



bpost strategy & challenges

Koen Van Gerven, CEO

Berenberg European Conference 2015

1 December 2015



bpost at a glance



bpost

takes care of it

A modern and diversified mail operator

2014 figures

- One **integrated** domestic distribution **network**
- **International player**

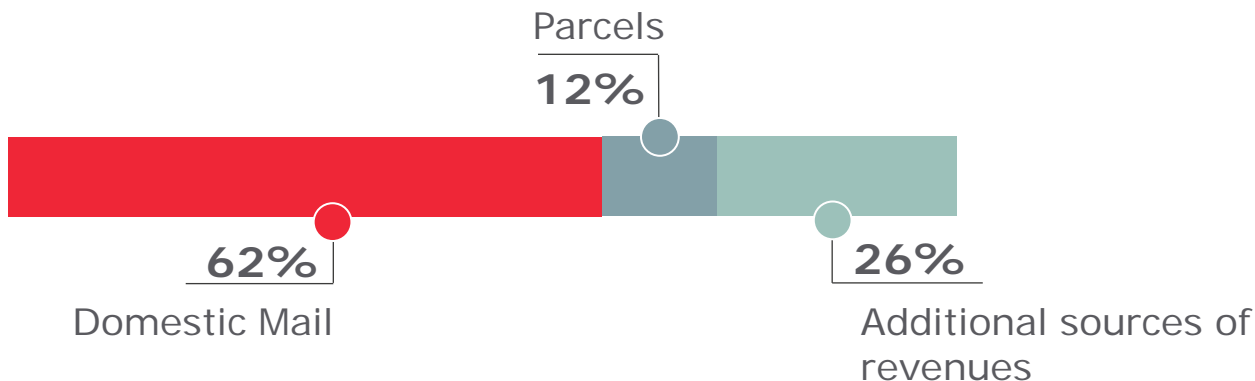
€ 2.5bn
revenues

€ 572.0m
