



Staying resilient in volatile times

Q3 2024 results

The Hague – 4 November 2024



Additional information

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The Netherlands

Key takeaways for Q3 2024

FY normalised EBIT expected to be ~€80m*

Highlights

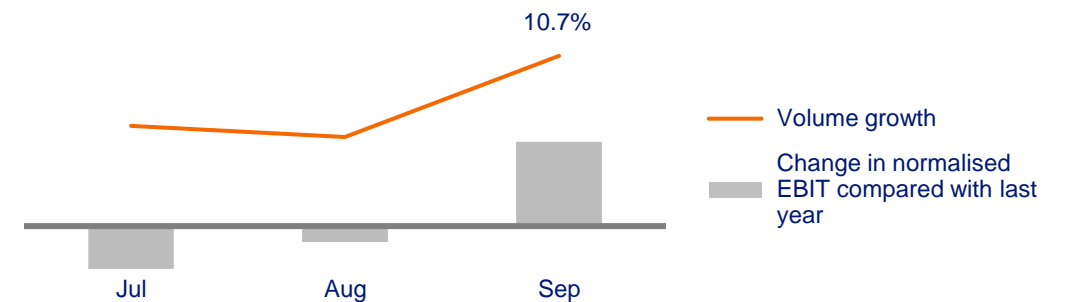
- Parcel volumes up 7.4% supported by accelerating domestic volume growth, with more or less stable market share
- Gradual improvement in contribution from volume growth
- Mail volumes down 6.3%, mainly due to substitution
- Continued high organic cost increase of €34m, mainly labour-related, largely mitigated
- PostNL and trade unions agree new CLAs for PostNL and Saturday workers
- 14% further improvement in average carbon efficiency YTD

Mail in the Netherlands

- Result of €(19)m in first nine months of 2024, clearly showing business model is unsustainable
- FY result will be fully driven by year-end seasonal mail

Parcels

- Encouraging volume growth in the quarter, trend continues in October
- Result improved compared with last year, driven by strong September performance, after weak results during summer due to market circumstances



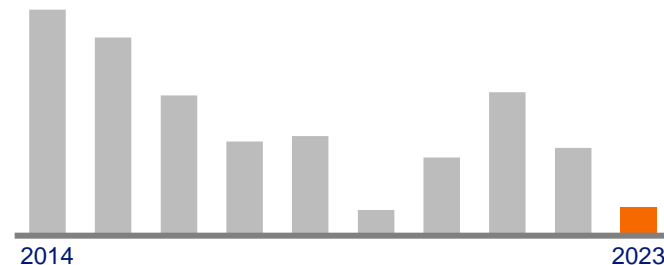
Current business model of postal services unsustainable

Additional measures due to delayed decision parliament on postal market

Fast deterioration in result Mail in the Netherlands

- Ongoing decline in mail volumes and further shift to non-24-hour mail
- Organic cost increases continue
- €19m loss YTD 2024 (YTD 2023: €(4)m)
 - FY result fully driven by year-end seasonal mail
 - Business model relying on performance from 2 weeks to cover loss in rest of year is unsustainable

Result mail-related activities* in €m



Urgent changes needed: standard D+2 mail service level, over time D+3

- Essential that legal duty of universal service obligation (USO) is not loss-making, requiring:
 - adjustments in USO
 - financial contribution
- Migration non-USO mail to D+2 as of 1 January 2025 as earlier communicated
- Additional impactful measures considered:
 - emptying mailboxes on the streets during the daytime
 - potential further price increases for sending mail

Future-proof postal service

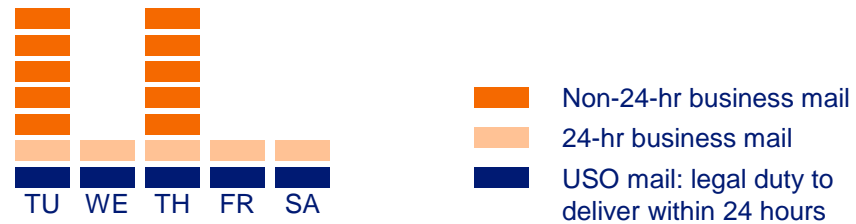
- Predictable delivery for everyone in the Netherlands
- Providing job security to tens of thousands of people
- Aligned with consumer needs: >70% of people support a D+2 model, also underpinned by recent ACM studies
- Modern and innovative services
- Financially viable: reasonable return on USO

Migration to D+2 service level for all non-USO mail

Creates lower cost per item in peak routes and more efficient off-peak routes

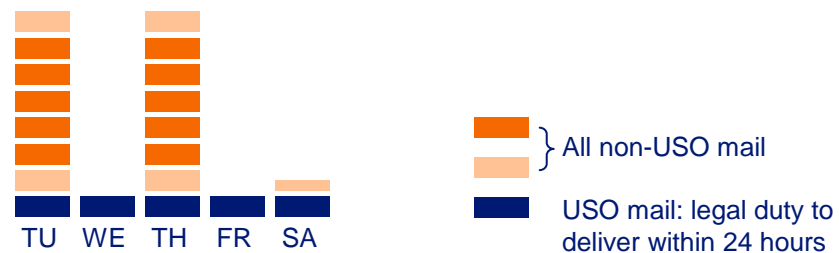
Current delivery schedule (5 days a week)

- Two cost-efficient peak days a week for every address (Tuesday & Thursday and Wednesday & Friday)



Non-USO mail migrates to peak days

- ~70% to D+2 service level as of January 2025
- Lower cost per item on peak days
 - increase in drop duplication
 - very limited impact in delivery time
- Cost savings on off-peak days
 - ~35% reduction in delivery time
 - combining off-peak routes



Potential for further delivery optimisation

- Consolidate mail delivery to two days a week
- Priority mail at different price in separate network

Q3 2024 performance

Normalised EBIT of €(18)m

Key financial metrics

<i>(in € million)</i>	Q3 2023	Q3 2024	change	YTD 2023	YTD 2024	change
Revenue	722	756	5%	2,276	2,316	2%
Normalised EBIT	(11)	(18)	-69%	14	(9)	
Free cash flow	(26)	(68)		(91)	(94)	
Normalised comprehensive income	(4)	(19)		10	(13)	

