

Lessons from extreme digitalization

Annemarie Gardshol, Group CEO PostNord, 8 May 2023

This is PostNord

PostNord in brief

40.2
billion SEK
net sales

357
million SEK
operating income

245
million
parcels*

26,500
employees (FTE)

-42%
CO₂e emissions
since 2020

1.1
billion
letters and other
items of mail

8.5
million
unique users of the
PostNord app

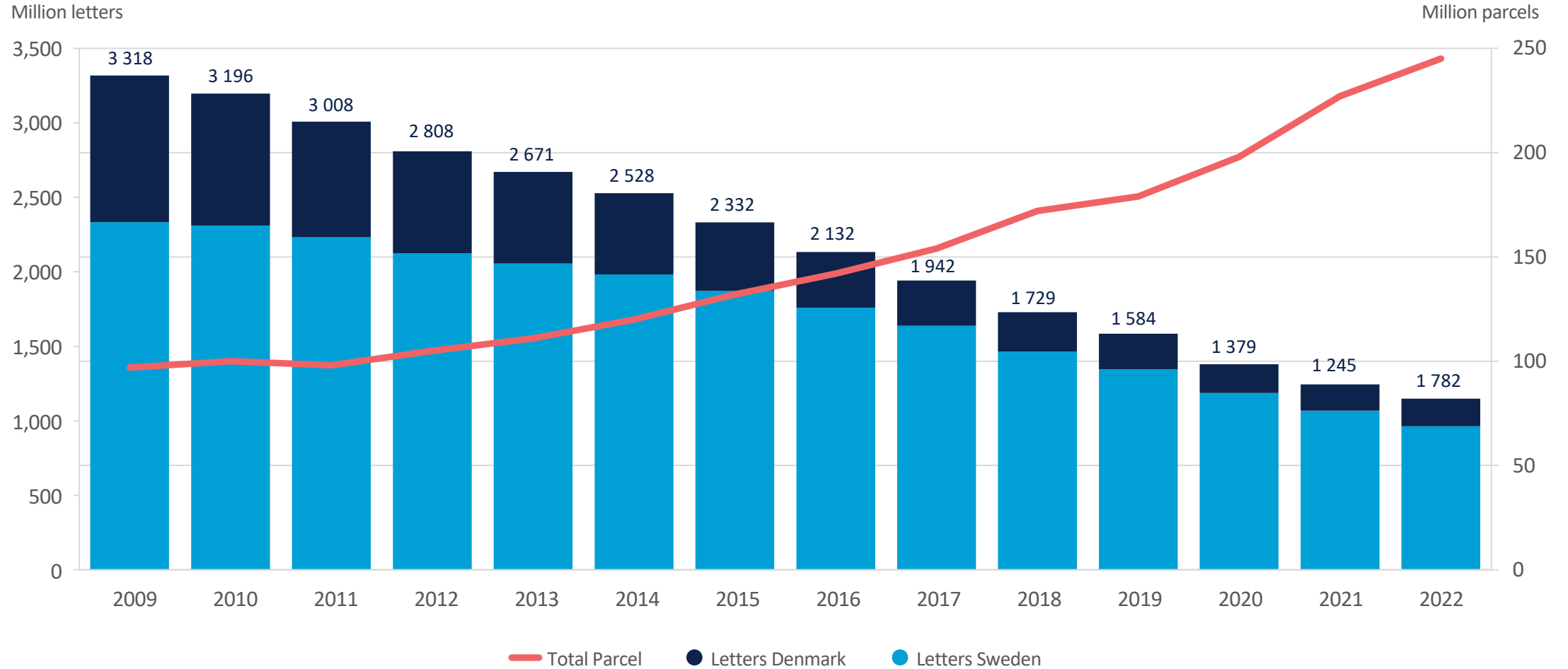
7,300
distribution points in
the Nordic region

* Produced volumes eliminated for volumes between countries.

