



9M22

Results Presentation

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Committed to deliver

3 November 2022

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Operational review

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Key takeaways



Positive revenue trend across all business units in the quarter, specially in Financial Services & Retail and Banco CTT, in spite of a very challenging economic context



3Q22 recurring EBIT of €20.1m (+82.7% y.o.y)



Strong operating cash flow generation in the quarter (€40.0m vs. €13.5m in 3Q21) on the back of efficient working capital management, namely improved collections



Acceleration of CEP volumes growth in Portugal, growing 5.8% in the 3Q22, while positive average revenue per parcel dynamics results in revenue growth in Spain



Record level demand of public debt certificates leverages significant revenue growth in Financial Services & Retail, against a favorable interest rate environment



Volume growth across all Banco CTT segments is resulting in revenue growth and healthy expansion of RoTE and will benefit from the repricing of short-term interest rates

Solid operational and financial performance in 3Q22, as anticipated

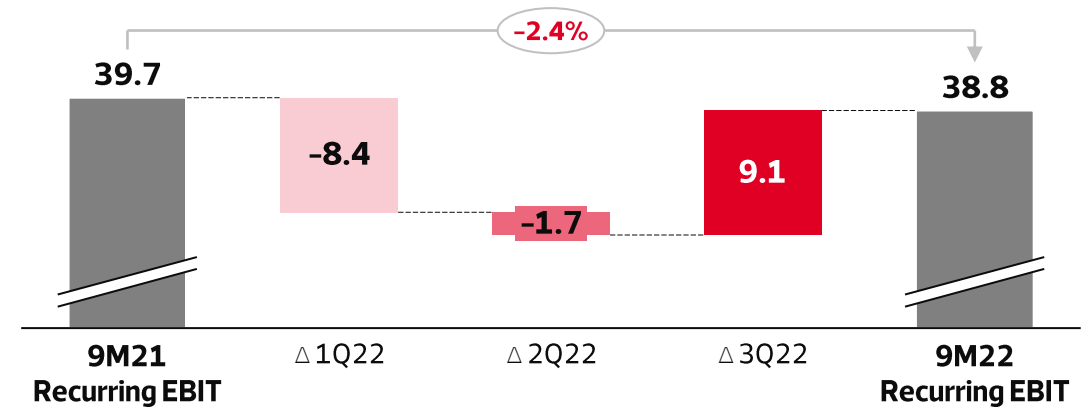
Group CTT – Financials

€ million

	3Q22	9M22
Revenues ¹	€216.4m (+8.1%)	€662.8m (+8.1%)
Recurring EBIT	€20.1m (+82.7%)	€38.8m (-2.4%)

Recurring EBIT evolution

€ million; % change vs. prior year



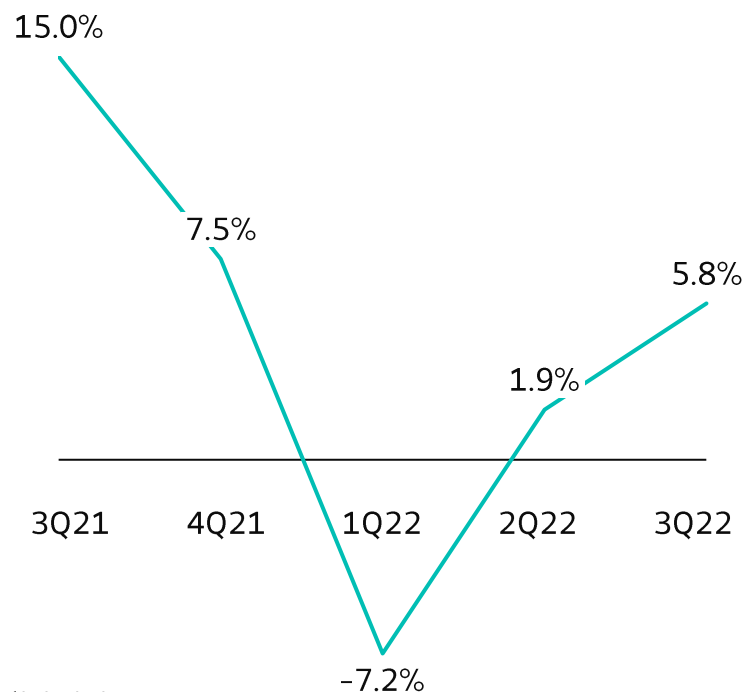
	Express & Parcels		Mail & Other ²		Financial Services & Retail		Banco CTT	
	Revenues	Recurring EBIT	Revenues	Recurring EBIT	Revenues	Recurring EBIT	Revenues	Recurring EBIT
3Q22	€65.1m (+7.6%)	€1.1m (-35.2%)	€103.9m (+2.5%)	€6.6m (>)	€15.3m (+29.1%)	€8.4m (+43.8%)	€32.1m (+21.5%)	€4.1m (+21.8%)
9M22	€187.8m (+0.8%)	€4.8m (-32.5%)	€345.5m (+8.3%)	€4.8m (-50.8%)	€39.5m (+11.2%)	€19.6m (+14.6%)	€90.0m (+24.9%)	€9.6m (+66.5%)

¹ Excluding Specific items; ² Including Central Structure.

E&P Portugal: Upturn in CEP volumes, while EBITDA penalized by operational constraints and inflation, which is pressuring operational costs

