

# Munich Road Show Fall 2024

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**ctt**



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# A leading e-commerce logistics player, delivering parcels to the whole of Iberia **ctt**

CTT IN A NUTSHELL

Originally a postal operator, CTT successfully evolved to become a comprehensive **Iberian e-commerce logistics player**

- Founded in 1520
- Publicly listed in 2013
- €615m market cap<sup>1</sup>
- Consolidated revenues of €1.1b

## Leveraging strategic assets...

- Strong and trusted **brand** for people and businesses
- Unique **sales force**, underpinned by **universal access to B2B** customers
- Unique **last-mile distribution network**, increasingly integrated at Iberian level
- Unparalleled **retail network** in Portugal

## ... as a highly synergic platform

- Retail network shared by **bank, FS, mail and parcels**
- **Mail workforce delivering E&P**
- **Integration** between logistic networks of **mail and E&P**

**8%**

5-year CAGR

Revenue growth

**42%**

+10pp y.o.y

Contribution<sup>2</sup> of E&P

**26%**

+10pp y.o.y

Contribution<sup>2</sup> of Spain





**7%**

EBIT<sup>3</sup>  
margin

Data as at 30 September 2024, LTM

# A balanced and highly synergic portfolio

CTT IN A NUTSHELL

|                     | B2B / logistics  | B2C / retail  |
|---------------------|--|---|
| Growth focus        | <p>Detailed ahead</p>  <p>Express &amp; Parcels</p> <p><b>Iberian e-commerce growth engine</b></p> <p>Growing towards another record year</p> | <p>Detailed ahead</p>  <p>Banco CTT</p> <p><b>Fastest growing retail bank franchise in Portugal</b></p> <p>Continue to grow driven by higher engagement with clients</p> |
| Profitability focus |  <p>Mail</p> <p><b>Leveraging new USO contract</b></p> <p>Stabilising revenues through price increase and mix</p>                           |  <p>Financial Services</p> <p><b>Profitability enhancer</b></p> <p>Retail distribution of savings (public debt tickets) and insurance products</p>                      |

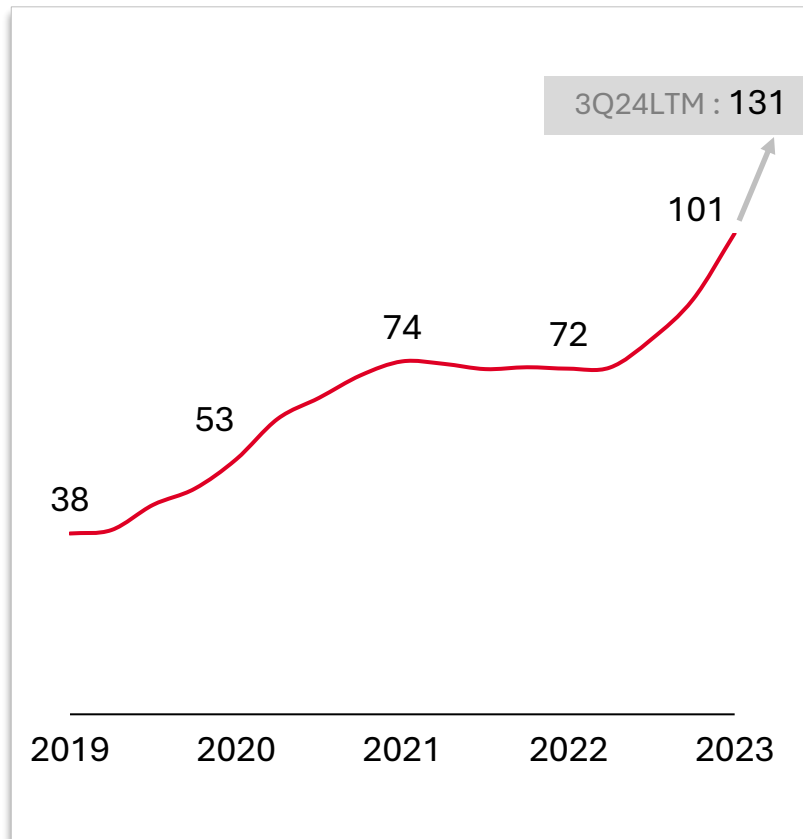
# E&P is the key driver of topline growth and margin expansion



EXPRESS & PARCELS

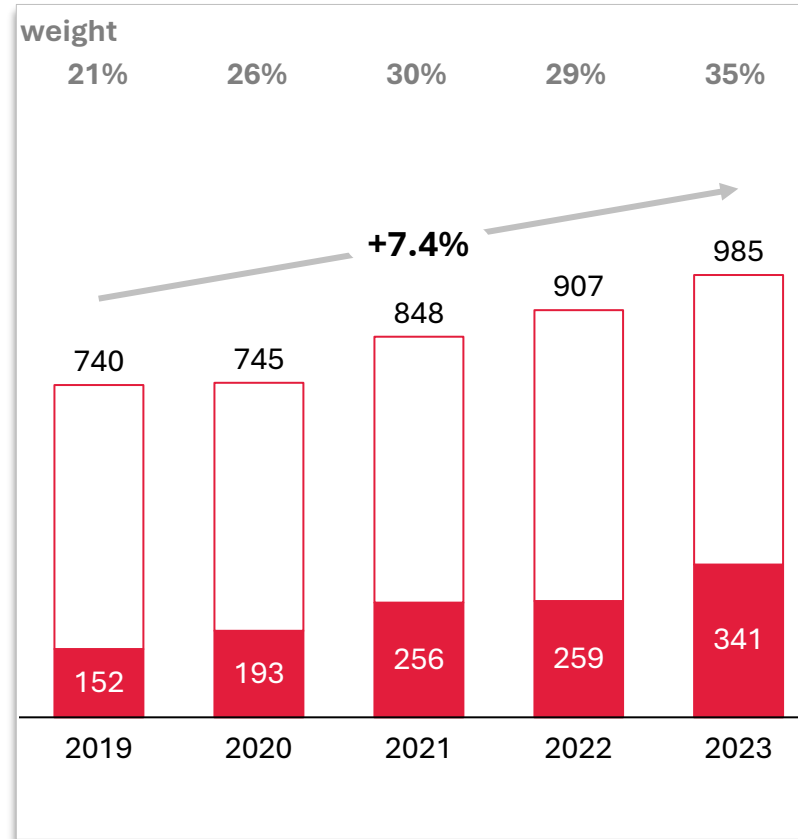
## E&P volumes

million objects; LTM



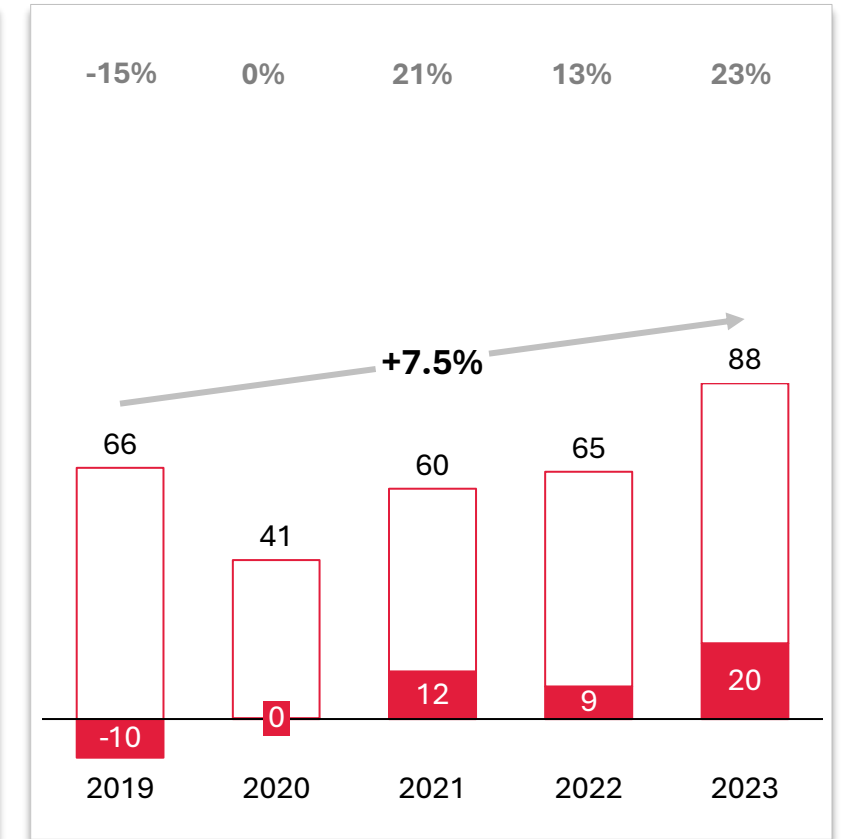
## Revenues

€ million



## Recurring EBIT

€ million



**Successful transformation with growth**

# Comprehensive Iberian coverage in Express & Parcels



EXPRESS & PARCELS

**100%**

D+1 full geographical coverage in Iberia

**>130M**

items per year (3Q24, LTM)

**>550k**

items daily (3Q24)

**73**

Distribution centres, of which 30 are automated (3Q24)

