

Second quarter 2021

16 July 2021

postnord



A strong second quarter and first half year for PostNord

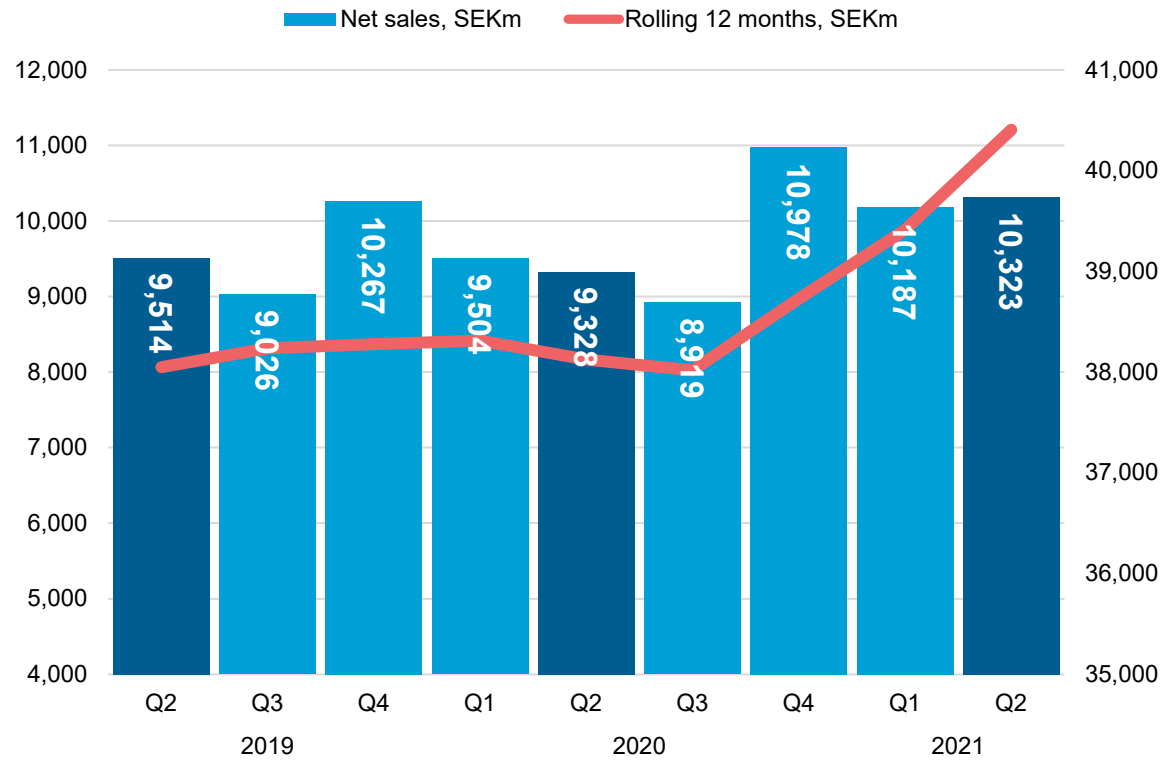
Overall comments

- The steady growing e-commerce business results in continued strong volume growth in the logistics business.
- The improvement programs are running according to plan, which together with sales growth has laid the foundation for the stable result in the quarter and the sharply improved result for the first six months of the year.
- Within the framework of PostNord's ambitious sustainability agenda, the work is conducted with high intensity.

Outcome

- Operating profit (EBIT) amounted to SEK 518 (517) million - sales growth and improvement programs behind result improvement
- Adjusted operating profit improved by 28 percent from SEK 404 million to SEK 518 million
- Parcel volumes increased by 21 (14) percent driven by continued growth in business-to-consumer and recovery in business-to-business
- Letter volumes decreased by -4 (-19) percent - Strong quarter driven by increased need for public information and market communication and that the previous year was negatively affected by the corona pandemic

