

PRESENTATION

GLOBAL TRENDS AND WHY DIVERSIFICATION MATTERS

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Postal Trends and Transformation Impacts

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Five Trends

The Postal industry is changing rapidly, impacted by several forces. Our research shows these 5 trends are having the most impact.

- 1 Parcel Deflation
- 2 Cross-Border Structural Destruction
- 3 OOH Becoming Choice Architecture
- 4 Returns as Second Supply Chain
- 5 Marketplaces Are Carriers



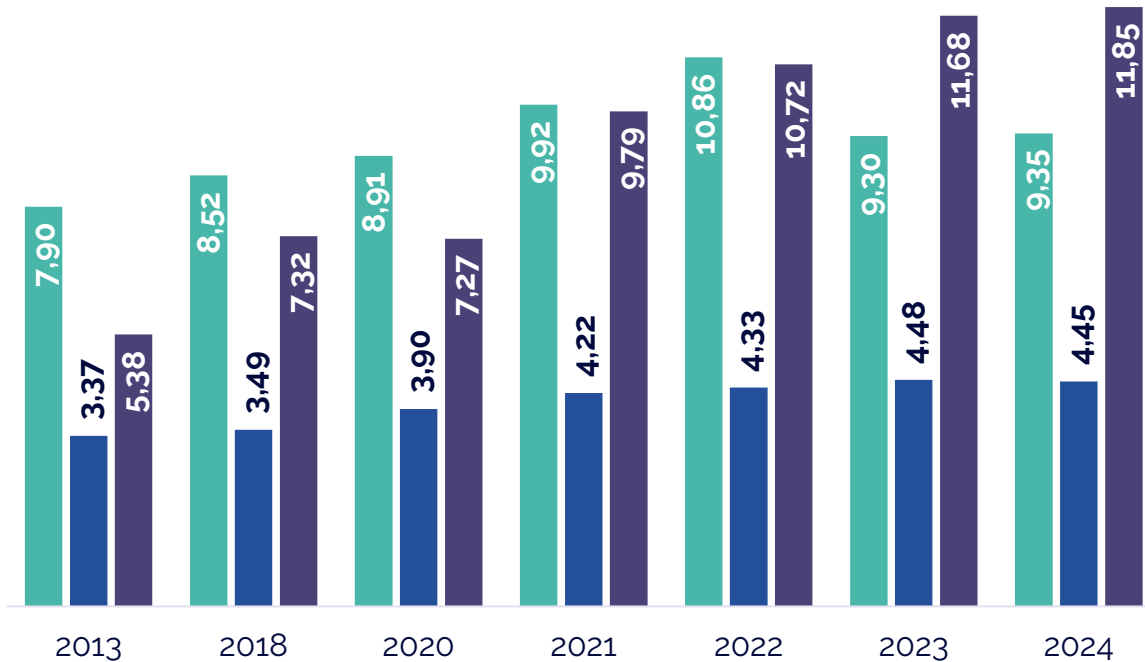


Trend 1: Parcel Deflation

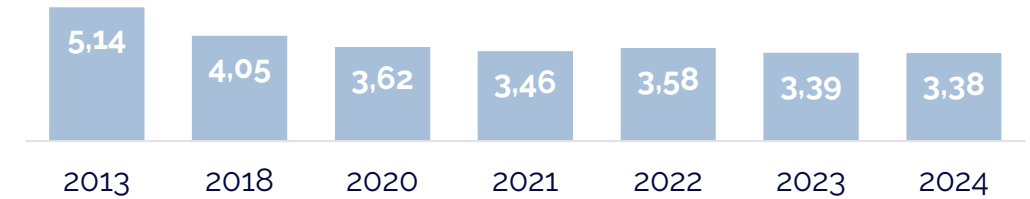
Globally, revenue per parcel is trending **down**.

Revenue per parcel overtime in the US (USD)

■ UPS Ground ■ USPS Parcels ■ FedEx Ground



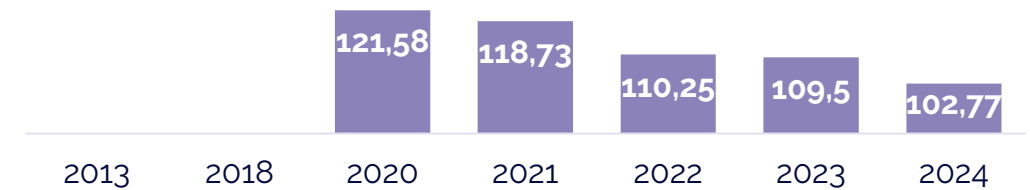
Portugal Revenue per parcel over time (EURO)



France Revenue per parcel over time (EURO)



Denmark & Sweden Revenue per parcel over time (SEK)

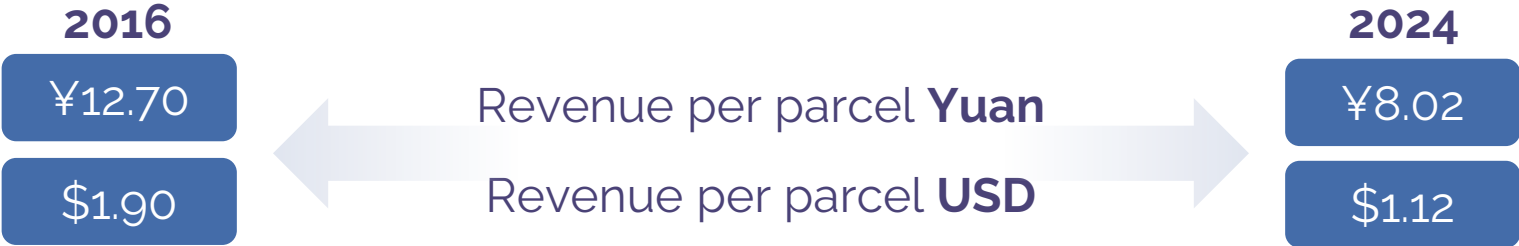
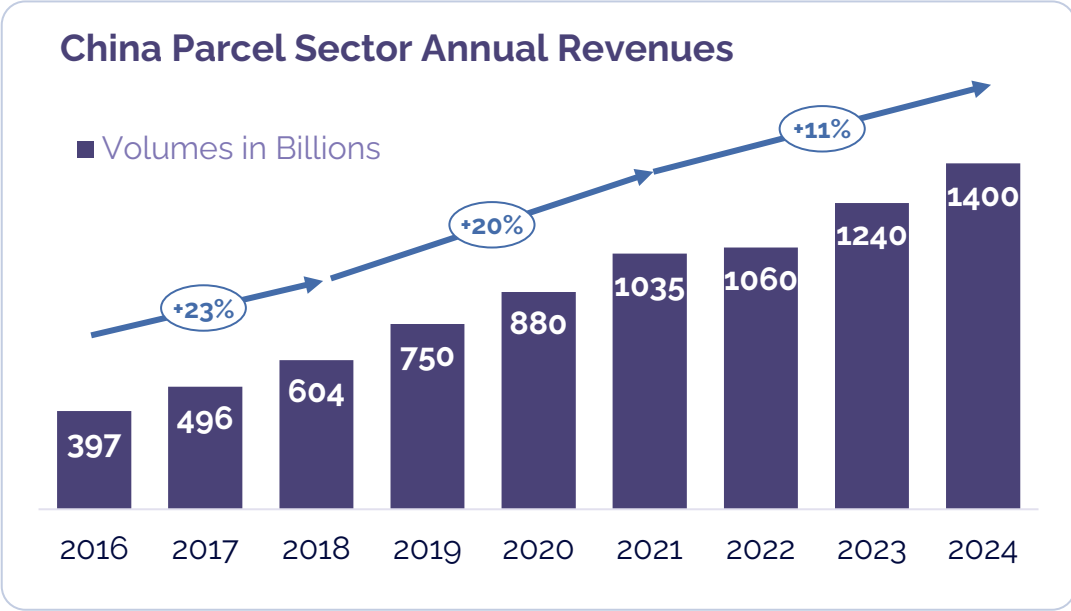
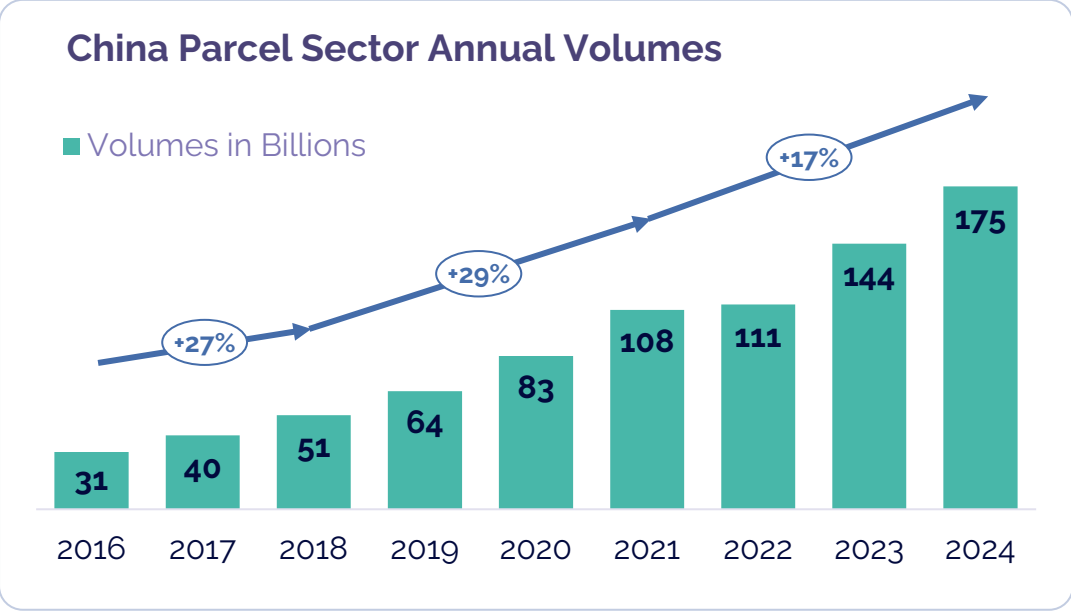


