

Year-end report 2022

February 1, 2023

postnord



Ongoing challenges require continued structural changes

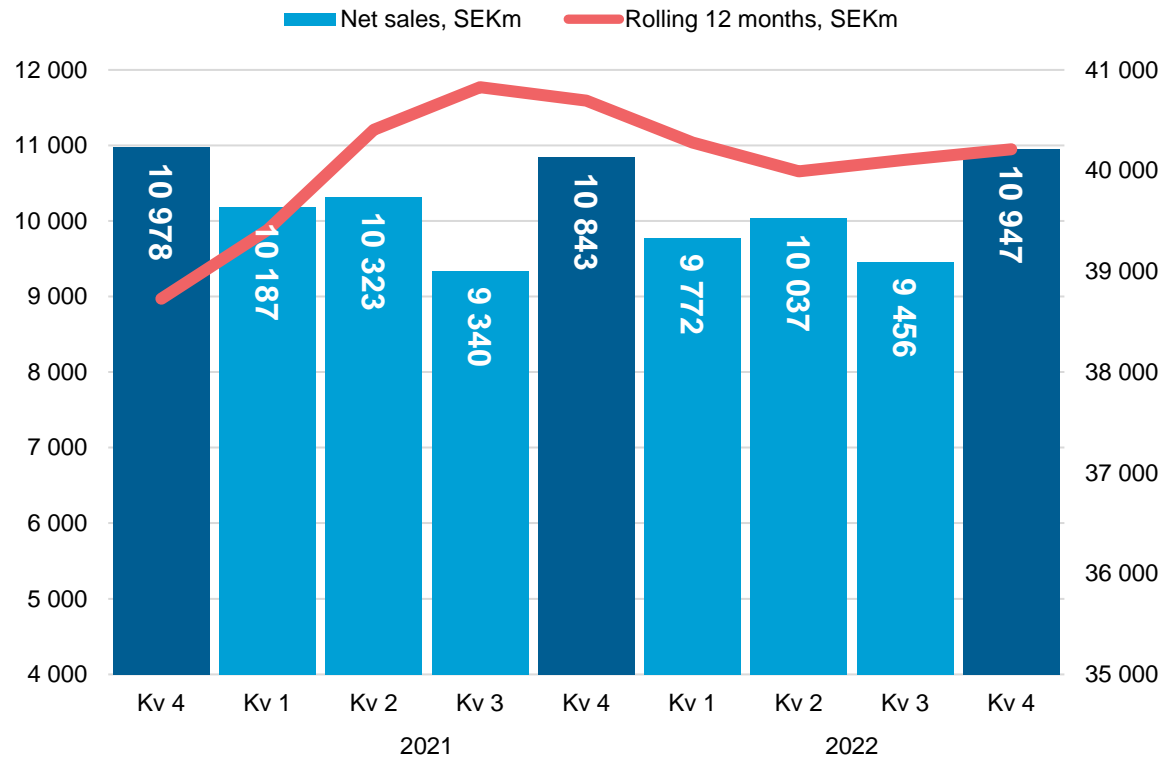
General comments

- Income decreased as a result of lower parcel and letter volumes than expected as well as higher costs driven by external macro factors
 - The Group's decreased result is mainly attributable to our Swedish operations
- PostNord acts forcefully
 - Continued price adjustments including fuel surcharges
 - Adjusting our capacity and offering
 - Adding structural changes within the administration
- At the same time, we continue to invest in climate and the customer offering
 - Parcel lockers roll-out continues
 - signed a loan agreement for SEK 1.2 billion with the Nordic Investment Bank (NIB) - continue to invest in terminals and vehicles

Income

- Net sales totaled SEK 10,947 million (10,843)
- Overall, parcel volumes decreased by -4 percent (-2)
- Mail volumes decreased by -13 percent (-11)
- Operating income (EBIT) totaled SEK -20 million (762)
- Adjusted operating income (adjusted EBIT) totaled SEK 247 (653) million

Net sales



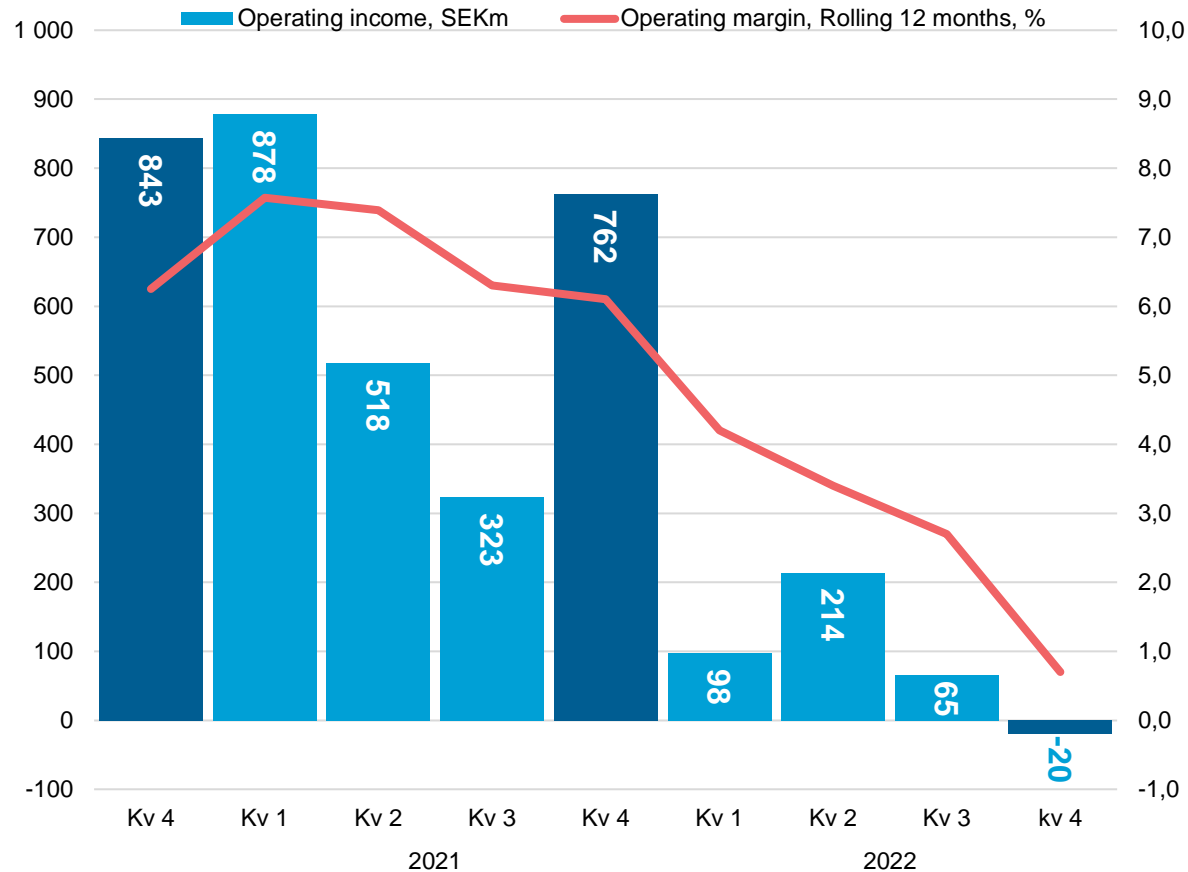
Net sales totaled
SEK 10,947m
 (10,843) -2%
 like-for-like

Mail volume decline
-13%
 (-11)

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

Parcel volume business-to-consumer
-4% (-3)

Operating income



Operating income totaled

SEK -20m
(762)

Adjusted operating income totaled

SEK 247m
(653)

Operating margin, Q4

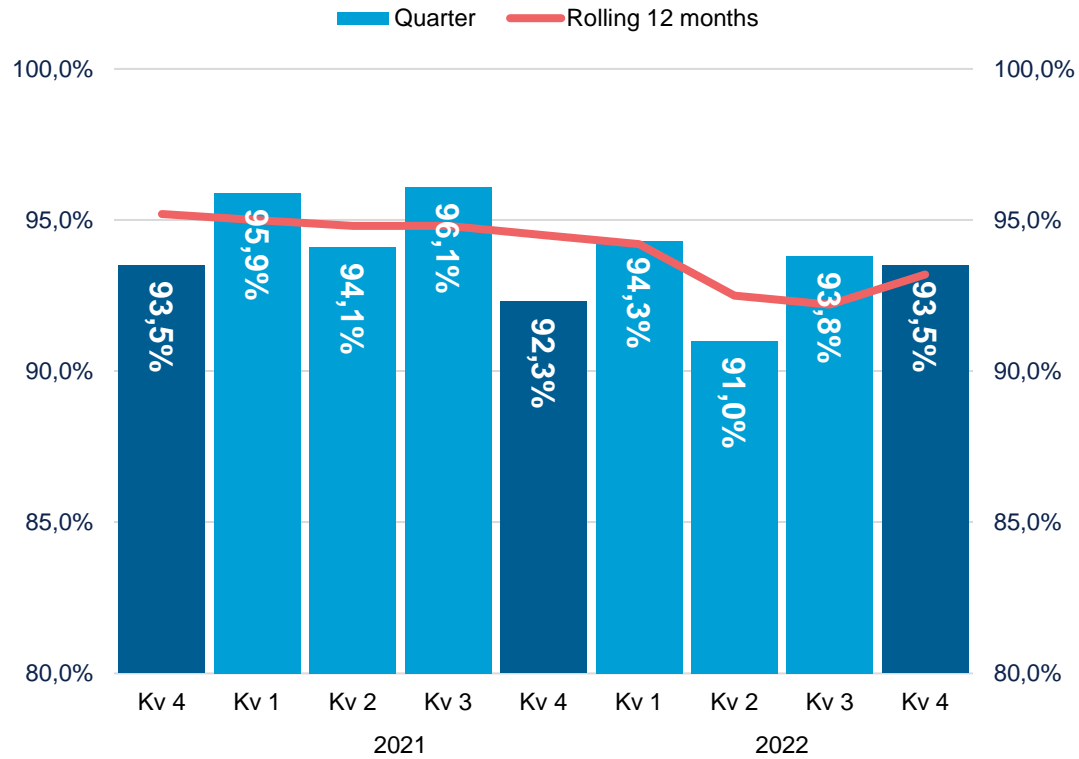
-0.2% (7.0)

