

Preliminary results FY 2020

The Hague, 21 January 2021



Warning about forward-looking statements:

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

Use of non-GAAP information:

In presenting and discussing the PostNL Group operating results, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. Non-GAAP financial measures do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The main non-GAAP key financial performance indicator is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals. Aside from adjustments for restructuring-related costs, all currently adjusted non-recurring and exceptional items within underlying cash operating income are also normalisations within normalised EBIT.

Published by:

PostNL NV
Prinses Beatrixlaan 23
2595 AK The Hague
The Netherlands

Additional information is available at postnl.nl

2020: an exceptional year in unprecedented circumstances



- Thanks to hard work of our people and resilience of our business, we were able to play a vital role in society
- Strong Q4 results and improved and strong financial position:
 - increase performance-related compensation to reward our people and the people working for our sorting and delivery partners of Parcels in the Netherlands with an extra payment
 - re-instate dividend for 2020

Health and safety of our people, partners and customers always come first

Significant outperformance earnings and cash flow guidance



- Extremely busy Q4 accelerates already strong performance of first three quarters
- Exceptional performance in last weeks of the year mainly driven by Mail in the Netherlands



Key financial metrics for 2020

- Revenue expected to be around €3,250m, up 14%
- Normalised EBIT expected to come in at around €240m
 - of which €55m is qualified as exceptional, driven by Covid-19
- Free cash flow at around €185m
- Normalised comprehensive income around €195m which is the basis for dividend*

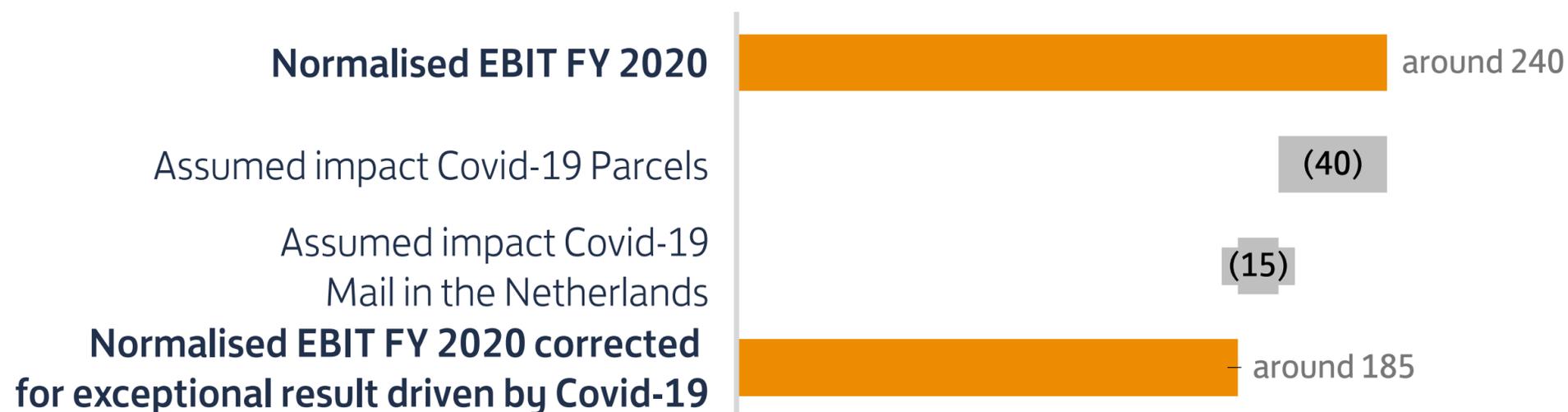
* pay-out ratio 70%-90% according to dividend policy; for 2020 fair to assume the low end of the range

Strong operational performance and improved financial position allow for reinstatement of dividend



Strong operational performance boosted in last weeks of 2020

(in € million)

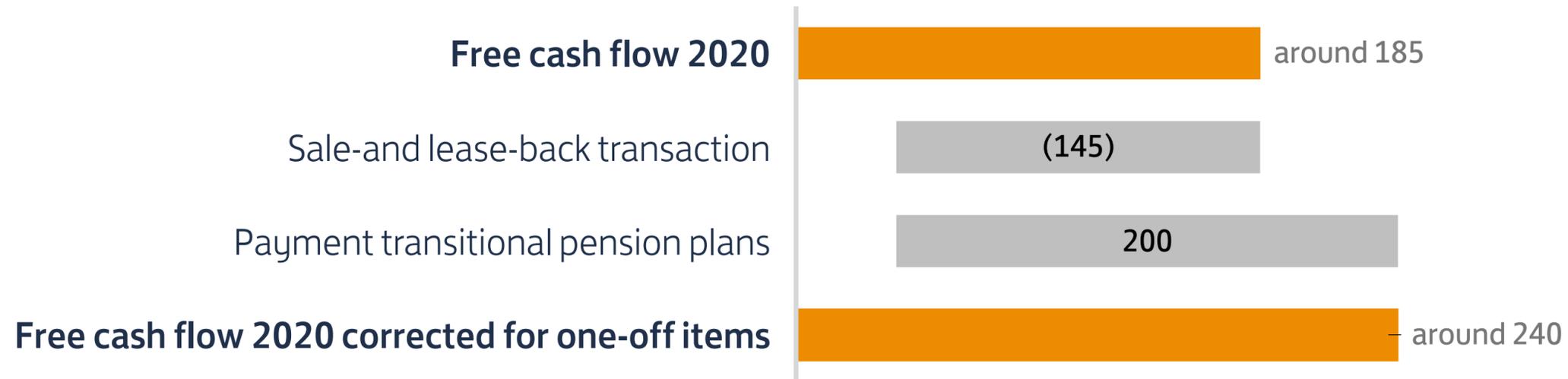


- 337m parcels delivered (around 25m estimated to relate to Covid-19 and to be non-recurring)
- Favourable price / mix developments in Parcels continued in Q4; not expected to recur in 2021
- Flexible infrastructure combined with more equally spread flow shows robustness of business model
- Increased demand for greeting cards, resulting in favourable price / mix development in Mail in the Netherlands; exceptional performance in last weeks of the year
- Costs related to the reward our people and people working for our sorting and delivery partners

