Investor presentation

Second quarter 2021

August 2021

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Financial Calendar

09.11.2021 (17:45 CET)
Quarterly results 3Q21

More on corporate.bpost.be/investors

Disclaimer

Highlights 2Q21
Guidance 2021

Highlights of 2Q21

2Q21

Compared to 2Q20 COVID lockdown, bpost delivers a strong quarter driven by mail revenues and sustained e-commerce in Europe
As anticipated, accelerating contribution of new customers at Radial NA did not yet compensate non-recurring COVID lockdown growth of 2Q20

Group operating income

€ 1,037.9m

Group adjusted EBIT

€ 106.6m
10.3% EBIT margin

up € +31.6m compared to prior year

Mail & Retail

€ 71.7m
14.1% EBIT margin

- Total operating income at € 508.1m (+8.5%) driven by
  - volume rebound supported by one-off COVID-19 communication
  - positive mail price impact
  - VAS and Retail profiting from soft comps of last year
- Underlying mail volume growth at +1.4%
- Adjusted EBIT up € +35.7m, doubling YoY

Parcels & Logistics Eurasia

€ 34.7m
12.2% EBIT margin

- Total operating income at € 283,4m (-3.9%) against high comparable base in 2Q20
  - volume growth of +2.9% in Parcels B2X[1] from sustained online sales,
  - negative P/M of -6.9% of which price impact of -2.8% from COVID-19 surcharges to customers in April and May-20
- Adjusted EBIT up € +2.3m, with margin improvement supported by benefits of operating leverage in the integrated network

Parcels & Logistics N. Am.

€ 10.8m
3.5% EBIT margin

- Total operating income at € 309.8m (-12.5%, or -4,6% at constant exchange rate), reflecting Radial's non-recurring extra volumes of last year's pandemic lockdown
- Adjusted EBIT down € -6.8m to € 10.8m driven by lower operating income at Radial and wage pressure in the U.S.

Updated 2021 guidance raised, group adjusted EBIT expected to be above € 340m

[1] Parcels B2X sales and volumes do not include EuroSprinters and Dynagroup

Update on management priorities

Management

Progress in line with plan

- 2021 priorities from Q1 have all progressed
  - Preparation of the **end of year peak**
  - Cost reduction and operational efficiency in **Mail & Retail Belgium**
  - Reduction in **overhead and headquarters costs**
  - e-commerce logistics on both sides of the Atlantic
  - Active **portfolio management** and **capital allocation** to booming e-commerce business
- These initiatives are the focus of the CEO and executive team for the coming months
- They aim at **improving performance and predictability** of the group

2021 group EBIT outlook revised upwards

Outlook FY21

In light of the second quarter results, and based on current assumptions of mail volume trend and normalization for COVID-19 e-commerce activities for the rest of the year, bpost expects the group adjusted EBIT to be above € 340m

Mail & Retail

Total operating income:

- Underlying Domestic Mail volume decline up to -8%
- Price and mix impact of +7.0%
- Expected post COVID-19 recovery in VAS

8-10% adjusted EBIT margin

Parcels & Logistics Europe & Asia

High single-digit % growth in total operating income with parcels and e-commerce logistics volumes expected to normalize from elevated COVID-19 levels

Operating expenses will include investments to grow omni-commerce logistics in Europe

9-11% adjusted EBIT margin

Parcels & Logistics North America

Mid- to high single-digit % growth in total operating income driven by Radial existing customers growth and new client launches, normalized for 2020 COVID-19 spike

4-5% adjusted EBIT margin

Group

Low to mid-single-digit % growth in total operating income

Adjusted EBIT above € 340m

Gross capex around € 200-220m, geared towards the strategy to grow omni-commerce logistics

Dividend

2021 dividend in the range of 30-50% of IFRS net profit and payable in May 2022 after the General Shareholders' Meeting, in accordance with the new dividend policy

bpost group

at a glance

Belgium's leading postal operator with parcel & e-commerce logistics activities in Europe, North-America and Asia

at a glance – group

€ 4,154.6m[1]
revenues

€ 280.6m
6.8%
EBIT

€ 519.1m
12.5%
EBITDA

€ 200.9m
net profit

38,639
average
FTE & interims

		Revenues	% of total
Mail & Retail € 1,736m 42%	Transactional mail	€ 725m	18%
	Advertising mail	€ 183m	4%
	Press	€ 339m	8%
	Proximity and convenience retail network	€ 386m	9%
	Value added services	€ 103m	2%
Parcels & Logistics Europe & Asia € 1,074m 26%	Parcels Be-Ne	€ 548m	13%
	E-commerce logistics	€ 173m	4%
	Cross-border	€ 354m	9%
Parcels & Logistics North America € 1,329m 32%	E-commerce logistics	€ 1,246m	30%
	International mail	€ 83m	2%

2020 figures (adjusted)
[1] 41.8% Mail & Retail, 25.8% Parcels & Logistics Europe & Asia, 32.0% Parcels & Logistics North America and 0.4% Corporate revenue

Purpose, mission and strategy

PURPOSE

Your trusted guide to connect in a changing world

MISSION

We, the engaged employees of bpost group, take care of relations and transactions in an evolving physical and digital world.

We build on our knowledge of society, customers and technologies.

We create sustainable value for our worldwide customers and shareholders.

STRATEGY

We accelerate our transformation into an omni-commerce group close to society, while remaining an efficient mail provider in Belgium

Ambitions and milestones

at a glance – group

AMBITIONS

- **C** Be the trusted partner for brands, enabling them to successfully grow their omni-commerce activities
- **O** Make Belgium a top-notch omni-commerce country
- **N** Be recognized as an innovative company offering exciting customer experiences
- **N** Create sustainable long term profitability, ensuring in-vestments for business transformation beyond mail
- **E** Be a reference sustainable & planet-friendly company
- **C** Be an important contributor to social cohesion in society and the preferred partner for public services in a changing world
- **T** Be an inclusive organization, offering life-learning experiences

MILESTONES

Accelerate e-commerce logistics in Europe PaLo NA : 5 initiatives to further improve profitability Joint vision for e-commerce logistics in Europe and North America	p. 37-39 p. 47 p. 48
Best customer experience for receivers and senders Support Belgian SME's to embrace e-commerce	p. 31 p. 32
Increase NPS scores through innovative tracks Further automate omni-commerce with robotics	p. 27 p. 40
New distribution model : ADM - Delta Project One for overhead efficiency	p. 24-25 p. 49
Putting People, Planet & Proximity to ESG	p. 50-52
Create additional proximity services in Belgium Retention with modernization of the existing services to Public authorities in Belgium	
bpost Academy	

bpost group offers a strong investment rationale

at a glance – group

bpost group aims at being a responsible company, delivering sustainable returns to its shareholders

What?

We develop sustainable activities in the high growth e-commerce logistics & parcels business in our Belgium/Netherlands home market and key geographies in Europe and North America

We continue to transform the mail and proximity business in the home market to sustain solid cashflows

How?

Growth in e-commerce logistics & parcels through capex and bolt-on M&A

Experienced management team with embedded financial discipline and a strong business transformation track record

Multiple levers for transformation of the legacy business: natural attrition, alternating distribution model, stable and predictable regulation, network optimization,...

A solid balance sheet with single 'A' credit rating

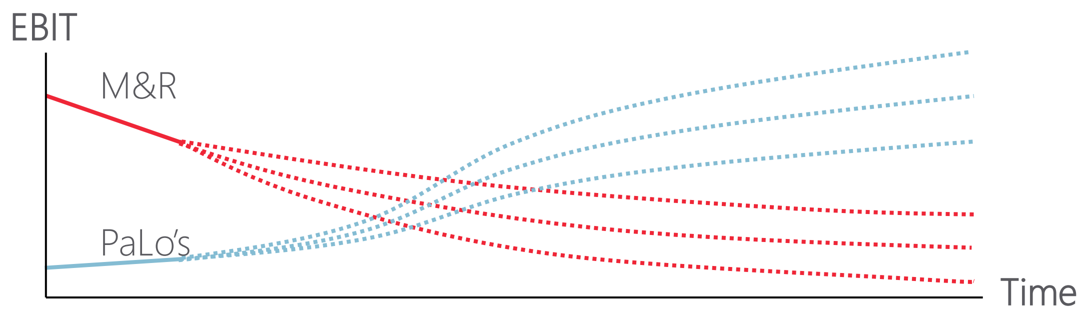
Goal

The financial ambition is to seek to more than compensate the EBIT loss from our declining mail business in the trajectory 2021-2026, and gear for adjusted EBIT growth of bpost group

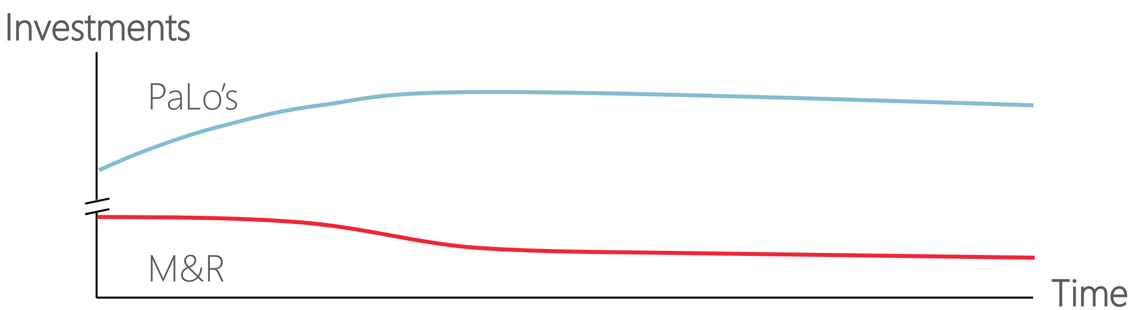
We accelerate our transformation into an omni-commerce group close to society, while remaining an efficient mail provider in Belgium

This business transformation will require time and investments

Different businesses with opposing dynamics are at different stages of their cycle with the inflection point being unpredictable as to exact timing...



... they therefore require different levels of investments in the course of the business transformation



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

Our capital allocation enables our business transformation

at a glance – group

To ultimately deliver durable shareholder value while being sustainable from a cash flow perspective and strive for investment grade

STARTING POINT

Enable bpost group's successful business transformation while staying financially disciplined[1]

Capital sources

EBIT generation

\+
- Development in E-commerce logistics
- Parcels growth
- Profitability enhancement plans

\-
- Mail volume decline

Working capital needs

- Driven by the business mix and the shift away from the payments business at Radial

CASH-FLOW FROM OPERATIONS

Capital allocation

Capex

- For growth and maintenance, to foster EBIT growth
- Strict investment return criteria

Bolt-on M&A

- To accelerate growth in Radial Europe
- Strict investment return criteria

Dividends

- Provide sustainable returns
- Grow long-term shareholder value

Disposal of non-core assets

- Active portfolio management to identify non-core assets and consider them for disposal

CASH BUFFER

- Additional growth capex
- M&A
- Additional shareholder returns
- Debt reduction

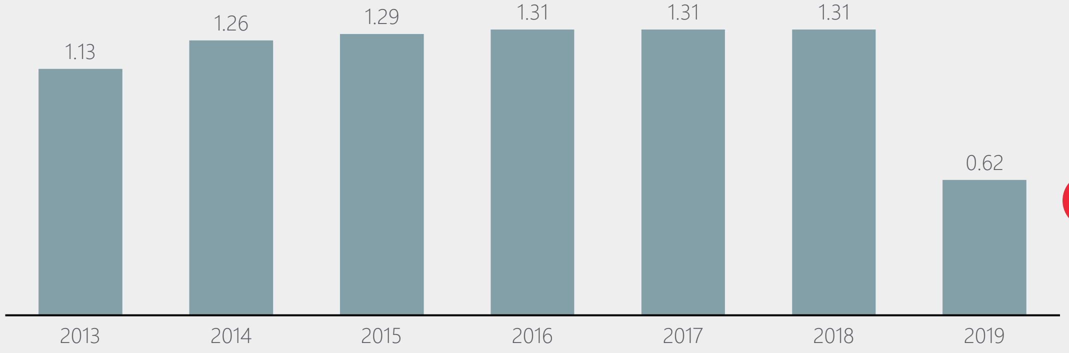
[1] Financial discipline is reflected in our striving for an investment grade rating, based on internal cash generation

We remain committed to rewarding shareholders in a sustainable way, while we invest to position the company for growth

at a glance – group

IPO dividend policy until 2019

Minimum of 85% of BGAAP net profit of the mother company bpost SA/NV (unconsolidated)



2013	2014	2015	2016	2017	2018	2019
91%	85%	90%	85%	90%	100%	72%[1]

X% BGAAP net profit pay-out ratio

[1] Exceptional deviation from the dividend policy due to COVID-19 to strengthen balance sheet & cash reserves for the long-term. Gross DPS on FY19 results was limited to the interim dividend paid in Dec-19 of € 0.62

Updated dividend policy

Dividend pay-out ratio between 30-50% of IFRS net profit:

- Sustainable in the long run as it offers flexibility and headroom to manoeuvre through the business transformation
- Timing of the annual dividend payment will be in the month of May after the Annual Shareholders Meeting

bpost

All investments are tested against additional cash returns to shareholders

at a glance – group

Rigorous project governance process

- Increased rigour on all capex
- Projects prioritised in line with strategic intents and targeted return
- Optimising balance between growth and maintenance capex
- Suite of metrics to ensure a balanced appraisal

Consistent and thorough application of return metrics

IRR | NPV | Payback period

- Projects must attain a minimum return surpassing bpost's WACC by at least 2% while limiting the payback period
- Investments reviewed periodically to monitor progress

