



PostNL provides update on Q2 business trends and FY 2020 outlook

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PostNL today provides an update on current business trends, taking into account the continuation of the developments related to Covid-19 that started to have an impact during March and accelerated through April and May. PostNL now expects Q2 2020 normalised EBIT to come in strongly above last year (Q2 2019: \hat{a} , -39 million) as a result of better performance in Parcels. Based on the expected performance over the first half year, coupled with the current trends, PostNL is adjusting its FY 2020 outlook for normalised EBIT to strongly above the previous guidance of between \hat{a} , -110 million and \hat{a} , -130 million. The increase in normalised EBIT is expected to translate into an improvement in free cash flow.

Limited visibility due to Covid-19 developments

It remains to be seen how the Covid-19 pandemic will develop in the course of 2020 and over the longer term, and how this will impact the economic environment.

Longer-term visibility remains limited due to uncertainties about the duration and severity of the pandemic. The outlook for PostNL's FY 2020 performance provided today could be impacted by such uncertainties.

Business trends in April and May following Covid-19 pandemic

Governments in the Netherlands and Belgium took health and safety measures early in March to contain the Covid-19 outbreak. Since then, e-commerce growth has picked up meaningfully across almost all segments and products, and e-commerce penetration

has increased. At the same time, part of this growth relates to specific consumer spending as a result of the Covid-19 situation. The social distancing measures put upward pressure on costs across PostNL.

In Parcels, volume growth accelerated from close to 14% at the end of March to above 25% in April and May. To accommodate this growth, PostNL scaled up its network considerably. It is currently operating at almost optimal capacity, resulting in improved efficiency levels. The favourable price/mix development in Parcels as reported in Q1 is continuing, as is the positive trend at Spring.

The volume decline at Mail in the Netherlands in April and May was further impacted by a stronger than expected decline in bulk mail, explained by companies postponing direct



mail campaigns. This was only partially offset by a slightly better trend in single items.

Health and safety remains first priority. PostNL applies all social distancing guidelines and health regulations to protect its people, partners and consumers as much as possible. It has implemented additional measures in its

operations and facilities to support social distancing and to ensure a safe and healthy working environment.

Q2 and HY 2020 results will be published as scheduled on 3 August 2020.

Source: [PostNL](#)