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Q1 2025 results
The Hague – 6 May 2025
postnl

Operator: Good morning, ladies and gentlemen. Welcome to the PostNL analyst call of the Q1 2025 results. At this moment, all participants are in a listen-only mode. After the presentation, there will be an opportunity to ask questions.

Now, I would like to hand over the conference call to Miss Inge Laudy, Manager Investor Relations. Please go ahead, Madam.

Additional information

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Inge Laudy - Manager Investor Relations: Thank you, operator, and a warm welcome to all of you on the call and here with us in The Hague. We published our Q1 2025 results earlier this morning, and we will explain the set of results to you in this session.

With me in the room are Pim Berendsen, our CEO, and Linde Jansen, our CFO. Linde will present the results to you. Afterwards, Linde and Pim will answer all your questions.

Linde, over to you.

Linde Jansen – CFO PostNL: Thank you, Inge, and good morning. Welcome to you all. It is nice to be here for the first time, and I am happy to talk you through the first quarter results.

Let’s start with the key takeaways of our Q1 results. Our Q1 results developed as anticipated and landed below last year’s results. Our outlook for 2025 is unchanged. On the recent developments in global trade and tariffs, it is too early to have a clear view on potential consequences, but I will come back to that later in the presentation.

The main drivers for the Q1 performance were as follows: revenue at Parcels was up by 3.5%, with volume growth of 2%. Once again, this quarter we saw strong growth from the large international customers.

On the Mail side, volumes declined by almost 7%, mainly due to ongoing substitution.

Also in 2025, we expect to see a significant organic cost increase, EUR 31 million in Q1, which was mainly labour related which, on a positive note, has been fully offset by price increase.

If we look at the segments on the right side from a more strategic point of view, then for Parcels I want to emphasise that we are fully focused on the initiatives that we announced in February. The implementation is progressing according to plan and the first positive signs from our targeted yield measures are visible.

On the Mail side we see a further significant step-down in results, mainly explained by the ongoing volume decline. We have successfully started the transition of business mail towards standard delivery within two days.

As you know, current postal regulation prevents us from further adjusting our business model. As long as adjustments to the Universal Service obligation are pending, measures such as stamp price increases are inevitable. Now that we expect that the outcome of the ACM study will be ready later in May, we are encouraging the government to take next steps in a parliamentary debate later, before the summer.

Q1 2025 performance

Normalised EBIT at €(15)m, in line with expectations

Key financial metrics

(in € million)	Q1 2024	Q1 2025
Revenue	765	782
Normalised EBIT	(9)	(15)
Free cash flow	(7)	(33)
Normalised comprehensive income	(8)	(10)

Non-financial highlights

- Ecovadis: platinum award
- 30% share of emission-free last-mile delivery
- First 'roll cage tilters' operational

- 9.2m actively used unique PostNL accounts
- NPS: average #1 position in relevant markets

- Growing adoption out-of-home delivery
- 7% of app users with activated preferred delivery options choose for APL

4

PostNL Q1 2025 results

Let's move on to our key metrics. Let's start with the financial KPIs. Revenue in the quarter amounted to EUR 782 million, which is 2% higher than in the quarter last year. We see normalised EBIT at minus EUR 15 million which, as I said, is in line with our expectation and mainly driven by the Mail segment, which I will elaborate in more detail later on.

Free cash flow amounted to minus EUR 33 million and also that I will explain later on.

And then a normalised comprehensive income of minus EUR 10 million. We will discuss the results in more detail as we move on to the performance of Parcels and Mail in the Netherlands in a bit. And also the new financial highlights and some other ESG highlights for this first quarter.

We are proud to mention that we received the Platinum Award from EcoVadis. We achieved a solid, often excellent score across all criteria. What is particularly remarkable is that we scored 100 out of 100 points in the environmental category; a fantastic achievement for our company.

Besides this, we also took our first roll cage tilters into use this quarter, supporting our people in their daily physically heavy activities in the depots. In the next few months, more tilters will be installed.

We also saw an increase again in the number of PostNL accounts. This is of strategic importance, as these accounts provide us with the possibility to reach consumers and obtain information from them, for example, when it comes to delivery preferences.

The out-of-home strategy is gaining momentum, as evidenced by a steady increase in customers selecting out-of-home options at checkout and more consumers adding APL delivery as their preferred option in the PostNL app.

Let’s move on to the segments for a more detailed explanation of the developments. I kindly remind you that as of January 1st this year, our real estate activities are reported in the Parcels segment. The 2024 numbers have been restated to provide a like-for-like comparison.

Parcels

3.5% revenue growth and further client concentration

	Revenue	Normalised EBIT	Volumes	
Q1 2025	€581m	€3m	87m	+2.0%
Q1 2024	€561m	€5m	86m	

Revenue mix

in € million	Q1 2024*	Q1 2025
Parcels NL and BE	370	380
Spring	134	147
Logistics solutions and other services	70	69
Other / Intercompany	(13)	(15)
Parcels	561	581

Volume
- Overall market share more or less stable
- 2.0% volume growth
  - +19% volumes from international customers
  - -2.4% domestic volumes
- Different phasing of working days in first week of year and timing of festive days

Revenue
- Revenue growth Parcels NL and BE driven by
  - volume growth
  - average price per parcel up €0.03
    - tariff increases
    - partly offset by mix impact due to further client concentration
- Cross-border activities continued positive trend, mainly in intra-European activities (Spring)

Costs
- Significant organic costs increase, mainly labour-related
- Efficiency improvements (network optimisation and rationalisation services), also due to adaptive measures, cost savings of €7m

5 * Please refer to slide 18

PostNL Q1 2025 results

Let’s start with Parcels. Revenue for Parcels amounted to EUR 581 million, which is EUR 20 million or 3.5% above last year. This followed volume growth, price increases, and mix effects. It is good to note that market share remained more or less stable. Overall, our volume grew by 2%. Volumes from international customers continued strong growth and were up 19% compared to last year. On the domestic side, volumes were down by 2.4%.

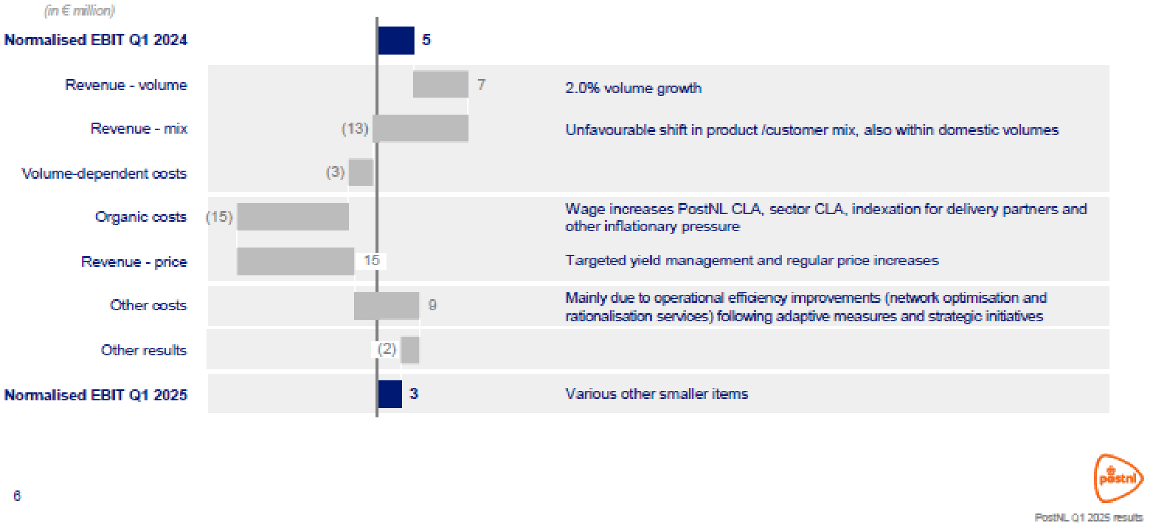
In addition, volumes this quarter were impacted by a different distribution of working days in the first week of the year and the timing of festive days compared to last year. These developments affected the composition of our portfolio, resulting in further client concentration, with an increasing share of volumes from large players – both domestic and international – as well as platforms and marketplaces.