Adjusted operating margin, Q4

2.3% (6.0)

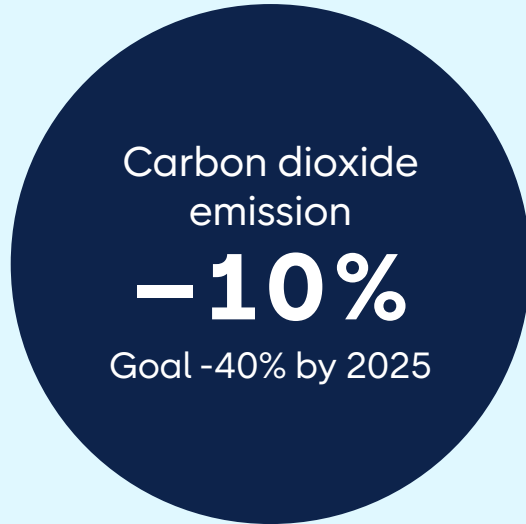
Income decreased as a result of continued decline in parcel and mail volumes

Delivery quality parcels in Q4

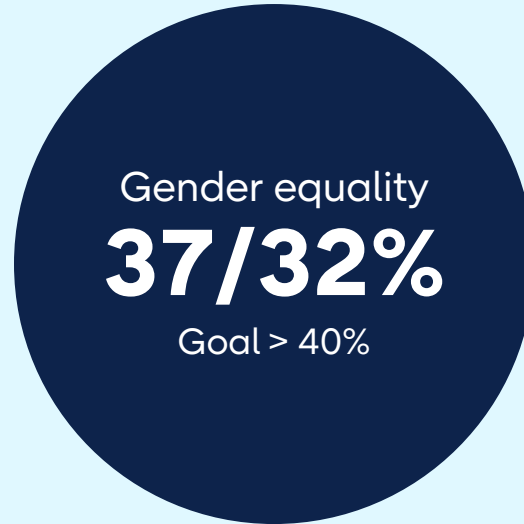


- **Delivery quality, Group, rolling 12 months 93.1% (93.5% in the quarter)**
- **Volume decline by -4% in B2C, and decline by -5% in B2B**