Our experienced management team has responsibilities down to the bottom-line

at a glance – group

Dirk Tirez
Group CEO

Luc Cloet
CEO Mail & Retail

Kathleen Van Beveren
CEO Parcels & Logistics Europe & Asia

Mark Michiels
CHRO

Leen Geirnaerdt
CFO

Ilias Simpson
CEO Parcels & Logistics North America

Mail & Retail

at a glance

Sub-segments

Transactional mail

Advertising mail

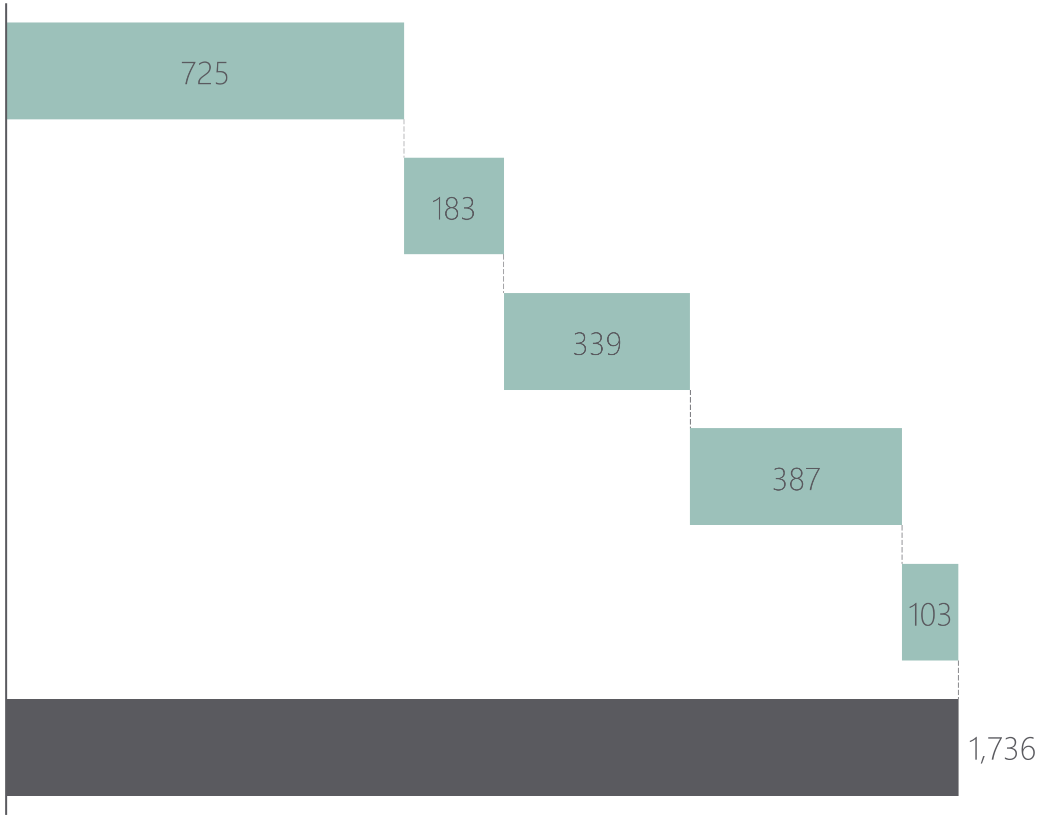
Press

Proximity and convenience retail network

Value added services

Total

Revenues 2020, €m



Key facts & figures

~5.8m
letters handled daily

~20.7k
operational FTEs

Servicing 5m
letter boxes

5
industrial sorting centers

~2,300
points of presence in Belgium

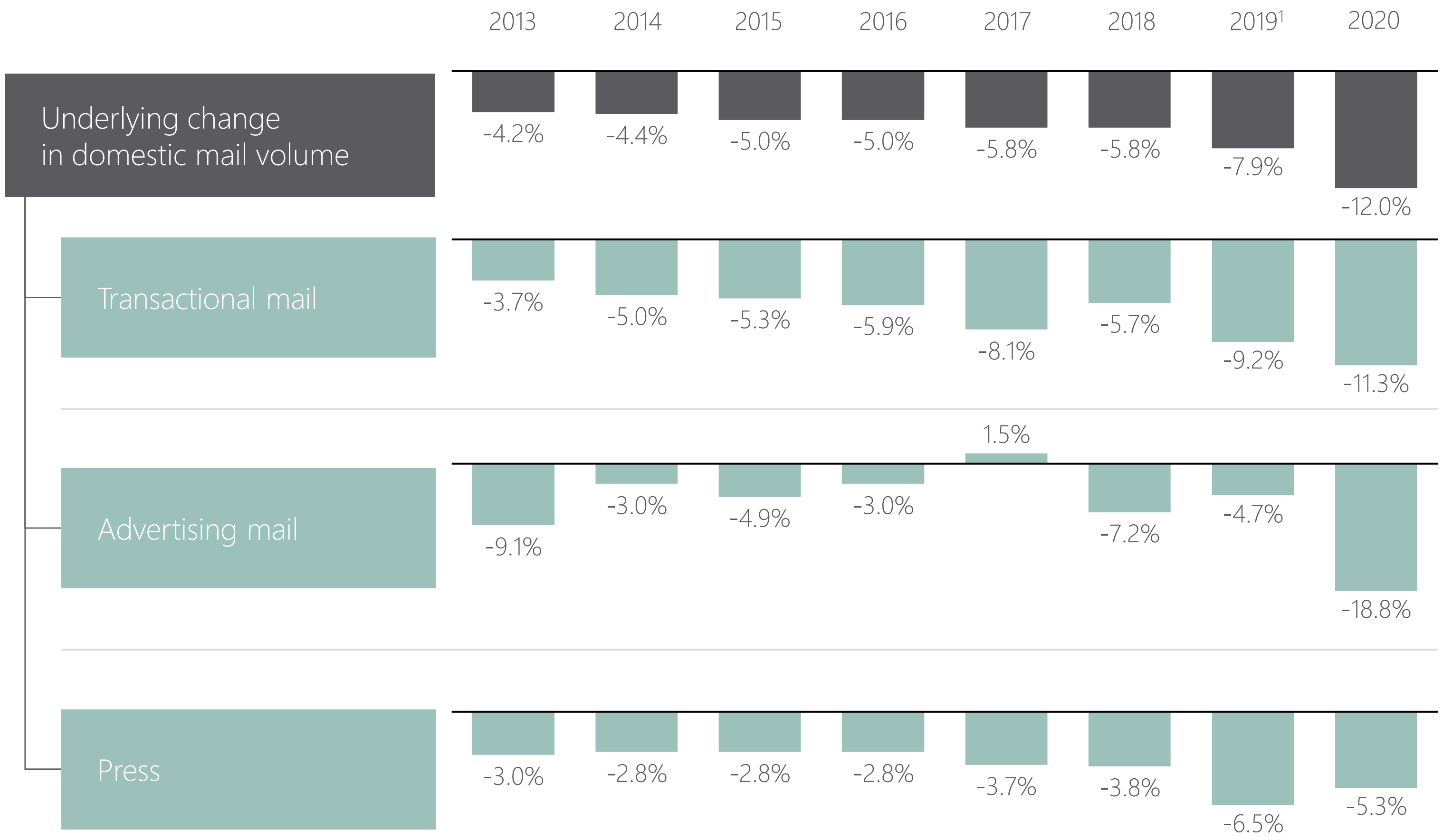
Key value drivers for Mail & Retail

at a glance – M&R

Key value drivers	From	To
Speed of mail volume decline	-7.9% in 2019	Between 9% - 11% and up to -8% in 2021, from volume rebound against lockdown's impact of 2020
Share of mail volume decline compensated through price increase	18-45% over 2014-2017	>50%
7th Management contract (2022-2026) negotiated in July 2021 and renegotiation/retendering of future press concessions	Three contracts until end 2020; compensation contractually set	2 press concessions ext. until end 2022 6th Management contract ext. until 2021 7th Management contract negotiated until end 2026
Evolution of operating model (mail collect and distribution)	Fixed D+1 based model (everywhere, everyday)	Flexible, differentiated offering (prior vs. non-prior.)

Domestic mail volume decline is accelerating

at a glance – M&R



Key drivers

- E-substitution at large corporates and SMEs
- Intensifying competition in advertising media
- Shift to digital for newspapers & magazines
- Service level elasticity from the implementation of the Alternating Distribution Model

[1] As of start FY19 Transactional Mail excludes outbound and Press includes Ubiway press distribution

Regulatory aspects

at a glance – M&R

Designated provider of the Universal Service Obligation until end 2023[1]

- Collection, sorting, transport and distribution of postal items up to 2kg and single piece postal packages up to 10kg
- Collect and deliver 5x per week
- Cover full territory of Belgium for collection and delivery of items belonging to universal service
- Apply uniform tariffs and an identical service across the territory

4 key contracts with the Belgian State

- Management contract for the provision of the USO (2019-2023)
- 6th Management Contract (2016-2020 extended until end 2021).
  7th Management Contract: (2022-2026) for the provision of certain SGEIs, i.e. maintenance of retail network, cash at counter, cash payment of pensions at home, and new digital public services.
- 2 press concessions (2016-2020 extended for 2 years until end 2022): (1) for distribution of periodicals and (2) for distribution of newspapers

Postal law of 10 February 2018 provides stable & predictable mail pricing framework

- Single piece mail & USO parcels falling within "small user basket" are subject to a price cap
  - Price cap[2] = inflation - (volume evolution + cost reduction factor x efficiency gains sharing factor)
- Volume and operational discounts allowed for other USO products (bulk)
- Price increases done in practice on a yearly basis: +5.1% on average in 2020 on all domestic mail items; +6.0% on average for 2021

[1] Refer to slide 80 for more details
[2] Exact formula: Price cap = health index April n-1/health index April n-2 * (1 - [expected volume decline/(expected volume decline +1)] - 2.8%*33%) - 1

New Postal Law (Effective as of February 10, 2018)

at a glance – M&R

provides stable and predictable regulatory framework to increase prices in context of accelerating mail volume decline

Drivers of the price cap formula

	Inflation	Volume decline	Efficiency gains
Description	Compensation for inflation	Compensation for mail volume decline	Mechanism to share 1/3 of the efficiency gains target with consumers
Correlation to price cap	Higher inflation results in larger allowed price increase	Larger mail volume decline results in larger allowed price increase	Constant and fixed by law
Calculation logic	Ratio of the health index as measured in April of the years n-1 and n-2	[V/(V+1)] with V as the expected negative volume trend on the Small User Basket	Fixed by the law at 0.9% (i.e., 1/3 of 2.8% efficiency gains target)

Illustrative example assuming 2% inflation and -6% average volume decline:

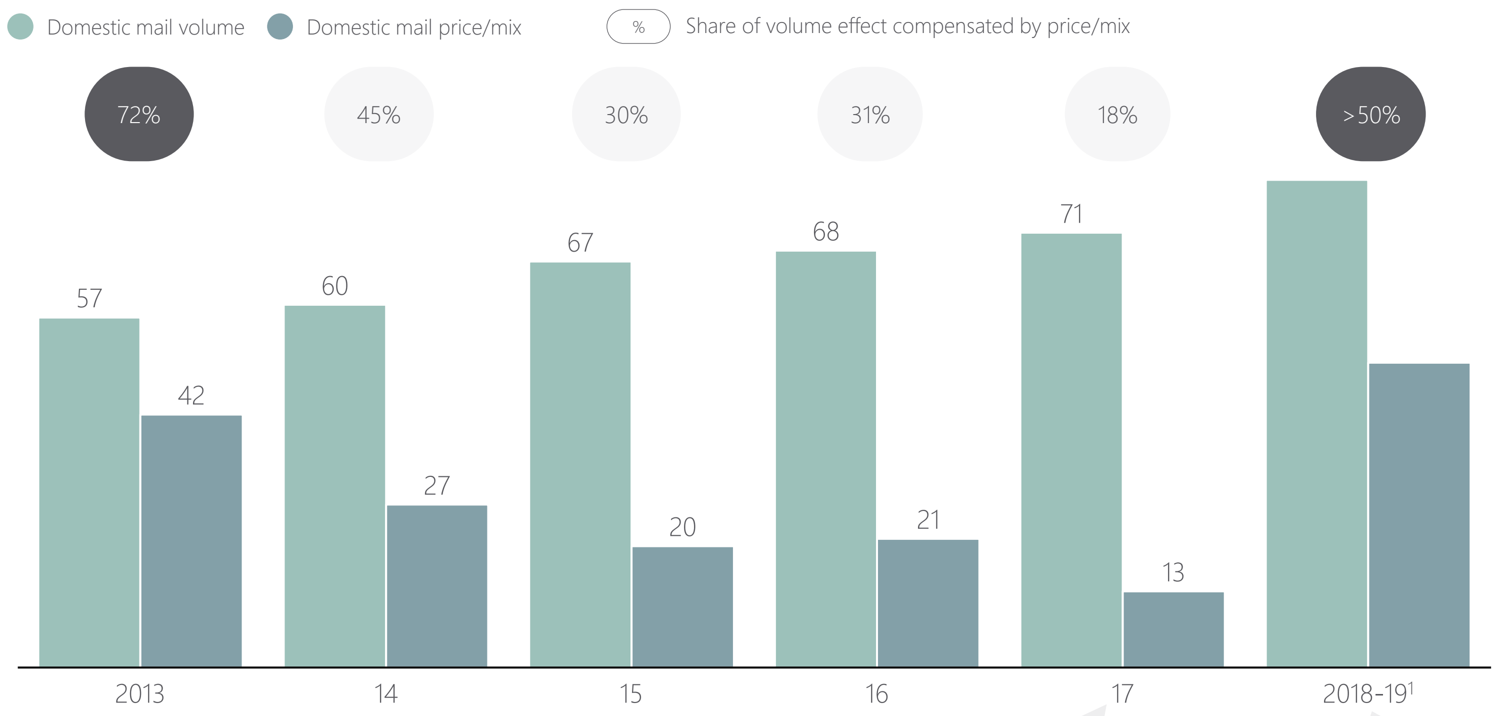
Price cap[1]: 7.6% = 102% x [106.4% – 0.9%]

[1] Detailed formula: Price cap = (1 + inflation) * (1 - [V/(V+1)] – 0.9%) – 1, giving for the above example the following calculation (1+2%) * (1 – [-6%/(-6%+1)] – 0.9%) - 1 = 7.6%

Price increase and mix effects expected to compensate >50% of mail volume decline

at a glance – M&R

Volume and price/mix impact on revenue €m



Price increase on small user basket rejected by regulator

Building on the New Postal Law for price regulated products

Key drivers

- Accelerating domestic mail volume decline
- New price cap mechanism of Postal Law defining max price increase for small user basket, and serving as guideline for price increase on non-price capped products
- Price increase partly offset by shift to less expensive mail products

[1] 2018 was at 70%, 2019 was 58%
2020 was <50% due to negative COVID-19 impacts on price/mix effect for Advertising mail

Management has developed an extended set of cost control options

at a glance – M&R

Operating model

- Differentiated offering and Alternating Distribution Model
- Take measures to address absenteeism

Industrial Mail Centers

- Optimize mail sorting centers footprint
- Pursue continuous improvement

Collect & Transport

- Align number of red boxes to mail volume decline
- Stop collect on Saturday and increase flexibility of pick-up, delivery and dispatch timing constraints
- Transport optimization (fill-in rate and routes)

Distribution

- Introduce new generation of Georoute and time potential management
- Simplify process for selected transactions
- Enhance customer experience and productivity through digital (e.g., consumer preferences)

FTE Unit cost

- Further optimize FTE mix

A differentiated offering enables a new distribution model to accommodate changing customer needs

at a glance – M&R

Differentiated offering
as of January 1st, 2019

D+1
Available to consumers who need D+1 delivery

Within D+3
Service level agreement (SLA) "within 3 days"

Alternating Distribution Model
as of mid-March 2020

Mail
Adjusted "day certain" distribution frequency: in each street, mail will be distributed on selective days of the week

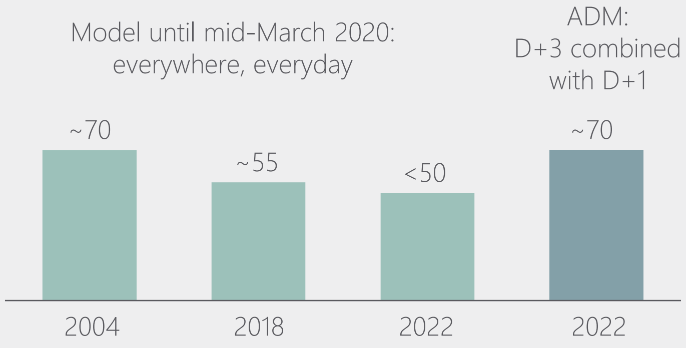
D+1 delivery will remain available as a separate product ("Prior")

Parcels
D+1 offering

Newspapers
Same day delivery

No change

Optimizing drop density
Share of houses receiving mail on any given day, %



Acceptance for D+3-4[1]

[1] Based on a bpost SA/NV study with 1,000 households & 500 businesses (< 200FTE) interviewed in February 2015

A further review of the operating model in Belgium is required to align operations with expected market evolutions

at a glance – M&R

Drivers

Volumes	• Accelerated mail volume decline • Strong increase of parcels volume
Profitability	• Increase parcels margin • Protect mail profitability
Market demand	• More flexibility asked by consumers • Broader range of goods ordered online • Increasing EOY peaks
Market trends	• Sustainability: carbon neutral delivery • Urban low emission zones • Congestion/mobility challenges

2020-2021

Alternating Distribution Model

Successful "big bang" nationwide roll-out mid-March 2020

Delayed launch of gradual mail round reorganization process

Full savings expected by 2022 / 2023 depending on the speed of the reorganization

Volume changes linked to COVID-19 are taken into account

2022-2023 onwards

ADM+

What
Re-invent the Mail & Parcels supply chain in Belgium based on expected market evolution, combining agility, cost and service quality

How
- Taking into account our social responsibility as one of the largest employers in Belgium
- Bearing in mind evolving customer needs (sender & receiver)
- Responding to sustainability and other market trends

