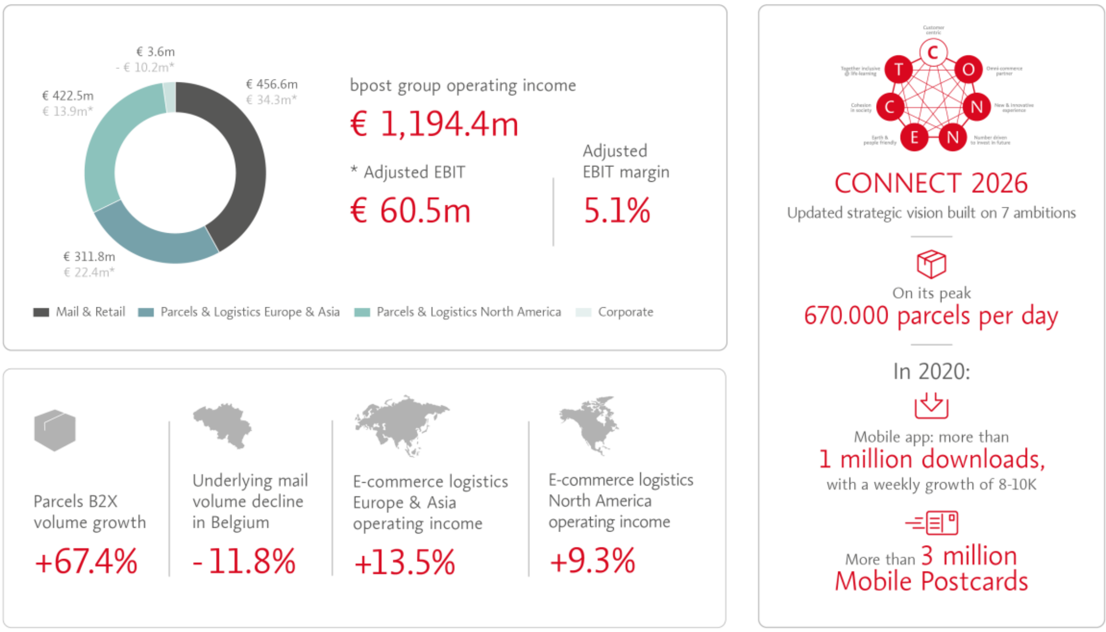
bpost fourth quarter 2020 results in line with expectations, thereby delivering on full year 2020 guidance through strong development in Parcels & Logistics and supported by solid last mile operations in Belgium

Fourth quarter 2020 highlights

- Group operating income at EUR 1,194.4m, +7.2% compared with the same period last year, fully driven by continued strong performance in Parcels & Logistics Europe & Asia and North America.
- Group adjusted EBIT at EUR 60.5m (margin of 5.1%). Group reported EBIT at EUR -5.7m, due to EUR 62.1m of impairment charges on Press and Retail and International Mail.
- Business mix shift is further evidenced through combined adjusted EBIT contributions of the Parcels & Logistics businesses (EUR 36.4m) exceeding Mail & Retail adjusted EBIT (EUR 34.3m) for the third consecutive quarter.
- Mail & Retail adjusted EBIT at EUR 34.3m (6.5% margin), down by -33.3% from COVID-19 impacts on Advertising Mail and Proximity and convenience retail. Reported EBIT at EUR -15.5m, impacted by EUR 49.1m of impairment charges on Press and Retail. Underlying mail volume decline at -11.8% driven by less advertising campaigns due to non-essential retail lockdown in November 2020.
- Parcels & Logistics Europe & Asia adjusted EBIT at EUR 22.4m (7.1% margin), up EUR 8.6m. Reported EBIT at EUR 21.7m. Positive EBIT margin development is driven by elevated parcels volumes handled through the mail network. Parcels B2X volumes up +67.4% year-over-year, positively impacted by the November 2020 lockdown and end-of-year peak.
- Parcels & Logistics North America adjusted EBIT at EUR 13.9m (3.3% margin), up EUR 3.3m is fully driven by E-commerce logistics. Excluding the EBIT impact of the ransomware attack (EUR -9.2m), adjusted EBIT would have more than doubled to amount to EUR 23.1m, fully driven by operating leverage in E-commerce logistics and cost containment. Reported EBIT at EUR -1.7m, impacted by EUR 13.0m of impairment charges on International Mail (The Mail Group). Full year 2020 Total Contract Value (TCV) stood at USD 1,188.4m, largely exceeding the full year target.
- Adjusted group net profit for the full year came in at EUR 200.9m. Reported group net profit stood at EUR -19.2m, due to the impairment loss recognized on the remeasurement to fair value less costs to sell of bpost bank (EUR 141.6m) and impairment charges on Press, Retail and International Mail (EUR 62.1m).

Fourth Quarter 2020 Key Figures



Chairman & CEO quote

François Cornelis, Chairman of the Board of Directors, commented: *"While the COVID-19 pandemic was harmful to society, it has accelerated the transformation of the company into an e-commerce service provider. The year results confirm the potential of the adopted strategy and the confidence of the board in our capacity to serve society and reward our shareholders."*

Jean-Paul Van Avermaet, CEO of bpost group: *"Our FY20 adjusted EBIT came in at EUR 280.6m, fully in line with our commitment to realize at least EUR 270m. We thank our committed employees, who have made considerable efforts to guarantee the continuity of our operations, in difficult circumstances. They have served our customers worldwide in the best possible way. Mail and Retail was impacted by a second national COVID-19 lockdown in Belgium in November, resulting in pressure on mail volumes and proximity retail. Our Parcels and Logistics businesses on both sides of the Atlantic continued to benefit from strong e-commerce development over the quarter."*

"For the full year 2020, within the challenging context of the pandemic we witnessed an unprecedented growth in our domestic parcels volumes and our international e-commerce activities, which progressively led to a shift in EBIT contribution by business unit. This strengthens our strategic vision CONNECT 2026 to accelerate our transformation into an e-commerce group close to our society, while remaining an efficient mail provider in Belgium."

"By delivering on our ambitions for CONNECT 2026, and building on the recent development of our Parcels & Logistics activities, we expect our group adjusted EBIT for 2021 to be in the range of EUR 265-295m, broadly in line with 2020 where, despite all challenges faced, COVID-19 had a net positive contribution to the result."

Activity update: Putting CONNECT 2026 into action

CONNECT 2026 aims to accelerate bpost group's transformation into a customer centric and sustainable omni-commerce group close to society, while remaining an efficient mail provider in Belgium. In 2021, bpost group will take significant steps to implement and concretize the CONNECT 2026 strategy, as demonstrated by the non-exhaustive list of initiatives below:

Customer centric: be the trusted partner for brands, enabling them to successfully grow their omni-commerce activities

- Omni-commerce growth in Europe
  Active Ants will open two new highly automated fulfilment centres in 2021 (in Belgium and in Germany) and Radial Europe is opening a third site in Kassel (Germany) in March.
- Further digitalisation in processes & post offices
  In the context of the modernization of our post offices in Belgium, bpost is progressively implementing different modules of its new IT system NeRo (New Retail Office). This allows for a more efficient and better customer experience in the retail offices. As an illustration, clients of our new flagship post office in Brussels (De Brouckère) are now assisted by customer coaches equipped with smart devices in order to reduce waiting times, and they also have access to Self-service kiosks where they can quickly scan and drop off their parcels.

New & Innovative experience: be recognized as a new and innovative company offering exciting customer experiences

- Innovation centre
  A new central innovation centre will be opened in Mechelen in the second half of 2021, which will serve as a laboratory to test innovations in a real live situation, in cooperation with customers and users. This innovation centre will become a platform where all bpost employees can prototype ideas that bring new experiences to all stakeholders.
- My bpost app
  We record over 1 million downloads in 2020, with a growth of approximately 8 to 10k downloads on a weekly basis and additional features to be developed this year.

Earth & people friendly: be a reference sustainable & planet-friendly company

- Materiality matrix
  In the second half of 2020, bpost has initiated a new materiality assessment for the group. This new materiality assessment is the next step in our evolution as a sustainable company. The first phase consisted of reaching out to more than 2.500 of our stakeholders inquiring which ESG topics are important to them. With over 50% response rate, this exercise will help us to ensure our sustainable strategy is focused in the right areas and tackles every aspects of the evolving sustainability landscape. The methodology and the results of the new materiality assessment will be published on our website in the course of 2021.
- Ecozone
  Ecozone Mechelen enters a new test phase in which 65 diesel vehicles will be replaced by electric ones in the coming weeks. This way the city centre is evolving into a completely emission-free distribution network. By the end of 2021, 5 to 10 other Belgian city centres will also be supplied emission-free.
  bpost group continues to explore ways to make city deliveries more car-free by increasing the use of electric and cargo bicycles or bike trailers and by further developing its network of parcel lockers.

Cohesion in society: be an important contributor to social cohesion in society and the preferred partner for public services in a changing world

- bpost bank
  In view of active portfolio management, bpost bank has announced on December 23, 2020 that bpost and BNP Paribas Fortis signed a non-binding agreement on the future long-term partnership of bpost bank: bpost would sell its 50% stake to BNPPF and – in view of bpost' strategy to be an important contributor to social cohesion in society – bpost will continue to provide banking services through its physical network of post offices, thus ensuring high-quality service.

