



1Q21

Results Presentation

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Committed to deliver

6 May 2021

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1Q21 Highlights



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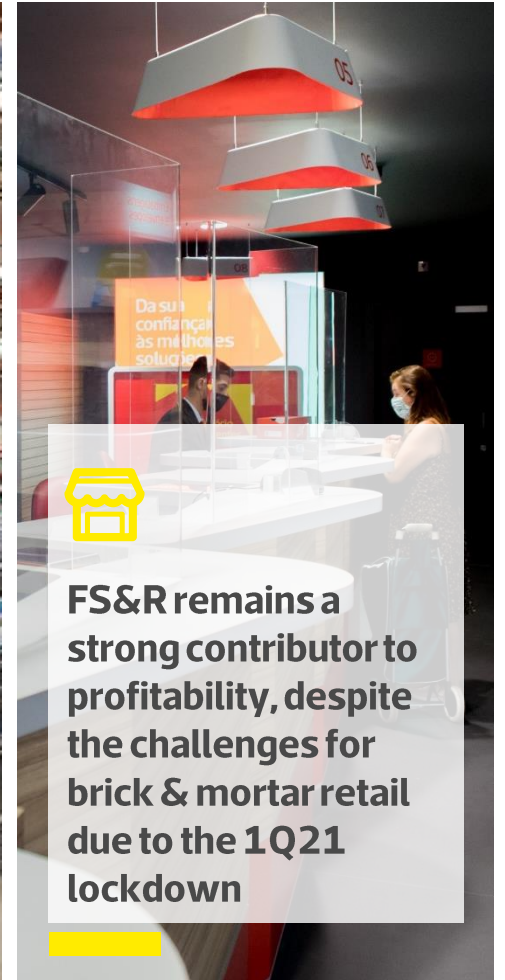
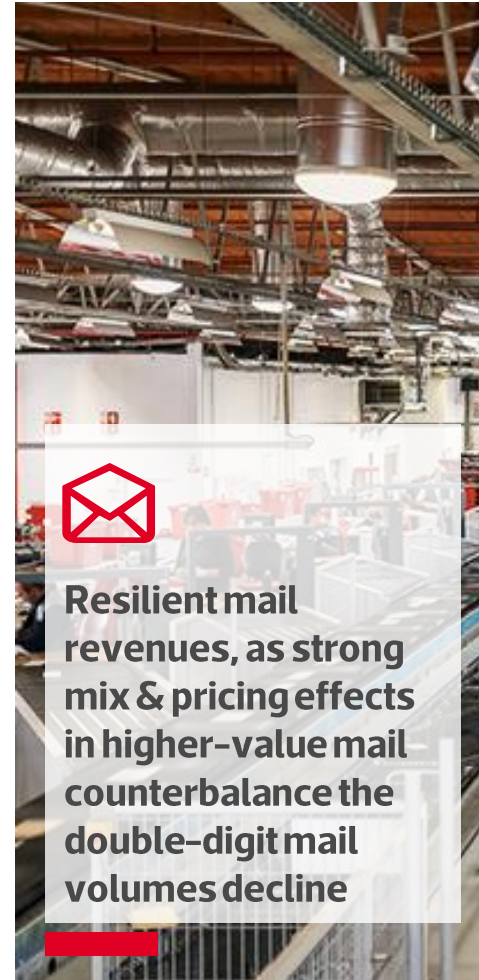
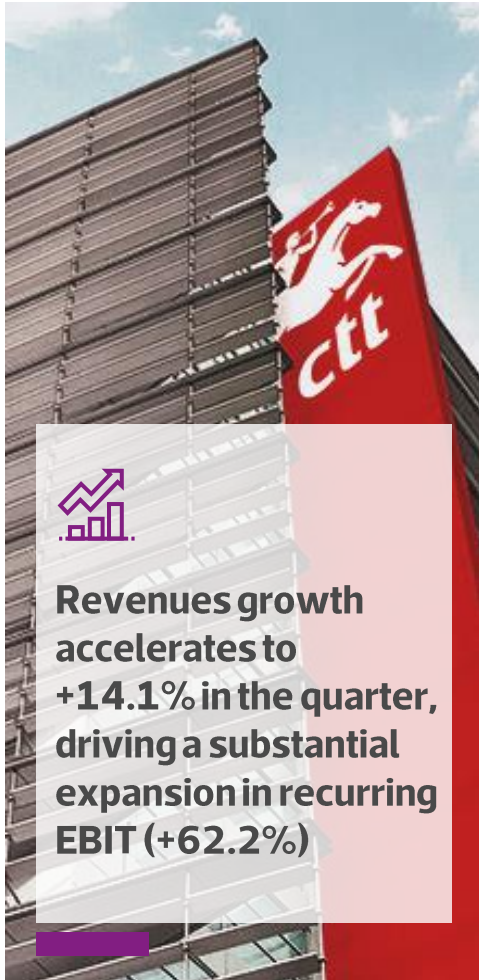
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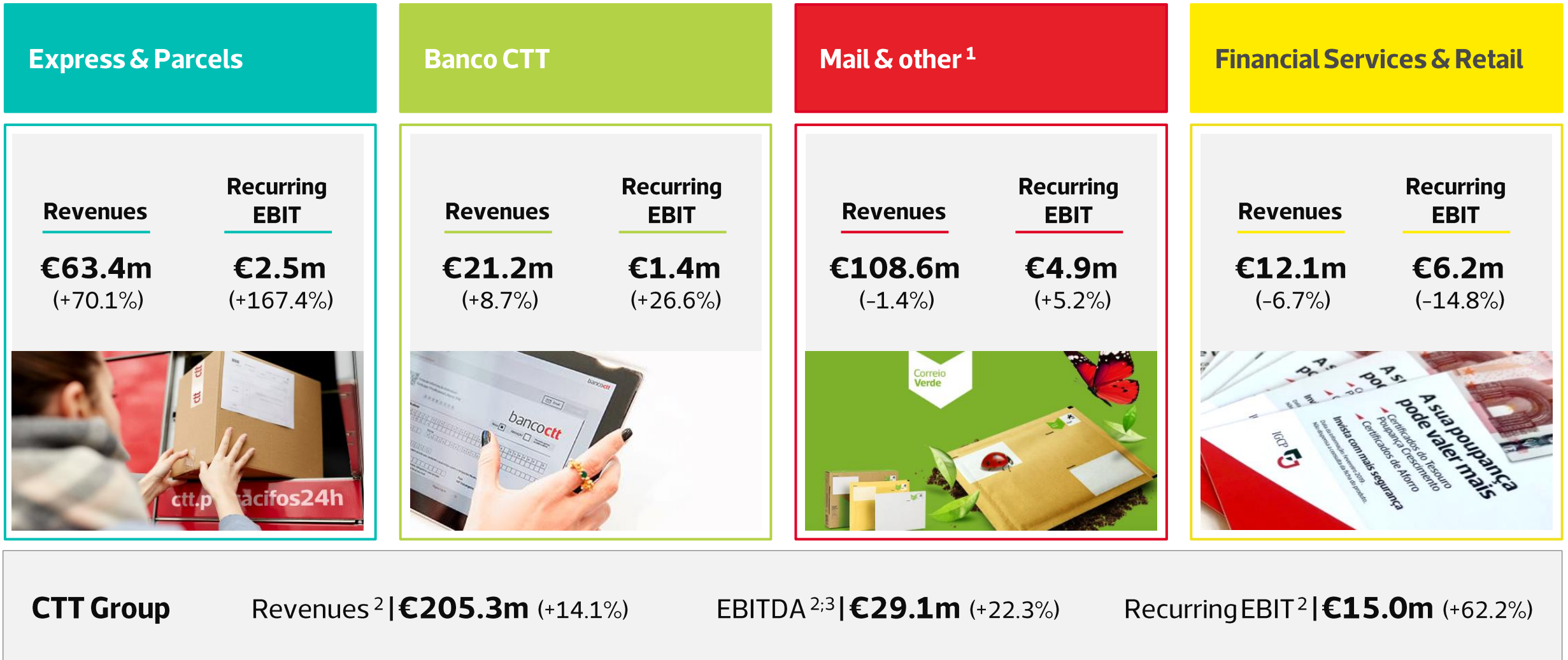
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Record quarterly parcels performance boosts group revenues and profits



Significant revenues growth, driven by parcels, leads to profitability expansion



¹Including Central Structure; ²Excluding Specific Items; ³As of 2021, the EBITDA calculation was simplified with the inclusion of impairments and provisions and the exclusion of IFRS16 lease impacts; as such the only differences between EBITDA and EBIT are depreciation & amortization and Specific Items.

