



1st Quarter 2026 Result

Conference call transcript

Brussels - May, 06th 2026
Philippe Dartienne, Group CFO

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PRESENTATION

Operator

Ladies and gentlemen, hello and welcome to the B node. First quarter 2026 Analyst Conference Call. On today's call, we have 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, Philippe Dartienne, CFO, to begin today's conference. Please go ahead, sir.

Philippe Dartienne

Thank you. Good morning, ladies and gentlemen. Welcome to all of you. And thank you for joining us. I am pleased to present you our first quarter result as CFO of Bnode. With me, I have Alexandra and Antoine from Investor Relations. We posted the materials to our website this morning, and I will walk you through the presentation and will then take your question as usually two questions each, which ensure everyone gets the chance to be addressed in the upcoming hour. I will start with our quarterly financial results, then provide an update on the progresses on our key strategic initiative during the quarter, before concluding with our financial outlook. As you can see on the highlights on page 3, our group operating income for the first quarter amounted to €1 billion 63 million, representing a year on year decrease of €56 million, or 5%. This performance reflects a combination of factors. First, as expected, we saw the impact of contract termination at Radial US, which were announced over the course of in the course of last year and already incorporated in our outlook we presented earlier this year. This termination resulted in an 11% year on year revenue decline, or €38 million, and together with temporary top line pressure at Staci America's, largely [EDIT: offset by] offsetting the 4% top line growth achieved at Paxon Europe. Second in Belgium, in addition to the revenue decline following the termination of the 679 contract, domestic mail volumes declined by 14.3%. This was only partially offset by a parcels volume growth of 9.1%. In our cross-border activities, we also recorded higher inbound volume from Asia, which support overall parcels flows. Overall, and as expected, the

accelerated decline in mail volumes and the termination of the 679 activities weighed on the Ebit on the bpost segment, despite the positive contribution from our ongoing reorganization measures.

That said, at Paxon, despite a sharp contraction in top line, we were able to deliver Ebit growth, reflecting a strong cost discipline in North America and solid operational execution in Europe. As a result, group adjusted Ebit reached €33 million, down 8 million compared to last year and broadly in line with our expectations.

Before turning to the financial performance of our business unit, let me highlight, as shown on slide 4, that beyond the evolution of Ebit, our adjusted net profit reflects a €12 million improvement in financial results. This improvement was mainly driven by favourable non-cash FX effects and higher net income from our treasury investment, partially offset by higher interest expense related to the bonds issued in June last year. Let me now move to the performance of the three segments. I am now on slide 5 covering the bpost segment. Revenues for the segment declined by €21 million to 524 million year on year.

Domestic mail revenues decreased by €21 million, or 7.2% male, and press volumes contracted by 14.3% in the quarter, compared with -7.5 last year and in line with mid-teens volume decline guidance we provided earlier this year. This accelerated decline mainly reflects lower transaction volumes following the introduction of mandatory B2B invoicing as of the beginning of the year, as well as the termination of several advertising contracts. Overall, the decline in Mail volumes had a negative revenue impact of around €40 million, which was partially offset by roughly half by positive price and mixed effect of + 7.1% or €19 million.

Parcels revenue increased by €7 million, or 5.8% year on year, driven by volume growth of 9.1%, partially offset by a negative price mix effect of 3.3% during the quarter. On the volume side, the reported 9% growth corresponds to an underlying growth of around 5%, after adjusting for the estimated volume loss linked to the strike in February last year, when parcel volume declined by 12% in that month and over 2% in the in the full quarter. As observed in recent quarters, growth continued to be driven by strong performance of marketplaces. This dynamic weights on product and customer mix and explains negative price and mix evolution of -3.3%, despite underlying price increases.

Finally, revenues from other activities, including Retail, value added services and personal logistics declined by €7 million year over year. This mainly reflects lower revenue following the termination of the 679 activities

at the beginning of the year, as well as lower revenue from Fines solution, partially offset by higher revenue at Dyna Group.

Let's move to the PNL of the bpost on page 6.

Including higher inter segment revenues from inbound cross-border volumes processed through the domestic network, total operating income declined by 3.1% or €17 million year on year. On the cost side, OpEx, including DNA, decreased by 1.2% or €6 million, mainly driven by two opposing effects. First, we recorded a reduction of approximately 1260 lower FTEs and interim staff, representing a decrease of more than 5%, reflecting the benefit from the ongoing reorganisation of our distribution rounds and retail offices. And second, this was partially offset by higher salary costs per FTE, up 2% year on year following the March '25 and '26 salary indexation. Despite last year's Ebit impact of around 6 million for the two week strike, Ebit declined by 11 million year on year. This evolution was mainly driven by the anticipated acceleration of the structural mail decline and the termination of the 679 contract, only partially mitigated by parcel growth and the benefit of our reorganization measures.

