



2024 Santander Iberian Conference

Madrid, 31 January 2024



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Equity story in brief



ctt

Leading logistic player in Iberia with exposure to fast growth e-commerce



>86m items per year

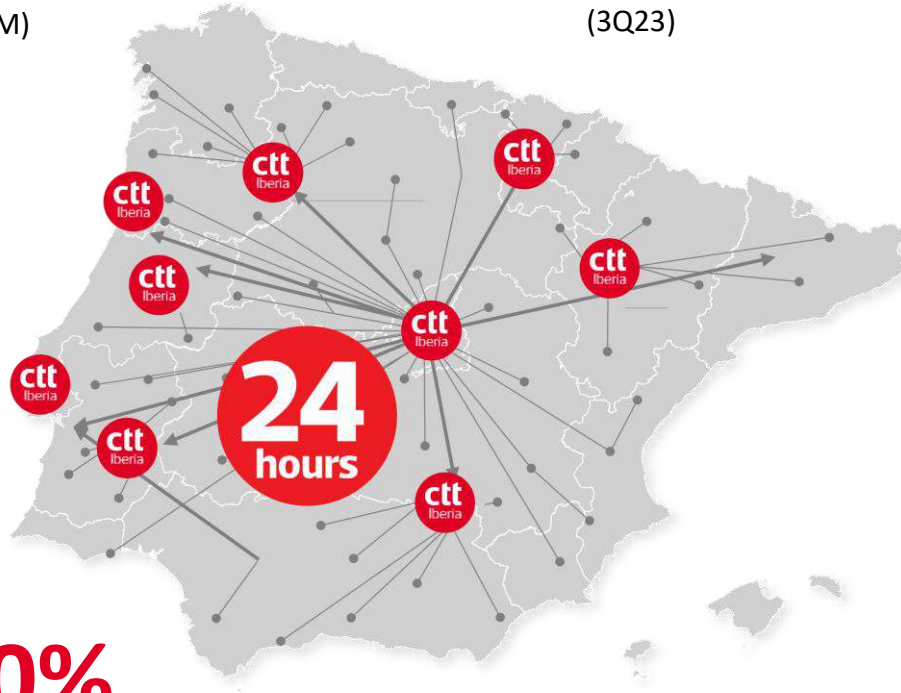
(9M23LTM)

>409k items daily

(3Q23)

17

centres that serve both countries



50%

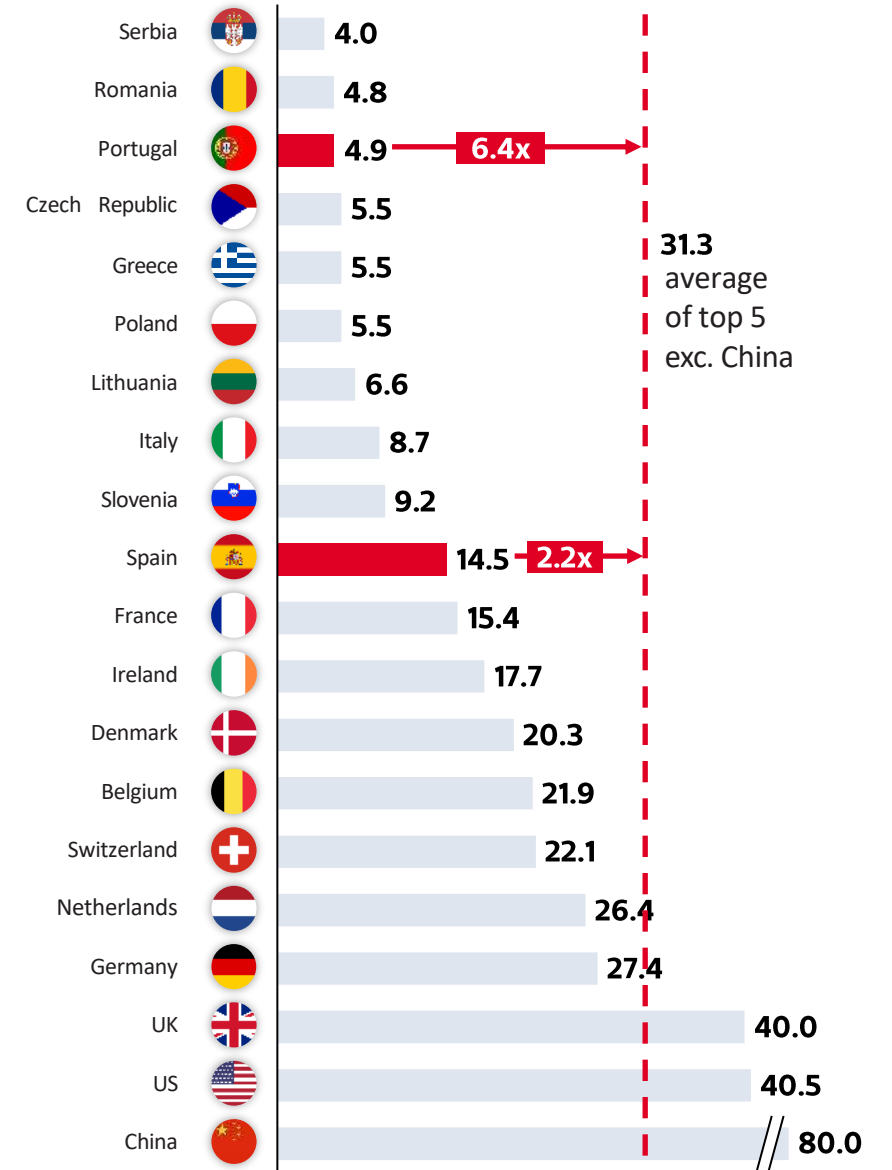
Spanish customers, to choose a single operator in Iberia

100%

D+1 geographical coverage in Iberia

E-commerce - relevant parcel¹ penetration, 2021

Number of parcels per capita per year

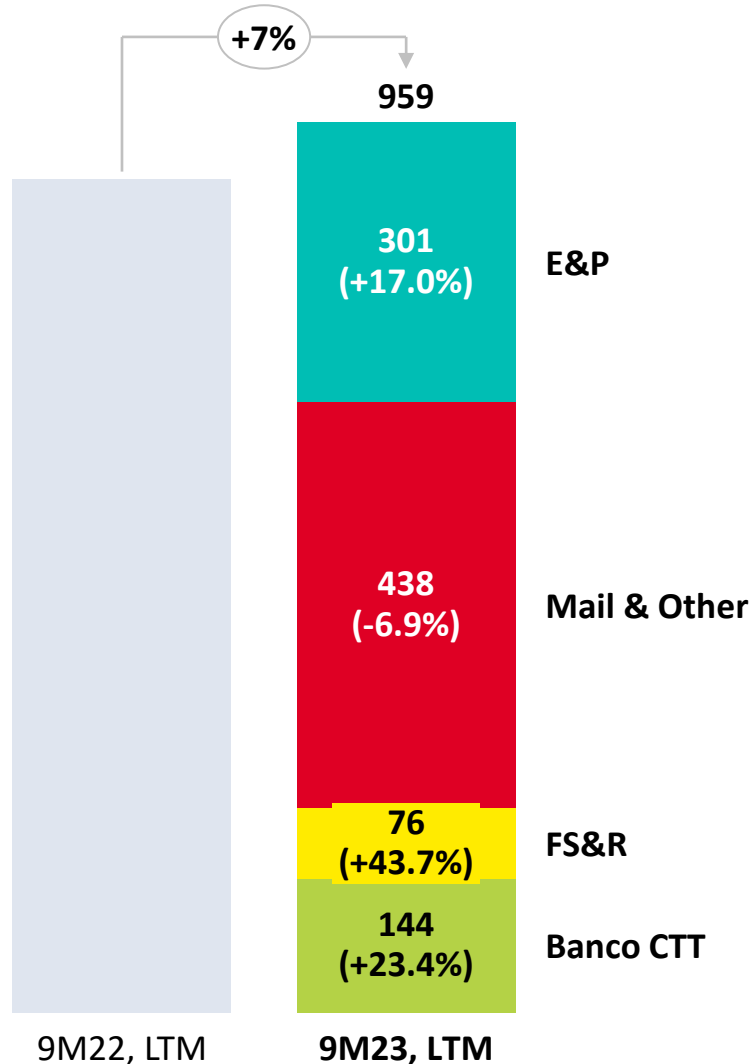


¹IMR market study. ²Pordata
Source: IMR market study, Passport- Euromonitor

Portfolio transformed to embrace growth, with increasing e-commerce exposure

Revenues

€ million; % change vs prior year



Spain

+69% volumes
yoy (3Q23)

Portugal

+20.5% volumes
yoy (3Q23)

Iberian e-commerce
growth engine



7-year contract, with quantitative pricing formula with the goal of offsetting mail volume declines and cost inflation

Leveraging new
USO contract



Sale of services in retail stores and placement of public debt certificates

Profitability
enhancer



637k client accounts in 9M23 (+35k) towards target of 700-750k accounts in 2025

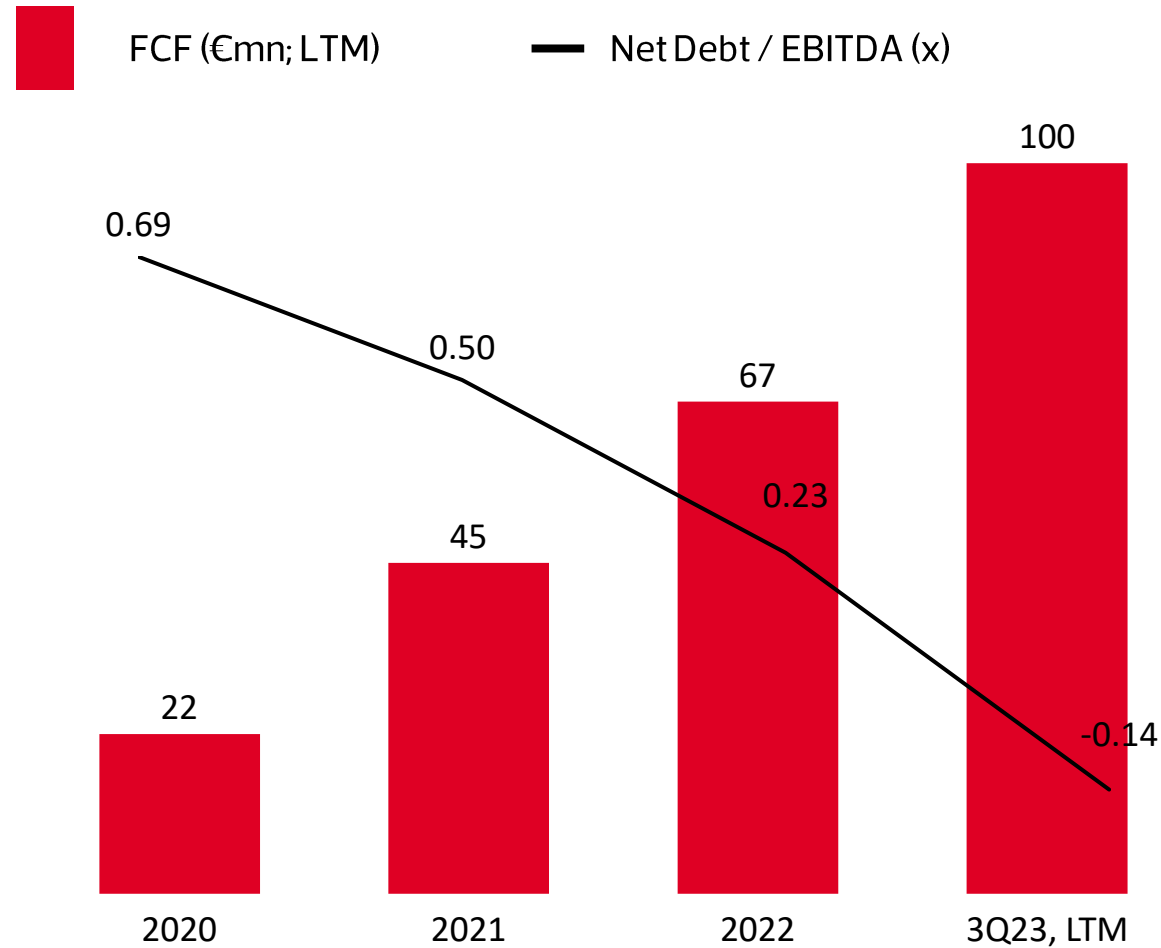
Business volumes of € 5.3 bn end of Sept 2023. +€0.6bn in 9M23 in line with target of >€7bn in 2025

Fastest growing
retail bank franchise
in Portugal

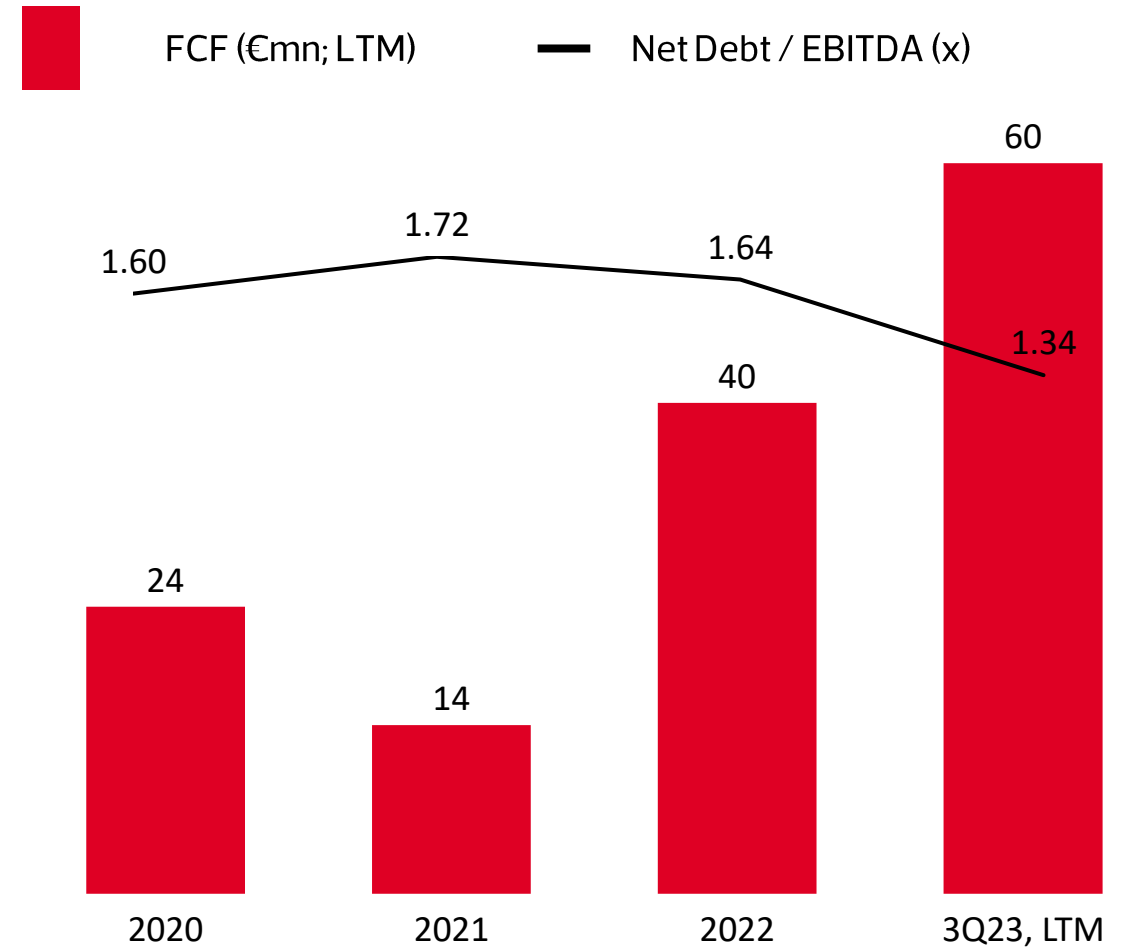
Strong cash flow generation and flexible and solid balance sheet



Consolidated FCF and leverage



FCF and leverage with Banco CTT under equity method¹

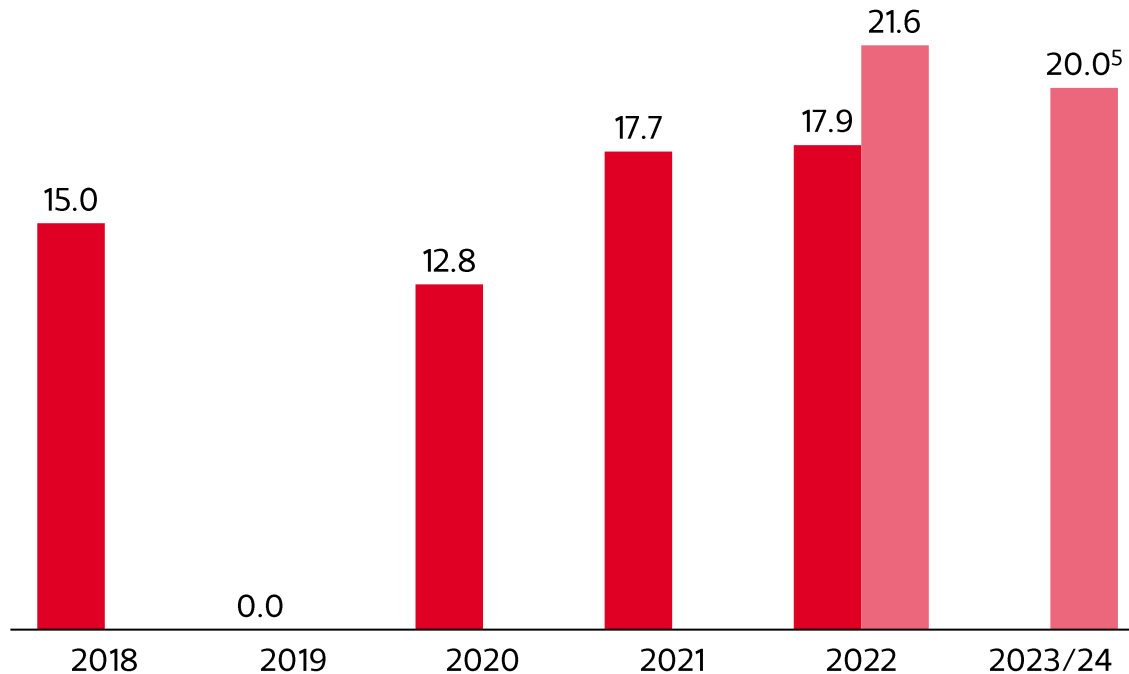


¹From 2022 onwards the numbers are proforma due to Payshop transaction

Clear and attractive shareholder remuneration that enables investment in growth



■ Dividends € m ■ Share buyback € m



Key principles:

- i. enable **investment in business growth** to emerge as a reference Iberian player in logistics and e-commerce;
- ii. **implement an attractive shareholder remuneration** policy, providing an adequate source of income for its shareholders, and
- iii. **combine recurrent, dividend-based, with opportunistic SBB** and subsequent cancellation of shares, in the presence of adequate market conditions.

Targeting to **pay out between 35% and 50% of net profit** in recurring dividends.

Divi. Payout ¹	76%	-	76%	47% ²	48% ³
Divi. Yield ⁴	3.4%	-	3.6%	2.6%	4.1%
DPS (€)	0.100	-	0.085	0.120	0.125

¹Based on individual accounts; ²Excludes the dividend paid on the 1.5m own shares of the share buyback of 2021, share count excluding own shares equals 148.5m; ³Share count excluding own shares equals 142.4m, and ⁴Yield calculated taking as a reference the year end share price of each year; ⁵Planned SBB of €20 m in execution in 2023 and 2024.

Sustainability is a key priority

Raising ESG commitments

- 100% Last-Mile vehicles by 2030 (50% by 2025) and 45% of outsourced fleet employing green vehicles by 2030 (20% by 2025)
- 80% of recycled and/or reusable packaging by 2025, and 100% by 2030
- 33.3% women in the Board of Directors and Supervisory bodies



Alternative Fleet

~500 mainly electric vehicles



Volunteering

More than 200 participations in Volunteer Programs



Recycling

Recycled materials in packaging of 55% of Mail and Express¹



Reutilisation

CTT trays reutilised in the production of 13k new units



“Solar Boroughs”

Launch of a partnership with EDP Comercial in >40 locations



Work-life-family balance

Certified as Family-Responsible Company³.

Walk through the investment case

ctt

Our positioning: a well diversified company, exposed to sustained growth



Faster, Better and Greener

For companies (B2B)¹

For people (B2C)¹

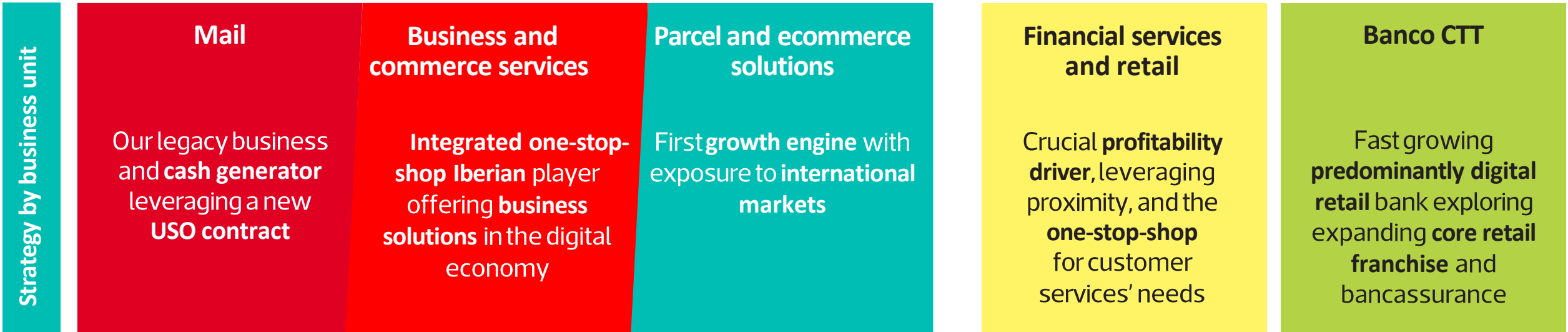
Revenues²: 287.6 | 40% | -1%
abs | wgt | y.o.y.

