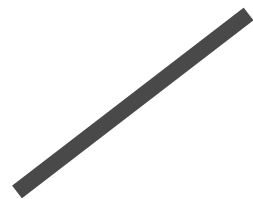


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ODDO BHF

**IBERIAN
FORUM**

Paris, 23 May 2019

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This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.

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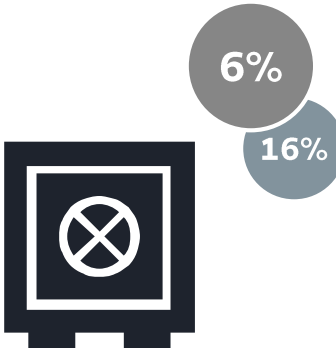
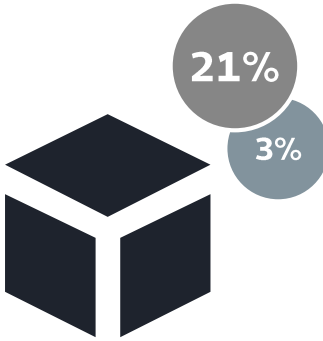
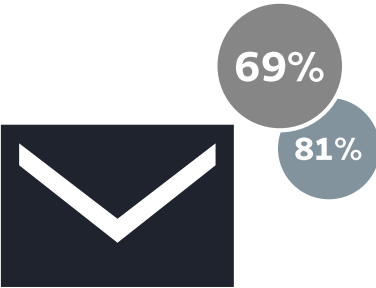
company

overview

CTT is a modern and dynamic postal services operator with a diversified portfolio of businesses...



GROWTH LEVRS



MAIL

- MAIL**
 - Transactional
 - Editorial
 - Advertising
 - USO Parcels
 - Philately
- BUSINESS SOLUTIONS**
 - Printing & finishing
 - Storage and document management (Mailtec)
- RETAIL SERVICES**
 - One-stop shop for services
 - Citizen's Bureau Areas

Indisputable market leader with industry-leading margins

EXPRESS & PARCELS

- PORTUGAL**
- SPAIN**
- MOZAMBIQUE**

50% JV with Correio de Moçambique

Economies of scale and market-leading position in Portugal; relevant operation in Spain based on a franchisee model

BANCO CTT

- Current accounts
- Savings accounts
- Mortgages
- Debit & credit card
- Overdrafts
- Payments



Leveraging on a strong brand name, a historical track record and a Retail Network comparable in size to those of the major Portuguese banks

FINANCIAL SERVICES

- SAVINGS & INSURANCE**
- CREDIT**
- PAYMENTS**
- TRANSFERS**

% of 2018 Recurring revenues (€708.0m)

% of 2018 Recurring EBITDA (Excl. Banco CTT) (€90.4m, of which -€17m related to Banco CTT)

...standing out with the capillarity of its networks, proximity to the population and strong brand



LAST-MILE LOGISTICS PLAYER...

...WITH A GROWING FINANCIAL SERVICES BUSINESSES



ADDRESSED MAIL
681m items



PARCELS
37m items



SAVINGS & INSURANCE
€2.7bn placements



CURRENT ACCOUNTS
348k



CUSTOMER DEPOSITS
€884m



CREDIT TO CLIENTS
€248m

Based on two unique networks...

RETAIL NETWORK

2,762
HUMAN RESOURCES

2,383
ACCESS POINTS

of which: **538 OWNED**

4,349
PAYSHOP AGENTS

DISTRIBUTION NETWORK

6,445
HUMAN RESOURCES
of which: **4,467 MAILMEN & WOMEN**

230
POST DELIVERY OFFICE
and: **2 SORTING CENTRES**

+3,600
OPERATIONAL FLEET

...and a trusted brand



1st PLACE
PSI20 company with
best reputational
evaluation
Fourth consecutive year



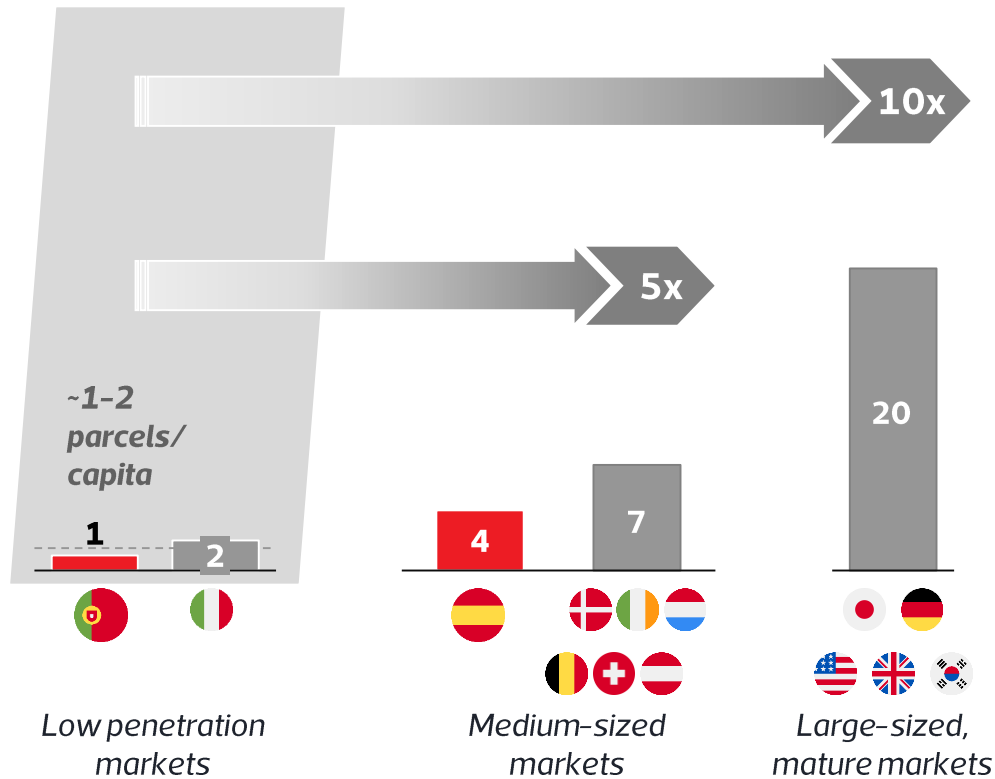
Note: Figures as at 31 December 2018.

CTT has been investing to capture the Express & Parcels flows in Portugal and Spain, markets with great potential for e-commerce growth



Portugal and Spain still lagging behind other countries in online retail

E-commerce penetration: domestic e-commerce parcels per capita¹



Development of new initiatives for the e-commerce ecosystem expansion

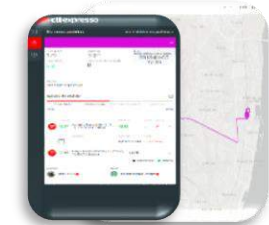
PARCEL LOCKERS



24h available lockers



SUPER EXPRESS



Same-day delivery within 2h



Launch of a **JV with Sonae for online B2C marketplace**, based on the high expected growth of e-commerce in Portugal and leverage on complementary capabilities and skills

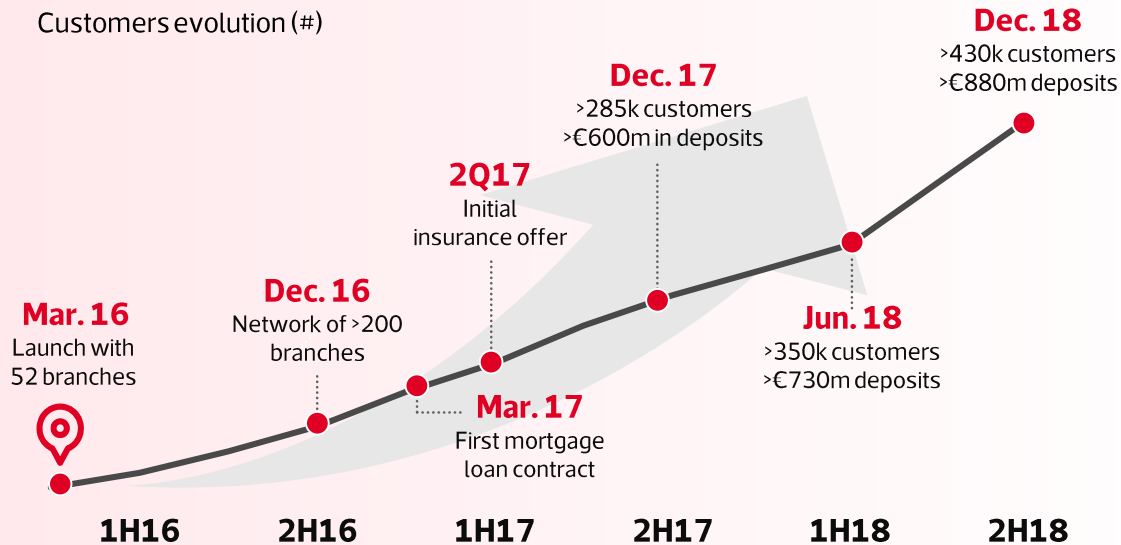
¹Source:McKinsey eCommerce Logistics – growth motor for Posts (March 2017). E-commerce relevant is considered as domestic B2C parcels, with speed typical for e-commerce shipments in the given country.

