Always on the MOVE

Ordinary General Meeting of Shareholders 2017

10 May 2017

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Koen Van Gerven

Chief Executive Officer

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2016, a remarkable year …

2016

Acquisition
Of **FDM**

Update **Strategy** and
launch of our
hybrid network

Acquisition of
Apple Express

Launch
Digital platform
bringr

Investment in
Parcify

Investments in **de Buren** & **Citie**

Acquisition of
Lagardère Travel Retail Belgium

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Our strategy is simple and focused

we are **mail**

we **grow**

we are **lean, agile & flexible**

we are **@ core**

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WE ARE MAIL

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Mail is still important … and resilient

58% of our revenues

2016 price increase +1.5%

2016 volume decline stable at -5%

Press Distribution until end 2020

6th Management contract until end 2020

WE ARE MAIL

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Advertising Mail

Our three-pillar approach

1 **Focus Growth Segments**

Several sectors still show growth potential, including **SMEs and 5 priority corporate segments**

2 **Channel approach**

While Post Offices remain key, **other channels** will be activated, **including indirect channels** through resellers and prescribers

3 **Innovative Solutions**

Innovation to **extend the current offer** in advertising mail and solutions, potentially through **inorganic growth**

WE GROW

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We capitalize on the opportunities of today's open world

Innovation and diversification

Focus on 3 areas

1. Convenience solutions
2. Domestic parcels
3. International parcels

Acquisition of Lagardère Travel Retail's Belgian activities is closed in 4Q16

Ubiway

Strong strategic fit

Diversify into the **growing retail proximity & convenience distribution** (+4 to 6% CAGR 2015-20)

Further enable domestic parcels growth strategy by increasing **network coverage** to **over 2,000 points**

Operate a **distribution platform of newspapers and periodicals to proximity stores and shops** all over the country

Synergies will be considered when and where adding value

We will enhance profitability

Ubiway

EUR ~14m
2015
EBITDA
(c. 3%
margin)

Target
margin
5-6%

We will accelerate product diversification

- Shift towards higher margin convenience food

We will expand footprint and remodel existing stores

- 30 to 45 new stores in the next 3 to 5 years
- Grow domestic parcels with >2,000 delivery points across Belgium

We expect cost synergies of EUR 4-5m annually after full integration

WE GROW

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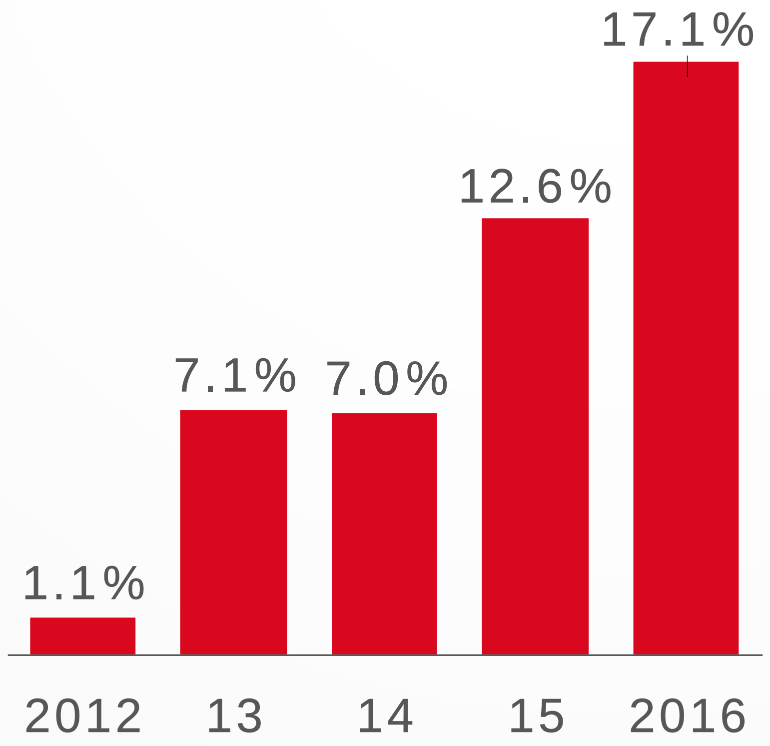
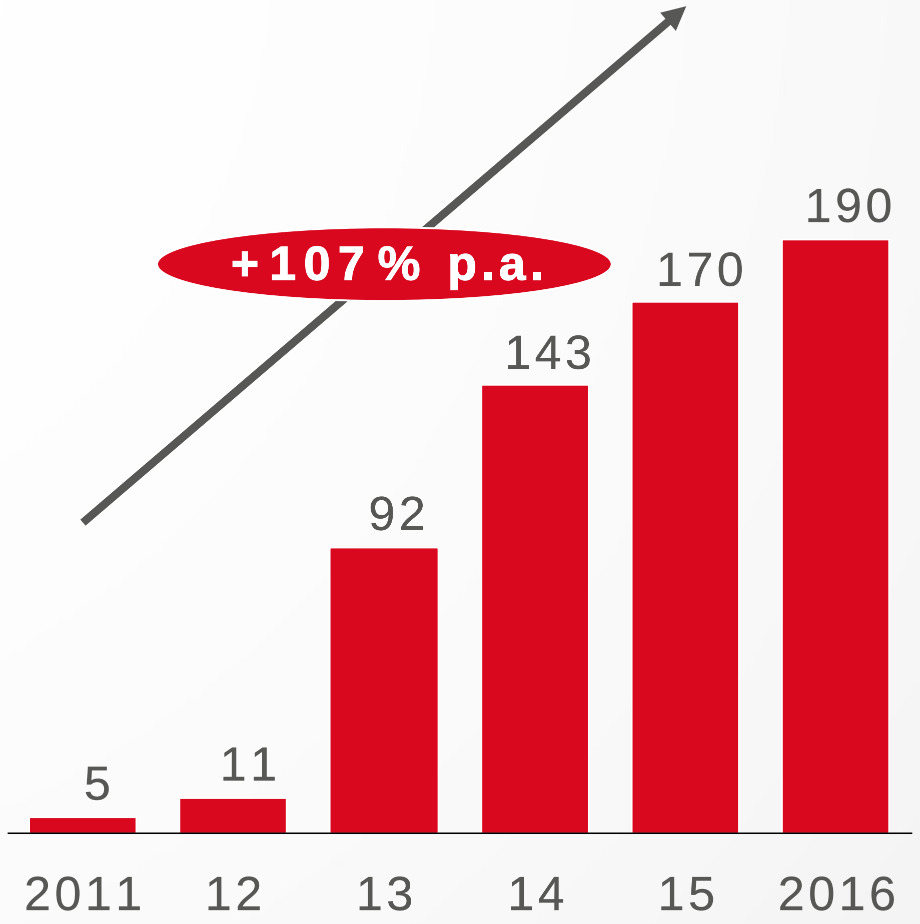
Continued double digit growth in Parcels, further supported by acquisitions, partnerships and innovative new ventures

Domestic parcels
Volume, percent growth



International parcels
EUR mln



Acquisitions, partnerships and innovative new ventures

deBuren afhaalcentrum
DYNAGROUP INNOVATIVE SUPPLY CHAIN SOLUTIONS
FDM Warehousing Transport Logistics
parcify
SUCCESS PARTNERS EUROPE
bringr
AppleExpress
citie

