Jochem van de Laarschot – Director Communications & Investor Relations PostNL: Good morning everyone. I am here in the room with Herna Verhagen, our CEO, and Pim Berendsen, our CFO.

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We will first start with a presentation, the slides of which you can find on our website and also of course on the webcast. We will follow up by Q and A after that. Pim, the floor is yours.

Key takeaways

Satisfying first-quarter results

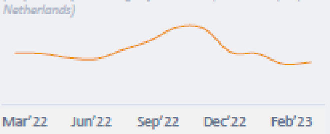
Q1 2023 highlights

- Volume development at Parcels better than expected
  - reported volumes -6.5%
  - domestic volumes -5.0% (excluding non-recurring impact Covid-19)
- Reported volumes Mail in the Netherlands -10.8%, with underlying development (excluding non-recurring Covid-19 impact) at -8.1%
- Adaptive measures, good operational leverage, efficiency improvements and productivity gains partly mitigate inflationary pressure
- Progress as scheduled on plans for reduction of 200-300 FTEs in overhead, mainly at Parcels
- Outlook FY 2023 confirmed:
  - normalised EBIT between €70m and €100m
  - free cash flow between €10m and €40m

Macroeconomic environment remains volatile and uncertain

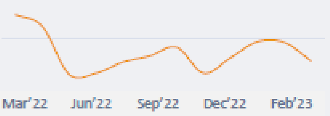
Inflation

(%, year-on-year change of consumer price index (CPI), the Netherlands)



Consumption of goods by households

(%, year-on-year change, the Netherlands)



Source: Statistics Netherlands (CBS)

Pim Berendsen – CFO PostNL: Thank you, Jochem, and good morning to all of you. Let's start with having a look at the key takeaways for the first quarter of this year.

The Q1 results came in slightly better than expected, so a good start of the year. This is driven primarily by parcel volumes that developed more favorable compared to our expectations. That is the case both domestically and internationally and also especially visible in March. The positive trend in our international activities that we already saw in Q4 continued.

Next to the volume component, the better performance is also driven by good operational performance and more efficiency in the operations, driven by the adaptive measures that we initiated last year to adjust the cost price per parcel levels to the lower volumes. So, efficiency is up and volume slightly better than originally expected.

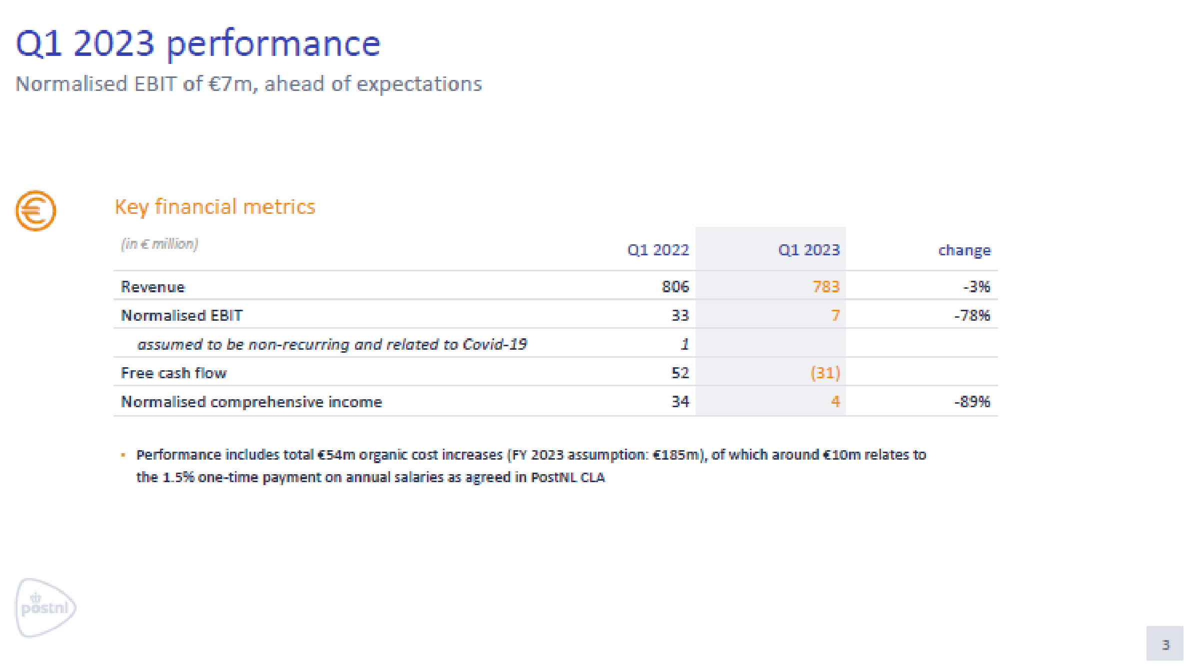
Mail in the Netherlands performed more or less in line with expectations. All in all, it is a satisfying start of the year for us.

Nevertheless, these Q1 numbers are obviously below those of last year. Last year, we still had some weeks of lockdowns and apart from this, January and February were relatively normal months with obviously the war in Ukraine starting on the 24th of February, and as of that point in time, having significant impact on our performance.

Volume at Parcels in Q1 was down 6.5%. If you look at domestic only and adjust for non-recurring Covid volumes, we see a decline of 5%. Mail volumes developed in line with expectations, being down 10.8% reported and roughly 8% underlying, adjusted for Covid.

Also in the quarter, we are making progress as scheduled in our preparations for our additional plans to save EUR 25 million as of 2024, up to a run rate of EUR 30 million in 2025 by a reduction of 200 to 300 FTEs in overhead and indirect support rules, predominantly at Parcels.

Looking at the full year, we are on track, and we have confirmed our outlook. This is based on the Q1 results that came in above expectations, but still, let's say in an economic environment that continues to be volatile and uncertain, even though some macroeconomic indicators seem to indicate first signs of improvement.