Banco CTT has presented robust growth rates since its launch and is entering a market with strong growth potential through an acquisition with significant synergies



Banco CTT is experiencing a remarkable organic growth since its launch in 2016...

Customers evolution (#)



bancocctt is an **innovative and fast-growing retail banking player** focused on **simplicity, transparency and proximity**

CTT identified an **opportunity in the Portuguese market for a no frills retail offer** and launched the bank **using its own Retail Network available capacity** and its **vast experience in financial services**

...and will expand inorganically into the **consumer credit market** to enhance growth



acquisition, a fast growing consumer credit player

focused on lending for the purchase of used cars

Market with strong growth dynamics

Used auto loans origination market with a **25% growth in 2017** (vs. 2016), and **estimated CAGR >7%** (2017-2022E)

Competitive positioning



Top-5 player with a **market share of ~10%** in 2017

Upside potential within Banco CTT



Funding costs synergies up to €2m p.a.

Recurring EBITDA guidance delivered in 2018, as a result of an acceleration of the revenues growth and a stabilisation of the cost base



Recurring revenues growth trend

+1.4%

(+0.4% in 2017)



Operational Transformation Plan (OTP)
rec. operating costs savings exceeded
the full-year objective

€15.0m

(€13.8m objective)



Recurring EBITDA guidance delivered

€90.4m

(€89.9m in 2017)



Positive mix effect driving growth
in Mail revenues, despite
higher-than-expected volumes
decline

+0.8%



Double-digit growth of
Express & Parcels volumes
and revenues

+12.3%

(volumes & revenues)



The steady build-out of the
Banco CTT franchise
continues

€884.0m

(customer deposits)



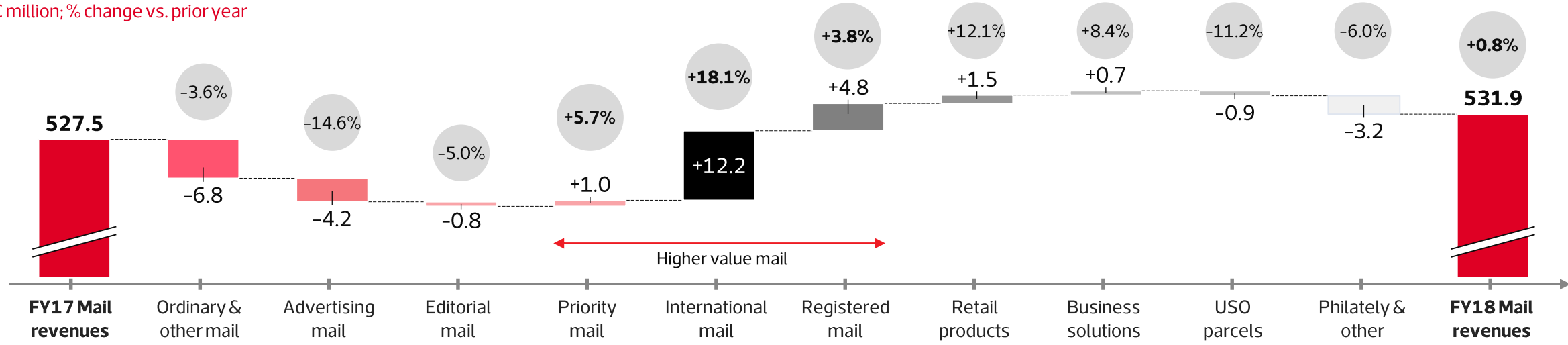
Mail performance underpinned by strong mix effect; Savings & insurance placements recovered throughout the year, as prior treasury certificates issues started to mature



MAIL

Mail revenues breakdown

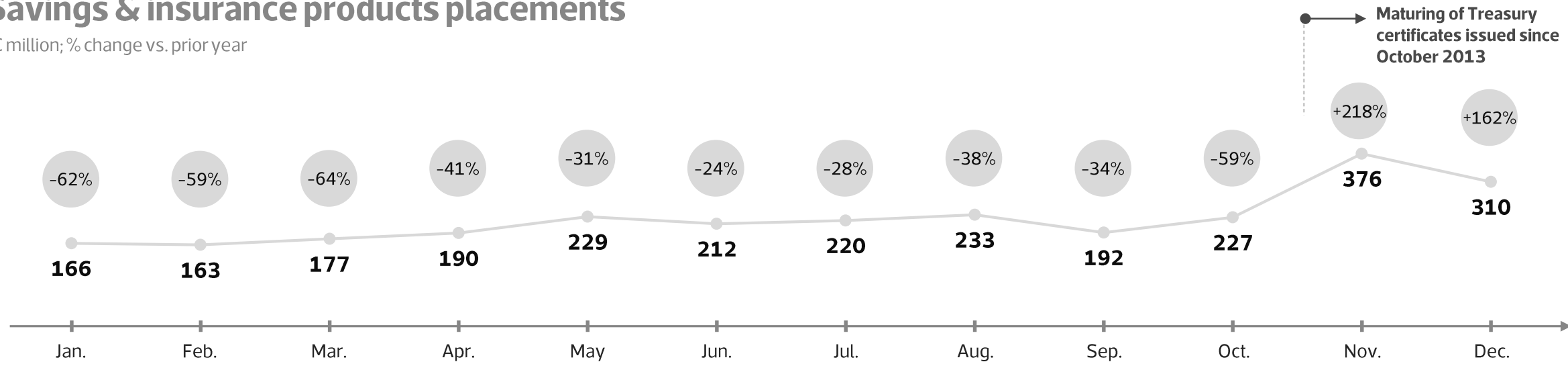
€ million; % change vs. prior year



FINANCIAL SERVICES

Savings & insurance products placements

€ million; % change vs. prior year



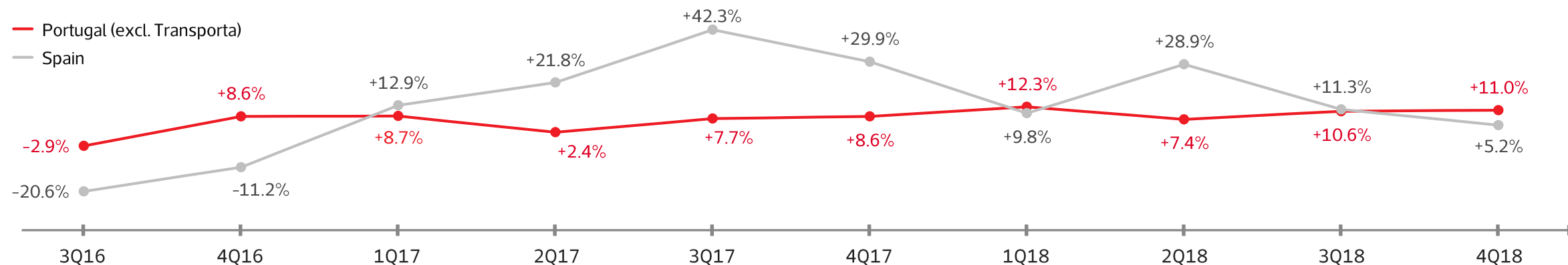
The positive evolution in the growth levers continued; CTT is still in the early stages of a long-term diversification process



EXPRESS & PARCELS

Parcels volumes

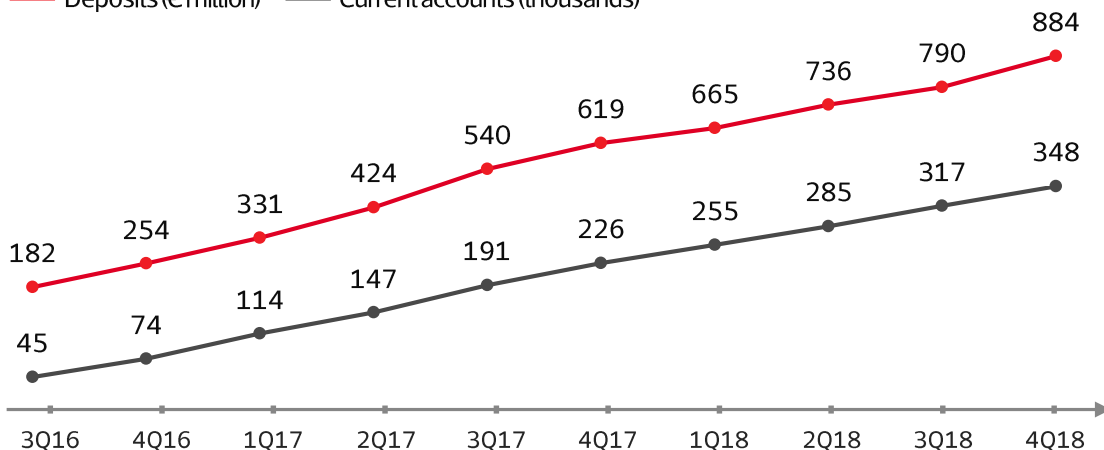
Quarterly change vs. prior year



BANCO CTT

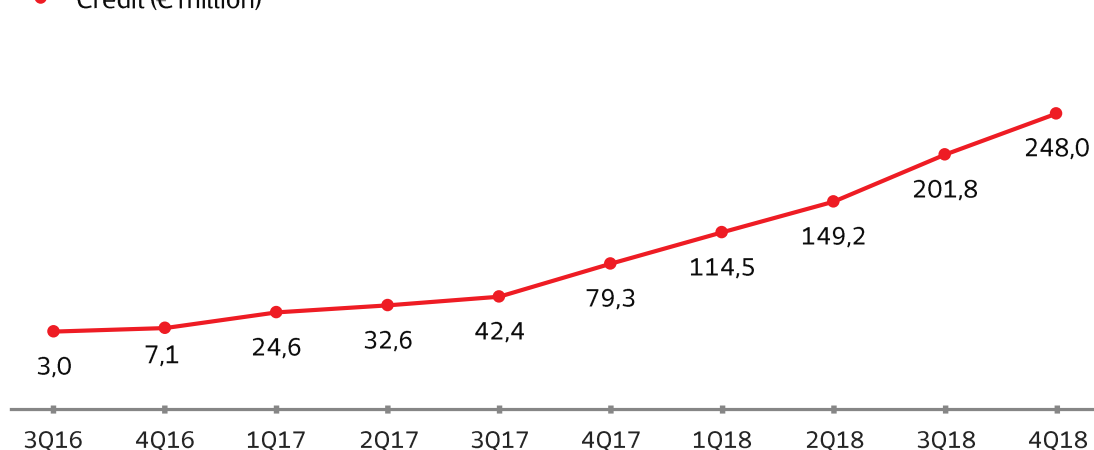
Deposits & current accounts¹

Deposits (€ million) Current accounts (thousands)



