

A man in a red bpost uniform and cap is shown in profile, looking towards a woman whose back is to the camera. They appear to be in a red delivery van. The man's uniform has a small bpost logo on the chest.

bpost strategy & challenges

Koen Van Gerven, CEO

VFB Dag van de Tips



8 October 2016



bpost at a glance



bpost

takes care of it

A modern and diversified mail operator

2015 figures, normalized

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

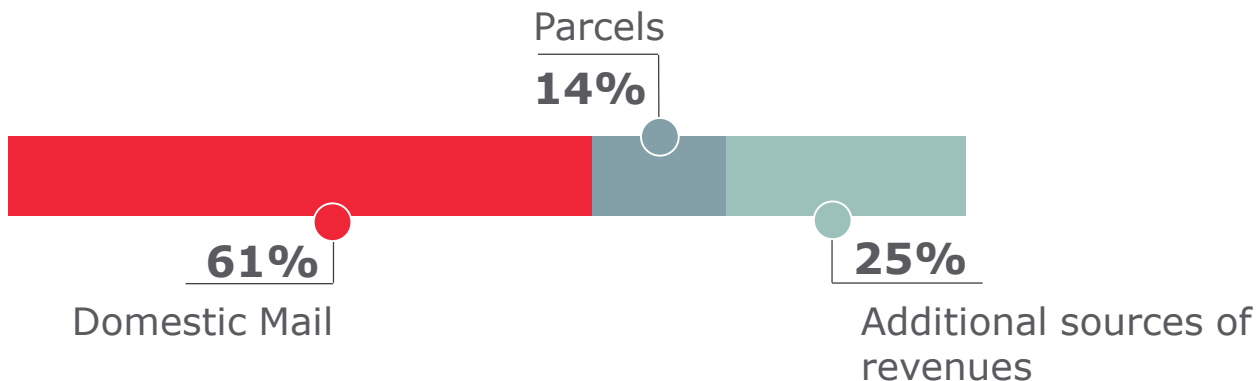
€ 2.4bn
revenues

€ 583.6m
24.2%
EBITDA

€ 494.4m
20.5%
EBIT

€ 328.1m
net profit

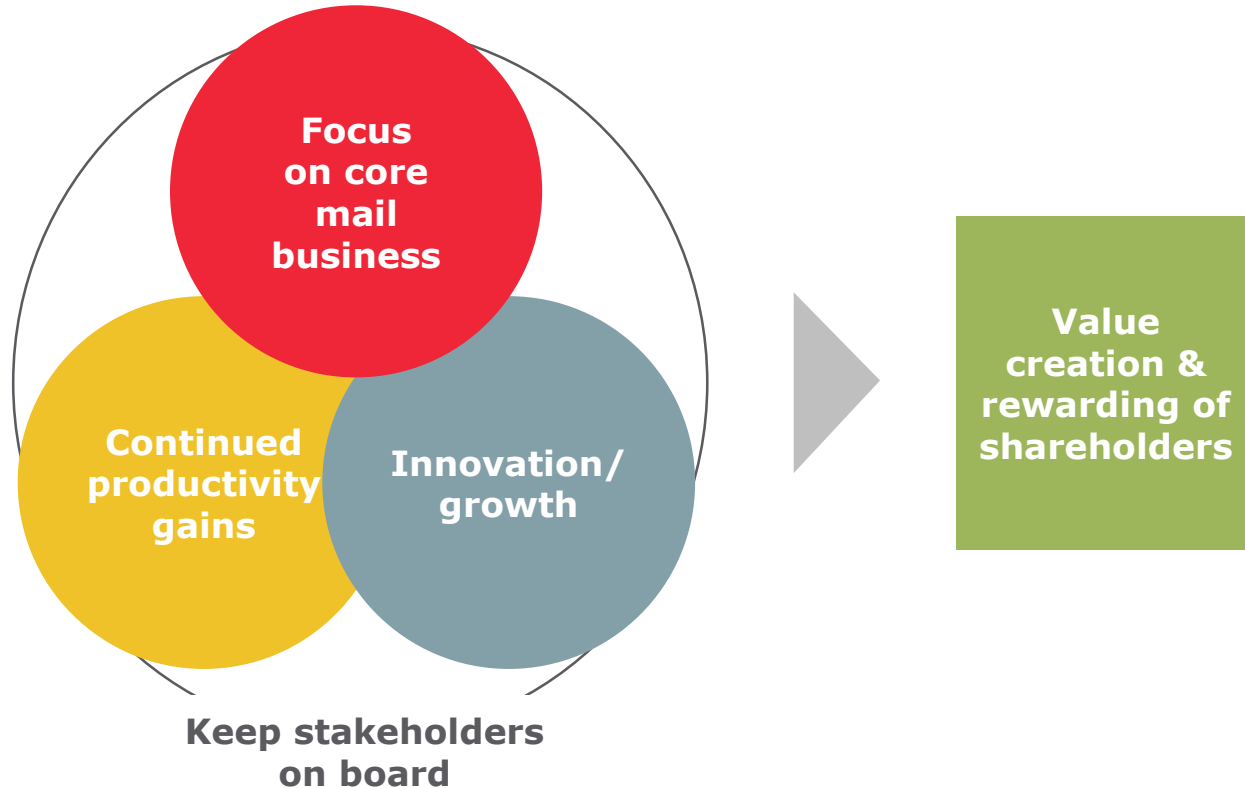
24,703
average
FTE &
interims



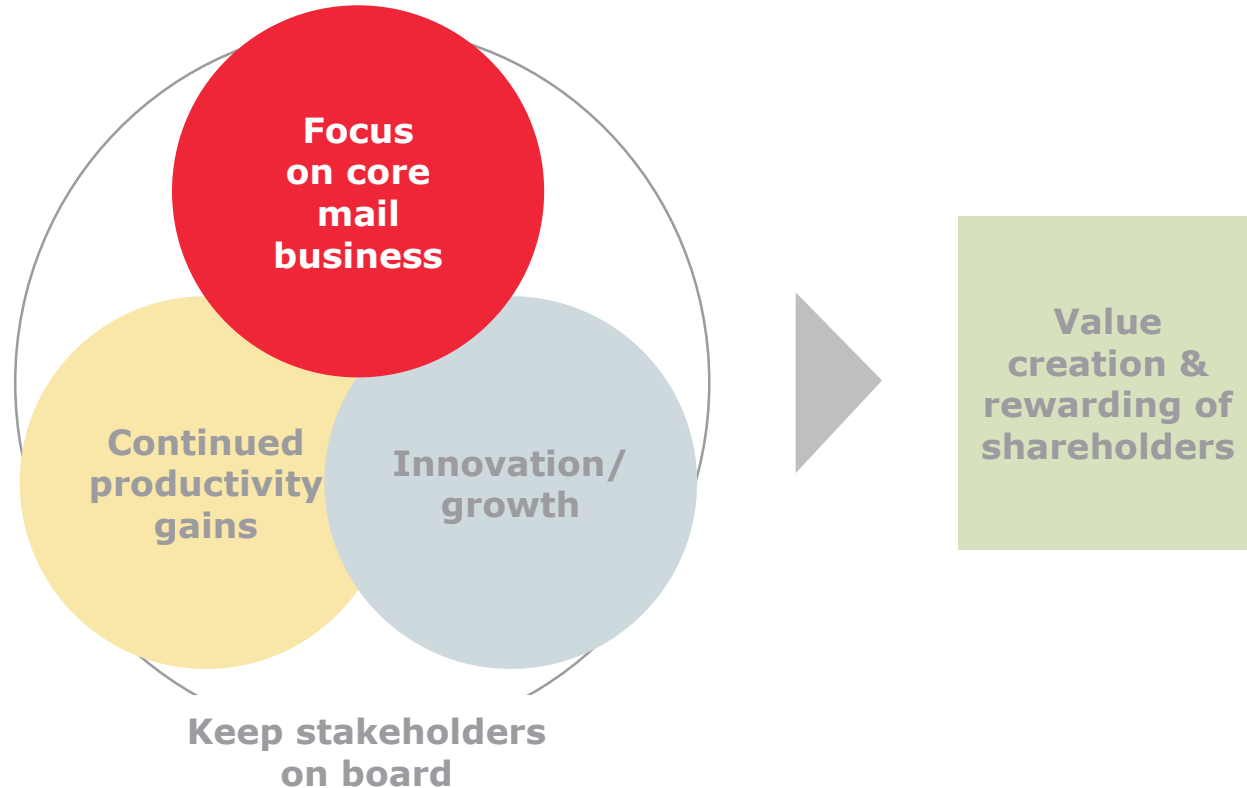
bpost strategy & challenges



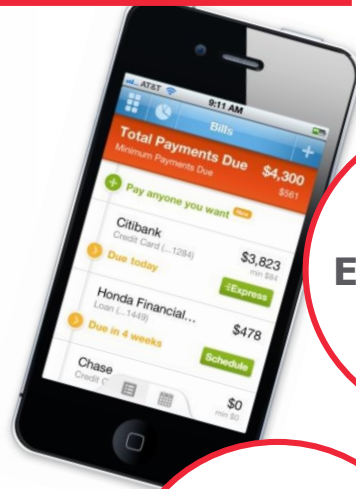
Our focused and successful strategy in action...



