Fourth quarter 2020 results Analyst call

Jean-Paul Van Avermaet, CEO
Leen Geirnaerdt, CFO

10 March 2021

Investor presentation

4Q20

Interim financial report 4Q20

Financial Calendar

05.05.2021 (17:45 CET)
Quarterly results 1Q21

12.05.2021
Ordinary General Meeting of Shareholders

05.08.2021 (17:45 CET)
Quarterly results 2Q21

09.11.2021 (17:45 CET)
Quarterly results 3Q21

More on corporate.bpost.be/investors

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

Highlights of FY20

FY20

COVID-19 drove outperformance vs. initial 2020 group adjusted EBIT guidance of € 240-270m, through strong development in Parcels and Logistics

Topic	Results	Outlook for 2020	
Group adjusted EBIT	€ 280.6m 6.8% EBIT margin	Adjusted EBIT at least € 270m[1]	✓
Mail & Retail	€ 171.2m 8.7% EBIT margin		
Parcels & Logistics Eurasia	€ 101.4m 9.3% EBIT margin		
Parcels & Logistics N. Am.	€ 32.8m 2.5% EBIT margin		
Capex	€ 147.7m	€ 150m maximum[1]	✓

[1] Last revised 2020 group outlook as issued at 3Q20 release on Nov. 3rd, 2020

Highlights of 4Q20

4Q20

4Q20 fully in line with our expectations

Group operating income

€ 1,194.4m
up 7.2%

Group adjusted EBIT

€ 60.5m
5.1% EBIT margin

Mail & Retail

€ 34.3m
6.5% EBIT margin

- Total operating income at € 526.1m (-2.0%) driven by COVID-19 impact on Advertising Mail and on Retail
- Underlying mail volume decline at -11.8% driven by Advertising Mail at -20.4%
- Adjusted EBIT decline (-33.3%) driven by COVID-19 top-line evolution, while additional costs for elevated parcels volumes handled through the mail network were compensated by reinvoicing to PaLo Eurasia and cost containment in SG&A

Parcels & Logistics Eurasia

€ 22.4m
7.1% EBIT margin

- Total operating income at € 316.4m (+35.0%) mainly driven by Parcels BeNe (€ +60.3m, +55.9%)
- Parcels B2X organic volumes +67.4% from thriving e-commerce during non-essential retail closure in November and EoY peak
- Adjusted EBIT up € +8.6m (+62%), with margin improvement driven by elevated parcels volumes handled through the mail network

Parcels & Logistics N. Am.

€ 13.9m
3.3% EBIT margin

- Total operating income at € 424.9m (+7.5%) driven by continued strong E-commerce logistics development
- FY20 TCV at $ 1,188.4m, largely above FY target
- Adjusted EBIT increase of € +3.3m. Excluding ransomware attack impact (€ -9.2m), adjusted EBIT would have more than doubled at € 23.1m, fully driven by operating leverage in E-commerce logistics and cost containment

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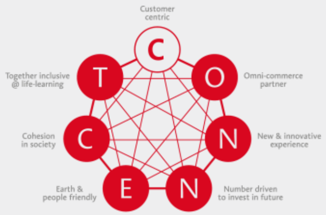
Non-financial highlights

4Q20



CONNECT 2026

Strategic vision built on 7 ambitions

3 new fulfilment centres in 2021

in Belgium and Germany

Ecozone

100% emission-free distribution network in Mechelen (Belgium)

Sustainability strategy

Launch of the new Materiality Assessment

Cohesion in society

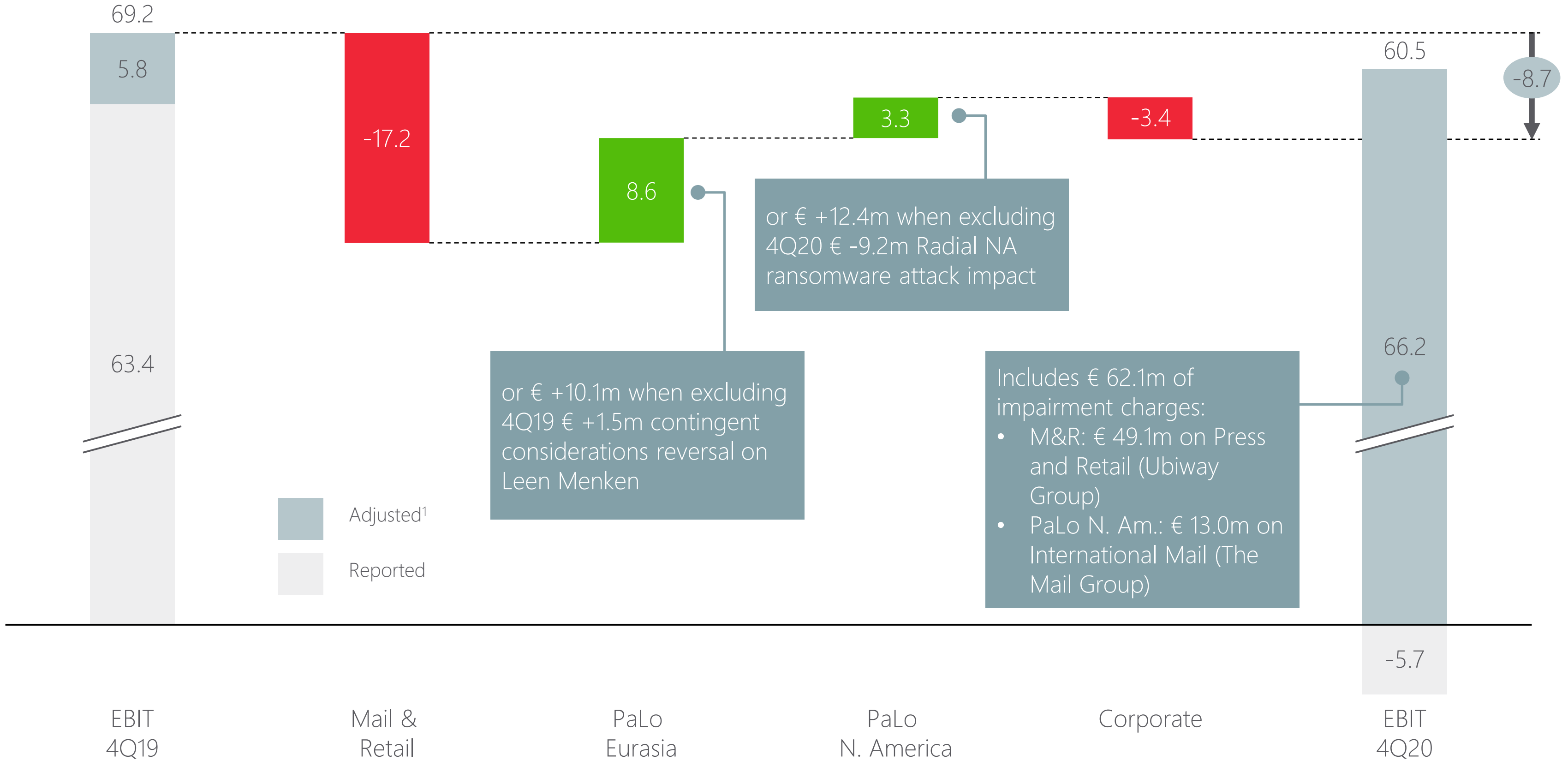
bpost will continue to provide banking services through its physical network

