

# Always on the **MOVE**



CMD Antwerp – 15 November 2016

# Koen Beeckmans

Chief Financial Officer





# 10 years positive trends

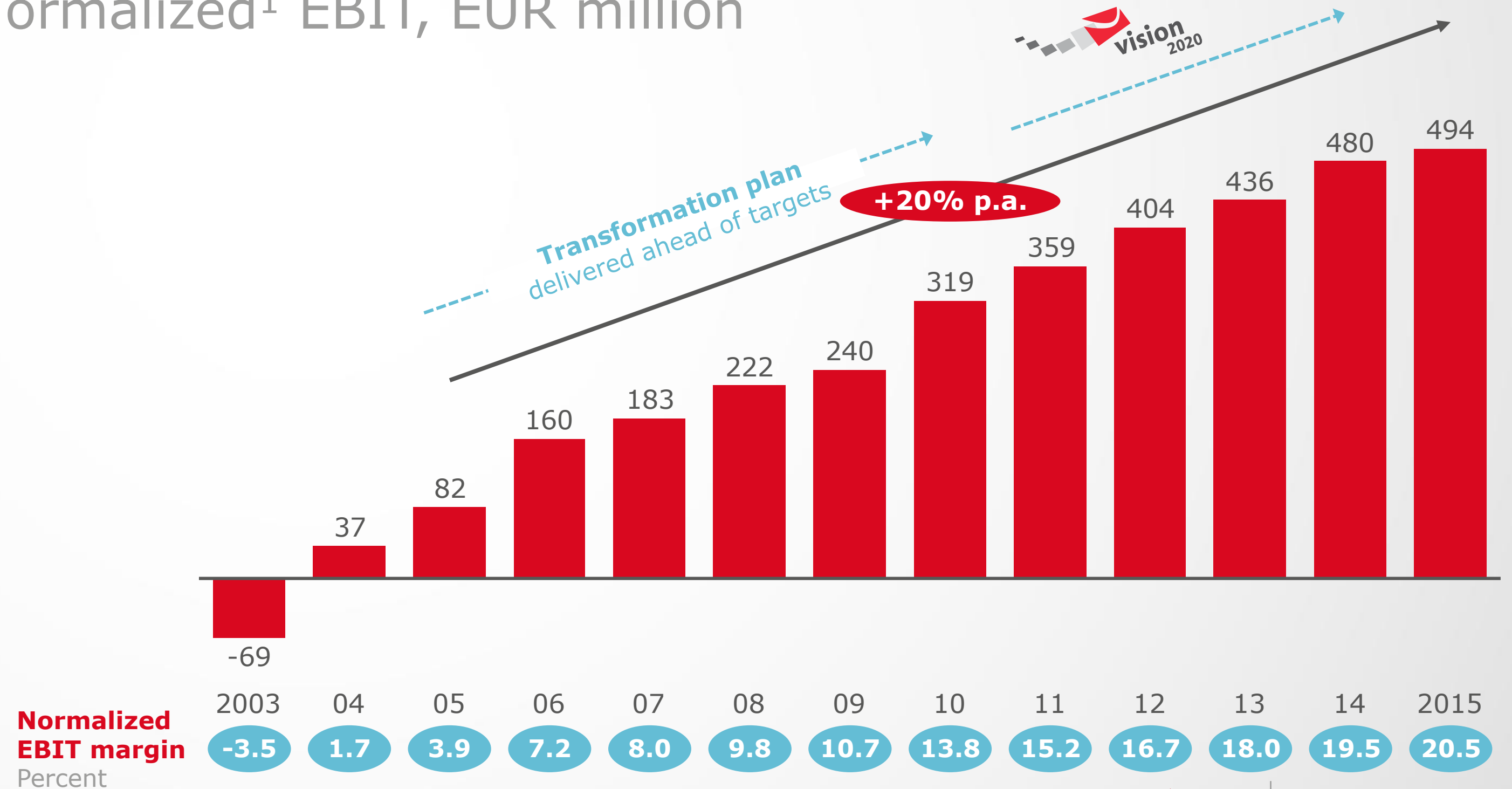
The reflection of all  
the work done



Always on the  
**MOVE**

# Transformation journey has resulted in a strong financial performance ...

Normalized<sup>1</sup> EBIT, EUR million



**Normalized EBIT margin**  
Percent

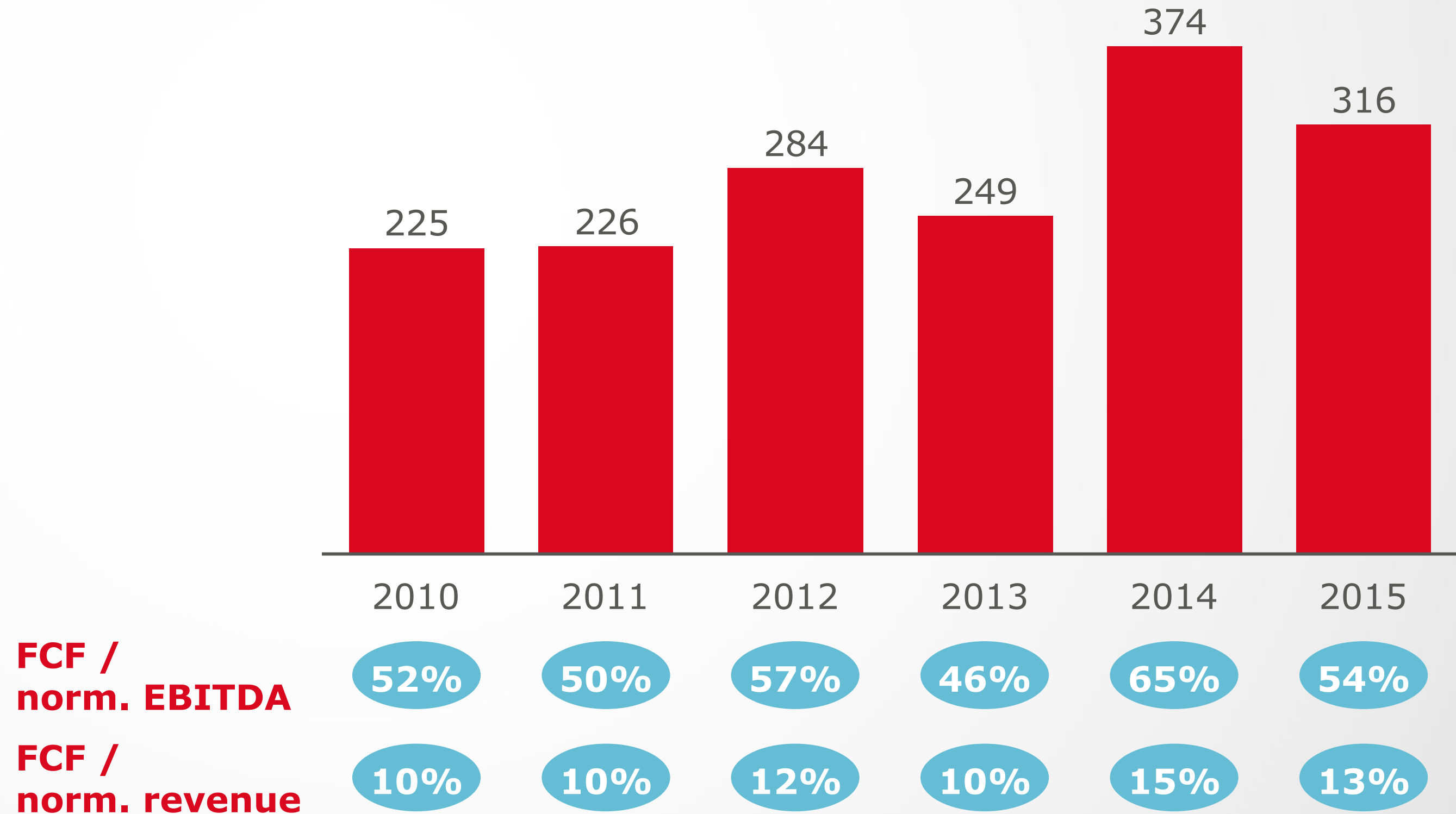


