

# 2021

## Accelerating our transformation

Q4 & FY 2021 Results

The Hague — 28 February 2022





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### Published by:

PostNL NV  
Waldorpstraat 3  
2521 CA The Hague  
The Netherlands

Additional information is available at [postnl.nl](http://postnl.nl)



# Accelerating our transformation

Q4 & FY 2021 Results



- Key takeaways 2021
- Progress on execution of strategy
- Performance 2021 and outlook 2022
  - 1. Business performance
  - 2. Financial performance
  - 3. Outlook 2022
  - 4. Concluding remarks

# Key takeaways 2021





# Exceptional year, impacted by the pandemic

## 2021 key takeaways

- Recognising and rewarding efforts and hard work of our people, partners and retailers, which we supported with extra fees during the lockdown period
- Strong business performance Parcels and Mail in the Netherlands
- Very strong cash flow performance, further strengthening our already solid financial position
- Share buyback programme of €250m announced in January
- Continued focus on value creation for all stakeholders





# Financial highlights

Earnings at high end of guided range and outperforming on cash flow



- Busy Q4 accelerated already strong performance of first three quarters
- Strong performance in last weeks of the year mainly driven by Mail in the Netherlands, with Parcels in line with expectations



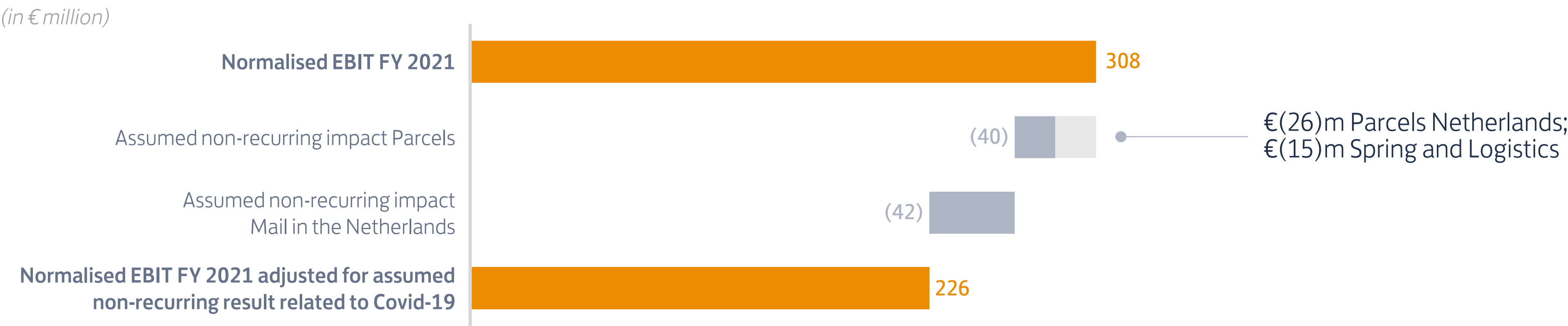
## Key financial metrics for 2021

(in € million)

	FY 2020 restated*	Latest guidance	FY 2021	change
Revenue	3,255		3,466	+6.5%
Normalised EBIT	250	280 - 310	308	+23.6%
<i>Assumed to be non-recurring and related to Covid-19</i>	77	~75	82	
Free cash flow	186	250 - 280	288	+54.8%
Normalised comprehensive income	200	250 - 280	285	+42.2%
(Proposed) dividend per share	€0.28		€0.42	

# Assumed non-recurring impact related to Covid-19 in 2021

Normalised EBIT impact of €82m



FY 2020: normalised EBIT €250m, of which around €77m non-recurring and related to Covid-19 (€40m Parcels Netherlands, €22m Spring and Logistics and €15m Mail in the Netherlands)

## Parcels

- 384m parcels delivered, of which 38m assumed to be non-recurring and Covid-19 related (FY 2020: 337m, of which 28m non-recurring)
- Assumed revenue impact\* €226m in 2021 (2020: €198m)

## Mail in the Netherlands

- 2,048m mail items delivered, of which 67m assumed to be non-recurring and Covid-19 related (FY 2020: 2,054m, of which 15m non-recurring); non-recurring items in 2021, mainly related to vaccination programme and recovery in direct mail
- Assumed revenue impact\* €85m in 2021 (2020: €53m)



\* Total non-recurring impact related to Covid-19 on revenue: FY 2021 €297m and FY 2020 €234m; full disclosure including eliminations in appendix

# Progress on execution of strategy





# Our purpose, ambition and strategy



Purpose

**Deliver special moments**



Ambition

**To be your favourite deliverer**



Strategy

**To be the leading logistics and postal service provider in, to and from the Benelux region**





# Value creation for attractive total shareholder returns

To be your favourite deliverer

## Strategic objectives



Help customers grow their business



Secure a sustainable mail market



Attract and retain motivated people



Improve environmental impact



Generate profitable growth and sustainable cash flow

## Value creation proposition



### Parcels

Manage for profitable growth



### Mail

Manage for value



Digital **NEXT**

## Business objectives

- Enhance customer interaction
- Capture further e-commerce growth
- Manage network capacity and utilisation of infrastructure
- Deliver smart logistics solutions
- Positioning the value of mail, enhancing customer experience and quality of service
- Keep mail accessible, reliable and affordable
- Deliver stable and predictable normalised EBIT and cash flow
- Transform our commercial engine
- Transform core logistics and operations
- Scale platform and digital business models



To be the leading logistics and postal service provider in, to and from the Benelux region

# ESG – our licence to operate

Fully embedded in our strategy and business model

## Environmental

Improve environmental impact

- Clean kilometres
- Network efficiency
- Sustainable buildings and facilities
- Green products and services



## Social

Realise full potential of people and act as a responsible employer

- Strengthen employee engagement
- Staying safe and healthy
- Realise change
- Workforce optimisation and capacity management






## Governance

Transparent, responsible and accountable

- Two-tier board
- Stakeholder dialogue
- Clear business principles
- UN Global Compact



# Delivering customer, social and environmental value

	2020	2021
<div>  <div> <b>Customer</b> <ul style="list-style-type: none"> <li>Highly satisfied customers</li> </ul> </div> </div>	37%	34%
<div>  <div> <b>Social</b> <ul style="list-style-type: none"> <li>Employee engagement</li> <li>Absenteeism</li> </ul> </div> </div>	84% 5.9%	84% 6.0%
<div>  <div> <b>Environmental</b> <ul style="list-style-type: none"> <li>Carbon efficiency (g/km)</li> <li>Emission-free last-mile delivery</li> <li>Net zero in 2022 through offsetting any remaining carbon emissions</li> </ul> </div> </div>	249 20%	203 20%

## Recognised ESG leadership



**Top 5 worldwide**  
 Several years in a row  
 Transport & Infrastructure  
 Dow Jones Sustainability Index



**Platinum**  
 Ecovadis sustainability rating



**Low risk**  
 Sustainalytics ESG rating



**A List**  
 CDP – climate change

# Progress on environmental initiatives

To reach emission-free last-mile delivery in the Benelux region by 2030 (2021: 20%)

## Light electric freight vehicles (LEFVs)



- Currently ~1,300 electric vehicles in use (own fleet)
- Large scale pilot: using LEFVs to deliver parcels in various Dutch cities



- Reduce fuel and electricity usage
- Improve efficiency delivery process: carrying up to three roll containers, smart-packed, loaded directly onto vehicle
- Reduce congestion

## Renewable fuels as transitional solution



- Successful implementation of renewable diesel (HVO100) and Bio-LNG for large truck transport, as one of first large transport companies in Benelux region
- Scaled-up use from ~8% in 2020 to ~35% in 2021\*



- 90% lower carbon footprint from HVO100 compared with traditional fuels
- Help suppliers build and expand their renewable fuel network and supply
- Transitional measure towards electric fleet



\* Share of renewable fuels used for all kilometres driven by our own fleet



# Acceleration of digital transformation



Support business performance and customer satisfaction: seamless integration of customers, consumers and operators

## Value drivers



### Transform our commercial engine

- Simple and smart products
- Re-invented customer journeys
- Digital first sales, care and marketing
- Automated and self-service retail



### Transform core logistics and operations

- Fully data-driven supply chain
- Automate supply chain execution
- Increase supply chain flexibility
- Digital-enabled frontline



### Scale platform and digital business models

- Data & insights for customers
- Consumer services on leading app
- Integrator platform
- Subscription models

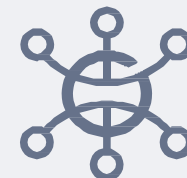


## Foundations



### Strengthen our IT foundation

- Modernise IT foundation
- Accelerate IT delivery



### Strengthen our data foundation

- Data infrastructure and access
- Scale analytics use case factory



### Drive our digital DNA

- Agile NEXT and digital capabilities
- Digital labs & depots
- Open innovation









Delivering a unique customer experience: proactive, easy and simple



# Shift to digital channels and products continues

Consumers and customers increasingly connected to our platform

	2020	2021
 Online visitors	779m 86% via mobile	1,029m 90% via mobile
 PostNL consumer account users	6.0m	6.8m
 Talks with chatbot Daan, Sam and Noor	3.6m	3.3m
 Self-service online preparation (in % of parcels sent by consumers)	38.0	43.2
 Stamp codes	3.45m	3.94m
 Business portal users	60k	63k
	External APIs	111
	Plug-in users (SME)	2.4k





# Progress on digital value drivers

Accelerating our digital transformation

## Provide election information to Dutch citizens in MyPostNL app



- Voting passes and candidate lists announced in app
- Easy access to online election information through app
- Connecting app and app users' agendas
- 42% of municipalities to participate



- Seamless integration of physical and digital mail to increase attention for elections
- Leverage on unique reach of our platform
- Improve NPS

## Customer journey: I receive from outside EU



- Quickly adapt to external change
- Add customer clearance costs and payment in PostNL app
- Reduce impact of change in VAT regulation for consumers



- Simple and convenient customer experience will improve NPS
- Optimise preservation of international volumes from outside the EU
- Improve efficiency in delivery process for international parcels



