bpost

Investor presentation

Fourth quarter 2019

March 2020

Investor presentation

Fourth quarter 2019

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Financial Calendar

04.05.2020 (17.45 CET)
Quarterly results 1Q20

13.05.2020
Ordinary General Meeting of Shareholders

18.05.2020
Ex-dividend date

20.05.2020
Payment date

More on corporate.bpost.be/investors

Disclaimer

This presentation is based on information published by bpost Group in its Fourth Quarter 2019 Interim Financial Report and in its 2019 Annual Report, both made available on March, 17th 2020 at 5.45pm CET on corporate.bpost.be/investors. This information forms regulated information as defined in the Royal Decree of 14 November 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

Highlights 4Q/FY19
Guidance 2020

Highlights of 4Q19

4Q19

4Q19 fully in line with our expectations

Group operating income

€ 1,113.8m

Group adjusted EBIT

€ 69.2m

6.2% EBIT margin

Mail & Retail

€ 51.5m

9.6% EBIT margin

- Total operating income at € 536.8m (-2.3%) resulting from domestic mail decrease and deconsolidation of Alvadis
- Underlying mail volume decline limited to -5.5% supported by favourable phasing effect in transactional and small growth in advertising mail
- Adjusted EBIT impact (-36.8%) from top-line evolution and higher payroll & project costs

Parcels & Logistics Eurasia

€ 13.9m

5.9% EBIT margin

- Total operating income at € 234.4m. Excluding the net YoY impact of contingent considerations reversals, growth of +8.8% driven by Parcels BeNe (+22.4%)
- Strong organic Parcels BeNe volumes at +24.3% driven by e-commerce growth and DynaLogic
- Adjusted EBIT excluding the elements mentioned above and a goodwill impairment in 4Q18 increased by € 6.6m (+115%) driven by business performance

Parcels & Logistics N. Am.

€ 10.6m

2.7% EBIT margin

- Total operating income at € 395.3m (+3.8%), supported by FX, confirms positive commercial development, partly offset by 2018 customer churn and repricing impact
- TCV at $ 385m above FY target
- Adjusted EBIT mainly impacted by costs related to new client launches

Highlights of FY19

FY19

Results in line with guidance

Topic	Results	Last outlook for 2019	
Group adjusted EBIT	€ 310.8m 8.1% EBIT margin	Adjusted EBIT above € 300m	✓
Mail & Retail	€ 257.4m 12.4% EBIT margin	Adjusted EBIT margin between 11-13%	✓
Parcels & Logistics Eurasia	€ 65.8m 7.9% EBIT margin	Adjusted EBIT margin towards the high end of the 6-8% range	✓
Parcels & Logistics N. Am.	€ -3.0m -0.3% EBIT margin	Adjusted EBIT slightly below break-even	✓
Capex	€ 162.3m	€ 150m - € 185m	✓
Dividend	€ 0.73 gross per share (85% pay-out ratio)	At least 85% of 2019 BGAAP net profit of bpost SA/NV	✓

Outlook for 2020

Outlook FY20

Mail & Retail

Total operating income up to -5%

- -9% to -11% underlying Domestic Mail volume decline
- Approved mail pricing impact of +5.1%

8-10% adjusted EBIT margin

Parcels & Logistics Europe & Asia

Low teens % growth in total operating income

6-8% adjusted EBIT margin

Parcels & Logistics North America

Mid-single-digit % growth in total operating income

Adjusted EBIT margin positive up to 2%

Group

Low single-digit % growth in total operating income

Adjusted EBIT between € 240-270m

Gross capex up to € 200m

Dividend

2020 dividend will depend on the long-term capital allocation policy which is being reviewed by the new CEO and the Board

Corona

We are monitoring closely the potential impact of the COVID-19 virus on bpost Group. It cannot be excluded that there could be negative impacts on 2020 Group results. We are currently not in a position to make more concrete assessments.

bpost Group

at a glance

bpost Group offers a strong investment rationale

at a glance – Group

bpost Group aims at being a responsible company, delivering a sustainable dividend to its shareholders

What?

We continue to transform the mail and proximity business in the home market to sustain solid cashflows

We develop sustainable activities in the high growth e-commerce logistics & parcels business in our Belgium/Netherlands home market and key geographies in Europe and North America

How?

Multiple levers for transformation of the legacy business: natural attrition, alternating distribution model, stable and predictable regulation, network optimization,…

Experienced management team with embedded financial discipline and a strong business transformation track record

Growth in e-commerce logistics & parcels: aspired sizeable share of revenues

A solid balance sheet with single 'A' credit rating

We create value for shareholders

at a glance – Group

Capital allocation and dividend policy are under review

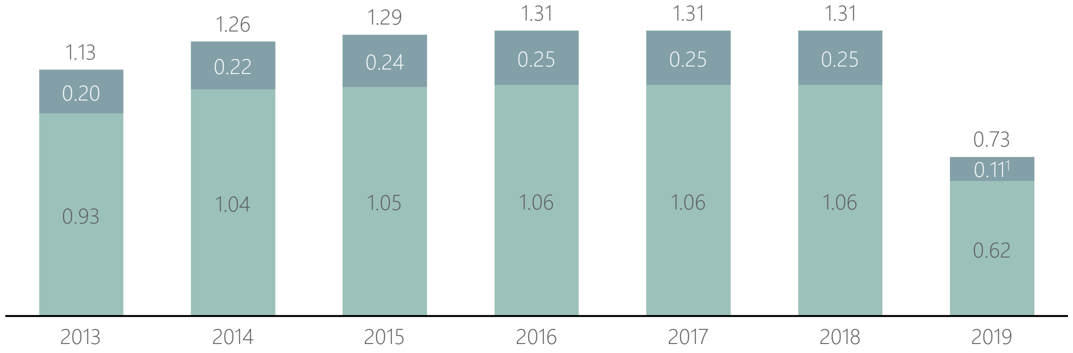
Dividend Policy

- IPO dividend policy until 2019: Minimum of 85% of BGAAP net profit of the mother company bpost SA/NV (unconsolidated)
- Dividend policy as from 2020: Dividend policy will depend on the capital allocation policy which is being reviewed by the management team and the board

Dividend is constrained by net results of a given year (in BGAAP) + distributable reserves

Distributable reserves (€ 199m end 2019)

built gradually as from 2013, primarily to neutralize the non-recurring impact of exceptional costs



Pay-out ratio

2013	2014	2015	2016	2017	2018	2019
91%	85%	90%	85%	90%	100%	85%

Final gross DPS (€)   Interim gross DPS (€)

[1] Proposed final gross dividend per share to be approved by General Meeting of May 13, 2020

A diversified mail operator with a footprint in e-commerce logistics

at a glance – Group

€ 3,837.2m[1]
revenues

€ 310.8m
8.1%
EBIT

€ 537.0m
14.0%
EBITDA

€ 181.2m
net profit

35,377
average
FTE & interims

		Revenues	% of total
Mail & Retail € 1,897m 49%	Transactional mail	€ 748m	19%
	Advertising mail	€ 236m	6%
	Press	€ 344m	9%
	Proximity and convenience retail network	€ 465m	12%
	Value added services	€ 104m	3%
Parcels & Logistics Europe & Asia € 813m 21%	Parcels Be-Ne	€ 381m	10%
	E-commerce logistics	€ 133m	3%
	Cross-border	€ 300m	8%
Parcels & Logistics North America € 1,098m 29%	E-commerce logistics	€ 1,018m	26%
	International mail	€ 87m	2%

2019 figures (adjusted)
[1] 49.4% Mail & Retail, 21.2% Parcels & Logistics Europe & Asia, 28.6% Parcels & Logistics North America and 0.8% Corporate revenue

Long-term vision & strategy

at a glance – Group

"Beyond mail, be an efficient global e-commerce logistics player anchored in Belgium"

1

Mail services to citizens and State remain core and will continue to generate profit with a more adapted distribution model

2

Drive profitable growth in Parcels BeNe and further develop e-commerce logistics in Europe

3

Optimize Radial to deliver in the promising North American e-commerce market

Our experienced management team has responsibilities down to the bottom-line

at a glance – Group

Jean-Paul Van Avermaet
Group CEO

Luc Cloet
CEO Mail & Retail

Kathleen Van Beveren
CEO Parcels & Logistics Europe & Asia

Henri de Romrée
CEO Parcels & Logistics North America

Mark Michiels
CHRO

Leen Geirnaerdt
CFO

Dirk Tirez
CLO

Nico Cools
CIO

Sustainability is at the heart of our activities

3-pillar CSR strategy linked to United Nations

SUSTAINABLE DEVELOPMENT GOALS

People
we care about our employees and engage them

Proximity
we are close to the society

Planet
we strive to reduce our impact on the environment

Shared Value Creation
- Continuity of our business
- Employee satisfaction and engagement
- Customer satisfaction

People
- Employee health & safety
- Employee training and talent development
- Ethics & diversity
- Social dialogue

Proximity
- To our community
- To our suppliers
- To our customers through our services

Planet
- Green fleet
- Green buildings
- Waste management

Selected awards and recognition

- IPC EMMS Scorecard 2019 (sector index): #3
- EcoVadis (clients index): Gold rating
- Ethibel Indexes: reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe since 19/03/2018
- Sustainalytics: score 17.7% (low risk)
- MSCI: Score A
- Vigeo Eiris: 91% (sector average: 71%)
- ISS: Governance Score: 5, Environment Score: 1, Social Score: 3
- Carbon Disclosure Project: Score B (peer average C)

Ambitious CO_2 reduction targets

- Since 2007 bpost Group has cut its CO_2 emissions by almost 40%
- Target of reducing CO_2 emissions from activities by at least 20% by 2030
- By 2030, at least 50% of vehicles will be fully electric

Mail & Retail

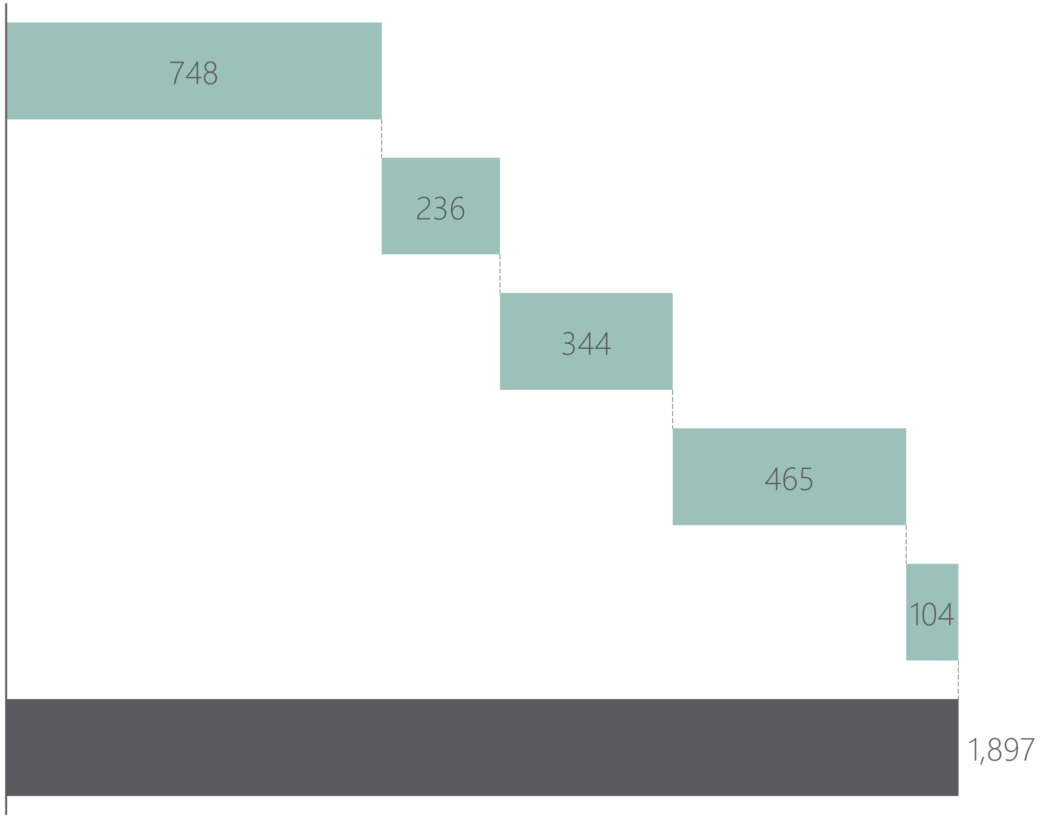
at a glance

at a glance – M&R

Sub-segments

- Transactional mail
- Advertising mail
- Press
- Proximity and convenience retail network
- Value added services
- Total