Analysis: **Pharand Advisors**
Sources: Annual Reports



Even China is Slowing

Overall, revenue and parcel volumes are **up**, but **revenue per parcel** is **declining**.

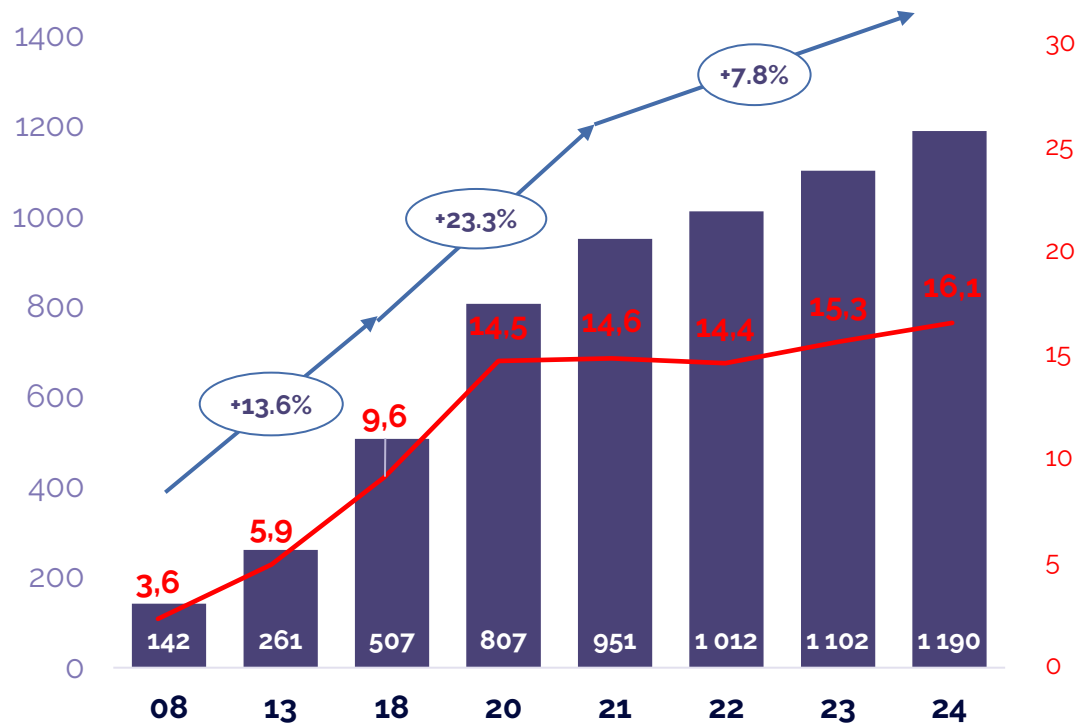


Analysis: **Pharand Advisors**
Sources: State Post Bureau, Xinhua and Statista

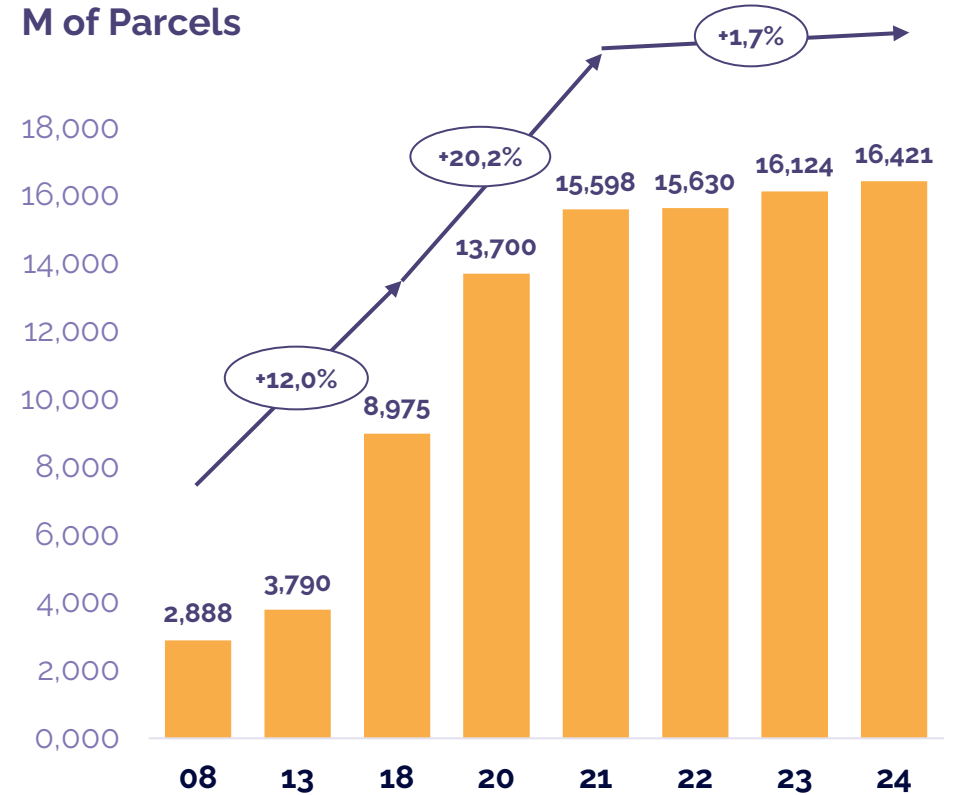
The Growth Divide

Parcel volumes are **no longer following** GMV growth.