Net sales



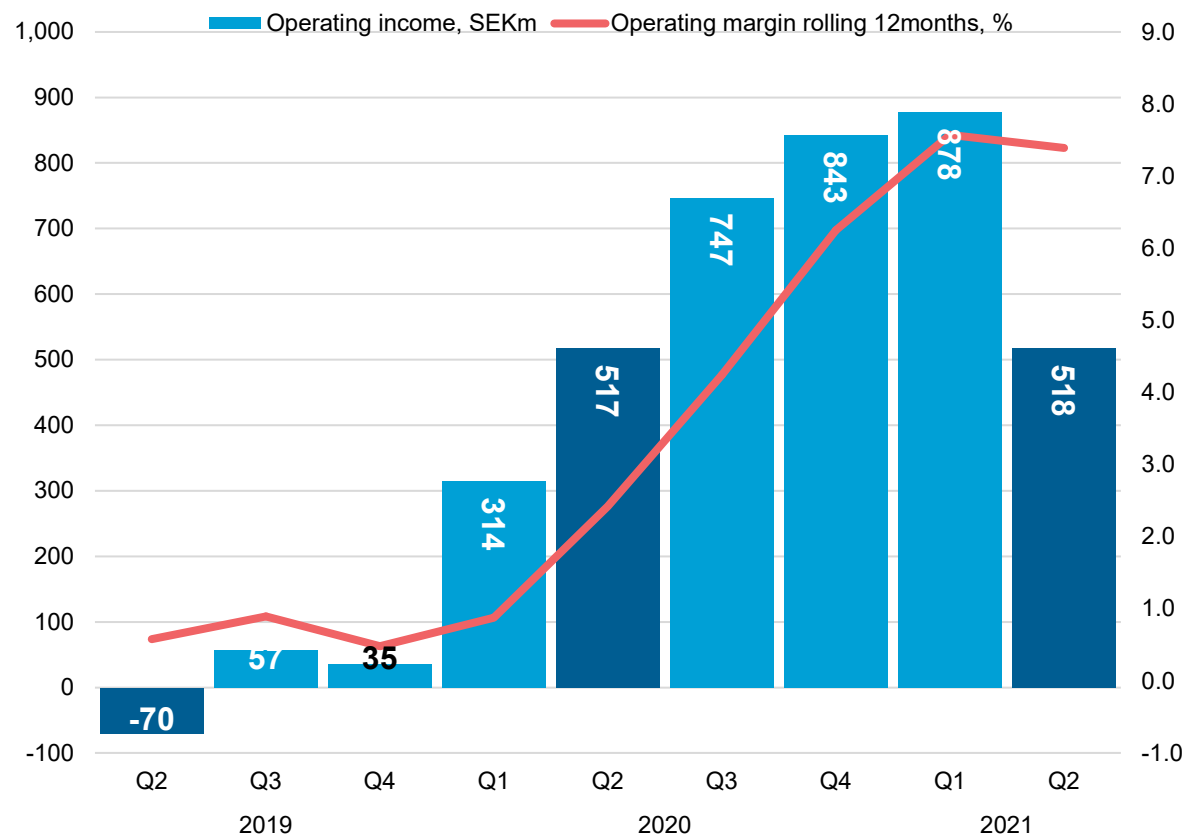
Net sales amounted to
SEK 10,323m
(9,328), +13%
Like-for-like

Mail volumes amounted to
307 million letters
-4% (-19)

Parcel volumes business-to-business
+19%

Parcel volumes business-to-consumer
+22%

Operating income



Operating income amounted to

**SEK
518m**
+0%

Adjusted operating income amounted to

SEK 518m
+28%

EBIT-margin
Q2

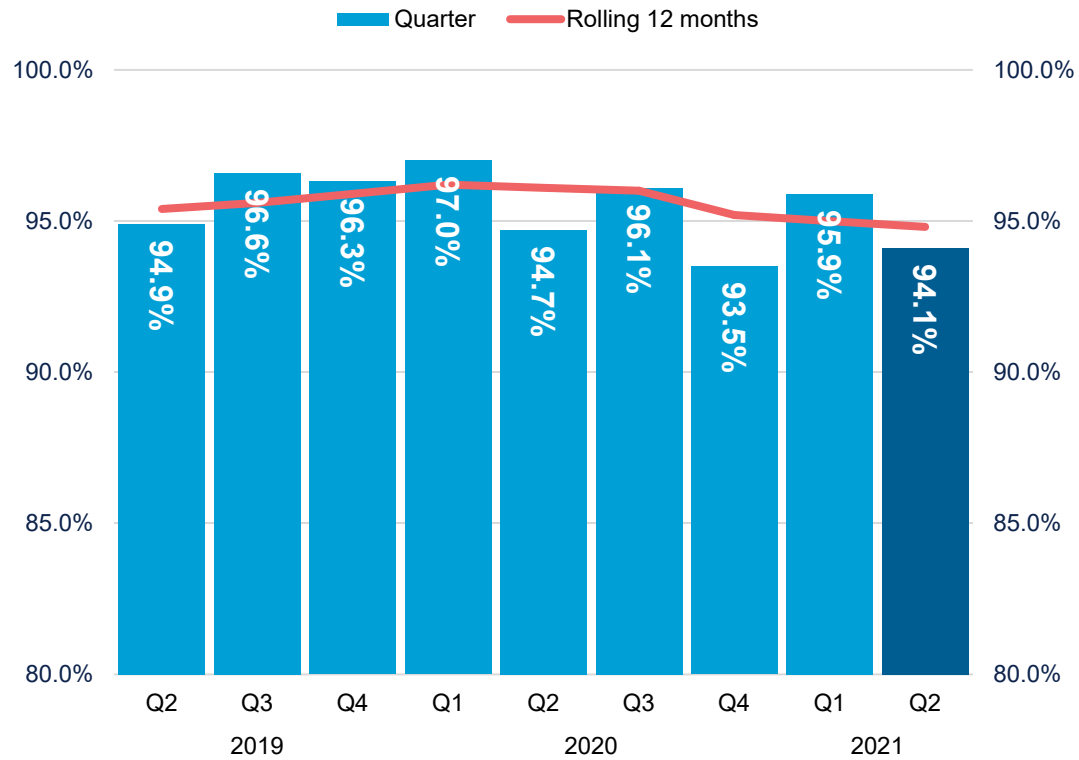
5.0% (5.5)

Rolling 12
months

7.4% (2.4)