Main drivers

- Negative normalised EBIT mainly driven by performance at Mail in the Netherlands
- Positive and improving result Parcels
- Change in free cash flow mainly explained by phasing effects in interest and tax paid

Our strategy

Delivering distinctive customer and consumer experience to be the leading logistics and postal service provider in, to and from the Benelux area

Strategic foundation



Parcels: Manage for sustainable growth



Mail: Manage for value



Accelerate digitalisation

Strategic objectives



Digitalisation, customers, consumers

- 9.3m Dutch consumer accounts (HY24: 9.1m)
- 1,070 automated parcel lockers (FY23: 903)



Environmental value

- 14% further improvement in average carbon efficiency YTD



Social value

- New CLA PostNL and Saturday workers
 - April 2024 – June 2026
 - 7% increase in wages in 4 steps
 - first step of 2.5% as of 1 July 2024, fully visible in Q4 result
- Applies to approximately 16,500 people

Be your favourite deliverer



225 years of dedication, trust and innovation

Parcels in Q3 2024

Encouraging volume growth with improving operating leverage

	Revenue	Normalised EBIT	Volume	
Q3 2024	€569m	€3m	88m	+7.4%
Q3 2023	€535m	€1m	82m*	

Revenue mix

<i>in € million</i>	Q3 2023	Q3 2024
Parcels NL and BE	348	370
Spring	116	133
Logistics solutions and other services	67	74
Other / intercompany	3	(7)
Parcels	535	569

Volume

- Volume growth picks up to 7.4% in Q3 (YTD: 6.0%); September exit rate at 10.7%
 - volume from international customers up ~34%
 - domestic volume up 1.0% in Q3 (YTD: 0.5%), September exit rate at 2.7%; with growing share from larger customers;

Revenue

- Revenue Parcels NL and BE reflecting
 - volume growth
 - tariff increases partly offset by less favourable product and customer mix
- Cross-border activities continued positive trend; Spring revenue up, most strongly in Asia

Costs

- Significant organic costs increase, mainly labour-related
- Efficiency improvements (network optimisation and higher utilisation rates) and cost saving initiatives

Parcels Q3 2024 normalised EBIT bridge

(in € million)

Normalised EBIT Q3 2023

1

Revenue - volume

26

7.4% volume growth

Revenue - mix

(18)

Unfavourable product and customer mix (e.g. within domestic and international volumes)

Volume-dependent costs

(15)

Organic costs

(15)

Wage increases PostNL and sector CLA, indexation for delivery partners and other inflationary pressure

Revenue - price

14

Regular tariff increases and targeted yield management

Other costs

9

Operational efficiency improvements (network optimisation and higher utilisation rates), and cost saving initiatives

Other results

-

Total impact of various smaller positive and negative items equals 0

Normalised EBIT Q3 2024

3

Tariff increases more than offset by mix effects

Various mix effects impact average price per parcel

Increasing customer concentration in domestic volumes

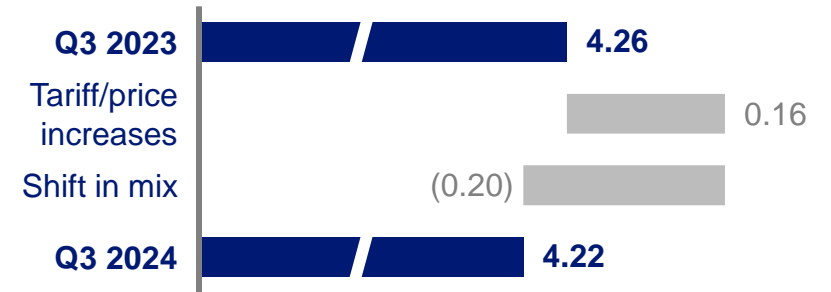
- Share of SME segment declines, with fewer single items
- Consolidation towards bigger (platform) players

Composition domestic / international

- Strong growth international volumes, mainly large Asian customers
- Downtrading in e-commerce chain

Development average tariff per parcel in Q3

(in €)



Market share PostNL remains relatively stable

In persistent volatile economic conditions

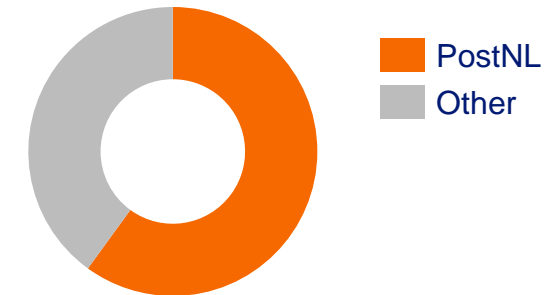
Continuing aim for stable market share

- Navigating in market environment with intense competition
- Ongoing commitment to more sustainable logistics

Definition of parcel market

- B2C in the Netherlands, based on parcels received
 - delivered at home and collected from APLs and retail locations
 - returns not included
- Survey conducted by GfK; large Dutch market research institution
- Specific economic dynamics may impact industries (e.g. fashion, electronics) and subsequently impact market shares of individual players

Market share

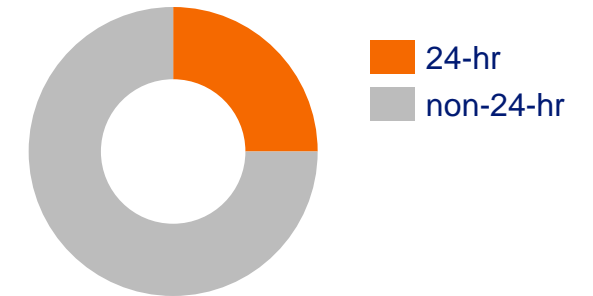


Mail in the Netherlands Q3 2024

Shift to non-24-hr mail continues while costs are rising

	Revenue	Normalised EBIT	Volume	
Q3 2024	€295m	€(19)m	334m	-6.3%
Q3 2023	€299m	€(14)m	356m	