Sustainability Q4



Carbon dioxide emissions by PostNord relative to Q4 2021 level

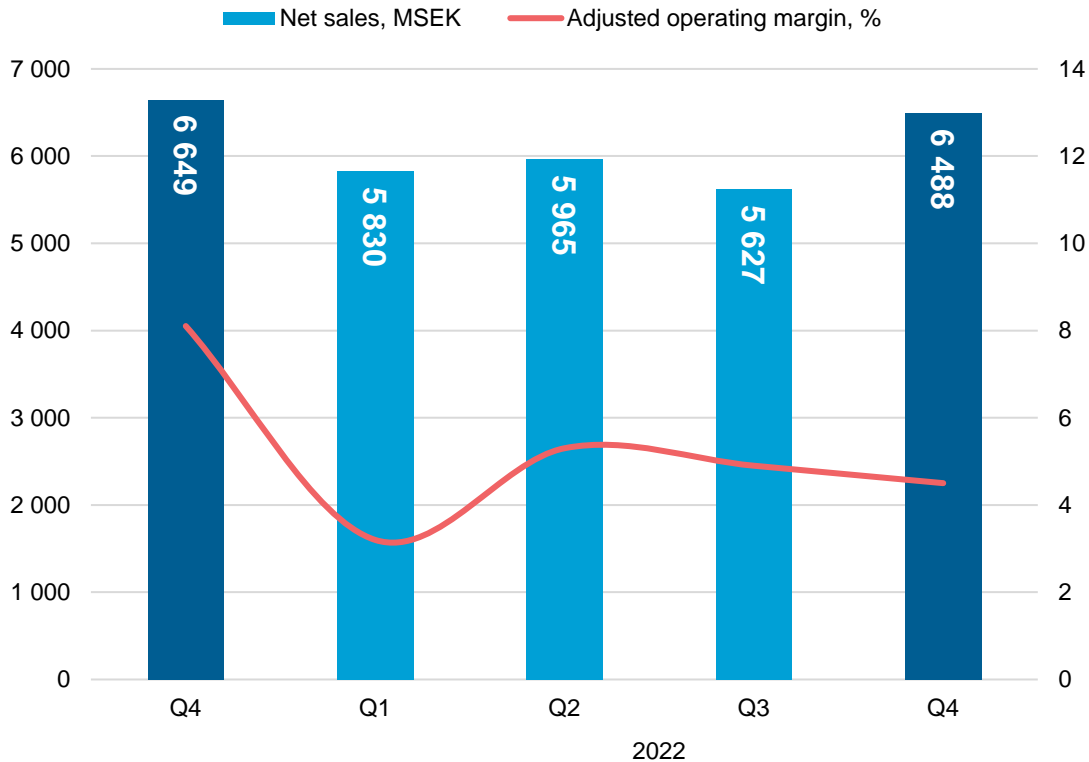


Percentage of PostNord managers who are of the under-represented gender
Level 1–3: 37% women
Level 4–6: 32% women



Weighted Responsible Procurement Index containing 3 KPI:s

PostNord Sweden



92.4%

Delivery quality, mail, in quarter

94.4%

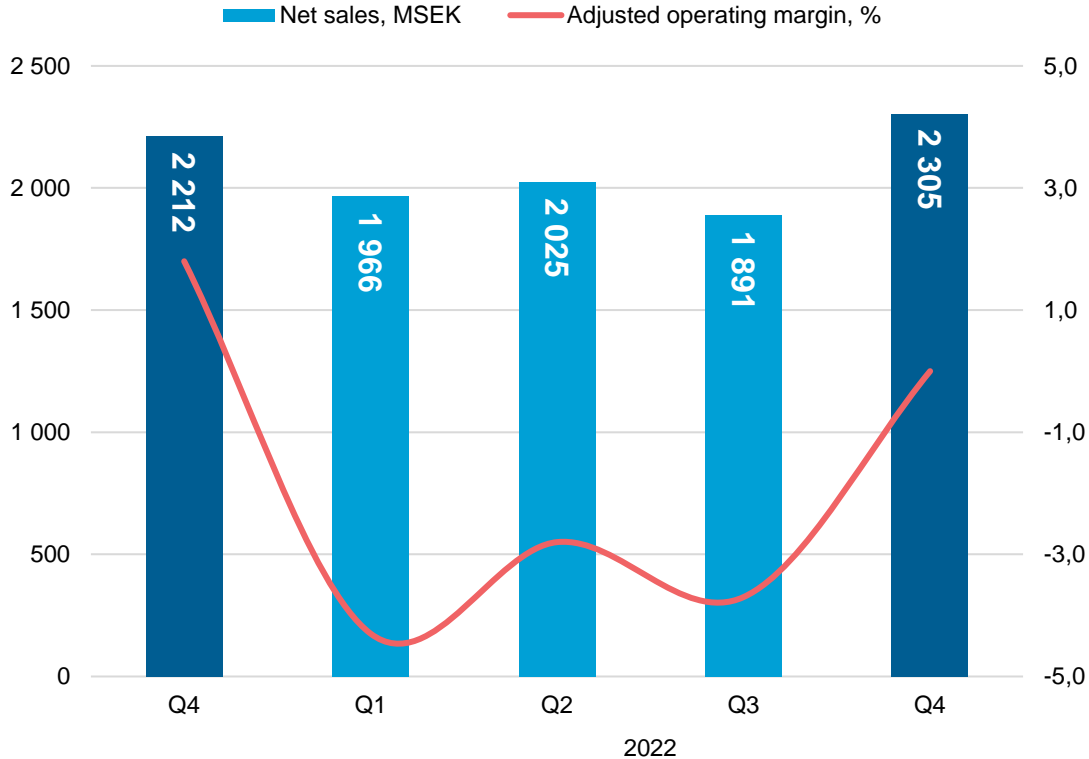
Delivery quality, parcels, in quarter

Legal requirement 95%

Target 97%

- **Net sales totaled SEK 6,488 million (6,649)**
 - Mail volumes -14%
 - Parcel volumes -2%
- **Decrease in parcel and mail volumes**
- **Operating income totaled SEK 107 million (638)**
- **Adjusted operating income totaled SEK 295 (538) million**
- **Provisions for restructuring costs have been made with SEK 187 (–) million to achieve a more business-oriented, cost-effective and flatter organizational structure.**
- **Furthermore, the result has been negatively affected by reduced letter and parcel volumes.**

