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Winning the new Delivery Game

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Recovering from the Pandemic

Recovery from the pandemic has been much better for Posts



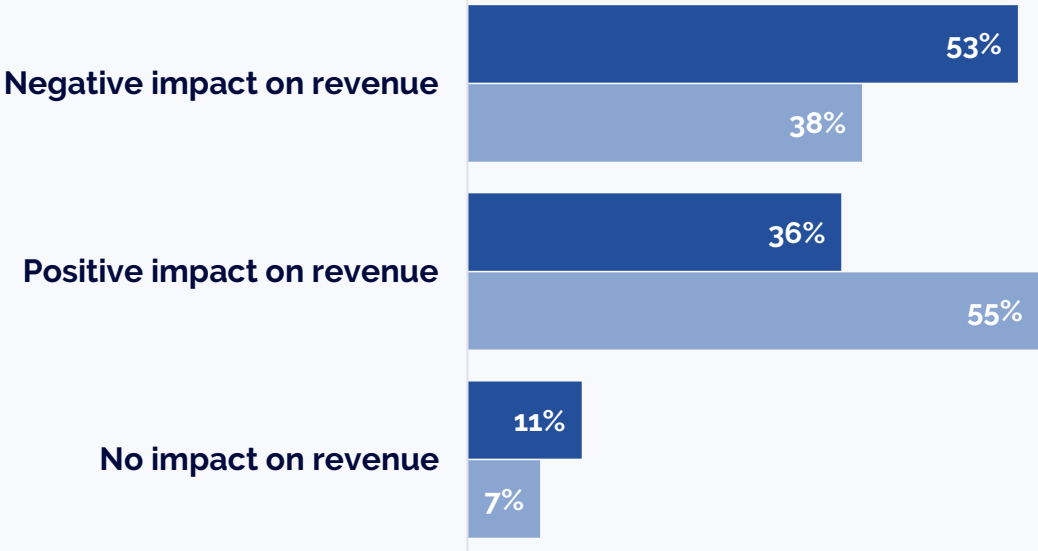
The Future of Posts 2022

How has the recovery from the global pandemic affected revenue & profitability?

REVENUE

Percentage of postal operators

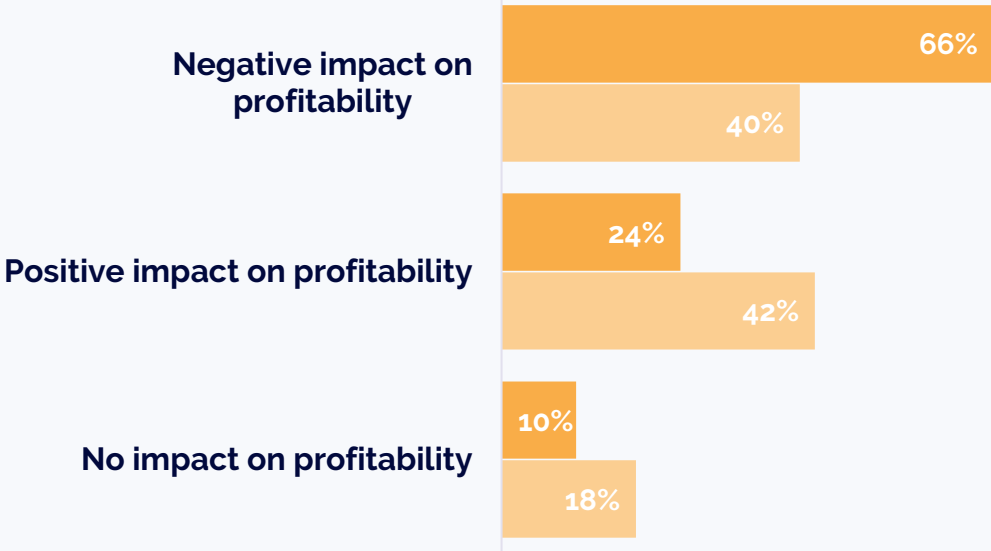
■ 2021 ■ 2022



PROFITABILITY

Percentage of postal operators

■ 2021 ■ 2022





Impacts to Postal Business (Post-Pandemic)

Biggest issues Posts face are still primarily volume related

Nearly two years on from the global shutdown, what impacts have you noticed on your business?

