

CTT A transformation story

AESE, June 2024



ctt

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An aerial photograph of a road bridge crossing a large body of water. The bridge is a multi-lane road with a central median. A red car is visible on the bridge. The water is a deep blue-green color. The surrounding area includes green grass and trees. A large red semi-transparent shape is overlaid on the left side of the image.

Strategy review

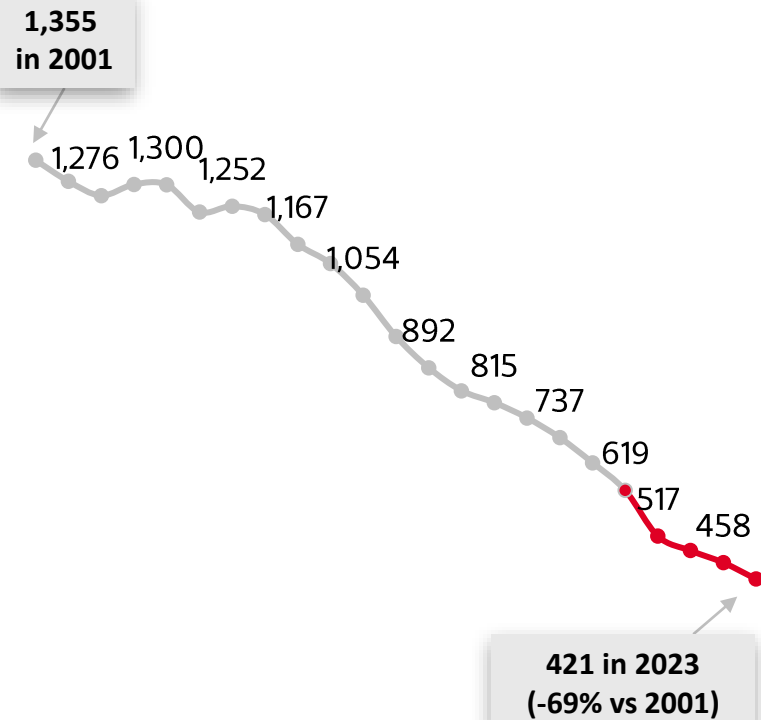
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With declining mail volumes, diversifying was the only choice

Strategy review

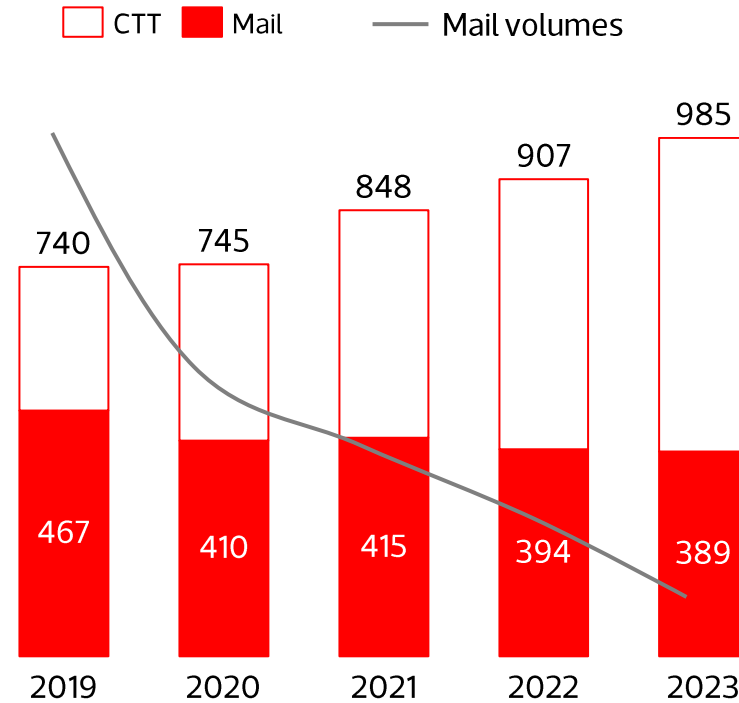
Mail volumes

Million objects



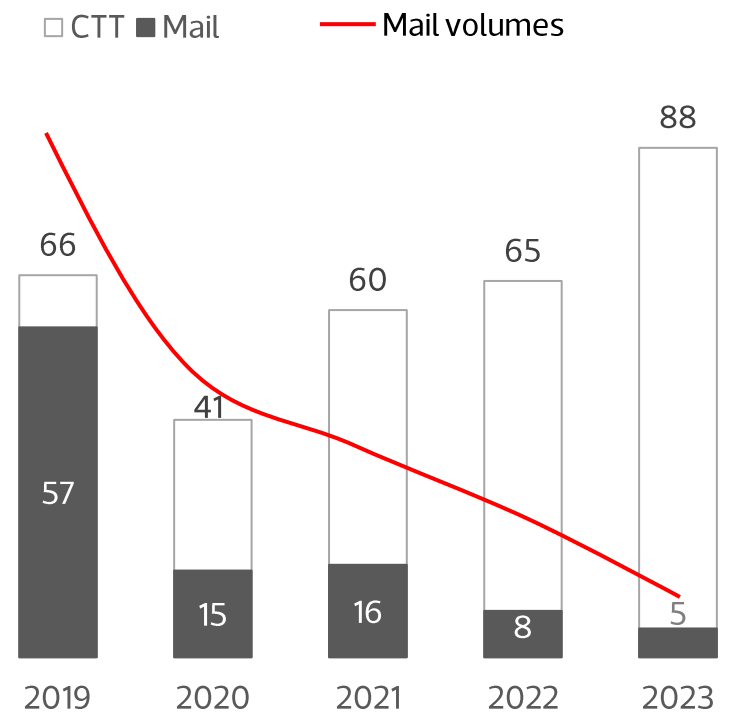
Revenues

€ million



Recurring EBIT

€ million



Successful transformation with growth

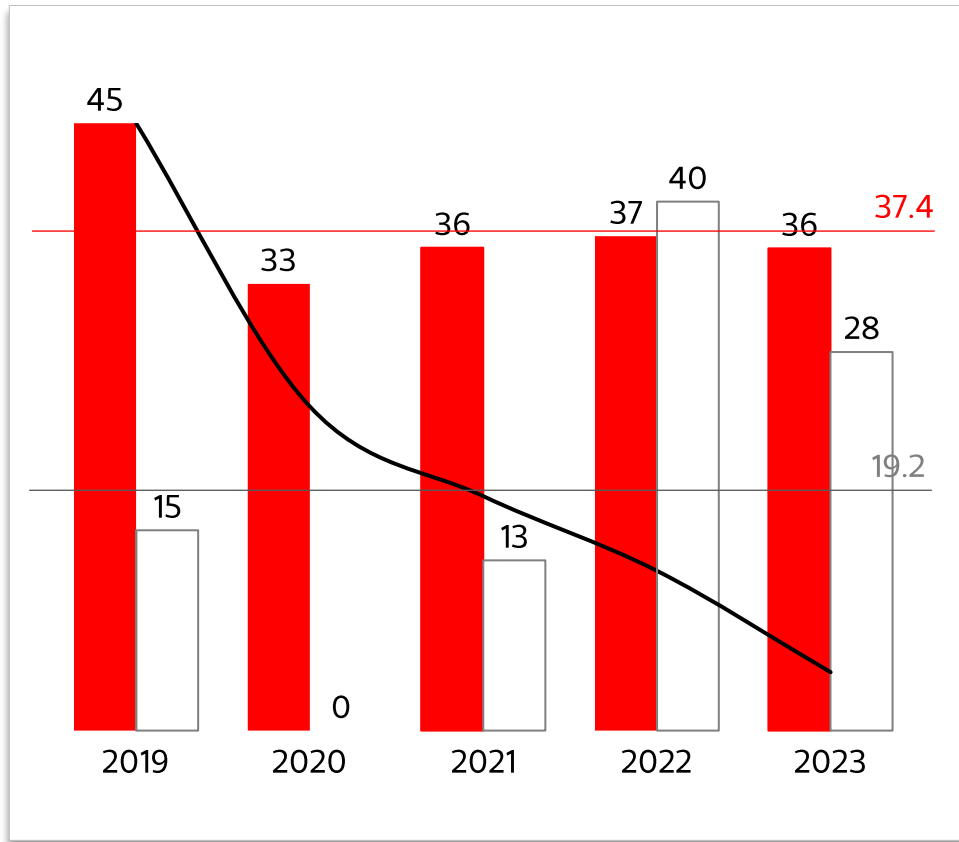
but also **sustainable** transformation

Strategic review

Investment compatible with shareholder remuneration

€ million

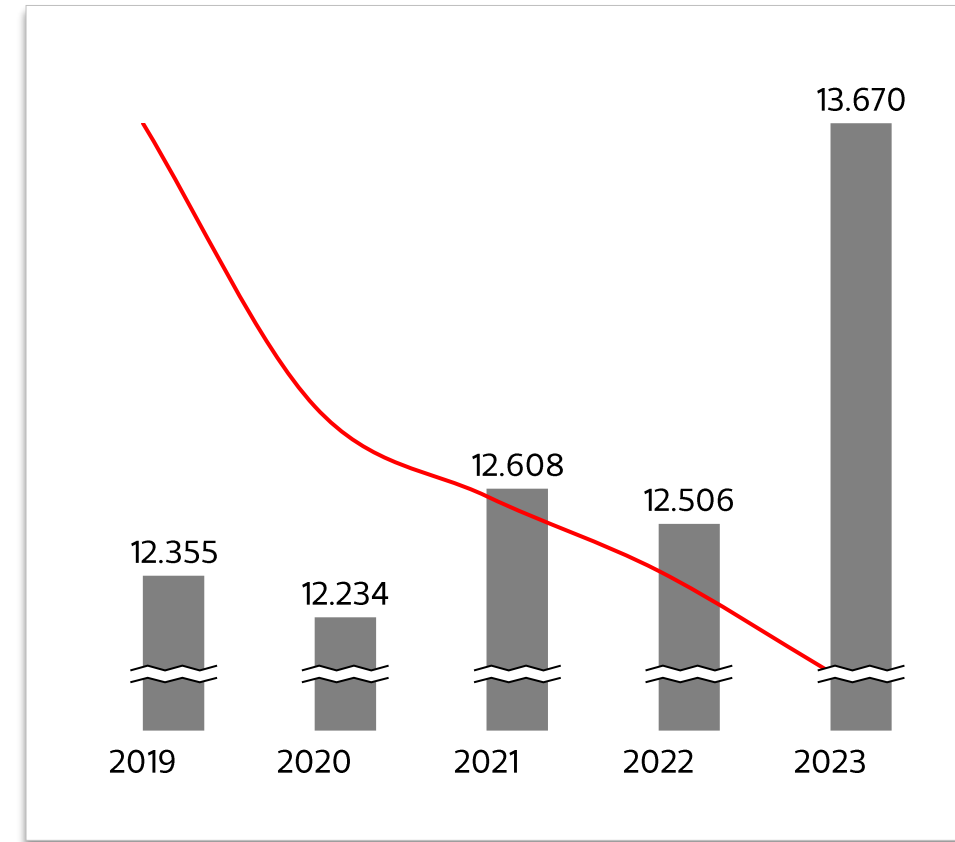
■ Capex □ Shareholder Remuneration — Mail Volumes



and with jobs creation

number of employees

■ Employees — Mail volumes



Balanced investment, shareholder remuneration and job creation

Our positioning: a company in transformation, exposed to sustained growth



Strategy review

Leveraging strategic assets...

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

... as a highly synergic platform

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

For companies (B2B)¹

For people (B2C)¹

Revenues²: 389 | 40%

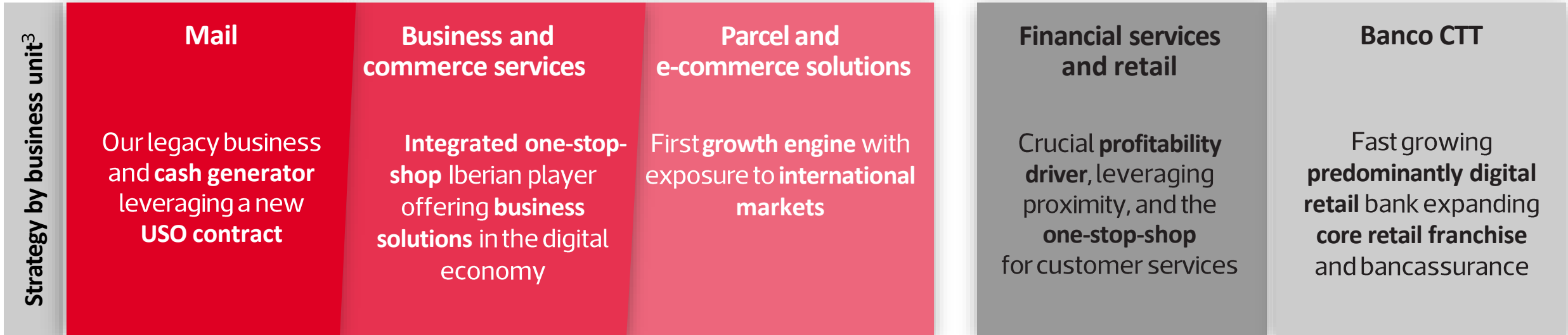
45 | 5%

341 | 35%

63 | 6%

148 | 15%

M€ | wgt



Faster, Better and Greener

¹Predominantly; ²FY23, € million, % weight of total revenues;

³Mail and Business and commerce services corresponds to Mail & Others business unit and Parcel and e-commerce solutions corresponds to Express & Parcels.

