

# Vad du än ska skicka.

- Frimärken  
Från 6 kr
- Förpackningar med porto  
Från 30 till 99 kr, upp till 2 kg
- Blå kartong  
11 kr (frakt tillkommer) upp till 20 kg
- Skicka i eget emballage  
upp till 20 kg
- Extra värdefullt  
Från 65 kr
- Express

Pris 85 kr porto ingår upp till 2 kg.



Porto ingår

S 30 kr

M 45 kr

L 69 kr

## Fourth Quarter and Full-year 2013

February 21, 2014

## Highlights, fourth quarter and full-year 2013

## Financial development

## Q&A

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# Full-year result for 2013

postnord

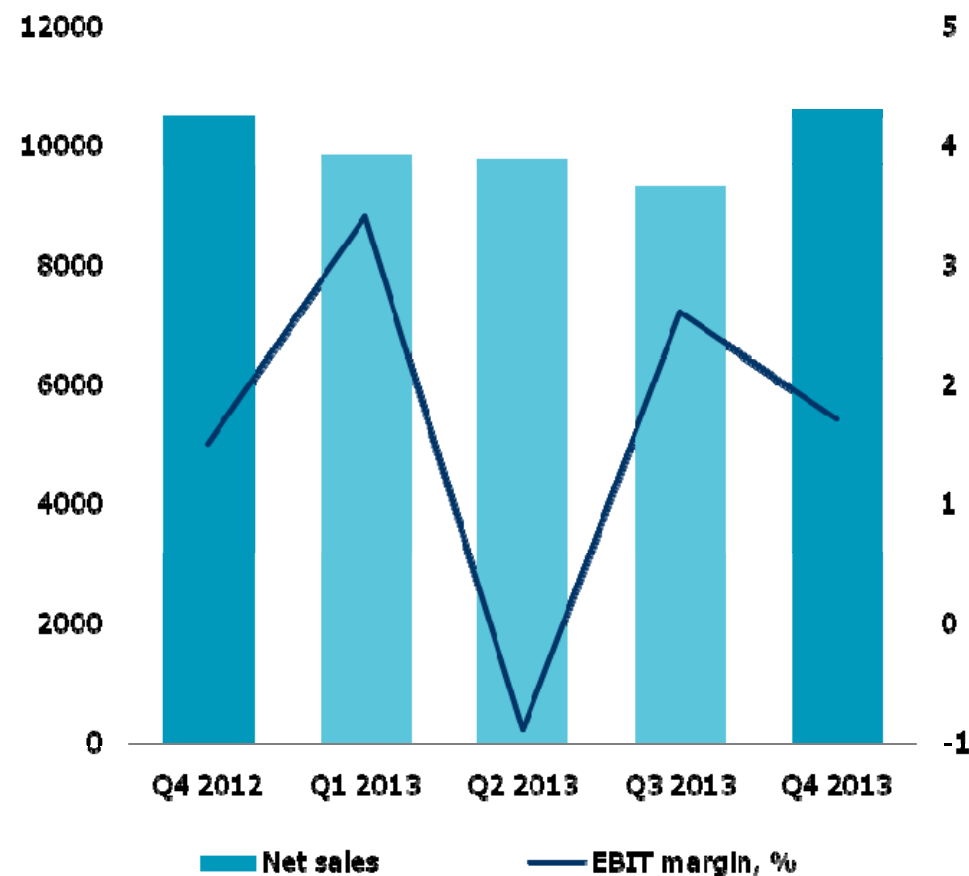
- Continued growth and improved operating profit
- Improved profitability, though still too weak
- Improved financial position
- Further development of strategy to step up pace of streamlining efforts and service development
- New organization – stronger focus on e-commerce – greater synergy potential
- New brand structure

# PostNord Group – fourth quarter

postnord

- Net sales were up 1%
  - Growth in Logistics. Expanding e-commerce volumes
  - Reduced mail volumes
- Expenses increased 1%, but fell 1% before acquisitions and currency effects
- EBIT improved to SEK 180m (158)
  - EBIT margin improved to 1.7 (1.5) %
- Cash flows from operating activities increased to SEK 1,650m (1,386)