Moving on to Paxon on slide 7.

Broadly in line with the trend we observed in the fourth quarter, two main effects came into play during the quarter.

At Paxon Europe, revenues remained broadly stable year over year. We recorded around 4% growth across European businesses and geographies, with some activities still achieving high single digit growth. This positive momentum was, however, offset by a negative performance at Staci Americas, which is reported within Paxon Europe, following a contract termination in the fourth quarter. This resulted in a significant decline during the quarter, compounded by an adverse FX impact of €5 million.

At Paxon North America, revenues declined by €39 million. At constant exchange rate, this corresponds to an 11% decrease, driven by three factors: revenue churn from contract termination announced last year, together with mid-single digit negative Same Store Sales evolution, partially offset by the in-year revenue contribution of around €27 million from new customers, of which 40% are Radial fast track clients.

Let's move to the PNL of Paxon on slide 8.

Against this backdrop, total operating income declined by 9.3%, or -€40 million year on year. Operating expenses, including DNA, decreased at a faster pace, down 10.4% or ~~€45~~ [EDIT:€44] million. This cost reduction was primarily achieved in North America, driven by lower variable opex in line with the revenue evolution at Radial US while maintaining a solid variable contribution margin. These effects were further reinforced by fixed costs and headcount actions.

As a result, adjusted Ebit increased by 4 million to €11 million in the quarter, with growth recorded in both Europe and North America. In Europe, this reflects top line growth combined with productivity gains. In North America, Ebit growth was driven by cost-containment measures, which more than offset the ongoing top line pressure.

Turning now to Landmark Global on slide 9.

At Landmark Europe, revenues increased by 8 million, or 10% year over year. Once again, this quarter growth was driven by a strong increase in volume from Asia across all major destinations, most notably Belgium, supported by large Chinese e-commerce platform as well as the United States. In addition, other European lanes continue to grow as well. At Landmark North America, excluding unfavourable FX effect, revenue was slightly up year over year. This reflects, on one hand, soft volume growth in the context of a macroeconomic slowdown and on the other hand, a negative mix effect with higher share of domestic volumes and lower Canada to US volumes.

Overall, Landmark Global operating income increased by 5 million or +3.4% year on year. As shown on page 10, OpEx and DNA increased by 7.7%. This was primarily driven by higher transportation costs linked to volume growth, including increased inbound volumes with Belgium as a financial destination. In addition, the quarter was impacted by unfavourable phasing cost effect, both in transport and payroll, which we expect to reverse over the coming quarters.

As a result, adjusted Ebit decreased to just under 15 million. This decline mainly reflects the temporary cost phasing effect, which offset the underlying profitable growth in Europe and, to a lesser extent, in North America.

Moving on to Corporate segment on slide 11.

The adjusted Ebit improvement is driven primarily by cost development. Strengthened cost management and a 1% reduction in FTE more than absorb the 2% salary indexation, resulting in an improved adjusted Ebit of 3 million to -9 million.

Let's now move to the cash flow on slide 12.

The net cash inflow for the quarter amounted to 110 million, compared with 91 million last year. This improvement mainly reflects favourable working capital movements and continued CapEx discipline. Overall, the key the key drivers were as follows.

Cash flow from operating activities before changes in working capital amounted to 114 million, representing a 70 [EDIT 17] million decrease year on year, mainly driven by lower EBITDA.

Change in working capital and provision contributed to €74 million. The €29 million positive variance year on year mainly reflects two effects. First, the settlement of a client balance and second, the payment of a cash advance in the context of the 679 activities transferred to BNP Paribas Fortis. While a small part of these activities are still partially subcontracted to be bpost, we received a working capital injection in return. It's important to note that this movement is expected to reverse over the course of the year.

Net cash outflow from investing activities amounted to €21 million, driven by CapEx for parcel lockers and capacity expansion, investment in our domestic fleet and international e-commerce logistics.

These elements largely explains the evolution of our free cash flow for the quarter.

Finally, the net cash outflow from financing activities totalled €57 million, broadly in line with last year and primarily reflecting payments related to these liabilities.

Let me now briefly turn to our Strategy and transformation update. I'm on page 13.

