As promised, bpost delivers a strong end of year driven by successful end-of-year peak execution in Belgium and in North America.

Fourth quarter 2021 highlights

- Group operating income at 1,299.7 mEUR, +8.8% compared with the same period last year.
- Group adjusted EBIT at 88.1 mEUR (margin of 6.8%) increased by 27.6 mEUR compared to prior year (up +45.7%). Group reported EBIT at 84.9 mEUR.
- Mail & Retail
    - Total operating income at 521.5 mEUR (-0.9%) driven by positive mail price impact offsetting underlying volume decline of -8.9%, higher revenues in Retail and VAS and offset by lower volume driven intersegment income. Estimated 8 mEUR support from one-off COVID communication.
    - Slightly lower operating expenses driven by (i) lower costs from successful end of year peak execution, offset by (ii) salary index and CLA 2021-2022 impacts.
    - Adjusted EBIT at 31.3 m EUR (6.0% margin) and reported EBIT at 30.9 mEUR.
- Parcels & Logistics Europe & Asia
    - Total operating income at 286.7 mEUR (-9.4%) against high comps driven by the ongoing pressure on Asian cross-border volumes and Parcels B2X volume decline of -7.5% (against November 2020 lockdown) and reflecting Amazon insourcing. Continued e-commerce logistics expansion of Radial Europe and Active Ants (+12.3%).
    - Adjusted EBIT at 22.2 mEUR (7.7% margin), stable year over year (-0.3 mEUR or -1.2%) driven by (i) successful end of year peak execution with higher operational leverage in Parcels, offset by (ii) Asian cross-border volume impacts and (iii) e-commerce logistics' expansion operating expenses. Reported EBIT at 21.4 mEUR.
- Parcels & Logistics North America
    - Total operating income excluding International mail at 547.5 mEUR (+28.3% at constant exchange rate), reflecting the contribution of Radial's new customers.
    - Adjusted EBIT at 46.0 mEUR (8.4% margin), up by +32.0 mEUR. Operationally adjusted EBIT up +65.0% when excluding impacts of ransomware attack and one-time concessions from vendor.
- In line with the dividend policy, the Board of Directors will propose a total dividend per share of EUR 0.49 gross – based upon 40% IFRS net profit pay-out ratio as there's no significant non-cash impact in 2021. Dividend will be payable in May 2022 after approval of the General Shareholders' meeting.

CEO quote

Dirk Tirez, CEO of bpost group: *"With the strong results of the 4th quarter, bpost has delivered on its promise with a full-year EBIT of 349.3 mEUR and strong end of year peak results, both financially and operationally. I would like to thank all my colleagues for their efforts during 2021 and during our successful end of year peak in particular.*
Even though we will face strong headwinds, these solid results also give me confidence that we are taking the right actions in 2022 - transform in Belgium, build a leading e-commerce logistics position in Europe, scale-up e-commerce logistics in the US and evolve into a more customer centric and sustainable organization. We have gathered a strong leadership team that together will execute on our plans and ambitions."

Status on Management priorities 2021

Executed in line with plan
The 2021 priorities as announced throughout the year achieved as planned.

Successful end of year peak in Belgium
- Steep margin improvement and almost doubled EBIT at Parcels B2X
- Nearly double-digit improvement on D+1 quality; backlog on average at 1/3rd or lower compared to 2020 peak
- Reduced 2nd wave by 80%; 40% reduction of subcontractors use during key peak weeks despite COVID absenteeism
- Effective use of buffer sites and pro-active regional deviations to avoid truck refusal on high volume days
- #biggestteamofBelgium with more than 650 central staff gaining valuable experience in field operations

Strong end of year peak in complex market conditions in the US
- Radial US adjusted EBIT at 39 mUSD, almost doubling compared to 4Q20 excluding cyber attack effects
- Single maximum shipping day, new client revenues and new client units shipped all increased by more than 20%
- Time in transit to customers was 20% faster with backlog down 9.4% year-over-year
- Recruited and trained 24,000 temporary workers during peak season to successfully meet our clients' peak volumes
- Record peak at Landmark Global and Apple Express in terms of volume, revenue and EBIT

Active portfolio management - divesting non-core assets
- Sale of The Mail Group and of Ubiway Retail (closing expected in late February)
- Transfer of the 50% shares held by bpost in bpost bank to BNP Paribas Fortis and entry into force of new seven-year commercial partnership

Stabilized overhead in Belgium by capitalizing on natural attrition

Strengthening the top executive leadership team at bpost
- A strong group executive team has been built, welcoming a new Belgium CEO, North-America CEO, as well as a new CTO and CSTO. Philippe Dartienne has been appointed as Group CFO and Anette Böhm has been appointed as Group CHRO.

Management priorities 2022

Improve operational efficiency within Belgian organization and initiate transformation into long-term sustainable business
- Increase operational productivity through work reorganization of 120 distribution offices along sorting, distribution and transport and improvements to asset utilization e.g. number and type of vehicles used, control of consumption
- Grow Belgian e-commerce top line through dedicated hunting teams as well as specific key service improvements to increase volume from major clients
- Launch Omega pilots for the new distribution model in 2nd half 2022 and prepare for implementation in 2023

Build E-Logistics Eurasia

- Grow Radial and Active Ants as planned, exceeding market growth through new customer contracts
- Open new fully automated Active Ants site in UK, new automated Radial site in NL (replacing and expanding the existing 2) and extend Radial PL site incl. highly automated section, cumulating to 13 sites (8 Radial EU, 5 Active Ants)
- Invest in automation for Radial NL and PL, to service volume growth at competitive pricing and service levels. Implement remediation plans for less performing sites
- Expand the cross-border business in EU and the UK, supported by additional hubs and a new warehouse in the UK
- Mitigate inflation through indexation of contracts, passing on transport and delivery cost increases and active cost containment

Accelerate growth of E-Logistics North-America

- Launch Radial accelerated growth plan with continued commercial development and dedicated approach toward medium client segment leading to increased ACV in 2022 (211 mUSD ACV signed in 2021)
- Open 2 new fulfillment centers plus 2 new client centers managed by Radial, on top of 25 existing sites of which 4 are client centers managed by Radial
- Further expand capacity at Landmark Global and Apple Express, relocating three sites to larger facilities maintaining a total footprint of 15 sites including 2 shared with Radial
- Shift in labor sourcing approach for increased availability, productivity and cost containment in high-inflation environment
- Implement remediation plans for less performing sites (including continuous improvement and automation) and peak readiness

Reduce overhead and headquarters costs

- Launch end-to-end shared service center to centralize, remove overlap and enable streamlining and automation
- Regroup Sales & Marketing and reporting teams within new Belgium business unit
- Improve internal mobility and maximize use of natural attrition by implementing internal control mechanism

Move from a product delivery to a customer centric organisation

- Develop, pilot and execute roadmap for transformation to customer centric organization at bpost by implementing agile at scale
- Identify pools of value and opportunities for bpost to create significant and profitable business growth
- Drive the digital transformation, modernization and simplification of bpost tech landscape
- Strengthen data-centricity at bpost, notably to leverage data to drive performance improvement and decision making
- Conduct cultural transformation and leadership program to progress towards a more caring and innovative culture and servant leadership approach

Continue to embed ESG in our business strategy to strengthen our position as a leading sustainable and socially-responsible organization

- Embed ESG in bpost business strategy to reach bpost group ambition to become one of the greenest e commerce logistics providers in the countries where we operate by 2030:
  - Decrease of scope 1 and 2 emissions with 55% by 2030 against 2019, bringing bpost in line with a ' 1.5 °C' under SBTi
  - Decrease of scope 3 emissions with 14% by 2030 against 2019, bringing bpost in line with a '2 °C' under SBTi
- Be the employer of choice in logistics, by installing a new social contract with bpost employees and society
- Integrate ESG metrics in core decision-making processes (capex, opex) and incentivization plans to align objectives
- Investments to accelerate this transition are captured within the existing capex envelope

Outlook for 2022

bpost expects the group adjusted EBIT to range between 280-310 mEUR. bpost will continuously invest in the group transformation while mitigating headwinds from wage pressure and inflation by cost reduction initiatives, productivity gains and further growth in omni-commerce activities. This outlook is bpost's best estimate as of now which could be impacted by macro and geopolitical risks materializing.

