



# Posti Group

**Great start of the year. Net sales and profitability grew.**

**January - March 2023**





Responsibly  
delivering what  
matters to you-  
on your terms



# Posti in figures 1-3/2023

Net Sales

**EUR 397.6 million**

(EUR 391.1 million)

Adjusted EBITDA

**EUR 42.5 million**

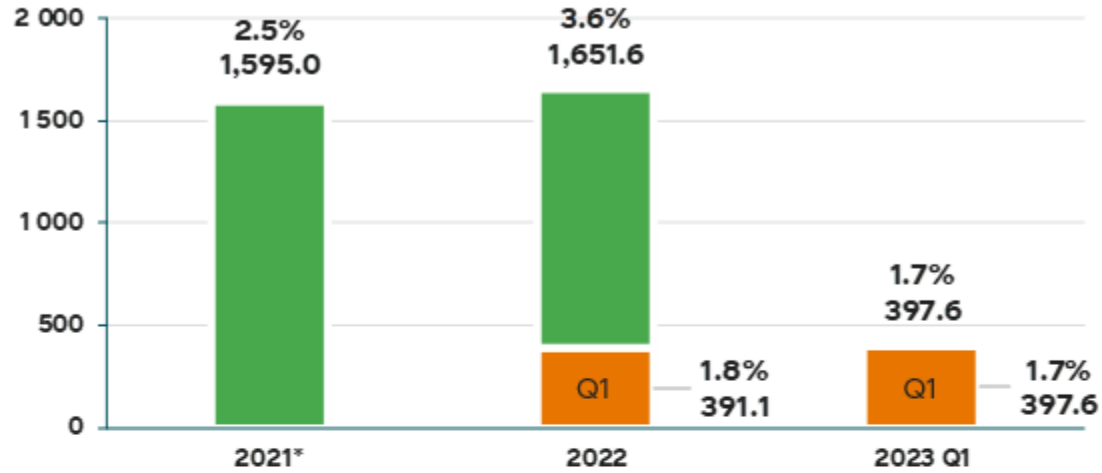
(EUR 36.5 million)

Adjusted EBITDA-%

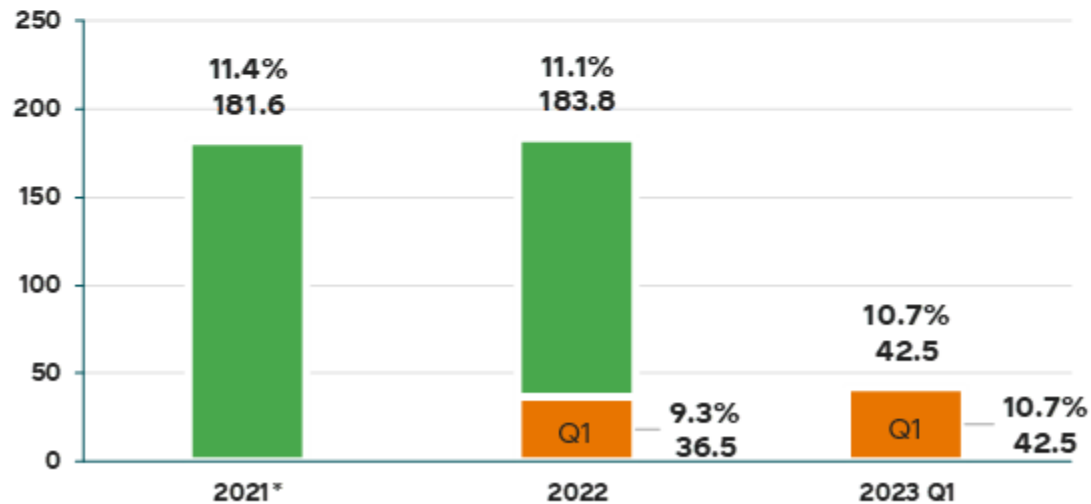
**10.7%**

(9.3%)

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



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



\* Continuing operations

# Q1 2023 Financial highlights

- Net sales grew by 1.7% to EUR 397.6 (391.1) million
- Adjusted EBITDA increased to EUR 42.5 (36.5) million, or 10.7% (9.3%) of net sales
- EBITDA increased to EUR 41.6 (34.4) million, or 10.5% (8.8%) of net sales.
- Adjusted operating result increased to EUR 9.6 (6.6) million, representing 2.4% (1.7%) of net sales.
- Operating result increased to EUR 8.8 (4.4) million, representing 2.2% (1.1%) of net sales.
- Net debt to adjusted EBITDA was 1.2x (1.4x).



