**8.6%** (3.3)

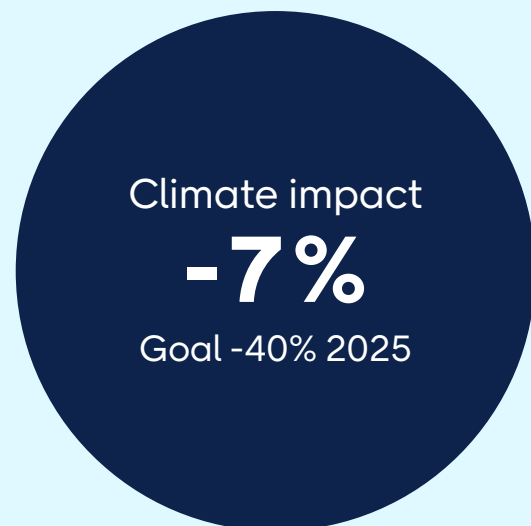
**Another  
strong  
quarter**

# Delivery quality parcels

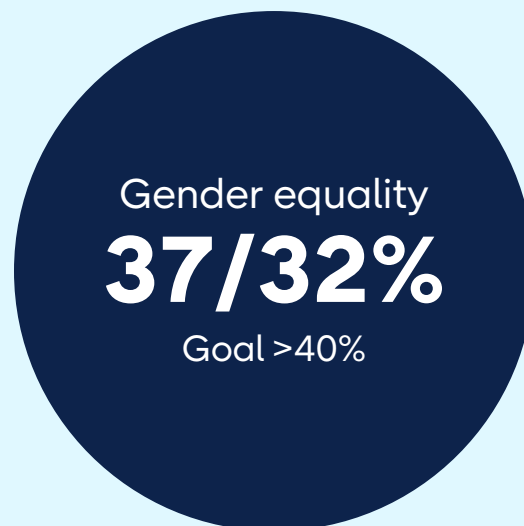


- **Delivery quality PostNord Group 95.9%**
- **Strong volume growth B2C**
- **Increasing demand for home deliveries**

