

Results continue to track towards guidance range in seasonally softer quarter, driven by underlying parcels volume growth and pricing measures, mail price increase offsetting volume decline and continued efforts to mitigate unfavorable macro headwinds

Third quarter 2022 highlights

- **Group operating income** at 1,021.9 mEUR, +4.5% compared to last year.
- **Group adjusted EBIT** at 26.0 mEUR (margin of 2.5%) down by -33.5% compared to last year. **Group reported EBIT** at 22.8 mEUR.
- **Belgium**
 - Total operating income at 507.2 mEUR (+1.6% excluding Ubiway Retail).
 - Underlying mail volume decline of -7.7%, nearly offset by positive mail price/mix impact.
 - Parcels volumes decreased by -3.8%, excluding Amazon insourcing volumes increased by +7.8% and price/mix impact of +4.7%.
 - Higher opex – excluding Ubiway Retail – driven by 5 recent salary indexations mitigated by FTE reduction, and higher energy costs.
 - Adjusted EBIT at 18.9 mEUR (3.7% margin) and reported EBIT at 18.7 mEUR.
- **E-Logistics Eurasia**
 - Total operating income at 155.3 mEUR (+12.9%) driven by continued expansion of Radial EU and Active Ants (+22.3%) and cross-border sales increase supported by IMX integration.
 - Higher opex (+12.6%) from higher transport costs in line with volume development, IMX integration and higher payroll costs.
 - Adjusted EBIT at 4.4 mEUR (2.8% margin) and reported EBIT at 3.7 mEUR.
- **E-Logistics North America**
 - Total operating income at 376.5 mEUR, +20.2% excluding the Mail Group sold in 2021 and +2.9% at constant exchange rate, reflecting the normalisation of Radial' sales post recent customer onboardings.
 - Reported EBIT at 8.1 mEUR and adjusted EBIT at 10.5 mEUR, the latter improved by +19.6% when excluding last year's cyber insurance recovery.

Outlook for 2022

bpostgroup today revises its full-year EBIT outlook to 265-300 mEUR, reflecting the outperformance of the third quarter results and the current expectations for the fourth quarter.

The previously identified downside risk is reduced to 15 mEUR (from “up to 40 mEUR” at Q1 and “up to 25 mEUR” at Q2) reflecting the measures taken regarding price and costs and our commercial efforts against persisting macro conditions.

In the continued unfavorable macro-economic environment, headwinds and uncertainty on the results of the fourth quarter persist:

- Uncertainty on volumes trend and phasing of volumes for the end-of-year peak in Belgium and internationally. Persisting record-low consumer confidence and lower spending power from record-high inflation in Belgium to be mitigated by additional volumes from existing and new customers, pricing measures and optimal peak preparation.
- Continued higher energy and payroll costs (e.g. higher Belgian payroll costs from premium paid to employees to alleviate pressure on purchasing power and a fifth salary indexation in December vs. four previously).

Management actions to phase and mitigate adverse impacts remain in place.

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Key figures¹

3rd quarter (in million EUR)					
	Reported		Adjusted		% Δ
	2021	2022	2021	2022	
Total operating income	977.6	1,021.9	976.2	1,021.9	4.7%
Operating expenses (excl. D&A)	871.6	923.6	871.6	923.6	6.0%
EBITDA	106.0	98.3	104.6	98.3	-6.1%
Depreciation and amortization	68.7	75.5	65.5	72.3	10.3%
EBIT	37.3	22.8	39.1	26.0	-33.5%
<i>Margin (%)</i>	<i>3.8%</i>	<i>2.2%</i>	<i>4.0%</i>	<i>2.5%</i>	
Result before tax	28.6	29.1	36.7	32.3	-12.1%
Income tax expense	12.5	4.4	13.3	5.2	-61.1%
Net result	16.1	24.7	23.4	27.1	15.7%
FCF	99.0	(32.1)	125.8	3.9	-96.9%
Net debt/(Net cash) as of 30 September	457.8	670.9	457.8	670.9	46.6%
CAPEX	31.4	47.0	31.4	47.0	49.8%
Average FTE & Interims	40,495	38,768	40,495	38,768	-4.3%

Year-to-date (in million EUR)					
	Reported		Adjusted		% Δ
	2021	2022	2021	2022	
Total operating income	3,035.4	3,095.9	3,034.0	3,095.9	2.0%
Operating expenses (excl. D&A)	2,580.8	2,686.5	2,580.8	2,686.5	4.1%
EBITDA	454.6	409.4	453.2	409.4	-9.7%
Depreciation and amortization	201.6	217.1	192.0	207.9	8.3%
EBIT	253.0	192.3	261.2	201.5	-22.8%
<i>Margin (%)</i>	<i>8.3%</i>	<i>6.2%</i>	<i>8.6%</i>	<i>6.5%</i>	
Result before tax	237.7	206.7	252.2	217.1	-13.9%
Income tax expense	68.6	52.8	70.8	55.1	-22.2%
Net result	169.1	153.8	181.3	162.0	-10.7%
FCF	185.4	115.7	225.1	156.3	-30.6%
Net debt/(Net cash) as of 30 September	457.8	670.9	457.8	670.9	46.6%
CAPEX	79.5	113.0	79.5	113.0	42.1%
Average FTE & Interims	38,773	38,224	38,773	38,224	-1.4%

¹ Adjusted figures are not audited and definition of adjusted is included in section Alternative Performance Measures.

Group overview

Third quarter 2022

Compared to last year, **total operating income** increased by +44.3 mEUR or +4.5% to 1,021.9 mEUR:

- External operating income Belgium decreased by -28.8 mEUR, not taking into account the deconsolidation of Ubiway Retail (36.5 mEUR) operating income increased, driven by pricing levers in both mail and parcels and strong parcel volume and price/mix development excluding Amazon.
- External operating income of E-Logistics Eurasia increased by +17.1 mEUR mainly driven by accelerated growth in Radial and Active Ants and higher cross-border revenue from IMX integration.
- E-Logistics North America external operating income increased by +55.5 mEUR, organic growth supported by Landmark US and Apple Express as Radial sales normalise post customer implementations.
- Corporate external operating income slightly increased by +0.4 mEUR.

Operating expenses (including D&A) increased by -58.8 mEUR (or +6.3%) impacted by higher variable opex in line with revenue development E-Logistics North America and E-Logistics Eurasia, higher payroll cost (5 recent salary indexations in Belgium) and energy costs, a provision of 7.1 mEUR following a dispute with a terminated customer at Radial, partially offset by lower material costs mainly due to the deconsolidation of Ubiway Retail and less FTE.

As a result the **reported EBIT** decreased by -14.5 mEUR.