PostNord Denmark



94.9%

Delivery quality, mail, in quarter

92.8%

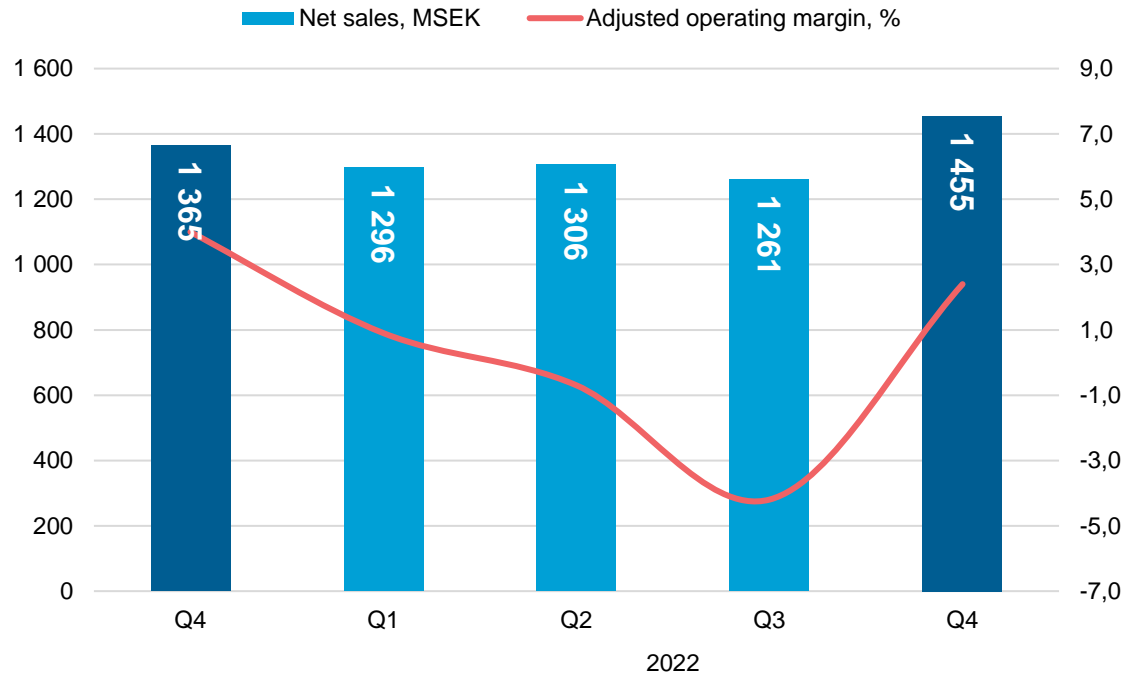
Delivery quality, parcels, in quarter

Legal requirement 93%

Target 97%

- **Net sales totaled SEK 2,305 million (2,212)**
 - Mail volumes -7%
 - Parcel volumes -4 %
- **Operating income totaled SEK -70 million (48)**
- **Adjusted operating income totaled SEK 1 (39) million**
- **The result is negatively affected by restructuring costs.**
- **The decrease in profit also derives from the reduced parcel volumes, reduced import letter volumes and of the rising inflation, especially on energy and fuel prices**

PostNord Norway



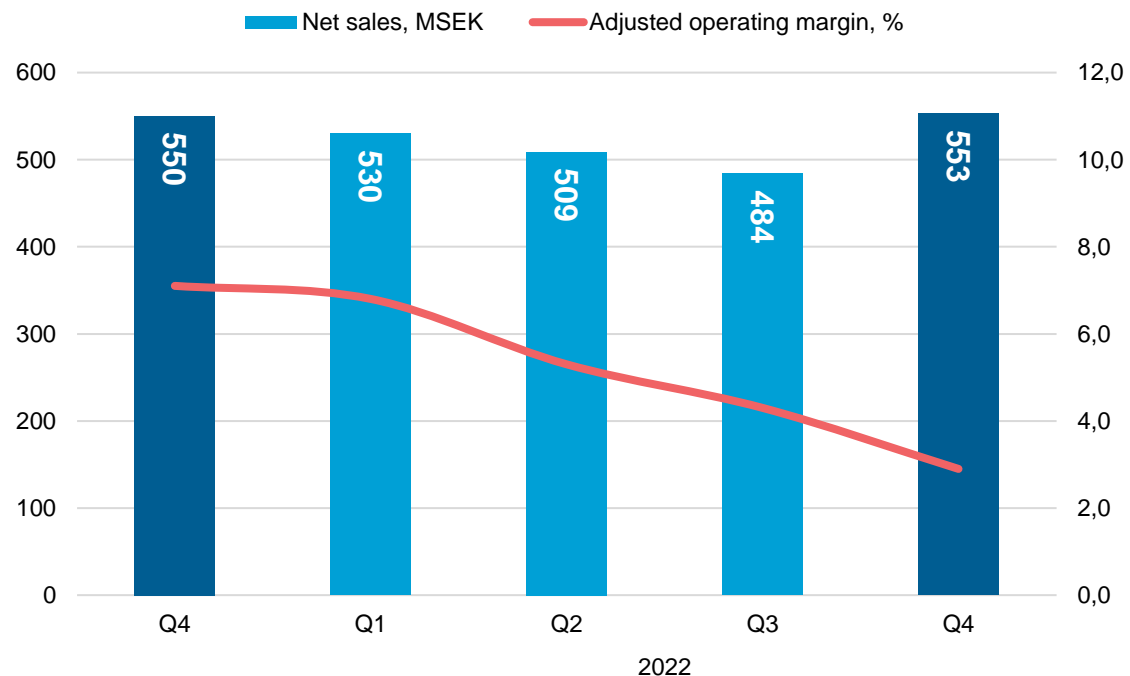
- Net sales totaled SEK 1,455 million (1,365)
- Operating income totaled SEK 27 million (55)
- The lower result is explained by higher transport costs, reduced e-commerce volumes and challenges in adapting production capacity quickly enough to current volumes. EBIT also affected by restructuring costs.
- Delivery quality was 94.0 (86.7) percent in the quarter.