35.5 | 5% | +6%³

229.5 | 32% | +22%

54.8 | 8% | +39%

108.1 | 15% | +20%

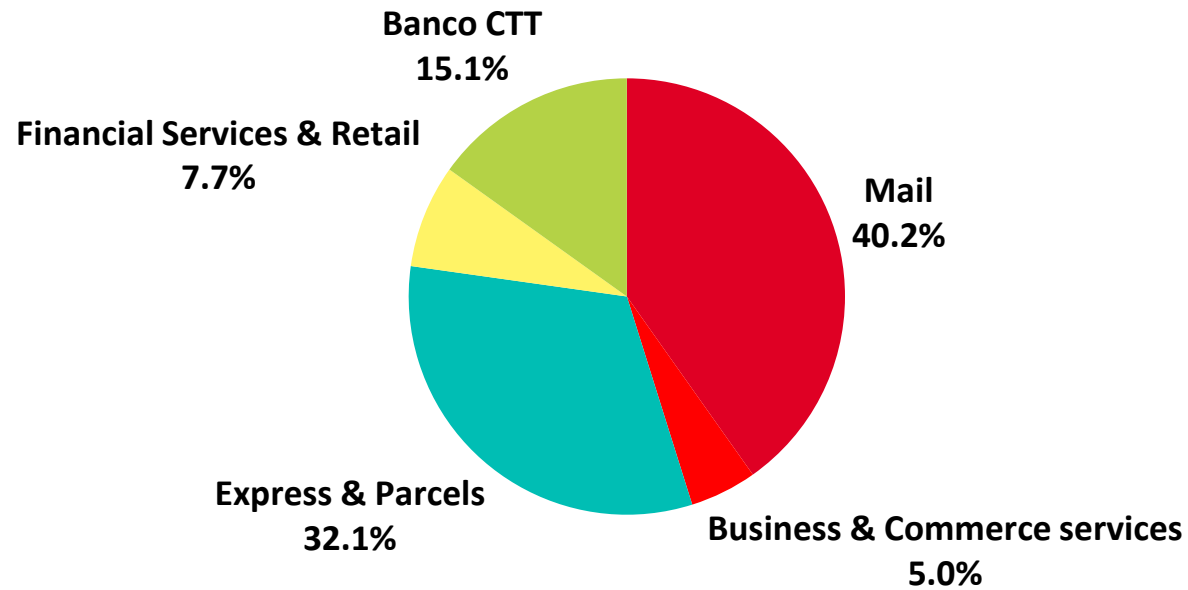


Leveraging strategic assets

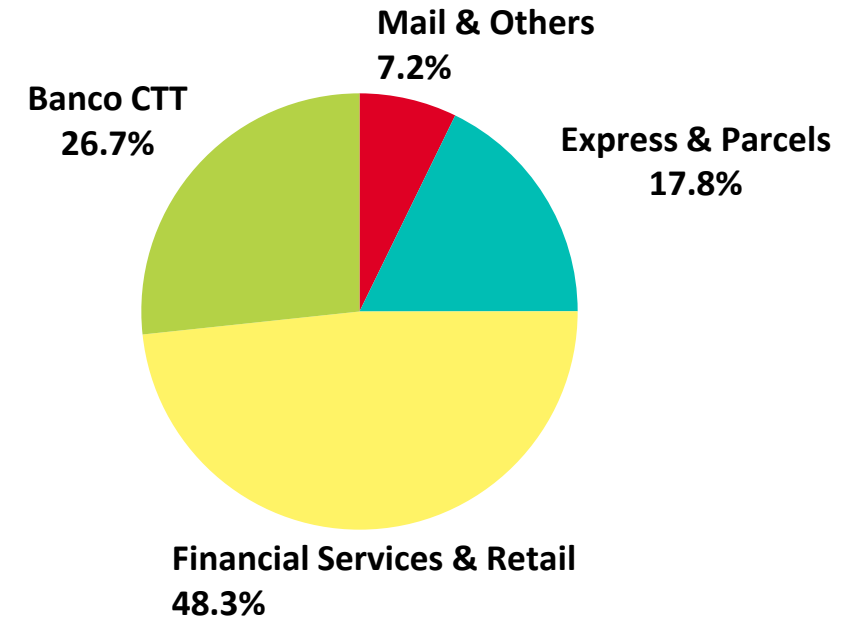
- **Unique Iberian sales force**, underpinned by **universal access to B2B** customers and an exceptional retail network in Portugal
- **Strong and trusted brand** for both people and businesses
- **Unique last-mile distribution network**, increasingly integrated at Iberian level

¹Predominantly; ²9M23, € million, % weight of total revenues, % growth yoy; ³ Growth adjusted to exclude the laptop project one off in 2022

Revenues 9M23
(€ 715.4 m)



Rec. EBIT 9M23
(€ 68.1 m)



Business diversified between growth units and stable cash flow generating ones

Execution, transformation and a solid balance sheet that enhances optionality

For Companies (B2B)¹



- **Portugal:** High market growth potential, maintain leadership and improve profitability
- **Spain:** High market growth potential, market share gains from low to high single digit and improving EBIT margin to mid-to-high single digit



- Universal mail service contract for 2022-28 with high pricing predictability and with clear and more rational quality objectives
- Aiming at stabilising revenue profile, through price, commercial activity and business services, while reducing costs to improve profitability

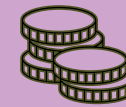
For People (B2C)¹



- Continued transformation of retail network towards services
- Early results from insurance distribution agreement with Generali
- High demand of public debt certificates drove record high revenues in Financial Services & Retail*



- Client, volumes and revenue with solid performance and growth
- Growth-driven profitability improvement



Strong cash-flow generation

Balance sheet flexibility: leverage < 2.5x net debt to EBITDA²

Improving shareholder remuneration while preserving ability to grow

- Recurrent, dividend-based remuneration (pay-out of 35% to 50% of net profit)
- Opportunistic SBB and subsequent cancellation of shares



Raising ESG commitments

- Net-Zero by 2030
- 80% of recycled and/or reusable packaging by 2025, and 100% by 2030
- 33.3% women in the Board of Directors and Supervisory bodies

1. Predominantly. 2. Consolidated net debt including lease liabilities, assuming Banco CTT under equity method, compared with consolidated EBITDA assuming Banco CTT under equity method. 3. LTM EBITDA as at June 2023. 4. Shareholder remuneration policy and dividend proposal are subject to market conditions, a suitable financial and accounting context of CTT's balance sheet, and the applicable legal and regulatory terms and conditions. 5. Within the context of specific market conditions.

Iberia is a large and growing market

European ecommerce market
€bn

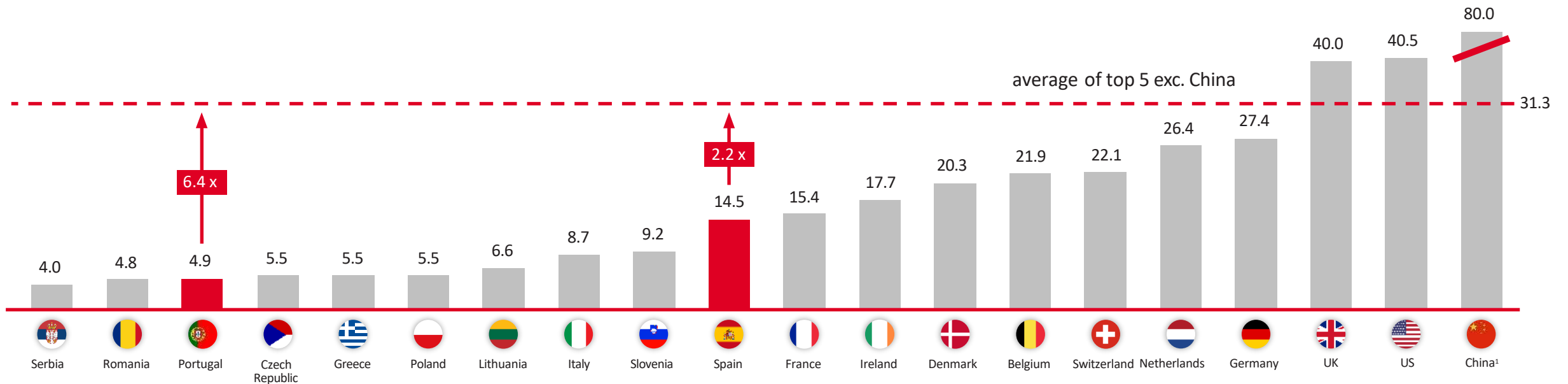
	2018	2021	2023	Change. total	Change, %
	72.5	131.2	159.1	+86.6	+119%
	55.5	86.6	109.5	+54.0	+97%
	33.1	55.6	66.6	+33.5	+101%
	15.3	27.6	33.7	+18.4	+121%
	13.9	25.3	29.8	+15.9	+114%
	7.9	12.9	15.5	+7.6	+97%
	10.1	21.3	27.9	+17.8	+176%
	10.1	24.4	30.7	+20.6	+204%
	1.7	3.6	4.6	+2.9	+170%
	11.8	28.0	35.2	+23.5	+199%

Iberia is the 4th largest European market after the UK, Germany and France, and is predicted to be the fastest growing ecommerce market in the years to come

The Iberian market has a unique potential to accelerate e-commerce penetration

E-commerce - relevant parcel¹ penetration, 2021

Number of parcels per capita per year



In Portugal, limited supply of ecommerce appears to be the main cause for low demand:

- Portugal is typically an early adopter of consumer technologies (cell phones, ATMs, electronic tolls)
- Portugal ranks 4th in Europe in the percentage of external e-commerce, confirming the limited local offer

The most integrated express operation in Iberia



EXPRESS AND PARCELS



Integration in Iberia



Integration of mail and parcel operations in Portugal

17

centres that serve both countries

109k

hourly order processing capacity

100%

D+1 geographical coverage in Iberia

44%

customers in Portugal, to send to Spain

~1/3

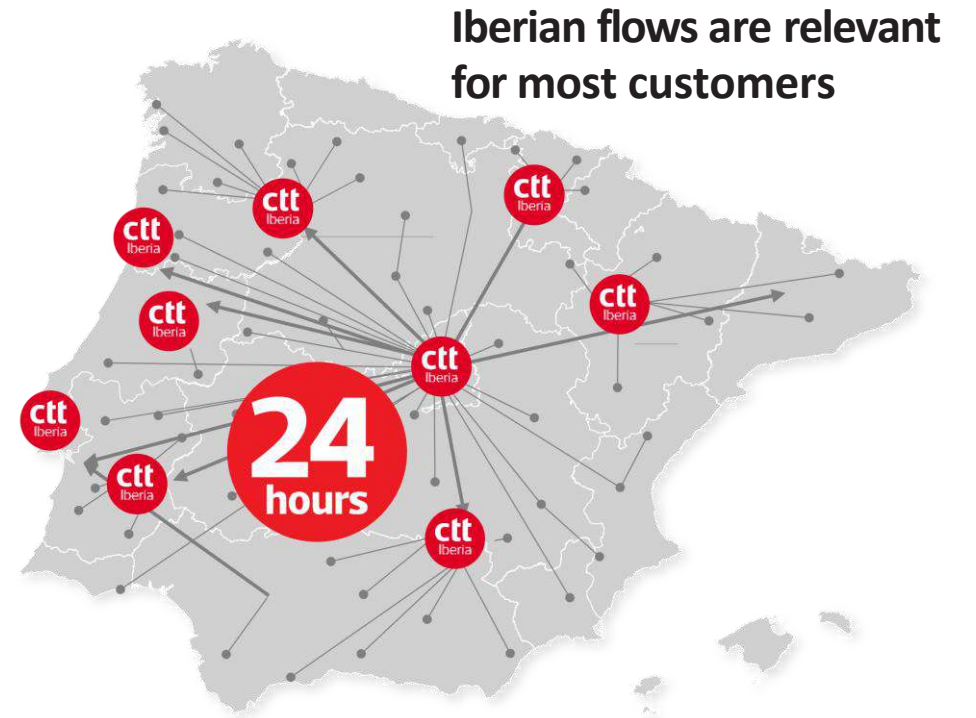
customers in Spain, to send to Portugal

29%

International market Portuguese Express (2019)

50%

Spanish customers, to choose a single operator in Iberia

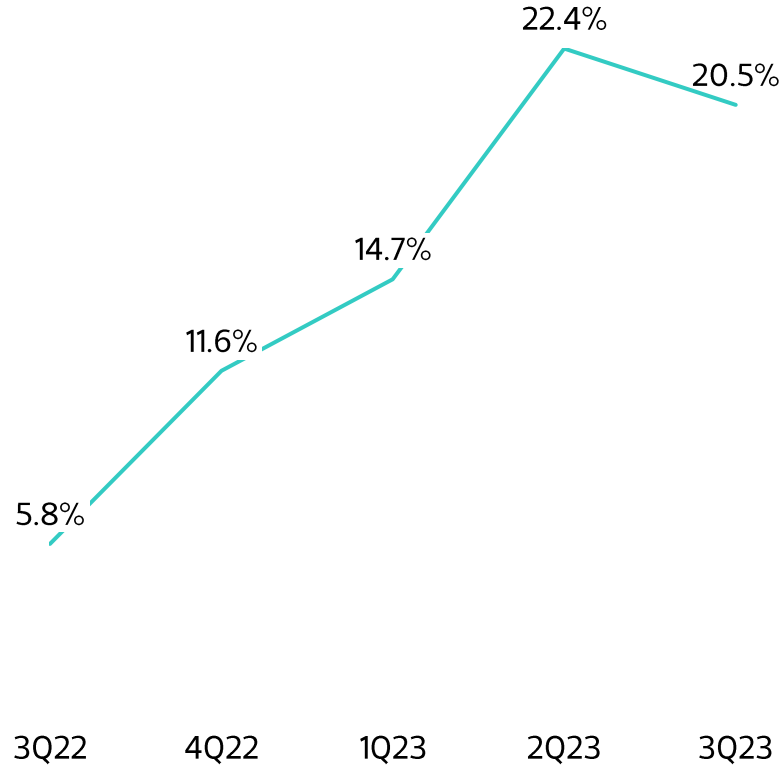


E&P in Portugal delivers resilient growth as e-commerce adoption increases



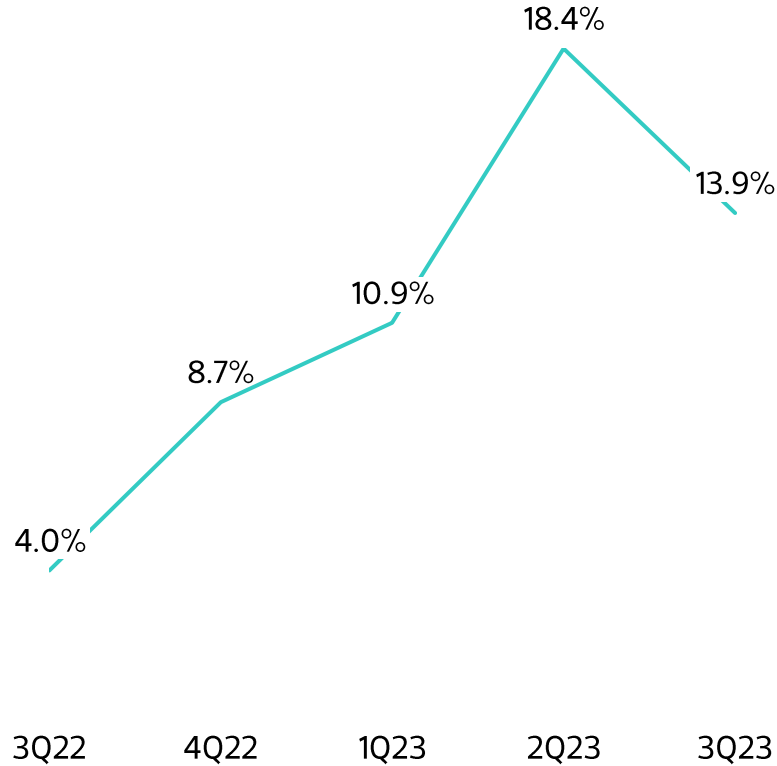
E&P Portugal | CEP Volumes

% change vs. prior year

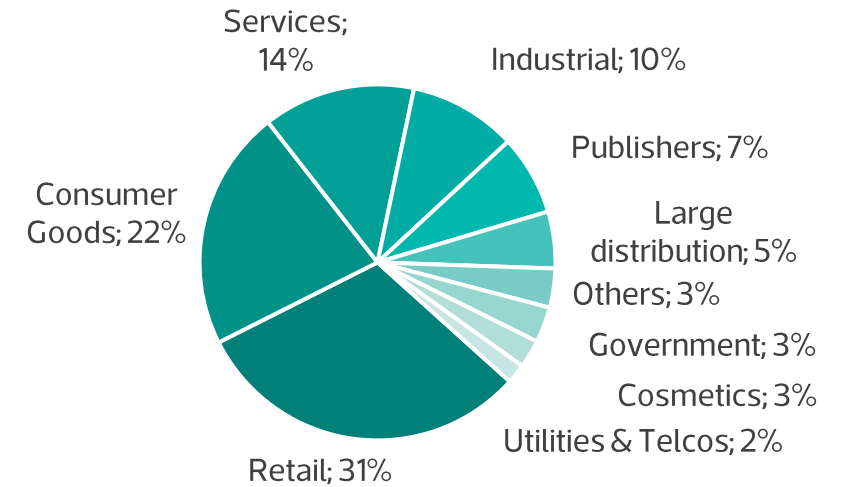


E&P Portugal | CEP revenues

% change vs. prior year



CEP Volumes by type of client¹ in 9M23



Diversified pool of clients across sectors

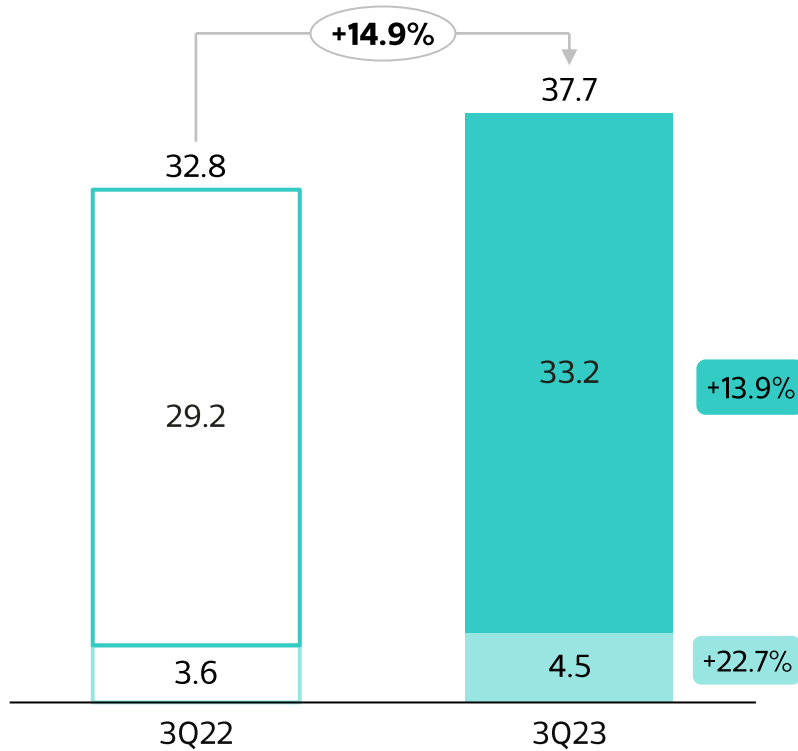
¹Contractual clients

E&P in Portugal with a robust margin expansion

E&P Portugal | Revenues

€ million; % change vs. prior year

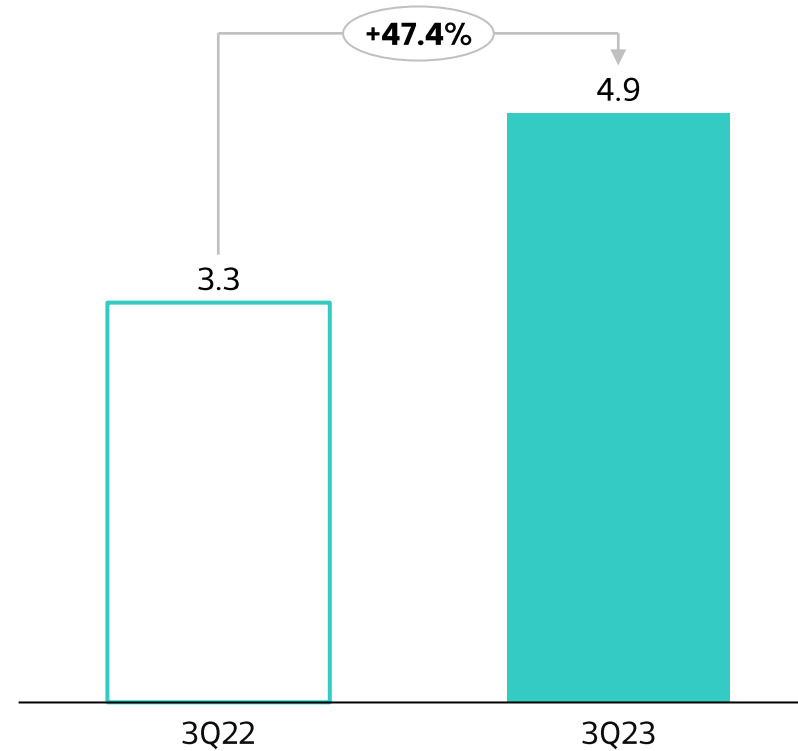
■ CEP ■ Cargo & other



E&P Portugal | EBITDA¹

€ million; % change vs. prior year

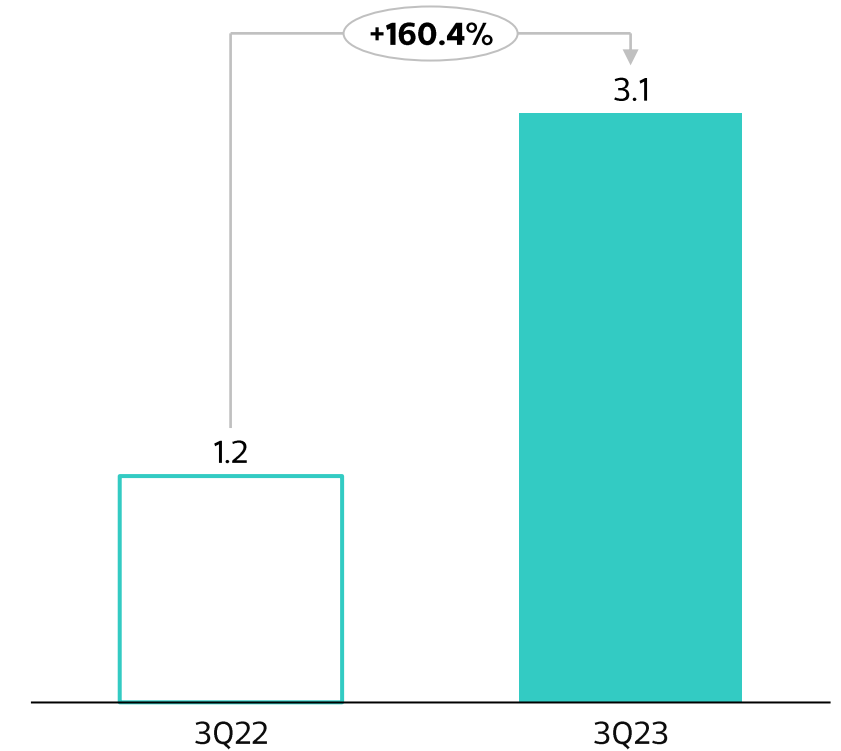
Margin¹: 10.4% → 13.3%



E&P Portugal | EBIT^{1,2}

€ million; % change vs. prior year

Margin¹: 3.7% → 8.3%



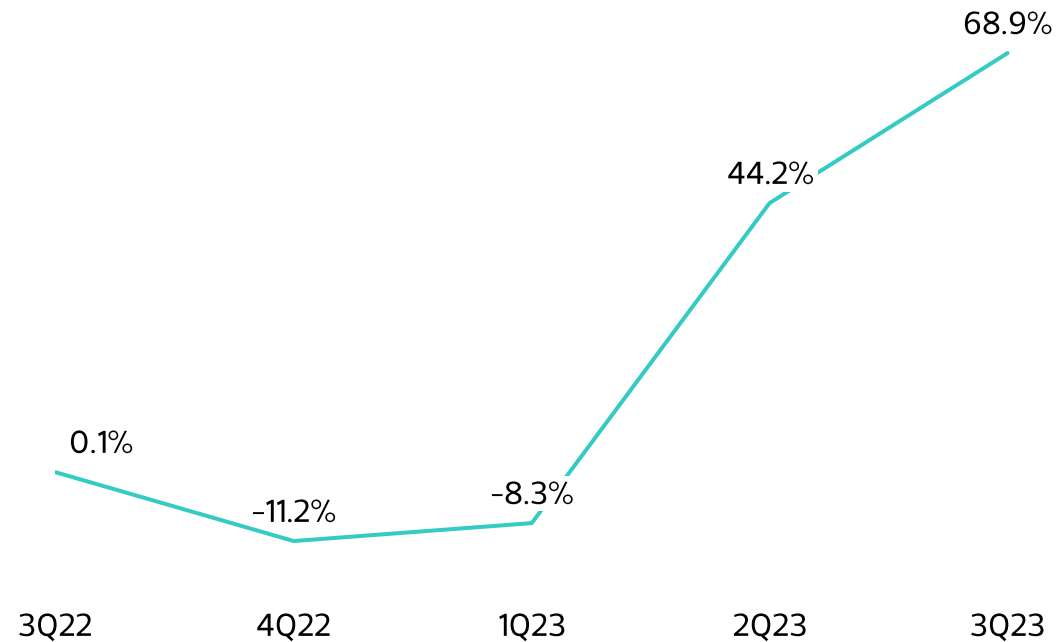
Operational leverage delivering sustainable high margins

