

Reaction concerning the decision of the government on the distribution of newspapers and magazines in Belgium

Following the discussions of the last weeks on the current tender for the distribution of newspapers and periodicals for the period 2024 – 2028 and for which bpost was a candidate, the Council of Ministers has decided to temporarily extend the two press concessions beyond December 31, 2023.

During the extension period, bpost will continue to provide nationwide the services of the current concession, for which the government has foreseen a budget of € 75m. The modalities have yet to be discussed with the government and are subject to approval by the European Commission.

As a reminder, bpost currently distributes both newspapers and periodicals for a total revenue of around € 265m in 2022 - including remuneration from the government and revenue from publishers - with an EBIT margin below the 7.5% cap imposed by the European Commission.

Operational and financial impacts for bpost, after the extension period, will depend on the commercial offerings that will be put into place, on which bpost is in discussion with the editors. The company is working to limit these impacts.

An alternative support mechanism for commercial editors in rural areas (<225 inhabitants/km²) and nationwide for press shops and non-commercial editors, would be put into place until December 2026, on which bpost does not have all the details yet.

Chris Peeters, CEO bpostgroup: *"bpost will continue to do what it does best: ensure the daily distribution of newspapers and magazines nationwide during this extra period. What will happen next? Although we are in uncharted territories, our focus is and remains to ensure the future of the company, as well as the well-being of our employees. To that end, we will engage with all internal and external stakeholders to define our next steps and determine the future press distribution offering. bpost has the people and resources to carry out newspaper and magazine distribution in a qualitative and sustainable manner. The company continues to strongly believe in a model in which employees receive good working conditions and a correct salary."*

bpost will provide further details as soon as new information becomes available and the situation permits.

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