



Commercial deep-dive Parcels

Capital Markets Day 2019

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Commercial Director Parcels Benelux



Agenda



Our success – how we have grown



Our capabilities and assets



Commercial strategy

Our success – how we have grown



Our capabilities and assets



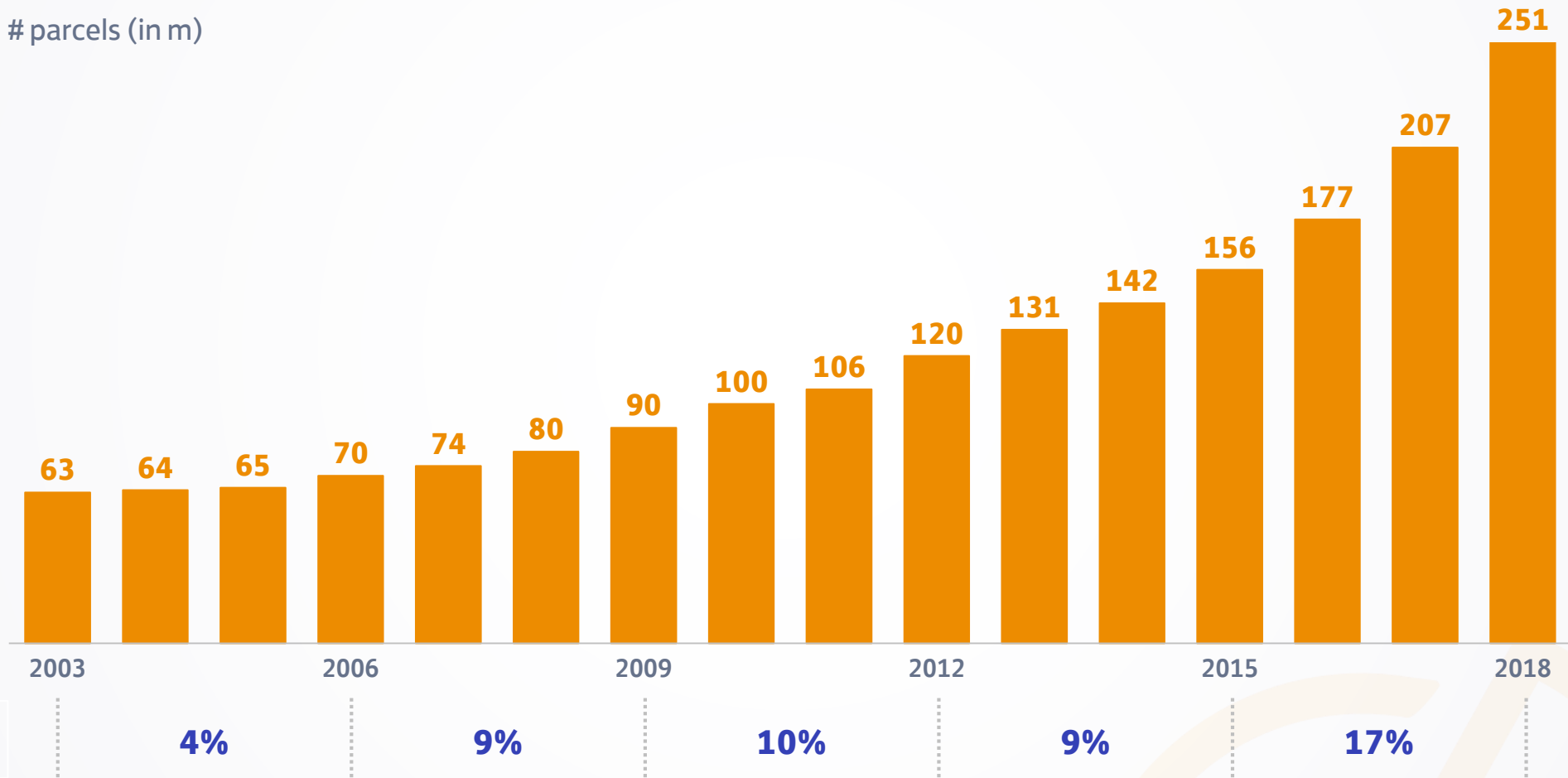
Commercial strategy



Our success – how we have grown

Accelerated growth

parcels (in m)

