Third quarter 2024 results Analyst call

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bpostgroup
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Investor presentation

3Q24

Interim financial report 3Q24

Financial Calendar

28.02.2025 (07:00 CET)
Quarterly results 4Q24

26.03.2025
Annual report 2024

April 2025
Capital Market Day

09.05.2025 (07:00 CET)
Quarterly results 1Q25

14.05.2025
Ordinary General Meeting of Shareholders

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

Highlights of 3Q24

3Q24

bpostgroup reports results in line with plan and seasonal softness. EBIT decline reflects new Press contracts and North American pressure, partially offset by Staci's contribution starting in August.
Financial outlook reaffirmed, reflecting year-to-date performance and current expectations for the year-end peak.

Group operating income

€ 1,024.6m (€ +46.1m)

+4.7% vs. 3Q23

€ 123.5m contribution from Staci

Group adjusted EBIT

€ 10.3m (€ -17.8m)
1.0% EBIT margin

€ 11.3m contribution from Staci

Last Mile

€ -4.5m (€ -29.2m)
-0.8% EBIT margin

- Total operating income at € 541.2m (-5.1%)
  - € -19.9m lower Press revenues
  - underlying mail volume decline (ex. Press) of -6.7% mitigated +4.9% price/mix
  - parcels volumes +8.7% and stable price/mix impact
  - € -5.0m lower other revenues tied to 3Q23 provision reversal related to State services repricing
- Stable OPEX from (i) salary indexation and stable FTEs offset by (ii) lower Corporate costs

3PL

€ 8.3m (€ +16.4m)
2.3% EBIT margin

- Total operating income at € 364.9m (+29.6%)
  - Staci consolidation impact as from August '24 (€ +123.5m)
  - continued expansion of Radial EU and Active Ants (+13.7%)
  - lower revenues (-18% excl. FX) at Radial US from continued volume pressure
- Higher OPEX (+21.0%) reflecting (i) Staci consolidation impact offsetting (ii) reduced opex from lower US volumes and productivity gains across the board

Cross-border

€ 16.8m (€ -5.0m)
12.2% EBIT margin

- Total operating income at € 137.7m (-3.4%)
  - lower revenues at Landmark US from Amazon insourcing and downtrading customers
  - higher cross-border sales reflecting growth from existing and recent customer wins in Europe and Asia
- Stable OPEX from (i) lower volume driven transport costs and (ii) higher payroll costs

Key financials 3Q24

3Q24

€ million	Reported		Adjusted[1]		
	3Q23	3Q24	3Q23	3Q24	Δ %
Total operating income	978.5	1,024.6	978.5	1,024.6	4.7%
Operating expenses	948.0	(1) 935.5	873.0	(1) 927.3	6.2%
EBITDA	30.5	89.1	105.5	97.3	-7.8%
Depreciation & Amortization	80.6	(2) 90.0	77.4	(2) 87.0	12.3%
EBIT	-50.1	-0.9	28.1	10.3	-63.3%
Margin (%)	-5.1%	-0.1%	2.9%	1.0%	
Financial result	3.5	(3) -24.6	3.5	(3) -24.6	-
Profit before tax	-46.6	-25.5	31.6	-14.3	-
Income tax expense	10.1	-3.1	12.0	-0.3	-
Net profit	-56.7	-22.3	19.5	-13.9	-
FCF	-12.3	(4) -1,266.9	-20.9	(4) -1,267.7	-
Net Debt at Sept. 30	507.9	(5) 1,960.1	507.9	(5) 1,960.1	-
Capex	26.4	43.3	26.4	43.3	64.0%
Average # FTEs and interims	37,474	38,207	37,474	38,207	2.0%

1. € 75.0m provision in 2023 for the repayment to the Belgian State for potential overcompensation for the years prior 2023

   M&A costs (Staci acquisition), leading to increase in EBIT (€ +8.1m) and income tax (€ +2.0m)

2. Amortization and impairments of intangibles recognized during PPA are adjusted, leading to increase in EBIT (€ +3.1m) and income tax (€ +0.8m)

3. Decrease in financial results reflecting last year's gain on contingent liability (purchase of remaining share of Active Ants in Sept. '23), unfavorable FX and higher interest costs