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1 Excluding non-recurring items

# ... translating into high cash flows

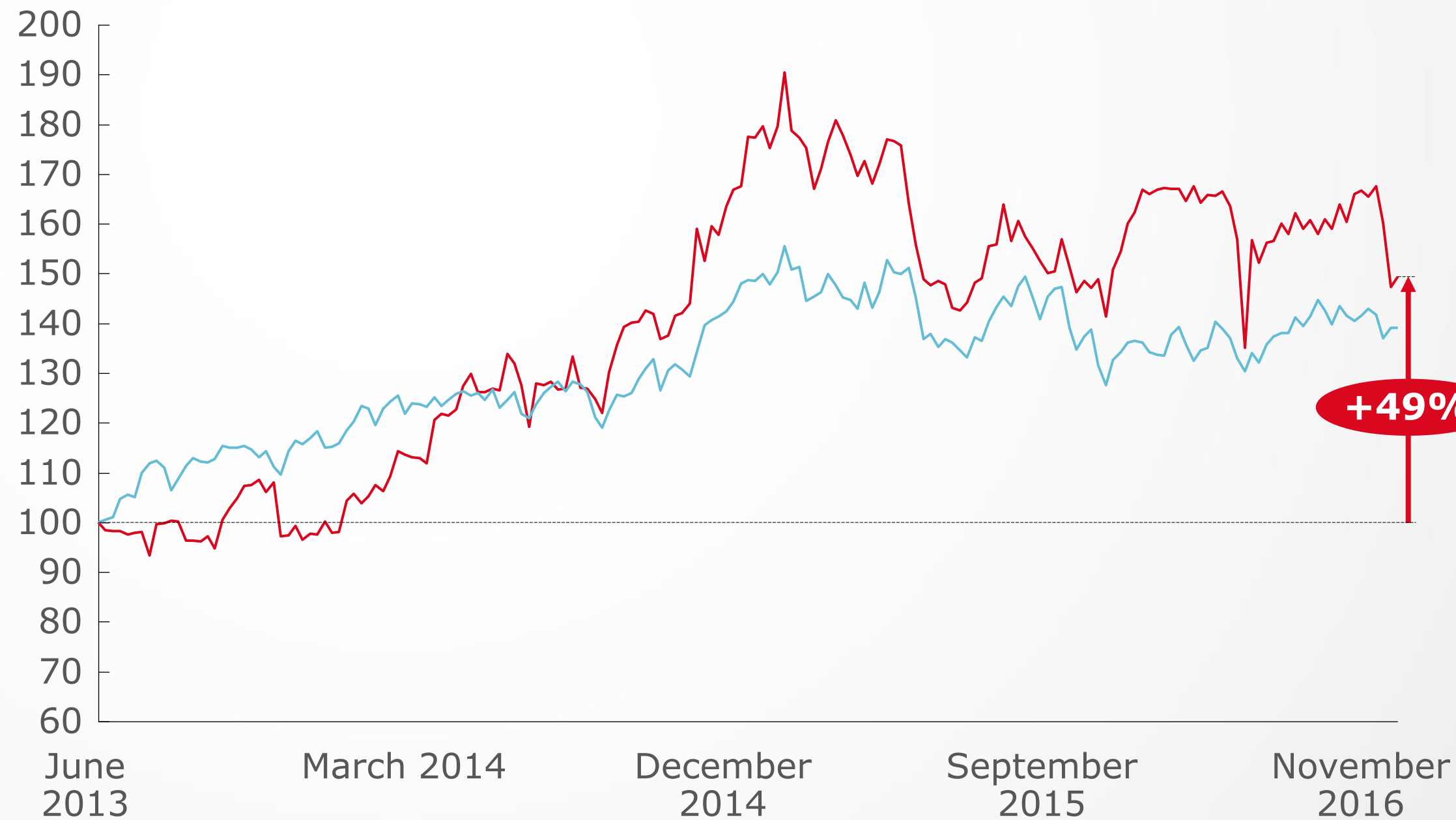
Normalized FCF, EUR million



# Our share has enjoyed a successful ride since our public listing

Indexed at 100 on June 21, 2013

— bpost — BEL20



+49%

Total  
shareholder  
return of **72%**  
since IPO vs.  
**39.2%** for  
BEL20



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**Fully on track**  
to deliver our full year  
guidance

