

**Posti Group:
strong customer demand for parcel
and logistics services driving net
sales growth**

January-September 2021



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



Posti in figures 7-9/2021

Net Sales

EUR 388.5 million

(EUR 381.2 million)

Adjusted EBITDA

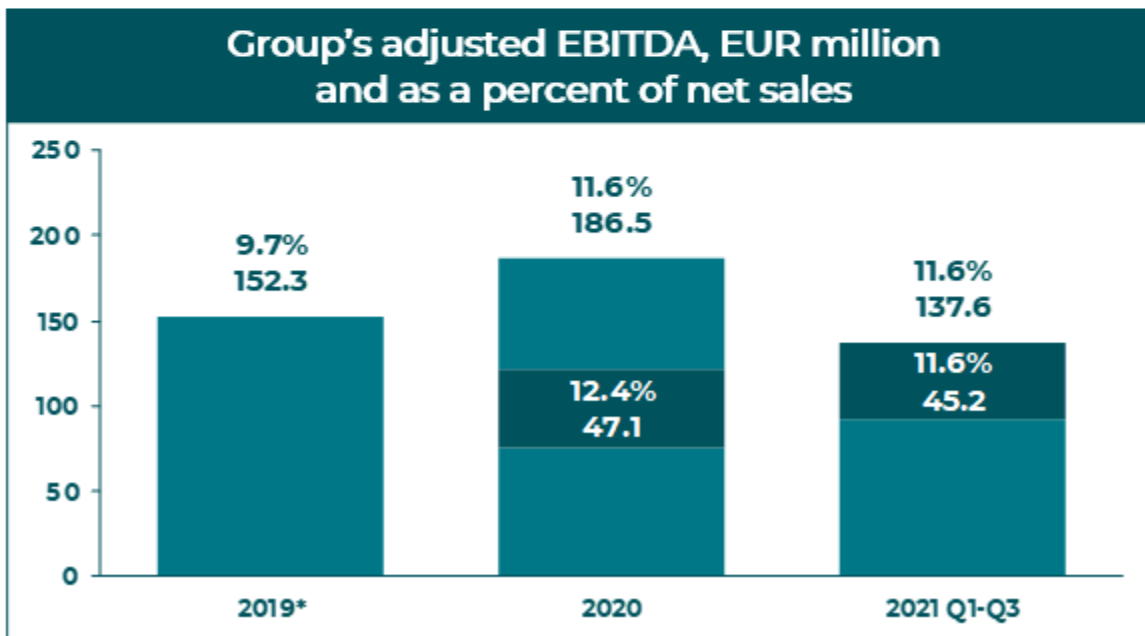
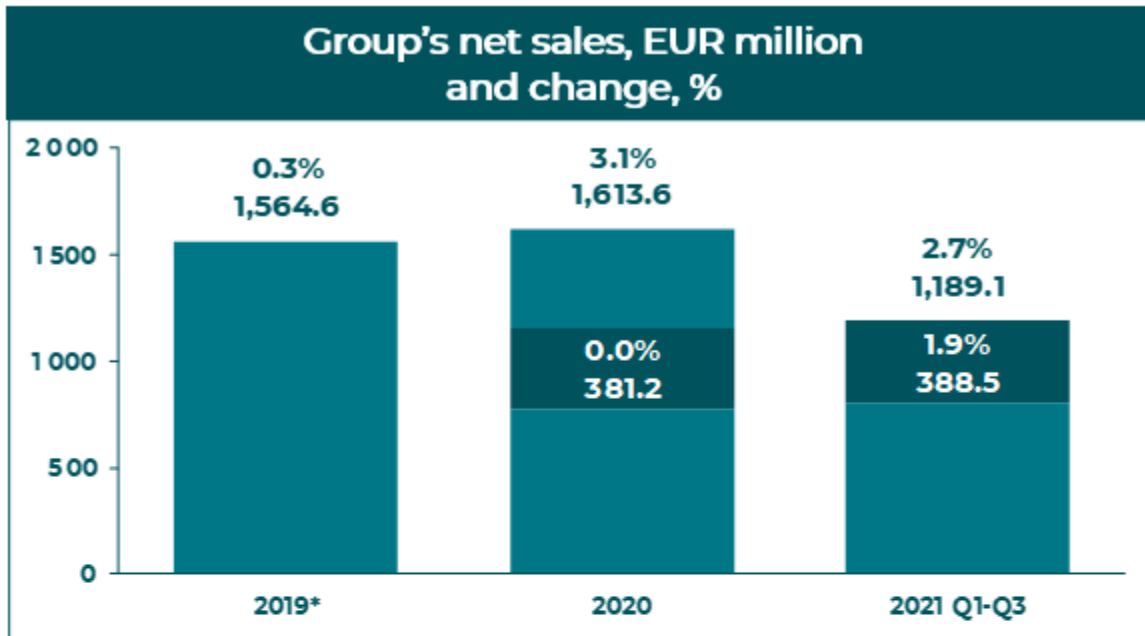
EUR 45.2 million

(EUR 47.1 million)

Adjusted EBITDA-%

11.6%

(12.4%)



* Continuing operations

Financial highlights in Q3 2021 – decrease in profitability

- Net sales grew by 1.9% to EUR 388.5 (381.2) million.
- Adjusted EBITDA decreased to EUR 45.2 (47.1) million, or 11.6% (12.4%) of net sales.
- EBITDA decreased to EUR 44.5 (47.3) million, or 11.5% (12.4%) of net sales.
- Adjusted operating result decreased to EUR 14.0 (16.9) million, representing 3.6% (4.4%) of net sales.
- Operating result decreased to EUR 13.3 (17.1) million, representing 3.4% (4.5%) of net sales.