Together inclusive @life learning: be an inclusive organization, offering life-learning experiences

- bpost boost
  As Belgium's largest employer, bpost group wants to contribute in reducing the imbalance between the high number of inactive young people and long-term vacancies. "bpost boost", an umbrella initiative to be launched in

2021, aims to raise the level of education of its participants over the next five years while helping them to find sustainable employment. In 2021, more than 500 candidates throughout Belgium will complete the training course to become multi-purpose postal workers, thereby acquiring digital skills and technical competences specific to the logistics sector.

Outlook for 2021

With its strategic vision CONNECT 2026, bpost group wants to accelerate its transformation into a customer centric and sustainable omni-commerce group close to society, while continuing to be an efficient mail provider in Belgium.

The group total operating income for 2021 is expected to increase by a low-single-digit percentage, while group adjusted EBIT is expected to range between EUR 265 and 295m, broadly in line with the EBIT of 2020 which benefited from a net positive COVID-19 effect.

For the business units, bpost group expects:

Mail & Retail:

- Total operating income evolution to result from an underlying Domestic Mail volume decline expected between -9% to -11%, an approved mail pricing increase of +6.0%, and an expected post COVID-19 recovery in Value added services and Proximity and convenience retail.
- 6-8% adjusted EBIT margin.

Parcels & Logistics Europe & Asia:

- Mid-single-digit percentage growth in total operating income with parcels and e-commerce logistics volumes expected to normalize from elevated COVID-19 levels observed in 2020.
- 8-10% adjusted EBIT margin.
  Operating expenses will include investments to grow omni-commerce logistics in Europe.

Parcels & Logistics North America:

- Mid- to high-single-digit percentage growth in total operating income driven by Radial existing customers growth and new clients launches, normalized for 2020 COVID-19 spike.
- 4-5% adjusted EBIT margin.

Gross capex is expected to be around EUR 200-220m, geared towards the priorities as stipulated in the CONNECT 2026 strategy to grow omni-commerce logistics.

The dividend relative to the results of the year 2021 will be in the range of 30-50% of IFRS net profit, and will be payable in May 2022 after the General Shareholders' Meeting, in accordance with the new dividend policy.

Due to the continued COVID-19 uncertainties, visibility going forward remains limited and may impact the 2021 outlook.

Key figures[1]

4th quarter (in million EUR)	Reported		Adjusted		
	2019	2020	2019	2020	% Δ
Total operating income	1,113.8	1,194.4	1,113.8	1,194.4	7.2%
Operating expenses (excl. Depreciation and amortization)	987.4	1,081.0	987.4	1,081.0	9.5%
EBITDA	126.3	113.4	126.3	113.4	-10.2%
Depreciation and amortization	62.9	119.1	57.1	52.9	-7.4%
EBIT	63.4	(5.7)	69.2	60.5	-12.6%
Margin (%)	*5.7%*	*-0.5%*	*6.2%*	*5.1%*	
Profit/(loss) before tax	43.0	(160.5)	48.8	47.3	-3.2%
Income tax expense	15.2	(5.4)	16.5	(4.8)	
Net profit/(loss)	27.8	(155.1)	32.4	52.1	60.8%
FCF	127.2	145.4	83.8	117.2	39.9%
Net debt/ (net cash) at 31 December	779.9	495.2	779.9	495.2	-36.5%
CAPEX	73.2	60.9	73.2	60.9	-16.8%

Year-to-date (in million EUR)	Reported		Adjusted		
	2019	2020	2019	2020	% Δ
Total operating income	3,837.8	4,154.6	3,837.2	4,154.6	8.3%
Operating expenses (excl. Depreciation and amortization)	3,300.2	3,635.5	3,300.2	3,635.5	10.2%
EBITDA	537.6	519.1	537.0	519.1	-3.3%
Depreciation and amortization	247.7	318.5	226.2	238.5	5.5%
EBIT	289.9	200.7	310.8	280.6	-9.7%
Margin (%)	*7.6%*	*4.8%*	*8.1%*	*6.8%*	
Profit/(loss) before tax	244.3	29.6	265.2	251.2	-5.3%
Income tax expense	89.6	48.8	92.1	50.3	
Net profit/(loss)	154.7	(19.2)	173.1	200.9	16.0%
FCF	302.0	443.7	288.0	440.5	53.0%
Net debt/ (net cash) at 31 December	779.9	495.2	779.9	495.2	-36.5%
CAPEX	162.3	147.7	162.3	147.7	-8.9%

[1] Adjusted figures are not audited.

Group overview

Fourth quarter 2020

Compared to last year, total external operating income increased by EUR +80.7m to EUR 1,194.4m.

- Parcels & Logistics North America external operating income increased by EUR +30.0m, fully driven by E-commerce logistics.
- The revenue increase of Parcels & Logistics Europe & Asia (EUR +81.9m or EUR +83.4m excluding last year's contingent consideration reversal on Leen Menken) was driven by thriving E-commerce both domestically (Parcels BeNe +55.9%) and abroad (Cross-border +19.9%).
- Mail & Retail external operating income declined by EUR -30.2m driven by mail volume decline and lower Proximity and convenience retail network, partly compensated by mail price increases.
- Corporate revenues decreased by EUR -1.1m driven by lower building sales.

Operating expenses including depreciation and amortization increased by EUR -149.8m, excluding depreciation and amortization operating expenses increased by EUR -93.6m. This increase was mainly driven by higher payroll, interims and transport costs driven by volume growth and end of year peak at Parcels & Logistics Europe & Asia and North America, partially offset by the lower material costs from Ubiway Retail. The increased depreciation are mainly explained by the non-cash impairment charges related to goodwill and purchase price allocation (EUR -62.1m).

EBIT and adjusted EBIT decreased by respectively EUR -69.1m and EUR -8.7m compared to last year. Excluding the ransomware attack (EUR -9.2m) adjusted EBIT for Parcels & Logistics North America would have more than doubled at EUR 23.1m fully driven by operating leverage in E-commerce logistics and cost containment. Channel mix in our Belgian operations was negative driven by higher mail volumes in the integrated network compared to the second quarter 2020 lockdown. This resulted in a higher use of subcontractors.

Net financial result increased by EUR +8.9m compared to last year mainly due to lower non-cash financial charges related to IAS 19 employee benefits and last year's fair value adjustment of the purchase of the remaining shares of Anthill.

Remeasurement of assets held for sale at fair value less costs to sell amounted to EUR -141.6m as 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 EUR 141.6m was recognized.

Share of results of associates and joint ventures decreased by EUR -1.8 to EUR 4.6m compared to last year.

Income tax expense decreased by EUR +20.7m compared to last year mainly due to the lower profit before tax combined with lower statutory tax rate in Belgium and the recognition of an additional deferred tax asset for US tax losses carried forward in 2020.

Adjusted group net profit increased by EUR +19.7m to EUR 52.1m, whereas the group net loss amounted to EUR -155.1m, impacted by the impairments and the fair value adjustment less costs to sell on bpost bank (EUR -141.6m).

Full year 2020

Compared to last year, **total external operating income** increased by EUR +316.8m to EUR 4,154.6m.

- Parcels & Logistics North America external operating income increased by EUR +231.7m (+21.0%), driven by E-commerce logistics.
- The revenue increase of Parcels & Logistics Europe & Asia (EUR +260.7m or EUR +263.9m excluding last year's contingent consideration reversals) was mainly driven by Parcels BeNe.
- Mail & Retail external operating income declined by EUR -161.0m primarily driven by mail volume decline and lower Proximity and convenience retail network revenues (including the deconsolidation of Alvadis EUR -20.9m), partly compensated by mail pricing.
- Corporate revenues decreased by EUR -14.7m driven by lower building sales, as in the second quarter of last year a EUR +19.9m gain on the headquarter sale was realised.

Operating expenses including depreciation and amortization increased by EUR -406.1m, excluding depreciation and amortization operating expenses increased by EUR -335.3m. This increase was mainly driven by higher payroll, interims and transport costs driven by volume growth at Parcels & Logistics Europe & Asia and North America and additional costs due to COVID-19, partially offset by the lower material costs from Ubiway Retail including the impact of the deconsolidation of Alvadis. The increased depreciation are mainly explained by the non-cash impairment charges related to goodwill and purchase price allocation (EUR -62.1m).

As a result **EBIT and adjusted EBIT** decreased respectively by EUR -89.2m and EUR -30.2m compared to last year. Excluding the unfavourable evolution of the contingent considerations, the VAT recovery and the terminal dues settlements (EUR -10.6m combined) in Parcels & Logistics Europe & Asia, the impact of the ransomware attack (EUR -9.2m) in Parcels & Logistics North America and last year's gain on the disposal of the headquarters in Corporate (EUR -19.9m), adjusted EBIT would have increased by EUR +9.5m compared to last year.

Net financial result increased by EUR +13.7m mainly due to the decrease of non-cash financial charges related to IAS 19 employee benefits as a result of a lower decrease in discount rates.

Remeasurement of assets held for sale at fair value less costs to sell amounted to EUR -141.6m as 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 EUR 141.6m was recognized.

Share of results of associates and joint ventures amounted to EUR 18.3m and increased by EUR 2.5m compared to last year.

Income tax expense decreased by EUR +40.8m compared to last year mainly due to the lower profit before tax combined with lower statutory tax rate in Belgium and the recognition of an additional deferred tax asset for US tax losses carried forward in 2020. The effective tax rate (164.9%) was negatively impacted by non-tax deductible goodwill impairments and the fair value adjustment less costs to sell on bpost bank in 2020.

