

Quarterly Report



4th quarter 2020
Posten Norge

Message from the CEO

Best results ever for Posten in a special year

The pandemic and lock-down of society characterised 2020 and brought about large changes for the entire business and our employees. Mail and supplies of goods are important public functions, and demand for our services increased significantly. The Group worked at top speed and achieved its best operating result ever of MNOK 1 423. I am proud of the fact that we managed to implement infection controls and maintain good operations with high delivery quality during the entire period. We also demonstrated high innovative ability by adjusting to new customer needs and extending the range of services while emphasising simple, flexible and contact-free deliveries.

It is gratifying to see that our customers are more satisfied than ever. We have strengthened our market positions in the Nordics, and Posten's reputation is among the top 10 in Norway. Our employees are highly satisfied even though the Corona pandemic has affected their job situation negatively. In appreciation for their additional efforts in 2020, the Group gave employees a bonus of NOK 5 000.



E-commerce exploded during the year and resulted in strong growth in our services to the e-commerce market. Increased demand and effects of the Corona pandemic resulted in 48 percent growth in parcels from e-commerce. We also had a positive development in the corporate market, in spite of Corona restrictions and occasional locked-down businesses.

Adjusted operating margin in 2020 was 5,9 percent compared with 3,3 percent in 2019. Adjusted operating profit in 2020 amounted to MNOK 1 423, the best result ever for Posten. The Logistics segment had a significant result improvement of MNOK 805 (from MNOK 462 to MNOK 1 268). The result was positively affected by the strong growth in parcels from e-commerce and home deliveries, combined with more cost-effective operations. The Mail segment's result fell by MNOK 310 (from MNOK 635 to MNOK 326) due to escalating volume falls. Addressed mail declined by 19 percent in 2020 and unaddressed mail by 24 percent. In 2020, Posten carried out the largest conversion ever in the Group's history with the transition to mail distribution every other day.

The Group's turnover in 2020 was MNOK 23 996, a decline of MNOK 216 compared with 2019. Organic growth was 1,0 percent for the Group. For the Logistic segment organic growth was 7,6 percent. The growth within e-commerce is expected to continue, and the Group is increasing capacity to manage larger volumes.

The new Nordic parcels network established in 2020 has given the customers increased service and flexibility and now comprises approximately 7 000 delivery points in Norway, Sweden and Denmark.

New services introduced in 2020 include deliveries to unattended parcel boxes and home deliveries of groceries, in addition to the platform service Amoi and Urban home delivery (UHD) with green and quick deliveries in large cities. Investments were also made in venture initiatives.

A new and ambitious vision and a new strategy have been established. We shall continue to develop new, sustainable and innovative services making us the customer's first choice, in addition to adjusting operations and network to the market.

In line with the Group's high ambition of sustainability, 26,3 percent of the car pool in the fourth quarter consisted of vehicles applying renewable energy, compared with our goal of 24 percent.

In the fourth quarter, the Group sold the transport company Bring Freight Forwarding in Sweden. We have also chosen to discontinue operations in the Slovak company Bring Trucking and purchase transport capacity in the international market instead.

I wish to thank all our employees very much for the formidable effort they made in 2020 while at the same time managing the pandemic in an exemplary manner. We have strengthened our market positions and enter 2021 at full speed.

Tone Wille

Group CEO

Main features

The Group's turnover in the fourth quarter was MNOK 6 614, an increase of 1,9 percent compared with the fourth quarter 2019. Organic growth in the quarter was 4,8 percent. Adjusted operating profit in the fourth quarter was MNOK 605, an improvement of MNOK 326 compared with 2019.

The Group's turnover in 2020 was MNOK 23 996, a decline of MNOK 216 compared with 2019. Organic growth was 1,0 percent. Adjusted operating profit in 2020 was MNOK 1 423, an improvement of MNOK 614 compared with 2019.

The Logistics segment had a solid result improvement in 2020 due to high growth in e-commerce to private consumers, in addition to the gradual normalisation of the corporate market in spite of the restrictions introduced as a consequence of the Corona pandemic.

As expected, the Mail segment's results declined strongly in 2020. The Corona pandemic has led to increased digitalisation, which escalated the volume fall within both addressed and unaddressed mail.

The operating result (EBIT) in 2020 was MNOK 1 485, an improvement of MNOK 1 323 compared with 2019. The improvement was due to the improved adjusted operating result in 2020 and a reversal of MNOK 106 of a provision of MNOK 430 made in 2019 concerning restructuring the mail business. In addition, gains on the sale of Bring Freight Forwarding AB and the resale of Danske Fragtmænd A/S totalling MNOK 164 in 2020 were recognised in the accounts. The positive effects were partly reduced by a write-down of IT development of MNOK 131.

The Group's profit before tax was MNOK 1 344 in 2020, an improvement of MNOK 1 324 compared with 2019. Profit after tax was MNOK 1 123, an improvement of MNOK 1 110 compared with 2019.

Return on equity (ROE) in 2020 was 16,4 percent, an increase of 16,2 percentage points compared with 2019. Return on invested capital (ROIC) in 2020 was 14,1 percent, an improvement of 6,7 percentage points compared with 2019.

Profit development (unaudited)

Q4 2020	Q4 2019		Year 2020	Year 2019
6 614	6 490	Revenue	23 996	24 212
966	674	EBITDA	2 886	2 361
605	279	Adjusted operating profit	1 423	808
533	177	Operating profit (EBIT)	1 485	162
(25)	(50)	Net financial items	(141)	(142)
508	127	Profit before tax	1 344	21
453	208	Profit after tax	1 123	13

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

See condensed financial statement

Key financial figures (unaudited)

		Year 2020	Year 2019
Adjusted profit-margin	%	5,9	3,3
Operating profit (EBIT)-margin	%	6,2	0,7
Equity ratio	%	37,5	32,0
Return on invested capital/ROIC*	%	14,1	7,4
Return on equity (after tax)*	%	16,4	0,2
Net interest-bearing debt		1 027	3 655
Investments, excluding acquisitions		700	646

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

*Last twelve months

Balance sheet (unaudited)

	31.12 2020	31.12 2019
ASSETS		
Non-current assets	10 644	12 171
Current assets	7 826	7 696
Held for sale assets	1 173	
Assets	19 643	19 867
EQUITY AND LIABILITIES		
Equity	7 367	6 363
Provisions for liabilities	797	1 178
Non-current liabilities	3 639	5 602
Current liabilities	6 667	6 724
Held for sale liabilities	1 174	
Equity and liabilities	19 643	19 867

The changes in the balance sheet were generally influenced by the fact that the Norwegian krone significantly weakened against other currencies compared with 31 December 2019. Assets and liabilities in foreign currencies have increased in value in Norwegian kroner.

