

Posti Group 2024: Strong profit increase despite soft market demand

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Posti Group Corporation Financial Statements Bulletin January-December 2024 Unless otherwise stated, the figures in brackets refer to the corresponding period in the previous year.

October-December Financial highlights

Net sales decreased by 6.1% to EUR 403.6 (429.7) million.

Adjusted EBITDA decreased to EUR 54.2 (64.2) million, or 13.4% (14.9%) of net sales.

EBITDA decreased to EUR 52.8 (64.2) million, or 13.1% (14.9%) of net sales.

Adjusted operating result decreased to EUR 21.7 (31.6) million, representing 5.4% (7.4%) of net sales.

Operating result decreased to EUR 19.2 (31.0) million, representing 4.8% (7.2%) of net sales.

January-December Financial highlights

Net sales decreased by 4.1% to EUR 1,521.4 (1,586.1) million.

Adjusted EBITDA increased to EUR 207.6 (197.7) million, or 13.6% (12.5%) of net sales.

EBITDA increased to EUR 196.6 (188.6) million, or 12.9% (11.9%) of net sales.

Adjusted operating result increased to EUR 80.1 (66.4) million, representing 5.3% (4.2%) of net sales.

Operating result increased to EUR 68.0 (-7.0) million, representing 4.5% (-0.4%) of net sales. The comparison period was impacted by impairments and other special items.

Net debt to adjusted EBITDA was 1.2x (1.2x).

Operational highlights in Q4

Group net sales decreased which was affected by low consumer and customer demand in all segments.

Operational efficiency continued to contribute to the Group's adjusted EBITDA positively.

Posti hired 1,700 seasonal employees and delivered over 10 million Christmas cards and 7 million parcels during the five busiest weeks before Christmas.

In the eCommerce and Delivery Services segment, the total parcel volume declined by 2% (increased 3%).

The addressed letter volumes continued to decrease by 18% (12%).

The share of mail items covered by the universal service obligation accounted for 6.4% (5.8%) of all Posti's mail items delivered.

To recognize employees for their contribution, Posti paid an additional bonus installment of EUR 1.5 million to the personnel fund in Finland.

It was disclosed that Posti Group headquarters will move back to the historic Postitalo building in Helsinki city center in late 2025.

Posti's Extraordinary General Meeting on December 20, 2024, decided on an extra dividend of EUR 150.0 million.

Outlook for 2025

In 2025, Posti is expecting its net sales and adjusted EBITDA to be on the previous year's level. In 2024, Posti's net sales were EUR 1,521.4 million and adjusted EBITDA was EUR 207.6 million.

Current macroeconomic and market conditions bring uncertainty to economic projection and consumer confidence. Consumer behavior affects 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.

Antti Jääskeläinen, President and CEO

Reflecting on 2024, it was a year of many accomplishments for the Posti team. With quick reactions to the changing market environment and efficient operational performance, we fought against the market headwinds and were successful in maintaining profitability at a great level during 2024. I would like to express my thanks to the entire Posti team for their good work and to our customers for their co-operation and trust in us.

Group net sales decreased by 6.1% to EUR

403.6 (429.7) million in the fourth quarter and by 4.1% to EUR 1,521.4 (1,586.1) million in January-December. While we saw some increase in e-commerce volumes, the general demand for logistics services remained low. This resulted in lower circulation of goods in our warehouses, consequently impacting net sales negatively. I am satisfied that we again delivered a successful peak season. During the five weeks before Christmas, we delivered 7 million parcels and over 10 million Christmas cards.

Our adjusted EBITDA decreased to EUR 54.2 (64.2) million during the fourth quarter but increased to EUR 207.6 (197.7) million during January-December. We were resilient in improving operational efficiency and exercised cost discipline throughout the year, which contributed to the full-year profitability positively. In fact, our relative adjusted EBITDA has improved for ten consecutive years and ended up above our long-term financial target for the full year 2024. We wanted to recognize employees for their contribution and dedication by paying an additional bonus installment of EUR 1.5 million to the personnel fund.

Looking at the full year on the segment level, the eCommerce and Delivery Services segment's adjusted EBITDA increased, whereas net sales declined. Consumer e-commerce volumes grew, while the business-to-business deliveries declined. Fulfillment and Logistics Services' profitability increased, while net sales declined. The continued low economic environment, particularly in the construction market, impacted our warehouse fill rates, and thereby net sales, negatively. Postal Services' net sales decreased due to declined addressed letter volumes, but profitability improved driven by further improved operational efficiency.

Despite the market headwinds, we were successful in adapting to changes in our operating environment and maintained good profitability. With this in mind, Posti Group's Extraordinary General Meeting on December 20, 2024, decided on an extra dividend of EUR 150.0 million, totaling Posti Group's dividend in 2024 to EUR 181.8 million.

Intense competition has continued in the e-commerce market, and recommerce has emerged as a very fast-growing segment. In 2024 we saw a growing number of secondhand marketplaces, which increased recommerce parcel volumes. The number of parcels containing secondhand items transported by Posti quintupled during the year, and we expect this growth trend to continue.

During the year we again took several steps forward in our sustainability agenda and I am proud that our work was recognized also globally. Once again, EcoVadis awarded Posti its highest platinum rating, placing us in the top 1% of companies in the world. We were awarded by our client Amazon for Excellence in Emissions Reporting and by the CSR Coups de Coeur Awards 2024 for the diesel-to-electric truck innovation. Our ambition is to be a leader in sustainability, and we will continue our systematic work on this in line with our sustainability program.

Looking ahead, we will remain cost-conscious and continue implementing our updated strategy focusing on creating growth on e-commerce, logistics and fulfillment services. We'll do this with determined teamwork, keeping our customer service in an excellent level and taking care of our people.

[Financial Statements Bulletin Q4/2024](#)

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