



1H23 APPENDIX



27 July 2023

Disclaimer

DISCLAIMER

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during the presentation of the first half 2023 results (1H23). As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of CTT. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Company’s advisors or auditors.

Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Company does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Company nor its subsidiaries, affiliates, directors, employees or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, issue, exchange or buy any financial instruments (namely any securities issued by CTT or by any of its subsidiaries or affiliates), nor a solicitation of any kind by CTT, its subsidiaries or affiliates. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by CTT on its website (www.ctt.pt) as well as on the Portuguese Securities Market Commission’s website (www.cmvm.pt). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by CTT, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views concerning future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions).

Although CTT believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of CTT, what could cause the models, objectives, plans, estimates and / or projections to be materially reviewed and / or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of CTT. You are cautioned not to place undue reliance on the forward-looking statements herein.

All forward-looking statements included herein speak only as at the date of this presentation. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Appendix

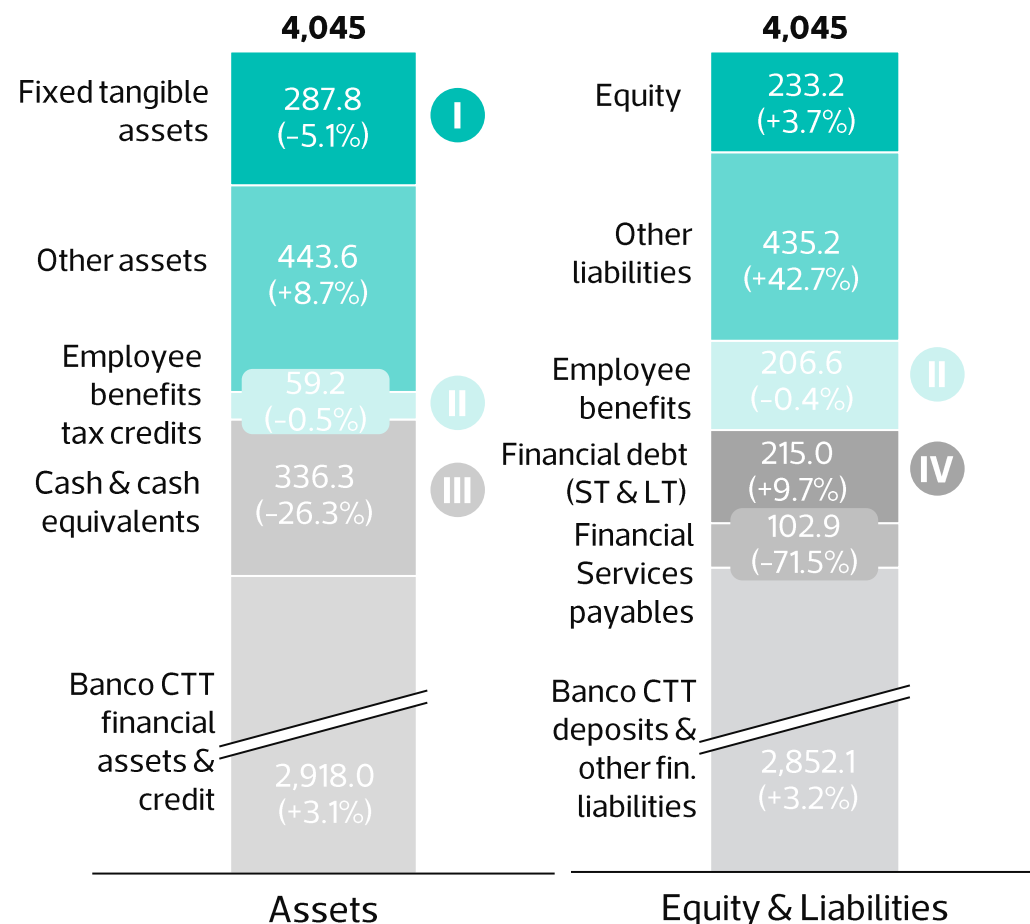


ctt

Solid and low levered balance sheet with a consolidated net cash position

30 June 2023 Balance sheet

€ million; % change vs. 31 dec. 2022



I Fixed tangible assets

(+) Rights of use (leases)	103.7
(+) Other fixed tangible assets	184.1
(=) Fixed tangible assets	287.8

Rights of use decrease €10.8m vs. Dec22 (-9.4%)

II Net employee benefits

(+) Employee benefits (liabilities) *	206.6
(+) Employee benefits (equity) ¹	1.7
(-) Employee benefits tax credit	59.2
(=) Net employee benefits	149.1

* Of which **€190.0m related to healthcare**

III Adjusted cash

(+) Adjusted cash Banco CTT	185.5
(+) Adjusted cash CTT	37.0
(=) Adjusted cash	222.5

IV Financial debt

(+) Bank loans	98.0
(+) Lease liabilities	117.0
(=) Financial debt	215.0

¹ Corresponding to stock option remuneration plan

Strong performance of Express & Parcels in Iberia with a solid growth outlook



Express & Parcels – Revenues 1H23

Consolidated view; € million; % change vs. prior year

Portugal	€68.5m (+11.4%)
Parcels	€63.1m (+14.6%)
Cargo	€2.1m (-17.9%)
Banking network	€2.1m (+2.6%)
Logistics	€1.6m (+13.3%)
Other	€-0.5m (<<)
Spain	€70.7m (+18.7%)
Mozambique	€2.2m (+28.1%)
Total	€141.3m (+15.2%)

