

INVESTOR RELEASE

11 May 2022

InPost S.A. publishes 2022 first quarter financial results with continued gains in share across key markets.

InPost Group, a business that is increasing the cost efficiency, convenience and sustainability of last mile e-commerce in Europe, reports another quarter of above market growth in its key geographies. The Company grew total Q1 volumes by 68% YoY and 18% on a like-for-like markets basis (excluding Mondial Relay), off the very challenging Q1 2021 base impacted by Covid-19. Volumes in Poland were up by 16%, outperforming the estimated 15% growth for the market. In France, company volumes grew 8%, in sharp contrast to the market's estimated 16% volume decline. Overall Mondial Relay market volumes rose 10% in the quarter. Reported Group revenues grew 94% and were up 19% on a like-for-like markets basis (excluding Mondial Relay). Adjusted EBITDA rose 23% on a reported basis, and was flat like-for-like, due to lagged price increases in Poland and incremental losses in the UK associated with a strategic transition to control logistics.

The company deployed 1,905 automated parcel machines (APMs) during the quarter, equating to nearly 30 APMs deployed every business day. This rising APM footprint improves consumer proximity and drives a flywheel of higher consumer convenience, satisfaction, and greater intensity of usage. In Poland, the company's competitive moat has further strengthened as APM numbers reached 17,357, bringing 57% of the population within a 7-minute walk of an InPost machine. In France, the company is accelerating automation to enhance the standardisation, simplicity, and satisfaction of Mondial Relay's existing out-of-home service. The number of APMs in France reached 651 at the end of Q1, more than double the figure at the end of 2021.

Q1 2022 FINANCIAL HIGHLIGHTS

- In Q1 2022, Group revenue increased by 94% to PLN 1,542.1 million. Of this growth, 75 percentage points were from the acquisition of Mondial Relay. The revenue growth rate in Q1 excluding Mondial Relay was 19%.

- Group Adjusted EBITDA rose 23% in Q1 2022 to PLN 409.1 million. The Mondial Relay acquisition accounted for all of this growth. On a like-for-like market basis, InPost's Adjusted EBITDA was unchanged in Q1 vs Q1 of 2021, with Poland Adjusted EBITDA up by 8% YoY.
- In Q1 2022 the Adjusted EBITDA margin including Mondial Relay was 26.5%. Excluding Mondial Relay the Adjusted EBITDA margin was 35.3%, down from 41.9% in Q1 of 2021 due to inflationary pressures, the lagged impact of pricing adjustments (which will begin to flow through from Q2) and the expected higher UK losses.
- After improving market share in Poland from 44% to 48% in 2021, the company grew volumes a further 16% in Q1 vs an estimated 15% growth for the market. InPost expects to continue gaining market share.
- Polish revenues grew 17% YoY in Q1, while Polish Adjusted EBITDA grew 8%. This represents a 2-year compound growth rate of 49% for revenues and 61% for Adjusted EBITDA. Adjusted EBITDA margins in Poland were 41.3% in Q1 2022 vs 44.8% in Q1 of 2021, again due to the lagged impact of price hikes vs rising inflation and spiking fuel prices.
- Mondial Relay's Q1 parcel volumes rose 10% with 3% year-on-year revenue growth. The unit's Adjusted EBITDA margin narrowed to 12.8% in Q1 2022 vs 19.1% in Q1 of 2021. This anticipated margin normalisation was largely driven by a post-COVID-19 productivity windfall for Mondial's PUDOs in Q1 of 2021, and the strength of volume growth in lower priced C2C as well as planned investments into the French market.
- In the UK, despite market e-commerce volumes declining by more than a fifth in Q1¹, the company increased total volumes by 157% and exceeded even seasonally high Q4 2021 volumes.
- Capex as a share of revenue remained constant at 20% following the Mondial Relay consolidation, and free cash flow conversion was 50% after maintenance capex. After growth capex, free cash flow conversion was -23%, yet this is expected to normalise following price adjustments and greater operating leverage in quarters with greater seasonal volumes.

¹ Salesforce, The Shopping Index: Global online shopping statistics and ecommerce growth trends on 26.04.2022

- End-Q1 net debt to 12-month trailing Adjusted EBITDA (which excludes Mondial Relay in Q2 of 2021) stood at 3.3x. With a full trailing 12 months of Mondial Relay Adjusted EBITDA, this figure would be 3.1x. As contractual price adjustments materialise later in 2022, this should create scope for deleveraging.

