



Posti Group

Profitability increased as a result of significant improvements in operational excellence. Weak consumer demand in Q4 affected sales.

January–December 2023





Responsibly
delivering

what matters
to you

on



**your
terms**

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Posti in figures 2023

Net Sales

EUR 1,586.1 million

(EUR 1,651.6 million)

Adjusted EBITDA

EUR 197.7 million

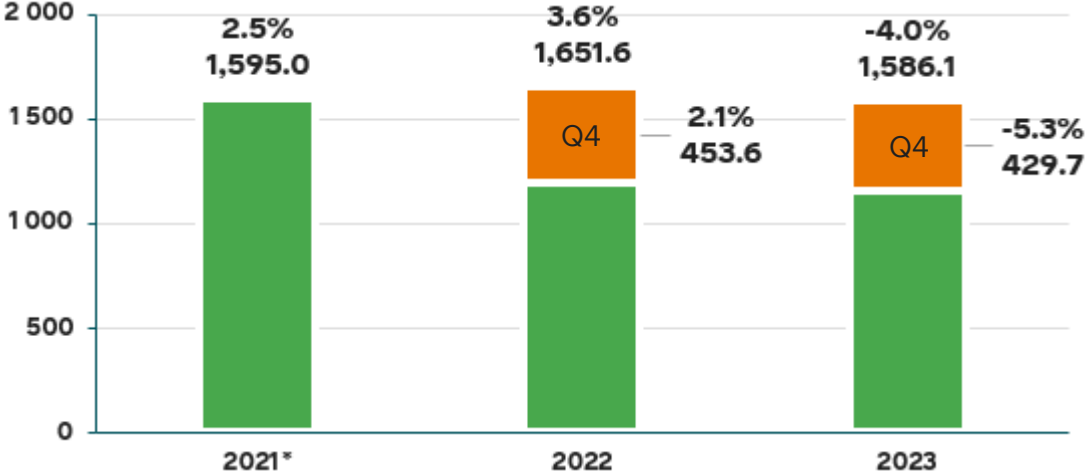
(EUR 183.8 million)

Adjusted EBITDA-%

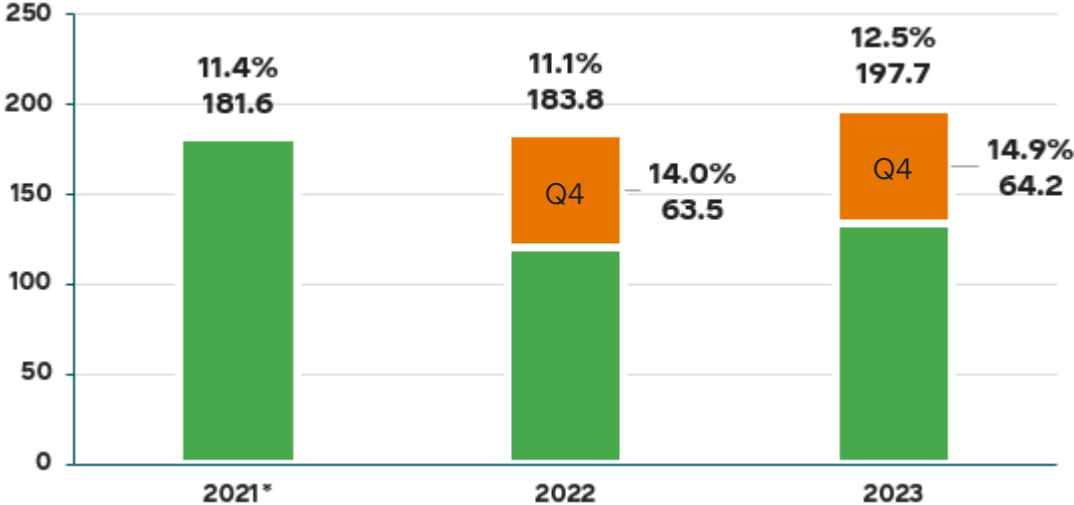
12.5%

(11.1%)