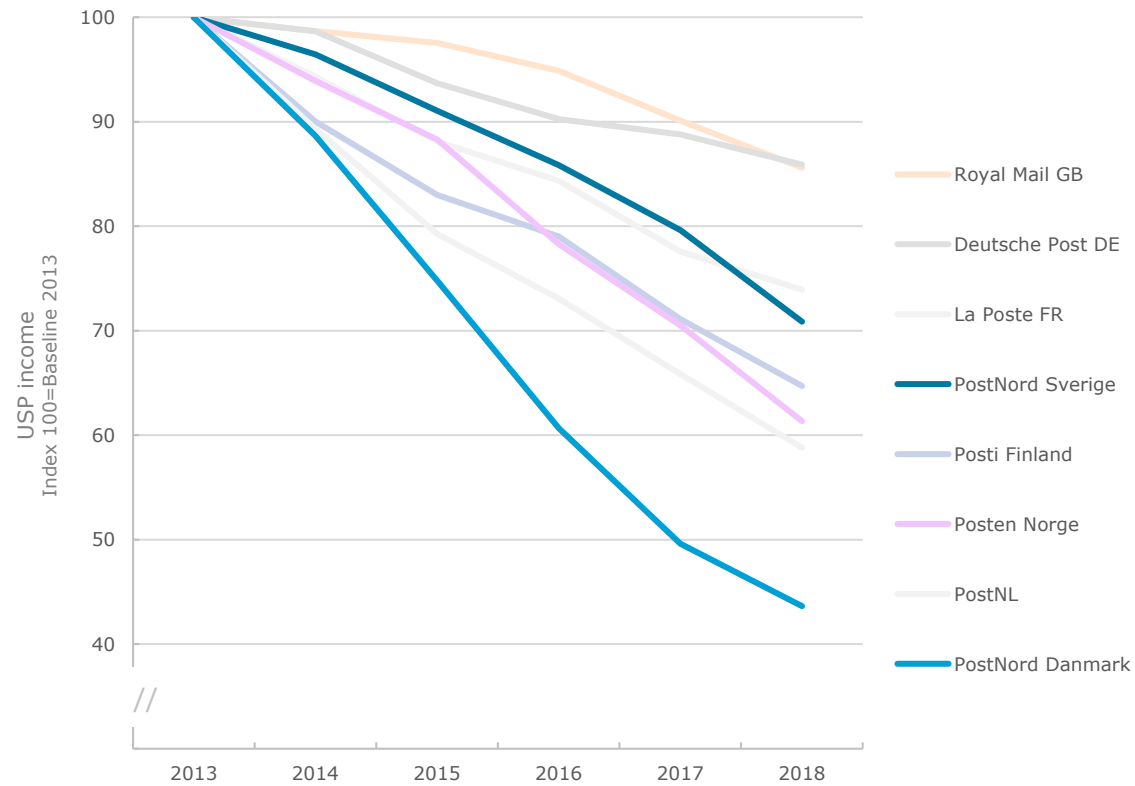


Letter and parcel volumes 2009–2022

Extreme digitalization transforms our business