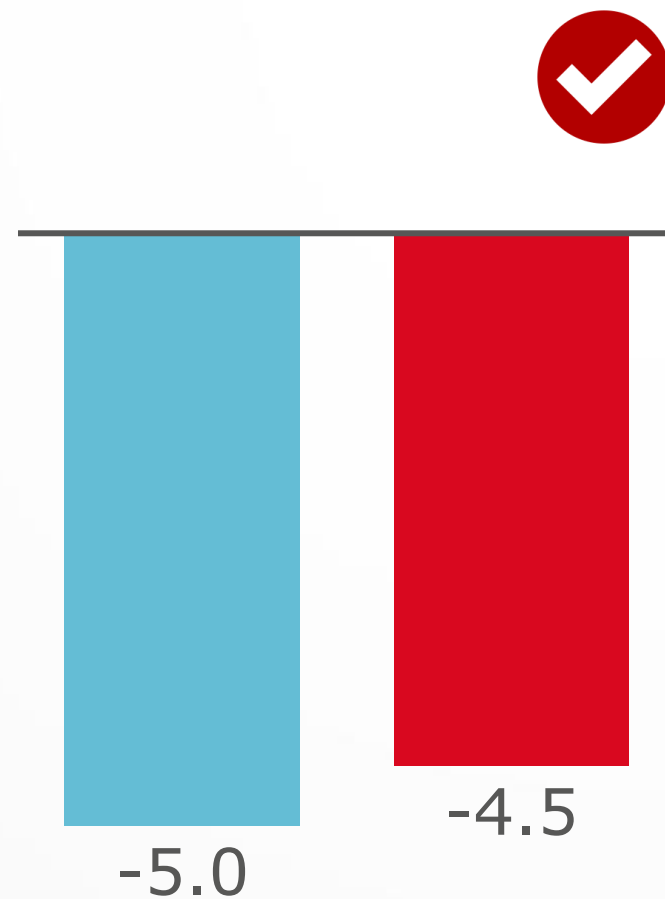


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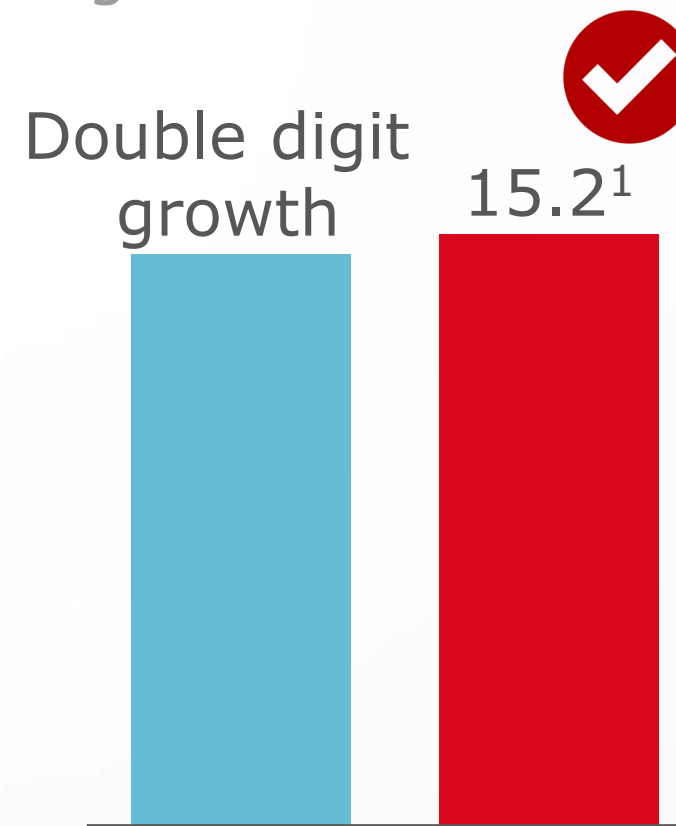
# Delivering on 2016 guidance

■ FY Guidance  
■ 2016 YTD Q3

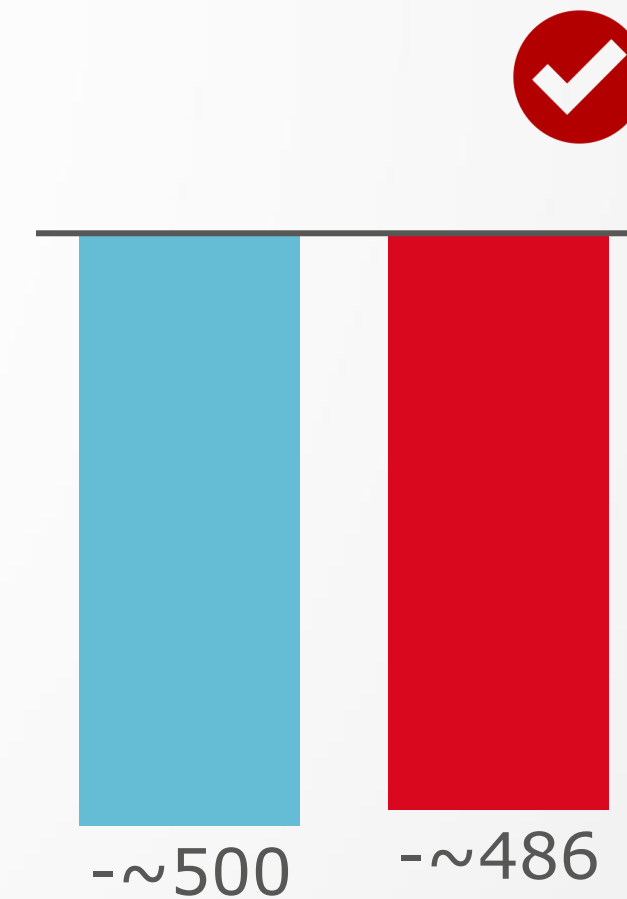
**Underlying domestic mail volume decline**  
Percent



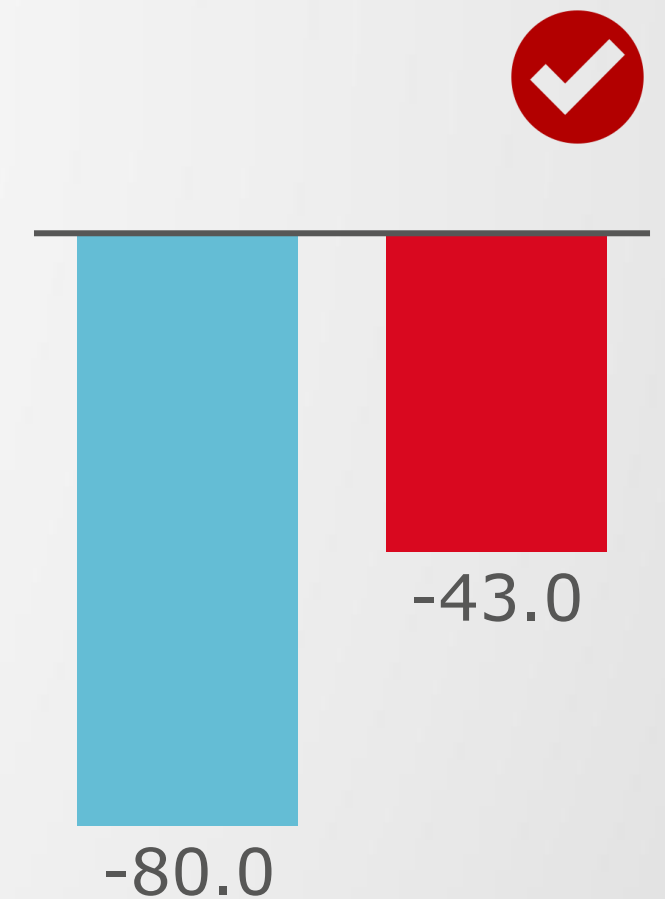
**Domestic parcels**  
Percent, volume growth



