



# PostNL: better-than-expected Q2 results and raised FY 2023 outlook

## Normalised EBIT of €18 million for Q2 2023 (Q2 2022: €10 million)

### Financial highlights Q2 2023

in € million	Q2 2022	Q2 2023	% Change	HY 2022	HY 2023	% Change
Revenue	746	771	3%	1,552	1,554	0%
Normalised EBIT	10	18	80%	43	25	-42%
Free cash flow	(43)	(34)		10	(65)	
Normalised comprehensive income	19	10	-46%	53	14	-74%

### Highlights

- Better-than-expected volume development at Parcels: volumes up 3.3%, with growth from domestic and, predominantly, international customers
- Reported volumes -9.0% at Mail in the Netherlands, mainly substitution
- Measures taken to mitigate inflationary pressures supported good operational leverage and efficiency improvements
- 10% further improvement in average carbon efficiency
- Reduction of 200-300 FTEs in overhead, mainly at Parcels, ahead of schedule:
  - restructuring and related costs in 2023 €10 million at most (previously: around €20 million), of which €5 million in Q2
  - small part of cost savings expected to be achieved as early as in 2023 (previously: ~€25 million as of 2024)
- Interim dividend set at €0.06 per share

### Raised outlook for FY 2023

- Normalised EBIT between €100 million and €130 million (previously: between €70 million and €100 million)
- Free cash flow unchanged at between €10 million and €40 million

### CEO statement

Herna Verhagen, CEO of PostNL, said: “We are pleased to announce a second consecutive quarter with results above expectations. Our adaptive measures to mitigate inflationary pressures are successfully paying off and volumes at Parcels returned to growth earlier than expected. In particular, volumes from international customers were above last year's level. Our cross-border activities maintained the positive trend visible since late 2022. Moreover, measures we have taken such as optimisation of routes, staff and fleet, resulted in improved operational leverage. At Mail in the Netherlands, developments are becoming more challenging. Overall, as expected, performance in the second quarter was lower than last year. Mail delivery quality, is below the required level, mainly due to the tight labour market and high sick leave rates, and this has our full attention.

“During the quarter, we made steady progress on our plans to reduce 200 -300 FTEs in overhead, mainly at Parcels. We have started to implement these plans, with expected annual savings of around €25 million to be achieved partially in 2023. And the restructuring and related costs are now expected to be significantly less than assumed earlier.

“We remain confident in our strategy and are continuing our transformation into an e-commerce logistics player. In the meantime, we are successfully navigating the current environment, that is still uncertain and volatile. Taking into account the lower restructuring costs and better-than-expected results in the first half of the year, we are comfortable to raise our outlook for FY 2023 normalised EBIT to between €100 million and €130 million. With the contribution of Mail in the Netherlands expected to be below our original expectation, the improved outlook for FY 2023 is driven by a stronger performance at Parcels.”



## Raised outlook for 2023

Overall, normalised EBIT is expected to come in above last year's performance in the quarters to come. As always, the largest contribution to the full year result will be achieved in Q4. The operating environment is expected to remain volatile and uncertain in the short term.

in € million	2022	2023 outlook (27 February 2023)	Revised outlook
<b>Outlook</b>			
Normalised EBIT	84	70 - 100	100 - 130
Normalised comprehensive income	90	40 - 70	65 - 95
Free cash flow	40	10 - 40	unchanged

The better outlook for FY 2023 normalised EBIT is mainly driven by improving performance at Parcels, while the contribution of Mail in the Netherlands is expected to be below original expectations.

- For Parcels, PostNL now assumes low single-digit volume growth for the year (previously: low single-digit volume decline), with both domestic and international contributing to the improved volume assumption. The price/mix impact will develop less favourably than previously assumed due to a shift towards more volumes from international customers.
- Volume decline at Mail in the Netherlands at between 8% and 10%, with the mix developing unfavourably compared with earlier assumptions. Sick leave rates remain high in a tight labour market. In current circumstances, it is becoming more challenging to achieve the planned cost savings.
- Implementation has started of plans to reduce 200-300 FTEs in overhead and other measures to further reduce indirect costs and improve efficiency, mainly at Parcels. PostNL now expects at most €10 million in restructuring and related costs (previously: €20 million). At the same time, a small part of cost savings is expected to be achieved as early as in 2023. Combined, this would lift the expected margin for PostNL by around 50 basis points in 2023, all other things being equal.

The development in free cash flow for 2023 will not fully reflect the raised outlook for normalised EBIT, as part of the step-up is related to non-cash elements, including lower additions to the restructuring provision and lower depreciation. Also, the positive impact could potentially be partly offset by a phasing effect related to the tax assets from the sale of our international activities.

The company aims to pay dividend that develops substantially in line with operational performance.

## Executing on our strategy

PostNL is successfully continuing its transformation into an e-commerce logistics player. Its strategy is to be the leading logistics and postal service provider in, to and from the Benelux region.

Parcels is managed for sustainable growth. The company aims to capture further e-commerce growth by balancing volume, value and capacity. The related investment programme is flexible and ensures an efficient and future-proof infrastructure. At Mail in the Netherlands, PostNL aims to mitigate volume decline through a moderate pricing policy and ongoing cost savings initiatives, managing its mail business for value.

Clear and ambitious ESG objectives are fully embedded in its strategy. As a result of its environmental initiatives, the average carbon efficiency of its own fleet further improved by 10% in the first half of 2023 compared with full year 2022. The company continues to offset any remaining carbon emissions from own transport and that of delivery partners, cutting its footprint to net zero.