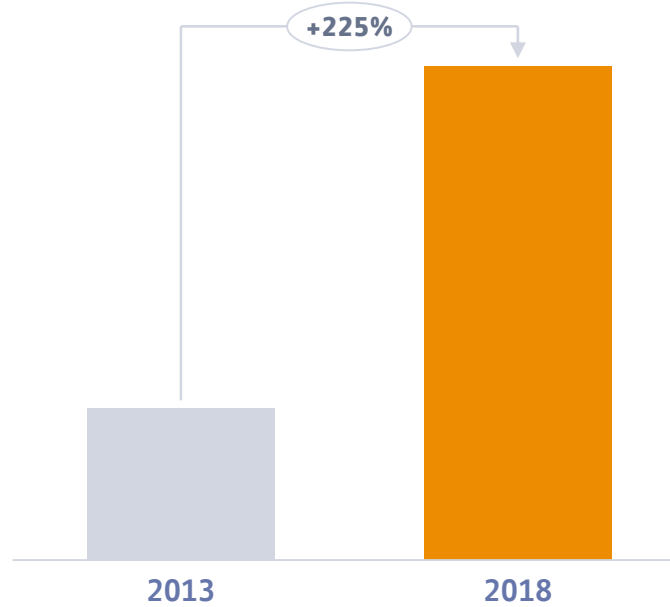




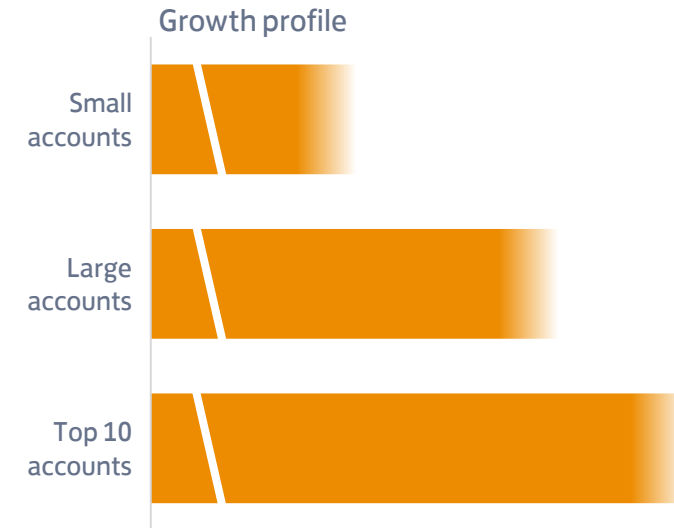
We have expanded our customer base and enabled our customers to grow

Growth of customer base

Number of customers



Growth driven by all customers, though large customers outperform SMEs



We serve the top e-commerce players in Benelux



and **33,655** other customers we are proud of

We have introduced services to make online shopping easy



Delivery options

- Evening delivery until 10:00 pm, 5 days a week
- Delivery at weekends on both Saturdays and Sundays
- Delivery in specific time-slots with up to 1 hour accuracy
- Return pick-up services in specific time-slots up to 1 hour accuracy



Services

- Shop till 11:59 pm and receive next day
- Same-day delivery, shop before 2:00 pm
- Instant delivery in Amsterdam
- Rerouting services to change delivery date and location



Pick-up and return

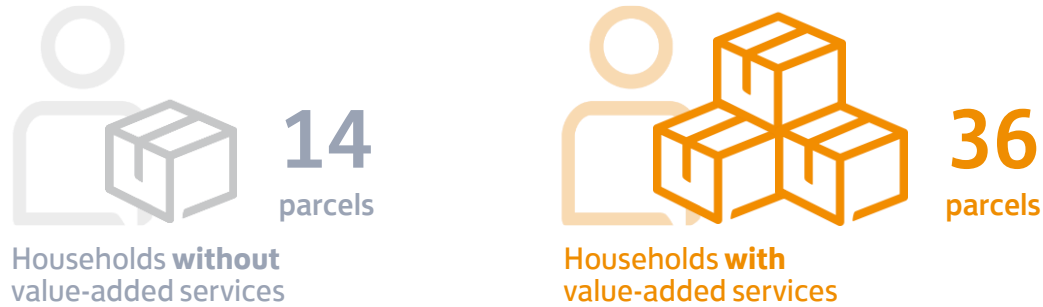
- 95% of Dutch people live within 5 minutes travel time from a retail point
- Scan & Go services enable retail shipping without label printing
- 4,250 retail points in Benelux area with many open after 6:00 pm or on Sundays
- High customer satisfaction

Quality: with over 98% of parcels delivered within 24 hours and with highly rated deliverers

