A photograph of two people, a man in a yellow sweater and a woman in a dark green sweater, looking at a smartphone held by the man. The man is also holding a grey cup. The background is blurred.

**Adjusted operating
result improved
significantly, driven
by rapid and flexible
scaling of operations**

Q4 and Full Year 2020

posti



Net sales in 2020

EUR 1,613.6 million

(EUR 1,564.6 million)

Adjusted operating result in 2020

EUR 66.1 million

(EUR 36.2 million)

Number of personnel at the end of period

~20,900

(~20,500)

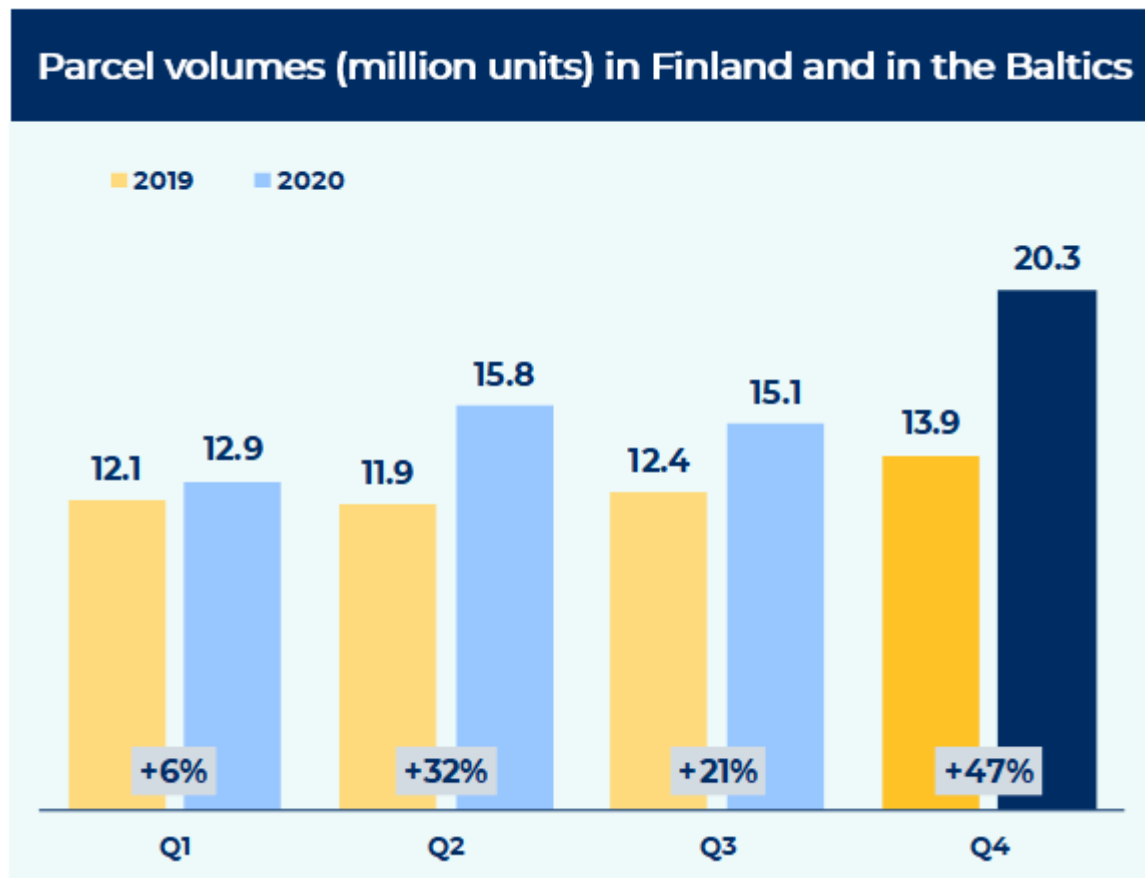
posti

Financial highlights in Q4 2020 – very strong quarter

- Net sales grew by 16.0% to EUR 455.9 (392.9) million.
- Adjusted EBITDA was EUR 64.1 (34.0) million, or 14.1% (8.7%) of net sales.
- The adjusted operating result improved to EUR 33.5 (4.4) million, representing 7.3% (1.1%) of net sales.
- The operating result improved to EUR 25.4 (-2.8) million, representing 5.6% (-0.7%) of net sales.



