PostNL reports exceptional FY 2020 performance

01-03-2021

2021 outlook for normalised EBIT: â,¬205 million - â,¬225 million

Key figures

In € million	Q4 2019	Q4 2020	FY 2019	FY2020
Revenue	843	1,023	2,844	3,255
Normalised EBIT	40	140	135	245
Free cash flow	68	83	107	186
Normalised comprehensive income	30	104	83	197

Highlights

- 1.7m parcels delivered on peak days; record 337m parcels delivered in 2020
- Parcels' business model proved its strength and flexibility throughout 2020
- Increased demand for greeting cards and other single mail items led to favourable price/mix development
- Improved scores on customer satisfaction, employee engagement and reputation
- Strong FY 2020 performance both at Parcels and Mail in the Netherlands resulted in normalised EBIT of €245 million, of which €55 million is estimated to be non-recurring result driven by Covid-19

Dividend 2020

Proposed dividend of €0.28 per share

FY 2021 outlook

- Normalised EBIT: €205 million - €225 million, including around €(10) million for acceleration of digital transformation; uncertainty impact Covid-19 will remain
- Free cash flow: €200 million - €230 million; including around €(15) million for acceleration of digital transformation
- Executing on our strategy 2021-2024, accelerating digital transformation
- Continue to manage Parcels for profitable growth and Mail in the Netherlands for value
- Accelerate digital transformation to strengthen competitive position, support business performance and value creation: total spent of around €80 million (around 50% capex, 50% operating costs)
- Aim to increase normalised EBIT by €80 million - €100 million by 2024 (compared with FY 2020 excluding €55 million estimated non-recurring result related to Covid-19)
- Aim for dividend per share of at least €0.29 over '21 and '22, taking investments in digitalisation into

account

CEO statement
Herna Verhagen, CEO of PostNL, said: “2020 was an exceptional year in unprecedented circumstances. Thanks to the hard work of our people and the resilience of our business, we were able to play a vital role in society. At all times, we put the health and safety of our people, partners and consumers first.

2020 performance was extraordinary and exceeded expectations. We increased the performance-related compensation for our people and rewarded the people working for our sorting and delivery partners of Parcels in the Netherlands with an extra payment. I’m pleased that we can propose a dividend of €0.28 per share to shareholders, earlier than anticipated. We ended the year with a strong financial position which is an excellent starting point for further growth and value creation for our stakeholders. For 2021, we have to take into account that uncertainty about the impact of Covid-19 will remain.

Going forward, our strategic focus is on balancing volume and value in Parcels by expanding our capacity to capture further e-commerce growth. The consolidation with Sandd is delivering synergies as the integration was successfully completed helping to maintain a reliable and nationwide postal network and to stabilise the results of Mail in the Netherlands. As planned, we will intensify our cost savings projects to mitigate the ongoing mail volume decline.

Being the leading logistics and postal service provider in, to and from the Benelux region remains our strategy. We are continuing to manage Parcels for profitable growth and Mail in the Netherlands for value. We will accelerate our digital transformation and aim to strengthen our competitive position by building further on our platform, connecting customers, consumers and solutions through simple and smart digital journeys. The execution of our strategy will accelerate value creation, translating into attractive total shareholder returns.”

Source: PostNL