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Our ambition

Domestic Parcels

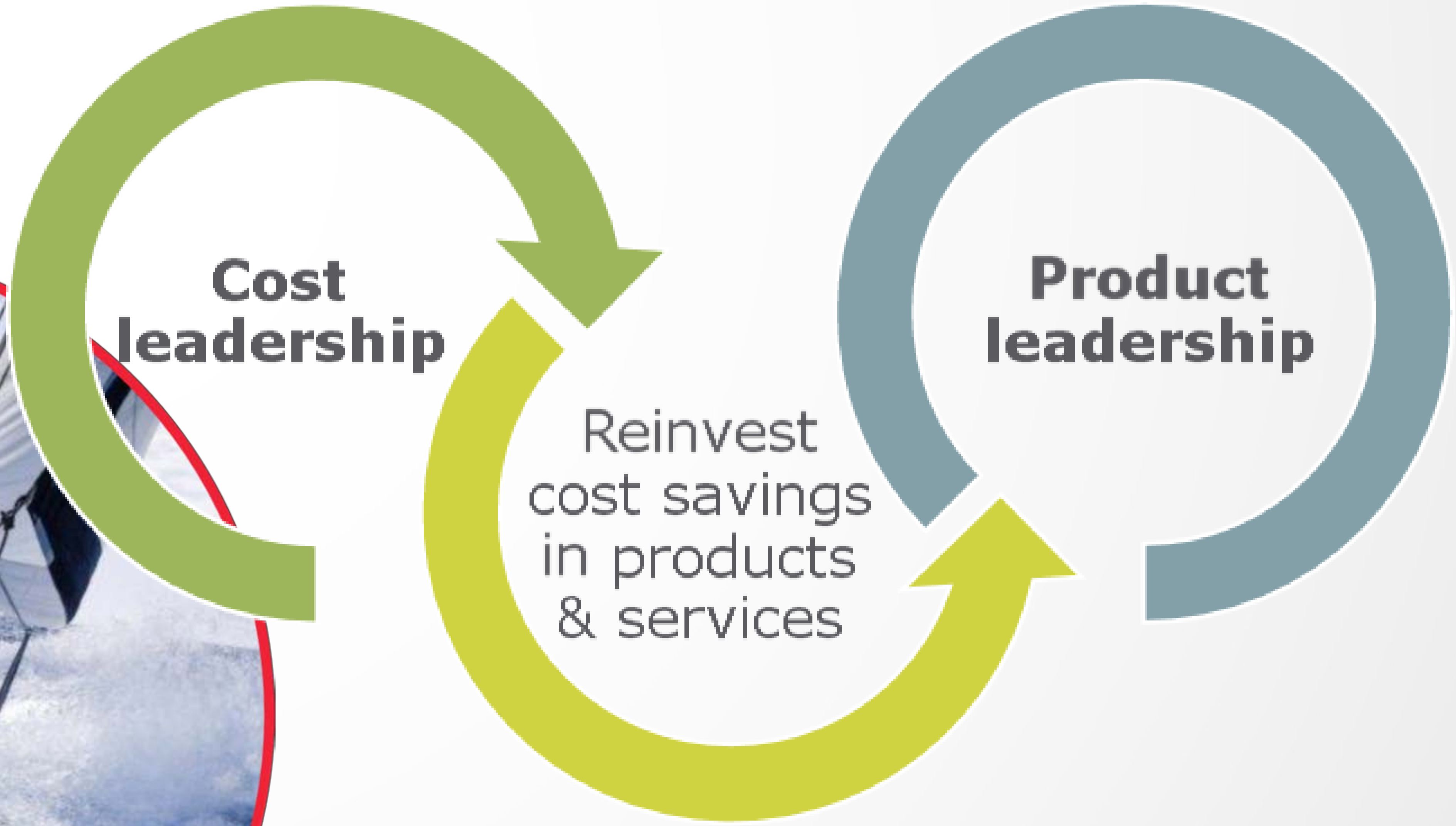
+75 %
volume

International Parcels

x2
revenue

Domestic parcels

Focus on **2 axes** ...



High performance hybrid network

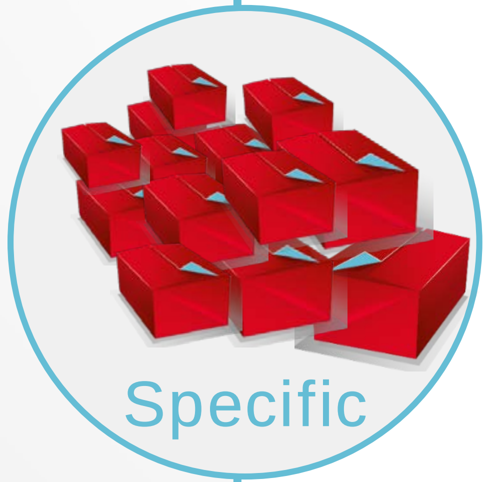
We will play an architect role defining which network is best suited to handle each type of parcel

Our integrated mail distribution and retail networks

Home delivery
- Large volume
- weekdays
- Saturday
- standard format

PUDO
- 1,250 bpost points
- 150 parcel lockers
- open networks

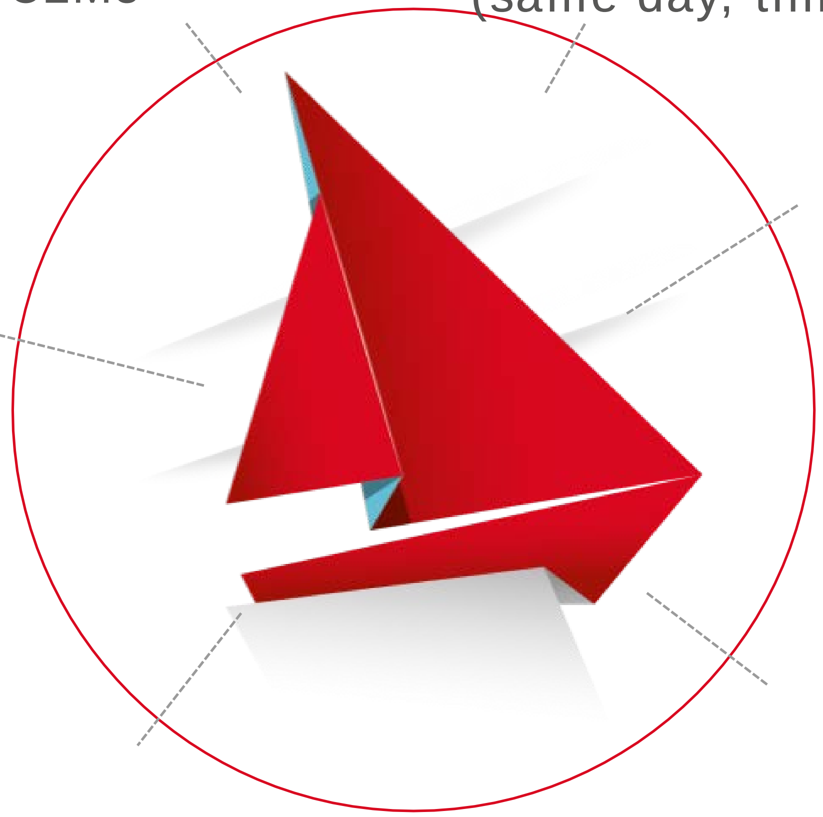
kariboo! deBuren



Parcify
- B/C2Me

DynaGroup
- High-end deliveries (same day, time slot, 2XL)

bringr
- Highly specific
- Urgent items
- No packaging or label



External partners
- Sunday delivery
- Evening delivery (6-9pm)
- Urgent items
- Volume peaks
- 2-man delivery, ...

