

**Posti Group:
Solid improvement of
profitability, despite
continued market changes**

January-March 2021

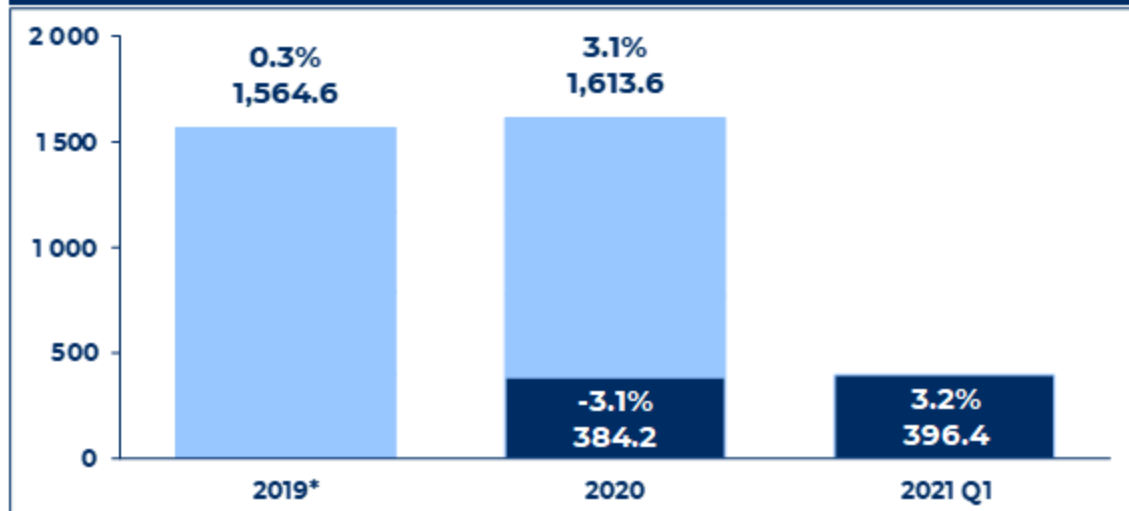
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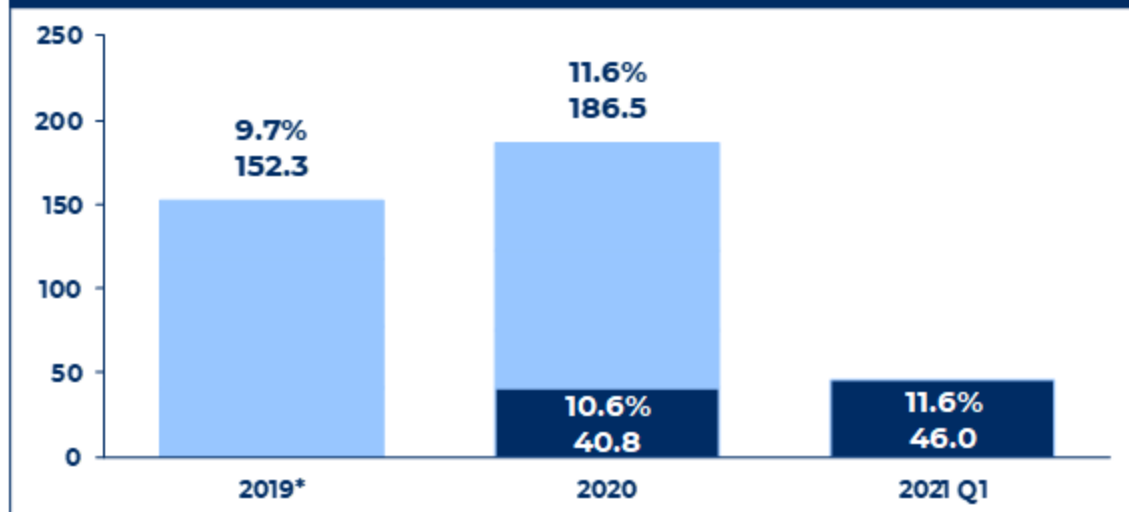
Responsibly delivering what matters to you – on your terms



Group's net sales, EUR million and change, %



Group's adjusted EBITDA, EUR million and as a percent of net sales



Posti in figures 1-3/2021

Net Sales

EUR 396.4 million

(EUR 384.2 million)

Adjusted EBITDA

EUR 46.0 million

(EUR 40.8 million)

Adjusted EBITDA-%

11.6%

(10.6%)

* Continuing operations

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Financial highlights in Q1 2021 – profitability improved

- Net sales grew by 3.2% to EUR 396.4 (384.2) million.
- Adjusted EBITDA was EUR 46.0 (40.8) million, or 11.6% (10.6%) of net sales.
- EBITDA increased to EUR 45.8 (40.1) million, or 11.6% (10.4%) of net sales.
- The adjusted operating result improved to EUR 15.0 (12.6) million, representing 3.8% (3.3%) of net sales.
- The operating result improved to EUR 14.8 (11.9) million, representing 3.7% (3.1%) of net sales.
- Net debt to adjusted EBITDA was 1.2x (1.1x).