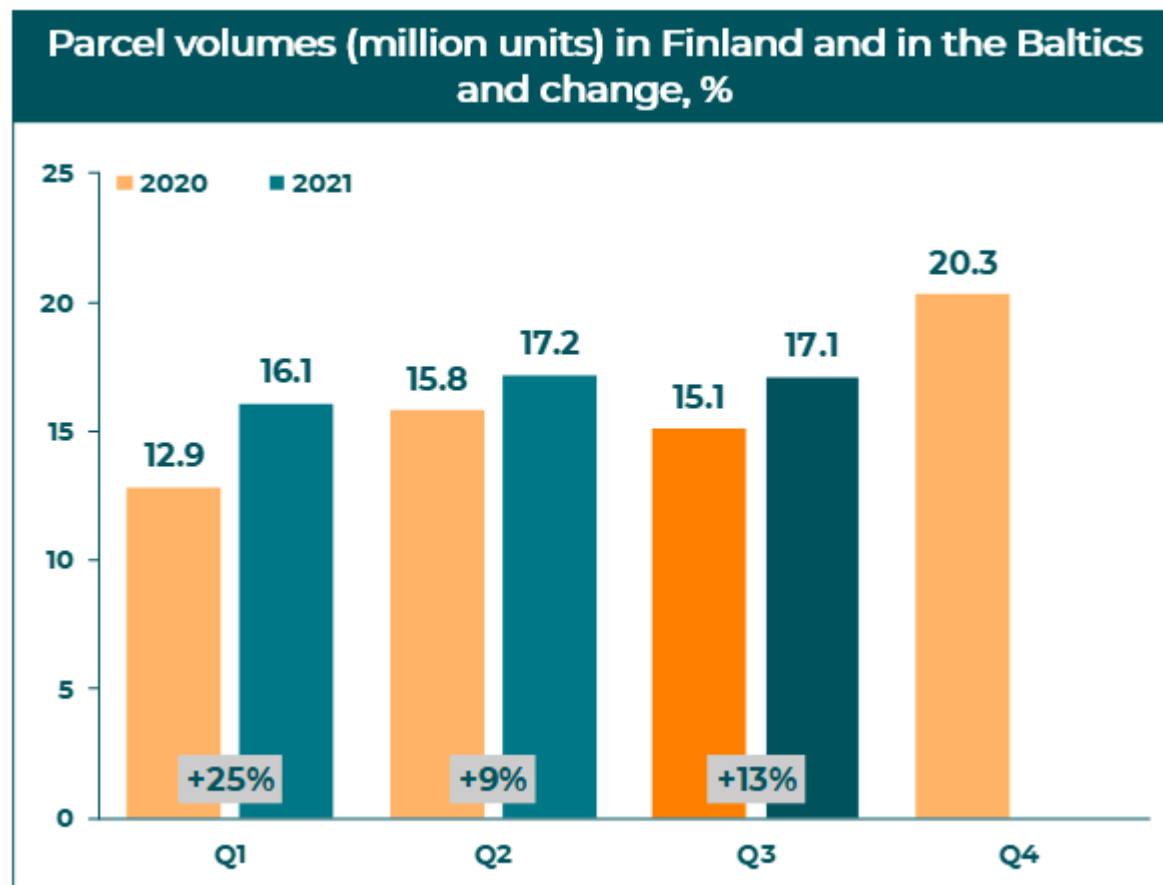


Operational highlights in Q3 2021

- Total parcel volume in Finland and the Baltic countries increased by 13%.
- Number of addressed letters continued to decrease and decreased by 8% in Finland.
- Combined external net sales of Parcel and eCommerce as well as logistics businesses represented 62% (59%) of the Group's net sales.
- Increased expenses in Mail, Parcel and Logistic Services affected our profitability negatively. Freight services performed outstandingly. In addition, the comparison period, Q3 2020, was very strong.
- Due to the lack of workforce, Posti continues extra measures to ensure smooth operations for our customers.
- In August, the multi-year collective agreement for the mail communications and logistics industry as well as the collective agreement applicable to the parcel sorters of Posti Palvelut Oy were accepted.