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

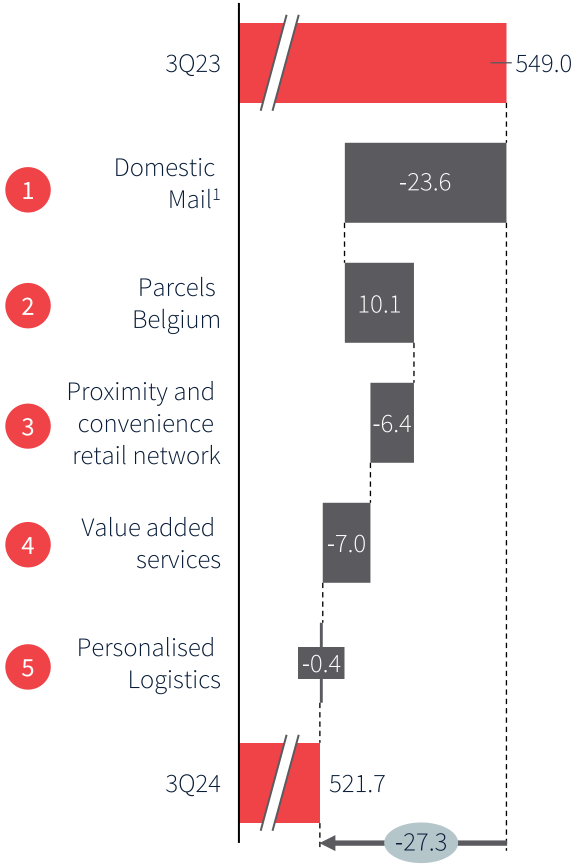
5. Including € 853.0m of lease liabilities and € 1,000m of additional debt for Staci acquisition

[1] Unaudited figures

Lower revenues from new Press contracts offset resilient mail revenues and strong parcel volume growth

3Q24 – Last Mile

Last Mile revenues, € million



Domestic Mail

Revenues down € -23.6m (-8.0%):

- € -19.9m lower Press revenues tied to new Press contracts and structural volume decline
- € -3.8m (-1.8%) lower revenues in Transactional and Advertising, of which c. € +2m from elections in Sept '24
  - Underlying volume decline of -6.7%
  - Price/mix impact of +4.9%

1

Parcels Belgium

Parcels Belgium revenues up € +10.1m (+8.7%):

- Volume growth of +8.7% reflecting (i) strong apparel momentum from weather conditions in September and (ii) outperformance of marketplaces
- Stable price/mix

2

Proximity and convenience retail network

Indexation of Management Contract offset by lower banking revenues 3

Value added services

Stable operational revenues from fines solution and document management, offset by negative repricing impact now reported under VAS (vs. Other revenue in FY23) 4

Pers. Logistics

Nearly stable revenues from DynaGroup

5

[1] Domestic mail is the sum of Transactional, Advertising and Press

Year-over-year EBIT decline driven by new Press contracts, payroll cost inflation and 3Q23 benefit from provision reversal

