

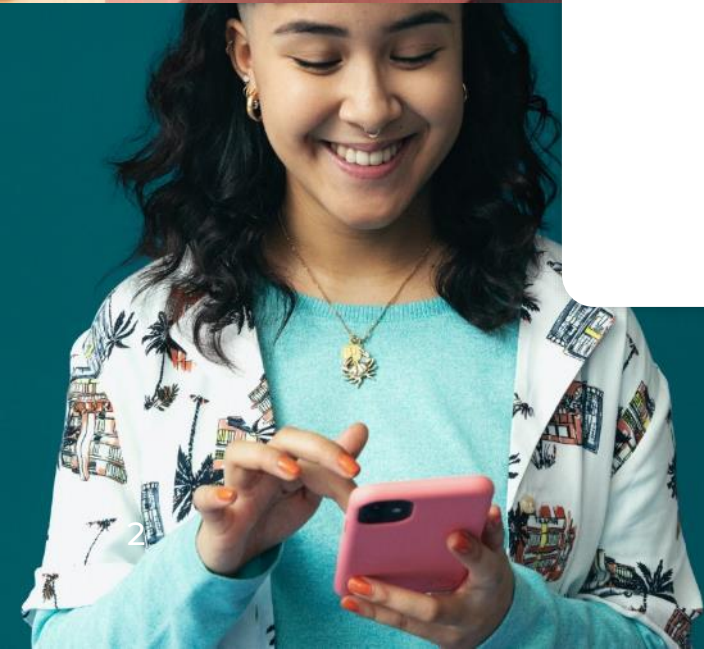
# Posti Group: Successful growth strategy drove increased net sales. Declined profitability in Postal Services decreased Group result.

January-June 2022





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



# Posti in figures 4-6/2022

Net Sales

## EUR 411.3 million

(EUR 391.6 million\*)

Adjusted EBITDA

## EUR 39.5 million

(EUR 44.2 million\*)

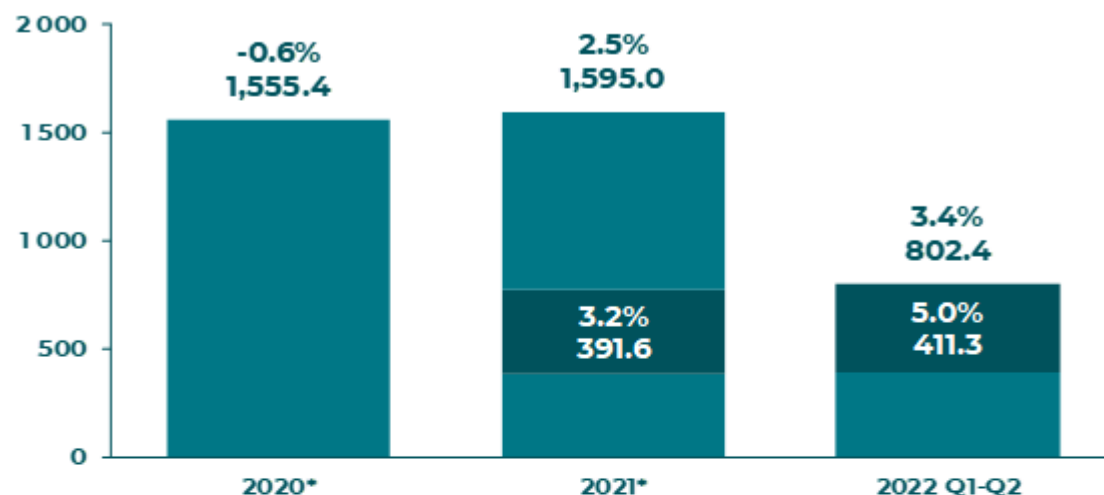
Adjusted EBITDA-%

## 9.6%

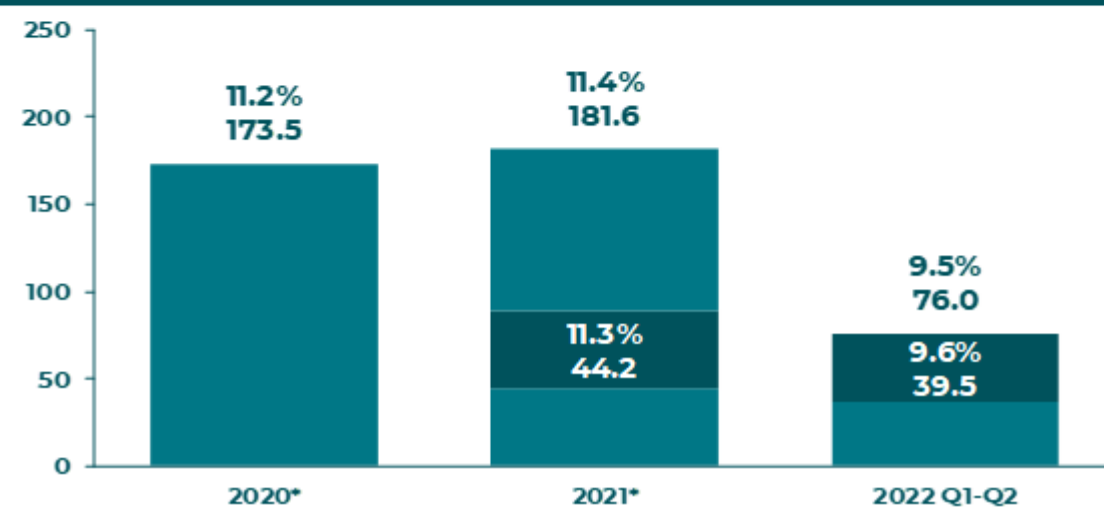
(11.3%\*)



