



PostNL reports Q2 2024 results

Outlook for FY 2024 reconfirmed

Financial highlights Q2 2024

in € million	Q2 2023	Q2 2024	% Change	HY 2023	HY 2024	% Change
Revenue	771	795	3%	1,554	1,560	0%
Normalised EBIT	18	18		25	9	-65%
Free cash flow	(34)	(19)		(65)	(26)	
Normalised comprehensive income	10	14	39%	14	6	-57%

Highlights Q2 2024

- Outlook 2024 reconfirmed
- Parcel volumes up 6.0%, with domestic volumes modestly up and continued strong growth from international customers
- Mail volumes down 1.3% (adjusted for election mail: -5.9%, mainly due to ongoing substitution)
- Continued high organic cost increase of €38 million, mainly labour-related, largely mitigated
- Free cash flow improved
- 17% further improvement in average carbon efficiency year-to-date
- Successful issuance of €300 million sustainability-linked notes due June 2031
- PostNL Belgium fully acquitted in case involving delivery partners, no appeal
- Interim dividend set at €0.03 per share, in line with dividend policy

CEO statement

Herna Verhagen, CEO of PostNL, said: "We are making steady progress on the strategic initiatives announced in February. To solidify our position in current difficult circumstances, we are continuing to adjust our operations and offerings with a consistent focus on customer excellence, strict cost control and capacity management, aiming at a step-by-step margin expansion. We are also proud that we have been able to successfully issue €300 million of sustainability-linked notes. As expected, the half-year result was in line with last year's. I would like to thank all our people for their hard work and commitment.

"In the first half of the year, mail volumes declined more than 7% and the shift towards non-24-hour mail services continued. Along with high labour costs, this has led to a result of just €1 million at Mail in the Netherlands. This underpins the urgent need for transformation. We aim to adjust the service level for standard mail to delivery within two days, moving towards three days over time. Our commitment to cost savings initiatives remains strong and we will sustain these efforts also when adjusting the service level. Currently, we are also exploring a smooth transition for non-USO mail to standard delivery within two days. The USO (Universal Service Obligation) is already loss-making, putting further pressure on the stability of postal services in the Netherlands. Bridging measures are deemed necessary by government and are currently being explored. In addition, in our view, a financial contribution should be included in these measures. All these steps are essential to safeguard a reliable, accessible and affordable postal service, which is vital for Dutch society and provides job security to thousands of people.

"At Parcels, overall volume growth is steadily picking up, trending towards our full-year growth projections. In general, weather conditions had a negative impact on the e-commerce market, especially for the considerable fashion industry. At the same time we are gaining some market share in the Netherlands. Domestic volumes were only slightly up in the quarter. Volumes from international customers continued to grow significantly. This resulted in a volume growth of 6.0%, however the shift in mix was more unfavourable than we had expected. Cost increases put pressure on our results as anticipated. Our strategic actions to better balance volume and value are progressing as expected and will contribute to our results in the course of 2024 and beyond.

"We are confident in the long-term growth potential of the e-commerce market, driven by growing online penetration and better economic conditions over time. Reflecting the assumption of a gradual improvement in the economic environment, we confirm our 2024 outlook for normalised EBIT between €80 million and €110 million and free cash flow of between €0 and €40 million."



Outlook FY 2024 reconfirmed

Based on the actual business performance in the first half year, PostNL confirms its outlook for 2024, reflecting the assumption of a gradual improvement in the economic environment. At the same time, PostNL acknowledges that the macroeconomic indicators are still volatile.

in € million	2023	2024 outlook
Normalised EBIT	92	80 - 110
Normalised comprehensive income	52	40 - 70
Free cash flow	52	0 - 40

Parcels

Leveraging on its flexible infrastructure, PostNL is well positioned for the anticipated pick-up in volume growth in the second half of the year and expects to realise further efficiency gains.

Domestic parcel volume was up 0.3% in the first half, slightly lagging expectations. The growth rate is trending towards the anticipated 2% - 4% for the full year. PostNL assumes that the market share will remain at least stable. At the same time, volumes from international customers are expected to outpace the already strong growth realised so far this year. Overall, full year volume growth is expected to come in at between 7% and 10% (YTD: 5.3%) and will be dependent on the economic developments. Unfavourable mix effects will continue to put pressure on the margin. International volumes are increasing at a much steeper rate than domestic volumes. Also, within domestic volumes, the share of large customers and platforms is growing versus other customer segments. Plans to rationalise services and network, and strict cost control, are expected to contribute around €35 million to normalised EBIT in 2024, and need to materialise gradually in the quarters to come.

Mail in the Netherlands

The €1 million result at Mail in the Netherlands in the first half of the year underpins the urgent need for transformation. Volumes for the year are assumed to continue its decline by 7% - 9% (YTD: -7.2%), mainly due to ongoing substitution. Volume development is not evenly split over the quarters, mainly due to the timing and number of elections in the Netherlands (2024: Q2 and 2023: Q1 and Q4). The faster shift towards non-24-hour mail puts additional pressure on the margin. PostNL anticipates around €40 million in cost savings in 2024 (YTD: €20 million), based on further adjustments to processes in the current business model. The intermediate stamp price increase to €1.14 as of 1 July 2024 was necessary to absorb rising costs and to maintain the service level.