Exceptional result driven by Covid-19 € 55m in 2020

Free cash flow around €185m in 2020

(in € million)



Drivers for cash flow development

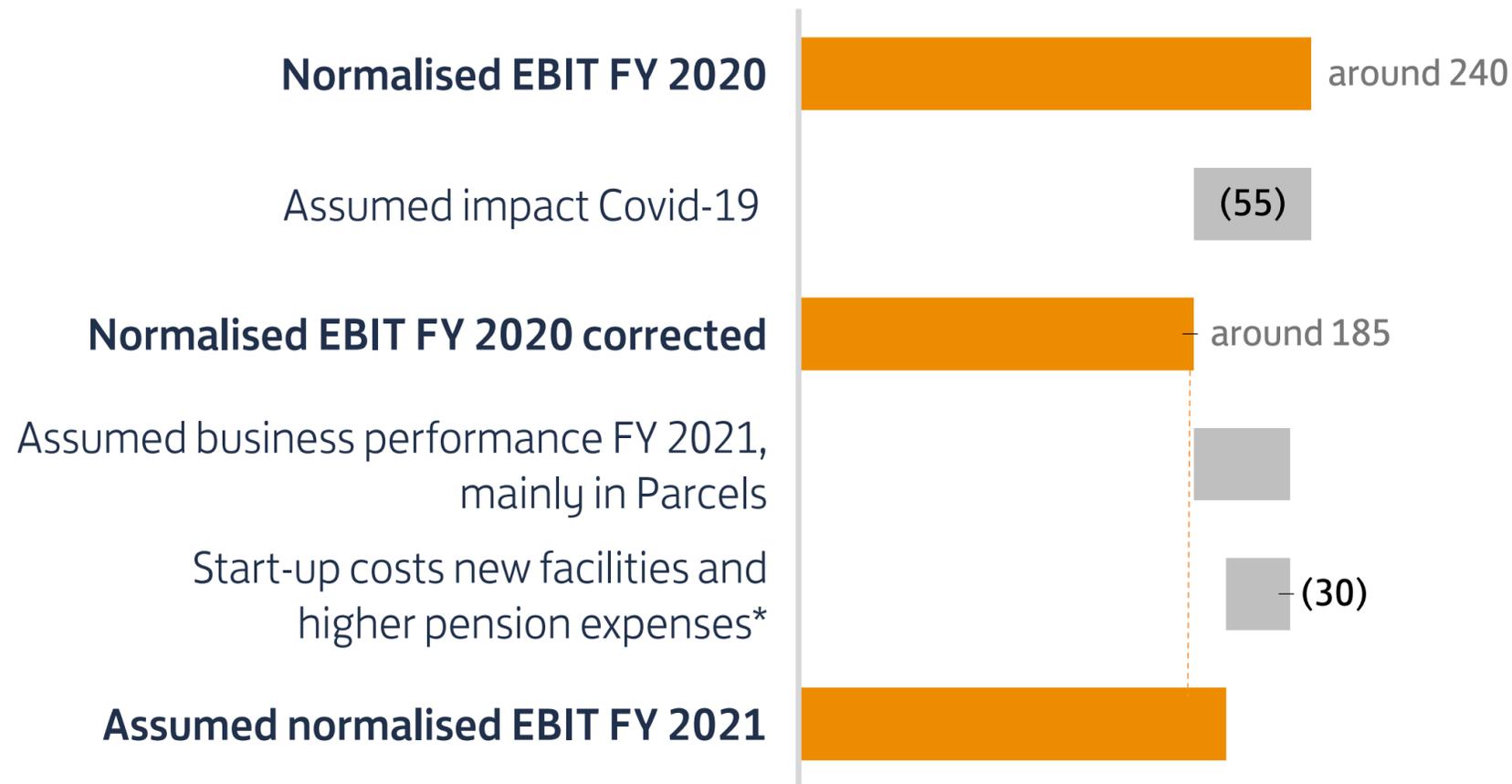
- business performance
- pension agreement
- strict working capital management
- sale-and-lease back transaction
- further de-risking of our portfolio through divestures of Nexive, PCS, Spotta and Adeptiv

Supported by extraordinary business performance and strict capital allocation actions

Into 2021 – based on preliminary results 2020 and current assumptions

Outlook 2021 to be provided on 1 March 2021

(in € million)



Assumptions for 2021:

- Due to continuing unprecedented circumstances, visibility going forward remains limited
- Lockdown continues into early 2021: ongoing strong parcel volumes but also additional costs, among others to keep retail points open

View on other metrics:

- Normalised EBIT for 2021 to be higher than normalised EBIT 2020 corrected for exceptional Covid-19 impact of around €55m
- Free cash flow expected to increase further (2020: around €185m)
- Normalised comprehensive income to be comparable to the level of 2020 (2020: around €195m)

* non-cash; higher defined obligation and higher service costs due to lower discount rate, balanced by expected actuarial gain (other comprehensive income)

Continued investments in network and accelerate digitalisation of activities

Publication Q4/FY 2020 results and outlook 2021

- Q4/FY results
- More details of the Digital Next program
- Outlook 2021, including the financial implications of Digital Next

See you on 1 March 2021

