

29 July 2024

We make our path fully
committed to deliver
1H24 results presentation



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Operational review

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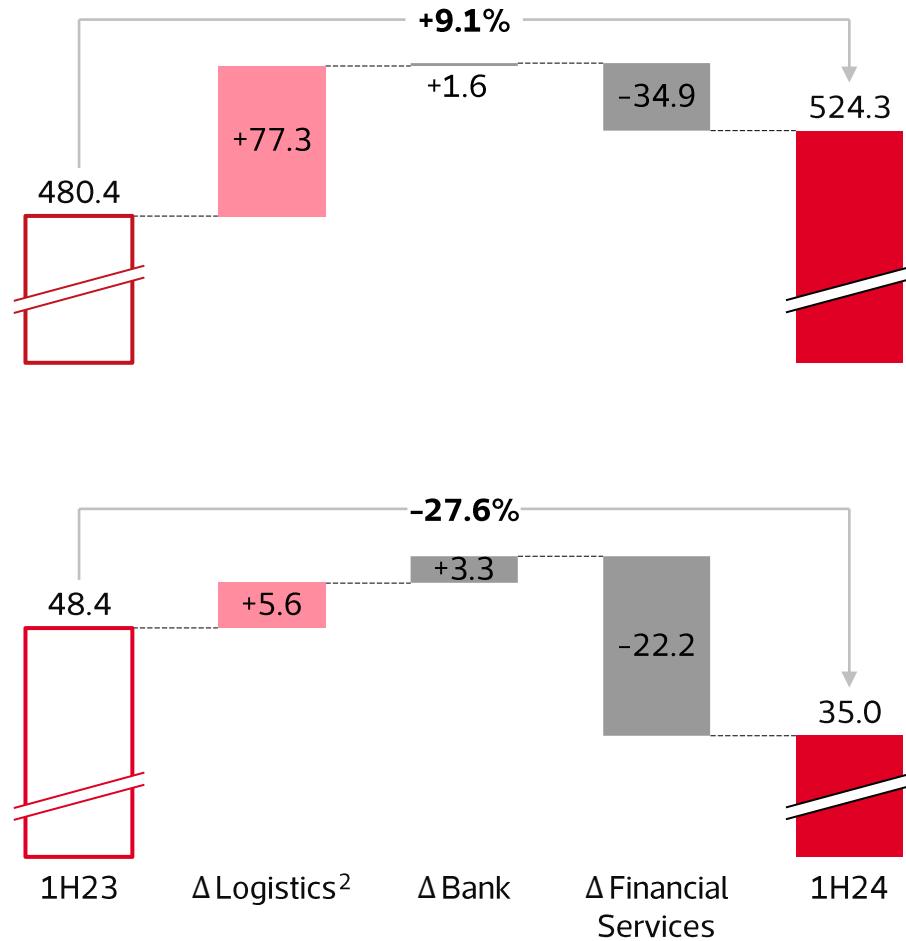


Strong execution in Express & Parcels driving revenue growth

Overview

Revenues¹ & Recurring EBIT¹

€ million



Logistics

- **Express and Parcels**

- Iberian volumes in 2Q24 close to peak season
- >63 million objects delivered in 1H24 (+53% y.o.y)
- Common segmentation of large accounts and pricing management across Iberia
- Record high margin in 2Q24

- **Mail and Other**

- Slight increase in Addressed Mail revenues
- Use Business Solutions as a lever to enhance commercial relationships

Bank and Financial Services

- **Financial Services**

- Notwithstanding increasing sequentially, public debt placements are still to normalise
- Launched online public debt placements in CTT app
- Strong commercial activity in insurance and healthcare plans

- **Bank**

- +20k accounts opened in 1H24
- Continued focus on client engagement supporting growth in business resources
- +45% increase in profit before tax

¹Excludes specific items

²Includes Express and Parcels and Mail and Other

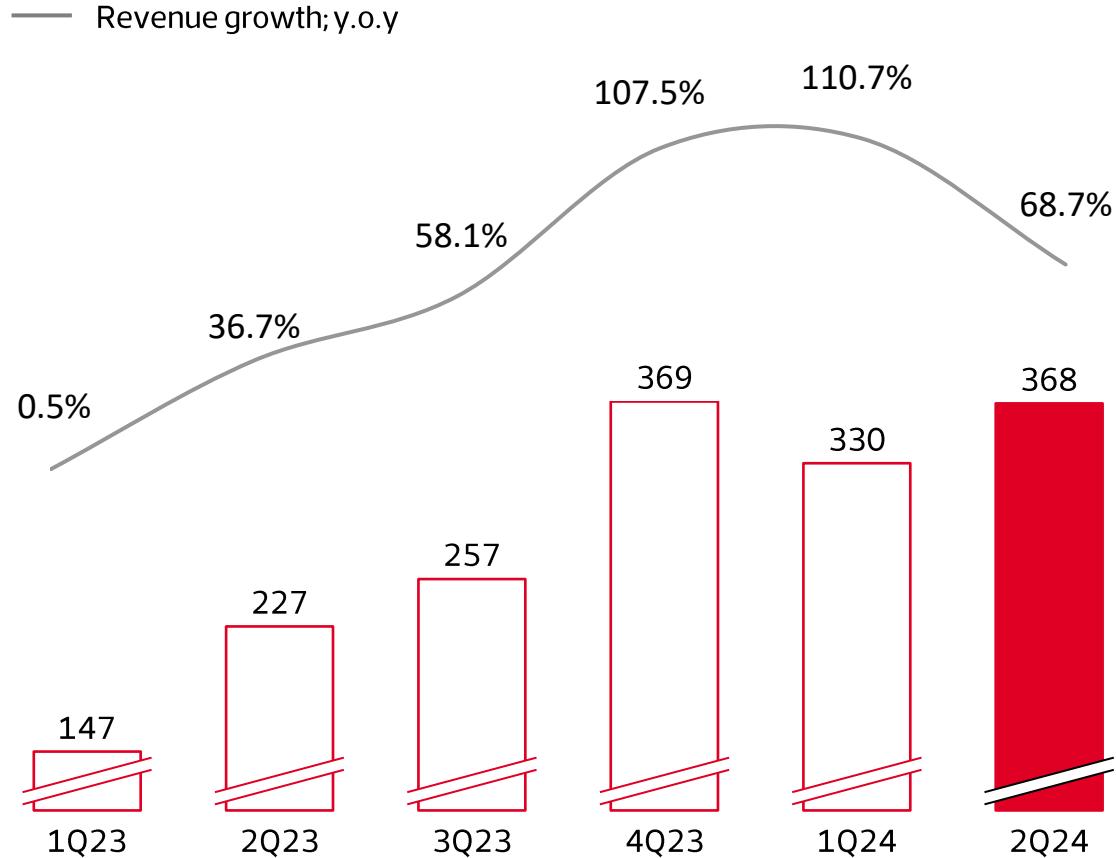
Spanish volumes continue to show resilient very high growth