**Another
strong
quarter**

Delivery quality parcels

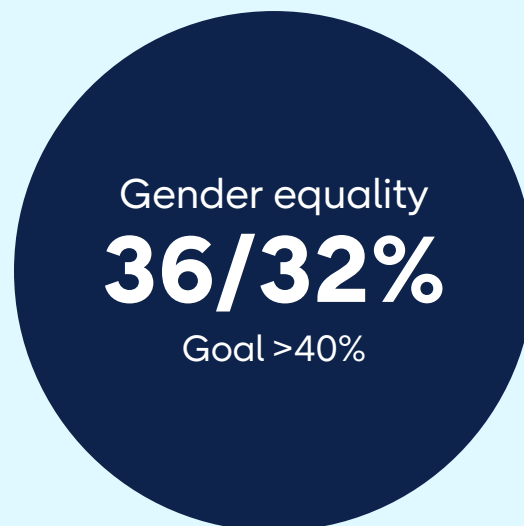


- Delivery quality PostNord Group rolling 12 months 94.8% (Q2 94.1%)
- Continued B2C volume growth and B2B recovery
- Increasing demand for home deliveries

Sustainability



CO₂ emissions reduction in relation to 2020 levels



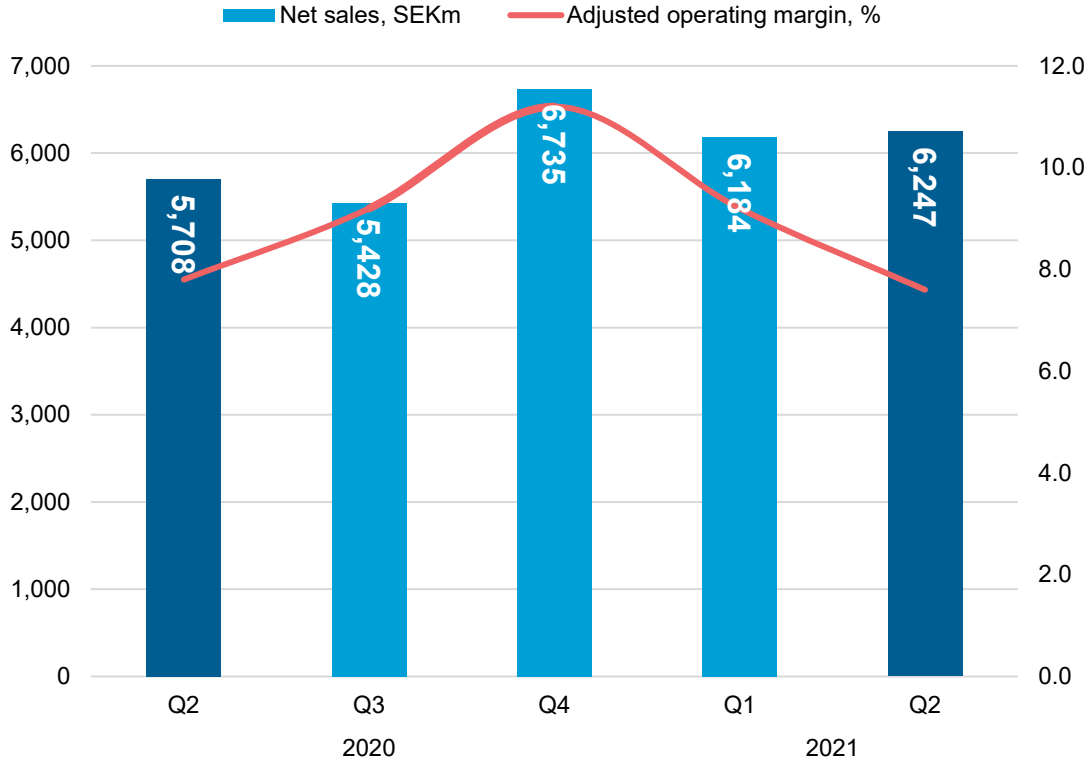
Percentage of PostNord's managers and leaders of under-represented gender

Level 1-3: 36% 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



97.8%

Delivery quality, mail.