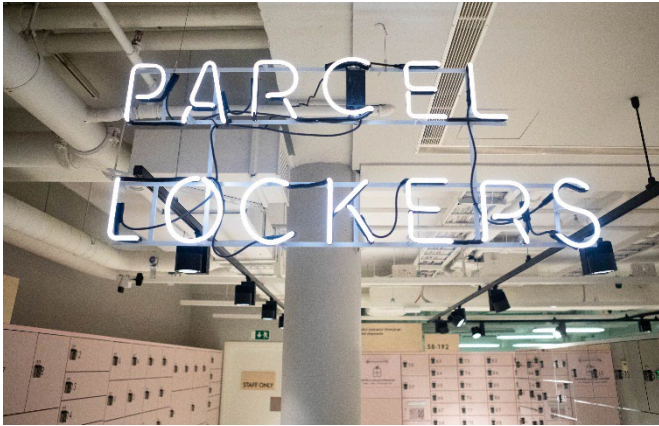


Operational highlight in Q1 2021 – transformation continues

- The rapid transformation of postal services continued. The overall volume of addressed letters decreased by 14% (-15%).
- The total parcel volume in Finland and the Baltic countries increased by 25% (6%), boosted by the accelerated increase of online shopping.
- The combined net sales of Parcel and eCommerce as well as logistics businesses represented already 59% (51%) of the Group's net sales.
- Transval's net sales grew. Aditro Logistics' business developed as expected.
- In January, Posti and Sanoma Media Finland announced an agreement guaranteeing the early-morning delivery of printed media in the capital region until the end of 2029.
- In February, Posti launched its renewed strategy. Posti's goal is to become a modern delivery and fulfillment company with progressive profitability. The core of Posti's growth is in parcels and contract logistics, along the entire delivery and fulfillment value chain.



We continue to invest in order to become a modern delivery and fulfillment company with progressive profitability



Parcel locker network

In March, we opened the largest parcel locker in Europe in Munkkivuori

Our plan is to expand up to 4,000 automates in Finland



Transval

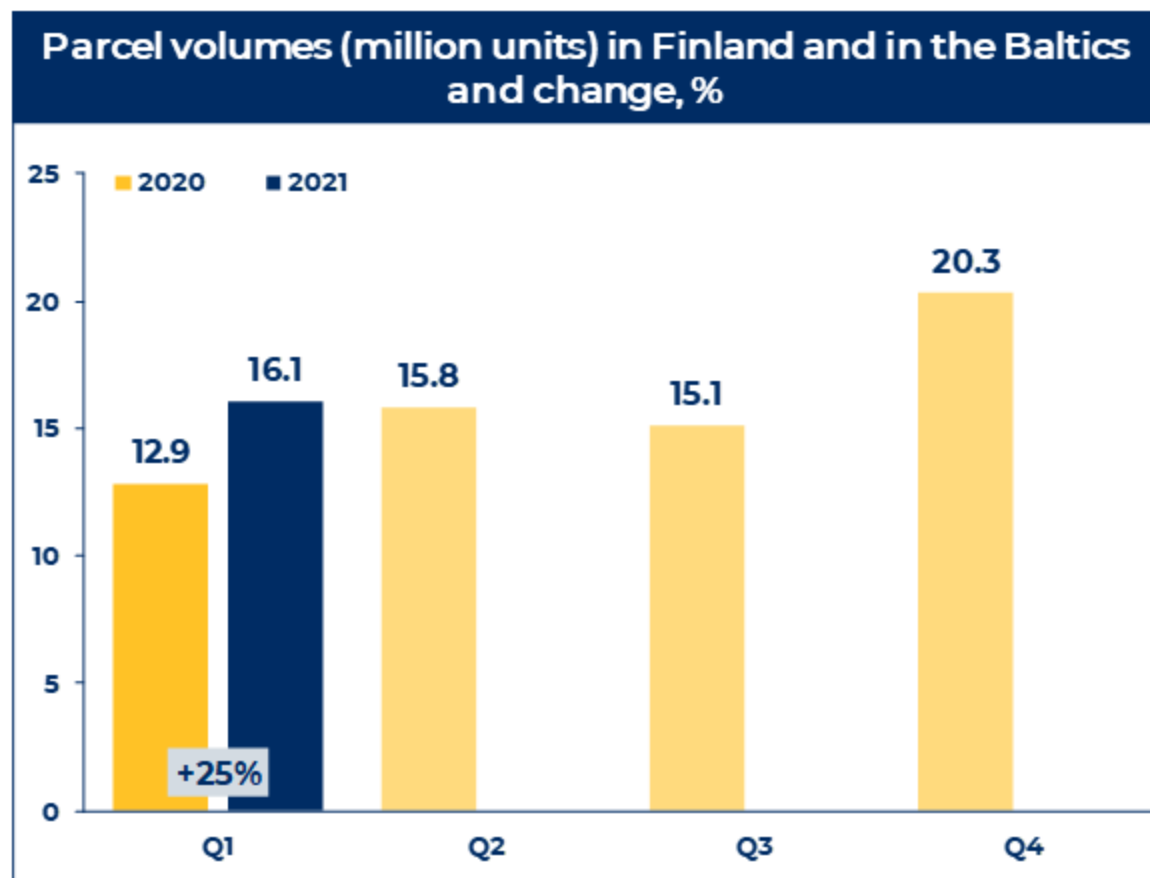
In February, we announced investments of some EUR 37 million in Transval's new, state-of-the-art warehouse in 2021-2022



Aditro Logistics

In February, we announced investments of some EUR 7 million in Aditro Logistics AutoStore® warehouse system in 2021-2022