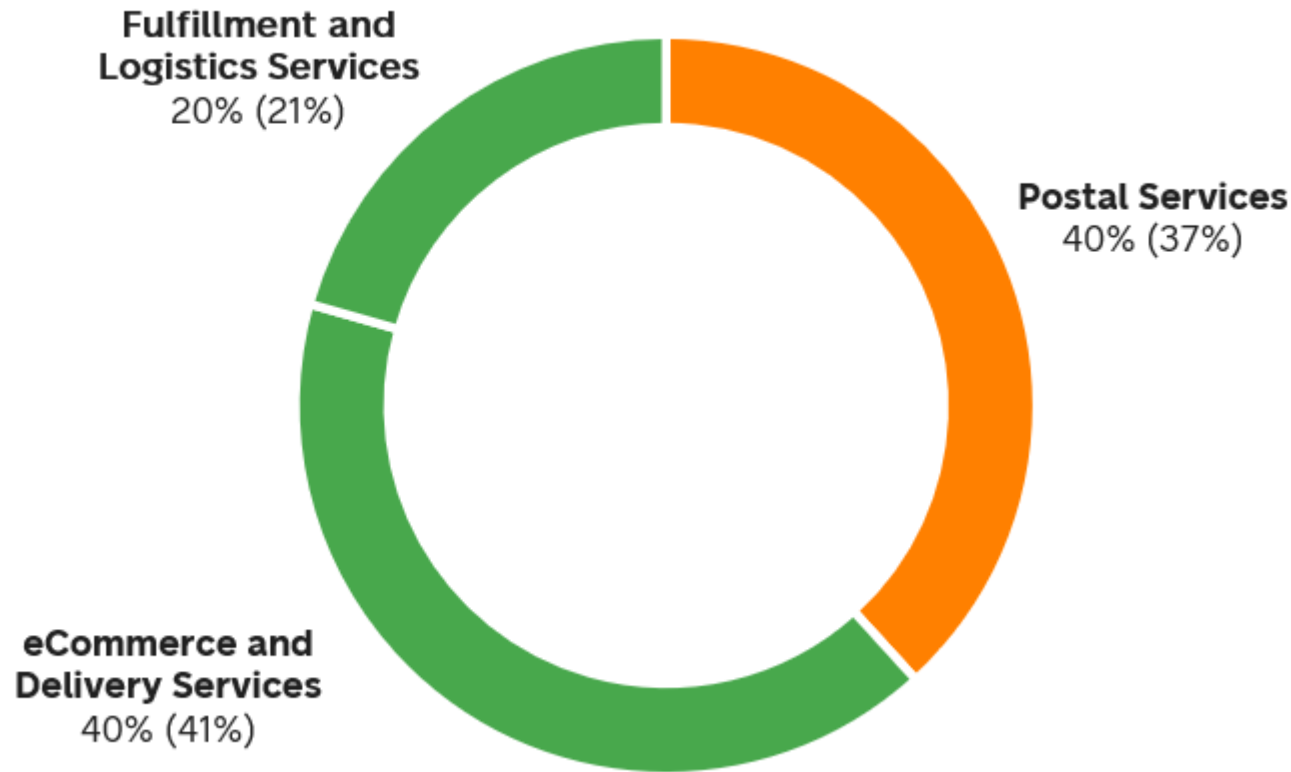
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# Q1 2023 Operational highlights

