



Quarterly Report

3rd quarter 2020

Posten Norge



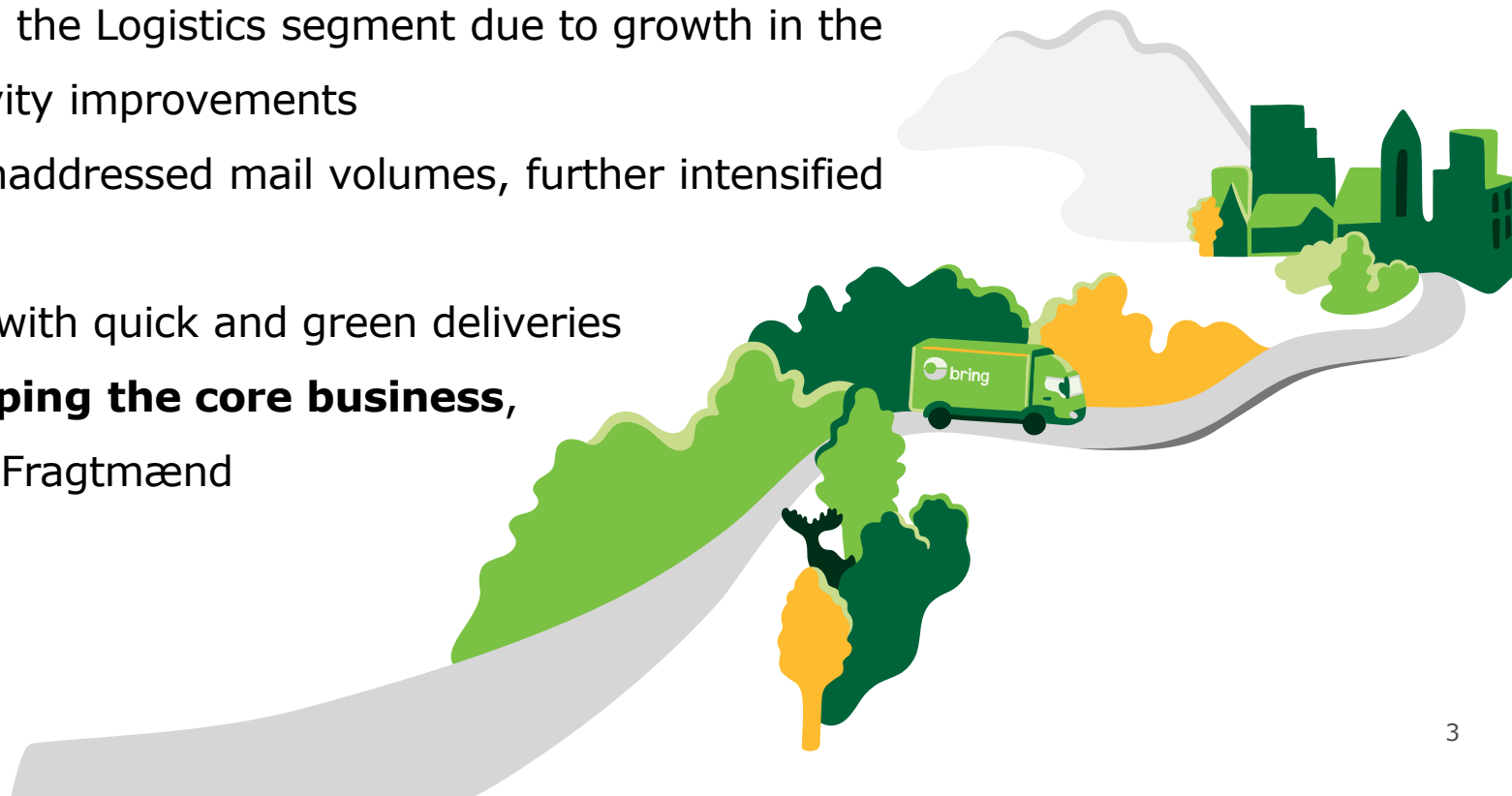
3rd quarter and YTD 2020

Highlights and financial development



Highlights

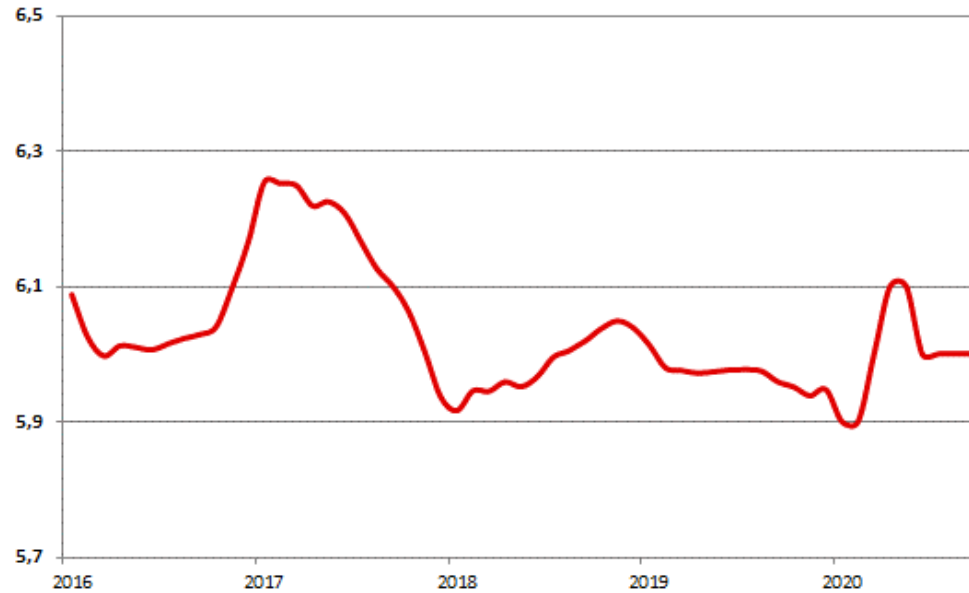
- **Customer satisfaction is high** and the Group's reputation is considerably strengthened
- Continued high state of preparedness concerning **the Corona pandemic**
- Record **growth in e-commerce** with an increase of 42% so far this year, and 33% in the last 12 months
- **Positive development** in the corporate market during the 3rd quarter