CityDepot
- City centers
- Mobility
- Green

Euro-Sprinters
- Urgent items
- Non-standard format
- Technical intervention

An **open network, a key success factor**

De Buren

kariboo!

Parcify

DHL

This is how tomorrow's parcel business looks like.

Strong international footprint of Landmark Global

Present in 11 countries

25 Physical strategic locations

landmark global
a bpost company

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Double parcel sorting capacity

New BX

Operational end 2017

- Total surface: 103,000 m²
- Letter sorting hall:
  - Ground floor: 29,000 m²
  - Mezzanine: 16,000 m²
- Parcel sorting hall: 25,000 m²
- Parking on the roof: 25,000 m²
- Offices: 5,000 m²

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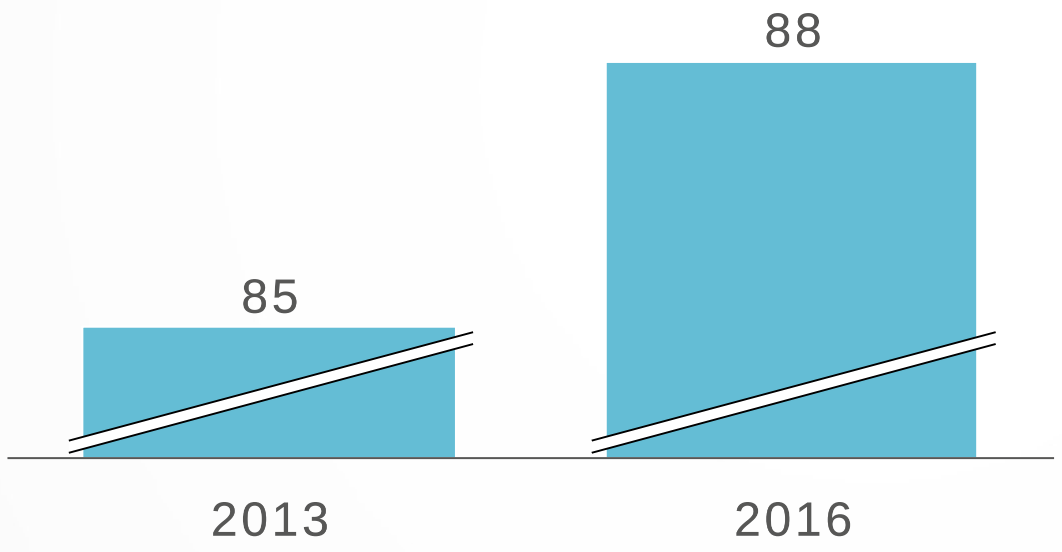
bpost is committed to keep all stakeholders on board

Improved quality and customer satisfaction

Customer satisfaction, %



Focused on environmental impact through implementation of CO_2 reduction programs

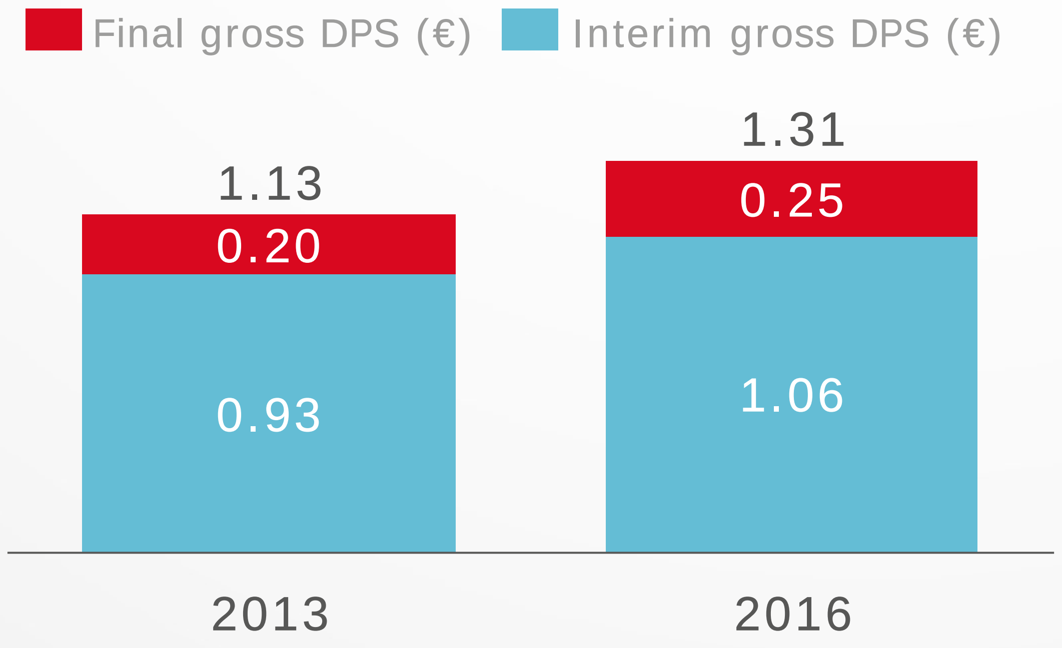
1st on the IPC Environmental Ranking

International Post Corporation

included in ETHIBEL SUSTAINABILITY INDEX

EXCELLENCE Europe

Committed to pay annual dividend of minimum 85% of BGAAP net profit



Committed and caring employer focused on well-being of employees

bpeople

want bpost, dat zijn WIJ!

Four respected members of our Board of Directors are stepping down

Françoise Masai
Non-Executive Chairperson

Sophie Dutordoir
Independent Director

Arthur Goethals
Non-Executive Director

Bruno Holthof
Independent Director

Koen Beeckmans

Chief Financial Officer

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Highlights FY16
Results in line with expectations

Normalized[1], € million

Topic	Results	Last outlook for 2016
EBITDA	FY16: **€ 586.9m** (+0.6%, + € 3.3m)	at least at the same level as 2015 ✔
EBIT	FY16: **€ 496.5m** (+0.4%, + € 2.1m)	
Domestic Mail	FY16: **-5.0%** (underlying volume)	Around -5% ✔
Parcels	FY16: **+17.1%** (domestic volumes)	Double digit ✔
Dividend	Total gross dividend of € 1.31 per share proposed • Interim dividend already paid: € 1.06 (+ € 0.01) • Final dividend of € 0.25 (+ € 0.01)	at least € 1.29 ✔

