

Fourth quarter 2021

February 2, 2022



A historically strong year with a challenging finish

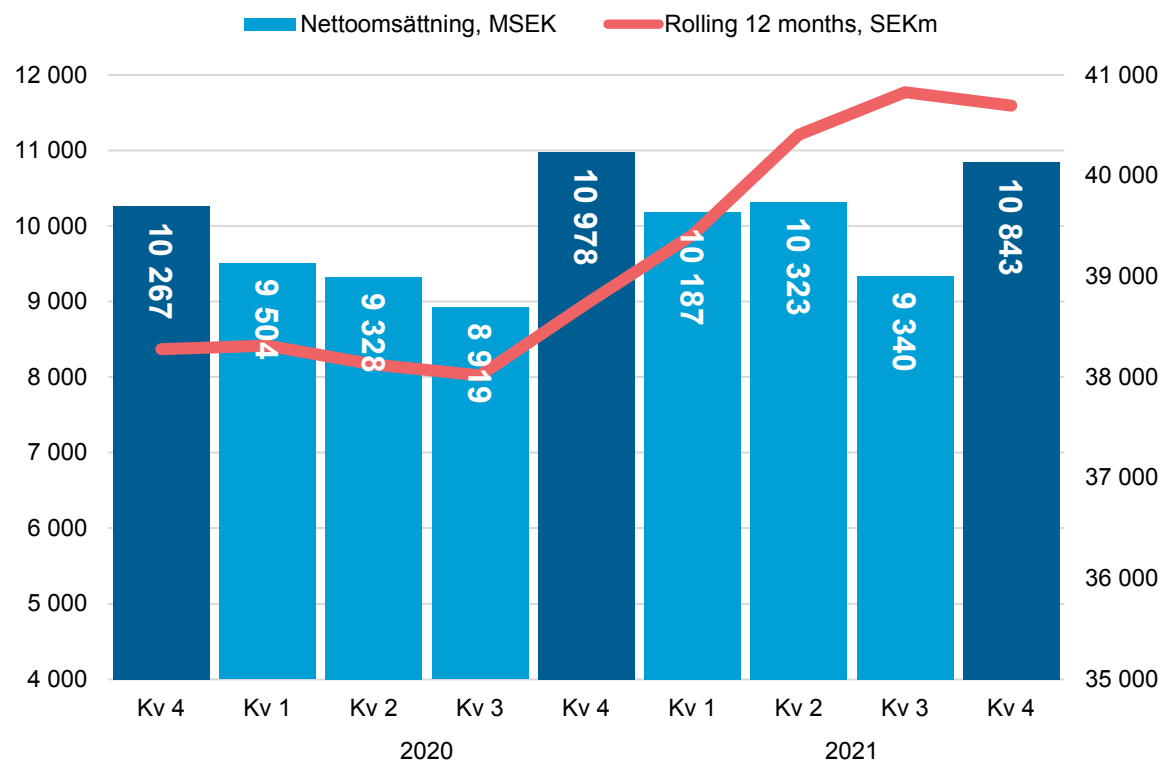
General comments

- High e-commerce volumes laid the foundations for a historically strong performance for the full year
- The quarter's results decreased due to lower mail volumes and challenging conditions for planning, resulting in parcel costs that were slightly too high. Profitability was also negatively affected by increased transport costs
- Within the scope of PostNord's ambitious sustainability program, work is being pursued with increased intensity via an updated agenda for sustainable logistics

Income

- Net sales totaled SEK 10,843 million (10,978), a decrease of -1 percent in fixed currency for like-for-like units
- Parcel volumes increased overall by 1 percent (27), driven by growth in business-to-business
- Mail volumes decreased by -10 percent (-11) as a result of ongoing digitalization
- Operating income (EBIT) totaled SEK 762 million (843)

Net sales



Net sales totaled
SEK 10,843m

(10,978) -1%
like-for-like

Mail volume totaled
330 million

-10% (-11)

