



4th Quarter 2025 Results

Conference call transcript

Brussels - March, 06th 2026
Chris Peeters, Group CEO
Philippe Dartienne, Group CFO

Transcript of the conference call held on March, 6th 2026 - 10:00 am CET

PRESENTATION

Operator

Ladies and gentlemen, hello and welcome to the Bnode fourth quarter 2025 analyst Conference Call. On today's call, we have Mr. Chris Peeters, CEO, and Mr. Philippe Dartienne, CFO. Please note this call is being recorded and for the duration of the call, your line will be on listen only. However, you will have the opportunity to ask questions at the end of the call. This can be done by pressing Pound Key five on your telephone keypad to register your question.

If you wish to withdraw your question, please dial Pound Key six on your telephone keypad. I will now hand over to your host, Mr. Chris Peeters, CEO, to begin today's conference. Please go ahead, sir.

Chris Peeters

Thank you. And good morning, ladies and gentlemen. Welcome to all of you. And thank you for joining us today. I will be presenting our fourth quarter and full year 2025 results as CEO of Bnode. With me, I have Philippe Dartienne, our CFO, as well as Antoine Lebecq from Investor Relations.

We posted the materials on our website this morning. We will walk you through the presentation and will then take your questions. As always, two questions each would ensure everyone gets the chance to be addressed in the upcoming hour. Let's get to the highlights of the full year results, and Philippe will then walk you through our fourth quarter 2025 results.

On page three, you can see that Bnode, as we are now called - and I will come back to this in a few minutes - delivered results at the upper end of the 150 to €180 million EBIT guidance range that we set at the same time last year, and progressively de-risked quarter after quarter. Despite pressure on topline development, we delivered an Ebit of €179.7 million, while at the same time remaining fully committed to the transformation of our business.

At Bpost as anticipated, topline decreased by around €90 million. Mail and press revenues declined by approximately €100 million, reflecting both the accelerating structural volume erosion, and the base effect as 2024 still included six months of the press concession. On the Parcels side, revenue increased slightly by around €10 million as our volume growth was limited to 2%, notably impacted by the strike actions we faced during the year.

In response to these challenges, we progressed on important cost measures, particularly through operational reorganizations and a reduction of around 4% in FTEs. The full impact of these actions was mainly visible in the last two quarters of the year.

EBIT came in at €67 million, down 50% year on year. The decline was primarily concentrated in the first half, reflecting the scope impact of the press concession, while performance roughly stabilized in the second half of the year.

At Paxon, topline growth was primarily driven by the continued expansion of our European activities and even more significantly by the consolidation of Staci. This positive momentum was, however, largely offset by a 21% revenue decline at North America; as announced last year Radial faced the departure of several major clients. Since then, we have been actively addressing this through a progressive reshaping of the customer portfolio towards the mid-sized segment. At the same time we maintained a strong focus on productivity, with Radial US once again delivering substantial cost savings. Supported by the contribution from Staci EBIT increased slightly by €7 million year on year, reaching just under €59 million.

At Landmark Global our US business was, as expected, impacted by tariff measures. Nevertheless, top line posted slight growth overall. This was supported by sustained activity in Canada and, most importantly, strong momentum in Asian volumes across all key destinations, including, of course, Belgium, which is particularly accretive from an EBIT standpoint. Combined with continued productivity gains, notably through our Transport Center of Excellence, this enabled us to increase EBIT to €85 million.

Let me make one final remark on our financial highlights. As you can see, on a reported basis, the group recorded a net loss of 39 million. In line with the dividend policy reaffirmed at our Capital Markets Day in June, and with no change to that framework, the Board of Directors will recommend to the general meeting in May not to distribute a dividend this year.

This reported net loss is primarily explained by a one-off cost recognized at Radial North America. Philippe will elaborate on this in a moment.

But before handing over, I would like to briefly reflect on our key strategic priorities in 2025 and how they continue to shape our transformation journey. In 2025 our transformation gathered significant momentum across Bnode, delivering tangible results and reaffirming the strength of our strategic direction.