**17**

centres serving both countries

**50%**

Spanish customers choose a single operator in Iberia

**121k**

Automatic sorting capacity (k sorts/hour; 3Q24)



<sup>1</sup>Source: Euromonitor International, 2023 data

# Iberian e-commerce is a sizeable market with high growth potential

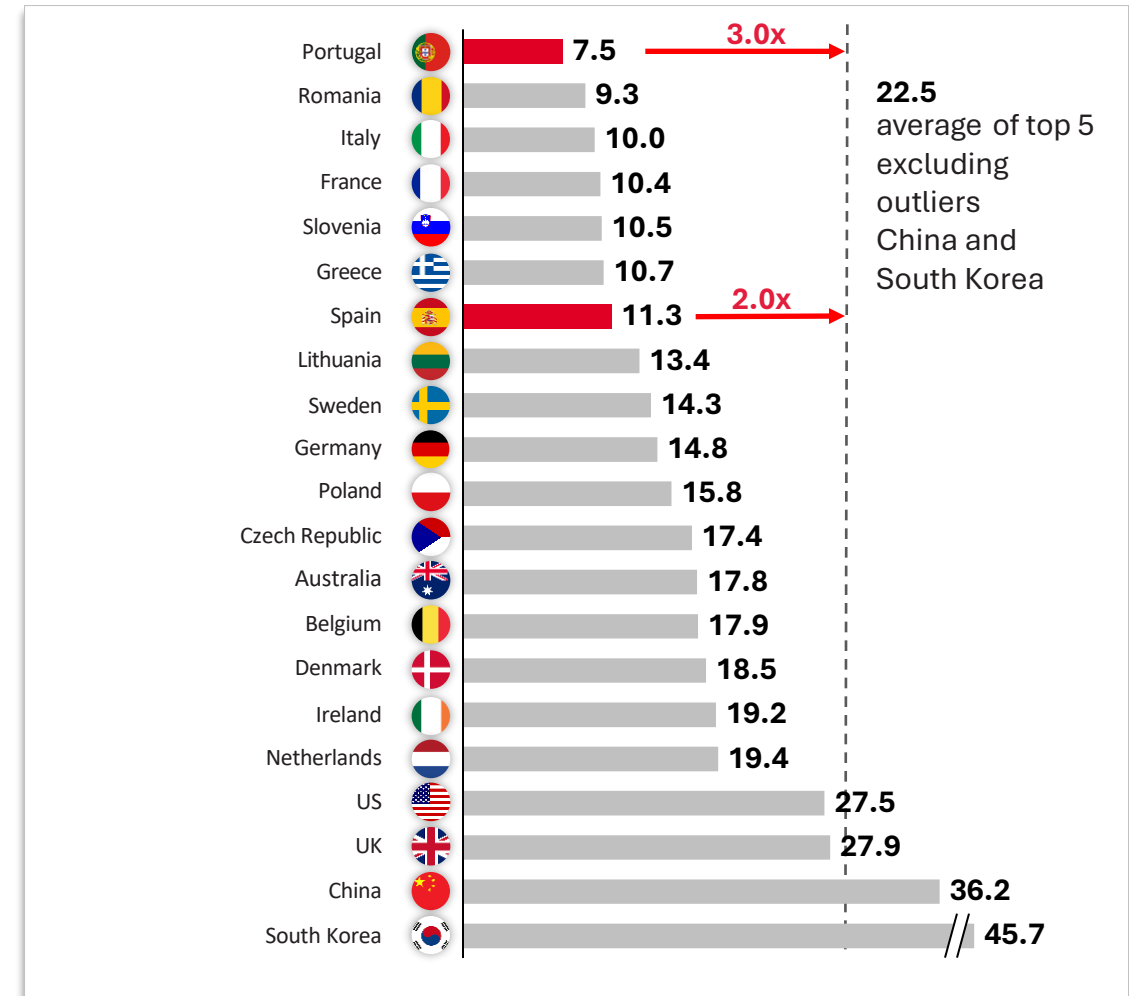
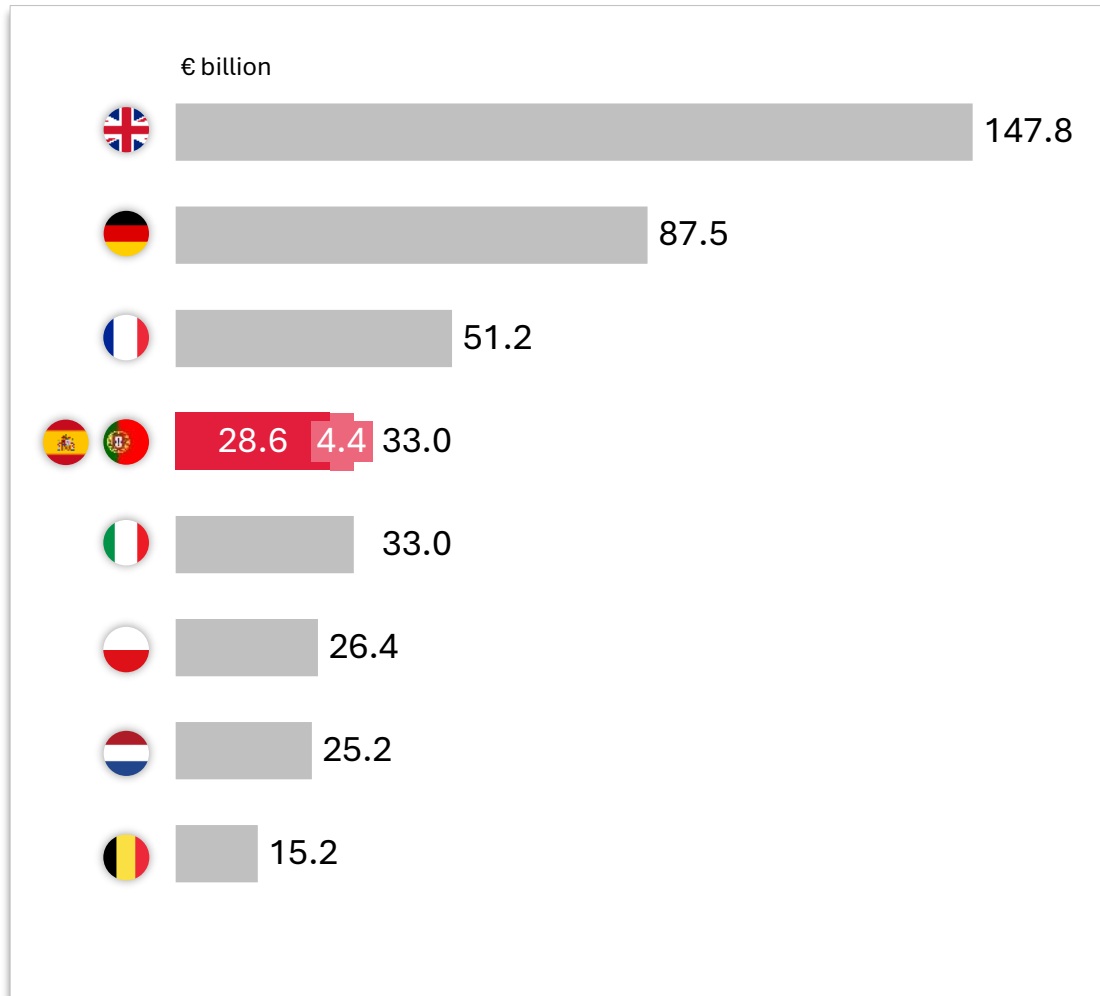


EXPRESS & PARCELS

Iberia is the 4th largest e-commerce market in Europe<sup>1</sup>

... but e-commerce<sup>2</sup> penetration is still low, 2023

e-commerce share of total retail, %



<sup>1</sup>Source: Euromonitor International, 2023 data

<sup>2</sup>IPC market study, source: Euromonitor International, IMF, IPC analysis;

# Continued volume growth in E&P Iberia



EXPRESS & PARCELS

## High quality and efficiency

- Maintain a quality service with high delivery efficiency rates despite an increase in daily volumes

## Continuous service portfolio expansion

- New customs clearance unit in Madrid significantly reducing cost and delivery times for out-of-EU volumes
- Returns handling
- >21,000 convenience points in Iberia
  - >1,000 lockers in Portugal