Revenues 2019, €m



Key facts & figures

~7.1m letters handled daily

~20.1k operational FTEs

Servicing 5m letter boxes

5 industrial sorting centers

~2,300 points of presence in Belgium

Key value drivers for Mail & Retail

at a glance – M&R

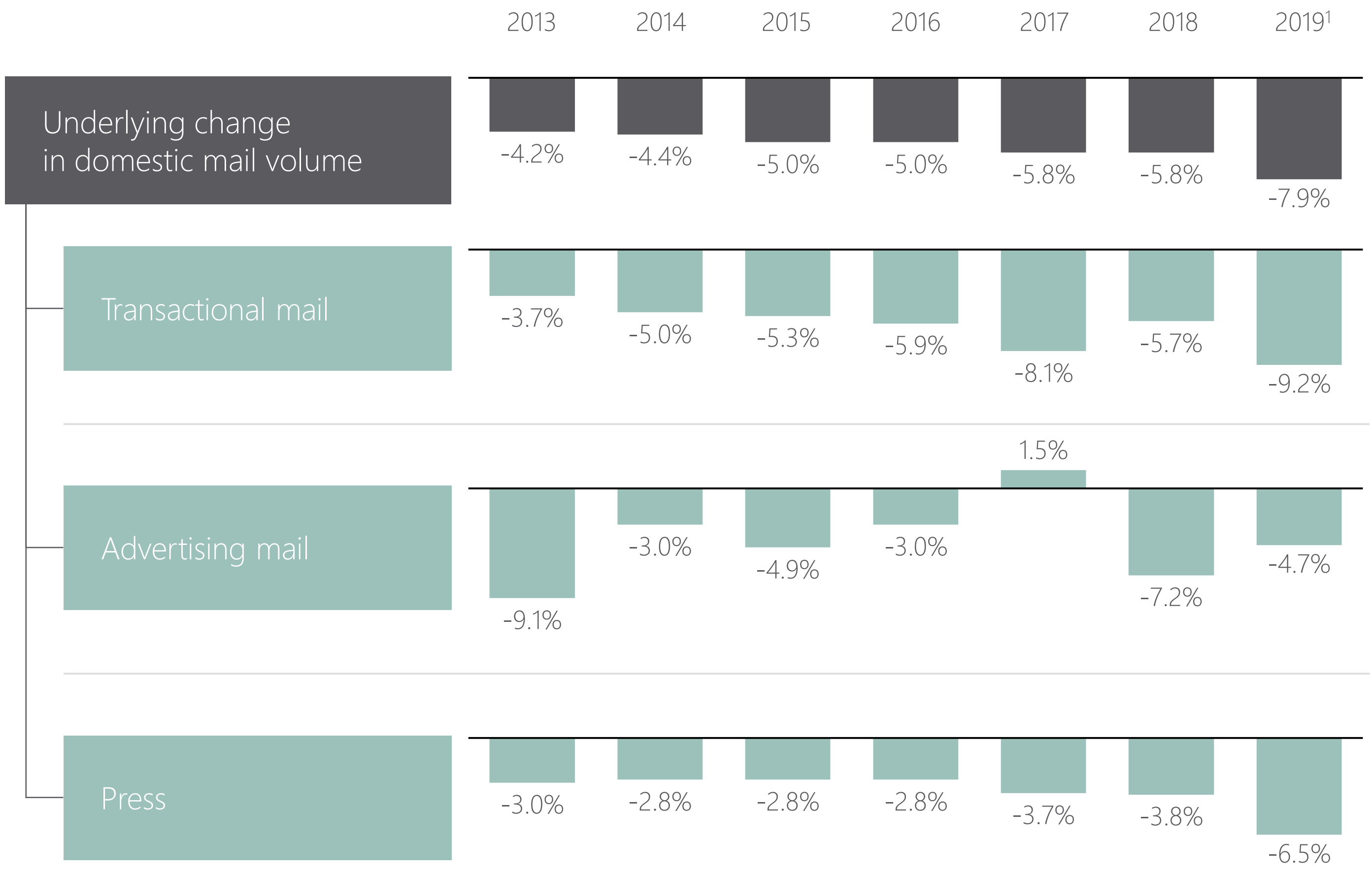
Key value drivers	From	To
Speed of mail volume decline	-7.9% in 2019	Between 9% - 11% in 2020
Share of mail volume decline compensated through price increase	18-45% over 2014-2017	>50%[1]
Renegotiation/retendering of future 6th Management contract and press concessions	Three contracts until end 2020; compensation contractually set	Extension of press concessions until end 2022 Expected agreement on 7th Management contract
Evolution of operating model (mail collect and distribution)	Fixed D+1 based model (everywhere, everyday)	Flexible, differentiated offering (prior vs. non-prior.)

[1] 58% in 2019

bpost

Domestic mail volume decline expected to accelerate from -7.9% in 2019 up to ~-9% to -11% in 2020

at a glance – M&R



Key drivers

- E-substitution at large corporates and SMEs
- Intensifying competition in advertising media
- Shift to digital for newspapers & magazines
- Service level elasticity from the implementation of the Alternating Distribution Model

[1] As of start FY19 Transactional Mail excludes outbound and Press includes Ubiway press distribution

bpost

Regulatory aspects

at a glance – M&R

Designated provider of the Universal Service Obligation until end 2023[1]

- Collection, sorting, transport and distribution of postal items up to 2kg and single piece postal packages up to 10kg
- Collect and deliver 5x per week
- Cover full territory of Belgium for collection and delivery of items belonging to universal service
- Apply uniform tariffs and an identical service across the territory

4 key contracts with the Belgian State

- Management contract for the provision of the USO (2019-2023)
- 6th Management Contract (2016-2020): for the provision of certain SGEIs, i.e. maintenance of retail network, cash at counter, cash payment of pensions at home
- 2 press concessions (2016-2020 extended for 2 years until end 2022): (1) for distribution of periodicals and (2) for distribution of newspapers

Postal law of 10 February 2018 provides stable & predictable mail pricing framework

- Single piece mail & USO parcels falling within "small user basket" are subject to a price cap
  - Price cap[2] = inflation - (volume evolution + cost reduction factor x efficiency gains sharing factor)
- Volume and operational discounts allowed for other USO products (bulk)
- Price increases done in practice on a yearly basis: +4.4% on average in 2019 on all domestic mail items; +5.1% on average for 2020

[1] Refer to slide 65 for more details
[2] Exact formula: Price cap = health index April n-1/health index April n-2 * (1 - [expected volume decline/(expected volume decline +1)] - 2.8%*33%) - 1

New Postal Law (Effective as of February 10, 2018)

at a glance – M&R

provides stable and predictable regulatory framework to increase prices in context of accelerating mail volume decline

Drivers of the price cap formula

	Inflation	Volume decline	Efficiency gains
Description	Compensation for inflation	Compensation for mail volume decline	Mechanism to share 1/3 of the efficiency gains target with consumers
Correlation to price cap	Higher inflation results in larger allowed price increase	Larger mail volume decline results in larger allowed price increase	Constant and fixed by law
Calculation logic	Ratio of the health index as measured in April of the years n-1 and n-2	[V/(V+1)] with V as the expected negative volume trend on the Small User Basket	Fixed by the law at 0.9% (i.e., 1/3 of 2.8% efficiency gains target)

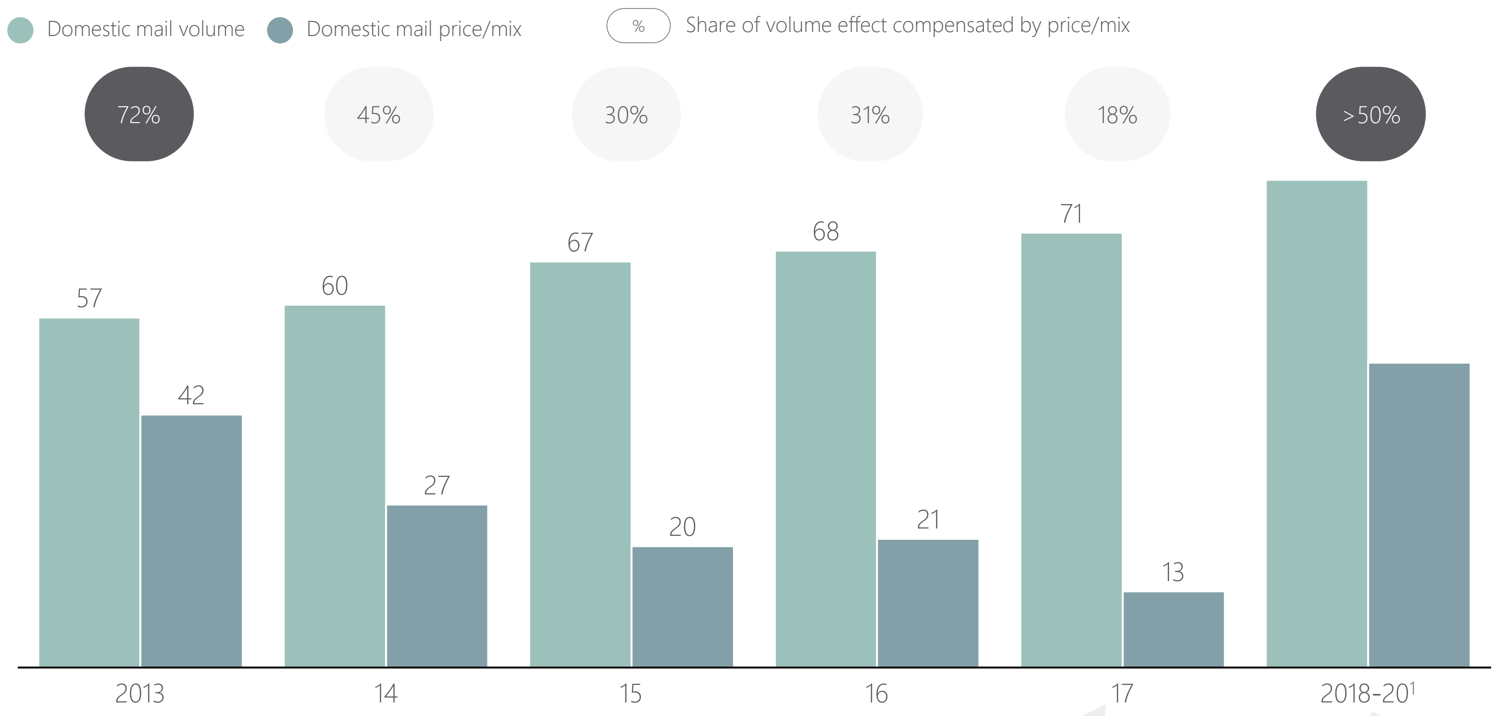
Illustrative example assuming 2% inflation and -6% average volume decline:

Price cap[1]: 7.6% = 102% x [106.4% – 0.9%]

[1] Detailed formula: Price cap = (1 + inflation) * (1 - [V/(V+1)] – 0.9%) – 1, giving for the above example the following calculation (1+2%) * (1 – [-6%/(-6%+1)] – 0.9%) - 1 = 7.6%

Price increase and mix effects expected to compensate >50% of mail volume decline

Volume and price/mix impact on revenue €m



Price increase on small user basket rejected by regulator

Building on the New Postal Law for price regulated products

[1] 2018 was at 70%, 2019 was 58%

Key drivers

- Accelerating domestic mail volume decline
- New price cap mechanism of Postal Law defining max price increase for small user basket, and serving as guideline for price increase on non-price capped products
- Price increase partly offset by shift to less expensive mail products

Management has developed an extended set of cost control options

at a glance – M&R

Operating model

- Evolve towards a differentiated offering and Alternating Distribution Model
- Take measures to address absenteeism

Industrial Mail Centers

- Optimize mail sorting centers footprint
- Pursue continuous improvement

Collect & Transport

- Align number of red boxes to mail volume decline
- Stop collect on Saturday and increase flexibility of pick-up, delivery and dispatch timing constraints
- Transport optimization (fill-in rate and routes)

Distribution

- Introduce new generation of Georoute and time potential management
- Simplify process for selected transactions
- Enhance customer experience and productivity through digital (e.g., consumer preferences)

FTE Unit cost

- Further optimize FTE mix

A differentiated offering enables a new distribution model to accommodate changing customer needs

at a glance – M&R

Differentiated offering
as of January 1st 2019

D+1
Available to consumers who need D+1 delivery

Within D+3
Service level agreement (SLA) "within 3 days"

Alternating Distribution Model
as of mid-March 2020

Mail
Adjusted "day certain" distribution frequency: in a given street, mail will be distributed on selective days of the week

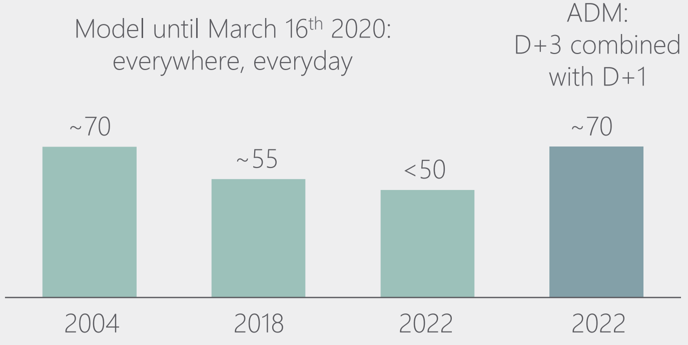
D+1 delivery will remain available as a separate product ("Prior")

Parcels
D+1 offering

Newspapers
Same day delivery

No change

Optimizing drop density
Share of houses receiving mail on any given day, %



Acceptance for D+3-4[1]

