



PostNL International

Unlocking the potential of the cross-border market

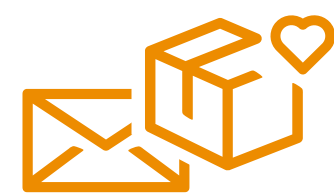
Deep dive for investors
The Hague – 29 June 2023



Today's programme

- 1. Welcome and introduction**
Jochem van de Laarschot
Director Communications & Investor Relations
- 2. PostNL international activities**
Tijs Reumerman
Managing Director Cross Border Solutions,
member of Executive Committee
- 3. Q&A and closing remarks**
- 4. Tour IMEC, international sorting centre**

Our purpose, ambition and strategy



Purpose

Deliver special moments



Ambition

To be your favourite deliverer



Strategy

To be the leading logistics and postal service provider in, to and from the Benelux region



To be the leading logistics and postal service provider in, to and from the Benelux region

Strategic objectives



Help customers grow their business



Secure a sustainable mail market



Attract and retain motivated people



Improve environmental impact



Generate profitable growth and sustainable cash flow

Value creation proposition



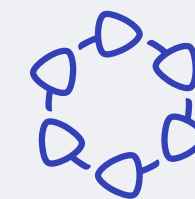
Parcels

Manage for sustainable growth



Mail

Manage for value



Digital **NEXT**

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International activities: An integrated and important part of our value creation proposition

1

Solid growth potential for cross-border e-commerce as consumers and customers are acting more globally

2

PostNL is well positioned to capture value in international e-commerce and mail markets

3

Generating substantial revenue and providing valuable infeed volumes to the Benelux networks

Cross-border e-commerce landscape

Cross-border e-commerce is a dynamic market

Regulations and trade policies

- Regulatory changes
- Free movements of goods vs trade barriers
- Customs, standards (prohibitions and restrictions) on goods
- Regional integration vs globalisation
- Economic blocs and sanctions



Global macroeconomic conditions

- GDP developments
- Inflation, discretionary spending, price sensitivity
- Labour markets



Global supply chains

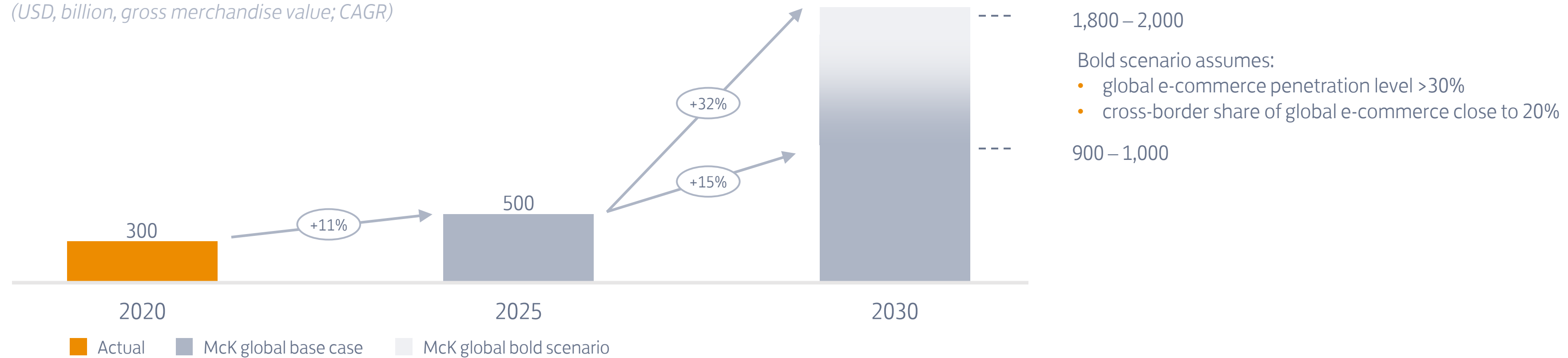
- Availability of products and resources
- Inventory management
- Supply chain disruptions



Cross-border e-commerce has solid growth potential

Global cross-border e-commerce

(USD, billion, gross merchandise value; CAGR)



Key underlying trends

- E-commerce penetration continues to grow
- Further growth of cross-border penetration
- Specialist segments, such as consumer-to-consumer and direct-to-consumer, are outgrowing the overall market