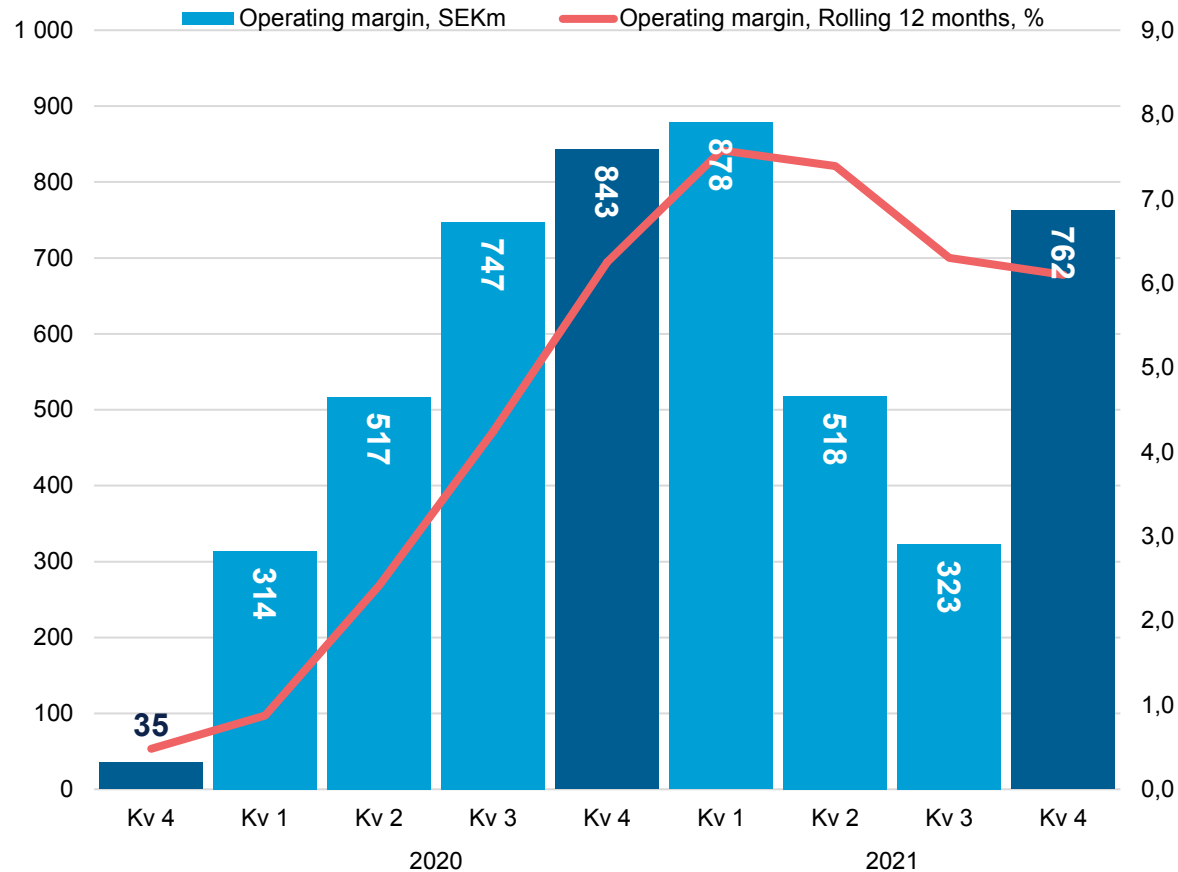
Parcel volume business-to-business

+5%

Parcel volume business-to-consumer

+/- 0%

Operating income



Operating income totaled

SEK 762m
(843)

Adjusted operating income totaled

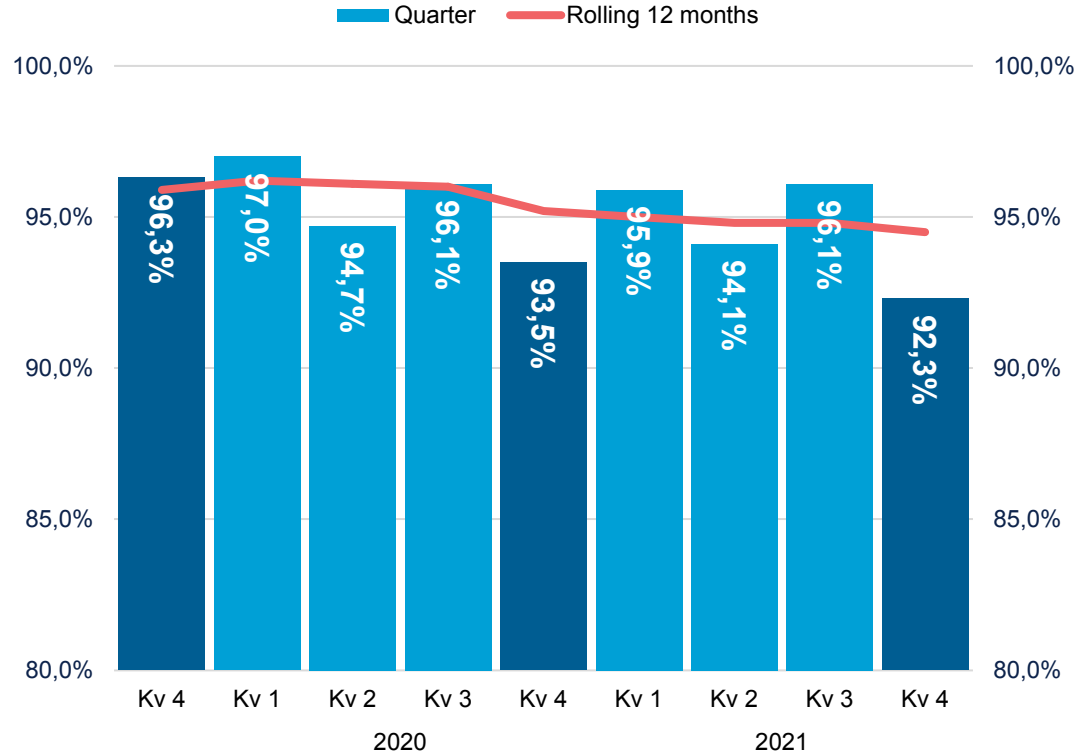
SEK 653m
(833)

Operating margin, Q4
7.0% (7.7)

Rolling 12 months
6.1% (6.2)

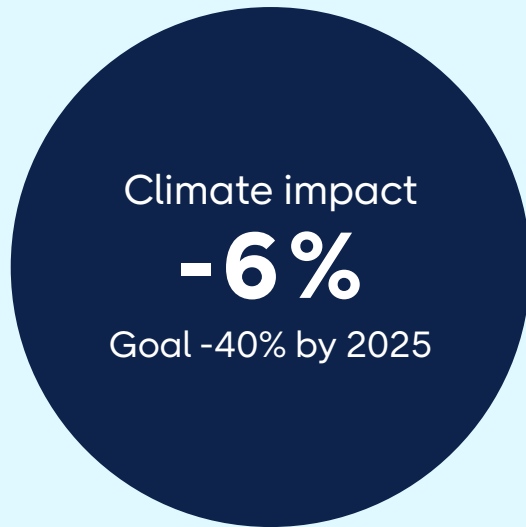
Reduced mail volumes, challenging conditions for planning, resulting in parcel costs that were slightly too high as well as increased transport costs affected the result negatively