Net financial result (i.e. net of financial income and financial costs) increased by +8.6 mEUR mainly due to lower non-cash financial charges related to IAS 19 employee benefits in line with the increased discount rates.

As last year the fair value less costs to sell of Ubiway Retail was lower than the carrying value, a write down of -6.3 mEUR was recognized within **remeasurement of assets held for sale at fair value less costs to sell**.

Income tax expense decreased by +8.1 mEUR compared to last year.

Group net profit increased by +8.6 mEUR compared to last year at 24.7 mEUR.

First nine months of 2022

Compared to last year, **total operating income** increased by +60.5 mEUR or +2.0% to 3,095.9 mEUR, driven by E-Logistics North America.

- External operating income Belgium decreased by -85.3 mEUR or -5.2%, mainly explained by the deconsolidation of Ubiway Retail (-79.7 mEUR) and mainly lower parcels volumes in the first half of 2022, amongst other reflecting Amazon's insourcing.
- External operating income of E-Logistics Eurasia decreased by -34.5 mEUR or -7.5% mainly driven by the continued pressure in the first half of 2022 on Asian volumes following new VAT regulation and continued pressure on Dyna volumes.
- E-Logistics North America external operating income increased by +186.0 mEUR or +20.5%, at constant exchange rate revenues increased by +7.1% mainly driven by Radial's new customers launched in 2021.
- Corporate external operating income decreased by -5.7 mEUR in line with lower sales buildings.

Operating expenses (including D&A) increased by 121.1 mEUR (or +4.4%) impacted by higher variable opex in line with revenue development E-Logistics North America, higher payroll cost (amongst others 5 recent salary indexations in Belgium) and energy costs, increased doubtful debt costs, partially offset by lower material costs mainly due to the deconsolidation of Ubiway Retail, higher recoverable VAT, lower opex in line with the revenue development E-Logistics Eurasia and less FTE.

As a result the **reported EBIT** decreased by -60.7 mEUR compared to last year.

Net financial result (i.e. net of financial income and financial costs) increased by +24.4 mEUR mainly due to lower non-cash financial charges related to IAS 19 employee benefits in line with the increased discount rates.

As last year the fair value less costs to sell of Ubiway Retail was lower than the carrying value, a write down of -6.3 mEUR was recognized within **remeasurement of assets held for sale at fair value less costs to sell**.

Income tax expense decreased by +15.7 mEUR compared to last year mainly due to the lower profit before tax.

Group net profit decreased by -15.3 mEUR compared to last year at 153.8 mEUR.

Business Unit performance: Belgium

Belgium In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change%
External operating income	1,656.1	1,570.8	-5.2%	523.7	494.9	-5.5%
Transactional mail	546.7	547.0	0.1%	167.6	169.7	1.3%
Advertising mail	143.1	138.4	-3.3%	47.1	42.9	-8.9%
Press	251.0	251.3	0.1%	79.5	80.3	0.9%
Parcels Belgium	338.6	314.3	-7.2%	102.2	103.2	0.9%
Proximity and convenience retail network	291.8	228.4	-21.7%	99.7	68.8	-31.0%
Value added services	85.0	91.4	7.6%	27.6	30.1	9.1%
Intersegment operating income	47.0	37.1	-21.1%	12.1	12.2	1.4%
TOTAL OPERATING INCOME	1,703.1	1,607.9	-5.6%	535.8	507.2	-5.3%
Operating expenses	1,431.9	1,389.2	-3.0%	485.1	468.0	-3.5%
EBITDA	271.3	218.6	-19.4%	50.7	39.2	-22.6%
Depreciation, amortization (reported)	67.9	62.3	-8.2%	22.5	20.5	-8.9%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	203.4	156.3	-23.1%	28.2	18.7	-33.6%
Margin (%)	11.9%	9.7%		5.3%	3.7%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	204.7	156.7	-23.4%	28.7	18.9	-34.1%
Margin (%)	12.0%	9.7%		5.3%	3.7%	

Third quarter 2022

Total operating income in the third quarter 2022 amounted to 507.2 mEUR and showed a decrease of -28.6 mEUR or -5.3%, not taking into account the deconsolidation of Ubiway Retail total operating income increased by +7.9 mEUR compared to the same period 2021. **External operating income** amounted to 494.9 mEUR and showed a decrease of -28.8 mEUR or -5.5% compared to the same period of 2021.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) slightly decreased by -1.4 mEUR to 292.9 mEUR. **Transactional mail** noted an underlying volume decline of -6.2% for the quarter, Admin mail trend was supported by COVID-19 communication in the third quarter 2022 (estimated at 5.0 mEUR vs 4.5 mEUR in the third quarter 2021). There was no change in the known structural trends of continued e-substitution. **Advertising mail** had an underlying volume decrease of -11.1% against a tough comparable base of -2.9% last year. **Press** volume decreased on an underlying basis by -10.5%, in line with previous quarter.

Total Domestic mail volume decrease impacted revenues by -18.9 mEUR (-7.7% underlying volume decline against -7.5% in the third quarter of 2021) and was almost compensated by +18.3 mEUR net improvement in price and mix. Working days impact amounted to -0.7 mEUR.

Belgium	Year-to-date		3 rd quarter	
	2021	2022	2021	2022
Evolution underlying volumes				
Domestic mail	-4.8%	-6.8%	-7.5%	-7.7%
Transactional mail	-6.9%	-6.7%	-9.5%	-6.2%
Advertising mail	+1.6%	-5.2%	-2.9%	-11.1%
Press	-1.7%	-9.4%	-3.4%	-10.5%
Parcels B2X volume	+18.6%	-10.8%	+8.9%	-3.8%

Parcels Belgium increased by +1.0 mEUR (or +0.9%) to 103.2 mEUR as the improved price/mix of +4.7% exceeds the volume decline of -3.8%. Excluding Amazon's insourcing (-50.5% quarter year-over-year), underlying volume increased by +7.8% vs. respectively -8.1% and -2.9% in the first and second quarter of 2022.

Proximity and convenience retail network decreased by -30.9 mEUR to 68.8 mEUR. This decrease was mainly driven by the deconsolidation impact of Ubiway Retail as of the 1st March 2022 (-36.5 mEUR impact). Excluding the deconsolidation, revenues increased by +5.6 mEUR or +8.9% mainly driven by the new Management Contract.

Value added services amounted to 30.1 mEUR and showed an increase of +2.5 mEUR versus last year mainly due to slightly higher revenues from fines solutions.