Our positioning: a company in transformation, exposed to sustained growth



Strategy review

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| PURPOSE

Delivering the future by connecting people and businesses in a sustainable way

| VISION

FOR COMPANIES

To be the benchmark partner, developing e-commerce and simplifying their physical and digital presence

FOR PEOPLE

Be the preferred brand for deliveries, savings, credit and insurance

| MISSION

FOR COMPANIES

Constantly innovate, offering logistics solutions and support services, with quality, focused on customer needs

FOR PEOPLE

Simplifying people's lives in physical communication, financial services, and insurance

| VALUES



Customer Focus



Proximity



Sustainability



Commitment



Confidence

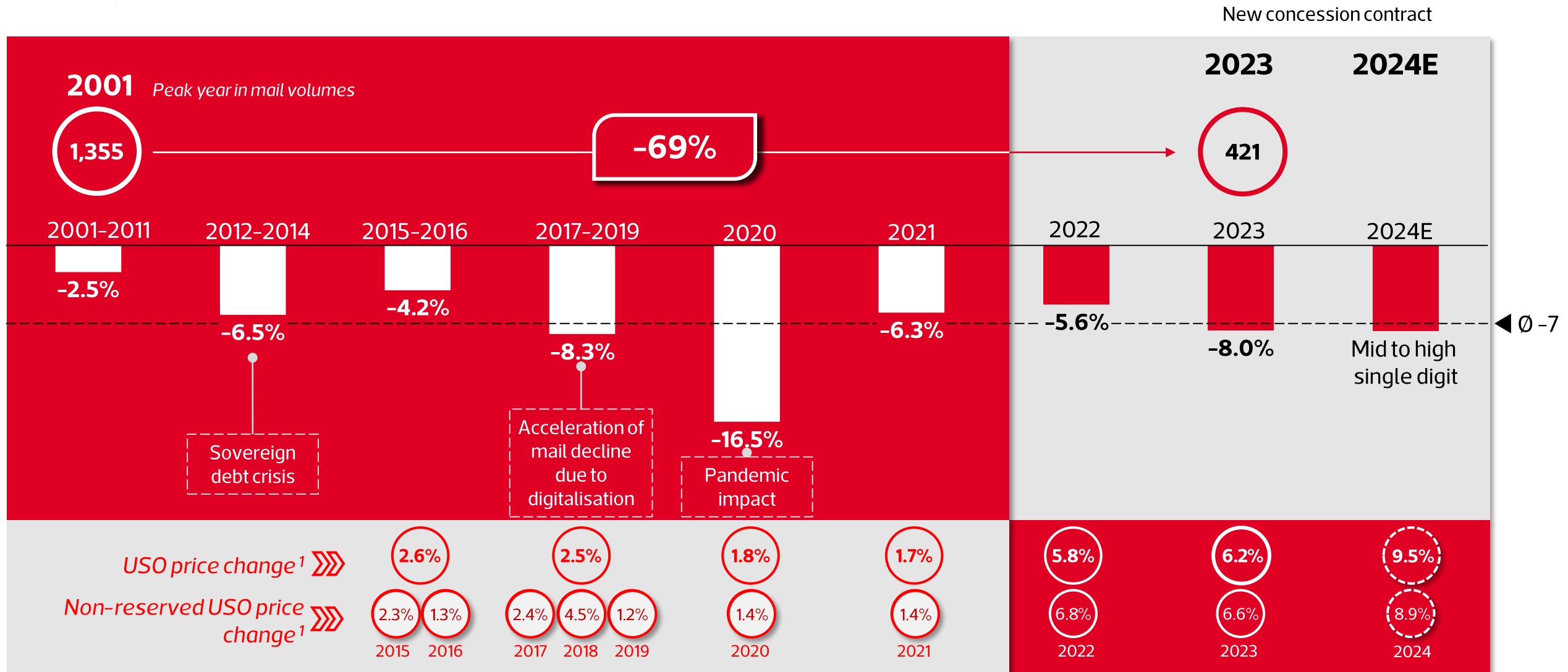
Mail: despite the transformation, ensuring its sustainability was critical



Strategy review

CTT addressed mail volumes evolution

million items; CAGR (%)



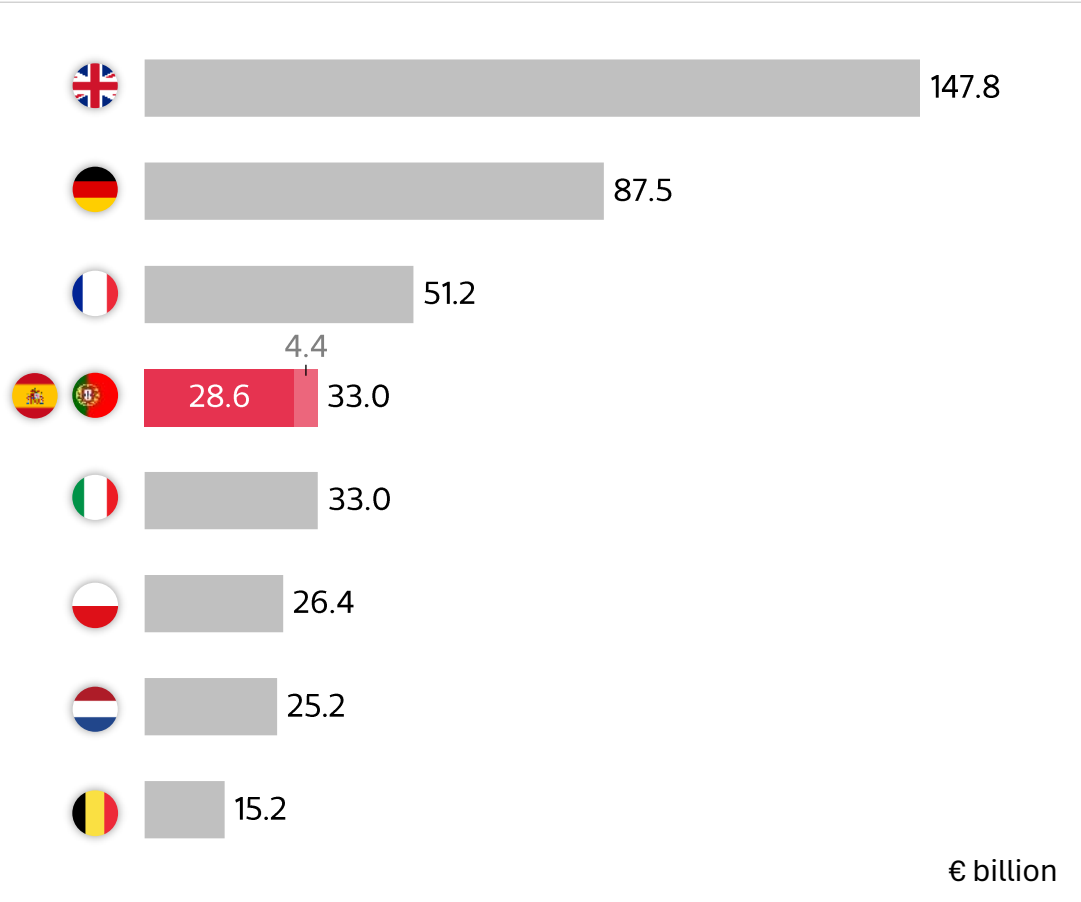
¹Includes basket of Non-reserved and Reserved USO services, and Special Prices, penalties associated with quality standards are not considered (0.08% in 2019 and 1% in 2020, of which 0.5% reflected on prices and 0.5% compensated by an alternative measure).