Parcel volumes keep growing



+32%

The number of parcels going through Posti Parcel Lockers 1-3/2021

+25%

Parcel volume growth in Finland and in the Baltics 1-3/2021

4%

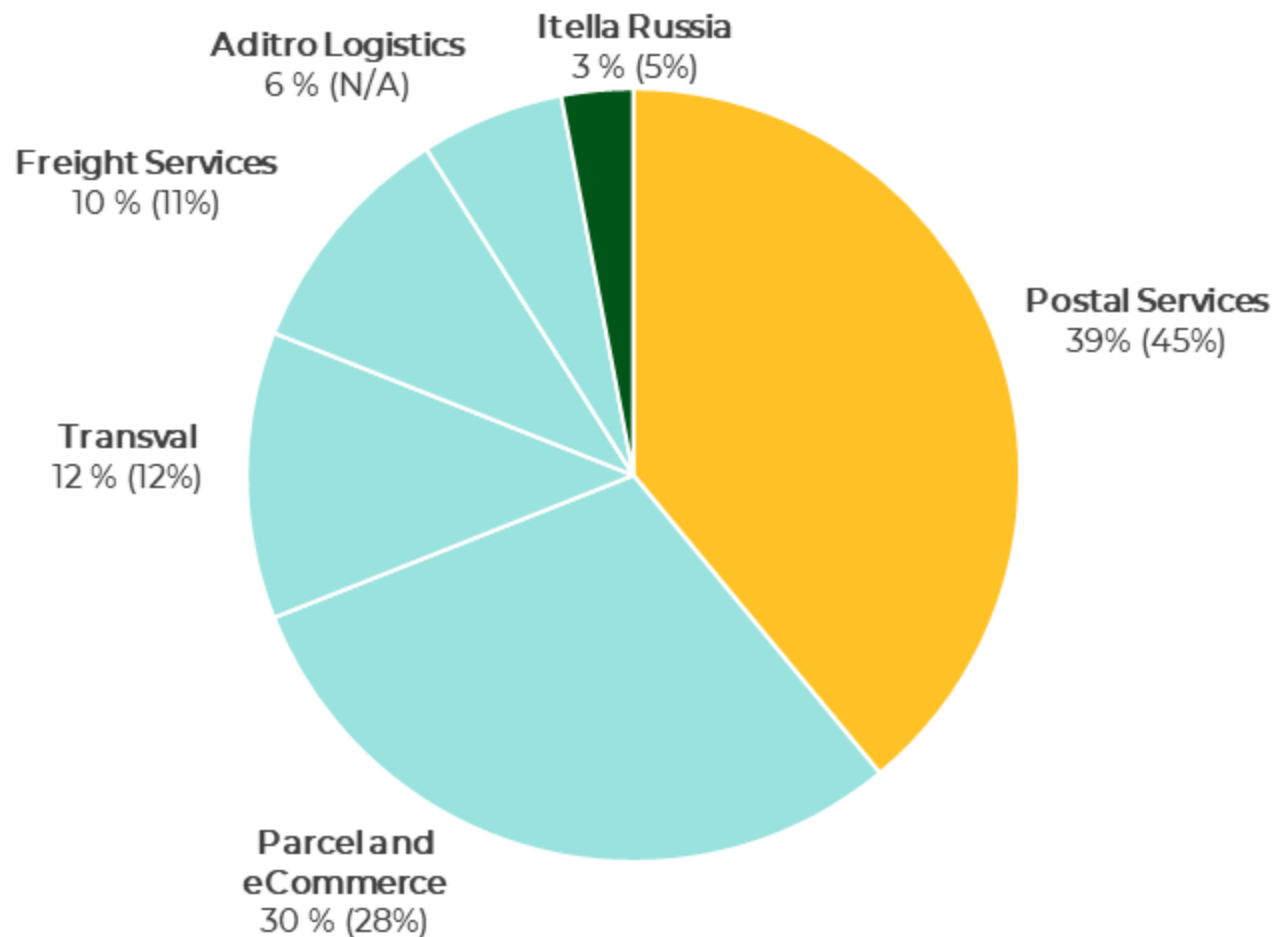
Freight volumes* 1-3/2021

* Measured in waybills

-14%

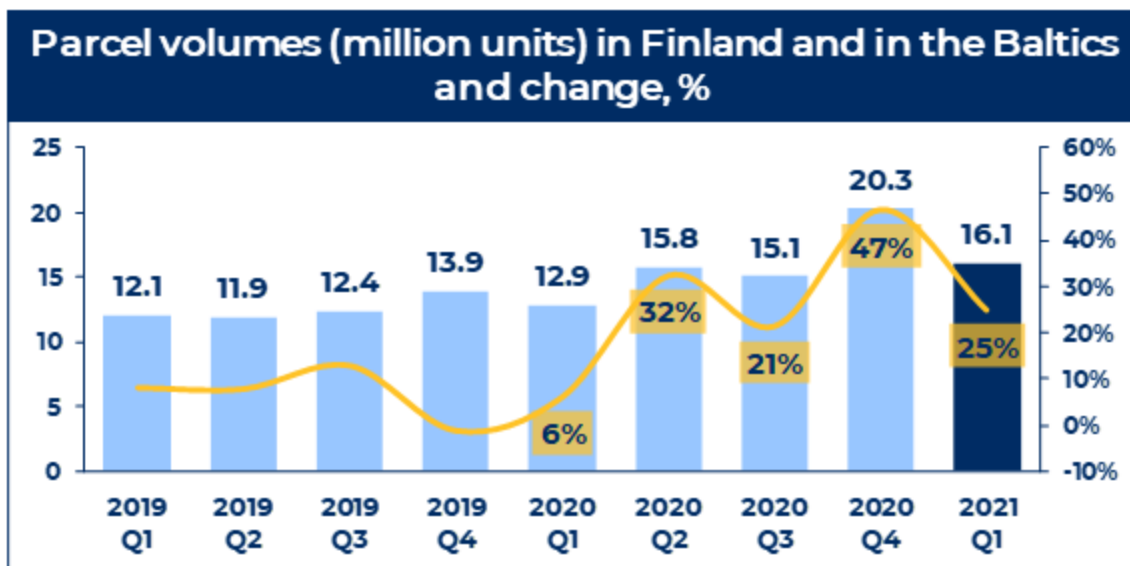
Addressed letter volumes 1-3/2021

Parcel & eCommerce and logistics business 59% (51%) of net sales in Q1 2021