Indicative volume split



Volume

- Volume decline of 6.3%
 - mainly due to ongoing substitution

Revenue

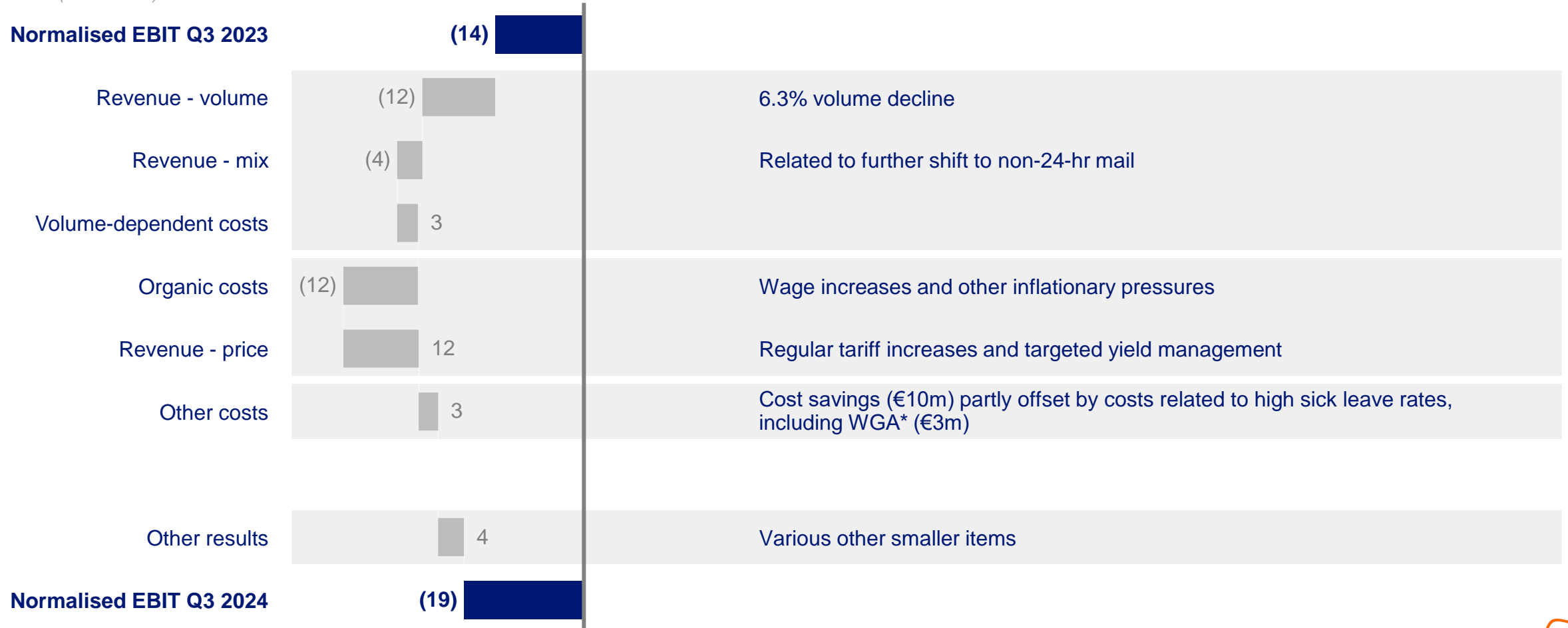
- Stamp price development
 - 7.9% increase as of 1 January 2024
 - 4.6% increase as of 1 July 2024
- Unfavourable shift in mix
 - single items decline faster than bulk mail
 - within bulk mail: shift from 24-hr to non-24-hr delivery mail items diluting average price

Costs

- Continued higher sick leave rates in tight labour market result in higher related cost, including additional WGA* provision
- Increase in labour costs following CLAs for PostNL and mail deliverers
- Additional cost savings achieved through product portfolio optimisation and efficiency gains in sorting and preparation

Mail in the Netherlands Q3 2024 normalised EBIT bridge

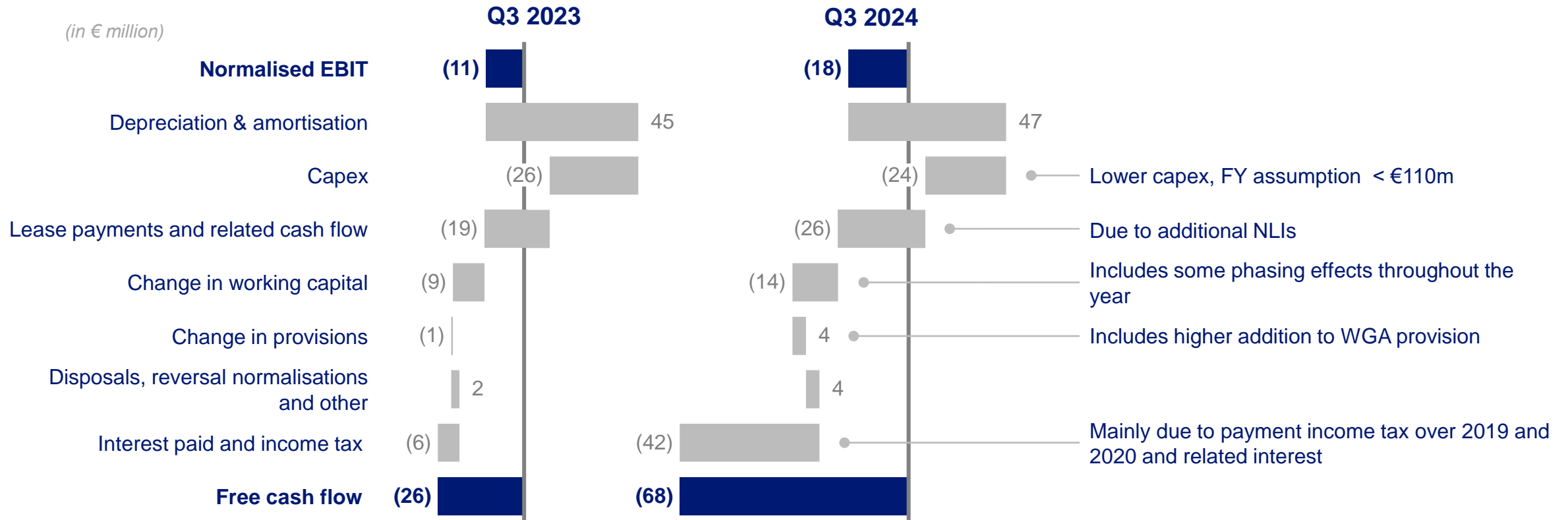
(in € million)