# Sustainability goals Q1 2021



CO<sub>2</sub> emissions reduction in relation to 2020 levels



Percentage of PostNord's managers and leaders of under-represented gender

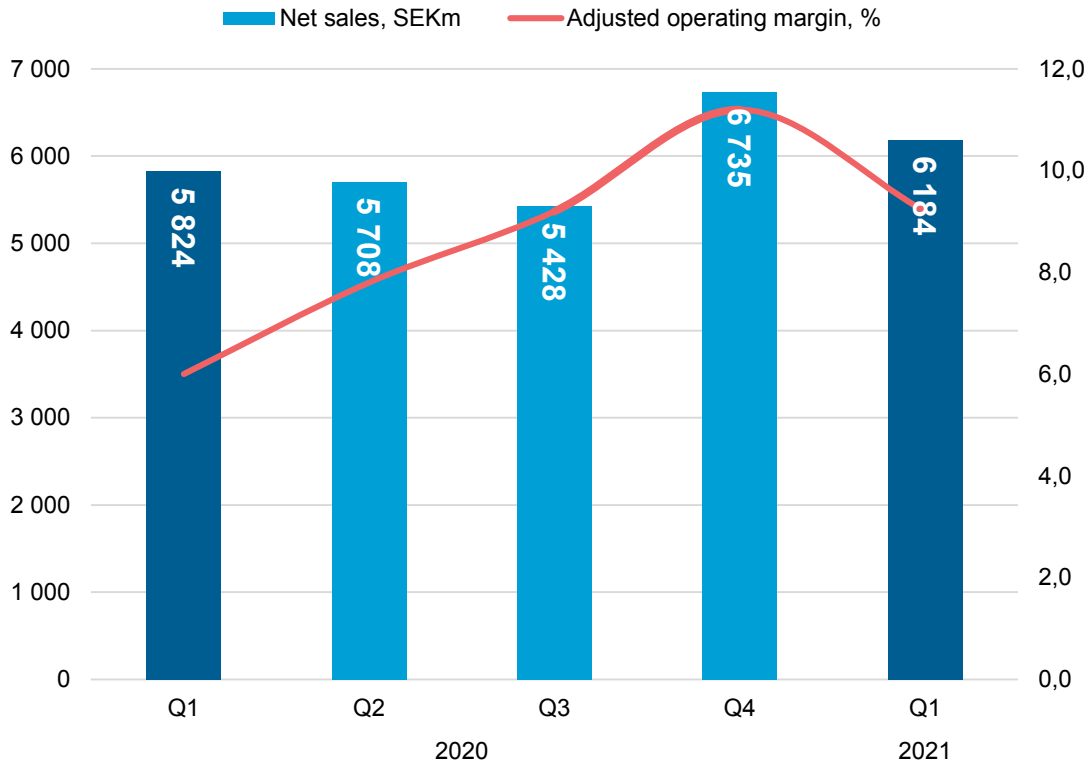
Level 1-3: 37% female leaders

Level 4-6: 32% female leaders



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

# PostNord Sweden



# 97.5%

Delivery quality, mail.

Legal requirement 95%

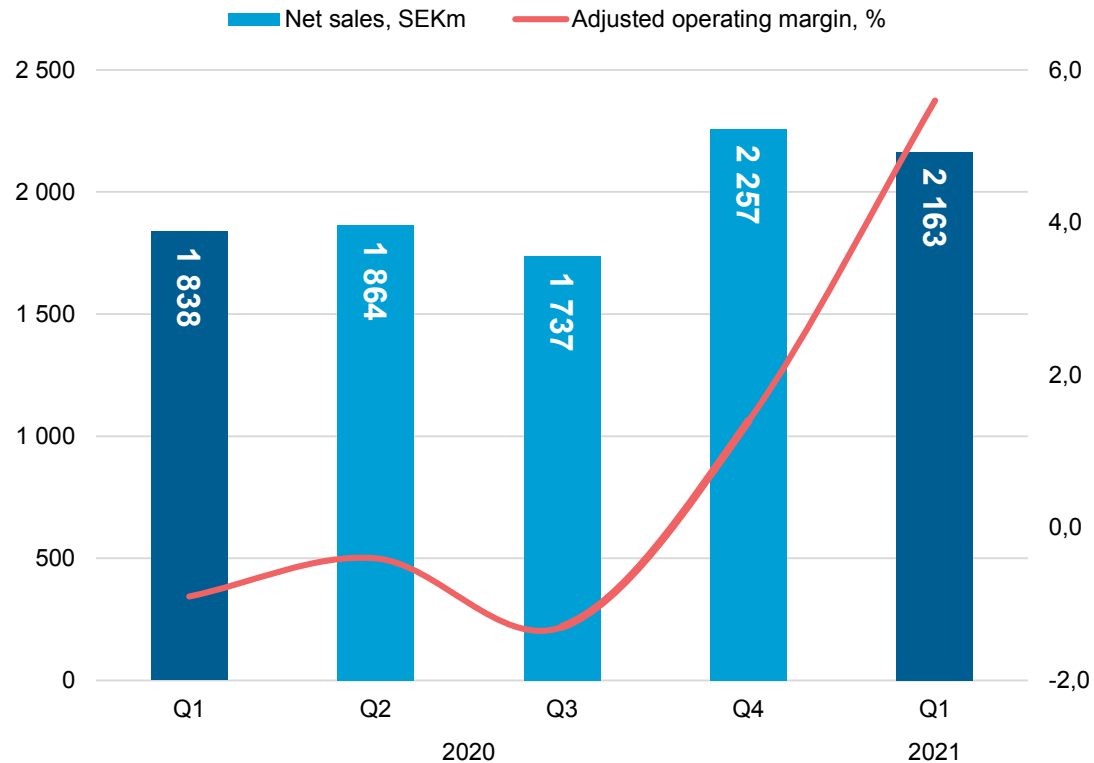
# 95.9%

Delivery quality, parcels.

Target 97%

- **Net sales amounted to SEK 6,184m**
  - Mail volumes -12%
  - Parcel volumes +16%
- **Adjusted operating income amounted to SEK 568m (338)**
- **Every second day delivery introduced in southern Sweden**
- **Launch of real-time tracking of home deliveries and postal codes as a complement to stamps**
- **Continued rollout of parcel boxes**
- **Research project on which measures to reduce the amount of unnecessary air in parcels that provide the greatest climate effect**
- **PostNord named the most sustainable logistics company**

# PostNord Denmark



PostNord's operations in Germany has been transferred from segment PostNord Denmark to segment Other business activities as from 1 January 2021. Comparable figures are recalculated.

