International Post Corporation

PostNL reports normalised EBIT of â‚¬(20) million for Q3 2022

07-11-2022

High inflation and low consumer confidence put pressure on consumer spending and growth expectations for e-commerce, and impact cost levels significantly

- Domestic volume growth at Parcels around 1%; overall volumes -1.1%, driven by decline in cross-border activities
- Volumes at Mail in the Netherlands -9.3% in line with expectations
- Free cash flow performance reflects step-down in normalised EBIT and phasing in working capital
- 23% improvement in carbon efficiency since end of 2021

CEO statement
Herna Verhagen, CEO of PostNL, said: "The macroeconomic environment has deteriorated and is causing further headwinds. The unprecedentedly high level of inflation puts further pressure on labour costs. In combination with low consumer confidence it has clearly impacted consumer spending. Retail shops as well as webshops are now signalling that their stocks are growing. We expect these headwinds to continue in the quarters to come, causing prolonged uncertainty.

"We are continuing to adjust our network capacity to volumes within the limits of the tight labour market, so as to maintain the necessary flexibility for our peak season and to safeguard customer and consumer service levels. As usual, we are prepared for a busy season with volumes at Parcels expected to be more or less in line with last year. On peak days, we are ready to deliver twice as many parcels than on a normal day. And of course we also expect to deliver a large number of seasonal greetings. Q4 will be the strongest quarter of the year and the key driver for our full year performance.

"Securing the company's robust financial position is key for us in this challenging environment. We are taking all necessary measures to mitigate the impact from cost increases and a softer than anticipated volume development. Moreover, we are adjusting investments to align with volumes and manage working capital strictly."

Source: PostNL