¹Individual accounts; ²Recurring EBIT excludes specific items;

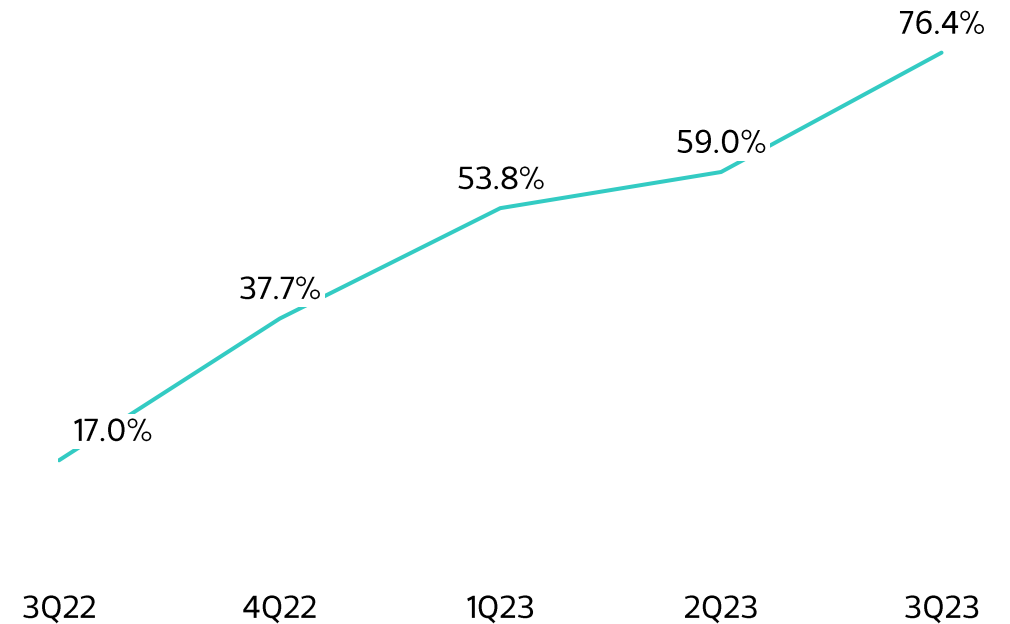
E&P in Spain maintaining high rates of growth



E&P Spain | CEP Volumes
% change vs. prior year



E&P Spain | Smaller clients'¹ volumes
% change vs. prior year



**High growth fueled by all client segments,
with the smaller clients outperforming and improving diversification**

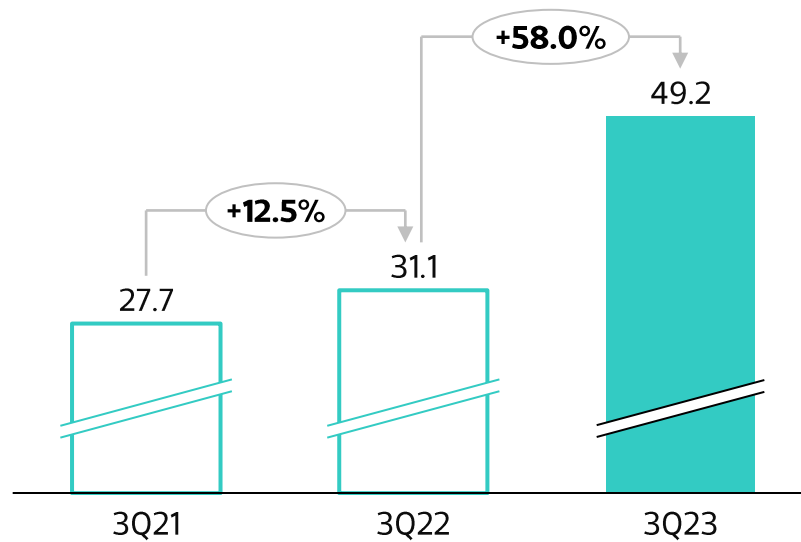
¹Clients with daily volumes below 20,000 items

Growth and operational leverage enabling margin expansion in E&P in Spain



E&P Spain | Revenues

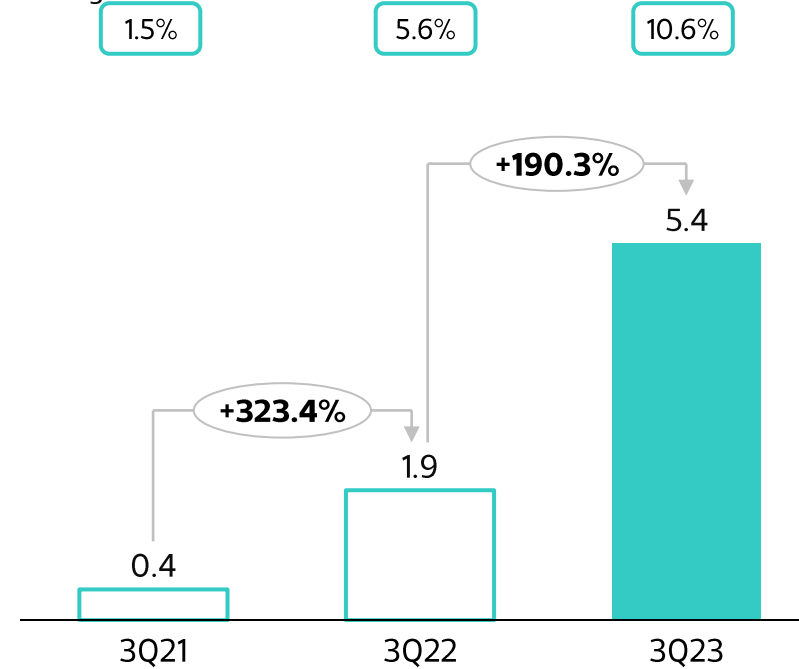
€ million; % change vs. prior year



E&P Spain | EBITDA¹

€ million; % change vs. prior year

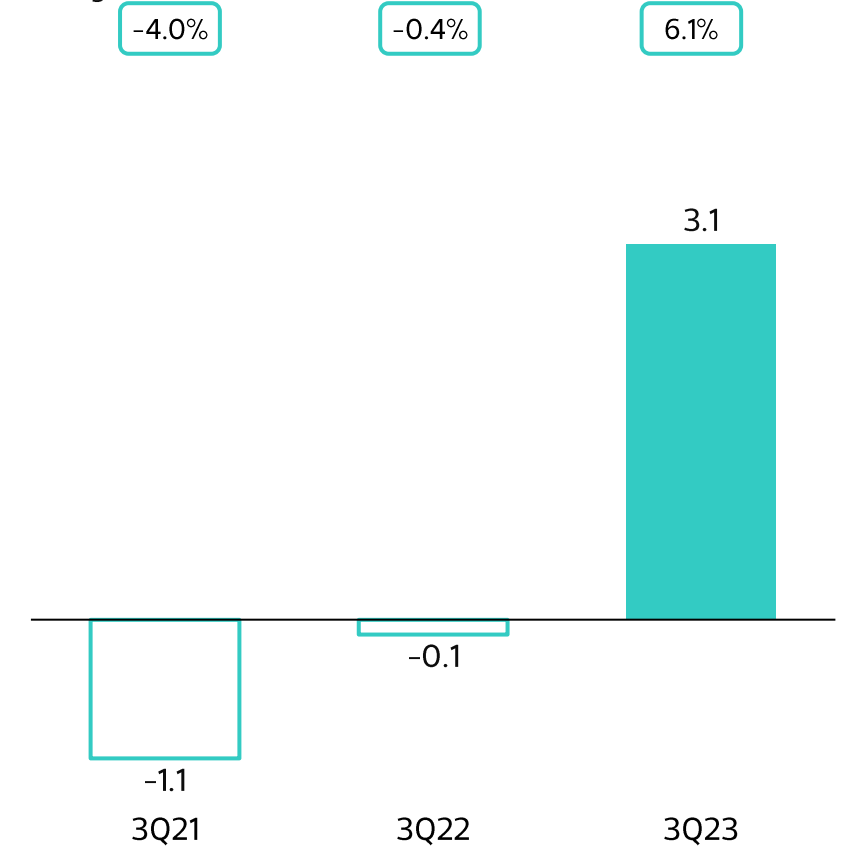
Margin¹:



E&P Spain | EBIT^{1,2}

€ million;

Margin¹:



Swift capacity upgrades to protect quality at much higher volumes

¹Individual accounts; ²Recurring EBIT excludes specific items;

Continued growth in E&P

Express & Parcels – Revenues 9M23

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

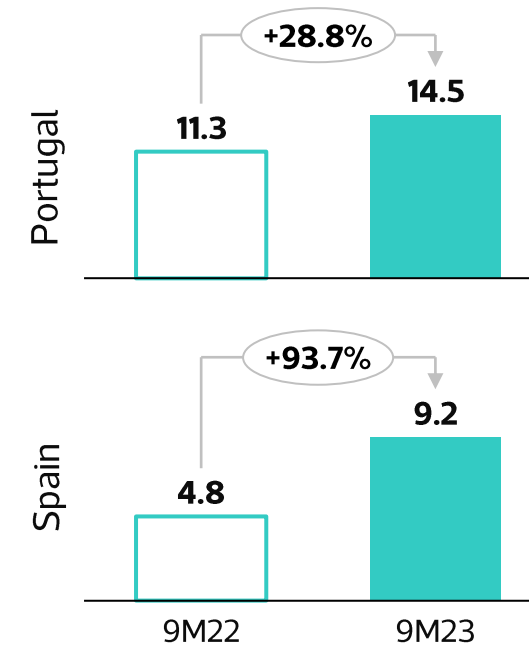
Portugal	106.2 (+12.6%)
Parcels	96.4 (+14.4%)
Cargo	3.0 (-19.5%)
Banking network	3.2 (+1.1%)
Logistics	2.9 (+17.1%)
Other	0.7 (+13.8%)
Spain	119.9 (+32.2%)
Mozambique	3.4 (+22.1%)
Total	229.5 (+22.2%)

Volumes by region (m items)

Metric	Total
9M23	67.3
vs. 9M22	+27.5%

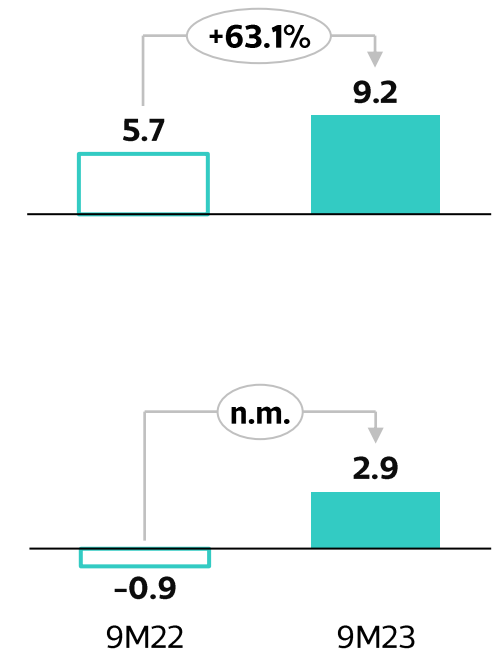
EBITDA^{1,2}

€ million



Recurring EBIT^{2,3}

€ million



Metric	Portugal
9M23	27.8
vs. 9M22	+18.9%

of which 27.5 (+19.3%) CEP

Metric	Spain
9M23	39.5
vs. 9M22	+34.4%

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

New mail concession agreement providing visibility and stability

7-year contract, including a transition period (2022) followed by two 3-year periods (2023-25 and 2026-28)

Quality	<ul style="list-style-type: none"> ✓ SLAs to be approved by the Government upon ANACOM's proposal, within European average and best-practices, also for 3-year periods
Density	<ul style="list-style-type: none"> ✓ No major changes
Price	<ul style="list-style-type: none"> ✓ Defined by agreement between CTT, ANACOM and the Consumer Directorate-General for periods of 3 years ✓ If no agreement, the Government sets out the criteria

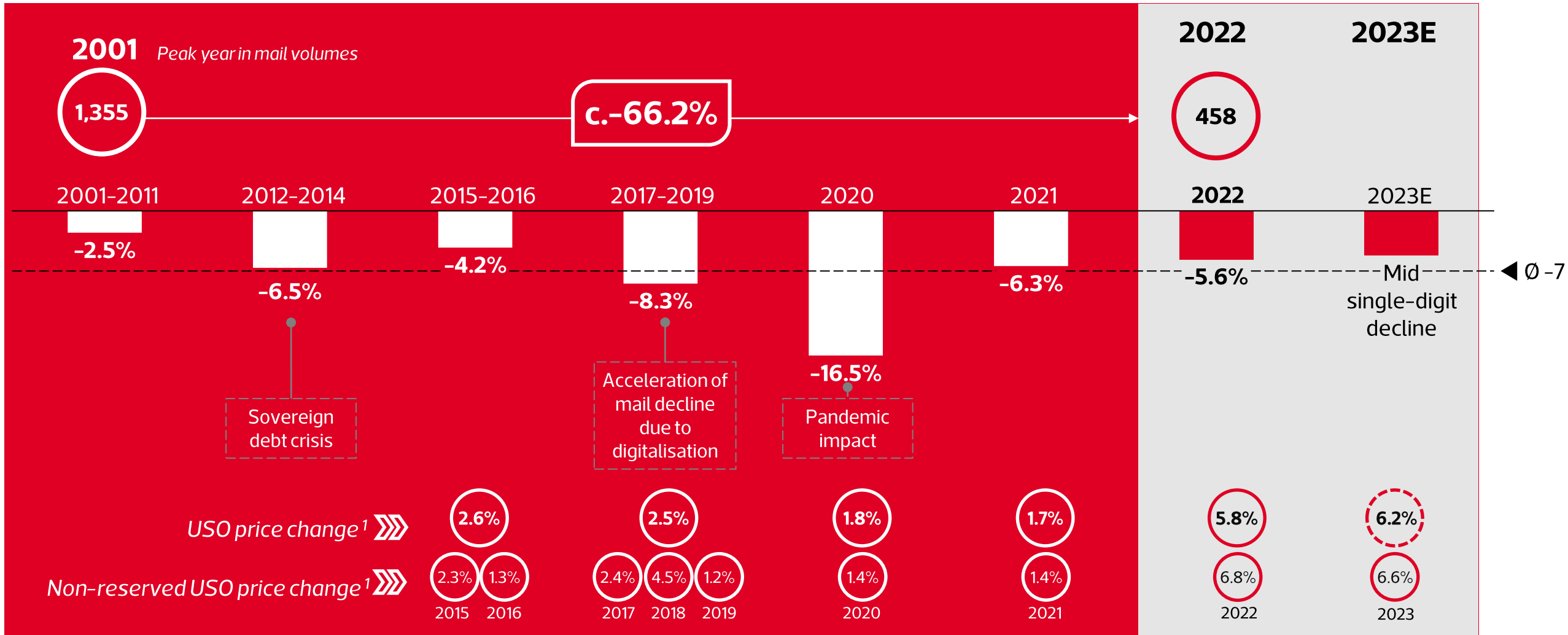
Pricing agreed with ANACOM and GCD for the 2023-25 period	$CPI - \Delta \text{ Volumes} \times (1 - VC) - E + K$	
	CPI	Average of last 12m
	$\Delta \text{ Volumes}$	y.o.y volume change, of last 12m (excluding bulk mail)
	VC	Variable costs factor (16%)
	E	+0.5% efficiency factor
	K	Factor to apply to extraordinary conditions

Softer volume decline coupled with higher price increase offer improved outlook



CTT addressed mail volumes evolution

Million items; CAGR (%)

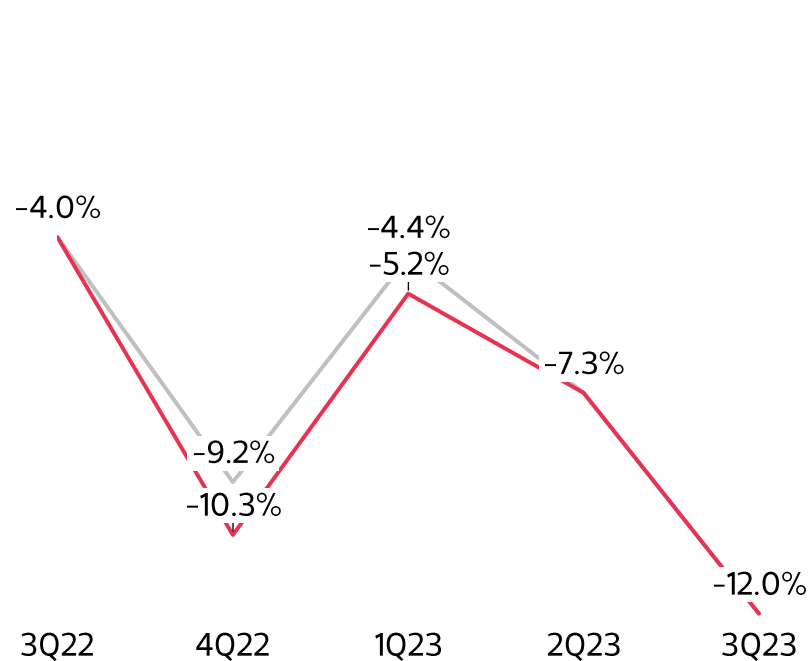


Softer mail volumes penalised by steeper digitalisation trends

Addressed mail volumes

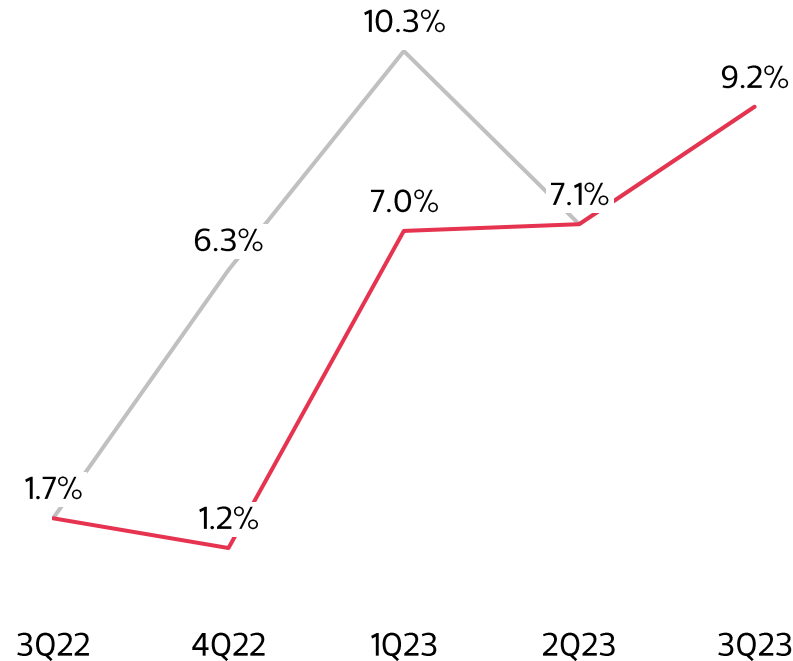
% change vs. prior year

— Adjusted for elections impact
— Reported



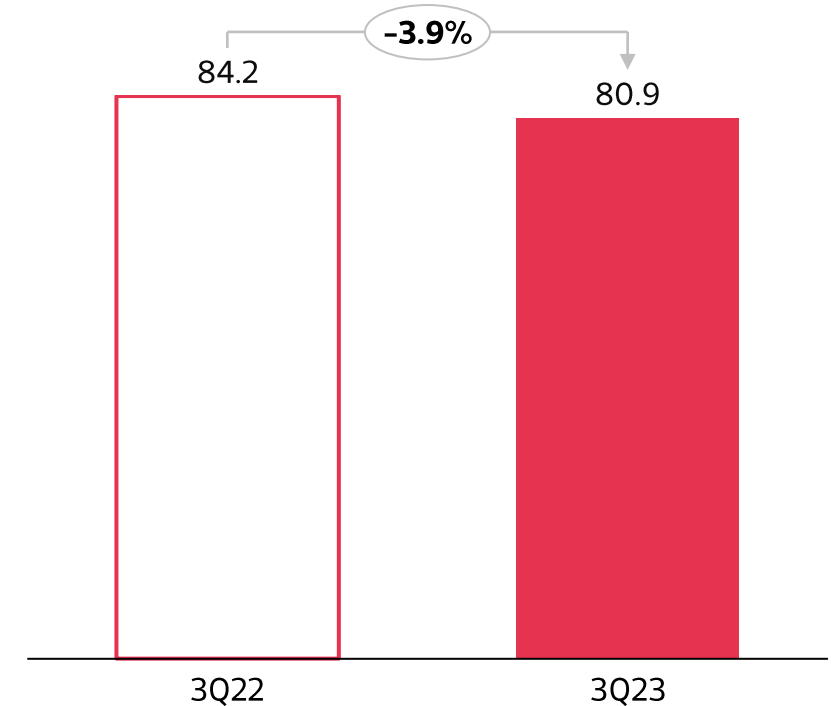
Average revenue per item

% change vs. prior year



Addressed mail revenues

€ million; % change vs. prior year

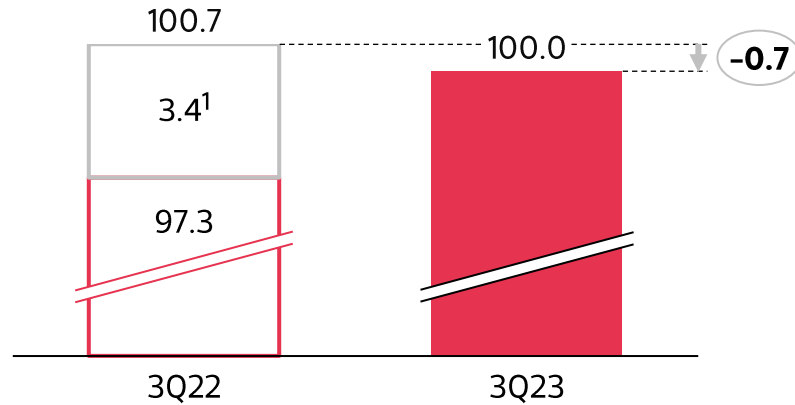


Average revenue per item increasing, on the back of higher prices, but not fully compensating volume declines