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



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



\* Continuing operations

# Q2 financial highlights– net sales grew, profitability decreased

- Net sales grew by 5.0% to EUR 411.3 (391.6) million.
- Adjusted EBITDA decreased to EUR 39.5 (44.2) million, or 9.6% (11.3%) of net sales.
- EBITDA decreased to EUR 38.9 (43.8) million, or 9.5% (11.2%) of net sales.
- Adjusted operating result decreased to EUR 8.5 (13.7) million, representing 2.1% (3.5%) of net sales.
- Operating result decreased to EUR 7.9 (13.3) million, representing 1.9% (3.4%) of net sales.
- Net debt to adjusted EBITDA was 1.4x (1.2x).

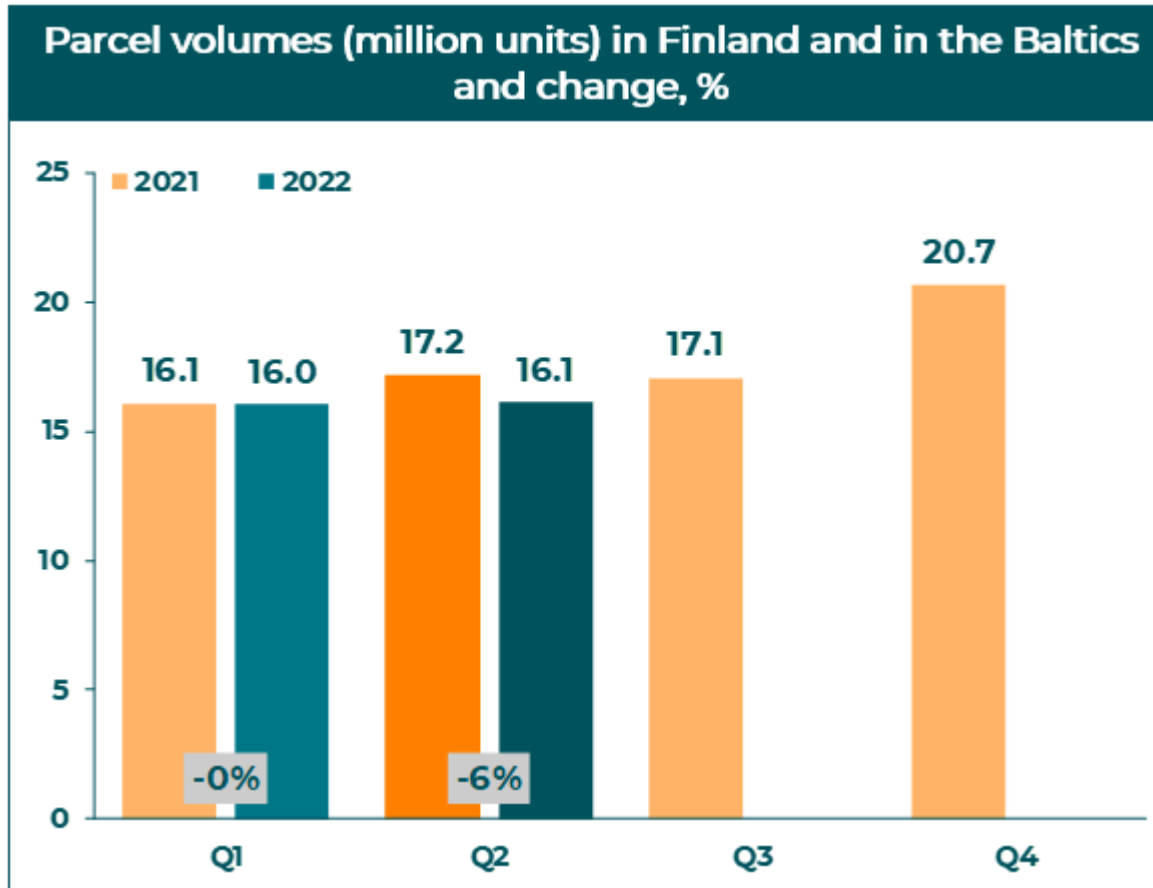


## Q2 operational highlights

- Slower economic growth, accelerated inflation and operational challenges impacted profitability of Postal Services negatively, which affected overall profitability of Posti Group.
- Successful acquisitions of Veddestagruppen and Mediatalo Keski-suomalainen Oyj's early-morning delivery operations increased Group net sales.
- Fulfillment and Logistics Services net sales increased due to the acquisition of Veddestagruppen.
- Total parcel volume in Finland and the Baltic countries decreased due to shift in consumer's behavior and slower economic growth.
- Addressed letters volume continued to decline.