Parcel volumes reached a record level in Q4



The number of parcels going through Posti Parcel Lockers 10-12/2020

+88%

Freight volumes* 10-12/2020

+3%

* Measured in waybills

Parcel volume growth in Finland and in the Baltics 10-12/2020

+47%

Addressed letter volumes 10-12/2020

-3%

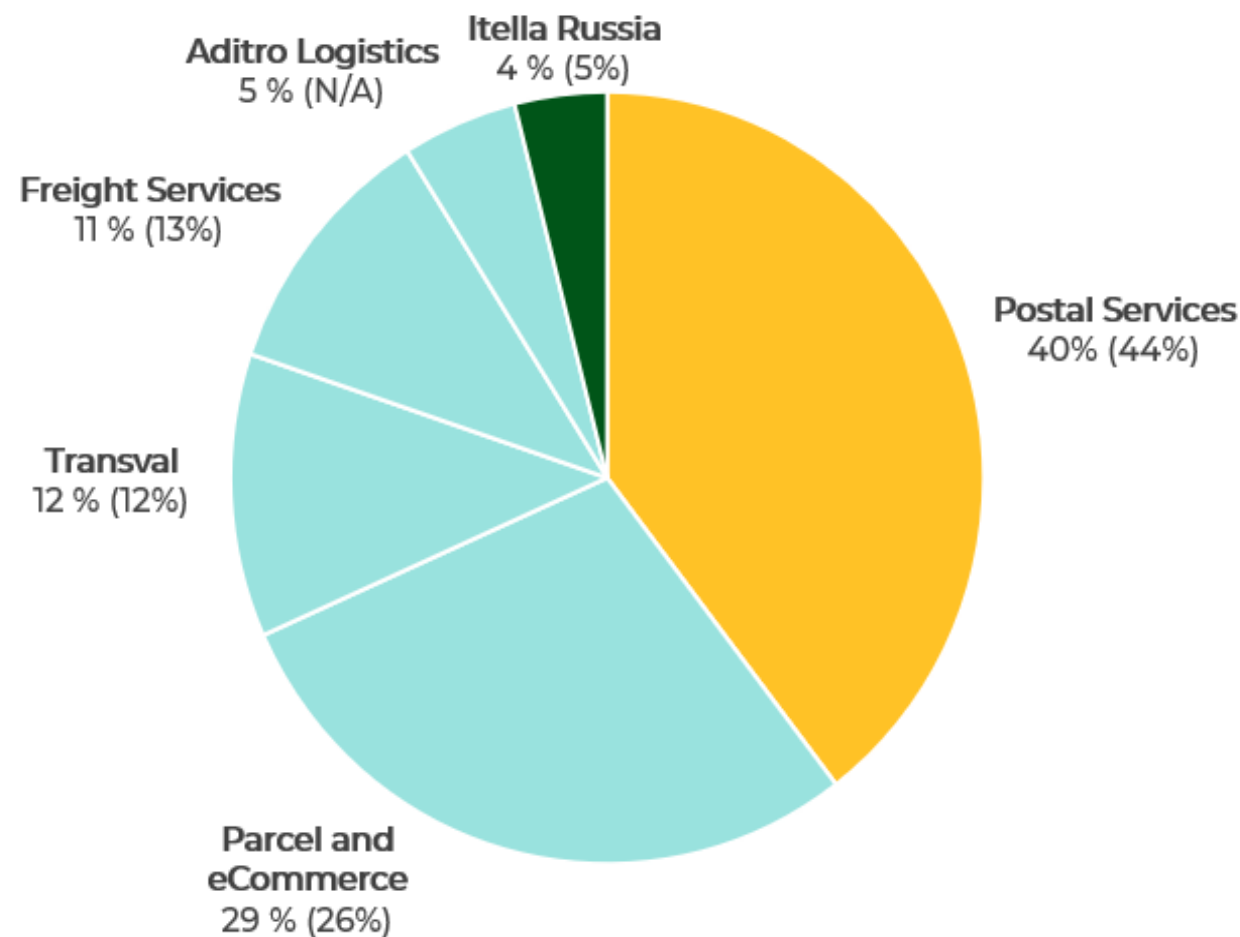
Financial highlights in 2020 – growth on many fronts

- Net sales grew by 3.1% to EUR 1,613.6 (1,564.6) million.
- Adjusted EBITDA was EUR 186.5 (152.3) million, or 11.6% (9.7%) of net sales.
- The adjusted operating result improved to EUR 66.1 (36.2) million, representing 4.1% (2.3%) of net sales.
- The operating result improved to EUR 55.0 (18.5) million, i.e. 3.4% (1.2%) of net sales.
- The Board of Directors proposes a dividend of EUR 31.3 million (29.8) from the financial year 2020.
- Parcel and eCommerce and Logistics Solutions together already 59% (52%) of total net sales.

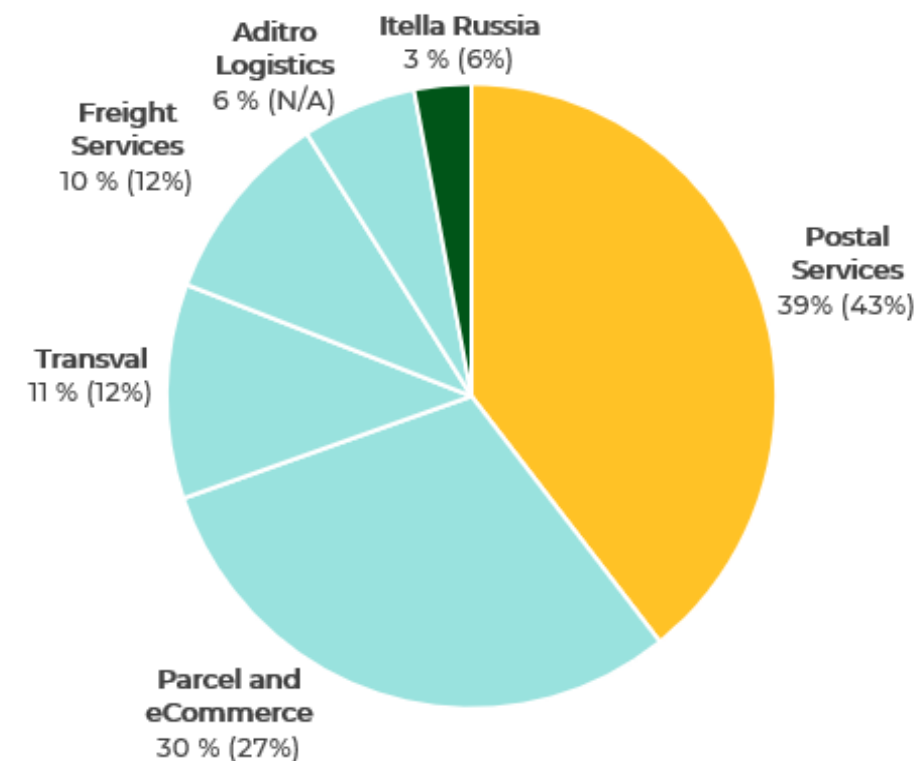


Parcel & eCommerce and logistics business 59% (52%) of net sales in full year 2020

Full year 2020



Q4 2020



■ = Postal services ■ = Parcel & eCommerce and logistics business

(%) = share in 2019

Operational highlight in 2020 – a record-breaking peak season as growth driver

A record-breaking 7.7 million parcels delivered during the peak season

Parcel volumes in Finland and the Baltics +27%

Number of parcels going through parcel lockers +76%

Almost 18 million Christmas cards sent (+20%)

Addressed letter volume -16%

- The global COVID-19 pandemic had a significant impact on Posti's operations in 2020
- Parcel and eCommerce business group benefitted from the growth of online shopping
- Postal Services suffered from the accelerated decline of mail volumes
- Posti's transformation continued with the acquisition of Aditro Logistics and the divestment of Posti Kotipalvelut and Posti Messaging Scandinavia.
- Health and safety of our employees is our key priority. Our LTA1 indicator (occupational accidents per million working hours) reduced to 37 (44) for the Finnish operations and 34 (39) for the whole Group
- In June, Posti's OmaPosti app won the Postal E-Commerce category in The World Post & Parcel Awards 2020.
- OmaPosti service has almost 1.0 million monthly users and it has been taken in use by 1.5 million subscribers.

**Entering the next
phase in our
journey**

posti

We have always considered it a matter of honor to deliver what matters to the recipient – parcels, invitations, food...

We have always done our work in the spirit of the times and to meet the needs of our customers from



Change is nothing new to us, but the responsibility for what we carry remains the same.

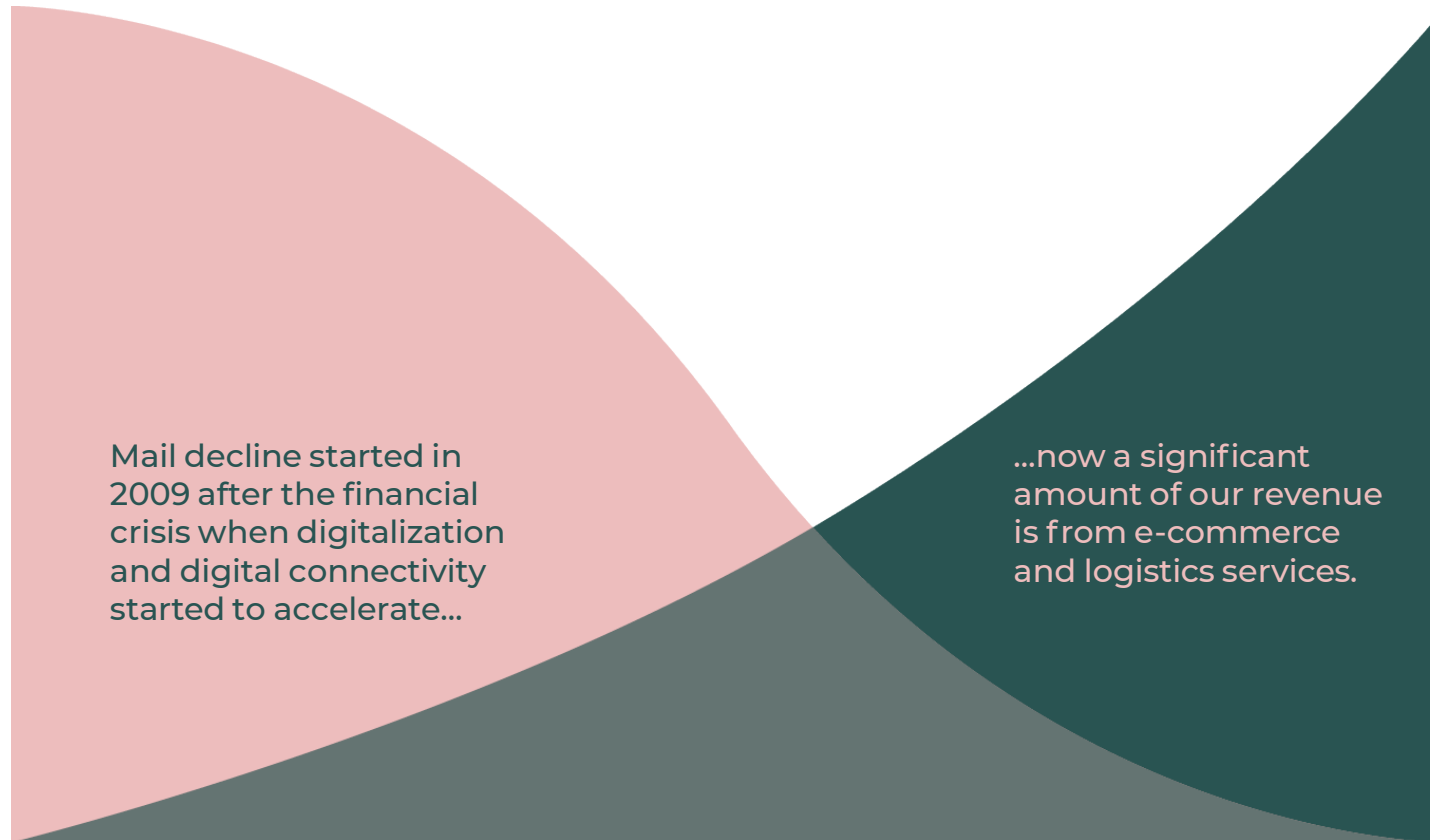
However, the transformation of the last decade has been drastic and has challenged us in many ways

Digitalization and changes in people's behavior have reduced the amount of mail to be delivered.

Mail delivery has shrunk by over 60 percent during the 21st century. The remaining part will be halved over the next three years.

The exceptional year 2020 worked as a proof of concept

Mail



E-commerce and
logistics services

Since March 2020, our parcel volumes have been 30-40% higher than previous year.

In December 2020, we delivered more than 7 million parcels – an all-time record.

Parcel & eCommerce and logistics businesses account for some 60% of our turnover.

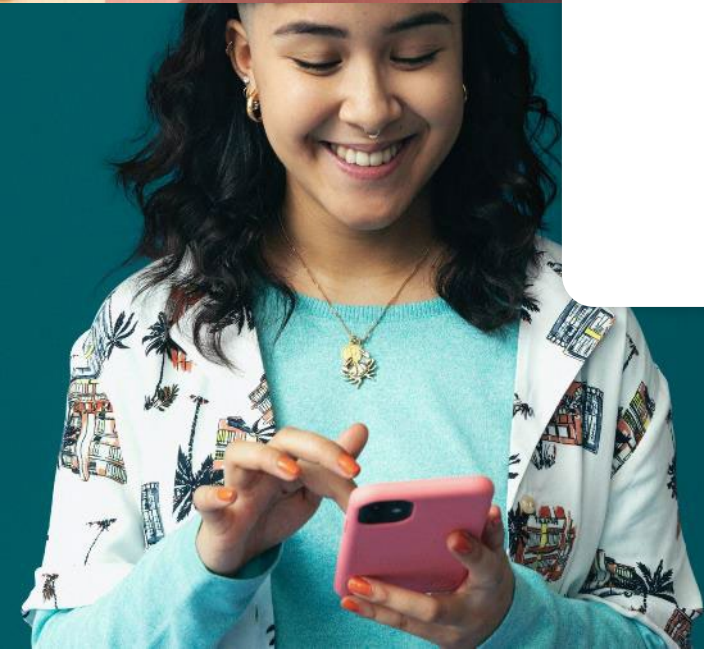
**Parcels and flows
of goods are now
at the core of our
business**



posti



**Responsibly delivering
what matters to you
– on your terms**



The core of updated group strategy is based on

Continuously improving
customer experience

Employee experience based
on purpose-driven leadership

Industry-leading
operational efficiency

Zero Carbon 2030

**Tomorrow's Posti is a
modern delivery and
fulfillment company with
progressive profitability**



We strive to create new customer value by optimising the e-commerce logistics value chain



**Posti's employees as the best
experts in their field**

**What makes us
unique?**

**Pioneers in data and
technology**

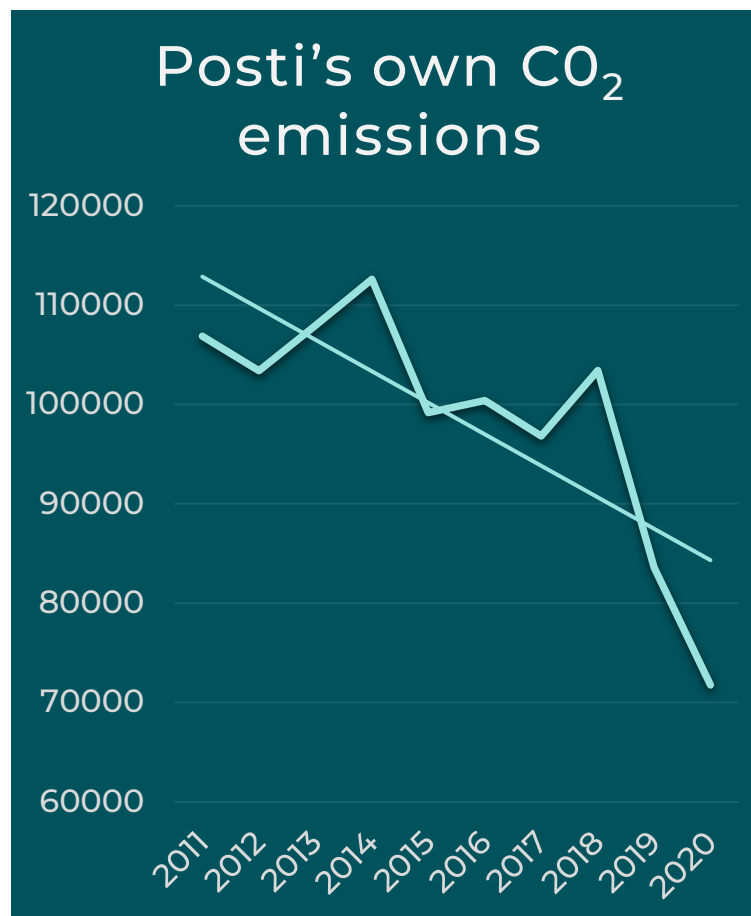
High-volume network



We show the way by reducing our own emissions to zero by 2030

We are on track on our road towards zero by 2030 – last year our own emissions lowered by 14%.

Usage of renewable fuels grew to 10% by the end of the year 2020. In total, over four million kilometers driven with renewable diesel, electricity and gas.



How to succeed

Posti will re-focus its business portfolio and become a modern delivery and fulfillment company

We seek growth in parcels, eCommerce and logistics in Finland, Sweden and the Baltics, complemented by postal services in Finland

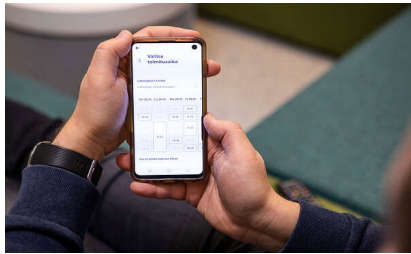
We strive to create new customer value by optimising the e-commerce logistics value chain

We engage of our people through purpose driven leadership and shared values

We show the way by providing zero carbon services and committing to even more ambitious sustainability targets

Over 100M€ future investments for improving parcel and eCommerce capabilities to better serve our customers

CUSTOMER EXPERIENCE



Continuous development of digital capabilities, e.g. OmaPosti, parcel tracking, delivery option selection as well as OmaPosti for companies