Express & Parcels Portugal CEP Volumes

% change vs. prior year



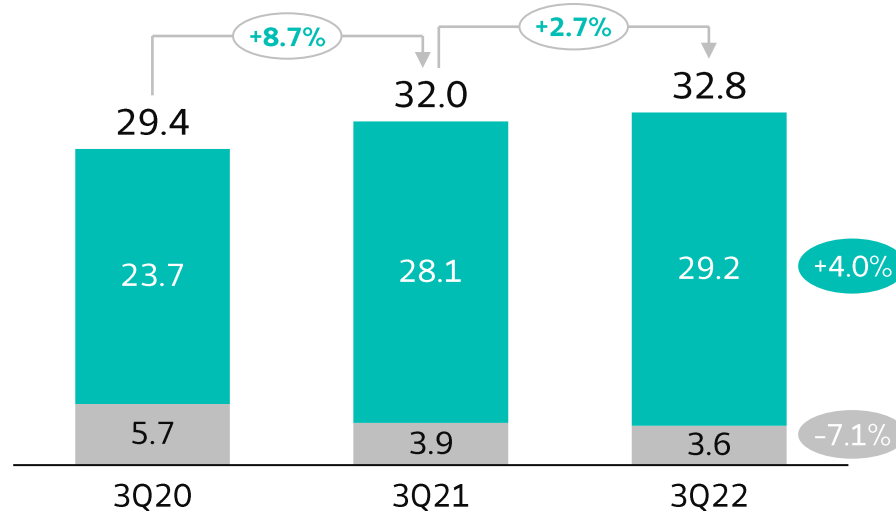
Express & Parcels Portugal Revenues

€ million; % change vs. prior year

CEP

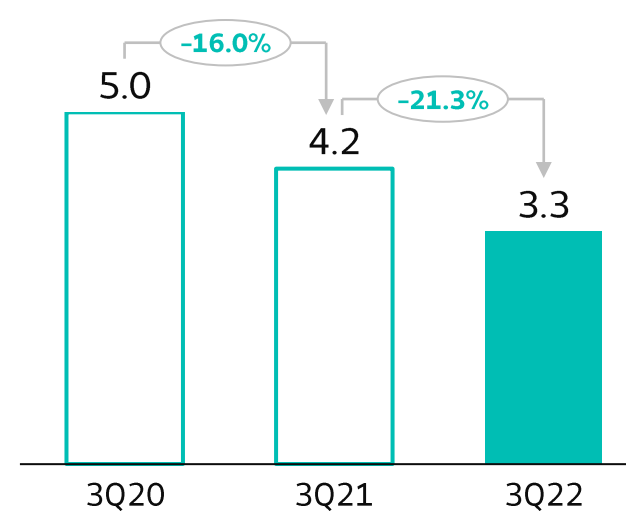
Cargo & other

xx% 3Q22 yoy growth



Express & Parcels Portugal EBITDA¹

€ million; % change vs. prior year

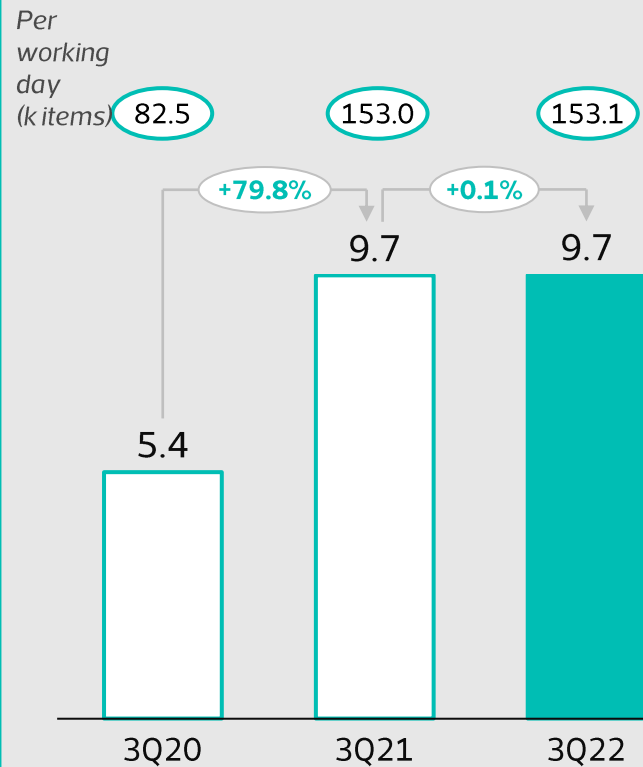


¹Individual accounts.

E&P Spain: Favorable evolution of average revenue per item driving profitability

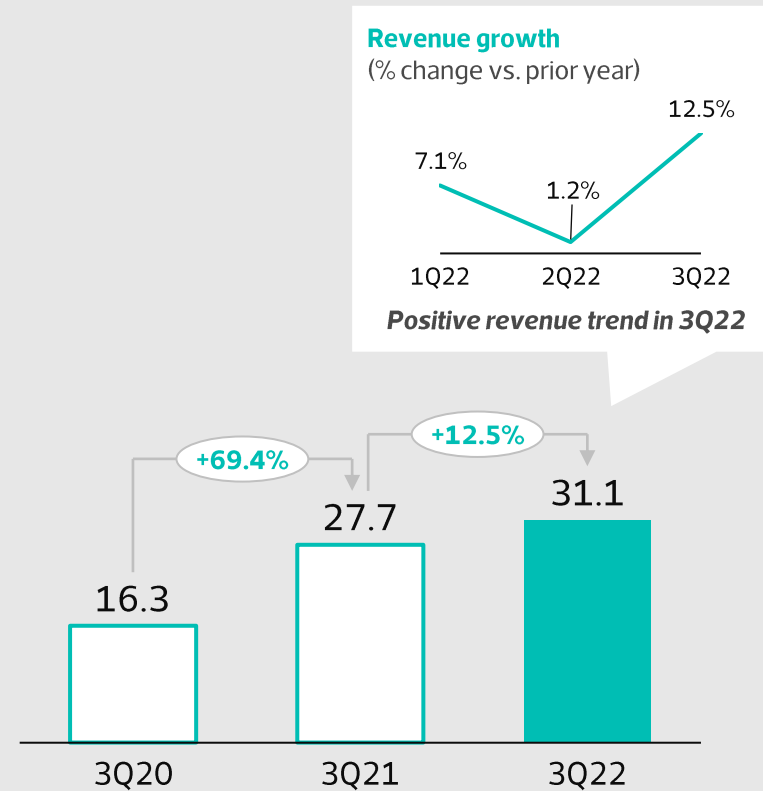
Express & Parcels Spain CEP Volumes

million items; % change vs. prior year



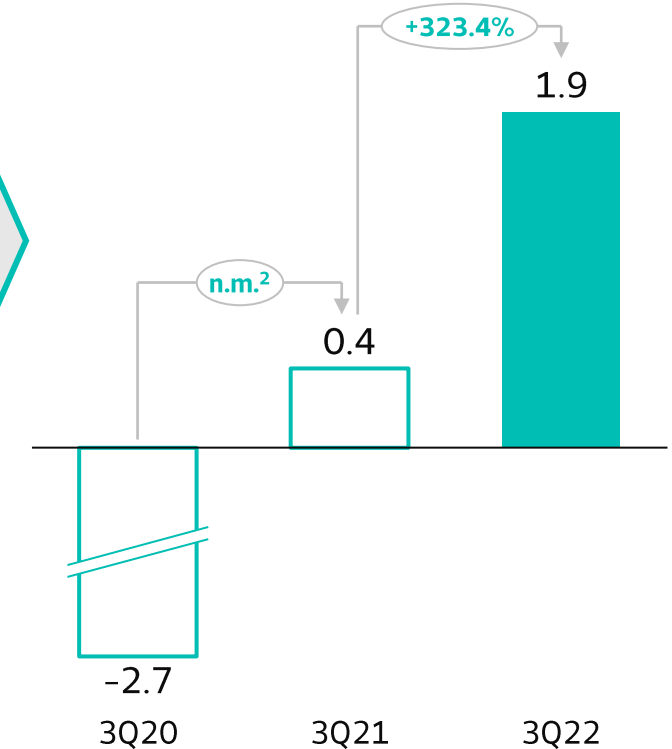
Express & Parcels Spain Revenues

€ million; % change vs. prior year



Express & Parcels Spain EBITDA¹

€ million; % change vs. prior year

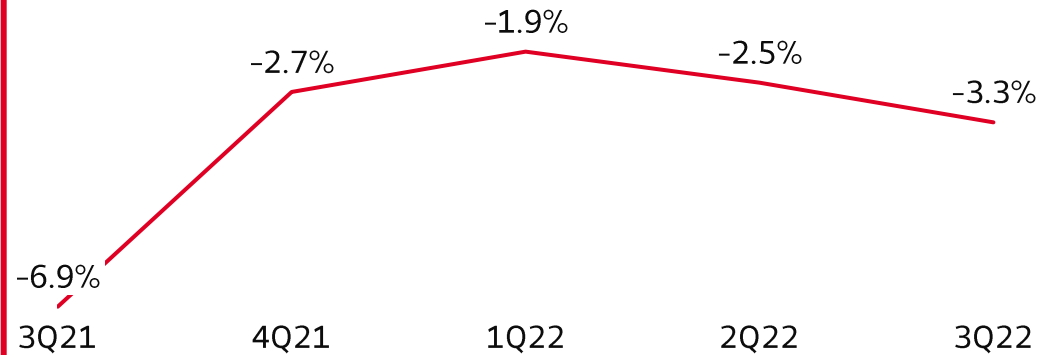


¹Individual accounts; ²Not meaningful.

