Quarterly Report 2024

2nd quarter 2024
Posten Bring

Message from the CEO

High activity level strengthens the results in the second quarter

After a demanding winter and a challenging start to the year, Posten Bring looks back on a second quarter with a higher activity level. We continue to see stable growth in parcels from e-commerce, and higher revenue and strengthened results compared to the same period last year. This year's Easter holidays fell in the first quarter, which gave more working days in the second quarter compared to last year.

The logistics market is characterized by strong competition, and there is still great uncertainty about the future development in private purchasing power. Norges Bank has announced that it is less likely with a decrease in interest rates in 2024. In Posten Bring, we launched the profitability program Fram in the second quarter to strengthen our competitiveness and ensure profitable growth going forward.

Adjusted operating profit in the second quarter of 2024 was positive with MNOK 213, which is MNOK 91 stronger than at the same time last year. For the first half of 2024, it ended at MNOK 201, a reduction of MNOK 27 against the first half of 2023.

Parcels from e-commerce (B2C) as a 12-month trend, increased by 8.8 percent per June 2024, while addressed mail fell by 13.3 percent. Unaddressed mail fell by 12.5 percent, measured as a 12-month trend.

In June, we opened our new logistics center in Vestfold. After a large increase in parcel volumes over several years, the size of the facility in Stokke has doubled to 16 000 square meters. Here, we are implementing new technical solutions that allow us to handle more than twice as many parcels per hour compared to before. We are also using new technology that will streamline the tasks of our employees. Solar panels cover the roof and make the terminal self-sufficient with renewable energy for large parts of the year. We have opened our longest "green corridor" between Oslo and Stokke, where we exclusively use heavy vehicles running on renewable energy. In addition, the logistics center has a brand-new charging facility for electric heavy transport.

The expansion of charging infrastructure is part of our national focus on heavy electric vehicles. In June, we also opened our new charging station at the terminal in Bjerkvik outside Narvik. It is the first to be opened for external partners, in line with our ambition to be a driving force in the transition to a low-emission society.

After a long process, it has been decided that our new logistics center for the Bergen area will be built in Bjørnafjorden. The decision is important for us to be able to distribute mail, parcels and goods efficiently in the years to come. The new facility will be completed in the autumn of 2027 and will replace the current facilities at Dokken and Minde.

We continue the rollout of our popular parcel lockers throughout the Nordic region. We now have 6 000 parcel lockers at 2 000 locations in Norway. In Sweden, we are in the process of rolling out our "Paketbox" network. During the year, parcel lockers will be placed at 800 locations in Sweden, and in Denmark 100 of our own parcel lockers will be placed in the four largest cities during the autumn and winter.

Sick leave as a 12-month trend showed 7.0 percent, which is 0.4 percentage points higher than at the same time last year. The number of personal also increased. The injury frequency as a 12-month trend ended at 7.1 which is slightly higher than at the same time last year. There have been no serious injuries in the second quarter, and targeted measures are being taken to reduce the injury frequency.

September 30 will be my last day as CEO of Posten Bring. I am pleased that the board has found a good successor. On August 1, Petter-Børre Furberg had his first working day. We will work together until he takes over as CEO from October 1. I would like to take this opportunity to say thank you after 18 wonderful years at Posten Bring, of which nearly eight years as CEO. It has been rewarding to lead a company in continuous development, and I would like to extend a big thank you to all customers and employees for good cooperation over the years!

Tone Wille
Group CEO

Highlights

The Group's revenue in the second quarter of 2024 was MNOK 6 293, an increase of MNOK 297 compared to the second quarter of 2023. The adjusted operating result in the second quarter of 2024 was MNOK 213, an increase of MNOK 91 compared to the second quarter of 2023.

The Group's revenue in the first half of 2024 was MNOK 12 263, an increase of MNOK 341 compared to the first half of 2023. The adjusted operating result in the first half of 2024 was MNOK 201, a reduction of MNOK 27 compared to the first half of 2023. The growth in parcels from e-commerce continues, while the business market has been characterized by weak market conditions. In addition, there were challenging weather conditions at the beginning of the year which resulted in extra costs to keep operations going. Ongoing cost adjustments and implementation of measures have contributed to keeping the cost development down, despite continued high price growth.

The operating result (EBIT) in the first half of 2024 was MNOK 261, an increase of MNOK 33 compared to the first half of 2023. Assets were written down by a total of MNOK 25 in the first half of 2024, compared to MNOK 5 in the same period last year. Other income/costs were positive with MNOK 81 in the first half of 2024, and this income recognition was related to adopted legal changes in public service pension (AFP) which resulted in changes in some of Posten Bring's pension schemes.

The financial result in the first half of 2024 was negative with MNOK 159, MNOK 26 weaker compared to the first half of 2023. This was mainly driven by higher interest costs related to loans and lease obligations in the period.

The group's profit before tax was MNOK 101 in the first half of 2024, an increase of MNOK 7 compared to the first half of 2023. The profit after tax was MNOK 82, an increase of MNOK 12 compared to the first half of 2023.

The return on equity (ROE) for the last 12 months as of June 30, 2024, was 3.3 percent, an increase of 4.3 percentage points compared to the same period last year. The return on invested capital (ROIC) for the last 12 months as of June 30, 2024, was 5.6 percent, an increase of 2.5 percentage points compared to the same period last year.

Profit development

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
6 293	5 995	Revenue	12 263	11 922	24 394
655	519	EBITDA	1 091	991	2 316
213	122	Adjusted operating profit/(loss)	201	229	716
281	121	Operating profit/(loss) (EBIT)	261	227	599
(88)	(65)	Net financial items	(159)	(133)	(285)
193	55	Profit/(loss) before tax	101	94	314
155	**43**	**Profit/(loss) after tax**	**82**	**70**	**178**

Alternative performance measures applied in the quarterly report are described in appendix to the report

Key financial figures

		YTD 2024	YTD 2023	Year 2023
Adjusted profit margin	%	1,6	1,9	2,9
Operating profit (EBIT)-margin	%	2,1	1,9	2,5
Equity ratio	%	29,9	30,8	29,9
Return on invested capital (ROIC) last twelve months	%	5,6	3,1	6,1
Return on equity after tax (ROE) last twelve months	%	3,3	(1,0)	3,1
Net interest-bearing debt		6 802	5 901	6 171
Investments, excluding acquisitions		661	704	1 409

Alternative performance measures applied in the quarterly report are described in the appendix to the report

Balance sheet

	30.06 2024	31.12 2023
ASSETS		
Non-current assets	13 675	13 447
Current assets	5 759	6 179
Assets	**19 434**	**19 625**
EQUITY AND LIABILITIES		
Equity	5 816	5 876
Provisions for liabilities	989	1 018
Non-current liabilities	6 633	6 668
Current liabilities	5 996	6 064
Equity and liabilities	**19 434**	**19 625**

The increase in non-current assets was mainly due to investments in machinery and equipment and terminals, somewhat offset by ordinary depreciation and impairments.