Cash flow

Phasing effects due to income tax payments

(in € million)



Financial position

Balance sheet

<i>(in € million)</i>	28 Sept 2024
Intangible fixed assets	413
Property, plant and equipment	473
Right-of-use assets	284
Other non-current assets	57
Other current assets	445
Cash	700
Assets classified as held for sale	1
Total assets	2,372

	28 Sep 2024
<i>Consolidated equity</i>	150
<i>Non-controlling interests</i>	3
Total equity	152
Pension liabilities	2
Long-term debt	596
Long-term lease liabilities	227
Other non-current liabilities	186
Short-term lease liabilities	80
Other current liabilities	1,128
Total equity & liabilities	2,372

Adjusted net debt

<i>(in € million)</i>	31 Dec 2023	28 Sep 2024
Short- and long-term debt	740	1,030
Long-term interest-bearing assets	(15)	(13)
Cash and cash equivalents	(518)	(700)
Net debt	207	318
Pension liabilities/WGA*	2	35
Lease liabilities (on balance)	320	308
Lease liabilities (off balance)	9	15
DTA on WGA and operational lease liabilities	(76)	(83)
Adjusted net debt	462	592

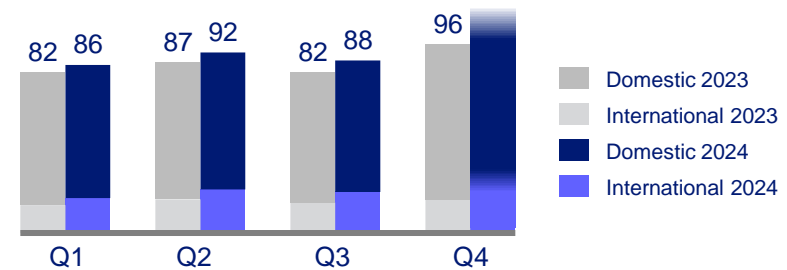
Peak season volumes crucial for FY result

Organic cost increases partly mitigated by price increases

Parcels

- 7% - 10% volume growth assumed for FY2024
- Accelerating volume growth expected in Q4
 - encouraging volume growth from both domestic volumes and volumes from international customers in September
 - trend continues in October

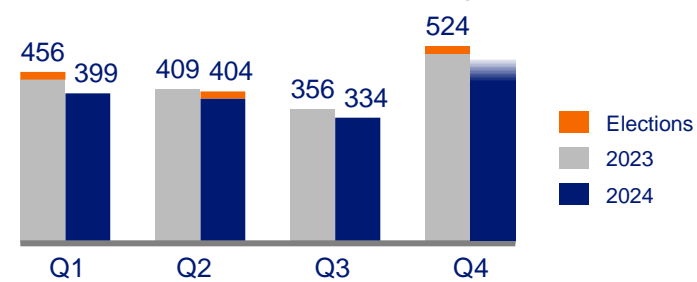
Volume, in million items, indicative only



Mail in the Netherlands

- 7% - 9% volume decline assumed for FY2024
- Volume development not evenly split over quarters
 - volume decline in Q4 more negative than FY range
 - limited visibility on development seasonal mail

Volume, in million items, indicative only



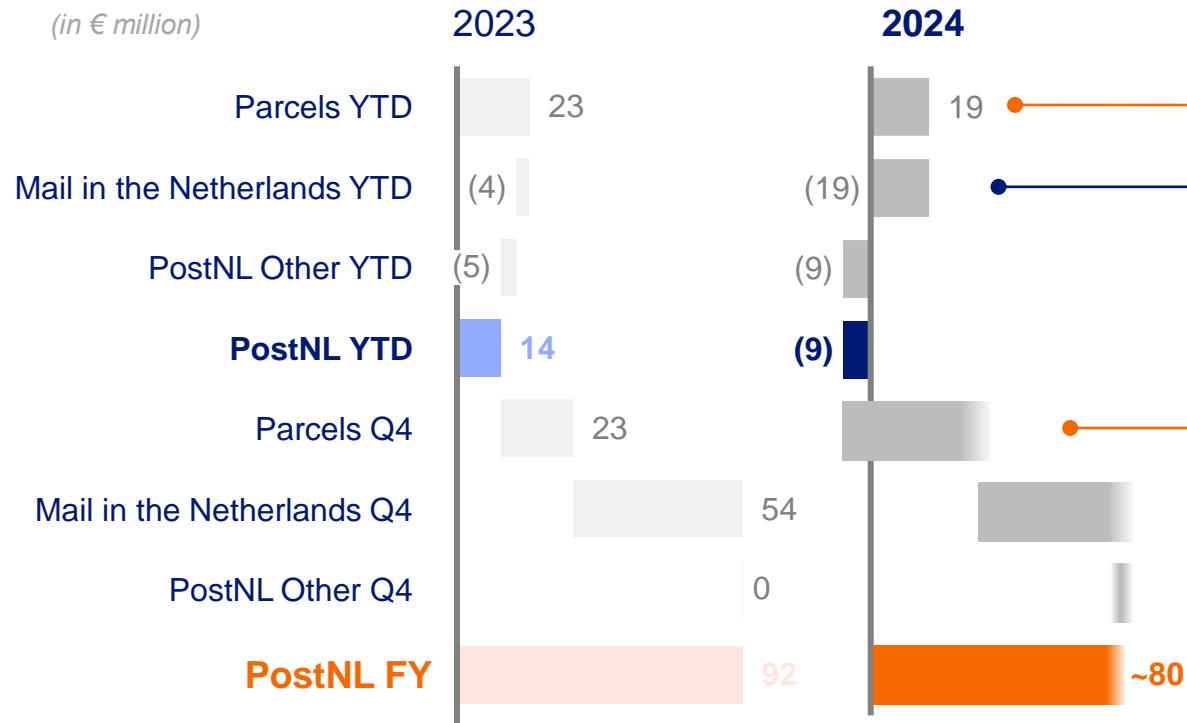
Other

- Organic cost increases to be below €155m for FY2024
- Cost increases not fully mitigated by price increases: gap ~€15m

