bpost: fourth quarter 2018 results

Fourth quarter 2018 highlights

- **Total operating income** at EUR 1,131.6m (+18.5%) driven by acquisitions, strong organic domestic and international parcels growth and nearly stable domestic mail revenues.
- **Domestic Mail underlying volume evolution at -6.2%** (-5.8% for the year 2018) impacted by continued e-substitution, rationalization and competitive advertising market.
- **Continued strong Domestic Parcels volumes growth at +15.8%** (+23.3% for the full year), driven by strong e-commerce but impacted by strikes. Price/mix effect of -3.3%.
- **Logistic Solutions up EUR 117.0m**, driven by the consolidation of Radial (EUR +111.6m). Radial in line with expectations.
- **Additional Sources of Revenues** increasing with EUR 33.5m driven by the acquisitions of Imex and M.A.I.L., Inc. in International Mail.
- **Good peak management,** both in Belgium as in the US.
- **Favorable organic** cost evolution (EUR -1.4m). Total opex increased by EUR 121.4m driven by the consolidation of acquisitions.
- **EBITDA up EUR 55.0m to EUR 206.4m**. Back-end loaded EBITDA generation as planned.
- **Net profit of bpost SA/NV (BGAAP)** for the full year came in at EUR 262.3m.
- **Proposed total dividend per share equal to last year as guided at EUR 1.31 gross** based on 2018 results, composed of an interim dividend of EUR 1.06 (paid in December 2018) and a final proposed dividend of EUR 0.25, subject to the approval of shareholders.

CEO quote

Koen Van Gerven, CEO, commented: *“2018 results are in line with our expectations as expressed at our Capital Markets Day in June and reiterated since. We have delivered on our promises with a full year EBITDA in line with guidance, the contribution from Radial as anticipated and a dividend payment of 1.31 euro per share. I’m therefore very grateful to all employees in Belgium and abroad.*

“Our guidance was achieved thanks to a back-end loaded EBITDA generation during a seasonally strong fourth quarter, which benefitted from solid organic parcels growth, both domestically and internationally, despite a negative impact from strike actions. Radial delivered a successful end of year peak and group organic costs decreased over the quarter. We also ended the year positively with the conclusion of an important agreement for the well-being of our workers.”

“Our 2022 vision is clear: we become, beyond mail, an efficient global e-commerce logistics player anchored in Belgium. Over 2018, we have made important progress towards this goal by implementing a real Business Unit structure to bring dedicated focus on the three key challenges of the company, being mail volume decline, parcels growth and Radial. We have already observed visible signs of improvement at Radial with increased client satisfaction, reduction in churn and important contract renewals. 2019 will be another important year on our trajectory with the accelerated preparation of our modified distribution model. This preparatory work will first weigh on results before we can reap the benefits. At the same time, we will have to cope with mounting cost pressure. I am convinced though that backed by the daily commitment of our employees, we can take our long-standing track record of successful transformation a step further. ”

Outlook for 2019

The 2019 ambition is to achieve a **stable Group total operating income** including building sales, a **Group normalized EBIT above EUR 300.0m**, and to distribute at least 85% of 2019 BGAAP net profit as **dividend**.

More specifically for our 4 business units:

Mail & Retail:
- We expect a low single-digit percentage decline in total operating income.
- The underlying Domestic Mail volume decline is anticipated at up to -7%, partly offset by an average price increase of +4.4%.
- EBIT margin of Mail & Retail is expected to range between 11% and 13%.

Parcels & Logistics Europe & Asia:
- We expect to record high single-digit percentage growth in total operating income, of which mid-teens for Parcels Belgium-Netherlands.
- EBIT margin of Parcels & Logistics Europe & Asia is expected to range between 6% and 8%.

Parcels & Logistics North America:
- Total operating income is expected to decline by a low single-digit percentage, mainly explained by the full-year impact of the 2018 client churn and repricing at Radial. Radial is however on track for the 2022 guidance as presented at the Capital Markets Day.
- Parcels & Logistics North America is expected to break-even at EBIT level.

Corporate:
- Expected to be neutral at EBIT level.

Gross capex is expected to be around EUR 150.0m.