4Q20 adjusted EBIT in line with expectations

4Q20

Higher EoY peak opex and impact of ransomware attack were partly compensated by strong cost control on discretionary spend across all BUs; while second COVID-19 lockdown impacted M&R negatively

€ million



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

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Key financials 4Q20

4Q20

€ million	Reported		Adjusted[1]		
	4Q19	4Q20	4Q19	4Q20	% ↑
Total operating income	1,113.8	1,194.4	1,113.8	1,194.4	7.2%
Operating expenses	987.4	1,081.0	987.4	1,081.0	9.5%
EBITDA	126.3	113.4	126.3	113.4	-10.2%
Depreciation & Amortization	62.9	119.1	57.1	52.9	-7.4%
EBIT	63.4	(1) -5.7	69.2	(1) 60.5	-12.6%
Margin (%)	5.7%	-0.5%	6.2%	5.1%	
Financial result	-26.7	-17.9	-26.7	-17.9	-33.1%
Profit before tax	43.0	-160.5	48.8	47.3	-3.2%
Income tax expense	15.2	(1) -5.4	16.5	(1) -4.8	-
Net profit	27.8	(2) -155.1	32.4	(2) 52.1	60.8%
FCF	127.2	(3) 145.4	83.8	(3) 117.2	39.9%
Net Debt at Dec 31	779.9	495.2	779.9	495.2	-36.5%
Capex	73.2	60.9	73.2	60.9	-16.8%
Average # FTEs and interims	38,730	43,732	38,730	43,732	12.9%

1. Amortization and impairments of intangibles recognized during PPA are adjusted. Goodwill impairments of € 41.4m are also adjusted as they are non-recurring in nature and significant (> € 20m). These adjustments lead to increase in EBIT (€ +66.2m) and income tax expense (€ +0.6m)
2. Impairment loss recognized on the remeasurement to fair value less costs to sell of bpost bank (€ 141.6m) is adjusted
3. Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

[1] Unaudited figures

Results by segment 4Q20

4Q20

€ million

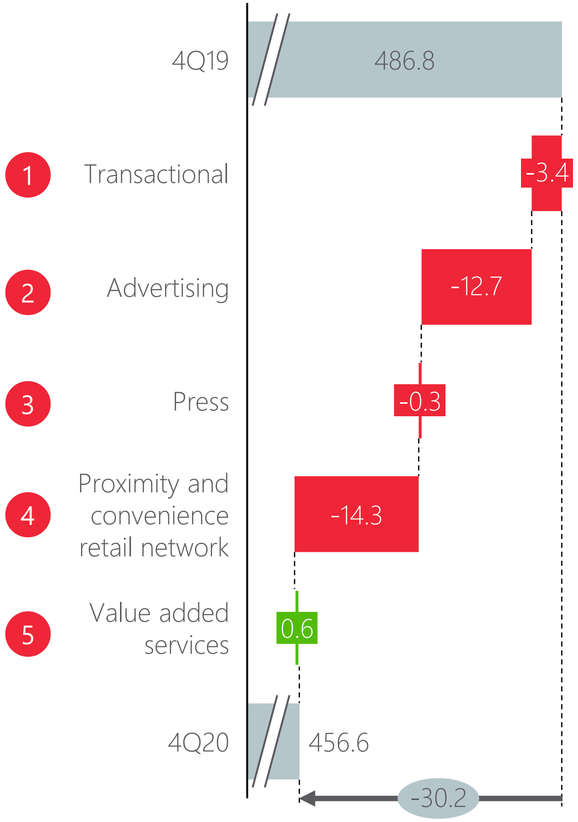
	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	456.6	311.8	422.5	3.6	0.0	1,194.4
Intersegment operating income	69.6	4.6	2.4	113.1	-189.7	0.0
Total operating income	526.1	316.4	424.9	116.7	(189.7)	1,194.4
Operating expenses	478.5	288.6	395.4	108.2	-189.7	1,081.0
EBITDA	47.6	27.8	29.5	8.5		113.4
Depreciation & Amortization	63.2	6.1	31.2	18.6		119.1
Reported EBIT	-15.5	21.7	-1.7	-10.2		-5.7
Margin (%)	-3.0%	6.9%	-0.4%	-8.7%		-0.5%
Adjusted EBIT	34.3	22.4	13.9	-10.2		60.5
Margin (%)	6.5%	7.1%	3.3%	-8.7%		5.1%

Combined PaLo Adjusted EBIT of € 36.4m

Top-line decrease driven by COVID-19 impacts on Advertising Mail and on proximity retail

4Q20 – M&R

M&R external operating income, € million



Domestic Mail

Operating income decline at € -16.5m i.e. € +1.8m working days impact, € -35.3m volume (-11.8% underlying volume decline) and € +17.1m price/mix.

1 2 3

Transactional

-10.8% underlying volume decline against tough comparable base of -7.2% in 4Q19 and driven by the known structural trends of continued e-substitution, higher acceptance of e-documents at the receivers' side and digitization of C2B communication through smartphone apps.

Christmas cards supported the volume trend and contributed positively to price/mix.

1

Proximity and convenience retail network

Lower Ubiway retail revenues from reduced footfall as a result of COVID-19, especially in travel environments.

4

Advertising

-20.4% underlying volume decline against tough comparable base of +0.5% in 4Q19 and driven by:

- non-essential retail closure during the full month of November, impacting volumes by -24.3% in Nov.
- continued uncertain COVID-19 context with limited visibility ahead (e.g. travel sector and cancelled Motor Show in Jan-21)

2

Press

-2.7% underlying volume decline.

3

Value added services

Higher revenues from data and document management.

5

M&R adjusted EBIT decline from COVID-19 top-line evolution, while higher peak opex was compensated by cost containment

4Q20 – M&R

€ million

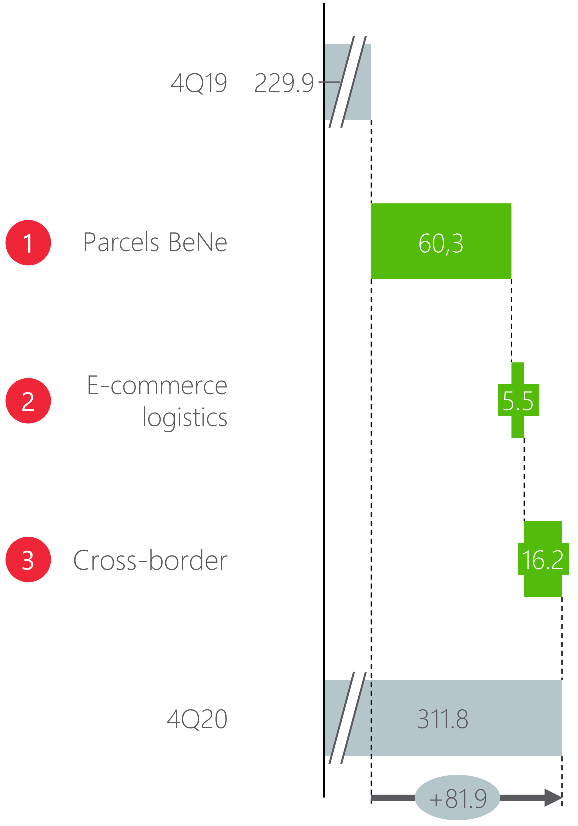
Mail & Retail	4Q19	4Q20	% ↑
External operating income	486.8	456.6	-6.2%
Transactional	196.3	192.9	-1.8%
Advertising	64.1	51.4	-19.8%
Press	88.8	88.5	-0.4%
Proximity and convenience retail network	111.9	97.6	-12.8%
Value added services	25.6	26.2	2.2%
Intersegment operating income	50.0	69.6	39.0%
Total operating income	536.8	526.1	-2.0%
Operating expenses	466.4	478.5	2.6%
EBITDA	70.4	47.6	-32.3%
Depreciation & Amortization	20.7	63.2	204.9%
Reported EBIT	49.7	-15.5	-
Margin (%)	9.3%	-3.0%	
Adjusted EBIT	51.5	34.3	-33.3%
Margin (%)	9.6%	6.5%	
Average # FTEs and interims	22,753	24,866	9.3%
Additional KPIs			
Underlying Mail volume decline	-5.5%	-11.8%	
Transactional	-7.2%	-10.8%	
Advertising	0.5%	-20.4%	
Press	-6.5%	-2.7%	