Q1 2022 BUSINESS DEVELOPMENT HIGHLIGHTS

- Acceleration of locker deployment across all InPost markets. The company deployed 1,905 APMs in the quarter, bringing the total number of Automated Parcel Machines across all markets to 22,272.
- In Poland, the company's competitive moat has further strengthened as APM numbers reached 17,357. This brings 57% of the population within a 7-minute walk of one of an InPost machine, vs 56% at the end of 2021. With these APMs being larger than both historic cohorts and competitor APMs, the Company now has 2.58 million lockers, up 56% YoY. InPost accounts for 93% of all lockers in the country.
- The number of APM users in Poland rose 13% YoY to 15.3m, or more than one per household. Active users of the InPost mobile app rose to 9.6m at the end of March 2022 from 9.2m at the end of 2021.
- In France, the company is accelerating automation to enhance the standardisation, simplicity and satisfaction of Mondial Relay's out-of-home services. The APM number in France reached 651 at the end of Q1, more than double the figure at the end of 2021.

Rafał Brzoska, Founder and CEO of InPost



InPost had a good start to a challenging 2022, with continued market share gains in all our core markets. In France, our strong position with C2C marketplaces led us to significantly outperform the sector with 8% volume growth vs an estimated market decline of 16%. In Poland we once again gained market share despite rising competitor locker deployments. The war in neighbouring Ukraine added further inflationary pressures, including higher fuel prices. While cost inflation squeezed margins in Q1, on April 1st we raised prices 8% on uncontracted volumes, with a further 5% adjustment May 1st. On the majority of revenues which are contracted, inflation driven adjustments to revenues will become more apparent in Q4 in particular. Yet these pending price adjustments are not just contractual: we have pricing power due to our competitive strength and customer loyalty vs more costly to-door service providers. As these pricing gains materialise, our margin trajectory should return to our traditional operating leverage as we enable our merchants to grow e-commerce volumes.

I'm very pleased that our APM service's net promoter score (NPS) in Poland just came in at a very high level of 75, a multiple of the scores for our to-door peers. With more than 400,000 new active app users in Q1, we now have 9.6 million active app users out of our total user base of 15.3 million InPost APM users. All the numbers confirm that Poles love APMs; 94% chose them as a form of delivery, based on the latest Kantar report. One of the main reasons is convenience. Already 57% of the Polish population have at least one of our locker sites within a 7-minute walk. That has sustainably improved the consumer e-commerce experience and created customer loyalty. Our aim is to bring that elevated convenience and differentiated sustainability proposition to consumers and merchants across our European markets.

In all our markets, and in particular in Poland, we assume pressures on purchasing power will strain overall e-commerce growth rates. However, we believe the structural cost differentiation associated with our automated locker proposition only becomes more prominent for merchants and consumers in challenging times like these. Our automated solution uses substantially less energy and labour per package than to-door delivery. The combination of the social imperative to reduce energy demand and the rising cost sensitivity of merchants should support not only market share gains for our lockers in Poland, but an acceleration of merchant uptake of our automated locker solution in our international markets.

At this time of acute awareness of the challenges the world faces, from the tragic war in Ukraine to the fragility of our climate, we are proud to have the most scalable resource-sustainable last mile e-commerce solution. In our most recent survey in Poland, 84% of our consumers recognised this environmental differentiation. Beyond our ESG product differentiation vs to-door peers, we are committed to becoming a best-in-class ESG enterprise as well.

Every day we incorporate the mission set down in our ESG strategy into an action plan. With this responsibility, it would be impossible to carry on with business as usual as a tragedy unfolds in neighbouring Ukraine. Our decision to provide immediate assistance was an obvious one, something that is natural and necessary. Since the first days of the war, we have been using our logistics facilities and our large transport fleet to help deliver products for Ukrainians that were collected in campaigns all over Poland.

We are making significant strides in institutionalising ESG throughout our business, and I strongly encourage you to read our comprehensive ESG report, which we recently published.