Percentage of postal operators

- Capacity challenges / e-commerce parcel volumes
- Challenges in cross-border shipments
- Reduction in letter mail volumes
- Staff shortages
- Reduced footfall in post offices
- Increased grocery deliveries
- Increased returns
- Increased prescription drug deliveries
- Other

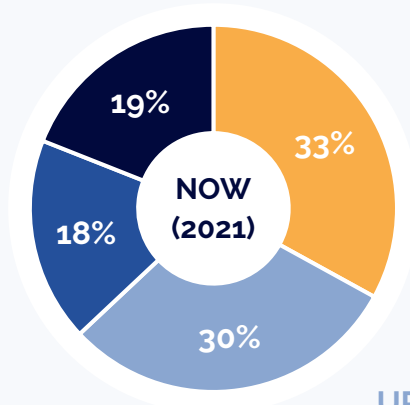
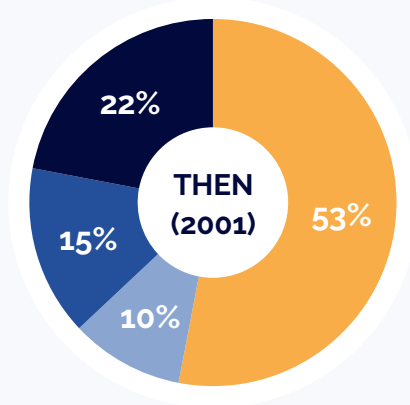