PARCEL LOCKER NETWORK



Plan is to expand up to 4,000 automates in Finland

OPERATIONS

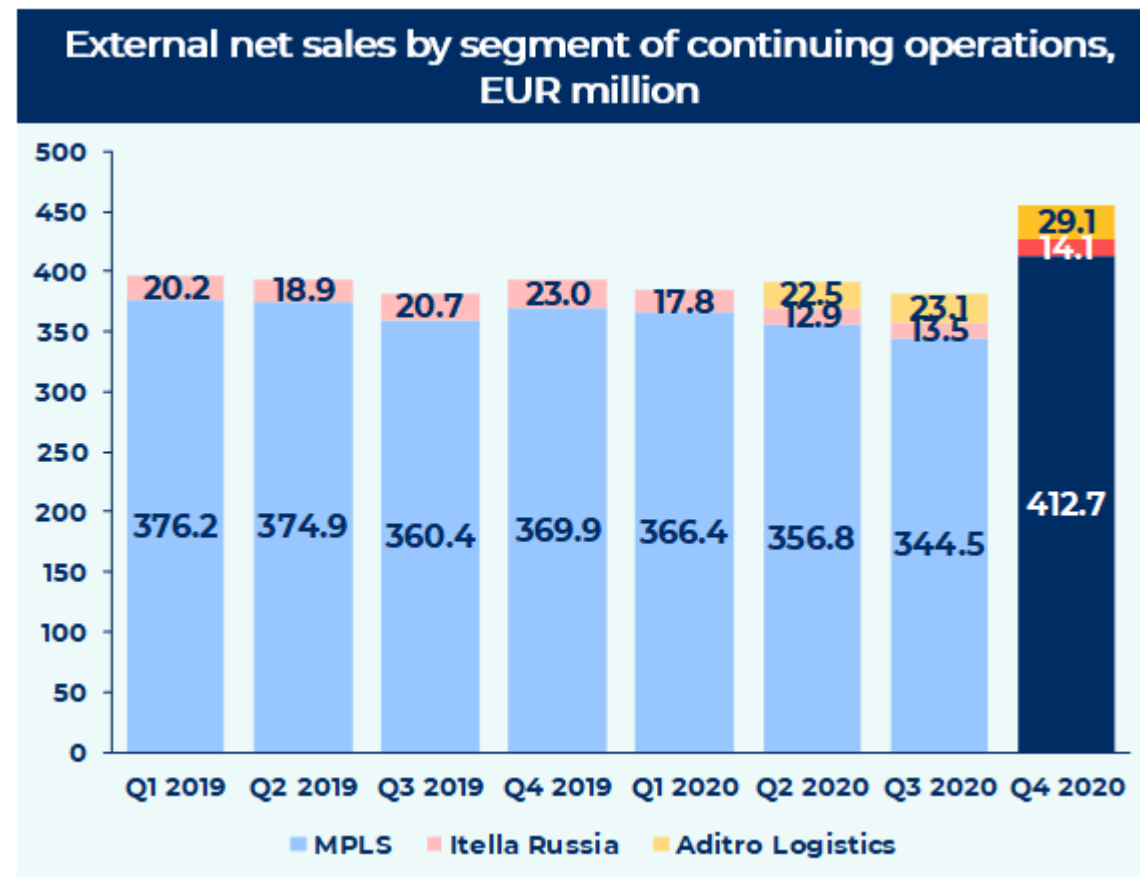
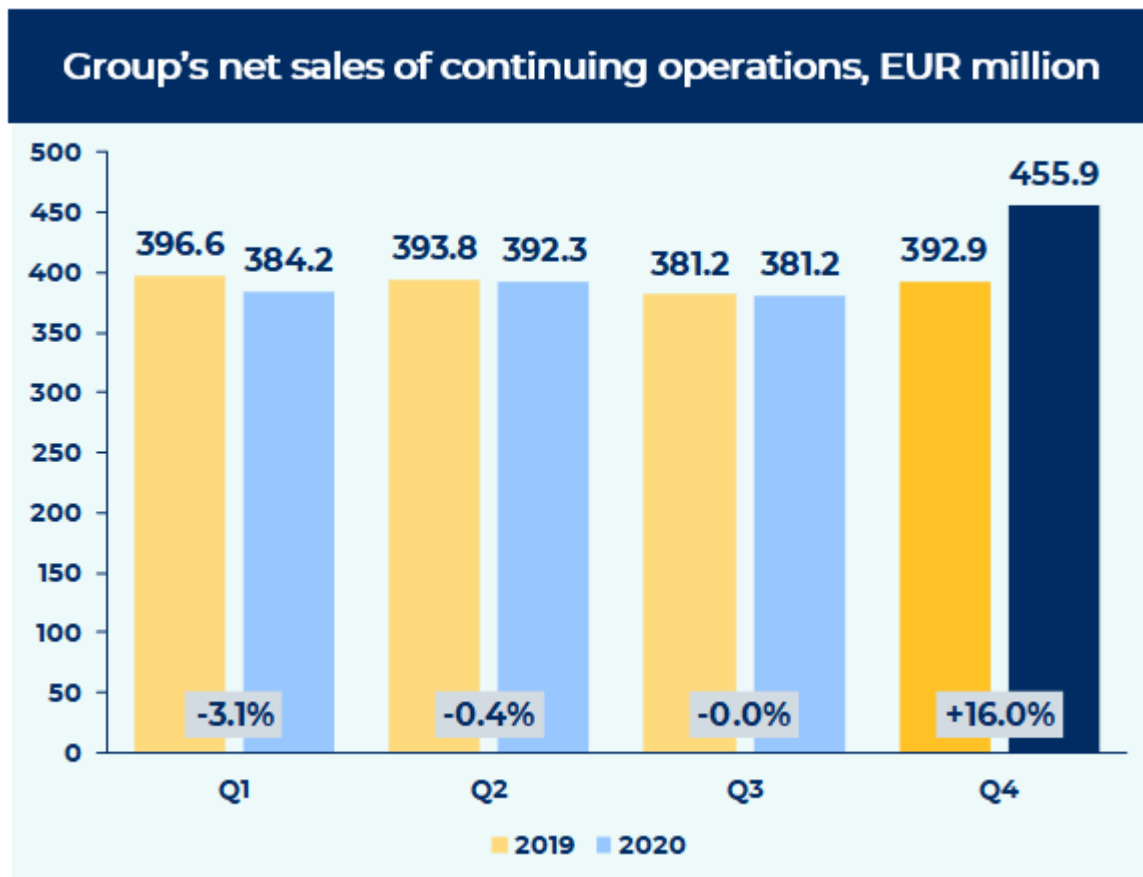


Investments in technology, sorting capacity and automation as well as in new fleet, including electric vehicles