Shopping across borders widely accepted by consumers

Frequency of cross-border shopping

~30% of consumers shops
≥8 times across borders

Most important criteria for delivery

1. Clear information on delivery charges pre-purchase
2. Trust in the delivery company
3. Free delivery on purchases over a specific value
4. Simple and reliable returns process
5. Option to select the delivery location

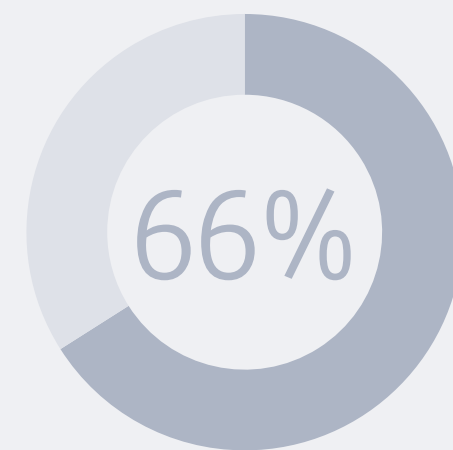
Top 3 reasons for cross-border shopping

1. Purchase price
2. Product/brand availability
3. Delivery price/cost

Top 5 origin countries

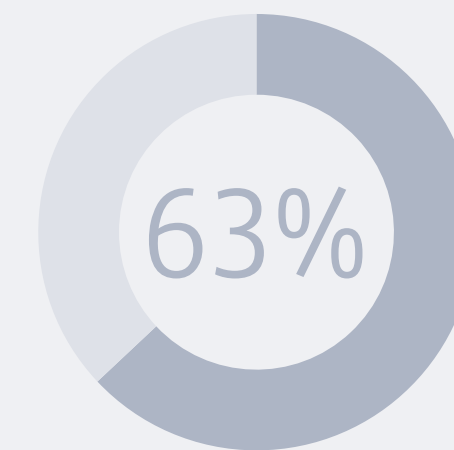
1. China
2. United States
3. Germany
4. United Kingdom
5. France