Parcel and Freight volumes continue to grow



+12%

The number of parcels going through Posti Parcel Lockers 7-9/2021

+13%

Parcel volume growth in Finland and in the Baltics 7-9/2021

+5%

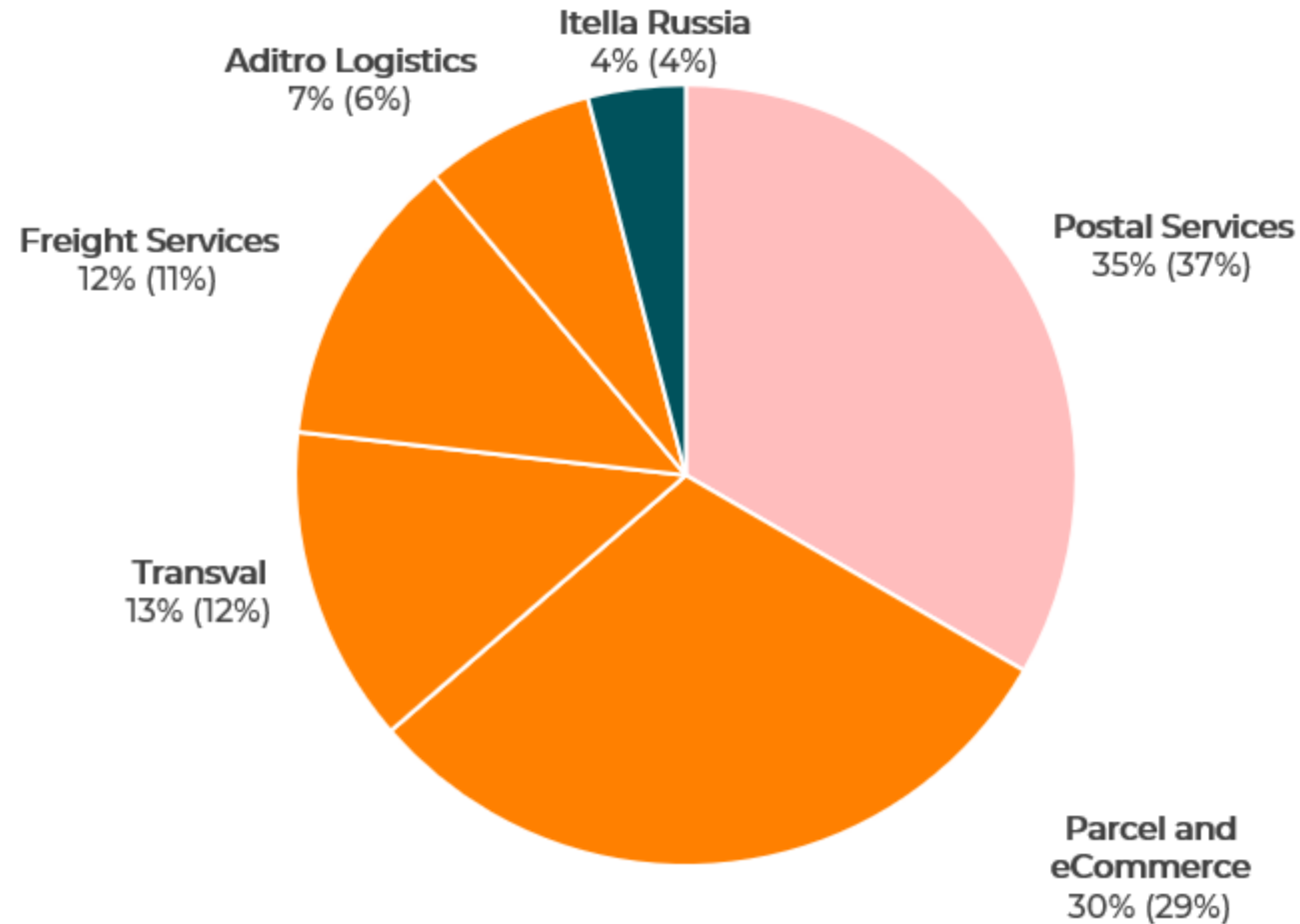
Freight volumes* 7-9/2021

* Measured in waybills

-8%

Addressed letter volumes 7-9/2021

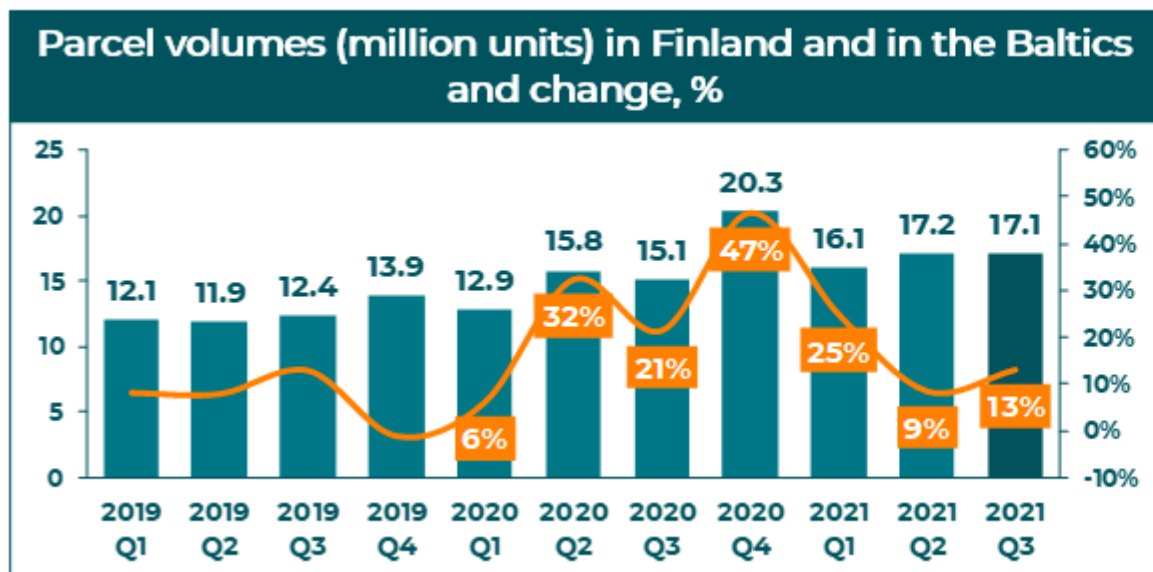
Parcel & eCommerce and logistics business 62% (59%) of Group's net sales in Q3 2021*



