19 march 2024

We make our path fully committed to deliver

FY23 results presentation

ctt

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Operational review

E&P and Banco CTT are increasing its contribution for CTT growth

- **Surpassed 100 million packages delivered**
- **Portugal**: record volumes in peak season
- **Spain**: market share gains with record volumes and margin expansion

- Price increase and mix enabling stable mail revenues
- Inflation pressure on costs, driving new measures on corporate centre productivity to enhance margin protection

- Following an abnormally high level of public debt placements, volumes were forced down by the Treasury
- Strict ceilings on debt placements are restricting demand
- Commercial focus shifts to distribution of insurance and other services

- Very strong growth in deposits, in line with the announced strategy
- Steady growth in loans
- Moving towards 2025 targets at a strong and steady pace

- Revenues up 11% y.o.y. in the quarter, with transformation units in the driving seat
  - E&P continues to accelerate: +56%
  - Banco CTT: +10%
- Recurring EBIT
  - €19.5m in Q4 (-24% y.o.y.)
  - €88m in FY23 (+36% y.o.y), above objectives and guidance
- E&P and Banco CTT are the EBIT growth levers, underlining the benefits of diversification

- Strong operating cash flow generation of €114m in FY23 (+15% y.o.y.)
- FCF of €94m in FY23 (+40% y.o.y)
- Consolidated net cash[1] position of €39m (€69m improvement vs. FY22)
- With Banco CTT equity accounted, net debt[1] stood at €177m, down €8m vs. FY22

[1]includes IFRS16

E&P became the biggest contributor for revenues and rec. EBIT in 4Q23

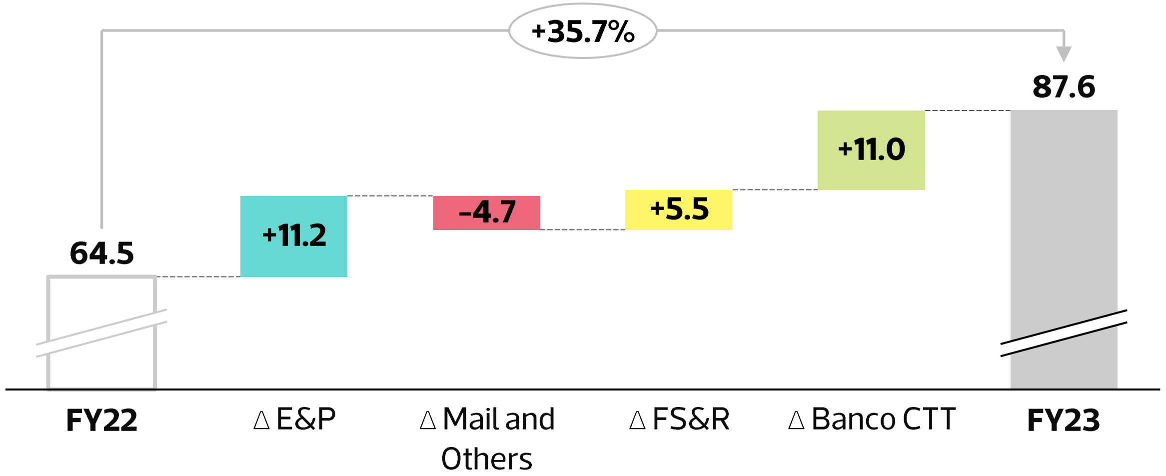
Group CTT – Financials

€ million

	4Q23	FY23
Revenues	€269.8m (+10.6%)	€985.2m (+8.7%)
Recurring EBIT[1]	€19.5m (-24.3%)	€87.6m (+35.7%)

Recurring EBIT[1] evolution

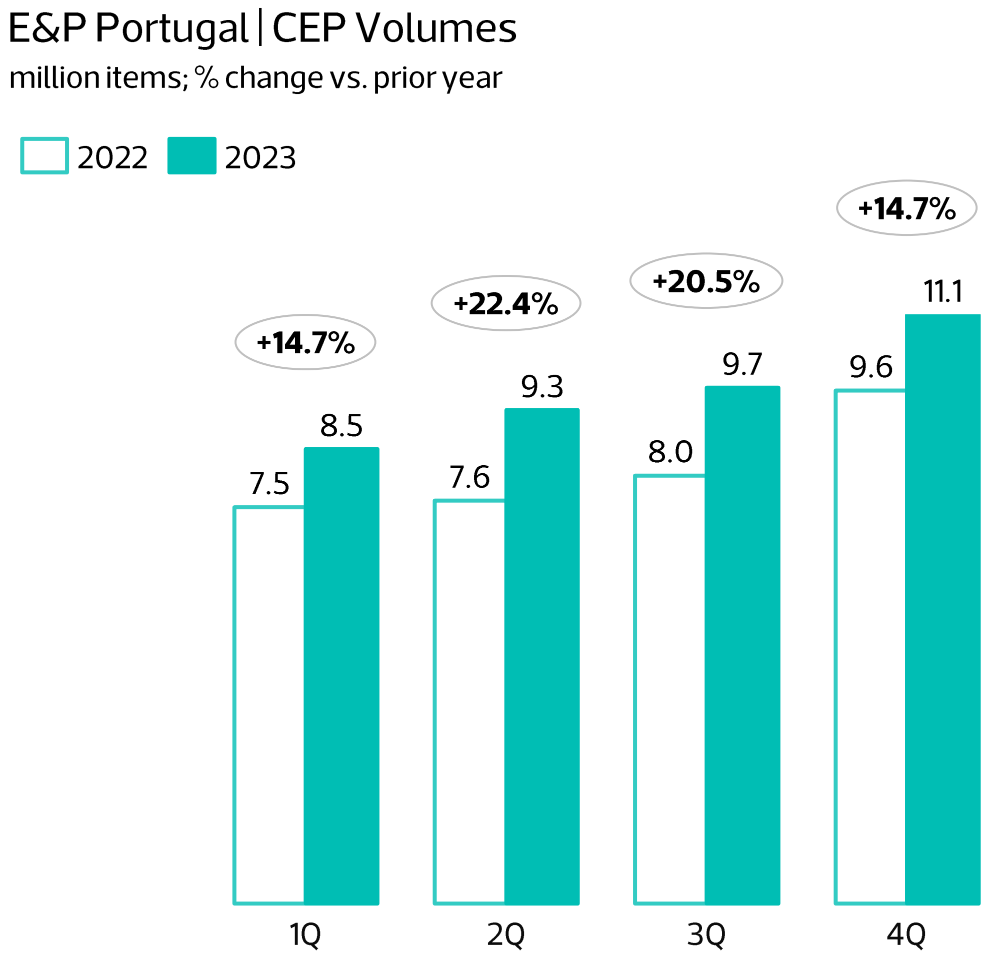
€ million; % change vs. prior year

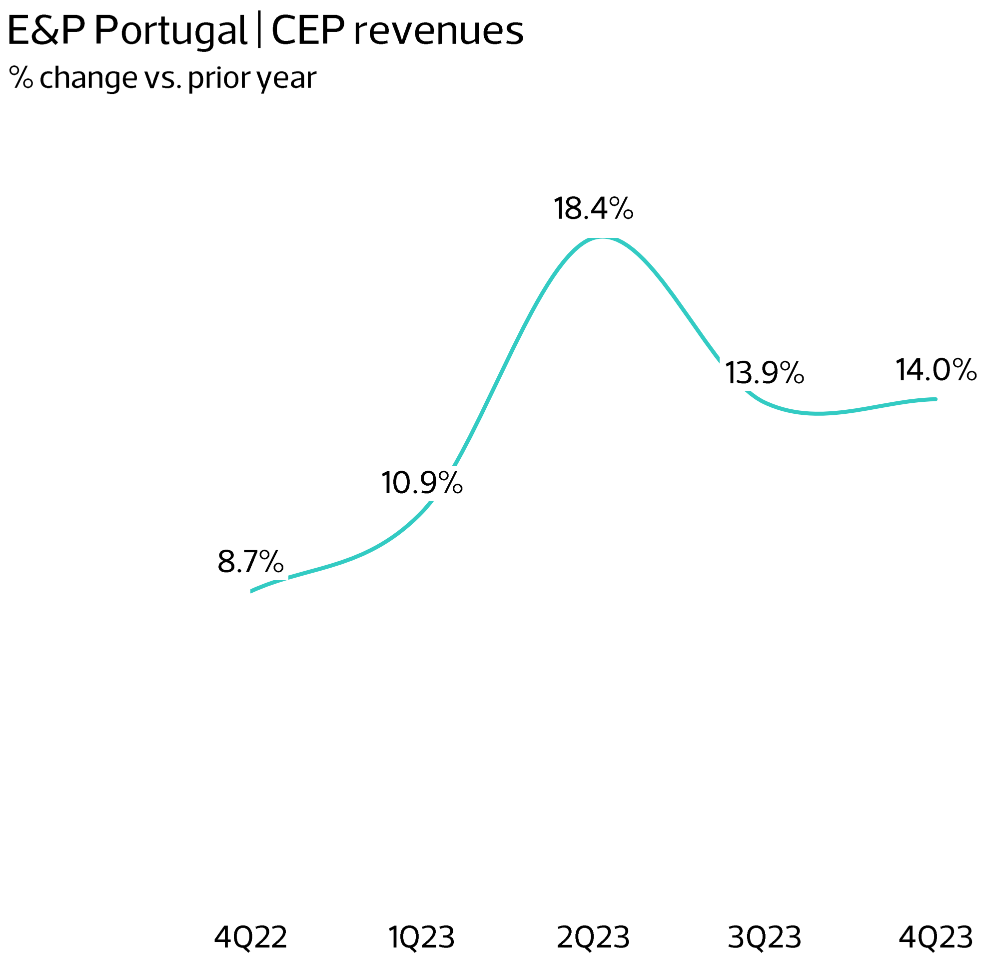


	Express & Parcels		Mail & Other[2]		Financial Services & Retail		Banco CTT	
	4Q23	FY23	4Q23	FY23	4Q23	FY23	4Q23	FY23
Revenues	€111.1m (+55.9%)	€340.6m (+31.5%)	€111.1m (-3.8%)	€434.1m (-5.8%)	€8.0m (-62.3%)	€62.8m (+3.4%)	€39.6m (+10.2%)	€147.7m (+17.3%)
Recurring EBIT[1]	€7.7m (+103.6%)	€19.7m (+131.5%)	€1.1m (-82.0%)	€6.0m (-44.1%)	€3.5m (-68.9%)	€36.4m (+18.0%)	€7.3m (+49.6%)	€25.4m (+76.1%)

[1]Recurring EBIT excludes specific items;
[2]Including Central Structure

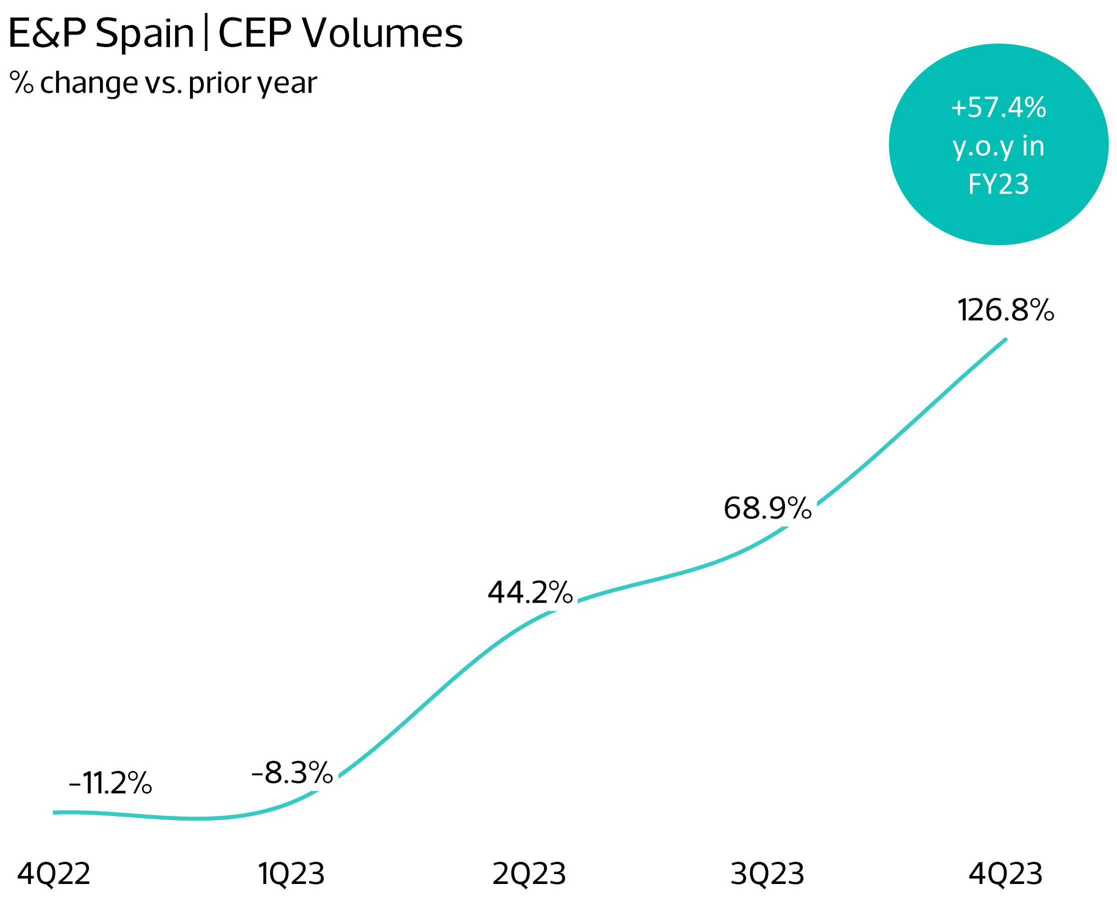
Adoption of e-commerce driving record volumes in E&P Portugal





Steady and resilient growth throughout the year

E&P Spain growth accelerates in peak season



Onboarding of relevant new customers

- New large international e-sellers
- Focus on diversifying towards smaller clients[1] also continued during 2023

High quality and efficiency

- Maintain a quality service with high delivery efficiency rates despite an increase in volumes per working day

Adding new services to an enhanced portfolio

- New unit in San Fernando de Henares is already operating at full capacity, adding to the capacity of the sorting network and providing the customs clearance service integrated in the last-mile delivery, thus significantly reducing delivery times for extra-EU volume
- Handling returns
- >13,000 convenience points in Spain have been incorporated into the network

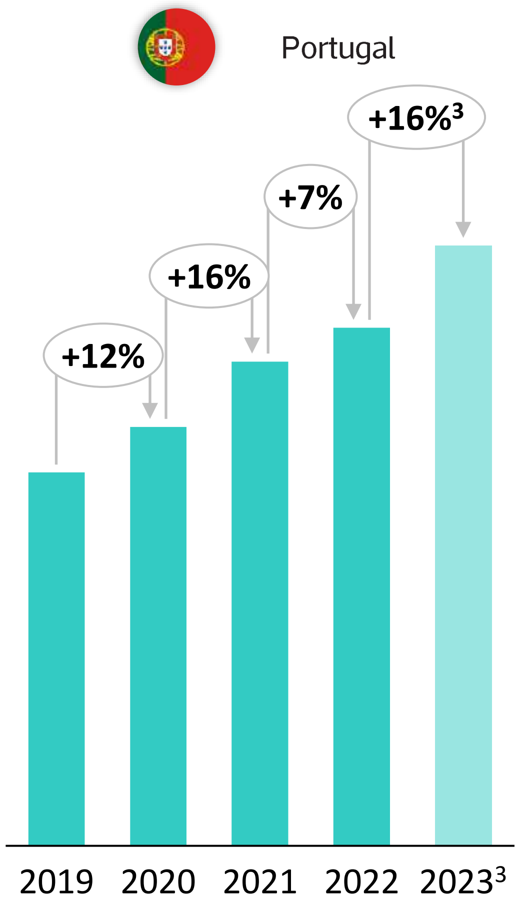
High growth fueled by all client segments

