Domestic and cross-border parcels volume and continued focus on productivity mitigate challenging market conditions.

First quarter 2024 highlights

- Group operating income at 993.0 mEUR, -5.3% compared to last year.
- Group adjusted EBIT at 62.1 mEUR with a margin of 6.2%, down by 15.5 mEUR, including 7.7 mEUR acquisition costs at Corporate level. Group reported EBIT at 59.2 mEUR.
- Belgium (including -4.8 mEUR lower compensation for the six-month extension of the press concessions).
    - Total operating income at 565.8 mEUR.
    - Underlying mail volume decline of -6.7%, mitigated by price/mix impact of +3.9%.
    - Parcels volumes increased by +2.9% and price/mix impact of +1.3%.
    - Opex nearly stable (+0.7%) mainly driven by salary indexations and stable FTE's
    - Adjusted EBIT at 59.4 mEUR (10.5% margin) and reported EBIT at 59.3 mEUR.
- E-Logistics Eurasia
    - Total operating income at 169.4 mEUR (+2.1%) driven by continued expansion of Radial EU and Active Ants (+13.0%) and higher cross-border sales reflecting growth from existing and recent customer wins in Asia.
    - Opex decrease (-1.3%) from lower SG&A and material costs offsetting higher transport costs in line with volume development and mix.
    - Adjusted EBIT at 12.0 mEUR (7.1% margin) and reported EBIT at 11.4 mEUR (6.7% margin).
- E-Logistics North America
    - Total operating income at 282.5 mEUR (-16.6% or -15.5% at constant exchange rate), reflecting lower volumes at Radial and Landmark US.
    - Opex decrease (-17.0% or -15.9% at constant exchange rate) from lower variable costs including continued labor management and productivity gains.
    - Adjusted EBIT at 8.8 mEUR (3.1% margin) and reported EBIT at 6.7 mEUR.

CEO quote

Chris Peeters, CEO of bpostgroup: "*In Belgium, the results show resilience. We recently achieved a milestone by reaching an agreement with the Flemish editors on the newspaper distribution. We are doing our utmost to do the same with the French-speaking editors soon.*

While our Eurasian activities continue their growth path, our revenues in North America remain under pressure due to adverse market conditions; we take the necessary measures to mitigate this through continued focus on productivity gains.

The envisioned acquisition of Staci is an important stepping stone in the transformation of our group. It brings our growth strategy to live and will enable us to refresh and expand our service offering, in order to appeal to a whole new B2B segment and to create new market opportunities."

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Key figures[1]

1st quarter (in million EUR)	Reported		Adjusted		
	2023	2024	2023	2024	% Δ
Total operating income	1,048.9	993.0	1,048.9	993.0	-5.3%
Operating expenses (excl. D&A)	898.1	855.8	898.1	855.8	-4.7%
EBITDA	150.8	137.2	150.8	137.2	-9.0%
Depreciation and amortization	76.4	78.0	73.2	75.2	2.7%
EBIT	74.4	59.2	77.6	62.1	-20.0%
Margin (%)	7.1%	6.0%	7.4%	6.2%	
Result before tax	64.9	60.2	68.0	63.1	-7.3%
Income tax expense	19.0	18.7	19.8	19.4	-2.0%
Net result	45.9	41.6	48.3	43.7	-9.4%
FCF	176.3	222.9	216.0	258.3	+19.6%
Net debt/(Net cash) at 31 March	304.3	210.0	304.3	210.0	-31.0%
CAPEX	56.4	13.6	56.4	13.6	-75.8%
Average FTE & Interims	36,768	35,289	36,768	35,289	-4.0%

[1] Adjusted figures are not audited and definition of adjusted is included in section Alternative Performance Measures.

Group overview

First quarter 2024

Compared to last year, **total operating income** decreased by -55.9 mEUR or -5.3% to 993.0 mEUR, driven by E-Logistics North America.

- E-Logistics North America external operating income decreased by -56.0 mEUR given the revenue pressure in a challenging North American market.
- External operating income Belgium slightly decreased by -2.8 mEUR, driven by lower mail revenues (amongst other reduced State compensation for press distribution) and partially offset by parcel volume growth.
- External operating income of E-Logistics Eurasia increased by +4.4 mEUR driven by continued momentum in e-commerce fulfilment and strong Asian cross-border revenue growth, partially offset by adverse UK market conditions.
- Corporate external operating income decreased by -1.5 mEUR in line with lower building sales.