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



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



* Continuing operations



Financial highlights 2023

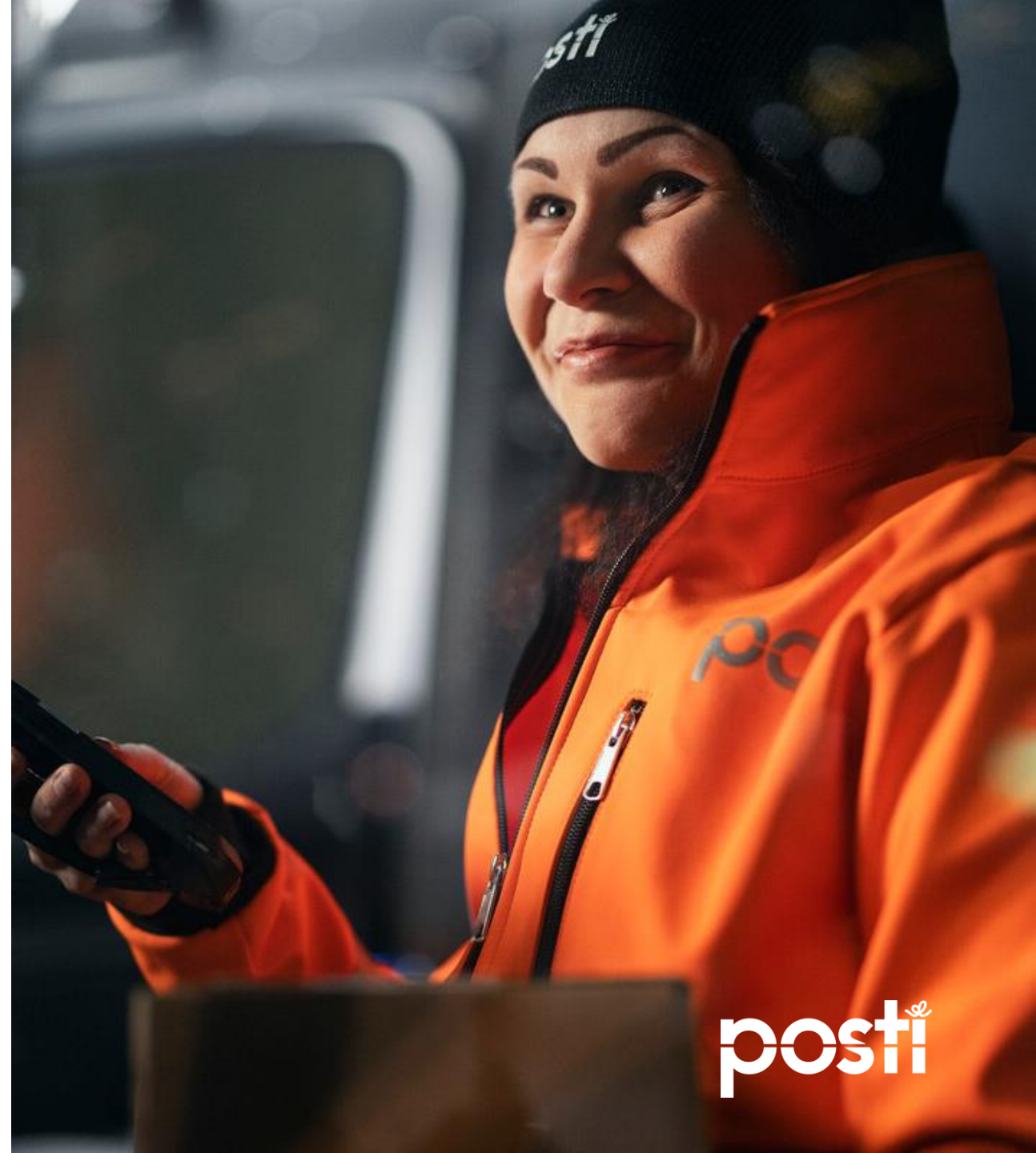
- Net sales decreased by 4.0% to EUR 1,586.1 (1,651.6) million.
- Adjusted EBITDA increased to EUR 197.7 (183.8) million, or 12.5% (11.1%) of net sales.
- EBITDA increased to EUR 188.6 (178.2) million, or 11.9% (10.8%) of net sales.
- Adjusted operating result increased to EUR 66.4 (58.9) million, representing 4.2% (3.6%) of net sales.
- Operating result decreased to EUR -7.0 (51.0) million, representing -0.4% (3.1%) of net sales, mainly due to impairments and other special items in Q3.
- Net debt to adjusted EBITDA was 1.2x (1.1x).



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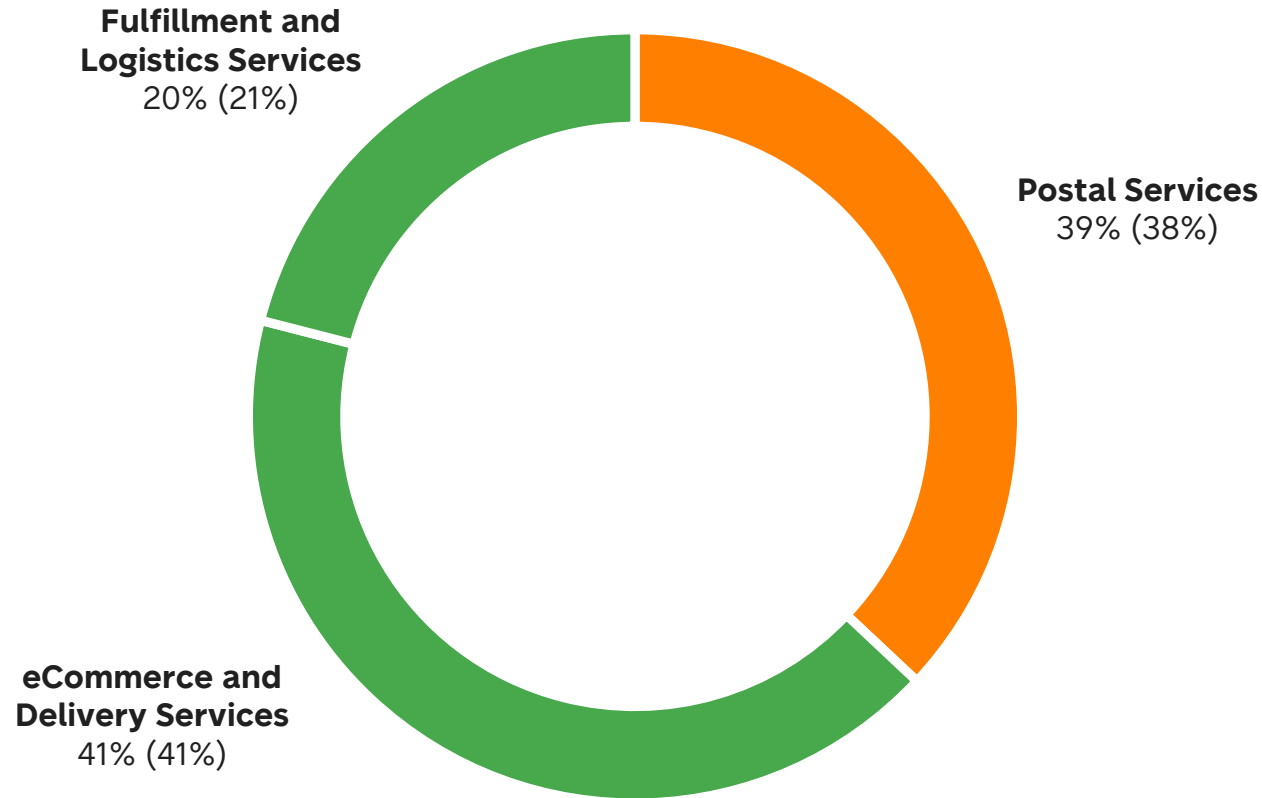
2023 operational highlights – profitability increased during the year

- Net sales decreased due to challenging macroeconomic situation, especially in Sweden. Weak Swedish Krona, compared to reporting currency, had a negative effect on net sales.
- Group profitability increased mainly due to the increased profitability in Postal Services.
- Posti sold Transval Myymäläpalvelut Oy in September.
- The total number of parcels in Finland and the Baltic countries increased by 1% driven by the growth in the Baltics. Total of 69 million parcels were delivered.
- Addressed mail volumes continued to decline.