Two months ago, we outlined our annual plan and key priorities for the year. Today, I will share a few updates and Chris will provide you a more comprehensive review when we present our half year result in August.

Let me start with the bpost with transformation efforts around four priorities area.

First, the shift in our operating model. We are making progress on the key tracks of our future operating model, notably through the rollout of dense and non-dense distribution rounds, as well as optimize coureg

model, which correspond to two complementary round types and a further centralization and automation of mail preparation. These are designed to deliver operational efficiencies with FTE savings and space consolidation and optimization. As planned, this model was implemented during the first quarter in 5 distribution offices, out of a national network of a bit less than 160 offices. We are progressing with a phase rollout over the coming quarters, with a clear acceleration from Q3 onwards, targeting around 50 different distribution offices by year end.

In parallel, we continue to execute the reorganization of distribution offices and their delivery rounds, together with the delivery of associated FTE savings. On a full year plan around 140 organizations leading to approximately 1150 lower FTEs, we delivered close to 40 reorganizations in the first quarter, fully in line with our planning. Importantly, the April strike have not impacted this transformation stream and execution remains on track. For perspective, we completed 138 reorganizations last year, which are now clearly delivering results and contributed, as observed in this quarter, to a reduction of around 5%, or approximately 1260 FTEs within the bpost business unit.

Second, scaling out our out-of-home network. Building on a strong acceleration achieved last year, where rolled out already significantly increased, we continue to make solid progress on scaling out-of-home with the installation of 155 parcels lockers or Bbox, again fully in line with the annual plan, and we also secured over 200 locations for future installations. As a reminder, our objective is to grow the APM network by 35% by year end, which will bring us almost one year ahead of the ambition presented at the Capital Market Day. To date, we have a total of more than 2700 lockers installed, compared to around 1250 at the end of 2024 and around 2550 at the end of 2025.

As a result, during this first quarter we doubled the number of parcels delivered to the bbox network compared to last year. In parallel, bpost continues to improve customer convenience by scaling same-day lockers delivery, notably when home delivery is unsuccessful, which translate into higher NPS and improve profitability compared with next-day availability at post offices.

Third, asset utilization optimization. We are actively exploring opportunities to improve the utilization of our assets and in particular, our transport fleet, which is today primarily used during night hours. As part of this effort, we launched a pilot “transport of the future” aimed at testing the creation of a standalone transport activity serving both internal and external customers.

The pilot was initially designed around 20 trucks and 40 volunteer drivers, but interest has significantly exceeded expectations, demonstrating strong engagement from the field and validating the relevance of the concept. The objective is to generate additional revenues, improve the utilization of the fleet and drivers, and progressively expand our service offering.

Finally strengthening our B2B offering. As previously communicated, we recently launched an in-night delivery solution for B2B customers, initially based on a bbox parcel locker model. This quarter, we have upgraded the offering by expanding it through two additional logistics subsidiaries within the Bnode Group. Turning into a multi-modal solution, including options such as car-boot deliveries and on-site deliveries. Overall, these initiatives reflect our continued progress in reshaping the bpost operating model, improving capital and asset efficiency, and reinforcing our value proposition to both customer, consumer and business customers.

Moving on to Paxon North America.

At this stage, top line expansion in Paxon North America is progressing in a more challenging demand environment with same-store sale softer than initially anticipated, while new customers contribution are progressively building up. In response, and in order to remain on track to deliver our Ebit objective, we are implementing additional cost actions. These measures are not only designed to offset the near-term top line pressure, but also to further strengthen Paxon North America competitiveness in the market.

We have already made significant progress on variable cost, where discipline remains very strong, and where we continue to maintain a record high variable contribution margin. Building on this, the focus is now on fixed cost. The additional actions include optimizing our real estate footprint, reducing discretionary spending, and rightsizing non-operational fixed overhead to better align our organization with lower volume following the actions already taken on both variable and fixed opex operation. Following the actions already taken on both variable and fixed operation FTEs, we are now focusing on the non-operational fixed cost base.

Let me now shift to Paxon Europe. The launch of our Forward Plan marks the next step in accelerating topline growth, building on the now fully integrated and consolidated commercial platform that brings together Staci, Active Ants and Radial Europe led by Staci commercial knowhow. The plan is designed to amplify existing customers momentum while expanding across products, geographies, and customer relationships,

supported by more structured and disciplined sales execution. In practice, this includes improved account coordination and closer executive level engagement, ensuring we continue to deepen relationships with our core customers and to capture the full value of those partnerships. At the same time, we are strengthening lead generation, leveraging our rebranding and continuing to invest in the development of our sales team to support incremental and sustainable growth.