Legal requirement 95%

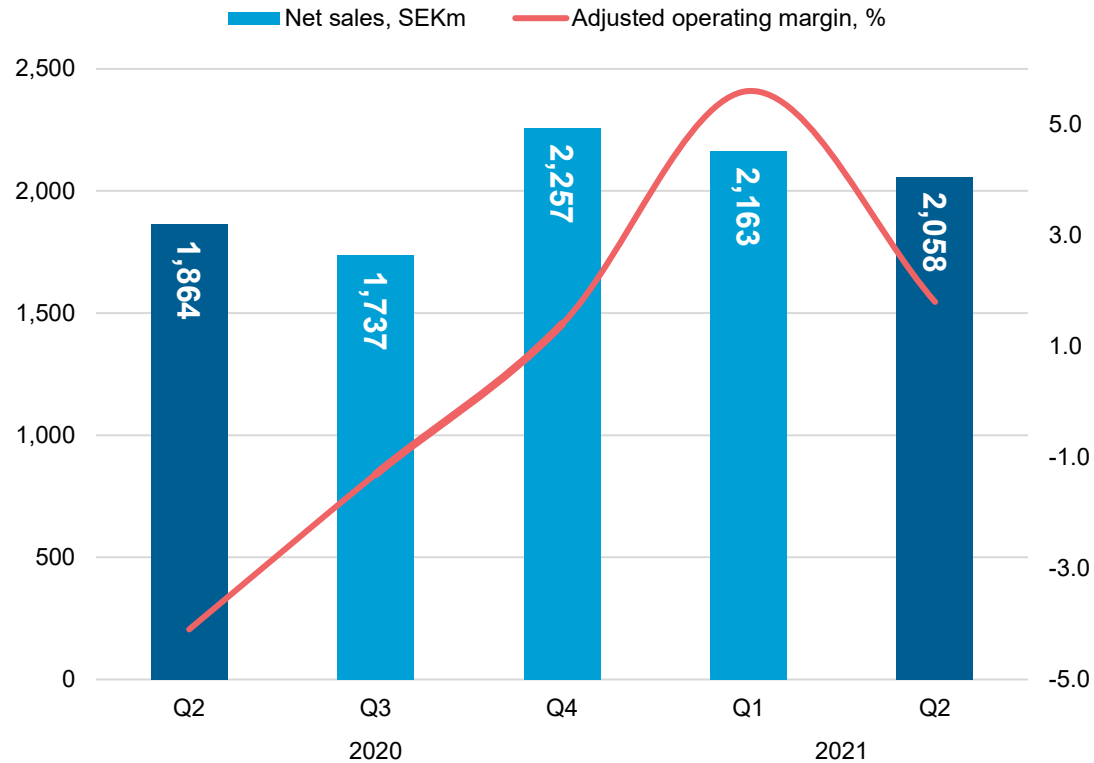
95.0%

Delivery quality, parcels.

Target 97%

- **Net sales amounted to SEK 6 247m (5,708)**
 - Mail volumes -3%
 - Parcel volumes +7%
- **Adjusted operating income amounted to SEK 474m (446)**
- **Sweden Implementation of every second day delivery is progressing according to plan. The delivery model has been approved by PTS**
- **Decision on investment in a highly automatized third-party logistics warehouse in Ljungby**
- **Decision to invest in five electric distribution trucks**
- **Approximately 1,000 holiday substitutes help to ensure deliveries**
- **Continued roll-out of parcel boxes**

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.

95.3%

Delivery quality, mail.

Legal requirement 93%

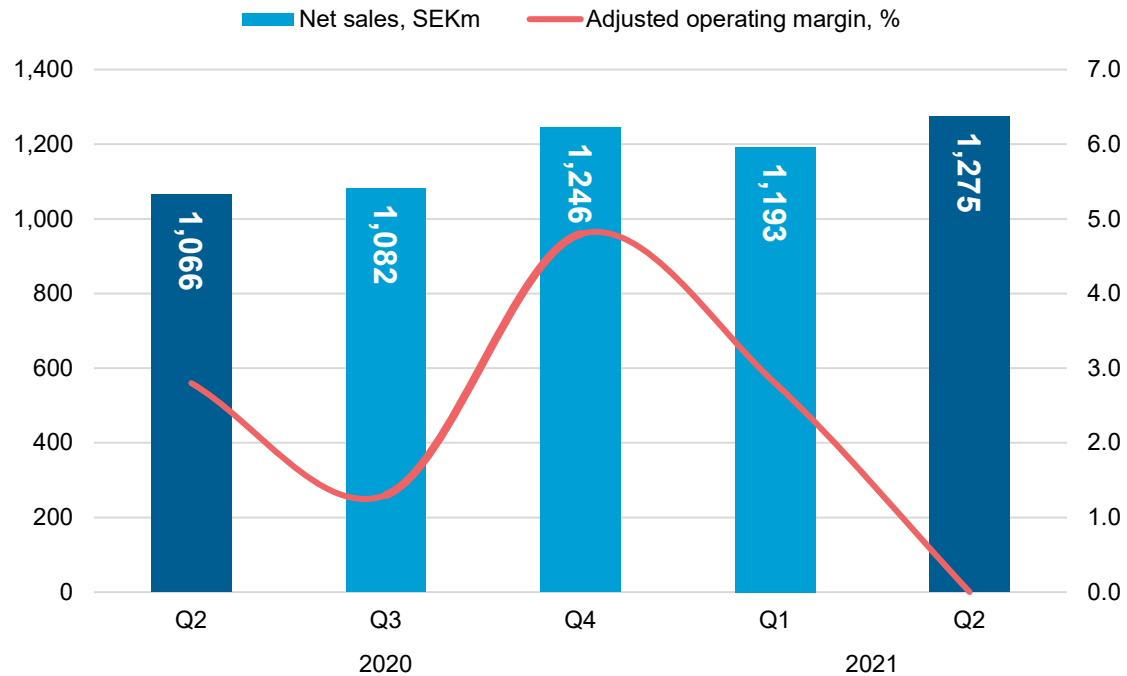
95.0%

Delivery quality, parcels.