Q1 2023 performance

Normalised EBIT of €7m, ahead of expectations

Key financial metrics

(in € million)	Q1 2022	Q1 2023	change
Revenue	806	783	-3%
Normalised EBIT	33	7	-78%
assumed to be non-recurring and related to Covid-19	*1*		
Free cash flow	52	(31)	
Normalised comprehensive income	34	4	-89%

- Performance includes total €54m organic cost increases (FY 2023 assumption: €185m), of which around €10m relates to the 1.5% one-time payment on annual salaries as agreed in PostNL CLA

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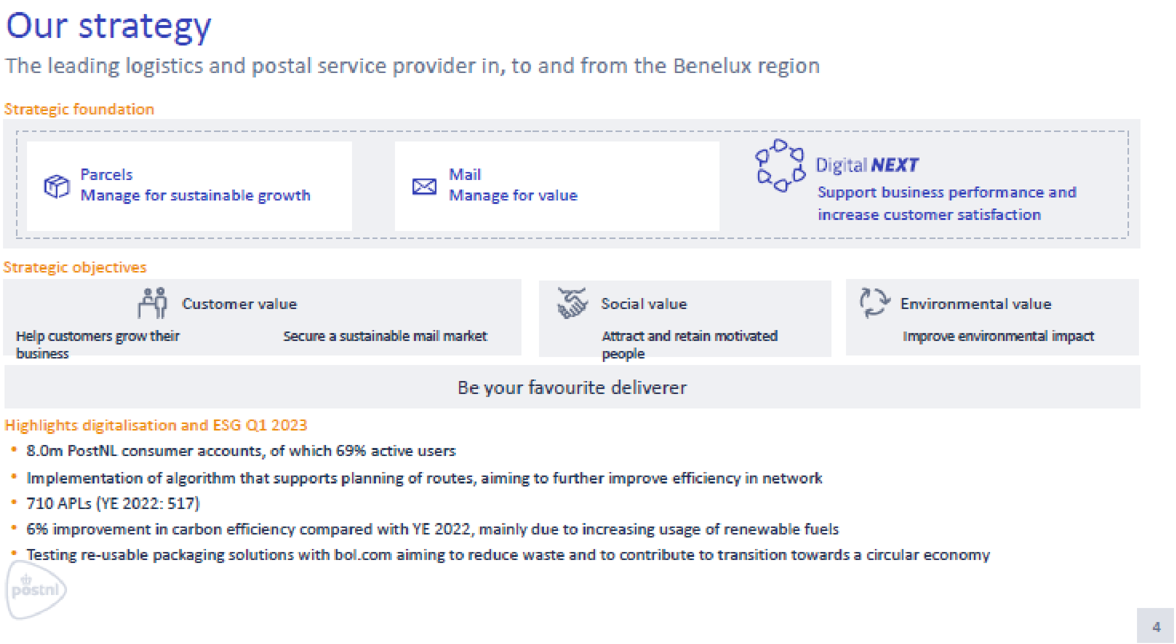
If we then move over to the next slide on the Q1 performance, we see a bit more numbers. You see revenue of this quarter coming in at EUR 783 million, a 3% decrease compared to last year, normalised EBIT at EUR 7 million, obviously a significant decrease compared with the EUR 33 million we reported Q1 last year, which is obviously largely explained by high organic cost increases with also specifically in this quarter a one-time payment of 1.5% of annual salaries for the people in the PostNL collective labour agreement, which accounts for EUR 10 million and the total organic cost increases in the quarter amount to EUR 54 million, including the EUR 10 million with a full-year assumption of EUR 185 million.

Our free cash flow was negative. The results were amongst others the tax payment related to the year 2022, but also the final settlement payment for the transitional pension plans of EUR 16 million. All those payments have now been done and have been settled.

Normalised comprehensive income was positive and came in at EUR 4 million.



On slide 4 we repeat the key components of our strategy. We are continuing to execute on that strategy, which is obviously to be the leading logistics and postal service provider into and from the Benelux, with the three pillars that we talked about before, on Parcels, Mail, and Digital NEXT. If you look at the first quarter, we have made further progress on some of our non-financial KPIs. Today we have 8 million PostNL consumer accounts, of which roughly 70% are actively used. We are implementing an algorithm that supports the planning of delivery routes fully based on data, which will further improve the efficiency of our network operations. We have now installed 710 automated parcel lockers, which is an increase of roughly 200 compared to the end of last year. We further improved the carbon efficiency of our own fleet by another 6% in the first three months of the year. So, all in all, good progress, also on the strategic side.

Parcels: Organic cost pressure partly mitigated by operational leverage and efficiency

	Revenue	Normalised EBIT*	Volumes
Q1 2023	€561m	€5m	81m -6.5%
Q1 2022	€554m	€18m	87m

* Down €13m; or €16m when adjusted corrected for non-recurring Covid-19 impact of €(2)m in Q1 2022

Revenue mix

in € million	Q1 2022	Q1 2023
Parcels Netherlands	361	355
Spring	105	116
Logistics solutions and other services	77	72
Other / intercompany	11	19
Parcels	554	561

Volume
- Reported volumes -6.5%, with domestic volumes Parcels -5.0% (excluding non-recurring impact Covid-19)
  - both domestic and international volumes developed better than expected

Revenue
- Volume decline offset by price increases and favourable change in mix
- Cross-border activities continued the positive trend as seen since late 2022, revenue at Spring up, both in Asia and Europe, partly due to volume from new customers
- Revenue at Logistics solutions slightly down

Costs
- Higher organic costs (labour and other) due to inflationary pressures
  - includes one-time payment of 1.5% of annual salaries made in February 2023, as agreed in PostNL CLA
- Partly offset by good operational leverage and efficiency, also as a result of ongoing adaptive measures, such as optimisation of routes, staff and fleet and tight control of indirect costs

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The next slide talks about the performance of the Parcels segment. There we achieved revenues of EUR 561 million, a slight decrease compared to the same quarter last year. As said, volumes were down 6.5% reported, 5% domestically when stripping out the non-recurring Covid elements.

Volume decline was offset by price increases and favourable mix. Cross-border continued its positive trend. Logistics was a couple of million below last year and the normalised EBIT of the segment came in at EUR 5 million compared to EUR 18 million the year before, obviously reflecting the organic cost pressure, including the one-time allowance of 1.5% we just talked about, which is partly mitigated by very good operational leverage and good efficiency levels, also related to the adaptive measures that we have taken last year, including the optimalisation of routes, staff and our fleet, but also strict cost control on indirect.

