



Caixabank XX Iberian Conference

Madrid, 7 September 2023



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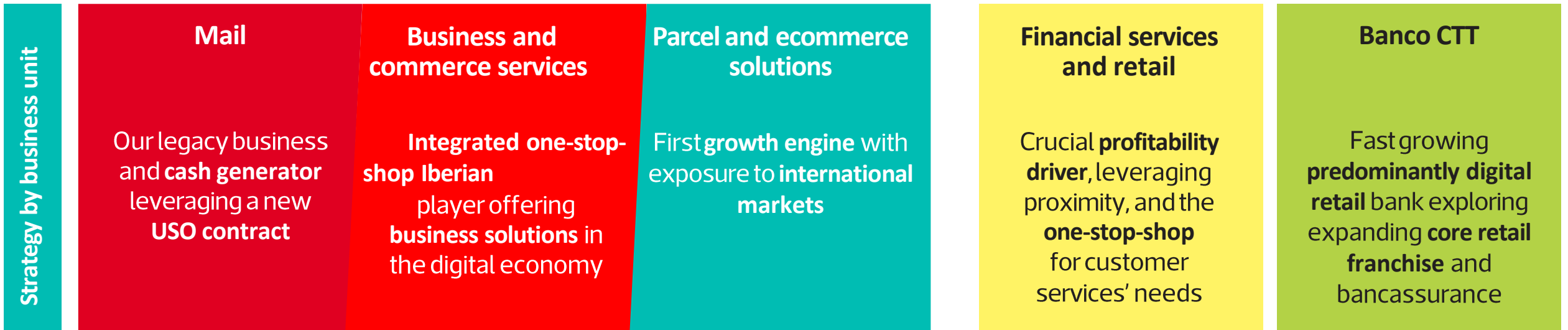
Our positioning: a well diversified company, exposed to sustained growth



Faster, Better and Greener

For companies (B2B)¹

For people (B2C)¹



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

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

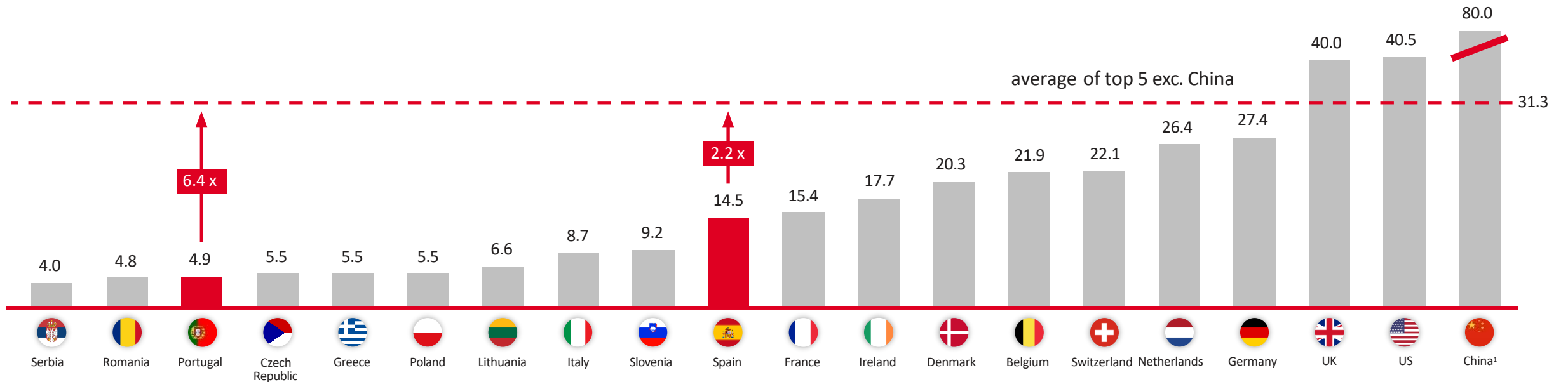
	2018	2021	2023	Change. total	Change, %
	72.5	131.2	159.1	+86.6	+119%
	55.5	86.6	109.5	+54.0	+97%
	33.1	55.6	66.6	+33.5	+101%
	15.3	27.6	33.7	+18.4	+121%
	13.9	25.3	29.8	+15.9	+114%
	7.9	12.9	15.5	+7.6	+97%
	10.1	21.3	27.9	+17.8	+176%
	10.1	24.4	30.7	+20.6	+204%
	1.7	3.6	4.6	+2.9	+170%
	11.8	28.0	35.2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

Ecommerce-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 ecommerce, confirming the limited local offer

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

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%

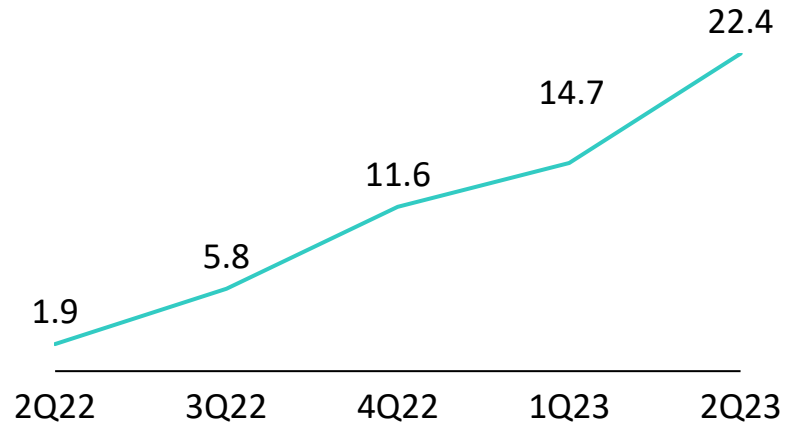
Spanish customers, to choose a single operator in Iberia