We restructured and strengthened the Bnode Executive Committee with a new CEO for Paxon North America and for Paxon Europe, as well as the Bpost Management Committee, including Group CEO and four members of the Group Executive Committee to accelerate strategy execution and better address emerging challenges.

We simplified the group brand architecture, moving from 31 brands to a clear four-brand structure, bringing consistency and focus fully aligned with the group's strategic repositioning.

At Bpost we made the operating model shift, accelerated the transformation of our Belgian operating model across multiple tracks, including bulk rounds, now fully operational in all sorting centers, centralized preparation of mail rounds, and the reorganization of 138 distribution offices to adapt the cost base to new volumes, among others, due to lower press volumes. We also developed out-of-home at scale, expanded the locker network at record pace, reaching 2500 APM installations, driving a 50% growth in locker volume in 2025. We also successfully launched Night bbox delivery, enabling time-critical deliveries before 7 a.m. with early phase pilots underway in the omnichannel segment. At the retail network, we strengthened the strategic relevance and commercial contribution of our retail network by expanding multiple partnerships in, among others, telco, utilities and banking while reinforcing our societal inclusion role.

For Paxon we continue in North America to transition to mid-market client portfolio, driven by the successful launch of Fast Track, offering rapid and seamless integration with existing systems. With 22 Fast Track clients onboarded, representing €38 million of in-year revenue. We also successfully integrated Staci into our new Paxon organization. We established an integrated country structure across Staci, Radial Europe, and Active agents, paving the way for accelerated commercial development. And we exceeded the initial cost synergies target, with the 2026 target already secured.

And for Landmark Global, we achieved strong progress in leveraging group-wide capabilities, notably through the introduction of a Transport Centre of Excellence, realising €15 million of group-wide savings in 2025. Our transport synergies, last mile group contracts, etc., are included in this. And in terms of market resilience, we demonstrated the ability to navigate an increasingly complex trade environment, including rapidly evolving trade tariffs while maintaining operational stability and commercial momentum.

I will now hand over to Philippe for the quarterly results, and I will then take the floor to share with you our strategic priorities for 2026 and the financial outlook.

Philippe Dartienne

Thank you, Chris, and good morning to all. As you can see on the highlights on page five, our group operating income for the fourth quarter came at €1,242 million, a decrease of €93 million, or 7%, year on year. This performance reflects a combination of factors.

As expected, we saw the impact of contract terminations at Radial US, which we already flagged earlier this year. This termination materialised through the quarter and drove a 20% revenue decline year on year, amounting to €82 million, largely offsetting the 4% top line growth at Paxon Europe.

In parallel, the 9.2% decline in domestic volume, excluding press, was only partially compensated by close to 3% parcel gross volume in Belgium. Note that parcel volumes were impacted by several national strikes in October and November. In terms of cross-border activities, we also recorded higher Asian inbound volumes which supported overall parcels flows.

Overall, while our topline remained under pressure, we continued to adapt our cost base effectively. As a result, group adjusted EBIT reached €83 million, broadly in line with last year. This outcome reflects the positive effect of our reorganisation measures and improved peak efficiency at Bpost, as well as margin actions at Paxon US.

Before turning to the financial performance of our business unit, let me highlight, as shown on slide six, that our group reported EBIT stands at €10 million. Beyond the usual PPA adjustments, this mainly reflects the €55 million one-off charges related to the real estate portfolio rationalization and technology stack simplification at Radial US, in line with the “*Maximize the Core*” initiatives presented to you at the Capital Market Days in June.

Let's move now to the details of our three segments.

I'm on page seven with the Bpost segment, previously Last Mile.

We see that the revenue declined by €17 million to €574 million.