With that in mind, it is encouraging to see that the total price/mix impact was positive this quarter. The average price per parcel was up by three cents, supported by targeted yield measures and regular price increases.

Furthermore, it is positive to note that our cross-border activities continue the trend we have been seeing for several quarters now, with revenues at Spring being up, this quarter most strongly in our intra-European activities. This is a promising development, as international growth is one of our strategic initiatives.

The cost side reflected significant organic cost increases, mainly related to labour. However, we also see the impact from efficiency improvements through network optimisation and the rationalisation of services. For example, we stopped Parcel delivery on Sundays. Furthermore, our out-of-home delivery contributed to savings.

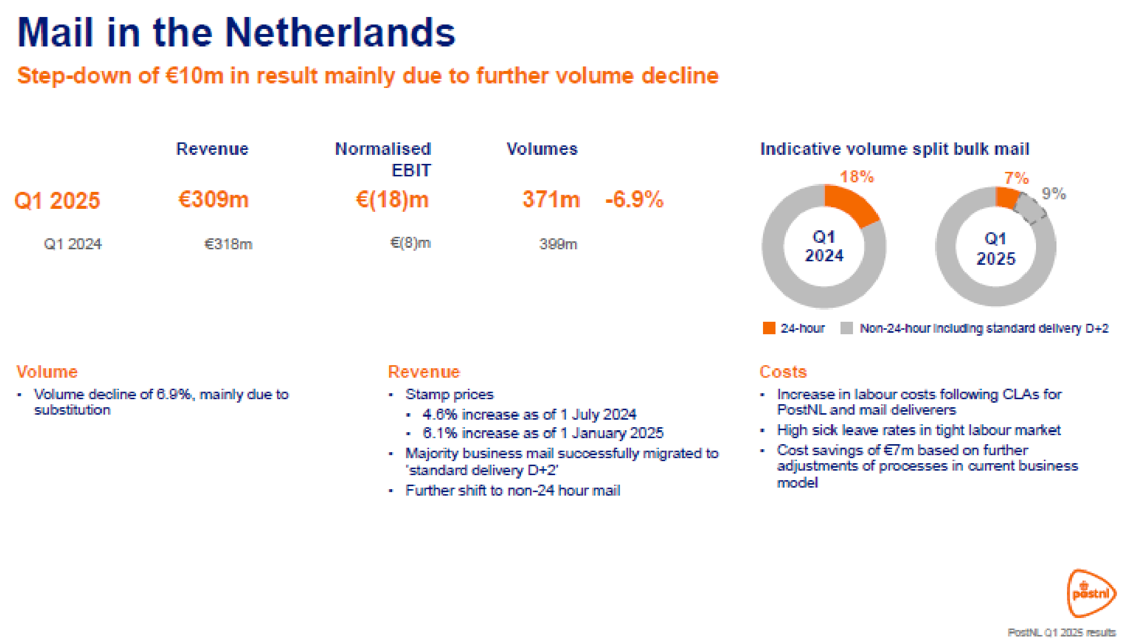
Parcels normalised EBIT bridge



Let's zoom further into Parcels with the normalised EBIT bridge. Here, you see the reconciliation of EBIT from EUR 5 million last year to EUR 3 million this quarter. Volume growth strongly contributed to our results, though was fully offset by the less favourable product/customer mix I referred to earlier.

The organic cost increase amounted to EUR 15 million, following wage increases according to PostNL and sector collective labour agreements, and indexation for delivery partners. As you can see in the bridge, the impact from our price increases was also EUR 15 million, so we were able to close the gap between organic cost increases and pricing.

Other costs were EUR 9 million better, mainly as a result of operational efficiency measures and the implementation of strategic initiatives announced earlier this year. Other results were down due to various smaller items.

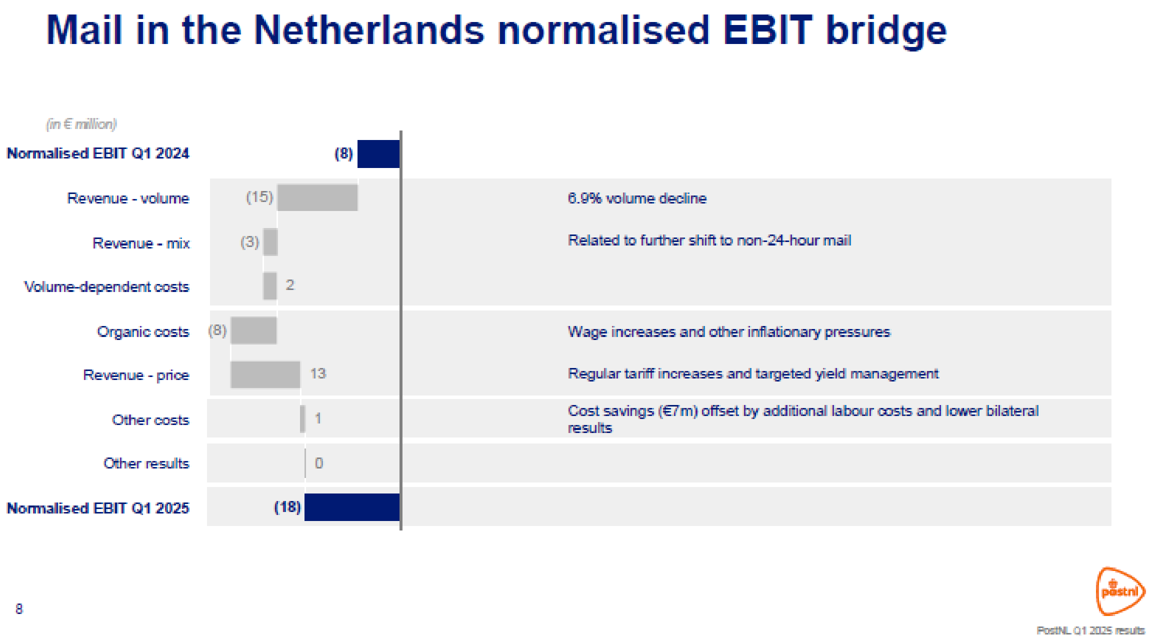


Then, Mail. In the segment Mail in the Netherlands, the revenue amounted to EUR 309 million, a significant decline compared to EUR 318 million last year, but in line with our expectations. The volume decline of close to 7%, 6.9% to be precise, this quarter was mainly related to substitution as part of structural trends, which we have been seeing for a while now. We also noted a further shift to 24-hour mail.

Furthermore, our revenue was supported by two stamp price increases, one in July 2024 and one in January 2025.