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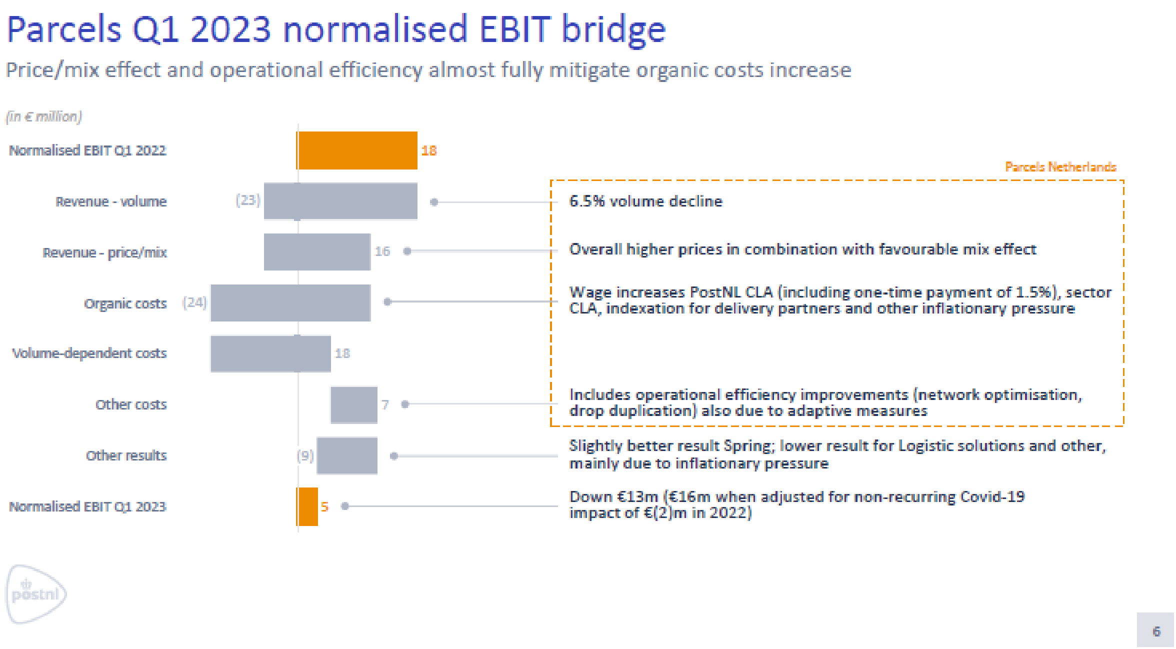

This slide provides the bridge in the setup that you have seen many times before. It is a reconciliation of the EUR 18 million result of last year's quarter to the EUR 5 million and there you see the key components. Volume effect minus EUR 23 million, positive price/mix of EUR 16 million, the biggest part related to higher prices that we have introduced towards the market, EUR 24 million of organic cost going the other way, volume-dependent cost obviously as a function of lower volumes a positive, and also there in Other costs you see the operational efficiency improvements on network optimisation, et cetera.

Other results slightly better at Spring, down in Logistics and other businesses also driven by higher organic costs.

Mail in the Netherlands: Performance in line with expectations

	Revenue	Normalised EBIT*	Volumes
Q1 2023	€349m	€8m	456m -10.8%
Q1 2022	€387m	€36m	511m

* Down €29m; or €25m when adjusted for non-recurring Covid-19 impact of €3m in Q1 2022

Volume
- Overall volume decline of 10.8%
- 8.1% underlying volume decline, excluding non-recurring Covid-19 impact, mainly due to substitution

Revenue
- Moderate pricing policy
- Overall mix effect more or less flat

Costs
- Increased labour costs following CLAs for PostNL, postal deliverers and Saturday workers
  - includes one-time payment of 1.5% of annual salaries made in February 2023 as agreed in CLA PostNL
- Continued higher sick leave rates in tight labour market
- Cost savings on track; savings achieved through efficiency gains in areas including sorting and preparation processes

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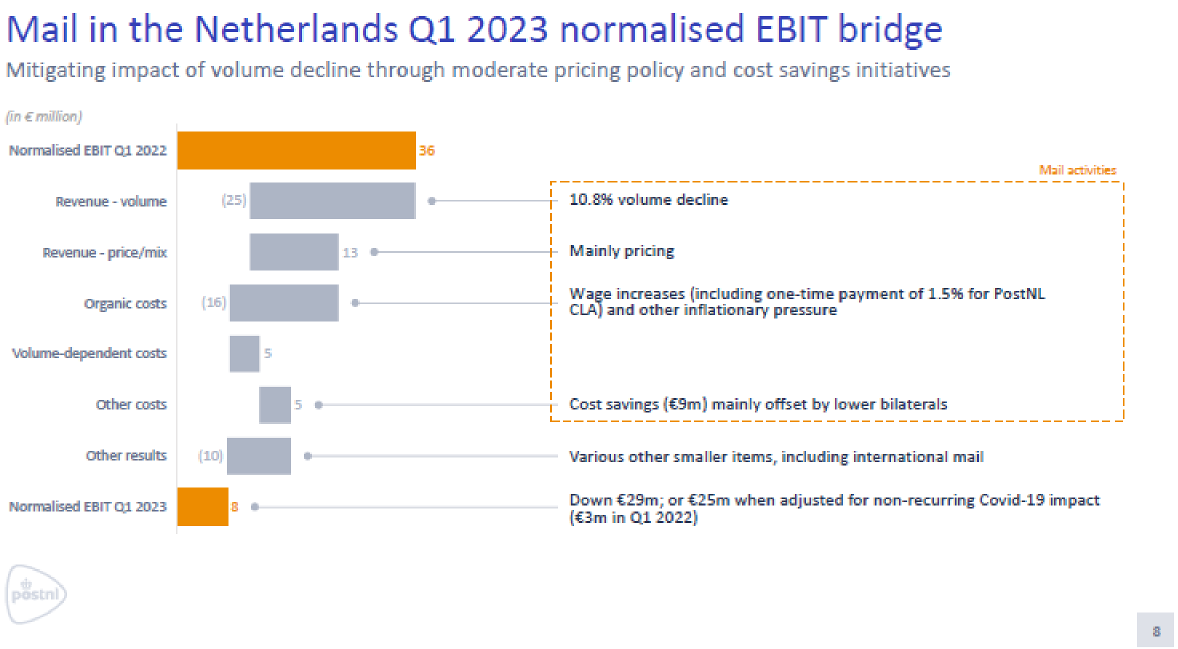
Then we step to the Mail segment, Mail in the Netherlands. Revenue came in at EUR 349 million, a decline compared to EUR 387 million last year, obviously driven by a volume decline of 10.8% reported, which is 8.1% if you take out the non-recurring Covid of last year. Revenue was obviously impacted by the moderate price policy, with a 5.2% increase in stamp prices as of January 1st, 2023. And normalised EBIT came in at EUR 8 million compared to EUR 36 million last year.

