Posti Group 2022: Sales and profitability grew. Successful peak season execution resulted in strong Q4 profitability

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Outlook for 2023

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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.

Changes in reporting

On January 1, 2022, Posti changed its segment reporting to align with the company strategy, organizational structure, and to improve visibility on performance and results. Posti now has three reportable segments: eCommerce and Delivery Services, Fulfillment and Logistics Services, and Postal Services. Comparison period 2021 has been restated accordingly.

Turkka Kuusisto, President and CEO
The year 2022 was one of many uncertainties regarding geopolitics and economy. The challenging operating environment continued, but we stayed on the course and executed our strategy successfully. I am pleased that the whole Posti team navigated well and delivered a strong full year performance. I also want to thank our customers for their trust in us.

Our net sales grew by 3.6% to EUR 1,651.6 (1,595.0) million in 2022, and by 2.1% to EUR 453.6 (444.2) million in the fourth quarter. The net sales developed positively throughout the year, which resulted mainly from successful acquisitions, price increases and higher volumes in warehousing storage in Fulfillment and Logistics Services.

Group adjusted EBITDA increased to EUR 183.8 (181.6) million in 2022. During the peak season we delivered nearly 7 million parcels and close to 14 million Christmas cards were sent. As a result of the successful end of the year, the adjusted EBITDA grew by 26.2% to EUR 63.5 (50.3) million in the fourth quarter. Profitability improved in all segments.

Looking at the full year more closely, eCommerce and Delivery Services net sales increased. We succeeded in operational efficiency by optimizing route planning and resourcing towards the end of the year, which improved segment and Group profitability. Also, Fulfillment and Logistics Services net sales and profitability increased, driven by the acquired Veddestagruppen. Postal Services net sales improved slightly but high energy prices and operational inefficiency in early part of the year weakened the segment's full year profitability. The addressed mail volume continued to decrease.

The rising inflation and high energy prices increased costs in 2022 and lowered consumers' confidence in the economy, which reduced purchasing power. We expect that the uncertainties in our operating environment will continue in 2023. But we also expect e-commerce to grow as consumers' buying habits continue to change and online delivery services are improving and gaining more adoption. The implementation of our strategy is progressing well, and our direction is clear.

We achieved many milestones in our sustainability work during 2022. Just to highlight a few; we announced a new green vehicle roadmap, that includes a plan for even thousands of new electric, biogas, and hydrogen vehicles to gradually replace the current fleet by 2030. The Science Based Targets initiative (SBTi) approved Posti's science-based net-zero target as the first logistics company globally, and Finnish consumers selected Posti as the most sustainable parcel and logistics brand in the Sustainable Brand Index, for the first time. These are important and concrete steps towards our goal to transport fossil free by 2030. In my opinion, sustainability is a choice and big companies like Posti need to have a decisive role to make logistics greener.

I want to thank every Posti employee for their quick adaptation for changing market environment which led to an excellent operational performance in 2022. We are in a good position to continue from here towards our vision to become a modern delivery and fulfillment company.

Source: Posti