Current assets were reduced during the period mainly as a result of a reduction in liquid assets and prepayments to suppliers. The reduction was somewhat offset by an increase in accounts receivable, accrued income, and tax and duty receivables.

Equity was increased by a positive result after tax in the period but reduced by allocated dividends.

The reduction in non-current liabilities was mainly due to a reduction in long-term lease obligations.

Short-term debt was reduced mainly due to a reduction in trade payables, accrued expenses, public duties payable, as well as debt repayment and reduced draft on the credit facility. The reduction was partially offset by the provision for dividends payable, net increase in certificate loans, and an increase in wages payable.

Cash flows

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
442	372	Cash flows from operating activities	666	540	1 760
(334)	(337)	Cash flows used in investing activities	(560)	(631)	(1 201)
(622)	(387)	Cash flows used in financing activities	(691)	(823)	(1 337)
(514)	**(352)**	**Change in liquid assets**	**(585)**	**(914)**	**(778)**
1 881	2 169	Liquid assets at the beginning of the period	1 947	2 683	2 683
(8)	(6)	Currency differences	(3)	42	42
1 359	**1 811**	**Liquid assets at the end of the period**	**1 359**	**1 811**	**1 947**

Cash flow from operating activities was positive, amounting to MNOK 666 in the first half of 2024. This was mainly due to a positive operating result before depreciation. In addition, an increase in accrued wages contributed positively to the cash flow development, while an increase in accounts receivable, a reduction in accounts payable, as well as a reduction in provisions for accrued expenses and public charges reduced the cash flow.

Net cash flow from investment activities was negative, amounting to MNOK 560. This was primarily due to net investments in operating assets.

Cash flow from financing activities was negative, amounting to MNOK 691. This was primarily due to payments made for lease liability repayments and paid interests.

Market and development per segment

LOGISTICS

The segment consists of the divisions E-Commerce and Logistics, International Logistics and Next. Shelfless is also reported as part of the segment. The E-Commerce and Logistics division is responsible for all parcel products, in addition to piece goods and part loads and home delivery. The International Logistics division is responsible for international freight traffic by road, rail, air, and sea, as well as industrial direct goods and industry solutions for industrial and offshore customers. The Next division drives financial and strategic value development by investing in venture businesses, building its own startup companies, and developing independent companies. Shelfless is an overall solution for efficient and green storage services for companies with online stores.

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
5 048	4 772	Revenue	9 776	9 477	19 407
526	427	Operating profit before depreciation (EBITDA)	863	805	1 764
211	161	Adjusted operating profit/(loss)	246	296	689
245	**164**	**Segment operating profit/(loss) (EBIT)**	**272**	**297**	**559**

The revenue for the Logistics segment was MNOK 9 776 in the first half of 2024, an increase of MNOK 299 (3.2 percent) compared to the same period last year.

The growth was mainly driven by growth in e-commerce parcels and price increases but was offset by a decline in the business market. The parcel volume from e-commerce (B2C) increased by 9.4 percent in the first half of 2024 compared to the same period last year and was driven by increased volumes from e-commerce platforms in China among other things. The group's volume for parcels to the business market (B2B) has decreased by 3.8 percent in the first half of 2024 compared to the same period last year. The business market is closely linked to general economic activity and so far, this year the Norwegian and Swedish economy has been characterized by weak growth and high inflation. For the group's largest services to the business market, this has resulted in a volume decrease compared to last year. The weak market development is largely compensated by price increases, high activity level within offshore and effects of measures.

The adjusted operating result for the Logistics segment was MNOK 246 in the first half of 2024, a reduction of MNOK 50 compared to the same period last year. This was mainly driven by the weak market development within the business market, in addition to high costs related to weather challenges at the beginning of the year. Ongoing cost adjustments and implementation of measures have contributed to keeping the cost development down, despite continued high price growth.

The operating result (EBIT) was MNOK 272 in the first half of 2024, a reduction of MNOK 25 compared to the same period last year. Non-current assets were written down by a total of MNOK 25 within the Logistics segment in the first half of 2024, compared to MNOK 5 in the same period last year. Other income in first half 2024 was positive with MNOK 53 and was related to adopted legal changes in public service pension (AFP) which resulted in changes in some of Posten Bring's pension schemes.

MAIL

The segment consists of the division Mail, which is responsible for the postal services in Norway (including concessionary services). The postal services consist of the following categories: mail and newspaper delivery, sales and customer service, Post in Store, post offices, mail agents, and the service Norgespakken.

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
1 398	1 408	Revenue	2 886	2 814	5 835
179	155	Operating profit before depreciation (EBITDA)	325	273	788
56	33	Adjusted operating profit/(loss)	69	34	294
85	**33**	**Segment operating profit/(loss) (EBIT)**	**98**	**34**	**307**

The revenue for the Post segment was MNOK 2 886 in the first half of 2024, an increase of MNOK 72 (2.6 percent) compared to the same period last year. The volumes of addressed mail continued to fall, with a decrease of 12.8 percent for the first half of 2024 compared to the same period last year. The volumes of unaddressed mail fell correspondingly by 15.0 percent. This was partly offset by a positive volume growth for Norgespakken of 22.1 percent in the first half of 2024, which was mainly driven by increased activity from used platforms such as Finn and Tise. In addition, a new newspaper agreement and increased prices have contributed positively. Government purchase of unprofitable postal services for the first half of 2024 was MNOK 157 higher than in the same period last year.