## Commercial agility

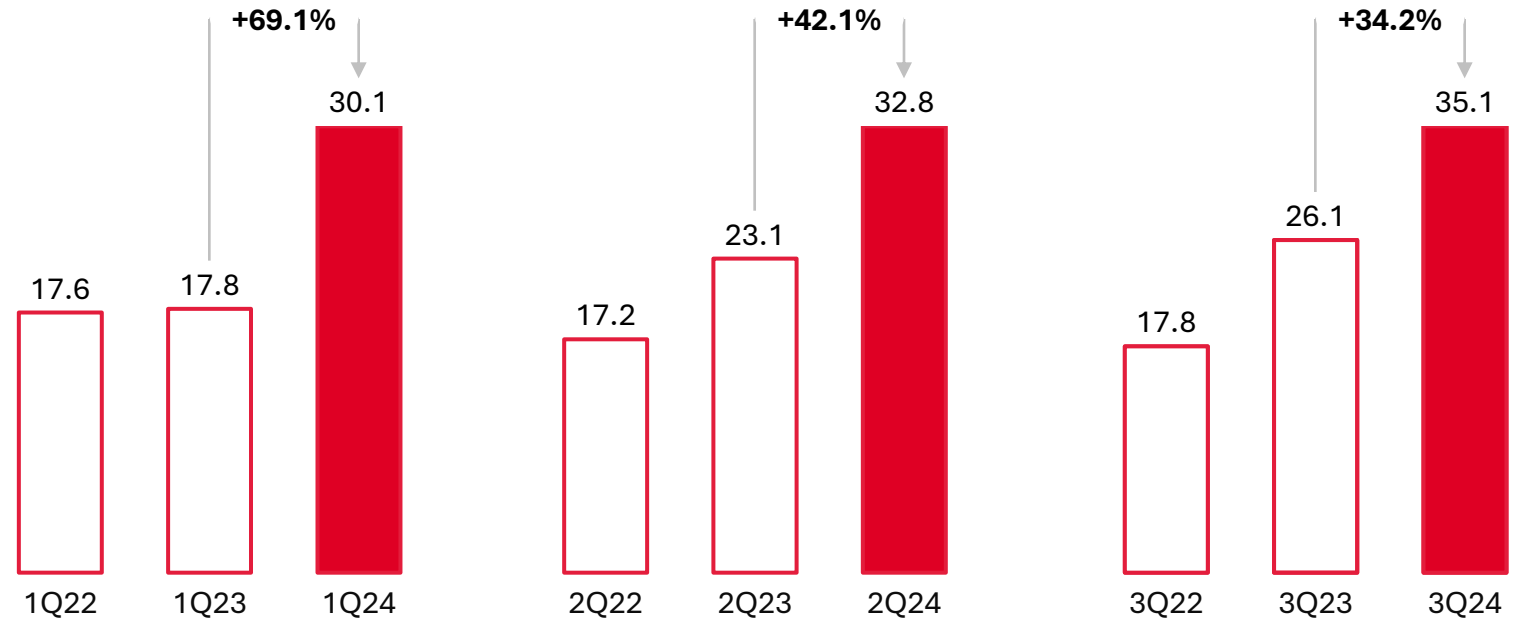
- Onboarding relevant new customers and increasing volumes from existing ones
- New large international e-sellers
- Focus on diversifying towards smaller clients<sup>1</sup> continued during 2023

## E&P Iberia | CEP Volumes

million items; % change vs. prior year

**+39.4%**  
y.o.y in  
FY23

**+46.2%**  
y.o.y in  
9M24



## Significant capture of market share

<sup>1</sup>Clients with daily volumes below 20,000 items



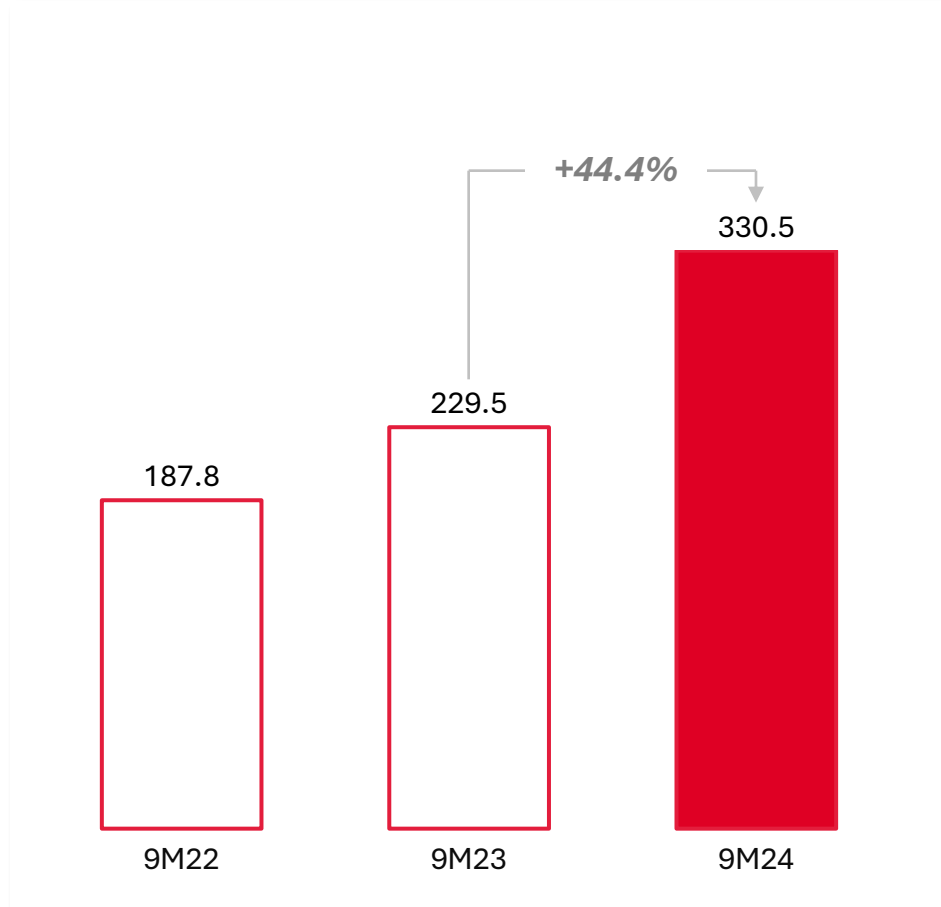
# Growth is driving scale and margin expansion



EXPRESS & PARCELS

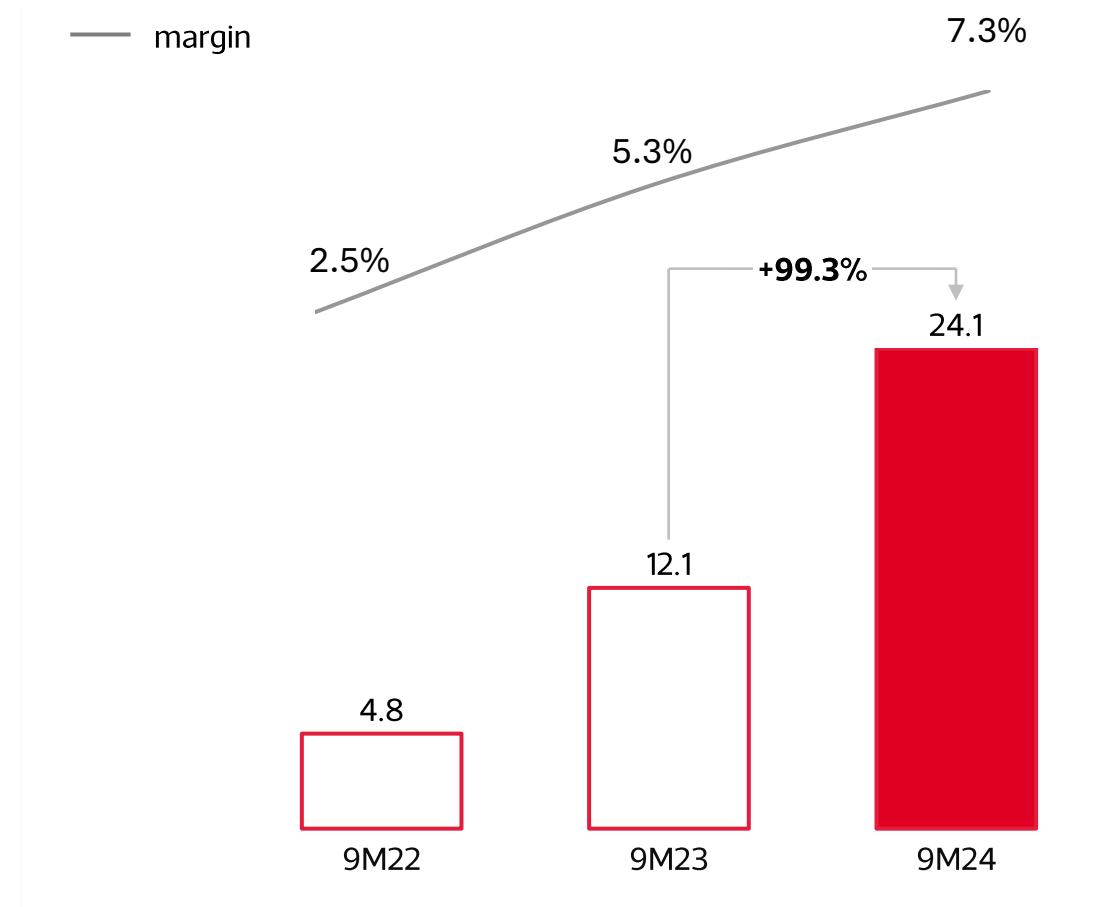
## E&P | Revenues

€ million; % change y.o.y.



## E&P | Recurring EBIT

€ million; % change y.o.y.



