



Quarterly Report

2nd quarter 2021

Posten Norge



2nd quarter and 1st half-year 2021



Part 1:

- Highlights and financial development
CEO Tone Wille

Part 2:

- Posten strengthens its Nordic position
Per Ôhagen, Director E-commerce and logistics

A man and a woman are walking on a paved path in a park. The man is wearing a green and grey jacket and a green beanie. The woman is wearing a red and grey jacket and a red beanie. They are both smiling and looking at each other. The background is filled with trees with yellow and orange autumn leaves. The path has white crosswalk stripes. The overall scene is bright and sunny.

2nd quarter and 1st half-year 2021

Part 1 - Highlights and financial development

Highlights

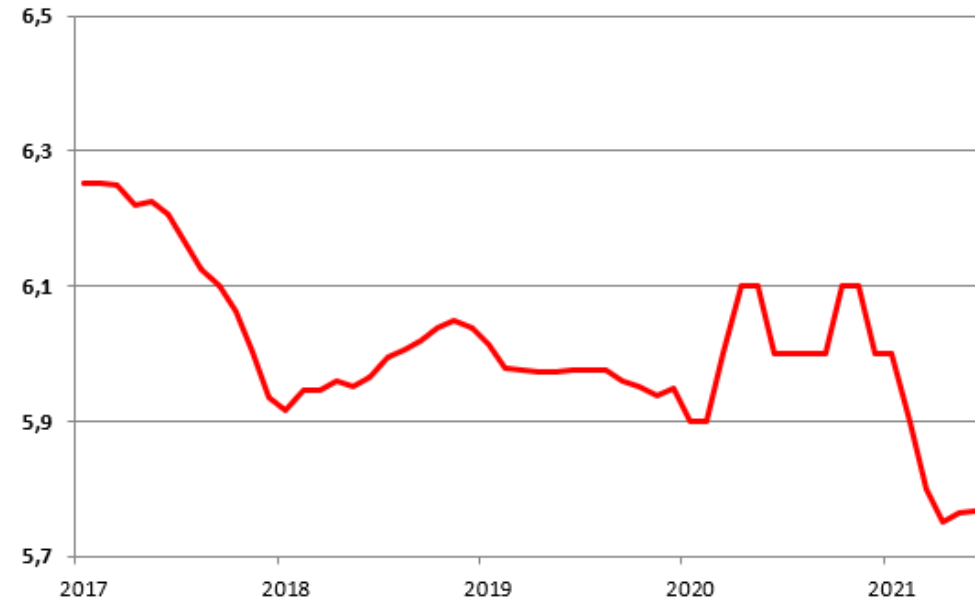
- Good volumes, good operations and good infection control have given **good results**
- **High delivery quality** throughout the Corona pandemic
- **The absence due to sickness trend is declining** and is at a record-low level
- **Injuries** have had a negative development in the first half-year, and measures have been started to reverse this trend
- **45,3 percent growth** in e-commerce packages in the last 12 months
- **Strong result improvement** in the Logistics segment
- Mail volumes continue to **fall**
- **Customer satisfaction** and loyalty are still trending positively
- Investments in ventures in **new business and service areas**
- Continued focus on the fully automated warehouse solution “**Shelfless**”
- **Significant improvement** on the Norsk Bærekraftbarometer 2021
- Posten 1 of 4 Norwegian companies with **emissions cuts** in line with the Paris agreement, according to PwC



HSE 1st half-year 2021: Low absence due to sickness, but increase in injuries

ABSENCE DUE TO SICKNESS IN THE GROUP, %

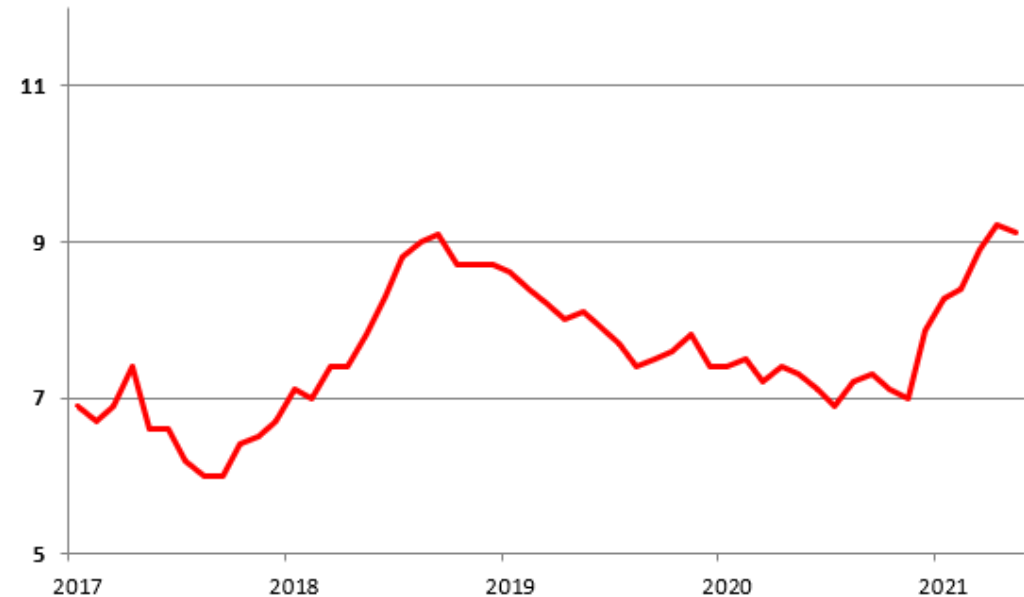
5,8 % (last 12 months)