Our focused and successful strategy in action...



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



**Volumes
-3.8%
2Q16**


E-substitution

Cost cutting

**Switch to
cheaper
products**

**+1.5%
price
increase
in 2016**



A woman with dark hair, wearing a light pink dress, is sitting on a set of white marble stairs. She is looking down at a stack of papers or a magazine she is holding in her lap. The stairs have a brass handrail on the right side. The background is a light-colored wall.

**Focus on
6 key
sectors**

**Strategic
tests in
unaddressed
mail**

**Major
accounts
invest in the
mailbox**

**We succeed to convince customers
to invest in Advertising**

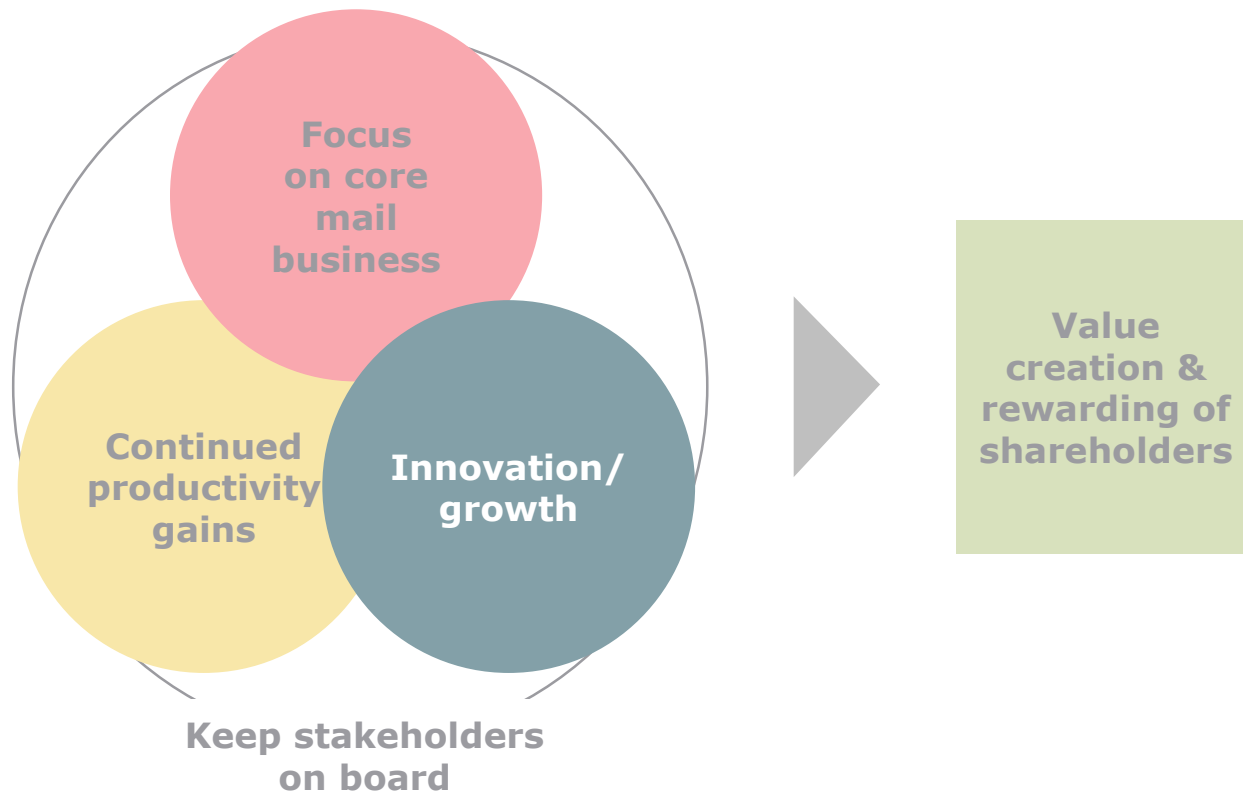
A woman wearing a red cap and a red and navy blue jacket is shown in profile, loading a stack of newspapers into a silver metal mailbox. The background is a blurred green, suggesting an outdoor setting. The image is used as a background for a presentation slide.

