



First quarter 2021 results Analyst call

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6 May 2021



Investor presentation

Interim financial report 1Q21

1Q21

Financial Calendar

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

Disclaimer

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

Highlights of 1Q21

1Q21

Strong start to the year driven by continued growth in parcels and e-commerce logistics on both sides of the Atlantic, and lower than expected impact of mail volume decline in Belgium

Group operating income

€ 1,019.9m
up 9.1%
compared to last year's
pre COVID-19 first
quarter

Group adjusted EBIT

€ 115.5m
11.3% EBIT margin

up € +39.9m compared
to prior year

Mail & Retail

€ 70.6m
13.9% EBIT margin

- Total operating income at € 506.8m (+1.4%) driven by higher volume driven intersegment income related to parcels volumes, partially compensated by lower revenues in Retail and lower than expected impact of the mail volume decline supported by a positive price and mix impact
- Underlying mail volume decline at -7.8%
- Adjusted EBIT up € +5.5m (+8.4%)

Parcels & Logistics Eurasia

€ 37.3m
13.0% EBIT margin

- Total operating income at € 287.8m (+34.8%) driven by thriving e-commerce both domestically (Parcels BeNe +39.2%) and abroad (Cross-border +43.1%)
- Operating income Parcels B2X¹ increased by +51.0% driven by organic volumes at +54.1% from continued momentum in e-commerce development
- Adjusted EBIT up € +20.4m and more than doubling, with margin improvement driven by elevated proportion of parcels volumes handled through the integrated network

Parcels & Logistics N. Am.