Delivery quality parcels in Q4

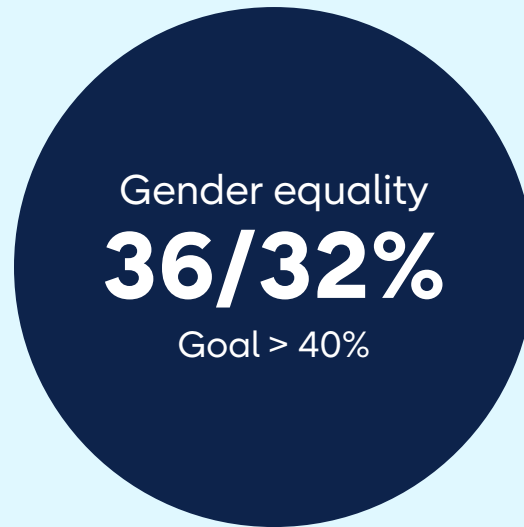


- Delivery quality, Group, rolling 12 months 94.5% (92.3% in the quarter)
- Volume growth in B2B, no growth in B2C
- Slowdown in overall growth equivalent to 1% (27)

Sustainability



Carbon dioxide emissions by PostNord relative to Q4 2020 level



Percentage of PostNord managers and leaders who are of the under-represented gender

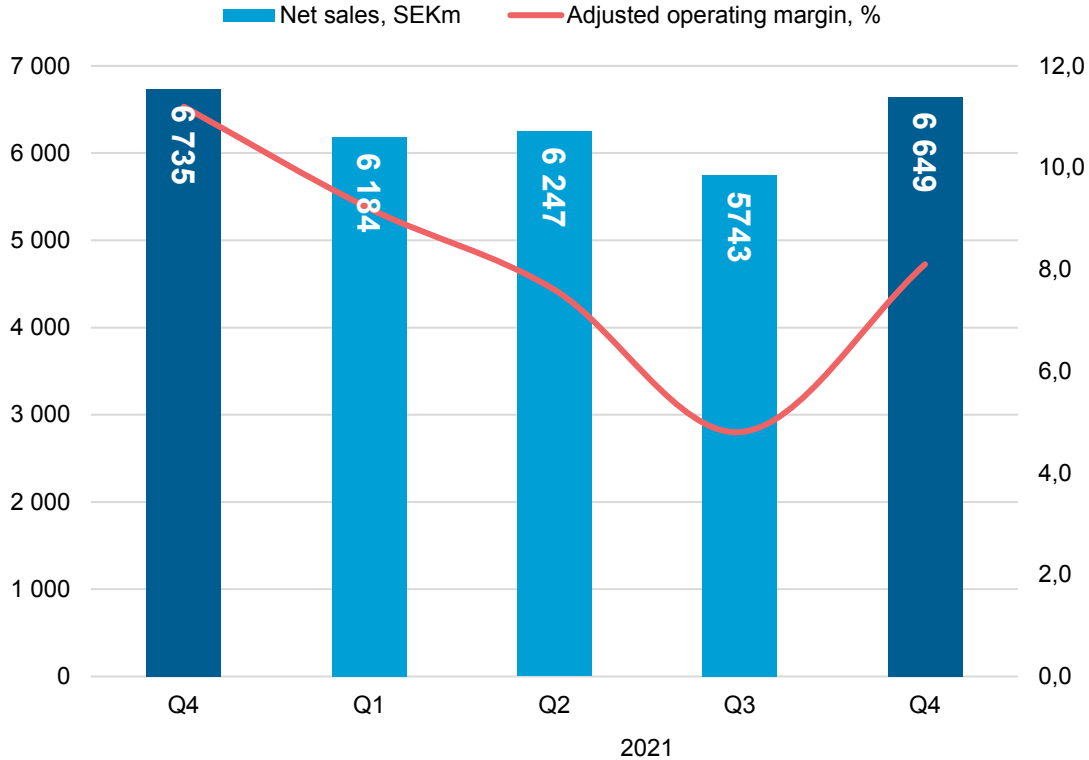
Level 1–3: 36% women

Level 4–6: 32% women



Percentage of purchase volumes from significant suppliers, procured from those who accept and comply with PostNord's Code of Conduct for Suppliers

