Second quarter 2024 Interim Financial report
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Inside information - Regulated information
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Belgium's resilience and European growth cushion North America's revenue decline

Second quarter 2024 highlights

- **Group operating income** at 988.2 mEUR, in line with last year (-3.8%).
- **Group adjusted EBIT** at 57.8 mEUR (margin of 5.8%) down by -15.9%. **Group reported EBIT** at 47.7 mEUR.
- **Belgium (including 2.9 mEUR of lower State compensation for press concessions)**
    - Total operating income at 563.8 mEUR (up by +1.1%).
    - Underlying mail volume decline of -2.9% (mitigated by elections' mail) and offset by price/mix impact.
    - Parcels volumes increased by +2.5% and price/mix impact of +2.9%.
    - Nearly stable OPEX (increase of +1.1%) mainly reflecting salary indexations and stable FTEs and higher recoverable VAT.
    - Adjusted EBIT at 56.5 mEUR and reported EBIT at 56.4 mEUR, including -2.6 mEUR impact from strikes.
- **E-Logistics Eurasia**
    - Total operating income at 168.8 mEUR (+3.3%) driven by the continued expansion of Radial EU and Active Ants (+11.7%), higher cross-border sales reflecting growth from existing and recent customer wins in Europe, offsetting Asia and UK.
    - Slightly higher OPEX (+2.1%) from higher staff and transport costs in line with volume development and expansion and lower SG&A and material costs.
    - Adjusted EBIT at 10.4mEUR (6.2% margin), up by +1.5 mEUR (+16.4%). Reported EBIT at 9.6 mEUR (5.7% margin).
- **E-Logistics North America**
    - Total operating income at 282.7 mEUR down by -47.3 mEUR or -14.3% (-15.2% at constant exchange rate), reflecting lower volumes at Radial and Landmark US.
    - Lower OPEX (-12.7% or -13.6% at constant exchange rate) from lower variable costs including continued labor management and productivity gains, partly offset by bad debt provision.
    - Adjusted EBIT at 1.2 mEUR, down by -10.0 mEUR. Reported EBIT at -1.0 mEUR. Variable contribution margin at its highest level (+4% year over year).

CEO quote

Chris Peeters, CEO of bpostgroup: *"The second quarter results are in line with the financial trajectory we foresee. While our parcel activities in Belgium continue to grow and mail revenues remain resilient, revenues in North America are still under pressure. We are taking the necessary actions to mitigate these effects and to diversify our customer portfolio to be better positioned for the future.*

The past weeks, we reached agreements in Belgium with the newspaper editors. We've secured most volumes while safeguarding employment and avoiding restructuring costs. Nevertheless, the new contracts come with less favorable conditions, and we continue to work on aligning costs to volumes to mitigate the impact.

Also the integration of Staci is one of our main priorities in the near future. With the closing of the acquisition of Staci, bpostgroup is taking a leap in its transformation and we are now ready to implement our strategy."

2024 group EBIT outlook as communicated 3rd of July 2024

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

Following the announcements on April 26 and June 19 regarding agreements reached with Dutch and French-speaking newspaper editors, bpost announced on the 3rd of July 2024 its 2024 group EBIT outlook and provided 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).

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Key figures[1]

2nd quarter (in million EUR)	Reported		Adjusted		
	2023	2024	2023	2024	% Δ
Total operating income	1,027.6	988.2	1,027.6	988.2	-3.8%
Operating expenses (excl. D&A)	884.7	861.0	884.7	854.0	-3.5%
EBITDA	142.9	127.2	142.9	134.1	-6.1%
Depreciation and amortization	77.3	79.5	74.2	76.4	3.0%
EBIT	65.5	47.7	68.7	57.8	-15.9%
Margin (%)	*6.4%*	*4.8%*	*6.7%*	*5.8%*	
Result before tax	58.0	49.4	61.2	59.4	-2.8%
Income tax expense	14.8	17.7	15.6	20.2	29.4%
Net result	43.2	31.7	45.6	39.3	-13.8%
FCF	(50.6)	(89.5)	(50.4)	(84.9)	68.4%
Net debt/(Net cash) as of 30 June	420.8	392.1	420.8	392.1	-6.8%
CAPEX	23.8	25.5	23.8	25.5	6.8%
Average FTE & Interims	37,514	35,476	37,514	35,476	-5.4%

First half (in million EUR)	Reported		Adjusted		
	2023	2024	2023	2024	% Δ
Total operating income	2,076.5	1,981.2	2,076.5	1,981.2	-4.6%
Operating expenses (excl. D&A)	1,782.8	1,716.8	1,782.8	1,702.2	-4.5%
EBITDA	293.7	264.4	293.7	279.0	-5.0%
Depreciation and amortization	153.7	157.5	147.4	151.5	2.8%
EBIT	140.0	106.9	146.3	127.5	-12.8%
Margin (%)	*6.7%*	*5.4%*	*7.0%*	*6.4%*	
Result before tax	122.9	109.7	129.2	130.3	0.8%
Income tax expense	33.8	36.3	35.4	41.5	17.3%
Net result	89.0	73.3	93.8	88.8	-5.4%
FCF	125.7	133.4	165.6	173.4	4.7%
Net debt/(Net cash) as of 30 June	420.8	392.1	420.8	392.1	-6.8%
CAPEX	80.3	39.1	80.3	39.1	-51.3%
Average FTE & Interims	37,141	35,382	37,141	35,382	-4.7%

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

Group overview

Second quarter 2024

Compared to last year, **total operating income** decreased by -39.4 mEUR (or -3.8%) to 988.2 mEUR, driven by E-Logistics North America.

- E-Logistics North America external operating income decreased by -48.8 mEUR reflecting last year's churn and persisting challenging market conditions hindering recovery.
- External operating income Belgium increased by +4.0 mEUR, mainly explained by parcel volume growth, election mail and pricing levers offset reduced Press compensation and banking revenue.
- External operating income of E-Logistics Eurasia increased by +6.2 mEUR mainly driven by e-commerce fulfilment momentum and cross-border revenue growth in EU which offset UK challenges and decline in Asian volumes (excluding destination Belgium).
- Corporate external operating income decreased by -0.8 mEUR mainly driven by absence of building sales, in line with guidance.

Operating expenses (including D&A) slightly decreased by +21.6 mEUR (or -2.2%) driven by lower material costs, lower opex in line with revenue development in E-Logistics North America and higher recoverable VAT, partly offset by higher payroll costs, higher merger and acquisition costs and higher depreciations.

As a result the **reported EBIT** decreased by -17.8 mEUR compared to last year, including -9.1 mEUR corporate EBIT decline in line with lower sales buildings and merger and acquisitions costs.

Net financial result (i.e. net of financial income and financial costs) increased by +9.2 mEUR mainly due to positive non-cash financial result related to IAS 19 employee benefits, which was triggered by the increase in discount rates.

Income tax expenses slightly increased by -2.8 mEUR compared to last year.

Group net profit decreased by -11.4 mEUR at 31.7 mEUR compared to last year at 43.2 mEUR.

First Half 2024

Compared to last year, **total operating income** decreased by -95.3 mEUR (or -4.6%) to 1,981.2 mEUR, driven by E-Logistics North America.

- E-Logistics North America external operating income decreased by -104.8 mEUR, reflecting last year's churn and persisting challenging market conditions hindering recovery.
- External operating income Belgium increased by +1.2 mEUR, mainly driven by parcel volume growth and lower mail revenues from reduced State compensation for press distribution.
- External operating income of E-Logistics Eurasia increased by +10.6 mEUR (or +3.4%), driven by momentum in e-commerce fulfilment and cross-border revenue growth in Europe and Asia which offset adverse UK market conditions.
- Corporate external operating income decreased by -2.3 mEUR mainly driven by lower building sales.

Operating expenses (including D&A) decreased by +62.2 mEUR (or -3.2%) mainly driven by lower material costs, lower opex in line with revenue development in E-Logistics North America and higher recoverable VAT, partly offset by higher payroll costs, higher merger and acquisition costs and higher depreciations.

As a result the **reported EBIT** decreased by -33.1 mEUR at 106.9 mEUR compared to last year at 140.0 mEUR.

Net financial result (i.e. net of financial income and financial costs) increased by +19.8 mEUR mainly due to positive non-cash financial result related to IAS 19 employee benefits, which was triggered by the increase in discount rates. Furthermore favourable gains from exchange differences and higher financial income on cash and cash equivalents contributed to this increase.

Income tax expense slightly increased by -2.5 mEUR compared to last year.

Group net profit decreased by -15.7 mEUR at 73.3 mEUR compared to last year at 89.0 mEUR.

