

# Third quarter 2021

October 28, 2021



# Continued growth

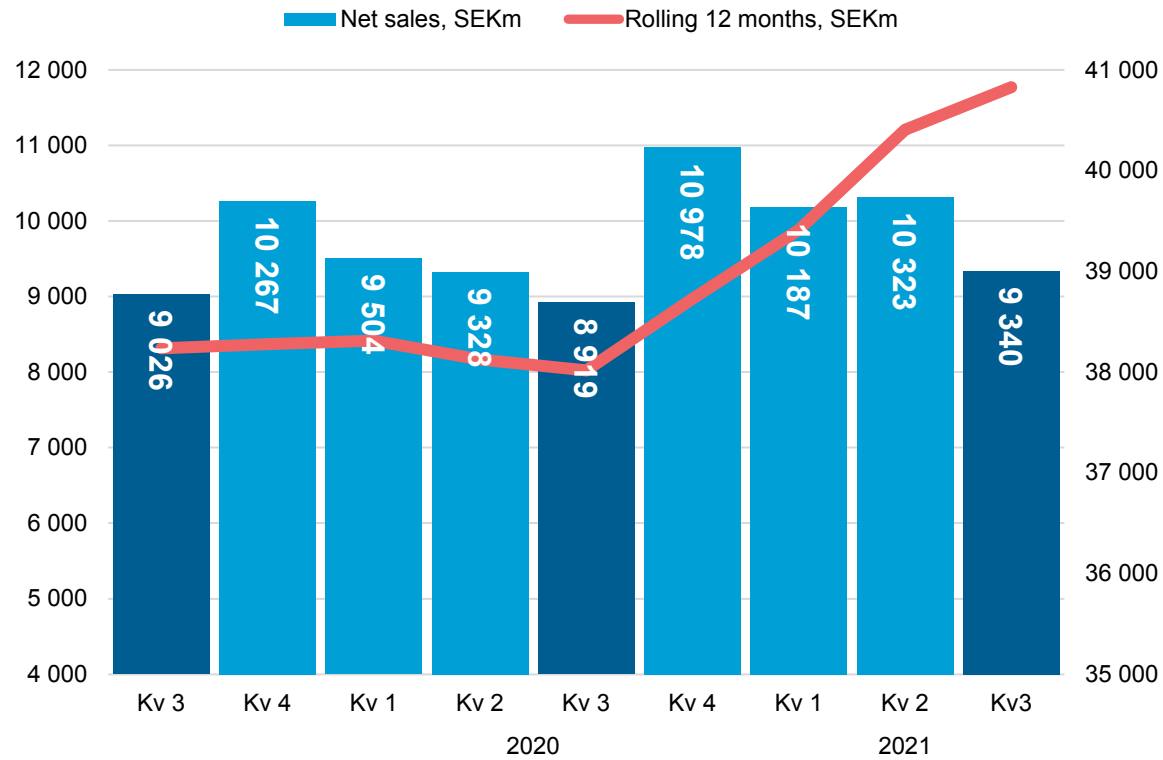
## General comments

- High e-commerce volumes laid the foundations for a strong performance in the first nine months of the year.
- The result in the quarter decreased due to lower letter volumes and declined growth in the parcel business when the societies opens up. The result was also affected by a higher cost situation for production and long-term investments.
- In the context of PostNord's ambitious sustainability agenda, work is being conducted at a high level of intensity.

## Outcome

- Overall, parcel volumes rose in all by 9 percent (11), driven by continued growth in business-to-consumer and a recovery in business-to-business
- Mail volumes decreased by -13 percent (-10) as a result of ongoing digitalization
- Operating income (EBIT) totaled SEK 323 million (747)
- Adjusted operating income decreased from SEK 520 million to SEK 284 million – continued growth in the parcels business but reduced profitability in both mail and parcels businesses during the quarter

# Net sales



Net sales totaled  
**SEK 9,340m**

(8,919) +5%  
like-for-like

Mail volume totaled  
**272 million**

-13% (-10)