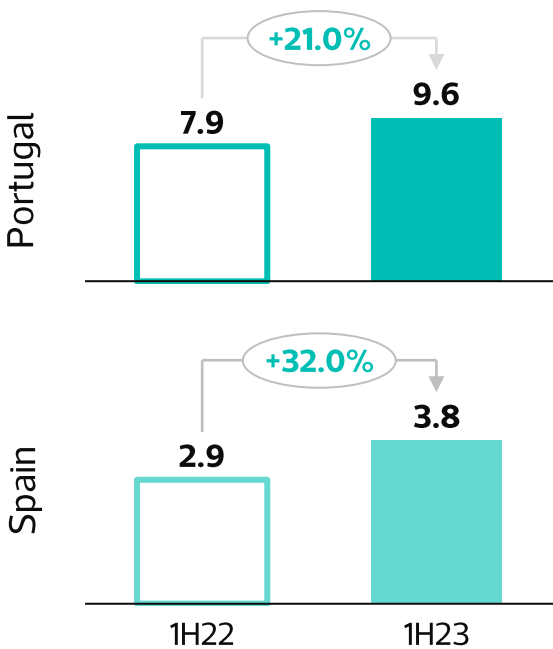
Volumes by region (m items)

Metric	Total	Portugal	Spain
1H23	41.1	18.0	23.1
vs. 1H22	+17.7%	+18.2% <small>of which 17.8 (+18.6%) CEP</small>	+17.3%

¹Excluding Specific items, depreciation & amortization; ²Individual Accounts; ³Excluding Specific items

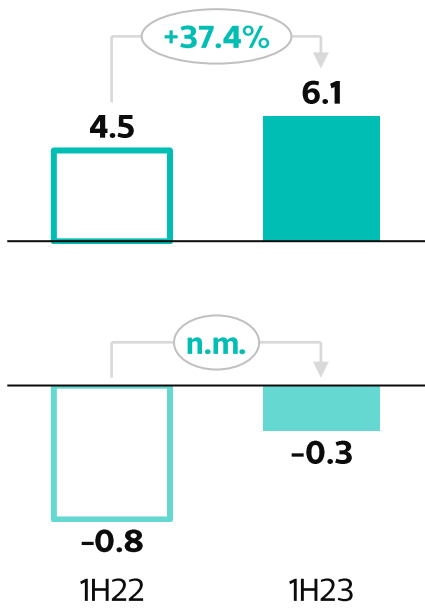
EBITDA ^{1,2}

€ million



Recurring EBIT ^{2,3}

€ million



Revenue performance in mail and good cost control led to profitability improvement

ctt

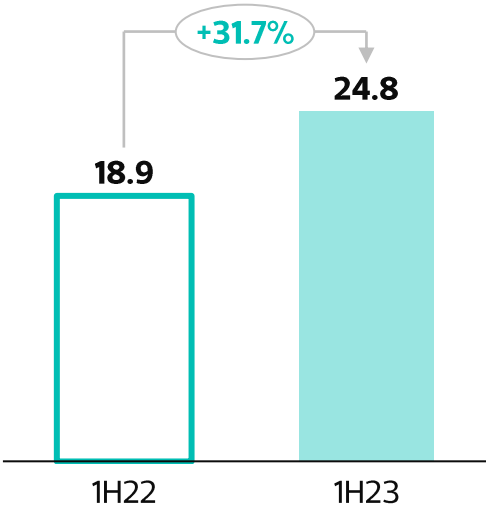
Mail & other – Revenues 1H23

€ million; % change vs. prior year

Transactional	€178.8m (+1.3%)
Advertising	€7.0m (-20.0%)
Editorial	€6.0m (-2.9%)
Business solutions	€22.0m (-47.3%)
USO parcels	€3.7m (+8.5%)
Philately & other	€3.9m (+8.2%)
Mail	€221.5m (-7.9%)
Central Structure	€1.4m (+15.6%)
Mail & other	€222.9m (-7.7%)

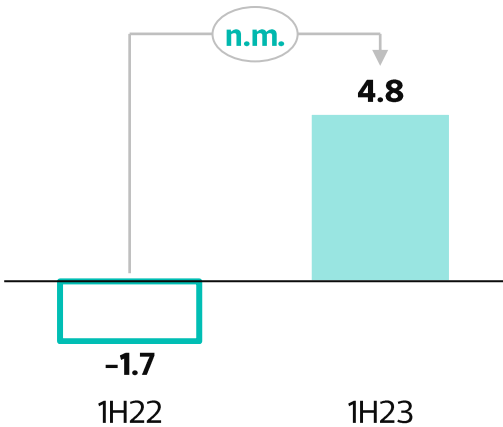
EBITDA¹

€ million



Recurring EBIT²

€ million



Volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
1H23	N.A.	225.0	194.4	17.7	12.9	137.4
vs. 1H22	+6.35%	-6.3%	-5.9%	-9.6%	-6.7%	-34.0%

¹Excluding Specific items, depreciation & amortization; ²Excluding Specific items