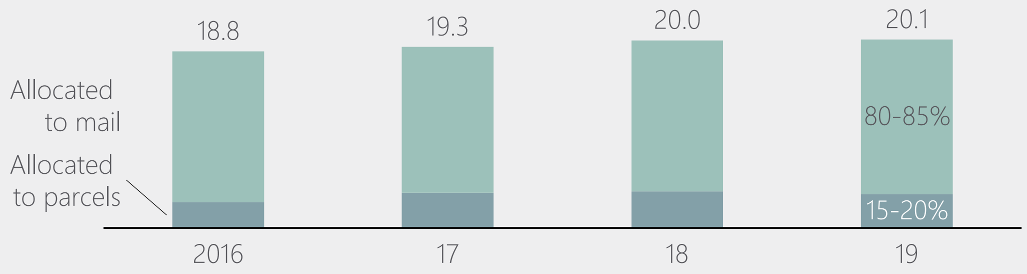
[1] Based on a bpost SA/NV study with 1,000 households & 500 businesses (< 200FTE) interviewed in February 2015

bpost

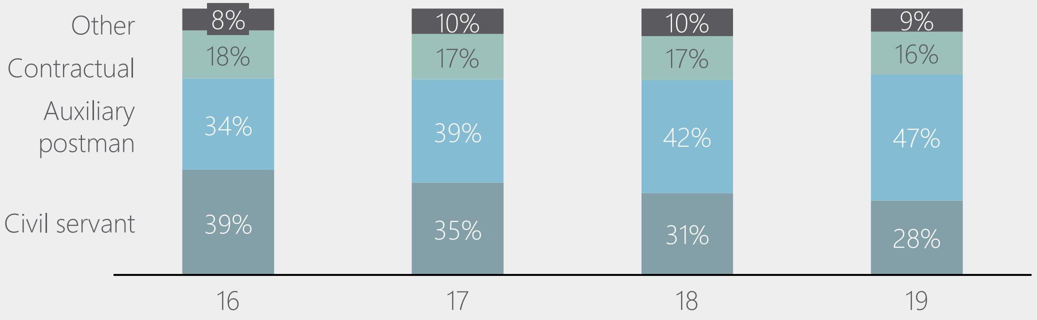
Labor cost will benefit from decrease of mail related FTEs and optimized employee mix

Operational FTE evolution[1]

Average FTEs and interims, '000

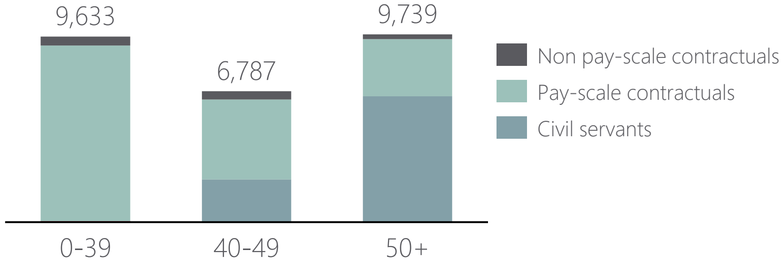


Operational FTE mix evolution[1]



Age pyramid

Headcount bpost SA/NV per age, 31/12/19



Natural attrition

Average natural attrition is expected to range from 1,200 to 1,300 FTEs/year

Average cost per contract type[1]

Indexed

[1] bpost SA/NV scope, excluding retail network

Parcels & Logistics

Europe and Asia at a glance

at a glance – PaLo Eurasia

Sub-segments

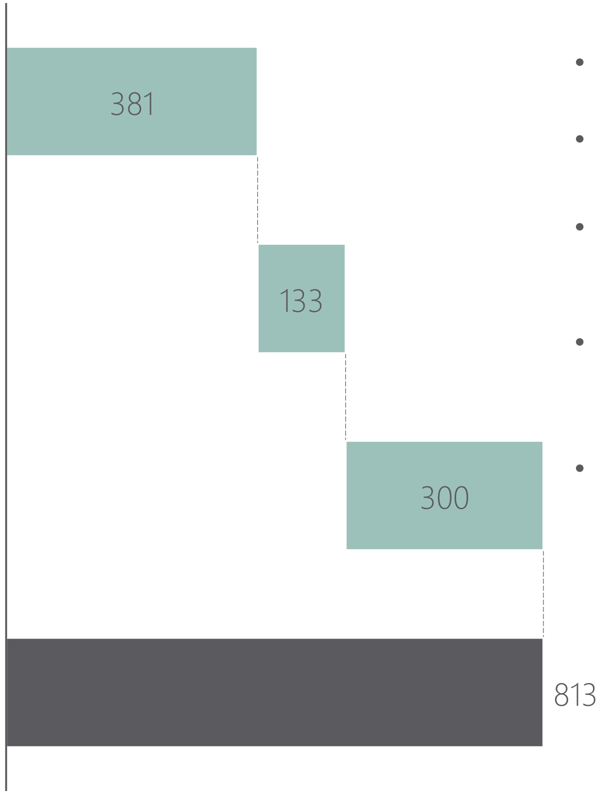
Parcels BeNe (last-mile)

e-Commerce logistics

Cross-border international mail & parcels

Total

Revenues 2019 (€m)



- Last-mile B2C delivery in the Benelux
- Total of ~74m parcels in 2019

- Mostly fulfilment & transport activities in Europe spread over 11 locations
- Activities include Radial EU, Active Ants and DynaFix

- Majority of cross-border volume is inbound mail and parcels from Europe and Asia

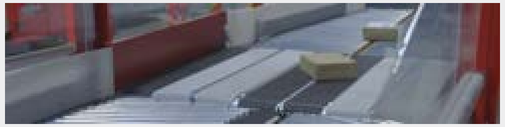
Key facts & figures

Peak days of up to 480k parcels in December

Fulfilment footprint

covers 11 locations across 6 countries in Europe

3 main cross-border activity centers



i.e. Brussels brucargo, Heathrow UK and Hong Kong

Key value drivers for Parcels & Logistics Europe & Asia

at a glance – PaLo Eurasia

Sub-segments	Key value drivers	From	To
Parcels BeNe (last-mile)	Ability to capture profitable growth in a competitive environment	Volume growth rate of 20-30% with price/mix effect up to -6% over 2016-2018	Double-digit volume growth rate, address price/mix
	BeNe-wide offering addressing customer requirements	Focus on Belgium (sales force, contracts, DHL partnership)	BeNe-wide approach
	Optimized last-mile operations based on parcels characteristics and in line with delivery requirements	Parcel hubs where enough density	Flexible parcels distribution footprint in close collaboration with Mail & Retail
e-Commerce logistics	Ability to organically capture market growth of ~10% p.a. (vs. in-sourcing, pan-European players)	e-Commerce logistics in PL, NL & BE and DynaFix	Increase scale & skills by leveraging capabilities of Radial US and Active Ants
Cross-border	Develop international cross-border parcels, also across continents Ability to maintain international mail volume	Natural business evolution	Developing international parcel flows driven by growing e-commerce activity

Four strategic initiatives for Parcels BeNe

at a glance – PaLo Eurasia

Focus on 4 strategic initiatives

Integrated BeNe offering

- Dedicated, specialized sales force
- Integrated commercial offers
- Partnership with DHL Parcels

Differentiate pricing policy

- Strategic pricing initiatives

Attract key foreign e-commerce players

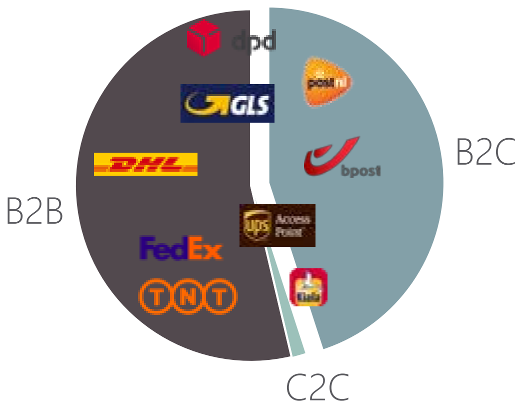
- Partnerships with e-commerce players
- E2E service offering ("gateway to Europe")

Convenience & Cost leadership

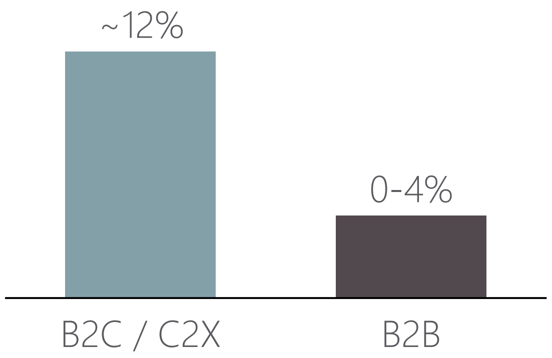
- Increased convenience through improved receiver journey and additional pick-up drop-off lockers (KPI: Net Promoter Score)
- Flexible distribution footprint in close collaboration with Mail & Retail
- Increase sorting capacity
- Fulfilment infrastructure
- Transport optimization
- Digital excellence

We have an established position in the Belgian B2C/C2C parcels market

2019e parcel market[1]: 100% = € 1.6bn



CAGR 2018-20e[1], %



[1] Source: Effigy

Unique selling proposition

Offer best last-mile and broadest delivery options, supported by acquisitions and partnerships:

- Home delivery 7/7 & evening delivery, including high-end deliveries (2-man)
- ~2,300 pick-up & drop-off points
- ~240 parcel lockers in Belgium
- Click & Collect
- Non-exclusive partnerships with DPDHL for B2C parcel delivery into Belgium (from Germany/France & Benelux)

Partnership with DHL Parcels NL allows to cover the full BeNe region and to capture important cross-border flows

at a glance – PaLo Eurasia

Launched in June 2018

THE BENELUX COURIERS
FOR YOUR E-COMMERCE

Purchasing behavior

- NL is the most important import country to BE (~20% of import flows)
- BE consumers mainly buy from NL players such as Bol.com and Coolblue

Large NL-based e-commerce players

- Looking for a BeNe wide offering with regards to last-mile
- Benchmarking prices on a BeNe level

Competitive offering

- Very competitive & dynamic region with many large players such as PostNL, DHL, DPD, FedEx

The parcels operating model will be continuously optimized

at a glance – PaLo Eurasia

Optimize distribution cost using drop density of mail rounds

- Maximize parcels in mail rounds
- Cost advantage due to higher drop density leading to lower unit costs

Evolve towards dedicated parcel infrastructure to match customer requirements

- Nationwide Parcel distribution footprint to accommodate distribution of parcels that are not in mail rounds
- Benefits for customer proximity and special services e.g. late-in services, “large scale” evening distribution or same day distribution

Increase sorting capacity

- Increase sorting capacity in the existing centers of Brussels, Ghent & Antwerp to cope with increasing volume (optimizing sorting footprint mail & parcels)
- Use technology (e.g. address recognition)

Supported by acquisitions, bpost Group has initial assets along the entire value chain of e-commerce logistics

at a glance – PaLo Eurasia

1

Order

- Order management
- Payment services, tax services and fraud prevention

2

Fulfilment

- Order reception in warehouses in the proximity of clients
- Preparation for shipment