Iberian flows are relevant for most customers

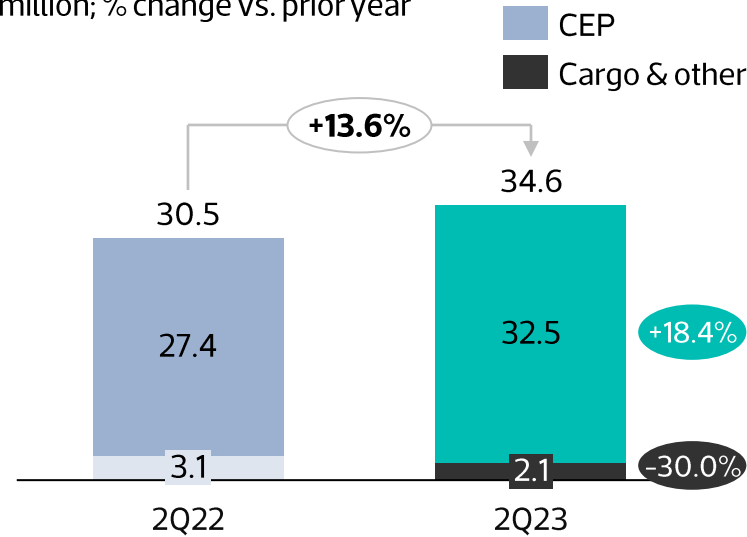


Sustained acceleration of volume, revenue and profitability growth

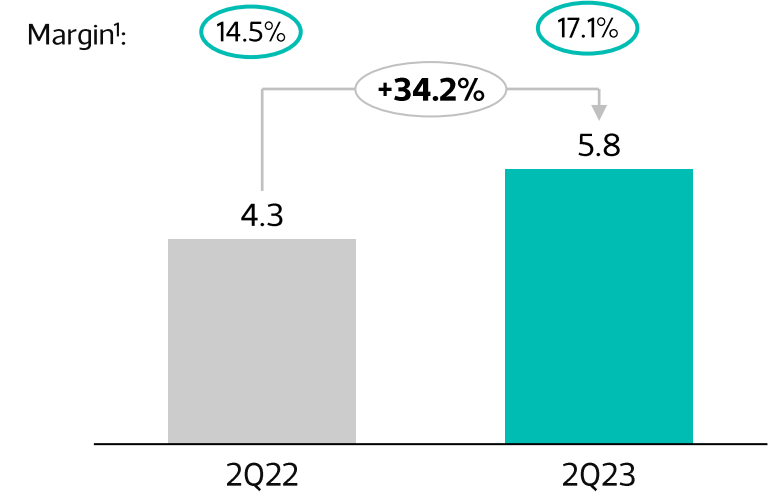
Express & Parcels Portugal | CEP Volumes
% change vs. prior year



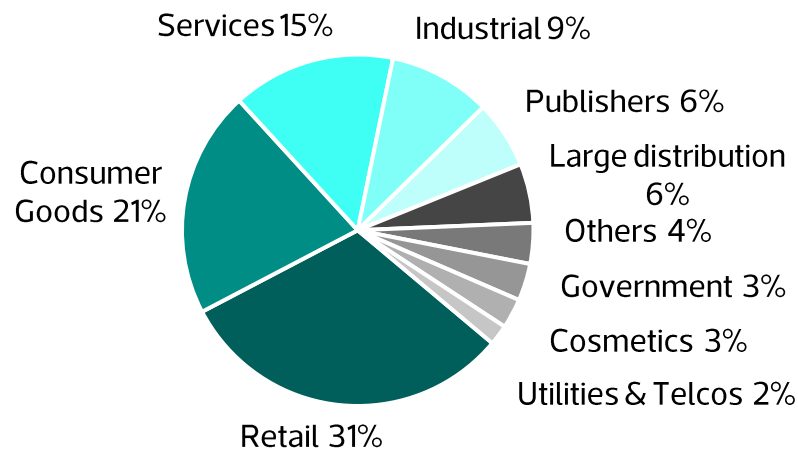
Express & Parcels Portugal | Revenues
€ million; % change vs. prior year



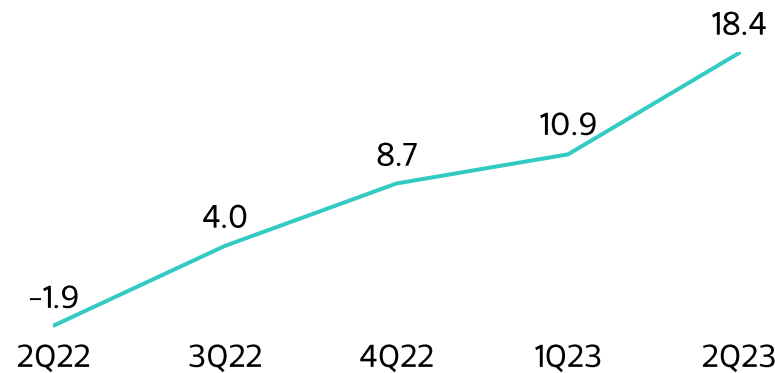
E&P Portugal¹ | EBITDA & EBIT²
€ million; % change vs. prior year.