Continued focus on profitability, including pricing and cost measures, to cope with softer volume trends

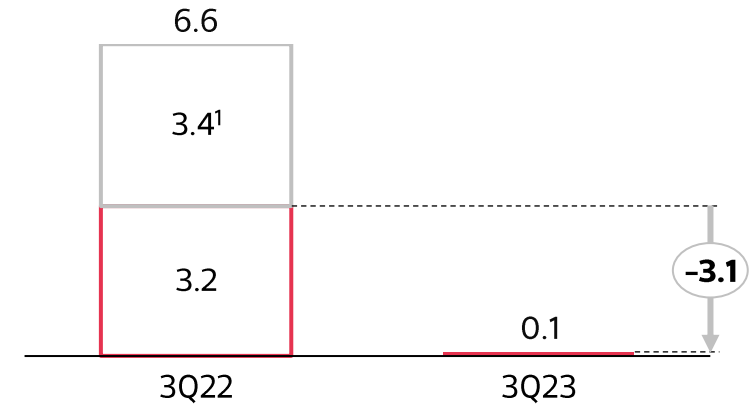
Mail & Other | Costs (Rec. EBIT level)

€ million; % change vs. prior year



Mail & Other | Rec. EBIT

€ million; % change vs prior year



Staff Reduction Initiatives in place

	Headcount (#)	Cost (€m)	Annualised impact in EBIT (€m)	Payback (years)
9M23	83	4.2	2.5	1.2
4Q23/FY24	~200	12-15	~5.0-5.5	<3

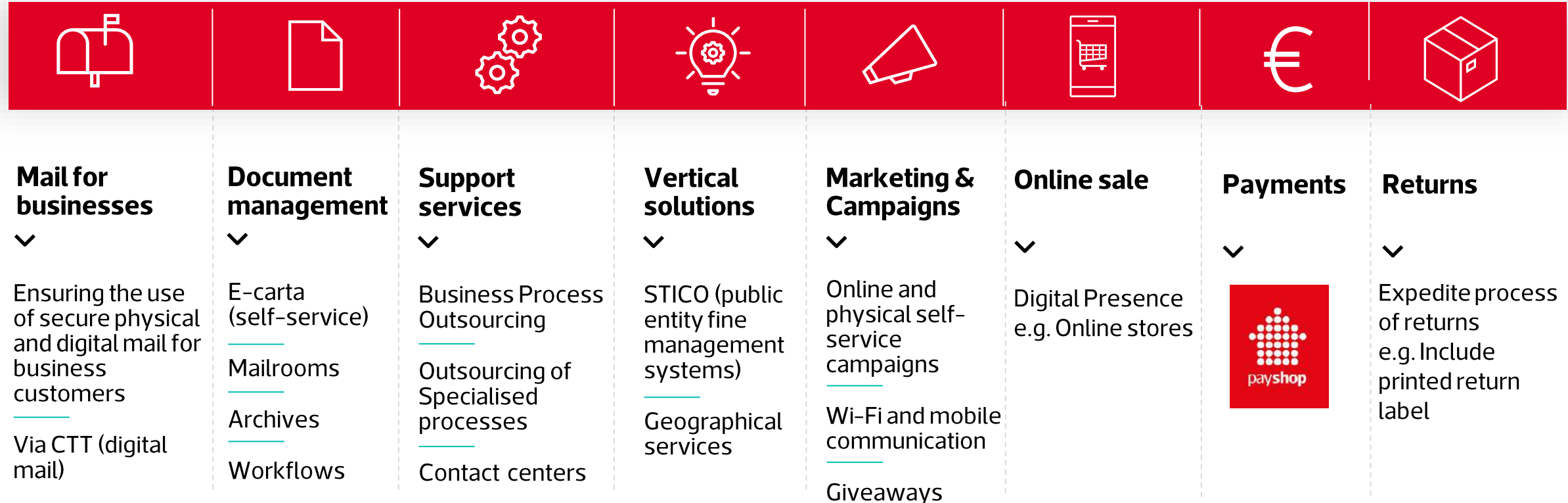
**Key profitability drivers are volumes and pricing
in a context where staff reduction will deliver results in 2024**

¹The recurring EBIT in 3Q22 benefited from the cost savings associated with the change of CTT's headquarters. The impact in 3Q22 was €3.4m and there is an equivalent annual impact in 2023 and going forward.

Supporting customers in improving efficiency and boost business, particularly in ecommerce

SUPPORTING
the business

EMPOWERING
the business



Softer volumes offsetting price increase

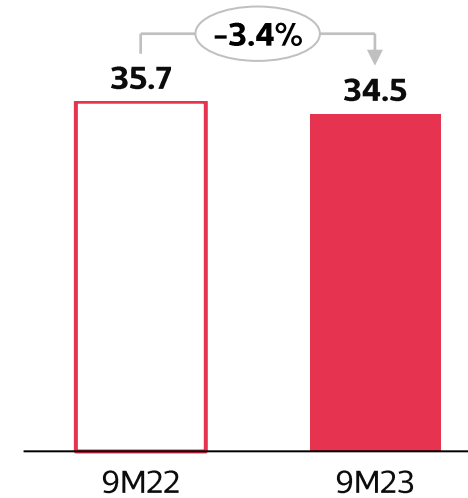
Mail & other – Revenues 9M23

€ million; % change vs. prior year

Transactional	257.4 (+0.2%)
Advertising	9.3 (-27.9%)
Editorial	8.7 (-4.1%)
Business solutions	32.7 (-36.7%)
USO parcels	5.5 (+2.0%)
Philately & other	6.7 (+4.5%)
Mail	320.3 (-6.4%)
Central Structure	2.7 (-15.5%)
Mail & other	323.0 (-6.5%)

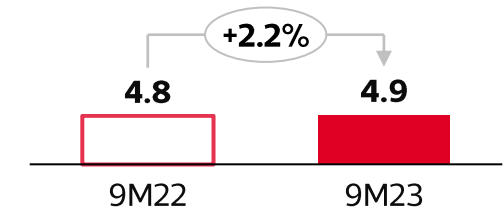
EBITDA¹

€ million



Recurring EBIT²

€ million



Volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
9M23	N.A.	319.6	278.9	21.9	18.7	198.0
vs. 9M22	+6.28%	-8.0%	-6.7%	-22.3%	-8.0%	-37.1%

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

We have a unique network capillarity across the country that we are refocusing on services

569

branches spread across the country

>1,800

agents offering CTT products and services

All 308 municipalities

with a CTT store

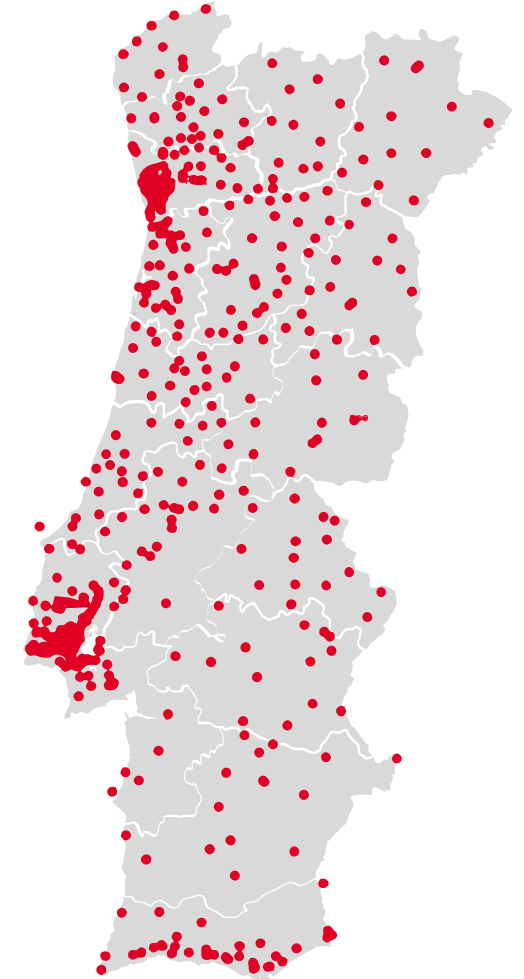
Azores



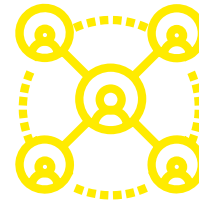
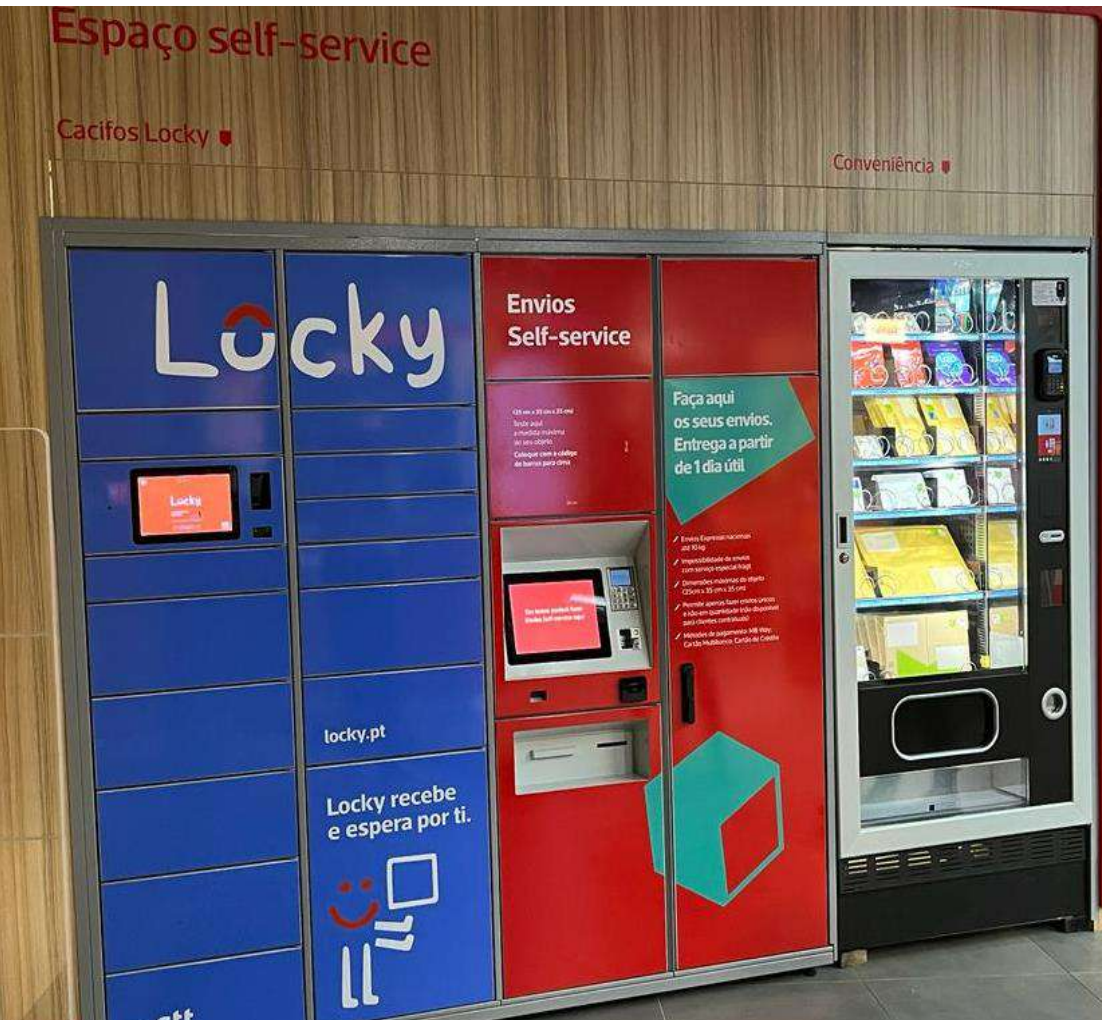
Madeira



● CTT branches



Ambition to reinforce proximity and become a one-stop-shop for customer service needs



Capillary network, associated with customer proximity, present with own shops in all municipalities



Leveraging existing in-person traffic with 65k unique client visits / day, as well as increasingly available digital / self-service functionalities



Solving for customers' convenience and daily service requirements and eliminating pain-points

Focus on transforming CTT's retail network in a powerhouse of services to the citizen



Focus on the portfolio of services...

... while transforming our in store experience



Savings

In-store and online distribution
Strong dynamics drive walk-ins



Non-life insurance

Auto
Home
Travel
Health



Money transfer services

Western Union direct-to-bank corridors
Payshop and postal agents networks



Payment Services

Pensions
Tax payments
Toll Payment
Utilities
Aerial Transport subsidy



Strengthening the self-service and digital approach

Expansion of the Locker network
Implementation of self-service kiosks
Reinforcement of omnicanality

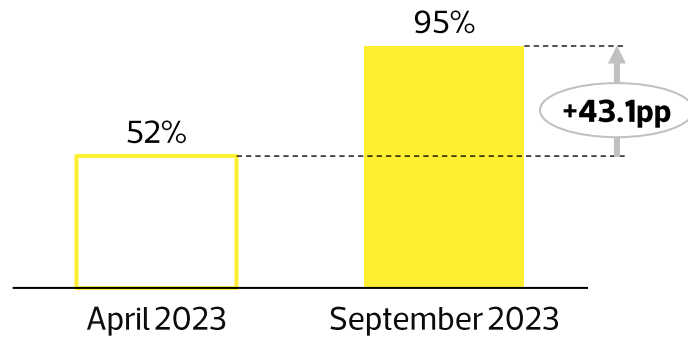


In-store process redesign

Opening more self-service convenience spaces 24/7
Layout re-evaluation and redesign
Waiting areas with improved digital experiences and information

Less attractive rates and stringent cap impacted placements and thus profitability

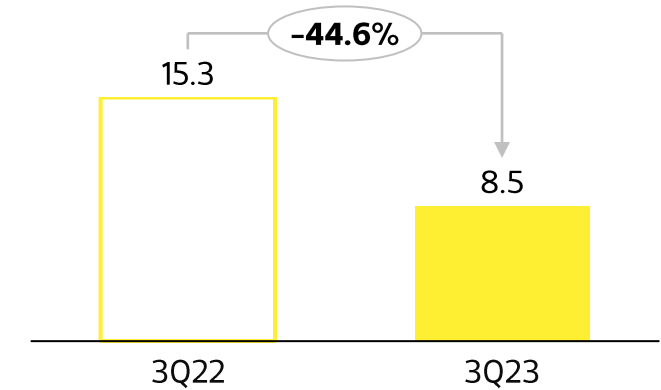
Insurance Products | CTT sales ramp up
% of total CTT stores selling insurance products



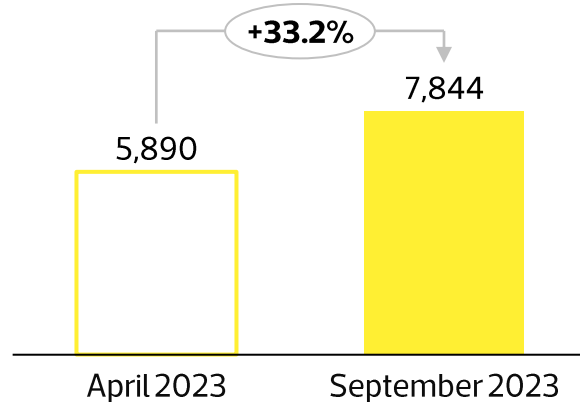
Expansion towards other type of services
Partnership with Prosegur, a security company



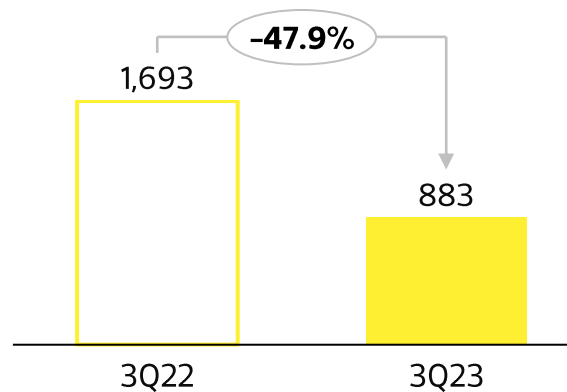
Financial Services | Revenues & rec. EBIT
€ million; % change vs. prior year



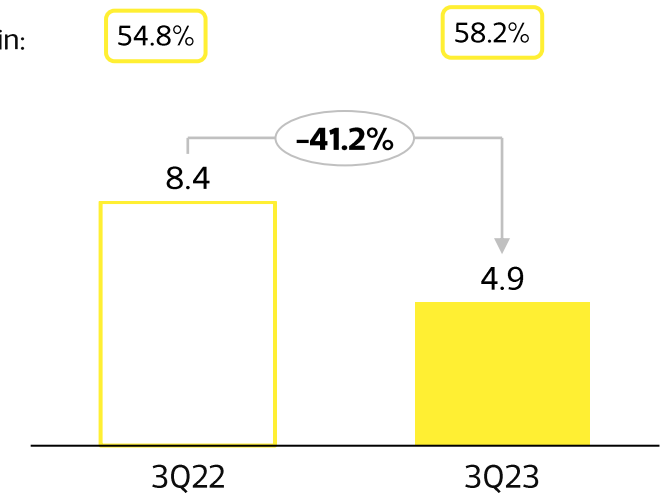
Insurance Products | Client interactions
Number of insurance simulations made by clients in stores



Financial Services | Public Debt Placements
€ million; % change vs. prior year



Margin:



Strict ceilings on debt placements are restricting placements until year end

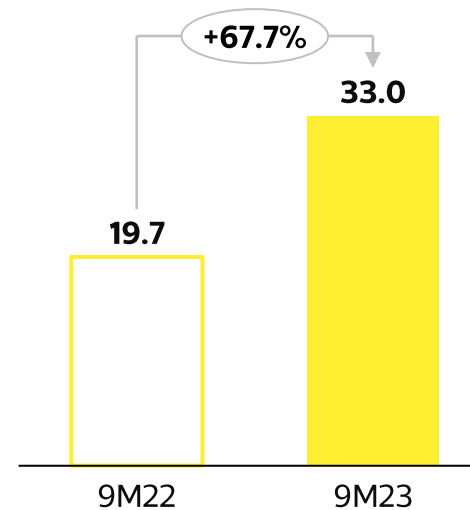
Financial Services & Retail – Revenues 9M23

€ million; % change vs. prior year

Savings & insurance	41.1(+101.9%)
Money orders	3.1(-29.1%)
Payments	1.1(+1.0%)
Retail products & services	8.2 (-35.1%)
Other	1.3 (+19.9%)
Total	54.8 (+38.6%)

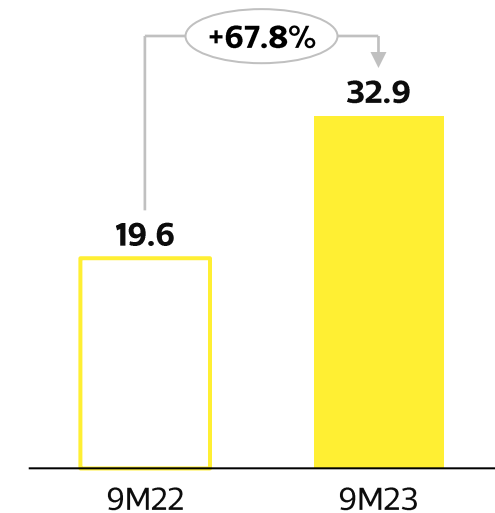
EBITDA¹

€ million



Recurring EBIT²

€ million



Financial Services volumes by type

Metric	Savings flows (€bn)	Placements	Redemptions	Money orders (m ops.)
9M23	15.5	12.3	3.2	7.2
vs. 9M22	>>	>>	>>	-31.4%

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

Business Segments



612k
accounts¹

Core Retail:
Monetise the franchise

Monetise the existing bank relationships



€ 3,129 m
deposits &
savings²

Savings:
Excel in private savings

Increase penetration of savings products,
leveraging on CTT's platform experience



€ 1,783 loans³

Household credit:
Growth

Continue to develop credit for households

Enablers

Discipline in costs and capital: Control costs in a high inflation context, with optimized capital management

Specialization of the distribution platform: Increase anchor stores, promoting higher specialization

Using IT as an efficient and secure way to develop relationships with clients and partners: Accelerate the availability of technological solutions to reinforce human relations

¹Data as of end of 1Q23; ²Customer deposits and off-balance sheet savings as of end of 1Q23; ³Loans to customers as of end of 1Q23

Steady growth towards medium-term targets



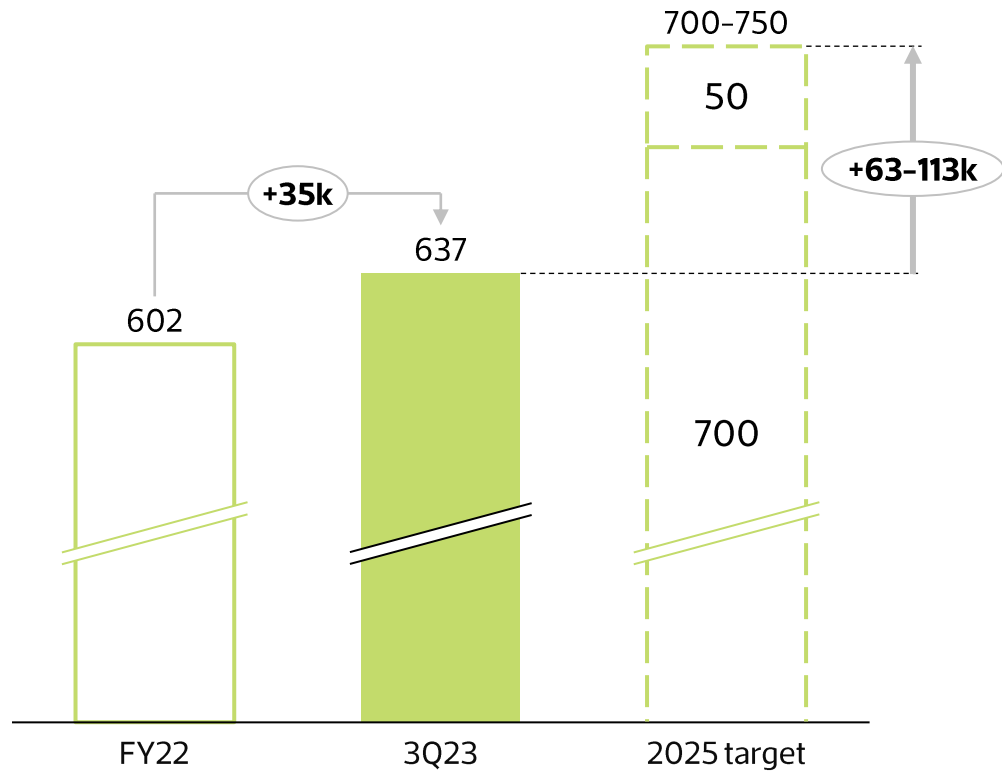
Number of Accounts

Thousands, EoP

Per quarter:

+12k

+7-13k



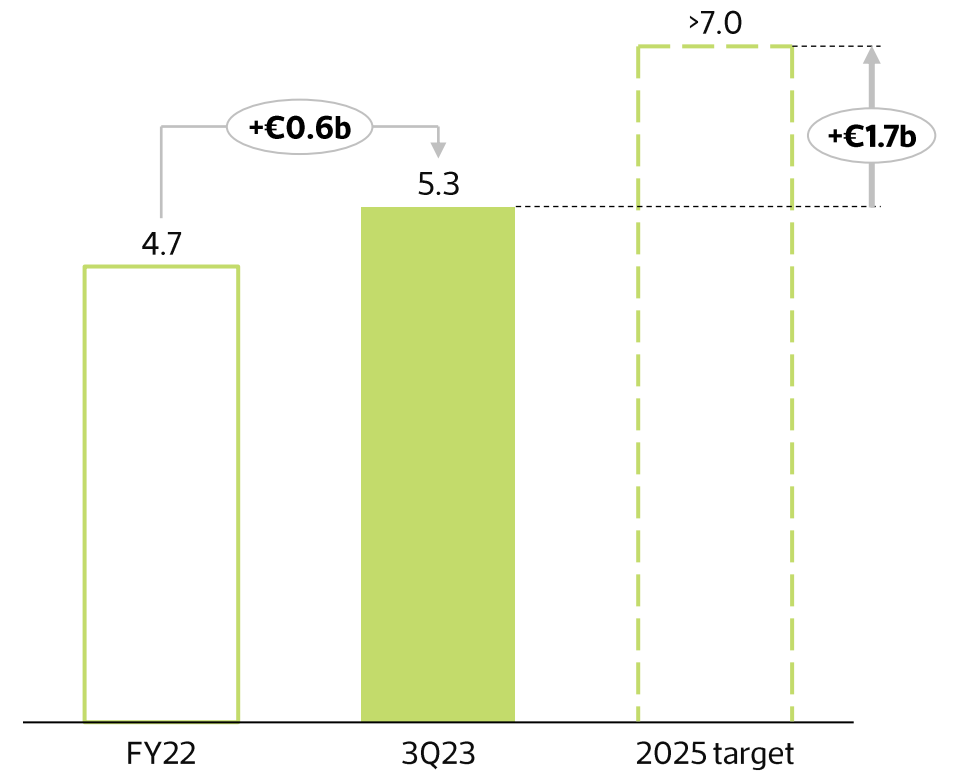
Business volumes (loans and resources)

€ billion; EoP

Per quarter:

+€0.20b

+€0.19b

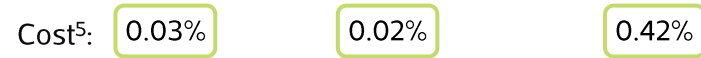


Combined healthy growth in loans and deposits



Banco CTT – Customer deposits¹

€ million, EoP



Banco CTT – Auto Loans volumes^{3,4}

€ million, EoP

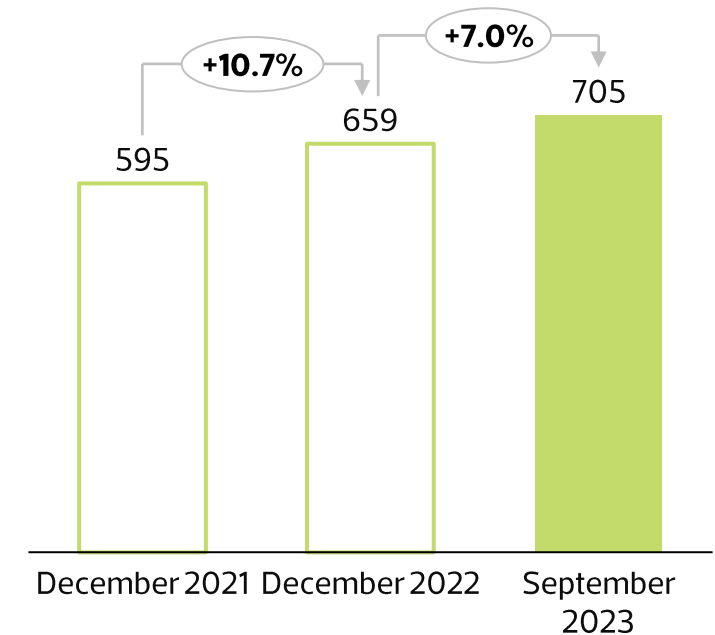
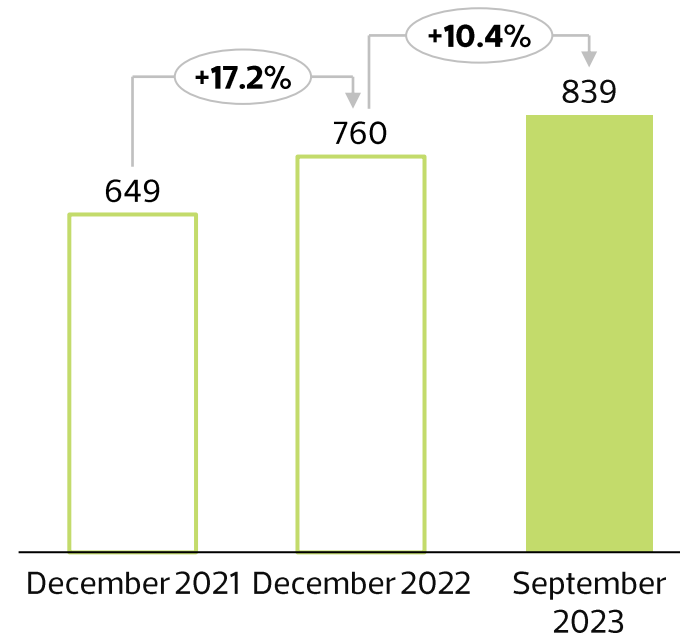
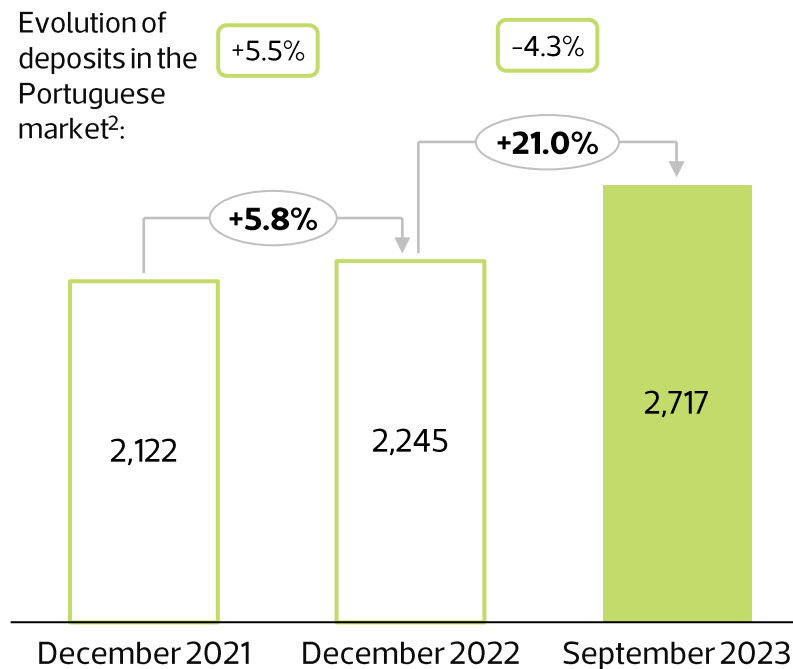


Banco CTT – Mortgage Loans volumes³

€ million, EoP



Evolution of deposits in the Portuguese market²:



Banco CTT strategic focus is on customer deposits

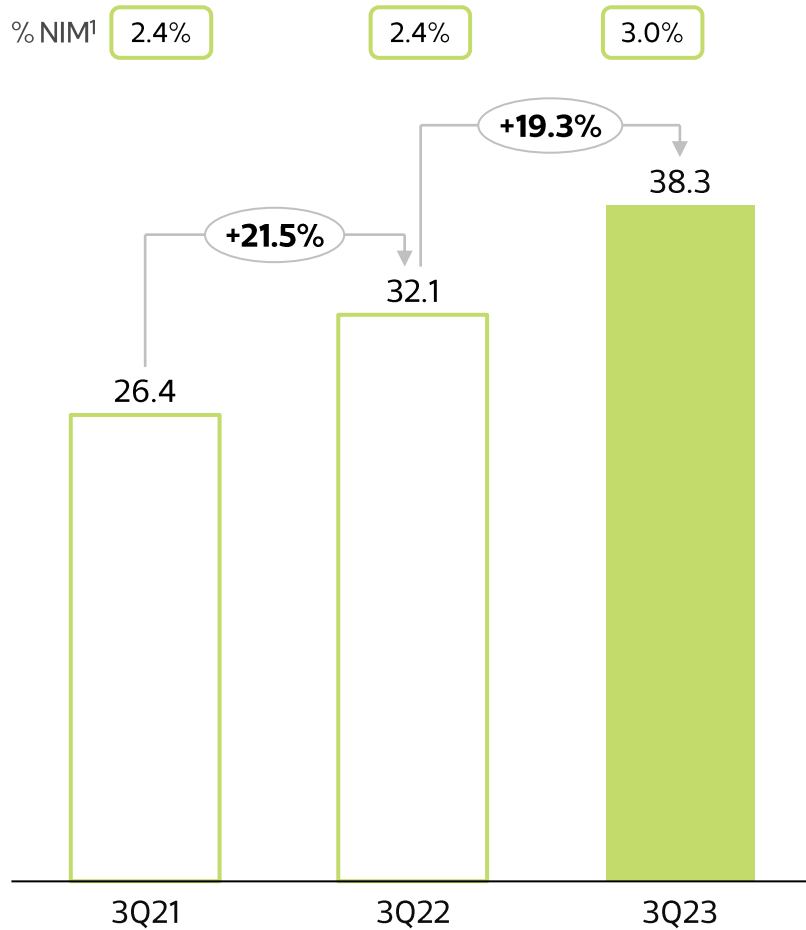
¹Retail Deposits, consolidated accounts; ²Source: Banco de Portugal; ³ Net of impairments; ⁴ Consolidated contribution; ⁵ Cumulative

Continued revenue growth driving profitability



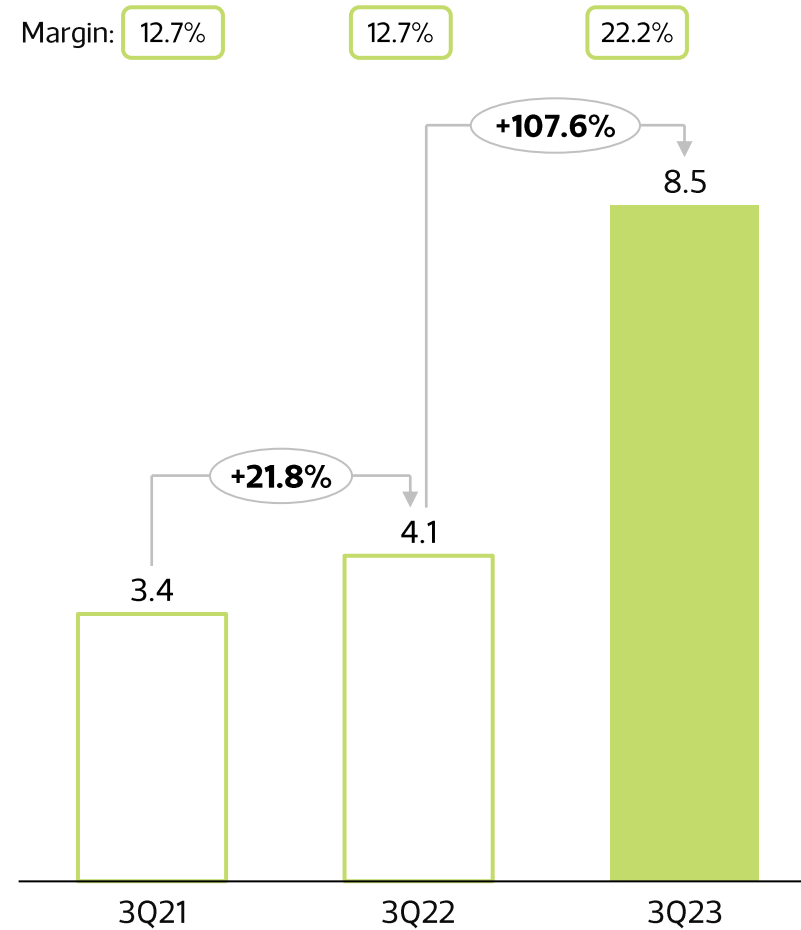
Revenues

€ million; % change vs. prior year



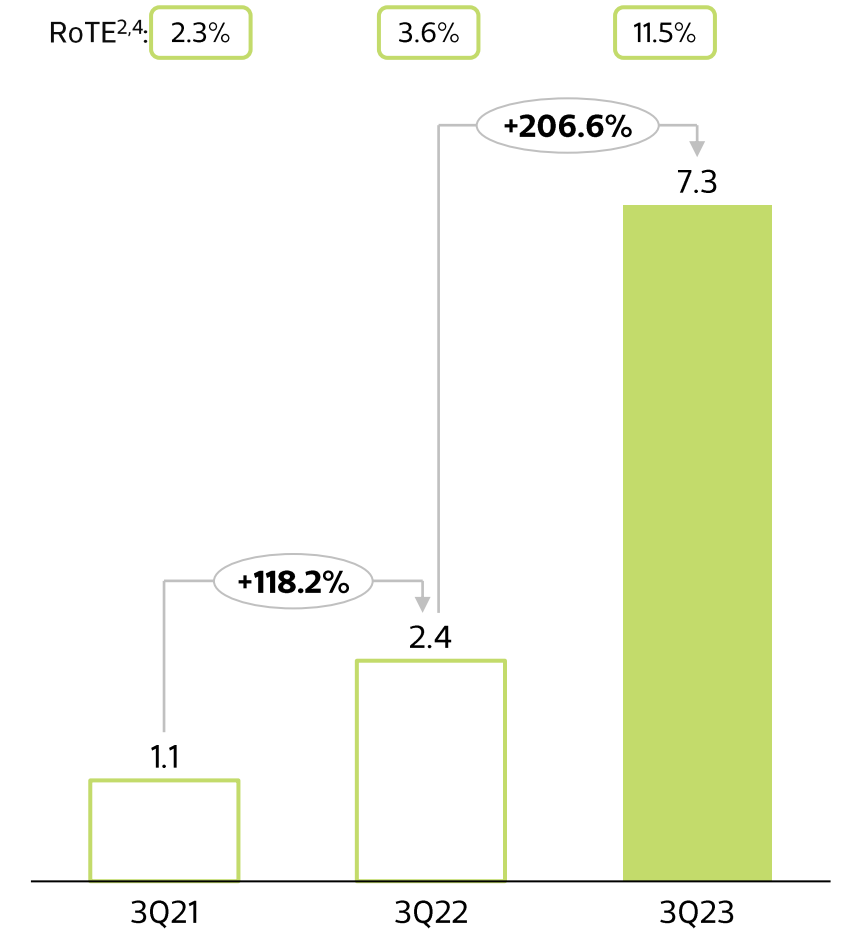
Rec. EBIT

€ million; % change vs. prior year



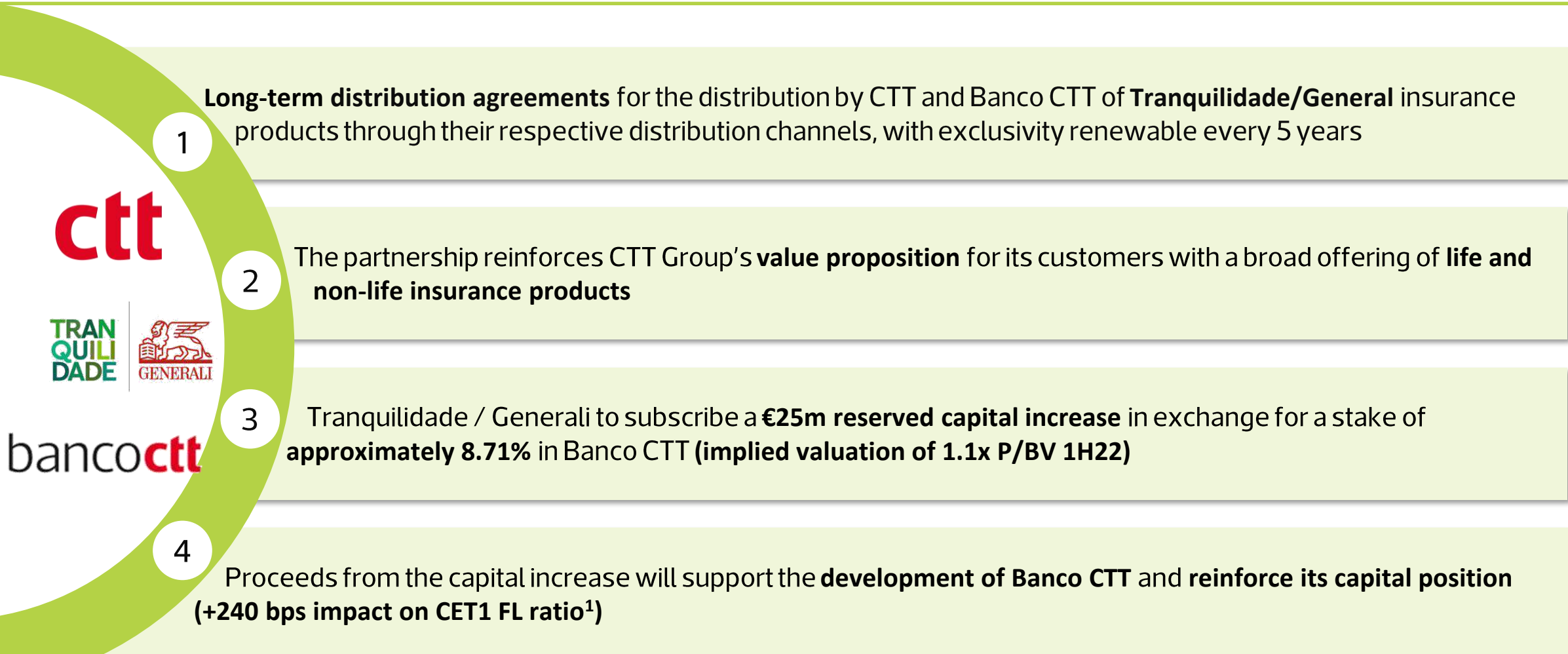
Profit before Taxes^{3,4}

€ million; % change vs. prior year



¹Cumulative; ²Recurring RoTE, quarterly; ³Banco CTT consolidation perimeter, excluding specific items; ⁴Proforma due to Payshop transaction

Transaction description and rationale



¹CET1FL ratio includes 1H22 results

Key highlights



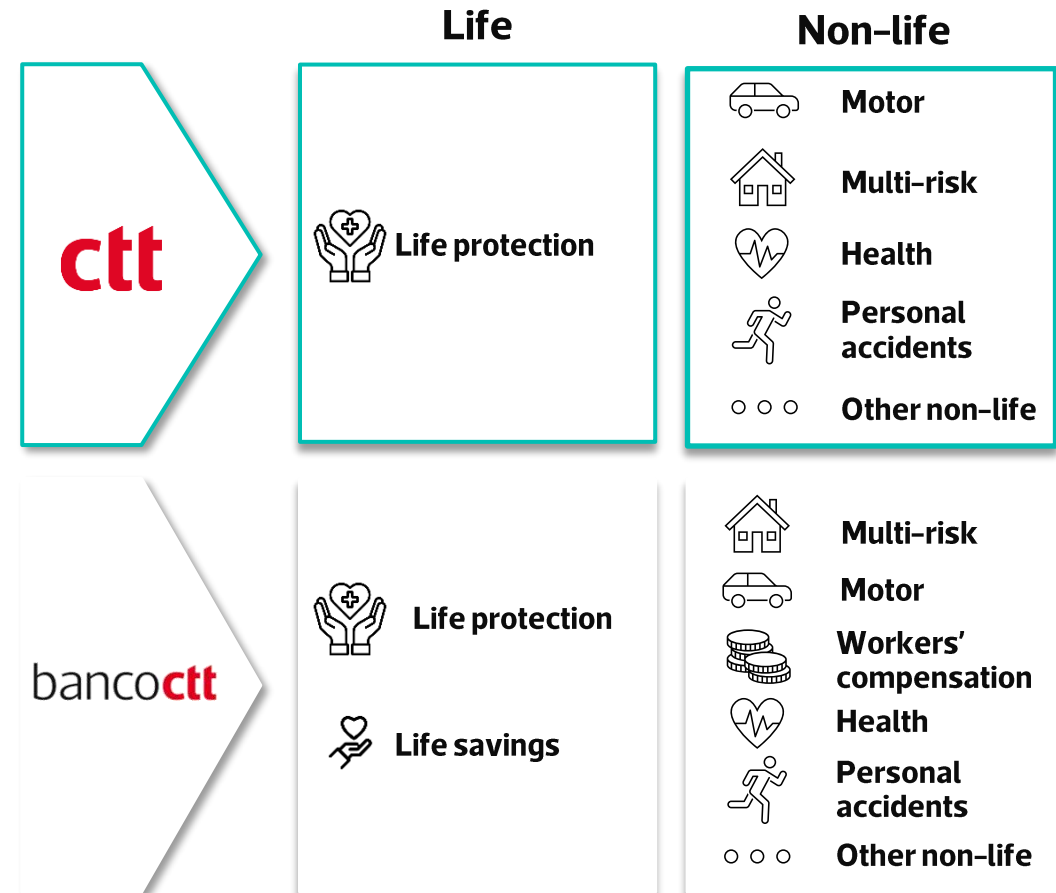
Long-term agreements, with exclusivity renewable every 5 years

Recurrent **commissions** in line with **market standards**

Additional fixed price of **€1m to CTT and €9m to Banco CTT**, irrespective of performance and to be settled in the initial 6 years