- **Considerable profit improvement** in the Logistics segment due to growth in the private consumer market and productivity improvements
- Continued **decline** in addressed and unaddressed mail volumes, further intensified by the Corona pandemic
- New service "**Urban home delivery**" with quick and green deliveries
- As part of the Group's focus on **developing the core business**, the Group has sold its share in Danske Fragtmænd



HSE 2020: Absence due to sickness is stable

ABSENCE DUE TO SICKNESS IN THE GROUP, %

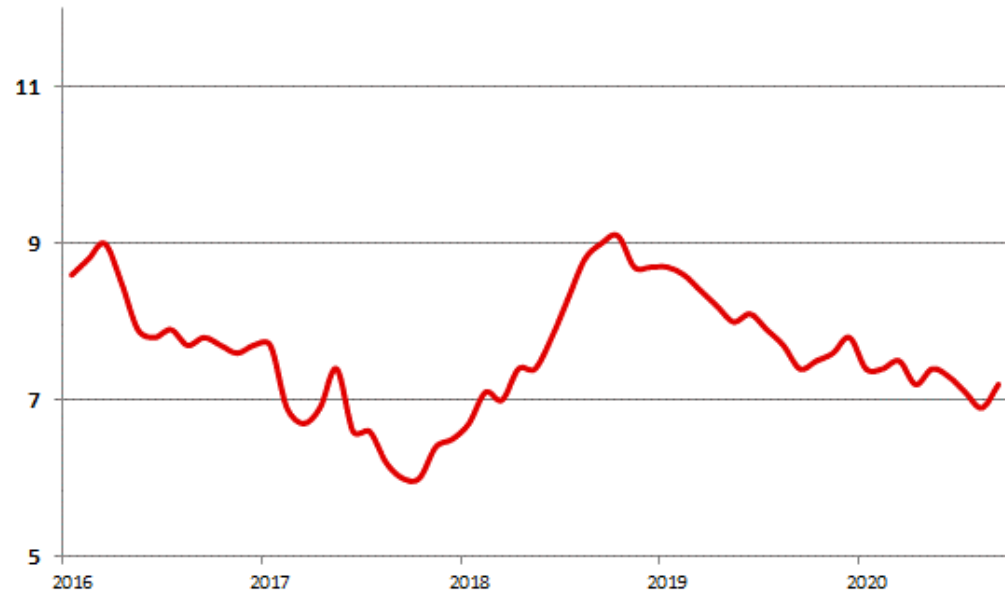
6,0 % (last 12 months)