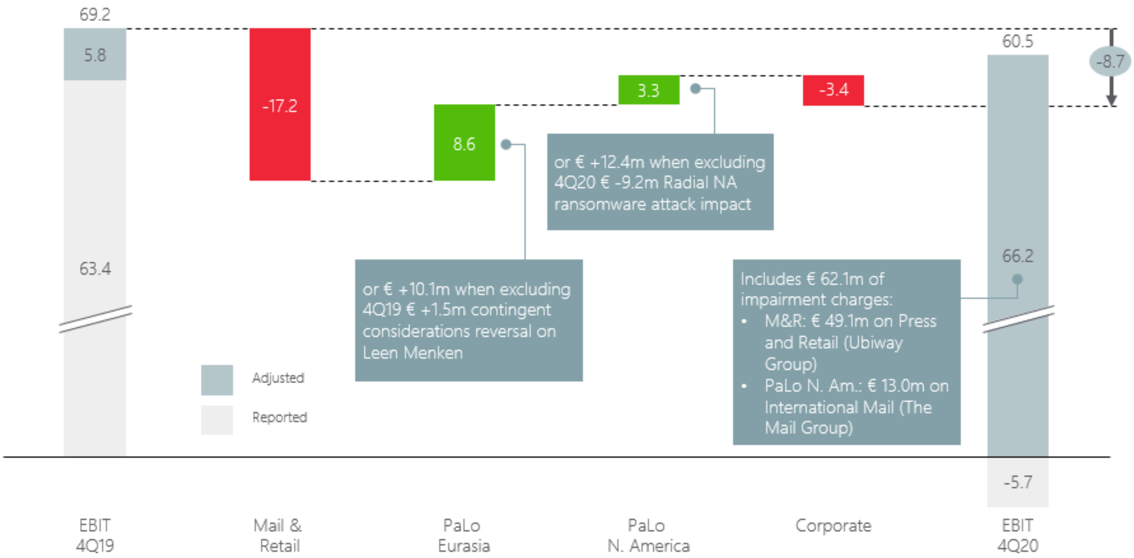
Adjusted group net profit increased by EUR +27.8m to EUR 200.9m, whereas the **group net loss** amounted to EUR -19.2m, impacted by the impairments and the fair value adjustment less costs to sell on bpost bank (EUR -141.6 m).

Adjusted contribution of the different business units for 2020 amounted to:

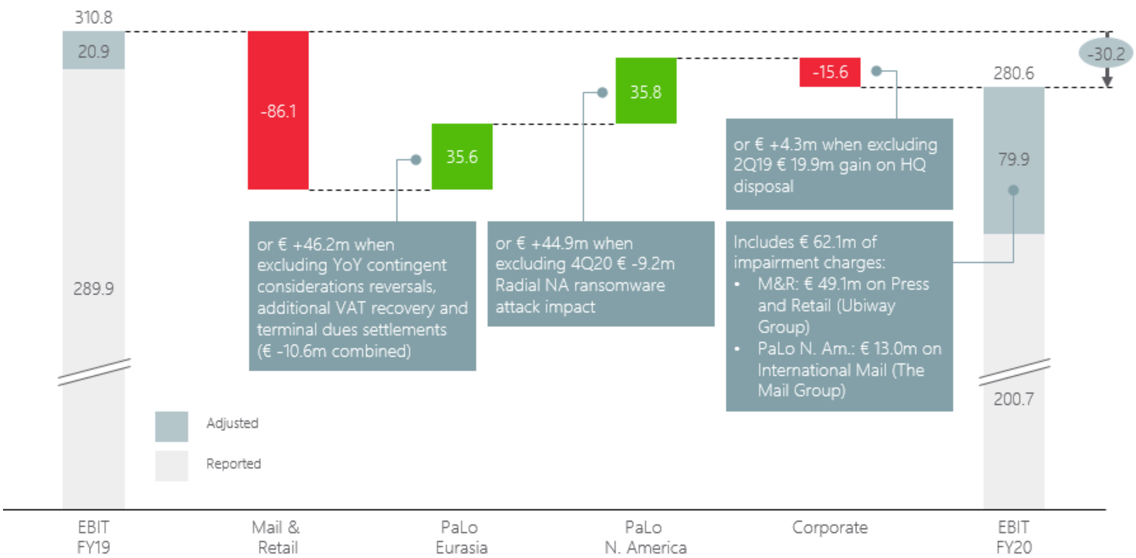
	Year-to-date			4th quarter		
In million EUR (adjusted)	Total operating income	EBIT	Margin (%)	Total operating income	EBIT	Margin (%)
Mail & Retail	1,958.0	171.2	8.7%	526.1	34.3	6.5%
Parcels & Logistics Europe & Asia	1,087.9	101.4	9.3%	316.4	22.4	7.1%
Parcels & Logistics North America	1,336.0	32.8	2.5%	424.9	13.9	3.3%
Corporate	390.6	(24.9)	-6.4%	116.7	(10.2)	-8.7%
Eliminations	(617.9)			(189.7)		
Group	4,154.6	280.6	6.8%	1,194.4	60.5	5.1%

Evolution of the adjusted EBIT contribution of the different business units was as follows:

4th quarter (EUR million):



Full year (EUR million):



Business Unit performance: Mail & Retail

Mail & Retail	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
External operating income	1,897.1	1,736.1	-8.5%	486.8	456.6	-6.2%
Transactional mail	748.0	725.2	-3.1%	196.3	192.9	-1.8%
Advertising mail	236.0	182.6	-22.6%	64.1	51.4	-19.8%
Press	346.6	339.1	-2.2%	88.8	88.5	-0.4%
Proximity and convenience retail network	462.6	386.5	-16.4%	111.9	97.6	-12.8%
Value added services	103.9	102.7	-1.1%	25.6	26.2	2.2%
Intersegment operating income	174.7	221.8	27.0%	50.0	69.6	39.0%
TOTAL OPERATING INCOME	2,071.7	1,958.0	-5.5%	536.8	526.1	-2.0%
Operating expenses	1,734.2	1,709.4	-1.4%	466.4	478.5	
EBITDA	337.5	248.5	-26.4%	70.4	47.6	-32.3%
Depreciation, amortization	83.7	128.9	54.1%	20.7	63.2	
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT Reported)	253.8	119.6	-52.9%	49.7	(15.5)	
Margin (%)	*12.3%*	*6.1%*		*9.3%*	*-3.0%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT Adjusted)	257.4	171.2	-33.5%	51.5	34.3	-33.3%.
Margin (%)	*12.4%*	*8.7%*		*9.6%*	*6.5%*	
Average FTE & Interims	22,435	23,534	4.9%	22,753	24,866	9.3%

Fourth quarter 2020

Total operating income in the fourth quarter 2020 declined by EUR -10.7m or -2.0% compared to the same period of 2019. The decrease of the **external operating income** amounted to EUR -30.2m or -6.2% and was partly compensated by the higher – volume driven – **intersegment operating income** (EUR +19.6m) to PaLo Eurasia.

Revenues from **Domestic Mail** (i.e. Transactional, Advertising and Press combined) decreased by EUR -16.5m to EUR 332.8m. Underlying volume decline amounted to -11.8% versus -5.5% for the fourth quarter 2019. Transactional mail volumes noted an underlying decline of -10.8% for the quarter against a tough comparable base of -7.2% in the fourth quarter of 2019. Although Christmas cards supported the volume trend and contributed positively to price/mix, the volume decline was mainly driven by the known structural trends of continued e-substitution, higher acceptance of e-documents at the receivers' side and digitization of C2B communication through smartphone apps. Advertising mail realized an underlying volume decrease of -20.4% for the quarter against a tough comparable base of +0.5% in the fourth quarter of 2019. This decrease was driven by the non-essential retail closure during the full month of November, impacting volumes by -24.3% during the month, and the continued uncertain COVID-19 context with limited visibility ahead which fuels advertisers' hesitance to engage into advertising campaigns (e.g. impact on travel sector and cancelled Motor Show in January 2021). Press[2] volume decreased on an underlying basis by -2.7%. Total Domestic Mail volume decline impacted revenues by EUR -35.3m, partly compensated by the net improvement in price and mix amounting to EUR +17.1m and by a working days impact of EUR +1.8m.

[2] Following the merger of AMP with Burnonville the distribution of non-food to point of sales are reported as 'Press'. Revenue of the comparable period have been restated to reflect this change.

Mail & Retail Evolution underlying Mail volumes	Year-to-date 2019	2020	4th quarter 2019	2020
Domestic mail	**-7.9%**	**-12.0%**	**-5.5%**	**-11.8%**
Transactional mail	-9.2%	-11.3%	-7.2%	-10.8%
Advertising mail	-4.7%	-18.8%	0.5%	-20.4%
Press	-6.5%	-5.3%	-6.5%	-2.7%

Proximity and convenience retail network decreased by EUR -14.3m to EUR 97.6m. This decrease was mainly driven by reduced footfall from COVID-19 impacting Ubiway Retail, especially in travel environments.

Value added services amounted to EUR 26.2m and showed an increase of EUR +0.6m versus last year driven by higher revenues from data and document management.

Operating expenses (including Depreciation and amortization) increased by EUR -54.5m, mainly explained by impairment charges on Press and Retail. Excluding depreciations, operating expenses increased by EUR -12.1m. Higher operational costs in the mail network during non-essential retail lockdown in November 2020 and end-of-year peak were mainly driven by elevated parcels volumes and therefore to a large extent compensated by higher costs transferred to Palo Eurasia. These operating expenses mainly related to (1) significantly higher payroll & interim costs through increased headcount, regular salary indexation and a daily COVID-19 premium for operational staff in duty (from November, 30 to December, 24), (2) higher transport costs from a higher use of subcontractors and (3) higher rental costs for fleet. Operating expenses increased also driven by higher reinvoicing from Corporate linked to IT-projects and cost phasing from the first half of the year to the fourth quarter 2020 (e.g. holidays). All previous factors were partly compensated by lower material costs from Ubiway retail and general cost containment on discretionary spend.