The adjusted operating result for the Post segment was MNOK 69 in the first half of 2024, an increase of MNOK 35 compared to the same period last year. There has been a good result development for addressed mail in the period, mainly due to a good cost development in combination with increased volume from newspaper distribution.

The operating result (EBIT) in the first half of 2024 was MNOK 98, an increase of MNOK 64 compared to the same period last year. Other income/costs in the first half of 2024 were positive with MNOK 29 and were related to adopted legal changes in public service pension (AFP) which resulted in changes in some of Posten Bring's pension schemes.

In the first half of 2024, 90.1 percent of addressed mail was delivered within 3 days, and for the second quarter it was correspondingly at 91.4 percent. This was well above the concession requirement of 85 percent.

Other matters

HSE

Workforce
The company had 12 518 full-time equivalents (FTEs) as of June 30, 2024, a reduction of 109 FTEs compared to the same period last year. The distribution of FTEs was as follows: 8 223 in the Logistics segment, 3 866 in the Post segment, and the remaining 429 in the Other segment. In the Logistics segment, there was a decrease of 56 FTEs compared to the same period last year. In the Post segment, there was a reduction of 71 FTEs, primarily driven by declining mail volume.

Sickness Absence and Personal Injuries
Posten Bring has an ambition to maintain a health-promoting work environment where no one gets injured or sick as a result of their work.

The sick leave as of June 30, 2024, measured as a 12-month trend, ended at 7.0 percent, which was 0.4 percentage points higher than the same period last year. The trend of increasing sick leave from the previous quarter has continued, and systematic efforts are now being made to reverse this trend. The focus is on identifying and analyzing the causes of absence, and assistance has been obtained from the occupational health service, among other things. A working group has been established to work on measures to reduce sick leave. There is also a targeted effort with HSE management training and separate management modules for follow-up of sick leave.

The total number of personal injuries per million hours worked (H2) measured as a 12-month trend was 7.1 as of June 30, 2024. This was an increase of only 0.3 from the same period last year, and the figure has remained stable over recent years. This is a result of systematic and long-term work with risk management and an improved safety culture.

Climate and Environment

Posten Bring has decided on climate goals in line with the Science Based Targets initiatives (SBTi) Net Zero framework. The goal is to reduce greenhouse gas emissions in scope 1 and 2 by 85 percent and scope 3 by 30 percent by 2030, measured from 2022. The group aims to have net zero emissions by 2040.

Vehicle electrification is one of the group's key climate measures. In June, Posten Bring opened one of the country's largest and most advanced charging stations for heavier vehicles in Narvik, as part of the establishment of a national charging network. It also opens up for partners to use our charging infrastructure. So far, 96 charging points have been built at ten of the group's locations. Posten Bring has phased out trucks running on fossil fuels between the terminals in Oslo and Stokke, and now only heavier vehicles on electricity and biogas will be used on this route. At the end of June, 3,127 of the vehicles ran on fossil-free energy sources, a total of 53 percent of the vehicle fleet.

Posten Bring's impact on nature and biodiversity is being mapped. In the second quarter, the group decided on an ambition for nature where we will contribute to the Nature Agreement's goal of stopping and reversing the loss of nature and ecosystems.

Regulatory issues

In the state budget for 2024, MNOK 1 490 has been allocated for the government purchase of unprofitable postal services, which Posten is required to deliver nationwide every other day. The amount corresponds to Posten Bring's preliminary calculations. In addition, there is an allocation for the state purchase of Posten's newspaper distribution in the districts following a tender competition.

The Ministry of Transport announced a tender competition in December 2023 for the distribution of newspapers in areas without their own newspaper networks, covering about 40 percent of the country's households. The competition included distribution on three fixed weekdays (Tuesday, Thursday, and Friday) and Saturdays, starting on July 1, 2024, when the current contracts expire. Posten won the tender for weekdays. The contract period is one year, with the possibility for the department to extend for one year.

Outlook

The Norwegian economy showed somewhat weaker development in the first quarter of 2024 than previously anticipated. SSB has revised its growth estimates for Mainland Norway's GDP for 2024 to 0.5 percent, before expecting it to pick up again in 2025 (2.4 percent). [1] In Sweden, GDP growth for 2024 is expected to be 1.0 percent, with an improvement also anticipated in 2025 (2.4 percent). [2] There is still high uncertainty related to the economic development where geopolitical events can affect inflation expectations, consumers' purchasing power, and companies' investment capacity.

The challenging macroeconomic conditions impact the entire logistics industry, putting pressure on profitability. In the long term, somewhat better market conditions are expected, driven by real wage growth, reduced interest rates, and falling inflation. E-commerce is expected to continue gaining market share from physical retail in line with the digitalization of society and changing user habits, and eventually, a normalization of the growth rate for e-commerce.

Posten Bring aims to become a leading Nordic logistics player and has growth ambitions in all business areas. To achieve these goals, cost-effective operations are necessary. Weak macro and market developments, which have increased cost pressures, led the group to launch a profitability program in April 2024 to realize necessary cost reductions to ensure future competitiveness.

We are working to restructure the postal operations in Norway and adapt the service offering to the digital society and new needs. Mail volumes are expected to continue to fall by about 10-15 percent annually, but current regulatory conditions provide limited opportunities for further adjustments to postal services. Therefore, in January 2024, the government appointed a committee to look at future postal services, including what types of services should be mandatory, how often mandatory mail is collected and delivered, and what requirements should apply to forwarding time. The committee will also look at whether postal workers can perform other useful tasks for society beyond delivering mailThe committee has been given one year to deliver the report to the Ministry of Transport.

Posten Bring has the ambition to be a driving force in the transition to a low-emission society. The pace of change must be high to continue to lead the development in the industry. The group will continue to invest in new technology, new services, parcel boxes, and terminal capacity in a sustainable manner, but the investments will always be adapted to financial capacity.

The Board of Posten Bring wishes to thank Tone Wille for her efforts as CEO and for the solid results she has achieved over many years. She will be particularly remembered for her focus on sustainability and innovation, which has contributed to making the group an industry leader in these areas. Under Tone Wille's leadership, Posten Bring has strengthened its position as a major and important Nordic societal player.