Operating expenses (including D&A) decreased by +40.6 mEUR (or -4.2%) to 933.8 mEUR. This decrease was mainly driven by lower opex in line with revenue development E-Logistics North America and was partially offset by transaction costs related to the acquisition of Staci and higher payroll costs.

As a result the **reported EBIT** (59.2 mEUR) decreased by -15.2 mEUR compared to last year, including -9.2 mEUR corporate EBIT decline in line with lower sales buildings and acquisition costs of Staci.

Net financial result (i.e., net of financial income and financial costs) amounted to 1.0 mEUR and increased by +10.6 mEUR compared to last year, mainly due to favourable gains from exchange differences, higher financial income on cash and cash equivalents and lower interests on loans.

Income tax expenses amounted to 18.7 mEUR and slightly decreased by 0.4 mEUR compared to last year.

Group net profit at 41.6 mEUR, decreased by -4.3 mEUR compared to last year.

Business Unit performance: Belgium

Belgium In million EUR	1st quarter 2023	 2024	 % Δ
Transactional mail	195.1	192.0	-1.6%
Advertising mail	45.3	45.6	0.7%
Press	88.8	82.4	-7.2%
Parcels Belgium	120.8	125.8	4.2%
Proximity and convenience retail network	72.6	69.7	-4.0%
Value added services	32.5	30.8	-5.3%
Intersegment operating income & other	11.4	19.5	71.8%
TOTAL OPERATING INCOME	566.4	565.8	-0.1%
Operating expenses	481.8	485.0	0.7%
EBITDA	84.7	80.8	-4.6%
Depreciation, amortization (reported)	21.2	21.6	1.9%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	63.5	59.3	-6.7%
Margin (%)	11.2%	10.5%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	63.7	59.4	-6.7%
Margin (%)	11.2%	10.5%	

Total operating income in the first quarter 2024 amounted to 565.8 mEUR and showed a slight decrease of -0.6 mEUR or -0.1%. Higher intersegment revenues from inbound cross-border volumes handled in the domestic network and -6.25 mEUR impact (other revenue) of repricing the services to the State in the first quarter 2023.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) decreased by -9.2 mEUR to 320.0 mEUR. **Transactional mail** noted an underlying volume decline of -8.3% for the first quarter 2024 compared to -9.9% at the same period last year. Revenues from **Advertising mail** slightly increased (+0.3 mEUR) as the underlying volume decrease of -3.8% was more than offset by the price/mix. **Press** revenues decreased by -6.4 mEUR, including -4.8 mEUR from reduced governmental compensation for extended Press concessions.
Total Domestic mail volume decrease impacted revenues by -21.4 mEUR (-6.7% underlying volume decline against -8.8% in the first quarter of 2023), of which -4.8 mEUR from reduced governmental compensation for extended Press concessions, partially offset by +12.2m (+3.9%) price/mix impact. Excluding Press, underlying volume decline of -7.4% and price mix impact of +6.3%.

Belgium Evolution underlying volumes	1Q23	2Q23	3Q23	4Q23	FY 23	1Q24
Domestic mail	-8.8%	-8.3%	-8.2%	-8.1%	-8.4%	-6.7%
Transactional mail	-9.9%	-8.5%	-9.2%	-9.2%	-9.2%	-8.3%
Advertising mail	-11.8%	-14.8%	-12.3%	-8.7%	-11.9%	-3.8%
Press	-9.5%	-3.7%	-7.9%	-11.2%	-9.4%	-10.3%
Parcels	+9.1%	+7.8%	+5.5%	+3.4%	+6.3%	+2.9%

Parcels Belgium increased by +5.0 mEUR (or +4.2%) to 125.8 mEUR driven by parcels volumes growth of +2.9% against high comps of the first quarter 2023 with some delay in anticipated additional volumes from existing customers and price mix impact of +1.3%.

Proximity and convenience retail network decreased by -2.9 mEUR to 69.7 mEUR. This decrease was mainly driven by the indexation of the new Management Contract offset by lower banking revenues.

Value added services amounted to 30.8 mEUR and showed a decrease of -1.7 mEUR versus last year mainly due to higher operational revenues from fines solutions and document management, more than offset by negative repricing impact now reported under Value added services (vs Other revenues in the first quarter 2023).