Overall

Organic cost increases are expected to amount to around €155 million (YTD: €62 million). This will be mitigated by around €135 million from targeted yield management at both Parcels and Mail in the Netherlands. Additionally, PostNL should achieve €20 million cost savings from earlier measures to reduce indirect costs and improve efficiency. Capex is expected to be around €110 million, continuing a clear focus on the strategy whilst staying disciplined on cash flow management. The investment programme is flexible and ensures an efficient and future-proof infrastructure.

Executing on our strategy

Our strategy is focused on delivering distinctive customer and consumer experiences so as to be the leading e-commerce and postal services provider in, to, and from the Benelux area. Operating in a dynamic market, we are continuously enhancing our business model to adapt to external developments and collaborating with customers to introduce new, increasingly digital, solutions. Within this overarching strategy, we have fully incorporated a robust environmental, social and governance (ESG) strategy, which will enable us to drive a sustainable future.

Accelerating digital transformation and customer satisfaction

We aim to further strengthen our competitive position by building on our digital platform, integrating customers, consumers and solutions through simple and smart digital journeys to improve customer satisfaction. PostNL now has 9.1 million consumer accounts (31 December 2023: 8.9 million).

The automated parcel lockers (APL) network offers consumers a smart and more sustainable solution, adding to accessibility and service quality, and is open to other carriers. At the end of the quarter, 1,034 APLs were in use (end of 2023: 903), which will grow to around 1,200 by the end of 2024. We intend to further develop our Out-of-Home delivery strategy by expanding the APL network going forward, which will also contribute to customer satisfaction. This quarter, PostNL has maintained its average number 1 Net Promoter Score (NPS) position in relevant markets.



ESG progress this quarter and going forward

We have continued to develop and implement initiatives to reduce our environmental impact and enhance our position as a socially responsible company. Our clear roadmap for sustainability has led to a 17% improvement in the average carbon efficiency of our own fleet year-to-date, compared with 2023.

We are committed to sound business conduct and manage our organisation according to applicable laws and regulations and our business principles. We are pleased that the Belgian court recently acquitted PostNL Belgium and its directors in a case alleging pseudo-employment that was brought by the local prosecutor for the employment courts three years ago. There will be no appeal.

Business performance Q2 2024

in € million, volume in million items	Volume		Revenue		Normalised EBIT ¹	
	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024
Parcels	87 ²	92	556	581	17	15
Mail in the Netherlands	409	404	323	324	2	6
PostNL Other			59	58	(2)	(2)
Intercompany			(168)	(168)		
PostNL			771	795	18	18

¹ Note: normalised figures exclude one-offs in Q2 2024 (€2 million) and in Q2 2023 (€1 million)

² As from 1 January 2024, parcel volumes also include domestic Belgian volumes. The comparative figure for 2023 has been adjusted accordingly (Q2 2023: +1 million items)

in € million, volume in million items	Volume		Revenue		Normalised EBIT	
	HY 2023	HY 2024	HY 2023	HY 2024	HY 2023	HY 2024
Parcels	169	177	1,118	1,137	22	16
Mail in the Netherlands	865	803	673	648	10	1
PostNL Other			119	121	(7)	(8)
Intercompany			(355)	(346)		
PostNL			1,554	1,560	25	9

In Q2 2024, normalised EBIT was stable at €18 million (Q2 2023: €18 million), mainly explained by:

Parcels: Volume growth, but less favourable mix

Revenue amounted to €581 million (Q2 2023: €556 million). Domestic volumes rose again by 0.3%, while volumes from international customers, predominantly large Asian-based web shops, increased by 29%. The total growth rate was 6.0%, but came with mix effects, both in customers and products, that were less favourable than expected. Revenue rose at Spring, mainly driven by Asian trade. The result benefited from improvements in operational efficiency, largely due to the adaptive measures taken.

Mail in the Netherlands: Volume development strongly impacted by election-related mail, and further shift to non-24-hour mail

Revenue was more or less stable at €324 million (Q2 2023: €323 million), on the back of a volume decline of 1.3%, which included a positive impact of 4.6% related to election mail, balanced by price increases. Mix effects, such as the shift to non-24-hour mail, continued to put pressure on margins in the quarter. Labour costs were up, partly reflecting high sick leave rates in a tight labour market. Thanks to further adjustments of processes in the current business model, cost savings of €11 million were achieved.