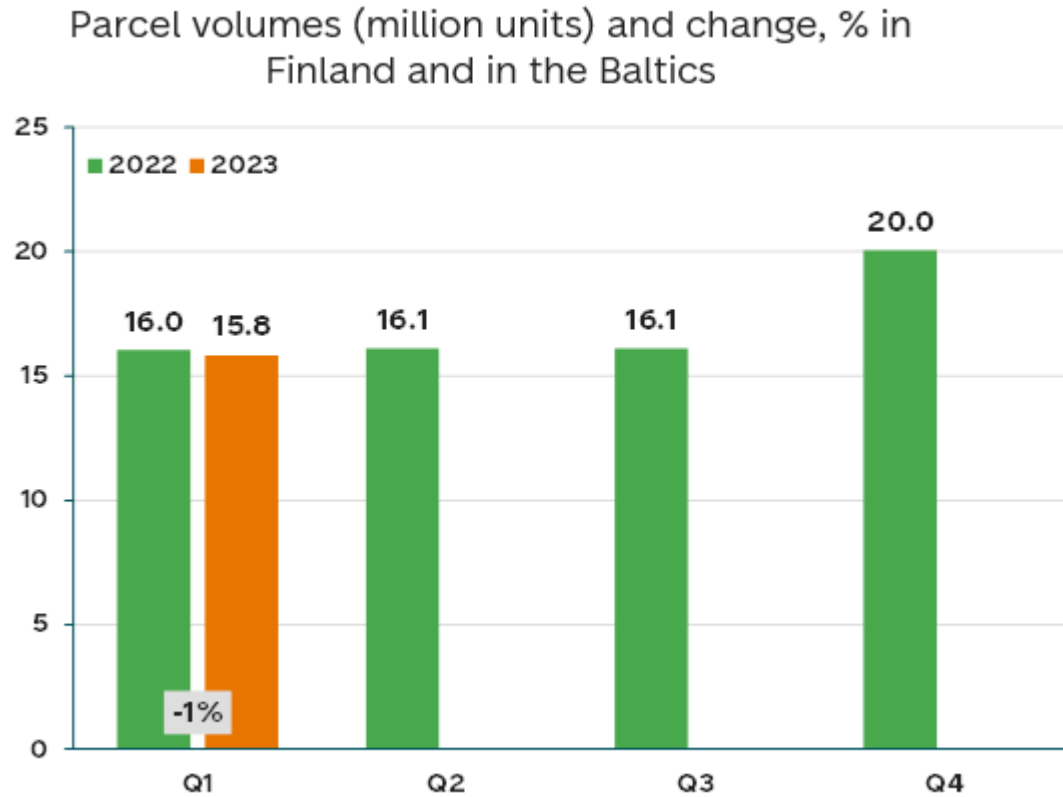
- Unusually high number of addressed letters sent by the public sector in Finland increased Posti's letter volumes resulting in the volumes remaining at the same level as in the comparison period (decreased 7%). This consequently improved Postal Services net sales.
- The amended Postal Act and the new State Aid for newspaper delivery were ratified in the beginning of 2023, coming into effect later in the year.
- The Finnish Transport Workers' Union AKT's strike and the Finnish Post and Logistics Union PAU support strike in February affected especially eCommerce and Delivery Services net sales and profitability negatively.
  - Posti was not a negotiating party in the collective agreement negotiations.
- Posti published its first eCommerce Index. The report shares information about the current and future state of online shopping in Finland.



# Q1 2023: The combined external sales of eCommerce and Delivery Services, and Fulfillment and Logistics Services represented 60.0% (62.5%) of the Group's net sales