Our services drive growth

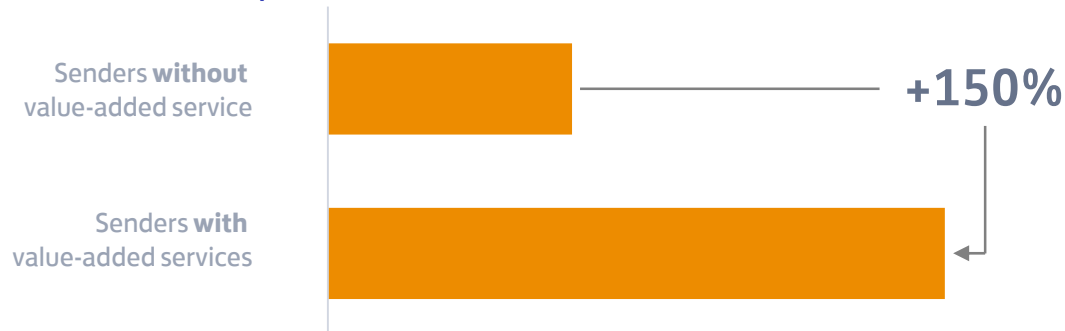
Receivers using our value-added services order more than double the number of parcels

Parcels per household in 2018



Senders using our value-added services are outpacing market growth

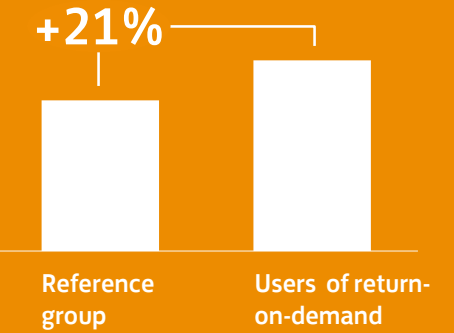
Growth in # parcels in 2018



Return-on-demand



Shopping frequency in 12 months



Parcel and letter box



Users of parcel and letter boxes indicate they have shopped more after using this solution

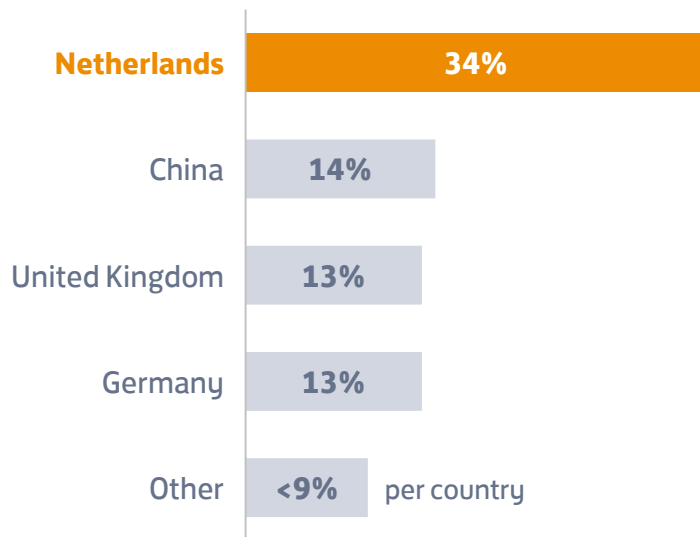
+50-60
Net Promoter Score

Belgium expansion strategy driven by Belgian consumers shopping at Dutch webshops

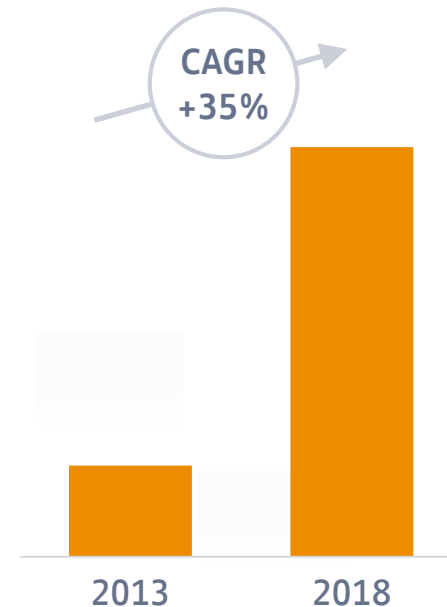
Belgian consumers shop most at Dutch webshops

Cross-border shopping

% of Belgian population that has shopped online from various countries, 2017



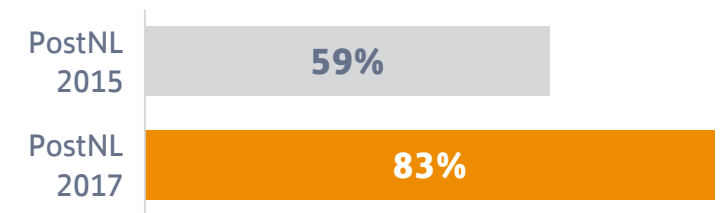
Strong growth of PostNL parcel volume in Belgium



