



# Posti Group

**EBITDA improved in H1 as a consequence of good operational focus. Weakened consumer demand in Q2 led to declined net sales and results.**

**January - June 2023**

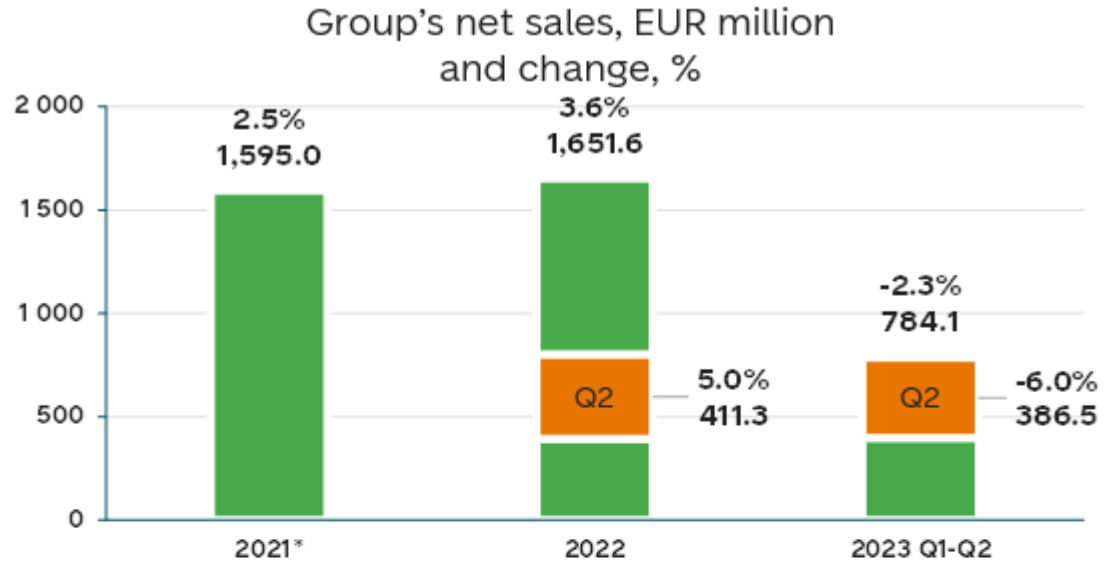




Responsibly  
delivering what  
matters to you-  
on your terms



# Posti in figures 4-6/2023



Net Sales

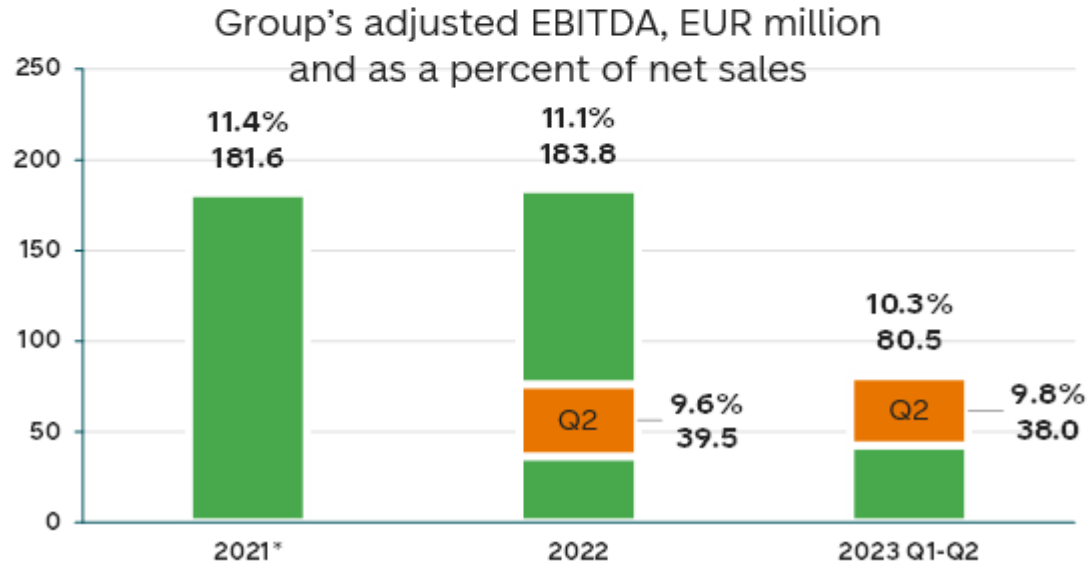
**EUR 386.5 million**

(EUR 411.3 million)