# 95.9%

Delivery quality, mail.

Legal requirement 93%

# 95.5%

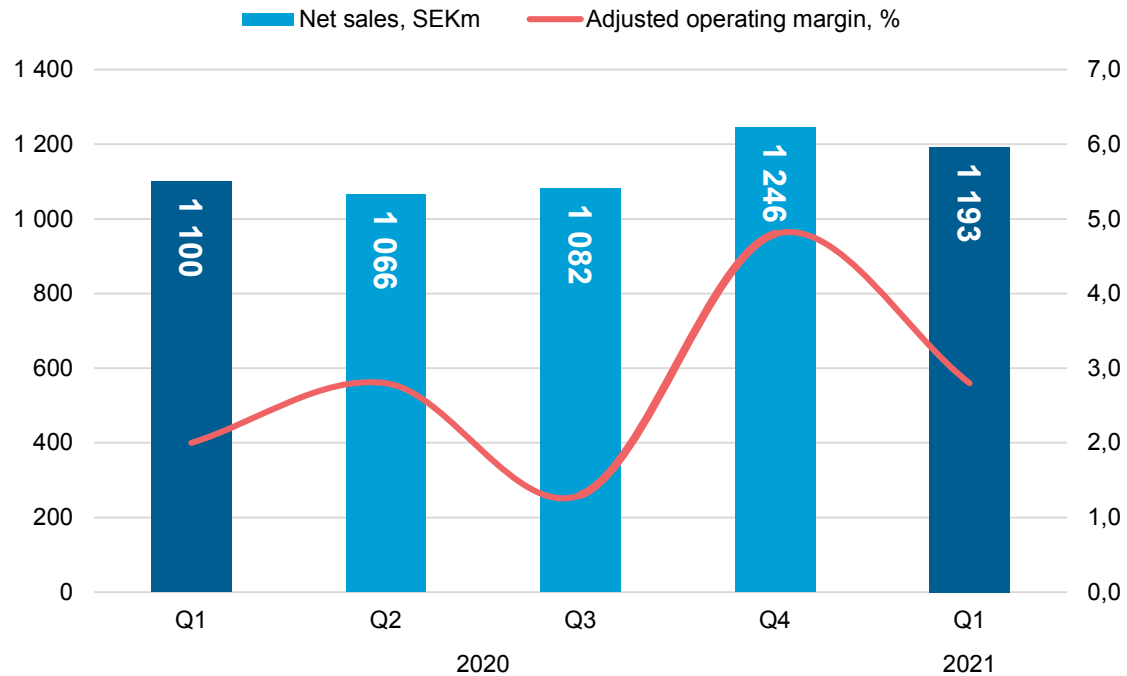
Delivery quality, parcels.

Target 97%

- **Net sales amounted to SEK 2,163m (1,838)**
  - Mail volumes -14%
  - Parcel volumes +53%
- **Adjusted operating income amounted to SEK 121m (-17)**
- **Capital gains from real estate sales of SEK 72m**
- **Distribution of packages every day of the week throughout the country**
- **Continued establishment of new delivery points**
- **Stamps with Danish everyday heroes**
- **Dialogue with the Danish Ministry of Transport to be resumed later this year**