*Historical data has been adjusted for post-registration

H2 IN THE GROUP

7.2 (last 12 months)



*Historical data has been adjusted for post-registration

- Absence due to sickness in the last 12 months was 6,0 %, the same level as the corresponding period in 2019, but 0,1 %-points higher than the year 2019. The Corona pandemic negatively affected the absence due to sickness in March and April

- The total number of injuries per million worked hours (H2) so far in 2020 fell to 7,2, 0,2 lower than the same period in 2019



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 3rd quarter and year to date 2020

OPERATING REVENUES, MNOK

Q3 2020	Q3 2019	YTD 2020	YTD 2019
5 588	5 878	17 381	17 721

ADJUSTED OPERATING PROFIT*, MNOK

Q3 2020	Q3 2019	YTD 2020	YTD 2019
431	291	818	530

RETURN ON INVESTED CAPITAL/ROIC*, %

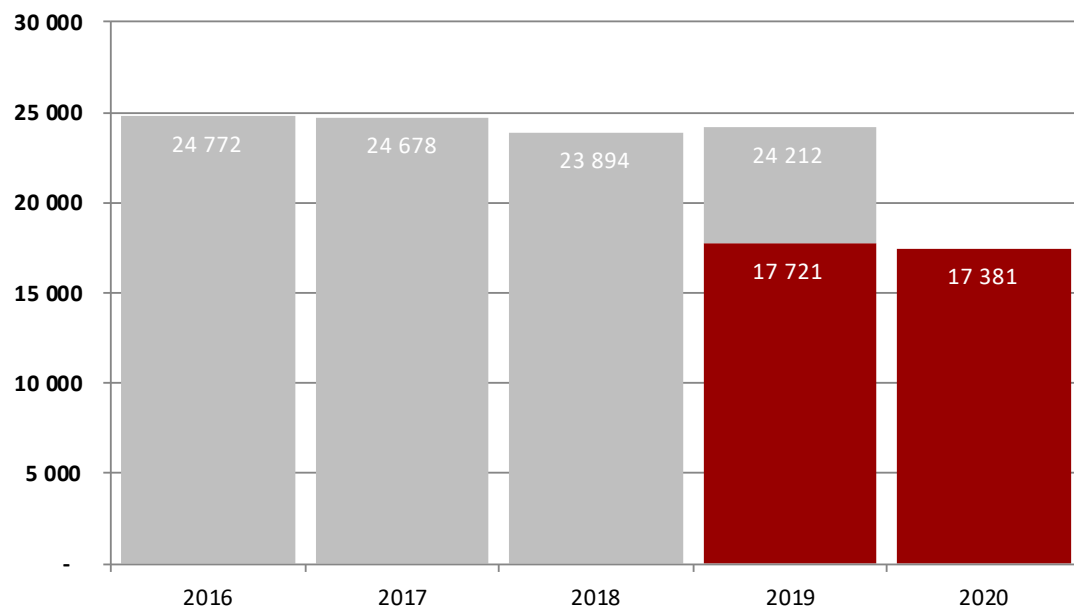
Last 12 months	Last 12 months
10,5	7,6

*For descriptions of alternative performance measures, see appendix to the report (last 12 months comparative figure for 2019 includes figures from 2018 which have not been adjusted to reflect the implementation of IFRS 16)