The group's total operating income for 2022 is expected to increase by a mid- to high single-digit percentage compared to 2021.

For the business units, bpost group expects:

Belgium:

- Stable[1] total operating income to result from:
    - Mail: an underlying Domestic mail volume decline expected between -8% and -10%, an approved mail pricing of +4.7%.
    - Parcels: stable volumes reflecting Amazon insourcing and post-COVID normalization
    - Additional revenues at Value added services and Retail
- 8-10% adjusted EBIT margin reflecting higher wage costs and inflationary pressure partially mitigated by cost reduction initiatives and productivity gains.
- The unknowns within our guidance are inflation, especially in Belgium but to some extent in North America, and parcels volume growth. We expect to grow at least in line with the Belgian market but the overall balance is anticipated to lead to a flat volume development in 2022 due to Amazon insourcing. Depending on the consumer sentiment, market normalization and on how quickly Amazon will move forward with their insourcing, parcels volume growth may develop differently this year.

E-Logistics Eurasia:

- Low to mid- teens percentage growth in total operating income driven by growth plan of Radial Europe and Active Ants, and growing Cross-border commercial activities in Europe partially offset by expected limited recovery in Asian Cross-border volumes versus the volumes noted in the second half of 2021.
- 6-8% adjusted EBIT margin including scale-up costs in Radial Europe and Active Ants.

E-Logistics North America:

- Low to mid- teens percentage growth[1] in total operating income driven by Radial's accelerated growth plan and contribution from new customers wins.
- 4-6% adjusted EBIT margin including ongoing wage rate increase and higher real estate costs, mitigated by labor management and productivity initiatives.

Group EBIT will include operating expenses at Corporate level to support our transformation.

Gross capex is expected to be around 250 mEUR. This capex envelope is geared towards the strategy to grow omni-commerce logistics.

The dividend relative to the results of the year 2022 will be in the range of 30-50% of IFRS net profit, and will be payable in May 2023 after the General Shareholders' Meeting, in accordance with the new dividend policy.

For more information:
Antoine Lebecq T. +32 2 276 2985 (IR) — corporate.bpost.be/investors
investor.relations@bpost.be

Veerle Van Mierlo T. +32 472 920229 (Media) — veerle.vanmierlo@bpost.be

[1] excluding deconsolidation of Ubiway Retail revenues (around 140 mEUR in 2021) at Belgium level and The Mail Group revenues (around 40 mEUR in 2021) at E-Logistics North America level

Key figures[2]

4th quarter (in million EUR)	Reported		Adjusted		
	2020	2021	2020	2021	% Δ
Total operating income	1,194.4	1,299.7	1,194.4	1,299.7	8.8%
Operating expenses (excl. D&A)	1,081.0	1,148.7	1,081.0	1,148.7	6.3%
EBITDA	113.4	151.0	113.4	151.0	33.1%
Depreciation and amortization	119.1	66.0	52.9	62.9	18.8%
EBIT	(5.7)	84.9	60.5	88.1	45.7%
Margin (%)	*-0.5%*	*6.5%*	*5.1%*	*6.8%*	
Result before tax	(160.5)	96.1	47.3	80.8	70.8%
Income tax expense	(5.4)	14.9	(4.8)	15.5	
Net result	(155.1)	81.1	52.1	65.3	25.3%
FCF	145.4	67.8	117.2	65.4	-44.2%
Net Debt at 31 December	495.2	470.3	495.2	470.3	-5.0%
CAPEX	60.9	92.6	60.9	92.6	52.1%
Average FTE & Interims	43,732	45,039	43,732	45,039	3.0%

Year-to-date (in million EUR)	Reported		Adjusted		
	2020	2021	2020	2021	% Δ
Total operating income	4,154.6	4,335.1	4,154.6	4,333.7	4.3%
Operating expenses (excl. D&A)	3,635.5	3,729.5	3,635.5	3,729.5	2.6%
EBITDA	519.1	605.6	519.1	604.2	16.4%
Depreciation and amortization	318.5	267.6	238.5	254.9	6.8%
EBIT	200.7	338.0	280.6	349.3	24.5%
Margin (%)	*4.8%*	*7.8%*	*6.8%*	*8.1%*	
Result before tax	29.6	333.7	251.2	332.9	32.6%
Income tax expense	48.8	83.5	50.3	86.3	
Net result	(19.2)	250.2	200.9	246.6	22.8%
FCF	443.7	253.2	440.5	290.5	-34.1%
Net Debt at 31 December	495.2	470.3	495.2	470.3	-5.0%
CAPEX	147.7	172.1	147.7	172.1	16.5%
Average FTE & Interims	38,639	40,339	38,639	40,339	4.4%

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

Group overview

Fourth quarter 2021

Compared to last year, **total external operating income** increased by +105.3 mEUR or +8.8% to 1,299.7 mEUR.

- Mail & Retail external operating income increased by +9.3 mEUR to 465.9 mEUR mainly driven by higher revenues in Value added services and Retail, the latter benefitting from recovering footfall.
- External operating income of Parcels & Logistics Europe & Asia decreased by -30.3 mEUR to 281.6 mEUR against high comps driven by the ongoing pressure on Asian cross-border volumes and lower B2X volumes (-7.5%, against November 2020 lockdown and reflecting Amazon insourcing).
- Parcels & Logistics North America external operating income increased by +122.7 mEUR or +29% (+23.0% at constant exchange rate) to 545.2 mEUR, driven by the contribution of Radial's new customers.
- Corporate external operating income increased by +3.5 mEUR at 7.1 mEUR.

Operating expenses (including D&A) increased by -14.6 mEUR. Excluding depreciation and amortization operating expenses increased by -67.7 mEUR, mainly driven by higher interim costs and transport costs in line with the volume growth at Parcels & Logistics North America. The lower depreciation are mainly explained by last year's non-cash impairment charges related to goodwill and purchase price allocation.

EBIT increased by +90.6 mEUR compared to last year, whereas the **adjusted EBIT** increased by +27.6 mEUR. This due to a successful end-of-year peak execution in Belgium and in North America. Corrected for ransomware impacts at Radial, adjusted EBIT improved by +15.8 mEUR (+2.6 mEUR cyber insurance recovery in the fourth quarter 2021 compared to -9.2 mEUR in the fourth quarter 2020).

Net financial result increased by +10.4 mEUR compared to last year mainly due to lower non-cash financial charges related to IAS 19 employee benefits.

Last year **remeasurement of assets held for sale at fair value less costs to sell** amounted to -141.6 mEUR as the investment in bpost bank had been classified as assets held for sale and an impairment loss of 141.6m EUR was recognized to reduce the carrying value to the fair value less costs to sell. At year-end 2021 bpost reassessed the fair value less costs to sell and a reversal of 19.5 mEUR has been recognized related to bpost bank, whereas for Ubiway Retail (classified as held for sale in 2021) a write down of 1.1 mEUR was necessary.

Share of result of associates and joint ventures decreased by 4.6 mEUR compared to last year and was mainly explained by the classification of the investment in bpost bank as assets held for sale as of the last quarter of 2020.

Income tax expense increased by -20.3 mEUR compared to last year mainly due to the higher profit before tax.