[1] Konjunkturtendensene (ssb.no)
[2] Konjunkturläget - Konjunkturinstitutet

Financial Report

2nd quarter 2024

Posten Bring

Condensed income statement

Q2 2024	Q2 2023		Note	YTD 2024	YTD 2023	Year 2023
6 293	**5 995**	**Revenue**	1,2	**12 263**	**11 922**	**24 394**
2 392	2 434	Costs of goods and services		4 774	4 898	9 977
2 504	2 316	Payroll expenses		4 900	4 535	9 062
442	397	Depreciation and amortisation	3,4	890	763	1 600
15	5	Impairment	3,4	25	5	139
741	726	Other operating expenses		1 498	1 498	3 039
6 095	**5 878**	**Operating expenses**		**12 087**	**11 699**	**23 818**
81		Other income and (expenses)	6	81		13
3	4	Share of profit from associated companies		4	4	10
281	**121**	**Operating profit/(loss)**	1	**261**	**227**	**599**
(88)	(65)	Net financial items		(159)	(133)	(285)
193	**55**	**Profit/(loss) before tax**		**101**	**94**	**314**
38	13	Tax expense		20	25	137
155	**43**	**Profit/(loss) after tax**		**82**	**70**	**178**
158	43	Controlling interests		88	71	185
(2)	(1)	Non-controlling interests		(6)	(1)	(7)

Condensed statement of comprehensive income

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
155	**43**	**Profit/(loss) after tax**	**82**	**70**	**178**
	(5)	Pension remeasurement		(5)	(85)
	(5)	**Items that will not be reclassified to income statement**		**(5)**	**(85)**
(26)	(11)	Translation differences	(7)	107	114
6	8	Hedging of net investment	5	(26)	(35)
(21)	**(3)**	**Total translation differences**	**(2)**	**81**	**79**
2	**(20)**	**Cash flow hedging**	**(6)**	**(19)**	
(18)	**(23)**	**Items that will be reclassified to income statement**	**(8)**	**62**	**79**
(18)	**(28)**	**Other comprehensive income**	**(8)**	**57**	**(6)**
137	**15**	**Total comprehensive income**	**74**	**127**	**172**
		Total comprehensive income is distributed as follows:			
139	15	Controlling interests	80	127	179
(2)	(1)	Non-controlling interests	(6)	(1)	(7)

Condensed balance sheet

	Note	30.06 2024	31.12 2023
ASSETS			
Intangible assets	3	1 945	1 986
Deferred tax asset		289	319
Tangible fixed assets	3	7 341	7 071
Right-of-use assets	4	3 721	3 698
Other financial assets	7	379	373
Non-current assets		**13 675**	**13 447**
Interest-free current receivables		4 355	4 137
Interest-bearing current receivables	7	100	95
Liquid assets	7	1 304	1 947
Current assets		**5 759**	**6 179**
Assets		**19 434**	**19 625**
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		2 664	2 709
Non-controlling interests		32	47
Equity		**5 816**	**5 876**
Deferred tax liability		48	49
Other provisions for liabilities		940	969
Provisions for liabilities		**989**	**1 018**
Non-current lease liabilities	4	3 096	3 140
Interest-bearing non-current liabilities	5,7	3 500	3 500
Interest-free non-current liabilities	7	37	28
Non-current liabilities		**6 633**	**6 668**
Current lease liabilities	4	955	892
Interest-bearing current liabilities	5,7	610	586
Interest-free current liabilities	7	4 412	4 554
Tax payable		20	32
Current liabilities		**5 996**	**6 064**
Equity and liabilities		**19 434**	**19 625**

Condensed statement of changes in equity

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2024	3 120	992	(23)	215	1 524	2 709	47	5 876
Profit/(loss) for the period					88	88	(6)	82
Other comprehensive income			(6)	(2)		(8)		(8)
Total comprehensive income			(6)	(2)	88	80	(6)	74
Dividend					(125)	(125)	(8)	(133)
Changes in non-contr. interests								
Other changes in equity					(1)	(1)		(1)
Equity 30.06.2024	3 120	992	(28)	213	1 487	2 664	32	5 816

	Controlling interests							
	Share capital	Share premium reserves	Hedging reserve	Transl. diff	Retained earnings	Other equity	Non-contr. interests	Total equity
Equity 01.01.2023	3 120	992	(23)	136	1 423	2 529	66	5 715
Profit/(loss) for the period					185	185	(7)	178
Other comprehensive income				79	(85)	(6)		(6)
Total comprehensive income				79	100	179	(7)	172
Dividend							(13)	(13)
Changes in non-contr. interests					1	1	1	2
Other changes in equity								
Equity 31.12.2023	3 120	992	(23)	215	1 524	2 709	47	5 876

The share capital consisted as of June 30, 2024, of 3 120 000 shares with a nominal value of NOK 1 000 each. The company's shares are wholly owned by the state through the Ministry of Trade, Industry and Fisheries.

At the general meeting on May 21, 2024, it was decided to distribute a dividend of MNOK 125 for the financial year 2023, in accordance with the board's proposal.