€ million

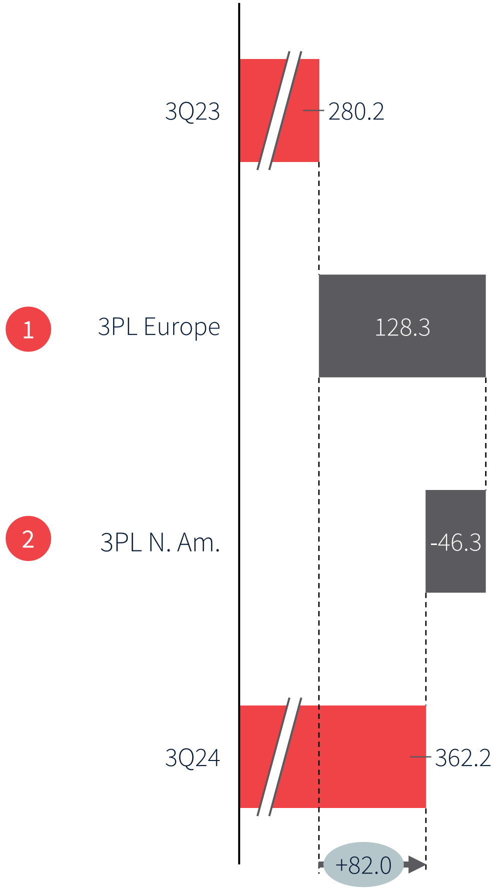
BeNe Last Mile	3Q23	3Q24	Δ %
Transactional	172.1	165.5	-3.8%
Advertising	40.7	43.5	6.9%
Press	84.3	64.4	-23.6%
Parcels Belgium	115.6	125.7	8.7%
Proximity and convenience retail network	71.4	65.0	-8.9%
Value added services	32.9	26.0	-21.2%
Personalised Logistics	32.0	31.7	-1.2%
Intersegment and other	21.6	19.5	-9.7%
Total operating income	570.6	541.2	-5.1%
Operating expenses	595.7	519.9	-12.7%
EBITDA	-25.1	21.3	-
Depreciation & Amortization	25.9	26.6	2.4%
Reported EBIT	-51.0	-5.3	-89.7%
Margin (%)	-8.9%	-1.0%	
Adjusted EBIT	24.7	-4.5	-
Margin (%)	4.3%	-0.8%	
Additional KPIs			
Underlying Mail volume trend	-8.2%	-6.3%	
Transactional	-9.2%	-8.9%	
Advertising	-12.3%	+2.4%	
Press	-7.9%	-11.9%	
Parcels volume trend	+5.5%	+8.7%	

Key takeaways 3Q24

- Net lower intersegment and other revenues reflecting (i) higher intersegment revenues from inbound cross-border volumes handled in the domestic network offset by (ii) € 5.0m lower other revenue tied to 3Q23 provision reversal related to State services in-year repricing
- Reported operating expenses (incl. D&A) decreased by € 75.1m following the € 75.0m provision in 3Q23 for the repayment to the Belgian State towards overcompensation over the past years
- Adjusted operating expenses (incl. D&A) remained stable, mainly driven by:
  - higher salary cost per FTE (+4% from 2 salary indexations y/y) and stable FTEs despite higher parcel volumes
  - lower intersegment Corporate costs

Staci contribution and e-commerce logistics momentum in Europe offset continuous pressure in North America

3PL
revenues, € million



3PL Europe

Revenues up € +128.3m:

- € 123.3m consolidation impact of Staci as from August '24
- Radial Europe and Active Ants revenue growth of +13.7% reflecting higher sales from international expansion (new customer onboardings) and upselling from existing customers

1

3PL North America

Radial N. Am. revenues down € -46.3m (-19.0% or -18% excl. FX) resulting from:

- lower sales from existing customers, and
- contribution of new customers partially mitigating revenue churn from terminated contracts announced in 2023

2

You make us move.

EBIT growth fueled by Staci's contribution and productivity gains across Europe and North America

3Q24 – 3PL

€ million

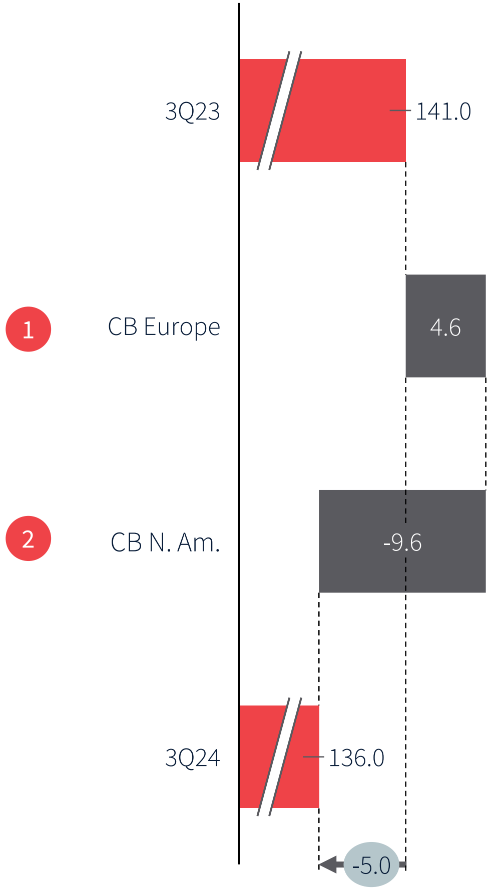
International 3PL	3Q23	3Q24	Δ %
3PL Europe	36.9	165.2	347.8%
3PL North America	243.3	197.0	-19.0%
Intersegment and other	1.5	2.7	88.2%
Total operating income	281.6	364.9	29.6%
Operating expenses	263.2	318.5	21.0%
EBITDA	18.4	46.4	152.9%
Depreciation & Amortization	28.8	40.4	40.3%
Reported EBIT	-10.4	6.1	-
Margin (%)	-3.7%	1.7%	
Adjusted EBIT	-8.1	8.3	-
Margin (%)	-2.9%	2.3%	

