# 3rd Quarter 2025 Results

Conference call transcript

**Brussels – November, 05th 2025**
Philippe Dartienne, Group CFO

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## PRESENTATION

**Operator**

Ladies and gentlemen, hello and welcome to the bpostgroup Third Quarter 2025 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 the 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. Philippe Dartienne, CFO, to begin today's conference.

Please go ahead, sir.

**Philippe Dartienne**

Thank you very much. Good morning, ladies and gentlemen. Welcome to all of you. And thank you for joining us. I am pleased to present our third quarter results as CFO for the bpostgroup. Chris, our CEO, could not make it today. And I have with me Antoine Lebecq from Investor Relations.

We posted the materials on our website this morning. We will walk you through the presentation and then we'll take your questions. As always, allowing two questions per person will ensure everyone has a chance to be addressed within the upcoming hour.

I'll start with the quarterly financials, then move on to our financial outlook and provide an update on our key transformation initiatives for 2025.

As you can see on the highlights on page three, our group operating income for the third quarter amounted to €1,030 million, remaining broadly stable year on year and almost at constant scope, as Staci has already contributed for two months in the same period last year. As usual, the summer quarters show some seasonal softness, but beyond this, we saw a mix of different factors.

At Radial US, we continued to see the expected impact of the 2024 contract termination, but even more so this time: the materializing effect of those announced earlier this year - as a reminder, these are the same ones that led us to take an impairment at the beginning of the year. Altogether, those elements more than offset the extra month of Staci's contribution in the quarter.

At the same time, we continued to see good volume growth in Asian cross-border activities.

And while in Belgium the domestic mail volumes declined, this was partly compensated by a decent volume growth in parcels.

Our group adjusted EBIT came in at -€3 million, representing a year-on-year decrease of €16.3 million, mainly driven by Radial US, where despite sustained margin action, the revenue shortfall due to anticipated churn and seasonal softness did not allow full absorption of fixed costs in the quarter.

The results we are presenting today are in line with our expectations, and we reconfirm our EBIT outlook at around €180 million for the year 2025.

On slide 4, you will note that the (14) million decline in Net profit mirrors the EBIT evolution as in the same period last year the acquisition-debt was already on our balance sheet and the financial results remained broadly stable.

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

I'm on page five with the Last Mile segment.

We see that the revenue declined by €9 million, amounting to €512 million.

Domestic mail recorded around €16 million decline in revenue, of which €10 million stemmed from transactional and advertising mails and €6 million from press.

Excluding Press, the decline in mail volume had a negative revenue impact of around €20 million, which was partially compensated by about half through a positive price and mix effect of 4.7%, or roughly €10 million. As a result, domestic mail revenue were down by 4.6% or -10 million euro year over year.

On parcels, revenue increased by €4 million, or 3.2% year on year, reflecting a volume growth of 2.8% and a slightly positive price mix effect of 0.5% this quarter.

On the volume side, the reported 2.8% actually corresponds to an average growth of 4.4% per working day. Over the past months this momentum has been mainly supported by the marketplace's outperformance, notably boosted by sales events, and continued strength in the apparel segment.

Let's move to the P&L of Last Mile on page six.

Including some higher intersegment revenues from inbound cross-border volumes handled in the domestic network, our total operating income was slightly down by 1.4%, or €8 million.

At the same time, on the cost side, our OpEx, including D&A, remained broadly stable and mainly reflects two effects: (i) lower FTEs resulting from lower volumes and efficiency gains, notably from the reorganization of our distribution rounds and retail offices, which are progressing in line with the plan, and on the other hand (ii) higher salary costs per FTE, up around +2% year over year following the March 2025 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 that despite structural decline in mail volumes, parcel growth and initial effects of our reorganization are helping to attenuate EBIT erosion.

Moving on to 3PL on page 7.

3PL revenues were broadly stable overall, as two offsetting effects came into play.

The first effect is in 3PL Europe, where revenue increased by €62 million. We benefited from one additional month of Staci revenue in the quarter, along with continuing commercial expansion of Radial and Active Ants in Europe. That said, sales from existing customers, or the famous same-store sales, remain soft and even negative in certain geographies during the quarter.

As a side note, since we are one year after the acquisition of Staci, there will be no further consolidation impact going forward. And as we are now advancing in the integration of Staci, Radial Europe, and Active Ants, we're really starting to operate as one single business - as explained at our Capital Markets Day in June.