Key takeaways 4Q20

- Total operating income declined by € -10.7m (-2.0%) from mail volume decline and lower Proximity and convenience retail network revenues, partly compensated by mail price increases and higher intersegment operating income related to parcels volumes.
- Operating expenses (incl. adjusted D&A) increased by € -6.5m (+1.3%):
  - Higher operational costs in the mail network during non-essential retail lockdown in Nov-20 and EoY peak were mainly driven by elevated parcels volumes and therefore to a large extent compensated by higher cost transferred to PaLo Eurasia. This opex mainly related to (1) significantly higher payroll & interim costs through increased headcount, regular salary indexation and COVID-19 premium for operational staff in duty (Nov. 30th to Dec. 24th), (2) higher transport costs from higher use of subcontractors and (3) higher rental costs for fleet.
  - Higher reinvoicing from Corporate linked to IT-projects and cost phasing from 1H20 into 4Q20 (e.g. holidays).
  - The above were partly compensated by lower material costs from Ubiway retail and general cost containment on discretionary spend.
- M&R adjusted EBIT declined by € -17.2m to € 34.3m. Reported EBIT at € -15.5m was impacted by € 49.1m of impairment charges on Press and Retail.

PaLo Eurasia revenue mainly driven by thriving domestic e-commerce during November lockdown and EoY peak

PaLo Eurasia external operating income, € million



Parcels BeNe

Parcels B2X[1] revenues up 69.9% driven by volume growth of +67.4% and positive P/M of +2.5%. Volume growth is fueled by non-essential retail closure in Nov-20 and strong EoY peak. P/M was supported by peak surcharges and favourable product & customer mix.

Strong volume and revenue development at Dynalogic.

Total Parcels BeNe revenues up € 60.3m (+55.9%) driven by Parcels B2X and Dynalogic and partly offset by YoY revenue decline of other activities resulting among others from LY's closure of non-profitable businesses.

1

E-commerce logistics

Revenue up € +5.5m, or € +7.0m excl. last year's positive effect of contingent consideration reversal on Leen Menken (€ -1.5m), and mainly driven by:

- Strong organic growth at Active Ants from existing customers and new customers acquired through the MCS Fulfilment integration as of October 2019
- Radial Europe growth driven by UK and the new fulfilment site in Poland which opened in 3Q20

2

Cross-border

Revenue evolution driven by:

- Continued strong growth of Asian parcel volumes linked to rail transport of containers as an alternative to air freight, but at a slower pace than previous quarters of 2020
- Growth in UK business driven by new customers and surcharges
- Partly offset by declining cross-border postal business where growth in inbound parcels could not fully compensate the decline in both inbound & outbound mail volumes

3

[1] Since 3Q20, volume growth % consists of B2X parcels, not including Euro-Sprinters, CityDepot, Future Lab and Dynagroup.

Positive EBIT margin development driven by elevated parcels volumes handled through the mail network

4Q20 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	4Q19	4Q20	% ↑
External operating income	229.9	311.8	35.6%
Parcels BeNe	107.8	168.1	55.9%
E-commerce logistics	40.6	46.0	13.5%
Cross-border	81.5	97.7	19.9%
Intersegment operating income	4.5	4.6	0.9%
Total operating income	234.4	316.4	35.0%
Operating expenses	215.9	288.6	33.7%
EBITDA	18.5	27.8	49.9%
Depreciation & Amortization	5.4	6.1	13.5%
Reported EBIT	13.2	21.7	64.8%
Margin (%)	5.6%	6.9%	
Adjusted EBIT	13.9	22.4	61.8%
Margin (%)	5.9%	7.1%	
Average # FTEs and interims	3,481	3,886	11.6%

Additional KPIs			
Parcels volume growth[1]	27.2%	67.4%	

[1] 4Q19 restated to reflect Parcels B2X volume growth

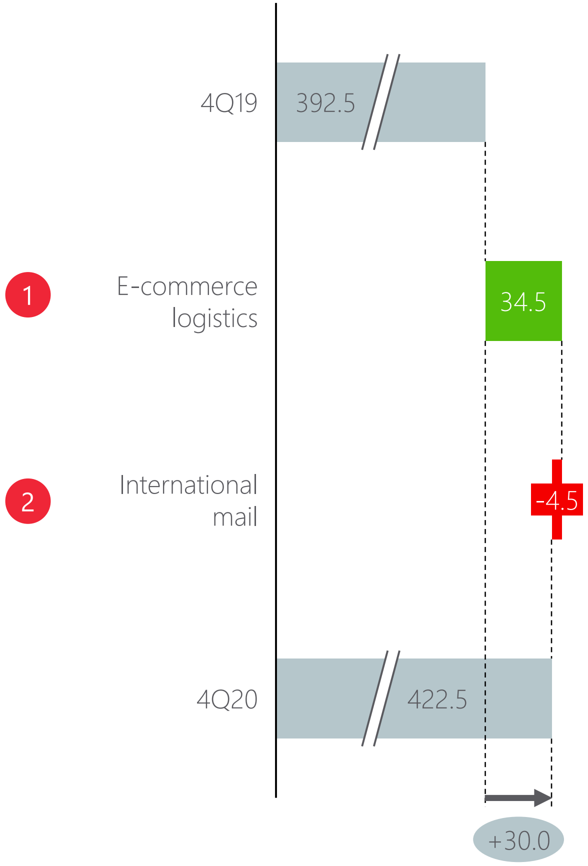
Key takeaways 4Q20

- Total operating income up € +82m or +35% (€ +83.5m or 35.8% excl. last year's € -1.5m contingent considerations reversal on Leen Menken) driven by positive revenue development across the board, especially Parcels BeNe (€ +60.3m, +55.9%) and Cross-border (€ +16.2m, +19.9%).
- Operating expenses (incl. adjusted D&A) were up € -73.4m (+33.3%), mainly explained by higher volume-linked variable costs translating into higher payroll, interim, transport and parcels insurance costs. Consequently, PaLo EA recorded higher intersegment operating expenses from M&R driven by elevated parcels volumes in the integrated last-mile mail & parcels network during the Nov-20 lockdown and EoY peak. Channel mix was negative driven by higher mail volumes in the integrated network compared to the 2Q20 lockdown and therefore resulting in a higher use of subcontractors.
- Adjusted EBIT increased by € +8.6m (+61.8%). Excluding last year's contingent considerations reversal on Leen Menken, adjusted EBIT was up € +10.1m operationally.