The company aims to further strengthen its competitive position by building on its platform, integrating customers, consumers and solutions through simple and smart digital journeys. The acceleration of PostNL's digital transformation is progressing as planned. Consumers and customers are increasingly digitally connected to the company's platform. PostNL now has 8.4 million consumer accounts (FY 2022: 7.8 million), of which 55% are actively used. The number of automated parcel lockers increased to 838 (FY 2022: 517).



## Business performance Q2 2023

in € million, volume in million items	Volume		Revenue		Normalised EBIT <sup>1</sup>	
	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023
Parcels	83	86	519	556	14	17
Mail in the Netherlands	450	409	350	323	13	2
PostNL Other			54	59	(17)	(2)
Intercompany			(177)	(168)		
<b>PostNL</b>			<b>746</b>	<b>771</b>	<b>10</b>	<b>18</b>

1 Note: normalised figures exclude one-offs in Q2 2023 (€1 million) and in Q2 2022 (€1 million)

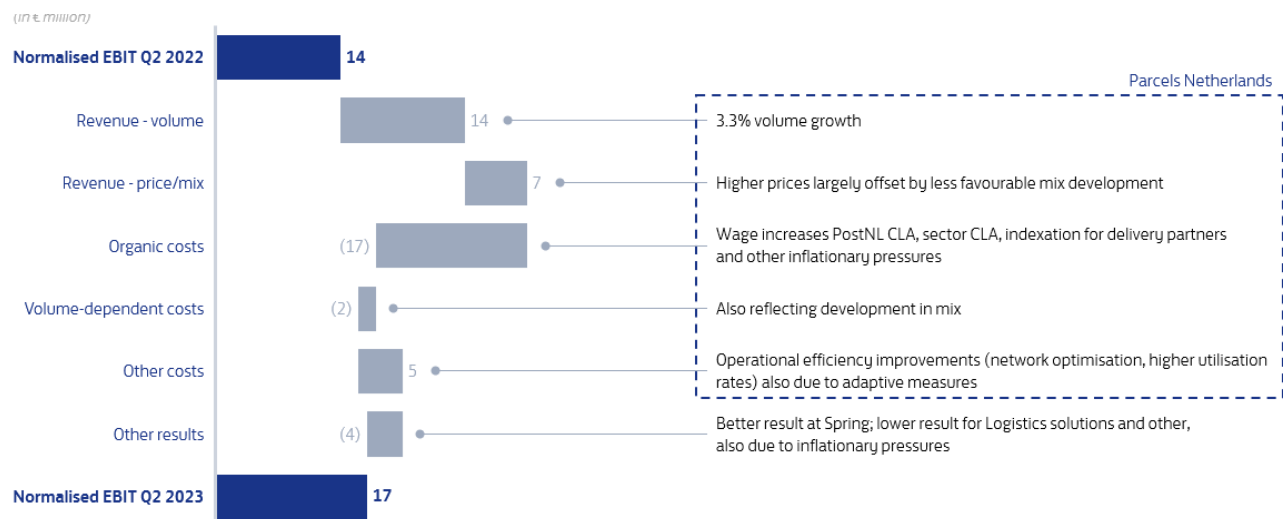
Normalised EBIT includes:

- €38 million organic cost increases (FY 2023 assumption: ~€185 million)
- €19 million positive impact from pensions, following the switch to a defined contribution scheme, visible in PostNL Other (FY 2023 impact: ~€75 million)

## Segment information

### Parcels: Volume growth and good operational leverage largely mitigate organic cost pressures

Normalised EBIT in Q2 2023 came in at €17 million (Q2 2022: €14 million).



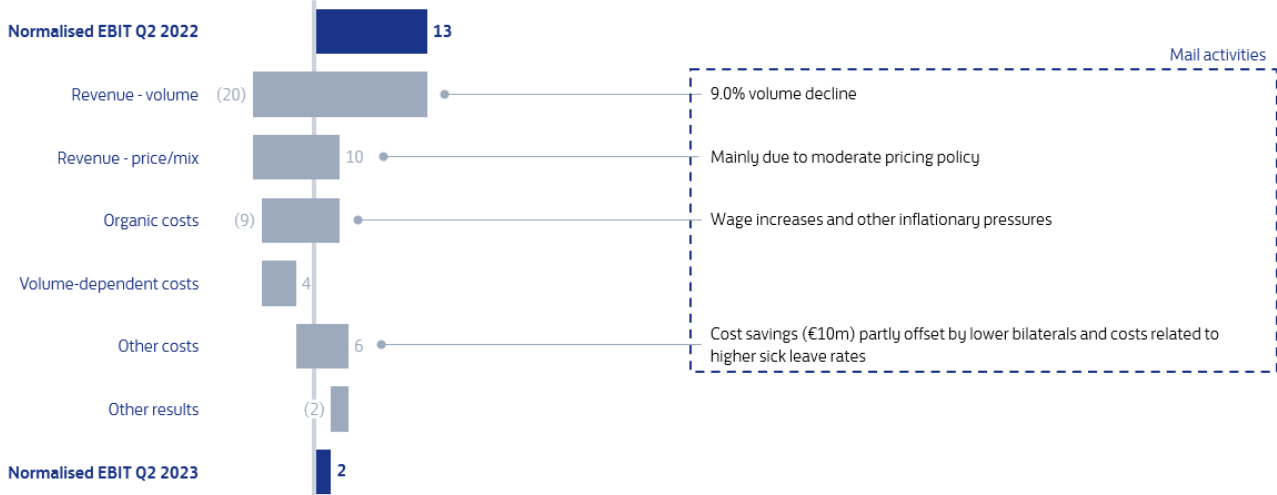
Revenue grew to €556 million (Q2 2022: €519 million), driven by total volume growth of 3.3%. The pricing initiatives implemented as of 1 January mitigate the impact from inflationary pressures. However, the shift in product and customer mix was unfavourable. Revenue at Spring was up, most strongly in Asia, while revenue at Logistics solutions was slightly down.