Our P&Ls being increasingly managed together, this means that from now on, we will only report on 3PL Europe as one single business and gradually phase out standalone reporting from individual entities.

Second effect in 3PL North America. Revenue decreased by €58 million. At constant exchange rates this corresponds to a decrease of 24%, mainly driven by (i) revenue churn from contracts terminations announced in 2024, and even more so from those announced early 2025, partially offset by (ii) in-year contributions from new customers, around 60% of which are Radial Fast Track customers - as we presented to you at our Capital Market Day.

While we are seeing positive and encouraging signs on that front, and I'll come back to that in a moment, we are still feeling the impact as expected of the churn. But we continue to execute our sales development plan and we are confident that these efforts will pay off. But it needs a bit of patience.

Let's move on to the P&L of 3PL on slide eight.

With this, the total operating income slightly increased by 1.1%, while our operating expenses, including Depreciation & Amortization (D&A), increased by 4.8%, primarily driven by (i) the Staci consolidation impact in Europe and one-off reorganization costs (including site closures and relocation of customers) to further accelerate 3PL Europe integration and cost structure optimization, and (ii) in North America lower variable opex in line with the revenue development at Radial US and sustained valuable contribution margin close to a record high level.

The EBIT evolution at Radial US is certainly one of the key highlights of this quarter's performance, and also the main reason for the gap versus market expectations. Despite one additional month of Staci contribution the €13 million EBIT decline in 3PL - from €1.7 million last year - indeed clearly reflects the situation at Radial US.

After three consecutive years of contraction, revenues are now about 45% below their peak level in Q3 2022, and in this quarter, the combined effect of churn and seasonal softness limited our ability to fully absorb fixed costs despite strong VCM discipline and tight cost control.

Ironically, we are now at a point where revenues have reached their lowest level ever, and yet our VCM margin stands at an all-time high. Looking ahead, the solution lies in top-line recovery, and on that front, we are executing our plan and making good progress.

Moving on to cross-border on page nine.

Cross-border Europe revenue increased by €11 million, or 14% year over year. This growth was driven by a strong volume increase from Asia across all major destinations - notably Belgium, fueled by a large Chinese platforms, and the US.

At cross-border North America, Landmark Global continues to face the broader tariff environment that is weighing on existing business and delaying new opportunities. However, this was offset by strong domestic volume in Canada, resulting in an overall 1.4% revenue increase for North America, including a 6% negative FX impact.

Overall, our cross-border operating income increased by roughly €12 million, or 8.7%.

As shown on page ten, our OpEx and D&A increased at the same time by 9.6%, mainly reflecting higher transportation costs linked to the volume growth I just mentioned.

Moving on to the corporate segment on page 11.

Adjusted EBIT improved by €1 million to -€9 million as cost containment measures across spend categories helped offset higher payroll driven by more FTEs and the March 2025 salary indexation.

Then we move to the cash flow on slide 12.

The net cash outflow for the quarter amounts to -16 million, representing an improvement of €275 million year on year, mainly reflecting the acquisition of Staci last year, which was partially funded in cash for a bit less than €300 million.

Besides that, the remaining items to flag are the following.

Cash flow from operating activities before changing working capital stood at 71 million, decreasing by 7 million year over year, mainly reflecting higher corporate tax payments.

Changes in working capital and provisions amounted to 17 million. The plus 16 million variance is primarily explained by the settlement of some terminal dues and certain client balances.

The net cash outflow from investing activities totaled 28 million, driven by our CapEx for international e-commerce, logistics, parcels, lockers, and capacity expansion. Also, our domestic fleet was accounted for in these 28 million.

These items constitute the main variation in our free cash flow.

The net cash outflow for financing activities amounted to -76 million and mainly consisted of lease liabilities outflows. While we had on top the acquisition debt last year.

This brings us now to the outlook and our strategic priorities of 2025.

Outlook 2025.

We presented our group EBIT outlook of the range 150 to 180 million back in February, and during the Q2 results in August, we indicated that we were targeting the upper end of the range.

With a year-to-date EBIT of €97 million, the results we're presenting today are broadly in line with our plan, now allowing us to confirm our full year outlook at around €180 million.

This implies achieving an EBIT of around 80 to 85 million in Q4, compared to 84 million in the same quarter last year, which we are cautiously optimistic about based on current assumptions and expectations. We believe this is achievable, particularly thanks to our preparation and readiness for an efficient peak execution across the group.