Growing brand awareness in Belgium

Brand awareness PostNL in Belgium

BeCommerce 2017



PostNL named Best E-commerce Supplier in Belgium

Twinkle 2017

Sources: E-commerce Foundation, BeCommerce, Twinkle

Developing promising online markets



B2B e-commerce

- PostNL can leverage e-commerce capabilities in capturing further growth
- Potential for smaller shipment sizes and more frequent orders



Food

- Developed food proposition in Benelux serving key players in food market
- Potential for further growth, only 4% of food online



Health

- PostNL uniquely positioned to act on transition of (online) health market
- Potential to capture further growth, only about 4%-6% of health is online



We have invested in the best digital interaction with consumers



4.4m

accounts



4.5 - star rating

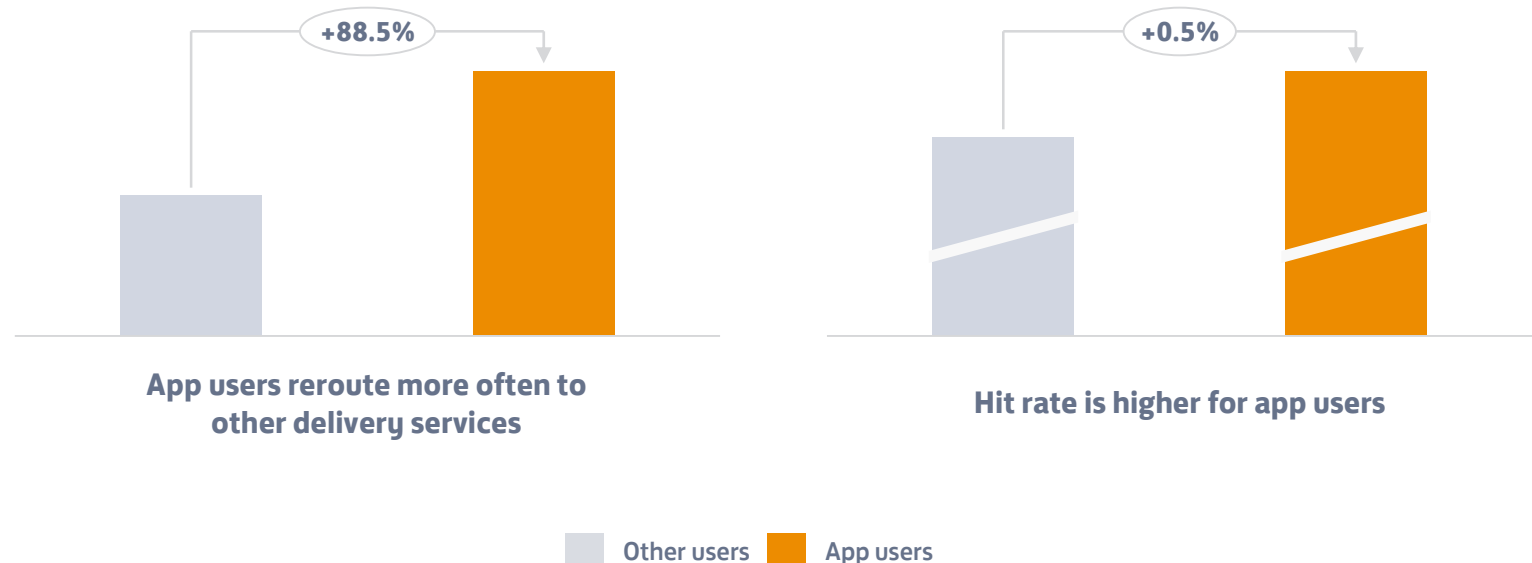
366m

web visits
per year

70%

of digital interaction
is mobile

Our app users experience more control and higher service compared to non-app users



With our sending customers we innovate through digital interactions



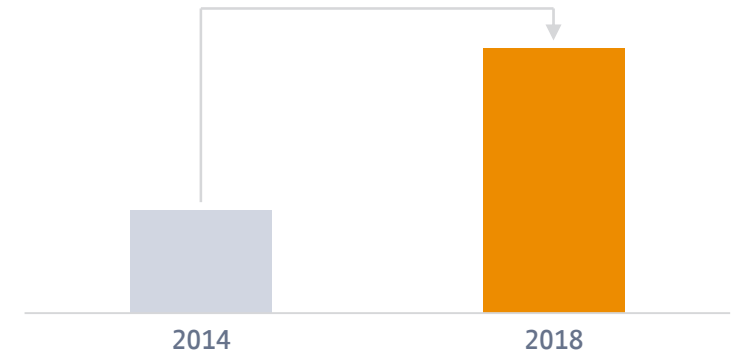
**State-of-the-art
API interactions**

2.8bn
API calls per year

60
connections to
platforms

4
own shipping
platforms

93% of customers use our preferred digital channels for confirmation of their shipment