Credit placed by Banco CTT on its own Balance Sheet²

Credit (€ million)



¹Cumulative figures.

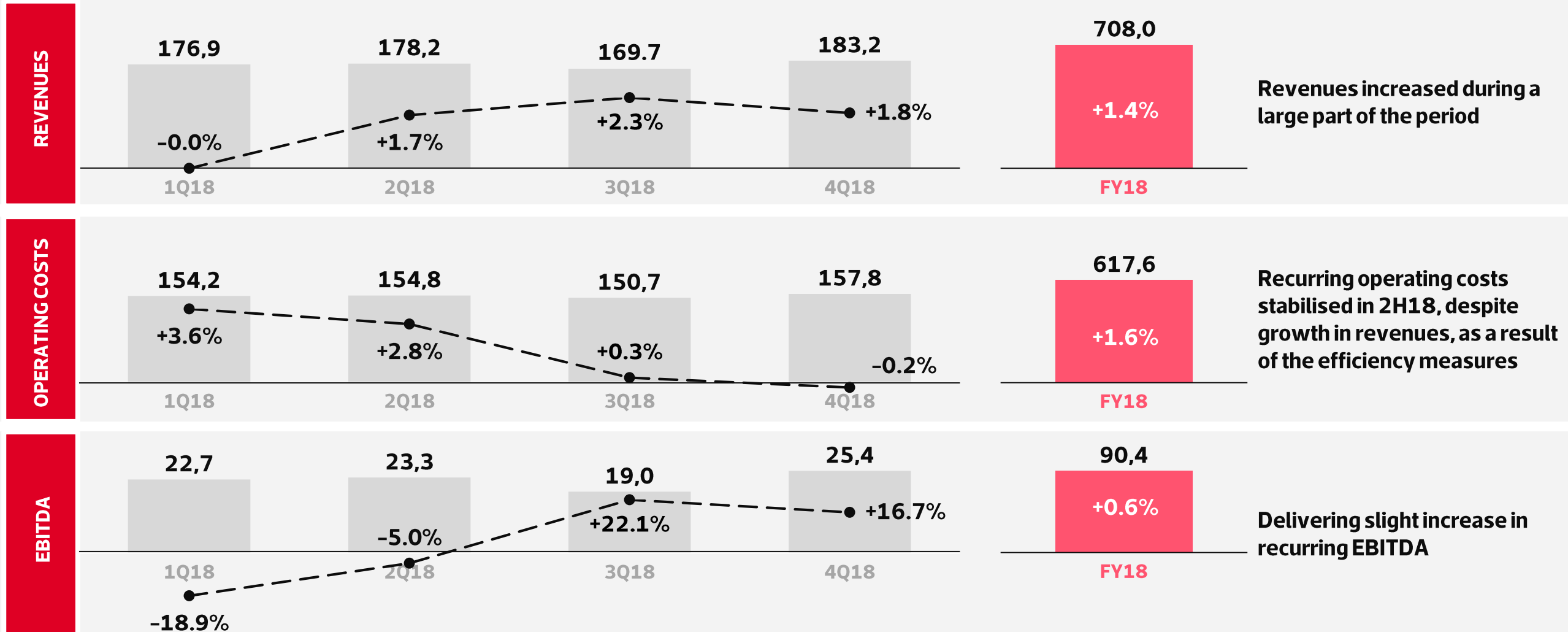
²Net of impairments.

Key financial indicators registered gradual improvement as 2018 progressed



Key recurring¹ financials





€ million; % change vs. prior year



¹Excluding non-recurring items affecting EBITDA of -€8.8m in 2017 and -€16.1m in 2018.

In 2017, CTT launched an ambitious Operational Transformation Plan to improve profitability levels, complying with all regulatory obligations and positioning the company for the next growth phase



	Recurring EBITDA impact (by 2020)	One-time costs
 <p>Adjust HR policies and deepen the ES&S cost reduction efforts</p>	€6-7m	€-m
 <p>Reinforce HR optimisation programme and rationalise non-core assets</p>	€5-6m	€14m
 <p>Optimise the Retail Network maintaining proximity to the citizens</p>	€6-7m	€15m
 <p>Reengineer the Distribution Network to improve operational efficiency</p>	€21-25m	€25m (plus incremental Capex of c. €25m)

Operational Transformation Plan objective: up to €45m positive contribution to recurring EBITDA from 2020 onwards

The Operational Transformation Plan costs savings & capital gains exceeded the 2018 objectives



FY18 recurring operating costs savings

Savings objective exceeded



€15.0m

Costs savings realised

€13.8m

Costs savings objective



FY18 non-recurring revenues / capital gains

Capital gains objective exceeded



€9.3m

Capital gains realised

€5.2m

Capital gains objective



FY18 non-recurring operating costs

€21.6m

Non-recurring op. costs related to the OTP

€20.0m

Non-recurring op. costs objective

CTT strategy: transform the postal business and continue to develop the Express & Parcels and Banco CTT growth levers, committed to business diversification



Mail



Preserve the value of the Mail business, improve profitability and reinforce quality of service

Express & Parcels



Consolidate CTT's positioning as a integrated Iberian CEP operator and leverage on the e-commerce growth trend

Banco CTT



Develop an innovative retail banking player, focused on simplicity, transparency and proximity

Financial Services



Strengthen the Retail Network capacity, focusing on customer experience and convenience ensuring proximity to the population

TRANSFORMATION

GROWTH

2

/

1Q19

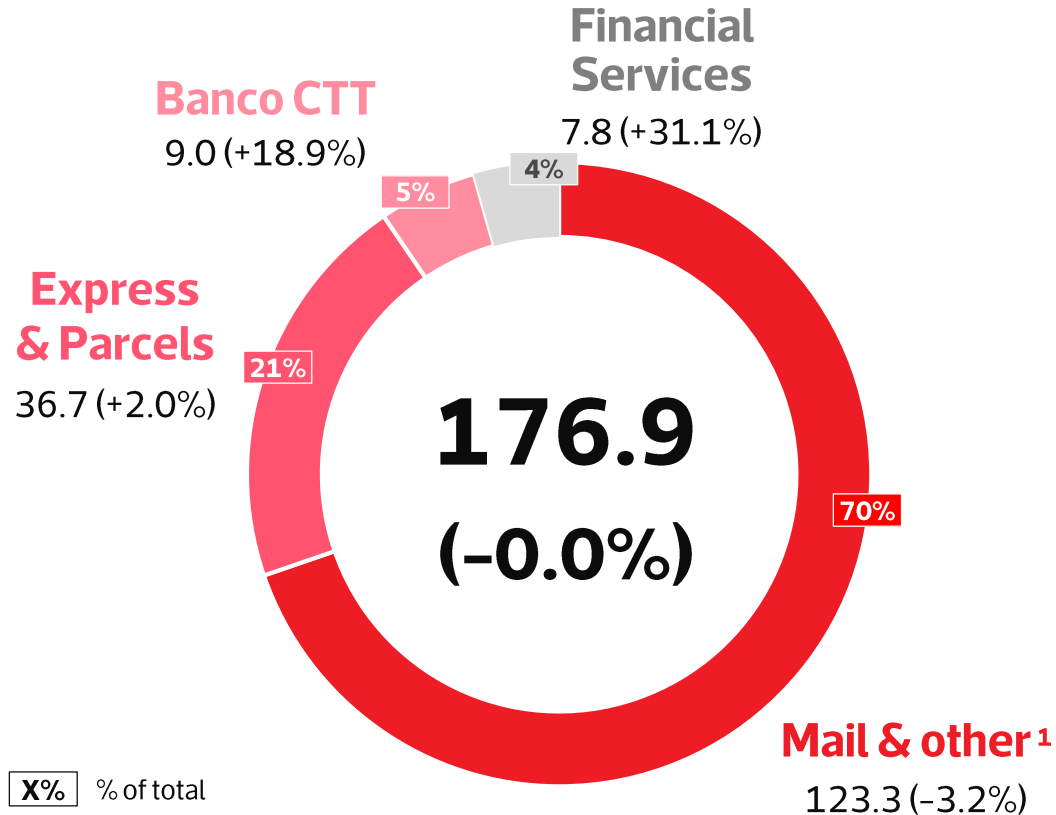
results

Banco CTT and Financial Services revenues advanced strongly, offsetting the decline in Mail, pressured by expected special factors