Operating expenses (including D&A) decreased by +19.1 mEUR (or -3.8%), when excluding Ubiway Retail costs increased by 3.6%. This increase was mainly driven higher energy costs and subcontractor costs, higher payroll costs per FTE (5 recent salary indexations of +2% and change in night shift regulation), partially compensated by less FTE (~ -930 FTE or -3.6%, excluding Ubiway Retail) from continued execution of dedicated management actions.

Reported EBIT and **adjusted EBIT** decreased and respectively amounted to 18.7 mEUR and 18.9 mEUR with a margin of 3.7%, FTE reduction and resilient volumes partly mitigate inflation of energy and payroll costs. No significant EBIT impact from Ubiway Retail deconsolidation in March 2022.

First nine months of 2022

Total operating income in the first nine month of 2022 amounted to 1,607.9 mEUR and showed a decrease of -95.3 mEUR or -5.6% (or -15.5 mEUR excluding the deconsolidation of Ubiway Retail) compared to the same period 2021. **External operating income** amounted to 1,570.8 mEUR and showed a decrease of -85.3 mEUR or -5.2% compared to the same period of 2021. Lower intersegment income (-9.9 mEUR or -21.1%) reflects lower Cross-border volumes handled in the network in the first half of 2022.

Revenues from **Domestic mail** (i.e. Transactional, Advertising and Press combined) slightly decreased by -4.1 mEUR to 936.7 mEUR. **Transactional mail** noted an underlying volume decline of -6.7% for the year in line with -6.9% underlying volume decline for the year 2021, year-over-year impact COVID communication around -7.5 mEUR. **Advertising mail** was impacted by an underlying volume decrease of -5.2% against +1.6% for the same period last year, which was driven by the volume recovery post lockdown. **Press** volume decreased on an underlying basis by -9.4% against -1.7% in the first nine months last year.

Total Domestic mail volume decrease impacted revenues by -53.8 mEUR (-6.8% underlying volume decline against -4.8% in 2021) and was almost compensated by +0.2 mEUR working day impact and the net improvement in price and mix which amounted to +31.3 mEUR.

Belgium Evolution underlying volumes	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	YTD 22
Domestic mail	-7.8%	+1.4%	-7.5%	-8.9%	-5.9%	-5.4%	-7.5%	-7.7%	-6.8%
Transactional mail	-9.6%	-1.3%	-9.5%	-11.1%	-8.0%	-5.8%	-8.2%	-6.2%	-6.7%
Advertising mail	-5.4%	+15.6%	-2.9%	-1.1%	+0.9%	-2.3%	-2.4%	-11.1%	-5.2%
Press	-1.0%	-1.1%	-3.4%	-8.4%	-3.5%	-7.1%	-10.8%	-10.5%	-9.4%
Parcels B2X volume	+54.1%	+2.9%	+8.9%	-7.5%	+10.3%	-14.8%	-12.9%	-3.8%	-10.8%

Parcels Belgium decreased by -24.3 mEUR (or -7.2%) to 314.3 mEUR resulting from parcels volume decline of -10.8% against high comps of +18.6% in 2021 and reflecting Amazon's insourcing.

Proximity and convenience retail network decreased by -63.4 mEUR to 228.4 mEUR. This decrease was mainly driven by the deconsolidation impact of Ubiway Retail as of the 1st March 2022 (-79.7 mEUR impact). Excluding the deconsolidation, revenues increased by +16.3 mEUR or +8.6% mainly driven by the new Management Contract.

Value added services amounted to 91.4 mEUR and showed an increase of +6.5 mEUR versus last year due to higher revenues from fines solutions and additional revenues charged for setup and change requests in solutions.

Operating expenses (including D&A) decreased by +48.2 mEUR, mainly driven by lower material costs in line with the deconsolidation of Ubiway Retail, less FTE's and higher recoverable VAT. This decrease was partially offset by higher energy costs and higher payroll costs per FTE (5 recent salary indexations of +2% and change in night shift regulation).

Driven by lower volumes and inflationary impacts on payroll and energy costs, **reported EBIT** and **adjusted EBIT** decreased and respectively amounted to 156.3 mEUR and 156.7 mEUR with a margin of 9.7%.

Business Unit performance: E-Logistics Eurasia

E-Logistics Eurasia In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change%
External operating income	458.8	424.3	-7.5%	132.3	149.4	12.9%
E-commerce logistics	199.1	197.9	-0.6%	63.1	67.3	6.7%
Cross-border	259.7	226.4	-12.8%	69.1	82.0	18.6%
Intersegment operating income	19.2	16.5	-13.9%	5.3	5.9	11.7%
TOTAL OPERATING INCOME	478.0	440.8	-7.8%	137.5	155.3	12.9%
Operating expenses	421.4	400.8	-4.9%	128.8	144.6	12.2%
EBITDA	56.6	40.0	-29.3%	8.7	10.7	22.7%
Depreciation, amortization (reported)	16.8	20.1	20.0%	5.8	7.0	20.5%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	39.8	19.8	-50.1%	2.9	3.7	27.2%
Margin (%)	8.3%	4.5%		2.1%	2.4%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	41.9	22.0	-47.5%	3.6	4.4	21.7%
Margin (%)	8.8%	5.0%		2.6%	2.8%	

Third quarter 2022

Total operating income increased by +17.7 mEUR (+12.9%) driven by the increase of the **external operating income** by +17.1 mEUR or +12.9% compared to the same period of 2021.

E-commerce logistics operating income in the third quarter 2022 amounted to 67.3 mEUR, an increase of +4.2 mEUR or +6.7% compared to the same period of 2021. Revenue growth of Radial Europe and Active Ants of +22.3% from recent customer onboardings and improving sales of existing customers, was partially offset by a decline in revenue at DynaLogic due to lower consumer confidence and at DynaFix/Sure due to less devices to be repaired.

Cross-border operating income in the third quarter 2022 amounted to 82.0 mEUR, an increase of +12.9 mEUR (or +18.6%) compared to the same period of 2021, mainly driven by IMX consolidation as from July 2022 and growth in EU sales from new customer wins, offsetting normalizing - low-value consignment relief abolished started July 1, 2021 - Asian sales still affected by supply chain disruptions in China.

Operating expenses (including D&A) were up -16.9 mEUR or +12.6%, mainly explained by higher transport costs in line with Fulfilment and Cross border activities and IMX integration, higher payroll costs from inflation and recent sites openings in Fulfilment (in line with expansion and strategic development initiatives), partially offset by lower material costs, lower interims and transport costs given the lower volumes at Dyna.

Reported EBIT and adjusted EBIT increased by +0.8 mEUR compared to last year same period and respectively amounted to 3.7 mEUR and 4.4 mEUR. EBIT improvement as top-line momentum mitigates inflation.