E&P: CTT is becoming a leading e-commerce logistics player in Iberia

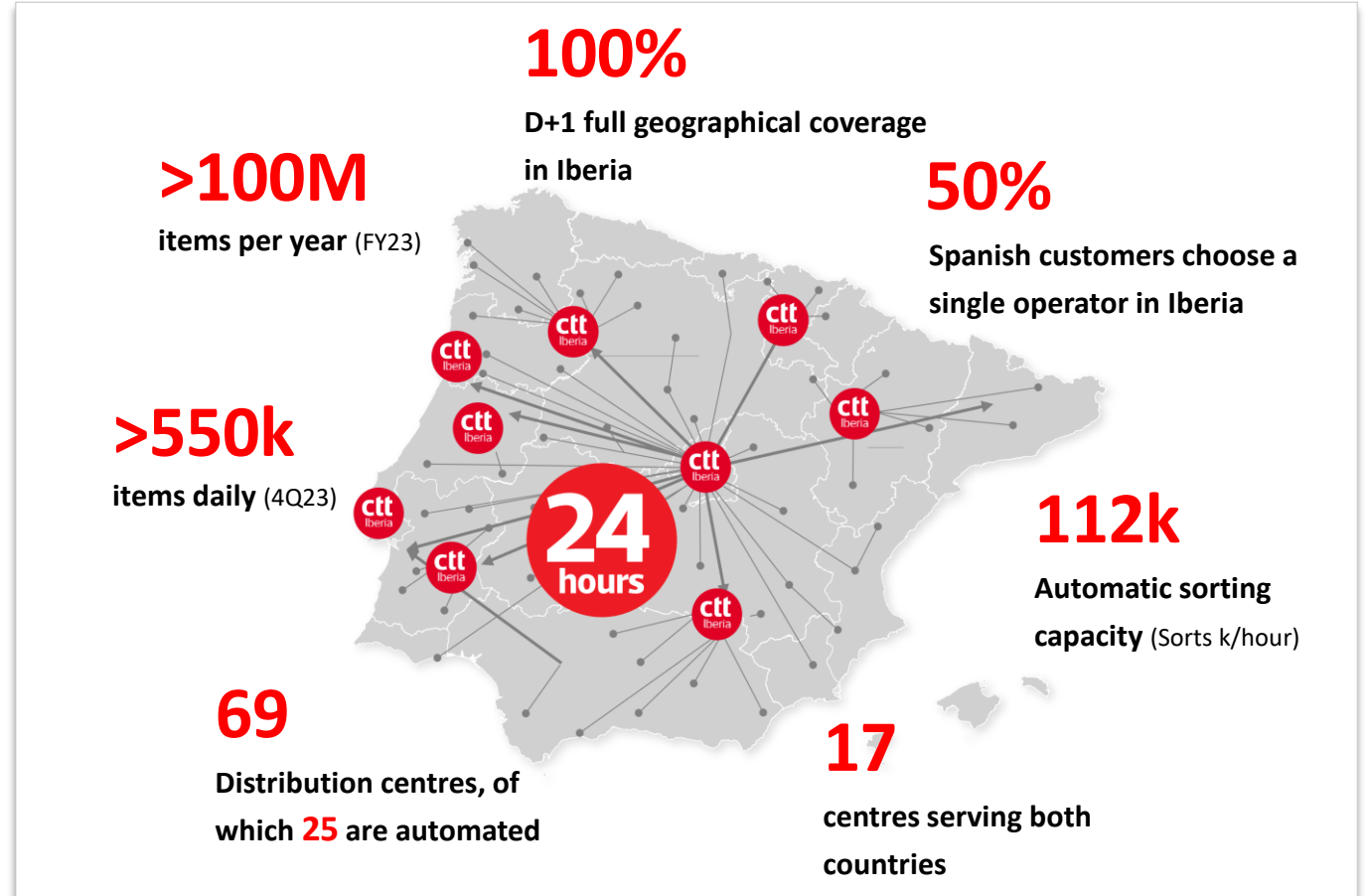


Strategy Review

Iberia is the 4th largest e-commerce market in Europe



CTT is the fastest growing player in Iberia



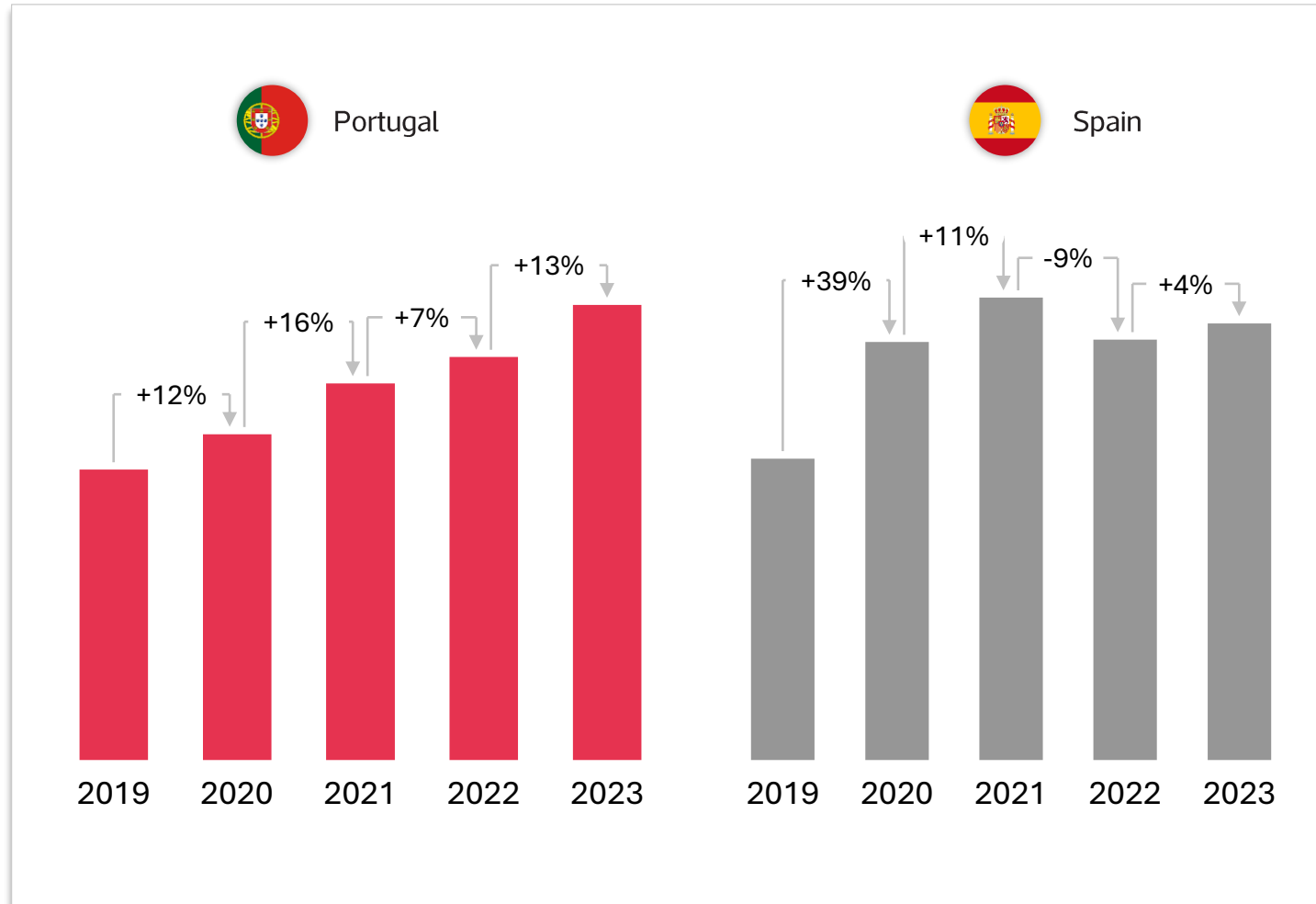
Growth leader in a large market

Iberian e-commerce has a significant potential

Strategy Review

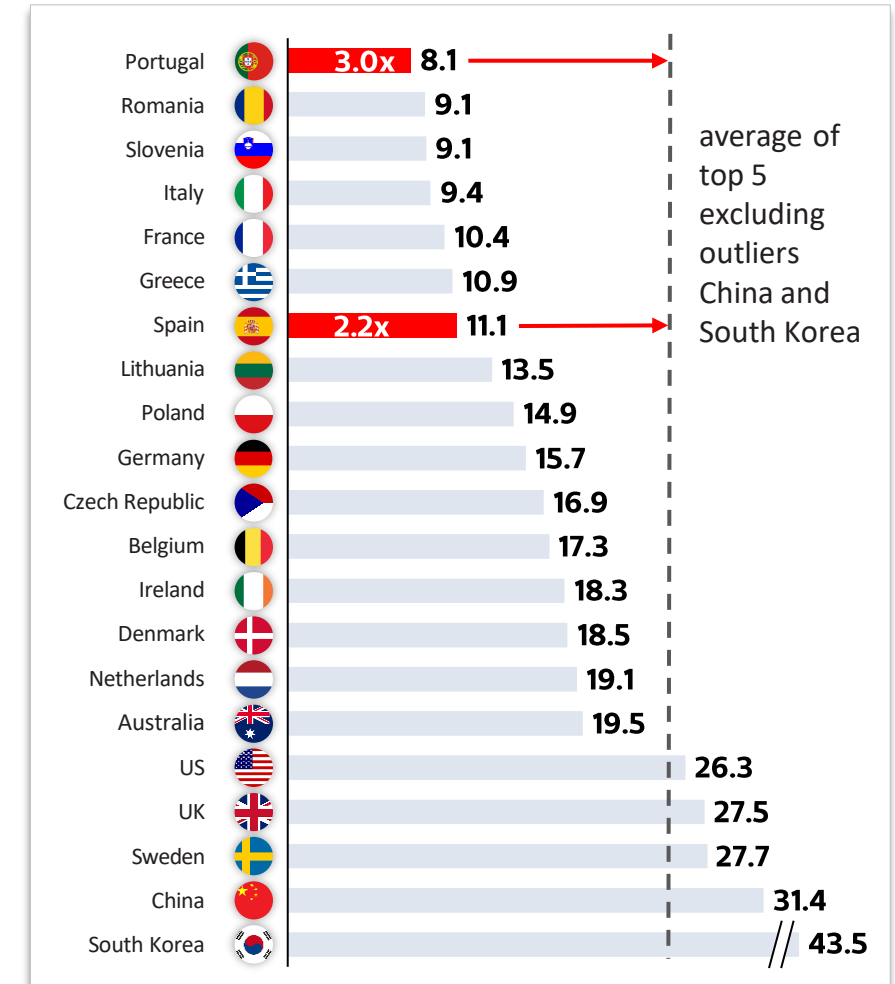
Iberian e-commerce is growing¹

% growth of e-commerce



... but e-commerce² penetration is still low, 2022

e-commerce share of total retail, %



Growth and upside

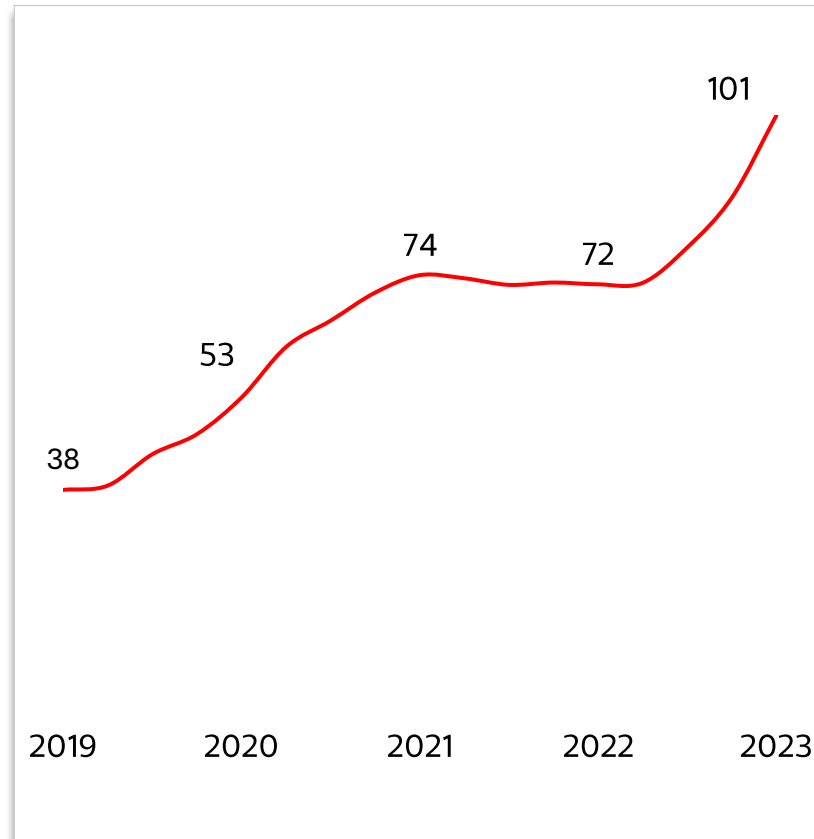
¹Eurostat, retail sales via mail order houses or via Internet;
²IPC market study, source: Euromonitor International, IMF, IPC analysis;