Overall

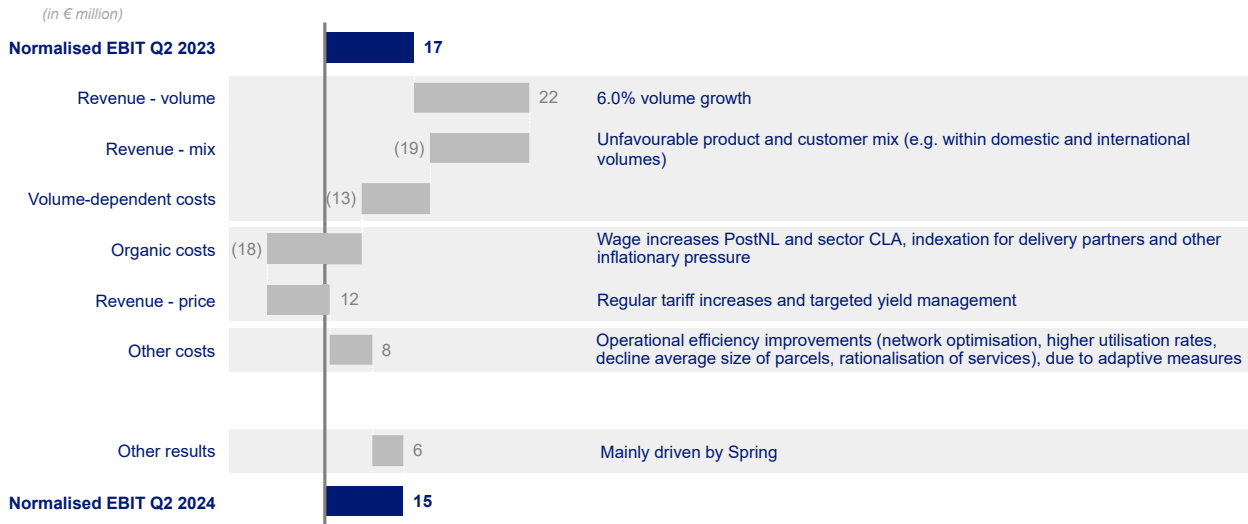
Total organic cost increases of €38 million, mainly labour-related, and visible across all segments, were largely mitigated by yield measures.



Segment information

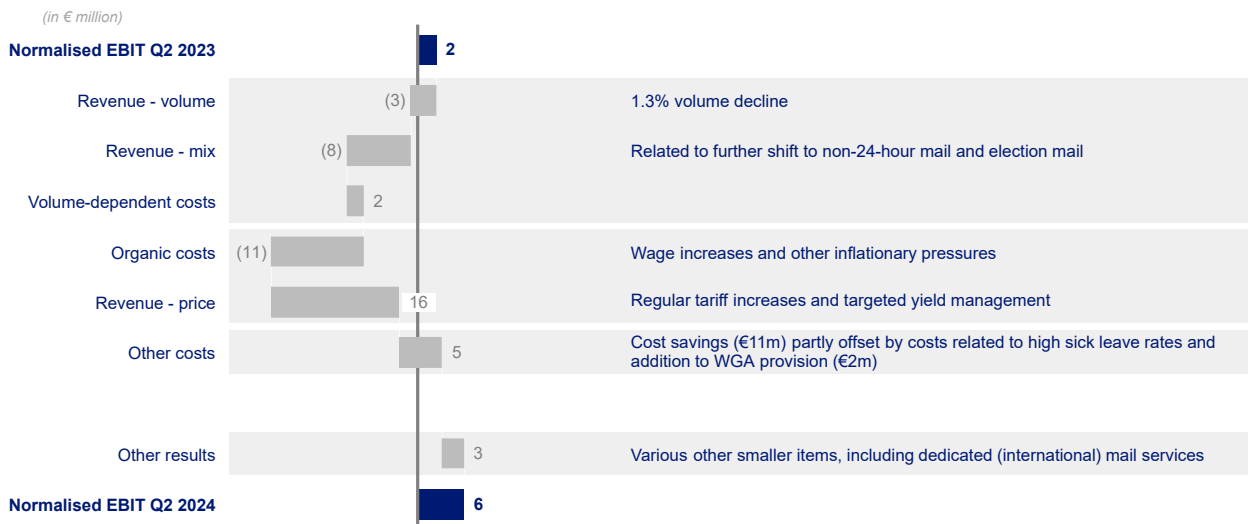
Parcels

Revenue increased to €581 million (Q2 2023: €556 million). Normalised EBIT in Q2 2024 came in at €15 million (Q2 2023: €17 million).



Mail in the Netherlands

Revenue was more or less stable at €324 million (Q2 2023: €323 million). Normalised EBIT in Q2 2024 came in at €6 million (Q2 2023: €2 million).



Cash flow development and financial position

Free cash flow came in at €(19) million (Q2 2023: €(34) million). The improvement on last year is mainly explained by a favourable working capital development, which included some phasing effects within the year.

In June, PostNL successfully issued €300 million of sustainability-linked notes with a term of seven years, maturing on 12 June 2031 and with an annual coupon of 4.750%. The transaction highlights the company's commitment to sustainability and accelerates its transition into a truly sustainable e-commerce logistics provider. The net proceeds will be used for general corporate purposes.

The notes are issued in accordance with PostNL's sustainability-linked financing framework. The three key performance indicators (KPIs) in this framework are closely related to its ESG strategy. PostNL is committed to reduce its absolute Scope



1 and 2 greenhouse gas (GHG) emissions by over 90% and its absolute Scope 3 GHG emissions by 45% by 2030 from a 2021 base year. Alongside this, PostNL aims to increase its share of women in senior management positions to 36% in 2030. The interest rate on the notes is linked to these KPIs. If PostNL fails to achieve one or more of these targets by 2030, a single 100 bps coupon step-up, payable on the final interest payment date, will apply.

Key figures

in € million	Q2 2023	Q2 2024	HY 2023	HY 2024
Revenue	771	795	1,554	1,560
Operating income	17	15	24	(6)
Profit for the period	11	10	15	(9)
Total comprehensive income	9	12	13	(5)
			31 December 2023	29 June 2024
Adjusted net debt			462	514
Consolidated equity			198	182

Interim dividend and dividend calendar

The 2024 interim dividend has been set at €0.03 per ordinary share, equalling one-third of the dividend for 2023 in line with the dividend policy. The dividend will be paid, at the choice of the shareholder, either in ordinary PostNL shares or in cash (default option). The dividend in shares will be paid out of additional paid-in capital as part of the distributable reserves, free of withholding tax in the Netherlands. The conversion rate will be based on the volume-weighted average share price (VWAP) for all PostNL shares traded on Euronext Amsterdam over the period of three trading days from 20 August 2024 up to and including 22 August 2024. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not be lower than the cash dividend. There will be no trading in stock dividend rights.

