

2022

Navigating a turbulent environment

Annual general meeting of shareholders

The Hague — 18 April 2023



Agenda item 1

Opening and announcements

Opening en mededelingen



Agenda item 2

Board report 2022

Bestuursverslag 2022

Agenda item 2a

Discussion of the developments in the financial year 2022

Bespreking van de ontwikkelingen in het boekjaar 2022

Navigating a turbulent environment – Herna Verhagen, CEO PostNL



Challenging macroeconomic environment and industry dynamics

2022: a different year than we had anticipated

Global risk

- Ongoing geopolitical tensions
- Supply chain bottlenecks, mainly to and from Asia



Competitive dynamics

- Temporary overcapacity in parcels market due to capacity expansion in period of e-commerce slowdown
- Multi-vendorship and platforms
- In/outsourcing of first/last-mile and exits

Slowdown of economic growth

- Recession fears
- Inflationary pressure, lowering discretionary spend
- Low consumer confidence
- Tight labour market



Evolving consumer demands

- Sustainable delivery options
- Enhanced and extended service offering, e.g. real-time tracking and APLs

2022: Navigating a turbulent environment

Inflation and pressure on consumer spending impacted costs and development of e-commerce volumes, partly mitigated by swiftly taking adaptive measures

Main drivers	FY 2022 assumptions (28 February 2022)	Actual development	Impact on performance
Organic costs	~€70m inflationary cost pressure	<ul style="list-style-type: none"> Inflation significantly higher than assumed CLA agreements (PostNL, mail deliverers) indexation for delivery partners fuel and other 	<ul style="list-style-type: none"> ~€65m additional impact (bringing total organic cost increase to ~€135m)
Parcels	3% - 5% volume growth	<ul style="list-style-type: none"> 10.2% volume decline 	<ul style="list-style-type: none"> ~€100m assumed impact
Mail in the Netherlands	8% - 10% volume decline	<ul style="list-style-type: none"> 8.0% volume decline, at better end of range 	
		Swift response by taking necessary adaptive measures <ul style="list-style-type: none"> Scaling operations with volumes Tight control of overheads project, and indirect costs at Parcels 	<ul style="list-style-type: none"> ~€45m mitigating impact at Parcels
Normalised EBIT	€210m - €240m		<ul style="list-style-type: none"> €84m



2022: Solid progress with our strategic drivers

The leading logistics and postal service provider in, to and from the Benelux region

Strategic objectives



Customer value

Help customers grow their business

Secure a sustainable mail market



Social value

Attract and retain motivated people
Compliant, socially responsible
and sustainable



Environmental value

Improve environmental impact

Results 2022

33% Highly satisfied customers

517 Automated Parcel Lockers

98% Delivery quality Parcels
Netherlands

66% Active users of consumer
PostNL accounts

91% Delivery quality Mail in the
Netherlands

5,494 Retail locations

81% Employee engagement

7.4% Absenteeism

10% Pension indexation

3 CLAs secured

22% Emission-free last-mile delivery

25% Improvement in carbon efficiency
(g/km)

Net zero Offsetting any remaining
emissions

Our ambition: to be your favourite deliverer



Executing on our strategy

Strengthening our foundation and innovative capabilities



Parcels

Manage for sustainable growth



Mail

Manage for value



Digital **NEXT**

Support business performance and customer satisfaction

Solidify fundamentals

- Ongoing investments in ESG, digitalisation and network
- Additional plan to achieve ~€25m-30m savings as of 2024 by reduction of 200-300 FTEs in overhead and other indirect cost measures, mainly at Parcels
- Continue to implement adaptive measures
 - price adjustments
 - scaling organisation with volumes
 - productivity and efficiency improvements

Strong foundation

- Ready to capture e-commerce growth with flexible investment programme
 - fundamental growth drivers of e-commerce unchanged
 - impact of additional cost measures
- Keep mail accessible, reliable and affordable; adapting organisation
- Building on our platform: integrating customers, consumers and solutions through simple and smart digital journeys