Finally, I will conclude this section with Landmark Global, where our focus in the first quarter remained twofold : expanding volume through new cross-border lanes while strengthening transport cost management. On the growth side, by leveraging agility and rapid opportunities captured in a challenging macroeconomic environment, we saw a strong acceleration of volume towards the US, notably fuelled by continued momentum on the China to US lane. US is therefore increasingly becoming a key destination alongside Belgium and Canada. And in Europe, we also see a solid pipeline of new lanes originating from Spain and the Netherlands.

This leads me to the outlook update for 2026 on slide 14.

As a reminder, two months ago we introduced our '26 adjusted Ebit guidance in the range of 165 to €195 million. Based on our first quarter performance, group results are broadly in line with our internal plan and our expectations at this stage of the year. Since then, however, we have been impacted by industrial action and boost in April. As a result, while we are maintaining the adjusted Ebit guidance that we introduced two months ago, we are today more exposed to the lower end of the range. This reflects an estimated direct Ebit impact from the strike of around €15 million. Beyond this, fuel price development are currently not considered as a material risk for the group as we are largely insulated to a combination of pricing mechanism, contractual pass-throughs or internal cost hedging measures depending on the entity.

That said, continued vigilance remains of course required, as the current outlook does not reflect potential indirect and long term commercial impact resulting from the April strike. Nor does it factor potential effects relating to the current geopolitical situation in Iran. This could include industrial disruption linked to fuel shortages, higher energy costs as well as a broader impact on inflation, consumer confidence, disposable income and spending, and therefore on the top line development.

Overall, while we remain within our communicated guidance range, the April strike puts significant pressure on the guidance and although this has been widely and intensively covered by Belgium media, for those less

familiar with the situation beyond our own market, let me briefly summarize what happened and the impact identified to date.

In April, bpost experienced a five week nationwide strike in Belgium, which significantly disrupted our sorting and delivery operations. The impact was most pronounced in Wallonia and in the Brussels region. As a result, we accumulated a backlog of more than 16 million letters and 0.7 million parcels. In addition, we estimated a loss of approximately 3.2 million parcels volume, mainly due to customers diverting shipments to competitors. The strike was triggered by employee opposition to certain elements of the ongoing transformation plan. In particular the proposed adjustment to starting hours, which shifts up to two hours later in the morning. These changes are aimed at enabling later parcel cut off times and better aligning our operation with customer requirements in an increasingly competitive parcels market. From a financial perspective, our current assessment is that the direct debit impact of the strike is estimated around €15 million, expected to materialise in the Q2 result. This estimate excludes any potential future indirect impact and mainly reflects three direct elements: revenue losses in both mail and parcels, including quality related penalties, incremental cost linked to contingency measures and the cost associated with clearing the accumulated backlog. Our operational and commercial teams are currently fully mobilized to clear the backlog as quickly as possible, while actively working on working to rebuild customer confidence and address the reputational impact resulting from the strikes. As mentioned, while we consider this estimate to be robust for the direct impact, it does not capture potential long-term or indirect impact, which is why we continue to closely monitor the situation.

With this, I'm now ready to take your question, as usual, to two questions each. Operator, please open the line.

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

H Philip, thanks for taking my question. I have two, please. The first one is on the on the strikes in Belgium. I appreciate the direct impact of 15 million, but is there a bit more color that you can give on those quality penalties and these contingent measures? How we should look at that? When these costs will be booked? Will that also be Q2 or, as I think, it will also be a bit later in the year? For the quality panel penalties, that's one angle, of course. Secondly, you also have the commercial impact. You had strikes last year. The lasting impact remained a bit more limited, I would assume, looking at the volumes in the remaining of 2025. But now the second year on the row and a bit of a bigger strike, let's just say, what has been your feedback here from customers? You say that you estimate to have lost 3.2 million parcels to competitors this quarter, which I assume is 3 to 4%, will they be coming back or how have your discussions with these customers been? So that would be my first question. And then secondly, we have seen in the news that Amazon is also opening its supply chain logistics network. I'm just wondering if you look a bit at the Amazon offering today in the US, how does this overlap with your existing activities at Radial and Landmark, and how you are looking at this, given that the same store sales at Radial are already down mid-single digits in the recent quarters. So any comment on that would be useful?