Interim dividend 2024

7 August 2024	Ex-dividend date
8 August 2024	Record date
9 August 2024	Start of election period
22 August 2024	End of election period and determination of conversion rate
26 August 2024	Payment date

Financial calendar 2024

4 November 2024 Publication of Q3 2024 results

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Audio webcast and conference call on Q2 2024 results

On 5 August 2024, at 11.00 am CET, a conference call for analysts and investors 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. Elements of this press release contain or may contain inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.

Note that the numbers presented in this press release (tables and explanations of results) 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 that 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.



Consolidated interim financial statements

PostNL Consolidated statement of profit or loss in € million

	notes	Q2 2023	Q2 2024	HY 2023	HY 2024
Revenue from contracts with customers		768	793	1,548	1,555
Other operating revenue		3	2	6	5
Total operating revenue		771	795	1,554	1,560
Other income		0	(0)	0	0
Cost of materials		(20)	(17)	(45)	(38)
Work contracted out and other external expenses		(383)	(412)	(778)	(809)
Salaries, pensions and social security contributions		(278)	(275)	(564)	(557)
Depreciation, amortisation and impairments		(44)	(47)	(85)	(92)
Other operating expenses		(28)	(28)	(58)	(69)
Total operating expenses		(754)	(780)	(1,530)	(1,566)
Operating income		17	15	24	(6)
Interest and similar income		3	5	7	11
Interest and similar expenses		(5)	(7)	(10)	(13)
Net financial expenses		(2)	(2)	(3)	(2)
Results from investments in JVs/associates		(0)	(0)	(0)	0
Profit/(loss) before income taxes		15	14	21	(8)
Income taxes	(8)	(3)	(4)	(6)	(2)
Profit/(loss) from continuing operations		12	10	16	(9)
Profit/(loss) from discontinued operations		(1)	(0)	(0)	(0)
Profit for the period		11	10	15	(9)
Attributable to:					
Non-controlling interests		0	(0)	0	0
Equity holders of the parent		11	10	15	(9)
Earnings per ordinary share (in € cents) ¹		2.2	2.0	3.1	(1.9)
Earnings from continuing operations per ordinary share (in € cents) ¹		2.4	2.0	3.2	(1.9)
Earnings from discontinued operations per ordinary share (in € cents) ¹		(0.2)	(0.0)	(0.1)	(0.0)

¹ Based on an average of 495,506,505 outstanding ordinary shares (2023: 488,345,309).



PostNL Consolidated statement of comprehensive income in € million

	notes	Q2 2023	Q2 2024	HY 2023	HY 2024
Profit for the period		11	10	15	(9)
Change in value of financial assets at fair value through OCI	(11)	(3)	(0)	(3)	0
Other comprehensive income that will not be reclassified to the income statement		(3)	(0)	(3)	0
Currency translation adjustment, net of tax		0	0	(0)	0
Gains/(losses) on cashflow hedges, net of tax		1	2	1	4
Other comprehensive income that may be reclassified to the income statement		1	2	1	4
Total other comprehensive income for the period		(2)	2	(2)	4
Total comprehensive income for the period		9	12	13	(5)
Attributable to:					
Non-controlling interests		0	(0)	0	0
Equity holders of the parent		9	12	13	(5)
Total comprehensive income attributable to the equity holders of the parent arising from:					
Continuing operations		10	12	13	(5)
Discontinued operations		(1)	(0)	(0)	(0)



PostNL Consolidated statement of cash flows in € million

	notes	Q2 2023	Q2 2024	HY 2023	HY 2024
Profit/(loss) before income taxes		15	14	21	(8)
Adjustments for:					
Depreciation, amortisation and impairments		44	47	85	92
Share-based payments		1	0	1	1
Interest and similar income		(3)	(5)	(7)	(11)
Interest and similar expenses		5	7	10	13
Results from investments in JVs/associates		0	0	0	(0)
Investment income		2	2	3	2
Changes in provisions		3	6	6	14
Inventory		(1)	1	(2)	(1)
Trade accounts receivable		(31)	(18)	22	13
Other accounts receivable		(0)	1	(0)	1
Other current assets excluding taxes		9	2	(5)	(11)
Trade accounts payable		(25)	20	(21)	(19)
Other current liabilities excluding short-term financing and taxes		(13)	(50)	(47)	(34)
Changes in working capital		(61)	(44)	(54)	(51)
Cash generated from operations		3	24	63	50
Interest paid		(3)	(4)	(6)	(8)
Income taxes received/(paid)	(8)	0	(0)	(35)	(0)
Net cash (used in)/from operating activities	(9)	(0)	20	22	43
Interest received		7	5	11	9
Disposal of JVs/associates		0	0	0	1
Capital expenditure on intangible assets		(17)	(17)	(39)	(34)
Capital expenditure on property, plant and equipment		(9)	(6)	(25)	(15)
Proceeds from sale of property, plant and equipment		0	(0)	0	8
Changes in other loans receivable		0	1	1	1
Other changes in (financial) fixed assets		(1)	(0)	(1)	(0)
Net cash (used in)/from investing activities	(9)	(19)	(18)	(53)	(30)
Dividends paid		(7)	(11)	(7)	(11)
Changes related to non-controlling interests		0	(1)	(0)	(1)
Proceeds from long-term borrowings		4	297	4	297
Repayments of short-term borrowings		0	(0)	0	(1)
Repayments of lease liabilities/incentives		(19)	(19)	(38)	(38)
Net cash (used in)/from financing activities	(9)	(22)	266	(42)	246
Total change in cash from continuing operations		(42)	267	(73)	259
Cash at the beginning of the period		495	510	556	518
Cash transfers related to discontinued operations	(9)	6	0	(25)	1
Total change in cash from continuing operations		(42)	267	(73)	259
Cash at the end of the period		459	777	459	777