As of 31 December 2020, the subsidiary group Bring Frigo Sweden is classified in the balance sheet as held for sale. Consequently, assets and liabilities related to the subsidiary group have been reclassified and shown on separate lines in the statement.

The reduction in non-current assets was mainly a result of the reclassification of Bring Frigo Sweden to held for sale (MNOK 704) and that the Group has sold its shares amounting to approximately MNOK 300 in Danske Fragtmand A/S. Other changes were due to normal operational investments, a net reduction in right-of-use assets, a write-down of intangible assets under development and positive translation differences.

Current assets changed primarily due to the reclassification of Bring Frigo Sweden to held for sale (MNOK 468). Other changes mainly consisted of a reduction in earned unbilled revenue and a reduction in financial instruments due to settlements. The Group's liquid assets increased.

Provisions for liabilities were reduced mainly due to pension obligations in Bring Frigo Sweden being reclassified to held for sale (MNOK 259). Other reductions included reclassification to short-term debt for restructuring provisions to be paid within one year and a decline in other pension liabilities.

The reduction in non-current liabilities was primarily due to the reclassification of Bring Frigo Sweden's long-term lease liabilities of MNOK 459 to held for sale. In addition, a bond loan of MNOK 1 000 which falls due within one year was reclassified to current liabilities. There was also a reduction in the Group's non-current lease liabilities.

The change in current liabilities was mainly caused by the reclassification of the bond loan mentioned above, reduced by paid ordinary instalments and down payment of loans of MNOK 779. In addition, current liabilities in Bring Frigo Sweden of MNOK 457 were reclassified to held for sale. Other changes primarily included increases in other public dues, income tax payable and provisions for unearned income, partly counterbalanced by a reduction in current provisions for restructuring due to disbursements.

Cash flows (unaudited)

Q4 2020	Q4 2019		Year 2020	Year 2019
1 028	864	Cash flows from operating activities	2 607	2 143
(194)	(41)	Cash flows used in investing activities	(299)	(339)
(470)	(528)	Cash flows used in financing activities	(1 630)	(1 514)
364	296	Change in liquid assets	677	291
4 305	3 611	Liquid assets at the beginning of the period	3 912	3 613
11	5	Currency differences	91	7
(47)		Liquid assets classified as held for sale	(47)	
4 633	3 912	Liquid assets at the end of the period	4 633	3 912

Cash flows from operating activities were positive both in the fourth quarter and the year 2020. This was mainly due to a positive operating result before depreciation. Changes in other accruals, net interest payments and paid taxes reduced cash flows from operations.

In the fourth quarter 2020, net cash flows from investing activities were a negative MNOK 194, mainly due to the period's net investments in operating equipment and the Group's purchase of non-controlling interests in the Netlife Group, counterbalanced by proceeds from the sale of Bring Freight Forwarding AB. In 2020, net cash flows from investment activities were a negative MNOK 299, primarily due to net investments and the acquisition of businesses, reduced by proceeds from the sale of Danske Fragtmænd A/S of MNOK 364 and the sale of subsidiaries (note 7).

Cash flows from financing activities related to ordinary instalments on lease liabilities and payments of ordinary instalments and repayments of loans.

Market and development per segment (unaudited)

LOGISTICS

The segment comprises the divisions E-Commerce and Logistics in addition to International Logistics. Holdings & Ventures also report as part of the segment. Division E-Commerce and Logistics is responsible for all standardised parcel products for e-commerce customers, in addition to groupage and part loads, warehouses in Norway and the service area home deliveries in the Nordics. Division International Logistics is responsible for industrial direct freight and industry solutions for manufacturing and offshore customers. Holdings & Ventures shall maximise the value of portfolio companies and venture investments in the Nordics and includes the Group's thermo operations and express services.

Q4 2020	Q4 2019		Year 2020	Year 2019
5 144	4 804	Revenue	18 571	18 127
798	402	Operating profit before depreciation (EBITDA)	2 316	1 488
536	141	Adjusted operating profit	1 268	462
445	70	Segment operating profit (EBIT)	1 285	364

The Logistics segment's turnover increased by MNOK 443 (2,4 percent) in 2020. Organic growth was 7,6 percent. The growth in e-commerce to private consumers and home deliveries was record-high. The Corona pandemic caused a decline in volumes in the corporate market for a period, but demand gradually picked up. Turnover within thermo declined due to the sale of the Norwegian subsidiary Bring Frigo AS on 1 February 2020.

Adjusted operating profit for the Logistics segment was MNOK 1 268 in 2020, an improvement of MNOK 805 compared with 2019. Growth in e-commerce to private consumers and home deliveries together with a gradual improvement in the corporate market contributed to considerably improved results. The profit development within offshore and freight forwarding was also positive. Operating profit (EBIT) was MNOK 1 285, including gains on the sale of Bring Freight Forwarding AB and shares in Danske Fragtmænd A/S totalling MNOK 164, as well as a write-down of IT development amounting to MNOK 131. As expected, the continued focus on developing the service range, more options for the customers and cost-effective operations contributed to the considerably improved profitability.

MAIL

The segment comprises the division Mail. Division Mail is responsible for the traditional postal services in Norway (including those requiring a license) such as flexible services to private customers and addressed and unaddressed mail distribution to the corporate market in Norway.

Q4 2020	Q4 2019		Year 2020	Year 2019
1 661	2 103	Revenue	6 041	7 634
277	392	Operating profit before depreciation (EBITDA)	710	1 128
186	267	Adjusted operating profit	326	635
185	263	Segment operating profit (EBIT)	371	120

The Mail segment turnover fell by MNOK 1 593 (20,9 percent) in 2020 due to the escalated volume falls in addressed and unaddressed mail. The volume of addressed mail declined by 19 percent in 2020, and unaddressed mail declined by 24 percent. The Corona pandemic has resulted in increased digitalisation, with substantial negative consequences for turnover and volume.

Adjusted operating profit for the Mail segment was MNOK 326 in 2020, a reduction of MNOK 310 compared with 2019. Considerable cost adjustments and restructurings of operations were carried out, including the transition to 2,5 days mail distribution from July 2020, but this was not adequate to compensate for the large volume fall.

The operating result (EBIT) for 2020 was MNOK 371, an improvement of MNOK 250 compared with 2019. The operating result for 2019 included a provision for restructuring related to the distribution of mail every other day amounting to MNOK 267, and moving route preparation and parts of Posten's Advertising Centres of MNOK 119. In the second quarter of 2020, MNOK 106 of the provision for reduced distribution frequency was reversed, due to more voluntary solutions among the employees than initially estimated.