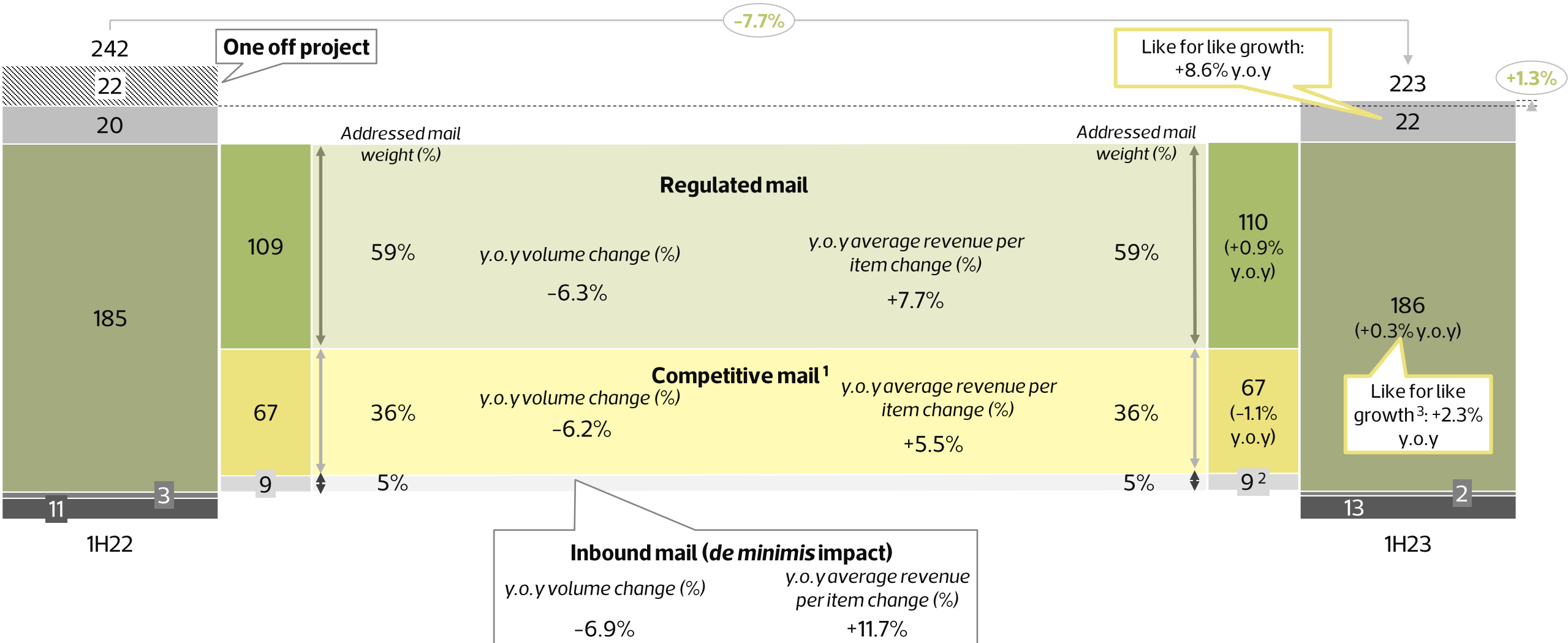
Addressed mail revenues grew on 1H23 as price increases offset volume declines



Revenues

€ million; % change vs. prior year

Laptop Project Addressed Other
Busines solutions Unaddressed



¹Includes bulk and advertising mail; ²4.1% y.o.y; ³excluding elections impact in 1Q22

Focusing on insurance distribution, while savings are normalising following a period of intense commercial activity

ctt

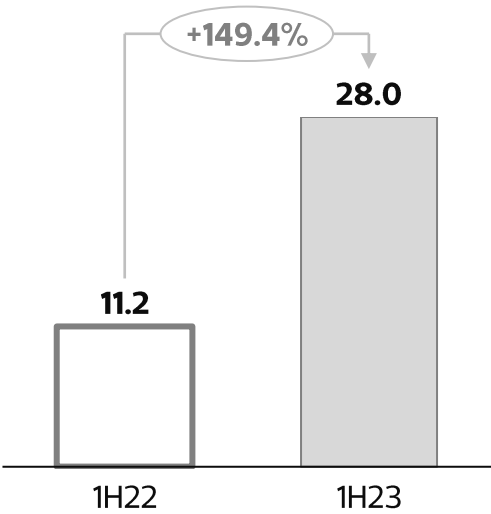
Financial Services & Retail – Revenues 1H23

€ million; % change vs. prior year

Savings & insurance	€36.2m (>>)
Money orders	€2.1m (–27.7%)
Payments	€0.8m (+4.1%)
Retail products & services	€6.2m (–25.4%)
Other	€0.9m (+45.1%)
Total	€46.3m (+91.4%)

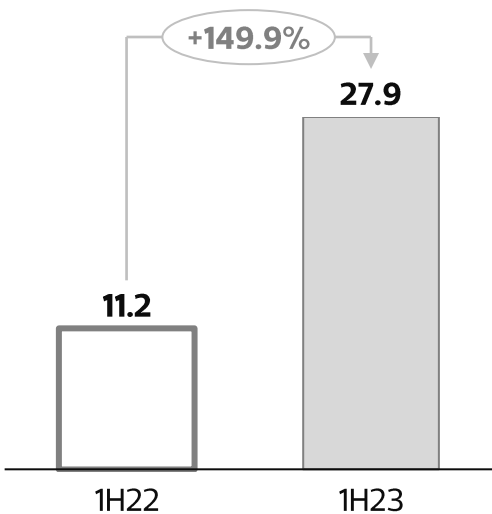
EBITDA¹

€ million



Recurring EBIT²

€ million



Financial Services volumes by type

Metric	Savings flows (€bn)	Placements	Redemptions	Money orders (m ops.)
1H23	13.9	11.4	2.5	5.0
vs. 1H22	>>	>>	>>	–30.0%