1Q19 revenues

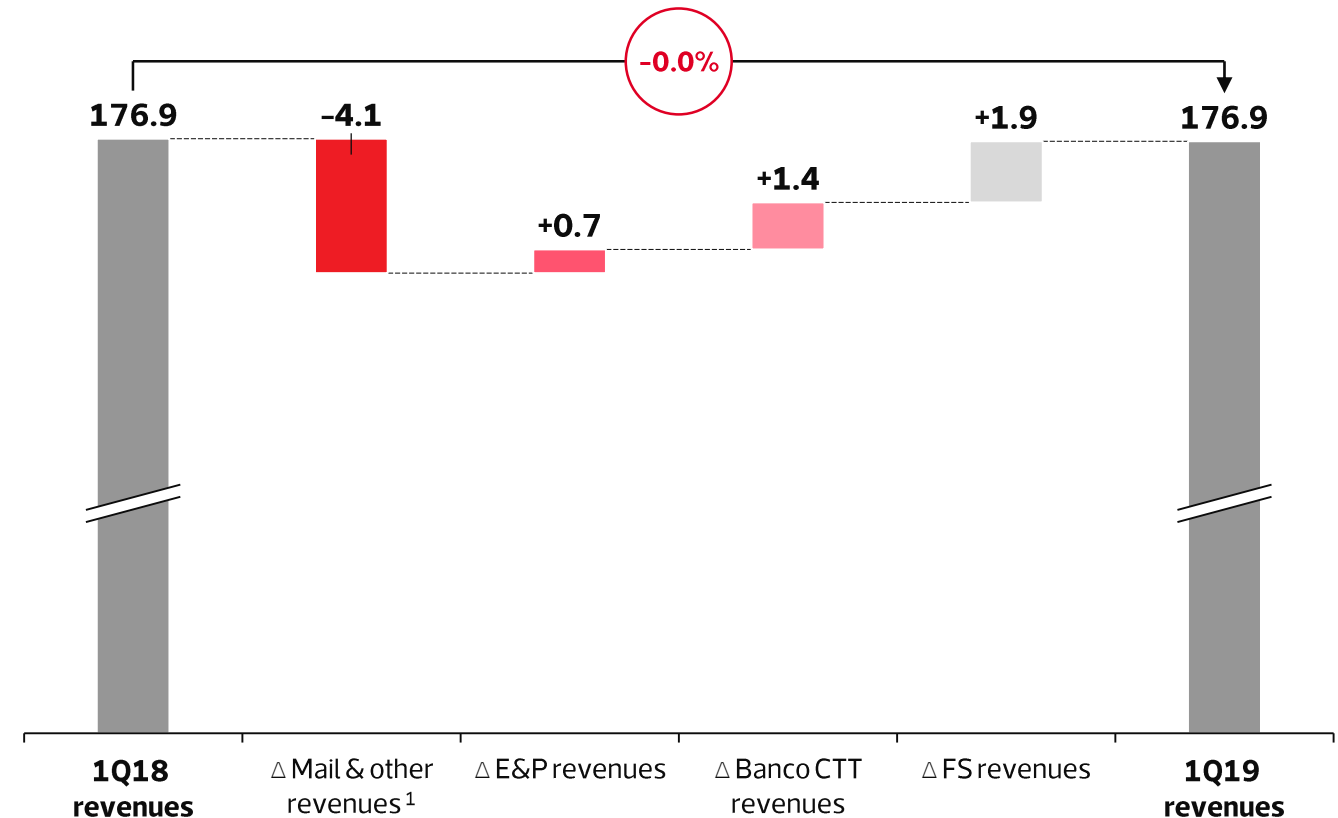
€ million; % change vs. prior year; % of total



X% % of total

Revenues breakdown

€ million; % change vs. prior year



- **Positive mix effect in Mail and effective 4.7% price increase in the period** unable to compensate the addressed mail volumes decline of 11.3%, influenced by seasonal (government mail, -3.3m objects, -1.5p.p. impact) and comparison (partial volumes loss of 2 large clients in Mar-18, -3.7m objects, -1.7p.p. impact) factors
- **Express & Parcels revenues remained resilient**, growing 2.0%, despite the loss of a key account in Spain (-€1.4m, -0.5m objects impact)
- **Banco CTT revenues registered a solid advance**, driven by net interest (+€1.0m) and fees & commissions (+€0.7m) income growth
- **Strong recovery in Financial Services**, on the back of 90.5% growth in public debt placements

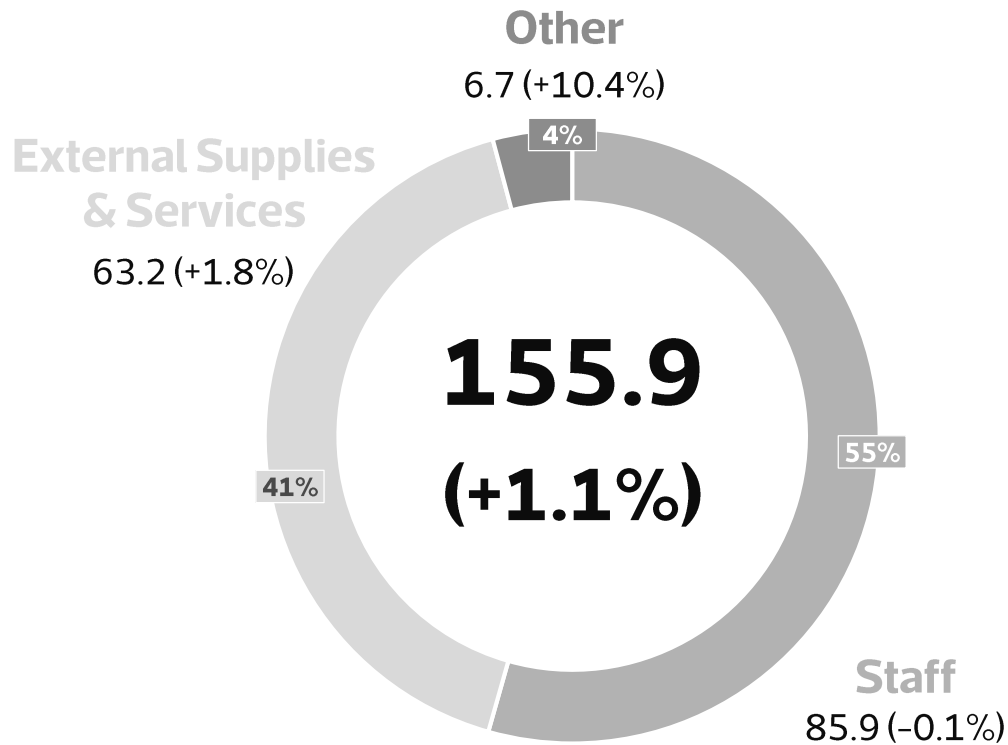
¹Includes Central Structure.

The operating costs increased as a result of growth in activity in Express & Parcels and Banco CTT; additional cost containment measures are being introduced



1Q19 operating costs

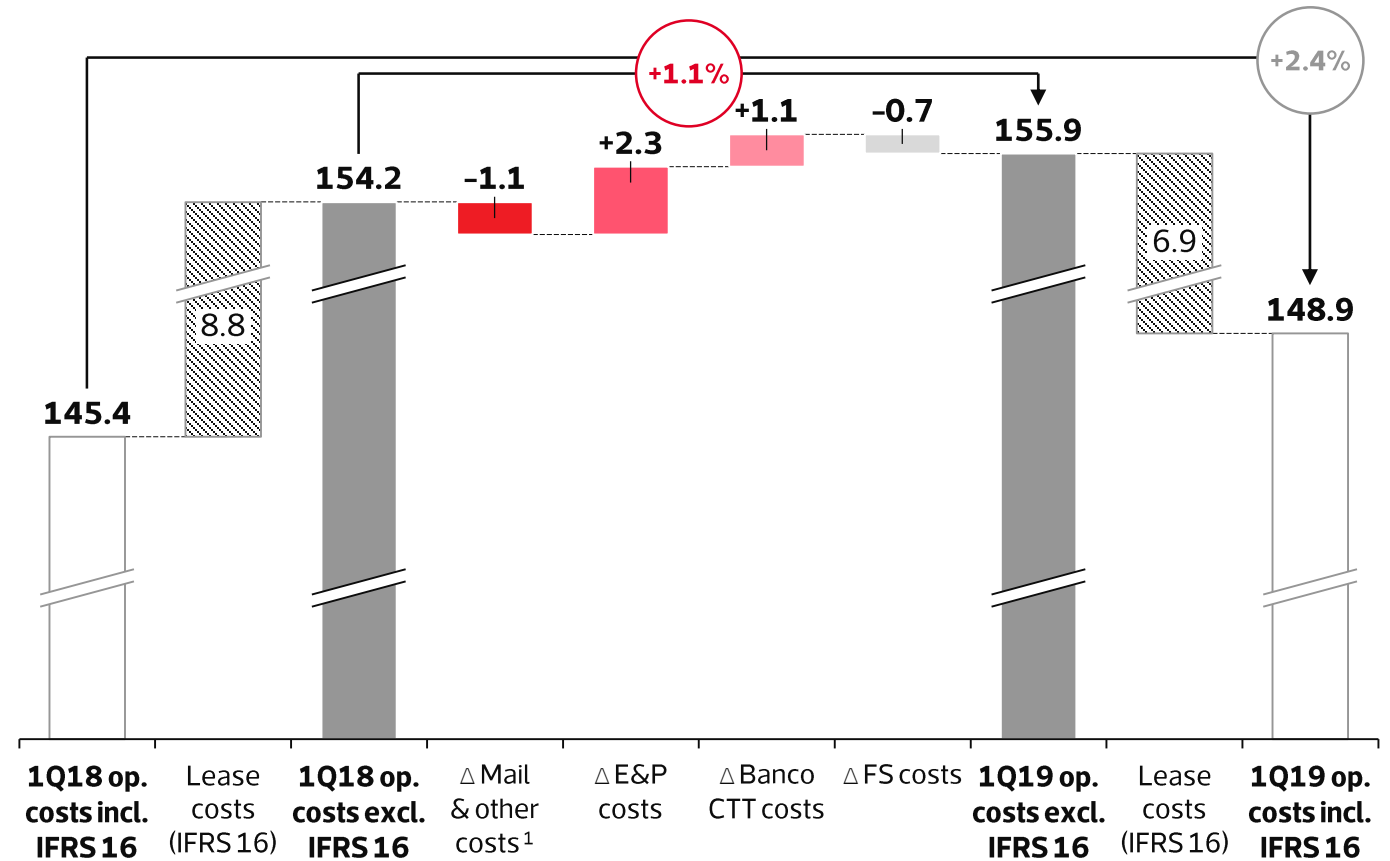
€ million; % change vs. prior year; % of total