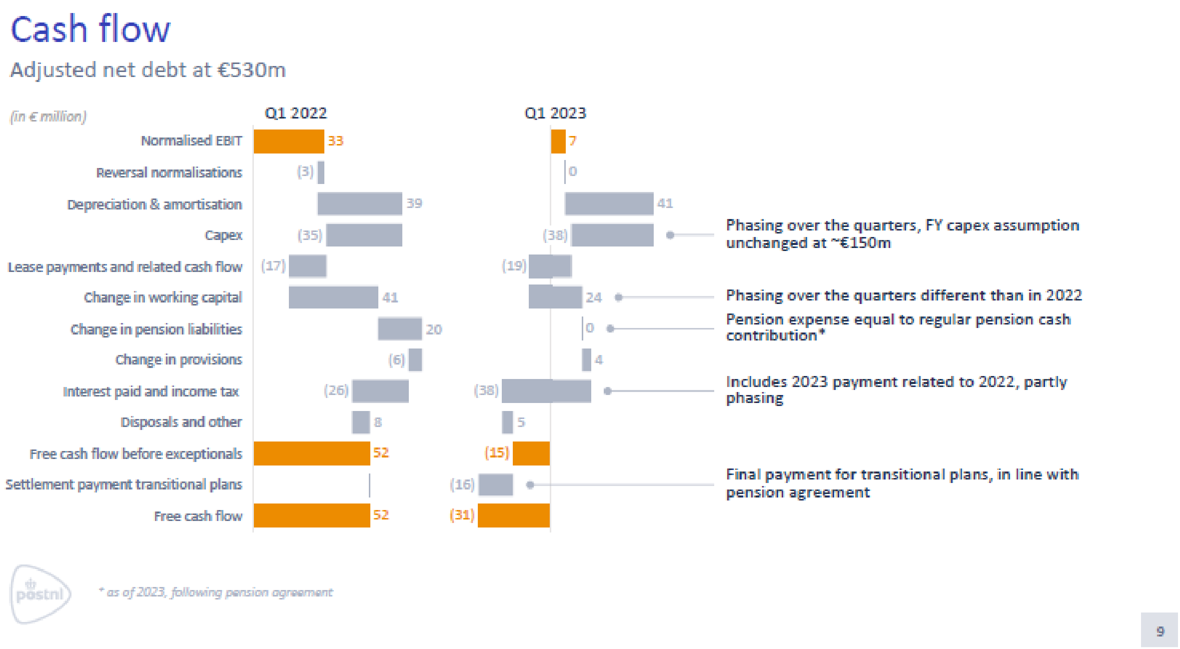
Also, at Mail we see significant organic cost increases, which also are a reflection of the wage rate increases. We agreed on collective labor agreements, obviously also including the one-off payments in this quarter of 1.5%.

At the same time, sick leave rates continue to be high, negatively impacting cost and quality levels while we are currently making progress in filling mail vacancies.

Cost savings are well on track and leading overall to a result in Mail in the Netherlands that is more or less in line with expectations.



Slide 8 provides the bridge from the Netherlands of EUR 36 million compared to EUR 8 million, down EUR 25 million if you correct for the non-recurring Covid. You see EUR 9 million of cost savings realised, offset by slightly lower bilaterals in Other costs and Other results. There are some phasing elements in it, but also lower proceeds from real estate sales that account for that. All in all, in line with our expectations.



The next slide provides a breakdown on the cash flow. Cash flow has a negative number, obviously driven by a slightly lower normalised EBIT number than last year and then some changes. Taxes paid, predominantly related to 2022, is higher. You see a slight increase in the phasing of the CapEx, full year CapEx is unchanged at EUR 150 million, a little bit more than in the first quarter. You also see the EUR 16 million settlement payment transitional plans at the bottom of the graph, which is the final payment that we have now made.

That brings us to some forward-looking statements on slide 10. Clearly, it is still early year, but the satisfying Q1 results combined with the still uncertain economic environments make that we are comfortable and confident that we can conform our normalised EBIT guidance for 2023 full year within the ranges of EUR 70 million – EUR 100 million for normalised EBIT and free cash flow is expected to come in between EUR 10 million and EUR 40 million.

Also important is that we are well positioned to deliver the step-up and improvement in performance as of 2024 that we talked about at the Q4 numbers. I repeat what I have said in February, the 200 basis points margin improvement predominantly from Parcels, assuming an upward trend in e-commerce and further based on economic conditions is still what we expect to realise.

For the shorter term, we expect for Q2 a result businesswise that is going to be more or less in line with the result of last year. It assumes that parcel volumes will be more or less in line with volumes last year. We expect mail volume to continue to decline in the range of 8% to 10%. We know obviously the impact of collective labour and other organic cost increases. We do expect the price/mix effects being positive to continue and also the benefit from the pension arrangement will also continue to contribute quarter after quarter.

I think it is important to understand that the around EUR 20 million one-off cost related to the plans to reduce 200 to 300 FTEs in overhead will occur in quarters to come. So it is not a one-off program but it is split in very different programs, to be discussed within the business units and the Works Councils of those business units, which means that there will not be one-off restructuring cash-out (note Investor Relations: additions to the restructuring provision in 2023, cash-out to start in 2024) to be recognised, but it will be phased gradually over Q2, Q3, and Q4. And if we know a bit more of the phasing, we will certainly update you on it. But good progress is made, and we are comfortable that we reach that number of FTE reductions and as well then the savings associated with it.

So, to summarise, our first quarter results came in above expectations, so that is a satisfying start of the year for us. Parcel volumes have developed a little bit better than expected and we see the positive impact on efficiency measures, operational leverage of the measures that we have taken to improve the margins on the e-commerce side as well.