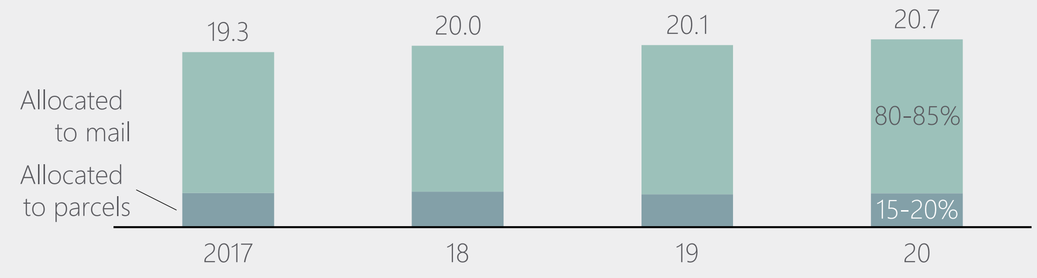
Goal
- Maximize EBIT
- Minimize capex
- Increase asset utilization

Optimized employee mix and decrease of mail related FTEs will mitigate higher FTE needs in Parcels & Logistics

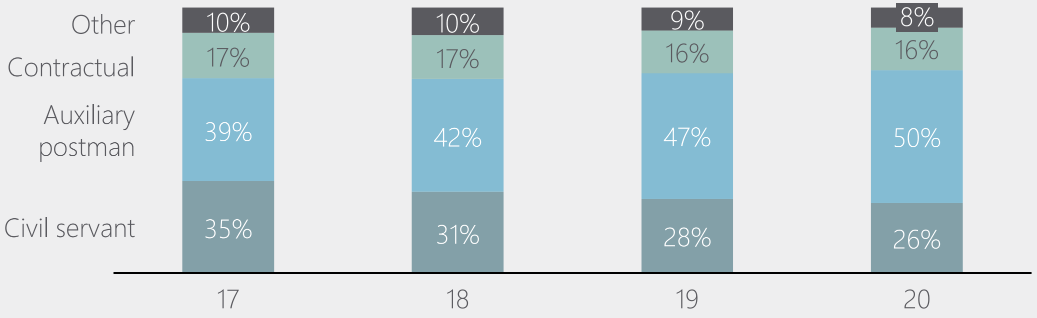
at a glance – M&R

Operational FTE evolution[1]

Average FTEs and interims, '000

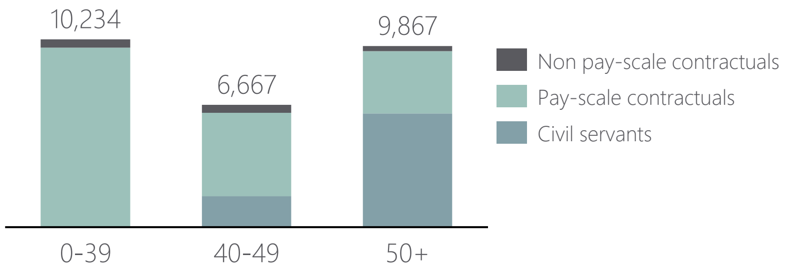


Operational FTE mix evolution[1]



Age pyramid

Headcount bpost SA/NV per age, 31/12/20



Average cost per contract type[1]

Indexed

Natural attrition

Average natural attrition is expected to be at 1,400 FTEs/year

[1] bpost SA/NV scope, excluding retail network

We want to create exciting customer experiences to increase NPS scores through four innovative tracks

Tracks	How
Build global digital knowledge on our customers be it senders or receivers	• By collecting and grouping all fulfillment, cross-border and last mile data we will be able to have superior insights on our customers • By servicing our customers via a global customer engagement center where digital is the first interaction channel, we will offer a complete end-to-end service
Make digital the first interaction medium with our customers in Belgium	• bpost should become the only company in Belgium that has more than 5 million customers identified digitally and mobile on the Belgian bpost app • All our mail products have a digital component
Technology is inherent part of the day-to-day operational activities and guarantees the right to play for all entities	• A bpost innovation center supported by an agile way of working offers the opportunity to involve all our employees in innovation and our customers in the design of new products and services • Digital twins and Flow control towers will give real-time information on the performance of our factories and provide supply chain solutions for our fulfilment business
New digital business lines and opportunities to complement our omni-commerce revenue streams	• Different solutions are being investigated

What will this bring us? Digital revenues and EBIT within the M&R business unit, as an alternative to declining mail EBIT

Parcels & Logistics Europe and Asia

at a glance

at a glance – PaLo Eurasia

Sub-segments

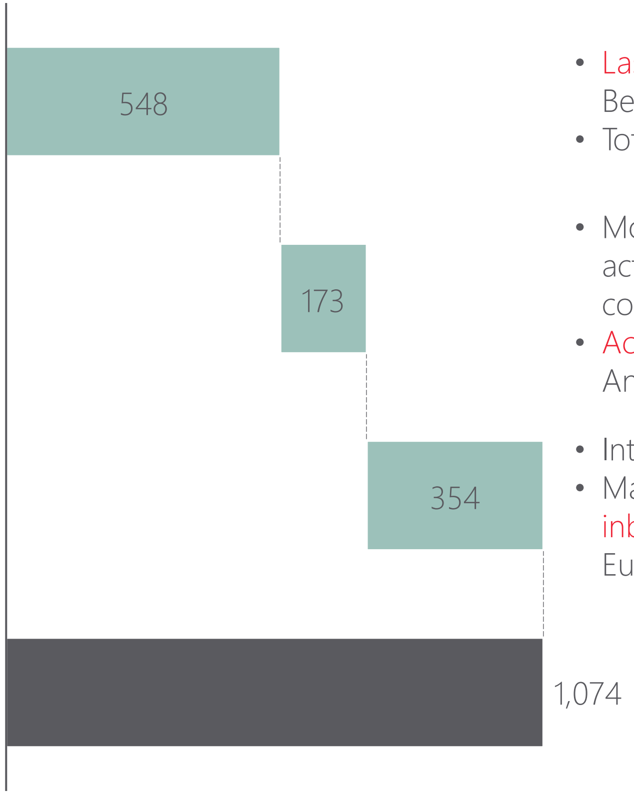
Parcels BeNe

E-commerce logistics

Cross-border

Total

Revenues 2020 (€m)



- Last-mile B2C delivery in the Benelux
- Total of ~114m parcels in 2020

- Mostly fulfilment & transport activities in Europe spread over 8 commercial locations
- Activities include Radial EU, Active Ants and DynaFix

- International mail & parcels
- Majority of cross-border volume is inbound mail and parcels from Europe and Asia

Key facts & figures

Peak days of up to 670k parcels during end-of-year peak of 2020

Fulfilment footprint

covers over 8 commercial locations across 5 countries in Europe

3 main cross-border activity centers

i.e. Brussels brucargo, Heathrow UK and Hong Kong

Key value drivers for Parcels & Logistics Europe & Asia

at a glance – PaLo Eurasia

Sub-segments	Key value drivers	From	To
Parcels BeNe	Ability to capture profitable growth in a competitive environment	Volume growth rate of 20-30% with price/mix effect up to -6% over 2016-2018	Double-digit volume growth rate, address price/mix, support Belgian SME's to increase online business
	BeNe-wide offering addressing customer requirements	Focus on Belgium (sales force, contracts, DHL partnership)	BeNe-wide approach
	Optimized last-mile operations based on parcels characteristics and in line with delivery requirements	Parcel hubs where enough density	Flexible parcels distribution footprint in close collaboration with Mail & Retail
E-commerce logistics	Ability to organically capture market growth of ~10% p.a. (vs. in-sourcing, pan-European players)	E-commerce logistics in PL, NL & BE and DynaFix	Increase scale & skills by leveraging capabilities of Radial Europe and Active Ants
Cross-border	Develop international cross-border parcels, also across continents Ability to maintain international mail volume	Natural business evolution	Developing international parcel flows driven by growing e-commerce activity

Four strategic initiatives for Parcels BeNe

at a glance – PaLo Eurasia

Focus on 4 strategic initiatives

Integrated BeNe offering

- Dedicated, specialized sales force
- Integrated commercial offers
- Partnership with DHL Parcels

Differentiate pricing policy

- Strategic pricing initiatives

Attract key foreign e-commerce players

- Partnerships with e-commerce players
- E2E service offering ("gateway to Europe")

Convenience & Cost leadership

- Increased convenience through improved receiver journey and additional pick-up drop-off lockers (KPI: Net Promoter Score)
- Flexible distribution footprint in close collaboration with Mail & Retail
- Increase sorting capacity
- Fulfilment infrastructure
- Transport optimization
- Digital excellence

We want to offer the best customer experience in business for receivers and for senders

at a glance – PaLo Eurasia

For receivers

We further adapt our parcel delivery to their preferences, and make interactions with bpost frictionless:

- Offer additional receiver preference options
- Improve delivery timeslot logic and communication
- Use gamification tactics in receiver & postmen apps to boost usage & quality
- Offer option to chat with a human if our chatbot cannot help
- Sign & pay for deliveries via mybpost app
- Optimized and aligned experience through all our channels and customer touchpoints

For senders

Build an integrated digital environment where SME senders can manage all interactions with bpost, e.g.

- Digital onboarding flow for a frictionless 'early lifetime' experience
- Improved tooling for label creation and business track & trace

Interact with large senders' systems & processes to align bpost's and sender's customer journeys to avoid overlap in a.o. receiver communication & support

Offer efficient & empathic support channels to minimize senders' need to put effort in asking bpost for help with problems

For C senders, offer integrated and optimized customer journey through all our channels (retail, app, web, call center …)

bpost will support Belgian SME's to embrace e-commerce and increase their online business

at a glance – PaLo Eurasia

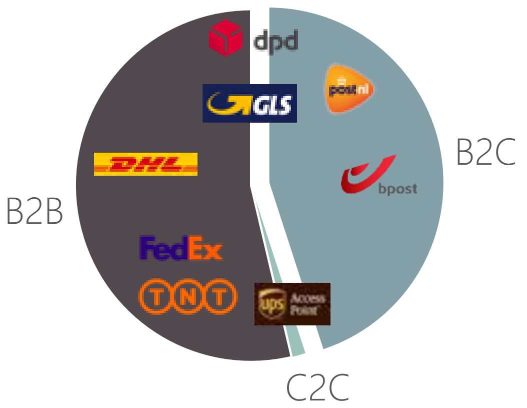
The Belgian e-commerce space is dominated by large international web shops. Only ~1/3 of parcels is sent by Belgian companies

To help Belgian companies to increase their online business, we build on the recently launched "Every Business Online" offer, so it evolves to a suite of solutions:

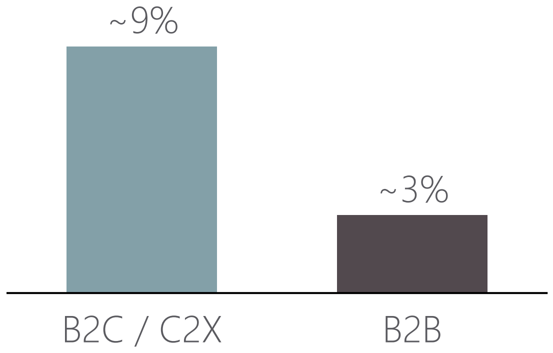
- Offer advice and solutions for doing e-commerce beyond logistics:
  - Consultative & community approach to increase customer's expertise
  - Offer (partner) ecosystem of e-commerce tools with a.o. marketing & operational solutions
- Offer an efficient, scalable & reliable first mile solution via pick-up and PUDO
- Offer fulfilment solutions (start Active Ants BE in 2021)
- Ensure a qualitative parcel delivery with a frictionless customer journey

We have an established position in the Belgian B2C/C2C parcels market

2019 parcel market[1]: 100% = € 1.6bn



CAGR 2019-25e[1], % volume growth



[1] Source: Effigy

Unique selling proposition

Offer best last-mile and broadest delivery options, supported by acquisitions and partnerships:

- Home delivery 7/7 & evening delivery, including high-end deliveries (2-man)
- ~2,300 pick-up & drop-off points
- >360 parcel lockers in Belgium (2 new parcel lockers every week in 2020)
- Click & Collect
- Non-exclusive partnerships with DPDHL for B2C parcel delivery into Belgium (from Germany/France & Benelux)

Partnership with DHL Parcels NL allows to cover the full BeNe region and to capture important cross-border flows

at a glance – PaLo Eurasia

Launched in June 2018

THE BENELUX COURIERS
FOR YOUR E-COMMERCE

DHL bpost

Purchasing behavior

- NL is the most important import country to BE (~30% of import flows)
- BE consumers mainly buy from NL players such as Bol.com and Coolblue

Large NL-based e-commerce players

- Looking for a BeNe wide offering with regards to last-mile
- Benchmarking prices on a BeNe level

Competitive offering

- Very competitive & dynamic region with many large players such as PostNL, DHL, DPD, FedEx

The parcels operating model will be continuously optimized

at a glance – PaLo Eurasia

Optimize distribution cost using drop density of mail rounds

- Maximize parcels in mail rounds
- Cost advantage due to higher drop density leading to lower unit costs

Evolve towards dedicated parcel infrastructure to match customer requirements

- Nationwide Parcel distribution footprint to accommodate distribution of parcels that are not in mail rounds
- Benefits for customer proximity and special services e.g. late-in services, "large scale" evening distribution or same day distribution

Increase sorting capacity

- Increase sorting capacity in the existing centers of Brussels, Charleroi & Antwerp to cope with increasing volume (optimizing sorting footprint mail & parcels)
- Use technology (e.g. address recognition)

Supported by acquisitions, bpost group has assets along the entire value chain of e-commerce logistics

at a glance – PaLo Eurasia

1

Order

- Order management
- Payment services, tax services and fraud prevention

2

Fulfilment

- Order reception in warehouses in the proximity of clients
- Preparation for shipment