Express & Parcels

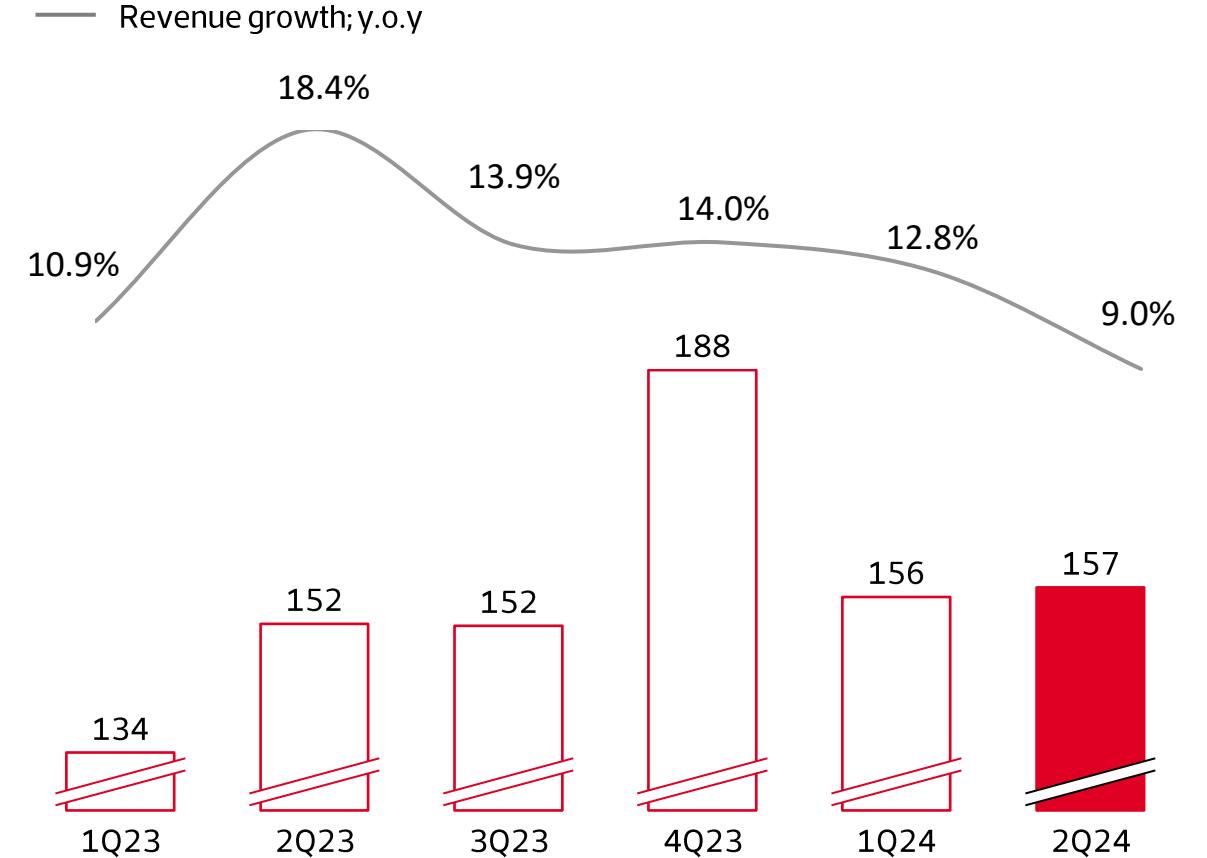
E&P Spain | CEP Volumes

thousand items per working day



E&P Portugal | CEP Volumes

thousand items per working day



E&P on path for another record year

Record E&P recurring EBIT margin in 2Q24

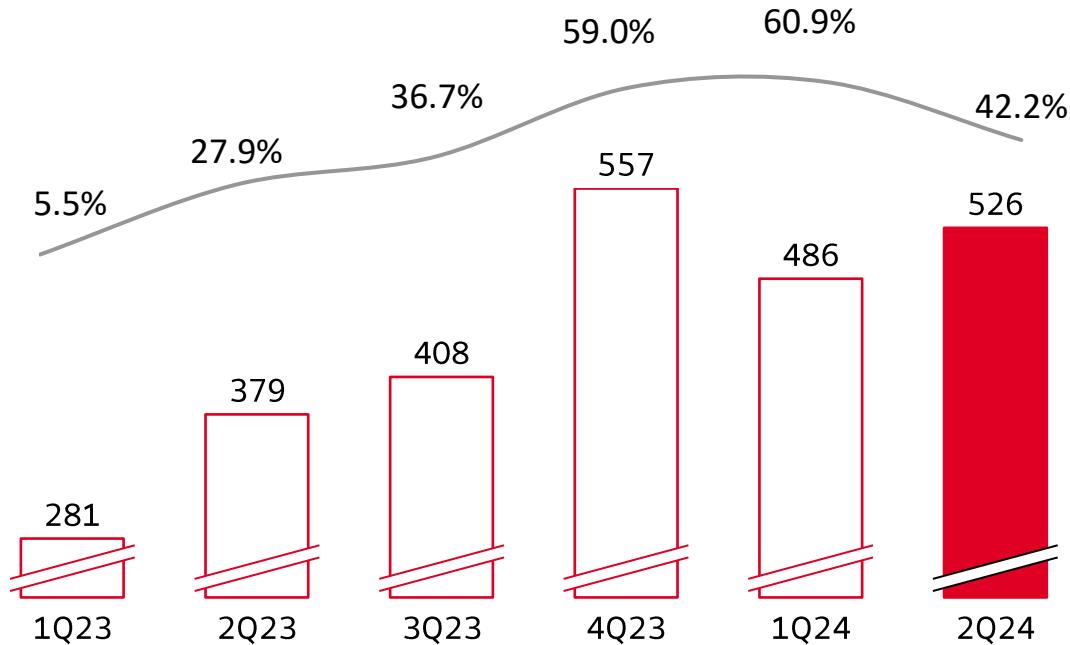


Express & Parcels

E&P Iberia | CEP Volumes

thousand items per working day

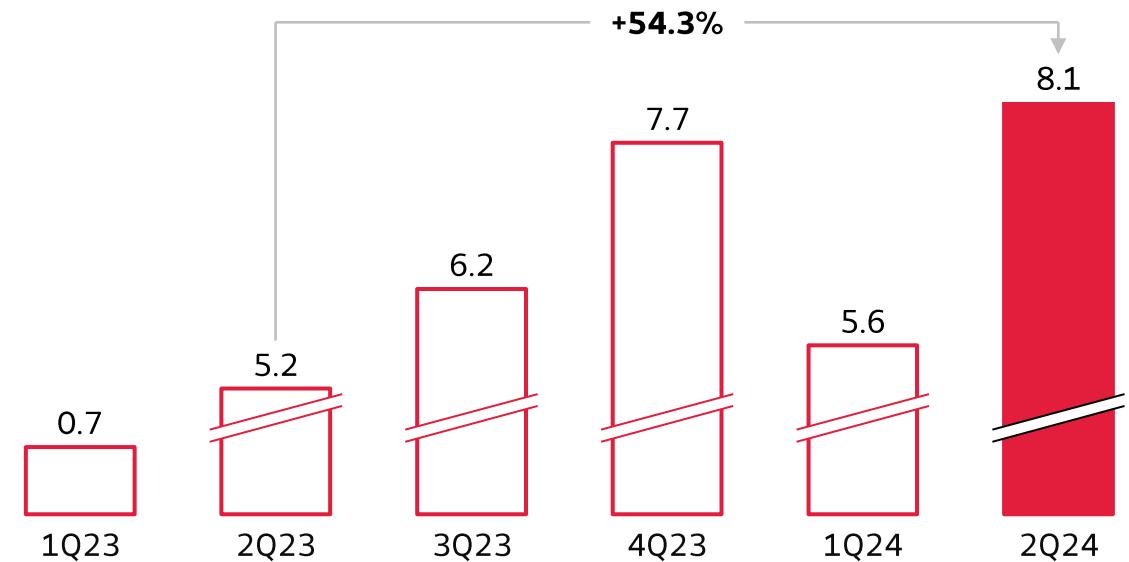
— Revenue growth; y.o.y



E&P | Recurring EBIT

€ million; % change y.o.y.