**Volume growth underpinning operational leverage**

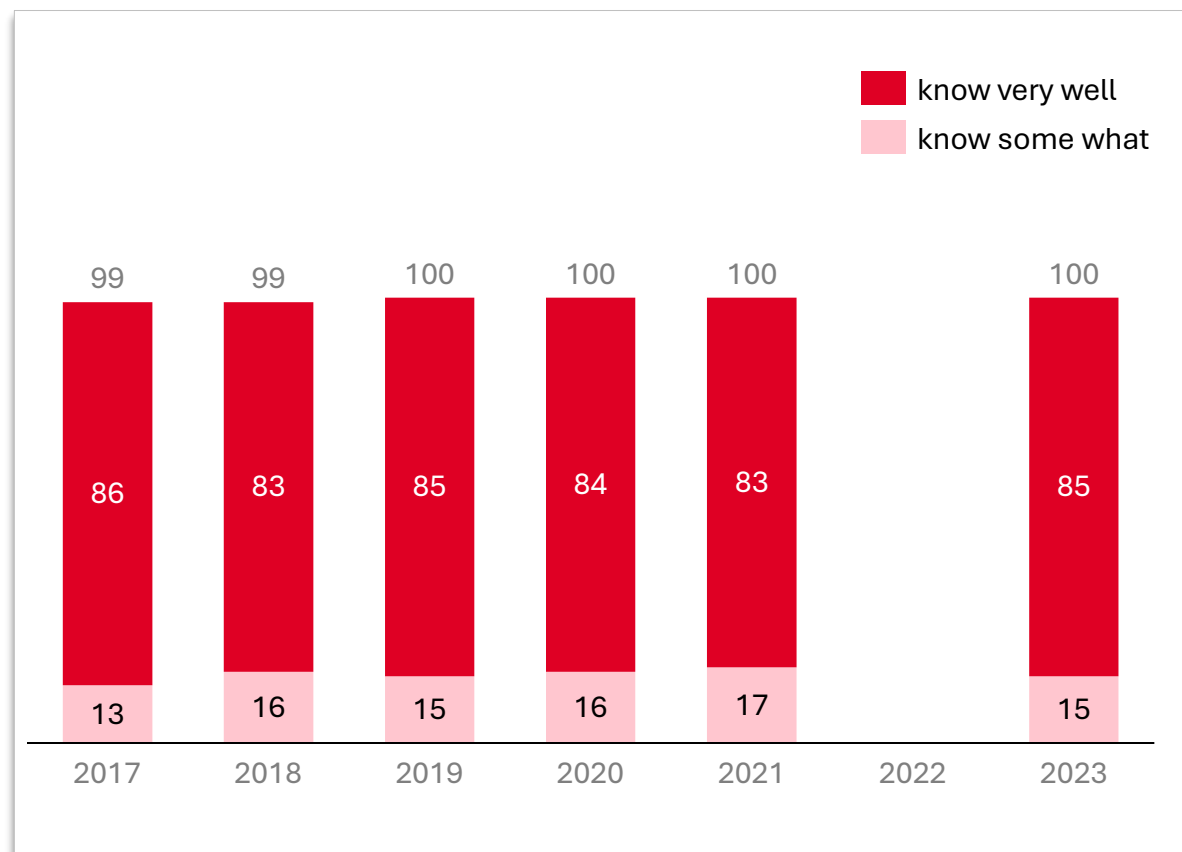
# Banco CTT: our second growth area



BANCO CTT

## CTT's Brand Awareness

% of population



## CTT's Retail Network

**569** branches spread across the country

**212** of which with Banco CTT branches

**All 308** municipalities with a CTT store

**65k** unique client visits per day

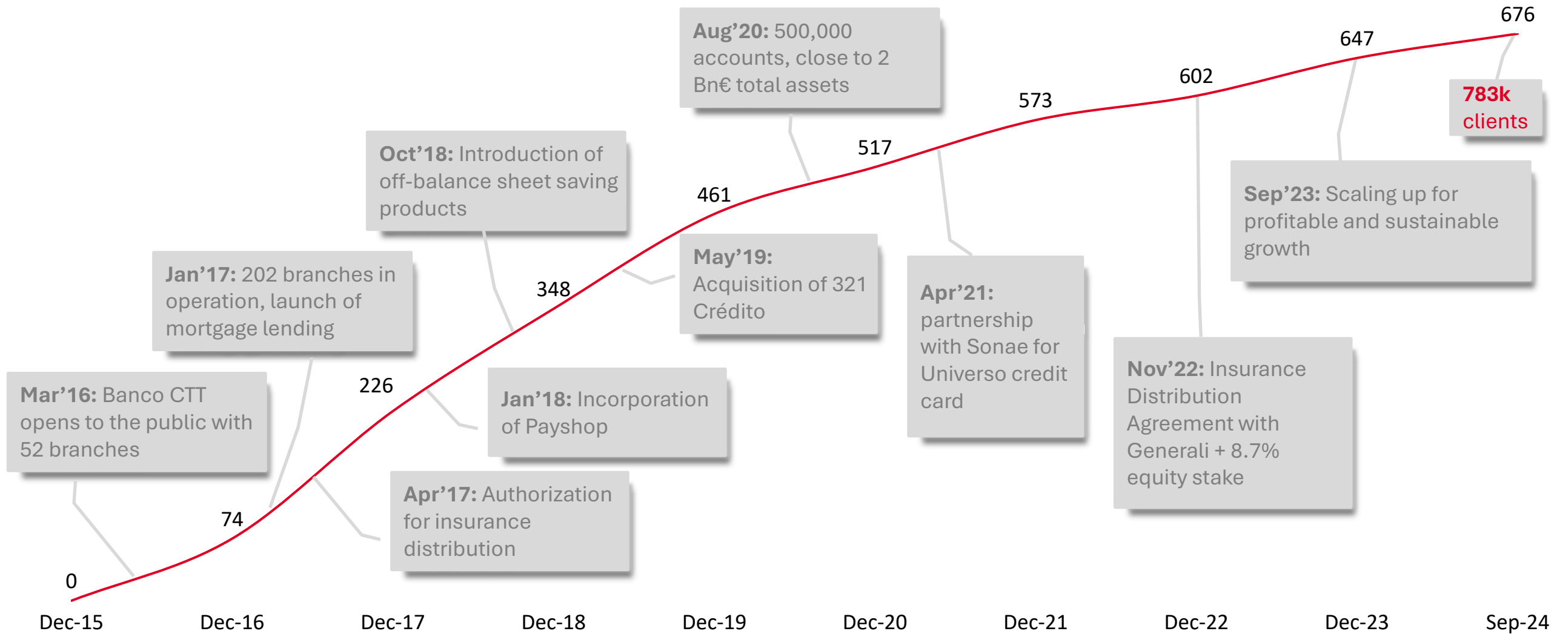
**>80%** share in the placement of public debt

**CTT's brand awareness, reputation and coverage of the retail network, are unique**

# Banco CTT is the fastest growing banking franchise in Portugal



BANCO CTT

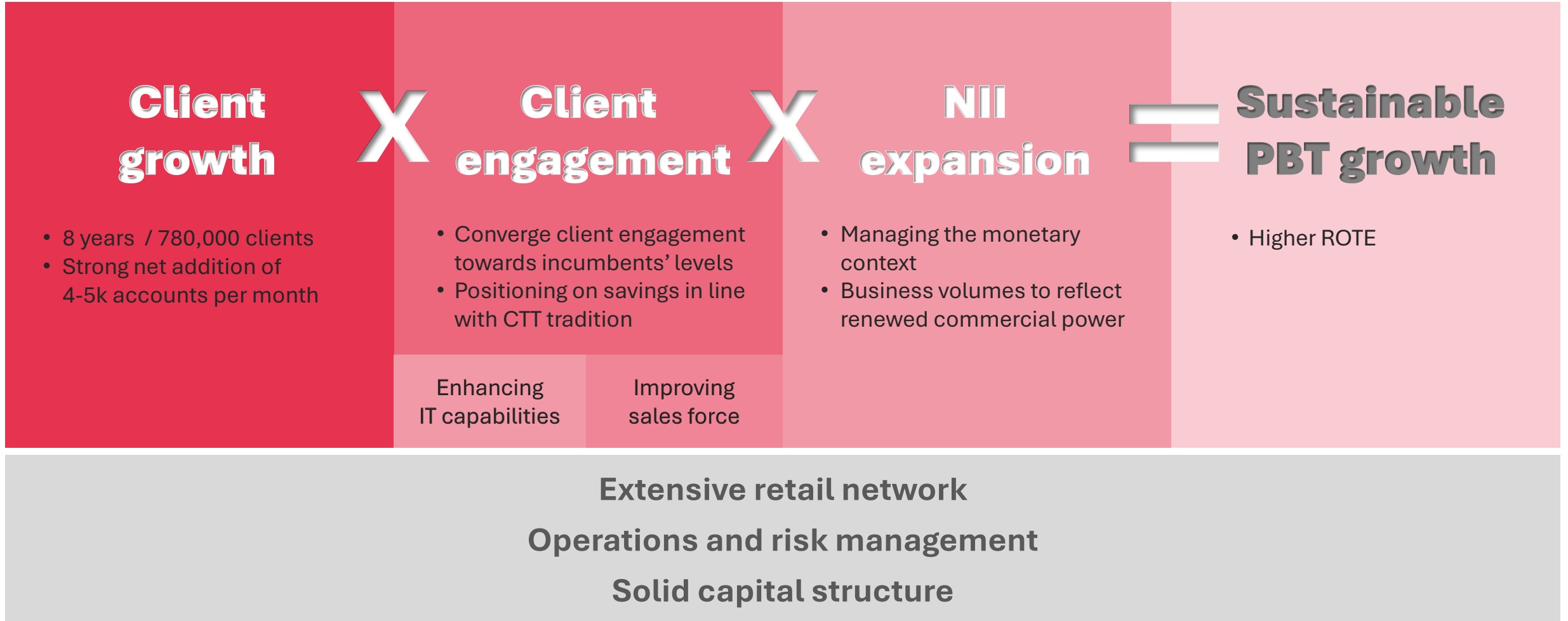


**From zero to more than 780 thousand clients in 8 years**

# Focused on client growth and doubling-down efforts on engagement



BANCO CTT



**Business volumes and increased engagement enable growth**



# A clear strategy... that rendered a proven business model and...



BANCO CTT

## Operating data

9M24

Develop a sizable and high potential retail client base

**676k** current accounts

Leverage on CTT's tradition on savings' placement, while exceling in bancassurance

