

We make our path fully  
committed to deliver  
9M24 results presentation



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# Operational review

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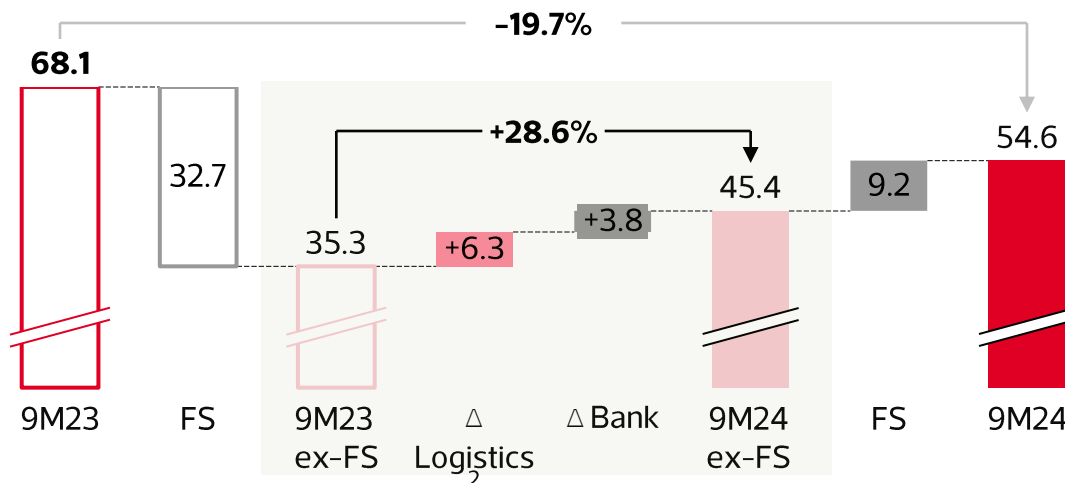
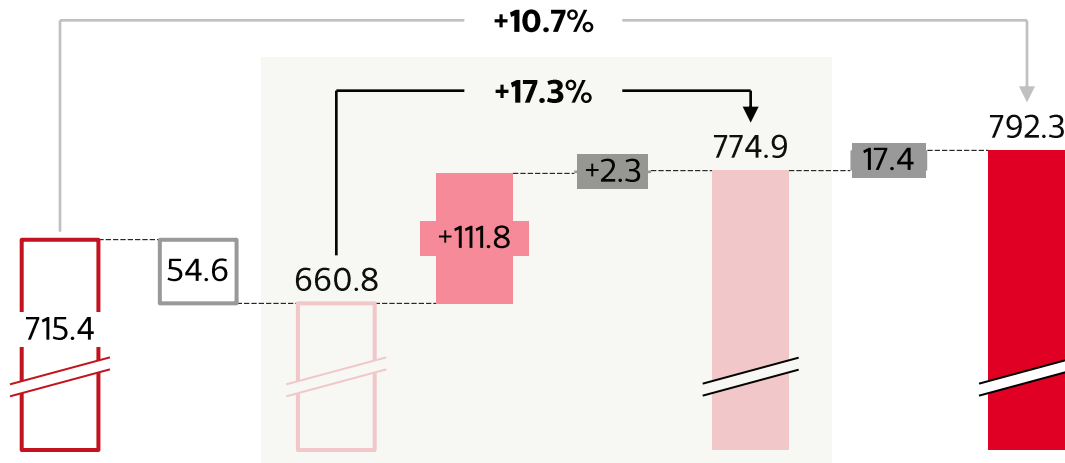


# Progression towards targets and FS normalising

Overview

## Revenues<sup>1</sup> & Recurring EBIT<sup>1</sup>

€ million



## Logistics

### Express & Parcels

- Record volumes, with Summer 2024 above peak season 2023
- +46% y.o.y in items delivered in 9M24 (>98 million)
- Recurring EBIT margin in 3Q24 of 8.7%
- Outlook of a record-breaking peak season in 4Q24

### Mail & Other

- Prices and mix compensating softer volumes
- Strong 4Q24 expected with +6.8% working days, recovery of mail backlog and increased cost sharing from FS

## Bank and Financial Services

### Financial Services

- Wide adoption of CTT app for subscription of savings certificates
- Increase in limits drives strong recovery in placements already observed in October

### Bank

- Continued client growth (+29k new accounts in 9M24)
- Focus on client engagement underpinning growth of business volumes
  - +46% y.o.y in deposits
- Record RoTE at 12.4%<sup>3</sup> in 9M24

<sup>1</sup>Excludes specific items

<sup>2</sup>Includes Express & Parcels and Mail & Other

<sup>3</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.