A quarter of continued investment and expansion of CTT's products and services offer

- **A Governmental working group** has been created to carry out an analysis of the Postal Act and of the Universal Service requirements for the new concession contract
- CTT elected as a **Trusted Brand** by the Portuguese people, achieving **first place recognition in Mail and Logistics services**



- Partnership with **Sonae Financial Services** for Banco CTT to **become the lender for the Cartão Universo credit card. The credit book is expected to grow to >€300m within the next 12 months**, funded by Banco CTT's available liquidity and own funds (including reallocation of capital)

- Reopening of 29 of the 33 previously closed post offices, **reinforcing the proximity to the populations and the capillarity of the retail network**
- **CTT Savings Line launched**, a new direct contact channel for savings solutions support and service



- In **partnership** with the Institute of Records and Notary, **350k newly issued citizen cards have already been delivered to the homes** of the Portuguese people
- **Dott marketplace reached 270k registered users (+35% vs. Dec-20)**, 1.6k vendors, 4.5m products available for sale and GMV growth of 122% vs. 1Q20

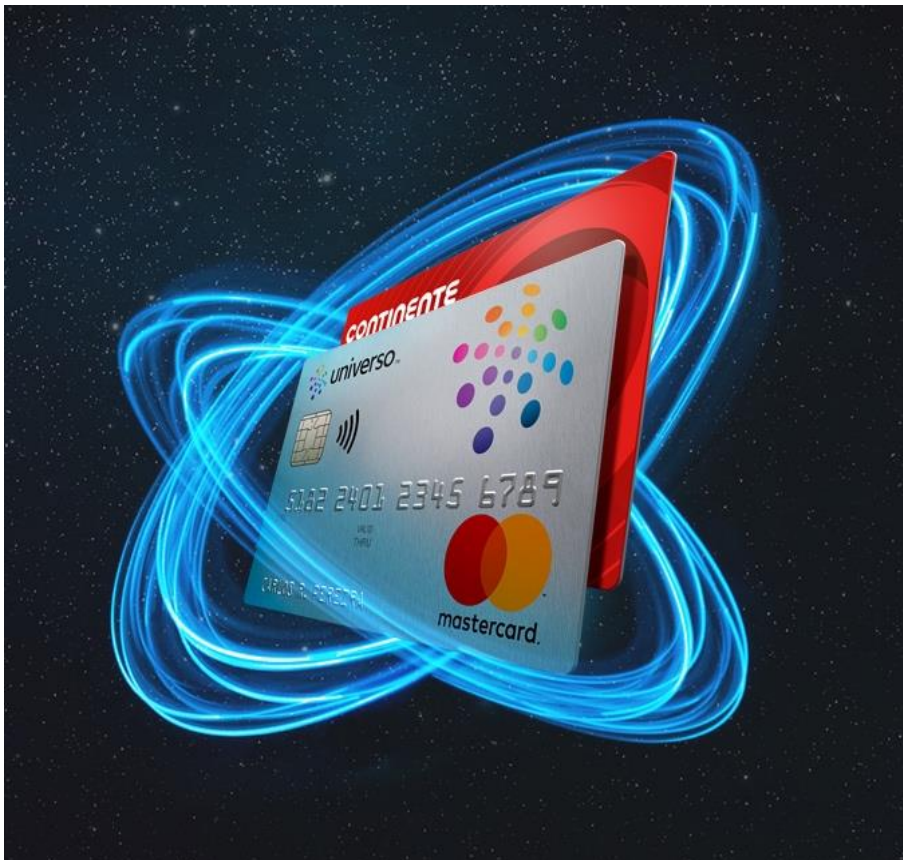
FEIRA DO QUEIJO DE SEIA

Os melhores queijos da Serra da Estrela na sua mesa!



Banco CTT has established an important long-term partnership with Sonae Financial Services

Banco CTT has become the lender for the *Cartão Universo* credit book



Cartão Universo overview:



More than **850k** clients and market share higher than **13%**



Close to **1 billion** transactions p.a.



Projected **relevant returns**, given seasoned portfolio, with 5 years of historical data



Credit book of c. €150m as of April-21, **expected to grow to >€300m** during the next **12 months**

Cartão Universo retail brands:

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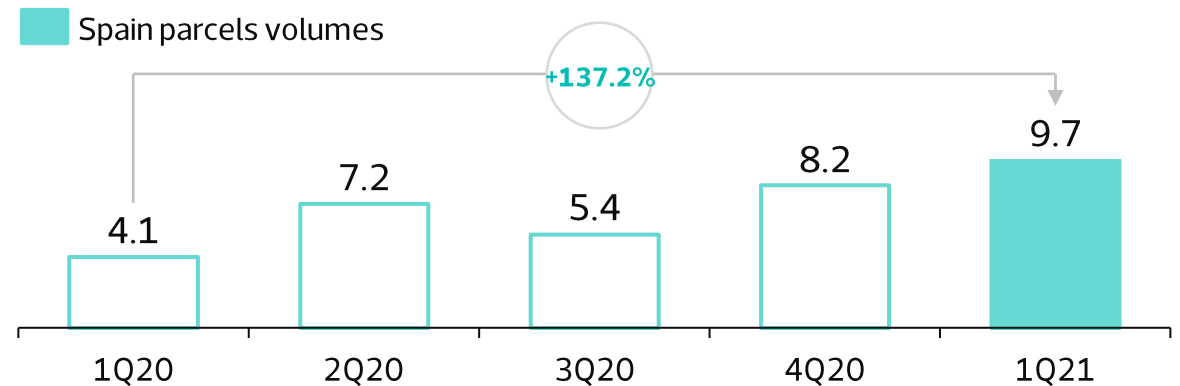
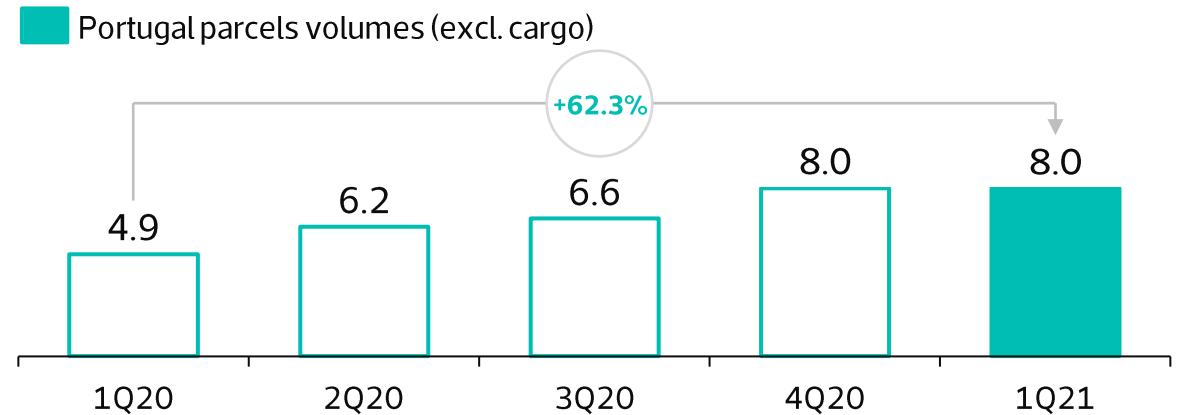
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Record performance by Express & Parcels, as CTT's investments in e-commerce infrastructure continue to meet strong demand, also spurred by the lockdown restrictions

