



# Quarterly Report

**1<sup>st</sup> quarter 2020**

Posten Norge



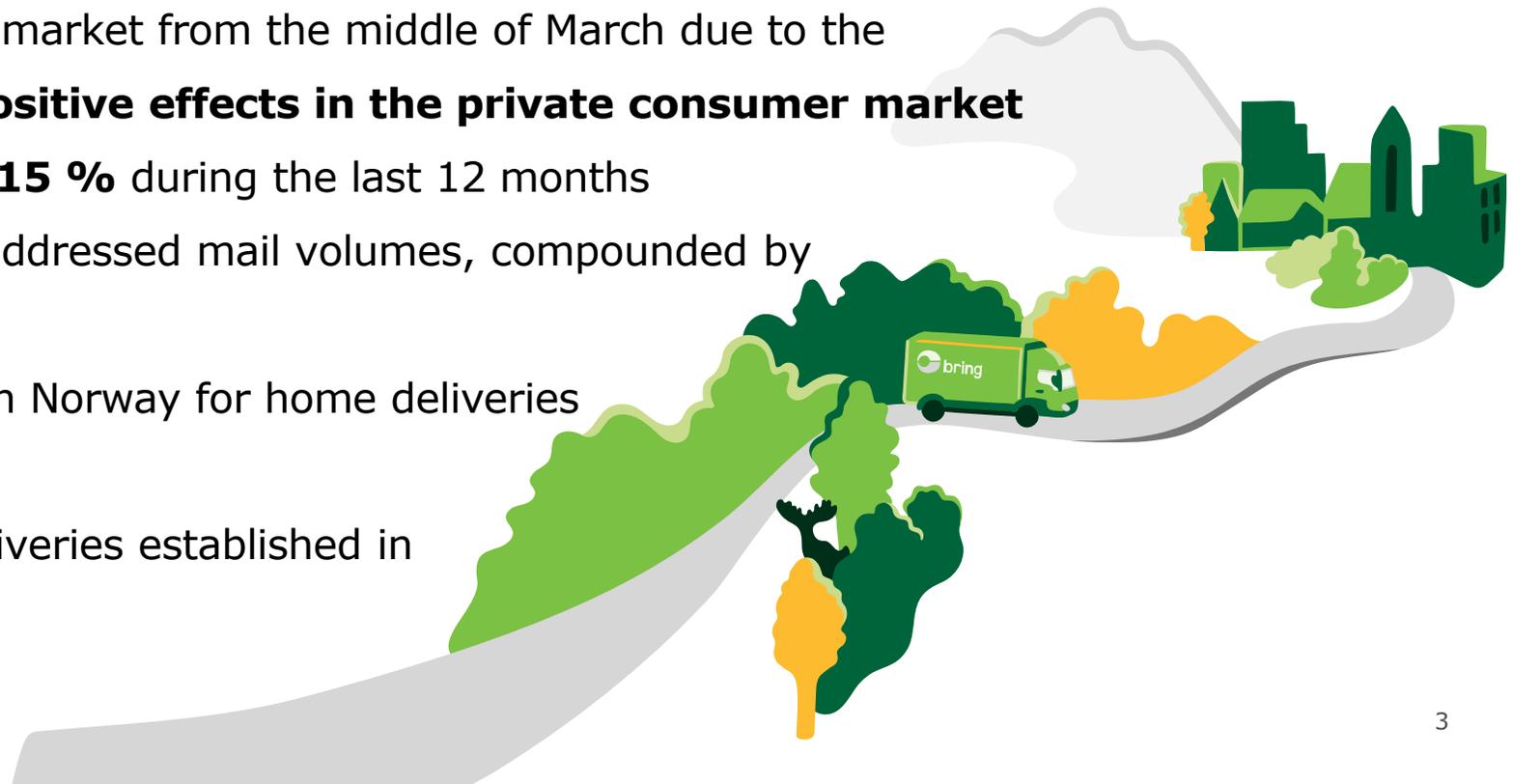
# 1st quarter 2020

- Highlights and financial development



# Highlights

- **The Corona pandemic** has necessitated focus on good infection control routines, brought about a change in volume mix, and illustrated the Group's critical role in society
- **Positive result development** in the Logistics segment as a consequence of growth in the private consumer market and productivity improvements
- Decline in activities in the corporate market from the middle of March due to the Corona pandemic, but there were **positive effects in the private consumer market**
- E-commerce volume **increased by 15 %** during the last 12 months
- Continued **fall** in addressed and unaddressed mail volumes, compounded by the Corona pandemic
- Cooperation agreement with **Coop** in Norway for home deliveries of groceries in the entire country
- Full **Nordic coverage** for parcel deliveries established in Sweden