We keep the Government's trust

**Press
distribution
secured until
end 2020**

**6th
management
contract
until end
2020**

Our focused and successful strategy in action...



Domestic parcels, we build on our unique selling proposition

2Q16 volumes
+18.3%
driven by
e-commerce



**Home
delivery
7d/7d
& in
evening**



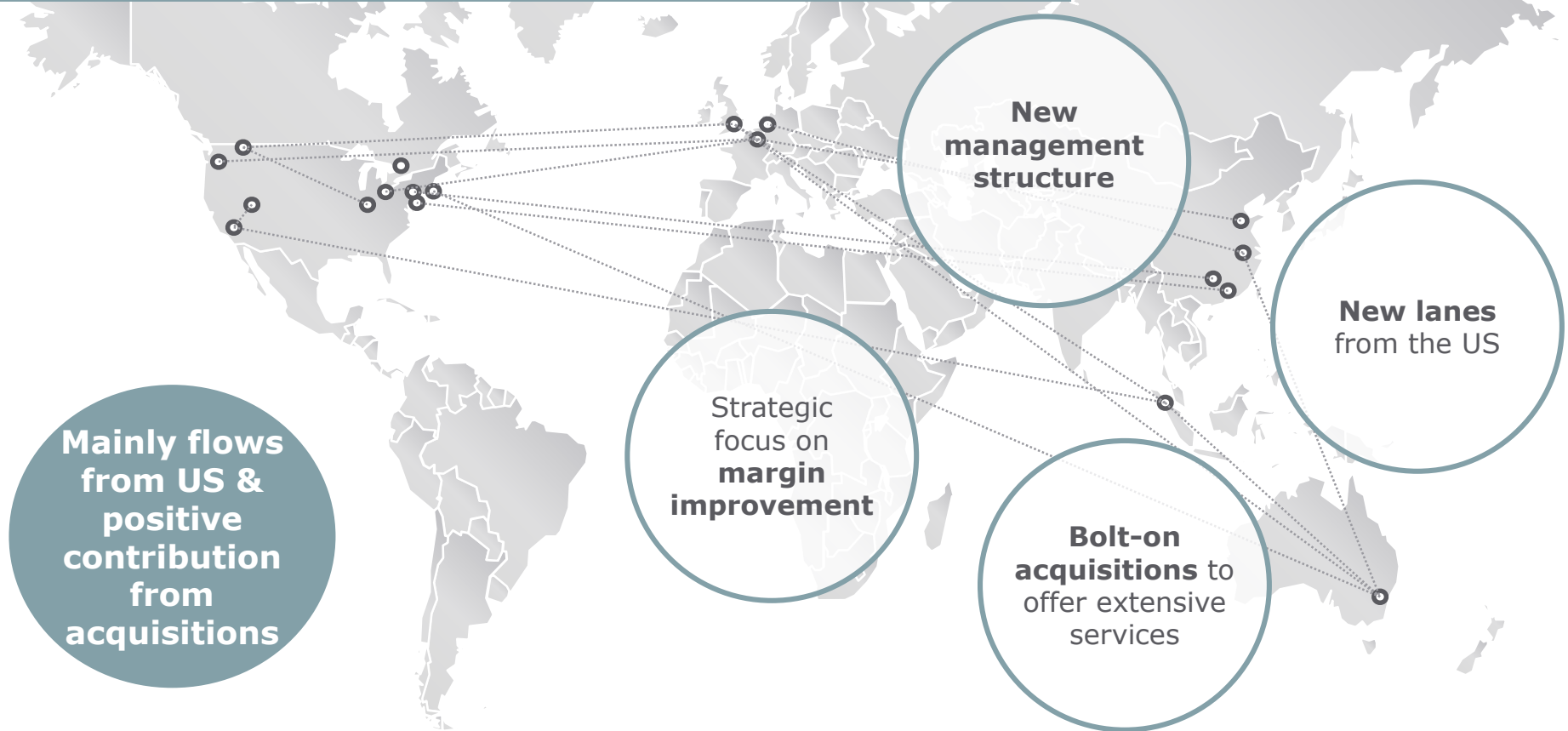
**~1,250
pick-up
drop-off
points**



**~145
parcel
lockers**

**"Click &
Collect" at
brick-and-
mortar
stores**