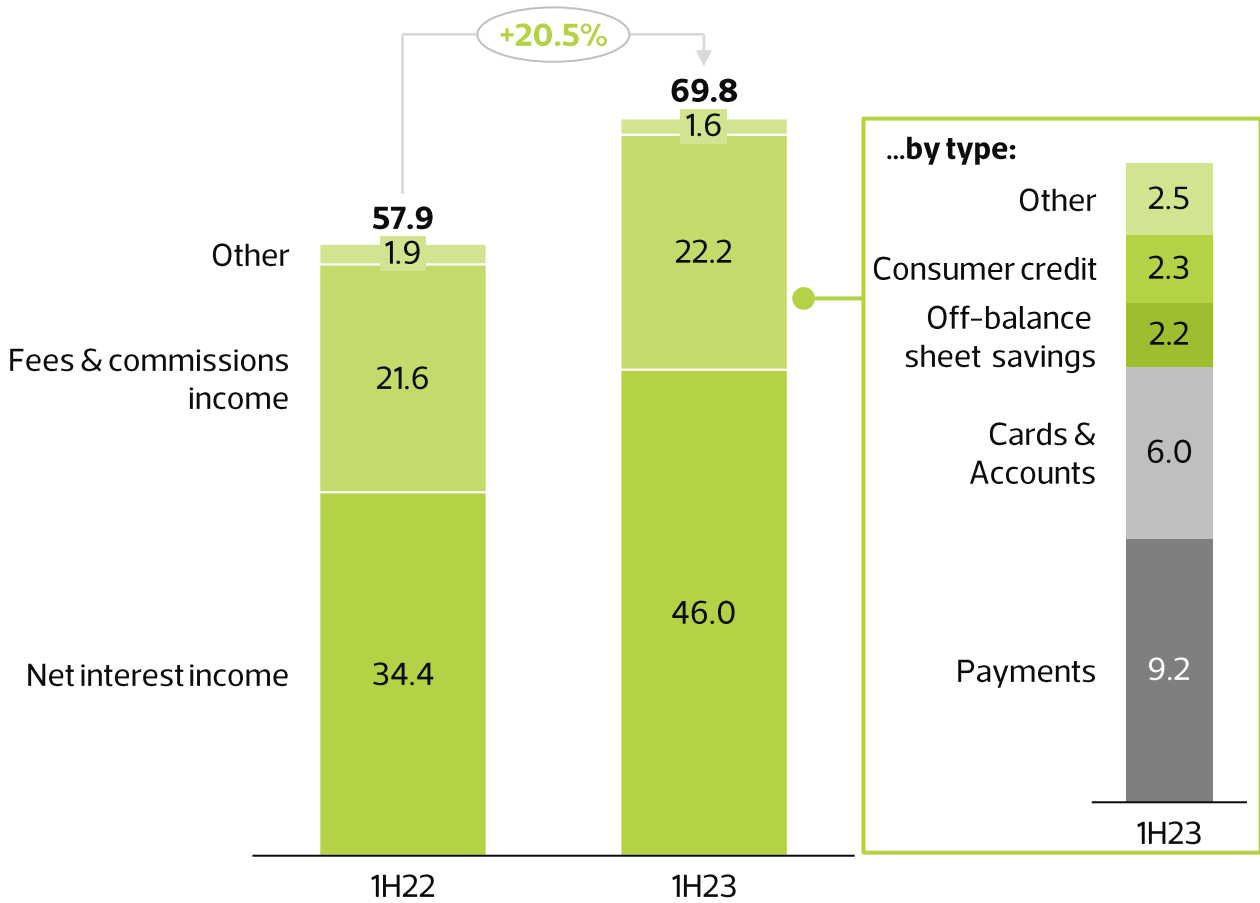
¹Excluding Specific items, depreciation & amortization; ²Excluding Specific items

Banco CTT continues to deliver client, volume and revenue growth thus enhancing its profitability