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The combined external sales of eCommerce and Delivery Services, and Fulfillment and Logistics Services represented 60.5% (62.0%) of the Group's net sales in 2023



Posti in figures 10-12/2023

Net Sales

EUR 429.7 million

(EUR 453.6 million)

Adjusted EBITDA

EUR 64.2 million

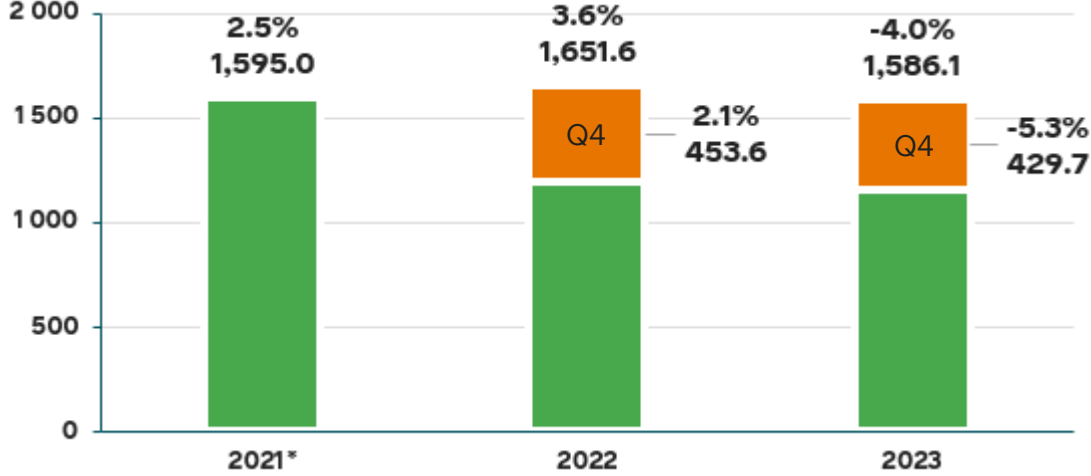
(EUR 63.5 million)

Adjusted EBITDA-%

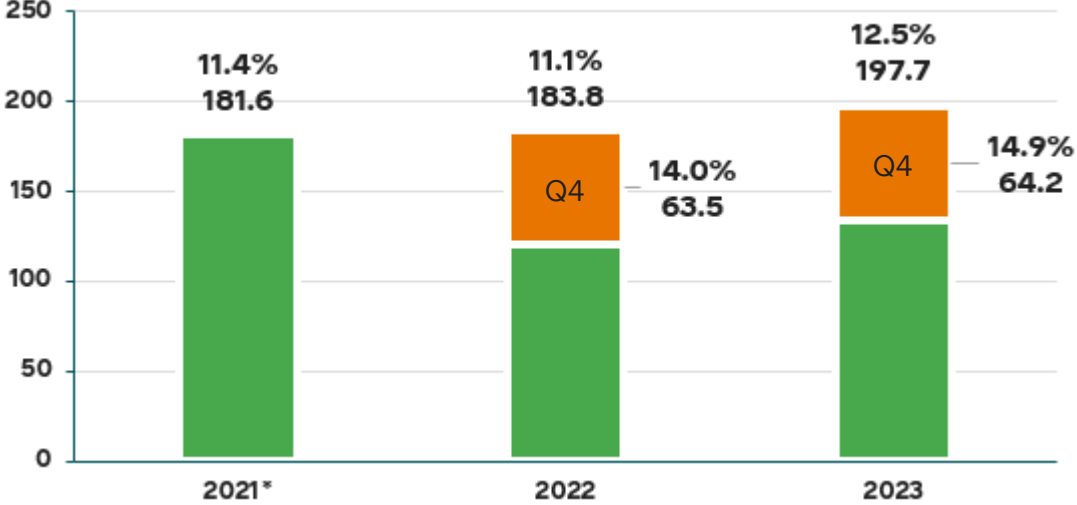
14.9%

(14.0%)

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



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



* Continuing operations



Q4 2023 financial highlights – profitability increased

- Net sales decreased by 5.3% to EUR 429.7 (453.6) million.
- Adjusted EBITDA increased to EUR 64.2 (63.5) million, or 14.9% (14.0%) of net sales.
- EBITDA increased to EUR 64.2 (61.2) million, or 14.9% (13.5%) of net sales.
- Adjusted operating result increased to EUR 31.6 (30.9) million, representing 7.4% (6.8%) of net sales.
- Operating result increased to EUR 31.0 (26.3) million, representing 7.2% (5.8%) of net sales.