Realtime technology

3

Delivery

- Hybrid transport network for high-end and urgent delivery
- Last-mile delivery

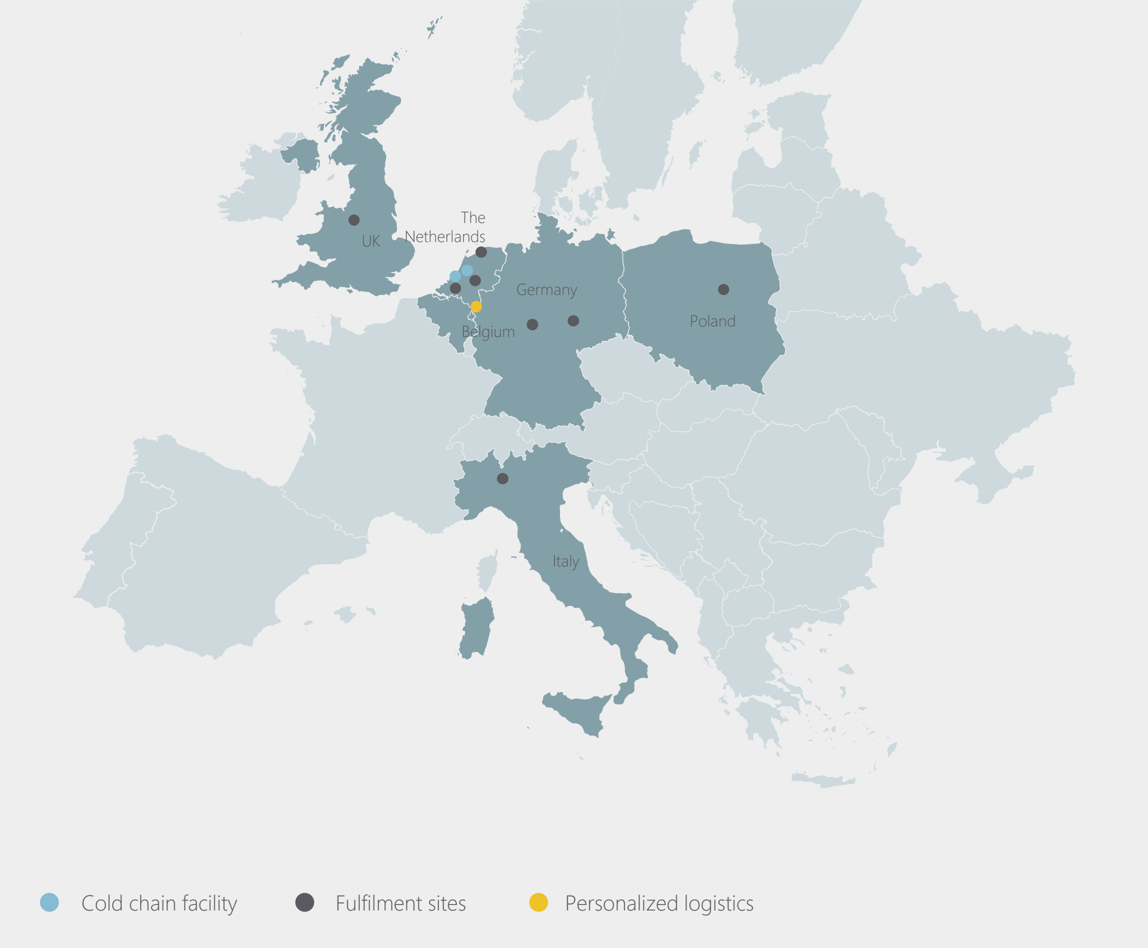
4

Customer Care

- Phone, email, social media & chat support
- Advanced analytics

E-commerce logistics development in Europe can be accelerated thanks to an already strong European footprint

at a glance – PaLo Eurasia



8
Commercial fulfilment centers / facilities

~1,250
FTEs

5
Countries

~€ 173m
2020 revenue

E-commerce logistics in Europe has 2 complementary engines of growth

at a glance – PaLo Eurasia

	Radial a bpost company	ACTIVE ANTS E-COMMERCE LOGISTIEK
Type of clients	E-tailers & click-and-mortar (omnichannel)	Pure e-tailers
Size of clients	Medium/large	Small/medium
Level of automation	Adapted per customer	High (AutoStore + automated packaging)
Level of customization	High, product and price tailored by client	Very low
Current locations	UK, Germany, the Netherlands, Italy and Poland (6 sites, 7th site in March 2021 in DE)	the Netherlands (2 sites)
Ambitions	Grow mainly organically in the countries where we are already present or in countries marked by flexible & low-cost labour and easy access to Germany, complemented by targeted bolt-on M&A	Grow organically by opening 2 new international sites per year in other European countries outside NL. A new site will open in Germany and Belgium in 2021

Radial Europe, just like in the US, covers all key steps of the value chain unlike most competitors

at a glance – PaLo Eurasia

Technology Services	Logistics - Fulfilment	Logistics - Transport & delivery	Customer care/Return management After Market
Radial a bpost company	Radial a bpost company		Radial a bpost company
NEWSTORE, NETSUITE, Manhattan Associates, order dynamics, OneStock, KIBO	Clipper, docdata An INGRAM MICRO Company, Bleckmann	arvato BERTELSMANN, Wincanton	arvato BERTELSMANN, zigzag GLOBAL, ReBOUND

Zoom on Innovation in omni-commerce

at a glance – PaLo Eurasia

Further modernize and automate operations with Robotics, reducing dependency and cost for labour acquisition & retention

Context & ambitions

- Growing demand and industry shortage in reliable warehouse labour, accelerated under COVID-19, will continue to drive increased labour need and costs
- Cost of integration and implementation of robotics technologies in fulfilment decreasing as more providers and solutions enter market and drive efficiencies
- Productivity gains of 10%+ possible across certain process paths reducing Radial's cycle time
- Automation reduces risk exposure and cost linked to overall hiring needs to both bpost group and our clients
- Scalable tech will help bpost group be flexible and well positioned to capture clients' forecasted demand peaks in coming years

How

Technology capex focused on Innovation driven Initiatives to return sustainable productivity increases and labour expense savings over time

- Current pilot with robots integrating with humans in the picking process to significantly increase picking UPH
- UI enhancements: handheld scanning devices
- Robotic kitting: establishment of robotic pods that provide automated kitting for clients with specific product characteristics.
- Packaging profile accuracy: enhancement of weight and measure devises

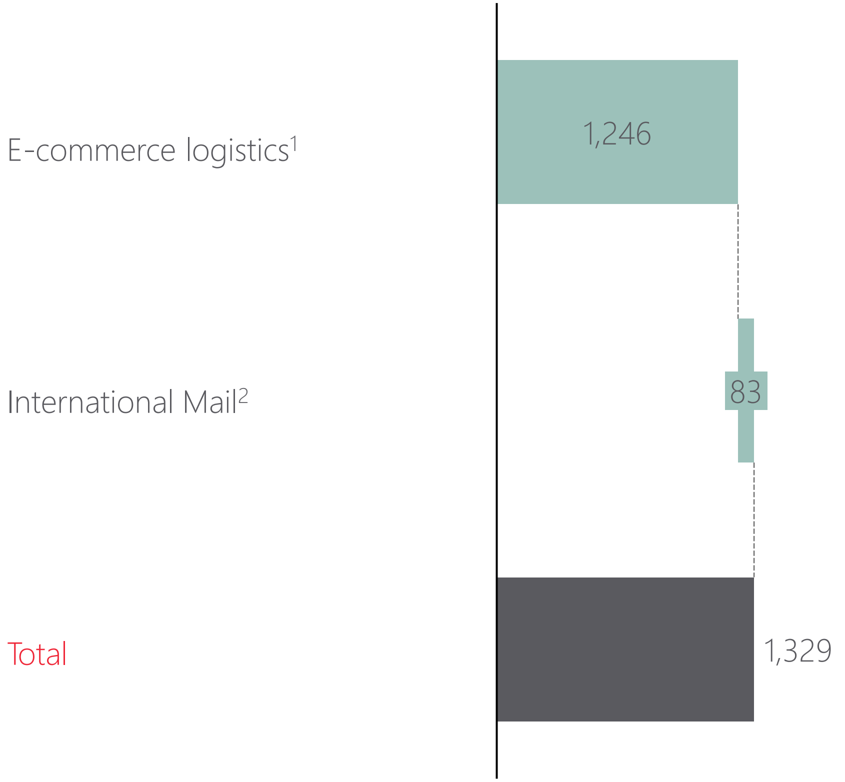
Parcels & Logistics North America

at a glance

at a glance – PaLo N. Am.

Sub-segments

Revenues 2020, €m



Radial a bpost company

US e-commerce logistics provider fulfilling 83m parcels p.a. with proven client base, IT infrastructure and capabilities along the E2E value chain

International mail solutions and catalogue fulfilment through US companies

landmark global a bpost company

Capabilities to support mid-sized e-tailers to expand cross-border and last-mile distribution in Canada and Australia

Objectives

- Growth engine for bpost group, to be a leading omni-commerce service provider in the US with healthy financial performance
- Grow with cross-border commerce
- International mail providers delivering profit through infrastructure optimization

[1] Radial North America, Landmark Global, Apple Express and FDM
[2] MSI, Imex, Mail Inc. = The Mail Group

Acquisition of US-based Radial on 16 November 2017

at a glance – PaLo N. Am.

Acquisition rationale

Our growth

- Integrated e-commerce logistics provides access to a larger and more attractive profit pool
- Radial as growth engine and key profit contributor

Presence in the US and Europe

- Strengthen US position building on presence with Landmark Global
- Scale bpost group's e-commerce logistics capabilities in the Benelux and Europe

Strong growth of e-commerce

- e-commerce is growing rapidly with US being an attractive and advanced space (+15% p.a. growth of online retail over 2004-2022e)
- Transatlantic e-commerce is growing at >25% p.a. with 20% of European parcels coming from the US

Knowledge and experience

- Knowledge and experience of the e-commerce logistics chain increase exponentially with the acquisition of an experienced player

Key acquisition data Radial Global

- Enterprise Value: $ 820m
- Sales 2017: $ 1,082m
- EBITDA 2017: $ 57m (5.3% margin)
- 100% acquisition of the shares
- Financed through a € 650m 8-year bond issue carrying a coupon of 1.25% (issued 4 July 2018)

Key indicators for Radial North America

- TCV of new business went from $ 217m in 2018 to $ 385m in 2019 and $ 1,188.4m in 2020, also positively impacted by longer-term contracts
- ~8,900 average # of FTEs & interims (2020)
- 21 fulfilment centers mainly in the US, a 22nd fulfilment center is announced and will open end 2Q21

Radial North America offers multiple services across the entire e-commerce logistics value chain

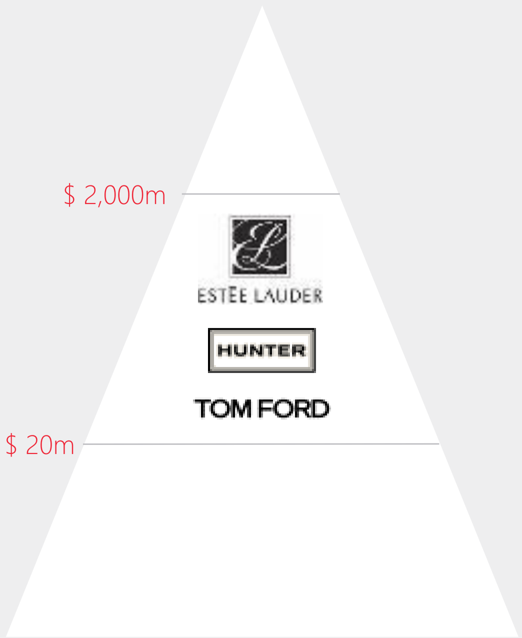
at a glance – PaLo N. Am.

		Revenues share %	Radial North America assets	Description and key strengths	
Technology	Payment, Tax, and Fraud Prevention	16%	Fraud Zero software	Processing global payments, maximizing successful authorization and reconciling tax districts and global duties	• 98.3% approval rate vs. 97.1% industry average • 1.6% manual review rate vs. 25% industry average
	Omnichannel Technology		8,700 Stores with fulfilment 12,500 Dropship suppliers	Optimizing efficiency of order management, ship-from-store and in-store pick-up	• Ability to handle complex orders • < 12 weeks to deployment vs. competition 4-6 months • Scalability of technology
Operations	Warehousing & fulfilment	75%	21 fulfilment sites in North America	Adapting warehouse management and parcels preparation to e-commerce with pragmatic automation	• 80%+ orders shipped day 0 • ~100% US coverage • Experience of scaling employees / workforce up to ~20k peak capacity
	Freight Management		100% Asset light	Managing a large network of carriers for a seamless customer experience	• Rates 5-15% cheaper than in-sourcing for mid-sized players • Clients reached in 2.4 days on average
	Customer Care	9%	3,400+ Seats across 4 sites	Having a single view of customer's history and profile combined with leading self-service tech	• Advanced data analytics

Radial North America addressable market

Online revenue e-tailers, US

$ 800bn[1] expected US online retail revenue in 2021



- Mid-market segment ($ 20-200m online revenue)
- Enterprise segment ($ 200-600m)
- Some selected key accounts ($ 600m-$ 2bn)

Addressable e-commerce logistics sector

~$ 800bn total US online Retail e-commerce	Radial's target audience e-commerce revenue $ 265-270bn	$ 53-67bn addressable e-commerce logistics

[1] Source: Forrester Data, Online Retail Forecast, 2021

Radial North America competitive landscape

at a glance – PaLo N. Am.

Independent e-commerce logistics providers

Omnichannel & PT&F	Fulfilment	Freight	Customer Care
IBM	FedEx	FedEx	Teleperformance
SAP	UPS	DHL	Radial
Oracle	GEODIS	UPS	PFS
Radial	XPO Logistics	GEODIS	
PFS	Radial	XPO Logistics	
	PFS	Radial	
		PFS	

Unique selling proposition

- Radial has 20 years of experience in e-commerce logistics
- It's one of the few players to provide a one-stop shop across the e-commerce value chain
- These key features are making the difference
  - Omnichannel & fraud prevention technology, such as Radial Order Management[1] (ROM)
  - Scale: national US coverage
  - Quick time to launch
  - Low start-up costs
  - Robust service offering

[1] for which Radial is positioned amongst the 2021 technology leaders in the global Omnichannel OMS market, according to the Quadrant Knowledge Solutions study

Positive commercial development at Radial and financial results exceeding expectations in 2020

at a glance – PaLo N. Am.

Commercially heading in the right direction

- We continue to reap benefits from our customer-focused approach, strong new signings in 2019, along with continued improvement in NPS. Strong 2019 peak with a double-digit increase in shipped parcels vs. 2018.
- Starting in 2Q18 and continuing in 2019 and 2020, we are seeing a positive contract renewal cycle for existing clients.
- New contracts signed had a TCV of $ 385m for FY19, which was above target and above the previous 3 years ($ 150m in 2016 and 2017, $ 217m in 2018).
- Very strong TCV development continued in 2020, accelerated by COVID-19, with $ 1,188m total contract value signed, also positively impacted by longer-term contracts.

FY18 & FY19 results impacted, as expected, by

- Churn (mostly in Fulfilment & Transport) and repricing, with revenue growth from new and existing customers not fully compensating revenue loss from clients terminating with Radial.
- Webstore business phase-out, completed by end FY19

FY20 EBIT uplift driven by high e-commerce volumes translating into increased operating leverage

- Revenue increase 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 (sales more than tripling), slightly offset by client churn.
- FY20 adjusted EBIT above break-even at € 32.8m for PaLo NA

To further succeed, PaLo NA will implement 5 initiatives

at a glance – PaLo N. Am.