Adjusted EBITDA

**EUR 38.0 million**

(EUR 39.5 million)



Adjusted EBITDA-%

**9.8%**

(9.6%)

# Q2 2023 Financial highlights

- Net sales decreased by 6.0% to EUR 386.5 (411.3) million
- Adjusted EBITDA decreased to EUR 38.0 (39.5) million, or 9.8% (9.6%) of net sales
- EBITDA decreased to EUR 36.3 (38.9) million, or 9.4% (9.5%) of net sales.
- Adjusted operating result decreased to EUR 5.3 (8.5) million, representing 1.4% (2.1%) of net sales.
- Operating result decreased to EUR 3.5 (7.9) million, representing 0.9% (1.9%) of net sales.
- Net debt to adjusted EBITDA was 1.3x (1.4x).

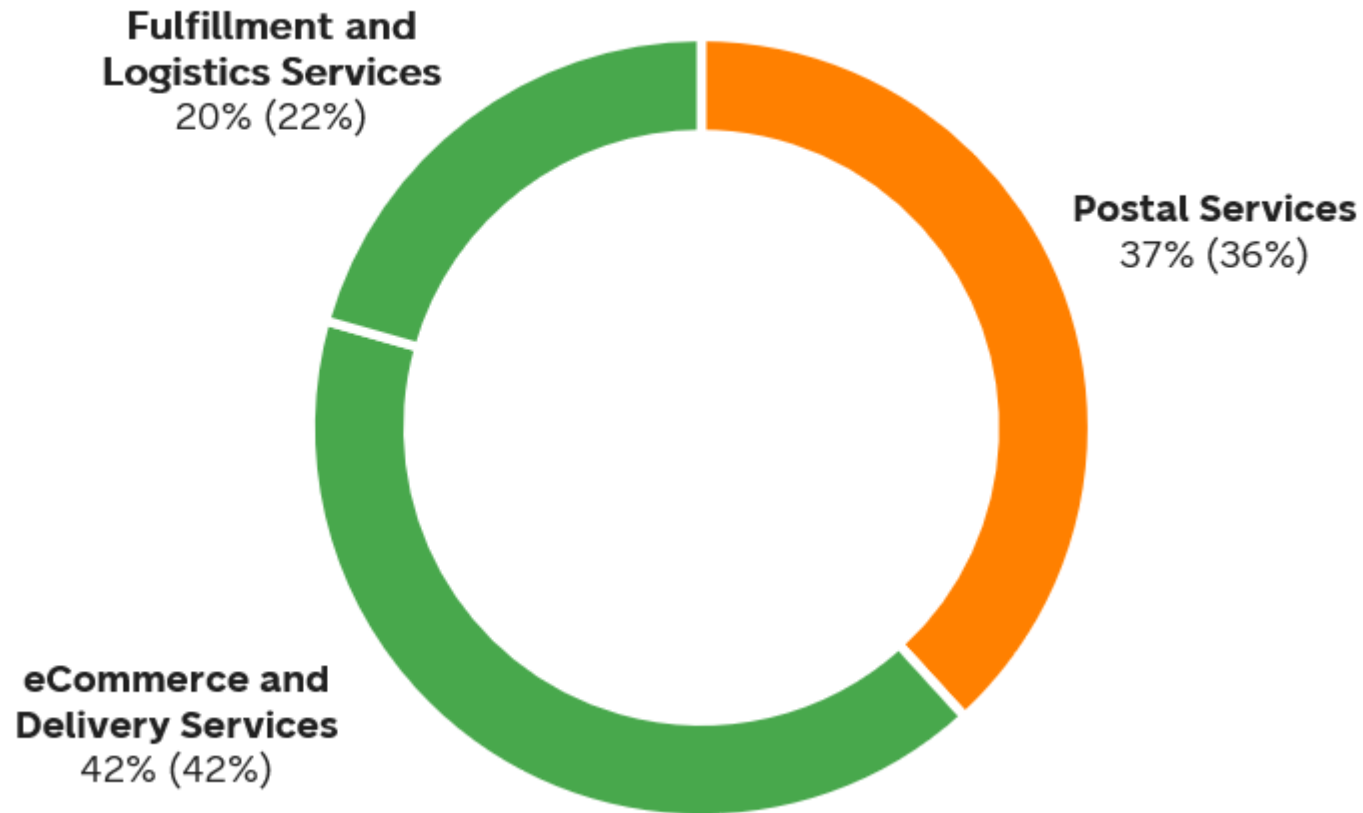


# Q2 2023 Operational highlights

- Improved operational efficiency across all segments helped to maintain Group's overall profitability.