PostNL Consolidated statement of financial position in € million

	notes	31 December 2023	29 June 2024
Goodwill		207	207
Other intangible assets		200	204
Intangible fixed assets	(1)	407	411
Land and buildings		275	299
Plant and equipment		165	161
Other equipment		11	11
Construction in progress		40	9
Property, plant and equipment	(2)	491	479
Right-of-use assets	(3)	293	285
Investments in joint ventures/associates		6	4
Loans receivable		15	14
Deferred tax assets		6	6
Financial assets at fair value through OCI		16	17
Prepayments	(4)		20
Total non-current assets		1,235	1,236
Inventory		9	10
Trade accounts receivable		320	307
Accounts receivable		13	14
Income tax receivable		3	2
Prepayments and accrued income		80	82
Cash and cash equivalents	(6)	518	777
Total current assets		943	1,192
Assets classified as held for sale		1	1
Total assets		2,180	2,430
Equity attributable to the equity holders of the parent	(5)	198	182
Non-controlling interests		2	3
Total equity		200	184
Deferred tax liabilities		40	40
Provisions for pension liabilities		2	2
Other provisions	(7)	42	51
Long-term debt	(6)	299	596
Long-term lease liabilities	(6)	240	229
Other long-term liabilities	(6)	73	77
Accrued liabilities	(4)		20
Total non-current liabilities		695	1,014
Trade accounts payable		210	189
Other provisions	(7)	21	28
Short-term debt	(6)	368	363
Short-term lease liabilities	(6)	80	82
Other current liabilities		126	120
Income tax payable		1	2
Contract liabilities		57	43
Accrued current liabilities		421	405
Total current liabilities		1,284	1,232
Total equity and liabilities		2,180	2,430



PostNL Consolidated statement of changes in equity in € million

	Issued share capital	Additional paid in capital	Currency translation reserve	Hedge reserve	Financial assets at fair value OCI	Other reserves	Retained earnings	Attributable to equity holders of the parent	Non- controlling interests	Total equity
Balance at 1 January 2023	39	163	2	0	11	1,267	(1,306)	177	2	179
Total comprehensive income			(0)	1	(3)	0	15	13	0	13
Appropriation of net income						(1,313)	1,313	0		0
Final dividend previous year	0	(0)					(7)	(7)		(7)
Share-based compensation	0	2				(1)		1		1
Balance at 1 July 2023	39	165	2	1	8	(46)	15	184	2	186
Balance at 1 January 2024	40	165	2	(3)	6	(45)	34	198	2	200
Total comprehensive income			0	4	0	0	(9)	(5)	0	(5)
Appropriation of net income						23	(23)	0		0
Final dividend previous year	0	(0)					(11)	(11)		(11)
Share-based compensation	0	1				(1)		1		1
Minority buy-out and other						(1)		(1)	0	(1)
Balance at 29 June 2024	40	166	2	1	6	(23)	(9)	182	3	184



General information and description of our business

The consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

PostNL N.V. ('PostNL' or the 'company') is a public limited liability company with its registered seat and head office in The Hague, the Netherlands.

PostNL provides businesses and consumers in the Benelux region with an extensive range of services for their mail and parcels needs. Through our international sales network Spring, we connect local businesses around the world to consumers globally. PostNL's services involve collecting, sorting, transporting and delivering letters and parcels for the company's customers within specific timeframes. The company also provides services in the area of data management, direct marketing and fulfilment.

Auditor's involvement

The content of this interim financial report has not been audited or reviewed by an external auditor.

Basis of preparation

The interim financial statements are reported on a year-to-date basis ending 29 June 2024. The information should be read in conjunction with the consolidated 2023 Annual Report of PostNL N.V. as published on 26 February 2024.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Annual Report for the year ended 31 December 2023. There are no IFRS standards, amended standards or IFRIC interpretations taking effect for the first time for the financial year beginning 1 January 2024 that would be expected to have a material impact on the Group's 2024 accounts.

A specific contingent legal liability was included in the Annual Report 2023 in relation to the Belgian labour inspectorate in 2021 filing several criminal cases against (among others) PostNL Belgium regarding alleged breaches of applicable social laws and regulations of delivery partners. PostNL had been subpoenaed for alleged false self-employment, illegal postings of employees and as an alleged accomplice in not paying the connected social contributions. In Q2 2024, the court acquitted PostNL Belgium on all counts. The Belgian labour inspectorate did not file an appeal. As a result, the specific contingent legal liability no longer applies.