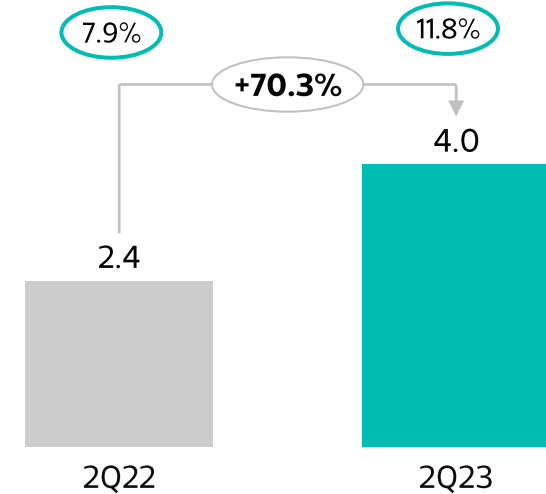
CEP Volumes by type of client³ in 1H23



CEP revenues
% change vs. prior year



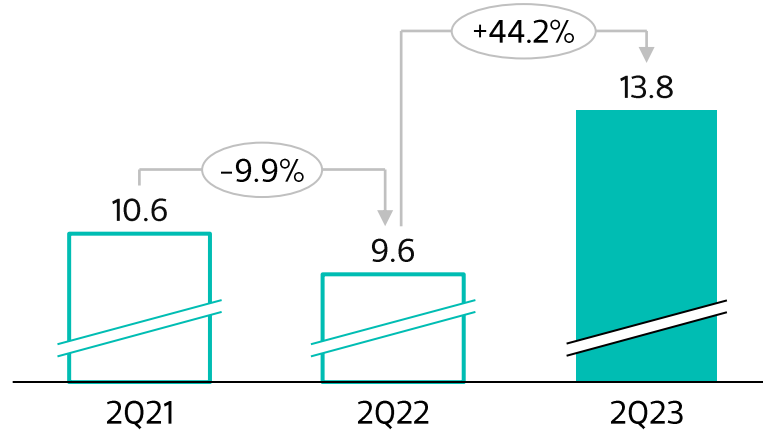
Margin¹:



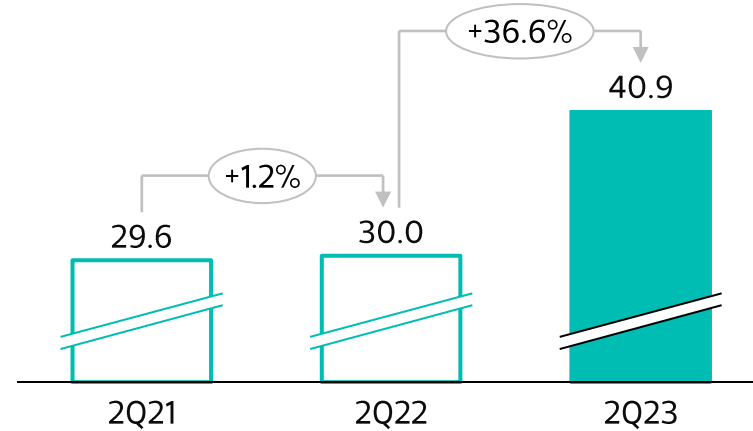
¹Individual accounts; ²Recurring EBIT excludes specific items; ³Contractual clients

Record volumes and operational leverage driving increased profitability

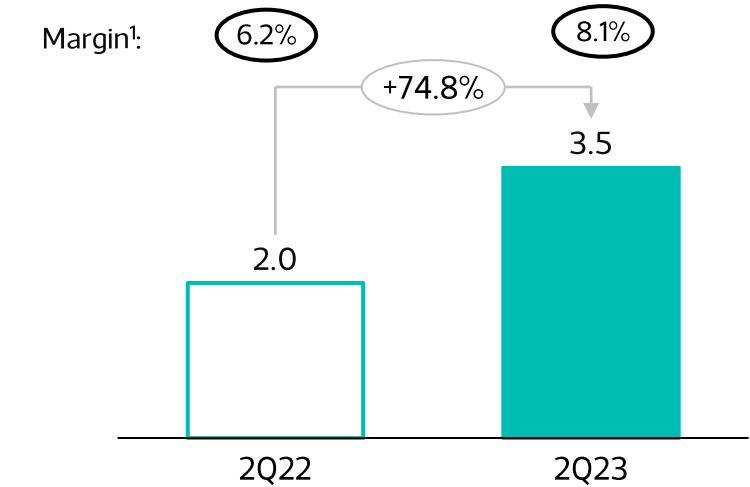
Express & Parcels Spain | CEP Volumes
million items; % change vs. prior year



