

Third quarter 2022

October 28, 2022

postnord



Challenging macro situation requires continued adaption of the business

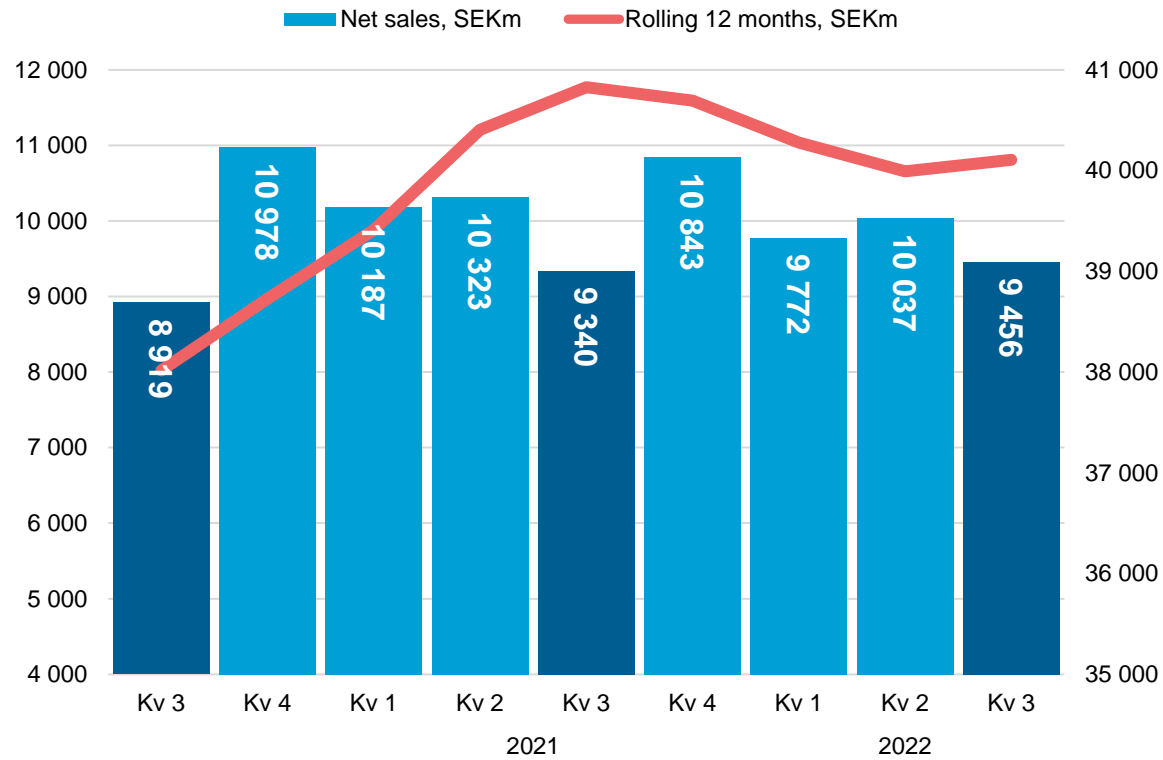
General comments

- Income decreased as a result of lower parcel and letter volumes as well as higher costs driven by external macro factors
 - The Group's decreased result is mainly attributable to our Danish operations and our Direct Link business
- PostNord acts forcefully
 - Continued price adjustments including fuel surcharges
 - Adjusting our capacity and offering
- 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 9,456 million (9,340)
- Overall, parcel volumes decreased by -4 percent (6), driven by a drop in B2C volumes
- Mail volumes decreased by -11 percent (-9)
- Operating income (EBIT) totaled SEK 65 million (323)

Net sales



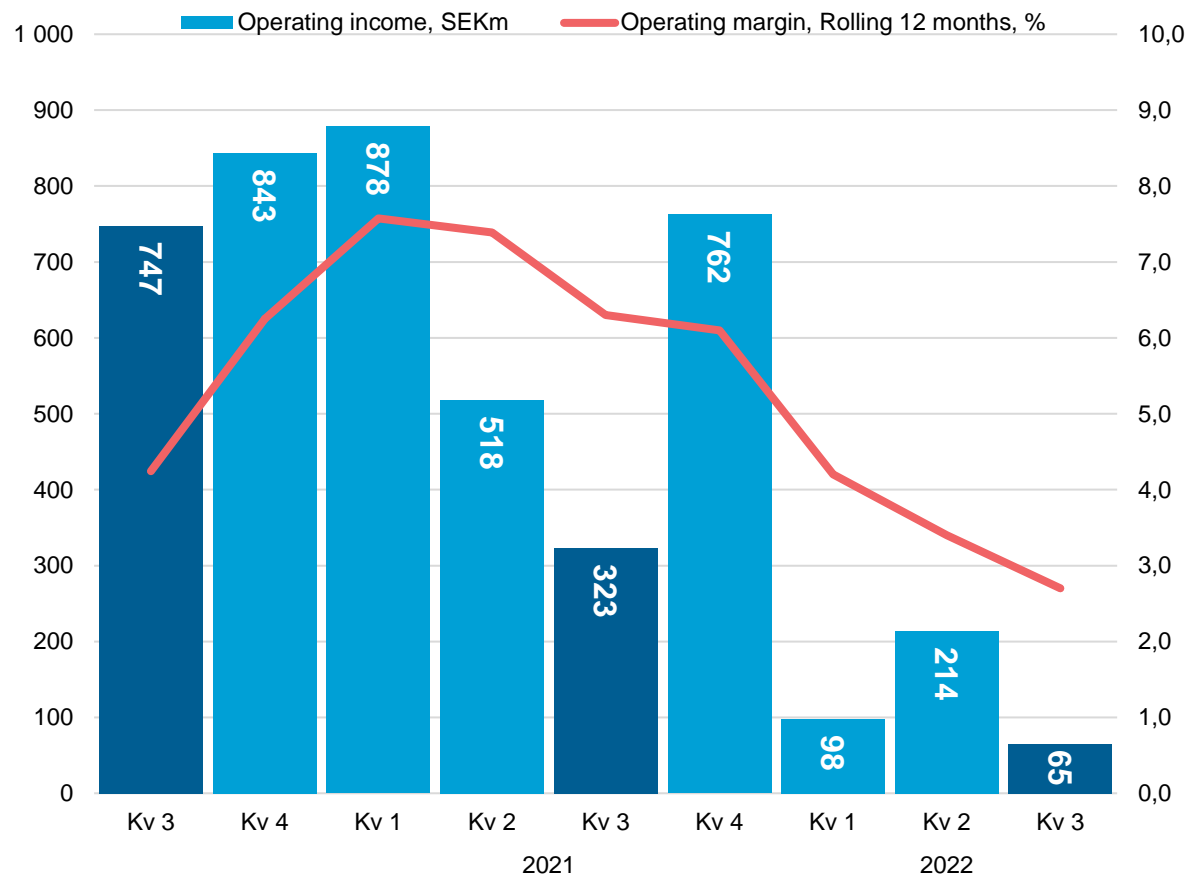
Net sales totaled
SEK 9,456m
 (9,340) -2%
 like-for-like