Note that the numbers presented in the financial statements and disclosures thereto may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures due to rounding.



Segment information

PostNL operates its businesses through the reportable segments Parcels, Mail in the Netherlands and PostNL Other.

The following tables present the segment information relating to the income statement and total assets and total liabilities of the reportable segments for the first six months of 2024 and 2023. In HY 2024, 83% of revenue from contracts with customers was generated in the Netherlands, 9% in the rest of Europe and 8% in the rest of the world (HY 2023: 85%, 9% and 6% respectively).

HY 2024 ended at 29 June 2024	Parcels	Mail in NL	PostNL Other	Eliminations	Total
Revenue from contracts with customers	996	557	3		1,555
Intercompany sales	139	89	118	(346)	
Other operating revenue	2	3			5
Total operating revenue	1,137	648	121	(346)	1,560
Depreciation/impairment property, plant and equipment	(17)	(6)	(2)		(25)
Amortisation/impairment intangibles	(1)	(1)	(28)		(30)
Depreciation/impairment right-of-use assets	(25)	(6)	(6)		(37)
Total operating income	15	(9)	(12)		(6)
Normalised EBIT	16	1	(8)		9
Total assets	947	448	1,035		2,430
Total liabilities	606	588	1,051		2,246

HY 2023 ended at 1 July 2023	Parcels	Mail in NL	PostNL Other	Eliminations	Total
Revenue from contracts with customers	976	570	3		1,548
Intercompany sales	139	100	116	(355)	
Other operating revenue	2	4			6
Total operating revenue	1,118	673	119	(355)	1,554
Depreciation/impairment property, plant and equipment	(16)	(6)	(2)		(23)
Amortisation/impairment intangibles	(1)	(1)	(25)		(27)
Depreciation/impairment right-of-use assets	(23)	(6)	(6)		(35)
Total operating income	22	10	(7)		24
Normalised EBIT	22	10	(7)		25
Total assets at 31 December 2023	930	504	747		2,180
Total liabilities at 31 December 2023	584	650	746		1,979

The key financial performance indicator for management of the reportable segments is normalised EBIT. Normalised EBIT is derived from the IFRS-based performance measure operating income adjusted for the impact of project costs and incidentals. Normalised EBIT is reported on a monthly basis to the chief operating decision-makers.

As of 1 January 2024, the financial results and positions of PostNL Data Solutions are included in the segment Parcels. Previously, the entity was part of the segment Mail in NL. The 2023 figures have not been restated. The following table presents the HY 2024 figures if PostNL Data Solutions had still been included in the segment Mail in NL.

HY 2024 ended at 29 June 2024	Parcels	Mail in NL	PostNL Other	Eliminations	Total
Revenue from contracts with customers	994	559	3		1,555
Intercompany sales	137	90	118	(344)	
Other operating revenue	2	3			5
Total operating revenue	1,132	651	121	(344)	1,560
Depreciation/impairment property, plant and equipment	(17)	(6)	(2)		(25)
Amortisation/impairment intangibles	(1)	(1)	(28)		(30)
Depreciation/impairment right-of-use assets	(25)	(6)	(6)		(37)
Total operating income	15	(9)	(12)		(6)
Normalised EBIT	16	1	(8)		9
Total assets	914	481	1,035		2,430
Total liabilities	603	591	1,051		2,246



Notes to the consolidated interim financial statements

1. Intangible assets

in € million	HY 2023	HY 2024
Balance at 1 January	389	407
Additions	39	34
Amortisation and impairments	(27)	(30)
Balance at end of period	402	411

At HY 2024, the intangible assets of €411 million consisted of goodwill for an amount of €207 million and other intangible assets for an amount of €204 million. Goodwill resulted from acquisitions in the past in the segments Mail in the Netherlands (€143 million) and Parcels (€64 million).

The additions to the intangible assets of €34 million mainly relate to software, including prepayments for software.

2. Property, plant and equipment

in € million	HY 2023	HY 2024
Balance at 1 January	457	491
Additions	42	13
Depreciation and impairments	(23)	(25)
Balance at end of period	475	479

Of the additions of €13 million in HY 2024 €1 million (HY 2023: €23 million) relates to investments in new sorting and delivery centres within Parcels. The remainder relates to various other investments.

3. Leases

Right-of-use-assets, in € million	HY 2023	HY 2024
Balance at 1 January	295	293
New leases	20	17
Lease modifications/reassessments	5	13
Depreciation and impairments	(35)	(37)
Disposals	(2)	(1)
Balance at end of period	283	285

The new leases of €17 million in HY 2024 mainly relate to replacements in and expansion of the fleet of vans and trucks. The lease modifications/reassessments of €13 million mainly reflect changes to the lease payments and lease terms of buildings.

Lease liabilities, in € million	31 Dec 2023	29 Jun 2024
Long-term lease liabilities	240	229
Short-term lease liabilities	80	82
Total	320	311

In HY 2024, repayments of lease liabilities amounted to €38 million (HY 2023: €38 million).



4. Pensions

In HY 2024, total employer operating expenses amounted to €47 million (HY 2023: €46 million) and total employer cash contributions amounted to €47 million (HY 2023: €62 million). The cash contributions paid in HY 2023 included regular contributions of €46 million and a final payment of the unconditional funding obligation of €16 million.