ctt

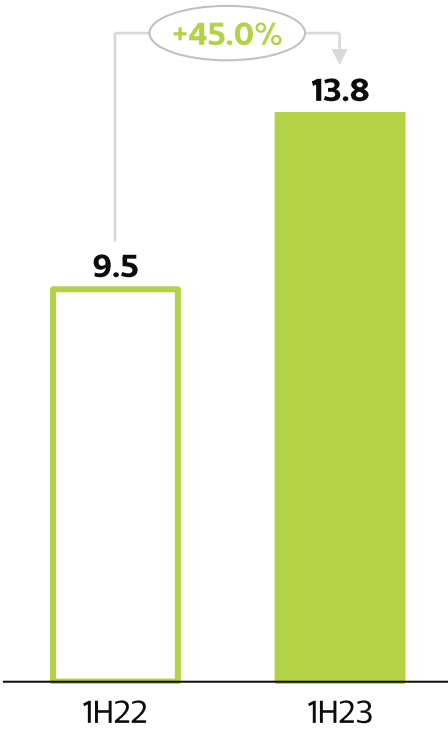
Banco CTT – Revenues 1H23

€ million; % change vs. prior year



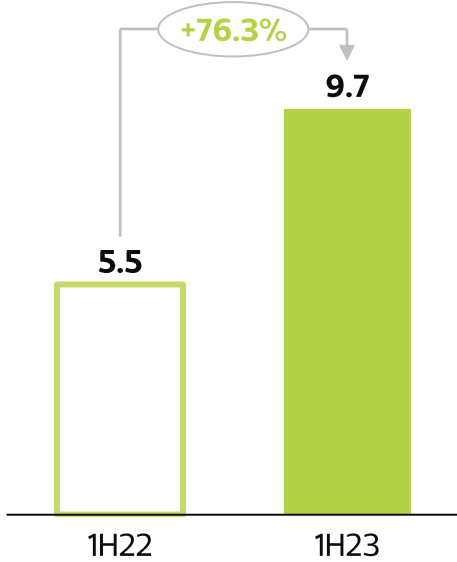
EBITDA¹

€ million; % change vs. prior year



Recurring EBIT²

€ million; % change vs. prior year