# Q1 2023: Parcel volumes declined. Postal volumes stayed on same level as in comparison period.



**-1%**

Parcel volumes in Finland and in the Baltics 1-3/2023

**-10%**

Freight volumes\* 1-3/2023

**0%**

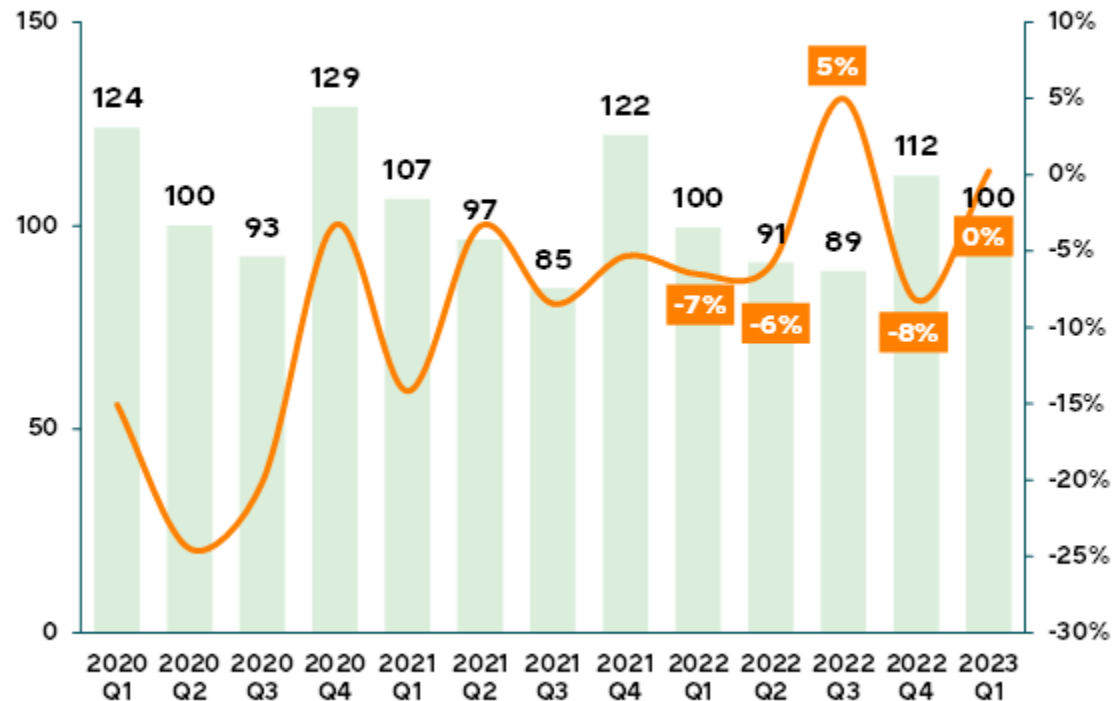
Addressed letter volumes 1-3/2023

\* Measured in waybills



# Q1 2023: Addressed letter volumes remained stable compared to comparison period

Addressed letter volumes (million units) and change, %



- Altogether 100 million addressed letters were delivered in Q1, remaining at the same level as in comparison period.
- The unusually high number of addressed letters sent by the public sector in Finland increased Posti's letter volumes. This resulted the volumes to remain at the same level as in the comparison period (decreased 7%).
- The share of mail items covered by the universal service obligation accounted for 2.8% (2.5%) of all Posti's mail items delivered.