Margin:



Growth in volumes is driving operational leverage

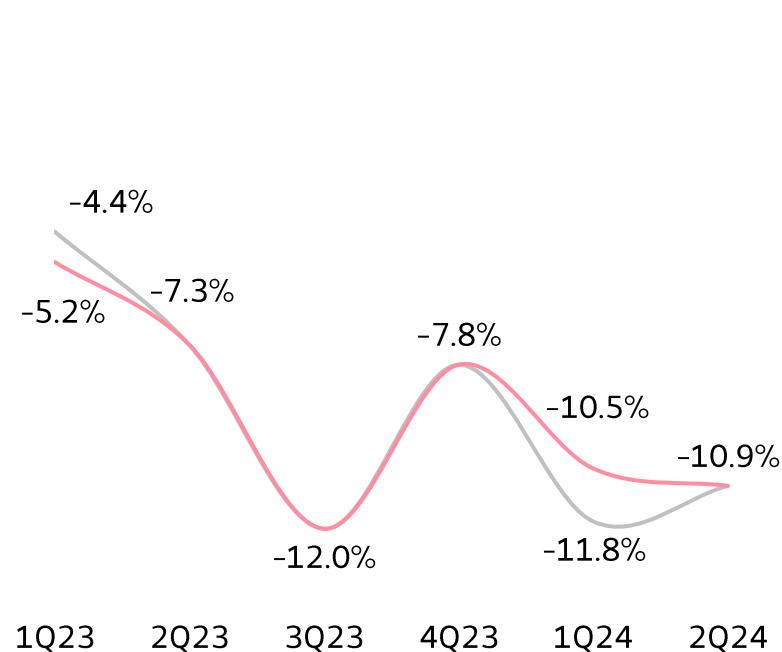
Mail price increases and mix are partially offsetting the fall in volumes

Mail & Other

Addressed mail volumes

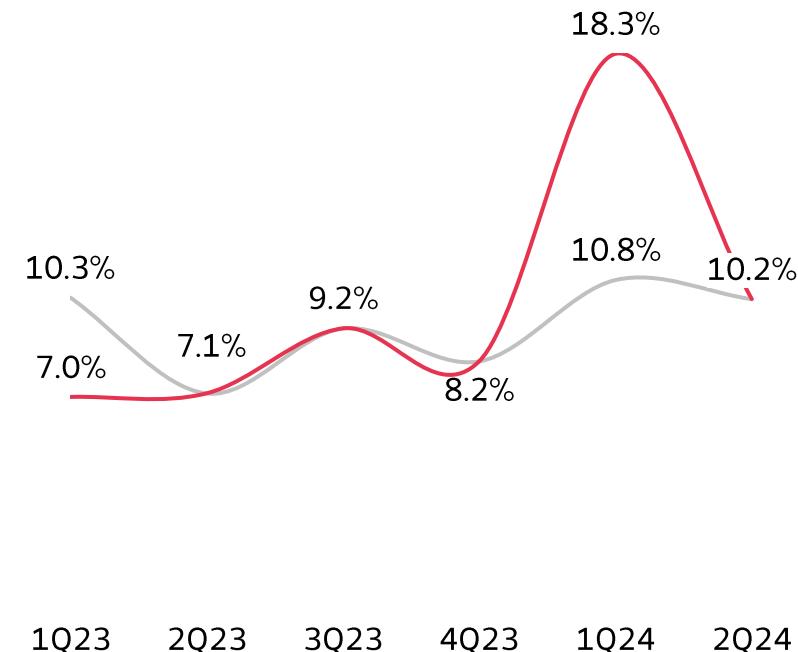
% change vs. prior year

- Adjusted for elections impact
- Reported



Average revenue per item

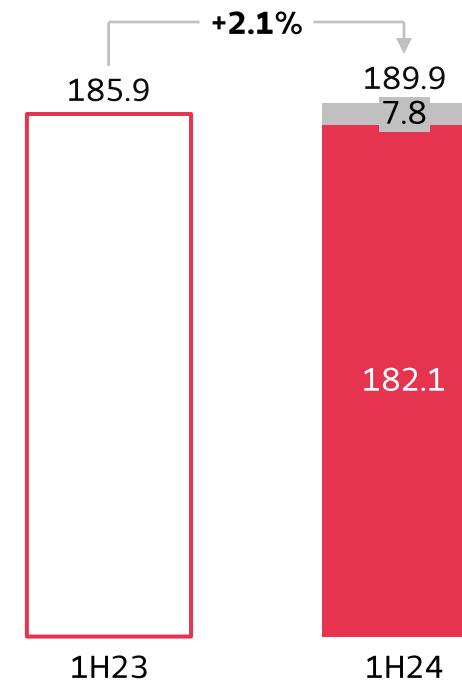
% change vs. prior year



Addressed mail revenues¹

€ million; % change vs. prior year

█ Elections impact



Progression on cost cut programmes will support margins

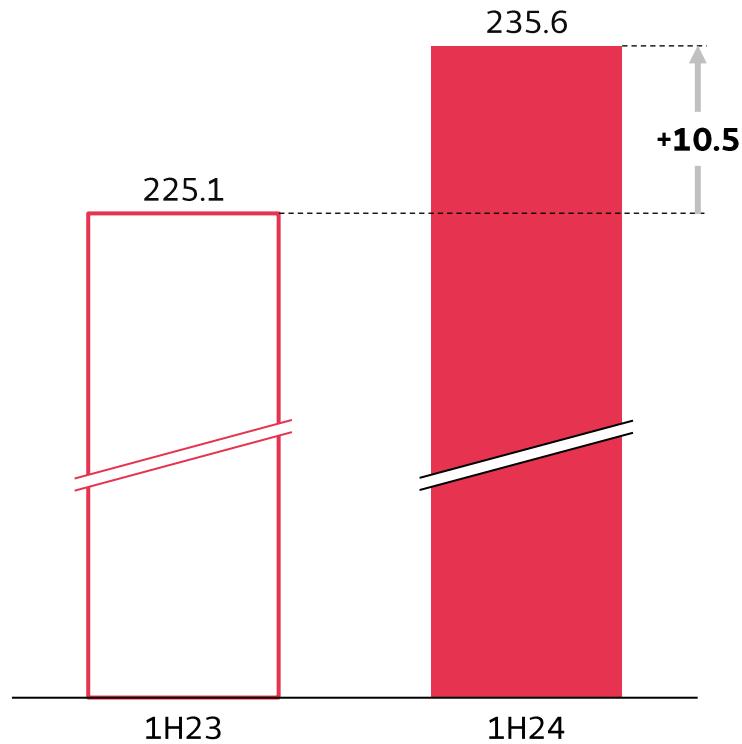
¹Excluding elections impact, revenues would decline by 2.1%, however there were -1.6% working days in 1H24 vs 1H23

Elections, inflation and lower FS activity drove expenses higher

Mail & Other

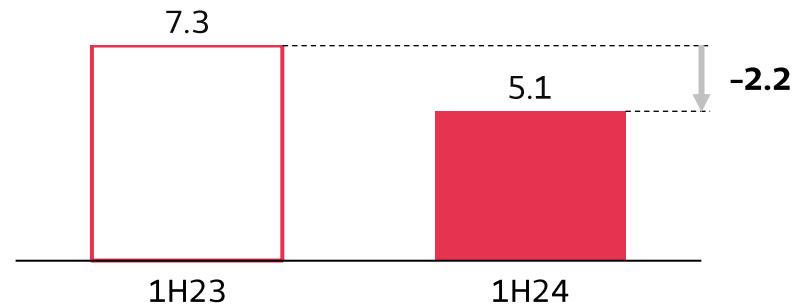
Mail & Other | Costs (Rec. EBIT level)

€ million



Mail & Other | Rec. EBIT

€ million



Assuming normalised placement activity, Recurring EBIT in Mail & Other would be €2 million higher