International parcels, we further strengthen our service offering



New solutions, we continue to innovate and add value

**Sustainable
urban
distribution**

**CityLogistics
and CityDepot**
joined forces in
May 2015

combo by bpost

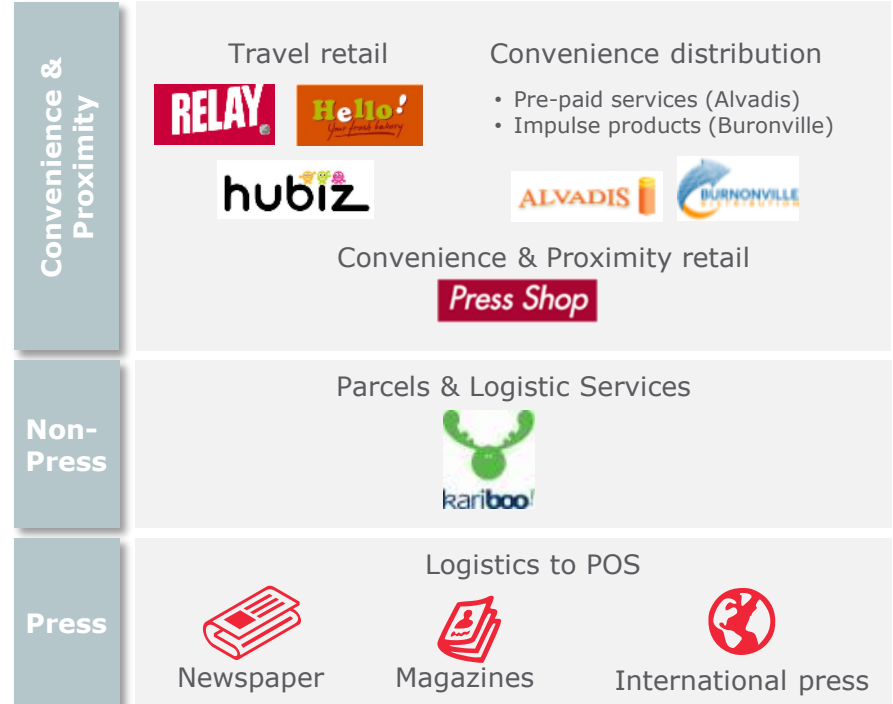
**Operational
in 8 cities**

CityDepot

**Operational
in 3 cities**



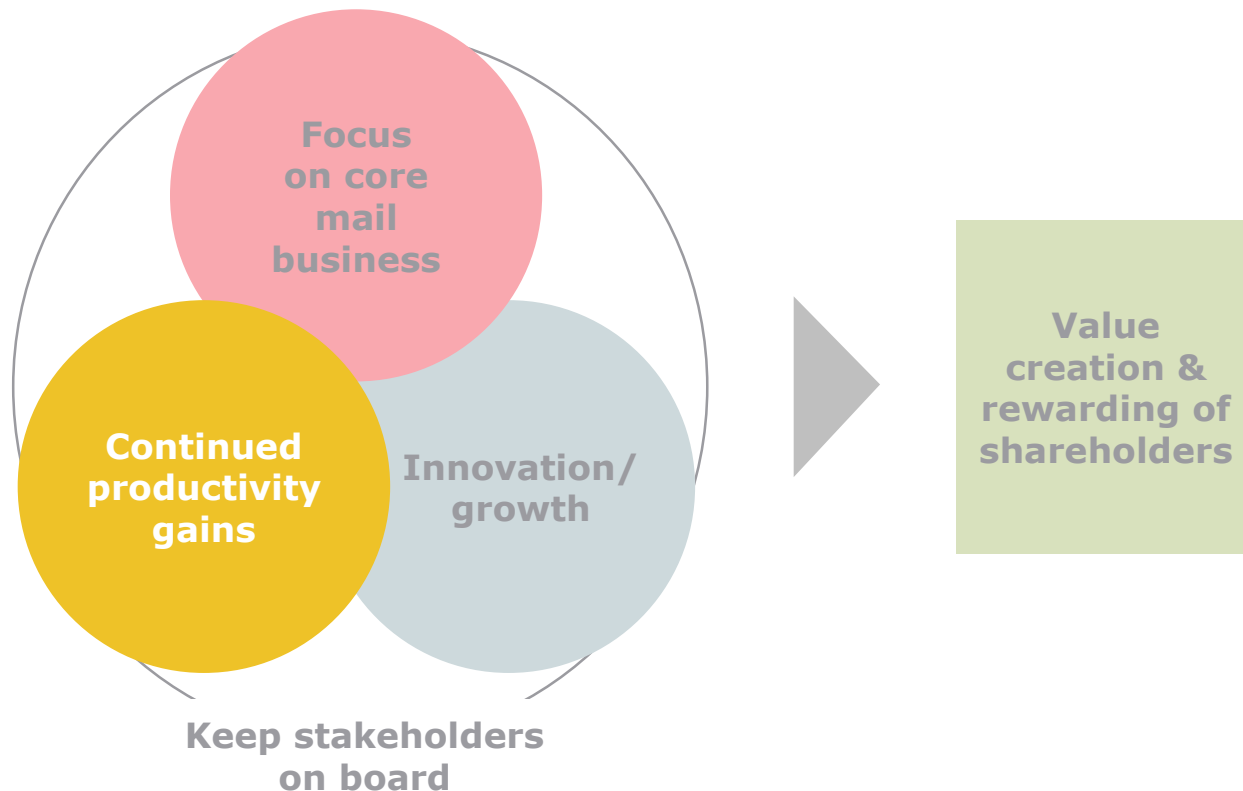
We signed an agreement to acquire 100% of the Belgian activities of Lagardère Travel Retail