PostNord Sweden



96.4%

Delivery quality, mail, in quarter

95.1%

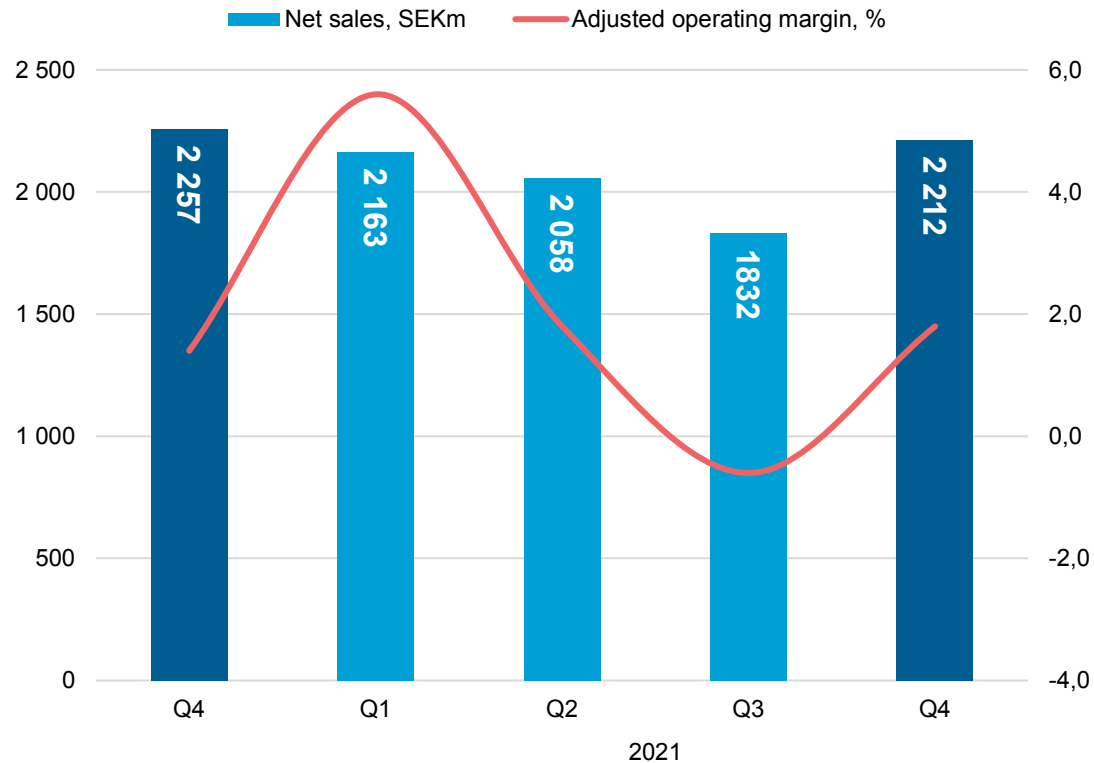
Delivery quality, parcels, in quarter

Legal requirement 95%

Goal 97%

- **Net sales totaled SEK 6,649 million (6,735)**
 - Mail volumes -12%
 - Parcel volumes +1%
- **Mail volumes fell as a result of the ongoing process of digitalization**
- **Operating income totaled SEK 638 million (756)**
- **Income is negatively impacted by reduced mail volumes, subdued growth and changes in the product mix in the parcels business, as well as by high production costs, above all for purchased transport and fuel, and higher costs for hired staff**

PostNord Denmark



PostNord's operations in Germany were transferred from the PostNord Denmark segment to the Other Business segment effective January 1, 2021. Figures for comparison have been restated.