# Parcel volumes declined. Postal volumes continued to decline



**-6%**

Parcel volumes in Finland and Baltics 4-6 /2022

**-7%**

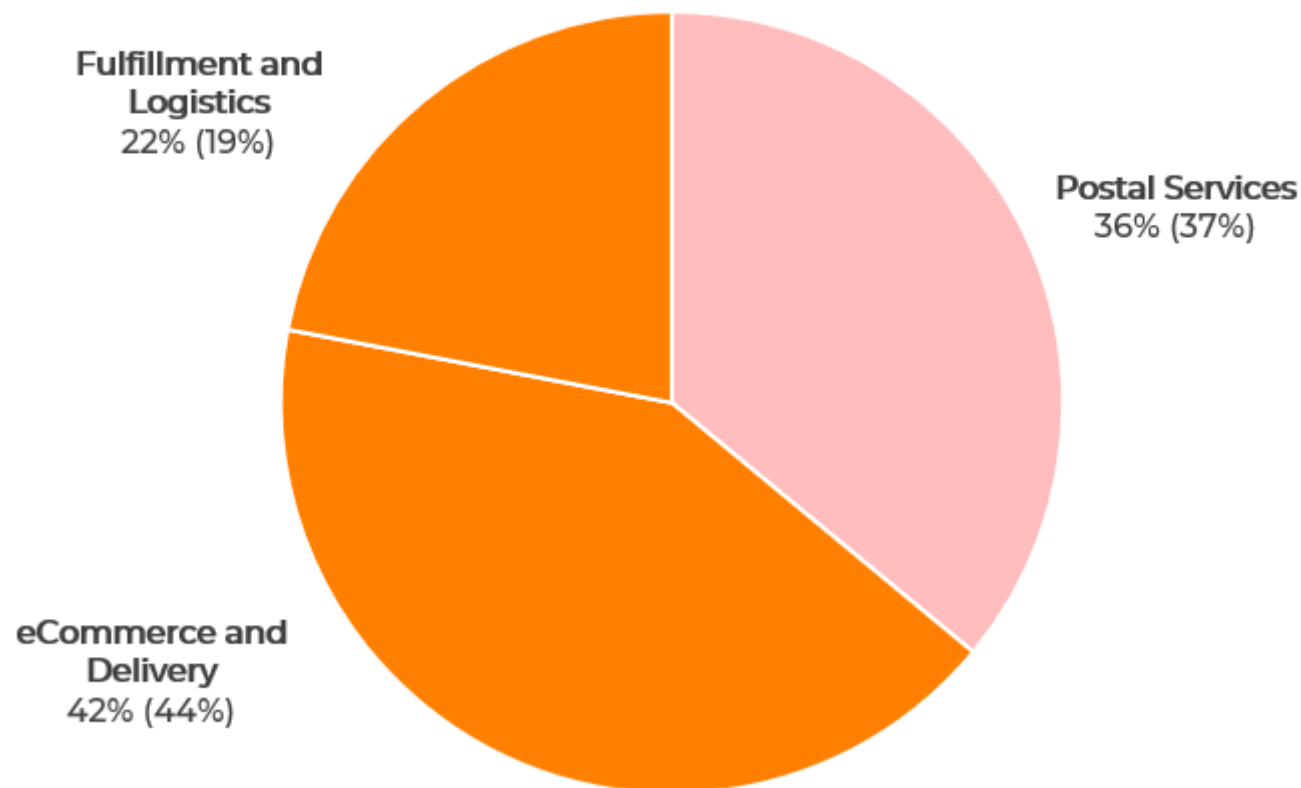
Freight volumes\* 4-6/2022

\* Measured in waybills

**-6%**

Addressed letter volumes 4-6/2022