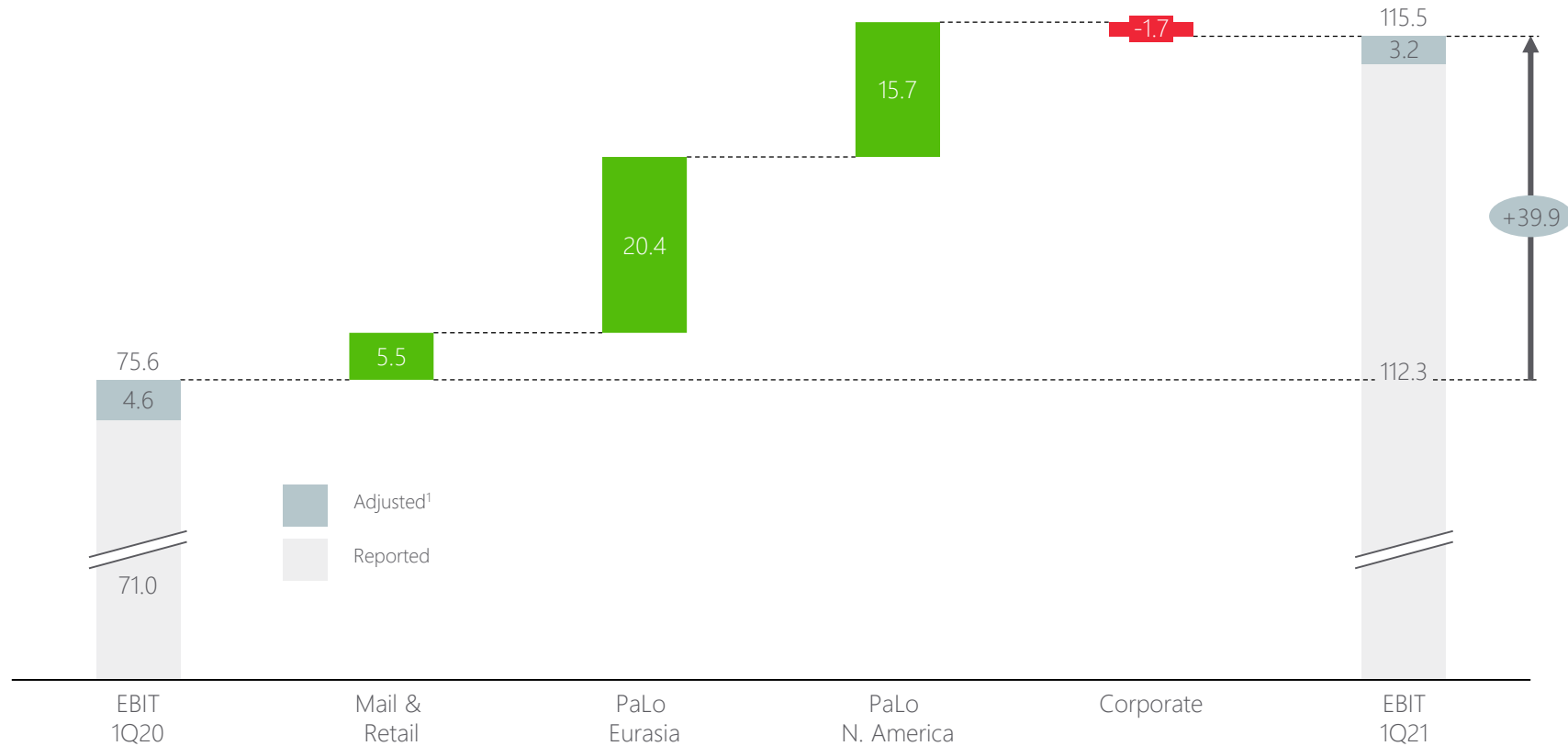
€ 8.2m
2.9% EBIT margin

- Total operating income at € 282.1m (+7.9%) driven by continued strong growth at Radial from existing customers and new business signed in 2020.
- Adjusted EBIT increase of € +15.7m to € 8.2m driven by growth in operating income and operating leverage at Radial

Initial 2021
guidance
raised, group
adjusted EBIT
expected to
be above €
310m

1Q21 EBIT above expectations, driven by continued volume growth in Parcels & Logistics and lower than expected impact of mail decline 1Q21

€ million



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

Key financials 1Q21

1Q21

€ million	Reported		Adjusted ¹		% ↑
	1Q20	1Q21	1Q20	1Q21	
Total operating income	934.6	1,019.9	934.6	1,019.9	9.1%
Operating expenses	797.4	842.7	797.4	842.7	5.7%
EBITDA	137.2	177.2	137.2	177.2	29.2%
Depreciation & Amortization	66.1	64.9	61.5	61.7	0.3%
EBIT	71.0	112.3 ¹	75.6	115.5 ¹	52.8%
Margin (%)	7.6%	11.0%	8.1%	11.3%	
Financial result	-4.3	-2.5	-4.3	-2.5	-40.8%
Profit before tax	71.5	109.8	76.1	113.0	48.5%
Income tax expense	23.6	29.2 ¹	23.8	29.9 ¹	25.6%
Net profit	47.9	80.6	52.2	83.0	59.0%
FCF	194.2	147.4 ²	246.2	160.0 ²	-35.0%
Net Debt at March 31	619.9	388.3	619.9	388.3	-37.4%
Capex	20.5	19.6	20.5	19.6	-4.2%
Average # FTEs and interims	34,695	37,602	34,695	37,602	8.4%