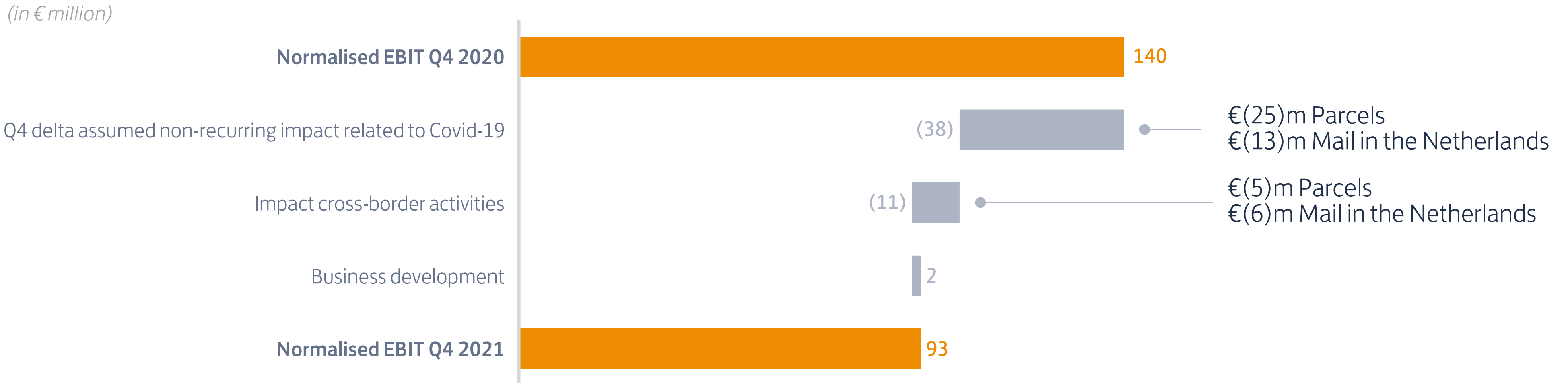
Performance 2021 and outlook 2022

# Business performance





# Impact Covid-19 and cross-border activities in Q4



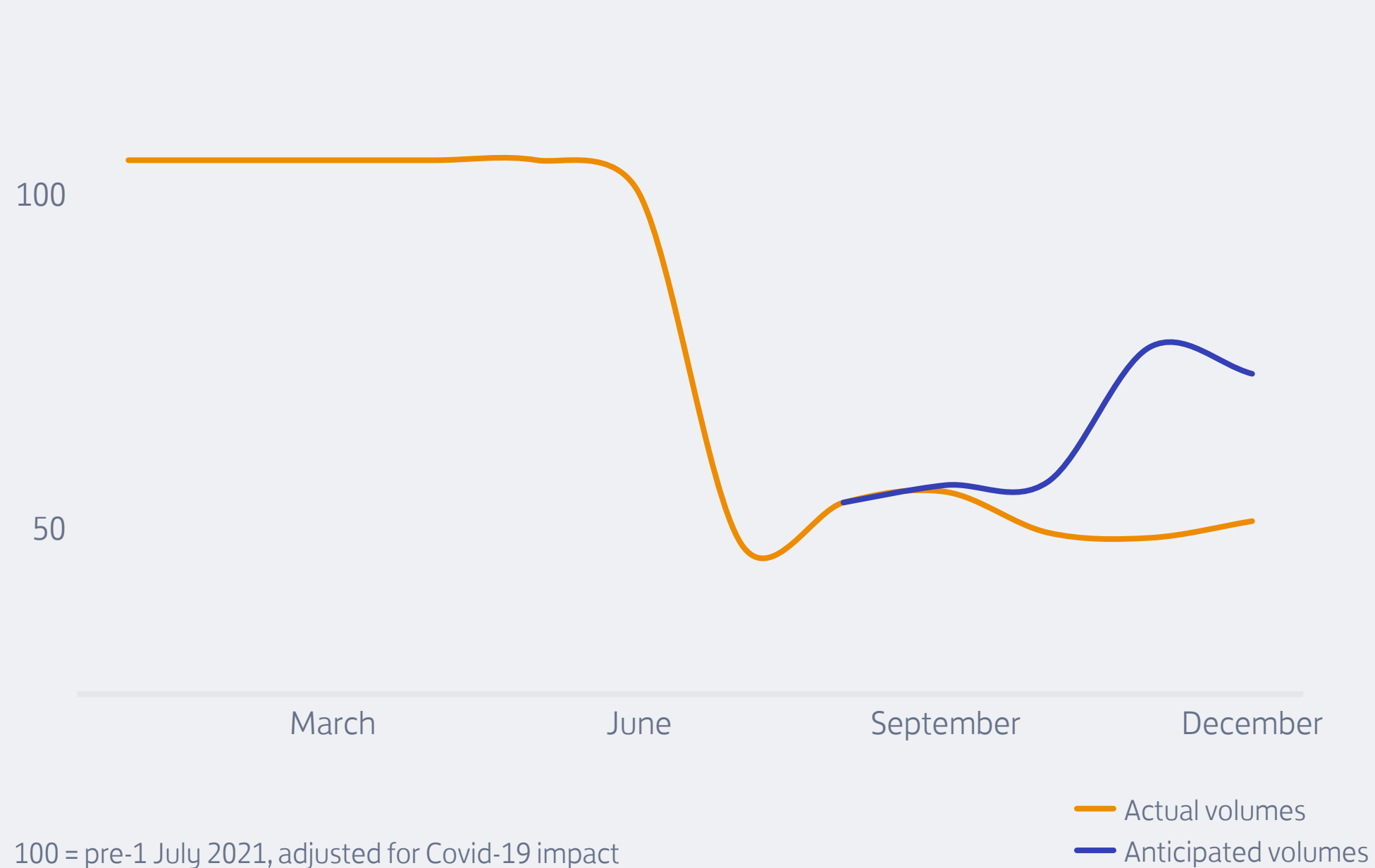
- ~€38m less impact assumed to be related to Covid-19 in Q4 2021 (Q4 2021: €9m; Q4 2020: €47m)
  - limited impact at Parcels of €2m in Q4 2021 (Q4 2020: €27m)
  - impact at Mail in the Netherlands of €7m in Q4 2021 (Q4 2020: €20m)
- Stronger than expected €(11)m impact from cross-border activities
  - €(2)m at Parcels Netherlands and €(2)m at Spring
  - €(6)m at Mail in the Netherlands
- No recovery in international volumes

# Delay in expected (partial) recovery of Asian volumes

Impact from global supply chain disruptions

## FY 2021 Asian volume development

(indicative only)



## Volumes impacted by global developments

### Change in VAT regulation for small non-EU goods and other regulation as of 1 July 2021

- Drop in volumes of ~50% - 60% since implementation of regulatory changes per 1 July 2021
- Anticipated recovery to ~25% - 30% not yet visible

### Global supply chain disruptions cause delay in recovery



Impact of Covid-19 on transport from and to Asia



Increased freight costs and transit times

- reduced # of passenger flights
- container and sea freight shortage



Limited supply due to raw material shortages

# Solid business performance at Parcels

Strong operational performance due to well-managed execution of peak season

	Revenue	Normalised EBIT	Volumes
<b>Q4 2021</b>	<b>€604m</b>	<b>€55m*</b>	<b>99m</b> -5.3%
Q4 2020	€632m	€75m	105m
FY 2021	€2,361m (+15%)	€230m (margin 9.7%)	384m +13.8%

\* Down €20m; up €10m when corrected for non-recurring Covid-19 impact (€2m in 2021 and €27m in 2020) and impact of cross-border activities of €(5)m

## Revenue mix

in € million

	Q4 2020	Q4 2021
Parcels Netherlands	429	409
Spring	119	104
Logistics solutions and other	105	111
Eliminations	(21)	(19)
<b>Parcels</b>	<b>632</b>	<b>604</b>

## Business developments

- Volume decline of 5.3% in Q4
  - 9.1% growth excluding non-recurring Covid-19 impact; ~21% compared with Q4 2019
    - growth in e-commerce to continue
  - ~14% growth when also excluding international volumes; ~29% compared with Q4 2019
    - no recovery international volumes
- Positive price effect due to yield management measures, partly offset by less favourable mix
  - Price indexation lags organic cost development, a.o. energy and fuel
- Utilisation level of SPSC impacted by development international volumes





# Parcels managed for profitable growth

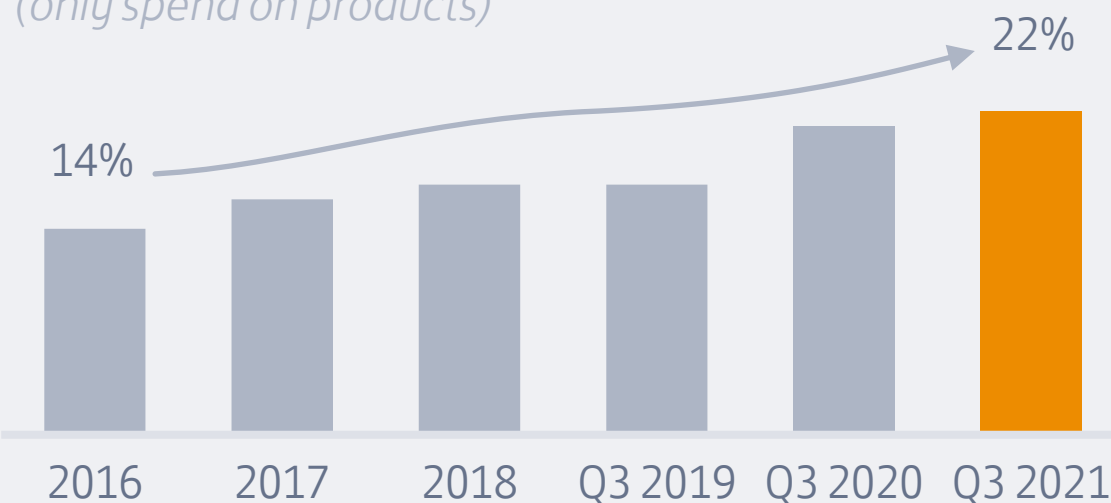
Balance between volume and value

## Accelerating e-commerce growth

- 87% online buyers in 2021 (2020: 88%)
- # of webshops increased by 8% to 77.9k in 2021

### Growth in online retail market share

(only spend on products)



Sources: Thuiswinkel Markt Monitor, Central Bureau of Statistics NL

## Enhance customer interaction and service offering

- Consumer in control, with additional 'non-home' delivery preferences
- Improve NPS through assessment and redesign of customer journeys: 'I manage returns'
- Extension of self-service solutions, including roll-out of automated parcel lockers (APLs)
  - 214 APLs operational in 2021
  - towards 1,500 in 2024