Continued strong e-commerce development at PaLo North America despite ransomware impact

4Q20 – PaLo N. Am.

PaLo North America external operating income, € million



E-commerce logistics

YoY increase of +9.3% (+17.9% at constant exchange rate) despite ransomware impact.

Revenue increase mainly driven by Radial North America recording continued good growth of existing customers (+18.5%) and of new clients launched in 2019, partly offset by some client churn.

Cross-border (Landmark, Apple Express and FDM) recorded strong volumes from existing and new customers fueled by e-commerce development.

1

International mail

Revenue decline (-19.4%, or -13.2% at constant exchange rate) driven by unfavourable impact of COVID-19 on the mail business.

2

Operating leverage drove PaLo NA adjusted EBIT uplift despite ransomware attack impact

4Q20 – PaLo N. Am.

€ million

Parcels & Logistics North America	4Q19	4Q20	% ↑
External operating income	392.5	422.5	7.6%
E-commerce logistics	369.5	404.0	9.3%
International mail	23.0	18.5	-19.4%
Intersegment operating income	2.8	2.4	-12.8%
Total operating income	395.3	424.9	7.5%
Operating expenses	369.9	395.4	6.9%
EBITDA	25.4	29.5	16.1%
Depreciation & Amortization	18.1	31.2	72.5%
Reported EBIT	7.3	-1.7	-
Margin (%)	1.9%	-0.4%	
Adjusted EBIT	10.6	13.9	31.0%
Margin (%)	2.7%	3.3%	
Average # FTEs and interims	10,850	13,434	23.8%
Additional KPIs, adjusted			
Radial North America revenue, $m	353.2	407.1	15.3%
Radial North America EBITDA, $m	18.7	22.6	20.5%
Radial North America EBIT, $m	2.1	7.6	261.9%

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

Key takeaways 4Q20

- Total operating income increase of € +29.7m or +7.5% (+16.0% at constant exchange rate) fully driven by E-commerce logistics.
- Operating expenses (incl. adjusted D&A) increased by € -26.4m (€ -54.3m excl. FX) resulting from (1) volume-driven higher variable labour, transport costs and credit card fees, (2) € -3.2m ransomware attack opex net of partial insurance recovery, and finally (3) higher adjusted D&A from additional fulfilment sites. These effects were partly compensated by productivity gains in fulfilment and cost containment in general.
- Estimated € -6.0m gross margin shortfall due to the ransomware attack.
- Adjusted EBIT up € +3.3m to € 13.9m. Excluding ransomware attack (€ -9.2m[1]), adjusted EBIT would have more than doubled to amount to € 23.1m (+5.4% margin), driven by operating leverage at Radial. Reported EBIT at € -1.7m was impacted by € 13.0m of impairment charges on The Mail Group.

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Corporate EBIT down from lower building sales

4Q20 – Corporate

€ million

Corporate	4Q19	4Q20	% ↑
External operating income	4.6	3.6	-23.2%
Intersegment operating income	105.7	113.1	7.1%
Total operating income	110.3	116.7	5.8%
Operating expenses	98.3	108.2	10.0%
EBITDA	12.0	8.5	-29.3%
Depreciation & Amortization	18.8	18.6	-0.6%
Reported EBIT	-6.8	-10.2	-
Margin (%)	-6.2%	-8.7%	
Adjusted EBIT	-6.8	-10.2	-
Margin (%)	-6.2%	-8.7%	
Average # FTEs and interims	1,647	1,546	-6.1%

Key takeaways 4Q20

- External revenues down by € -1.1m driven by lower building sales.
- Operating expenses (incl. D&A) increased by € -9.8m driven by higher services to the operational Business Units, especially for IT-related projects.
- As a result, adjusted EBIT decreased by € -3.4m YoY to € -10.2m.

Seasonality and mix contributed to increased FCF[1]

4Q20

Reported - € million

		4Q19	4Q20	Delta
+	Cash flow from operating activities	217.6	201.0	-16.6
	out of which CF from operating activities before Δ in WC & provisions	105.8	64.7	-41.2
+	Cash flow from investing activities	-90.4	-55.6	34.8
=	Free cash flow	127.2	145.4	18.2
+	Financing activities	-162.4	-40.5	121.9
=	Net cash movement	-35.3	104.9	140.1
	Capex	-73.2	-60.9	12.3

CF from operating activities

€ -41.2m variance in CF from operating activities before change in working capital and provisions, mainly due to lower adjusted EBITDA (€ -12.9m) combined with higher tax prepayments (€ -25.9m) and the absence of a dividend by bpost bank in 2020 (€ -5.0m)

Change in working capital and provisions (€ +24.6m) of which :

- More cash outflows relating to collected proceeds due to clients in Radial: € -15.1m, high level of merchandise sales in COVID-19 period in 3Q20
- € +36.3m improvement in working capital evolution: primarily driven by increased terminal dues and extended payment terms due to the setup of temporary initiatives during the pandemic partially counterbalanced by lower suppliers balances due to timing of expenses, and increased DSO as a consequence of the mix impact on receivables
- € +3.4m change in provisions

CF from investing activities

Loan to Associate in 4Q19: € +25.0m

Capex at € 60.9m decreased by € +12.3m vs 4Q19 and was mainly spent on increased capacity for E-commerce: Radial and Active Ants additional sites and Parcels B2X sorting capacity

CF used for financing activities

Dividend in 2019 : € +124.0m

[1] Free cash flow = cash flow from operating activities + cash flow from investing activities

Balance Sheet

4Q20

€ million

Assets	Dec 31, 2019	Dec 31, 2020
PPE	1,133.6	1,138.0
Intangible assets	898.3	771.7
Investments in associates and joint ventures	239.5	0.1
Other assets	40.4	54.1
Trade & other receivables	759.0	826.6
Inventories	34.7	32.7
Cash & cash equivalents	670.2	948.1
Assets held for sale	1.4	103.3
Total Assets	3,777.1	3,874.5

€ million

Equity and Liabilities	Dec 31, 2019	Dec 31, 2020
Total equity	682.6	583.8
Interest-bearing loans & borrowings	1,449.9	1,443.2
Employee benefits	320.6	320.0
Trade & other payables	1,278.5	1,487.0
Provisions	29.8	27.0
Derivative instruments	1.3	0.3
Other liabilities	14.3	13.2
Total Equity and Liabilities	3,777.1	3,874.5

Main balance sheet movements

On December 23, 2020 bpost and BNP Paribas Fortis (BNPPF) announced a non-binding agreement on the future long-term partnership of bpost bank NV/SA, including the sale of participations from bpost to BNPPF. bpost and BNPPF have the intention to sign binding agreements by the end of March 2021, with the objective to close the transaction by the end of 2021. As a result the investment in bpost bank has been classified as assets held for sale and the carrying value was reduced to the fair value less costs to sell, hence a loss of € -141.6m has been recognized.