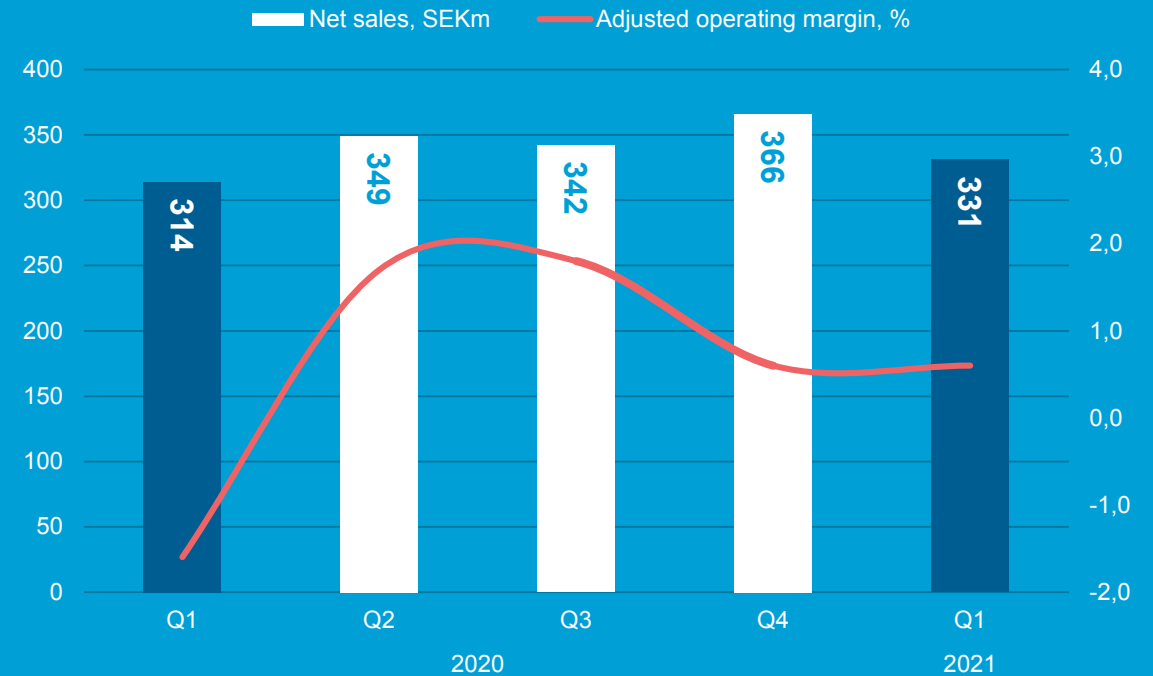


# PostNord Norway



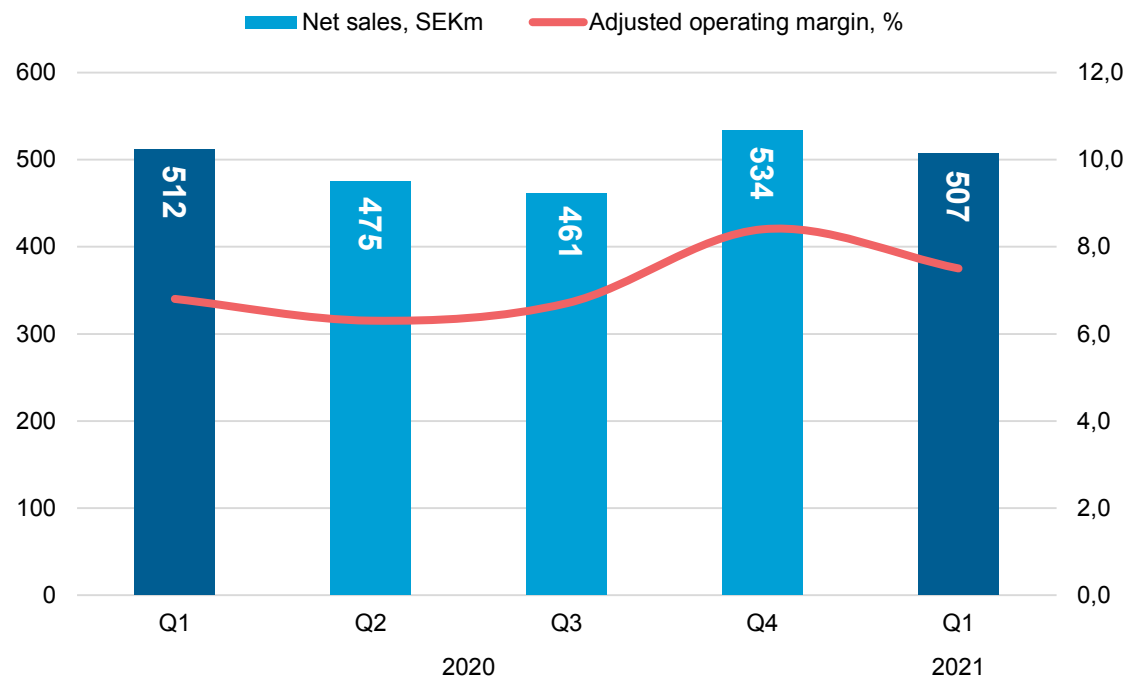
- Net sales amounted to SEK 1,193m (1,100)
- Operating income amounted to SEK 33m (24)
- Delivery quality parcels amounted to 96.1%
- Decided on investments in Bergen and Drammen
- Continued rollout of parcel boxes