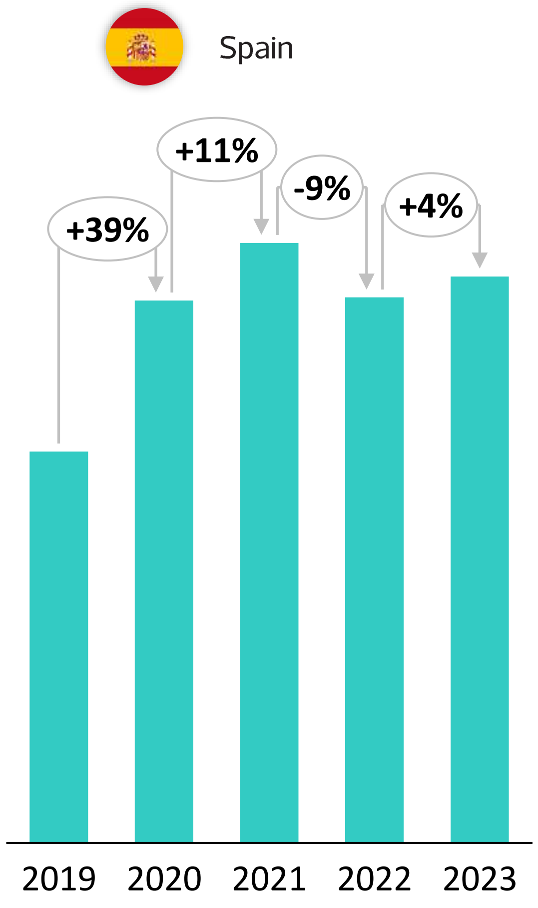
[1]Clients with daily volumes below 20,000 items

While expanding, the Iberian e-commerce penetration maintains significant upside

Iberian e-commerce growth[2]

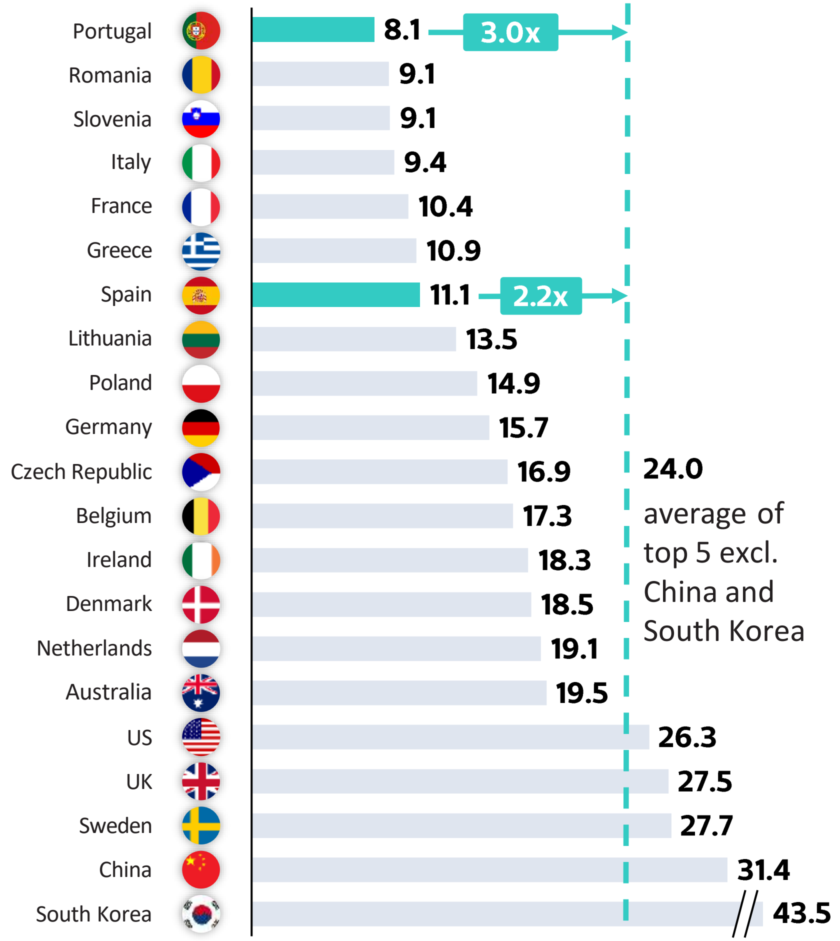
% growth of e-commerce





e-commerce[1] penetration, 2022

e-commerce share of total retail, %

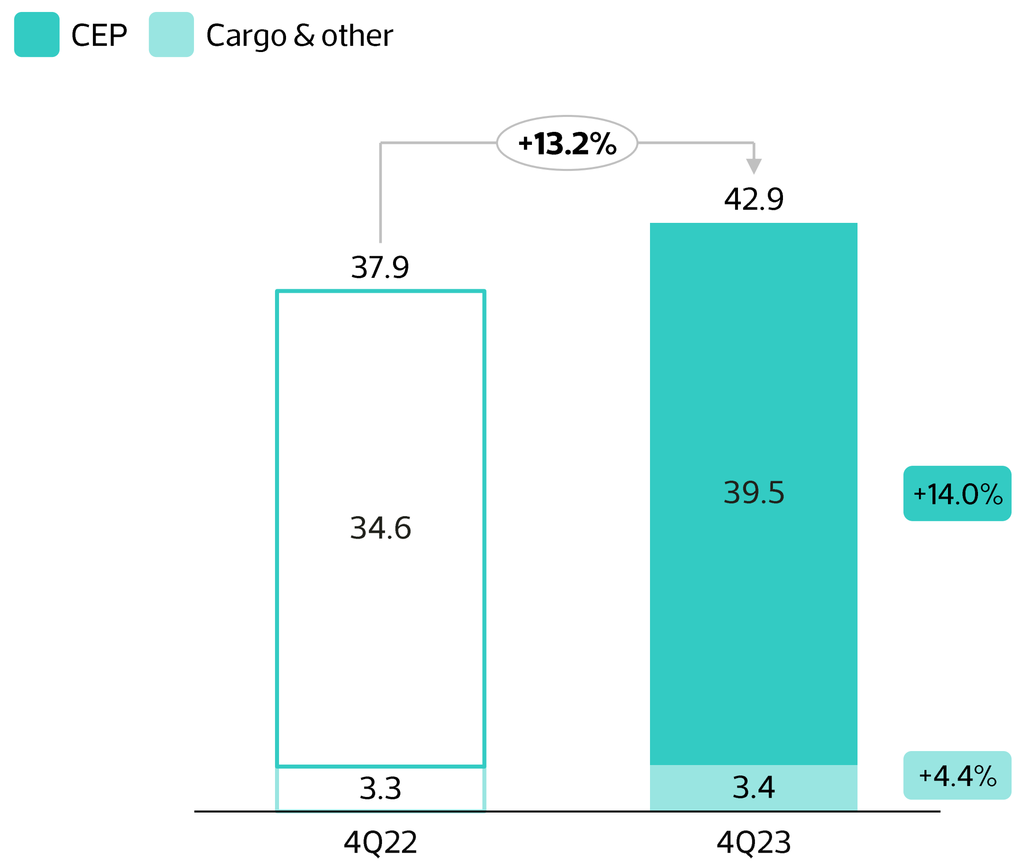


[1]IPC market study, source: Euromonitor International, IMF, IPC analysis;
[2]Eurostat, retail sales via mail order houses or via internet;
[3]Simple average of monthly growth until November 2023 as data for FY23 was not yet available

E&P Portugal with a robust margin expansion

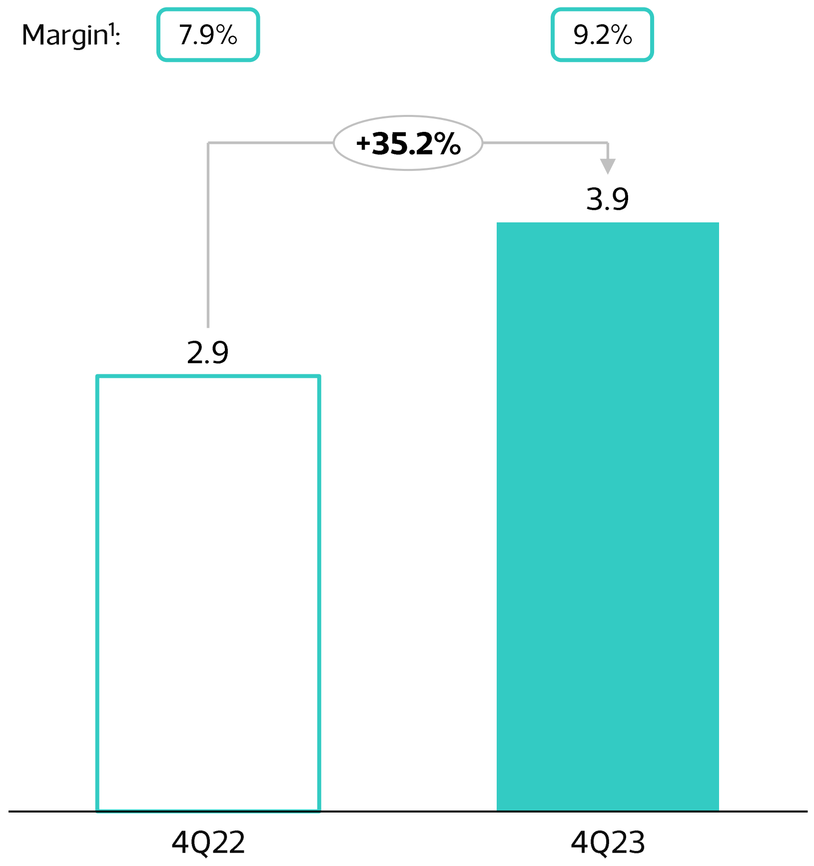
E&P Portugal | Revenues

€ million; % change vs. prior year



E&P Portugal | EBIT[1,2]

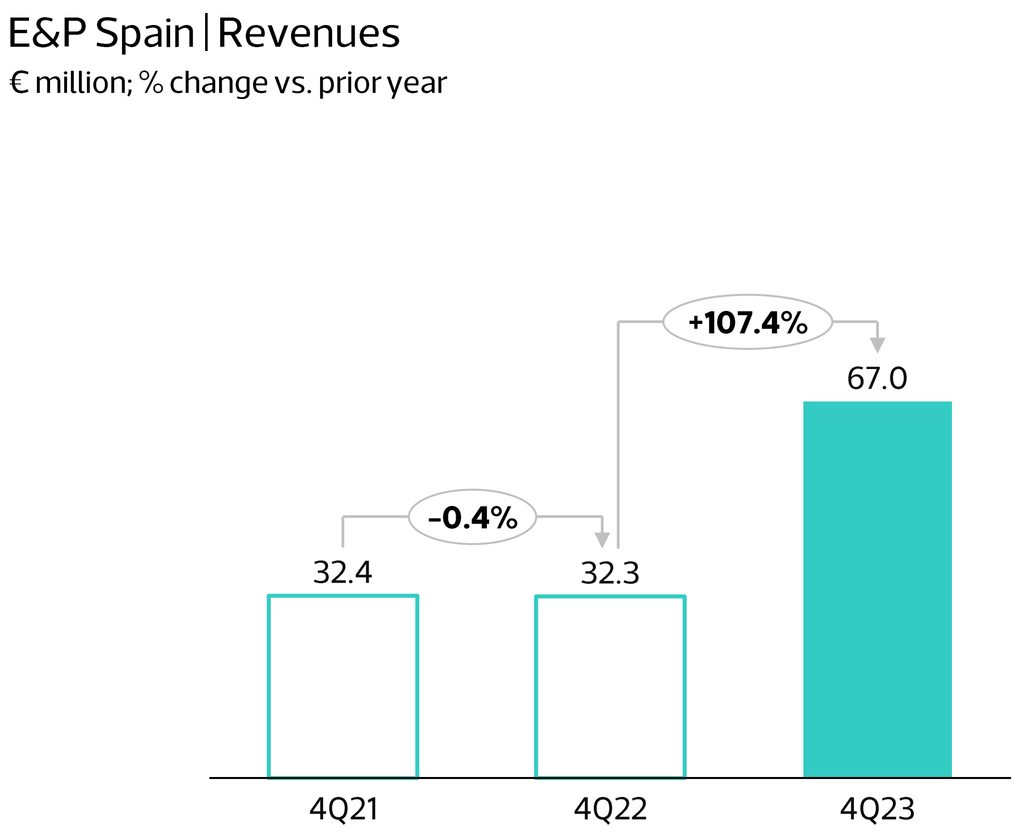
€ million; % change vs. prior year

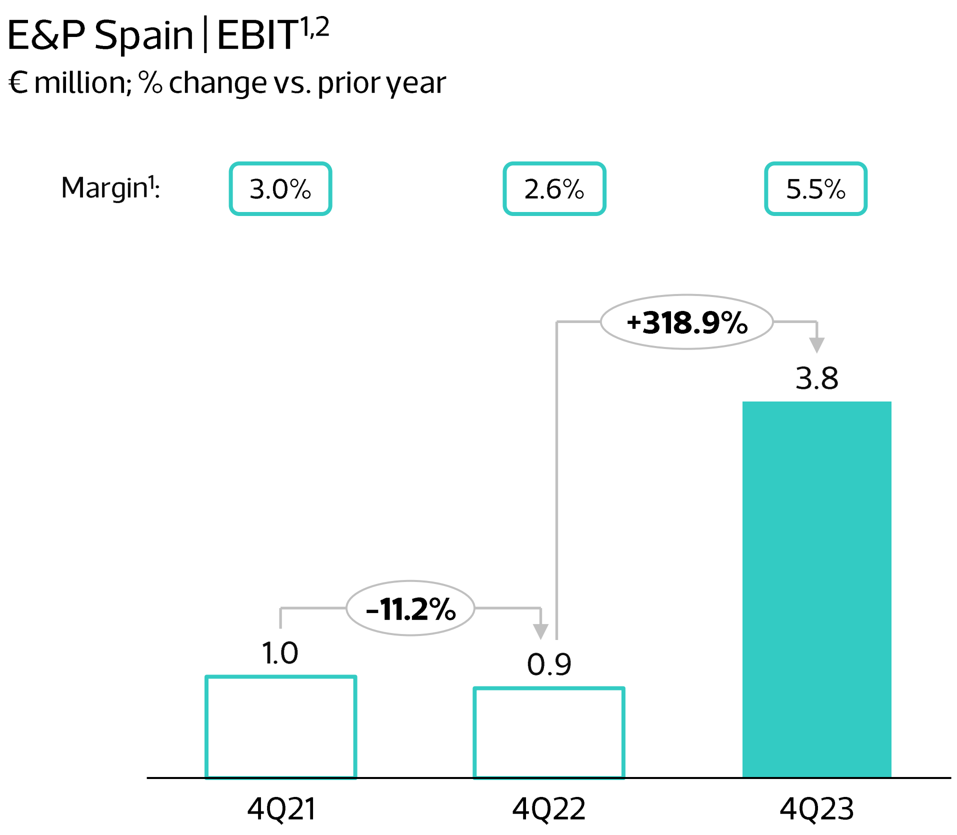


Operational leverage delivering sustainable high margins

[1]Individual accounts;
[2]Recurring EBIT excludes specific items

Growth and operational leverage enabling margin expansion in E&P Spain



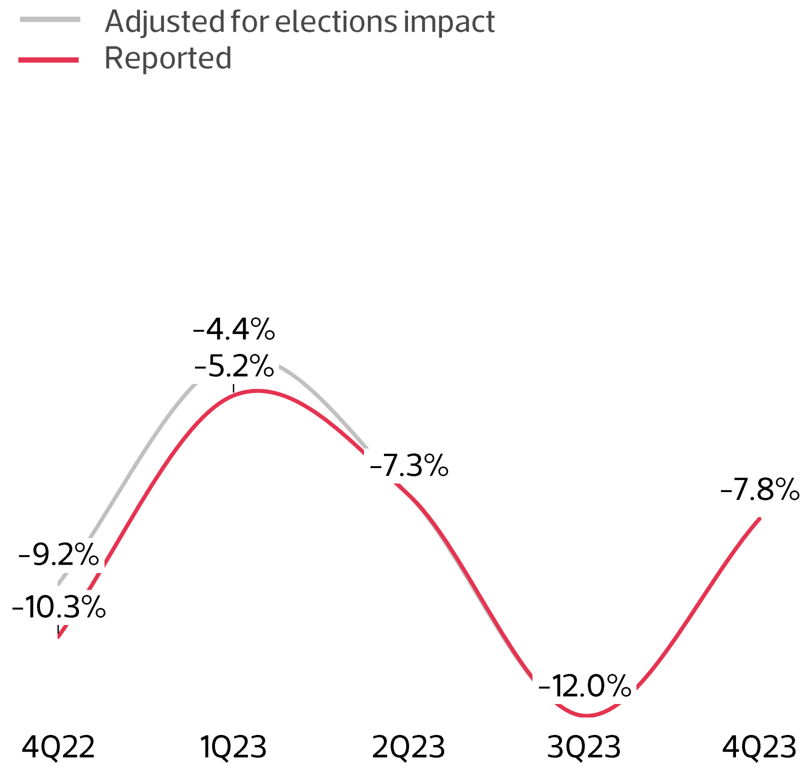


Swift capacity upgrades to protect quality at much higher volumes

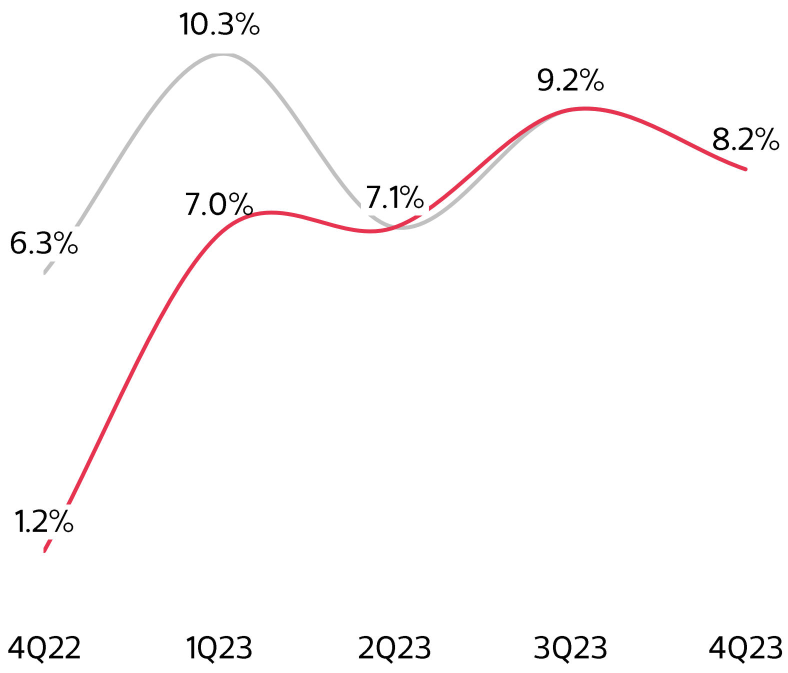
[1]Individual accounts;
[2]Recurring EBIT excludes specific items

