

We make our path fully
committed to deliver
1Q24 results presentation



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Operational review

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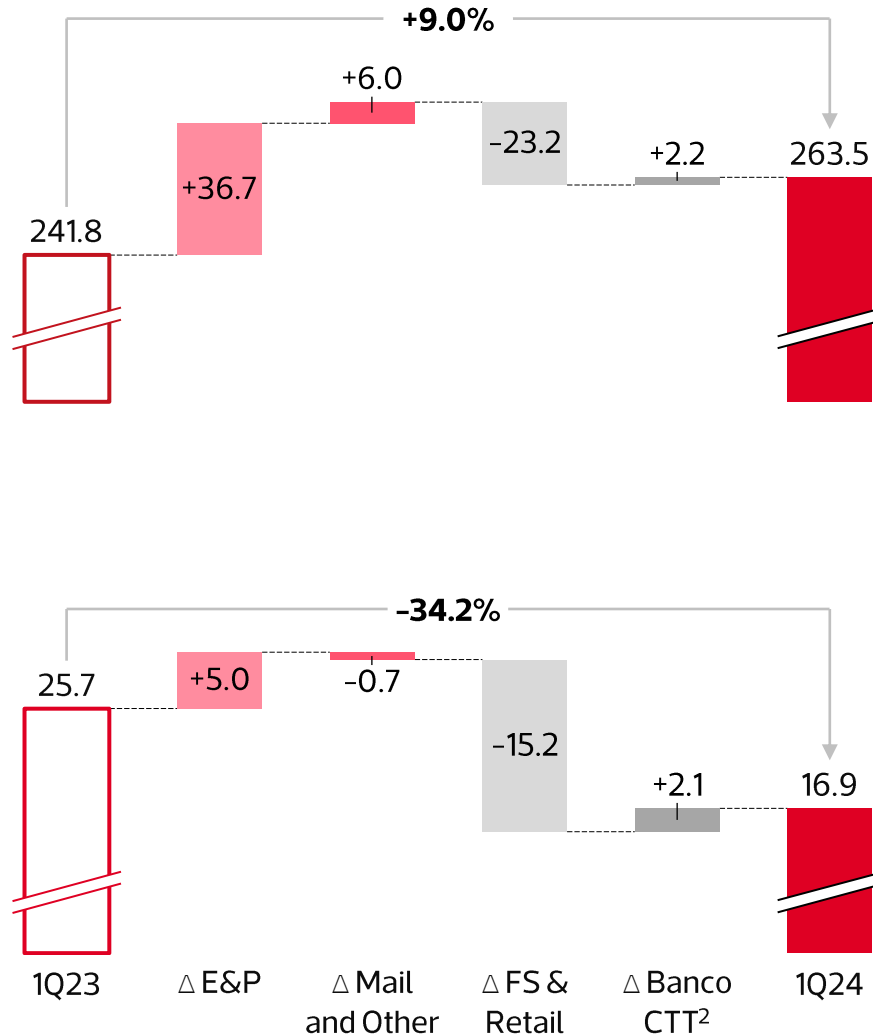
Market expansion and share gains in E&P and Banco CTT fuelling growth in 1Q24



Overview

Revenues¹ & Recurring EBIT¹

€ million



Express & Parcels

- Triple digit volume growth in Spain and double digit in Portugal
- Margin expansion, annually, leveraging on increased scale

Mail & Other

- Price increase, mix and elections led to higher mail revenues
- Continued focus on cost efficiency measures

Financial Services & Retail

- Commercial focus on distribution of insurance and related products is gaining traction
- Public debt placements remain subdued due to strict ceilings

Banco CTT

- Stronger client engagement supporting growth in business resources
- Operational leverage driving profitability up