Express & Parcels volumes

million items; % change vs. prior year

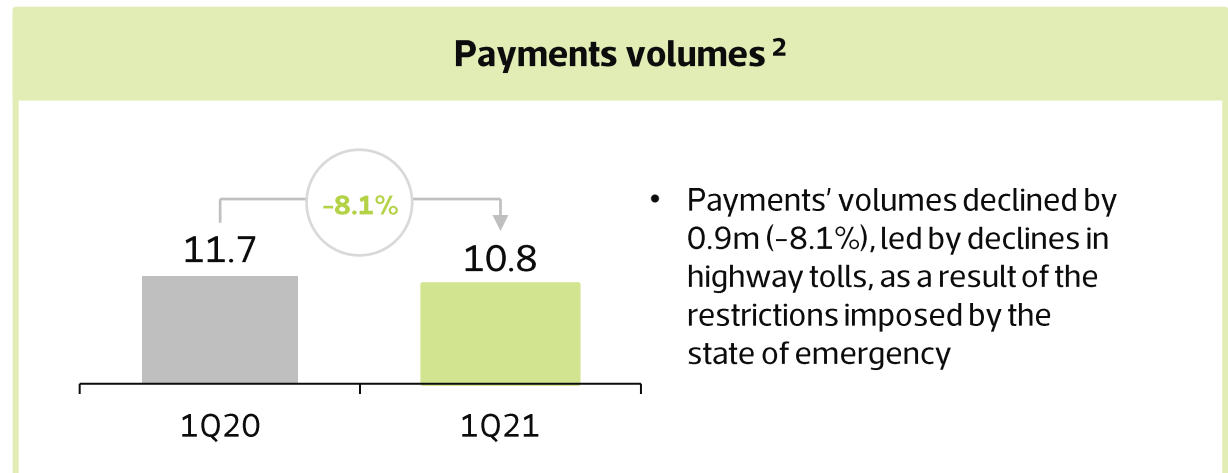
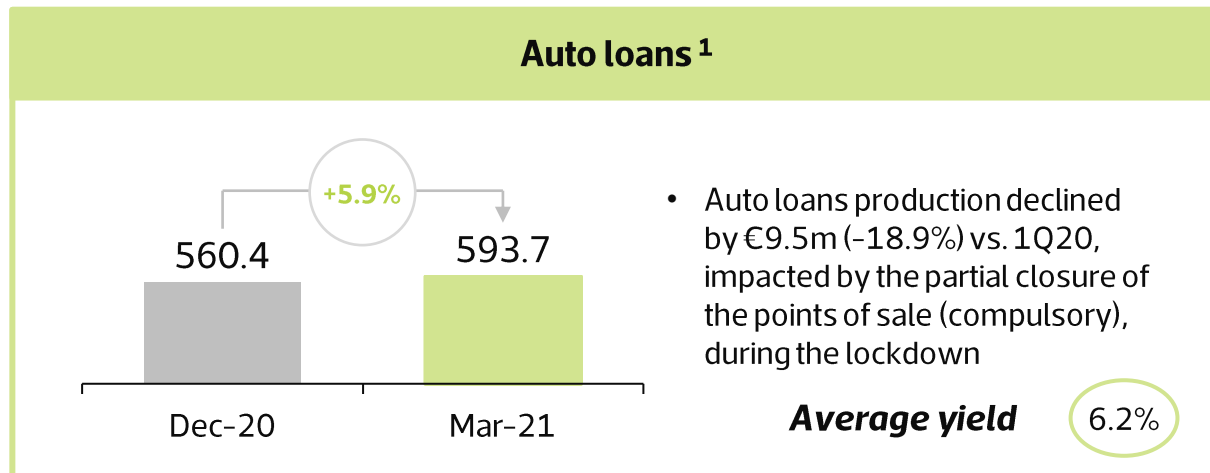
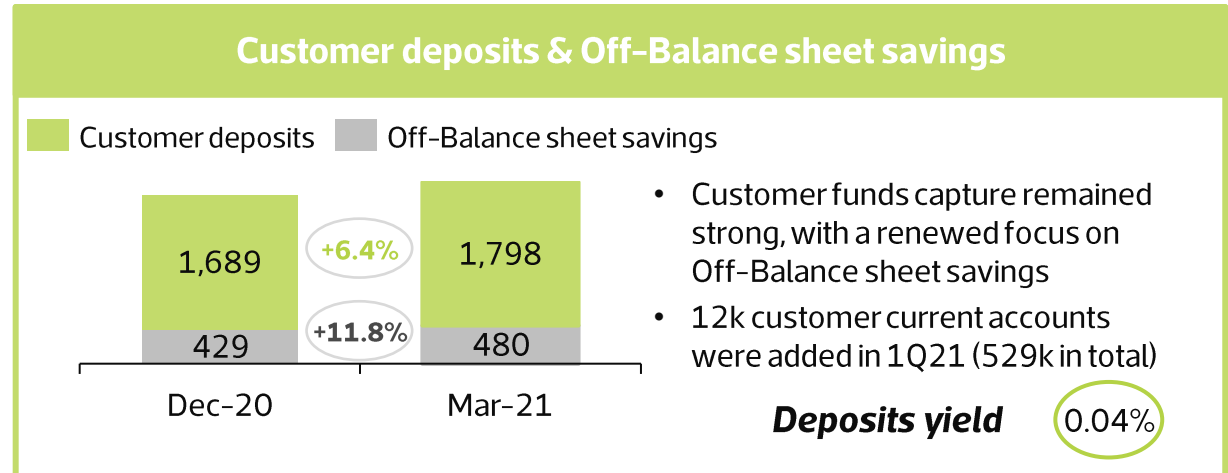
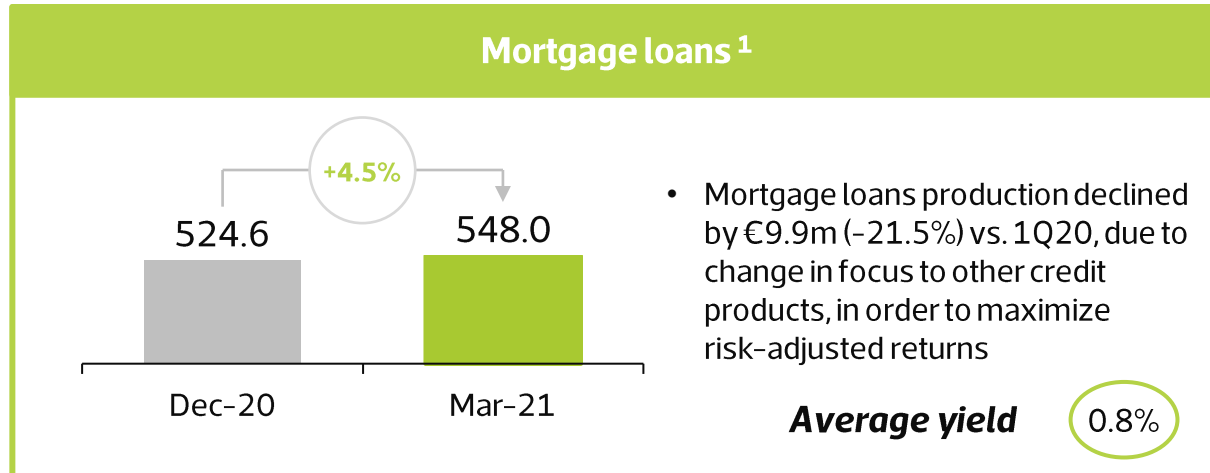
- Express & Parcels volumes in Portugal stabilized at a very high plateau (matching the seasonally-strong 4th quarter), as the country remained in lockdown throughout the 1st quarter 2021
- CTT's efforts as the enabler of e-commerce contribute to these results – contracts with >2,000 SMEs to launch online shops of which >700 are already operational; also, *Comércio Local* App now already adopted by 19 municipality partners, etc.
- The capture of new e-tailer clients in 2020 continues to provide a strong boost to parcels volumes, with Spain registering another record quarter in volumes
- Own distribution (vs. franchisee) in Spain now stands at 83% vs. 47% in 1Q20, allowing for better quality of service and alignment with clients' needs



Banco CTT activity remained resilient, despite the lockdown restrictions impact on the points of sale

Banco CTT S.A. – business volumes evolution

€ million except otherwise indicated

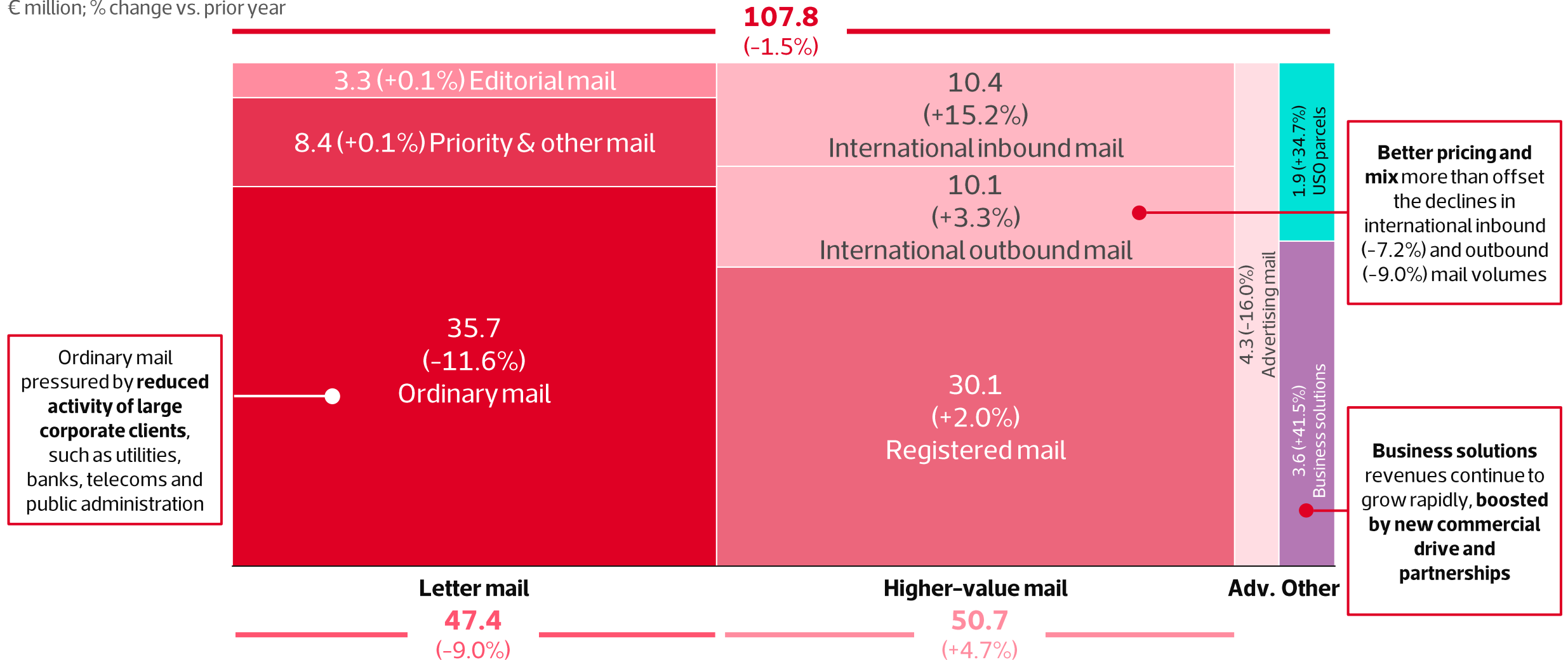


¹ Net of impairments; ² Million operations.