## Expand capacity and more efficient utilisation of infrastructure

- Add new sorting and distribution centres, expand network and infrastructure:
  - small parcel sorting centre (SPSC)
  - 26<sup>th</sup> parcel sorting centre in the Netherlands
  - 2 new distribution depots in Belgium
- Supply chain efficiency through digitalisation: tracking >85% of roll containers, for real-time information
- Equal flow initiatives (daily, weekly, seasonal)

# Strong performance at Mail in the Netherlands

Strong result partly related to Covid-19

	Revenue	Normalised EBIT	Volumes
Q4 2021	€482m	€66m*	581m -8.9%
Q4 2020	€542m	€82m	638m
FY 2021	€1,683m (-1.5%)	€160m (margin 9.5%)	2,048m -0.3%

\* Down €16m; up €3m when corrected for non-recurring Covid-19 impact (€7m in 2021 and €20m in 2020) and impact of cross-border activities (€(6)m)

## Business developments

- Volume decline of 8.9% in Q4, driven by
  - ongoing substitution and fewer working days
  - impact from non-recurring items related to Covid-19
  - each accounting for around half of volume decline
- Moderate pricing policy and favourable overall mix effect
- Impact of international volume (import) and less export mail
- More focus in product portfolio: sale of Cendris in early 2021 impacted revenue (€20m in Q4 2020)
- CLA postal deliverers: negotiations ongoing



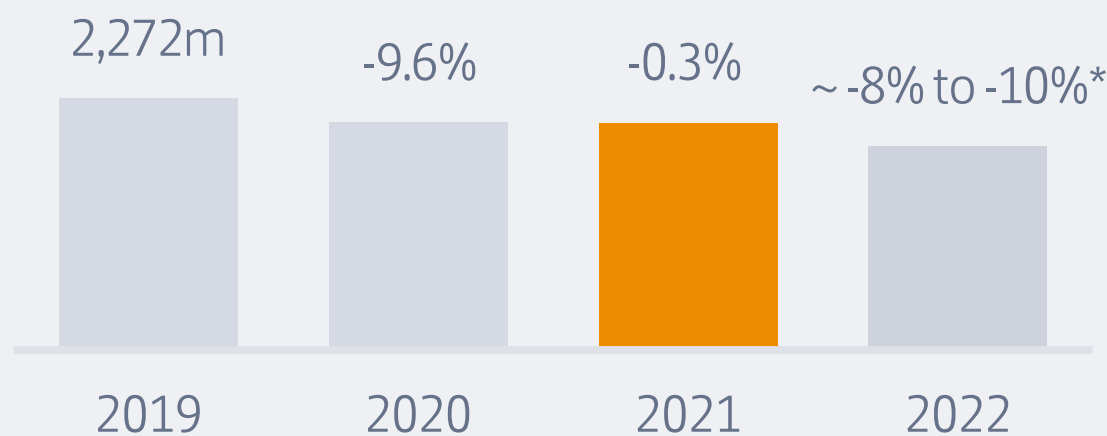
# Mail in the Netherlands managed for value

Aim to deliver stable and predictable normalised EBIT and cash flow

## Mail market developments

- ~250 letters per household per year
- One strong nationwide network in cooperation with social welfare companies
- Moderate pricing policy

### Volume development addressed mail



Sources: European Postal Markets 2022, published by PostNL



\* -5% to -8% excluding non-recurring impact Covid-19

## Relevance for customer

- (Re)discovery of direct mail by e-commerce customers as distinctive and effective form of advertising: new customers in 2021
- Sustainable delivery: e-bikes and other electrical vehicles to replace fossil fuel vehicles
- Digitalisation of customer interaction
  - MyMail: expanded service in PostNL app, providing users with information about elections
  - online retail: services traditionally offered at retail locations, available online, such as stamp code

## Adapting organisation

- Product portfolio simplification, reducing # different products codes from ~2,200 to ~200
- Improved sorting and preparation process by introducing new mail sorting units
- Phase two of New Mail Route:
  - 5 new mail depots opened
  - increased delivery capacity per deliverer
  - extend delivery routes to further increase efficiency



# Executing on our strategy

Specific attention points for 2022



## Parcels managed for profitable growth

- Contribute to the development and growth of our customers
- Expansion of capacity to accommodate further increase in volumes
- Further developing a future-proof, effective and sustainable delivery model



## Mail in the Netherlands managed for value

- Strong nationwide network
- Manage ongoing volume decline and realise cost savings e.g. by adapting processes (New Mail Route)
- Safeguarding on-time delivery



## Speed-up progress towards achieving ESG targets

- Accelerate trajectory towards environmental targets by use of renewable fuels and electrification of fleet
- Keep staffing at desired level in tight local labour markets



## Accelerate digital transformation

- Switching from customer satisfaction to Net Promoter Score (NPS)
- Tailored customer journeys to increase NPS
- Accelerate our agile operating model



## FY 2022 outlook

- Normalised EBIT: €210m - €240m (2021: €226m excluding assumed non-recurring impact related to Covid-19)
- Free cash flow: €110m - €140m



Remaining uncertainty related to Covid-19, developments in cross-border activities and overall global developments

Performance 2021 and outlook 2022

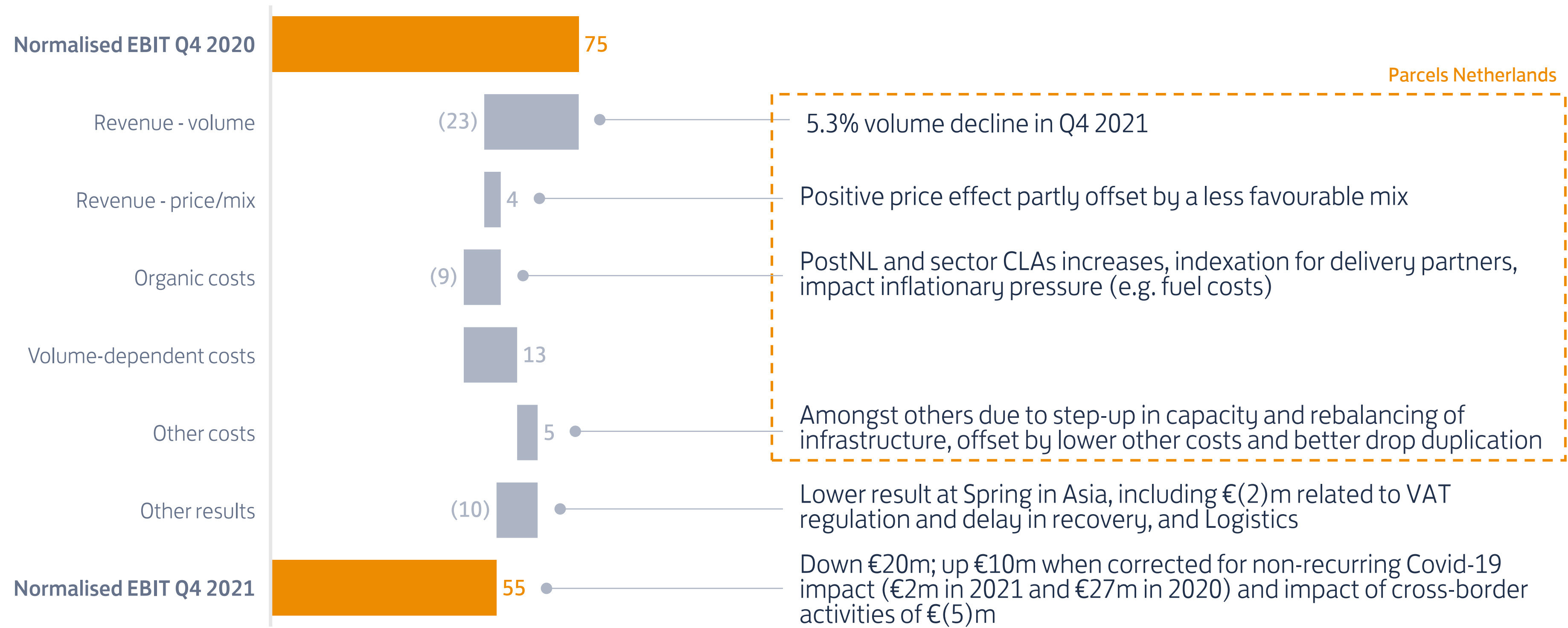
# Financial performance



# Parcels Q4 2021 normalised EBIT bridge

Margin improved to 9.1%, from 5.3% in Q3 2021

(in € million)

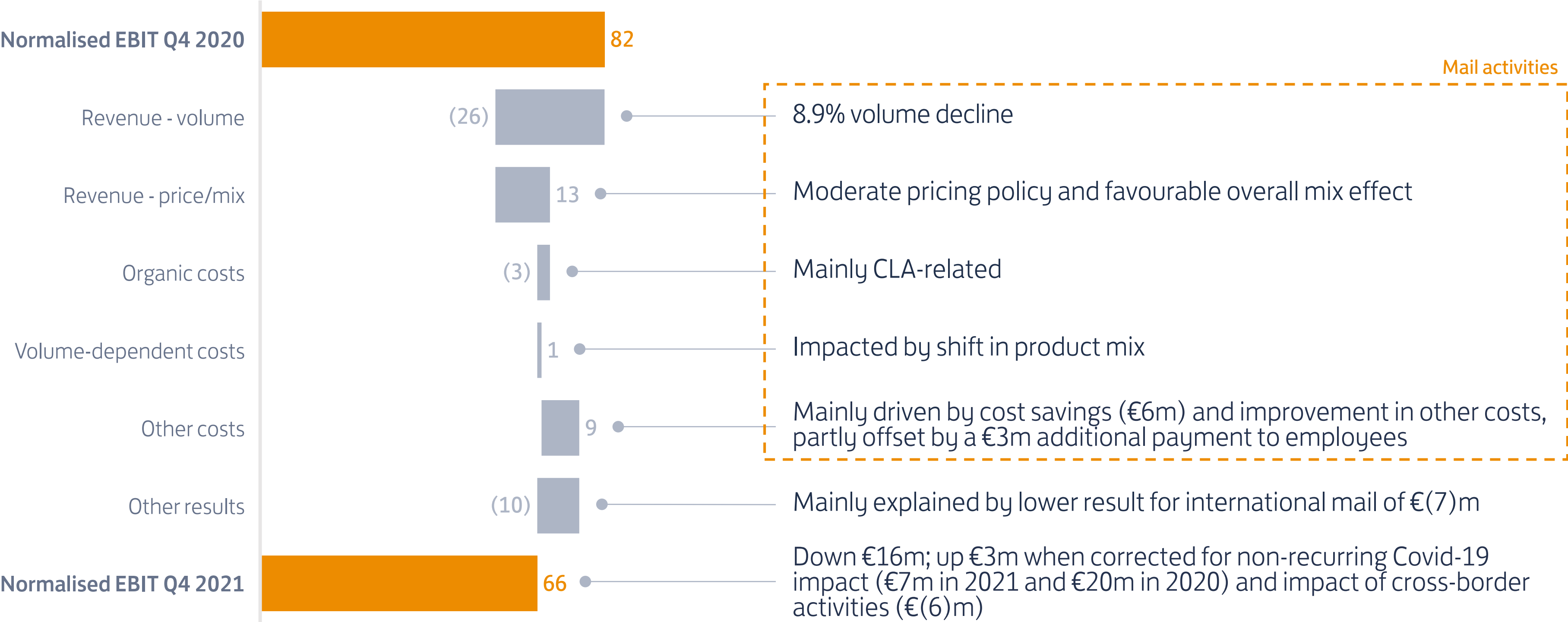




# Mail in the Netherlands Q4 2021 normalised EBIT bridge

2021 impacted by non-recurring items

(in € million)