Cost efficiency programme ongoing with expected results in 2024

Progression on prices will help stabilise margins

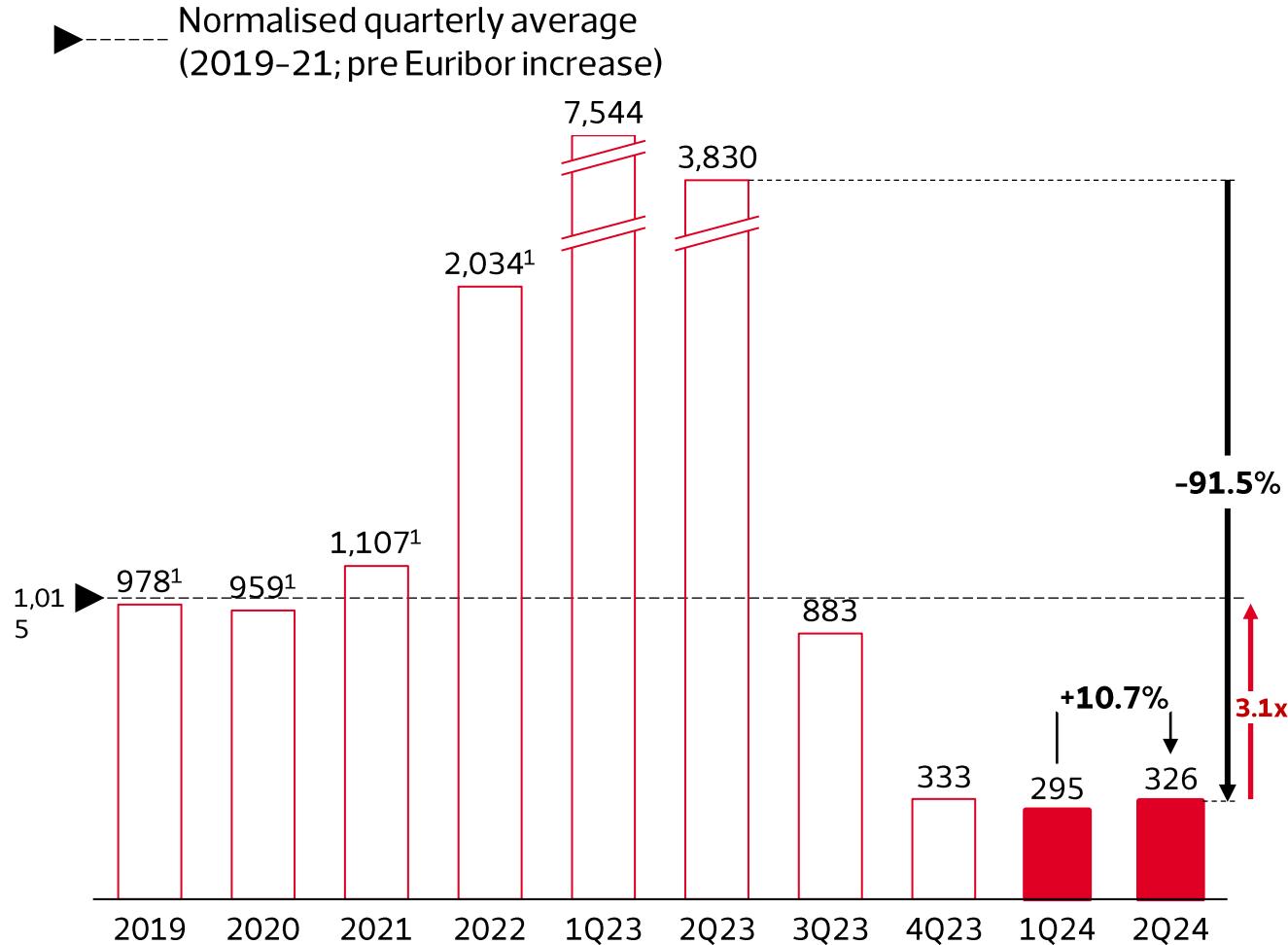
Normalisation of public debt placements will increase commercial activity enabling a recovery of fixed costs

Sequentially, subscriptions are increasing

Financial Services

Public Debt placements, per quarter

€ million



A marketing campaign was launched in 2Q24 to highlight the attractiveness of public debt, which is increasing vis-a-vis deposits

Online platform for subscription of public debt placements was launched in July

Recent public information suggests that the conditions of debt certificates could be reassessed

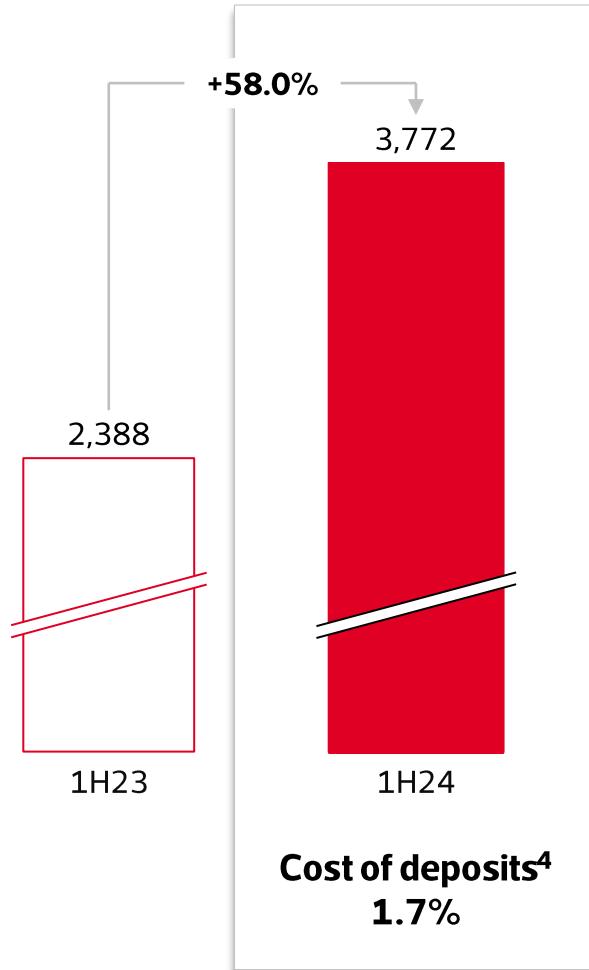
¹total debt placement in 2019, 2020, 2021 and 2022 were €3.9b, €3.8b, €4.4b and €8.1b, respectively. Numbers presented in chart correspond to the quarterly average in those years.