Philippe Dartienne

Thank Michiel for your question. So, strikes direct impact. They will mostly be booked in the second quarter. The top line impact is in the month of April. Pure technically, there were two days of strike in the in the month of March, but it's really immaterial. Most of it is in the month of April so the loss of revenue will materialized definitely in the second quarter. The contingency cost that we had to support was some storage cost. I'm sure you have read in the newspaper that we had some of our customers who asked us to store the parcels, in a location because their own warehouse or were totally full. So there are some costs associated with that. Sometime we have redirected some parcels to some of our subsidiaries to deliver the parcels. These are extra costs that we have supported, and there will be also a bit of the cost linked with the decrease of the backlog, where we are injecting a roughly 200 temporary workers on top of the usual one to decrease the backlog as soon as possible. So this is a bit what it entails in terms of direct cost and contingency cost. When it comes to the commercial aspect of it, I will be as transparent as I used to be. Our customers were not

delighted, to say the least, especially in the context, as you rightly mentioned. We already had a strike last year. Once again, and customers have indeed diverted their volumes. Now it's really up to us to demonstrate that from an ongoing basis, we are capable of coming back to a high level quality service, as we used to do when we are not on strike, and I think it will be a discussion customer by customer and a decision customer by customer on the speed at which they will reject volume into the network. They are already rejecting volume into the network, no discussion, but some customers have not returned back. And as I said, it will be more a one on one discussion with each of them. So the commercial impact will be seen on one end in the second quarter by the speed at which the customer come back, and at which level and potentially more longer effect. As some customers have definitely opted for a dual carrier strategy, while some of them were only mono carrier with us prior to this strike. So it's up to us and it's really the willingness of the management and the people on the ground to deliver as much qualitative service as possible, and as soon as possible. By the time we speak right now, we could say that we are back in full operation. There is no strikers anymore since roughly a week. So we are in a full operational mode.

Your question on Amazon. Yes. But it's not the first time that a major player is developing this kind of activities. It will be one more competitor than we had in the past. We had some big retailer chain, not so long ago, who decided to do the same. So, fundamentally, I don't think it will have a direct impact on us. Indeed, you pointed out that the same store sale evolution, the negative one. Indeed, it was in the first quarter more than what we had anticipated. And you will be reminded that that same store sales evolution as being negative for multiple quarters in a row. We thought that a Q3-Q4 last year, we had reached the bottom, but it seems that it's not the case. And we had as mentioned it, a mid-single digit decrease again in the first quarter of 25. I hope this answer your question.

Michiel Declercq

If I can ask a small follow up on the strikes, I know commercial impacts you won't see or have visibility on that in the short term, or maybe a bit, of course, but on the indirect costs for the storage and the quality penalties. Is it fair to assume that we will get a number on that in the during the second quarter results?

Philippe Dartienne

Because it's already partially included in the impact. The biggest part is related to the loss volume and the related Ebit and not so much about those contingency costs, because those measures that have been put in place are rather limited, if you look at the total operation cost.

Michiel Declercq

Okay. That's clear. Thank you.

Operator

The next question comes from Frank Claassen from Degroof Petercam. Please go ahead.

Frank Claassen

Yes. Good morning all. My first question is on Paxon on the financial performance. If I look at Q1 -9% on top line and 2.8% on Ebit margin. Yet if I recall well, one of the building blocks of your full year guidance was Paxon to reach low to mid-single digit growth for the full year, with a 6 to 8% Ebit margin. So I'm struggling to see how we can get there in the rest of the years because that's quite a gap. So could you elaborate how you think you can bridge this gap? That's my first question. And then secondly, on the automatic wage inflation in Belgium, you've just made a step of 2%. When do you expect to see the next step? And what is, let's say, baked into your current guidance on that one? Thank you.

Philippe Dartienne

Let me start with the second one and I will come back with the first one. So in the end, we learn late afternoon yesterday that there will be an additional 2% step increase. We had anticipated to have 1 in 2026. Apparently we had anticipated that to happen a bit later in the year. We had a one month, but we have this step coming one month ahead of what we had in our forecast.