95.0%

Delivery quality, mail, in quarter

89.5%

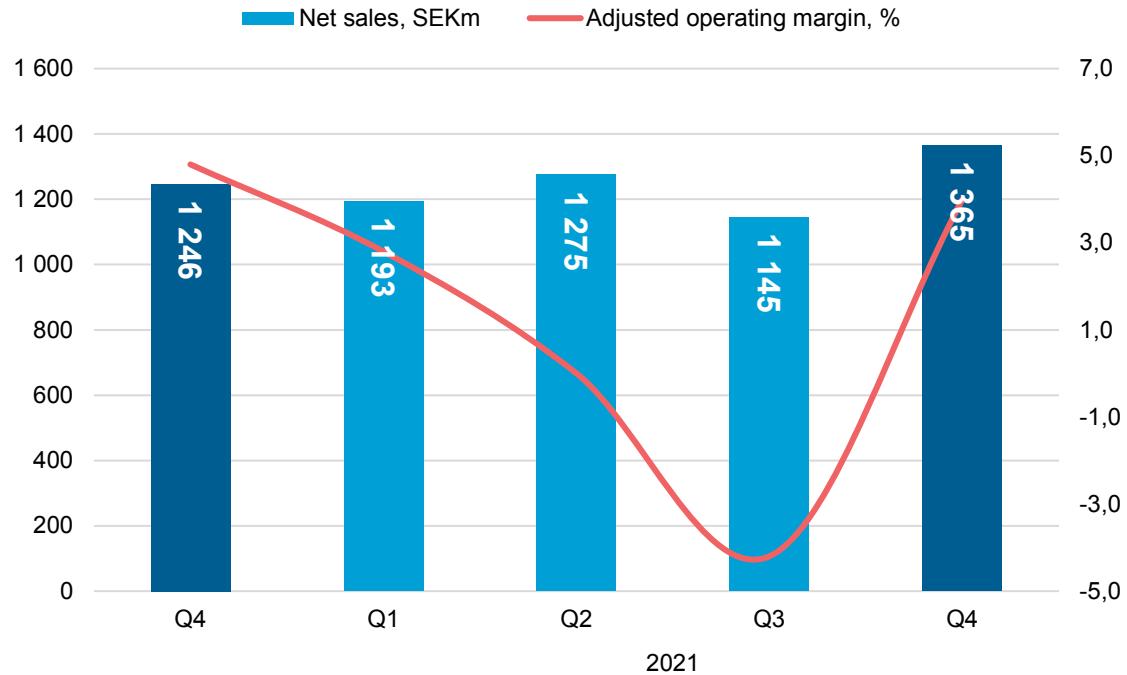
Delivery quality, parcels, in quarter

Legal requirement 93%

Goal 97%

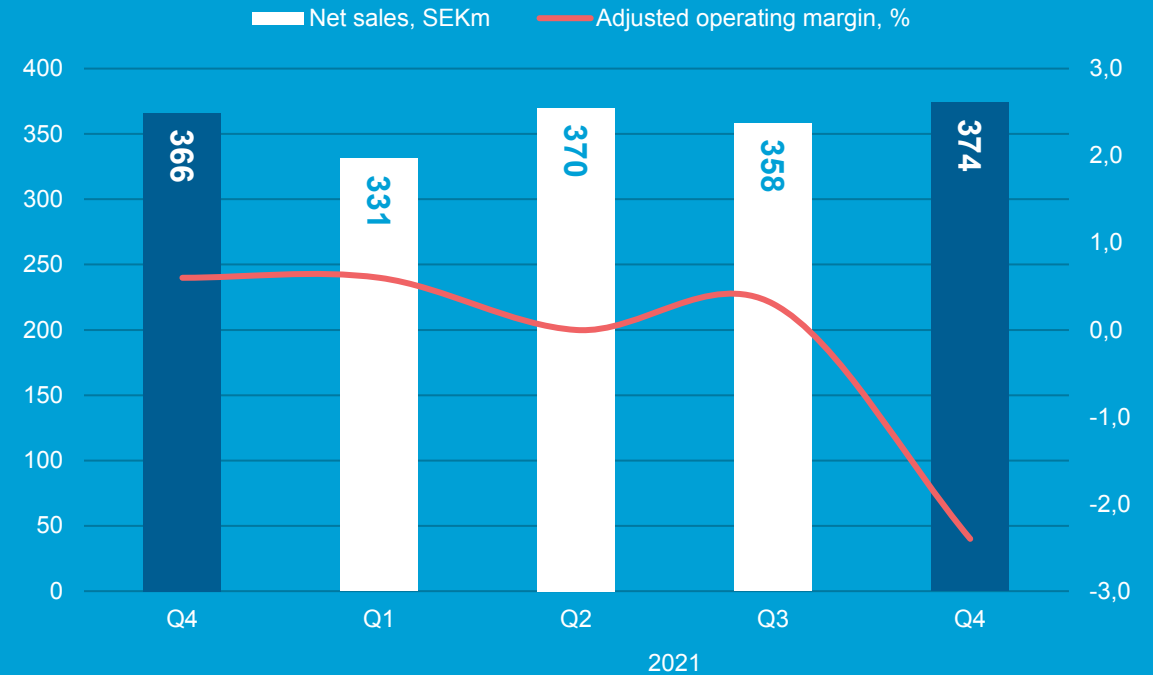
- **Net sales totaled SEK 2,212 million (2,257)**
 - Mail volumes +/- 0%
 - Parcel volumes +/- 0%
- **Continued major decline in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU, offset to some degree by demand for public information and marketing communication related to the pandemic and the November municipal elections**
- **Operating income totaled SEK 48 million (42)**
- **The improvement is mainly due to ongoing improvement programs**
- **The deterioration in quality figures for the quarter is mainly attributable to high Covid-related sickness rates in production operations**

PostNord Norway



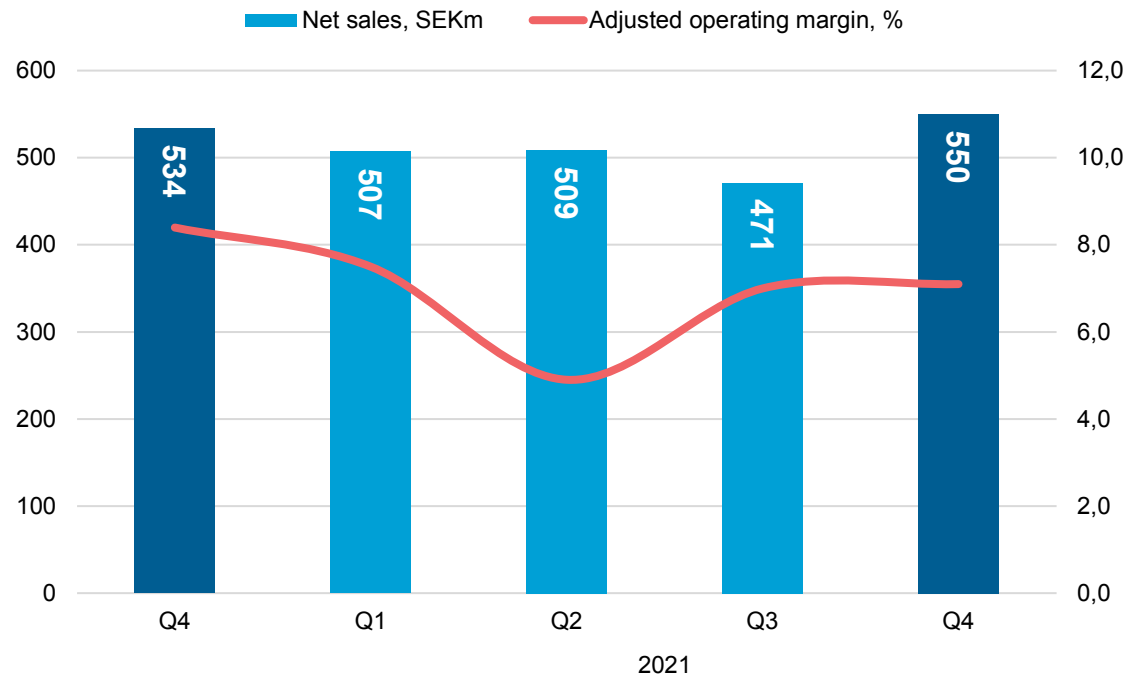
- Net sales totaled SEK 1,365 million (1,246)
- Operating income totaled SEK 55 million (59)
- Delivery quality in parcels was 87.2 percent, impacted by high Covid-related sickness rates in production operations
- Costs related to the new production model had negatively impact on income. Model now fully implemented, increasing capacity in Oslo region. Additional costs due to COVID-19 outbreaks also affected profitability negatively