First nine months of 2022

Total operating income decreased by -37.2 mEUR (-7.8%) driven by the decrease of the **external operating income** by -34.5 mEUR or -7.5% compared to the same period of 2021. This decrease was mainly due to Cross-border (-33.3 mEUR).

E-commerce logistics operating income in the first nine months 2022 amounted to 197.9 mEUR, a slight decrease of -1.2 mEUR or -0.6% compared to the same period of 2021. The revenue growth of Radial Europe and Active Ants of +15.3%, mainly from new customer onboardings, was offset by a decline in revenue at DynaLogic due to lower consumer confidence and at DynaFix/Sure due to a shortage of electronic spare parts and less devices to be repaired.

Cross-border operating income in the first nine months 2022 amounted to 226.4 mEUR, a decrease of -33.3 mEUR (or -12.8%) compared to the same period of 2021, mainly driven by lower Asian volumes impacted in the first half of 2022 by the new VAT regulation as from July 1, 2021 and impacted by supply chain disruptions in China.

Operating expenses (including D&A) were down +17.3 mEUR or -3.9%, mainly thanks to lower transport costs and lower intersegment opex charged by Belgium due to lower Asian volumes, lower material costs, lower interims and transport costs in line with lower volumes at Dyna, partially offset by higher payroll costs from inflation and recent sites openings, in line with expansion and strategic development initiatives and IMX integration.

Reported EBIT and adjusted EBIT decreased by -19.9 mEUR compared to last year same period and respectively amounted to 19.8 mEUR and 22.0 mEUR.

Business Unit performance: E-Logistics North America

E-Logistics North America In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change%
External operating income	908.7	1,094.7	20.5%	319.4	375.0	17.4%
E-commerce logistics	866.5	1,094.7	26.3%	312.2	375.0	20.1%
International mail	42.2	0.0	-100.0%	7.2	0.0	-100.0%
Intersegment operating income	3.6	3.8	4.7%	1.0	1.5	42.8%
TOTAL OPERATING INCOME	912.3	1,098.5	20.4%	320.5	376.5	17.5%
Operating expenses	823.6	982.6	19.3%	286.3	339.6	18.6%
EBITDA	88.8	115.9	30.6%	34.2	36.8	7.9%
Depreciation, amortization (reported)	61.8	78.8	27.5%	22.0	28.7	30.3%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	27.0	37.1	37.5%	12.1	8.1	-32.8%
Margin (%)	3.0%	3.4%		3.8%	2.2%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	31.8	43.8	37.8%	12.8	10.5	-17.9%
Margin (%)	3.5%	4.0%		4.0%	2.8%	

Third quarter 2022

Total operating income amounted to 376.5 mEUR and increased by +56.0 mEUR, this is an increase of +17.5% (+0.6% at constant exchange rate). Excluding the divestment of the Mail Group as of August 5, 2021 total operating income increased by 61.8 mEUR. **External operating income** in the third quarter 2022 amounted to 375.0 mEUR and showed an increase of +55.5 mEUR or +17.4% (+0.5% at constant exchange rate) compared to the same period of 2021.

E-commerce logistics increased by +62.8 mEUR to 375.0 mEUR or +20.1%. At constant exchange rate operating income increased by +2.9% as the new customers launched in 2021 at Radial are now fully implemented. Compared to the third quarter of 2019 and 2020, operating income of Radial increased respectively by 51% and 13% from structural e-commerce logistics growth (excluding exchange rate impact) and the expansion plan. Landmark US and Apple Express recorded continued volume growth from existing customers and new customers won in 2021.

Radial North America (*) In million USD (Adjusted)	Year-to-date		3 rd quarter	
	2021	2022	2021	2022
Total operating income	812.2	924.4	293.2	295.9
EBITDA	63.6	76.4	25.6	21.1
Profit from operating activities (EBIT)	8.0	12.2	5.8	(0.8)

(*) Business unit performance expressed in USD of the consolidated Radial entities held by bpost North America Holdings Inc.

The decline of **International mail** was driven by the divestment and deconsolidation of the Mail Group as of August 5, 2021.

Operating expenses (including D&A) increased by -60.0 mEUR or +19.4% (or +2.3% at constant exchange rate) resulting from higher variable opex in line with revenue development (including labor cost), partially mitigated by higher productivity. Higher costs from new site openings, consulting fees for strategic projects and a provision of 7.1 mEUR reflecting a dispute with a terminated customer.

Excluding last year's 4.0 mEUR EBIT uplift from cyber insurance recovery, continued underlying improvement of **reported EBIT** and **adjusted EBIT**.

First nine months of 2022

Total operating income amounted to 1,098.5 mEUR and increased by +186.2 mEUR, an increase of +20.4% (+7.0% at constant exchange rate). Excluding the divestment of the Mail Group as of August 5, 2021 total operating income increased by 228.3 mEUR.

External operating income in the first nine months 2022 amounted to 1,094.7 mEUR and showed an increase of +186.0 mEUR or +20.5% (+7.1% at constant exchange rate) compared to the same period of 2021, reflecting mainly the strong revenue development of Radial's new customers launched in 2021.

E-commerce logistics increased by +228.2 mEUR to 1,094.7 mEUR or +26.3% (+12.2% at constant exchange rate) mainly driven by Radial from new customers contribution launched in 2021. Landmark US and Apple Express recorded continued volume growth from existing customers and new customers won in 2021.

The decline of **International mail** was driven by the divestment and deconsolidation of the Mail Group as of August 5, 2021.

Operating expenses (including D&A) increased by -176.0 mEUR or +19.9% (or +6.5% at constant exchange rate) resulting from higher variable opex in line with revenue development and partially mitigated by higher productivity, higher costs from new sites openings and a provision of 7.1 mEUR following a dispute with a terminated customer.

Reported EBIT amounted to 37.1 mEUR up by +10.1 mEUR (or +37.5%) with a margin of 3.4%, **adjusted EBIT** amounted to 43.8 mEUR (up by +12.0 mEUR) with improved margin of 4.0%. Note furthermore that last year's cyber insurance recovery had a positive EBIT impact of 4.0 mEUR.

Business Unit performance: Corporate

Corporate In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change%
External operating income	11.8	6.1	-48.0%	2.2	2.7	20.4%
Intersegment operating income	301.7	294.8	-2.3%	102.2	98.2	-3.9%
TOTAL OPERATING INCOME	313.5	300.9	-4.0%	104.4	100.8	-3.4%
Operating expenses	275.4	266.1	-3.4%	91.9	89.3	-2.9%
EBITDA	38.0	34.9	-8.3%	12.5	11.5	-7.4%
Depreciation, amortization (reported)	55.2	55.8	1.2%	18.4	19.3	4.9%
RESULT FROM OPERATING ACTIVITIES (EBIT Reported)	(17.1)	(21.0)		(5.9)	(7.7)	
Margin (%)	11.8%	6.1%		-5.7%	-7.7%	
RESULT FROM OPERATING ACTIVITIES (EBIT Adjusted)	(17.1)	(21.0)		(5.9)	(7.7)	
Margin (%)	11.8%	6.1%		-5.7%	-7.7%	

Third quarter 2022

External operating income in the third quarter 2022 slightly increased compared to last year.