Mail in the Netherlands are more or less in line with expectations and some early signs of improvements in macroeconomic indicators, but obviously overall still in very volatile and uncertain market circumstances.

Full-year assumptions therefore the same and we are all on track to deliver our full year outlook.

On that note, Jochem, I will hand it back to you.

Jochem van de Laarschot – Director Communications & Investor Relations PostNL: Thank you, Pim.

Operator, could you please open the floor for Q and A?

- **Michiel Declercq – KBC Securities NV**

Thanks for taking my questions. The first question would be on the nice parcels volume, so 6.5% decline. Can you give a number on how this compares to the overall market decline that you are seeing? You mentioned earlier that there would be some market share impact as well, so could you give some numbers on this? Following up on this, also your outlook for the second quarter and the flat parcel volumes. Is this a bit in line with the budget that you gave in the fourth quarter or is this actually a bit of an improvement? I saw that consensus was a bit below that. So, can you give some comments on that and then?

Secondly, you mentioned that the macroeconomic environment is improving a bit and that you see this also in the parcel volumes. How will this translate in your cost savings with the 200 to

300 FTE reduction? Could it be that we now come in at the lower end of that range a bit or how depending is this on how the volumes developed throughout the remainder of the year?

Pim Berendsen – CFO PostNL: Clear. Thank you. Regarding the volume development in the quarter in relation to market share developments, we said that, given the overcapacity in the market driven by the fundamental changes last year, we expect full year a little bit of market share loss. Then you should think about 1 or 2 percentage points and not significantly more. That is also the trend of what we saw coming out of 2022, including the first quarter of 2023. So, no deviations, no differences in comparison to the earlier statements there.

If you talk about our expectations for Q2, we are still a bit cautious but by saying that we do expect volumes of Parcels to come in relatively flat in comparison to last year, that is a bit of a continuation of the slightly better performance that we also saw in Q1 and it is a little bit of an improvement in comparison to our own expectations as well. At the same time, obviously, we are still a bit cautious given the fact that we are still operating in pretty volatile markets, but that is that is how we look at it.

Regarding your third question, there is no relation as far as we are concerned of the slightly better volume development and the 200 to 300 FTE reduction. We are still making progress and aim to achieve that plan. That should impact a 2024 step-up in performance predominantly in Parcels with EUR 25 million, so there is no deviation to that plan. We plan to complete the planning phase by the end of the second quarter and also are engaging with the Works Council to operationalise those very many different plans. So, there is no correlation with slightly better volume developments and then as such coming up at the lower end. That is not the plan.

Herna Verhagen – CEO PostNL: And keep in mind that the 200 – 300 FTEs are indirect, so not directly related to volume at all.

Michiel Declercq – KBC Securities NV: That is clear. Thank you very much for the answers.

- **Frank Claassen – Degroof Petercam**

Good morning all, two questions, please. First of all, on the price/mix. Have we now seen most of the positive price/mix or can we still expect more to come in the coming quarters? Can you still raise prices maybe in the course of the year?

Secondly, on your digital transformation program. You spent EUR 3 million in Q1; what can we expect for the rest of the year and what are your main projects here?

Pim Berendsen – CFO PostNL: On the first one, yes, definitely we and you should also expect a continuation of the price/mix along the lines that you have seen in the first quarter. That is obviously not because of the fact that we are still introducing new price points. Those have been introduced and have been negotiated as of the beginning of the year, but in comparison to last year, those individual price points are at a significantly higher price level. So, you should expect those elements of the table to come back also in the next three quarters.

Frank Claassen – Degroof Petercam: But no new price hikes foreseen, I would say?

Pim Berendsen – CFO PostNL: No, no additional ones on top of the ones that we have introduced already at the beginning of the year.

Frank Claassen – Degroof Petercam: And the digital transformation?

Pim Berendsen – CFO PostNL: Roughly speaking, this is also the run rate that we are currently working on. So, that will continue also for the next quarters. Big projects are, as was already mentioned, the introduction of an algorithm also for the e-commerce route optimisation part. Then, changes are being made to our digital channels to enable SME clients to access our service offerings better. These are just a few examples of the projects that we are currently working on. The vast majority of those are focused on improving the customer journeys of our key customers on our key journeys and at the same time improving the efficiencies even more in our e-commerce part of the business.

Frank Claassen – Degroof Petercam: Thank you very much.

- **Mark Zwartsenburg – ING**

Good morning everybody and congrats on the quarter. A couple of questions from my side. First of all, on the parcel volumes. Can you maybe provide a bit more colour on how your larger segments were performing? Was there a difference between certain categories or clients? Can you provide a bit more colour there what you saw through the quarter?

My other question is on the cost base. You have EUR 54 million of cost savings, including the EUR 10 million one-off, so EUR 44 million run rate. You have guidance for EUR 185 million. If I simply multiply the first quarter by 4, I get to slightly below the EUR 185 million. But is EUR 185 million sufficient in terms of organic increase? Is there not through the year some additional inflation still feeding into – maybe in Belgium – your wage indexation, et cetera? Maybe you can provide a bit more colour around the EUR 185 million on how confident you are to reach that number.

Then maybe a small one on the free cash flow. The tax settlement you have is mainly related to 2022. I see in the cash flow there is minus EUR 34 million of cash outflow, but it is a bucket with more items included. Well, first of all it was included, I guess, in your cash flow guidance but can you also share the number with us?

Then lastly, also a bit of for the modeling, PostNL Other. I see in your outlook statement you provide EUR 20 million better than 2022 due to pensions. Should I then assume that the PostNL Other EBIT is around EUR 20 million better than lower or negative than last year or should we include more inflationary items to get to a number for PostNL Other? I have actually a few more questions, but I might come in later. Thank you.

Pim Berendsen – CFO PostNL: I would say there was no big deviation between the different segments, larger or smaller customers if you talk about the profile of the volume development. What you did see though is a slightly better performance from the international part than the domestic part, which was also what we alluded when say that already the improvements as of the fourth quarter continued down that road. So, no specifics between customer segments. But international is slightly ahead of the curve, compared to domestic.

On the EUR 54 million organic costs, I recognise the way you do the math, so indeed EUR 44 million is the kind of the structural component. Times 4 en then add back the EUR 10 million and you are already almost there. And yes, there are a few cost components that are maturing a little throughout the year, but we have clear visibility on those. So, at this point I do not have any indication or argument why it should be a material number different from the EUR 185 million that we indicated before.