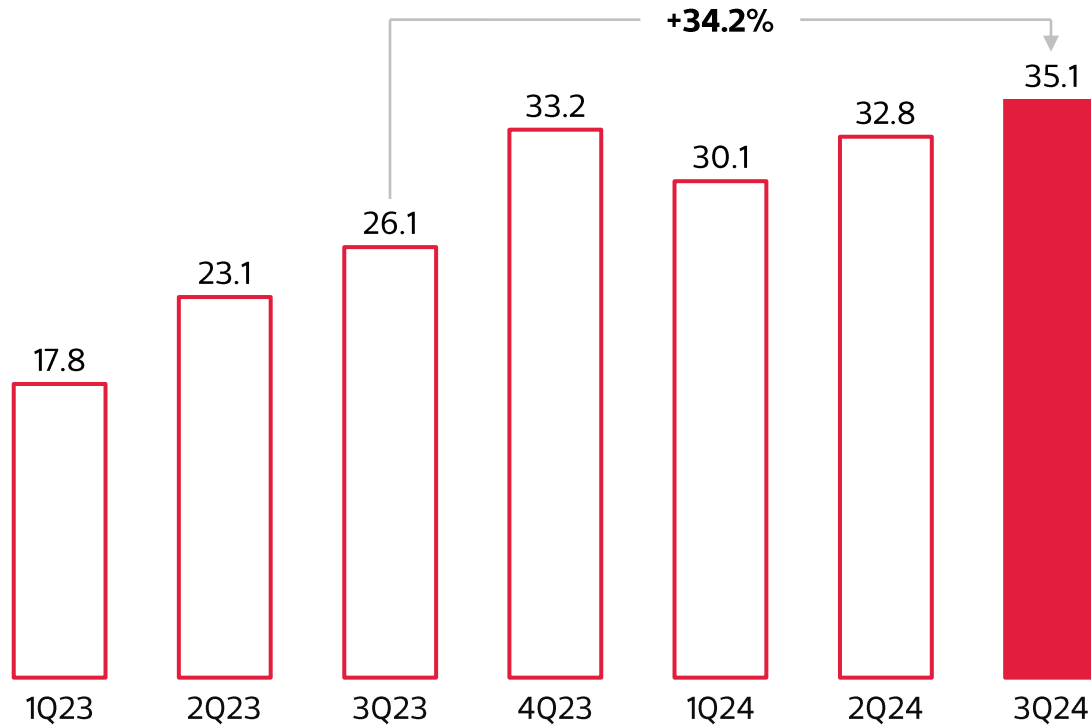
# Continued volume growth in E&P Iberia



Express & Parcels

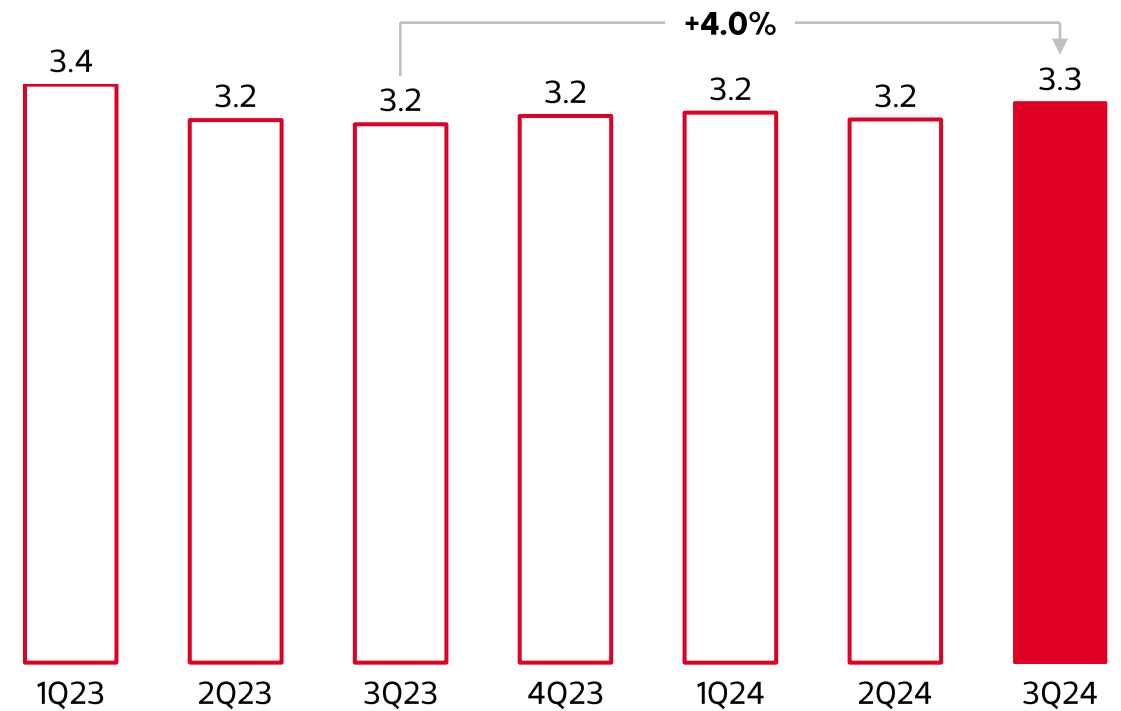
## E&P Iberia | CEP Volumes

million items



## E&P Iberia | CEP Average revenue per item

€



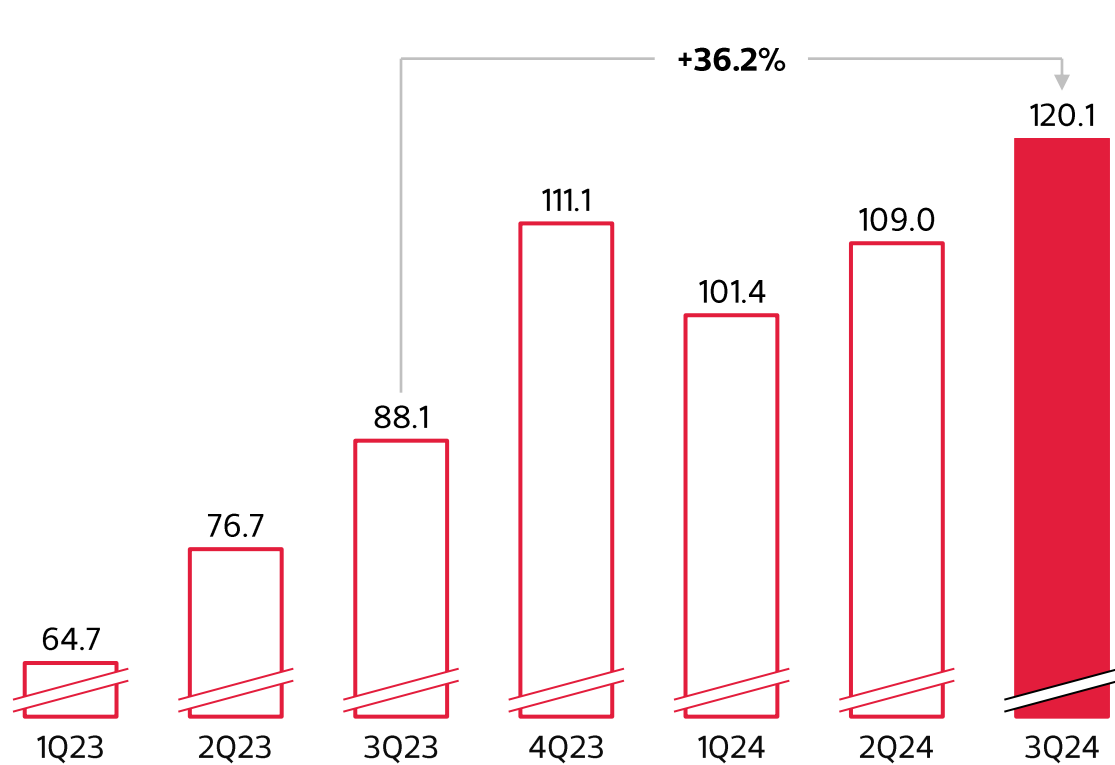
**Ready for a very strong peak season in 4Q24**

# Growth is driving scale and margin expansion

Express & Parcels

## E&P | Revenues

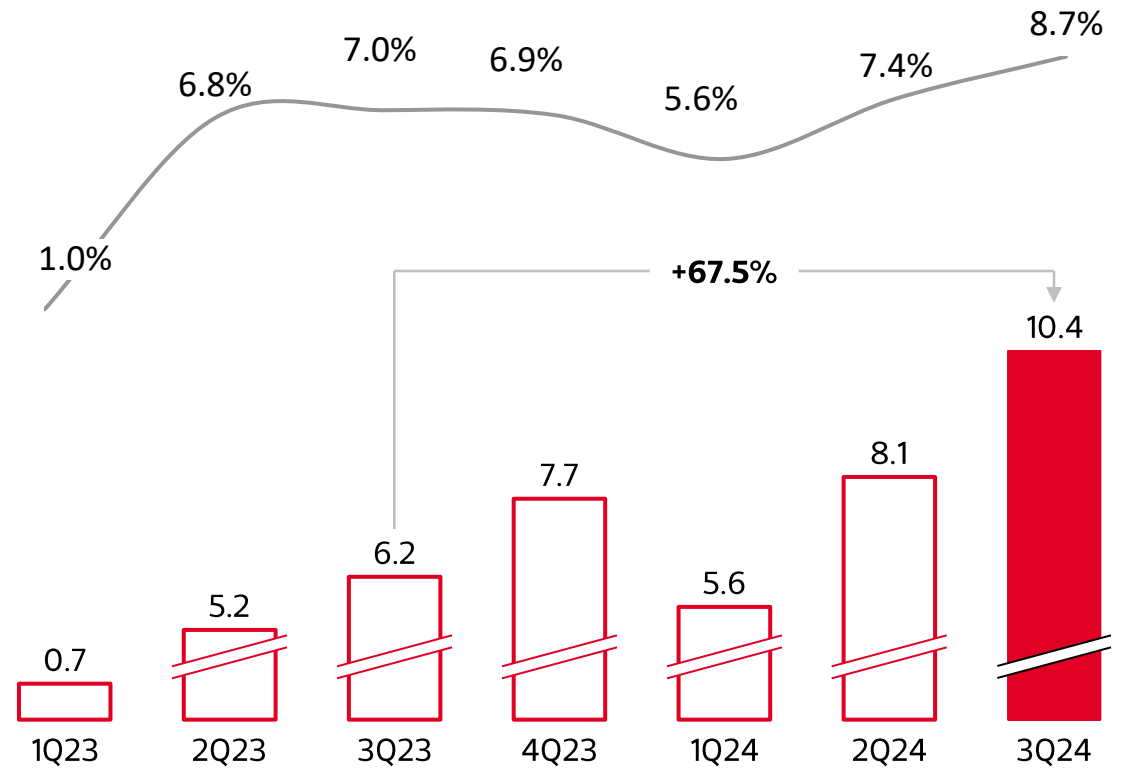
€ million; % change y.o.y.



## E&P | Recurring EBIT

€ million; % change y.o.y.