Slightly higher net **operating expenses (including D&A)** after intersegment operating income (-2.3 mEUR) from consultancy costs to support the transformation of bpostgroup, inflationary impacts on payroll costs partially offset by continued efforts on overhead reduction (-5.8% FTE)

Reported & adjusted EBIT at -7.7 mEUR down by -1.8 mEUR.

First nine months of 2022

External operating income in the first nine months 2022 decreased by -5.7 mEUR driven by lower building sales.

Decrease in **operating expenses (including D&A)** by -2.6%.

Reported & adjusted EBIT at -21.0 mEUR down by -3.8 mEUR, mainly driven by lower sales buildings.

Cash flow statement

Third quarter 2022

3 rd quarter (in million EUR)						
	Reported			Adjusted		
	2021	2022	Δ	2021	2022	Δ
Cash flow from operating activities	122.1	15.1	(107.0)	149.0	51.1	(97.8)
out of which CF from operating activities before Δ in WC & provisions	94.5	91.7	(2.7)	94.5	91.7	(2.7)
Cash flow from investing activities	(23.1)	(47.2)	(24.0)	(23.1)	(47.2)	(24.0)
Free cash flow	99.0	(32.1)	(131.0)	125.8	3.9	(121.9)
Financing activities	(45.9)	(50.5)	(4.6)	(45.9)	(50.5)	(4.6)
Net cash movement	53.1	(82.5)	(135.6)	80.0	(46.5)	(126.5)
Capex	31.4	47.0	15.6	31.4	47.0	15.6

In the third quarter 2022, the net cash flow decreased compared to the same period last year by 135.6 mEUR to negative 82.5 mEUR. This decrease was mainly due to the negative variance in the working capital evolution explained by phasing elements.

Reported and adjusted free cash flow amounted respectively to negative 32.1 mEUR and 3.9 mEUR.

Cash flow from operating activities before change in working capital and provisions remained stable compared to the third quarter 2021.

Cash outflow related to collected proceeds due to Radial's clients was 9.2 mEUR higher (36.0 mEUR outflow in the third quarter 2022 compared to an outflow of 26.9 mEUR in the same period last year).

The variance in change in working capital and provisions (-95.1 mEUR) was mainly explained by a different payment schedule of the SGEI compensation, 80.5 mEUR received in July 2021 whereas in 2022 in October 99.1 mEUR.

Investing activities resulted in a cash outflow of 47.2 mEUR in the third quarter 2022, compared to a cash outflow of 23.1 mEUR for the same period last year. The evolution in the third quarter 2022 was mainly explained by higher capex (-15.6 mEUR) and M&A activities; disposal of TMG in 2021 (-6.5 mEUR) and acquisition of Aldipress (-1.8 mEUR) in 2022.

Capex stood at 47.0 mEUR in the third quarter 2022 and was mainly spent on e-commerce logistics growth of Radial (US/EU), Active Ants and optimization of the Belgium network.

In the third quarter 2022 the cash outflow relating to **financing activities** amounted to -50.5 mEUR compared to -45.9 mEUR last year, mainly explained by lease liabilities.

First nine months of 2022

Year-to-date (in million EUR)						
	Reported			Adjusted		
	2021	2022	Δ	2021	2022	Δ
Cash flow from operating activities	246.7	88.3	(158.4)	286.4	128.9	(157.4)
out of which CF from operating activities before Δ in WC & provisions	367.0	375.8	8.8	367.0	375.8	8.8
Cash flow from investing activities	(61.2)	27.4	88.6	(61.2)	27.4	88.6
Free cash flow	185.4	115.7	(69.8)	225.1	156.3	(68.8)
Financing activities	(268.0)	(214.6)	53.5	(268.0)	(214.6)	53.5
Net cash movement	(82.6)	(98.9)	(16.3)	(42.9)	(58.3)	(15.4)
Capex	79.5	113.0	33.5	79.5	113.0	33.5

In the first nine months of 2022, the net cash outflow increased compared to the same period last year by 16.3 mEUR to 98.9 mEUR. This increase was mainly due to negative working capital evolution, higher CAPEX and a dividend payment in 2022 partially offset by the sale of bpost bank and last year's decision not to roll over maturing commercial papers. Note that in the context of the sales process the cash of Ubiway Retail (1.7 mEUR) was classified as held for sale per September 30, 2021.

Reported and adjusted free cash flow amounted respectively to negative 98.9 mEUR and negative 58.3 mEUR.

Cash flow from operating activities before change in working capital and provisions increased compared to the first nine months of 2021. The negative adjusted EBITDA variation was compensated by a favourable settlement in corporate income tax payments and non-cash items.

Cash flow related to collected proceeds due to Radial's clients was 0.9 mEUR lower (40.6 mEUR outflow in the first nine months of 2022 compared to an outflow of 39.7 mEUR in the same period last year).

The variance in change in working capital and provisions (-166.2 mEUR) was mainly explained by decreased suppliers' balances, a different payment schedule of terminal dues and a different phasing of the SGEI compensation, partially offset by last year's unwinding of extended payment terms with some suppliers initiated at the beginning of the pandemic.

Investing activities resulted in a cash inflow of 27.4 mEUR in the first nine months of 2022, compared to a cash outflow of 61.2 mEUR for the same period last year. The evolution in the first nine months of 2022 was mainly explained by M&A activities (128.8 mEUR, mainly the settlement of the sale of bpost bank including the reimbursement of the subordinated loan granted to bpost bank) partially offset by higher capex (-33.5 mEUR) and the lower proceeds from sale of assets (-6.7 mEUR).

Capex stood at 113.0 mEUR in the first nine months of 2022 and was mainly spent on the continued e-commerce logistics expansion of Radial, and Active Ants, and on the optimization of the Belgium network.

In 2022 the cash outflow relating to **financing activities** amounted to -214.6 mEUR compared to -268.0 mEUR last year, mainly explained by the decision not to roll over maturing commercial paper in 2021 (+165.0 mEUR) partially offset by a dividend payment in 2022 (-98.0 mEUR).