PostNord Finland



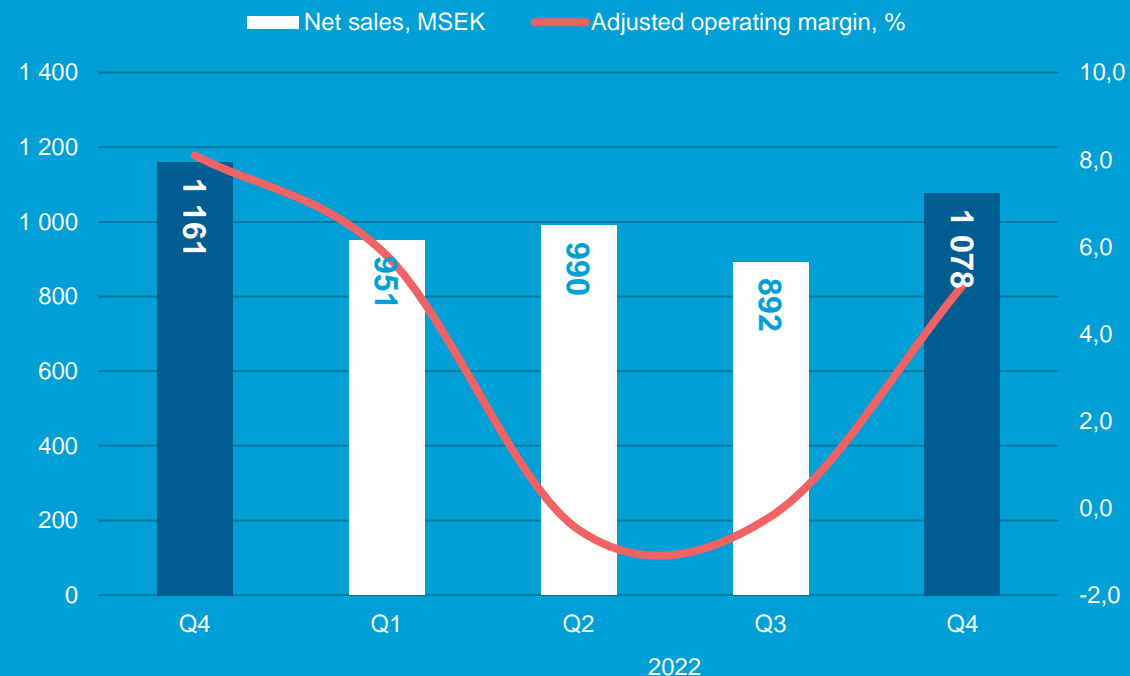
- Net sales totaled SEK 407 million (374)
- Operating income totaled SEK -18 million (-9)
- The lower result is a consequence of increased costs related to an establishment of a new terminal, which is being established in order to meet future growth.
- Delivery quality for parcels was 88.7 (94.2) percent.

PostNord Strålfors



- **Net sales totaled SEK 553 million (550)**
- **Operating income amounted to SEK 16 (39) million. The change was mainly due to increased development costs for service development within the digital business, and that the result in the fourth quarter of 2021 was positively affected by a one-off reimbursement of pension costs of 13 million.**

Other business activities



- **Net sales totaled SEK 1,078 million (1,161)**
- **Operating income totaled SEK 55 million (94)**
 - **Direct Link's sales and earnings decreased sharply after losing a major Asian customer and from the decline in ecommerce growth.**
 - **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 -5 (20) million**