The decrease of the intangible assets was mainly explained by the impairment charges on Press, Retail and International Mail (€ -62.1m) and FX impact on goodwill (€ -42.4m).

The increase of cash and cash equivalents comes from cash from results and the improvement of the working capital (€ +121.2m), partially due to temporary initiatives set up in the context of the pandemic which will be unwound in the course of the first quarter of 2021 and the increase of the terminal dues payables with the foreign operators (both impacting trade & other payables). Net debt consequently decreased by € 284.7m in 2020, from € 779.9m to € 495.2m.

The decrease of the equity was mainly explained by the loss of year (€ -19.2m), the fair value adjustment in respect of bpost bank's bond portfolio (€ -16.1m), the exchange differences on translation of foreign operations (€ -51.6m) and the net impact of the integration of Active Ants International comprising the non-controlling interests and the recognition of the contingent consideration for the purchase of the remaining shares (€ -15.0m).

Financing Structure & Liquidity

4Q20

€ million

Available Liquidity	Dec 31, 2019	Dec 31, 2020
Cash & cash equivalents	670.2	948.1
Cash in network	163.6	167.2
Transit accounts	105.8	32.2
Cash payment transactions under execution	-26.7	-30.9
Bank current accounts	377.4	574.6
Short-term deposits	50.0	205.0
Undrawn revolving credit facilities	375.0	375.0
Syndicated facility - 10/2024	300.0	300.0
Bilateral facility - 06/2025	75.0	75.0
Total Available Liquidity	1,045.2	1,323.1

€ million

External Funding	Dec 31, 2019	Dec 31, 2020
Long-term		
Long-term bond[1] (1.25% - 07/2026)	650.0	650.0
Bank loans	183.2	159.9
Amortizing Loan (€ 100m) - 12/2022	18.2	9.1
Term Loan ($ 185m) - 07/2023	165.0	150.8
Short-term		
Bank loans: Amortizing Loan (€ 100m) - 12/2022	9.1	9.1
Commercial Papers	164.5	165.1
Total External Funding	1,006.8	984.1

Liquidity: Cash & Committed credit lines

Total available liquidity on December 31, 2020 consisted out of € 948.1m cash & cash equivalents of which € 779.6m is readily available on bank current accounts and as short-term deposits.

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

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

Out of € 984.1m external funding on balance sheet on December 31, 2020:

- € 165.1m need to be repaid or will be rolled over in 1Q21 (i.e., commercial paper with maturity ranging between 1 to 3 months).
- € 9.1m during 4Q21 (i.e., the current portion of the amortizing loan).

[1] € 650m long-term bond with a carrying amount of € 643.7m, the difference being the re-offer price and issuance fees.

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Outlook for 2021

Outlook FY21

Group adjusted EBIT in the range of € 265-295m, broadly in line with FY20 which benefited from net positive COVID-19 effect

Mail & Retail

Total operating income:
- Underlying Domestic Mail volume decline in the range of -9 to -11%
- Approved mail pricing impact of +6%
- Expected post-COVID-19 recovery in VAS and proximity retail

6-8% adjusted EBIT margin

Parcels & Logistics Europe & Asia

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

8-10% adjusted EBIT margin

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

Parcels & Logistics North America

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

4-5% adjusted EBIT margin

Group

Low-single-digit % growth in total operating income

Adjusted EBIT between € 265-295m

Gross capex around € 200-220m, geared towards the priorities set in the CONNECT 2026 strategy to grow omni-commerce logistics

Dividend

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

COVID-19 disclaimer

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

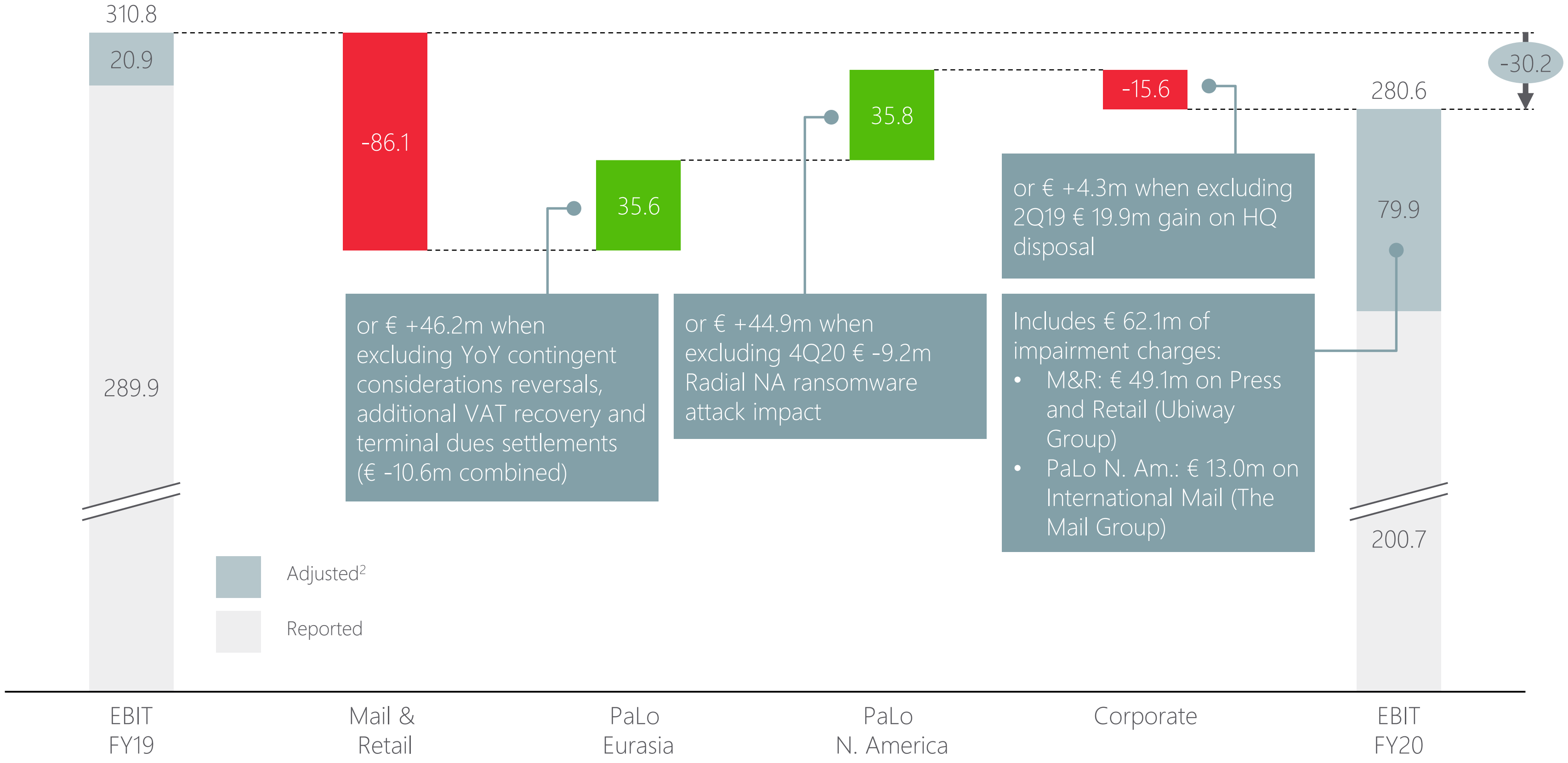
Full year 2020 figures

FY20 EBIT fully in line with upped guidance of at least € 270m

FY20

Net positive EBIT impact from COVID-19[1] as group-wide additional opex and pressure on M&R top-line was more than compensated by strong PaLo Eurasia & North America performance and cost containment

€ million



[1] As of 3Q20, COVID-19 impact has not been quantified since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.
[2] Adjusted excludes items that are non-recurring in nature and significant (> € 20m). All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been excluded from income are also adjusted whatever the amount they represent.