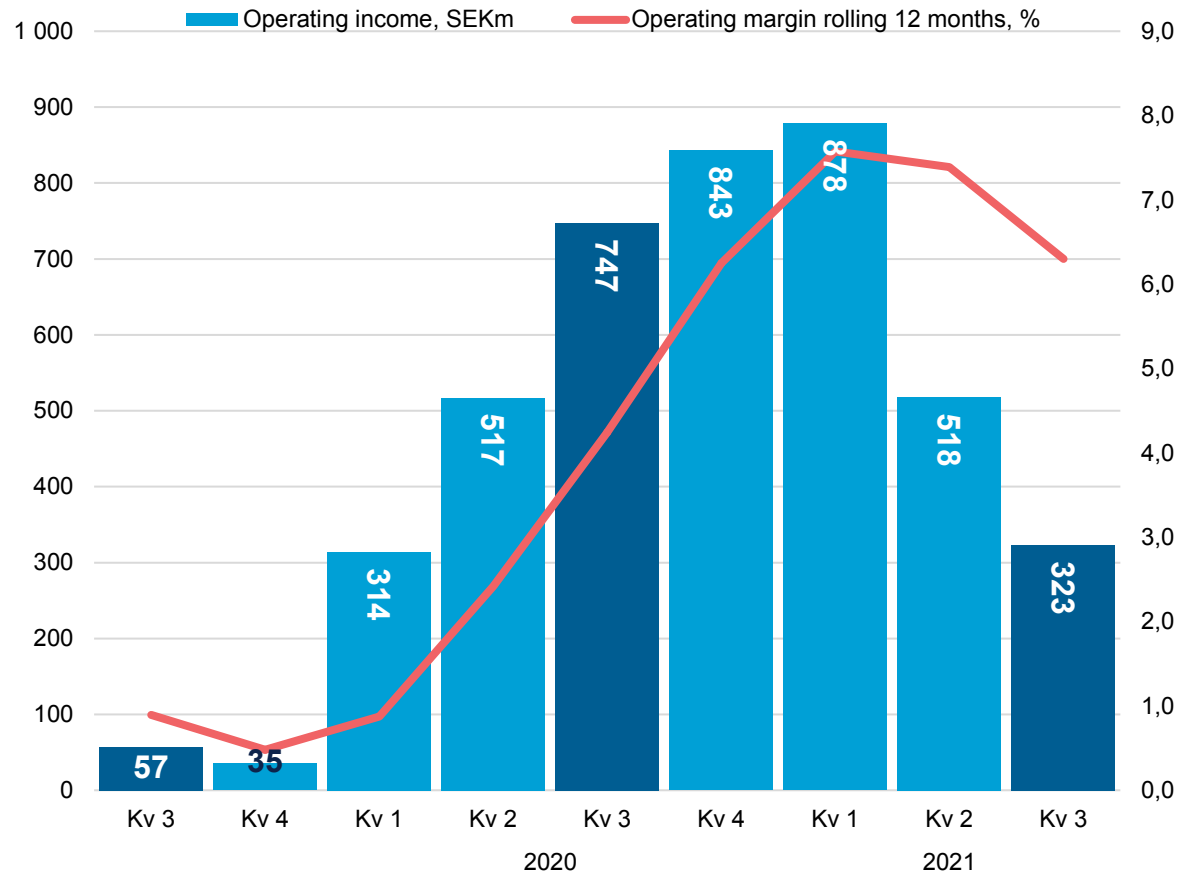
Parcel volume business-to-business

**+5%**

Parcel volume business-to-consumer

**+10%**

# Operating income



Operating income totaled  
**SEK 323m**  
-57%

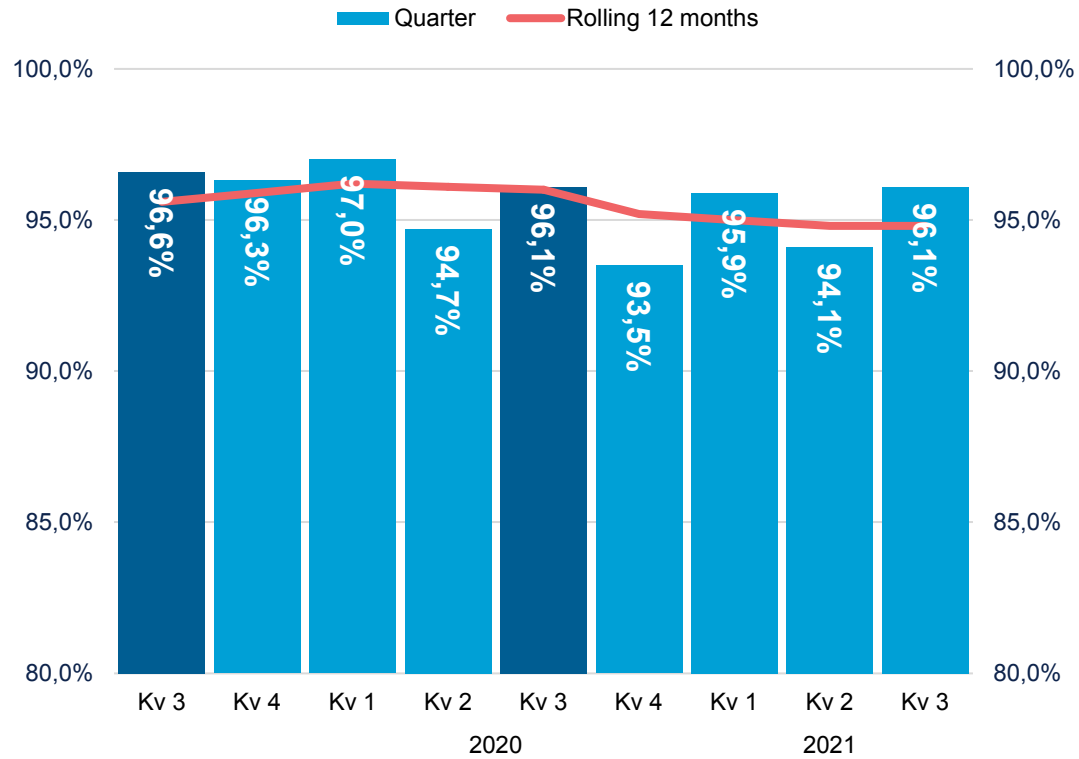
Adjusted operating income totaled  
**SEK 284m**  
-45%

Operating margin, Q3  
**3.4%** (8.4)

12 months to end of period  
**6.3%** (4.2)

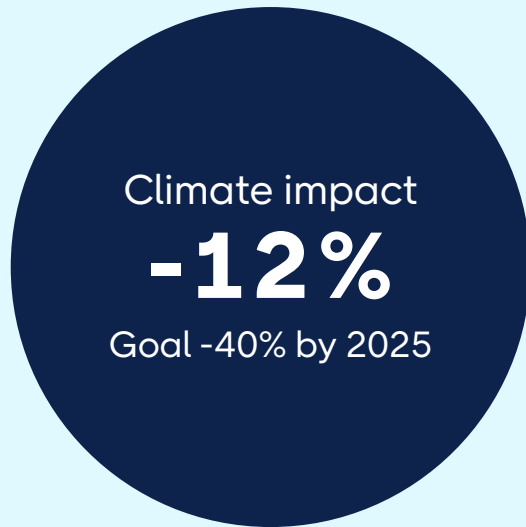
**Slower growth and higher cost situation have led to decreased income**