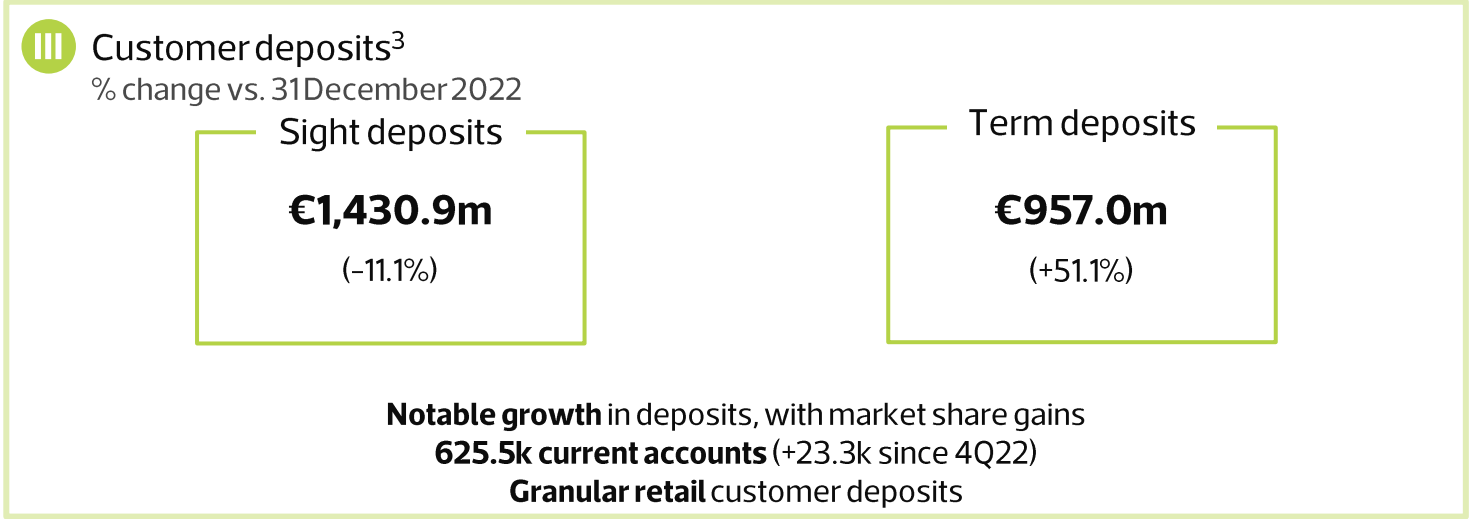
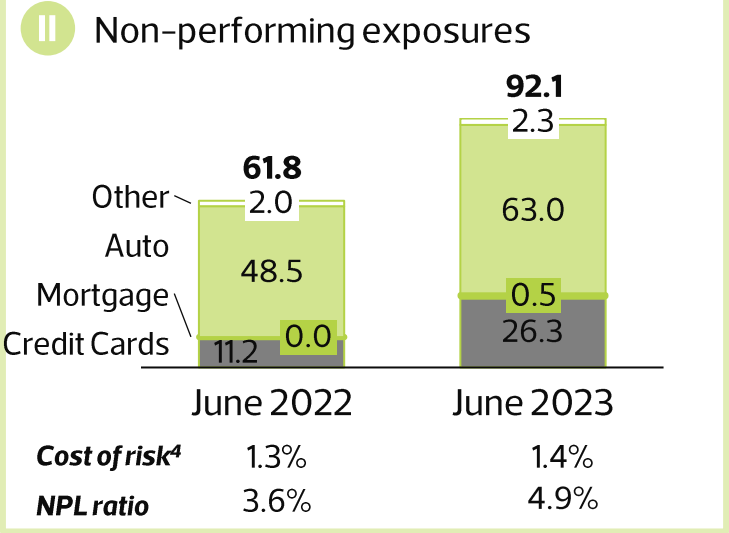
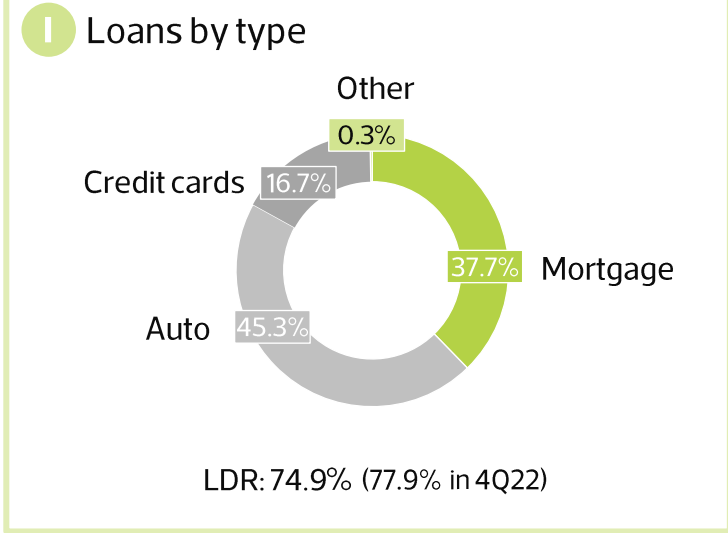
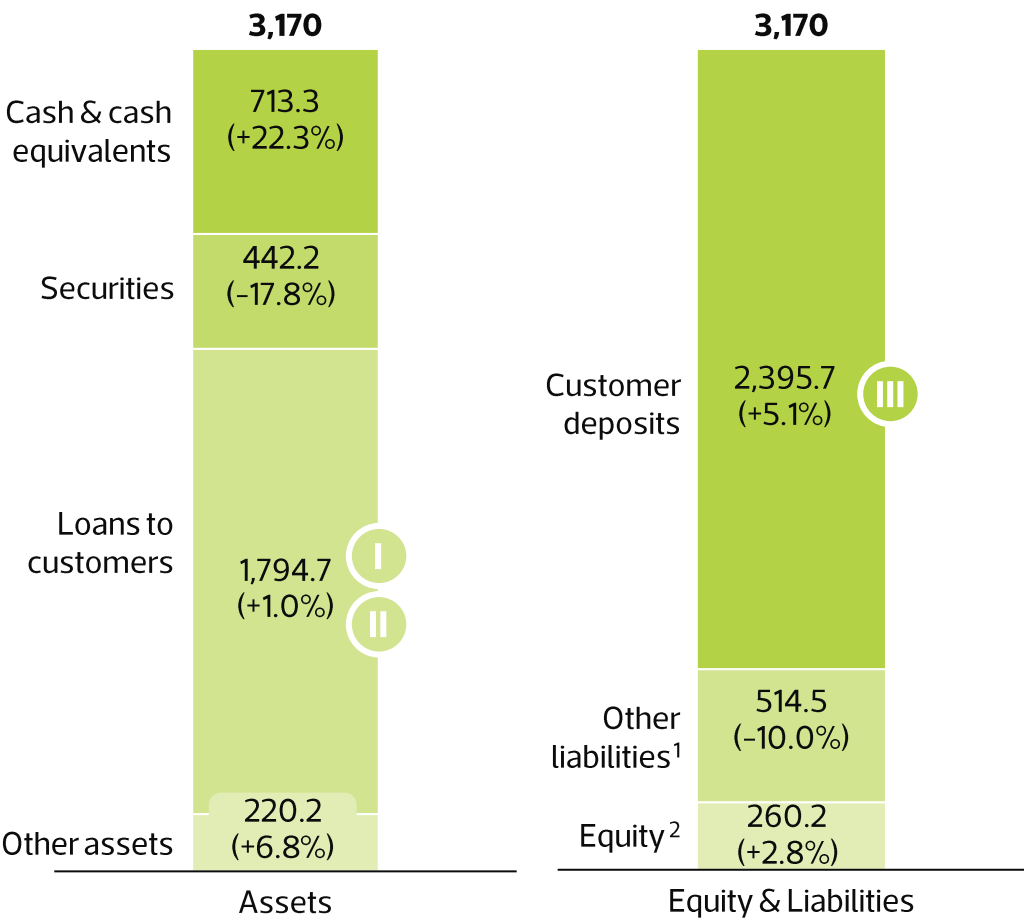
¹Excluding Specific items, depreciation & amortization; ²Excluding Specific items