Evolutions of eCommerce (online) sales as a percentage of total Retail



Total Annual B2C Delivery Volumes in US in M of Parcels



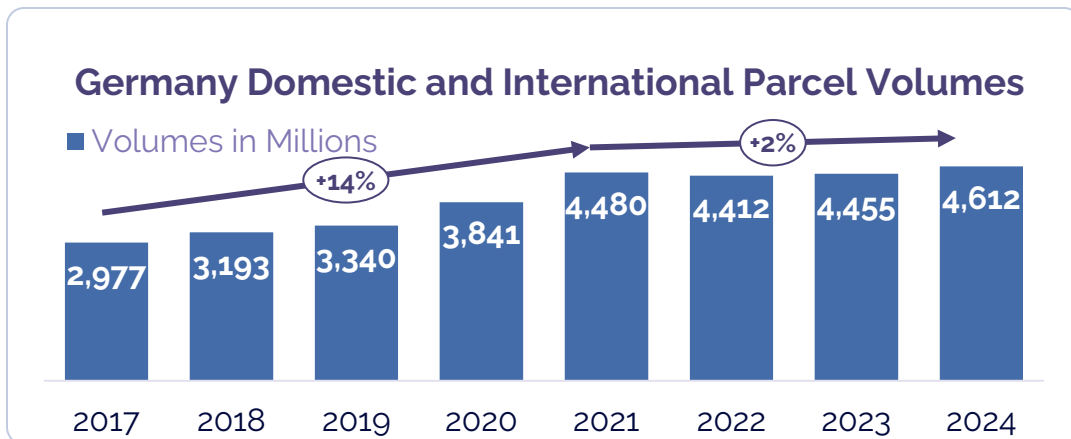
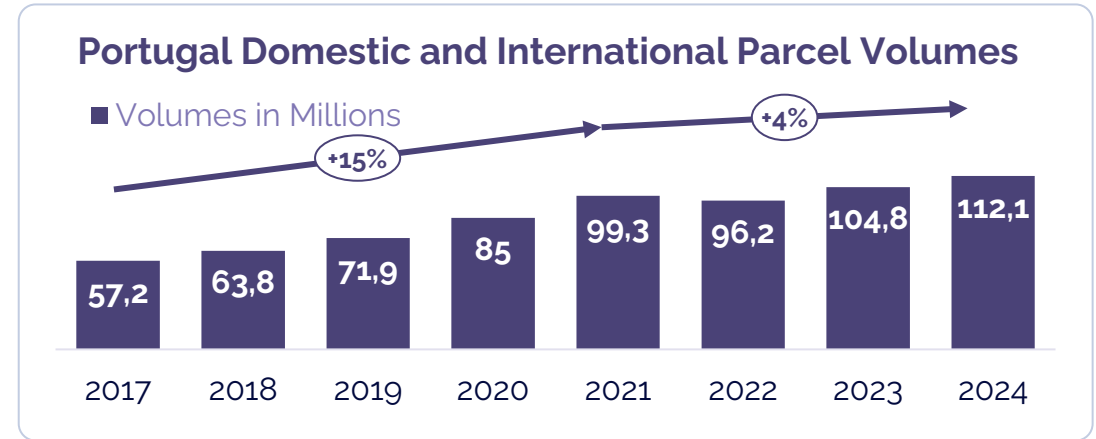
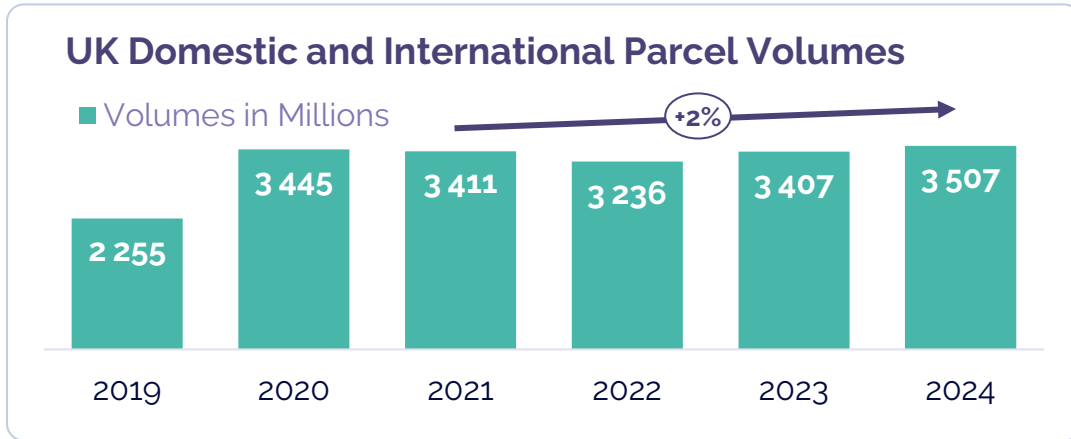
Analysis: **Pharand Advisors**

Sources: US Census Bureau, Volumes from annual reports, estimates and Capital One Shopping Research

Partly Driven By Slow Growth



Volume growth has slowed **globally**.