Strategic decision to focus on e-commerce is bearing fruits

Strategy review

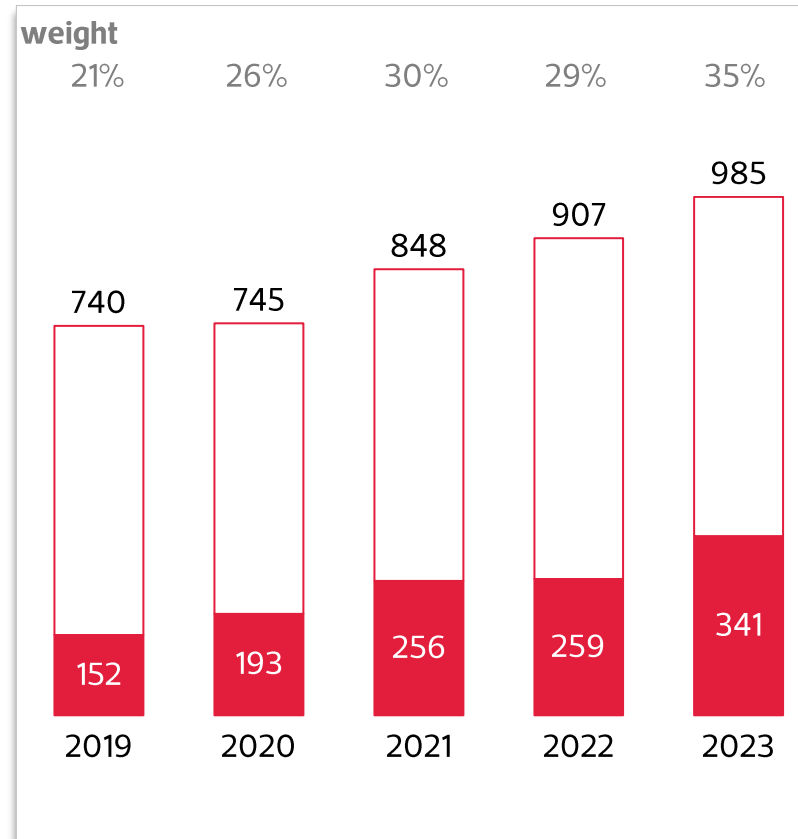
E&P volumes

million objects; LTM



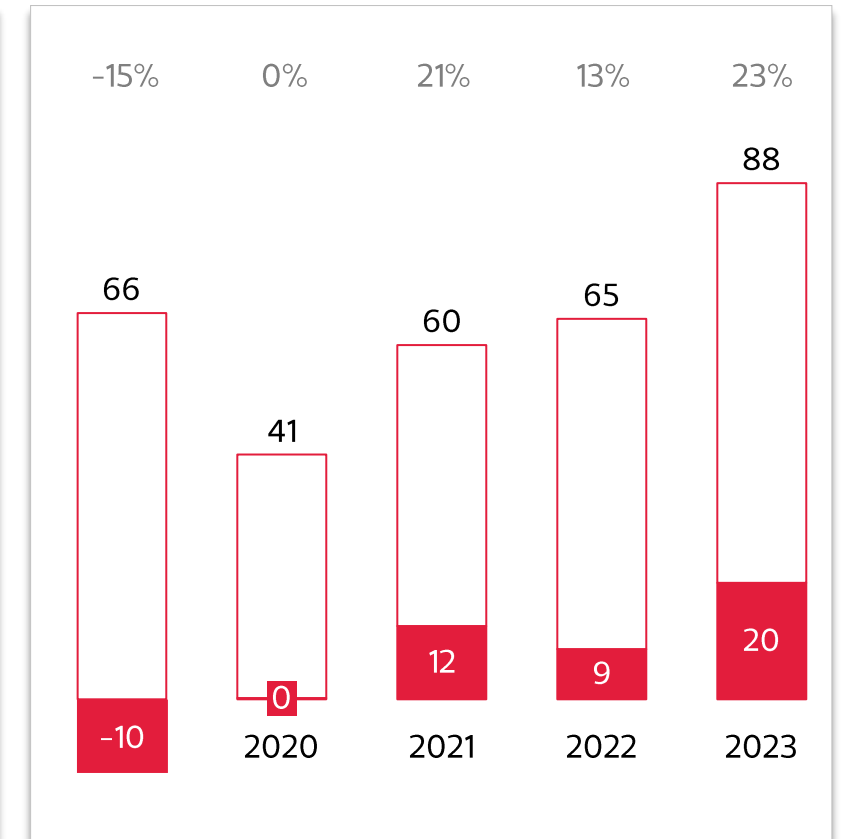
Revenues

€ million



Recurring EBIT

€ million



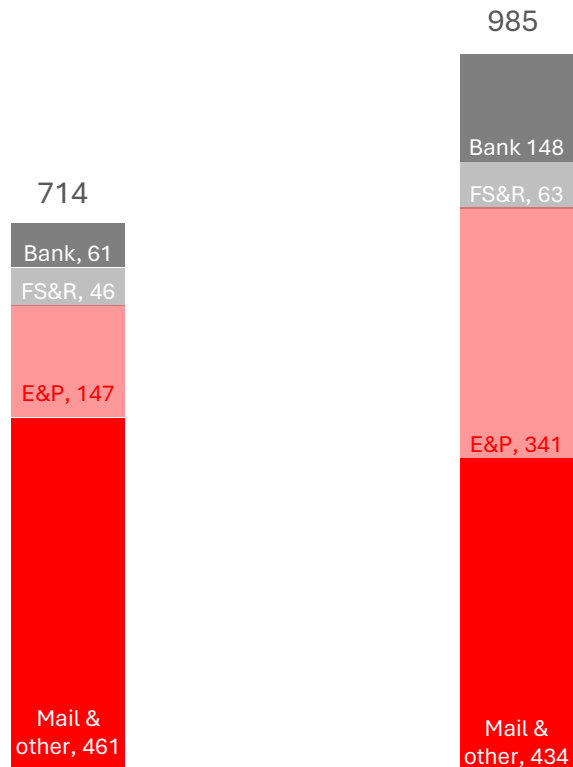
Successful transformation with growth

Summarizing: CTT is performing a very significant change of businesses



M€

Revenue 2019-23



Iberian e-commerce growth engine

Growing towards another record year



Leveraging new USO contract

Stabilising revenues through price increase and mix



Profitability enhancer

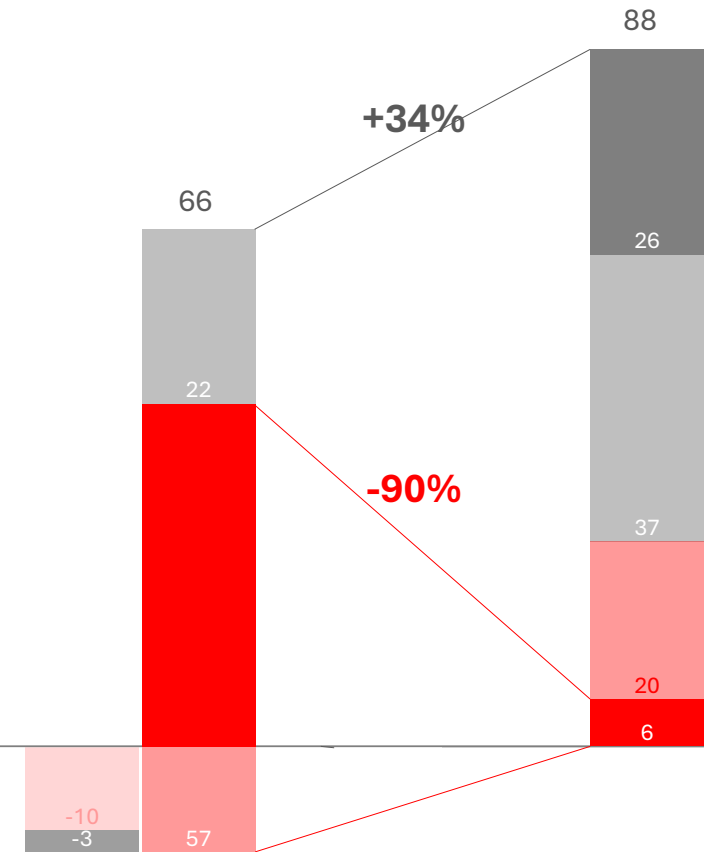
Delivering on insurance distribution
Prepare for improved conditions on public debt products



Fastest growing retail bank franchise in Portugal

Continue to grow driven by higher engagement with clients

EBIT 2019-23



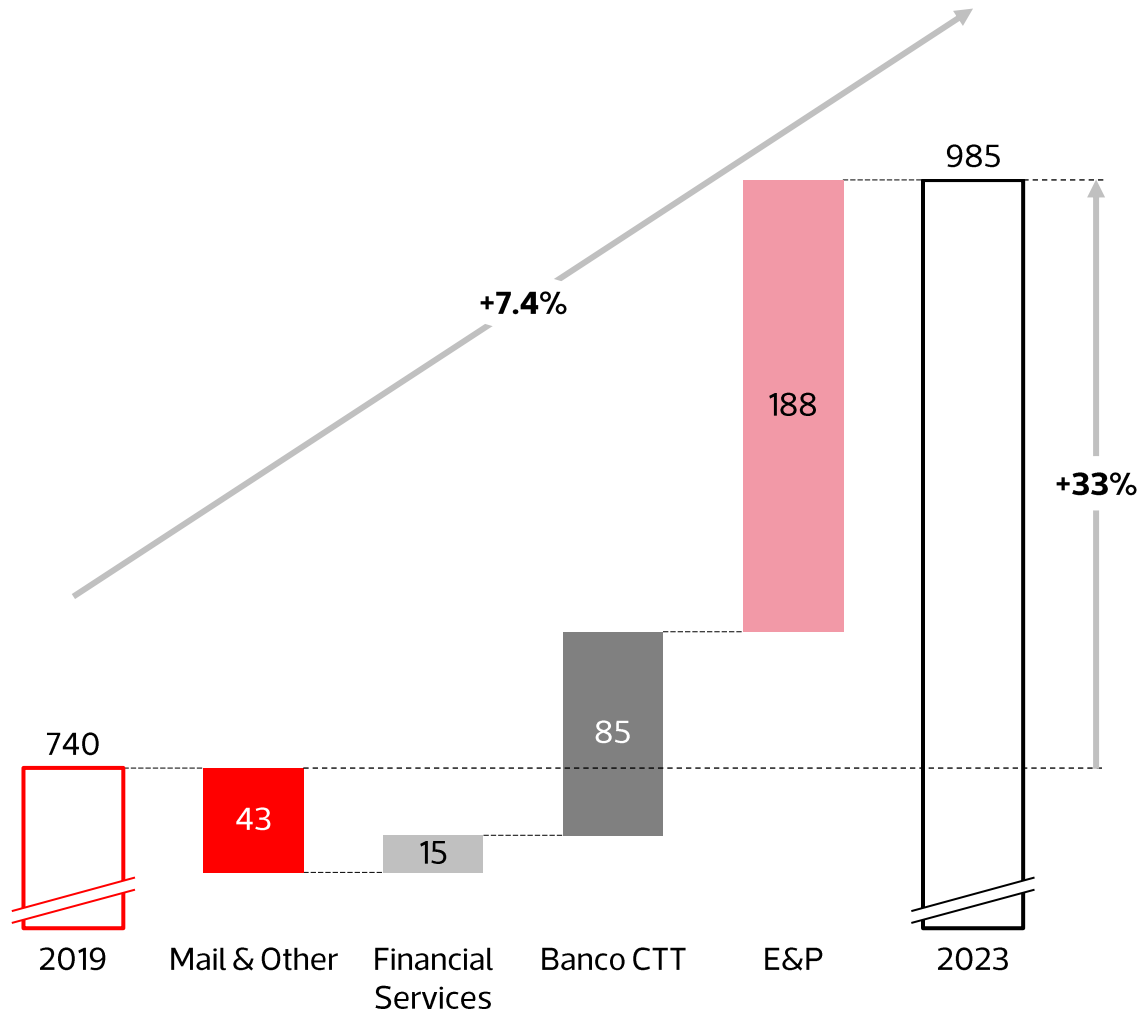
Summarizing: CTT is now a growth company driven by a rising e-commerce trend



Strategy review

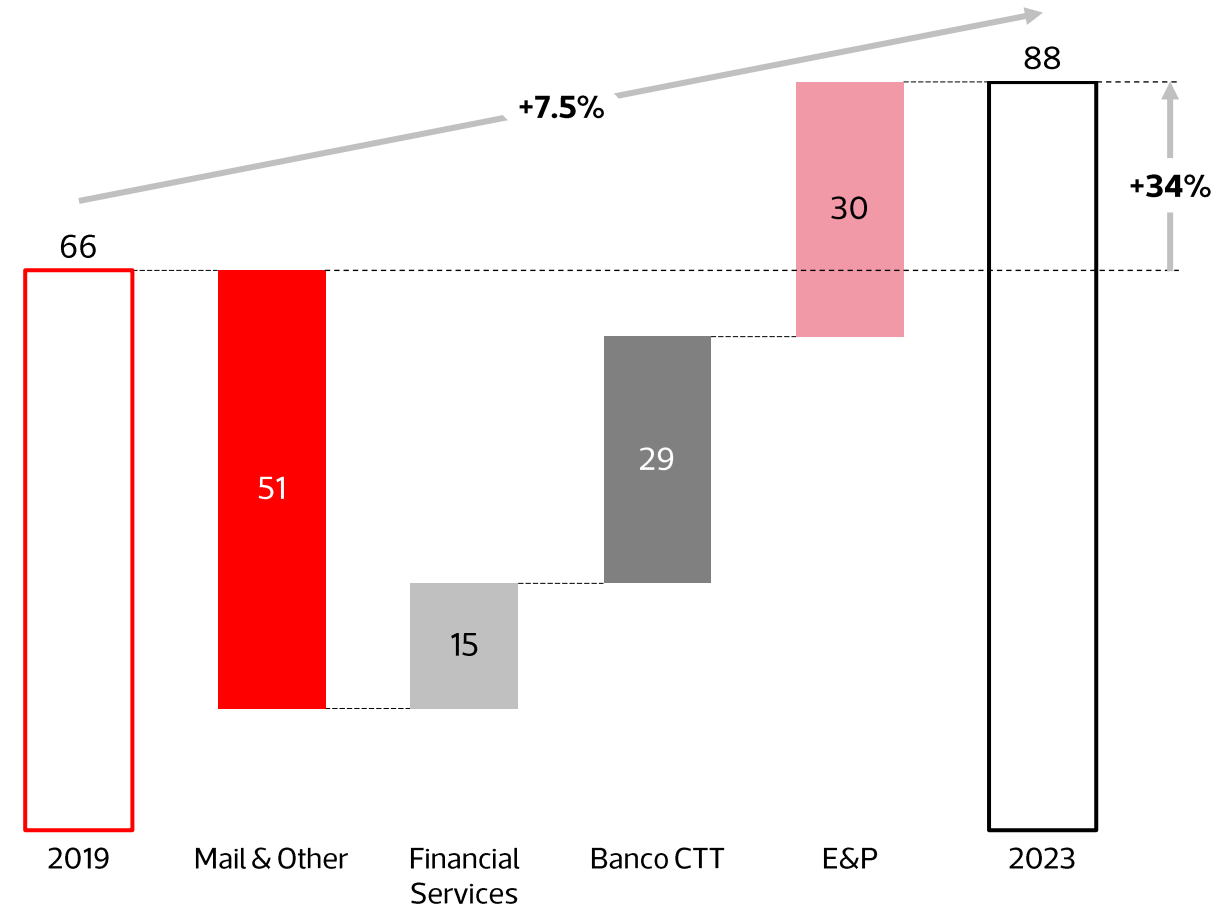
Revenues

€ million; % CAGR



Recurring EBIT

€ million



Express & Parcels



ctt

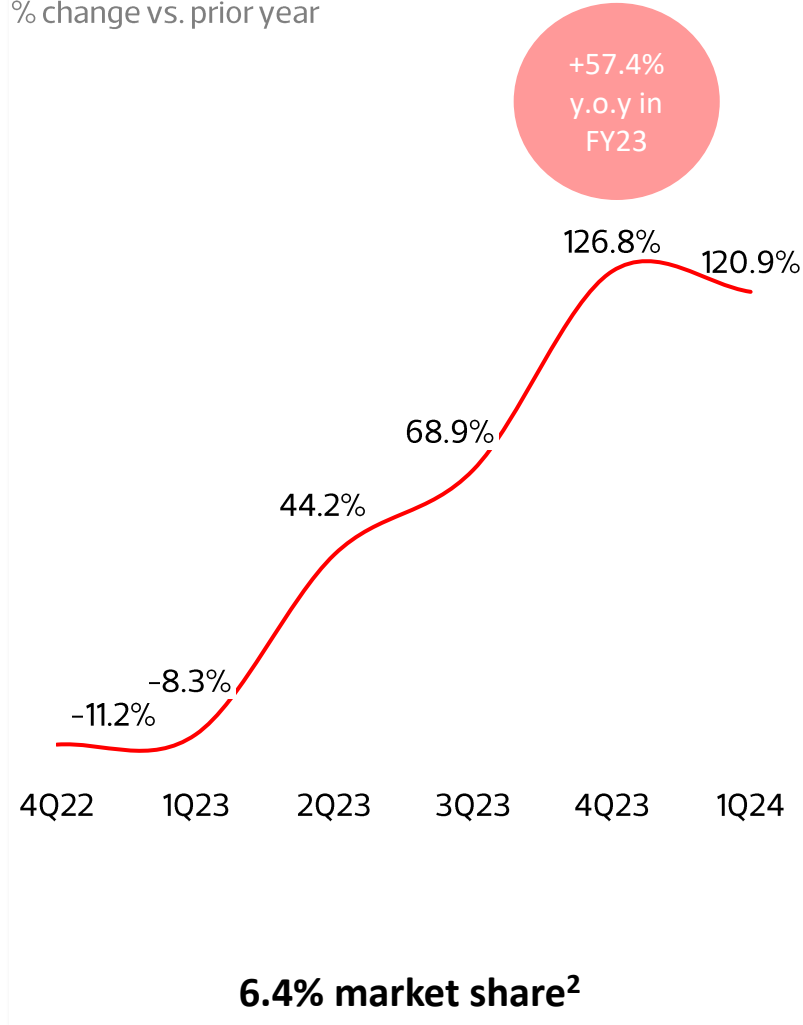
High quality and added services: paramount for attracting new customers in Spain