Banco CTT balance sheet mix to benefit from higher interest rates

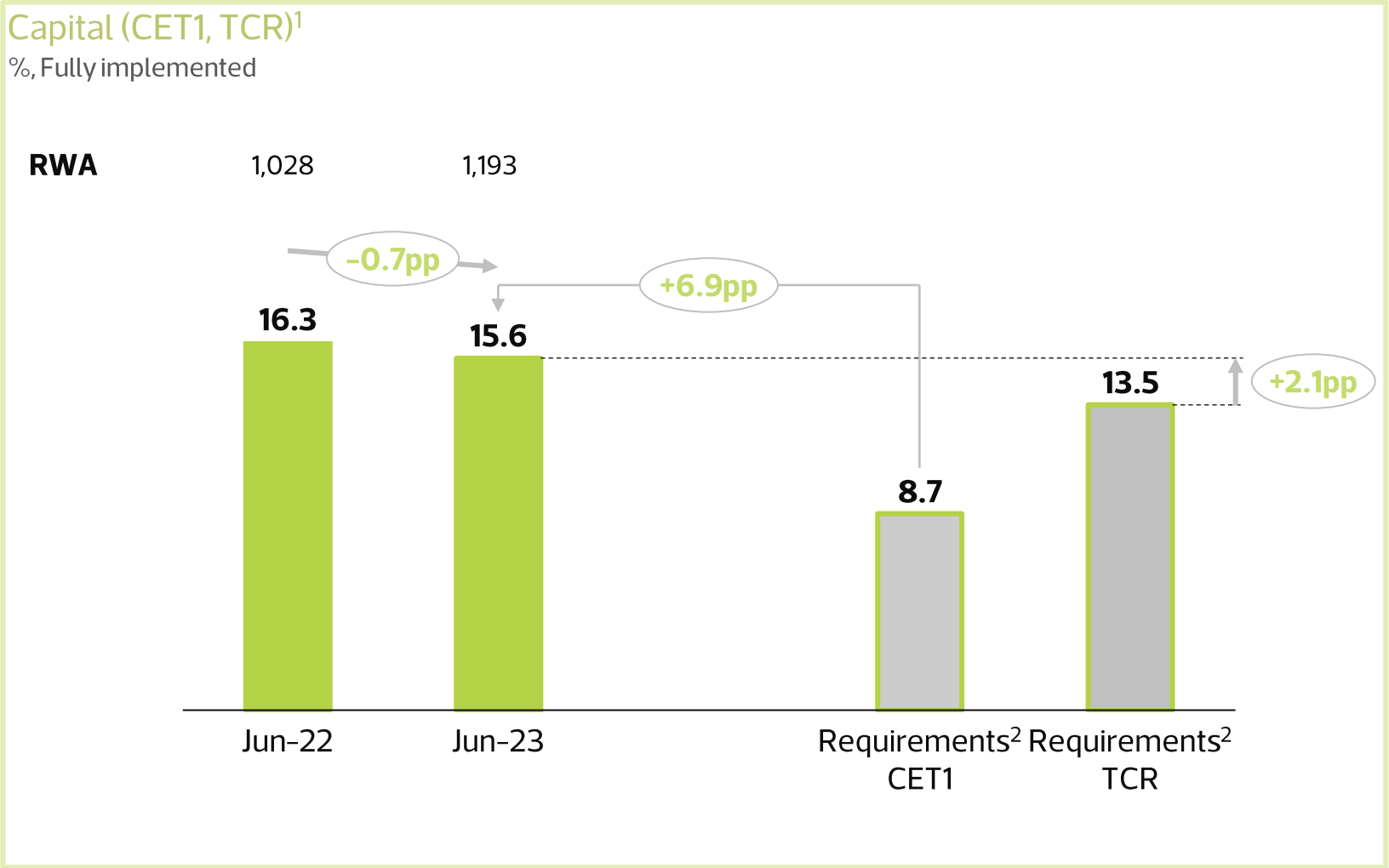
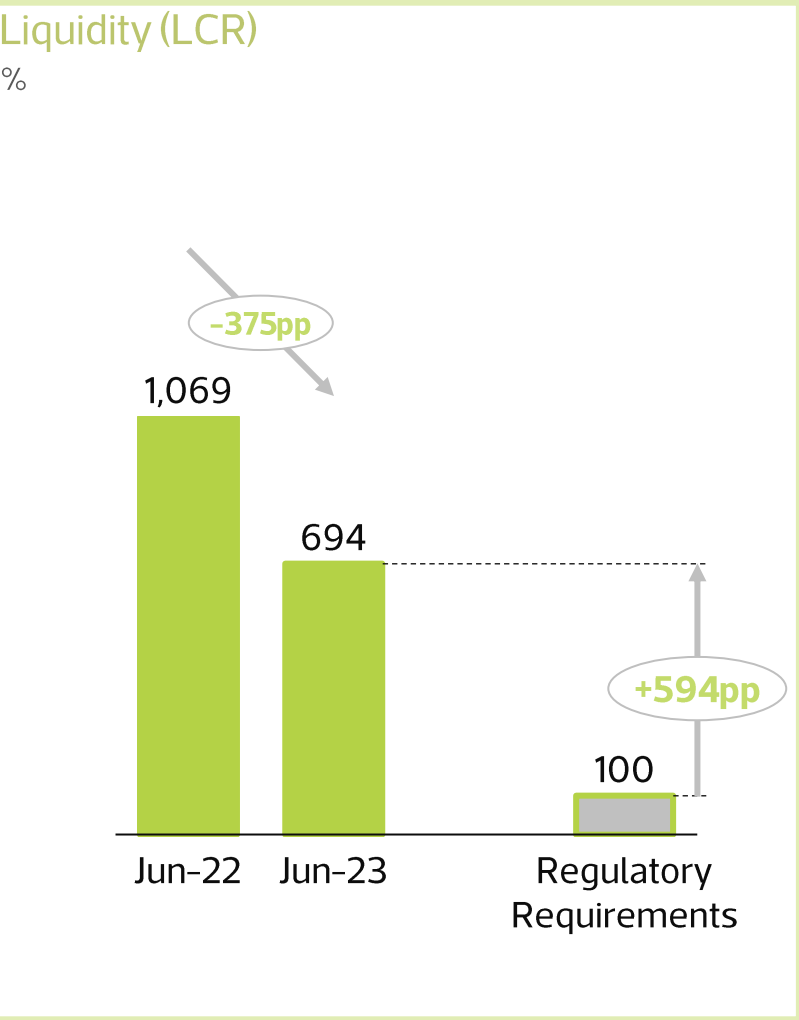