¹Excludes specific items

²Includes Banco CTT and payments

Volumes in Spain close to peak season levels driving record growth of revenues

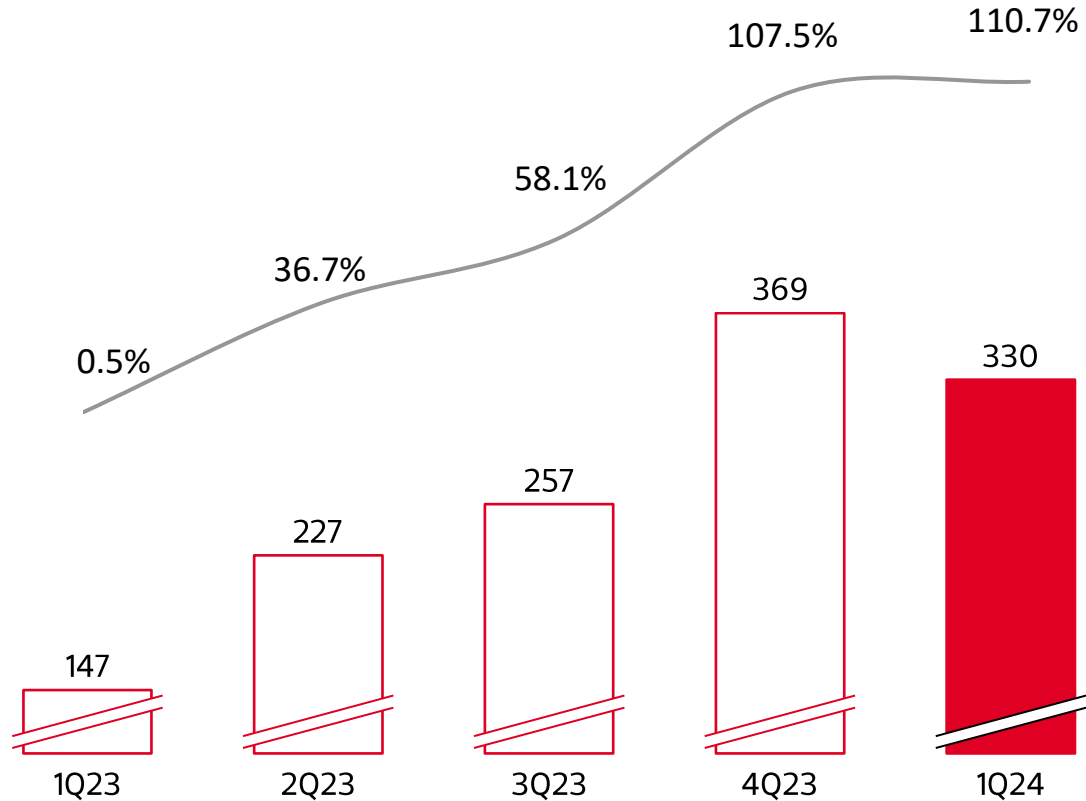


Express & Parcels

E&P Spain | CEP Volumes

thousand items per working day

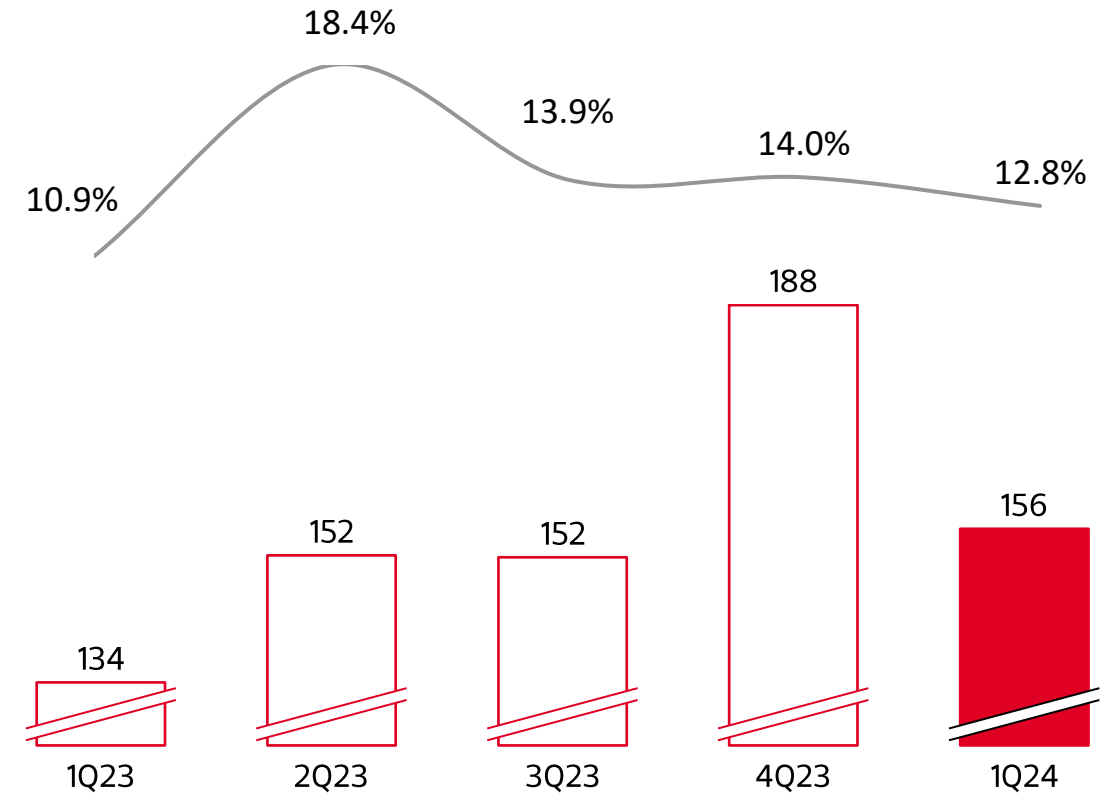
— Revenue growth; y.o.y



E&P Portugal | CEP Volumes

thousand items per working day

— Revenue growth; y.o.y



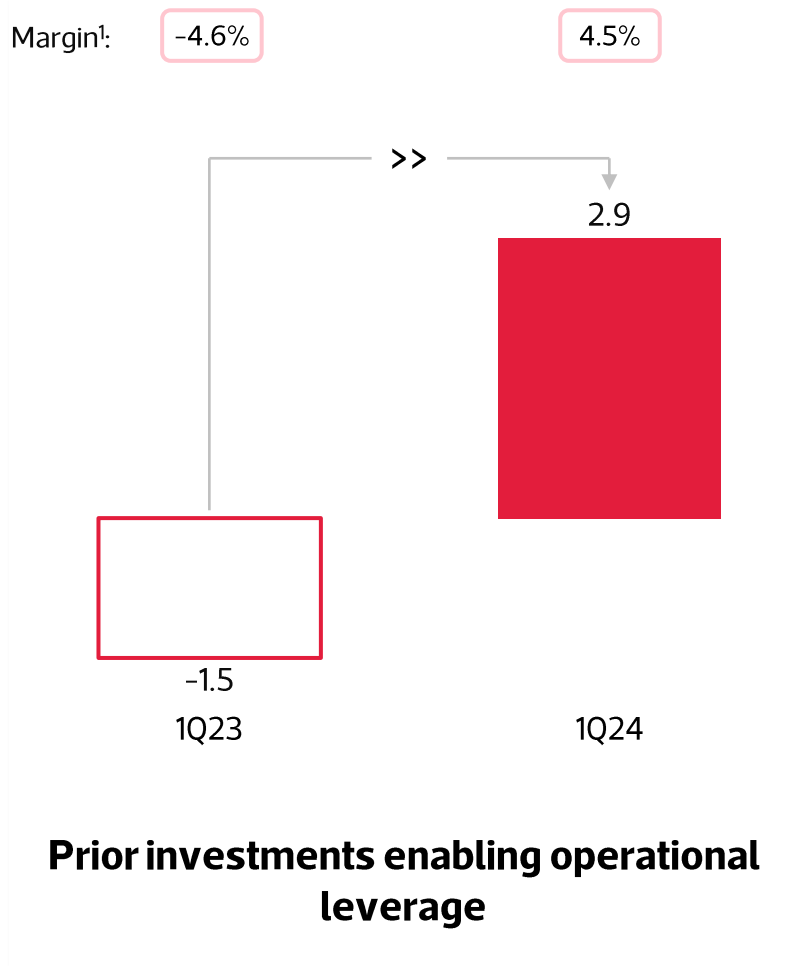
E&P on path for another record year

Margin expansion driven by operational gearing

Express & Parcels

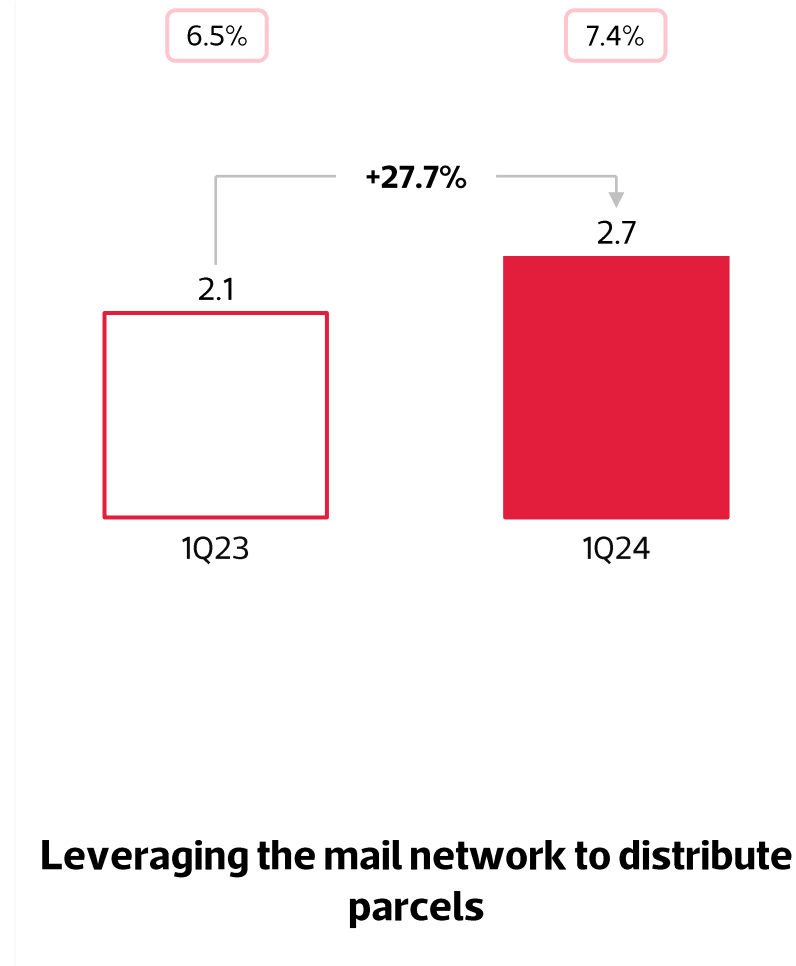
E&P Spain | Recurring EBIT^{1,2}

€ million; % change y.o.y.



E&P Portugal | Recurring EBIT^{1,2}

€ million; % change y.o.y.