## Mail in the Netherlands: Price increases and cost savings do not fully mitigate the impact of volume decline and organic costs

Normalised EBIT in Q2 2023 came in at €2 million (Q2 2022: €13 million).

(in € million)



Revenue was down to €323 million (Q2 2022: €350 million), mainly explained by a 9.0% volume decline in the quarter. Excluding non-recurring Covid-19 items in Q2 2022, volume declined by 8.4%, reflecting substitution. The price/mix effect was positive and reflects the price increases as of 1 January 2023, partly offset by an unfavourable mix development. This development is expected to continue in the second half of the year.

### PostNL Other

Revenue at PostNL Other amounted to €59 million (Q2 2022: €54 million). Normalised EBIT came in at €(2) million (Q2 2022: €(17) million). Pension expense and regular pension contribution each amounted to €23 million (Q2 2022: €44 million and €25 million respectively). The switch to a collective defined contribution scheme is the main explanation for the lower pension expense.

### Free cash flow development

Free cash flow came in at €(34) million (Q2 2022: €(43) million). This development compared with last year mainly reflected the higher normalised EBIT. The change in working capital was €(61) million, roughly similar to last year, and includes phasing effects within the year. In line with the new pension agreement, the change in pension liabilities was equal to zero.

### Key figures

in € million	Q2 2022	Q2 2023	HY 2022	HY 2023
Revenue	746	771	1,552	1,554
Operating income	9	17	38	24
Profit for the period	(11)	11	5	15
Profit from continuing operations	2	12	18	16
Total comprehensive income	5	9	36	13

	31 December 2022	1 July 2023
Adjusted net debt	467	569
Consolidated equity	177	184

### Interim dividend 2023

The 2023 interim dividend has been set at €0.06 per ordinary share, equalling one-third of the dividend for 2022. The dividend will be paid, at the choice of the shareholder, either in ordinary PostNL shares or in cash (default option). The dividend in shares will be paid out of additional paid-in capital as part of the distributable reserves, free of withholding tax in the Netherlands. The conversion rate will be based on the volume-weighted average share price (VWAP) for all PostNL shares traded on Euronext Amsterdam over the period of three trading days from 22 August 2023 up to and including 24 August 2023. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not be lower than the cash dividend. There will be no trading in stock dividend rights.



## Dividend calendar

9 August 2023	Ex-dividend date
10 August 2023	Record date
11 August 2023	Start of election period
24 August 2023	End of election period and determination of conversion rate
28 August 2023	Payment date

## Financial calendar

6 November 2023	Publication Q3 2023 results
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## Audio webcast and conference call on Q2 2023 results

On 7 August 2023, at 11.00 am CET, a conference call for analysts and investors will start. It can be followed live via an audio webcast at <https://www.postnl.nl/en/about-postnl/investors/>.

## Additional information

Additional information is available at [www.postnl.nl](http://www.postnl.nl). Elements of this press release contain or may contain inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.

Note that the numbers presented in this press release (tables and explanations of results) may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.

## Caution on forward-looking statements

Some statements in this press release are “forward-looking statements”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict, and that may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management’s beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only apply as of the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

## Use of non-GAAP information

In presenting and discussing the PostNL Group operating results, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used



in conjunction with the most directly comparable IFRS measures. Non-GAAP financial measures do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The main non-GAAP key financial performance indicator is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals.



## Consolidated interim financial statements

### PostNL Consolidation statement of profit or loss in € million

	notes	Q2 2022	Q2 2023	HY 2022	HY 2023
Revenue from contracts with customers		743	768	1,544	1,548
Other operating revenue		3	3	8	6
<b>Total operating revenue</b>		<b>746</b>	<b>771</b>	<b>1,552</b>	<b>1,554</b>
<b>Other income</b>		<b>1</b>	<b>0</b>	<b>6</b>	<b>0</b>
Cost of materials		(20)	(20)	(41)	(45)
Work contracted out and other external expenses		(370)	(383)	(773)	(778)
Salaries, pensions and social security contributions		(281)	(278)	(568)	(564)
Depreciation, amortisation and impairments		(39)	(44)	(78)	(85)
Other operating expenses		(29)	(28)	(59)	(58)
<b>Total operating expenses</b>		<b>(738)</b>	<b>(754)</b>	<b>(1,519)</b>	<b>(1,530)</b>
<b>Operating income</b>		<b>9</b>	<b>17</b>	<b>38</b>	<b>24</b>
Interest and similar income		0	3	1	7
Interest and similar expenses		(6)	(5)	(12)	(10)
<b>Net financial expenses</b>		<b>(5)</b>	<b>(2)</b>	<b>(11)</b>	<b>(3)</b>
<b>Results from investments in JVs/associates</b>		<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
<b>Profit/(loss) before income taxes</b>		<b>3</b>	<b>15</b>	<b>27</b>	<b>21</b>
<b>Income taxes</b>	(9)	<b>(2)</b>	<b>(3)</b>	<b>(9)</b>	<b>(6)</b>
<b>Profit/(loss) from continuing operations</b>		<b>2</b>	<b>12</b>	<b>18</b>	<b>16</b>
<b>Profit/(loss) from discontinued operations</b>	(4)	<b>(13)</b>	<b>(1)</b>	<b>(13)</b>	<b>(0)</b>
<b>Profit for the period</b>		<b>(11)</b>	<b>11</b>	<b>5</b>	<b>15</b>
Attributable to:					
Non-controlling interests		0	0	0	0
Equity holders of the parent		(11)	11	5	15
Earnings per ordinary share (in € cents) <sup>1</sup>		(2.2)	2.2	1.0	3.1
Earnings from continuing operations per ordinary share (in € cents) <sup>1</sup>		0.4	2.4	3.6	3.2
Earnings from discontinued operations per ordinary share (in € cents) <sup>1</sup>		(2.6)	(0.2)	(2.7)	(0.1)

<sup>1</sup> Based on an average of 488,345,309 outstanding ordinary shares (2022: 500,018,514).