Well-positioned to resume growth path at Parcels and maintain solid performance at Mail in the Netherlands



Fundamental drivers of e-commerce growth remain the same

Online penetration and retail spend and main drivers

Development e-commerce market

- Online penetration main contributor
 - non-mature market
 - upward long-term trend assumed to continue
- Also driven by retail spend
 - function of economic growth and consumer spend
 - current macroeconomic environment creates volatility and limited visibility on short-term development
 - long-term upward trend supported by improvement in macroeconomic conditions over time

Online penetration

(in % of retail spend, the Netherlands)



Source: Euromonitor

Confident in being well-positioned to resume growth path

Further executing on our strategy with improving performance as of 2024

Uncertain economic environment in short term

- Challenging conditions assumed to continue into 2023
 - prolonged uncertainty
 - limited visibility on short-term development of e-commerce
 - remaining inflationary pressure on costs
- Additional measures to strengthening foundation
 - solidifying fundamentals and strategic enablers

E-commerce growth potential going forward

- Fundamental growth drivers of e-commerce market unchanged
- Achieve strategy objectives
 - resume growth trajectory at Parcels, supported by upturn in economic conditions
 - maintaining solid performance at Mail in the Netherlands
 - accelerating strategic enablers and innovative capabilities
- Maintain solid financial position

Outlook 2023 and beyond

2023: normalised EBIT of €70m - €100m

Beyond 2023: gradual margin improvement, mainly at Parcels

Aim to pay dividend that develops substantially in line with operational performance



Performance 2022 and projections going forward – Pim Berendsen, CFO PostNL



Parcels: Volumes lower than anticipated with rising costs

Adaptive measures to mitigate impact inflationary pressure

	Revenue	Normalised EBIT	Volumes
FY 2022	€2,165m	€56m*	344m -5.4%
FY 2022	€2,136m	€230m	384m

Revenue mix	FY 2021	FY 2022
<i>in € million</i>		
Parcels Netherlands	1,566	1,431
Spring	475	404
Logistics solutions and other	409	396
Eliminations	(89)	(65)
Parcels	2,361	2,165

* Down €158m; down €132m when corrected for non-recurring Covid-19 impact (€(2)m impact in 2022 and €40m in 2021)

Volume

- Domestic volumes +2.3%, excluding non-recurring impact related to Covid-19; reported volumes -10.2%
- Cross-border activities below last year, but first signs of improvement visible in Q4 compared with Q1-Q3 2022
- Some market share loss, particularly related to temporary overcapacity in market

Revenue

- Volume decline partly offset by favourable price and mix effect
- Revenue at Spring in Asia down, Spring in Europe up; revenue at Logistics somewhat lower

Costs

- Inflationary pressure leads to significantly higher organic costs (labour and fuel)
 - new CLA PostNL agreed in December 2022 (retroactively implemented for Q2-Q4 2022)
- Higher costs related to sick leave
- Positive impact of adaptive measures to mitigate impact inflationary pressure, with operational efficiency in Q4 above 2021 levels



Mail in the Netherlands: Solid performance

Mitigating volume decline through moderate pricing policy and cost savings initiatives

	Revenue	Normalised EBIT	Volumes
FY 2022	€1,495m	€107m*	1,884m -8.1%
FY 2021	€1,683m	€160m	2,054m

* Down €53m; down €15m when corrected for non-recurring Covid-19 impact (€5m in 2022 and €42m in 2021)

Volume

- Overall volume decline of 8.0%, including fewer Covid-19-related items
- -6.4% underlying mail development, mainly due to substitution

Revenue

- Moderate pricing policy
- Less favourable mix, mainly due to fewer Covid-19-related volumes