In North America, we validated the client volume capacity plan, and we have secured hiring over 4,100 seasonal workers to ensure full site coverage and put peak incentive plans in place.

In BeNe Last Mile, beyond the usual measures, we have implemented additional productivity initiatives, including tracking performance at each distribution office and site, and setting up a national tool to further optimize interim and reinforcement planning.

Of course, we remain vigilant amid challenging market conditions, notably as volume development and the phasing of end-of-year peak volumes in Belgium and internationally remain uncertain and partially beyond our control.

To wrap up on our outlook, we are also updating our CapEx guidance with a downward revision from 180 to 140 million. This reflects our disciplined approach to spending in Belgium and in the US, and a strategic phasing towards 2026. Overall, we remain focused on prioritization and value creation, ensuring that every euro invested is where it has the highest impact in the group.

Finally, as we usually do, I will take a few minutes to walk you through the progress we've made on our transformation plan over the past few months, as part of our #Reshape2029 journey we presented to you at the Capital Market Day.

When it comes to the update on the strategic initiative, bpostgroup continues to accelerate its transformation, shifting firmly toward becoming an international logistics and parcel operator. Let me walk you through the tangible progress we've made across our segments.

I start with BeNe Last Mile. Following two successful pilot phases, we launched our Night Delivery service on October 15th as a new B2B service, consisting of a nighttime delivery solution targeted at technicians and field workers that helps eliminate detours to central depots and saves up to one hour and a half per day.

In practice, parcels are collected by bpost until 6 p.m. on working days, sorted overnight and then delivered before 7:00 a.m. to selected parcel lockers of our network across Flanders, Brussels, and Wallonia. The service is exclusively available for B2B shipments, internal deliveries, or business-to-business exchanges requiring a high level of reliability.

Meanwhile, still in Belgium, our bbox network of Parcel Lockers continues to expand strongly. We have now around 2,000 active units with 800 more contracted, most of them located in prime locations and high-traffic venues like supermarkets. As announced recently with Lidl, we target having 240 lockers by the end of this year, which represents nearly 10% of the targeted APM capacity.

We currently install up to 12 new units per day and by the end of this year we intend to have 2,500 units installed in Belgium.

As part of our future operating model, one of the pillars is bulk rounds, consisting of dedicated parcel rounds in bulk serving pick-up and drop-off points, including lockers. Here as well, after a successful pilot phase, this model is now fully operational across all sorting centers, servicing 26 distribution offices and handling over 12,000 parcels a day. Before the end of 2025 we will extend to 29 offices with a capacity close to 21,000 parcels a day.

This bulk model is set to become a cornerstone of our 2026 peak strategy, capable of managing nearly half of the out-of-home volumes.

Let's shift to 3PL Europe.

We are entering a new chapter in leadership, with Rainer Kiefer taking over as CEO of 3PL Europe and Staci Americas, as of January 2026, and succeeding Thomas Mortier who announced earlier this year his intention to step down at the end of the year, and to move into a part-time advisory role starting January 2026.

Rainer brings extensive experience from DSV and DB Schenker, with a strong track record in transformation and scaling across Europe. This appointment reflects our ambition to accelerate the transformation of the 3PL business, strengthen our European footprint, and drive value creation across the full spectrum of contract logistics, fulfillment, and omnichannel solutions. With Thomas supporting this transition and Rainer in taking the helm, we are confident that the business is well-positioned to execute the next phase of our growth strategy.

In parallel, the integration of Staci remains firmly on track. As cost synergies start to materialize in the second half of the year, we expect to overdeliver on our 2025 synergy targets, and 2026 targets are already secured, fully in line with what we presented to you at the Capital Market Day.

And in 3PL US, our Radial Fast Track rollout is ahead of our plan. 16 customers are already live, and two more are set to launch in the fourth quarter of 2025, each contributing an average revenue between $4 and 5 million.

The in-year revenue from Fast Track is already exceeding internal targets, providing strong momentum in the US and validating the scalable potential of the model.

As Chris mentioned last time, there's still a lot of work ahead of us, and the first results are not always immediately visible in the P&L. This is notably the case this quarter in the US. That said, we are confident that we are on the right track and focused on doing the right things to deliver sustainable results.

We are now ready to take your questions. Again two questions will allow everyone of you to be addressed in the upcoming hour. Operator, please open the lines for questions.