Link to ESG report: <https://staticcontents.investisdigital.com/html/i/inpost/media/esg-presentation-3103.pdf>



AUDIO WEBCAST

- Rafał Brzoska (Founder and CEO), Michael Rouse (CEO International) and Adam Aleksandrowicz (Group CFO) will host a conference call for analysts and investors at 10:00 AM CET on May 11 via the following link:
<https://webcasting.brrmedia.co.uk/broadcast/6225e488969a0548ac0c34b1>

Q1 2022 FINANCIAL HIGHLIGHTS

PLN million unless otherwise specified	Q1 2022	Q1 2021	YoY growth
Segment Revenue²	1,542.1	793.1	94.4%
of which Poland	911.6	782.0	16.6%
of which International (UK + IT)	29.6	11.1	166.7%
of which Mondial Relay	600.9	-	n.m.
Adjusted EBITDA	409.1	332.2	23.1%
of which Poland	376.6	350.1	7.6%
of which International (UK + IT)	(44.6)	(17.9)	n.m.
of which Mondial Relay	77.1	-	n.m.
Adjusted EBITDA Margin	26.5%	41.9%	(1540bps)
Non-recurring items	5.8	69.0	(91.6%)
Operating EBITDA	403.3	263.2	53.2%
D&A	(206.5)	(118.7)	74.0%
EBIT	196.8	144.5	36.2%
Net financial cost	(82.4)	(8.1)	917.3%
Profit before taxes	114.4	136.4	(16.1%)
Income tax	45.0	38.6	16.6%
Net profit from continuing operations	69.4	97.8	(29.0%)
Earnings per share	0.14	0.20	-

² Includes Revenue and Other operating income

CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of InPost S.A as of the dates and for the period indicated

Consolidated Statement of Profit or Loss and Other Income

PLN million unless otherwise specified	3M 2022	3M 2021
Revenue	1,536.7	789.4
Other operating income	5.4	3.7
Depreciation and amortisation	206.5	118.7
Raw materials and consumables	40.6	11.3
External services	868.2	372.4
Taxes and charges	6.2	0.5
Payroll	151.8	114.7
Social security and other benefits	42.2	16.1
Other expenses	12.8	9.8
Cost of goods and materials sold	11.0	3.1
Other operating expenses	4.8	0.9
Impairment gain (loss) on trade and other receivables	1.2	1.1
Total operating expenses	1,345.3	648.6
Operating profit	196.8	144.5
Finance income	1.9	11.9
Finance costs	84.3	20.0
Profit before tax	114.4	136.4
Income tax expenses	45.0	38.6
Profit from continuing operations	69.4	97.8
Profit (loss) from discontinued operations	(0.6)	(4.0)
Net profit	68.8	93.8
Other comprehensive income		
Exchange differences from the translation of foreign operations, net of tax – Item that may be reclassified to profit or loss	(17.5)	2.9
Other comprehensive income, net of tax	(17.5)	2.9
Total comprehensive income³	51.3	96.7
Net profit (loss) attributable to owners:		
From continuing operations:	69.4	97.8
From discontinued operations:	(0.6)	(4.0)
Total comprehensive income attributable to owners:		
From continuing operations:	51.9	95.2
From discontinued operations:	(0.6)	1.5
Basic/diluted earnings per share (in PLN)	0.14	0.19
Basic/diluted earnings per share (in PLN) – Continuing operations	0.14	0.20
Basic/diluted earnings per share (in PLN) – Discontinued operations	(0.00)	(0.01)

³ The Net profit for the period and Total comprehensive income is attributable to the owners only.

Consolidated Statement of Financial Position

PLN million unless otherwise specified	3M 2022	12M 2021
Non-current assets	6,033.7	5,831.0
Goodwill	1,434.6	1,434.3
Intangible assets	1,033.0	1,036.6
Property, plant and equipment	3,318.8	3,110.0
Other receivables	33.6	31.4
Deferred tax assets	136.0	157.8
Other assets	77.8	60.9
Current assets	1,263.7	1,461.9
Inventory	11.6	10.9
Trade and other receivables	886.6	927.1
Income tax asset	3.4	3.7
Other assets	44.6	27.0
Cash and cash equivalents	317.5	493.2
TOTAL ASSETS	7,297.4	7,292.9
Equity		
Equity attributable to owners of InPost	48.7	(6.9)
Share capital	22.7	22.7
Share premium	35,122.4	35,122.4
Retained earnings (accumulated losses)	504.4	435.6
Reserves	(35,600.8)	(35,587.6)
Non-controlling interests	-	-
Non-controlling interests	-	-
Equity	48.7	(6.9)
Liabilities		
Non-current liabilities	5,839.9	5,693.9
Loans and borrowings	4,692.5	4,545.8
Employee benefits and other provisions	20.5	33.2
Government grants	1.2	1.2
Deferred tax liability	266.7	278.6
Other financial liabilities	859.0	835.1
Current liabilities	1,408.8	1,605.9
Trade payables and other payables	696.5	785.7
Loans and borrowings	70.6	194.4
Government grants	-	-
Current tax liabilities	8.9	43.7
Employee benefits and other provisions	140.0	103.2
Other financial liabilities	378.8	357.7
Other liabilities	114.0	121.2
Total liabilities	7,248.7	7,299.8
TOTAL EQUITY AND LIABILITIES	7,297.4	7,292.9