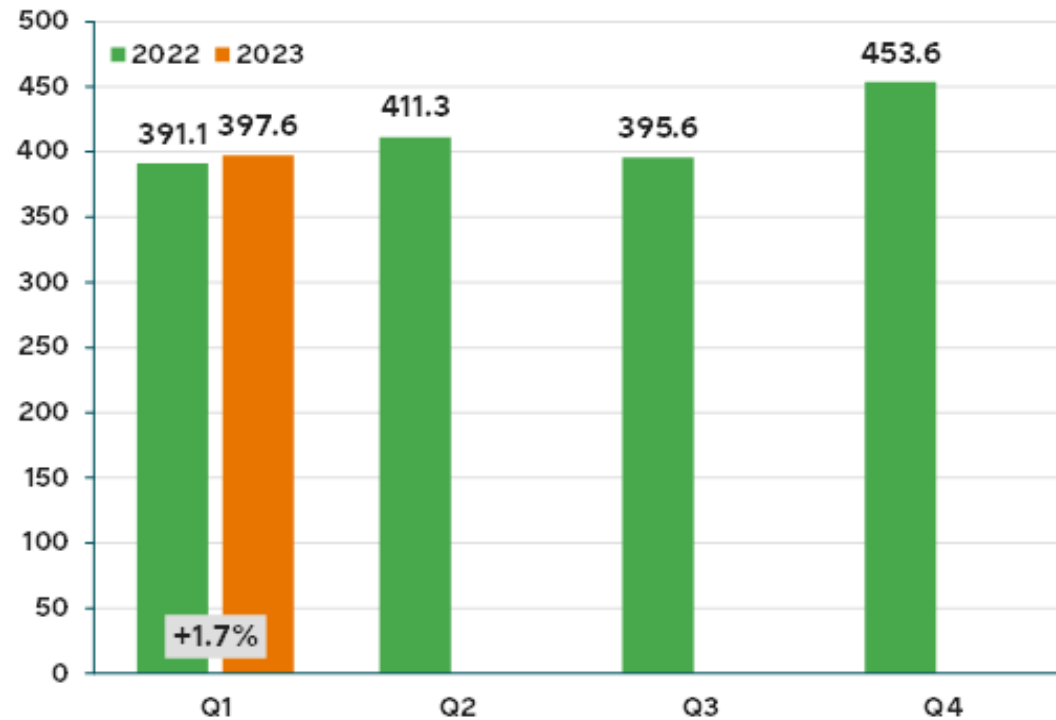
# Financials



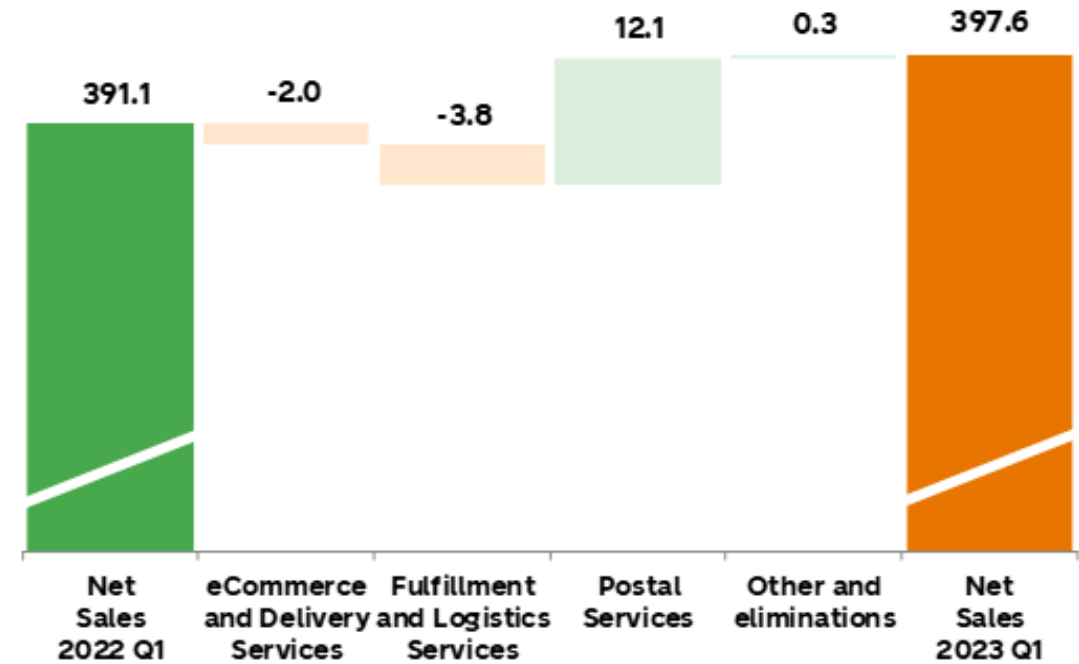
# Q1 2023: Posti Group's net sales

Net sales grew by 1.7% to EUR 397.6 (391.1) million

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