Step-up in normalised EBIT in Q4

Normalised EBIT FY 2024 expected to be ~€80m

(in € million)



Parcels

- Accelerating volume growth to double-digits
- Peak pricing
- Some relief in pressure from mix effects
- Efficiency gains, rationalisation of services and cost reductions on track for FY cost savings of €35m, visible in other cost

Mail in the Netherlands

- Performance in December has to fully offset YTD loss
- Peak in volume due to seasonal mail
- On track to achieve €40m of cost savings (YTD €30m)

Outlook 2024

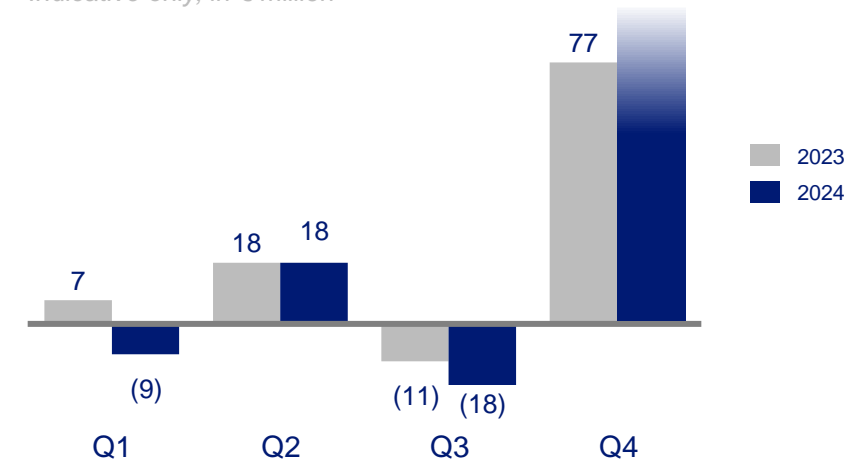
Persistent volatile economic environment

<i>(in € million)</i>	2023	2024 outlook (26 February 2024)	2024 outlook
Normalised EBIT	92	80 – 110	~80
Normalised comprehensive income	52	40 – 70	~40
Free cash flow	52	0 – 40	~0

- Remain fully committed to paying out dividend in line with business performance
- Capex expected to be slightly below earlier guidance of €110m
 - continuing clear focus on strategy while staying disciplined on cash flow management.
 - Investment programme is flexible and ensures efficient and future-proof infrastructure

Majority normalised EBIT in Q4

Indicative only, in € million



Q&A



Appendix

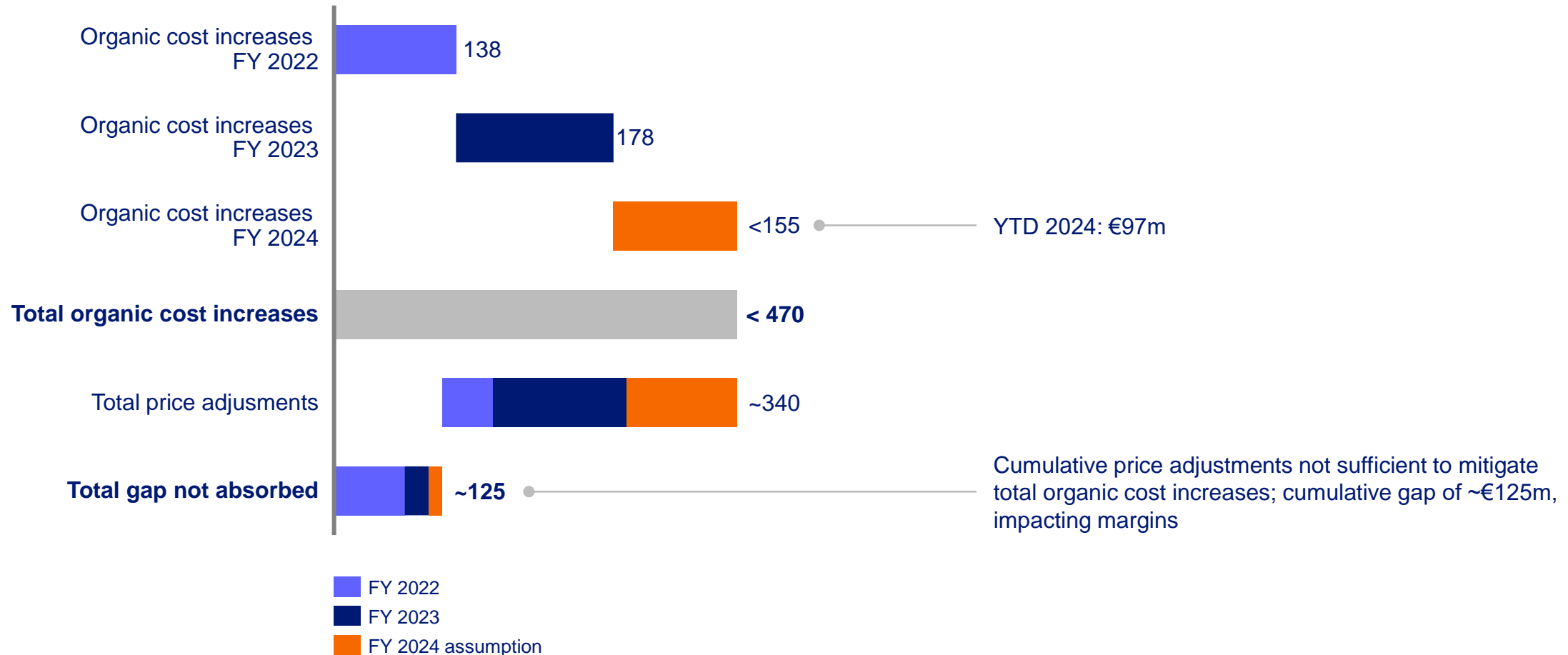
1. Cumulative organic cost increases and price adjustments 2022-24
2. Results per segment Q3 2024 and YTD 2024
3. Revenue mix Parcels
4. Full reconciliation of income statement and EBITDA per segment and YTD 2024
5. Free cash flow per segment Q3 2024
6. Free cash flow YTD 2024
7. Result development (bridge) per segment YTD 2024
8. Profit and normalised comprehensive income