Mail volume totaled
247 million
 -11% (-9)

Parcel volume business-to-business
+/-0% (5)

Parcel volume business-to-consumer
-5% (9)

Operating income



Operating income totaled

SEK 65m
(323)

Adjusted operating income totaled

SEK 108m
(284)

Operating margin, Q3

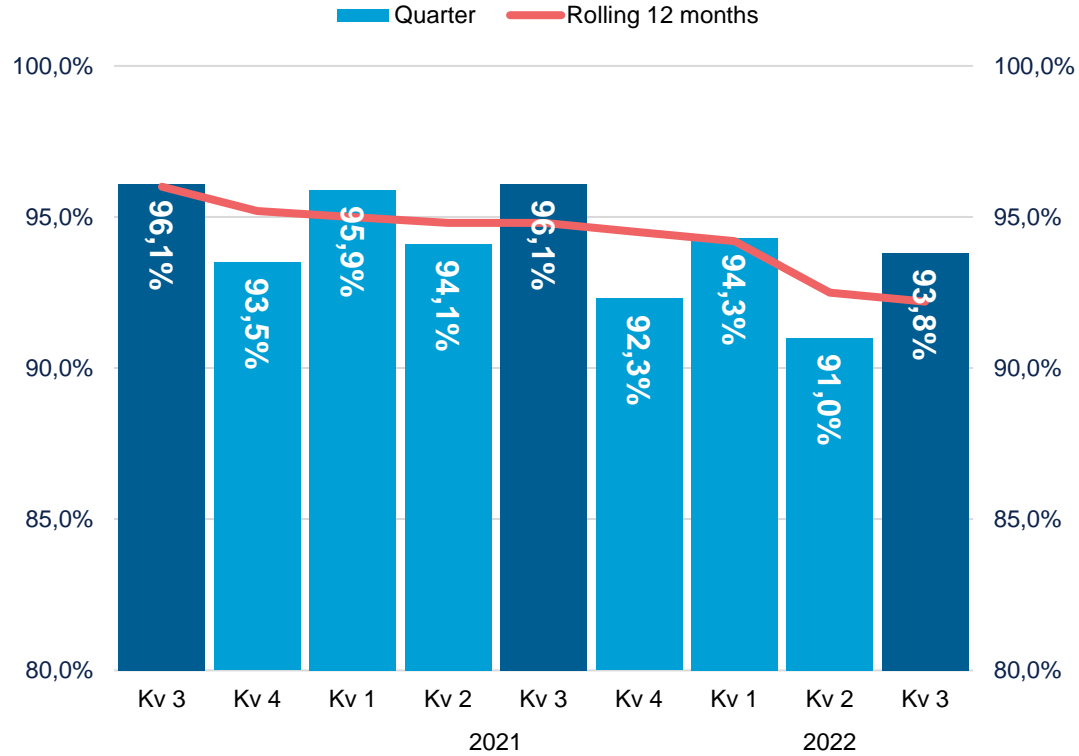
0.7% (3.5)

Rolling 12 months

2.7%

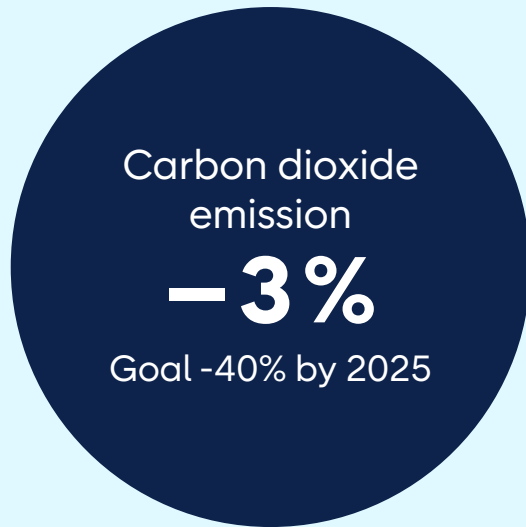
Income decreased as a result of continued decline in parcel and mail volumes