*Historical data has been adjusted for post-registration

H2 IN THE GROUP

9.1 (last 12 months)



*Historical data has been adjusted for post-registration

- Absence due to sickness in the last 12 months was 5,8 %, 0,2 % points better than at year-end. The absence due to sickness in 2020 was influenced by the demanding situation at the first large outbreak of Covid-19 in the 1st half-year 2020

- The total number of injuries per million worked hours (H2) in the last 12 months was 9,1, an increase of 2,1 from year-end. The increase was mainly related to the Network Norway division, caused by adverse weather and driving conditions. Measures have been implemented to reverse this trend

Our goal is a health-promoting working environment where nobody gets injured or sick as a consequence of their work in the Group. Efforts to improve the development through goal-oriented measures continue

Financial highlights - 2nd quarter and 1st half-year 2021

OPERATING REVENUES, MNOK

Q2 2021	Q2 2020	YTD 2021	YTD 2020
6 027	5 830	12 026	11 793

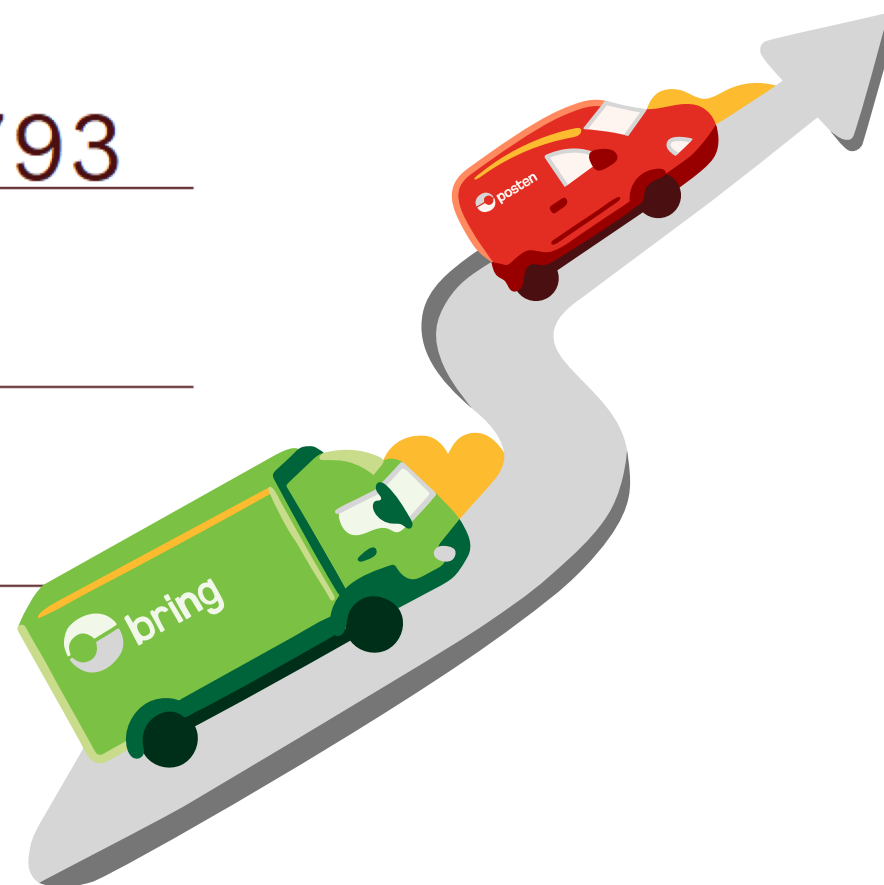
ADJUSTED OPERATING PROFIT*, MNOK

Q2 2021	Q2 2020	YTD 2021	YTD 2020
382	234	809	386

RETURN ON INVESTED CAPITAL/ROIC*, %