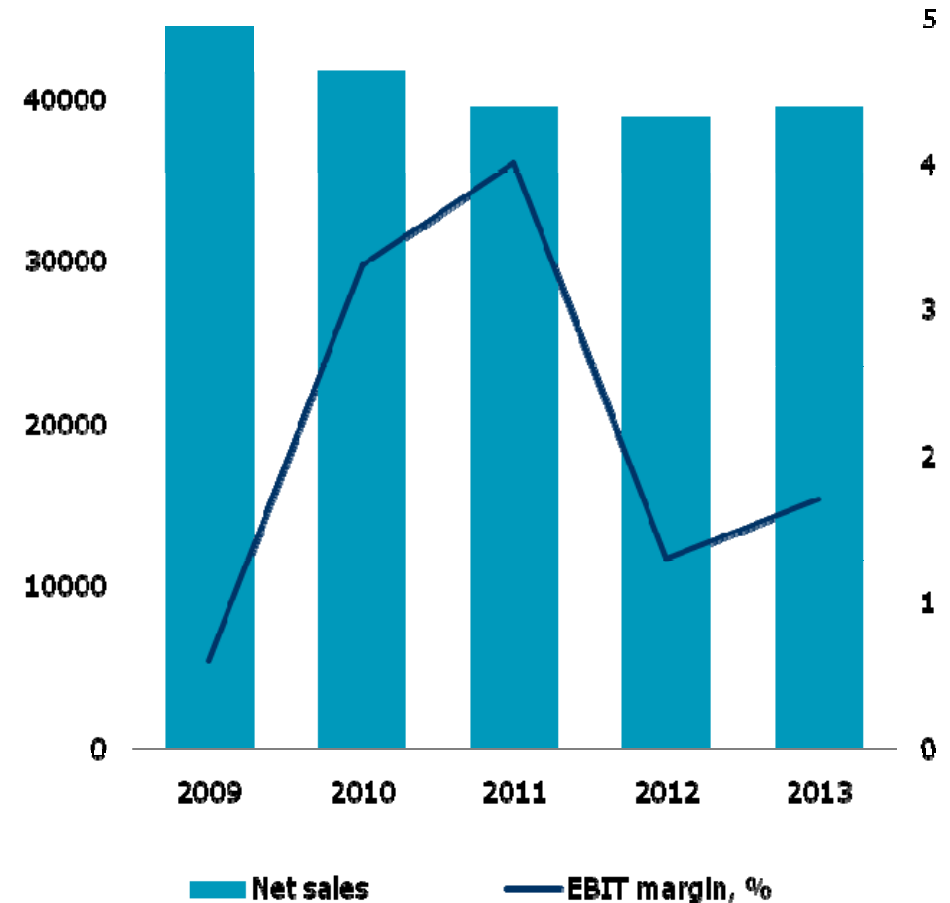
NET SALES AND EBIT MARGIN



# PostNord Group – full-year 2013




- Net sales were up 2% - and up 3% excluding currency effects
  - Acquisitions and organic growth for Logistics – net sales up 14%
  - Expanding e-commerce volumes
  - Reduced mail volumes
- Expenses rose 1%, but fell 2% excluding acquisitions and currency effects
- EBIT improved to SEK 676m (511)
  - EBIT margin improved to 1.7 (1.3) %
- Cash flows from operating activities fell to SEK 1,662m (1,825)