Consolidated Statement of Cash Flows

PLN million unless otherwise specified	3M 2022	3M 2021
Net profit	68.8	93.8
Adjustments:	312.4	184.2
Income tax expense	45.0	38.6
Financial (cost)/ income	55.5	(21.7)
Gain / (loss) on sale of property, plant and equipment	(0.1)	(0.4)
Depreciation and amortisation	206.5	118.7
Impairment losses	1.2	0.9
Group settled share-based payments	4.3	48.1
Changes in working capital:	(26.8)	(9.7)
Trade and other receivables	39.8	52.2
Inventories	(0.7)	0.6
Other assets	(11.0)	(2.0)
Trade payables and other payables	(72.6)	12.0
Employee benefits, provisions and contract liabilities	24.1	(4.2)
Other liabilities	(6.4)	(68.3)
Cash generated from operating activities	338.3	268.3
Interest and commissions paid	(63.3)	(43.7)
Income tax paid	(70.0)	(44.6)
Net cash from operating activities	221.1	180.0
Cash flows from investing activities		
Purchase of property, plant and equipment	(279.1)	(143.2)
Purchase of intangible assets	(28.9)	(15.4)
Net cash from investing activities	(308.0)	(158.6)
Cash flows from financing activities		
Proceeds from loans and borrowings	14.6	2,066.6
Repayment of the principal portion of loans and borrowings	(4.9)	(644.8)
Payment of principal portion of the lease liability	(98.2)	(62.3)
Payment to shareholders	-	(1,238.1)
Net cash from financing activities	(88.5)	121.4
Net increase/(decrease) in cash and cash equivalents	(175.4)	142.8
Cash and cash equivalents at 1 January	493.2	144.2
Effect of movements in exchange rates on cash held	(0.3)	(0.2)
Cash and cash equivalents at December 31	317.5	286.8

About InPost S.A.

InPost (Euronext Amsterdam: INPST) is the leading out-of-home e-commerce enablement platform in Europe. Founded in 1999 by Rafał Brzoska in Poland, InPost provides delivery services through our network of more than 22,000 Automated Parcel Machines ("APMs"), including over 4,200 in the UK and Italy, as well as to-door courier and fulfilment services to e-commerce merchants. Strategically positioned in the fast-growing e-commerce market, InPost's strategy is further enhanced by our investments in technology, as well as the benefits of the "flywheel" effect that provide consumers, merchants and our planet a best-in-class, lower cost, more convenient and sustainable form of last-mile delivery. Through our delivery services, InPost is creating a greener solution for e-commerce, as APM deliveries reduce CO₂ emissions by up to two-thirds compared to to-door deliveries in urban areas, and by as much as 90% in rural areas, as well as significantly reducing traffic and noise pollution.

In the 12 months to 31 December 2021, InPost handled 518 million parcel deliveries (609 million pro-forma) through its networks in Poland, France, the U.K, Italy, Benelux and Iberia, generating PLN 4,602 million of revenue and other operating income and PLN 1,626 million of adjusted EBITDA.

In July 2021, InPost successfully completed acquisition of Mondial Relay to create Europe's leading out-of-home automated solution for e-commerce.

Disclaimer

This press release contains inside information relating to the Company within the meaning of Article 7(1) of the EU Market Abuse Regulation.

This press release contains forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are, or may be deemed to be, forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements are based on the Company's beliefs, assumptions and expectations regarding future events and trends that affect the Company's future performance, taking into account all information currently available to the Company, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and the Company cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to the Company or are within the Company's control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

The reported financial results are presented in Polish Zloty (PLN) and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases.

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