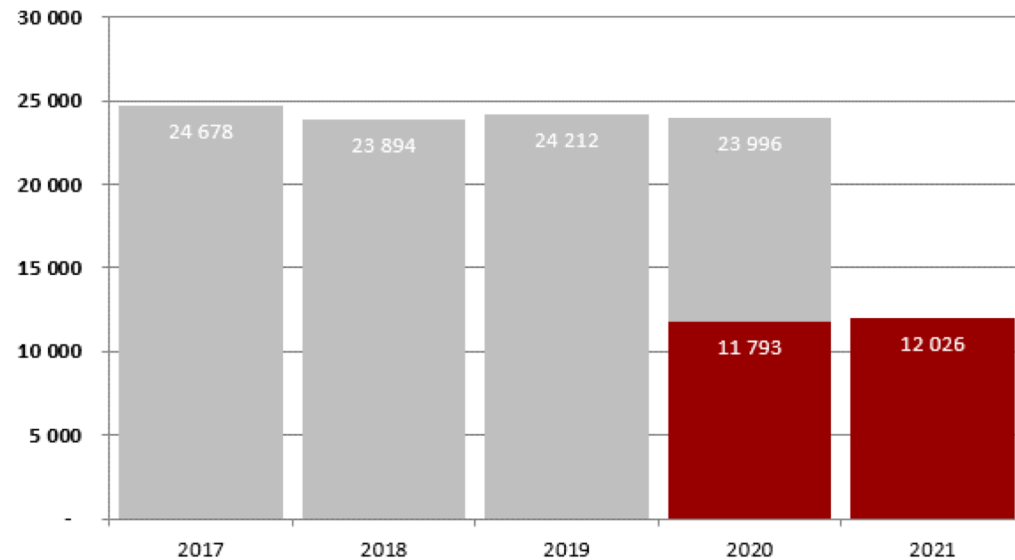
Last 12 months	Last 12 months
19,4	8,9

*For descriptions of alternative performance measures, see appendix to the report



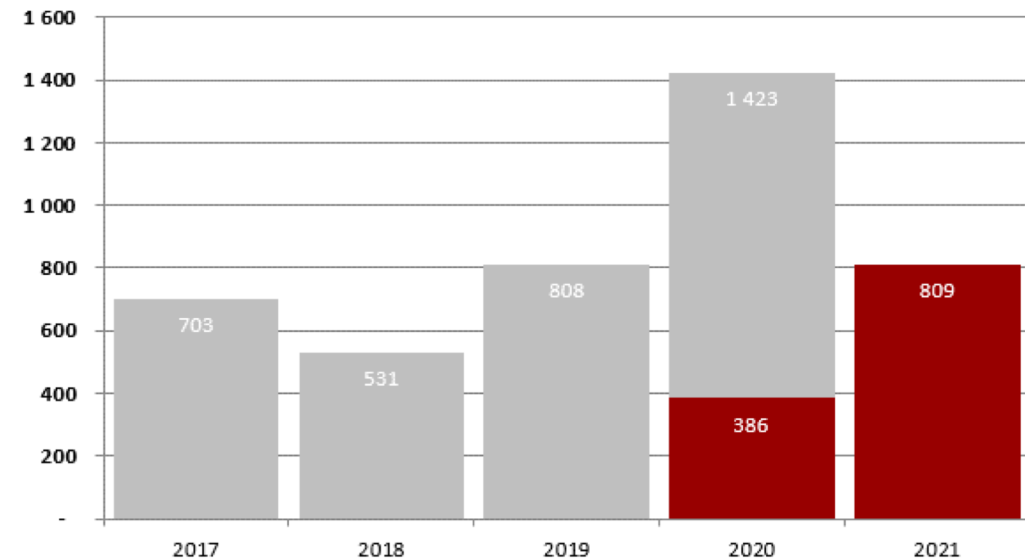
Stable turnover and good adjusted operating result in the 1st half-year 2021

Revenue, MNOK



- Organic growth was 5,3 % in the 1st half-year 2021
- Growth in revenue in the Logistics segment, with an organic growth of 10,7 %
- Reduced turnover in the Mail segment due to the continued decline in volumes

Adjusted operating profit, MNOK



- Adjusted operating profit in the 1st half-year 2021 was MNOK 809, an improvement of MNOK 422 compared with the same period last year
- The Logistics segment had significantly improved profitability in the 1st half-year

Results 2nd quarter and 1st half-year 2021

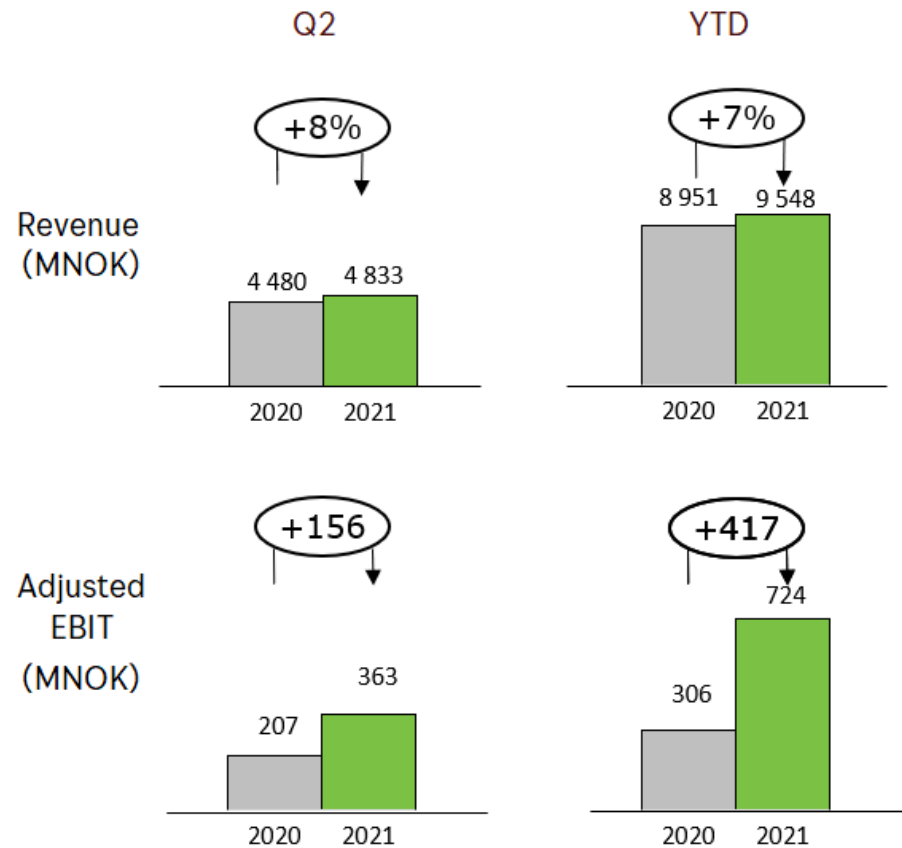
Q2 2021	Q2 2020		YTD 2021	YTD 2020	Year 2020
6 027	5 830	Revenue	12 026	11 793	23 996
686	600	EBITDA	1 414	1 128	2 886
382	234	Adjusted operating profit	809	386	1 423
393	284	Operating profit (EBIT)	820	442	1 485
(32)	43	Net financial items	(25)	(95)	(141)
361	326	Profit before tax	795	347	1 344
269	264	Profit after tax	621	274	1 123