# Delivery quality parcels

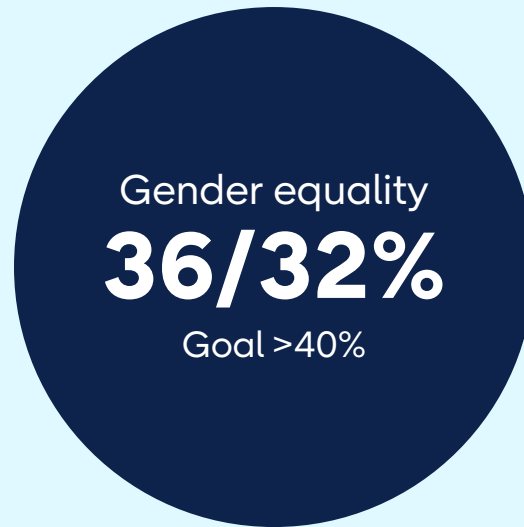


- Delivery quality PostNord Group, rolling 12 months 94.8% (96.1% in the quarter)
- Continued volume growth in B2C and recovery in B2B
- Growth has slowed as a result of societies opening up

# Sustainability



Carbon dioxide emissions by PostNord relative to level in 2020



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

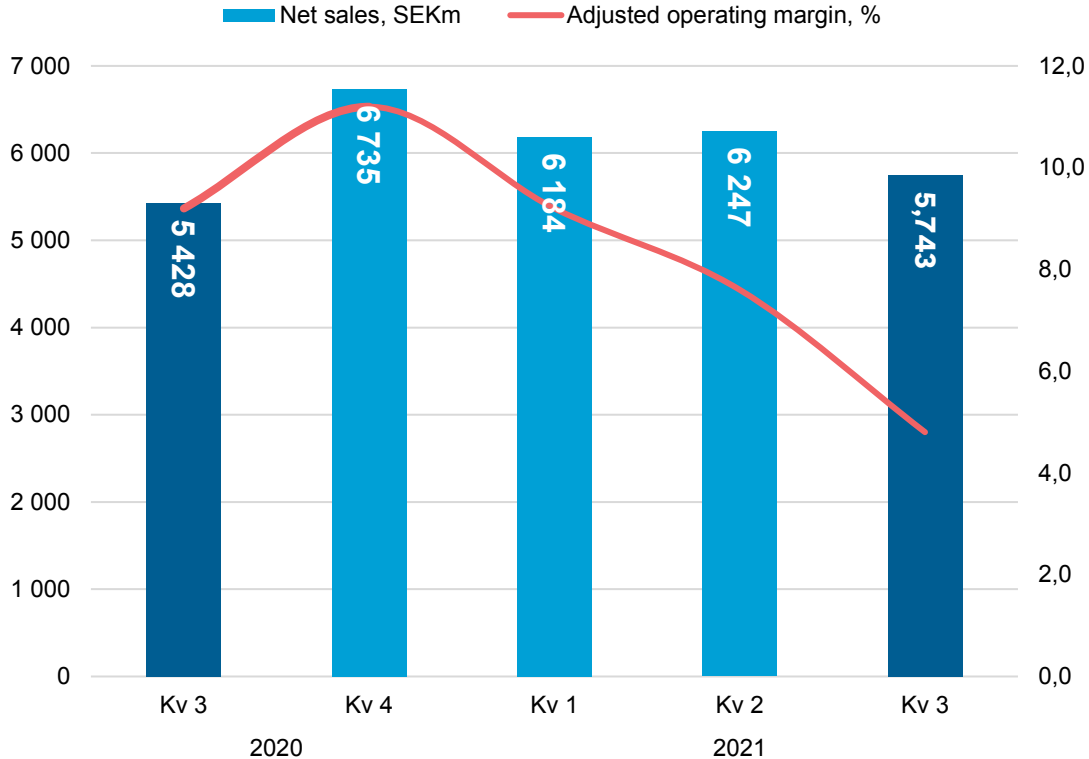
Level 1–3: 36% women

Level 4–6: 32% women



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

# PostNord Sweden



# 98.8%

Delivery quality, mail in the quarter

Legal requirement 95%

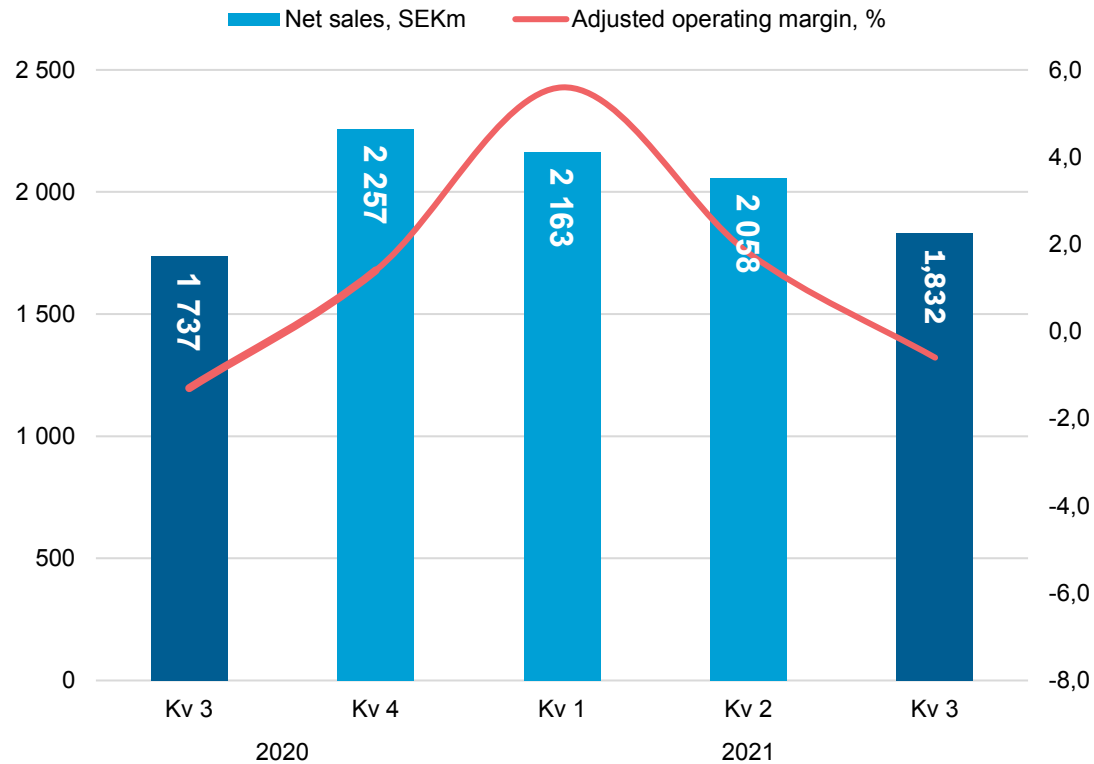
# 96.2%

Delivery quality parcels in the quarter

Goal 97%

- **Net sales totaled SEK 5,743 million (5,428)**
  - Mail volumes -13%
  - Parcel volumes +6%
- **Mail volumes declined as a result of ongoing digitalization and lesser need for civic information and market communications**
- **Operating income totaled SEK 274 million (701)**