Additional **performance-based mechanisms** agreed between the parties

Lines of business



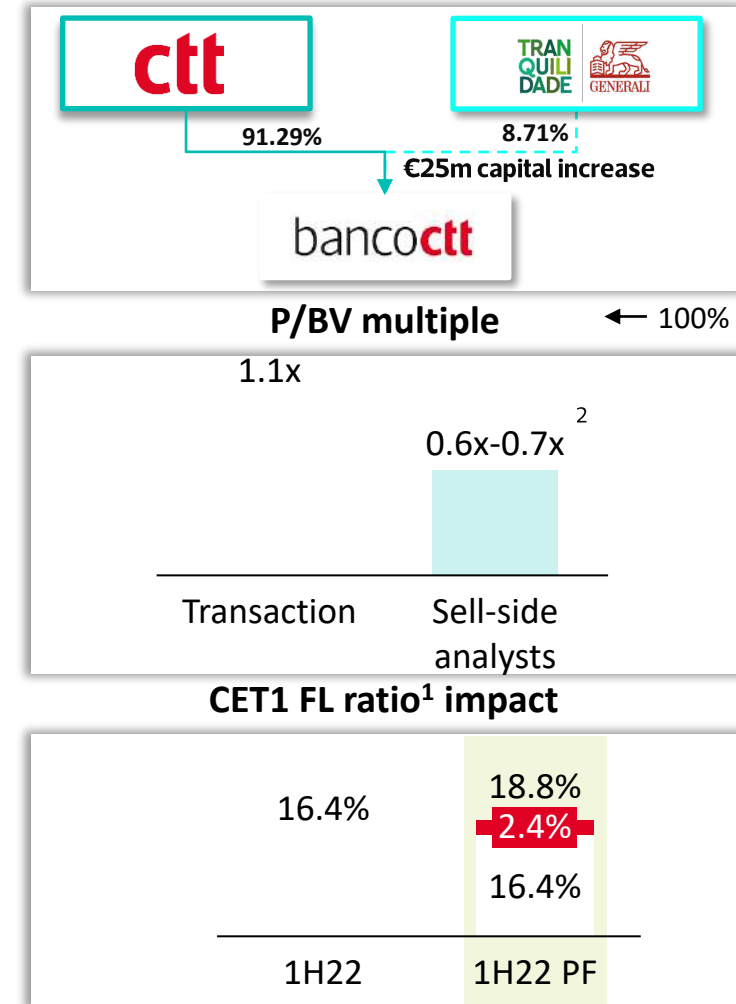
Capital increase in Banco CTT ensures full alignment of interests between the parties



Capital increase

- 1 Subscription by Generali of a €25m reserved capital increase (8.71% share) in Banco CTT implies a **€262m pre-money valuation**
- 2 Banco CTT valued at a **1.1x P/BV multiple**, a **significant premium vis-à-vis current sell-side analysts' valuation** assigned to Banco CTT
- 3 This capital increase will support the **development of Banco CTT and reinforce its capital position** (+240 bps impact on CET1FL ratio¹)
- 4 **Agreed corporate governance structure** grants minority protection rights to Generali consistent with its stake
- 5 **An utmost important step in Banco CTT's profitable growth strategy**, showcasing the bank's unique strengths:
 - ✓ Fastest-growing bank in Portugal
 - ✓ Nationwide network and agile digital platform
 - ✓ Attractive retail franchise: young, urban and digital customer base
 - ✓ Scalable platform with track-record on partner-based solutions
 - ✓ Relevant presence in consumer finance segment

Shareholding structure



¹CET1FL ratio includes 1H22 results; ²CTT-compiled sell-side analysts' consensus valuation of Banco CTT

The termination of the Universo credit card partnership will reduce significantly the RWA

Terms of the Partnership Agreement - Termination

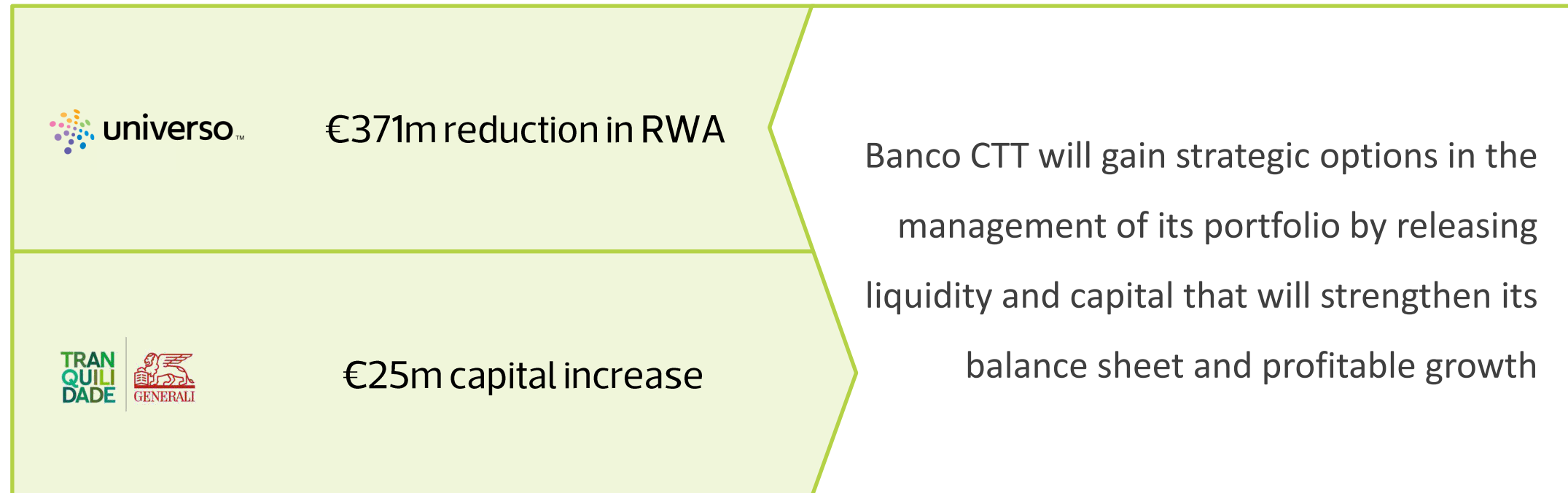
- Partnership to be closed by 31 December 2023
- Sonae will progressively assume responsibility for financing and credit risk activities
- Net exposure of Banco CTT to Universo credit cards will gradually decrease during 2023
- Upon termination, Universo will ensure the purchase of outstanding exposures



2022 Key Performance Indicators

- PBTI¹ partnership: 8.0M€
 - Revenues: 23.6M€²
 - Administrative Expenses: -2.3M€
 - Impairment & Provisions: -13.4M€
- Net Yield: 2.5%³
- Net Loans, EoP: €354m (average €322m)
- RWA, EoP: €371m

These two corporate development steps – termination with Universo and launching with Generali – will further strengthen the capital position

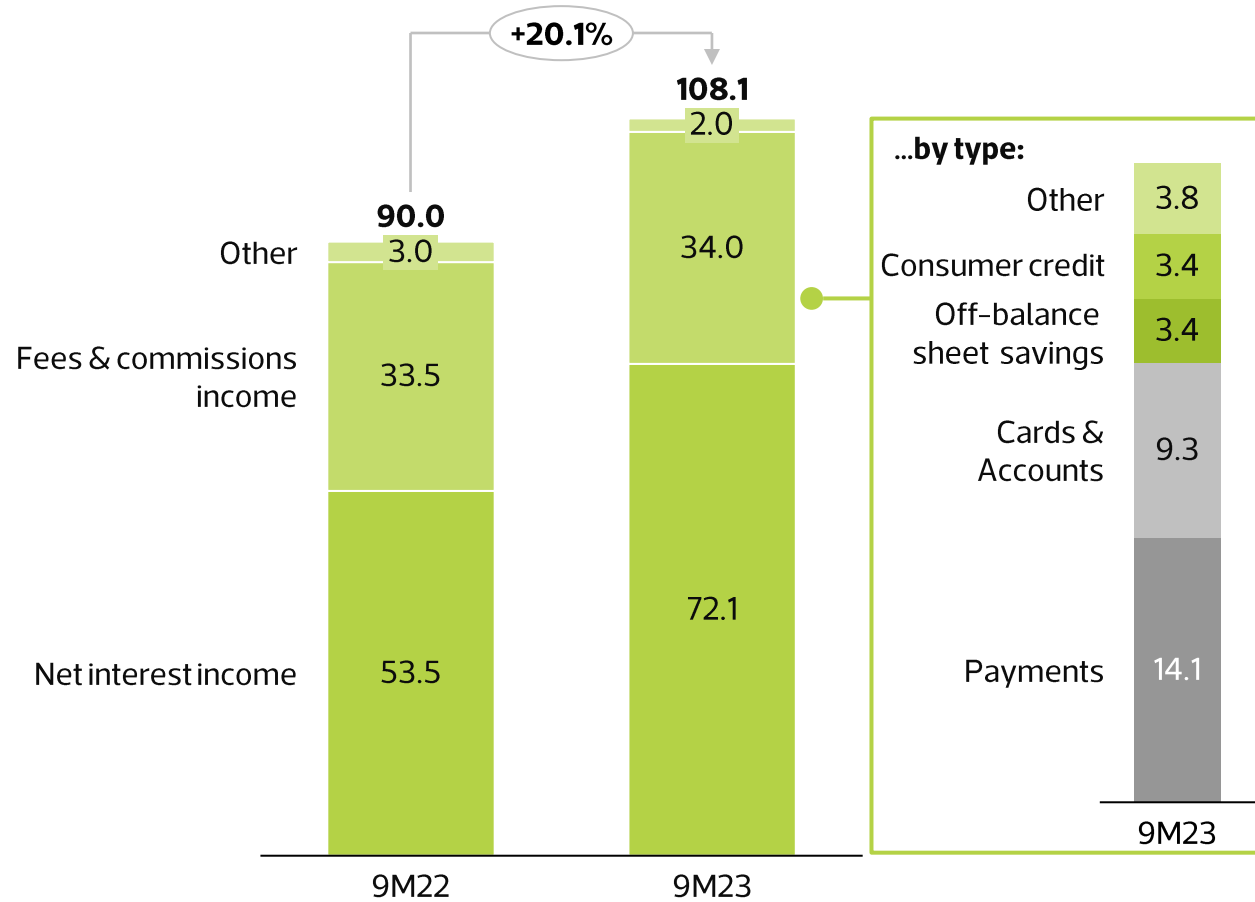


Delivering strong growth



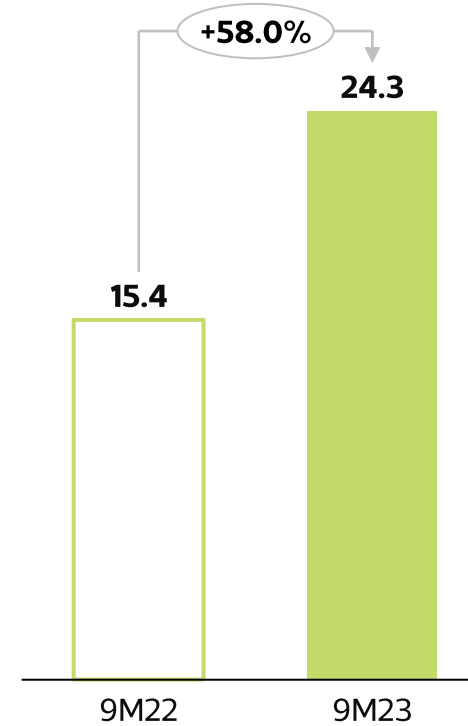
Banco CTT - Revenues 9M23

€ million; % change vs. prior year



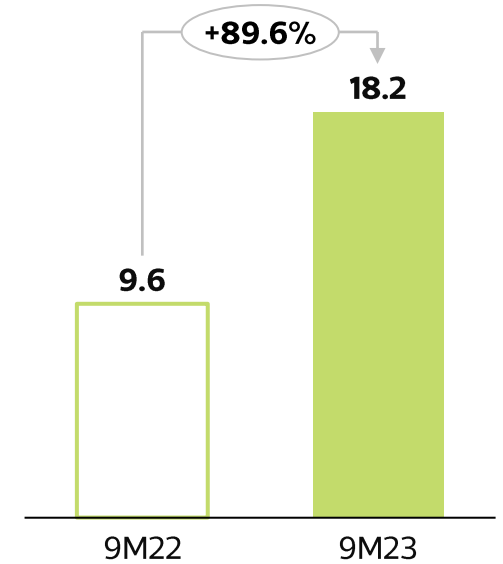
EBITDA¹

€ million; % change vs. prior year



Recurring EBIT²

€ million; % change vs. prior year



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

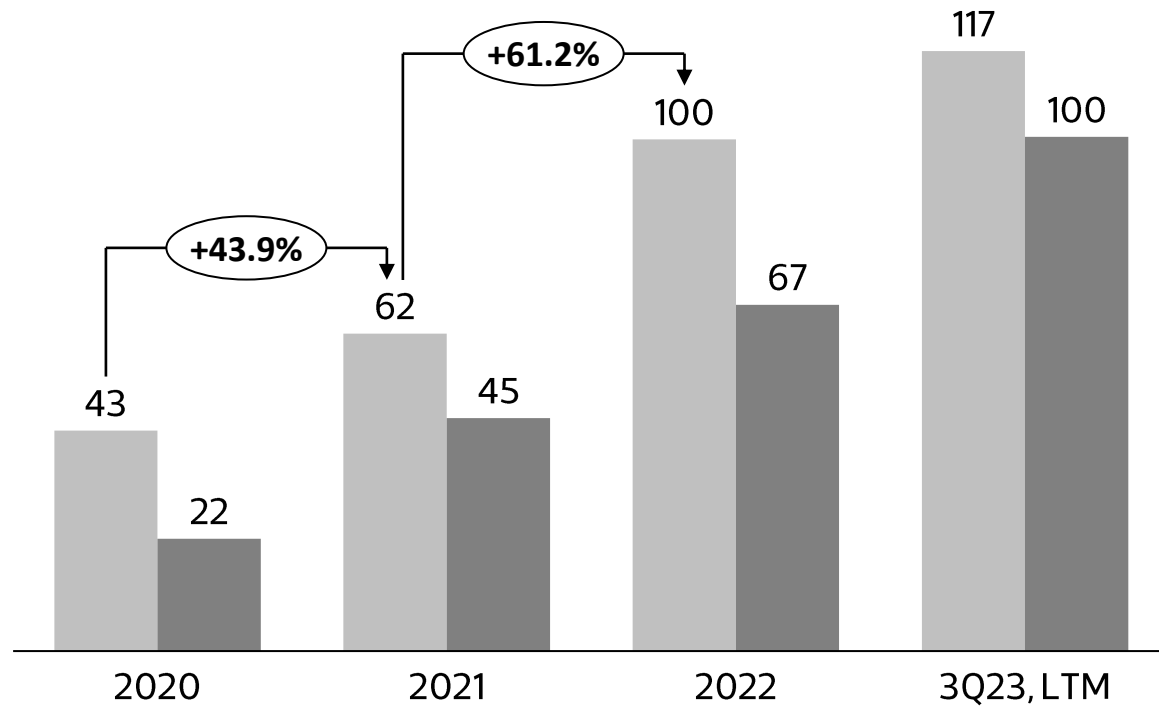
Strong cash-flow generation



Consolidated Cash Flow

€ million; LTM

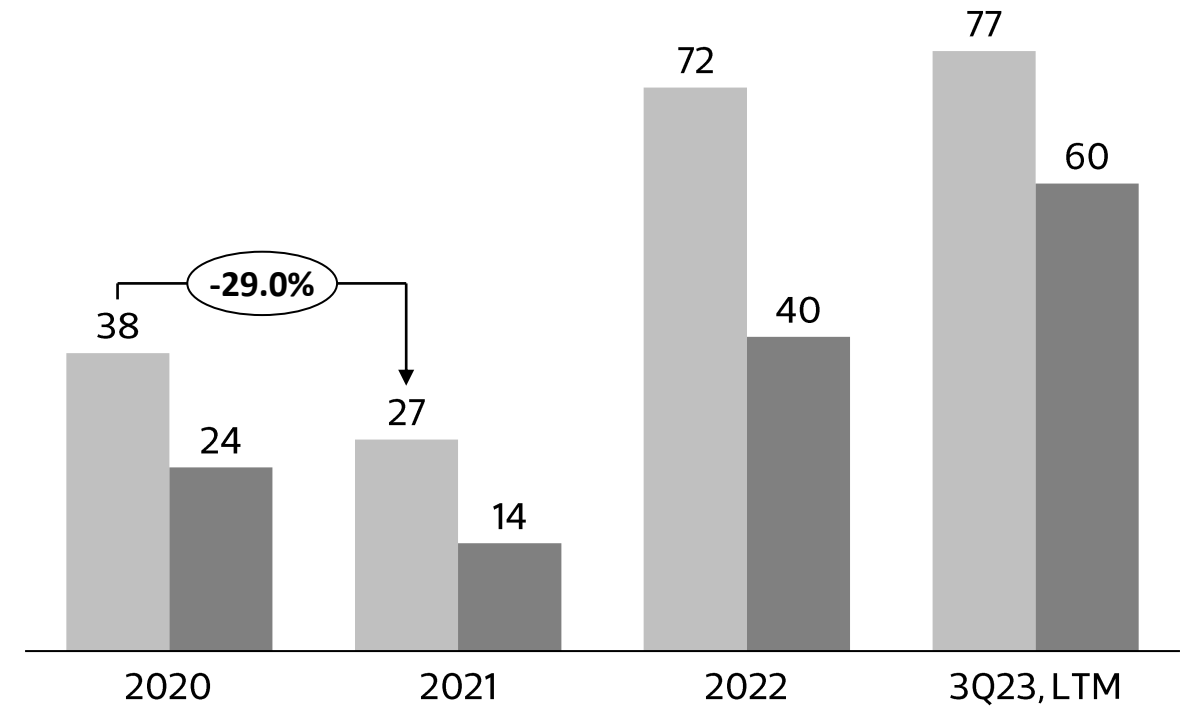
Operational CF FCF



Cash Flow with Banco CTT under equity method¹

€ million; LTM

Operational CF FCF



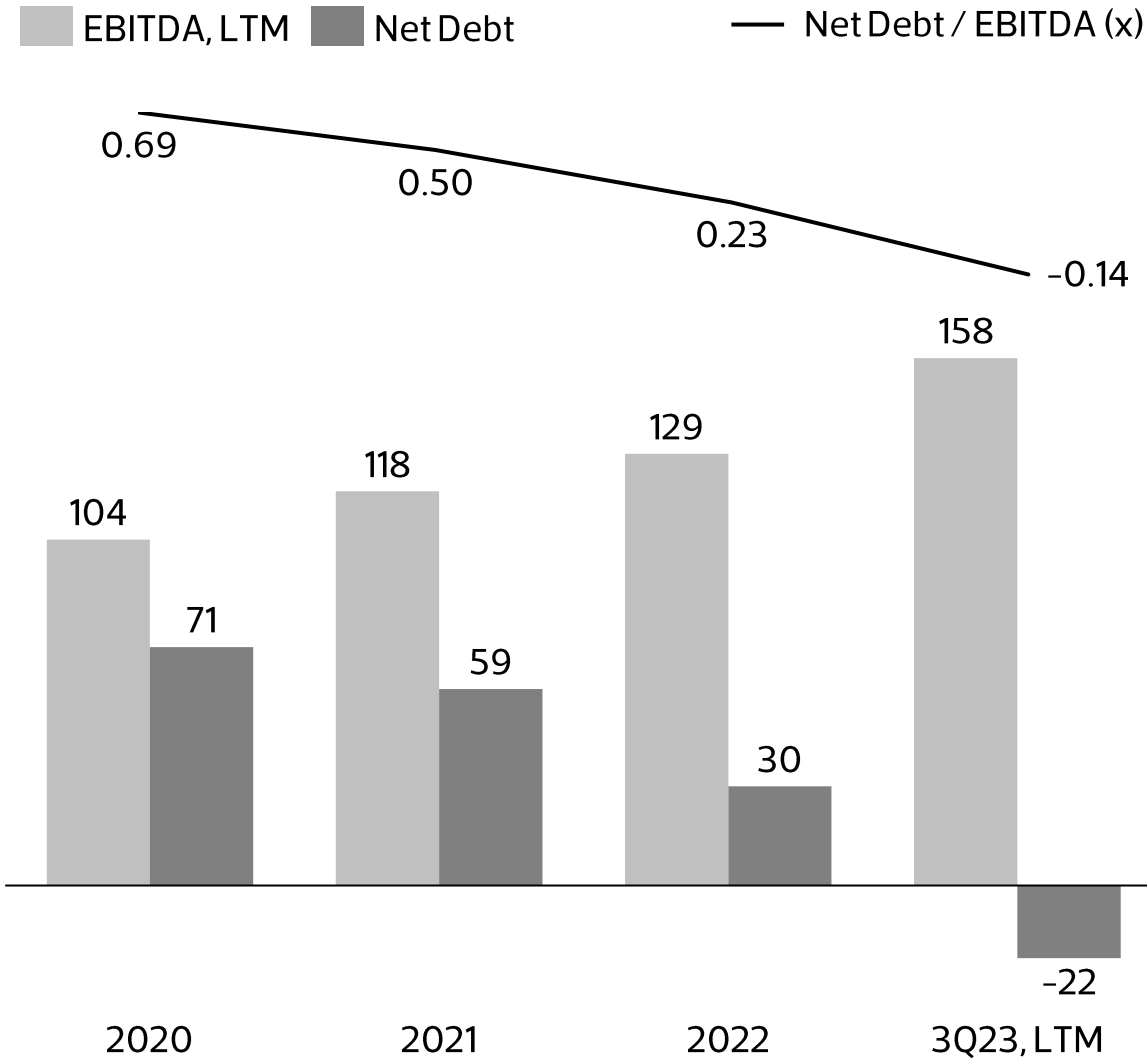
¹From 2022 onwards, numbers are proforma due to Payshop transaction

Prudent balance sheet enabling strategic and financial flexibility



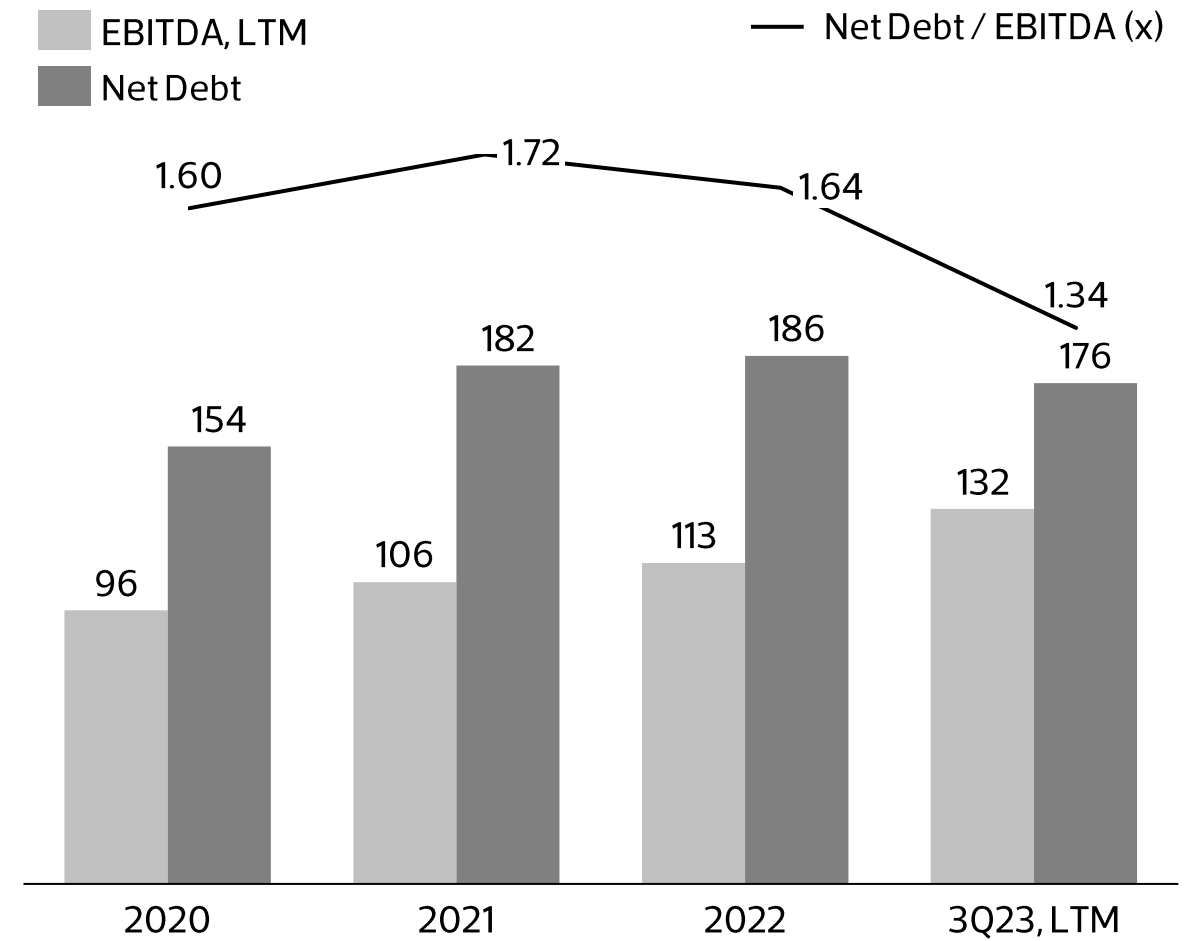
Consolidated leverage

€ million



Leverage with Banco CTT under equity method¹

€ million



¹From 2022 onwards, numbers are proforma due to Payshop transaction

Shareholder remuneration principles¹ disclosed at the CMD2022

Committed to improve shareholder remuneration while maintaining financial flexibility, subject to the following key principles:

- i. enable **investment in business growth** to emerge as a reference Iberian player in logistics and e-commerce;
- ii. **implement an attractive shareholder remuneration** policy, providing an adequate source of income for its shareholders, and
- iii. **combine recurrent, dividend-based, with opportunistic SBB** and subsequent cancellation of shares, in the presence of adequate market conditions.