Strong mix and pricing effect in higher-value mail cancelled almost entirely the impact of the high volumes decline, exacerbated by the lockdown

Mail revenues

€ million; % change vs. prior year



Ordinary mail pressured by **reduced activity of large corporate clients**, such as utilities, banks, telecoms and public administration

Better pricing and mix more than offset the declines in international inbound (-7.2%) and outbound (-9.0%) mail volumes

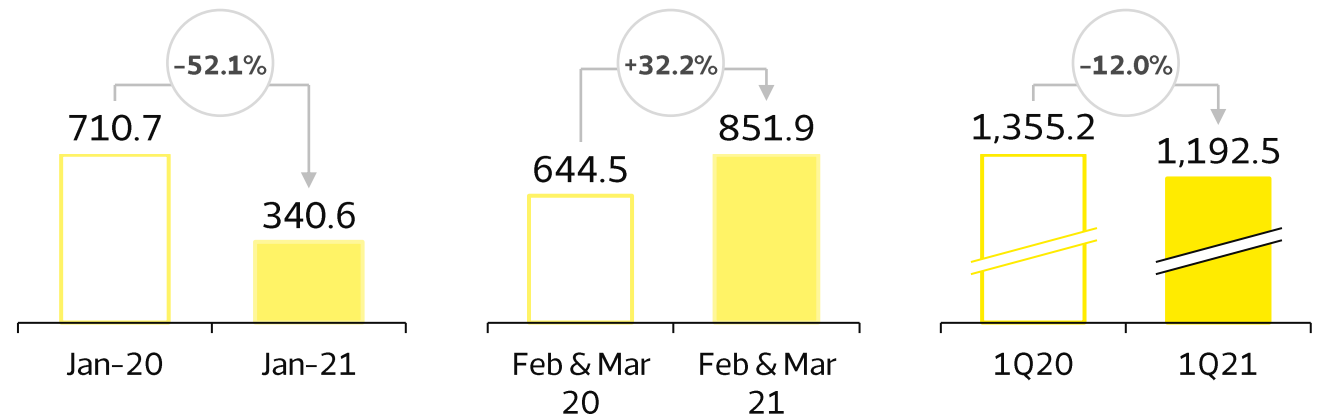
Business solutions revenues continue to grow rapidly, **boosted by new commercial drive and partnerships**

Solid performance by Financial Services & Retail, considering the challenging environment for high-street retail, as a result of the restrictions imposed by the state of emergency

Public debt placements

€ million; % change vs. prior year

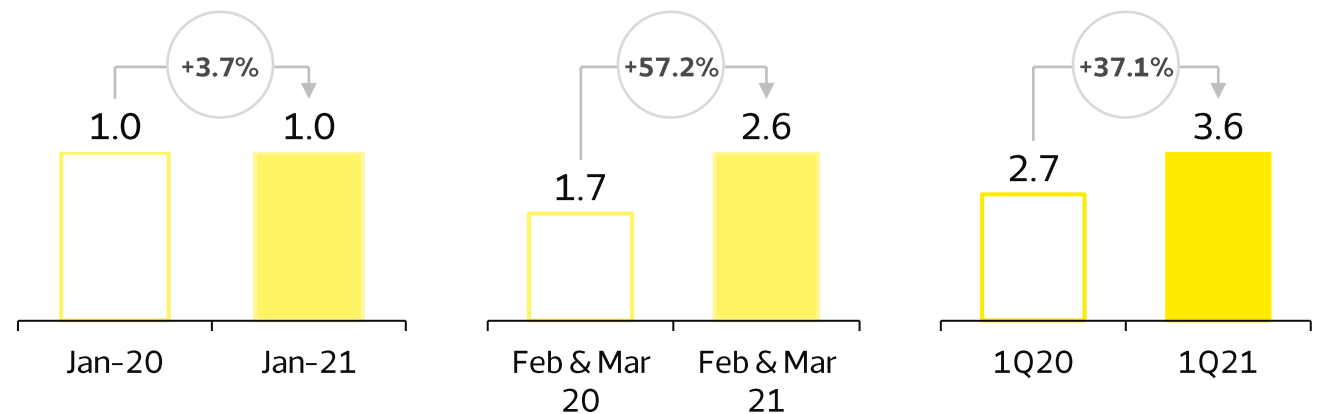
- Year-on-year decline stems from the fact that Jan-20 public debt placements benefited from c.€1.5bn maturing stock, which compares to €385m in Jan-21. Placements in February and March 2021 grew €207.4m (32.2%) vs. the same period last year, benefiting from the launch of the new direct customer support channel for savings solutions



Retail services and products

€ million; % change vs. prior year

- Retail revenues grew to €3.6m in 1Q21 (+37.1%), benefiting from the introduction of new lottery products (scratch cards) in the CTT retail network





Financials



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The robust revenues growth led to substantial improvement in operational leverage and meaningful increases in all profitability metrics

Key financial indicators

€ million; % change vs. prior year

	1Q19	1Q20	1Q21	Δ% 19/21	Δ% 20/21
Revenues¹	176.9	179.9	205.3	16.1%	14.1%
Operating costs ²	149.3	156.2	176.3	18.0%	12.9%
EBITDA²	27.5	23.7	29.1	5.6%	22.3%
Depreciation & amortization ³	13.3	14.5	14.0	5.4%	-3.2%
Recurring EBIT¹	14.2	9.3	15.0	5.7%	62.2%
Specific items	5.6	0.0	-0.8	-115.2%	«
EBIT	8.7	9.3	15.9	83.1%	71.5%
Tax	2.9	2.5	4.5	55.4%	82.2%
Net profit attributable to equity holders	3.7	3.7	8.7	135.3%	136.3%
Free cash flow	4.3	8.6	9.9	130.5%	15.4%

¹ Excluding Specific items; ² Excluding Specific items, depreciation & amortization; ³ In 1Q21, CTT redefined the useful lives of some assets, based on an analysis of the historical effective average use of these assets. The impact of this change was a €2.0m decrease in depreciation & amortization in 1Q21.

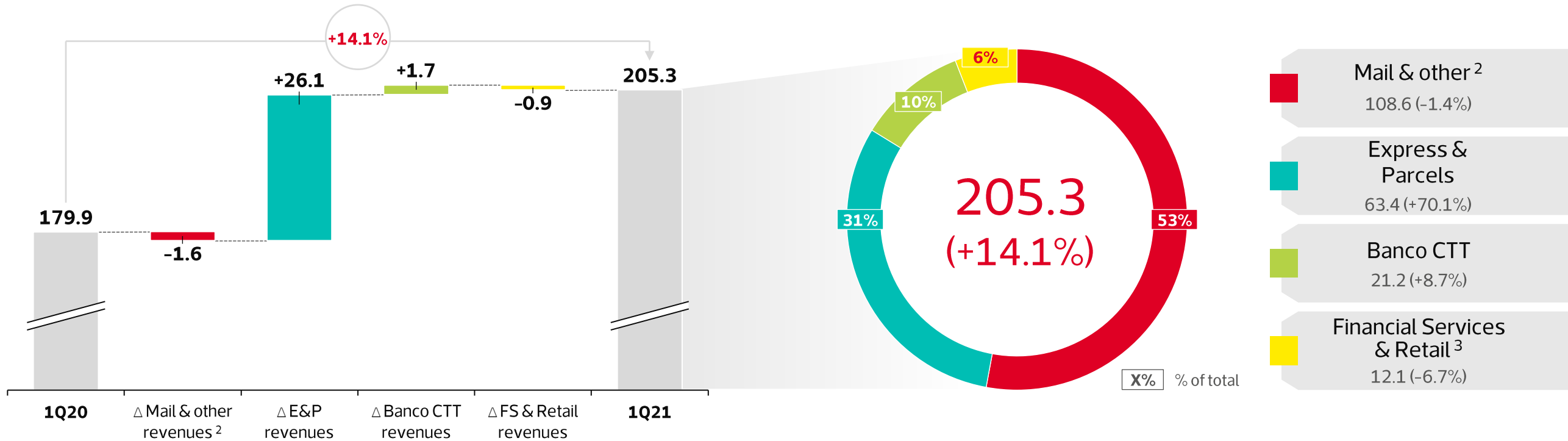
Extraordinary performance by Express & Parcels, benefiting also from the lockdown impacts, drove strong revenues expansion

Revenues¹

€ million; % change vs. prior year

Revenues¹ breakdown

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



¹ Excluding Specific items; ² Including Central Structure.