## Q&A

**Operator**

Ladies and gentlemen, as a reminder, if you'd like to ask a question or contribute to 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 Frank Claassen from Degroof Petercam, please go ahead.

**Frank Claassen**

Yes, good morning, gentlemen. My two questions. First of all, on Radial. -25 organically in Q3, could you split the -25 between, let's say, the negative from Same Store Sales and the impact of the churn? And is this, let's say, what can we expect going forward? Is this the bottom or do you expect an improving trend in the coming quarters? So that's my first question. My second question on Staci. I understand that you don't break down the EBIT anymore or provide a separate EBIT, but could you elaborate on how the profitability is developing? Is it according to plan? I recall that you had a sort of guidance or, let's say, a target of 10 to 12% EBIT for Staci. Is that still valid? Could you elaborate on that?

**Philippe Dartienne**

Okay. Thank you for your two questions. So let's start with Radial. Indeed, we observe a severe decrease in the current quarter, which is mostly explained by the churn. Again, the churn that was announced in 2024 has a full-year impact in 2025, and some churn that was announced at the beginning of the year is now only materializing. I have one very specific example in mind where the customer said, we're going to stop one of the two warehouses in the third quarter. So, meaning now. This is the first part of the explanation and this is the bulk of it.

Same-store sales evolution is not positive, but it's nowhere near what we observed in the recent quarters. If you recall, we had a terrible sequence in 2024, starting with minus four at the beginning of the year, and we peaked at around 9% in the fourth quarter of 2024. The beginning of this year was also in negative territory, lower than minus nine. And now we are slightly negative. But it's not what mainly explains the different impact on the EBIT. Simply, why? Because the basis to which it applies is significantly lower.

That being said, it is very important to notice that the variable contribution margin has been extremely high. Again, sustained quarter after quarter, which is a positive sign. So that's for Radial. Ah and sorry, there was a subset in your question about what is the trend. The trend for us is twofold. So we launched in the first quarter of this year our new product offering or service offering, which is Radial Fast Track, aims at providing solutions that are more flexible, standardized, and easy to onboard, also very asset-light in terms of CapEx and automation. And it's picking up. It's picking up. We have signed 16 customers and we will onboard another two between now and the end of the year. Also important to notice that we will be onboarding customers nearly close the peak, which shows how flexible this solution is for onboarding new customers. Historically, it was taking roughly 12 months to onboard new customers at Radial because of the high level of customization in the processes and also in the IT systems. So in terms of trend we are optimistic about the product that we have launched, it’s picking up and there is traction in the market. On the other hand, we need to be realistic: when we are losing customers with average size is between €50 and €70 million, while the average size of the fast track typical customers is around €5 million, you can do the math as well as I can, it takes time to be able to compensate for this churn. We are also not aware of any new customers who have announced their departure in the near future. That's for Radial.

So, for Staci, it's going according to plan. The EBIT margin is a bit on the low end of the range this quarter, which is mostly explained by the fact that, as I said, and we already announced so there is no news in that one, that we want to operate on a geographical platform as one entity, one go-to-market. So we have several territories like Belgium, the Netherlands, UK, Germany, and Italy, where we are really operating as one, and the local managers there look at their portfolio of customers. What are their needs? What is the operational solution available to serve those customers, and also the footprint? And some movements have already been initiated to relocate customers to where they better fit with the requirements of the customer, also optimizing the footprint. It's also the case in the US, where one warehouse has been shut down and customers have been transferred to a new site. In Germany, the former site of Staci has been shut down and customers have been transferred to a former site of Radial in Halle. In the Netherlands, in the Active Ants portfolio, we have decided to close one of the two warehouses in Nieuwegein, and those customers have been transferred to Roosendaal. So these costs, these transfers demonstrate that we really want to operate at a local level as one, but unfortunately, in the short term, there are some costs. There are costs attached to shutting down warehouses and moving customers. But that it's all for the better, it's to serve the customer in the best possible way and the most efficient way in those territories.

**Frank Claassen**

Well, thank you very much for the elaborate answer. Thank you.

**Operator**

As a reminder, if you wish to ask a question, please dial the Pound Key five on your telephone keypad. The next question comes from Henk Slotboom from The Idea. Please go ahead.