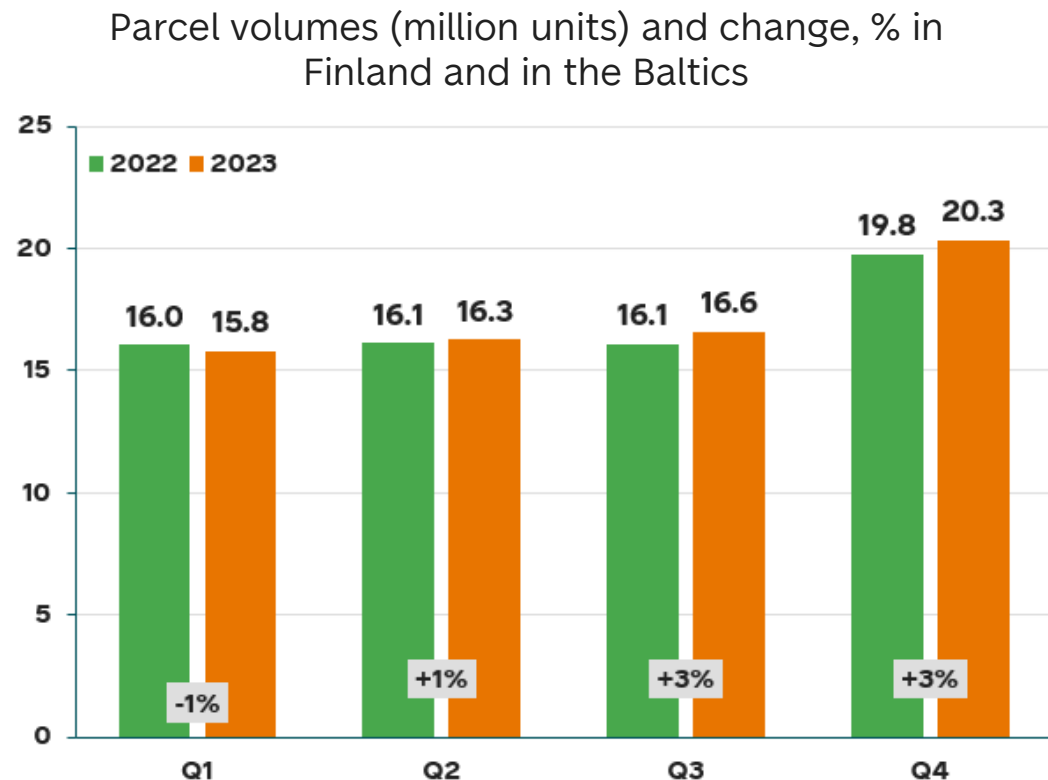
Q4 2023 operational highlights

- Group net sales decreased which was affected by low consumer and customer demand in all segments.
- Despite declined sales, effective improvements in operational efficiency in all segments increased Group's adjusted EBITDA to a good level, especially in the eCommerce and Delivery Services segment.
- In the eCommerce and Delivery Services segment, the total parcel volume grew and was driven by the growth in the Baltic countries.
- Posti delivered 12 million Christmas cards and nearly 7 million parcels during the peak season, from the Black Week until Christmas.
- Posti hired over 1,300 employees for the peak season across Finland.
- The addressed letter volumes continued to decline.



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Parcel volumes increased and postal volumes continued to decline in Q4 2023



+3%

Parcel volumes in Finland and in the Baltics 10-12/2023

-12%

Freight volumes* 10-12/2023

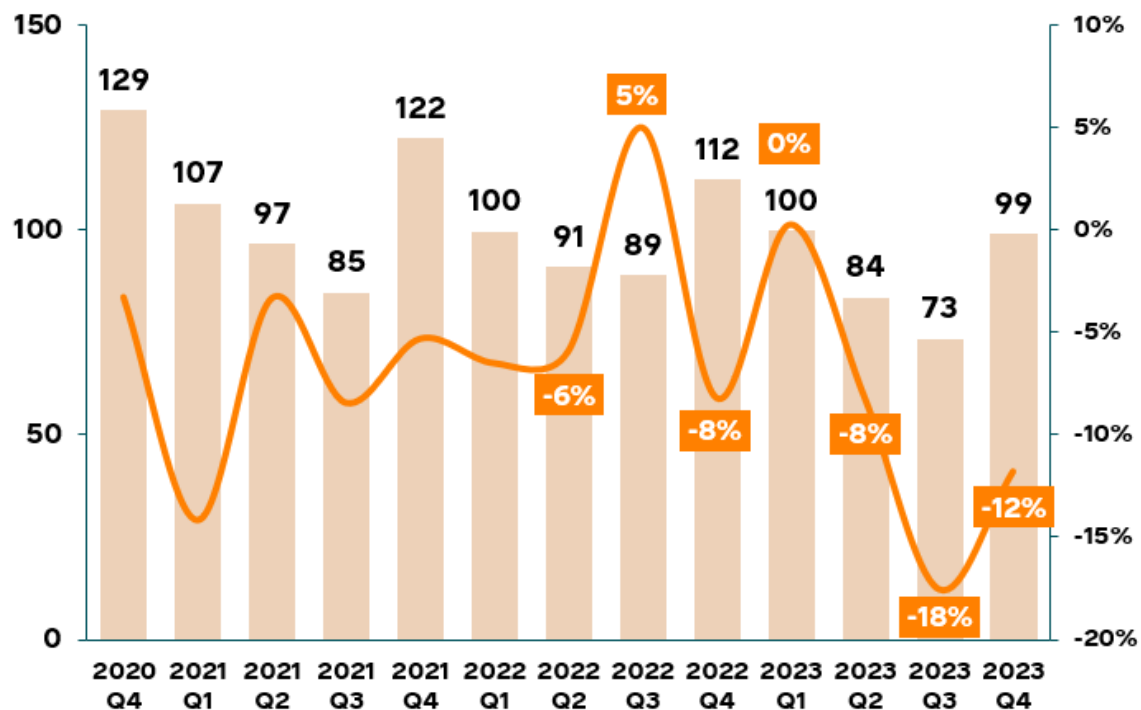
* Measured in waybills

-12%

Addressed letter volumes 10-12/2023

Addressed letter volumes continued to decrease in Q4 2023

Addressed letter volumes (million units) and change, %



- Altogether 99 million addressed letters were delivered in Q4. Decrease from previous year 13 million items.
- During the peak season Posti delivered about 12 million Christmas cards.
- The share of mail items covered by the universal service obligation accounted for 5.8% (5.3%) of all Posti's mail items delivered.



