Following Press negotiations, bpost projects € 165-185m adj. EBIT for 2024, including further persisting unfavorable market conditions in North America.

2024 group EBIT outlook

Pending the operational and financial outcomes of commercial discussions with the involved press stakeholders, bpostgroup was not yet in a position to guide on a group EBIT guidance for the year 2024. In the meantime, a divisional guidance was provided.

Following the recent announcements on April 26 and June 19 regarding agreements reached with Dutch and French-speaking newspaper editors, bpost today announces its 2024 group EBIT outlook and provides an update to its initial divisional guidance.

Belgium

- **Slightly lower total operating income including Press revenues** (vs. slightly higher total operating income, excluding Press revenues previously), notably driven by:
    - Mail (excluding Press): underlying volume decline of 4 to 6% offset by price increase and mix impacts
    - c. 50 mEUR lower Press revenues due to less favorable conditions from the extended press concessions at (1H24) and from newly signed contracts with press editors (2H24); besides the structural volume decline impact c. € 35m of these lower revenues translating directly into EBIT
    - Parcels: mid-single-digit percentage volume growth and low single-digit percentage price/mix impact
- **5 to 7% adjusted EBIT margin** (vs. 6 to 8% previously) reflecting lower margin on new Press contracts and higher costs due to salary indexation and cost inflation, partly offset by continued ambition in productivity gains and cost reduction initiatives – albeit being impacted by one-off indirect Press impacts of c. -12.5 mEUR EBIT from strikes and reorganization delays.

E-Logistics Eurasia

- **High single-digit percentage growth in total operating income** (vs. low double-digit percentage growth previously), driven by:
    - Continued growth of Radial Europe and Active Ants, and
    - Continued growth of Cross-Border Commercial activities including development of new lanes
- **6 to 8% adjusted EBIT margin** (vs. 5 to 7% previously) reflecting (i) strong productivity gains at Radial Europe and Active Ants and (ii) favorable mix effect at Cross-Border, mitigating higher FTEs and cost inflation.

E-Logistics North America

- **Low double-digit percentage decline in total operating income** (vs. high single-digit percentage decline previously), reflecting:
    - Radial US net volume loss from (i) lagging in-year contribution from new customers and (ii) client churn and client concessions in the context of adverse market conditions
    - Amazon's increased insourcing partially mitigated by new Cross-Border lanes and customer wins at Landmark Global
- **2.5 to 4.5% adjusted EBIT margin** (vs. 4 to 6% previously), with topline pressure mitigated by continued Variable Contribution Margin (VCM) rate improvements and reinforced substantial efforts to further reduce SG&A and other costs.

Following Press negotiations, bpostgroup expects the **group total operating income for 2024 to decrease by a low single-digit percentage**, including further persisting unfavorable market conditions in North America. The **group adjusted EBIT is expected to range between 165 mEUR and 185 mEUR, prior to the consolidation impact of Staci**. Staci is expected to contribute to the group EBIT as from August onwards, with an average monthly EBIT of 8 to 9 mEUR.

Group adjusted EBIT will include a decline in EBIT at Corporate level from discontinuation of building sales and higher opex from compliance and strategic initiatives.

Gross capex envelope is revised downwards and is now expected to be around 150 mEUR (vs. 180 mEUR initially).

Chris Peeters, CEO of bpostgroup: *"In Belgium, we have finally reached agreements with newspaper editors to secure most volumes, while safeguarding employment and avoiding restructuring costs. Nevertheless the new contracts come with less favorable conditions; we will continue to work on aligning costs to volumes to mitigate the impact.*

In North America, unfavorable market conditions still weigh on the revenues. We faced a client churn, as announced last year, that cannot yet be mitigated by the revenue contribution from new customer wins. We focus on productivity gains and cost savings, which have immediate impacts on profitability, while working on rebuilding our customer portfolio.

On the bright side, we expect the closing of the acquisition of Staci in the coming weeks, ahead of schedule, and we look forward to start implementing our strategy. We have made progress in preparing the integration and foresee positive feedback from existing and new customers, even this year."

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