Domestic mail recorded around 17 million decline in revenue, of which 11 million stemmed from transactional and advertising mails and 5 million from press. Excluding press, mail volumes contracted by 9.2% in the quarter, compared to 8.1% in the same quarter last year. The decline in mail volumes had a negative revenue impact of around €21 million, and was partially offset by approximately half through a positive price and mix

effect of 4.2%, or roughly €10 million. As a result, the domestic mail revenue was down 4.9%, or €11 million year over year. Note that on a full year basis, this mail volume declined by 9.8% at the upper end of our guidance, and was mitigated by a price mix impact of +4.3%.

Our parcels revenue increased by €3 million, or 1.7% year over year, driven by volume growth of close to 3% and a slightly negative price mix effect of 1.2% in the quarter. On the volume side, the reported 2.9% actually corresponds to an average daily growth of 1.3% and includes a shortfall of just under 1% due to a national strike that took place in Belgium in October and November. Over the past month, and particularly during the peak, growth was mainly supported by strong performance of marketplaces, which also contributed to our negative price/mix effect. The negative price/mix impact was about 1.2%. For the full year, our average daily volume grew by 2.4%, despite the negative impact of the fourth quarter strike and more importantly, the Bpost strike in February, during which a significant share of volume shifted temporarily to competitors. This disruption resulted in an overall volume shortfall of a bit more than 1% for the year. Excluding this impact, our volume would have landed at the low end of our annual volume guidance.

Revenue from our other activities, including Retail, Value-added services and Personalized logistics, decreased by 3% year over year, notably with lower revenue from Fines solutions, partially offset by higher revenues at DynaGroup.

Let's move to the P&L of Bpost on page eight.

Including the higher intersegment revenue from inbound cross-border volumes handled in the domestic network, our total operating income was down by 2.3%, or €14 million. On the cost side, OpEx and D&A decreased by 2.7%, or €16 million, mainly driven by two effects: lower staffing, with FTEs and interims down 5%, reflecting improved peak efficiency and lower volumes. This benefits from the ongoing reorganization of our distribution rounds and retail offices implemented over the previous quarters and which ultimately concluded in line with annual plan targets, despite delays accumulated in June due to strikes; and on the other hand higher salary costs per FTE were up 2% following March 25 salary indexation. In contrast with the first half of the year, when EBIT had contracted sharply by almost 64 million year on year, mainly due to the end of the Press concession in June 2024, we see now that despite the structural decline, parcel growth and the benefits of our organization are helping to mitigate EBIT erosion; EBIT decline was limited to 3 million in the second half of the year and even showed a slight improvement in this fourth quarter.

I would like to highlight that our peak efficiency improved not only versus last year, but for the first time ever, also versus the full year run rate.

Moving on to Paxon, previously 3PL, on page nine.

In terms of Paxon revenues, two effects came into play.

First one, Paxon Europe revenue remained broadly stable year over year. While we recorded around a 4% growth this quarter across European businesses and geographies, with some activities even achieving high single digit growth, we also felt the negative impact at Staci Americas, which is reported on the Paxon Europe, where a contract termination led to a significant revenue decline during the quarter.

At Paxon North America, revenues decreased by €82 million. At constant exchange rate this represents a 20% decline, driven by revenue churn from contract termination announced in 2024 and 2025, mid-single digit negative Same Store Sales, and partially offset by the in-year contribution of just under €30 million from new customers, of which 60% relating to Radial US Fast track clients. As expected, despite seeing positive and encouraging signals on that front, we continue to feel the impact of the churn announced in 24 and 25. We remain focused on executing our plans, and we are confident that the ongoing strategic actions presented at the Capital Markets Day, expanding into new industries, client size and channel, and strengthening our portfolio, will deliver the intended benefits.

Let's move to the P&L of Paxon on slide ten.

With this, total operating income decreased by 14.4%, or €82 million, while operating expense and D&A decreased by 13.2%, or €69 million. The reduction was primarily in North America, driven by lower variable Operating Expenses in line with revenue evolution at Radial US and sustained Variable Contribution Margin. As a result, Adjusted EBIT decreased by 13 million to €33 million in the quarter. This was mainly due to the ongoing topline pressure at Radial US, and to some extent at Staci Americas, to temporary productivity issues and an IT incident.