Express & Parcels Spain | Revenues
€ million; % change vs. prior year



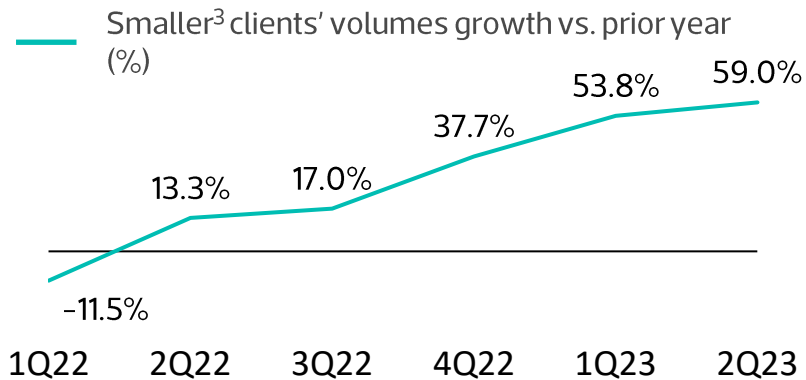
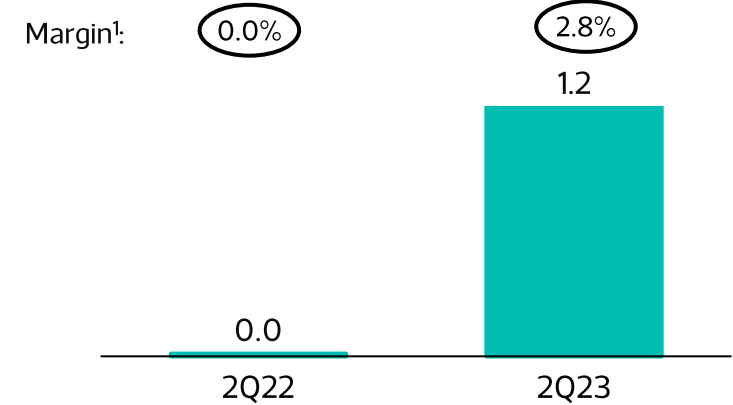
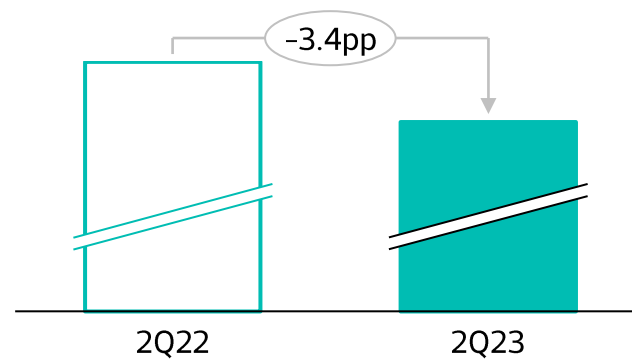
E&P Spain¹ | EBITDA & EBIT²
€ million; % change vs. prior year.



Per working day (k items)



Top 5 clients
% of total revenues



¹Individual accounts; ²Recurring EBIT excludes specific items; ³Clients with daily volumes below 20,000 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

- ✓ SLAs to be approved by the Government upon ANACOM's proposal, within European average and best-practices, also for 3-year periods

Density

- ✓ No major changes

Price

- ✓ 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

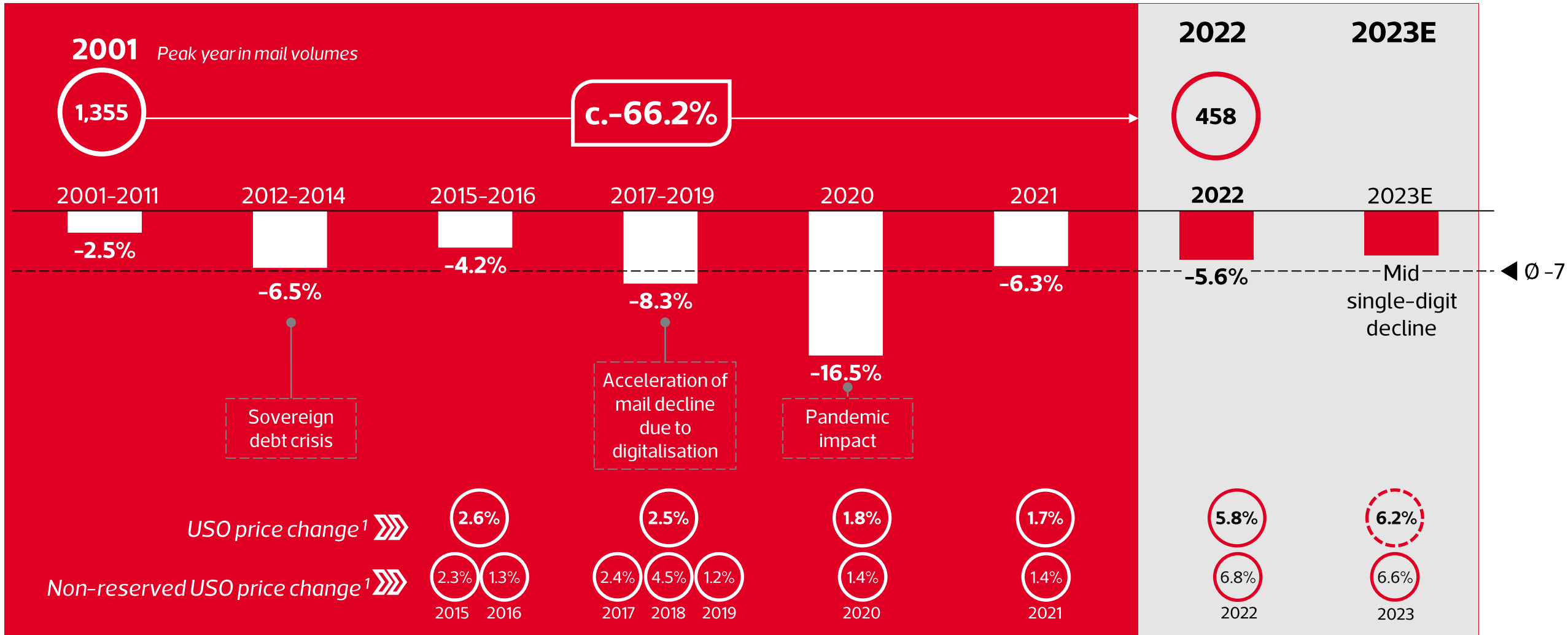
$$\text{CPI} - \Delta \text{Volumes} \times (1 - \text{VC}) - E + K$$