# PostNord Finland



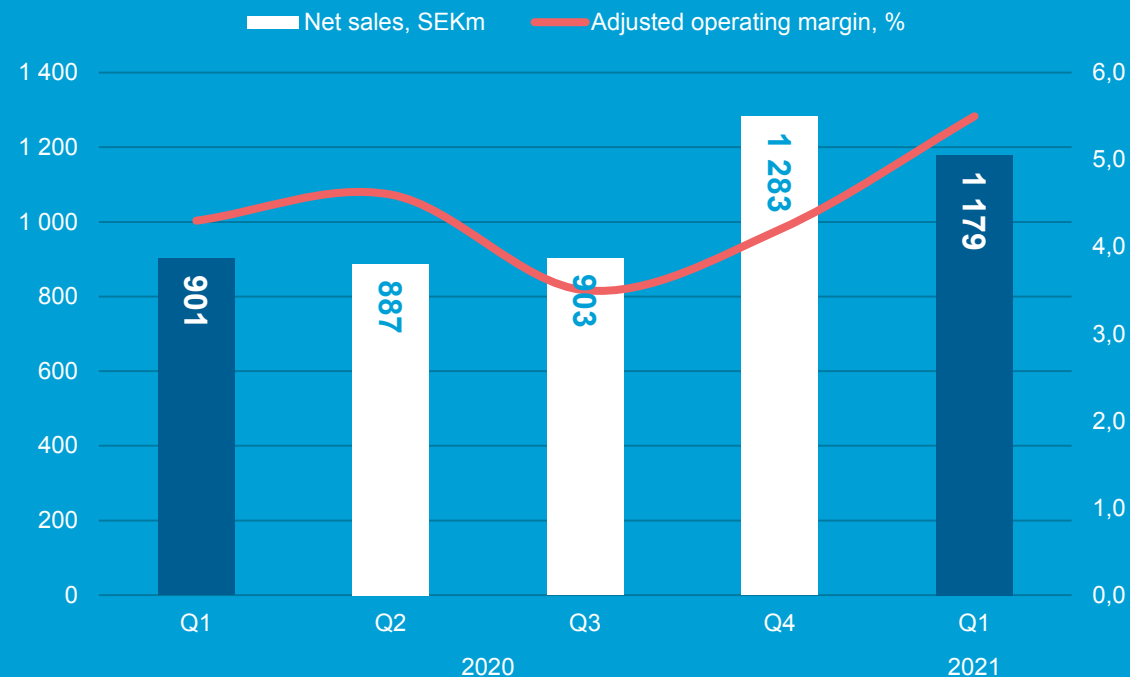
- Net sales amounted to SEK 331m (314)
- Operating income amounted to SEK 2m (-5)
- Delivery quality parcels amounted to 96.4%
- Deliveries to the health care sector
- Decided on terminal investments in Vantaa
- Launch of real-time tracking of home deliveries

# PostNord Strålfors



- Net sales amounted to SEK 507m (512)
- Operating income amounted to SEK 38m (35)
- Declining market for printing matter – increase in digital deliveries
- Improvement program progressed well
- Printing and delivery of orthopedic parts in 3D for healthcare

# Other business activities



- Net sales amounted to SEK 1,179m (901)
- Operating income amounted to SEK 65m (39)
- Direct Link has successfully adapted its cost structure and customer offering
- Germany shows strong growth in parcel volumes