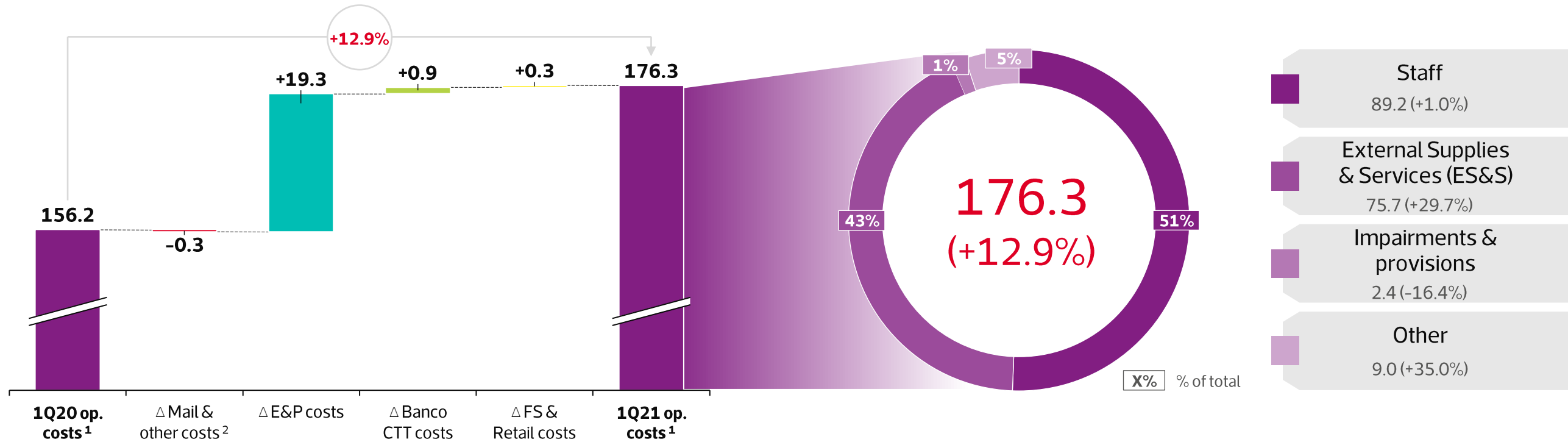
Operating costs increased mostly in parcels, as a direct result of the substantial growth in volumes

Operating costs¹

€ million; % change vs. prior year

Operating costs¹ breakdown

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



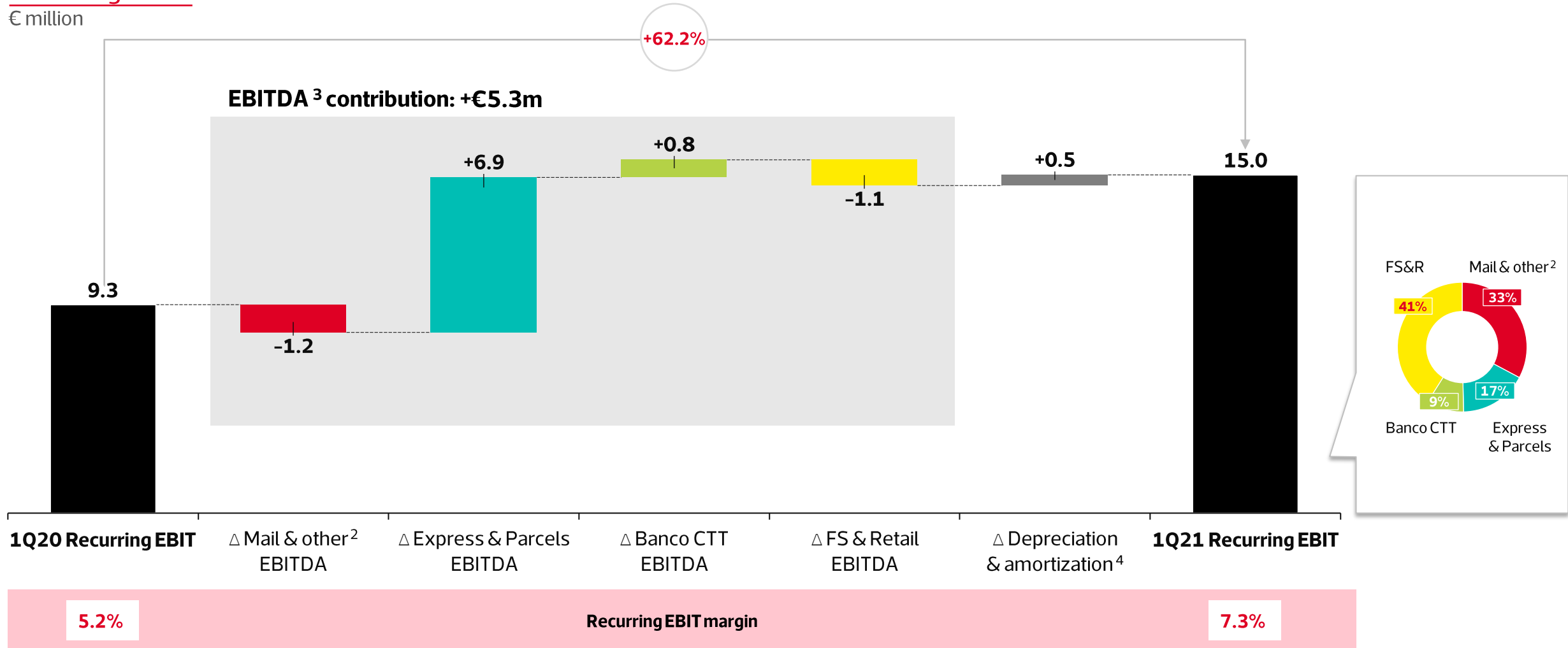
- **Staff costs increased in Express & Parcels (+€1.3m) and Banco CTT (+€0.6m)** and decreased by €1.0m in the other business units
- **ES&S costs grew by €17.3m**, mainly as a result of a **€13.9m increase in transport and distribution costs** and a **€1.7m increase in temporary work costs in Express & Parcels**
- **Other costs increased by €2.3m**, mainly due to the increase in the **costs of goods sold of the new retail products** (lottery and merchandising) and **banking commissions**

¹Excluding Specific items, depreciation & amortization; ²Including Central Structure.

EBIT margin increased as a result of the expanding operational leverage in Express & Parcels and Banco CTT

Recurring EBIT¹

€ million



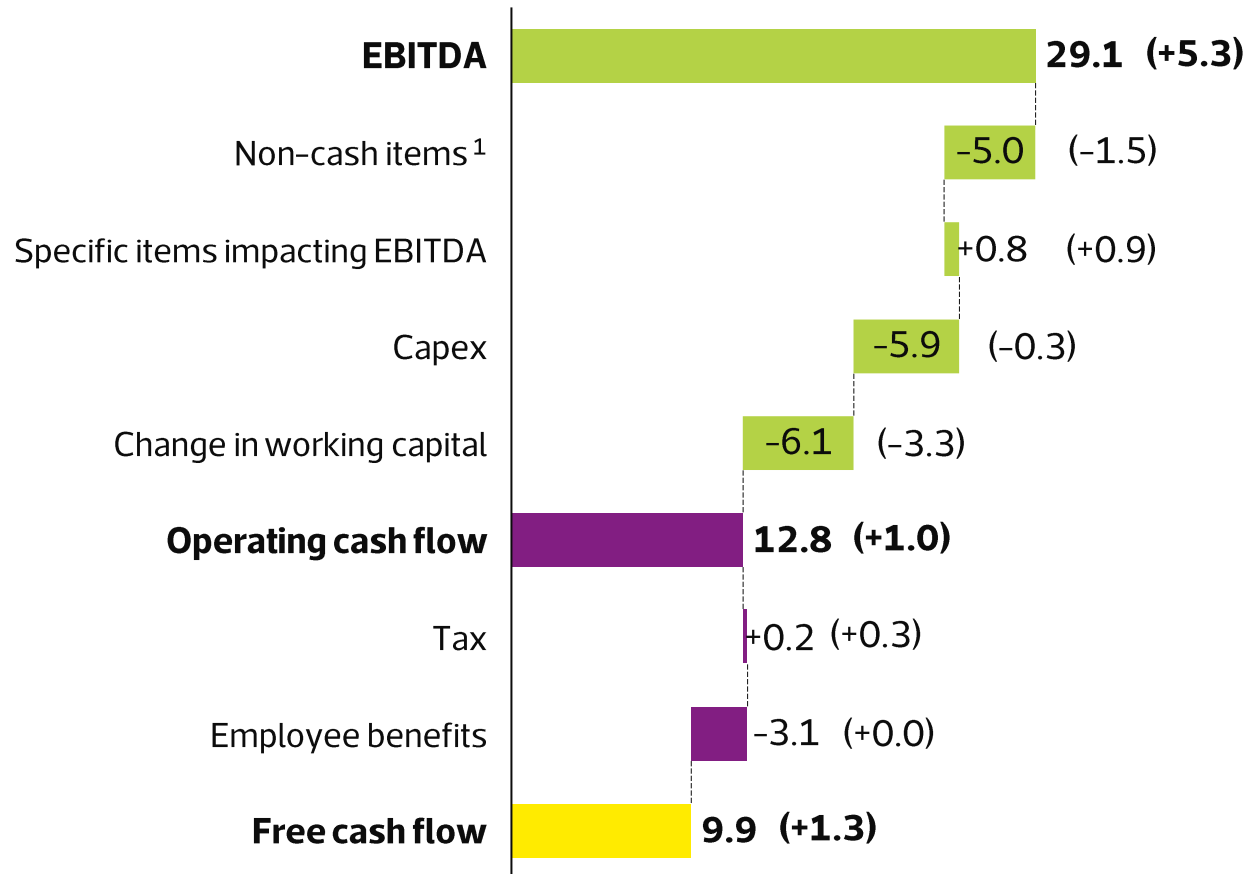
¹ Excluding Specific items; ² Including Central Structure; ³ Excluding Specific items, depreciation & amortization;

⁴ In 1Q21, CTT redefined the useful lives of some assets, based on an analysis of the historical effective average use of these assets. The impact of this change was a €2.0m decrease in depreciation & amortization in 1Q21.