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

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

¹ Unaudited figures

Results by segment 1Q21

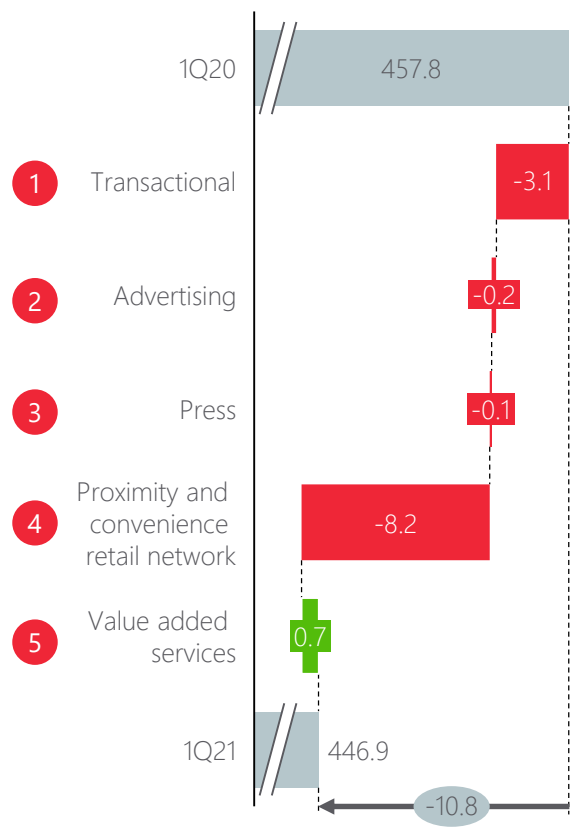
1Q21

€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	446.9	283.9	281.1	7.9	0.0	1,019.9
Intersegment operating income	59.9	3.9	0.9	102.6	-167.3	0.0
Total operating income	506.8	287.8	282.1	110.6	-167.3	1,019.9
Operating expenses	414.6	245.5	256.7	93.3	-167.3	842.7
EBITDA	92.2	42.3	25.4	17.3		177.2
Depreciation & Amortization	22.0	5.7	19.2	17.9		64.9
Reported EBIT	70.2	36.6	6.2	-0.6		112.3
Margin (%)	13.9%	12.7%	2.2%	-0.6%		11.0%
Adjusted EBIT	70.6	37.3	8.2	-0.6		115.5
Margin (%)	13.9%	13.0%	2.9%	-0.6%		11.3%

Top-line decrease driven by COVID-19 impacts on retail and lower than expected impact of domestic mail volume decline

M&R external operating income, € million



Domestic Mail

Operating income decline at € -3.4m:

- € -1.0m working days impact,
- € -21.5m volume (-7.8% underlying volume decline)
- € +19.1m from price and mix impact.

1 2 3

Transactional

-9.6% underlying volume decline against -8.8% in 1Q20, slightly supported by COVID-19 communication in Mar-21.

No change in known structural trends of continued e-substitution, higher acceptance of e-documents at the receivers' side and digitization of C2B communication through mobile apps.

1

Advertising

-5.4% underlying volume decline against softer comparable base in Mar-20:

- -22.4% YTD Feb-21, against tough comparable base of -3.9% from pre COVID-19 months.
- +41.1% Mar-21, better than Mar-20 at -39.4% from COVID-19 ban on promotions and non-essential retail closure during lockdown of Mar-20.

2

Press

-1.0% underlying volume decline, benefiting from a good performance in Periodicals.

3

Proximity and convenience retail network

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

Decline in banking & finance revenues due to the low interest rate environment and less ATM transactions.

4

Value added services

Higher revenues from fines solution which were negatively impacted during lockdown of Mar-20.

5

EBIT increase driven by high parcel volumes handled through the mail network and lower than expected impact of mail decline

1Q21 – M&R

€ million

Mail & Retail	1Q20	1Q21	% ↑
External operating income	457.8	446.9	-2.4%
Transactional	193.3	190.2	-1.6%
Advertising	47.8	47.6	-0.4%
Press	86.1	86.0	-0.1%
Proximity and convenience retail network	103.1	94.9	-7.9%
Value added services	27.5	28.2	2.7%
Intersegment operating income	42.2	59.9	41.8%
Total operating income	500.0	506.8	1.4%
Operating expenses	413.8	414.6	0.2%
EBITDA	86.1	92.2	7.1%
Depreciation & Amortization	21.6	22.0	2.1%
Reported EBIT	64.6	70.2	8.7%
Margin (%)	12.9%	13.9%	
Adjusted EBIT	65.2	70.6	8.4%
Margin (%)	13.0%	13.9%	
Additional KPIs			
Underlying Mail volume decline	-9.9%	-7.8%	
Transactional	-8.8%	-9.6%	
Advertising	-16.5%	-5.4%	
Press	-5.2%	-1.0%	

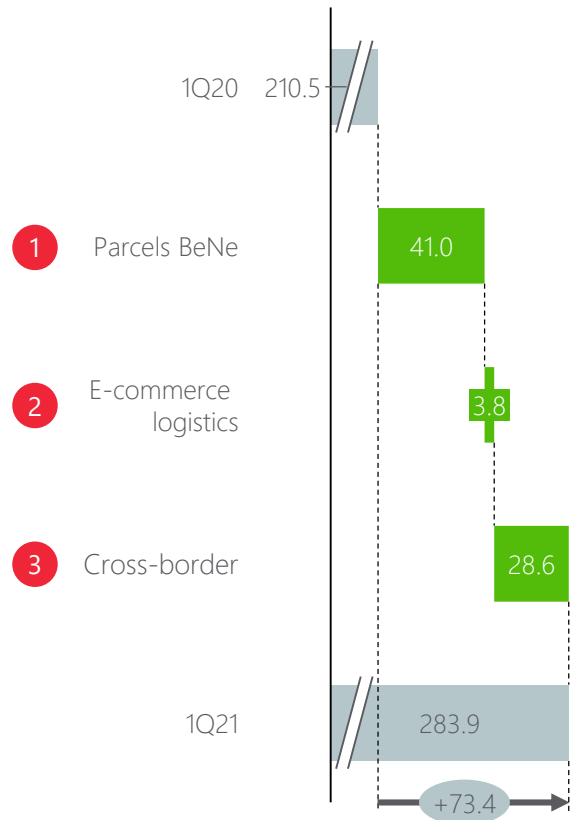
Key takeaways 1Q21

- Total operating income up € +6.8m (+1.4%) driven by (1) higher intersegment operating income related to higher parcels volumes, partially compensated by (2) lower Ubiway retail revenues and (3) lower than expected impact of mail volume decline combined with price increases and mix impact.
- Operating expenses (incl. adjusted D&A) remained nearly stable (€ -1.3m or +0.3%):
 - Higher payroll & interim costs driven by (1) headcount from higher parcel volumes and (2) price impact amongst other from salary indexation, merit increases and phasing holidays; together with higher costs for fleet and lower recoverable VAT
 - Compensated by the favourable evolution of the FTE wage mix, the decrease of material costs from Ubiway retail and increased sorting activities cross-charged to PaLo Eurasia driven by growth in parcel volumes handled through the mail network.
- M&R adjusted EBIT increased by € +5.5m to € 70.6m

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

1Q21 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Total Parcels BeNe revenues up € 41.0m (+39.2%) driven by growth in Parcels B2X and strong quarter at Dynalogic.

Parcels B2X¹ revenues up 51.0% driven by volume growth of +54.1% fueled by thriving online sales.

Negative price/mix -3.1% fully mix-driven.

1

E-commerce logistics

Revenue up € +3.8m (+9.6%) mainly driven by:

- Strong organic growth at Active Ants from existing customers and positive impact of lockdown and closure of non-essential retail shops in NL.
- Radial Europe growth driven by UK and the new fulfilment site in Poland which opened in 3Q20. Opening of the third site in DE in February 2021.

2

Cross-border

Revenue up € +28.6m (+43.1%) driven by:

- Asian parcel volumes via rail transport of containers as an alternative to air freight, while COVID-19 reduced air freight capacity and closure of international borders had a negative impact in 1Q20.
- Continued growth in UK business driven by new customers, and higher custom service revenues in light of Brexit.
- 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 Parcels B2X sales and volumes do not include EuroSprinters and Dynagroup

Strong growth in parcels efficiently handled through the mail network doubled EBIT and steeply improved margin

1Q21 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	1Q20	1Q21	% ↑
External operating income	210.5	283.9	34.9%
Parcels BeNe	104.7	145.7	39.2%
E-commerce logistics	39.3	43.1	9.6%
Cross-border	66.5	95.1	43.1%
Intersegment operating income	3.0	3.9	29.0%
Total operating income	213.5	287.8	34.8%
Operating expenses	192.2	245.5	27.8%
EBITDA	21.3	42.3	98.5%
Depreciation & Amortization	5.1	5.7	11.3%
Reported EBIT	16.2	36.6	126.1%
Margin (%)	7.6%	12.7%	
Adjusted EBIT	16.9	37.3	121.2%
Margin (%)	7.9%	13.0%	
Additional KPIs			
Parcels volume growth ¹	25.2%	54.1%	

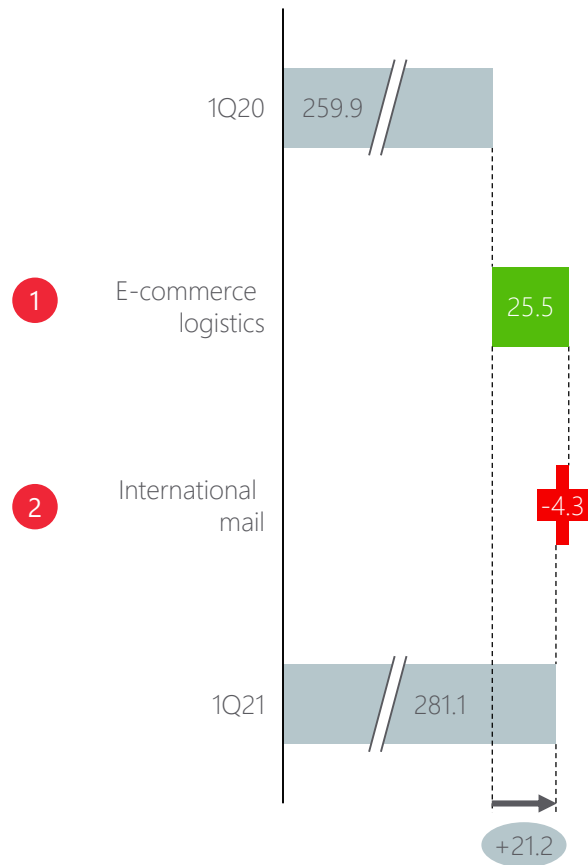
Key takeaways 1Q21

- Total operating income up € +74.3m or +34.8% driven by positive revenue development in all revenue lines, especially Parcels BeNe (€ +41.0m, +39.2%) and Cross-border (€ +28.6m, +43.1%).
- Operating expenses (incl. adjusted D&A) were up € -53.9m (+27.4%), mainly explained by higher volume-linked variable costs translating into higher transport and parcels insurance costs across all the business lines. PaLo EA recorded higher intersegment operating expenses charged by M&R driven by strong parcels volumes growth in the integrated last-mile mail & parcels network.
- Adjusted EBIT increased by € +20.4m, more than doubling to reach € 37.3m. The steep margin development is explained by the strong growth in parcels volumes handled through the integrated network with benefits of scale of the existing rounds.

¹ 1Q20 restated to reflect Parcels B2X volume growth

Robust and profitable e-commerce fulfilment growth at PaLo North America

PaLo North America external operating income, € million



E-commerce logistics

YoY increase of +10.7% (+20.4% at constant exchange rate). Revenue increase mainly driven by Radial North America recording continued high growth from existing customers (+25.6%) and of new clients launched in 2020, partly offset by some client churn. Landmark US, Apple Express and FDM recorded strong volumes from existing and new customers fueled by e-commerce development YoY.

1

International mail

Revenue decline (-19.4%, or -11.8% at constant exchange rate) driven by lower volumes in the business mail segment, partially compensated by higher domestic parcels revenues.

2

Sharp EBIT increase driven by Radial North America

1Q21 – PaLo N. Am.

€ million

Parcels & Logistics North America	1Q20	1Q21	% ↑
External operating income	259.9	281.1	8.2%
E-commerce logistics	238.0	263.5	10.7%
International mail	21.9	17.7	-19.4%
Intersegment operating income	1.4	0.9	-31.8%
Total operating income	261.3	282.1	7.9%
Operating expenses	250.9	256.7	2.3%
EBITDA	10.4	25.4	143.7%
Depreciation & Amortization	21.2	19.2	-9.2%
Reported EBIT	-10.8	6.2	-
Margin (%)	-4.1%	2.2%	
Adjusted EBIT	-7.4	8.2	-
Margin (%)	-2.8%	2.9%	
Additional KPIs, adjusted			
Radial North America revenue, \$m	215.1	247.1	
Radial North America EBITDA, \$m	4.1	17.4	
Radial North America EBIT, \$m	(12.9)	0.0	

Key takeaways 1Q21

- Total operating income increase of € +20.8m or +7.9% (+17.4% at constant exchange rate) fully driven by E-commerce logistics.
- Operating expenses (incl. adjusted D&A) increased by € -5.1m (+1.9%, or +10.9% excl. FX) resulting from higher, mainly volume-driven labor costs, transports costs and credit card fees. These effects were partly compensated by reduced fraud chargebacks, productivity gains in fulfilment and cost containment in general.
- Adjusted EBIT up € +15.7m to € 8.2m driven by positive evolution in E-commerce logistics, mainly from operating leverage at Radial.

Corporate EBIT almost neutral as building sales compensate net costs

1Q21 – Corporate

€ million

Corporate	1Q20	1Q21	% ↑
External operating income	6.4	7.9	24.3%
Intersegment operating income	90.4	102.6	13.5%
Total operating income	96.8	110.6	14.2%
Operating expenses	77.5	93.3	20.3%
EBITDA	19.3	17.3	-10.3%
Depreciation & Amortization	18.3	17.9	-1.7%
Reported EBIT	1.0	-0.6	-
Margin (%)	1.1%	-0.6%	
Adjusted EBIT	1.0	-0.6	-
Margin (%)	1.1%	-0.6%	

Key takeaways 1Q21

- External revenues up € +1.6m driven by higher building sales.
- Net operating expenses (incl. D&A) after intersegment operating income increased by € -3.2m mainly driven by a phasing impact related to long-term employee benefits.
- As a result, adjusted EBIT decreased by € -1.7m YoY to € -0.6m.

Solid cash flow from operating activities before SGEI payment calendar and unwinding of temporary pandemic-related initiatives

1Q21

Reported - € million

	1Q20	1Q21	Delta
+ Cash flow from operating activities	203.6	157.1	-46.6
out of which CF from operating activities before Δ in WC & provisions	137.7	165.1	27.4
+ Cash flow from investing activities	-9.4	-9.7	-0.3
= Free cash flow ¹	194.2	147.4	-46.8
+ Financing activities	-26.6	-193.5	-166.9
= Net cash movement	167.6	-46.1	-213.7
Capex	-20.5	-19.6	0.9

CF from operating activities

€ +27.4m variance in "CF from operating activities before change in working capital and provisions", mainly due to higher EBITDA (€ +40.1m) combined with increased tax payments (€ -11.4m).

Change in working capital and provisions (€ -73.9m) of which:

- € -109.6m evolution of working capital: primarily driven by the expected unwinding of extended payment terms with some suppliers as initiated at the beginning of the pandemic (€ -59.2m), combined with the different payment schedule of SGEI (€ -80.5m received last year in January and which is now scheduled in July this year), and partially offset by increased collections in line with high sales peak in the fourth quarter of 2020.
- Partly compensated by more cash inflows relating to collected proceeds due to clients in Radial: € +39.3m due to higher level of merchandise sales
- € -3.6m change in provisions

CF from investing activities

Proceeds from building sales: € -1.1m vs 1Q20

Capex at € 19.6m decreased by € +0.9m vs 1Q20 and was mainly spent on increased capacity for E-commerce on customer implementations at Radial US, additional sites for Active Ants, Parcels B2X sorting equipment and sustainability initiatives for e-fleet infrastructure.

A great majority of 1Q21 capex is invested in e-commerce and parcels activities.

CF used for financing activities

Decision not to roll over maturing commercial paper in 2021: € -165.7m

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

Increased 2021 group EBIT outlook

Outlook FY21

In light of the strong first quarter results, and based on current assumptions of normalization for COVID-19 volumes for the rest of the year, bpost now expects the group adjusted EBIT to be above € 310m

Mail & Retail

Total operating income:

- Underlying Domestic Mail volume decline up to -8%
- Approved mail pricing of +6.0%
- Expected post COVID-19 recovery in VAS

7-9% adjusted EBIT margin

Parcels & Logistics Europe & Asia

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

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

9-11% adjusted EBIT margin

Parcels & Logistics North America

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

4-5% adjusted EBIT margin

Group

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

Adjusted EBIT above € 310m

Gross capex around € 200-220m, geared towards the 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

Clear management priorities to accelerate transformation and deliver results

Management

Preparation of the end of year (EOY) peak

- Plan Q4 2021 in Q1 and Q2 2021
- Adopt measures to improve margin and capacity against last year's EOY peak of performance, combined with budgeted investments in additional capacity, all as included in our updated guidance

Introduce structural initiatives to improve performance and profitability

- Focus on cost reduction and operational efficiency in Mail & Retail Belgium
- Reduce overhead and headquarters costs
- Grow e-commerce logistics on both sides of the Atlantic
- Conduct active portfolio management and allocate capital to booming e-commerce business

The new Board of Directors is in place and the selection of the new CEO has been accelerated



Composition of the Board of Directors

- The Board of Directors includes a new Board chairwoman, new independent members, and one State director
- The new Board members will further strengthen bpost's experience in transforming businesses, innovation and people management



Accelerated selection of the new CEO

- The Board of Directors has accelerated the search and selection process for the new bpost CEO
- The Remuneration Committee, assisted by Korn Ferry, is aligned on the CEO profile and meets weekly to ensure a solid profile
- We expect to onboard the CEO during the summer

bpost Board of directors (as of 12 May, 2021)

Audrey Hanard
Chairperson

Jos Donvil
Non-Executive Director (renewal)

Ray Stewart
Independent Director

Caroline Ven
Non-Executive Director

Michael Stone
Independent Director

Laurent Levaux
Non-Executive Director

Jules Noten
Independent Director (new)

Mohssin El Ghabri
Non-Executive Director (new)

Sonja Rottiers
Independent Director (new)

Additional
info



Balance Sheet

1Q21

€ million

Assets	Dec 31, 2020	Mar 31, 2021
PPE	1,138.0	1,145.9
Intangible assets	771.7	790.4
Investments in associates and joint ventures	0.1	0.1
Other assets	54.1	51.7
Trade & other receivables	826.6	670.8
Inventories	32.7	31.6
Cash & cash equivalents	948.1	911.2
Assets held for sale	103.3	100.5
Total Assets	3,874.5	3,702.3

€ million

Equity and Liabilities	Dec 31, 2020	Mar 31, 2021
Total equity	583.8	692.9
Interest-bearing loans & borrowings	1,443.2	1,299.4
Employee benefits	320.0	318.4
Trade & other payables	1,487.0	1,333.5
Provisions	27.0	24.3
Derivative instruments	0.3	0.3
Other liabilities	13.2	33.5
Total Equity and Liabilities	3,874.5	3,702.3

Main balance sheet movements

The decrease of trade and other receivables is mainly driven by the settlement of the SGEI for the delivery of newspapers and periodicals for the year 2020 and the peak sales of year-end 2020.

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

The increase of equity was mainly explained by the realized profit of (€ +80.6m) and the exchange differences on translation of foreign operations (€ +28.1m).

The decrease of interest-bearing loans and borrowings was mainly due to the decision to reimburse the maturing commercial paper during the first quarter 2021 (€ -165.0m), partially compensated by the increase of leases and the unfavorable impact of exchange rates.

Net debt decreased by € 106.9m in 1Q21, from € 495.2m to 388.3m.

Trade and other payables decreased mainly due to the phasing of year-end peak 2020 and the unwinding of some temporary initiatives set up in the context of the pandemic, partially offset by the advance received of the SGEI compensation for the delivery of newspapers and periodicals.

Financing Structure & Liquidity

1Q21

€ million

Available Liquidity	Dec 31, 2020	Mar 31, 2021
Cash & cash equivalents	948.1	911.2
Cash in network	167.2	163.2
Transit accounts	32.2	59.0
Cash payment transactions under execution	-30.9	-10.5
Bank current accounts	574.6	469.6
Short-term deposits	205.0	230.0
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	1,323.1	1,286.2

Liquidity: Cash & Committed credit lines

Total available liquidity on March 31, 2021 consisted out of € 911.2m cash & cash equivalents of which € 699.6m 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.

€ million

External Funding	Dec 31, 2020	Mar 31, 2021
Long-term		
Long-term bond ¹ (1.25% - 07/2026)	650.0	650.0
Bank loans	159.9	166.9
Amortizing Loan (€ 100m) - 12/2022	9.1	9.1
Term Loan (\$ 185m) - 07/2023	150.8	157.8
Short-term		
Bank loans: Amortizing Loan (€ 100m) - 12/2022	9.1	9.1
Commercial Papers	165.1	0.0
Total External Funding	984.1	826.0

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

Out of € 826.0m external funding on balance sheet on March 31, 2021:

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

¹ € 650m long-term bond with a carrying amount of € 643.9m, the difference being the re-offer price and issuance fees.

Key contact



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