Stable trends in addressed mail volumes while inbound continues under pressure

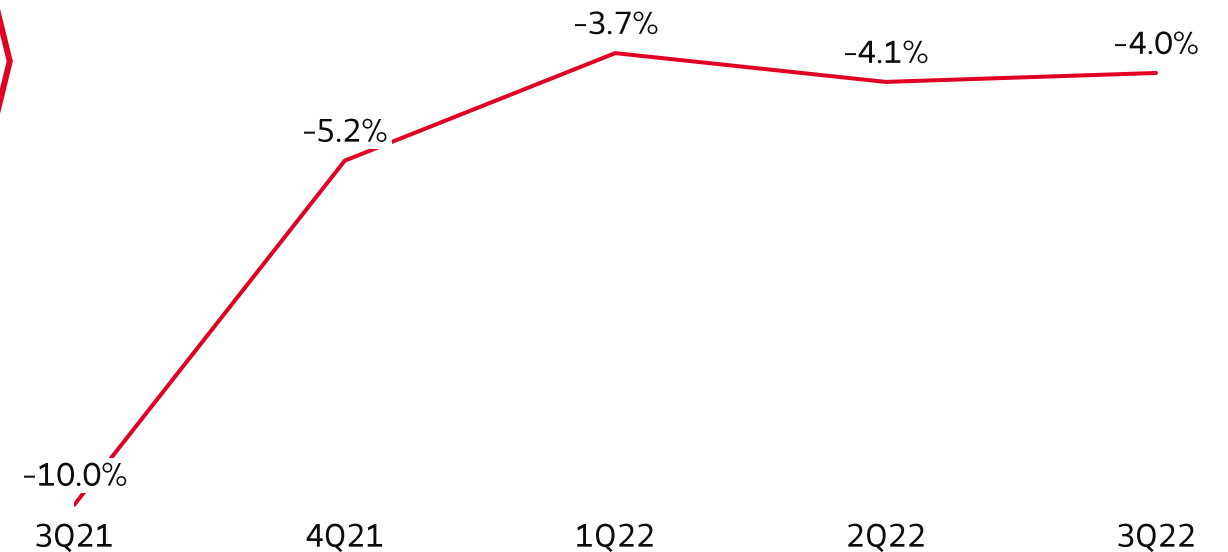
Addressed mail volumes (exc. Inbound)

% change vs. prior year



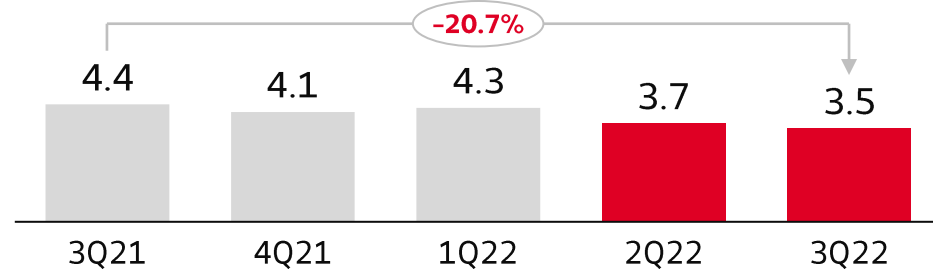
Addressed mail volumes (total)

% change vs. prior year



Inbound volumes

million items; % change vs. prior year

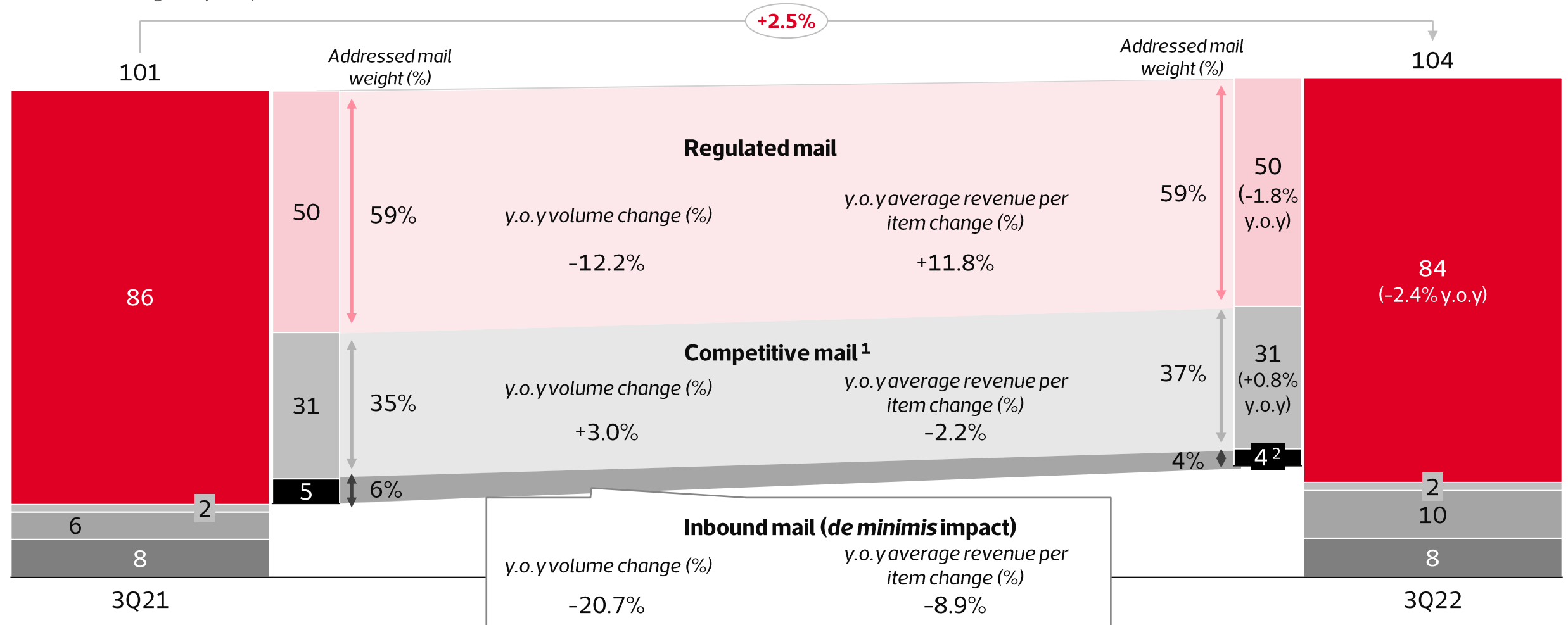


Regulated price increase over 59% of revenues, while competitive segment shows volume and revenue growth

Mail & Other revenues

€ million; % change vs. prior year

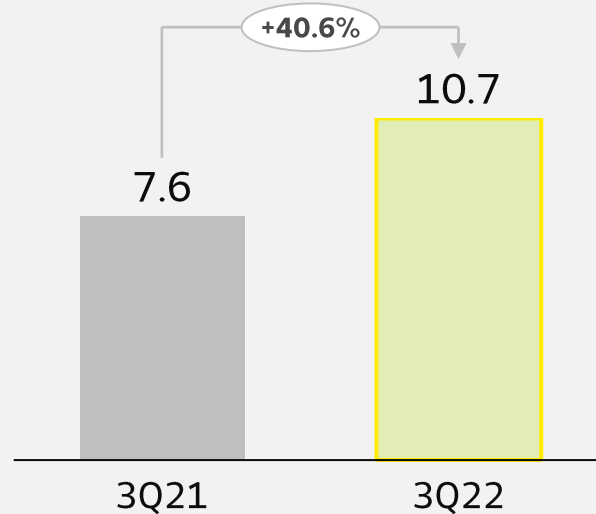
Addressed Unaddressed Business solutions Other



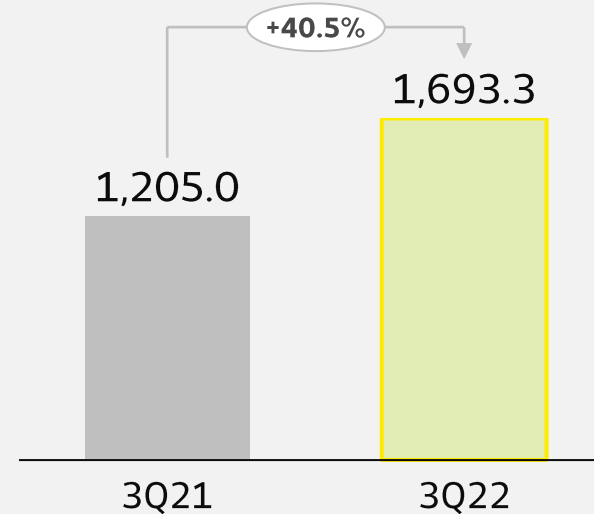
Revenue growth driven by positive performance in public debt placements, which has encouraging outlook