Business Unit performance: Belgium

Belgium	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Transactional mail	385.5	378.4	-1.8%	190.4	186.4	-2.1%
Advertising mail	89.7	97.2	8.3%	44.4	51.6	16.2%
Press	176.2	166.6	-5.4%	87.4	84.2	-3.6%
Parcels Belgium	239.7	251.1	4.8%	118.9	125.3	5.4%
Proximity and convenience retail network	144.5	134.9	-6.6%	72.0	65.3	-9.3%
Value added services	66.1	62.7	-5.1%	33.6	31.9	-5.0%
Intersegment operating income & other	22.6	38.7	71.1%	11.2	19.1	70.3%
TOTAL OPERATING INCOME	1,124.3	1,129.6	0.5%	557.9	563.8	1.1%
Operating expenses	961.7	970.0	0.9%	479.9	485.0	1.1%
EBITDA	162.6	159.7	-1.8%	78.0	78.9	1.2%
Depreciation, amortization (reported)	42.4	44.0	3.8%	21.3	22.5	5.6%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	120.2	115.7	-3.8%	56.7	56.4	-0.5%
Margin (%)	*10.7%*	*10.2%*		*10.2%*	*10.0%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	120.5	115.9	-3.8%	56.8	56.5	-0.5%
Margin (%)	*10.7%*	*10.3%*		*10.2%*	*10.0%*	

Second quarter 2024

Total operating income in the second quarter 2024 amounted to 563.8 mEUR and showed an increase of +6.0 mEUR (or +1.1%). Higher intersegment revenues from inbound Cross-border volumes handled in the domestic network and +6.25 mEUR higher other revenue in 2024 tied to last year's impact of State services repricing, in 2024 recognized under VAS.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) remained stable at 322.2 mEUR versus last year. **Transactional mail** noted an underlying volume decline of -6.4% for the quarter against -8.5% underlying volume decline for the second quarter 2023. **Advertising mail** realized an underlying volume increase of +11.6% against -14.8% for the same period last year, mainly driven by Belgian elections in June 2024 and some customer wins. **Press** revenues decreased by -3.2 mEUR, driven by the reduced governmental compensation for extended Press concessions and the structural volume decline. **Total Domestic mail** volume decrease impacted revenues by -9.0 mEUR (-2.9% underlying volume decline against -8.3% in the second quarter of 2023) and was compensated by +9.0 mEUR (+2.9%) net improvement in price and mix. This includes -2.9 mEUR from reduced governmental compensation for extended Press concessions and +3.8m EUR revenues from European, Federal and Regional elections in June 2024. Excluding Press, underlying volume decline of -3.0% with a price/mix impact of +4.4%.

Belgium	Year-to-date		2nd quarter	
Evolution underlying volumes	2023	2024	2023	2024
Domestic mail	-8.6%	-4.8%	-8.3%	-2.9%
Transactional mail	-9.2%	-7.4%	-8.5%	-6.4%
Advertising mail	-13.3%	+3.8%	-14.8%	+11.6%
Press	-9.1%	-7.9%	-3.7%	-5.6%
Parcels	+8.5%	+2.7%	+7.8%	+2.5%

Parcels Belgium increased by +6.4 mEUR (or +5.4%) to 125.3 mEUR resulting from parcels volume increase of +2.5% against high comps +7.8% in the same period last year and improved price/mix +2.9%. Parcel volume growth is reflecting contribution of additional volumes from existing customer, adverse volume impact from April strikes (estimate of 2.0% shortfall in quarterly volume growth) and weak apparel momentum from weather conditions in May and June 2024.

Proximity and convenience retail network decreased by -6.7 mEUR (or -9.3%) to 65.3 mEUR mainly driven by the indexation of the Management Contract offset by lower banking revenues.

Value added services amounted to 31.9 mEUR and showed a decrease of -1.7 mEUR (or -5.0%) versus last year mainly due to higher operational revenues from fines solutions and document management, more than offset by negative repricing impact now reported under VAS (vs Other revenues in 2023).

Operating expenses (including D&A) increased by -6.3 mEUR, mainly driven by higher salary cost per FTE (+2.7% from 2 salary indexations year-over-year) and stable FTEs, partially compensated by higher recoverable VAT.

Despite strike impacts (estimated at -2.6 mEUR) reported EBIT at 56.4 mEUR and adjusted EBIT at 56.5m EUR are in line with last year, due to resilient mail and parcels revenues, stable FTE mitigating payroll cost inflation.

First half 2024

Total operating income in the first half of 2024 amounted to 1,129.6 mEUR and showed a slight increase of +5.3 mEUR (or +0.5%). Higher intersegment revenues from inbound Cross-border volumes handled in the domestic network and +12.5 mEUR higher other revenue in 2024 tied to last year's impact of State services repricing, in 2024 recognized under VAS.

Revenues from Domestic mail (i.e. Transactional, Advertising and Press combined) decreased by -9.2 mEUR to 642.2 mEUR. Transactional mail noted an underlying volume decline of -7.4%, in line with last year. Advertising mail realized a volume increase of +3.8% against a decrease of -13.3% for the same period last year. This increase was driven by Belgian elections in June 2024 and some customer wins. Press revenues decreased by -9.5 mEUR, driven by the reduced governmental compensation for extended Press concessions and the structural volume decline.
Total Domestic mail volume decrease impacted revenues by -30.3 mEUR (-4.8% underlying volume decline against -8.6% in the first half 2023) and was almost compensated by the net improvement in price and mix which amounted to +21.2 mEUR or 3.4%. This includes -7.7 mEUR from reduced governmental compensation for extended Press concessions and +3.8m EUR revenues from European, Federal and Regional elections in June 2024.

Belgium Evolution underlying volumes	1Q23	2Q23	3Q23	4Q23	FY 23	1Q24	2Q24	YTD 24
Domestic mail	-8.8%	-8.3%	-8.2%	-8.1%	-8.4%	-6.7%	-2.9%	-4.8%
Transactional mail	-9.9%	-8.5%	-9.2%	-9.2%	-9.2%	-8.3%	-6.4%	-7.4%
Advertising mail	-11.8%	-14.8%	-12.3%	-8.7%	-11.9%	-3.8%	+11.6%	+3.8%
Press	-9.5%	-3.7%	-7.9%	-11.2%	-9.4%	-10.3%	-5.6%	-7.9%
Parcels	+9.1%	+7.8%	+5.5%	+3.4%	+6.3%	+2.9%	+2.5%	+2.7%

Parcels Belgium increased by +11.4 mEUR (or +4.8%) to 251.1 mEUR mainly resulting from the volume increase of +2.7% (against +8.5% in the first half 2023) and improved price/mix +2.0%. Parcel volume growth of 2.7% is reflecting initial delay in anticipated additional volumes from existing customer and adverse volume impact from April strikes (estimate of 1.0% shortfall in volume growth) and weak apparel momentum from weather conditions in May and June 2024.

Proximity and convenience retail network decreased by -9.6 mEUR (or -6.6%) to 134.9 mEUR mainly driven by the indexation of the Management Contract offset by lower banking revenues.

Value added services amounted to 62.7 mEUR and showed a decrease of -3.4 mEUR (or -5.1%) versus last year mainly due to higher operational revenues from fines solutions and document management, more than offset by negative repricing impact now reported under VAS (vs Other revenues in 2023).

Operating expenses (including D&A) remained nearly stable (-9.9 mEUR or +1.0%), mainly driven by higher salary cost per FTE (+2.3% from 2 salary indexations year-over-year) and nearly stable FTEs, partially compensated by higher recoverable VAT.

Reported EBIT and adjusted EBIT respectively amounted to 115.7 mEUR and to 115.9 mEUR, down by -3.8% with a margin of respectively 10.2% and 10.3%.

Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
E-commerce logistics	142.6	148.5	4.1%	70.7	74.1	4.9%
Cross-border	172.9	178.0	2.9%	85.5	89.1	4.2%
Intersegment operating income & other	13.7	11.6	-15.0%	7.1	5.5	-22.3%
TOTAL OPERATING INCOME	329.2	338.2	2.7%	163.3	168.8	3.3%
Operating expenses	297.5	298.7	0.4%	146.7	149.8	2.1%
EBITDA	31.7	39.5	24.5%	16.6	18.9	14.0%
Depreciation, amortization (reported)	16.8	18.5	10.5%	8.5	9.3	9.3%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	15.0	21.0	40.1%	8.1	9.6	19.0%
Margin (%)	*4.5%*	*6.2%*		*4.9%*	*5.7%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	16.7	22.3	33.8%	8.9	10.4	16.4%
Margin (%)	*5.1%*	*6.6%*		*5.5%*	*6.2%*	

Second quarter 2024

Total operating income increased by +5.4 mEUR (or +3.3%) and amounted to 168.8 mEUR.

E-commerce logistics operating income in the second quarter 2024 amounted to 74.1 mEUR, an increase of +3.4 mEUR (or +4.9%) compared to the same period of 2023. Revenue growth of Radial Europe and Active Ants of +11.7% reflecting higher sales from international expansion (new customer onboardings) and upselling from existing customers. Lower volumes at Dyna reflecting higher volumes at Dynalogic offset by less devices to be repaired at DynaFix/Sure.

Cross-border operating income in the second quarter 2024 amounted to 89.1 mEUR, an increase of +3.6 mEUR (or +4.2%) compared to the same period of 2023, mainly driven by existing and recent customers wins in Europe and growth in Asian volumes with destination Belgium, partly offset by decline in other destinations and continued adverse UK market conditions.