Operating expenses (including D&A) remained nearly stable (slight increase of -3.6 mEUR or +0.7%), mainly driven by higher salary cost per FTE (+2.0% from 1 salary indexation year-over-year) and nearly stable FTE's.

Reported EBIT and adjusted EBIT decreased by -4.3 mEUR and amounted respectively to 59.3 mEUR and 59.4 mEUR with a margin of 10.5% compared to 11.2% last year.

Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia	1st quarter		
In million EUR	2023	2024	% Δ
E-commerce logistics	71.9	74.4	3.4%
Cross-Border	87.4	88.9	1.7%
Intersegment operating income & other	6.6	6.1	-7.1%
TOTAL OPERATING INCOME	165.9	169.4	2.1%
Operating expenses	150.8	148.8	-1.3%
EBITDA	15.1	20.6	35.9%
Depreciation, amortization (reported)	8.2	9.2	11.7%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	6.9	11.4	64.7%
Margin (%)	4.2%	6.7%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	7.8	12.0	53.8%
Margin (%)	4.7%	7.1%	

Total operating income increased by +3.5 mEUR (+2.1%) and amounted to 169.4 mEUR.

E-commerce logistics operating income in the first quarter 2024 amounted to 74.4 mEUR, an increase of +2.5 mEUR or +3.4% compared to the same period of 2023. Revenue growth of Radial Europe and Active Ants of +13.0% reflecting higher sales from international expansion (new customer onboardings) and upselling from existing customers. Furthermore, lower revenues at Dyna reflecting higher volumes at Dynalogic offset by less devices to be repaired at DynaFix/Sure.

Cross-Border operating income in the first quarter 2024 amounted to 88.9 mEUR, an increase of +1.5 mEUR (or +1.7%) compared to the same period of 2023, mainly driven by new customers and continued growth from recent customer wins in Asia partly offset by continued adverse UK market conditions.

Operating expenses (including D&A) remained nearly stable (down by -1.0 mEUR or +0.6%) and are mainly explained by lower material costs in line with lower volumes at DynaFix/Sure, lower services and other goods, stable salary costs with inflationary pressures offset by lower FTE's, offsetting higher volume driven transport costs with favorable mix tied to volumes with destination Belgium.

Reported EBIT increased by +4.5 mEUR and adjusted EBIT increased by +4.2 mEUR and amounted respectively to 11.4 mEUR and 12.0 mEUR, improved profitability supported by favourable mix at cross-border and lower operating expenses.

Business Unit performance: E-Logistics North America

E-Logistics North America	1st quarter		
In million EUR	2023	2024	% Δ
E-commerce logistics	336.4	281.3	-16.4%
Intersegment operating income & other	2.2	1.2	-43.7
TOTAL OPERATING INCOME	338.6	282.5	-16.6%
Operating expenses	298.6	247.9	-17.0%
EBITDA	40.0	34.6	-13.6%
Depreciation, amortization (reported)	27.2	27.9	2.9%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	12.9	6.7	-48.2%
Margin (%)	3.8%	2.4%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	15.1	8.8	-41.3%
Margin (%)	4.4%	3.1%	

Total operating income amounted to 282.5 mEUR and decreased by -56.1 mEUR or -16.6% (-15.5% at constant exchange rate).

E-commerce logistics decreased by -55.1 mEUR to 281.3 mEUR or -16.4%. At constant exchange rate, operating income decreased by -15.3%. Lower revenues at Radial (-19.1% excluding exchange rate impact) resulting from lower sales from existing customers and contribution of new customers partially mitigating revenue churn from terminated contracts announced in 2023. Furthermore, lower revenues at Landmark US reflecting Amazon's insourcing.

Radial North America (*)	1st quarter		
In million USD (Adjusted)	2023	2024	% Δ
Total operating income	294.7	238.5	-19.1%
EBITDA	31.2	26.9	-13.8%
Profit from operating activities (EBIT)	9.2	3.7	-59.4%

(*) Business unit performance expressed in USD of the consolidated Radial entities held by bpost North America Holdings Inc.

Operating expenses (including D&A) decreased by +49.9 mEUR or -15.3%. At constant exchange rate costs decreased by -14.2% resulting from lower variable opex in line with revenue development, continued strong variable labor management and productivity gains, resulting in variable contribution margin improvement at Radial.