The free cash flow performance of this quarter and the moving parts that you can see in this bridge were indeed all part of our forecast of cash flow for the entire year. I do not have the number of the tax paid in 2023 by heart; that relates to the corporate income tax assessment over 2022 and I do not know the right number for that right now.

On PostNL Other, the biggest but not the only component is indeed the delta pensions that you can find there. What is left is obviously also impacted by organic cost increases are the cost related to the people that are reported there. That is what I can say about that.

Mark Zwartsenburg – ING: Ok, that is very clear. Maybe I can squeeze in another one on your outlook? You have these bar charts per quarter. This quarter obviously was a bit better. Q2 also was a bit similar to the chart of Q1. Do we have to assume that this one also is a bit better because you are also trending a bit better in parcel volumes? Is that the right way to look at it?

Pim Berendsen – CFO PostNL: If you go back to the graph of Q4 there are two different kinds of elements. One was the business performance and the other one was obviously with orange lines indicating at that point in time the expectation that the one-off cost restructuring cash-out (note Investor Relations: additions to the restructuring provision in 2023, cash-out to start in 2024) in relation to the cost savings were to be accounted for in Q2. There we say that it will be phased differently. It is not one program but there are different components and as such will be accounted for in different quarters. The real business performance is expected to come in more or less in line with last year. There is always going to be a little bit of phasing elements coming out of one quarter into the next, but that is what we what we currently see. So, a business result excluding one-offs that is in line with last year.

Mark Zwartsenburg – ING: But the phasing of the one-offs was related to the second half of the year because the program still needs to start up and then you take a provision. Has that now changed? Is that what you are saying?

Pim Berendsen – CFO PostNL: In February, we assumed the total restructuring costs and one-off related to the cost saving plans to be accounted for in Q2. Now, given the progress that we have made and the fact that it will not be one program but different trajectories per business unit, it will not materialise all in Q2 but will be phased over the three quarters. At this point in time, I cannot be more precise on completing the plans or engaging with Works Councils, so that will be for later. The 'normal' business performance is expected to come in at the level of last year. That is the answer.

Mark Zwartsenburg – ING: Very clear. Thank you very much, Pim.

- **Nikolas Mauder – KeplerCheuvreux**

Good morning. Can we talk a bit about the Mail segment profitability seasonality? Even when accounting for the non-recurring Covid-19 effect, the first quarter profitability in the last two years was very strong. I appreciate that this year is for different factors, but given the many things that have changed over the course of the pandemic versus where we are now can you perhaps describe a bit in your view what the profile of the profitability is going to look like going forward? Is this a normal level that we are seeing right now and what are your expectations here going forward? Thank you.

Pim Berendsen – CFO PostNL: Thank you, Nicholas. What is normal? So, the real seasonality pattern of the mail business is coming back to normal having no longer those Covid-elements in it, which always means that Q4 will be by far the biggest contribution to the profit in the mail business. Within this year then the question what is normal? It is obvious that in this year, we see exceptionally high organic cost increases that are impacting also the Q1, Q2, and Q3 performances, relatively speaking big, given the fact that we have not been able to completely offset those organic cost increases by price increases and cost savings, together with the volume development. So, you would expect margins in Mail to come back to more or less pre-Covid numbers for the Q1 and Q2 margin levels and still the fourth quarter to be significantly more valuable. There are always going to be some deviations between the quarters that are driven by terminal due positions that get settled but that impact the quarter margins and/or proceeds of real estate that are also part of the Mail segment, as you know. So, those are the elements to look at. All in all, the Mail performance and the Mail margins of this quarter were in line with what we expected from Mail, based on the outlook and the assumptions under the outlook that we have provided at the end of February.

Nikolas Mauder – KeplerCheuvreux: Okay, very clear.

- **Henk Slotboom – The Idea!**

Good morning all. Thanks for taking my questions. I have two. Pim, maybe I am a grumpy old man and pessimistic, but I hear you talking about an improving environment. Perhaps you can shed some more colour on that because if I look at consumer confidence, it is still very negative. If I look at the latest data that have been disclosed by the Dutch Central Bureau of Statistics, the retail sales are volume-wise still in negative territory. What is driving your optimism because I would like to share it if I can?

My second question is with regard to fuel cost. There has been a temporary cut in the duties on diesel and fuel but that will largely disappear as of 1 July. Last year, I believe you did not have the fuel surcharge as part of your tariffs. Is it now included in most contracts? Those were my questions.

Pim Berendsen – CFO PostNL: It depends on where in the day when the week you make your cut-off on the news stories. Yes, there are some positives and also next day or next week there could be some negative developments on the macroeconomic front. However, we saw consumer confidence, albeit still negative, slightly improving. We have seen consumer spending coming up a bit and inflation coming down. Obviously, last week's announcement was that it is spiking up a bit again in April, so it is not a clear-cut message. There are some drivers where we see positive signs and some there are still indicating that we are in macroeconomically speaking very difficult circumstances. That is also why we say that indeed it is a good start of the year but let's see how this continues whilst we are still operating in a pretty volatile and uncertain time. So, there is some good, some bad, but all in all, still very volatile markets.

On the fuel side, obviously we are aware of the relevant timelines and dates that have been taken into account in our full year outlook. Yes, there are few surcharges in the vast majority of our contracts that we have negotiated and implemented as of the beginning of this year.

Henk Slotboom – The Idea!: Can I add a third question?

Pim Berendsen – CFO PostNL: Of course.

Henk Slotboom – The Idea!: I have a question with regard to the dividend. When I do my calculations you will probably end up at around the two times debt ratio level. What determines the interim dividend? Normally, you pay out a third of your dividend as an interim dividend. In August you have to make up your mind. Suppose that in August the debt ratio is 2.2 or 2.3 times on a 12-months moving basis. Could there be a reason to say that you do not know whether you will end up the year at two times or less for a dividend and that you skip the interim dividend? Do you make up your mind as the year progresses? Could you elude on that what your view on that is? That would be most helpful.