Delivery quality parcels in Q3

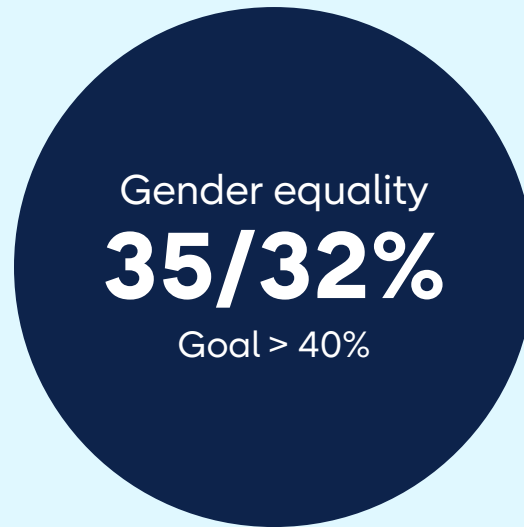


- Delivery quality, Group, rolling 12 months 92.2% (93.8% in the quarter)
- Flat volumes in B2B, volume decline by -5% in B2C

Sustainability Q3



Carbon dioxide emissions by PostNord relative to Q3 2021 level

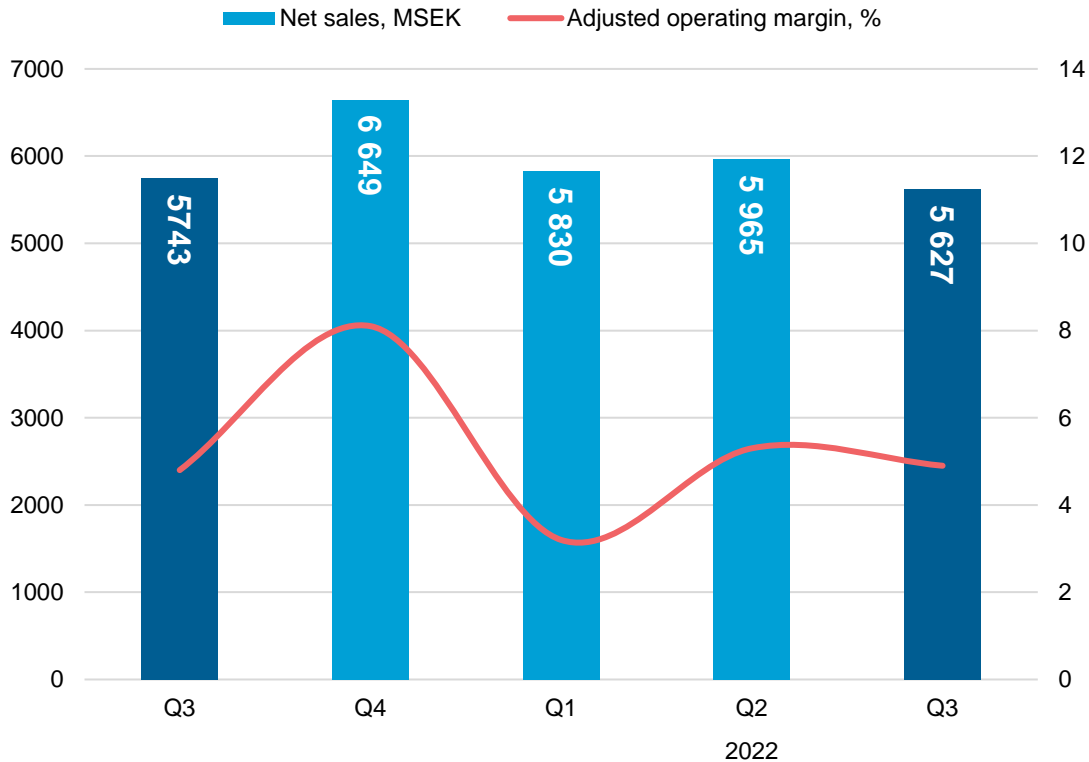


Percentage of PostNord managers who are of the under-represented gender
Level 1–3: 35% women
Level 4–6: 32% women