The Role of the Post Has Changed

Parcels business is the growth engine for Posts

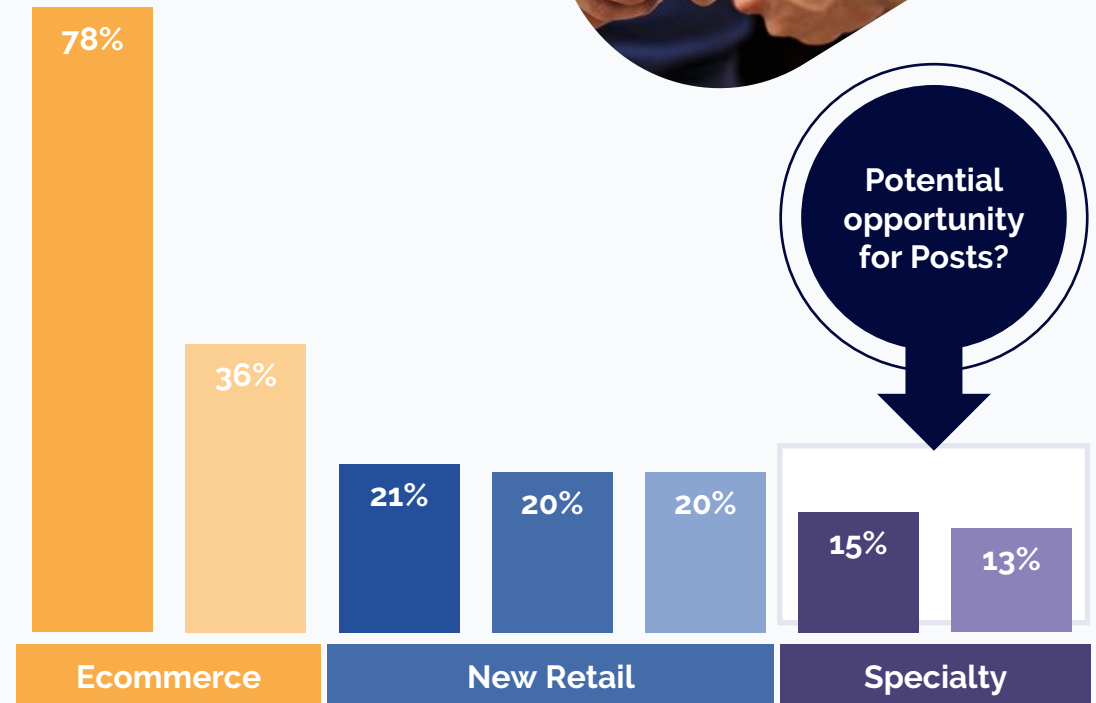
INCOME

- Mail
- Parcels
- Financial
- Other



UPU

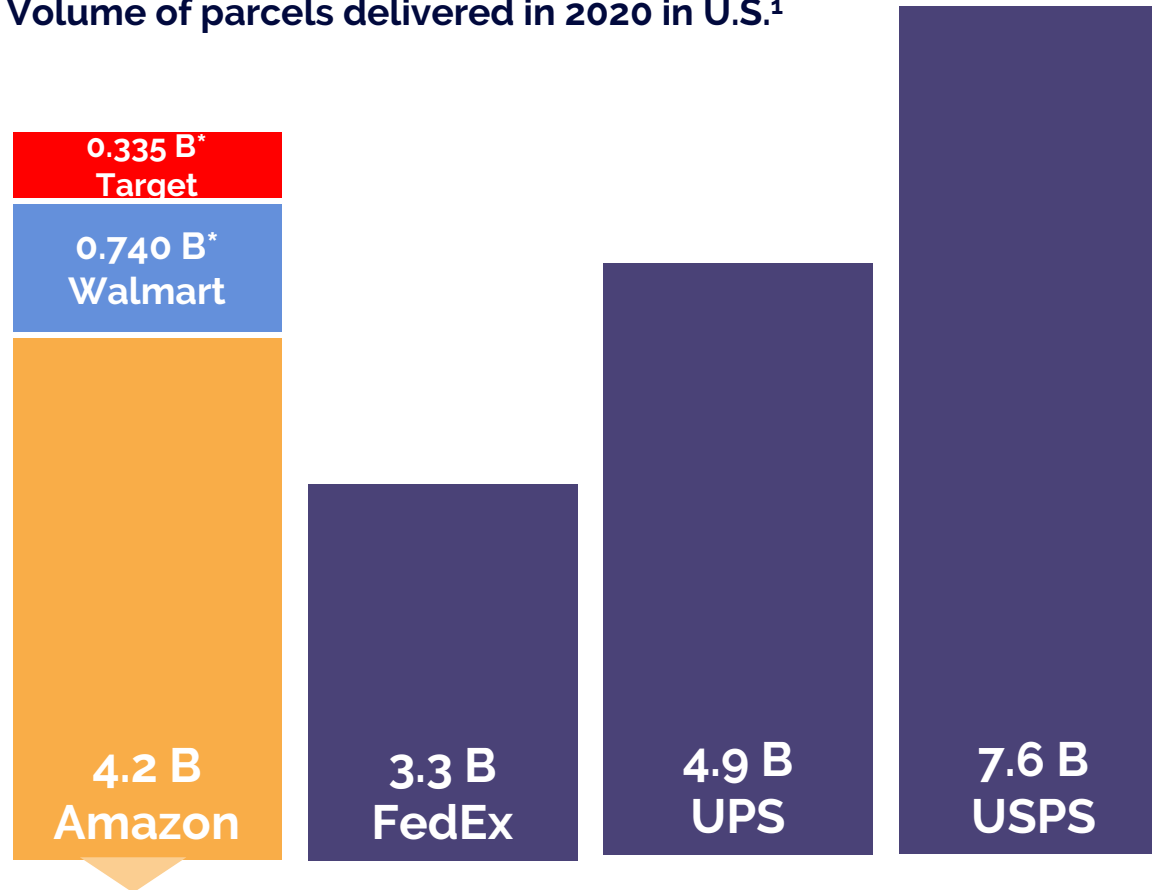
- Ecommerce Parcels
- Third-Party Logistics
- Financial Services
- Government Services
- Identity Services
- Prescription Drug Delivery
- Grocery Delivery



A Rapidly Changing Landscape

Retailers delivering more parcels each year

Volume of parcels delivered in 2020 in U.S.¹



127% YoY growth in parcel volumes

*estimates



\$200B total annual spend on last mile delivery²

90% of all orders are expected to be fulfilled by **local stores**³

Source: 1 Pitney Bowes; 2 Brandessence Market Research And Consulting Private Limited; 3 IHL



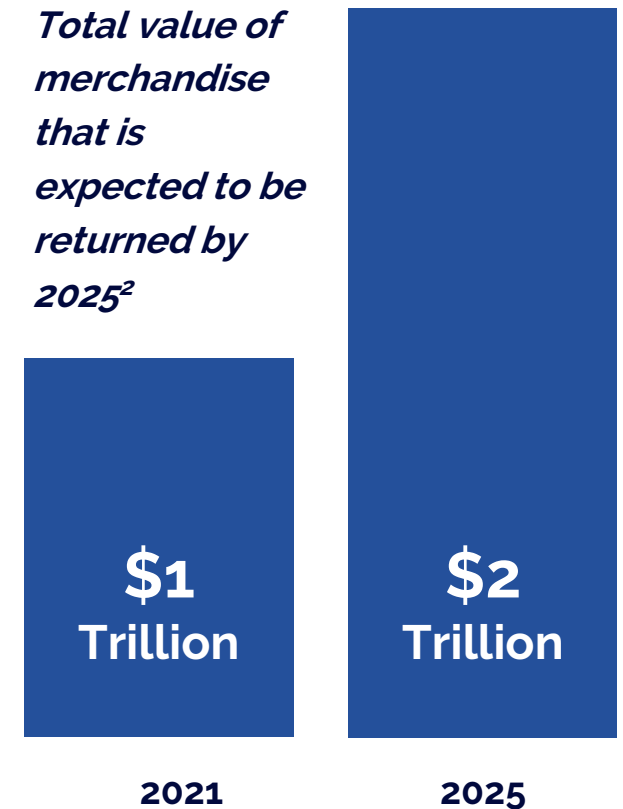
The Consumer Has Changed

CONSUMER VALUES¹



REVERSE LOGISTICS

Total value of merchandise that is expected to be returned by 2025²



¹ Source: Accenture Life Reimagined: Mapping the Motivations That Matter for Today's Consumers 2022 | ² Source: Statista

Delivery Matters!

Meeting the needs of the changed consumer has paid off

 Share of wallet

 Basket size

 Frequency of purchase

 Sales Growth

 Loyalty

 NPS



Same-day delivery accelerates growth in all the metrics that matter

68% of consumers said fast shipping would lead them to place an online order

3X Improvement in conversion rate when free same-day delivery offered

6X Increase in order volume when free same-day delivery offered

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