Target 97%

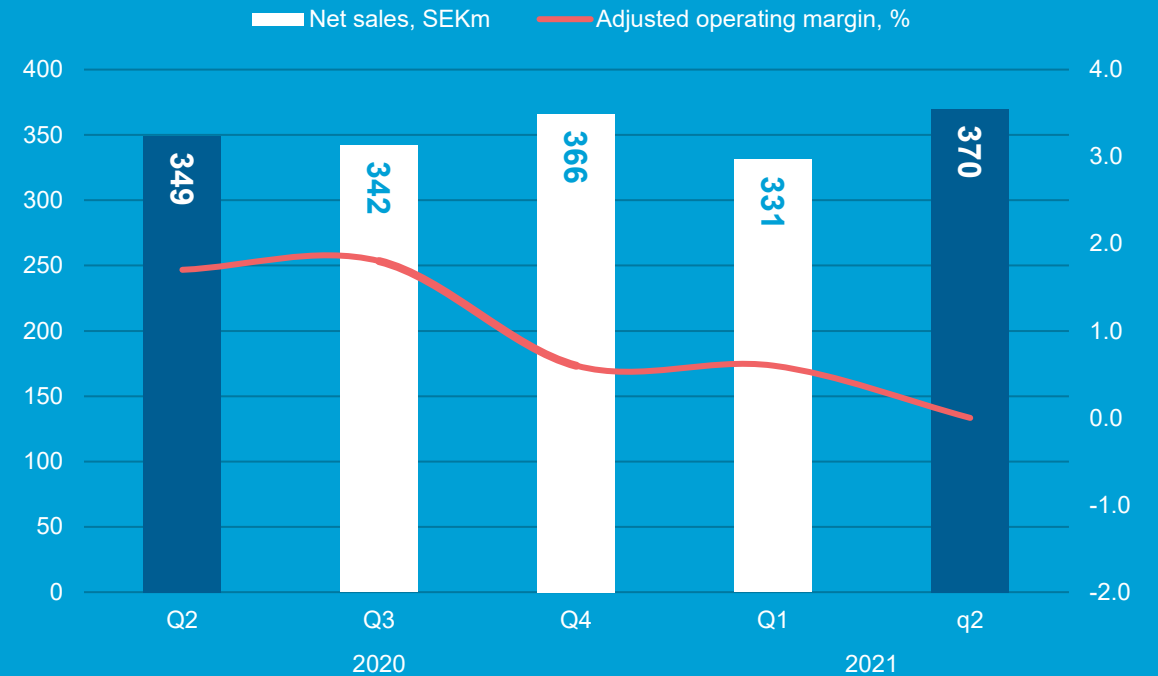
- **Net sales amounted to SEK 2,058m (1,864)**
 - Mail volumes -6%
 - Parcel volumes +18%
- **Adjusted operating income amounted to SEK 38m (-77)**
- **Political agreement on USO**
- **Distribution of packages every day of the week throughout the country appreciated by customers**

PostNord Norway



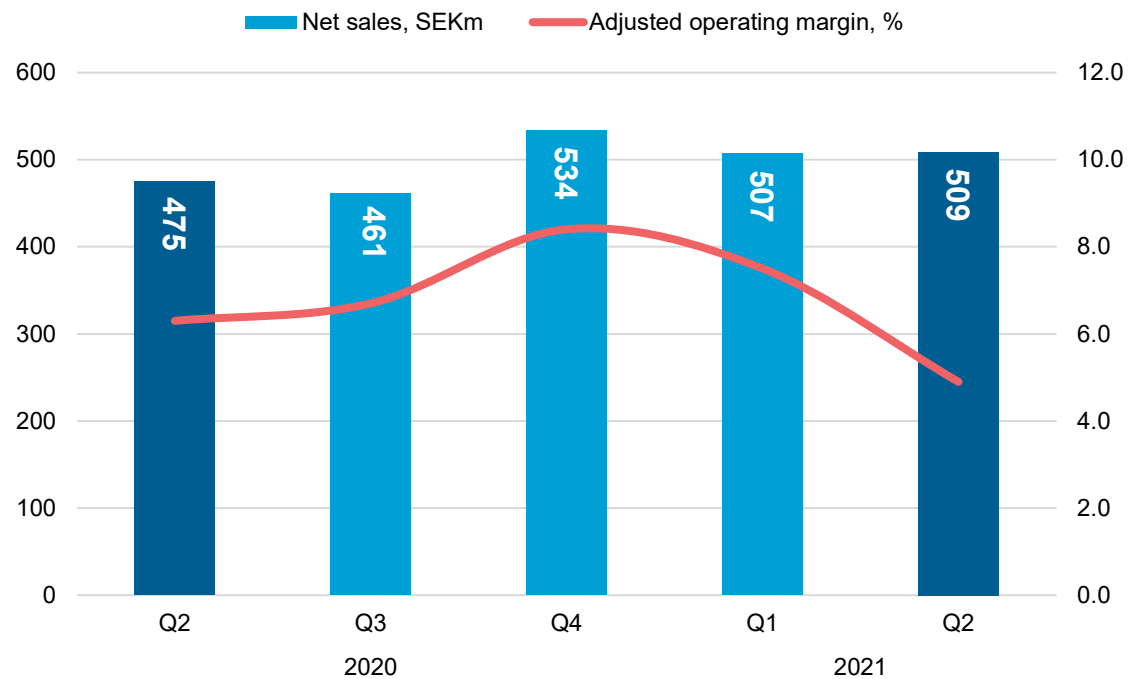
- Net sales amounted to SEK 1,275m (1,066)
- Operating income amounted to SEK -3m (30)
- Delivery quality parcels amounted to 93.6% (rolling 12 months)
- Continued roll out of parcel boxes