23.2%
EBITDA

€ 480.2m
19.5%
EBIT

€ 295.5m
net profit

25,414
average
FTE &
interims



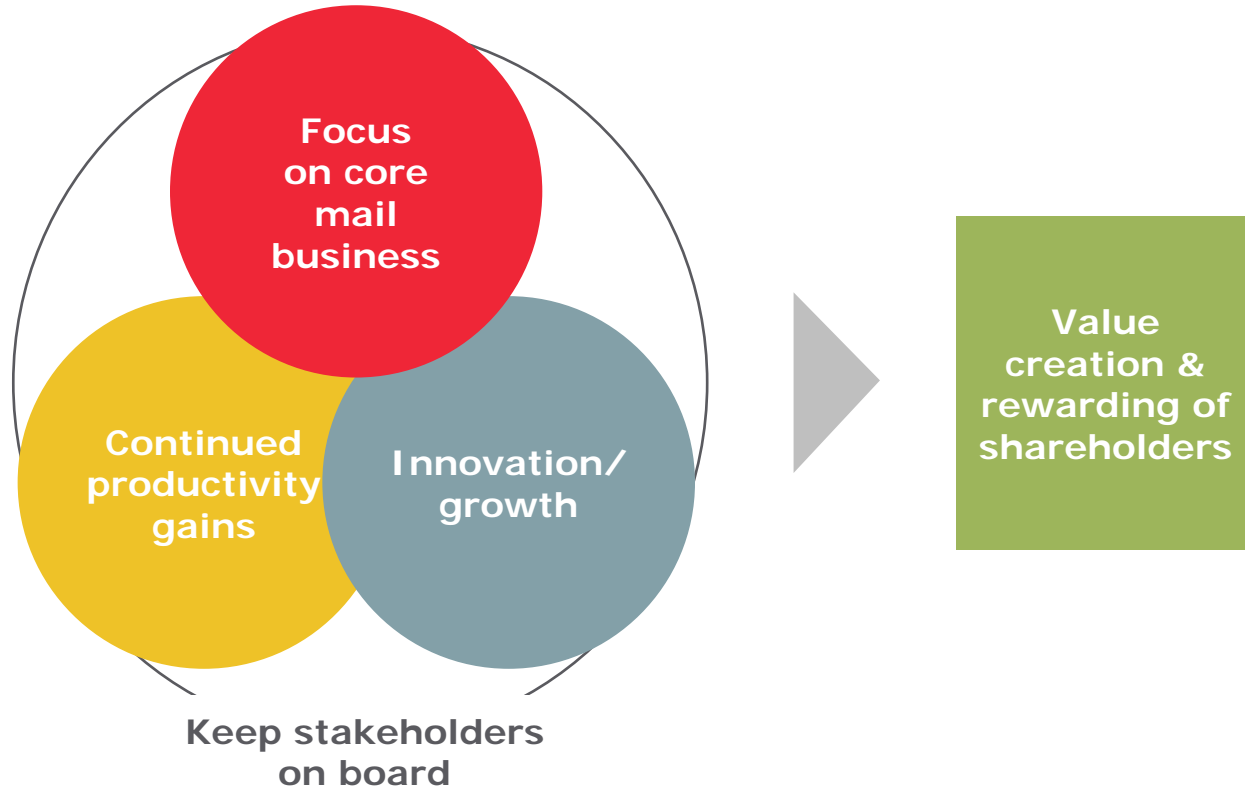
bpost strategy & challenges



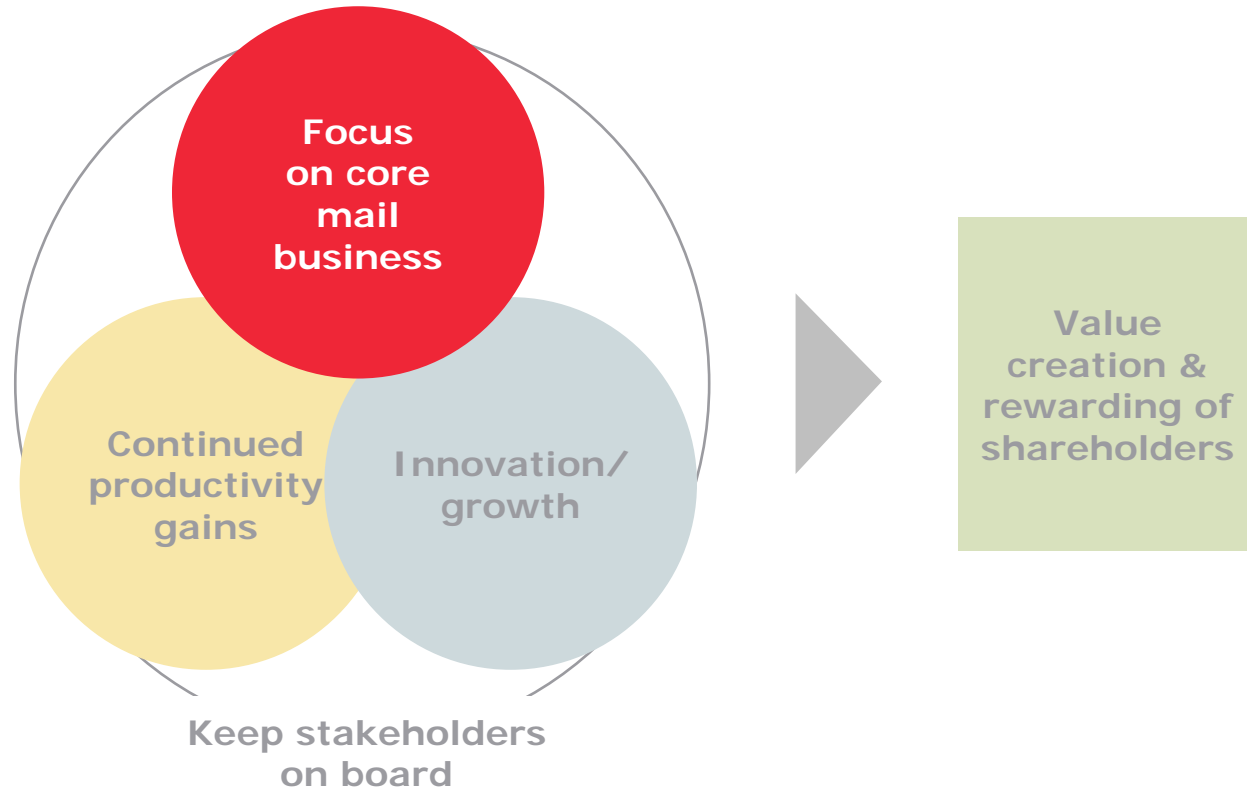
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Our successful and focused strategy in action...



Our successful and focused strategy in action...