Weighted Responsible Procurement Index containing 3 KPI:s

PostNord Sweden



93.5%

Delivery quality, mail, in quarter

Legal requirement 95%

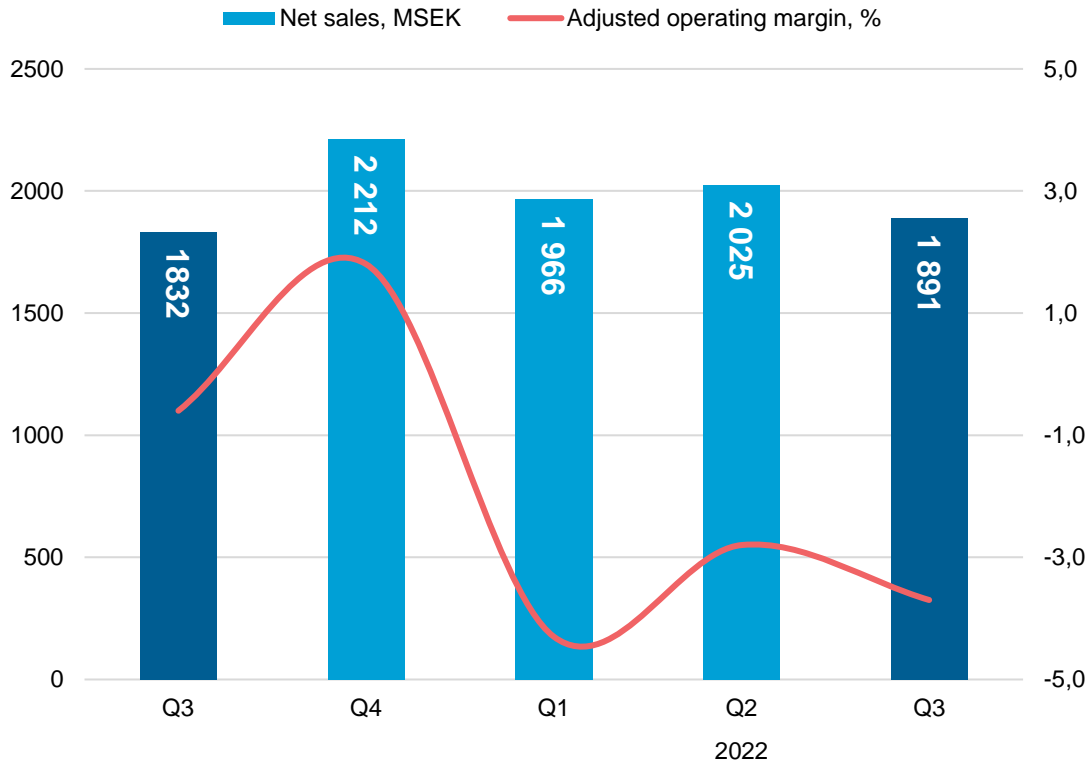
94.5%

Delivery quality, parcels, in quarter

Target 97%

- **Net sales totaled SEK 5,627 million (5,743)**
 - Mail volumes -12%
 - Parcel volumes -2%
- **Decrease in parcel and mail volumes**
- **Operating income totaled SEK 232 million (274)**
- **Rising inflation has led to a higher prices within the supply chain. The cost increases have been compensated by adapting the business. Even price adjustments of our services have to some extent compensated for the cost inflation.**