PostNord Finland



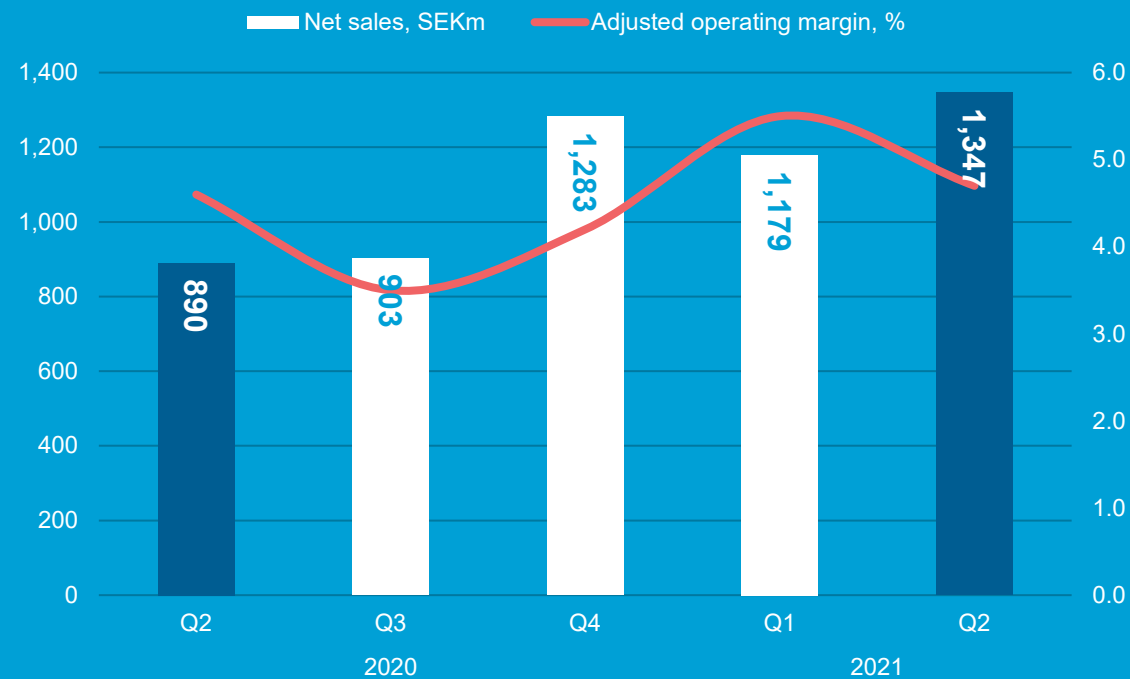
- Net sales amounted to SEK 370m (349)
- Operating income amounted to SEK -1m (6)
- Delivery quality parcels amounted to 95.7% (rolling 12 months)
- Deliveries to the health care sector
- Kommentar

PostNord Strålfors



- Net sales amounted to SEK 509m (475)
- Operating income amounted to SEK 25m (30)
- Declining market for printing matter – increase in digital deliveries

Other business activities



- Net sales amounted to SEK 1,347m (890)
- Operating income amounted to SEK 63m (41)
- Both Direct Link and Germany shows strong growth in parcel volumes

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.