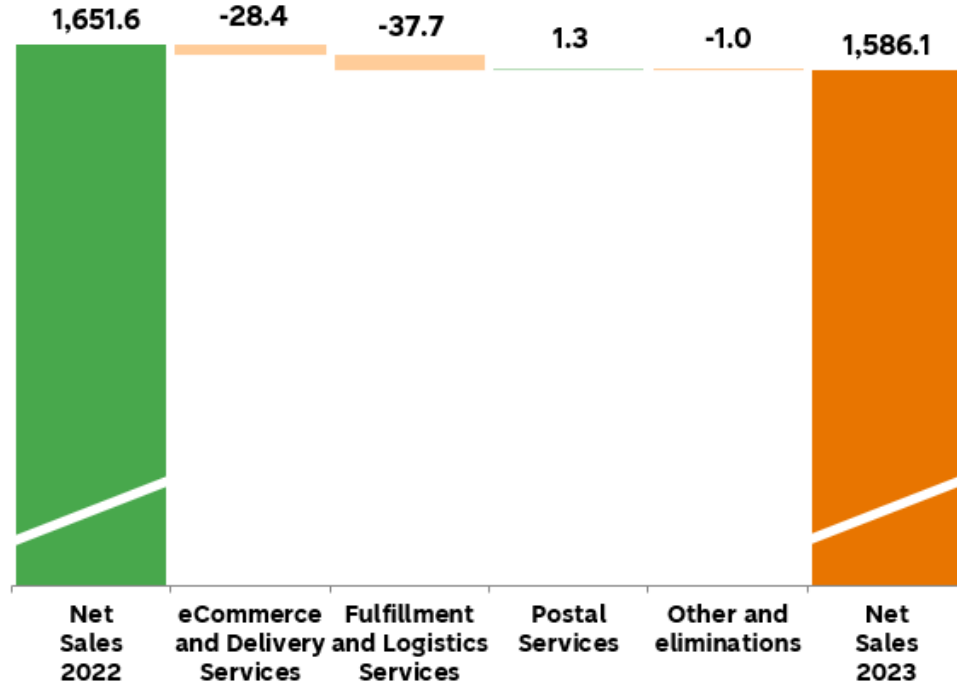
Financials



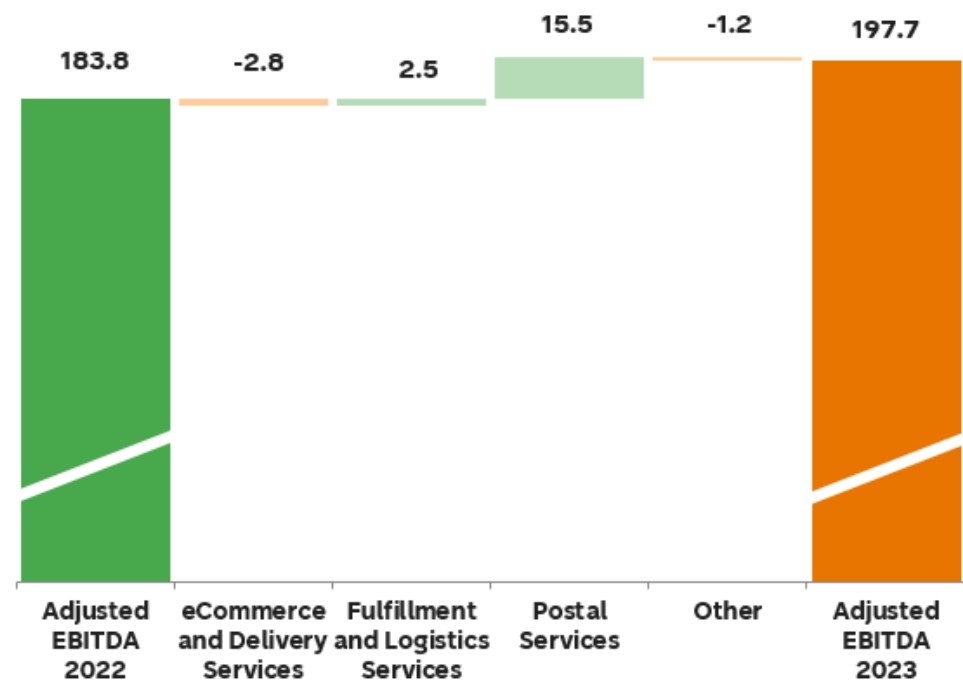
Posti Group's 2023 net sales and adjusted EBITDA change

Net sales decreased by 4.0% to EUR 1,586.1 (1,651.6) million.
Adjusted EBITDA improved to EUR 197.7 (183.8) million.

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



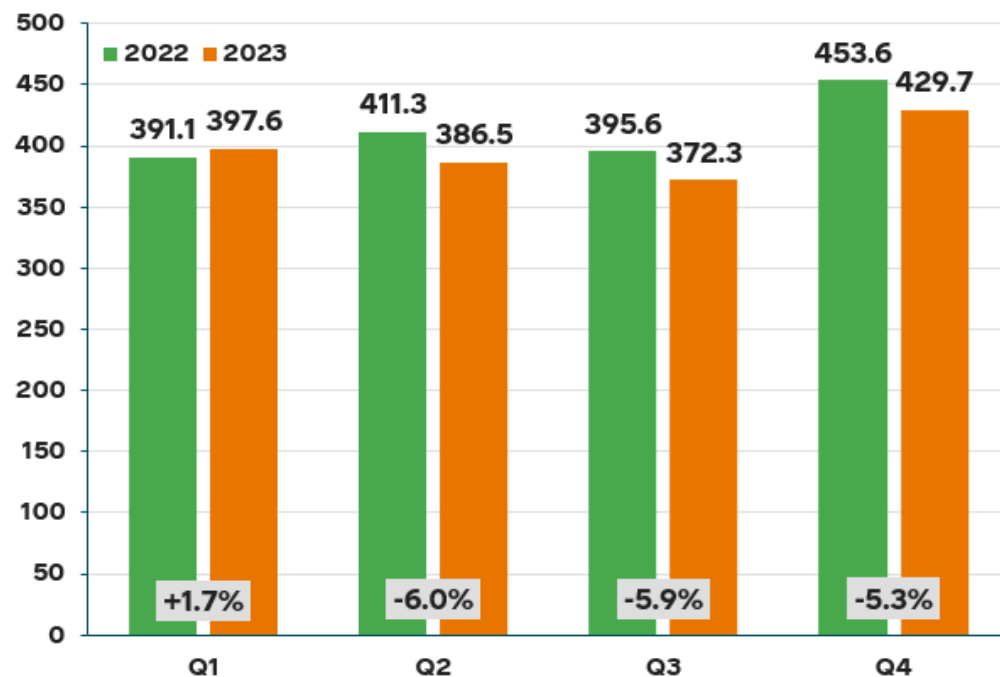
2023 vs 2022 adjusted EBITDA change by segment,
EUR million