X% % of total

Operating costs breakdown

€ million; % change vs. prior year



- **Staff costs:** HR optimisation initiatives (-€2.0m) and a cut in the telephone subscription fee benefit (-€0.9m) fully offset the impacts of the increase in headcount in growth areas and the salary revision agreed with the unions in 2Q18 (+€0.7m)
- **ES&S & other costs:** savings realised in rents & buildings costs (-€1.3m) were unable to offset the increase in costs related to growth in activity in parcels and the adjustment to increased scale acquired throughout 2018 in Spain (+€1.7m), more customers driving higher transactionality in banking (+€0.2m), and the increase in mail (+€0.3m) & audit costs (+€0.3m) due to new regulatory standards and procedures

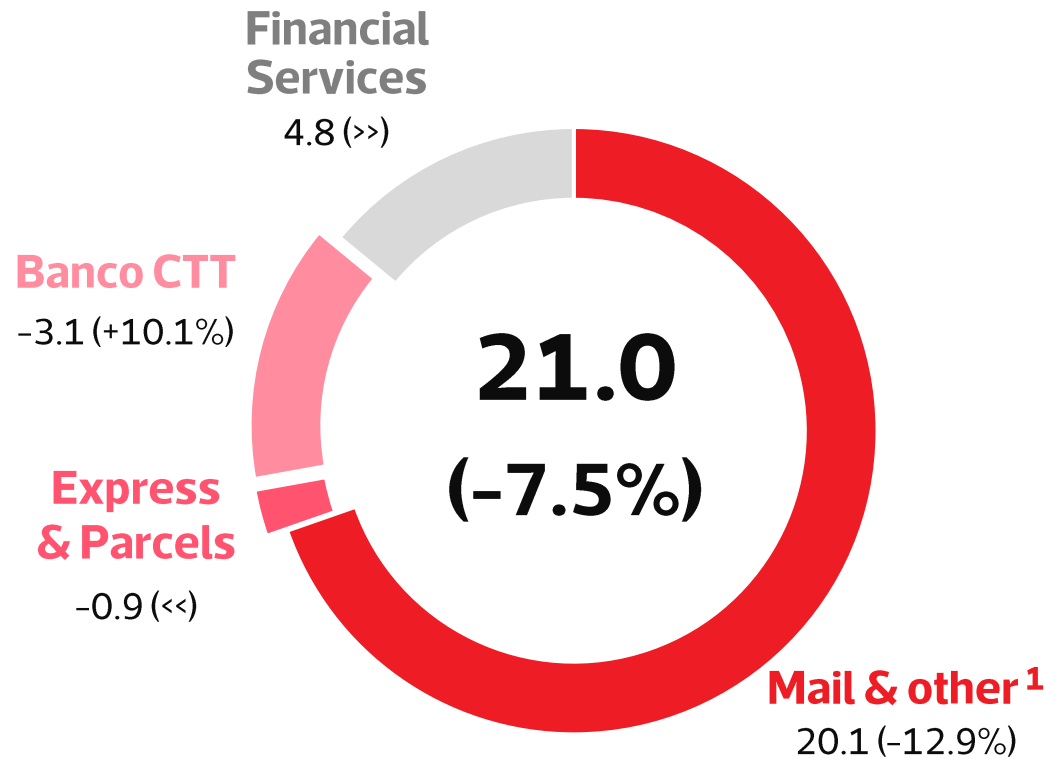
¹Includes Central Structure.

The EBITDA evolution reflects the strong expansion in Financial Services and the challenging mail & parcels volumes developments in the quarter



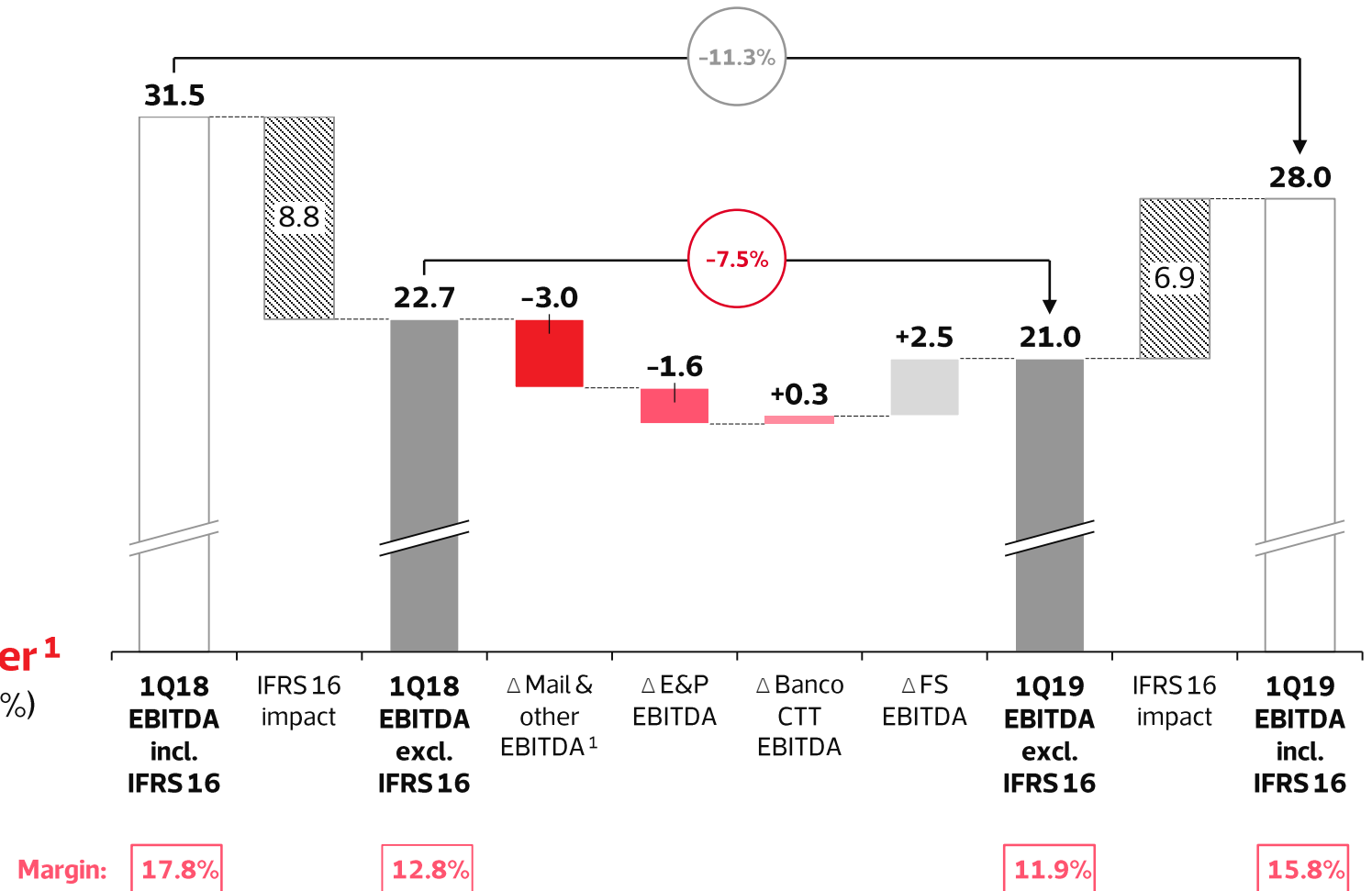
1Q19 EBITDA

€ million; % change vs. prior year



EBITDA breakdown

€ million; % change vs. prior year



Margin: 17.8%

12.8%

11.9%

15.8%

¹Includes Central Structure.