Average revenue per item is increasing leading to flattish addressed mail revenues

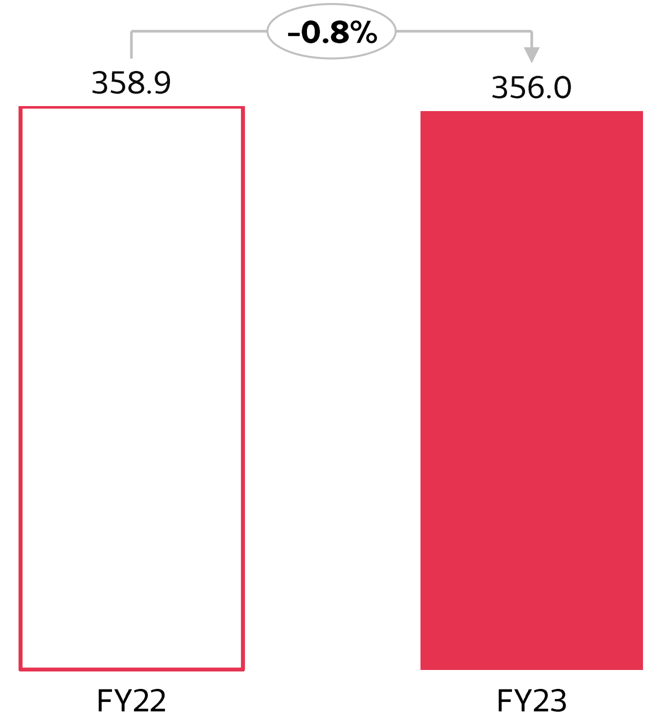
Addressed mail volumes
% change vs. prior year



Average revenue per item
% change vs. prior year

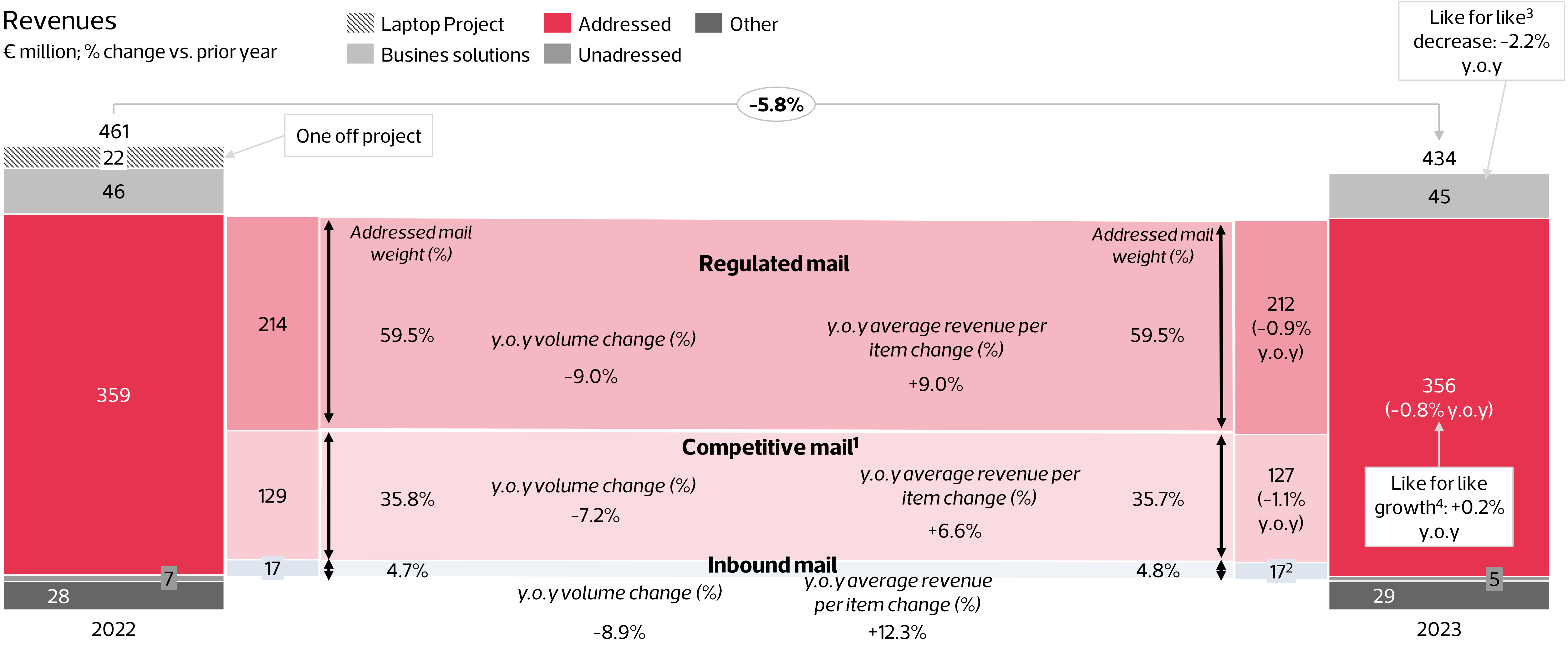


Addressed mail revenues
€ million; % change vs. prior year



Prices have increased 9.49% in February 2024

Resilient mail revenues as pricing and mix compensates softer volumes

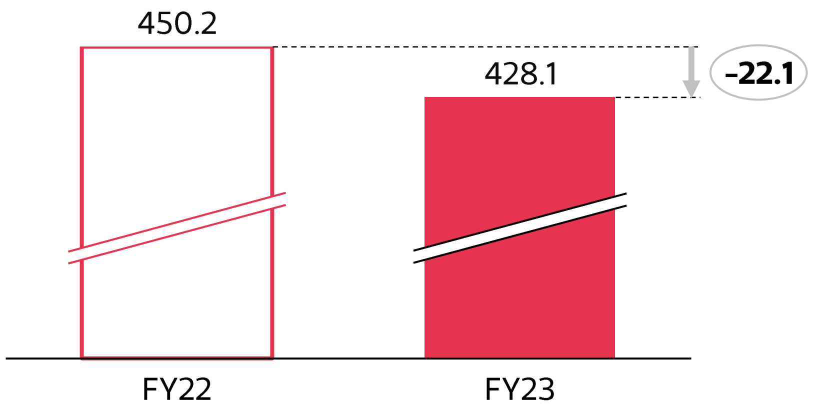


Performance underlines the predictability of the current universal service contract

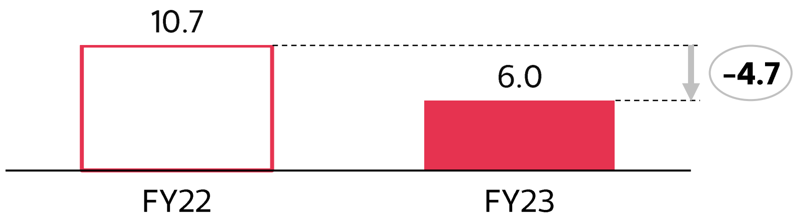
[1]Includes bulk and advertising mail; [2]+2.3% y.o.y;
[3]LfL Business Solution, excluding the impact of the laptop project in 1Q22; [4]LfL of Addressed Mail revenues excluding elections impact in 1Q22

Additional cost measures to deal with inflation, against a backdrop of flattish revenues

Mail & Other | Costs (Rec. EBIT level)
€ million



Mail & Other | Rec. EBIT
€ million



Productivity Improvement Initiatives in place

	Headcount (#)	Cost (€m)	Annualised impact in EBIT (€m)	Payback (years)
FY23	116	7.9	4.1	1.7
FY24	~200	13.4	>6.0	~3.0-3.5

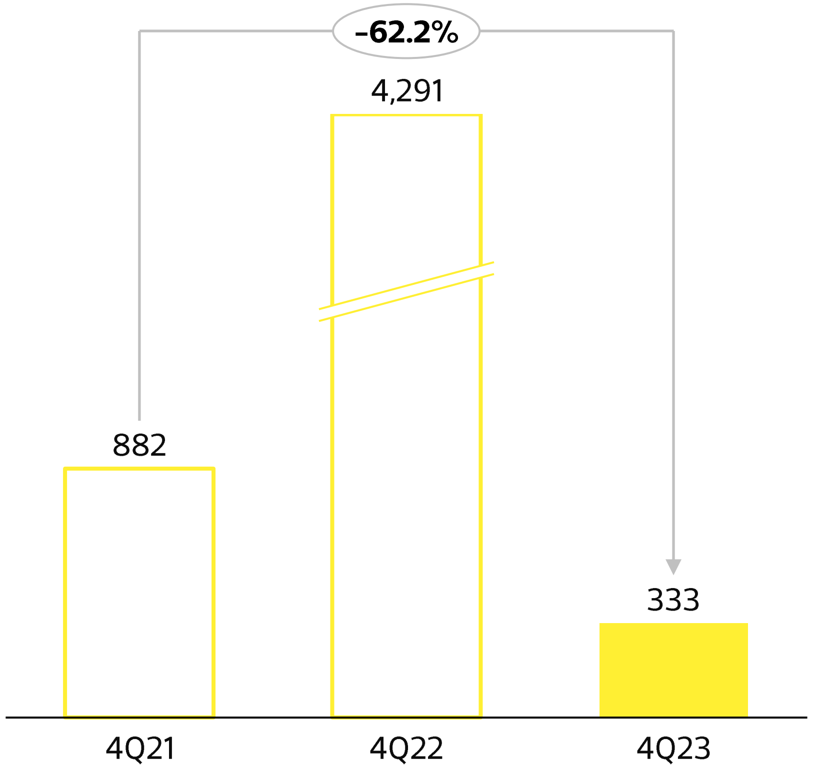
Cost fully recognized in 2023

Key profitability drivers are volumes and pricing, now leading to revenue stability
Staff reduction will deliver results in 2024

Less attractive rates and stringent cap impacted placements and profitability

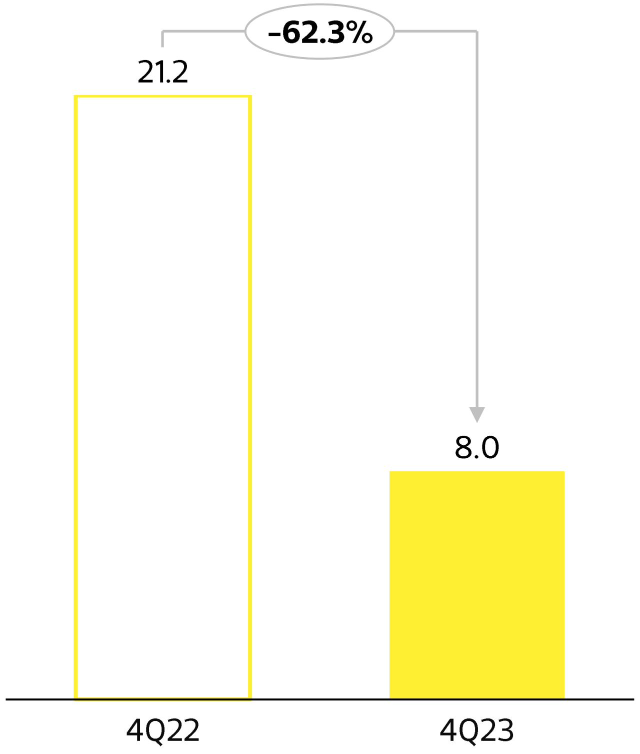
Financial Services | Public Debt Placements