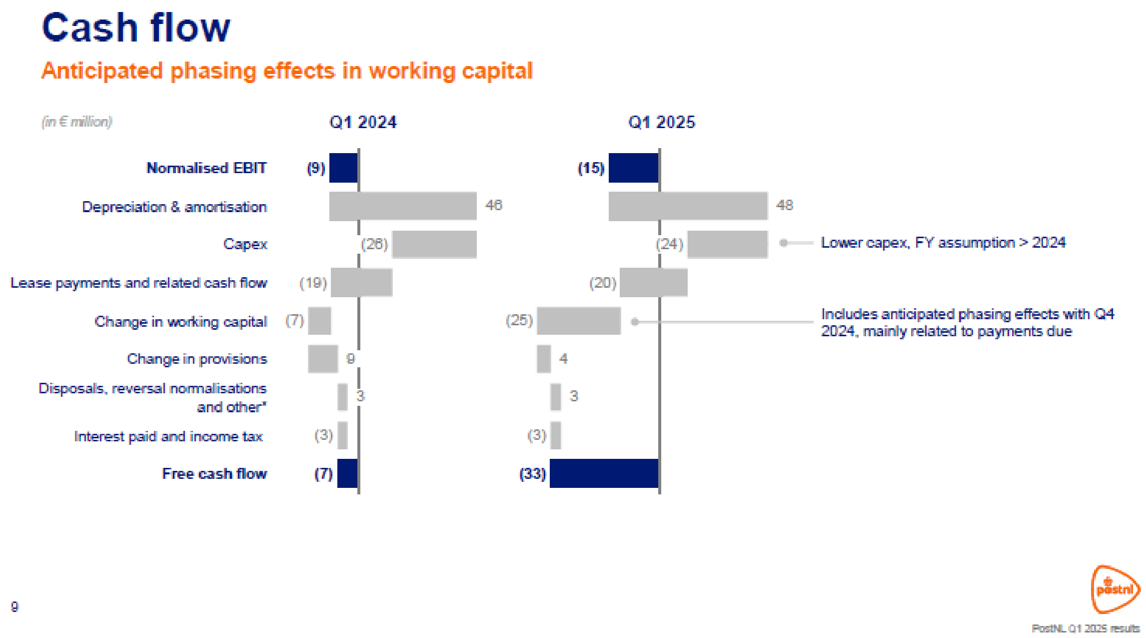
Looking at costs, labour costs were up following the CLAs for PostNL and mail deliverers, and sick leave rates remained high in this tight labour market. These cost increases were mitigated by cost savings of EUR 7 million, from further adjustments in our current business model, such as the transition of business mail towards the standard service framework of delivery within two days.

Altogether, this resulted in a normalised EBIT of minus EUR 18 million, a significant step down of EUR 10 million versus the same quarter last year, proving that the current business model for Mail is not sustainable.



Then let's zoom in a bit further on Mail with the normalised EBIT bridge. The elements I just discussed are reflected here. The bridge shows the step-down of EUR 10 million from the reported 7% [IR note: 6.9%] volume decline. You also see a negative mix effect of EUR 3 million, mainly driven by the further shift to 24-hour mail, which I mentioned earlier.

The stamp price increases I referred to added EUR 13 million in revenue. The organic cost increases of EUR 8 million were due to wage increases and other inflationary pressures. You also see reflected here the cost savings of EUR 7 million, which were fully offset by additional labour costs related to sick leave and lower bilateral results.



Then moving on to cash flow. Free cash flow for the quarter was minus EUR 33 million, compared to minus EUR 7 million in the same quarter last year, and in line with our expectations. The difference is mainly explained, of course, by the lower normalised results, but also by the negative working capital developments coming from expected phasing effects within the fourth quarter of last year.

Balance sheet

Adjusted net debt at €509m

Balance sheet

(in € million)	31 Dec 2024	29 March 2025
Intangible fixed assets	414	413
Property, plant and equipment	467	460
Right-of-use assets	281	276
Other non-current assets	43	51
Other current assets	462	467
Cash	453	420
Assets classified as held for sale	1	1
Total assets	2,120	2,086

	31 Dec 2024	29 March 2025
Consolidated equity	*202*	*192*
Non-controlling interests	*3*	*3*
Total equity	205	195
Long-term debt	596	597
Long-term lease liabilities	221	214
Other non-current liabilities	165	166
Short-term debt	10	10
Short-term lease liabilities	78	79
Other current liabilities	845	826
Total equity & liabilities	2,120	2,086

Adjusted net debt

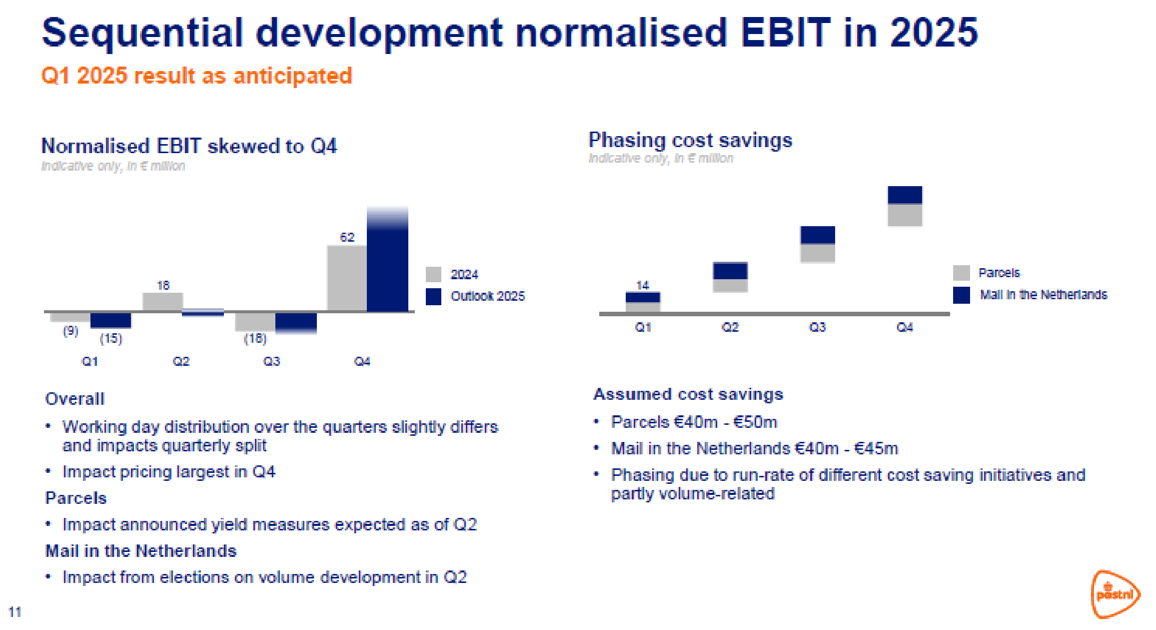
(in € million)	31 Dec 2024	29 March 2025
Short- and long-term debt	674	674
Long-term interest-bearing assets	(13)	(12)
Cash and cash equivalents	(453)	(420)
Net debt	208	242
Pension liabilities/WGA	40	44
Lease liabilities (on balance)	299	293
Lease liabilities (off balance)	9	14
DTA on WGA and operational lease liabilities	(81)	(84)
Adjusted net debt	474	509

10

PostNL Q1 2025 results

This brings us to the next slide, where you can find the balance sheet and the development of our adjusted net debt position. Our adjusted net debt position in Q1 was EUR 509 million, which is an increase of EUR 35 million compared to Q1 2024. This is mainly explained by the negative free cash flow and the addition in the WGA provision.

We continue to manage our cash flow, balance sheet, and net debt position carefully, following our aim to be properly financed.