CPI	Average of last 12m
Δ 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 (%)

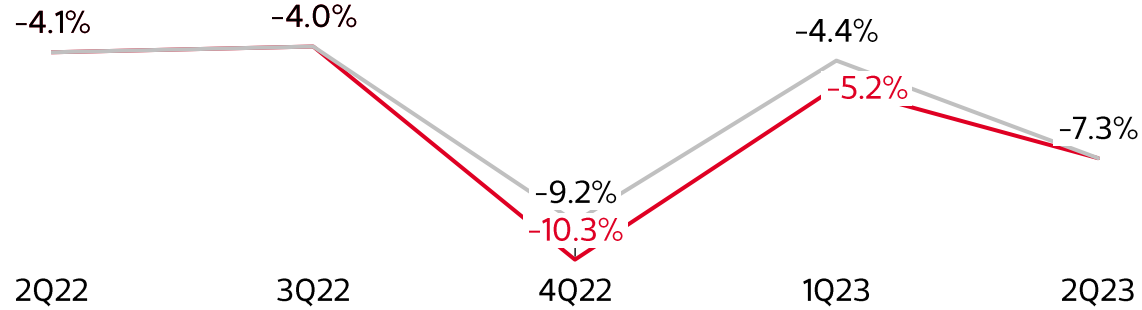


Stabilizing Mail through commercial proactivity and clearer pricing outlook

Addressed mail volumes

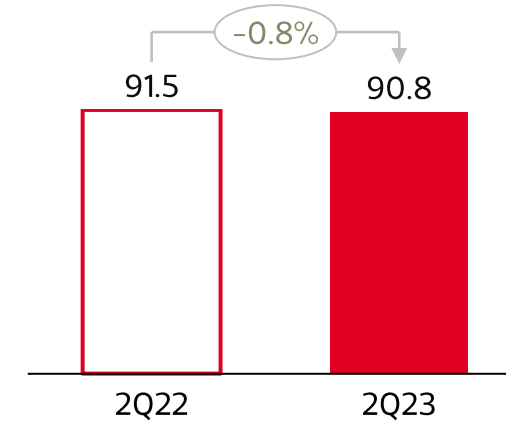
% change vs. prior year

— Adjusted for elections impact
— Reported



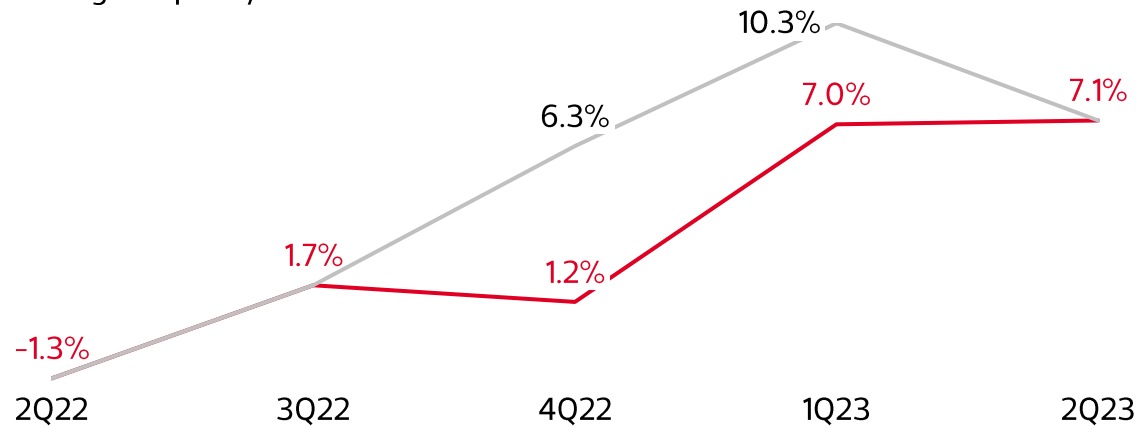
Addressed mail revenues

€ million; % change vs. prior year



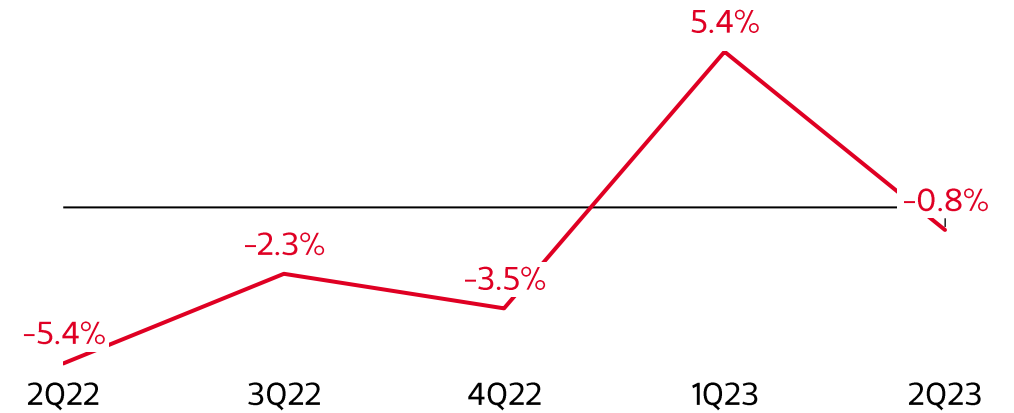
Average revenue per item

% change vs. prior year



Addressed mail revenues

% change vs. prior year, excluding impact of elections



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

SUPPORTING
the business

EMPOWERING
the business



Mail for businesses



Ensuring the use of secure physical and digital mail for business customers

Via CTT (digital mail)

Document management



E-carta (self-service)

Mailrooms

Archives

Workflows

Support services



Business Process Outsourcing

Outsourcing of Specialised processes

Contact centers

Vertical solutions



STICO (public entity fine management systems)