— margin



**Volume growth underpinning operational leverage**

# Price and mix offsetting light, albeit improving, volumes

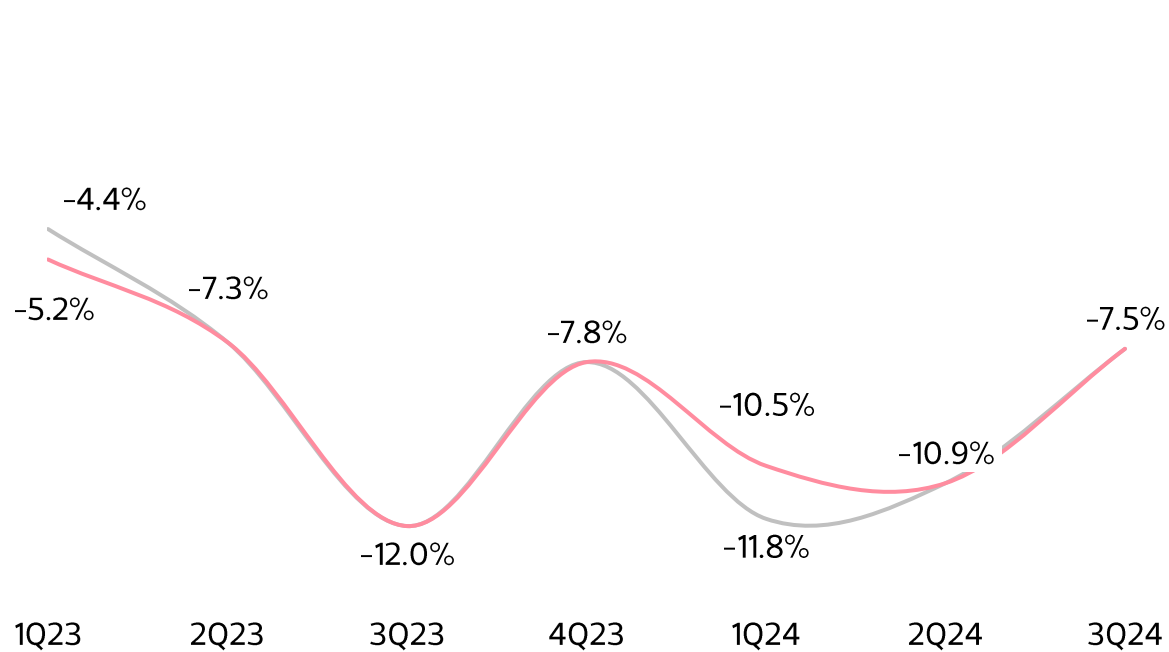


Mail & Other

## Addressed mail volumes

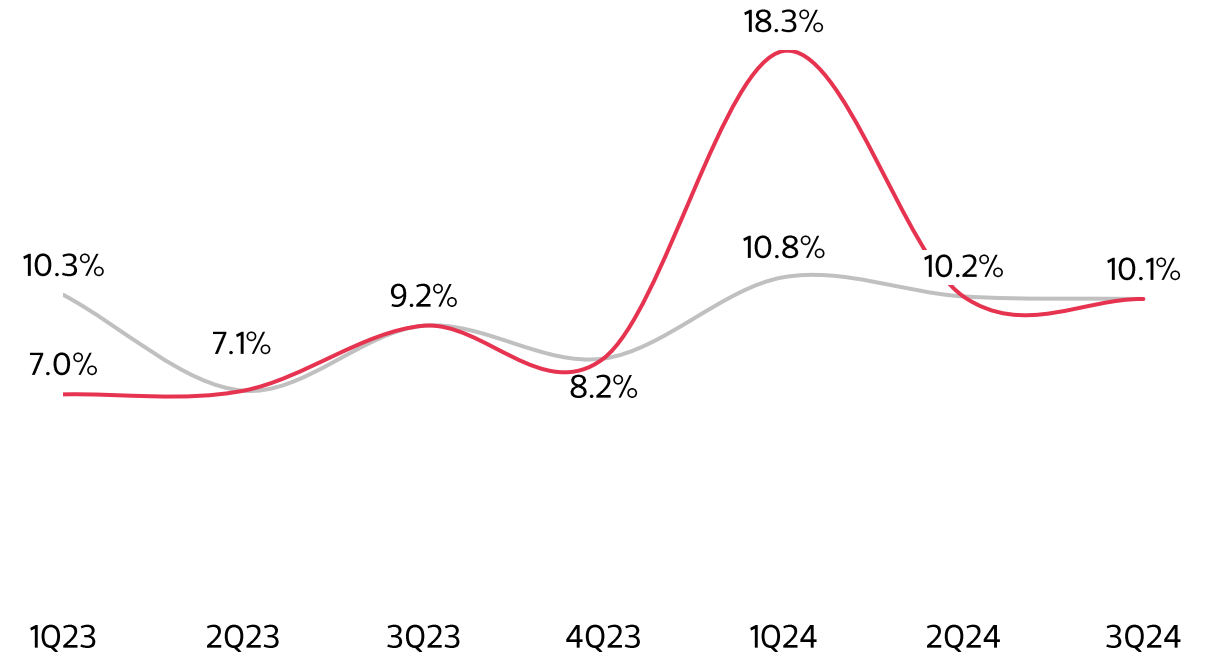
% change vs. prior year

- Adjusted for elections impact
- Reported



## Average revenue per item

% change vs. prior year



**4Q24 to benefit from more working days (+6.8% y.o.y)**

# 3Q24 impacted by increased backlog from public admin

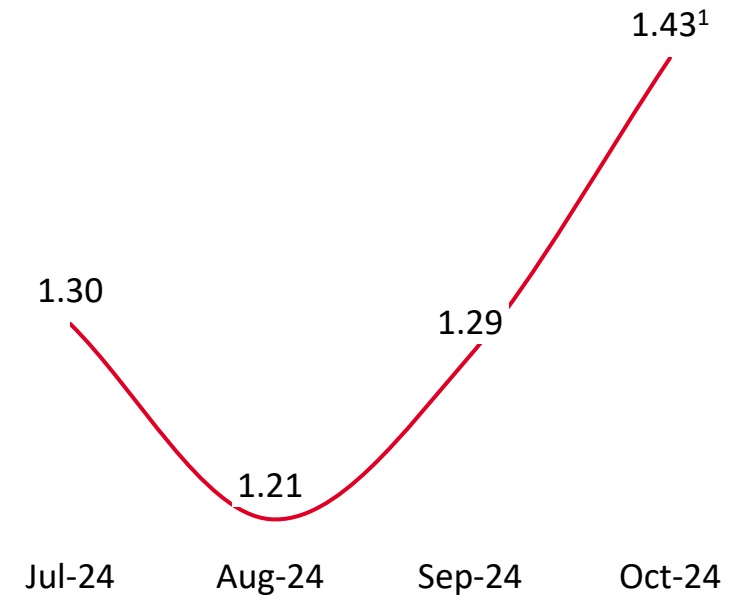
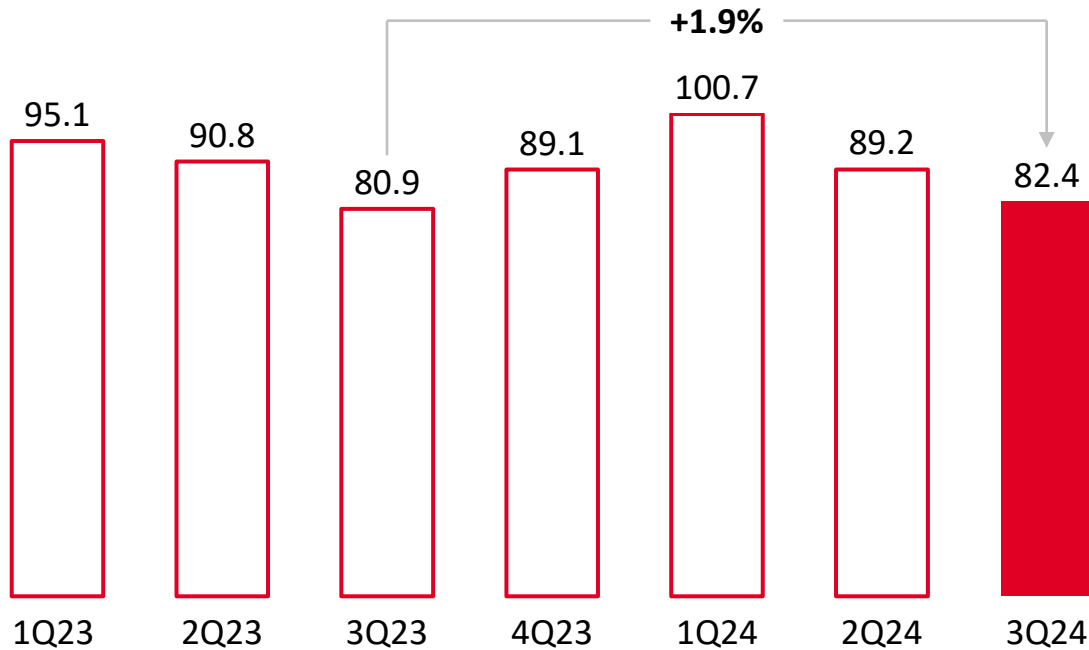
Mail & Other