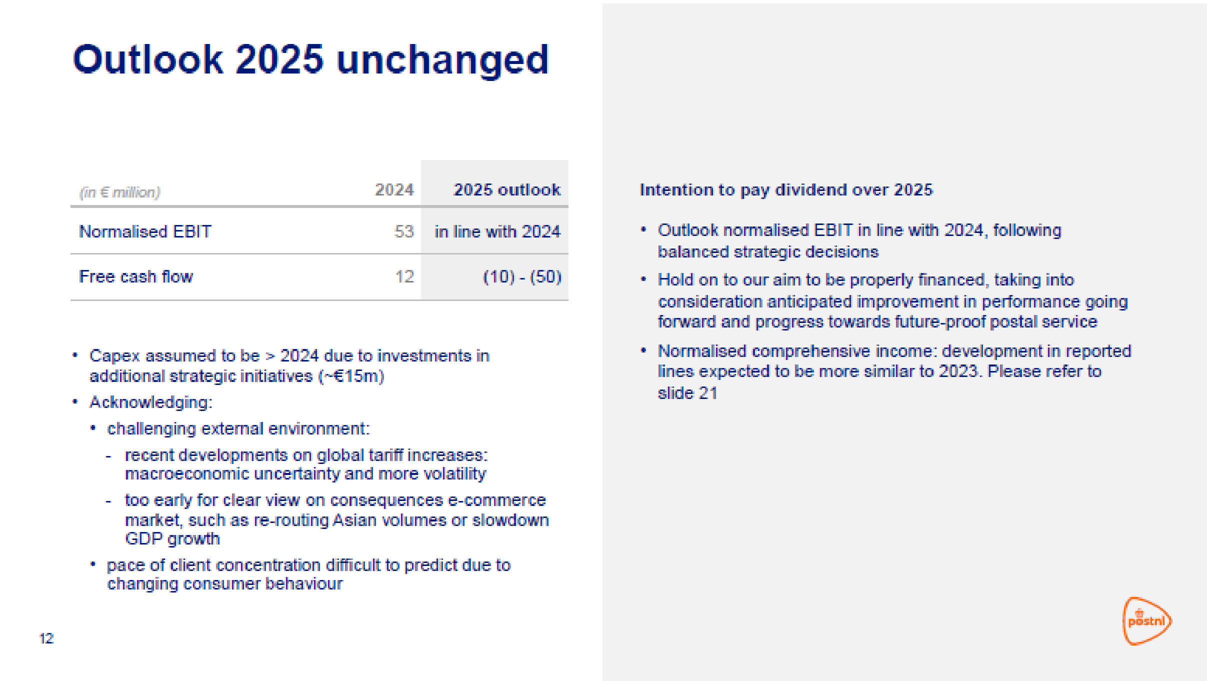


Then over to the splits of normalised EBIT over the quarters. As mentioned during our full-year results in February 2025, normalised EBIT has to be earned in Q4, more so than in 2024. The impact of pricing will be larger in Q4 than in the other quarters.

Looking at Q1 2025, the results came in as expected, as I just mentioned. Overall, the working day distribution over the quarters in 2025 is slightly different from 2024, which also impacts the quarterly split for the remainder of the year.

For Parcels, you should take into account that the announced yield measures are expected to come into effect as of the second quarter. And for Mail in the Netherlands, please remember that in 2024 we had elections in the second quarter. For this year, no elections are scheduled.

In this quarterly split of EBIT, the impact from structural cost savings for both Parcels and Mail in the Netherlands is included. In the graph on the right side of the slide, you can see the indicative phasing for the savings. Obviously, the phasing is related to the timing of some of the underlying measures, for example, in the course of Q1, we adjusted the process of collection from our orange mailboxes. These kinds of changes in processes need some time to fully settle, and some of the savings are a bit tied to the absolute volumes, which of course also impacts distribution over the year.

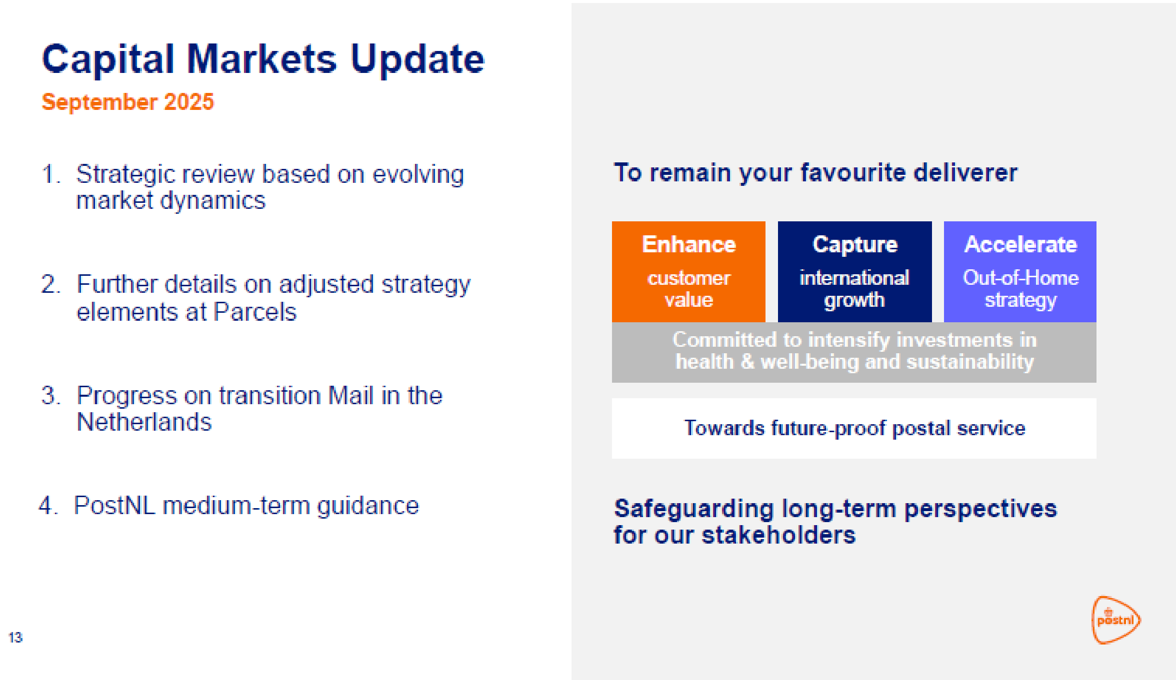


Then over to the outlook. Of course, we have to acknowledge that the recent developments around global tariffs have resulted in more uncertainty and volatility. It is too early to have a clear view of the consequences for the e-commerce market, such as a potential rerouting of Asian volumes from the US to Europe, or a slowdown in GDP growth. We keep monitoring recent developments closely and are prepared to swiftly adjust plans if necessary. And as said before, the pace of client concentration due to changes in consumer behaviour is difficult to predict.

That being said, our outlook for 2025 is unchanged. We expect normalised EBIT to be in line with the 2024 performance. Free cash flow is expected to be negative, for example CapEx will be above the level of 2024, including around EUR 15 million in cash outflows related to the strategic initiatives announced at the beginning of the year.

On the dividend element, I want to emphasise our intention to pay a dividend over 2025. We hold on to our aim to be properly financed, taking into account the anticipated improvement in performance going forward and the progress towards a future-proof postal service.

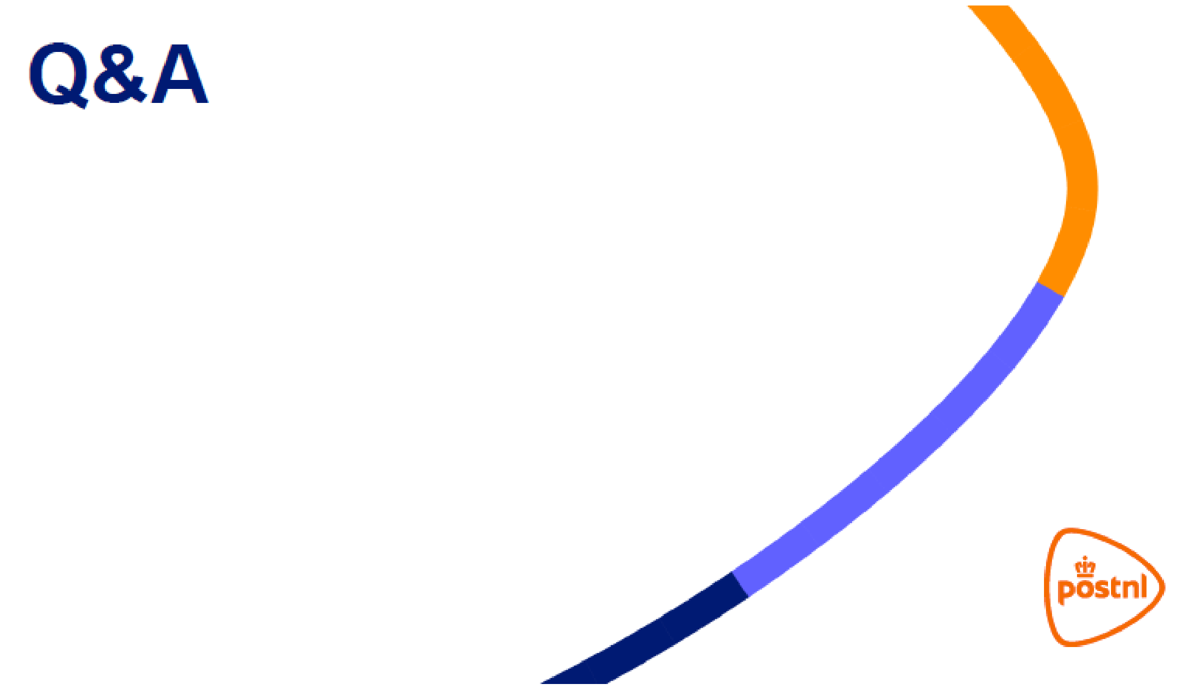
And lastly, it is good to add that the normalised comprehensive income, which is of course the basis for the amount of dividends to be paid, is expected to follow a pattern that is more or less in line with 2023.