Geographical services

Marketing & Campaigns



Online and physical self-service campaigns

Wi-Fi and mobile communication

Giveaways

Online sale



Digital Presence e.g. Online stores

Payments



Returns



Expedite process of returns e.g. Include printed return label

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

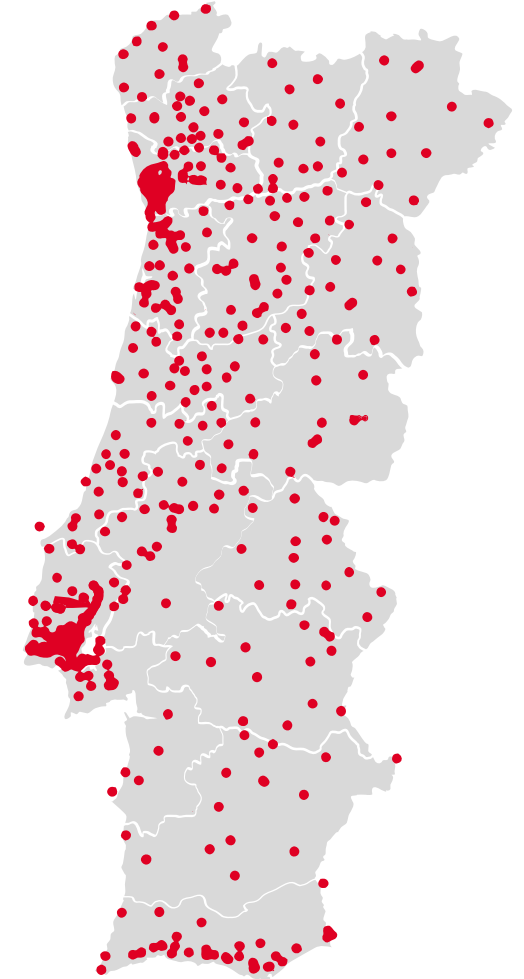
Azores



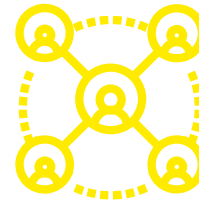
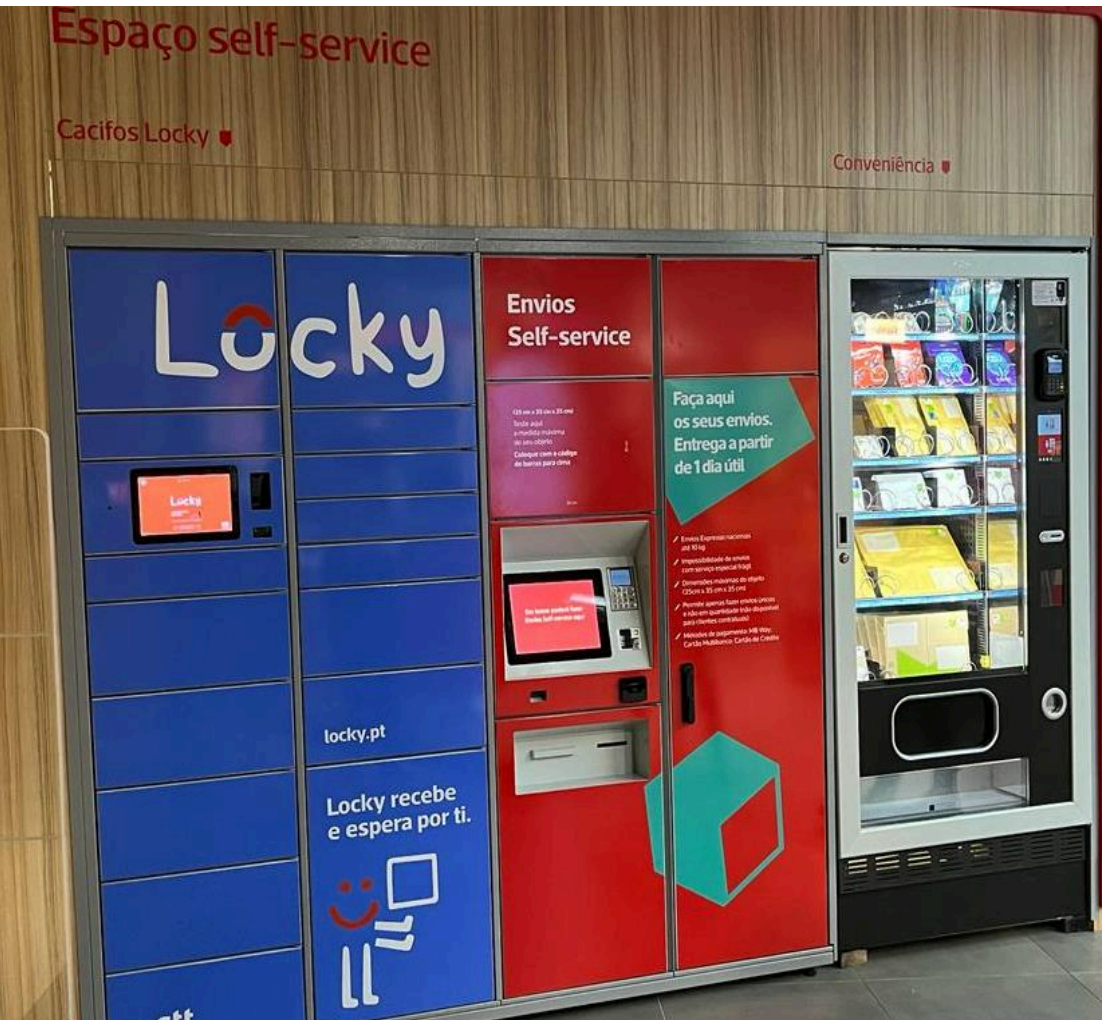
Madeira