1 Normalized figures are not audited

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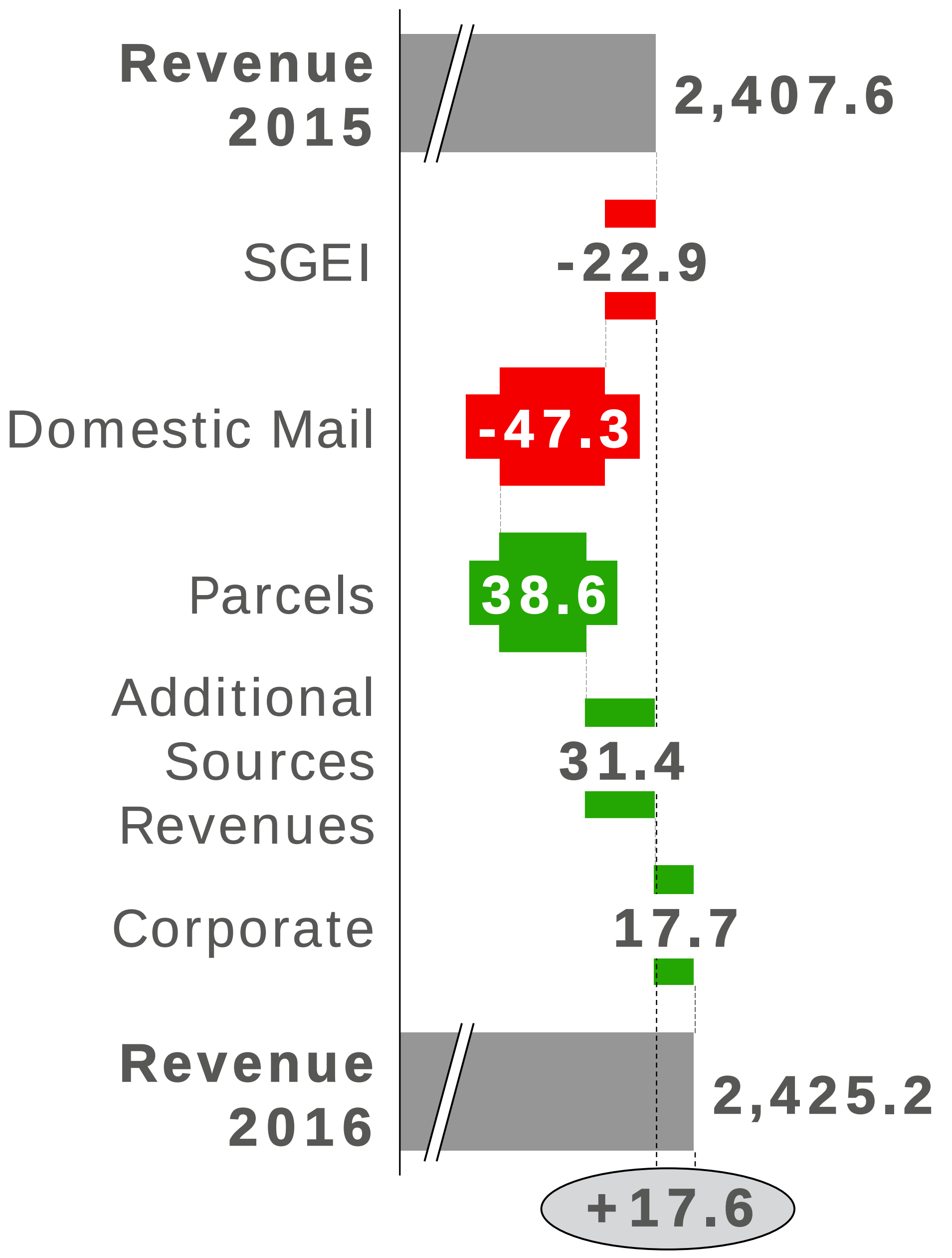
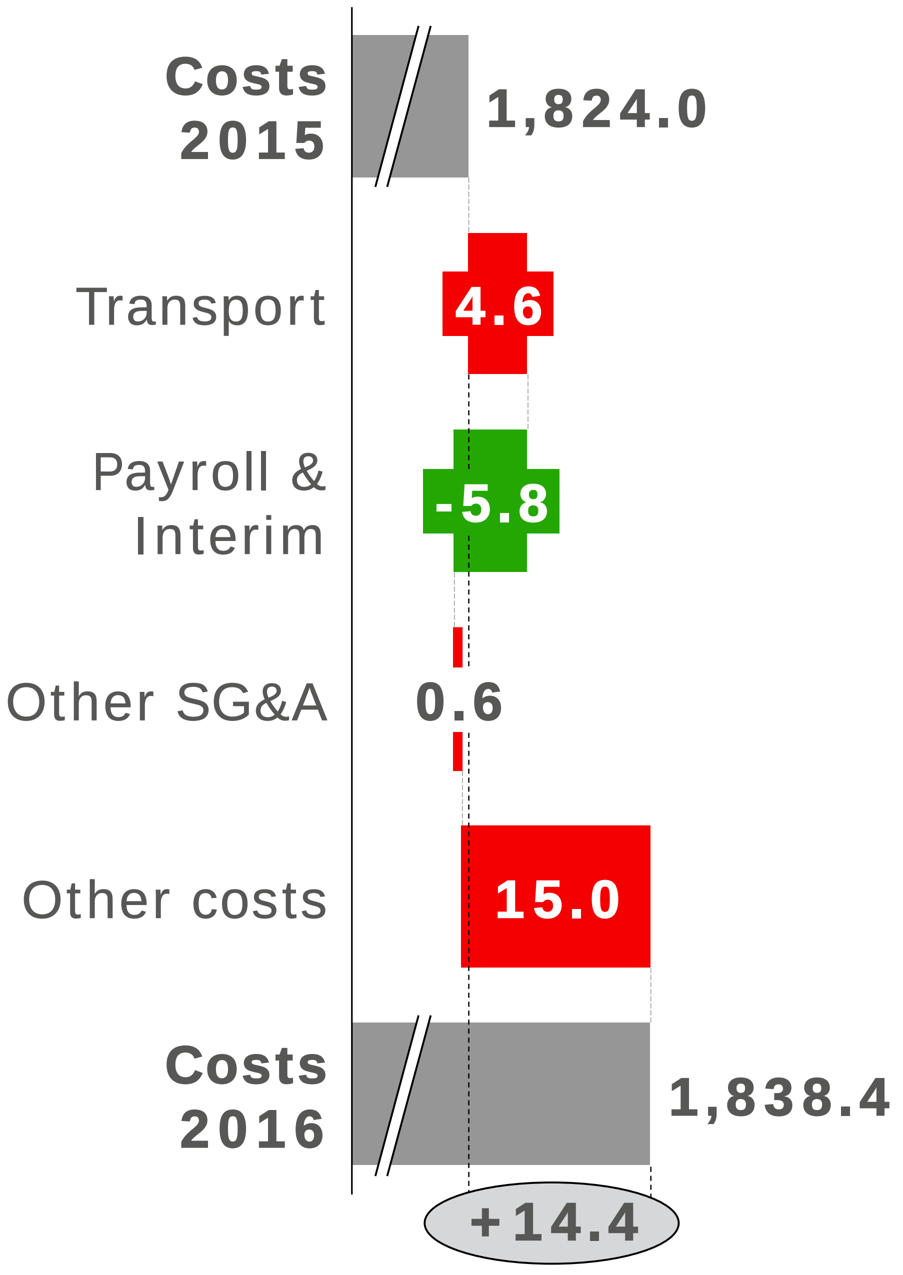
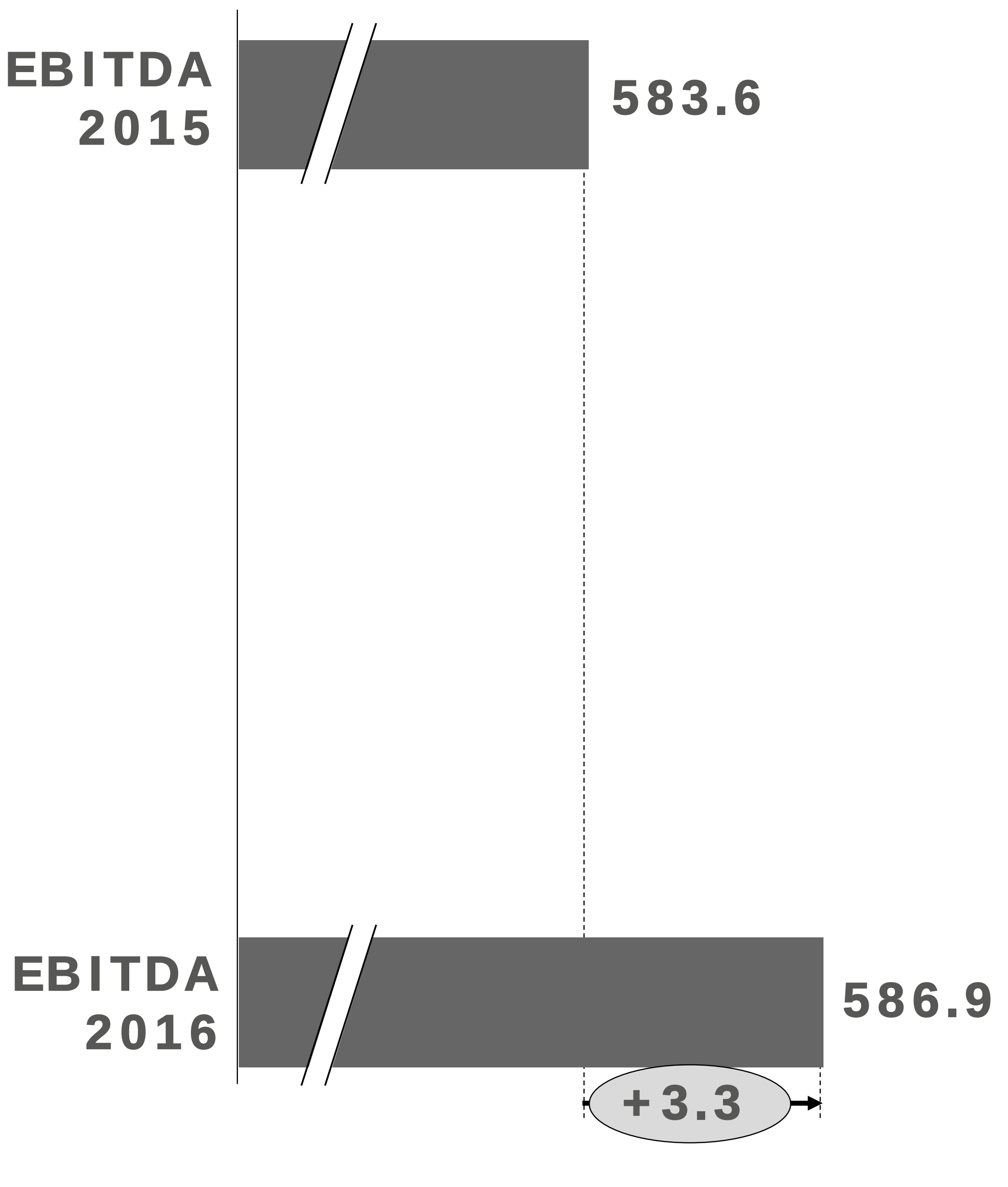
Overview 2016