Financials

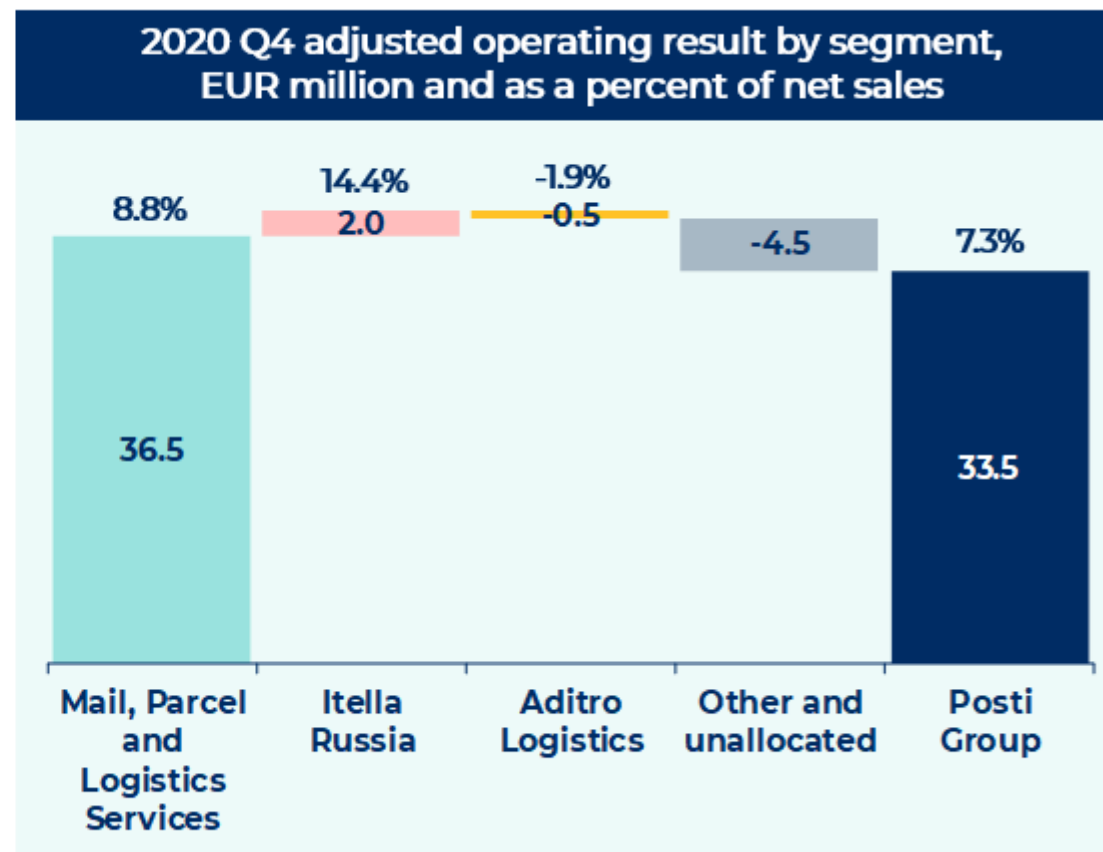
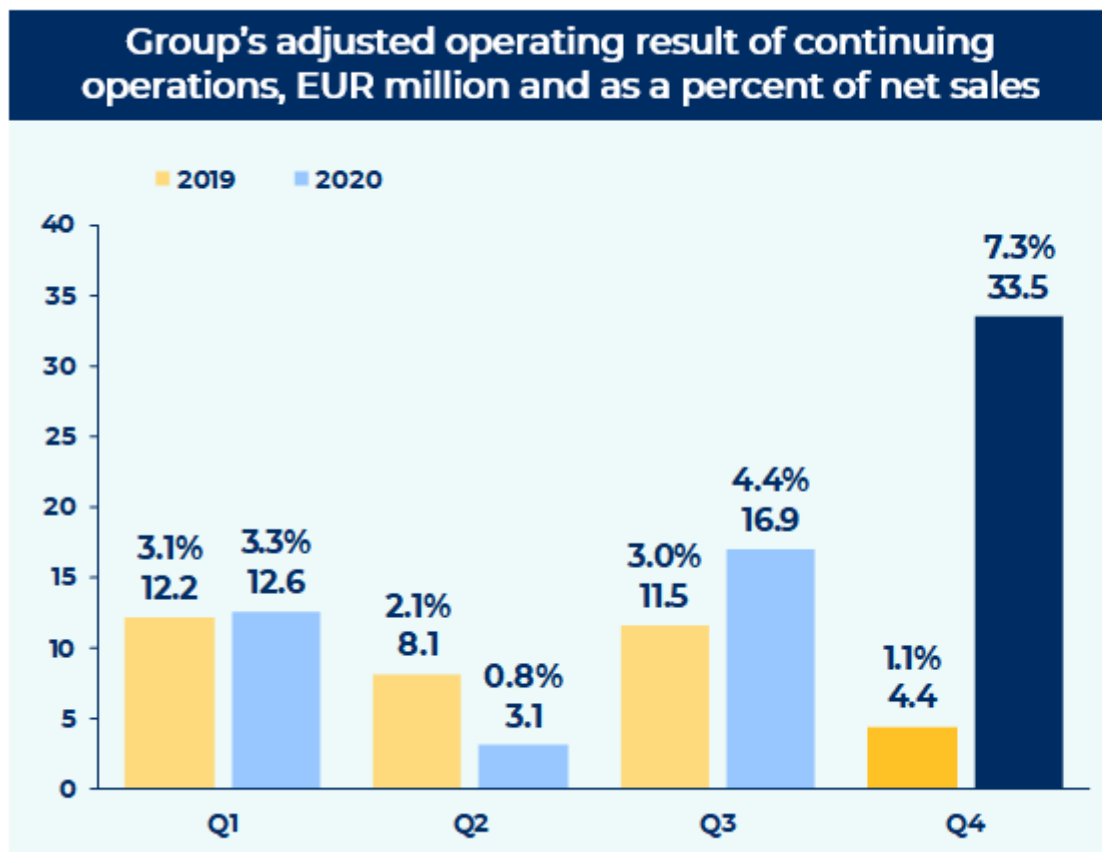
Posti Group's Q4 net sales