# eCommerce and Delivery, and Fulfillment and Logistics Services represented 64% (63%) of the Group's net sales in Q2\*

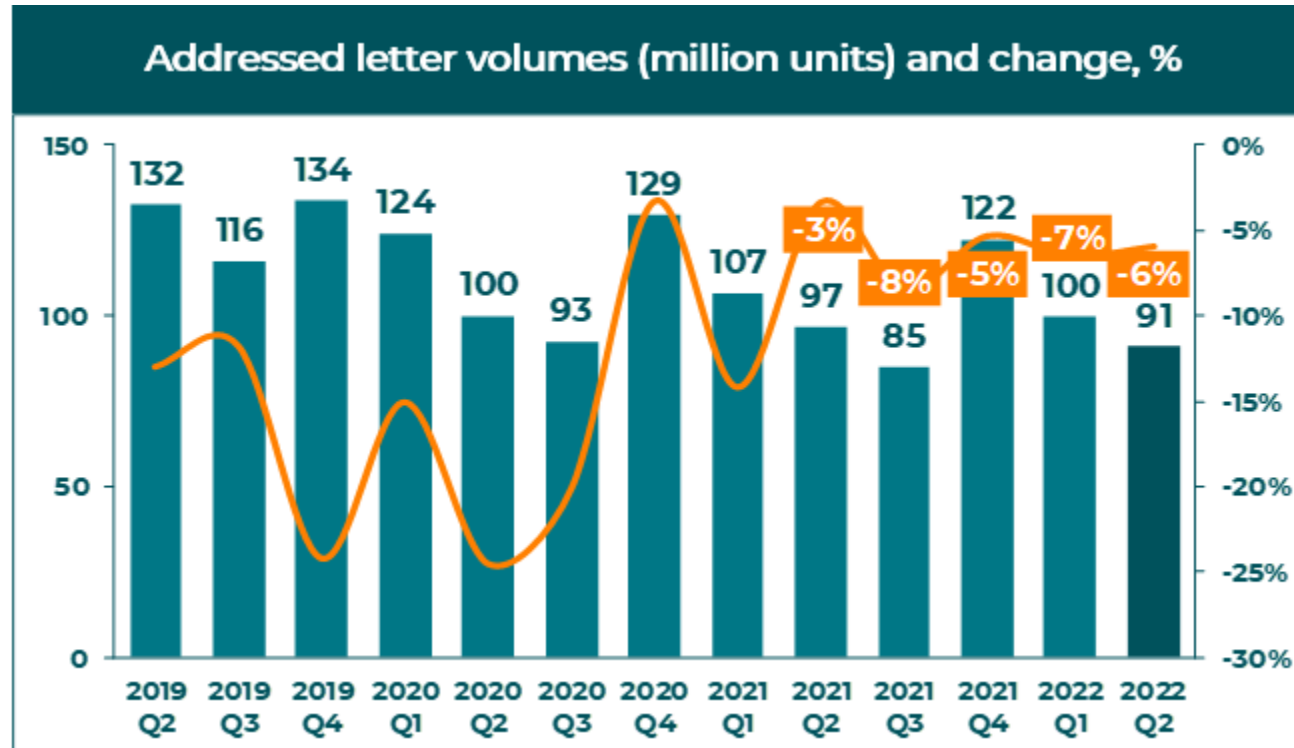


<sup>7</sup>  = Postal services  = eCommerce and Delivery, and Fulfillment and Logistics Services