NET SALES AND EBIT MARGIN\*



# Business operations – fourth quarter

postnord

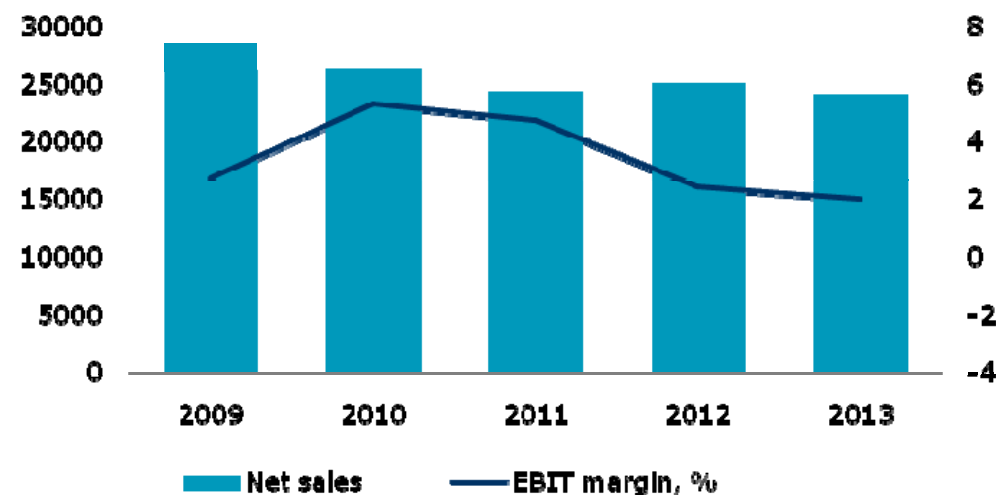
Q4 2013	 <p>Mail</p>	 <p>Logistics</p>	 <p>Strålfors</p>
Volumes	Mail: -4% (DK -10%, SE -3%) All parcels: +8%. B2C parcels: +14%		
Net sales	SEK 6,516m (6,654)	SEK 3,599m (3,300)	SEK 675m (682)
△ Net sales	-2%	+9%	-1%
EBIT	SEK 251m (359)	SEK 9m (93)	SEK 10m (9)
EBIT margin	3.7 (5.2)%	0.2 (2.6)%	1.5 (1.3)%
	Continued decline in mail volumes due to digitization. Underlying cost reductions.	Growing e-commerce and B2C volumes. Price pressure and increasing competition in SE and NO.	Increased net sales in growth divisions. Weak market development for Business Communication division.

# Full-year 2013

## Mail: Sustained pressure on profitability

- Net sales down 4%
  - Mail volumes fell 5% - slightly less than expected
  - Price changes in DK
  - Growing e-commerce volumes. Increasing income from free papers in SE
  - Weak direct mail market and increasing competition
  
- Continued adjustment to lower volumes – operating expenses reduced 3%
  - Expenses down 8% for Mail Denmark and down 1% for Mail Sweden
  - Expenses in comparison period positively impacted by pension effects
  
- Parliamentary decision on new postal legislation in Denmark – 18 February 2014

NET SALES AND EBIT MARGIN\*



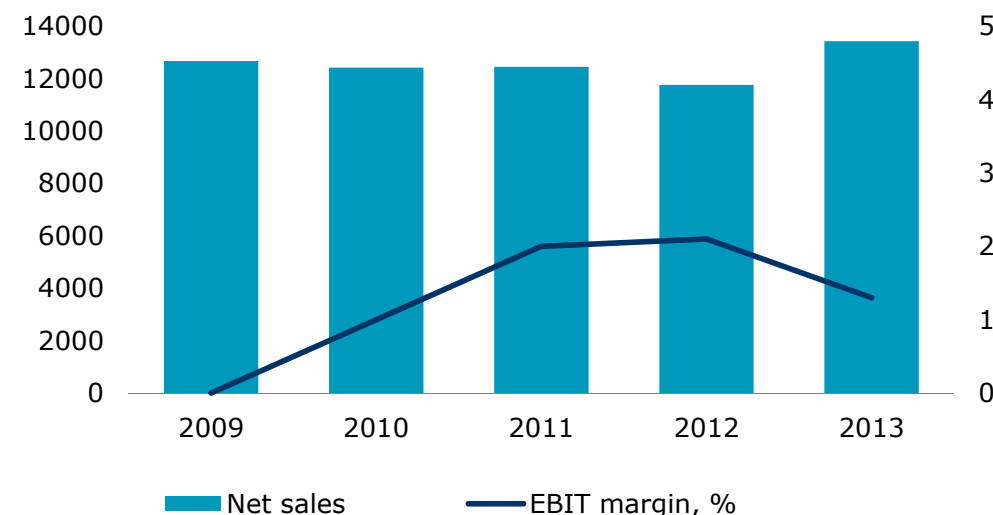
SEKm	2013	2012	Δ	Δ**
Net sales	24,103	25,022	-4%	-4%
of which Mail Denmark	9,364	10,165	-8%	-7%
of which Mail Sweden	15,050	15,137	-1%	-1%
EBIT	494	616	-20%	-23%
of which Mail Denmark	-89	-177	50%	42%
of which Mail Sweden	583	793	-26%	-27%
EBIT margin, %	2.0%	2.4%		