Coming to Paxon. Your point is absolutely right. And we will not be able to catch up. We will not be able to catch up. Different reasons for that one. If you allow me to elaborate a bit. If we look at Radial US or Paxon US, if you want, as I said, we are facing same store sales, decreasing and the decrease is bigger than what we anticipated. And it's across the board on all customers. The second point is that we were anticipating a pick up of the contribution of new customers, especially in the second half of the year. We don't see it coming to the expected level. So, we will be worse than when we anticipate it. This being said, there is a top line discussion, and there is a second one when it comes to a Ebit contribution and cash contribution. And there we believe that with all the measures that have already been taken and the ones that are in the pipe as we speak we could be able to offset that negative evolution in terms of top line. What kind of measures are we talking about? Some of them, we already mentioned them, and now we are implementing them. Optimization of real estate footprint, including sublease of underutilized facilities, divesting on some non-core assets, reduction of discretionary spending, as travel and entertainment and also rightsizing, fixed costs aligned to lower volume. Again, there is nothing new on that one except the fixed cost one. As I said, that was not the primary focus of the last quarters. Now it has become so. All in all, I do believe that those measures will be able to offset largely the decline or the top line development at a lower level than anticipated. The lower topline development? Yes. Sorry, this was for Radial. Staci Americas, indeed we are low in the top line evolution. We lost a major customer at the end of 2025, which is materializing in the Q1 results, though two elements on that one, and I don't want to oppose them, but I want to make the comparison as much as I said that at Radial, we see a lower in your revenue contribution from the pipeline development. It's not the case in Staci Americas. The pipeline of amicus is very strong, and we believe that it will be able to offset part of the losses of the volume related to the departure of one customer, combined with a fixed cost measures to protect the top line evolution to a lesser extent and radial, but it will contribute as well.

So let's summarize.

We have to recognize that yes, we are a bit behind. This being said a element that I really want to point out. It's that all over the place within the Paxon world, the profitability is and remain very high. Variable contribution at Radial, you might tell me, Philip, you tell us that since four years every quarter. But it's reality and it's still there. So this is an achievement. And also, despite a lower topline development, when you look at the the Paxon Europe environment, we see still significant or very strong gross margin in the existing business, which is very reassuring. It's very, very robust. And we also see, thanks to the fact that in Europe,

the three former brands are now being operated together. So Staci, Active Ants and Radial, we see a pick up on the performance in Central Europe, mainly by operating all these three brands on the same territory altogether. So it's a bit of a mixed bag, but there is still very good and reassuring positive elements.

Frank Claassen

Well, that's very helpful. Thank you. Thank you for all your comments.

Philippe Dartienne

You're welcome.

Operator

The next question comes from Henk Slotboom from the Idea. Please go ahead.

Henk Slotboom

Good morning, Philippe and Antoine. I've got one clarification question and one other question. The clarification question relates to what you just talked about: the impact on margins and the mitigation impact on margins. We are talking about margins in the US and not about the absolute Ebit, I assume.

Philippe Dartienne

Yes and no. By the way, good morning. So, we maintain the margin, but, if we compare to the guidance that we had at an expected development of the top line. Since there will be a less top line, it will be additional Ebit contribution to offset that one. So it's a bit yes to both in fact.

Henk Slotboom

Okay. Perfect. That's clear. Then on the on Landmark, and that's basically two questions folded into one: the higher transportation costs. Philip, I thought that the organization was structured in a way that there are back to back agreements. So, you know, on forehand, roughly what you're going to pay, what you're what you have to ask to your clients based on your estimated costs and the transportation costs impact. Didn't you use a fuel surcharge, for example, or something like it? You're an asset light player in that in that field? Or is this reflecting the disadvantage of an asset like model that when capacity is scarce? We saw a lot of disruption in in sea transport, in airfreight and that sort of things that you end up paying a higher cost price anyhow, no matter what, to get the stuff from, for example, China to Europe That's the first question and connect it to is it fair to assume that Landmark had a bit of tailwind in Europe because the French have introduced the €2 tax per product line already in January, whereas the rest of the EU is doing that as of the 1st of July. So I've been hearing a lot of stories about Chinese taking their goods to Schiphol Airport, Amsterdam and Liege and Brussels instead, to avoid this, uh, this hassle of the €2 and to avoid the €2 as a whole. Perhaps you can highlight that.

Philippe Dartienne

Sure. I will start with the second one. Indeed, you are well informed. We see, I was just right before this call with our guy in charge of the inbound volume in Belgium, an increase of activity in Liege. But what we are seeing is that the planes are coming, that they are offloaded then. But the the containers are directly loaded to trucks to go either to France, go to the Netherlands or to Germany. So we might have a small effect, a small ripple effect in our last mile activities in Belgium, because we only do that in Belgium. But I would not say that it's significant, but it's a fact. This being said, it's also something we are contemplating. Since we are the operator, we are the incumbent in Belgium and our activity and the transport one could play a role into being capturing part of those volumes. But most of them, as you rightly pointed out, are not for the directly to the Belgian market. They are mostly directed to the non-Belgian market. So that's for the 2% euro surcharge. Taxes not surcharge.