Continued investment in expansion of capacity to enable future growth and improved profitability

¹Individual accounts;
²Excludes specific items

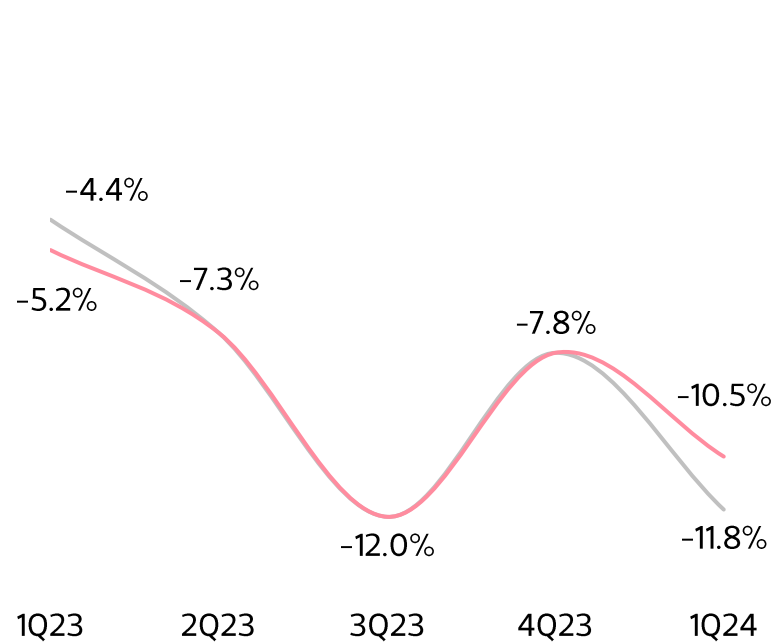
Price increases and mix are partially offsetting the fall in volumes

Mail & Other

Addressed mail volumes

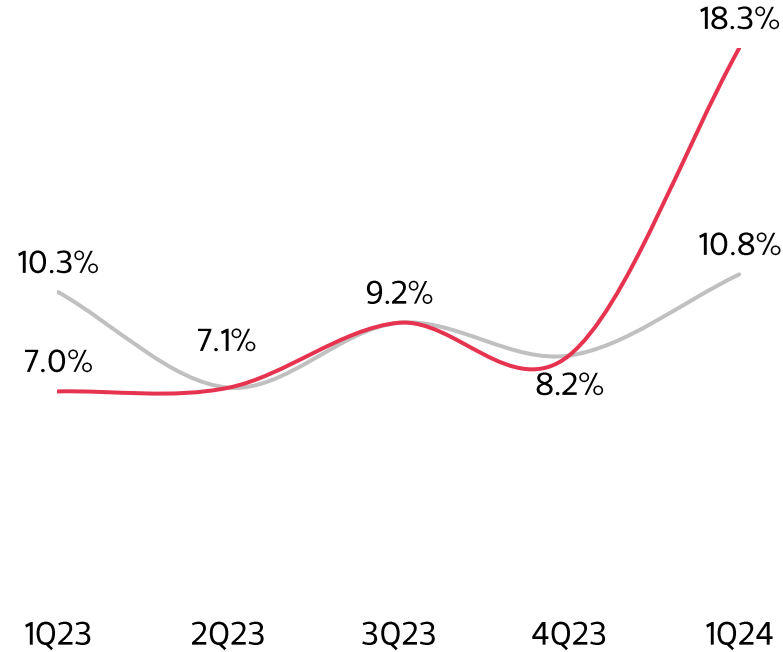
% change vs. prior year

- Adjusted for elections impact
- Reported



Average revenue per item

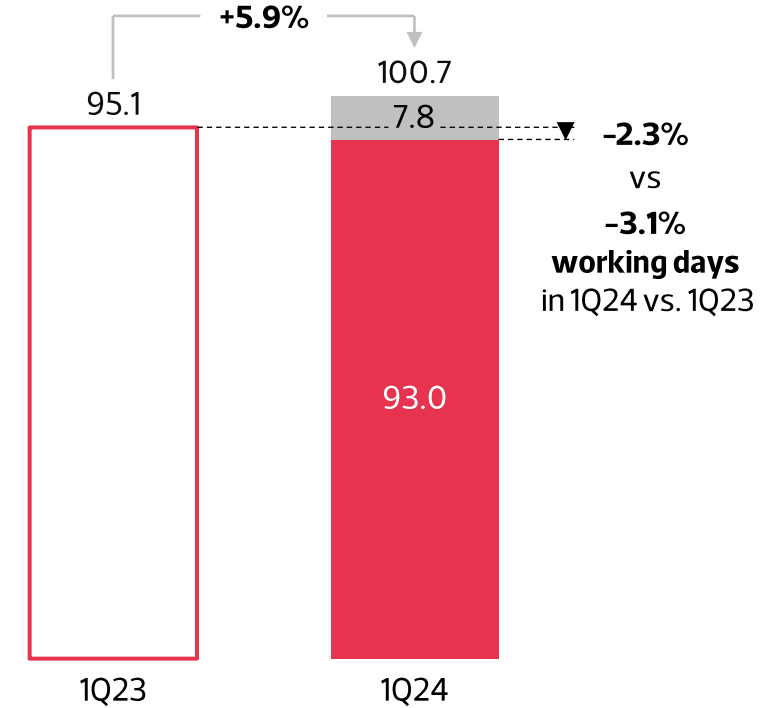
% change vs. prior year



Addressed mail revenues

€ million; % change vs. prior year

- Elections impact



Price increase of 9.49% in February still not fully reflected in the quarter

Elections drove expenses higher in this quarter

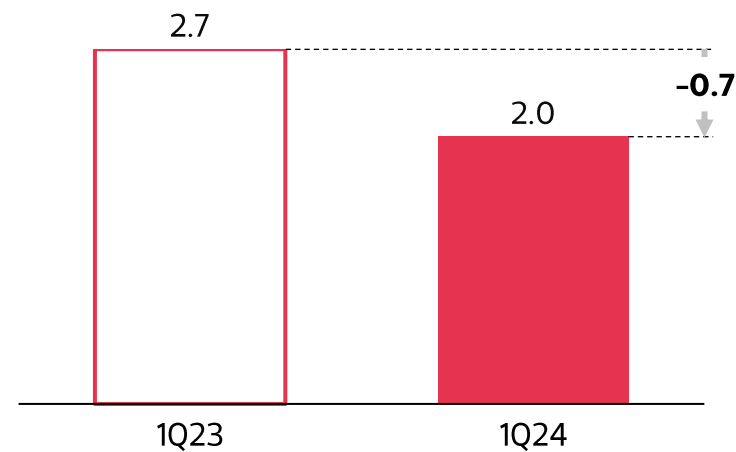
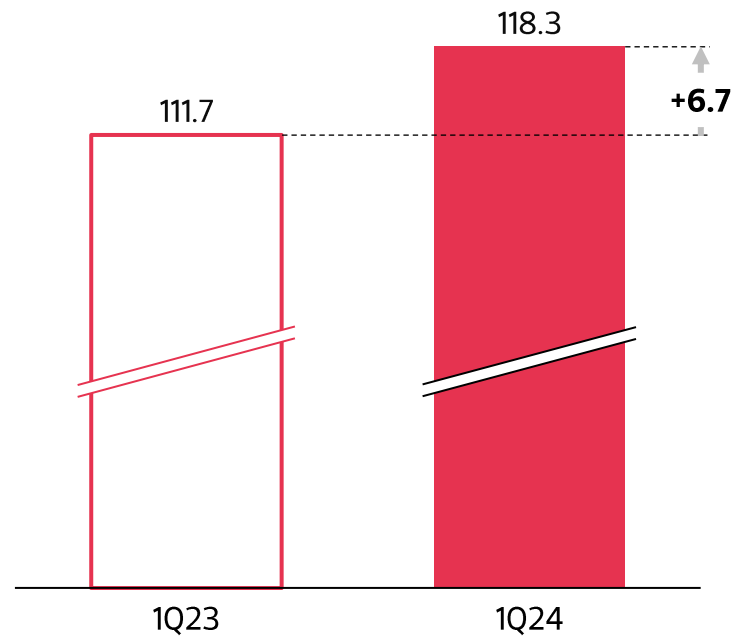
Mail & Other

Mail & Other | Costs (Rec. EBIT level)