- **The result was negatively impacted by a higher cost situation and changes in the product mix demanded, as well as by costs for long-term investments**
- **The new delivery model has been implemented for half of total recipients – thanks to careful preparation, we can confirm high quality and few customer comments**

# PostNord Denmark



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

# 96.9%

Delivery quality, mail in the quarter

Legal requirement 93%

# 97.6%

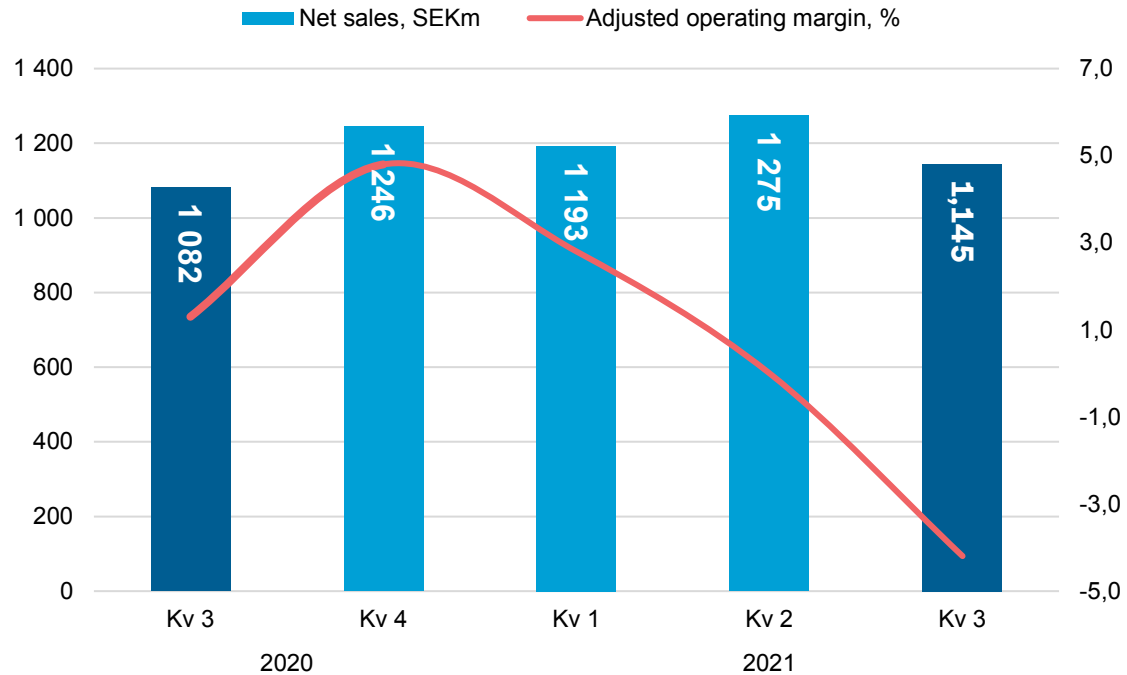
Delivery quality parcels in the quarter

Goal 97%

- **Net sales totaled SEK 1,832 million (1,737)**
  - Mail volumes -13%
  - Parcel volumes +6%
- **Sharp fall in import mail due to the abolition of the minimum VAT threshold for purchases of goods outside the EU**
- **Adjusted operating income was SEK -11 million (-23)**
- **Extended contract with the Danish State to provide the universal postal service until the end of 2022 on a compensated basis**
- **Invested in biogas cars**