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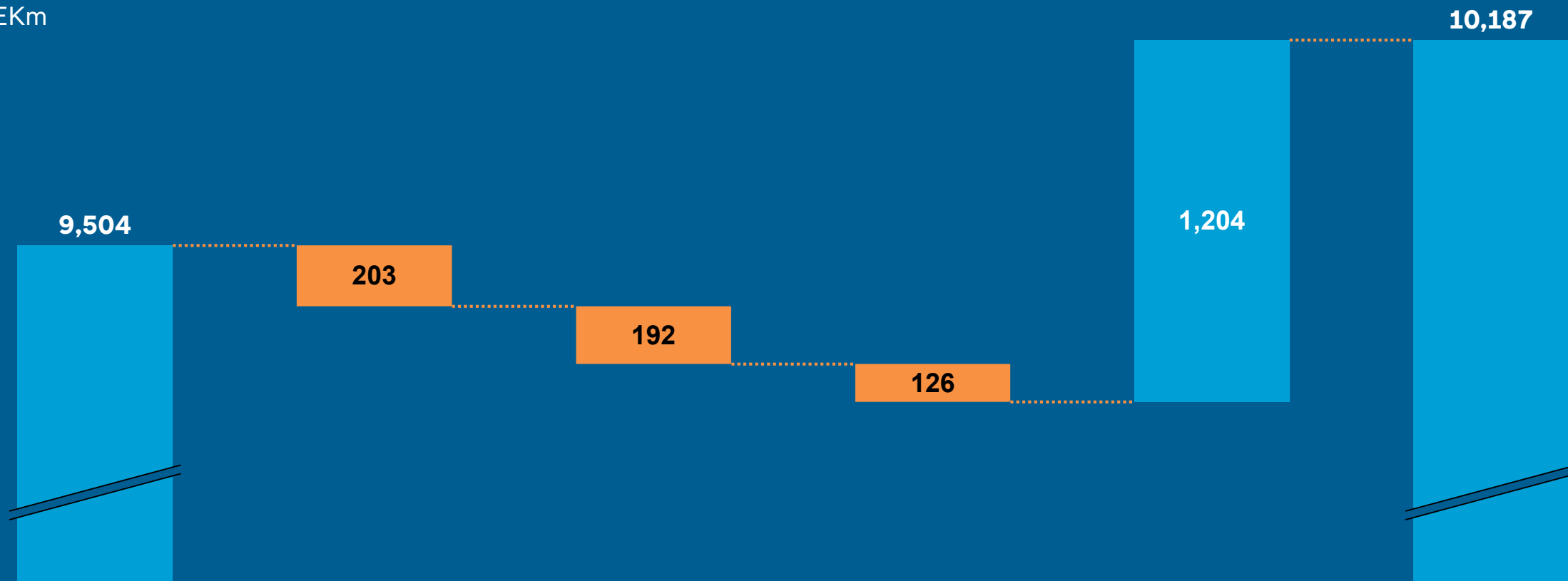
# Financial summary

	Quarter 1 / 2021	Quarter 1 / 2020	Change
Net sales, SEKm	10,187	9,504	+12%*
Operating income, SEKm	878	314	+179%
Operating margin, %	8.6%	3.3%	-
Adjusted operating income, SEKm	805	314	+156%
Financial net, SEKm	-48	-15	-
Cash flow from operating activities, SEKm	1,134	757	-
Return on capital employed (ROCE), %	22.9%	2.6%	-