€ million; % change vs. prior year



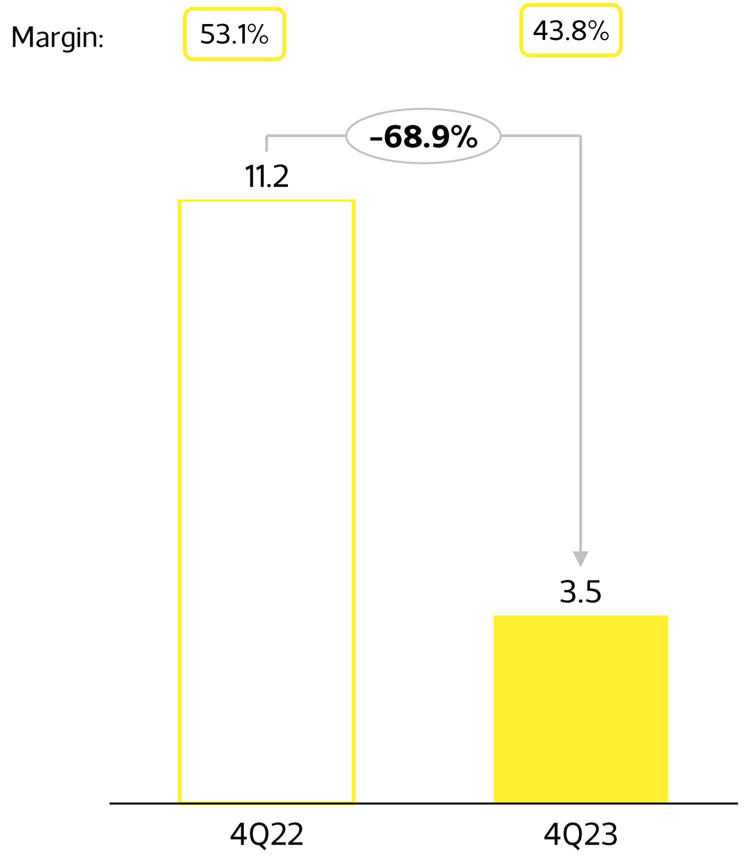
Financial Services | Revenues

€ million; % change vs. prior year



Financial Services | Rec. EBIT

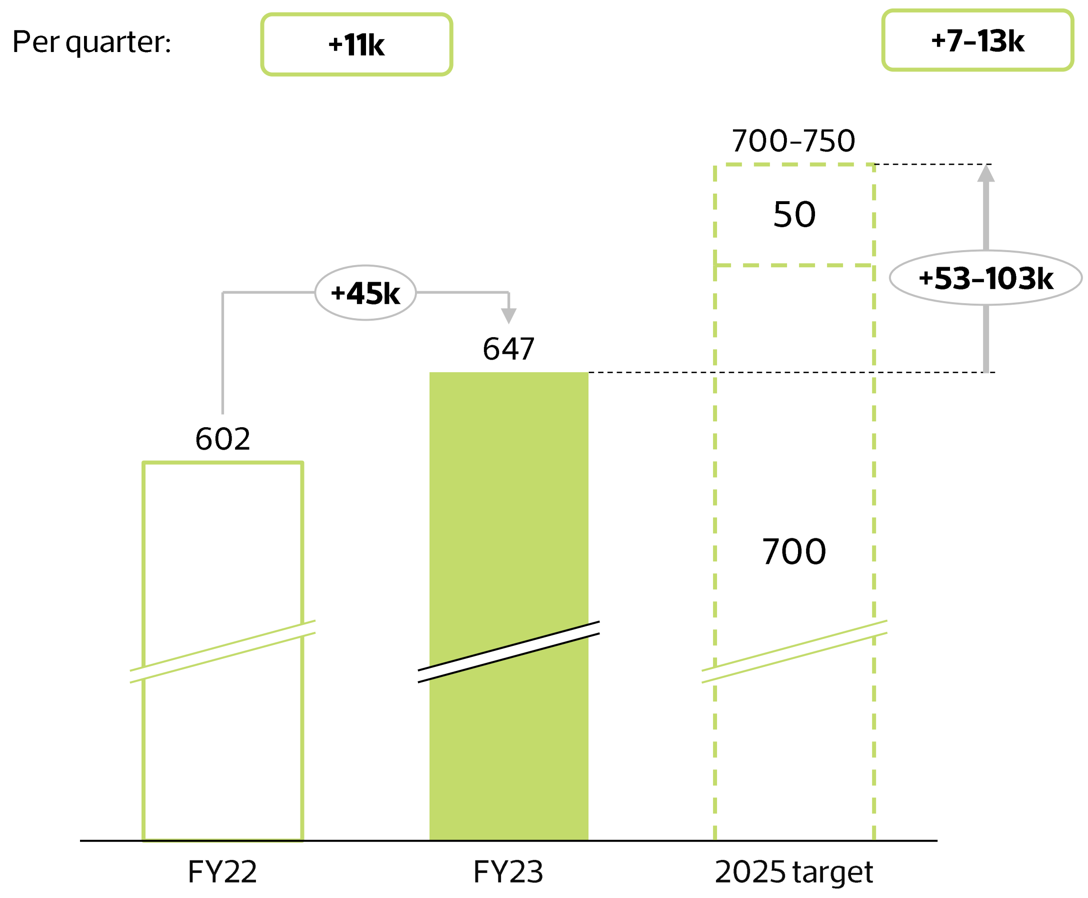
€ million; % change vs. prior year



Steady growth towards medium-term targets

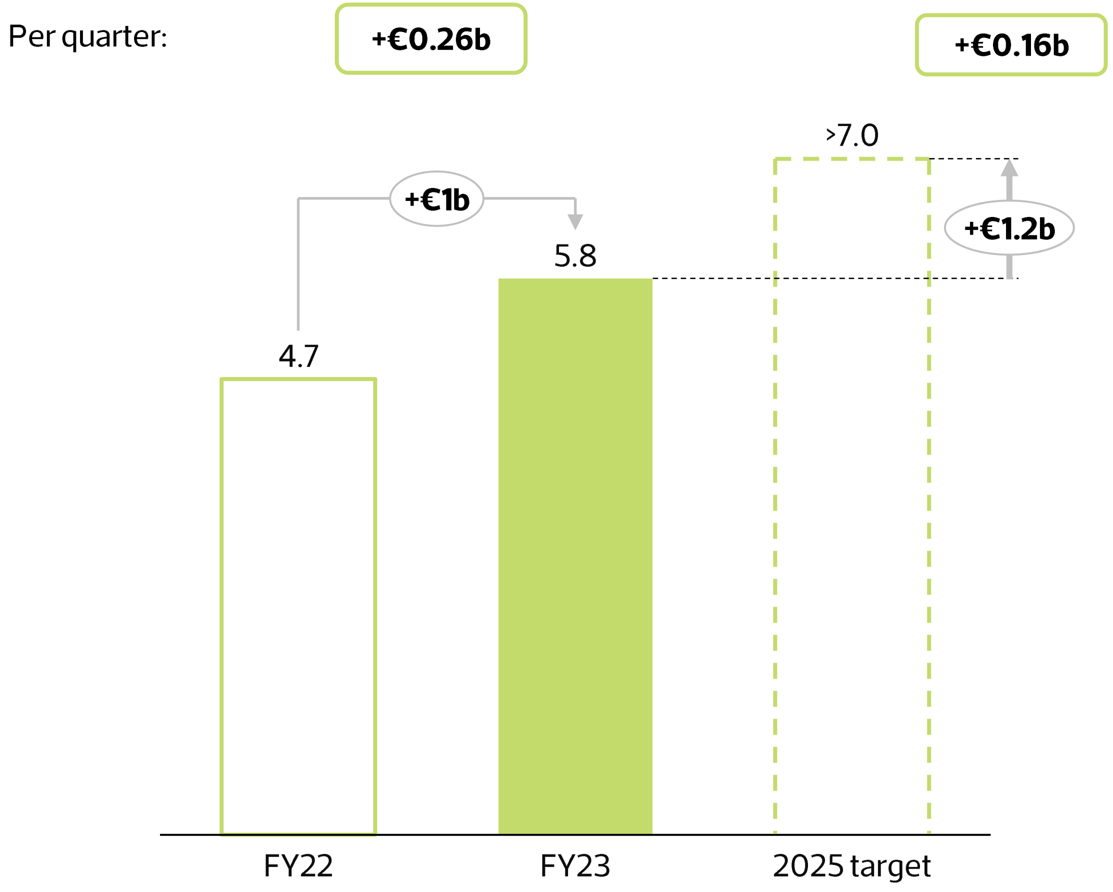
Number of Accounts

thousands, EoP



Business volumes (loans and resources)

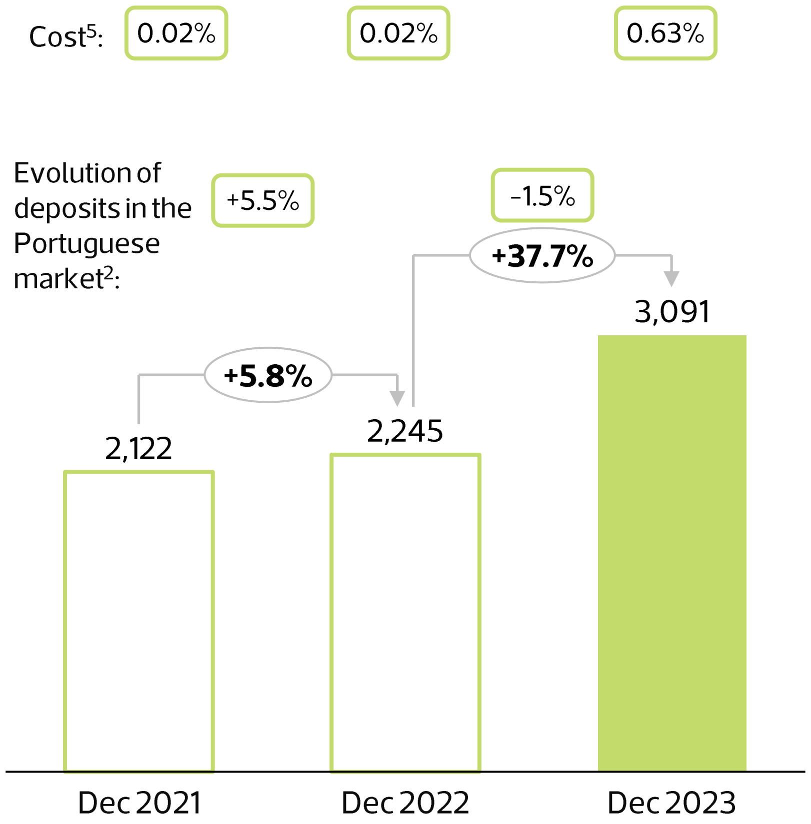
€ billion; EoP



Combined healthy growth in loans and deposits

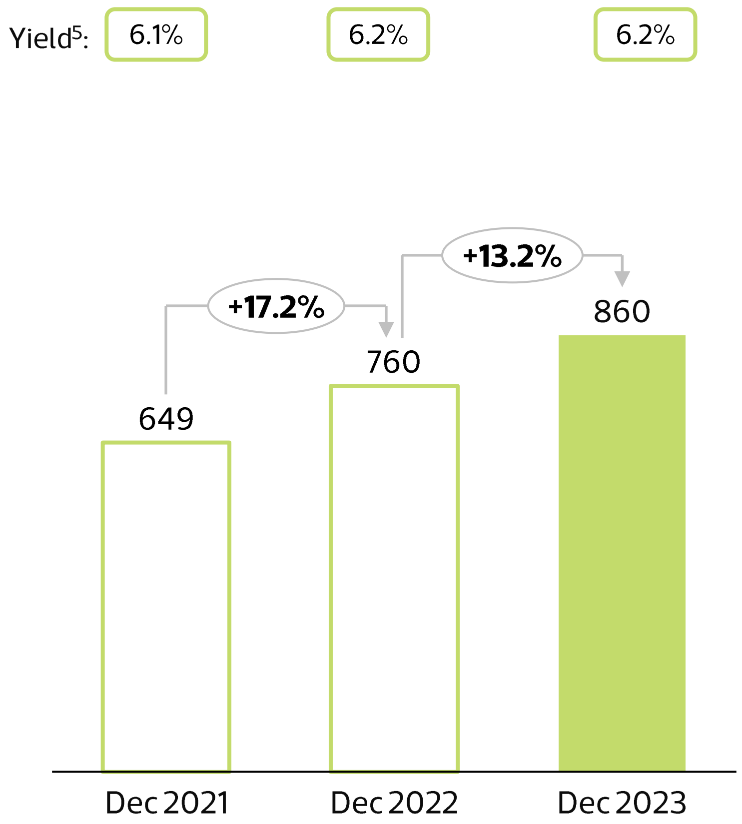
Banco CTT – Customer deposits[1]

€ million, EoP



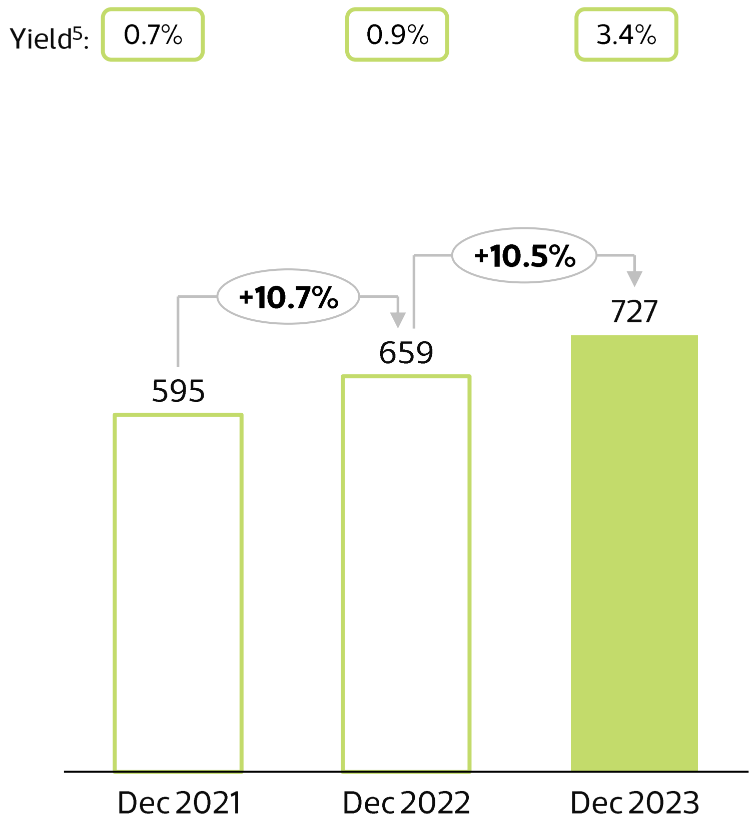
Banco CTT – Auto Loans volumes [3,4]

€ million, EoP



Banco CTT – Mortgage Loans volumes [3]

€ million, EoP



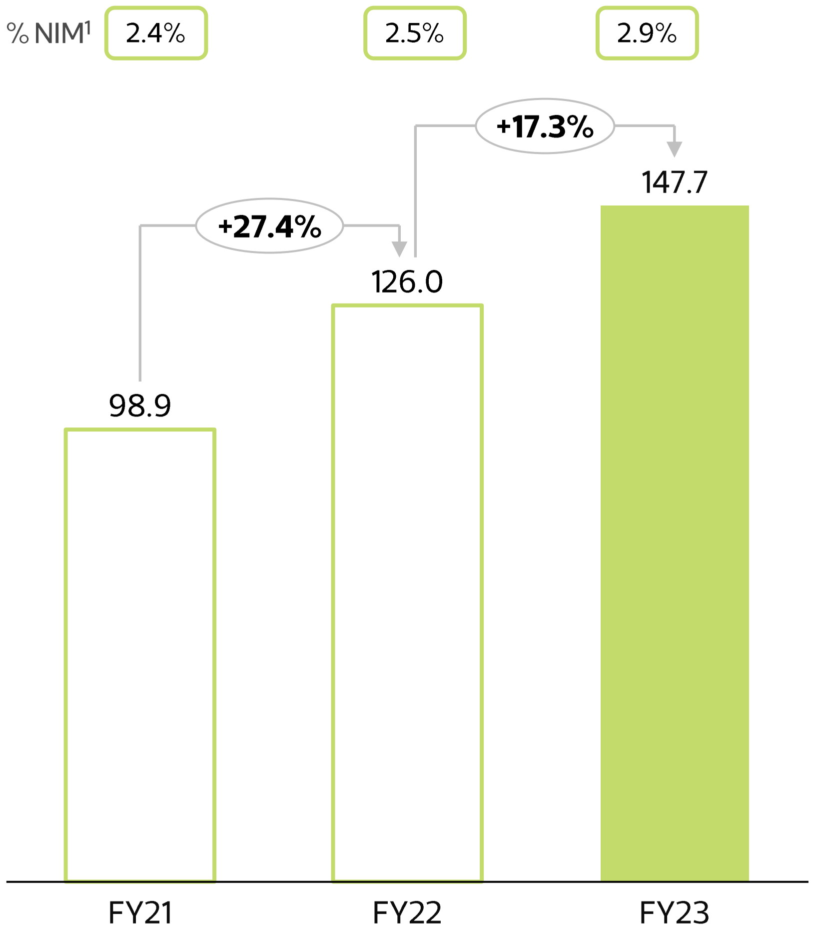
Strategic focus on customer deposits

[1]Retail Deposits, consolidated accounts; [2]Source: Banco de Portugal;
[3]Net of impairments; [4]Consolidated contribution; [5]Cumulative