Unaudited Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Income Statement (unaudited)

In million EUR	Year-to-date		3 rd quarter	
	2021	2022	2021	2022
Revenue	3,001.7	3,080.3	963.9	1,016.6
Other operating income	33.7	15.6	13.7	5.3
TOTAL OPERATING INCOME	3,035.4	3,095.9	977.6	1,021.9
Material costs	(138.3)	(72.2)	(47.9)	(19.1)
Services and other goods	(1,232.8)	(1,346.4)	(413.8)	(459.5)
Payroll costs	(1,184.8)	(1,250.1)	(400.2)	(431.2)
Other operating expenses	(24.9)	(17.7)	(9.6)	(13.8)
Depreciation, amortization and impairment	(201.6)	(217.1)	(68.7)	(75.5)
TOTAL OPERATING EXPENSES	(2,782.4)	(2,903.5)	(940.3)	(999.1)
RESULT FROM OPERATING ACTIVITIES (EBIT)	253.0	192.3	37.3	22.8
Financial income	5.9	19.3	0.1	17.8
Financial costs	(14.8)	(3.8)	(2.4)	(11.6)
Remeasurement of assets held for sale at fair value less costs to sell	(6.3)	(1.2)	(6.3)	0.0
Share of results of associates and joint ventures	(0.1)	0.0	(0.1)	0.0
RESULT BEFORE TAX	237.7	206.7	28.6	29.1
Income tax expense	(68.6)	(52.8)	(12.5)	(4.4)
RESULT FOR THE PERIOD (EAT)	169.1	153.8	16.1	24.7
Attributable to:				
Equity holders of the parent	169.7	154.7	16.5	24.9
Non-controlling interests	(0.6)	(0.9)	(0.4)	(0.2)

EARNINGS PER SHARE

In EUR	Year-to-date		3 rd quarter	
	2021	2022	2021	2022
► basic, result for the period attributable to ordinary equity holders of the parent	0.85	0.77	0.08	0.12
► diluted, result for the period attributable to ordinary equity holders of the parent	0.85	0.77	0.08	0.12

As far as bpost is concerned, no effects of dilution affect the net result attributable to ordinary equity holders and the weighted average number of ordinary shares as there are no dilutive potential shares in issuance.

Interim Condensed Consolidated Statement of Financial Position

In million EUR	31 December 2021 (audited)	30 September 2022 (unaudited)
Assets		
Non-current assets		
Property, plant and equipment	1,263.5	1,397.2
Intangible assets	797.0	909.8
Investments in associates and joint ventures	0.0	0.1
Investment properties	4.2	3.5
Deferred tax assets	32.8	25.1
Trade and other receivables	23.9	37.0
	2,121.3	2,372.6
Current assets		
Inventories	20.7	27.4
Income tax receivable	16.1	29.9
Trade and other receivables	912.4	925.4
Cash and cash equivalents	907.5	832.8
	1,856.8	1,815.6
Assets held for sale	163.3	0.8
TOTAL ASSETS	4,141.3	4,189.1
Equity and liabilities		
Issued capital	364.0	364.0
Other reserves	238.2	398.3
Foreign currency translation	32.4	141.2
Retained earnings	250.2	153.8
Equity attributable to equity holders of the Parent	884.8	1,057.3
Equity attributable to non-controlling interests	0.5	(1.4)
TOTAL EQUITY	885.3	1,055.9
Non-current liabilities		
Interest-bearing loans and borrowings	1,261.2	1,178.5
Employee benefits	298.2	263.9
Trade and other payables	33.3	33.8
Provisions	14.7	14.4
Deferred tax liabilities	6.4	6.1
	1,613.9	1,496.8
Current liabilities		
Interest-bearing loans and borrowings	116.4	325.0
Provisions	11.1	8.8
Income tax payable	3.6	2.0
Derivative instruments	0.3	0.2
Trade and other payables	1,470.9	1,300.4
	1,602.4	1,636.4
Liabilities directly associated with assets held for sale	39.7	0.0
TOTAL LIABILITIES	3,256.0	3,133.2
TOTAL EQUITY AND LIABILITIES	4,141.3	4,189.1

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

Intangible assets increased driven by the capital expenditure, the provisional goodwill (purchase price allocation to be finalized) related to the purchase of IMX and Aldipress and the evolution of the exchange rate – mainly impacting the goodwill in USD, partially offset by the depreciation.

Cash & cash equivalents decreased amongst others due to the payment of a dividend (98.0 mEUR).

Equity increased mainly explained by the realized profit and the exchange differences on translation of foreign operations, partially offset by the payment of a dividend (98.0 mEUR).

Interests-bearing loans and borrowings increased mainly due to the impact of the exchange rates on the USD term loan and on the lease liabilities, as well as the new lease contracts commenced.

The decrease of employee benefits was mainly caused by the increased discount rates triggering actuarial financial gains.

The decrease of trade and other payables was mainly due to phasing, given the peak season at year-end, the decrease of social payables as 2021 full year social accruals (holiday pay, bonuses,...) have been paid during the first half of 2022 and the reimbursement to bpost bank of 12.0 mEUR working capital facility.

The assets held for sale and liabilities held for sale should be reviewed together, the net decrease was explained by sale of bpost bank and Ubiway Retail in the first quarter 2022.