**PostNL Consolidated statement of comprehensive income** in € million

	notes	Q2 2022	Q2 2023	HY 2022	HY 2023
<b>Profit for the period</b>		<b>(11)</b>	<b>11</b>	<b>5</b>	<b>15</b>
Impact pensions, net of tax	(5)	15	0	30	0
Change in value of financial assets at fair value through OCI	(12)	(1)	(3)	(1)	(3)
<b>Other comprehensive income that will not be reclassified to the income statement</b>		<b>13</b>	<b>(3)</b>	<b>28</b>	<b>(3)</b>
Currency translation adjustment, net of tax		0	0	1	(0)
Gains/(losses) on cashflow hedges, net of tax		2	1	2	1
<b>Other comprehensive income that may be reclassified to the income statement</b>		<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total other comprehensive income for the period</b>		<b>16</b>	<b>(2)</b>	<b>31</b>	<b>(2)</b>
<b>Total comprehensive income for the period</b>		<b>5</b>	<b>9</b>	<b>36</b>	<b>13</b>
Attributable to:					
Non-controlling interests		0	0	0	0
Equity holders of the parent		5	9	36	13
<b>Total comprehensive income attributable to the equity holders of the parent arising from:</b>					
Continuing operations		18	10	50	13
Discontinued operations		(13)	(1)	(13)	(0)



**PostNL Consolidated statement of cash flows** in € million

	notes	Q2 2022	Q2 2023	HY 2022	HY 2023
<b>Profit/(loss) before income taxes</b>		<b>3</b>	<b>15</b>	<b>27</b>	<b>21</b>
Adjustments for:					
Depreciation, amortisation and impairments		39	44	78	85
Share-based payments		1	1	1	1
(Profit)/loss on disposal of assets		(0)	0	(5)	0
Interest and similar income		(0)	(3)	(1)	(7)
Interest and similar expenses		6	5	12	10
Results from investments in JVs/associates		(0)	0	(0)	0
<b>Investment income</b>		<b>5</b>	<b>2</b>	<b>6</b>	<b>3</b>
Pension liabilities		19	0	39	0
Other provisions		0	3	(6)	6
<b>Changes in provisions</b>		<b>19</b>	<b>3</b>	<b>33</b>	<b>6</b>
Inventory		(1)	(1)	(2)	(2)
Trade accounts receivable		(10)	(31)	35	22
Other accounts receivable		(3)	(0)	(3)	(0)
Other current assets excluding taxes		(4)	9	9	(5)
Trade accounts payable		1	(25)	(29)	(21)
Other current liabilities excluding short-term financing and taxes		(47)	(13)	(34)	(47)
<b>Changes in working capital</b>		<b>(64)</b>	<b>(61)</b>	<b>(24)</b>	<b>(54)</b>
<b>Cash generated from operations</b>		<b>3</b>	<b>3</b>	<b>122</b>	<b>63</b>
Interest paid		(4)	(3)	(7)	(6)
Income taxes received/(paid)	(9)	2	0	(22)	(35)
<b>Net cash (used in)/from operating activities</b>	<b>(10)</b>	<b>1</b>	<b>(0)</b>	<b>93</b>	<b>22</b>
Interest received		0	7	1	11
Investments in JVs/associates		(1)	(0)	(1)	(0)
Capital expenditure on intangible assets		(20)	(17)	(39)	(39)
Capital expenditure on property, plant and equipment		(8)	(9)	(25)	(25)
Proceeds from sale of property, plant and equipment		0	0	11	0
Changes in other loans receivable		0	0	2	1
Other changes in (financial) fixed assets		1	(1)	1	(1)
<b>Net cash (used in)/from investing activities</b>	<b>(10)</b>	<b>(28)</b>	<b>(19)</b>	<b>(51)</b>	<b>(53)</b>
Dividends paid		(114)	(7)	(114)	(7)
Share buyback		(147)	0	(164)	0
Proceeds from long-term borrowings		0	4	0	4
Repayments of lease liabilities/incentives		(17)	(19)	(35)	(38)
<b>Net cash (used in)/from financing activities</b>	<b>(10)</b>	<b>(278)</b>	<b>(22)</b>	<b>(313)</b>	<b>(42)</b>
<b>Total change in cash from continuing operations</b>		<b>(305)</b>	<b>(42)</b>	<b>(270)</b>	<b>(73)</b>
<b>Cash at the beginning of the period</b>		<b>882</b>	<b>495</b>	<b>848</b>	<b>556</b>
Cash transfers related to discontinued operations		(0)	6	(1)	(25)
Total change in cash from continuing operations		(305)	(42)	(270)	(73)
<b>Cash at the end of the period</b>		<b>577</b>	<b>459</b>	<b>577</b>	<b>459</b>