Note that Radial US reached another record high margin during the peak season, and on a full year basis, Radial US's continued focus on productivity improvement delivered a 2% increase in variable contribution margin, equivalent to cumulative benefits of \$16 million.

Looking at our reported EBIT of -35 million, this reflects the €55 million one-off charge related to the real estate portfolio rationalization and the technology stack simplification at Radial US I've mentioned earlier in the call that this is totally in line with "Maximize the core" Initiative presented at our Capital Markets Day in June.

Moving on to Landmark Global, previously Cross-Border, on page 11.

Landmark Europe revenues increased by €4 million, or 4% year over year. This growth was driven by a solid volume increase from China across all major destinations, notably Belgium, fueled by large Chinese platforms and the US. Other European lanes continue to grow well, with the exception of the UK, where adverse market conditions remain. At Landmark North America, we continue to face volume headwinds, while the broader tariff environment is weighing on existing business and delaying new opportunities. However, this was offset by strong domestic volume growth in Canada and a strong peak period, resulting at the North America level in a high single-digit percentage growth in revenue, equivalent to a 0.5% increase in euro when including the negative FX impact development.

Overall, our Landmark Global operating income increased by roughly 7 million, or 3.9%.

As shown on page 12. OpEx and D&A increased at the same time by 3.1%, mainly reflecting higher transportation costs driven by volume growth, partially offset by lower rates under new transport contracts. These links back to the Transport Center of Excellence that we presented at the Capital Markets Day, and from which we are now seeing tangible benefits across our various business units. Adjusted EBIT increased slightly to just under 26 million, and the productivity gains across the board resulted in margin improvement compared to last year.

Moving on to the Corporate segment.

On page 13, adjusted EBIT continued to improve as cost control measures on third-party and expert services, as well as facility management initiatives, helped offset higher payroll costs driven by additional FTEs and the March 2025 salary indexation. This quarter also benefited from a one-off favorable impact from operational taxes, and as a result, our adjusted EBIT improved by 7 million to -2 million.

Let's now move to the cash flow.

On slide 14, the net cash inflow from the quarter amounted to 35 million, compared with 118 million last year, mainly reflecting the variation in working capital and higher coupons on the bonds overall. The main items to highlight are the following.

Cash flow from operating activities before changing working capital stood at 149 million, a decrease of 11 million versus last year, mainly driven by lower EBITDA and lower corporate tax payment.

Change in working capital and provisions amounted to 57 million. The -39 million variance year on year reflects the termination of the press concession in June last year, as well as some lower supplier balances.

The net cash outflow from investing activities totaled 61 million, driven by CapEx for parcels lockers and capacity expansion, our domestic fleet and international e-commerce logistics. Note that on a full year basis, CapEx amounted to €147 million, below our initial guidance of €180 million, reflecting a disciplined spending behaviour.

This constitutes the main variation in our free cash flow.

And the net cash outflow from financing activities amounted to 110 million, mainly reflecting higher lease liabilities payments and higher bond coupons linked to the €1 billion bond issuance in November 2024.

This brings us to the strategic priorities of 2026 and our financial outlook.

Chris Peeters

Thank you Philippe.

As we move in 2026, the focus shifts from piloting to scaling, accelerating what works, executing with discipline, and embedding successes structurally.

For Bpost, that means that the operating model will further shift to accelerate the transition towards a 24/7 logistics company. This includes the structural embedding of efficiencies and flexibilization levers, for example, the dual density rounds or the delayed courer we will do. At the Out-of-Home, we will further scale and expand the network coverage of 3,400 bboxes installed and doubling the parcels delivered via lockers.

We will continue to pilot and scale promising B2B services in omnichannel and for technicians; also, we will negotiate an agreement for the retail network with the Belgian state, entering into force as of January 2027.

For Paxon, in North America, we will leverage and scale the proven Fast Track solution to deepen our

presence in the mid-market segment, and for Europe we will capitalize on the integrated country structure to accelerate up- and cross-selling, improving asset utilization and driving commercial growth.