Consecutive growth is driving RoTE expansion

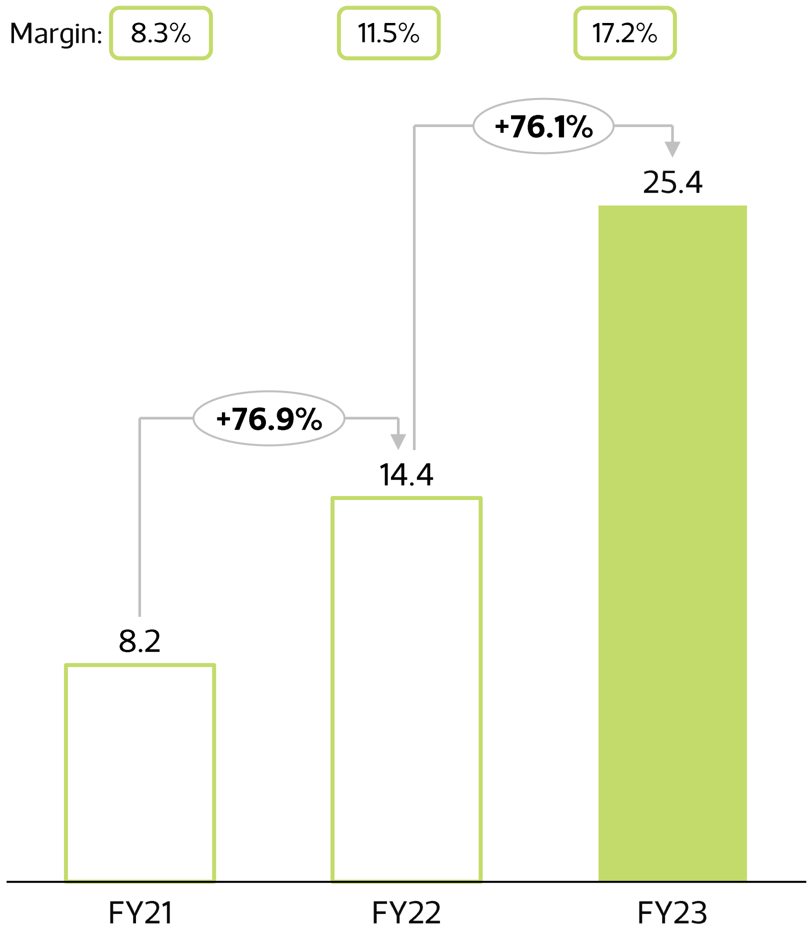
Revenues

€ million; % change vs. prior year



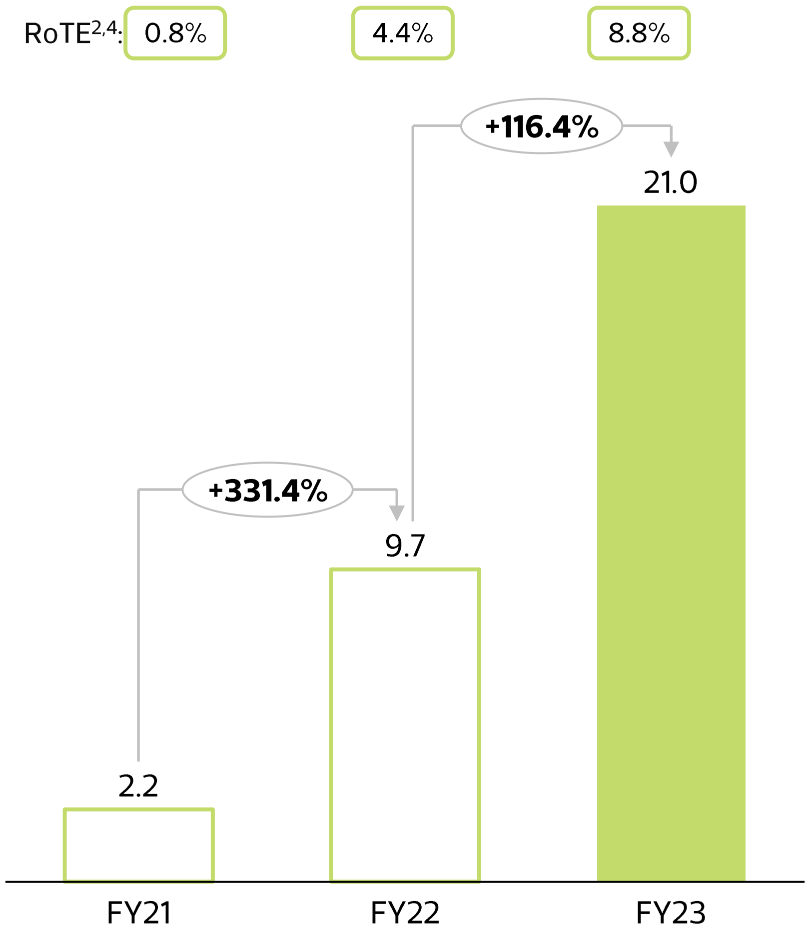
Rec. EBIT

€ million; % change vs. prior year



Profit before Taxes[3,4]

€ million; % change vs. prior year

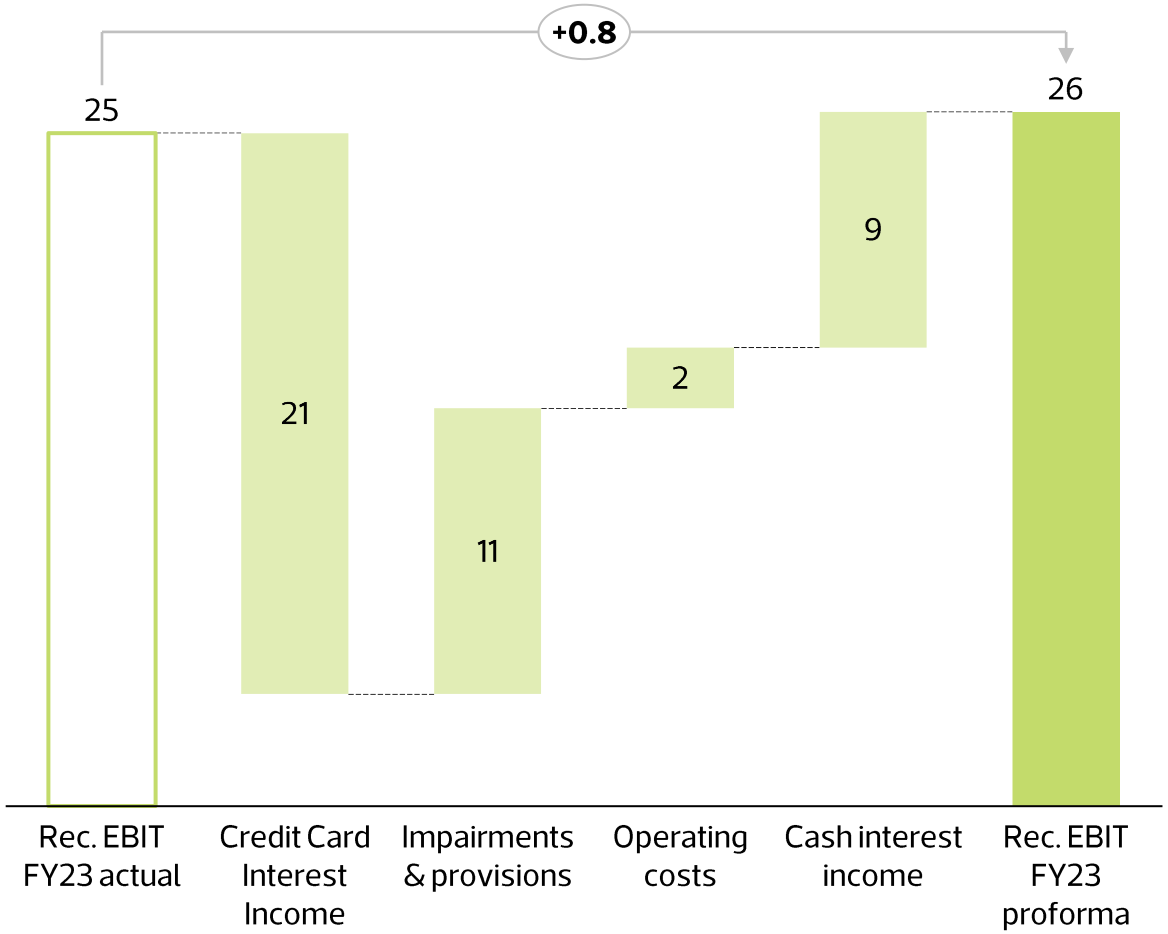


[1] Cumulative; [2] Recurring RoTE, cumulative and excluding specific items. Assuming a Tangible Equity of 15% of average RWAs RoTE would be 10.0% in FY23;
[3] Banco CTT consolidation perimeter, excluding specific items; [4] Proforma due to Payshop transaction

Closing the Universo partnership reduces risk

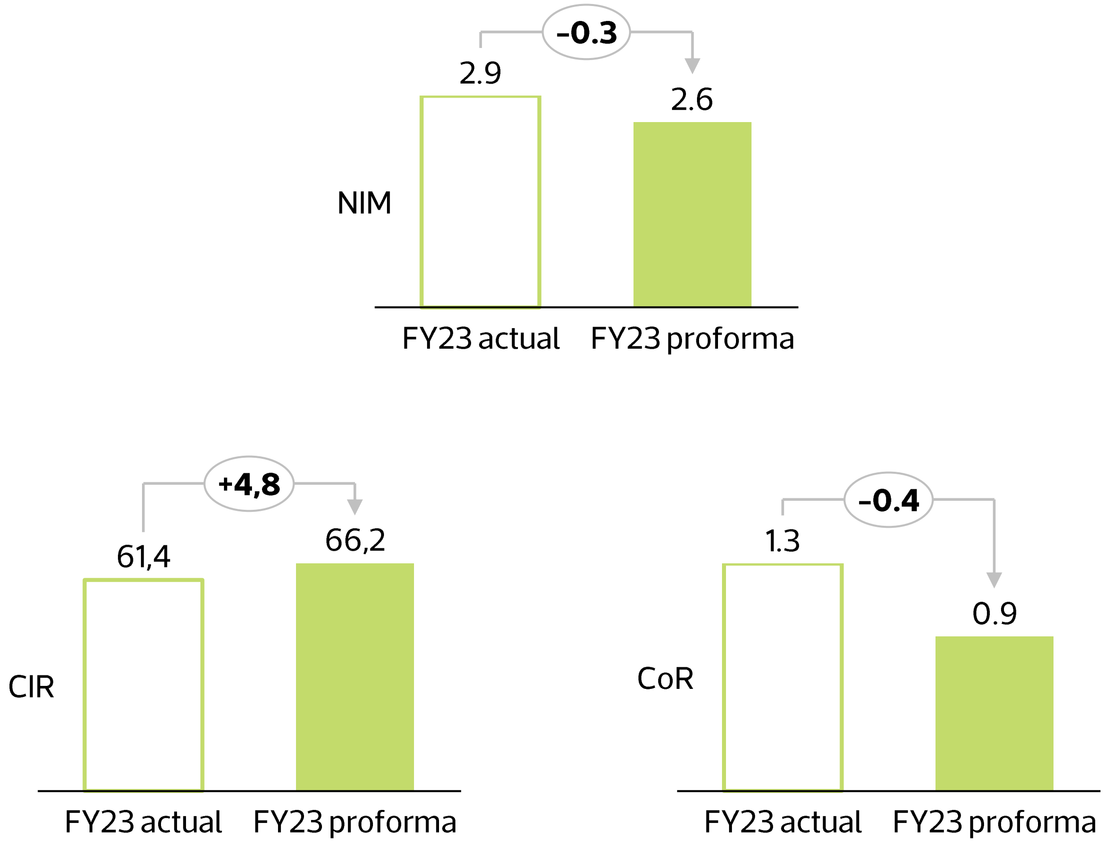
Estimated P&L impact of removing Universo cards business

€ million



Estimated impact on income, efficiency and risk

%



[1]Net margin includes the negative effect of removal of net interest margin from Universo cards business but also a positive effect of the deployment of the excess capital at an average rate of 3%.

Committed to the environment, while caring about our people and the community

Climate change mitigation and adaptation (E)

100% of green vehicles in the last mile up to 2023 (50% by 2025)

Reduction of 55% gross carbon emissions until 2030 with aim of compensating the balance

Reach 80% of recycled and/or reusable packaging by 2025, and 100% by 2030

Caring people and diversity experience (S)

Gender parity of top and mid-management by 2025

One of the top employers in Portugal by leveraging employees' centric culture as one of the key priorities

Ambitious promotion of our local community (S)

Allow CTT employees' active participation and an investment of 1% of EBIT, in volunteering and social impact programs that positively impact local communities by 2025

Leading ESG operating model (G)

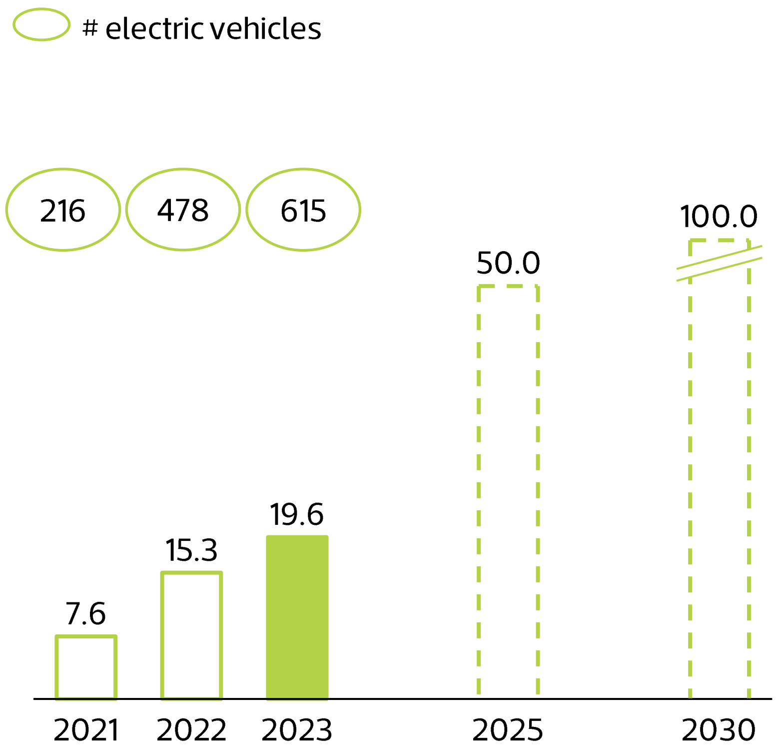
Introduce specific incentives linked to ESG goals to 50% for top and mid-management by 2025 and boost employee engagement

Linked with SGDS

Last mile fleet electrification picking up towards objectives

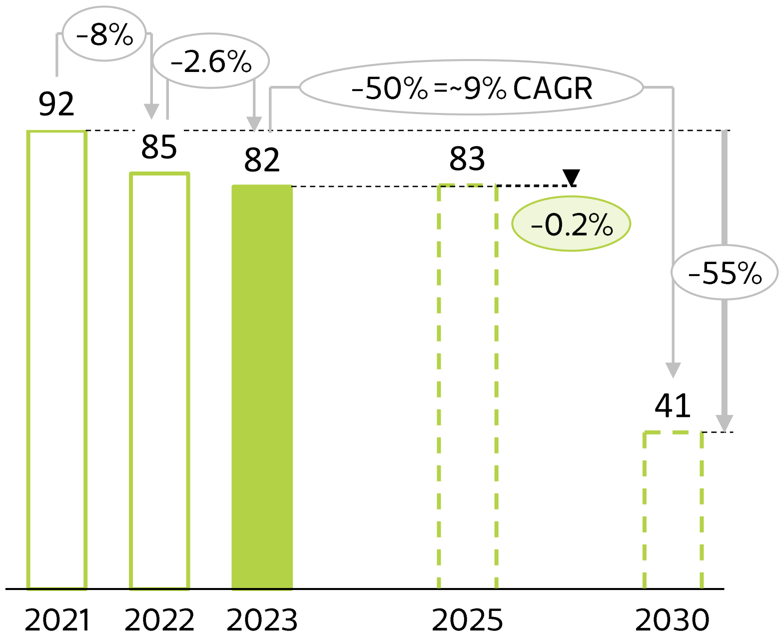
Last mile green vehicles (own fleet)

%



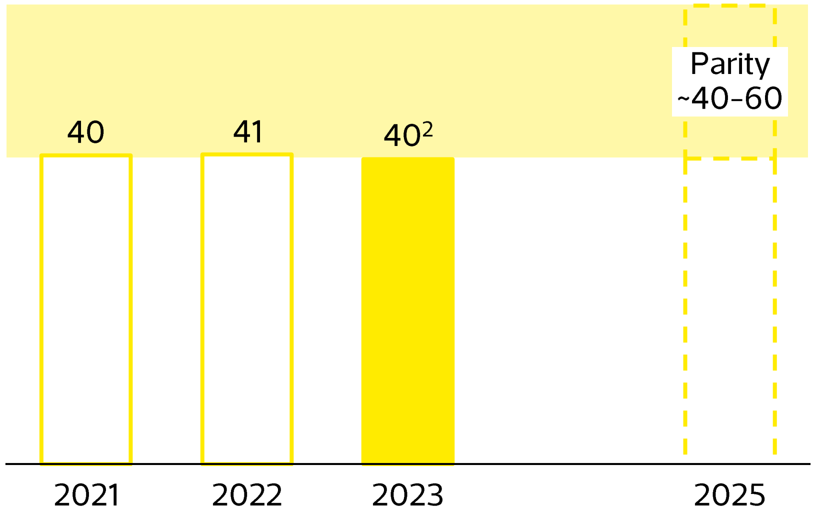
Carbon emissions reduction[1]

thousand tonnes; % change vs. prior year



Gender parity of top and mid-management

% of women



Recycled and/or reusable packaging

%

82.4

+27.5pp y.o.y

Already ahead of the 2025 targets

Volunteering & social programs participation

hours/year of engaged employees

4.4[3]