# Results by segment FY 2021

	Normalised EBIT		Reported EBIT		Reported EBITDA	
(in € million)	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Parcels	209	230	204	230	276	305
Mail in the Netherlands	96	160	143	176	206	215
PostNL Other	(55)	(81)	(48)	(81)	(20)	(47)
<b>PostNL</b>	<b>250</b>	<b>308</b>	<b>298</b>	<b>324</b>	<b>462</b>	<b>473</b>

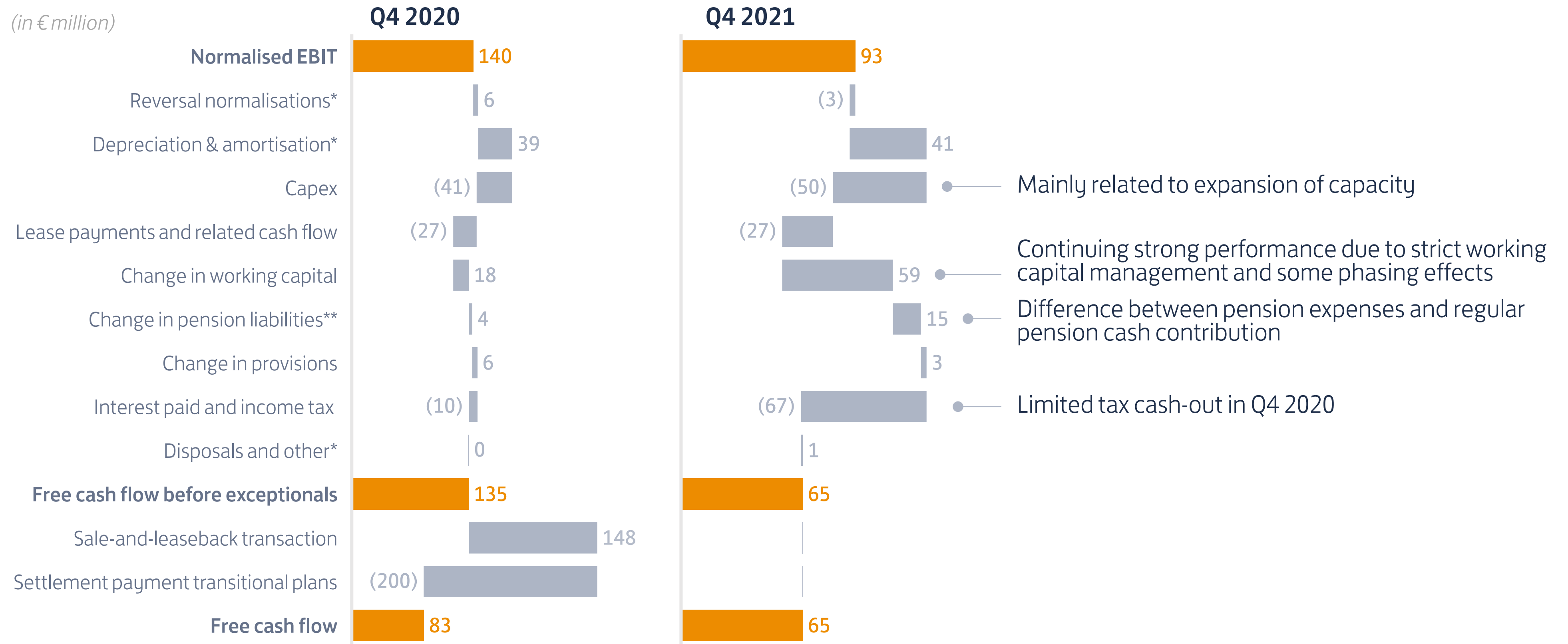
- For valuation purposes:
  - add back non-cash pension expense (change in pension liabilities, visible in cash flow statement)
  - potentially adjust for IFRS 16 impact (depreciation RoU assets)
- Full reconciliation (depreciation and amortisation and pension details) per segment and bridge from net profit to normalised comprehensive income in appendix

Non-cash pension expense	34*	69*
<b>EBITDA excl. non-cash pension expense</b>	<b>496</b>	<b>542</b>
IFRS 16 (leases) impact	(72)	(62)
<b>EBITDA excl. non-cash pension expense and IFRS 16</b>	<b>424</b>	<b>480</b>

# Cash flow

Continued strong performance in Q4 2021

(in € million)



\* Q4 2020 excluding sale-and-lease back transaction

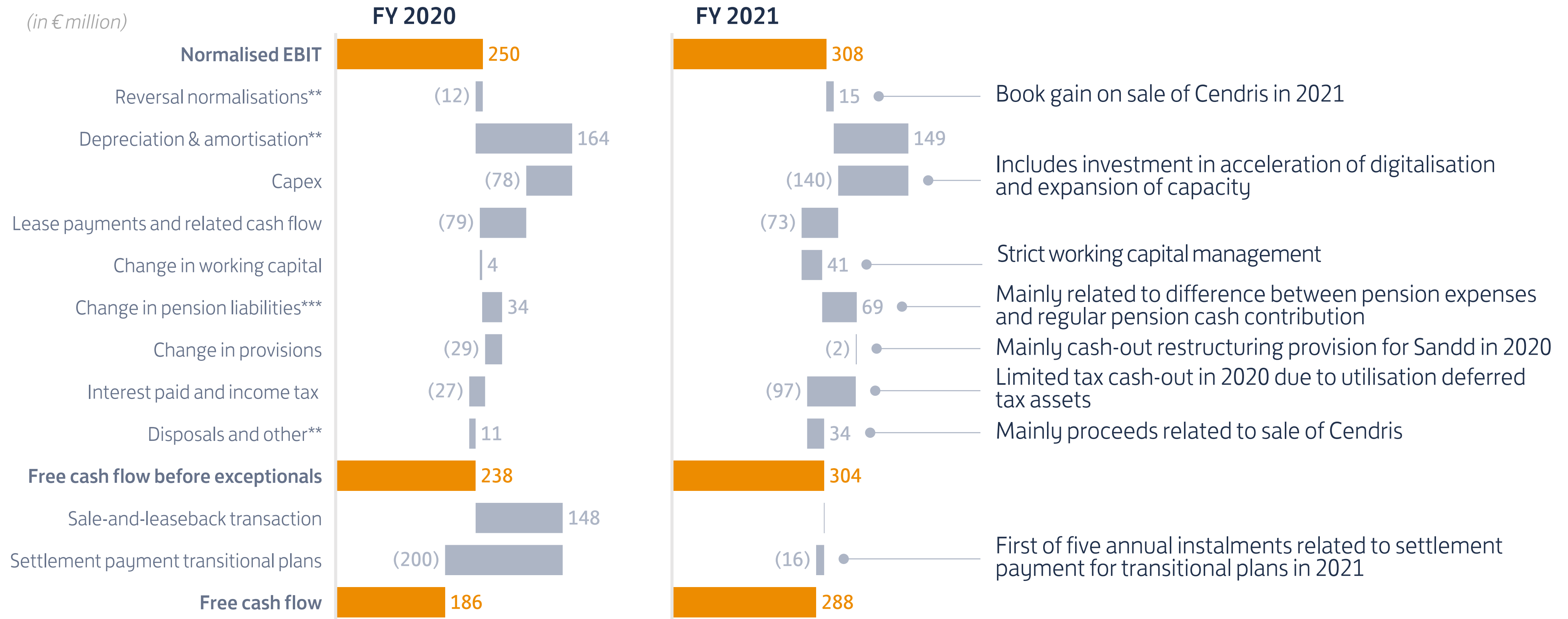
\*\* Excluding €200m for settlement payment transitional plans in Q4



# Cash flow FY 2021

Free cash flow yield\* 15% in 2021 (2020: 13%)

(in € million)



\* Free cash flow yield defined as free cash flow divided by market capitalisation

\*\* FY 2020 excluding sale-and-lease back transaction

\*\*\* Excluding settlement payment transitional plans (€200m in 2020 and €16m in 2021)

# Further strengthening of financial position

Steering for solid balance sheet with positive consolidated equity; adjusted net debt reduced to €203m

## Balance sheet

(in € million)

	31 Dec 2021
Intangible fixed assets	354
Property, plant and equipment	433
Right-of-use assets	289
Other non-current assets	65
Other current assets	484
Cash	848
Assets classified as held for sale	11
<b>Total assets</b>	<b>2,484</b>

	31 Dec 2021
Consolidated equity	426
Non-controlling interests	3
Total equity	429
Pension liabilities	67
Long-term debt	697
Long-term lease liabilities	269
Other non-current liabilities	96
Short-term lease liabilities	65
Other current liabilities	862
<b>Total equity &amp; liabilities</b>	<b>2,484</b>

## Adjusted net debt

(in € million)