Mail volumes remain under pressure, partly compensated by a small price increase

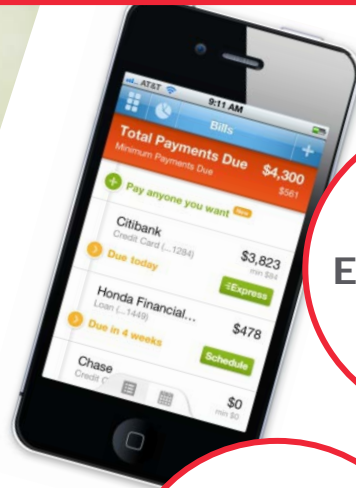
**Volumes
-5.4%
YTD Sep-15**

E-substitution

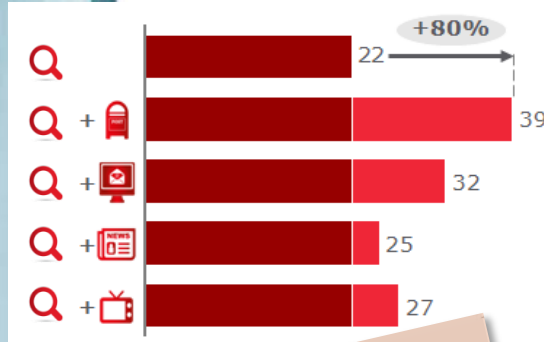
Cost cutting

**Switch to
cheaper
products**

**+1.5%
price
increase
2015**

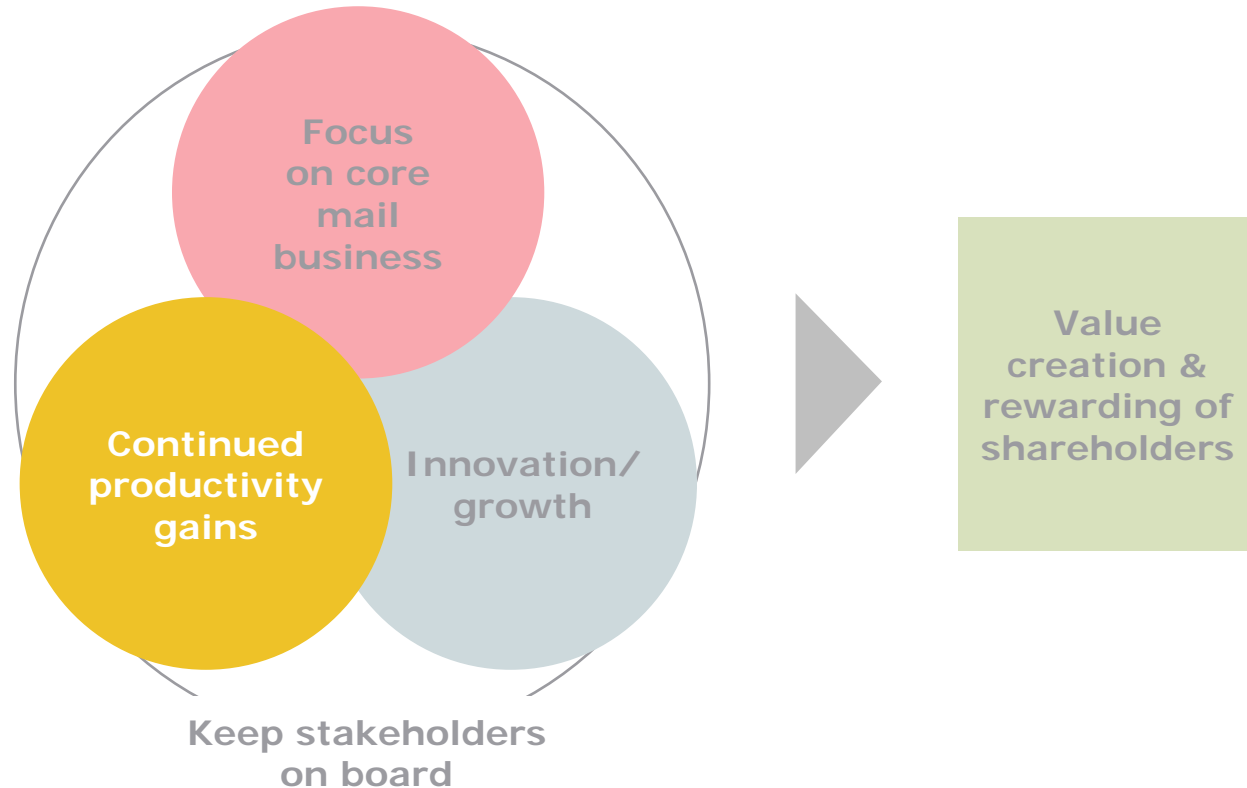


We demonstrate the importance of Direct Mail in the marketing mix for internet pure players



4
campaigns
with Zalando

Our successful and focused strategy in action...