# Full-year 2013

## Logistics: Strong growth but weak profitability

- Net sales up by 14%, and by 3% organically
  - Organic growth driven by e-commerce trend, with sharp volume growth in B2C parcels
  - Acquisition of Byrknes Auto and Nordisk Kyl Logistik
- Increasing price pressure in the market – falling margins
- Increased demand for outsourcing services
- Continued and expanded streamlining efforts to strengthen business area’s profitability

NET SALES AND EBIT MARGIN\*



SEKm	2013	2012	Δ	Δ**
Net sales	13,432	11,762	14%	3%
EBIT	197	272	-28%	-22%
EBIT margin, %	1.3	2.1		

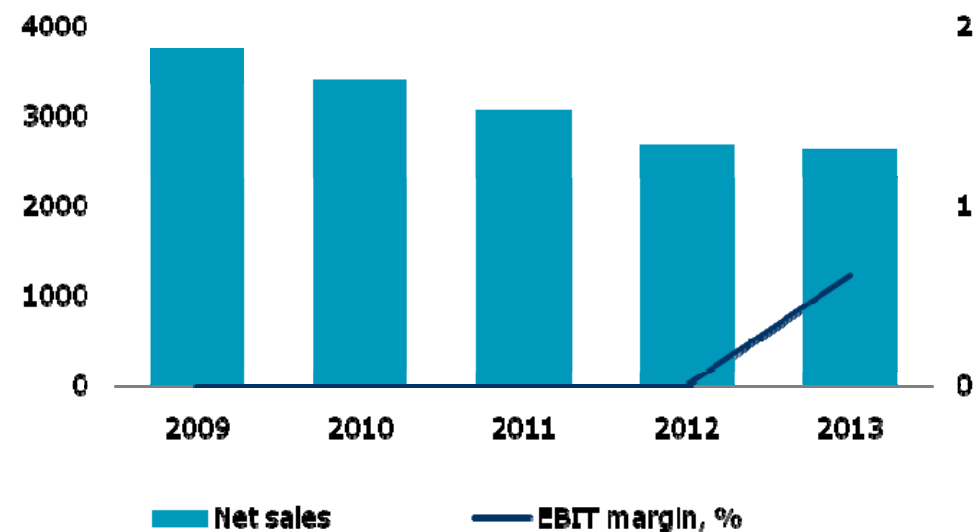


## Full-year 2013

# Strålfors: Improved operating profit

- Net sales down 2%
- Increased net sales for the three growth divisions Data Management, Marketing Communication and Service Fulfilment
- Weak market trend and lower revenue for Business Communication division
- Acquisition of printing and inserting business in Poland
- Reporting positive operating profit. Operating margin rose to 0.6 (neg) %

NET SALES AND EBIT MARGIN



SEKm	2013	2012	Δ	Δ*
Net sales	2,612	2,665	-2%	-1%
EBIT	16	-25	>100%	>100%
EBIT margin, %	0.6	neg		

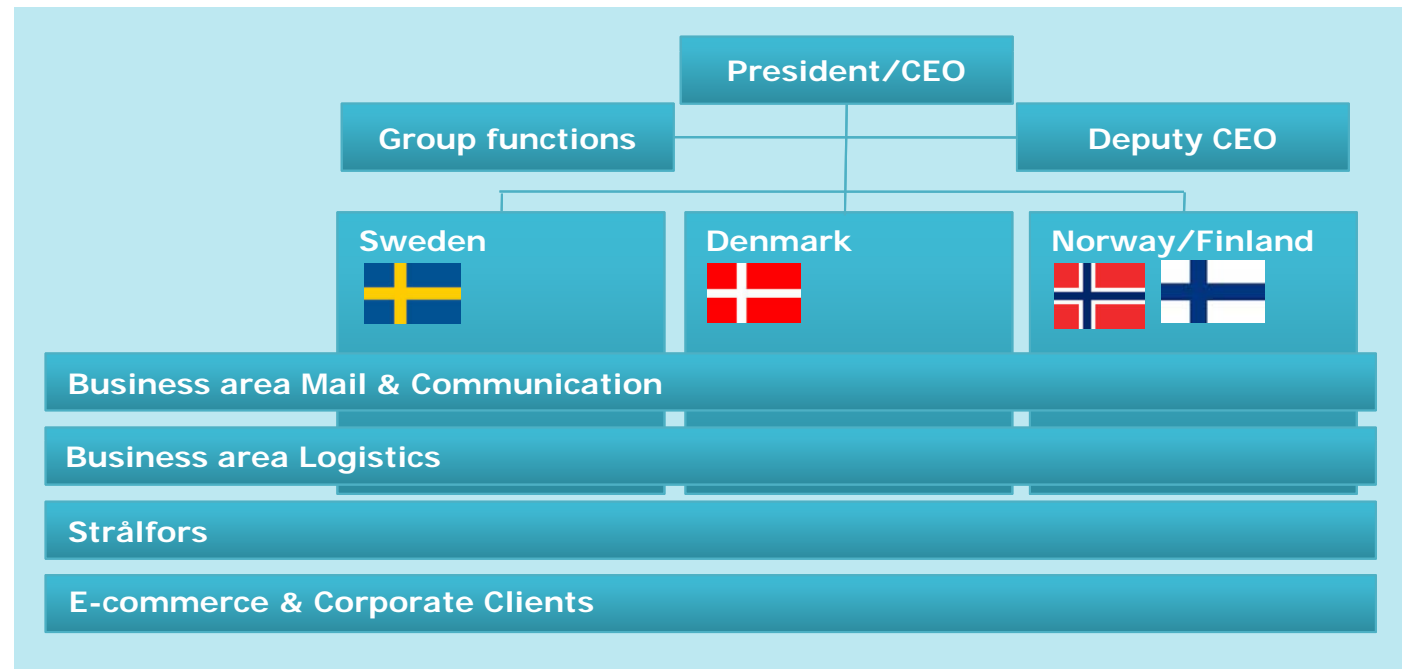
# Strategy development – stepped up pace of streamlining efforts and service development process