In the fourth quarter, 92,1 percent of addressed mail was delivered within 3 days. The result for the year 2020 was 92,5 percent. Both the fourth quarter and the year 2020 ended well above the licence requirement of 85 percent.

Other matters

HSE

Workforce

The Group's workforce as at 31 December 2020 was 12 377 full-time equivalents, a reduction of 1 618 full-time equivalents compared with 2019. In the Mail segment, the workforce decreased by 1 408 full-time equivalents, mainly related to reductions within mail distribution and production.

Absence due to sickness and injuries

Posten's ambition is to maintain a working environment focusing on health where nobody gets injured or sick as a consequence of their work. The Group's focus on systematic HSE initiatives has had positive results. Both the number of injuries and absences due to sickness have declined significantly in recent years. In 2020, the absence due to sickness was affected by the Corona pandemic. The absence increased significantly in March and April but recovered during summer with lower absence levels for these months than ever registered before. From summer to year-end, absence due to sickness in the Group was marginally lower in 2020 than last year.

In the fourth quarter of 2020, absence due to sickness in the Group was 5,8 percent, 0,2 percentage points lower than the fourth quarter 2019. Absence due to sickness for the year 2020 ended at 6,0 percent (5,9 percent for the year 2019). The increase in absence due to sickness in 2020 was a result of the Corona pandemic and the effect of corona related absence in the spring of 2020.

The total number of injuries per million worked hours (H2) was 8,6 in the fourth quarter of 2020, a reduction of 0,9 from the same period in 2019. The number for the year 2020 was 7,0. The total number of injuries in 2020 ended at 156, a reduction of 30 injuries from 2019.

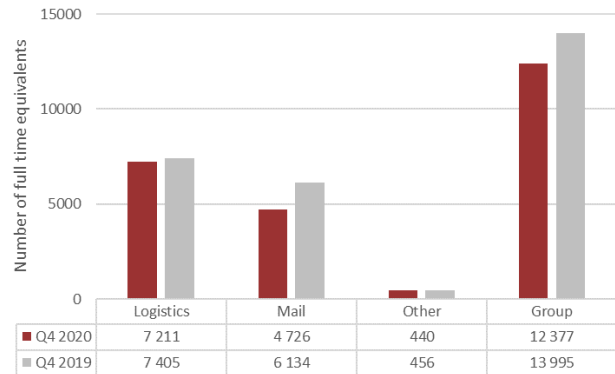
The external environment

Posten Group has very ambitious environmental goals. As part of its environmental efforts, several new electric vehicles were purchased in 2020, including the largest two lorries so far in Posten's electric car pool. 70 new electric vans were acquired in time for the Christmas traffic. With these, Posten increased the share of large electric vans from 10 to 25 percent.

In the new group strategy towards 2023, the ambition level for climate and environmental efforts has been raised. Posten and Bring shall be the greenest logistics suppliers. We shall continue to be a responsible public actor and be relevant for our customers. The new strategy emphasises efforts to increase the value proposition to the customers and give increased competitive power. This includes a quicker transition from fossil-fuel vans by limiting the ordering of fossil-fuel vehicles in 2022, the cultivation of "greener" services and to offer fossil-free "last mile" in 39 Nordic cities. Work has also started on a strategy for heavier vehicles.

Regulatory issues

In accordance with the proposed government budget for 2021, the Norwegian Parliament has granted MNOK 566 to government procurements of commercially non-viable postal services and bank services in the rural mail districts. The amount is in line with Posten's pre-calculations. Pursuant to the recalculation agreement, Posten received the remaining MNOK 104,1 (including interest) for 2019 in December. In addition, MNOK 110 for the government's contribution to cover Posten's costs for newspaper distribution in the districts were granted, together with an extra grant for 2020 of MNOK 8,8.



Future prospects

New waves of increased infection and the following lock-down of society are expected to give low growth in the Norwegian and international economies in the first half of 2021. In spite of the start-up of vaccinations, it will probably take time for the economy to get back to the levels before the Corona pandemic hit. The expectation is that activities will recover and normalise during 2021. The GNP for mainland Norway is estimated to have fallen by approximately 3,0 percent in 2020, whereas the growth in 2021 is estimated at 3,7 percent¹. In Sweden, the decline in the economy is expected to have been approximately 2,8 percent in 2020. For 2021, the estimate is a growth of 3,2 percent¹. The uncertainty regarding the growth estimates is significant.

The economic developments and the change in customer behaviour are important indicators for the development in logistics services. The Logistics segment had considerable growth in 2020, mainly due to record-high growth in e-commerce and home deliveries caused by the Corona pandemic, and strengthened competitive power in Sweden from the establishment of a separate delivery network. The record-high growth for e-commerce and home deliveries will probably slow down as society gradually returns to a more normalised situation, but the Group expects continued high growth in the years to come. The Group is also expecting to strengthen its market position in Norway and the Nordics through the active development of services, good digital interfaces, proactive customer service and high quality.

Profitability in the Group's logistics business strongly improved in 2020, and profitable growth is expected also in the years to come. Modernisation of the infrastructure with the building of new terminals and efforts to make operations more efficient have contributed to the profitability growth. Record-high parcel volumes in 2020 show that the Group is realising scale effects within logistics that compensate for a historic fall in mail volumes. This is expected to continue in 2021.

The volume fall in addressed mail increased throughout 2020. The Corona pandemic has accelerated digital adoption by several years. The negative effect of the Corona pandemic on mail declined in the fourth quarter of 2020, but volumes have stabilised at a far lower level than before the pandemic. The transition to digital solutions in small and medium-sized businesses is of a permanent character and implies that a good part of mails volume are lost. The volume for unaddressed advertising also declined heavily as a consequence of the Corona pandemic. It is assumed that the demand for unaddressed advertising will improve somewhat when society returns to a normal situation. The present regulations allow only limited possibilities for further structural and operational adjustments of the mail services. The combination of escalating volume falls and the lack of opportunities for adjustments implies considerable profitability challenges in the years to come. Sustainable mail services, economic as well as environmental, require that necessary adjustments to the service range are made in line with changes in the market.

The goals going forward are to be the customer's first choice, leading in technology and innovation, and best at sustainable value. One step in giving the customer greater freedom of choice is the placement of parcel boxes in 1 000 locations across Norway during 2021. The parcel boxes will be placed where people live and move about, road junctions, shopping centres, student residence areas etc., where customers easily can collect their parcels. In total, the Group will offer full coverage in the Nordics by expanding to approximately 8 000 delivery points. New, sustainable and innovative services and greater freedom of choice for the customers are important factors in strengthening Posten's competitive power in the future.