Financial Services

Financial Services revenues¹
€ million; % change vs. prior year



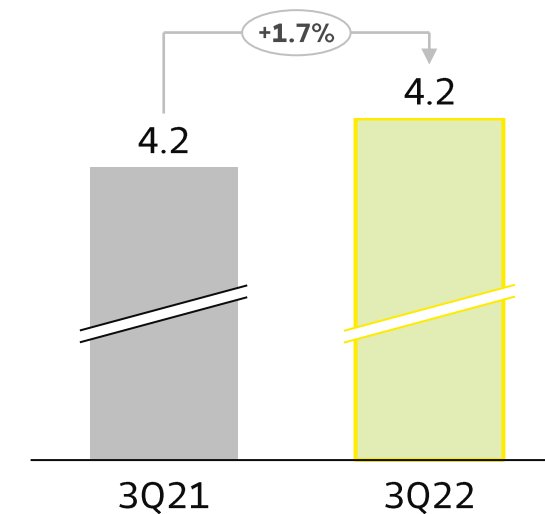
Public debt placements
€ million; % change vs. prior year



- In 3Q22, public debt placements grew 40.5% y.o.y due to growth in demand of floating rate public debt products

Retail products & services

Retail revenues¹
€ million; % change vs. prior year



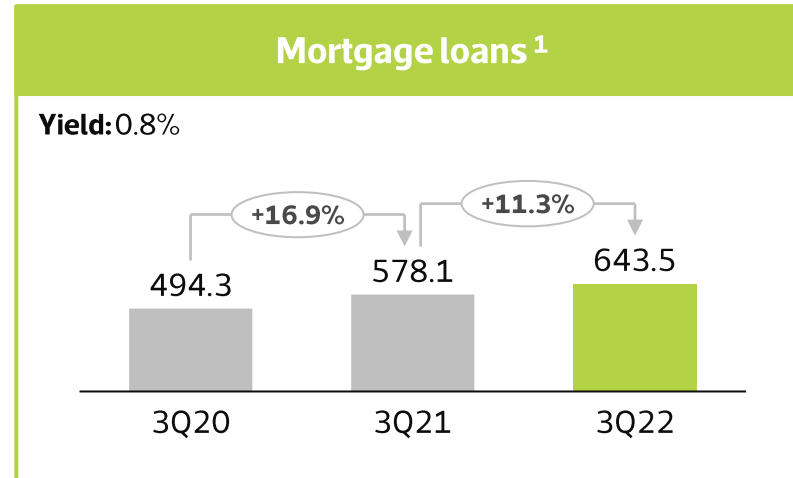
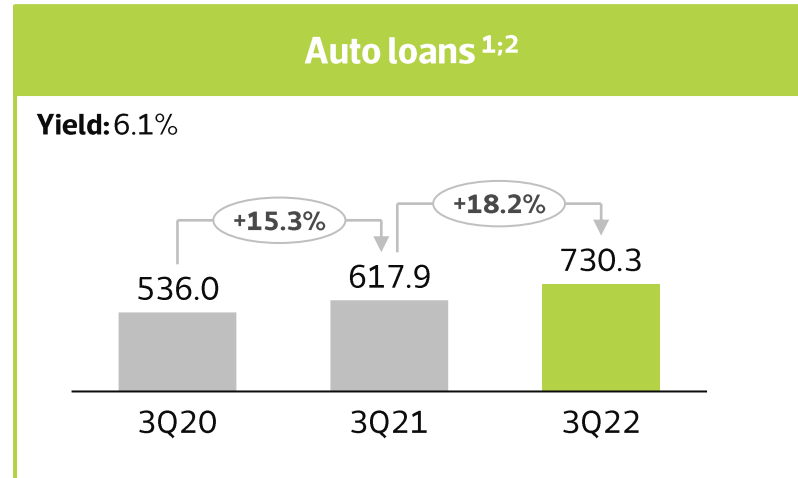
- Retail revenues growing in 3Q22 on the back of new products, renewed commercial dynamics and less restrictions on physical retail from the pandemic, when compared with 3Q21

¹ Excludes other revenues that account for €0.1m in 3Q21 and €0.4m in 3Q22

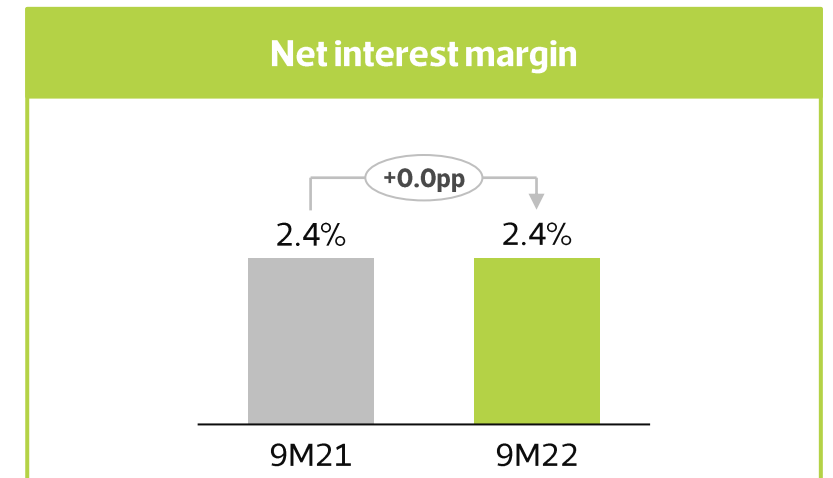
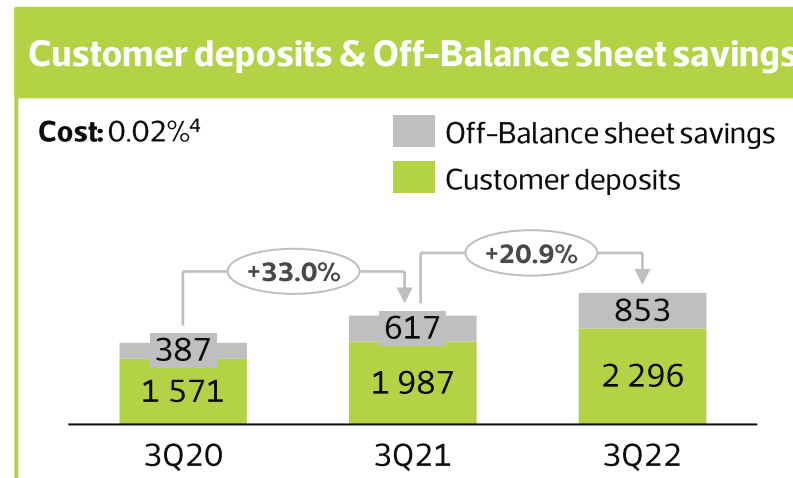
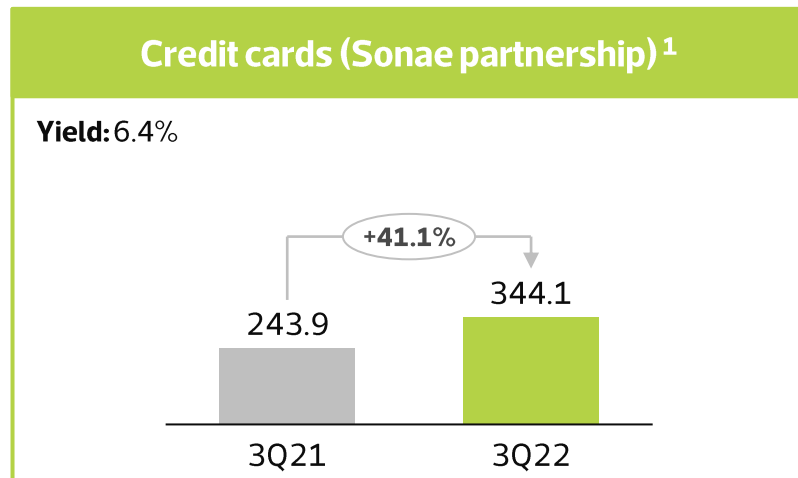
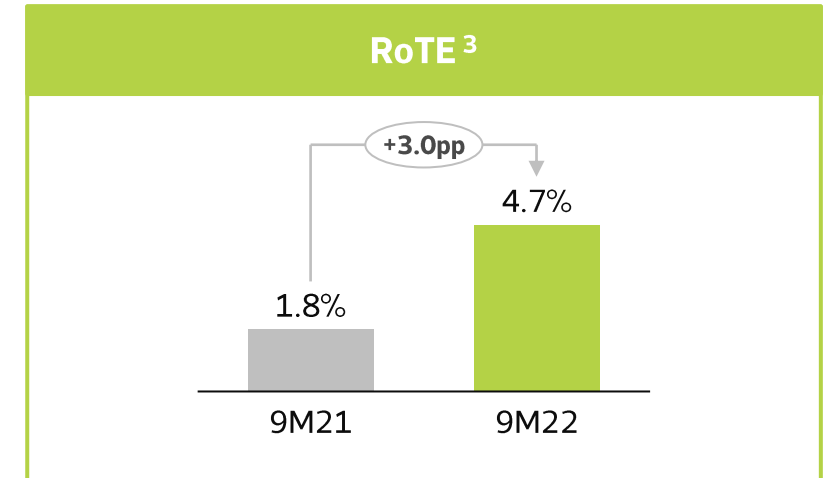
Banco CTT revenue growth and RoTE expansion driven by growth in volumes and will benefit from interest rate outlook