Growth # of sending customers using value-added services



Our capabilities and assets

Our success – how we have grown



Our capabilities and assets



Commercial strategy





Strong brand

blokker.



bol.com®

amazon

zalando

H&M

MediaMarkt

Alibaba.com™

Strong customer base



Best network



Consumer app



Next-day delivery



Day and time selection



Evening delivery



Pick up at PostNL point



Same-day delivery



Rerouting before delivery

Service offering



Over 2m daily consumer interactions



Commercial strategy

Our success – how we have grown



Our capabilities and assets



Commercial strategy



Commercial Strategy

1



Capture future growth

2



**Improve value through
yield management and
innovation**

3



Be the favourite deliverer

1

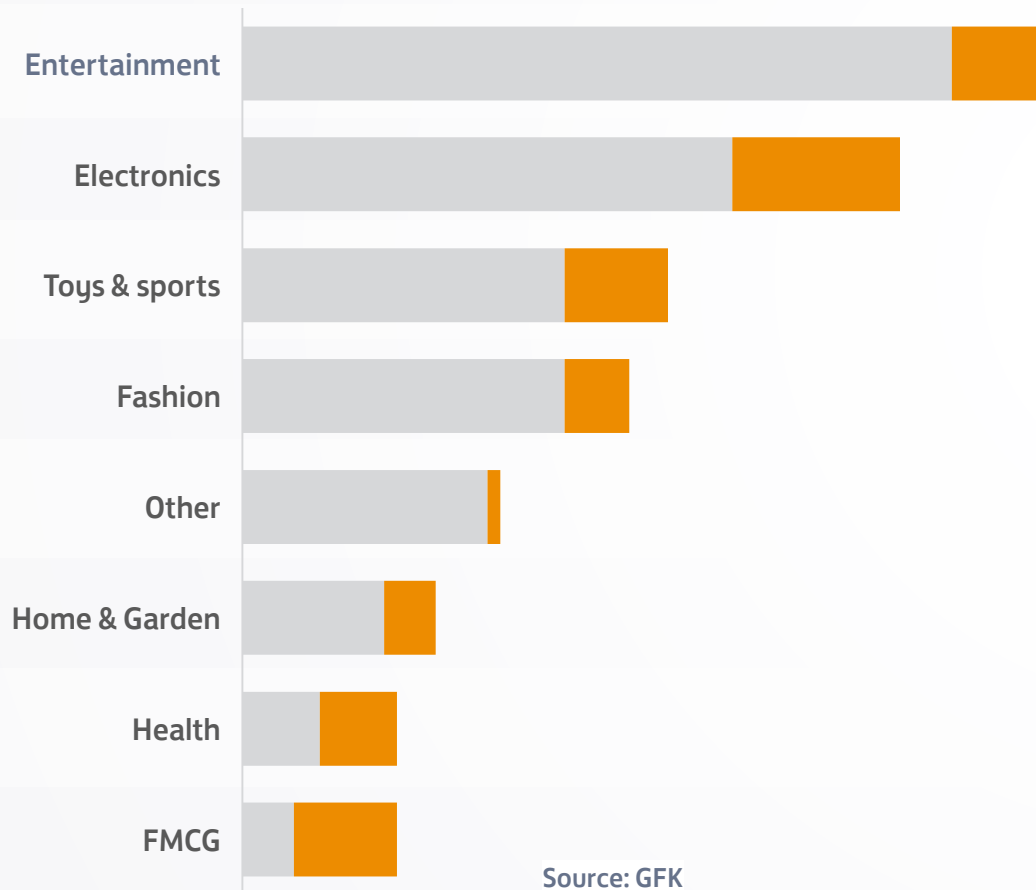
Continue our high-paced growth with our customers bringing new industries online

Capture future growth



Online share spending (%)

2017 2021



Source: GFK

High penetration in every segment including market leaders in NL and BE

Share in portfolio

10-15%	clients like	bol.com	amazon
10-15%	clients like	cool blue	MediaMarkt
10-15%	clients like	JD	blokker.
20%	clients like	OTTO	zalando
10-15%	clients like	IN-CRAM	montapacking
20%	clients like	IKEA	fona.nl
0-5%	clients like	MEDIQ	ABENA
5-10%	clients like	MARLEY SPOON	Etos

