

PostNL announces share buyback programme of €250 million to neutralise dilutive impact of dividends over 2021-23

Execution to start after 28 February 2022

Today, PostNL announced a share buyback programme to neutralise the assumed dilutive impact of shares issued in relation to dividends over 2021-23. The company will repurchase ordinary shares of PostNL N.V. to value of around €250 million, spread over 2022 and 2023.

Based on PostNL's strong financial position and in line with its capital allocation framework, the company is well positioned to launch a share buyback programme. The confidence in the successful execution of its strategy gives comfort around the longer term business performance and cash generation perspective. PostNL will continue to focus on value creation for all stakeholders through growth opportunities, cost savings initiatives, acceleration of digitalisation, environmental and social initiatives.

The programme further optimises PostNL's capital structure while adhering to its financial framework. The company is steering for a solid balance sheet with positive consolidated equity, aiming at a leverage ratio not exceeding 2.0 and applying strict cash flow management. Based on preliminary figures, at year-end 2021 the leverage ratio is expected to be ~0.5. The announced share buyback programme will be executed using cash on balance sheet.

The share buyback programme intends to neutralise the assumed dilutive impact from shares to be issued in relation to the dividends over the years 2021-23. The dividend will develop in line with business performance. The first tranche will be executed in 2022 and is set at between €160 million and €170 million, covering the assumed amount of stock dividend over the financial years 2021 and 2022. The execution of the programme will start after 28 February 2022 and is expected to be completed no later than October 2022. The second tranche will be executed in 2023.

The first tranche of the share buyback programme will be executed within the limitations of the existing authority granted by the Annual General Meeting on 20 April 2021, and will be carried out in compliance with the Market Abuse Regulation. Based on the closing price of PostNL's ordinary shares on Euronext Amsterdam on 24 January 2022, the share buyback of between €160 million and €170 million to be executed in 2022 represents approximately 9.5% of ordinary shares issued. PostNL intends to use any repurchased shares under the programme to cover its obligations under share-based remuneration arrangements and to deliver future dividend that may be partly paid in stock, at the choice of the shareholder. The remaining number of the bought-back shares will be cancelled.

PostNL has engaged an independent broker to start the execution of the share buyback programme on its behalf and to make trading decisions independently of PostNL. In accordance with regulations, PostNL will inform the market about progress made in the execution of this programme through press releases and via its website.

This press release contains inside information within the meaning of article 7(1) of the EU Market Abuse Regulation.

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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.

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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.