**Productivity improvements**  
FTE & interims (average reduction), net of Delta Media



**Gross Capex**  
EUR million



As a result, we expect the  
**EBITDA to be at least same level  
as last year (on a FY basis)**



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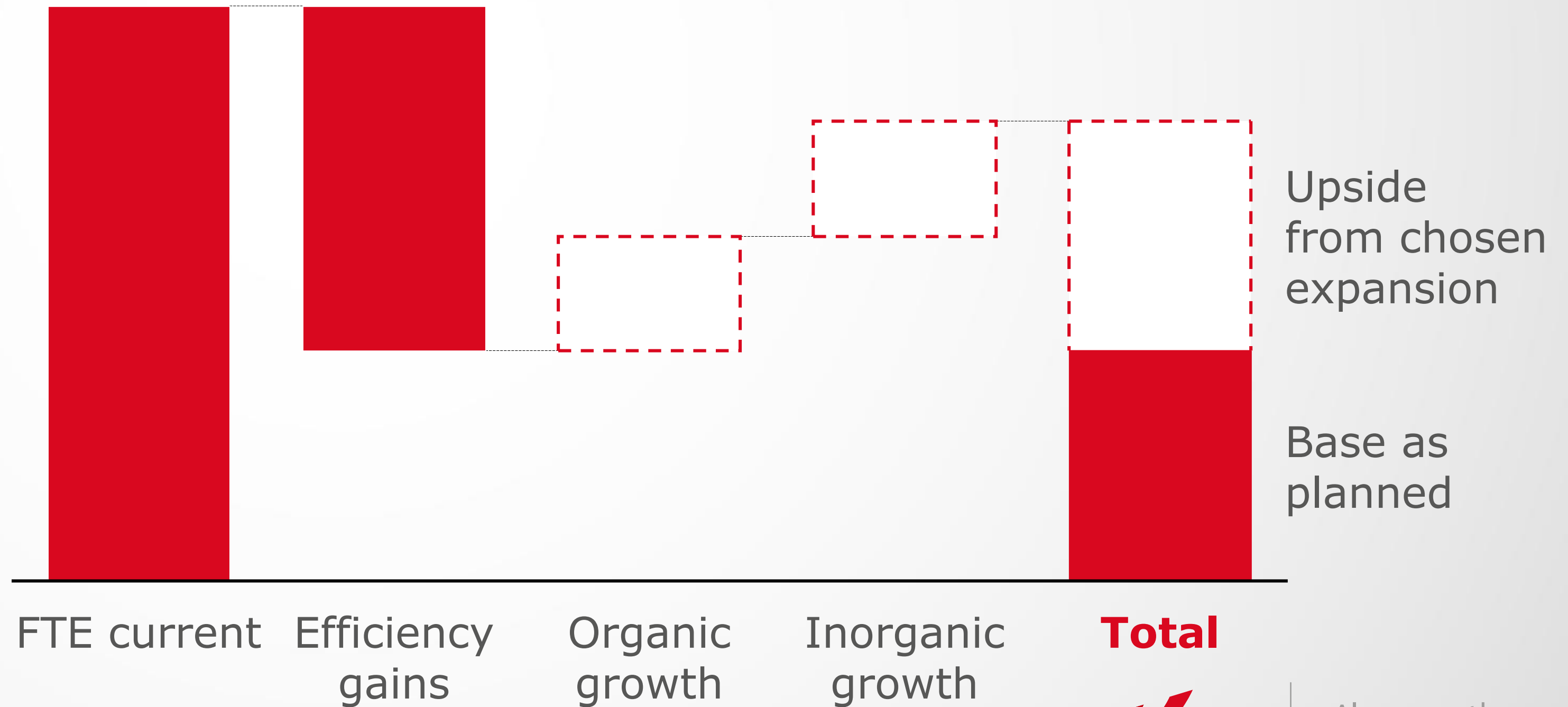
<sup>1</sup> Volume trend excluding calendar effects amounts to 14.5% for the first 3 quarters of 2016



# Reported FTE evolution does not fully reflect the productivity gains

Number of FTEs

ILLUSTRATIVE



# Overall guidance 2016-2020

## 1 EBITDA

At least €620m (organic including announced acquisitions, e.g. Lagardère)

## 2 Revenue

Overall slight increase driven by

- Growth in domestic parcels (vol +75%; -2-3% price/mix effect)
- Growth in international parcels (rev x2)
- Decrease in domestic mail (volume up to -6%)

## 3 Cost (Opex)

Slight increase, driven by

- Growth in transport cost (reflecting growth in Int'l)
- Up to 4% FTE & interim productivity increase p.a. at current scope
- Optimized FTE mix
- Integration of acquired businesses
- Inflation

## 4 Cost (Capex)

Further Vision 2020 investments in 2017-18 and maintenance capex level of ~€60m p.a. in 2019-20