Pim Berendsen – CFO PostNL: I would put it differently. As long as we believe that we will get to the end of the year below 2 – our expectation is that it will be – and also the phasing of the cash flow in this quarter was not a surprise to us, we will take a decision with the perspective going forward in mind as well. There is no doubt in my mind that we will not be able to pay the interim dividend, which is indeed one third of last year's dividend. It would only be really different if by then we have a very strong opinion that we would end up at a leverage ratio significantly above 2, which we do not expect at all.

Henk Slotboom – The Idea!: Well, that is very clear. Thank you very much.

- **Mark Zwartsenburg – ING**

I had one more left on Mail NL, the minus 8.1% volume decline. Was this stable through the quarter or were you also seeing some sort of improvement there on the back of the same arguments as the parcel trend improved? What did you see in your direct mail, your advertisement segment? Was that weakening due to consumer confidence coming down and maybe companies becoming a bit more cautious? Can you provide a bit more colour there?

Pim Berendsen – CFO PostNL: Of course. No, whilst at Parcels there was a different trend line, January-February comparisons and then March, this is not the case in Mail. That was roughly month over month following the same pattern and also in the product mix no big changes between direct mail or transactional mail, so following the expected substitution trend lines for all products for all months of the quarter.

Do you allow me a second chance to answer a question you have asked before? Cash out on taxes related to last year is roughly speaking EUR 30 million to EUR 35 million.

Mark Zwartsenburg – ING: And that was included in your outlook as well?

Pim Berendsen – CFO PostNL: Yes.

Mark Zwartsenburg – ING: And anything to add on net working capital movements for the full year?

Pim Berendsen – CFO PostNL: No changes. On CapEx we expect to stick within the same full year number, slightly phased to the beginning of this year and in working capital no fundamental changes to the expectations, likewise on tax and the EUR 16 million will obviously not repeat itself on the transitional pension payments that have been made.

Mark Zwartsenburg – ING: Can you remind us of the guidance on the net working capital that you provided?

Pim Berendsen – CFO PostNL: Of course. If we go back to the bridge, at that point in time we expect roughly EUR 150 million of CapEx and a slightly negative changing working capital of around EUR 20 million to EUR 30 million.

Mark Zwartsenburg – ING: Ok. That is very clear. Thank you very much, Pim.

- **Paul Kirchenov – Bank of America**

Good morning. I just had one question on the state of the market. You mentioned there is still overcapacity in the market present from the last year. Can you maybe talk a little bit about the trends in overcapacity that you are seeing and maybe more generally and broadly about what you are seeing from the competition and developments you are seeing there?

Pim Berendsen – CFO PostNL: What we talked about at the Q4 results was that if you look at the fundamental changes in market dynamics as of the end of February last year, before that all parties in the e-commerce market were organising themselves on growth, coming back out of Covid, assumed to get to a relatively normal year of growth in e-commerce driven by GDP growth and online penetration growth. We have seen that regular growth of a number of percentage points turned into a significant negative and that led to all the capacity in the market, giving all capital commitments that were made prior to the Ukraine war starting. You see competition trying to fill up that capacity. We try to be disciplined and not follow those lower price points everywhere but that then is also one of the arguments why we assume 1 or 2 percentage points market share loss. We do expect, however, that with one to two years of regular growth, that overcapacity will be absorbed by the growth expectations. Now, we are a little bit ahead of that schedule given the better performance on parcel volumes that we have seen in the first quarter. That is the way to look at it.

Paul Kirchenov – Bank of America: Great. Thank you.

- **Nikolas Mauder – KeplerCheuvreux**

Thanks for accepting the follow up. I would like to come back to the flat parcel volume outlook for the second quarter. Assuming that the 1 to 2 percentage points of market share losses will also be at that run rate in the second quarter implied that the overall market is growing. Conceptually speaking, can you disentangle whether this is to consumer spending growth in real terms, which would sound odd at where we are currently, or is it due to e-commerce penetration gains starting to pick up again post-Covid? Thank you.

Pim Berendsen – CFO PostNL: I understand the question, Nikolas, but for a quarter-to-quarter I cannot make that split between consumer spending and online penetration. It is just not feasible to do that in a reliable way, but let's say the conclusion is that we indeed expect like we have seen in March, the market to grow a bit. With that slight market growth and maybe continuing the trend on market share developments, we indeed expect roughly flat-line volume developments in in the e-commerce space for the second quarter.

Nikolas Mauder – KeplerCheuvreux: Okay, then let's speak after the second quarter again!

- **Marko Limite – Barclays Capital**

Hi, good morning. Just one question left for me. Clearly, there was quite a negative news flow around Belgium last year. Could you give us just an update on how things are developing there? I think there were court rulings going on. Have those terminated? I read across from some of your competitors that you have lost your market share there. So, do you have in place some commercial effort to, let's say, regain some market share in Belgium. Thank you.

Herna Verhagen – CEO PostNL: The status of the court cases in Belgium is that they are postponed again, and we are waiting for the next date, so we do not know yet. So, to be honest, we are still in the procedure, no court case has been done and we are waiting for the next date to have a court case. So, no news in that sense.

When it comes to commercially in Belgium, the biggest part of our volume in Belgium is import and there we see of course opportunities. But those opportunities lay in the Dutch market because most of the volume comes from the Netherlands to Belgium.

Marko Limite – Barclays Capital: Thank you.

- **Stefano Toffano – ABN AMRO ODDO**

Good morning. So, one question left for me. It has to do with the performance expected in 2024 or the margin improvements. You guide for at least 200 bps. margin improvement at PostNL, mainly focused on parcels. I am just wondering about the difference in margin improvement on the EBIT versus the EBITDA level, given what we have seen in increases in investment, which should be reflected in increases in the D&A. So again, more an accounting question about what kind of different dynamic should we see on the EBITDA and the EBIT margin levels based on your guidance of 200 bps margin improvement?

Pim Berendsen – CFO PostNL: On the EBIT margin, a step-up of not less than 200 basis points of which, roughly speaking, 300 basis points in the Parcels segment and 100 basis points on the Mail side. By the relative shares you get to the 200 bps. We have a step-up in the Depreciation and Amortisation line from 2022 to 2023. That is also why EBITDA will develop a little bit stronger than EBIT will develop. What you should take as an assumption is that additional D&A is all in the segment of e-commerce. The D&A in the Mail side of things is more or less stable year over year.

Stefano Toffano – ABN AMRO ODDO: Thank you.