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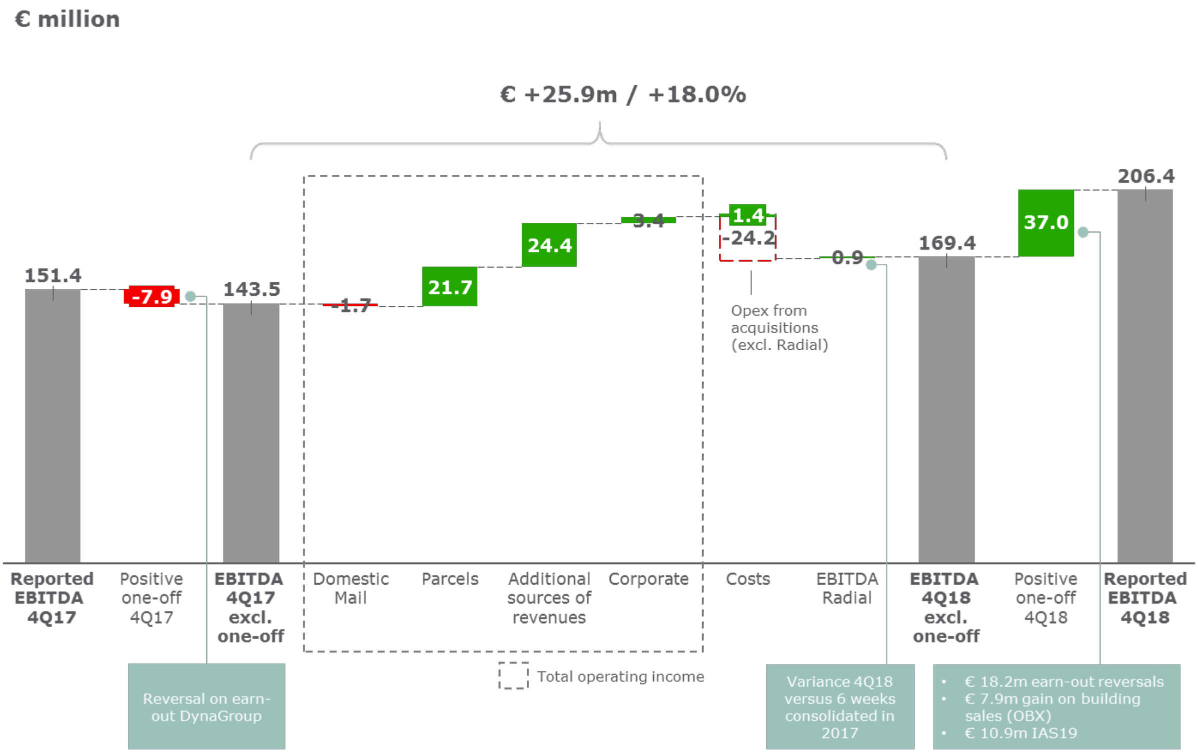
Key figures[1]

4th quarter (million EUR)	Reported		Normalized		
	4Q17	4Q18	4Q17	4Q18	% Δ
Total operating income	955.1	1,131.6	955.1	1,131.6	18.5%
Operating expenses	803.7	925.2	803.7	925.2	15.1%
EBITDA	**151.4**	**206.4**	**151.4**	**206.4**	**36.3%**
Margin (%)	*15.9%*	*18.2%*	*15.9%*	*18.2%*	
EBIT	**115.5**	**143.8**	**124.2**	**156.9**	**26.3%**
Margin (%)	*12.1%*	*12.7%*	*13.0%*	*13.9%*	
Profit before tax	**106.9**	**140.5**	**115.7**	**153.6**	**32.8%**
Income tax expense	39.8	35.9	42.2	38.2	
Net profit	**67.1**	**104.6**	**73.5**	**115.4**	**57.1%**
FCF	**(576.6)**	**221.8**	**(591.6)**	**186.0**	
bpost S.A./N.V. net profit (BGAAP)	**68.2**	**78.1**	**68.2**	**78.1**	**14.5%**
Net Debt/ (Net cash), at 31 Dec.	**292.4**	**344.8**	**292.4**	**344.8**	

Full year (million EUR)	Reported		Normalized		
	FY17	FY18	FY17	FY18	% Δ
Total operating income	3,023.8	3,850.2	3,023.8	3,850.2	27.3%
Operating expenses	2,425.9	3,279.1	2,425.9	3,279.1	35.2%
EBITDA	**598.0**	**571.1**	**598.0**	**571.1**	**-4.5%**
Margin (%)	*19.8%*	*14.8%*	*19.8%*	*14.8%*	
EBIT	**492.9**	**393.4**	**501.6**	**424.3**	**-15.4%**
Margin (%)	*16.3%*	*10.2%*	*16.6%*	*11.0%*	
Profit before tax	**488.7**	**381.0**	**497.5**	**411.9**	**-17.2%**
Income tax expense	165.8	117.4	168.2	121.4	
Net profit	**322.9**	**263.6**	**329.3**	**290.4**	**-11.8%**
FCF	**(485.8)**	**241.2**	**(500.8)**	**231.5**	
bpost S.A./N.V. net profit (BGAAP)	**291.0**	**262.3**	**291.0**	**262.3**	**-9.8%**
Net Debt/ (Net cash), at 31 Dec.	**292.4**	**344.8**	**292.4**	**344.8**	

[1] Normalized and Q4 figures are not audited.

Fourth quarter 2018 - Income Statement



Total operating income increased by EUR 176.5m to EUR 1,131.6m. Excluding the impact of Radial (EUR 110.4m) and the favorable evolution of the contingent considerations (EUR 10.3m), the increase amounted to EUR 55.8m. This increase was driven by Parcels (EUR +21.7m), Additional sources of Revenue (EUR +24.4m) and Corporate (EUR +11.3m, impacted by sales buildings) partially offset by the slight decrease of Domestic Mail (EUR -1.7m).