As a result, **reported EBIT** amounted to EUR -15.5m with a margin of -3.0% and decreased by EUR -65.2m compared to the same period of 2019. **Adjusted EBIT** amounted to EUR 34.3m with a margin of 6.5% and showed a decrease of EUR -17.2m compared to previous year.

Full year 2020

Total operating income declined by EUR -113.8m or -5.5% compared to last year. The decrease of the **external operating income** amounted to EUR -161.0m or -8.5% and was partly compensated by higher – volume driven – **intersegment operating income** (EUR +47.2m) to PaLo Eurasia.

Revenues from **Domestic Mail** (i.e. Transactional, Advertising and Press combined) decreased by EUR -83.7m to EUR 1,246.9m. Underlying volume decline amounted to -12.0% for full year 2020 versus -7.9% in 2019. March 2020 to May 2020 stood at -20.1% due to COVID-19. Transactional mail noted an underlying volume decline of -11.3% for the year of which -16.7% from March to May 2020. During this period, the COVID-19 lockdown negatively impacted all mail categories, in particular smaller administrative mail volume and registered letters. Excluding COVID-19, underlying mail volumes were subject to the known trends of ongoing e-substitution and digitization. Advertising mail realized an underlying volume decrease of -18.8% for the year of which -36.2% from March to May 2020, mainly impacted by cancelled campaigns during the first 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. The full closure of non-essential retail in November 2020, impacting volumes by -24.3% during the month, and continued hesitance to advertise within an uncertain COVID-19 context also impacted the underlying volume decline negatively. Press volume decreased on an underlying basis by -5.3%, driven by e-substitution and rationalization.
Total Domestic Mail volume decline impacted revenues by EUR -136.3m and elections of 2019 by EUR -3.7m. These effects were only partly compensated by the net improvement in price and mix amounting to EUR +53.2m and working days differences of EUR +3.1m.

Mail & Retail Evolution underlying Mail volumes	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Domestic mail	-7.9%	-9.9%	-17.7%	-8.2%	-11.8%	-12.0%
Transactional mail	-9.2%	-8.8%	-16.7%	-8.3%	-10.8%	-11.3%
Advertising mail	-4.7%	-16.5%	-26.6%	-9.4%	-20.4%	-18.8%
Press	-6.5%	-5.2%	-8.0%	-5.4%	-2.7%	-5.3%

Proximity and convenience retail network decreased by EUR -76.1m to EUR 386.5m. Excluding the impact of the deconsolidation of Alvadis as from September 2019 (EUR -20.9m), the decrease amounted to EUR -55.2m driven by lower Ubiway Retail revenues as a result of the COVID-19 related partial closure of the network, reduced footfall and lower banking & finance revenues.

Value added services decreased by EUR -1.2m to EUR 102.7m driven by higher revenue from fine management more than offset by lower revenues from among other European license plates, data and mail value added services.

Operating expenses (including Depreciation and amortization) increased by EUR -20.5m, mainly explained by impairment charges on Press and Retail of EUR -49.1m. Excluding depreciations, operating expenses decreased by EUR +24.8m. Higher operating expenses from payroll and interim driven by (1) increased headcount from higher parcel volumes and absenteeism and (2) price from COVID-19 premiums and regular salary indexation, together with specific COVID-19 operating expenses, were more than compensated by lower material costs from Ubiway Retail including the impact from the deconsolidation of Alvadis, higher recoverable VAT, increased sorting expenses transferred to PaLo Eurasia driven by stellar growth in parcels volumes handled through the mail network and lower project related costs.

Reported EBIT at EUR 119.6m was impacted by EUR -49.1m of impairment charges on Press and Retail. Adjusted EBIT amounted to EUR 171.2m and showed a decline of EUR -86.1m compared to previous year.

COVID-19 had an estimated net negative impact on full year 2020 EBIT from additional mail volume decline, mainly in advertising mail, and pressure on retail combined with specific additional operating expenses, only partly compensated by cost savings. As of the third quarter 2020, the COVID-19 impact was not quantified anymore since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Business Unit performance: Parcels & Logistics Europe & Asia

Parcels & Logistics Europe & Asia	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
External operating income	813.2	1,073.9	32.1%	229.9	311.8	35.6%
Parcels BeNe	380.6	547.9	43.9%	107.8	168.1	55.9%
E-commerce logistics	133.1	172.5	29.7%	40.6	46.0	13.5%
Cross-border	299.5	353.5	18.0%	81.5	97.7	19.9%
Intersegment operating income	17.8	14.0	-21.1%	4.5	4.6	0.9%
TOTAL OPERATING INCOME	830.9	1.087.9	30.9%	234.4	316.4	35.0%
Operating expenses	747.7	966.8	29.3%	215.9	288.6	33.7%
EBITDA	83.2	121.1	45.5%	18.5	27.8	49.9%
Depreciation, amortization	21.7	22.6	4.0%	5.4	6.1	13.5%
PROFIT FROM OPERATING ACTIVITIES (EBIT Reported)	61.5	98.5	60.2%	13.2	21.7	64.8%
Margin (%)	*7.4%*	*9.1%*		*5.6%*	*6.9%*	
PROFIT FROM OPERATING ACTIVITIES (EBIT Adjusted)	65.8	101.4	54.2%	13.9	22.4	61.8%
Margin (%)	*7.9%*	*9.3%*		*5.9%*	*7.1%*	
Average FTE & Interims	3,248	3,668	12.9%	3,481	3,886	11.6%

Fourth quarter 2020

Total operating income increased by EUR +82.0m or 35.0% (EUR +83.5m excluding last year's reversal of EUR -1.5m of the contingent consideration on Leen Menken), driven by the increase of the external operating income. External operating income in the fourth quarter 2020 amounted to EUR 311.8m and showed an increase of EUR +81.9m or 35.6% compared to the same period of 2019.

Parcels B2X revenue were up by 69.9%, driven by Parcels B2X[3] volume growth of 67.4% and a positive price/mix effect of 2.5%. Volume growth was fueled by the non-essential retail closure in November 2020 and a strong end-of-year peak. The price/mix was supported by peak surcharges and favourable product and customer mix. Total revenues of Parcels BeNe amounted to EUR 168.1m, an increase of EUR +60.3m (or +55.9%) driven by Parcels B2X and Dynalogic and partly offset by year-over-year revenue decline of other activities resulting among other from last year's closure of non-profitable businesses.

Parcels & Logistics Europe & Asia	Year-to-date		4th quarter	
	2019	2020	2019	2020
Evolution parcels volume[4]	+20.9%	+56.2%	+27.2%	+67.4%

E-commerce logistics operating income in the fourth quarter 2020 amounted to EUR 46.0m, an increase of EUR +5.5m (or EUR +7.0m excluding last year's positive effect of contingent consideration reversal on Leen Menken for EUR -1.5m) compared to the same period of 2019. This increase was mainly driven by strong organic growth at Active Ants from existing customers as well as from new customers acquired through the MCS Fulfilment acquisition last year in October. Growth at Radial Europe was mainly driven by the UK business and by the opening of a new fulfilment site in Poland in the third quarter 2020.

[3] Since 3Q20, the volume growth percentage consists of B2X, not including Euro-Sprinters, CityDepot, Future Lab and Dynagroup. 4Q19 and FY19 have been restated to reflect this change.

[4] FY19, 1Q20 and 2Q20 restated to reflect Parcels B2X volume growth

The revenue increase within **Cross-border** amounted to EUR +16.2m or +19.9%. The strong revenue development was driven by continued strong growth of Asian parcel volumes linked to rail transport of containers as an alternative to air freight, but at slower pace than previous quarters of 2020. Growth in the UK business was driven by new customers and surcharges. This increase was partly offset by the declining cross-border postal business where growth in inbound parcels could not fully compensate the decline in both inbound and outbound mail volumes.

Operating expenses (including Depreciation and amortization) increased by EUR -73.4m, mainly explained by higher volume-linked variable costs translating into increased payroll, interim, transport and parcels insurance costs. PaLo Eurasia therefore recorded higher intersegment operating expenses from M&R driven by elevated parcels volumes in the integrated last-mile mail & parcels network during the November 2020 lockdown and the end-of-year peak. Channel mix was negative driven by higher mail volumes in the integrated network compared to the second quarter 2020 lockdown. This resulted in a higher use of subcontractors.

Reported EBIT and adjusted EBIT respectively amounted to EUR 21.7m and EUR 22.4m, with a margin of respectively 6.9% and 7.1%. Excluding last year's contingent consideration reversal on Leen Menken, adjusted EBIT was up by EUR +10.1m operationally.

Full year 2020

Total operating income increased by EUR +257.0m or +30.9% (EUR +260.2m excluding last year's reversals of EUR -3.2m of the contingent consideration on Dynagroup and Leen Menken), mainly driven by the increase of the external operating income. **External operating income** amounted to EUR 1,073.9m in 2020 and showed an increase of EUR +260.7m or 32.1% compared to 2019. Terminal dues settlements had a EUR -2.6m negative impact on revenues year-over-year.

Parcels BeNe increased by EUR +167.2m (+43.9%) or EUR +168.9m (+44.6%) excluding last year's positive effect of a contingent consideration reversal on Dynagroup (EUR -1.7m). Year-over year growth was driven by Parcels B2X volume growth of +56.2%[3] and Dynalogic. Volumes were fueled by the boost to online sales from COVID-19 and 2 lockdowns of non-essential retail in Belgium in the spring and November 2020. These positive effects were partly offset by declining revenues of other activities resulting among others from last year's closure of non-profitable businesses.