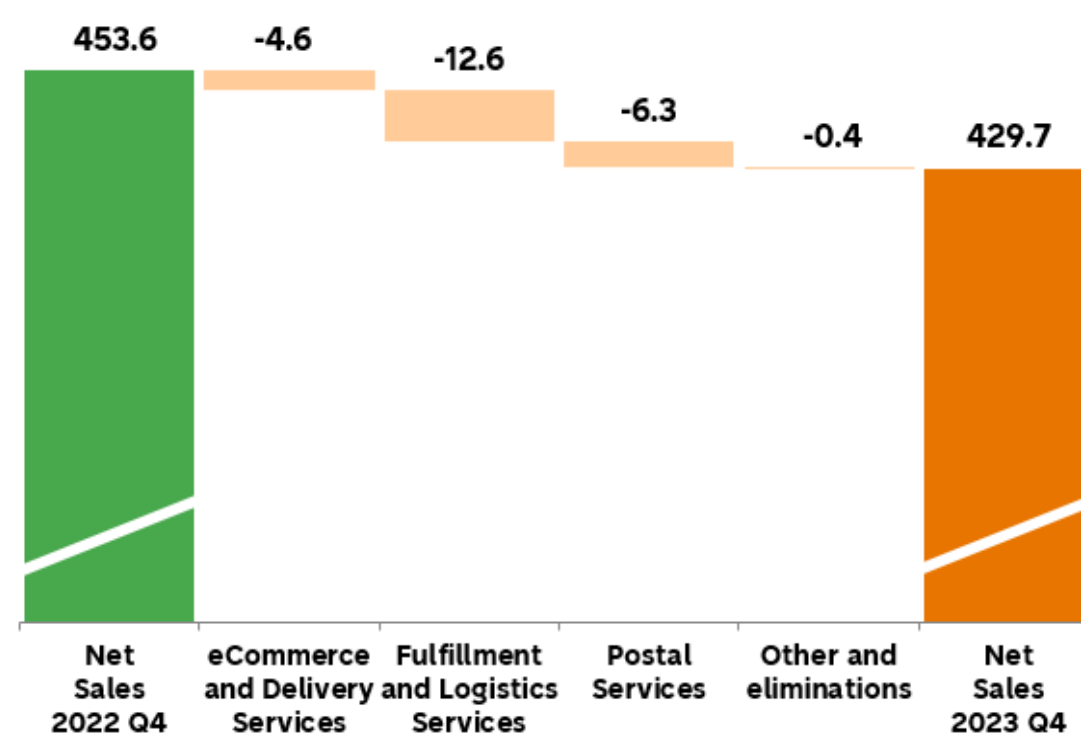
Posti Group's Q4 2023 net sales

Net sales decreased by 5.3% to EUR 429.7 (453.6) million.

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



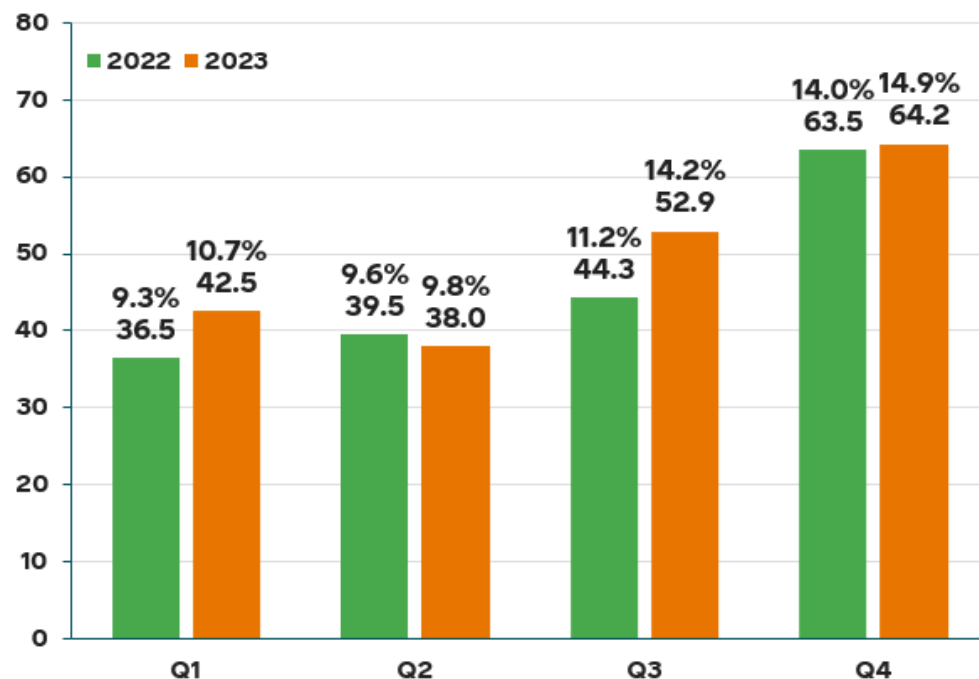
2023 Q4 vs 2022 Q4 change of net sales by segment,
EUR million