Operating expenses (including D&A) were up -3.9 mEUR, mainly due to higher volume driven transport costs with favorable mix tied to volumes with destination Belgium and higher salary costs reflecting international activity ramp-up and inflationary pressures, partly mitigated by productivity gains, lower material costs in line with lower volumes at DynaFix/sure and lower SG&A.

Reported EBIT and adjusted EBIT both increased by +1.5 mEUR compared to last year same period and respectively amounted to 9.6 mEUR (with a margin of 5.7%) and 10.4 mEUR (margin of 6.2%).

First half 2024

Total operating income increased by +8.9 mEUR (or +2.7%) and amounted to 338.2 mEUR.

E-commerce logistics operating income in the first half 2024 amounted to 148.5 mEUR, an increase of +5.9 mEUR (or +4.1%) compared to the same period of 2023. Revenue growth of Radial Europe and Active Ants of +12.4% reflecting higher sales from international expansion (new customer onboardings) and upselling from existing customers. Partially offset by lower revenues at Dyna reflecting higher volumes at DynaLogic offset by less devices to be repaired at DynaFix/Sure.

Cross-border operating income in the first half 2024 amounted to 178.0 mEUR, an increase of +5.1 mEUR (or +2.9%) compared to the same period of 2023, despite continued adverse UK market conditions, mainly driven by new customers and continued growth from recent customer wins in Europe and Asia.

Operating expenses (including D&A) were slightly up by -2.9 mEUR or +0.9%, mainly due to higher volume driven transport costs with favorable mix tied to volumes with destination Belgium, higher salary costs reflecting international activity ramp-up and inflationary pressures, partly mitigated by productivity gains, lower material costs in line with lower volumes at DynaFix/Sure and lower SG&A.

Reported EBIT increased by +6.0 mEUR compared to last year same period and amounted to 21.0 mEUR (margin of 6.2%) while adjusted EBIT increased by +5.6 mEUR and amounted to 22.3 mEUR (margin of 6.6%).

Business Unit performance: E-Logistics North America

E-Logistics North America	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
E-commerce logistics	664.5	560.9	-15.6%	328.1	279.6	-14.8%
Intersegment operating income & other	4.2	4.4	6.1%	2.0	3.2	62.3%
TOTAL OPERATING INCOME	668.6	565.3	-15.5%	330.0	282.7	-14.3%
Operating expenses	591.6	503.6	-14.9%	293.0	255.7	-12.7%
EBITDA	77.0	61.6	-20.0%	37.0	27.0	-26.9%
Depreciation, amortization (reported)	55.1	56.0	1.6%	27.9	28.1	0.4%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	21.9	5.6	-74.2%	9.0	(1.0)	-
Margin (%)	*3.3%*	*1.0%*		*2.7%*	*-0.4%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	26.3	10.0	-61.9%	11.2	1.2	-89.6%
Margin (%)	*3.9%*	*1.8%*		*3.4%*	*0.4%*	

Second quarter 2024

Total operating income amounted to 282.7 mEUR and decreased by -47.3mEUR, this is a decrease of -14.3% (-15.2 % at constant exchange rate).

E-commerce logistics decreased by -48.5 mEUR to 279.6 mEUR (or -14.8%, -15.7% at constant exchange rate) mainly driven by lower revenues at Radial (-18.0% excluding exchange rate impact) resulting from lower sales from existing customers, whereas the contribution of new customers partially mitigated revenue churn from terminated contracts announced in 2023. Furthermore, lower revenues at Landmark US reflecting Amazon's insourcing.

Radial North America (*)	Year-to-date			2nd quarter		
In million USD (Adjusted)	2023	2024	% Δ	2023	2024	% Δ
Total operating income	584.1	475.8	-18.5%	289.4	237.3	-18.0%
EBITDA	60.6	46.9	-22.5%	29.4	20.1	-31.7%
Profit from operating activities (EBIT)	15.5	1.0	-93.6%	6.2	(2.8)	-

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

Operating expenses (including D&A) at 283.8 mEUR decreased by +37.2 mEUR (or -11.6%, or -12.5% at constant exchange rate) resulting from lower variable opex in line with revenue development and continuous strong variable labor management and productivity gains, resulting in sustained improvement in Radial's variable contribution margin (+4% improvement year-over-year, currently at its highest level). This decrease was partially offset by -3.3 mEUR bad debt provision.

Reported EBIT and **adjusted EBIT** respectively amounted to -1.0 mEUR and 1.2 mEUR. Lower EBIT and margin dilution reflecting revenue pressure and lower fixed cost coverage, partly mitigated by productivity improvement at Radial.

First half 2024

Total operating income amounted to 565.3 mEUR and decreased by -103.4 mEUR (or -15.5%, -15.4% at constant exchange rate).

E-commerce logistics decreased by -103.6 mEUR to 560.9 mEUR or -15.6% (-15.5% at constant exchange rate) due to lower revenues at Radial (-18.5% excluding FX) resulting from lower sales from existing customers, whereas the contribution of new customers partially mitigated revenue churn from terminated contracts announced in 2023. Furthermore, lower revenues at Landmark US reflecting Amazon's insourcing.

Operating expenses (including D&A) decreased by +87.1 mEUR (or -13.5%, or -13.3% at constant exchange rate) resulting from lower variable opex in line with revenue development and continued strong variable labor management and productivity gains, resulting in sustained improvement in Radial's variable contribution margin (+3.5% year-over-year, currently on its highest level). This decrease was partially offset by -3.1 mEUR bad debt provision.

Reported EBIT amounted to 5.6 mEUR down by -16.3 mEUR with a margin of 1.0%, adjusted EBIT amounted to 10.0 mEUR down by -16.3 mEUR, with a margin of 1.8%. Lower EBIT and margin dilution reflecting revenue pressure and lower fixed cost coverage, partly mitigated by productivity improvement at Radial

Business Unit performance: Corporate

Corporate	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
External operating income	4.1	1.8	-55.1%	1.6	0.8	-49.2%
Intersegment operating income	217.5	204.7	-5.9%	110.3	99.8	-9.5%
TOTAL OPERATING INCOME	221.7	206.5	-6.8%	111.9	100.6	-10.0%
Operating expenses	199.3	202.9	1.8%	100.5	98.3	-2.2%
EBITDA	22.3	3.6	-84.0%	11.4	2.3	-79.6%
Depreciation, amortization (reported)	39.4	39.0	-1.1%	19.6	19.6	0.2%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	(17.1)	(35.4)	-	(8.2)	(17.3)	-
Margin (%)	*-7.7%*	*-17.1%*		*-7.3%*	*-17.2%*	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	(17.1)	(20.7)	-	(8.2)	(10.4)	-
Margin (%)	*-7.7%*	*-10.0%*		*-7.3%*	*-10.3%*	

Second quarter 2024

External operating income in the second quarter 2024 decreased by -0.8 mEUR driven by lower building sales.

Net operating expenses after intersegment (including D&A) increased by -8.3 mEUR, mainly explained by the merger and acquisition costs (6.9 mEUR), inflationary pressure on payroll costs (+2.7% from 2 salary indexations) and stable overhead year-over-year.

Adjusted EBIT decreased by -2.2 mEUR at -10.4 mEUR when excluding 6.9 mEUR of merger and acquisition costs while reported EBIT decreased by -9.1 mEUR at -17.3 mEUR.

First half 2024

External operating income in the first half 2024 decreased by -2.3 mEUR driven by lower building sales.

Net operating expenses after intersegment (including D&A) increased by -16.0 mEUR, mainly explained by the merger and acquisition costs (14.6 mEUR), inflationary pressure on payroll costs (+2.3% from 2 salary indexations) and stable overhead year-over-year.

Adjusted EBIT decreased by -3.7 mEUR at -20.7 mEUR when excluding 14.6 mEUR of merger and acquisition costs while reported EBIT decreased by -18.3 mEUR at -35.4 mEUR.

Cash flow statement

Second quarter 2024

2nd quarter (in million EUR)	Reported			Adjusted		
	2023	2024	% Δ	2023	2024	% Δ
Cash flow from operating activities	(27.6)	(64.2)	133.1%	(27.3)	(59.7)	118.2%
out of which CF from operating activities before Δ in WC & provisions	121.5	104.4	-14.1%	121.5	104.4	-14.1%
Cash flow from investing activities	(23.1)	(25.3)	9.5%	(23.1)	(25.3)	9.5%
Free cash flow	(50.6)	(89.5)	76.8%	(50.4)	(84.9)	68.5%
Financing activities	(121.7)	(85.1)	-30.0%	(121.7)	(85.1)	-30.0%
Net cash movement	(172.3)	(174.6)	1.4%	(172.1)	(170.1)	-1.2%
Capex	23.8	25.5	6.8%	23.8	25.5	6.8%

In the second quarter 2024, the net cash outflow slightly increased compared to the same period last year by 2.3 mEUR to negative 174.6 mEUR.

Reported and adjusted free cash flow amounted respectively to negative 89.5 mEUR and negative 84.9 mEUR.