Seasonal and comparison factors, affecting volumes evolution, impacted negatively the profitability of Mail in the quarter



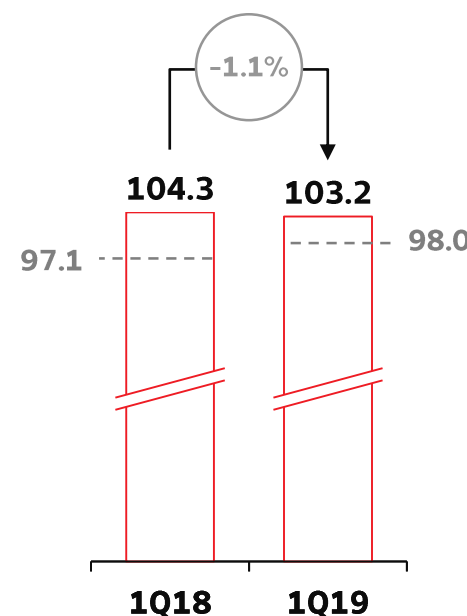
1Q19 revenues ¹

€ million; % change vs. prior year

- Transactional	€103.0m (-1.9%)
- Advertising	€5.6m (-11.7%)
- Editorial	€3.7m (-5.9%)
- Business Solutions	€2.8m (+15.8%)
- USO Parcels	€1.5m (-10.6%)
- Retail & other	€5.4m (-20.8%)
- Central structure	€1.2m (+8.1%)
Total	€123.3m (-3.2%)

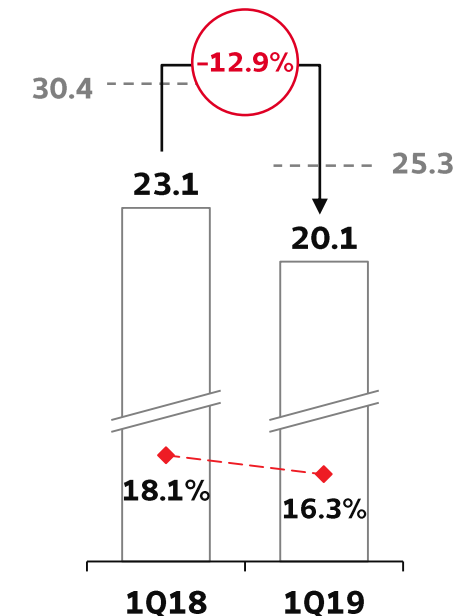
Operating costs ¹

€ million



EBITDA ¹

€ million



□ Exc. IFRS 16 --- Inc. IFRS 16

□ Exc. IFRS 16 --- Inc. IFRS 16 -◆- Exc. IFRS 16 EBITDA Margin

Mail volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
1Q19	N/D	164.2	142.6	13.1	8.5	106.2
vs. 1Q18	+4.7%	-11.3%	-11.0%	-15.7%	-10.6%	+5.9%

-8.2% excl. special factors

¹ Includes Central Structure.

Express & Parcels revenues remained resilient, despite the loss of a large client representing >10% of the sales of Tourline in Spain



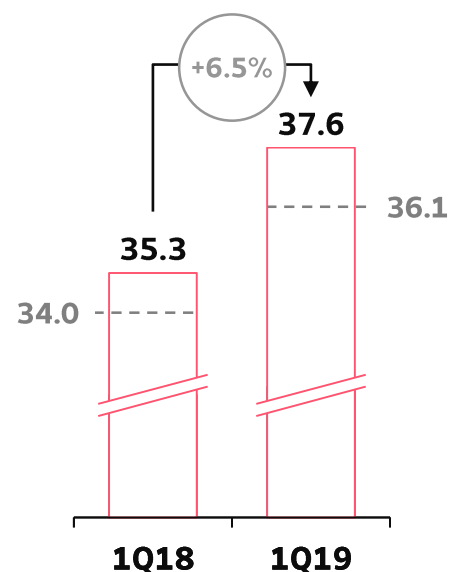
1Q19 revenues

€ million; % change vs. prior year

- Portugal ¹	€22.9m (+3.5%)
- Parcels	€17.1m (+3.0%)
- Cargo & Logistics	€3.9m (+5.2%)
- Banking network	€1.6m (+3.6%)
- Other	€0.3m (+9.8%)
- Spain	€13.3m (-0.4%)
- Mozambique	€0.5m (-1.1%)
Total	€36.7m (+2.0%)

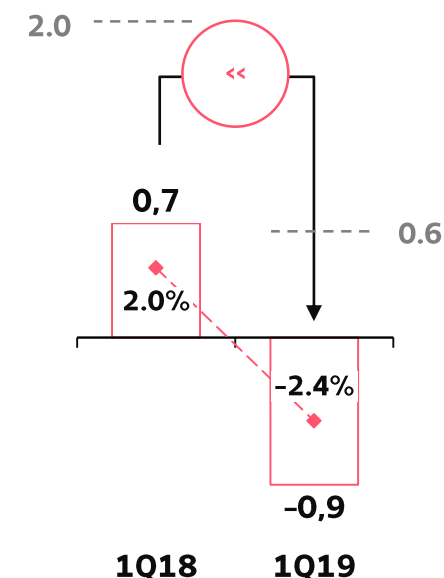
Operating costs

€ million



EBITDA

€ million



E&P volumes by region (m items)

Metric	Total	Portugal	Portugal (excl. Transporta)	Spain	Mozambique
1Q19	9.0	4.9	4.1	4.1	0.01
vs. 1Q18	+1.7%	+2.3%	+1.6%	+1.0%	-13.6%

¹Excluding revenues from intra-group transactions.

Mortgage & consumer credit growth and a new savings product launch drove a noticeable improvement in Banco CTT revenues and profitability



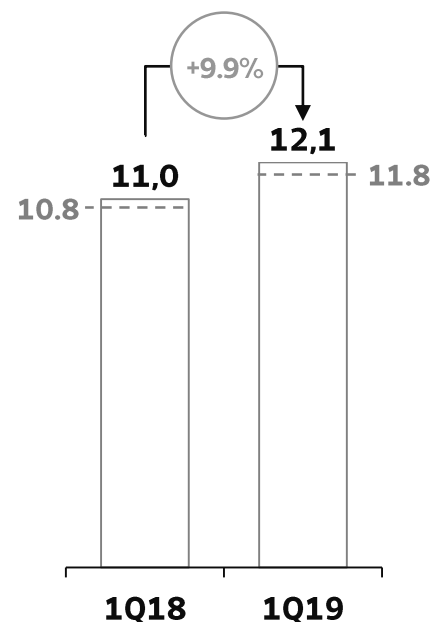
1Q19 revenues ¹

€ million; % change vs. prior year

- Net interest income	€2.5m (+€1.0m)
- Interest income	€2.7m (+€1.0m)
- Interest expense	€0.2m (+€0.0m)
- Fees & commissions income	€1.6m (+€0.7m)
- Consumer credit and insurance	€0.5m (+€0.4m)
- Own products	€1.1m (+€0.3m)
- Payshop & other	€4.9m (-€0.3m)
Total	€9.0m (+€1.4m)

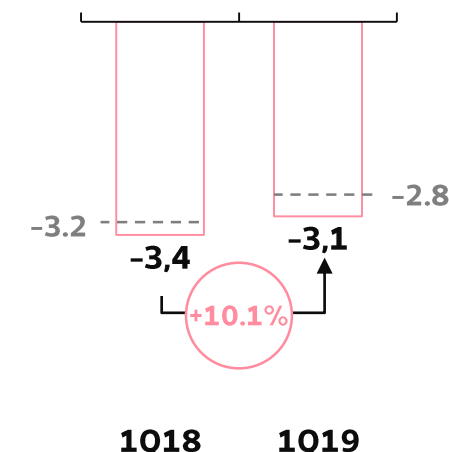
Operating costs

€ million



EBITDA

€ million



- Mortgage credit growth vs. 4Q18³ **€40.7m**
- Consumer credit growth vs. 4Q18² **€9.7m**
- Customer funds **€1.0bn**



Selected Banco CTT Balance Sheet indicators

Metric (non-consolidated)	Assets (€ million)	Cash & equivalents	Investments	Credit to clients ³	Deposits (€million)	Consolidated Equity (€ million) / CET 1 (%) ⁴
31-Mar-19	1,040.2	247.6	456.8	288.6	922.0	85.4 / 23.0%
vs. 31-Dec-18	+4.4%	-1.3%	+0.6%	+16.3%	+4.3%	-4.6% / -0.4p.p.

¹ Part of the payments services of the Financial Services business unit (billing and invoicing, Western Union transfers, integrated solutions and tolls) migrated to the Banco CTT business unit in 1Q19 (proforma figures presented for 1Q18).

² Consumer credit & credit cards sold in partnership with BNP Paribas Personal Finance (Cetelem). Amount outside CTT's Balance Sheet, representing the amount of credit placed in 1Q19, in partnership with BNP Paribas Personal Finance (Cetelem).

³ Net of impairments.

⁴ Fully implemented.