	31 Dec 2020	31 Dec 2021
Short- and long-term debt	708	732
Long-term interest-bearing assets	(27)	(20)
Cash and cash equivalents	(651)	(848)
<b>Net debt</b>	<b>31</b>	<b>(136)</b>
Pension liabilities	86	67
Lease liabilities (on balance)	294	333
Lease liabilities (off balance)	66	17
Deferred tax assets on pension and operational lease liabilities	(70)	(79)
<b>Adjusted net debt</b>	<b>407</b>	<b>203</b>

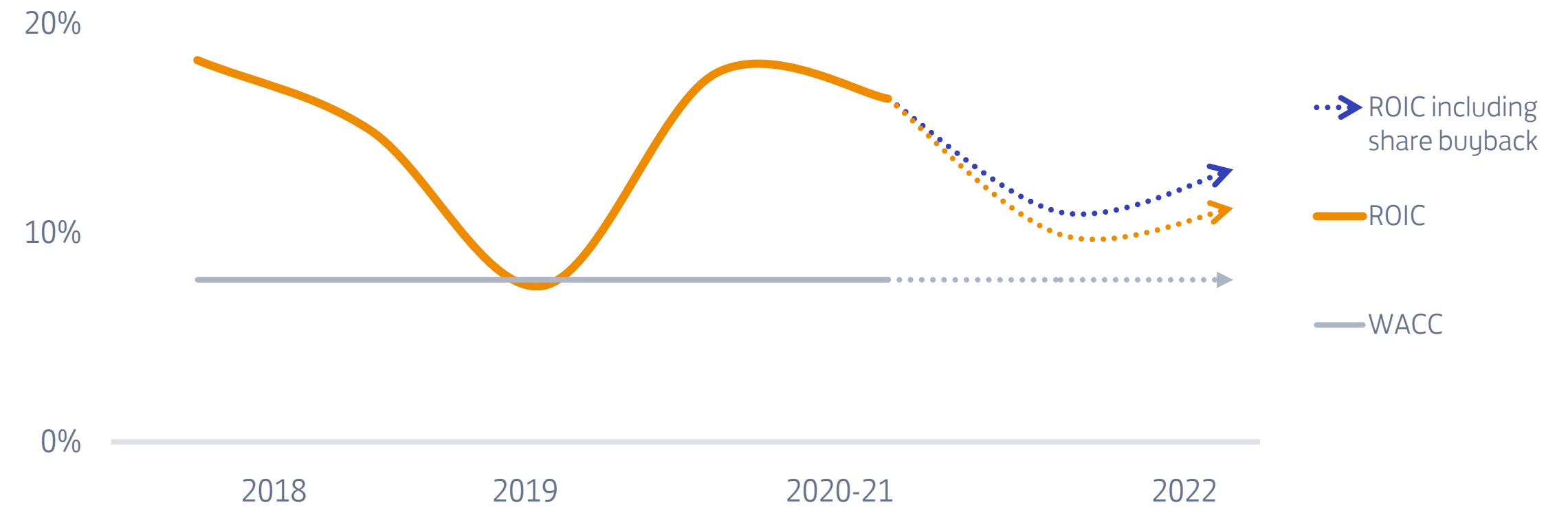
# Return on invested capital of 16.4%

> 2x WACC in 2020 and 2021

(in € million)	FY 2020	FY 2021
Equity	213	429
Adjusted net debt	407	203
Add back cash and cash equivalents	651	848
Debt	1,058	1,051
<b>Invested capital</b>	<b>1,271</b>	<b>1,480</b>
Reported EBIT	298	324
Statutory tax	(75)	(81)
<b>NOPLAT</b>	<b>224</b>	<b>243</b>
<b>Return on invested capital</b>	<b>17.6%</b>	<b>16.4%</b>

## ROIC development

(indicative only)



### Invested capital

- Step-up in investments
- 2020 includes sale-and-lease back transaction and soft pension settlement
- Higher investments in network
- Share buyback programme

### NOPLAT

- Acquisition Sandd
- Gradual increase in profitability
- Non-recurring impact related to Covid-19
- Limited non-recurring impact related to Covid-19 compared with 2021

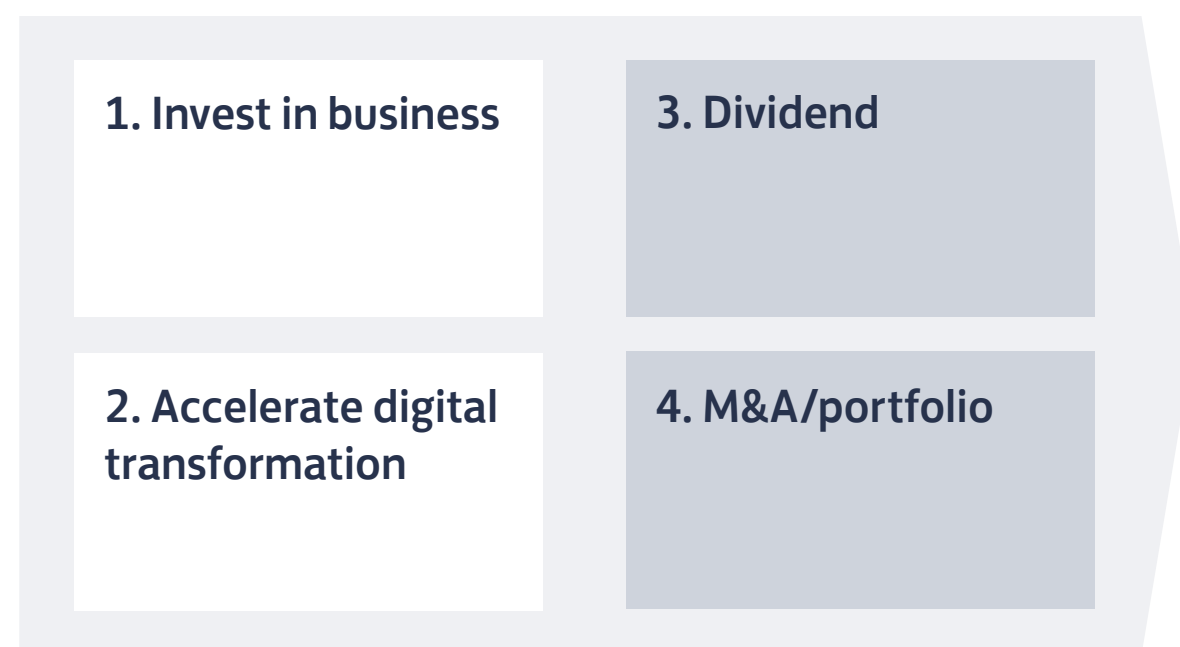


# Share buyback programme of €250m

Neutralising assumed dilutive impact from dividends 2021-23

## Well-positioned to launch share buyback programme

- Free cash flow performance in 2021 stronger than expected
- Further improvement of already strong financial position, leverage ratio 2021 at 0.4



### Excess cash

- Compensate for dilution due to stock dividend and/or share buy-back
- Optimisation of balance sheet and/or debt reduction

## Execution

- First tranche of €160m - €170m, with a maximum of 51m shares, starting 1 March 2022
- Second tranche to neutralise impact 2023 dividend to follow in 2023
- Using cash on balance sheet

## Supporting dividend per share

- Expected positive impact share buyback programme on dividend per share: ~€0.03 - €0.06 in 2022-24
  - 80% pay-out ratio (mid-point of 70%-90% as defined in dividend policy)
  - split shares/cash 40%/60

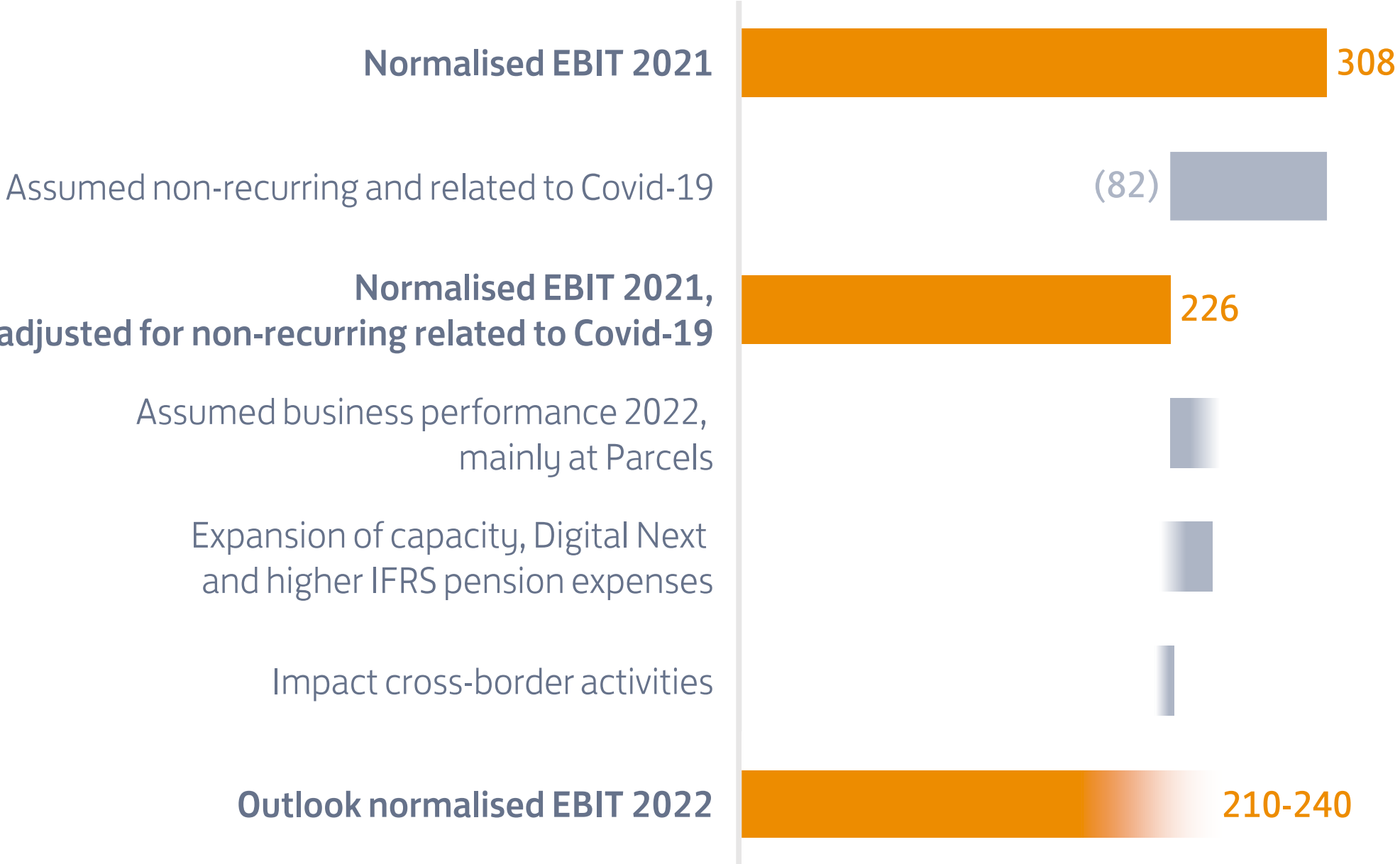
Performance 2021 and outlook 2022

# Outlook 2022



# The transition from 2021 to 2022

(indicative only, in € million)