- High interest rates and inflation lowered consumer purchasing power, particularly in Sweden. This impacted eCommerce and Delivery Services and Fulfillment and Logistics Services volumes and net sales negatively.
- In eCommerce and Delivery Services segment, the total parcel volume in Finland and the Baltic countries increased by 1%. Despite the total parcel volume growth, the main product categories at the main market continued to decline due to challenging market environment.
- The number of addressed letters returned to a declining trend (decreased by 8%). Exceptional amount of addressed letters sent by the public sector in Finland increased the volumes in Q1.

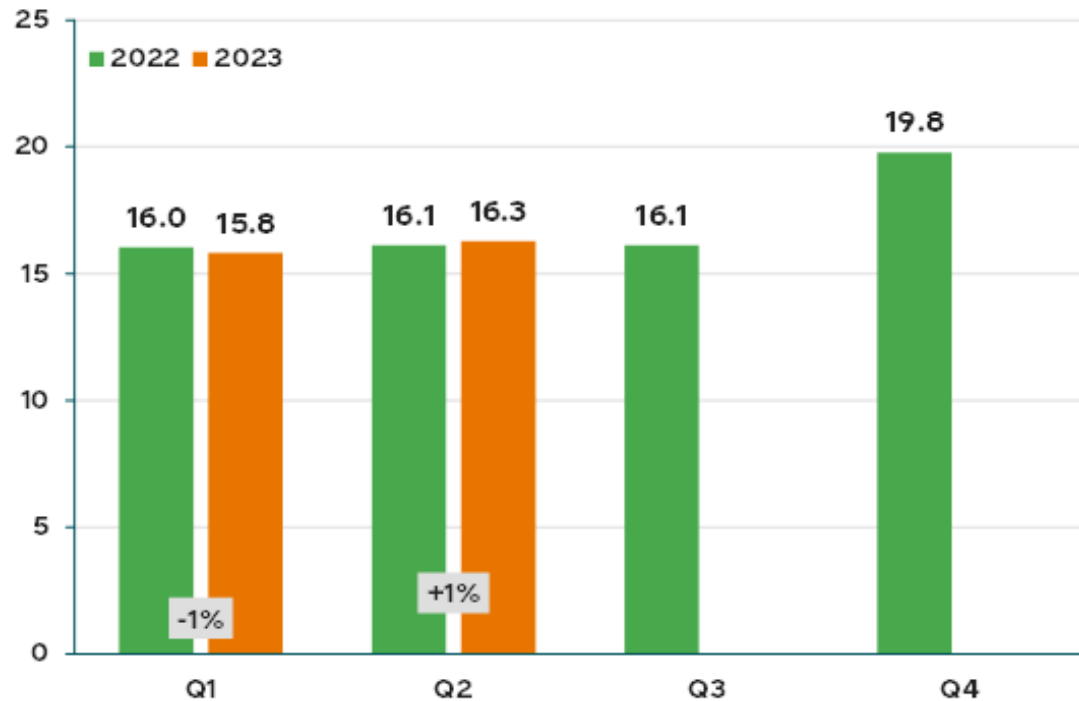


# Q2 2023: The combined external sales of eCommerce and Delivery Services, and Fulfillment and Logistics Services represented 62.7% (64.0%) of the Group's net sales



