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THE INEVITABLE REALITY: OPPORTUNITIES FOR INNOVATION

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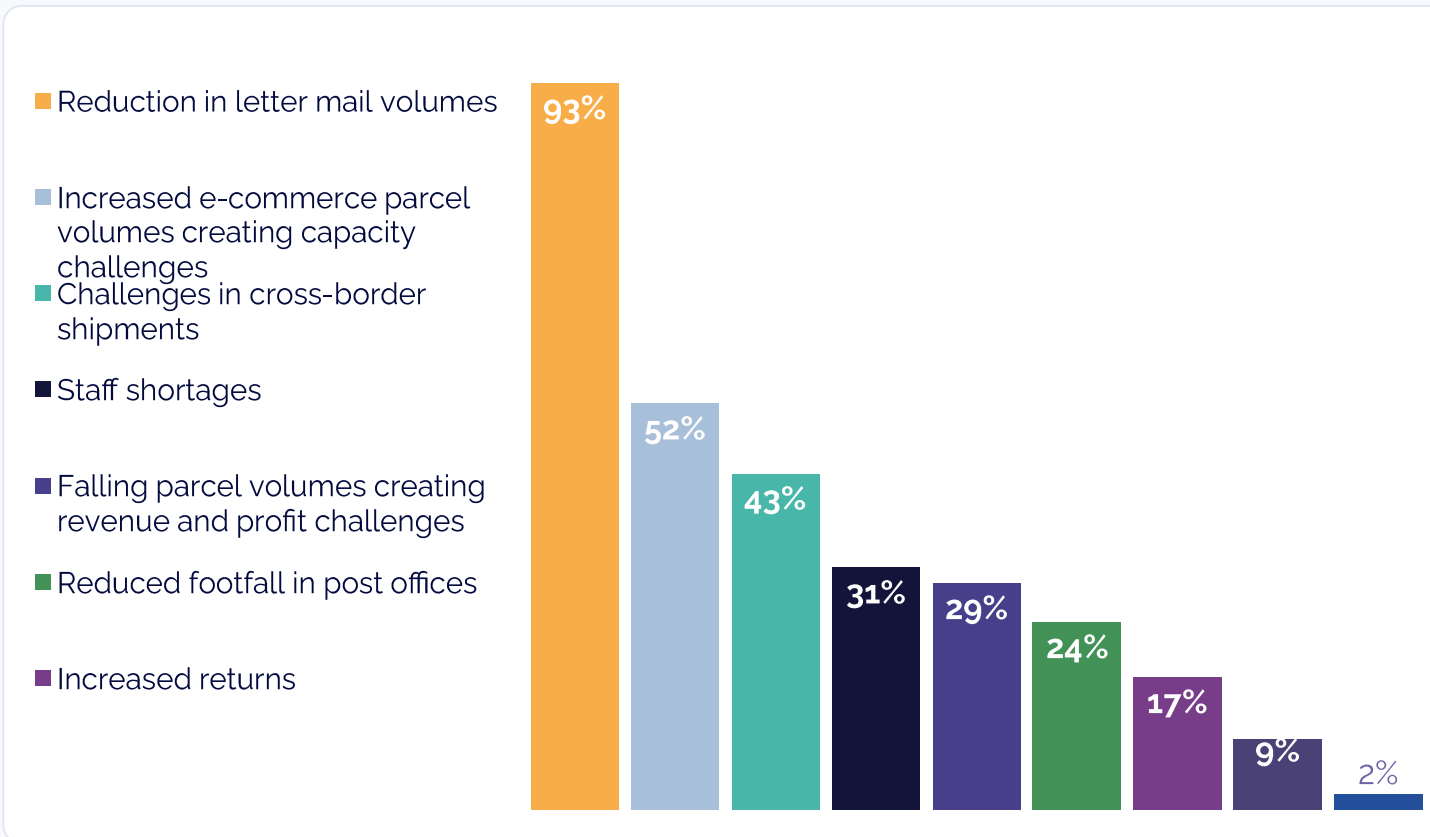


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TREND #1

Falling Letter Mail is the biggest impact ...

What are the main impacts you have noticed on your business in the last 12 months?