We are rolling out Vision 2020



 new distribution
model

**Full-time
distribution
tested and
validated**



 **IMC
extensions**

**Extensions
completed**



 **MSM
implementation**

**Installation of 12
Mixed Sorting
Machines**

 **central mailbag
preparation**

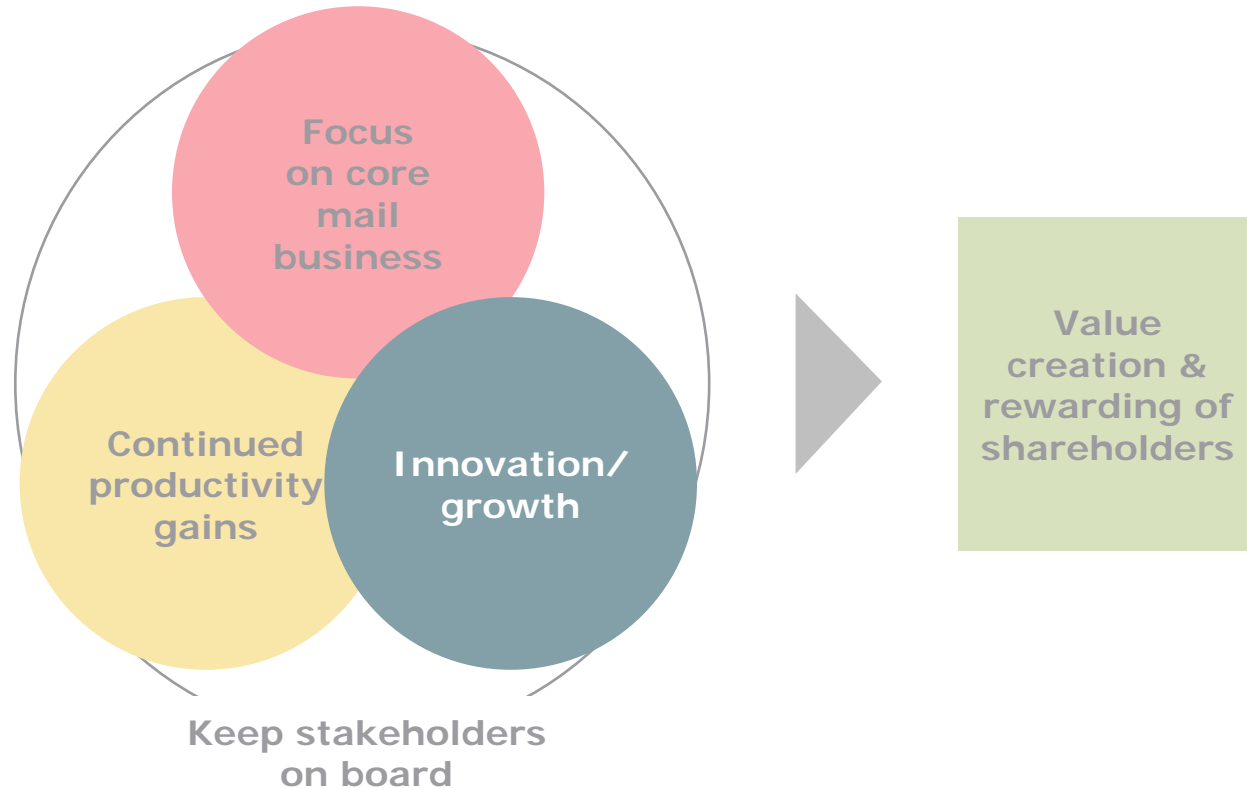
**Central mailbag
preparation
in pilot**

 **mobile
devices**

**All postmen
equipped with
mobile device**

**Imple-
mentation
over
2016 &
2017**

Our successful and focused strategy in action...