When it comes to Landmark and transport costs. I would like to to broaden a bit the debate and also emphasize the fact that Landmark is managing the transport for all the group Bnode. Of course, transport

for Bene last mile is limited because we do the last mile activities, but for all the fulfilment activities within the Paxon world, it's managed through Landmark and the ones who are benefiting everyone is benefiting from the good condition that we could get. So it's important to notice that activity is not only limited to the Landmark business unit. Now, your question about transportation costs and the fact that they are evolving upwards due to different elements, it is really a pass-through for us. And we do not see we do not see an Ebit impact from that.

Henk Slotboom

Okay. That's. That's clear. Thank you.

Operator

The next question comes from Mark Zeck from Kepler Cheuvreux. Please go ahead.

Mark Zeck

Yeah. Good morning. Thank you for taking my question. Really on, let's say, consumer sentiment or the impact of higher energy prices on the consumer. Could you elaborate a bit? What you currently see both for the US and Europe and your business? If you talk about, let's say, lower same store sales in the US for real, do you feel like this is related to the energy price increases and therefore consumer finances and therefore mostly concentrated in March and looking forward maybe in April, or have you seen lower same store sales really for the entirety of Q1? That obviously includes in January and February as well, and what you can see in your European business, not only Paxon, but maybe also more global and the possibilities in Belgium. How did March compare to January and February? Was there any impact from higher fuel prices on the consumer? And what do you see currently for April? That was the first question.

And the second question, if you could elaborate a bit on why you don't see a material impact from Amazon in the US? I guess from what we can get from Amazon's press release, it's at least to me, not entirely clear where they are actually really competing. Do you feel like they are opening up really contract logistics, proper

3PL services in the US. So it's more like warehousing with not too much direct management of inventory there. So, I could guess that if it's just warehousing there wouldn't probably be much of an impact. But if they do proper 3PL contract logistics as well, I can imagine that maybe the threat is a bit higher. So would be great to hear your thoughts. What you believe Amazon is actually doing in the future? Thank you.

Philippe Dartienne

Okay. It's going to become a habit. I will start with a second and we'll continue with the first one. So I'm not in the shoes of Amazon. So I recommend you to direct your question to them on that one. Because I don't want to speculate on what they are doing. What I'm telling you is that we do not see impact from that, at least so far. They have always operated their warehouse, sometimes themselves, sometimes outsourcing to contract logistics players. They have been active in transport. They are permanently starting, testing or going with new activities around 3PL. That's true, but so far we don't see any impact from that. And again, I cannot speak for Amazon.

When it comes to the consumer sentiment. I don't have the figures for the US, but I think the same store sale is a good proxy for measuring what is happening there. As I said, seven quarters in a row, the same store sale is going down and even accelerated in the first quarter of this year. I don't know what the next the third part of the year will bring us. As I said, we already thought that at the end of Q3, Q4, we had reached the bottom. We have been proven wrong on that one. So it's difficult to speculate on that when it comes to Europe. I have the consumer sentiment and numbers in front of me. And if we ended up the last quarter of last year, something which is, I would say, break even slightly positive in November, very slightly positive in December. The beginning of the year, Jan and Feb were more positive, but we saw a totally total flip of that consumer confidence in the month of March and even more so in the month of April. So, again, in terms of trends, it's difficult to speculate, but, currently we see a downward trend.

Mark Zeck

Thank you.

Operator

The next question comes from Marco Limite from Barclays. Please go ahead.

Marco Limite

Hi. Good morning. Thanks for taking my question. I've got a couple of follow ups on your strikes in Belgium. So first question will be, I mean, what sort of confidence have you got in terms of the strikes to be totally over? Or do you see risk of these strikes coming back, and to what extent? Negotiations and discussions are sort of stopping you to go through your transformational change, operational changes you wanted to make. What is, let's say, also the negative impact from implementing your operational changes slower than what you had thought maybe at the start of the year. And the second question is on your volume growth in April. I appreciate you quantifying the hard numbers, but if you could give us a bit of color on what was being the volume growth or the volume decline in April for parcel volumes in Belgium. And have you seen, let's say, the growth rate picking up in May when end of strikes. Thank you.