Own cash increased by c.€10m in the quarter

1Q21 Cash flow

€ million; impact on cash flow vs. prior year



31 March 2021 Net financial debt²

€ million

(+) Cash & cash equivalents	558.6
(-) Net Financial Services & other payables	185.5
(-) Banco CTT liabilities, net ³	209.3
(-) Other ⁴	18.6
(=) Own cash	145.1
(-) Financial debt	91.9
(=) Net cash position	53.2
(-) Lease liabilities (IFRS 16)	116.7
Net financial debt²	63.4

¹ IFRS 16 leases, impairments and provisions; ² Only financial debt presented in the table, it does not include Net employee benefits of €203.5m as of 31 March 2021; ³ The change in net liabilities of Financial Services and Banco CTT reflects the evolution of credit balances with third parties, depositors or other banking financial liabilities, net of the amounts invested in credit or investments in securities/banking financial assets, of entities of the CTT Group providing financial services, namely CTT financial services, Payshop, Banco CTT and 321 Crédito. ⁴ The change in other cash items reflects the evolution of Banco CTT's sight deposits at Bank of Portugal, outstanding cheques/clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications.

Repositioning the business for further growth



Higher contribution from both Express & Parcels and Banco CTT will keep fueling revenues growth, translating into improving profitability

Continued acceleration of the digital initiatives will further strengthen our competitive position

The COVID-19-related uncertainty is gradually fading away

Given the above-mentioned dynamics, CTT now expects to achieve around €60m in EBIT in FY21



Appendix

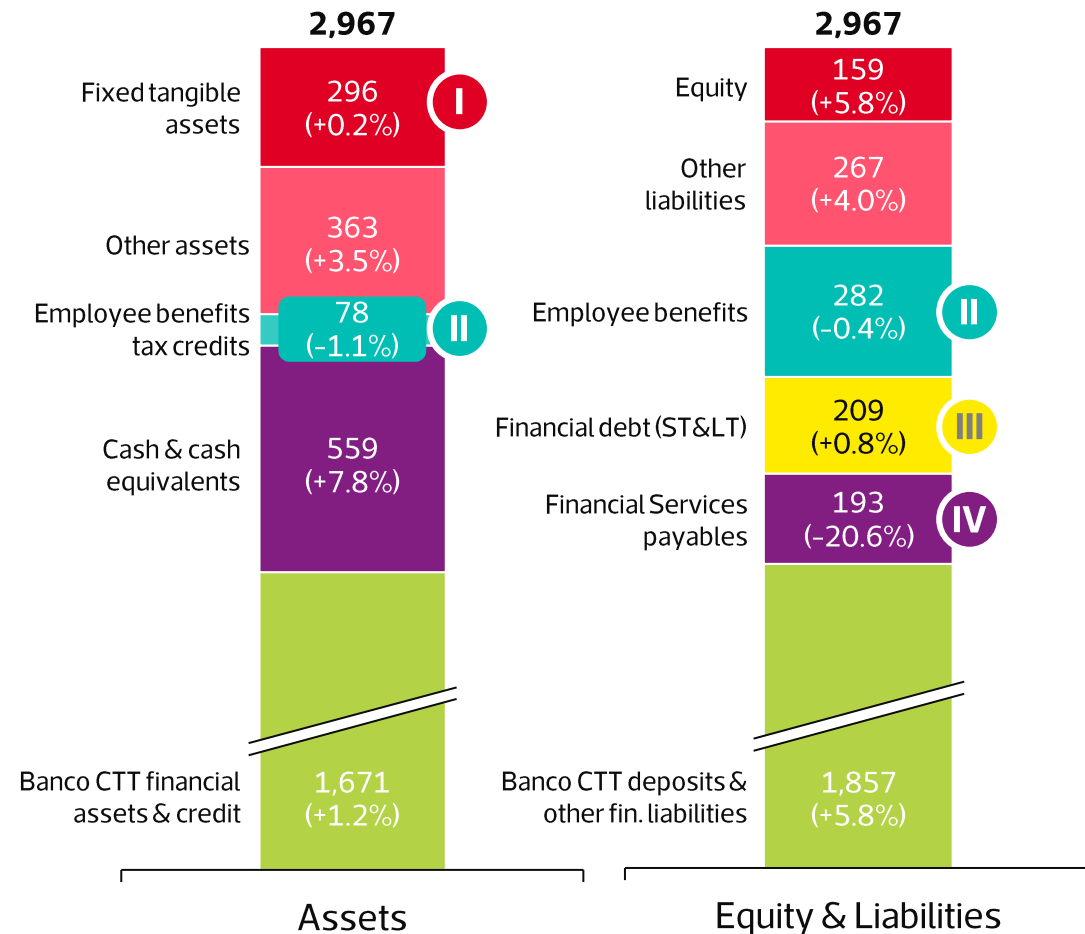


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Key Balance sheet detail

31 March 2021 Balance sheet

€ million; % change vs. 31 Dec 2020



I Fixed tangible assets

(+) Rights of use (leases)	104.2
(+) Other fixed tangible assets	191.5
(=) Fixed tangible assets	295.7

Rights of use grew by €1.6m vs. Dec-20 (+1.6%)

II Net employee benefits

(+) Employee benefits ¹	281.8
(-) Employee benefits tax credit	78.4
(=) Net employee benefits	203.5

¹Of which €272m related to healthcare

III Financial debt

(+) Bank loans	91.9
(+) Lease liabilities	116.7
(=) Financial debt	208.5

IV Net FS payables

(+) Financial Services payables	193.2
(-) FS receivables	9.1
(=) Net FS payables	184.1

Exceptional growth of parcels volumes and revenues provides a considerable boost to profitability

Revenues

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

Portugal	€35.1m (+43.8%)
Parcels	€30.6m (+61.8%)
Cargo	€2.5m (-9.9%)
Banking network	€1.2m (-32.7%)
Logistics	€0.6m (-15.4%)
Other	€0.3m (-3.9%)
Spain	€27.6m (+127.8%)
Mozambique	€0.7m (-5.6%)
Total	€63.4m (+70.1%)

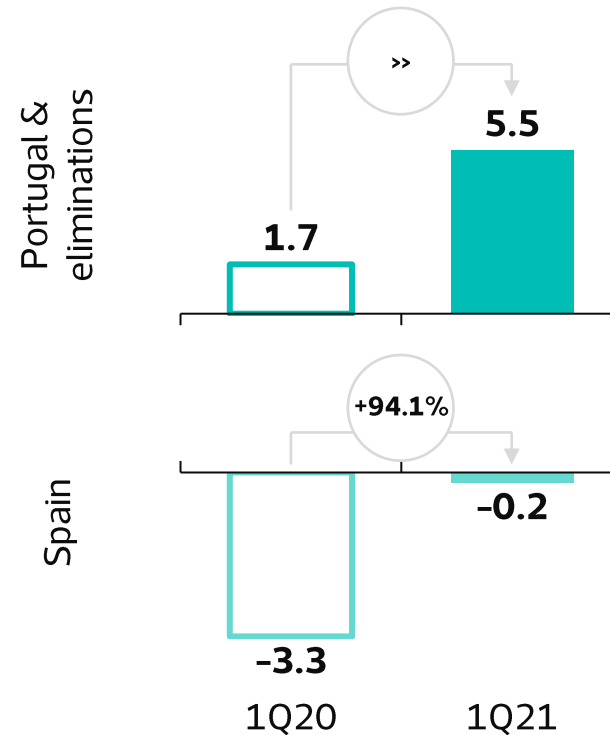
Volumes by region (m items)

Metric	Total	Portugal	Spain	Mozambique
1Q21	18.2	8.5	9.7	0.01
vs. 1Q20	+87.2%	+50.9%	+137.2%	-5.0%

Note: Portugal 8.0 (+62.3%) excluding cargo

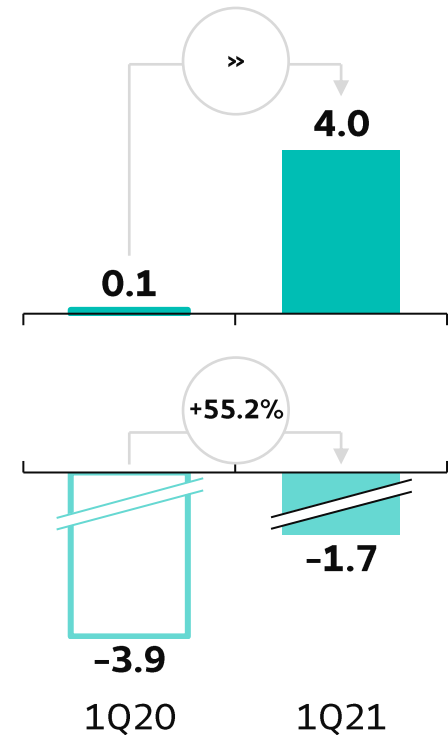
EBITDA^{1,2}

€ million



EBIT²

€ million



¹ Excluding Specific items, depreciation & amortization;

² Individual company views (not consolidated).