**PostNL Consolidated statement of financial position** in € million

	notes	31 December 2022	1 July 2023
Goodwill		207	207
Other intangible assets		182	194
<b>Intangible fixed assets</b>	(1)	<b>389</b>	<b>402</b>
Land and buildings		255	276
Plant and equipment		146	156
Other equipment		13	12
Construction in progress		44	32
<b>Property, plant and equipment</b>	(2)	<b>457</b>	<b>475</b>
<b>Right-of-use assets</b>	(3)	<b>295</b>	<b>283</b>
Investments in joint ventures/associates		7	7
Loans receivable		17	16
Deferred tax assets		9	8
Financial assets at fair value through OCI		20	19
<b>Financial fixed assets</b>		<b>53</b>	<b>50</b>
<b>Total non-current assets</b>		<b>1,194</b>	<b>1,210</b>
Inventory		7	9
Trade accounts receivable		370	347
Accounts receivable		12	13
Income tax receivable		1	22
Prepayments and accrued income		76	70
Cash and cash equivalents	(7)	556	459
<b>Total current assets</b>		<b>1,022</b>	<b>920</b>
<b>Assets classified as held for sale</b>		<b>6</b>	<b>6</b>
<b>Total assets</b>		<b>2,221</b>	<b>2,135</b>
Equity attributable to the equity holders of the parent	(6)	177	184
Non-controlling interests		2	2
<b>Total equity</b>		<b>179</b>	<b>186</b>
Deferred tax liabilities		40	45
Provisions for pension liabilities	(5)	2	2
Other provisions	(8)	35	36
Long-term debt	(7)	697	698
Long-term lease liabilities	(7)	255	240
Other long-term liabilities	(7)	27	49
<b>Total non-current liabilities</b>		<b>1,057</b>	<b>1,070</b>
Trade accounts payable		182	159
Other provisions	(8)	15	19
Short-term debt	(7)	21	21
Short-term lease liabilities	(7)	75	75
Other current liabilities		168	118
Income tax payable		13	0
Contract liabilities		70	43
Accrued current liabilities		441	444
<b>Total current liabilities</b>		<b>984</b>	<b>880</b>
<b>Total equity and liabilities</b>		<b>2,221</b>	<b>2,135</b>



**PostNL Consolidated statement of changes in equity** in € million

	Issued share capital	Additional paid in capital	Currency translation reserve	Hedge reserve	Financial assets at fair value OCI	Other reserves	Retained earnings	Attributable to equity holders of the parent	Non- controlling interests	Total equity
<b>Balance at 1 January 2022</b>	<b>41</b>	<b>163</b>	<b>1</b>	<b>(2)</b>	<b>20</b>	<b>(167)</b>	<b>370</b>	<b>426</b>	<b>3</b>	<b>429</b>
Total comprehensive income			1	2	(1)	30	5	36	0	36
Appropriation of net income						518	(518)	0		0
Final dividend previous year							(114)	(114)		(114)
Share buyback						(164)		(164)		(164)
Share-based compensation						1		1		1
<b>Balance at 2 July 2022</b>	<b>41</b>	<b>163</b>	<b>2</b>	<b>1</b>	<b>18</b>	<b>218</b>	<b>(258)</b>	<b>185</b>	<b>3</b>	<b>188</b>
<b>Balance at 1 January 2023</b>	<b>39</b>	<b>163</b>	<b>2</b>	<b>0</b>	<b>11</b>	<b>1,267</b>	<b>(1,306)</b>	<b>177</b>	<b>2</b>	<b>179</b>
Total comprehensive income			(0)	1	(3)		15	13	0	13
Appropriation of net income						(2,440)	2,440	0		0
Final dividend previous year	0	(0)					(7)	(7)		(7)
Share-based compensation	0	2				(1)		1		1
<b>Balance at 1 July 2023</b>	<b>39</b>	<b>165</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>(1,174)</b>	<b>1,143</b>	<b>184</b>	<b>2</b>	<b>186</b>



## General information and description of our business

The consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

PostNL N.V. ('PostNL' or the 'company') is a public limited liability company with its registered seat and head office in The Hague, the Netherlands.

PostNL provides businesses and consumers in the Benelux region with an extensive range of services for their mail and parcels needs. Through our international sales network Spring, we connect local businesses around the world to consumers globally. PostNL's services involve collecting, sorting, transporting and delivering letters and parcels for the company's customers within specific timeframes. The company also provides services in the area of data management, direct marketing and fulfilment.

## Auditor's involvement

The content of this interim financial report has not been audited or reviewed by an external auditor.

## Basis of Preparation

The interim financial statements are reported on a year-to-date basis ending 1 July 2023. The information should be read in conjunction with the consolidated 2022 Annual Report of PostNL N.V. as published on 27 February 2023.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2022 Annual Report for the year ended 31 December 2022. There are no IFRS standards, amended standards or IFRIC interpretations taking effect for the first time for the financial year beginning 1 January 2023 that would be expected to have a material impact on the Group's 2023 accounts.

Note that the numbers presented in the financial statements and disclosures thereto may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.

## Segment information

PostNL operates its businesses through the reportable segments Parcels, Mail in the Netherlands and PostNL Other.

The following table presents the segment information relating to the income statement and total assets and total liabilities of the reportable segments for the first six months of 2023 and 2022. In HY 2023, 85% of revenue from contracts with customers was generated in the Netherlands, 9% in the rest of Europe and 6% in the rest of the world (HY 2022: 88%, 8% and 4% respectively).