Operator: There are no further questions at this time, so I will hand the call back to Jochem for closing remarks.

Jochem van de Laarschot – Director Communications & Investor Relations PostNL: Thank you, operator, and thank you all for participating. The last thing to point out is that we are planning to have a deep dive on our cross-border activities at the end of June. Stay tuned for more information about that. We will host a live event and also make it available through a webcast.

Thanks very much again and see you later.

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End of call

Appendix

Q1 2023 Results

- Assumed non-recurring impact related to Covid-19 in 2022
- Revenue mix Parcels 2022
- Full reconciliation income statement and EBITDA per segment
- Free cash flow per segment
- Adjusted net debt
- Profit and normalised comprehensive income

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Assumed non-recurring impact related to Covid-19 in 2022

Volumes (around, in million)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Parcels	2	-	-	-	2
Mail in the Netherlands	15	3	7	6	30

Revenue (around, in € million)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Parcels	2	-	-	-	2
Mail in the Netherlands	9	1	2	1	13
Eliminations	0	0	-	-	-
PostNL	10	1	2	2	14

Normalised EBIT (around, in € million)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Parcels	(2)	-	-	-	(2)
Parcels Netherlands	*(2)*	-	-	-	*(2)*
Spring and Logistics	-	-	-	-	-
Mail in the Netherlands	3	(0)	1	1	5
PostNL	1	(0)	1	1	2

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Revenue mix Parcels

As of 2023 (in € million)	Q1 2022	Q1 2023	Q2 2022	Q3 2022	Q4 2022	FY 2022
Parcels Netherlands	361	355	345	332	392	1,431
Spring	105	116	91	95	113	404
Logistics solutions and other services	77	72	74	68	77	297
Other / intercompany	11	19	9	11	4	34
Parcels	554	561	519	506	587	2,165

2022 (in € million)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Parcels Netherlands	361	345	332	392	1,431
Spring	105	91	95	113	404
Logistics solutions and other	105	98	93	101	396
Eliminations	(17)	(15)	(14)	(19)	(65)
Parcels	554	519	506	587	2,165

Presentation revenue split Parcels slightly adjusted

- Part of 2022 'Logistics solutions and other' now transferred to the line 'Other / intercompany' to better fit business activities

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Full reconciliation of income statement and EBITDA per segment

Income statement *(in € million)*	PostNL		Parcels		Mail in NL		PostNL Other		Eliminations	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023
Total operating revenue	806	783	554	561	387	349	55	60	(190)	(187)
Other income	5	0	-	(0)	5	0	-	-		-
Cost of materials	(21)	(25)	(16)	(18)	(3)	(3)	(2)	(4)		-
Work contracted out and other external expenses	(404)	(395)	(377)	(378)	(179)	(173)	(37)	(31)	190	187
Salaries and social security contributions	(245)	(262)	(90)	(105)	(127)	(125)	(27)	(32)		-
Pension contributions & related costs	(42)	(23)	(8)	(9)	(11)	(10)	(24)	(4)		-
Depreciation, amortisation and impairments	(39)	(41)	(19)	(19)	(7)	(6)	(13)	(16)		-
Other operating expenses	(30)	(30)	(26)	(27)	(28)	(24)	24	21		-
Total operating expenses	*(781)*	(776)	*(535)*	(556)	*(356)*	(342)	*(80)*	(65)	*190*	187
Operating income / EBIT	30	7	18	5	36	8	(25)	(6)	0	-

EBITDA	PostNL		Parcels		Mail in NL		PostNL Other	
Operating Income / EBIT	30	7	18	5	36	8	(25)	(6)
Depreciation, amortisation and impairments	39	41	19	19	7	6	13	16
Reported EBITDA	69	48	37	24	43	14	(12)	10
Non-cash pension expense	20	(0)	0	0	-	-	20	(0)
EBITDA excluding non-cash pension expense	89	48	38	24	43	14	8	10
IFRS16 impact (depreciation RoU assets)	(16)	(17)	(10)	(11)	(3)	(3)	(3)	(3)
EBITDA excluding non-cash pensions and IFRS16	73	31	27	13	40	11	5	7

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Free cash flow per segment

(in € million)	PostNL		Parcels		Mail in NL		PostNL Other & Eliminations	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023
EBITDA	69	48	37	24	43	14	(12)	10
Change in pensions	20	(0)	-	0	-	-	20	(0)
Change in provisions	(6)	4	(0)	1	(7)	3	1	0
Change in working capital	41	24	21	39	23	(6)	(3)	(9)
Capex	(35)	(38)	(9)	(14)	(2)	(2)	(24)	(22)
Disposals	6	0	0	(0)	6	0	(0)	(0)
Interest paid	(3)	(3)	(1)	(1)	(1)	(1)	(2)	(1)
Income tax paid	(23)	(35)	(5)	(1)	(9)	(2)	(9)	(32)
Lease payments and related cash flow	(17)	(19)	(10)	(12)	(5)	(4)	(2)	(3)
Other	2	5	1	1	1	0	1	4
Free cash flow before exceptionals	52	(15)	35	35	49	2	(31)	(52)

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Adjusted net debt

(in € million)	31 Dec 2022	1 Apr 2023
Short- and long-term debt	745	754
Long-term interest-bearing assets	(17)	(16)
Cash and cash equivalents	(556)	(495)
Net debt	**172**	**243**
Pension liabilities	18	2
Lease liabilities (on balance)	331	321
Lease liabilities (off balance)	29	50
Deferred tax assets on operational lease liabilities	(83)	(86)
Adjusted net debt	**467**	**530**

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Profit and normalised comprehensive income*

(in € million)	Q1 2022	Q1 2023
Operating income / EBIT	30	7
Net financial expenses	(6)	(1)
Results from investments in JVs/associates	0	(0)
Income taxes	(7)	(2)
Profit/(loss) from discontinued operations	(0)	1
Profit	**16**	**4**
Other comprehensive income (2022 mainly related to pensions)	15	(0)
Total comprehensive income	32	4
Normalisation on EBIT, net of tax	2	0
Exclude result from discontinued operations	0	(1)
Normalised comprehensive income	**34**	**4**

** Normalised comprehensive income is defined as comprehensive income normalised for incidentals in operating income/EBIT, net of statutory tax, as well as the net result from discontinued operations*

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