For Landmark Global, we will drive the full utilization of the Transport Center of Excellence, ensuring group-wide efficiencies and boosting profitable growth in a scale-driven market. We will leverage our ability to navigate trade complexity to better support clients in managing cross-border complexity and evolving tariff dynamics.

These strategic priorities lead me to our outlook for 2026.

I'm on page 16 now.

We are engaged in a profound transformation of our group, and the strategic shift we have initiated is a multi-year journey; 2026 will be another important step in that transition.

At a high level, the continued acceleration of our international logistics activity is expected to be the main driver of EBIT growth at group level. At the same time, in our historical Belgian operations, we will remain focused on mitigating the structural mail decline while further advancing our operational shift toward a more parcel-centric model. Overall, at group level, we are targeting an adjusted EBIT in the range of €165 to €195 million for 2026.

For Paxon, we expect total operating income to grow in the low to mid-single digit range in 2026. While in Europe we anticipate mid to high single digit growth, supported by continued commercial momentum and further leveraging of our integrated logistics capabilities, in North America the ongoing portfolio shift towards the mid-size segment, notably through our Fast Track initiatives, should offset the impact of customer churn. On profitability we expect an EBIT margin increase from 3.5% in 2025 to between 6% and 8% in 2026. This uplift will be driven by the combined strength of our new regional setup, the realization of cost synergies and continued real estate optimization.

Then we turn to Landmark Global, where we are targeting a mid-single digit top line growth for 2026. In Eurasia, momentum remains strong in our commercial activities, particularly driven by Asian volumes, while postal volumes are expected to remain resilient. In North America growth should be more moderate. Market overcapacity continues to intensify competition and the uncertainty surrounding tariff measures are creating limited visibility and implied pressures on flows to and from the US across most lanes. In terms of profitability, the evolving business mix with a lower contribution from Postal and a higher share of

Commercial volumes is likely to weigh on margins, leading to an expected Ebit margin in the range of 10 to 12%.

Finally, regarding Bpost, we anticipate a low single-digit decline in revenue in 2026. This mainly reflects three factors. First, mail volumes are expected to decline in the mid-teens range, while this will be partly mitigated by a favorable price mix effect of around five to six percent. The structural volume erosion remains significant. As you observed in 2025, the decline already accelerated, reaching around 10%, which was at the upper end of the 8 to 10% guidance range. In 2026 we will also face the full impact of mandatory B2B e-invoicing in Belgium, as well as the loss of certain advertising contracts. Second, on the Parcel side, volume should grow in the mid to high single-digit range, primarily driven by large customers. As a result, despite the usual price adjustments, the overall price mix is expected to remain broadly stable. In addition, as discussed during our Capital Markets Day, we will see the full year revenue impact from the loss of the 679 banking contract which was retendered and transferred to BNP Paribas Fortis as of January 1st.

From a profitability perspective, this marks another year of revenue contraction which will inevitably put pressure on margins. That said, we remain fully focused on aligning our cost base, notably through intensified distribution reorganizations and further productivity gains. Altogether, this should translate into an EBIT margin of around 1% in 2026.

We are now ready to take your questions again, two questions each, please, so that everyone gets the chance to be addressed during the session.

Operator, please open the lines.

Q&A

Operator

Ladies and gentlemen, as a reminder, if you'd like to ask a question or contribute on today's call, please dial Pound Key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial Pound Key six on your telephone keypad. Please also ensure your line remains unmuted locally. You will be advised when to ask your question.

The next question comes from Michiel Declercq from KBC securities. Please go ahead.

Michiel Declercq

Yes. Good morning, and thanks for taking my questions. I have some questions on the Paxon business. First on profitability, a bit lower than what you guided for at the start of the year. I was just wondering, can you give a bit more color on the temporary productivity issues and the IT incident at Staci in the Americas? And maybe quantify this. And also looking at the margins of Staci, are we still in the 10 to 12% range there? That would be my first question. Then secondly, would also be on Paxon Europe; you guide for mid-to-high single-digit growth in 2026. Looking at the fourth quarter, it was flat. You had, of course, a customer loss and some headwinds at Staci Americas. But I would expect this also to somewhat continue in 2026. So I'm just wondering where this step up from a flat growth in the EU in Q4 to mid to high single digits in 26 will come from. Do you see some reassuring trends there or just a bit more color on that please.