2

Manage peaks in our networks and counteract increased costs

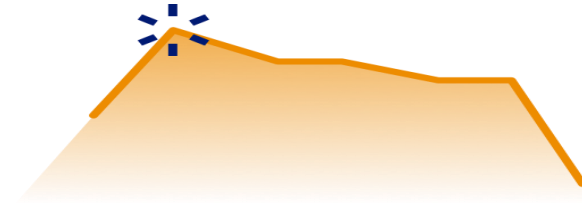
Improve value through yield management



Daily Peak



Weekly peak



Seasonal peak



Reduce peak pressure in collaboration with customers

Pricing policy change to offset or mitigate seasonality costs

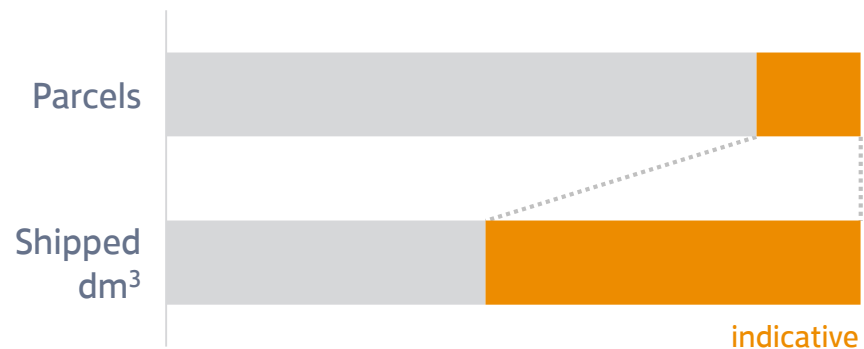
2 Dimensions and weight of parcels important drivers of pricing policy

Capture value through yield management

Share of large goods in our network



Large goods represent significant share of our shipped dimensions



Updated pricing strategy on sizes and weights to balance cost drivers and earnings

Focus on customer value to improve total performance

Improve value through yield management

Encouraging further growth through our insights and expertise

-30%
customer service calls

Together with a key account in outdoor activities we have optimised our receiver data exchange, leading to a higher hit rate, better consumer information and ~30% decline in customer service calls

+10%
hit rate

Hit rate analysis was driver for introduction of different service offering to a key account resulting in increase of 300k parcels delivered on first attempt on full year basis

Improve customer value

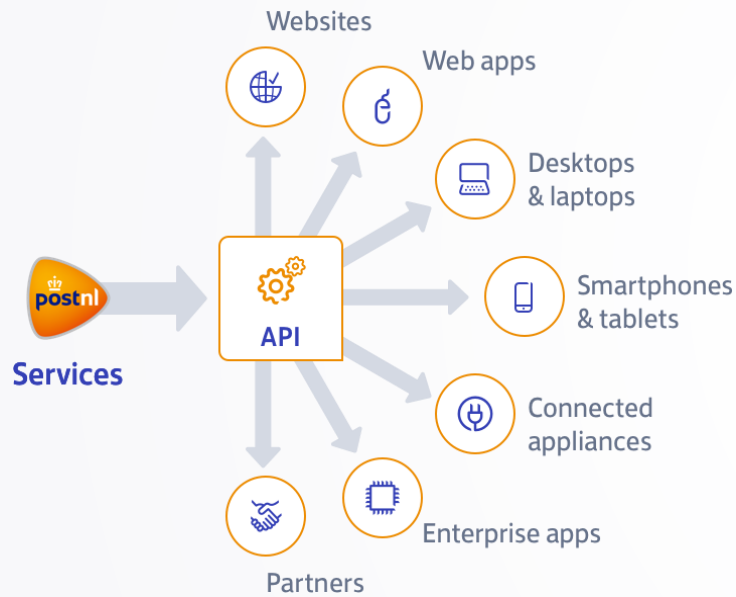
+10%
value increase in clients

In 2018 customer value analysis developed to assess individual customer profitability
Total cost-to-serve calculated on basis of operational, service and financials costs
Pilot increased the value per customer, roll-out planned from 2019 going forward