## 5 Dividend policy

At least 85% pay-out of BGAAP net profit

## 6 M&A on top of overall guidance

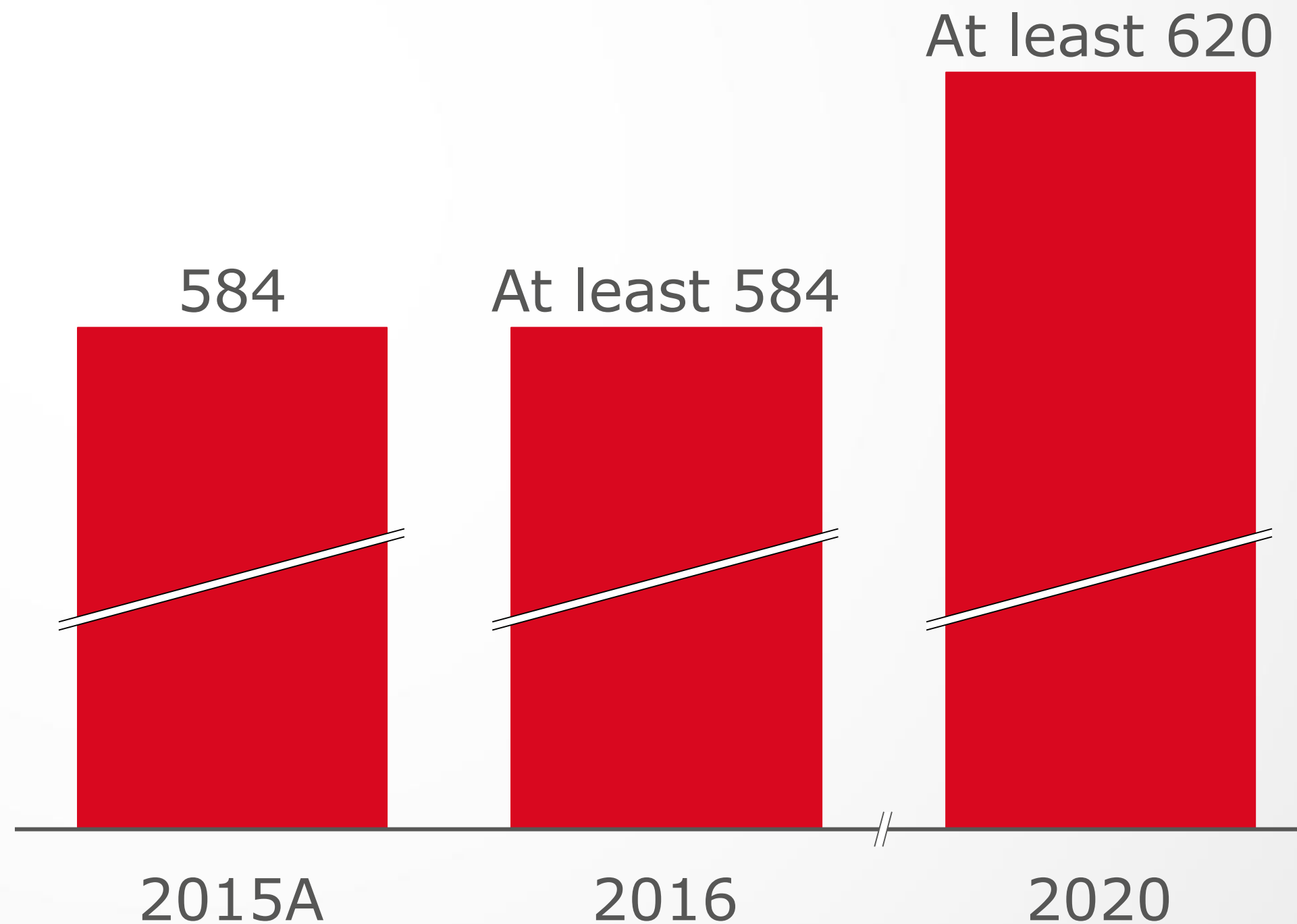
Accretive contribution supported by strong balance sheet. Any decision must be evaluated on 5 criteria

# EBITDA guidance 2016-2020

EUR million, organic incl. announced acquisitions

1

EBITDA



# Topline growth by 2020 to come from

## Growth in Domestic Parcels revenue

- ▶ Volume +75% by 2020 (vs. 2015)
- ▶ Negative price/mix effect: -2 to -3%

## Growth in International Parcels revenue

- ▶ Revenue x2 by 2020 (vs. 2015)

## Partly offset by decrease of Domestic Mail revenue

- ▶ Volume decline up to -6%
- ▶ Price / mix effects

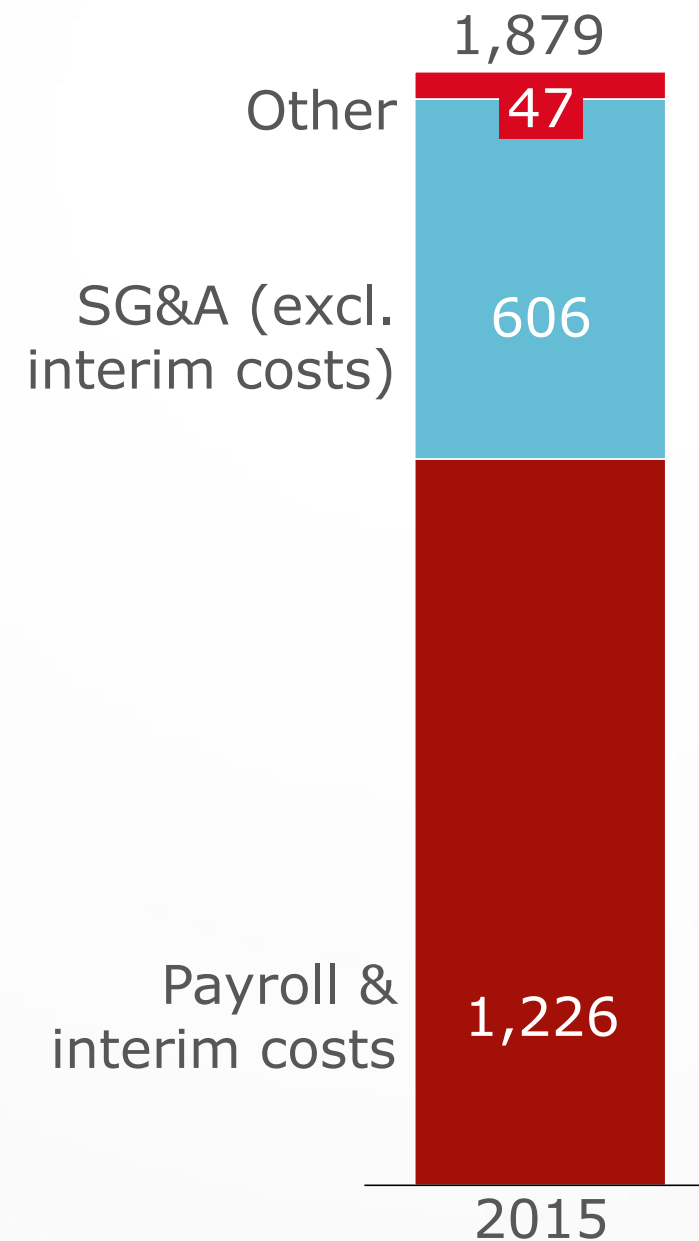
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Revenue



# Opex reduction initiatives address the entire cost base

EUR million



- In **Transport**, from national / cross-regional optimization
  - In **Procurement (tenders)**
  - **ICT** through demand management and selected outsourcing
- 
- **Continuous improvement programs for central units** after Alpha exercise (productivity increase, challenging of value-adding activities, etc.)
  - **Cost optimization program** (COP) for further cost reduction in all units
  - In **Collect, Preparation and Distribution**, through the impact of Vision 2020, reducing and automating low value adding activities, and capturing gains from the new footprint
  - **Unit cost optimization** both in MSO (Auxiliary postman) and central functions