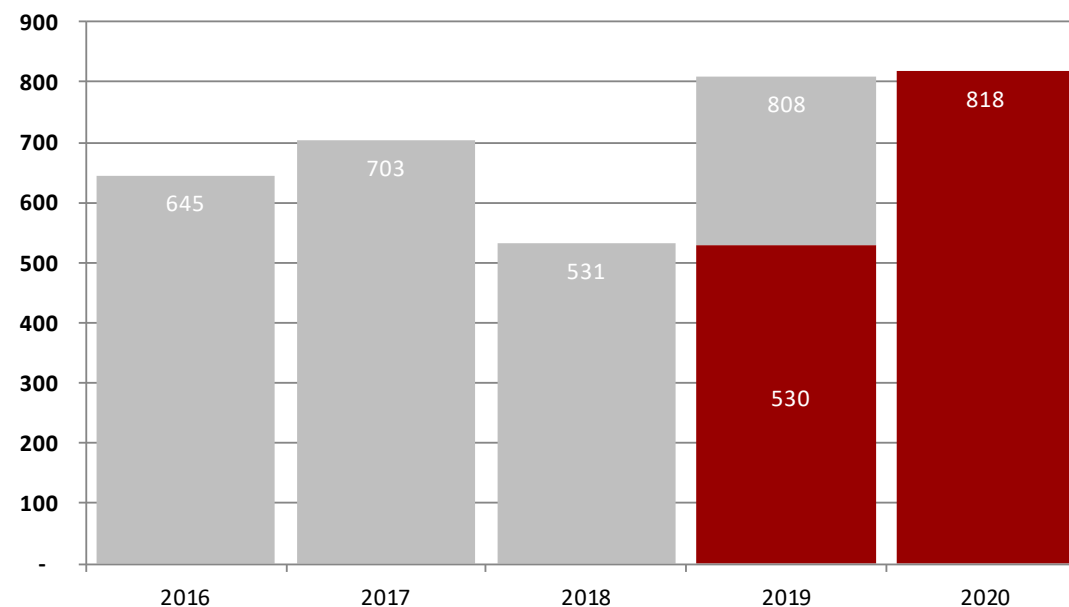


Revenue and adjusted operating profit year to date 2020

Revenue, MNOK



Adjusted operating profit, MNOK



- Negative organic growth of 0,4 % year to date
- Growth in revenue in the Logistics segment, with an organic growth of 6,0 %
- Reduced revenue in the Mail segment due to the continued decline in addressed volumes and a significant fall in unaddressed volumes intensified by the Corona pandemic

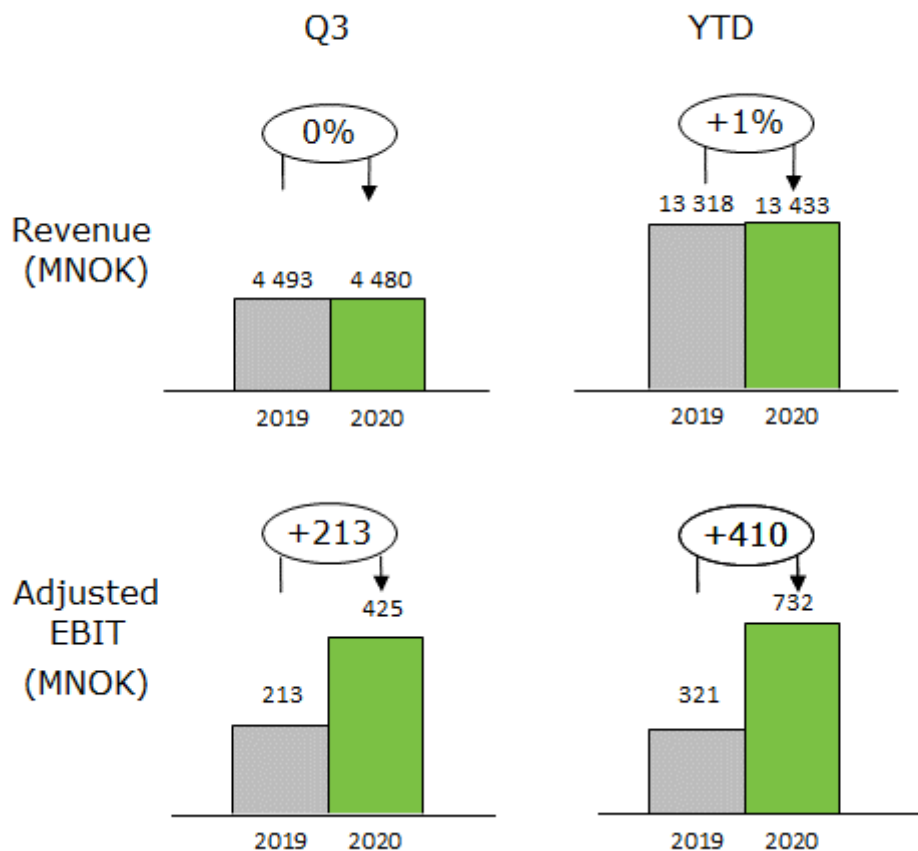
- Adjusted operating profit at the end of the third quarter was MNOK 818, an improvement of MNOK 288 compared with the same period in 2019
- Improved profitability due to growth in the private consumer market and operational measures within the Logistics segment