Parcels & Logistics Europe & Asia	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Evolution parcels volume[5]	+20.9%	+25.2%	+79.3%	+49.0%	+67.4%	+56.2%

E-commerce logistics amounted to EUR 172.5m, an increase of EUR +39.5m (or EUR +41.0m excluding last year's positive effect of a contingent consideration reversal on Leen Menken for EUR 1.5m) compared to 2019. This increase was mainly driven by Radial Europe and Active Ants growth at existing customers. Further revenue growth was driven by the integration of MCS Fulfilment (part of Active Ants) as from October 1, 2019, contributing EUR 9.3m year-to-date.

Cross-border increased by EUR +54.0m to EUR 353.5m. This was driven by exponential growth in Asian parcel volumes shipped by train since June 2020 as an alternative to the COVID-19 impacted air freight, with pace of growth slowing down quarter-over-quarter from the second through the fourth quarter 2020. This increase was partly offset by declining cross-border postal business where growth in inbound parcels could not fully compensate the decline in both inbound & outbound mail volumes. Terminal dues settlements had a EUR -2.6m negative impact on revenues year-over-year.

Operating expenses (including Depreciation and amortization) increased by EUR -220.0m, mainly explained by higher volume-linked variable costs translating into higher payroll, interim and transport costs which also drove higher intersegment operating expenses from M&R for parcels volumes handled through the integrated last-mile mail and parcels network. In addition, Palo Eurasia recorded specific COVID-19 related operating expenses and unfavorable year-over-year impacts related to terminal dues settlements (EUR -2.3m) and VAT recovery (EUR -2.5m).

As a result **reported EBIT** amounted to EUR 98.5m and showed an increase of EUR +37.0m (+60.2%) compared to 2019 with a margin of 9.1% and **adjusted EBIT** amounted to EUR 101.4m and showed an increase of EUR +35.6m (+54.2%) compared

[5] FY19, 1Q20 and 2Q20 restated to reflect Parcels B2X volume growth

to 2019 with a margin of 9.3%. Excluding year-over-year contingent considerations reversals, additional VAT recovery and terminal dues settlements (EUR -10.6m combined), adjusted EBIT was up EUR +46.2m (+84%) operationally.

COVID-19 had an estimated net positive impact on full year 2020 EBIT from additional operating income growth in all business lines only partly offset by specific additional operating expenses. As of the third quarter 2020, the COVID-19 impact was not quantified anymore since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Business Unit performance: Parcels & Logistics North America

Parcels & Logistics North America	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
External operating income	1,097.5	1,329.2	21.1%	392.5	422.5	7.6%
E-commerce logistics	1,008.1	1,246.4	23.6%	369.5	404.0	9.3%
International mail	89.4	82.8	-7.4%	23.0	18.5	-19.4%
Intersegment operating income	6.8	6.8	1.0%	2.8	2.4	-12.8%
TOTAL OPERATING INCOME	1,104.2	1,336.0	21.0%	395.3	424.9	7.5%
Operating expenses	1,048.7	1,233.7	17.6%	369.9	395.4	6.9%
EBITDA	55.5	102.3	84.4%	25.4	29.5	16.1%
Depreciation, amortization	71.6	95.0	32.7%	18.1	31.2	72.5%
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT Reported)	(16.1)	7.4	-	7.3	(1.7)	-
Margin (%)	*-1.5%*	*0.6%*		*1.9%*	*-0.4%*	
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT Adjusted)	(3.0)	32.8	-	10.6	13.9	31.0%
Margin (%)	*-0.3%*	*2.5%*		*2.7%*	*3.3%*	
Average FTE & Interims	8,061	9,845	22.1%	10,850	13,434	23.8%

Fourth quarter 2020

Total operating income increased by EUR +29.7m or +7.5% (+16.0% at constant exchange rate), fully driven by E-commerce logistics. External operating income in the fourth quarter 2020 amounted to EUR 422.5m and showed an increase of EUR +30.0m or +7.6% compared to the same period of 2019.

E-commerce logistics increased by EUR +34.5m to EUR 404.0m or +9.3% (+17.9% at constant exchange rate). The revenue increase was mainly driven by Radial North America recording continued good growth of existing customers (+18.5%) and new clients launched in 2019, partly offset by some client churn. The cross-border activities (Landmark, Apple Express and FDM) recorded strong volumes from existing and new customers fueled by continued e-commerce development.

Radial North America (*)		Year-to-date			4th quarter	
In million USD (Adjusted)	2019	2020	Change %	2019	2020	Change %
Total operating income	934.9	1,201.3	28.5%	353.2	407.1	15.3%
EBITDA	29.2	78.6	169.3%	18.7	22.6	20.5%
Profit/(loss) from operating activities (EBIT)	(29.2)	11.5	-	2.1	7.6	261.9%

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

International mail in the fourth quarter 2020 declined and amounted to EUR 18.5m (-13.2% at constant exchange rate) driven by the unfavourable impact of COVID-19 on the mail business.

Operating expenses (including Depreciation and amortization) increased by EUR -38.7m or -10.0% (-18.6% at constant exchange rate), resulting from (1) volume-driven higher variable labour, transportation costs, and credit cards fees, (2) EUR -3.2m of costs related to the ransomware attack net of partial insurance recovery, and finally (3) higher depreciation and amortization from additional fulfilment sites and a EUR 13.0m impairment charge on The Mail Group. The previous factors were partly compensated by higher productivity in fulfilment and cost containment in general.

Estimated EUR -6.0m gross margin shortfall due to ransomware attack.

Adjusted EBIT in the fourth quarter 2020 amounted to EUR 13.9m and showed an increase of EUR +3.3m compared to the same period of 2019. Excluding the impact of the ransomware attack (EUR -9.2m[6]), adjusted EBIT would have more doubled to amount to EUR 23.1m (5.4% margin), driven by positive operating leverage in E-commerce logistics, in particular at Radial. **Reported EBIT** at EUR -1.7m was impacted by EUR 13.0m of impairment charges on The Mail Group.

Full year 2020

Total operating income increased by EUR +231.8m or +21.0% (+24.3% at constant exchange rate) to EUR 1,336.0m, driven by E-commerce logistics. **External operating income** amounted to EUR 1,329.2m and showed an increase of EUR +231.7m or +21.1% compared to 2019.

E-commerce logistics increased by EUR +238.4m or +23.6% to EUR 1,246.4m (+27.2% at constant exchange rate). The revenue increase was mainly driven by Radial North America recording significant growth of existing customers (+26.8%) driven by COVID-19, as well as new clients launched in 2019 of which sales have more than tripled. This growth was slightly offset by client churn.

International mail amounted to EUR 82.8m, a decrease of EUR -6.6m or -7.4% (-5.8% at constant exchange rate), driven by declining revenues at the Mail Group from a significant drop-off in the business mail segment as a result of COVID-19.

Operating expenses (including Depreciation and amortization) increased by EUR -208.4m or -18.6% (-21.7% at constant exchange rate), resulting from (1) volume-driven higher variable labour and transportation costs and credit card fees, (2) bad debt driven by COVID-19, (3) higher depreciation and amortization from additional fulfilment sites and a EUR 13.0m impairment charge on The Mail Group, (4) COVID-19 related operating expenses and (5) ransomware attack costs of EUR -3.2m, net of partial insurance recovery. This was partly compensated by higher productivity and benefits from cost savings program as well as cost containment measures in general.

Estimated EUR -6.0m gross margin shortfall due to ransomware attack.

Adjusted EBIT and reported EBIT respectively amounted to EUR 32.8m and EUR 7.4m and increased by EUR +35.8m and EUR +23.5m. This uplift was driven by strong e-commerce growth and high operating leverage at Radial. Excluding the impact of the ransomware attack (EUR -9.2m), adjusted EBIT would have been at EUR 41.9m (3.1% margin). Reported EBIT at EUR 7.4m was impacted by EUR 13.0m of impairment charges on The Mail Group.

[6] In 2020 the net estimated costs amounted to EUR 9.2m and as Radial has a cyber insurance coverage, the foregoing constitutes a contingent asset towards the insurance companies.

COVID-19 had an estimated net positive impact on full year 2020 EBIT from additional E-commerce logistics volumes only partly offset by declining International Mail, specific additional operating expenses and bad debt. As of the third quarter 2020, the COVID-19 impact was not quantified anymore since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Business Unit performance: Corporate

Corporate	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
External operating income	30.1	15.4	-48.9%	4.6	3.6	-23.2%
Intersegment operating income	372.0	375.2	0.9%	105.7	113.1	7.1%
TOTAL OPERATING INCOME	402.1	390.6	-2.9%	110.3	116.7	5.8%
Operating expenses	340.7	343.4	0.8%	98.3	108.2	10.0%
EBITDA	61.4	47.2	-23.2%	12.0	8.5	-29.3%
Depreciation, amortization	70.8	72.0	1.8%	18.8	18.6	-0.6%
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT Reported)	(9.3)	(24.9)	-	(6.8)	(10.2)	-
Margin (%)	*-2.3%*	*-6.4%*		*-6.2%*	*-8.7%*	
PROFIT/(LOSS) FROM OPERATING ACTIVITIES (EBIT Adjusted)	(9.3)	(24.9)	-	(6.8)	(10.2)	-
Margin (%)	*-2.3%*	*-6.4%*		*-6.2%*	*-8.7%*	
Average FTE & Interims	1,633	1,591	-2.5%	1,647	1,546	-6.1%

Fourth quarter 2020

External operating income in the fourth quarter 2020 decreased by EUR -1.1m to EUR 3.6m driven by lower building sales.