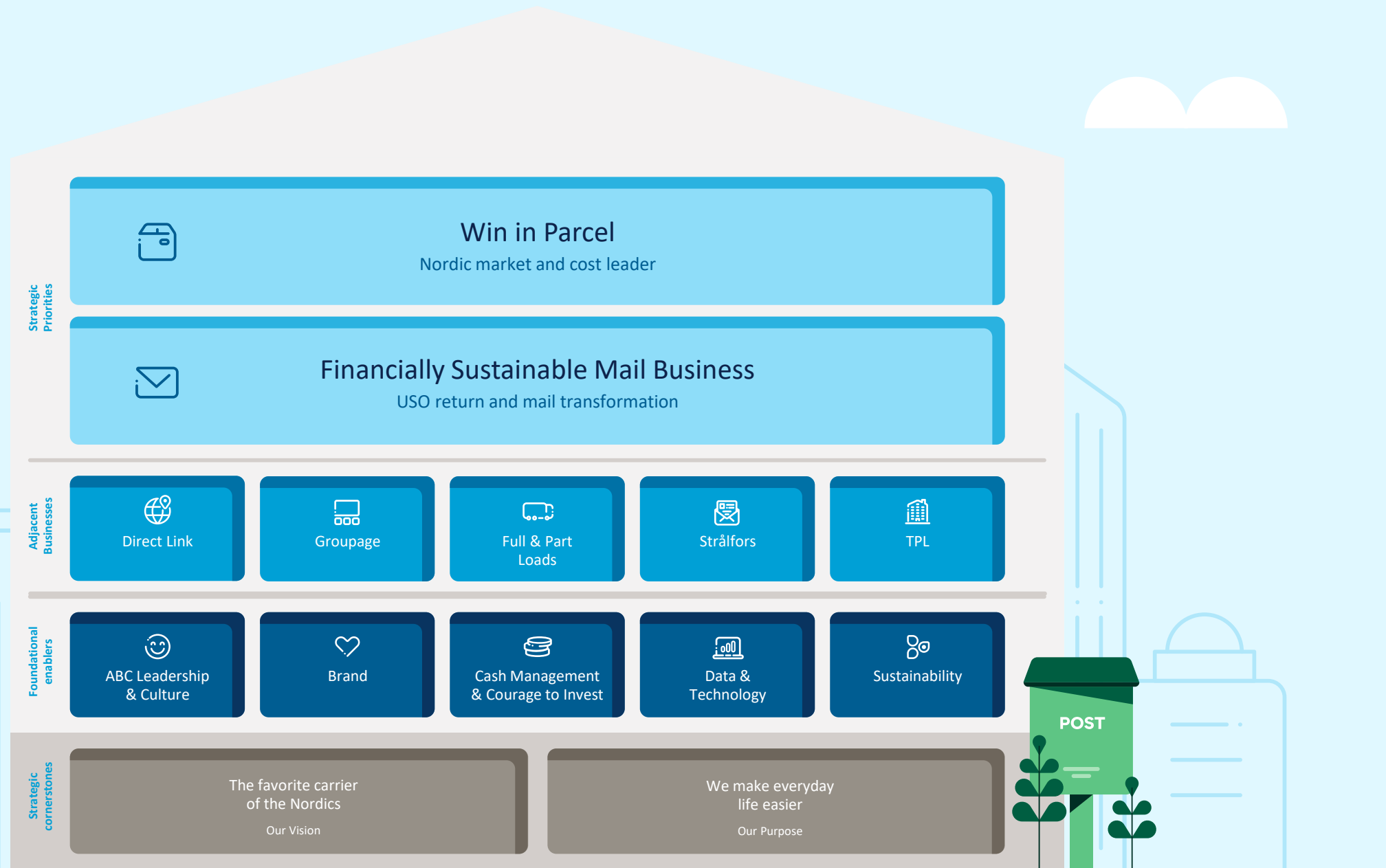


Declining letter volumes in Europe