Banco CTT is starting to benefit from significant operational leverage, as the fixed-cost infrastructure is largely in place

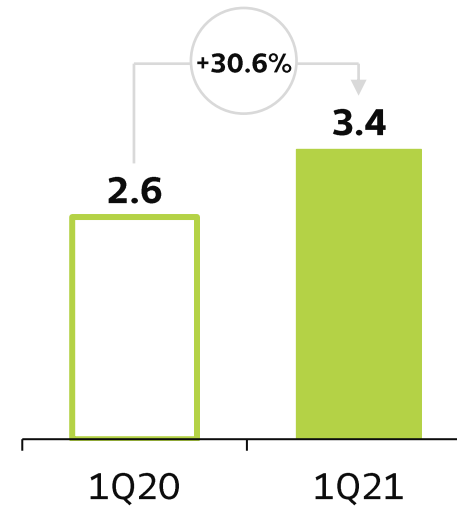
Revenues

€ million; % change vs. prior year



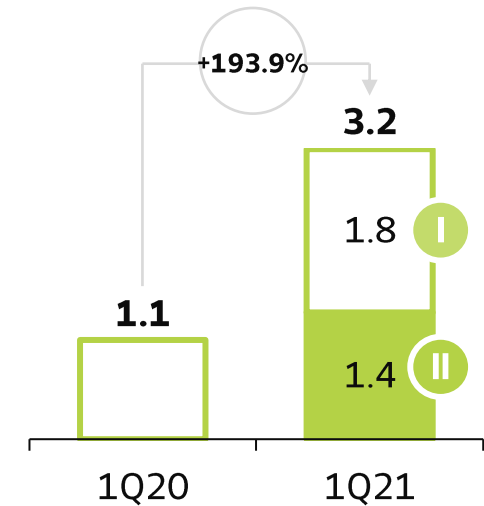
EBITDA¹

€ million % change vs. prior year



EBIT

€ million; % change vs. prior year



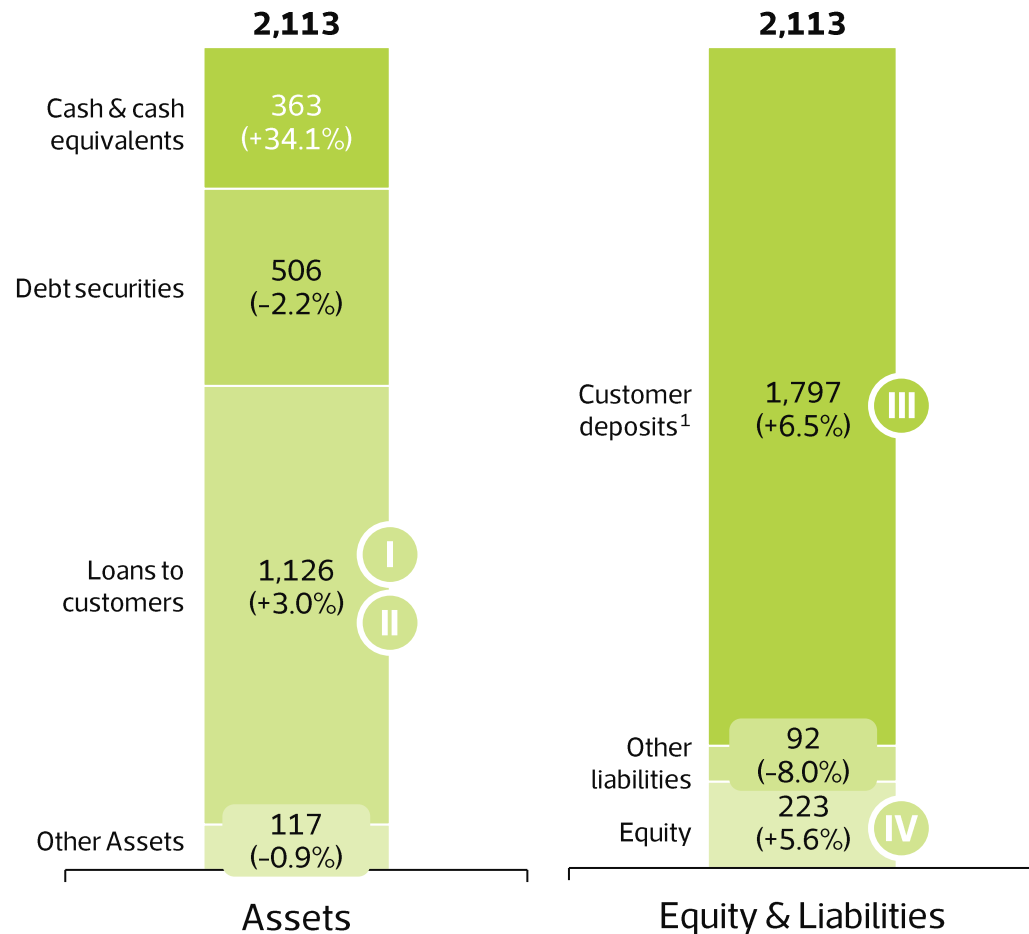
- I Non-recurring impact from the partnership with Sonae Financial Services in the quarter: +€2.2m from the sale of government bonds by Banco CTT to generate capital gains to fund the capital requirements; -€0.3m non-recurring costs to establish the partnership
- II Recurring EBIT of €1.4m (+26.6% vs. 1Q20)

¹ Excluding Specific items, depreciation & amortization.

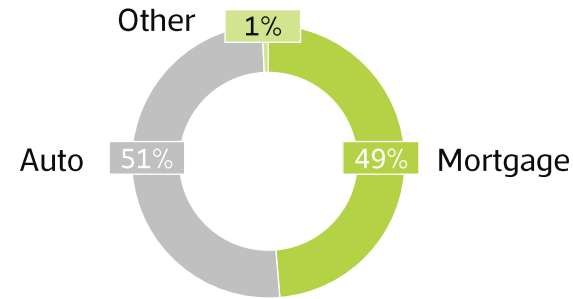
Banco CTT cost of risk remains low while capital and liquidity are ample

31 March 2021 Banco CTT Balance Sheet

€ million; % change vs. 31 Dec 2020

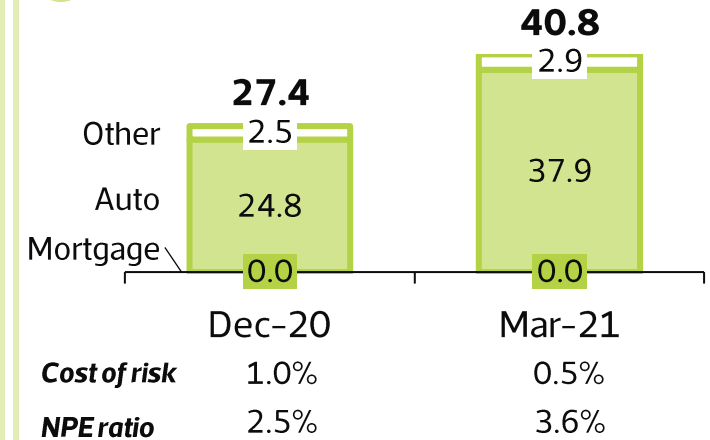


I Loans by type

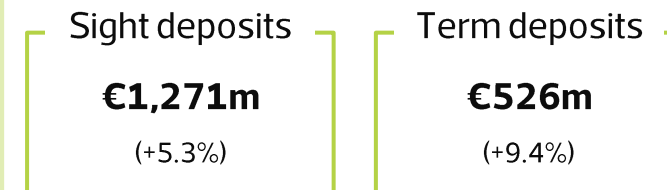


Moratorium requests have a total exposure of €42.4m, 3.7% of the total gross credit portfolio

II Non-performing exposures²

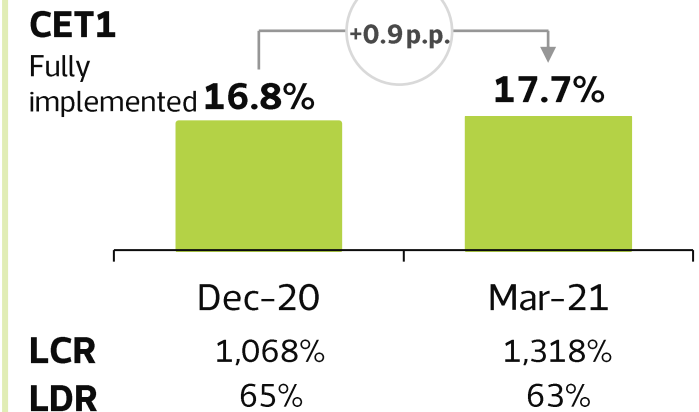


III Customer deposits



Significant growth both in term & sight deposits
529k current accounts (+12k in 1Q21)

IV Capital and liquidity



¹ Excludes deposits from intragroup companies; ² Revision of the concept of default which came into effect in January 2021 resulted in a non-recurring growth of non-performing exposures in 1Q21.