Normalised EBIT broadly in line with FY 2021 after adjusting for the assumed non-recurring impact related to Covid-19

- Better performance at Parcels, expected to be partially offset by lower result at Mail in the Netherlands
  - volume growth at Parcels ~15% (3%-5% based on reported volumes)
  - volume decline at Mail in the Netherlands 5%-8% (8%-10% based on reported volumes)
  - organic cost development including additional inflationary cost pressure, for example energy and transport costs
- Start-up costs of new facilities, acceleration of digital transformation and higher IFRS pension expenses
- Cross-border activities expected to show limited recovery in first half year 2022 versus second half year 2021, resulting in full year step-down
  - lower volumes and less efficient infrastructure utilisation
  - impact global supply chain disruptions and increasing freight costs



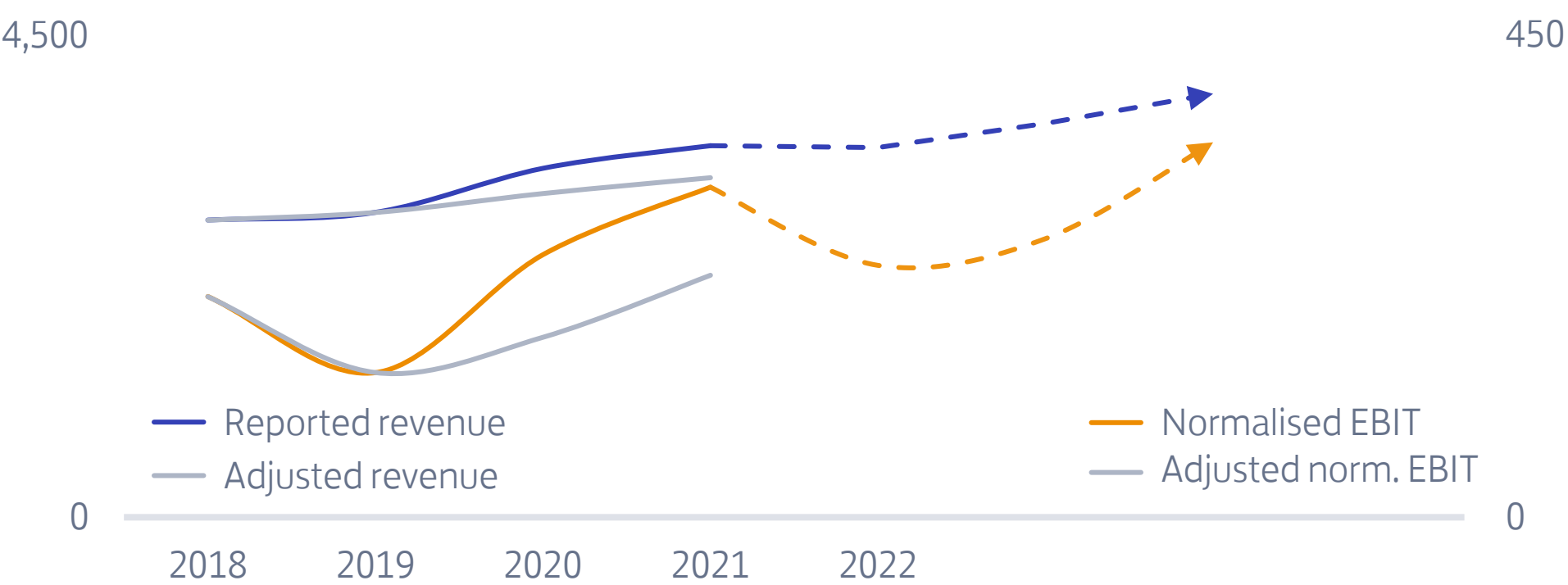
Remaining uncertainty related to Covid-19, developments in cross-border activities and overall global developments



# Result development going forward

## Revenue and normalised EBIT

(indicative only, revenue on left axis, normalised EBIT on right axis, in € million)

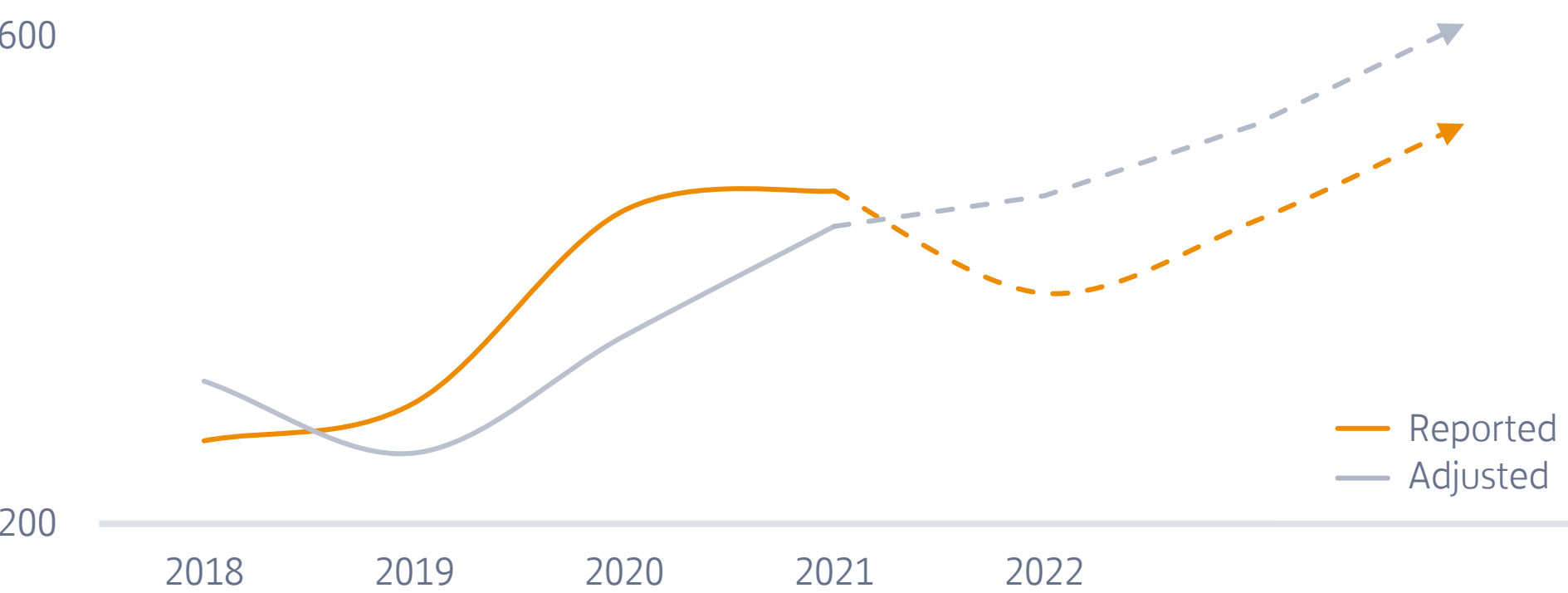


	CAGR 2018-21	Adjusted*
Revenue	7.7%	4.6%
Normalised EBIT	20.9%	3.1%

Expected volume development in 2022	Reported volumes	Excluding impact related to Covid-19
Parcels	3% to 5%	~15%
Mail in the Netherlands	-8% to -10%	-5% to -8%

## (adjusted) EBITDA

(indicative only, in € million)



	CAGR 2018-21	Adjusted*
EBITDA	20.9%	11.8%**



\* Adjusted for non-recurring impact related to Covid-19

\*\* Also adjusted for normalisations, non-cash pensions expenses and IFRS 16 (leases) impact

# Development free cash flow in 2022

(in € million)

	2021	2022 (indicative)	
<b>Normalised EBIT</b>	<b>308</b>	<b>210 - 240</b>	
Reversal normalisations	15	-	sale Cendris in 2021
Depreciation & amortisation	149	170 - 180	mainly related to expansion capacity at Parcels and IT
Capex	(140)	(160) - (170)	step-up investments: Parcels capacity, acceleration of digital transformation, APLs, ESG and New Mail Route
Lease payments and related cash flow	(73)	(80) - (90)	mainly related to expansion of capacity at Parcels
Change in working capital	41	(50) - (70)	investment in working capital due factors including larger settlements of terminal dues
Change in pension liabilities*	69	~75	difference between IFRS pension expenses and regular pension cash contribution
Change in provisions	(2)	~(5)	
Interest paid and income tax	(97)	(20) - (30)	interest paid stable; tax in 2022 includes impact of utilisation liquidation losses
Disposals & other	34	10 - 15	sale Cendris in 2021
Settlement payment transitional plans	(16)	(16)	
<b>Free cash flow</b>	<b>288</b>	<b>110 - 140</b>	

# 2022 outlook

(in € million)

	2021	2021 adjusted for assumed non-recurring impact related to Covid-19	2022 outlook	
<b>Outlook</b>				
Normalised EBIT	308	226	210 - 240	including ~(20) for expansion of capacity, digital NEXT and increase in non-cash IFRS pension expenses
Free cash flow*	288		110 - 140	
<b>Other</b>			2022 indicative	
Normalised comprehensive income	285		~200	to develop in line with normalised EBIT



\* Cash flow before dividend, acquisitions, redemption bonds/other financing activities, after payment of leases