Lastly, before we close our presentation and open up for questions: as announced in February, we will host the Capital Markets Update in September. We will then elaborate on how we see the e-commerce market going forward, based on market dynamics that we have seen and will continue to see. We will provide further details on the strategic adjustments. Also, we will give an update on the future-proof postal service at that point in time. Based on all that, we will provide the market with the medium-term financial guidance for PostNL.

Together with Pim, I am looking forward to meeting you all then and having the discussion with you at that point in time. For now, I would like to conclude the presentation and hand back to you, Inge.

Inge Laudy - Manager Investor Relations: Thank you Linde, for your presentation. We will now open up for Q&A. Let's start with the analysts here in the room, and after that, we will switch to the people online.



- **Marc Zwartsenburg – ING**

Just discussing the comprehensive income to follow the path as seen in 2023; what does that exactly mean? Does it mean that we have the same development through the year as in 2023, or the same number as in 2023? Or does it really ...

Pim Berendsen - CEO PostNL: Not the same number but the same pattern. If you look at the development from the deltas from comprehensive income, it is the pattern of 2023. And in Q4, there was an appendix that indicated that, so, the balance between reversals, tax positions follow more the flow of 2023 and not the specific developments in 2024.

Inge Laudy – Investor Relations PostNL: Slide 21 in the deck [note: Q1 2025 deck].

Pim Berendsen - CEO PostNL: Yes, then I see the 2023 development. Otherwise, we will just take the slide 47 of the Q4 deck, we see that relatively speaking in 2024 there was only limited income tax effects. That follows a bit more the pattern of 2023. And there was a positive normalised other comprehensive income element of EUR 8 million in 2024, but we also do not expect it at that level.

Marc Zwartsenburg - ING: What slide?

Pim Berendsen - CEO PostNL: Slide 47 of the Q4 deck. I am going back to the Q4 deck, because there we had a specific slide that showed both the 2023 as well as the 2024 reconciliation of normalised comprehensive income. Just follow the logic. Of course, it is not an absolute amount but relatively speaking. There is a EUR 16 million switch between other comprehensive income in 2023 being minus 8, and being plus 8 in 2024. But we do not expect that in 2025, at least not to that extent.

Marc Zwartsenburg - ING: Then on the Parcels volumes, +2% in Q1, but there was a negative working day impact in there. Can you share a bit what the trend was excluding all the working day elements in there? But also, can you provide a bit more colour on what the trend was from, let's say, through the quarter into Q2? Just to get a bit of a feel for where we are in April, so to speak because things have changed, particularly in April. Not fully, but I can imagine that companies and consumers might have behaved differently. You already talked in the outlook about higher volatility so can you share a bit what the trend is there?

Linde Jansen - CFO PostNL: I am happy to take that one. So to start with your question on the 2% volume growth and the impact of working days, we can give some colour on that. Approximately 2% to 3% impact is expected from the working days. So that would be on top of that, if the working days had followed a similar pattern compared to last year.

On the question of what we see for April, for sure, it is too soon to talk about.

Pim Berendsen - CEO PostNL: What we can say is, is that the development over the months of the quarter shows there are no big changes between the months in terms of composition of volume. And the last part more relates to whether we already see, in volume development terms, the effects of tariffs given when they were announced. We do not really see material change there, not in relation to what both Asian customers are currently trying to do. They are still seeking ways into the US. There is still a fair amount of uncertainty about how the regulation actually works, in terms of demand, etc. So, no change is visible there. We do not see a huge inflow or shift to Europe to compensate for a shortfall in the US. That is not what we're currently seeing nor do we see a fundamental change of Dutch consumers and where they spend the money in the comparison between March and April. But it follows the pattern of the first quarter so far. Just to be clear, we can only look at volume development. It is 6th May; in terms of euros I do not have a complete view yet.

Marc Zwartsenburg - ING: And if you look at the price/mix element, it was a small positive in Q1 but most of it will come in Q4, as you already mentioned. But the Asian volumes are still growing 19%. So, that negative mix element might still be a bit higher than maybe you anticipated at the beginning of the year, when you gave that EUR 55 to EUR 60 million, if I am correct, as an indication of the positive price/mix. So is it still feasible to get to that EUR 55 to EUR 60 million, given the mix trends this year? And maybe it might even become bigger if the Asian flows increase, with what is going on in the world?

Linde Jansen - CFO PostNL: As also reconfirmed in our outlook, which remains as is, we do not have a different view on that EUR 55 to EUR 60 million you are referring to. It is good to note, of course, that we also announced the initiatives of targeted yield measures, which will come into play as of the second quarter. And that is also in line with how we anticipated it in the outlook. In short, no change compared to earlier messages there.

Pim Berendsen - CEO PostNL: Maybe to add, you can see potential changes between the separate elements of price and mix, and between domestic and cross-border, but the overall view is exactly as Linde says. The overall contribution of the components will be comparable. Again, we are not currently seeing additional Asian volume already triggered by tariffs. That is not what we are seeing. That is not to say it cannot happen, but it is not what we're currently observing.

- **Wijnand Heineken – Independent Minds**

I would like to elaborate maybe a bit more on Parcels trend. What struck me was that there was a relatively low volume increase. Likely that has been due to the working day effect that you just described because I had expected it to be higher than your annual guidance. And that is the first question, because my sense is that you are a bit more cautious on the outlook, as there are more uncertainties nowadays. But are you still aiming for 1% to 3% volume growth over the year?

Linde Jansen - CFO PostNL: Yes, I can confirm that. As I said, the outlook hasn't changed, and also that underlying assumption still holds.

Wijnand Heineken – Independent Minds: Okay. And then what you also said is that the impact of the yield measures is expected to come in as from Q2. And I presume that we will see a negative impact on the volumes, because you anticipated some market share loss. On the other hand, on the financials, the impact of the price increases should improve. But how should we see that? Is that a gradual trend over the quarters, or will there already be something sizable coming into Q2? How should I look at that trend?

Pim Berendsen - CEO PostNL: The reason why we mentioned Q2, indeed, is that it is one of the elements that brings our growth expectations below overall market growth, is the renegotiation of terms with some of the bigger clients. I don’t want to be too specific because some of those negotiations are still ongoing. Which means that as of when they have been concluded, they will come into effect immediately. But then, of course, the impact of those renegotiated terms will also be a function of the volume development over the quarters. So, you will see impact in Q2 and Q3, but partly volume dependent. That means that Q4 will see the biggest impact in absolute terms, not because the conversations are still ongoing then, but you can already see the tell tales of that change by the end of Q2. And then it will mature based on volume distribution over the quarters of the year.