PostNord Denmark



96.1%

Delivery quality, mail, in quarter

Legal requirement 93%

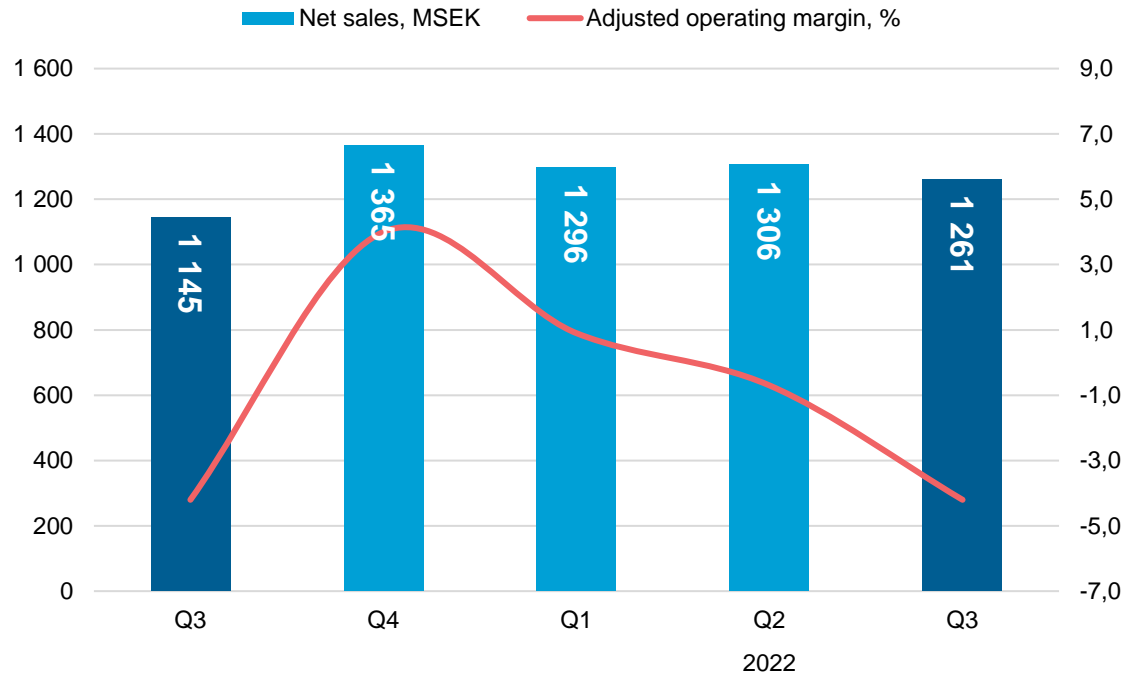
94.2%

Delivery quality, parcels, in quarter

Target 97%

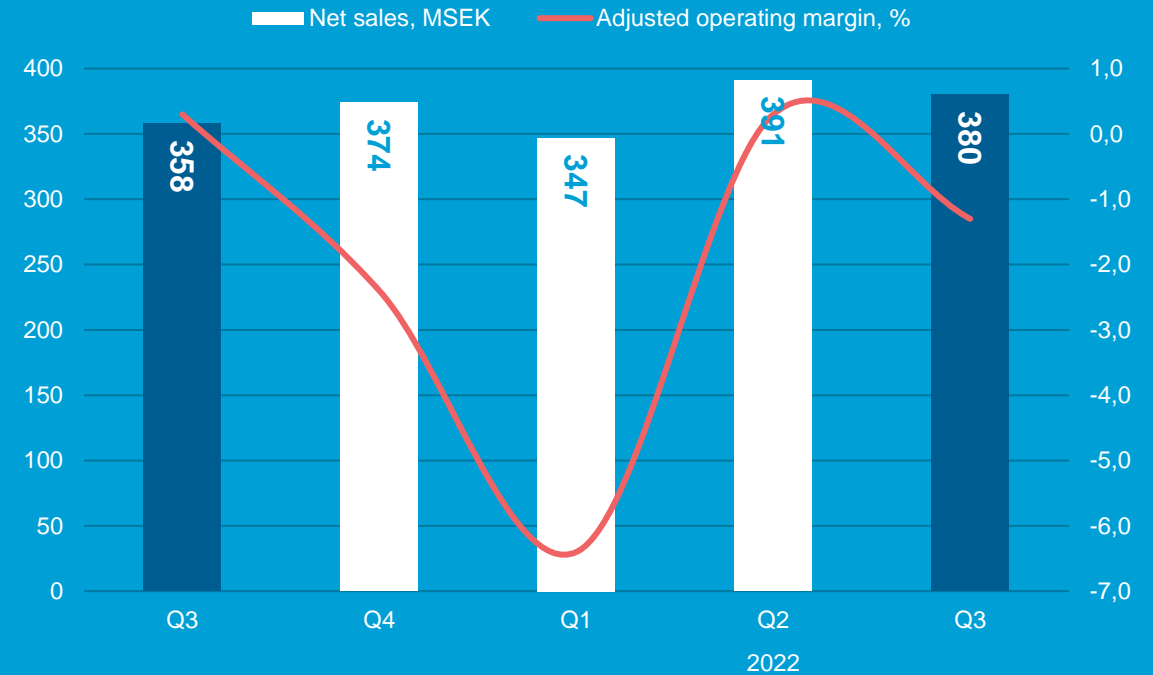
- **Net sales totaled SEK 1,891 million (1,832)**
 - Mail volumes -6%
 - Parcel volumes -1 %
- **Operating income totaled SEK -70 million (28)**
- **EBIT negatively affected mainly by the drop in B2C volumes. Result also negatively affected by decreased volumes of import letters and higher costs, driven by rising inflation**

PostNord Norway



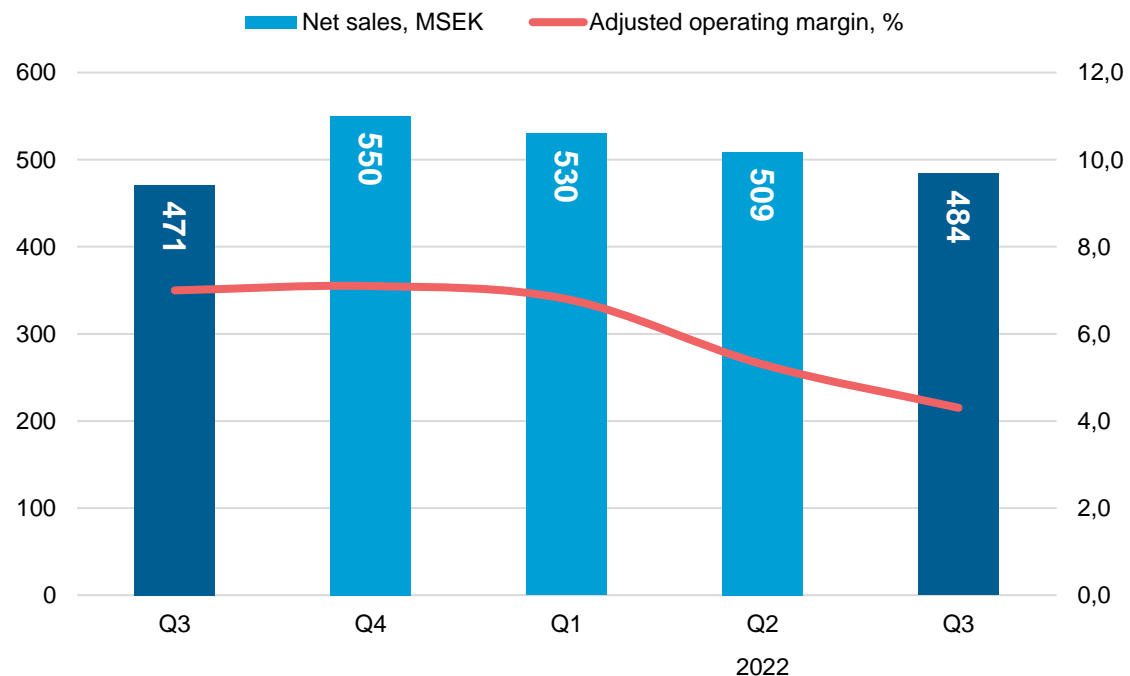
- Net sales totaled SEK 1,261 million (1,145)
- Operating income totaled SEK -53 million (-48)
- The lower result is explained by higher transport costs, reduced e-commerce volumes and challenges in adapting production capacity quickly enough to current volumes
- Delivery quality was 91.4 (93.9) percent in the quarter.