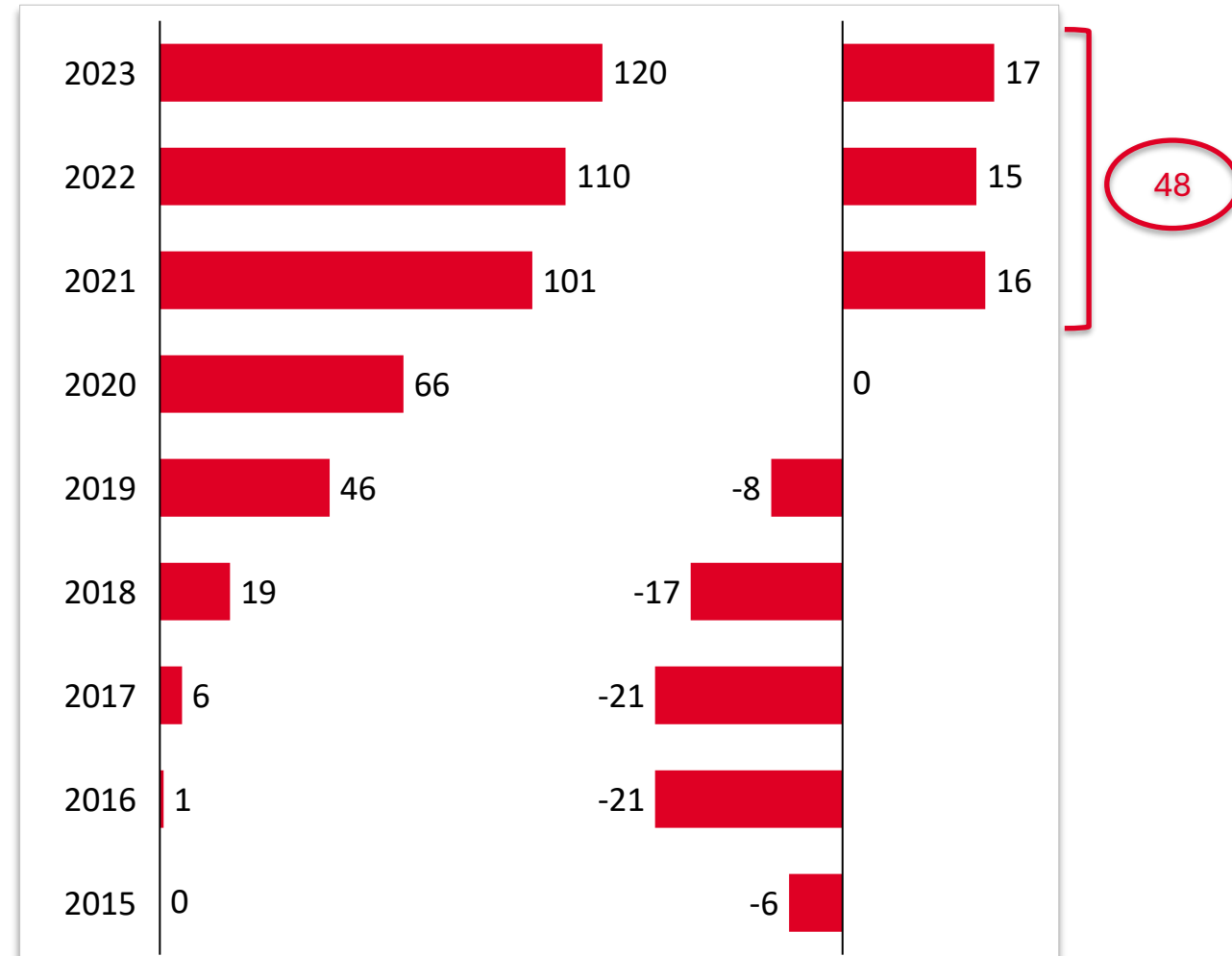
**7,567 €m** deposits & off-balance AUM's

Enlarge the credit book (including acquisition of 321C)

**1,811 €m** retail credit book<sup>3</sup>

## Operating Income<sup>1,2</sup> and Net Income<sup>1</sup> of Banco CTT

€ million



**... enabled fast growth and achieving profitability**

<sup>1</sup>Banco CTT consolidated accounts. <sup>2</sup>Includes Payshop from 2018 to 2021. <sup>3</sup>Primarily auto and mortgage.

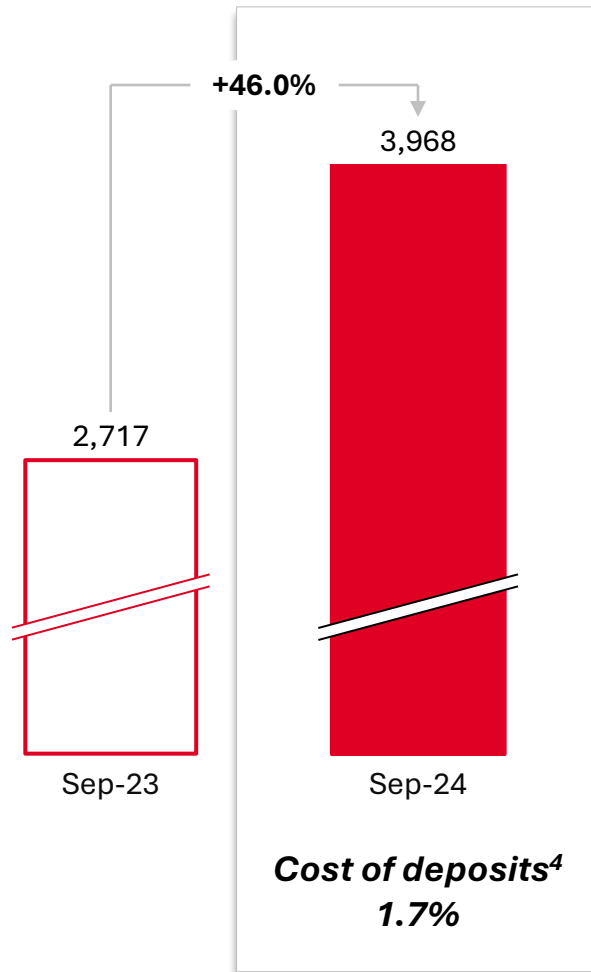
# Improved client engagement driving growth and profitability