Condensed statement of cash flows

Q2 2024	Q2 2023*		Year 2024	YTD 2023*	Year 2023
193	55	Profit/(loss) before tax	101	94	314
(9)	(28)	Tax paid in the period	(54)	(51)	(103)
(2)	(7)	(Gain)/loss from sales of non-current assets and subsidiaries	(13)	(12)	(15)
457	403	Ordinary depreciation and impairment	915	768	1 740
(3)	(4)	Share of profit/(loss) from associated companies	(4)	(4)	(10)
82	63	Net interest reclassified from operating activities			205
(4)		Financial items without cash-effect	(7)	(3)	9
(341)	(84)	Changes in receivables and payables	(287)	(45)	(86)
7	(15)	Changes in other working capital	(190)	(295)	(267)
8	(10)	Changes in other accruals	3	(22)	(28)
386	**372**	**Cash flows from operating activities**	**610**	**540**	**1 760**
(371)	(373)	Investments in non-current assets	(661)	(704)	(1 394)
	(1)	Cash-effect from investments and sales of other shares	(2)	(3)	(5)
(4)	17	Proceeds from sales of non-current assets	10	24	35
	(8)	Cash-effect from sale of businesses		(10)	(6)
5		Dividend received from associated companies	5		5
4		Payments related to sublease receivables			19
33	59	Interest received and return on investments			159
(2)	(32)	Changes in other financial non-current assets	8	(5)	(15)
(334)	**(337)**	**Cash flows used in investing activities**	**(560)**	**(631)**	**(1 201)**
(247)	(231)	Payment of lease liabilities	(490)	(421)	(882)
(6)	1 000	Proceeds from non-current and current debt raised	44	1 500	
	(1 055)	Repayment of borrowings		(1 854)	(2 710)
(230)	12	Decrease/increase in bank overdraft	(20)	119	
(131)	(113)	Interest paid	(217)	(167)	(356)
(8)		Dividends paid	(8)		
(622)	**(387)**	**Cash flows used in financing activities**	**(691)**	**(823)**	**(1 337)**
(570)	**(352)**	**Change in liquid assets**	**(641)**	**(914)**	**(778)**
1 881	2 169	Liquid assets at the beginning of the period	1 947	2 683	2 683
(8)	(6)	Currency differences	(3)	42	42
1 304	**1 811**	**Liquid assets at the end of the period**	**1 304**	**1 811**	**1 947**

*Interest paid and received for the year 2023 were reclassified from operational activities to investment activities or financing activities, respectively. The comparative figures for 2023 have been restated accordingly.

ADDITIONAL INFORMATION

General

Posten Bring AS was established as a company on December 1, 1996 and is a Norwegian-registered limited liability company with the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries, as its sole shareholder. Posten Bring AS is located at Biskop Gunnerus gate 14, 0001 Oslo, Norway.

The condensed interim report has been prepared in accordance with IFRS® Accounting Standards, as approved by the EU, and is consistent with the applicable accounting standard IAS 34 for interim financial statements. The condensed interim financial statements do not provide complete note disclosures as required for annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements. The Integrated annual report for 2023 is available at www.postenbring.no.

The information in the condensed interim financial statements has not been audited. The accounts are presented in Norwegian kroner (NOK), rounded to the nearest million, unless otherwise stated.

Accounting principles

The interim financial statements have been prepared in accordance with IFRS, using the same accounting principles and calculation methods as described in the Integrated annual report for 2023.

Standards issued, but not yet effective:

There are no issued standards not yet effective with significant effect on the consolidated financial statements.

Estimates and assessments

Estimates and assessments

In the preparation of the interim financial statements, management has used estimates and assumptions affecting revenues, expenses, assets and liabilities. Areas in which such estimates and assessments can have an impact include goodwill, other intangible assets, tangible fixed assets, right-of-use assets, lease obligations, pensions, provisions and tax.

The sources of uncertainty concerning estimates are the same as for the 2023 financial statements. Future events may result in changes in the estimates, and these changes will be recognised in the accounts once any new estimate has been determined.

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Bring divides its operations into two operating segments, Logistics and Mail. Ownership functions and joint functions are included in Other.

The operating segments in the group are reported according to areas where operating results are regularly reviewed by Posten Bring's board, so that the board can decide which resources should be allocated to the segment and assess its earnings. Internal revenues are revenue between the segments in the group. Pricing of transactions between the segments is based on normal commercial terms and as if the segments were independent parties.

The segments are further described in the Integrated Report for 2023.

Revenue per segment

Q2 2024	Q2 2023	Revenue	YTD 2024	YTD 2023	Year 2023
4 998	4 689	External revenue	9 590	9 313	18 997
49	82	Internal revenue	185	164	410
5 048	**4 772**	**Logistics**	**9 776**	**9 477**	**19 407**
1 295	1 307	External revenue	2 673	2 609	5 398
104	102	Internal revenue	213	205	437
1 398	**1 408**	**Mail**	**2 886**	**2 814**	**5 835**
293	278	Internal revenue	546	576	1 087
293	**278**	**Other**	**546**	**576**	**1 087**
(447)	(463)	Eliminations	(945)	(944)	(1 935)
6 293	**5 995**	**Group**	**12 263**	**11 922**	**24 394**

Profit per segment

Q2 2024	Q2 2023	Operating profit before depreciation (EBITDA)	YTD 2024	YTD 2023	Year 2023
522	427	Logistics	863	805	1 764
179	155	Mail	325	273	788
(45)	(63)	Other	(97)	(86)	(235)
655	**519**	**Group**	**1 091**	**991**	**2 316**

Q2 2024	Q2 2023	Adjusted operating profit/(loss)	Hittil 2024	Hittil 2023	Year 2023
211	161	Logistics	246	296	689
56	33	Mail	69	34	294
(54)	(71)	Other	(114)	(101)	(267)
213	**122**	**Group**	**201**	**229**	**716**

Q2 2024	Q2 2023	Operating profit/(loss) (EBIT)	Hittil 2024	Hittil 2023	Year 2023
245	164	Logistics	272	297	559
85	33	Mail	98	34	307
(49)	(76)	Other	(109)	(106)	(267)
281	**121**	**Group**	**261**	**227**	**599**

Investments per segment

Investments	YTD 2024	YTD 2023	Year 2023
Logistics	599	510	1 058
Mail	62	194	351
Group	**661**	**704**	**1 409**

Note 2 Revenue

The group's revenue is primarily generated by terminal and transport services of mail, parcels, freight and freight forwarding.

Q2 2024	Q2 2023*		YTD 2024	YTD 2023*	Year 2023
2 352	2 105	Parcel services	4 499	4 187	8 817
2 281	2 235	Freight and forwarding	4 404	4 420	8 818
254	243	Warehousing	491	486	955
111	106	Other business in Logistics segment	197	219	407
4 998	**4 690**	**External revenue Logistics segment**	**9 590**	**9 313**	**18 997**
724	750	Addressed/Unaddressed mail	1 442	1 552	3 036
111	93	Norgespakken	220	188	441
372	320	Government procurements	744	587	1 264
88	144	Other business in Mail segment	267	282	656
1 295	**1 307**	**External revenue Mail segment**	**2 673**	**2 609**	**5 398**
6 293	**5 996**	**Revenue**	**12 263**	**11 922**	**24 394**

* In Q4 2023, reallocations were made between the categories. The comparative figures for Q1-Q3 have been adjusted accordingly.