## Addressed mail revenues

€ million

## Addressed mail revenues per working day

€ million



**We are observing a recovery in volumes in October**

<sup>1</sup>Provisional data until 23 October that may suffer adjustments

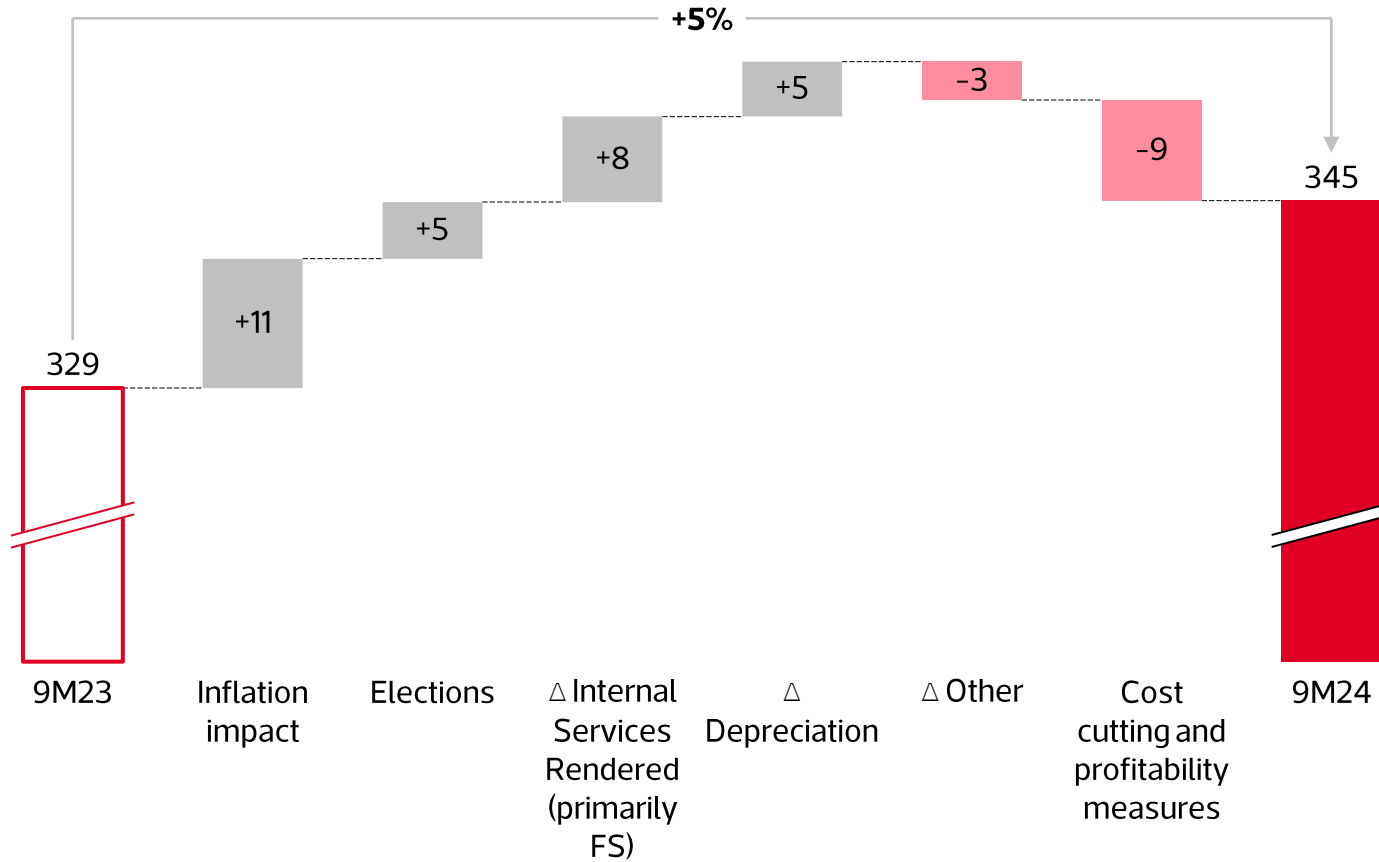


# Inflation, elections and lower FS drove expenses, notwithstanding cost cutting

Mail & Other

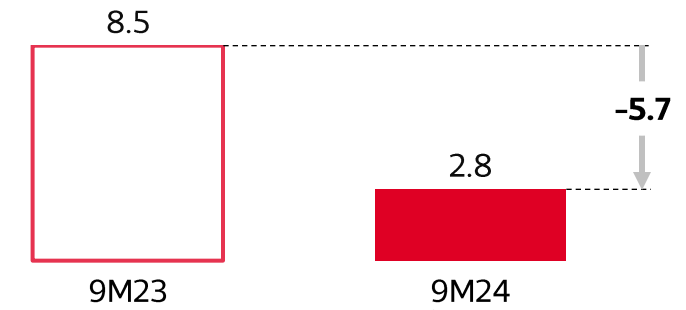
## Mail & Other | Costs (Rec. EBIT level)

€ million



## Mail & Other | Rec. EBIT

€ million



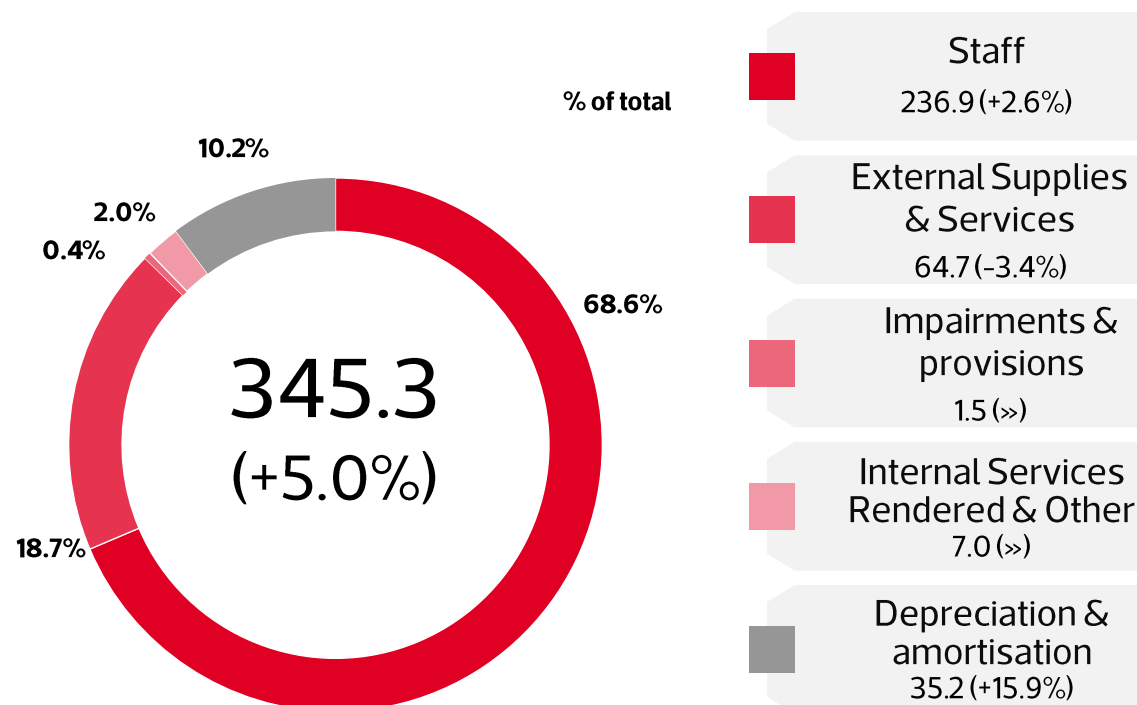
Assuming normalised placement activity, recurring EBIT in Mail & Other would be €2.8 million higher