# HSE Q1 2020: The Corona pandemic affected the absence due to sickness

ABSENCE DUE TO SICKNESS IN THE GROUP, %

6,0 % (last 12 months)



\*Historical data has been adjusted for post-registration

- Absence due to sickness in the last 12 months was 6 %, 0,1 % points higher than in the preceding 12 month period, a development attributed to the Corona pandemic

H2 IN THE GROUP

7,4 (last 12 months)



\*Historical data has been adjusted for post-registration

- The total number of injuries per million worked hours (H2) in 2020 was reduced to 7,4, 0,1 lower than in the preceding 12 month period



*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 1<sup>st</sup> quarter 2020

Improved profitability despite the negative consequences of the Corona pandemic

## OPERATING REVENUES, MNOK

Q1 2020	Q1 2019
5 964	5 913

## ADJUSTED OPERATING PROFIT\*, MNOK

Q1 2020	Q1 2019
153	106

## RETURN ON INVESTED CAPITAL/ROIC\*, %

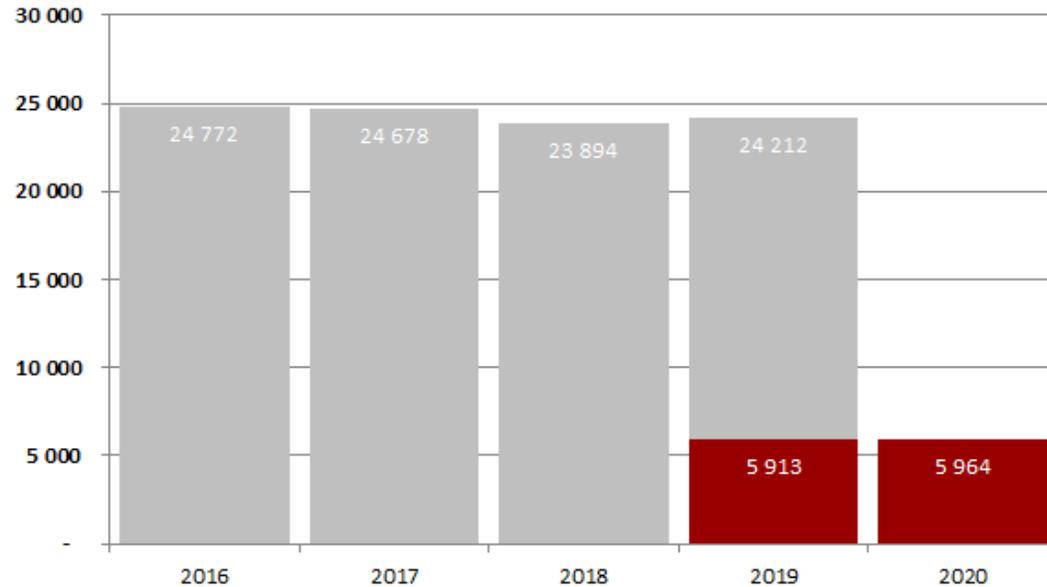
Last 12 months	Last 12 months
7,9	8,1

\*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)