Key financials FY20

FY20

€ million	Reported		Adjusted[1]		
	FY19	FY20	FY19	FY20	% ↑
Total operating income	(1) 3,837.8	4,154.6	(1) 3,837.2	4,154.6	8.3%
Operating expenses	3,300.2	3,635.5	3,300.2	3,635.5	10.2%
EBITDA	537.6	519.1	537.0	519.1	-3.3%
Depreciation & Amortization	247.7	318.5	226.2	238.5	5.5%
EBIT	289.9	(2) 200.7	310.8	(2) 280.6	-9.7%
Margin (%)	7.6%	4.8%	8.1%	6.8%	
Financial result	-61.5	-47.8	-61.5	-47.8	-22.3%
Profit before tax	244.3	29.6	265.2	251.2	-5.3%
Income tax expense	89.6	(2) 48.8	92.1	(2) 50.3	-45.4%
Net profit	154.7	(3) -19.2	173.1	(3) 200.9	16.0%
FCF	302.0	(4) 443.7	288.0	(4) 440.5	53.0%
Net Debt at Dec 31	779.9	495.2	779.9	495.2	-36.5%
Capex	162.3	147.7	162.3	147.7	-8.9%
Average # FTEs and interims	35,377	38,639	35,377	38,639	9.2%

1. Adjustment of € -0.6m at operating income level related to the disposal of Alvadis on August 30, 2019
2. Amortization and impairments of intangibles recognized during PPA are adjusted. Goodwill impairments of € 41.4m are also adjusted as they are non-recurring in nature and significant (> € 20m). These adjustments lead to increase in EBIT (€ +79.9m) and income tax expense (€ +1.5m)
3. Impairment loss recognized on the remeasurement to fair value less costs to sell of bpost bank (€ 141.6m) is adjusted
4. Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

Results by segment FY20

FY20

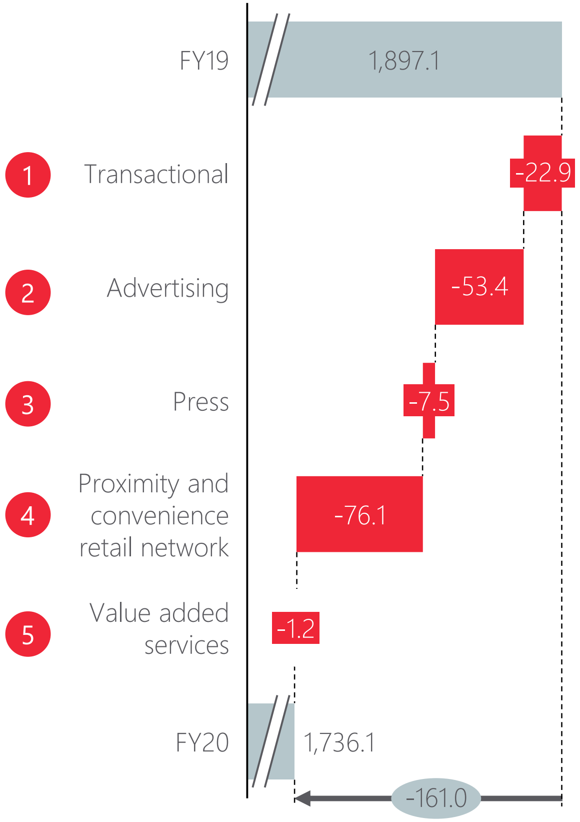
€ million

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

Top-line decrease driven by COVID-19 impacted mail and proximity retail and by deconsolidation of Alvadis

FY20 – M&R

M&R external operating income, € million



Domestic Mail

Operating income decline at € -83.7m i.e.

- € +3.1m working days impact
- € -3.7m net impact elections of 2019
- € -136.3m volume (-12.0% underlying volume decline, with March to May-20 at -20.1% due to COVID-19)
- € +53.2m price/mix

1 2 3

Transactional

-11.3% underlying volume decline of which:

-16.7% March to May-20: COVID-19 lockdown negatively impacted all mail categories, in particular smaller administrative mail volume and registered letters.

Excluding COVID-19, underlying mail volumes subject to the known trends of ongoing e-substitution and digitization.

1

Proximity and convenience retail network

Decrease mainly driven by:

- COVID-19 impact on Ubiway retail revenues from partial closure of the network and reduced footfall
- Deconsolidation of Alvadis (€ -20.9m) as of September 2019
- Decline in banking & finance revenues

4

Advertising

-18.8% underlying volume decline:

- -36.2% March to May-20 due to cancelled campaigns from COVID-19 lockdown of non-essential retail from March 18 through May 10 and ban on promotions through April 3.
- Full closure of non-essential retail in Nov-20 and continued hesitance to advertise due to COVID-19 context, impacting volumes by -24.3% in Nov.

2

Press

-5.3% underlying volume decline driven by e-substitution and rationalization.

3

Value added services

Higher revenue from fines management more than offset by lower revenues from among others European license plates, data and mail value added services.

5

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M&R adjusted EBIT impacted by COVID-19 top-line evolution despite lower opex

FY20 – M&R

€ million

Mail & Retail	FY19	FY20	% ↑
External operating income	1,897.1	1,736.1	-8.5%
Transactional	748.0	725.2	-3.1%
Advertising	236.0	182.6	-22.6%
Press	346.6	339.1	-2.2%
Proximity and convenience retail network	462.6	386.5	-16.4%
Value added services	103.9	102.7	-1.1%
Intersegment operating income	174.7	221.8	27.0%
Total operating income	2,071.7	1,958.0	-5.5%
Operating expenses	1,734.2	1,709.4	-1.4%
EBITDA	337.5	248.5	-26.4%
Depreciation & Amortization	83.7	128.9	54.1%
Reported EBIT	253.8	119.6	-52.9%
Margin (%)	12.3%	6.1%	
Adjusted EBIT	257.4	171.2	-33.5%
Margin (%)	12.4%	8.7%	
Average # FTEs and interims	22,435	23,534	4.9%

Additional KPIs	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Underlying Mail volume decline	-7.9%	-9.9%	-17.7%	-8.2%	-11.8%	-12.0%
Transactional	-9.2%	-8.8%	-16.7%	-8.3%	-10.8%	-11.3%
Advertising	-4.7%	-16.5%	-26.6%	-9.4%	-20.4%	-18.8%
Press	-6.5%	-5.2%	-8.0%	-5.4%	-2.7%	-5.3%