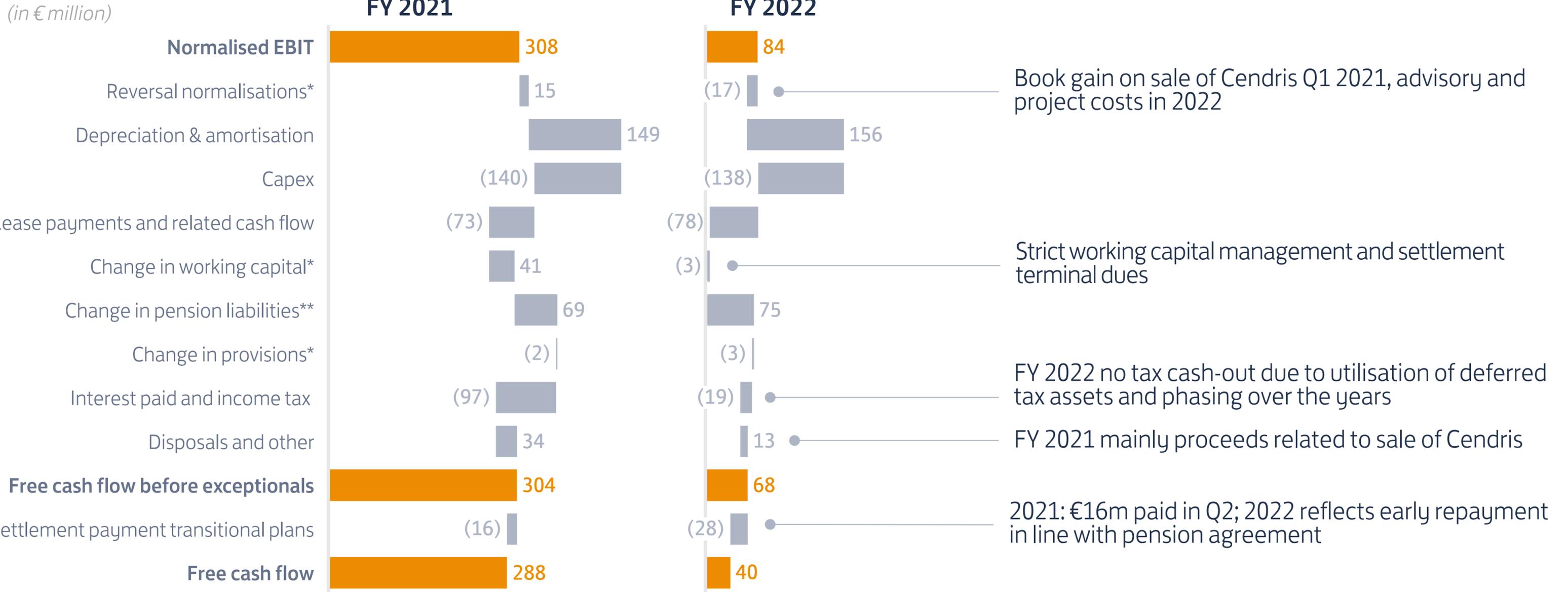
Costs

- Increased labour costs (new PostNL and mail deliverers CLA)
- Higher sick leave rates in tight labour market
- Cost savings achieved through efficiency gains in among others sorting and preparation processes



Full-year cash flow

Solid financial position with adjusted net debt at €467m at end of 2022



* Q4 2022 excluding (non-cash) accounting impact of pension agreement

** Based on regular pension contribution

Steering for solid balance sheet with positive consolidated equity

Adjusted net debt at €467m

Balance sheet

<i>(in € million)</i>	31 Dec 2022
Intangible fixed assets	389
Property, plant and equipment	457
Right-of-use assets	295
Other non-current assets	53
Other current assets	465
Cash	556
Assets classified as held for sale	6
Total assets	2,221

	31 Dec 2022
Consolidated equity	177
Non-controlling interests	2
Total equity	179
Pension liabilities	2
Long-term debt	697
Long-term lease liabilities	255
Other non-current liabilities	103
Short-term lease liabilities	75
Other current liabilities	909
Total equity & liabilities	2,221

Adjusted net debt

<i>(in € million)</i>	31 Dec 2021	31 Dec 2022
Short- and long-term debt	732	745
Long-term interest-bearing assets	(20)	(17)
Cash and cash equivalents	(848)	(556)
Net debt	(136)	172
Pension liabilities	67	18
Lease liabilities (on balance)	333	331
Lease liabilities (off balance)	17	29
DTA on operational lease liabilities	(79)	(83)
Adjusted net debt	203	467