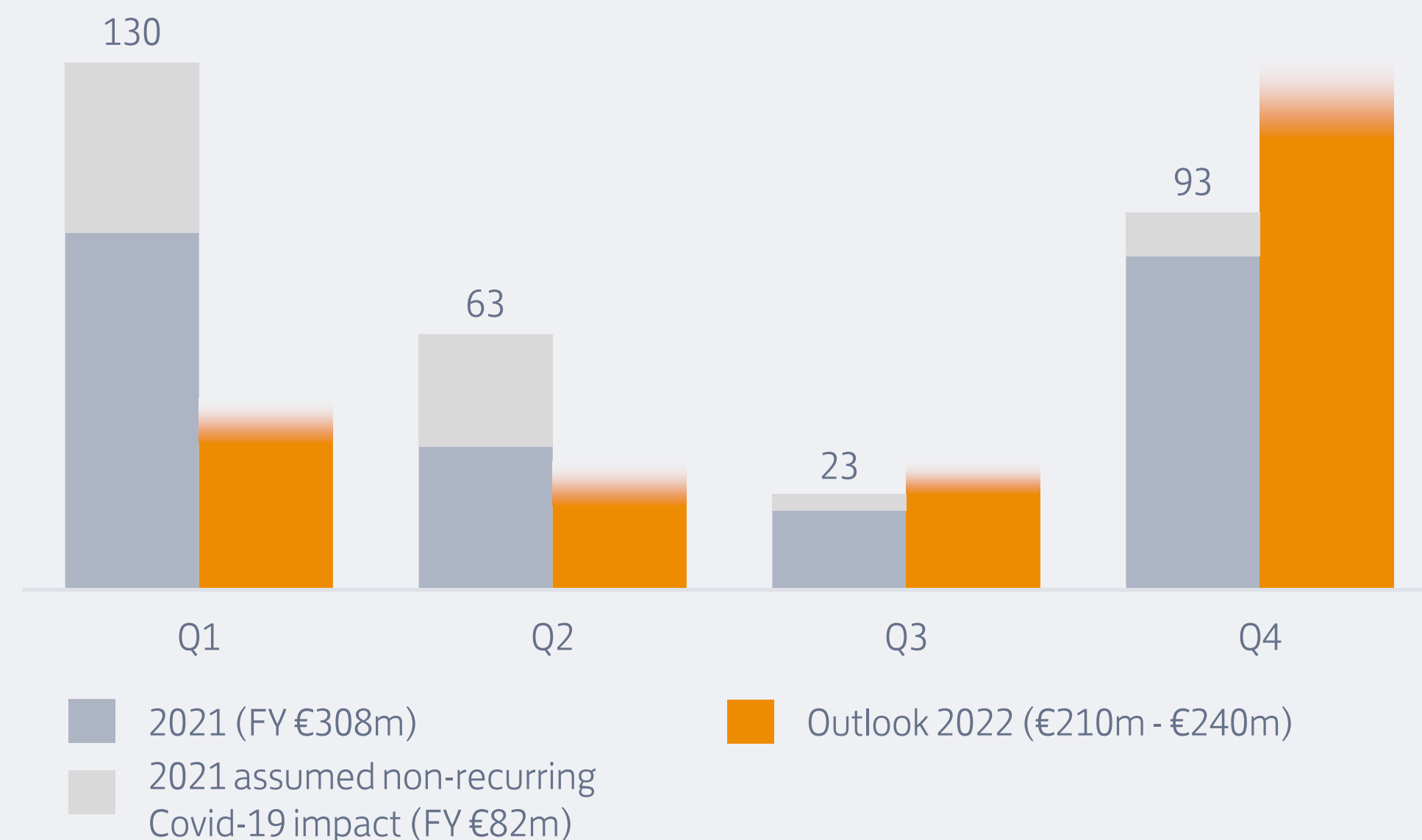


# Quarterly split of normalised EBIT

Back to normal seasonal pattern in 2022

## Normalised EBIT not equally spread over the quarters

(indicative only, in € million)



### Q1 and Q2 2022 below 2021

- limited impact of Covid-19 in 2022 versus 2021
- additional inflationary cost pressure
- limited recovery in cross-border activities expected in HY1 2022 versus HY2 2021, also due to global supply chain disruptions and increasing freight costs
- lower margin, mainly visible at Parcels
  - relatively high costs (step-up in capacity, acceleration of digital transformation, impact utilisation SPSC) with volumes following seasonal pattern

### Q3 and Q4 2022 above 2021

- improving business performance and normal seasonal pattern in 2022, cost savings to accelerate in HY2 2022
- partial recovery in cross-border activities
- step-up margin HY2 compared with HY1 2022

Performance 2021 and outlook 2022

# Concluding remarks



# Confidence in strategy built on strong financial foundation

Create long-term value for all our stakeholders



## Parcels managed for profitable growth

- Contribute to the development and growth of our customers
- Expansion of capacity to accommodate further increase in volumes
- Further developing a future-proof, effective and sustainable delivery model



## Mail in the Netherlands managed for value

- Strong nationwide network
- Manage ongoing volume decline and realise cost savings e.g. by adapting processes (New Mail Route)
- Safeguarding on-time delivery



## Speed-up progress towards achieving ESG targets

- Accelerate trajectory towards environmental targets by use of renewable fuels and electrification of fleet
- Keep staffing at desired level in tight local labour markets



## Accelerate digital transformation

- Switching from customer satisfaction to Net Promoter Score (NPS)
- Tailored customer journeys to increase NPS
- Accelerate our agile operating model



## FY 2022 outlook

- Normalised EBIT: €210m - €240m (2021: €226m excluding assumed non-recurring impact related to Covid-19)
- Free cash flow: €110m - €140m



Remaining uncertainty related to Covid-19, developments in cross-border activities and overall global developments



# Q&A

## Q4 & FY 2021 Results



# Appendix

## Q4 & FY 2021 Results

- Results per segment Q4 2021 and FY 2021
- Full reconciliation income statement and EBITDA per segment
- Free cash flow per segment
- Revenue mix Parcels per quarter
- Assumed non-recurring impact related to Covid-19 per quarter
- Result development (bridge) per segment FY 2021
- Profit and normalised comprehensive income
- Pension expense and cash contribution

# Results per segment Q4 2021 and FY 2021

(in € million)

	Revenue		Normalised EBIT		Margin	
	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021
Parcels	632	604	75	55	11.9%	9.1%
Mail in the Netherlands	542	482	82	66	15.2%	13.8%
PostNL Other	32	50	(17)	(29)		
Intercompany	(184)	(200)				
<b>PostNL</b>	<b>1,023</b>	<b>936</b>	<b>140</b>	<b>93</b>	<b>13.7%</b>	<b>9.9%</b>

	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Parcels	2,052	2,361	209	230	10.2%	9.7%
Mail in the Netherlands	1,708	1,683	96	160	5.6%	9.5%
PostNL Other	108	200	(55)	(81)		
Intercompany	(614)	(777)				
<b>PostNL</b>	<b>3,255</b>	<b>3,466</b>	<b>250</b>	<b>308</b>	<b>7.7%</b>	<b>8.9%</b>



# Full reconciliation income statement and EBITDA per segment

## Income statement

in € million

	PostNL		Parcels		Mail in NL		PostNL Other		Eliminations	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Total operating revenue	3,255	3,466	2,052	2,361	1,708	1,683	108	200	(614)	(777)
Other income	66	25			71	25	(4)			
Cost of materials	(63)	(69)	(39)	(51)	(16)	(11)	(7)	(6)		
Work contracted out and other external expenses	(1,519)	(1,708)	(1,272)	(1,542)	(733)	(801)	(127)	(142)	614	777
Salaries and social security contributions	(1,014)	(968)	(316)	(337)	(593)	(521)	(105)	(110)		
Pension contributions & related costs	(145)	(161)	(36)	(29)	(60)	(45)	(49)	(87)		
Depreciation, amortisation and impairments	(164)	(149)	(72)	(76)	(63)	(39)	(29)	(34)		
Other operating expenses	(119)	(113)	(113)	(96)	(171)	(115)	164	98		
Total operating expenses	(3,023)	(3,168)	(1,848)	(2,131)	(1,636)	(1,532)	(152)	(281)	614	777
Operating income / EBIT	298	324	204	230	143	176	(48)	(81)		

## EBITDA

	PostNL		Parcels		Mail in NL		PostNL Other	
Operating Income / EBIT	298	324	204	230	143	176	(48)	(81)
Depreciation, amortisation and impairments	164	149	72	76	63	39	29	34
Reported EBITDA	462	473	276	305	206	215	(20)	(47)
Non-cash pension expense	34	69					34	69
EBITDA excluding non-cash pension expense	496	542	276	305	206	215	14	22
IFRS16 impact (depreciation RoU assets)	(72)	(62)	(36)	(39)	(22)	(12)	(14)	(12)
EBITDA excluding non-cash pensions and IFRS16	425	480	241	267	184	202	(0)	11

# Free cash flow per segment

(in € million)

	PostNL		Parcels		Mail in NL		PostNL Other & Eliminations	
	2020	2021	2020	2021	2020	2021	2020	2021
<b>EBITDA</b>	<b>462</b>	<b>473</b>	<b>276</b>	<b>305</b>	<b>206</b>	<b>215</b>	<b>(20)</b>	<b>(47)</b>
Change in pensions*	34	69	1	0	0	(0)	33	69
Change in provisions	(29)	(2)	(3)	1	(26)	(3)	0	(0)
Change in working capital	4	41	(2)	(3)	18	41	(13)	4
Capex	(78)	(140)	(26)	(54)	(31)	(36)	(21)	(50)
Disposals	95	6	0	(0)	90	6	4	(1)
Interest paid	(15)	(21)	(3)	(5)	(2)	(3)	(10)	(14)
Income tax paid	(12)	(76)	(51)	(57)	(36)	(44)	74	25
Lease payments and related cash flow	(79)	(73)	(38)	(46)	(27)	(20)	(14)	(6)
Other	4	28	(9)	(4)	(7)	(19)	20	50
<b>Adjusted free cash flow**</b>	<b>386</b>	<b>304</b>	<b>146</b>	<b>137</b>	<b>187</b>	<b>136</b>	<b>53</b>	<b>31</b>
Soft pension settlement	(200)	(16)	(87)	(0)	(167)	(0)	53	(16)
<b>Free cash flow</b>	<b>186</b>	<b>288</b>	<b>59</b>	<b>137</b>	<b>20</b>	<b>136</b>	<b>107</b>	<b>14</b>
Free cash flow yield	13%	15%						