Realtime technology

3

Delivery

- Hybrid transport network for high-end and urgent delivery
- Last-mile delivery

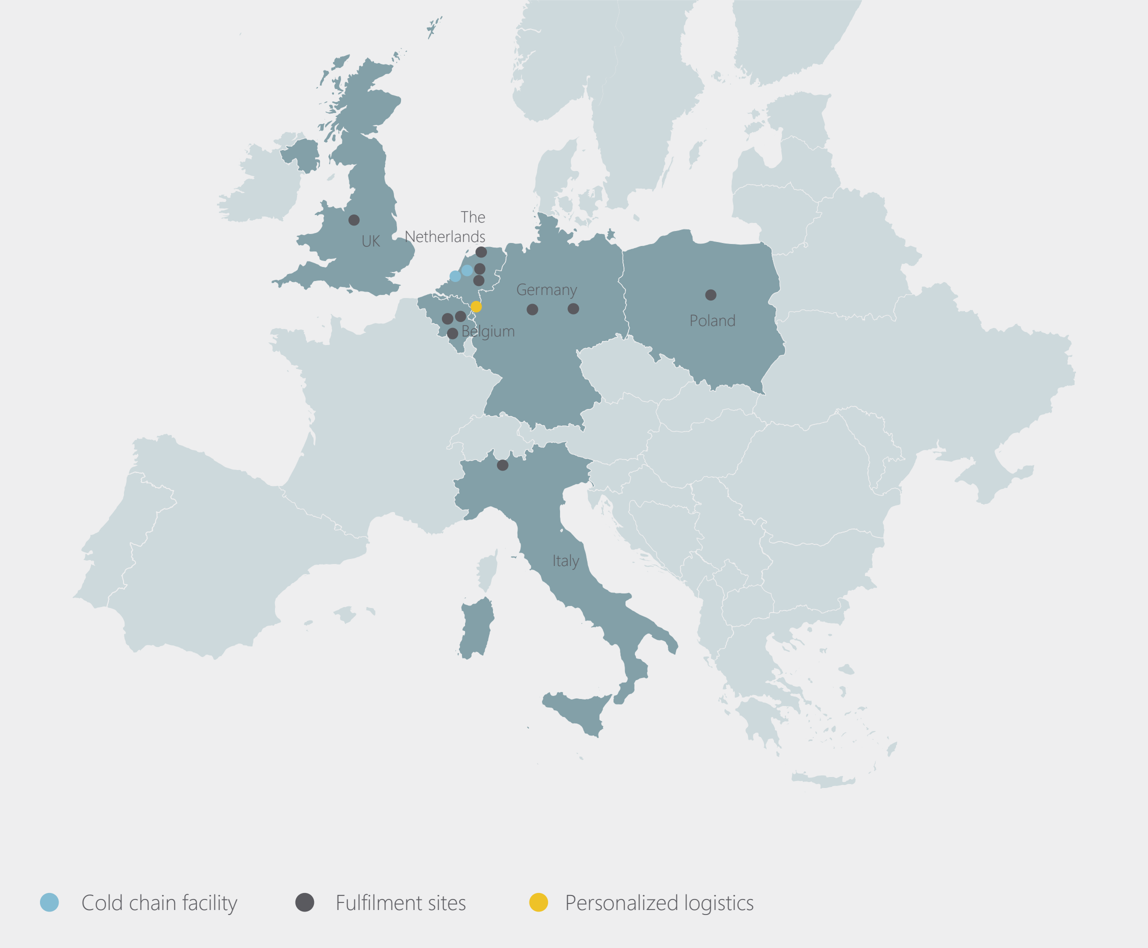
4

Customer Care

- Phone, email, social media & chat support
- Advanced analytics

e-Commerce Logistics activities in Europe can be developed thanks to an already strong European footprint

at a glance – PaLo Eurasia



11
fulfilment centers / facilities[1]

~1,100
Employees

6
Countries

~€ 133m
2019 revenue

e-Commerce Logistics in Europe has 2 complementary engines of growth i.e. Radial Europe and Active Ants

at a glance – PaLo Eurasia

	Radial a bpost company [1]	ACTIVE ANTS E-COMMERCE LOGISTIEK
Type of clients	E-tailers & click-and-mortar (omnichannel)	Pure e-tailers
Size of clients	Medium/large	Small/medium
Level of automation	Lower, depends on client	High (AutoStore + automated packaging)
Level of Customization	High, product and price tailored by client	Very low
Current locations	UK, Germany, Belgium, The Netherlands, Italy and Poland	The Netherlands
	Leveraging knowledge and experience from Radial US	Leveraging NL success story in other European countries

[1] Including Landmark Global and Belgium fulfilment

Parcels & Logistics

North America at a glance

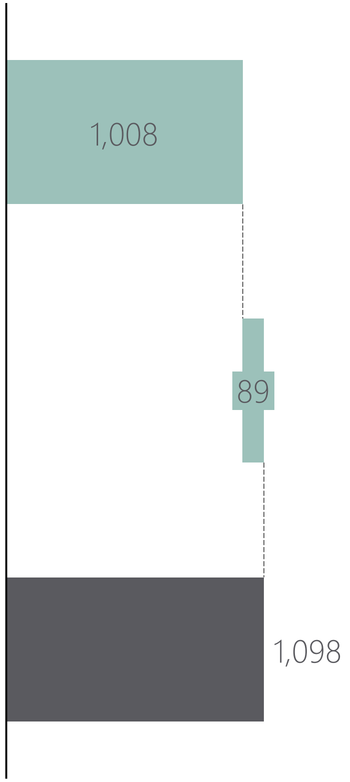
Sub-segments

e-Commerce logistics[1]

International Mail[2]

Total

Revenues 2019, €m



Radial a bpost company

US e-commerce logistics provider fulfilling 72m parcels p.a. with proven client base, IT infrastructure and capabilities along the E2E value chain

International mail solutions and catalogue fulfilment through US companies

landmark global a bpost company

Capabilities to support mid-sized e-tailers to expand cross-border and last-mile distribution in Canada and Australia

Objective

- Growth engine for bpost Group, to be a leading e-commerce logistics player in US
- Grow with cross-border commerce
- International mail providers delivering profit through infrastructure optimization

[1] Radial North America, Landmark Global, Apple Express and FDM
[2] MSI, Imex, Mail Inc. = The Mail Group

Acquisition of US-based Radial on 16 November 2017

at a glance – PaLo N. Am.

Acquisition rationale

Our growth

- Integrated e-commerce logistics provides access to a larger and more attractive profit pool
- Radial as growth engine and key profit contributor

Presence in the US and Europe

- Strengthen US position building on presence with Landmark Global
- Scale bpost Group's e-commerce logistics capabilities in the Benelux and Europe

Strong growth of e-commerce

- e-commerce is growing rapidly with US being an attractive and advanced space (+15% p.a. growth of online retail over 2004-2022e)
- Transatlantic e-commerce is growing at >25% p.a. with 20% of European parcels coming from the US

Knowledge and experience

- Knowledge and experience of the e-commerce logistics chain increase exponentially with the acquisition of an experienced player

Key acquisition data Radial Global

- Enterprise Value: $ 820m
- Sales 2017: $ 1,082m
- EBITDA 2017: $ 57m (5.3% margin)
- 100% acquisition of the shares
- Financed through a € 650m 8-year bond issue carrying a coupon of 1.25% (issued 4 July 2018)

Key indicators for Radial North America

- TCV of new business went from $ 217m in 2018 to $ 385m in 2019
- ~7,100 average # of FTEs & interims (2019)
- 24 fulfilment centers (mainly US)

Radial North America offers multiple services across the entire e-commerce logistics value chain

at a glance – PaLo N. Am.

		Revenues share %	Radial North America assets	Description and key strengths	
Technology	Payment, Tax, and Fraud Prevention	17%	Fraud Zero software	Processing global payments, maximizing successful authorization and reconciling tax districts and global duties	• 98.3% approval rate vs. 97.1% industry average • 1.6% manual review rate vs. 25% industry average
	Omnichannel Technology		8,700 Stores with fulfilment 12,500 Dropship suppliers	Optimizing efficiency of order management, ship-from-store and in-store pick-up	• Ability to handle complex orders • < 12 weeks to deployment vs. competition 4-6 months • Scalability of technology
Operations	Warehousing & fulfilment	74%	24 fulfilment sites in North America	Adapting warehouse management and parcels preparation to e-commerce with pragmatic automation	• 80%+ orders shipped day 0 • ~100% US coverage • Experience of scaling employees / workforce up to ~20k peak capacity
	Freight Management		100% Asset light	Managing a large network of carriers for a seamless customer experience	• Rates 5-15% cheaper than in-sourcing for mid-sized players • Clients reached in 2.4 days on average
	Customer Care	9%	3,400+ Seats across 4 sites	Having a single view of customer's history and profile combined with leading self-service tech	• Advanced data analytics

Radial North America market dynamics and competitive landscape

at a glance – PaLo N. Am.

Online revenue e-tailers, US

$ 680bn[1] expected US online retail revenue in 2020

- Mid-market segment ($ 20-200m online revenue)
- Enterprise segment ($ 200-600m)
- Some selected key accounts ($ 600m-$ 2bn)

Addressable e-commerce logistics sector

~$ 680bn total US online Retail e-commerce	Radial's target audience e-commerce revenue $ 225-230bn	$ 45-57bn addressable e-commerce logistics

Independent e-commerce logistics providers

Omnichannel & PT&F	Fulfilment	Freight	Customer Care
	FedEx	FedEx	
	DHL	DHL	
	GEODIS	GEODIS	
Radial	Radial	Radial	Radial
	INGRAM	INGRAM	INGRAM
PFS	PFS	PFS	PFS
newgistics	newgistics	newgistics	

[1] Source: Forrester Data, Online Retail Forecast, 2020

Positive commercial development at Radial and financial results in line with expectations

at a glance – PaLo N. Am.

Commercially heading in the right direction

- We continue to reap benefits from our customer-focused approach, strong new signings in 2019, along with continued improvement in NPS. Strong 2019 peak with a double-digit increase in shipped parcels vs. 2018.
- Starting in 2Q18 and continuing in FY19, we are seeing a positive contract renewal cycle for existing clients.
- New contracts signed had a TCV of $ 385m for FY19, which was above target and above the previous 3 years ($ 150m in 2016 and 2017, $ 217m in 2018).

Results in line with expectations

- Good end of year 2019 peak management, with productivity gains partly offset by higher costs related to maintaining a sufficient labor pool within a tight US labor market.

FY18 & FY19 results impacted, as expected, by:

- Churn (mostly in Fulfilment & Transport) and repricing, with revenue growth from new and existing customers not compensating revenue loss from clients terminating with Radial.
- Webstore business phase-out complete, impacting FY18 EBITDA by $ -21.2m and FY19 EBITDA by $ -2.6m. Final client exits tailing off in 3Q19.

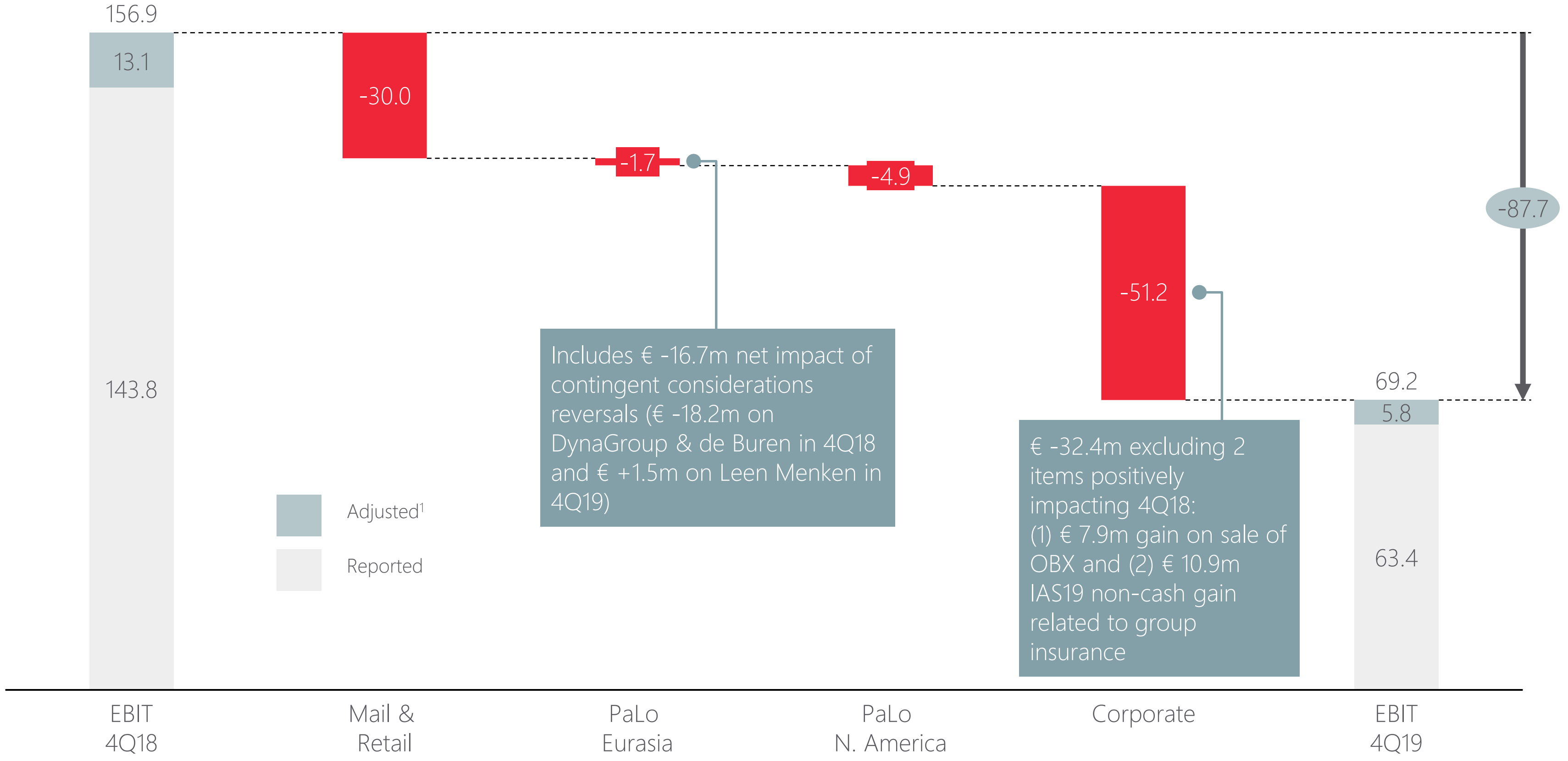
4Q19 Results

4Q19 EBIT driven by strong PaLo Eurasia performance

4Q19

offset by 4Q18 positive elements, mail volume decline and higher opex

€ million



[1] Adjusted previously called Normalized, change of terminology "Adjusted" in order to align the label of this APM to the ESMA guidelines, definition and approach remain unchanged. 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 4Q19