Mail profitability continues to be impaired by the atypical volumes decline, exacerbated by the lockdown measures

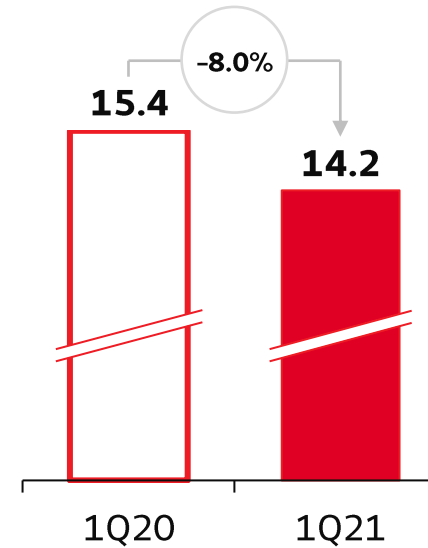
Revenues¹

€ million; % change vs. prior year

Transactional	€92.5m (-2.5%)
Advertising	€4.3m (-16.0%)
Editorial	€3.3m (+0.1%)
Business solutions	€3.6m (+41.5%)
USO parcels	€1.9m (+34.7%)
Philately & other ¹	€3.0m (+4.1%)
Total	€108.6m (-1.4%)

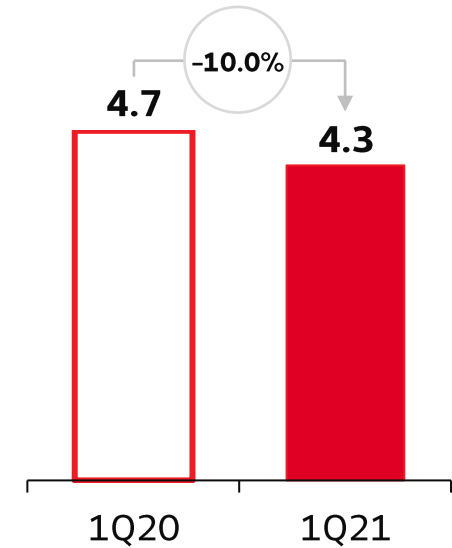
EBITDA²

€ million



EBIT

€ million



Volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
1Q21	N.A.	124.4	107.1	10.1	7.2	92.0
vs. 1Q20	+2.5%	-14.2%	-15.2%	-9.2%	-4.6%	-20.3%

¹Including Central Structure;

²Excluding Specific items, depreciation & amortization.

Financial Services & Retail comparison impacted by the Jan-20 public debt placements and the lockdown effects

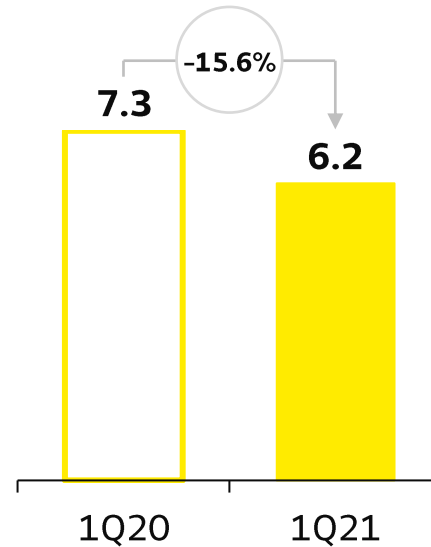
Revenues

€ million; % change vs. prior year

Savings & insurance	€6.8m (-21.8%)
Money orders	€1.5m (-2.6%)
Payments	€0.2m (+32.6%)
Retail products & services	€3.6m (+37.1%)
Other	€0.1m (+54.7%)
Total	€12.1m (-6.7%)

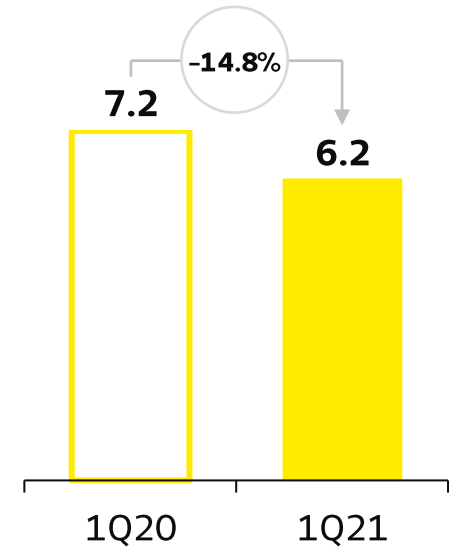
EBITDA¹

€ million



EBIT

€ million



Financial Services volumes by type

Metric	Savings flows (€bn)	Placements	Redemptions	Money orders (m ops.)
1Q21	1.4	1.2	0.2	3.7
vs. 1Q20	-11.4%	-12.1%	-6.6%	-5.0%

of which 1.2 (-12.0%) public debt

¹ Excluding Specific items, depreciation & amortization.

Consolidated Income statement

Income statement

€ million

	Reported		With Banco CTT under equity method	
	1Q20	1Q21	1Q20	1Q21
Revenues	179.9	205.3	164.7	188.3
Operating costs	156.2	176.3	142.5	161.7
of which Impairments & provisions	2.8	2.4	1.2	0.9
EBITDA	23.7	29.1	22.2	26.6
Depreciation & amortization	14.5	14.0	13.2	12.2
of which IFRS 16 impact	5.3	6.4	5.1	6.2
Recurring EBIT	9.3	15.0	9.1	14.4
Specific items	0.0	-0.8	0.0	1.0
EBIT	9.3	15.9	9.0	13.4
Net financial income / (costs)	-2.5	-2.1	-2.5	-2.1
of which IFRS 16 impact	-0.8	-0.8	-0.8	-0.8
Associated companies – gains / (losses)	-0.6	-0.5	-0.4	1.3
Earnings before taxes	6.2	13.3	6.2	12.6
Net profit attributable to equity holders	3.7	8.7	3.8	8.7

Consolidated Balance sheet

Balance sheet

€ million

	Reported		With Banco CTT under equity method	
	31-Dec-20	31-Mar-21	31-Dec-20	31-Mar-21
Non-current assets	1,984.3	1,988.5	638.8	649.3
Current assets	910.6	978.1	484.0	445.0
Assets	2,894.9	2,966.6	1,122.8	1,094.2
Equity	150.3	159.0	150.3	159.1
Liabilities	2,744.6	2,807.6	972.5	935.2
Non-current liabilities	493.4	488.3	444.0	444.4
Current liabilities	2,251.2	2,319.3	528.5	490.8
Equity and Liabilities	2,894.9	2,966.6	1,122.8	1,094.2
Net financial debt¹	71.4	63.4	153.9	159.4

¹ See slide 17 for more detail.

Consolidated Cash flow statement

Cash flow

€ million	Reported			With Banco CTT under equity method		
	1Q20	1Q21	Δ 21/ 20	1Q20	1Q21	Δ 21 / 20
EBITDA	23.7	29.1	+5.3	22.2	26.6	+4.4
Non-cash items	-3.5	-5.0	-1.5	-4.9	-6.3	-1.4
Specific items affecting EBITDA	-0.0	0.8	+0.9	-0.0	-1.0	-1.0
Capex	-5.6	-5.9	-0.3	-5.1	-5.1	0.0
Change in working capital	-2.8	-6.1	-3.3	1.8	-4.8	-6.6
Operating cash flow	11.8	12.8	+1.0	14.1	9.4	-4.6
Tax	-0.0	0.2	+0.3	0.3	0.2	-0.1
Employee benefits	-3.2	-3.1	+0.0	-3.2	-3.1	+0.0
Free cash flow	8.6	9.9	+1.3	11.2	6.6	-4.7
Debt (principal + interest)	-0.2	-0.3	-0.1	-0.2	-0.3	-0.1
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments & other	0.0	0.0	0.0	0.0	-10.0	-10.0
Net change in own cash	8.4	9.7	+1.3	11.0	-3.7	-14.7
Change in liabilities FS & other & Banco CTT (net) ¹	-216.7	31.4	+248.1	-131.4	-50.2	+81.2
Change in other ²	64.2	-0.7	-65.0	-0.0	0.0	+0.0
Net change in cash	-144.0	40.4	+184.4	-120.4	-53.8	+66.5

¹ 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 the financial services of CTT, Payshop, Banco CTT and 321 Crédito; ² 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.

Specific items with a positive impact on the 1Q21 P&L

Specific items

€ million

	Reported		
	1Q20	1Q21	
Recurring EBIT	9.3	15.0	
Specific items	0.0	-0.8	
Revenues	-0.6	-2.2	Capital gain generated by the sale of public debt securities by Banco CTT to fund the capital requirements for the credit card partnership with Sonae Financial Services
Staff costs	0.0	0.1	
ES&S & other op. costs	0.6	1.3	€1.3m of ES&S & other operating costs, of which €0.3m related to Sonae Financial Services partnership, €0.4m of strategic studies and €0.3m related to the COVID-19 pandemic
EBIT	9.3	15.9	

CTT

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From a
parcel to
whatever
you want

From a
parcel to
whatever
you dream
of

From a
parcel to
whatever
you wish
for

We
connect
people and
companies