Key takeaways FY20

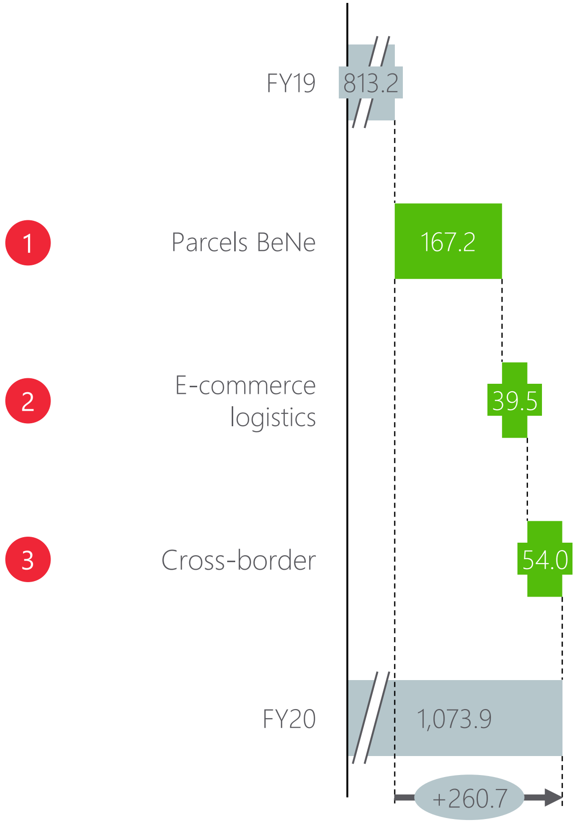
- Total operating income decline of € -113.8m or -5.5% (€ -113.2m adjusted) primarily driven by mail volume decline and lower Proximity and convenience retail network revenues, partly compensated by mail pricing and higher intersegment operating income related to higher parcels volumes.
- Operating expenses (incl. adjusted D&A) declined by € +27.0m (-1.5%) as:
  - higher payroll and interim driven by increased (1) headcount from higher parcel volumes and absenteeism and (2) price from COVID-19 premiums and regular salary indexation; together with specific COVID-19 operating expenses
  - more than compensated by lower material costs from Ubiway Retail (incl. Alvadis deconsolidation impact), higher recoverable VAT, increased sorting expenses transferred to PaLo Eurasia driven by stellar growth in parcel volumes handled through the mail network and lower project related costs.
- M&R adjusted EBIT declined by € -86.1m to € 171.2m. Reported EBIT at € 119.6m was impacted by € 49.1m of impairment charges on Press and Retail.
- COVID-19[1] had an estimated net negative impact on FY20 EBIT from additional mail volume decline, mainly in advertising mail, and pressure on retail combined with specific additional opex, only partly compensated by cost savings.

[1] As of 3Q20, COVID-19 impact has not been quantified since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

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

FY20 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Parcels B2X[1] revenues up 54.7% driven by volume growth of +56.2%. Volume growth is fueled by COVID-19 boost to online sales and 2 lockdowns of non-essential retail (March 18th through May 10th and full month of November).

Total Parcels BeNe revenues up € 167.2m (+43.9%), or € +168.9m (+44.6%) excl. last year's positive effect of a contingent consideration reversal on Dynagroup (€ -1.7m). YoY growth is driven by Parcels B2X and Dynalogic, partly offset by revenue decline of other activities resulting among others from LY's closure of non-profitable businesses.

[1] Volume growth % consists of B2X parcels, not including Euro-Sprinters, CityDepot, Future Lab and Dynagroup.

1

E-commerce logistics

Revenue up € +39.5m, or € +41.0m excl. last year's positive effect of a contingent consideration reversal on Leen Menken (€ -1.5m), and mainly driven by:

- Active Ants growth at existing customers as well as the integration of MCS Fulfilment as from October 1, 2019 (€ +9.3m inorganic growth over FY20).
- Organic growth at Radial Europe.

2

Cross-border

Strong revenue development mainly driven by:

- Exponential growth of Asian parcel volumes shipped by train (as an alternative to COVID-19 impacted air freight) since June 2020, with pace of growth slowing down QoQ from 2Q through 4Q20
- Partly offset by declining cross-border postal business where growth in inbound parcels could not fully compensate the decline in both inbound & outbound mail volumes

3

Strong EBIT margin uplift driven by stellar growth in parcels volumes handled through the mail network

FY20 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	FY19	FY20	% ↑
External operating income	813.2	1,073.9	32.1%
Parcels BeNe	380.6	547.9	43.9%
E-commerce logistics	133.1	172.5	29.7%
Cross-border	299.5	353.5	18.0%
Intersegment operating income	17.8	14.0	-21.1%
Total operating income	830.9	1,087.9	30.9%
Operating expenses	747.7	966.8	29.3%
EBITDA	83.2	121.1	45.5%
Depreciation & Amortization	21.7	22.6	4.0%
Reported EBIT	61.5	98.5	60.2%
Margin (%)	7.4%	9.1%	
Adjusted EBIT	65.8	101.4	54.2%
Margin (%)	7.9%	9.3%	
Average # FTEs and interims	3,248	3,668	12.9%

Additional KPIs	FY19	1Q20	2Q20	3Q20	4Q20	FY20
Parcels volume growth[1]	20.9%	25.2%	79.3%	49.0%	67.4%	56.2%

Key takeaways FY20

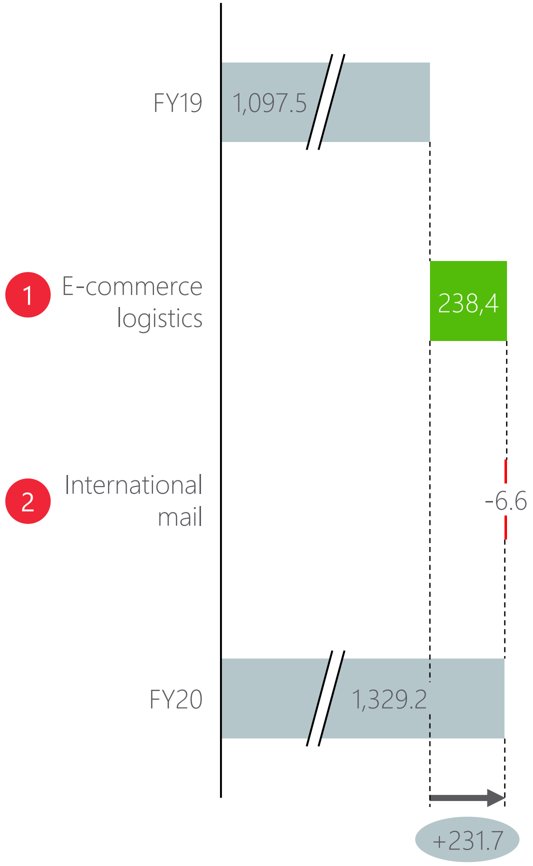
- Total operating income up € +257m or +30.9% (€ +260.2m or 31.4% excl. last year's € -3.2m contingent considerations reversals on Dynagroup & Leen Menken) mainly driven by Parcels BeNe (€ +167.2m, +43.9%). Terminal dues settlements had a € -2.6m negative impact on revenues YoY.
- Operating expenses (incl. adjusted D&A) were up € -221.3m (+28.9%), mainly from higher volume-linked variable costs translating into higher payroll, interim and transport costs which also drove higher intersegment operating expenses from M&R for parcels volumes handled through the integrated last-mile mail and parcels network. In addition, PaLo EA recorded specific COVID-19 related opex, a € -2.3m unfavourable impact related to terminal dues settlements and VAT recovery (€ -2.5m YoY).
- Adjusted EBIT increased by € +35.6m (+54.2%). Excluding YoY contingent considerations reversals, additional VAT recovery and terminal dues settlements (€ -10.6m combined), adjusted EBIT was up € +46.2m (+84%) operationally.
- COVID-19[2] had an estimated net positive impact on FY20 EBIT from additional operating income growth in all business lines only partly offset by specific additional opex.