# Cost efficiency programme ongoing with expected results in 2024 and onwards

Mail & Other

## Mail & Other | 9M24 Costs (Rec. EBIT level)

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



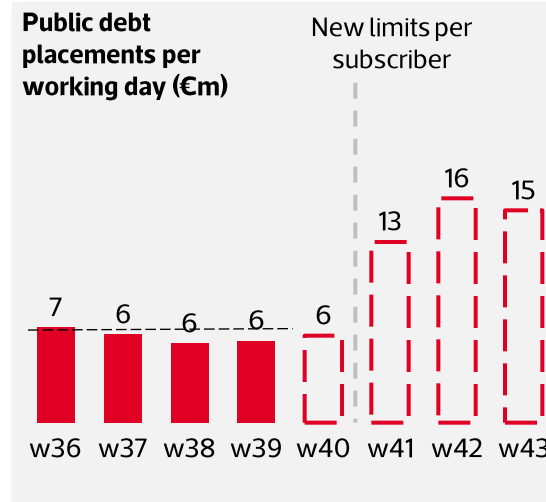
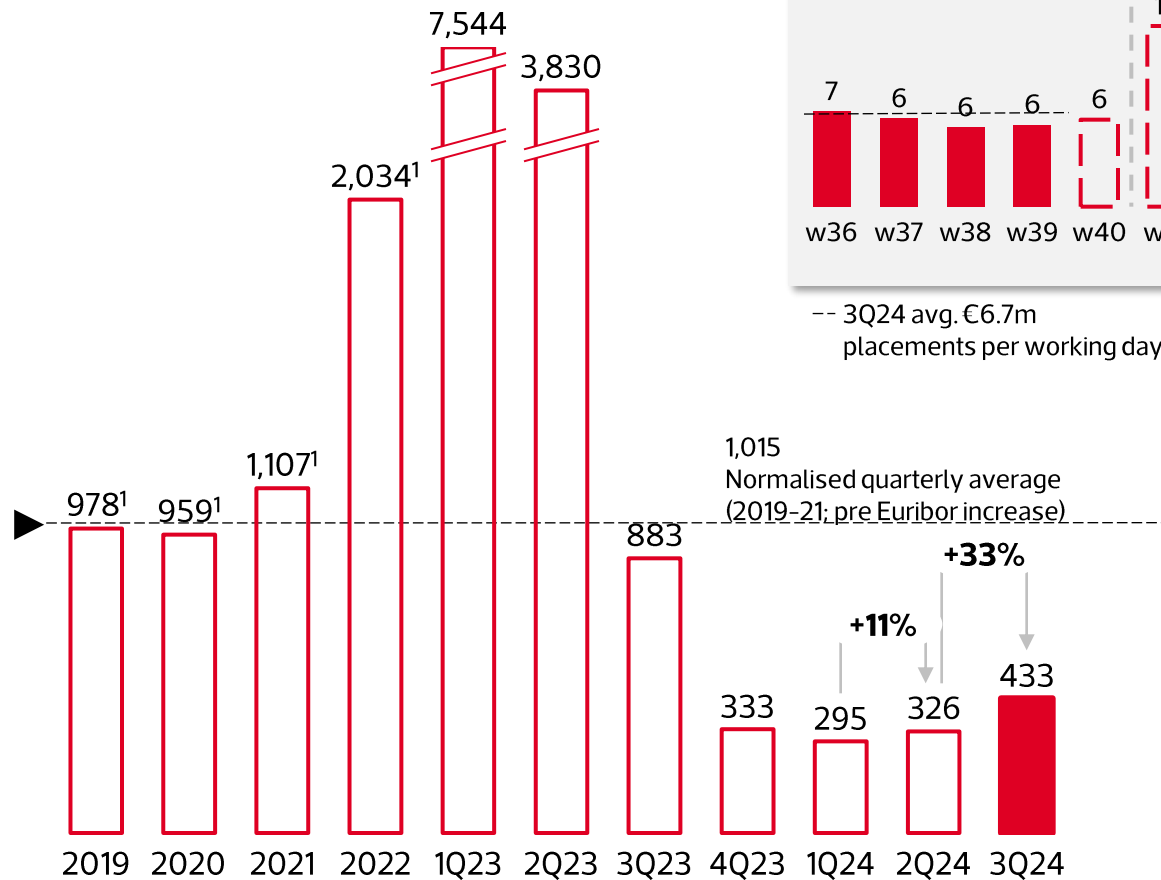
- Cost efficiency programme ongoing with expected results in 2024 and onwards
  - Aiming for additional gains through changes in the distribution model, which will impact the number of routes and increase distribution time of the mailmen network.
  - Increasing focus in revenue per headcount in the retail channel network.
  - Continue to unlock value to offset inflation through the cost cut program with an estimated cumulative impact above the € 20 m cumulative target in 2024 (CMD2022)
- While inflation is normalising, the USO pricing formula will still enable recovery of past inflation
- Normalisation of public debt placements will increase commercial activity enabling a recovery of fixed costs

# Increase in ceilings driving strong recovery in public debt placements

Financial Services

## Public Debt placements, per quarter

€ million



-- 3Q24 avg. €6.7m placements per working day

Limits per subscriber doubled from €50k to €100k as from 7 October onwards

CTT online platform for subscription of debt certificates with strong adoption

Marketing campaigns to highlight the attractiveness of public debt certificates, which is improving vis-a-vis deposits

In line with expectations, recent trends are pointing towards a normalisation of placement levels

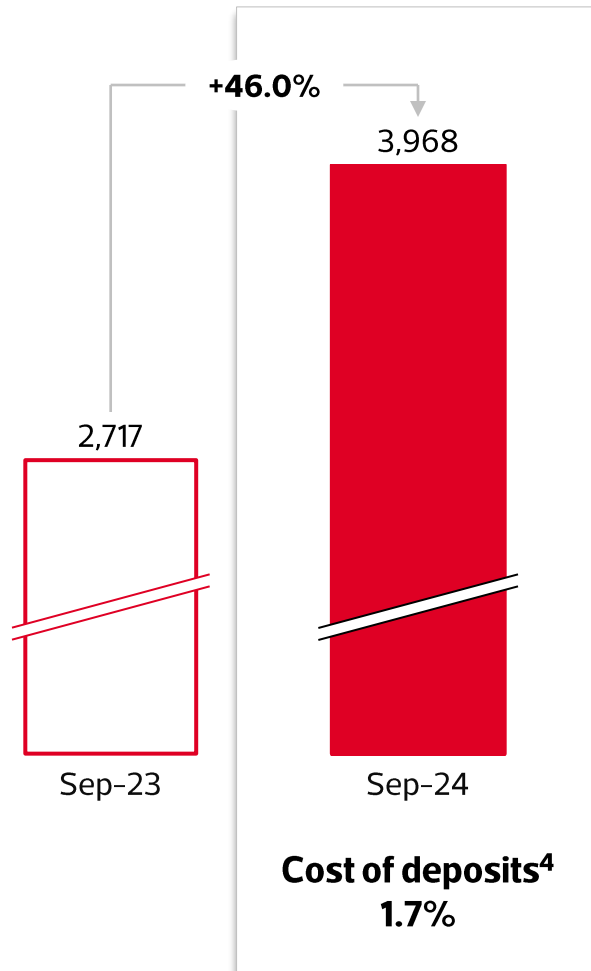
<sup>1</sup>Total debt placements in 2019, 2020, 2021 and 2022 were €3.9b, €3.8b, €4.4b and €8.1b, respectively. Figures presented in chart correspond to the quarterly average in those years.

# Improved client engagement by BCTT driving resources

Bank

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

€ million, EoP

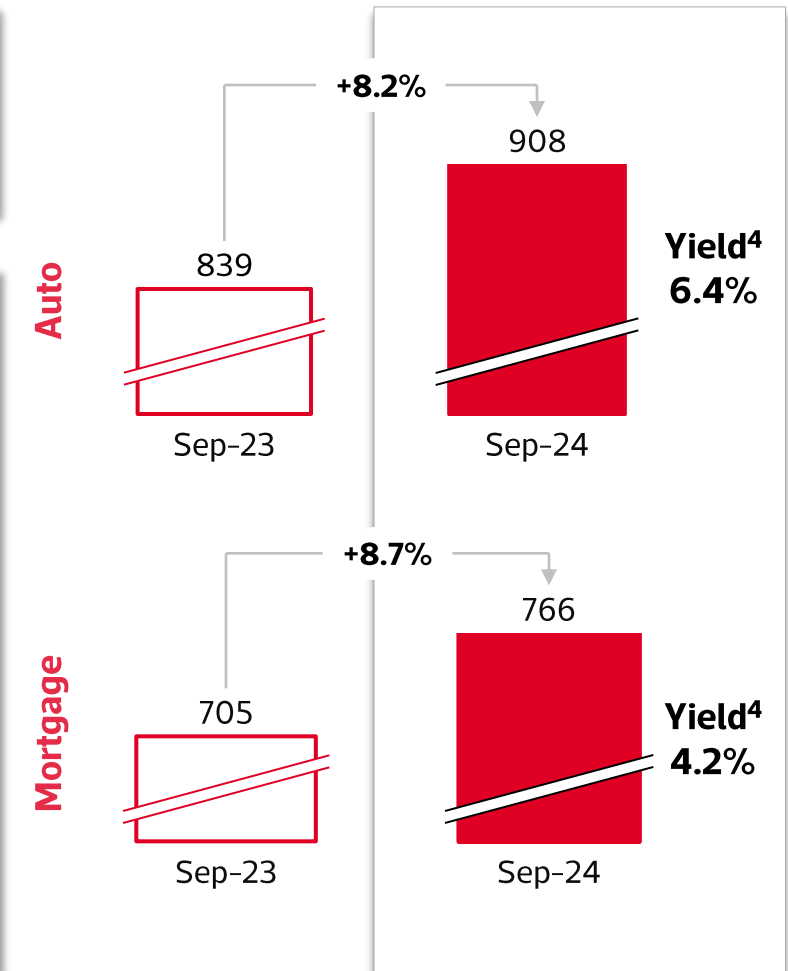


Banco CTT is gaining market share  
(Portuguese deposits<sup>5</sup> grew by 7.9%)

- 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
  - Loan growth subject to strict and unchanged risk appetite