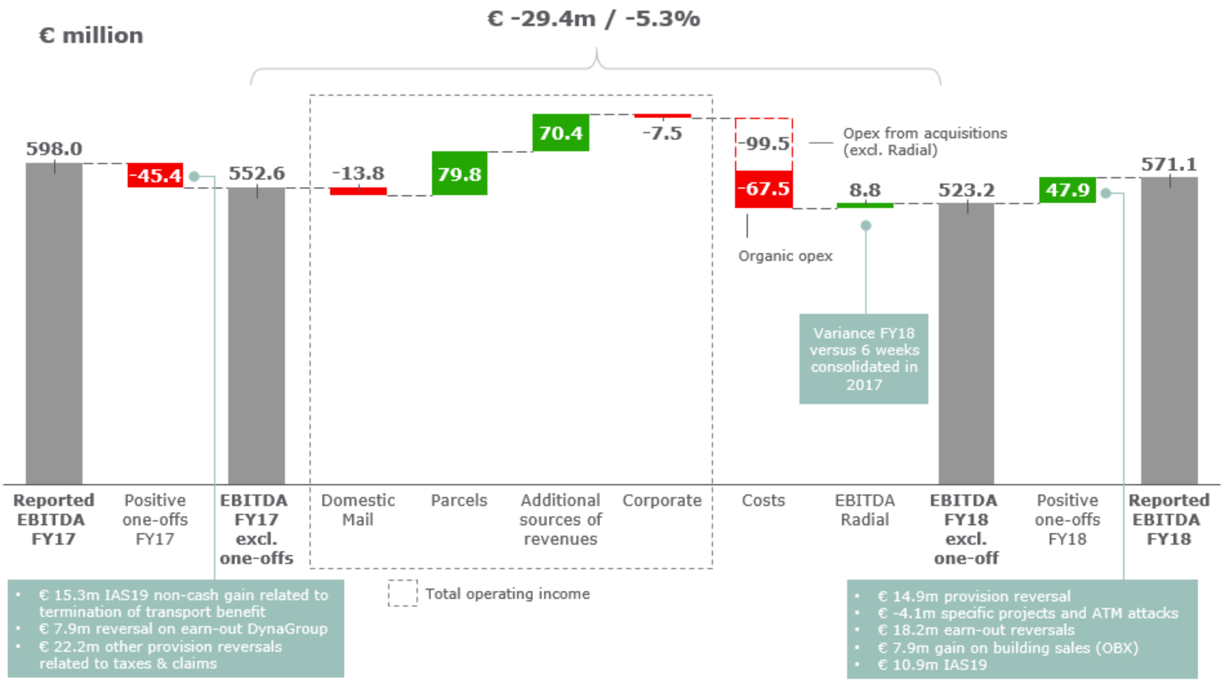
Not taking into account Radial and the non-cash gain related to group insurance (EUR 10.9m), costs increased by EUR 22.9m. As the revenue increase was higher than the cost increase, **EBITDA** and **normalized EBIT** increased respectively by EUR 55.0m and EUR 32.7m.

Net financial result increased by EUR 2.1m mainly due to non-cash financial results related to IAS 19 employee benefits.

Normalized income tax expense decreased compared to last year, with the effective tax rate being 24.9%.

Normalized IFRS group net profit stood at EUR 115.4m. **Belgian GAAP net profit** of the parent company amounted to EUR 78.1m.

Full year 2018 - Income Statement



Total operating income increased by EUR 826.4m to EUR 3,850.2m. Excluding the impact of Radial (EUR 684.4m) and the favorable evolution of the contingent considerations (EUR 10.3m), the increase amounted to EUR 131.7m. This increase was driven by Parcels (EUR +79.8m) and Additional sources of Revenue (EUR +70.4m) partially offset by the decrease of Domestic Mail (EUR -13.8m) and Corporate (EUR -4.6m).

Not taking into account Radial and one-offs (EUR 10.8m), costs increased by EUR 166.9m. The revenue increase was outpaced by the cost increase, leading to an **EBITDA** and **normalized EBIT** decrease of respectively EUR 26.9m and EUR 77.4m.

Net financial result decreased by EUR 10.1m mainly due to the interests on the loans and the bond.

Normalized income tax expense decreased compared to last year mainly due to the lower profit before tax, with the effective tax rate being 29.5%.

Normalized IFRS group net profit stood at EUR 290.4m. **Belgian GAAP net profit** of the parent company amounted to EUR 262.3m.

Total operating income: group overview

Fourth quarter 2018

In million EUR	4Q17	Δ	4Q18	% Δ	underlying vol. % Δ
Domestic mail	**359.8**	**(1.7)**	**358.1**	**-0.5%**	**-6.2%**
Transactional mail	214.8	2.7	217.5	1.3%	-6.6%
Advertising mail	67.3	(1.7)	65.6	-2.5%	-6.3%
Press	77.7	(2.7)	75.0	-3.5%	-2.9%
Parcels	**367.9**	**133.3**	**501.2**	**36.2%**	
Domestic parcels	64.8	7.9	72.6	12.1%	+15.8%
International parcels	63.0	8.5	71.4	13.5%	
Logistic Solutions	240.2	117.0	357.2	48.7%	
Additional sources of revenues	**214.6**	**33.5**	**248.1**	**15.6%**	
International mail	43.0	22.7	65.7	52.7%	
Value added services	25.4	3.2	28.7	12.7%	
Banking and financial products	43.5	(2.2)	41.3	-5.0%	
Distribution	25.8	4.4	30.3	17.1%	
Retail & Other	76.9	5.4	82.3	7.0%	
Corporate (Reconciling post)	**12.8**	**11.3**	**24.2**	**88.2%**	
TOTAL	**955.1**	**176.5**	**1,131.6**	**18.5%**	

Total operating income increased by EUR 176.5m, or 18.5%, from EUR 955.1m in the fourth quarter 2017 to EUR 1,131.6m in the same period of 2018.

Revenues from **Domestic Mail** slightly decreased by EUR -1.7m to EUR 358.1m as reported and underlying volume decline amounted to -4.6% and -6.2% respectively. Transactional mail with a reported and underlying volume decline of respectively -5.3% and -6.6%, continued to be impacted by e-substitution and rationalization. Advertising mail realized a reported and underlying volume decrease of -3.5% and -6.3% for the quarter mainly impacted by the competitive market in unaddressed and the unfavorable media mix evolution in Direct Mail, partly compensated by the occurrence of local elections in October 2018 with a positive impact on reported volumes of 2.8% or EUR 3.1m (+1.0% on overall domestic mail volume). Advertising volumes are also impacted by a shift towards the categories of Transactional Mail and Press. The Press volume trend at -2.9% reported and underlying slightly worsened compared to last year (-2.6%) driven by periodicals which are impacted by shift to digital and rationalization. Corrected for differences in distribution days, the newspaper trend was slightly better than last year.
Total mail volume decline impacting revenues by EUR -21.2m was almost compensated by 2 working days more for franking machines (EUR 1.8m), the occurrence of elections (EUR 3.1m) and the net improvement in price and mix amounting to EUR 14.6m.