Transform the functional organization into a client centric one	• Enhanced organization model around client accounts • Cross-functional, agile account team to: (1) proactively & efficiently resolve issues in a coordinated way, (2) improve client's ease of navigation and interface and (3) generate business insights for the client
Target the emerging brands segment to optimize available fulfillment space	• Radial currently has pockets of open space across its network that could fit "small" brands size profile • Radial drives a sales & marketing approach to compete on this segment through a standardized Value Proposition
Scale-up Radial Order Management for the benefit of all entities of the group	• Radial is now working on a go-to-market strategy for ROM building on: – Flexibility to support and scale based on evolving market conditions & customer behaviors – Cross selling ROM to existing Radial clients using other services – Leveraging clients references for building brand recognition
Further modernize and automate operations with Robotics	• Productivity gains of +10% possible across certain process paths reducing Radial's cycle time • Automation reduces risk exposure and cost linked to overall hiring needs • Scalable tech will help Radial to be flexible and well positioned to capture peaks in coming years
Leverage synergies between the entities of PaLo NA and further right size SG&A	• Integrate Landmark for all Radial clients as service offering • Streamline systems • Implement labor management systems for fulfillment and increase automation in billing process

E-commerce logistics NA & EU have a joint vision for 2026 and kicked off several concrete workstreams

Ambitions

Organizational structure and governance facilitates decision-making and implementation

Converging view Radial fulfilment model with streamlined operations and KPIs

Improved and aligned technology to support cross-border development

Joint workstreams

Joint Client Development

- Bi-directional references and opportunities
- Knowledge sharing on geographies and prospects
- Shared marketing strategy and scale

Commercial Effectiveness Support

- Align Sales Ops: Standard Practices, Cadences & Metrics
- Benchmark numbers and KPI's for NA and EU
- Commercial Systems (e.g., SalesForce)

Fulfilment & Carrier Mgmt methodologies

- Best Practices scaling, automation, workforce
- Leverage relationships with global carriers (e.g., DHL, FedEx, UPS)
- Knowledge sharing about smaller brands operations (e.g., Active Ants)

Technology Development

- ROM as Global OMS platform
- Aligned WMS & TMS strategy
- Sharing expertise in other tech domains (e.g., PTF)

VISION 2026

Grow omni-commerce revenues and EBIT, with a substantial part in technology

Project One targets group-wide overhead efficiency

at a glance – group

Context

- The intent is to self-finance our business transformation
- As bpost group is transforming from a traditional mail company into an omni-commerce player that competes against other 3PL players, cost consciousness becomes more than ever important to embed in every layer of our organization
- We need to build new ways of doing things and abandon old ones that have lost their value

Ambition

Reduce the cost/revenue ratio every year through a focus on value driven spending as part of our DNA

How

- Simplify E2E-processes – make bpost group a simpler and future proof organization by inspecting and adapting end to end processes and encouraging cross-BU cooperation
- Cost clearing / Hygienic cost revision – re-focus the available resources where possible to support the business transformation
- Promote inter-mobility – focus on re-orientation to jobs with the highest added value thereby limiting external recruitment

Sustainability is at the heart of our activities

3-pillar CSR strategy linked to United Nations

SUSTAINABLE DEVELOPMENT GOALS

People
we care about our employees and engage them

Proximity
we are close to the society

Planet
we strive to reduce our impact on the environment

Shared Value Creation
- Continuity of our business
- Employee satisfaction and engagement
- Customer satisfaction

People
- Employee health & safety
- Employee training and talent development
- Ethics & diversity
- Social dialogue

Proximity
- To our community
- To our suppliers
- To our customers through our services

Planet
- Green fleet
- Green buildings
- Waste management

Selected awards and recognition

- EcoVadis (clients index): Gold rating
- Ethibel Indexes: reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe since 19/03/2018
- Sustainalytics: score 17.7% (low risk)
- MSCI: Score A
- Vigeo Eiris: 91% (sector average: 71%)
- ISS: Governance Score: 5, Environment Score: 1, Social Score: 3
- Carbon Disclosure Project: Score B (peer average C)

Ambitious CO_2 reduction targets

- Since 2007 bpost group has cut its CO_2 emissions by almost 40%
- Target of reducing CO_2 emissions from activities by at least 20% by 2030
- By 2030, at least 50% of vehicles will be fully electric

Sustainability, the road to a resilient bpost group

at a glance – group

2015
CEO engagement to **COP 21 Paris**

2016
Signing of the **Belgian SDG Charter to keep Global Warming** below the 2°C threshold

2017
Science Based Targets
Public commitment to set ambitious targets

2018-2019
bpost group
Target setting program

2020
Committed member of the Belgian Alliance for Climate Action
12 October 2020

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Committed member of the Belgian Alliance for Climate Action

Putting People, Planet & Proximity into ESG

at a glance – group

Environment

Carbon footprint reduction program

- LNG trucks & Double Deck Trailers
- Ecozone Mechelen: Low & zero emission delivery
- LED lighting implementation
- Circular business: recycling more than 10 million kg of e-waste in the Netherlands

Social

COVID response management: ensuring our people are safe and protected in accordance with the latest health & safety regulations

Dual Learning: inclusive program providing low skilled employees with a formal diploma

Governance

Materiality assessment: involving our stakeholders in our sustainability roadmap

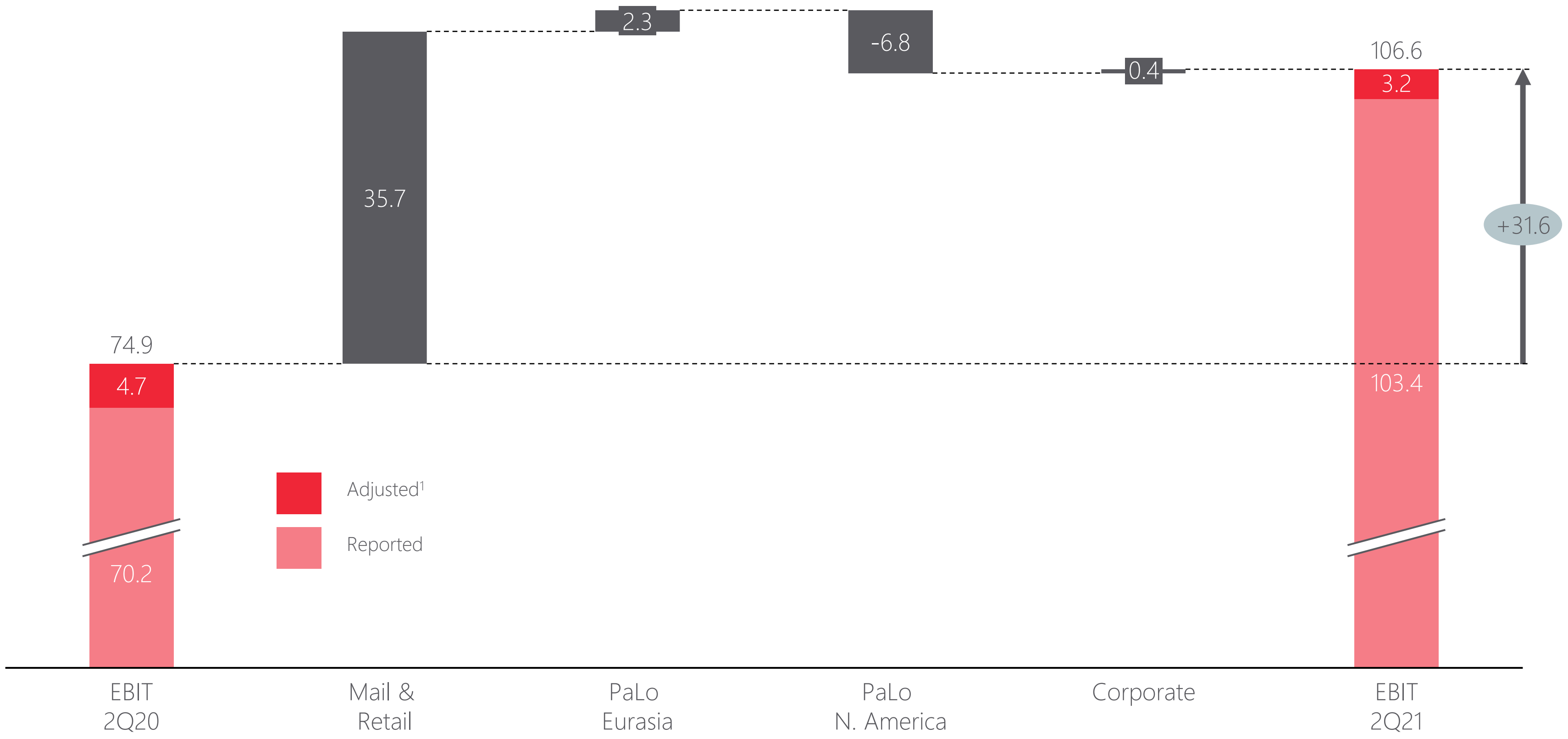
Joining the Belgian Alliance for Climate Change: exchange of best practices with suppliers and clients

2Q21 Results

Strong 2Q21 EBIT, driven by mail evolution and sustained activities at PaLo Eurasia in post-COVID environment

2Q21

€ million



[1] Adjusted excludes items that are non-recurring in nature and significant (> € 20m). All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been excluded from income are also adjusted whatever the amount they represent.

Key financials 2Q21

2Q21

€ million	Reported		Adjusted[1]		
	2Q20	2Q21	2Q20	2Q21	% ↑
Total operating income	1,052.7	1,037.9	1,052.7	1,037.9	-1.4%
Operating expenses	917.0	866.5	917.0	866.5	-5.5%
EBITDA	135.7	171.4	135.7	171.4	26.2%
Depreciation & Amortization	65.5	68.0	60.8	64.8	6.6%
EBIT	70.2	1 103.4	74.9	1 106.6	42.2%
Margin (%)	6.7%	10.0%	7.1%	10.3%	
Financial result	-14.0	-4.1	-14.0	-4.1	-70.8%
Profit before tax	59.5	99.3	64.2	102.5	59.7%
Income tax expense	15.9	1 26.9	16.1	1 27.6	71.1%
Net profit	43.6	72.4	48.0	74.9	55.9%
FCF	113.2	2 -60.9	44.1	2 -60.7	-
Net Debt at June 30	539.5	489.4	539.5	489.4	-9.3%
Capex	24.9	28.5	24.9	28.5	14.4%
Average # FTEs and interims	37,853	38,221	37,853	38,221	1.0%

1 Amortization and impairments of intangibles recognized during PPA are adjusted, leading to increase in EBIT (€ +3.2m) and income tax expense (€ +0.8m)

2 Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

[1] Unaudited figures

bpost

Results by segment 2Q21

2Q21

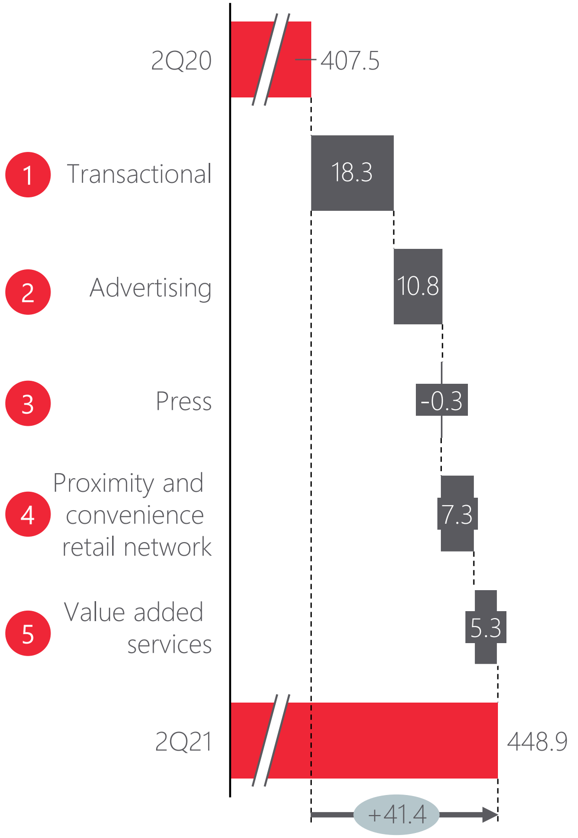
€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	448.9	279.3	308.1	1.7	0.0	1,037.9
Intersegment operating income	59.2	4.2	1.6	96.9	-161.9	0.0
Total operating income	508.1	283.4	309.8	98.5	(161.9)	1,037.9
Operating expenses	414.2	243.4	280.5	90.2	-161.9	866.5
EBITDA	93.9	40.0	29.2	8.3		171.4
Depreciation & Amortization	22.6	6.0	20.5	18.9		68.0
Reported EBIT	71.3	34.0	8.7	-10.6		103.4
Margin (%)	14.0%	12.0%	2.8%	-10.7%		10.0%
Adjusted EBIT	71.7	34.7	10.8	-10.6		106.6
Margin (%)	14.1%	12.2%	3.5%	-10.7%		10.3%

Top-line driven by mail volume rebound and price increase, while retail and VAS also profited from soft comps of LY's lockdown

2Q21 – M&R

M&R external operating income, € million



Domestic Mail

Operating income up € 28.8m:

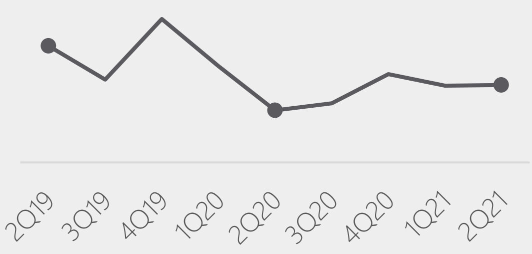
- € +1.8m working days impact,
- € +3.3m volume (+1.4% underlying volume growth against -17.7% in 2Q20)
- € +23.7m from price and mix impact

In Transactional Mail:

- Admin mail supported by COVID-19 communication in 2Q21 (est. about € 8m)
- No change in known structural trends of continued e-substitution

1 2 3

Domestic Mail units in perspective



2Q19 excluding elections units

Domestic Mail units 2Q21:

- in line with 1Q21 volumes
- volume rebound from last year's 2Q20 lockdown
- decline against 2Q19 from structural mail volume trend

Proximity and convenience retail network

Increase in Ubiway retail revenues against lower revenues from reduced footfall in 2Q20

Decline in banking & finance revenues due to the low interest rate environment 4

Value added services

Higher revenues from fines solution and European licence plates

5

Doubled EBIT fueled by mail revenues and sustained parcel volumes handled in the mail network

2Q21 – M&R

€ million

Mail & Retail	2Q20	2Q21	% ↑
External operating income	407.5	448.9	10.2%
Transactional	170.7	188.9	10.7%
Advertising	37.5	48.3	28.9%
Press	85.8	85.4	-0.4%
Proximity and convenience retail network	89.7	97.0	8.1%
Value added services	23.9	29.2	22.3%
Intersegment operating income	60.7	59.2	-2.4%
Total operating income	468.1	508.1	8.5%
Operating expenses	411.2	414.2	0.7%
EBITDA	56.9	93.9	65.0%
Depreciation & Amortization	21.5	22.6	5.4%
Reported EBIT	35.4	71.3	101.1%
Margin (%)	7.6%	14.0%	
Adjusted EBIT	36.0	71.7	99.0%
Margin (%)	7.7%	14.1%	
Additional KPIs			
Underlying Mail volume decline	-17.7%	1.4%	
Transactional	-16.7%	-1.3%	
Advertising	-26.6%	15.6%	
Press	-8.0%	-1.1%	

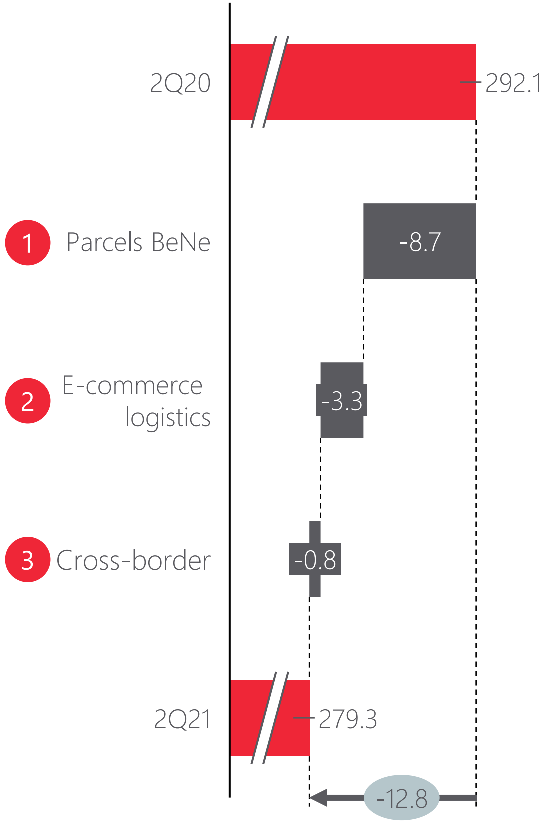
Key takeaways 2Q21

- Total operating income up € +39.9m (+8.5%)
- Operating expenses (incl. adjusted D&A) increased by € -4.3m (+1.0%):
  - (1) Higher payroll & interim costs driven by headcount and merit increases, (2) higher material costs at Ubiway and 3rd party remuneration from higher VAS and Proximity revenues, together with (3) lower recoverable VAT.
  - Partially compensated by non-repeating COVID-19 specific opex in 2Q20 (incl. premium, health and safety measures, bad debt risk), positive evolution of the FTE wage mix, and increased parcel sorting activities cross-charged to PaLo Eurasia.
- M&R adjusted EBIT nearly doubled (€ +35.7m) to € 71.7m, with a margin of 14.1% in line with 1Q21 (13.9%)

e-commerce and cross border volumes surpassing last year's spike, offset by anticipated negative P/M in Parcels B2X

2Q21 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Total Parcels BeNe revenue down € -8.7m (-5.8%) against tough lockdown comparable base in 2Q20.