€ million

Mail & Other | Rec. EBIT

€ million



Cost efficiency programme ongoing with expected results in 2024

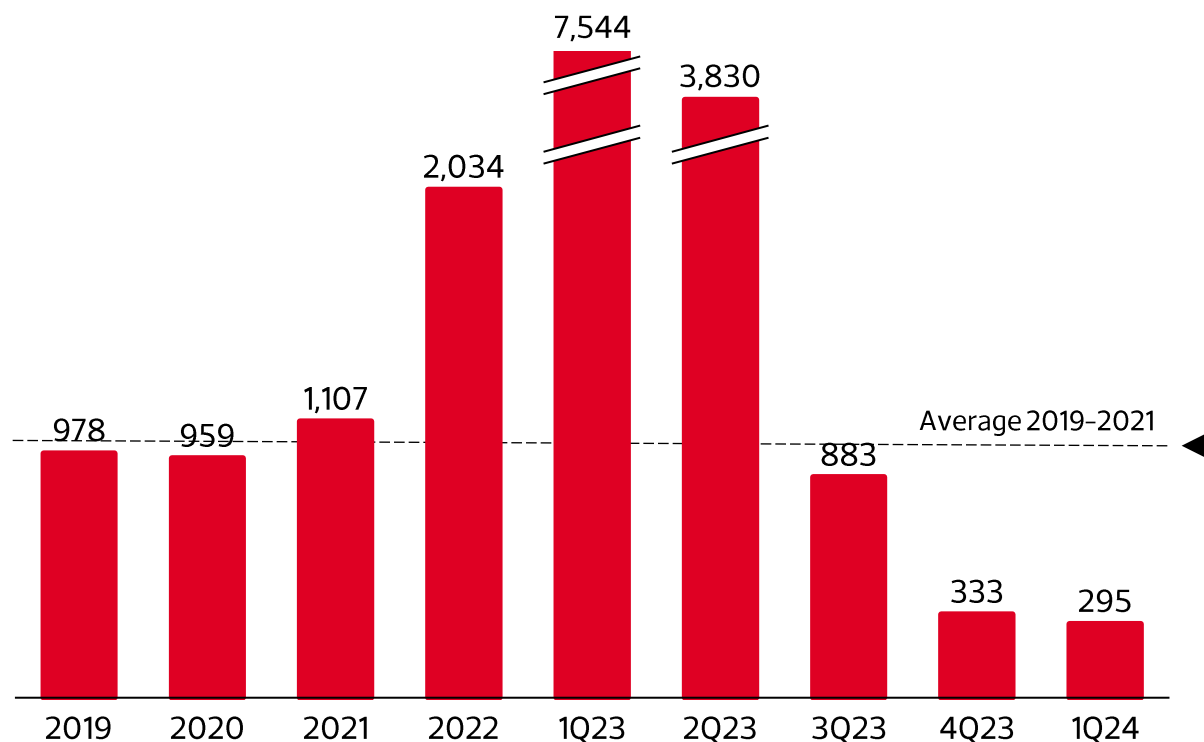
Progression on prices will help stabilise margins

Abnormally weak quarter in 1Q24 in debt placements should revert to normal

Financial Services & Retail

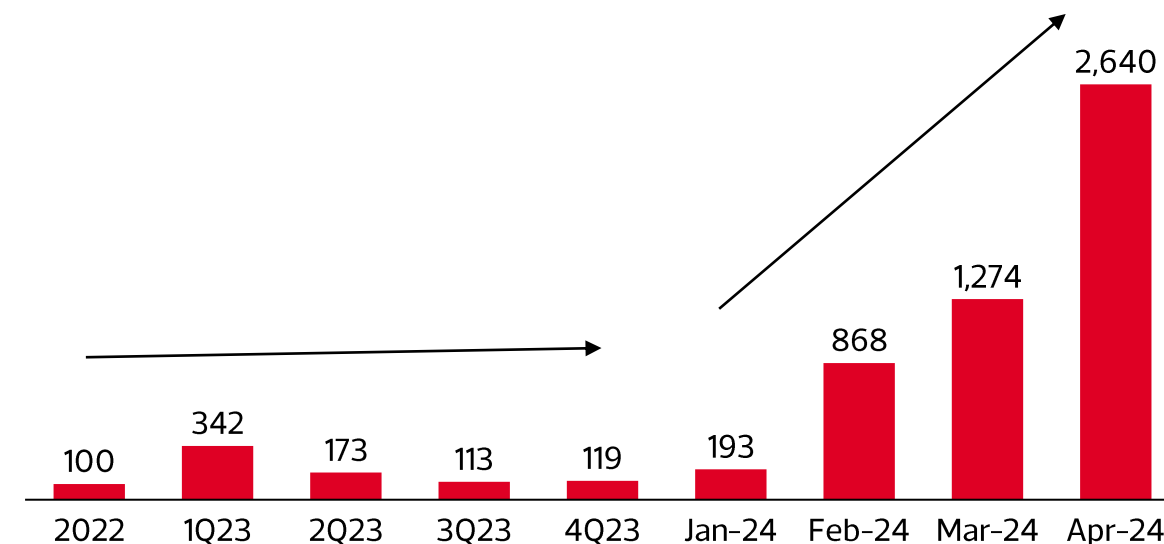
Public Debt placements

€ million, average per quarter



Healthcare plans

Monthly unit sales¹(base 100 = 2022 average)



While public debt placements remain subdued, primarily due to strict limits, sales of healthcare plans are gaining traction

¹2022 and 1Q23 – 4Q23 are average monthly sales; Jan-April 2024 are actual monthly sales

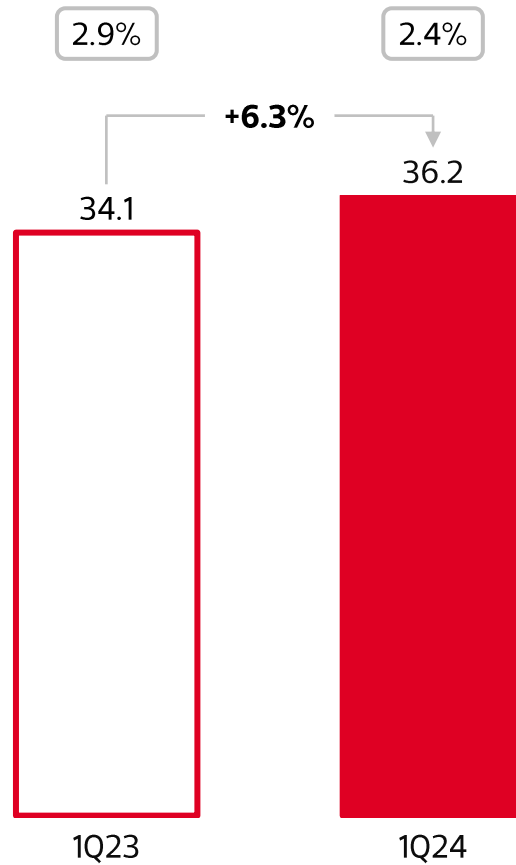
Profitability improving significantly with topline growth

Banco CTT

Revenues¹

€ million; % change vs. prior year

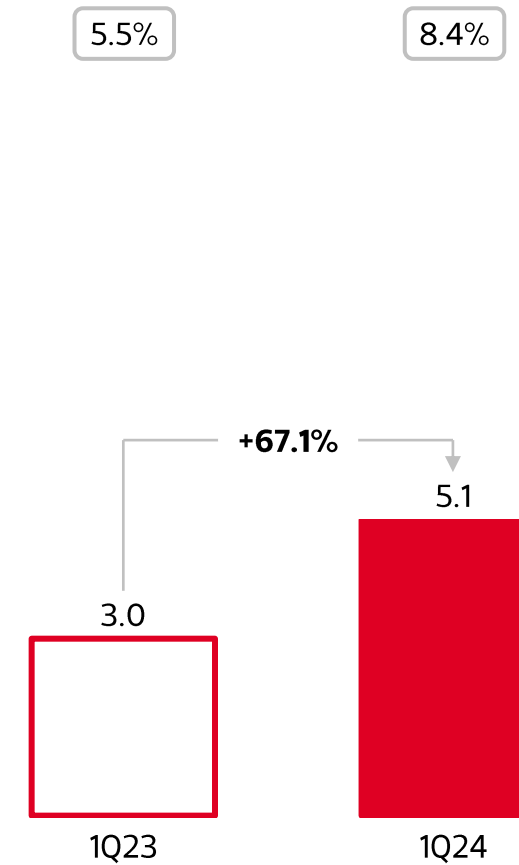
% NIM²



Profit before Taxes^{4,5}

€ million; % change vs. prior year

RoTE^{3,5}:



¹Banco CTT reporting unit includes Payshop and other CTT payments; ²Cumulative;

³Recurring RoTE, cumulative and excluding specific items. Assuming a Tangible Equity of 15% of average RWAs RoTE would be 11.1% in 1Q24;

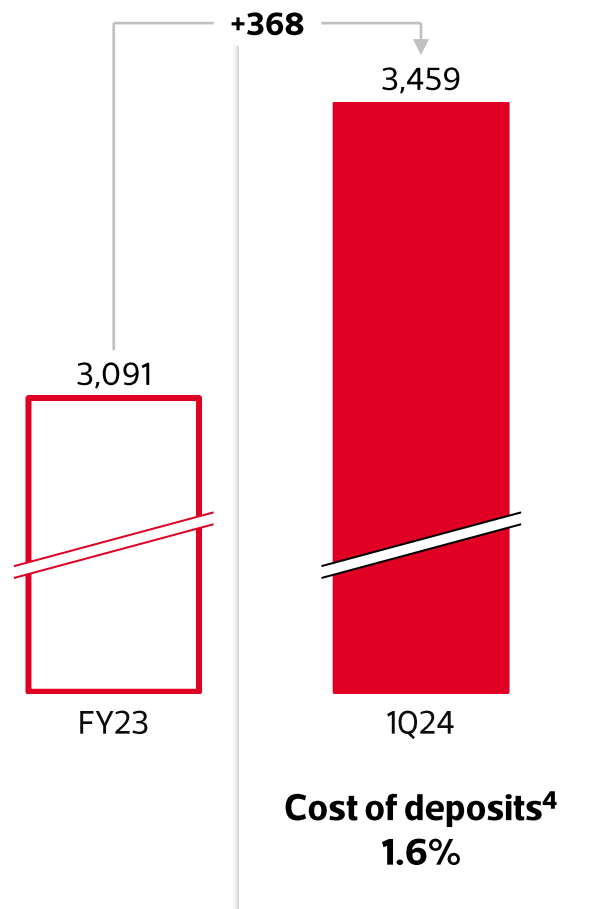
⁴Banco CTT consolidation perimeter, excluding specific items; ⁵Proforma due to Payshop transaction

Strong start of 2024 with better client engagement

Banco CTT

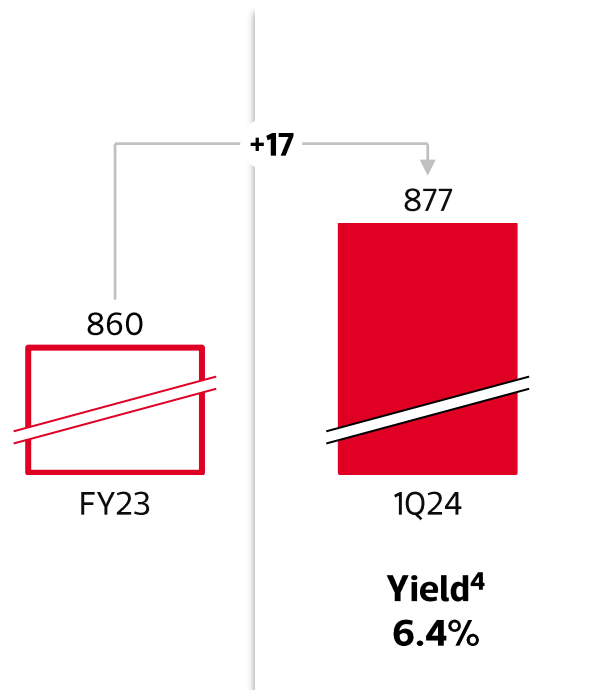
Customer deposits¹

€ million, EoP



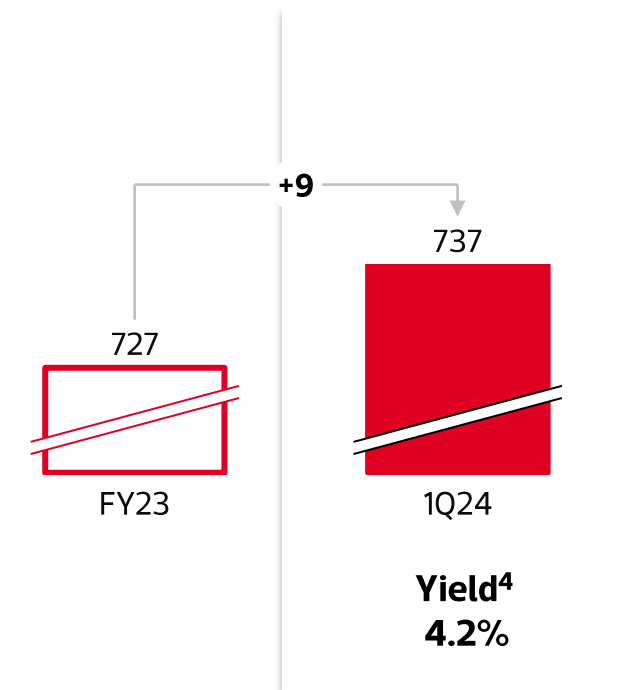
Auto Loans volumes^{2,3}

€ million, EoP



Mortgage Loans volumes²

€ million, EoP



¹Retail Deposits, consolidated accounts;
²Net of impairments; ³Consolidated contribution; ⁴Cumulative

Financial review



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EBIT and FCF penalised by the abnormally low debt placements

Key financial indicators

€ million; % change vs. prior year

	Quarter		
	1Q23	1Q24	y.o.y
Revenues¹	241.8	263.5	+9.0%
Operating costs - EBITDA ²	201.0	229.4	+14.2%
EBITDA²	40.8	34.0	-16.6%
Depreciation & amortisation	15.1	17.1	+13.1%
Recurring EBIT¹	25.7	16.9	-34.2%
Specific items	0.7	2.0	>>
EBIT	25.0	14.9	-40.1%
Financial result	-3.1	-4.1	-30.3%
Tax	5.7	3.4	-40.5%
Net profit attributable to equity holders	16.1	7.4	-53.9%
Free cash flow	39.7	3.9	-90.3%

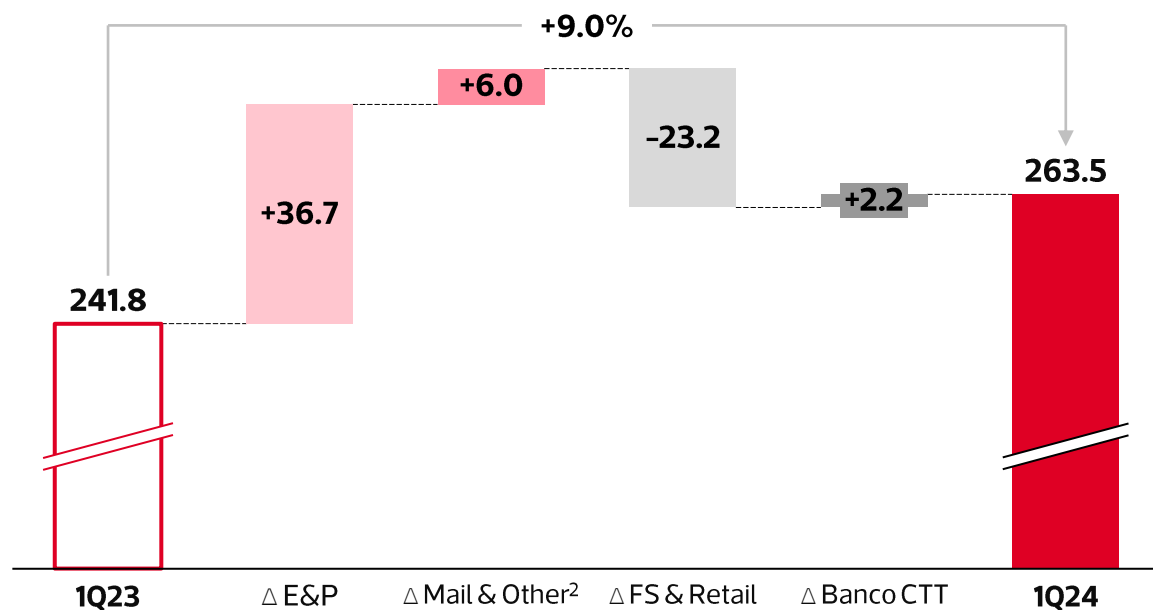
¹Excluding Specific items;