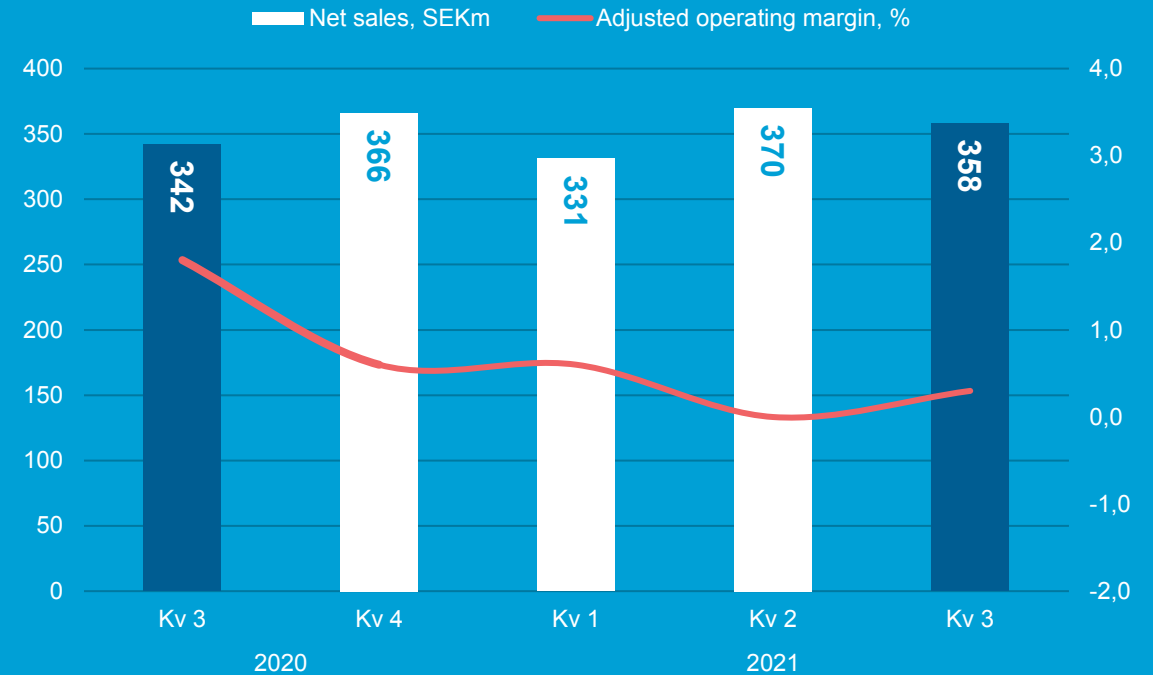


# PostNord Norway



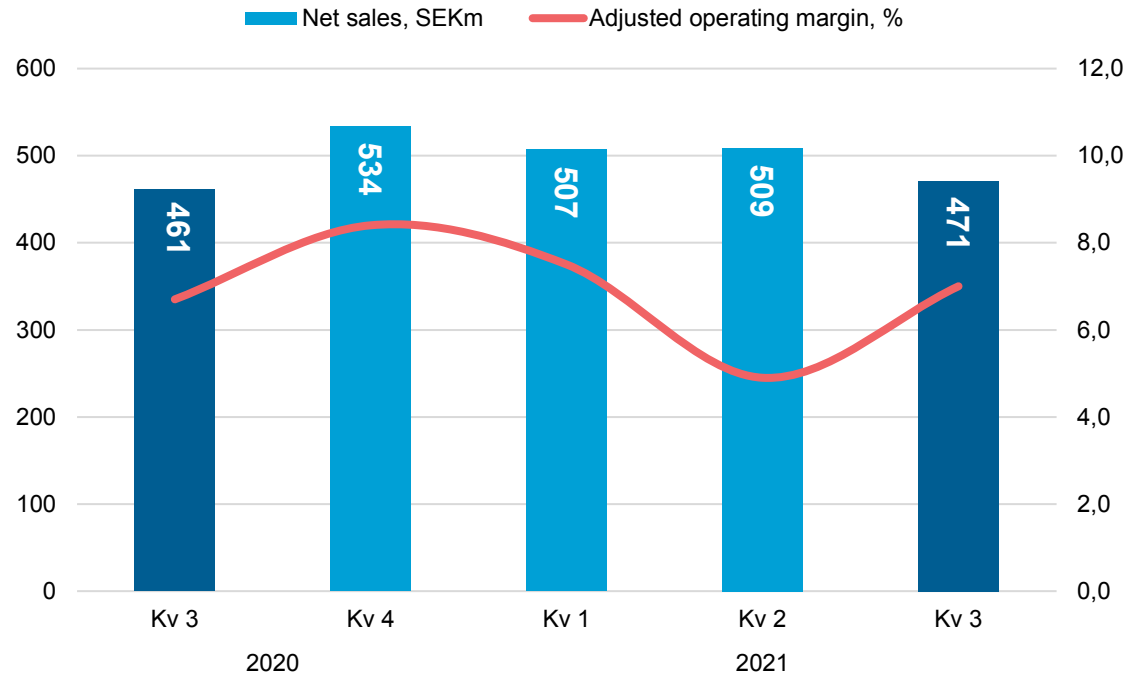
- Net sales totaled SEK 1,145 million (1,082)
- Operating income totaled SEK -48 million (14)
- Delivery quality for parcels was 93.9 percent
- Lower income mainly due to start-up costs for new production model in Oslo