# Q2 2023: Parcel volumes increased, postal volumes continued to decrease

Parcel volumes (million units) and change, % in Finland and in the Baltics



+1%

Parcel volumes in Finland and in the Baltics 4-6/2023

-8%

Freight volumes\* 4-6/2023

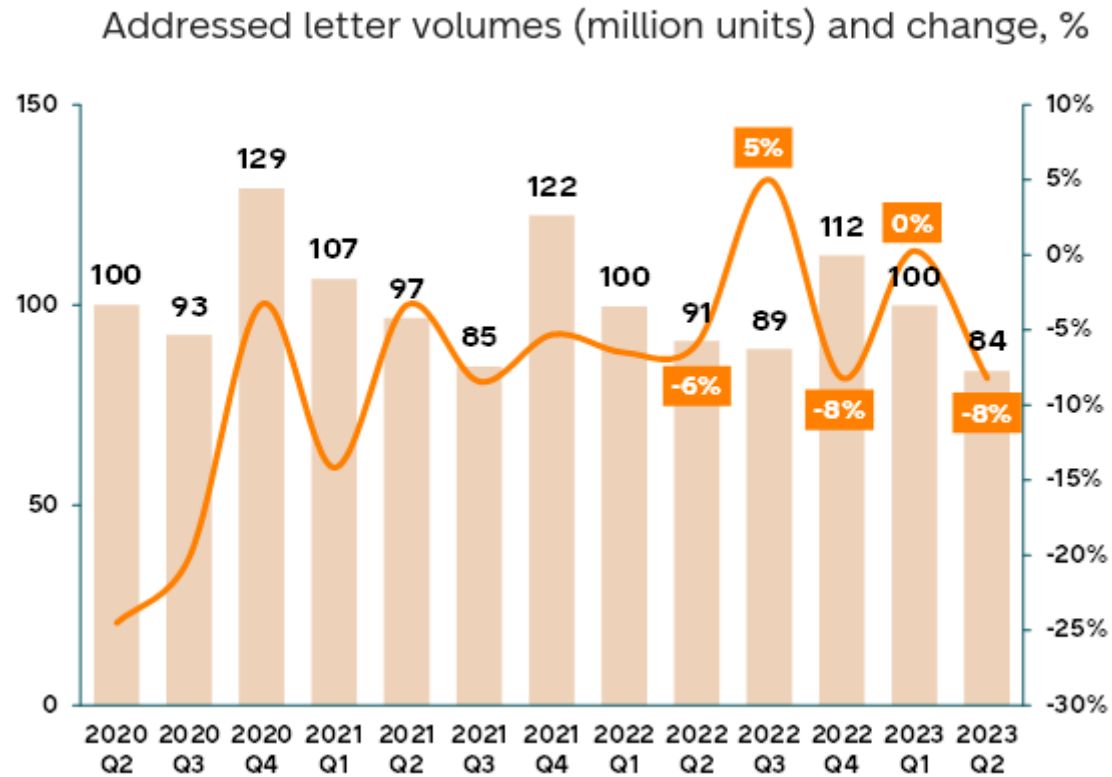
-8%

Addressed letter volumes 4-6/2023

\* Measured in waybills



# Q2 2023: Addressed letter volumes continued to decrease



- Altogether 84 million addressed letters were delivered in Q2. Decline from previous year 7 million items.
- The share of mail items covered by the universal service obligation accounted for 2.3% (2.1%) of all Posti's items delivered.



