International Post Corporation

PostNL reports normalised EBIT of â‚¬23 million for Q3 2021

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Herna Verhagen, CEO of PostNL, said: â€œIn the third quarter of the year, the changes in VAT for small goods outside the EU and other regulation in China had a stronger temporary negative impact on international volumes than anticipated, and put pressure on the performance of both Parcels and Mail in the Netherlands.

“After operating in an environment dominated by the pandemic since early 2020, in the third quarter we seemed to be returning to more normal conditions. Volume at Parcels continued to grow. As expected, this growth was slower due to the reopening of non-essential stores and more people going on holiday, as well as some headwind from disruptions in global supply chains. Volume development at Mail in the Netherlands was positive, reflecting both Covid-19 and some improvement in the underlying substitution rate. We saw declining international volumes in both segments.

“We’re rebalancing our parcels’ network and, as usual during Q3, have started preparations for the end-of-year peak season. We have deliberately built up extra capacity and resources so as to be able to offer our customers the necessary sorting and delivery capacity and high quality service. In a quarter that includes the summer holiday, this had an impact on margins. This is expected to reverse in Q4, when parcel volumes are expected to come in at significantly higher levels.

“We are continuing to deliver on our strategy, including our commitment to sustainability and digital transformation. Early October, PostNL opened its fully automated, robotic sorting centre for small parcels. This innovative sorting centre, equipped with diverse robots, is unique in Europe and creates more capacity in our regular parcel sorting centres.

“Building on our solid performance in 2021 so far, we confirm our outlook for FY 2021 of normalised EBIT between €280 million and €310 million and strong free cash flow between €250 million and €280 million. The trend in e-commerce growth is expected to continue, with some uncertainty related to Covid-19 and the changes in VAT regulation.”

Source: PostNL