Parcels increased by EUR 133.3m to EUR 501.2m or excluding the impact of Radial[2] (EUR +111.6m) the increase amounted to EUR 21.7m mainly due to the consistent growth of Domestic Parcels (EUR +7.9m), International parcels (EUR +8.5m) and Logistic Solutions (EUR +5.4m, excluding Radial). Domestic Parcels noted again a solid organic quarterly volume growth of +15.8% driven by strong e-commerce growth partly offset by strikes (estimated volume impact of 5.3%) and slower C2C sales. Price increases were fully offset by the evolution of the client and product mix, resulting in a price mix effect of -3.3%. Growth in International Parcels was driven by the increase of revenues from US and

[2] Consolidation of Radial as of November 16th, 2017

Europe. Logistic solutions excluding Radial increased by EUR 5.4m mainly driven by the consolidation of Leen Menken and Active Ants.

Total operating income from **Additional Sources of Revenues** increased by EUR 33.5m to reach EUR 248.1m. The increase was mainly driven by the acquisitions of Imex and M.A.I.L., Inc. in International Mail as of January 2018, higher registered volumes from Asia and client wins in the UK. Furthermore Distribution (EUR +4.4m), Value Added Services (EUR +3.2m) and Retail & Other (EUR +5.4m) contributed to the increase, the increase of the latter was mainly due to the favorable evolution of the contingent considerations. The lower revenues of Banking and financial products (EUR -2.2m) are mainly due to the lower revenues from financial transactions managed on behalf of the Belgian State and the lower commission of bpost bank on saving accounts due to the low interest rate environment.

Revenues from **Corporate** increased by EUR 11.3m mainly due to higher buildings sales.

Full year 2018

In million EUR	FY17	Δ	FY18	% Δ	underlying vol. % Δ
Domestic mail	**1,353.4**	**(13.8)**	**1,339.5**	**-1.0%**	**-5.8%**
Transactional mail	807.9	1.4	809.3	0.2%	-5.7%
Advertising mail	252.9	(8.6)	244.2	-3.4%	-7.2%
Press	292.6	(6.6)	286.0	-2.2%	-3.8%
Parcels	**796.1**	**765.3**	**1,561.4**	**96.1%**	
Domestic parcels	224.2	38.1	262.3	17.0%	+23.3%
International parcels	222.6	20.3	242.9	9.1%	
Logistic Solutions	349.2	707.0	1,056.2	-	
Additional sources of revenues	**831.5**	**79.5**	**911.0**	**9.6%**	
International mail	160.4	80.4	240.9	50.1%	
Value added services	101.5	9.1	110.7	9.0%	
Banking and financial products	182.6	(15.5)	167.1	-8.5%	
Distribution	98.1	2.9	101.0	3.0%	
Retail & Other	288.9	2.6	291.4	0.9%	
Corporate (Reconciling post)	**42.9**	**(4.6)**	**38.3**	**-10.7%**	
TOTAL	**3,023.8**	**826.4**	**3,850.2**	**27.3%**	

Total operating income increased by EUR 826.4m, or 27.3%, from EUR 3,023.8m in 2017 to EUR 3,850.2m in 2018.

Domestic Mail revenues amounted to EUR 1,339.5m in 2018, an organic decline of EUR 13.8m versus last year, due to a reported and underlying volume evolution of -5.2% and -5.8% respectively. This was partly compensated by a price/mix improvement (10 months on regulated and 12 months on non-regulated mail products) and the occurrence of elections with a positive impact on overall domestic mail volumes of +0.4%.

Parcels revenues grew by EUR 765.3m to reach EUR 1,561.4m or excluding the impact of Radial (EUR 685.5m) the increase amounted to EUR 79.8m, mainly driven by the organic volume growth of +23.3% in Domestic Parcels, the increase in International Parcels and Logistic Solutions.

Additional Sources of Revenues amounted to EUR 911.0m, an increase of EUR 79.5m, mainly due to the increase of International Mail driven by acquisitions and Value added Services, partially offset by the decrease of Banking and financial products.

Corporate revenues decreased by EUR 4.6m to EUR 38.3m.

Operating expenses (excluding depreciation and amortization)

Fourth quarter 2018

In million EUR	4Q17	4Q18	% Δ
Payroll & interim costs	401.0	436.9	*9.0%*
FTE	*29,041*	*39,496*	
SG&A (excl. interim and transport costs)	178.8	195.8	*9.5%*
Transport costs	157.8	220.8	*39.9%*
Other costs	66.1	71.7	*8.5%*
TOTAL OPERATING EXPENSES	**803.7**	**925.2**	***15.1%***

In the fourth quarter 2018 **total operating expenses** stood at EUR 925.2m and increased by EUR 121.4m or 15.1%. Excluding the consolidation of the new subsidiaries (EUR 133.7m) and the positive one-off within payroll (EUR 10.9m), the operating expenses decreased by EUR 1.4m as the increase of transport costs (EUR 11.8m) and other costs (EUR 0.9m) was more than compensated by the decrease of payroll and interim costs (EUR 9.7m) and the SG&A excluding interim and transport costs (EUR 4.4m).