# 3

Opex

# Reminder of Capex 2006-2015

Normalized, EUR million

■ Gross capex  
■ Proceeds from sale of PPE

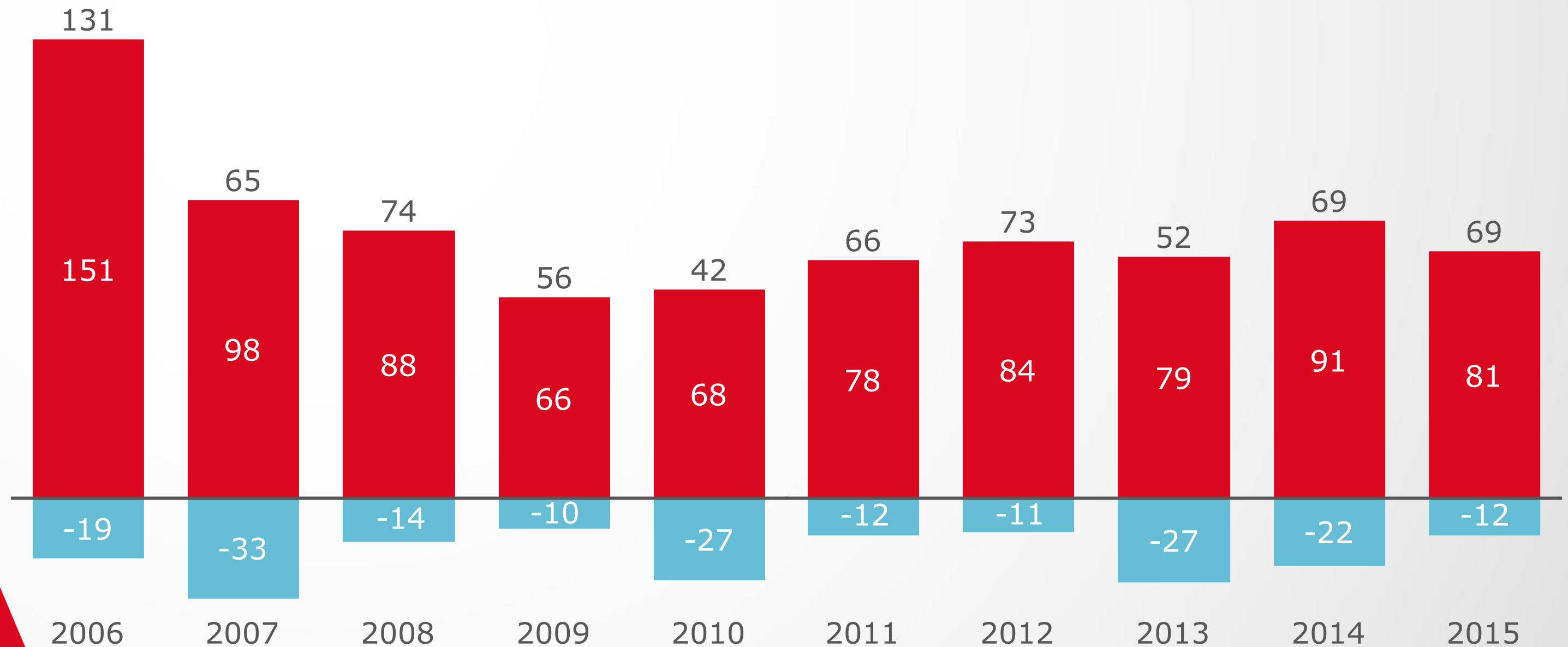
Front loaded capex program  
for sorting centers and  
company transformation

Network optimization with  
postal branches renovations  
and closures

Restarting investments  
for Vision 2020 and  
associated disposals

4

Capex



# Capex 2016-2020

EUR million

	2016	2017-2018	2019-2020
Gross capex p.a.	80	~90	~60

## Gross capex

- ▶ 2016 as indicated in our outlook
- ▶ 2017-2018: further Vision 2020 investments
- ▶ 2019-2020: maintenance capex level of ~ € 60m p.a.