Banco CTT – Book volumes evolution

€ million, except otherwise indicated



Banco CTT – Key ratios



¹ Net of impairments; ² Consolidated contribution; ³ Excluding Specific items, annualized. ⁴ Average cost of customer deposits.

Main drivers of CTT's carbon footprint are being tackled

CTT carbon footprint per source
% of total tCO₂ 2021

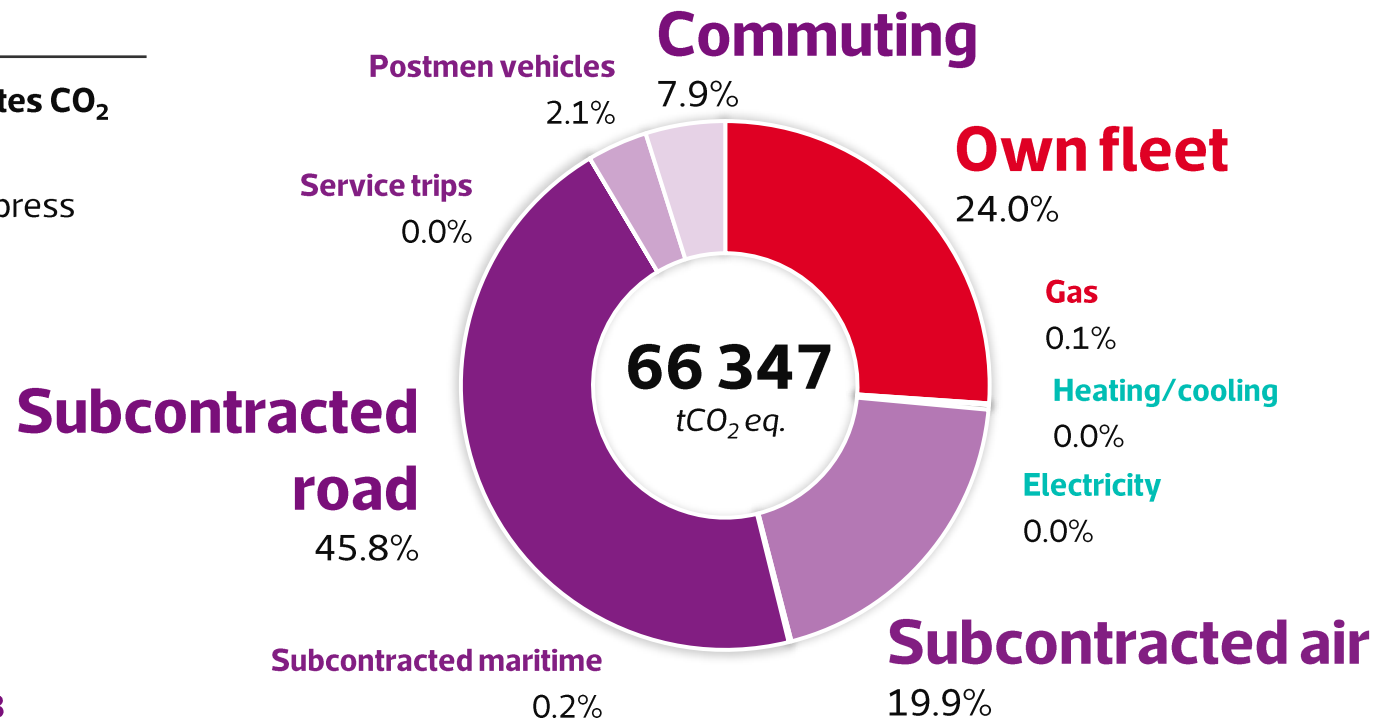


CTT currently compensates CO₂ emissions:

Green Mail & National Express Offer

- 5,474.6 tCO₂ (FY21)
- 34% of Scope 1|2
- 8% of Scope 1|2|3

Legend:
Scope 1 | Scope 2 | Scope 3



Key messages

- **Main emission sources to be tackled are:**
 - own fleet (26%)
 - subcontracted road (46%)
- **Electricity and heating/cooling (Scope 2):** maintain acquisition of green energy + production of green energy (photovoltaic panels)

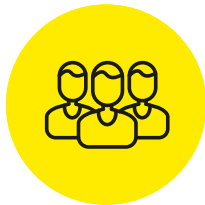
ESG Framework: to create long-term value (2025-2030)



Environmental (E)

Net zero by 2030 with **100% of green vehicles in the last mile**, and 50% of green vehicles by 2025

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



Caring for people and diversity experience (S)

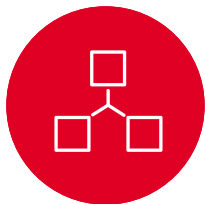
Gender parity of top and mid-management **by 2025**

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

Highlights 2022

- ✓ Five 100% electric hubs
- ✓ +90% EV ¹ and +64% km travelled (base year: 2021)
- ✓ 60% Mail and E&P products incorporate recycled material
- ✓ CTT, in partnership with EDP, launched ~40 solar energy communities in Portugal
- ✓ Certified as a Family-Responsible company
- ✓ €0.6m invested in social initiatives (0.9% of EBIT)
- ✓ 6 one-off volunteering actions and 1 continuity program, with 205 volunteers (~580 hours)
- ✓ New Code of Conduct
- ✓ Awarded the CSR Coups de Coeur 2022 by PostEurop (Environmental category), with the To-Be-Green project to reuse plastic waste in the production of new products

¹ Electric vehicles



Financial review

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Revenue and EBIT growth, coupled with FCF generation

Key financial indicators

€ million; % change vs. prior year

	Quarter		
	3Q21	3Q22	y.o.y
Revenues¹	200.1	216.4	8.1%
Operating costs – EBITDA ²	174.5	180.0	3.1%
EBITDA²	25.6	36.4	42.1%
Depreciation & amortization	14.6	16.3	11.4%
Recurring EBIT¹	11.0	20.1	82.7%
Specific items	-3.5	-2.2	36.8%
EBIT	14.5	22.3	54.1%
Financial result	-2.7	-2.5	8.7%
Tax	2.6	6.1	135.9%
Net profit attributable to equity holders	9.1	13.8	50.8%
Free cash flow	8.1	28.1	244.7%