Chris Peeters

Do you take the first?

Philippe Dartienne

Yes, I take the first one. Thank you for the question. Very interesting question indeed. When it comes to Paxon profitability as a whole, we are mostly impacted by the loss of customers that we faced at former Radial US. As we mentioned, despite the fact that they've been able to maintain the Variable Contribution Margin, even a slight improvement year over year, but nevertheless, in absolute value, indeed, it weighed on the EBIT generation.

When it comes to Paxon Europe so, what I would say is that we have a profitability level for Paxon Europe that is mostly resulting from the acquisition of Staci. We always guided it in the range of 10 to 12%. And in

2025, we nearly reached the bottom end of the range. Why do I say nearly - very close to - it is mainly explained by the fact that we had an IT incident in the US that weighed on the profitability.

Chris Peeters

And on the second question, if you look at the Staci growth, you see, indeed, that there was a bit of a slowdown due to a combination of economic circumstances, mainly in France and the UK last year, and also a focus which was on the integration and the setup of the new structure. Now we have a team fully dedicated to developing that topline. And what we see there is that we have, especially around cross-sell and upsell on these clients. And when we talk about cross-sell is both geographical but also in other product ranges and upsell, where we see that we expand our services within the same service line with those same clients, we see that we have an attractive pipeline on which we feel comfortable that that growth is a feasible figure.

Michiel Declercq

Okay. Maybe a quick follow up, if I may. If I then plug in the guidance for the growth in the EU also for Paxon business. Is it then fair to assume that growth in the US or in North America will be flat? And if so, can you maybe give a bit more color on the phasing there?

Chris Peeters

Yes, indeed. Growth in the US will be flat. It's the effect of the historic client losses that we see. The losses are having a full-year impact. And obviously, if you see, although we see a ramp up at the Fast Track, these are substantially smaller clients, meaning that you need a lot more onboarding to compensate for the loss of a large client. And so that effect of clients that churned was already announced, or the non-renewal of contracts that we will have, the upfront impact gets compensated by new mid-market clients, but one is balancing out the other.

Philippe Dartienne

If you allow me to add one element, Chris, also, what we are seeing in terms of evolution of Same Store Sales on existing customers, we still believe that we will be in negative territory in 2026 compared to 2025.

Chris Peeters

Which is again an effect of that historic portfolio of older brands that are more in decline than the overall market.

Michiel Declercq

Okay. That's clear. Thank you.

Operator

The next question comes from Frank Claassen from Degroof Petercam.

Frank Claassen

Yes, sir. Good morning, gentlemen. Two questions please. First of all, on the transfer of the 679 banking contract. Could you help us? How much revenue would that roughly be? That's my first question.

And then secondly, on the Corporate cost line, you indicate that it will go up some 30 million, or result in an impact of -35 million delta in 26. That's quite a step up. Could you elaborate? What kind of investments or costs you're going to make on that corporate cost line?

Philippe Dartienne

So on 679, thanks for your question, Frank. We do not choose to disclose individual contracts, nor their profitability. So we will not do it for the 679. But this being said, the contribution of this contract was solid, very solid. So it's weighing on the profitability.

When it comes to corporate in fact, we are adding some resources, very limited compared to the 2025 situation. And those resources are geared towards supporting the transformation initiative. They are hosted at the level of corporate, but they benefit the integrity of the group. So they are in fact also the natural evolution of the cost base, because Corporate costs are mostly people-related costs. And we expect also to have a step of inflation of 2%, which helps explain the evolution of the corporate cost.

Frank Claassen

Okay. That's helpful. Thank you.

