

PostNL adjusts FY 2020 outlook upwards

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PostNL today provides an update on its outlook for full year performance in 2020. Strong operational performance continued during the third quarter of 2020. PostNL now expects its full-year 2020 normalised EBIT to be at least $\hat{a}, -175$ million. The increase in normalised EBIT will translate into an improvement in free cash flow.

Herna Verhagen, CEO of PostNL commented:

"Our financial position is improving significantly as a result of our continued strong operational performance and the sale-and-lease back transaction announced today. I am pleased to announce that we expect to resume dividend payments over full-year 2020. Being able to resume dividend earlier than expected is a reflection of the good progress we are making and our strategy of transforming into an e-commerce logistics and postal company.

"The strong performance means that this is the right time to reward the extraordinary efforts of our people since the start of the pandemic. In appreciation and recognition of their commitment and hard work, we will pay an extra amount of €250 net to our people working full time. We will discuss with parcel delivery partners and the sheltered workplace companies we work with how we can show our appreciation for the efforts of their people.

"With the Covid-19 pandemic numbers on

the rise again in the Netherlands and Belgium, we remain vigilant in respecting all hygiene and safety measures within our operations and offices. The health and safety of our people remains our key priority.

"Our improved financial position also allows us to accelerate the digitalisation of our company in a number of key areas as part of the transformation of PostNL. With this acceleration, we aim to strengthen our competitive position and contribute to customer satisfaction, reducing our cost base and attracting new customers. Together with a loyal workforce, the acceleration of digitalisation underpins our ambition to be the favourite deliverer in the Benelux region."

Outlook 2020 and expected dividend resumption over FY 2020

PostNL now expects FY 2020 normalised EBIT to be at least €175 million. The increase in normalised EBIT will translate into an improvement in free cash flow. In addition, more export volumes support a further improvement in working capital

development. Combined with the sale-and-lease back transaction (that does not impact normalised EBIT and normalised comprehensive income), we assume a leverage ratio below 2.0x by the end of the year, which means that PostNL is properly financed in line with its financial framework. As a result, PostNL anticipates being able to resume dividend payments over FY 2020, to be approved by shareholders at the AGM in April 2021.

Increasing uncertainties going forward
As a consequence of the second wave of the

pandemic, uncertainties seem to be increasing going forward. Visibility for Q4, our peak season, and for 2021 remains limited and depends on renewed social distancing measures, potentially higher sick leave numbers, as well as macro-economic developments and consumer confidence. This may impact spending during the festive season, but also in 2021.

PostNL's Q3 2020 results will be published as scheduled on 2 November 2020.

Source: [PostNL](#)