Note 3 Intangible assets and tangible fixed assets

	Intangible assets	Tangible fixed assets
Carrying amount 01.01.2024	**1 986**	**7 071**
Additions	64	551
Additions from acquisitions		46
Disposals		(6)
Cost price adjustments/scrapping		(6)
Depreciations	(88)	(314)
Impairments	(15)	
Translation differences	(2)	
Carrying amount 30.06.2024	**1 945**	**7 341**

Investments in owned assets as of June 30, 2024, amounted to MNOK 661. Investments in intangible assets were primarily related to IT solutions. Out of the MNOK 597 invested in tangible fixed assets, approximately MNOK 242 were allocated to buildings and real estate, while the remaining amount mainly pertained to terminal equipment, vehicles, and other operational assets. A total of MNOK 553 in investments were attributed to the Logistics segment.

Note 4 Leases

The following amounts related to lease agreements are included in the balance sheet:

	30.06 2024	31.12 2023
Right-of-use assets	**3 721**	**3 698**
Non-current lease liabilities	3 096	3 140
Current lease liabilities	955	892
Lease liabilities	**4 051**	**4 032**

The following amounts related to lease agreements are included in the income statement:

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
246	222	Depreciation	488	420	881
		Impairments	9		
42	36	Interest expense on lease liabilities	84	69	148

Note 5 Interest-bearing non-current and current liabilities

The group’s interest-bearing liabilities include:

	30.06 2024	31.12 2023
Bond loans	3 500	3 500
Interest-bearing non-current liabilities	**3 500**	**3 500**
Non-current liabilities to credit institutions due within one year	56	111
Certificate loans	300	200
Other interest-bearing non-current liabilities	254	275
Interest-bearing current liabilities	**610**	**586**

There were no changes in interest-bearing non-current liabilities as of June 30, 2024, compared to the year-end. The group had six outstanding bond loans as of June 30, 2024.

Total certificate loans amounted to MNOK 300 as of June 30, 2024, an increase of MNOK 100 from the year-end. As of June 30, 2024, MNOK 254 had been drawn on the group’s overdraft facility. There was nothing drawn on the group’s credit facility.

The weighted average interest rate on Posten Bring’s interest-bearing liabilities was 4.9 percent as of June 30, 2024, and was unchanged from the year-end.

Note 6 Other income and expenses

Other revenues and other expenses are significant revenues and expenses that are outside the group's normal operations and are considered to have limited predictive value. This includes restructuring costs and gains and losses on the sale of non-current assets and subsidiaries.

Q2 2024	Q2 2023		YTD 2024	YTD 2023	Year 2023
81		Other income	81		
		Restructuring costs			13
81		**Total other income and (expenses)**	**81**		**13**

New legislation for contractual pension for members of the State Pension Fund was adopted in the second quarter of 2024 and this led to changes in some of Posten Bring's pension schemes (compensation schemes related to withdrawal from the State Pension Fund). The changes are classified as plan changes and led to a reduction of Posten Bring's pension obligations by MNOK 81 which is classified as other revenue.

Restructuring costs in 2023 mainly concerned reversed provisions, due to a lower withdrawal rate than expected, for the closure of post offices, as well as the relocation of mail production and route preparation from Bodø and Tromsø to Østlandsterminalen.

Note 7 Fair value measurement

When calculating the fair value of financial assets and liabilities, methods and assumptions as well as a hierarchy for fair value are used in accordance with previous years. This is further described in the Integrated Annual Report for 2023.

The group had the following financial assets and liabilities measured at fair value as of June 30, 2024:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	30.06.2024
Assets							
Interest-bearing non-current receivables					49		49
Other financial non-current assets	2	231			32		263
Interest-free current receivables	2			6	4 349		4 355
Interest-bearing current receivables					100		100
Liquid assets	2	1 164			140		1 304
Financial assets							**6 070**
Liabilities							
Non-current lease liabilities						3 096	3 096
Interest-bearing non-current liabilities						3 500	3 500
Interest-free non-current liabilities	2			37			37
Current lease liabilities						955	955
Interest-bearing current liabilities						610	610
Interest-free current liabilities, incl. tax payable	2			5		4 427	4 432
Financial liabilities							**12 629**
Total value hierarchy level 1 (net)		1 164					1 164
Total value hierarchy level 2 (net)		231		(35)			196
Total value hierarchy level 3 (net)							

The group had the following financial assets and liabilities measured at fair value as of December 31, 2023:

		At fair value (FV)			At amortised cost		
	Level	Fair value over profit or loss (FVO)	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receiv-ables	Other financial liabilities	31.12.2023
Assets							
Interest-bearing non-current receivables		0		0	54		54
Other financial non-current assets	2	222		1	26		249
Interest-free current receivables	2	0		2	4 134		4 137
Interest-bearing current receivables		0		0	95		95
Liquid assets	2	1 835		0	112		1 947
Financial assets		0		0			**6 482**
Liabilities							
Non-current lease liabilities		0		0		3 140	3 140
Interest-bearing non-current liabilities		0		0		3 500	3 500
Interest-free non-current liabilities	2	0		28		1	28
Current lease liabilities		0		0		892	892
Interest-bearing current liabilities	2	0		0		586	586
Interest-free current liabilities, incl. tax payable	2	0		15		4 571	4 586
Financial liabilities		0		0			**12 732**
Total value hierarchy level 1 (net)		1 835		0			1 835
Total value hierarchy level 2 (net)		222		(39)			183
Total value hierarchy level 3 (net)		0		0			0

Level 1: Listed prices
Level 2: Other observable input, directly or indirectly
Level 3: Non-observable input

There have been no transfers between the levels in the fair value hierarchy since last year.

Note 8 Changes in the group's structure

There have been no significant purchases or sales in the first half of 2024.

There have also been no other significant changes in the group's structure during the first half of 2024.