Cash flow from operating activities before change in working capital and provisions decreased by 17.1 mEUR compared to the second quarter 2023 due to lower operating results, partly offset by lower corporate tax payments (4.2 mEUR).
Cash outflow related to collected proceeds due to Radial's clients was 4.4 mEUR higher (4.6 mEUR outflow in the second quarter 2024 compared to an outflow of 0.2 mEUR in the same period last year), whereas the variance in change in working capital and provisions amounted to -15.2 mEUR. The latter is mainly explained by the settlements of terminal dues.

Investing activities resulted in a cash outflow of 25.3 mEUR in the second quarter 2024, compared to a cash outflow of 23.1 mEUR for the same period last year.
Capex stood at 25.5 mEUR in the second quarter 2024 (increase by 1.6 mEUR compared to last year) and was mainly spent on international e-commerce logistics expansion, domestic fleet, operational infrastructure and parcels capacity.

In the second quarter 2024 the cash outflow relating to financing activities amounted to 85.1 mEUR compared to 121.7 mEUR last year, mainly explained by a lower dividend payment (54.0 mEUR) partially offset by lease liabilities, acquisition of non-controlling interests of IMX group (10.0 mEUR) and interests on borrowings.

First half 2024

Year-to-date (in million EUR)	Reported			Adjusted		
	2023	2024	% Δ	2023	2024	% Δ
Cash flow from operating activities	203.0	172.3	-15.1%	242.9	212.3	-12.6%
out of which CF from operating activities before Δ in WC & provisions	271.4	260.1	-4.1%	271.4	260.1	-4.1%
Cash flow from investing activities	(77.3)	(38.9)	-49.7%	(77.3)	(38.9)	-49.7%
Free cash flow	125.7	133.4	6.2%	165.6	173.4	4.7%
Financing activities	(155.7)	(118.8)	-23.7%	(155.7)	(118.8)	-23.7%
Net cash movement	(30.0)	14.7	-	9.9	54.6	-
Capex	80.3	39.1	-51.3%	80.3	39.1	-51.3%

In the first half 2024, the net cash flow increased compared to the same period last year by 44.7 mEUR to +14.7 mEUR.
This increase was mainly driven by lower dividends and capex, partially compensated by negative evolution of cash flow from operating activities and the acquisition of non-controlling interests of IMX group .

Reported and adjusted free cash flow amounted respectively to 133.4 mEUR and 173.4 mEUR.

Cash flow from operating activities before change in working capital and provisions decreased by 11.3 mEUR compared to the first half 2023 as the negative adjusted EBITDA variation was partially compensated by lower corporate income tax payments.
Cash outflow related to collected proceeds due to Radial's clients was stable (40.0 mEUR outflow in the first half 2024 compared to an outflow of 39.9 mEUR in the same period last year).
The variance in change in working capital and provisions (-19.4 mEUR) was mainly explained by the deferred payment of 2022 withholding taxes on payroll in the first quarter 2023 (+30.6 mEUR), a measure granted at that time by the Belgian government in the context of the energy crisis, and amongst other compensated by the lower State compensation - as foreseen – for the Press concession (-34.6 mEUR) and the settlements of terminal dues.

Investing activities resulted in a cash outflow of 38.9 mEUR in the first half 2024, compared to a cash outflow of 77.3 mEUR for the same period last year. This evolution was mainly explained by lower capex in 2024 (-41.2 mEUR), and lower proceeds from sales of buildings in 2024.
Capex stood at 39.1 mEUR in the first half 2024 and was mainly spent on international e-commerce logistics expansion, domestic fleet, operational infrastructure and parcels capacity. The decrease compared to last year was in line with the capital allocation in which logistics real estate for Radial US was purchased in 2023 instead of leasing.

In 2024 the cash outflow relating to financing activities amounted to 118.8 mEUR compared to 155.7 mEUR last year, mainly explained by a lower dividend payment (+54.0 mEUR) and proceeds from cash and cash equivalents (+10.9 mEUR), partially compensated by lease liabilities (-18.5 mEUR) and the acquisition of the non-controlling interests of IMX group (-10.0 mEUR).

Interim Condensed Consolidated Financial Statements[2]

Interim Condensed Consolidated Income Statement

		Year-to-date		2nd quarter	
In million EUR	Notes	2023	2024	2023	2024
Revenue	5	2,069.0	1,978.3	1,018.1	987.4
Other operating income		7.5	2.9	9.4	0.7
TOTAL OPERATING INCOME		2,076.5	1,981.2	1,027.6	988.2
Material costs		(42.7)	(35.7)	(20.7)	(15.5)
Services and other goods	6	(869.4)	(785.3)	(429.5)	(395.0)
Payroll costs		(853.9)	(888.1)	(426.5)	(450.0)
Other operating expenses		(16.8)	(7.8)	(8.0)	(0.5)
Depreciation, amortization and impairment		(153.7)	(157.5)	(77.3)	(79.5)
TOTAL OPERATING EXPENSES		(1,936.5)	(1,874.3)	(962.0)	(940.4)
RESULT FROM OPERATING ACTIVITIES (EBIT)		140.0	106.9	65.5	47.7
Financial income		9.9	32.2	6.9	18.7
Financial costs		(27.1)	(29.4)	(14.4)	(17.0)
Remeasurement of assets held for sale at fair value less costs to sell		0.0	0.0	0.0	0.0
Share of results of associates and joint ventures		0.0	0.0	0.0	0.0
RESULT BEFORE TAX		122.9	109.7	58.0	49.4
Income tax expense		(33.8)	(36.3)	(14.8)	(17.7)
RESULT FOR THE PERIOD (EAT)		89.0	73.3	43.2	31.7
Attributable to:					
Equity holders of the parent		90.1	73.1	43.8	31.5
Non-controlling interests		(1.1)	0.3	(0.6)	0.2

Earnings per share

	Year-to-date		2nd quarter	
In EUR	2023	2024	2023	2024
▶ basic, result for the period attributable to ordinary equity holders of the parent	0.45	0.37	0.22	0.16
▶ diluted, result for the period attributable to ordinary equity holders of the parent	0.45	0.37	0.22	0.16

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

[2] The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting

Interim Condensed Consolidated Statement of Other Comprehensive Income

	Year-to-date		2nd quarter	
In million EUR	2023	2024	2023	2024
RESULT OF THE PERIOD	89.0	73.3	43.2	31.7
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Net gain/(loss) on hedge of a net investment	2.5	0.0	(0.1)	0.0
Net gain/(loss) on cash flow hedges	0.9	0.9	0.5	0.5
Gain/ (loss) on cash flow hedges	*1.2*	*1.2*	*0.6*	0.6
Income tax effect	*(0.3)*	*(0.3)*	*(0.2)*	(0.2)
Exchange differences on translation of foreign operations	(16.0)	26.4	1.6	9.1
NET OTHER COMPREHENSIVE INCOME/(LOSS) THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	(12.6)	27.4	2.0	9.5
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement gain (losses) on defined benefit plans	0.1	0.5	0.1	0.5
Gross gain/ (loss) on defined benefit plans	*0.1*	*0.6*	*0.1*	*0.6*
Income tax effect	*(0.0)*	*(0.1)*	*(0.0)*	*(0.1)*
NET OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	0.1	0.5	0.1	0.5
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(12.5)	27.8	2.1	10.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	76.5	101.2	45.2	41.7
Attributable to:				
Equity holders of the parent	77.6	100.9	45.8	41.5
Non-controlling interests	(1.1)	0.3	(0.6)	0.2

Interim Condensed Consolidated Statement of Financial Position

In million EUR	Notes	31 December 2023	30 June 2024
Assets			
Non-current assets			
Property, plant and equipment	8	1,372.0	1,339.4
Intangible assets	9	810.9	818.6
Shares in equity		0.0	0.0
Investments in associates and joint ventures		0.1	0.1
Investment properties		3.4	3.0
Deferred tax assets		22.6	24.0
Trade and other receivables		31.7	49.0
		2,240.6	2,234.2
Current assets			
Inventories		25.4	26.3
Income tax receivable		12.0	4.5
Trade and other receivables	10	969.5	780.0
Cash and cash equivalents		870.6	889.3
Derivative instruments	14	0.0	0.0
		1,877.6	1,700.1
Assets held for sale		0.6	0.6
TOTAL ASSETS		4,118.8	3,934.9
Equity and liabilities			
Issued capital		364.0	364.0
Reserves		550.6	592.4
Foreign currency translation		46.8	73.2
Retained earnings		65.7	73.1
Equity attributable to equity holders of the Parent		1,027.0	1,102.6
Equity attributable to non-controlling interests		(0.5)	(0.5)
TOTAL EQUITY		1,026.5	1,102.1
Non-current liabilities			
Interest-bearing loans and borrowings		1,152.0	1,143.1
Employee benefits	11	249.8	238.8
Trade and other payables		2.4	2.5
Provisions		11.5	11.3
Deferred tax liabilities		9.9	14.1
		1,425.5	1,409.8
Current liabilities			
Interest-bearing loans and borrowings		139.0	138.1
Bank overdrafts		0.0	0.0
Provisions		94.5	98.8
Income tax payable		2.9	37.6
Derivative instruments	14	0.2	0.5
Trade and other payables	12	1,430.1	1,147.9
		1,666.8	1,423.0
Liabilities directly associated with assets held for sale		0.0	0.0
TOTAL LIABILITIES		3,092.3	2,832.7
TOTAL EQUITY AND LIABILITIES		4,118.8	3,934.9