Clear allocation of capital and sound financial framework

Aim for leverage ratio (adjusted net debt/EBITDA) below 2.0

Organic growth is main focus for value creation

1. Invest in business

- Capacity growth
- Related to cost savings
- Maintenance
- Working capital

2. Accelerate digital transformation

3. Dividend

- Develop in line with business performance
- Pay-out ratio around 70% - 90% of normalised comprehensive income

4. M&A/portfolio

- Disciplined approach based on strategic fit and return criteria

5. Excess cash

- Compensate for dilution due to stock dividend and/or share buy-back
- Optimisation of balance sheet and/or debt reduction

€0.16 dividend per share proposed to AGM

Financial framework

- Steering for a solid balance sheet with positive consolidated equity
- Aiming at a leverage ratio (adjusted net debt/EBITDA) not exceeding 2.0x (FY 2022: 1.9)
- Strict cash flow management

Proposed dividend of €0.16 per share

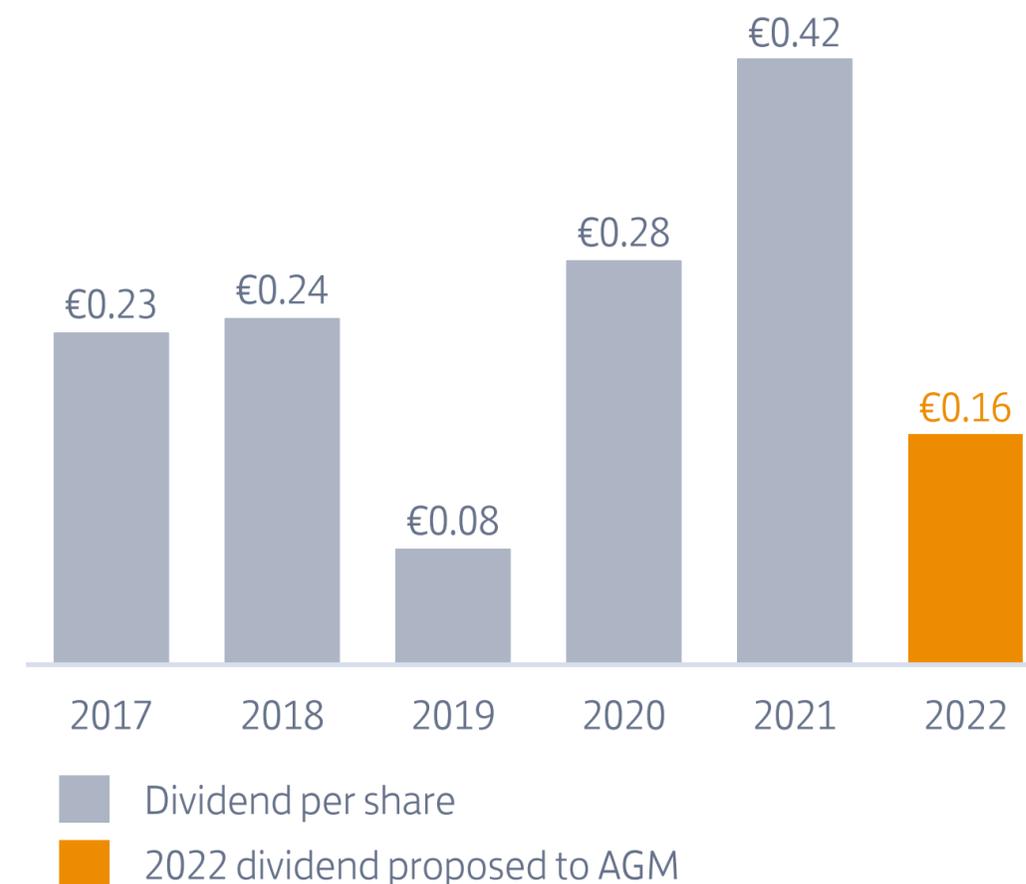
- Being properly financed in accordance with PostNL's financial framework is condition for distribution of dividend
- Aim to pay dividend that develops substantially in line with operational performance: 85% pay-out ratio of normalised comprehensive income (FY 2022: €90m) in 2022