1. Secure profitability for Mail
2. Take the position as the leading logistics operator in the Nordic region
3. Secure the position as the leading e-commerce partner in the Nordic region
4. Develop attractive and profitable solutions within service logistics
5. Enhanced competitiveness – reduced costs, stable IT operations and integrated production model
6. Winning culture – stronger delivery culture and clearer sustainability profile



# New organization – a more integrated Group

- Formation of country units to better serve our client base and facilitate integrated production models
- Establishment of a Nordic business area for Mail & Communication
- Establishment of strategic unit for e-commerce
- Strålfors still operated as a subsidiary – close coordination with Mail & Communication



Greater uniformity versus customers – stronger focus on e-commerce – greater potential for synergies

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# New brand structure – a more uniform profile

postnord

- PostNord is becoming increasingly distinguished as a Nordic company
- Changes in the brand structure accentuate uniformity and the strengths of PostNord's offer
- Gradual establishment of new brand symbols during the coming three years.
- More information on the new brand symbols will be presented during 2014.

The image shows the 'postnord' logo in a large, bold, blue, lowercase sans-serif font. The letters are closely spaced and have a consistent weight throughout.

**Highlights, fourth quarter and full-year 2013**

**Financial development**

**Q&A**

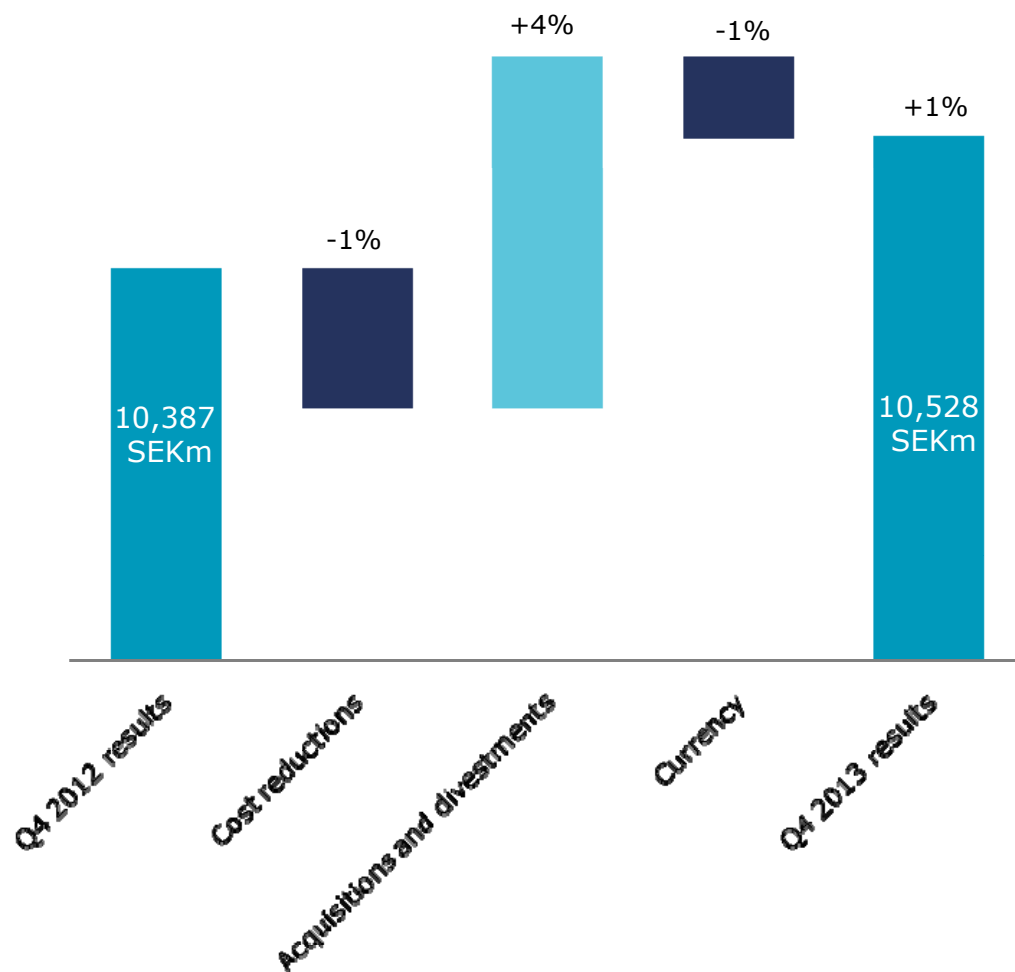
# Profit summary

postnord

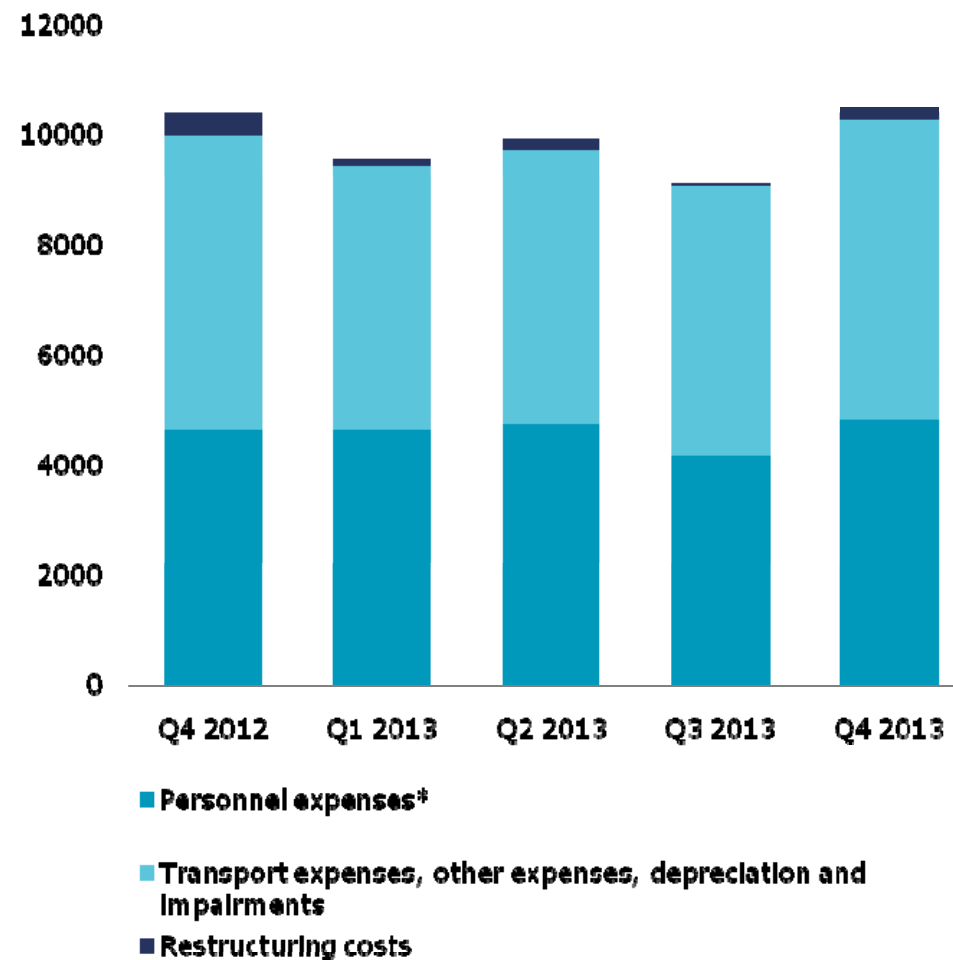
SEKm	Q4 2013	Q4 2012	△	2013	2012	△
Net sales	10,638	10,481	1%	39,533	38,920	2%
Other income	69	62	11%	233	253	-8%
<b>Income</b>	<b>10,707</b>	<b>10,543</b>	<b>2%</b>	<b>39,766</b>	<b>39,173</b>	<b>2%</b>
Operating expenses*	-10,528	-10,387	-1%	-39,100	-38,669	-1%
Participations in the earnings of associated companies	1	2	-50%	10	7	43%
<b>EBIT</b>	<b>180</b>	<b>158</b>	<b>14%</b>	<b>676</b>	<b>511</b>	<b>32%</b>
Net financial items	-59	-36	-64%	-208	-144	-44%
Tax	-88	-53	-66%	-146	-120	-22%
<b>Net profit</b>	<b>33</b>	<b>69</b>	<b>-52%</b>	<b>322</b>	<b>247</b>	<b>30%</b>
<i>Operating margin (EBIT), %</i>	<i>1.7</i>	<i>1.5</i>		<i>1.7</i>	<i>1.3</i>	
<i>Return on equity, rolling 12-month, %</i>	<i>3.9</i>	<i>2.6</i>		<i>3.9</i>	<i>2.6</i>	
<i>Return on operating capital, rolling 12-month, %</i>	<i>5.7</i>	<i>4.7</i>		<i>5.7</i>	<i>4.7</i>	
<i>Net debt/EBITDA (rolling 12-month)</i>	<i>1.3</i>	<i>1.8</i>		<i>1.3</i>	<i>1.8</i>	
<i>Equity-Assets ratio, end of period, %</i>	<i>35</i>	<i>27</i>		<i>35</i>	<i>27</i>	