\*external net sales, continuing operations



# Addressed letter volumes declined by 6% in Q2



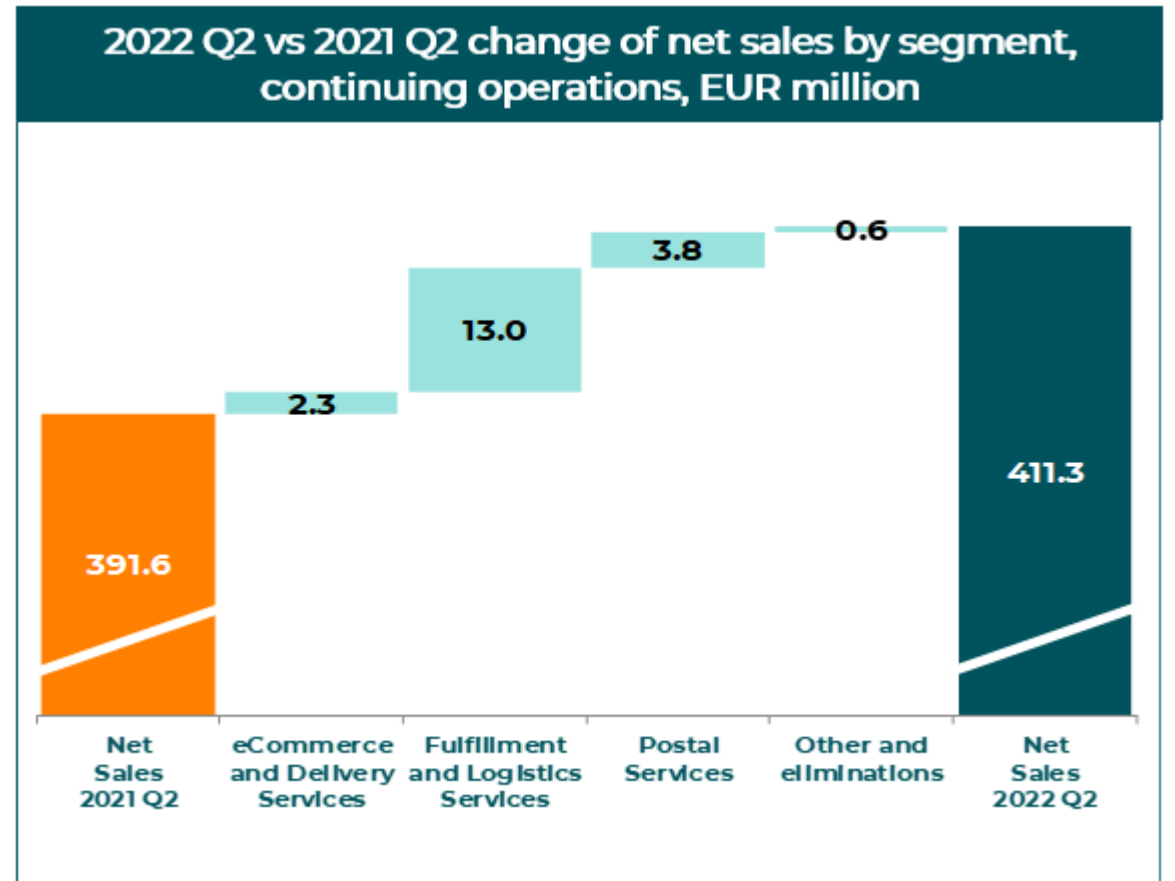
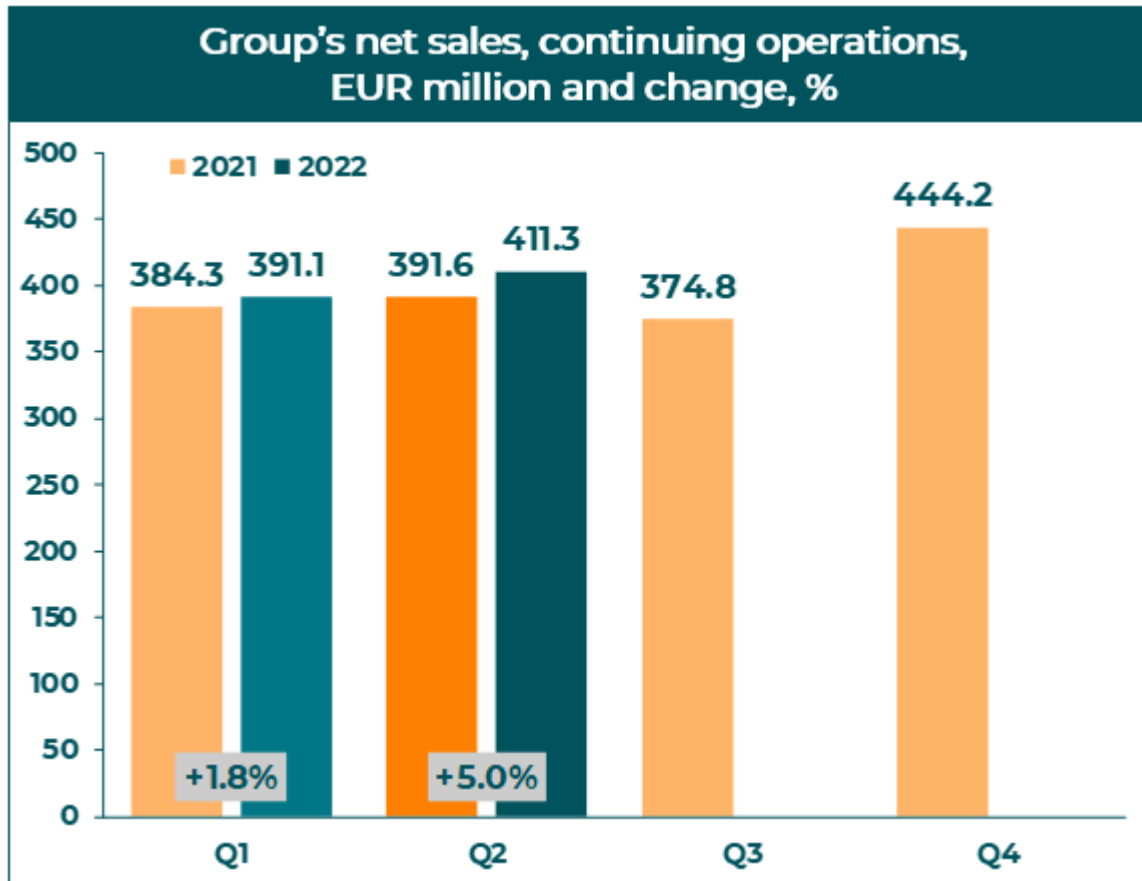
- Altogether 91 million addressed letters were delivered in Q2. Decline from previous year 6 million items.
- The share of mail items covered by the universal service obligation accounted for 2.1% (2.3%) of all Posti's mail items delivered.



