

Pitney Bowes Parcel Shipping Index Reveals 48 Percent Growth in Parcel Volume since 2014

STAMFORD, Conn., August 30, 2017 - Pitney Bowes (NYSE:PBI), a global technology company that provides innovative products and solutions to power commerce, today announced a 48 percent increase in global parcel volume over the last two years, as reported by its second annual Parcel Shipping Index. Parcel volume has grown from 44 billion parcels in 2014 to 65 billion in 2016, and the increase in growth shows no signs of slowing down, with the Index estimating parcel growth will continue to rise at a rate of 17-28 percent each year between 2017 and 2021.

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Released today, the Index measures parcel volume and spend for business-to-business, business-to-consumer, consumer-to-business and consumer consigned shipments with weight up to 31.5 kg (70 pounds), across 13 major markets, including: Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Norway, Sweden, United Kingdom and United States.

China, a new addition to this year's Index and by far the largest market examined, grew parcel volume by 52 percent in one year, increasing from 21 billion parcels in 2015 to 31 billion in 2016. But, even when excluding China's prolific volumes, the Index forecasts a strong and accelerating pace of growth in parcels throughout the world. On average, the other 12 major markets studied have grown 4.3% annually since 2012 and are projected to grow 4.5% - 5.4% annually through 2021.

The United States (at 13 billion) and Japan (at 9 billion) were also among the largest markets by parcel volume. In terms of investment, the United States ranked highest, spending \$96 billion on parcel shipments, followed by China at \$60 billion and Japan at \$22 billion.

"The continued rise of ecommerce globally is keeping the parcel shipping market strong through 2021 as consumers are increasingly looking to online shopping for convenience, price and availability of products from around the world," said Lila Snyder, executive vice president and president, Global Ecommerce, Pitney Bowes. "As consumer expectations continue to rise, shipping technology and service providers will need to help retailers and marketplaces meet those demands."

Results from the Parcel Shipping Index point to rapid growth and last mile delivery challenges – when a parcel is transported from a hub to the end-user – as driving innovation across markets. New trends and emerging technologies, such as parcel lockers, crowd-shipping, on-demand delivery services, evening and weekend delivery and drones, are impacting the customer shipping experience by shortening delivery times, lowering delivery costs and adding flexibility.

"Managing the growing demands and navigating the evolving landscape of parcel shipping can be complicated for organizations of all sizes, from large enterprises to small businesses," said Mark Shearer, executive vice president and president, Global SMB Solutions, Pitney Bowes. "Digital transformation of a company's shipping workflow—like the integration of SaaS-based multi-carrier platforms—can help to better enable carrier, timing and cost efficiencies for companies, as well as improve customer experiences through the addition of tracking capabilities, simplifying and streamlining processes for both senders and recipients."

A breakdown of key results across major markets is included below.

United States Continues to Lead the World in Parcel Spend

Americas (Brazil, Canada, United States)

- Of the 13 countries analyzed, the United States remains the largest market in terms of spend, recording \$95.8 billion in 2016. Parcel volume also increased by 8.2 percent year-over-year, up from 12 billion parcels in 2015 to 13 billion parcels in 2016.
- The annual parcel shipping market in Brazil grew by 13 percent in spend from 2015 to R\$11.6 billion in 2016 and 9 percent in volume, up from 558 million parcels in 2015 to 609 million in 2016.
- In Canada, annual parcel spend increased by 2.6 percent, up from \$7.1 billion CAD in 2015 to \$7.3 billion CAD in 2016. Volume also grew by 4.4 percent from 2015 to 597 million parcels in 2016.

Germany is the Largest European Parcel Market in both Volume and Spend

Europe (France, Germany, Italy, Norway, Sweden, United Kingdom)

- Germany is the largest European parcel market – in terms of both volume and spend. Parcel spend increased by 6 percent to €14 billion in 2016. Similarly, parcel volume increased by 6.7 percent to 3.3 billion in 2016. Of note, business to consumer shipments represented 58 percent of all parcels in Germany in 2016.
- In 2016, the parcel shipping market in France grew by 3 percent in spend to €10 billion, and 4 percent in volume to 1.6 billion.
- With a 2014-2016 compound annual growth rate (CAGR) of 12 percent, Italy is among the top three fastest growing markets by volume in the Index. From 2015-2016, parcel volume increased by 10 percent to 801 million parcels, and spend increased by 3 percent to reach €5 billion in 2016.
- The parcel shipping market in Norway increased by 4 percent in spend to 6.3 billion kr, and by 6 percent in volume to 38 million in 2016.
- In Sweden, parcel spend grew by 6 percent to 4.4 billion kr, and volume grew by 9 percent to 108 million in 2016.
- In the United Kingdom, parcel spend increased by 8 percent to £9.7 billion, and volume increased by 12 percent to 2.5 billion in 2016.

Australia Experiences Double-Digit Growth in Parcel Volume (Year over Year)

Asia Pacific (Australia, China, India, Japan)

- In Australia, the parcel market experienced double digit growth in parcel volume, increasing in 2016 by 13 percent to 794 million, and parcel spend grew by 4 percent to reach AU\$9 billion in 2016.
- From 2015 to 2016, the parcel shipping market in China grew by 52 percent in volume to reach 31 billion parcels shipped, and 45 percent in spend to reach ¥400.5 billion.
- Parcel volume in India grew by 22 percent to 412 million in 2016, and spend increased in 2016 by 5 percent to reach 115 billion Indian rupees.
- Japan showed a 3 percent growth in parcel volume and 2 percent growth in parcel spend from 2015 to 2016, reaching 9.4 billion and ¥2,401 billion respectively.

About Pitney Bowes

Pitney Bowes (NYSE:PBI) is a global technology company powering billions of transactions – physical and digital – in the connected and borderless world of commerce. Clients around the world, including 90 percent of the Fortune 500, rely on products, solutions, services and data from Pitney Bowes in the areas of customer information management, location intelligence, customer engagement, shipping, mailing, and global ecommerce. And with the innovative Pitney Bowes Commerce Cloud, clients can access the broad range of Pitney Bowes solutions, analytics, and APIs to drive commerce. For additional information visit Pitney Bowes, the Craftsmen of Commerce, at www.pitneybowes.com.