<b>HY 2023 ended at 1 July 2023</b>	<b>Parcels</b>	<b>Mail in NL</b>	<b>PostNL Other</b>	<b>Eliminations</b>	<b>Total</b>
Revenue from contracts with customers	976	570	3		1,548
Intercompany sales	139	100	116	(355)	
Other operating revenue	2	4			6
<b>Total operating revenue</b>	<b>1,118</b>	<b>673</b>	<b>119</b>	<b>(355)</b>	<b>1,554</b>
Other income					
Depreciation/impairment property, plant and equipment	(16)	(6)	(2)		(23)
Amortisation/impairment intangibles	(1)	(1)	(25)		(27)
Depreciation/impairment right-of-use assets	(23)	(6)	(6)		(35)
<b>Total operating income</b>	<b>22</b>	<b>10</b>	<b>(7)</b>		<b>24</b>
<b>Normalised EBIT</b>	<b>22</b>	<b>10</b>	<b>(7)</b>		<b>25</b>
Total assets	911	496	729		2,135
Total liabilities	523	659	768		1,949

<b>HY 2022 ended at 2 July 2022</b>	<b>Parcels</b>	<b>Mail in NL</b>	<b>PostNL Other</b>	<b>Eliminations</b>	<b>Total</b>
Revenue from contracts with customers	949	593	2		1,544
Intercompany sales	120	140	107	(367)	
Other operating revenue	3	4			8
<b>Total operating revenue</b>	<b>1,073</b>	<b>737</b>	<b>109</b>	<b>(367)</b>	<b>1,552</b>
Other income		6			6
Depreciation/impairment property, plant and equipment	(16)	(7)	(2)		(25)
Amortisation/impairment intangibles	(1)	(1)	(19)		(21)
Depreciation/impairment right-of-use assets	(21)	(6)	(5)		(32)
<b>Total operating income</b>	<b>33</b>	<b>49</b>	<b>(43)</b>		<b>38</b>
<b>Normalised EBIT</b>	<b>33</b>	<b>49</b>	<b>(39)</b>		<b>43</b>
Total assets at 31 December 2022	861	558	802		2,221
Total liabilities at 31 December 2022	495	706	841		2,042

The key financial performance indicator for management of the reportable segments is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals. Normalised EBIT is reported on a monthly basis to the chief operating decision-makers.

## Notes to the consolidated interim financial statements

### 1. Intangible assets

in € million	HY 2022	HY 2023
<b>Balance at 1 January</b>	<b>354</b>	<b>389</b>
Additions	38	39
Amortisation and impairments	(21)	(27)
<b>Balance at end of period</b>	<b>371</b>	<b>402</b>

At HY 2023, the intangible assets of €402 million consist of goodwill for an amount of €207 million and other intangible assets for an amount of €194 million. Goodwill resulted from acquisitions in the past in the segments Mail in the Netherlands (€174 million) and Parcels (€33 million).

The additions to the intangible assets of €39 million mainly relate to software, including prepayments for software.

### 2. Property, plant and equipment

in € million	HY 2022	HY 2023
<b>Balance at 1 January</b>	<b>433</b>	<b>457</b>
Additions	25	42
Depreciation and impairments	(25)	(23)
<b>Balance at end of period</b>	<b>433</b>	<b>475</b>

Of the additions of €42 million in HY 2023 €23 million (HY 2022: €8 million) relates to investments in new sorting and delivery centres within Parcels. The remainder relates to various other investments.

### 3. Leases

Right-of-use-assets, in € million	HY 2022	HY 2023
<b>Balance at 1 January</b>	<b>289</b>	<b>295</b>
New leases	17	20
Lease modifications/reassessments	7	5
Depreciation and impairments	(32)	(35)
Disposals	(0)	(2)
<b>Balance at end of period</b>	<b>281</b>	<b>283</b>

The new leases of €20 million in HY 2023 mainly relate to replacement/expansion of vans and trucks. The lease modifications/reassessments of €5 million mainly reflect changes to the lease payments and lease terms of buildings.

Lease liabilities, in € million	31 Dec 2022	1 Jul 2023
Long-term lease liabilities	255	240
Short-term lease liabilities	75	75
<b>Total</b>	<b>331</b>	<b>315</b>

In HY 2023, repayments of lease liabilities amounted to €38 million (HY 2022: €35 million).



#### 4. Profit/(loss) from discontinued operations

The following table presents the financial performance for the discontinued operations of Nexive for the first half of 2022 and 2023.

Financial performance, in € million	HY 2022	HY 2023
Revenues	0	0
Expenses	(18)	(0)
<b>Operating income</b>	<b>(18)</b>	<b>(0)</b>
Income taxes	4	(0)
<b>Profit/(loss) after taxes</b>	<b>(13)</b>	<b>(0)</b>
<b>Profit/(loss) from discontinued operations</b>	<b>(13)</b>	<b>(0)</b>

In HY 2022, the net result of €(13) million mainly reflected the financial impact related to a settlement reached between PostNL and the Italian tax authorities. The settlement resolved an ongoing tax dispute, previously reported as a specific contingent tax liability. At 2 July 2022, the financial impact included an expected payment to the Italian tax authorities of €34 million partially offset by management’s best estimate of the collectability of the related imputed VAT receivables from former customers of €17 million and a positive income tax effect of €4 million. At 31 December 2022, the related amounts have been reassessed at €30 million, €16 million and €3 million respectively. In HY 2023, the amount due to the Italian tax authorities of €30 million has been fully paid. At 1 July 2023, €8 million has been received from former customers, with an outstanding receivable position of €8 million reflecting management’s best estimate.

#### 5. Pensions

As disclosed in our Annual Report 2022, as per 31 December 2022 the main pension plan has been amended. The amendments made triggered a change in accounting classification from defined benefit to defined contribution. Among others, this means that PostNL as of 31 December 2022 is only required to pay the regular pension contribution. As a consequence hereof, the amount of defined benefit and defined contribution costs in HY 2023 versus HY 2022 differs materially.