**Henk Slotboom**

Good morning Philippe. We've been hearing a lot about levies on Chinese goods. The French want to do it unilaterally. The Dutch have already said they might follow the French. Maybe already as soon as the 1st of January of next year. Now, personally, I don't think that €2 per parcel will stop the avalanche of parcels to Europe. It will simply be relocated. What does the situation look like in Belgium? I don't know if they have similar ideas to do things unilaterally. And well, could it be the case that you benefit from it if the shipment is not flown through Schiphol Amsterdam Airport, but at Liège or Brussels instead.

**Philippe Dartienne**

So thank you for your question Henk. Indeed, the situation in Belgium is that the government is considering imposing a €2 per parcel levy. Now, it leads to a lot of questions. There is the question of who will collect these €2, which presents a very practical problem. And there is no answer to that. Of course, we are there to carry the parcels, we are not responsible for collecting this kind of surcharge or taxes, levies, whatever you name it. So there will definitely be a question of implementation. Interestingly enough, we had a discussion yesterday with one of our board members who's coming from the Nordic region, who faced a similar situation, and it took more than 12 months to find the technical solution to implement it. So, it's still an intent at this stage. There is no implementation date decided. And indeed, it will be difficult to implement. Your comment about, of course, if other countries are deciding for these levies, let's say in the Netherlands, France, and Germany, it could lead to additional volumes in Belgium. But anyway, it would only be a temporary solution. At this stage, it's a very good question, but there's a big question mark when it comes to the implementation date and also the practicalities behind it.

**Henk Slotboom**

Can I add to that, Philippe? If I look at, for example, Austrian Post or Polish Post and those sorts of things, they've been entering alliances with, for example, Temu and Shein, who want to move part of their logistics, and I'm talking about warehousing and that sort of things to Europe. You have a fantastic network of fulfillment centers. With Radial Europe, with Active Ants, with Staci. Is there anything being discussed with the large Chinese platforms?

**Philippe Dartienne**

So, again, a very good question from you Henk, as usual. There is indeed movement. We see the Chinese are coming closer to Europe. Uh, they're also thinking of establishing themselves in Turkey, which is also close to Europe. Indeed, it's a movement that we see in the market, but I will not comment any further at this stage.

**Henk Slotboom**

Okay. I respect that. Thank you very much, Philippe.

**Philippe Dartienne**

Welcome.

**Operator**

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

**Marco Limite**

Hi. Thanks for taking my question. So I've got two follow-up questions. One is on Radial US. Do we have to think about Q4 as the last quarter of year-over-year decline in revenues and therefore we should expect growth from next year? It's the first question. And the second question is on Staci Europe. I mean, if I look at the Q3 numbers, it feels like most of the year-over-year decline is coming from Radial US, but at the same time, you have got one month more of Staci in the base now. So, you know, we basically have 3PL Europe being flat despite growth and despite an additional month. And on top of that, you're also talking about synergies being achieved. So, you know, the math just doesn't work for me. Why year over year things flat despite tailwinds from synergies and an additional month. So if you can clarify. Thank you.

**Philippe Dartienne**

Good. I'll start with Radial. No, in 2026, there still might be some decline in the top line because there will be the full year impact of the customer churn that we observed in 2025. Of course, the one announced in 2024 will be over in 2025. But there are some of them that will have an impact in 2026, as was previously mentioned. What is really important for us to look at is the profitability, the cash generation profile, and the quality of the portfolio. I really want to remind what we said at the Capital Market Day. Not only do we want to target the mid-market, to reduce dependency on major customers who require substantial investments in system customization and high automation, we want to move out of that approach, and it will be gradually phased out. And we want to reinforce our presence with other types of customers. ACV of Radial Fast Track is in the range of 5 million, so totally different. But also, equally important in my eyes, is the portfolio itself in terms of the number of verticals where we want to operate. In the past, it was focused on only two. We really want to broaden that one, and we see first signs of a real positive result going in that direction. So, but again, as I said, and I'm also repeating what we noted at the time of the Capital Market Day: it's a long journey. It's not a 1 or 2 quarter journey. It's a long journey to move from being big-anchor customer very capital intensive and focused on two verticals, to something which is more nimble and flexible going forward. But again, the math plays against us when it comes to timing. So there will be a delay between the moment we could see growth again, to be totally honest and transparent. But also totally aligned with what our forecasts are. So there is nothing new on that one. There is no change in strategy. There is no acceleration or degradation of the situation. It's happening as we had planned to do it.

**Marco Limite**

Can I just follow up on this one? So, yes. Is there a risk that more or other large customers are going to leave Radial US in the future because you are changing the type of strategy and type of service?