Linde Jansen - CFO PostNL: And that is also what you see in that graph.

Wijnand Heineken – Independent Minds: And then the impact, because this quarter the impact of price increases was still EUR 15 million, which is in line with the previous quarters. Then should we see that going up gradually over the quarters as well?

Pim Berendsen - CEO PostNL: Yes.

Wijnand Heineken – Independent Minds: And then the final question from my part is about the cash flow. Because you managed in Q4 to step up the free cash flow, to bring it into positive territory over the year. You anticipated phasing, and we saw that also in Q1 of this year. But if I look at a bit more of an underlying trend, is it then fair to say that it will be, on an annual basis, slightly negative up to around break even? Is that a fair conclusion, or am I missing something?

Linde Jansen - CFO PostNL: I think it is good to bring this back to our outlook, where we say what our proposed or expected free cash flow will be. That phasing effect is also foreseen and part of that.

Wijnand Heineken – Independent Minds: It is clear on what you anticipate for the year, but I was just looking at the two combined. Due to the phasing, this year’s free cash flow is probably lower than it might have been if that strong Q4 was not there. That is what I am trying to get if I skip out that element.

Pim Berendsen - CEO PostNL: I understand what you are trying to do. I think from that perspective, if we would convert it then, of course, your delta working capital of 2024 would look more negative than the minus EUR 17 million we reported, by roughly the amount you now see as delta. That still means that for the entire year, you would get roughly comparable investments in working capital corrected for that phasing effect. We do not see a fundamental deterioration or improvement in the underlying drivers.

The only element we always highlight is a bit of a warning: there is not necessarily a linear agreement with postal operators in terms of when you settle your position. That could vary a bit year to year. But we do expect, forgetting the phasing now, an investment in working capital this year, to get to the overall free cash flow outlook that we also leave unchanged.

- **Henk Slotboom – the IDEA!**

A few questions from our side. First, I am struggling a bit with +19% international volumes and -2.4% on the domestic side. I saw the CBS online spending figures from last Friday, positive growth, especially in food, which is not your core business. So the market has fairly grown. Where do you see the main trigger for international growth? Was it still the Chinese platforms? If so, I was positively surprised by the improvement in the average value per item, which was three cents higher than last year. Can you shed some light on that?

You said you cancelled the Sunday delivery for parcels. Did that have an impact on domestic volumes in Q1?

Linde Jansen - CFO PostNL: Let me start with your question on international and domestic volumes: what we see is that Dutch consumers, when spending their money on e-commerce, do so increasingly via international platforms rather than domestic ones. That is a market dynamic we have observed for a while.

Pim Berendsen - CEO PostNL: On Sunday delivery, while I do not have the exact number, the fact that we stopped that service likely partially impacted domestic growth rates. Though I do not think that impact is material in terms of volume. The reason we stopped it is because it was significantly loss-making and we did not receive firm commitments from customers to scale volume on Sundays. So we made the call to exit that service. Of course, those parcels had higher price points, so removing them also added a negative impact on average price per parcel. But again, I don't think these effects were material for Q1.

Henk Slotboom – the IDEA!: It reflects the dilemma you face in making choices.

Pim Berendsen - CEO PostNL: It was not a dilemma, because at the end of the day the gap on value was so significant and the chance of scaling so low that I believe it was the right call to make.

Henk Slotboom – the IDEA!: So, it is definitely value over volume. And the international volumes, was that predominantly China?

Pim Berendsen - CEO PostNL: The cross-border volume? Yes, that is predominantly China. Not only, but predominantly. They are shops like TEMU, Shein and Ali.

Henk Slotboom – the IDEA!: And as you said, there is no frontloading going on in view of tariff developments.

Pim Berendsen - CEO PostNL: We see they are still not giving up that big market for them and find ways to get local to local, maybe go through Latin America. At this point in time, we do not really see marketing campaigns directing to Europe yet. I will not say it will not happen but now they are doing whatever they can to service the US market as much as they can.

Henk Slotboom – the IDEA!: My final question, during the year-end presentation you said you were going to step up the investments in the European cross border trade. Do you have anything to report there yet?

Linde Jansen - CFO PostNL: Also there, we see positive signs from those strategic initiatives. Performance is good and in line with expectations. It is contributing as expected.

Henk Slotboom – the IDEA!: Compared to the rest of the Parcels division?

Pim Berendsen - CEO PostNL: At this point, it's not yet accretive. We did say we expect a EUR 5 to 10 million negative impact on normalised EBIT for the year because of the steps that we have taken. For this quarter, it is around EUR 1 to EUR 1.5 million in the Parcels segment, due to front-loading costs for expansion in Belgium and Spring Europe. Over time, though, we expect that to improve. Growth in Spring is really strong and it gives us confidence we will see revenue growth outside the domestic e-commerce base.

- **Marc Zwartsenburg - ING**

Did you see any positive impact from strikes at Bpost in Q1? They were quite significant.

Pim Berendsen - CEO PostNL: A little bit, but not materially. In Belgium, we did see growth beyond market levels, domestic and cross-border flows, but I would not say that was heavily driven by the strikes.

Marc Zwartsenburg - ING: So, just to confirm, the yield measures affecting Asian web shops will only kick in from Q2? So, there were no price increases yet on the Asian shops?

Pim Berendsen - CEO PostNL: Correct. Correct. The price points that you saw in the first quarter are realised on other clients. The yield measures for Asian flows come into play in Q2.

Marc Zwartsenburg - ING: Coming back to your full-year presentation, there was a slide in there where you showed the development of the Mail in the Netherlands business if you would not do anything or if there was a change in D+2. If you then see the trajectory in that graph including that D+2 and the measures taken longer term also, you see that in 2025 – 2026 there is only a small deviation of EUR 10 to 15 million, but then all of a sudden in 2027 you bend of to a big plus in 2028. What caused that shift? Is that caused by D+3? The savings from just getting approval from the ACM now seem to be rather small because then a small part of your volume is going to D+2.

Pim Berendsen - CEO PostNL: In the slide before that famous graph we tried to explain this.

Marc Zwartsenburg - ING: Slide 29.

Pim Berendsen - CEO PostNL: Yes, and if you look at slide 28 the answer is partly there. What will happen is that yes, we can make cost savings if we can go to D+2. We are already taking those cost saving measures in 2025 because we have already migrated 70% of Business Mail to D+2 already, contributing to the around EUR 7 million in cost savings for 2025. You cannot migrate this again, so what you can subsequently migrate in 2025 and 2026 is the remaining 30% of that part. Then it depends on what moment in time you can migrate the USO-part. That already impacts your 2025 – 2026 phasing. The big change is if you can really go to D+3, because then you can take out your off-peak days completely. That is the biggest contribution to cost savings and that leads to the step-up of cost savings from EUR 40 million to EUR 45 million to EUR 80 million to EUR 100 million on that graph.

Marc Zwartsenburg - ING: So, that is on top. EUR 40 million to EUR 45 million and then another EUR 40 million to EUR 45 million and then EUR 80 million to EUR 100 million.

Pim Berendsen - CEO PostNL: That is the big change. If the conclusion is that you need to go to D+3 in this regulatory framework to get to positive numbers again, the answer is yes. If we are stuck at the D+2 service level, we will not get to positive numbers.

Marc Zwartsenburg - ING: Do you feel comfortable that the government will allow the D+2 / D+3 service level in the regulatory framework?

Pim Berendsen - CEO PostNL: That is a different thing. This is the plan that we have presented. Where are we in that process. We expect within the next couple of weeks a report from the ACM based on the research they were asked to do. Then we expect of course that the ministry of Economic Affairs will make up their own mind and that we still envisage a discussion in parliament before the summer recess. By then, I guess, we will have more clarity on the phasing elements and whether or not D+2 and D+3 are both in that draft postal law, yes or no. We believe it should be and that is also why in the meantime, before we get to a change in the postal law, we made that request for a financial contribution for 2025 and 2026 but if the line remains to be below zero, you can guess what we will do.