Continued significant inflationary pressure on costs

Not fully mitigated by price adjustments

(in € million, indicative)



Results per segment Q3 2024 & YTD 2024

(in € million)

	Revenue		Normalised EBIT*		Margin	
	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024
Parcels	535	569	1	3	0.2%	0.4%
Mail in the Netherlands	299	295	(14)	(19)	-4.7%	-6.6%
PostNL Other	62	57	2	(1)		
Intercompany	(174)	(166)				
PostNL	722	756	(11)	(18)	-1.5%	-2.4%
	YTD 2023	YTD 2024	YTD 2023	YTD 2024	YTD 2023	YTD 2024
Parcels	1,652	1,706	23	19	1.4%	1.1%
Mail in the Netherlands	971	943	(4)	(19)	-0.4%	-2.0%
PostNL Other	181	178	(5)	(9)		
Intercompany	(529)	(512)				
PostNL	2,276	2,316	14	(9)	0.6%	-0.4%

Revenue mix Parcels

As of 2024

<i>(in € million)</i>	Q1 2023	Q1 2024	Q2 2023	Q2 2024	Q3 2023	Q3 2024	Q4 2023	Q4 2024	FY 2023	FY 2024
Parcels	360	369	372	387	348	370	409		1,489	
Spring	116	125	119	137	116	133	125		475	
Logistics solutions and other	72	73	72	76	67	74	72		283	
Other / intercompany	14	(12)	(7)	(19)	3	(7)	3		13	
Parcels	561	555	556	581	535	569	608		2,260	

2023

<i>(in € million)</i>	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Parcels Netherlands	355	366	342	402	1,464
Spring	116	119	116	125	475
Logistics solutions and other	72	72	67	72	283
Other / intercompany	19	(0)	9	10	38
Parcels	561	556	535	608	2,260

Presentation revenue and volume split Parcels

As from 1 January 2024, volumes also include domestic Belgium volumes; comparative figures for 2023 revenue and volume have been adjusted accordingly (volumes: Q1 2023: +1m, Q2 2023: +1m, Q3 2023: +1m, Q4 2023: +1m, FY 2023: +3m)

Full reconciliation of income statement and EBITDA Q3 2024

Income statement <i>(in € million)</i>	PostNL		Parcels		Mail in the Netherlands		PostNL Other		Eliminations	
	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024
Total operating revenue	722	756	535	569	299	295	62	57	(174)	(166)
Other income	3	0	3	0	0	0	-	-	-	-
Cost of materials	(22)	(16)	(15)	(12)	(3)	(3)	(4)	(2)	-	-
Work contracted out and other external expenses	(383)	(418)	(365)	(392)	(161)	(159)	(30)	(32)	174	166
Salaries and social security contributions	(232)	(239)	(98)	(101)	(107)	(112)	(27)	(27)	-	-
Pension contributions & related costs	(23)	(24)	(9)	(9)	(9)	(10)	(5)	(5)	-	-
Depreciation, amortisation and impairments	(45)	(47)	(21)	(22)	(7)	(7)	(17)	(19)	-	-
Other operating expenses	(33)	(32)	(30)	(31)	(25)	(24)	23	23	-	-
<i>Total operating expenses</i>	<i>(737)</i>	<i>(777)</i>	<i>(538)</i>	<i>(567)</i>	<i>(313)</i>	<i>(314)</i>	<i>(60)</i>	<i>(61)</i>	<i>174</i>	<i>166</i>
Operating income / EBIT	(12)	(21)	(1)	2	(14)	(19)	2	(4)	-	-

EBITDA

Operating Income / EBIT	(12)	(21)	(1)	2	(14)	(19)	2	(4)
Depreciation, amortisation and impairments	45	47	21	22	7	7	17	19
Reported EBITDA	33	27	20	25	(7)	(13)	20	15
IFRS16 impact (depreciation RoU assets)	(18)	(19)	(12)	(13)	(3)	(3)	(3)	(3)
EBITDA excluding IFRS16 impact	15	8	8	12	(10)	(16)	17	12