EBIT reported and **adjusted** at respectively 6.7 mEUR and 8.8 mEUR. EBIT decrease and margin dilution reflecting revenue pressure and lower fixed cost coverage, partly mitigated by productivity improvement at Radial.

Business Unit performance: Corporate

Corporate In million EUR	1st quarter 2023	 2024	 % Δ
External operating income	2.5	1.1	-58.7%
Intersegment operating income	107.3	104.8	-2.3%
TOTAL OPERATING INCOME	109.8	105.9	-3.6%
Operating expenses	98.8	104.6	5.9%
EBITDA	11.0	1.3	-
Depreciation, amortization (reported)	19.8	19.3	-2.5%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	(8.9)	(18.1)	-
Margin (%)	-8.1%	-17.1%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	(8.9)	(18.1)	-
Margin (%)	-8.1%	-17.1%	

External operating income in the first quarter 2024 decreased by -1.5 mEUR compared to last year in line with lower sales buildings.

Higher net operating expenses (+7.7m EUR including D&A) after intersegment, reflecting inflationary pressure on payroll costs (+2.0% from 1 salary indexation) and stable overhead year-over-year and 7.7m EUR from merger and acquisition costs tied to the acquisition of Staci.

Reported & adjusted EBIT at -18.1 mEUR down by 9.2 mEUR.

Cash flow statement

1st quarter (in million EUR)	Reported			Adjusted		
	2023	2024	% Δ	2023	2024	% Δ
Cash flow from operating activities	230.6	236.6	+2.6%	270.3	272.0	+0.6%
out of which CF from operating activities before Δ in WC & provisions	149.9	155.8	+3.9%	149.9	155.8	+3.9%
Cash flow from investing activities	(54.3)	(13.6)	-74.9%	(54.3)	(13.6)	-74.9%
Free cash flow	176.3	222.9	+26.4%	216.0	258.3	+19.6%
Financing activities	(34.0)	(33.6)	-1.3%	(34.0)	(33.6)	-1.3%
Net cash movement	142.3	189.3	+33.1%	182.0	224.7	+23.5%
Capex	56.4	13.6	-75.9%	56.4	13.6	-75.9%

In the first quarter 2024, the net cash flow increased compared to the same period last year by 47.1 mEUR to 189.3 mEUR. This increase was mainly driven by lower capex in 2024.

Reported and adjusted free cash flow amounted respectively to 222.9 mEUR and 258.3 mEUR.

Cash flow from operating activities before change in working capital and provisions slightly increased compared to the first quarter 2023 in line with the lower EBITDA counterbalanced by more favourable income tax settlements.
Cash outflow related to collected proceeds due to Radial's clients was 4.3 mEUR lower (35.4 mEUR outflow in the first quarter 2024 compared to an outflow of 39.7 mEUR in the same period last year).
The change in working capital and provisions remained stable compared to last year (-4.2 mEUR). Mainly explained by the deferred payment of 2022 withholding taxes on payroll in the first quarter 2023 (+30.6 mEUR), a measure granted at that time by the Belgian government in the context of the energy crisis, and was compensated by the lower State compensation - as foreseen – for the Press concession (-34.6 mEUR).

Investing activities resulted in a cash outflow of 13.6 mEUR in the first quarter 2024, compared to a cash outflow of 54.3 mEUR for the same period last year. This evolution was mainly explained by lower capex (+42.8 mEUR). High level of capex in 2023 was the translation of the capital allocation strategy in which logistics real estate for Radial US was purchased instead of leased (in line with Capex guidance). Capex stood at 13.6 mEUR in the first quarter 2024 and was related to international e-commerce logistics, domestic fleet, operational infrastructure and parcels capacity.

In the first quarter 2024 the cash outflow relating to financing activities amounted to -33.6 mEUR compared to -34.0 mEUR last year, mainly explained by lease liabilities.