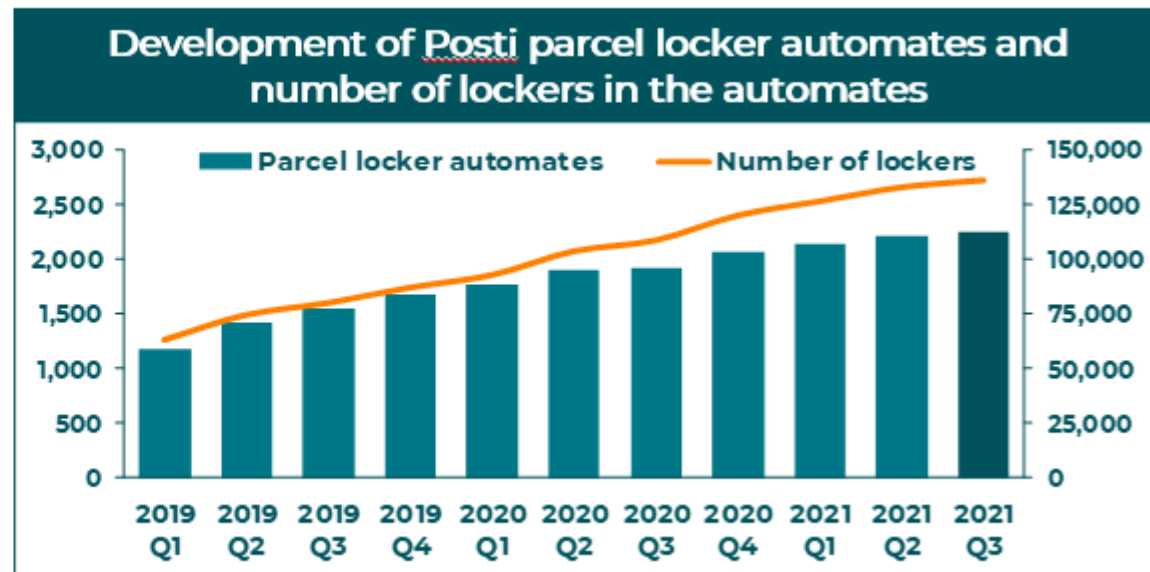
■ = Postal services ■ = Parcel & eCommerce and logistics business *measured in combined external net sales



Posti keeps expanding its parcel locker network with the increasing parcel volumes

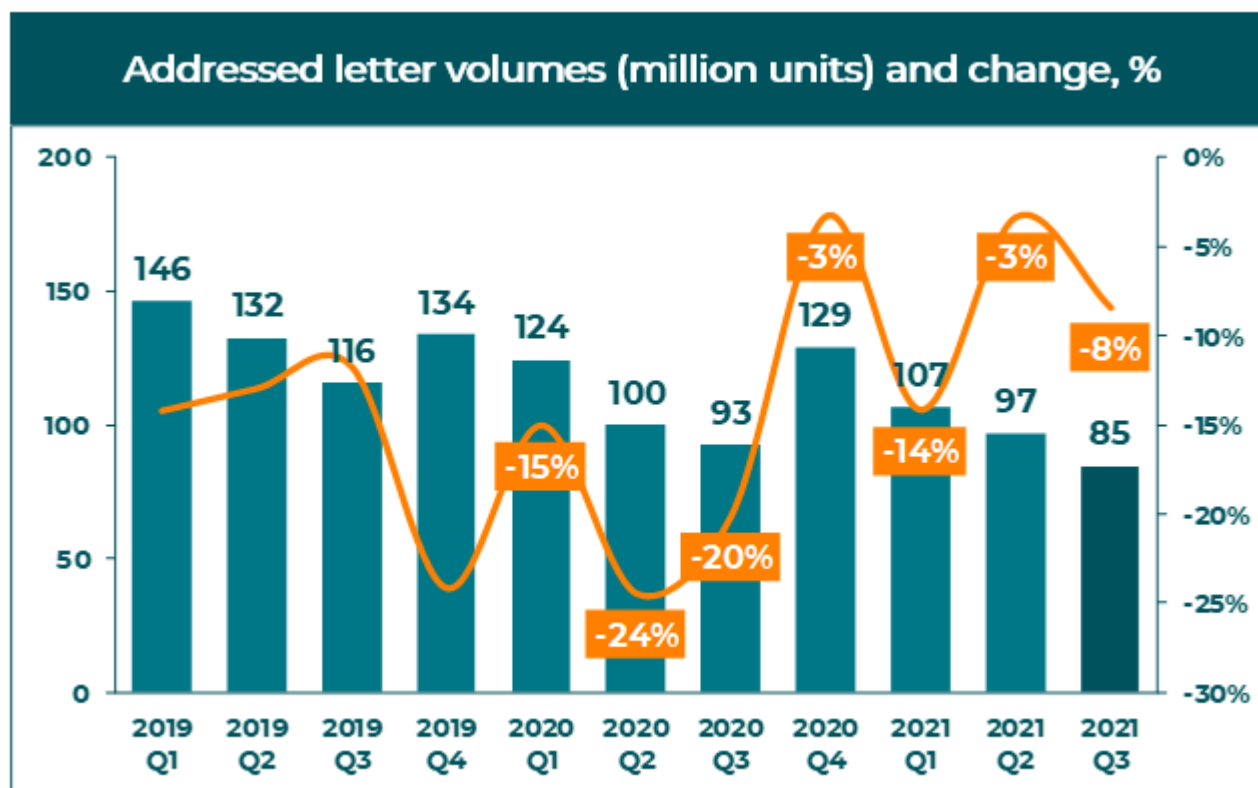


- Altogether 17.1 million parcels were delivered, growth from previous year 2 million units



- Posti has increased the number of individual parcel lockers by 25% since the third quarter of 2020.