## Proceeds from sale of PPE

- ▶ 2016-2020: expected to be in line with historical average

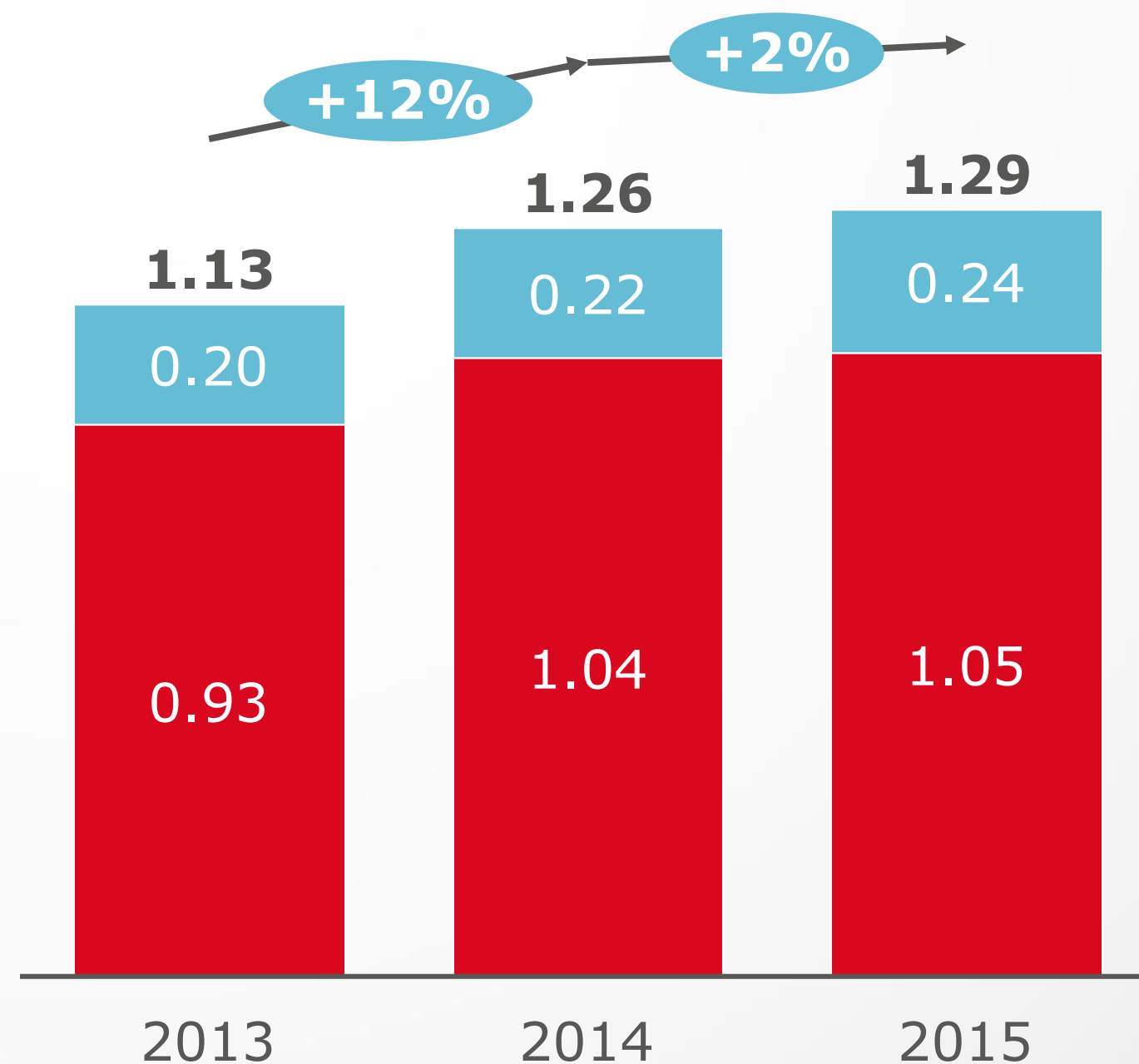
4

Capex

# Target dividend pay-out of at least 85% of BGAAP net profit (unconsolidated)

## Annual dividend payment

- ▶ Interim in December of financial year based on first 10 months
- ▶ Final in May of following financial year



**FY16  
dividend  
*at least*  
€ 1.29**

■ Final gross DPS (EUR)  
■ Interim gross DPS (EUR)