¹ Sources:

ssb.no, Konjunkturtendensene 2020/4, <https://www.ssb.no/nasjonalegnskap-og-konjunkturer/artikler-og-publikasjoner/vaksinerings-gir-okt-rente>

Konj.se, Konjunkturlaget dec 2020, <https://www.konj.se/publikationer/konjunkturlaget/konjunkturlaget/2020-12-17-aterhamningen-brvts-tillfalligt.html>

Financial Report



4th quarter 2020
Posten Norge

Condensed income statement

Q4 2020	Q4 2019		Note	Year 2020	Year 2019
6 614	6 490	Revenue	1	23 996	24 212
2 645	2 612	Costs of goods and services		9 937	10 340
2 274	2 296	Payroll expenses		8 523	8 846
361	395	Depreciation and amortisation	2,3	1 463	1 552
116	141	Write-downs	2,3	169	172
728	909	Other operating expenses		2 650	2 666
6 125	6 352	Operating expenses		22 742	23 575
42	46	Other income and (expenses)	5	119	(479)
2	(7)	Share of profit from associated companies		112	5
533	177	Operating profit	1	1 485	162
(25)	(50)	Net financial items		(141)	(142)
508	127	Profit before tax		1 344	21
55	(81)	Tax expense		221	8
453	208	Profit after tax		1 123	13
456	190	Controlling interests		1 119	(2)
(2)	19	Non-controlling interests			15

Condensed statement of comprehensive income

Q4 2020	Q4 2019		YTD 2020	Year 2019
453	208	Profit after tax	1 123	13
(61)	(25)	Pension remeasurement	(61)	(25)
(61)	(25)	Items that will not be reclassified to income statement	(61)	(25)
4	(7)	Hedging of net investment	(46)	21
(44)	19	Translation differences*	63	(45)
(40)	12	Translation differences	17	(23)
1		Cash flow hedging	(5)	2
(39)	12	Items that will be reclassified to income statement	12	(21)
(101)	(13)	Other comprehensive income	(50)	(47)
352	196	Total comprehensive income	1 073	(34)
		Total comprehensive income is distributed as follows:		
355	177	Controlling interests	1 069	(48)
(2)	19	Non-controlling interests		15

*MNOK 13 has been reclassified in the 4th quarter, MNOK 108 year to date to the income statement. Note 7 has details.

Condensed balance sheet

	Note	31.12 2020	31.12 2019
ASSETS			
Intangible assets	2	1 823	1 897
Deferred tax asset		282	311
Tangible fixed assets	2	5 409	5 611
Right-of-use assets	3	2 854	3 821
Other financial assets	6	275	532
Non-current assets		10 644	12 171
Inventories		7	9
Interest-free current receivables	6	3 060	3 731
Interest-bearing current receivables	6	125	44
Liquid assets	6	4 633	3 912
Current assets		7 826	7 696
Assets held for sale	7	1 173	
Assets		19 643	19 867
EQUITY AND LIABILITIES			
Share capital		3 120	3 120
Other equity		4 237	3 177
Non-controlling interests		9	66
Equity		7 367	6 363
Provisions for liabilities		797	1 178
Non-current lease liabilities		2 515	3 376
Interest-bearing non-current liabilities	4,6	1 108	2 220
Interest-free non-current liabilities	6	16	6
Non-current liabilities		3 639	5 602
Current lease liabilities		625	793
Interest-bearing current liabilities	4,6	1 411	1 178
Interest-free current liabilities	6	4 420	4 610
Tax payable		210	142
Current liabilities		6 667	6 724
Liabilities held for sale	7	1 174	
Equity and liabilities		19 643	19 867

Condensed statement of changes in equity

	Controlling interests							Non-contr. interests	Total equity
	Share capital	Share premium reserves	Hedging reserve	Transl. diff.	Retained earnings	Other equity			
Equity 01.01.2020	3 120	992	(1)	279	1 907	3 177	66	6 363	
Profit for the period					1 119	1 119		1 123	
Other comprehensive income			(5)	17	(61)	(50)		(50)	
Total comprehensive income			(5)	17	1 057	1 069		1 073	
Dividend									
Changes in non-contr. interests					(8)	(8)	(61)	(69)	
Other changes in equity				(13)	13				
Equity 31.12.2020	3 120	992	(7)	283	2 969	4 237	9	7 367	

	Controlling interests							Non-contr. interests	Total equity
	Share capital	Share premium reserves	Hedging reserve	Transl. diff.	Retained earnings	Other equity			
Equity 31.12.2018	3 120	992	(3)	302	2 039	3 330	31	6 481	
Effect from IFRS 16					49	49		49	
Equity 01.01.2019	3 120	992	(3)	302	2 088	3 379	31	6 530	
Profit for the period					(2)	(2)	15	13	
Other comprehensive income			2	(23)	(25)	(47)		(47)	
Total comprehensive income			2	(23)	(27)	(48)	15	(34)	
Dividend					(124)	(124)		(124)	
Changes in non-contr. interests					9	9	4	13	
Other changes in equity					(39)	(39)	17	(22)	
Equity 31.12.2019	3 120	992	(1)	279	1 907	3 177	66	6 363	

As at 31 December 2020, the share capital consisted of 3 120 000 shares at a nominal value of NOK 1 000. All the company's shares are owned by the Norwegian State, represented by the Ministry of Trade, Industry and Fisheries.

At the Annual Shareholders' Meeting in June 2020, it was decided that no dividend be paid for the 2019 accounting year.