# PostNord Finland



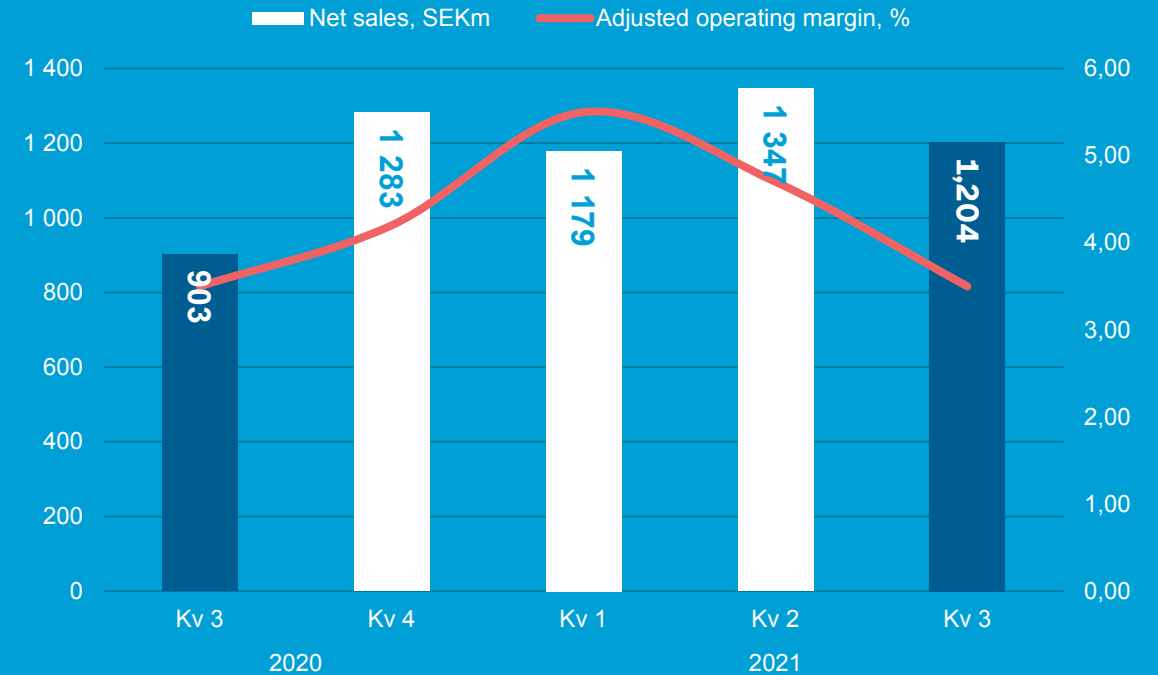
- Net sales totaled SEK 358 million (342)
- Operating income totaled SEK 1 million (6)
- Delivery quality for parcels was 95.4 percent
- Supplies to the healthcare sector
- Initiated cooperation regarding mailboxes at the plot boundary
- Switched to biodiesel for several heavy vehicles

# PostNord Strålfors



- **Net sales totaled SEK 471 million (461)**
- **Operating income totaled SEK 33 million (31)**
- **Declining market for printed material – growth in digital deliveries, but at lower margins compared to the physical business**

# Other business activities



- **Net sales totaled SEK 1,204 million (903)**
- **Operating income totaled SEK 42 million (32)**
- **Strong e-commerce business contributed positively to Direct Link's net sales and operating profit**
- **Strong volume growth in operations in Germany**

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

# Financial summary

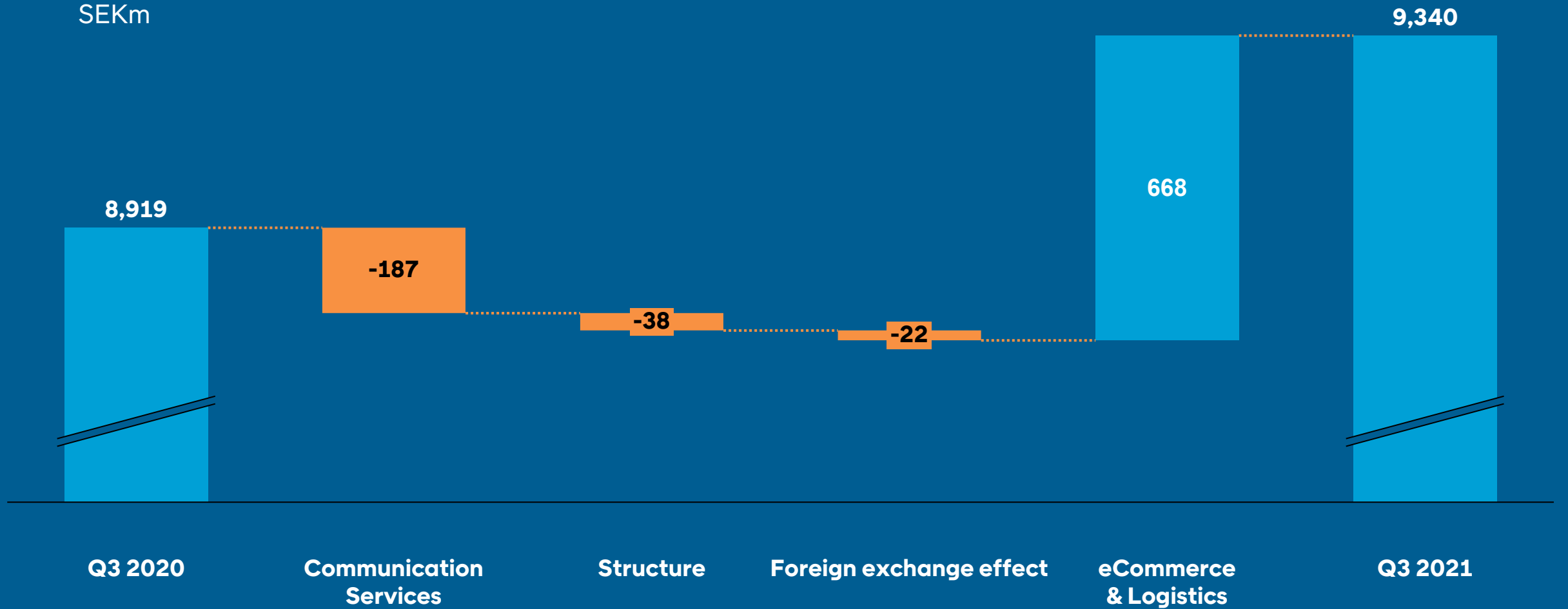
	Quarter 3 2021	Quarter 3 2020	Change
Net sales, SEKm	9,340	8,919	+5%*
Operating income, SEKm	323	747	-57%
Operating margin (%)	3.4%	8.4%	
Adjusted operating income, SEKm	284	520	-45%
Net financial items, SEKm	-51	-73	
Cash flow from operating activities SEKm	518	1,342	
Return on operating capital (ROCE), %	19.9%	12.2%	