Results 3rd quarter and year to date 2020

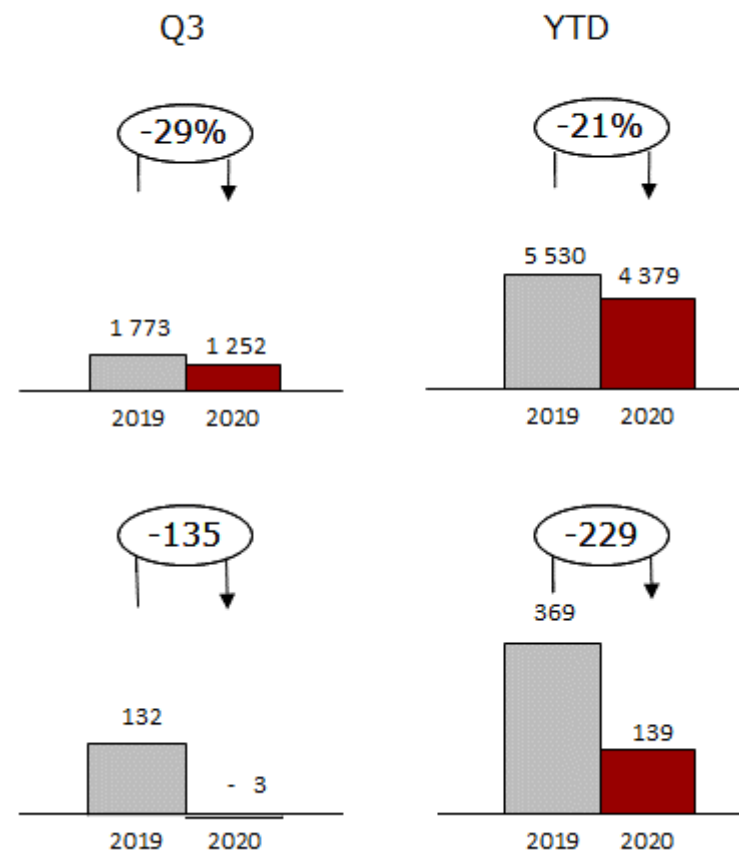
Q3 2020	Q3 2019		YTD 2020	YTD 2019	Year 2019
5 588	5 878	Revenue	17 381	17 721	24 212
792	680	EBITDA	1 920	1 687	2 361
431	291	Adjusted operating profit	818	530	808
510	250	Operating profit (EBIT)	952	(14)	162
(21)	(40)	Net financial items	(116)	(92)	(142)
489	210	Profit before tax	836	(107)	21
396	147	Profit after tax	670	(195)	13

Segment reporting

LOGISTICS



MAIL



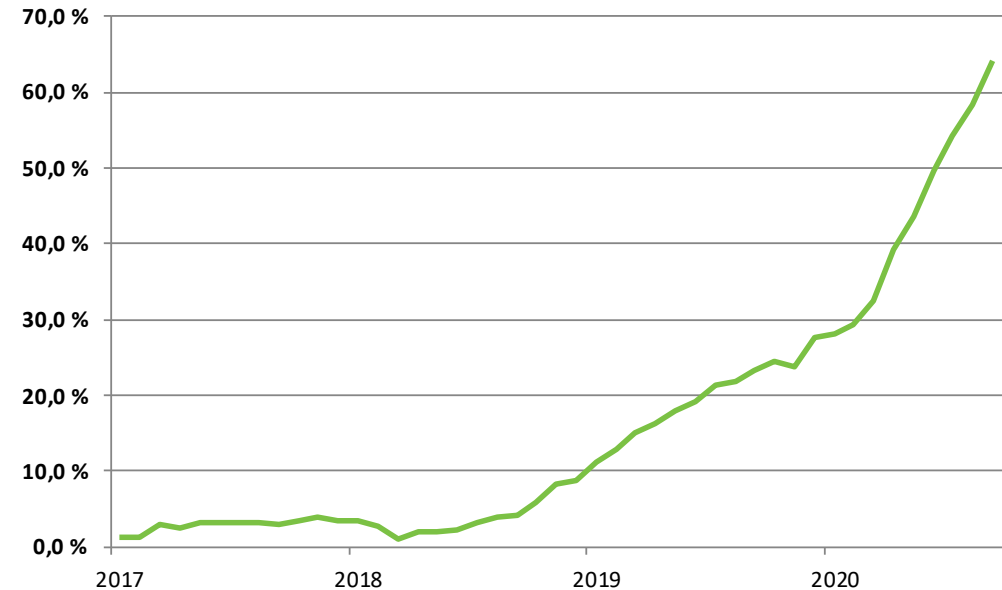
Segment Logistics: Strong growth in e-commerce volumes