For descriptions of alternative performance measures, see appendix to the report

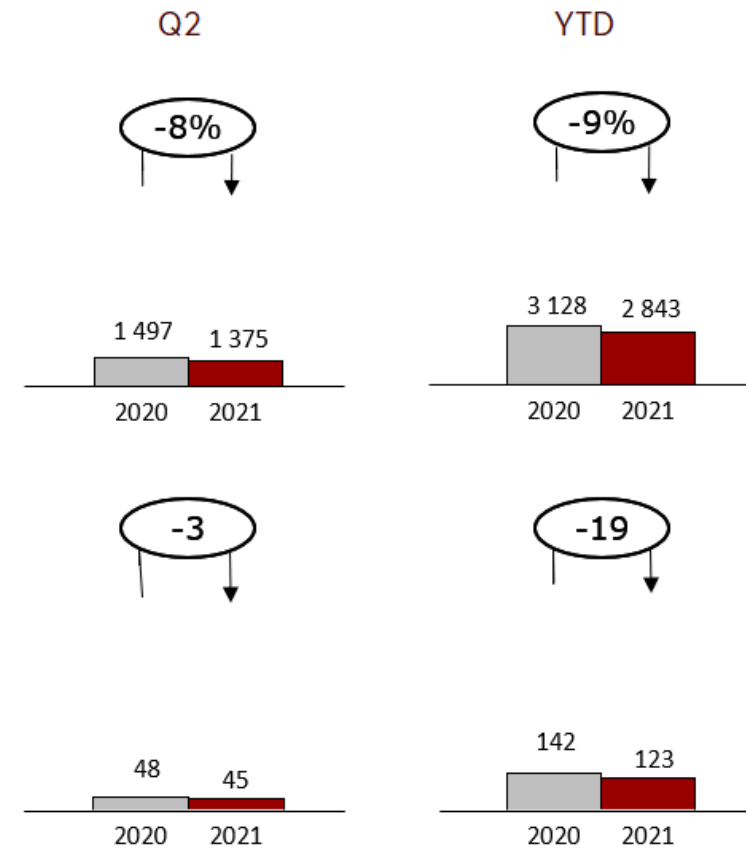
See condensed financial statement

Segment reporting

LOGISTICS



MAIL



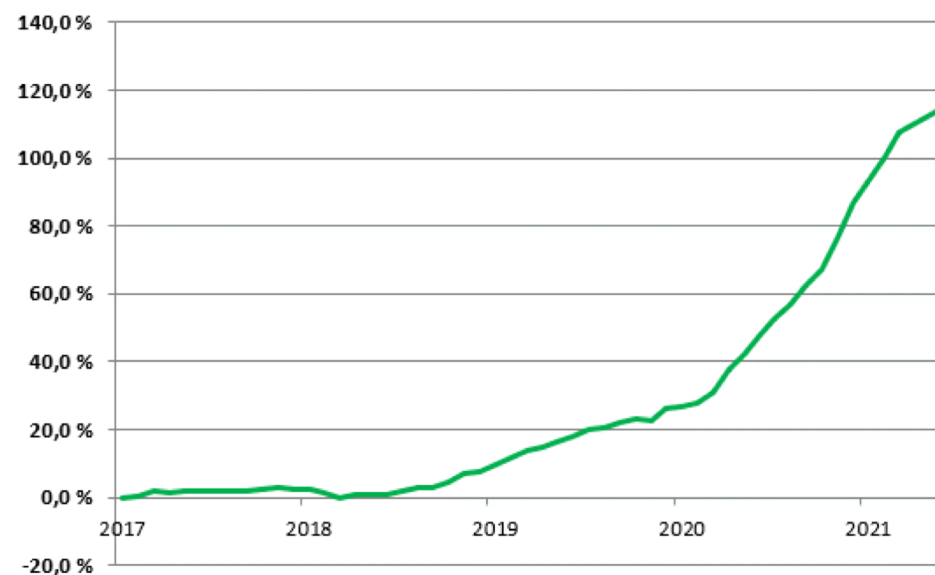
Segment Logistics: The high growth in e-commerce volumes continues

- Continued-high growth in e-commerce to private consumers and home deliveries due to changed shopping habits as a consequence of the Corona pandemic
- E-commerce volumes increased by 45,3 % in the last 12 months
- The Corona pandemic resulted in a decline in volume to the corporate market, but the demand has picked up and the corporate market is showing growth again