Sustainable delivery



of consumers prefer sustainable cross-border delivery

Attitude towards non-domestic web shops



of consumers have no preference for a domestic or non-domestic web shop

Senders need distinctive solutions to overcome cross-border shipping hurdles

Cross-border shipping hurdles

Different consumer expectations versus home market

Complex international trade regulations and customs procedures

Lack of knowledge of local delivery partners and delivery options

Solutions

Competitive delivery speed

Track & trace capabilities

Knowledge of local and sustainable delivery options

Customs clearance

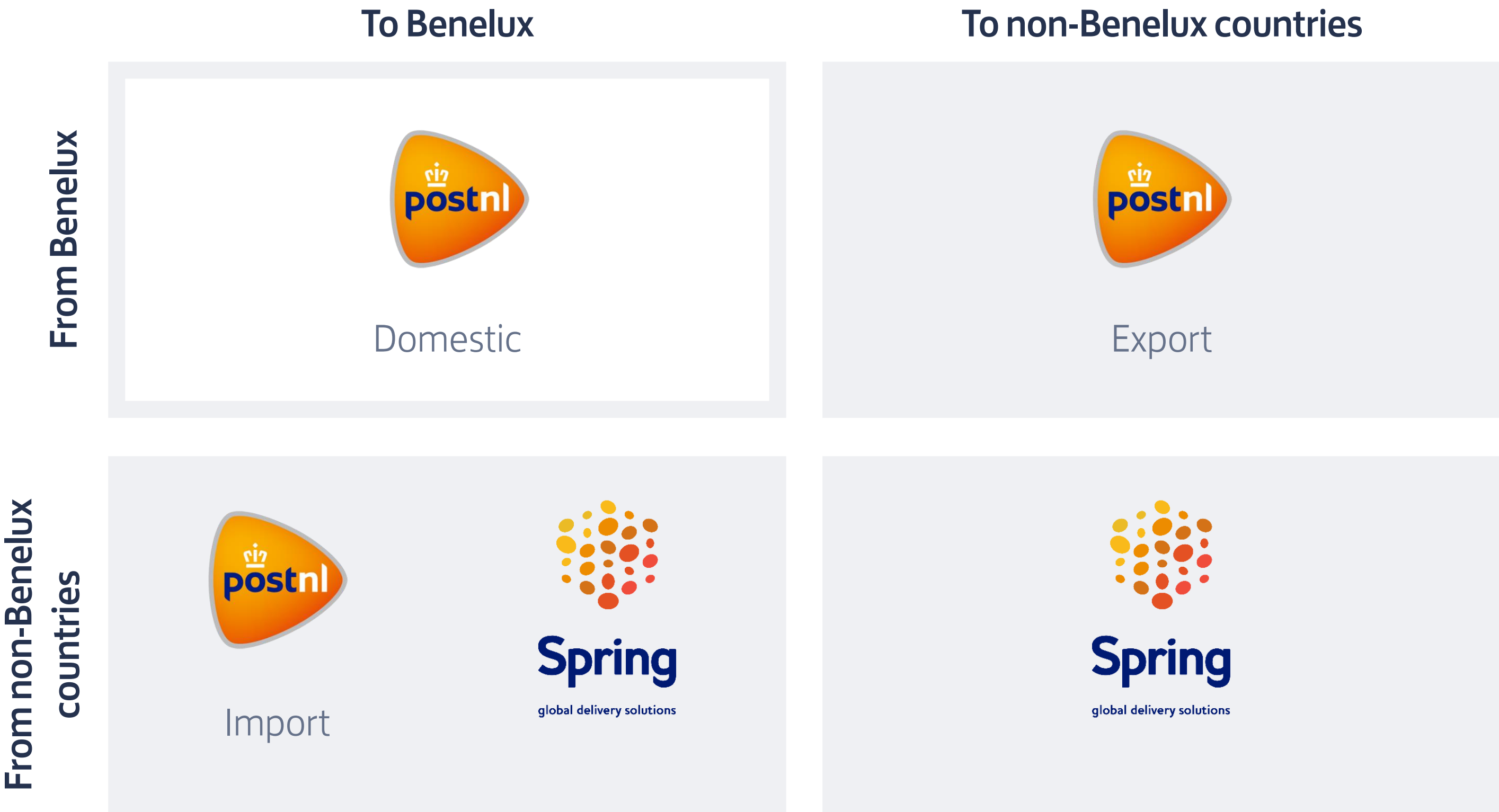
Multi-vendorship in last-mile to match varying consumer expectations

