

Posti Group 2021: increased demand for parcel and logistics services drew continued growth of net sales, profitability developed positively

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In February, Posti launched its renewed strategy. According to its strategy, Posti's goal is to become a modern delivery and fulfillment company with progressive profitability. The core of Posti's growth is in parcels and logistics in Finland, Sweden, and the Baltics, along the entire delivery and fulfillment value chain.

The combined external net sales of Parcel and eCommerce and logistics businesses represented 62% (59%) of the Group's net sales.

In January-December, total parcel volume in Finland and the Baltic countries increased by 11% (27%).

To answer the increasing demand, Posti develops its service network continuously. For example, the number of parcel lockers grew by 12% and the number of individual parcel locker doors by 20% during 2021.

The number of addressed letters continued to decline and decreased by 8% (16%) in Finland.

The share of mail items covered by the universal service obligation accounted for 3.3% (3.4%) of all Posti's mail items delivered.

During the Christmas season, or the weeks from the Black Friday week till Christmas (weeks 47–51), around 7.4 million parcels were delivered and around 16 million Christmas cards and letters were sent via Posti.

In August, the multi-year collective agreement for the mail communications and logistics industry as well as the collective agreement applicable to the parcel sorters of Posti Palvelut Oy were approved.

In December, Posti Group completed the divestment of Itella Russia business group. The divestment of Itella Russia supports

Posti's strategy of seeking growth from its Parcel and eCommerce as well as logistics businesses in Finland, Sweden, and the Baltics. After the divestment, Posti has no operations in Russia.

The altering market situation affected the fourth quarter profitability: Parcel volume growth leveled off to pre-pandemic levels, the general shortage of workforce, increased energy prices, and absences due to the COVID-19 virus required overtime hours and temporary workforce.

Outlook for 2022

In 2022, Posti is expecting its net sales to remain at the previous year's level. The Group's adjusted EBITDA in 2022 is expected to decrease from the previous year. In 2021, Posti's net sales from continuing operations were EUR 1,595.0 million and adjusted EBITDA was EUR 181.6 million.

The potential 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 operating result 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 service volume decline is expected to continue.

Source: [Posti](#)