Operating expenses (including Depreciation and amortization) increased by EUR -9.8m driven by higher services to the operational business units (i.e., EUR +7.5m higher intersegment operating income), especially for IT-related projects.

As a result reported EBIT and adjusted EBIT showed a decrease of EUR -3.4m year-over-year to EUR -10.2m.

Full year 2020

External operating income decreased by EUR -14.7m to EUR 15.4m driven by lower building sales, due to the sale in the second quarter 2019 of the headquarters building Centre Monnaie (EUR +19.9m gain on disposal).

Operating expenses (including Depreciation and amortization) increased by EUR -4.0m driven by higher reinvoicing of services to the operational business units (i.e., EUR +3.2m higher intersegment operating income). Net of the intersegment operating income, operating expenses (including depreciation and amortization) almost remained stable (EUR -0.8m) as the negative year-over-year VAT recovery impact and higher provisions were partially offset by lower project costs and cost containment.

As a result, Reported EBIT and adjusted EBIT showed a decrease of EUR -15.6m to EUR -24.9m.

COVID-19 had an estimated net negative impact on full year 2020 EBIT mainly related to additional costs for health and safety measures. As of the third quarter 2020, the COVID-19 impact was not quantified anymore since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Cash flow statement

In million EUR	Year-to-date 2019	Year-to-date 2020	4th quarter 2019	4th quarter 2020
Net cash from operating activities	424.2	571.3	217.6	201.0
of which CF from operating activities before Δ in WC & provisions	405.3	431.2	105.8	64.7
Net cash used in investing activities	-122.2	-127.6	-90.4	-55.6
Net cash from financing activities	-314.1	-138.8	-162.4	-40.5
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	-12.1	304.9	-35.3	104.9
Free cash flow	302.0	443.7	127.2	145.4

Fourth quarter 2020

In the fourth quarter 2020, the net cash flow increased compared to the same period last year by EUR 140.1m to EUR 104.9m.

Free cash flow amounted to EUR 145.4m, whereas the adjusted free cash flow amounted to EUR +117.2m (i.e. when adjusting the free cash flow for the collected proceeds due to clients in Radial, which amounted to EUR +28.2m in the fourth quarter 2020).

Cash flow from operating activities compared to the same period last year decreased by EUR 16.6m to EUR 201.0m. Cash flow from operating activities before change in working capital and provisions declined by EUR -41.2m due to decreased EBITDA (EUR -12.9m), higher tax prepayments (EUR -25.9m) and the absence of a dividend on bpost bank results (EUR -5.0m).
Inflow related to collected proceeds due to Radial's clients was EUR -15.1m lower (EUR 28.2m inflow in the fourth quarter 2020 compared to an inflow of EUR 43.3m in the same period last year). The balance of the variance in change in working capital (EUR +36.3m) was mainly explained by increased terminal dues combined with extended payment terms in payables due to some temporary initiatives set up in the context of the pandemic, which will be unwound in the course of the first quarter 2021. This was partially offset by lower supplier balances mainly due to timing of expense and increased DSO as a consequence of the mix on receivables.

Investing activities resulted in a cash outflow of EUR 55.6m in the fourth quarter 2020, compared to a cash outflow of EUR 90.4m for the same period last year. The evolution in the fourth quarter was mainly explained by the subordinated loan granted to bpost bank in the fourth quarter 2019 (EUR +25.0m) combined with lower capex (EUR +12.3m).
Capital expenditures stood at EUR 60.9m in the fourth quarter 2020 and was mainly spent on increasing capacity for parcels and E-commerce logistics at Radial North America, in Belgium (Parcels B2X) and the Netherlands (Active Ants).

In 2020 the cash outflow relating to financing activities amounted to EUR 40.5m or EUR 121.9m lower than in the fourth quarter 2019 as a consequence of the absence of interim dividend in 2020 (EUR +124.0m).

Full year 2020

In 2020, the net cash flow increased compared to the same period last year by EUR 317.0m to EUR 304.9m.

Free cash flow amounted to EUR 443.7m.

Cash flow from operating activities compared to the same period last year increased by EUR 147.1m to EUR 571.3m.
Cash flow from operating activities before change in working capital and provisions increased by EUR 25.9m. EBITDA excluding gain on HQ was stable compared to last year (EUR +1.4m, out of which EUR +19.9 related to the non-cash item). 2020 benefited from a positive tax assessment on previous years (EUR +7.5m vs. EUR -13.8m in the first quarter 2019). Furthermore the lower tax prepayments had a positive impact on operating results (EUR +4.9m). This was partially compensated by the absence of a dividend by bpost bank in 2020.

Change in working capital and provisions improved by EUR 121.2m, to EUR 140.1m in 2020 (EUR 18.9m in 2019). This was mainly explained by the positive impact of increased terminal dues in line with cross border activities expansion combined with extended payment terms in payables due to some temporary initiatives set up in the context of the pandemic, which will be unwound in the course of the first quarter next year. This was partially offset by lower supplier balances mainly due to timing of expense and increased DSO as a consequence of the mix on receivables. Collected proceeds due to Radial's clients were lower by EUR -10.8m compared to 2019.

Investing activities resulted in a cash outflow of EUR 127.6m in 2020, compared to a cash outflow of EUR 122.2m last year. This was mainly explained by the proceeds of building sales (EUR -45.6m) combined with disposal of Alvadis (EUR -5.9m) in 2019. This was partially compensated by the subordinated loan granted to bpost bank in 2019 (EUR +25.0m), lower spend on M&A activities (EUR +6.6m) and lower capital expenditures (EUR +14.5m). Capital expenditures amounted to EUR 147.7m compared to EUR 162.3m prior year, and were mainly spent on ICT projects and increasing capacity for parcels and e-commerce logistics at Radial, in Belgium (Parcels B2X) and the Netherlands (Active Ants).

In 2020 the cash outflow relating to financing activities amounted to EUR -138.8m compared to -314.1m last year, mainly explained by the absence of dividend payments in 2020 (EUR +174.0m).

Key events during the last quarter

On December 8, 2020, bpost group announced a revised future dividend policy and presented CONNECT 2026

On December 8, 2020, together with the CONNECT 2026 strategy update, bpost group announced its attuned capital allocation framework in order to support and accelerate its business transformation into a customer centric and sustainable omni-commerce group close to society, while remaining an efficient mail provider in Belgium.

bpost group's revised future dividend policy targets to pay out between 30 and 50% of IFRS net profit. This policy allows sufficient flexibility to execute on the strategy while maximizing returns for shareholders and enhancing durable shareholder value creation over the longer term. The timing of the annual dividend payment will be in the month of May after the Annual Shareholders Meeting.

The financial ambition of CONNECT 2026 is to seek to more than compensate the EBIT loss from the declining mail business in the trajectory 2021-2026, and gear for adjusted EBIT growth of bpost group. Going forward, bpost group will give yearly financial guidance rather than long-term group EBIT targets since the business transformation is partly dependent on exogenous factors which are unpredictable in timing.

On December 23, 2020, bpost and BNP Paribas Fortis (BNPPF) announced a new partnership model for bpost bank

bpost and BNP Paribas Fortis signed a non-binding agreement on the future long-term partnership of bpost bank. bpost would sell its 50% stake in bpost bank to BNPPF. The purchase price will be calculated based on the IFRS net asset value at time of closing. bpost would continue to provide banking services through its physical network of post offices, thereby ensuring high-quality service and thus secure future revenue from the banking activities within bpost. Pricing for these banking services is subject to further discussions. However, we currently do not expect a material deviation from the revenues under the new commercial agreement than we could have expected under the existing agreements with BNPPF and bpost bank, subject to bpost sales performance and the market circumstances.
Through this long-term partnership, bpost and BNP Paribas Fortis bolster their sustainable commercial relationship built on a shared proximity strategy to offer financial services through a branch network close to the citizen. This confirms the continued future added value of bpost's network and with that, the bpost bank clients can count on a continuity in excellent service in their familiar environment.

bpost and BNPPF have the intention to sign binding agreements by the end of March 2021, with the objective to close the transaction by the end of 2021. The duration of the future partnership is 7 years. The transaction will be subject to customary conditions, including regulatory approvals.

Financial calendar

10.03.2021 (10.00 CET)	Analyst Conference Call
06.04.2021	Start of quiet period ahead of 1Q21 results
05.05.2021 (17.45 CET)	Announcement 1Q21 results
06.05.2021 (10.00 CET)	Analyst Conference Call
12.05.2021	Ordinary General Meeting of Shareholders
07.07.2021	Start of quiet period ahead of 2Q21 results
05.08.2021 (17.45 CET)	Announcement 2Q21 and half-year results
06.08.2021 (10.00 CET)	Analyst Conference Call
11.10.2021	Start of quiet period ahead of 3Q21 results
09.11.2021 (17.45 CET)	Announcement 3Q21 results
10.11.2021 (10.00 CET)	Analyst Conference Call

Audited Interim Condensed Consolidated Financial Statements[7]

The joint statutory auditors, EY Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr. Romuald Bilem and PVMD Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Ms. Caroline Baert, have issued an unqualified audit opinion on the consolidated financial statements and confirmed that the financial information included in the press release does not contain material differences with the consolidated financial statements.