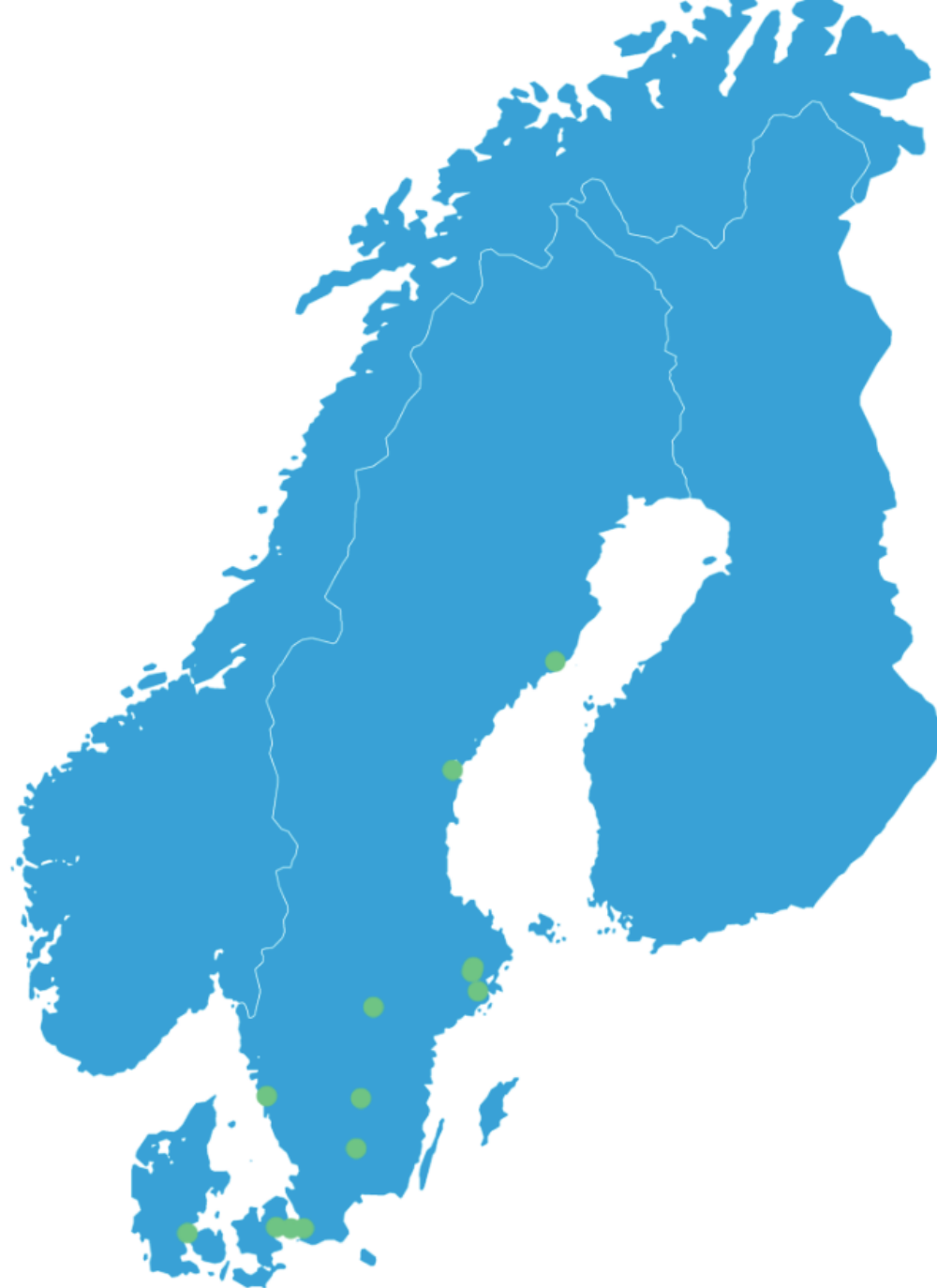
Sources: Statistical database IPC, PostNL "European postal markets" & annual reviews.