- Sales at Dyna down YoY, not yet on level of COVID-19 uplift
- Sustained online sales with a Parcels B2X[1] volume growth of +2.9% (+79.3% in 2Q20).

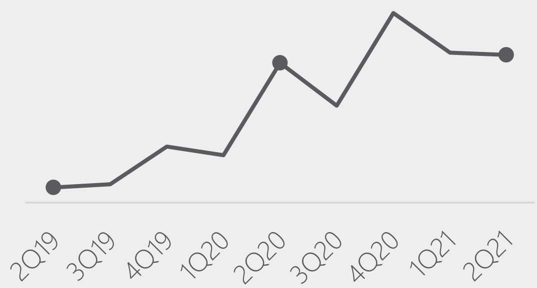
Negative price/mix of -6.9%:

(1) price impact of -2.8% from one-off COVID-19 surcharges and

(2) mix impact of -4.1% mainly from lower volumes in prepaid products, and contractual top customers growing volumes shares.

1

Parcels B2X volumes in perspective



Parcels B2X volumes of 2Q21:

- in line with 1Q21 volumes
- +2.9% vs. last year's COVID spike of 2Q20, and
- +84.4% against 2Q19, from structural Parcels B2X growth

E-commerce logistics

Revenue down € -3.3m (-7.1%):

- Radial Europe and Active Ants revenue growth of +5.7%,
- Offset by decline in revenue at Leen Menken due to loss of contract in Jul-20, compensated at that time by COVID-19 growth.

2

Cross-border

Flat revenue development (-0.9%) driven by (1) continued revenue growth of commercial sales in UK and RoE, partially compensated by a decline in growth of Asian parcel volumes, and offset by (2) declining postal business.

3

[1] Parcels B2X sales and volumes do not include EuroSprinters and Dynagroup

EBIT margin supported by benefits of operating leverage in the integrated network

2Q21 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	2Q20	2Q21	% ↑
External operating income	292.1	279.3	-4.4%
Parcels BeNe	149.4	140.8	-5.8%
E-commerce logistics	46.3	43.0	-7.1%
Cross-border	96.3	95.5	-0.9%
Intersegment operating income	2.8	4.2	46.2%
Total operating income	294.9	283.4	-3.9%
Operating expenses	257.8	243.4	-5.6%
EBITDA	37.1	40.0	7.7%
Depreciation & Amortization	5.5	6.0	8.9%
Reported EBIT	31.6	34.0	7.5%
Margin (%)	10.7%	12.0%	
Adjusted EBIT	32.4	34.7	7.1%
Margin (%)	11.0%	12.2%	

Additional KPIs			
Parcels volume growth[1]	79.3%	2.9%	

[1] 2Q20 restated to reflect Parcels B2X volume growth

Key takeaways 2Q21

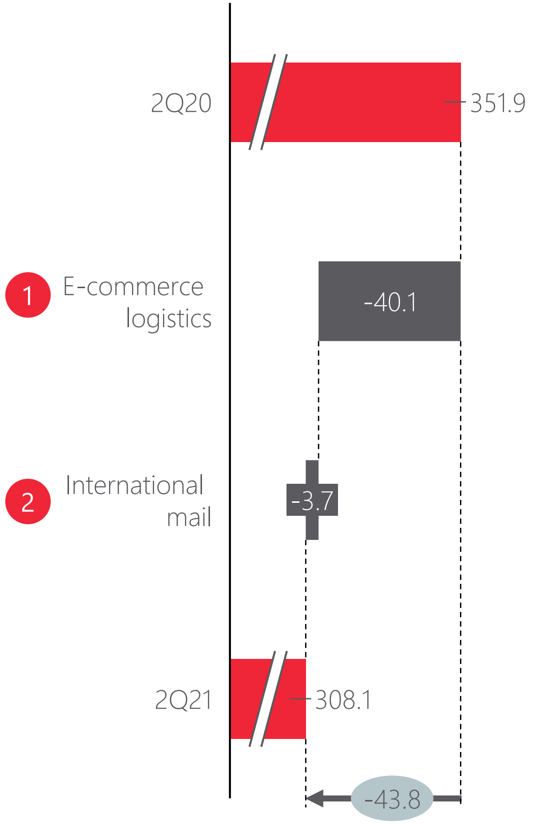
- E-commerce and cross-border volumes surpassing last year's spike with the negative price mix in Parcels B2X drove the total operating income down € -11.5m or -3.9%.
- Operating expenses (incl. adjusted D&A) were down € +13.8m (-5.3%), mainly thanks to lower volume-linked transport costs from Asian cross-border activities, non-repeating COVID-19 specific bad debt risk in 2Q20, and overall lower payroll and interim costs from lower variable labor costs at Leen Menken.

  These effects were partially offset by higher costs for E-commerce logistics expansion plan and higher intersegment operating expenses charged by M&R, driven by favourable channel mix evolution in the integrated last-mile mail & parcels network.
- Adjusted EBIT therefore increased by € +2.3m (+7.1%) to € 34.7m with a margin of 12.2% (11.0% in 2Q20)

Contribution of Radial's new customers started to accelerate in June, not yet compensating the non-recurring extra volumes of 2Q20

2Q21 – PaLo N. Am.

PaLo North America external operating income, € million



E-commerce logistics

YoY decline of -12.1% is a decrease of -4.3% at constant exchange rate.

Revenue decline driven by Radial:

- lower sales from existing customers (-10.7%) reflecting the non-repeating growth of last year's COVID-19 shutdown
- client churn from terminated contracts; partially offset by
- gradual ramp-up of new customers launched in 2021 and accelerating through June.

Landmark US and Apple Express recorded continued volume growth from higher e-commerce activities and new customers launched last year.

1

Radial NA revenues in perspective

Radial NA revenues of 2Q21:

- +10% above 1Q21
- -14% vs. last year's COVID spike of 2Q20, and
- +36% against 2Q19, from structural e-commerce logistics growth

International mail

Revenue decline of -17.6%, or -9.8% at constant exchange rate,

Lower volumes in the business mail segment, partially compensated by higher domestic parcels revenues.

2

Very tough comps of the COVID-19 spike in 2Q20 and wage pressure in the U.S. result in a lower EBIT

2Q21 – PaLo N. Am.

€ million

Parcels & Logistics North America	2Q20	2Q21	% ↑
External operating income	351.9	308.1	-12.4%
E-commerce logistics	331.0	290.9	-12.1%
International mail	20.9	17.2	-17.6%
Intersegment operating income	2.0	1.6	-16.1%
Total operating income	353.9	309.8	-12.5%
Operating expenses	318.2	280.5	-11.8%
EBITDA	35.7	29.2	-18.2%
Depreciation & Amortization	21.5	20.5	-4.5%
Reported EBIT	14.2	8.7	-38.8%
Margin (%)	4.0%	2.8%	
Adjusted EBIT	17.6	10.8	-38.6%
Margin (%)	5.0%	3.5%	
Additional KPIs, adjusted			
Radial North America revenue, $m	317.3	271.9	-14.3%
Radial North America EBITDA, $m	30.8	20.6	-33.2%
Radial North America EBIT, $m	13.6	2.1	-84.3%

Key takeaways 2Q21

- Total operating income down € -44.1m or -12.5%.
  At constant exchange rate, this is a decline of € -15.1m or -4.6%.
- Operating expenses (incl. adjusted D&A) decreased by € +37.3m (-11.1%, or -3.1% excl. FX). Variable opex evolved in line with the revenue development, except for the labor costs due to current wage rate pressure in the U.S..
  In addition, lower bad debt expenses and cost containment in general also contributed favourably to the opex development.
- Adjusted EBIT down € -6.8m to € 10.8m.
  EBIT margin of 3.5%, growing quarter on quarter (2.9% in 1Q21).

Corporate EBIT in line with last year

2Q21 – Corporate

€ million

Corporate	2Q20	2Q21	% ↑
External operating income	1.3	1.7	32.2%
Intersegment operating income	85.4	96.9	13.4%
Total operating income	86.7	98.5	13.7%
Operating expenses	80.6	90.2	11.9%
EBITDA	6.0	8.3	37.4%
Depreciation & Amortization	17.0	18.9	10.6%
Reported EBIT	-11.0	-10.6	
Margin (%)	-12.7%	-10.7%	
Adjusted EBIT	-11.0	-10.6	
Margin (%)	-12.7%	-10.7%	

Key takeaways 2Q21

- External revenues remained flat.
- Net operating expenses (incl. D&A) after intersegment operating income remained globally stable YoY.
- Stable adjusted EBIT at € -10.6m.

Cash flow from operating activities mainly impacted by tax prepayment and temporary pandemic-related initiatives of 2Q20

2Q21

Reported - € million

		2Q20	2Q21	Delta	
	Cash flow from operating activities before Δ in WC and provisions	135.2	107.4	-27.8	1
	Change in working capital and provisions	-66.0	-139.7	-73.7	2
	Cash flow from operating activities	69.2	-32.3	-101.5	
	Cash flow related to collected proceeds due to Radial clients	69.0	-0.2	-69.3	3
+	Cash flow from operating activities incl. collected proceeds due to clients	138.3	-32.5	-170.8	
+	Cash flow from investing activities	-25.1	-28.4	-3.3	4
=	Free cash flow	113.2	-60.9	-174.1	
+	Financing activities	-24.4	-28.6	-4.3	5
=	Net cash movement	88.8	-89.6	-178.4	
	Capex	24.9	28.5	3.6	

CF from operating activities

1 Higher EBITDA (€ +35.6m) combined with increased tax prepayments by bpost and Alteris (€ -58.0m).

2 € -73.7m primarily driven by the temporary extension of payment terms with some suppliers as initiated during the pandemic in 2Q20.

3 Neutral cash flow relating to collected proceeds due to Radial's clients (€ -0.2m), compared to LY's high inflow (€ +69.0m) due to high level of merchandise sales during COVID-19 peak of 2Q20.

4 CF from investing activities

Proceeds from building sales: € +0.8m vs 2Q20

Capex at € 28.5m increased by € +3.6m vs 2Q20 and was mainly spent on increased capacity for E-commerce on customer implementations at Radial US, additional sites for Active Ants, Radial Europe scale-up, Parcels B2X sorting equipment and sustainability initiatives for e-fleet infrastructure.

5 CF from financing activities

Mainly related to lease liabilities (€ -2.7m) and issuance of commercial papers in 2Q20 (€ -1.6m)

Balance Sheet

2Q21

€ million

Assets	Dec 31, 2020	Jun 30, 2021
PPE	1,138.0	1,139.7
Intangible assets	771.7	775.0
Investments in associates and joint ventures	0.1	0.1
Other assets	54.1	67.7
Trade & other receivables	826.6	714.9
Inventories	32.7	33.5
Cash & cash equivalents	948.1	815.8
Assets held for sale	103.3	123.7
Total Assets	3,874.5	3,670.3

€ million

Equity and Liabilities	Dec 31, 2020	Jun 30, 2021
Total equity	583.8	759.0
Interest-bearing loans & borrowings	1,443.2	1,305.0
Employee benefits	320.0	309.5
Trade & other payables	1,487.0	1,249.8
Provisions	27.0	23.4
Derivative instruments	0.3	0.7
Other liabilities	13.2	11.2
Liabilites held for sale	0.0	11.9
Total Equity and Liabilities	3,874.5	3,670.3

Main balance sheet movements

Trade and other receivables : decrease due to the settlement of the SGEI for the delivery of newspapers and periodicals for the year 2020 and the collection of the peak sales of year-end 2020.

The decrease of cash and cash equivalents is due to the closure in the first quarter of 2021 of the commercial paper program and the unwinding of the temporary initiatives set up in the context of the pandemic in 2020.

The increase of assets held for sale and liabilities held for sales is mainly due to the ongoing sale process of The Mail Group (TMG), in the context of bpost's active portfolio management.

Equity increased by the realized profit (€ +153.0m) and the exchange differences on translation of foreign operations (€ +19.9m).

The decrease of interest-bearing loans and borrowings is mainly due to the decision to reimburse the maturing commercial paper during the first quarter 2021 (€ -165.0m), partially compensated by the increase of leases and the unfavorable impact of exchange rates. Net debt decreased by € 5.8m in 1H21, from € 495.2m to 489.4m.

Trade and other payables decreased mainly due to the phasing of year-end peak 2020, the unwinding of some temporary initiatives set up in the context of the pandemic and the decrease of social payables given the payment of the 2020 accruals in the first half 2021.

Financing Structure & Liquidity

2Q21

€ million

Available Liquidity	Dec 31, 2020	Jun 30, 2021
Cash & cash equivalents	*948.1*	*815.8*
Cash in network	167.2	165.8
Transit accounts	32.2	57.7
Cash payment transactions under execution	-30.9	-0.1
Bank current accounts	574.6	411.9
Short-term deposits	205.0	180.5
Undrawn revolving credit facilities	*375.0*	*375.0*
Syndicated facility - 10/2024	300.0	300.0
Bilateral facility - 06/2025	75.0	75.0
Total Available Liquidity	1,323.1	1,190.8

€ million

External Funding	Dec 31, 2020	Jun 30, 2021
Long-term		
Long-term bond[1] (1.25% - 07/2026)	650.0	650.0
Bank loans	159.9	164.8
Amortizing Loan (€ 100m) - 12/2022	9.1	9.1
Term Loan ($ 185m) - 07/2023	150.8	155.7
Short-term		
Bank loans: Amortizing Loan (€ 100m) - 12/2022	9.1	9.1
Commercial Paper	165.1	0.0
Total External Funding	984.1	823.9

Liquidity: Cash & Committed credit lines

Total available liquidity on June 30, 2021 consisted out of € 815.8m cash & cash equivalents of which € 592.4m is readily available on bank current accounts and as short-term deposits.

In addition, bpost group has 2 undrawn revolving credit facilities for a total amount of € 375.0m.

External Funding & Debt Amortization (excl. IFRS16 lease liabilities)

Out of € 823.9m external funding on balance sheet on June 30, 2021:

- € 9.1m need to be repaid in 4Q21 (i.e., the current portion of the amortizing loan)

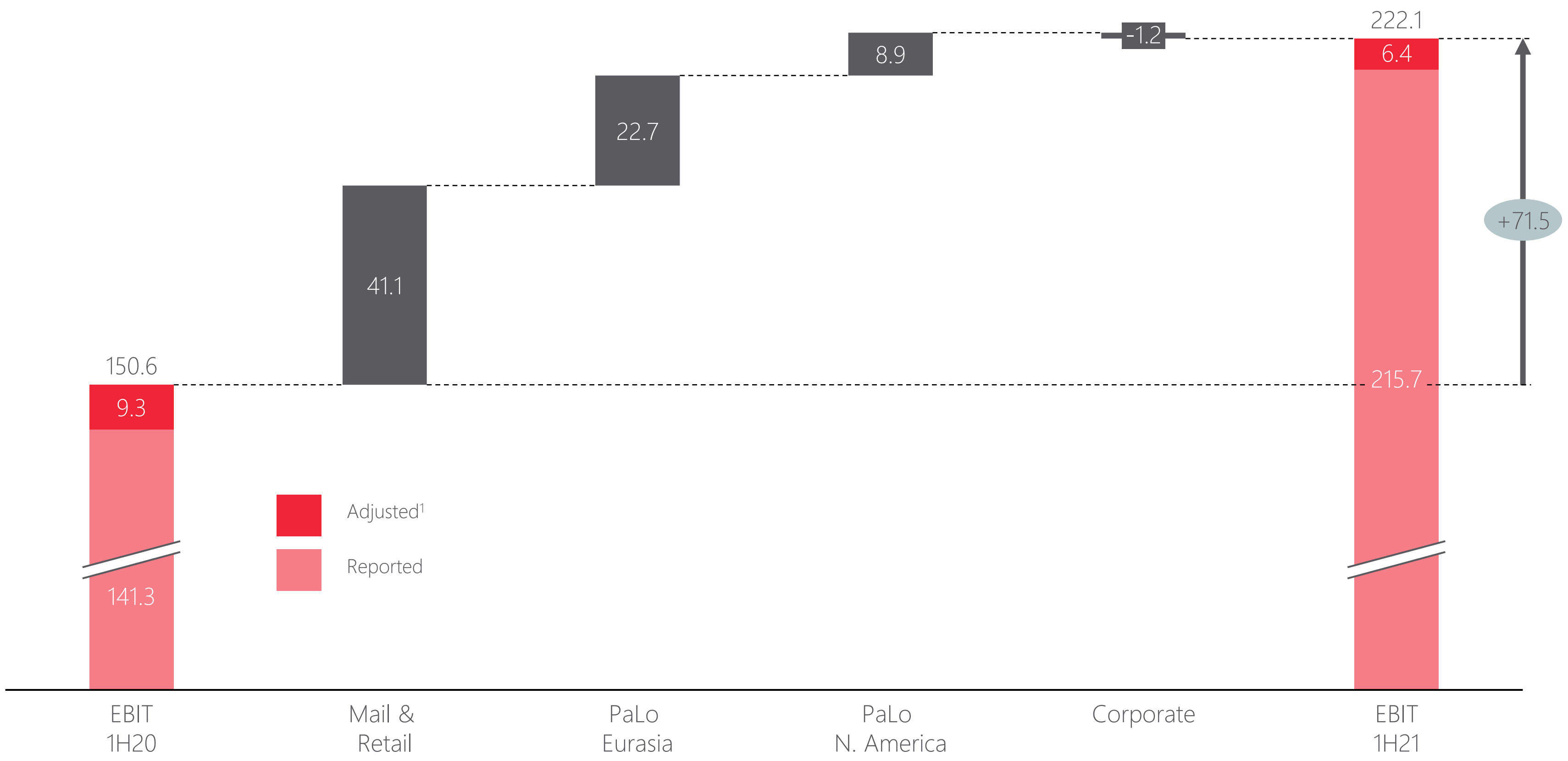
[1] € 650m long-term bond with a carrying amount of € 644.2m, the difference being the re-offer price and issuance fees.