Improved client engagement by BCTT driving business resources

Bank

Customer deposits¹

€ million, EoP

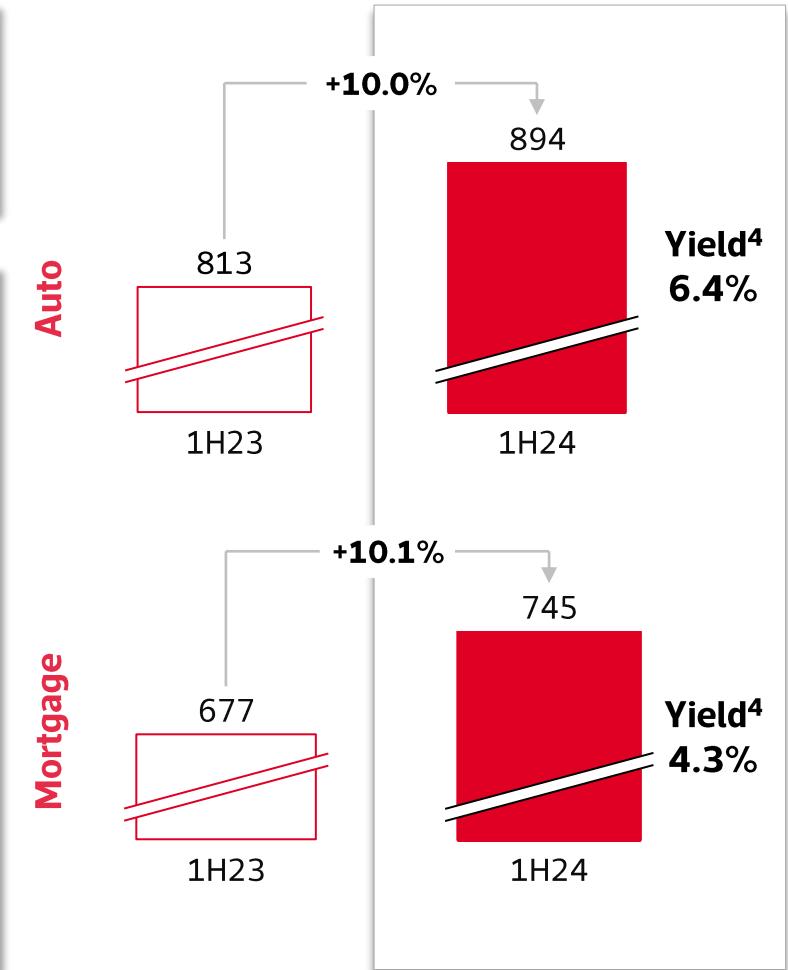


Banco CTT is gaining market share
(Portuguese deposits⁵ grew by 6.7%)

- Improving client engagement by:
- Revamping Banco CTT hubs and upgrade core platform and digital channels
 - Reinforcing commercial capabilities to drive a more aggressive commercial approach

Loans volumes²

€ million, EoP



¹Retail Deposits, consolidated accounts; ²Net of impairments;
³Consolidated contribution; ⁴Cumulative; ⁵Deposits and deposit-like instruments; information from Banco de Portugal

Growth in business volumes driving topline growth even with lower NIM

Bank

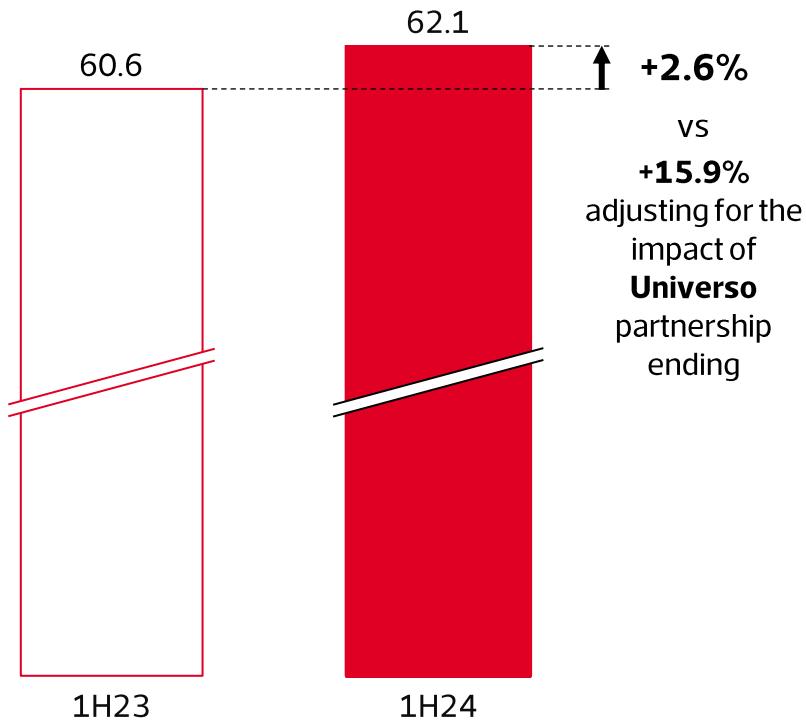
Revenues

€ million; % change vs. prior year

% NIM¹

2.9%

2.3%



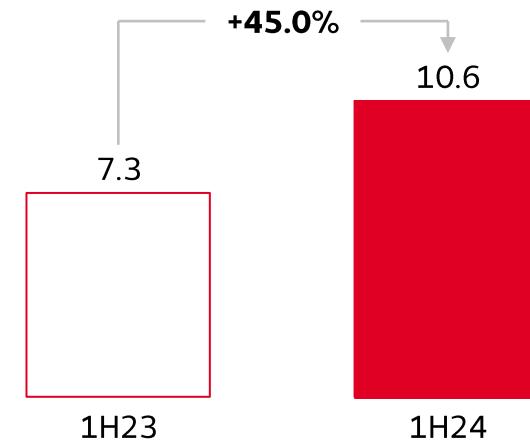
Profit before Taxes³

€ million; % change vs. prior year

RoTE²:

7.1%

8.8%



¹Cumulative;

²Recurring RoTE, cumulative and excluding specific items. Assuming a Tangible Equity of 15% of average RWAs RoTE would be 11.5% in 1H24;

³Banco CTT consolidation perimeter, excluding specific items;

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			Semester		
	2Q23	2Q24	y.o.y	1H23	1H24	y.o.y
Revenues¹	238.6	260.9	+9.3%	480.4	524.3	+9.1%
Operating costs - EBITDA ²	199.4	224.1	+12.4%	400.3	453.6	+13.3%
EBITDA²	39.2	36.7	-6.4%	80.1	70.8	-11.6%
Depreciation & amortisation	16.6	18.6	+12.2%	31.7	35.7	+12.7%
Recurring EBIT¹	22.7	18.1	-20.1%	48.4	35.0	-27.6%
Specific items	8.4	0.6	-92.6%	9.1	2.6	-71.6%
EBIT	14.3	17.5	+22.3%	39.3	32.4	-17.4%
Financial result	-4.0	-4.1	-3.0%	-7.1	-8.2	-14.9%
Tax	0.4	0.7	+62.4%	6.1	4.1	-33.8%
Net profit attributable to equity holders	9.9	12.4	+24.9%	26.0	19.8	-23.9%
Free cash flow	8.3	6.7	-18.8%	47.9	10.6	-77.9%

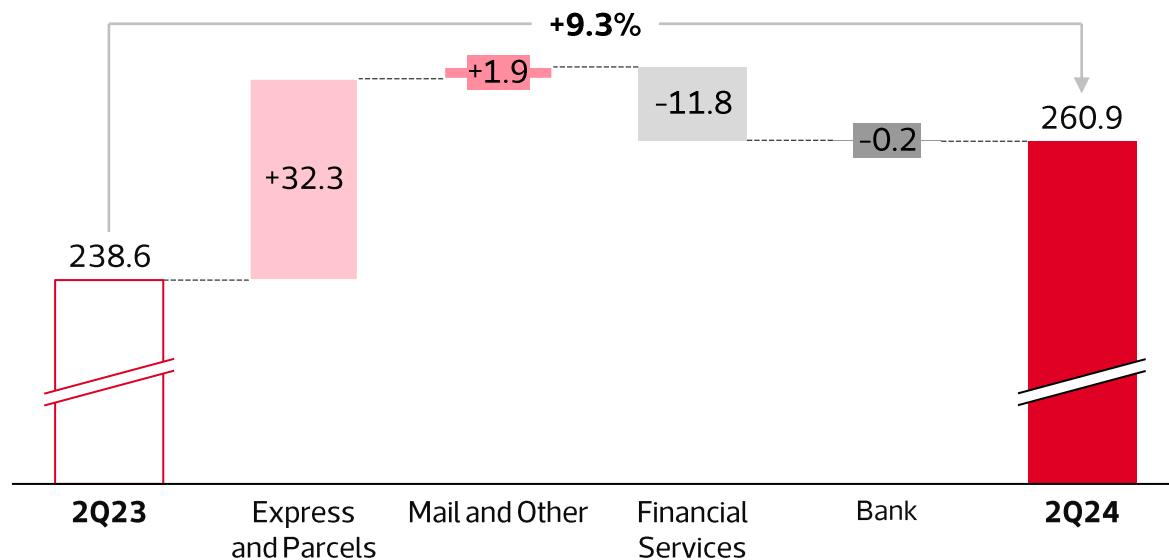
¹Excluding Specific items;