Addressed letter volumes declined by 8%

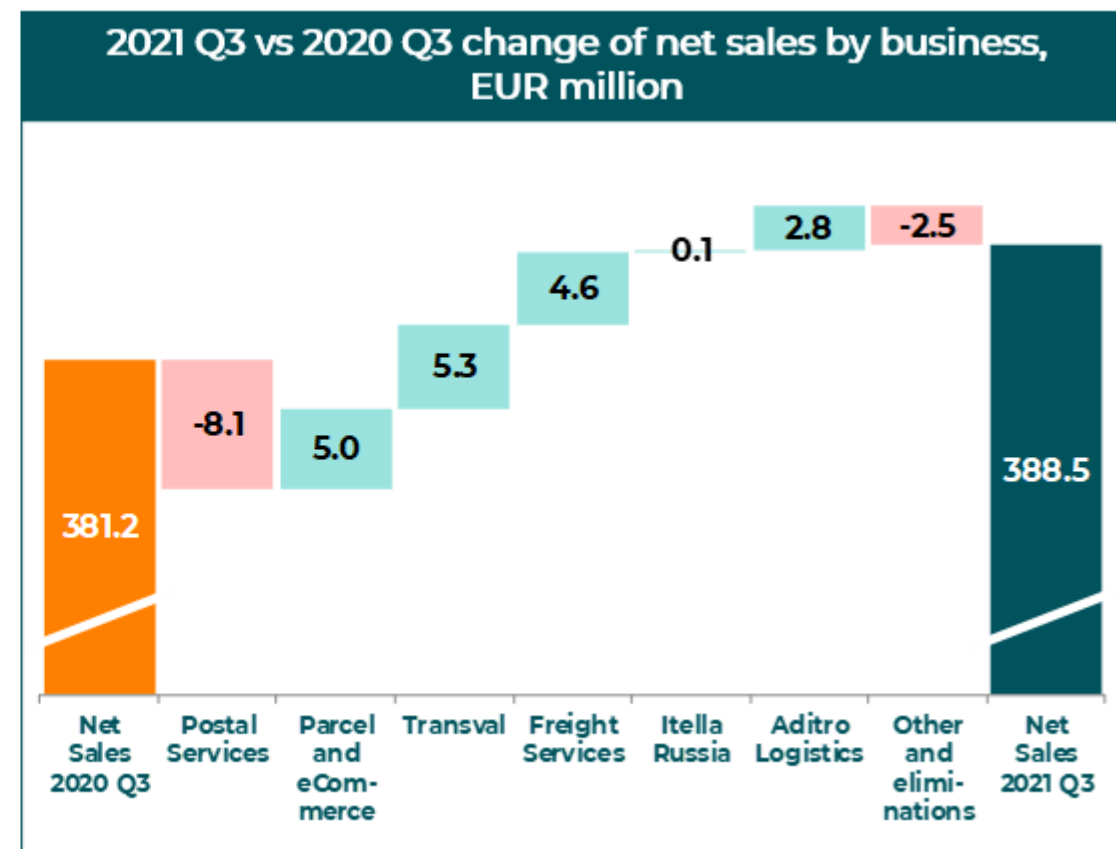
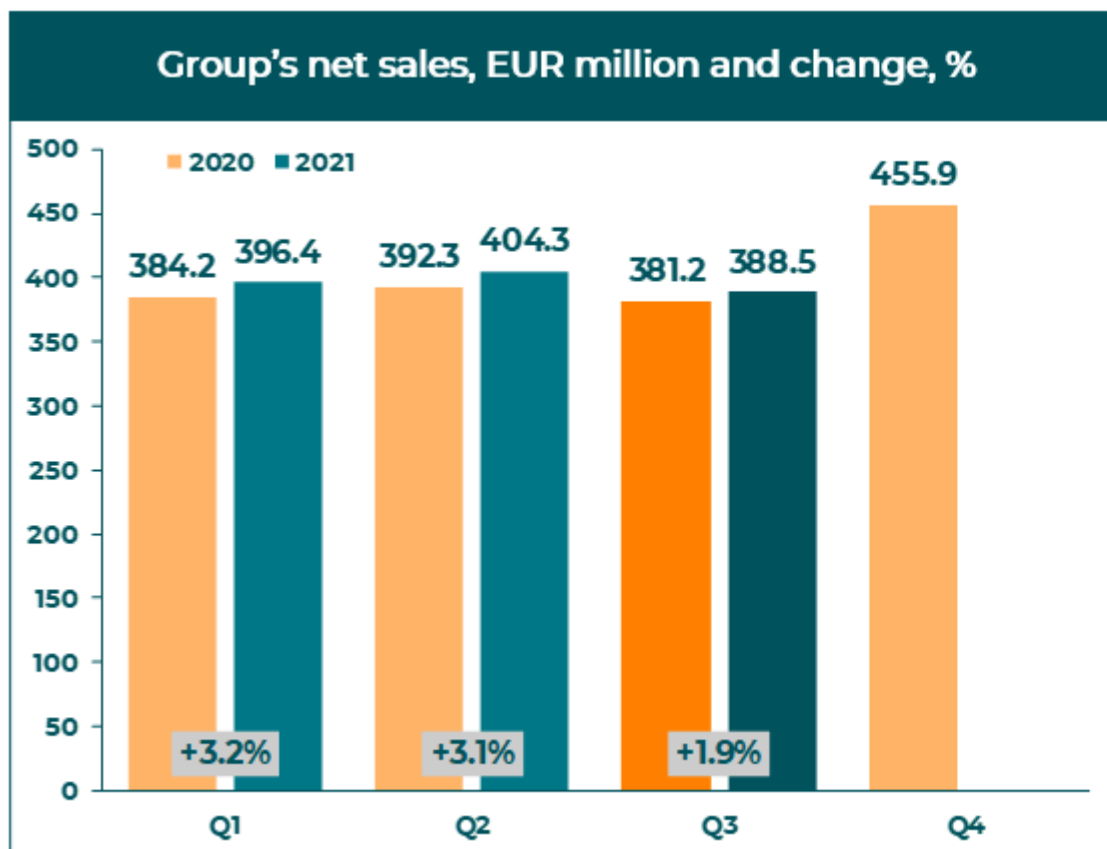