Unaudited Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Income Statement (unaudited)

In million EUR	1st quarter 2023	1st quarter 2024
Revenue	1,050.8	990.9
Other operating income	(1.9)	2.1
TOTAL OPERATING INCOME	1,048.9	993.0
Material costs	(22.0)	(20.2)
Services and other goods	(439.9)	(390.3)
Payroll costs	(427.4)	(438.1)
Other operating expenses	(8.8)	(7.3)
Depreciation, amortization and impairment	(76.4)	(78.0)
TOTAL OPERATING EXPENSES	(974.5)	(933.8)
RESULT FROM OPERATING ACTIVITIES (EBIT)	74.4	59.2
Financial income	3.0	13.5
Financial costs	(12.6)	(12.5)
Share of results of associates and joint ventures	0.0	(0.0)
RESULT BEFORE TAX	64.9	60.2
Income tax expense	(19.0)	(18.7)
RESULT FOR THE PERIOD (EAT)	45.9	41.6
Attributable to:		
Equity holders of the parent	46.3	41.6
Non-controlling interests	(0.5)	0.0

EARNINGS PER SHARE

In EUR	1st quarter 2023	1st quarter 2024
▶ basic, result for the period attributable to ordinary equity holders of the parent	0.23	0.21
▶ diluted, result for the period attributable to ordinary equity holders of the parent	0.23	0.21

As far as bpost is concerned, no effects of dilution affect the net result attributable to ordinary equity holders and the weighted average number of ordinary shares as there are no dilutive potential shares in issuance.

Interim Condensed Consolidated Statement of Financial Position

In million EUR	31 December 2023 (audited)	31 March 2024 (unaudited)
Assets		
Non-current assets		
Property, plant and equipment	1,372.0	1,345.5
Intangible assets	810.9	815.8
Shares in equity	0.0	0.0
Investments in associates and joint ventures	0.1	0.1
Investment property	3.4	3.4
Deferred tax assets	22.6	36.8
Trade and other receivables	31.7	38.8
	2,240.6	2,240.2
Current assets		
Inventories	25.4	21.8
Income tax receivable	12.0	3.6
Trade and other receivables	969.5	762.8
Cash and cash equivalents	870.6	1,071.8
	1,877.6	1,860.0
Assets held for sale	0.6	0.6
TOTAL ASSETS	4,118.8	4,100.8
Equity and liabilities		
Issued capital	364.0	364.0
Reserves	550.6	617.2
Foreign currency translation	46.8	64.1
Retained earnings	65.7	41.6
Equity attributable to equity holders of the Parent	1,027.0	1,087.0
Equity attributable to non-controlling interests	(0.5)	(0.5)
TOTAL EQUITY	1,026.5	1,086.4
Non-current liabilities		
Interest-bearing loans and borrowings	1,152.0	1,141.0
Employee benefits	249.8	249.9
Trade and other payables	2.4	2.4
Provisions	11.5	11.6
Deferred tax liabilities	9.9	25.0
	1,425.5	1,429.9
Current liabilities		
Interest-bearing loans and borrowings	139.0	140.7
Bank overdrafts	0.0	0.0
Provisions	94.5	94.2
Income tax payable	2.9	34.9
Derivative instruments	0.2	0.4
Trade and other payables	1,430.1	1,314.4
	1,666.8	1,584.6
Liabilities directly associated with assets held for sale	0.0	0.0
TOTAL LIABILITIES	3,092.3	3,014.5
TOTAL EQUITY AND LIABILITIES	4,118.8	4,100.8

Property, plant and equipment decreased as the depreciation outpaced the capital expenditure and the increase in the right-of-use assets.

Intangible assets increased driven by the evolution of the exchange rate (mainly impacting goodwill in USD) and the capital expenditures, partially offset by the depreciation.

Trade and other receivables decreased driven by the settlement of the press concession for 2023 and the peak sales of year-end 2023.

The increase in cash and cash equivalents was mainly due to the free cash flow generation of 222.9 mEUR, partially offset by the net cash outflow of financing activities (33.6 mEUR).

Equity increased mainly explained by the realized profit and the exchange differences on translation of foreign operations.

The decrease of trade & other payables was mainly due to the decrease of social and trade payables, partially offset by the advance payment received for the SGEI compensation and the press concessions. The decrease of the trade payables was mainly a phasing element given the peak season at year-end.