Normalized[1], € million

Revenue increase € +17.6m	&	Cost increase € -14.4m	➡	EBITDA increase € +3.3m







[1] Normalized figures are not audited

Summary of key financials FY16

€ million

	Reported		Normalized[1]		
	FY15	**FY16**	**FY15**	**FY16**	**% Δ**
Total operating income (revenues)	2,433.7	2,425.2	2,407.6	2,425.2	0.7%
Operating expenses	1,878.5	1,838.4	1,824.0	1,838.4	0.8%
EBITDA	**555.2**	**586.9**	**583.6**	**586.9**	**0.6%**
Margin (%)	*22.8%*	*24.2%*	*24.2%*	*24.2%*	
EBIT	**466.1**	**496.5**	**494.4**	**496.5**	**0.4%**
Margin (%)	*19.2%*	*20.5%*	*20.5%*	*20.5%*	
Profit before tax	**470.6**	**489.5**	**499.0**	**489.5**	**-1.9%**
Income tax expense	161.4	143.2	170.9	165.4	
Net profit	**309.3**	**346.2**	**328.1**	**324.1**	**-1.2%**
FCF	**315.9**	**193.9**	**315.9**	**193.9**	**-**
bpost S.A./N.V. net profit (BGAAP)	**287.7**	**308.7**	**303.6**	**286.5**	**-5.6%**
Net Debt/ (Net cash), at 31 December	**(549.5)**	**(492.7)**	**(549.5)**	**(492.7)**	**-10.3%**

Gain from sale of sizeable building € 26.1m

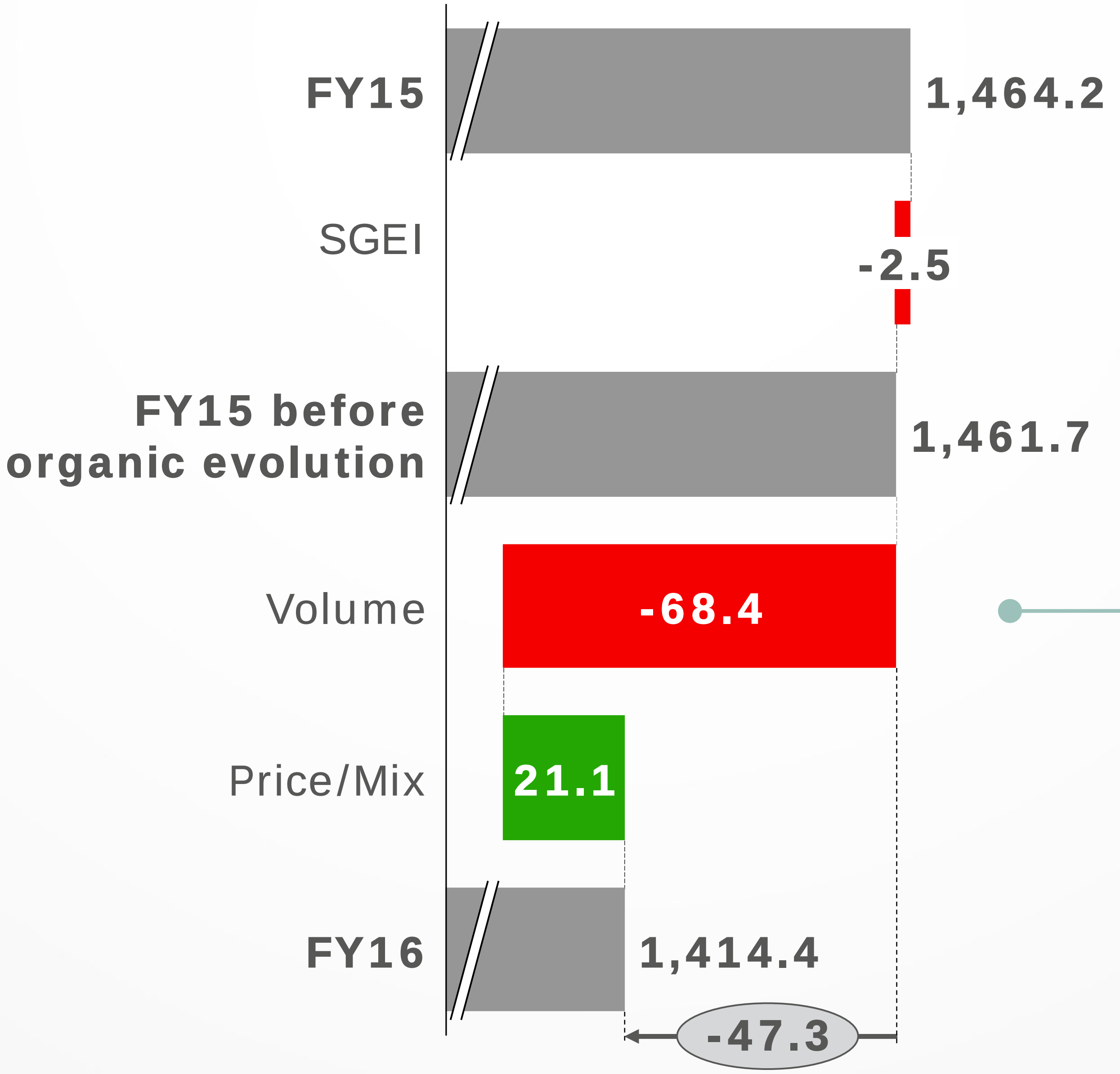
Alpha social plan provision of € 54.5m

Positive tax impact of Deltamedia liquidation € 22.2m

[1] Normalized figures are not audited

Domestic mail underlying volume trend in line with guidance at -5.0 %

Total operating income (revenues), € million



- **Underlying volume decline at -5.0 %.**
- **Transactional Mail:** continued e-substitution and shift towards cheaper products
- **Advertising Mail:** significantly improved trend from -4.9% for FY15 to -3.0% driven by focus on growth segments. Advertising spend was front-loaded towards 1H16 due to Euro 2016 in June.
- **Press:** stable volume trend at -2.8%, identical to FY14 and FY15.