Domestic parcels, we want to keep the best last mile

~ 135
parcel
lockers



Saturday,
Sunday &
evening
delivery



~ 1,250
pick-up,
drop-off
points



Volumes
+ 12.1%
YTD Sep-15

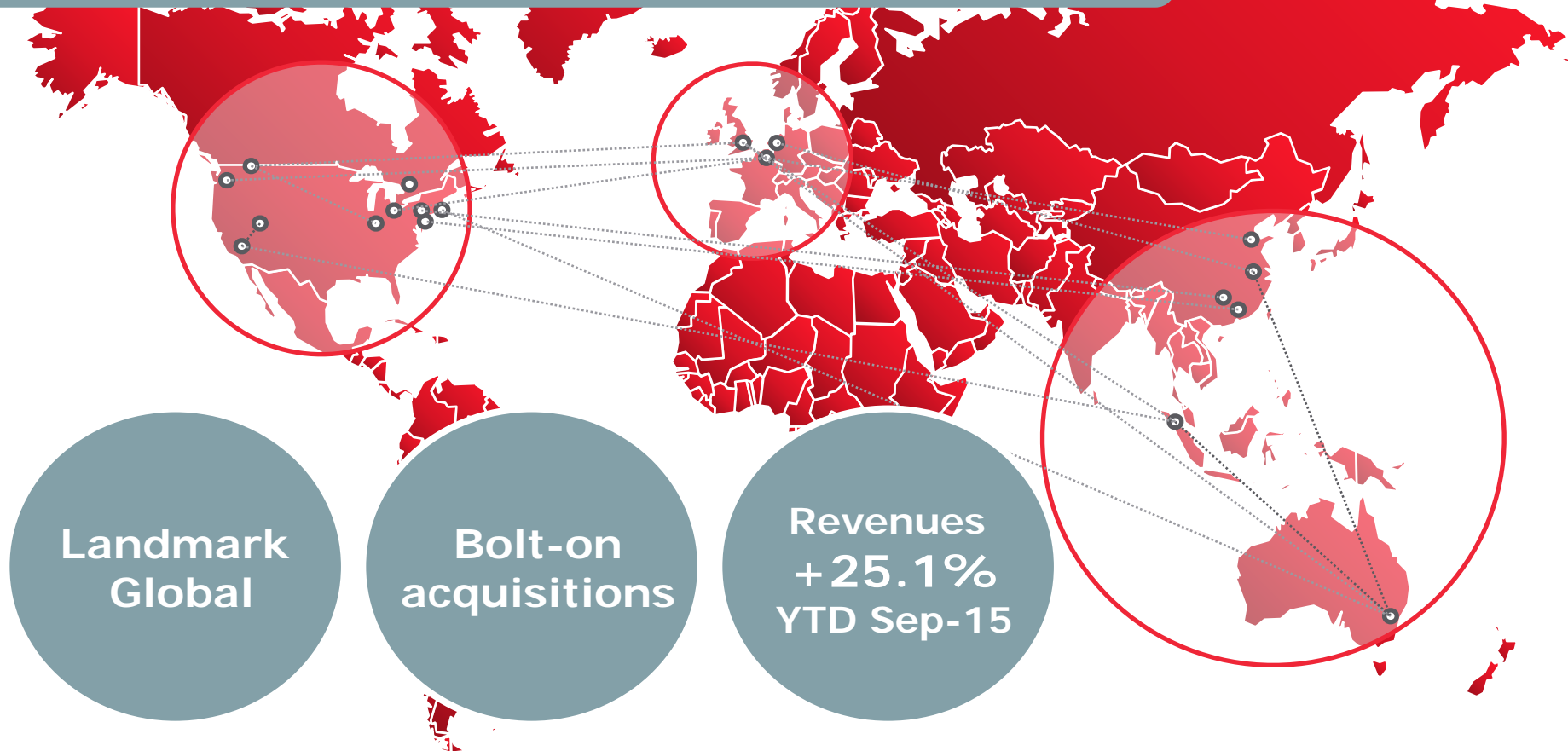


An aerial architectural rendering of a large industrial facility, the New Brussels X parcel sorting facility. The main building is a long, rectangular structure with a grey roof and a large parking lot filled with cars. To the left, there's a curved, modern building with a glass facade. The facility is situated near a canal or river, with a bridge and other industrial buildings in the background. The overall scene is a detailed 3D model of the proposed construction.

Vision 2020 – 1 national parcel sorting facility with double capacity

**New
Brussels X**
Construction
started,
operational by
mid 2017

International parcels are gaining importance



We continue to innovate...