€250m share buyback programme

- First tranche completed for total consideration of €164m
- More than neutralising intended dilutive impact of dividends over 2021-22
- Second tranche share buyback programme postponed

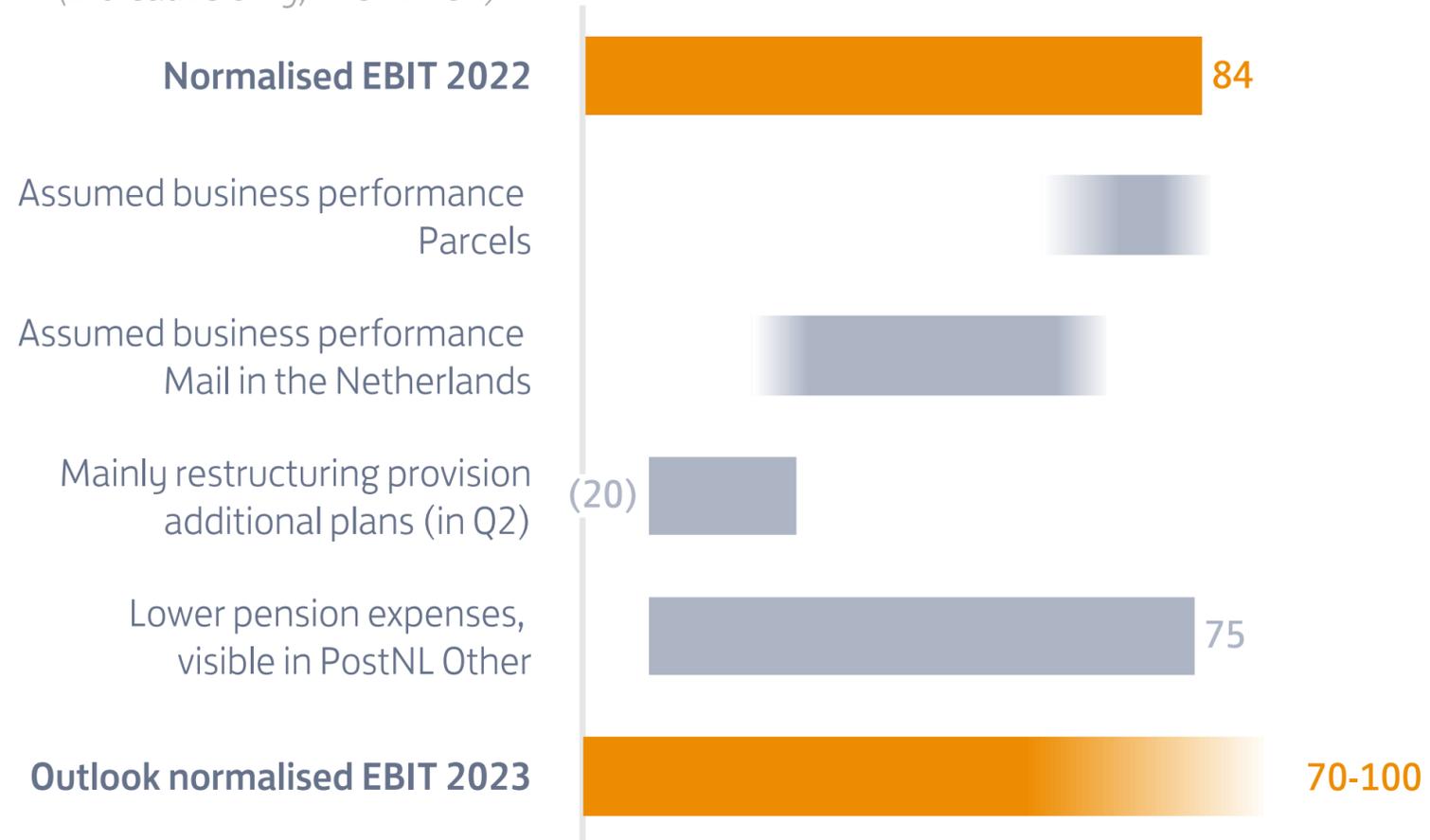
Dividend

(in €, per share)