Group net profit at 81.1 mEUR in the fourth quarter and increased by +236.2 mEUR compared to the same period last year.

Full year 2021

Compared to last year, total external operating income increased by +180.5 mEUR to 4,335.1 mEUR.

- Mail & Retail external operating income increased by +46.9 mEUR mainly as a result of the net improvement in price and mix of mail and the COVID-19 communication more than offsetting the volume decline.
- The external operating income increase of Parcels & Logistics Europe & Asia (+5.4 mEUR) driven by e-commerce development both domestically and abroad and largely offset by lower Asian cross-border volumes.
- Parcels & Logistics North America external operating income increased by +124.7 mEUR. Revenues increased at Radial North America as a result of the continued growth from existing customers and the gradual ramp-up of new customers launched in 2021 accelerating since June.
- Corporate external operating income increased by +3.5 mEUR at 18.9 mEUR.

Operating expenses (including D&A) increased by -43.2 mEUR, Excluding depreciation and amortization operating expenses increased by -94.0 mEUR in line with the volume growth at Parcels & Logistics Europe and North America. The lower depreciation are mainly explained by last year's non-cash impairment charges related to goodwill and purchase price allocation. As a result EBIT increased by +137.3 mEUR compared to last year, whereas the adjusted EBIT increased by +68.8 mEUR. Corrected for ransomware impacts at Radial, adjusted EBIT improved by +53.0 mEUR (+6.6 mEUR cyber insurance recovery in 2021 compared to -9.2 mEUR in 2020).

Net financial result increased by +31.4 mEUR mainly due to lower non-cash financial charges related to IAS 19 employee benefits, favourable exchange rate differences and last year's contingent liability for the remaining shares of Anthill.

Last year remeasurement of assets held for sale at fair value less costs to sell amounted to -141.6 mEUR as the investment in bpost bank had been classified as assets held for sale and an impairment loss of 141.6m EUR was recognized to reduce the carrying value to the fair value less costs to sell. At year-end 2021 bpost reassessed the fair value less costs to sell and a reversal of 19.5 mEUR has been recognized related to bpost bank, whereas for Ubiway Retail (classified as held for sale in 2021) a write down of 7.4 mEUR was necessary.

Share of result of associates and joint ventures decreased by 18.3 mEUR compared to last year and was mainly explained by the classification of the investment in bpost bank as assets held for sale as of the last quarter of 2020.

Income tax expense increased by -34.6 mEUR compared to last year mainly due to the higher profit before tax.

Group net profit at 250.2 mEUR increased by +269.5 mEUR compared to last year.

Business Unit performance: Mail & Retail

Mail & Retail	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
External operating income	1,736.1	1,783.1	2.7%	456.6	465.9	2.0%
Transactional mail	725.2	736.7	1.6%	192.9	190.0	-1.5%
Advertising mail	182.6	197.0	7.9%	51.4	53.9	4.9%
Press	339.1	338.8	-0.1%	88.5	87.8	-0.8%
Proximity and convenience retail network	386.5	397.1	2.7%	97.6	105.6	8.2%
Value added services	102.7	113.5	10.4%	26.2	28.5	9.0%
Intersegment operating income	221.8	222.8	0.4%	69.6	55.7	-20.0%
TOTAL OPERATING INCOME	1,958.0	2,005.9	2.4%	526.1	521.5	-0.9%
Operating expenses	1,709.4	1,731.0	1.3%	478.5	474.7	-0.8%
EBITDA	248.5	274.9	10.6%	47.6	46.8	-1.7%
Depreciation, amortization (reported)	128.9	82.6	-35.9%	63.2	15.9	-74.9%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	119.6	192.2	60.7%	(15.5)	30.9	-
Margin (%)	6.1%	9.6%		-3.0%	5.9%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	171.2	193.9	13.2%	34.3	31.3	-8.7%
Margin (%)	8.7%	9.7%		6.5%	6.0%	

Fourth quarter 2021

Total operating income in the fourth quarter 2021 amounted to 521.5 mEUR and showed a slight decrease of -4.6 mEUR or -0.9% compared to the same period 2020 driven by the lower **intersegment operating income** (-13.9 mEUR), reflecting higher end of year peak operational leverage and lower parcels and Cross-border volumes. **External operating income** increased by +9.3 mEUR or +2.0% mainly driven by the higher revenues in Retail and Value added services.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) decreased by -1.1 mEUR to 331.7 mEUR. **Transactional mail** noted an underlying volume decline of -11.1% for the quarter against -10.8% underlying volume decline for the fourth quarter 2020. Admin mail trend was supported by COVID-19 communication (estimated at 8.0 mEUR). There was no change in the known structural trends of continued e-substitution. **Advertising mail** realized an underlying volume decrease of -1.1% against a soft comparable base of -20.4% last year (non-essential retail closure in November 2020). Revenues of **Press** slightly decreased (-0.7 mEUR or -0.8%) mainly driven by lower volumes.
Total Domestic mail volume decrease impacted revenues by -25.0 mEUR (-8.9% underlying volume decline) and was almost offset by the net improvement in price and mix which amounted to +23.9 mEUR.

Mail & Retail	Year-to-date		4th quarter	
Evolution underlying Mail volumes	2020	2021	2020	2021
Domestic mail	-12.0%	-5.9%	-11.8%	-8.9%
Transactional mail	-11.3%	-8.0%	-10.8%	-11.1%
Advertising mail	-18.8%	+0.9%	-20.4%	-1.1%
Press	-5.3%	-3.5%	-2.7%	-8.4%

Proximity and convenience retail network increased by +8.0 mEUR to 105.6 mEUR. This increase was mainly driven by an increase in Ubiway retail revenues against lower revenues from reduced footfall in the fourth quarter 2020 as a result of COVID-19, especially in travel environment and the non-essential retail closure during the full month of November 2020. Stable banking & finance revenues.

Value added services amounted to 28.5 mEUR and showed an increase of +2.3 mEUR versus last year due to higher revenues from fines solutions and additional revenues charged for setup and change requests in solutions.

Operating expenses (including D&A) decreased by +51.0 mEUR, mainly driven by last year's impairment charges on Press and Retail, excluding depreciations and amortization operating expenses slightly decreased by +3.8 mEUR. The lower expenses were mainly driven by lower costs for fleet, interims and subcontractors costs from the strong operational performance in the fourth quarter 2021. This decrease was partially offset by higher payroll costs given the recent salary indexation (+2%) and CLA 2021-2022 impacts on payroll costs year-over-year as well as the higher material costs in line with revenue recovery at Ubiway Retail.

Reported EBIT amounted to 30.9 mEUR with a margin of +5.9% showed, an increase of +46.4 mEUR compared to the same period of 2020. Adjusted EBIT amounted to 31.3 mEUR with a margin of 6.0% and showed a slight decrease of -3.0 mEUR compared to previous year.

Full year 2021

Total operating income amounted to 2,005.9 mEUR and showed an increase of +47.9 mEUR or +2.4% compared to the same period 2020. External operating income amounted to 1,783.1 mEUR and contributed +46.9 mEUR (or +2.7%) to this increase, whereas the higher – volume driven – intersegment operating income to PaLo Eurasia contributed +0.9 mEUR to this increase.