Marc Zwartsenburg - ING: Because the orange line is without the compensation.

Pim Berendsen - CEO PostNL: No compensation included, neither in the orange line nor in our outlook.

Marc Zwartsenburg - ING: Thank you.

Inge Laudy - Manager Investor Relations: Let’s take questions from the line.

- **Michiel Declercq - KBC Securities NV**

Thanks. First, yield measures at Parcels. You said negotiations are ongoing, and I know you cannot disclose anything but can you share how customers are receiving these changes? And are competitors reacting?

My second question is on Parcel volumes. You mentioned 2% - 3% phasing impact in Q1, but yield measures start in Q2. Would that not lead to a drop in volumes? How do you still reach 1% - 3% growth?

Third, on cross border and Spring. In Spring you serve non-Benelux to non-Benelux volumes. Are there any direct volumes between China and the US? That would have a direct impact instead of the rerouting plans.

Linde Jansen - CFO PostNL: Let me start by answering your second question on the growth volume you are referring to. Indeed, overall growth is 2% and taking into account the effect of working days you would then come around 4% - 5%, which is also in line with the assumed total market growth. What we have mentioned in our outlook and also in the beginning of the year is that given the yield measures we are taking and what we talked about before, we expect there to be a step-down in that growth because of the yield measures we are taking. That results in the 1% - 3% growth we referred to. That gap is then the assumed market share loss that we anticipate because of these targeted yield measures.

Pim Berendsen - CEO PostNL: It is difficult to be specific on the negotiations. I appreciate the question and I am positive about the progress. You will expect them to be slightly distracted by what happens in the US because they are significantly impacted. So, some of these negotiations have not been concluded because of that fact and not because of the position we take. So, we are positive about the progress. To add to Linde's point, that also means that if we expect market share loss it will be [IR note: market] share loss driven by that international volume, not on your domestic percentage points but on your international flows. The yield discussions we just had for this quarter focused predominantly on that flow.

Lastly, the cross-border question. Yes, there is a bit to the US, not necessarily only China. We do have trade lanes from the Netherlands or from Spring-origin countries to the US. That trade lane is not that big and that is also why we say we do not expect the impact of trade wars on those trade lanes to be material enough to walk away from our full year outlook.

Michiel Declercq - KBC Securities NV: That is very clear. Thank you.

- **Marco Limite - Barclays Capital**

My first question is on one of your largest retailers setting up own delivery networks. Do you have any comments on that?

My second question is on state compensation. Is there any timing you expect for a final decision on the compensation for 2025 and 2026?

My third question is just a follow-up on your outlook for Parcels volume growth. International volumes grew a lot, especially towards the second half of the year last year. If we have slower international volume growth in the second half of this year do you expect domestic volumes to accelerate or do you expect a very similar split as in Q1 for the rest of the year as well?

Pim Berendsen - CEO PostNL: Your first question is related to the news article in Het Financieële Dagblad. That really relates to a part of Bol.com. There is a very strong strategic partnership between PostNL and Bol.com and that has been there already for quite a few years. It is a very strong partnership that works both ways. We were aware of the fact that Ampère – the part you are referring to – is testing and piloting home delivery in some parts of the country. The size and scale of these elements in our view do not change the logic of the strategic partnership that we have with Bol.com, so I do not expect any material impact because of that.

Your second question, whether there is timing on the state compensation. Yes and no. There is no formal, required or written deadline in legislation but at the same time, we have put forward a deadline in our request, asking for a decision prior to our half year numbers, so at the end of June – beginning of July. That is what we have set out. We believe that is a realistic and reasonable timeframe and we expect the Ministry of Economic Affair to take their view. We need to wait for that.

Linde Jansen - CFO PostNL: Your last question was on international volumes, also looking forward. As Pim mentioned before, it is too early to say anything about the impact of global trade, what will happen and the consequences thereof. At this point in time we are comfortable with our outlook for 2025. We are agile and we will adjust if needed.

Marco Limite - Barclays Capital: Can I add two quick questions? The first one is what is your exposure to Bol.com, what is the amount of your domestic volumes coming from that retailer?

Secondly, is the outlook a bit more back-end loaded compared to the expectations in February?

Pim Berendsen - CEO PostNL: No, it is no more back-end-loaded and Bol.com is our biggest customer. But as said, we really talk about fractions of their volume, really small. You should think about 1%, 2% or 3% of their total volume that potentially might be served through Ampère for home delivery. So, it is our biggest client but the size of the risk that they on scale take a lot of those volumes for self-distribution is very limited. Quite frankly, I also do not see the logic why they would do that, given the partnership we have and what it takes to be able to deliver parcels at scale in every household of the Netherlands.

- **Stefano Toffano - ABN AMRO ODDO**

On Bol.com, are you not concerned small pilots may grow into bigger operations? You are not worried about the volumes that Bol.com might take to delivery but are you not worried about the trend? There are examples of other players that had a large client that started slowly but three to four years down the line those few percent became bigger and they started to ask for lower prices. This implies Bol.com's position will become bigger in the future. Are you not worried on that? It seems to me you are a little bit too relaxed on this news, but maybe I am overstating this completely.

Secondly, you mentioned that it is encouraging to see evidence that consumers are increasingly finding their way to out-of-home options, also mentioning the locker solutions. Can you maybe tell us about a little bit on that and what you are seeing right now and the progress on this?

My last question is more technical. Capex 2024 was much lower that Capex 2023. Looking at the Q1 Capex I see EUR 26 million last year and EUR 24 million this year. It is just EUR 2 million but is it lower year-on-year Capex an indication for the rest of the quarters?

Pim Berendsen - CEO PostNL: Let me go back to the first question. I do not think I am too relaxed about it. We are educated about what happens in the market. We know what type of models parties can apply. At the same time, we also know what it takes to distribute one million parcels. That is not easy. So, if you want to grow a parcel delivery network yourself, it is asset heavy as you know. You will need men, women, bands, sorting capacity, etc. This is not something that will turn to scale quickly. Of course, we are following it. We do expect some clients to take those steps to create leverage or to put pressure on terms negotiations. That could be the case, but the question was whether we were worried about the development. My answer remains the same. It is actually also not a Bol.com spokesperson that said something there. We follow this. I am not relaxed about it but at the same time, I do not expect a material impact of it.

Linde Jansen - CFO PostNL: Your other question was on lockers, our APL progress. As part of our strategic initiatives we see good progress there with a continued high NPS score of +46 for the automated parcel lockers. We also see that already 7% of our users of the PostNL app are choosing APL delivery as their preferred option. Also from the implementation side, the placement of the APLs is progressing according to plan and as such on track.

Pim Berendsen - CEO PostNL: Regarding your last question, we have given a bit of Capex guidance in February, basically saying it would be slightly higher than in 2024, also driven by roughly EUR 15 million investments that relate to the five strategic initiatives that we introduced at that point in time. This remains the full year Capex outlook.

- **Frank Claassen - Degroof Petercam**

I have one question left. You have indicated that you are agile and willing to adjust plans if things deteriorate in the course of the year. Can you elaborate what you are referring to? Are you referring to more cost savings, how flexible are you with that? What are the plans if things deteriorate?

Pim Berendsen - CEO PostNL: I think we have said ‘agile’ in both directions and not necessarily only in case of deterioration. There are also potential outcomes where there could be more volume coming our way, depending on the choices that Asian web shops make on how they look at Europe. So, it is not necessarily only one direction. It means that we will look at the options that we have to scale network capacity or to increase utilisation in certain parts of the year. Also that applies downwards. If we see volumes coming down versus expectations, we always think about the composition: do we leave all depots open for first and second sorting, yes or no? Can we take capacity out to adjust for volume losses if they occur? Those are the bigger elements that we refer to.