1H21 Results

Strong 1H21 EBIT, driven by mail evolution and sustained growth in Parcels & Logistics as the pandemic progressively starts to unwind

1H21

€ million



[1] Adjusted excludes items that are non-recurring in nature and significant (> € 20m). All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been excluded from income are also adjusted whatever the amount they represent.

Key financials 1H21

1H21

€ million	Reported		Adjusted[1]		
	1H20	1H21	1H20	1H21	% ↑
Total operating income	1,987.3	2,057.8	1,987.3	2,057.8	3.5%
Operating expenses	1,714.4	1,709.2	1,714.4	1,709.2	-0.3%
EBITDA	272.9	348.6	272.9	348.6	27.7%
Depreciation & Amortization	131.6	132.9	122.3	126.5	3.4%
EBIT	141.3	(1) 215.7	150.6	(1) 222.1	47.5%
Margin (%)	7.1%	10.5%	7.6%	10.8%	
Financial result	-18.4	-6.6	-18.4	-6.6	-63.8%
Profit before tax	131.0	209.0	140.2	215.5	53.6%
Income tax expense	39.5	(1) 56.0	40.0	(1) 57.6	44.0%
Net profit	91.5	153.0	100.3	157.9	57.5%
FCF	307.4	(2) 86.5	290.3	(2) 99.3	-65.8%
Net Debt at June 30	539.5	489.4	539.5	489.4	-9.3%
Capex	45.4	48.1	45.4	48.1	6.0%
Average # FTEs and interims	36,274	37,911	36,274	37,911	4.5%

1. Amortization and impairments of intangibles recognized during PPA are adjusted, leading to increase in EBIT (€ +6.4m) and income tax expense (€ +1.5m)

2. Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

[1] Unaudited figures

Results by segment 1H21

1H21

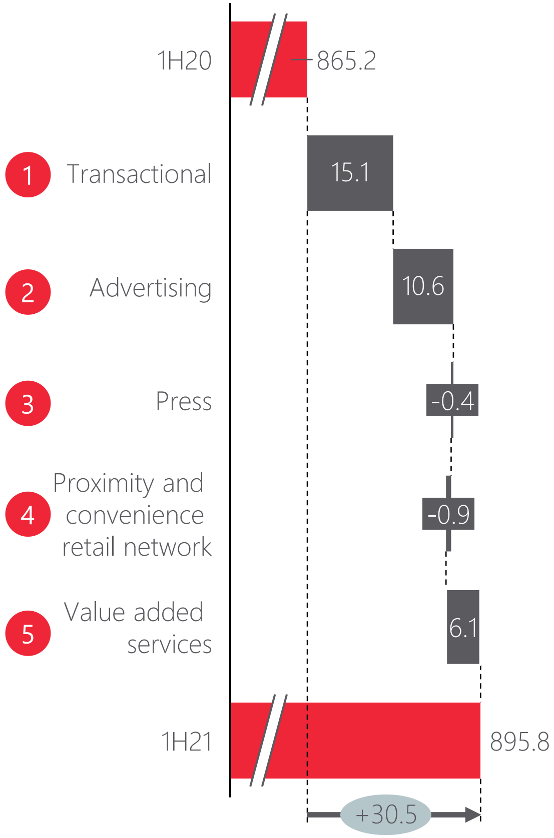
€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	895.8	563.2	589.3	9.6	0.0	2,057.8
Intersegment operating income	119.1	8.0	2.6	199.5	-329.2	0.0
Total operating income	1,014.9	571.2	591.9	209.1	(329.2)	2,057.8
Operating expenses	828.7	489.0	537.2	183.5	-329.2	1,709.2
EBITDA	186.1	82.2	54.6	25.6		348.6
Depreciation & Amortization	44.6	11.7	39.7	36.8		132.9
Reported EBIT	141.5	70.5	14.9	-11.2		215.7
Margin (%)	13.9%	12.3%	2.5%	-5.4%		10.5%
Adjusted EBIT	142.3	72.0	19.0	-11.2		222.1
Margin (%)	14.0%	12.6%	3.2%	-5.4%		10.8%

Top-line driven by mail volume rebound and price increase, while in 2Q21 retail and VAS also profited from soft comps of last year

1H21 – M&R

M&R external operating income, € million



Domestic Mail

Operating income up € 25.3m:

- € +0.9m working days impact,
- € -18.2m volume (-3.5% underlying volume decline, compared to -13.9% in 1H20)
- € +42.6m from price and mix impact.

1 2 3

Transactional

- -5.8% underlying volume decline against -12.8% in 1H20, due to negative impact of COVID-19 lockdown on all product categories in Q2
- Admin mail supported by COVID-19 communication in 1H21 (est. about € 13m).
- No change in known structural trends of continued e-substitution.

1

Advertising

- +4.1% underlying volume growth against soft comparable base of -22.3% in 1H20 :
  - cancelled campaigns from COVID-19 lockdown of all non-essential retail shops from March 18 through May 10 '20 and
  - ban on promotions through April 3 '20

2

Press

- -1.0% underlying volume decline against -6.6% in 1H20, benefiting from a good performance in Periodicals.

3

Proximity and convenience retail network

Slightly lower Ubiway retail revenues,

Decline in banking & finance revenues due to the low interest rate environment.

4

Value added services

Higher revenues from fines solution and European licence plates

5

EBIT increase driven by mail revenue and high parcel volumes handled through the mail network

1H21 – M&R

€ million

Mail & Retail	1H20	1H21	% ↑
External operating income	865.2	895.8	3.5%
Transactional	364.0	379.1	4.2%
Advertising	85.3	95.9	12.5%
Press	171.9	171.5	-0.2%
Proximity and convenience retail network	192.7	191.9	-0.5%
Value added services	51.3	57.4	11.8%
Intersegment operating income	102.9	119.1	15.8%
Total operating income	968.1	1,014.9	4.8%
Operating expenses	825.1	828.7	0.4%
EBITDA	143.0	186.1	30.1%
Depreciation & Amortization	43.0	44.6	3.8%
Reported EBIT	100.0	141.5	41.5%
Margin (%)	10.3%	13.9%	
Adjusted EBIT	101.2	142.3	40.7%
Margin (%)	10.5%	14.0%	
Additional KPIs			
Underlying Mail volume decline	-13.9%	-3.5%	
Transactional	-12.8%	-5.8%	
Advertising	-22.3%	4.1%	
Press	-6.6%	-1.0%	

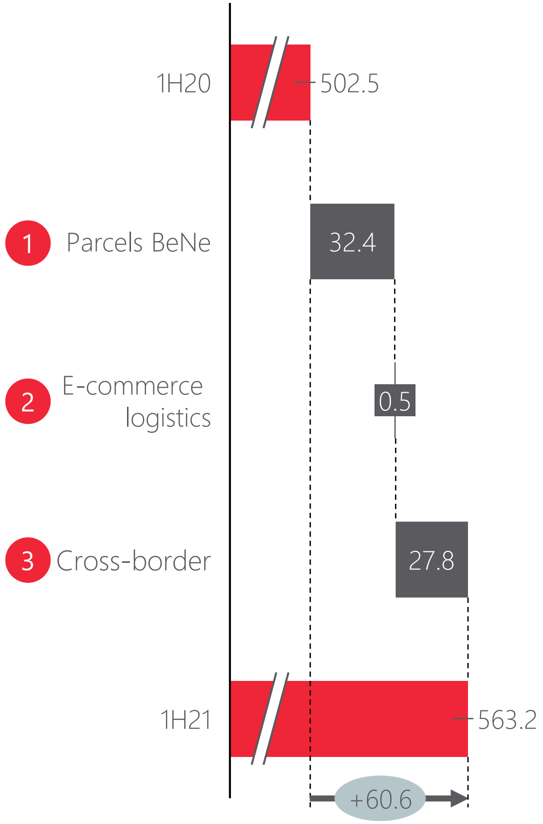
Key takeaways 1H21

- Total operating income up € +46.7m (+4.8%) driven by (1) price increases, mail volumes bouncing back on soft comps last year and one-off volumes from COVID-19 communication (est. about € +13m), (2) VAS revenues progressively recovering, and (3) higher intersegment income related to higher parcels volumes.
- Operating expenses (incl. adjusted D&A) remained nearly stable (€ -5.6m or +0.6%):
  (1) Higher payroll & interim costs driven by headcount from higher parcel volumes, salary indexation, CLA 2021-22 impacts and vaccination;
  (2) Higher costs for fleet, higher 3rd party remuneration from higher VAS revenues, and lower recoverable VAT; were compensated by
  (3) Non-repeating COVID-19 specific opex in 1H20, favourable evolution of the FTE wage mix, and increased parcel sorting activities cross-charged to PaLo Eurasia.
- M&R adjusted EBIT increased by € +41.1m to € 142.3m

PaLo Eurasia revenue driven by e-commerce development both domestically and abroad

1H21 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Total Parcels BeNe revenues up € 32.4m (+12.7%) driven by growth in Parcels B2X.

Parcels B2X[1] revenues up 17.8% driven by volume growth of +23.5% of which:

- +54.1% in 1Q21 against pre COVID-19 quarter of 1Q20, and
- +2.9% in 2Q21 against tough lockdown comparable base of 2Q20.

Negative price/mix of -5.6% mainly driven by mix impact, and to a smaller extent by price impact from one-off COVID-19 surcharges to customers in April and May-20.

1

E-commerce logistics

Revenue up € +0.5m (+0.5%) as a result of:

- Radial Europe and Active Ants revenue growth of +17.4%,
- Partially offset by decline in revenue at Leen Menken due to loss of contract in Jul-20.

2

Cross-border

Revenue up € +27.8m (+17.1%) driven by:

- Steady revenue growth of cross-border commercial sales in UK and RoE, combined with slightly slower growth of Asian parcel volumes
- Partly offset by declining cross-border postal business.

3

[1] Parcels B2X sales and volumes do not include EuroSprinters and Dynagroup

Strong growth in parcels efficiently handled through the mail network drove EBIT growth and steep margin improvement

1H21 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	1H20	1H21	% ↑
External operating income	502.5	563.2	12.1%
Parcels BeNe	254.1	286.5	12.7%
E-commerce logistics	85.6	86.1	0.5%
Cross-border	162.8	190.6	17.1%
Intersegment operating income	5.9	8.0	37.4%
Total operating income	508.4	571.2	12.4%
Operating expenses	450.0	489.0	8.7%
EBITDA	58.4	82.2	40.8%
Depreciation & Amortization	10.6	11.7	10.1%
Reported EBIT	47.8	70.5	47.6%
Margin (%)	9.4%	12.3%	
Adjusted EBIT	49.3	72.0	46.2%
Margin (%)	9.7%	12.6%	
Additional KPIs			
Parcels volume growth[1]	52.7%	23.5%	

[1] 1H20 restated to reflect Parcels B2X volume growth

Key takeaways 1H21

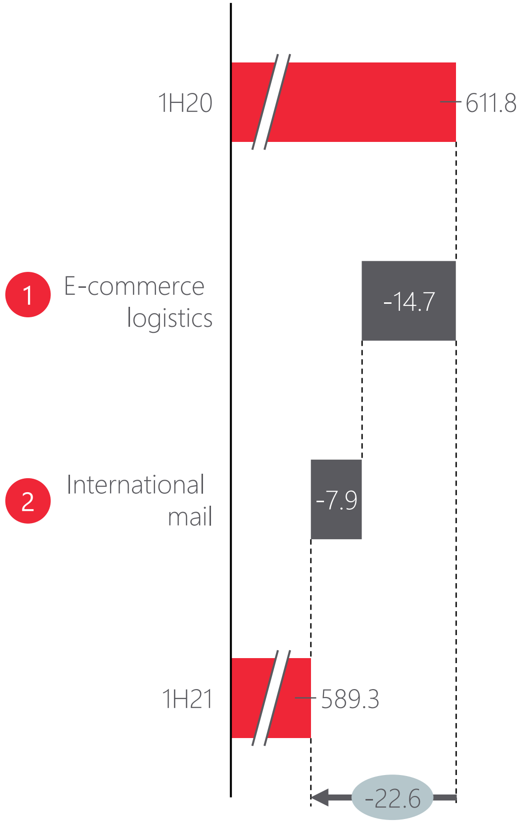
- Total operating income up € +62.8m or +12.4%.
- Operating expenses (incl. adjusted D&A) up € -40.1m (+8.7%) due to higher volume-linked costs : higher transport and higher intersegment operating expenses charged by M&R.

  This increase was partially compensated by lower variable labour costs at Leen Menken and non-repeating COVID-19 specific opex in 1H20.
- Adjusted EBIT increased by € +22.7m (+46.2%) to € 72.0m, with a margin of 12.6%.
  Steep margin development thanks to the strong growth in parcels volumes handled through the integrated mail & parcels network with benefits of scale of the existing rounds.

Continued e-commerce development at PaLo NA despite slower growth at Radial against high comps of 2Q20, excluding FX

1H21 – PaLo N. Am.

PaLo North America external operating income, € million



E-commerce logistics

Decline of -2.6% is a YoY increase of +6.0% at constant exchange rate:

- Radial North America
  (1) continued growth from existing customers of +3.9%, of which
    - +25.6% in 1Q21 against softer pre-lockdown comparable base of 1Q20 and
    - -10.7% in 2Q21 reflecting the non-recurring extra volumes of 2Q20 lockdown growth,

  (2) gradual ramp-up of new customers launched in 2021 and accelerating through June; partially offset by

  (3) client churn from terminated contracts
- Other business lines recording strong volume growth from existing and new customers.

1

International mail

Revenue decline of -18.5%, or -10.8% at constant exchange rate.

Lower volumes in the business mail segment, partially compensated by higher domestic parcels revenues.

2

Nearly doubling EBIT driven by top-line development, despite slower growth at Radial in 2Q21 and wage pressure in the U.S.

1H21 – PaLo N. Am.