[1] FY19, 1Q20 and 2Q20 restated to reflect Parcels B2X volume growth
[2] As of 3Q20, COVID-19 impact has not been quantified since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Parcels & Logistics North America driven by significant growth at existing clients and 2019 new business

FY20 – PaLo N. Am.

PaLo North America external operating income, € million



E-commerce logistics

YoY increase of +23.6%, +27.2% at constant exchange rate, despite impact from the ransomware attack.

Revenue increase mainly driven by Radial North America recording significant growth of existing customers (+26.8%) driven by COVID-19 as well as new clients launched in 2019 (sales more than tripling), slightly offset by client churn.

1

International mail

Declining revenues at The Mail Group[1] (-7.4%, -5.8% at constant exchange rate).

Significant drop-off in business mail segment as a result of COVID-19.

2

[1] Combination IMEX, Mail Inc & MSI

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

FY20 – PaLo N. Am.

€ million

Parcels & Logistics North America	FY19	FY20	% ↑
External operating income	1,097.5	1,329.2	21.1%
E-commerce logistics	1,008.1	1,246.4	23.6%
International mail	89.4	82.8	-7.4%
Intersegment operating income	6.8	6.8	1.0%
Total operating income	1,104.2	1,336.0	21.0%
Operating expenses	1,048.7	1,233.7	17.6%
EBITDA	55.5	102.3	84.4%
Depreciation & Amortization	71.6	95.0	32.7%
Reported EBIT	-16.1	7.4	-
Margin (%)	-1.5%	0.6%	
Adjusted EBIT	-3.0	32.8	-
Margin (%)	-0.3%	2.5%	
Average # FTEs and interims	8,061	9,845	22.1%
Additional KPIs, adjusted			
Radial North America revenue, $m	934.9	1,201.3	28.5%
Radial North America EBITDA, $m	29.2	78.6	169.3%
Radial North America EBIT, $m	-29.2	11.5	-

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

[2] As of 3Q20, COVID-19 impact has not been quantified since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Key takeaways FY20

- Total operating income increase of € +231.8m or +21.0% (+24.3% at constant exchange rate) driven by E-commerce logistics.
- Operating expenses (incl. adjusted D&A) increased by € -196.0m (€ -224.7m excl. FX) resulting from (1) volume-driven higher variable labour, transport costs and credit card fees (2) bad debt driven by COVID-19, (3) higher adjusted D&A from additional fulfilment sites, (4) COVID-19 related opex and (5) € -3.2m ransomware attack opex net of partial insurance recovery.
  This was partly compensated by higher productivity and benefits from cost savings program as well as cost containment measures in general.
- Estimated € -6.0m gross margin shortfall due to the ransomware attack.
- Adjusted EBIT up € +35.8m to € 32.8m driven by strong e-commerce growth and high operating leverage at Radial. Excluding ransomware attack (€ -9.2m[1]), adjusted EBIT would have been at € 41.9m (3.1% margin). Reported EBIT at € 7.4m was impacted by € 13.0m of impairment charges on The Mail Group.
- COVID-19[2] had an estimated net positive impact on FY20 EBIT from additional E-commerce logistics volumes only partly offset by declining International Mail, specific additional opex and bad debt.

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Corporate EBIT decrease mainly driven by lower building sales

FY20 – Corporate

€ million

Corporate	FY19	FY20	% ↑
External operating income	30.1	15.4	-48.9%
Intersegment operating income	372.0	375.2	0.9%
Total operating income	402.1	390.6	-2.9%
Operating expenses	340.7	343.4	0.8%
EBITDA	61.4	47.2	-23.2%
Depreciation & Amortization	70.8	72.0	1.8%
Reported EBIT	-9.3	-24.9	-
Margin (%)	-2.3%	-6.4%	
Adjusted EBIT	-9.3	-24.9	-
Margin (%)	-2.3%	-6.4%	
Average # FTEs and interims	1,633	1,591	-2.5%

Key takeaways FY20

- External operating income decreased by € -14.7m driven by lower building sales due to the sale of the headquarters building Centre Monnaie in 2Q19 (€ 19.9m gain on disposal).
- Operating expenses (incl. D&A) increased by € -4.0m driven by higher reinvoicing of services to the operational Business Units (€ +3.2m intersegment operating income). Net of the intersegment operating income, opex (incl. D&A) almost remained stable (€ -0.8m) as the negative YoY VAT recovery impact and higher provisions were partially offset by lower project costs and costs containment.
- As a result, adjusted EBIT decreased by € -15.6m YoY to € -24.9m.
- COVID-19[1] had an estimated net negative impact on FY20 EBIT mainly related to additional costs for health and safety measures.

[1] As of 3Q20, COVID-19 impact has not been quantified since disentangling its effects from the observed business developments has become increasingly artificial and therefore less meaningful.

Positive evolution of FCF[1] mainly driven by payment terms in payables and lower tax related cash flows

FY20

Reported - € million

		FY19	FY20	Delta
+	Cash flow from operating activities	424.2	571.3	147.1
	out of which CF from operating activities before Δ in WC & provisions	405.3	431.2	25.9
+	Cash flow from investing activities	-122.2	-127.6	-5.4
=	Free cash flow	302.0	443.7	141.7
+	Financing activities	-314.1	-138.8	175.4
=	Net cash movement	-12.1	304.9	317.0
	Capex	-162.3	-147.7	14.5

CF from operating activities

€ +25.9m variance in CF from operating activities before change in working capital and provisions, mainly thanks to tax assessment on previous years (€ 21.3m)

Change in working capital and provisions (€ +121.2m) of which :

- More cash outflows relating to collected proceeds due to clients in Radial: € -10.8m, high level of merchandise sales in COVID-19 period
- € +124.8m improvement in working capital evolution: primarily driven by increased terminal dues and extended payment terms due to the setup of temporary initiatives during the pandemic partially counterbalanced by lower suppliers balances due to timing of expenses, and increased DSO as a consequence of the mix impact on receivables
- € +7.2m change in provisions

CF from investing activities

Proceeds from buildings sales: € -45.6m

Disposal of Alvadis in 3Q19: € -5.9m

M&A activities: € +6.6m (contingent consideration Dyna and purchase AtoZ and MCS)

Capex: € +14.5m (€ 147.7m FY20 vs € 162.3m LY). Main investments in 20 include increased capacity at Radial, Parcels B2C and Active Ants and ICT projects

CF used in financing activities

Dividend in 2019 : € +174.0m

[1] Free cash flow = cash flow from operating activities + cash flow from investing activities

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Key contact

Antoine Lebecq
Head of Investor Relations

Email: antoine.lebecq@bpost.be
Direct: +32 (0) 2 276 29 85
Mobile: +32 (0) 471 81 24 77
Address: bpost group, Centre Monnaie, 1000 Brussels, Belgium