Transition from 2022 to 2023

(indicative only, in € million)



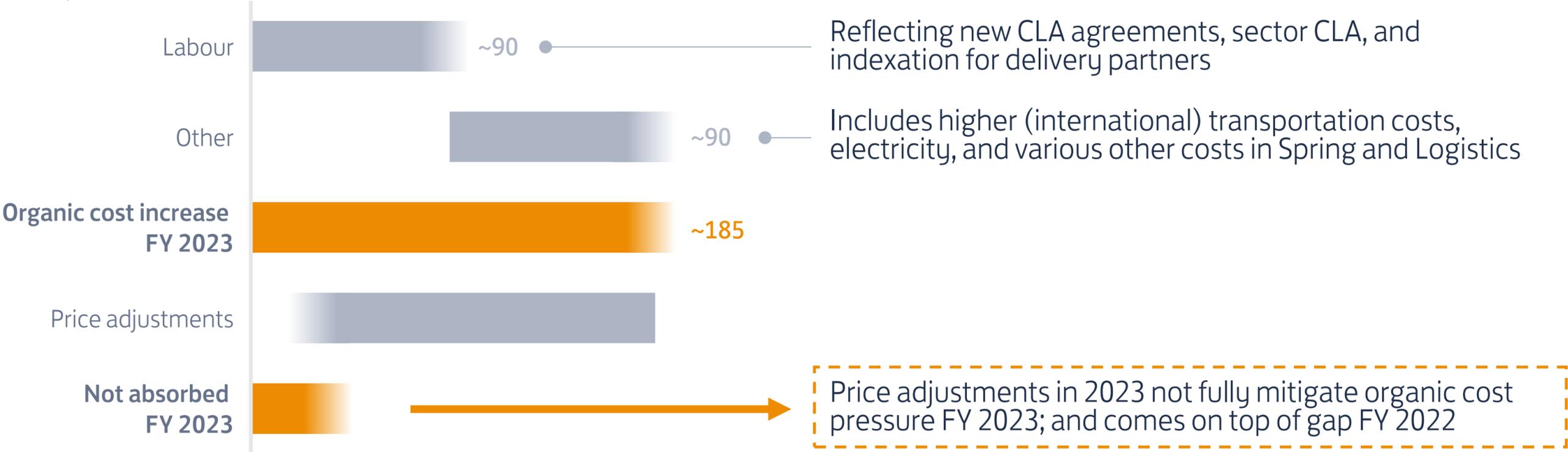
Assumptions business performance

- Macro-economic uncertainty assumed to continue into 2023
- Inflation key variable to watch
 - significant increase in organic costs
- Parcels
 - low single-digit volume decline, also taking into account some potential loss in market share
 - price adjustments and impact adaptive measures
 - improving performance in cross-border activities
- Mail in the Netherlands:
 - volume decline to continue at 8% - 10%
 - moderate pricing policy, ongoing regular cost savings programme

Significant organic cost pressure from inflation to continue

Majority of cost increases will be allocated to Parcels

(in € million)



* Gap FY 2022: ~€80m (FY 2022: ~€135m organic cost increases; ~€55m price adjustments)

Outlook 2023

Fundamental drivers e-commerce market remain unchanged

<i>(in € million)</i>	2022	2023 outlook
Normalised EBIT	84	70 – 100
Normalised comprehensive income	90	40 – 70
Free cash flow	40	10 – 40

Well-positioned to improve performance as of 2024

- ≥ 200 bps margin improvement PostNL, mainly at Parcels, and assumes upward trend in the development of e-commerce
 - upside dependent on economic conditions
- Step-up in EBITDA > than normalised EBIT, reflecting increase in D&A
- Aim to pay dividend that develops substantially in line with operational performance

