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essage to the stakeholders

bpost group: Your trusted guide to connect in a changing world

bpost group has succeeded in responding in both a flexible and a determined way to the health crisis and has mapped out the guidelines for the coming years. "Belgium will always remain our home base. At the same time, international growth in e-commerce is essential for the future of our group."



François Cornelis (left) and Jean-Paul Van Avermaet (right)



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"In our rapidly evolving world, a company has to be constantly in motion."

Jean-Paul Van Avermaet,
bpost group's CEO



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François Cornelis,
bpost group's Chairman of the Board of Directors

This past year, all of bpost group 36,000 employees have proven - under difficult corona conditions - their persistence, adaptability and craftsmanship. "We stood up, took our stand and remained assisting everyone!" That is how Jean-Paul Van Avermaet, bpost group's CEO, reflects on 2020. "During the crisis, we managed to respond quickly to the new normal. Solidarity amongst our employees was astonishing. They have continued to serve customers all around the world, in these very unusual times."

Over the past year, bpost group has not only continued to fulfil its social role, but has also contributed to connect people in our society. "In December, for example, we delivered 25 percent more letters and postcards compared to the previous year," says Van Avermaet.

ONLINE BOOST

The exponential growth of e-commerce also helped bpost group to achieve good financial results during corona. "This applies to both Belgium and abroad," explains François Cornelis, bpost

group's Chairman of the Board of Directors. "Our e-commerce activities, our logistics services and our cross-border activities are the engines of our growth. Thanks to the large global increase in online sales, the revenues of several of our subsidiaries have increased. Radial posted the best financial results in three years. All 36,000 bpost group employees worldwide have successfully guided our company through the unusual 2020," emphasizes François Cornelis.

TWO YEARS AHEAD

bpost group has been able to set new records in acquiring and efficiently managing Parcels & Logistics volumes. "During the first lockdown, parcel traffic showed peaks higher than during the 2019 end of year period," says Jean-Paul Van Avermaet. "In December 2020, volumes were even larger, with up to 670,000 parcels delivered per day. Also internationally, records were successfully broken in our e-commerce logistics activities." The group has succeeded in optimizing the logistics and operational organization to process these larger volumes.

"We are one to two years ahead of our original planning," confirms Van Avermaet. "We have worked closely with our customers to streamline and spread the volumes. We have also introduced extra delivery times: a second delivery in the afternoon on weekdays, even up to three deliveries on Saturdays. Thanks to an agreement with the social partners, in 2021, our employees will also deliver on Sundays."

This growth is likely to continue, as new online consumers confirm that they will continue to buy more online. bpost group also supports the online sellers. Last summer, touslesmagasinsenligne.be was launched, a tool that enables Belgian SMEs and self-employed entrepreneurs to set up their own online business in less than half an hour. The My bpost app currently has 1 million Belgian users. The aim is to at least double that number in the coming years.

CONNECT 2026

bpost group unveiled the CONNECT 2026 strategic update in December 2020. "The group's strategy was outlined three years ago with the acquisition of Radial. The ambition is to position bpost as a major player in e-commerce and logistics services," emphasizes François Cornelis. "bpost must become a customer-focused and high-performance omni-commerce group close to society, while remaining a valued postal provider in Belgium." The e-commerce growth in Europe will mainly rely on the expansion of Radial Europe, which will become a priority.

CONNECT 2026 also shows respect for people and the environment. The Ecozone Malines project, a model of emission-free city logistics, will be expanded to other Belgian cities in 2021. "Last year, bpost also bought double deck trailer trailers and commissioned their first trucks running on LNG," says Jean-Paul Van Avermaet. The group wants to limit the number of vehicles on the road in order to reduce CO₂ emissions by 30% and make half of its fleet carbon neutral by 2030.

"Sustainable employment is central to bpost's strategy. We invest in the training and employability of our people," emphasizes Jean-Paul Van Avermaet. "Together with the authorities and the employment organizations, we also offer inclusive employment opportunities to vulnerable groups of people."

bpost wants to become a unified group and a unique multi-service partner for its customers. bpost will now be able to offer its staff broader and international career prospects. Jean-Paul Van Avermaet: "Our group philosophy is essentially a driven form of talent management, which strengthens both our brand as an employer and our retention policy."

Last year, the bpost group also expanded abroad. In October, Active Ants opened the e-fulfilment center of the future in the Netherlands, aimed at smaller e-tailers. People and self-driving robots work very efficiently side by side. "Active Ants is an example of our innovative infrastructure developments," says Jean-Paul Van Avermaet. "We want to scale up this model. In 2021, we will also open Active Ants branches in Belgium and Germany."

A NEW CAPITAL ALLOCATION PLAN

In order to focus on the core of its strategy, to achieve its objectives and to deploy new additional resources for the development of its e-commerce activities, the Board of Directors has decided to sell its share in bpost bank. A coordinated capital allocation framework was also approved. The payment of a dividend for 2020 has been postponed. A distribution of between 30 and 50 percent of the IFRS net profit after the end of the 2021 fiscal year will be proposed at the Shareholders' Meeting.

François Cornelis: "In order to safeguard the future growth of our company, bpost group must compensate for the decline in mail volume. We do this by investing heavily in logistics activities and e-commerce services. This focus and flexibility should ensure the creation of added value for the company."

FUTURE VISION

"Our transition will never be complete," says Jean-Paul Van Avermaet. "In our rapidly evolving world, a company has to be constantly in motion. CONNECT 2026 is therefore a means to an end and not a final aim."

"Belgium is important to bpost group and will always remain our home base," concludes François Cornelis. "Just because we have an essential social and economic role to play. But even so, the international development of our e-commerce activities is also essential for our group's future."

CONNECT 2026

bpost group's strategic update includes seven ambitions that should connect citizens, businesses and authorities in our rapidly changing world.

Customer-centric

Help customers and brands to grow and flourish by being their trusted partner.

Omni-commerce partner

Enable Belgium to become a leading omni-commerce country.

New & innovative

Offer exciting and innovative customer experiences.

Number-driven

Create long-term profitability by investing and expanding beyond mail.

Earth & people friendly

Become a sustainability leader by investing in people and limiting our climate impact.

Cohesion in society

Help build social cohesion as the preferred partner for public services.

Together

As an inclusive organization offer life-long learning to all our employees.