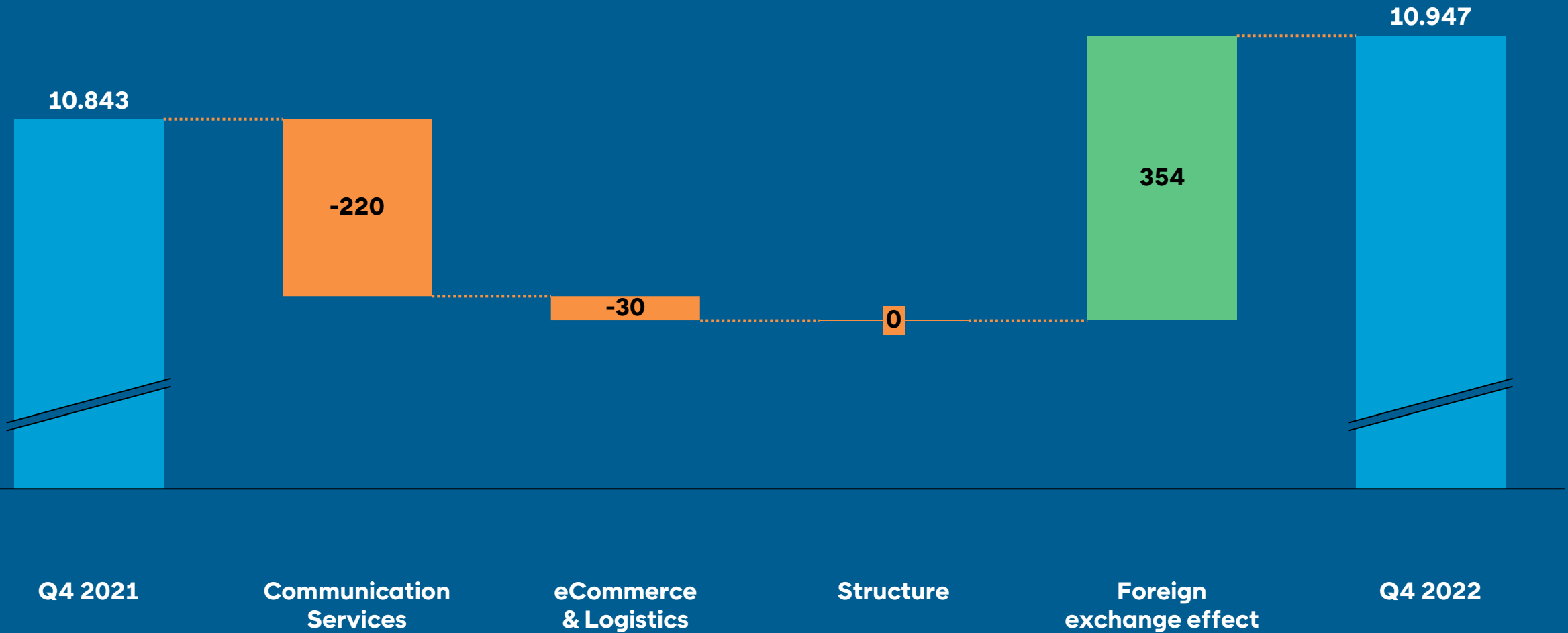
Financial summary

	Quarter 4/2022	Quarter 4/2021	Change
Net sales, SEKm	10,947	10,843	-2%*
Operating income, SEKm	-20	762	-103%
Operating margin, %	-0.2%	7.0%	
Adjusted operating income, SEKm	247	653	-62%
Net financial items, SEKm	-113	-8	
Cash flow from operating activities SEKm	1,113	1,524	
Return on capital employed (ROCE), %	2.6%	19.2%	