Sound price/quality ratio

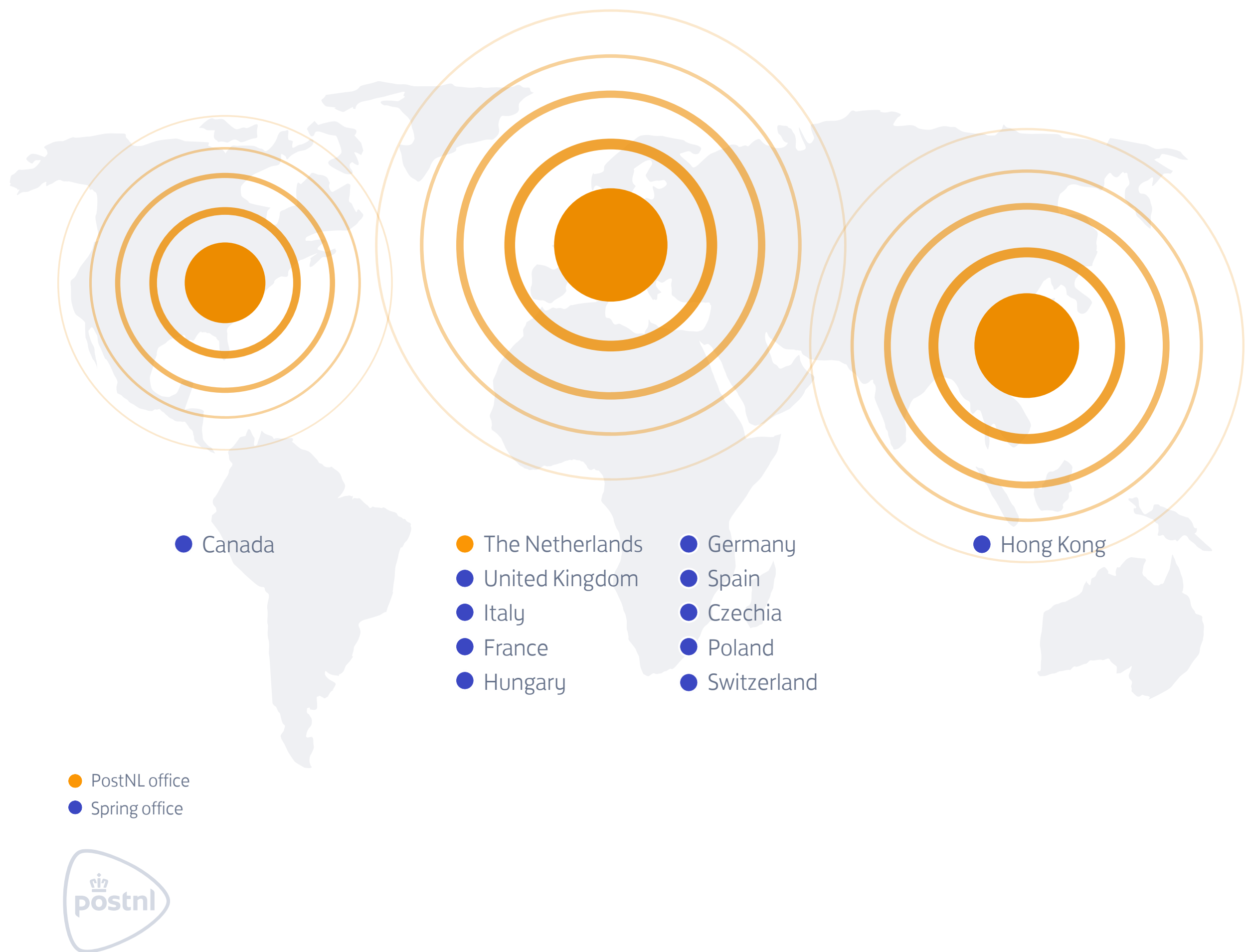
PostNL international activities

Long history of delivering comprehensive international services