Revenues from Domestic mail (i.e. Transactional, Advertising and Press combined) increased by +25.6 mEUR to 1,272.5 mEUR. Underlying volume decline amounted to -5.9% compared to -12.0% last year, with March 2020 to May 2020 at -20.1% due to COVID-19. Transactional mail noted an underlying volume decline of -8.0% for the year compared to -11.3% last year of which -16.7% from March to May 2020. During this period the COVID-19 lockdown negatively impacted all mail categories, whereas in 2021 Admin mail was supported by COVID-19 communication (estimated at about +25.6 mEUR). There was no change in the known structural trends of continued e-substitution. Advertising mail realized an underlying volume increase of +0.9% compared to -18.8% last year, of which -36.2% from March to May 2020 (impacted by cancelled campaigns from COVID-19 lockdown of all non-essential retail from March 18, 2020 through May 10, 2020 and a ban on promotions through April 3, 2020) and -24.3% in the month of November 2020 (given the full closure of non-essential retail in that month). Press volume decreased on an underlying basis by -3.5%, driven by e-substitution and rationalization.

Total Domestic mail volume decline impacted revenues by -61.6 mEUR and was more than offset by the net improvement in price and mix amounting to +86.4 mEUR and working days differences by +0.9 mEUR.

Mail & Retail Evolution underlying Mail volumes	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	YTD 21
Domestic mail	-9.9%	-17.7%	-8.2%	-11.8%	-7.8%	+1.4%	-7.5%	-8.9%	-5.9%
Transactional mail	-8.8%	-16.7%	-8.3%	-10.8%	-9.6%	-1.3%	-9.5%	-11.1%	-8.0%
Advertising mail	-16.5%	-26.6%	-9.4%	-20.4%	-5.4%	+15.6%	-2.9%	-1.1%	+0.9%
Press	-5.2%	-8.0%	-5.4%	-2.7%	-1.0%	-1.1%	-3.4%	-8.4%	-3.5%

Proximity and convenience retail network increased by +10.6 mEUR to 397.1 mEUR. This increase was due to higher Ubiway Retail revenues partially compensated by lower banking & finance revenues due to the low interest rate environment.

Value added services amounted to 113.5 mEUR and showed an increase of +10.7 mEUR versus last year mainly driven by higher revenues from fines solutions, which were negatively impacted during last year's lockdown. Furthermore additional revenues charged for setup and change requests in solutions contributed to this increase.

Operating expenses (including D&A) decreased by +24.7 mEUR to 1,813.6 mEUR, mainly explained by last year's impairment charges. Last year impairment charges on Press and Retail amounted to +49.1 mEUR. Excluding depreciations and amortization, operating expenses increased by -21.5 mEUR. Higher payroll and interim costs were driven by (1) headcount from higher parcel volumes and (2) price impact amongst other from salary indexation, merit increases and CLA 2021-22 together with lower recoverable VAT, higher material costs in line with revenue recovery at Ubiway Retail and higher third party remuneration in line with higher Value added services revenues. This was partially compensated by the favourable evolution of the FTE wage mix, non-repeating COVID-19 specific costs in the first half year 2020 and increased sorting activities cross-charged to PaLo Eurasia driven by growth in parcels volumes handled through the mail network.

As a result of the higher number of parcel volumes handled through the mail network and the lower than expected impact of domestic mail decline, adjusted EBIT amounted to 193.9 mEUR and showed an increase of +22.7 mEUR compared to previous year. Reported EBIT amounted to 192.2 mEUR with a margin of 9.6% and showed an increase of +72.6 mEUR compared to 2020.

Business Unit performance: Parcels & Logistics Europe & Asia

Parcels & Logistics Europe & Asia	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
External operating income	1,073.9	1,079.3	0.5%	311.8	281.6	-9.7%
Parcels BeNe	547.9	561.7	2.5%	168.1	151.2	-10.0%
E-commerce logistics	172.5	174.8	1.3%	46.0	47.3	2.6%
Cross-border	353.5	342.8	-3.0%	97.7	83.1	-15.0%
Intersegment operating income	14.0	16.9	20.7%	4.6	5.2	13.9%
TOTAL OPERATING INCOME	1,087.9	1,096.2	0.8%	316.4	286.7	-9.4%
Operating expenses	966.8	966.9	0.0%	288.6	257.2	-10.9%
EBITDA	121.1	129.3	6.8%	27.8	29.6	6.4%
Depreciation, amortization (reported)	22.6	26.0	15.3%	6.1	8.1	33.3%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	98.5	103.3	4.8%	21.7	21.4	-1.2%
Margin (%)	*9.1%*	*9.4%*		*6.9%*	*7.5%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	101.4	106.2	4.7%	22.4	22.2	-1.2%
Margin (%)	*9.3%*	*9.7%*		*7.1%*	*7.7%*	

Fourth quarter 2021

Total operating income decreased by -29.6 mEUR (-9.4%) driven by the decrease of the **external operating income** by -30.3 mEUR or -9.7% against high comps driven by the ongoing pressure on Asian cross-border volumes and lower Parcels BeNe revenues (lockdown in November 2020) and reflecting Amazon insourcing.

Parcels BeNe operating income decreased by -16.9 mEUR (or -10.0%) to 151.2 mEUR due to lower sales at Dyna (-23.6%) from lower demand in 2XL delivery and lower sales in insurance. Furthermore Parcels B2X volume decline of -7.5% against a tough comparable base of +67.4% in the fourth quarter of 2020, fuelled by the non-essential retail closure in November 2020, and reflecting the last mile delivery insourcing by Amazon. Compared to the pre-pandemic fourth quarter of 2019, volumes increased by +55%, reflecting structural volume growth. Improved price/mix of -0.2% driven by peak surcharges and favourable customer mix.

Parcels & Logistics Europe & Asia	Year-to-date		4th quarter	
	2020	2021	2020	2021
Evolution Parcels B2X volume	+56.2%	+10.3%	+67.4%	-7.5%

E-commerce logistics operating income in the fourth quarter 2021 amounted to 47.3 mEUR, an increase of +1.2 mEUR or +2.6% compared to the same period of 2020. This increase was the result of Radial Europe and Active Ants revenue growth of +12.3%. This was offset by a decline in revenue at DynaFix due to a shortage of electronic spare parts and less devices to be repaired.

Cross-border operating income in the fourth quarter 2021 amounted to 83.1 mEUR, a decrease of -14.6 mEUR (or -15.0%) compared to the same period of 2020. This decrease was mainly driven by the continued decline in the Asian cross-border volumes against high comps in the fourth quarter of 2020 from the temporary train solution (as an alternative to air freight) and the lower volume due to low-value consignment relief abolished as of July 1, 2021.

Operating expenses (including D&A) were down +29.4 mEUR or +10.0%, mainly thanks to (1) lower intersegment operating expenses charged by M&R from lower volumes and successful end of year peak execution resulting in a favourable channel mix in distribution and (2) lower transport costs mainly from lower Asian volumes. The decrease was partially offset by (3) higher costs (including staff costs) from expansion of e-commerce logistics and new sites openings, in line with full year outlook, as well as low-value consignment relief projects.

Reported EBIT and adjusted EBIT remained stable (-0.3 mEUR) and respectively amounted to 21.4 mEUR and 22.2 mEUR. Successful execution of the end of year peak in Parcels, despite lower volumes steep margin improvement – EBIT almost doubled - in Parcels B2X, offset by EBIT decline from lower Cross-border and e-commerce logistics expansion.

Full year 2021

Total operating income amounted to 1,096.2 mEUR and increased by +8.3 mEUR. External operating income amounted to 1,079.3 mEUR in 2021 and showed an increase of +5.4 mEUR or +0.5% compared to 2020. The decline in Asian cross-border volumes, normalizing after last year's exceptional growth and impacted by the low-value consignment relief abolished as of July 2021 was offset by the development of e-commerce both domestically and abroad.

Parcels BeNe increased by +13.8 mEUR, or +2.5%, mainly thanks to Parcels B2X revenues up by +6.4% driven by the volume growth of +10.3% of which +54.1% in the first quarter of 2021 against the pre COVID-19 first quarter of 2020 and respectively +2.9%, +8.9% and -7.5% in the second, third and fourth quarter of 2021 against a tough lockdown comparable base in 2020. The negative price-mix impact of -3.9% was mainly driven by mix impact and to a smaller extent by the price impact from one-off COVID-19 surcharges to customers in April and May 2020. Dyna sales decreased by -14.1% due to lower demand in 2XL delivery and lower sales in insurance.