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

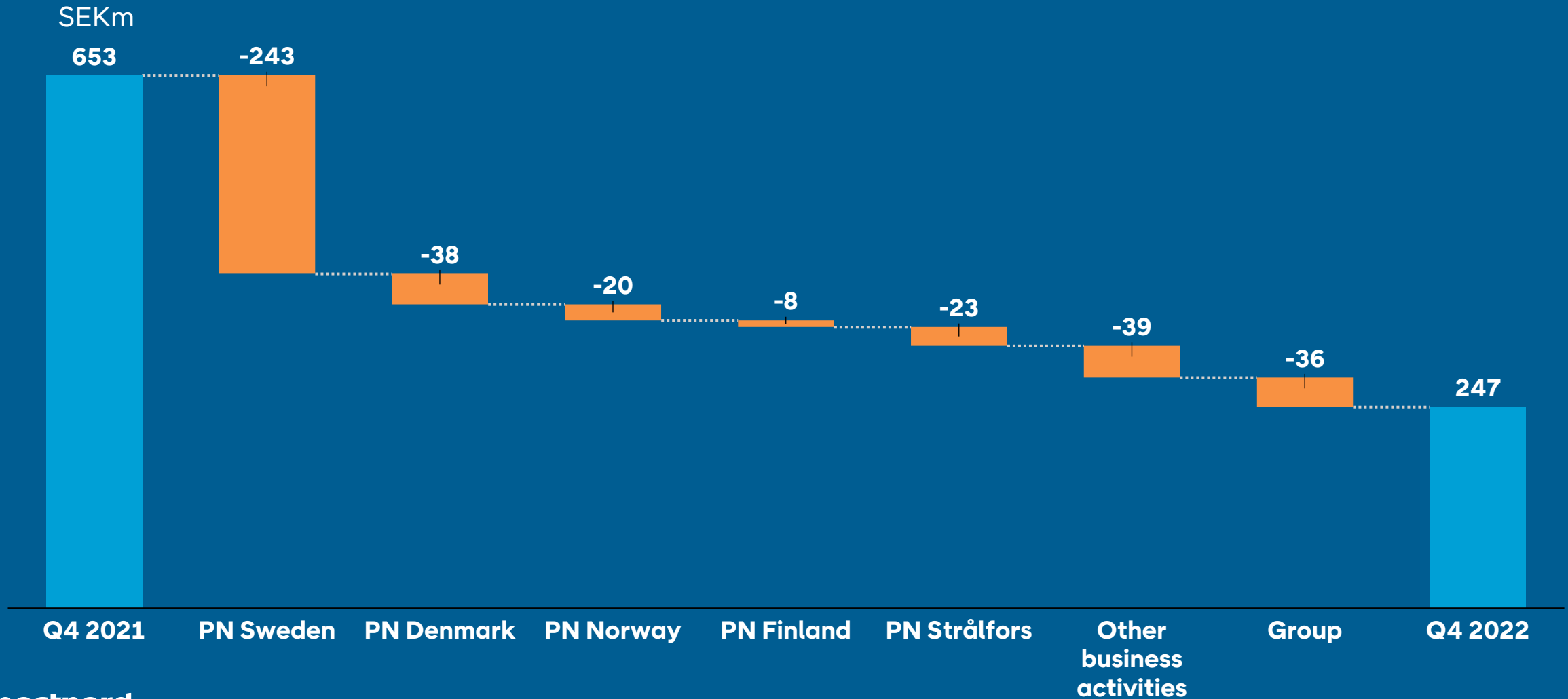
Net sales Q4 2022 vs Q4 2021

SEKm

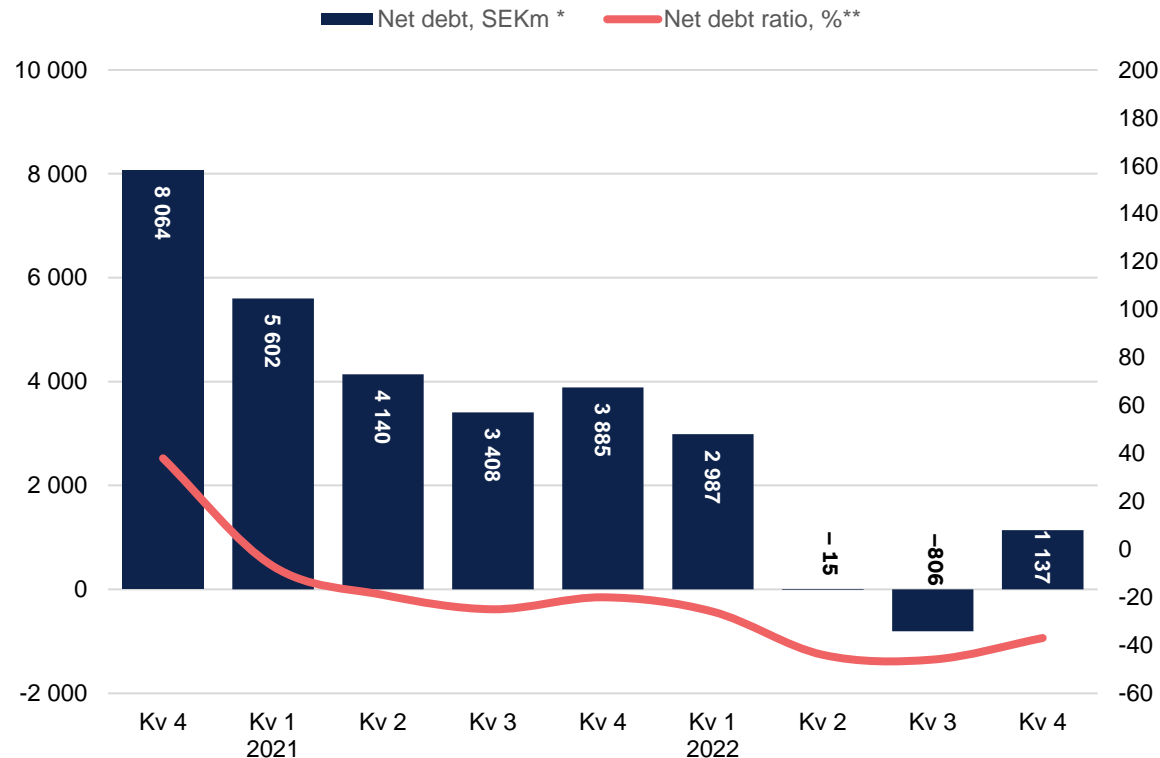


Operating income

Q4 2022 vs Q4 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, increased by 1,943 million, as a result of a smaller net asset regarding pensions and sickness benefit plans
- The net debt ratio including pensions but excluding lease liabilities was -37 percent (target: 10-50%)

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 – adding structural changes within the administration**
- **Continuing to develop our customer offering and investing in climate transition**



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