\* Change at fixed exchange rates for comparable units

# Net sales Q1 2021 vs Q1 2020

SEKm



Q1, 2020

Structure

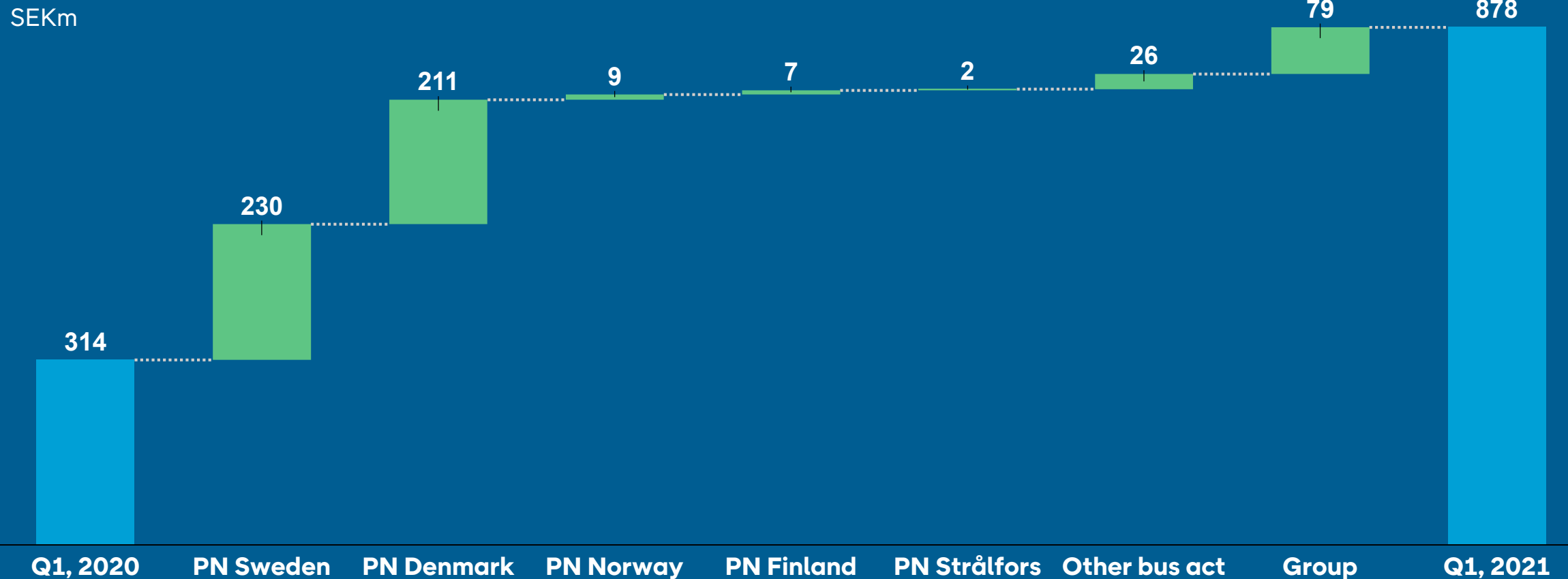
Currency effect

Communication  
Services

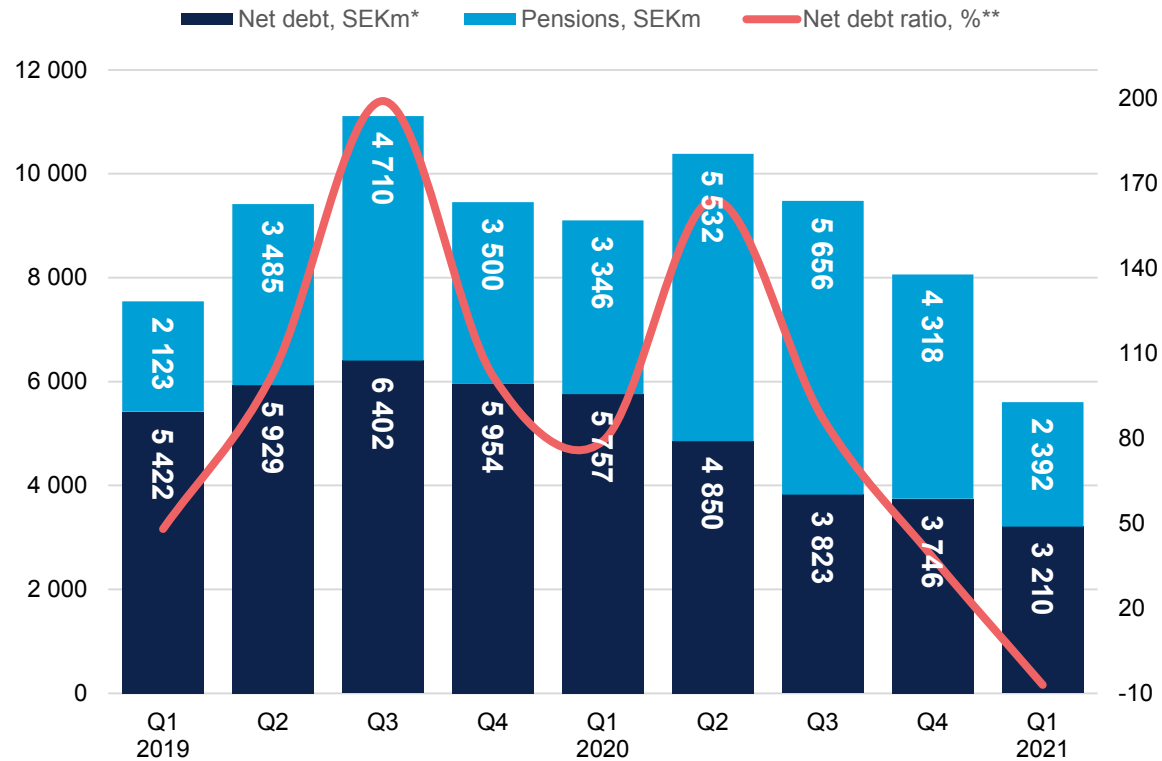
eCommerce  
& Logistics

Q1, 2021

# Operating income Q1 2021 vs Q1 2020



# Net debt

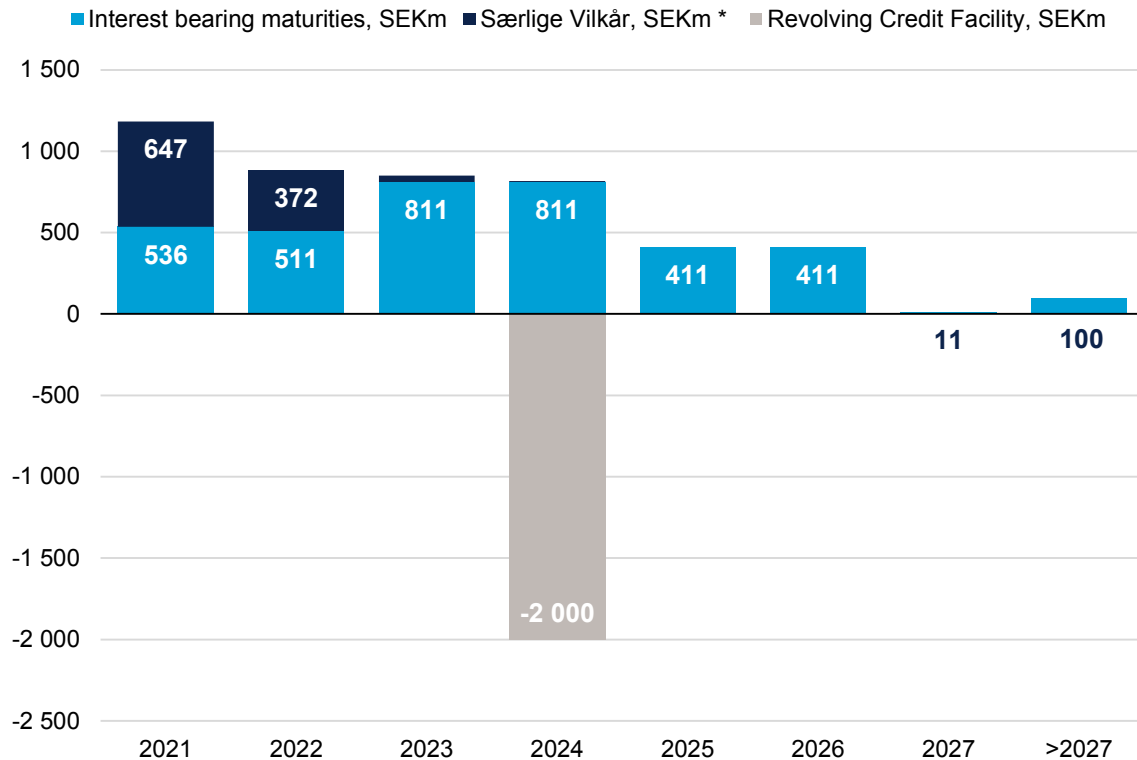


\* Net debt including lease liabilities, excluding pensions

\*\* Net debt ratio including pensions and excluding lease liabilities

- Net debt declined with SEK 2,462m and amounted to MSEK 5,602
- Pensions declined with SEK 1,926m and amounted to MSEK 2,392
- Net debt ratio amounted to -7% (target 10-50%)

# Maturity profile



SEK/DKK 1,39

- 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
- Main 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 mainly until 2022.

# Summary

- **Very high demand for parcels and homedeliveries as e-commerce increase**
- **Continued good pace in our improvement program**
- **Yet another strong result showing marginal improvement**
- **Stable delivery in our sustainability agenda**





Contact information:

Malin Nordén, Head of Brand & Communication  
PostNord Group  
malin.norden@postnord.com  
+46 10 436 00 00

Media contact PostNord Group  
press@postnord.com  
+46 10 436 10 10

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