PostNord Finland



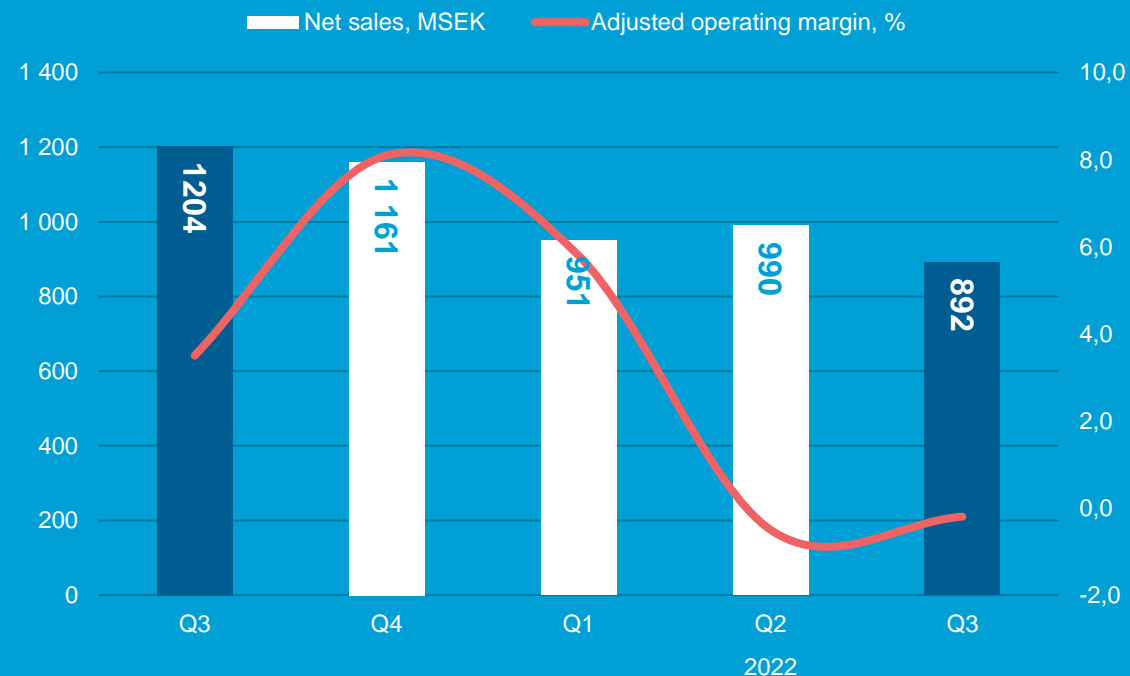
- Net sales totaled SEK 380 million (358)
- Operating income totaled SEK -5 million (1)
- The lower result is a consequence of an establishment of a new terminal, which is being established in order to meet future growth.
- Delivery quality for parcels was 88.7 (95.4) percent.

PostNord Strålfors



- **Net sales totaled SEK 484 million (471)**
- **Operating income totaled SEK 21 million (33). The higher proportion of physical products, as well as non-recurring effects related to expensed development, explains why operating profit was negatively affected.**

Other business activities



- **Net sales totaled SEK 892 million (1,204)**
- **Operating income totaled SEK -2 million (42)**
 - **Direct Link's sales and earnings decreased sharply after losing a major Asian customer and from arrears of international settlements.**
 - **In the logistics operations in Germany, parcel volumes have decreased by -11 (24) 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 0 (-11) million**

Financial summary

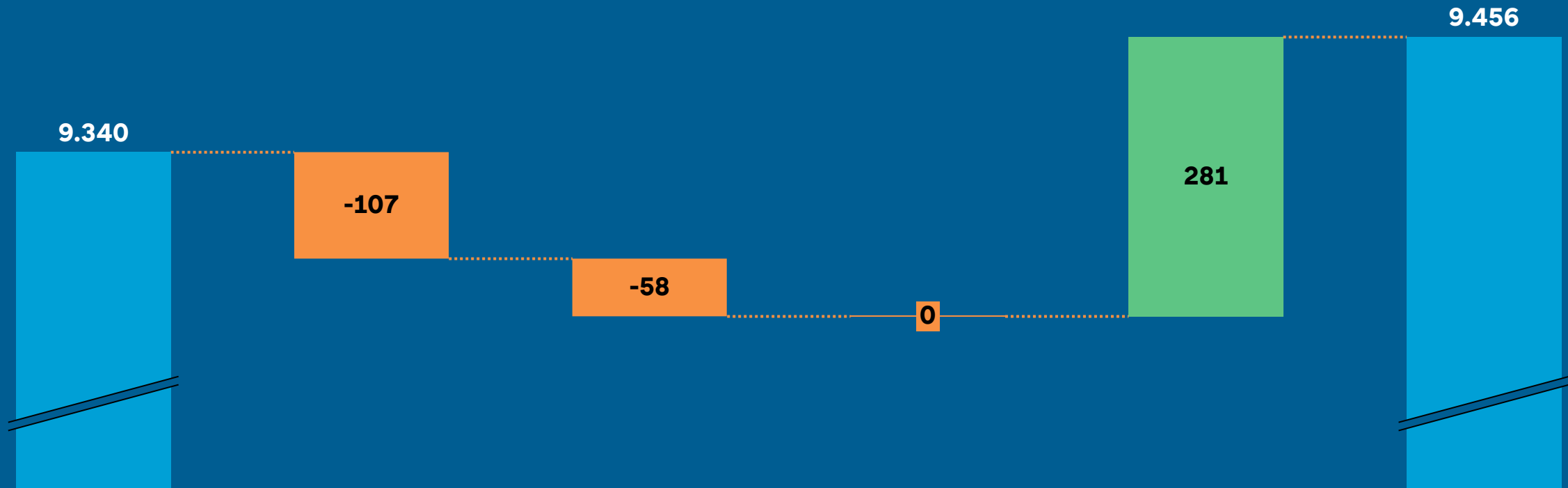
	Quarter 3/2022	Quarter 3/2021	Change
Net sales, SEKm	9,456	9,340	-4%*
Operating income, SEKm	65	323	-80%
Operating margin, %	0.7%	3.4%	
Adjusted operating income, SEKm	108	284	-62%
Net financial items, SEKm	-16	-51	
Cash flow from operating activities SEKm	-228	518	
Return on capital employed (ROCE), %	8.5%	19.9%	