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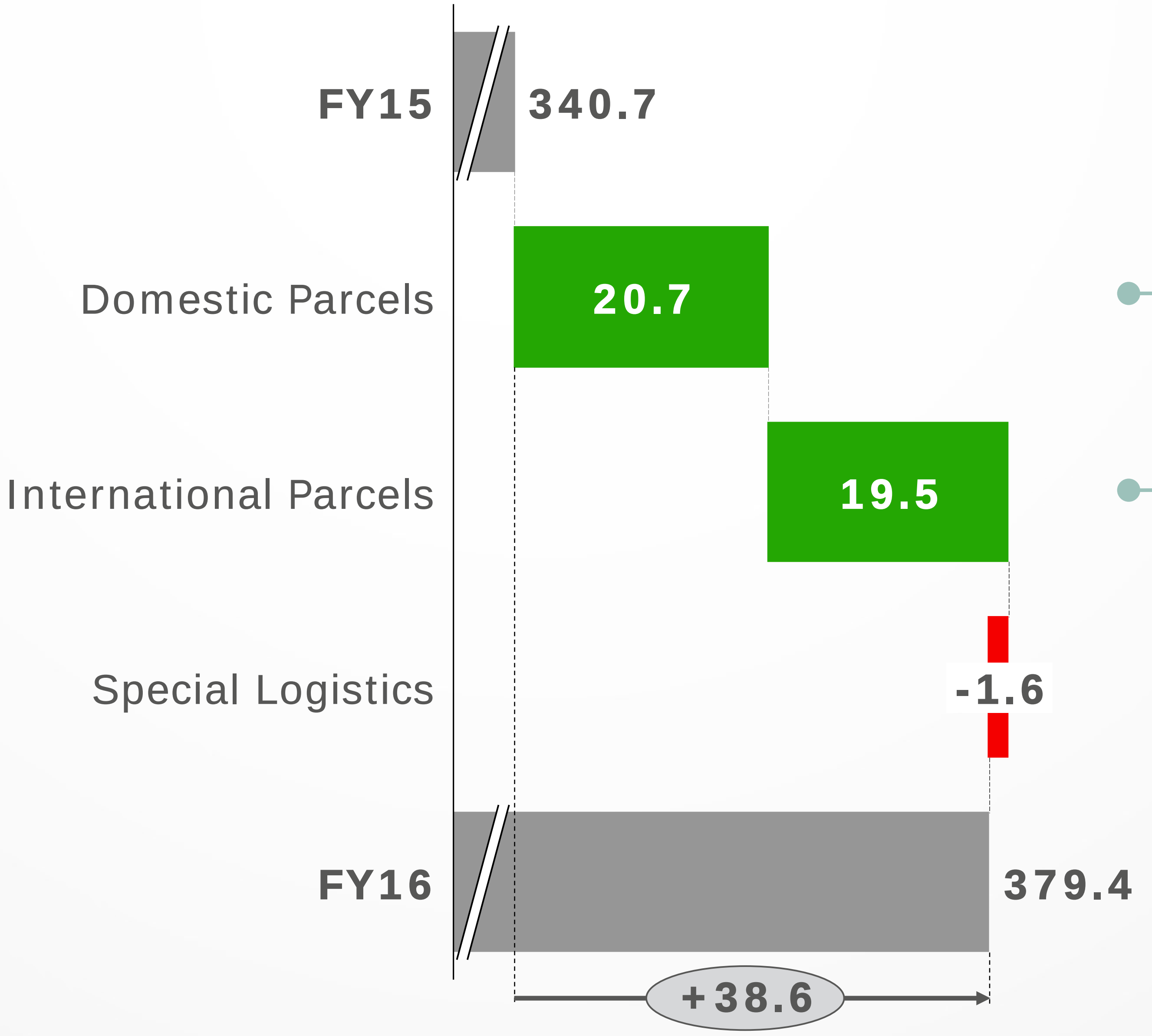
Accelerated domestic parcels growth and positive contribution from M&A in international parcels

Total operating income (revenues), € million



- Further acceleration in **volume growth at 17.1%**, driven by continued e-commerce catch-up and strong positive trend in C2C (online product offering).
- Price/mix effect of -3.2% (fully product and customer mix related).

- Growth driven by positive contribution from acquisitions, partly offset by volume loss to China due to price increase on last mile in 2Q16

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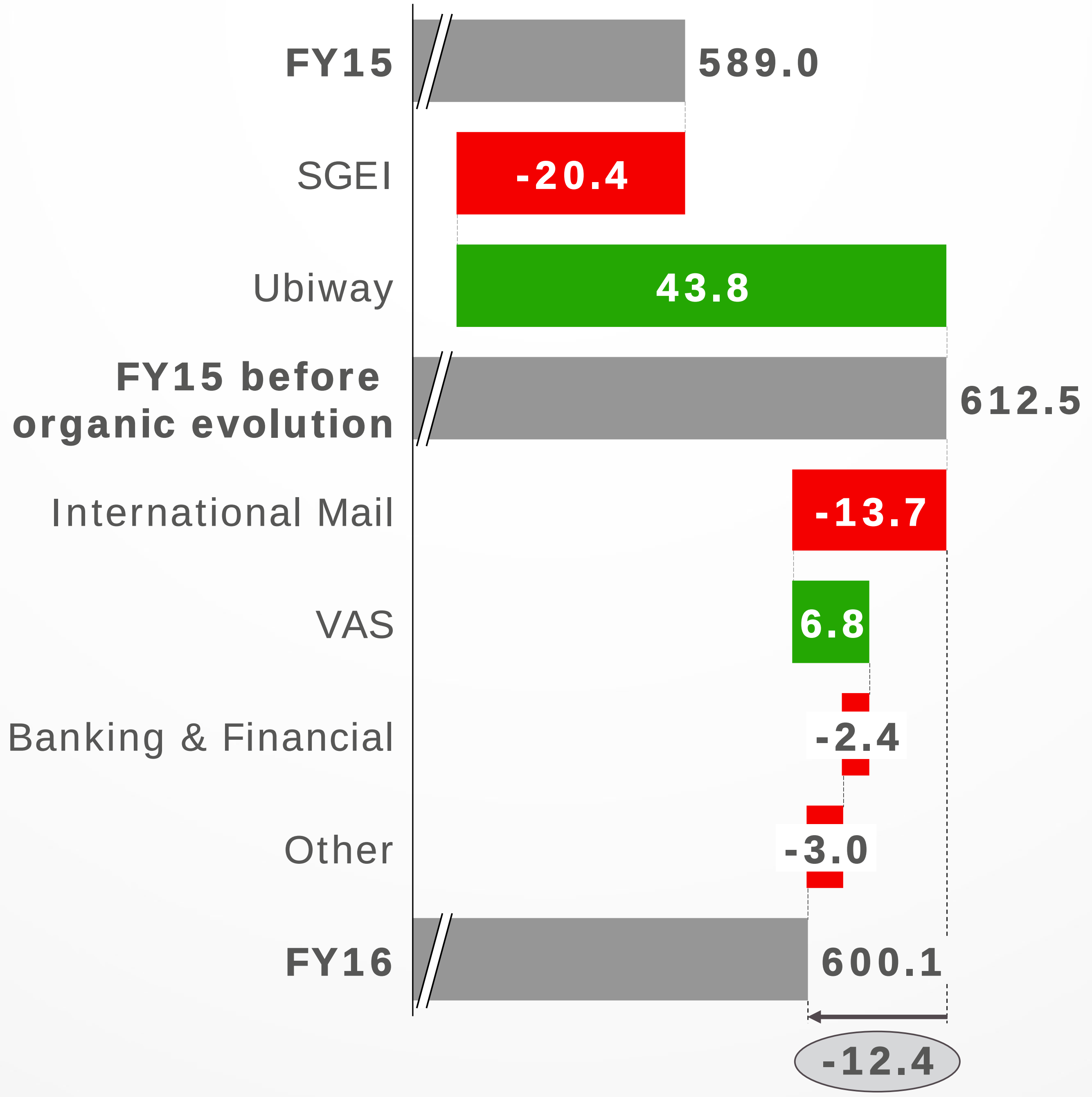
Additional sources of revenues impacted by international mail, but partly compensated by growth in VAS