Express & Parcels

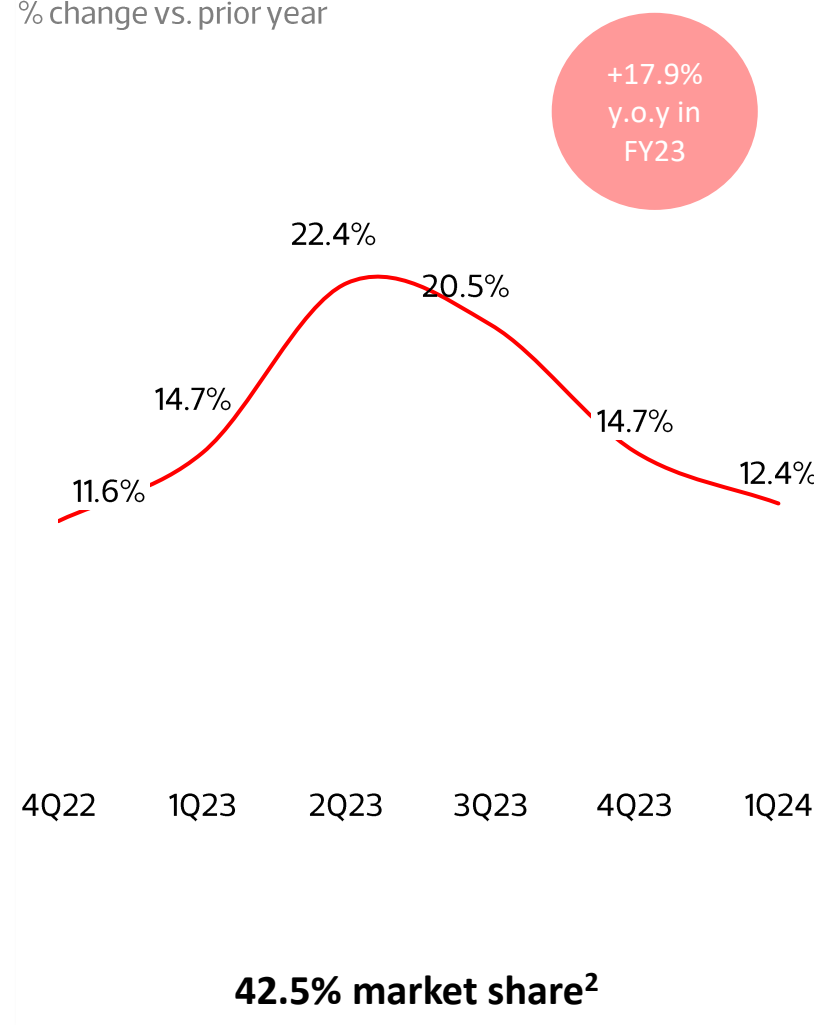
E&P Spain | CEP Volumes

% change vs. prior year



E&P Portugal | CEP Volumes

% change vs. prior year



High quality and efficiency

- Maintain a quality service with high delivery efficiency rates despite an increase in volumes per working day

Adding new services

- Bulk customs clearance unit in San Fernando de Henares significantly reducing cost and delivery times for out-of-EU volumes
- Handling of returns
- >850 lockers in Portugal and >13,000 convenience points in Spain

Onboarding of relevant new customers & Increasing volumes from existing customers

- New large international e-sellers
- Focus on diversifying towards smaller clients¹ also continued during 2023

CTT is capturing market share

¹Clients with daily volumes below 20,000 items
²E-commerce market share in 2023, estimated by CTT

Harmonization of the Iberian offer

Express & Parcels



Product portfolio



Customer segmentation



Iberian pricing tool



Commercial governance

Alignment throughout the offer and the experience, with unique systems and the customisation of products and other services.

Alignment of customer segmentation criteria at Iberian level, according to their characteristics: size, e-commerce, international origin, etc.

Introduction of a Single Iberian Pricing Methodology

Commercial articulation between Portugal and Spain in the management of large international accounts

Standardisation of the offer and the commercial processes

Standardizing processes and increasing Iberian efficiency



Express & Parcels

Standardization of operational processes across Iberia

Nurturing the largest Iberian PUDO network

- 01 Express handling and distribution**
Iberian decision server: will integrate Expresso processing and distribution, both in the first and last mile, using artificial intelligence tools

- 02 Iberian transport network**
Focus on aligning the Iberian transport network to ensure quality of service and improve efficiency

- 03 Customs Clearance Spain**
Improving the customs clearance process, therefore increasing the penetration of new clients

Continuous expansion of the CTT Iberian points network and its added value as a delivery and parcel reception service

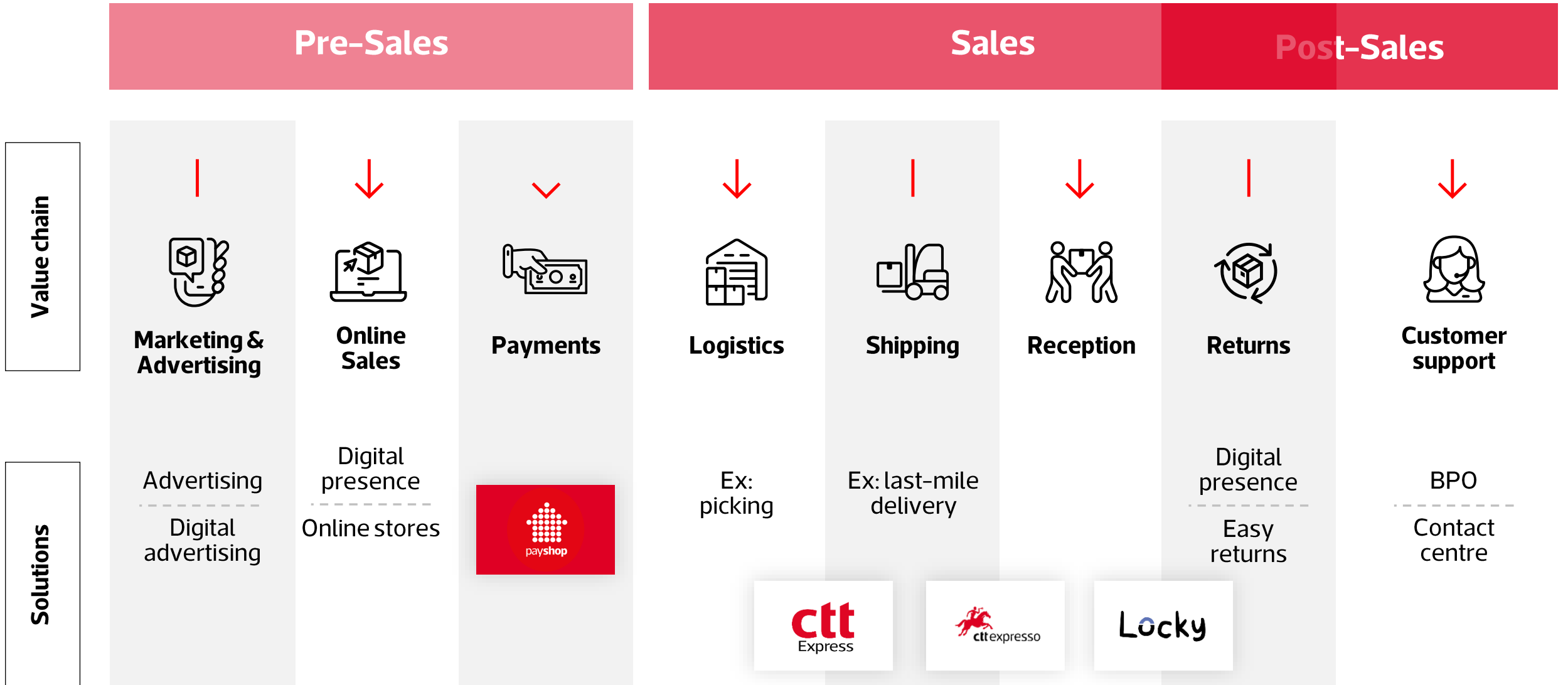
- 01 Expanding the Iberian points network**
Lockers: increase penetration in Portugal and start installation in Spain
Points: new partnerships

- 02 Guarantee uniformity of services across Iberia**
Parcel reception
Delivery of unlabelled shipments and returns
Shipping purchase, to be integrated into ES in 2024

Integrated e-commerce solutions along the entire value chain



Express & Parcels



Continuous strengthening of e-commerce positioning

Express & Parcels

→ **Easy returns**
Launch of a **dematerialised returns management platform**



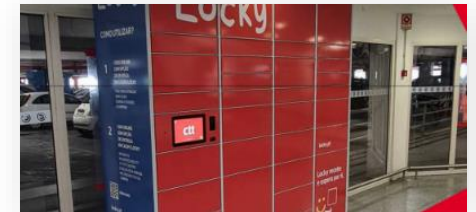
→ **Create Online Stores**
≈**5k registered shops** and new features such as: bnpl with Klarna and bulk shipping



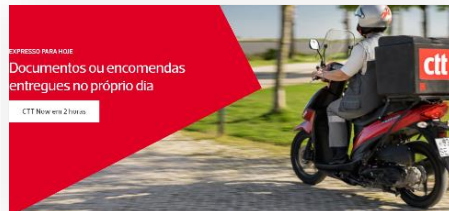
→ **Circular Economy**
Ciclo CTT, in partnership with The Loop Company, implemented with **Fnac**



→ **Largest Iberian PUDOs network**
~**17k** delivery points, including ≈**900** lockers



→ **CTT Now**
Acquiring el Corte Inglés as a new client, reaching a **46% increase in traffic**



→ **Plugin Platform**
New plugin for Amazon, reaching **+350k annual shipments**



→ **E-commerce Day**
The 8th edition honoured the Iberian format



→ **Awards (Locky & CTT Express)**
Best Future of Customer & Consumers Project¹ and Top-10 e-commerce transport and logistics²




Impactful implementation of initiatives

¹Prize awarded to Locky; ²Prize awarded to CTT Express

Expansion and consolidation of the Locky network

Express & Parcels

	NETWORK	SERVICES	TECHNOLOGY
	<p>Expansion Portugal Continued expansion of network, focusing on supermarkets and pharmacies and aiming to reach 1,500 lockers by 2024</p> <p>Launch in Spain Early steps of the expansion to Spain</p>	<p>E-sellers (Locky as a delivery point) Continued integration of major e-sellers such as Amazon, Temu and Continente Online</p> <p>C2C features Locky as a solution for receiving orders and C2C shipments and returns</p> <p>Click&Collect (Locky as in-store collection point) Increase in number of partners and refrigerated lockers</p> <p>Distributors (Locky as an open network) Integration with other distributors (ongoing with UPS). 2023 integrations: Nacex, KeyNest</p>	<p>Scalable and stable system</p> <p>Introduction of new features such as management and integration of partner systems</p> <p>Integration of system flow improvements resulting from feedback on usage from customers, operations and partners</p>

2024 milestones: integration with major e-sellers and new software generation

An aerial photograph of a terraced vineyard. The rows of grapevines are arranged in a grid pattern across the hillsides. A red car is parked on a dirt road that runs through the center of the vineyard. The image is partially overlaid with a red geometric shape in the top-left corner and another red shape in the bottom-right corner.

Financial Services & Retail

ctt

Unique network capillarity, refocusing on services

Financial Services & Retail

569

branches spread across the country

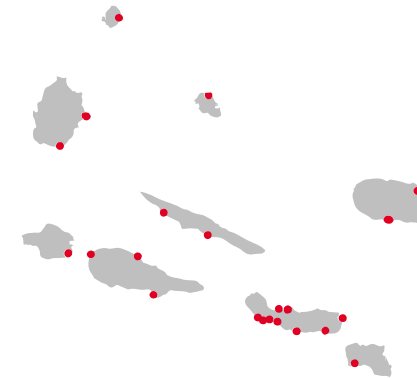
>1,800

agents offering CTT products and services

All 308 municipalities

with a CTT store

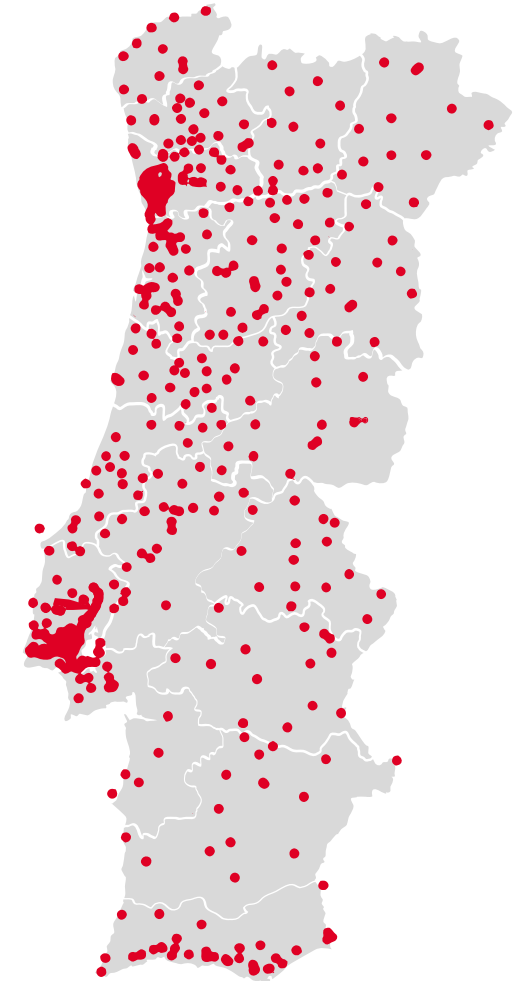
Azores



Madeira



● CTT branches



Significant progress on retail network repositioning towards services distribution