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

In million EUR	Year-to-date		3 rd quarter	
	2021	2022	2021	2022
Operating activities				
Result before tax	237.7	206.7	28.6	29.1
Depreciation, amortization and impairment losses	201.6	217.1	68.7	75.5
Impairment on debtors	1.7	10.6	1.4	8.0
Gain on sale of property, plant and equipment	(9.2)	(3.0)	(1.3)	(1.1)
Gain on disposal of subsidiaries	(1.6)	0.0	(1.6)	0.0
Other non-cash items	20.2	28.7	7.1	10.8
Change in employee benefit obligations	(14.8)	(31.6)	(6.1)	(12.0)
Remeasurement of assets held for sale at fair value less costs to sell	6.3	0.0	6.3	0.0
Share of results of associates and joint ventures	0.1	(0.0)	0.1	(0.0)
Income tax (paid)/received	(74.9)	(73.1)	(8.7)	(18.5)
Income tax (paid)/received on previous years	(0.1)	20.5	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	367.0	375.8	94.5	91.7
Decrease/(increase) in trade and other receivables	84.5	6.9	(20.6)	(87.4)
Decrease/(increase) in inventories	(1.5)	(1.5)	(0.4)	(1.8)
Increase/(decrease) in trade and other payables	(158.9)	(249.6)	76.5	50.8
Increase/(decrease) in collected proceeds due to clients	(39.7)	(40.6)	(26.9)	(36.0)
Increase/(decrease) in provisions	(4.8)	(2.7)	(1.1)	(2.3)
NET CASH FROM OPERATING ACTIVITIES	246.7	88.3	122.1	15.1
Investing activities				
Proceeds from sale of property, plant and equipment	13.0	6.3	1.8	1.7
Disposal of subsidiaries, net of cash disposed of	6.5	121.9	6.5	0.0
Acquisition of property, plant and equipment	(66.5)	(101.6)	(26.4)	(42.7)
Acquisition of intangible assets	(13.0)	(11.3)	(4.9)	(4.3)
Loan to associate	0.0	25.0	0.0	0.0
Acquisition of subsidiaries, net of cash acquired	(1.3)	(12.8)	(0.0)	(1.8)
NET CASH USED IN INVESTING ACTIVITIES	(61.2)	27.4	(23.1)	(47.2)
Financing activities				
Proceeds from borrowings	60.0	50.0	0.0	0.0
Payments related to borrowings	(235.3)	(64.3)	(8.8)	(9.2)
Payments related to lease liabilities	(92.7)	(102.3)	(37.0)	(41.3)
Dividends paid	0.0	(98.0)	0.0	0.0
NET CASH FROM FINANCING ACTIVITIES	(268.0)	(214.6)	(45.9)	(50.5)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(82.6)	(98.9)	53.1	(82.5)
NET FOREIGN EXCHANGE DIFFERENCE	10.4	24.3	3.8	10.5
CASH CLASSIFIED AS ASSETS HELD FOR SALE	(1.7)		1.6	
Cash and cash equivalent less bank overdraft as of 1st January	948.1	907.5		
Cash and cash equivalent less bank overdraft as of 30th September	874.2	832.8		
MOVEMENTS BETWEEN 1st JANUARY AND 30th SEPTEMBER	(73.9)	(74.6)		

Notes to the interim Condensed Consolidated Financial Statements

1. Basis for preparation and accounting policies

The interim condensed consolidated financial statements of bpost have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with bpost's annual consolidated financial statements as at December 31, 2021.

The interim financial statements have not been subject to review by the independent auditor. bpost has prepared the financial statements on the basis that it will continue to operate as a going concern as there are no material uncertainties and there are sufficient resources to continue operations.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of bpost's annual consolidated financial statements for the year ended December 31, 2021. There are no IFRS standards, amendments or interpretations taking effect for the first time for the financial year beginning 1 January 2022 that have a material impact on the 2022 accounts of bpost.

2. Business combinations – acquisition of Aldipress

On September 30, 2022 after approval by the Dutch competition authority bpost completed the acquisition of 100% of the shares of the Dutch press distributor Aldipress for an amount of 3.5 mEUR. Aldipress manages the logistic distribution process for retail sales. At the date of the acquisition, Aldipress held a cash and cash equivalent position of 1.7 mEUR resulting in a net cash impact for bpost of -1.8 mEUR.

Aldipress was consolidated using the full integration method as of September 30, 2022, no impact yet on the income statement at reporting date considering the acquisition date. Aldipress will be included in the Belgium business unit.

The carrying amount of Aldipress at the acquisition date amounted to -18.8 mEUR, the fair value of assets and liabilities at acquisition date has not been assessed yet, resulting in a preliminary goodwill of 22.3 mEUR.

3. Contingent liabilities and contingent assets

This interim financial report should be read in conjunction with bpost's annual financial statements as of December 31, 2021. The contingent liabilities and contingent assets are materially unchanged from those described in the note 6.31 of bpost's annual financial statements as of December 31, 2021, except that on March 22, 2022, the EU Court of Justice ("ECJ") issued a preliminary ruling on the 2 questions asked by the Brussels Court of Appeal. The Court of Appeal will now have to decide in the light of the answers given by the ECJ. It is unlikely that a final decision will be made before 2023.

4. Events after the reporting period

In October bpostgroup has initiated a compliance review relating to the concession for the distribution of newspapers in Belgium. The review has revealed elements that may indicate violations of the company's policies and applicable laws, which the company is sharing with the competent authorities. The company's board and the CEO have mutually agreed that the CEO will temporarily step aside pending the review. A further communication will be made once the outcome of the review and its impact for the company have been assessed by the board of directors.

Alternative Performance Measures (unaudited)

bpost also analyses the performance of its activities in addition to the reported IFRS figures with alternative performance measures (“APMs”). The definitions of these alternative performance measures can be found below.

Alternative performance measures (or non-GAAP measures) are presented to enhance an investor’s understanding of the operating and financial performance, to aid in forecasting and to facilitate meaningful comparison of the result between periods.

The presentation of alternative performance measures is not in conformity with IFRS and the APMs are not audited. The APMs may not be comparable to the APMs reported by other companies as those companies may compute their APMs differently from bpost.

The calculation of the adjusted performance measure and adjusted operating free cash flow can be found below the definitions. The APMs derived from items reported in the financial statements can be calculated with and reconciled directly to the items as disclosed in the definitions below.

Definitions:

Adjusted performance (adjusted operating income/adjusted EBITDA/adjusted EBIT/adjusted EAT): bpost defines the adjusted performance as operating income/EBITDA/EBIT/EAT excluding the adjusting items. Adjusting items represent significant income or expense items that due to their non-recurring character are excluded from performance analyses. bpost uses a consistent approach when determining if an income or expense item is adjusting and if it is significant enough to be excluded from the reported figures to obtain the adjusted ones. An adjusting item is deemed to be significant if it amounts to 20.0 mEUR or more. All profits or losses on disposal of activities are adjusted whatever the amount they represent, as well as the year-to-date amortization and impairment on the intangible assets recognized throughout the Purchase Price Allocation (PPA) of the acquisitions. Reversals of provisions whose addition had been adjusted are also adjusted whatever the amount they represent. The reconciliation of the adjusted performance is available below the definitions.

bpost’s management believes this measure provides the investor a better insight and comparability over time of the economic performance of bpost.

Constant exchange rate: bpost excludes in the performance at constant exchange rate the impact of the different exchange rates applied in different periods for the segment E-Logistics North America. The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period.

bpost’s management believes that the performance at constant exchange rate provides the investor an understanding of the operating performance of the entities part of the E-Logistics North America segment.

Capex: capital expenditure for tangible and intangible assets including capitalised development costs, excluding right of use assets.

Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA): bpost defines EBITDA as earnings from operating activities (EBIT) plus depreciations and amortizations and is derived from the consolidated income statement.

Net debt/(Net cash): bpost defines Net debt/(Net cash) as the non-current and current interest-bearing loans and borrowings plus bank overdrafts minus cash and cash equivalents and is derived from the consolidated statement of financial position.