DEVELOPMENT IN E-COMMERCE FROM Q2 2017, %

45,3 % (last 12 months)

115,1 % (last 5 years)



E-commerce volumes include all parcels under E-commerce & Consumer Deliveries in division E-commerce and Logistics

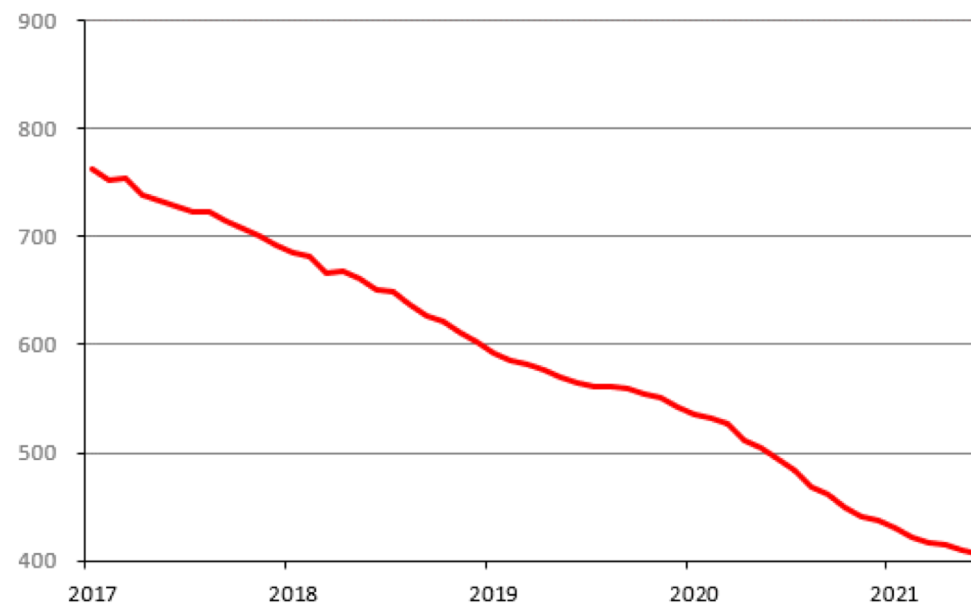
Segment Mail: Continued decline in mail volumes

- The volume in addressed mail fell by 13,1 % in the 1st half-year
- Stable high delivery quality. The delivery quality was 93 % in the 2nd quarter, well above the requirement of 85 %
- The volume of unaddressed mail was relatively stable with growth of 1,2 %. The weak volume-growth is explained by the significant volume fall in the spring of 2020 in connection with the lockdown of society
- The product “Norgespakken” had positive revenue growth of 16,1 % in the 1st half-year

VOLUME ADRESSED MAIL FROM Q2 2017, millions

407 (last 12 months)

-46,6 % (last 5 years)



Future prospects

- Posten's **main goals** are to be the customers' first choice, leading in technology and innovation and best at sustainable value
- The **strong growth** in e-commerce and home deliveries is expected to **normalise** as society opens up again
- Østlandsterminalen is doubling its small-package capacity to manage **higher parcel volumes**
- **New terminals** to be opened in Førde and Tromsø in the second half-year
- The placement of **parcel boxes** is going as planned, and the goal is 1 000 locations in Norway during 2021
- The large investment project "**Shelfless**" continues. The first fully automated warehouse at Berger outside Oslo has been opened, and a new Shelfless warehouse in Stockholm is under construction
- Work is underway to establish even more **ambitious environmental goals**





2nd quarter and 1st half-year 2021

Part 2: Posten strengthens its Nordic position

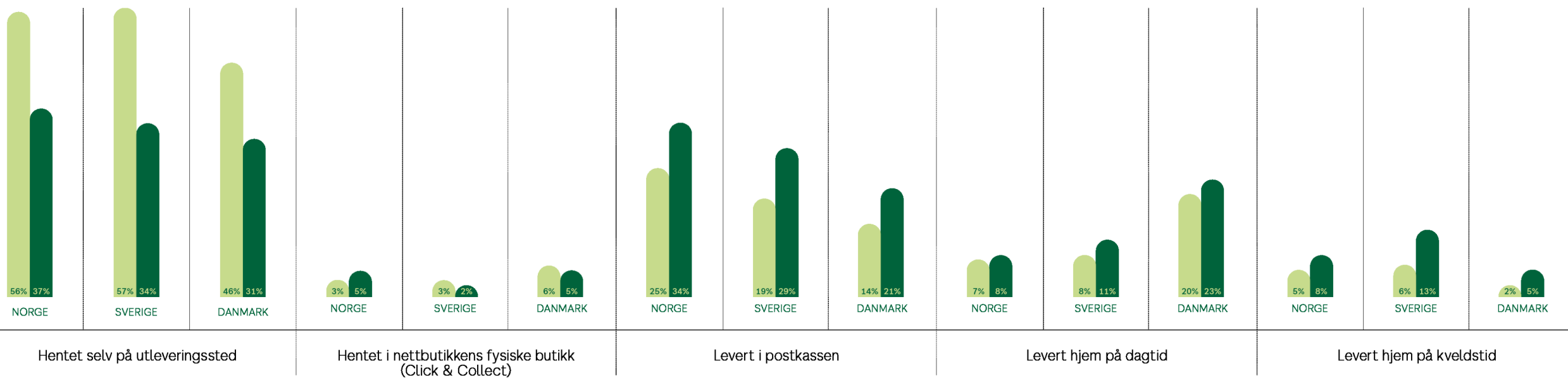
Per Ôhagen, E-commerce and logistics

Strong growth in customers who often shop online for physical goods, from November 2019 to January 2021



We have changed delivery preferences during the coronavirus pandemic

When you look back on the last purchase you made online, how was the item delivered to you?
If you could choose the delivery method for the last item you purchased over again, what would you choose?