Banco CTT Balance Sheet- 30 June 2023

€ million; % change vs. 31December 2022



¹ Includes 408.4million€ of debt securities/securitization; ² Includes 174.6million€ of tangible equity; ³ Excludes deposits from intragroup companies; ⁴ Cumulative, consolidated



¹Provisional, includes 1H23 net income. CET1: Common Equity Tier 1. TCR: Total Capital Ratio. In the case of Banco CTT both ratios, as at the end of 1H22 and 1H23, were the same. ²CET1 requirements of 4,50% Pillar 1 + 1,69% Pillar 2 + 2,50% Conservation Buffer. TCR requirements of 8,00% Pillar 1 + 3,00% Pillar 2 + 2,50% Conservation Buffer

Consolidated Income statement



Income statement

€ million

	Reported		With Banco CTT under equity method	
	1H22	1H23	1H22	1H23
Revenues	446.4	480.4	397.6	420.1
Operating costs	396.0	400.3	355.2	353.1
of which Impairments & provisions	13.2	15.3	1.9	2.7
EBITDA	50.4	80.1	42.4	67.0
Depreciation & amortization	31.8	31.7	28.2	27.6
of which IFRS 16 impact	14.4	14.6	14.0	14.0
Recurring EBIT	18.6	48.4	14.2	39.3
Specific items	-2.1	9.1	2.9	9.1
EBIT	20.7	39.3	11.3	30.2
Net financial income / (costs)	-4.6	-7.1	-4.6	-6.7
of which IFRS 16 impact	-1.6	-1.7	-1.5	-1.7
Associated companies – gains / (losses)	-0.1	0.0	8.3	7.2
Earnings before taxes	16.1	32.1	15.0	30.7
Net profit attributable to equity holders	14.5	26.0	15.5	26.0

Consolidated Balance sheet



Balance sheet

€ million

	Reported		With Banco CTT under equity method	
	31-Dec-22	30-Jun-23	31-Dec-22	30-Jun-23
Non-current assets	2,253.3	2,279.9	687.9	680.3
Current assets	1,804.2	1,765.0	566.0	475.1
Assets	4,057.5	4,044.9	1,253.9	1,155.4
Equity	224.9	233.2	225.2	233.4
Liabilities	3,832.6	3,811.7	1,028.7	922.0
Non-current liabilities	789.4	780.1	331.1	359.4
Current liabilities	3,043.1	3,031.6	697.6	562.6
Equity and Liabilities	4,057.5	4,044.9	1,253.9	1,155.4
Net financial debt	29.8	-7.6	192.6	174.6

Consolidated Cash flow statement



Cash flow

€ million

	Reported			With Banco CTT under equity method		
	1H22	1H23	Δ 23/ 22	1H22	1H23	Δ 23/ 22
EBITDA	50.4	80.1	29.6	42.4	67.0	24.5
Non-cash items	-3.4	-0.9	2.5	-14.3	-12.8	1.5
Specific items affecting EBITDA	2.1	-9.1	-11.2	-2.9	-9.1	-6.2
Capex	-12.0	-11.3	0.7	-9.8	-8.4	1.5
Change in working capital	-18.2	-3.2	15.0	-3.2	0.1	3.3
Operating cash flow	19.0	55.6	36.7	12.2	36.8	24.6
Tax	-7.6	0.6	8.2	-7.4	0.6	8.0
Employee benefits	-7.5	-8.3	-0.8	-7.5	-8.3	-0.8
Free cash flow	3.8	47.9	44.1	-2.7	29.1	31.9
Debt (principal + interest)	-8.0	27.2	35.2	-8.0	27.2	35.2
Dividends	-17.7	-17.9	-0.2	-17.7	-17.9	-0.2
Acquisition of own shares	-15.4	-0.2	15.2	-15.4	-0.2	15.2
Financial investments & other	-0.1	-0.7	-0.6	-0.1	-0.7	-0.6
Net change in adjusted cash	-37.3	56.3	93.7	-43.9	37.5	81.4
Change in liabilities FS & other & Banco CTT (net) ¹	-6.0	-160.8	-154.8	-0.7	-153.0	-152.3
Change in other ²	12.7	-15.7	-28.4	0.0	-0.0	-0.0
Net change in cash	-30.6	-120.2	-89.6	-44.6	-115.5	-70.9

¹ 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 the financial services of CTT, Payshop, Banco CTT and 321 Crédito; ² 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

Specific items

€ million

Recurring EBIT
Specific items
Staff costs
ES&S
Other op. costs & other gains
EBIT

Reported	
1H22	1H23
18.6	48.4
-2.1	9.1
1.6	3.4
1.3	1.2
-4.9	4.5
20.7	39.3

Primarily restructuring costs, namely suspension agreements of employment contracts

Primarily reinforcement of the impairment loss relative to the former headquarters and the cost savings associated with the change of head office building



Investor Relations

Phone: +351210 471087

E-mail: investors@ctt.pt

ctt.pt

Delivering the future by connecting
people and businesses in a
sustainable way