Agenda item 2a

Discussion of the developments in the financial year 2022

Bespreking van de ontwikkelingen in het boekjaar 2022

Presentation KPMG

Presentatie KPMG





AGM Presentation

18 April 2023



Our audit

01. Our reports



Financial statements

- Auditor's report on consolidated and corporate financial statements
- Our opinion: unqualified
- Business Report, Governance and other information

Non-financial statements

- Assurance report (reasonable assurance) on non-financial information

05. Key audit matters



- Revenue related accruals (terminal dues)
- Compliance delivery partners in Belgium
- Change from defined benefit to defined contribution pension accounting
- Valuation of investments in subsidiaries (corporate financial statements)



04. Scope and approach



- Group audit
- Use of work of Internal Audit
- Involvement of specialists
- Transition as auditor
- Communication with Supervisory Board

02. Materiality



Materiality of EUR 15 million

- 0.5% of 2022 revenue
- Misstatements in excess of EUR 0.75 million are reported to the Supervisory Board

03. Risk Assessment



Audit response to:

- Going concern
- Fraud and non-compliance with laws and regulations
- Climate-related risks
- Other relevant areas not included in the LFAR:
 - Control environment
 - Quality of internal control
 - Cyber security in the audit
 - View on estimates

Agenda item 2a

Discussion of the developments in the financial year 2022

Bespreking van de ontwikkelingen in het boekjaar 2022

Agenda item 2b

Annual report 2022

Jaarverslag 2022



Agenda item 3

Remuneration

Remuneratie

Agenda item 3a

Advisory vote in relation to the remuneration report for the financial year 2022 (Resolution)

Adviserende stemming ten aanzien van het bezoldigingsverslag over het boekjaar 2022 (Besluit)

Advisory vote on Remuneration Report 2022

Remuneration report

15

The Supervisory Board is responsible for the remuneration policy of the Board of Management and its implementation. The Remuneration Committee oversees and continues to ensure the implementation of the remuneration policies as approved by the shareholders at the AGM and continues to ensure that decision-making is in line with those policies, PostNL's performance and strategic priorities.

Remuneration Committee

The Remuneration Committee consists of:

- Chairman: Ad Melkert
- Member: Nienke Meijer
- Member: Koos Timmermans
- Member: Hannie Vlug (as per 19 April 2022)

The main responsibilities of the Remuneration Committee are:

- Make a proposal for a clear and understandable remuneration policy for the Board of Management and the Supervisory Board

- Make a proposal for the remuneration of the individual members of the Board of Management
- Prepare the remuneration report
- Make a proposal for targets on performance measures included in the remuneration policy and measure achievements against those targets for variable remuneration components
- Make a proposal for the grant of (conditional) company shares.

Remuneration report 2022:

- Page 116-129 of the Annual Report 2022
- Actual Board of Management remuneration 2022: page 123
- 2022 remuneration implementation in line with policies
- Questions
- Advisory vote

Agenda item 4

Adoption of the 2022 financial statements (Resolution)

Vaststelling van de jaarrekening over het boekjaar 2022 (Besluit)

Agenda item 5

Dividend

Dividend



Agenda item 5a

Dividend policy

Dividendbeleid

Agenda item 5b

Appropriation of profit (Resolution)

Winstbestemming (Besluit)

Agenda item 6

Release from liability

Kwijting

Agenda item 6a

Release from liability of the members of the Board of Management (Resolution)

Het verlenen van kwijting aan de leden van de Raad van Bestuur (Besluit)

Agenda item 6b

Release from liability of the members of the Supervisory Board (Resolution)

Het verlenen van kwijting aan de leden van de Raad van Commissarissen (Besluit)

Agenda item 7

Supervisory Board

Raad van Commissarissen

- A. Announcement of vacancies in the Supervisory Board
Kennisgeving van vacatures in de Raad van Commissarissen
- B. Opportunity for the General Meeting to make recommendations for the appointment of members of the Supervisory Board
Gelegenheid tot het doen van aanbevelingen door de Algemene Vergadering voor de (her)benoeming van leden van de Raad van Commissarissen
- C. Announcement by the Supervisory Board of the persons nominated for appointment
Kennisgeving door de Raad van Commissarissen van de voor (her)benoeming voorgedragen personen