BANCO CTT

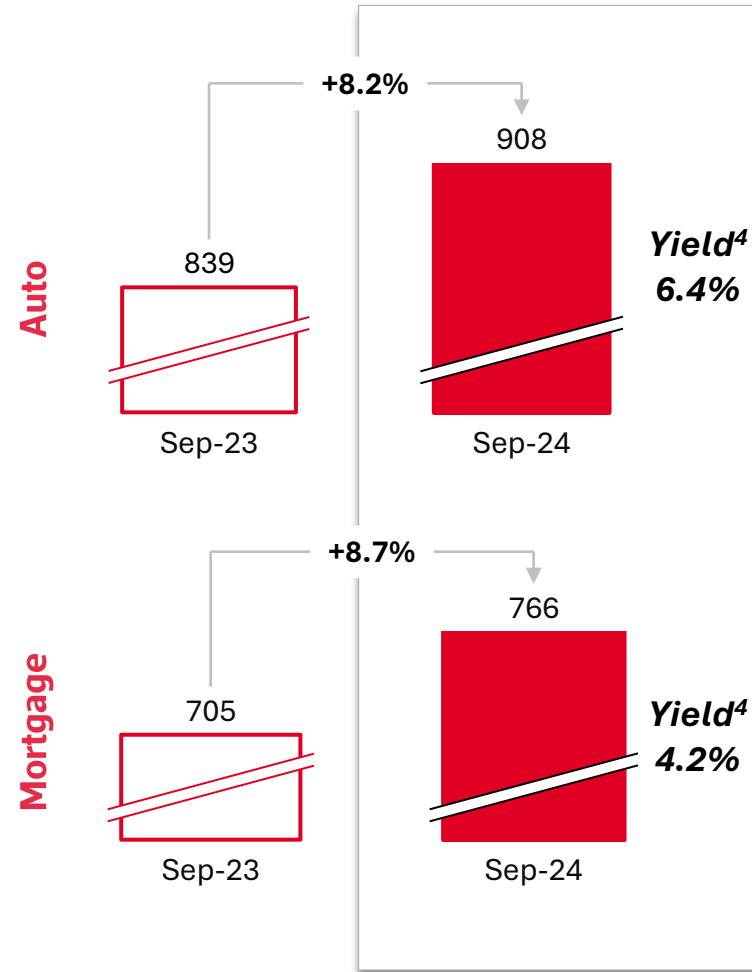
## Customer deposits<sup>1</sup>

€ million, EoP



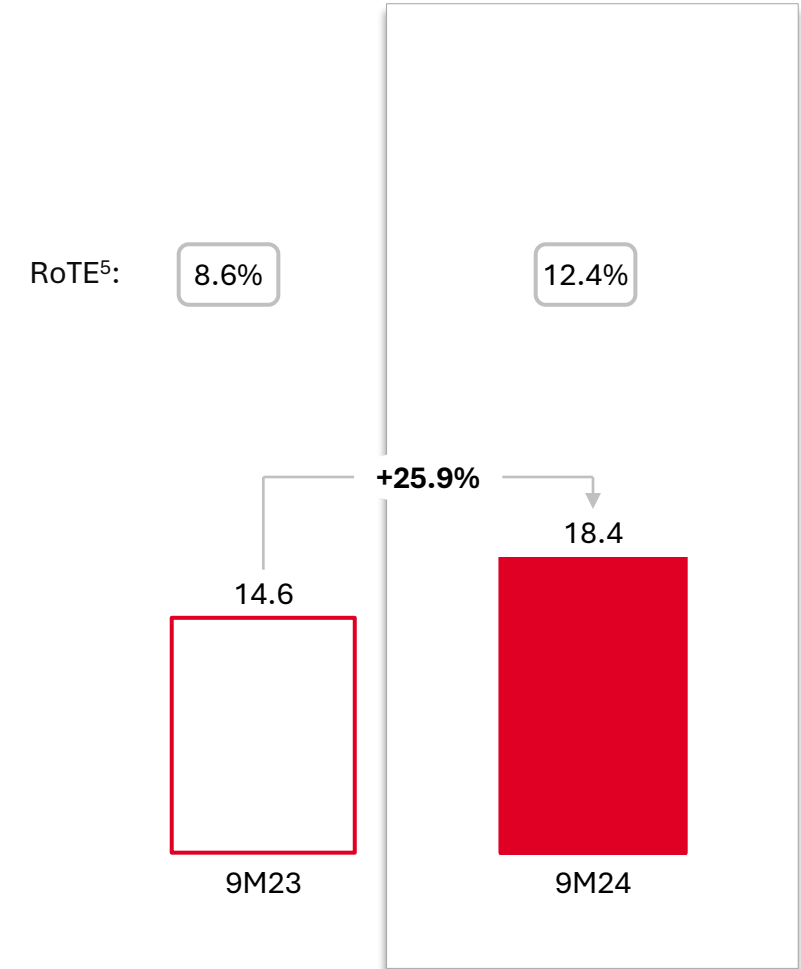
## Loans volumes<sup>2</sup>

€ million, EoP



## Profit before Taxes<sup>3</sup>

€ million; % change vs. prior year



<sup>1</sup>Retail Deposits, consolidated accounts; <sup>2</sup>Net of impairments;

<sup>3</sup>Banco CTT consolidation perimeter, excluding specific items; <sup>4</sup>Cumulative; <sup>5</sup>Recurring RoTE, cumulative, excluding specific items and normalized assuming a tangible equity of 15% of average RWAs, compatible with the CMD 2022 targets; Under the current capital structure the RoTE is 9.6% for 9M24.

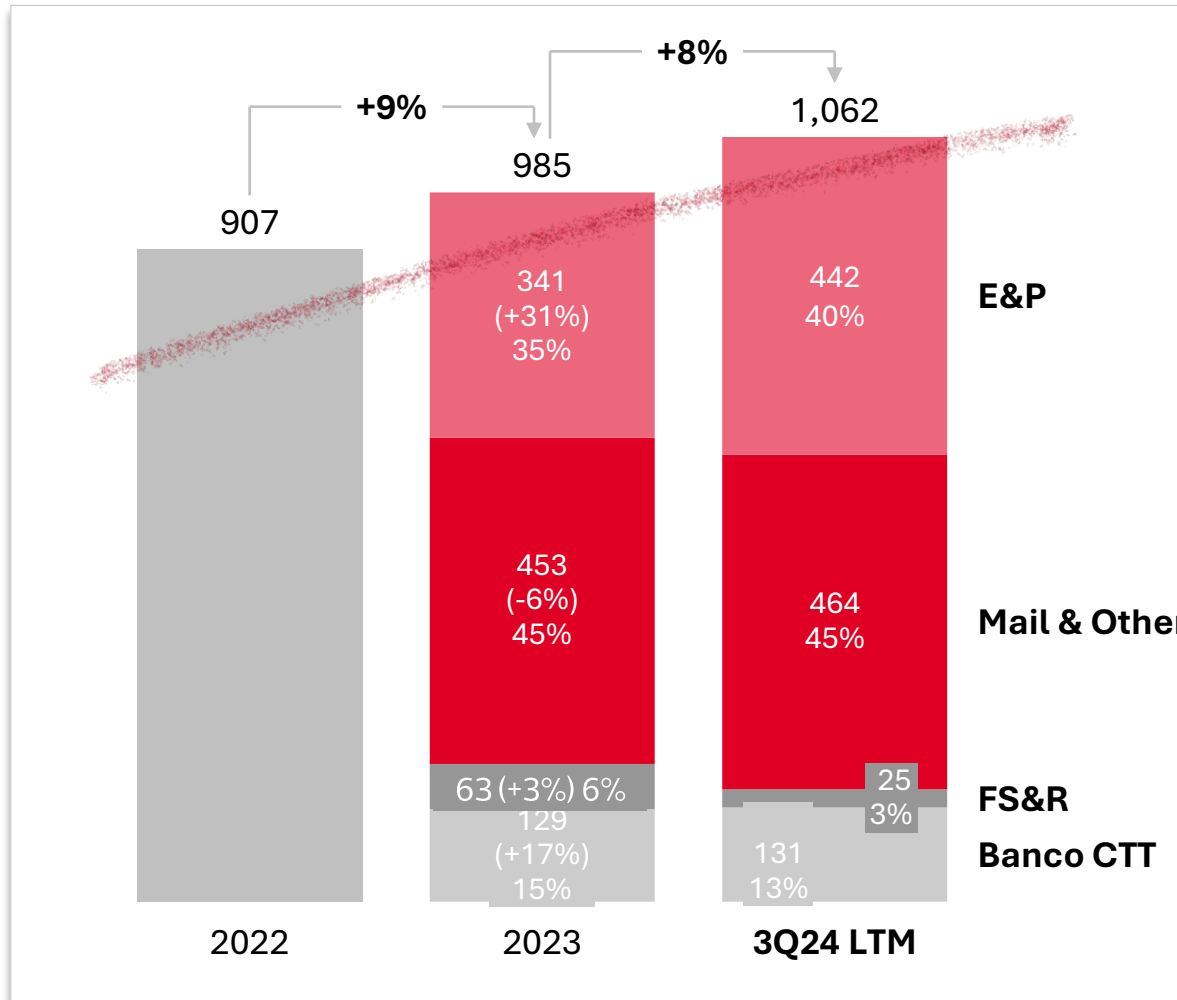
# A balanced and highly synergic portfolio



CONSOLIDATED VIEW

## Revenues

€ million; % change vs prior year; % weight



### Iberian e-commerce growth engine

Growing towards another record year



### Leveraging new USO contract

Stabilising revenues through price increase and mix



### Profitability enhancer

Retail distribution of savings (public debt tickets) and insurance products



### Fastest growing retail bank franchise in Portugal

Growth driven by stronger client engagement

**CTT is now heavily geared towards e-commerce growth**

## 1. Investment in business growth



**Organic growth:** transformation, technology, capacity and maintenance capex



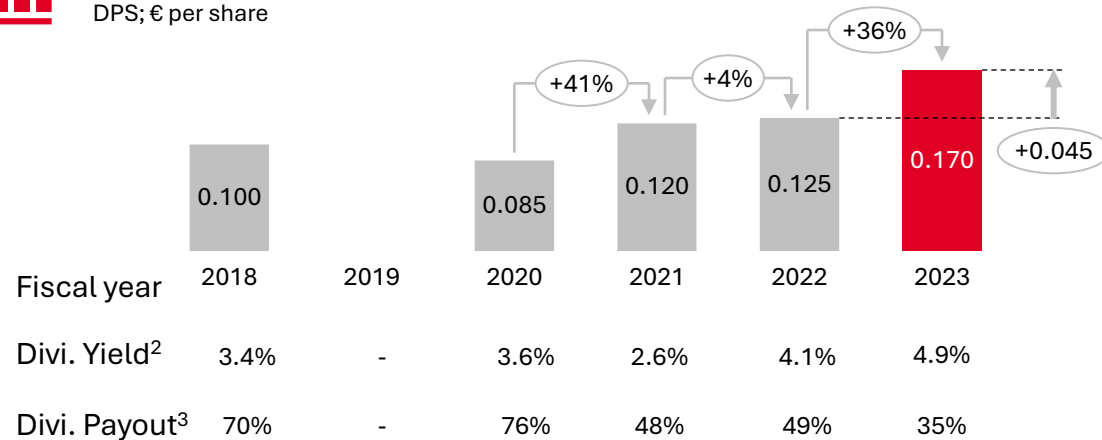
**Inorganic growth:** M&A opportunities in e-commerce logistics related assets