- Altogether 85 million addressed letters were delivered, decline from previous year 8 million items
- The share of mail items covered by the universal service obligation accounted for only 2.0% (2.6%) of all Posti's mail items delivered

Financials

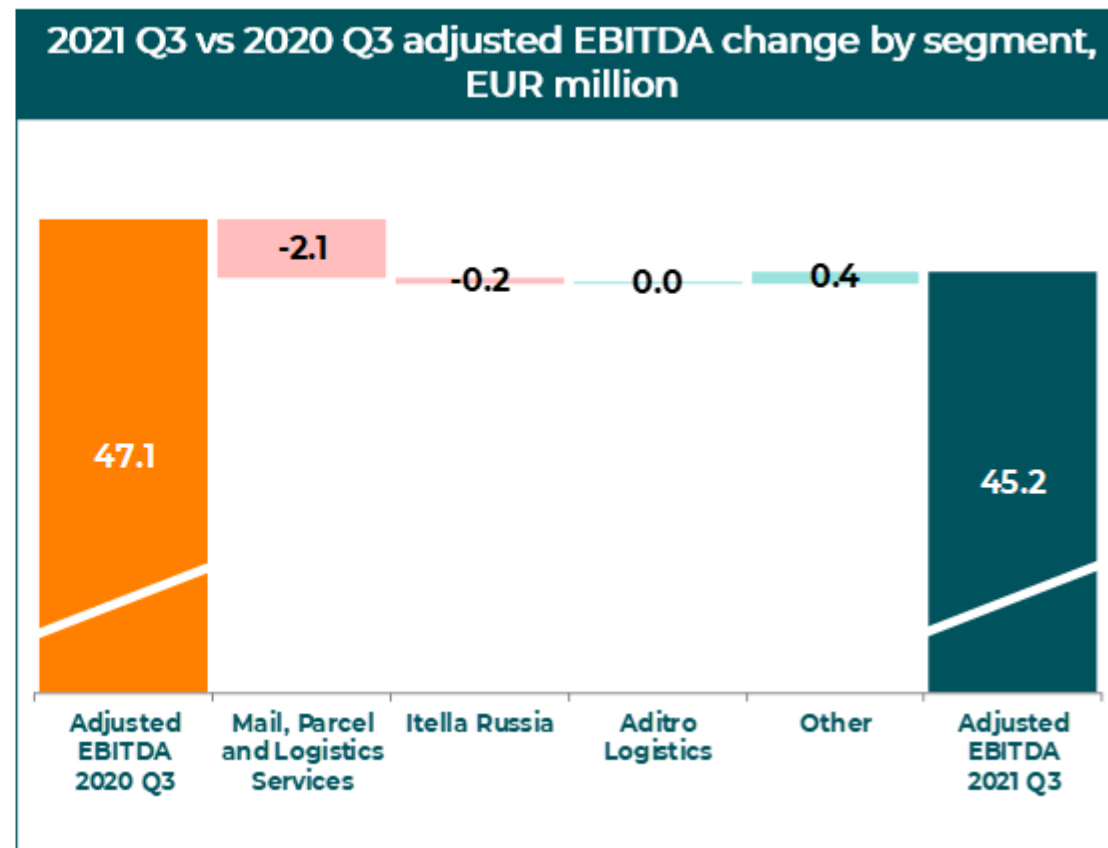
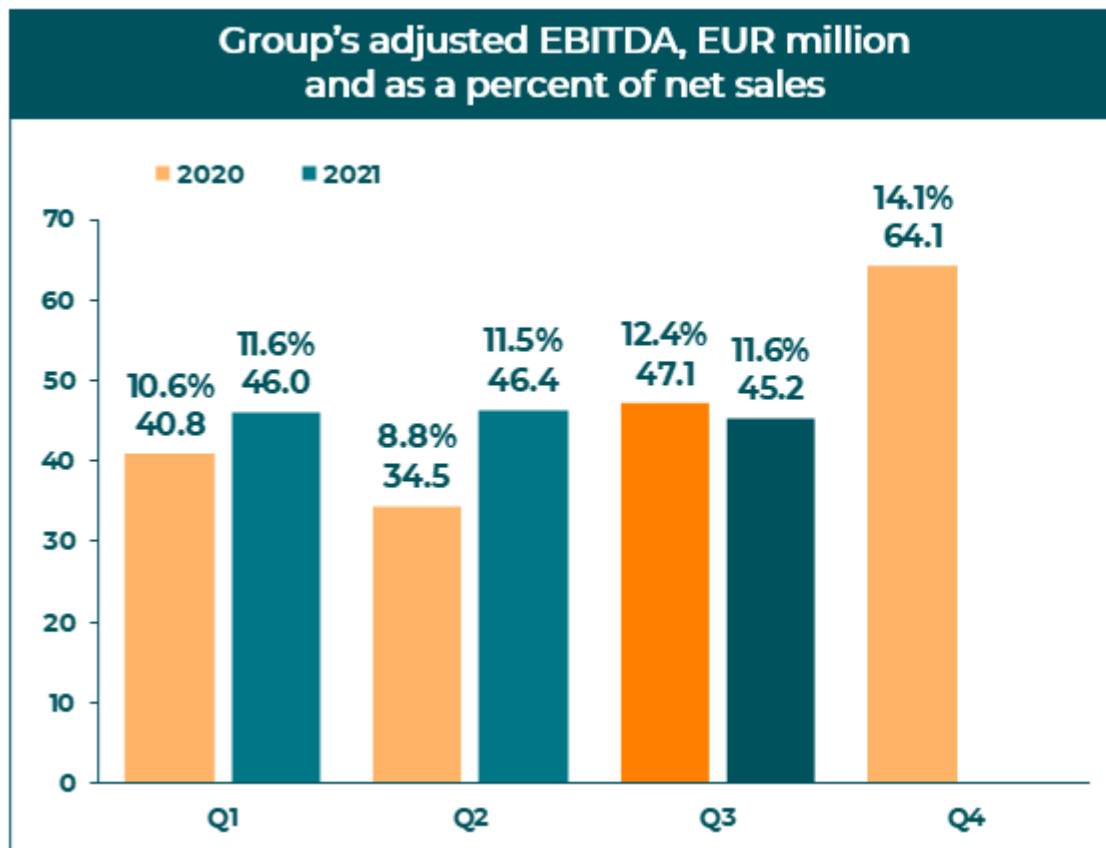
Posti Group's Q3 net sales