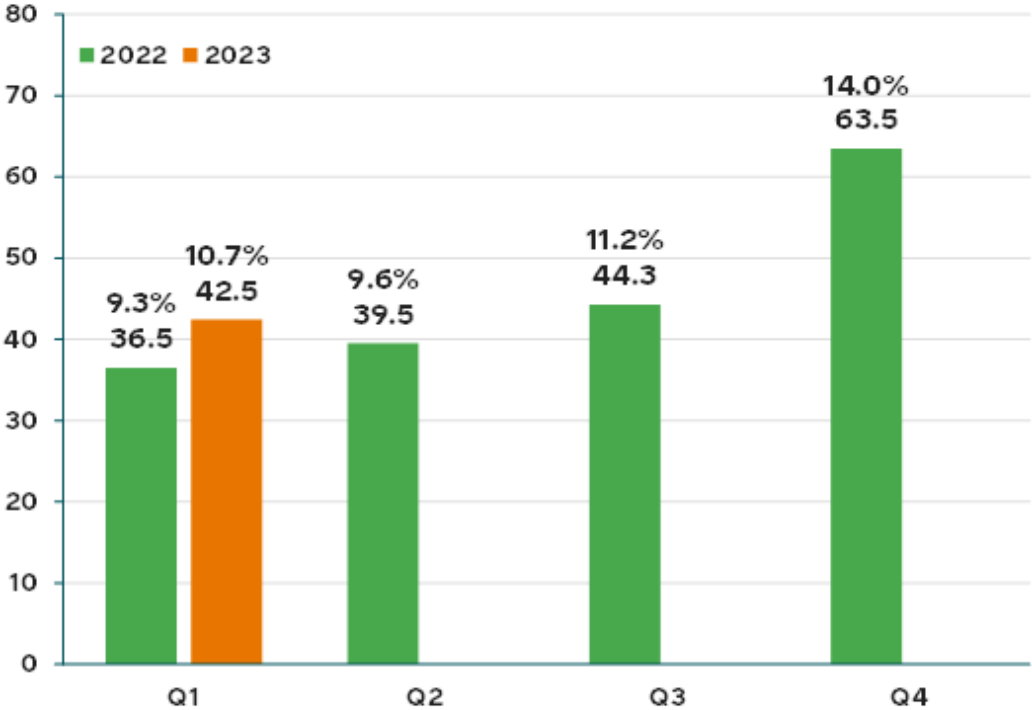
2023 Q1 vs 2022 Q1 change of net sales by segment,  
EUR million



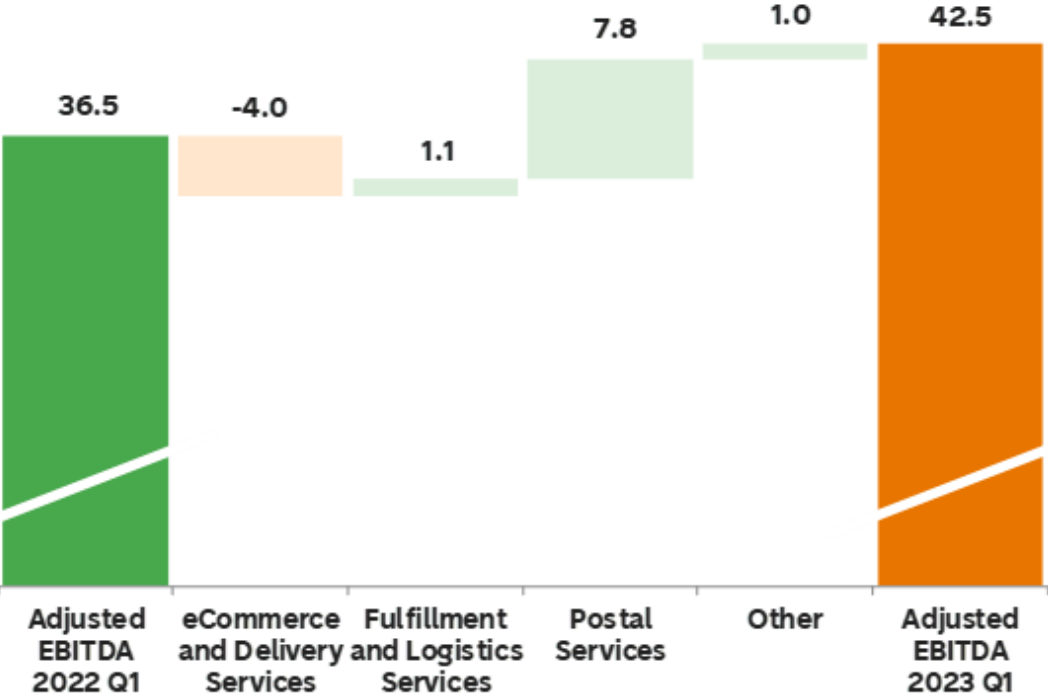
# Q1 2023: Posti Group's adjusted EBITDA