Key takeaways 3Q24

- Total operating income down € -40.1m (-14.3%), or up € +83.3m (+29.6%) including Staci consolidation impact of € +123.3
- Lower operating expenses (incl. adjusted D&A) (€ -45.2m or -15.6%) when excluding Staci, reflecting:
  - Lower variable opex in line with revenue development at Radial US
  - Sustained improvement in Radial US variable contribution margin (+ 5.8% y/y, currently at its highest level) and productivity gains across the board
- Adjusted EBIT up € +5.1m from € -8.1m at constant perimeter, Staci consolidation impact of € 11.3m

Downtrading customers and Amazon's insourcing in North America offset expansion efforts in Europe

Cross-border revenues, € million



Cross-border Europe

Revenues up € +4.6m (+6.1%) mainly from:

- Existing and recent customer wins
- Growth in Asian volumes with destination Belgium, partly offset by decline in other destinations, and
- Continued adverse UK market conditions

Cross-border N. Am.

Revenues down € -9.6m (-14.8%) mainly reflecting lower sales at Landmark US due to

- Downtrading customers and limited contribution of new business
- Amazon's insourcing

Topline pressure in North America leads to lower EBIT and margin dilution

3Q24 – Cross-border

€ million

Global Cross-border	3Q23	3Q24	Δ %
Cross-border Europe	76.0	80.6	6.1%
Cross-border North America	65.0	55.4	-14.8%
Intersegment and other	1.6	1.6	2.5%
Total operating income	142.6	137.7	-3.4%
Operating expenses	115.0	114.9	-0.1%
EBITDA	27.6	22.7	-17.5%
Depreciation & Amortization	5.9	6.1	3.1%
Reported EBIT	21.6	16.6	-23.2%
Margin (%)	15.2%	12.1%	
Adjusted EBIT	21.8	16.8	-23.1%
Margin (%)	15.3%	12.2%	

Key takeaways 3Q24

- Total operating income down € -4.9m (-3.4%)
- Stable operating expenses (incl. adjusted D&A) reflecting:
  - Slightly lower volume driven transport costs in line with lower North American volumes and higher volumes with destination Belgium
  - Slightly higher salary costs reflecting international activity ramp-up and inflationary pressure
- Lower EBIT (€ -5.0m) and margin dilution tied to ongoing pressure at Landmark US

Salary indexations offset by last year's compliance review costs

3Q24 – Corporate

€ million

Corporate	3Q23	3Q24	Δ %
External operating income	1.9	1.0	-45.9%
Intersegment Operating Income	98.9	94.9	-4.1%
Total operating income	100.8	95.9	-4.8%
Operating expenses	91.3	97.3	6.6%
EBITDA	9.5	-1.4	-
Depreciation & Amortization	19.9	17.0	-14.7%
Reported EBIT	-10.4	-18.4	-
Margin (%)	-10.3%	-19.2%	
Adjusted EBIT	-10.4	-10.2	-
Margin (%)	-10.3%	-10.7%	

Key takeaways 3Q24

- External revenues down € -0.9m from lower building sales
- Slightly lower adjusted net operating expenses (€ -1.0m, incl. D&A) after intersegment, reflecting lower costs tied to compliance reviews last year, offset by inflationary pressure on payroll costs (+4.0% from 2 salary indexations)
- Adjusted EBIT stable at € -10.2m.