Customer
services @ home

proximus

FEDERALE
Verzekering

BUY
WAY

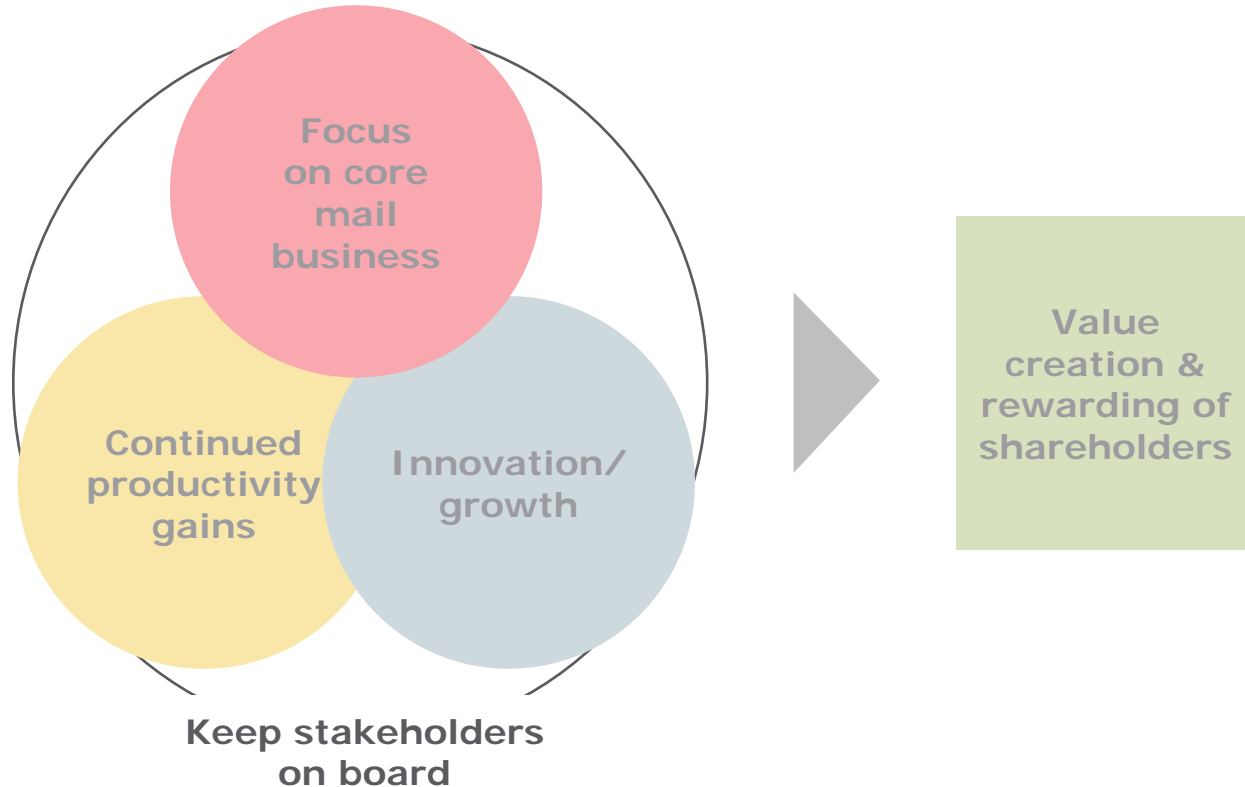
citydepot

City
Logistics



combo

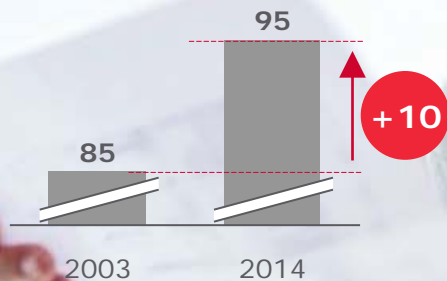
Our successful and focused strategy in action...



**We satisfy our customers through
delivering high quality service**

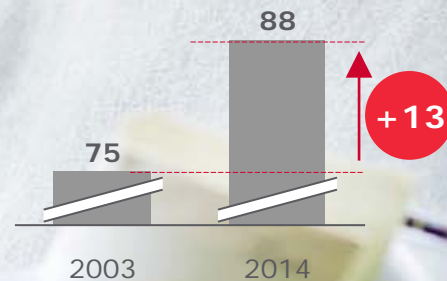
Distribution quality

Percentage letters in D+1



Customer satisfaction

Percent



bpost cares...