- The Corona pandemic and strengthening of the range of services have contributed to considerable growth in e-commerce and home deliveries
- E-commerce volumes increased by 33 % in the last 12 months
- For a period, the Corona pandemic resulted in a decline in the corporate market, but there was a positive development in the 3rd quarter
- Continued improvements, adjustment of services and increased productivity have contributed to enhanced profitability

DEVELOPMENT IN E-COMMERCE FROM Q4 2016, %

33,1 % (last 12 months)

63,9 % (last 4 years)



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

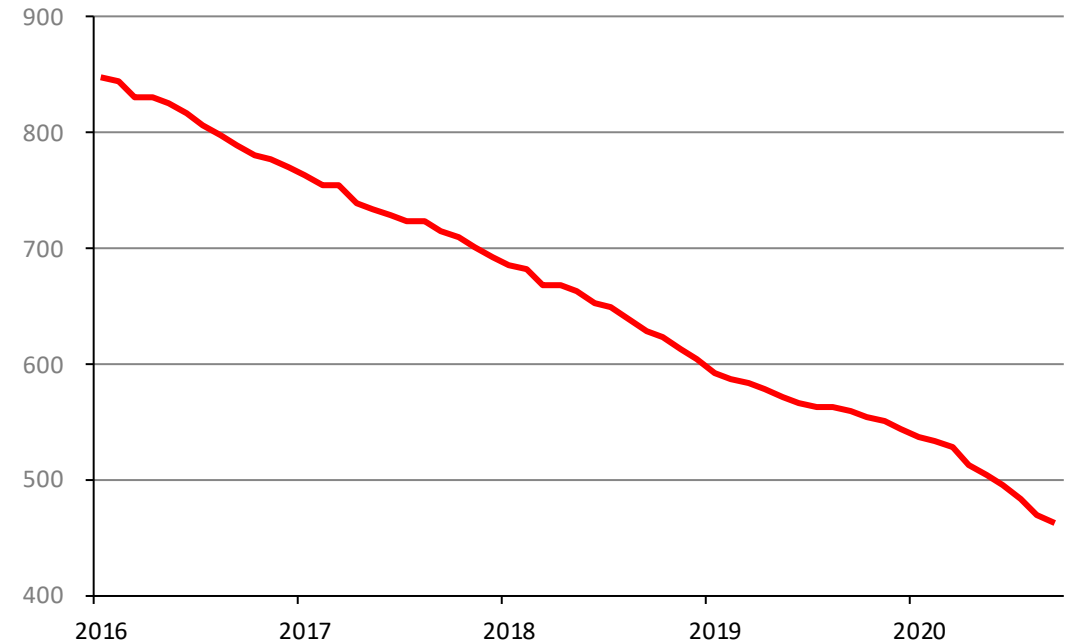
Segment Mail: The Corona pandemic is escalating volume falls

- The volume decline so far this year was 19 %, and 17 % in the last 12 months
- The fall in addressed mail volumes is expected to increase due to digitalisation within both the private and corporate markets
- Stable high quality deliveries also after the transition to mail distribution every other day. The delivery quality was 93,5 % in the 3rd quarter, well above the requirement of 85 %.
- So far this year, unaddressed mail declined by 27 %

VOLUME ADRESSED MAIL FROM Q3 2016, millions

461 (last 12 months)

-50,0 % (last 5 years)



Future prospects

- Growth in the economy is anticipated from 2021, but the estimates are uncertain
- Continued high growth in e-commerce and home deliveries to private consumers is expected in the years to come
- The Group is developing and launching new services, including simplifying sending parcels between private consumers (C2C), “Urban home delivery” in large cities, and the “Amoi”-app whereby goods from selected shops are delivered together on the same day
- In 2021 Posten will offer parcel boxes at a thousand locations all over Norway – improving availability and freedom of choice for the customers
- The Group will become the logistics actor offering most parcel boxes with a total of 4 000 boxes in the Nordics
- In Sweden and Denmark, Bring is extending terminal capacity and strengthening delivery networks
- The Group’s main goal is to be the customer’s first choice, leading in technology and innovation, and the best in sustainable value creation