Parcels & Logistics Europe & Asia	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Evolution Parcels B2X volume	+25.2%	+79.3%	+49.0%	+67.4%	+54.1%	+2.9%	+8.9%	-7.5%

E-commerce logistics amounted to 174.8 mEUR, an increase of +2.3 mEUR or +1.3% compared to 2020 mainly driven by the continued e-commerce logistics expansion of Radial Europe and Active Ants (+15.0%), partially offset by a decline in revenue at Leen Menken due to the loss of a contract in July 2020 and DynaFix due to shortage of spare parts and less devices to be repaired.

Cross-border decreased by -10.7 mEUR to 342.8 mEUR due to steady revenue growth of cross-border commercial sales in the United Kingdom and the rest of Europe offset by the decline in the Asian cross-border volumes especially as of the third quarter 2021 with the lower volumes due to low-value consignment relief abolishment as of July 1, 2021 and declining cross-border postal business where inbound parcels could not compensate the decline in inbound mail volumes.

Operating expenses (incl. D&A) slightly increased by -3.5 mEUR or -0.4% mainly explained by higher intersegment operating expenses charged by M&R driven by strong parcels volumes growth in the integrated last-mile mail & parcels network. This increase was partially offset by lower volume-linked transport costs from Asian cross-border activities, lower variable labour costs at Leen Menken and non-repeating COVID-19 specific OPEX in the first half year 2020 (including premium, health and safety measures and bad debt risk).

Reported EBIT and adjusted EBIT respectively amounted to 103.3 mEUR and 106.2 mEUR and respectively increased by +4.8% and +4.7%.

Business Unit performance: Parcels & Logistics North America

Parcels & Logistics North America	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
External operating income	1,329.2	1,453.9	9.4%	422.5	545.2	29.0%
E-commerce logistics	1,246.4	1,411.7	13.3%	404.0	545.2	35.0%
International mail	82.8	42.2	-49.1%	18.5	0.0	-
Intersegment operating income	6.8	5.9	-13.4%	2.4	2.3	-6.6%
TOTAL OPERATING INCOME	1,336.0	1,459.8	9.3%	424.9	547.5	28.8%
Operating expenses	1,233.7	1,304.9	5.8%	395.4	481.3	21.7%
EBITDA	102.3	154.9	51.4%	29.5	66.1	124.1%
Depreciation, amortization (reported)	95.0	84.0	-11.5%	31.2	22.2	-28.8%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	7.4	70.9	-	(1.7)	43.9	-
Margin (%)	*0.6%*	*4.9%*		*-0.4%*	*8.0%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	32.8	77.7	137.3%	13.9	46.0	-
Margin (%)	*2.5%*	*5.3%*		*3.3%*	*8.4%*	

Fourth quarter 2021

Total operating income amounted to 547.5 mEUR and increased by +122.5 mEUR, this is an increase of +28.8% (+22.8% at constant exchange rate). External operating income in the fourth quarter 2021 amounted to 545.2 mEUR and showed an increase of +122.7 mEUR or +29.0% (+23.0% at constant exchange rate) compared to the same period of 2020, reflecting mainly the contribution of Radial's new customers launched in 2021 and accelerating since June.

E-commerce logistics increased by +141.2 mEUR to 545.2 mEUR or +35.0% (+28.6% at constant exchange rate) mainly driven by Radial from new customers contribution, launched in 2021 and accelerating since June. Landmark US and Apple Express recorded continued volume growth from higher e-commerce activities and new customers launched last year.

Radial North America (*)	Year-to-date		4th quarter	
In million USD (Adjusted)	2020	2021	2020	2021
Total operating income	1,201.3	1,340.2	407.1	528.0
EBITDA	78.6	121.7	22.6	58.1
Profit from operating activities (EBIT)	11.5	46.9	7.6	39.0

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

International mail in the fourth quarter 2021 amounted to 0.0 mEUR, a decrease by -18.5 mEUR compared to the same period of 2020 in line with the divestment and deconsolidation of The Mail Group as of August 5, 2021.

Operating expenses (including D&A) increased by -76.9 mEUR or -18.0% (or -12.5% at constant exchange rate) resulting from higher variable operating expenses, in line with revenue development, including higher labour costs from continued wage rate pressure in the US (partially compensated by COVID employer payroll tax credit program), and higher costs from new sites openings.

Reported EBIT amounted to 43.9 mEUR up by +45.6 mEUR with a margin of 8.0%, adjusted EBIT amounted to 46.0 mEUR (up by +32.0 mEUR), or up operationally +15.0 mEUR when accounting for (1) -9.2 mEUR from the fourth quarter 2020 ransomware attack, (2) +2.6 mEUR uplift from cyber insurance recovery in the fourth quarter of 2021 and (3) +5.2m one-time concessions from vendor.

Full year 2021

Total operating income amounted to 1,459.8 mEUR, an increase of +123.8 mEUR or +9.3% compared to the same period of 2020 (+11.9% at constant exchange rate). External operating income amounted to 1,453.9 mEUR and showed an increase of +124.7 mEUR or +9.4% (+12.0% at constant exchange rate).

E-commerce logistics increased by +165.3 mEUR or +13.3% to 1,411.7 mEUR (+15.8% at constant exchange rate). Revenues increased at Radial North America as a result of the continued growth from existing customers, the gradual ramp-up of new customers launched in 2021 and accelerating since June, partially offset by client churn from terminated contracts. Apart from Radial North America, other business lines recorded strong volume growth from existing and new customers.

International mail amounted to 42.2 mEUR, a decrease of -40.6 mEUR or -49.1% (-47.1% at constant exchange rate) driven by the divestment and deconsolidation of The Mail Group as of August 5, 2021.

Operating expenses (incl. D&A) increased by -60.2 mEUR or -4.5% (or -7.0% at constant exchange rate) resulting from higher variable operating expenses, in line with revenue development, including higher labour costs from continued wage rate pressure in the US (partially compensated by COVID employer payroll tax credit program), and higher costs from new sites openings.

Reported EBIT amounted to 70.9 mEUR up by +63.5 mEUR with a margin of 4.9%, adjusted EBIT amounted to 77.7 mEUR (up by +45.0 mEUR), or up +24.0 mEUR operationally when adjusting for (1) -9.2 mEUR from the fourth quarter 2020 ransomware attack (2) +6.6 mEUR uplift from cyber insurance recovery in 2021 and (3) +5.2mEUR one-time concessions from vendor, driven by the positive evolution in E-commerce logistics, partially offset by the unfavourable wage rate pressure.

Business Unit performance: Corporate

Corporate	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
External operating income	15.4	18.9	22.8%	3.6	7.1	99.6%
Intersegment operating income	375.2	407.8	8.7%	113.1	106.2	-6.2%
TOTAL OPERATING INCOME	390.6	426.7	9.3%	116.7	113.2	-2.9%
Operating expenses	343.4	380.2	10.7%	108.2	104.8	-3.2%
EBITDA	47.2	46.5	-1.4%	8.5	8.5	0.2%
Depreciation, amortization (reported)	72.0	75.0	4.1%	18.6	19.8	6.2%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	(24.9)	(28.5)		(10.2)	(11.3)	
Margin (%)	*-6.4%*	*-6.7%*		*-8.7%*	*-10.0%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	(24.9)	(28.5)		(10.2)	(11.3)	
Margin (%)	*-6.4%*	*-6.7%*		*-8.7%*	*-10.0%*	

Fourth quarter 2021

External operating income in the fourth quarter 2021 increased by +3.5 mEUR driven by higher building sales.