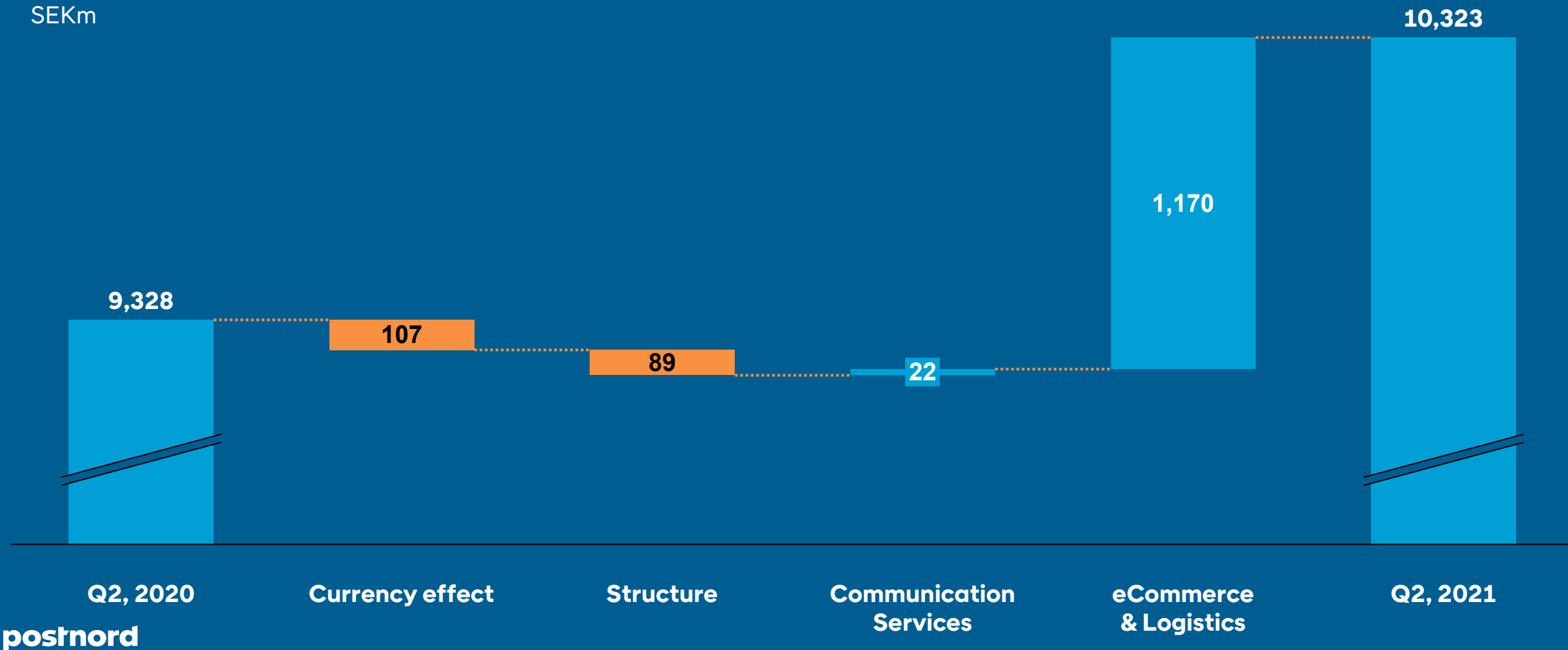
Financial summary

	Quarter 2 / 2021	Quarter 2 / 2020	Change
Net sales, SEKm	10,323	9,328	+13%*
Operating income, SEKm	518	517	0%
Operating margin, %	5.0%	5.5%	-
Adjusted operating income, SEKm	518	404	+28%
Financial net, SEKm	46	-130	-
Cash flow from operating activities, SEKm	835	1,175	-
Return on capital employed (ROCE), %	23.0%	7.0%	-

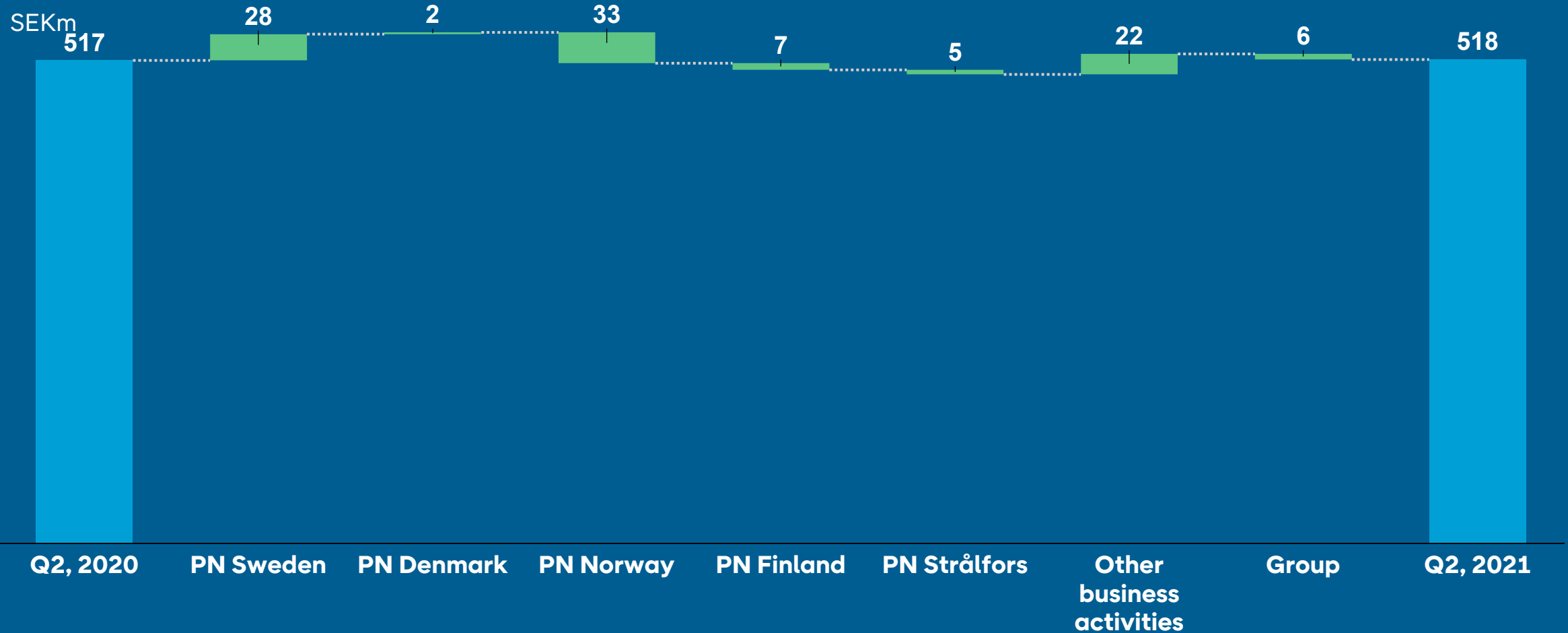
* Change at fixed exchange rates for comparable units