4Q19

€ million	Reported		Adjusted[1]			
	4Q18	4Q19	4Q18	4Q19	% ↑	4Q19 IFRS16
Total operating income	1,131.6	1,113.8	1,131.6	1,113.8	-1.6%	
Operating expenses	925.2	987.4	925.2	987.4	6.7%	+28.1
EBITDA	206.4	126.3	206.4	126.3	-38.8%	+28.1
Depreciation & Amortization	62.6	62.9	49.5	57.1		-27.6
EBIT	143.8	(1) 63.4	156.9	(1) 69.2	-55.9%	+0.5
Margin (%)	12.7%	5.7%	13.9%	6.2%		
Financial result	-8.1	-26.7	-8.1	-26.7		-2.6
Profit before tax	140.5	43.0	153.6	48.8	-68.2%	
Income tax expense	35.9	(1) 15.2	38.2	(1) 16.5		
Net profit	104.6	27.8	115.4	32.4	-71.9%	
FCF	221.8	(2) 127.2	186.0	(2) 83.8	-54.9%	+25.5
bpost S.A./N.V. net profit (BGAAP)	78.1	54.4	78.1	54.4	-30.4%	
Net Debt at 31 December	344.8	779.9	344.8	779.9		+432.3
Capex	48.5	73.2	48.5	73.2	50.9%	
Average # FTEs and interims	39,496	38,730	39,496	38,730		

(1) Amortization of intangibles recognized during PPA is adjusted, leading to increase in EBIT (€ 5.8m) and income tax expense (€ +0.7m)

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

[1] Unaudited figures

Results by segment 4Q19

4Q19

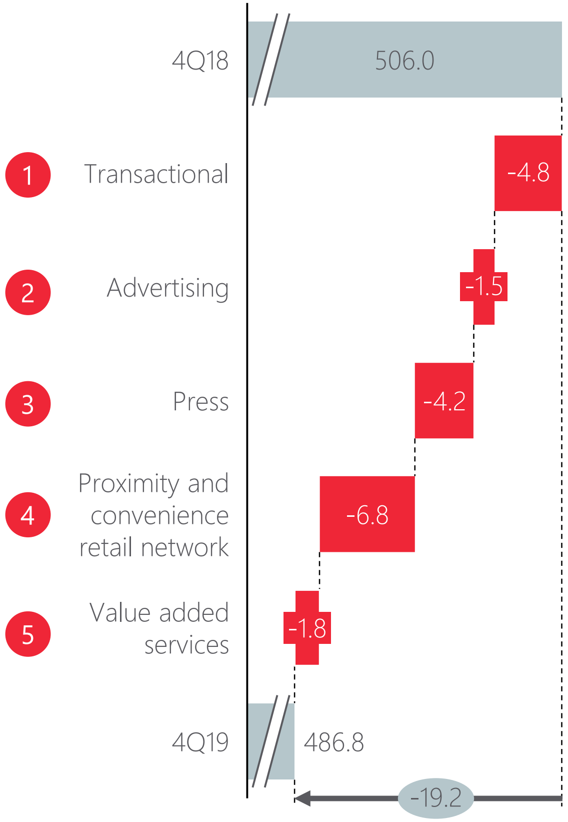
€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	486.8	229.9	392.5	4.6	0.0	1,113.8
Intersegment operating income	50.0	4.5	2.8	105.7	-163.0	0.0
Total operating income	536.8	234.4	395.3	110.3	(163.0)	1,113.8
Operating expenses	466.4	215.9	369.9	98.3	-163.0	987.4
EBITDA	70.4	18.5	25.4	12.0		126.3
Depreciation & Amortization	20.7	5.4	18.1	18.8		62.9
Reported EBIT	49.7	13.2	7.3	-6.8		63.4
Margin (%)	9.3%	5.6%	1.9%	-6.2%		5.7%
Adjusted EBIT	51.5	13.9	10.6	-6.8		69.2
Margin (%)	9.6%	5.9%	2.7%	-6.2%		6.2%

Mail volume decline and deconsolidation of Alvadis drove top line decrease

4Q19 – M&R

M&R external operating income, € million



Domestic Mail

Operating income decline at € -10.6m i.e.

- € -1.1m working day impact (1 day less in 4Q19 vs. 4Q18)
- € -3.1m elections held in 4Q18
- € -17.0m volume (-5.5% underlying volume decline)
- € +10.6m price/mix

1 2 3

Transactional

-7.2% underlying volume decline supported by phasing of 2020 administrative mailings towards December 2019 ahead of the 2020 price increases.

No change in structural trends: continued e-substitution by big senders and SMEs, higher acceptance of e-documents at the receivers' side and digitization of C2B communication through smartphone apps.

1

Proximity and convenience retail network

Revenue growth of € +3.5m excluding deconsolidation effect of Alvadis since September 2019 (€ -10.3m impact on 4Q19) driven by Ubiway and bpost retail.

4

Advertising

+0.5% underlying volume decline (excluding elections).

First visible effects of marketing & sales project aimed at re-boosting advertising mail.

2

Press

-6.5% underlying volume decline driven by e-substitution and rationalization.

3

Value added services

Higher revenues from fines management offset by lower revenue from document management and phasing out of e-ID activities.

5

bpost

M&R EBIT impacted by top-line evolution and higher payroll & project costs

4Q19 – M&R

€ million

Mail & Retail	4Q18	4Q19	% ↑
External operating income	506.0	486.8	-3.8%
Transactional	201.1	196.3	-2.4%
Advertising	65.6	64.1	-2.3%
Press	92.9	88.6	-4.6%
Proximity and convenience retail network	118.9	112.1	-5.7%
Value added services	27.4	25.6	-6.7%
Intersegment operating income	43.5	50.0	15.0%
Total operating income	549.5	536.8	-2.3%
Operating expenses	448.2	466.4	
EBITDA	101.3	70.4	
Depreciation & Amortization	21.5	20.7	
Reported EBIT	79.9	49.7	-37.8%
Margin (%)	14.5%	9.3%	
Adjusted EBIT	81.5	51.5	-36.8%
Margin (%)	14.8%	9.6%	
Average # FTEs and interims	22,551	22,753	

Additional KPIs[1]		4Q19
Underlying Mail volume decline		-5.5%
Transactional		-7.2%
Advertising		0.5%
Press (incl. Ubiway)		-6.5%

Key takeaways 4Q19

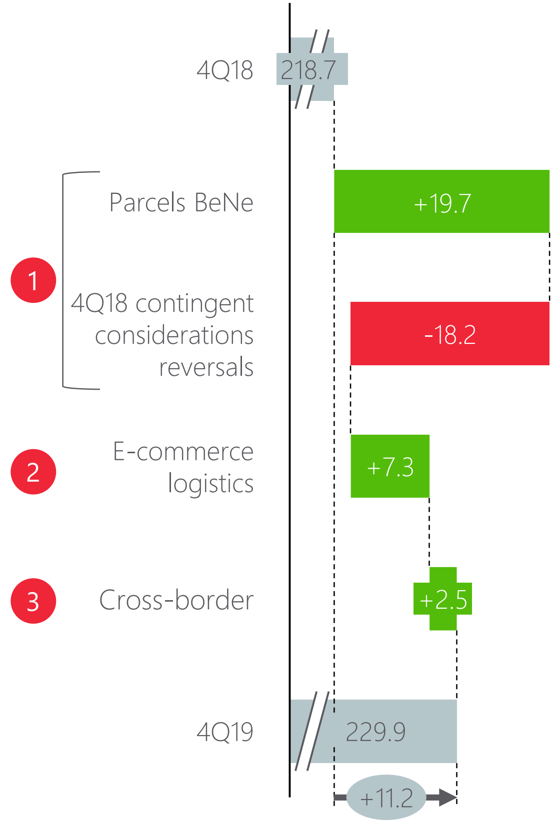
- Total operating income decline of € -12.7m primarily driven by a domestic mail volume decline and deconsolidation of Alvadis.
- IFRS 16 impact of € +9.7m on operating expenses and € -9.2m on D&A.
- Operating expenses excluding IFRS 16 impact increased by € -27.9m mainly driven by higher payroll (2019-20 CLA), project related costs and last year's unpaid hours related to November 2018 strikes, partly compensated by a favorable evolution of the FTE mix.
- Adjusted D&A excluding IFRS 16 impact decreased by € +10.1m driven by last year's goodwill impairment on Certipost of € 7.9m.
- As a result, adjusted EBIT declined by € -30.0m.

[1] As of 1Q19 Transactional Mail excludes outbound and Press includes Ubiway press distribution: 4Q18 operating income is restated, but not all comparable KPIs for 4Q18 are available

Strong organic Parcels BeNe volume growth and continued positive eCommerce development

4Q19 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Reported volume growth of +24.3% (former Domestic Parcels and DynaLogic volumes) driven by e-commerce and good volume development at DynaLogic resulted in Parcels BeNe revenue growth of € +19.7m (+ 22.4%). This was partly offset by contingent considerations reversals in 4Q18 of € 3.6m and € 14.6m on respectively DynaGroup and de Buren.

Negative price/mix fully mix-driven.

1

E-commerce logistics

Growth coming primarily from new client wins at Radial Europe and Active Ants business development including MCS Fulfilment acquired on October 1, 2019.

Reversal of contingent consideration on Leen Menken for € +1.5m.

2

Cross-border

Better inbound price/mix and additional revenues in the UK and Asia partly offset by lower parcels revenue from Rest of Europe and Outbound.

3

EBIT growth driven by parcels volumes partly offset by reversals of contingent considerations in 4Q18

4Q19 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	4Q18	4Q19	% ↑
External operating income	218.7	229.9	5.1%
Parcels BeNe	106.3	107.8	1.4%
E-commerce logistics	33.3	40.6	21.7%
Cross-border	79.0	81.5	3.2%
Intersegment operating income	13.7	4.5	-67.0%
Total operating income	232.3	234.4	0.9%
Operating expenses	205.4	215.9	
EBITDA	27.0	18.5	
Depreciation & Amortization	19.4	5.4	
Reported EBIT	7.6	13.2	72.7%
Margin (%)	3.3%	5.6%	
Adjusted EBIT	15.5	13.9	-10.9%
Margin (%)	6.7%	5.9%	
Average # FTEs and interims	3,312	3,481	

Additional KPIs[1]			
Parcels volume growth		24.3%	

[1] As of 1Q19 Parcels BeNe volumes include DynaLogic & former Domestic Parcel volumes. This does not cover the entire Parcels BeNe operating income line. 4Q18 operating income is restated, but not all comparable KPIs for 4Q18 are available

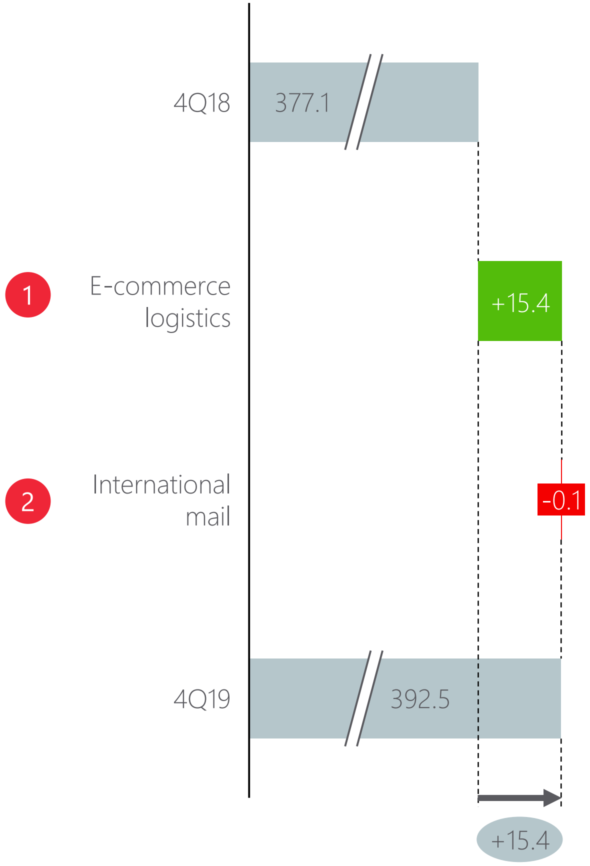
Key takeaways 4Q19

- Excluding € -16.7m net YoY impact of contingent considerations reversals, total operating income increase of € +18.8m (+8.8%) was driven by the positive volume development and client wins in e-commerce logistics.
- IFRS 16 impact of € +2.5m on operating expenses and € -2.4m on D&A.
- Operating expenses excluding IFRS 16 impact increased by 6.3% or € -13.0m as a result of higher intersegment operating expenses from Mail & Retail driven by parcels growth and higher payroll & interim costs driven by e-commerce logistics organic growth & higher parcels volumes.
- Adjusted D&A excluding IFRS 16 impact declined by € +9.2m driven by last year's goodwill impairment on Bubble Post and de Buren of € 8.4m.
- As a result, adjusted EBIT declined by € -1.7m. Excluding the net YoY impact of contingent considerations reversals and goodwill impairments, adjusted EBIT increased by € 6.6m (+115%) operationally.