Key figures 2014

Sales: € 440.0m, EBITDA: € 15.6m, FTE '15: 598

Our focused and successful strategy in action...



We continue to roll out Vision 2020



new distribution
model

**Full-time
distribution**
tested and
validated



MSM
implementation

**16 Mixed Sorting
Machines**
installed



IMC
extensions

4 extensions
**completed &
construction**
of **new BXL X**
started



central mailbag
preparation

**Central mailbag
preparation**
in pilot

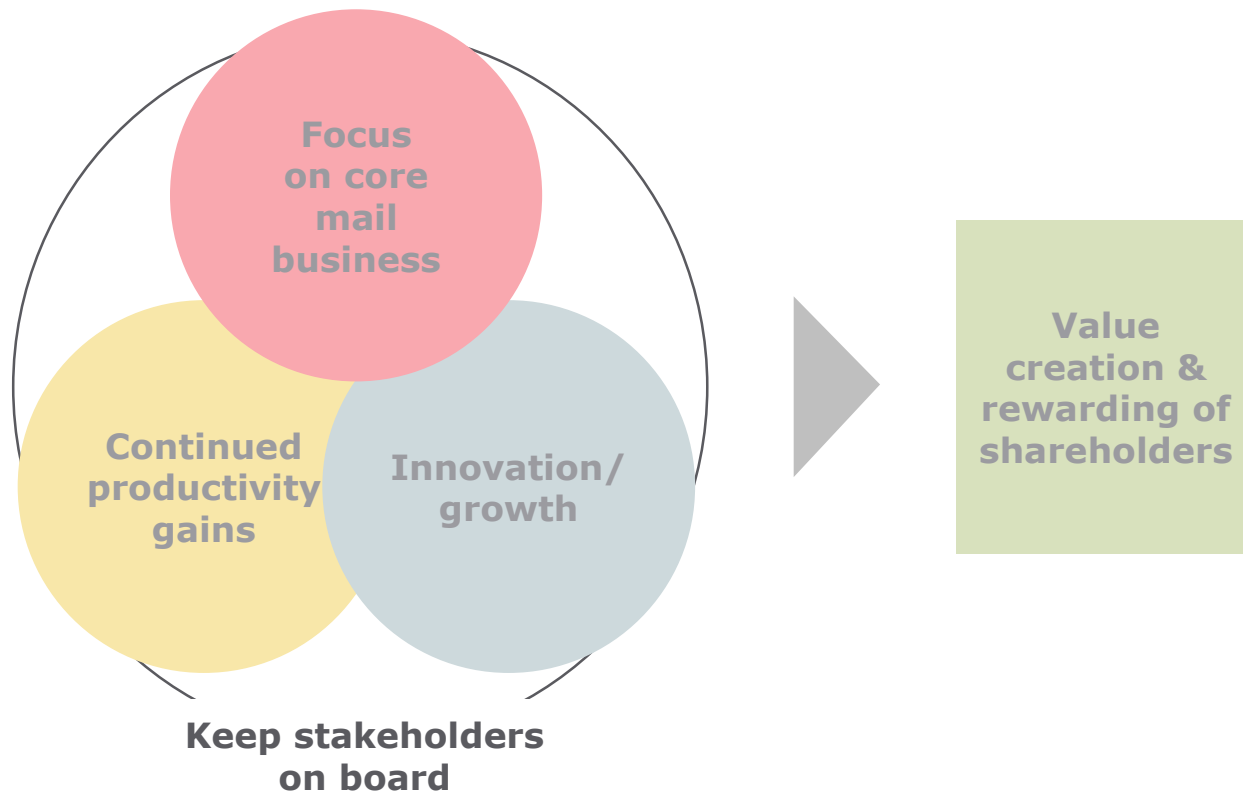


mobile
devices

All postmen
equipped with
mobile device

**Implemen-
tation over
2016 &
2017**

Our successful and focused strategy in action...



bpost cares...