Financial Services & Retail

Launch of first self-service station



178 lockers in stores with 24x7 access



Enabling self-service

Insurance products



Alarms and related services



CTT pre-paid Express bundles



CTT Healthcare plans



Widening portfolio of services

Super App CTT



Helena AI Chatbot



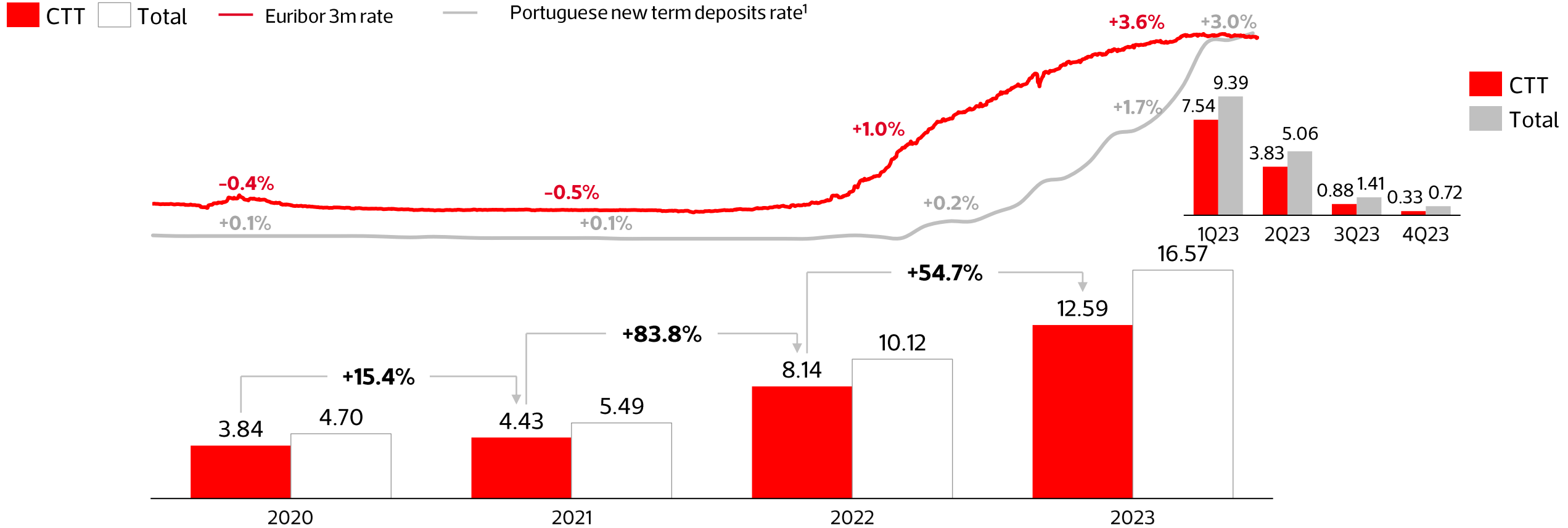
Focusing on digital and automation

Rise of Euribor rates led to extraordinary public debt placements

Financial Services & Retail

Financial Services | Public Debt Placements

€ billion; % change vs. prior year



Present placements below normal level given tighter ceilings and higher deposit rates

¹Source: Banco de Portugal, new term deposit rates of Portuguese banks for retail clients

Banco CTT



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Banco CTT takes advantage of CTT's network and brand

Banco CTT

Creation of Banco CTT

- Leverage CTT trustful brand
- Synergies with existing retail network

Initial years

- Branch network and tech platforms setup
- Focus on account opening

Current state

- 700,000 clients onboarded, high potential profile
- Opportunity to increase product penetration¹



Following years

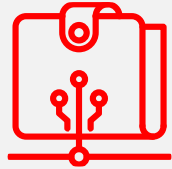
- Increased focus on “**value per client**” and **product penetration**
- More proactive **commercial force**
- Stronger and scalable **digital channels**
- Franchise to continue to grow

¹Considers first holders above 18 years of age

Banco CTT will continue to scale up for profitable and sustainable growth



Banco CTT



Monetising the Customer Base

- Strengthening the banking relationship with >700,000 acquired clients
- Price attacker stance both on current account commissions and deposits
- New offer on structured deposits, investment funds, ETFs and direct market access



Excel in Bancassurance

- Leverage the partnership with Generali
- Converting Banco CTT into a platform for selling savings and insurance linked to credit



Accelerate in household credit

- Consumer finance with stabilized footprint in auto-loans
- Mortgage with renewed ambition
- Significant balance sheet de-risk with end of Universo partnership

Growing on business volumes and engagement with an improved risk profile

Adopting market best practices

Banco CTT

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Digital Platforms

- Transformation of digital platforms, with a focus on selling services
- Offering an intuitive customer experience
- Focus on end-2-end sales processes, both in credit, resources, insurances
- Comprehensive array of digital services
- Consistent design



Physical space

- Launch of Banco CTT centres
- Increasing work area and privacy levels
- Promoting self-services solutions
- Maintenance of low-cost, highly synergic leverage on CTT network and workforce (“secondary branches” and transaction services)



People

- Specialized commercial team
- ~200 workforce (combination of internal – CTT Group – and external hires)
- Increased commercial proactivity, product knowledge and relationship building capacity

Growing strongly towards ambitious targets

Banco CTT

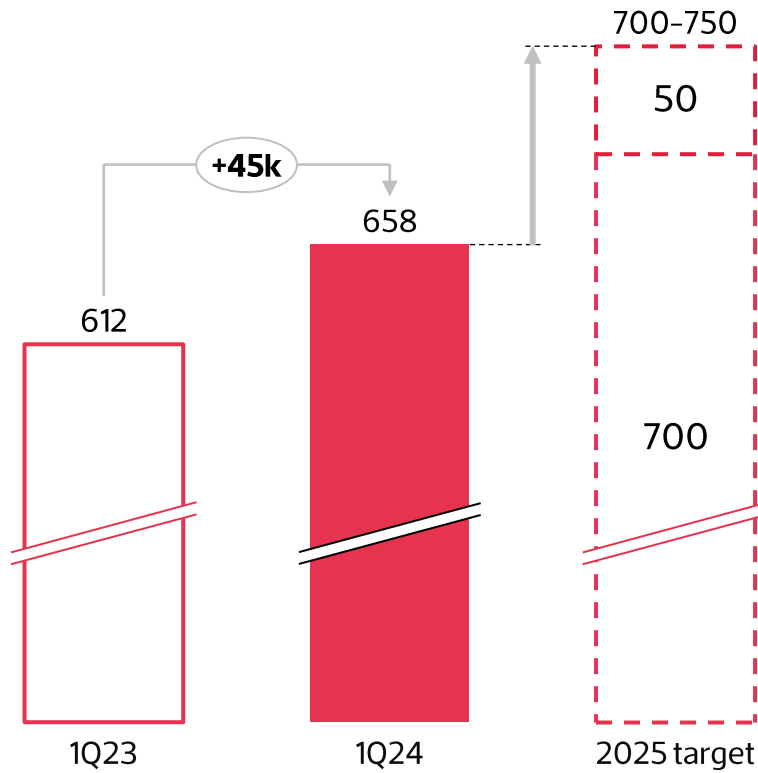
Number of Accounts

thousands, EoP

Per quarter:

+12k

+6-13k



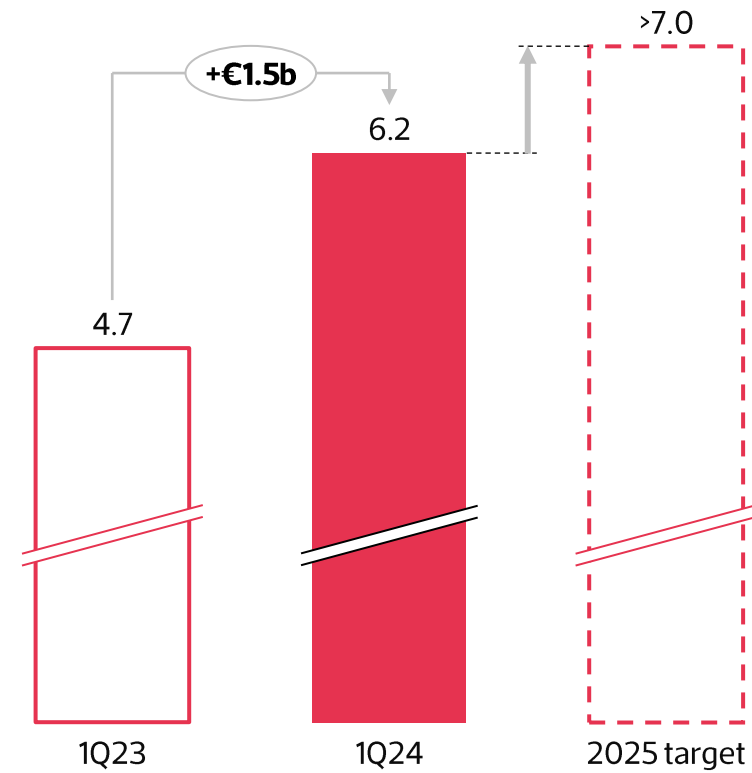
Business volumes (loans and resources)

€ billion; EoP

Per quarter:

+€0.37b

+€0.12b



ESG

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Last mile fleet electrification is picking up towards carbon reduction objectives and so is gender parity, recycled materials and social impact programs

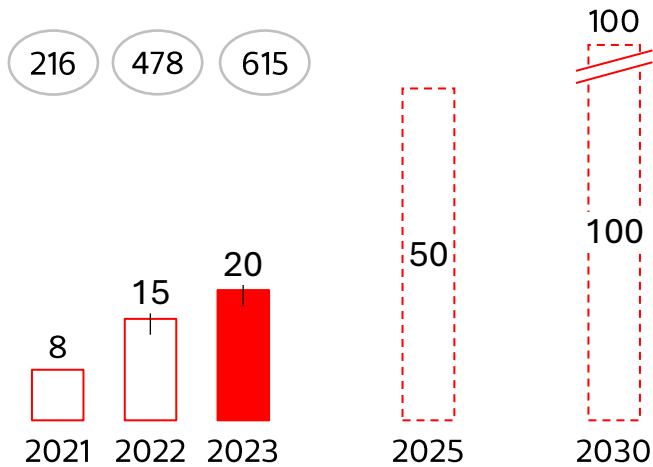


ESG

Last mile green vehicles (own fleet)

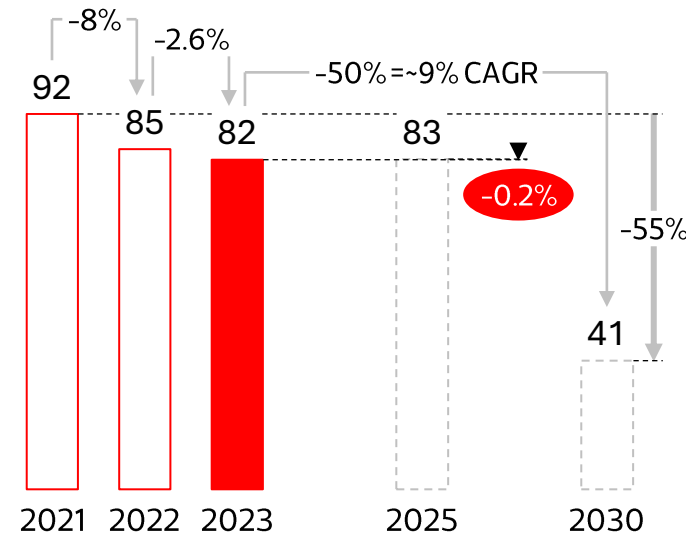
% of own fleet

○ # electric vehicles



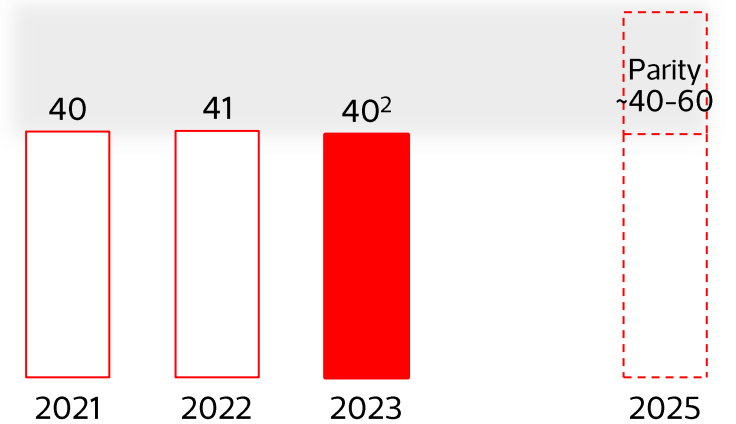
Carbon emissions reduction¹

thousand tonnes; % change vs. prior year



Gender parity of top and mid-management

% of women



Recycled and/or reusable packaging

82.4% +27.5pp y.o.y

Already within of the 2025 targets

Volunteering & social programs participation

hours/year of engaged employees

4.4³ +42% y.o.y

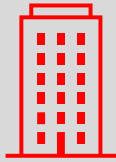
¹Reduction of carbon emissions related to transport activity (owned + subcontracted fleets)

²In 2023, there was an increased proportion of women in the Board and, especially, in the 1st Line Directors (+1,2 p.p. YoY). This was slightly offset a higher rate of male hiring as 2nd Line directors.