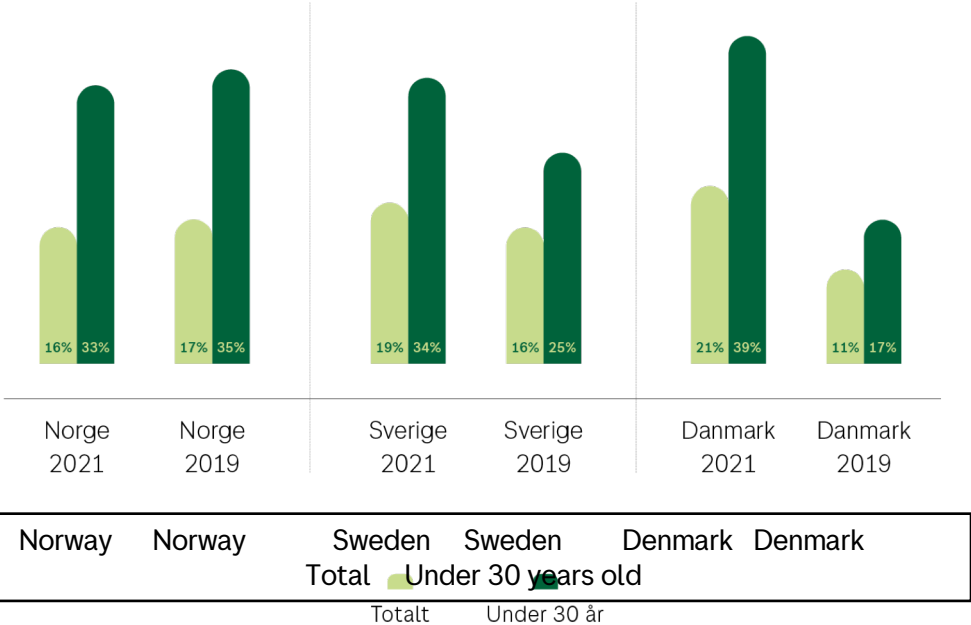


I picked it up from a collection point | I picked it up at the store (Click and Collect) | Delivered to mailbox | Home delivery during the day | Home delivery during the evening

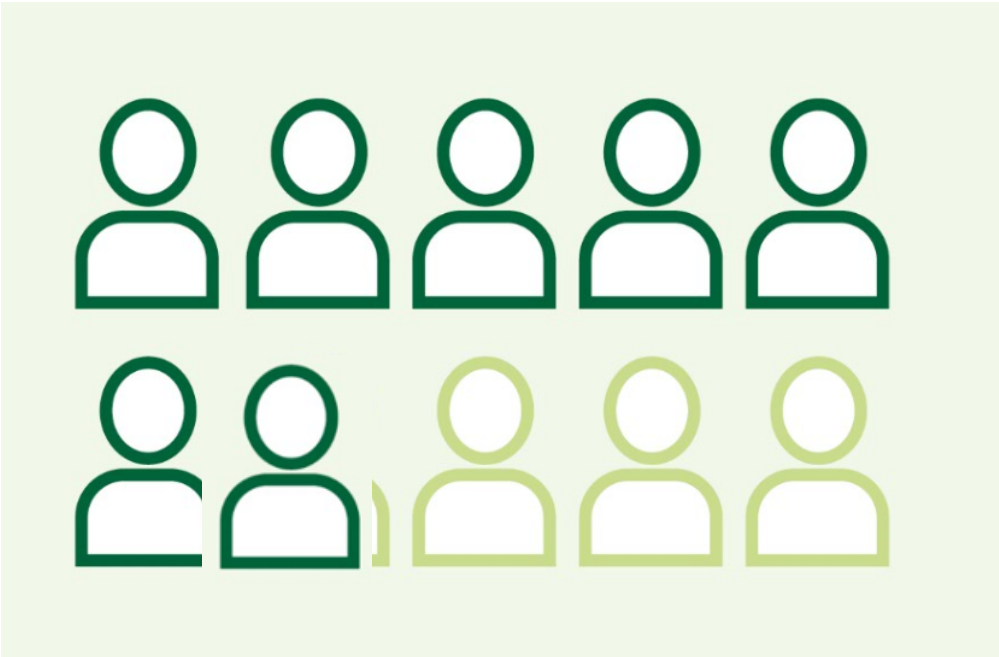
Fikk levert | Ville valgt
Was delivered | Would have chosen

Many people consciously choose to shop in online stores that have a clear sustainability and environmental profile

During the last three months, have you consciously chosen to buy products because the store had a clear environmental and sustainability profile?