# Financials

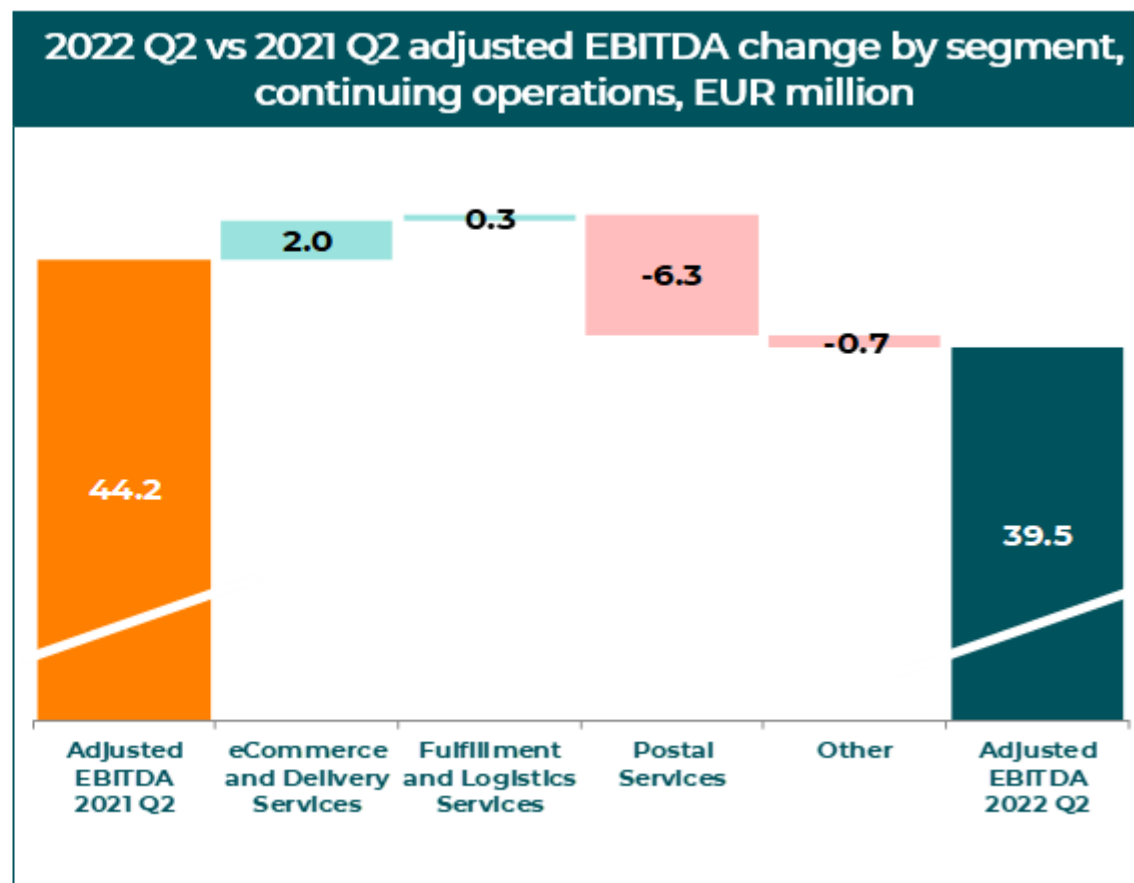
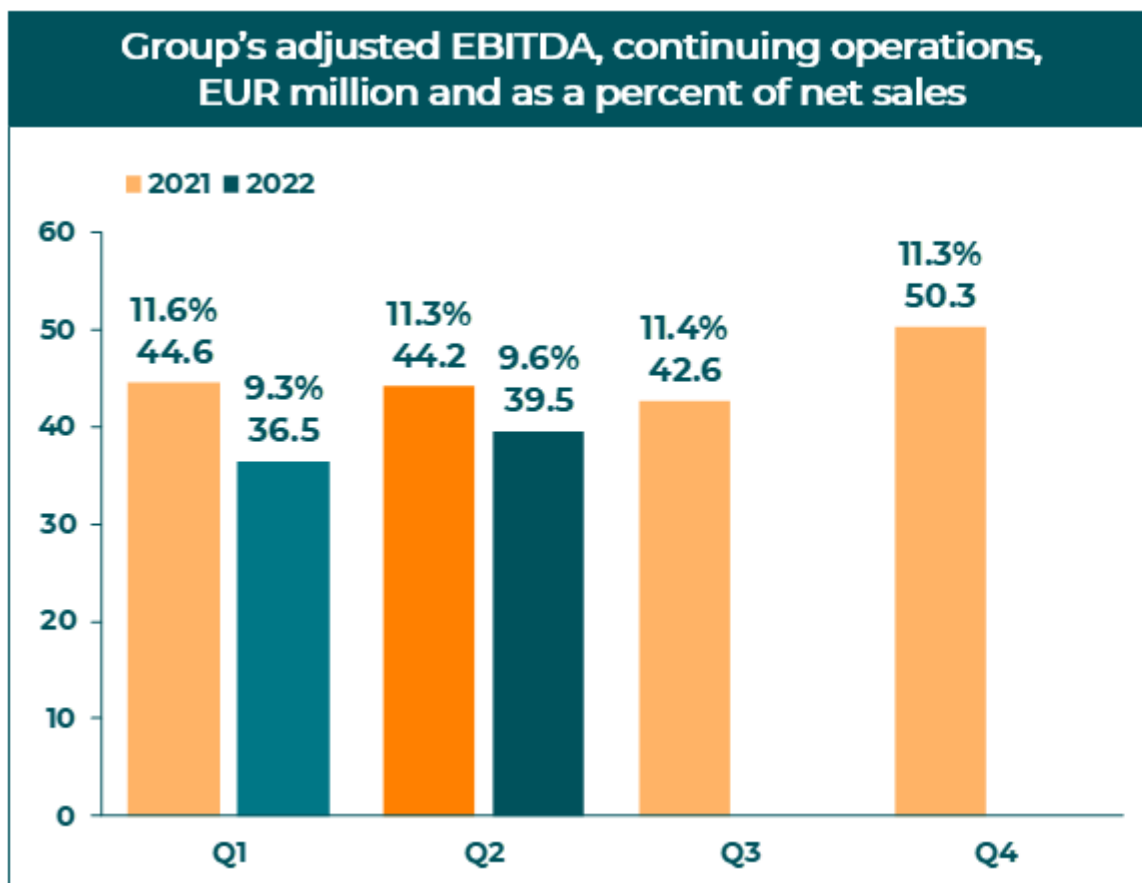
# Posti Group's Q2 net sales