³17 initiatives, +400 participants, ~1,834 volunteering hours

New headquarters and an intense people's agenda

ESG



New headquarters

1st phase Green Park building, accommodating 19 departments and 240 workers. Extension to 4 floors planned for 2024



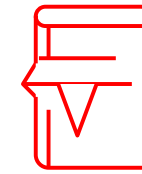
Labour relations

Salary review agreement (for 2024) signed with all the unions, for the first time in CTT's history before the end of the year



Gender parity

The **40% target** for women in **middle and top management** positions surpassed



Salary repositioning

Exceptional merit-based salary review realised, covering **+1000 employees**



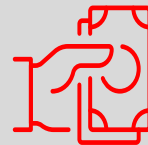
My CTT

Implementation of the first phase of **SAP Success Factors** completed



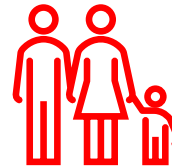
CTT Employee Apps

Launching of the **SouCTT** website and app, reformulating the entire employee benefits programme



Subsidised Mortgages

Subsidised mortgage loan solution for CTT employees, as a way of supporting families and increasing well-being



EFR Ambassadors

Work-life balance for employees, promoting **physical and mental health initiatives**



Fast Track

In 2023, **750 leaders** participated in this leadership training programme



IOS

Renovation of the **social protection system for employees and their families**, promoting the company's sustainability

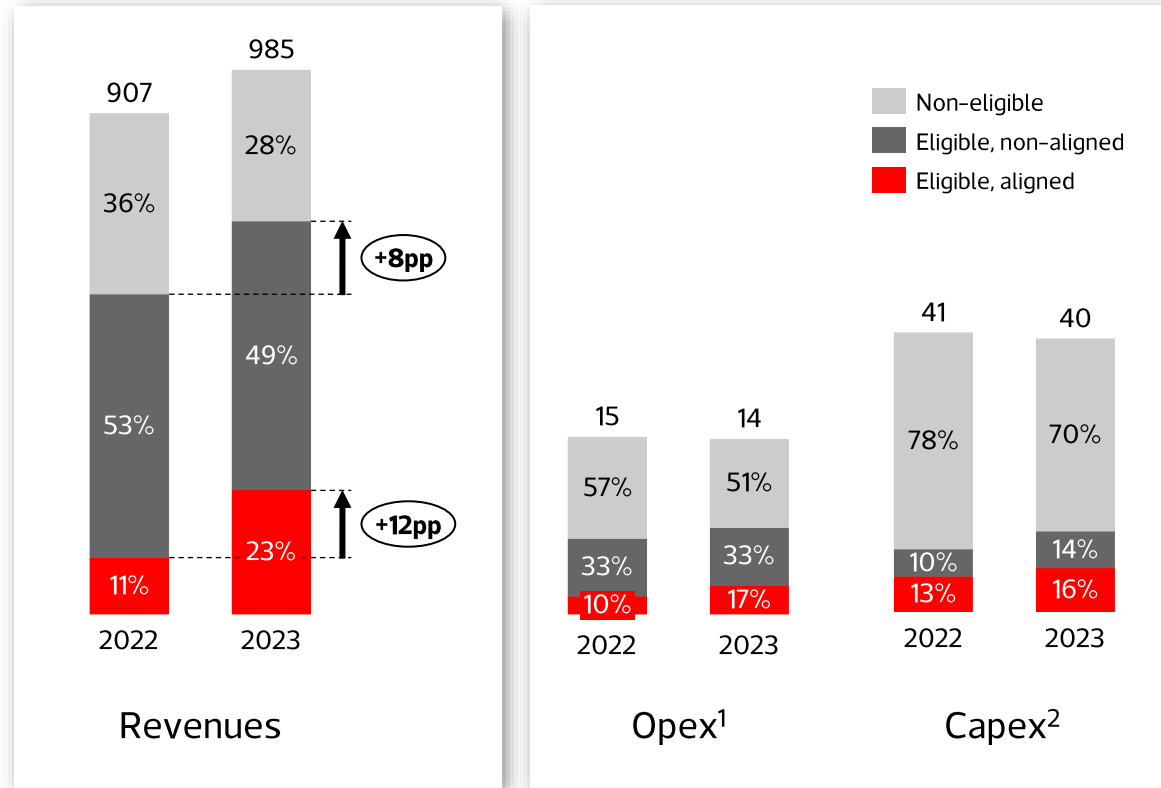
New initiatives on compensation and benefits, talent and employee experience

Significant progress regarding sustainability reporting

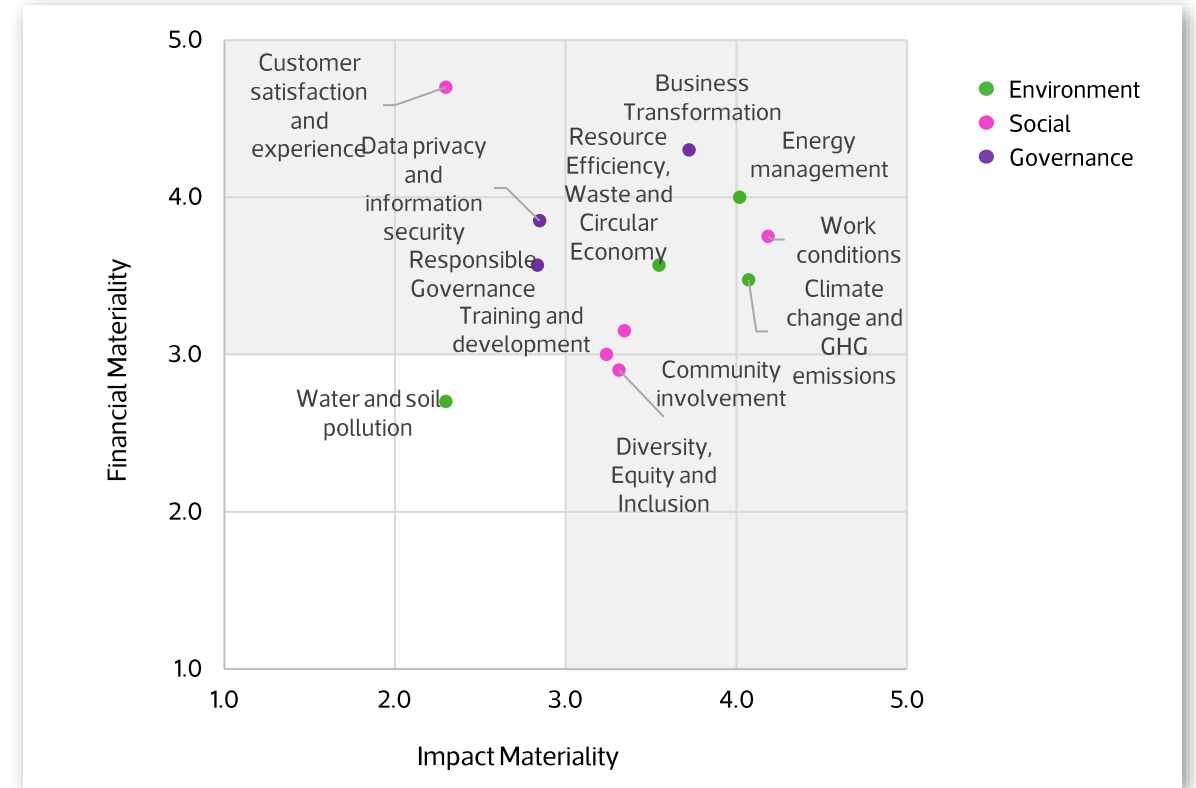
ESG

Taxonomy, eligibility & alignment

% of Revenues, Opex and Capex



CSRD Implementation & DM matrix



- **Eligible activities:** 72.2% of consolidated revenues (+8.1 pp yoy given the incorporation of air transport)
- **Aligned activities:** 22.8% of consolidated revenues (+11.5 pp yoy primarily due to last mile fleet electrification)

- DM exercise already concluded in early 2024
- CSRD / ESRS gap analysis in progress
- Plan to address gap to be initiated in 2024

¹For taxonomy purposes, opex only includes buildings renovation/maintenance, non-capital R&D, short term leases and other non-capital lease costs and other expenses directly related to the maintenance of tangible assets or investment properties.

²For taxonomy purposes, capex is required to include new vehicles lease contracts booked as right of use and remeasurements.

Real Estate



ctt

2 strategies for 2 different portfolios to maximize value

Real Estate

Yield Assets | Portfolio optimization

Transaction concluded



398 assets
€138m of market value

- €101m book value
- Improve utilization of vacant spaces (around 25%)

- **363 of 398 assets were incorporated into CTT Imo Yield**
- **Sonae Sierra** and other investors acquired¹ **26.3% of capital for €32.45m.**
- Sonae Sierra appointed¹ as manager of the assets and of the entity

Development Assets | Asset by asset optimization

Development ongoing



10 assets
€50-60m of market value

- with €26m of net book value
- Includes land owned by CTT
- Logistic assets that may be reformulated

- Establish plans to release assets
- Initiated analysis of urbanisation potential
- Organize portfolio within an “activity branch”

¹Transaction concluded on 4 January 2024

An aerial photograph of a road bridge crossing a large body of water. The bridge is a multi-lane road with a central median. A red car is visible on the bridge. The water is a deep green color. In the top left corner, there is a large red triangular overlay containing the text "Outlook 2024-25".

Outlook 2024-25

ctt

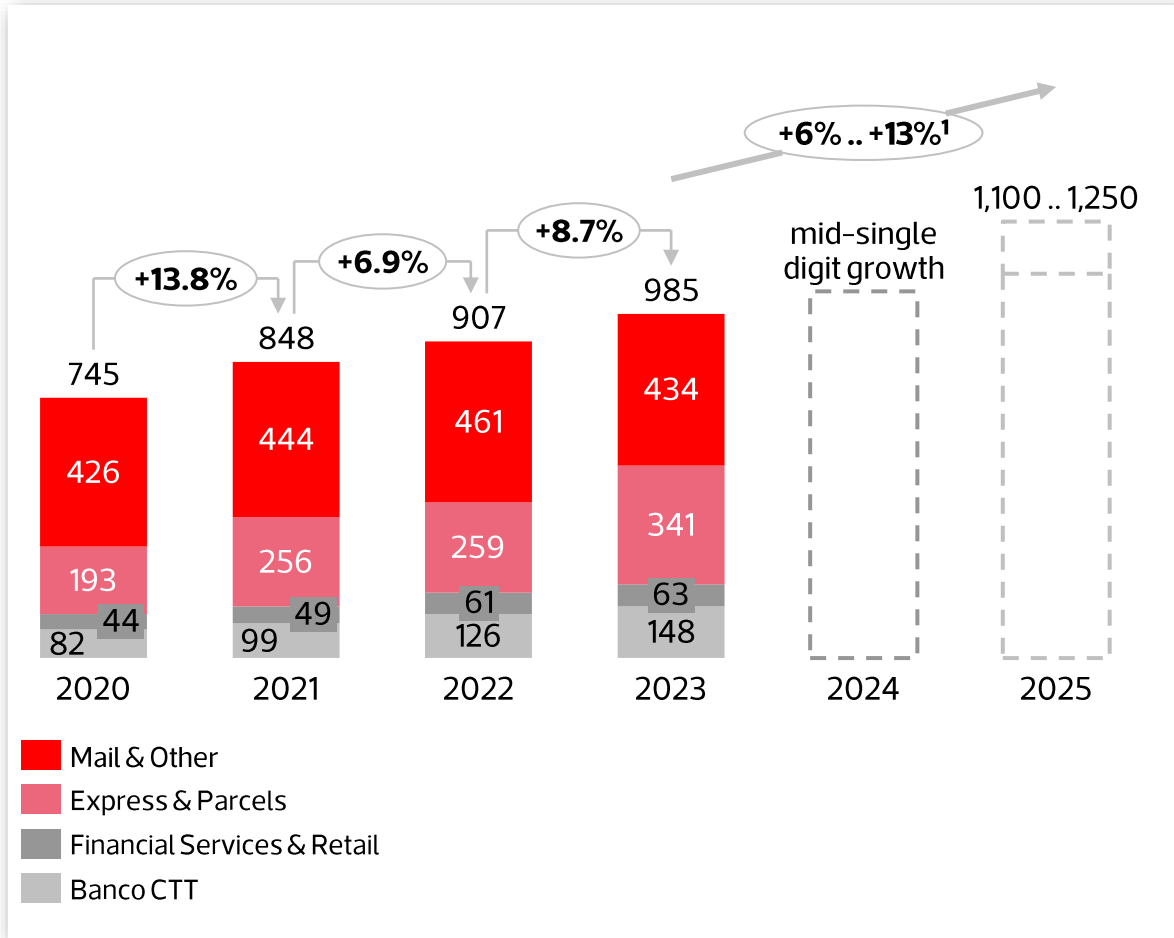
Continued growth in 2024, follows a beat of the twice upgraded 2023 guidance