²Excluding Specific items, depreciation & amortisation

E&P already accounts for more than a third of consolidated revenues

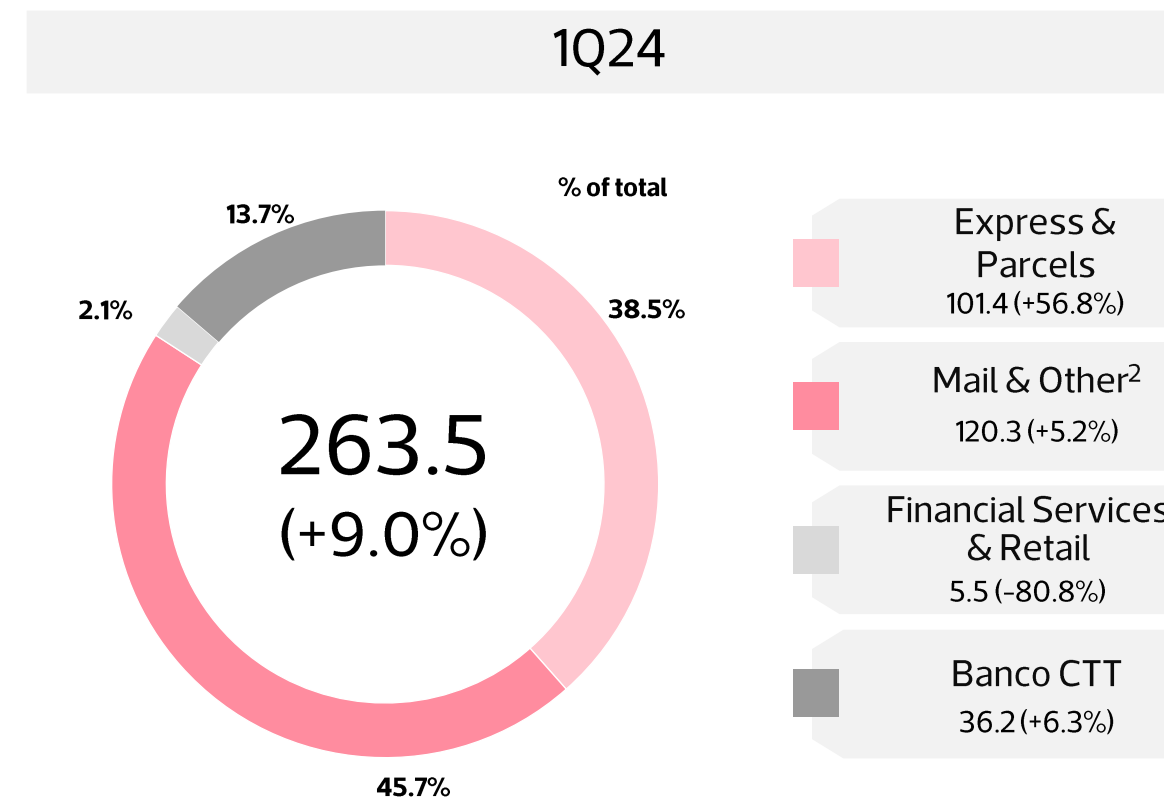
Revenues¹

€ million; % change vs. prior year



Revenue¹ breakdown

€ million; % change vs. prior year; % of total



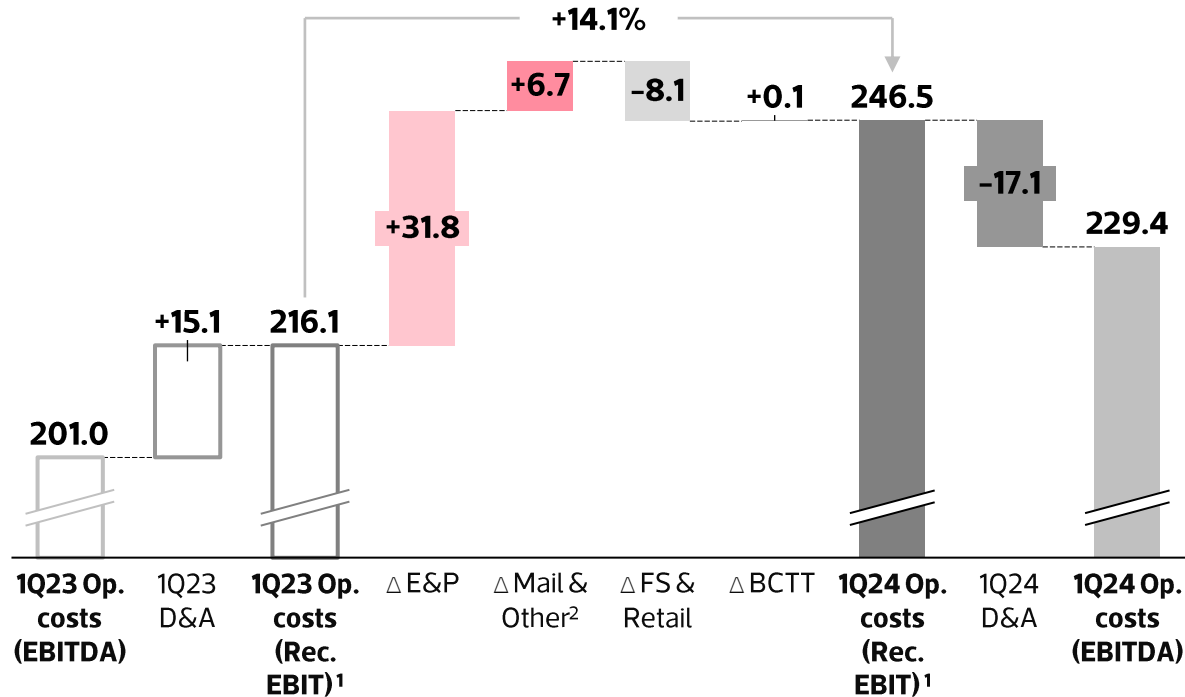
¹Excluding Specific items;