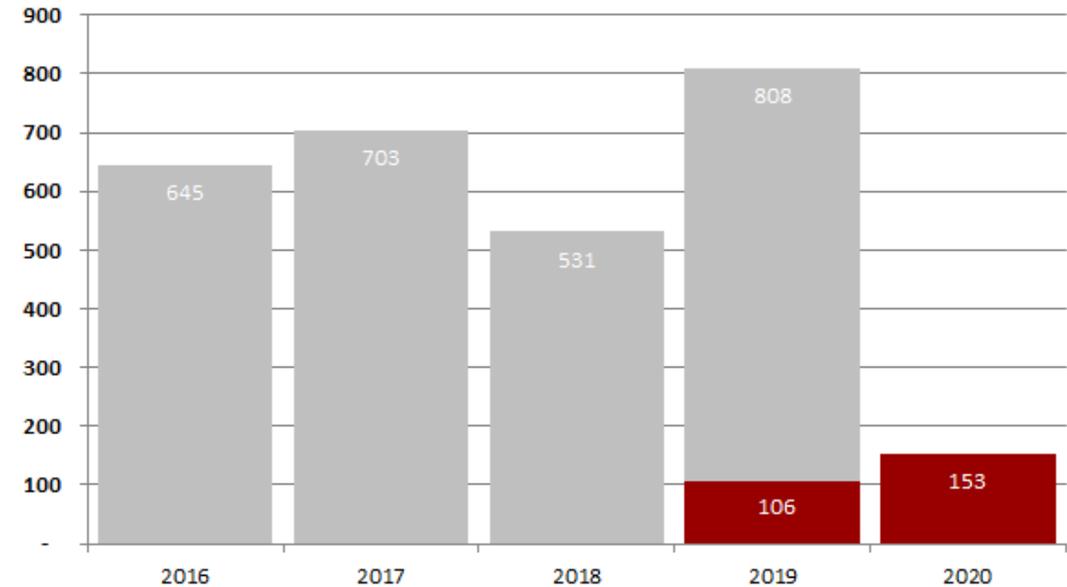


# Revenue and adjusted operating profit Q1 2020

Revenue, MNOK



Adjusted operating profit, MNOK



- Organic growth of 1,3 % in the 1<sup>st</sup> quarter 2020
- Growth in revenue in the Logistics segment, with an organic growth of 2,3 %
- Reduced revenue in the Mail segment due to the continued fall in addressed volumes and a significant fall in unaddressed volumes intensified by the Corona pandemic



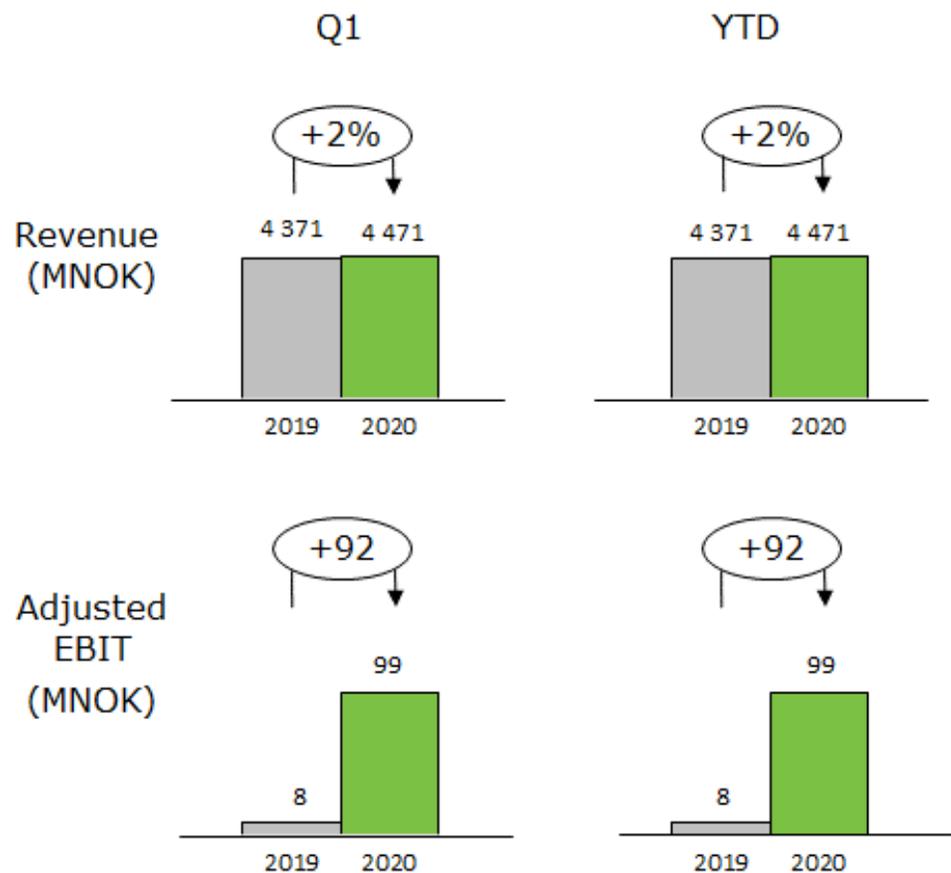
- Adjusted operating profit in the 1<sup>st</sup> quarter of MNOK 153, an improvement of MNOK 46 compared with the same period in 2019
- Improved profitability mainly a consequence of growth and operational measures within the Logistics segment