Net sales grew by 5.0% to EUR 411.3 (391.6) million



# Posti Group's Q2 adjusted EBITDA

Adjusted EBITDA decreased to EUR 39.5 (44.2) million



# Posti Group's key figures

	4-6 2022	%	4-6 2021	%	1-6 2022	%	1-6 2021	%
<b>Net sales*, EUR million</b>	<b>411.3</b>		<b>391.6</b>		<b>802.4</b>		<b>775.9</b>	
<b>Adjusted EBITDA*, EUR million</b>	<b>39.5</b>	<b>9.6%</b>	<b>44.2</b>	<b>11.3%</b>	<b>76.0</b>	<b>9.5%</b>	<b>88.7</b>	<b>11.4%</b>
EBITDA*, EUR million	38.9	9.5%	43.8	11.2%	73.3	9.1%	88.4	11.4%
<b>Adjusted operating result*, EUR million</b>	<b>8.5</b>	<b>2.1%</b>	<b>13.7</b>	<b>3.5%</b>	<b>15.0</b>	<b>1.9%</b>	<b>28.5</b>	<b>3.7%</b>
Operating result*, EUR million	7.9	1.9%	13.3	3.4%	12.3	1.5%	28.2	3.6%
<b>Result for the period*, EUR million</b>	<b>4.6</b>	<b>1.1%</b>	<b>9.3</b>	<b>2.4%</b>	<b>5.6</b>	<b>0.7%</b>	<b>20.4</b>	<b>2.6%</b>
<b>Return on capital employed (12 months)*, %</b>					<b>5.7%</b>		<b>10.0%</b>	
Net debt, EUR million					241.2		240.6	
<b>Net debt / Adjusted EBITDA*</b>					<b>1.4x</b>		<b>1.2x</b>	
Operative free cash flow, EUR million					-16.2		-6.4	
Personnel, end of period*					21,133		21,077	
Personnel on average*, FTE	15,213		15,051		14,951		14,907	
Earnings per share, continuing operations*, EUR	0.11		0.23		0.14		0.51	

\* Continuing operations

# Outlook and long-term financial targets

# Adjusted outlook for 2022

Posti is adjusting its outlook for 2022. The net sales is expected to increase (previously, it was communicated that net sales is to remain on same level).

The new outlook states:

In 2022, Posti is expecting its net sales to increase from the previous year. The Group's adjusted EBITDA in 2022 is expected to decrease. Posti's net sales from continuing operations in 2021 were EUR 1,595.0 million and adjusted EBITDA was EUR 181.6 million.

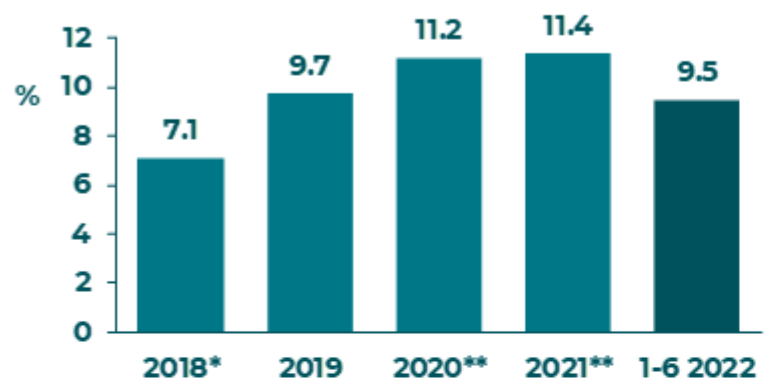
The potential continuing inflation and the increase in interest rates may impact consumer demand. The changes in consumer behavior affect Posti's business and could impact our actual results.

The Group's business is characterized by seasonality. The net sales and operating result in the segments are not accrued evenly over the year. In consumer parcels and Postal Services, the first and fourth quarters are typically strong, while the second and third quarters are weaker. The postal service volume decline is expected to continue.