  Reported EBIT down € -8.0m at € -18.4m when including € 8.1m M&A costs

Net cash flow reflects acquisition of Staci, partly funded through bridge financing

3Q24

€ million - Adjusted

	3Q23	3Q24	Δ	
Cash flow from operating activities before Δ in WC and provisions	25.1	79.7	54.5	1
Change in working capital and provisions	-20.8	-7.6	13.2	2
Cash flow from operating activities	4.4	72.1	67.7	
Cash flow from investing activities	-25.2	-1,339.8	-1,314.6	3
Free cash flow	-20.9	-1,267.7	-1,246.8	
Cash flow from financing activities	-69.1	952.0	1,021.1	4
Net cash movement	-90.0	-315.7	-225.7	
Capex	26.4	43.3	16.9	

Adjusted vs. Reported Cash Flow Statement in appendix

CF from operating activities

1 Higher EBITDA (incl. last year's € -75.0m provision related to overcompensation)

2 € +13.2m variation in working capital evolution and provisions mainly driven by

- terminal dues settlements,
- evolution of accounts receivable and the end of the Press concession as of July 1, 2024 , which was traditionally settled in the following year,
- partially offset by last year's € 75.0m increase in provision

3 CF from investing activities

Acquisition of Staci (€ -1,296.6m)

CAPEX of € 43.3m in 3Q24 (€ +16.9m y/y) reflecting spending on international e-commerce logistics, domestic fleet, operational infrastructure and parcels capacity.

4 CF from financing activities

Mainly driven by the € 1bn bridge financing related to Staci acquisition in 3Q24 and the acquisition of the remaining shares of Active Ants in 3Q23 (€ +11.0m)

Financial outlook 2024 reaffirmed

Outlook FY24

bpostgroup projects € 205-230m adjusted EBIT, reflecting year-to-date performance in line with plan and current expectations for the year-end peak

Last Mile

Slightly lower total operating income notably driven by

- Mail (excl. Press): volume decline of 4-6% offset by price / mix
- c. € 50m lower Press revenues from extended press concession at less favorable conditions (1H24) and new contracts (2H24)
- Parcel: mid-single digit % volume growth and low single digit % price/mix

5-7% adjusted EBIT margin

Lower margin on new Press contracts and higher costs due to salary indexation and inflation, partly offset by continued ambition in productivity gains and cost reductions – despite one-off impacts from Press negotiations

3PL

High single digit % growth in total operating income[1] driven by

- Consolidation of Staci as from August '24
- Continued growth of Radial Europe and Active Ants
- Radial US net volume loss from (i) lagging in-year contribution from new customers and (ii) client churn and client concessions amid adverse market conditions

2-4% adjusted EBIT margin

Including (i) contribution of Staci (EBIT margin of 10-11%), (ii) VCM rate improvements at Radial N. Am. and (iii) strong productivity gains at Radial Europe and Active Ants

Cross-border

Low to mid single digit % decline in total operating income[1] reflecting

- Amazon's increased insourcing and downtrading customers partly mitigated by customer wins at Landmark Global US
- Continued growth of European and Asian Cross-Border Commercial activities incl. development of new lanes

11-13% adjusted EBIT margin

Profitability dilution mainly reflecting topline pressure in North America

Group

including consolidation impact of Staci

Low single digit % growth in total operating income[1] **and**

Group adj. EBIT between € 205-230m

Including EBIT decline at Corporate from discontinuation of building sales and higher opex from compliance and strategic initiatives

Gross capex around € 150m

[1] assuming EUR/USD at 1.09 for 2024

Additional info

Adjusted vs. reported Cash Flow Statement

3Q24

€ million	Reported			Adjusted		
	3Q23	3Q24	Δ	3Q23	3Q24	Δ
Cash flow from operating activities before Δ in WC and provisions	25.1	79.7	54.5	25.1	79.7	54.5
Change in working capital and provisions	-12.2	-6.8	5.4	-20.8	-7.6	13.2 (1)
Cash flow from operating activities	12.9	72.9	60.0	4.4	72.1	67.7
Cash flow from investing activities	-25.2	-1,339.8	-1,314.6	-25.2	-1,339.8	-1,314.6
Free cash flow	-12.3	-1,266.9	-1,254.6	-20.9	-1,267.7	-1,246.8
Cash flow from financing activities	-69.1	952.0	1,021.1	-69.1	952.0	1,021.1
Net cash movement	-81.4	-314.9	-233.5	-90.0	-315.7	-225.7
Capex	26.4	43.3	16.9	26.4	43.3	16.9