If the online stores offer an environmentally friendly delivery method at the same price as other delivery options, would you choose it?




E-commerce raises Nordic parcel volumes to new heights

The Group's growth in parcel volumes in the first half of 2021, compared with the first half of 2020:

 37 per cent increase

 62 per cent increase

 20 per cent increase





**The pandemic has turbocharged
our innovation and digitalisation
efforts**

Shelfless strengthens our Nordic e-commerce position and provides faster and greener deliveries

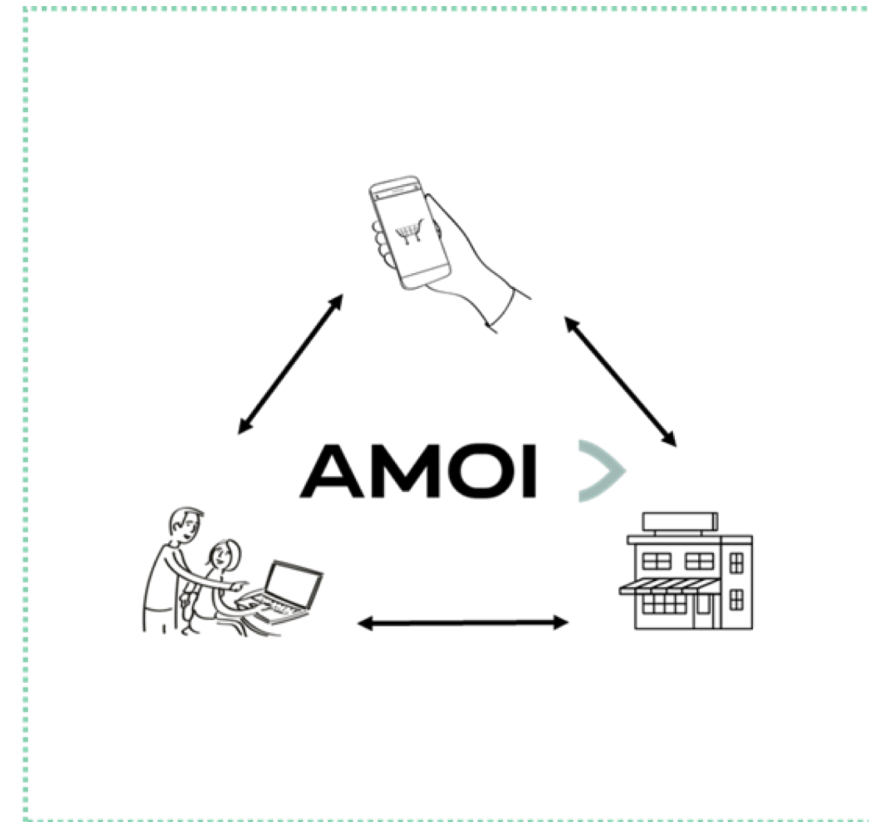
- *Shelfless* is a fully integrated Nordic fulfilment service that simplifies and handles the entire process from "click to delivery" for our customers
- Advanced digital solutions, automated warehouses and a leading distribution network will help us meet the market's need for ever faster and greener high-quality deliveries
- The investment will further strengthen the Group's position and competitiveness in the Nordic e-commerce market, and is a platform to further develop existing services throughout the value chain
- *Shelfless* has already been launched in Norway with an automated warehouse just outside Oslo, and will be established in Stockholm in the first half of 2022
- The next step is to establish it in Denmark, where we are exploring locations near Copenhagen



AMOI – digital marketplace for local specialist retailers

Success in Oslo, recently opened in Stockholm and testing in Lillehammer

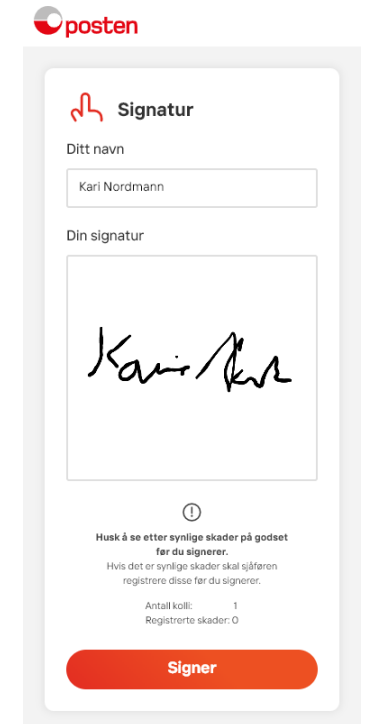
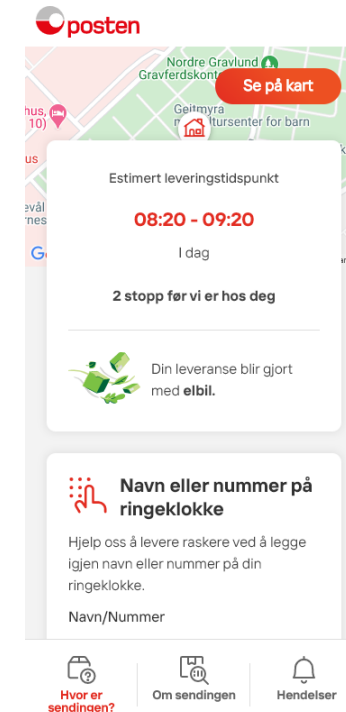
- AMOI was first launched in Oslo. The marketplace for local specialist retailers is currently being tested in Stockholm and Lillehammer
- AMOI increased the number of purchases by 318 per cent in the first half of this year, compared with the second half of 2020
- Over 70 active stores are affiliated with AMOI in Oslo
- AMOI in Stockholm has recently opened. 18 food and beverage stores are connected to the marketplace. Planning for growth