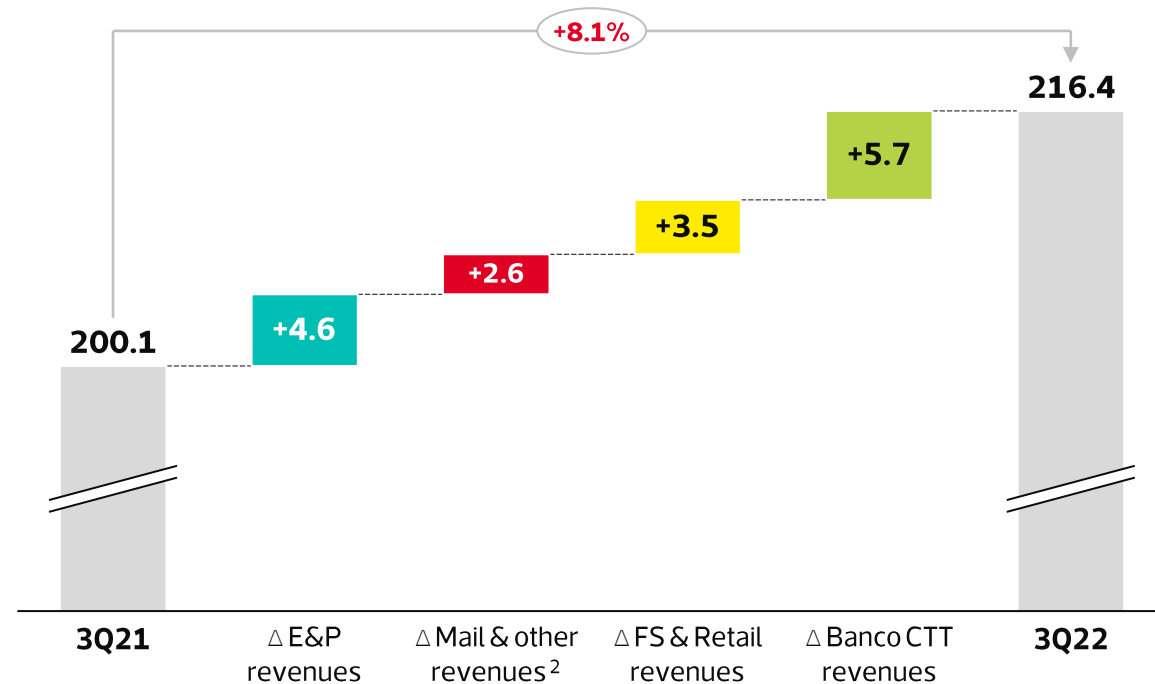
	9-months		
	9M21	9M22	y.o.y
	612.9	662.8	8.1%
	530.0	576.0	8.7%
	82.9	86.8	4.7%
	43.2	48.1	11.2%
	39.7	38.8	-2.4%
	-5.8	-4.3	26.3%
	45.5	43.0	-5.4%
	-8.1	-7.1	11.6%
	11.0	7.6	-30.7%
	26.3	28.3	7.6%
	39.4	31.9	-19.1%