²Excluding Specific items, depreciation & amortisation

E&P already accounts for 40% of consolidated revenues

Revenues¹

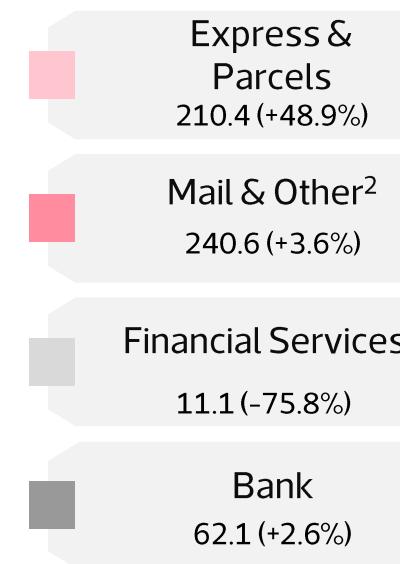
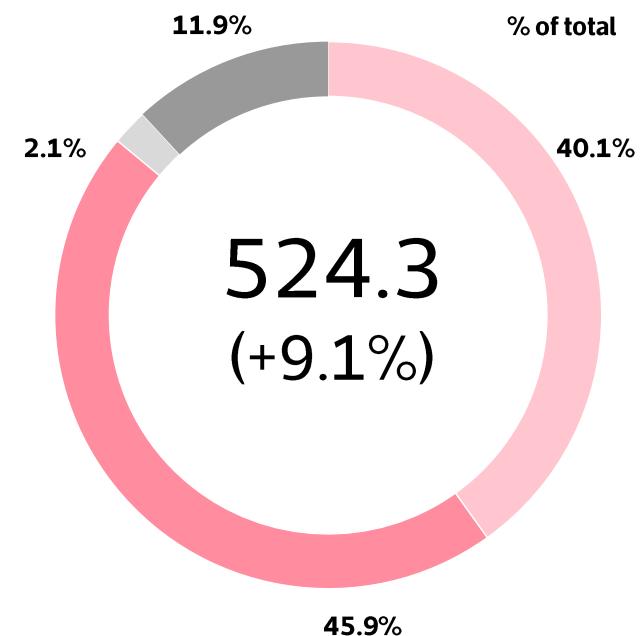
€ million; % change vs. prior year



Revenue¹ breakdown

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

1H24

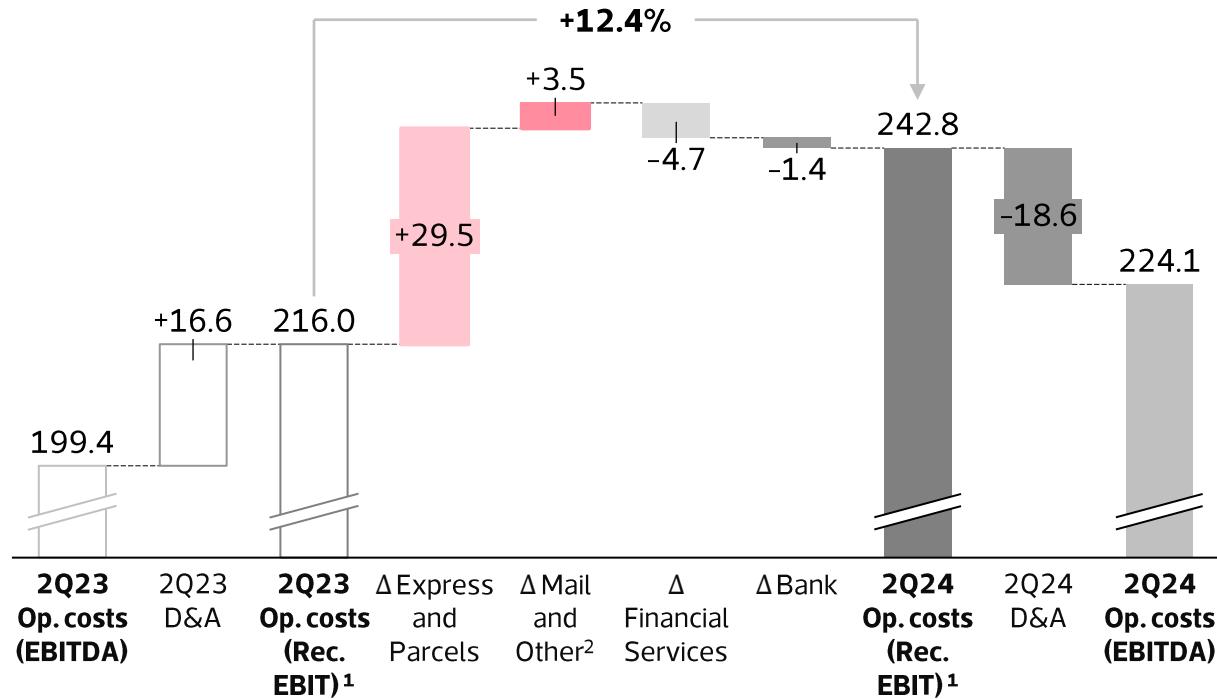


¹Excluding Specific items

Continued focus on cost reduction attenuates the impact of stronger activity

Operating costs¹

€ million; % change vs. prior year

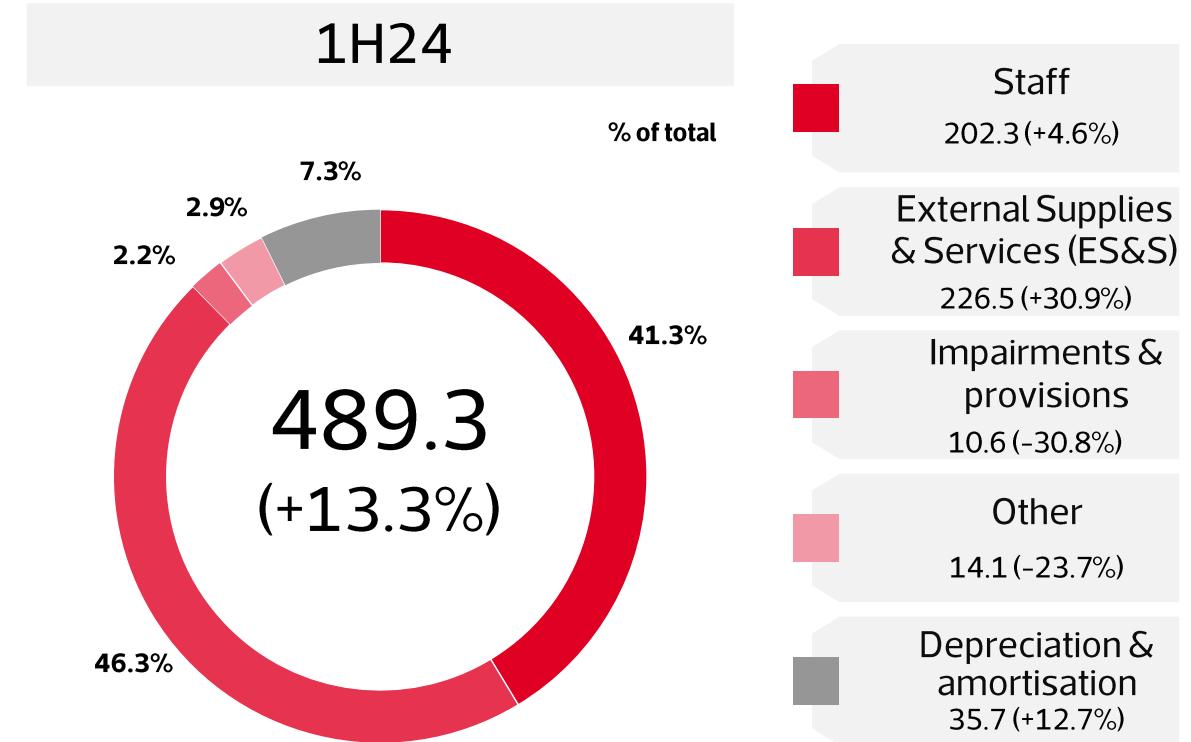


In 2024:

- **E&P** costs grew by €29.5m mainly due to increased business activity
- **Mail & Other** costs increased €3.5m, mainly due to staff costs
- **Financial Services** costs decreased €4.7m, due to lower public debt placements
- **Bank** costs decreased €1.4m mainly due to reduction in impairment & provisions (-€3.1m)

Operating costs (Rec. EBIT)¹ breakdown

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



¹Excluding Specific items;

²Including Central Structure

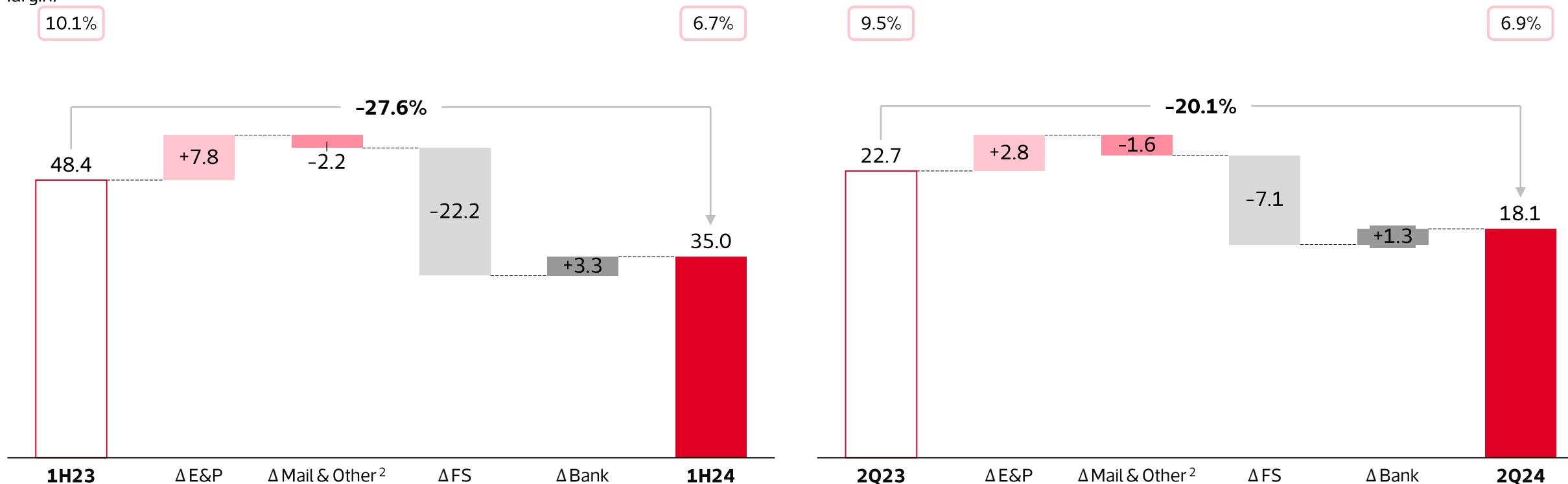
EBIT generation to be more skewed to 2H24, as mentioned in our guidance



Recurring EBIT¹

€ million; % change vs. prior year

Margin:



With normalised public debt, Recurring EBIT in Mail & Other would have been flattish

¹Excluding Specific items;

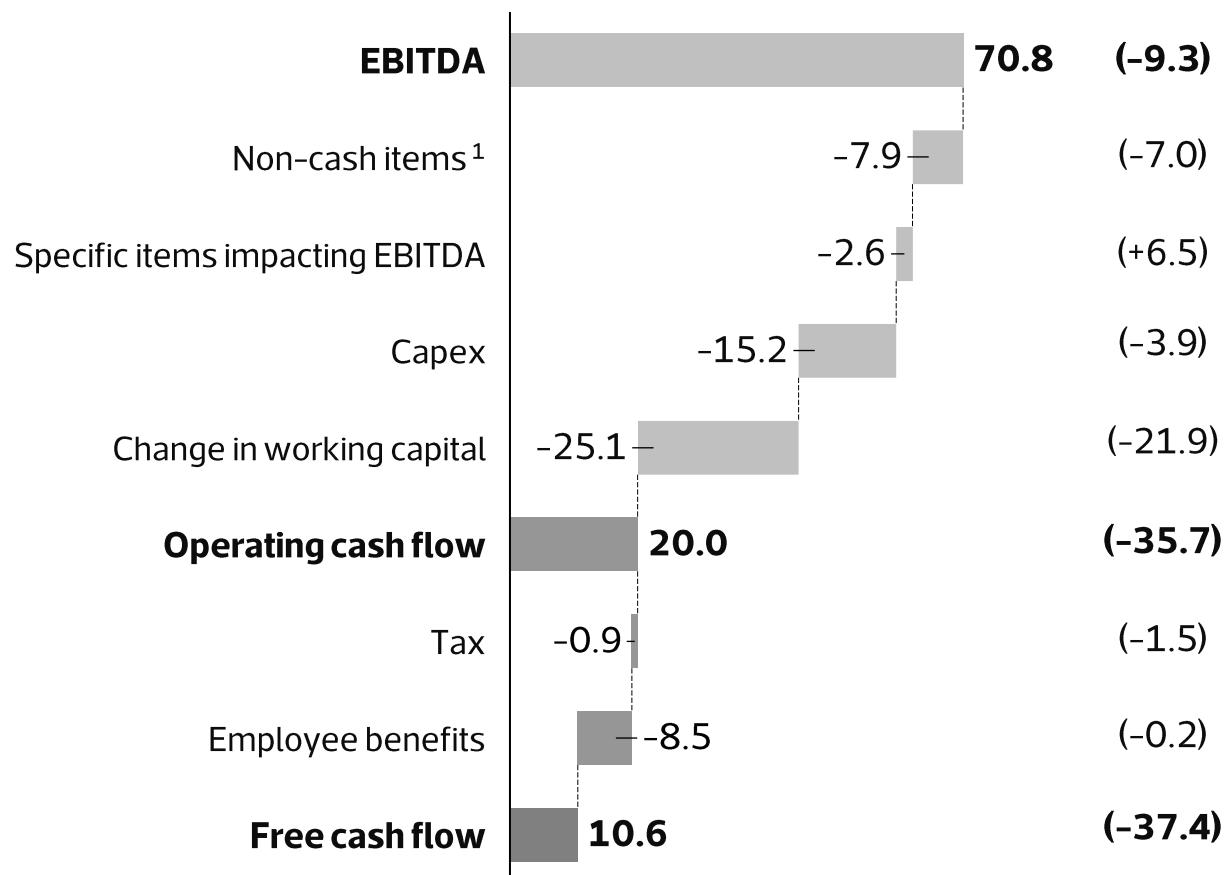
²Including Central Structure;

Free cash-flow to improve throughout 2024



1H24 Cash flow

€ million; impact on cash flow vs. prior year



Net financial debt at 30 June 2024²

€ million

	Consolidated
(+) Cash & cash equivalents	270.2
(-) Net Financial Services & Other payables ³	175.1
(-) Banco CTT liabilities, net ³	-188.5
(-) Other ⁴	40.0
(=) Adjusted cash	243.6
(-) Financial debt	80.9
(=) Net cash position	162.7
(-) Lease liabilities (IFRS 16)	137.5
Net financial debt²	-25.3

¹Impairments, provisions and IFRS 16 affecting EBITDA; ²Only financial debt presented in the table; it does not include net employee benefits of €126.8m as at 30 June 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 body of water. The bridge is a multi-lane road with a central median and side lanes. A red car is visible on the bridge. The water is a deep green color. The bridge has a decorative central island with landscaping. The background shows a green landscape with trees and a path.