Designed to meet to evolving e-commerce and mail needs of customers



Our two brands, locations and partnerships offer global reach



Two brands








International postal collaborations



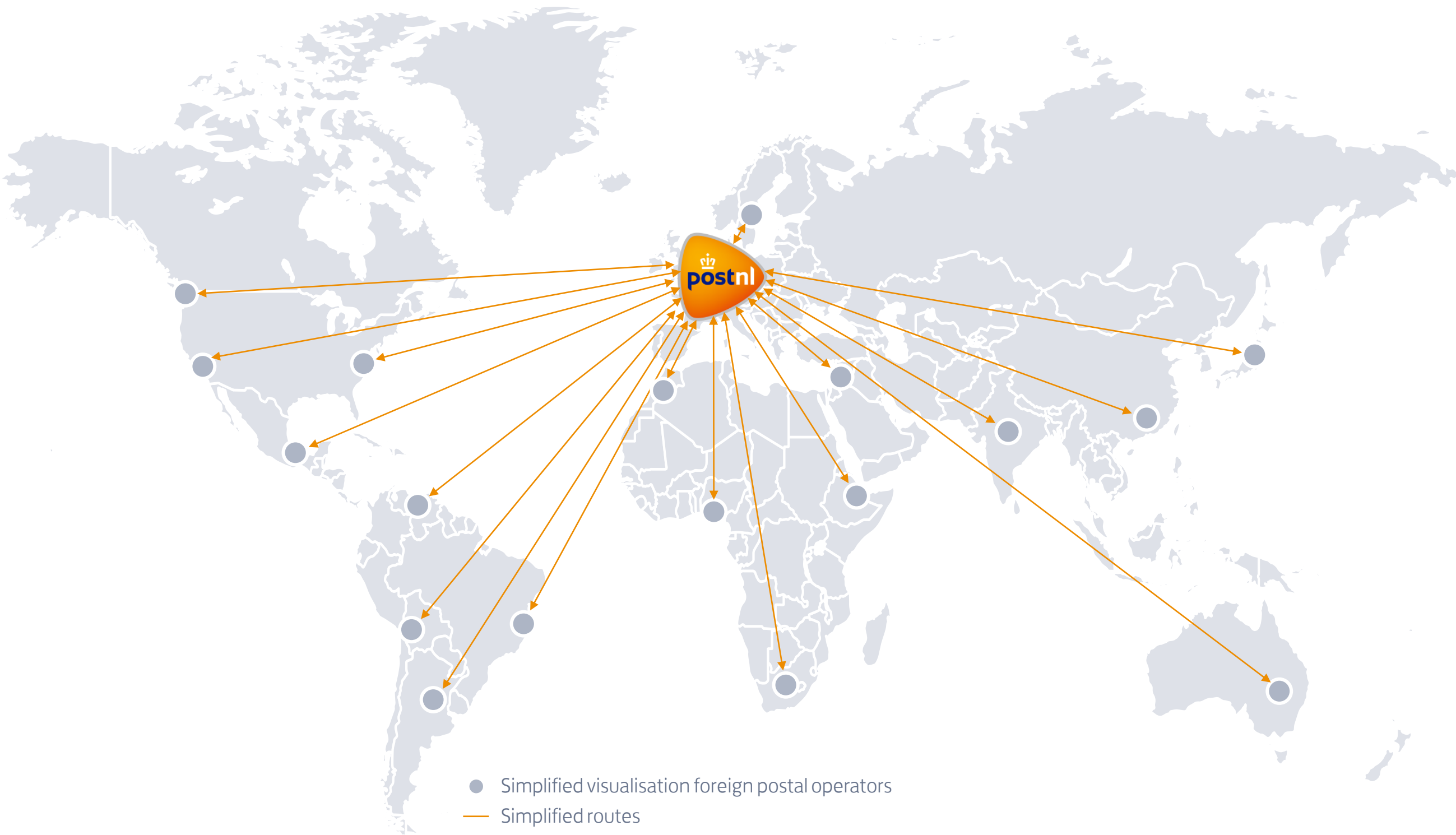
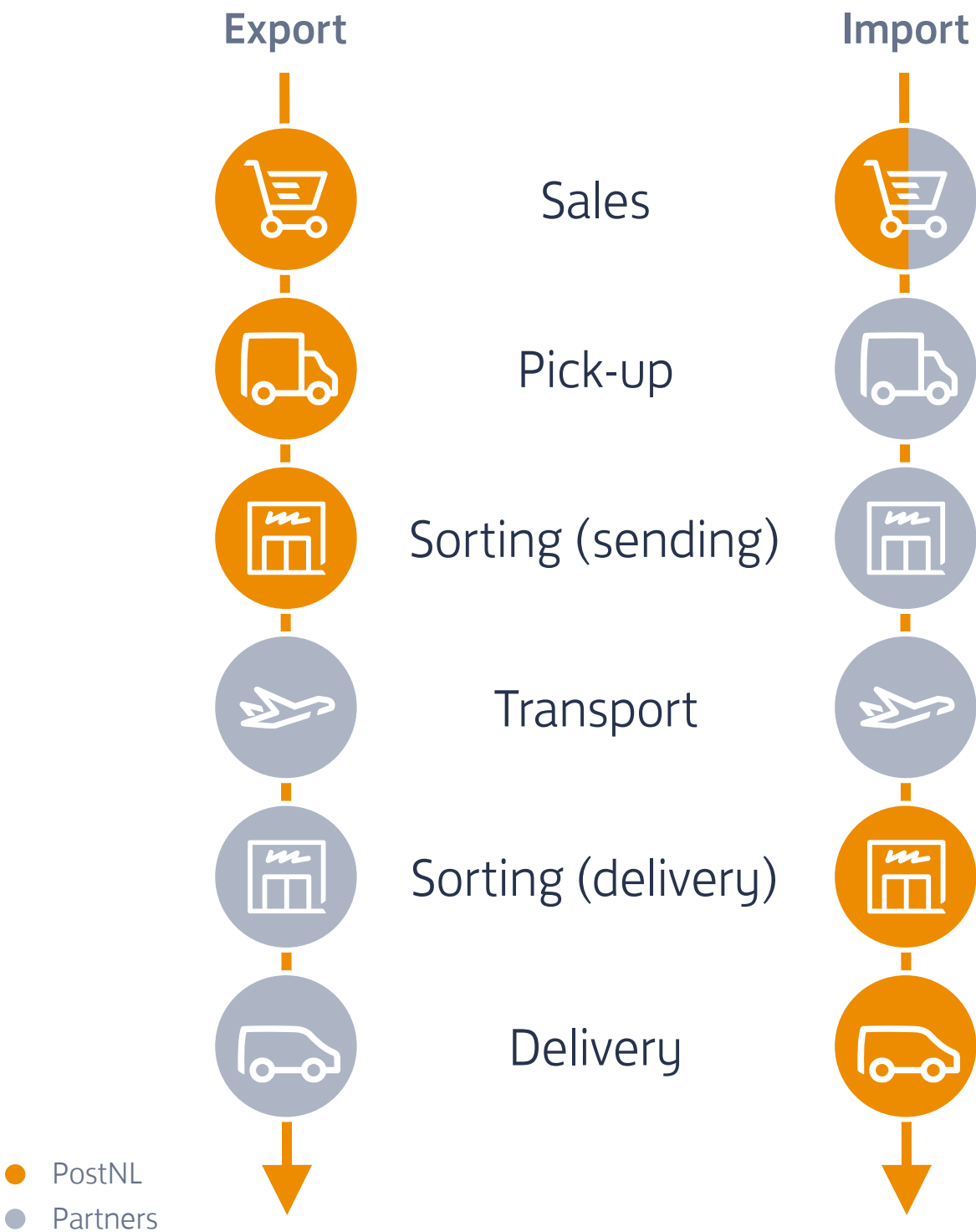
230 postal and commercial last-mile partners across the world