Outlook 2024-25

Revenues

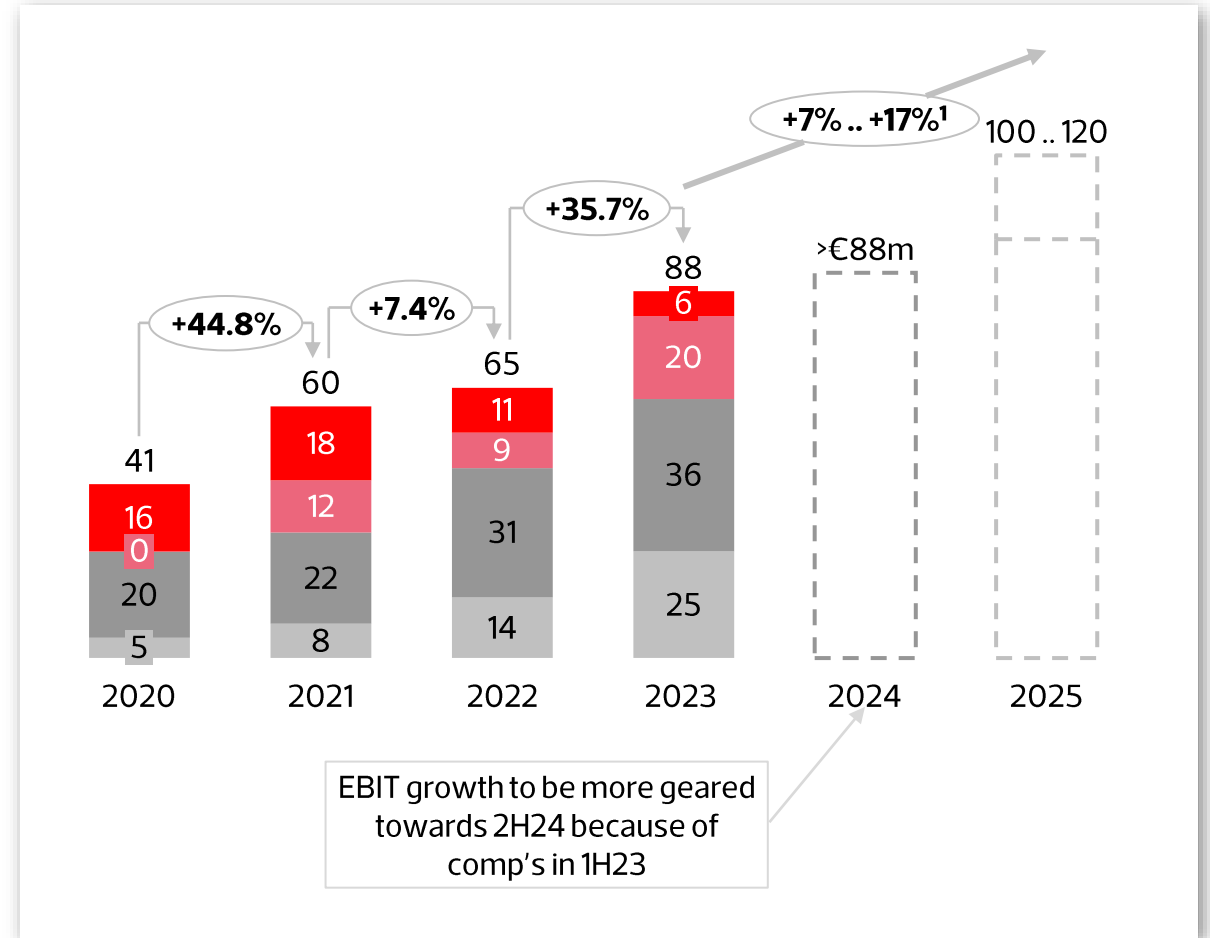
€ million



Recurring EBIT

€ million

☐ Targets disclosed at the 2022CMD



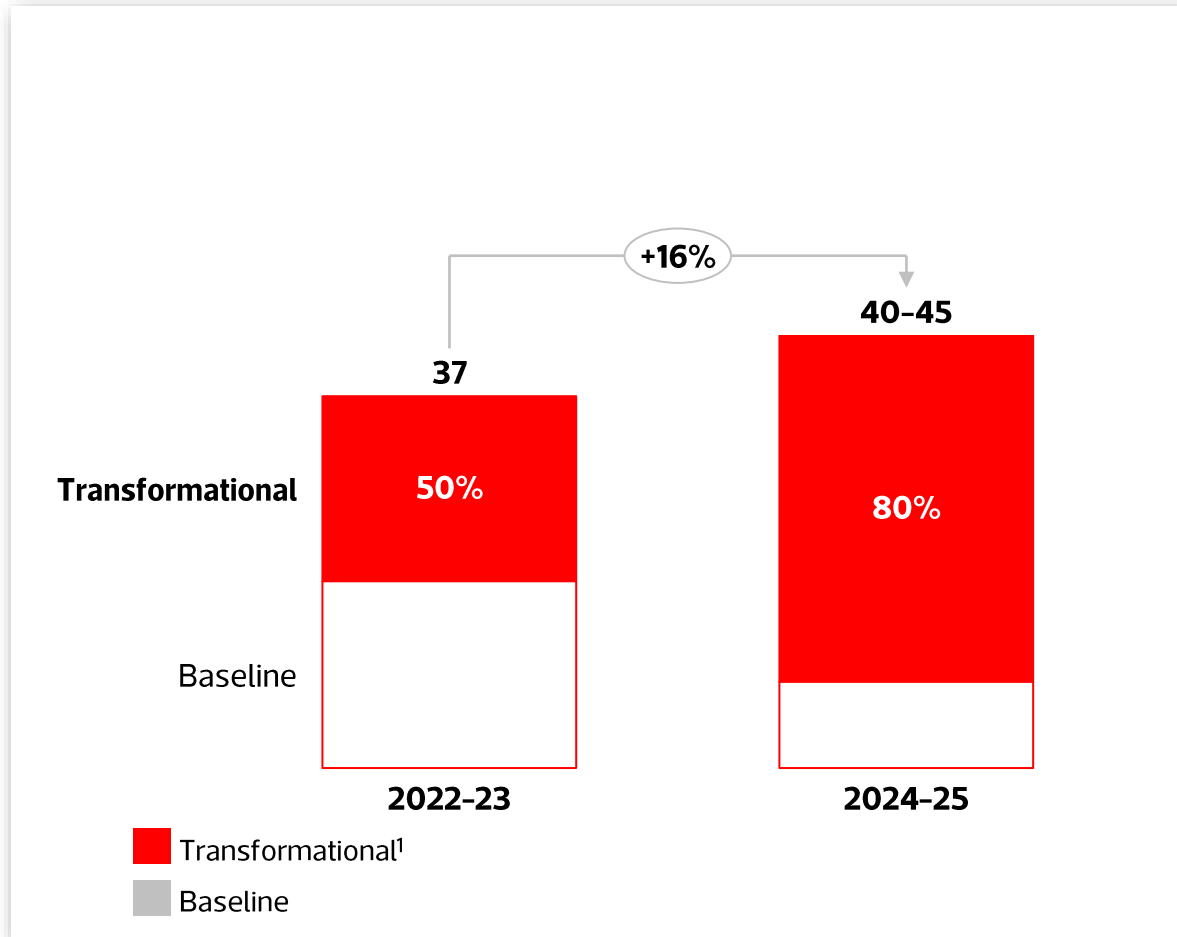
Growing revenues and EBIT towards the CMD 2025 ambition

To support growth, we will carry on investing sharply

Outlook 2024-25

Annual average Capex

€ million



Key areas of investment



Increasing **sorting capacity** across Iberia



Developing **lockers network** in Portugal and initiating expansion to Spain



Increase **IT intensity** to drive customer experience and operations efficiency



Reinforcing **quality of service**



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

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

Prudent gearing and balance sheet flexibility enable significant expansion buffer

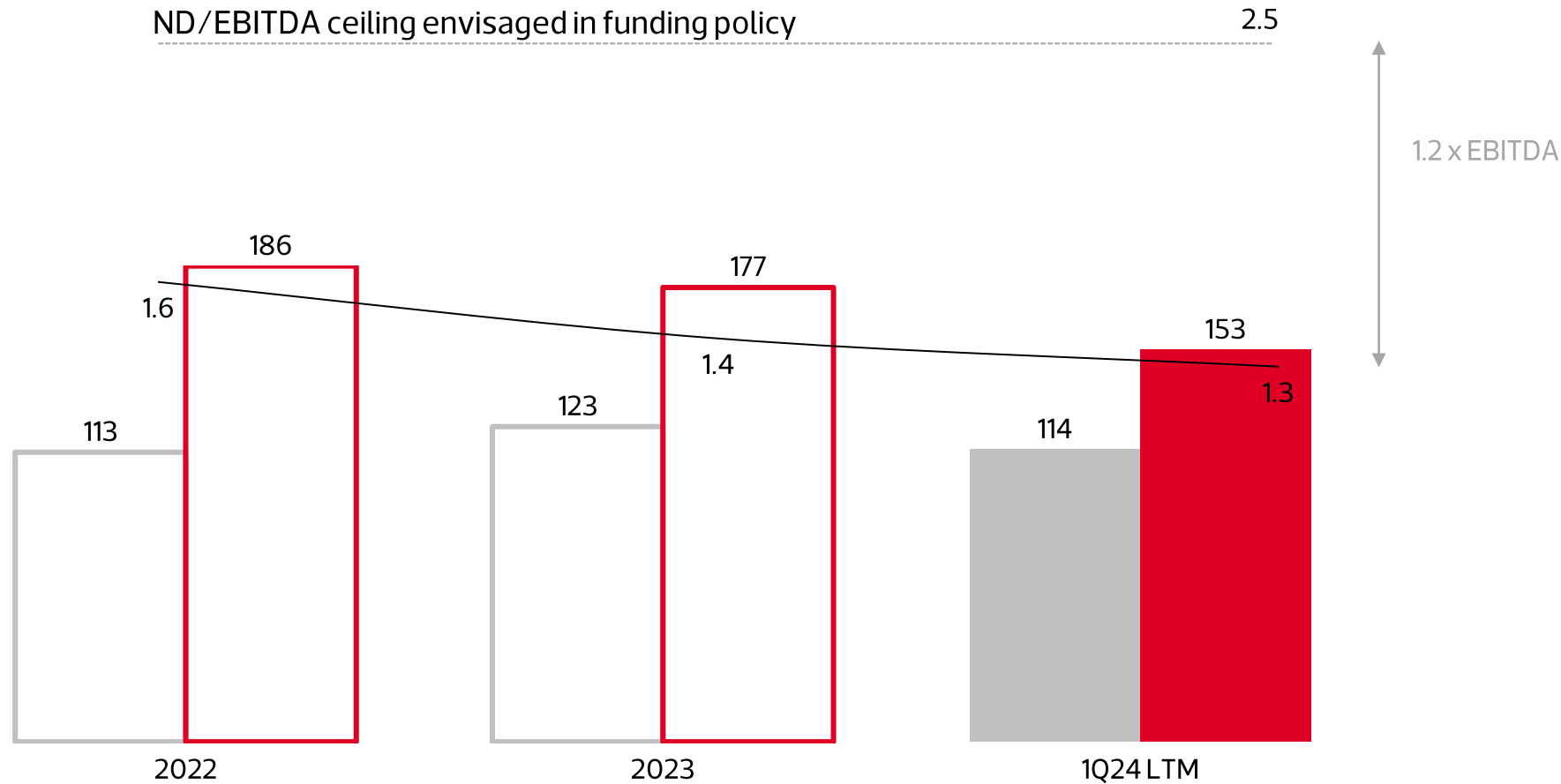


Outlook 2024-25

EBITDA and leverage with Banco CTT under equity method¹

€ million

EBITDA
 Net Debt
 — Net Debt/EBITDA



Consolidated indicators

FCF	€59m
EBITDA	€145m
Net Debt	-€64m

1Q24 LTM

¹Includes Payshop, which was previously part of Banco CTT

1. Investment in business growth



Capacity and maintenance capex



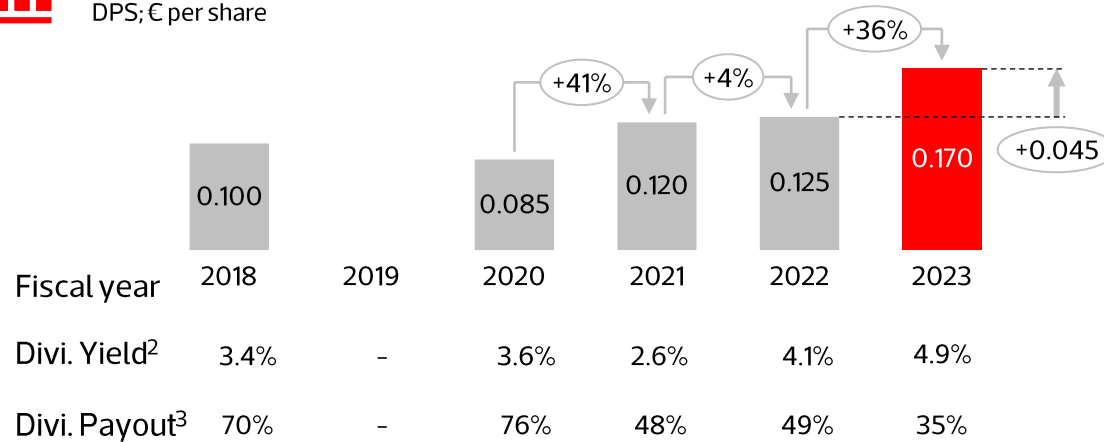
Potential M&A

2. Attractive shareholder remuneration



Recurrent dividends¹

DPS; € per share

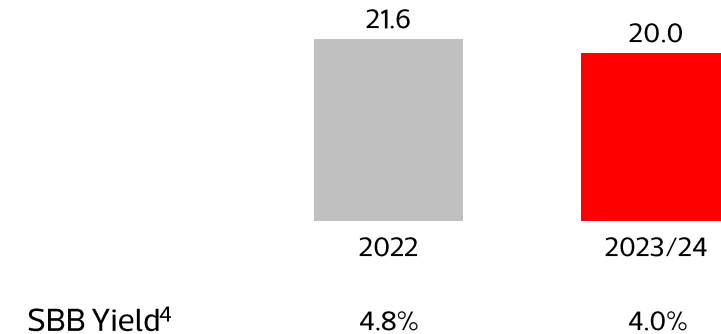


- ✓ Dividend of €0.17 per share proposed for the AGM of April 2024
- ✓ Fulfilling pay-out target: between 35% and 50% of net profit



Opportunistic share buyback

€ million



- ✓ SBB of €20m in execution in 2023/24
- ✓ SBB of €21.6m carried out in 2022; 6.085m shares acquired and cancelled

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;

²Yield calculated taking as a reference the year end share price of each year;

³Based on individual accounts; ⁴Yield calculated taking as a reference the year end market cap of 2022 and 2023 respectively

CTT Indeed, a transformation story

AESE, June 2024



ctt