

bpostgroup: Fourth Quarter and Full Year 2022 Results

23-02-2023

For the full year 2022, group adjusted EBIT of 278.5 mEUR ends up in line with initial guidance, despite adverse market circumstances, thanks to mitigating actions taken throughout the year. In line with the dividend policy, the Board of Directors will propose a total dividend per share of EUR 0.40 gross - based upon 33% IFRS net profit pay-out ratio given some significant non-cash impacts in 2022. Dividend will be payable in May 2023 after approval of the General Shareholders' meeting

Philippe Dartienne, CEO a.i. of bpostgroup: "I am pleased with the solid set of results of the fourth quarter, reflecting our meticulous preparation and the strong execution of the peak. For the year, despite persisting macro headwinds, bpostgroup managed to absorb the downside risk pressures to the initial EBIT guidance of 280-310 mEUR. This is a great achievement and I want to thank all our employees for their relentless efforts and the implementation of the actions taken by the Management to counter the market disruptions we have faced throughout the year.

We have clear priorities for 2023 and, while facing economic uncertainty and lasting macro headwinds in the coming months, bpostgroup continues to execute on its strategy and to progress on its growth and transformation journey."

Management priorities for 2023

The Management continues to deliver on the ongoing execution of the bpostgroup'

strategy, with the ambition to:

Develop into a leading international e-commerce and logistics service provider
Reinvent, secure and grow our anchorage services in Belgium to citizens, businesses and public institutions

Be a reference in sustainability in all markets the group operates in

In line with this ambition, the 2023 priorities are:

Belgium:

Develop target operating model and supporting organization, based on client-centricity translating in higher quality and flexibility

Prepare for future of press concessions under different scenarios

Increase the wellbeing of our employees to improve absenteeism-levels

E-Logistics Eurasia:

Continue top-line growth for Radial, Active

Ants and Cross-Border

Further boost commercial performance by means of sales excellence program and cross-selling (supported by common CRM)

Launch execution of Dyna multi-year turnaround plan

E-Logistics North America:

Develop and execute on commercial pipelines across entities adjusting to changed market conditions

Implement network-wide lean operating model for Radial, incl. reduction of SG&A, driving further margin improvement

Group:

Reinforce compliance programs

Continue portfolio optimization, including pursuit of M&A

Simplification of business processes and technology landscape

Appoint and onboard new Group CEO

Outlook for 2023

bpostgroup expects¹ its adjusted EBIT 2023 to range between 240-260 mEUR.

bpostgroup will continue to execute on its transformation while facing market pressures with sales, pricing, cost and productivity levers.

The group's total operating income for 2023 is expected to increase by a mid- single-digit percentage ^{2,4} compared to 2022.

For the business units, bpostgroup expects:

Belgium:

3 to 5% growth² in total operating income, notably driven by:

Mail: an underlying Domestic mail volume decline expected between -8% and -10%, offset by price increase and mix impacts.

Parcel: a mid-single digit percentage volume growth and a mid- to high single-digit percentage price/mix impact.

6.5 to 8.5% adjusted EBIT margin including higher payroll costs from full-year impact of the 2022 salary indexations and the additional ones of 2023³, higher energy costs, partly mitigated by some efficiency gains in operations and continued cost reduction initiatives.

E-Logistics Eurasia:

Low double digit percentage growth in total operating income, driven by:

Continued growth of Radial Europe and Active Ants, and

Growing Commercial Cross-Border activities incl. development of new lanes, more than offsetting structural decline in Postal.

3 to 5% adjusted EBIT margin reflecting a negative mix effect at Cross-Border and including scale-up of sales organization and start-up costs of new customers at Radial Europe and Active Ants.

E-Logistics North America:

Slightly lower⁴ total operating income reflecting:

Amazon's insourcing at Landmark Global

and general price pressure.

Lower growth momentum at Radial in current market conditions, and overcapacity leading to price pressures.

4 to 6% adjusted EBIT margin from tighter labor costs, labor management and costs measures, offsetting price pressures and higher opex and incremental depreciation and amortization from new sites.

Group EBIT will include higher payroll costs at Corporate level and operating expenses to support the ongoing group transformation, as well as impacts from the ongoing "press

concession" investigation.

Gross capex is expected to be around 200 mEUR. This capex envelope is geared towards growing e-commerce logistics.

The dividend relative to the results of the year 2023 will be in the range of 30-50% of IFRS net profit, and will be payable in May 2024 after the General Shareholders' Meeting, in accordance with the dividend policy.

Source: [bpost](#)