Interim Condensed Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
In million EUR	AUTHORIZED & ISSUED CAPITAL	CASH FLOW HEDGE RESERVE	REMEASUREMENT ON DEFINED BENEFIT PLANS	NET INVESTMENT HEDGE	FOREIGN CURRENCY TRANSLATION	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS AT 1 JANUARY 2023	364.0	(6.6)	19.4	(12.1)	82.3	388.5	231.7	1,067.1	(1.7)	1,065.4
Result of the year 2023	0.0	0.0	0.0	0.0	0.0	0.0	90.1	90.1	(1.1)	89.0
Other comprehensive income	0.0	0.9	0.1	2.5	(16.0)	231.7	(231.7)	(12.5)	0.0	(12.5)
TOTAL COMPREHENSIVE INCOME	0.0	0.9	0.1	2.5	(16.0)	231.7	(141.6)	77.6	(1.1)	76.5
Dividends (Pay-out)	0.0	0.0	0.0	0.0	0.0	(80.0)	0.0	(80.0)	0.0	(80.0)
Other	0.0	0.0	(9.3)	0.0	1.3	9.2	(1.1)	0.2	0.0	0.2
As at 30 June 2023	364.0	(5.7)	10.2	(9.6)	67.6	549.3	89.0	1,064.9	(2.8)	1,062.1
AS AT 1 JANUARY 2024	364.0	(4.7)	9.6	(7.4)	54.2	545.7	65.7	1,027.0	(0.5)	1,026.5
Result of the year 2024	0.0	0.0	0.0	0.0	0.0	0.0	73.1	73.1	0.3	73.3
Other comprehensive income	0.0	0.9	0.5	0.0	26.4	65.7	(65.7)	27.8	0.0	27.8
TOTAL COMPREHENSIVE INCOME	0.0	0.9	0.5	0.0	26.4	65.7	7.4	100.9	0.3	101.2
Dividends (Pay-out)	0.0	0.0	0.0	0.0	0.0	(26.0)	0.0	(26.0)	0.0	(26.0)
Other	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	(0.2)	0.5
As at 30 June 2024	364.0	(3.8)	10.1	(7.4)	80.6	586.1	73.1	1,102.6	(0.5)	1,102.1

Equity increased by 75.6 mEUR to 1,102.1 mEUR as at June 30, 2024 from 1,026.5 mEUR as at December 31, 2023. This increase was mainly explained by the realized profit (73.3 mEUR), the exchange differences on translation of foreign operations (26.4 mEUR, mainly driven by the evolution of the exchange rate of the USD), the remeasurement gains on post-employment benefits (0.5 mEUR) and the effective part of a cash-flow hedge entered into in 2018 in order to pre-hedge the interest rate risk of the bond (0.9 mEUR). The cash-flow hedge reserve is reclassified to profit or loss over the 8 years from the issuance date of the bond in July 2018. This increase was partially offset by the payment of a dividend (-26.0 mEUR).

Interim Condensed Consolidated Statement of Cash Flows

	Year-to-date		2nd quarter	
In million EUR	2023	2024	2023	2024
Operating activities				
Result before tax	122.9	109.7	58.0	49.4
Adjustments to reconcile result before tax to net cash flows				
Depreciation, amortization and impairment losses	153.2	157.5	76.8	79.5
Impairment on debtors	(3.4)	(2.6)	(1.9)	0.0
Gain on sale of property, plant and equipment	(1.4)	(0.1)	0.1	(0.1)
Net financial results	17.1	(2.7)	7.5	(1.7)
Other non-cash items	(0.2)	(0.4)	2.5	(0.4)
Change in employee benefit obligations	(2.6)	(5.8)	0.8	(4.1)
Share of results of associates and joint ventures	(0.0)	(0.0)	(0.0)	(0.0)
Income tax paid	(30.3)	(20.5)	(26.3)	(17.3)
Income tax received on previous years	16.1	25.1	3.9	(0.9)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	271.4	260.1	121.5	104.4
Decrease/(increase) in trade and other receivables	144.7	189.8	(65.6)	(17.3)
Decrease/(increase) in inventories	0.8	(0.8)	(0.8)	(4.5)
Increase/(decrease) in trade and other payables	(172.2)	(240.8)	(80.3)	(146.5)
Increase/(decrease) in collected proceeds due to clients	(39.9)	(40.0)	(0.2)	(4.6)
Increase/(decrease) in provisions	(1.7)	4.0	(2.1)	4.3
NET CASH FROM OPERATING ACTIVITIES	203.0	172.3	(27.6)	(64.2)
Investing activities				
Proceeds from sale of property, plant and equipment	2.9	0.2	0.8	0.2
Acquisition of property, plant and equipment	(76.9)	(34.7)	(22.1)	(22.6)
Acquisition of intangible assets	(3.3)	(4.4)	(1.7)	(2.9)
NET CASH USED IN INVESTING ACTIVITIES	(77.3)	(38.9)	(23.1)	(25.3)
Financing activities				
Proceeds from cash and cash equivalents	0.1	11.0	(2.2)	4.9
Interests related to borrowings	(4.6)	(4.1)	(2.4)	(4.1)
Payments related to lease liabilities	(71.2)	(89.7)	(37.0)	(50.0)
Transactions with minority interests	0.0	(10.0)	0.0	(10.0)
Dividends paid	(80.0)	(26.0)	(80.0)	(26.0)
NET CASH FROM FINANCING ACTIVITIES	(155.7)	(118.8)	(121.7)	(85.1)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(30.0)	14.7	(172.3)	(174.6)
NET FOREIGN EXCHANGE DIFFERENCE	(3.2)	4.8	0.6	1.3
Cash and cash equivalent less bank overdraft and bpaid balance (note 12) as of 1st January	1,050.6	839.3		
Cash and cash equivalent less bank overdraft and bpaid balance (note 12) as of 30th June	1,017.3	858.8		
MOVEMENTS BETWEEN 1st JANUARY AND 30th JUNE	(33.3)	19.4		

Notes to the interim Condensed Consolidated Financial Statements

1. Corporate information

The interim condensed consolidated financial statements of bpost for the first six months ended June 30, 2024 were authorized for issue in accordance with a resolution of the Board of Directors on August 1, 2024.

Business activities

bpost NV/SA and its subsidiaries (hereinafter referred to as "bpostgroup") provide national and international mail and parcels services comprising the collection, transport, sorting and distribution of addressed and non-addressed mail, printed documents, newspapers and parcels.

bpostgroup also sells a range of other products and services, including postal, parcels, banking and financial products, e-commerce logistics, express delivery services, proximity and convenience services, document management and related activities. bpost also carries out Services of General Economic Interest ("SGEI") on behalf of the Belgian State.

Legal status

bpost NV/SA is a limited liability company under public law. bpost has its registered office at Anspachlaan/Boulevard Anspach 1, box 1, 1000 Brussels. The shares of bpost NV/SA are listed on the regulated market of Euronext Brussels since June 21, 2013 (share ticker BPOST).

2. Basis for preparation and accounting policies

Basis of preparation

These interim financial statements are subject to review by the independent auditor (see statement of limited review).

The interim condensed consolidated financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. bpostgroup has prepared the financial statements on the basis that it will continue to operate as a going concern as there are no material uncertainties and there are sufficient resources to continue operations.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with bpostgroup's annual consolidated financial statements as at December 31, 2023.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of bpostgroup's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as from January 1, 2024.

The following amendments to existing standards apply for the first time as from 2024:

- IAS 1 – Amendments – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- IFRS 16 – Amendments – Lease Liability in a Sale and Leaseback
- IAS 7 and IFRS 7 – Amendments – Disclosures: Supplier Finance Arrangements

These amendments have no material impact on the interim consolidated financial statements.

bpostgroup has not early adopted any other standard, interpretation, or amendment that was issued but is not yet effective.

3. Business combinations

Acquisition of 95% of b2boost

In 2022 bpost NV/SA took a minority stake (5% of the shares for 0.1 mEUR) in b2boost.com BV, a Belgian company specialized in digitizing B2B data processes. This investment was recognized under shares in equity as they were not held for a purpose of trading but acquired with a long-term strategic view. The share purchase and shareholders' agreement furthermore foresaw for bpost NV/SA the option to buy the remaining 95% of the shares through a call option or sell back the 5% shares through a put option. On November 30, 2023 bpost NV/SA bought the remaining 95% of the shares. The goal of this acquisition is to be – together with Speos - a specialized partner of B2B customers for the digitization of financial and administrative processes. In this context, bpostgroup also wants to support their customers who have an obligation to switch to electronic invoicing by January 1, 2026. b2boost was consolidated in the Belgium operating segment using the full-integration method as of December 1, 2023. The purchase price for 100% of the shares amounted to 2.4 mEUR, of which 0.5 mEUR is sitting on an escrow account to be released when certain conditions have been met. The limited transaction costs related to this acquisition were included in the operating expenses of 2023.