Net sales grew by 1.9% to EUR 388.5 (381.2) million



Posti Group's Q3 adjusted EBITDA

Adjusted EBITDA decreased to EUR 45.2 (47.1) million



Posti Group's key figures

	7-9 2021	%	7-9 2020	%	1-9 2021	%	1-9 2020	%
Net sales, EUR million	388.5		381.2		1,189.1		1,157.7	
Adjusted EBITDA, EUR million	45.2	11.6%	47.1	12.4%	137.6	11.6%	122.4	10.6%
EBITDA, EUR million	44.5	11.5%	47.3	12.4%	135.5	11.4%	121.6	10.5%
Adjusted operating result, EUR million	14.0	3.6%	16.9	4.4%	43.7	3.7%	32.6	2.8%
Operating result, EUR million	13.3	3.4%	17.1	4.5%	41.6	3.5%	29.6	2.6%
Result for the period, EUR million	9.5	2.5%	12.3	3.2%	33.3	2.8%	11.6	1.0%
Return on capital employed (12 months), %					9.5%		4.0%	
Net debt, EUR million					241.3		277.1	
Net debt / Adjusted EBITDA					1.2x		1.8x	
Operative free cash flow, EUR million					-14.3		30.6	
Personnel, end of period					21,328		20,586	
Personnel on average, FTE	15,935		16,187		15,882		16,266	
Earnings per share, basic, EUR	0.24		0.31		0.83		0.29	

Outlook and long-term financial targets

Posti's outlook for 2021

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

The fast pace of the global economic recovery makes the macro-economic outlook difficult to predict, which continues to cause some uncertainty in Posti's outlook.

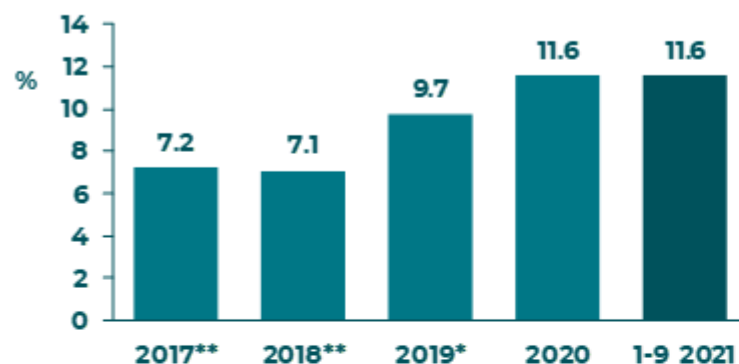
In 2020, Posti's net sales were EUR 1,613.6 million and adjusted EBITDA was EUR 186.5 million