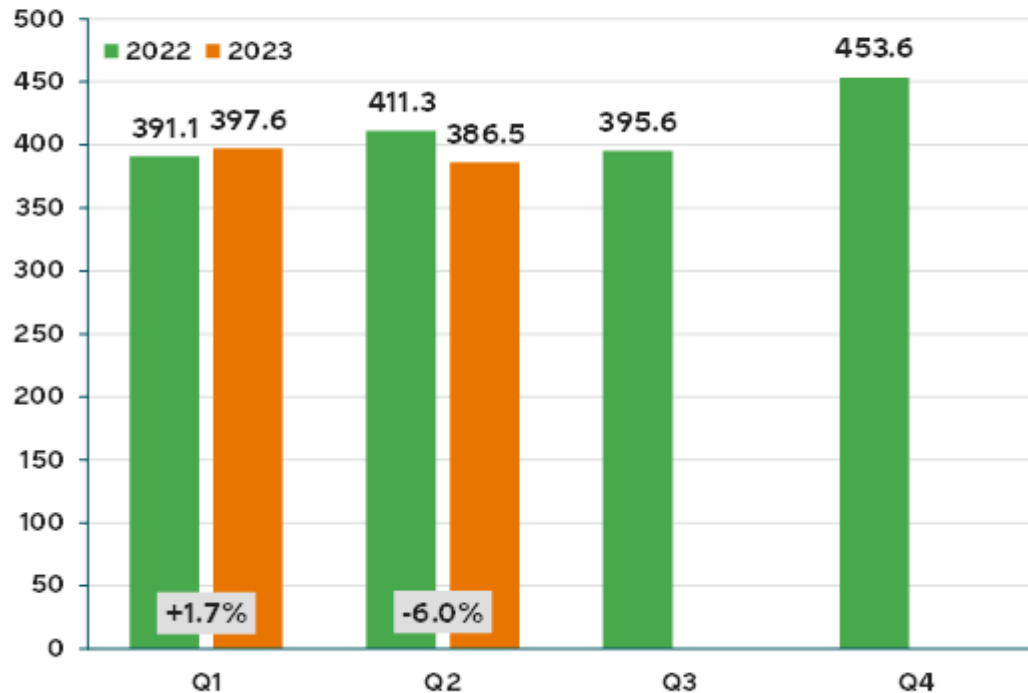
# Financials



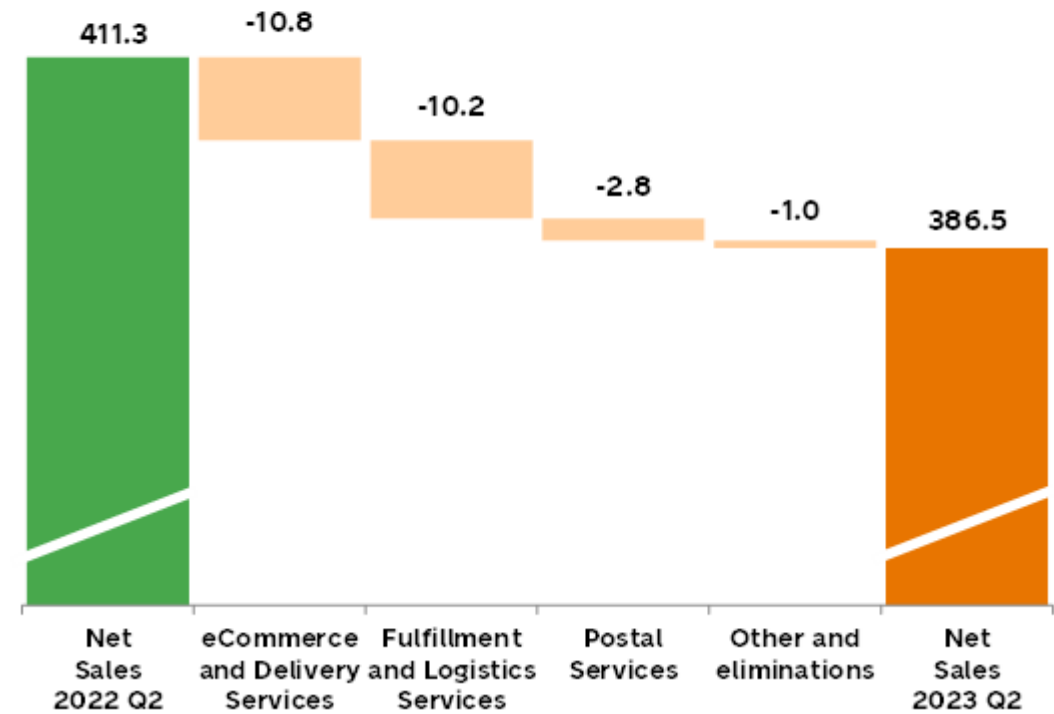
# Q2 2023: Posti Group's net sales

Net sales decreased by 6.0% to EUR 386.5 (411.3) million

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