# Results 1<sup>st</sup> quarter 2020

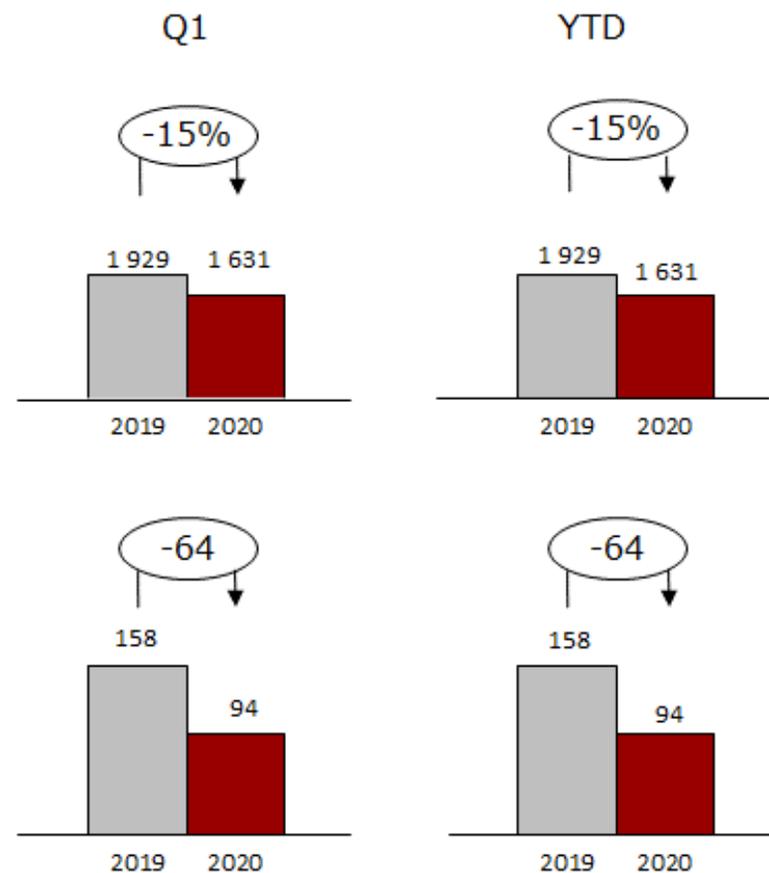
Q1 2020	Q1 2019		Year 2019
5 964	5 913	Revenue	24 212
527	489	EBITDA	2 361
153	106	Adjusted operating profit	808
158	(25)	Operating profit (EBIT)	162
(137)	(13)	Net financial items	(142)
21	(38)	Profit before taxes	21
<b>9</b>	<b>(38)</b>	<b>Profit for the period/year</b>	<b>13</b>

# Segment reporting

## LOGISTICS



## MAIL



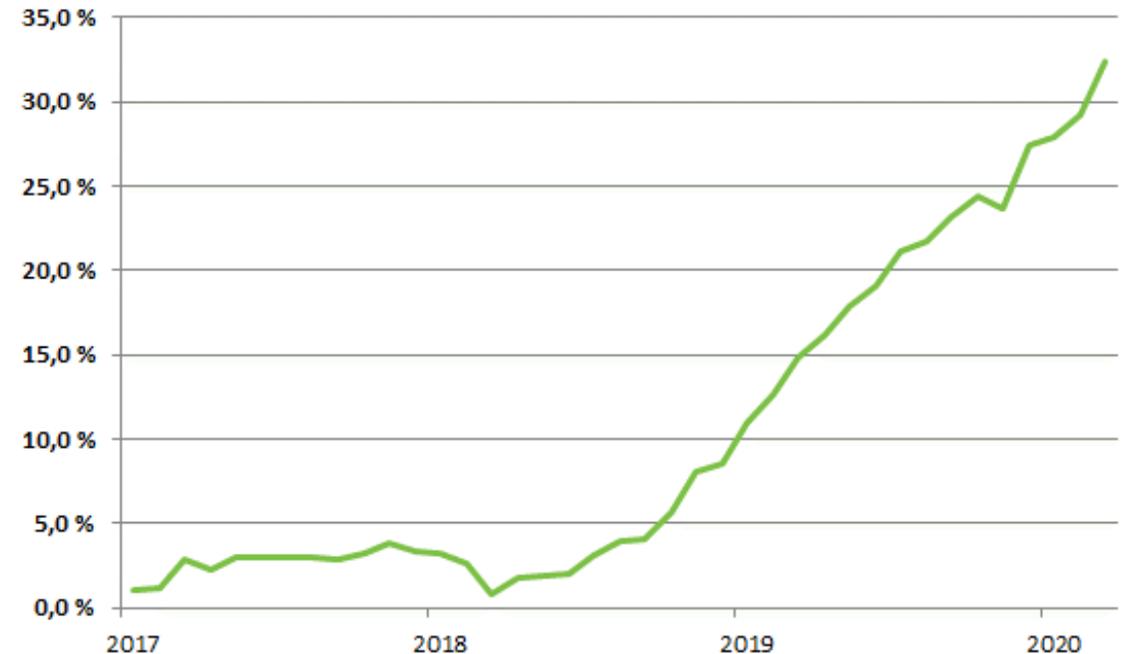
# Segment Logistics: Continued growth in E-commerce