The continued recovery in public debt placements with high incremental margin coupled with robust cost control provided a strong boost to Financial Services profitability



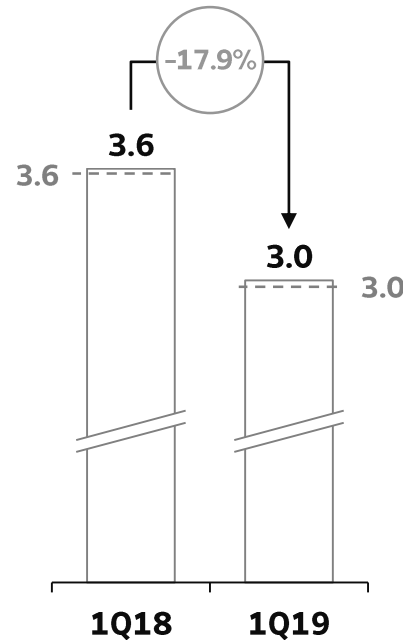
1Q19 revenues ¹

€ million; % change vs. prior year

- Savings & Insurance	€6.1m (+65.2%)
- Payments	€0.2m (-18.1%)
- Money orders	€1.4m (-20.1%)
- Other	€0.2m (-52.1%)
Total	€7.8m (+31.1%)

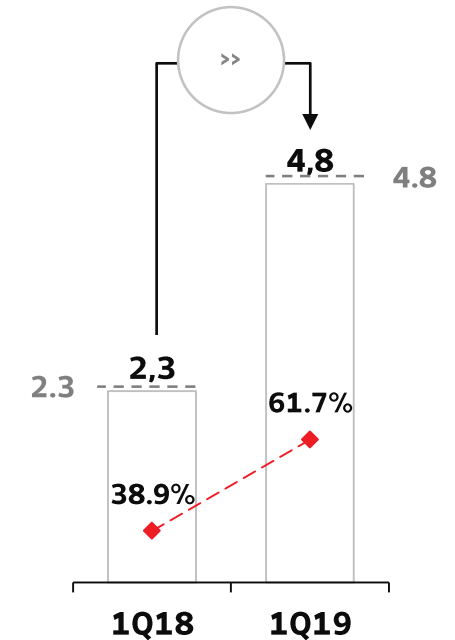
Operating costs

€ million



EBITDA

€ million



□ Exc. IFRS 16 - - - Inc. IFRS 16

□ Exc. IFRS 16 - - - Inc. IFRS 16 - ◆ - Exc. IFRS 16 EBITDA Margin

FS volumes by type

Metric	Savings & insurance flows (€bn)	Savings & insurance placements	Savings & insurance reimbursements	Money orders (m ops)
1Q19	1.1	0.9	0.2	3.6
vs. 1Q18	+44.7%	+78.3%	-19.4%	-16.1%

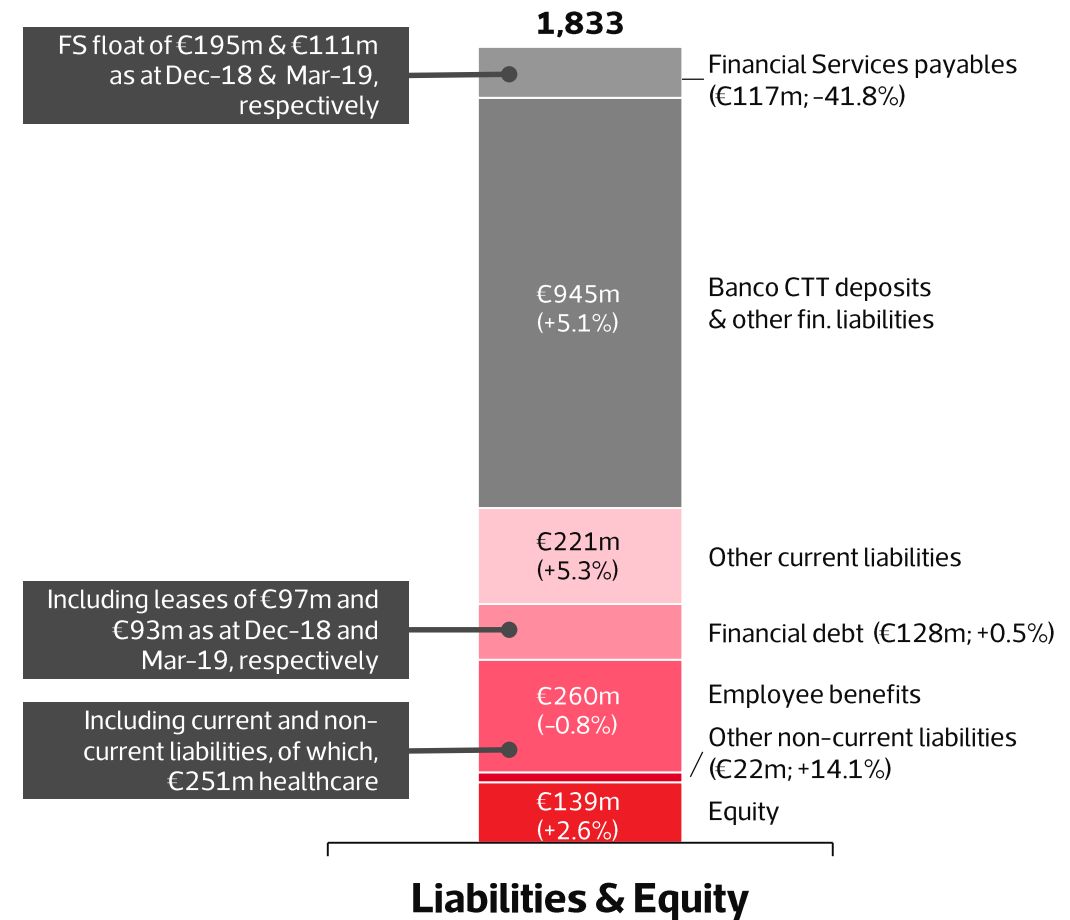
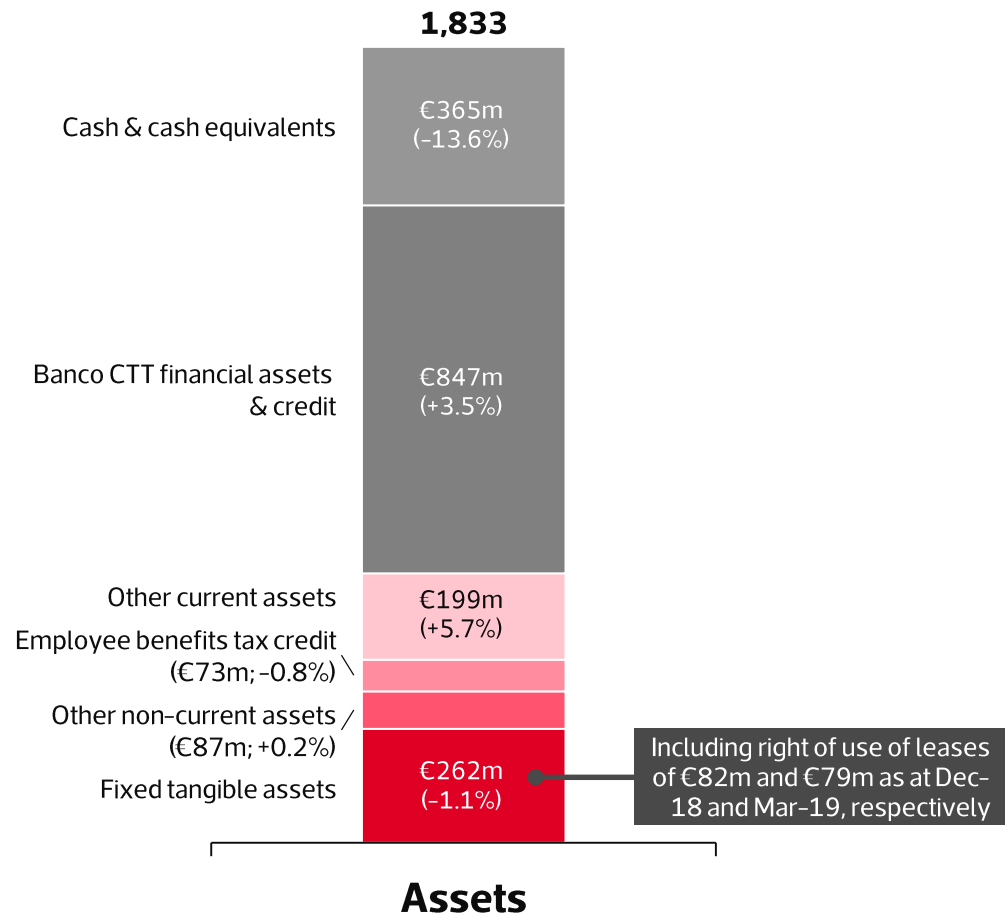
¹ Part of the payments services of the Financial Services business unit (billing and invoicing, Western Union transfers, integrated solutions and tolls) migrated to the Banco CTT business unit in 1Q19 (proforma figures presented for 1Q18).