Total operating income (revenues), € million



- Consolidated as of 1 December 2016
- Loss of wholesales business as a result of price increases to safeguard reasonable profit margins.
- Positive contribution of Speos (€ +2.8m) and solutions, mainly European licence plates (€ +1.2m), decoder swap (€ 1.2m) and Citydepot (€ 1.1m)
- Lower revenue from bpost bank savings accounts due to low interest rate environment, lower revenue from financial transactions managed on behalf of the Belgian State as well as lower volumes of financial transactions in post offices

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Operating free cash flow[1] of € 193.9m in 2016

€ million	FY15	FY16	Delta
Cash flow from operating activities	+361.1	+352.6	-8.4
Cash flow from investing activities	-45.1	-158.7	-113.6
Operating free cash flow	**+315.9**	**+193.9**	**-122.0**
Financing activities	-263.8	-270.1	-6.3
Net cash movement	**+52.1**	**-76.2**	**-128.4**
Capex	**-81.0**	**-85.0**	**-4.0**

- Lower SGEI compensation: **€ -35.9m**
- Alpha pay-outs: **€ -8.3m**
- Terminal dues payment, mainly phasing as costs were booked in previous years in transport cost: **€ -16.8m**
- bpost bank dividend received in 4Q15 (phasing): **€ -5.0m**
- Lower tax prepayment: **€ +10.0m** and lower income tax paid relating to previous years: **€ +21.1m**
- Excluding these elements:
  - Results of operating activities: **€ +16.1m**
  - Working capital evolution: **€ +10.3m**

- Lower proceeds from sale of buildings: **€ -22.2m** (FY15 included sale of a major building for € 37.4m)
- Higher capex: **€ -4.0m**
- Investment securities in FY16: **€ -12.0m**
- Acquisition of subsidiaries and earn-outs: **€ -75.4m**

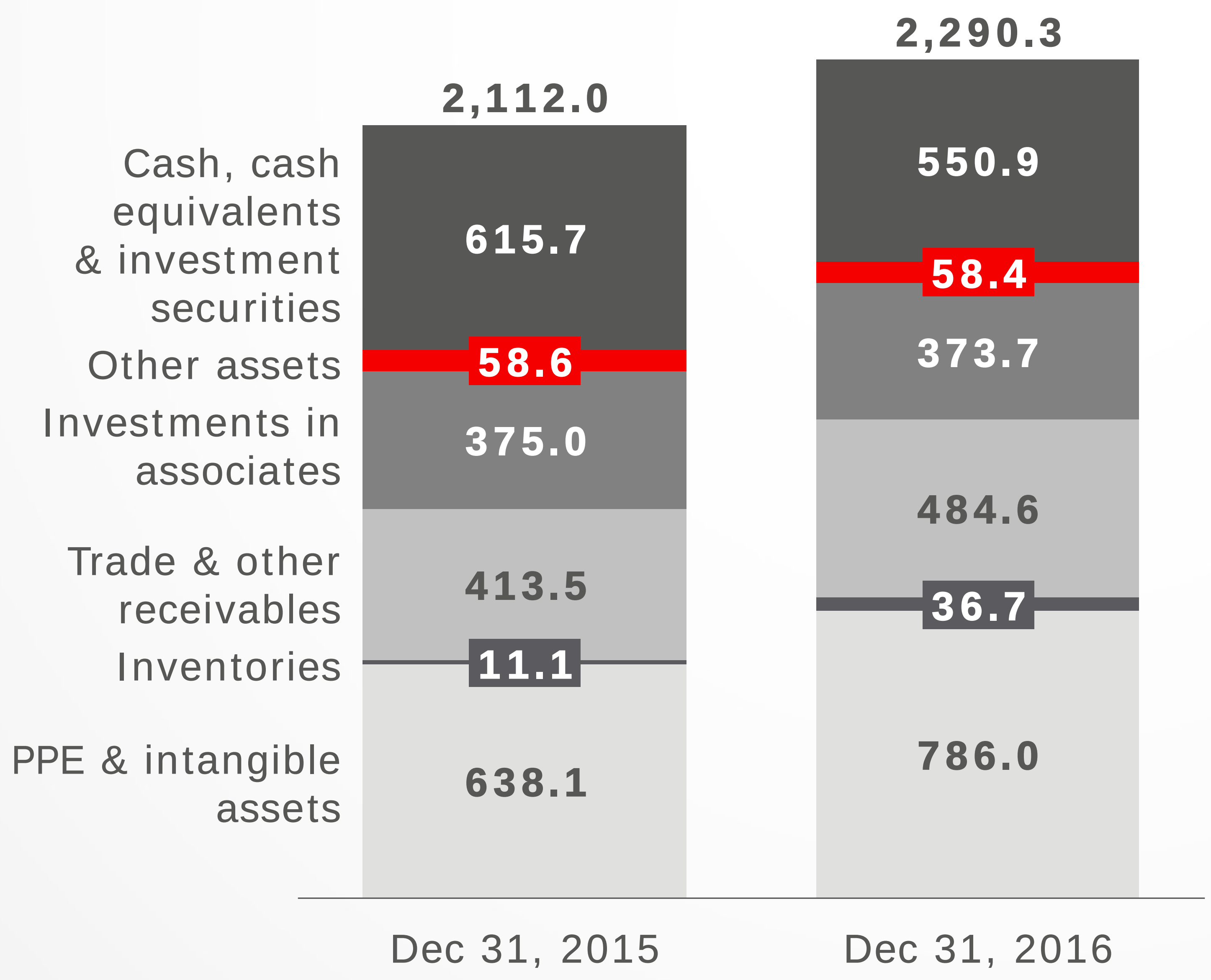
- Higher final and interim dividends: resp. **€ -4.0m** and **€ -2.0m**
- Dividend to minority interests: **€ -2.0m**