The balance sheet includes a non-current accrued liability for a payment obligation of €20 million related to an agreement in June 2024 with Stichting Pensioenfonds PostNL to resolve a dispute between the pension fund and De Nederlandsche Bank. As part of the agreement, the payment is expected to take place in HY 2026 and will then be exactly offset by a lower regular pension contribution payable. The latter resulted in the recognition of a non-current prepayment for the same amount.

5. Equity

During HY 2024, consolidated equity attributable to the equity holders of the parent decreased from €198 million at 31 December 2023 to €182 million at 29 June 2024. The decrease of €16 million in HY 2024 is primarily explained by the loss for the period of €9 million and the 2023 final dividend payment of €11 million.

in million	HY 2023	FY 2023	HY 2024
Number of issued and outstanding shares	490.4	494.2	498.8
of which held by the company	0.0	0.0	0.0
Year-to-date average number of ordinary shares	488.3	490.7	495.5
Year-to-date diluted number of ordinary shares	0.0	1.1	0.0
Year-to-date average number of ordinary shares on a fully diluted basis	488.3	491.8	495.5

In May 2024, PostNL issued 3,393,974 ordinary shares following the pay-out of the final 2023 dividend and 1,217,113 ordinary shares for the settlement of its incentive schemes, increasing the issued share capital and additional paid-in capital by €1 million in total. As a result, the number of issued and outstanding shares increased from 494.2 million at 31 December 2023 to 498.8 million at 29 June 2024.

6. Adjusted net debt

in € million	31 Dec 2023	29 Jun 2024
Short- and long-term debt	740	1,036
Long-term interest-bearing assets	(15)	(14)
Cash and cash equivalents	(518)	(777)
Net debt	207	245
Pension liabilities/WGA self-insurance	2	31
Lease liabilities (on balance)	320	311
Lease liabilities (off balance)	9	9
Deferred tax assets on WGA and operational lease liabilities	(76)	(82)
Adjusted net debt	462	514

On 29 June 2024, the adjusted net debt position amounted to €514 million. Compared to 31 December 2023, the €52 million increase was mainly explained by the inclusion of the WGA self-insurance provision of €30 million and the new leases and lease modifications/reassessments of €30 million in total (see note 3). The increase of short- and long-term debt related to the issuance of a €300 million sustainability-linked eurobond.

7. Other provisions

The other provisions consist of long-term and short-term provisions for restructuring, claims and indemnities, and other employee benefits. In HY 2024, the related provisions increased by €14 million.

in € million	HY 2023	HY 2024
Balance at 1 January	50	64
Additions	14	22
Withdrawals	(6)	(6)
Releases	(3)	(2)
Balance at end of period	55	78



The additions of €22 million in HY 2024 mainly related to claim-related costs and expected disability costs following the decision to become self-insured (“eigenrisicodragers”) for the WGA benefits.

The Postal Decree 2009 prescribes a next day delivery level of 95% for consumer mail, funeral announcements and medical mail. Not being able to meet the 95% quality requirement results in potential financial exposure to an ACM fine. In 2019, 2021, 2022 and 2023, next-day delivery was below target, due to circumstances beyond our control, such as the Covid pandemic and the impact of the tight labour market. For 2019, PostNL paid a fine to the ACM. This fine is under appeal at the CBb. For 2021, 2022 and 2023, the (re)assessment of facts and circumstances and the decision to impose a fine lies with the ACM.

The withdrawals of €6 million in HY 2024 mainly related to settlements for restructuring programmes (€2 million) and payment of other employee benefit obligations (€3 million).

The releases of €2 million in HY 2024 mainly related to periodical reassessments of the expected cash costs in restructuring programmes.

8. Taxes

Effective tax rate	HY 2023	HY 2024
Dutch statutory tax rate	25.8%	25.8%
Other statutory tax rates	-0.3%	2.3%
Average statutory tax rate	25.5%	28.1%
Non/partly deductible costs	4.3%	-49.3%
Exempt income	0.5%	1.2%
Other	-3.9%	-0.4%
Effective tax rate	26.4%	-20.4%

The tax expense in PostNL’s statement of income in HY 2024 amounted to €2 million (HY 2023: €6 million), or -20.4% (HY 2023: 26.4%) of the profit/(loss) before income taxes of €(8) million (HY 2023: €21 million).

In HY 2024, the line item Non/partly deductible costs (-49.3%) mainly related to mixed expenses, claim-related costs and non-deductible costs of share-based payments. The line item Other (-0.4%) mainly related to the impact of a tax rate change in Czech Republic and prior year adjustments. In HY 2023, the line item Other (-3.9%) mainly related to environmental investment allowances, the impact of a UK tax rate change and prior year adjustments.

Income taxes paid in HY 2024 amounted to €0 million (HY 2023: €35 million, predominantly Dutch payments for full-year 2022).

9. Cash flow statement

Net cash from operating activities increased by €21 million from €22 million in HY 2023 to €43 million in HY 2024, mainly due to a lower cash out from income taxes (€35 million), partly offset by lower operational (cash) results.

Net cash used in investing activities decreased from €(53) million in HY 2023 to €(30) million in HY 2024, mainly due to lower capital expenditure of €14 million and higher proceeds from the sale of property, plant and equipment of €8 million.