Q4 net sales grew by 16.0% to EUR 455.9 (392.9) million



Posti Group's Q4 adjusted operating result

Q4 adjusted operating result improved to EUR 33.5 (4.4) million



Posti Group's key figures

	10-12 2020	%	10-12 2019****	%	1-12 2020	%	1-12 2019****	%
Net sales, EUR million*	455.9		392.9		1,613.6		1,564.6	
Adjusted EBITDA, EUR million*	64.1	14.1%	34.0**	8.7%**	186.5	11.6%	152.3**	9.7%**
EBITDA, EUR million*	56.0	12.3%	32.8	8.4%	177.6	11.0%	140.6	9.0%
Adjusted operating result, EUR million*	33.5	7.3%	4.4**	1.1%**	66.1	4.1%	36.2**	2.3%**
Operating result, EUR million*	25.4	5.6%	-2.8	-0.7%	55.0	3.4%	18.5	1.2%
Result for the period, EUR million*	18.1	4.0%	-4.1	-1.0%	29.7	1.8%	14.1	0.9%
Return on equity (12 months), %					6.7		4.3	
Return on capital employed (12 months), %					8.4		4.5	
Net debt, EUR million					228.7		164.3	
Net debt / Adjusted EBITDA					1.2x		1.1x**	
Operative free cash flow, EUR million					77.6		14.7	
Gross capital expenditure, EUR million*					151.1		133.7	
Personnel, end of period*					20,909		20,468	
Personnel on average, FTE*					16,227		16,569	
Dividends, EUR million					31.3***		29.8	

* Continuing operations

** Restated based on the new definition of special items

*** Board of Directors' proposal to the Annual General Meeting

**** The comparison figures in 2019 were significantly burdened by the postal strike in the latter half of the year



Outlook and long-term financial targets

Posti's outlook for 2021

In 2021, Posti is expecting its net sales to remain at the previous year's level, excluding possible new acquisitions and divestments. The Group's adjusted EBITDA in 2021 is expected to decrease from the previous year

In 2020, Posti's net sales were EUR 1,613.6 million and adjusted EBITDA was EUR 186.5 million

The COVID-19 situation continues to make the macro economic outlook difficult to predict. Because of these exceptional circumstances, Posti's full-year outlook includes a significant level of uncertainty.

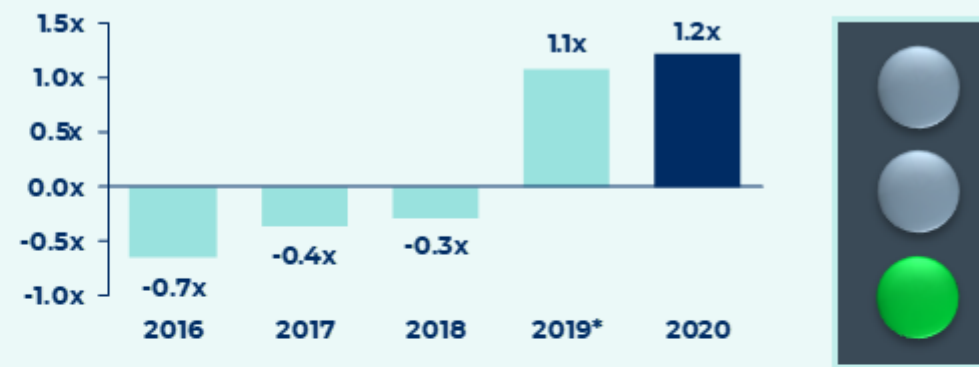


Long term financial targets

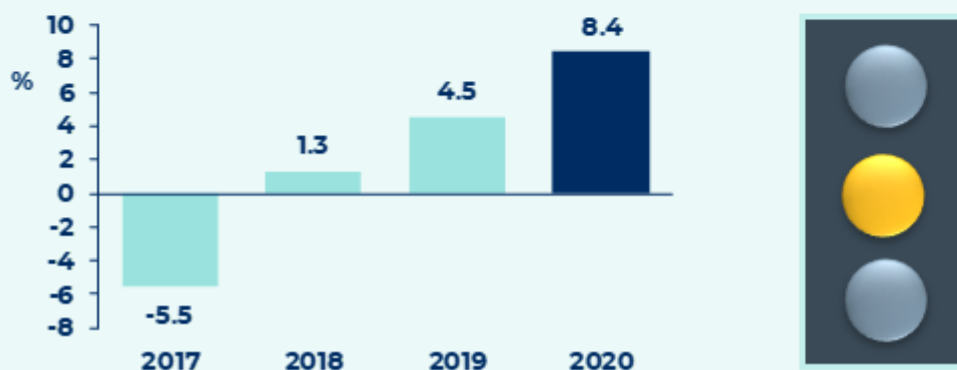
Adjusted operating result percentage 4%



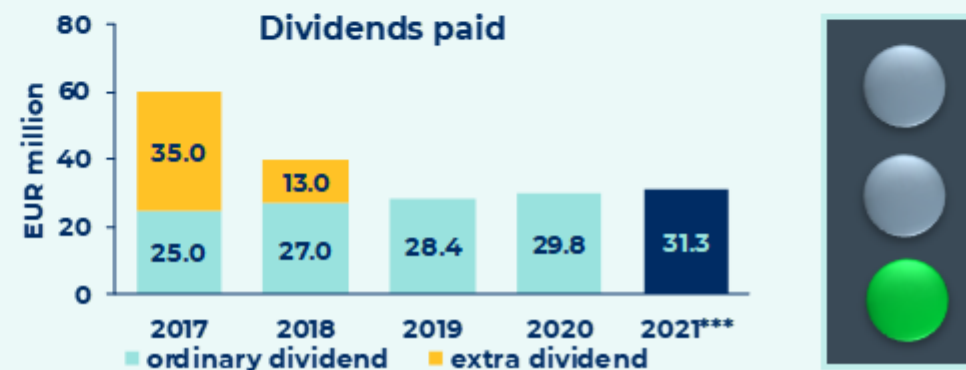
Net debt / Adjusted EBITDA** less than 2.0x



Return on capital employed 10%



Continuously increasing ordinary dividend



* Restated based on the new definition of special items
 ** 2016-2018 is not according to IFRS 16 standard
 *** Board of Directors' proposal to the Annual General Meeting

NOTE! Long-term financial targets are revised, the graphs above illustrate the old long term financial targets