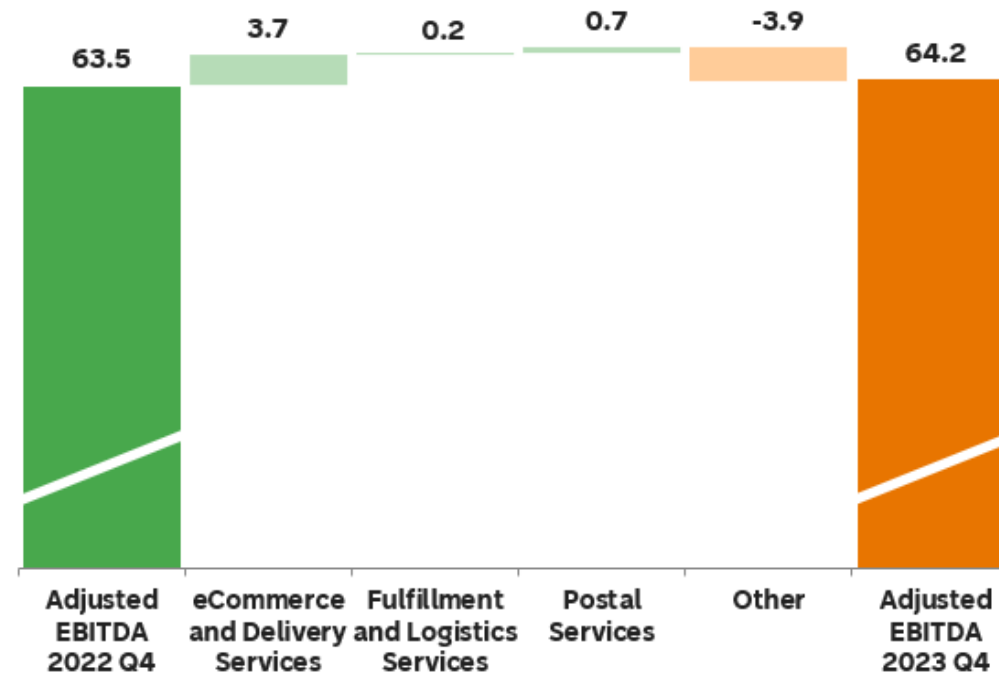
Posti Group's Q4 2023 adjusted EBITDA

Adjusted EBITDA increased to EUR 64.2 (63.5) million, or 14.9% (14.0%) of net sales.

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



2023 Q4 vs 2022 Q4 adjusted EBITDA change by
segment, EUR million



Posti Group's key figures Q4 2023

	10-12 2023	%	10-12 2022	%	1-12 2023	%	1-12 2022	%
Net sales, EUR million	429.7		453.6		1,586.1		1,651.6	
Adjusted EBITDA, EUR million	64.2	14.9%	63.5	14.0%	197.7	12.5%	183.8	11.1%
EBITDA, EUR million	64.2	14.9%	61.2	13.5%	188.6	11.9%	178.2	10.8%
Adjusted operating result, EUR million	31.6	7.4%	30.9	6.8%	66.4	4.2%	58.9	3.6%
Operating result, EUR million	31.0	7.2%	26.3	5.8%	-7.0	-0.4%	51.0	3.1%
Result for the period, EUR million	22.8	5.3%	17.6	3.9%	-25.2	-1.6%	31.7	1.9%
Return on capital employed (12 months), %					-1.0%		7.8%	
Net debt, EUR million					240.0		208.5	
Net debt / Adjusted EBITDA					1.2x		1.1x	
Operative free cash flow, EUR million					28.6		28.5	
Personnel, end of period					17,024		19,996	
Personnel on average, FTE	13,784		15,023		14,272		14,985	
Earnings per share, basic, EUR	0.57		0.44		-0.63		0.79	
Dividend per share, EUR					0.80*		0.79	
Dividends, EUR million					31.8*		31.7	



Outlook and long-term financial targets



Outlook for 2024

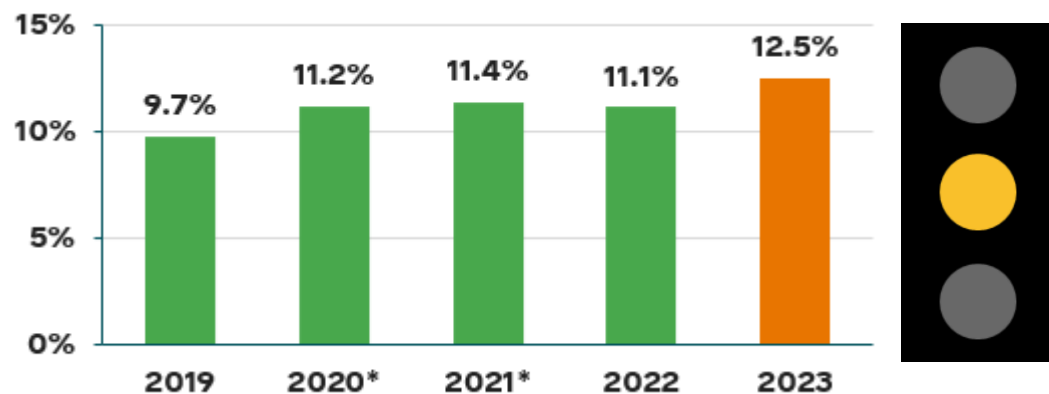
In 2024, Posti is expecting its net sales and adjusted EBITDA to be on the previous year's level.

- In 2023, Posti's net sales from continuing operations were EUR 1,586.1 million and adjusted EBITDA was EUR 197.7 million.
- Current macroeconomic and market conditions bring uncertainty to economic projection and consumer confidence. 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.