5

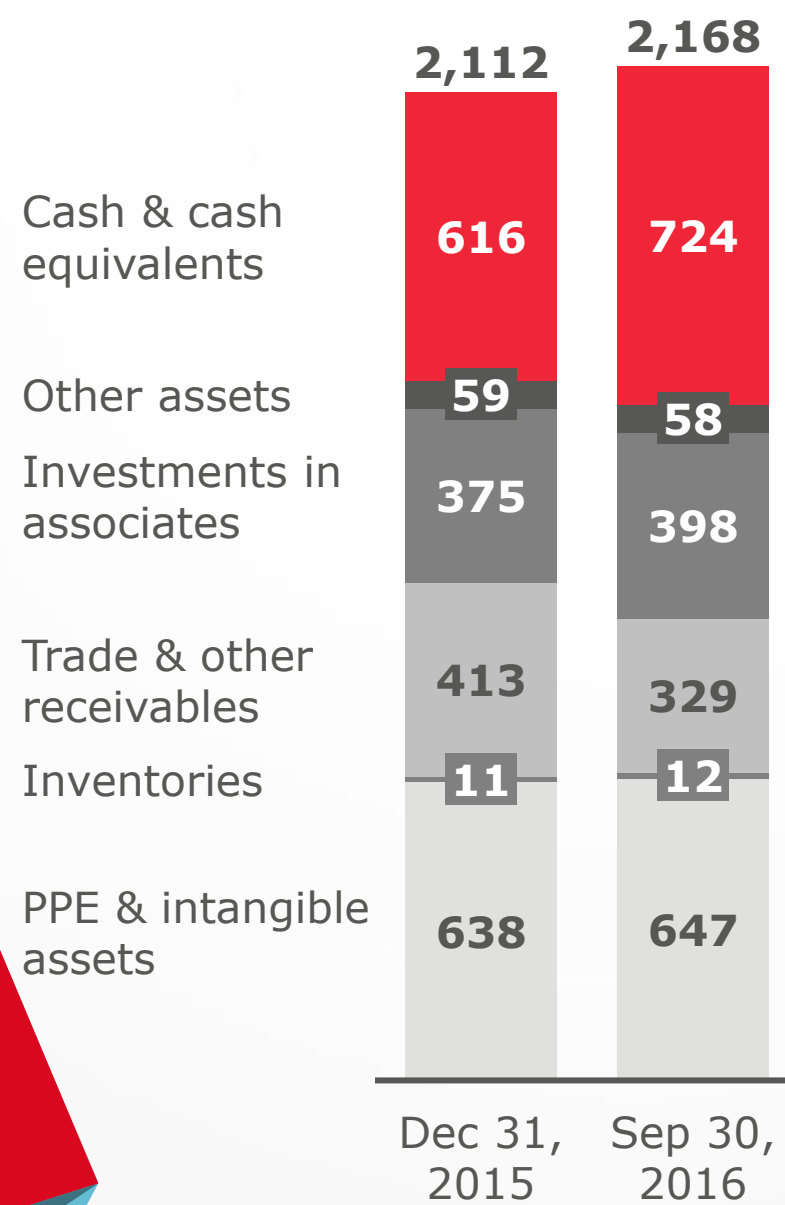
Dividend policy



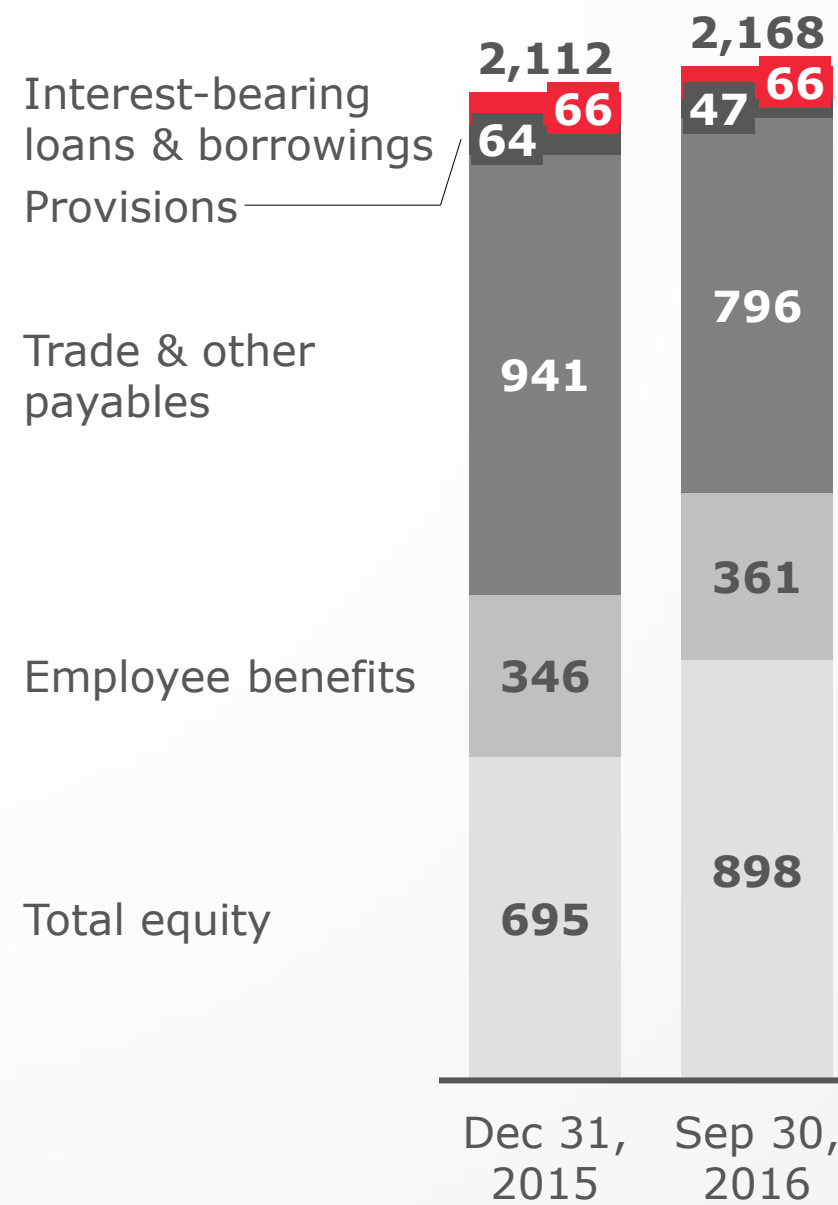
# We lean on a strong balance sheet, which can support M&A

Assets vs. Equity and Liabilities, EUR million

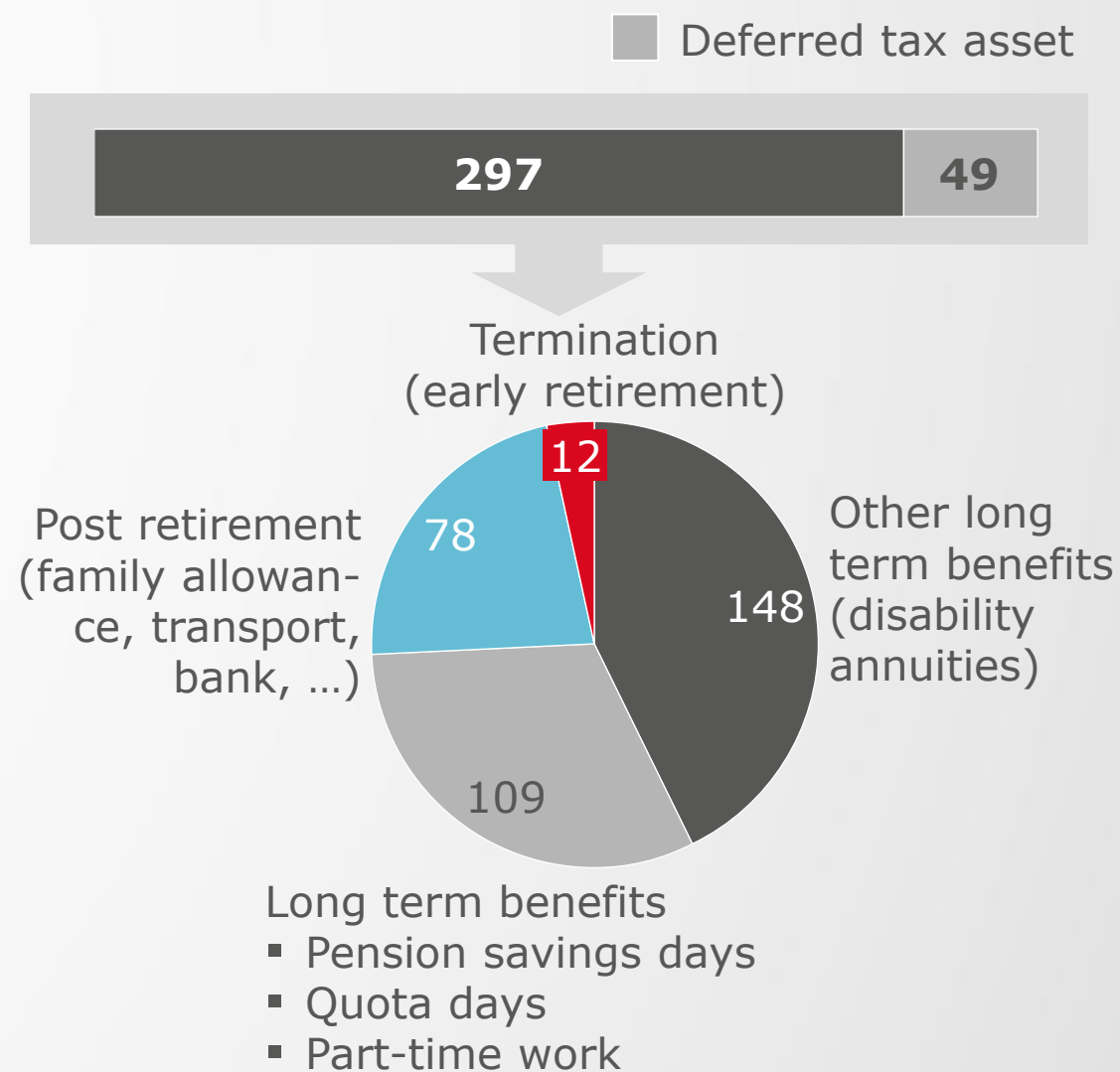
## Assets



## Equity and liabilities



## Employee benefit liabilities (2015)



- **No pension liabilities**
- **Mostly unfunded (no investment risk)**
- **Volatility mainly through the discount rate**

6

M&A

# Decision criteria for M&A

**Close to our core business** and/or capabilities

Improve our **proximity and convenience** product offering

**Earnings accretive**, potential margin dilution is not an issue

Maintain a **sustainable dividend policy**

Maintain **financial solidity** (solid rating)

## E-commerce

- Small **bolt-on acquisitions** to capture **growth** and enhance **service offering**
- **Strengthen our international footprint** and **embrace the vision of BeNe as a domestic market**
- **Stretch the value chain of e-commerce** around **added value services**

## Convenience & proximity

- Invest into **growing and profitable businesses**
- **Support innovative start-ups** responding to societal evolutions