Customers

Customer satisfaction

88%
in 2015

Employees

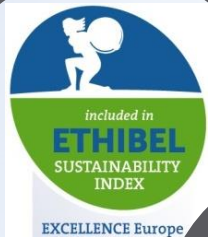
Recognize experience

231
graduates

Work accidents

-12%
vs. 2014

Environment

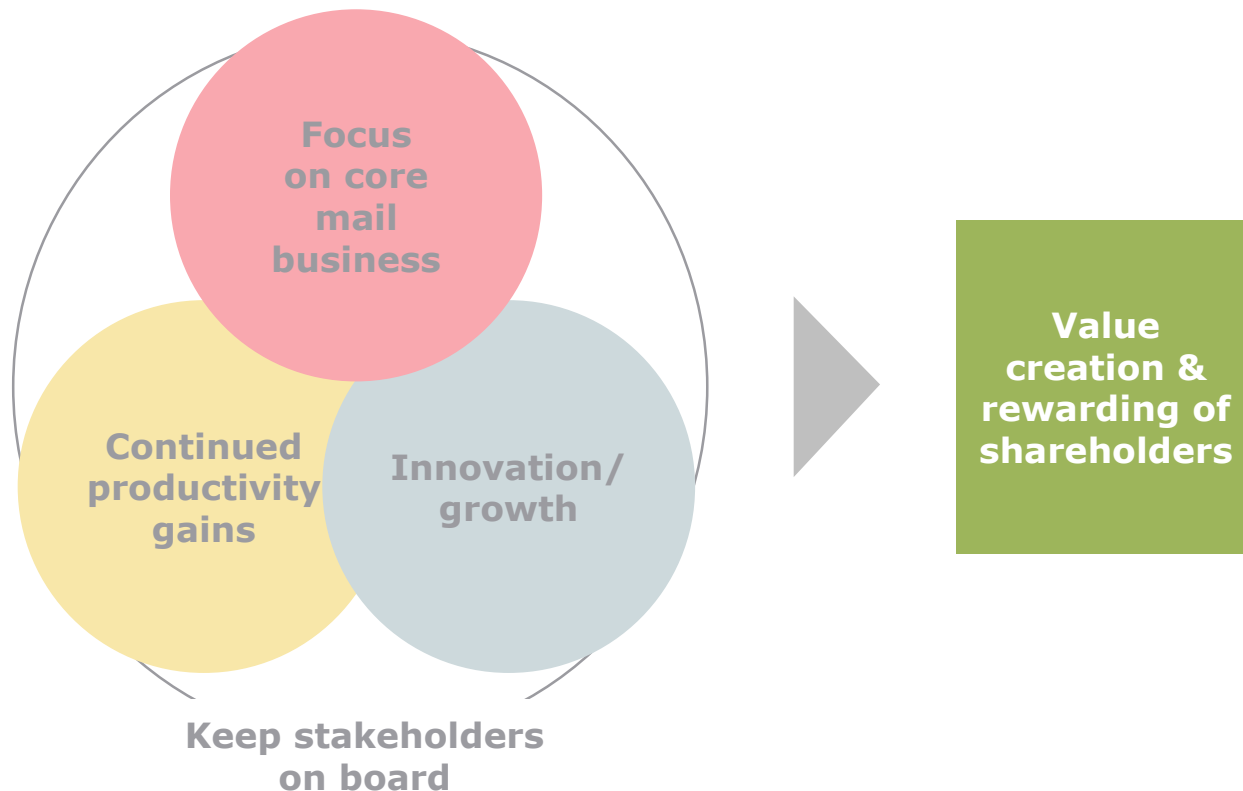


#1
on IPC
Environmental
Ranking



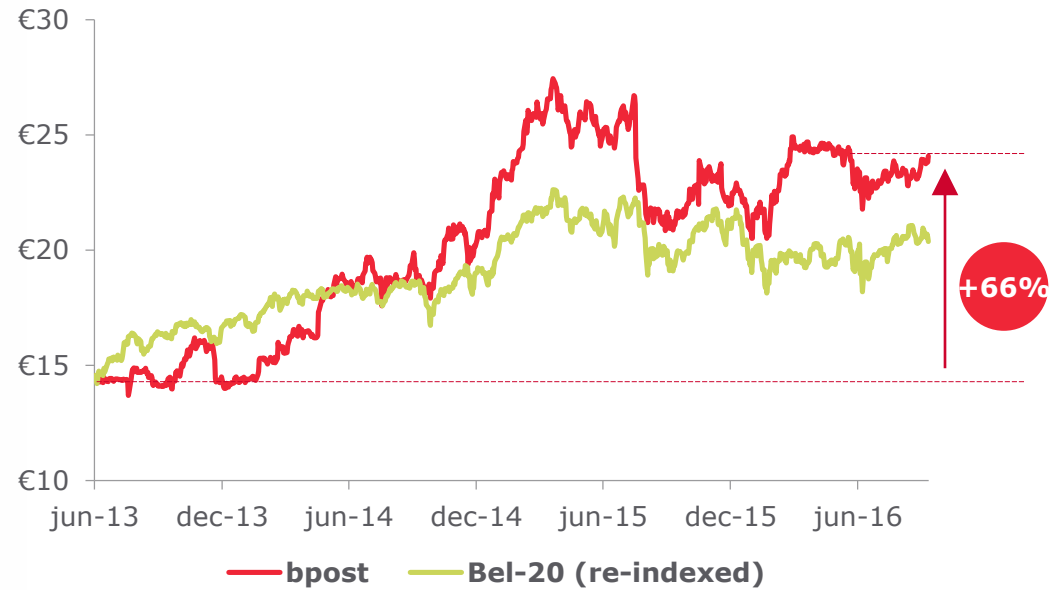
Carbon
Disclosure
Project
99B

Our successful and focused strategy in action...

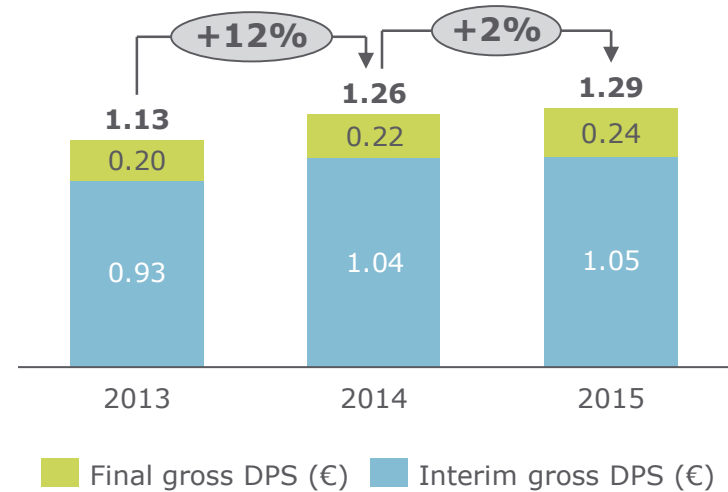


Our share performed well
since the IPO...

Stock price evolution until 30 September 2016



... and we reward our shareholders with a higher dividend



Financial Results 2Q16



Highlights of 2Q16



Revenues down 1.0%

€ 591.9m



Resilient underlying Domestic Mail volume evolution

-3.8%



Excellent domestic parcels volumes, continued growth from international parcels

+18.3%

- Domestic parcels
- International parcels

+ € 1.8m



Cost savings on track

- Underlying average FTE reduction of 707 for the quarter

- € 6.6m



EBITDA in line with last year, fully absorbing the reduced SGEI compensation

€ 159.4m

BGAAP net profit of bpost SA/NV down € 2.4m

€ 81.4m

Outlook for 2016

(excluding acquisition of Lagardère Travel Retail Belgian activities)

Top line

- Underlying Domestic Mail **volume decline around 5%**
- Compensation for SGEI: **€ -26.8m lower** vs. 2015
- Domestic Parcels: **double digit** volume growth
- International Parcels: **continued growth** supported by acquisitions

Costs

- Productivity improvements: **low end of 800 to 1,200 FTE/year** range
- Strong focus on all cost items and factor cost levers



**Recurring EBITDA and dividend payment AT LEAST
at the same level as 2015**

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