Payroll and interims costs amounted to EUR 436.9m and showed a net increase of EUR 35.9m compared to the same period of 2017. In the fourth quarter 2018, payroll costs were positively impacted by an IAS19 non-cash gain related to group insurance (EUR +10.9m). Excluding this item, payroll and interim costs increased by EUR 46.8m mainly driven by the impact of the new subsidiaries (EUR 56.5m), hence the organic decrease of costs amounted to EUR 9.7m.

The reported average year-on-year staff showed an increase of 10,455 FTEs and interims, generating extra costs of EUR 61.4m, explained by the integration of FTEs and interims of the new subsidiaries, higher parcels volumes and absenteeism partly compensated by better productivity.

A positive mix effect reduced costs by EUR 2.5m and was mainly driven by the recruitment of auxiliary postmen.

The negative impacts of salary indexation and merit increases were more than compensated by the impact of tax shift, the unpaid hours due to strikes and the favorable evolution of some payroll provisions, which led to a positive price impact of EUR 12.1m.

Not taking into account the impact of the integration of new subsidiaries, **SG&A excluding transport costs and interims** decreased by EUR 4.4m. The decrease was mainly driven by lower third party and advisory costs.

Transport costs amounted to EUR 220.8m, EUR 62.9m higher compared to previous year (+39.9%), due to scope change (EUR 51.1m) while the organic increase of EUR 11.8m was explained by the evolution of international activities, higher domestic parcels volumes and additional costs due to strikes.

The increase in **other costs** (EUR 5.6m) was mainly explained by the integration of new subsidiaries (EUR 4.7m), furthermore higher materials costs were partly compensated by favorable evolution of provisions.

Full year 2018

In million EUR	FY17	FY18	% Δ
Payroll & interim costs	1,313.7	1,648.1	*25.5%*
FTE	*26,906*	*36,109*	
SG&A (excl. interim and transport costs)	491.5	676.9	*37.7%*
Transport costs	374.2	686.8	*83.5%*
Other costs	246.4	267.3	*8.5%*
TOTAL OPERATING EXPENSES	**2,425.9**	**3,279.1**	***35.2%***

Total operating expenses stood at EUR 3,279.1m and increased by 35.2% or EUR 853.2m. Excluding the consolidation of the new subsidiaries (EUR 775.1m) and one-offs[3] (EUR 10.8m), operating expenses increased by EUR 67.4m as the increase of transport costs (EUR 39.8m), payroll and interim costs (EUR 8.6m) and SG&A excluding interim and transport costs (EUR 27.8m) were only partially compensated by the decrease of the other costs (EUR 8.8m).

Payroll and interims costs increased by EUR 334.4m mainly driven by the impact of the new subsidiaries (EUR 314.6m). The reported average year-on-year staff showed an increase of 9,203 FTEs and interims, generating extra costs of EUR 334.6m, mainly explained by the integration of FTE and interims of the new subsidiaries. Furthermore the negative price impact, last year's non-cash gain of EUR 15.3m related to the termination of the transport benefit and last year's reversal of some provisions (EUR 6.8m) were partially offset by an IAS19 non-cash gain related to group insurance (positive impact of EUR 10.9m in 2018) and a positive mix effect resulting mostly from the recruitment of auxiliary postmen.

SG&A excluding interim and transport costs showed an increase of EUR 27.8m excluding the consolidation of the new subsidiaries (EUR 154.2m) and one-offs (EUR 3.3), mainly due to an increase of rent and rental costs (mainly new Brussels sorting centre and additional fleet), maintenance and repairs, energy delivery (higher fuel price, larger fleet) and insurance costs.

Transport costs amounted to EUR 686.8m, EUR 312.6m higher compared to previous year mainly due to scope change (EUR 273.7m) and one-offs (EUR -0.9m), while the organic increase of EUR 39.8m was mainly explained by the evolution of international activities and higher Domestic Parcels volumes.

The decrease of EUR 8.8m in **other costs**, excluding the impact of the new subsidiaries (EUR 32.6m) and one-offs (EUR -2.8m), was mainly driven by lower material costs and other operating charges.

[3] One-offs consist of:

- IAS19 non-cash gain in the second quarter of 2017 related to termination of transport benefit in payroll & interim (negative impact in 2018 EUR 15.3m), partly compensated by an IAS19 non-cash gain related to group insurance in payroll & interim (positive impact in 2018 EUR 10.9m).
- Reversal of some provisions in the second quarter of 2018 (positive impact in 2018 EUR 14.9m), offset by the reversal of some provisions in the third quarter of 2017 (EUR -17.2m). Net impact booked in other costs (EUR +4.0m), transport costs (EUR +0.9m), payroll costs (EUR -6.8m) and SG&A (EUR -0.4m).
- In the second quarter 2018, support on specific projects in SG&A, which we anticipated, and ATM attacks in other costs for a combined total amount of EUR 4.1m.

Cash flow statement

Fourth quarter 2018

In the fourth quarter 2018, the net cash flow amounted to EUR 142.7m compared to a net cash outflow of EUR 110.0m for the same period last year.

Free cash flow amounted to EUR 221.8m and was EUR 798.4m higher than last year.

Cash flow from operating activities resulted in a cash inflow of EUR 223.9m or a EUR 177.2m increase compared to the same period last year. Cash generation from operating activities was positively impacted by a phasing in tax prepayment (EUR +50.0m) and collected proceeds due to Radial’s clients (EUR +20.7m). This was emphasized by the positive variance in working capital evolution mainly due to improved clients balances and payment of transaction expenses related to Radial acquisition in the fourth quarter 2017.