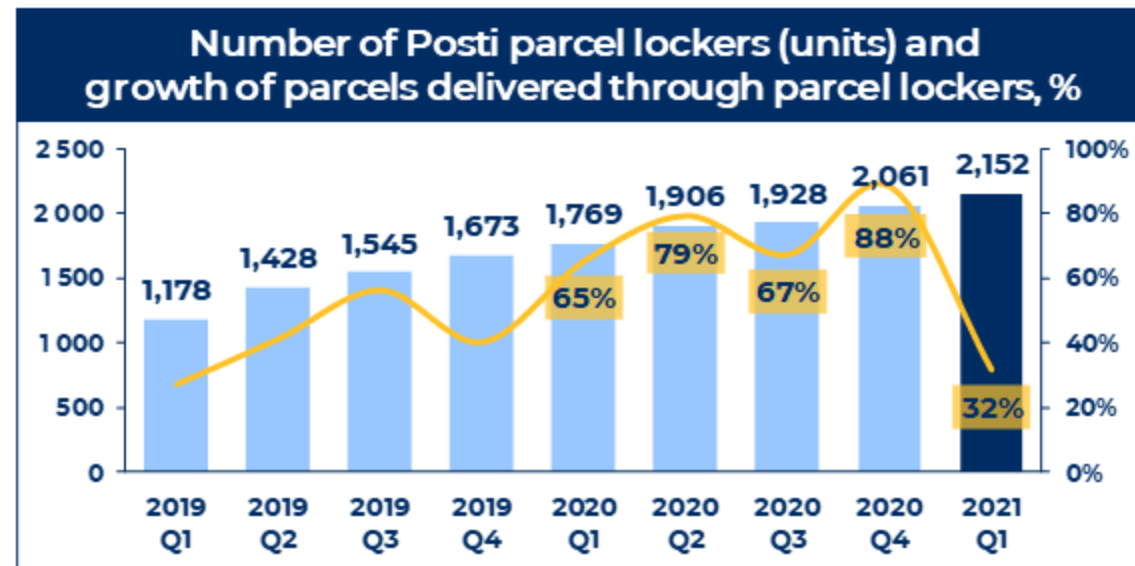


■ = Postal services ■ = Parcel & eCommerce and logistics business (%) = share in 2020

Parcel volumes boosted by continued volume growth of eCommerce and online shopping

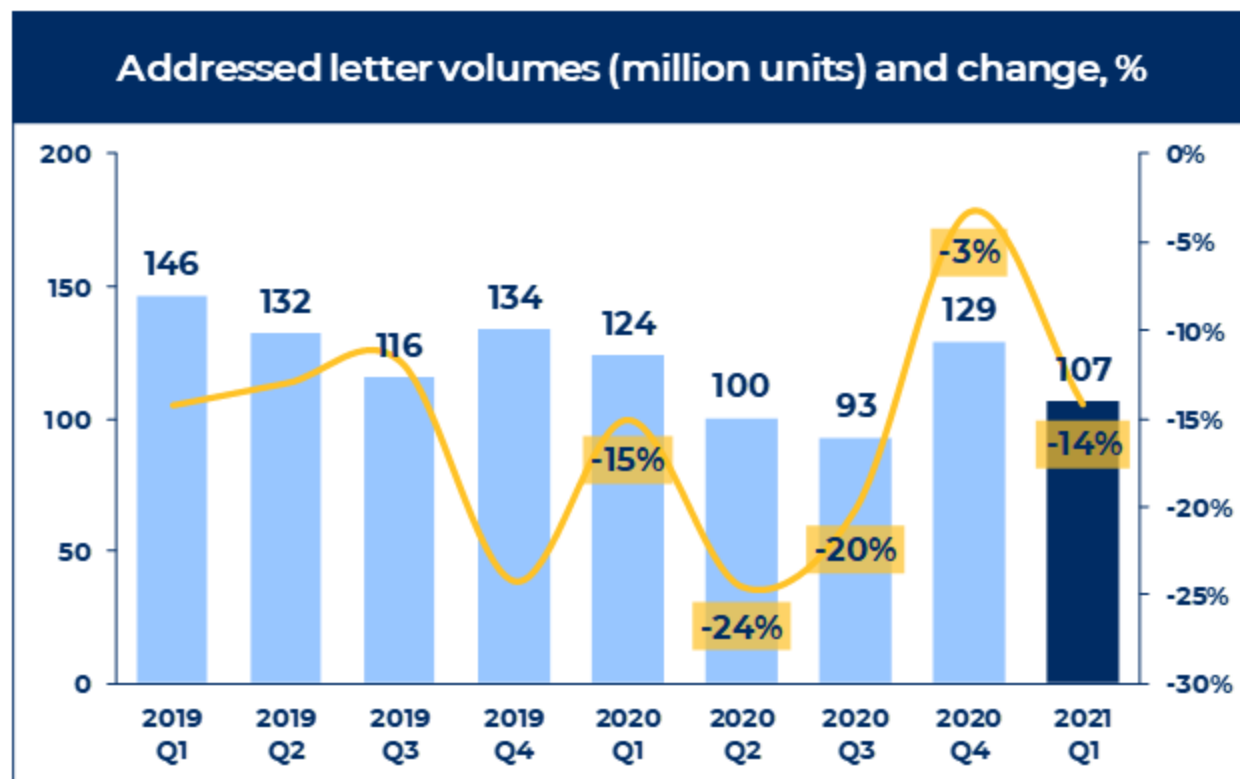


- Altogether 16.1 million parcels were delivered, growth from previous year 3.2 million units
- Number of Posti parcel lockers at the end of March was 2,152