²Including Central Structure

Continued focus on cost reduction attenuates the impact of stronger activity

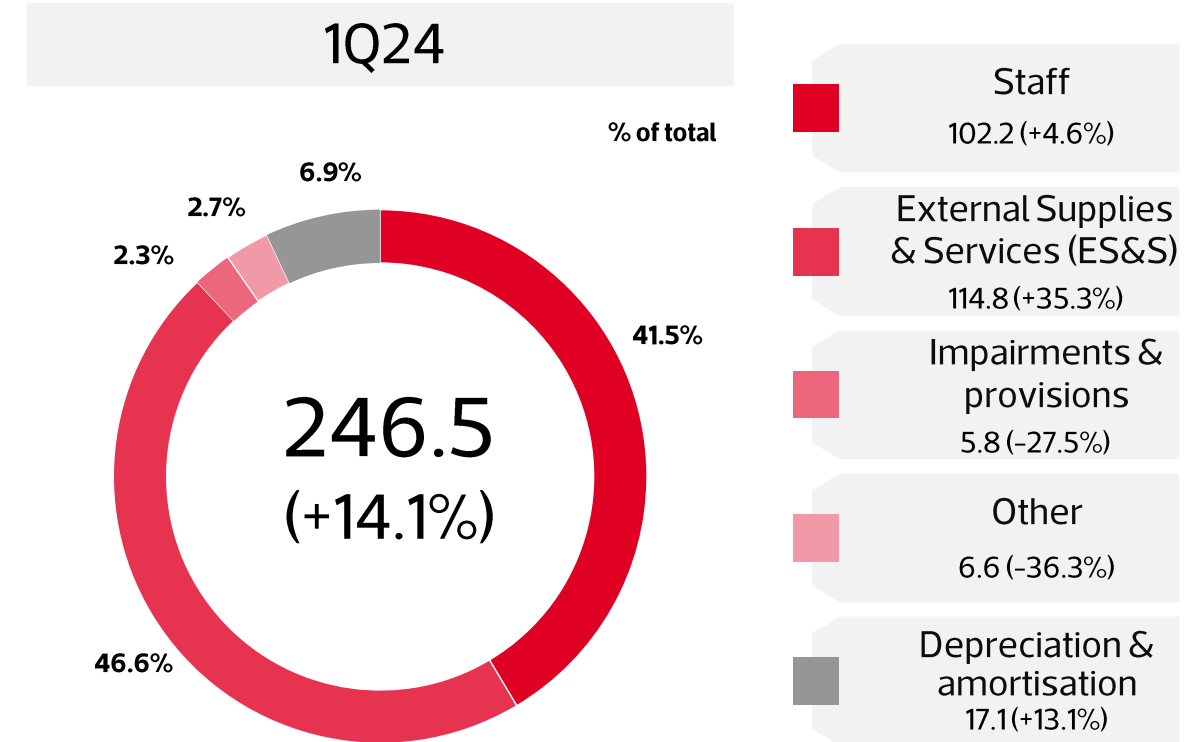
Operating costs¹

€ million; % change vs. prior year



Operating costs (Rec. EBIT)¹ breakdown

€ million; % change vs. prior year; % of total



In 1Q24:

- **E&P** costs grew by €31.8m mainly due to increased business activity
- **Mail & Other** costs increased €6.7m, partially due to increased costs related with elections
- **Financial Services & Retail** costs decreased €8.1m, due to lower public debt placements
- **Banco CTT** costs increased €0.1m partly owing to higher staff and external services costs, which were partially offset by a decrease in impairment & provisions (-€2.1m)

¹Excluding Specific items;

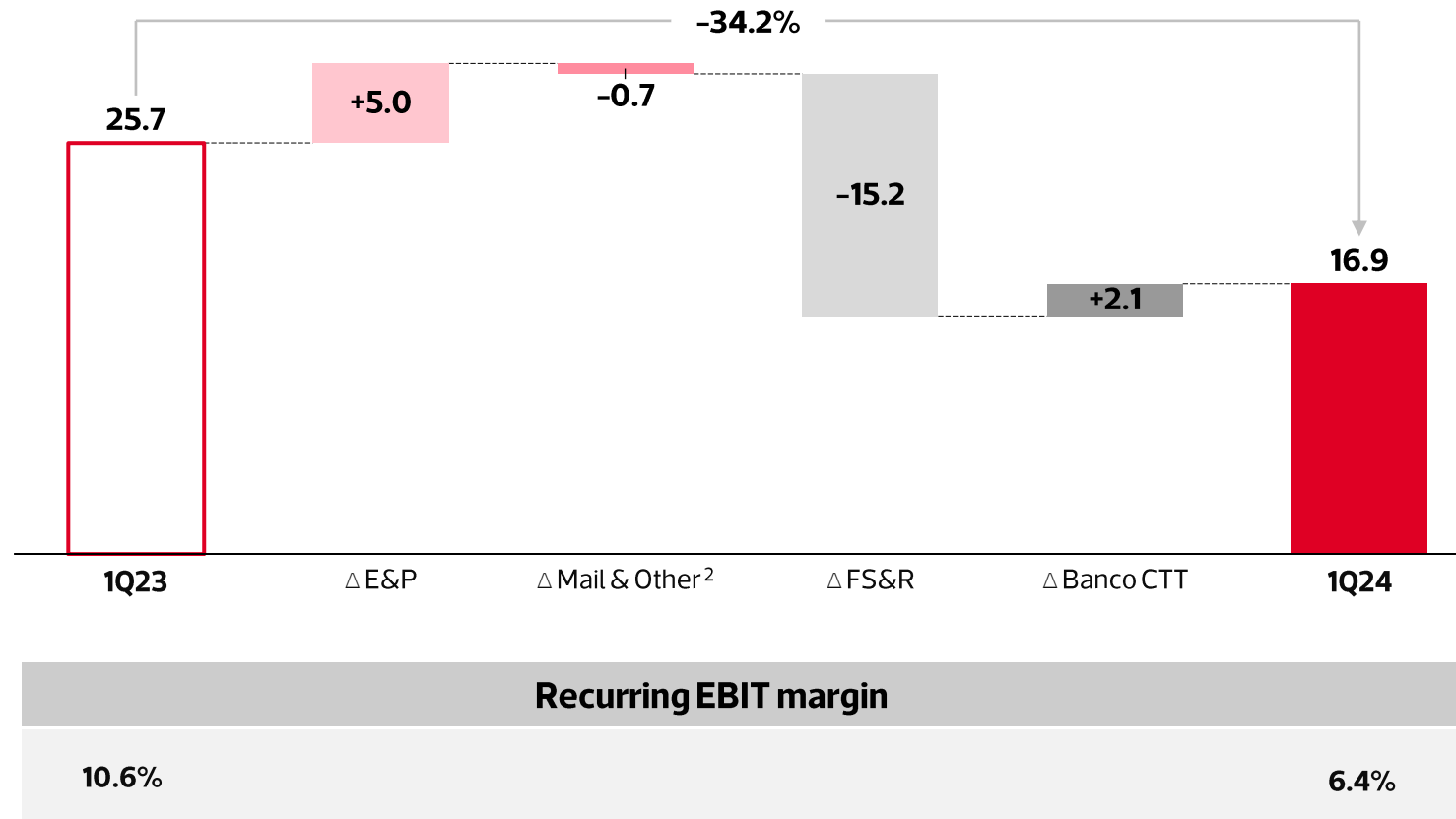
²Including Central Structure

EBIT generation to be more skewed to 2H24, as mentioned in our guidance



Recurring EBIT¹

€ million; % change vs. prior year



¹Excluding Specific items;

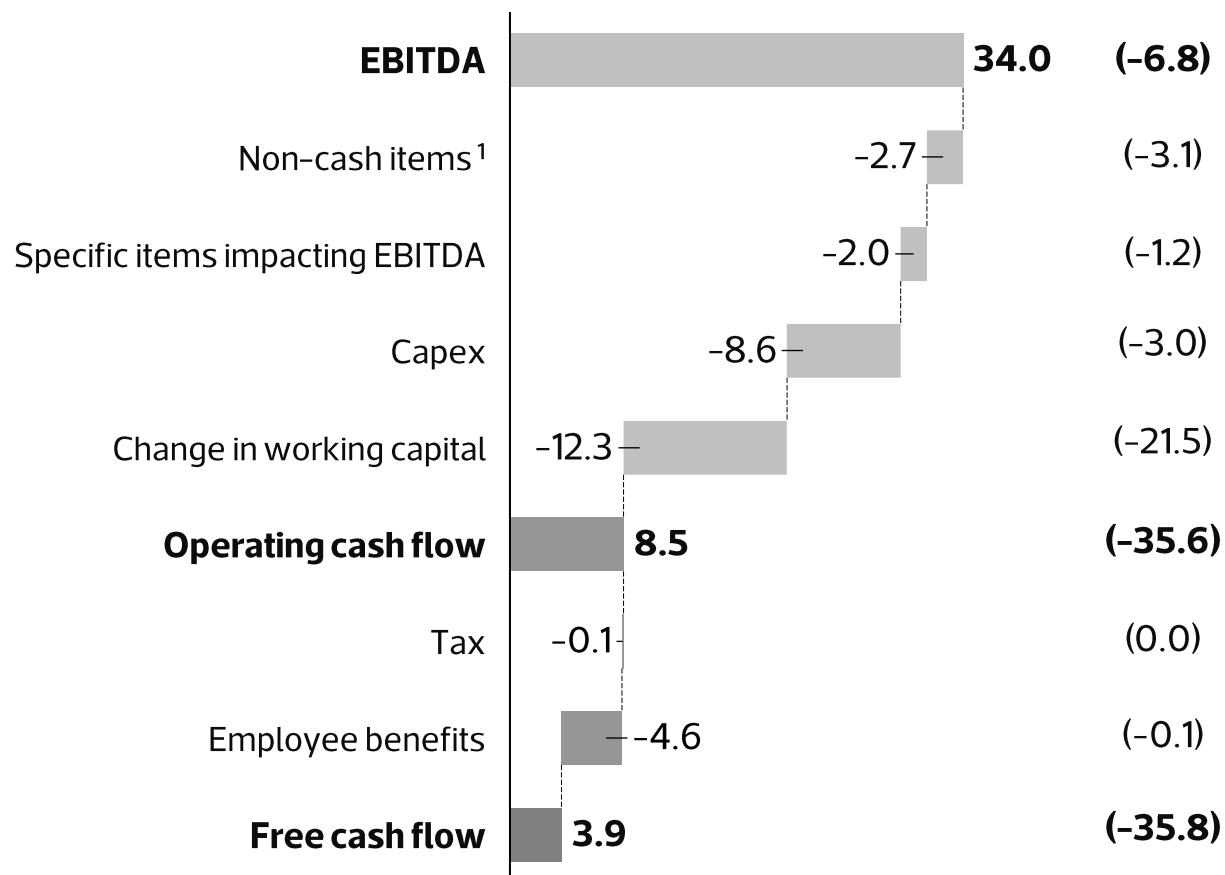
²Including Central Structure;