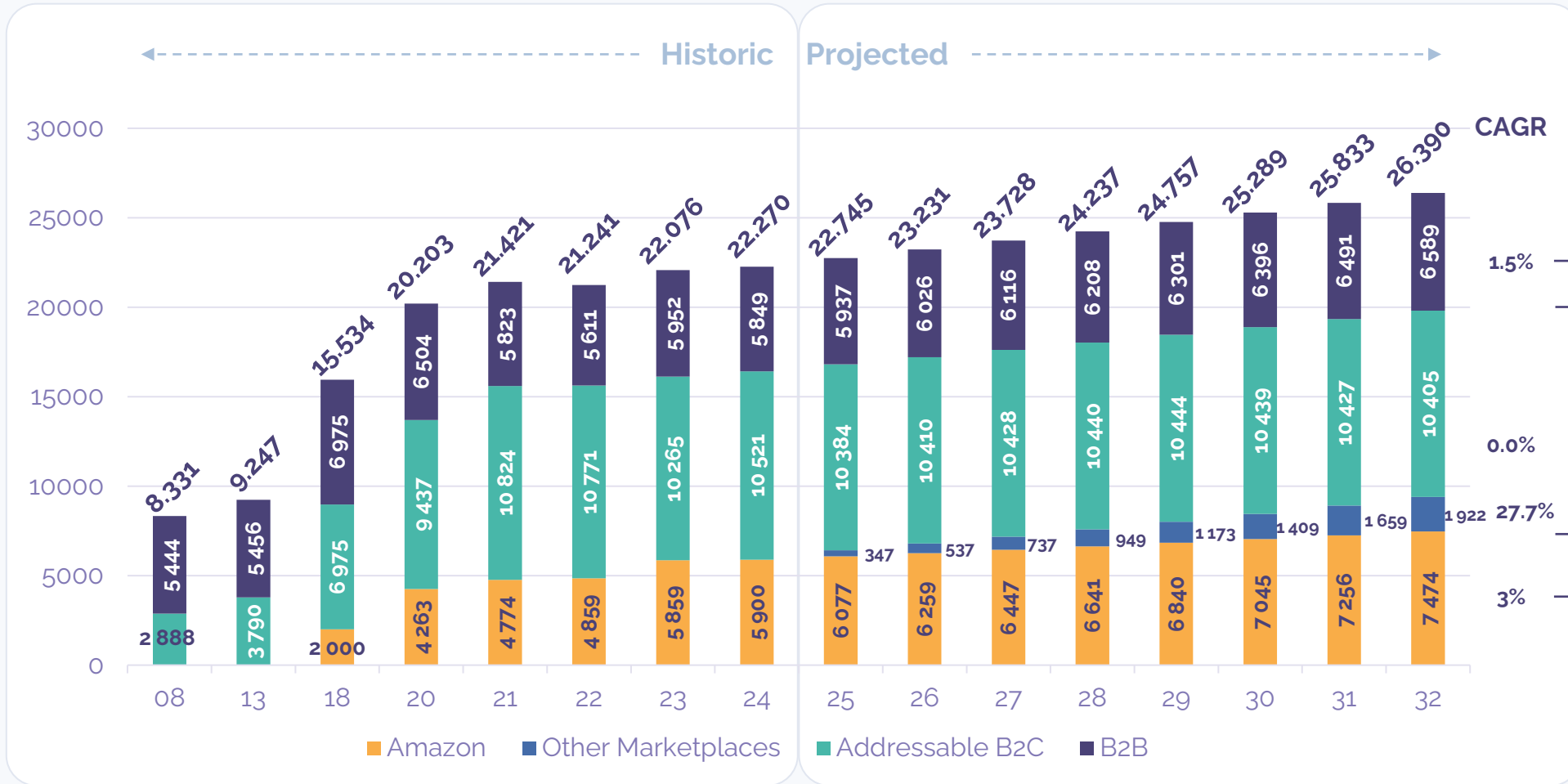
Analysis: **Pharand Advisors**

Sources: Effigy data – includes International I/B and O/B and Domestic as well as B2B and B2C

Partly by new competitors



The addressable parcel market will be **flat** to **down** over the next eight years.



The **B2B segment** is growing in line with GDP

The **B2C segment** is on course to reach 12.3B parcels by 2032 ...

... but this will depend on Marketplaces

Amazon is no longer part of the B2C market and will continue to capture market share.

Analysis: **Pharand Advisors**
Sources: Annual reports (incl estimates), US Census Bureau, Capital One Shopping Research



The Profitability Trap

In response to yield pressures, strategies must shift from **more parcels and better economics**.



THE SQUEEZE

Costs are rising while revenue per parcel falls

Labor, fuel, compliance, and technology costs continue to climb — moving in the opposite direction to parcel yields.



THE BROKEN MODEL

Scale economics no longer guarantee profitability

More volume can dilute margins when it comes from low-yield traffic. The old playbook doesn't work..



THE IMPERATIVE

Strategy must shift from 'more parcels' to 'better economics'

The winning response is not simply "grow volume." Operators must pursue higher-value, lower-cost, smarter strategies.



Higher-value products

Returns, customs, cross-border compliance



Lower-cost channels

Lockers and out-of-home delivery



Better segmentation

Cost-to-serve based strategies



Monetise data

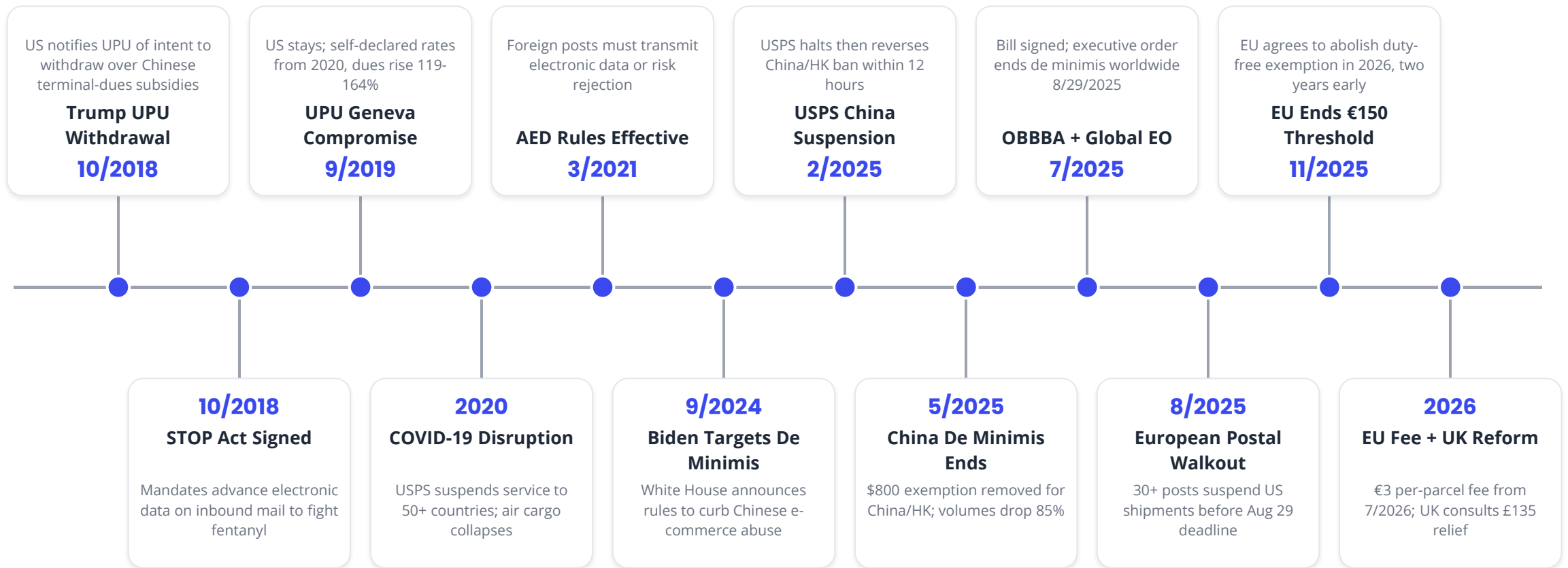
Address intelligence and analytics

Sources: Annual reports (incl estimates), US Census Bureau, Capital One Shopping Research



Trend 2: Cross-Border Structural Destruction

10 years of significant disruptions impacting the postal cross-border flows of parcels (sample only)





The flows have permanently changed

The constant state of disruption has hurt the postal **small packet advantage** and those **volumes are lost**

WHAT'S CHANGING



Regulation raises friction

Security and compliance requirements create new barriers for small packet flows.



Inventory moves closer to demand

Marketplaces and integrators shift to forward-positioned inventory to avoid regulatory fees.



Flows arrive as injected domestic volumes

Cross-border items enter as domestic parcels, not classic postal small packets.

~60%

Decline by 2024 vs 2019 peak

~66%

Further decline from 2024 to H1 2025

DOMINANT NEW MODEL

B2B2C

Posts become infrastructure providers in a business-to-business-to-consumer chain.

THE NEW CHOKE POINT

Data-first

Customs and pre-advice data quality becomes the critical differentiator.



What Differs by Region

● North America

ROUTING MODEL

De minimis → cargo injection → domestic networks

KEY STATISTIC

1.36B+ de minimis (FY2024)

IMPLICATION

Win via **customs/data** + returns orchestration

● Western Europe

ROUTING MODEL

Domestic fulfillment → preclear → DDP → dynamic owned network/ OOH

KEY STATISTIC

4.6B low-value items (2024); 91% from China

IMPLICATION

Compliance-as-a-service becomes differentiator

● Eastern Europe

ROUTING MODEL

Hubs and gateways → DDU and DDP → domestic or partner network

KEY STATISTIC

Romania shoppers **51%** order from China

IMPLICATION

OOH + returns node to capture routing

● C & S America

ROUTING MODEL

Marketplace logistics + customs variability

KEY STATISTIC

LatAm eCommerce **~\$215B** (2026 est.)