Revised long-term financial targets

Adjusted EBITDA percentage 13%

Net debt / Adjusted EBITDA less than 2.5x

Continuously increasing ordinary dividend,
but not exceeding annual net profit

Segments

Mail, Parcel and Logistics Services key figures

October-December

EUR million	10-12 2020	% of Net sales	10-12 2019	% of Net sales
Net sales	413.0		370.1	
Net sales change, %	11.6%		-6.0%	
Adjusted EBITDA	59.8	14.5%	24.8	6.7%
EBITDA	55.6	13.5%	25.2	6.8%
Adjusted operating result	36.5	8.8%	1.4	0.4%
Operating result	32.2	7.8%	-2.1	-0.6%

Net sales, EUR million	10-12 2020	10-12 2019	Change, %
Postal Services	180.8	171.2	+5.6%
Parcel and eCommerce	138.5	105.2	+31.7%
Transval	54.6	51.7	+5.6%
Freight Services	44.8	45.7	-2.1%
Other and eliminations	-5.7	-3.7	
Total	413.0	370.1	+11.6%

- Net sales increased to EUR 413.0 (370.1) million
 - Increased in all business groups excluding Freight Services
 - The growth was mainly due to the record-high parcel volumes and low comparison figures of Postal Services as well as Parcel and eCommerce in the last quarter in 2019 due to postal strike
- Adjusted operating result improved to EUR 36.5 (1.4) million
 - The improvement was due to improved profitability in Postal Services, Freight Services as well as in Parcel and eCommerce
 - The profitability of the fourth quarter in 2019 was burdened by the negative impact of the postal strike

Mail, Parcel and Logistics Services key figures

January-December

EUR million	1-12 2020	% of Net sales	1-12 2019	% of Net sales
Net sales	1,481.6		1,482.2	
Net sales change, %	0.0%		1.7%	
Adjusted EBITDA	168.2	11.4%	139.4	9.4%
EBITDA	163.2	11.0%	133.8	9.0%
Adjusted operating result	73.7	5.0%	45.8	3.1%
Operating result	68.7	4.6%	36.2	2.4%

Net sales, EUR million	1-12 2020	1-12 2019	Change, %
Postal Services	646.5	684.4	-5.5%
Parcel and eCommerce	473.7	407.2	+16.3%
Transval	205.8	199.7	+3.1%
Freight Services	172.6	204.5	-15.6%
Other and eliminations	-17.1	-13.7	
Total	1,481.6	1,482.2	-0.0%

- Net sales were at the previous year's level, EUR 1,481.6 (1,482.2) million
 - Increased in Parcel and eCommerce and Transval but decreased in other business groups
 - The continued mail volume decline, accelerated by postal strike and COVID-19, and product mix burdened net sales, while the growth of eCommerce and online shopping impacted net sales favorably
- Adjusted operating result increased to EUR 73.7 (45.8) million
 - The increase was mainly due to the significantly improved profitability of Freight Services as well as Parcel and eCommerce
 - The profitability in 2019 was burdened by the negative impact of postal strike on the fourth quarter of the year

Itella Russia key figures

October-December

EUR million	10-12 2020	% of Net sales	10-12 2019	% of Net sales
Net sales	14.1		23.0	
Net sales change, %	-38.6%		-15.5%	
Adjusted EBITDA	3.2	22.4%	5.1	22.0%
EBITDA	-0.7	-4.7%	1.9	8.4%
Adjusted operating result	2.0	14.4%	2.7	11.7%
Operating result	-1.8	-12.7%	-0.5	-2.0%

- Reported euro-denominated net sales decreased by 38.6% to EUR 14.1 (23.0) million
 - Net sales decreased in Contract Logistics due to restructuring actions of warehouses and the impact of coronavirus situation to Transport
- The adjusted operating result was EUR 2.0 (2.7) million
 - The decrease was mainly due to the fall of the Russian ruble

Itella Russia key figures

January-December

EUR million	1-12 2020	% of Net sales	1-12 2019	% of Net sales
Net sales	58.3		82.8	
Net sales change, %	-29.6%		-20.3%	
Adjusted EBITDA	12.6	21.7%	13.9	16.8%
EBITDA	12.2	21.0%	10.4	12.6%
Adjusted operating result	5.6	9.6%	3.4	4.1%
Operating result	5.2	8.9%	-0.1	-0.1%

- Reported euro-denominated net sales decreased by 29.6% to EUR 58.3 (82.8) million
 - Net sales decreased in Contract Logistics due to restructuring actions of warehouses and the impact of coronavirus situation on Transport
- The adjusted operating result improved to EUR 5.6 (3.4) million
 - The result was positively impacted by the closure of unprofitable warehouses

Aditro Logistics key figures

October-December

EUR million	10-12 2020	% of Net sales
Net sales	29.1	
Net sales change, %		
Adjusted EBITDA	3.6	12.4%
EBITDA	3.6	12.4%
Adjusted operating result	-0.5	-1.9%
Operating result	-0.5	-1.9%

- Net sales were EUR 29.1 million
 - Aditro Logistics' operations consists of contract logistics, transportation and staffing businesses
 - Especially contract logistics and transportation businesses were impacted by COVID-19
 - The customer mix changes that were carried out as planned during 2020 also impacted net sales
- Adjusted and reported operating result were EUR -0.5 million
 - The result was negatively impacted by the investments in the large warehouse in Arlanda and COVID-19

Aditro Logistics key figures

January-December*

EUR million	1-12 2020	% of Net sales
Net sales	74.7	
Net sales change, %		
Adjusted EBITDA	10.2	13.6%
EBITDA	10.2	13.6%
Adjusted operating result	-2.0	-2.6%
Operating result	-2.0	-2.6%

*As Aditro Logistics was integrated into Posti's financials as of April 2020, the figures in the table are from the period April–December 2020

- Net sales were EUR 74.7 million
 - Especially contract logistics and transportation businesses were impacted by COVID-19
 - The customer mix changes that were carried out as planned during 2020 also impacted net sales
- Adjusted and reported operating result were EUR -2.0 million
 - The result was negatively impacted by the investments in the large warehouse in Arlanda and COVID-19

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