Full reconciliation of income statement and EBITDA YTD 2024

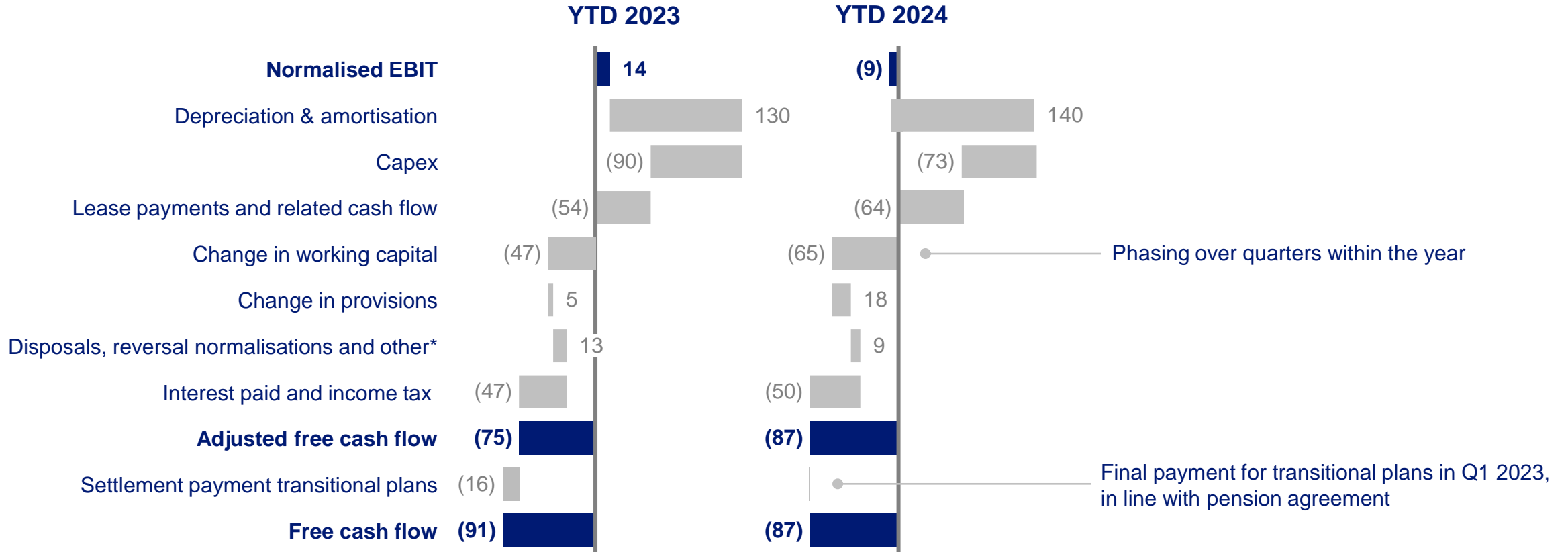
Income statement <i>(in € million)</i>	PostNL		Parcels		Mail in the Netherlands		PostNL Other		Eliminations	
	YTD 2023	YTD 2024	YTD 2023	YTD 2024	YTD 2023	YTD 2024	YTD 2023	YTD 2024	YTD 2023	YTD 2024
Total operating revenue	2,276	2,316	1,652	1,706	971	943	181	178	(529)	(512)
Other income	3	0	3	0	0	0	-	-		-
Cost of materials	(67)	(55)	(47)	(40)	(9)	(8)	(10)	(6)		-
Work contracted out and other external expenses	(1,161)	(1,227)	(1,103)	(1,155)	(495)	(483)	(92)	(101)	529	512
Salaries and social security contributions	(750)	(749)	(310)	(314)	(350)	(349)	(90)	(86)		-
Pension contributions & related costs	(69)	(71)	(27)	(27)	(29)	(30)	(14)	(14)		-
Depreciation, amortisation and impairments	(130)	(140)	(61)	(66)	(19)	(20)	(49)	(54)		-
Other operating expenses	(91)	(101)	(86)	(86)	(73)	(82)	69	67		-
<i>Total operating expenses</i>	<i>(2,267)</i>	<i>(2,343)</i>	<i>(1,634)</i>	<i>(1,688)</i>	<i>(976)</i>	<i>(972)</i>	<i>(186)</i>	<i>(194)</i>	529	512
Operating income / EBIT	12	(27)	21	18	(4)	(29)	(5)	(16)	-	-
EBITDA										
Operating Income / EBIT	12	(27)	21	18	(4)	(29)	(5)	(16)		
Depreciation, amortisation and impairments	130	140	61	66	19	20	49	54		
Reported EBITDA	142	113	82	83	15	(9)	44	38		
IFRS16 impact (depreciation RoU assets)	(52)	(55)	(35)	(38)	(9)	(9)	(8)	(8)		
EBITDA excluding IFRS16 impact	89	58	47	46	6	(18)	36	30		

Free cash flow per segment Q3 2024

(in € million)

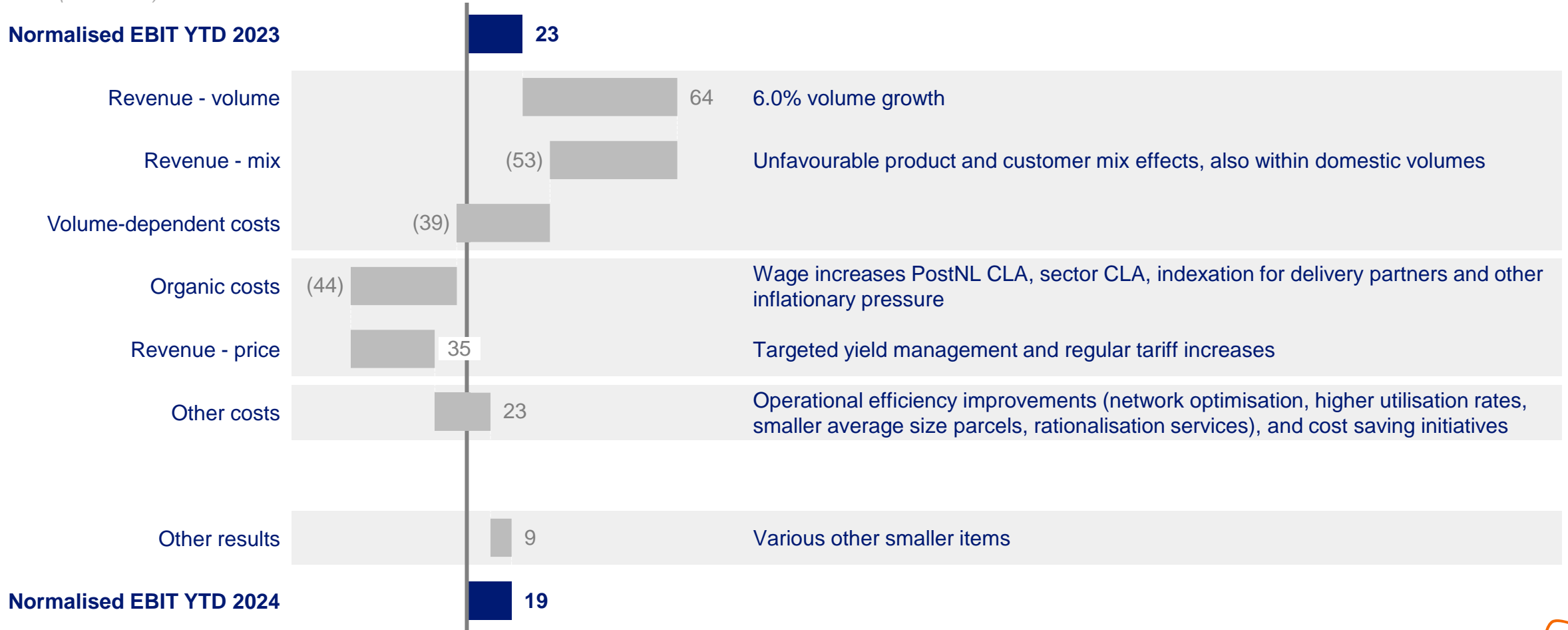
	PostNL		Parcels		Mail in the Netherlands		PostNL Other & Eliminations	
	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024
EBITDA	33	27	20	25	(7)	(13)	20	15
Change in pensions	0	0	0	0	-	-	(0)	(0)
Change in provisions	(1)	4	0	1	(2)	3	0	(0)
Change in working capital	(9)	(14)	44	11	(60)	(53)	6	28
Capex	(26)	(24)	(7)	(5)	(2)	(2)	(17)	(17)
Disposals	(3)	0	(3)	0	0	0	(0)	(0)
Interest paid	(6)	(14)	(1)	(3)	(1)	(1)	(4)	(9)
Income tax paid	(0)	(28)	0	(1)	4	5	(4)	(33)
Lease payments and related cash flow	(19)	(26)	(12)	(19)	(5)	(4)	(3)	(3)
Other	6	7	0	(0)	0	0	6	7
Adjusted free cash flow	(26)	(68)	43	9	(72)	(64)	4	(13)
Settlement payment transitional plan	0	-	0	-	0	-	0	-
Free cash flow	(26)	(68)	43	9	(72)	(64)	4	(13)
Free cash flow yield	-3%	-11%						