Adjustments

1 Change in working capital:

Cash outflow related to collected proceeds due to Radial's clients was € 7.8m lower (€ 8.6m outflow in 3Q23 against outflow of € 0.8m in 3Q24)

Balance Sheet

3Q24

€ million

Assets	Dec 31, 2023	Sept 30, 2024
Property, Plant and Equipment	1,372.0	1,576.9
Intangible assets	810.9	2,039.8
Share in equity	0.0	0.0
Investments in associates and joint ventures	0.1	0.0
Other assets	38.0	41.9
Trade & other receivables	1,001.2	902.2
Inventories	25.4	37.6
Derivative instruments	0.0	0.0
Cash & cash equivalents	870.6	568.1
Assets held for sale	0.6	0.6
Total Assets	4,118.8	5,167.1

€ million

Equity and Liabilities	Dec 31, 2023	Sept 30, 2024
Total equity	1,026.5	1,043.7
Interest-bearing loans & borrowings	1,291.0	2,528.1
Employee benefits	249.8	238.0
Trade & other payables	1,432.5	1,182.1
Provisions	106.0	122.7
Derivative instruments	0.2	0.3
Other liabilities	12.8	52.1
Liabilites held for sale	0.0	0.0
Total Equity and Liabilities	4,118.8	5,167.1

Main balance sheet movements

Property, plant and equipment increased mainly driven by the integration of Staci , as well as the capital expenditure and the new right-of-use assets, partially offset by the depreciation.

Intangible assets increased mainly due to the acquisition of Staci. The goodwill calculation for Staci (€ 1.2bn) is provisional because the purchase price allocation is not finalised yet.

The decrease of trade and other receivables was mainly driven by the settlement of the press concession for the year 2023 and terminal dues as well as the peak sales of year-end 2023, partially offset by the integration of Staci.

Cash & cash equivalents decreased due to the acquisition of Staci, partially offset by the bridge loan (€ 1bn) entered into to acquire Staci.

The increase of the interest-bearing loans and borrowings was mainly explained by the bridge loan (€ 1bn) entered into to acquire Staci and the increase of the lease liabilities, mainly explained by the acquisition of Staci.

The decrease of trade and other payables 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 as well as the anticipated deferred payment for Active Ants, partially offset by the integration of Staci. The decrease of the trade (related) payables was explained by the peak season at year end and lower volumes at in the United States, 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.

Financing Structure & Liquidity

3Q24

€ million

Available Liquidity	Dec 31, 2023	Sept 30, 2024
Cash & cash equivalents	*870.6*	*568.1*
Cash in network	122.5	137.9
Transit accounts	79.1	50.8
Cash payment transactions under execution	-28.5	-11.7
Bank current accounts	447.0	298.3
Short-term deposits	250.6	92.8
Undrawn revolving credit facilities	*375.0*	*475.0*
Syndicated facility - 06/2029	300.0	400.0
Bilateral facility - 06/2025	75.0	75.0
Total Available Liquidity	1,245.6	1,043.1

€ million

External Funding	Dec 31, 2023	Sept 30, 2024
Long-term	*650.0*	*650.0*
Long-term bond[1] (1.25% - 07/2026)	650.0	650.0
Short-term	*0.0*	*1,000.0*
Acquisition bridge loan (repaid in Oct. 2024)	-	1,000.0
Total External Funding	650.0	1,650.0

Liquidity: Cash & Committed credit lines

Total available liquidity on Sept. 30, 2024 consisted out of € 568m cash & cash equivalents of which € 391m 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 € 475m.

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

The debt portfolio consists of a € 650m bond (maturity July 2026) and a bridge financing of € 1,000m related to the acquisition of Staci (refinanced through a bond issuance in Oct. 2024).

Non-current and Current lease liabilities amount to € 853.0m.

[1] € 650m long-term bond with a carrying amount of € 648.0m, the difference being the re-offer price and issuance fees.

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