Cash used in investing activities amounted to EUR 2.1m in the fourth quarter 2018, or a decrease by EUR 621.1m compared to the same period last year. The evolution was mainly due to the outflow relating to the Radial acquisition in the fourth quarter 2017 (EUR +581.5m), higher proceeds from the sale of buildings (EUR +33.6m) and lower capital expenditures (EUR +5.9m) .

The cash flow relating to **financing activities** amounted to a negative EUR 79.1m, or EUR 545.7m less compared to the same period last year. In the fourth quarter 2017 bpost entered into a bridge loan for the purchase of Radial (EUR -691.6m). This was partially counterbalanced by the issuance of commercial paper in the fourth quarter 2018 (EUR +145.0m).

Full year 2018

In 2018, bpost generated EUR 211.7 million of net cash. This was an increase of EUR 280.6 million compared to the net cash outflow of EUR 68.9 million in 2017.

Free cash flow amounted to EUR 241.2 million and was EUR 727.0 million higher than last year.

Cash flow from operating activities resulted in a cash inflow of EUR 362.0 million, EUR 95.8 million higher than in 2017. Cash generation from operating activities was impacted by bpost bank dividend (EUR -7.8 million) and collected proceeds due to Radial’s clients (EUR -5.4 million). Excluding these elements the positive variance in working capital evolution (EUR +143.8 million, mainly thanks to improved clients balances and payment of transaction expenses related to Radial acquisition in 2017) was partially offset by the decreased operating results (EUR -34.8 million).

Cash used in investing activities resulted in a cash outflow of EUR 120.8 million in 2018 compared to an outflow of EUR 751.9 million last year. Cash outflows related to acquisitions were EUR 605.2 million lower than last year which combined with higher proceeds from sale of buildings (EUR +31.5 million) and lower capital expenditures (EUR +6.4 million) contributed to the decreased cash outflow. This was to a limited extent offset by investment securities in 2017 (EUR -12.0 million).

The cash flow relating to **financing activities** amounted to EUR -29.5 million (EUR +416.8 million in 2017). In 2018 the issuance of the bond and commercial paper, along with the loans entered into during the third quarter of 2018 was more than offset by the reimbursement of the bridge loan for the Radial acquisition, the unwinding of the pre-hedge interest rate swap related to the bond and the dividends. Financing activities generated cash inflow in 2017 as the bridge loan entered into for the purchase of Radial was higher than dividends paid.

Key events during the fourth quarter

On November 28, 2018 bpost decided to offer two separate services enabled by the "Prior" and "Non Prior" stamps

As per January 1, 2019 bpost's clients have two different options for sending their letters: they can choose between the distribution within the three working days (Non Prior) or the next working day (Prior).

On December 20, 2018 the management of bpost and the trade unions approved a new collective labor agreement for 2019-2020

The collective labor agreement contains a series of measures to strengthen the purchasing power of bpost postmen, to reduce the workload and to improve the attractiveness of the field jobs. A series of measures to improve the remuneration has also been agreed upon.

Events after the statement of financial position date

In February 2019, bpost agreed to exit its participation in de Buren. In the process bpost acquired the de Buren assets in Belgium. This will allow bpost to further boost its last mile parcel service offering in Belgium through a dense network of parcel lockers walls.

Financial calendar

20.03.19 (10.00 CET)	Analyst Conference Call
01.04.19	Start of quiet period ahead of Q1/2019 results
02.05.19 (17.45 CET)	Announcement Q1/2019 results
03.05.19 (10.00 CET)	Analyst Conference Call
08.05.19	Ordinary General Meeting of Shareholders
13.05.19	Ex-dividend date
14.05.19	Record date
15.05.19	Payment date of the dividend
08.07.19	Start of quiet period ahead of Q2/2019 results
07.08.19 (17.45 CET)	Announcement Q2/2019 and half-year results
08.08.19 (10.00 CET)	Analyst Conference Call
07.10.19	Start of quiet period ahead of Q3/2019 results
06.11.19 (17.45 CET)	Announcement Q3/2019 results
07.11.19 (10.00 CET)	Analyst Conference Call
02.12.19 (17.45 CET)	Interim dividend 2019 announcement
05.12.19	Ex-dividend date (interim dividend)
06.12.19	Record date (interim dividend)
09.12.19	Payment date of the interim dividend

Audited Condensed Consolidated Financial Statements[4]

The joint statutory auditors, Ernst & Young Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr. Romuald Bilem and PVMD Bedrijfsrevisoren/Réviseurs d'Enterprises represented by Ms. Caroline Baert, have issued an unqualified audit opinion on the consolidated financial statements and confirmed that the financial information included in this press release does not contain material differences with the consolidated financial statements.

Consolidated Income Statement

	Year-to-date		4th quarter	
In million EUR	**2017**	**2018**	**2017**	**2018**
Revenue	2,972.2	3,774.4	931.7	1,078.2
Other operating income	51.6	75.8	23.5	53.4
TOTAL OPERATING INCOME	**3,023.8**	**3,850.2**	**955.1**	**1,131.6**
Material costs	(240.7)	(257.5)	(61.1)	(69.5)
Services and other goods	(972.8)	(1,556.2)	(395.0)	(500.4)
Payroll costs	(1,206.7)	(1,455.6)	(342.6)	(353.0)
Other operating expenses	(5.6)	(9.8)	(5.0)	(2.2)
Depreciation, amortization	(105.1)	(177.7)	(35.9)	(62.6)
TOTAL OPERATING EXPENSES	**(2,530.9)**	**(3,456.8)**	**(839.7)**	**(987.8)**
PROFIT FROM OPERATING ACTIVITIES (EBIT)	**492.9**	**393.4**	**115.5**	**143.8**
Financial income	5.8	6.1	2.5	1.4
Financial costs	(19.5)	(29.9)	(12.7)	(9.5)
Share of profit of associates	9.6	11.5	1.6	4.8
PROFIT BEFORE TAX	**488.7**	**381.0**	**106.9**	**140.5**
Income tax expense	(165.8)	(117.4)	(39.8)	(35.9)
PROFIT OF THE PERIOD	**322.9**	**263.6**	**67.1**	**104.6**
Attributable to:				
Owners of the Parent	324.9	264.8	68.6	104.9
Non-controlling interests	(2.0)	(1.2)	(1.4)	(0.3)