PostNord Finland



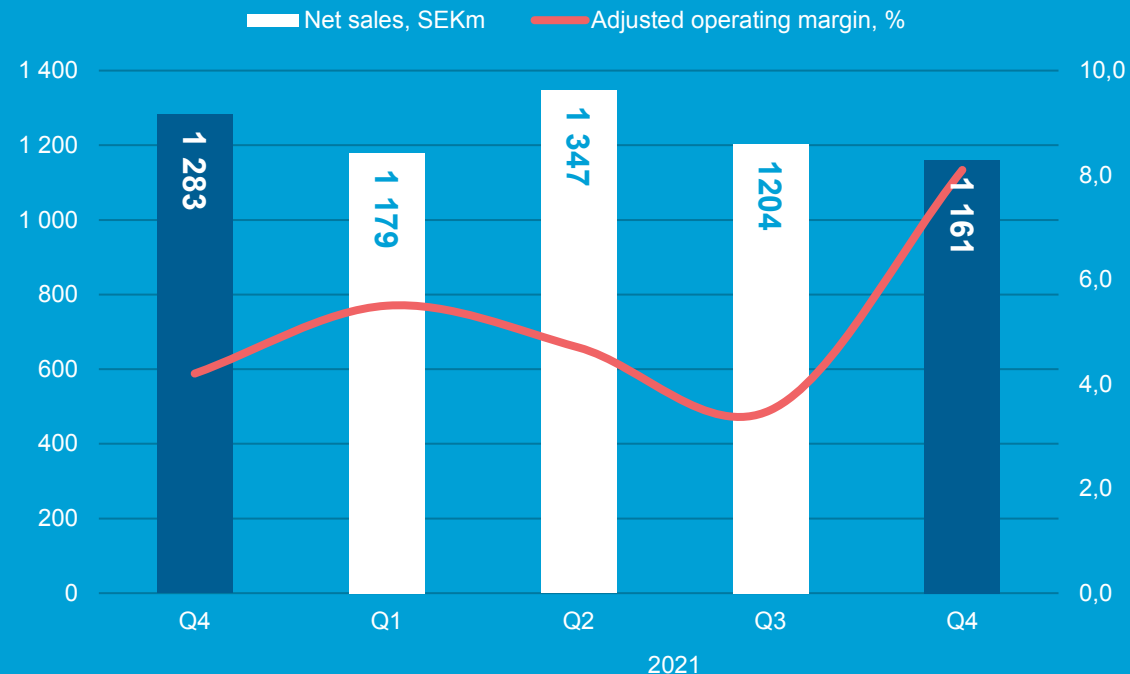
- Net sales totaled SEK 374 million (366)
- Operating income totaled SEK -9 million (2)
- Delivery quality for parcels was 94.3 percent
- Increased deliveries to the healthcare sector
- The decrease in income is attributable to increased costs related to the start-up of a new terminal in Tampere, increased staffing in the TPL business, higher fuel prices and changes in the product mix

PostNord Strålfors



- **Net sales totaled SEK 550 million (534)**
- **Operating income totaled SEK 39 million (45). The decrease is mainly attributable to a lower gross margin associated with the product mix sold and increased service development costs in the growing digital business**

Other business activities



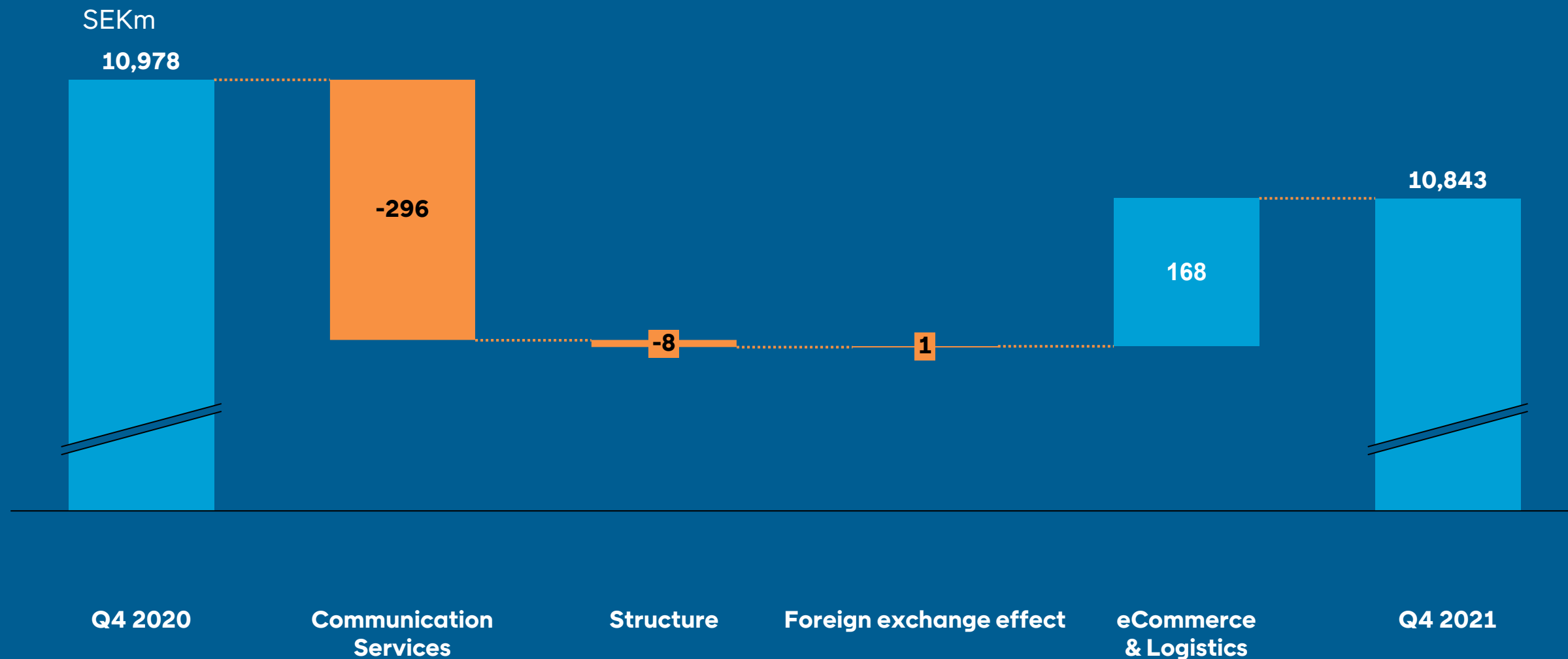
- **Net sales totaled SEK 1,161 million (1,283)**
- **Operating income totaled SEK 94 million (54)**
- **Increased transport costs, as well as declining volumes for some customers have negatively affected sales and income for Direct Link**
- **Strong volume growth in Germany. Operating profit includes a revaluation effect of SEK 18 million in the quarter from the hedging of forecast foreign currency transaction exposure in the German business**