**Philippe Dartienne**

The risk is always present, Marco. This being said, very interestingly, in our Radial Fast Track customers, we have 16 of them that are new ones, and there are also two of them that were former "old solution" type of customers who moved to Radial Fast Track. This also demonstrates that we now have the capabilities with this solution to address their demand.

**Marco Limite**

Thank you, and on 3PL Europe?

**Philippe Dartienne**

Yes, I didn't forget. On Staci, the math ads up, but maybe we need to remind all the elements of the equation. So, the first one, and this constitutes the vast majority: it's all about the costs related to the optimization of operations in different geographies in the US, the Netherlands, and Germany, that explains the bulk of the fact that indeed, when you do the math, you don't see growth when you come to Staci. And there is also, but to a lesser extent, some softness in certain territories. And I'm mostly thinking about France, where the same-store sales have been negative in the quarter. On the other hand, on a positive note, in France, we are not seeing the departure of any customers.

**Marco Limite**

Okay. Very clear. Thank you.

**Operator**

The next question comes from Mark Zwartsenburg from ING. Please go ahead.

**Mark Zwartsenburg**

Yes, good morning. Thank you for taking my questions. I also have a bit of a follow-up on Radial US because I think you mentioned you also see a significant decline still in Q4, and that fits with the story, with the mention of the churn of the larger accounts. I think originally there was a sort of guidance of minus ten to twenty on the full year top line, which would indicate a mid-single to double-digit decline, or let's say a maximum of 15% year on year decline. If you, if you plug in, say -20. Is that still applicable guidance that we're looking at a double-digit decline of around 15% for Q4? Just to get a bit more of a feel on the movement of Radial, because it's quite big numbers we're talking.

**Philippe Dartienne**

Yeah, yeah, I think it's more in the range of 15 to 20.

**Mark Zwartsenburg**

Uh, Q4 we're talking about.

**Philippe Dartienne**

Yes.

**Mark Zwartsenburg**

Yeah. That's right. I'm writing this down quickly. Okay. Thanks. That's very helpful. And then on the Parcel volumes. So the working day adjusted number is plus 4.4%. That's a slight improvement from Q2. But how do you see that being stable through the quarter. And how are you looking to the big season? Do you already have a bit of an indication on the big events for Q4? What do you expect there because I think the guidance was more like mid-single digit to high single digit growth. It looks now more like it's on the low end of the mid-single digit range. What are your thoughts there? What kind of trends do you see now?

**Philippe Dartienne**

In fact, there is one very important element, it's not that it's totally new this year, but we see and typically in Belgium, we see more and more activity spreading over several days during peak seasons. Before the peak was very focused on one or two days. And by the way, in Belgium, we have the peak, but also with Christmas and Sinterklaas. Uh, so, in fact, it's the end of November and the month of December, which are in fact higher months. Unlike what we see in the US where the peak is only observed for a couple of days. So for Parcels it's more spread all over that period, combined with the fact that we see more and more of our customers, the ones selling directly to customers or through platforms offering throughout the year promotion, discount, and this kind of stuff. So it's very difficult to predict how it will look, but for sure, we see that higher activity is spread over more days or weeks than it was in the past.

**Mark Zwartsenburg**

Do you see September or October trending higher than at 4.4%.

**Philippe Dartienne**

Uh, in that range.

**Mark Zwartsenburg**

So it's rather stable; that's currently the trend.

**Philippe Dartienne**

Yes.

**Mark Zwartsenburg**

And then lastly, I know you're not disclosing it. Could you give a bit of an indication of the EBIT contribution of Staci because it's still important to model that properly also through the quarters, because we saw quite a miss on the consensus on particularly the 3PL division and whether that's Staci or whether that's Radial US or whether that's the extra cost. But it would be helpful to have a bit more granularity. Can you help us there?

**Philippe Dartienne**

I can help you by repeating what I told you: the lack of EBIT growth is linked to cost optimization, and operational optimization, which accounts for the majority of the variance with the rest coming from the Same Store Sales.

**Mark Zwartsenburg**

So there is no growth on the revenue side and a bit of impact from the fine-tuning of the optimization of the warehouses. Is that how we should see it?

**Philippe Dartienne**

Yes.

**Mark Zwartsenburg**

And how long will that take for the optimization of the warehouses? Till when should we pencil it in? Into the margins? Maybe a bit more at the low end.