- Activity decline from the middle of March in the corporate market due to Corona pandemic, but positive effects in the private consumer market due to strong growth in e-commerce
- The Group has relevant services during the Corona crisis. Parcels delivered at home or in the mailbox increased significantly
- E-commerce volumes increased by 15,3 % in the last 12 months
- Strong growth also in offshore
- Full Nordic coverage following the establishment of 1700 delivery points in Sweden
- Standby partner for the Red Cross in Sweden and contributed with freight for the #3dprintdugnaden

DEVELOPMENT IN E-COMMERCE FROM Q4 2016, %

15,3 % (last 12 months)

32,4 % (last 4 years)



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

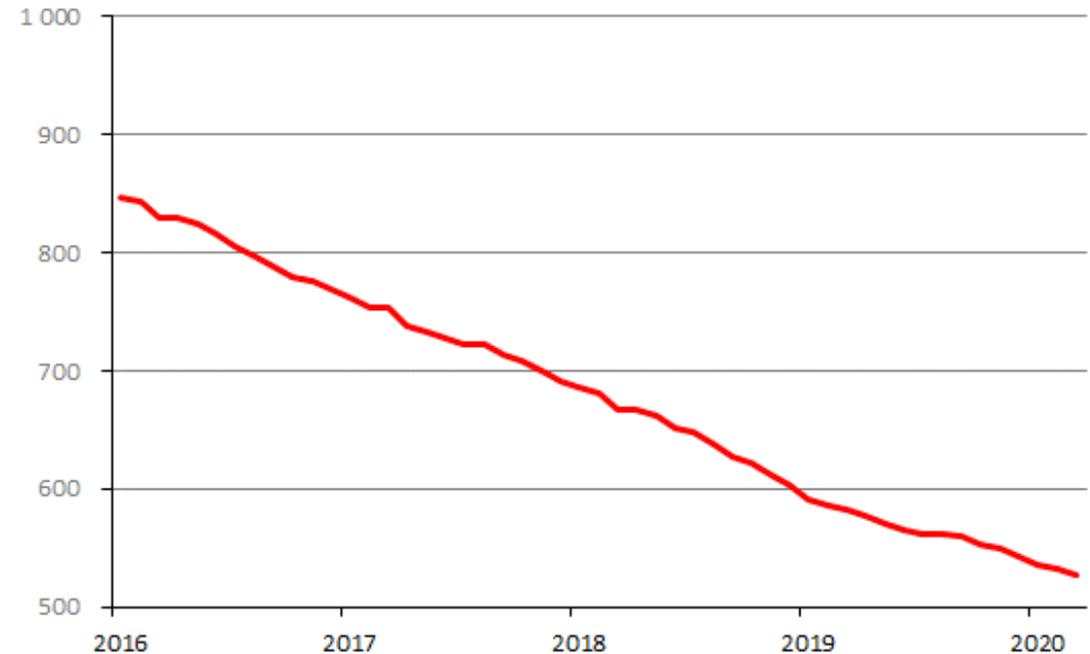
# Segment Mail: Increasing volume fall in the quarter

- The decline in volume of addressed mail in Norway in the 1<sup>st</sup> quarter was 11 %, and 9,5 % in the last 12 months
- The fall in addressed mail volumes is expected to increase as a consequence of digitalisation within the private consumer market as well as the corporate market
- The process to introduce mail distribution every other day from the summer of 2020 proceeds as planned
- In the 1<sup>st</sup> quarter 2020, unaddressed mail declined 27,5 %. The Corona pandemic had a negative effect on the volume in the last part of the quarter

VOLUME ADRESSED MAIL FROM Q1 2016, millions

527 (last 12 months)

-42,9 % (last 5 years)



# Future prospects

- The main priorities during the Corona pandemic are to safeguard life and health, and the Group's critical role in society
- The Group complies with the recommended infection reduction routines and maintains preparedness to ensure good deliveries
- It is uncertain how long the negative economic consequences of the Corona pandemic will last
- The Group continues its offensive efforts on new, better and more available services to meet customers' needs
- The postal business adjusts to market developments with the introduction of mail distribution every other day from the summer 2020, combined with new solutions allowing extra choice and flexibility