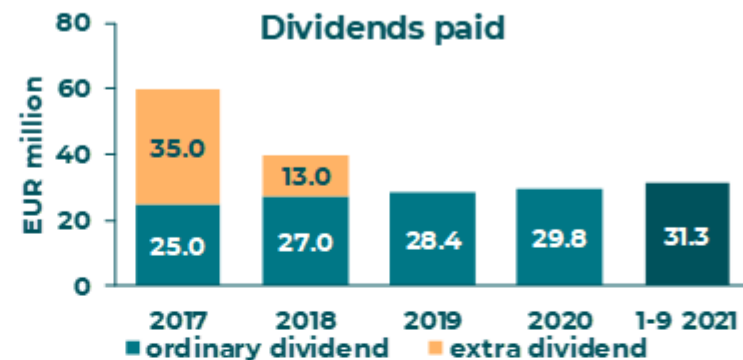
posti

Long term financial targets

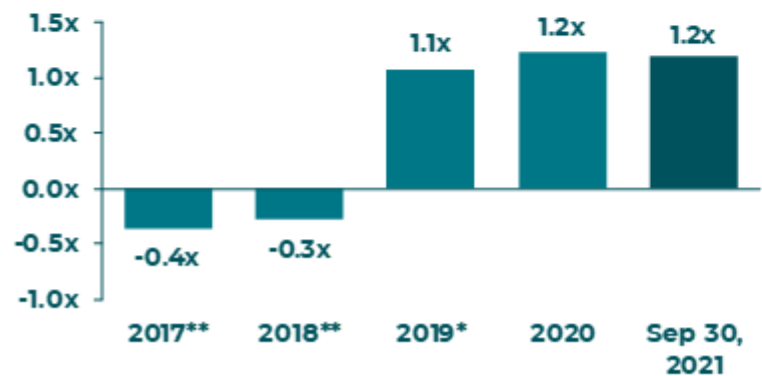
Adjusted EBITDA 13%



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

Segments

Mail, Parcel and Logistics Services net sales break-down

Net sales, EUR million	7-9 2021	7-9 2020	Change, %	1-9 2021	1-9 2020	Change, %
Postal Services	135.3	143.4	-5.7%	435.5	466.2	-6.6%
Parcel and eCommerce	117.2	112.2	+4.5%	356.8	338.1	+5.5%
Transval	55.5	50.2	+10.6%	160.8	148.0	+8.6%
Freight Services	47.9	43.3	+10.7%	139.9	127.8	+9.4%
Other and eliminations	-6.6	-4.1		-18.6	-11.6	
Total	349.3	344.9	+1.3%	1,074.3	1,068.6	+0.5%

- Net sales increased to EUR 349.3 (344.9) million in July-September 2021
 - The increase in Parcel and eCommerce was mainly due to the continued volume growth of eCommerce and online shopping
 - The shipment volumes from outside the EU declined after the VAT reform that entered into force on July 1, 2021
 - The high season in Freight continued in the beginning of the third quarter and overall volumes were at a high level
 - The positive impact of the continued high season in logistics increased the handling volumes of Transval

Mail, Parcel and Logistics Services key figures

EUR million	7-9 2021	7-9 2020	1-9 2021	1-9 2020
Net sales	349.3	344.9	1,074.3	1,068.6
Net sales change, %	1.3%	-4.4%	0.5%	-3.9%
Adjusted EBITDA	38.9	41.0	125.8	108.0
Adjusted EBITDA, %	11.1%	11.9%	11.7 %	10.1 %
EBITDA	38.3	41.0	124.0	107.2
EBITDA, %	11.0%	11.9%	11.5%	10.0%
Adjusted operating result	13.6	17.8	50.9	36.5
Adjusted operating result, %	3.9%	5.2%	4.7%	3.4%
Operating result	13.0	17.8	49.1	35.7
Operating result, %	3.7%	5.2%	4.6%	3.3%

Adjusted EBITDA decreased to EUR 38.9 (41.0) million in July-September 2021

- The decline was mainly due to the exceptionally good comparison period in 2020 and increased costs in Transval and Parcel and eCommerce.
- Profitability of Freight Services improved due to increased sales and improved operational efficiency.

Itella Russia key figures

EUR million	7-9 2021	7-9 2020	1-9 2021	1-9 2020
Net sales	13.6	13.5	38.4	44.2
Net sales change, %	0.9%	-34.7%	-13.0%	-26.1%
Adjusted EBITDA	2.5	2.8	5.9	9.5
Adjusted EBITDA, %	18.5%	20.4%	15.5 %	21.4 %
EBITDA	2.5	3.3	5.4	12.9
EBITDA, %	18.5%	24.1%	14.1%	29.2%
Adjusted operating result	1.5	1.3	2.6	3.6
Adjusted operating result, %	10.6%	9.8%	6.8%	8.0%
Operating result	1.5	1.8	2.1	7.0
Operating result, %	10.7%	13.5%	5.4%	15.8%

- In July-September, reported net sales remained at the previous year's level EUR 13.6 (13.5) million.
 - Net sales grew in road transportation and in contract logistics but decreased in air & sea transport.
- Adjusted EBITDA was EUR 2.5 (2.8) million in the third quarter.
 - The decrease was mainly due to the negative market development.

Aditro Logistics key figures

EUR million	7-9 2021	7-9 2020	1-9 2021	1-9 2020
Net sales	25.9	23.2	77.5	45.7
Net sales change, %	12.0%	-	-	-
Adjusted EBITDA	3.8	3.7	10.1	6.5
Adjusted EBITDA, %	14.5%	16.1%	13.0 %	14.3 %
EBITDA	3.8	3.7	10.1	6.5
EBITDA, %	14.5%	16.1%	13.0%	14.3%
Adjusted operating result	-0.5	-0.2	-2.7	-1.4
Adjusted operating result, %	-2.0%	-1.0%	-3.5%	-3.1%
Operating result	-0.5	-0.2	-2.7	-1.4
Operating result, %	-2.0%	-1.0%	-3.5%	-3.1%

- Aditro Logistics' net sales increased by 12.0% in July-September 2021.
 - The increase was mainly due to Aditro Logistics' increased volumes in the growing market.
- Adjusted EBITDA was EUR 3.8 (3.7) million
 - The result was affected by the temporary increase in costs associated with the exceptionally high handling volumes and availability of workforce.

* Aditro Logistics has been part of Posti Group April 2020 onwards

posti