Slightly higher net operating expenses (incl. D&A) after intersegment operating income (-4.7 mEUR) from consultancy costs to accelerate the transformation of bpost group.

Reported and adjusted EBIT at -11.3 mEUR.

Full year 2021

External operating income increased by +3.5 mEUR at 18.9 mEUR driven by higher building sales.

Net operating expenses (incl. D&A) after intersegment operating income increased by -7.1 mEUR.

Reported EBIT and adjusted EBIT at -28.5 mEUR.

Cash flow statement

Fourth quarter 2021

4th quarter (in million EUR)	Reported			Adjusted		
	2020	2021	Δ	2020	2021	Δ
Cash flow from operating activities	201.0	151.6	(49.4)	172.8	149.1	(23.7)
out of which CF from operating activities before Δ in WC & provisions	64.7	137.3	72.6	64.7	137.3	72.6
Cash flow from investing activities	(55.6)	(83.8)	(28.2)	(55.6)	(83.8)	(28.2)
Free cash flow	145.4	67.8	(77.6)	117.2	65.4	(51.9)
Financing activities	(40.5)	(41.1)	(0.5)	(40.5)	(41.1)	(0.5)
Net cash movement	104.9	26.7	(78.1)	76.7	24.3	(52.4)
Capex	60.9	92.6	31.7	60.9	92.6	31.7

bpost executes an active portfolio management strategy to divest non-core assets and/or non-performing assets, so as to allocate capital to the growing e-commerce logistics market and to invest further in the opportunity of e-commerce logistics. In this context bpost decided to start up the sales process of the Ubiway Retail. Hence cash of Ubiway Retail (1.7 mEUR) is classified as held for sale per December 31, 2021.

In the fourth quarter 2021, the net cash flow decreased compared to the same period last year by 78.1 mEUR to 26.7 mEUR. This decrease was mainly due to working capital evolution as well as the evolution of the collected proceeds by Radial US on behalf of their clients and investing activities.

Reported and adjusted free cash flow amounted respectively to 67.8 mEUR and 65.4 mEUR.

Cash flow from operating activities before change in working capital and provisions increased by 72.6 mEUR compared to the fourth quarter 2020. The positive variation of the adjusted EBITDA and lower tax prepayments in the fourth quarter 2021 contributed to this improvement. Corporate tax prepayments were back to normal in 2021, whereas in 2020 these had been postponed to the end of the year out of prudency reasons in the context of the pandemic.
Cash flow related to collected proceeds due to Radial's clients was 25.8 mEUR lower (2.4 mEUR inflow in the fourth quarter 2021 compared to an inflow of 28.2 mEUR in the same period last year), in line with their remittance calendar.
The variance in change in working capital and provisions (-96.3 mEUR) was mainly explained by high payables in the fourth quarter 2020 and by a different payment schedule of social security. End-of-year social security charges over 2021 occurred in December 2021 while those over 2020 occurred in January 2021.

Investing activities resulted in a cash outflow of 83.8 mEUR in the fourth quarter 2021, compared to a cash outflow of 55.6 mEUR for the same period last year. The evolution in the fourth quarter was mainly explained by higher capex (31.7 mEUR). Capex stood at 92.6 mEUR in the fourth quarter 2021 and was mainly spent on continued e-commerce logistics expansion of Radial (EU/US) and Active Ants, Parcels, and sustainability initiatives for e-fleet infrastructure.

In 2021 the cash outflow relating to financing activities amounted to -41.1 mEUR compared to -40.5 mEUR last year, mainly explained by outflows related to lease liabilities (-3.5 mEUR) offset by financial expenses (+3.1 mEUR).

Full year 2021

Full year (in million EUR)	Reported			Adjusted		
	2020	2021	Δ	2020	2021	Δ
Cash flow from operating activities	571.3	398.2	(173.1)	568.2	435.5	(132.7)
out of which CF from operating activities before Δ in WC & provisions	431.2	504.2	73.1	431.2	504.2	73.1
Cash flow from investing activities	(127.6)	(145.0)	(17.4)	(127.6)	(145.0)	(17.4)
Free cash flow	443.7	253.2	(190.4)	440.5	290.5	(150.1)
Financing activities	(138.8)	(309.1)	(170.3)	(138.8)	(309.1)	(170.3)
Net cash movement	304.9	(55.9)	(360.8)	301.8	(18.6)	(320.4)
Capex	147.7	172.1	24.4	147.7	172.1	24.4

bpost executes an active portfolio management strategy to divest non-core assets and/or non-performing assets, so as to allocate capital to the growing e-commerce logistics market and to invest further in the opportunity of e-commerce logistics. In this context bpost decided to start up the sales process of the Ubiway Retail. Hence cash of Ubiway Retail (1.7 mEUR) is classified as held for sale per December 31, 2021.

The net cash flow decreased compared to last year by 360.8 mEUR to negative 55.9 mEUR. This decrease was mainly due to the decision not to roll over the maturing commercial paper in 2021, as well as some phasing elements (high payables in 2020 and last year's extended payment terms which were unwound in the first quarter 2021) and the evolution of the collected proceeds by Radial US on behalf of their clients.

Reported and adjusted free cash flow amounted respectively to 253.2 mEUR and 290.5 mEUR.

Cash flow from operating activities before change in working capital and provisions rose by 73.1 mEUR driven by the higher adjusted EBITDA (+85.1 mEUR) partially neutralized by increased tax payments on previous years (-11.0 mEUR).
Cash flow related to collected proceeds due to Radial's clients was 40.4 mEUR lower (37.3 mEUR outflow in 2021 compared to an inflow of 3.1 mEUR last year), in line with their remittance calendar and due to the higher pandemic related 2020 merchandise sales.
The variance in change in working capital and provisions (-205.7 mEUR) was mainly explained by expected unwinding of extended payment terms with some suppliers initiated in 2020 at the beginning of the pandemic combined with the positive impact of increased terminal dues in line with cross border activities expansion in 2020 and phasing in settlement of social liabilities.

Investing activities resulted in a cash outflow of 145.0 mEUR in 2021, compared to a cash outflow of 127.6 mEUR last year. This was mainly explained by higher capital expenditures (-24.4 mEUR) partially compensated by the proceed from disposal of The Mail Group (TMG) (6.5 mEUR).

Capex stood at 172.1 mEUR in 2021 and was mainly spent on Parcels and E-commerce logistics activities, including customer implementations at Radial US, additional sites for Active Ants, Radial Europe scale-up, new parcels model and sustainability initiatives for e-fleet infrastructure.

In 2021 the cash outflow relating to financing activities amounted to -309.1 mEUR compared to -138.8 mEUR last year, as it was decided not to roll over the maturing commercial paper in 2021 (-166.0 mEUR).

Condensed Consolidated Financial Statements

The condensed consolidated financial statements of bpost for the year ending December 31, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on February 24, 2022. The joint statutory auditors, EY Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr. Han Wevers and PVMD Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr. Alain Chaerels, have confirmed that their audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information included in this press release. The complete audit report related to the audit of the consolidated financial statements will be shown in the 2021 annual report that will be published in March 2022.