Condensed statement of cash flows

Q4 2020	Q4 2019		Year 2020	Year 2019
508	127	Profit before tax	1 344	21
(31)	38	Tax paid in period	(165)	(92)
(64)	(66)	(Gain)/loss from sales of non-current assets	(73)	(81)
477	536	Ordinary depreciation and write-downs	1 632	1 724
(2)	7	Share of profit from associated companies	(112)	(5)
6	30	Financial items without cash flow effect	57	126
178	154	Changes in receivables and payables	30	319
36	186	Changes in other working capital	278	(26)
(59)	(106)	Changes in other accruals	(280)	302
24	29	Interest received	105	121
(45)	(71)	Interest paid	(209)	(268)
1 028	864	Cash flows from operating activities	2 607	2 143
(270)	(133)	Investments in non-current assets	(700)	(646)
(49)	(3)	Cash-effect from purchases of businesses	(97)	(7)
	(16)	Cash-effect from purchases of associated companies		(16)
47	103	Proceeds from sales of non-current assets	133	243
100	16	Cash-effect from sale of businesses	28	16
		Cash-effect from sale of associated companies	364	73
(22)	(8)	Changes in other financial non-current assets	(27)	
(194)	(41)	Cash flows used in investing activities	(299)	(339)
(215)	(228)	Payment of lease liabilities	(851)	(890)
(100)		Proceeds from non-current and current debt raised		
(156)	(300)	Repayment of borrowings	(779)	(500)
		Dividends paid		(124)
(470)	(528)	Cash flows used in financing activities	(1 630)	(1 514)
364	296	Change in liquid assets	677	291
4 305	3 611	Liquid assets at the beginning of the period	3 912	3 613
11	5	Currency differences	91	7
(47)		Liquid assets classified as held for sale	(47)	
4 633	3 912	Liquid assets at the end of the period	4 633	3 912

SELECTED ADDITIONAL INFORMATION**General**

Posten Norge AS was established as a company on 1 December 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 Norge AS' address is Biskop Gunnerus gate 14, 0001 Oslo, Norway.

This condensed interim report has been prepared in accordance with the IFRSs (International Financial Reporting Standards) approved by the EU and complies with the prevailing accounting standard IAS 34 for interim financial reporting. The condensed interim financial accounts 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.

Accounting principles

The interim financial statements have been prepared in accordance with IFRS, with the same accounting principles as stated in the 2019 annual report.

Standards issued, but not yet effective:

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

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.

Information about the Corona pandemic and its effect on estimates and assumptions in the quarterly report is given in note 8.

In other respects, the sources of uncertainty concerning estimates are the same as for the 2019 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.

The annual report for 2019 is available at www.postennorge.no

NOTES TO THE ACCOUNTS

Note 1 Segments

Posten Norge's operations are divided into two segments, Logistics and Mail. Owner function and shared functions are allocated to Other.

The Group's segments are reported by areas whose operating results are regularly reviewed by Posten's Board. The objectives are to enable the Board to decide which resources should be allocated to the segment and to assess its earnings. Internal revenues are turnover between segments in the Group. The pricing of transactions between segments is based on normal commercial terms and conditions as if the segments were independent parties.

The segments are described in more detail in the 2019 annual report.

Revenue per segment

Q4 2020	Q4 2019	Revenue	Year 2020	Year 2019
5 079	4 638	External revenue	18 354	17 474
65	165	Internal revenue	216	653
5 144	4 804	Logistics	18 571	18 127
1 535	1 852	External revenue	5 641	6 738
126	251	Internal revenue	400	896
1 661	2 103	Mail	6 041	7 634
297	321	Internal revenue	1 295	1 340
297	321	Other	1 295	1 340
(488)	(737)	Eliminations	(1 911)	(2 890)
6 614	6 490	Group	23 996	24 212

Revenue categories (external revenue)

Q4 2020	Q4 2019	Deliveries over time*	Year 2020	Year 2019
2 733	2 308	Parcels and freight	8 938	8 435
2 346	2 330	Other Logistics business	9 416	9 040
5 079	4 638	Logistics	18 354	17 474
1 407	1 561	Mail and banking services	5 117	5 832
128	219	Government procurements	523	619
	73	Other (mainly dialogue services)		286
1 535	1 852	Mail	5 641	6 738
		Other		
6 614	6 490	External revenue	23 996	24 212

*Some of the Group's services are delivered at a certain time. These services are not separated from revenue delivered over time as they are considered to be immaterial.

Operating result (EBIT) per segment

Q4 2020	Q4 2019		Year 2020	Year 2019
		Operating profit before depreciation (EBITDA)		
798	402	Logistics	2 316	1 488
277	392	Mail	710	1 128
(107)	(120)	Other	(137)	(254)
966	674	Group	2 886	2 361

Q4 2020	Q4 2019		YTD 2020	Year 2019
		Adjusted operating profit		
536	141	Logistics	1 268	462
186	267	Mail	326	635
(117)	(129)	Other	(170)	(288)
605	279	Group	1 423	808

Q4 2020	Q4 2019		YTD 2020	Year 2019
		Operating profit (EBIT)		
445	70	Logistics	1 285	364
185	263	Mail	371	120
(97)	(156)	Other	(170)	(321)
533	177	Group	1 485	162

Investments per segment

	Year 2020	Year 2019
Investments		
Logistics	552	502
Mail	146	138
Other	3	6
Group	700	646

Note 2 Intangible assets and tangible fixed assets

	Intangible assets	Tangible assets
Carrying amount 01.01.2020	1 897	5 611
Additions	164	536
Additions from acquisitions		52
Disposals		(151)
Disposals from sales of companies		(4)
Cost price adjustments/scrapping	(1)	(8)
Depreciation	(115)	(507)
Write-downs	(131)	(26)
Reclassified to held for sale	(30)	(138)
Translation differences	39	45
Carrying amount 31.12.2020	1 823	5 409

Investments in owned assets in 2020 amounted to MNOK 700, of which investments in IT-related solutions were MNOK 164. Approximately MNOK 100 of the MNOK 536 invested in tangible fixed assets related to buildings and property, and the rest mainly comprised terminal equipment, vehicles and other operating equipment. MNOK 552 of total investments related to the Logistics segment. Additions from acquisitions related to land in Kristiansand and Bergen, where the Group plans to build new terminals. In 2020, MNOK 131 in intangible assets was written down, mainly concerning the development of a new transport management system in the Logistics segment.

Note 3 Leases

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

	31.12 2020	31.12 2019
Right-of-use assets	2 854	3 821
Non-current lease liabilities	2 515	3 376
Current lease liabilities	625	793
Lease liabilities	3 140	4 168

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

Q4 2020	Q4 2019		Year 2020	Year 2019
206	230	Depreciation	842	910
5	7	Write-downs	12	31
32	38	Interest expense on lease liabilities	132	145

Note 4 Interest-bearing non-current and current liabilities

The Group's interest-bearing liabilities include:

	31.12 2020	31.12 2019
Bond loans	350	1 350
Liabilities to credit institutions	757	860
Other non-current liabilities		10
Interest-bearing non-current liabilities	1 108	2 220
First year's instalment on non-current liabilities	1 111	778
Certificate loans	300	400
Interest-bearing current liabilities	1 411	1 178

Interest-bearing liabilities were reduced by ordinary instalments, paid certificate loans and payments of loans of MNOK 779 in 2020. In addition, a bond loan of 1 billion kroner, due within one year, was reclassified from non-current to current liabilities.