Cash flow YTD



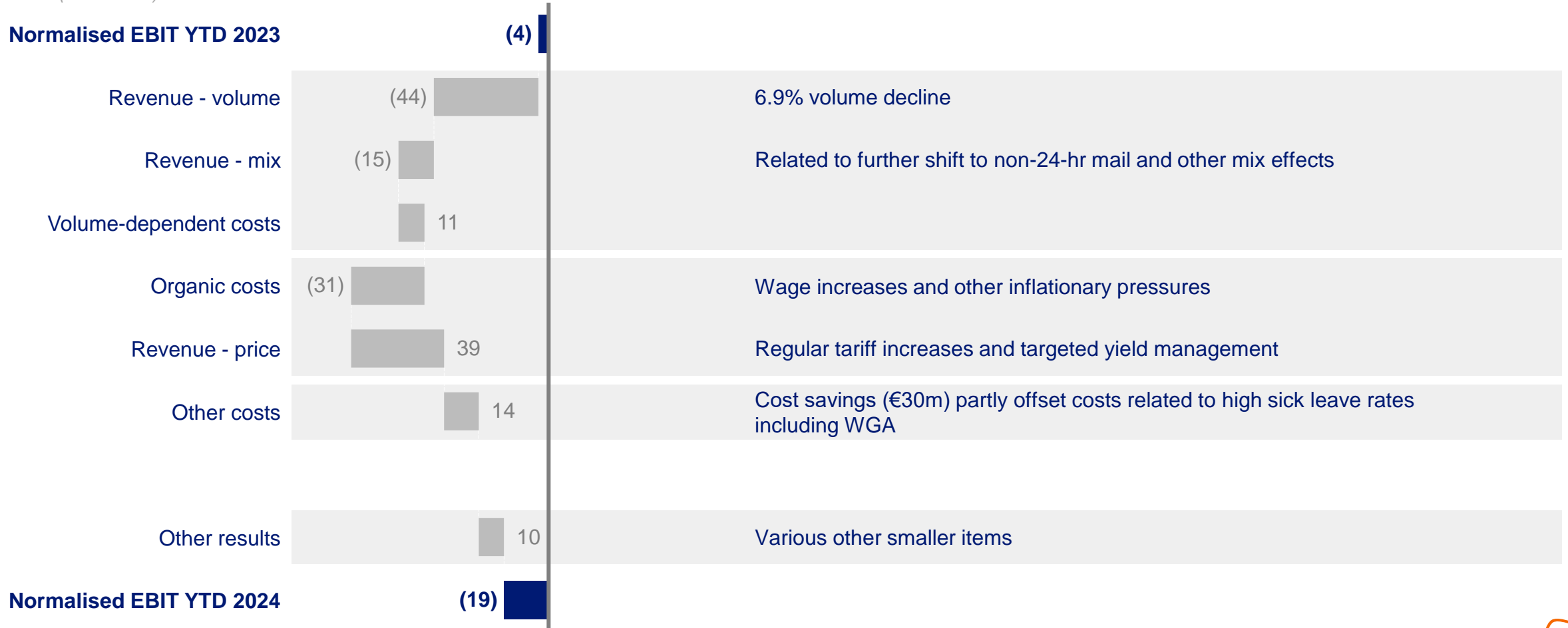
Parcels YTD 2024 normalised EBIT bridge

(in € million)



Mail in the Netherlands YTD 2024 normalised EBIT bridge

(in € million)



Profit and normalised comprehensive income*

<i>(in € million)</i>	Q1 2023	Q1 2024	Q2 2023	Q2 2024	Q3 2023	Q3 2024	YTD 2023	YTD 2024
Operating income / EBIT	7	(21)	17	15	(12)	(21)	12	(27)
Net financial expenses	(1)	(0)	(2)	(2)	0	(2)	(2)	(4)
Results from investments in JVs/associates	(0)	0	(0)	(0)	(2)	(4)	(2)	(4)
Income taxes	(2)	2	(3)	(4)	4	6	(2)	4
Profit/(loss) from discontinued operations	1	(0)	(1)	(0)	(0)	0	(0)	0
Profit	4	(19)	11	10	(10)	(21)	6	(30)
Other comprehensive income	(0)	2	(2)	2	4	(0)	2	4
Total comprehensive income	4	(17)	9	12	(5)	(21)	8	(26)
Normalisation on EBIT, net of tax	0	9	0	2	1	2	2	13
Exclude result from discontinued operations	(1)	0	1	0	0	(0)	0	(0)
Normalised comprehensive income	4	(8)	10	14	(4)	(19)	10	(13)