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

In million EUR	1st quarter 2023	2024
Operating activities		
Result before tax	64.9	60.2
Adjustments to reconcile result before tax to net cash flows		
Depreciation and amortization	76.4	78.0
Impairment on debtors	(1.5)	(2.6)
Gain on sale of property, plant and equipment	(1.4)	0.0
Gain on disposal of subsidiaries	0.0	0.0
Net financial results	9.6	(1.0)
Other non-cash items	(2.7)	0.0
Change in employee benefit obligations	(3.4)	(1.6)
Share of results of associates and joint ventures	(0.0)	0.0
Dividends received	0.0	0.0
Income tax paid	(4.0)	(3.2)
Income tax (paid)/received on previous years	12.2	25.9
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	149.9	155.8
Decrease/(increase) in trade and other receivables	210.3	207.1
Decrease/(increase) in inventories	1.6	3.6
Increase/(decrease) in trade and other payables	(91.9)	(94.3)
Increase/(decrease) in collected proceeds due to clients	(39.7)	(35.4)
Increase/(decrease) in provisions	0.3	(0.2)
NET CASH FROM OPERATING ACTIVITIES	230.6	236.6
Investing activities		
Proceeds from sale of property, plant and equipment	2.1	0.0
Disposal of subsidiaries, net of cash disposed of	0.0	0.0
Acquisition of property, plant and equipment	(54.8)	(12.1)
Acquisition of intangible assets	(1.6)	(1.6)
Loan to associate	0.0	0.0
Acquisition of subsidiaries, net of cash acquired	0.0	0.0
NET CASH USED IN INVESTING ACTIVITIES	(54.3)	(13.6)
Financing activities		
Proceeds from cash and cash equivalents and borrowings	2.3	6.1
Payments related to borrowings	0.0	0.0
Interests related to borrowings	(2.2)	(0.0)
Payments related to lease liabilities	(34.2)	(39.7)
Dividends paid	0.0	0.0
Dividends paid to minority interests	0.0	0.0
NET CASH FROM FINANCING ACTIVITIES	(34.0)	(33.6)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	142.3	189.3
NET FOREIGN EXCHANGE DIFFERENCE	(3.9)	3.5
CASH CLASSIFIED AS ASSETS HELD FOR SALE		
Cash and cash equivalents less bank overdraft and bpaid balance as of 1 January	1,050.6	839.3
Cash and cash equivalents less bank overdraft and bpaid balance as of 31 March	1,189.0	1,032.1
MOVEMENTS BETWEEN 1 JANUARY AND 31 MARCH	138.4	192.8

Notes to the interim Condensed Consolidated Financial Statements

1. Basis for preparation and accounting policies

The interim condensed consolidated financial statements of bpostgroup have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the European Union. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with bpostgroup's annual consolidated financial statements as at December 31, 2023.

The interim financial statements have not been subject to review by the independent auditor. bpostgroup has prepared the financial statements on the basis that it will continue to operate as a going concern as there are no material uncertainties and there are sufficient resources to continue operations.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of bpostgroup's annual consolidated financial statements for the year ended December 31, 2023. There are no IFRS standards, amendments or interpretations taking effect for the first time for the financial year beginning 1 January 2024 that have a material impact on the 2024 accounts of bpost.

2. Compliance reviews

This press release should be read in conjunction with bpostgroup's annual financial statements of December 31, 2023. The note 6.27 related to provisions (amongst other the compliance reviews related to the processing of traffic fines, the management of 679 accounts and the delivery/cancellation of license plates) as well as the note 6.30 contingent liabilities and contingent assets (amongst other the compliance review regarding the public tender of the Belgian State for the distribution of recognized newspapers and periodicals in Belgium) are materially unchanged from those described in bpostgroup's annual financial statements as of December 31, 2023.

3. Update on future Press distribution and commercial negotiations

Following the government announcement in December 2023 to end the Press concessions (newspapers and periodicals) as of June 30, 2024, press editors now have to negotiate with distributors. bpost is making every effort to retain most of its current volumes and avoid a social plan.

Background

Press concession revenues amounted to 255 mEUR in 2023 (with an EBIT margin cap of 7.5%, as imposed by the European Commission), including a State compensation of 163 mEUR and the remainder being supported by press editors. In December 2023 the government announced a six months extension of the ongoing Press concessions until June 30, 2024, with a reduced State compensation of 75 mEUR. As of July 1, 2024, the press concession will end and Belgian press editors will enter into commercial agreements with the distributors of their choice. bpost will no longer receive direct compensation from the State and the financial support, now reduced to 50 mEUR per annum until 2026, will now take the form of a tax credit to the editors, with the terms and conditions set by the government on March 20, 2024.