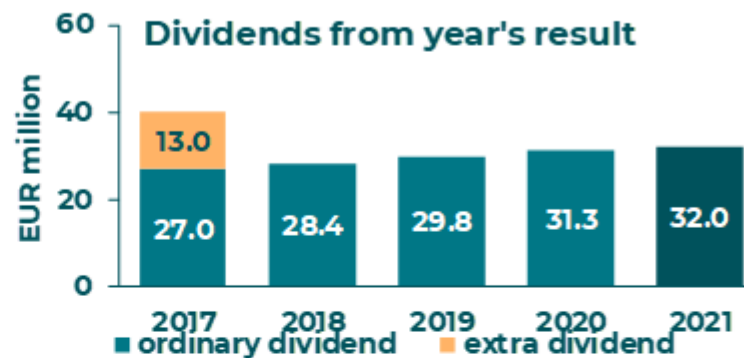


# Long term financial targets

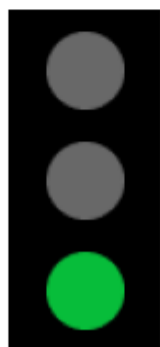
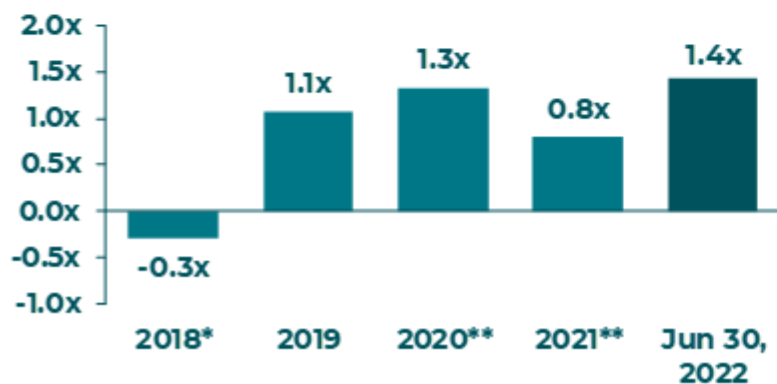
## Adjusted EBITDA 13%



## Continuously increasing ordinary dividend, but not exceeding annual net profit



## Net debt / Adjusted EBITDA less than 2.5x



\* 2018 is not according to IFRS 16 standard

\*\* Continuing operations

# Segments



# eCommerce and Delivery Services key figures

EUR million	4-6 2022	4-6 2021	1-6 2022	1-6 2021
Net sales	175.0	172.7	337.1	331.3
Net sales change, %	1.3%	6.3%	1.8%	6.8%
<b>Adjusted EBITDA</b>	<b>18.7</b>	<b>16.7</b>	<b>32.9</b>	<b>30.1</b>
<b>Adjusted EBITDA, %</b>	<b>10.7%</b>	<b>9.7%</b>	<b>9.8%</b>	<b>9.1%</b>
EBITDA	18.7	17.3	32.2	30.1
EBITDA, %	10.7%	10.0%	9.6%	9.1%

- The net sales increased by 1.3% to EUR 175.0 million in Q2
  - Increased net sales of transportation services were mainly driven by increased prices.
  - Net sales of parcel deliveries decreased.
- Adjusted EBITDA increased to EUR 18.7 million in Q2
  - The growth was driven by the increased net sales of the segment and the improved efficiency in production processes.
  - Increased inflation and energy prices, and reduced parcel volumes, impacted profitability negatively.

# Fulfillment and Logistics Services key figures

EUR million	4-6 2022	4-6 2021	1-6 2022	1-6 2021
Net sales	93.6	80.6	181.0	156.8
Transval	58.7	54.5	114.3	105.3
Aditro Logistics	34.9	26.1	66.7	51.5
Net sales change, %	16.1%**	12.8%	15.4%**	N/A*
<b>Adjusted EBITDA</b>	<b>8.9</b>	<b>8.6</b>	<b>16.3</b>	<b>15.6</b>
<b>Adjusted EBITDA, %</b>	<b>9.5%</b>	<b>10.6%</b>	<b>9.0%</b>	<b>10.0%</b>
EBITDA	8.7	8.6	16.1	15.6
EBITDA, %	9.3%	10.6%	8.9%	10.0%

- Net sales increased by 16.1% and were EUR 93.6 million in Q2
  - The growth of Transval's net sales is mainly due to increased volumes in contracts in in-house logistics and contract logistics.
  - **Aditro Logistics'** net sales growth was mostly driven by the acquisition of Veddestagruppen, which was included in the segment for the full quarter, and continued increase of warehousing storage volumes.
- Adjusted EBITDA increased to EUR 8.9 million in Q2
  - The improvement was mainly due to the acquisition of Veddestagruppen.

\* Aditro Logistics has been part of the segment since April 2020.

\*\* Veddestagruppen has been part of the segment since February 2022.

# Postal Services key figures

EUR million	4-6 2022	4-6 2021	1-6 2022	1-6 2021
Net sales	149.2	145.3	296.6	300.2
Net sales change, %	2.6%	-2.8%	-1.2%	-7.0%
<b>Adjusted EBITDA</b>	<b>15.7</b>	<b>22.0</b>	<b>33.8</b>	<b>47.9</b>
<b>Adjusted EBITDA, %</b>	<b>10.5%</b>	<b>15.2%</b>	<b>11.4%</b>	<b>16.0%</b>
EBITDA	15.3	21.0	32.1	46.6
EBITDA, %	10.3%	14.4%	10.8%	15.5%

- The net sales of Postal Services increased by 2.6% to EUR 149.2 million in Q2
  - Increase was driven by the price increases and acquisition of Mediatalo Keski-suomalainen Oyj's early-morning delivery operations.
- Adjusted EBITDA decreased to EUR 15.7 million in Q2
  - The profitability was affected by the higher operational costs due to the increase in energy prices and operational inefficiency due to various challenges in delivery processes.



posti