As at 31 December 2020, none of the Group's credit facilities had been used. The average interest rate on Posten's outstanding interest-bearing liabilities was 1,52 percent as at 31 December 2020.

Note 5 Other income and expenses

Other income and expenses are basically income and costs with limited predictive value and include restructuring costs, significant gain and loss on non-ordinary sales of tangible fixed assets in addition to other income or costs outside the Group's normal business considered to have limited predictive value.

Q4 2020	Q4 2019		Year 2020	Year 2019
	51	Restructuring costs	76	(480)
53	65	Gain/(loss) from sale of fixed assets	54	80
(11)	(70)	Other income/(expenses)	(11)	(79)
42	46	Other income and (expenses)	119	(479)

In 2020, a provision from 2019 related to reduced distribution frequency has been reversed (a cost reduction) due to several more voluntary solutions than originally estimated. This is partly counterbalanced by restructuring costs related to the close-down of several post offices replaced by Post in Shops.

Gain from sale of fixed assets in 2020 mainly related to the sale of Bring Freight Forwarding AB and operations in Bring Åkeri AB.

Other income and expenses in 2020 were mainly costs in connection with the sales process regarding the sale of the subsidiary Bring Frigo Sweden (note 7). In 2019, other income and expenses primarily constituted a provision for loss due to structural changes in the thermo business in the Logistics segment.

Note 6 Fair value measurement

The fair value of financial assets and liabilities is calculated in line with the methods and assumptions, as well as the fair value hierarchy, used in previous years. This is described in more detail in the 2019 annual report.

The Group had the following financial assets and liabilities measured at fair value as at 31 December 2020:

	At fair value (FV)			At amortised cost		31.12.2020
	Level	Fair value over profit or loss (FVO)	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receivables	
Assets						
Interest-bearing non-current receivables		0		0	57	57
Other financial non-current assets	2	0	126	7	57	189
Interest-free current receivables	2	0		2	3 057	3 060
Interest-bearing current receivables		0		0	125	125
Liquid assets		0		0	4 633	4 633
Financial assets		0		0		8 065
Liabilities						
Non-current lease liabilities		0		0		2 515
Interest-bearing non-current liabilities	2	424	2	11		670
Interest-free non-current liabilities		0		0		16
Current lease liabilities		0		0		625
Interest-bearing current liabilities		0		0		1 411
Interest-free current liabilities, incl. tax payable	2	0	3	7		4 620
Financial liabilities		0		0		10 306
Total value hierarchy level 1 (net)		0		0		0
Total value hierarchy level 2 (net)		(424)	120	(9)		(313)
Total value hierarchy level 3 (net)		0		0		0

	At fair value (FV)			At amortised cost		31.12.2019
	Level	Fair value over profit or loss (FVO)	Derivatives at fair value over profit or loss	Derivatives at fair value over OCI	Receivables	
Assets						
Interest-bearing non-current receivables		0		0	56	56
Other financial non-current assets	2	0	118	4	15	137
Interest-free current receivables	2	0	100	4	3 627	3 731
Interest-bearing current receivables		0		0	44	44
Liquid assets		0		0	3 912	3 912
Financial assets		0		0		7 880
Liabilities						
Non-current lease liabilities						3 376
Interest-bearing non-current liabilities	2	415		0		1 805
Interest-free non-current liabilities	2	0		4		2
Current lease liabilities						793
Interest-bearing current liabilities	2	247		0		931
Interest-free current liabilities, incl. tax payable	2	0	5	7		4 740
Financial liabilities						12 325
Total value hierarchy level 1 (net)		0		0		0
Total value hierarchy level 2 (net)		(663)	213	(3)		(454)
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 7 Changes in the Group's structure

Acquisition of businesses

In the first quarter 2020, Posten Eiendom AS acquired 100 percent of the companies Posten Eiendom Kristiansand I and Posten Eiendom Kristiansand II for a total of MNOK 32. In the third quarter, the companies were merged, with Kristiansand I AS as the acquiring company. The company owns a site in Kristiansand, and the Group plans to build a new terminal on this site.

Posten Eiendom AS purchased 100 percent of KOV 1 AS for MNOK 6 in the third quarter. The company owns land in Bergen which is part of the Group's plans for the terminal in Bergen.

Sale of businesses

Bring Freight Forwarding AB

In December 2020, Posten Norge AS sold Bring Freight Forwarding AB and operations in Bring Åkeri AB to Sandahlsbolagen Sweden AB.

	2020
Sale proceeds*	135
Carrying amount	77
Gain from sale	58
Of which non-controlling interests' share	(16)
Translation differences reclassified to income statement	13
Total Gain	54

* The Groups share of the sale proceeds was MNOK 101

Danske Fragtmænd A/S

Posten Norge AS had an agreement concerning the resale of the shares in Danske Fragtmænd A/S over a period of 5 years, in addition to the payment of interest. In the third quarter 2020, Posten's remaining shares were sold back, and the Group no longer has any shares in the company.

(Amounts in MNOK)	Carrying amount OB	Share of profit	Translation differences	Disposal incl. transl. diff.	Carrying amount CB
Year					
2020	313		36	(349)	(0)
2019	393	11	(4)	(86)	313

At the end of 2019, translation differences of MNOK 59 were recognised. At the time of sale, an additional MNOK 36 in translation differences was recognised. In 2020, a total of MNOK 95 was reclassified from other comprehensive income at the sale of the shares in the company. The final settlement in connection with the sale gave a gain of MNOK 15, resulting in a total gain in the income statement of MNOK 110.

	2020
Sale proceeds incl. extraordinary dividends	364
Carrying amount incl. translation differences	349
Gain/final settlement	15
Translation differences reclassified to income statement	95
Total gain	110

Bring Frigo AS

In December 2019, Posten Norge entered into an agreement for the sale of the thermo business Bring Frigo AS to Nor-log Gruppen AS. Nor-log Gruppen AS is continuing operations under the name Nor-log Thermo AS, and the sale was carried out with continuity for customers and employees. The sale involved disposals of operating equipment, current receivables and liabilities related to operations in addition to employees. The sale was approved by the Norwegian Competition Authority in January 2020 and was carried out with accounting effect from 1 February 2020, without significant impact on the financial statements.

Demergers/mergers

In the fourth quarter 2020, the following demergers and mergers were carried out in the Group

- Posten Eiendom Bergen was demerged into 7 companies as part of the Group's plans for a terminal in Bergen
- Bring Logistic AB and Smartpak AB were merged with Bring Parcels AB as part of simplifying the Group's structure
- Bring Cargo AS purchased the minority shares in Bring Polarbase, and the companies were then merged.