Update on commercial negotiations

<u>Dutch-speaking newspaper publishers</u>

On April 26, 2024, Flemish publishers and bpost reached an agreement on further cooperation in the coming years. This agreement allows bpost to avoid a social shock and achieve a soft transition to a different distribution model as of 2025.

bpost has made every effort to convince the publishers with a competitive offer for the provision of a high-quality service. Concretely, this means that bpost plans a gradual transfer of newspaper volumes to its subsidiary AMP as of 2025. AMP will work with subcontractors employing permanent staff for the distribution of newspapers. The agreement aims to secure c. 75% of the current volume delivered by bpost in the Dutch-speaking part of the country, which themselves represent c. 80% of the total newspaper volumes handled by bpost.

bpost services will also have to be gradually adapted to the continual reduction of newspaper and mail volumes. The reduction of these volumes, which cannot be completely offset by increasing parcel volumes, shows that bpost needs to increasingly adapt to the current context. This is essential for the continuity of the Belgian business and to avoid social consequences going forward.

These two measures mean that bpost is able to safeguard the jobs of employees on open ended contracts in Flanders.

French-speaking newspaper publishers
Discussions continue with French-speaking newspaper publishers. Here again, the aims are to retain the highest possible newspaper volume, avoid social consequences and safeguard the jobs of employees on open ended contracts.

New service offer for magazine deliveries
bpost presented its new magazine offer to BIPT/IBPT on April 15, 2024. In order to meet the diverse requirements of the various organizations issuing periodicals (including commercial companies and NGOs), bpost has developed a new delivery service offer, that is in line with the universal postal service obligations and that takes into account the needs of the customers. The goal of the new service offer is to safeguard the continuity of the business, with due consideration for the specifics of the Belgian media landscape.

Customer visits have already been scheduled and the offer will be available online on the bpost website early May.

Strikes
bpost was impacted by social unrest during negotiations regarding the future press distribution. Sorting and distribution activities were affected from April 22 to April 25, mainly in Brussels and in Wallonia.

4. Events after the reporting period

No significant events impacting bpost group’s financial position have been observed after the statement of financial position date.

Alternative Performance Measures (unaudited)

bpostgroup also analyses the performance of its activities in addition to the reported IFRS figures with alternative performance measures ("APMs"). The definitions of these alternative performance measures can be found below.

Alternative performance measures (or non-GAAP measures) are presented to enhance an investor's understanding of the operating and financial performance, to aid in forecasting and to facilitate meaningful comparison of the result between periods.

The presentation of alternative performance measures is not in conformity with IFRS and the APMs are not audited. The APMs may not be comparable to the APMs reported by other companies as those companies may compute their APMs differently from bpostgroup.

The calculation of the adjusted performance measure and adjusted operating free cash flow can be found below the definitions. The APMs derived from items reported in the financial statements can be calculated with and reconciled directly to the items as disclosed in the definitions below.

Definitions:

Adjusted performance (adjusted operating income/adjusted EBITDA/adjusted EBIT/adjusted EAT): bpostgroup defines the adjusted performance as operating income/EBITDA/EBIT/EAT excluding the adjusting items. Adjusting items represent significant income or expense items that due to their non-recurring character are excluded from performance analyses. bpostgroup uses a consistent approach when determining if an income or expense item is adjusting and if it is significant enough to be excluded from the reported figures to obtain the adjusted ones. An adjusting item is deemed to be significant if it amounts to 20.0 mEUR or more. All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the year-to-date amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been adjusted are also adjusted whatever the amount they represent. The reconciliation of the adjusted performance is available below the definitions.

bpostgroup's management believes this measure provides the investor a better insight and comparability over time of the economic performance of bpostgroup.

Constant exchange rate: bpostgroup excludes in the performance at constant exchange rate the impact of the different exchange rates applied in different periods for the segment E-Logistics North America. The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period.

bpostgroup's management believes that the performance at constant exchange rate provides the investor an understanding of the operating performance of the entities part of the E-Logistics North America segment.

Capex: capital expenditure for tangible and intangible assets including capitalised development costs, excluding right of use assets.

Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA): bpostgroup defines EBITDA as earnings from operating activities (EBIT) plus depreciations and amortizations and is derived from the consolidated income statement.

Net debt/(Net cash): bpostgroup defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings (incl. lease liabilities) plus bank overdrafts minus cash and cash equivalents and is derived from the consolidated statement of financial position.