3 Continue to be a business partner for our customers and innovate services

Be the favourite deliverer

Further focus on ease of use through our digital self-service channels



Help SMEs grow with our shipping platforms

myparcel

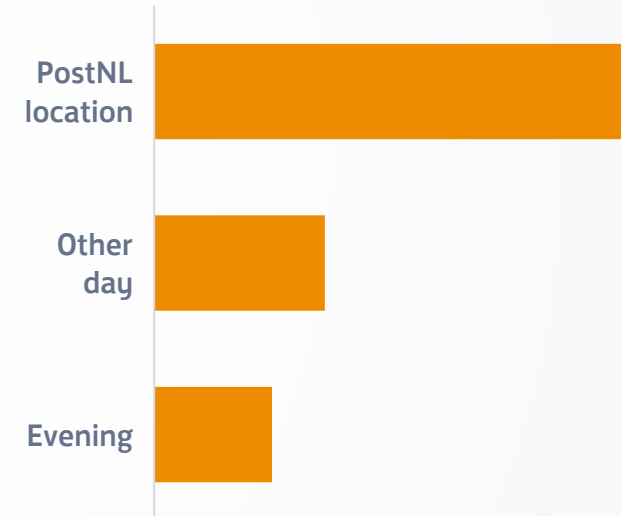
ShopsUnited

ParcelPro

CheapCargo.com

Serve our customers with critical data insights to drive their growth

e.g. rerouting gives insights in true consumer demand

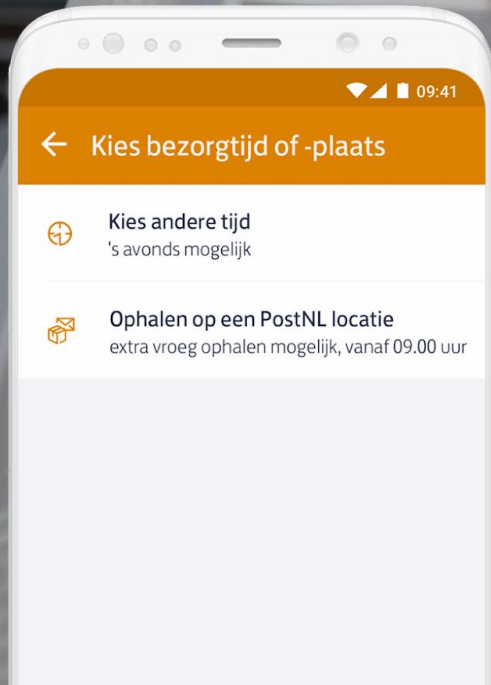


3 Continue to deliver most convenience to our receivers through innovative data solutions

Be the favourite deliverer

Delivery based upon consumer preferences

Being there where the consumer will be