Operator

The next question comes from Henk Slotboom from TheIdea!, please go ahead.

Henk Slotboom

Good morning, Chris, Antoine and Philippe. A few questions about the Bpost division. I'm a bit surprised about the parcel growth you indicate for the current year. Last year was 2.9%. There was a 0.7% negative impact of the strikes you experienced. Now you're aiming for mid to high single digit growth. I assume you must have had a good start of the year. But at the same time, there are some things happening in the Middle East which could spur inflation again and weigh on consumer confidence. How do you look at that Chris?

Chris Peeters

So, on the parcel growth, I think the effect that you see in terms of growth of last year is mainly due to the strike impact, which involved two major events, one in the early part of the year with a quite significant impact - as you know, we had a couple of days of non-operation and a blocking of our sorting center that had quite an important impact on the number of parcels - and while we could mitigate, at the last minute, to a large extent, the national strike against the government towards the end of the period, some of our clients, at that moment when it was already late, decided to divert some of those volumes. And so there you see two elements where you have some volume leakage as a result of the strikes. That being said, if we look at the start of the year, as always, the start of the year is not the most relevant period. But if we see in terms of client development and contract conversion, we are on a positive flow. And so we expect in that perspective a good year.

If we look at the impact of what we see in the Middle East, I think there is very little direct flow from us to that region, and any related flows are also quite limited. 12 countries are blocked in terms of postal flow, but financially a very minor impact on our total volume.

We don't see today a reduction on the Chinese flows. Obviously, I agree with you. If there is an impact on consumer behaviour, you will likely see some impact on overall spending. Still, what we've seen in recent times when that was happening was that there was a further shift towards the products available within the e-commerce space, and so that is something where we don't expect there will be a massive impact on the year.

Henk Slotboom

Then on the mail volume. Chris, we have a short-term decrease this year, partly because of the loss of some advertising clients and the introduction of e-invoicing in Belgium. Especially the later impact. Do you think that this will mitigate the decrease in mail volumes as of 2027, when this has been absorbed?

Chris Peeters

I don't understand the question, to be honest. Can you repeat the question?

Henk Slotboom

Well, if this year was the introduction of e-invoicing, if I'm correct, in Belgium, so that means that you have a sharp decrease in volumes? Yes. Paper invoices being replaced by electronic invoices. Normally, I assume that will lead to a lower contraction of transaction volumes in the year thereafter because there's less left.

Chris Peeters

Yes. I mean, I can understand what you say, but overall, we don't count on that. I think that you've clearly seen that our strategy is now to move as fast as possible towards a parcel-centric operator. And so we want to become a logistical company. You see the mail decline - also, if we look at comparable countries that were ahead of the curve, the Nordic countries have mostly remained ahead of the curve, the Baltic states are also ahead of the curve in that perspective - you see that that decline continues to be fairly steep also in the end phase of mail. If you look at the Denmark case, still, until the last year, you saw a continued steep decline in the mail business. We see the same happening in the other Nordic countries, which are already at a more advanced stage of decline in mail than we are. And so in our plans, we don't count on that difference anymore. We are actually preparing ourselves for a continued accelerated decline in mail. And obviously, what we will do as a consequence of that is start to prepare ourselves for the USO discussion, which will be that we will have a new Universal Service Obligation as of the 1st of January 2028. And so that preparation of discussion is happening now to ensure that our operating model can follow the reality of the volumes that we have to treat.

Henk Slotboom

Okay. Perfect. Thank you.

Operator

As a reminder, if you wish to ask a question, please dial Pound Key five on your telephone keypad.

Ladies and gentlemen, there are no further questions, so I will hand it back to Chris to conclude today's conference. Thank you.

Chris Peeters

We would like to thank everybody on the call for having taken the time to be with us. And for your interesting questions. Please note that we will release our Annual Report 2025 on April 2nd. We look forward to staying in touch, and Philippe will present our first quarter results to you on May 6th. Thank you very much and have a great day.

Operator

Thanks for participating in the call. You may now disconnect.

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