Held for sale

Bring Frigo Sverige AB with subsidiaries (Bring Frigo SE)

In December 2020, the Group introduced the subsidiary group Bring Frigo Sweden for sale in the market, and offers were received in January 2021. At year-end 31 December 2020, Bring Frigo SE is classified as held for sale in the balance sheet.

The estimated sales price is expected to exceed book value of the subsidiary group, and no losses were recognised on the reclassification to held for sale.

Bring Frigo SE is part of the Logistics segment, operating a network for temperate logistics. This comprises means of transport for temperate transport, refrigerated and frozen storage and terminals adjusted to the transport of goods in a temperature controlled network.

Negotiations will take place in the first quarter of 2021, and it is expected that Bring Frigo SE will be sold in March 2021.

	31.12 2020
ASSETS CLASSIFIED AS HELD FOR SALE	
Non-current assets	704
Current assets	468
Held for sale assets	1 173
LIABILITIES CLASSIFIED AS HELD FOR SALE	
Provisions for liabilities	259
Non-current liabilities	459
Current liabilities	457
Held for sale liabilities	1 174

As at 31 December 2020, accumulated positive translation differences and hedging reserves recognised in equity related to business held for sale constituted MNOK 61.

Note 8 Impact of the Corona pandemic

In March 2020, the World Health Organisation (WHO) declared Covid-19 (the Corona virus) to be a pandemic. The pandemic spread from China to large parts of the world, including Europe and Norway, and has affected all parts of society strongly. Strict restrictions were introduced for the population in Norway and the other Nordic countries. National infection control measures have since then been adjusted to the infection situation and consequently eased in periods with low infection levels, but tightened again at rising levels, or replaced by local restrictions in areas with larger outbreaks. At the end of the year, the infection level had increased again with the subsequent lock-down of society.

The financial consequences of the Corona pandemic are closely followed up by the Group. The periodical normalisation of society has, however, resulted in less negative financial consequences of the Corona pandemic. The distinction between effects from the Corona pandemic and other external market changes, trends or internal circumstances in the organisation has become less evident in the second half-year of 2020.

Operating income and operating result

The development so far shows that for the Logistics segment in the first half-year 2020, the largest negative consequence concerned corporate parcel volumes. The negative consequences have, however, been declining, and in the second half-year 2020 there were few indications that revenue or profit for the segment were significantly affected. The negative consequences have also been compensated by significant growth within private parcel volumes and home deliveries.

In the Mail segment, the pandemic has had negative consequences for addressed as well as unaddressed mail due to the increased fall in volumes. The negative trends have lessened in the second half-year 2020 also in this area.

In the business sector, Norwegian and Nordic authorities have introduced several initiatives in order to safeguard jobs. Delays of payment of public dues and relief of duties have been granted. Reduced social security tax of four percentage points for the third term in Norway resulted in cost savings of approximately MNOK 50 for the Group.

Write-down of non-financial assets

Forecasts

The restrictions introduced as a consequence of the pandemic, and the negative effects they have had on the Group's turnover and operations, were indicators of a fall in value in the first half-year. Updated impairment tests for relevant areas were carried out in the second quarter 2020. The situation was mainly unchanged or improved for these areas in the second half-year, and no additional indications of any fall in value have been identified. Irrespective of this, annual impairment tests for goodwill and intangible assets under development were carried out in the fourth quarter.

The forecasts used in the impairment tests assumed a gradual normalisation during 2021 in line with the most recent general terms and market expectations and were also assessed against strategic goals, history and other factors. There is still some uncertainty about how long the situation will last, the financial consequences and any consequences of a recession in the economy following the crisis. The uncertainty is assessed by sensitivity analyses.

Other assumptions (growth and required rate of return)

No specific Covid-19 adjustments were made in the required rate of return. The various components in the required rate of return were, however, estimated on the basis of updated information. The Group updated the long-term growth rates correspondingly. The required rate of return applied in the impairment tests for goodwill was 8,0 and 8,4, respectively, in the Logistics and Mail segments, whereas the long-term growth rate was 1,5 percent and 0,0 percent (goodwill within mail is not related to traditional mail services).

Based on the criteria described above, no need for a write-down of goodwill was uncovered in the fourth quarter 2020. A total of MNOK 110 in intangible assets under development was written down, but this was not related to the Corona pandemic (note 2 has details).

Analyses were made of the sensitivity in the key assumptions for cash-generating entities with goodwill. The analyses showed that the impairment test for Netlife Gruppen was sensitive to changes, but there would be no need for write-downs for the other cash-generating entities.

Financial risk

Market risk

The Corona pandemic has led to large changes in market prices, exchange rates and interest levels. The Group has significant investments in bond funds. As at 31 December 2020, the Group had 3,5 billion kroner invested in various bond funds (3,4 billion kroner as at 31 December 2019). Unrealised gains in 2020 totalled MNOK 90. Posten Norge uses financial instruments to manage market risk from the Group's ordinary operations, and variations in results due to these changes are therefore limited.

Credit risk

Several of the Group's customers are affected by the pandemic, and this increases the uncertainty related to the customers' operations and liquidity. The Group's credit forum assesses the status of outstanding trade receivables and the development of the largest customers, in addition to specific customer scenarios requiring an active decision. Of total outstanding trade receivables, there was no significant negative change in receivables due as at 31 December 2020 compared with 31 December 2019. The expected losses on receivables are provided for in accordance with an expected loss model and cover uncertain receivables to a reasonable degree.

Liquidity risk

The Group is solid and has a good liquidity reserve.

The Group has covenants in connection with external financing. Covenant compliance is calculated based on the Group's accounting figures without the effects of IFRS 16 *Leases*. Financial covenants were complied with as at 31 December 2020 and the publishing of the report. Note 18 in the 2019 annual report has more information.

Other changes in sources of estimation uncertainty

There is estimation uncertainty connected with the assessment of pension obligations. The present value of pension obligations depends on factors like the discount rate, which is normally determined at the end of each year. As a consequence of the Corona pandemic, the interest level is significantly reduced in both the short and the long term. This has resulted in an increase in the Group's pension obligations in the balance sheet, a total increase of MNOK 75.

Alternative Performance Measures



4th quarter 2020
Posten Norge

Alternative Performance Measures

The Group's financial information has been prepared in accordance with international accounting standards (IFRSs). In addition, information is given about alternative performance measures that are regularly reviewed by management to improve the understanding of the result. The alternative performance measures presented may be defined differently by other companies.

The Group's performance measures, and other target figures applied in the annual and quarterly reports are described below.

Organic growth

Organic growth provides the Group's management, Board and other users of the financial information the opportunity to analyse the underlying operational growth.