\* Excluding settlement payment transitional plans (€200m in 2020 and €16m in 2021)

\*\* FY 2020 including sale-and-lease back transaction

# Revenue mix Parcels per quarter

<i>(in € million)</i>	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Parcels Netherlands	277	444	354	383	321	329	429	409	1,382	1,566
Spring	68	145	84	131	101	95	119	104	372	475
Logistics solutions and other	81	102	92	100	86	95	105	111	363	409
Eliminations	(12)	(30)	(14)	(26)	(18)	(14)	(21)	(19)	(64)	(89)
<b>Parcels</b>	<b>414</b>	<b>662</b>	<b>516</b>	<b>589</b>	<b>490</b>	<b>505</b>	<b>632</b>	<b>604</b>	<b>2,052</b>	<b>2,361</b>

# Assumed non-recurring impact related to Covid-19

## Volumes

(around, in million)

	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Parcels	0	26	9	11	4	0	15	2	28	38
Mail in the Netherlands	(11)	12	(17)	23	(5)	16	48	16	15	67

## Revenue

(around, in € million)

	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Parcels	3	137	68	78	37	0	91	12	198	226
Mail in the Netherlands	(2)	33	16	27	(5)	7	44	18	53	85
Eliminations	0	(6)	(9)	(9)	(3)	0	(6)	0	(17)	(15)
<b>PostNL</b>	<b>1</b>	<b>164</b>	<b>75</b>	<b>96</b>	<b>29</b>	<b>7</b>	<b>130</b>	<b>30</b>	<b>234</b>	<b>297</b>

## Normalised EBIT

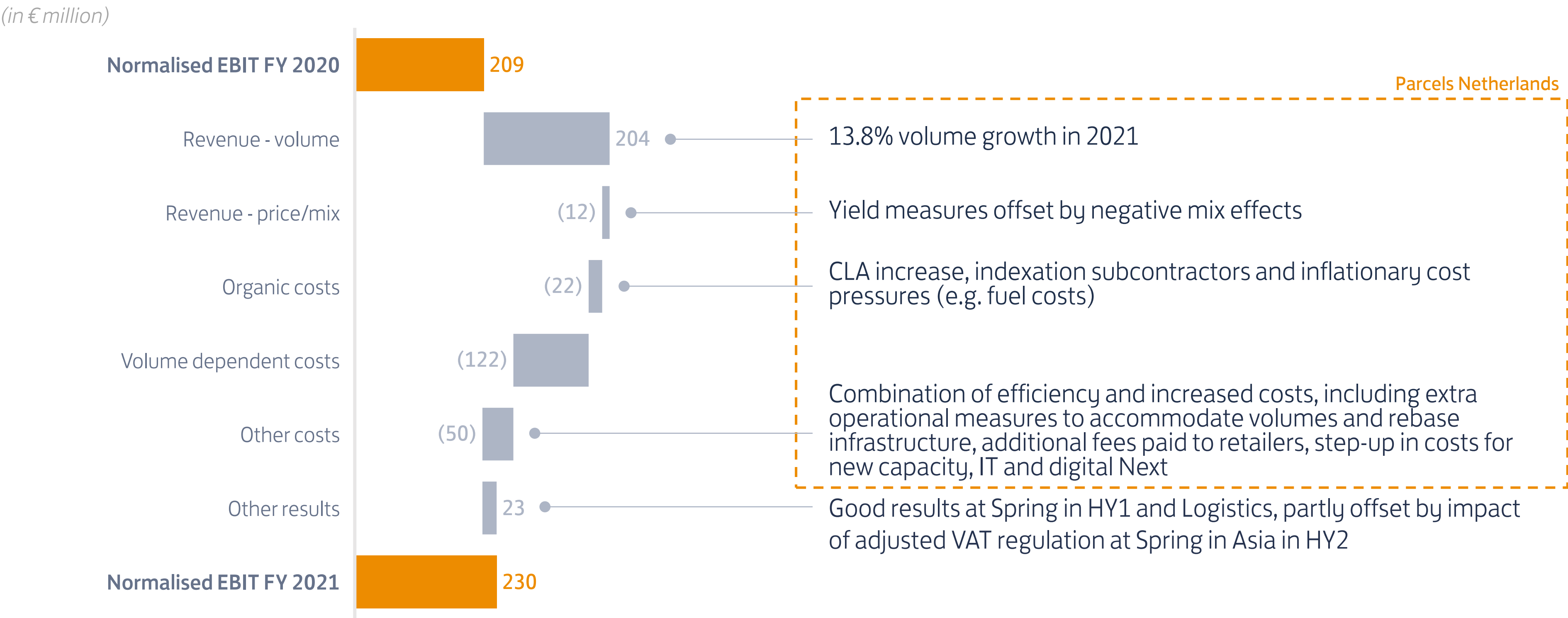
(around, in € million)

	Q1 2020	Q1 2021	Q2 2020	Q2 2021	Q3 2020	Q3 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Parcels	1	24	25	14	11	0	27	2	63	40
Parcels Netherlands	0	17	16	7	6	0	19	1	41	26
Spring and Logistics	1	7	9	7	5	0	8	1	22	14
Mail in the Netherlands	(1)	18	4	12	(9)	5	20	7	15	42
<b>PostNL</b>	<b>0</b>	<b>42</b>	<b>29</b>	<b>26</b>	<b>2</b>	<b>5</b>	<b>47</b>	<b>9</b>	<b>77</b>	<b>82</b>

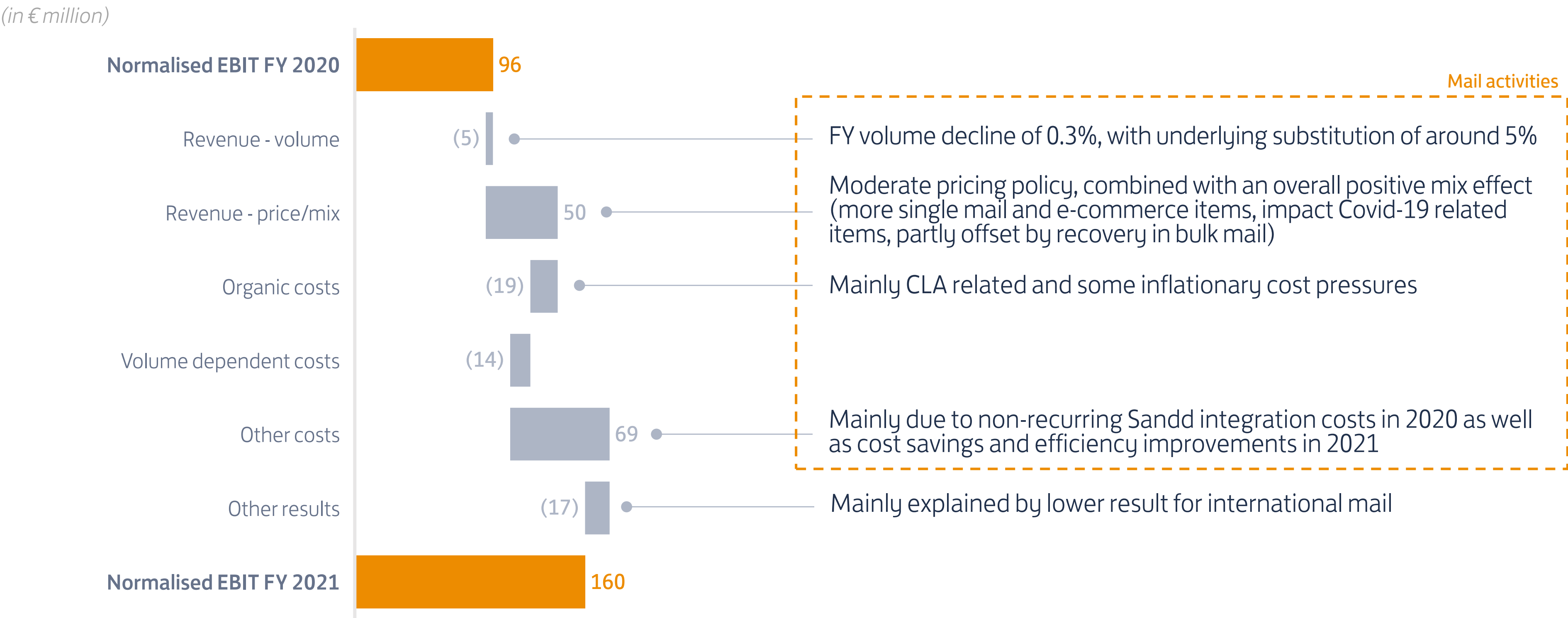




# Parcels normalised EBIT bridge



# Mail in the Netherlands: normalised EBIT bridge



# Profit and normalised comprehensive income PostNL

(in € million)

	FY 2020	FY 2021
<b>Operating income / EBIT</b>	<b>298</b>	<b>324</b>
Net financial expenses	(16)	(21)
Results from investments in JVs/associates	0	(0)
Income taxes	(69)	(74)
Profit/(loss) from discontinued operations	4	29
<b>Profit</b>	<b>216</b>	<b>258</b>
Other comprehensive income (mainly related to pensions)	24	68
<b>Total comprehensive income</b>	<b>240</b>	<b>325</b>
Normalisation on EBIT, net of tax	(36)	(12)
Exclude result from discontinued operations	(4)	(29)
<b>Normalised comprehensive income</b>	<b>200</b>	<b>285</b>

# Reconciliation pension expense and cash contribution

(in € million)

	PostNL		Parcels		Mail in NL		PostNL Other	
	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021
Cash contribution*	(111)	(92)	(36)	(29)	(60)	(45)	(15)	(18)
IFRS non-cash pension expense*	(34)	(69)					(34)	(69)
<b>Total pension expense</b>	<b>(145)</b>	<b>(161)</b>	<b>(36)</b>	<b>(29)</b>	<b>(60)</b>	<b>(45)</b>	<b>(49)</b>	<b>(87)</b>

## Total pension expense increased by €16 million in 2021, in line with earlier indication

- Visible in EBIT, EBITDA and profit for the period (after tax)
- Includes a substantial non-cash part (i.e. IFRS non-cash pension expense)
  - reversed via other comprehensive income, mitigating the impact on total comprehensive income
  - visible in free cash flow under “Change in pension liabilities”