Operating free cash flow (FCF) and adjusted Operating free cash flow: bpost defines FCF as the sum of net cash from operating activities and net cash used in investing activities and is derived from the consolidated statement of cash flows. Adjusted operating free cash flow is the operating free cash flow as defined excluding working capital impact of “the collected proceeds due to clients”. The reconciliation is available below the definitions. In some cases, Radial performs the billing and receiving of payments on behalf of their customers. Under this arrangement, Radial routinely remits billed amounts back to the client, and performs periodical settlements with the client on amounts owed to or from Radial based on billings, fees, and amounts previously remitted. Adjusted operating free cash flows excludes the cash Radial received on behalf of their customers as Radial has no or little impact on the amount or the timing of these payments.

Evolution Parcels B2X volume: bpost defines the evolution of Parcels B2X as the difference, expressed as a percentage, of the reported volumes between the current and prior comparable period of the B2X parcels processed by bpost SA/NV in the last mile delivery.

Radial North America Performance in USD: bpost defines the performance of Radial North America as the total operating income, EBITDA and EBIT expressed in USD following the consolidation of the group of Radial entities held by bpost North America Holdings Inc. Transactions between the group of Radial entities and other bpostgroup entities are not eliminated and are part of the total operating income, EBITDA and EBIT.

bpost's management believes this measure provides the investor a better insight in the performance of Radial and the scale up of its US presence and the expanding of its product offering into value-added activities that cover the entire value chain in e-commerce logistics and omnichannel technology.

Underlying mail volume (Transactional mail, Advertising mail and Press): bpost defines underlying mail volume as the reported mail volume including some corrections, for example the impact of the number of working days and mail volumes related to elections.

Reconciliation of reported to adjusted financial metrics

OPERATING INCOME

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
Total operating income	3,035.4	3,095.9	2.0%	977.6	1,021.9	4.5%
Gain on the sale of The Mail Group (1)	(1.4)	0.0	-	(1.4)	0.0	-
ADJUSTED TOTAL OPERATING INCOME	3,034.0	3,095.9	2.0%	976.2	1,021.9	4.7%

OPERATING EXPENSES

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
Total operating expenses excluding depreciation, amortization	(2,580.8)	(2,686.5)	4.1%	(871.6)	(923.6)	6.0%
ADJUSTED TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTIZATION	(2,580.8)	(2,686.5)	4.1%	(871.6)	(923.6)	6.0%

EBITDA

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
EBITDA	454.6	409.4	-9.9%	106.0	98.3	-7.3%
Gain on the sale of The Mail Group (1)	(1.4)	0.0	-	(1.4)	0.0	-
ADJUSTED EBITDA	453.2	409.4	-9.7%	104.6	98.3	-6.1%

EBIT

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
Result from operating activities (EBIT)	253.0	192.3	-24.0%	37.3	22.8	-38.9%
Gain on the sale of The Mail Group (1)	(1.4)	0.0	-	(1.4)	0.0	-
Non-cash impact of purchase price allocation (PPA) (3)	9.6	9.2	-4.2%	3.2	3.2	0.3%
ADJUSTED RESULT FROM OPERATING ACTIVITIES (EBIT)	261.2	201.5	-22.8%	39.1	26.0	-33.5%

RESULT FOR THE PERIOD (EAT)

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
Result for the period	169.1	153.8	-9.0%	16.1	24.7	53.4%
Gain on the sale of The Mail Group (1)	(1.4)	0.0	-	(1.4)	0.0	-
Remeasurement of assets held for sale at fair value less costs to sell (2)	6.3	1.2	-81.0%	6.3	0.0	-
Non-cash impact of purchase price allocation (PPA) (3)	7.3	7.0	-4.9%	2.4	2.4	-0.5%
ADJUSTED RESULT OF THE PERIOD	181.3	162.0	-10.7%	23.4	27.1	15.7%

- (1) On August 5, 2021, bpost US Holdings signed an agreement with Architect Equity for the sale of the Mail Group (IMEX Global Solutions LLC, M.A.I.L. Inc and Mail Services Inc.). The Mail Group has been deconsolidated as of August 5, 2021 and was transferred to assets held for sale end of June 2021. The adjustment of EUR 1.4m corresponds to the gain on the disposal of the activities and was finalised in the fourth quarter of 2021.
- (2) bpost executes an active portfolio management strategy to divest non-core assets and/or non-performing assets, so as to allocate capital to the fast growing e-commerce logistics market and to invest further in the opportunity of e-commerce logistics. In this context bpost started up in 2021 and finalised the sales process of Ubiway Retail in 2022. As the fair value less costs to sell of Ubiway Retail was lower than the carrying value an initial write down of 6.3 mEUR in 2021 was recorded and an additional write down of 1.0 mEUR was recorded in 2022. Furthermore in 2022 the sale of the participation of bpost bank to BNPPF was finalised and as the fair value less costs to sell was lower than the carrying value an additional write down of 0.2 mEUR was recorded.
- (3) In accordance with IFRS 3 and throughout the purchase price allocation (PPA) for several entities, bpostgroup recognized several intangible assets (brand names, know-how, customer relationships...). The non-cash impact consisting of amortization charges on these intangible assets is being adjusted.

Reconciliation of reported free cash flow and adjusted free cash flow

In million EUR	Year-to-date			3 rd quarter		
	2021	2022	Change %	2021	2022	Change %
Net Cash from operating activities	246.7	88.3	-64.2%	122.1	15.1	-87.6%
Net Cash used in investing activities	(61.2)	27.4		(23.1)	(47.2)	
FREE CASH FLOW	185.4	115.7	-37.6%	99.0	(32.1)	
Collected proceeds due to Radial's clients	39.7	40.6	2.4%	26.9	36.0	34.1%
ADJUSTED FREE CASH FLOW	225.1	156.3	-30.6%	125.8	3.9	-96.9%

Forward Looking Statements

The information in this document may include forward-looking statements², 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.

² as defined among others under the U.S. Private Securities Litigation Reform Act of 1995

Glossary

- **Capex:** total amount invested in fixed assets
- **Opex:** Operating expenses
- **Constant Exchange Rate:** The reported figures in local currency of the prior comparable period are converted with the exchange rates applied for the current reported period
- **D&A:** Depreciation and amortization
- **EAT:** Earnings After Taxes
- **EBIT:** Earnings Before Interests and Taxes
- **EBITDA:** Earnings Before Interests, Taxes, Depreciation and Amortization
- **Effective tax rate:** Income tax expense/profit before tax
- **Belgium:** Mail, Parcels and Retail business unit Belgium
- **E-Logistics Eurasia:** E-Logistics Europe & Asia
- **E-Logistics N. Am.:** E-Logistics North America
- **SGEI:** Services of General Economic Interest
- **TCV:** Total Contract Value