- Posti aims to increase the number of its parcel lockers to 4,000 by the end of 2022
- The COVID-19 pandemic continued to significantly increase online shopping during the first quarter of 2021

Addressed letter volumes declined by 14%

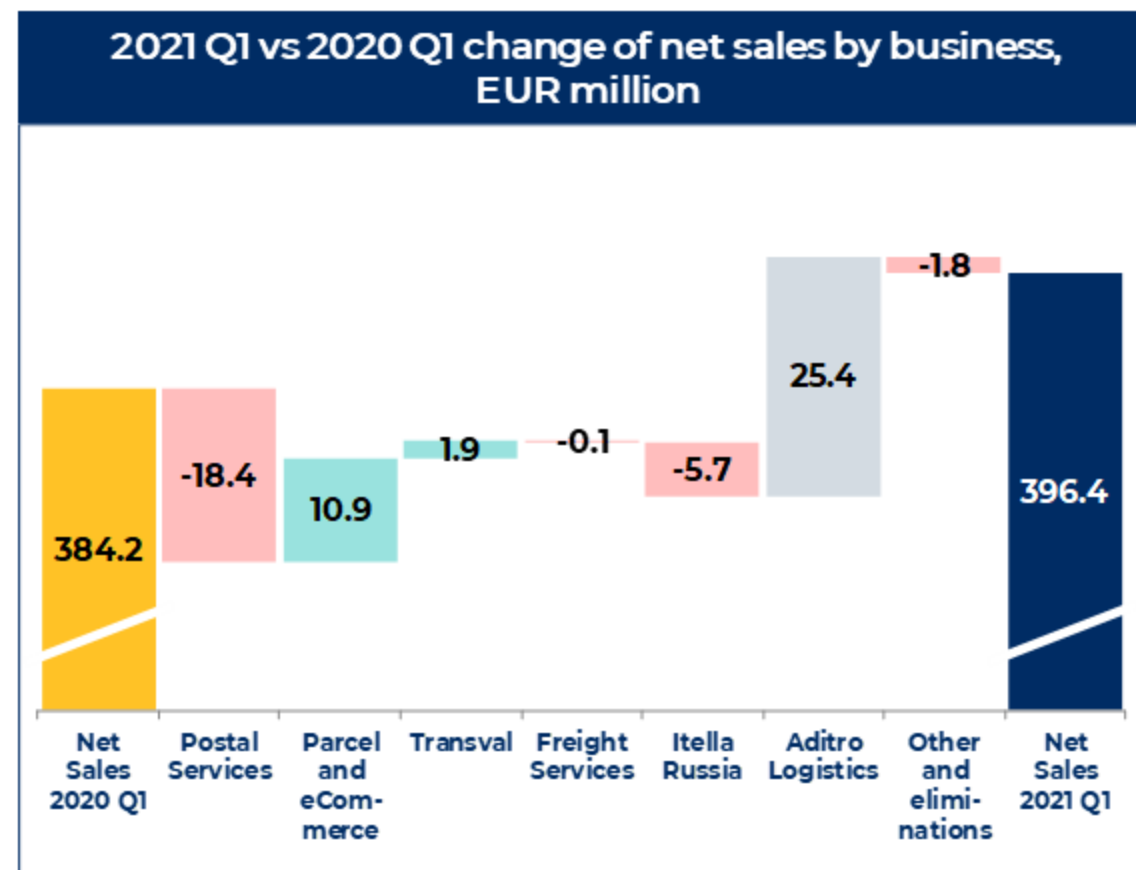
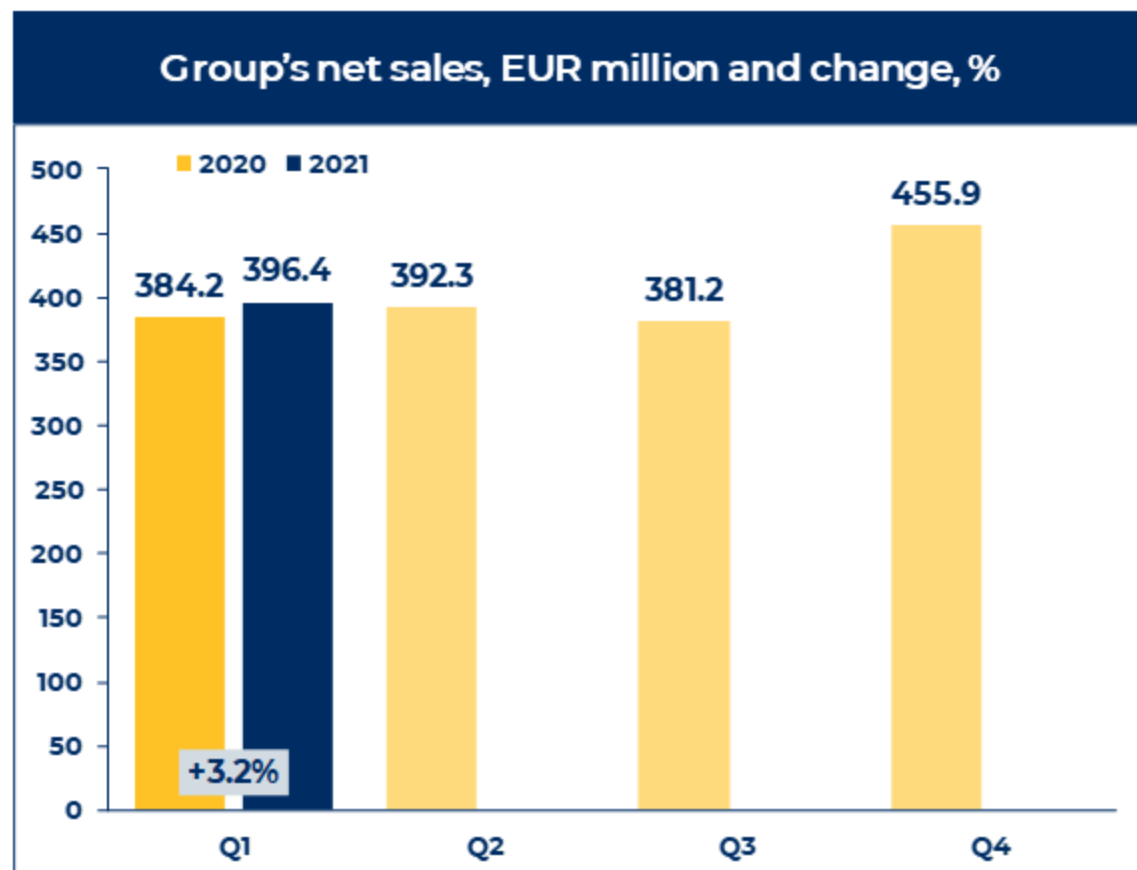