The impact hereof clearly shows in the movement schedule of the defined benefit accounted pension plans. Where PostNL recorded €80 million of defined benefit operating expenses in HY 2022, in HY 2023 these expenses reduced to €0 million. The impact also shows within OCI, with an actuarial result (net of tax) of €30 million in HY 2022 versus no actuarial result in HY 2023.

in € million	HY 2022	HY 2023
<b>Balance at 1 January</b>	<b>67</b>	<b>2</b>
Operating expenses	80	0
Interest expenses	1	0
Employer contributions and early retirement payments	(41)	(0)
Actuarial losses/(gains)	(40)	0
<b>Balance at end of period</b>	<b>67</b>	<b>2</b>

As an opposite effect, expenses for defined contribution accounted pension plans show a material increase, with €46 million in HY 2023 versus only €6 million HY 2022. The €40 million increase reflects entirely the pension contributions paid for the main pension plan, which in HY 2022 were paid out of the provision for defined benefit accounted pension plans. In addition to these regular contributions, PostNL also paid the reduced and final part of the unconditional funding obligation of €16 million in HY 2023.

In summary, in HY 2023 total employer operating expenses amounted to €46 million (HY 2022: €86 million) and total employer cash contributions amounted to €62 million (HY 2022: €47 million). The cash contributions paid in HY 2023 include regular contributions of €46 million (HY 2022: €47 million) and a final payment of the unconditional funding obligation of €16 million (HY 2022: not applicable).

#### 6. Equity

During HY 2023, consolidated equity attributable to the equity holders of the parent increased from €177 million at 31 December 2022 to €184 million at 1 July 2023. The increase of €7 million in HY 2023 is primarily explained by the profit for the period of €15 million, partly offset by the 2022 final dividend payment of €7 million.



in million	HY 2022	FY 2022	HY 2023
Number of issued and outstanding shares	<b>513.3</b>	<b>487.5</b>	<b>490.4</b>
of which held by the company	33.6	0.0	0.0
Year-to-date average number of ordinary shares	<b>500.0</b>	<b>492.5</b>	<b>488.3</b>
Year-to-date diluted number of ordinary shares	0.0	1.1	0.0
Year-to-date average number of ordinary shares on a fully diluted basis	<b>500.0</b>	<b>493.6</b>	<b>488.3</b>

In May 2023, PostNL issued 1,576,673 ordinary shares following the pay-out of the final 2022 dividend and 1,274,710 ordinary shares for the settlement of its incentive schemes, increasing the issued share capital and additional paid-in capital by €2 million in total. As a result, the number of issued and outstanding shares increased from 487.5 million at 31 December 2022 to 490.4 million at 1 July 2023.

## 7. Adjusted net debt

in € million	31 Dec 2022	1 Jul 2023
Short- and long-term debt	<b>745</b>	<b>768</b>
Long-term interest-bearing assets	(17)	(16)
Cash and cash equivalents	(556)	(459)
<b>Net debt</b>	<b>172</b>	<b>293</b>
Pension liabilities	18	2
Lease liabilities (on balance)	331	315
Lease liabilities (off balance)	29	41
Deferred tax assets on operational lease liabilities	(83)	(82)
<b>Adjusted net debt</b>	<b>467</b>	<b>569</b>

On 1 July 2023, the adjusted net debt position amounted to €569 million. Compared to 31 December 2022, the €102 million increase was mainly explained by the negative cash flow during HY 2023 (see note 10), including a cash out of €25 million related to the discontinued operations, decreasing the cash and cash equivalents position by €97 million in the first half of 2023. The increase of short- and long-term debt mainly related to the financing of investments in new sorting and delivery centers within Parcels by a third party.

## 8. Other provisions

The other provisions consist of long-term and short-term provisions for restructuring, claims and indemnities and other employee benefits. In HY 2023, the related provisions increased by €5 million.

in € million	HY 2022	HY 2023
<b>Balance at 1 January</b>	<b>50</b>	<b>50</b>
Additions	6	14
Withdrawals	(9)	(6)
Releases	(3)	(3)
<b>Balance at end of period</b>	<b>43</b>	<b>55</b>

The additions of €14 million in HY 2023 mainly related to the restructuring plans for the reduction of 200-300 FTEs in overhead (€4 million, mainly at Parcels), cost saving programmes within operations Mail Netherlands (€2 million), expected disability costs following the decision to become self-insured (“eigenrisicodrager”) for the WGA benefits as from 1 January 2021 (€3 million) and other employee benefit obligations (€2 million). The remainder relates to various other provisions.

The withdrawals of €6 million in HY 2023 related mainly to the payment of termination benefits for early retirement (€3 million) and other employee benefit obligations (€2 million).

The releases of €3 million in HY 2023 mainly related to claims and indemnities (€2 million) and various other provisions.





## 9. Taxes

Effective tax rate	HY 2022	HY 2023
Dutch statutory tax rate	25.8%	25.8%
Other statutory tax rates	0.5%	-0.3%
<b>Average statutory tax rate</b>	<b>26.3%</b>	<b>25.5%</b>
Non/partly deductible costs	3.2%	4.3%
Exempt income	0.2%	0.5%
Other	2.7%	-3.9%
<b>Effective tax rate</b>	<b>32.4%</b>	<b>26.4%</b>

The tax expense in PostNL's statement of income in HY 2023 amounted to €6 million (HY 2022: €9 million), or 26.4% (HY 2022: 32.4%) of the profit/(loss) before income taxes of €21 million (HY 2022: €27 million).

In HY 2023, the line Non/partly deductible costs (4.3%) mainly related to mixed expenses and non-deductible costs of share-based payments. The line Other (-3.9%) mainly related to current environmental investment allowances, the impact of a UK tax rate change and prior year adjustments. In HY 2022, the line Other (2.7%) mainly related to an uncertain tax position regarding a prior year environmental investment allowance.