#1
on IPC
Environmental
Ranking



Carbon
Disclosure
Project
99/100

Recognize
experience

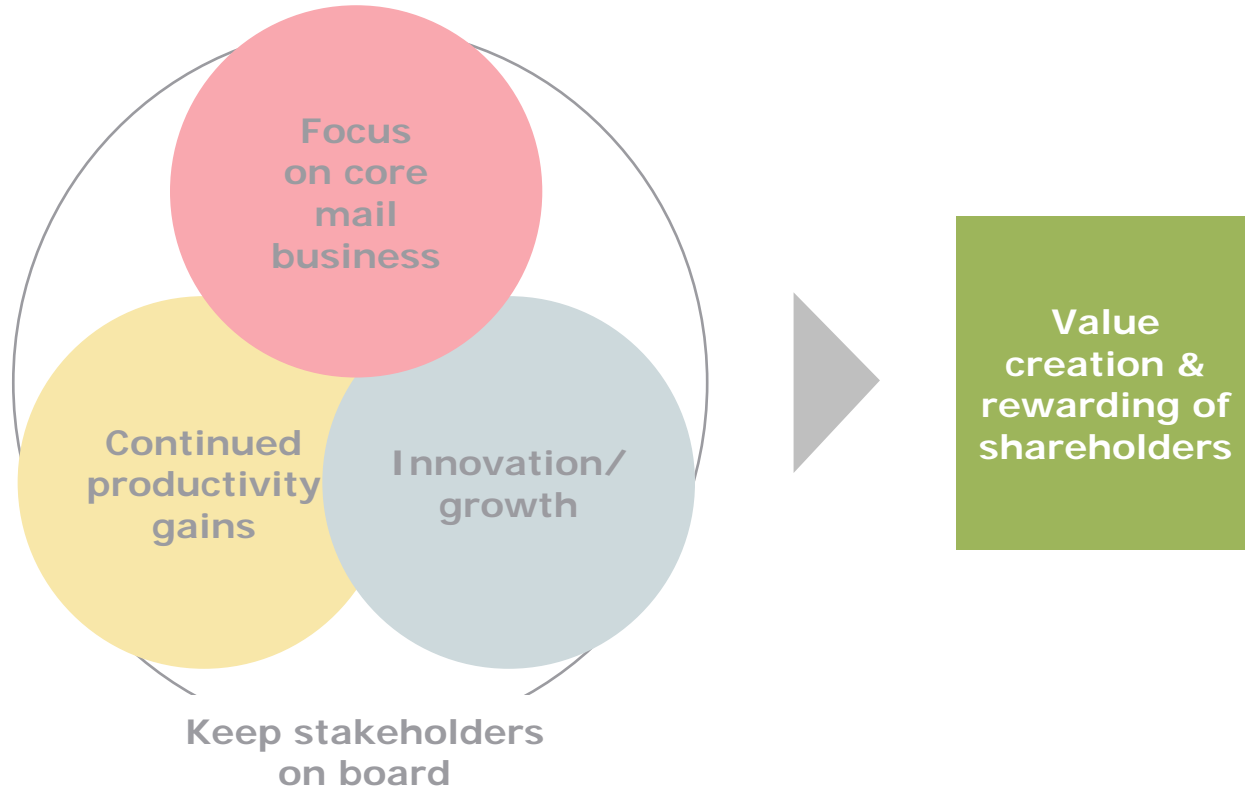
181
graduates

Work
accidents

-17%
vs. 2013



Our successful and focused strategy in action...



The trust of our shareholders increases...

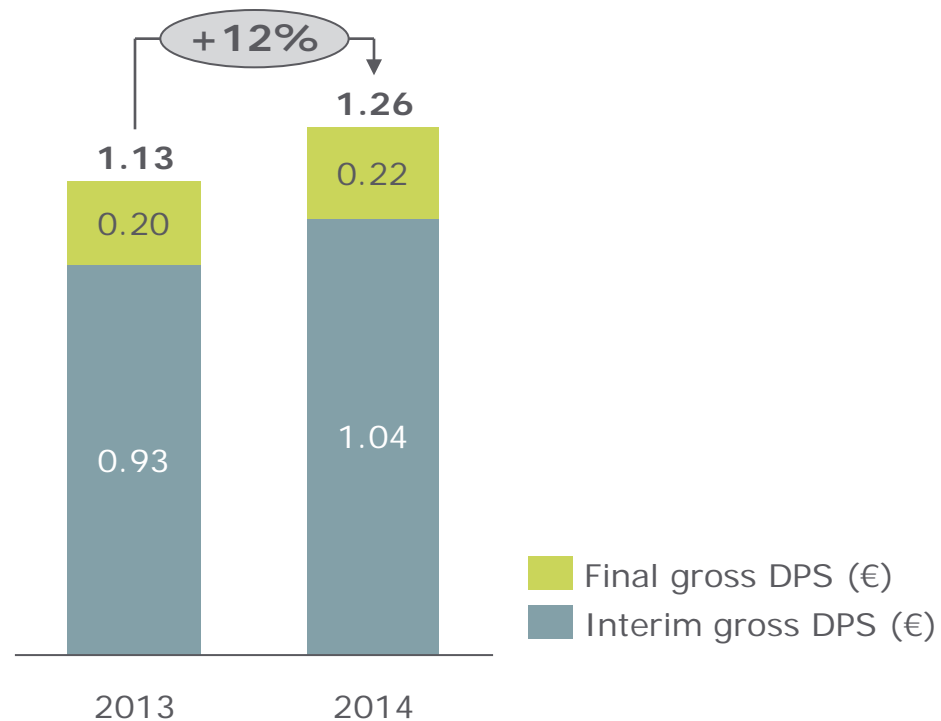
Stock price evolution since the IPO
(until 3Q15 announcement)



Bel 20 &
DJ Stoxx
Europe 600

... and we reward them
with a dividend

Dividend since the IPO



Financial Results YTD Sep-15



bpost

takes care of it

Highlights YTD Sep-15 – Strong results



Revenues down 2.5%

€ 1,764.7m



Worsening underlying Domestic Mail volume trend vs. 2014

-5.4%



Excellent Domestic Parcels growth

- Domestic parcels
- International parcels

+12.1%

€ +23.8m



Significant cost savings and strong productivity improvement

- Costs down
- Average FTE reduction of 788

€ -50.1m

Normalized EBITDA up € 5.4m. Reported EBITDA impacted by **Alpha social plan** restructuring provision of EUR 54.5m.