Consolidated Income Statement

	Year-to-date		4th quarter	
In million EUR	2020	2021	2020	2021
Revenue	4,115.1	4,282.4	1,185.2	1,280.7
Other operating income	39.5	52.7	9.2	19.0
TOTAL OPERATING INCOME	4,154.6	4,335.1	1,194.4	1,299.7
Material costs	(201.5)	(192.3)	(51.7)	(54.0)
Services and other goods	(1,813.1)	(1,894.8)	(594.5)	(662.0)
Payroll costs	(1,586.5)	(1,606.8)	(422.7)	(422.0)
Other operating expenses	(34.4)	(35.7)	(12.0)	(10.7)
Depreciation, amortization and impairment	(318.5)	(267.6)	(119.1)	(66.0)
TOTAL OPERATING EXPENSES	(3,954.0)	(3,997.2)	(1,200.1)	(1,214.8)
RESULT FROM OPERATING ACTIVITIES (EBIT)	200.7	338.0	(5.7)	84.9
Financial income	7.4	8.5	2.6	2.6
Financial costs	(55.2)	(24.9)	(20.5)	(10.1)
Remeasurement of assets held for sale at fair value less costs to sell	(141.6)	12.2	(141.6)	18.5
Share of results of associates and joint ventures	18.3	(0.0)	4.7	0.1
RESULT BEFORE TAX	29.6	333.7	(160.5)	96.1
Income tax expense	(48.8)	(83.5)	5.4	(14.9)
RESULT FOR THE PERIOD (EAT)	(19.2)	250.2	(155.1)	81.1
Attributable to:				
Equity holders of the parent	(19.4)	250.9	(155.0)	81.2
Non-controlling interests	0.1	(0.6)	(0.1)	(0.1)

EARNINGS PER SHARE

	Year-to-date		4th quarter	
In EUR	2020	2021	2020	2021
►basic, result for the period attributable to ordinary equity holders of the parent	(0.10)	1.25	(0.77)	0.41
►diluted, result for the period attributable to ordinary equity holders of the parent	(0.10)	1.25	(0.77)	0.41

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net result attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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.

Consolidated condensed balance sheet

In million EUR	2020	2021		2020	2021
Assets			Equity and liabilities		
Property, plant and equipment	1,138.0	1,263.5	Total equity	583.8	885.3
Intangible assets	771.7	797.0	Interest-bearing loans and borrowings (incl. overdraft)	1,443.2	1,377.7
Investments in associates and joint ventures	0.1	0.0	Employee benefits	320.0	298.2
Other assets	54.1	53.1	Trade and other payables	1,487.0	1,504.3
Trade and other receivables	826.6	936.3	Provisions	27.0	25.8
Inventories	32.7	20.7	Derivative instruments	0.3	0.3
Cash and cash equivalents	948.1	907.5	Other liabilities	13.2	10.1
Assets held for sale	103.3	163.3	Liabilities directly related to assets held for sale	0.0	39.7
TOTAL ASSETS	3,874.5	4,141.3	TOTAL EQUITY AND LIABILITIES	3,874.5	4,141.3

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

Trade and other receivables increased driven by the evolution of trade receivables, due to the higher sales in the last quarter compared to last year, and the increased terminal dues receivables, which should be reviewed together with increased terminal dues payables, due to lower settlements.

Equity increased by 301.5 mEUR, mainly explained by the realized profit and the exchange differences on translation of foreign operations.

Interests-bearings loans and borrowings (incl. overdraft) decreased, mainly due to the decision of reimbursement of the maturing commercial paper in 2021 in order to optimize the treasury, partially offset by the increase of the lease liabilities.

The assets held for sale and liabilities directly related to assets held for sale should be reviewed together, the net increase of the assets held for sale of 20.3 mEUR was mainly explained by the reassessment of the investment in bpost bank classified as assets held for sale and the classification of Ubiway Retail as held for sale in 2021.

Consolidated Statement of Cash Flows

	Year-to-date		4th quarter	
In million EUR	2020	2021	2020	2021
Operating activities				
Result before tax	29.6	333.7	(160.5)	96.1
Depreciation and amortization	318.5	267.6	119.1	66.0
Impairment on debtors	17.5	3.3	2.5	1.6
Gain on sale of property, plant and equipment	(11.7)	(15.1)	(3.0)	(5.9)
Gain on disposal of subsidiaries	0.0	(1.6)	0.0	0.0
Other non-cash items	28.6	29.6	5.6	9.4
Change in employee benefit obligations	1.5	(19.5)	9.7	(4.7)
Remeasurement of assets held for sale at fair value less costs to sell	141.6	(12.2)	141.6	(18.5)
Share of results of associates and joint ventures	(18.3)	0.0	(4.7)	(0.1)
Income tax paid	(83.5)	(78.1)	(45.7)	(3.1)
Income tax paid on previous years	7.5	(3.5)	0.0	(3.4)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	431.2	504.2	64.7	137.3
Decrease/(increase) in trade and other receivables	(86.3)	(114.5)	(193.6)	(199.0)
Decrease/(increase) in inventories	1.7	(0.2)	3.9	1.3
Increase/(decrease) in trade and other payables	224.2	46.7	299.2	205.6
Increase/(decrease) in collected proceeds due to clients	3.1	(37.3)	28.2	2.4
Increase/(decrease) in provisions	(2.6)	(0.8)	(1.3)	3.9
NET CASH FROM OPERATING ACTIVITIES	571.3	398.2	201.0	151.6
Investing activities				
Proceeds from sale of property, plant and equipment	20.9	21.9	5.3	8.9
Disposal of subsidiaries, net of cash disposed of	0.0	6.5	0.0	0.0
Acquisition of property, plant and equipment	(108.6)	(147.5)	(45.4)	(81.0)
Acquisition of intangible assets	(39.1)	(24.6)	(15.5)	(11.6)
Acquisition of subsidiaries, net of cash acquired	(0.7)	(1.3)	(0.0)	(0.0)
NET CASH USED IN INVESTING ACTIVITIES	(127.6)	(145.0)	(55.6)	(83.8)
Financing activities				
Proceeds from borrowings	1,180.7	60.0	450.1	0.0
Payments related to borrowings	(1,203.2)	(243.9)	(461.7)	(8.6)
Payments related to lease liabilities	(116.3)	(125.2)	(28.9)	(32.4)
NET CASH FROM FINANCING ACTIVITIES	(138.8)	(309.1)	(40.5)	(41.1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	304.9	(55.9)	104.9	26.7
NET FOREIGN EXCHANGE DIFFERENCE	(26.5)	16.9	(12.8)	6.6
CASH CLASSIFIED AS ASSETS HELD FOR SALE		(1.7)		0.0
Cash and cash equivalent less bank overdraft as of 1 January	669.7	948.1		
Cash and cash equivalent less bank overdraft as of 31 December	948.1	907.5		
MOVEMENTS BETWEEN 1 JANUARY AND 31 DECEMBER	278.4	(40.6)		

1. Basis for preparation and accounting policies

The condensed consolidated financial statements of bpost 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 bpost's annual consolidated financial statements as at December 31, 2020.

bpost 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 for the next 12 months from the end of the reporting period.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of bpost's annual consolidated financial statements for the year ended December 31, 2020. There are no IFRS standards, amendments or interpretations taking effect for the first time for the financial year beginning 1 January 2021 that have a material impact on the 2021 accounts of bpost.

2. Contingent liabilities and Contingent assets

The Brussels Court of Appeal annulled the Belgian Competition Authority's decision imposing a fine of 37.4 mEUR on November 10, 2016. The Belgian Competition Authority appealed this judgment before the Supreme Court on points of law. On November 22, 2018, the Supreme Court annulled the judgment and referred the case to the Brussels Court of Appeal for retrial. By a judgement dated February 19, 2020, the Brussels Court of Appeal decided to refer 2 questions to the EU Court of Justice ("ECJ") for a preliminary ruling. A decision of the ECJ is expected in the course of the first semester of 2022. The foregoing constitutes a contingent asset as, should the Court of Appeal annul the Belgian Competition Authority's decision, bpost may recover the fine of 37.4 mEUR (excluding interests).