Adjusted EBITDA increased to EUR 42.5 (36.5) million

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



2023 Q1 vs 2022 Q1 adjusted EBITDA change by segment, EUR million



# Q1 2023: Posti Group's key figures

	1-3 2023	%	1-3 2022	%
Net sales, EUR million	397.6		391.1	
<b>Adjusted EBITDA, EUR million</b>	<b>42.5</b>	<b>10.7%</b>	<b>36.5</b>	<b>9.3%</b>
EBITDA, EUR million	41.6	10.5%	34.4	8.8%
<b>Adjusted operating result, EUR million</b>	<b>9.6</b>	<b>2.4%</b>	<b>6.6</b>	<b>1.7%</b>
Operating result, EUR million	8.8	2.2%	4.4	1.1%
<b>Result for the period, EUR million</b>	<b>4.9</b>	<b>1.2%</b>	<b>1.0</b>	<b>0.3%</b>
<b>Return on capital employed (12 months), %</b>	<b>7.9%</b>		<b>6.5%</b>	
Net debt, EUR million	233.2		236.9	
<b>Net debt / Adjusted EBITDA</b>	<b>1.2x</b>		<b>1.4x</b>	
Operative free cash flow, EUR million	-6.6		-13.5	
Personnel, end of period	18,851		20,135	
Personnel on average, FTE	14,346		14,688	
Earnings per share, EUR	0.12		0.03	

# Outlook and long-term financial targets



# Outlook for 2023 remains unchanged

**In 2023, Posti is expecting its net sales to increase 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 were EUR 1,651.6 million and adjusted EBITDA was EUR 183.8 million.

The 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.

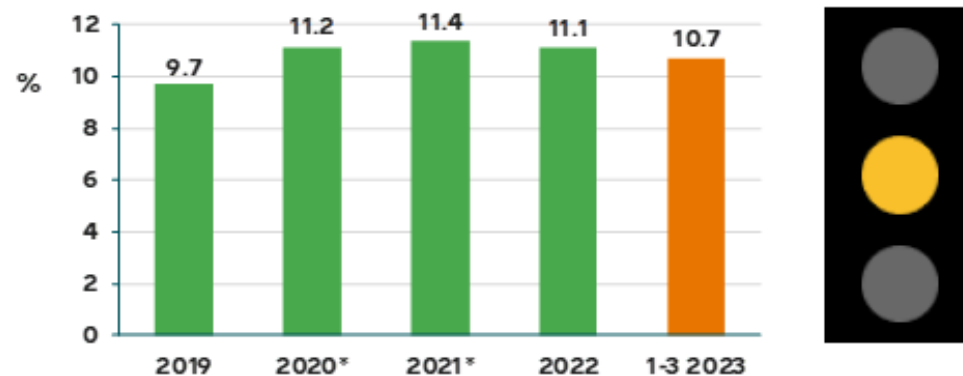
The Group's business is characterized by seasonality. The net sales and adjusted EBITDA in the segments are not accrued evenly over the year. In consumer parcels and Postal Services, the first and fourth quarters are typically strong, while the second and third quarters are weaker. The postal volume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



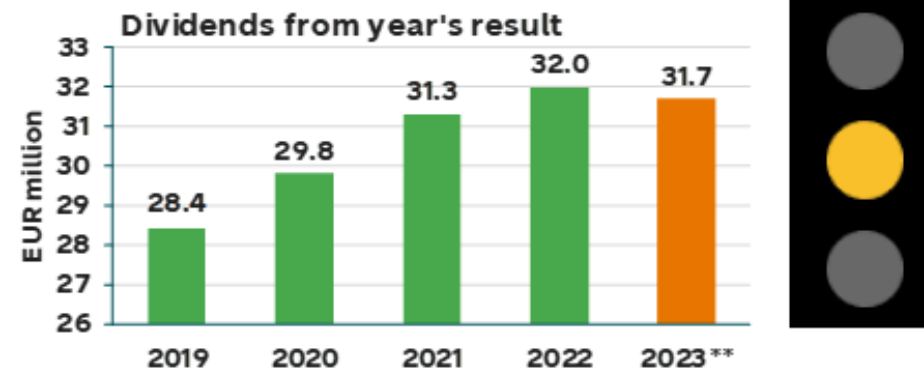
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# Long-term financial targets