IMPLICATION

Offer predictability: **clearance + reach** + returns

● Africa

ROUTING MODEL

Two-speed lanes; infrastructure constraints

KEY STATISTIC

Ranks **lowest** on e-commerce readiness

IMPLICATION

Tracking + address intelligence as moat

● Asia

ROUTING MODEL

Export industrialization → forwarding inventory

KEY STATISTIC

~2.6–2.7T RMB cross-border (2024)

IMPLICATION

Partner on injection; **monetize inbound** + reverse

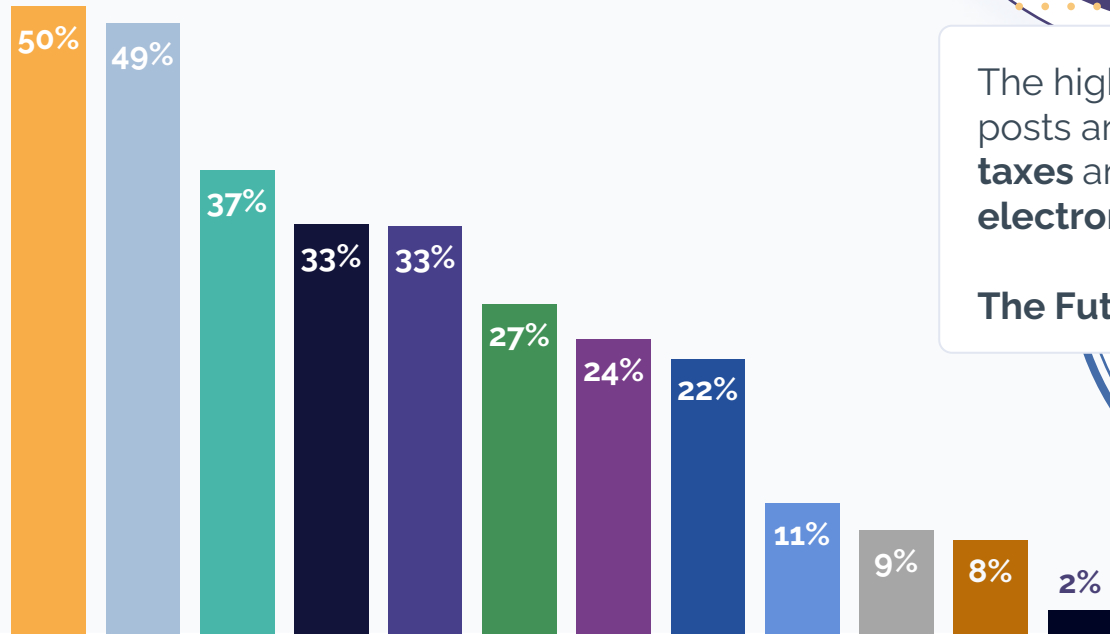
Chasing DDP

The market is shifting to **require DDP**, but Posts have been slow to respond.

What is the main obstacle to **cross-border e-commerce** growth?

Percentage of postal operators

- Real-Time Tax and Duty Estimation
- Transit Times
- Partial or incorrect electronic data
- New Competitors
- Compliance new regulations
- Documentation Difficulties
- Cost Transparency
- Manual processing
- Product Restriction Screening
- Solutions for Cross-Border Product Repair
- Product Classification
- Denied Parties Screening



#1

investment
priority

77%

The least profitable Posts are **twice** as likely to be focused on **transit times**.

The Future of Posts 2025

the next 3 years

The highest priorities for profitable posts are **real time duties and taxes** and improving **advance electronic documentation (AED)**.

The Future of Posts 2025

2027



Clearance is the Differentiator

Regulatory redesign turns data quality into **routing power** (especially EU 2026 low-value reform).

WHAT'S CHANGING

- **Border agencies are overwhelmed;** 'good data' clears faster
- **Marketplaces will route to the operator** who can guarantee clearance predictability
- **Compliance is not overhead** — it is a product

4.6B
EU low-value items (2024)

12M/day
Average low-value items/day

€3
Planned low-value duty (from July 2026)








Trend 3: OOH becoming choice architecture

Out-of-home networks **shift routing power**, but only if utilization is **engineered**.

WHAT'S CHANGING

 **OOH lowers cost and improves success**
Reduces last-mile cost and improves first-time delivery success rates.

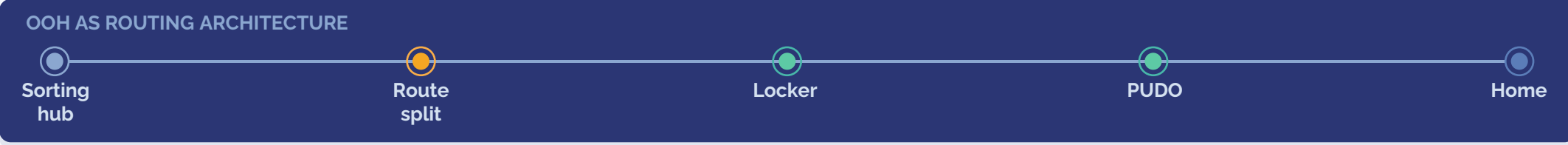
 **Lockers are a platform, not a box**
Returns, ID services, retail partnerships — an ecosystem beyond parcel collection.

 **Utilization beats footprint**
Strategic placement and high throughput matter more than deploying the most lockers.

60–70%
Last mile's share of total delivery cost

44%
European e-shoppers choose OOH when offered

155k+
Parcel lockers deployed across the EU (end-2023)

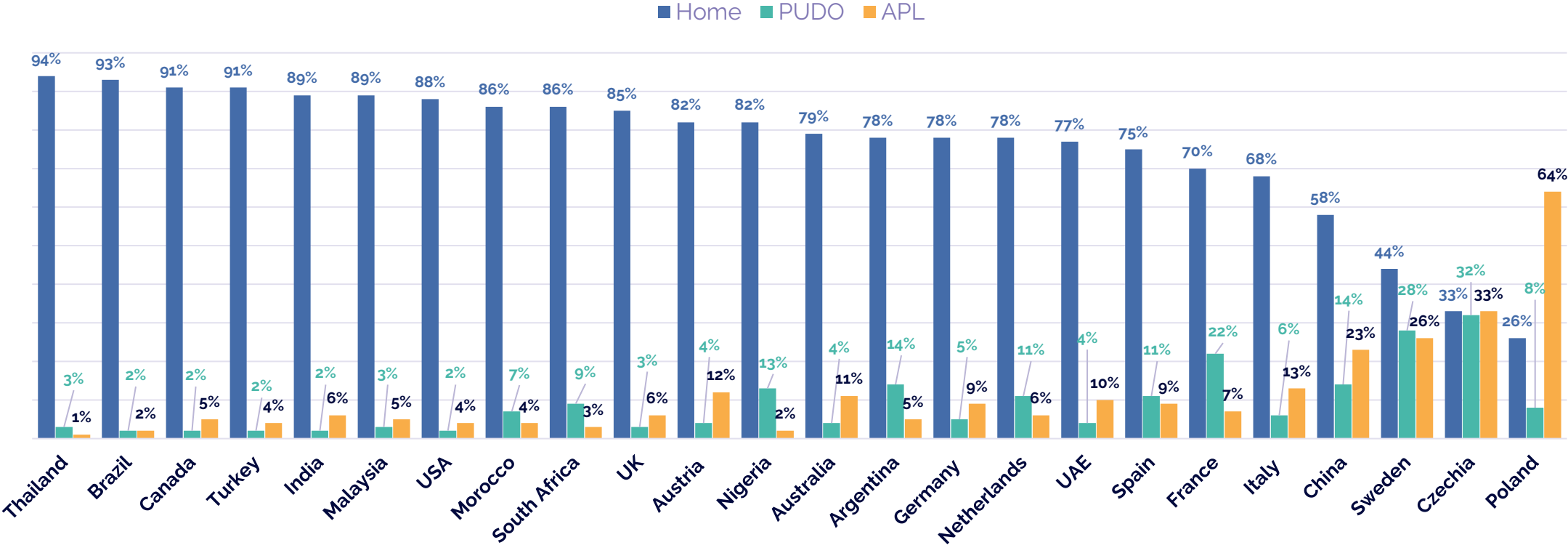




Give them what they want

Home delivery is the preferred delivery method in most countries, with some exceptions typically based on factors like **delivery quality**, **urban density**, and **security**.