Philippe Dartienne

Again, I will start with the second one. Thank you for your question, Marco. Volume decline that we have seen in the month of April is around 25%, and it's still too early to comment on what is happening in May. When it comes to the strike and the risk associated with them, I just want to remind several elements. Based on what my colleagues are telling me while discussing with our social partners, there is a clear understanding of the need to change the business model. They clearly understand the fact that the mail is no longer bringing growth. It's declining, it is declining at high pace and it will not come back. They totally acknowledge it as well on that. The change in the demand from the customer, they totally acknowledge it. What is a very difficult for them is from a human standpoint, for all their affiliates and all our colleagues. When if we look back 3 to 4 years back, when we still had the press concession, we had colleagues who were waking up at 3 or 4 in the morning, coming back at the office to be able to have delivered all the press and the magazine prior to 7.30 in the morning. Those volumes are gone because the press concession ended up, except in Wallonia, still until the end of this year. We are no more distributing those volumes. So that was already a first

shock for them which is impacting their life; because, you know, we have that concept, which is very usual in the in the mail business, which is when your job is finished, you can go. So, those guys are, since years, not to say decades, used to have a life organized about early start, but you also finish early. And if you want to have some activities after your hours or potentially, if you decide to go for a second job, you had plenty of time to do it, because most of these people, especially the one distributing the press, ended around 11-12 and in the day, they were they were done. Then they could do revert to other activities, either professional or leisure or going and pick up the kids at school. Then there have been a second element to that one is with declining mail volumes. The number of people that we need in our distribution network is decreasing. I mentioned the fact that last year we have been able to reorganize the offices. It has always been done over the last 15 years the reduction, the adjustment of the FTEs to in the distribution network, but it accelerated, I think, over the last two years. Last year, we reduced the account by more than 1000 employees. We will continue doing the same in 2026. And people understand that it's a mechanical consequence of the evolution of the business, but it's not easy to take it on board. Also, the way we reorganize the offices with the combination of some rounds, we have some dense and non-dense rounds. We also want to extract more efficiency on that part. So it's an additional pressure on these people where, in some offices, we adjust the account to a reduction of 50 to 60% of headcount in one particular distribution offices. So it's tough on people. We have to recognize that. But there is a very clear understanding and no discussion on the need for change. And the society is changing again, the fact that we want for some of our colleagues to delay the start of their day, to be able to deliver the parcels, it's a disruption into their private life. We have to recognize it. I do believe that it will take maybe a bit of time, but people will adjust to that one. I think I would be more worried if there would be a strong opposition on the need for change than, I would say, the short term impact of the direct impact on their private life. If I could say we guarantee that the strikes are over? No. Also what I see is that our colleagues have at heart the willingness to serve the customer in a qualitative way; and I don't think it has changed during the course of the strike. Let's give us a bit of time, people to swallow, digest, adjust. I am very confident for the future.

Marco Limite

Thank you. Can I speak another question, please? So you have kept today the guidance despite a 15 million Ebit negative from the strikes plus wage increase one month before. Let's say your business plan, which from memory I think, is about low single digit million higher opex per month. So rough numbers. You now have got 20 millions Ebit headwinds compared to your initial guidance, but you are still holding on the old guidance. Does this mean that you know, beyond I mean you're you think you are sort of tracking or you were tracking at the upper end of the guidance and therefore minus at this 20 million. Now you are at the low end of the guidance or how to justify you keeping the guidance. Thank you.

Philippe Dartienne

Thank you for your question. Indeed, we maintain the guidance, but as we said, we are more exposed to the low end of it. I think during the presentation and, with the question of your colleagues, I had the opportunity to emphasize on the reaction on the cost side that we are putting in place everywhere. A good example again, in Belgium, the reorganisation have not stopped in the first quarter. They have not even stopped during the strike, meaning that all this evolution, positive evolution in the cost development, meaning being more efficient, we are still planning and confident that we could execute them for all the other entities, especially on Paxon. Those guys are really committed to compensate the shortfall, the temporary shortfall or the slower development of the top line by cost measures. And we have levers. It's not just a task that we put in an Excel spreadsheet. We have detailed plans at various entity level, which leads us to believe that it could materialise, and hence we have concluded that at this stage, based on the direct impact, we still maintain our guidance though, guiding more to the low end of it.

Marco Limite

Thank you very much.

Operator

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

Philippe Dartienne

We would like to thank you, everybody, in the call for having taken the time to be with us and for your very pertinent question. As a reminder, bpost N.V. will host its AGM next Wednesday and our second quarter results be released on August 7th. In the meantime, we look forward staying in touch and thank you.

Thank you very much and have a great day.

Operator

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