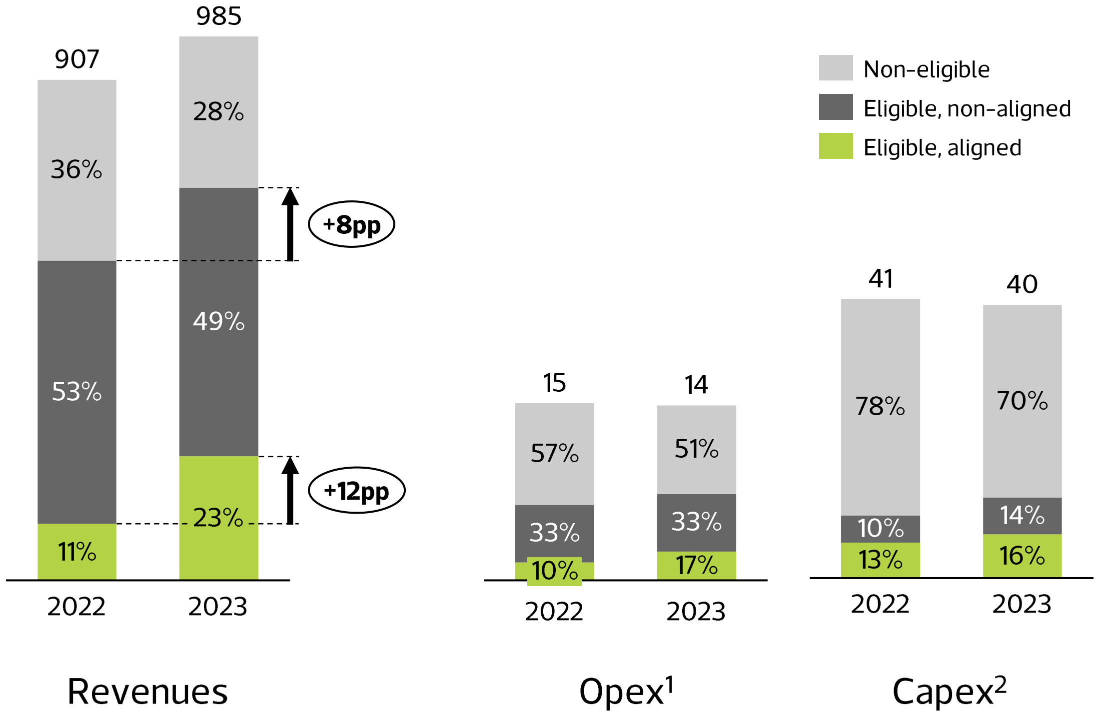
+42% y.o.y

[1]Reduction of carbon emissions related to transport activity (owned + subcontracted fleets)
[2]In 2023, there was an increased proportion of women in the Board and, especially, in the 1st Line Directors (+1,2 p.p. YoY). This was slightly offset a higher rate of male hiring as 2nd Line directors.
[3]17 initiatives, +400 participants, ~1,834 volunteering hours

Significant progress throughout 2023 regarding sustainability reporting

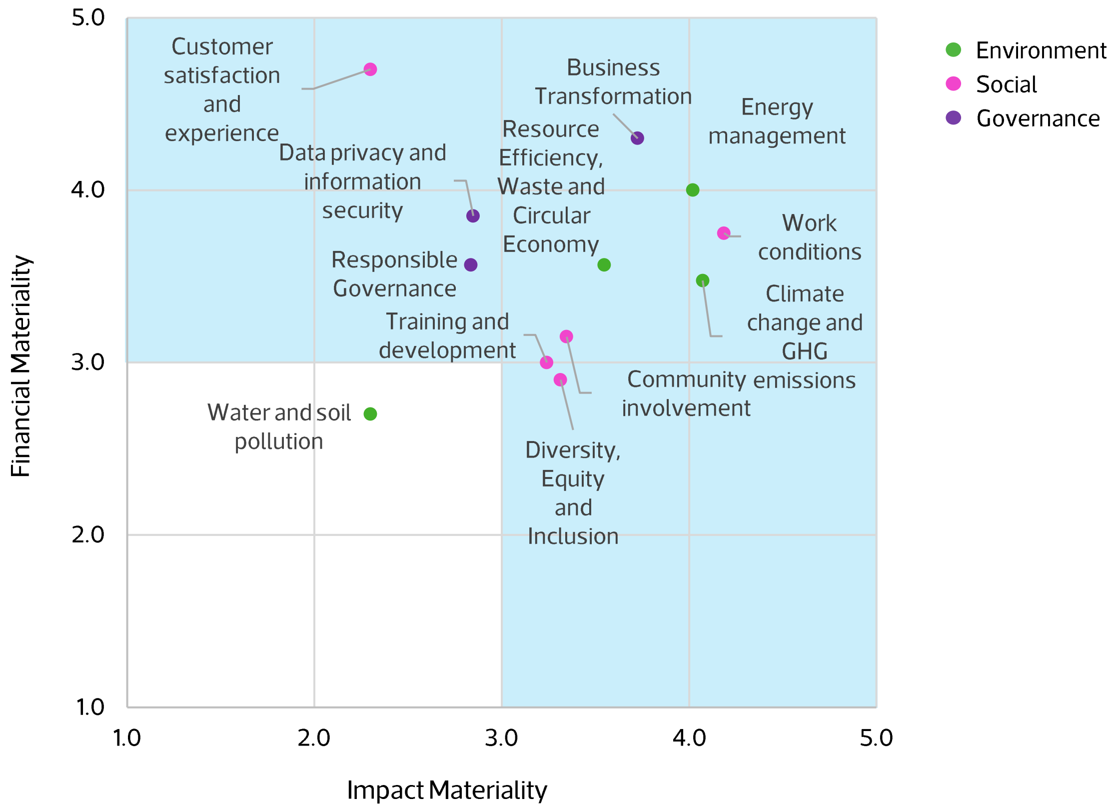
Taxonomy, eligibility & alignment

% of Revenues, Opex and Capex



- Eligible activities represent 72.2% of consolidated revenues (+8.1pp y.oy) as a result of incorporation of air transport
- Aligned activities represent 22.8% of consolidated revenues (+11.5pp y.o.y) primarily due to electrification of last mile delivery fleet

CSRD Implementation & DM matrix



- DM exercise already concluded in early 2024
- CSRD / ESRS gap analysis in progress
- Plan to address gap to be initiated in 2024

[1]For taxonomy purposes, opex only includes buildings renovation/maintenance, non-capital R&D, short term leases and other non-capital lease costs and other expenses directly related to the maintenance of tangible assets or investment properties.

[2]For taxonomy purposes, capex is required to include new vehicles lease contracts booked as right of use and remeasurements.

Financial review

Continued growth of revenues and recurring EBIT coupled with healthy FCF

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Key financial indicators

€ million; % change vs. prior year

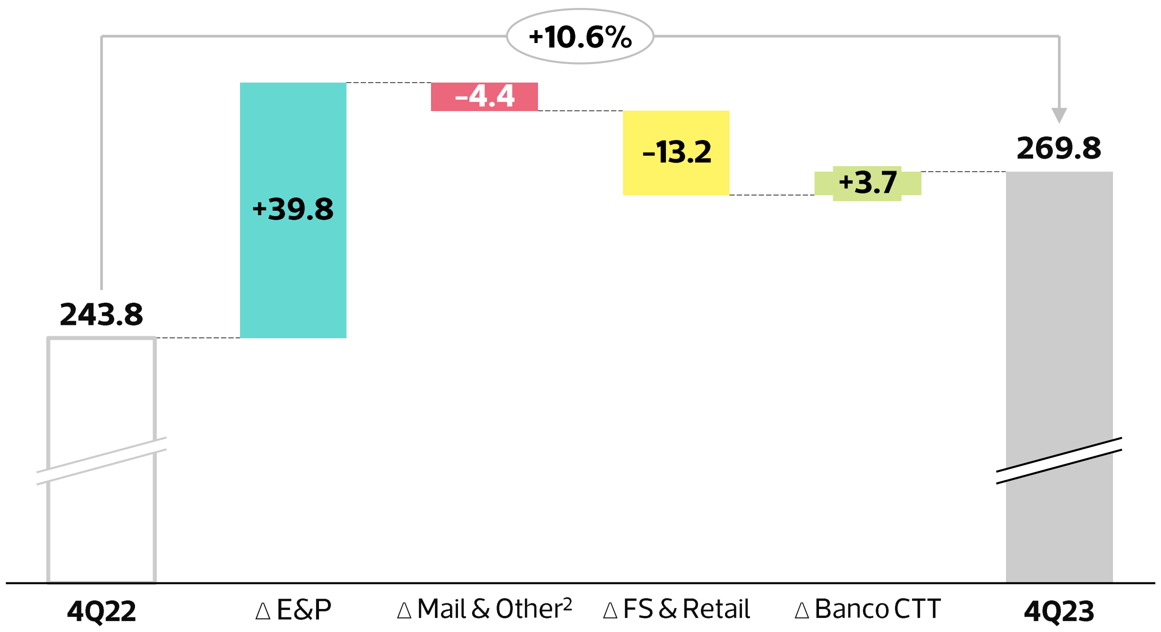
	Quarter			Full year		
	4Q22	4Q23	y.o.y	FY22	FY23	y.o.y
Revenues [1]	243.8	**269.8**	**10.6%**	906.6	**985.2**	**8.7%**
Operating costs – EBITDA [2]	201.4	**233.5**	**15.9%**	777.3	**833.3**	**7.2%**
EBITDA [2]	42.5	**36.3**	**-14.5%**	129.3	**151.9**	**17.5%**
Depreciation & amortisation	16.7	**16.8**	**0.6%**	64.8	**64.3**	**-0.7%**
Recurring EBIT [1]	25.8	**19.5**	**-24.3%**	64.5	**87.6**	**35.7%**
Specific items	12.6	**-1.2**	**n.m.**	8.4	**9.8**	**16.6%**
EBIT	13.1	**20.7**	**57.8%**	56.1	**77.8**	**38.6%**
Financial result	-2.3	**-4.6**	**n.m.**	-9.4	**-16.2**	**n.m.**
Tax	2.8	**-8.9**	**n.m.**	10.4	**1.1**	**-89.4%**
Net profit attributable to equity holders	8.1	**25.0**	**208.4%**	36.4	**60.5**	**66.2%**
Free cash flow	35.5	**29.8**	**-16.1%**	67.4	**94.4**	**40.0%**

[1]Excluding Specific items;
[2]Excluding Specific items, depreciation & amortisation

E&P revenues 1/3 of total in 2023 due to high growth

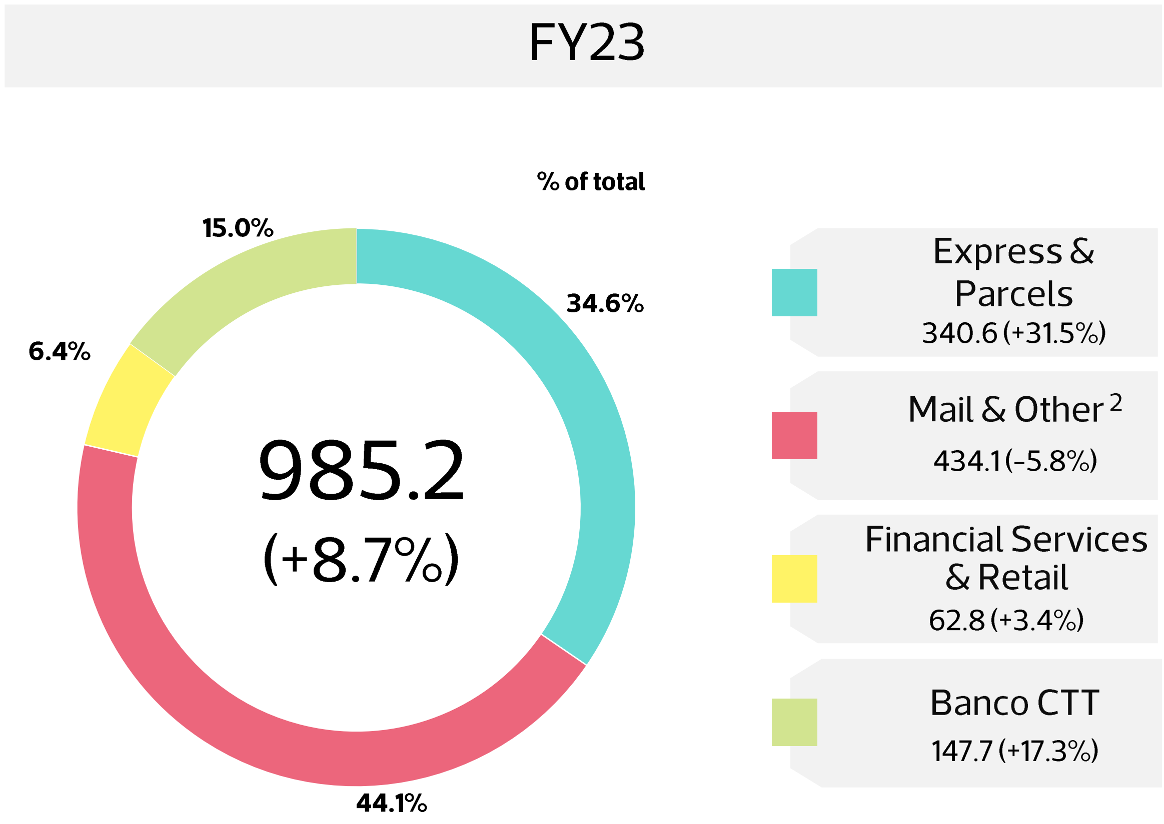
Revenues [1]

€ million; % change vs. prior year



Revenue [1] breakdown

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

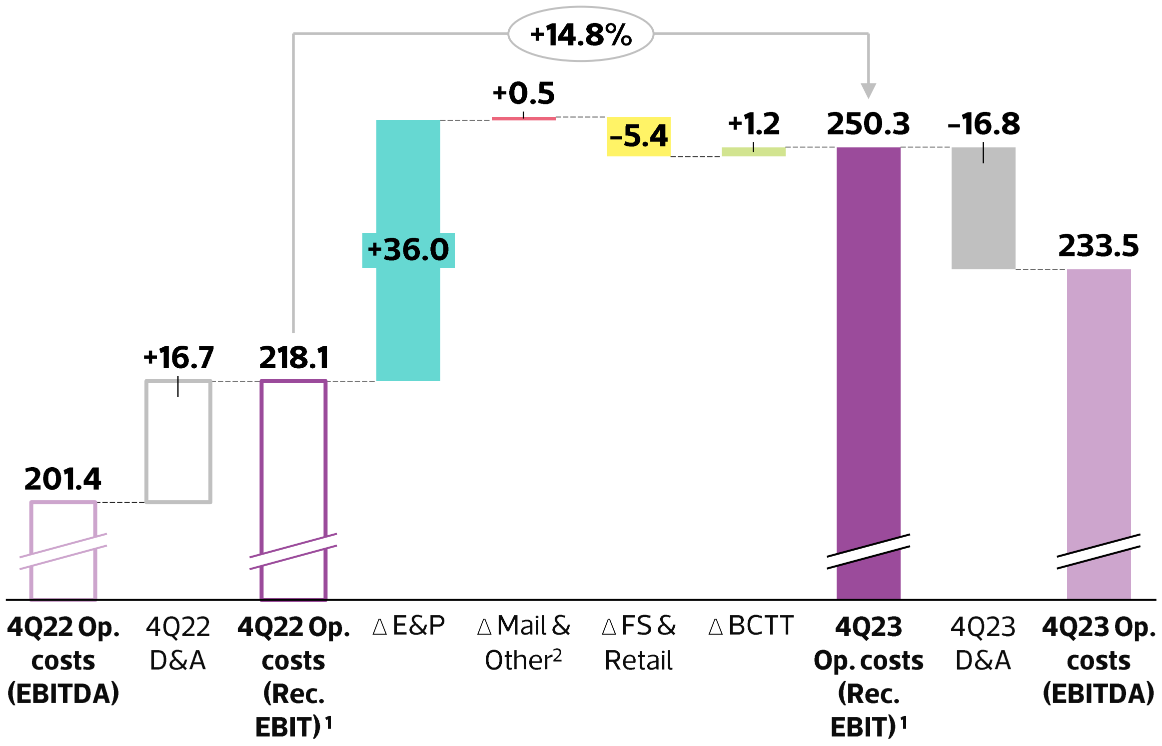


[1]Excluding Specific items;
[2]Including Central Structure

Continued focus on cost reduction attenuates the impact of stronger activity

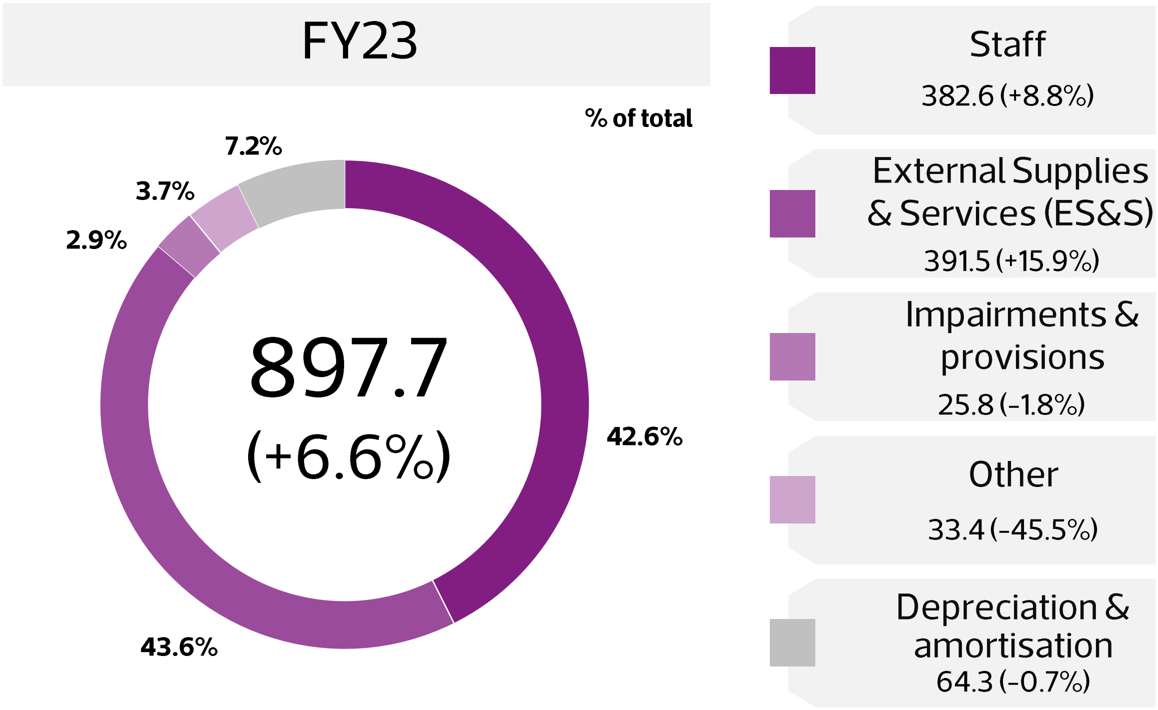
Operating costs [1]