The calculated goodwill is presented as follows:

In million EUR	
FAIR VALUE OF THE ASSETS ACQUIRED AND LIABILITIES ASSUMED IN THE ACQUIRED ENTITY	
Non-current assets	0.3
Property, plant and equipment	0.0
Intangible assets	0.3
Current assets	0.6
Trade and other receivables	0.5
Cash and cash equivalents	0.1
Current liabilities	(0.3)
Trade and other payables	(0.3)
FAIR VALUE OF THE NET ASSETS ACQUIRED	0.6
Goodwill arising on acquisition	1.9
PURCHASE CONSIDERATION TRANSFERRED	2.5
Of which:	
- Cash paid in 2023	1.8
- Cash paid in 2022	0.1
- Contingent consideration (escrow account)	0.5
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	0.1
Cash paid in 2022 and 2023	(1.9)
NET CASH OUTFLOW	(1.8)

The fair value of the current and non-current trade receivables amounted to 0.5 mEUR and it is expected that the full contractual amounts can be collected.

The goodwill of 1.9 mEUR derives from future growth and expected synergies within Belgium activities. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of assets of Mailtin' Post

bpostgroup expands its footprint in France as in March 2024 IMX France acquired the assets of Mailtin' Post for a price of 1.1 mEUR, as these assets constitutes a business this transaction was accounted for as a business combination under IFRS 3. Mailtin'Post situated in Lyon, specializes in cross-border mail solutions. The limited transaction costs related to this acquisition were included in the operating expenses of 2024. The assets of Mailtin' Post are included within IMX France, hence contribute to the E-Logistics Eurasia operating segment as from March 2024.

The calculated goodwill is presented as follows:

In million EUR	2024
FAIR VALUE OF THE ASSETS ACQUIRED AND LIABILITIES ASSUMED IN THE ACQUIRED ENTITY	
Non-current assets	0.1
Property, plant and equipment	0.1
Intangible assets	0.0
Current assets	0.0
Trade and other receivables	0.0
Cash and cash equivalents	0.0
Current liabilities	(0.0)
Trade and other payables	0.0
FAIR VALUE OF THE NET ASSETS ACQUIRED	0.1
Goodwill arising on acquisition	1.0
PURCHASE CONSIDERATION TRANSFERRED	1.1
Of which:	
- Cash paid in 2024	1.1
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	0.0
Cash paid in 2024	1.1
NET CASH OUTFLOW	(1.1)

The goodwill of 1.0 mEUR derives from future growth and expected synergies within E-Logistics Eurasia activities. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition of non-controlling interest of IMX

In May 2024 bpost NV/SA acquired the remaining 31.4% shares of Marceau 1 to reach the total of 100% shares for a price of 10.0 mEUR. Marceau 1 is a holding company owning IMX France and IMX GmbH. This transaction has no impact on the originally calculated goodwill as bpostgroup had an outstanding liability for the purchase of the remaining shares of 9.7 mEUR. In line with the accounting policies, bpostgroup has recognized a financial cost of 0.3 mEUR for the difference between the price of the sale purchase agreement and the outstanding liability.

4. Operating segment

bpostgroup operates through three business units and support units providing services to these business units:

The business unit Belgium oversees the commercial activities related to Transactional, Advertising mail, Press and Parcels and the operational activities of collecting, transporting, sorting and distributing of addressed and non-addressed mail, printed documents, parcels, newspapers and periodicals in Belgium, as well periodicals in the Netherlands. Furthermore Belgium offers Value added services including document management and related activities and offers proximity and convenience retail through its retail network in Belgium composed out of post offices and postal points. It also sells banking and financial products, as part of the Proximity and convenience retail network, under an agency agreement with bpost bank and AG Insurance. The business unit also carries out Services of General Economic Interest on behalf of the Belgian State (SGEI).

The business unit E-Logistics Eurasia oversees the commercial and operational activities related to e-commerce logistics (fulfilment, handling, distribution and return management) and cross-border (inbound, outbound and import services) for parcels in Europe & Asia and for international mail worldwide. The business unit runs several operations centers across Europe. DynaGroup, Radial, Active Ants, Leen Menken and Landmark Global entities in Europe & Asia are part of this business unit.

The business unit E-Logistics North America is in charge of the commercial and operational activities related to e-commerce logistics (fulfilment, handling and distribution, return management, customer service and value-added technology services) in North America and Australia and Cross-border parcels and international mail in North America. Radial North-America and Landmark Global entities in North America are part of this business unit.

Corporate and Support units ("Corporate") consist out of the 3 support units and the corporate unit. The support units offer as a sole provider business solutions to the 3 business units and to Corporate and includes Finance & Accounting, Human Resources & Service Operations, IT & Digital. The Corporate unit includes Strategy, M&A, Legal, Regulatory and Corporate Secretary. The EBIT generated by the support units is recharged to the 3 business units as opex while the depreciation remains in Corporate. Revenues generated by the Support Units, including sales building are disclosed in Corporate.

As bpostgroup identifies its CEO as the chief operating decision maker ("CODM"), the operating segments are based on the information provided to the CEO. bpostgroup computes its profit from operating activities (EBIT) at the segment level and is measured consistently with the financial statements' accounting guidelines (IFRS). Assets and liabilities are not reported per segment to the CODM.

No operating segments have been aggregated to form the above reportable operating segments.

Services and products offered between legal entities are at arm's length whereas the service and products offered between business units of the same legal entity are generally based on incremental costs. Services provided by support units to business units of the same legal entity are based on full cost.

As corporate treasury, associates, joint ventures and tax are centrally managed for the group the net financial result, income tax and share of profit of associates and joint ventures are only disclosed at the level of the group.

The following tables present an overview of the segment results:

	Belgium		E-Logistics Eurasia		E-Logistics North America		Corporate		Eliminations		Group	
In million EUR	1H23	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23	1H24
TOTAL OPERATING INCOME	1,124.3	1,129.6	329.2	338.2	668.6	565.3	221.7	206.5	(267.4)	(258.4)	2,076.5	1,981.2
Operating expenses	961.7	970.0	297.5	298.7	591.6	503.6	199.3	202.9	(267.4)	(258.4)	1,782.8	1,716.8
Depreciation, amortization	42.4	44.0	16.8	18.5	55.1	56.0	39.4	39.0			153.7	157.5
RESULT FROM OPERATING ACTIVITIES (EBIT)	120.2	115.7	15.0	21.0	21.9	5.6	(17.1)	(35.4)			140.0	106.9
Share of results of associates and joint ventures												
Remeasurement of assets held for sale at fair value less costs to sell												
Net financial result											(17.1)	2.7
Income tax expenses											(33.8)	(36.3)
RESULT FOR THE PERIOD (EAT)	120.2	115.7	15.0	21.0	21.9	5.6	(17.1)	(35.4)	0.0	0.0	89.0	73.3

	Belgium		E-Logistics Eurasia		E-Logistics North America		Corporate		Eliminations		Group	
In million EUR	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24	2Q23	2Q24
TOTAL OPERATING INCOME	557.9	563.8	163.3	168.8	330.0	282.7	111.9	100.6	(135.5)	(127.8)	1,027.6	988.2
Operating expenses	479.9	485.0	146.7	149.8	293.0	255.7	100.5	98.3	(135.5)	(127.8)	884.7	861.0
Depreciation, amortization	21.3	22.5	8.5	9.3	27.9	28.1	19.6	19.6			77.3	79.5
RESULT FROM OPERATING ACTIVITIES (EBIT)	56.7	56.4	8.1	9.6	9.0	(1.0)	(8.2)	(17.3)			65.5	47.7
Share of results of associates and joint ventures												
Remeasurement of assets held for sale at fair value less costs to sell												
Net financial result											(7.5)	1.7
Income tax expenses											(14.8)	(17.7)
RESULT FOR THE PERIOD (EAT)	56.7	56.4	8.1	9.6	9.0	(1.0)	(8.2)	(17.3)	0.0	0.0	43.2	31.7

The tables presented below provide the disaggregation of bpostgroup's revenue from contracts with customers.