# Continued underlying cost reductions

OPERATING EXPENSES TREND



OPERATING EXPENSES, SEKm



# Improved cash flows during the quarter

postnord

## CASH FLOWS

SEKm	Q4 2013	Q4 2012	2013	2012
FFO	1,058	896	1,550	1,776
Change in operating capital	592	490	112	49
<b>Cash flow, operating activities</b>	<b>1,650</b>	<b>1,386</b>	<b>1,662</b>	<b>1,825</b>
<i>Margin*</i>	<i>15%</i>	<i>13%</i>	<i>4%</i>	<i>5%</i>
Investment activities	-883	-1,085	-2,653	-3,533
Financing activities	-82	-878	-82	2,654
<b>Net cash flow</b>	<b>685</b>	<b>-577</b>	<b>-1,073</b>	<b>946</b>
Cash and cash equivalents	1,973	3,046	1,973	3,046



# Improved financial position with less net debt

postnord

- Rising reference rates for calculating pension commitments reduced net debt by SEK 1.3 bn and increased equity by SEK 1.5 bn
- Excess return on pension assets contributed an additional SEK 597m to reduction of net debt
- Financial preparedness of SEK 4.0 bn, of which SEK 2.0 bn in cash and cash equivalents

## FINANCIAL NET DEBT

SEKm	Dec 31 2013	Dec 31 2012
Cash and cash equivalents	1,973	3,046
Interest-bearing debt	4,589	4,312
Pension provisions*	375	3,033
<b>Net debt</b>	<b>2,992</b>	<b>4,299</b>
Equity**	9,063	7,533
<i>Net debt/EBITDA, times</i>	<i>1.3</i>	<i>1.8</i>
<i>Net debt ratio, times**</i>	<i>0.3</i>	<i>0.6</i>
<i>Equity-Assets ratio, %**</i>	<i>35</i>	<i>27</i>
<i>Financial preparedness</i>	<i>3,973</i>	<i>5,046</i>