- Altogether 107 million addressed letters were delivered, decline from previous year 18 million items
- The share of mail items covered by the universal service obligation accounted for only 3.1% (2.6%) of all Posti's mail items delivered

Financials

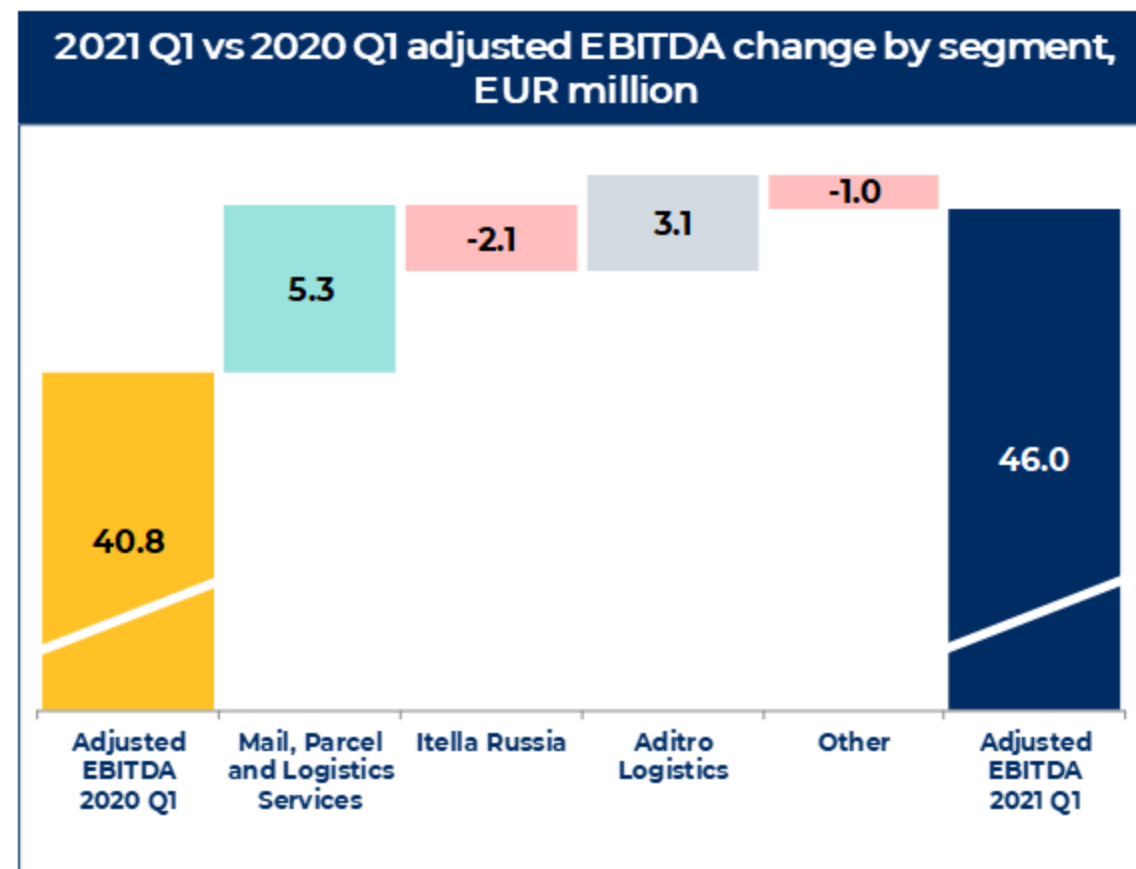
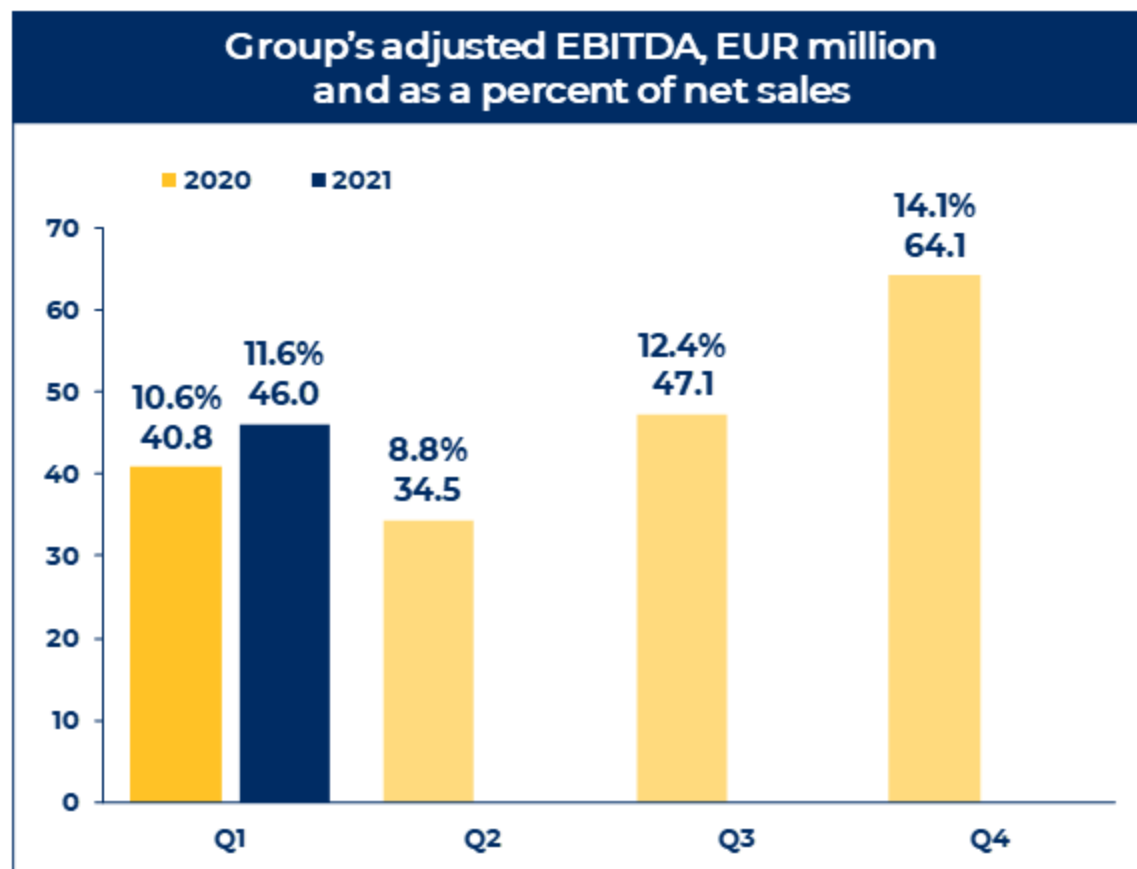
Posti Group's Q1 net sales

Net sales grew by 3.2% to EUR 396.4 (384.2) million



Posti Group's Q1 adjusted EBITDA

Adjusted EBITDA improved to EUR 46.0 (40.8) million



Posti Group's key figures

	1-3 2021	%	1-3 2020	%
Net sales, EUR million	396.4		384.2	
Adjusted EBITDA, EUR million	46.0	11.6%	40.8	10.6%
EBITDA, EUR million	45.8	11.6%	40.1	10.4%