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

Net sales

Q3 2022 vs Q3 2021

SEKm



Q3 2021

Communication Services

eCommerce & Logistics

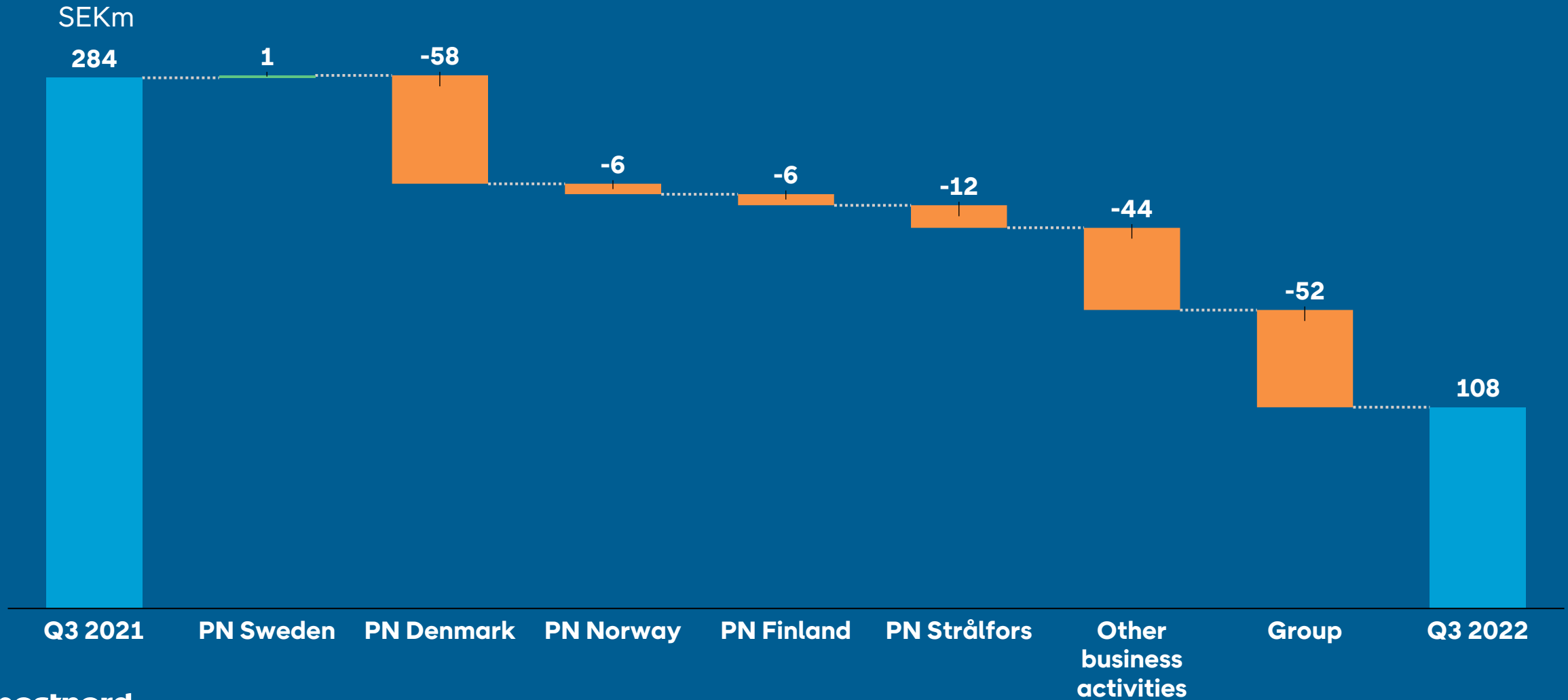
Structure

Foreign exchange effect

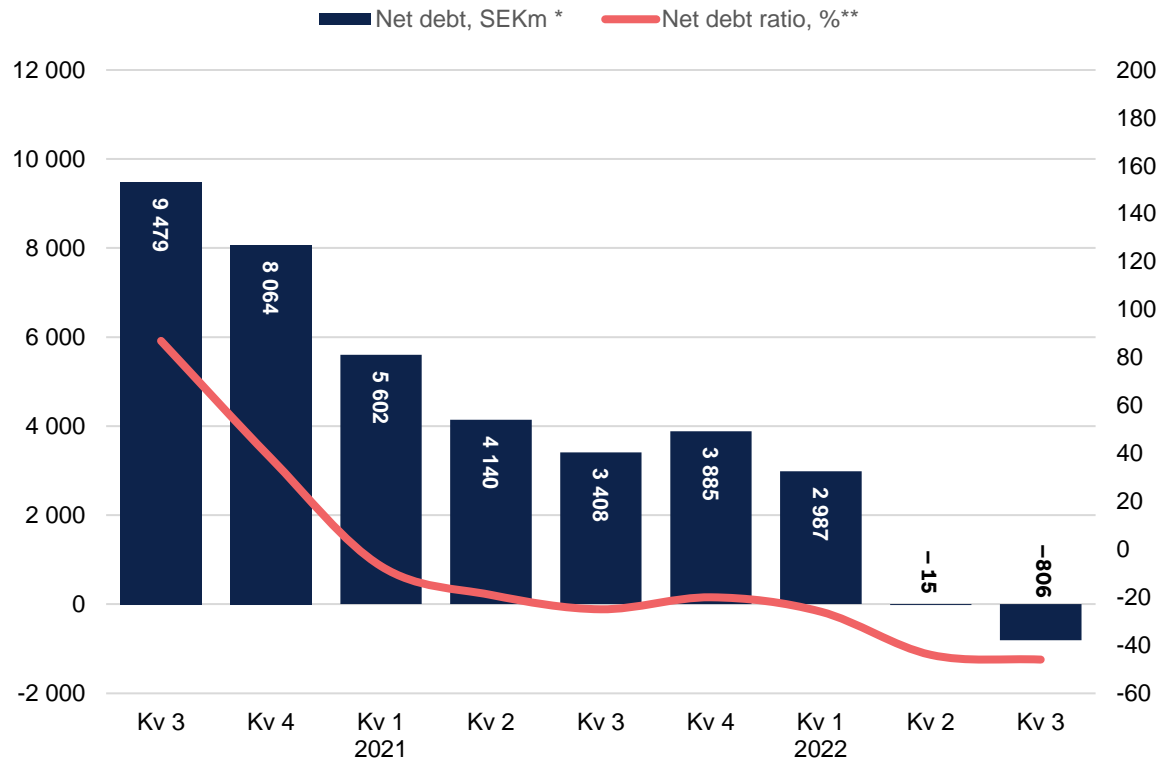
Q3 2022

Operating income

Q3 2022 vs Q3 2021 (before IAC)



Net debt

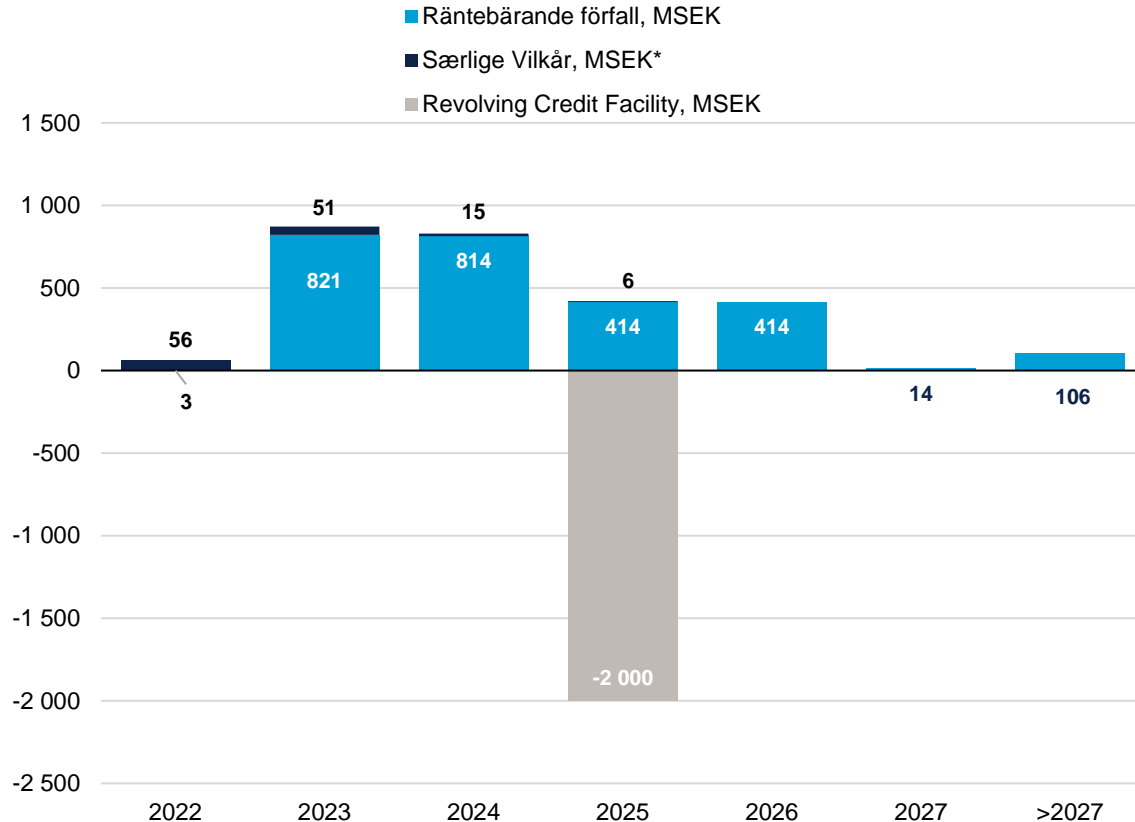


* Net debt, including lease liability and pension liability

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

- Net debt, including pensions and lease liabilities, decreased by SEK 791 million, mainly due to a greater access to pensions and sickness benefit plans
- The net debt ratio including pensions but excluding lease liabilities was -46 percent (target: 10-50%)

Maturity profile



Exchange rate SEK/DKK
1.468

- 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, as well as higher costs**
- **PostNord takes appropriate actions to adjust capacity and prices**
- **Continuing to develop our customer offering and infrastructure to improve competitiveness**



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