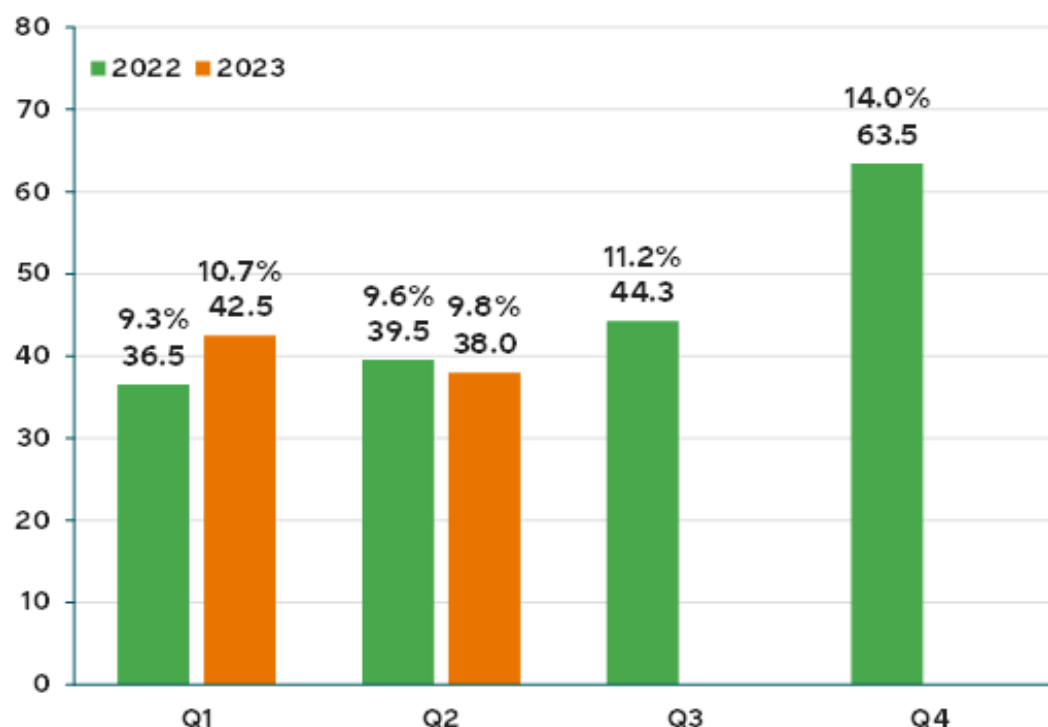
2023 Q2 vs 2022 Q2 change of net sales by segment,  
EUR million



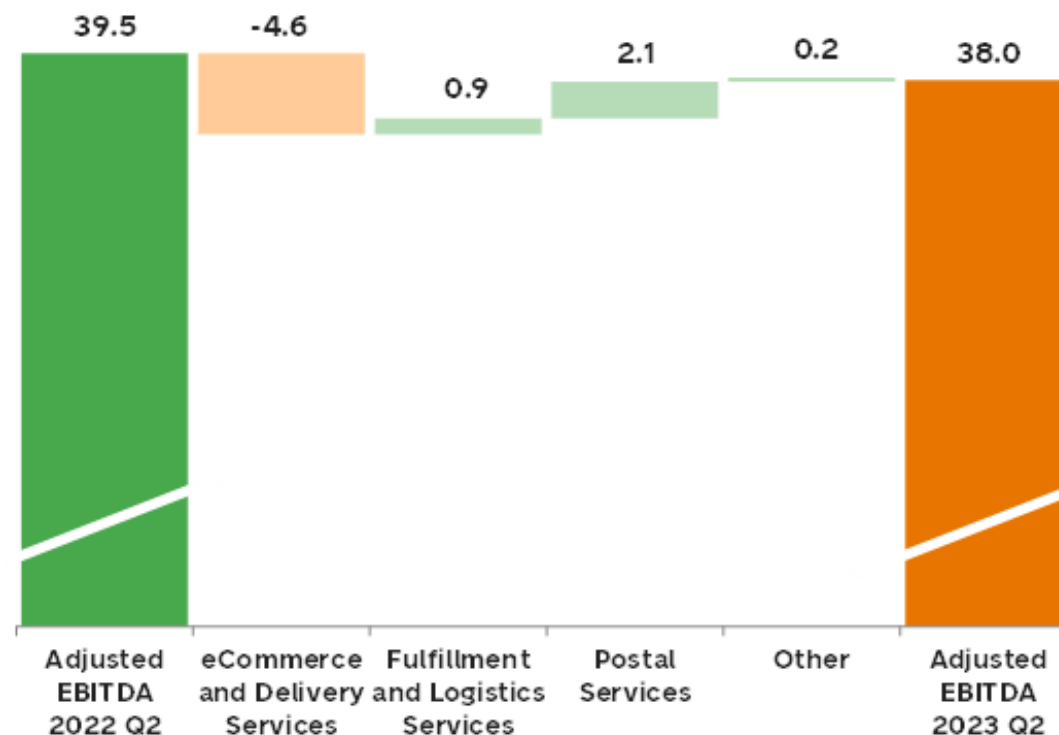
# Q2 2023: Posti Group's adjusted EBITDA

Adjusted EBITDA decreased to EUR 38.0 (39.5) million, or 9.8% (9.6%) of net sales