Agenda item 7d

Proposal to reappoint Marike van Lier Lels as member of the Supervisory Board (Resolution)

Voorstel tot herbenoeming van Marike van Lier Lels (Besluit)

Agenda item 7e

Proposal to appoint Martin Plavec as member of the Supervisory Board (Resolution)

Voorstel tot benoeming van Martin Plavec (Besluit)

Agenda item 7f

Announcement of vacancies in the Supervisory Board as per the close of the Annual General Meeting of Shareholders in 2024

Mededeling van vacatures in de Raad van Commissarissen die na afloop van de Jaarlijkse Algemene Vergadering van Aandeelhouders in 2024 zullen ontstaan

Agenda item 8

Intended reappointment of Herna Verhagen as member of the Board of Management

Voorgenomen herbenoeming van Herna Verhagen als lid van de Raad van Bestuur

Agenda item 9

Designation of the Board of Management

Machtiging van de Raad van Bestuur

Agenda item 9a

Designation of the Board of Management as authorised body to issue ordinary shares (Resolution)

Aanwijzing van de Raad van Bestuur als bevoegd orgaan tot het uitgeven van gewone aandelen (Besluit)

Agenda item 9b

Designation of the Board of Management as authorised body to limit or exclude the pre-emptive right upon the issue of ordinary shares (Resolution)

Aanwijzing van de Raad van Bestuur als bevoegd orgaan tot het beperken of uitsluiten van het voorkeursrecht bij uitgifte van gewone aandelen (Besluit)

Agenda item 9c

Authorisation of the Board of Management to have the company acquire its own shares (Resolution)

Machtiging van de Raad van Bestuur tot het verkrijgen van eigen aandelen door de vennootschap (Besluit)

Agenda item 10

Reduction of the issued share capital by cancellation of ordinary shares held by PostNL N.V. (Resolution)

Verlaging van het geplaatst kapitaal door intrekking van gewone aandelen gehouden door PostNL N.V. (Besluit)

Agenda item 11

Questions

Rondvraag



Agenda item 12

Close

Sluiting



	For	Against	Abstain
Agenda item 3.a Advisory vote in relation to the remuneration report for the financial year 2022	191,446,383 99.39%	1,174,100 0.61%	1,287,548
Agenda item 4. Adoption of the 2022 financial statements	193,381,892 99.85%	281,776 0.15%	244,363
Agenda item 5.b Appropriation of profit	193,186,276 99.69%	602,210 0.31%	119,545

	For	Against	Abstain
Agenda item 6.a Release from liability of the members of the Board of Management	185,890,724 99.48%	973,261 0.52%	7,044,046
Agenda item 6.b Release from liability of the members of the Supervisory Board	185,846,183 99.48%	978,140 0.52%	7,083,708
Agenda item 7.d Proposal to reappoint Marike van Lier Lels as member of the Supervisory Board	188,199,113 97.13%	5,562,188 2.87%	146,730
Agenda item 7.e Proposal to appoint Martin Plavec as member of the Supervisory Board	193,308,579 99.76%	460,496 0.24%	138,956



	For	Against	Abstain
Agenda item 9.a Designation of the Board of Management as authorised body to issue ordinary shares	191,628,390 98.89%	2,141,197 1.11%	138,444
Agenda item 9.b Designation of the Board of Management as authorised body to limit or exclude the preemptive right upon the issue of ordinary shares	191,411,987 98.78%	2,355,634 1.22%	140,410
Agenda item 9.c Authorisation of the Board of Management to have the company acquire its own shares	193,171,752 99.69%	595,945 0.31%	140,334
Agenda item 10. Reduction of the issued share capital by cancellation of ordinary shares held by PostNL N.V.	193,638,207 99.92%	161,850 0.08%	107,974