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

Quarterly revenue growth across all business units

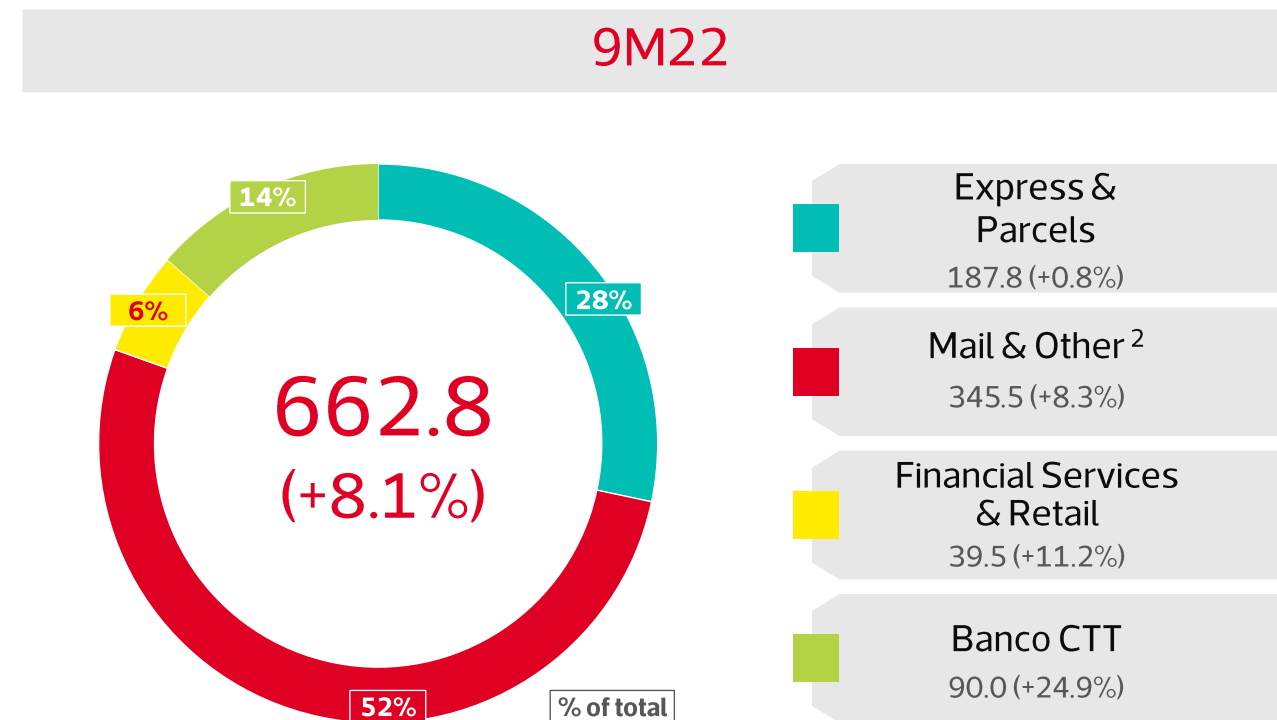
Revenues ¹

€ million; % change vs. prior year



Revenues ¹ breakdown

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

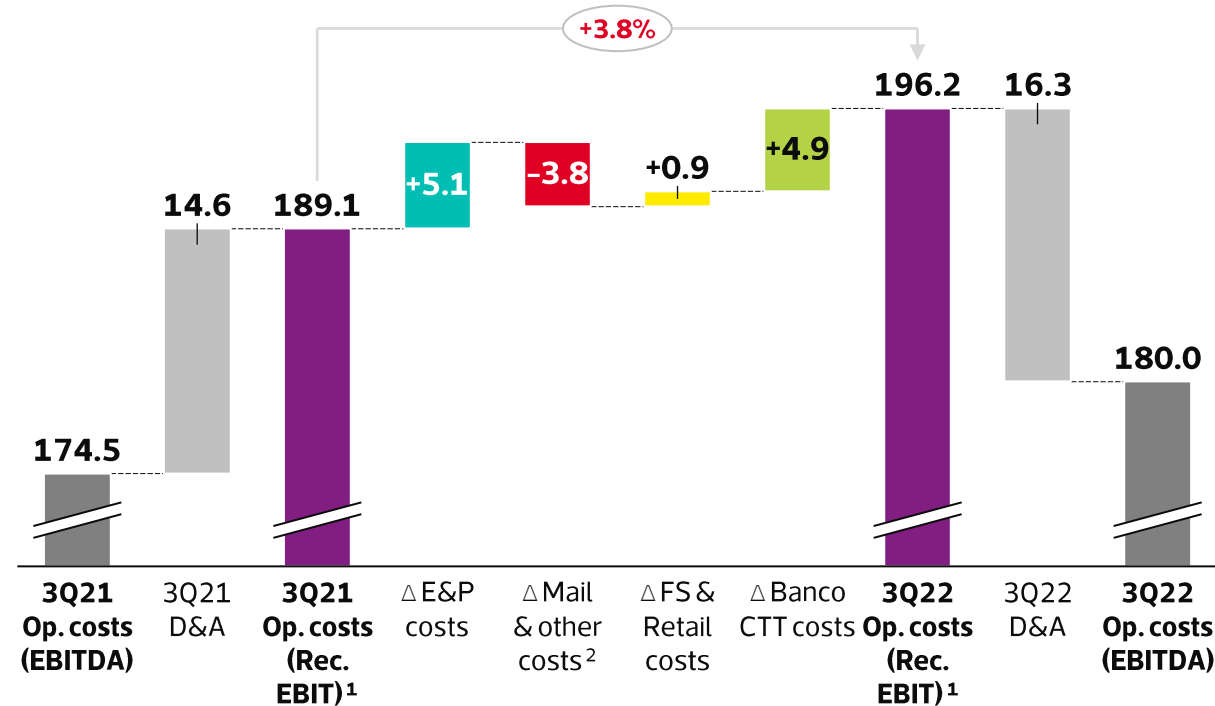


¹ Excluding Specific items; ² Including Central Structure

Further initiatives to be implemented in cost structure

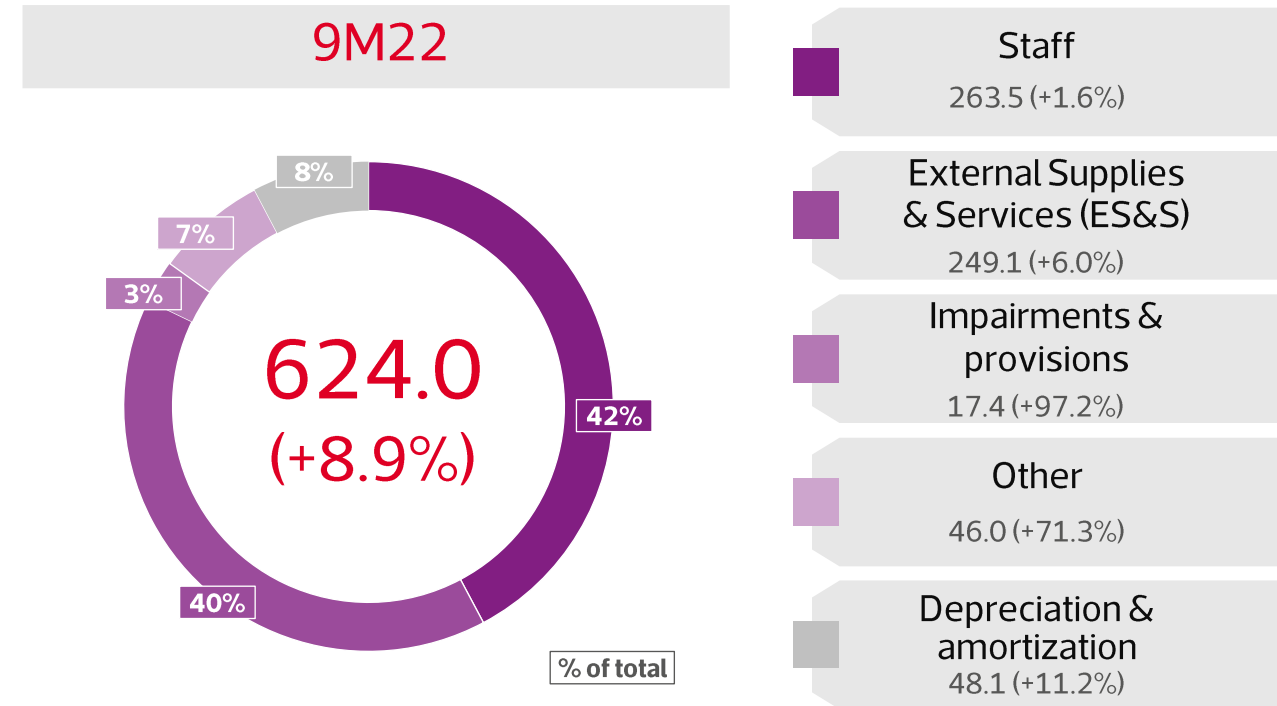
Operating costs¹

€ million; % change vs. prior year



Operating costs (Rec. EBIT)¹ breakdown

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



In 3Q22:

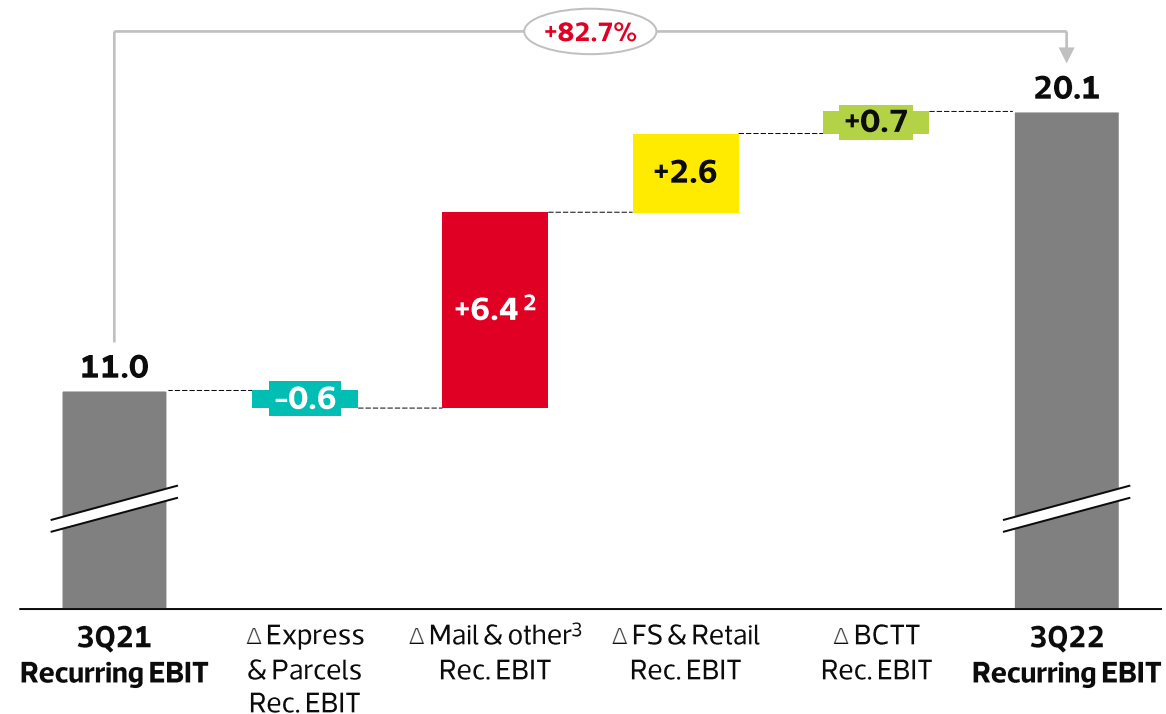
- **E&P costs grew by €5.1m** mainly due to external supplies and services (+€3.4m), impacted by the growth in activity in the quarter, and to an increase of €1.1m of D&A as a result of the investment being made in capacity expansion and automation
- **Mail & Other costs decreased €3.8m** primarily impacted by facilities optimization, as previously highlighted
- **Banco CTT costs increased €4.9m** mainly as a result of impairment & provisions growth (+€3.1m) from the CoR volatility in the consumer credit book