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



2023 Q2 vs 2022 Q2 adjusted EBITDA change by segment,  
EUR million



# Q2 2023: Posti Group's key figures

	4-6 2023	%	4-6 2022	%	1-6 2023	%	1-6 2022	%
Net sales, EUR million	386.5		411.3		784.1		802.4	
<b>Adjusted EBITDA, EUR million</b>	<b>38.0</b>	<b>9.8%</b>	<b>39.5</b>	<b>9.6%</b>	<b>80.5</b>	<b>10.3%</b>	<b>76.0</b>	<b>9.5%</b>
EBITDA, EUR million	36.3	9.4%	38.9	9.5%	77.9	9.9%	73.3	9.1%
<b>Adjusted operating result, EUR million</b>	<b>5.3</b>	<b>1.4%</b>	<b>8.5</b>	<b>2.1%</b>	<b>14.9</b>	<b>1.9%</b>	<b>15.0</b>	<b>1.9%</b>
Operating result, EUR million	3.5	0.9%	7.9	1.9%	12.3	1.6%	12.3	1.5%
<b>Result for the period, EUR million</b>	<b>0.7</b>	<b>0.2%</b>	<b>4.6</b>	<b>1.1%</b>	<b>5.6</b>	<b>0.7%</b>	<b>5.6</b>	<b>0.7%</b>
<b>Return on capital employed (12 months), %</b>					<b>7.4%</b>		<b>5.7%</b>	
Net debt, EUR million					250.0		241.2	
<b>Net debt / Adjusted EBITDA</b>					<b>1.3x</b>		<b>1.4x</b>	
Operative free cash flow, EUR million					-14.3		-16.2	
Personnel, end of period					19,515		21,133	
Personnel on average, FTE	14,752		15,213		14,549		14,951	
Earnings per share, EUR	0.02		0.11		0.14		0.14	

# Outlook and long-term financial targets



# Adjusted outlook for 2023

**Posti is adjusting its outlook for 2023. The net sales is expected to decrease (previously it was communicated that the net sales is expected to increase).**

The new outlook states:

In 2023, Posti is expecting its net sales to decrease from the previous year. The Group's adjusted EBITDA in 2023 is expected to decrease from the previous year. In 2022, Posti's net sales from continuing operations were EUR 1,651.6 million and adjusted EBITDA was EUR 183.8 million.

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

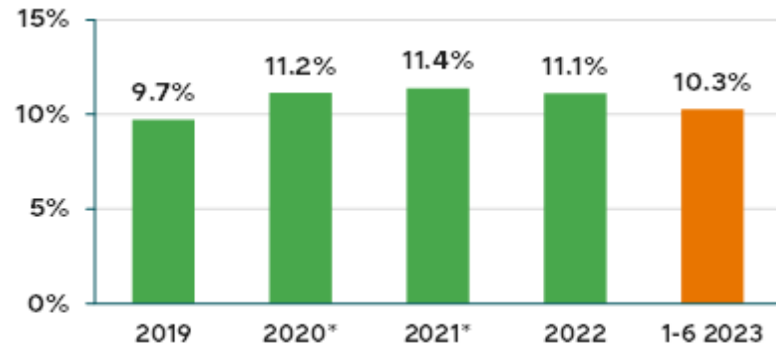
The Group's business is characterized by seasonality. The net sales and adjusted EBITDA in the segments are not accrued evenly over the year. In consumer parcels and Postal Services, the first and fourth quarters are typically strong, while the second and third quarters are weaker. The postal volume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