Financial summary

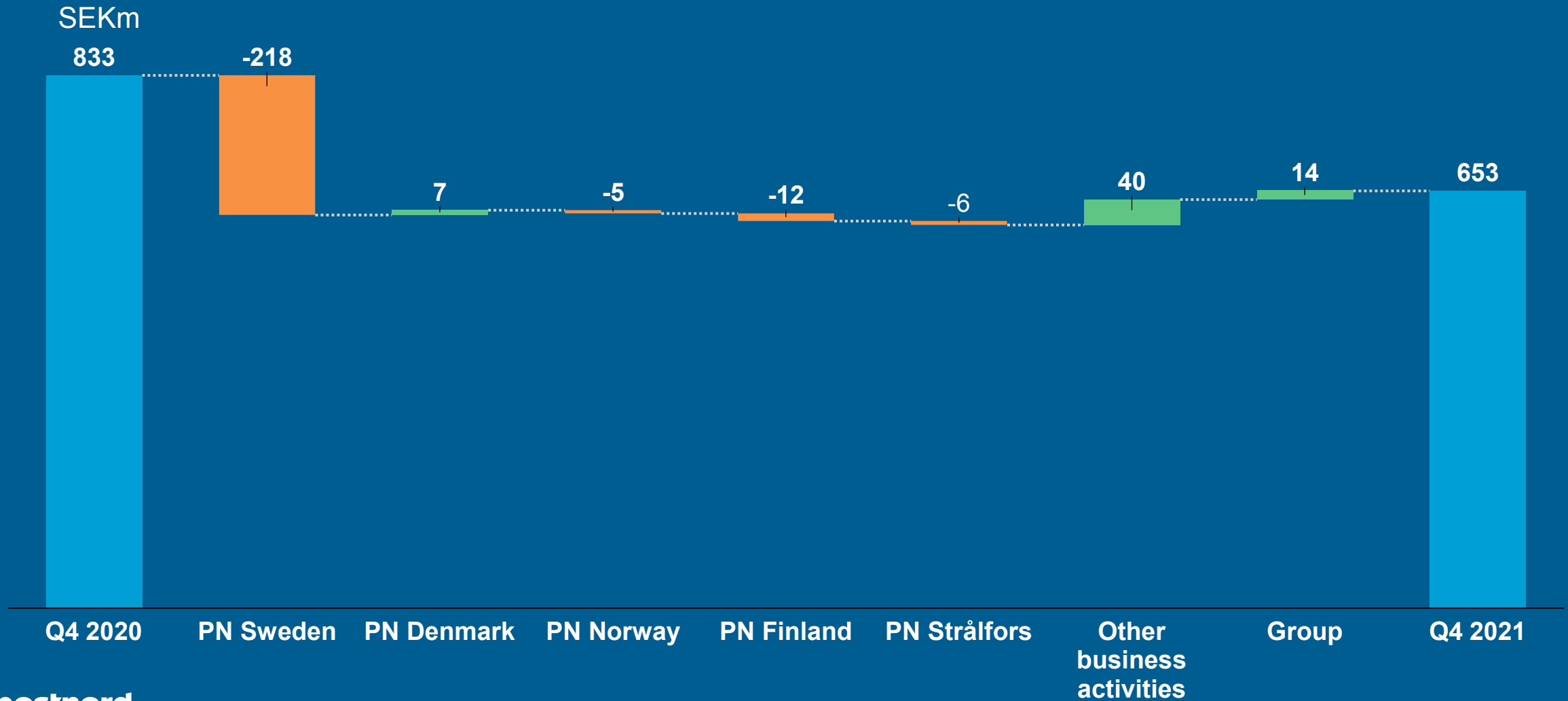
	Quarter 4/2021	Quarter 4/2020	Change
Net sales, SEKm	10,843	10,978	-1%*
Operating income, SEKm	762	843	-10%
Operating margin, %	7.0%	7.7%	
Adjusted operating income, SEKm	653	833	-22%
Net financial items, SEKm	-8	-50	
Cash flow from operating activities SEKm	1,524	877	
Return on capital employed (ROCE), %	19.2%	18.6%	