[4] A full set of consolidated financial statements and notes on full year 2018 is available in the 2018 Annual Report at corporate.bpost.be/investors.

EARNINGS PER SHARE

	Year-to-date		4th quarter	
In EUR	**2017**	**2018**	**2017**	**2018**
►basic, profit for the year attributable to ordinary equity holders of the parent	1.62	1.34	0.34	0.52
►diluted, profit for the year attributable to ordinary equity holders of the parent	1.62	1.34	0.34	0.52

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.
As far as bpost is concerned, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

Consolidated Statement of Comprehensive Income

In million EUR	Year-to-date 31 December 2017	Year-to-date 31 December 2018	4th quarter 2017	4th quarter 2018
PROFIT FOR THE YEAR	**322.9**	**263.6**	**67.1**	**104.6**
OTHER COMPREHENSIVE INCOME				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Change of other comprehensive income of associates	(42.1)	(25.5)	(2.9)	(4.8)
Net gain/(loss) on hedge of a net investment	2.5	(5.7)	2.5	(1.6)
Net gain/(loss) on cash flow hedges	0.0	(14.0)	0.0	0.4
Exchange differences on translation of foreign operations	(16.5)	29.8	(12.9)	7.2
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**(56.0)**	**(15.3)**	**(13.3)**	**1.2**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):				
Remeasurement gain (losses) of defined benefit plans	3.1	4.6	1.2	4.1
NET OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**3.1**	**4.6**	**1.2**	**4.1**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(53.0)**	**(10.7)**	**(12.1)**	**5.4**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**270.0**	**252.9**	**55.1**	**109.9**
Attributable to:				
Owners of the Parent	271.9	254.1	56.5	110.2
Non-controlling interest	(2.0)	(1.2)	(1.4)	(0.3)

Consolidated Statement of Financial Position

In million EUR	As of 31 December 2017	As of 31 December 2017 restated*	As of 31 December 2018
Assets			
Non-current assets			
Property, plant and equipment	710.3	752.8	708.0
Intangible assets	910.6	890.4	874.9
Investments in associates	329.2	329.2	251.2
Investment properties	5.7	5.7	18.7
Deferred tax assets	31.5	31.4	31.5
Trade and other receivables	9.4	9.4	11.2
	1,996.6	**2,018.8**	**1,895.7**
Current assets			
Inventories	39.1	39.1	36.9
Income tax receivable	1.6	1.6	5.7
Trade and other receivables	719.4	714.9	712.0
Cash and cash equivalents	466.0	466.0	680.1
	1,226.1	**1,221.6**	**1,434.7**
Assets held for sale	0.6	0.6	14.7
TOTAL ASSETS	**3,223.3**	**3,241.0**	**3,345.1**
Equity and liabilities			
Issued capital	364.0	364.0	364.0
Reserves	310.1	310.1	271.4
Foreign currency translation	(11.5)	(11.5)	12.7
Retained earnings	110.9	110.9	51.6
Equity attributable to equity holders of the Parent	**773.5**	**773.5**	**699.7**
Equity attributable to non-controlling interests	4.3	4.3	2.5
TOTAL EQUITY	**777.8**	**777.8**	**702.3**
Non-current liabilities			
Interest-bearing loans and borrowings	58.4	55.4	849.1
Employee benefits	326.9	326.9	308.4
Trade and other payables	45.2	45.2	17.5
Provisions	24.2	38.1	22.6
Deferred tax liabilities	12.3	12.3	7.3
	467.0	**478.0**	**1,204.8**
Current liabilities			
Interest-bearing loans and borrowings	699.9	699.9	175.7
Bank overdrafts	0.0	0.0	0.0
Provisions	21.2	28.4	16.8
Income tax payable	39.3	38.6	21.4
Derivative instruments	0.0	0.0	0.8
Trade and other payables	1,218.2	1,218.4	1,212.5
	1,978.5	**1,985.3**	**1,427.3**
Liabilities directly associated with assets held for sale	0.0	0.0	10.8
TOTAL LIABILITIES	**2,445.5**	**2,463.3**	**2,642.9**
TOTAL EQUITY AND LIABILITIES	**3,223.3**	**3,241.0**	**3,345.1**

* Restated in order to show comparative information following the purchase price allocation of Radial.

Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
In million EUR	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	FOREIGN CURRENCY TRANSLATION	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS PER 1 JANUARY 2017	**364.0**	**0.0**	**274.2**	**2.5**	**135.5**	**776.3**	**3.1**	**779.3**
Profit for the year 2017					324.9	324.9	(2.0)	322.9
Other comprehensive income			96.5	(14.0)	(135.5)	(53.0)		(53.0)
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**96.5**	**(14.0)**	**189.4**	**271.9**	**(2.0)**	**270.0**
Dividends (Pay-out)			(50.0)		(212.0)	(262.0)	0.0	(262.0)
Other			(10.7)		(2.0)	(12.7)	3.2	(9.5)
AS PER 31 DECEMBER 2017	**364.0**	**0.0**	**310.1**	**(11.5)**	**110.9**	**773.5**	**4.3**	**777.8**
AS PER 1 JANUARY 2018	**364.0**	**0.0**	**310.1**	**(11.5)**	**110.9**	**773.5**	**4.3**	**777.8**
Impact of IFRS 9 on bpost bank			(59.9)			(59.9)		(59.9)
AS PER 1 JANUARY 2018 (Restated)	**364.0**	**0.0**	**250.2**	**(11.5)**	**110.9**	**713.6**	**4.3**	**717.9**
Profit for the year 2018					264.8	264.8	(1.2)	263.6
Other comprehensive income			76.1	24.2	(110.9)	(10.7)		(10.7)
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**76.1**	**24.2**	**153.9**	**254.1**	**(1.2)**	**252.9**
Dividends (Pay-out)			(50.0)		(212.0)	(262.0)	0.0	(262.0)
Other			(4.8)		(1.2)	(6.0)	(0.5)	(6.6)
AS PER 31 DECEMBER 2018	**364.0**	**0.0**	**271.4**	**12.7**	**51.6**	**699.7**	**2.5**	**702.3**

Consolidated Statement of Cash Flows

	Year-to-date 31 December		4th quarter	
In million EUR	**2017**	**2018**	**2017**	**2018**
Operating activities				
Profit before taks	488.7	381.0	106.9	140.5
Depreciation and amortization	105.1	177.7	35.9	62.6
Impairment on bad debts	3.3	10.5	2.6	3.0
Gain on sale of property, plant and equipment	(15.9)	(30.0)	(9.0)	(26.1)
Other non-cash items	(8.1)	(4.2)	(3.2)	(13.6)
Change in employee benefit obligations	(29.1)	(12.8)	1.4	(17.7)
Share of profit of associates	(9.6)	(11.5)	(1.6)	(4.8)
Dividend received	11.8	4.0	6.0	4.0
Income tax paid	(125.2)	(126.1)	(55.6)	(5.5)
Income tax paid on previous years	(15.0)	(11.8)	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**405.9**	**376.8**	**83.4**	**142.3**
Decrease/(increase) in trade and other receivables	(91.1)	14.7	(172.3)	(136.7)
Decrease/(increase) in inventories	(0.3)	0.3	(0.3)	(0.3)
Increase/(decrease) in trade and other payables	(48.3)	(10.9)	124.6	195.6
Increase/(decrease) in collected proceeds due to clients	15.0	9.7	15.0	35.8
Increase/(decrease) in provisions	(15.2)	(28.6)	(3.8)	(12.9)
NET CASH FROM OPERATING ACTIVITIES	**266.1**	**362.0**	**46.7**	**223.9**
Investing activities				
Proceeds from sale of property, plant and equipment	24.0	55.6	12.8	46.5
Acquisition of property, plant and equipment	(96.7)	(88.9)	(43.3)	(36.5)
Acquisition of intangible assets	(24.7)	(26.5)	(11.1)	(12.0)
Acquisition of other investments	12.0	0.5	0.0	(0.0)
Acquisition of subsidiaries, net of cash acquired	(666.6)	(61.4)	(581.7)	(0.0)
NET CASH USED IN INVESTING ACTIVITIES	**(751.9)**	**(120.8)**	**(623.2)**	**(2.1)**
Financing activities				
Proceeds borrowings and financing lease liabilities	692.5	994.0	691.9	165.1
Payments related to borrowings and financing lease liabilities	(13.7)	(739.7)	(13.3)	(32.2)
Payments for derivative instruments	0.0	(21.5)	0.0	0.0
Transactions with minorities	0.0	(0.3)	0.0	0.0
Interim dividend paid to shareholders	(212.0)	(212.0)	(212.0)	(212.0)
Dividends paid	(50.0)	(50.0)	0.0	(0.0)
NET CASH FROM FINANCING ACTIVITIES	**416.8**	**(29.5)**	**466.6**	**(79.1)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(68.9)**	**211.7**	**(110.0)**	**142.7**
NET FOREIGN EXCHANGE DIFFERENCE	**(3.9)**	**2.5**	**(1.8)**	**(3.1)**
Cash and cash equivalent less bank overdraft as of 1st January	538.9	466.0		
Cash and cash equivalent less bank overdraft as of 31 December	466.0	680.1		
MOVEMENTS BETWEEN 1ST JANUARY AND 31 DECEMBER	**(72.9)**	**214.1**		

Glossary

- **Belgian GAAP** : financial reporting framework applicable in Belgium
- **Capex**: total amount invested in fixed assets.
- **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.
- **Net debt (net cash)** represents interest and non-interest bearing loans less cash and cash equivalents.
- **Normalized EBITDA/EBIT/EAT/operating free cash flow:** EBITDA,EBIT/EAT/operating free cash flow excluding the adjusting items. Adjusting items represent significant income or expense items that due to their non-recurring character are excluded from internal reporting and 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 normalized ones. An adjusting item is deemed to be significant if it amounts to EUR 20m or more. All profits or losses on disposal of activities are normalized whatever the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized whatever the amount they represent.
- **Operating free cash flow (FCF):** cash flow from operating activities + cash flow from investing activities.
- **Underlying volume:** starts from the reported volume and includes some corrections, for example the impact of the number of working days on the sales of stamps and franking machines and mail volumes related to elections.