**Philippe Dartienne**

So, I would say that as more people start working together and depending on the customer need, it might lead to additional opportunities. This one was the obvious one. And I would say in the next two quarters, I'm not expecting any site closures or major site closures. No, but it's an ongoing project.

**Mark Zwartsenburg**

For two quarters, so, we'll see a little bit of double running costs in the meantime. And then after that, we should see the efficiencies starting to come through.

**Philippe Dartienne**

I hope it will come faster. But it's not to be excluded that we might decide here or there to restructure another warehouse. There is one that was already planned in the U.S. By the way, it was nearly a three-year journey - at the time of the acquisition of Amway by Staci - they had looked at the portfolio, and we were totally aware of that because it was an element that was shared with us at the time of the acquisition. They were aware that they had a plan to restructure three warehouses. They have done one in 24. There is a second one in 2025, and there will be a third one in 2026.

**Mark Zwartsenburg**

And then thinking about 2026, we should see a higher EBIT than what we will probably see in 2025. Is that the path towards your long-term outlook to achieve higher EBITDA?

**Philippe Dartienne**

Yes, but don't drag me into a budget discussion and guidance for 2026. We will come to you on that one when we publish the Q4. But you are, I give you some elements. I have the impression of painting an impressionist painting with dots of colors. But don't drag me where I don't want to be dragged.

**Mark Zwartsenburg**

It's the time of the year for budgeting. All right. Thank you very much for your elaborate answers. Thanks.

**Philippe Dartienne**

Welcome, Mark.

**Operator**

The next question comes from Mark Zech from Keppler Cheuvreux. Please go ahead.

**Mark Zech**

Good morning. Thank you for taking my questions, two, if I may. First one on, again, Radial US. Could you give us a bit more color or feeling about, let's say, the top five customers at Radial US? How much of sales is that, broadly speaking? And, for these customers is there a contract renegotiation period upcoming end of 2025 or in 2026 or are contracts mostly locked in for a longer period of time. That would be my first question. And second question, also on, let's say, the broader US business, I believe we've seen quite a bit of pull forward buying into the US imports for the first nine months of the year, which have been pretty good, I believe, in the US, but we see container imports or container arrivals at US ports dropping quite sharply now in Q4. Is your business in the U.S. mostly related to ocean freight? So should we expect a bit of negative business development or Same store Sales also? Or are you Air Fright exposed to a product category where we still see quite good numbers, I would say, in the overall market. Those are my two questions. Thank you.

**Philippe Dartienne**

Okay. Let me start with the second one. It's a bit of both. And of course, all your comments are valid. We are exposed to air freight and ocean freight. I give you a very practical example with one of the customers we have onboarded with Radial Fast Track is a fashion brand coming from Australia, who wanted to be implemented in the US. So they wanted to have fulfillment there. And we are hearing from some other customers that they want to be in the US rather than systematically air freighting stuff. By the way, it's no different than what we're seeing with the Chinese platform now - let's refer to the comment or the question earlier on the Chinese want to implement themselves in Europe to avoid tariffs, it's the same as we are seeing in the US. We have a very practical example, as I said, of one who has really decided to come physically to the US, and there we definitely have a role to play and a good service offering.

When it comes to Radial, do we have big renewals in the pipeline for the coming quarters? The answer is no. And there, I want to reiterate something that is extremely, extremely important. In the past, what we saw at Radial, especially with the big customers; the situation was the following: they were asking for a lot of customization and a lot of automation that are typically passed on to the customer over a period of 6 to 8 years, while we had contracts of roughly four years, we also had our warehouses committed for a period of 7 to 8 years. In many instances, what we saw was the customer leaving or not renewing the contract, and we were left in that situation. Even if there were some provisions in the contract with an amortized portion of our own development and the liability linked with these warehouses. Since the last 18 months, all renewals or all new contract signings are coterminous with the lease of the warehouses. So it's also important to look at what could be the impact of the customer. So in fact, the ideal situation we are in right now is absolutely not the same as the one we saw years ago.

**Mark Zech**

Thank you.

**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**

Thank you very much, everyone, for your intense question session. You know, Antoine is always there to follow up with you in the coming days and weeks. Let's stay in touch. And next time we'll see. We'll be able to demonstrate that we have executed the peak in a qualitative and efficient way. Thank you very much. Have a good day.

**Operator**

Thank you for joining today's call. You may now disconnect..

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