	Year 2020	Year 2019
+ Revenue (current year)	23 996	24 212
- Revenue (last year)	24 212	23 894
= Nominal change in revenue	(216)	317

	Year 2020	Year 2019
+ Nominal change in revenue	(216)	317
+/- Impact of exchange rates	(516)	(42)
+/- Acquisitions of companies		(44)
+/- Sale of companies*	868	251
+/- Change in government procurements	96	(83)
+/- IFRS 16 effects		31
= Organic change in revenue	232	430

* Adjustment of revenue for companies sold

	Year 2020	Year 2019
+ Organic change in revenue	232	430
/ Adjusted revenue*	23 575	24 073
= Organic growth	1,0%	1,8 %

*Adjustment of revenue for currency effects, acquisitions and government procurement

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

Group management follows the Group's financial situation by using common target figures (KPIs) and target figures showing income and expenses related to the Group's ordinary operations. The alternative target figures applied in the reports to Group management comprise earnings excluding items of limited predictive value.

Profit before depreciation, financial items and tax (EBITDA) is an important financial parameter for the Group and the basis for the term 'Adjusted operating profit'. The adjusted operating profit is EBITDA before write-downs and other income and expenses but includes depreciation. Operating profit (EBIT) includes the Group's write-downs, other income and expenses, and income from associated companies and joint ventures.

The target figures are valuable for the users of Posten's financial information, including management, the Board and external parties. They give the users of the financial information the opportunity to assess the operating result on the basis of variable current items, as restructuring costs, gains and losses on the sale of non-current assets and other income costs outside the Group's normal business considered to have limited predictive value are excluded. It is also assumed that the target figures contribute to a more comparable evaluation of the operating results of the Group's competitors.

	Year 2020	Year 2019
+ Revenue	23 996	24 212
- Costs of goods and services	9 937	10 340
- Payroll expenses	8 523	8 846
- Other operating expenses	2 650	2 666
= EBITDA	2 886	2 361

	Year 2020	Year 2019
+ EBITDA	2 886	2 361
- Depreciation	1 463	1 552
= Adjusted operating profit	1 423	808

	Year 2020	Year 2019
+ Adjusted operating profit/ / Revenue	1 423 23 996	808 24 212
= Adjusted profit margin	5,9 %	3,3 %

	Year 2020	Year 2019
+ Adjusted operating profit	1 423	808
- Write-downs	169	172
+/- Other income and (expenses)	119	(479)
+ Share of profit or loss from associated companies	112	5
= EBIT	1 485	162

	Year 2020	Year 2019
+ EBIT	1 485	162
/ Revenue	23 996	24 212
= EBIT margin	6,2 %	0,7 %

Net interest-bearing debt (NIBD) and liquidity reserve

A primary objective of the Group's financial guidelines is to secure financial freedom of action for the Group. Such freedom makes it possible to operationalise strategies and reach the business's 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 rate without the 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 comprises both short-term and long-term interest-bearing debt, less commercial financial investments and 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 (without the effects of IFRS 16 Leases). Net liabilities/EBITDA is one such covenant. The debt/equity ratio shows the share of equity related to both short and long-term 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 longer term, and as such is a useful target figure to consider whether the Group has adequate liquidity to achieve the Group's approved strategy.

	31.12 2020	31.12 2020*	31.12 2019
+ Interest-bearing non-current liabilities	3 623	1 123	5 596
+ Interest-bearing current liabilities	2 037	1 413	1 971
- Commercial financial investments	3 468	3 468	3 378
- Cash	16	16	60
- Bank deposits corporate cash-pool account	1 095	1 095	382
- Bank deposits	55	55	91
= Net interest-bearing debt/(receivables)	1 027	(2 097)	3 655

* Not including IFRS 16 effects

	31.12 2020	31.12 2020*	31.12 2019
+ Net interest-bearing debt/(receivables)	1 027	(2 097)	3 655
/ Equity on the balance sheet date	7 367	7 440	6 363
= Debt/equity ratio	0,1	(0,3)	0,6

* Not including IFRS 16 effects

	31.12 2020	31.12 2020*	31.12 2019
+ Net interest-bearing debt/(receivables)	1 027	(2 097)	3 655
/ EBITDA last twelve months	2 886	1 953	2 361
= Net interest-bearing debt/(receivables)/EBITDA	0,4	(1,1)	1,5

* Not including IFRS 16 effects

	31.12 2020	31.12 2019
+ Commercial financial investments	3 468	3 378
+ Syndicate facility	2 932	3 452
- Certificate loans	300	400
= Long-term liquidity reserve	6 100	6 430

	31.12 2020	31.12 2019
+ Long-term liquidity reserve	6 100	6 430
+/- Deposits on group account	1 091	381
+/- Deposits outside group account	59	92
+ Bank overdraft not utilised	500	500
= Short-term liquidity reserve	7 749	7 404

Invested capital and return on invested capital (ROIC)

The Group is creating value for the owners by investing cash today that contributes to increased cash flows in the future. Value is generated as long as the business is growing and achieves a higher return on its invested capital (ROIC) than the cost of capital (WACC). It is a useful tool to measure whether the investments generate adequate return.

Items included in the calculation of invested capital are shown below:

	31.12 2020	31.12 2019
+ Intangible assets	1 921	2 023
+ Tangible fixed assets	9 112	9 535
+ Current assets	7 873	7 574
- Total liquid assets	4 087	3 654
- Interest-bearing current assets	87	59
- Interest-free current liabilities	4 755	4 525
+ Tax payable	129	83
+ Dividends and group contributions	(1)	8
= Invested capital	10 106	10 985

*Last twelve months

	31.12 2020	31.12 2019
+ Last 12 months' accumulated adjusted operating profit	1 423	808
/ Invested capital	10 106	10 985
= Return on invested capital (ROIC)	14,1 %	7,4 %

Other alternative performance measures

The Group uses and presents other individual performance measures considered to be useful for the market and the users of the Group's financial information. These measures are shown in the table below:

	Year 2020	Year 2019
+ Total investments in owned tangible fixed assets	752	646
- Investments due to acquisitions	52	
= Investments before acquisitions	700	646

	31.12 2020	31.12 2019
+ Profit after tax last 12 months	1 123	13
/ Average equity on balance sheet date*	6 865	6 422
= Return on equity after tax (ROE)	16,4 %	0,2 %

*(OB+CB)/2

	31.12 2020	31.12 2019
+ Equity on balance sheet date	7 367	6 363
/ Equity and liabilities (total capital)	19 643	19 867
= Equity ratio	37,5 %	32,0 %