Half-year declaration

We confirm that, to the best of our knowledge, the condensed half-year financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with IAS 34 Interim Reporting, that the information provides a true and fair view of the Group's assets, liabilities, financial position, and results as a whole, and that the half-year report gives a fair view of the information in section 5-6 (4) of the Norwegian Securities Trading Act.

Oslo, 22 August 2024

The Board in Posten Bring

Pål Wibe

Chair

Patrik Olstad Berglund

Board member

Ros-Marie Grusén

Board member

Finn Kinserdal

Board member

Tina Vibeke Stiegler

Board member

Hege Støre

Board member

Lars Nilsen

Board member

Tove Gravdal Rundtom

Board member

Ann Elisabeth Wirgeness

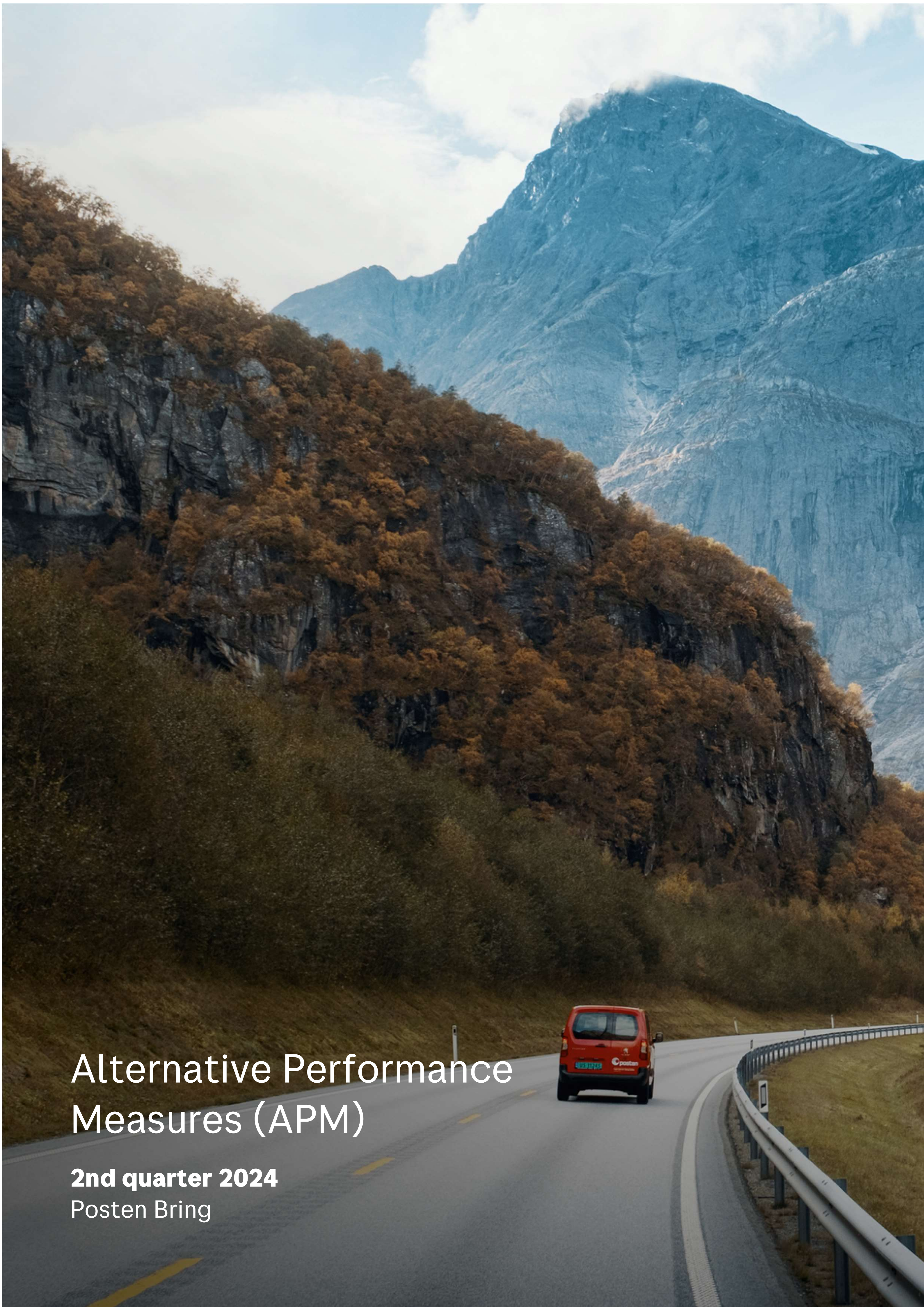
Board member

Gerd Øiahals

Board member

Tone Wille

Group CEO



Alternative Performance Measures (APM)

2nd quarter 2024
Posten Bring

Alternative performance measures

The group's financial information is prepared in accordance with international accounting standards (IFRS). In addition, information is provided on alternative performance measures (APM) that are regularly monitored by management to improve the understanding of the results. The alternative performance measures presented may be defined differently by other companies.

In the following, the group's performance measures and other metrics used in the annual and quarterly reports are discussed.

Operating profit before depreciation (EBITDA), adjusted operating profit/(loss), operating profit/(loss) (EBIT)

The group's management monitors the group's financial situation through the use of common metrics (KPIs) and metrics that show revenues and expenses related to the group's ordinary operational activities. The alternative measures used in reporting to the group management consist of earnings excluding items with limited predictive value.

Profit/loss before depreciation, financial items and tax (EBITDA) is an important financial parameter for the group and forms the basis for "adjusted operating profit/loss". The adjusted operating profit/ loss is EBITDA before impairments and other and other income and expenses but includes depreciation. Operating profit/loss (EBIT) includes the group's impairments, other income and expenses, and income from associated companies.

The metrics are useful for users of Posten Bring's financial information, including management, the board and external parties. It allows users of the financial information to assess the operating profit based on variable ongoing items, as it excludes, among other things, restructuring costs, significant gains and losses on non-ordinary sales of fixed assets, as well as other income or expenses outside the group's normal operations that are considered to have limited predictive value. It is also assumed that the metrics provide an opportunity for a more comparable evaluation of operating profit relative to the group's competitors.