Delivery Preference by Country, 2024



Analysis: **Pharand Advisors**
Sources: DHL Online Shopper Trends, 2024; Effigy Consulting

OOH Growing Unevenly



Company	2020 Lockers	2025 Lockers	Growth	Av. Utilization
● Asia				
Hive Box	100,000	330,000	230%	72%
Cainiao	80,000	170,000	113%	65%
● Europe				
InPost	12,500	61,000	390%	68%
Nova Post	2,600	28,600	1,000%	46%
DHL	6,000	15,500	158%	55%
● North America				
Amazon	15,000	40,000	167%	45%
Parcel Pending	10,000	18,000	80%	60%
UPS	12,000	25,000	108%	50%

OOH Considerations

- 1** **Recommerce changes the game**
Consumer to Consumer drives most of the utilization today and may change the adoption curve.
- 2** **Locker networks become shared and agnostic**
Open-access models replace closed proprietary networks — any carrier, any locker.
- 3** **Returns move to OOH faster than delivery**
Consumers already prefer OOH for returns — this is the leading edge of adoption.
- 4** **OOH evolves into neighbourhood infrastructure**
Lockers evolve into multi-service community hubs beyond just parcels.
- 5** **Competition shifts from footprint to utilization**
Winning is no longer about deploying more lockers — it's about throughput per unit.

RETURNS LEAD OOH ADOPTION

25% of shoppers receive parcels at OOH locations

66% already return items through OOH channels

79% use OOH for returns in Europe specifically

THE GAP
Returns adoption is 2.6* ahead of delivery
This is the entry point — operators who capture returns capture the network effect

Trend 4: Returns as the second supply chain

Returns are now macro-scale; **whoever controls returns controls loyalty and inventory velocity.**

WHAT'S CHANGING



Returns create dense pickup flows and profitable processing services



Posts win by leveraging retail footprint as returns nodes



Triage at induction: resell, refurbish, recycle

● Return → ● Triage → ● Resell ● Refurbish ● Recycle

\$890B

U.S. retail returns (2024 est.)

16.9%

Share of all sales returned (2024 est.)

Label-less

Returns experience becomes the competitive battleground

The Returns Problem

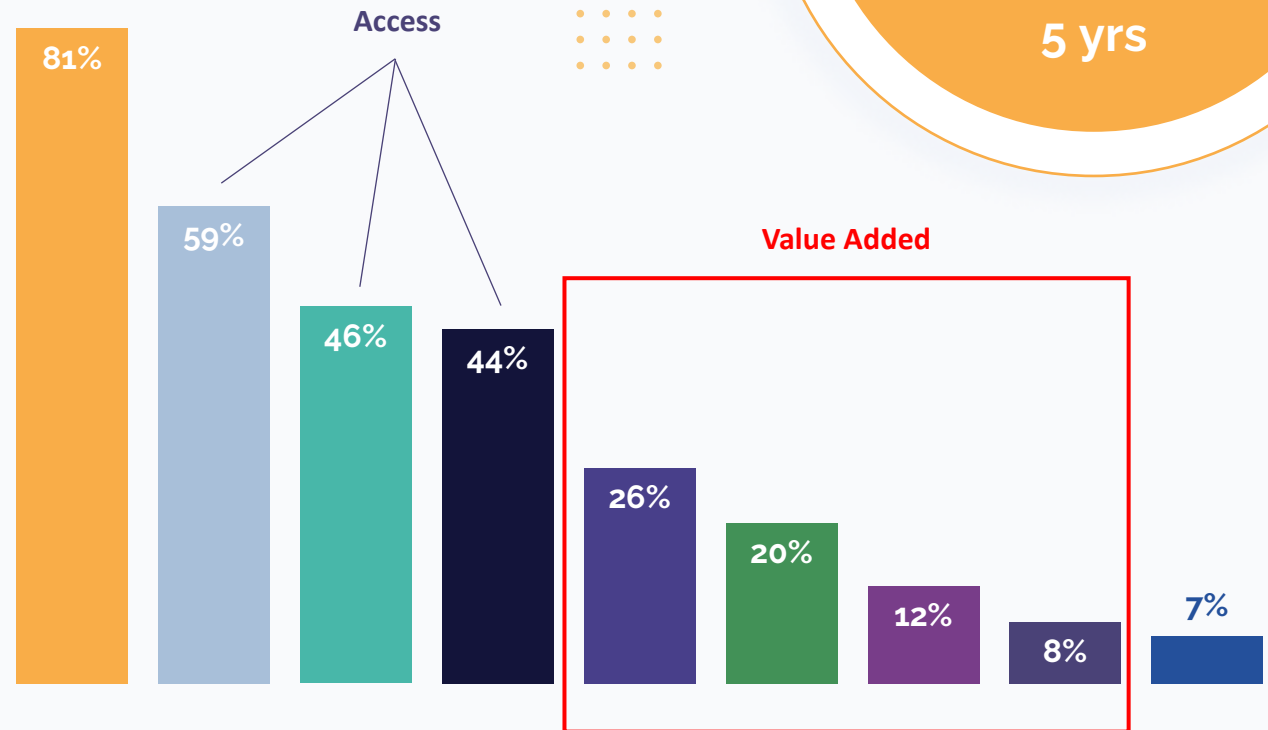
Access remains the focus, but **value-added services** are the differentiator.

Only **7%** of Posts believe that **returns** will have a significant impact on their businesses over the next **5 yrs**

How is your organisation dealing with rising **reverse-logistic** demands?