Frank Claassen - Degroof Petercam: That is helpful. Thank you.

Pim Berendsen - CEO PostNL: Likewise yield management. If more volume comes our way what are you going to do price wise to accommodate that above and beyond what already is committed. So there are also commercial elements to this agility.

Frank Claassen - Degroof Petercam: Thanks.

Inge Laudy - Manager Investor Relations: Thank you all for participating in our Q1 2025 call. We will see you again on 4th August for Q2. Thank you.

Appendix

1. Results per segment
2. Reconciliation Parcels and Mail in the Netherlands following switch of real estate
3. Revenue mix Parcels
4. Full reconciliation of income statement and EBITDA per segment
5. Free cash flow per segment
6. Profit and normalised comprehensive income

15

Results per segment

(in € million)	Revenue		Normalised EBIT		Margin	
	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025
Parcels	561	581	5	3	0.9%	0.6%
Mail in the Netherlands	318	309	(8)	(18)	-2.5%	-5.7%
PostNL Other	63	62	(6)	(1)		
Intercompany	(177)	(169)				
PostNL	**765**	**782**	**(9)**	**(15)**	**-1.2%**	**-2.0%**

16

Real estate reported in segment Parcels

(in € million) Revenue	Q1 2024	Q1 2024*	Q2 2024	Q2 2024*	Q3 2024	Q3 2024*	Q4 2024	Q4 2024*	FY 2024	FY 2024*
Parcels	555	561	581	587	569	575	664	670	2,370	2,393
Mail in the Netherlands	324	318	324	318	295	289	395	388	1,338	1,313
PostNL Other	63	63	58	58	57	57	62	62	240	240
Other / intercompany	(177)	(177)	(168)	(168)	(166)	(166)	(184)	(184)	(696)	(694)
PostNL	**765**	**765**	**795**	**795**	**756**	**756**	**937**	**937**	**3,252**	**3,252**
Normalised EBIT										
Parcels	2	5	15	18	3	6	31	36	49	65
Mail in the Netherlands	(5)	(8)	6	2	(19)	(23)	38	32	19	3
PostNL other	(6)	(6)	(2)	(2)	(1)	(1)	(6)	(6)	(16)	(16)
PostNL	**(9)**	**(9)**	**18**	**18**	**(18)**	**(18)**	**62**	**62**	**53**	**53**

*** Restated for change in segment reporting, all 2024 comparable figures have been restated:**

- Combine all real estate and organisational responsibilities in one segment
- To be reported in Parcels as of 1 January 2025 (until 31 December 2024: Mail in the Netherlands)
- Mail in the Netherlands only comprises mail and mail-related activities

17

Revenue mix Parcels

(in € million) As of 2025	Q1 2024*	Q1 2025	Q2 2024*	Q2 2025	Q3 2024*	Q3 2025	Q4 2024*	Q4 2025	FY 2024*	FY 2025
Parcels NL and BE	370	380	388		371		445		1,574	
Spring	134	147	145		141		165		585	
Logistics solutions and other	70	69	72		66		73		281	
Other / intercompany	(13)	(15)	(19)		(3)		(13)		(48)	
Parcels	561	581	587		575		670		2,393	

2024	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Parcels NL and BE	369	387	370	444	1,570
Spring	125	137	133	155	549
Logistics solutions and other	73	76	74	83	306
Other / intercompany	(12)	(19)	(7)	(17)	(55)
Parcels	555	581	569	664	2,370

***Restated for change inter segment reporting**

As from 1 January 2025, real estate activities are included in the line 'logistics solutions and other'. Furthermore, within the segment small changes in the presentation of the underlying business lines are applied.

18

Full reconciliation of income statement and EBITDA

(in € million)	PostNL		Parcels		Mail in the Netherlands		PostNL Other		Eliminations	
Income statement	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025
Total operating revenu	765	782	561	581	318	309	63	62	(177)	(169)
Other income	0	1	0	1	0	(0)	0	-		-
Cost of materials	(21)	(20)	(16)	(13)	(3)	(5)	(2)	(2)		-
Work contracted out and other external expenses	(397)	(409)	(375)	(389)	(165)	(160)	(33)	(30)	177	169
Salaries and social security contributions	(259)	(268)	(106)	(111)	(122)	(124)	(31)	(33)		-
Pension contributions & related costs	(23)	(24)	(9)	(9)	(9)	(10)	(5)	(5)		-
Depreciation, amortisation and impairments	(46)	(48)	(23)	(25)	(5)	(5)	(18)	(19)		-
Other operating expenses	(41)	(30)	(28)	(31)	(32)	(23)	19	25		-
Total operating expenses	*(787)*	*(799)*	*(557)*	*(578)*	*(336)*	*(327)*	*(70)*	*(64)*	*177*	*169*
Operating income / EBIT	(21)	(17)	4	3	(18)	(18)	(7)	(2)	-	-

EBITDA	PostNL		Parcels		Mail in the Netherlands		PostNL Other	
Operating income / EBIT	(21)	(17)	4	3	(18)	(18)	(7)	(2)
Depreciation, amortisation and impairments	46	48	23	25	5	5	18	19
Reported EBITDA	24	32	27	28	(13)	(13)	10	17
IFRS16 impact (depreciation RoU assets)	(18)	(20)	(13)	(15)	(2)	(2)	(3)	(3)
EBITDA excluding IFRS16 impact	6	12	14	13	(16)	(15)	7	14

19

Free cash flow per segment

(in € million)	PostNL		Parcels		Mail in the Netherlands		PostNL Other & Eliminations	
	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025
EBITDA	24	32	27	28	(13)	(13)	10	17
Change in pensions	0	0	0	0	-	-	(0)	(0)
Change in provisions	9	4	(2)	1	11	3	(1)	(0)
Change in working capital*	(7)	(25)	9	21	(5)	(12)	(12)	(34)
Capex	(26)	(24)	(5)	(5)	(1)	(0)	(20)	(19)
Disposals	8	1	8	1	0	-	(0)	0
Interest paid	(3)	(3)	(2)	(2)	(0)	(0)	(1)	(1)
Income tax paid	(0)	(0)	(1)	(1)	5	5	(4)	(4)
Lease payments and related cash flow	(19)	(20)	(14)	(15)	(2)	(2)	(3)	(3)
Other	7	3	2	1	0	0	5	2
Free cash flow	(7)	(33)	23	28	(6)	(20)	(25)	(41)
Free cash flow yield	-1%	-7%						

20

Profit and normalised comprehensive income PostNL

(in € million)	Q1 2024	Q1 2025	FY 2023	FY 2024
Operating income / EBIT	(21)	(17)	84	37
Net financial expenses	(0)	(5)	(2)	(8)
Results from investments in JVs/associates	0	0	(4)	(4)
Income taxes	2	5	(24)	(6)
Profit/(loss) from discontinued operations	(0)	(0)	1	(1)
Profit	(19)	(17)	56	18
Other comprehensive income	2	6	(8)	8
Total comprehensive income	(17)	(11)	47	26
Normalisation on EBIT, net of tax	9	1	6	11
Exclude result from discontinued operations	0	0	(1)	1
Normalised comprehensive income	(8)	(10)	52	38

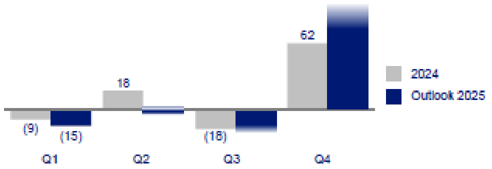
21

Sequential development normalised EBIT in 2025

Q1 2025 result as anticipated

Normalised EBIT skewed to Q4

Indicative only, in € million



Overall

- Working day distribution over the quarters slightly differs and impacts quarterly split
- Impact pricing largest in Q4

Parcels

- Impact announced yield measures expected as of Q2

Mail in the Netherlands

- Impact from elections on volume development in Q2

22