Year-to-date	External operating income			Revenue		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Belgium	1,090.9	1,092.1	0.1%	1,089.2	1,090.9	0.2%
Transactional mail	385.5	378.4	-1.8%	385.5	378.4	-1.8%
Advertising mail	89.7	97.2	8.3%	89.7	97.2	8.3%
Press	176.2	166.6	-5.4%	176.2	166.6	-5.4%
Parcels Belgium	239.7	251.1	4.8%	239.7	251.1	4.8%
Proximity and convenience retail network	144.5	134.9	-6.6%	144.5	134.9	-6.6%
Value added services	66.1	62.7	-5.1%	66.1	62.6	-5.2%
Other income	(10.8)	1.1	-	(12.5)	0.0	-
E-Logistics Eurasia	315.7	326.3	3.4%	315.3	326.6	3.6%
E-commerce logistics	142.6	148.5	4.1%	142.3	148.5	4.1%
Cross-border	172.9	178.0	2.9%	172.9	178.0	2.9%
Other income	0.1	-0.3	-	0.0	0.0	-
E-Logistics North America	665.7	560.9	-15.7%	664.5	560.9	-15.6%
E-commerce logistics	664.5	560.9	-15.7%	664.5	560.9	-15.6%
Other income	1.3	0.1	-	0.0	0.0	-
Corporate & Supporting functions	4.1	1.8	-55.1%	0.0	0.0	-
Total	2,076.5	1,981.2	-4.6%	2,069.0	1,978.3	-4.4%

2nd quarter	External operating income			Revenue		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Belgium	541.2	545.2	0.7%	534.1	544.7	2.0%
Transactional mail	190.4	186.4	-2.1%	190.4	186.4	-2.1%
Advertising mail	44.4	51.6	16.2%	44.4	51.6	16.2%
Press	87.4	84.2	-3.6%	87.4	84.2	-3.6%
Parcels Belgium	118.9	125.3	5.4%	118.9	125.3	5.4%
Proximity and convenience retail network	72.0	65.3	-9.3%	72.0	65.3	-9.3%
Value added services	33.6	31.9	-5.0%	33.6	31.9	-5.0%
Other income	(5.5)	0.4	-	(12.5)	0.0	-
E-Logistics Eurasia	156.4	162.6	4.0%	156.0	163.2	4.6%
E-commerce logistics	70.7	74.1	4.9%	70.5	74.1	4.9%
Cross-border	85.5	89.1	4.2%	85.5	89.1	4.2%
Other income	0.1	-0.7	-	0.0	0.0	-
E-Logistics North America	328.5	279.6	-14.9%	328.0	279.6	-14.8%
E-commerce logistics	328.1	279.6	-14.8%	328.1	279.6	-14.8%
Other income	0.4	0.1	-	0.0	0.0	-
Corporate & Supporting functions	1.6	0.8	-49.2%	0.0	0.0	-
Total	1,027.6	988.2	-3.8%	1,018.1	987.4	-3.0%

The geographically split of total operating income (excluded intersegment operating income) and the non-current assets are attributed to Belgium, rest of Europe, United States of America and the rest of the world. The allocation per geographical location is based on the location of the entity generating the income or holding the net asset. Other operating income is allocated to several line items.

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Belgium	1,215.4	1,228.4	1.1%	602.8	613.0	1.7%
Rest of Europe	160.7	165.3	2.9%	79.5	83.0	4.4%
USA	636.8	528.7	-17.0%	313.9	263.7	-16.0%
Rest of world	63.6	58.8	-7.5%	31.4	28.5	-9.2%
Total operating income	2,076.5	1,981.2	-4.6%	1,027.6	988.2	-3.8%

	As of 31 December	As of 30 June	
In million EUR	2023	2024	% Δ
Belgium	903.4	868.2	-3.9%
Rest of Europe	272.6	276.6	1.5%
USA	966.3	971.4	0.5%
Rest of world	75.7	93.9	24.0%
Total non-current assets	2,218.0	2,210.0	-0.4%

Total non-current assets presented above consist of property, plant and equipment, intangible assets, investment properties and trade and other receivables (> 1year).

Excluding the compensation received from the Belgian federal government to provide the services as described in the management contract and press concessions, included in the Belgium segment, no single external customer exceeded 10% of bpost's operating income.

5. Revenue

	Year-to-date		2nd quarter	
In million EUR	2023	2024	2023	2024
Revenue excluding the SGEI remuneration	1,912.2	1,826.9	940.9	911.8
SGEI remuneration	156.8	151.4	77.3	75.6
Total revenue	2,069.0	1,978.3	1,018.1	987.4

Compared to last year revenue decreased by -90.6 mEUR to 1,978.3 mEUR, mainly driven by lower revenue in E-Logistics North America (-103.6 mEUR) reflecting lower volumes at Radial and Landmark US.

SGEI remuneration is disclosed under Press and Proximity and convenience retail network in the Belgium segment. The decrease of -5.4 mEUR compared to last year was mainly explained by the extended – until June 30, 2024 – press concession with a reduced State compensation.

6. Services and other goods

The table below presents a breakdown of services and other goods:

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Rent and rental costs	53.5	50.4	-5.7%	25.6	24.1	-5.7%
Maintenance and repairs	51.4	55.5	7.9%	24.7	28.8	16.2%
Energy delivery	41.3	34.7	-16.1%	18.5	15.7	-15.0%
Other goods	14.6	11.7	-20.1%	7.3	6.5	-10.1%
Postal and telecom costs	6.4	7.0	9.4%	3.2	3.4	7.3%
Insurance costs	15.0	17.3	15.1%	7.6	8.9	18.1%
Transport costs	369.5	336.4	-9.0%	180.5	168.8	-6.5%
Publicity and advertising	10.9	10.9	-0.4%	6.0	4.7	-21.0%
Consultancy	12.8	9.9	-22.6%	3.6	8.6	-
Interim employees	153.6	103.5	-32.6%	79.2	52.7	-33.4%
Third party remuneration, fees	97.2	106.3	9.3%	50.8	51.3	1.0%
Other services	43.1	41.7	-3.2%	22.5	21.3	-5.3%
Total services and other goods	869.4	785.3	-9.7%	429.5	395.0	-8.0%

Services and other goods decreased by -84.1 mEUR (or -9.7%) to 785.3 mEUR as of June 30, 2024. This decrease was mainly explained by:

- Lower energy costs (-6.7 mEUR);
- Lower transport costs (-33.1 mEUR) mainly explained by lower volumes at E-Logistics North America;
- Lower cost of interim employees (-50.1 mEUR) mainly explained by lower volumes at E-Logistics North America;

partially compensated by:

- Higher third party remuneration fees (+9.1 mEUR) mainly due to merger and acquisition costs related to the purchase of Staci.

7. Income taxes

bpost NV/SA is in scope of the Pillar 2 international tax reform, which has been enacted or substantively enacted in most jurisdictions bpostgroup operates, for bpostgroup's financial year beginning January 1, 2024. bpostgroup is closely monitoring the laws being adopted in the various jurisdictions where it has a presence.

bpost NV/SA being the ultimate parent company and being incorporated in Belgium might be held responsible for the payment of top-up tax on profits of group entities that are taxed at an effective tax rate of less than 15% according to the new Pillar 2 legislation.

Amendments to IAS 12 - Income Taxes, issued by the IASB on May, 2023, and endorsed by the European Union on November, 2023, introduce a mandatory temporary exception in IAS 12. This exception prohibits both the recognition and disclosure of deferred tax assets and deferred tax liabilities arising from the implementation of the OECD Pillar Two model rules. bpostgroup has applied this exception.

bpostgroup has performed the Q2 2024 Transitional CbCR Safe Harbour calculations for all of its current legal entities within the bpostgroup. The calculations have been based on June 30, 2024 figures and considering the budgeted figures for the remainder of the year. Based on this assessment, bpostgroup qualifies for the Transitional CbCR Safe Harbours in all jurisdictions and therefore no Pillar II provision has been recognized per June 30, 2024.

8. Property, plant and equipment

Property, plant and equipment decreased by -32.6 mEUR, or 2.4%, to 1,339.4 mEUR as of June 30, 2024. The decrease was mainly explained as the depreciation for -138.3 mEUR (including -75.5 mEUR related to IFRS 16 right of use assets) outpaced the capital expenditures of +34.7 mEUR, right of use assets recognised and the evolution of the exchange rates.

9. Intangible assets

Intangible assets sightly increased by +7.8 mEUR, or 1.0%, to 818.6 mEUR as of June 30, 2024. The increase was mainly due to capital expenditures of +4.4 mEUR and the evolution of the exchange rates (+18.2 mEUR), partially offset by depreciation for -19.2 mEUR. At reporting date there were no indications that goodwill may be impaired. Impairment testing will be performed at year-end.

10. Current trade and other receivables

Current trade and other receivables decreased by -189.6 mEUR to 780.0 mEUR as per June 30, 2024. The decrease was mainly driven by the settlements of the press concession for the year 2023 and terminal dues and furthermore the peak sales of year-end 2023.

11. Employee benefits

In million EUR	As of 31 December 2023	As of 30 June 2024
Post-employment benefits	14.9	13.8
Other long-term benefits	225.8	215.9
Termination benefits	9.1	9.1
Total employee benefits	249.8	238.8

Employee benefits decreased by -11.0 mEUR (or -4.4%) to 238.8 mEUR as of June 30, 2024. The decrease mainly reflects:

- The payment of benefits for an amount of -17.3 mEUR,
- Financial actuarial gain for -9.0 mEUR due to changes in discount rates,
- Operational actuarial gain for an amount of -4.7 mEUR,
- And a remeasurement gain on post-employment benefit plans of -0.6 mEUR (before tax), recognized through other comprehensive income.

Partially offset by :

- Service costs for +16.8 mEUR and interest costs for +3.8 mEUR.

12. Current trade and other payables

Current trade and other payables decreased by -282.2 mEUR to 1,147.9 mEUR as of June 2024. This decrease was mainly due to the decrease of the social and trade (related) payables, the settlement of terminal dues and the purchase of the remaining shares of Marceau 1, partially offset by the advance payment received for the SGEI compensation. The decrease of the trade (related) payables was explained by the peak season at year end and lower volumes at E-Logistics North America, whereas the decrease of the social payables was mainly due to the payment of the 2023 full year social accruals (holiday pay, bonuses,…) in the first half of 2024. Current trade and other payables include 30.6 mEUR balance of bpaid cards as of June 2024 (December 2023: 31.3 mEUR).

13. Financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of bpost's financial assets and financial liabilities per June 30, 2024:

In million EUR As at 30 June 2024	Carrying amount	Fair value categorized: Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable input (Level 3)
Financial assets measured at amortized cost				
Non-Current				
Financial assets	41.9	0.0	41.9	0.0
Current				
Financial assets[3]	1,665.5	0.0	1,665.5	0.0
Derivatives instruments - forex swap	0.0	0.0	0.0	0.0
Total financial assets	1,707.3	0.0	1,707.3	0.0
Financial liabilities measured at amortized cost (except for derivatives):				
Non-Current[4]				
Long-term bond	647.7	641.7	0.0	0.0
Financial liabilities	497.9	0.0	497.9	0.0
Current				
Derivatives instruments - forex swap	0.5	0.0	0.5	0.0
Derivatives instruments - forex forward	0.0	0.0	0.0	0.0
Financial liabilities[8]	1,286.0	0.0	1,286.0	0.0
Total financial liabilities	2,432.1	641.7	1,784.5	0.0

The fair value of the non-current and current financial assets measured at amortised cost and the non-current and current financial liabilities measured at amortised cost, approximate their carrying amounts. As they are not measured at fair value in the statement of financial position their fair value should not be disclosed.

During the period there was no transfer between fair value hierarchy levels and there were no changes in the valuation techniques and inputs applied.

Non-current financial assets consist of the non-current trade and other receivables, excluding the non-current contract costs – assets recognized to obtain or fulfil a contract.

Current financial assets consist of cash and cash equivalents and current trade and other receivables, excluding the current contract costs – assets recognized to obtain or fulfil a contract.

At the end of the second quarter 2024 the main financial liabilities consisted of:

- 650.0 mEUR bond. The 8-year bond has been issued in July 2018 with a coupon of 1.25%. In anticipation of this issuance, in February 2018 bpost entered into a forward interest rate swap for 10 years with a nominal amount of 600.0 mEUR to hedge the interest risk of the bond.
- Liabilities related to leases: 633.6 mEUR.
- Trade and other payables: 1,150.4 mEUR

bpost has two undrawn revolving credit facilities for a total amount of 475.0 mEUR. The syndicated facility amounts to 400.0 mEUR, which expires in June 2029 with two possible extensions of one year, whereas the bilateral facility of 75.0 mEUR, which expires in June 2025 and allows for EUR and USD drawdowns. The interest rate of 400.0 mEUR revolving credit facility changes according to bpost's sustainability rating as determined by an external party.

[3] Cash & cash equivalents and trade and other receivables, except for contract costs.
[4] Interest-bearing loans and borrowings and trade and other payables.

14. Derivative financial instruments and hedging

Derivative instruments

bpost uses foreign exchange swap contracts to manage some of its exposures in foreign currencies. Those contracts have been underwritten in order to hedge the exchange rate risks linked to the intercompany loans granted by bpost to its subsidiaries.

Interest Rate Swap

In February 2018, bpost entered into a forward starting Interest Rate Swap with a 10-year maturity and a nominal amount of 600.0 mEUR. The transaction was contracted in order to hedge the interest rate risk on the contemplated issuance of a long-term bond to refinance the acquisition bridge loan entered into in November 2017 for the acquisition of Radial.

In July 2018, bpost issued a 650.0 mEUR 8-year bond. At that time, the interest rate swap was unwound and settled via a payment of 21.5 mEUR split between an effective part 20.0 mEUR and an ineffective part 1.5 mEUR. The ineffective part was booked in the income statement. The effective part of the cash-flow hedge (20.0 mEUR) has been recognized in other comprehensive income (amount net of tax is 14.8 mEUR) as cash-flow hedge reserve. This cash-flow hedge is reclassified to profit or loss during the same periods as the long-term bonds' cash-flows will affect profit or loss over 8 years as from its issuance date. In 2024 a net amount of 0.9 mEUR has been reclassified to the income statement.

15. Compliance reviews

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

For the 679 accounts in the meanwhile the tender process has been finalised, leading to the selection of another supplier than bpost which will take-over the provision of these services but this does not change the provisions as described in note 6.27 in bpostgroup's annual financial statements as of December 31, 2023.

Furthermore, in the meanwhile the State aid related to the last extension(s) of the press concession (covering 2023 and the first half of 2024) has been unconditionally approved by the European Commission on May 24, 2024, which does not change the provisions as described in note 6.30 in
bpostgroup's annual financial statements as of December 31, 2023.

16. Events after the reporting period

bpostgroup has completed the acquisition of Staci, an European specialist in third-party logistics. The agreement to acquire Staci was announced last April, we refer to the (financial) information provided on our website April 8, 2024. As of August 1, 2024 all legal and administrative steps have been finalized. At this stage no further information is available than the information provided in April 2024.

Limited review report

Report of the Joint Auditors to the board of directors of bpost SA de droit public / bpost NV van publiek recht on the review of the condensed consolidated interim financial information as at 30 June 2024 and for the six-month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of bpost SA de droit public / bpost NV van publiek recht as at 30 June 2024, the interim condensed consolidated income statement, other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2024 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Emphasis of matter – compliance reviews

Without modifying our conclusion expressed above, we draw attention to Note 15 ‘Compliance reviews’ of the accompanying condensed consolidated interim financial information which describes the investigations currently taking place regarding the award of the press concession to the Company in the past as well as the various evaluations carried out by management and their potential impact on the Company's other contracts with the Belgian State.

Diegem, 1 August 2024

The Joint Auditors – Members of the Belgian Institute of Registered Auditors

EY Bedrijfsrevisoren BV/SRL
Represented by

Han Wevers*
Partner
* Acting on behalf of a BV/ SRL

PVMD Réviseurs d’Entreprises BV/SRL
Represented by

Alain Chaerels
Partner

Alternative Performance Measures (unaudited)

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

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

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

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

Definitions:

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

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

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

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

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

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

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

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

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

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

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

Underlying mail volume (Transactional mail, Advertising mail and Press): bpostgroup defines underlying mail volume as the reported mail volume including some corrections.

Reconciliation of reported to adjusted financial metrics

OPERATING INCOME

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Total operating income	2,076.5	1,981.2	-4.6%	1,027.6	988.2	-3.8%
ADJUSTED TOTAL OPERATING INCOME	2,076.5	1,981.2	-4.6%	1,027.6	988.2	-3.8%

OPERATING EXPENSES

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Total operating expenses excluding depreciation, amortization	(1,782.8)	(1.716.8)	-3.7%	(884.7)	(861.0)	-2.7%
Merger and acquisition costs (2)	-	14.6	-	-	6.9	-
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(1,782.8)	(1,702.2)	-4.5%	(884.7)	(854.0)	-3.5%

EBITDA

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
EBITDA	293.7	264.4	-10.0%	142.9	127.2	-11.0%
Merger and acquisition costs (2)	-	14.6	-	-	6.9	-
ADJUSTED EBITDA	293.7	279.0	-5.0%	142.9	134.1	-6.1%

EBIT

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Result from operating activities (EBIT)	140.0	106.9	-23.6%	65.5	47.7	-27.2%
Non-cash impact of purchase price allocation (PPA) (1)	6.3	6.0	-5.7%	3.2	3.1	-1.4%
Merger and acquisition costs (2)	-	14.6	-	-	6.9	-
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	146.3	127.5	-12.8%	68.7	57.8	-15.9%

RESULT FOR THE PERIOD (EAT)

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Result for the period	89.0	73.3	-17.6%	43.2	31.7	-26.5%
Non-cash impact of purchase price allocation (PPA) (1)	4.8	4.5	-7.0%	2.4	2.3	-2.7%
Merger and acquisition costs (2)	-	11.0	-	-	5.2	-
ADJUSTED RESULT OF THE PERIOD	93.8	88.8	-5.4%	45.6	39.3	-13.8%

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

(2) At year-end 2024 merger and acquisitions costs will exceed the threshold of 20.0 mEUR, in line with the definition of adjusting items within the APMs the 2024 merger and acquisition costs are being adjusted.

Reconciliation of Reported free cash flow and adjusted free cash flow

	Year-to-date			2nd quarter		
In million EUR	2023	2024	% Δ	2023	2024	% Δ
Net Cash from operating activities	203.0	172.3	-15.1%	(27.6)	(64.2)	
Net Cash used in investing activities	(77.3)	(38.9)	-49.7%	(23.1)	(25.3)	9.5%
FREE CASH FLOW	125.7	133.4	6.2%	(50.6)	(89.5)	76.8%
Collected proceeds due to Radial's clients	39.9	40.0	0.1%	0.2	4.6	
ADJUSTED FREE CASH FLOW	165.6	173.4	4.7%	(50.4)	(84.9)	68.4%

Forward Looking Statements

The information in this document may include forward-looking statements[5], 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.

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

Glossary

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