● 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

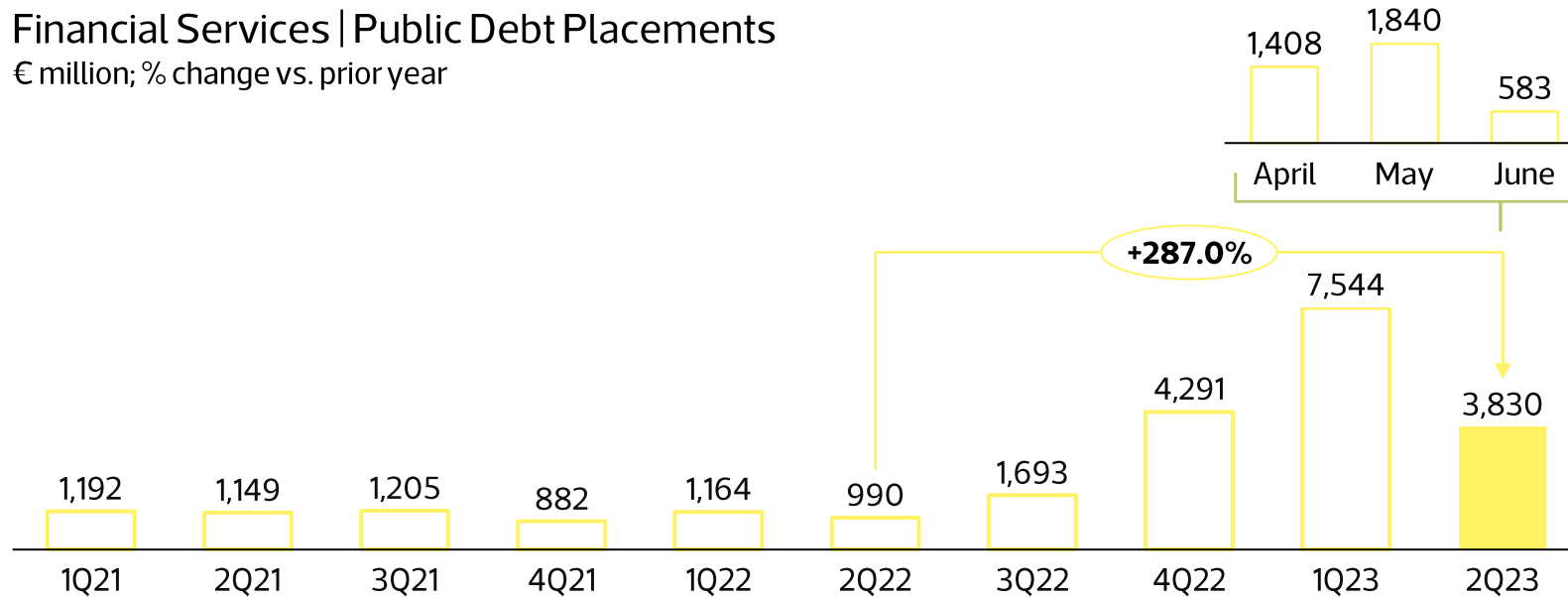


In-store process redesign

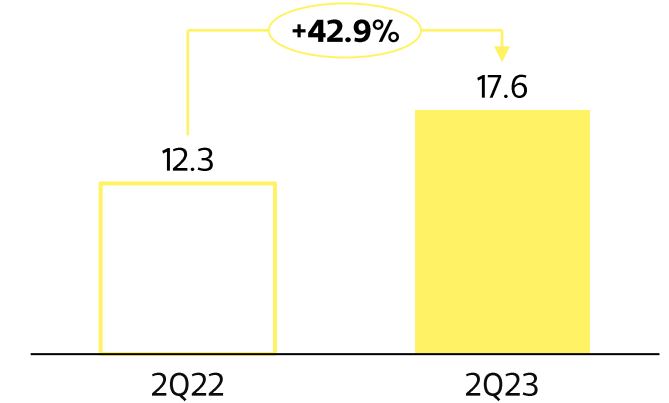
Opening more self-service convenience spaces 24/7
Layout re-evaluation and redesign
Waiting areas with improved digital experiences and information

Public debt placements slowing down towards historical average

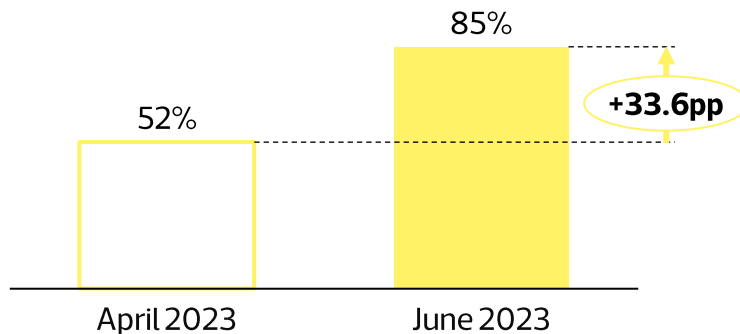
Financial Services | Public Debt Placements
€ million; % change vs. prior year



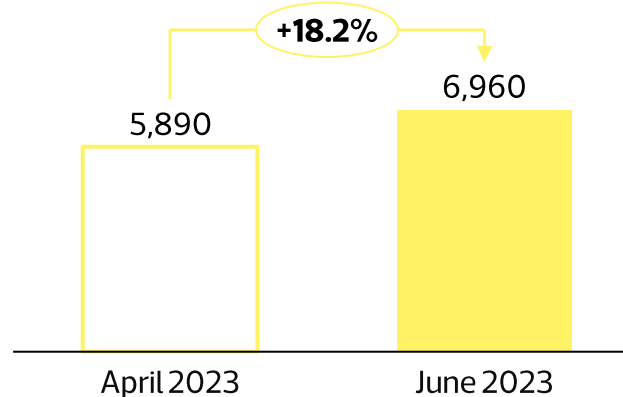
Financial Services | Revenues & rec. EBIT
€ million; % change vs. prior year



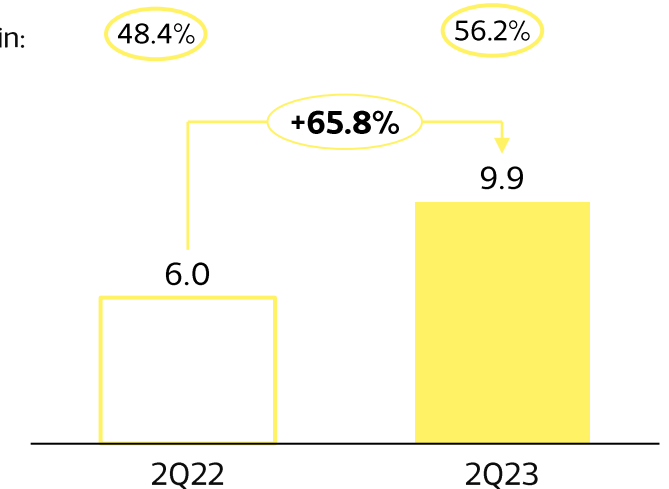