Free cash-flow to improve throughout 2024



1Q24 Cash flow

€ million; impact on cash flow vs. prior year



Net financial debt at 31 March 2024²

€ million

	Consolidated
(+) Cash & cash equivalents	256.1
(-) Net Financial Services & Other payables ³	115.9
(-) Banco CTT liabilities, net ³	-180.4
(-) Other ⁴	38.3
(=) Adjusted cash	282.3
(-) Financial debt	97.1
(=) Net cash position	185.2
(-) Lease liabilities (IFRS 16)	121.3
Net financial debt²	-63.9

¹Impairments, provisions and IFRS 16 affecting EBITDA; ²Only financial debt presented in the table; it does not include net employee benefits of €122.2m as at 31 March 2024; ³The change in net liabilities of Financial Services and Banco CTT reflects the evolution of credit balances with third parties, depositors or other banking financial liabilities, net of the amounts invested in credit or investments in securities/banking financial assets, of entities of the CTT Group providing financial services, namely CTT financial services, Payshop, Banco CTT and 321 Crédito. ⁴The change in other cash items reflects the evolution of Banco CTT's sight deposits at Bank of Portugal, outstanding cheques/clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications

An aerial photograph of a road bridge crossing a large, green lake. The bridge is a multi-lane road with a central median. A red car is visible on the bridge. The lake is surrounded by greenery and trees. A large red overlay covers the top-left portion of the image.

Outlook & Final
remarks



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Prudent gearing and high balance sheet flexibility enable significant expansion buffer

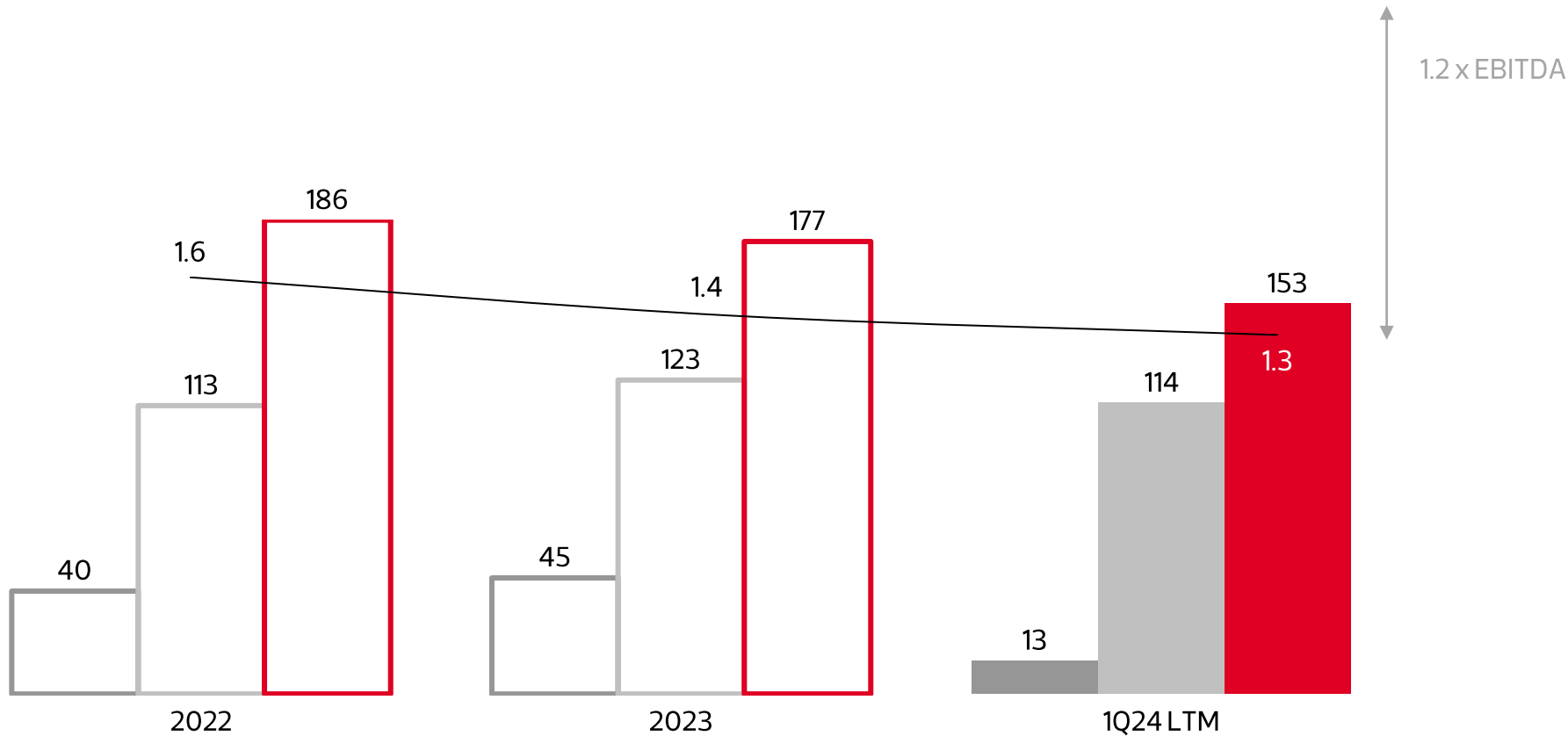


FCF, EBITDA and leverage with Banco CTT under equity method¹

€ million

FCF
 EBITDA
 Net Debt
 — Net Debt/EBITDA

ND/EBITDA ceiling envisaged in funding policy 2.5



Consolidated indicators

FCF	€59m
EBITDA	€145m
Net Debt	-€64m

1Q24 LTM

¹Includes Payshop, which was previously part of Banco CTT

Strong performance in E&P and Banco CTT, partially attenuated by abnormally weak debt placements



Outlook



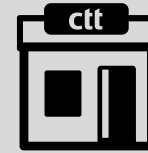
Express & Parcels

- ✓ Growing towards another record year



Mail & Other

- ✓ Stabilising revenues through price increase and mix



FS & Retail

- ✓ Delivering on insurance distribution
- ✓ Prepare for improved conditions on public debt products



Banco CTT

- ✓ Continue to grow driven by higher engagement with clients

Guidance for FY24 maintained

Expect recurring EBIT in 2024 to be above €88m assuming public debt placements of ~€3.0b

Solid balance and FCF generation enabling

Continued investment in E&P in Iberia to keep improving competitive position

DPS of €0.17, already approved in the 2024 AGM, to be paid on 16 May 2024

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committed to deliver
1Q24 results presentation

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