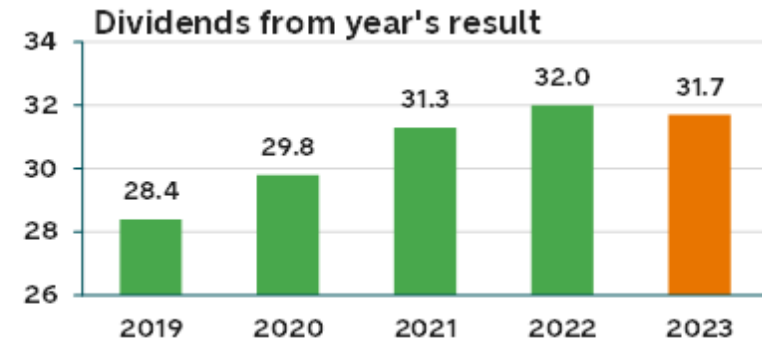
**posti**

# Long-term financial targets

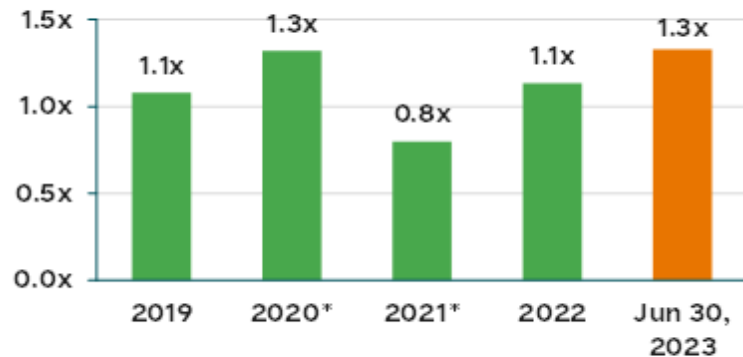
Adjusted EBITDA 13%



Continuously increasing ordinary dividend, but not exceeding annual net profit, EUR million



Net debt / Adjusted EBITDA less than 2.5x



\* Continuing operations

# Segments





# Q2 2023: eCommerce and Delivery Services key figures

EUR million	4-6 2023	4-6 2022	1-6 2023	1-6 2022
Net sales	164.2	175.0	324.3	337.1
Net sales change, %	-6.2%	1.3%	-3.8%	1.8%
<b>Adjusted EBITDA</b>	<b>14.1</b>	<b>18.7</b>	<b>24.3</b>	<b>32.9</b>
<b>Adjusted EBITDA, %</b>	<b>8.6%</b>	<b>10.7%</b>	<b>7.5%</b>	<b>9.8%</b>
EBITDA	14.2	18.7	24.5	32.2
EBITDA, %	8.6%	10.7%	7.5%	9.6%

The net sales decreased by 6.2% to EUR 164.2 million

- Difficult market environment and consumers' low consumption of goods impacted net sales negatively.
- High inflation and interest rates decreased overall consumer spending. The volumes in the main product categories at the main market continued to decline.

Adjusted EBITDA decreased to EUR 14.1 million

- Difficult market conditions affected eCommerce and Delivery services volumes and net sales negatively.

# Q2 2023: Fulfillment and Logistics Services key figures

EUR million	4-6 2023	4-6 2022	1-6 2023	1-6 2022
Net sales	83.4	93.6	166.8	181.0
Transval	56.6	58.7	112.9	114.3
Aditro Logistics	26.8	34.9	54.0	66.7
Net sales change, % */**	-10.9%	16.1%	-7.8%	15.4%
<b>Adjusted EBITDA</b>	<b>9.8</b>	<b>8.9</b>	<b>18.3</b>	<b>16.3</b>
<b>Adjusted EBITDA, %</b>	<b>11.8%</b>	<b>9.5%</b>	<b>11.0%</b>	<b>9.0%</b>
EBITDA	9.8	8.7	18.1	16.1
EBITDA, %	11.8%	9.3%	10.9%	8.9%

- The net sales decreased by 10.9% and were EUR 83.4 million
  - Transval's net sales declined from previous year due to difficult market environment.
  - Aditro Logistics' net sales decreased. The challenging macro-economic environment in Sweden had a negative impact on market volumes and net sales. Also, the weakened Swedish Krona compared to reporting currency had a negative impact on segment's net sales.
- Adjusted EBITDA increased to EUR 9.8 million
  - Growth was driven by the improvements in operational efficiency.

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

\*\* KV Turva Oy was divested in December 2022.

# Q2 2023: Postal Services key figures

EUR million	4-6 2023	4-6 2022	1-6 2023	1-6 2022
Net sales	146.3	149.2	305.9	296.6
Net sales change, % *	-1.9%	2.6%	3.1%	-1.2%
<b>Adjusted EBITDA</b>	<b>17.8</b>	<b>15.7</b>	<b>43.8</b>	<b>33.8</b>
<b>Adjusted EBITDA, %</b>	<b>12.2%</b>	<b>10.5%</b>	<b>14.3%</b>	<b>11.4%</b>
EBITDA	15.9	15.3	41.2	32.1
EBITDA, %	10.9%	10.3%	13.5%	10.8%

- The net sales of Postal Services decreased by 1.9% to EUR 146.3 million
  - Decreased volumes impacted net sales negatively whereas increase in prices had a positive impact on net sales
- Adjusted EBITDA increased to EUR 17.8 million
  - Continuous improvements in operational efficiency and alternate-day delivery method in Finland impacted profitability positively

\* Mediatalo Keski-suomalainen Oyj's early-morning delivery operations have been part of the segment since April 2022.

posti