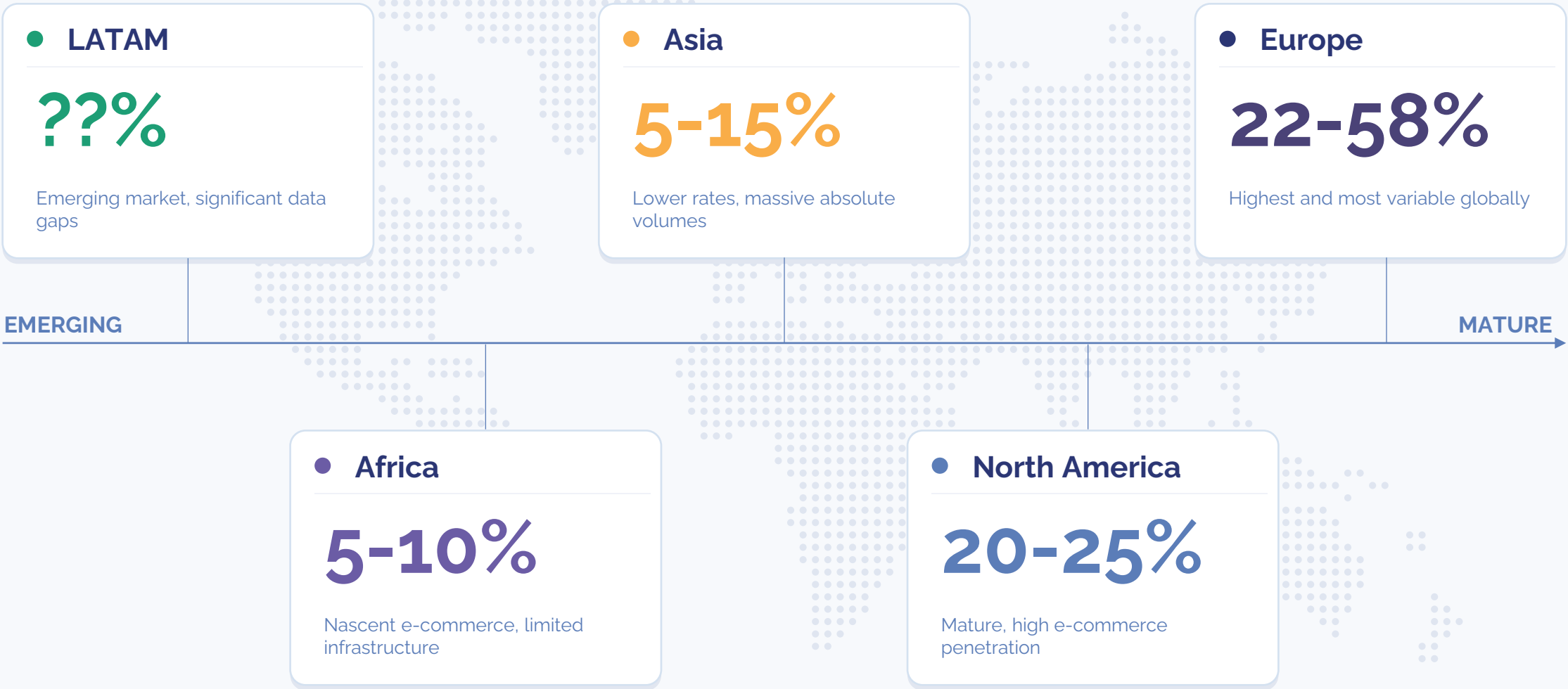
Percentage of postal operators

- We are not seeing rising reverse-logistics demand
- Offering alternative locations (i.e Lockers, PUDO)
- Home pick-up
- Start at home finish in-branch (i.e QR Code)
- Dynamic rerouting of parcels in transit
- Loss prevention analysis
- Dedicated returns self-service kiosk
- Dynamic disposition (categorising, initiating and processing returns)
- Other






Maturity Varies by Market






What next


The **future of returns** is not about **sending it back**.




Returns become a separate profit pool




Returns becoming OOH-based



Label-less and box-less returns become standard



Reverse logistics merges with recommerce



Cross-border returns become the next major battleground

IN MATURE MARKETS BY 2030

60-80% of returns through lockers and parcel shops

7% of Posts believe returns will significantly impact them

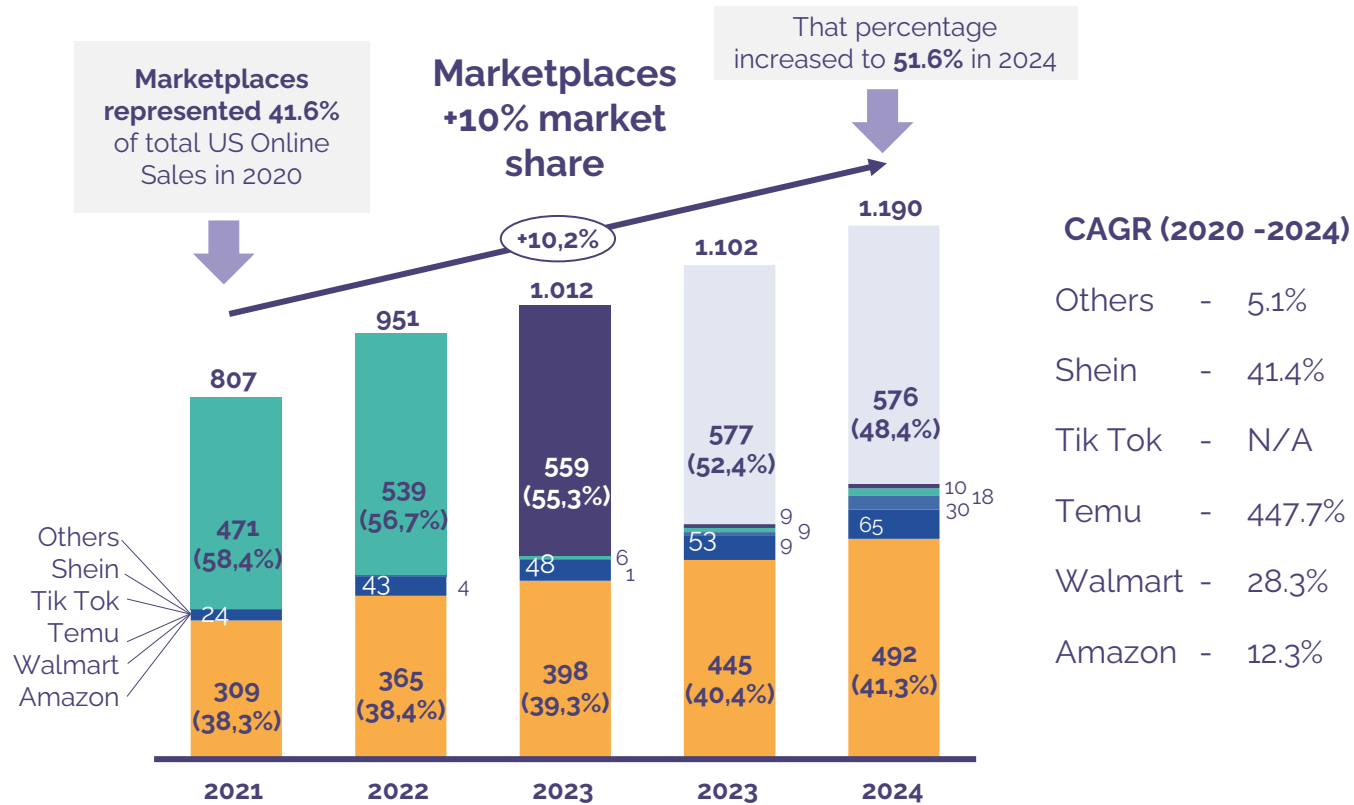
QR code or app authorization replaces the printed label

» Posts that sort, inspect, and resell — not just transport — will win »

Trend 5: Marketplaces are Carriers



Online Sales & Market Share Top eCommerce Marketplaces, in the U.S. '20-'24



Walmart+ has seen a 4x increase in membership from 2021 to 2024.

Which Retail Membership Services Do US Adults* Pay For?