		YTD 2024	YTD 2023	Year 2023
+	Revenue	12 263	11 922	24 394
-	Costs of goods and services	4 774	4 898	9 977
-	Payroll expenses	4 900	4 535	9 062
-	Other operating expenses	1 498	1 498	3 039
=	**EBITDA**	**1 091**	**991**	**2 316**

		YTD 2024	YTD 2023	Year 2023
+	EBITDA	1 091	991	2 316
-	Depreciation	890	763	1 600
=	**Adjusted operating profit/(loss)**	**201**	**229**	**716**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	201	229	716
/	Revenue	12 263	11 922	24 394
=	**Adjusted profit margin**	**1,6%**	**1,9 %**	**2,9 %**

		YTD 2024	YTD 2023	Year 2023
+	Adjusted operating profit/(loss)	201	229	716
-	Impairment	25	5	139
+/-	Other income and (expenses)	81		13
+	Share of profit or loss from associated companies	4	4	10
=	**EBIT**	**261**	**227**	**599**

		YTD 2024	YTD 2023	Year 2023
+	EBIT	261	227	599
/	Revenue	12 263	11 922	24 394
=	**EBIT margin**	**2,1 %**	**1,9%**	**2,5%**

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective in the group's financial guidelines is to ensure that the group has financial flexibility. Financial flexibility allows the business to operationalize strategies and achieve its goals. The group shall at all times have adequate access to capital to cover normal fluctuations in the group's liquidity needs, refinancing risk and normal expansion without individual projects triggering a need for special financing measures, i.e. adequate resources to realise the group's approved strategies.

Net interest-bearing debt and the liquidity reserve are indicators of the group's liquidity and are closely followed up by the group's centralised finance function. The liquidity reserve is also an individual target that can be applied to assess the group's liquidity requirements.

Net interest-bearing debt consists of both current and non-current interest-bearing debt reduced by fixed income fund, cash and cash equivalents. The group has covenants in connection with external financing. Compliance with the covenants is calculated on the basis of the group's accounting figures, of which net liabilities/EBITDA is one. The debt ratio shows the share of equity related to both current- and non-current debt. The group's liquidity reserve includes all assets available to finance operations and investments. It is split between amounts available according to agreements in the short and long term and is a useful target figure in considering whether the group has adequate liquidity to achieve the group's approved strategy.

		30.06 2024	30.06 2023	31.12 2023
+	Interest-bearing non-current liabilities	6 596	5 510	6 640
+	Interest-bearing current liabilities	1 565	2 202	1 478
-	Fixed income funds	1 164	1 690	1 835
-	Cash	1	1	1
-	Bank deposits corporate cash-pool account	56		
-	Bank deposits	139	120	111
=	**Net interest-bearing debt/(receivables)**	**6 802**	**5 901**	**6 171**

		30.06 2024	30.06 2023	31.12 2023
+	Net interest-bearing debt	6 802	5 901	6 171
/	Equity on the balance sheet date	5 816	5 830	5 876
=	**Debt/equity ratio**	**1,2**	**1,0**	**1,1**

		30.06 2024	30.06 2023	31.12 2023
+	Net interest-bearing debt	6 802	5 901	6 171
/	EBITDA last twelve months	2 416	1 829	2 316
=	**Net interest-bearing debt/EBITDA**	**2,8**	**3,2**	**2,7**

		30.06 2024	30.06 2023	31.12 2023
+	Fixed income funds	1 164	1 690	1 835
+	Bilateral credit facilities	2 279	3 341	2 248
-	Certificate loans	300	1 000	200
=	**Long-term liquidity reserve**	**3 143**	**4 031**	**3 883**

		30.06 2024	30.06 2023	31.12 2023
+	Long-term liquidity reserve	3 143	4 031	3 883
+/-	Deposits on group account	56		
+/-	Deposits outside group account	139	120	111
+	Bank overdraft not utilised	246	217	225
=	**Short-term liquidity reserve**	**3 583**	**4 367**	**4 219**

Invested capital and return on invested capital (ROIC)

The group creates value for the owners by investing cash today that contributes to increased cash flows in the future. The group's value is created as long as the business grows and achieves a higher return on its invested capital (ROIC) than the cost of capital (WACC). Return on invested capital is an internationally recognized return measure that shows whether the invested capital from the operation itself provides sufficient return. The group follows up this return measure in internal reporting, and this is one of the goals in the group management's bonus program.

The items included in the calculation of invested capital are shown below:

		30.06 2024	30.06 2023	31.12 2023
+	Intangible assets	2 008	2 107	2 055
+	Tangible fixed assets	10 665	9 689	10 230
+	Current assets	5 931	6 647	6 193
-	Total liquid assets	1 917	2 691	2 226
-	Interest-bearing current assets	99	116	107
-	Interest-free current liabilities	4 341	4 300	4 380
+	Tax payable	14	5	4
+	Dividends and group contributions	11	1	1
=	**Invested capital**	**12 272**	**11 342**	**11 770**

Last twelve months

		30.06 2024	30.06 2023	31.12 2023
+	Last 12 months' accumulated adjusted operating profit	688	347	716
/	Invested capital	12 272	11 342	11 770
=	**Return on invested capital (ROIC)**	**5,6 %**	**3,1 %**	**6,1 %**

Other alternative performance measures

The group uses and presents certain other independent performance measures. These are performance measures that are considered useful for the market and users of the group's financial information. The group's return on equity is also followed up by the owner. These metrics are shown in the table below:

		YTD 2024	YTD 2023	Year 2023
+	Total investments in owned tangible fixed assets	661	706	1 411
-	Investments due to aquisitions		2	2
=	**Investments before aquisitions**	**661**	**704**	**1 409**

		30.06 2024	30.06 2023	31.12 2023
+	Profit after tax last 12 months	189	(60)	178
/	Average equity on balance sheet date*	5 823	5 806	5 795
=	**Return on equity after tax (ROE)**	**3,3%**	**(1,0%)**	**3,1%**

*(OB+CB)/2

		30.06 2024	30.06 2023	31.12 2023
+	Equity on balance sheet date	5 816	5 830	5 876
/	Equity and liabilities (total capital)	19 434	18 955	19 625
=	**Equity ratio**	**29,9 %**	**30,8 %**	**29,9 %**