PostNord's strategy

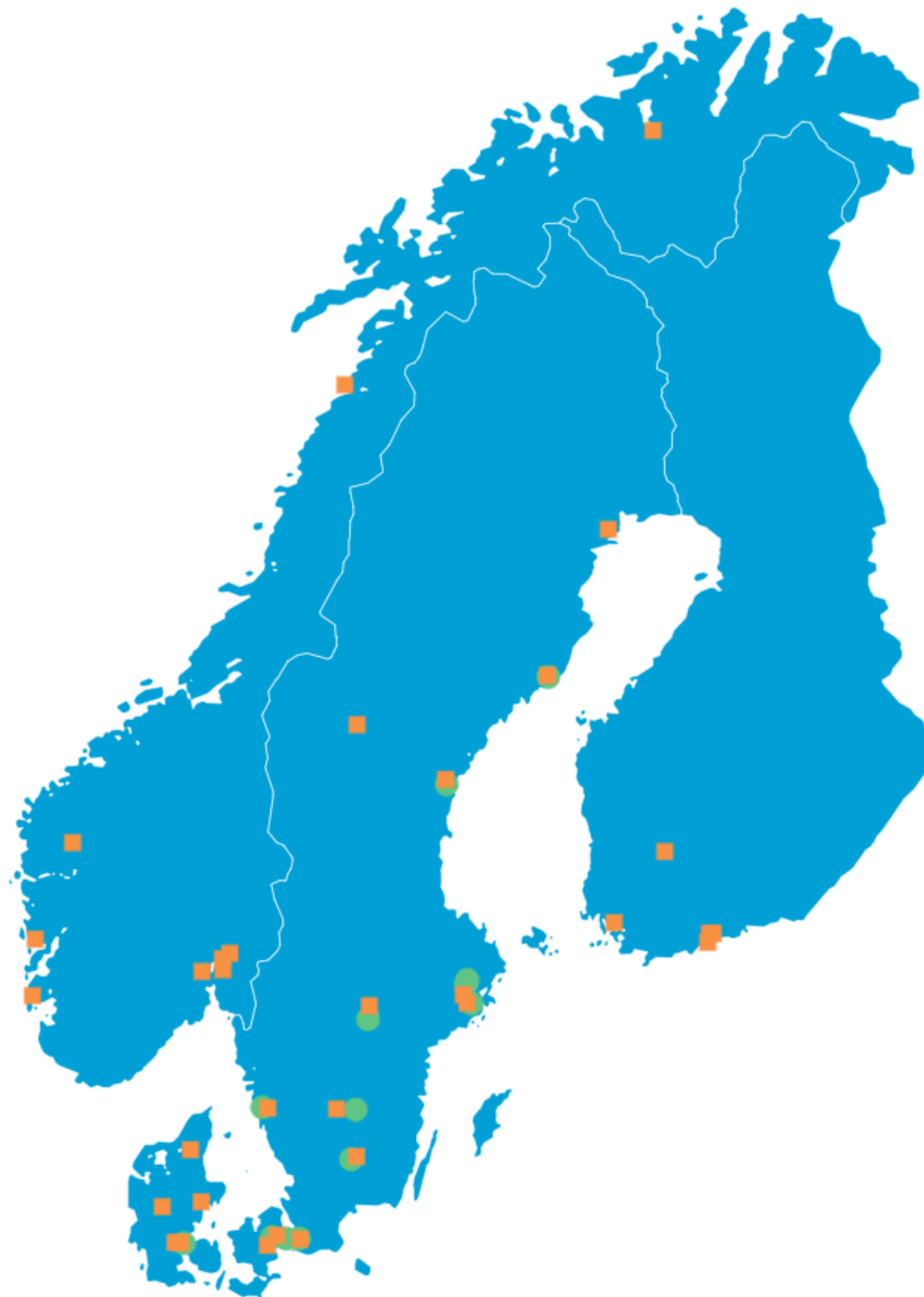


How we changed & what we learned

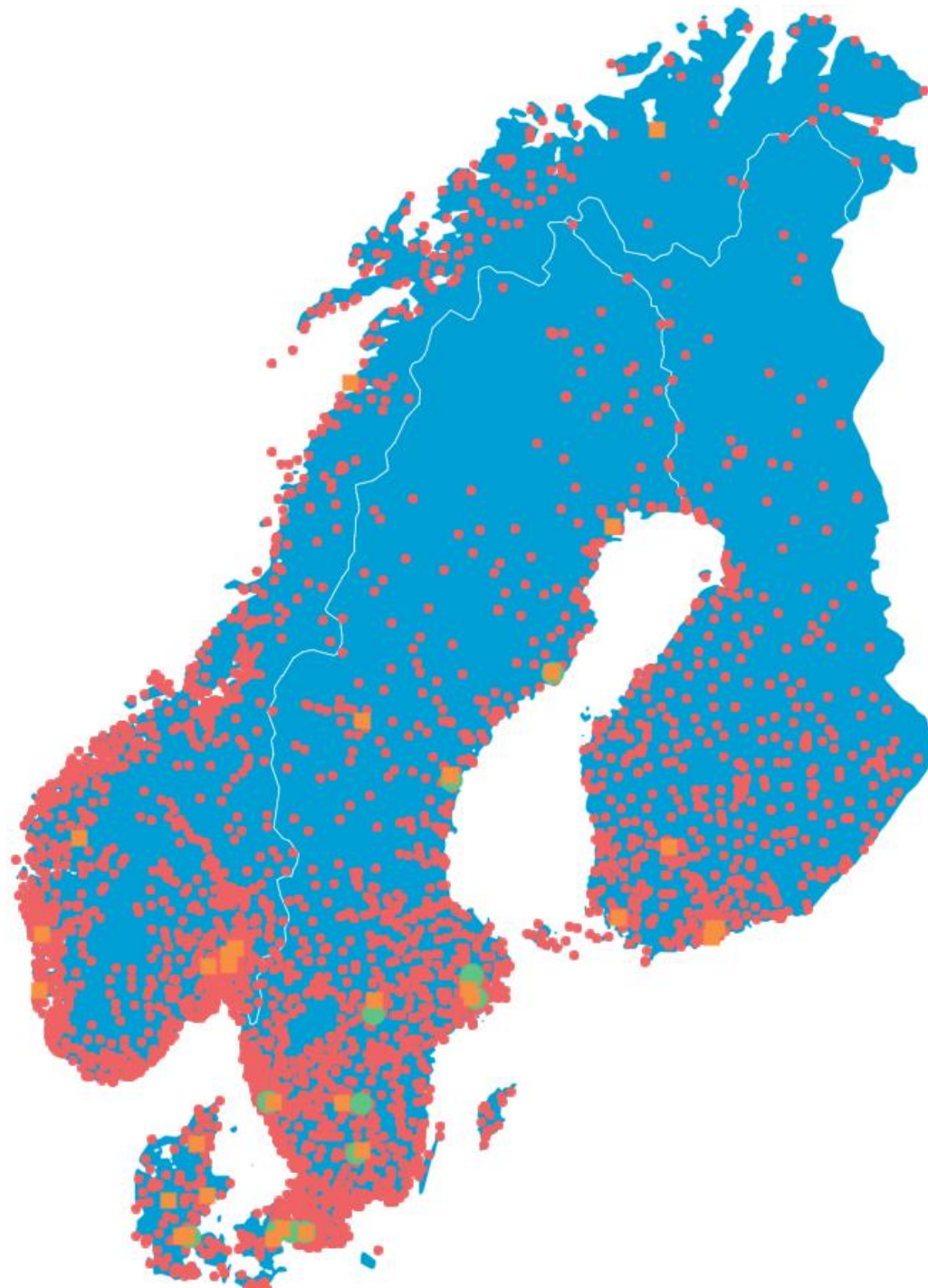
Letter terminals



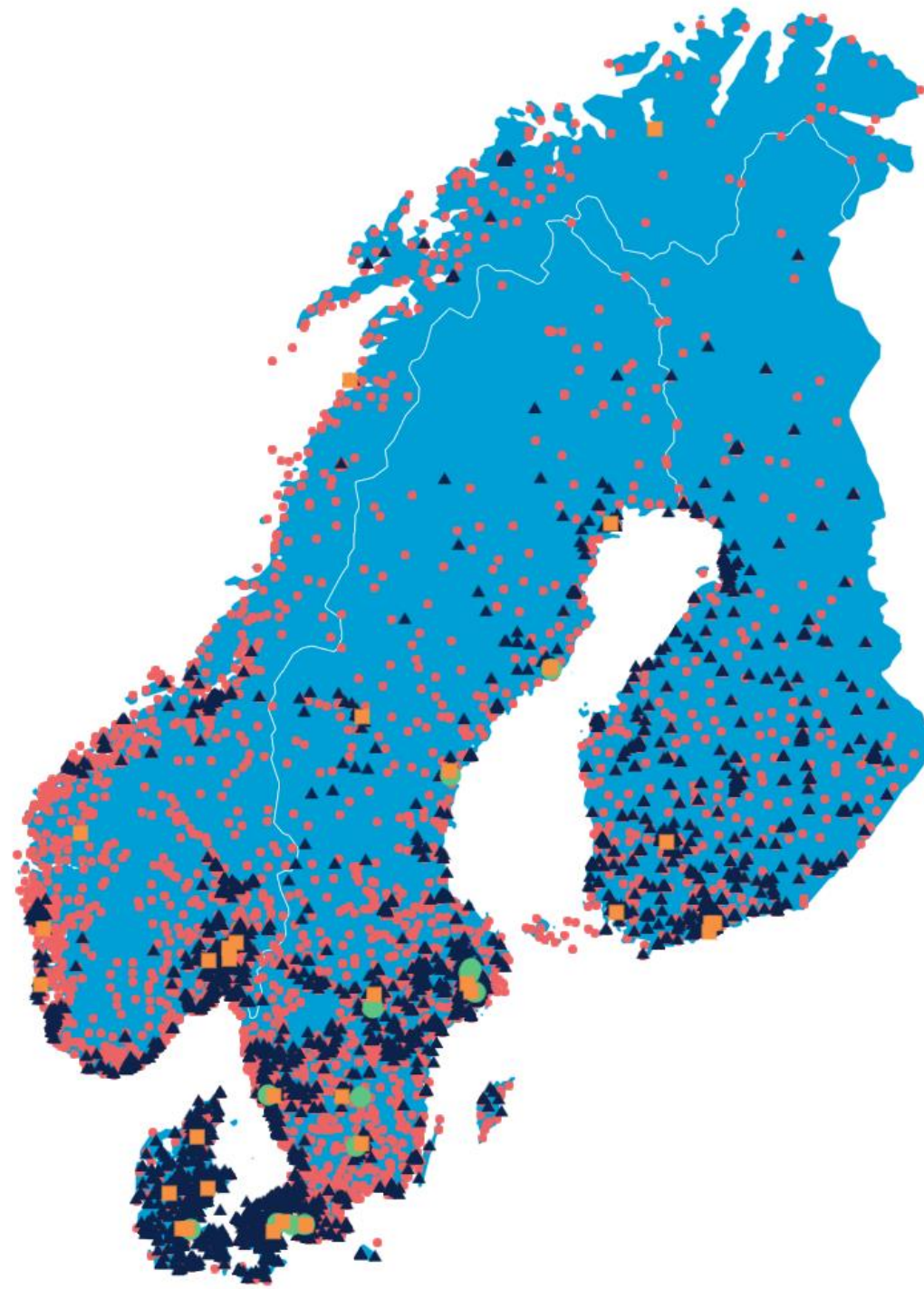
Letter terminals
Parcel terminals



Letter terminals
Parcel terminals
Service points



Letter terminals
Parcel terminals
Service points
Parcel lockers



Major changes in Denmark

Background

- Rapid digitalization
- Sharp decline in mail volumes

Transformation

- From alternate-day to once a week delivery
- Build logistics business
- 9,000 employees terminated

2017

2018

... and in Sweden

Background

- Digitalization
- Decline in mail volumes

Transformation

- From every day to alternate day delivery
- Workforce reduced by 1,850 FTEs

Planning & pilot

First go-live phase

Final go-live phase

2018 2020

2021

2022

Lesson 1

**First, influence
your service
obligation. Then,
do what you can
with what you
have.**

Lesson 2

**Change can
happen fast!**

Lesson 3

**Put people and
communication
at the center.**

Outlook | USO in Sweden and Denmark



Focus on PFU: USO scope and financing



Prepare for state aid application



Fair USO compensation



Exclude B2C parcels from USO scope

Here is what I believe:



You cannot defy gravity



(Most) physical letters are not part of our future



Service level vs user cost vs state cost

Thank you!