Parcels & Logistics North America confirms positive commercial momentum

4Q19 – PaLo N. Am.

PaLo North America external operating income, € million



E-commerce logistics

YoY increase of +4.4%, +1.4% at constant exchange rate.

Revenues increase at Radial North America driven by new clients launched in 2019, growth from key existing customers and positive FX development. This is partly offset by the 2018 customer churn and repricing.

1

International mail

Revenues in line with last year supported by positive FX evolution (-3.3% at constant exchange rate).

2

EBIT mainly impacted by set-up costs from newly onboarded clients

4Q19 – PaLo N. Am.

€ million

Parcels & Logistics North America	4Q18	4Q19	% ↑
External operating income	377.1	392.5	4.1%
E-commerce logistics	354.1	369.5	4.4%
International mail	23.1	23.0	-0.3%
Intersegment operating income	3.6	2.8	-22.8%
Total operating income	380.8	395.3	3.8%
Operating expenses	355.9	369.9	
EBITDA	24.8	25.4	
Depreciation & Amortization	12.8	18.1	
Reported EBIT	12.0	7.3	-38.8%
Margin (%)	3.1%	1.9%	
Adjusted EBIT	15.5	10.6	-31.5%
Margin (%)	4.1%	2.7%	
Average # FTEs and interims	11,970	10,850	
Additional KPIs, adjusted			
Radial North America revenue, $m	348.5	353.2	1.3%
Radial North America EBITDA, $m	22.2	18.7	
Radial North America EBIT, $m	12.1	2.1	

Key takeaways 4Q19

- Total operating income increase of € +14.5m or +3.8% (+0.9% at constant exchange rate) mainly driven by new client launches at Radial, strong growth from a few key existing clients and positive FX development partly offset by 2018 customer churn and repricing.
- TCV at Radial reached $ 385m, well above the initial FY objective and primarily signed in fulfilment.
- IFRS 16 impact of € +8.6m on operating expenses and € -8.5m on D&A.
- Excluding IFRS 16, total adjusted opex (incl. D&A) increased by € -19.5m (€ -8.9m excl. FX) driven by higher volumes and set-up costs related to the onboarding of new clients, partially compensated by lower medical expenses and reduced fraud chargebacks.
- Adjusted EBIT declined by € -4.9m.

Corporate

4Q19 – Corporate

€ million

Corporate	4Q18	4Q19	% ↑
External operating income	29.8	4.6	-84.5%
Intersegment operating income	85.5	105.7	23.6%
Total operating income	115.3	110.3	-4.4%
Operating expenses	62.0	98.3	
EBITDA	53.3	12.0	
Depreciation & Amortization	8.9	18.8	
Reported EBIT	44.4	-6.8	
Margin (%)	38.5%	-6.2%	
Adjusted EBIT	44.4	-6.8	
Margin (%)	38.5%	-6.2%	
Average # FTEs and interims	1,663	1,647	

Key takeaways 4Q19

- External revenues down € -25.2m due to lower building sales as 4Q18 included € 7.9m gain on disposal of Old Brussels X.
- IFRS 16 impact of € +7.3m on operating expenses and € -7.4m on D&A.
- Net of intersegment opex increase (€ -20.2m) fully re-invoiced to BUs as intersegment operating income, opex (incl. D&A) was up € -25.8m ex-IFRS 16. This is mainly driven by a € -10.9m IAS 19 non-cash gain from group insurance in 4Q18, higher payroll and higher project-specific costs at corporate level in procurement and communication.
- As a result, adjusted EBIT declined by € -51.2m.

FCF[1] mainly impacted by higher investment outflows and lower building sales

4Q19

Reported - € million

	4Q18	4Q19 (excl. IFRS 16)	IFRS 16	4Q19	Delta
+ Cash flow from operating activities	223.9	192.1	25.5	217.6	-6.3
+ Cash flow from investing activities	-2.1	-90.4		-90.4	-88.3
= Free cash flow	221.8	101.7	25.5	127.2	-94.6
+ Financing activities	-79.1	-137.0	-25.5	-162.4	-83.3
= Net cash movement	142.7	-35.3	0.0	-35.3	-177.9
Capex	(48.5)	(73.2)		(73.2)	(24.7)

CF from operating activities

Transfer of operating leases to financing activities due to IFRS 16 (€ +25.5m)

CF from operating activities before changes in working capital: € -37.7m

Improvement in working capital evolution: € +14.4m

More collected proceeds related to “due to” Radial’s clients: € +7.5m

Higher tax prepayments due to phasing: € -16.0m

CF from investing activities

Lower proceeds from sale of buildings (€ -39.1m)

Subordinated loan granted to bpost bank (€ -25.0m)

Higher capex (€ -24.7m), primarily build-out of new fulfilment centres in PaLo North America (capex increased by € 6.8m to € 12.4m), mail centres infrastructure, vehicles, new distribution model and migration of ICT infrastructure to the cloud.

CF from financing activities

Issuance of commercial papers in 4Q18 (€ -165.0m)

Payment of lease liabilities (out of which € 25.5m resulting from IFRS 16 application)

Lower interim dividend (€ +88.0m)

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

bpost

Balance sheet

4Q19

€ million

Assets	Dec 31, 2018	Dec 31, 2019
PPE	708.0	1,133.6
Intangible assets	874.9	898.3
Investments in associates and joint ventures	251.2	239.5
Other assets	70.7	41.8
Trade & other receivables	723.2	759.0
Inventories	36.9	34.7
Cash & cash equivalents	680.1	670.2
Total Assets	3,345.1	3,777.1

€ million

Equity and Liabilities	Dec 31, 2018	Dec 31, 2019
Total equity	702.3	682.6
Interest-bearing loans & borrowings	1,024.8	1,449.9
Employee benefits	308.4	320.6
Trade & other payables	1,230.0	1,278.5
Provisions	39.3	29.8
Derivative instruments	0.8	1.3
Other liabilities	39.6	14.3
Total Equity and Liabilities	3,345.1	3,777.1

IFRS 16 impacts

Total assets and liabilities as of 31st Dec. 2019 have increased by € 432.0m compared to 31st Dec. 2018, mainly due to the impact of the initial application of IFRS 16.

The balance of the right-of-use assets and lease liabilities end of December 2019 respectively amounted to € 443.4m and € 449.3m.

Balance sheet of 31st Dec. 2018 is not restated for IFRS 16 impact.

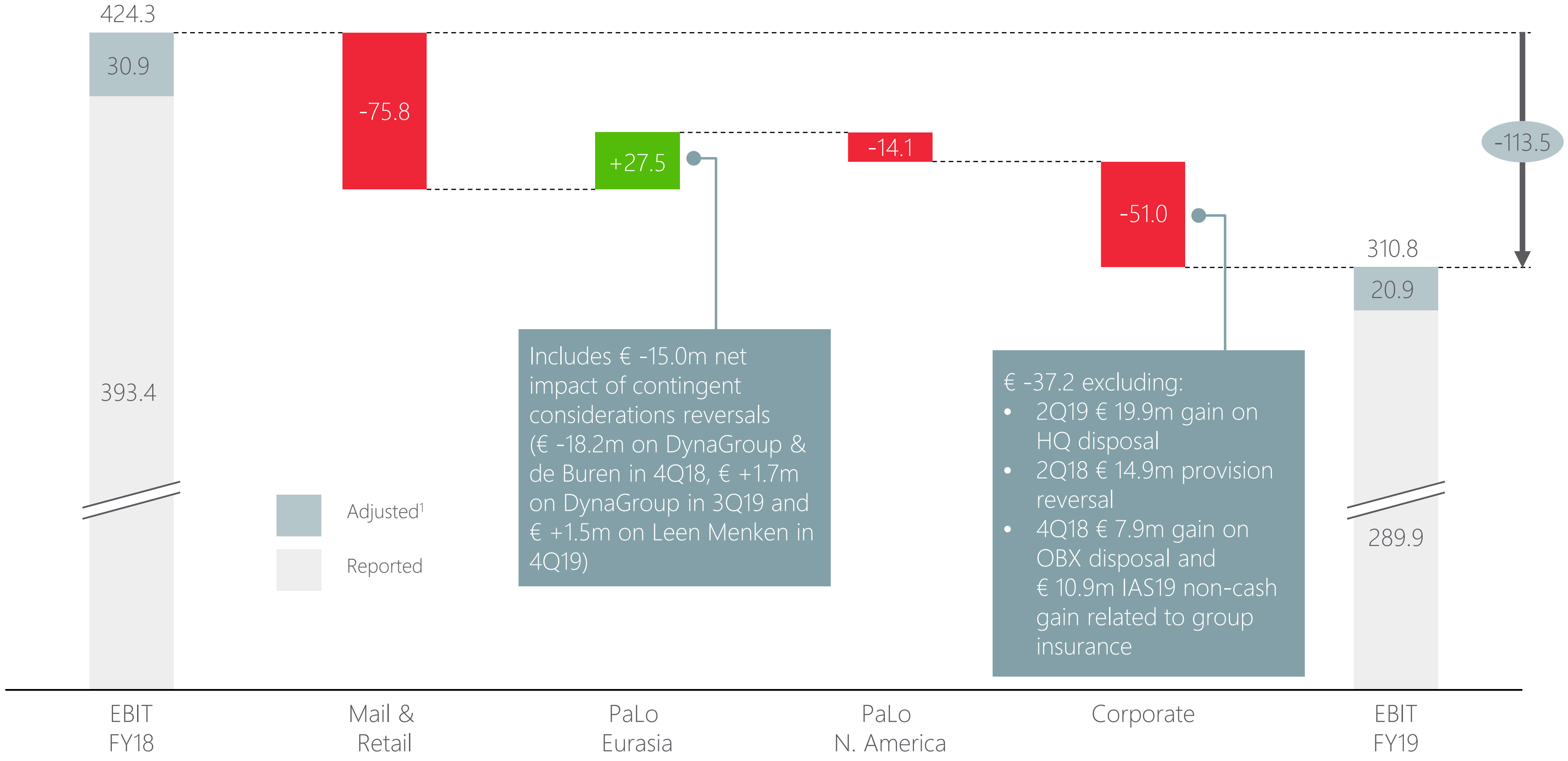
FY19 Results

FY19 EBIT fully in line with guidance

FY19

FY19 EBIT was driven by strong PaLo Eurasia performance, offset by accelerated mail volume decline, higher opex in M&R and 2018 positive elements

€ million



[1] Adjusted previously called Normalized, change of terminology "Adjusted" in order to align the label of this APM to the ESMA guidelines, definition and approach remain unchanged. 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 FY19

FY19

€ million	Reported		Adjusted[1]			
	FY18	FY19	FY18	FY19	% ↑	FY19 IFRS16
Total operating income	3,850.2	3,837.8	3,850.2	3,837.2	-0.3%	
Operating expenses	3,279.1	3,300.2	3,279.1	3,300.2	0.6%	+107.6
EBITDA	571.1	537.6	571.1	537.0	-6.0%	+107.6
Depreciation & Amortization	177.7	247.7	146.8	226.2		-105.3
EBIT	393.4	1 289.9	424.3	1 310.8	-26.7%	+2.3
Margin (%)	10.2%	7.6%	11.0%	8.1%		
Financial result	-23.8	-61.5	-23.8	-61.5		-9.7
Profit before tax	381.0	244.3	411.9	265.2	-35.6%	
Income tax expense	117.4	1 89.6	121.4	1 92.1		
Net profit	263.6	154.7	290.4	173.1	-40.4%	
FCF	241.2	2 302.0	231.5	2 288.0	24.4%	+112.3
bpost S.A./N.V. net profit (BGAAP)	262.3	3 172.6	262.3	172.6	-34.2%	
Net Debt at 31 December	344.8	779.9	344.8	779.9		+432.3
Capex	114.9	162.3	114.9	162.3	41.2%	
Average # FTEs and interims	36,109	35,377	36,109	35,377		

1. Amortization of intangibles recognized during PPA is adjusted, leading to increase in EBIT (€ +21.5m) and income tax expense (€ +1.9m)

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

3. bpost net profit BGAAP excludes Centre Monnaie's profit on disposal:

   Since the sales price will be reinvested, the profit on disposal and related taxation will be spread throughout the depreciation of these reinvestments

   This lowers the tax costs on the profit on disposal as the statutory tax rate decreases as from 2020 to 25%

[1] Unaudited figures

Results by segment FY19

FY19

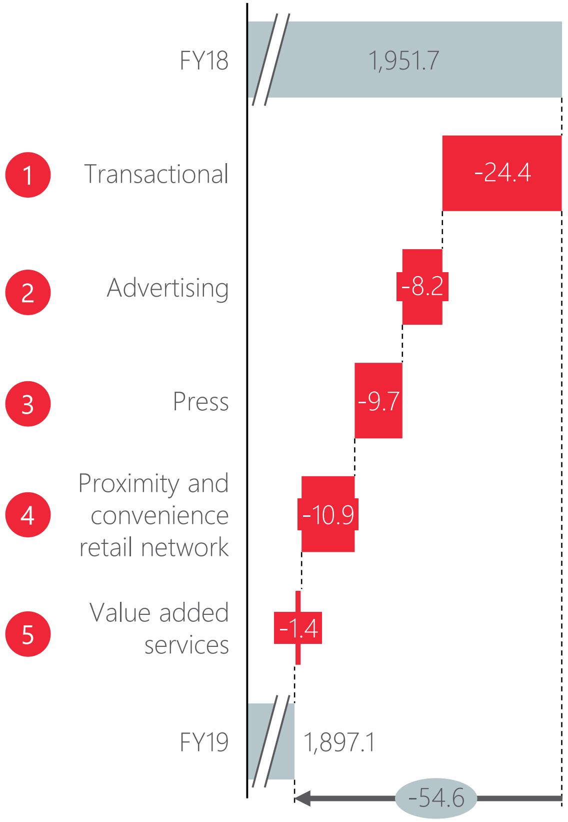
€ million

	M&R	PaLo Eurasia	PaLo N. Am.	Corp	Eliminations	Group
External operating income	1,897.1	813.2	1,097.5	30.1	0.0	3,837.8
Intersegment operating income	174.7	17.8	6.8	372.0	-571.2	
Total operating income	2,071.7	830.9	1,104.2	402.1	(571.2)	3,837.8
Operating expenses	1,734.2	747.7	1,048.7	340.7	-571.2	3,300.2
EBITDA	337.5	83.2	55.5	61.4		537.6
Depreciation & Amortization	83.7	21.7	71.6	70.8		247.7
Reported EBIT	253.8	61.5	-16.1	-9.3		289.9
Margin (%)	12.3%	7.4%	-1.5%	-2.3%		7.6%
Adjusted EBIT	257.4	65.8	-3.0	-9.3		310.8
Margin (%)	12.4%	7.9%	-0.3%	-2.3%		8.1%

Mail volume decline, mainly in Transactional, drove lower operating income

FY19 – M&R

M&R external operating income, € million



Domestic Mail

Operating income decline at € -42.3m i.e.

