CTT – Correios de Portugal, S.A.
Avenida dos Combatentes, 43 – 14th floor
1643-001 LISBON
Lisbon commercial registry and
fiscal no. 500 077 568
Share Capital EUR 66,910,000.00

Announcement – Lisbon, 4 November 2025

Material information

CTT – Correios de Portugal, S.A. ("CTT" or "Company") hereby informs that today it holds its Capital Markets Day 2025, in which the Management team will present to the capital markets and partners the results achieved so far on the 2022-25 period and the new strategic chapter and the Company's objectives for the 2026–28 three-year period, as well as the financial ambition for 2028.

Simplification of reporting structure

Within the context of the strong growth registered in Express & Parcels (E&P) on the back of e-commerce logistics and taking into account (i) the recent acquisition of Cacesa, that adds to the relevance of e-commerce logistics and associated services, as well as (ii) the envisaged partnership with DHL that will lead to a joint-venture on Iberian B2C and B2B e-commerce logistics, CTT announces that as from the disclosure of its full year 2025 results[1] the reporting structure will be simplified and streamlined.

The new reporting structure will envisage only three business units: "e-commerce Solutions", "Mail & Services" and "Banco CTT";

1. The segment "e-commerce Solutions" includes (i) CTT Expresso activities in Portugal and Spain, excluding fulfilment business (with Decopharma), Fundo 1520 and Mozambique, corresponding to the transaction perimeter with DHL, as announced to the market on 19 December 2024, and (ii) Cacesa, which was acquired on 30 April 2025;
2. The segment "Mail and services" includes the former segments of "Mail & Other" and "Financial Services" as well as the migrated businesses from E&P fulfilment business (with Decopharma), Fundo 1520 and Mozambique, which are not envisaged to be part of the DHL JV;
3. The segment "Banco CTT" corresponds to the consolidation perimeter of Banco CTT and remains unchanged.

As a result of these changes, the new segments will correspond to the following revenues and recurring EBIT in 2024[2]:

1. e-commerce Solutions: revenues and recurring EBIT, excluding Cacesa, of €468m and €36m, respectively;
    a. Adjusting for Cacesa full consolidation in 2024 (proforma 12 months), revenues and recurring EBIT would have been €584m and €54m, respectively;

[1] CTT will disclose the financial information in accordance with the new reporting structure.
[2] Subject to final numbers revision after carve-out of fulfilment and business units re-consolidation.

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2. Mail & Services: revenues and recurring EBIT of €509m and €22m, respectively;
3. Banco CTT: revenues and recurring EBIT of €130m and €27m, respectively, which remain unchanged.

Results of the strategy implemented in 2022-25: A journey of strong transformation towards becoming an e-commerce logistics platform

The 2022-25 cycle was marked by a consistent delivery on operational targets:

1. e-commerce Solutions: (i) expanding market share in Portugal and Spain; (ii) increasing revenues in Portugal and Spain; (iii) sustained, improved and delivered solid EBIT margins in Iberia and (iv) delivered consistently high client satisfaction;
2. Mail & Services: (i) Stabilised mail revenues via price and offer diversification of services; (ii) accelerated digital offer; (iii) boosted business solutions revenue (3.5x vs. 2019) and (iv) leveraged financial services to generate incremental EBIT contribution
3. Banco CTT: (i) reached >800k clients; (ii) increased profitability reaching the guidance of a profit before tax of €25-30m; (iii) achieved ROTE of 11-13% and (iv) increased deposits and off-balance to above €5bn.

Confirmation of 2025 guidance

The 2025 guidance[3] is confirmed as follows, reiterating the objectives for 2025 disclosed at 2022 Capital Markets Day:

1. CTT expects revenues between €1.1bn and €1.25bn.
2. Recurring EBIT in FY25, including 8 months of Cacesa, expected to be above €115m.

Strategy for 2026-28: leveraging on the transformation already achieved to become leader in Iberian e-commerce

For the 2026-28 period, CTT, as a leading e-commerce logistics player, is focused on becoming market leader in Iberia through the following strategic actions:

1. e-commerce Solutions: scale up to Iberian leadership in e-commerce logistics. To achieve this goal, we will evolve our operating model, combining a complete last-mile offer with a wider value chain presence, to foster customer loyalty;
2. Mail & Services: Stabilise mail, nurture business solutions and strengthen retail. To achieve these objectives, CTT will leverage mail prices while preparing for next USO contract and will reduce costs via operational efficiencies, and capitalise on current commercial and network capabilities (B2B and B2C); and
3. Banco CTT: Speed up growth and profitability. To achieve these aspirations, Banco CTT will strengthen a distinctive business model, complete the offer and boost digital to pair with a non-replicable physical presence.

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[3] The risk outlook is maintained as follows: macro and industry risks are relevant and persistent, including geopolitical uncertainty, inflation, cost of energy and raw materials, and the imposition of tariffs that affect global trade.

Develop the following business enablers: (i) leverage technology and in-house engineering; (ii) focus on attracting, developing and compensating talent and (iii) embed sustainability in daily, routine decisions and actions.

Financial ambition and guidance for 2028

Based on the outlined strategy, CTT will leverage its differentiated offer in e-commerce logistics and the partnership with DHL to continue on its growth path towards achieving leadership in Iberian e-commerce logistics. Within such context, CTT growth should be translated to the following consolidated targets in 2028:

1. Revenue CAGR of 7-9% to achieve group revenues within the range of €1,600m-€1,700m;
2. EBIT CAGR of 13-17% to achieve group recurring EBIT within the range of €170m-€195m.