¹ Excluding Specific items; ² Including Central Structure

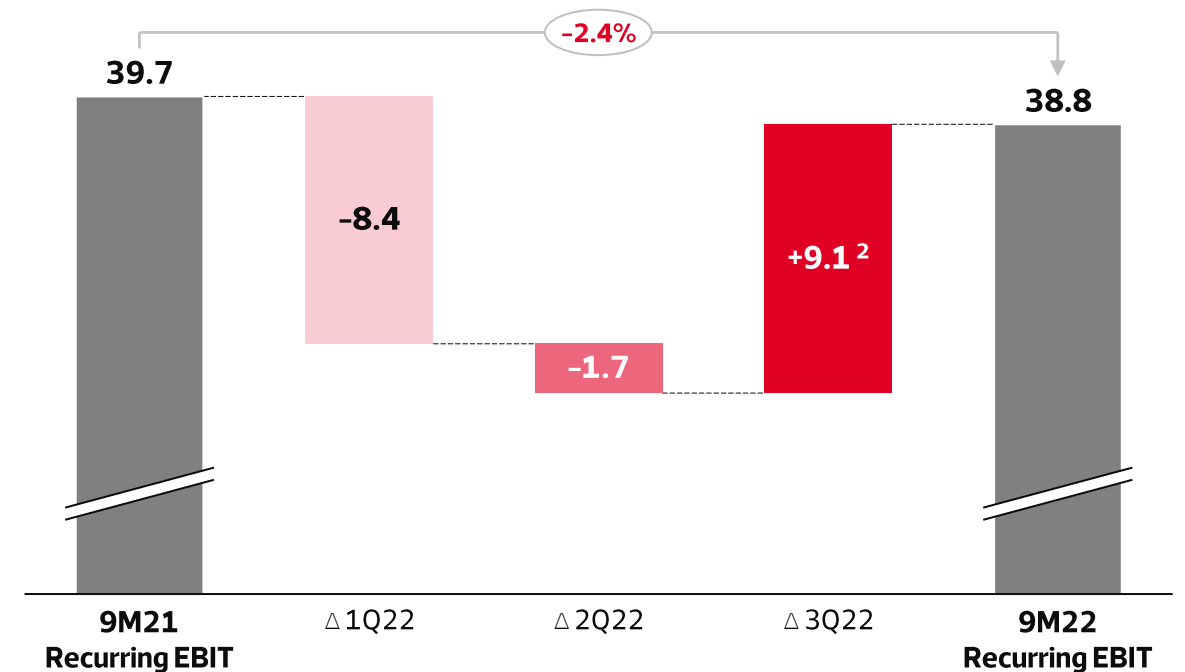
Significant EBIT growth in the quarter

Recurring EBIT ¹

€ million; % change vs. prior year



3Q22		
5.5%	Recurring EBIT margin	9.3%



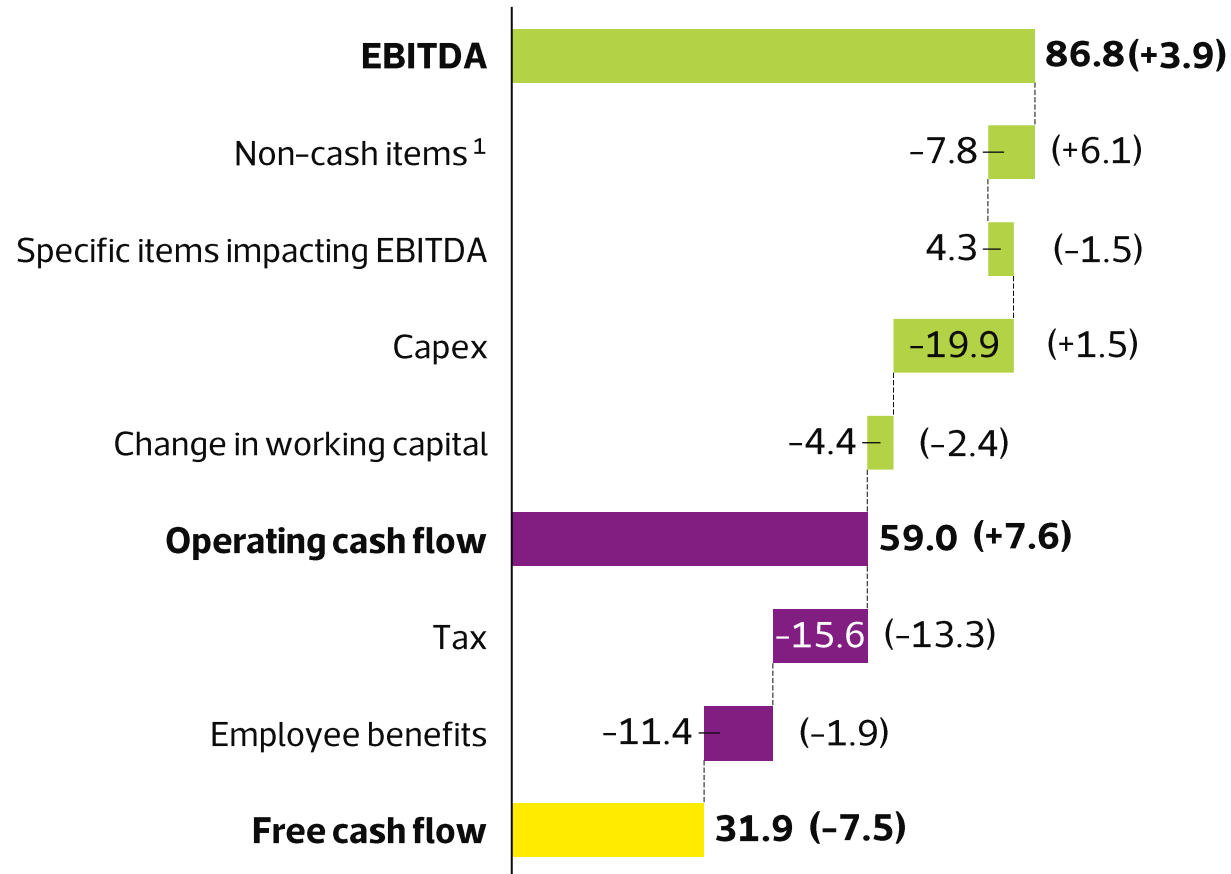
9M22		
6.5%	Recurring EBIT margin	5.8%

¹ Excluding Specific items; ² The recurring EBIT also benefited from the cost savings associated with the change of CTT's headquarters already envisaged in the quick wins shared with the market, namely those related with the optimization of facilities. The impact in 2022 is €3.4m and there will be an equivalent annual impact in 2023 and going forward; ³ Including Central Structure

Strong cash flow generation in 3Q22

9M22 Cash flow

€ million; impact on cash flow vs. prior year



30 September 2022 Net financial debt²

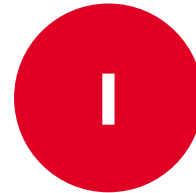
€ million

(+) Cash & cash equivalents	309.8
(-) Net Financial Services & Other payables ³	259.8
(-) Banco CTT liabilities, net ³	-103.0
(-) Other ⁴	34.2
(=) Adjusted cash	118.9
(-) Financial debt	70.1
(=) Net cash position	48.8
(-) Lease liabilities (IFRS 16)	111.9
Net financial debt²	63.2

¹ Impairments, provisions and IFRS 16 affecting EBITDA; ² Only financial debt presented in the table; it does not include net employee benefits of €169.4m as at 30 September 2022; 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



Guidance considerations



The economic context remains volatile and challenging in both demand and inflation, as already flagged by CTT and other industry players



Nonetheless, CTT's 9M22 results confirm the anticipated recovery trend anchored on the measures already implemented



We remain committed to continue to undertake the necessary initiatives to deliver on the guidance, which naturally depends on economic conditions in Iberia

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