## 2. Attractive shareholder remuneration



### Recurrent dividends<sup>1</sup>

DPS; € per share

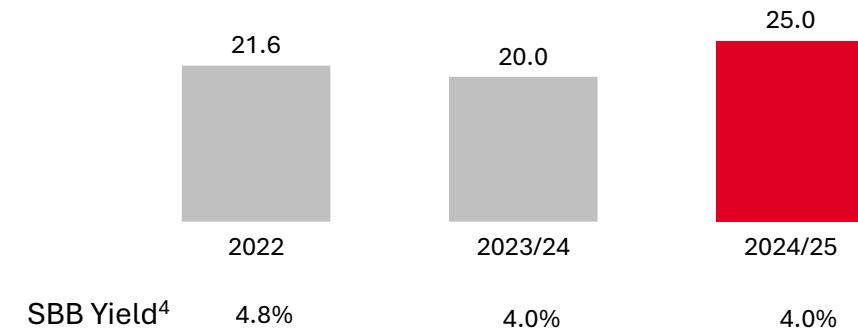


- ✓ Dividend of €0.17 per share proposed for the AGM of April 2024
- ✓ Fulfilling pay-out target: between 35% and 50% of net profit



### Opportunistic share buyback

€ million



- ✓ SBB of €25m in execution (~30% already completed)
- ✓ SBB of €20m executed in 2023/24; 5.475 m shares acquired and cancelled
- ✓ SBB of €21.6m carried out in 2022; 6.085m shares acquired and cancelled

<sup>1</sup>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;

<sup>2</sup>Yield calculated taking as a reference the year end share price of each year;

<sup>3</sup>Based on individual accounts;

<sup>4</sup>Yield calculated taking as a reference the year end market cap of 2022 and 2023 respectively, and for 2024/25 the market cap at end of 1H24

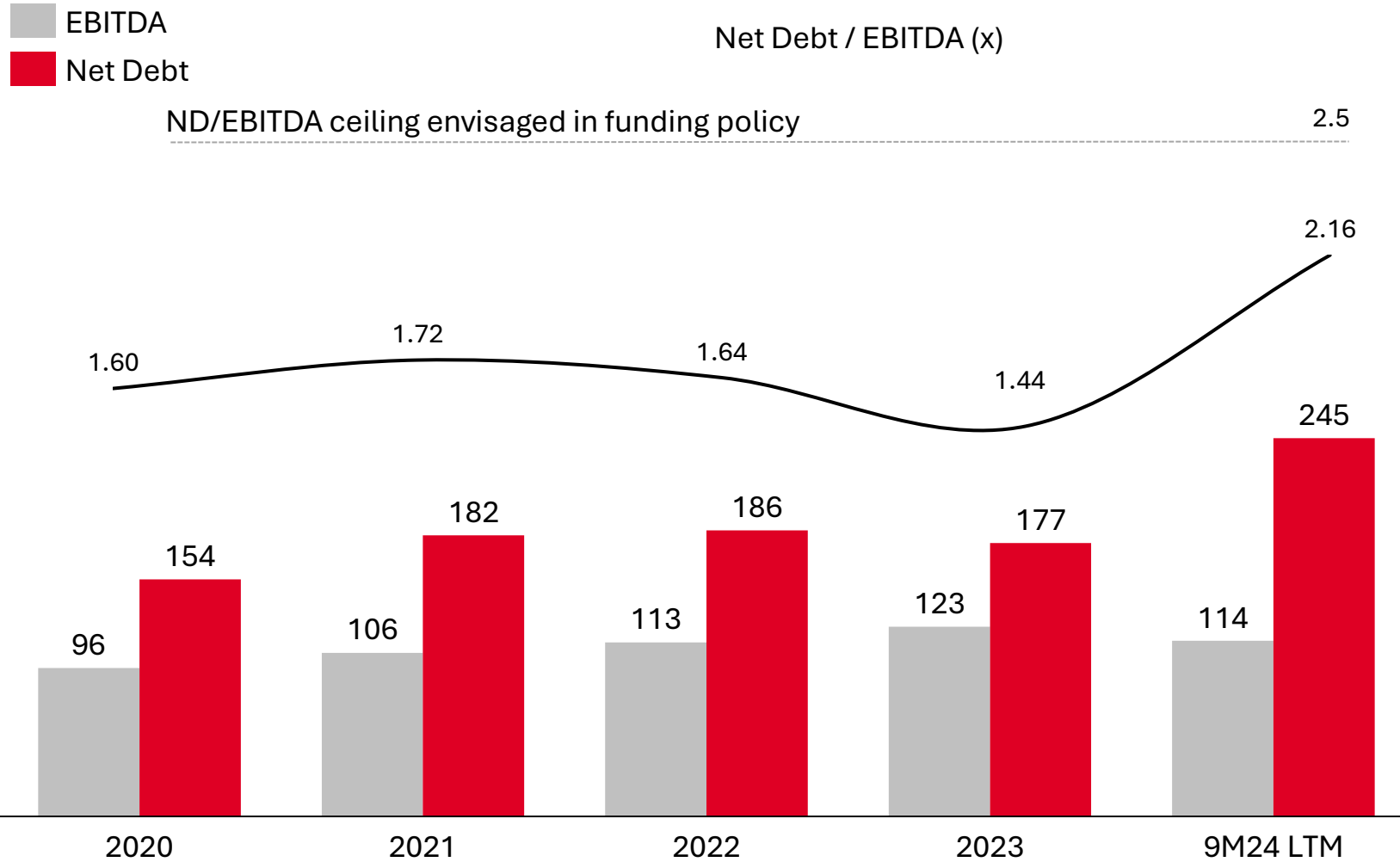


# Balance sheet flexibility

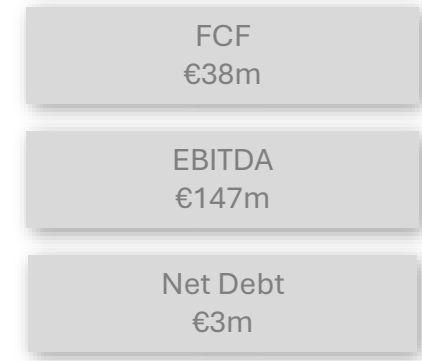
FINANCIAL LEVERAGE

## EBITDA and leverage with Banco CTT under equity method<sup>1</sup>

€ million



## Consolidated indicators



3Q24 LTM

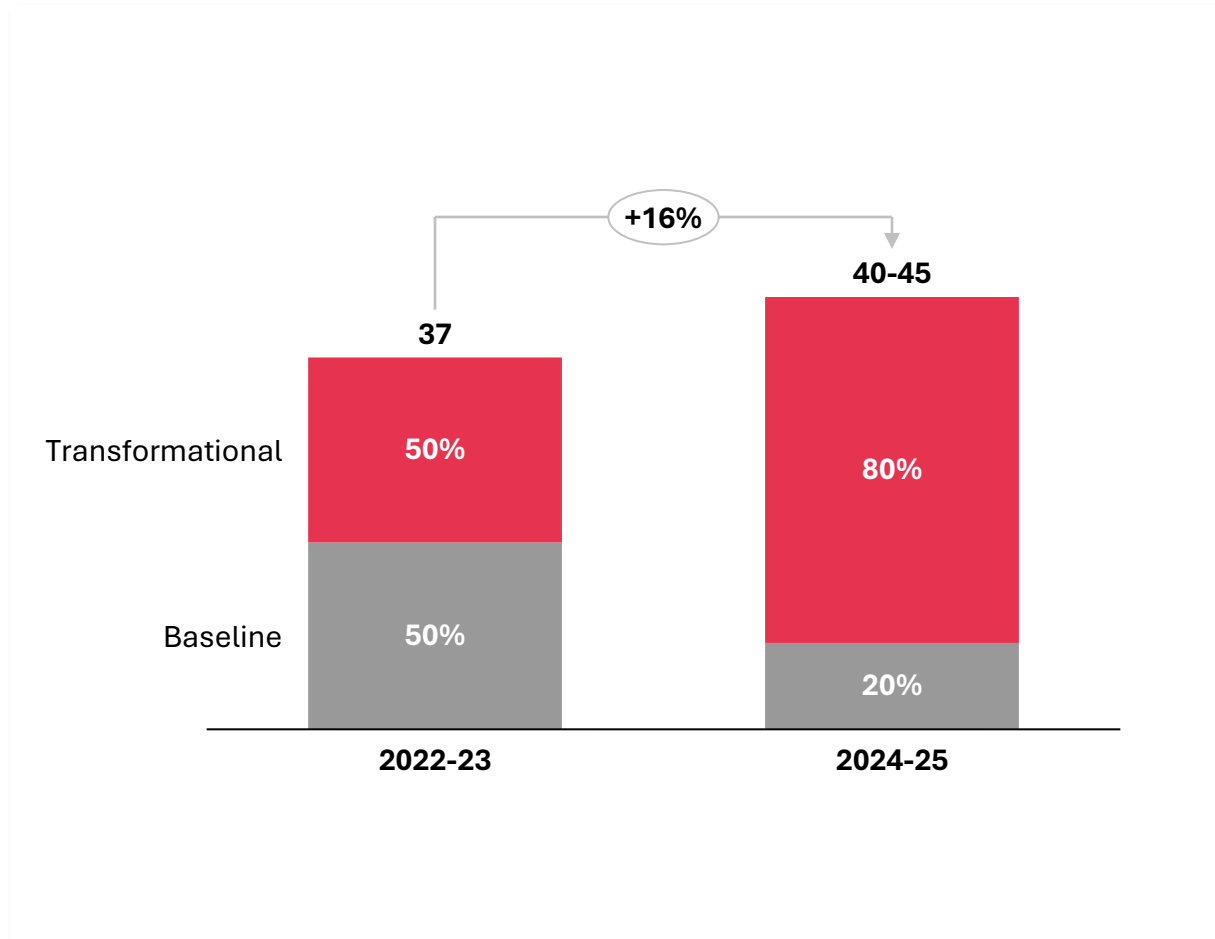
<sup>1</sup>Includes Payshop, which was previously part of Banco CTT