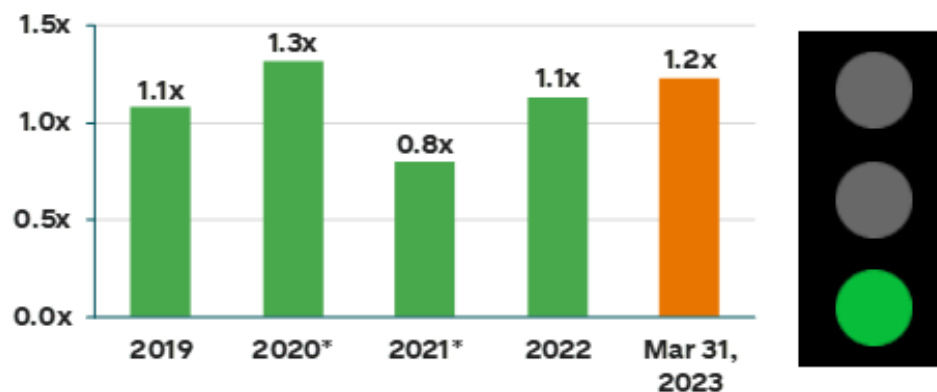
Adjusted EBITDA 13%



Continuously increasing ordinary dividend, but not exceeding annual net profit



Net debt / Adjusted EBITDA less than 2.5x



\* Continuing operations

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

# Segments





# Q1 2023: eCommerce and Delivery Services key figures

EUR million	1-3 2023	1-3 2022
Net sales	160.1	162.2
Net sales change, %	-1.3%	2.3%
<b>Adjusted EBITDA</b>	<b>10.2</b>	<b>14.2</b>
<b>Adjusted EBITDA, %</b>	<b>6.4%</b>	<b>8.8%</b>
EBITDA	10.3	13.6
EBITDA, %	6.4%	8.4%

- The net sales decreased by 1.3% to EUR 160.1 million
  - The union strikes in Finland had a negative impact on the segments' net sales
  - Parcel and freight volumes declined which also had a negative impact on net sales
- Adjusted EBITDA decreased to EUR 10.2 million
  - The union strikes in Finland had a negative impact on eCommerce and Delivery Services operations, decreasing the profitability
  - Increased costs had a negative impact on the segment's profitability

# Q1 2023: Fulfillment and Logistics Services key figures

EUR million	1-3 2023	1-3 2022
Net sales	83.6	87.5
Transval	56.4	55.6
Aditro Logistics	27.2	31.8
Net sales change, %	-4.4%	14.7%*
<b>Adjusted EBITDA</b>	<b>8.5</b>	<b>7.4</b>
<b>Adjusted EBITDA, %</b>	<b>10.2%</b>	<b>8.4%</b>
EBITDA	8.3	7.4
EBITDA, %	10.0%	8.4%

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

- Net sales decreased by 4.4% and were EUR 83.6 million
  - Transval's net sales increased mainly due to the increased in-house logistics net sales and volumes
  - Aditro Logistics' net sales decreased. The current market environment in Sweden is particularly challenging, and it has impacted the market volumes and net sales negatively
- Adjusted EBITDA increased to EUR 8.5 million
  - Growth was driven by the increased net sales and improvements in operational efficiency at Transval

# Q1 2023: Postal Services key figures

EUR million	1-3 2023	1-3 2022
Net sales	159.6	147.5
Net sales change, %	8.2%	-4.8%
<b>Adjusted EBITDA</b>	<b>25.9</b>	<b>18.1</b>
<b>Adjusted EBITDA, %</b>	<b>16.3%</b>	<b>12.3%</b>
EBITDA	25.3	16.8
EBITDA, %	15.8%	11.4%

- The net sales of Postal Services increased by 8.2% to EUR 159.6 million
  - Increase was driven by the price increases and the 2022 acquisition of Mediatalo Keski-suomalainen Oyj's early-morning delivery operations
  - Letters sent by the Finnish public sector had exceptionally positive impact on Posti's letter volumes, which consequently increased net sales.
- Adjusted EBITDA increased to EUR 25.9 million
  - Profitability improved mainly because of the increased net sales and improvements in operational efficiency

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