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

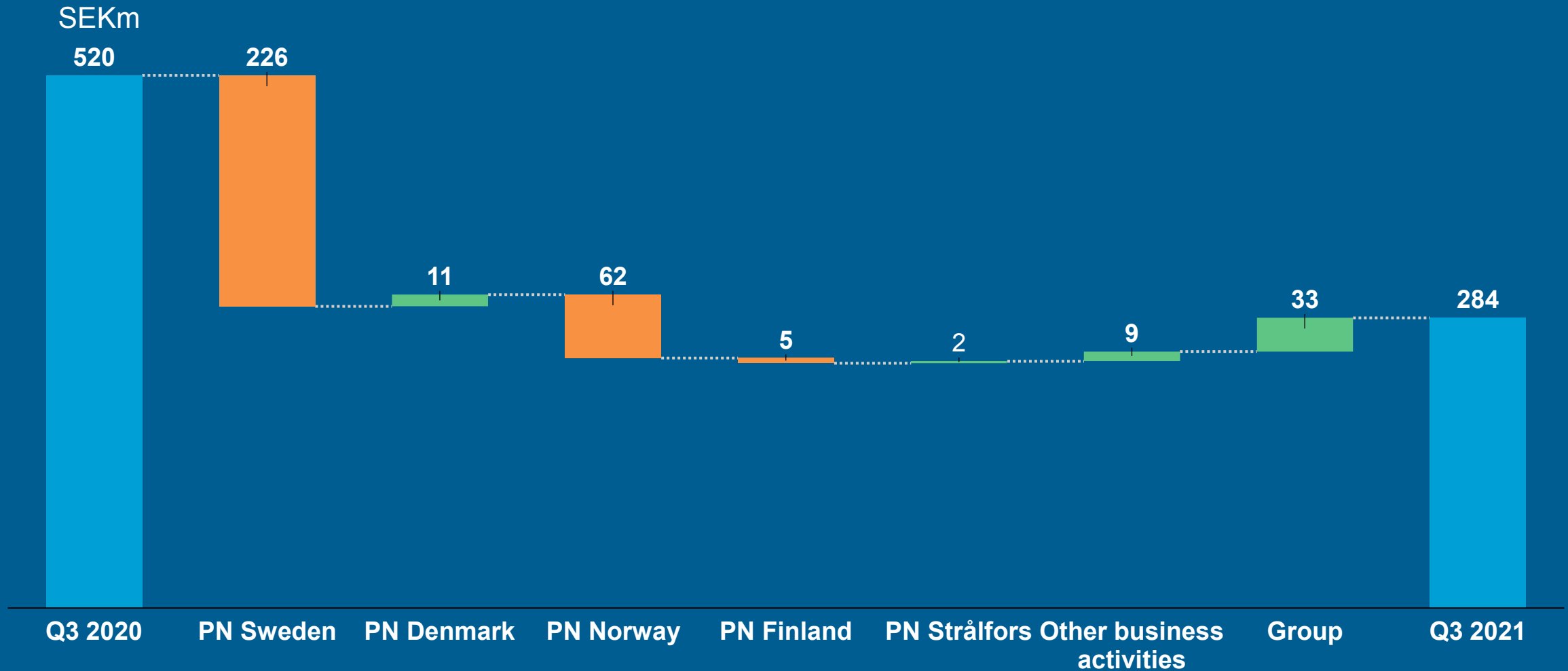
# Net sales

## Q3 2021 vs Q3 2020

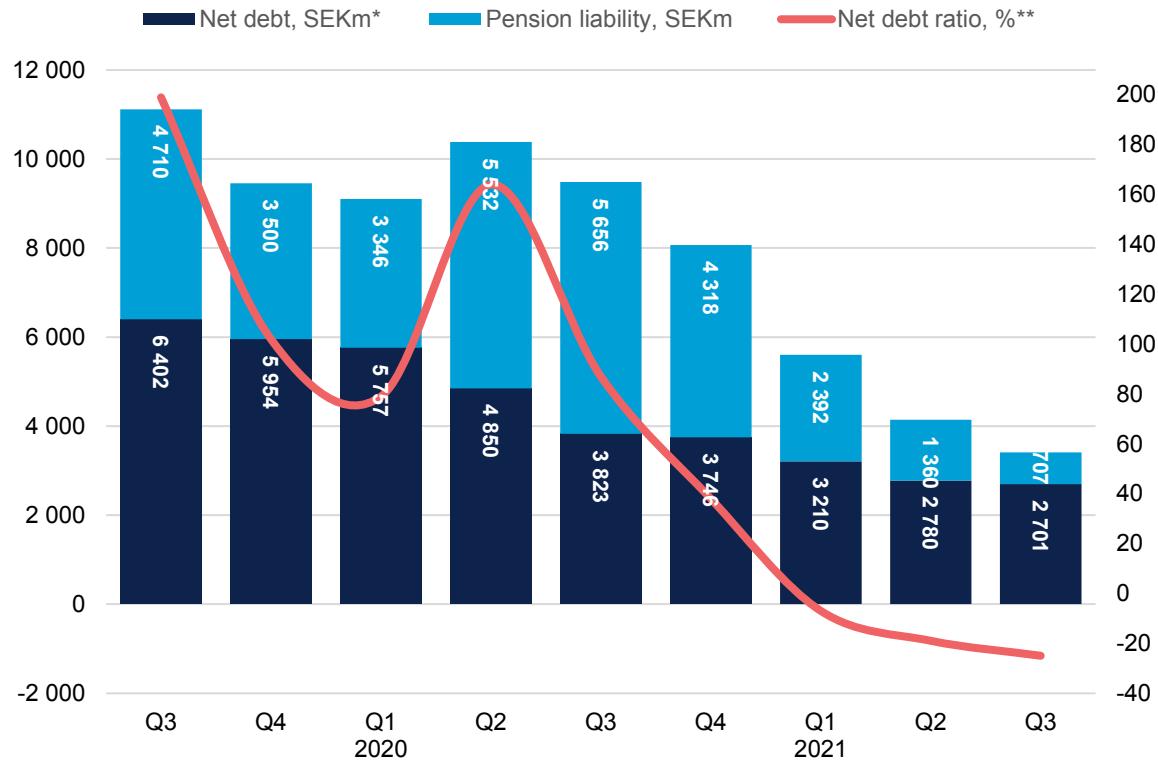
SEKm



# Operating income Q3 2021 vs Q3 2020



# Net debt

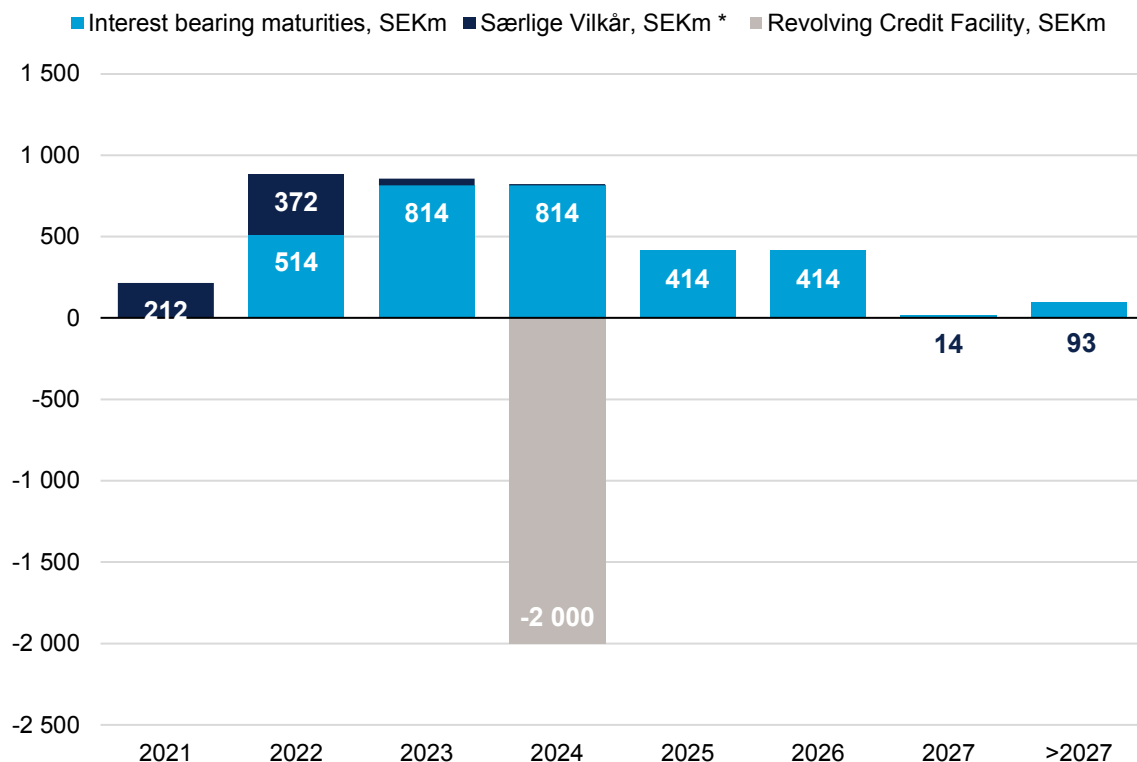


\* Net debt, including lease liability but excluding pension liability

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

- Net debt including pensions and lease liabilities decreased by SEK 732 million to SEK 3,408 million
- Net debt ratio including pensions, excluding lease liabilities was -25%, (target 10-50%)

# Maturity profile



SEK/DKK 1,37

- The interest bearing debt portfolio primarily consists of bond loans amounting to 1.9 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

- **Continued growth**
- **Growth in the parcel business slowed and mail volumes declined as communities opens up and the need for community information mailings decreased**
- **Focus on costs, to meet slower growth in the parcels market**
- **PostNord is ready for the most important trading period of the year**





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