In October 2020, Radial North America experienced a ransomware attack impacting a portion of its US operations, including technology services and downstream impacts to its operational services. The attack and the malware was not capable of exfiltrating or stealing data and there is no indication that any client or personal data left Radial North America systems. Within a reasonable timeframe following the attack and prior to the 2020 peak holiday period, Radial North America managed to regain sufficient functionality in its technology services in order to restart operations at all of its locations. Radial North America maintains two layers of cyber insurance coverage throughout which the company recovered the full amount available under its primary insurance policy and received 10.0 mUSD in 2021 from the insurance companies, mainly related to business disruption and client appeasements. Radial North America is currently in the process of finalizing its claim with its secondary insurance carrier in connection with the ransomware attack.

3. Events after the reporting period

No significant events impacting bpost's financial position have been observed after the statement of financial position date, except for the finalization of the transaction on January 3, 2022 in which BNP Paribas Fortis acquired the 50% shares of bpost in bpost bank with the agreement of the relevant regulators and competition authority. Therefore BNP Paribas Fortis became 100% shareholder of bpost bank.

Alternative Performance Measures (unaudited)

bpost 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 bpost.

The calculation of the adjusted performance measure and adjusted operating free cash flow can be found below the definitions. Given the new dividend policy, i.e. dividend pay-out ratio between 30-50% of IFRS net profit instead of a minimum of 85% of BGAAP net profit of bpost NV/SA unconsolidated, bpost will not report "bpost NV/SA net profit under BGAAP" anymore as an APM. 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): bpost 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. bpost 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.

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

Constant exchange rate: bpost excludes in the performance at constant exchange rate the impact of the different exchange rates applied in different periods for the segment Parcels & 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.

bpost'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 Parcels & 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): bpost defines EBITDA as earnings from operating activities (EBIT) plus depreciations and amortizations and is derived from the consolidated income statement.

Net debt/(Net cash): bpost defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings 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: bpost 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 B2X volume: bpost defines the evolution of Parcels B2X as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the B2X parcels processed by bpost SA/NV in the last mile delivery.

Radial North America Performance in USD: bpost 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 bpost group entities are not eliminated and are part of the total operating income, EBITDA and EBIT.

bpost'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 volume (Transactional mail, Advertising mail and Press): bpost defines underlying mail volume as the reported mail volume including some corrections, for example the impact of the number of working days and mail volumes related to elections.

Reconciliation of reported to adjusted financial metrics

OPERATING INCOME

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
Total operating income	4,154.6	4,335.1	4.3%	1,194.4	1,299.7	8.8%
Gain on the sale of The Mail Group (1)	0.0	(1.4)		0.0	0.0	
ADJUSTED TOTAL OPERATING INCOME	4,154.6	4,333.7	4.3%	1,194.4	1,299.7	8.8%

OPERATING EXPENSES

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
Total operating expenses excluding depreciation, amortization	(3,635.5)	(3,729.5)	2.6%	(1,081.0)	(1,148.7)	6.3%
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(3,635.5)	(3,729.5)	2.6%	(1,081.0)	(1,148.7)	6.3%

EBITDA

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
EBITDA	519.1	605.6	16.7%	113.4	151.0	33.1%
Gain on the sale of The Mail Group (1)	0.0	(1.4)		0.0	0.0	
ADJUSTED EBITDA	519.1	604.2	16.4%	113.4	151.0	33.1%

EBIT

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
Result from operating activities (EBIT)	200.7	338.0	68.4%	(5.7)	84.9	
Gain on the sale of The Mail Group (1)	0.0	(1.4)		0.0	0.0	
Impairment on goodwill (2)	41.4	0.0	-100.0%	41.4	0.0	-100.0%
Non-cash impact of purchase price allocation (PPA) (3)	38.6	12.8	-66.8%	24.8	3.2	-87.1%
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	280.6	349.3	24.5%	60.5	88.1	45.7%

RESULT FOR THE PERIOD (EAT)

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
Result for the period	(19.2)	250.2		(155.1)	81.1	
Gain on the sale of The Mail Group (1)	0.0	(1.4)		0.0	0.0	
Impairment on goodwill (2)	41.4	0.0	-100.0%	41.4	0.0	-100.0%
Non-cash impact of purchase price allocation (PPA) (3)	37.1	9.9	-73.3%	24.2	2.5	-89.3%
Remeasurement of assets held for sale at fair value less costs to sell (4)	141.6	(12.2)	-108.6%	141.6	(18.5)	-113.0%
ADJUSTED RESULT OF THE PERIOD	200.9	246.6	22.8%	52.1	65.3	25.3%

(1) On August 5, 2021, bpost US Holdings signed an agreement with Architect Equity for the sale of The Mail Group (IMEX Global Solutions LLC, M.A.I.L. Inc and Mail Services Inc.). The Mail Group has been deconsolidated as of August 5, 2021 and was transferred to assets held for sale end of June 2021. The adjustment of 1.4 mEUR corresponds to the preliminary gain on the disposal of the activities and will be finalised in 2022.

(2) In accordance with IAS 36 and the CGU (cash generating units) impairment testing, goodwill impairments were recognized in 2020 within Mail & Retail as an impairment loss of 28.3 mEUR was recognized for Ubiway Retail and within Parcels & Logistics North America as an impairment loss of 13.0 mEUR was recognized for The Mail Group.

(3) In accordance with IFRS 3 and throughout the purchase price allocation (PPA) for several entities, bpost group 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.

(4) bpost executes an active portfolio management strategy to divest non-core assets and/or non-performing assets, so as to allocate capital to the fast growing e-commerce logistics market and to invest further in the opportunity of e-commerce logistics. In this context bpost started up the sales process of Ubiway Retail. Assets and liabilities of Ubiway Retail were classified as held for sale as per September 30, 2021. In December 2021 bpost, Ubiway and Golden Palace signed a binding agreement and the transaction is expected to be finalised in 2022. As the fair value less costs to sell of Ubiway Retail is lower than the carrying value a write down of 7.4 mEUR was necessary.

On December 23, 2020 bpost and BNP Paribas Fortis (BNPPF) announced a non-binding agreement on the future long-term partnership of bpost bank NV/SA, including the sale of participation from bpost to BNPPF. In 2020 the investment in bpost bank has been classified as assets held for sale and the carrying value was reduced to the fair value less costs to sell, hence an impairment loss of 141.6 mEUR based upon the best estimate of bpost at that time had been recognized in 2020. In 2021 the agreement has been finalised and on January 3, 2022 the transaction was completed after having obtained the regulatory approvals. At year-end 2021 in line with IFRS 36.110, bpost assessed that the impairment loss recognised in 2020 had decreased and bpost estimated the recoverable amount to be 119.5 mEUR, hence a reversal on the impairment loss of 19.5 mEUR has been recognized.

Reconciliation of Reported free cash flow and adjusted free cash flow

	Year-to-date			4th quarter		
In million EUR	2020	2021	Change %	2020	2021	Change %
Net Cash from operating activities	571.3	398.2	-30.3%	201.0	151.6	-24.6%
Net Cash used in investing activities	(127.6)	(145.0)	13.6%	(55.6)	(83.8)	50.7%
FREE CASH FLOW	443.7	253.2	-42.9%	145.4	67.8	-53.4%
Collected proceeds due to clients	(3.1)	37.3	-	(28.2)	(2.4)	-91.4%
ADJUSTED FREE CASH FLOW	440.5	290.5	-34.1%	117.2	65.4	-44.2%

Forward Looking Statements

The information in this document may include forward-looking statements[3], 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.

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

Glossary

- Capex: total amount invested in fixed assets
- 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
- M&R: Mail and Retail business unit
- PaLo Eurasia: Parcels & Logistics Europe & Asia
- PaLo N. America: Parcels & Logistics North America
- TCV/ACV: Total Contract Value – Annual Contract Value