Serving different customer segments in chosen regions

| | <div><ul style="list-style-type: none">• Strong brand• Dense (partner) network• Proximity to consumer</div> | <div> Spring <small>global delivery solutions</small><ul style="list-style-type: none">• Global solutions• Flexible IT systems• Proximity to customer</div> <div>Asia & AmericasEurope</div> |
|---|--|---|
| <div>Consumers</div> | <div>✓ (Export)</div> | |
| <div>SME online retailers</div> | <div>✓ (Export)</div> | <div>✓✓</div> |
| <div>Large e-commerce market players</div> | <div>✓ (Import)</div> | <div>✓</div> |
| <div>Postal operators</div> | <div>✓ (Import)</div> | |



PostNL international activities: global reach outbound, inbound from all over the world



IMEC – beating heart of cross-border e-commerce and mail


Facts and figures

 **22,000,000**
kg mail in 2022

 **Certified**
IPC Standard of Excellence

 **400**
trucks per week

 **2,000**
customs checks per week

 **375**
planes per week departing from NL

 **500+**
employees



Spring Asia and Americas provide infeed for our Benelux networks

Gateway to Europe

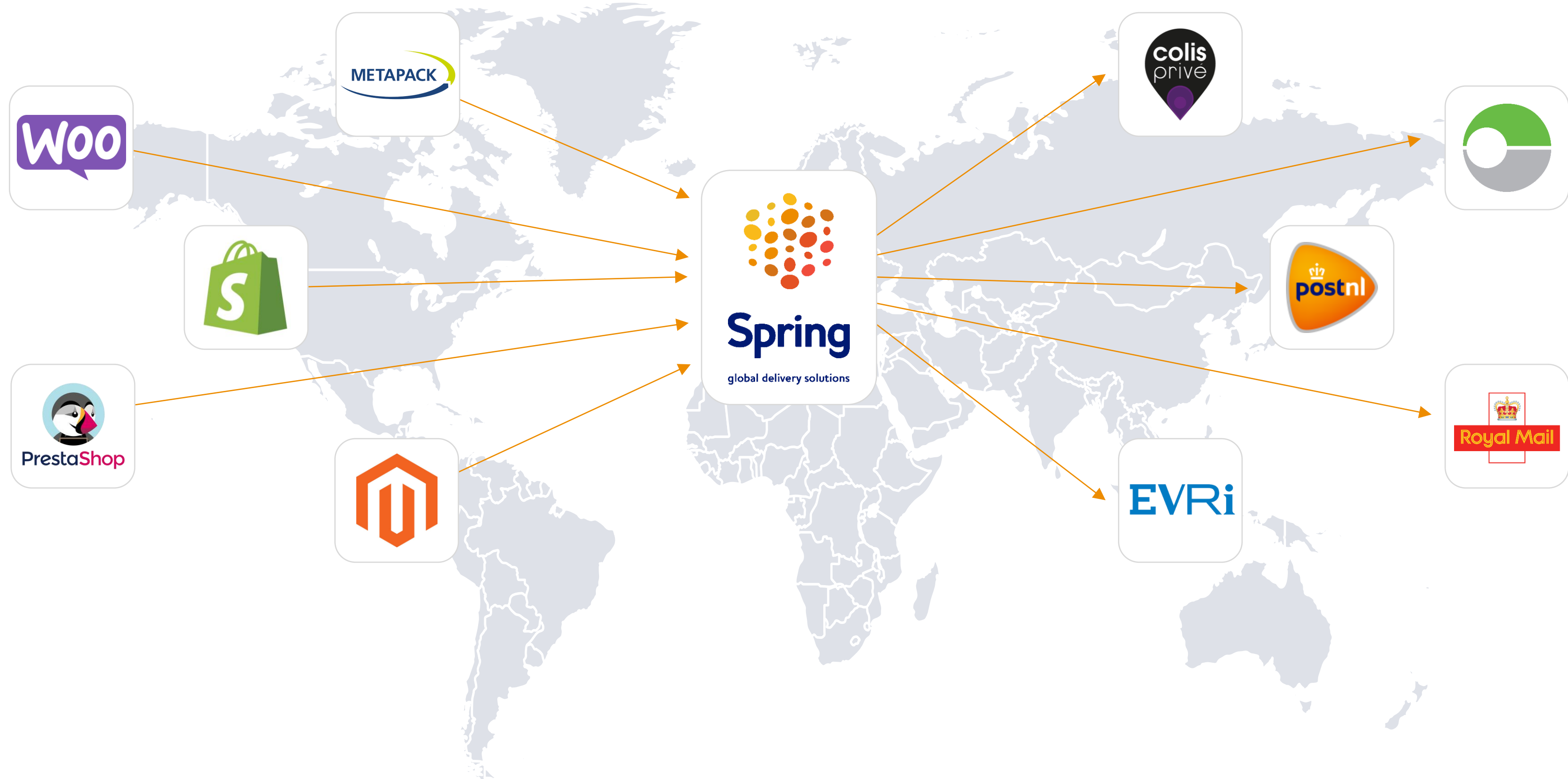


Spring in Europe well positioned in key e-commerce markets

Feeding into our Benelux networks and other destinations



Providing access to Spring services via digital sales channels



Spring: Asset-light model, attracting a broad customer base

Competitive edge

- Global end-to-end customer-oriented logistics solutions
- One-stop-shop solution (broker): ability to use multiple service providers
- Asset-light network
- Solving complexity for customers (e.g. Brexit & VAT regulations) with flexible IT approach
- 100% owned by PostNL

Unique selling points



Local hero

- Benelux destination is key selling point
- Customers can also hand over volumes to other destinations



Global solutions

- Multiple global key (non-Benelux) destinations



Proximity to customer

- Local account management
- Local customer service

Benefits for PostNL

- Providing volume infeed for PostNL
 - reducing overall transportation cost
- Extra volumes act as leverage to lower rates partners charge us, which in turn lowers costs for Benelux consumers and business customers
- Locking in business

Digital transformation

Seamless integration of customers, consumers and operators

Value drivers >>

Transform commercial engine



Transform core logistics and operations

Example for cross-border solutions

- Itemised visibility



Scale platform and digital business models

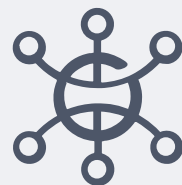


Foundations >>

Strengthen data foundation



Strengthen tech foundation




Drive our digital DNA



Itemised visibility improves supply chain performance and customer experience


Cross-border e-commerce is challenging

 Customer and consumer expectations

 Regulatory requirements

 Information flows

 IT systems

 Partner requirements

Itemised visibility shows our digital capabilities


Logistical insight

Better managed global supply chain
Capture event data to control supply chain


Predictive insight

Predict capacity and prevent operational disruptions
Improve capacity planning


Experience insight

Improve overall level of logistical services
Proactive data sharing with customers

Reduce environmental footprint

Fully integrated in our strategy



Environmental
Improve environmental impact



- Clean kilometres
- Network efficiency
- Sustainable buildings and facilities
- Green products and services

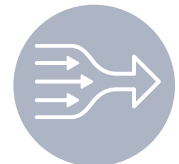
Examples



Using renewable fuels like HVO100 such as a transitional measure



Alternative transportation: rail transport for parcels and mail between the Netherlands and Norway



Smart utilisation of the strength of different networks to service customers efficiently



Optimisation of collecting, sorting and delivering capacity



Offsetting remaining carbon emissions, cutting footprint to net zero



Key takeaways

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