€ million; % change vs. prior year



Operating costs (Rec. EBIT) [1] breakdown

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



In 4Q23:

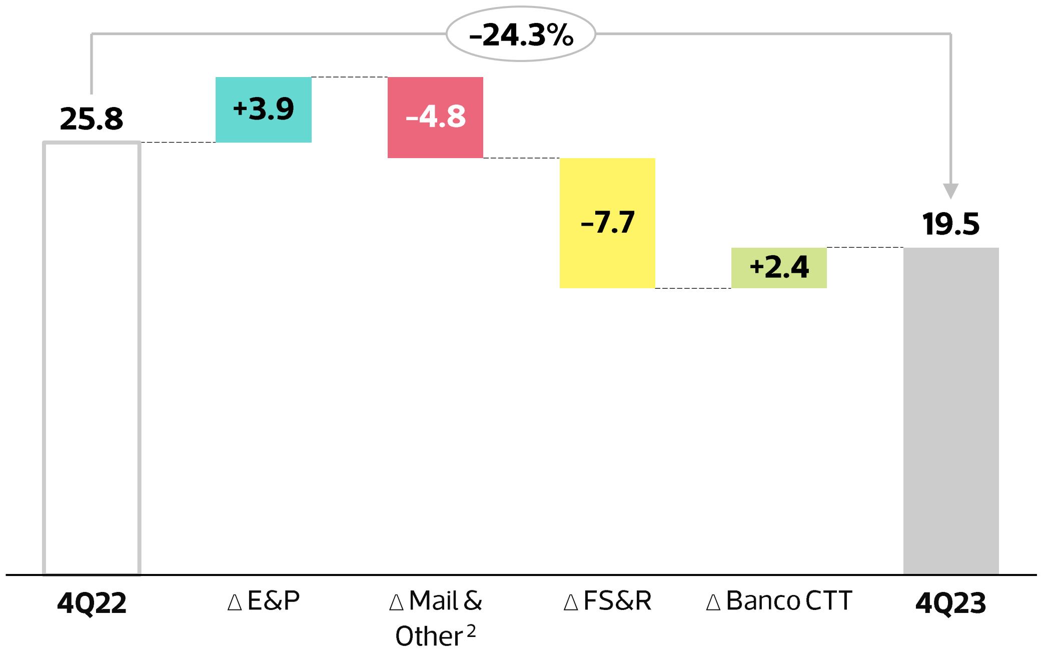
- **E&P** costs grew by €36.0m mainly due to increased business activity
- **Mail & Other** costs increased €0.5m, helped by cost control initiatives that more than offset wage inflation
- **Financial Services & Retail** costs decreased €5.4m, due to lower public debt placements
- **Banco CTT** costs increased €1.2m partly owing to higher staff and external services costs, which were partially offset by a decrease in impairment & provisions (-€1.0m)

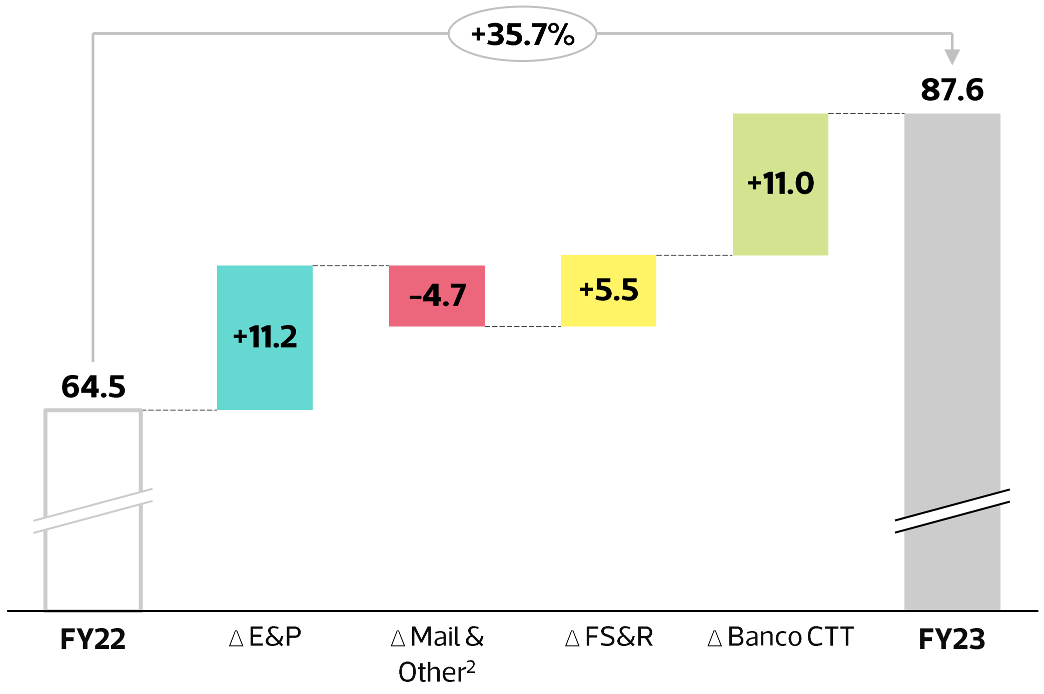
[1] Excluding Specific items;
[2] Including Central Structure

Strong growth of recurring EBIT in 2023 mainly due to E&P and Banco CTT

Recurring EBIT [1]

€ million; % change vs. prior year





Recurring EBIT margin	
10.6%	7.2%

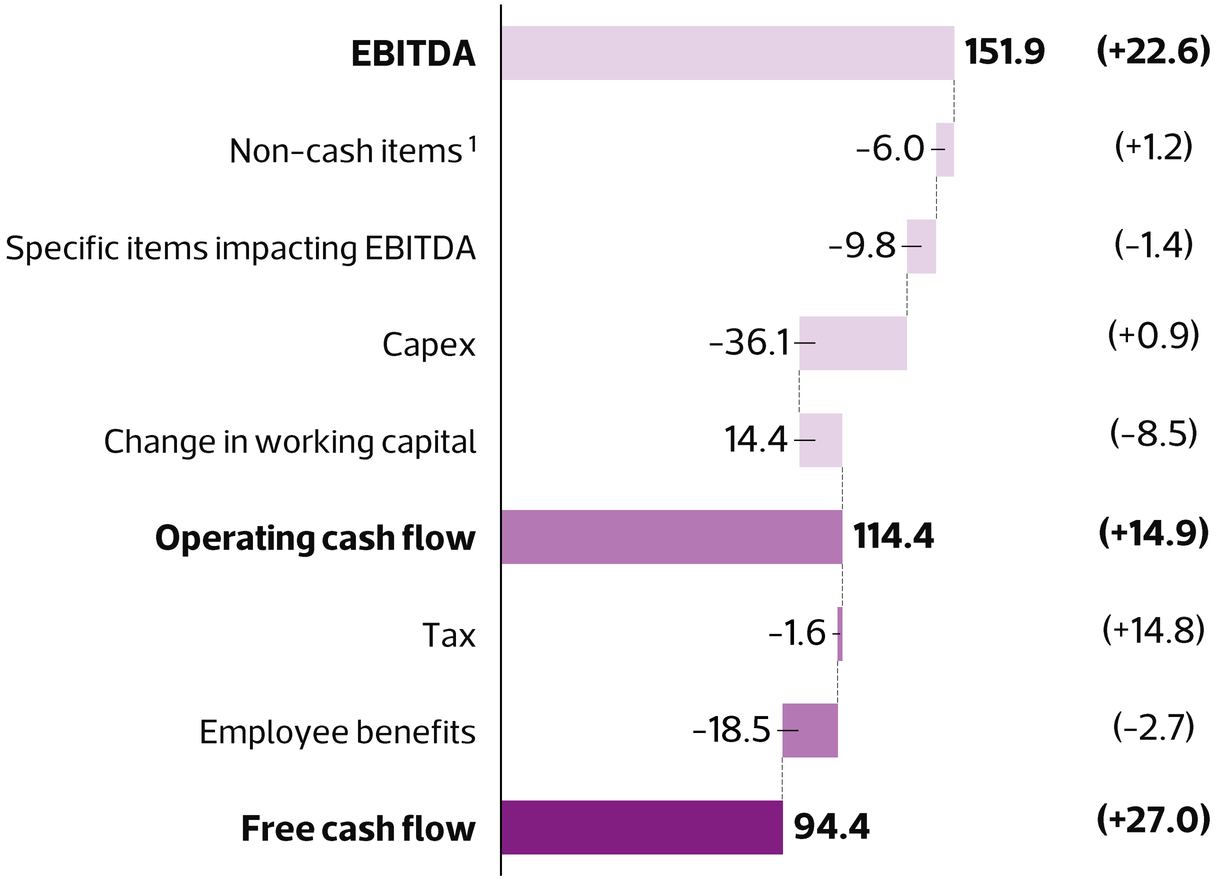
Recurring EBIT margin	
7.1%	8.9%

[1]Excluding Specific items;
[2]Including Central Structure;

Consistent strong cash flow generation

FY23 Cash flow

€ million; impact on cash flow vs. prior year



Net financial debt at 31 December 2023[2]

€ million

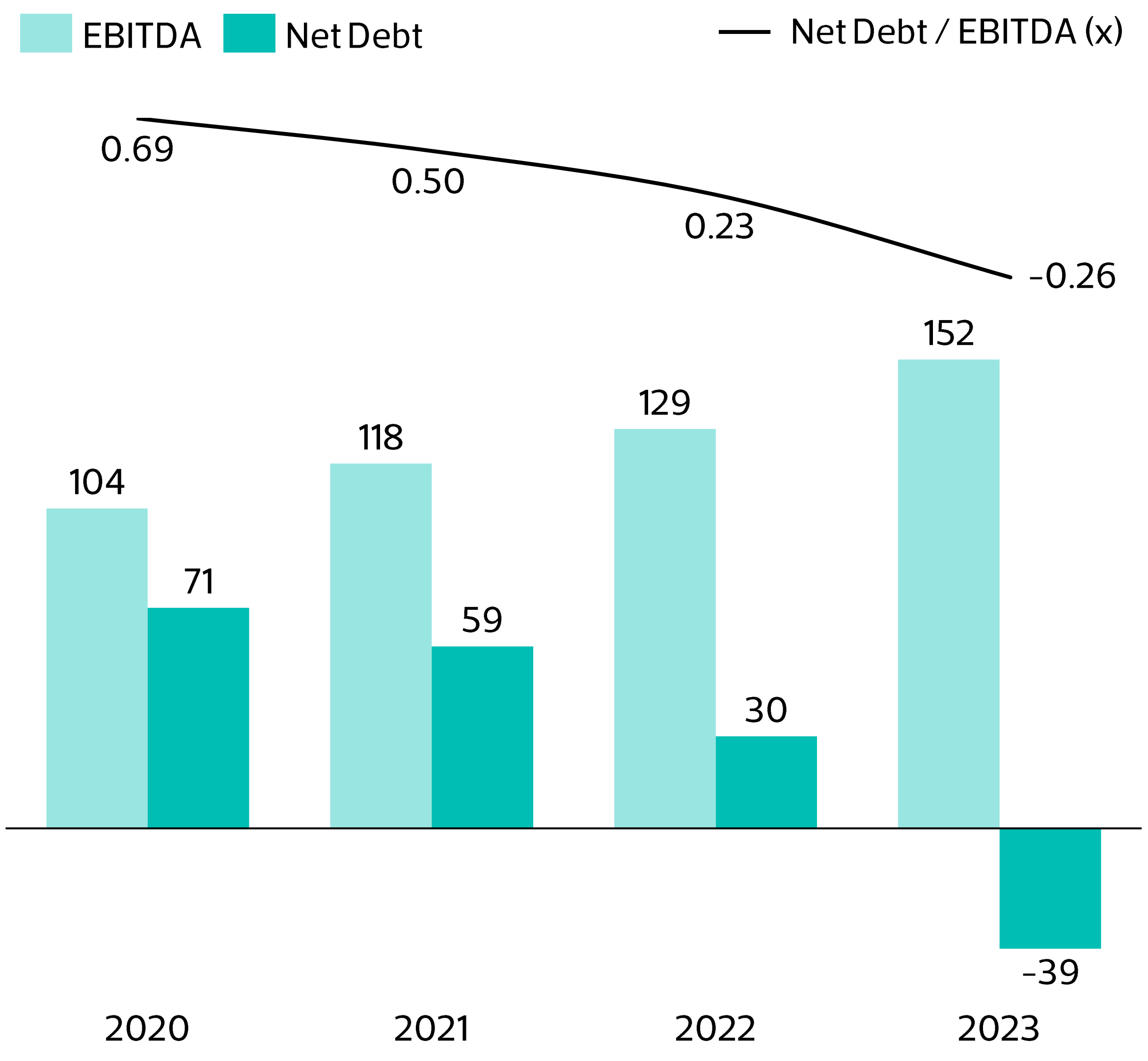
	Consolidated
(+) Cash & cash equivalents	351.6
(-) Net Financial Services & Other payables[3]	188.0
(-) Banco CTT liabilities, net[3]	-180.7
(-) Other[4]	36.4
(=) Adjusted cash	308.0
(-) Financial debt	150.8
(=) Net cash position	**157.2**
(-) Lease liabilities (IFRS 16)	118.3
Net financial debt[2]	**-39.0**

[1]Impairments, provisions and IFRS 16 affecting EBITDA; [2]Only financial debt presented in the table; it does not include net employee benefits of €124.1m as at 31 December 2023; [3]The 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. [4]The 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