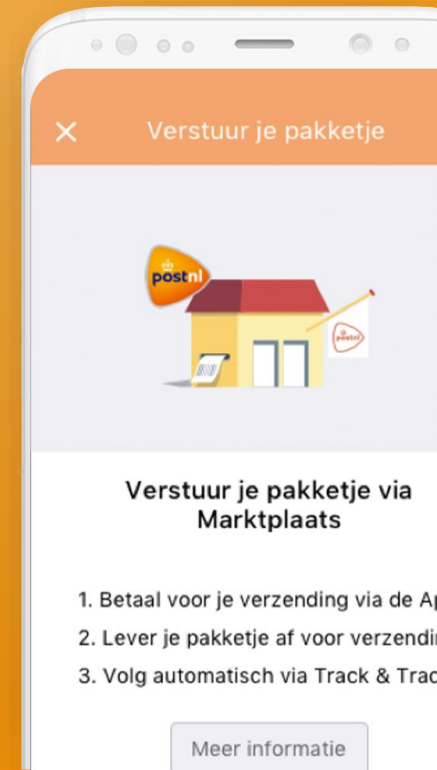
Consumer marketplace partnerships



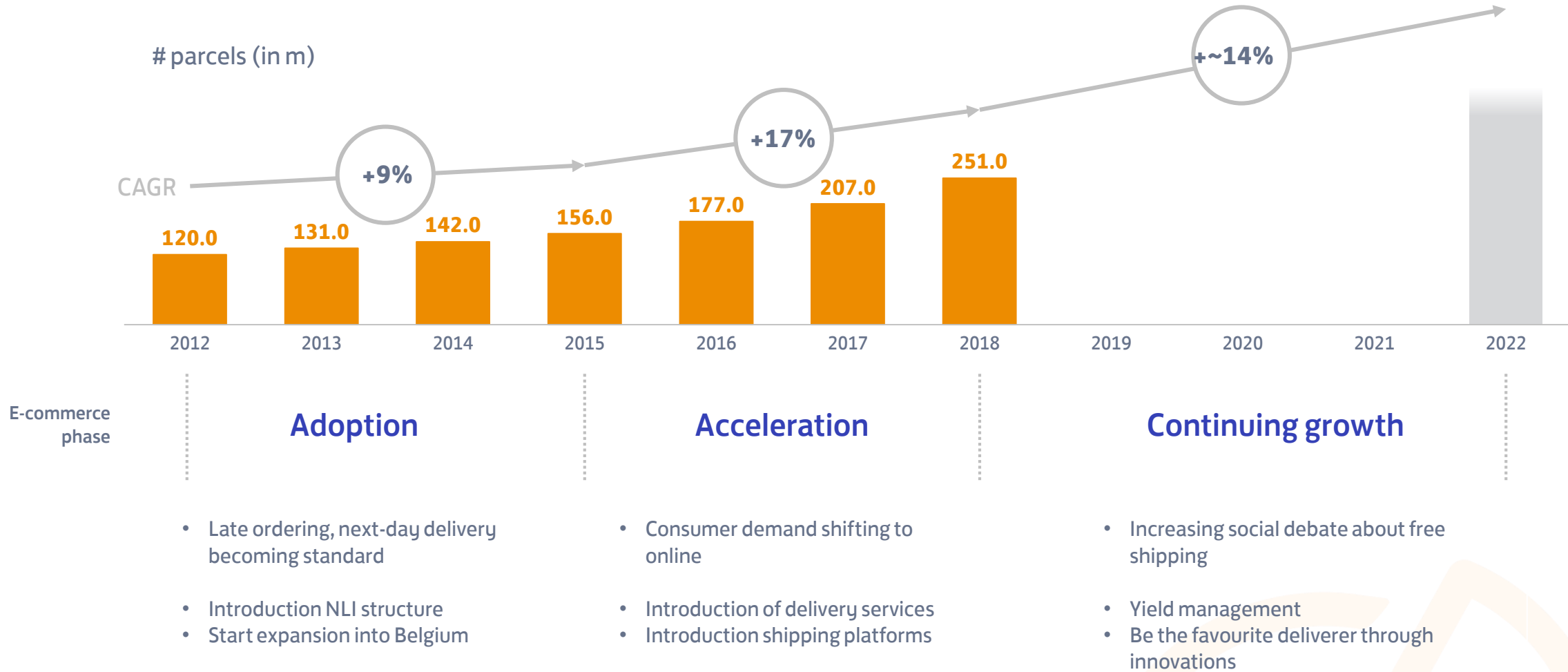
UNITED WARDROBE

Marktplaats

bol.com
PLAZA

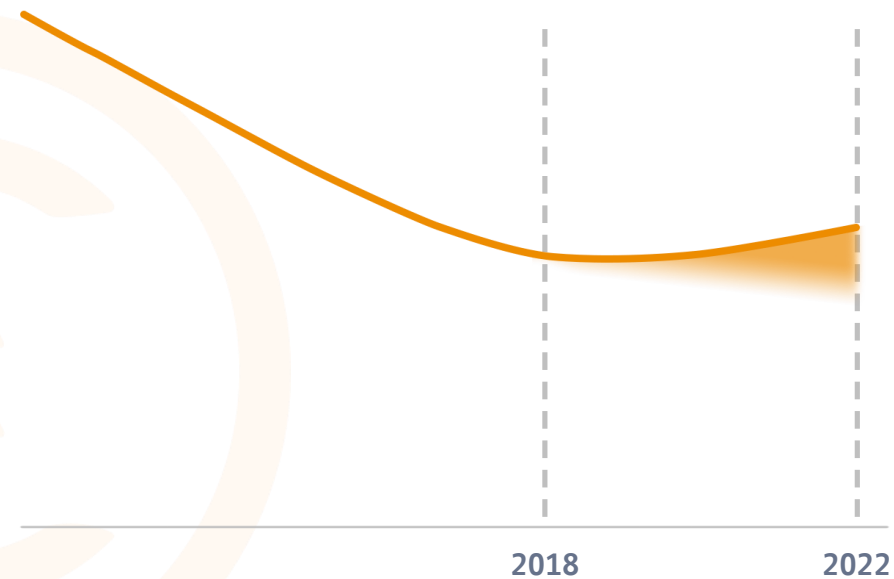


Going forward volume growth of around 14% expected



Commercial initiatives to improve margin

Revenue per parcel
Indicative



Measures to improve yield

- Drive value through smart services and delivery options
- Balancing volumes
- Pricing policy on peak and dimensions
- Customer value management

Being the leading e-commerce logistics company in the Benelux area

Our commercial focus

1 Capture future growth

2 Improve value through yield management

3 Be the favourite deliverer