Outlook & Final
remarks

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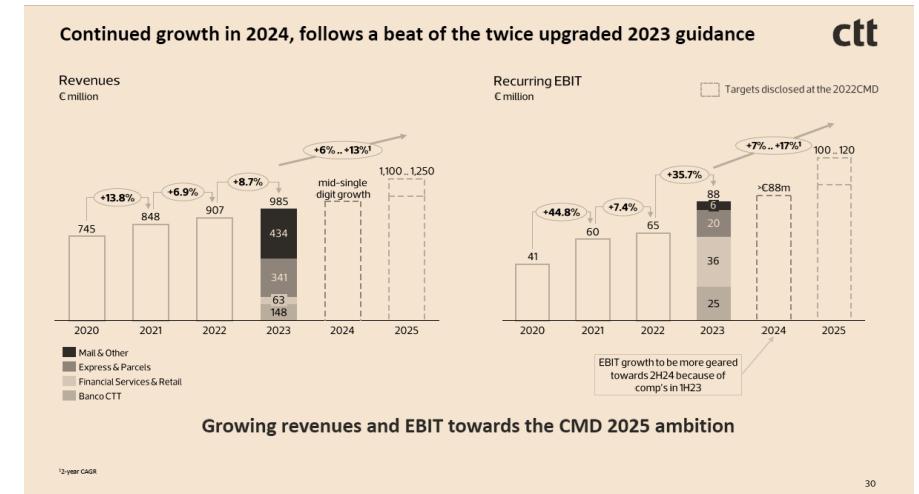
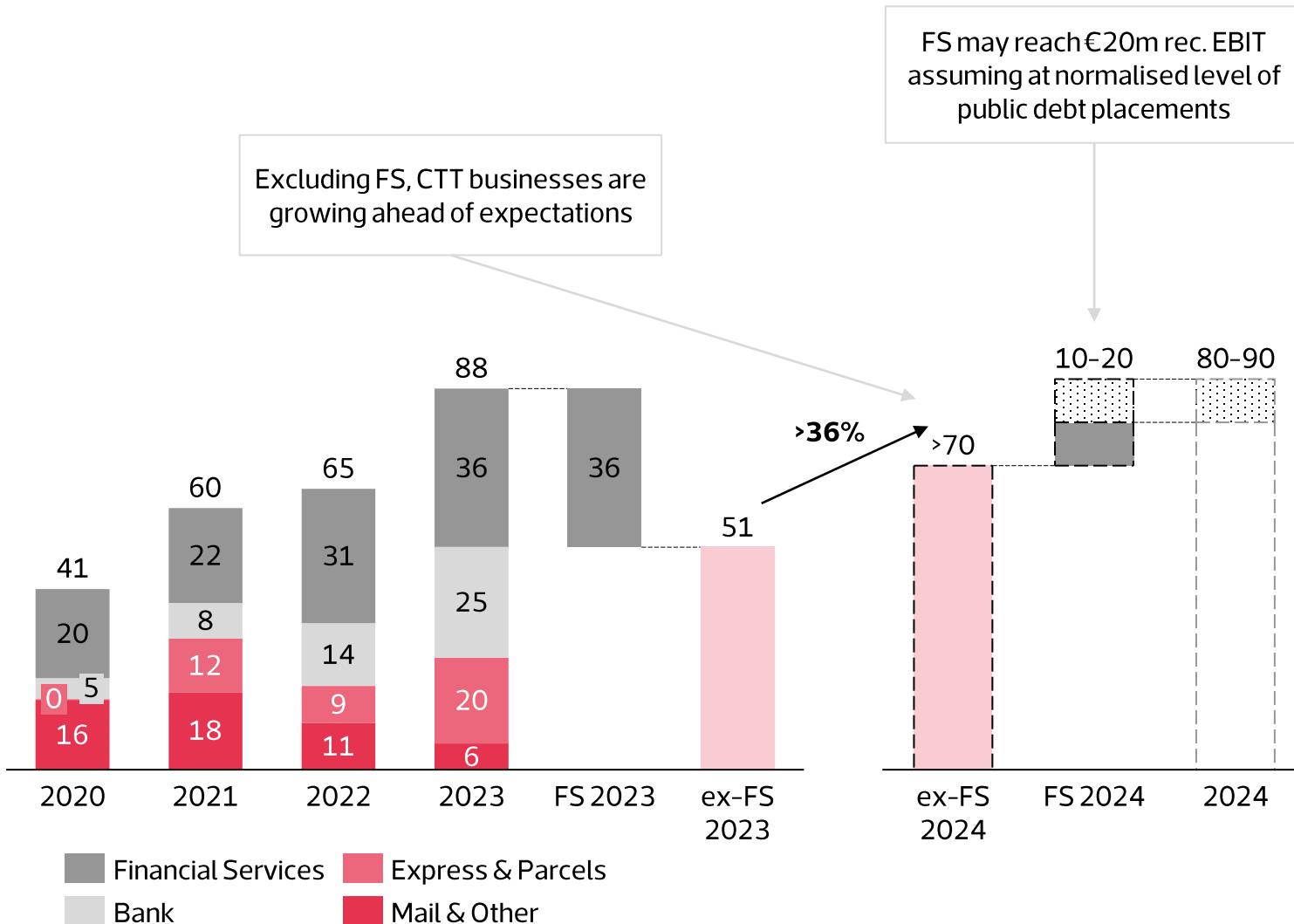
EBIT growth in 2024 penalised by debt placements taking longer to normalise, whilst E&P is outperforming



Recurring EBIT guidance¹

€ million

Recollection



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

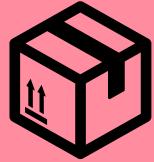
- Top performer in E&P in Iberia, with record growth driving market share gains and strong margin expansion
- Approved price increase and mix enabling stable mail revenues
- Expanding insurance distribution, while public debt placement remains below regular levels
- Growth in Banco CTT clients, volumes 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

¹Old division of business units used, for comparability purposes vs guidance disclosed in FY23 earnings.

Growing like no one in Iberian E&P

Outlook



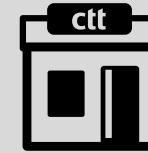
Express & Parcels

- ✓ Beating records of volumes and margin



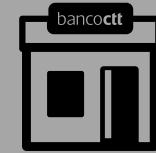
Mail & Other

- ✓ Stabilising revenues through price increase and mix



Financial Services

- ✓ Prepare for improved conditions on public debt products



Bank

- ✓ Continued profitable growth

Logistics

Bank and Financial Services

FY24 Recurring EBIT guidance excluding financial services improved to > €70 m, i.e., >36% growth vs 2023 (€51 m)
If placement levels remain subdued, Recurring EBIT of financial services to be in circa of €10 m, instead of the normalised €20m
Against the current backdrop of public debt placements, we set guidance range of €80-90m for consolidated EBIT Recurring

Reinforced focus on costs and profitability
Stepping up investment in E&P in Iberia to keep improving competitive position
Balance sheet leverage¹ offers organic and inorganic growth optionality
Announced new SBB of €25 m, equivalent to circa 4% of market cap

We make our path fully
committed to deliver
1H24 results presentation

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