PostNL provides update on its 2024 performance

Q4 & FY 2024 preliminary results

in € million	Q4 2023	Q4 2024	FY 2023	FY 2024	FY 2024 outlook (4 November 2024)
Normalised EBIT	77	62	92	53	~80
Normalised comprehensive income	43	52	52	38	~40
Free cash flow	143	106	52	12	~0

- Normalised EBIT FY 2024 expected at around €53 million
- Free cash flow expected at around €12 million
- Expected leverage ratio 2024 around 1.95, providing room for a final dividend over 2024
- 10.5% volume growth at Parcels in Q4 2024 (FY 2024: 7.2%)

CEO statement

Herna Verhagen, CEO of PostNL, commented: “2024 turned out to be an unsatisfactory year from a financial perspective. FY 2024 normalised EBIT is expected to come in at around €53 million. Thanks to well-executed cash and balance sheet management, we achieved our outlook for free cash flow and normalised comprehensive income. We are proud that, due to the dedication and commitment of our staff, we had a strong Q4 operationally. Our favourable NPS scores reaffirm our strong position versus competition and show our commitment to customers, supporting our strategic direction.

“In current challenging circumstances, we put in relentless effort on adapting our operations and offerings with ongoing attention for our customers, while improving efficiency and capacity utilisation. Nevertheless, as a response to the financial performance and changing market dynamics we will adjust elements of our strategy.

“At Mail in the Netherlands, financial performance in Q4 was disappointing. People sent less seasonal mail in December than anticipated. A larger than anticipated shift to non-24-hour mail put pressure on margins, while labour costs were up due to staff shortages and higher than expected sick leave rates. The December result was barely sufficient to cover the loss for the rest of the year. Full-year result was down more than €30 million compared to last year.

“This financial performance again underlines that the current business model is no longer sustainable. Urgent action to adjust the USO obligations as well as a financial contribution from government are inevitable to safeguard a future-proof and financially viable postal service which is vital for Dutch society. We are continuing to make every effort to address this situation, and we have taken additional measures. The migration of non-USO mail to a standard service level of ’within 2 days’ has started and we have recently announced that the mailbox collection process will be adjusted.

“At Parcels, overall volume growth was 10.5%, and we maintained our strong market position. Yet, client concentration was accelerating faster than expected and put further pressure on margins. This is the main driver for the shortfall in results. Furthermore, volume growth in the last two months was slightly below our projections. The record-high number of parcels in the very short peak period came with a less favourable volume distribution than anticipated. Combined with locked-in costs, necessary to absorb peak-day volumes, this put pressure on operational leverage.

“As a leading player in last-mile delivery in the Benelux region, we are committed to further investments and innovation will remain high on our agenda to support the growth of the e-commerce market. However, the e-commerce sector has changed, marked by rising costs, a tight labour market, evolving consumer behaviour and client concentration, and has become more mature. At the same time, sustainability and working conditions are becoming more important. These developments will result in a more attractive and more sustainable, yet more costly, e-commerce chain. It is a joint responsibility of all players in the chain to address these challenges and strive for a more balanced distribution of value. On our end we will respond through yield management improvements to enhance customer value. We will also pursue strategic initiatives such as further building on international opportunities and accelerating our Out-of-Home strategy. Further details will be shared on 24 February 2025.”

Business performance in Q4 2024

Total revenue in Q4 2024 is expected to come in at around €937 million (Q4 2023: €889 million). Normalised EBIT will be around €62 million (Q4 2023: €77 million).

	Volume		Revenue		Normalised EBIT	
in € million, volume in million items	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024
Parcels	96	106	608	664	23	31
Mail in the Netherlands	524	468	401	395	54	38
PostNL Other			64	62	0	(6)
Intercompany			(184)	(184)		
PostNL			**889**	**937**	**77**	**62**
in € million, volume in million items	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Parcels	346	371	2,260	2,370	47	49
Mail in the Netherlands	1,745	1,605	1,373	1,338	50	19
PostNL Other			245	240	(5)	(16)
Intercompany			(713)	(696)		
PostNL			**3,165**	**3,252**	**92**	**53**

Note: normalised figures exclude one-offs

Parcels

Domestic volumes rose 3.7%, while volumes from international customers, predominantly large Asia-based web shops, increased by 42%. The total growth rate was 10.5%, but came with mix effects, both in customers and products, that were less favourable than expected. Revenue amounted to €664 million (Q4 2023: €608 million). Although the result benefited from efficiency improvements, largely due to adaptive measures taken, locked-in costs and limited flexibility in balancing volume and capacity impacted operational leverage.

Mail in the Netherlands

Mail volumes declined by 10.6%, due to ongoing substitution and less seasonal mail, and partly explained by election mail in Q4 2023. Revenue came in at €395 million (Q4 2023: €401 million). Volume decline was partly balanced by price increases. Mix effects were less favourable and put pressure on margin, mainly due to a larger than anticipated shift to non-24-hour mail. Labour costs were up due to staff shortages in a tight labour market and higher than expected sick leave rates, impacting our operation. €10 million in cost savings were achieved.

Overall

Organic cost increases, mainly labour-related, were visible across all segments.

Expected leverage ratio provides room for final 2024 dividend

Free cash flow came in at around €106 million in Q4 2024, resulting in €12 million for 2024. Thanks to well-executed cash and balance sheet management the expected leverage ratio is around 1.95. Dividend for 2024 will be determined based on normalised comprehensive income, which is expected to come in at around €38 million for 2024.

Publication Q4 & FY 2024 results

On 24 February 2025, as scheduled, PostNL will publish its final Q4 & FY 2024 results and an outlook for FY 2025.

Contact information

Published by	PostNL N.V. Waldorpstraat 3 2521 CA The Hague The Netherlands T: +31 88 86 86 161	
Investor Relations	Inge Laudy M: +31 610 51 96 70 E: inge.laudy@postnl.nl	Marrit Oudeboon M: +31 657 43 80 68 E: marrit.oudeboon@postnl.nl
Media Relations	Liselore Stuut M: +31 612 11 29 08 E: liselore.stuut@postnl.nl	

Audio webcast and conference call

On 20 January 2025, at 9:30am CET, a short conference call for analysts will start. It can be followed live via an audio webcast at https://www.postnl.nl/en/about-postnl/investors/

Additional information

Additional information is available at www.postnl.nl. This press release contains inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.

Please note that all numbers are unaudited and subject to change. Numbers presented in this press release may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.

Caution on forward-looking statements

Some statements in this press release are 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict, and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only apply as of the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

Use of non-GAAP information

In presenting and discussing the PostNL Group operating results, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. Non-GAAP financial measures do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The main non-GAAP key financial performance indicator is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals.