First quarter 2023 results Analyst call

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bpostgroup
You make us move

Investor presentation

Interim financial report 1Q23

1Q23

Financial Calendar

10.05.2023
Ordinary General Meeting of Shareholders

18.05.2023
Ex-dividend date

22.05.2023
Payment date

03.08.2023 (17:45 CET)
Quarterly results 2Q23

More on bpostgroup.com/investors

Disclaimer

This presentation is based on information published by bpost group in its First Quarter 2023 Interim Financial Report, made available on May 4th, 2023 at 5.45pm CET on bpostgroup.com/investors. This information forms regulated information as defined in the Royal Decree of November 14th, 2007. The information in this document may include forward-looking statements[1], 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. This material is not intended as and does not constitute an offer to sell any securities or a solicitation of any offer to purchase any securities.

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

Compliance review of services provided to the Belgian State

Preliminary findings and impacts	• bpostgroup decided to extend the compliance review of the press concessions to other tenders and public contracts with the Federal Government. Preliminary results of ongoing reviews revealed that (i) margins on certain services provided to the Belgian State may not be acceptable under applicable Laws and (ii) certain of those services may not have been awarded in accordance with applicable Laws, leading bpostgroup to withdraw its FY23 EBIT guidance of € 240-260m. • Pending further legal and financial analysis, preliminary estimates indicate a negative adjusted EBIT impact of € 25-50m on the FY23 guidance, in relation to the performance of these services in 2023. 1Q23 results include ¼ of the lower end of this range (i.e. a € -6.25m revenue impact recognized at Belgium). • bpostgroup is currently not able to provide more information on the impact in relation to past revenues and has no visibility on when any possible cash outflows may occur in this respect, pending further legal and financial analysis.

Services in scope

(€ 104m of revenues in 2022)

Traffic fines

- Handling of financial and administrative processing of traffic fines
- Origins in 4th Management Contract (2006), evolving in deepening convention with Federal Public Service (FPS) Justice since 2017
- Tender for future contract announced but not yet initiated

679 bank accounts

- Provision and management of the payment account system for the federal authority and provision of payment services. Service provided to >200 public institutions (since 1912 without tendering procedures)
- Contract with FPS Finances extended and approved in June '22 for 2023-2024
- bpost selected in March '23 to participate in tender process

European License Plates

- Concessions of public services for the manufacturing and delivery of ELP and associated documents
- 2 successive contracts awarded following tenders by FPS Mobility & Transport (2010-2018 and 2019-2024 with optional 1y extension)

Under review

Depending on the contracts in scope: applicable regulatory framework (e.g. State Aid rules), tender processes, costs related to the services, amount of the margins acceptable under applicable laws, revenues charged for the relevant services, and duration of the relevant services

Update on Press Concessions

2023 concession	• In November, the existing concession (2016 – 2020) was further extended to end 2023 at the same terms as in previous years. The process of submission of the extension to the European Commission for approval under State aid rules is progressing, following the standard process.
Potential impact of investigation	• The ongoing investigation of the Belgian Competition Authority (BCA) continues. Subject to further findings of the BCA investigation, the risk of the imposition of a fine is currently still assessed as possible but not probable. • The Belgian Government announced its intention to conduct a governmental audit into the compensation for the current press concession. Whilst the costs associated with the service were reviewed and scrutinized on an ex-ante basis in the context of the European Commission's State Aid review and on an ex-post basis by the College des Commissaires as part of the annual approval of the accounts, bpost is currently unable to assess the risks associated with this audit and its potential findings given that the audit is yet to start and bpost has not been made aware of its scope. Any findings of over-compensation could inter alia lead to a claim for reimbursement of a part of the revenues charged for the service. • Considering the self-cleaning measures taken, it is probable that contracting authorities will consider that bpost has demonstrated its reliability and will therefore allow bpost to participate in ongoing and future tendering procedures.
2024 and beyond	• The government launched a new tender for the period 2024-2028, with a reduced budget of € c.125m and adapted specifications. • Submission deadline on June 8, 2023 and an award decision is to be expected prior to the end of 2023. • bpost is currently assessing the RFP and its requirements and whether an offer can be submitted that is financially sound. Any such offer would be subject to the customary approval process. bpost judges itself well-placed to win such a tender process.

Highlights of 1Q23

1Q23

Performance slightly exceeding plan. Challenging macro-economic conditions mitigated by strong parcels volumes, price increases and continued focus on productivity and cost control.

Group operating income

€ 1,048.9m

+1.0% vs. 1Q22

Group adjusted EBIT

€ 77.6m

7.4% EBIT margin

-16.5% vs. 1Q22

Belgium

€ 63.7m

11.2% EBIT margin

- Total operating income at € 566.4m (+3.5%[1])
  - underlying mail volume decline of -8.8% nearly offset by positive price/mix impact
  - parcels volumes +9.1% and price/mix impact of +4.9%
  - € -6.25m revenue impact from preliminary findings of compliance review of services provided to the Belgian State
- OPEX increase (+6.6% [1]) driven by annual impact of 6 salary indexations, mitigated by FTE reduction

E-Logistics Eurasia

€ 7.8m

4.7% EBIT margin

- Total operating income at € 165.9m (+15.3%)
  - continued expansion of Radial EU and Active Ants (+19.6%)
  - cross-border sales increase supported by recent customer wins in Asia and IMX integration
- OPEX increase (+18.4%) from (i) higher transport costs in line with volume development and IMX integration and (ii) higher payroll costs and (iii) expansion-related expenses

E-Logistics N. Am.

€ 15.1m

4.4% EBIT margin

- Total operating income at € 338.6m (-1.4% or -5.5% excl. FX), reflecting lower volumes at Radial and Landmark US (Amazon insourcing)
- Lower OPEX (-2.6% or -6.4% excl. FX) from continued strong variable labor management and productivity gains

Stable EBIT and profitability despite adverse market conditions

[1] Excluding impact of Ubiway Retail (UBR) sold on February 28th, 2022 - When including deconsolidation impact: -0.4% in Total operating income and +2.0% in OPEX

Key financials 1Q23

1Q23

€ million	Reported		Adjusted[1]		
	1Q22	1Q23	1Q22	1Q23	Δ %
Total operating income	1,038.5	1,048.9	1,038.5	1,048.9	1.0%
Operating expenses	878.1	898.1	878.1	898.1	2.3%
EBITDA	160.4	150.8	160.4	150.8	-6.0%
Depreciation & Amortization	70.4	(1) 76.4	67.4	(1) 73.2	8.6%
EBIT	90.0	74.4	93.0	77.6	-16.5%
Margin (%)	8.7%	7.1%	9.0%	7.4%	
Financial result	-5.0	(2) -9.6	-5.0	(2) -9.6	89.7%
Profit before tax	85.0	64.9	87.9	68.0	-22.6%
Income tax expense	23.7	(1) 19.0	24.4	(1) 19.8	-19.0%
Net profit[2]	61.3	45.9	63.5	48.3	-24.0%
FCF	289.0	(3) 176.3	290.3	(3) 216.0	-25.6%
Net Debt at March 31	281.6	304.3	281.6	304.3	8.1%
Capex	26.5	56.4	26.5	56.4	113.1%
Average # FTEs and interims	37,819	36,768	37,819	36,768	-2.8%

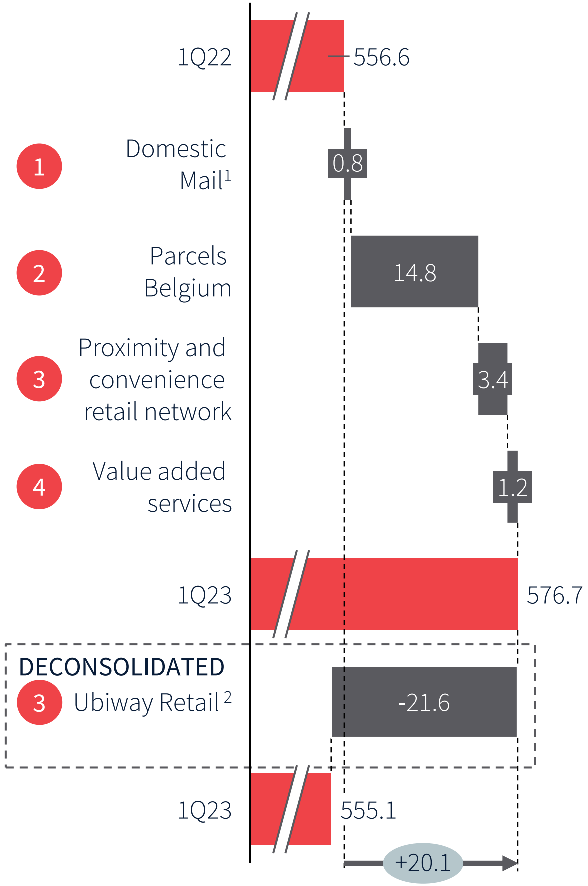
1. Amortization and impairments of intangibles recognized during PPA are adjusted, leading to increase in EBIT (€ +3.2m) and income tax (€ +0.8m)
2. Higher financial costs from non-cash financial charges related to IAS 19 employee benefits and FX impacts
3. Adjusted FCF excludes the cash Radial receives on behalf of its customers for performing billing services

[1] Unaudited figures

You make us move.

Strong Parcels momentum in a challenging market
Mail pricing mitigating volume decline

Belgium revenues, € million



Domestic Mail

Stable operating income from:

- € -28.1m volume (-8.8% underlying volume decline against -5.4% in 1Q22)
- € +25.0m price/mix impact
- € +3.9m from integration of Aldipress[2] on Sept. 30, 2022

In Transactional Mail:

- No support from COVID-19 communication in 1Q23 (est. € 5m in 1Q22)

In Advertising Mail:

- Continued market pressure further reinforced by a customer bankruptcy

1

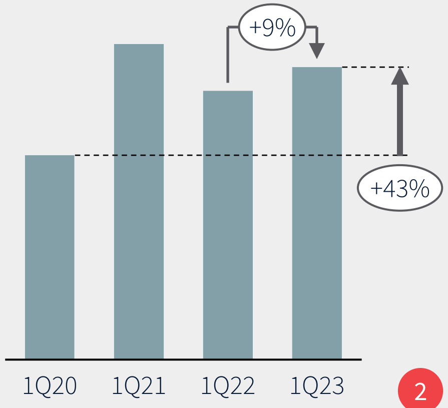
Parcels Belgium

Parcels Belgium revenues up € +14.8m (+13.9%):

- Parcels volume growth of +9.1%

  Supported by (i) Commercial Hunting Plan '22 and (ii) phasing out of Amazon's insourcing in Feb. '23 (+2.6% in 1Q23)

- Price/mix of +4.9%



Parcel volume trends

2

Proximity and convenience retail network

Revenues up € +3.4m (+4.9%) mainly from indexation of Mgt. Contract, excl. deconsolidation of Ubiway[3]

3

Value added services

Higher revenues from fines solution

4

[1] Domestic mail is the sum of Transactional, Advertising and Press [2] Aldipress impact excluded from volume trend [3] deconsolidation impact of Ubiway Retail as of March 1st, 2022 (1Q22: €21.6m)

Top-line growth and continued productivity improvement partly mitigate inflation of payroll costs

1Q23 – Belgium

€ million

Belgium	1Q22	1Q23	Δ %
Transactional	194.7	195.1	0.2%
Advertising	48.0	45.3	-5.6%
Press	85.7	88.8	3.6%
Parcels Belgium	106.0	120.8	13.9%
Proximity and convenience retail network	90.8	72.6	-20.1%
Value added services	31.3	32.5	3.8%
Intersegment and other	12.3	11.4	-7.9%
Total operating income	568.9	566.4	-0.4%
Operating expenses	472.4	481.8	2.0%
EBITDA	96.5	84.7	-12.3%
Depreciation & Amortization	21.6	21.2	-2.0%
Reported EBIT	74.9	63.5	-15.2%
Margin (%)	13.2%	11.2%	
Adjusted EBIT	75.1	63.7	-15.2%
Margin (%)	13.2%	11.2%	
Additional KPIs			
Underlying Mail volume trend	-5.4%	-8.8%	
Transactional	-5.8%	-9.9%	
Advertising	-2.3%	-11.8%	
Press - excl. Aldipress	-7.1%	-9.5%	
Parcels B2X volume trend	-14.8%	+9.1%	

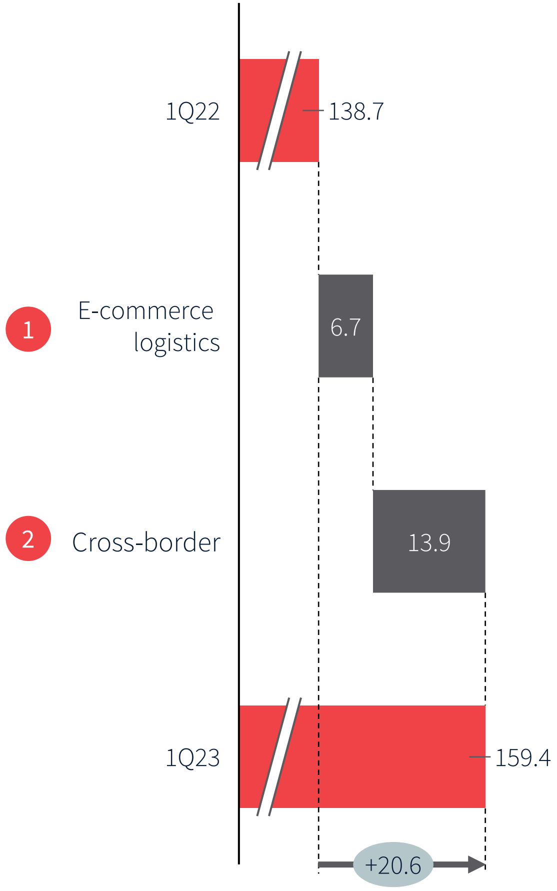
Key takeaways 1Q23

- € -6.25m impact in other operating income, reflecting preliminary findings of compliance review of services provided to the State
- Total operating income up € +19.1m (+3.5%) excluding Ubiway Retail (UBR) deconsolidation[1]
- Operating expenses (incl. adjusted D&A) excluding UBR deconsolidation[1] increased by € 30.5m (+6.5%):
  - higher payroll cost per FTE (+11.1% from 6 salary indexations) partially compensated by -2.0% less FTEs (~ -480 FTEs y/y, excl. UBR), reflecting continued execution of management actions and higher parcel volumes
  - other inflation-driven cost increases (e.g. energy, rent)

[1] deconsolidation impact of Ubiway Retail as of March 1st, 2022. No significant EBIT impact. Total operating income 1Q22: € 21.6m; adj. Operating expenses and D&A 1Q22: € 22.0m

Continued growth at Radial Europe and Active Ants and higher cross-border revenues from recent customer wins and IMX integration

E-Logistics Eurasia revenues, € million



E-commerce logistics

Revenues up € +6.7m (+10.3%):

- Radial Europe and Active Ants revenue growth of +19.6% reflecting higher sales from existing customers and new customer onboardings
- Lower volumes at DynaLogic offset by price indexations across all Dyna lines and more devices to be repaired at DynaFix/Sure

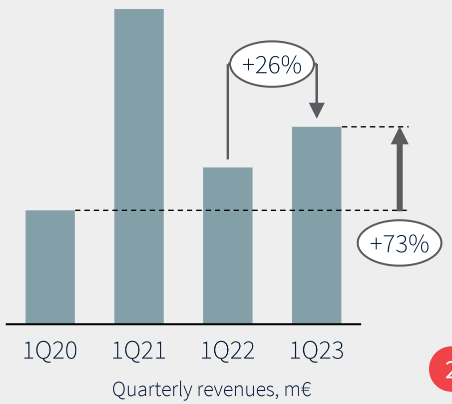
1

Cross-border

Revenues up € +13.9m (+18.9%) mainly from:

- IMX consolidation as from July '22
- Recent customer wins in Asia offsetting softer underlying trends

Asia cross-border



2

You make us move.

Top-line growth offset by higher payroll costs and expansion-related expenses

1Q23 – E-Log. Eurasia

€ million

E-Logistics Eurasia	1Q22	1Q23	Δ %
E-commerce logistics	65.2	71.9	10.3%
Cross-border	73.5	87.4	18.9%
Intersegment and other	5.2	6.6	27.5%
Total operating income	143.9	165.9	15.3%
Operating expenses	127.4	150.8	18.4%
EBITDA	16.5	15.1	-8.1%
Depreciation & Amortization	6.7	8.2	22.3%
Reported EBIT	9.7	6.9	-29.1%
Margin (%)	6.8%	4.2%	
Adjusted EBIT	10.5	7.8	-25.7%
Margin (%)	7.3%	4.7%	

Key takeaways 1Q23

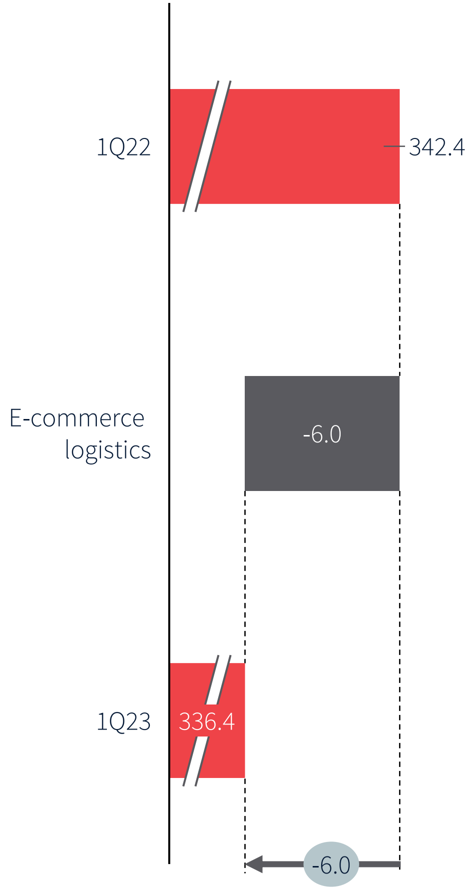
- Total operating income up € +22.0m (+15.3%)
- Operating expenses (incl. adjusted D&A) increased by € 24.7m (+18.5%), mainly explained by:
  - higher transport costs in line with higher E-commerce logistics and Cross-border activities (incl. IMX integration)
  - higher payroll costs from inflation and E-commerce logistics expansion
- Sequential EBIT margin improvement vs. 3Q/4Q22 (2.8% and 3.1% respectively)

You make us move.

Revenue development impacted by economic softness, market over-capacity and Amazon insourcing

1Q23 – E-Log. N. Am.

E-Logistics N. America revenues, € million



E-commerce logistics

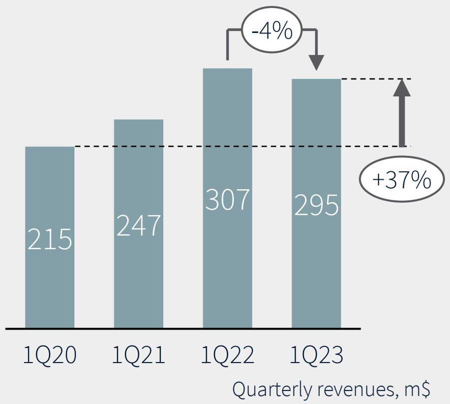
Revenues down € -6.0m (-1.7% or -5.8% at constant exchange rate)

Lower revenues at Radial (-4.1% excl. FX) resulting from:

- contribution of new customer launches and slightly higher sales from existing customers, offset by
- revenue churn from terminated contracts announced in 2022

Lower revenues at Landmark US reflecting Amazon's insourcing and general price pressure

Radial NA revenues (m$) in perspective



Radial NA revenues of 1Q23:

- -4% vs. 1Q22,
- +19% vs. 1Q21,
- +37% against pandemic 1Q20, from structural e-com logistics growth and expansion plan

Resource alignment and productivity gains protect margins in challenging market conditions

1Q23 – E-Log. N. Am.

€ million

E-Logistics North America	1Q22	1Q23	Δ %
E-commerce logistics	342.4	336.4	-1.7%
Intersegment and other	1.1	2.2	101.8%
Total operating income	343.5	338.6	-1.4%
Operating expenses	306.6	298.6	-2.6%
EBITDA	36.9	40.0	8.6%
Depreciation & Amortization	23.8	27.2	14.1%
Reported EBIT	13.1	12.9	-1.5%
Margin (%)	3.8%	3.8%	
Adjusted EBIT	15.2	15.1	-0.7%
Margin (%)	4.4%	4.4%	
Additional KPIs, adjusted			
Radial North America revenue, $m	307.3	294.7	-4.1%
Radial North America EBITDA, $m	26.8	31.2	16.5%
Radial North America EBIT, $m	6.1	9.2	51.4%

Key takeaways 1Q23

- Total operating income down € -4.9m (-1.4%, or -5.5% excl. FX)
- Operating expenses (incl. adjusted D&A) down € -4.8m (-1.5% or -5.4% excl. FX) resulting from:
  - lower variable opex in line with revenue development
  - continued strong variable labor management and productivity gains, further supported by favorable wage rate impact
  - -2.3% FTE reduction in overhead
- Stable EBIT and preserved margin despite market conditions marked by over-capacity and economic softness

Continued FTE reduction mitigates the cost pressures

€ million

Corporate	1Q22	1Q23	Δ %
External operating income	0.8	2.5	223.4%
Intersegment operating income	100.2	107.3	7.0%
Total operating income	101.0	109.8	8.7%
Operating expenses	90.5	98.8	9.2%
EBITDA	10.5	11.0	4.3%
Depreciation & Amortization	18.3	19.8	8.6%
Reported EBIT	-7.7	-8.9	
Margin (%)	-7.7%	-8.1%	
Adjusted EBIT	-7.7	-8.9	
Margin (%)	-7.7%	-8.1%	

Key takeaways 1Q23

- External revenues up € +1.8m mainly from building sales
- Higher operating expenses (€ +9.9m or +9.1%, incl. D&A) reflecting amongst others inflationary pressure on payroll costs (+11.1% from 6 salary indexations) mitigated by continued efforts on overhead reduction (-5.9% FTEs)
- Adjusted EBIT down € -1.1m at € -8.9m

Positive change in working capital offsets last year' sale of bpost bank. Capex in line with guidance.

1Q23

€ million - Adjusted

	1Q22	1Q23	Δ	
Cash flow from operating activities before Δ in WC and provisions	177.9	149.9	-28.0	1
Change in working capital and provisions	-4.4	120.4	124.8	2
Cash flow from operating activities	173.5	270.3	96.7	
Cash flow from investing activities	116.7	-54.3	-171.0	3
Free cash flow	290.3	216.0	-74.2	
Cash flow from financing activities	-31.5	-34.0	-2.5	4
Net cash movement	258.8	182.0	-76.8	
Capex	26.5	56.4	29.9	

Adjusted vs. Reported Cash Flow Statement in appendix

CF from operating activities

1 Lower operating activities before change in working capital and provisions

2 € +124.8m variation in working capital evolution and provisions mainly driven by:

- Different payment schedule of SGEI compensation as per 7th Management Contract
- Lower peak expenses in 2022 compared to 2021
- Partially offset by the deferral into 1Q23 of the 4Q22 payments of the withholding tax on payroll (€ 30.6m), as granted by the Belgian government in the context of the energy crisis

3 CF from investing activities

Disposal of bpost bank and Ubiway Retail in 1Q22 (€ +141.8m, out of which € 25.0m from bpost bank' shareholder loan repayment)

CAPEX of € 56.4m in 1Q23, up € +29.9m and reflecting the purchase of two logistics sites for Radial US, in line with CAPEX guidance

4 CF from financing activities

Mainly driven by payments related to lease liabilities and interests on borrowings

You make us move.

EBIT guidance withdrawn despite strong performance in 1Q23

Outlook FY23

Ongoing process to get clear and exhaustive view of the financial impacts to reinstate as soon as possible an updated guidance for 2023

- On February 23, 2023 bpostgroup presented its financial guidance for 2023 with an adjusted EBIT expected to range between €240-260m
- The operational performance of the first quarter slightly outperformed the initial plan, and underlying operational parameters remain globally intact. Sales, pricing, cost and productivity levers remain key to face market pressures and the bpostgroup transformation continues as planned.
- Following preliminary results of the compliance review of services provided to the Belgian State, bpostgroup had to withdraw its annual guidance on April 24, 2023. Pending further legal and financial analysis:
    - preliminary estimates indicate a negative adjusted EBIT impact of €25-50m for 2023, in relation to the performance of these services in '23
    - bpostgroup is currently not able to provide more information on the impact in relation to past revenues and has no visibility on when any possible cash outflows may occur in this respect
- bpostgroup strives to get as soon as possible a clear and exhaustive view of the financial impacts in order to reinstate an updated guidance for 2023. Given the intrinsic specificities of each of the contracts in scope and the nature of the factors under review (see slide 3), the timing of this complex process - which will involve parties external to bpostgroup - remains uncertain. An update will be provided in due course.

Additional info

Adjusted vs. reported Cash Flow Statement

1Q23

€ million	Reported			Adjusted		
	1Q22	1Q23	Δ	1Q22	1Q23	Δ
Cash flow from operating activities before Δ in WC and provisions	177.9	149.9	-28.0	177.9	149.9	-28.0
Change in working capital and provisions	-5.6	80.7	86.3	-4.4	120.4	124.8 (1)
Cash flow from operating activities	172.3	230.6	58.3	173.5	270.3	96.7
Cash flow from investing activities	116.7	-54.3	-171.0	116.7	-54.3	-171.0
Free cash flow	289.0	176.3	-112.7	290.3	216.0	-74.2
Cash flow from financing activities	-31.5	-34.0	-2.5	-31.5	-34.0	-2.5
Net cash movement	257.5	142.3	-115.3	258.8	182.0	-76.8
Capex	26.5	56.4	29.9	26.5	56.4	29.9

Adjustments

1 Change in working capital:

Cash outflow related to collected proceeds due to Radial’s clients was € 38.5m higher (€ 1.2m outflow in 1Q22 against outflow of € 39.7m in 1Q23)

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Balance Sheet

1Q23

€ million

Assets	Dec 31, 2022	Mar 31, 2023
Property, Plant and Equipment	1,398.9	1,420.1
Intangible assets	855.8	834.8
Investments in associates and joint ventures	0.1	0.1
Other assets	52.7	29.0
Trade & other receivables	974.3	765.1
Inventories	24.5	22.9
Cash & cash equivalents	1,051.0	1,189.0
Assets held for sale	1.0	0.8
Total Assets	4,358.3	4,261.8

€ million

Equity and Liabilities	Dec 31, 2022	Mar 31, 2023
Total equity	1,065.4	1,096.7
Interest-bearing loans & borrowings	1,488.2	1,493.1
Employee benefits	244.2	242.8
Trade & other payables	1,520.3	1,384.7
Provisions	26.7	27.0
Derivative instruments	-0.3	-0.2
Other liabilities	13.9	17.5
Liabilites held for sale	0.0	0.0
Total Equity and Liabilities	4,358.3	4,261.8

Main balance sheet movements

Property, plant and equipment increased as the capital expenditure and the increase in the right-of-use assets and leases outpaced the depreciation.

Intangible assets decreased driven by the evolution of the exchange rate (mainly impacting the goodwill in USD) and the depreciation, partially offset by the capital expenditure.

Trade and other receivables decreased driven by the settlement of the press concessions for 2022 and the peak sales of year-end 2022.

The increase in cash and cash equivalents was mainly due to the free cash flow generation of € 176.3m, partially offset by the net cash outflow of financing activities (€ 34.0m).

Equity increased mainly explained by the realized profit, partially offset by the exchange differences on translation of foreign operations.

The decrease of trade & other payables was mainly due to the decrease of social and trade payables, partially offset by the advance payment received for the SGEI compensation and the press concessions. The decrease of the trade payables was mainly a phasing element given the peak season at year-end, whereas the decrease of the social payables was mainly due to the unwinding of the deferred payment of withholding taxes on payroll, a measure granted by the Belgian government in the context of the energy crisis in the fourth quarter of 2022.

Financing Structure & Liquidity

1Q23

€ million

Available Liquidity	Dec 31, 2022	Mar 31, 2023
Cash & cash equivalents	*1,051.0*	*1,189.0*
Cash in network	143.9	144.8
Transit accounts	65.8	42.3
Cash payment transactions under execution	-24.0	-14.6
Bank current accounts	680.6	621.3
Short-term deposits	184.7	395.2
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	1,426.0	1,564.0

€ million

External Funding	Dec 31, 2022	Mar 31, 2023
Long-term	*650.0*	*650.0*
Long-term bond[1] (1.25% - 07/2026)	650.0	650.0
Short-term	*173.4*	*170.1*
Bank loans - Term Loan ($ 185m) - 07/2023	173.4	170.1
Total External Funding	823.4	820.1

Liquidity: Cash & Committed credit lines

Total available liquidity on March 31, 2023 consisted out of € 1,189m cash & cash equivalents of which € 1,016m 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 € 375m.

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

Out of € 820.1m external funding on balance sheet, € 170.1m ($ 185m) needs to be repaid with twelve months

[1] € 650m long-term bond with a carrying amount of € 646m, the difference being the re-offer price and issuance fees.

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