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

€ million, EoP



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

# Record RoTE in Banco CTT, in line with CMD22 targets



Bank

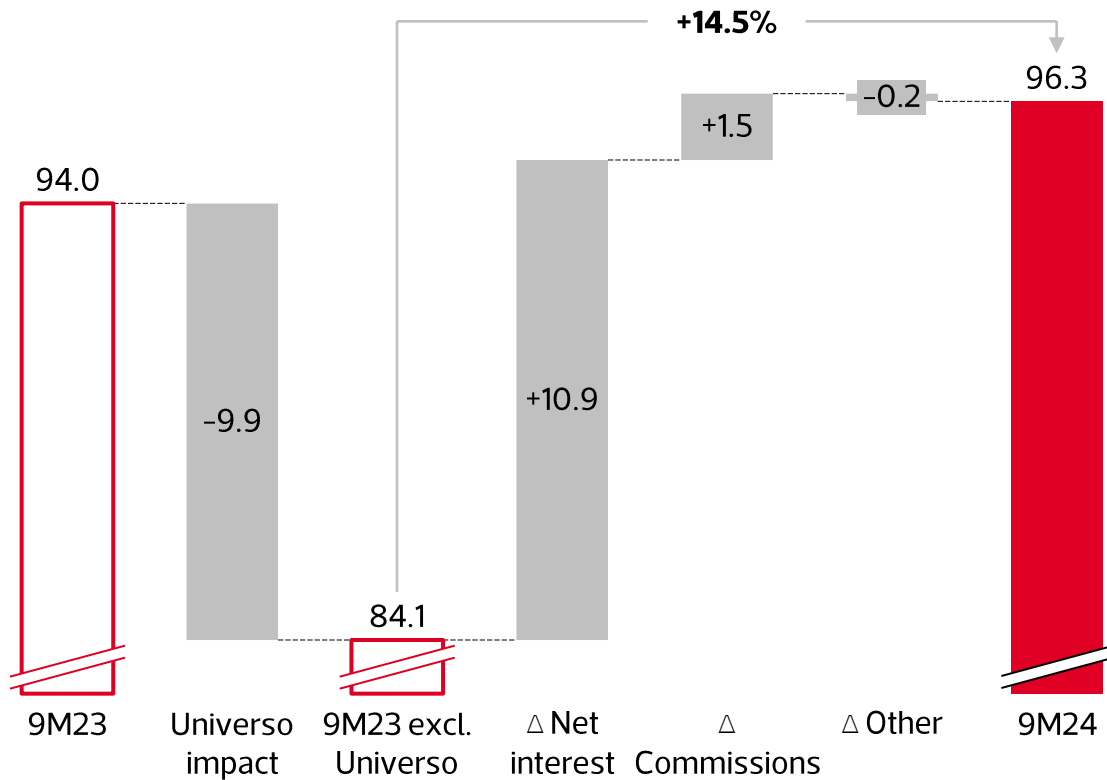
## Revenues

€ million; % change vs. prior year

% NIM<sup>1</sup>

3.0%

2.2%



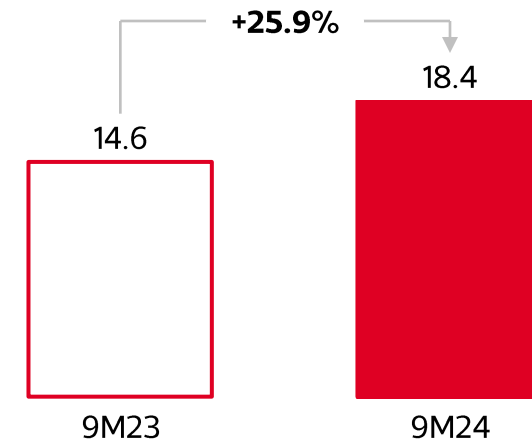
## Profit before Taxes<sup>3</sup>

€ million; % change vs. prior year

RoTE<sup>2</sup>:

8.6%

12.4%



<sup>1</sup>Cumulative;

<sup>2</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.

<sup>3</sup>Banco CTT consolidation perimeter, excluding specific items;

# Financial review

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# Consolidated EBIT and FCF should recover with improving debt placements



Financial Review

## Key financial indicators

€ million; % change vs. prior year

	Quarter			9 months		
	3Q23	3Q24	y.o.y	9M23	9M24	y.o.y
<b>Revenues<sup>1</sup></b>	235.0	267.9	<b>14.0%</b>	715.4	792.3	<b>10.7%</b>
Operating costs - EBITDA <sup>2</sup>	199.5	228.1	<b>14.3%</b>	599.8	681.7	<b>13.6%</b>
<b>EBITDA<sup>2</sup></b>	35.5	39.8	<b>12.2%</b>	115.6	110.6	<b>-4.3%</b>
Depreciation & amortisation	15.8	20.2	<b>27.8%</b>	47.5	55.9	<b>17.7%</b>
<b>Recurring EBIT<sup>1</sup></b>	19.7	19.6	<b>-0.4%</b>	68.1	54.6	<b>-19.7%</b>
Specific items	1.9	4.1	<b>117.1%</b>	11.0	6.7	<b>-39.2%</b>
<b>EBIT</b>	17.8	15.5	<b>-12.8%</b>	57.1	48.0	<b>-16.0%</b>
Financial result	-4.5	-4.9	<b>-9.6%</b>	-11.6	-13.1	<b>-12.9%</b>
Tax	3.8	2.4	<b>-37.9%</b>	10.0	6.4	<b>-35.4%</b>
<b>Net profit attributable to equity holders</b>	9.5	7.9	<b>-16.2%</b>	35.5	27.8	<b>-21.9%</b>
<b>Free cash flow</b>	16.6	-2.1	<b>&lt;&lt;</b>	64.5	8.5	<b>-86.8%</b>

<sup>1</sup>Excluding Specific items;

<sup>2</sup>Excluding Specific items, depreciation & amortisation

# E&P revenues growing 44% on 9M24

Financial Review

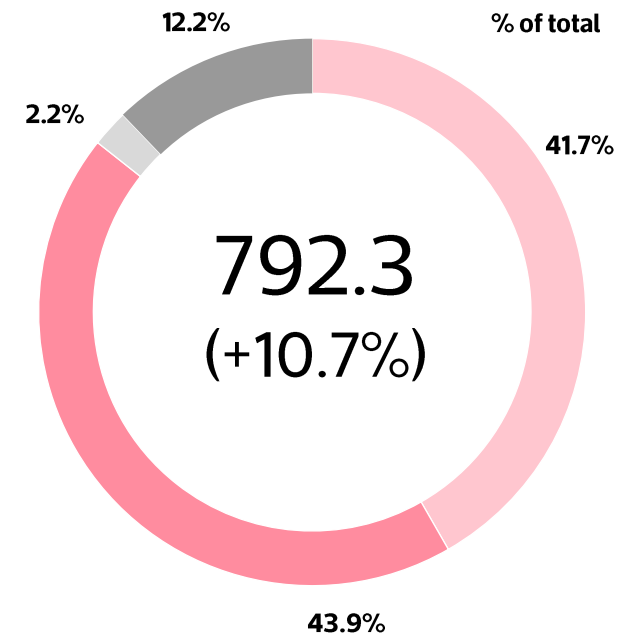
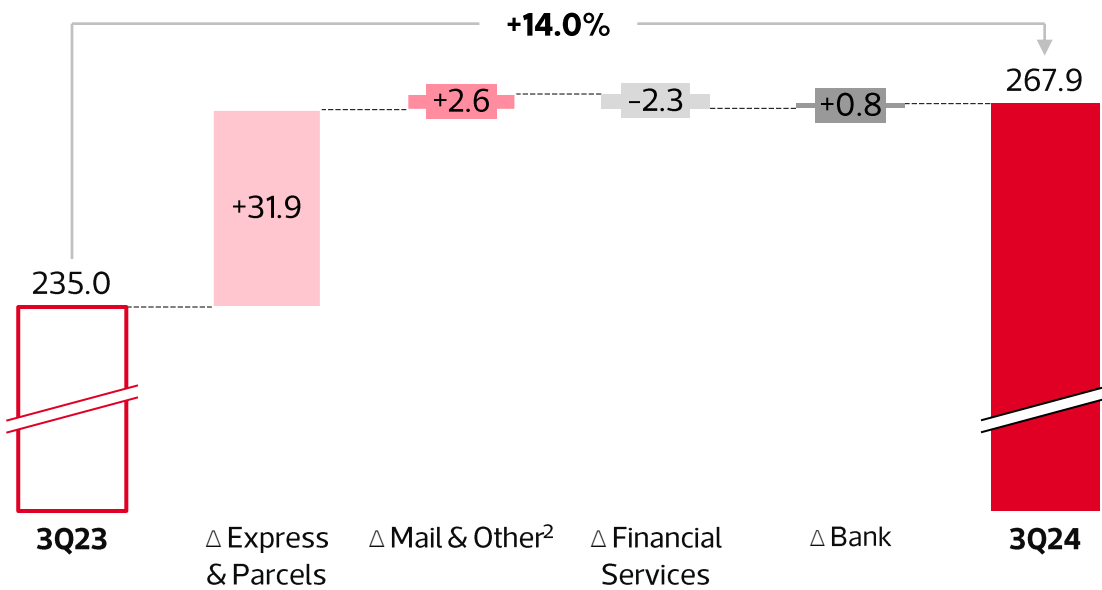
## Revenues<sup>1</sup>

€ million; % change vs. prior year

## Revenue<sup>1</sup> breakdown

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

9M24



Express & Parcels	330.5 (+44.0%)
Mail & Other <sup>2</sup>	348.2 (+3.2%)
Financial Services	17.4 (-68.2%)
Bank	96.3 (+2.5%)