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

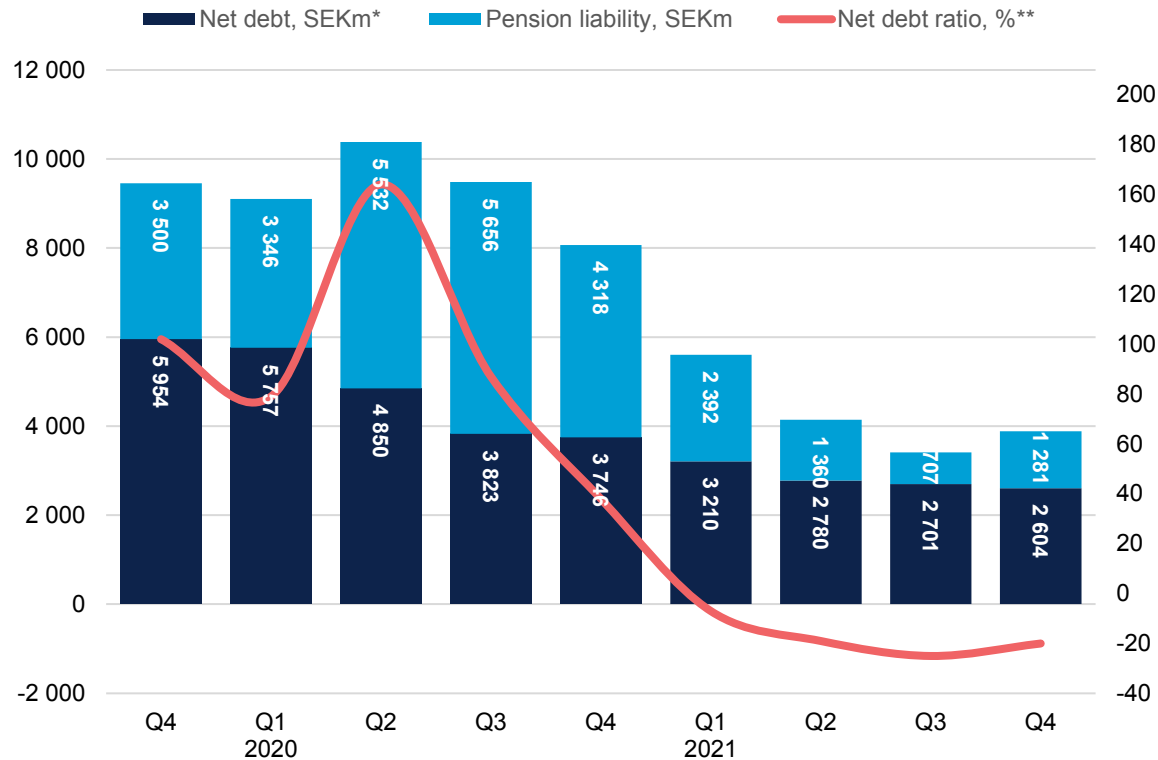
Net sales Q4 2021 vs Q4 2020



Operating income Q4 2021 vs Q4 2020



Net debt

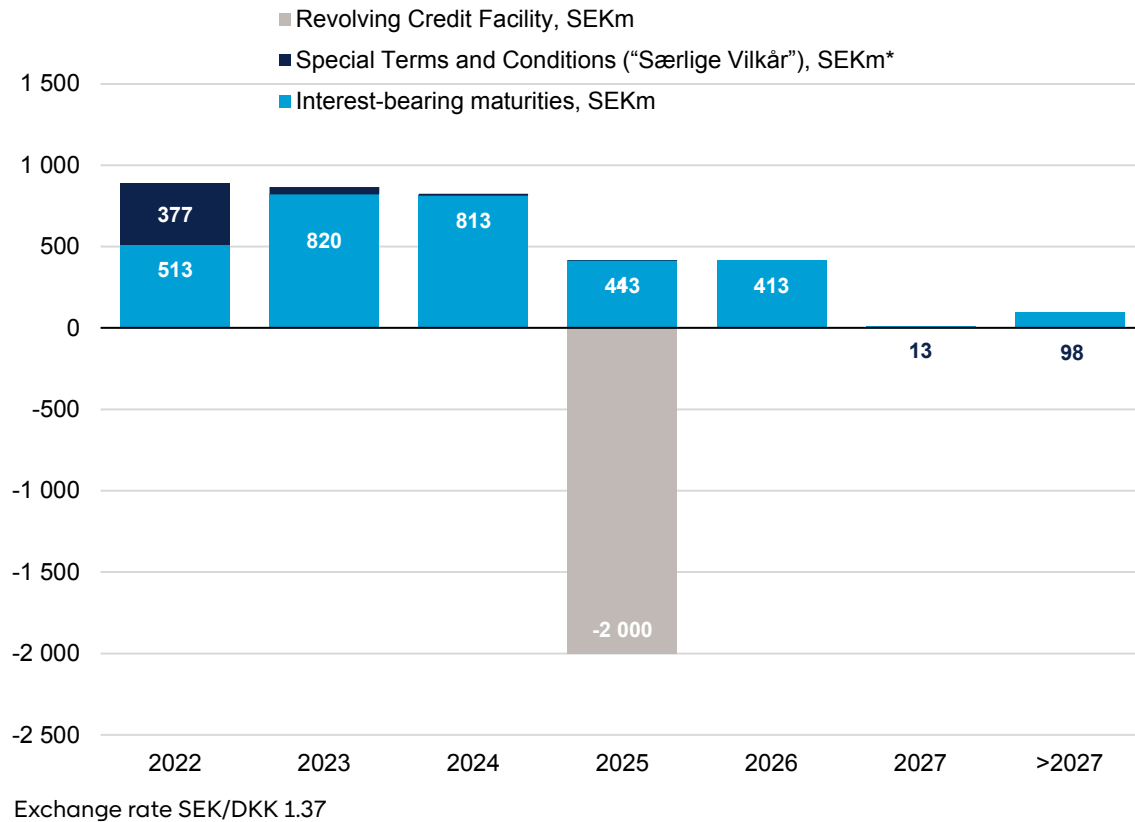


* Net debt, including lease liability but excluding pension liability

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

- Net debt, including pensions and lease liabilities, increased by SEK 477 million, mainly due to an increased pension liability
- The net debt ratio including pensions but excluding lease liabilities was -20 percent (target: 10-50%)

Maturity profile



- The interest-bearing debt portfolio consists mainly of bond loans of SEK 1.9 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

- **Challenging quarter ending a historically strong year**
- **Reduced mail volumes and challenging conditions for planning, resulting in parcel costs that were slightly too high as well as increased transport costs**
- **Updated agenda for sustainable logistics**
- **Balance between focus on costs and investments in the business**



Contact details

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

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