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

OUTLOOK

## 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**



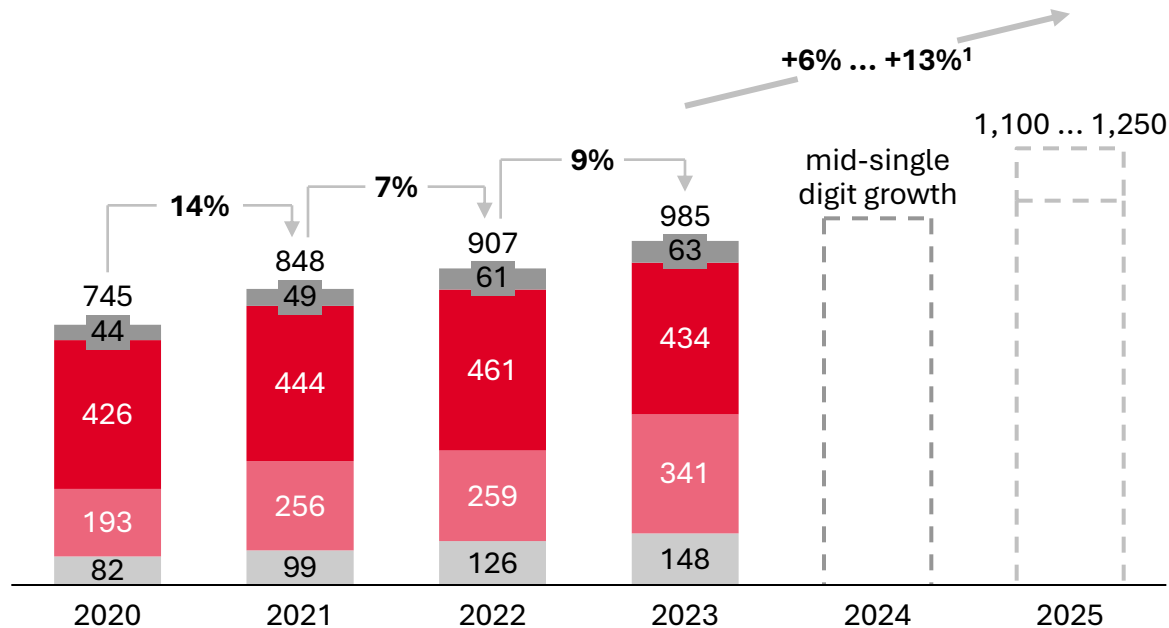
**Revamp Banco CTT hubs** and **upgrade core platform** and **digital channels**

<sup>1</sup>Transformational includes Express & Parcels, Financial Services & Retail, Banco CTT and Business Solutions.

# Growing revenues and EBIT

## Revenues

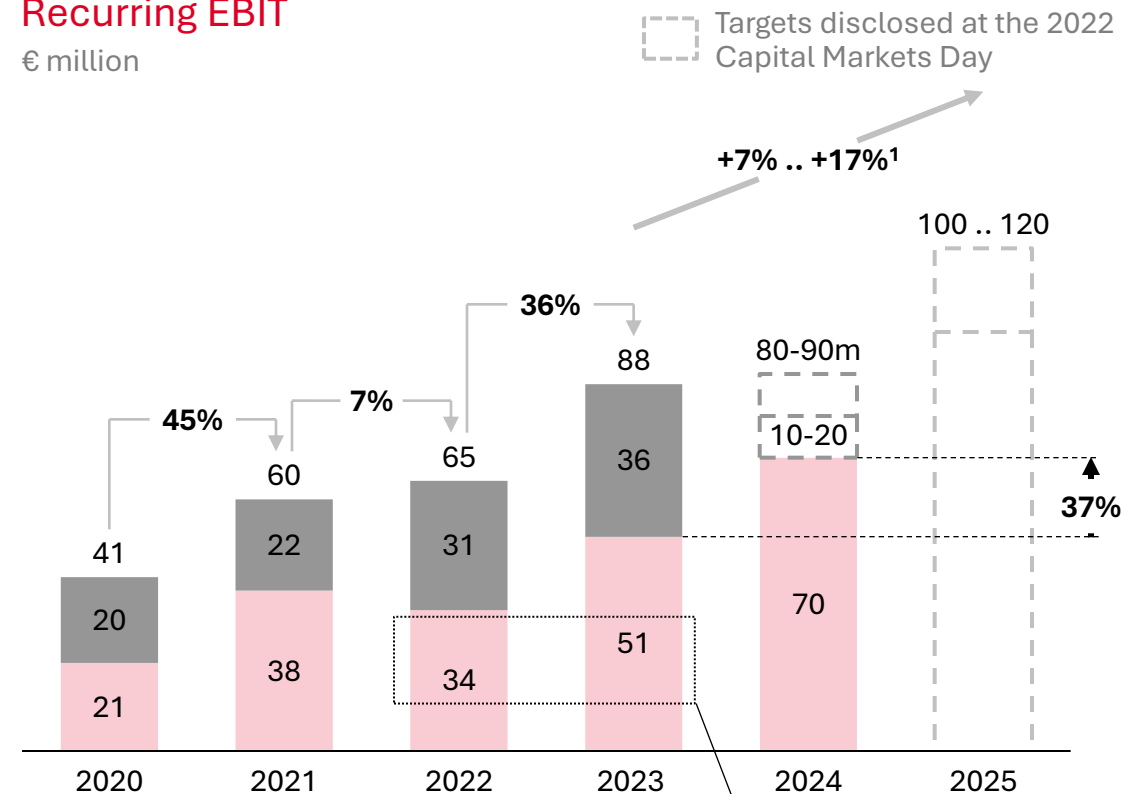
€ million



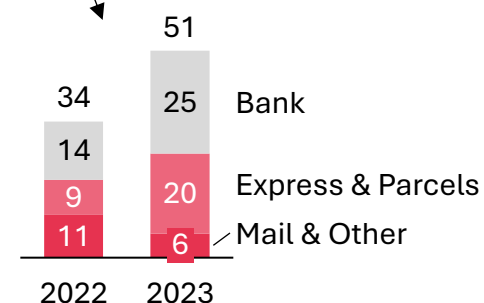
- Financial Services & Retail
- Mail & Other
- Express & Parcels
- Bank

## Recurring EBIT

€ million



- Financial Services & Retail
- Mail & Other; Express & Parcels and Bank



**Towards the CMD guided ambition for 2025**



## Express & Parcels

### Fastest growing e-commerce logistics player in Iberia

- 4<sup>th</sup> largest e-commerce market in Europe with strong growth leveraged by market convergence
- Market share expansion based on quality, commercial proactivity and differentiated new services
- Margin expansion via operational leverage of previous investments



## Banco CTT

### Fastest growing retail Bank in Portugal

- Sizeable and growing client base
- Growing business volumes through increased engagement with clients



## Mail

### Stable business with regulated mail price mechanism and efficiency measures

- Aiming at revenues stabilisation via price increases and better product mix
- Continuous offsetting of labour cost inflation through cost saving and efficiency measures



## Financial Services

### High margin business leveraging on the retail network

- Continued broadening of services offer
- Debt placement run-rate normalized after revision of the debt placement ceilings in October



## Balance Sheet & Future Prospects

### Solid balance sheet and growth prospects

- Inorganic growth optionality (e-commerce / Spain), while maintaining attractive shareholder remuneration
- Guidance points towards mid-single digit revenue growth which should enable expansion of recurring EBIT



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committed to deliver

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