Net cash used in financing activities amounted to €246 million in HY 2024 (HY 2023: €(42) million) and mainly related to the proceeds of a new sustainability-linked eurobond of net €297 million, partly offset by the payment of the 2023 final dividend of €11 million (HY 2023: €7 million) and repayments of lease liabilities of €38 million (HY 2023: €38 million).

In HY 2023, cash flow related to discontinued operations of €(25) million mainly reflected the financial impact of a settlement reached between PostNL and the Italian tax authorities relating to a VAT dispute of a divested entity previously classified under discontinued operations. The cash outflow included a payment due to the Italian tax authorities of €30 million partially offset by VAT receivables from former customers of €8 million. At 29 June 2024, a total of €19 million has been received from former customers, of which €1 million in HY 2024, with a non-material outstanding receivable position reflecting management’s reassessed best estimate.



10. Labour force

Headcount	31 Dec 2023	29 Jun 2024
Parcels	8,786	8,778
Mail in the Netherlands	23,091	22,684
PostNL Other	1,611	1,643
Total	33,488	33,105

The number of employees working at PostNL at 29 June 2024 was 33,105. The decrease of 383 compared to 31 December 2023 is mainly the result of the extra temporary employees hired in December 2023 to handle Christmas mail within Mail in the Netherlands. Additionally, labour market tightness impacted PostNL's ability to maintain adequate staffing levels during HY 2024.

Average FTEs	HY 2023	HY 2024
Parcels	7,518	7,586
Mail in the Netherlands	12,032	11,209
PostNL Other	1,616	1,584
Total	21,165	20,379

The average number of full-time equivalents (FTEs) working at PostNL during the first six months of 2024 was 20,379. The decrease of 786 compared to the same period last year is mainly related to the impact of volume decline and cost-savings initiatives within operations in Mail in the Netherlands.

11. Financial instruments

The fair value of financial instruments is based on foreign exchange and interest rate market prices, if applicable. PostNL uses derivative financial instruments solely for the purpose of hedging currency and interest exposure. PostNL uses commonly practised fair value valuation methods for its derivatives. The valuations represent a best approximation of the trading value of these derivatives at their valuation moment. The derivatives within the financial instruments are grouped within level 2 of the fair value measurement hierarchy.

The carrying value of PostNL's outstanding eurobonds is measured at amortised cost and amounted to €949 million at 29 June 2024 (31 December 2023: €651 million). The fair value of the outstanding eurobonds amounted to €931 million at 29 June 2024 (31 December 2023: €622 million). The increase related to the issuance of a €300 million sustainability-linked eurobond. The outstanding eurobonds are all at fixed interest rates.

The investments in financial assets at fair value through OCI of €17 million at 29 June 2024 (31 December 2023: €16 million) relate to investments in equity shares of non-listed companies.

The fair value of the other financial instruments approximates the carrying amount of these assets and liabilities.



Reporting responsibilities and risks

Board of Management compliance statement

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht) the Board of Management confirms to the best of its knowledge that:

- The consolidated interim financial statements for the six months ended 29 June 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of PostNL N.V. and its consolidated companies, and
- The interim report of the Board of Management gives a true and fair view of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het Financieel Toezicht).

Herna Verhagen – Chief Executive Officer

The Hague, 5 August 2024

Pim Berendsen – Chief Financial Officer

Risks

Understanding strategic, operational, compliance, financial and reporting risks is a vital element of our management's decision-making process. Management reviewed the risks regularly throughout the first half year of 2024 and will continue to do so during 2024. PostNL's risk management and internal control programme should be considered as a process to further support management. No matter how comprehensive a risk management and internal control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in its business and business environment or that risk responses will be fully effective.

It is important to note that new, unknown and/or unforeseen risks may be identified and/or occur. PostNL will react to changes in our risk profile and/or risk responses with due care and we will continuously analyse possible alternatives that may be included in a company's management and internal control framework.

Notwithstanding the above, any of the disclosed risks both individually and/or in aggregate, could have a material adverse effect on PostNL's financial position, results of operations, liquidity, solvency and the actual outcome of matters referred to in the forward-looking statements contained in this half-year report.

The Board of Management has reviewed PostNL's risk profile and confirms that the key risks originally disclosed in Chapter 11 of the 2023 PostNL N.V. Annual Report (pages 82 - 99) have been updated and will continue to require focused and decisive management attention in the second half of 2024. With reference to the disclosure in the Annual Report 2023, the risks which have the highest risk level are: competition, climate change, sustainable financial situation at Mail in the Netherlands, employee attraction, development and retention, execution of cost savings initiatives and total cost of labour.

Additionally, the Board of Management is of the view that considering the annually updated strategic plan and forecasts, in the current situation, it is justified that PostNL's financial reporting has been prepared on a going concern basis and that the Annual Report 2023 states those material risks and uncertainties that are relevant for the expectation of PostNL's continuity for the period of 12 months after the preparation of the Annual Report. This, however, does not imply that PostNL can provide certainty as to the realisation of strategic business and financial objectives. More details on how PostNL deals with risk management can be found in our Annual Report 2023, Chapter 11 Risk and opportunity management.

Alongside the risks outlined in this statement, the Board of Management acknowledges the importance of incorporating the Corporate Sustainability Reporting Directive (CSRD) in the PostNL N.V.'s Annual Report 2024. Although this requires a significant effort, achieving compliance with CSRD is a key matter for our organisation.