Interim Condensed Consolidated Income Statement

	Year-to-date		4th quarter	
In million EUR	2019	2020	2019	2020
Revenue	3,779.4	4,115.1	1,101.0	1,185.2
Other operating income	58.4	39.5	12.7	9.2
TOTAL OPERATING INCOME	3,837.8	4,154.6	1,113.8	1,194.4
Material costs	(245.9)	(201.5)	(62.4)	(51.7)
Services and other goods	(1,525.0)	(1,813.1)	(521.0)	(594.5)
Payroll costs	(1,505.1)	(1,586.5)	(394.1)	(422.7)
Other operating expenses	(24.2)	(34.4)	(9.8)	(12.0)
Depreciation, amortization and impairment	(247.7)	(318.5)	(62.9)	(119.1)
TOTAL OPERATING EXPENSES	(3,547.9)	(3,954.0)	(1,050.4)	(1,200.1)
RESULT FROM OPERATING ACTIVITIES (EBIT)	289.9	200.7	63.4	(5.7)
Financial income	8.3	7.4	3.1	2.6
Financial costs	(69.7)	(55.2)	(29.8)	(20.5)
Remeasurement of assets held for sale at fair value less costs to sell	0.0	(141.6)	0.0	(141.6)
Share of results of associates and joint ventures	15.8	18.3	6.4	4.7
PROFIT/(LOSS) BEFORE TAX	244.3	29.6	43.0	(160.5)
Income tax expense	(89.6)	(48.8)	(15.2)	5.4
PROFIT/(LOSS) FOR THE PERIOD	154.7	(19.2)	27.8	(155.1)
Attributable to:				
Owners of the Parent	154.2	(19.4)	27.7	(155.0)
Non-controlling interests	0.5	0.1	0.1	(0.1)

EARNINGS PER SHARE

	Year-to-date		4th quarter	
In EUR	2019	2020	2019	2020
►basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	0.77	(0.10)	0.14	(0.77)
►diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent	0.77	(0.10)	0.14	(0.77)

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net profit/(loss) 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,

[7] A full set of consolidated financial statements and notes on full year 2020 is available in the 2020 Annual Report at corporate.bpost.be/investors

As far as bpost is concerned, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares,

Consolidated Statement of Other Comprehensive Income

	Year-to-date		4th quarter	
In million EUR	2019	2020	2019	2020
PROFIT/(LOSS) FOR THE YEAR	154.7	(19.2)	27.8	(155.1)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Change of other comprehensive income of associates	(22.6)	(16.1)	(10.6)	(2.1)
Gross change of other comprehensive income of associates	*(33.5)*	*(21.5)*	*(14.1)*	*(1.2)*
Income tax effect	*10.9*	*5.4*	*3.5*	*(1.0)*
Net gain/(loss) on hedge of a net investment	(2.4)	11.0	4.0	5.8
Net gain on cash flow hedges	1.8	1.9	0.4	0.5
Gain on cash flow hedges	*2.5*	*2.5*	*0.6*	*0.6*
Income tax effect	*(0.7)*	*(0.6)*	*(0.2)*	*(0.2)*
Exchange differences on translation of foreign operations	23.7	(62.6)	(23.2)	(31.0)
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	0.4	(65.9)	(29.2)	(26.8)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gain on defined benefit plans	2.7	1.7	1.6	0.8
Gross gain on defined benefit plans	*3.2*	*2.1*	*1.8*	*0.9*
Income tax effect	*(0.6)*	*(0.4)*	*(0.1)*	*(0.1)*
NET OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	2.7	1.7	1.6	0.8
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	3.0	(64.2)	(27.6)	(26.0)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	157.7	(83.4)	0.2	(181.1)
Attributable to:				
Owners of the Parent	157.2	(83.5)	0.1	(181.0)
Non-controlling interest	0.5	0.1	0.1	(0.1)

Consolidated Statement of Financial Position

In million EUR	As of 31 December 2019	As of 31 December 2020
Assets		
Non-current assets		
Property, plant and equipment	1,133.6	1,138.0
Intangible assets	898.3	771.7
Investments in associates and joint ventures	239.5	0.1
Investment properties	5.0	3.3
Deferred tax assets	27.3	45.6
Trade and other receivables	41.5	16.6
	2,345.1	1,975.2
Current assets		
Inventories	34.7	32.7
Income tax receivable	8.1	5.2
Trade and other receivables	717.6	810.0
Cash and cash equivalents	670.2	948.1
	1,430.5	1,796.0
Assets held for sale	1.4	103.3
TOTAL ASSETS	3,777.1	3,874.5
Equity and liabilities		
Issued capital	364.0	364.0
Reserves	252.3	249.8
Foreign currency translation	34.0	(17.6)
Retained earnings	30.7	(19.2)
Reserves of non-financial assets held for sale	0.0	5.6
Equity attributable to equity holders of the Parent	680.9	582.5
Equity attributable to non-controlling interests	1.7	1.3
TOTAL EQUITY	682.6	583.8
Non-current liabilities		
Interest-bearing loans and borrowings	1,176.8	1,165.0
Employee benefits	320.6	320.0
Trade and other payables	27.7	48.6
Provisions	16.2	13.3
Deferred tax liabilities	7.0	6.8
	1,548.2	1,553.6
Current liabilities		
Interest-bearing loans and borrowings	272.7	278.2
Bank overdrafts	0.5	0.0
Provisions	13.7	13.7
Income tax payable	7.3	6.4
Derivative instruments	1.3	0.3
Trade and other payables	1,250.9	1,438.4
	1,546.3	1,737.1
TOTAL LIABILITIES	3,094.5	3,290.7
TOTAL EQUITY AND LIABILITIES	3,777.1	3,874.5

Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
In million EUR	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	FOREIGN CURRENCY TRANSLATION	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS PER 1 JANUARY 2019	364.0	0.0	271.4	12.7	51.6	699.7	2.5	702.3
Profit for the year 2019					154.2	154.2	0.5	154.7
Other comprehensive income			33.4	21.3	(51.6)	3.0		3.0
TOTAL COMPREHENSIVE INCOME	0.0	0.0	33.4	21.3	102.6	157.2	0.5	157.7
Dividends (Pay-out)			(50.0)		(124.0)	(174.0)	0.0	(174.0)
Other			(2.5)		0.5	(2.0)	(1.4)	(3.4)
AS OF 31 DECEMBER 2019	364.0	0.0	252.3	34.0	30.7	680.9	1.7	682.6
AS PER 1 JANUARY 2020	364.0	0.0	252.3	34.0	30.7	680.9	1.7	682.6
Loss for the year 2020					(19.4)	(19.4)	0.1	(19.2)
Other comprehensive income			18.1	(51.6)	(30.7)	(64.2)		(64.2)
TOTAL COMPREHENSIVE INCOME	0.0	0.0	18.1	(51.6)	(50.0)	(83.5)	0.1	(83.4)
Other			(15.0)		0.1	(14.9)	(0.5)	(15.4)
AS OF 31 DECEMBER 2020	364.0	0.0	255.4	(17.6)	(19.2)	582.5	1.3	583.8

Equity decreased by EUR 98.8m, or -14.5%, to EUR 583.8m as of December 31, 2020 from EUR 682.6m as of December 31, 2019. The effective part of a cash-flow hedge entered into to hedge the cash flow risk of the bond (EUR 1.9m) and the remeasurement gains on post-employment benefits (EUR 1.7m) were offset by the realized loss (EUR 19.2m), the fair value adjustment in respect of bpost bank's bond portfolio (EUR 16.1m), the exchange differences on translation of foreign operations (EUR 51.6m), the net impact of the integration of Active Ants International comprising the non-controlling interests and the recognition of the contingent consideration for the purchase of the remaining shares (EUR 15.0m). The cash-flow hedge reserve will be reclassified to profit or loss over the 8 years after the issuance date of the bond.

Consolidated Statement of Cash Flows

	Year-to-date		4th quarter	
In million EUR	2019	2020	2019	2020
Operating activities				
Profit/(loss) before tax	244.3	29.6	43.0	(160.5)
Depreciation and amortization	247.7	318.5	62.9	119.1
Impairment on bad debts	5.2	17.5	2.6	2.5
Gain on sale of property, plant and equipment	(25.6)	(11.7)	(4.0)	(3.0)
Gain on disposal of subsidiaries	(0.6)	0.0	0.0	0.0
Other non-cash items	31.9	28.6	15.4	5.6
Change in employee benefit obligations	15.5	1.5	7.1	9.7
Remeasurement of assets held for sale at fair value less costs to sell	0.0	141.6	0.0	141.6
Share of results of associates and joint ventures	(15.8)	(18.3)	(6.4)	(4.7)
Dividend received	5.0	0.0	5.0	0.0
Income tax paid	(88.4)	(83.5)	(19.9)	(45.7)
Income tax paid on previous years	(13.8)	7.5	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	405.3	431.2	105.8	64.7
Decrease/(increase) in trade and other receivables	(52.1)	(86.3)	(144.7)	(193.6)
Decrease/(increase) in inventories	3.7	1.7	2.0	3.9
Increase/(decrease) in trade and other payables	63.2	224.2	215.9	299.2
Increase/(decrease) in collected proceeds due to clients	14.0	3.1	43.3	28.2
Increase/(decrease) in provisions	(9.8)	(2.6)	(4.7)	(1.3)
NET CASH FROM OPERATING ACTIVITIES	424.2	571.3	217.6	201.0
Investing activities				
Proceeds from sale of property, plant and equipment	66.5	20.9	7.3	5.3
Disposal of subsidiaries, net of cash disposed of	5.9	0.0	0.0	0.0
Acquisition of property, plant and equipment	(119.8)	(108.6)	(54.7)	(45.4)
Acquisition of intangible assets	(42.4)	(39.1)	(18.5)	(15.5)
Loan to associate	(25.0)	0.0	(25.0)	0.0
Acquisition of subsidiaries, net of cash acquired	(7.4)	(0.7)	0.5	0.0
NET CASH USED IN INVESTING ACTIVITIES	(122.2)	(127.6)	(90.4)	(55.6)
Financing activities				
Proceeds borrowings	861.5	1,180.7	282.6	450.1
Payments related to borrowings	(887.7)	(1,203.2)	(295.6)	(461.7)
Payments related to lease liabilities	(113.9)	(116.3)	(25.5)	(28.9)
Interim dividend	(124.0)	0.0	(124.0)	0.0
Dividends paid	(50.0)	0.0	0.0	0.0
NET CASH FROM FINANCING ACTIVITIES	(314.1)	(138.8)	(162.4)	(40.5)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(12.1)	304.9	(35.3)	104.9
NET FOREIGN EXCHANGE DIFFERENCE	1.7	(26.5)	(4.3)	(12.8)
Cash and cash equivalent less bank overdraft as of 1 January	680.1	669.7		
Cash and cash equivalent less bank overdraft as of 31 December	669.7	948.1		
MOVEMENTS BETWEEN 1 JANUARY AND 31 DECEMBER	(10.4)	278.4		