Targeting to **pay between 35 and 50% of net profit** in recurring dividends, subject⁵ to:

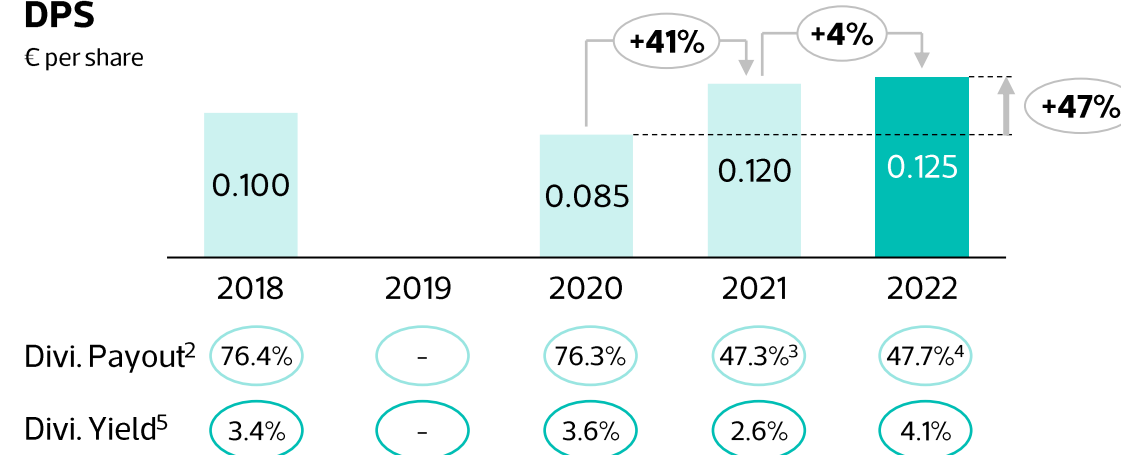
- market conditions
- a suitable financial and accounting context of CTT's balance sheet, and
- the applicable legal and regulatory terms and conditions

Dividends

- ✓ Dividend of **€0.125 per share** for the 2022 financial year approved in the AGM and paid in May 2023

DPS

€ per share









Share buyback

- ✓ **New SBB of € 20 m in execution in 2023**
- ✓ SBB of €21.6m carried out in 2022, having acquired 6.08m shares
- ✓ 4.65m shares already have been cancelled
- ✓ 1.43m shares cancelled in 2023, after AGM approval

¹For 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; ²Based on individual accounts; ³Excludes the dividend paid on the 1.5m own shares of the share buyback of 2021, share count excluding own shares equals 148.5m; ⁴Share count excluding own shares equals 142.4m, and ⁵Yield calculated taking as a reference the year end share price of each year

Strong revenue growth and improved profitability in a deteriorating macro-economic environment, fuelled by E&P and Banco CTT



-  Continued strong growth, market share gains and margin expansion of E&P in Iberia ahead of peak season
-  Continued work on pricing and on cost reduction to address softer volumes/demand
-  While public debt placements normalised, focus turns to the distribution of insurance and other services
-  Banco CTT continues growth in clients, volumes and profitability towards 2025 targets recently set
-  Steady and strong cash flow, leading to improved financial flexibility
-  €20m share buyback ongoing, complementing the annual dividend (€0.125 per share) paid in May



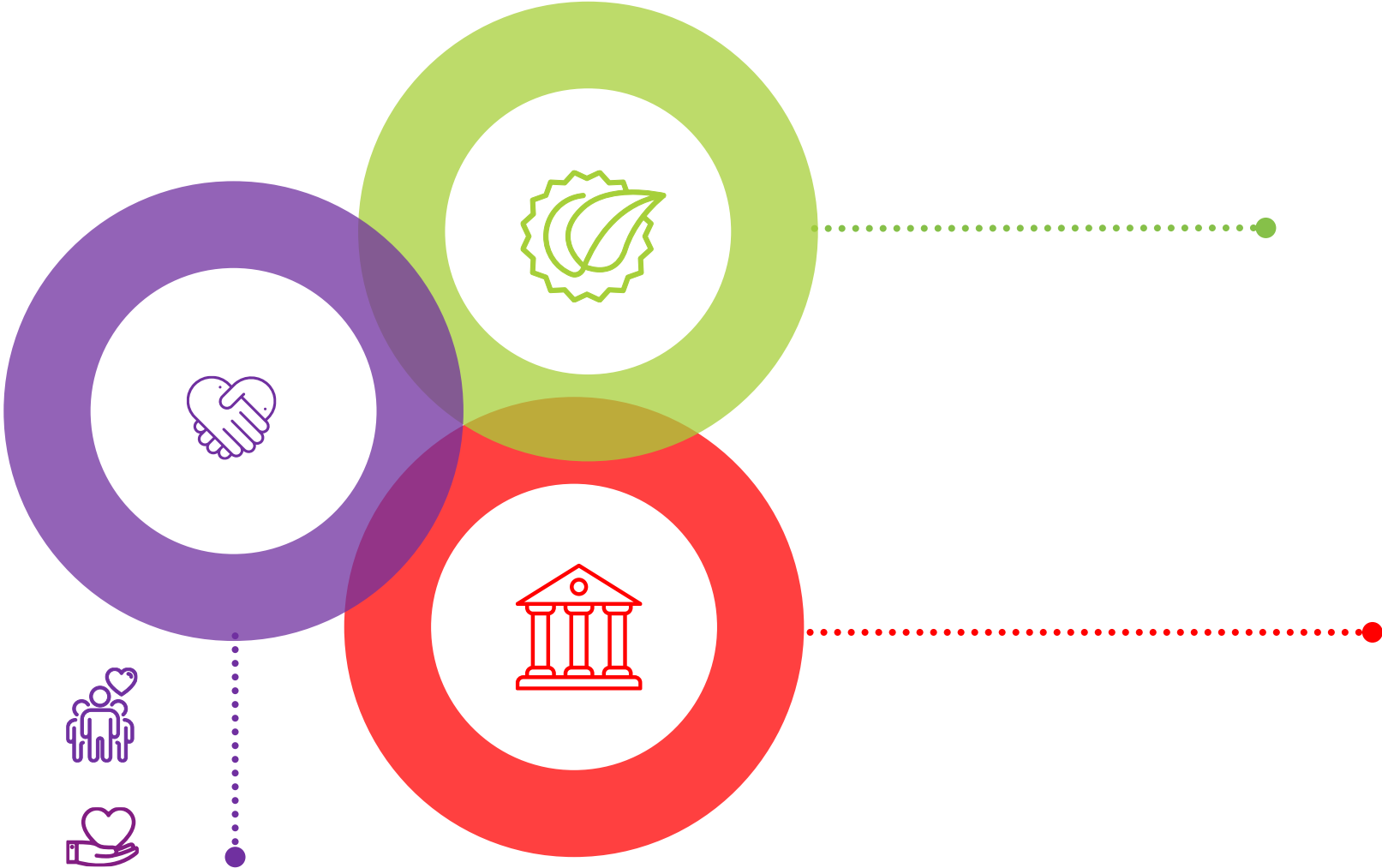
As a result of the 3Q23 performance, namely E&P, we upgrade yet again our recurring EBIT guidance to \geq €85m

ESG performance review




ctt

CTT has a clear vision and established targets across ESG dimensions





Consistently raising our ESG commitments and achievements

 Implementing new **code of ethics** as from 2022, and employee awareness and engagement

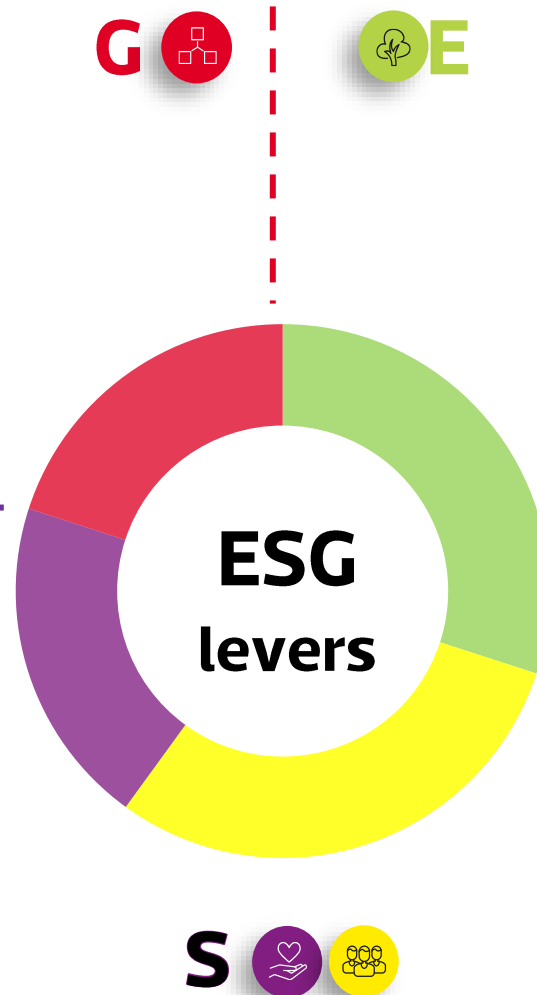
 **Introduce monetary ESG incentives** to top and mid-management positions to be set **by 2025**

 **Regular engagement with stakeholders**

 **Social and cultural integration:** actively enhance participation and investment in social impact projects to **1% of EBIT**, and promote **employee engagement** in volunteering programs

 **Promote a positive impact to local community:**

- Total capillarity across 100% municipalities and rural areas
- **Procure and buy 75% of purchases¹ from local players in Iberia by 2025**




 Accelerate the **decarbonisation path to become Net-Zero by 2030:**


- **Reach 50% Last-Mile green vehicles by 2025**, and 100% by 2030
- **Engage** with our partners to ensure **the outsourced fleet** employs 45% green vehicles by 2030

 **Expand Green offer** (marketing, mail and E&P): reach 100% "green mail" and green deliveries (**carbon-free**) **by 2030**

 Promote a more circular economy: reach **80% of recycled and/or reusable packaging by 2025**, and 100% by 2030

 33.3% women in the Board of Directors and Supervisory bodies, and new training approach to **support gender parity and encourage women leadership**

 **Improve the employee experience** to increase retention

 **Outstanding performance in road safety**, and **employee's development and well-being initiatives**

¹Includes all purchase of material with the potential of being procured locally (e.g., machinery or specific vehicles)

In 2022, several ESG initiatives were developed regarding the established objectives



Alternative Fleet

~500 mainly electric vehicles



Recycling

Recycled materials in packaging of 55% of Mail and Express¹



“To be Green” partnership

Transformation of used face masks and other plastics in new materials



“Solar Boroughs”

Launch of a partnership with EDP Comercial in >40 locations



Volunteering

More than 200 participations in Volunteer Programs



Reutilisation

CTT trays reutilised in the production of 13k new units



CTT/EPIS program²

Edition 2022/23 launched

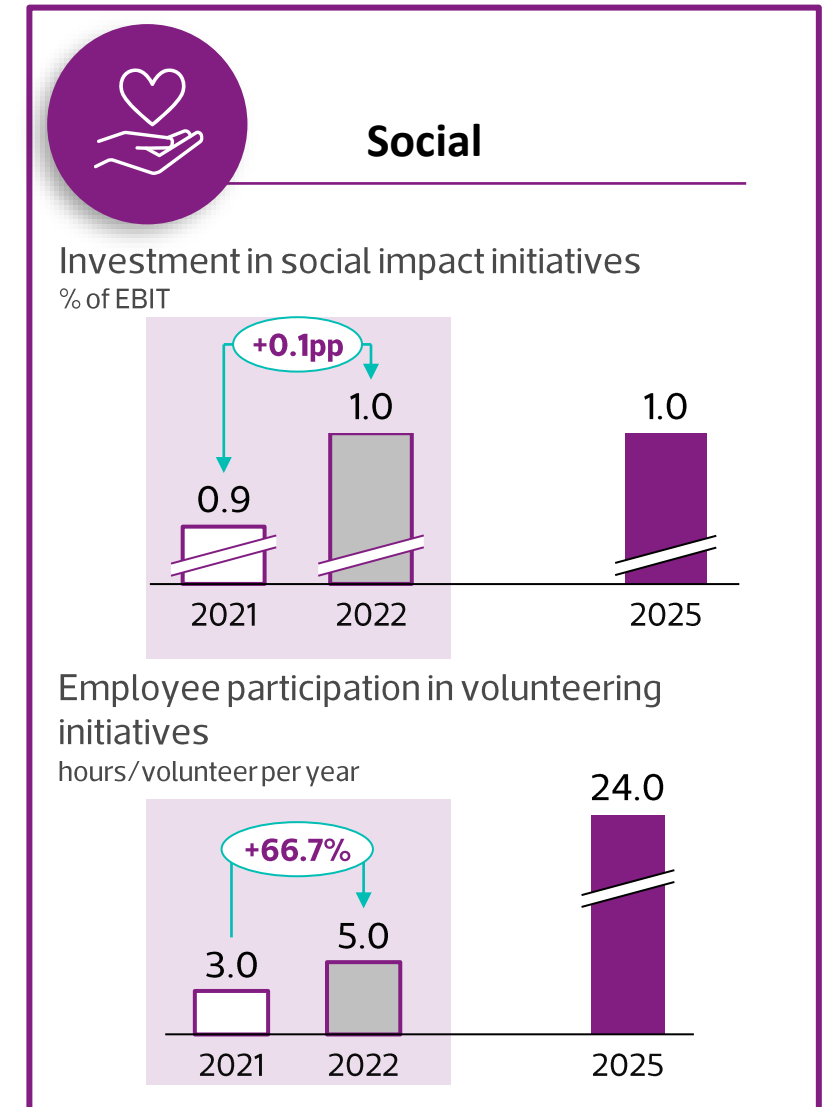
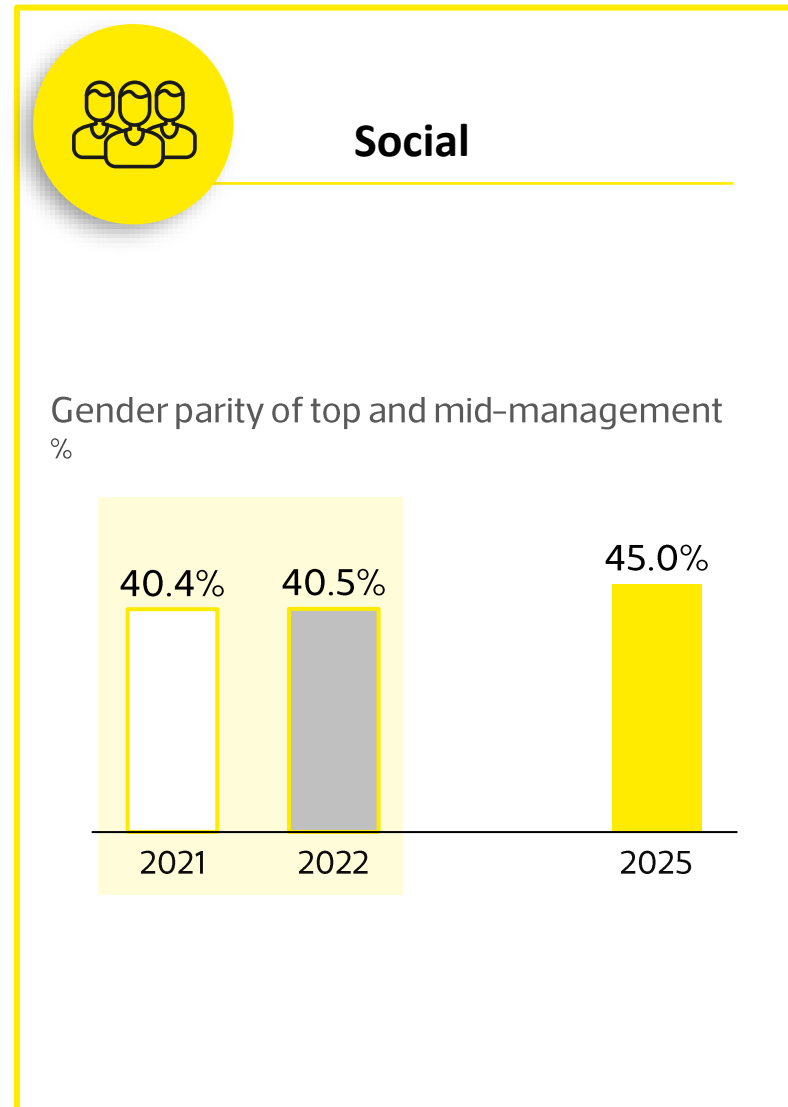
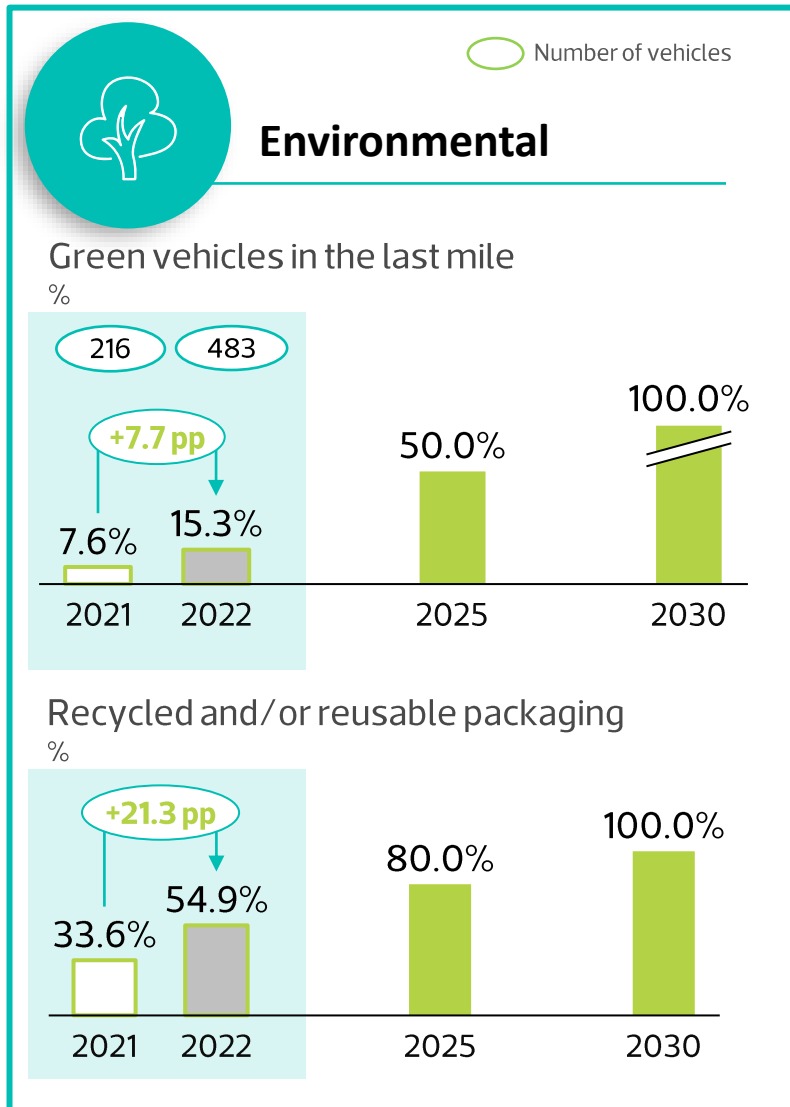


Work-life-family balance

Certified as Family-Responsible Company³.