Adjusted operating result, EUR million	15.0	3.8%	12.6	3.3%
Operating result, EUR million	14.8	3.7%	11.9	3.1%
Result for the period, EUR million	11.4	2.9%	7.0	1.8%
Return on capital employed (12 months), %	8.9%		3.5%	
Net debt, EUR million	221.9		161.5	
Net debt / Adjusted EBITDA	1.2x		1.1x	
Operative free cash flow, EUR million	-6.7		-0.6	
Personnel, end of period	20,748		20,890	
Personnel on average, FTE	15,725		15,894	
Earnings per share, basic, EUR	0.29		0.17	

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.

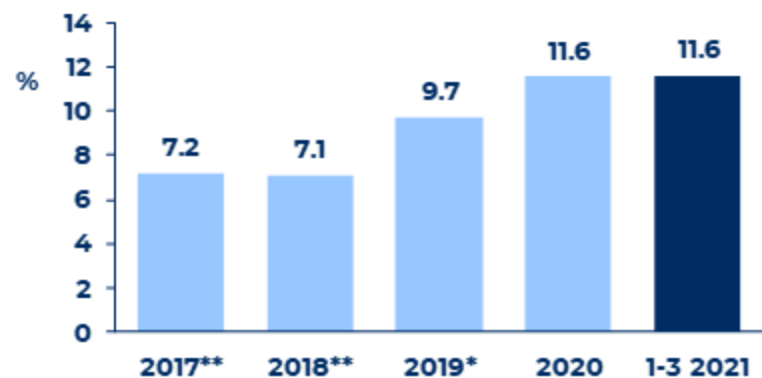
In 2020, Posti's net sales were EUR 1,613.6 million and adjusted EBITDA was EUR 186.5 million

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 high level of uncertainty.