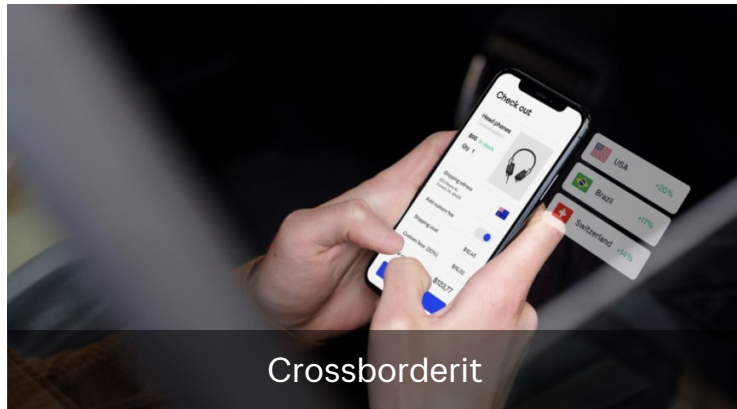
Glow – proprietary delivery app throughout the Nordic region

Posten Norge's internally developed digital platform, *Glow*, enables efficient production through route optimisation and provides a better customer experience.

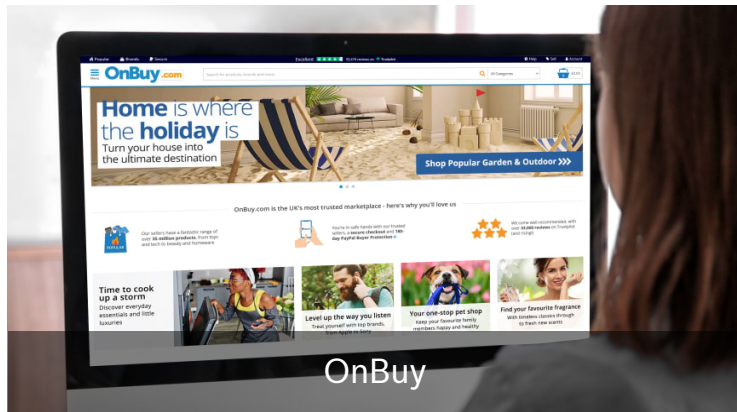
- Customers follow the delivery directly in the app and see exactly when the package reaches its final destination
- Safe, contactless delivery. Early in the pandemic, *Glow* facilitated contactless delivery by enabling recipients to sign receipts using their own telephone
- The customer is involved. Our deliveries with zero-emission vehicles are displayed in the app
- *Glow* produced five million deliveries over the past year, and the volume will continue to grow
- Usage has tripled since 2019



Ventures – investments that strengthen the value chain



Crossborderit



OnBuy



Elonroad

The greenest logistics provider

- New environmental ambition in line with what science says the business community must reduce to meet the Paris Agreement
- No fossil vans will be ordered for use in cities from 2022. Outside the cities, the goal is from 2023
- The vehicle fleet had a renewable share of 32.1% in Q2, up from 27.2% in Q1
- We have begun converting the heavier vehicles
- Launched environmental reports in MyBring so that customers can extract data on greenhouse gas emissions by delivery level per month



Posten Norge is one of only four companies that cut emissions in line with the Paris Agreement - among Norway's 100 largest companies

E24 AKSJELIVE BØRS E24+ TIPS OSS Søk

nonse

DET GRØNNE SKIFTET

PwC: Nesten ingen store bedrifter kutter i tråd med Parisavtalen

Kun 4 av Norges 100 største selskap har klimakutt i tråd med Parisavtalen, viser en gjennomgang gjort av revisjonsselskapet PwC.

Nesten ingen bedrifter kutter i tråd med Parisavtalen

Bare fire av Norges hundre største bedrifter har utslippskutt som monner, viser PwCs klimaindeks. – Hadde vi tatt med indirekte utslipp så ville Norge vært klimaversting. Bedriftene bør ta med indirekte utslipp for å vise realitetene, sier Hanne Løvstad, bærekraftsleder i PwC.



Posten leder an i ny klimaindeks

Published 8/18/2021

En fersk undersøkelse fra PwC viser Posten er ett av fire selskaper som går foran i den grønne omstillingen i Norge.



Klimaindeksen ble offentliggjort av PwC på Arendalsuka denne uken. Her er Colin Campbell (t.h.), direktør HMS og bærekraft i Posten, til stede på arrangementet sammen med Leif Arne Jensen (CEO i PwC) og Odd Arild Grefstad (CEO i Storebrand).

It is Posten, Storebrand, Schibsted og Vinmonopolet that cuts emissions at the level of what is required to reach the goal of the Paris Agreement, according to PwC



The pandemic has accelerated parcel volumes and new green and digital services