Operating free cash flow (FCF) and adjusted Operating free cash flow: bpostgroup defines FCF as the sum of net cash from operating activities and net cash used in investing activities and is derived from the consolidated statement of cash flows. Adjusted operating free cash flow is the operating free cash flow as defined excluding working capital impact of "the collected proceeds due to clients". The reconciliation is available below the definitions. In some cases, Radial performs the billing and receiving of payments on behalf of their customers. Under this arrangement, Radial routinely remits billed amounts back to the client, and performs periodical settlements with the client on amounts owed to or from Radial based on billings, fees, and amounts previously remitted. Adjusted operating free cash flows excludes the cash Radial received on behalf of their customers as Radial has no or little impact on the amount or the timing of these payments.

Evolution Parcels volume: bpostgroup defines the evolution of Parcels as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the parcels processed by bpost SA/NV in the last mile delivery.

Radial North America Performance in USD: bpostgroup defines the performance of Radial North America as the total operating income, EBITDA and EBIT expressed in USD following the consolidation of the group of Radial entities held by bpost North America Holdings Inc. Transactions between the group of Radial entities and other bpostgroup entities are not eliminated and are part of the total operating income, EBITDA and EBIT.

bpostgroup's management believes this measure provides the investor a better insight in the performance of Radial and the scale up of its US presence and the expanding of its product offering into value-added activities that cover the entire value chain in e-commerce logistics and omnichannel technology.

Underlying mail volume (Transactional mail, Advertising mail and Press): bpostgroup defines underlying mail volume as the reported mail volume including some corrections, for example the impact of mail volumes related to elections.

Reconciliation of reported to adjusted financial metrics

	1st quarter		
In million EUR	2023	2024	% Δ
Total operating income	1,048.9	993.0	-5.3%
ADJUSTED TOTAL OPERATING INCOME	1,048.9	993.0	-5.3%

	1st quarter		
In million EUR	2023	2024	% Δ
Total operating expenses excluding depreciation, amortization	(898.1)	(855.8)	-4.7%
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(898.1)	(855.8)	-4.7%

	1st quarter		
In million EUR	2023	2024	% Δ
EBITDA	150.8	137.2	-9.0%
ADJUSTED EBITDA	150.8	137.2	-9.0%

	1st quarter		
In million EUR	2023	2024	% Δ
Result from operating activities (EBIT)	74.4	59.2	-20.5%
Non-cash impact of purchase price allocation (PPA) (1)	3.2	2.9	-10.1%
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	77.6	62.1	-20.0%

	1st quarter		
In million EUR	2023	2024	% Δ
Result for the period	45.9	41.6	-9.3%
Non-cash impact of purchase price allocation (PPA) (1)	2.4	2.1	-11.2%
ADJUSTED RESULT OF THE PERIOD	48.3	43.7	-9.4%

(1) In accordance with IFRS 3 and throughout the purchase price allocation (PPA) for several entities, bpostgroup recognized several intangible assets (brand names, know-how, customer relationships…). The non-cash impact consisting of amortization charges on these intangible assets is being adjusted.

Reconciliation of reported free cash flow and adjusted free cash flow

	1st quarter		
In million EUR	2023	2024	% Δ
Net Cash from operating activities	230.6	236.6	2.6%
Net Cash used in investing activities	(54.3)	(13.6)	-74.9%
FREE CASH FLOW	176.3	222.9	26.4%
Collected proceeds due to Radial's clients	39.7	35.4	-10.9%
ADJUSTED FREE CASH FLOW	216.0	258.3	19.6%

Forward Looking Statements

The information in this document may include forward-looking statements[2], which are based on current expectations and projections of management about future events. By their nature, forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Presentation and the Company undertakes no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

[2] *as defined among others under the U.S. Private Securities Litigation Reform Act of 1995*

Glossary

- ACV: Annual Contract Value
- Capex: total amount invested in fixed assets
- Opex: Operating expenses
- Constant Exchange Rate: The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period
- D&A: Depreciation and amortization
- EAT: Earnings After Taxes
- EBIT: Earnings Before Interests and Taxes
- EBITDA: Earnings Before Interests, Taxes, Depreciation and Amortization
- Effective tax rate: Income tax expense/profit before tax
- Belgium: Mail, Parcels and Retail business unit Belgium
- E-Logistics Eurasia: E-Logistics Europe & Asia
- E-Logistics N. Am.: E-Logistics North America
- SGEI: Services of General Economic Interest
- TCV: Total Contract Value