

Strong performance in Q4 leads to underlying cash operating income of €188 million for the year, in upper-part of guided range

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Herna Verhagen, CEO of PostNL: “Step by step we are realising our strategy of becoming the postal and e-commerce logistics company of choice for customers. In 2018, 48% of our revenue came from activities related to e-commerce, evidencing our transition. We achieved an underlying cash operating income in the upper-part of our guidance, with a strong performance in Q4, our peak season.

In Parcels, we reported record-high volumes during our peak season and operational performance improved on the back of increasing volumes. At the same time, we faced additional capacity costs, partly explained by a tight labour and transport market and increasing IT costs related to further development of our digital services. In Spring, the competitive environment remained fierce, especially in Asia, putting pressure on volume and on margin. Performance at Mail in the Netherlands was characterised by volume decline, price increases and cost savings. The run-rate of cost savings improved in the second half of 2018.

In line with our strategy to focus on the Benelux, we decided in August to divest Postcon in Germany and Nexive in Italy. We are making good progress with the divestment process and expect to make

further announcements before the summer.

In 2019, we will continue to build on a strong platform for further growth. For Parcels, we are improving the balance between volume growth, profitability and cash flow. In Mail in the Netherlands, we will further adapt our organisation to volume decline and stay focused on achieving cost savings. We will make a next step in our business model by the introduction of the New mail route. The switch to an equal flow model enables us to adapt our organisation to future volume decline. On 7 May 2019 we will host a Capital Markets Day where we will discuss our strategy for Parcels in the years to come that will result in improved value creation and will announce mid-term guidance for PostNL.

We believe that we can continue to prove that our long term strategy is right for all stakeholders. It offers value to our clients and customers, and jobs and development

opportunities for our people. It will create sustainable value for shareholders. Our

dividend policy remains unchanged.”

Source: [PostNL](#)