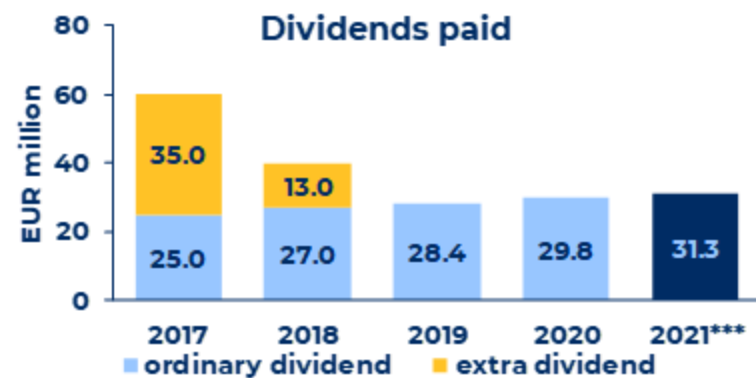


Long term financial targets

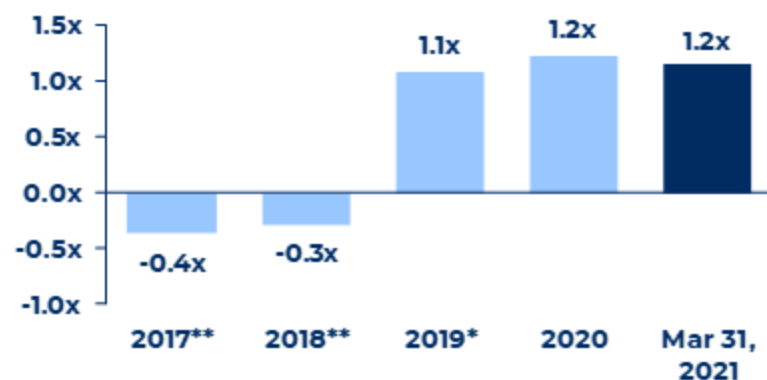
Adjusted EBITDA 13%



Continuously increasing ordinary dividend, but not exceeding annual net profit



Net debt / Adjusted EBITDA less than 2.5x



* 2019 restated based on the new definition of special items

** 2017-2018 is not according to IFRS 16 standard

*** Annual general meeting decision, dividend will be paid in Q2 2021

Segments

Mail, Parcel and Logistics Services net sales break-down

Net sales, EUR million	1-3 2021	1-3 2020	Change, %
Postal Services	154.9	173.3	-10.6%
Parcel and eCommerce	117.4	106.5	+10.3%
Transval	50.8	49.0	+3.8%
Freight Services	41.3	41.4	-0.3%
Other and eliminations	-5.2	-3.5	
Total	359.2	366.6	-2.0%

- Net sales decreased to EUR 359.2 (366.6) million
 - The decline was mainly affected by the decreasing net sales of Postal Services due to the continued mail volume decline
 - The increase in Parcel and eCommerce was mainly due to the continued volume growth of eCommerce and online shopping accelerated by the coronavirus situation.
 - The growth of Transval's net sales was mainly due to the positive impact of growing online shopping and the acquisition of KV Turva in March 2020.

Mail, Parcel and Logistics Services key figures

EUR million	1-3 2021	1-3 2020
Net sales	359.2	366.6
Net sales change, %	-2.0%	-2.6%
Adjusted EBITDA	43.1	37.8
Adjusted EBITDA, %	12.0%	10.3%
EBITDA	42.4	37.2
EBITDA, %	11.8%	10.2%
Adjusted operating result	18.6	13.3
Adjusted operating result, %	5.2%	3.6%
Operating result	17.9	12.8
Operating result, %	5.0%	3.5%

- Adjusted EBITDA improved to EUR 43.1 (37.8) million
 - The improvement was mainly due to significantly improved profitability in Parcel and eCommerce.

Itella Russia key figures

EUR million	1-3 2021	1-3 2020
Net sales	12.1	17.8
Net sales change, %	-32.1%	-12.1%
Adjusted EBITDA	1.3	3.4
Adjusted EBITDA, %	11.1%	19.3%
EBITDA	1.3	3.4
EBITDA, %	11.1%	19.3%
Adjusted operating result	0.2	1.2
Adjusted operating result, %	1.7%	6.5%
Operating result	0.2	1.2
Operating result, %	1.7%	6.5%

- Reported euro-denominated net sales decreased by 32.1% to EUR 12.1 (17.8) million
 - Net sales decreased in Contract Logistics due to restructuring actions of warehouses and the impact of coronavirus situation to Transport
- The adjusted and reported EBITDA were EUR 1.3 (3.4) million
 - The decrease was mainly due to the impact of coronavirus situation, the weakening of the Russian ruble and strong comparison figures in the first quarter of 2020.

Aditro Logistics key figures

EUR million	1-3 2021
Net sales	25.4
Net sales change, %	N/A
Adjusted EBITDA	3.1
Adjusted EBITDA, %	12.0%
EBITDA	3.1
EBITDA, %	12.0%
Adjusted operating result	-1.2
Adjusted operating result, %	-4.6%
Operating result	-1.2
Operating result, %	-4.6%

- Aditro Logistics' net sales developed positively and were EUR 25.4 million
 - Aditro Logistics' operations consists of contract logistics, transportation and staffing businesses
- The adjusted and reported EBITDA were EUR 3.1 million
 - The result was negatively impacted by investments in the large warehouse in Arlanda and increased personnel expenses in staffing business.

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