[1] Operating free cash flow = cash flow from operating activities + cash flow from investing activities

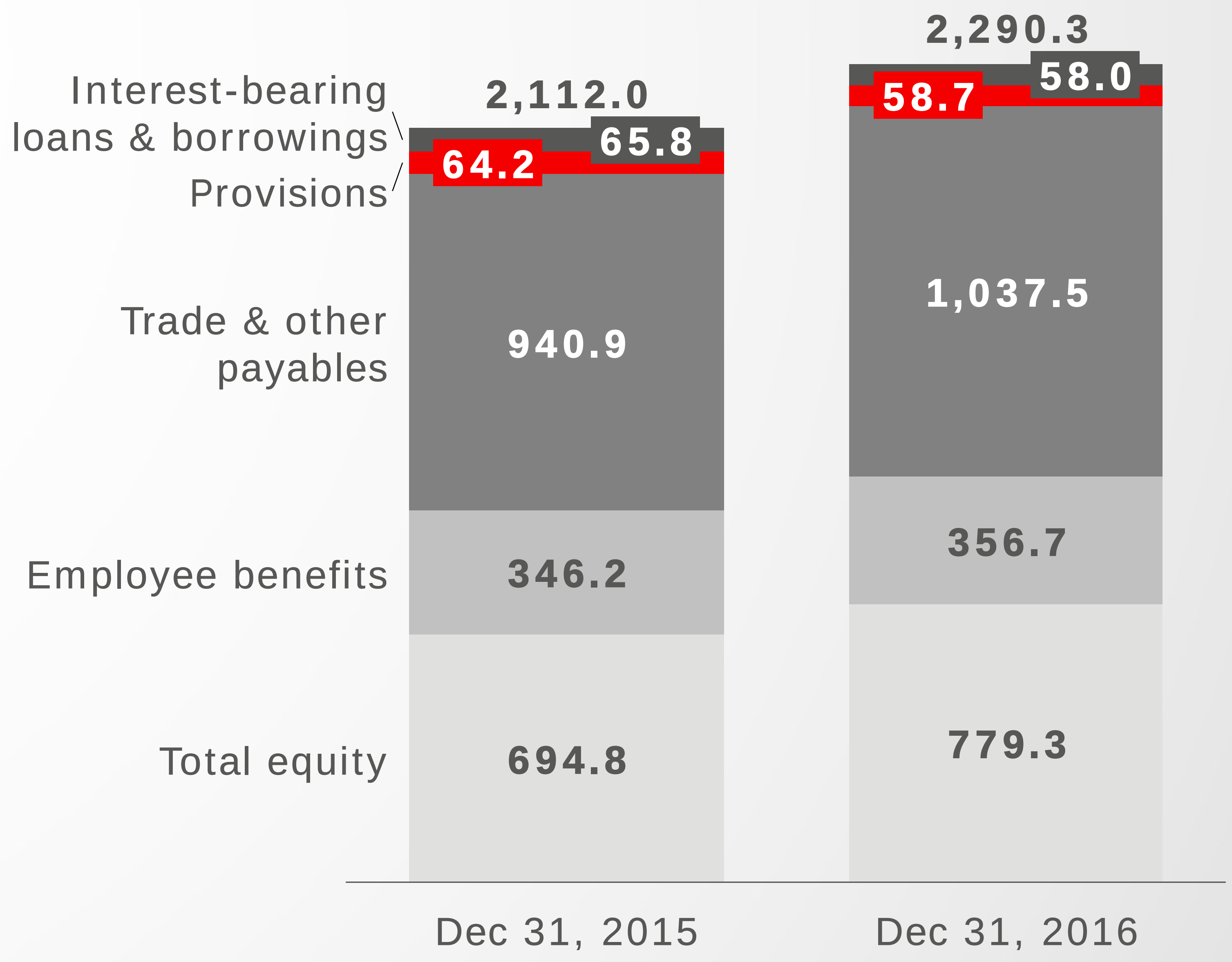
Strong balance sheet

€ million

Assets



Equity and liabilities



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Summary of key financials BGAAP

€ million

	2015	2016	% Δ
Total operating income (revenues)	2,224.3	2,151.3	-3.3%
Operating expenses	1,807.3	1,710.6	-5.4%
EBIT	**417.0**	**440.7**	**5.7%**
Margin (%)	*18.7%*	*20.5%*	
Profit before tax	**431.8**	**441.3**	**2.2%**
Income tax expense	144.1	132.6	-8.0%
bpost S.A. / N.V. reported net profit (BGAAP)	**287.7**	**308.7**	**7.3%**

Final gross dividend of € 0.25 / share will be proposed to reach a total gross dividend payment of € 1.31 / share

Interim dividend paid in December 2016 (€, gross per share)	€ 1.06
Final dividend payment (proposed) (€, gross per share)	€ 0.25
Total proposed dividend for 2016	**€ 1.31**

	Dividend
bpost S.A./N.V. net profit November to December 2016 (BGAAP)	€ 60.4m
Pay-out ratio	x 85%
Proposed final dividend	€ 51.4m
Dividend payment, € gross per share	**€ 0.25**

	2016
Profit to be appropriated	€ 405,508,101.04
Transfer to the reserves	€ 0.00
Profit to be carried forward	€ 143,506,864.40
Dividends	€ 262,001,236.64

Outlook 2017

Recurring EBITDA and dividend payment at the same level as 2016

Revenues

Increase driven by:

- Growth in **domestic parcels:** volume double digit, around -3% price/mix effect
- Continued growth in **international parcels** supported by newly acquired businesses
- Growing **Ubiway Retail** revenues
- Partly offset by decrease in **domestic mail**[1]**:** volume between -5% and -6%, average domestic mail price increase of 1.5%

Operating expenses

Increase driven by:

- Increase in transport cost (reflecting growth in International Parcels)
- Integration of acquired businesses
- Salary indexation expected as of July 2017
- Partly compensated by continued productivity improvements and optimized FTE mix, and
- Continued cost optimization

Capex

- Recurring and Vision 2020 investments ~€ 90m
- Business development investments: Ubiway < € 10m

[1] 1Q17 will count 2 working days more, 2Q17 2 less, 3Q17 1 less on franking machines and 2 less on stamps and 4Q17 1 less on franking machines and 1 more on stamps vs. the same quarters of 2016.

Overall guidance 2016-2020 as issued at CMD on 15 November 2016

We confirm our long term ambition of at least € 620m[1] EBITDA by 2020

Revenue

Increase driven by:

- Growth in **domestic parcels: volume +75% at least** (vs. 2015), -2 to -3% price/mix effect
- Growth in **international parcels: revenue x2 at least** (vs. 2015)
- Decrease in **domestic mail: volume up to -6%**

Operating expenses

Increase driven by:

- Increase in transport cost (reflecting growth in International)
- Integration of acquired businesses
- Inflation
- Partly compensated by **up to 4% FTE & interim productivity increase p.a.** at current scope and
- Optimized FTE mix

Capex

- Further Vision 2020 investments in **2017-18: ~€ 90m p.a.** excluding Ubiway capex
- Maintenance capex level in **2019-20: ~€ 60m p.a.** excluding Ubiway capex

Maintenance of dividend policy

At least 85% pay-out of BGAAP net profit

M&A on top of overall 2020 EBITDA guidance

Accretive contribution supported by strong balance sheet

1 including acquisitions of FDM, Apple Express, Ubiway, Parcify and de Buren

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Thank you!

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Always on the move
to bring our clients closer
and to make their lives easier.

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