To unlock the future growth envisaged for the 2026-28 period, CTT will step up its core investment during this period. This investment schedule will be targeted at scaling operations and service quality through strategic investments in infrastructure, OOH solutions and IT. Capex in the period between 2026-28, considering Banco CTT as if it would be equity accounted, should reach €50m-€55m per year, equivalent to an intensity, as a percentage of revenues, within the range of 3.5-4.0%. Capex will be directed towards the following key areas of investment:

1. Increase capacity across Iberia, capturing cost synergies and reinforcing quality;
2. Expand lockers network, capturing OOH advantages, with ~2-3 years payback;
3. Drive customer experience through digital channels.

Following this higher capex period, beyond 2028, capex intensity will move towards normalised level, or below 3% as percentage of revenues.

Regarding Banco CTT, the focus is on catalysing growth for the next cycle by focusing on three growth themes: (i) grow customer base and engagement level, (ii) excel in savings and (iii) fight for fair share in credit. These growth themes will be pursued by investing in two highly productive business enablers: (i) hybrid distribution model and (ii) digital transformation.

Against a backdrop of investment in growth, Banco CTT aims at the following key objectives in 2028[4]:

1. Increase the number of accounts, including 321C clients, from >800 thousand to above 1 million;
2. Increase business volumes from €7.0b to €12-14b;
3. Strongly grow profit before taxes from €26m in 2024 to €40-50m in 2028; and
4. Maintain a self-funded investment plan with 100% earnings reinvested, thus translating into approximately 12-13% ROTE[5].

The investment plan envisages revamping hubs, upgrading core platform, digitalisation and AI/process automation. Banco CTT's capex is predicted to be in the range of €15-18m/year for the 2026-28 period.

[4] Main macro assumption: benign economic environment with Euribor at ~2.2% (2028).

[5] Tangible equity normalized @ 15% of average RWA 2 CET1 current requirement 8,69%: 4,50% Pillar 1 + 1,69% Pillar 2 + 2,50% Conservation Buffer (prior to the increase in the Counter Cyclical Buffer from 0% to 0,75% in Jan 2026).

The financial ambition presented assumes a stable macroeconomic context[6] and the implementation of the joint venture with DHL as announced on 19 December 2024.

Financial Policy

Balance Sheet

CTT maintains the view that a prudent and adequate management of its financial position is of paramount importance to all its stakeholders. As such, CTT maintains the financial framework that, assuming Banco CTT in equity consolidation, aims at maintaining net financial debt to EBITDA[7] below 2.5x.

Use of cash

CTT also aims at balancing the use of cash through investment in organic and inorganic growth and commitment to shareholder returns:

1. Cash flow to continue to benefit from revenue growth and operating leverage, namely in e-commerce Solutions;
    - No additional commitments to Banco CTT are envisaged;
    - Capex will continue to be tilted towards growth, namely towards investments in e-commerce Solutions;
2. Recurrent shareholder remuneration to be covered by free cash flow;
3. Excess free cash flow to be allocated to inorganic growth and used for opportunistic shareholder remuneration.

Shareholder remuneration

CTT will continue to remain committed to an attractive shareholder remuneration while maintaining financial flexibility, subject to the following key principles, which remain unchanged: (1) enable CTT to continue to pursue its objectives of investing in business growth and to being a reference Iberian player in logistics and e-commerce solutions; (2) ambition to implement an attractive shareholder remuneration policy, constituting an adequate source of income for its shareholders, and (3) combine recurrent, dividend-based, with opportunistic shareholder remuneration, based on SBB and subsequent cancellation of shares, that is within the content of specific market conditions.

Within this context, CTT announces that it continues to target to pay out between 35 and 50% of net profit in recurring dividends.

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[6] Banco de Portugal "Boletim Económico junho 2025"; CFP "Perspetivas Económicas e Orçamentais 2025-2029", April 2025; Banco de España "Proyecciones macroeconómicas de España 2025"; AIReF - Autoridad Independiente de Responsabilidad Fiscal, AAI "Informe de Seguimiento del Plan Fiscal y Estructural de Medio Plazo 2025-2028 ", May 2025

[7] Consolidated net debt including lease liabilities, assuming Banco CTT under equity method, compared with consolidated EBITDA assuming Banco CTT under equity method.

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The dividend proposal is subject to market conditions, to a suitable financial and accounting context of CTT's balance sheet that enables such execution, and to the applicable legal and regulatory terms and conditions, besides other factors considered relevant by the Board of Directors at any given moment.

Having come up a long way, a new journey follows: to achieve leadership in Iberian e-commerce logistics.

For this new journey CTT pledges for 2026-28 to lead in e-commerce logistics:

1. Intensify Iberian integration as the cornerstone for value creation;
2. Build on unique partnerships for growth opportunities;
3. Deepen tech intensity fostering innovation and efficiency;
4. Nurture closeness to our customers, to be their most trustful partner;
5. Develop talent backed by a culture of merit and wellbeing;
6. Take responsibility in making a positive impact for our communities; and
7. Balance investment in growth with robust shareholder remuneration.

This information to the market and the general public is made under the terms and for the purposes of article 29-Q of the Portuguese Securities Code and other legislation in force in Portugal. It is also available on CTT website at:
https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1.

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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.