% of respondents, Feb 2021-Feb 2024

	Feb 2021	Feb 2022	Feb 2023	Feb 2024
Amazon Prime	68%	62%	65%	60%
Costco Wholesale	29%	23%	29%	24%
Walmart+	6%	5%	14%	23%
Sam's Club	26%	24%	26%	22%
DoorDash DashPass	-	10%	10%	12%
Instacart+	4%	6%	6%	9%
Best Buy	-	9%	9%	9%
Uber One	-	-	6%	7%
FreshDirect DeliveryPass	1%	2%	2%	2%
Sephora	na*	na*	na*	2%
Shipt	2%	3%	2%	2%
Other	5%	2%	3%	1%
None of the above	19%	18%	16%	19%

Note: ages 18-65; Sephora added in Feb 2024; *or any member in the household
 Source: "The EMARKETER Ecommerce Survey" conducted in February 2024 by Bizrate Insights, Feb 29, 2024

285289



Despite declining memberships, Amazon's Market Share of eCommerce keeps climbing

Analysis: Pharand Advisors

Sources: eMarketer, annual reports, revenue estimates for TikTok Shop, Temu and Shein for 2024

Marketplaces are changing the equation



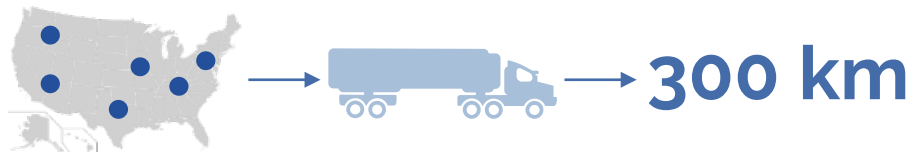
As **distances shrink**, the importance of efficiency in **last-mile** grows. Will **AI** change the game?

If we assume that parcels travel using these modes and distances ...

AIR (Overnight, Next Day, Deferred)



GROUND

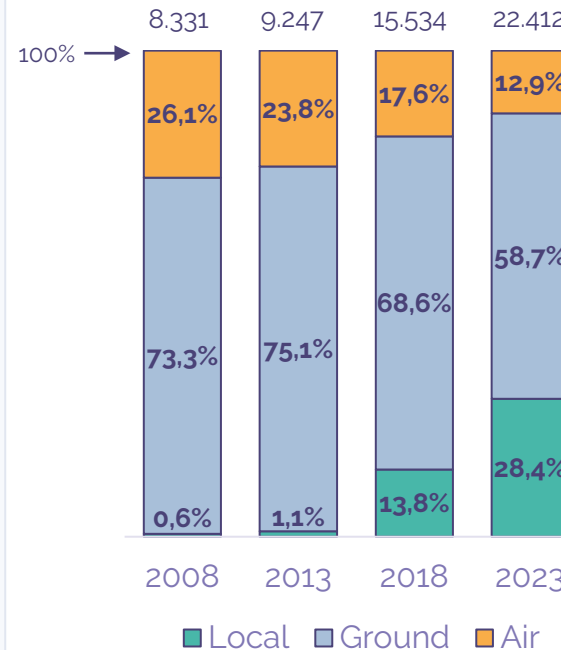


LOCAL (Fulfilment Center or Delivery Station)



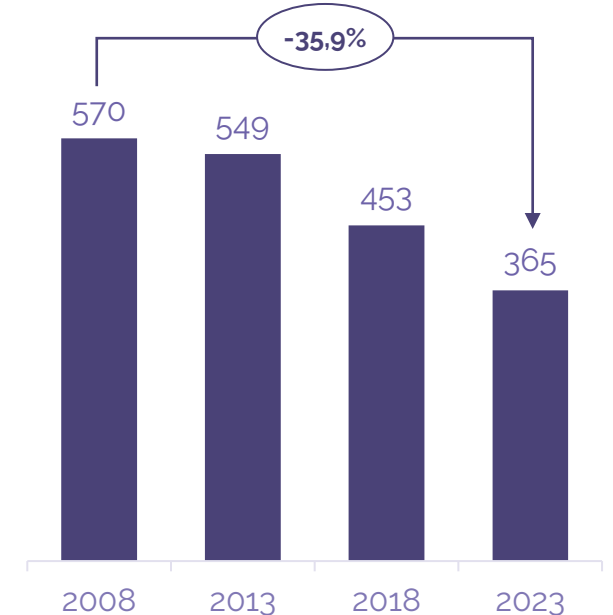
... and we apply these to the parcels (B2B and B2C) product mix...

Percentage and total volume in M of the US CEP market



... then the Average Distance travelled by a parcel has declined

Average distance travelled by each parcel in the US



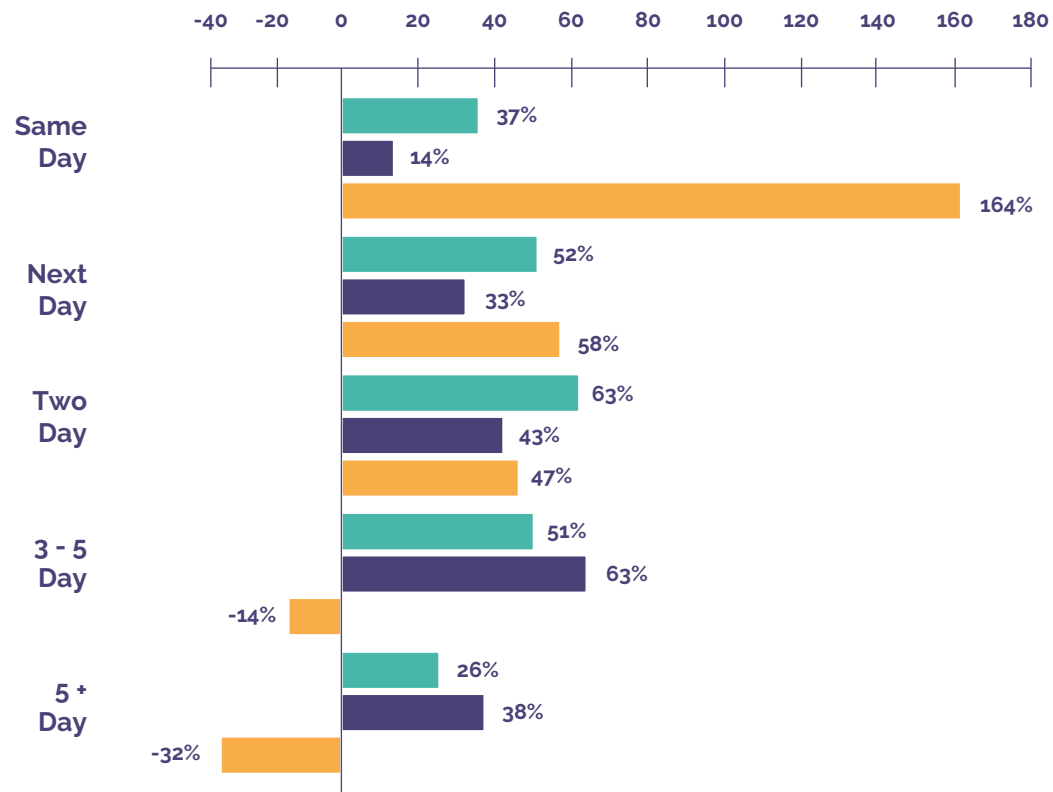
Analysis: **Pharand Advisors**
Sources: Annual reports

Driving Conversion with Speed



Same day has increased by **164%** and next day by **58%** in the last five years.

Changes in delivery options over 5 years



Top 3 reasons Merchants offer expedited shipping

- 1 Customer Demands **76%**
- 2 Competition with Direct Competitors **50%**
- 3 Competition with Big Box Retailers (i.e. Target, Walmart) **48%**

Consumer POV: When shipping beats cost



Postal Growth Archetypes



The Traditionalist

- Focus on domestic mail and parcels



The Regionalist

- Regional expansion, focus on logistics



The Globalist

- Focus on global logistics



The Diversifier

- Balanced portfolio of services and logistics



The Retailer

- Heavy investment in banking and retail

Postal Growth Archetypes



The Traditionalist

The Regionalist

The Globalist

The Diversifier

The Retailer

Revenue CAGR
2022 - 2024

1.1%

-1.0%

-4.5%

2.9%

5.7%

EBIT Margin (Avg)
2022 - 2024

-5.1%

1.1%

6.9%

4.9%

8.3%

New Research!



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