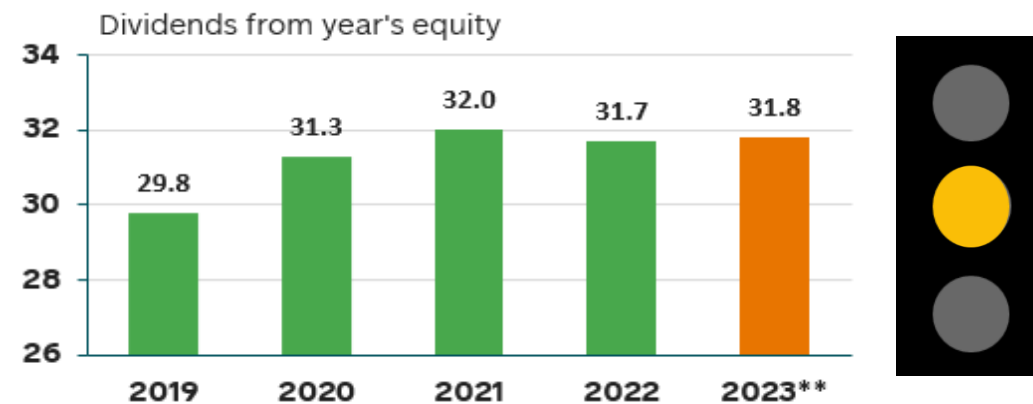


Long-term financial targets

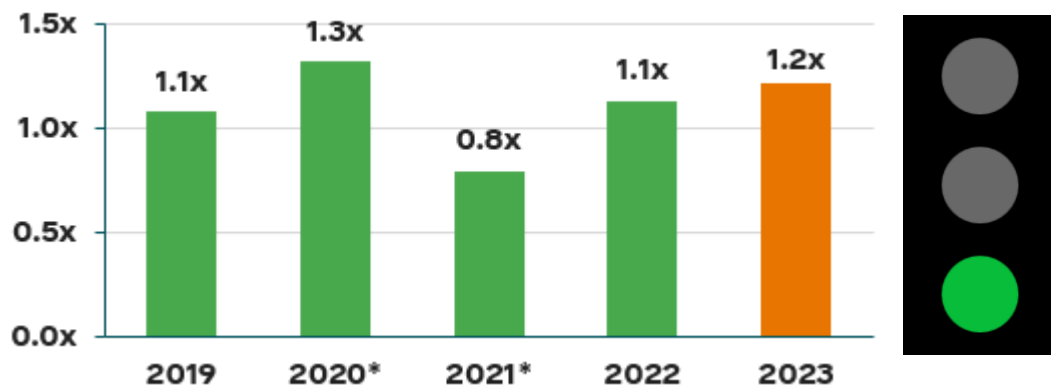
Adjusted EBITDA 13%



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



Net debt / Adjusted EBITDA less than 2.5x



* Continuing operations

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



Segments



Q4 2023: eCommerce and Delivery Services key figures

EUR million	10-12 2023	10-12 2022	1-12 2023	1-12 2022
Net sales	175.8	180.5	651.5	679.9
Net sales change, %	-2.6%	-2.3%	-4.2%	-0.2%
Adjusted EBITDA	25.8	22.1	75.5	78.3
Adjusted EBITDA, %	14.6%	12.2%	11.6%	11.5%
EBITDA	25.8	22.1	73.5	77.5
EBITDA, %	14.7%	12.3%	11.3%	11.4%

- The net sales decreased by 2.6% to EUR 175.8 million
 - Decreased net sales was mainly due to overall low spending and consumption of goods in the market, which reflected in the declining volumes, especially in transportation.
- Adjusted EBITDA increased to EUR 25.8 million
 - Improvements in operational efficiency such as optimized resourcing, route planning, and positively developed parcel redirection rate increased the profitability, albeit the declined net sales affected profitability negatively.

Q4 2023: Fulfillment and Logistics Services key figures

EUR million	10-12 2023	10-12 2022	1-12 2023	1-12 2022
Net sales	82.6	95.2	328.4	366.1
Transval	53.1	60.7	219.5	232.0
Aditro Logistics	29.5	34.5	108.9	134.1
Net sales change, % */**/***	-13.2%	3.8%	-10.3%	10.9%
Adjusted EBITDA	7.8	7.6	37.3	34.8
Adjusted EBITDA, %	9.5%	8.0%	11.4%	9.5%
EBITDA	7.8	6.0	35.4	32.9
EBITDA, %	9.5%	6.3%	10.8%	9.0%

- The net sales decreased by 13.2% and were EUR 82.6 million
 - The low consumer demand, especially in Sweden had a negative impact on segments volumes, which decreased net sales.
 - Sale of KV Turva Oy in December 2022 and sale of Transval Myymäläpalvelut Oy in September 2023 also affected net sales negatively.
 - The weakened Swedish Krona compared to reporting currency had a negative impact on segment's net sales.
- Adjusted EBITDA increased to EUR 7.8 million
 - Improvements in operational efficiency helped the adjusted EBITDA to remain on the previous year's level.

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

** KV Turva Oy was divested in December 2022.

*** Transval Myymäläpalvelut Oy was divested in September 2023.

Q4 2023: Postal Services key figures

EUR million	10-12 2023	10-12 2022	1-12 2023	1-12 2022
Net sales	178.1	184.4	631.4	630.2
Net sales change, %*	-3.4%	5.1%	0.2%	3.2%
Adjusted EBITDA	35.3	34.6	96.4	81.0
Adjusted EBITDA, %	19.8%	18.8%	15.3%	12.8%
EBITDA	35.4	33.9	92.9	78.3
EBITDA, %	19.9%	18.4%	14.7%	12.4%

- The net sales of Postal Services decreased by 3.4% to EUR 178.1 million
 - Decreased volumes impacted net sales negatively whereas various price increases, reflecting the increased costs, had a positive impact on net sales.
- Adjusted EBITDA increased to EUR 35.3 million
 - Continuous improvements in operational efficiency increased profitability.

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

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