- € -1.5m working days impact
- € -1.5m net impact elections
- € -94.2m volume (-7.9% underlying volume decline)
- € +54.9m price/mix

1 2 3

Transactional

-9.2% underlying volume decline led by:

- Continued e-substitution by big senders and SMEs
- Higher acceptance of e-documents at the receivers' side and digitization of C2B communication through smartphone apps
- A tougher comparable base with Mifid & GDPR mailings positively impacting 2Q18

1

Proximity and convenience retail network

Revenue growth of € +1.2m excluding deconsolidation effect of Alvadis since September 2019 (€ -12.1m impact on FY19) driven by Ubiway and bpost retail.

4

Advertising

-4.7% underlying volume decline (excluding elections).

Improved trend vs. -7.2% in 2018 supported by first benefits of dedicated sales and marketing efforts aimed at re-boosting advertising mail.

2

Press

-6.5% underlying volume decline driven by e-substitution and rationalization.

3

Value added services

Higher revenue from fines management more than offset by the phase-out of e-ID activities and lower revenues from document management.

5

M&R EBIT impacted by top-line evolution and higher payroll costs

FY19 – M&R

€ million

Mail & Retail	FY18	FY19	% ↑
External operating income	1,951.7	1,897.1	-2.8%
Transactional	772.4	748.0	-3.2%
Advertising	244.2	236.0	-3.4%
Press	354.1	344.4	-2.7%
Proximity and convenience retail network	475.7	464.8	-2.3%
Value added services	105.3	103.9	-1.3%
Intersegment operating income	159.6	174.7	9.4%
Total operating income	2,111.3	2,071.7	-1.9%
Operating expenses	1,727.6	1,734.2	
EBITDA	383.6	337.5	
Depreciation & Amortization	54.1	83.7	
Reported EBIT	329.5	253.8	-23.0%
Margin (%)	15.6%	12.3%	
Adjusted EBIT	333.2	257.4	-22.8%
Margin (%)	15.8%	12.4%	
Average # FTEs and interims	22,214	22,435	

Additional KPIs[1]			
Underlying Mail volume decline		-7.9%	
Transactional		-9.2%	
Advertising		-4.7%	
Press (incl. Ubiway)		-6.5%	

Key takeaways FY19

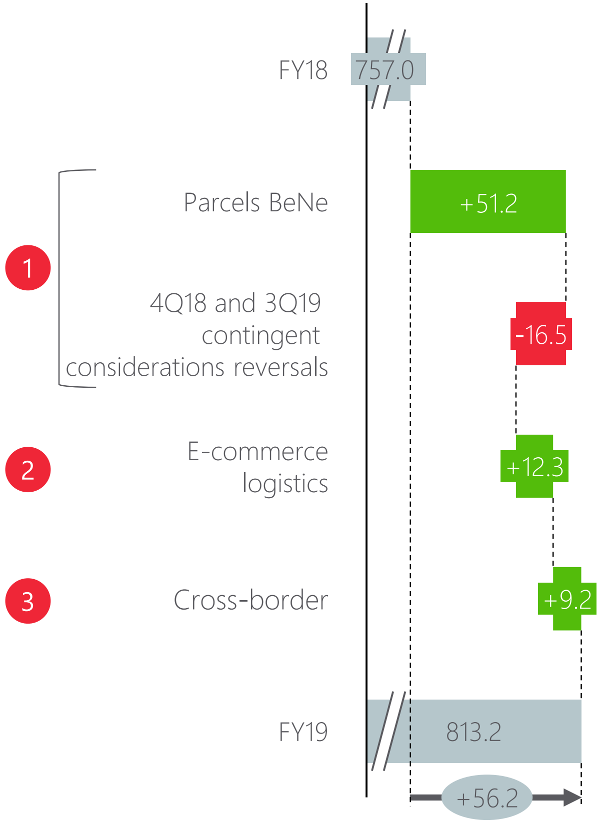
- Total operating income decline of € -39.5m (€ -40.1m adjusted for Alvadis profit on disposal) primarily driven by domestic mail volume decline.
- IFRS 16 impact of € +41.1m on operating expenses and € -39.4m on D&A.
- Operating expenses excluding IFRS 16 impact increased by € -47.7m mainly driven by higher payroll (2019-20 CLA and salary indexation, higher headcount) despite a favorable evolution of the FTE mix and the deconsolidation of Alvadis.
- Adjusted D&A excluding IFRS 16 impact decreased by € +10.4m driven by 4Q18 goodwill impairment on Certipost of € 7.9m.
- As a result, adjusted EBIT declined by € -75.8m.

[1] As of 1Q19 Transactional Mail excludes outbound and Press includes Ubiway press distribution: FY18 operating income is restated, but not all comparable KPIs for FY18 are available

Continued solid organic BeNe parcels volume growth and positive eCommerce development

FY19 – PaLo Eurasia

PaLo Eurasia external operating income, € million



Parcels BeNe

Reported volume growth of +20.0% (former Domestic Parcels and DynaLogic volumes) driven by e-commerce and good volume development at Dynalogic.

Negative price/mix fully mix-driven.

Total Parcels BeNe revenues increased by € 51.2m excluding contingent considerations reversals positively impacting 4Q18 for € 18.2m and 3Q19 for € 1.7m.

1

E-commerce logistics

Growth driven by the integration of Active Ants over FY18 (10 months in FY18) and MCS Fulfilment as from October 1st 2019, organic growth at Active Ants, new clients wins at Radial Europe and reversal of contingent consideration on Leen Menken (€ 1.5m).

2

Cross-border

Driven by Inbound (i.e. terminal dues settlements: € +2.2m in 2Q19) and higher parcels revenues from the UK and Asia partly offset by lower revenues from Rest of Europe and outbound.

3

Solid EBIT margin improvement thanks to volume growth, terminal dues and run-off of non-performing businesses

FY19 – PaLo Eurasia

€ million

Parcels & Logistics Europe and Asia	FY18	FY19	% ↑
External operating income	757.0	813.2	7.4%
Parcels BeNe	345.9	380.6	10.0%
E-commerce logistics	120.8	133.1	10.2%
Cross-border	290.4	299.5	3.2%
Intersegment operating income	35.3	17.8	-49.7%
Total operating income	792.3	830.9	4.9%
Operating expenses	735.9	747.7	
EBITDA	56.4	83.2	
Depreciation & Amortization	31.4	21.7	
Reported EBIT	24.9	61.5	
Margin (%)	3.1%	7.4%	
Adjusted EBIT	38.3	65.8	71.8%
Margin (%)	4.8%	7.9%	
Average # FTEs and interims	3,087	3,248	

Additional KPIs[1]			
Parcels volume growth		20.0%	

[1] As of 1Q19 Parcels BeNe volumes include DynaLogic & former Domestic Parcel volumes. This does not cover the entire Parcels BeNe operating income line. FY18 operating income is restated, but not all comparable KPIs for FY18 are available

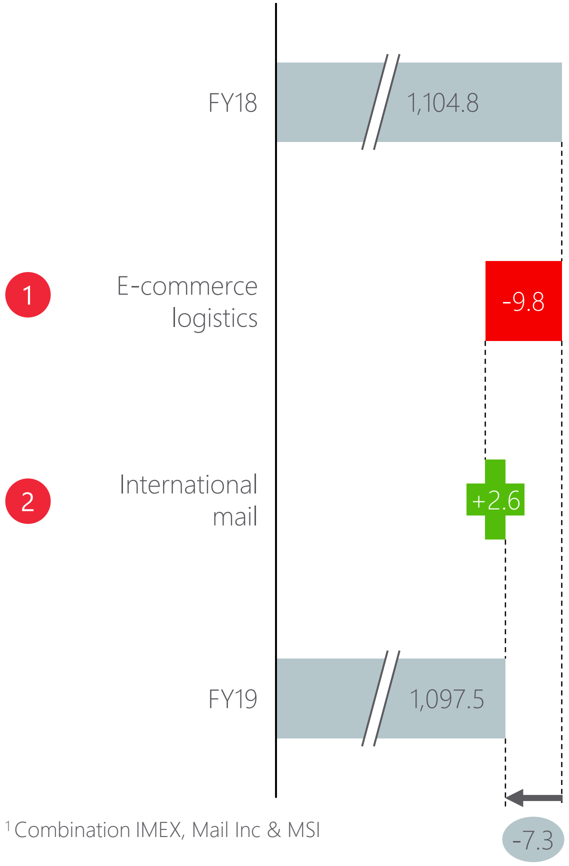
Key takeaways FY19

- Excluding contingent considerations reversals (€ -15.0m net YoY impact), total operating income increased by € +53.6m (6.9%) driven by Parcels volume development and growth in e-commerce logistics.
- IFRS 16 impact of € +8.9m on operating expenses and € -8.6m on D&A.
- Operating expenses ex-IFRS 16 increased by € -20.7m, or 2.8%, as a result of higher intersegment operating expenses from Mail & Retail driven by higher Parcels BeNe volumes, partly compensated by the run-off of non-performing businesses and lower transport costs (positive settlements on terminal dues in 2Q19 and favorable cross-border mix).
- Adjusted D&A excluding IFRS 16 impact declined by € +9.3m driven by last year's goodwill impairment on Bubble Post and de Buren of € 8.4m.
- As a result, adjusted EBIT increased by € +27.5m. Excluding the net YoY impact of contingent considerations reversals and goodwill impairments, adjusted EBIT increased by € +34.1m (+119%) operationally.

Parcels & Logistics North America impacted by 2018 customer churn and repricing at Radial as anticipated

FY19 – PaLo N. Am.

PaLo North America external operating income, € million



[1] Combination IMEX, Mail Inc & MSI

E-commerce logistics

YoY decline of -1.0%, -5.6% at constant exchange rate.

Revenues decline within Radial North America mainly driven by the impact of 2018 client churn and repricing. This effect was diminishing through the year but not fully compensated by new business and positive FX development.

1

International mail

Slight increase at The Mail Group[1] due to the timing of the acquisitions of IMEX and Mail Inc in 2018.

2

As expected, EBIT was impacted by client churn & repricing and set-up costs from newly onboarded clients

FY19 – PaLo N. Am.

€ million

Parcels & Logistics North America	FY18	FY19	% ↑
External operating income	1,104.8	1,097.5	-0.7%
E-commerce logistics	1,017.9	1,008.1	-1.0%
International mail	86.8	89.4	3.0%
Intersegment operating income	9.6	6.8	-29.2%
Total operating income	1,114.4	1,104.2	-0.9%
Operating expenses	1,068.3	1,048.7	
EBITDA	46.1	55.5	
Depreciation & Amortization	48.9	71.6	
Reported EBIT	-2.8	-16.1	
Margin (%)	-0.2%	-1.5%	
Adjusted EBIT	11.1	-3.0	
Margin (%)	1.0%	-0.3%	
Average # FTEs and interims	9,093	8,061	
Additional KPIs, adjusted			
Radial North America revenue, $m	1,003.9	934.9	-6.9%
Radial North America EBITDA, $m	31.1	29.2	
Radial North America EBIT, $m	-7.9	-29.2	

Key takeaways FY19

- Total operating income decline of € -10.2m or -0.9% (-5.6% at constant exchange rate) mainly driven by customer churn and repricing at Radial, as anticipated.
- TCV at Radial reached $ 385m, well above the initial FY objective of $ 300m. TCV primarily signed in fulfilment.
- IFRS 16 impact of € +30.1m on operating expenses and € -29.5m on D&A.
- Excluding IFRS 16, total adjusted opex (incl. D&A) increased by € -4.5m. Excluding FX this was a decrease of € +50.5m driven by lower fixed costs (mainly payroll), better productivity in fulfilment and reduced fraud chargebacks in PT&F, partly offset by set-up costs from newly onboarded clients.
- Adjusted EBIT declined with € -14.1m.