**Mail volumes** Decrease of 4-5% in Sweden and 9-11% in Denmark in 2014

**Investments** 3-5% of Group income during 2014-2016

**Profitability and cash flows** Increase in profitability and improved cash flows in coming year

**Creditworthiness** Ambition to continue being an investment grade company





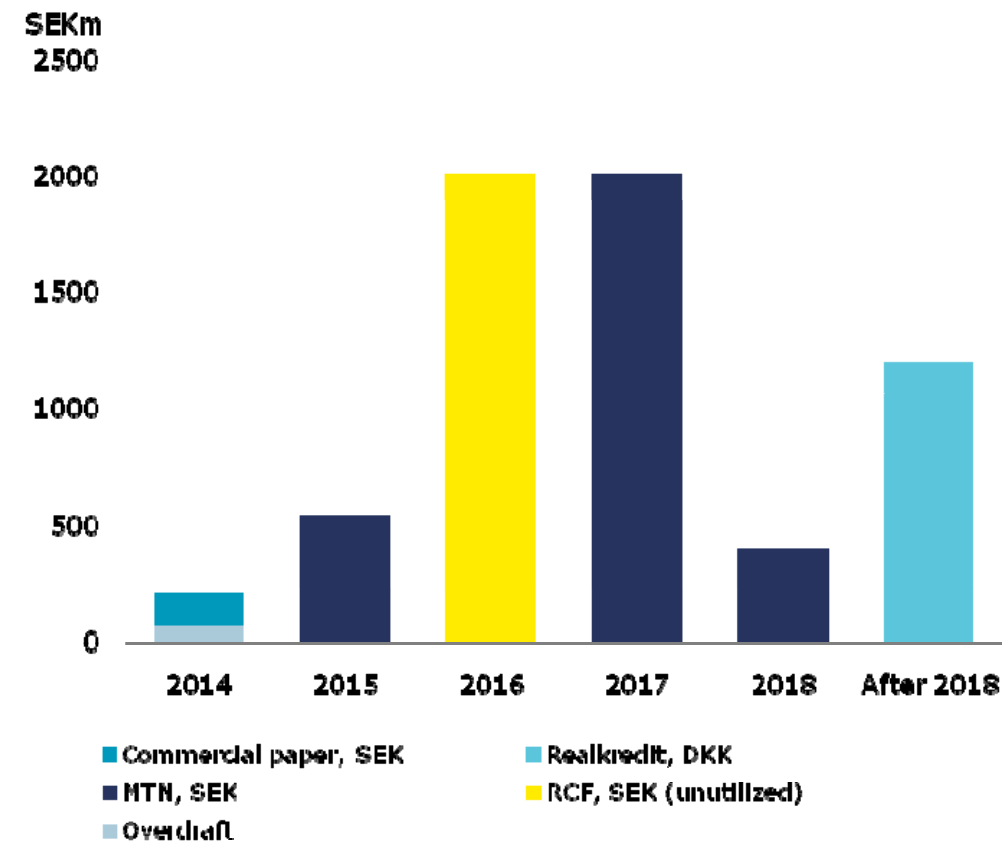
- Improvement in earnings contribution from operations
- Free up capital by improving capital efficiency – further potential identified during 2013
- Maintain effective capital structure – potential for future issues of interest-bearing securities for refinancing and new financing
- Investment grade ambition

# Credit profile

## CREDIT OVERVIEW, DEC 31, 2013

Credit	Total value SEK bn	Utilized value SEK bn
Revolving credit facility, 5-yr, SEK	2.0	0
Commercial Paper program, SEK	3.0	0.2
Realkredit Danmark A/S, real estate financing (Post Danmark A/S), 20-yr, DKK	1.2	1.2
MTN program, SEK	6.0	2.9
Total utilized as at Dec 31, 2013		4.3
Short-maturity credits		0.2

## MATURITY STRUCTURE, DEC 31, 2013, SEKm



- Continued growth and improved operating profit in 2013
- Growth for Logistics business and e-commerce services
- Continued sharp drop in mail volumes – also projected for present year
- Profitability inadequate, but will be improved
- Sustaining a strong financial position
- Further development of the strategy – new organization – new brand structure

**Highlights, fourth quarter and full-year 2013**

**Financial development**

**Q&A**

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Statements made in this document relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of PostNord. Forward-looking statements herein apply only as at the date of this document. PostNord will not undertake any obligation to publicly update or revise these forward-looking statements to reflect future events, new information or otherwise except as required by law.

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