Income taxes paid in HY 2023 amounted to €35 million (HY 2022: €22 million) and included predominantly Dutch payments for the full year of 2022.

## 10. Cash flow statement

Net cash from operating activities decreased by €71 million from €93 million in HY 2022 to €22 million in HY 2023 mainly due to lower operational (cash) results, a negative change in working capital (€30 million) and a higher cash out from income taxes (€13 million).

Net cash used in investing activities increased from €(51) million in HY 2022 to €(53) million in HY 2023, with lower proceeds from sale of property, plant and equipment of €11 million, partly offset by higher interest received of €10 million due to higher interest on cash and cash equivalents and the settlement of interest rate swaps (€4 million).

Net cash used in financing activities amounted to €(42) million in HY 2023 (HY 2022: €(313) million) and mainly related to the payment of the 2022 final dividend of €7 million (HY 2022: €114 million) and repayments of lease liabilities of €38 million (HY 2022: €35 million). In HY 2022, an amount of €164 million was included related to the repurchase of shares.

## 11. Labour force

Headcount	31 Dec 2022	1 Jul 2023
Parcels	8,300	8,738
Mail in the Netherlands	25,725	24,003
PostNL Other	1,622	1,674
<b>Total</b>	<b>35,647</b>	<b>34,415</b>

The number of employees working at PostNL at 1 July 2023 was 34,415. The decrease of 1,232 compared to 31 December 2022 is mainly the result of the extra temporary employees hired in December 2022 to handle Christmas mail within Mail in the Netherlands. Additionally, labour market tightness impacted PostNL's ability to maintain adequate staffing levels during HY 2023.

Average FTEs	HY 2022	HY 2023
Parcels	7,088	7,518
Mail in the Netherlands	13,505	12,032
PostNL Other	1,498	1,616
<b>Total</b>	<b>22,091</b>	<b>21,165</b>

The average number of full-time equivalents (FTEs) working at PostNL during the first six months of 2023 was 21,165. The decrease of 926 compared to the same period last year is mainly related to reductions within operations in Mail in the Netherlands, partly offset by an increase of employees within Parcels due to more use of own staff instead of delivery partners. In HY 2023, around 350 FTE from PostNL's retail and customer care department were transferred from Mail in the Netherlands to Parcels.



## 12. Financial instruments

The fair value of financial instruments is based on foreign exchange and interest rate market prices, if applicable. PostNL uses derivative financial instruments solely for the purpose of hedging currency and interest exposure. PostNL uses commonly practised fair value valuation methods for its derivatives. The valuations represent a best approximation of the trading value of these derivatives at their valuation moment. The derivatives within the financial instruments are grouped within level 2 of the fair value measurement hierarchy.

The carrying value of PostNL's outstanding Eurobonds is measured at amortised cost and amounted to €698 million at 1 July 2023 (31 December 2022: €697 million). The fair value of the outstanding Eurobonds amounted to €652 million at 1 July 2023 (31 December 2022: €647 million). The outstanding Eurobonds are all at fixed interest rates.

The investments in financial assets at fair value through OCI of €19 million at 1 July 2023 (31 December 2022: €20 million) relate to investments in equity shares of non-listed companies.

The fair value of the other financial instruments approximates the carrying amount of these assets and liabilities.



## Reporting responsibilities and risks

### Board of Management compliance statement

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht) the Board of Management confirms to the best of its knowledge that:

- The consolidated interim financial statements for the six months ended 1 July 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of PostNL N.V. and its consolidated companies, and
- The interim report of the Board of Management gives a true and fair view of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht).

Herna Verhagen – Chief Executive Officer

The Hague, 7 August 2023

Pim Berendsen – Chief Financial Officer

### Risks

Understanding strategic, operational, legal and regulatory, and financial risks, including risks relating to corporate responsibility, is a vital element of our management's decision-making process. Management reviewed the risks regularly throughout the first half year of 2023 and will continue to do so during 2023. PostNL's risk management and control programme is to be considered as a process to further support management. No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in its business and business environment or that risk responses will be fully effective.

It is important to note that new, unknown and/or unforeseen risks may be identified and/or occur. PostNL will react to changes in our risk profile and/or risk responses with due care and we will continuously analyse possible alternatives that may be included in our risk management and control framework.

Notwithstanding the above, any of the disclosed risks both individually and/or in aggregate, could have a material adverse effect on PostNL's financial position, results of operations, liquidity, solvency and the actual outcome of matters referred to in the forward-looking statements contained in this half year report.

The Board of Management has reviewed PostNL's risk profile and confirms that the key risks originally disclosed in Chapter 11 of the 2022 PostNL N.V. Annual Report (pages 76 - 90) have been updated and will continue to require focused and decisive management attention in the second half of 2023. With reference to the disclosure in the Annual Report 2022, the risks which have the highest risk level are: competition, substitution, climate change, execution of cost savings initiatives, employee attraction, development and retention, regulatory requirements and compliance and total cost of labour.

Additionally, the Board of Management is of the view that considering the annually updated strategic plan and forecasts, in the current situation, it is justified that PostNL's financial reporting has been prepared on a going concern basis and that the Annual Report 2022 states those material risks and uncertainties that are relevant for the expectation of PostNL's continuity for the period of twelve months after the preparation of the Annual Report. This, however, does not imply that PostNL can provide certainty as to the realisation of strategic business and financial objectives.

More details on how PostNL deals with risk management can be found in our Annual Report 2022, Chapter 11 Risk and opportunity management.