Net sales Q2 2021 vs Q2 2020

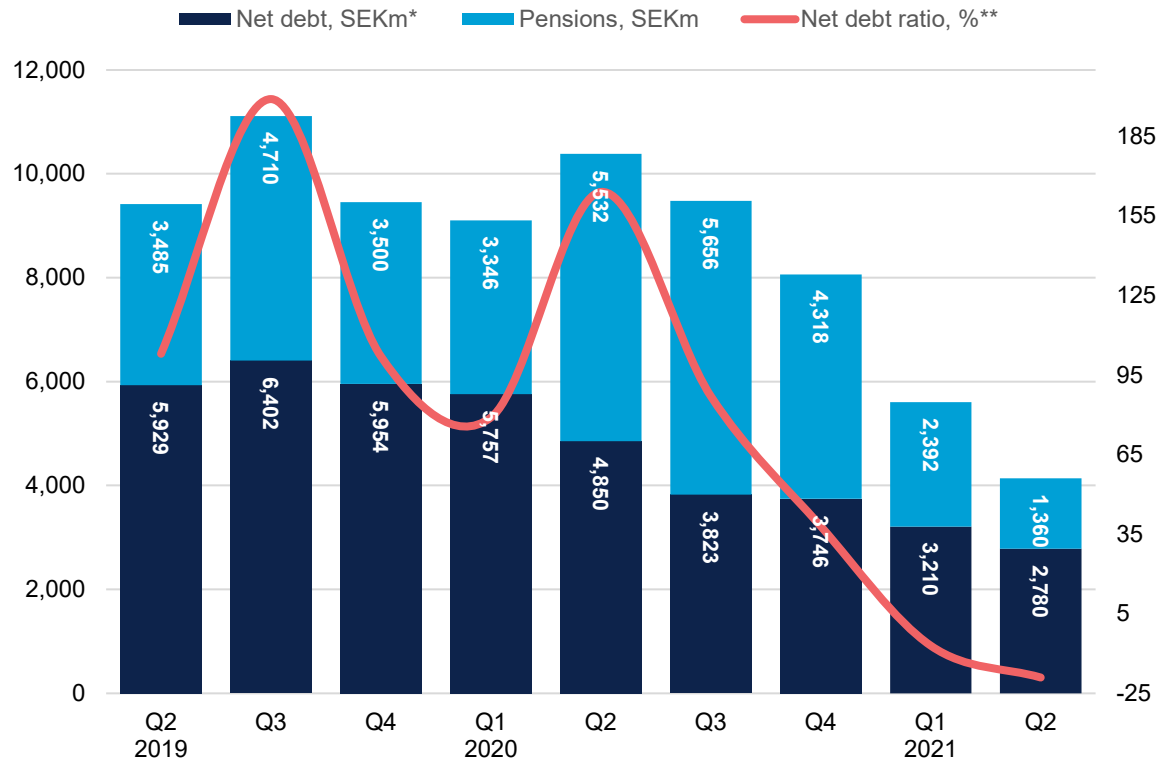
SEKm



Operating income Q2 2021 vs Q2 2020



Net debt

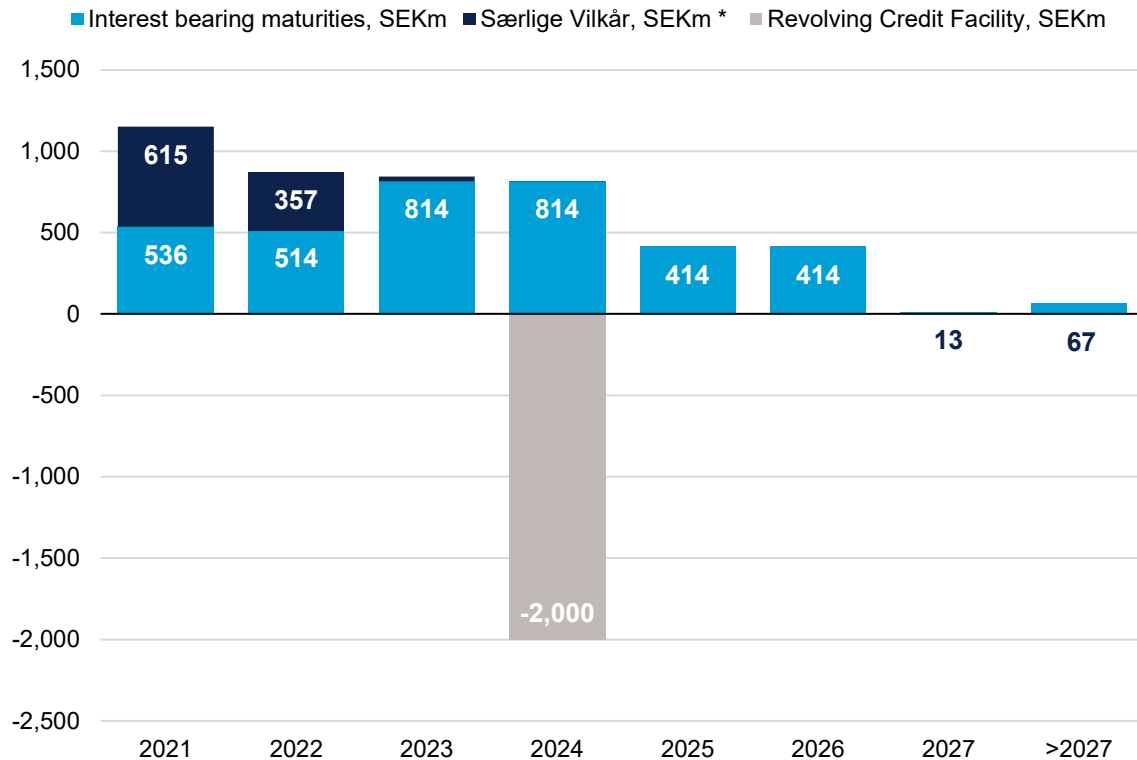


* Net debt including lease liabilities, excluding pensions

** Net debt ratio including pensions and excluding lease liabilities

- Net debt declined with SEK 430m and amounted to SEK 2780m
- Pensions declined with SEK 1,032m and amounted to SEK 1,360m
- Net debt ratio amounted to -19% (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

- **Strong result for the quarter and half year**
- **Strong volume growth for parcels**
- **Well prepared for the holiday season**
- **Good progress in improvement programs and adjustment to meet new needs**
- **Investment in parcel boxes in the Nordic region with the goal of 12,500 parcel boxes by the end of 2022**



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