**A very strong 2024 peak season expected in E&P**

<sup>1</sup>Excluding Specific items

<sup>2</sup>Including Central Structure

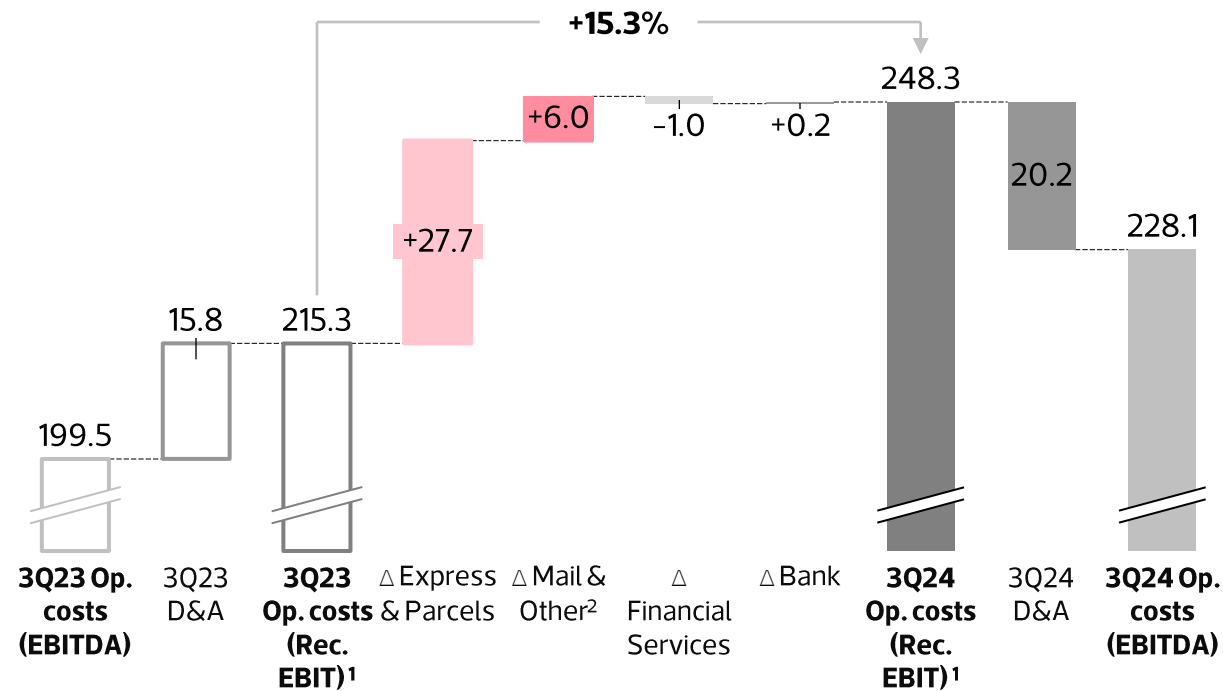


# Continued focus on cost reduction lessens the impact of inflation and stronger activity

Financial Review

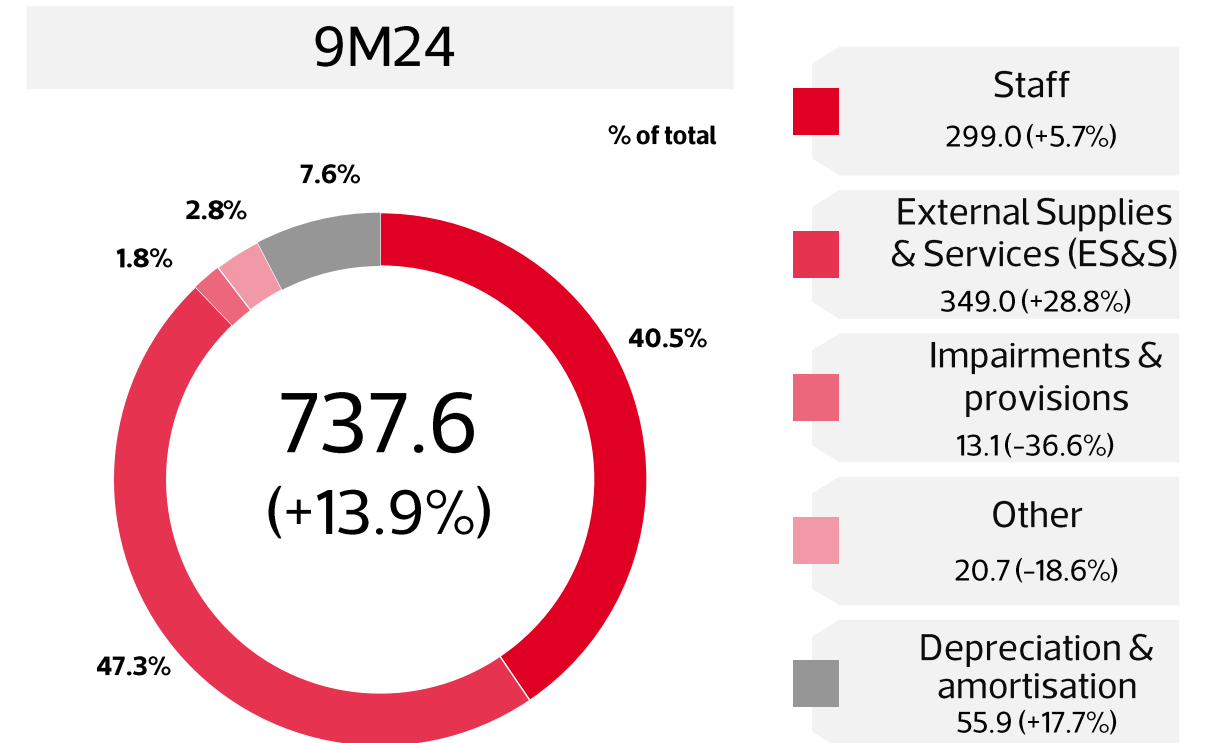
## Operating costs<sup>1</sup>

€ million; % change vs. prior year



## Operating costs (Rec. EBIT)<sup>1</sup> breakdown

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



### In 3Q24:

- **E&P** costs grew by €27.7m mainly due to increased business activity
- **Mail & Other** costs increased €6.0m, due to inflation and lower FS contribution
- **Financial Services** costs decreased €1.0m, due to lower public debt placements
- **Bank** costs increased €0.2m mainly due to increase in staff costs, mostly offset by a reduction in impairment & provisions (-€3.2m)

<sup>1</sup>Excluding Specific items;

<sup>2</sup>Including Central Structure

# EBIT penalised by inflation and FS performance, which is improving with the new ceilings

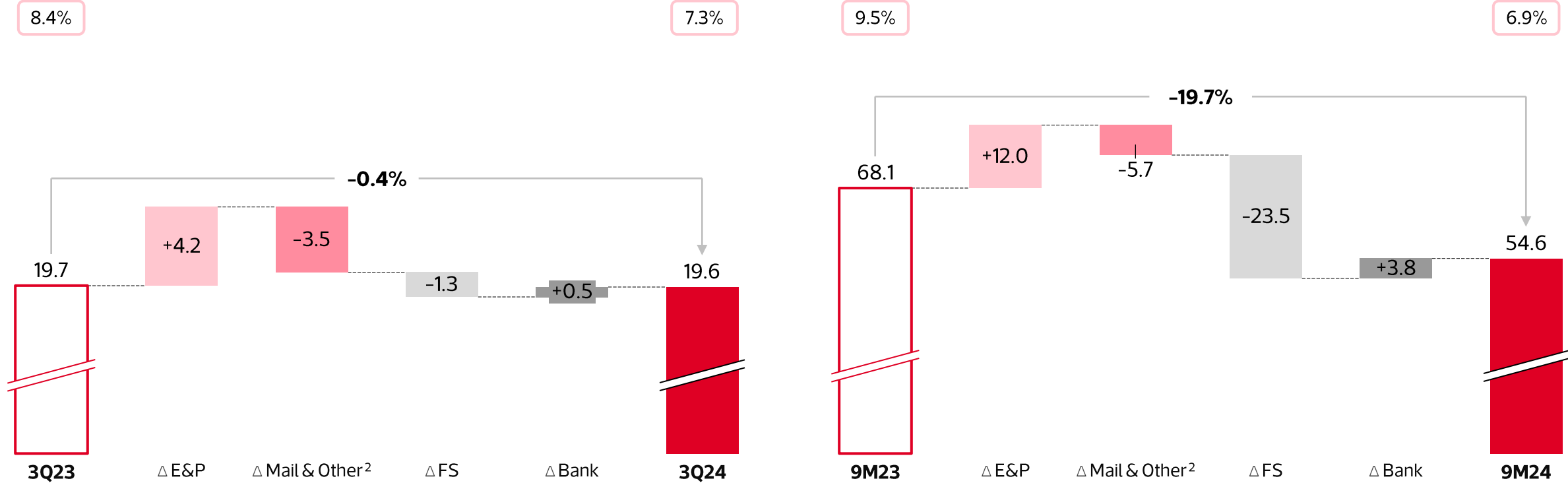


Financial Review

## Recurring EBIT<sup>1</sup>

€ million; % change vs. prior year

Margin:



**Further cost-cutting initiatives against a backdrop of lower volumes and cost inflation**

<sup>1</sup>Excluding Specific items;

<sup>2</sup>Including Central Structure;

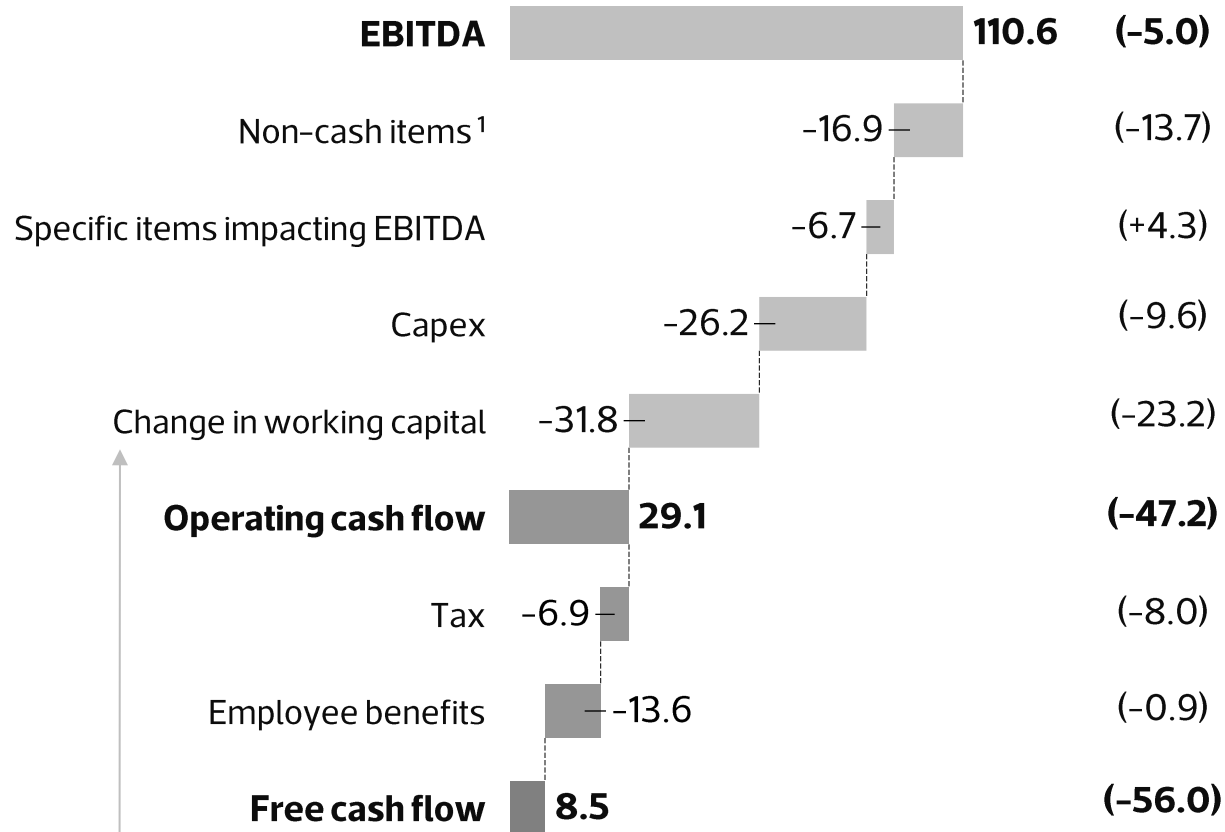
# Net debt reflects primarily dividends paid and SBB, while FCF should improve in 4Q24



Financial Review

## 9M24 Cash flow

€ million; impact on cash flow vs. prior year



A/R from E&P customers (€17.8m) have been recovered in October

## Net financial debt at 30 September 2024<sup>2</sup>

€ million

	Consolidated
(+) Cash & cash equivalents	209.8
(-) Net Financial Services & Other payables <sup>3</sup>	149.1
(-) Banco CTT liabilities, net <sup>3</sup>	-217.6
(-) Other <sup>4</sup>	43.6
(=) Adjusted cash	234.6
(-) Financial debt	79.8
<b>(=) Net cash position</b>	<b>154.8</b>
(-) Lease liabilities (IFRS 16)	157.5
<b>Net financial debt<sup>2</sup></b>	<b>2.7</b>

<sup>1</sup>Impairments, provisions and IFRS 16 affecting EBITDA; <sup>2</sup>Only financial debt presented in the table; it does not include net employee benefits of €129.7m as at 30 September 2024; <sup>3</sup>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. <sup>4</sup>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

Outlook & Final  
remarks

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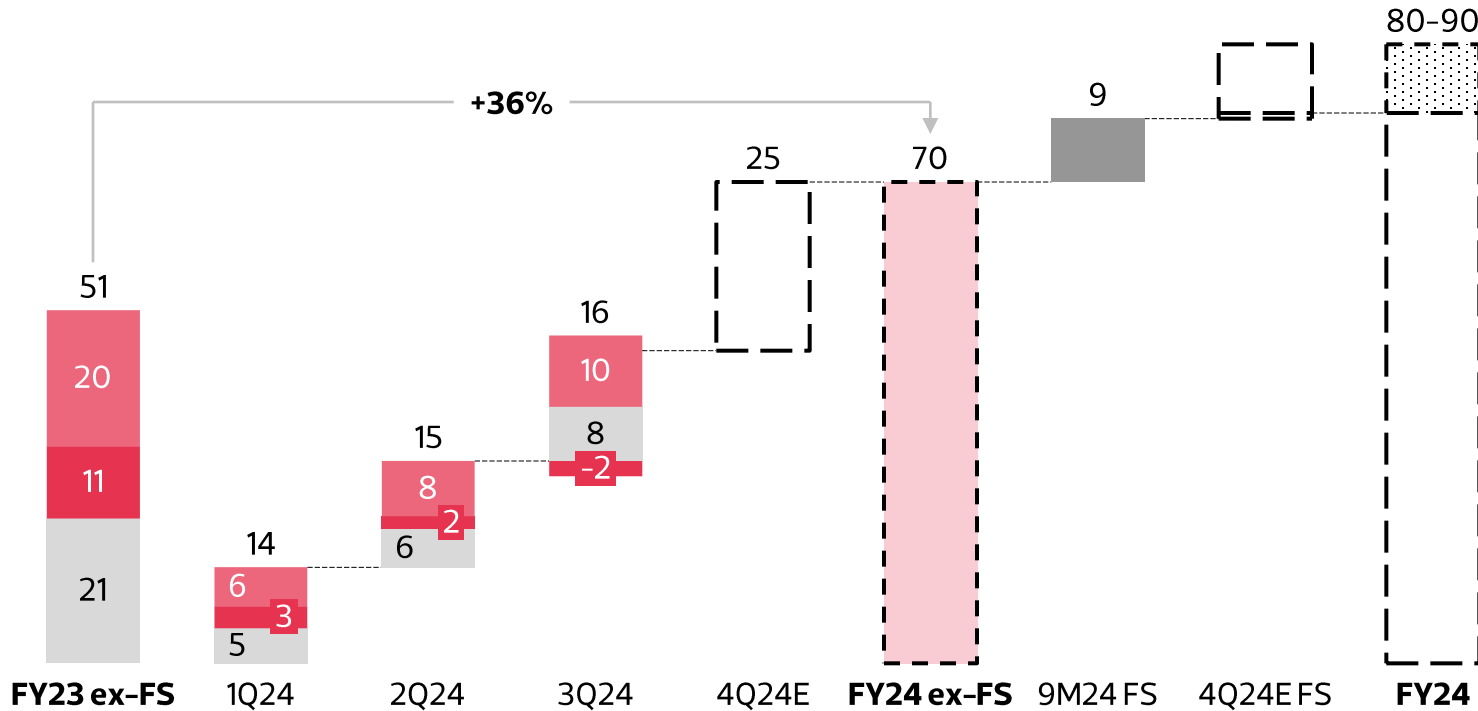
# Reiterating guidance based on strong outlook for 4Q24



Outlook

Rec. EBIT

€ million



y.o.y: +84.1% +19.3% +8.3% +53.6% +36.4%

Financial Services Express & Parcels Mail & Other Bank

Peak season should be another record quarter for E&P

Mail revenues showing clear signs of improvement in October

Public debt placements significantly higher following signalling a strong 4Q24 for FS



29 October 2024

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committed to deliver  
9M24 results presentation

## Investor Relations

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