¹In Portugal. ²Volunteering program aimed at promoting the social inclusion and education success of Portuguese youth. ³Certification awarded by the MásFamiliaFoundation

Significant progress has been reached in 2022 regarding ESG goals



Guidance & Outlook

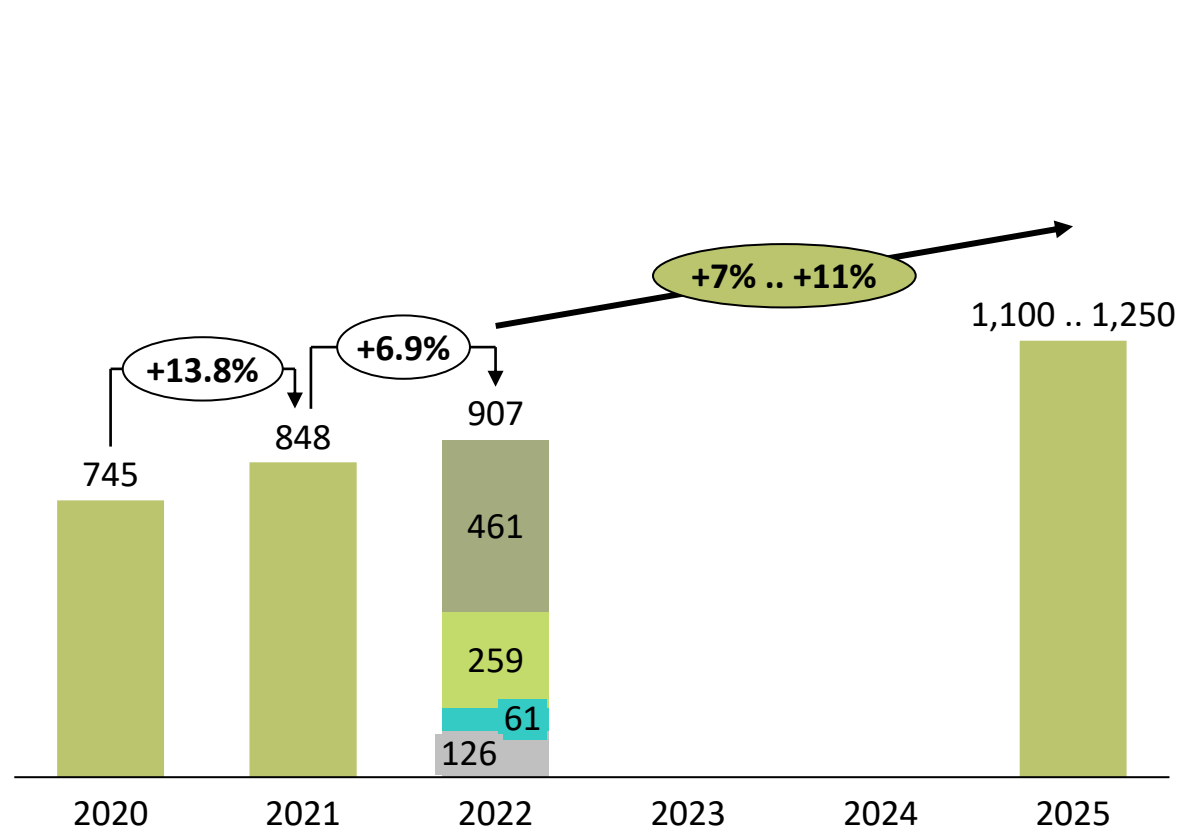


ctt

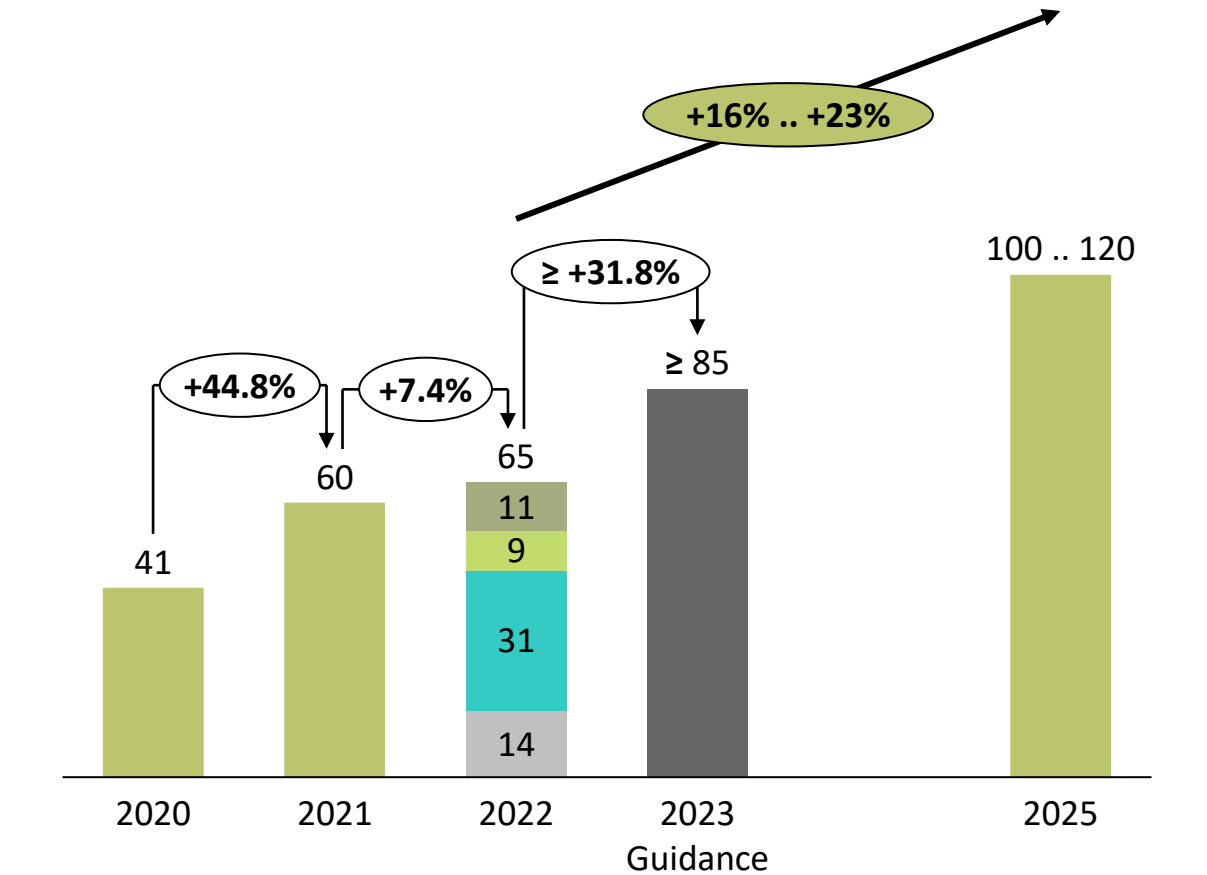
Continued growth since the pandemic and a growth outlook again in 2023 towards the 2025 guidance



Revenues
€ million



Recurring EBIT
€ million

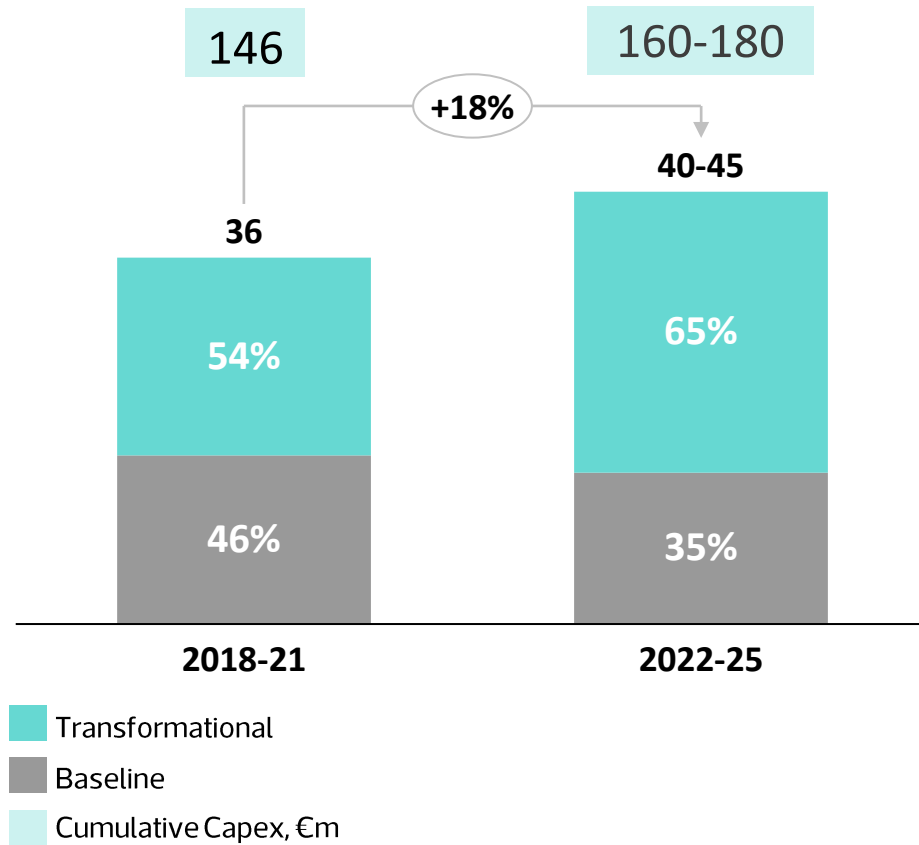


Mail & Other
 Express & Parcels
 Financial Services & Retail
 Banco CTT

¹CAGR

To support our growth, we are committed to continue investing strongly in our business

Annual average Capex
€ million



Key areas of investment



Increasing sorting capacity across Iberia



Developing lockers network in Portugal



Investing in IT to drive customer experience and operations efficiency



Reinforcing quality of service

Main KPIs per business segment

		2021	2022	2025
	Mail & Other % of Business Solutions revenues of Mail & Others	7%	15%	22%
	Market Share	25% ³	n/a ³	Maintain leadership
	EBIT margin ¹	9.3%	5.2%	>11%
	Market Share	4% ³	n/a ³	High single digit
	EBIT margin ¹	-1%	0%	Mid to high single digit
	Financial Services & Retail Public debt placements	€4b	€8b	€5b
	Client conversion ⁴	8%	n/a ⁵	15%
	Banco CTT ROTE	2.2%	5.5%	11-13%

		2021	2022	2025
	QoS² (parcels)			
		90%	89%	98%
		95%	92%	98%
		92%	91%	98%
	Sorting capacity (k/hour)	94	112	130-140
	NPS (distribution)			
				>50
				>50

¹.Individual accounts;².Operational effectiveness delivery rate;³.Estimated; IMR market share in 2020 stood at 3% in Spain and 22% in Portugal;⁴.% of walk-ins that acquire financial services;⁵to be updated.

FY22 Financial Statements



FY22 Consolidated Income statement



Income statement

€ million

	Reported		With Banco CTT under equity method	
	FY21	FY22	FY21	FY22
Revenues	847.9	906.6	766.3	799.7
Operating costs	729.8	777.3	660.1	689.8
of which Impairments & provisions	11.4	26.3	-0.8	0.8
EBITDA	118.1	129.3	106.2	109.9
Depreciation & amortisation	58.0	64.8	51.1	57.5
of which IFRS 16 impact	26.4	29.4	25.6	28.5
Recurring EBIT	60.1	64.5	55.1	52.4
Specific items	-1.8	8.4	14.5	17.3
EBIT	61.9	56.1	40.5	35.1
Net financial income / (costs)	-8.5	-9.3	-8.5	-9.3
of which IFRS 16 impact	-3.1	-3.1	-3.0	-3.1
Associated companies – gains / (losses)	-2.6	-0.2	12.9	15.4
Earnings before taxes	50.8	46.7	44.9	41.3
Net profit attributable to equity holders	38.4	36.4	37.7	37.3

FY22 Consolidated Balance sheet



Balance sheet

€ million

	Reported		With Banco CTT under equity method	
	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22
Non-current assets	1,970.3	2,253.3	680.2	687.9
Current assets	1,614.9	1,804.2	454.9	566.0
Assets	3,585.2	4,057.5	1,135.0	1,253.9
Equity	174.5	224.9	173.9	225.2
Liabilities	3,410.7	3,832.6	961.1	1,028.7
Non-current liabilities	705.3	789.4	422.5	331.1
Current liabilities	2,705.4	3,043.1	538.6	697.6
Equity and Liabilities	3,585.2	4,057.5	1,135.0	1,253.9
Net financial debt	58.9	29.8	182.4	192.6

FY22 Consolidated Cash flow statement



Cash flow

€ million

	Reported			With Banco CTT under equity method		
	FY21	FY22	Δ 22/ 21	FY21	FY22	Δ 22/ 21
EBITDA	118.1	129.3	11.2	106.2	109.9	3.7
Non-cash items	-18.9	-7.2	11.8	-30.4	-31.8	-1.5
Specific items affecting EBITDA	1.8	-8.4	-10.2	-14.5	-17.3	-2.8
Capex	-36.1	-37.0	0.8	31.3	31.7	0.4
Change in working capital	-3.0	22.8	25.9	-2.9	41.7	44.6
Operating cash flow	61.8	99.6	37.8	27.1	70.8	43.7
Tax	-3.6	-16.4	-12.7	-0.5	-16.1	-15.6
Employee benefits	-12.8	-15.8	-3.0	-12.8	-15.8	-3.0
Free cash flow	45.3	67.4	22.1	13.8	38.9	25.1
Debt (principal + interest)	-10.8	-16.0	-5.3	-10.8	-16.0	-5.3
Dividends	-12.8	-17.7	-4.9	-12.8	-17.7	-4.9
Acquisition of own shares	-6.4	-21.6	-15.2	-6.4	-21.6	-15.2
Financial investments & other	-8.6	11.8	20.4	-18.6	-0.2	18.3
Net change in adjusted cash	6.8	23.9	17.1	-34.7	-16.7	18.0
Change in liabilities FS & other & Banco CTT (net) ¹	351.3	-470.1	-821.4	-36.6	162.7	199.3
Change in other ²	1.6	24.8	23.2	0.0	0.0	0.0
Net change in cash	359.7	-421.4	-781.1	-71.3	146.0	217.3

¹The 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; ²The 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

9M23 Financial Statements



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Consolidated Income statement



Income statement

€ million

	Reported		With Banco CTT under equity method ¹	
	9M22	9M23	9M22	9M23
Revenues	662.8	715.4	591.9	626.3
Operating costs	576.0	599.8	515.8	531.2
of which Impairments & provisions	17.4	20.6	-0.1	1.6
EBITDA	86.8	115.6	76.1	95.1
Depreciation & amortisation	48.1	47.5	43.4	42.2
of which IFRS 16 impact	21.9	21.4	21.3	20.5
Recurring EBIT	38.8	68.1	32.7	52.9
Specific items	-4.3	11.0	6.6	10.8
EBIT	43.0	57.1	26.1	42.1
Net financial income / (costs)	-6.9	-11.6	-7.0	-11.2
of which IFRS 16 impact	-2.4	-2.6	-2.4	-2.6
Associated companies – gains / (losses)	-0.2	0.0	12.5	11.4
Earnings before taxes	35.9	45.4	31.5	42.3
Net profit attributable to equity holders	28.3	35.5	29.2	35.5

¹Proforma due to Payshop transaction

Consolidated Balance sheet



Balance sheet

€ million

	Reported		With Banco CTT under equity method ¹	
	31-Dec-22	30-Sep-23	31-Dec-22	30-Sep-23
Non-current assets	2,253.3	2,323.2	683.2	686.3
Current assets	1,804.2	2,004.2	577.9	451.6
Assets	4,057.5	4,327.4	1,261.0	1,137.9
Equity	224.9	238.4	225.2	238.6
Liabilities	3,832.6	4,089.1	1,035.9	899.4
Non-current liabilities	789.4	736.4	331.7	350.5
Current liabilities	3,043.1	3,352.7	704.2	548.8
Equity and Liabilities	4,057.5	4,327.4	1,261.0	1,137.9
Net financial debt	29.8	-21.7	185.7	176.1

¹Proforma due to Payshop transaction

Consolidated Cash flow statement



Cash flow

€ million

	Reported			With Banco CTT under equity method ³		
	9M22	9M23	Δ 23/ 22	9M22	9M23	Δ 23/ 22
EBITDA	86.8	115.6	28.7	76.1	95.1	18.9
Non-cash items	-7.8	-3.2	4.6	-24.7	-21.0	3.7
Specific items affecting EBITDA	4.3	-11.0	-15.2	-6.6	-10.8	-4.2
Capex	-19.9	-16.6	3.3	-17.1	-12.7	4.3
Change in working capital	-4.4	-8.6	-4.2	14.0	-4.1	-18.0
Operating cash flow	59.0	76.2	17.2	41.8	46.5	4.7
Employee benefits	-11.4	-12.7	-1.3	-11.4	-12.7	-1.3
Tax	-15.6	1.1	16.7	-15.4	0.8	16.2
Free cash flow	31.9	64.5	32.7	14.9	34.5	19.6
Debt (principal + interest)	-15.4	19.1	34.5	-15.4	19.1	34.5
Dividends	-17.7	-17.9	-0.2	-17.7	-17.9	-0.2
Acquisition of own shares	-21.6	-4.5	17.1	-21.6	-4.5	17.1
Financial investments & other	-0.6	-0.2	0.4	-0.6	-11.3	-10.7
Net change in adjusted cash	-23.4	61.0	84.4	-40.4	19.9	60.3
Change in liabilities FS & other & Banco CTT (net) ¹	-557.9	-234.2	323.7	62.0	-168.2	-230.2
Change in other ²	13.3	-12.2	-25.5	0.0	0.0	0.0
Net change in cash	-568.0	-185.4	382.6	21.6	-148.3	-169.9

¹The 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; ²The 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; ³Proforma due to Payshop transaction

CTT at a glance







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Growth driven by transformation

CTT financial data – FY22
 € million; (%) change vs. prior year

Business units
 € million; (%) change vs. prior year

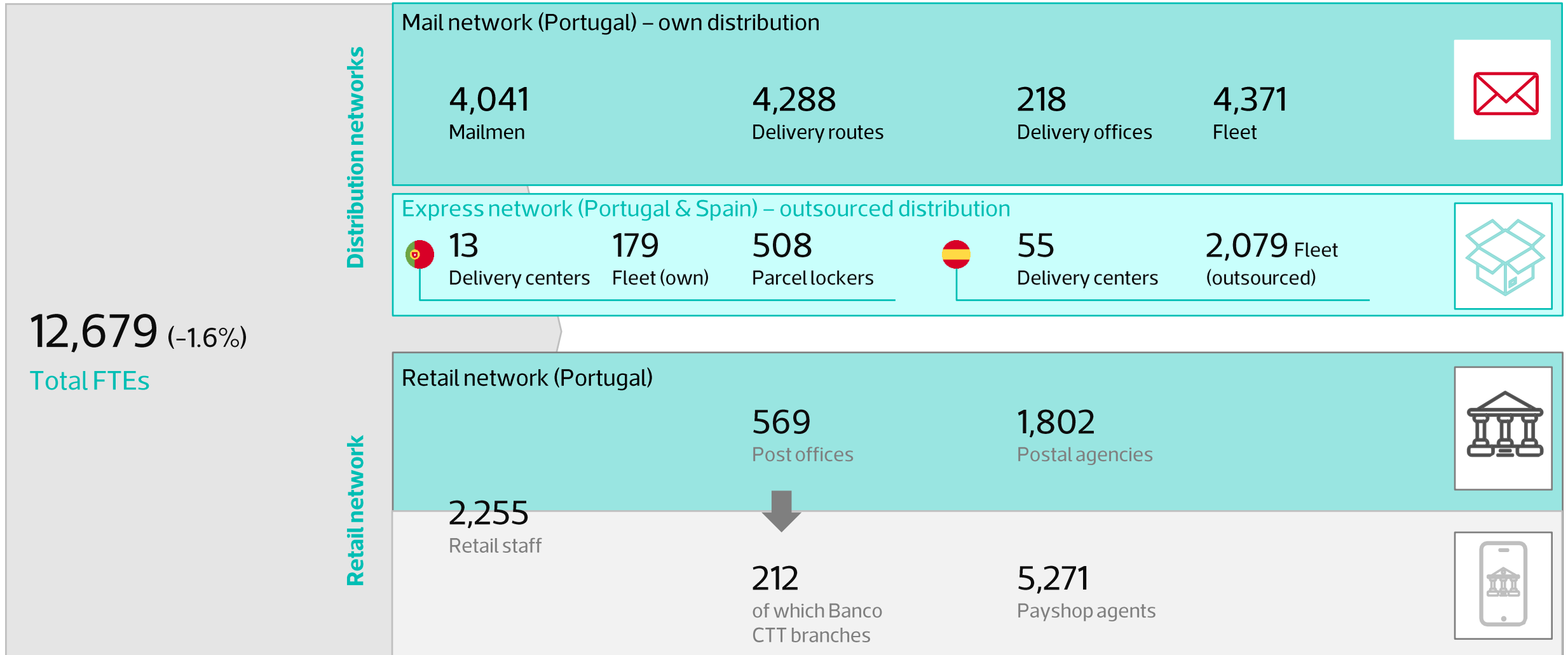
		Revenues	Recurring EBIT
<p>€906.6m (+6.9%)</p> <p>€64.5m (+7.4%)</p> <p>€36.4m (-5.2%)</p>	 <p>Mail & other Anchored on a new concession contract and on a differentiated offer that includes business services and a more proactive commercial team, the ambition is to stabilise revenues and improve profitability through cost control</p>	<p>€460.9m (+3.7%)</p>	<p>€10.7m (-39.6%)</p>
	 <p>Express & Parcels Exposure to the e-commerce Iberian market, which offers plenty growth opportunities. Aim to expand market share in Spain from low to high single digit while improving profitability both in Portugal and Spain.</p>	<p>€259.0m (+1.3%)</p>	<p>€8.5m (-31.4%)</p>
	 <p>Financial Services & Retail Leverage on the comprehensive and scattered retail network of CTT to excel in savings with placements public debt, in insurance brokerage and establish a citizen services network</p>	<p>€60.7m (+24.2%)</p>	<p>€30.8m (+41.4%)</p>
	 <p>Banco CTT Grow client base and strengthen relationship with clients, while improving profitability and expand RoTE</p>	<p>€126.0m (+27.4%)</p>	<p>14.4€m (+76.9%)</p>

Wide presence through retail and logistic networks



CTT Group

As at 31 December 2022



Diversified products and business segments driving growth



CTT operational data – FY22

million items – unless stated otherwise; (%) change vs. prior year

	Mail & other	457.6m (-5.6%) Addressed mail volumes	424.6m (-5.6%) Unaddressed mail volumes	c. 0.8k Contact center FTEs	
	Express & Parcels	39.2m (-4.6%) CEP volumes (Spain)	32.7m (+3.2%) CEP volumes (Portugal)	0.3m (-64.8%) Cargo volumes (Portugal)	
	Financial Services & Retail	8.1bn (+83.8%) Public debt placements	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">75%</div> <div style="font-size: 0.8em; margin-left: 5px;">Stores w/ Banco CTT</div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-right: 5px;">25%</div> <div style="font-size: 0.8em; margin-left: 5px;">Stores w/o Banco CTT</div> </div>	14.3m (+6.1%) Money orders	1.5m (-5.7%) Payments
	Banco CTT	€2.3bn (+7.6%) Customer deposits book €892m (+25.8%) Off-balance sheet savings stock	€760.3m (+17.2%) Auto loans book €658.6m (+10.7%) Mortgage loans book	€61.7m (-78.9%) Credit cards book	

¹Since partnership establishment with Sonae Financial Services in April 21.

ctt

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by connecting people and businesses
in a sustainable way