Prudent balance sheet enabling strategic and financial flexiblity

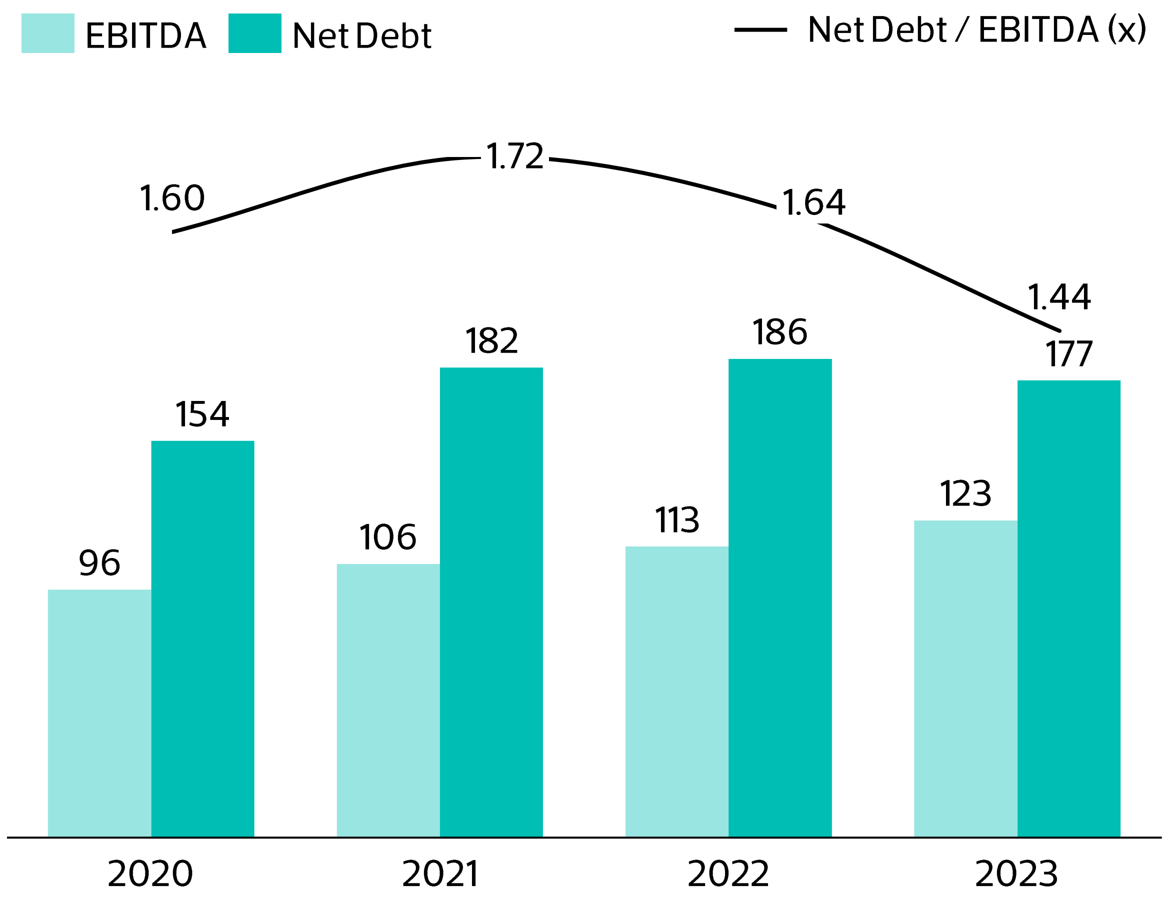
Consolidated leverage

€ million



Leverage with Banco CTT under equity method[1]

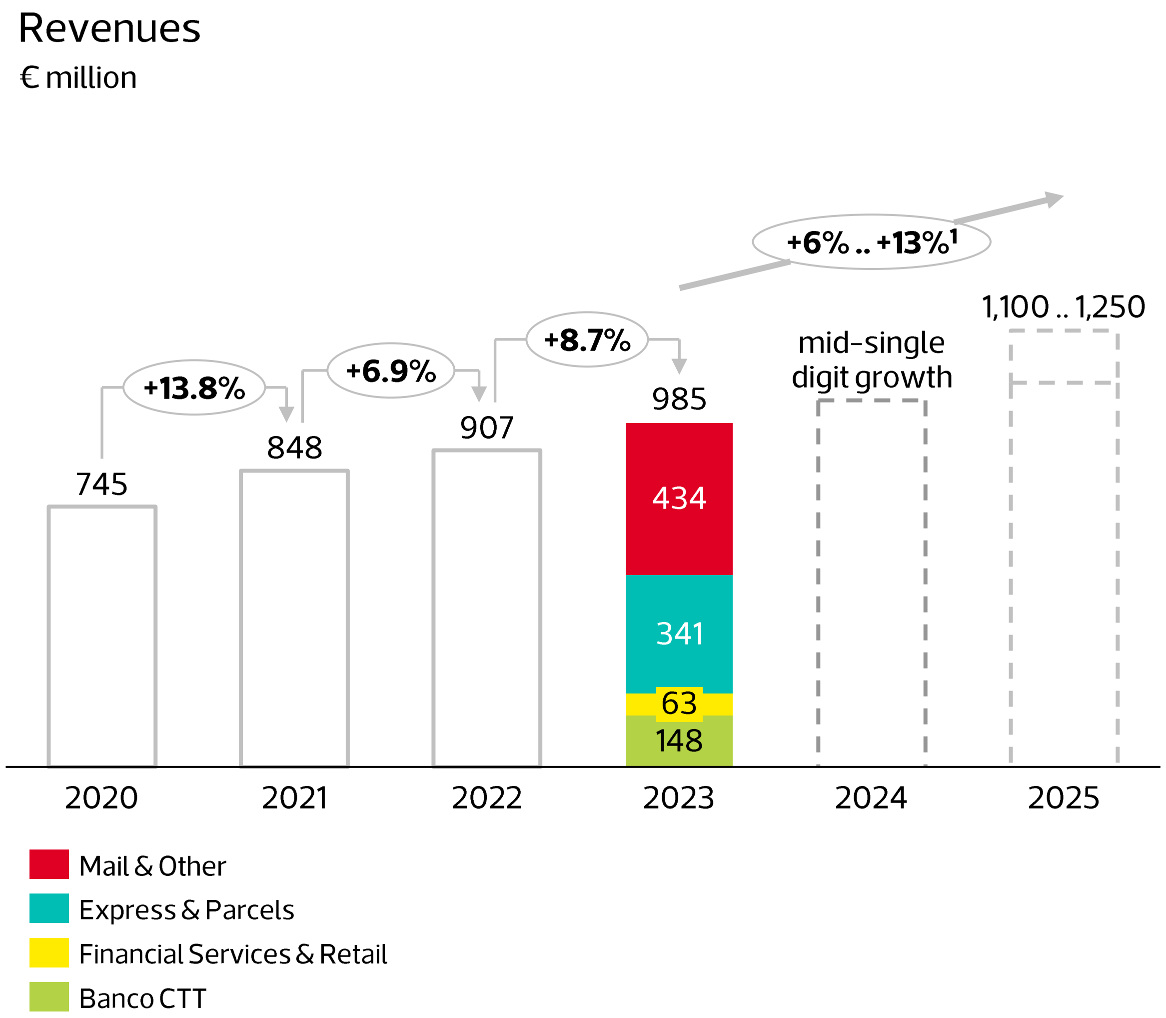
€ million

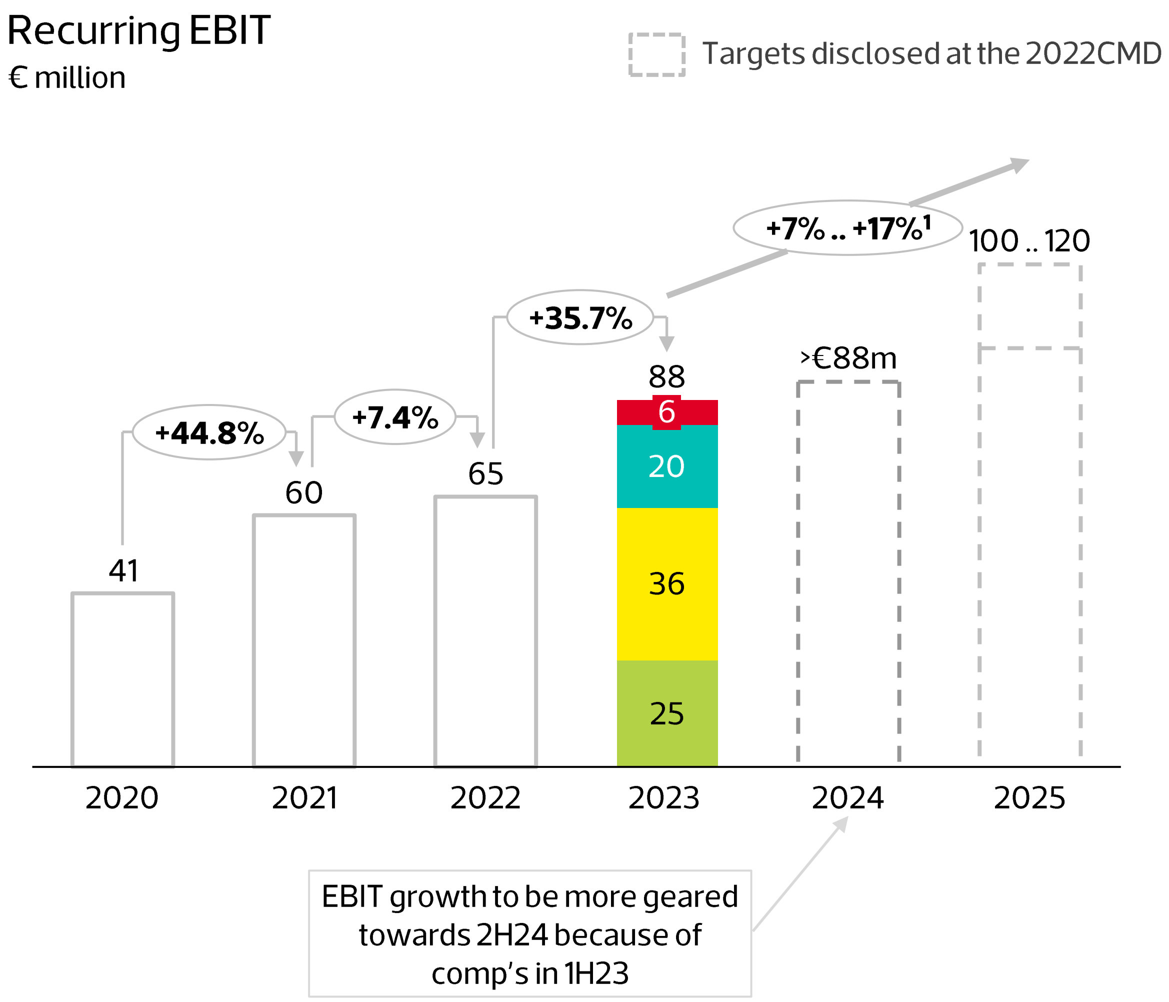


[1]From 2022 onwards, numbers are proforma due to Payshop transaction

Outlook & Final remarks

Continued growth in 2024, follows a beat of the twice upgraded 2023 guidance



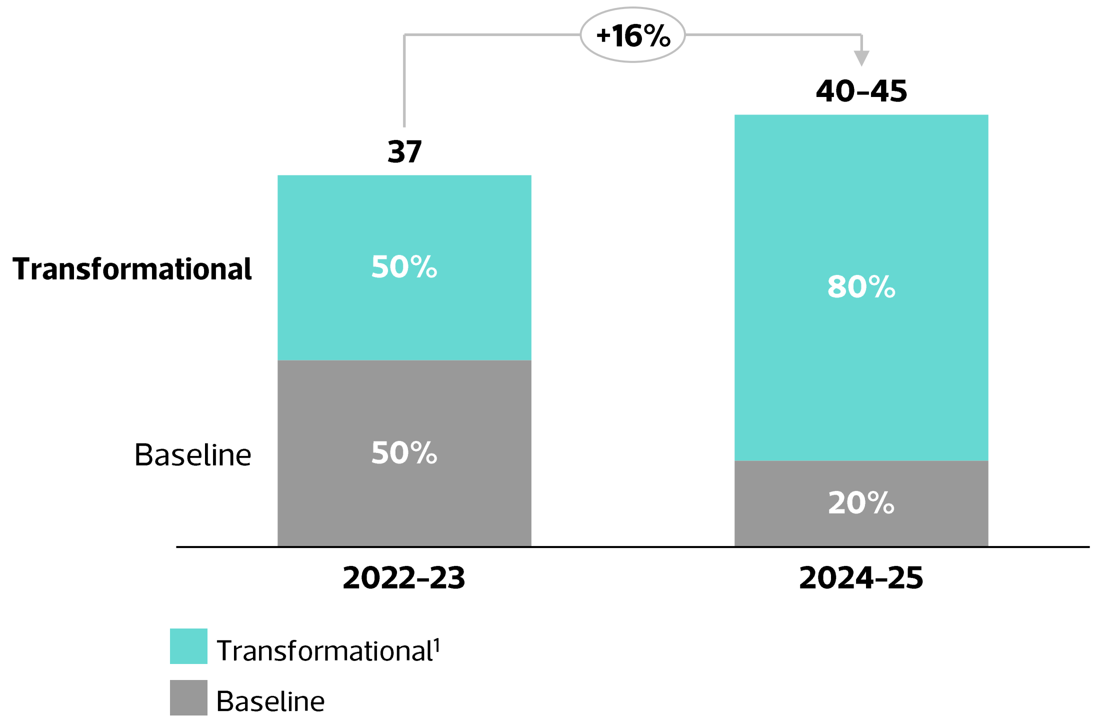


Growing revenues and EBIT towards the CMD 2025 ambition

[1]2-year CAGR

To support our growth, we will continue to invest in our business

Annual average Capex
€ million



Key areas of investment

- Increasing **sorting capacity** across Iberia
- Developing **lockers network** in Portugal and initiating expansion to Spain
- **Investing in IT** to drive customer experience and operations efficiency
- Reinforcing **quality of service**
- **Revamp** Banco CTT **hubs** and **upgrade core** platform and **digital channels**

[1]Transformational includes Express & Parcels, Financial Services & Retail, Banco CTT and Business Solutions.

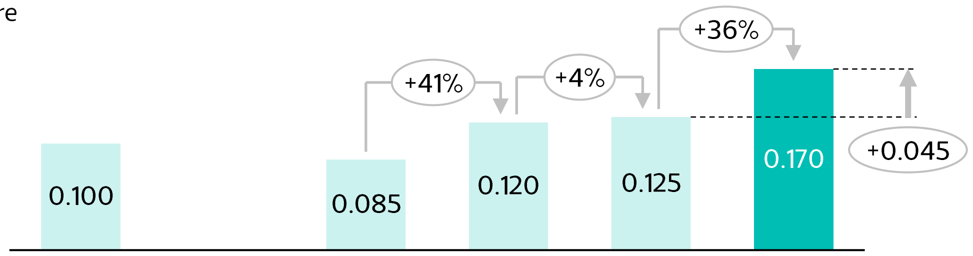
Growing dividend combined with opportunistic SBB

Shareholder remuneration principles[1] disclosed at the CMD2022:

- Investment in business growth
- Attractive shareholder remuneration
- Opportunistic SBB

Dividends[1]

DPS; € per share

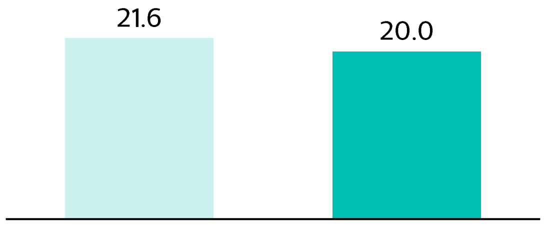


Fiscal year	2018	2019	2020	2021	2022	2023
Divi. Yield[2]	3.4%	-	3.6%	2.6%	4.1%	4.9%
Divi. Payout[3]	70%	-	76%	48%	49%	35%

- ✓ Dividend of €0.17 per share proposed for the AGM of April 2024
- ✓ Fulfilling pay-out target: between 35% and 50% of net profit

Share buyback

€ million



	2022	2023/24
SBB Yield[4]	4.8%	4.0%

- ✓ SBB of €20m in execution in 2023/24
- ✓ SBB of €21.6m carried out in 2022; 6.085m shares acquired and cancelled

[1]For detailed information on CTT's Financial Policy, including its shareholder's remuneration principles, please refer to CTT's investor relations website and to the announcement disclosed on 23 June 2022;
[2]Yield calculated taking as a reference the year end share price of each year;
[3]Based on individual accounts; [4]Yield calculated taking as a reference the year end market cap of 2022 and 2023 respectively

Strong 2023 results and a 2024 guidance growing towards the goals set in the CMD

Top performer in E&P in Iberia, with record growth driving market share gains and strong margin expansion

Approved price increase and mix enabling stable mail revenues

Expanding insurance distribution, while public debt placement remains below regular levels

Growth in Banco CTT clients, volumes and profitability towards the recently upgraded 2025 targets

Strong and steady cash flow, leading to improved financial flexibility

€20m share buyback ongoing and dividend of €0.17 to be proposed to the 2024 AGM

Strong 2023 results, beating the guidance upgraded twice throughout the year

On the back of strong growth in Iberian E&P, we expect recurring EBIT in 2024 to be above €88m assuming public debt placements of ~€3.0b ctt

19 march 2024

We make our path fully committed to deliver

FY23 results presentation

Investor Relations

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