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, Adjusted operating free cash flow and the bpost NV/SA Net Profit (BGAAP) 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): 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 EUR 20m 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.

bpost NV/SA net result (BGAAP): bpost defines bpost NV/SA net result (BGAAP) as the non-consolidated profit (loss) following the Belgian General Accepted Accounting Principles after taxes and after transfer from/to untaxed reserves, this corresponds to the profit (loss) for the period available for appropriation (code #9905 of the BGAAP annual accounts), The detailed reconciliation from the consolidated IFRS result of the year to the performance measure is available below the definitions.
bpost's management believes this measure provides the investor an insight on the potential for distributable profit and reserves, thus potential for dividend.

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 NV/SA 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	2019	2020	Change %	2019	2020	Change %
Total operating income	3,837.8	4,154.6	8.3%	1,113.8	1,194.4	7.2%
Gain on the sale of Alvadis (1)	(0.6)	0.0		0.0	0.0	
ADJUSTED TOTAL OPERATING INCOME	3,837.2	4,154.6	8.3%	1,113.8	1,194.4	7.2%

OPERATING EXPENSES

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
Total operating expenses excluding depreciation, amortization	(3,300.2)	(3,635.5)	10.2%	(987.4)	(1,081.0)	9.5%
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(3,300.2)	(3,635.5)	10.2%	(987.4)	(1,081.0)	9.5%

EBITDA

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
EBITDA	537.6	519.1	-3.4%	126.3	113.4	-10.2%
Gain on the sale of Alvadis (1)	(0.6)	0.0		0.0	0.0	
ADJUSTED EBITDA	537.0	519.1	-3.3%	126.3	113.4	-10.2%

EBIT

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
EBIT	289.9	200.7	-30.8%	63.4	(5.7)	
Gain on the sale of Alvadis (1)	(0.6)	0.0		0.0	0.0	
Impairment on goodwill (2)	0.0	41.4		0.0	41.4	
Non-cash impact of purchase price allocation (PPA) (3)	21.5	38.6	79.2%	5.8	24.8	
ADJUSTED PROFIT FROM OPERATING ACTIVITIES (EBIT)	310.8	280.6	-9.7%	69.2	60.5	-12.6%

RESULT OF THE YEAR (EAT)

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
Result of the year	154.7	(19.2)		27.8	(155.1)	
Gain on the sale of Alvadis (1)	(0.6)	0.0		0.0	0.0	
Impairment on goodwill (2)	0.0	41.4		0.0	41.4	
Non-cash impact of purchase price allocation (PPA) (3)	19.1	37.1	94.4%	4.6	24.2	
Remeasurement of assets held for sale at fair value less costs to sell (4)	0.0	141.6		0.0	141.6	
ADJUSTED RESULT OF THE YEAR	173.1	200.9	16.0%	32.4	52.1	60.8%

(1) On August 30, 2019 – after approval from the Belgian Competition Authority – Ubiway finalised the share purchase agreement with Conway for the sale of Alvadis, a company of the Ubiway group, Alvadis has been deconsolidated end of August 30, 2019. At the time of the start-up of the sales process (in December 2018), Alvadis had been transferred to assets held for sale. The normalisation of EUR 0.6m corresponds to the gain on the disposal of the activities.

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

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

(4) 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 participations from bpost to BNPPF. bpost and BNPPF have the intention to sign binding agreements by the end of March 2021, with the objective to close the transaction by the end of 2021. As a result 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 EUR 141.6m has been recognized.

Reconciliation of Reported free cash flow and adjusted free cash flow

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
Net Cash from operating activities	424.2	571.3	34.7%	217.6	201.0	-7.6%
Net Cash used in investing activities	(122.2)	(127.6)	4.5%	(90.4)	(55.6)	-38.5%
FREE CASH FLOW	302.0	443.7	46.9%	127.2	145.4	14.3%
Collected proceeds due to clients	14.0	3.1	-77.6%	43.3	28.2	-34.9%
ADJUSTED FREE CASH FLOW	288.0	440.5	52.9%	83.8	117.2	39.8%

From IFRS Consolidated Net Result to Belgian GAAP Unconsolidated Net Result

	Year-to-date			4th quarter		
In million EUR	2019	2020	Change %	2019	2020	Change %
IFRS Consolidated Net Result	154.7	(19.2)	-112.4%	27.8	(155.1)	-
Results of subsidiaries and deconsolidation impacts	0.6	24.7	-	5.0	55.2	-
Differences in depreciation and impairments	(20.5)	(4.8)	-76.5%	7.7	(7.8)	-201.3%
Differences in recognition of provisions	(3.4)	0.7	120.5%	(2.4)	0.0	-
Effects of IFRS 16	8.5	4.4	-48.1%	2.1	1.1	-47.2%
Effects of IAS19	15.5	1.2	-92.2%	13.0	9.6	-26.3%
Depreciation intangible assets PPA	21.5	38.6	79.2%	5.8	24.8	-
Deferred taxes	1.6	(19.8)	-	(6.6)	(17.0)	-
Other	(5.9)	15.9	-	2.0	4.0	156.2%
Belgian GAAP unconsolidated net result available for appropriation	172.6	41.7	-75.9%	54.4	(85.2)	-
Transfer to / (from) untaxed reserves	29.1	(1.0)	-	-	(0.4)	-
Belgian GAAP unconsolidated net result for the period	201.7	40.7	-79.3%	54.4	(84.8)	-

bpost's unconsolidated net result after taxes prepared in accordance with Belgian GAAP can be derived from the consolidated IFRS result after taxes in two stages.

The first stage consists of un-consolidating the result after taxes under IFRS, i.e.:

- Subtracting the results of the subsidiaries, i.e. removing the profit after tax of the subsidiaries. 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 EUR 141.6m has been recognized, and
- Eliminating any other income statement impact the subsidiaries had (such as impairments, in 2020 for an amount of EUR 127.5m statutory impairments were recognized, partially offset by EUR 41.4m EUR goodwill impairments) and adding the dividends received (2020: EUR 11.8m), included in "other deconsolidation impacts".
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The table below sets forth the breakdown of the above-mentioned impacts:

In million EUR	Year-to-date 2019	Year-to-date 2020	4th quarter 2019	4th quarter 2020
Result of the Belgian fully consolidated subsidiaries (local GAAP)	(15.2)	(0.4)	1.2	11.7
Result of the international subsidiaries (local GAAP)	23.8	(25.0)	(4.0)	(10.3)
Remeasurement of assets held for sale at fair value less costs to sell	0.0	141.6	0.0	141.6
Share of results of associates and joint ventures (local GAAP)	(13.6)	(17.5)	(4.4)	(2.2)
Other deconsolidation impacts	(5.6)	(74.0)	12.2	(85.6)
TOTAL	(0.6)	24.7	5.0	55.2

The second stage consists of deriving the Belgian GAAP figures from the IFRS figures and is achieved by reversing all IFRS adjustments made to local GAAP figures. These adjustments include, but are not limited to the following:

- Differences in the treatment of depreciation and impairments: Belgian GAAP allows useful lives (and hence depreciation rates) of fixed assets different from IFRS. Goodwill is amortized under Belgian GAAP while IFRS requires impairment testing for goodwill. IFRS also allows intangible assets to be recorded on the balance sheet under different conditions from Belgian GAAP.
- Recognition of provisions is subject to different criteria under Belgian GAAP and IFRS;
- IFRS requires that all future obligations to personnel be recorded as a liability under IAS 19, whereas Belgian GAAP has no such obligation. The movements in the IFRS liability are reflected on bpost's income statement under payroll costs or provisions, except for the impact of changes in the discount rates for the future obligations, which is recorded as a financial result.
- In accordance with IFRS 3 "business combinations" bpost performed the purchase price allocation (PPA) for several entities and recognized several intangible assets (brand names, know-how, customer relationships…).
- Deferred taxes require no accounting entries under Belgian GAAP but are recorded under IFRS.

Forward Looking Statements

The information in this document may include forward-looking statements[8], 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.

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

Glossary

- ADM: Alternating Distribution Model
- 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
- CMD: Capital Markets Day
- 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: Total Contract Value