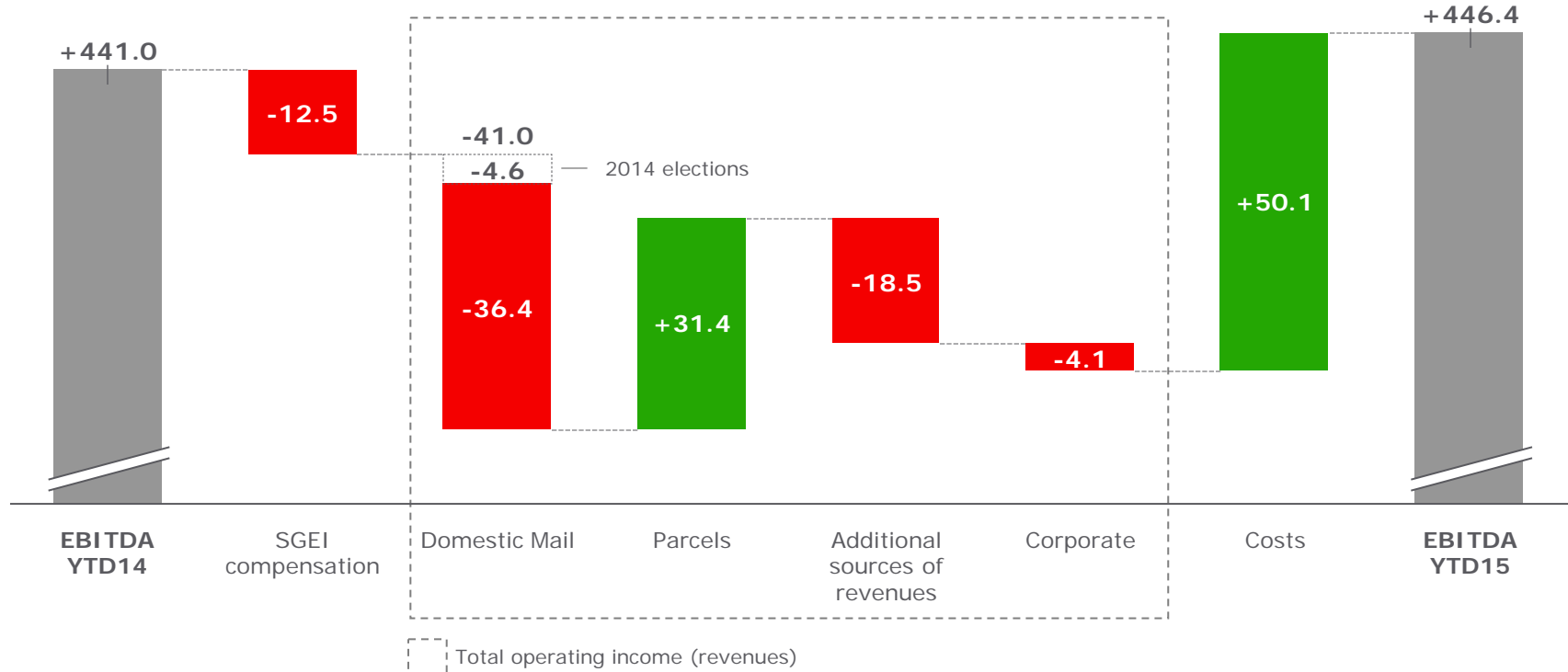
€ 446.4m

Normalized BGAAP net profit of bpost SA/NV up € 4.3m

€ 222.4m

EBITDA bridge YTD Sep-15: € +5.4m

Normalized, € million



Outlook for 2015

Top line

- Underlying Domestic Mail volume decline < -6%
- Compensation for SGEI: € 16.5m lower than in 2014
- Domestic Parcels: double digit volume growth
- International Parcels: continued growth in the US parcels segment, milk powder volumes to China stable

Costs

- Productivity improvements: low end of 800 to 1,200 FTE/year range



Recurring EBITDA and dividend payment *“at least”* at the same level achieved in 2014



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