The Balance sheet reflects the impacts of the adoption of IFRS 16 – an increase in both tangible assets & equity and financial debt, as guided



Balance sheet – 31 March 2019

€ million; % change vs. 31 December 2018

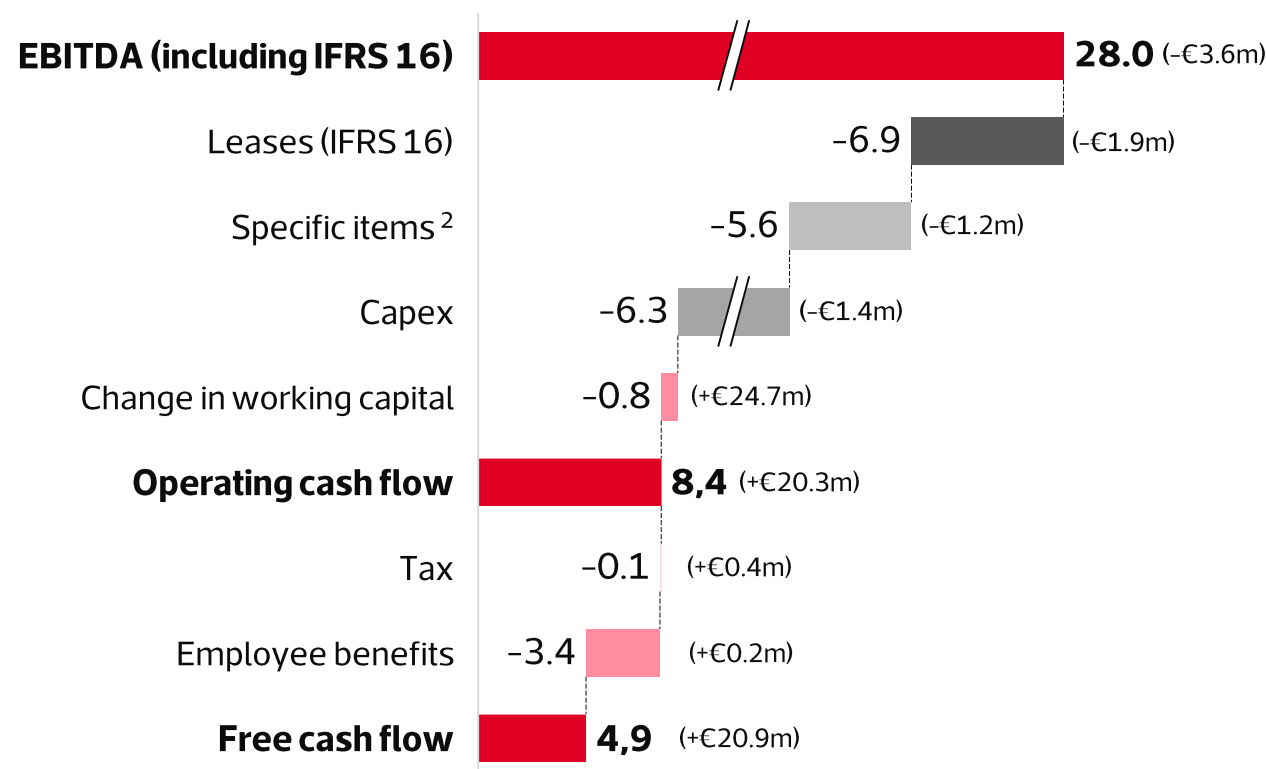


Solid operating cash flow generation, as a result of better working capital management, in what is traditionally a weak quarter due to seasonally high Capex payments



Cash flow (adjusted ¹)

€ million; change vs. prior year



Net financial cash (debt)

€ million

(+) Cash & cash equivalents	365
(-) Financial Services payables, net	111
(-) Banco CTT liabilities, net	93
(=) Own cash	161
(-) Financial debt (excl. leases)	35
(-) Leases liabilities (IFRS 16)	93
Net financial cash (debt)	33

¹ Excluding Financial Services float and Banco CTT deposits & other financial liabilities & financial assets and credit.

² Further detail on slide 23.

3



2019

objectives

MAIL OBJECTIVES FOR 2019



1% - 2% positive mix effect, benefiting from international inbound and registered mail contribution



€15m of recurring operating cost savings from the Operational Transformation Plan



€25m additional Capex related to and in line with previously communicated OTP **modernisation and automation** initiatives

EXPRESS & PARCELS OBJECTIVES FOR 2019



Sustain **double-digit growth** in volumes & revenues



Stablish new partnerships in order to accelerate the e-commerce ecosystem expansion, namely through the **launching of Dott**, a Portuguese e-commerce marketplace



Improve **profitability in Spain**

Improve the customer base monetisation,
promoting a wider retail banking product portfolio



Start the **321Crédito integration** to take advantage
of the growing consumer credit market and capture
identified synergies, impacting positively the Group EBITDA



BANCO CTT

OBJECTIVES

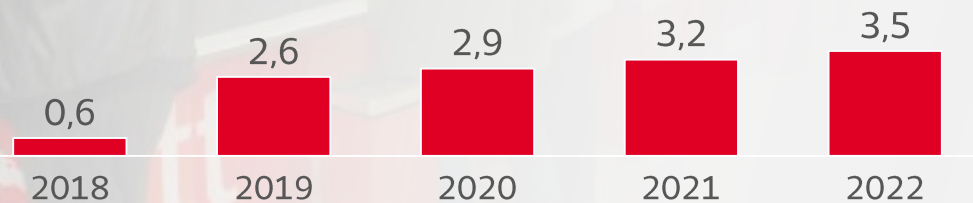
FOR 2019

01

Recover the levels of savings placements, taking advantage of the maturity of the certificates previously placed through CTT

Maturity of the Treasury Certificates (*Poupança Mais*)

€ billion; Estimate based on savings placed in n-5 years



**FINANCIAL
SERVICES
OBJECTIVES
FOR 2019**

2019 OUTLOOK



Increase in revenues, supported by organic & inorganic impacts in the growth levers



Decline in addressed mail volumes expected to be in the -6% to -8% range



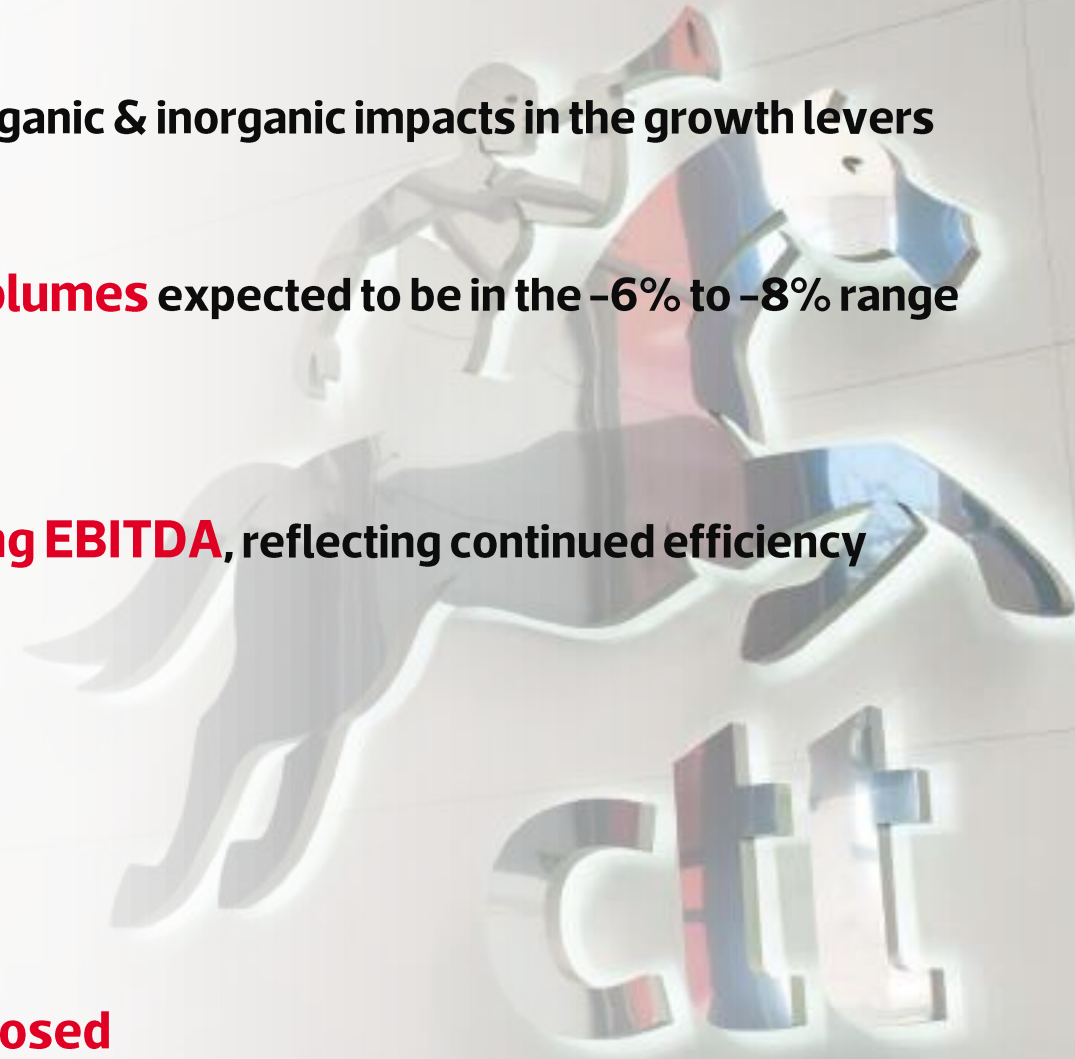
Growth in organic recurring EBITDA, reflecting continued efficiency improvements



Total Capex of €55m



FY18 dividend of €0.10/share proposed



Investor Relations

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