Corporate

FY19 – Corporate

€ million

Corporate	FY18	FY19	% ↑
External operating income	36.8	30.1	-18.3%
Intersegment operating income	356.0	372.0	4.5%
Total operating income	392.8	402.1	2.4%
Operating expenses	307.8	340.7	
EBITDA	85.0	61.4	
Depreciation & Amortization	43.3	70.8	
Reported EBIT	41.7	-9.3	
Margin (%)	10.6%	-2.3%	
Adjusted EBIT	41.7	-9.3	
Margin (%)	10.6%	-2.3%	
Average # FTEs and interims	1,715	1,633	

Key takeaways FY19

- External operating income decreased by € -6.7m driven by lower rental income and lower building sales, as the sale in 2019 of the HQ building (€ +19.9m gain on disposal) was more than offset by building sales in 2018 (amongst others Old Brussels X).
- IFRS 16 impact of € +27.5m on operating expenses and € -27.7m on D&A.
- Net of intersegment opex increase (€ -16.0m) fully re-invoiced to BUs as intersegment operating income, opex (incl. D&A) was up € -44.1m ex-IFRS 16. This is mainly driven by € -14.9m provision reversal in 2Q18, € -10.9m IAS19 non-cash gain related to group insurance in 4Q18, higher payroll and higher project-related costs in procurement and communication.
- As a result, adjusted EBIT decreased by € -51.0m.

FCF[1] mainly impacted by lower operating results

FY19

Reported - € million

		FY18	FY19 (excl. IFRS 16)	IFRS 16	FY19	Delta
+	Cash flow from operating activities	362.0	311.9	112.3	424.2	62.3
+	Cash flow from investing activities	-120.8	-122.2		-122.2	-1.4
=	Free cash flow	241.2	189.7	112.3	302.0	60.8
+	Financing activities	-29.5	-201.9	-112.3	-314.1	-284.6
=	Net cash movement	211.7	-12.1	0.0	-12.1	-223.8
	Capex	(114.9)	(162.3)		(162.3)	(47.3)

CF from operating activities

Transfer of operating leases to financing activities due to IFRS 16 (€ +112.3m)

CF from operating activities before changes in working capital: € -102.0m

Improvement in working capital evolution: € +10.7m

More cash payments related to "due to" Radial's clients: € +4.3m

Lower tax prepayments : € +37.0m

CF from investing activities

Lower cash outflows related to acquisition of subsidiaries (€ +54.1m) with main investments occurring in 1H18

Higher proceeds from sale of buildings (€ +10.4m, out of which € +56.1m for MCM sale in 1H19)

Sale of Alvadis for € +5.9m

Higher capex: € -47.3m, primarily buildout of new fulfilment centres in PaLo NA (capex increased by € 25.7m to € 47.7m), mail centres infrastructure, vehicles, capitalization of ICT development costs, new distribution model and migration of ICT infrastructure to the cloud

Subordinated loan granted to bpost bank (€ -25.0m)

CF from financing activities

Payment of lease liabilities from IFRS 16 application (€ -112.3m)

Dividend payment (€ -174.0m)

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

Additional info

IFRS 16: Main impacts 4Q19

IFRS16

€ million

IFRS 16	Group	M&R	PaLo Eurasia	PaLo N. Am.	Corporate
Operating expenses	+28.1	+9.7	+2.5	+8.6	+7.3
EBITDA	+28.1	+9.7	+2.5	+8.6	+7.3
D&A	-27.6	-9.2	-2.4	-8.5	-7.4
EBIT	+0.5	+0.4	+0.0	+0.1	-0.1
Net financial costs	-2.6	-0.9	-0.1	-1.4	-0.2
CF from operating activities	+25.5				
CF from financing activities	-25.5				
Net debt	+432.3				

IFRS 16: Main impacts FY19

IFRS16

€ million

IFRS 16	Group	M&R	PaLo Eurasia	PaLo N. Am.	Corporate
Operating expenses	+107.6	+41.1	+8.9	+30.1	+27.5
EBITDA	+107.6	+41.1	+8.9	+30.1	+27.5
D&A	-105.3	-39.4	-8.6	-29.5	-27.7
EBIT	+2.3	+1.7	+0.3	+0.5	-0.2
Net financial costs	-9.7	-3.4	-0.6	-5.0	-0.6
CF from operating activities	+112.3				
CF from financing activities	-112.3				
Net debt	+432.3				

bpost Group's long-term relationship with the Belgian State

Belgian State

State as a long-term shareholder

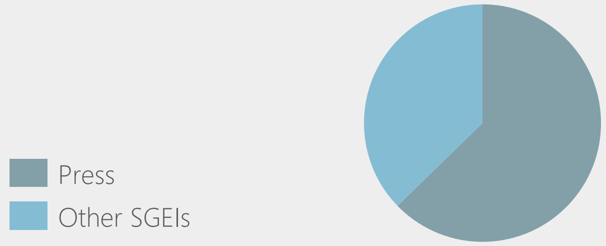
- Belgian State has 51% shares
- bpost Group's board is composed of 5 board members and CEO appointed by the Belgian State and 6 independent directors
- Belgian State supports a regular dividend policy

Shareholder	# shares
Belgian State	102,075,649
Free float	97,925,295

bpost Group provides SGEIs[1] on behalf of the State

2016-2020

- 2 press distribution contracts (newspapers & periodicals) – prolonged for 2 years until the end of 2022
- Sixth management contract for other SGEIs
- Contractual amounts (excl. inflation[2], volume impact & sharing of efficiency gains) of € 261.0m in 2016 (actual amount: € 264.9m), € 260.8m in 2017 (actual amount: € 270.0m), € 257.6m in 2018 (actual amount: € 271.4m), € 252.6m in 2019 (actual amount: € 271.0m) and € 245.6m in 2020



State as important customer

- State is a key commercial client to bpost Group
- Several other agreements in place with the State, such as European license plates (won by bpost Group through tender)

[1] SGEI stands for Services of General Economic Interest cfr. slide 17 and 66
[2] All amounts need to be adjusted for inflation on a cumulated yearly basis

Sixth management contract and press concessions will be renegotiated before 2022

USO & SGEI

	Universal Service Obligation (USO)	6th Management Contract	Press concessions

Scope	• Collect, sort, transport & distribute letter mail up to 2kg, parcels up to 10kg and parcels up to 20kg from other EU member states
	• 1 access point per municipality
	• Collect and deliver 5x/week
	• Full territory of Belgium
	• USO pricing constraints
	• Provide adequate information on USO products and services
	• Quality control obligation (95% of prior mail/parcels D+1, 97% D+2)
		Services not typically associated with mail operators (SGEI), e.g.,
		• Retail network (1,300 postal service points of which at least 650 post offices)
		• Cash at Counter
		• Election mail (distribution)
		• Cash payment of pensions at home
			• Also part of SGEIs
			• Newspaper early delivery 6x/week
			• Periodical delivery 5x/week
			• Quality control obligation of maximum 7 complaints per 10,000 deliveries
			• FTEs
			  • ~1,700 FTEs for newspaper deliveries which are dedicated rounds
			  • Delivery of periodicals is integrated in the regular mail rounds

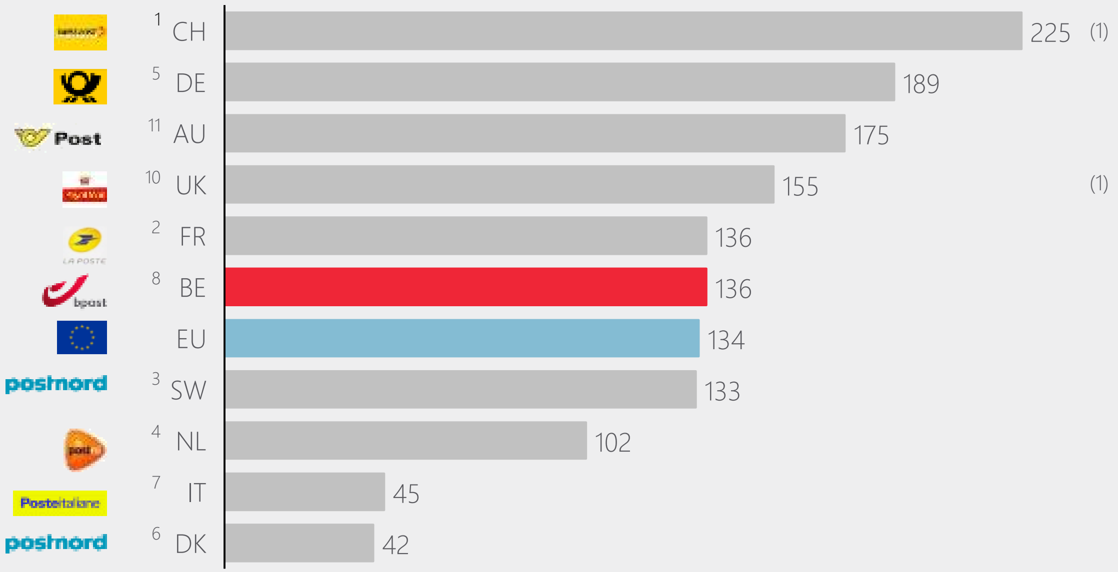
Timing	• Complementary management contract granted by the State • Runs until end of 2023, renewable by consecutive terms of 5 years	• Runs until end of 2020 • Notified and validated by European Commission under State Aid rules	• Runs until end of 2022 • Notified and validated by European Commission under State Aid rules
	State compensation possible in case of USO being financial burden	€ 271m state compensation in 2019 Amount including inflation, volume variance and sharing of efficiency gains	

A relatively resilient mail market vs. other European operators

European mail market

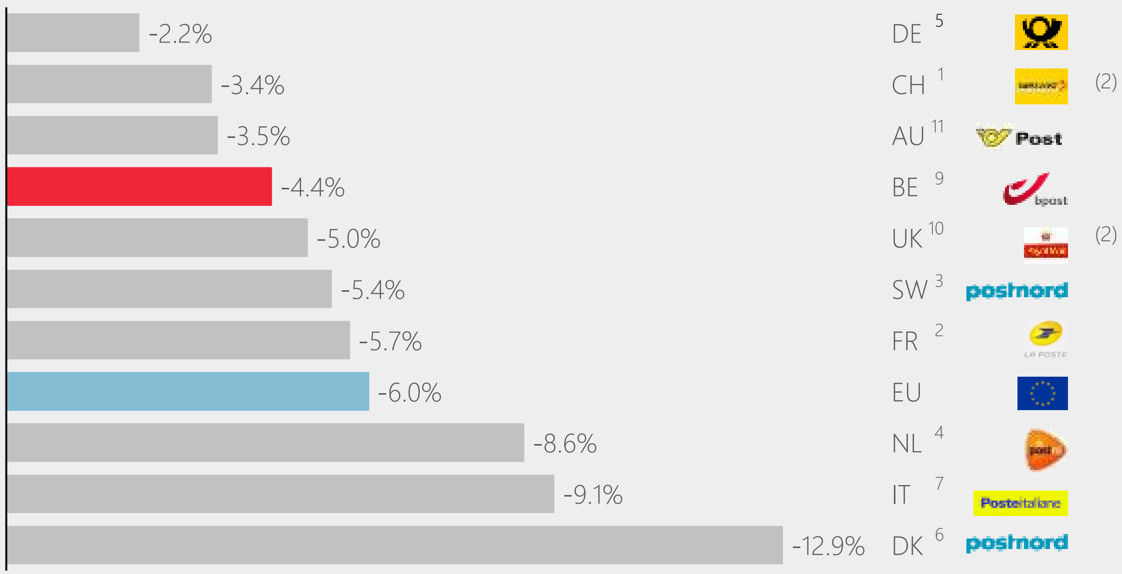
Addressed mail volume per capita 2019

operator level*



2008-19 CAGR for addressed mail volumes

as reported by major incumbent European postal operators, percent



Note: definition of addressed mail may differ by operator
Source: Company information; Annual reports; Investor presentations; IPC; Eurostat

[1] Includes addressed mail
[2] Includes addressed mail
[3] Includes addressed mail
[4] Includes addressed mail
[5] Includes mail communication and dialogue marketing
[6] Includes addressed mail
[7] Includes addressed mail (publishers services excl.)
[8] Includes addressed mail excluding press
[9] Includes all domestic mail
[10] Includes inland addressed mail
[11] Includes letter mail and addressed direct mail / media post
* Excludes domestic competitors

(1) 2018 data
(2) 2008-18 data

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Questions