Tracking the impact of falling letter mail volumes

→ 73% 2021

↓ 53% 2022

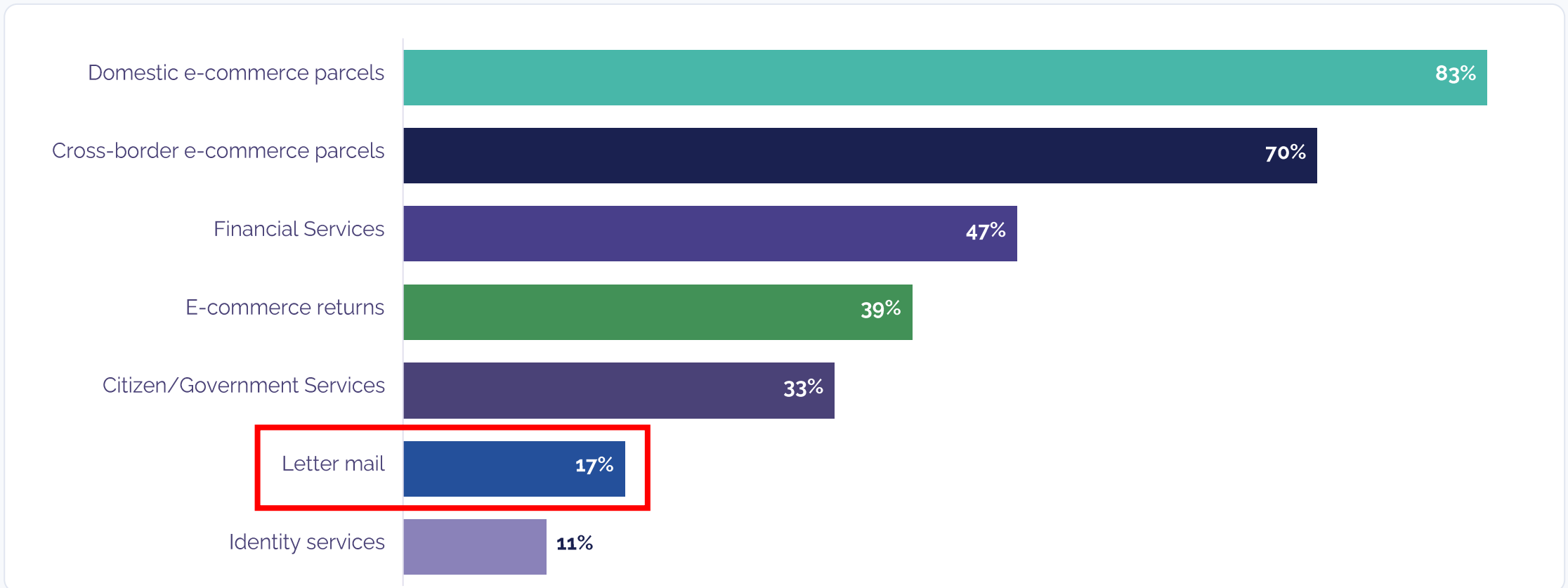
↑ 76% 2023

↑ 93% 2024

TREND #2

... with little investment in addressing it.

What are the most important product investments over the next 1-3 years?



Digital pictures ... that will never work



The world's first self-contained digital camera, 1975.



UNCOMFORTABLE
TRUTHS NOT TO
BE IGNORED

Inevitable REALITIES

INEVITABLE REALITY#1

Frictionless Access

More, lower-cost access points will boost customer convenience and their overall experience



PUDO



Self-service kiosks



Smart lockers



Start @ home, finish in branch



Other Self-Service Ideas



Instore mobile (queue busters)



Self-service tablets (in-store)



Consumer mobile apps



INEVITABLE REALITY#2

Increase Delivery Speed

Control local-to-local delivery



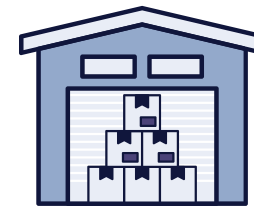
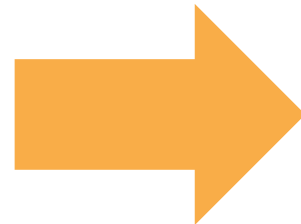
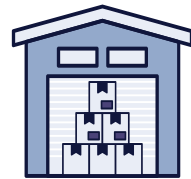
Power local delivery



Speed enables market share gains from brick & mortar

BEFORE

Non-local



AFTER

Local



How?

- Last and first mile solutions
- Repurpose the delivery depot
- OCR, Automation, Optimization
- Achieve continuous delivery

INEVITABLE REALTY #3

USO Must Change



80%

of Posts say **regulatory changes** are necessary for growth or rationalization within their customer-facing networks

67%

of Posts are in **active discussions** with their regulators



OPPORTUNITIES
FOR POSTS TO
INNOVATE

Transformational STRATEGIES

TRANSFORMATIONAL STRATEGY #1

Delivery M&A

Growth through mergers & acquisitions



1500+

Number of M&A deals in the logistics and postal sector globally in the last three years ...with a total deal value of **\$755 B**¹



TRANSFORMATIONAL STRATEGY #2

Diversification from Logistics

Broad diversification to banking, insurance, government services, and more.

- ✓ Banking and Insurance
- ✓ Citizen and Government Services
- ✓ Identity Services
- ✓ General Merchandise
- ✓ Alternative Services (e.g. meter readings)
- ✓ Other Financial (Money order, bill pay, benefits, remittances, digital wallet, currencies)



TRANSFORMATIONAL STRATEGY #3

Efficiencies and Automation

Maintain focus on boosting efficiencies and automation to maximize profitability

+80%

of Delivery Unit Real-Estate was re-purposed

+80%

of mail is auto-assorted in round-stop order
(upgrades will take this higher)

+94.8%

recipient read rate (not just the address) for all mail label types
(hand-written and machine printed)

+20%

improvement in read rate when Escher's OCR solution went live

Over
€100M
Annual Cost Savings



TRANSFORMATIONAL STRATEGY #4

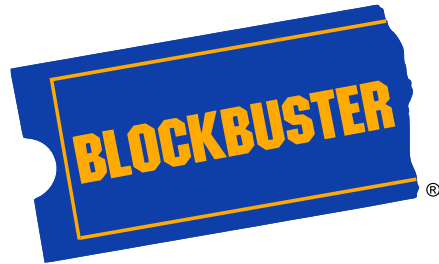
Regional Growth

- Access to new, larger markets
- Diversifying of revenue streams
- Enhanced competitiveness

20%

CTT's international operations accounted for 1 of every 5 Euros of total revenue in 2023

Ignore Change At Your Peril



NETFLIX



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