€ million

Parcels & Logistics North America	1H20	1H21	% ↑
External operating income	611.8	589.3	-3.7%
E-commerce logistics	569.0	554.3	-2.6%
International mail	42.8	34.9	-18.5%
Intersegment operating income	3.3	2.6	-22.6%
Total operating income	615.2	591.9	-3.8%
Operating expenses	569.1	537.2	-5.6%
EBITDA	46.1	54.6	18.4%
Depreciation & Amortization	42.7	39.7	-6.8%
Reported EBIT	3.5	14.9	328.1%
Margin (%)	0.6%	2.5%	
Adjusted EBIT	10.1	19.0	88.1%
Margin (%)	1.6%	3.2%	
Additional KPIs, adjusted			
Radial North America revenue, $m	532.5	519.0	-2.5%
Radial North America EBITDA, $m	34.8	38.0	9.1%
Radial North America EBIT, $m	0.7	2.1	196.0%

Key takeaways 1H21

- Total operating income decline of € -23.3m or -3.8%, which corresponds to a YoY increase of € +26.8 or +4.7% at constant exchange rate.
- Operating expenses (incl. adjusted D&A) decreased by € +32.2m or -5.3%.
  At constant exchange rate, costs increased by € -17.2m, or +3.1%, from higher volume-driven costs and wage rate pressure in the U.S.
- Adjusted EBIT up € +8.9m to € 19.0m.

Corporate EBIT almost neutral as building sales compensate net costs

1H21 – Corporate

€ million

Corporate	1H20	1H21	% ↑
External operating income	7.6	9.6	25.6%
Intersegment operating income	175.9	199.5	13.4%
Total operating income	183.5	209.1	13.9%
Operating expenses	158.2	183.5	16.0%
EBITDA	25.3	25.6	1.0%
Depreciation & Amortization	35.3	36.8	4.2%
Reported EBIT	-10.0	-11.2	
Margin (%)	-5.4%	-5.4%	
Adjusted EBIT	-10.0	-11.2	
Margin (%)	-5.4%	-5.4%	

Key takeaways 1H21

- External revenues up € +2.0m driven by higher building sales.
- Net operating expenses (incl. D&A) after intersegment operating income increased by € -3.2m mainly driven by a phasing impact related to long-term employee benefits.
- As a result, adjusted EBIT decreased by € -1.2m YoY to € -11.2m.

Cash flow from operating activities impacted by SGEI payment calendar, tax prepayment and pandemic-related initiatives of 1H20

1H21

Reported - € million

		1H20	1H21	Delta	
	Cash flow from operating activities before Δ in WC and provisions	273.0	272.5	-0.5	1
	Change in working capital and provisions	51.8	-135.1	-186.9	2
	Cash flow from operating activities	324.8	137.4	-187.4	
	Cash flow related to collected proceeds due to Radial clients	17.1	-12.8	-30.0	3
+	Cash flow from operating activities incl. collected proceeds due to clients	341.9	124.6	-217.4	
+	Cash flow from investing activities	-34.5	-38.1	-3.6	4
=	Free cash flow	307.4	86.5	-221.0	
+	Financing activities	-51.0	-222.2	-171.2	5
=	Net cash movement	256.4	-135.7	-392.1	
	Capex	45.4	48.1	2.7	

CF from operating activities

1 € -0.5m mainly due to higher EBITDA (€ +75.7m) amongst others neutralized by increased tax prepayments by bpost and Alteris (€ -58.0m).

2 € -186.9m primarily driven by
- temporarily extended payment terms with some suppliers at the beginning of the pandemic in 2020 (of which € -101.9m relating to transport costs in the US),
- different payment schedule of SGEI (€ -80.5m received last year in January and paid in July this year).
- partially offset by increased collections in line with high sales peak in 4Q20.

3 € -12.8m compared to LY's inflow (€ +17.1m) due to higher level of merchandise sales from COVID-19 peak of 1H20.

4 CF from investing activities

Proceeds from building sales: € -0.3m vs 1H20

Capex at € 48.1m increased by € +2.7m vs 1H20 and was mainly spent on increased capacity for E-commerce on customer implementations at Radial US, additional sites for Active Ants, Radial Europe scale-up, Parcels B2X sorting equipment and sustainability initiatives for e-fleet infrastructure.

5 CF from financing activities

Decision not to roll over maturing commercial paper in 2021: € -168.7m

Additional info

Key financials FY20

FY20

€ million	Reported		Adjusted[1]		
	FY19	FY20	FY19	FY20	% ↑
Total operating income	1 3,837.8	4,154.6	1 3,837.2	4,154.6	8.3%
Operating expenses	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 & Amortization	247.7	318.5	226.2	238.5	5.5%
EBIT	289.9	2 200.7	310.8	2 280.6	-9.7%
Margin (%)	7.6%	4.8%	8.1%	6.8%	
Financial result	-61.5	-47.8	-61.5	-47.8	-22.3%
Profit before tax	244.3	29.6	265.2	251.2	-5.3%
Income tax expense	89.6	2 48.8	92.1	2 50.3	-45.4%
Net profit	154.7	3 -19.2	173.1	3 200.9	16.0%
FCF	302.0	4 443.7	288.0	4 440.5	53.0%
Net Debt at Dec 31	779.9	495.2	779.9	495.2	-36.5%
Capex	162.3	147.7	162.3	147.7	-8.9%
Average # FTEs and interims	35,377	38,639	35,377	38,639	9.2%

1. Adjustment of € -0.6m at operating income level related to the disposal of Alvadis on August 30, 2019

2. Amortization and impairments of intangibles recognized during PPA are adjusted. Goodwill impairments of € 41.4m are also adjusted as they are non-recurring in nature and significant (> € 20m). These adjustments lead to increase in EBIT (€ +79.9m) and income tax expense (€ +1.5m)

3. Impairment loss recognized on the remeasurement to fair value less costs to sell of bpost bank (€ 141.6m) is adjusted

4. Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

Results by segment FY20

FY20

€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	1,736.1	1,073.9	1,329.2	15.4	0.0	4,154.6
Intersegment operating income	221.8	14.0	6.8	375.2	-617.9	0.0
Total operating income	1,958.0	1,087.9	1,336.0	390.6	(617.9)	4,154.6
Operating expenses	1,709.4	966.8	1,233.7	343.4	-617.9	3,635.5
EBITDA	248.5	121.1	102.3	47.2		519.1
Depreciation & Amortization	128.9	22.6	95.0	72.0		318.5
Reported EBIT	119.6	98.5	7.4	-24.9		200.7
Margin (%)	6.1%	9.1%	0.6%	-6.4%		4.8%
Adjusted EBIT	171.2	101.4	32.8	-24.9		280.6
Margin (%)	8.7%	9.3%	2.5%	-6.4%		6.8%

bpost group's long-term relationship with the Belgian State

Belgian State

State as a long-term shareholder

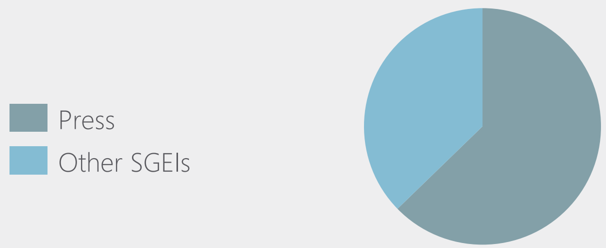
- Belgian State has 51.04% shares
- bpost group's board is composed of 6 board members (incl. CEO) proposed by the Belgian State and 5 independent directors
- Belgian State supports a regular dividend policy

Shareholder	# shares
Belgian State	102,075,649
Free float	97,925,295

bpost group provides SGEIs[1] on behalf of the State

2016-2020

- 2 press distribution contracts (newspapers & periodicals) – prolonged for 2 years until the end of 2022
- Sixth management contract (until end 2021) for other SGEIs, will be replaced by Seventh management contract (2022-2026)
- Contractual amounts (excl. inflation[2], volume impact & sharing of efficiency gains) of € 261.0m in 2016 (actual amount: € 264.9m), € 260.8m in 2017 (actual amount: € 270.0m), € 257.6m in 2018 (actual amount: € 271.4m), € 252.6m in 2019 (actual amount: € 271.0m) and € 245.6m in 2020 (actual amount: € 267.2m)



State as important customer

- State is a key commercial client to bpost group
- Several other agreements in place with the State, such as European license plates (won by bpost group through tender)

[1] SGEI stands for Services of General Economic Interest cfr. slide 24 and 81
[2] All amounts need to be adjusted for inflation on a cumulated yearly basis

Seventh management contract approved in July 2021, press concessions will be renegotiated before 2022

USO & SGEI

	Universal Service Obligation (USO)	7th Management Contract	Press concessions

Scope	• Collect, sort, transport & distribute letter mail up to 2kg, parcels up to 10kg and parcels up to 20kg from other EU member states
	• 1 access point per municipality
	• Collect and deliver 5x/week
	• Full territory of Belgium
	• USO pricing constraints
	• Provide adequate information on USO products and services
	• Quality control obligation (95% of prior mail/parcels D+1, 97% D+2)
		Services not typically associated with mail operators (SGEI), e.g.,
		• Retail network (1,300 postal service points of which at least 650 post offices)
		• Cash at Counter
		• Election mail (distribution)
		• Cash payment of pensions at home
		in line with the 6th Management Contract, to which new services are added, e.g.,
		• Digital public services
		• Sales or promotion of public transport tickets
		After submission to and validation by the EC, the 7th Management Contract will run from January 1, 2022 to December 31, 2026
			• Also part of SGEIs
			• Newspaper early delivery 6x/week
			• Periodical delivery 5x/week
			• Quality control obligation of maximum 7 complaints per 10,000 deliveries
			• FTEs
			  • ~1,700 FTEs for newspaper deliveries which are dedicated rounds
			  • Delivery of periodicals is integrated in the regular mail rounds

Timing	• Complementary management contract granted by the State • Runs until end of 2023, renewable by consecutive terms of 5 years	• 6th Management Contract's extended by one year until December 31, 2021 • extension formally approved by the EC on July 27, 2021	• Runs until end of 2022 as a 2-year extension was granted by the State in Dec-19 at the financial conditions prevailing in 2020 • Notification procedure to European Commission of the 2-year extension is ongoing
	State compensation possible in case of USO being financial burden	€ 267.2m state compensation in 2020 Amount including inflation, volume variance and sharing of efficiency gains	

The future of USO

USO

- In 2018, the government approved the alternating distribution model enabling bpost to reduce costs
- The new Postal Law (2018) and the new USO Management Contract (2019-2023) foresee a "toolbox" in order to lighten the USO – over time – to avoid the USO becoming a financial burden, for which the State would have to compensate bpost
- Delta was launched in September aiming at defining, agreeing and implementing a new operational model in Belgium

Regulatory "toolbox" for USO flexibility

bpost

Yearly calculation of USO Net Cost

Assessment whether financial sustainability of USO is at stake

bpost

Obligation to make proposals for USO relief

In case financial sustainability of the USO is at stake

bipt

Verification of USO Net Cost calculation + Opinion on bpost proposals for USO relief

.be

Changes to the USO

- Amendment of USO Management Contract
- And/or postal law

Last resort: financial compensation

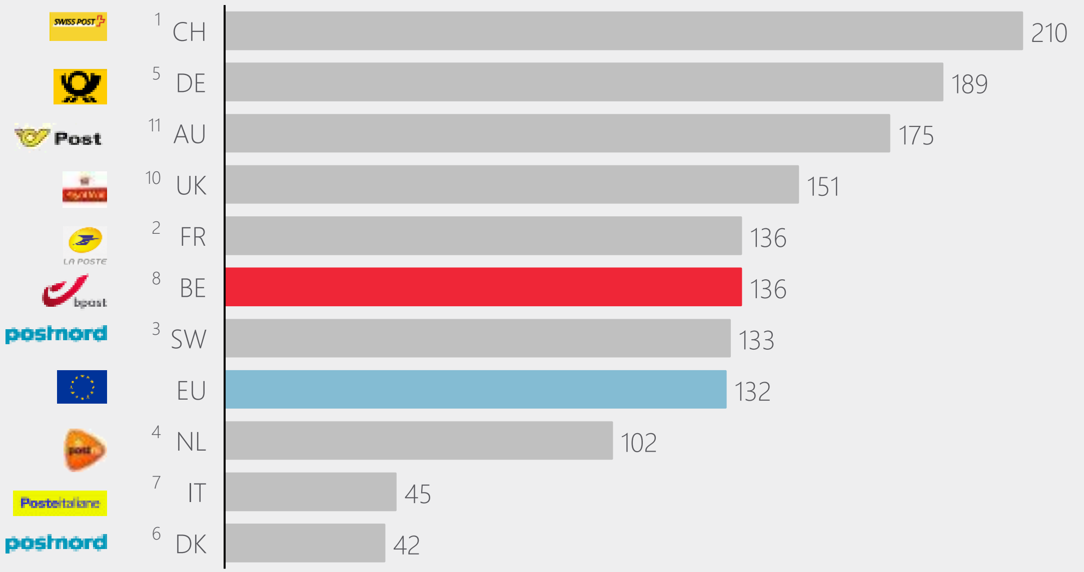
- Only in case the State did not alleviate the USO
- Subject to control by BIPT

A relatively resilient mail market vs. other European operators

European mail market

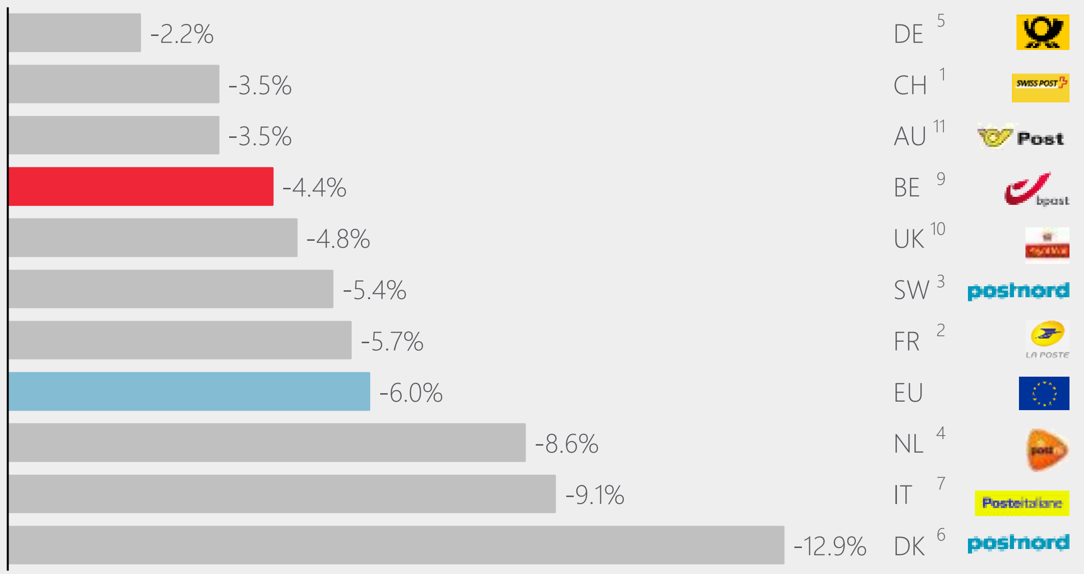
Addressed mail volume per capita 2019

operator level*



2008-19 CAGR for addressed mail volumes

as reported by major incumbent European postal operators, percent



Note: definition of addressed mail may differ by operator
Source: Company information; Annual reports; Investor presentations; IPC; Eurostat

[1] Includes addressed mail
[2] Includes addressed mail
[3] Includes addressed mail
[4] Includes addressed mail
[5] Includes mail communication and dialogue marketing
[6] Includes addressed mail
[7] Includes addressed mail (publishers services excl.)
[8] Includes addressed mail excluding press
[9] Includes all domestic mail
[10] Includes inland addressed mail
[11] Includes letter mail and addressed direct mail / media post

* Excludes domestic competitors

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Questions