

# PostNord: Interim report second quarter 2021 - another strong performance by PostNord

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## Second quarter 2021

- Net sales totaled SEK 10,323 million (9,328)
- Operating income (EBIT) totaled SEK 518 million (517)
  - growth in sales and improvement program are underpinning stable quarterly results
- Adjusted operating profit improved by 28 percent from SEK 404 million to SEK 518 million
- Overall, parcel volumes rose 21 percent (14), driven by continued growth in business-to-consumer and recovery in business-to-business
- Mail volumes decreased by -4 percent (-19)

## First half of 2021

- Net sales SEK 20,510 million (18,832), +12 percent in fixed currency for like-for-like units
- Operating income (EBIT) SEK 1,396 million (831)
- Net income for the period SEK 1,098 million (525)
- Earnings per share, SEK 0.55 (0.26)
- Cash flow from operating activities SEK 1,969 million (1,932)

## Comments from Annemarie Gardshol, CEO

PostNord's improvement program is bearing fruit

The Group's operating profit remains strong and the positive earnings trend in PostNord Denmark continues.

Our strong performance in the second quarter and the first half of the year is a result of PostNord continuing the ongoing improvement program to cope with increased parcel volumes and declining letter volumes, while maintaining focus on customers and profitability. At the same time, we are able to translate our unique capacity into concrete customer benefit.

Digitalization – market opportunities and regulatory challenges

Digitalization has driven steady growth in e-commerce with more and more parcels being sent. At the same time, fewer physical letters are being sent. The pandemic has accelerated the trend of changing buying habits. This has led to continued high demand for home deliveries and growing interest among private individuals in showing appreciation to others by sending mailings.

Expansive strategy for increased capacity and sustainable customer benefit

In accordance with our expansive strategy, we are continuing to invest in infrastructure for more efficient, more sustainable and more flexible deliveries. We are continuing to invest in a Nordic parcel box infrastructure and in

May we acquired the remaining share in the Danish nationwide parcel box network Nordic Infrastructure (Nærboks). Our goal is to have more than 12,500 parcel boxes under our own management in the Nordic region by the end of 2022.

Planned terminal operations are in the process of being established at Drammen, Norway, and Tampere and Vantaa, Finland. In addition, a new highly automated third-party logistics facility is being established at Ljungby in Sweden.

In Sweden, PostNord is establishing a delivery model where recipients receive parcels and express deliveries just as before, but where letters, newspapers and advertising are delivered on alternate working days. The Swedish Post and Telecom Authority (PTS) has confirmed that the model meets the requirements of the law. During the rollout, quality has been high, with few negative comments from customers. We are now continuing to work to ensure that the new model is rolled out throughout Sweden by mid-2022.

As a major logistics player, PostNord takes responsibility for contributing to sustainable development in the industry. An ambition is to lead the mail and logistics sector into the low-carbon economy by becoming fossil free by 2030. Our climate policy sets out clearly our commitments and embraces ambitions in areas related to investment, energy-efficient operations, greener infrastructure and cleaner energy. Step by step, we are moving forward with concrete actions. In the first half of the year, we approved investments in more than 900 climate-friendly Nordic vehicles.

Extended agreement for the universal service obligation in Denmark

The Danish government and its supporting parties agreed on May 31 to extend the current agreement on the universal service obligation to 2023. A new long-term agreement, along with compensation covering the costs associated with the universal service obligation, would have been preferable. However, the announcement was welcome as it creates important clarity for the business in the years ahead.

Source: [PostNord](#)