Insurance Products | CTT sales ramp up
% of total CTT stores selling insurance products



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



Margin:



Banco CTT plan for 2023-25: business segments and performance enablers

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

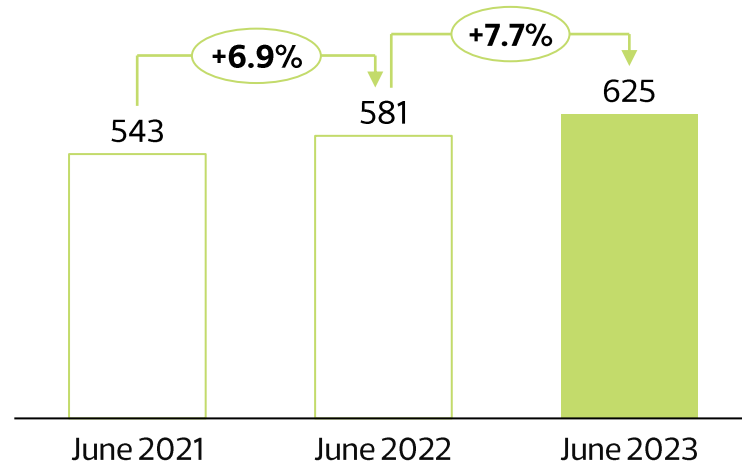
Using IT as an efficient and secure way to develop relationships with clients and partners: Accelerate the availability of technological solutions to reinforce human relations

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

Banco CTT remains focused on growing its client base while strengthening relationships and growing volumes

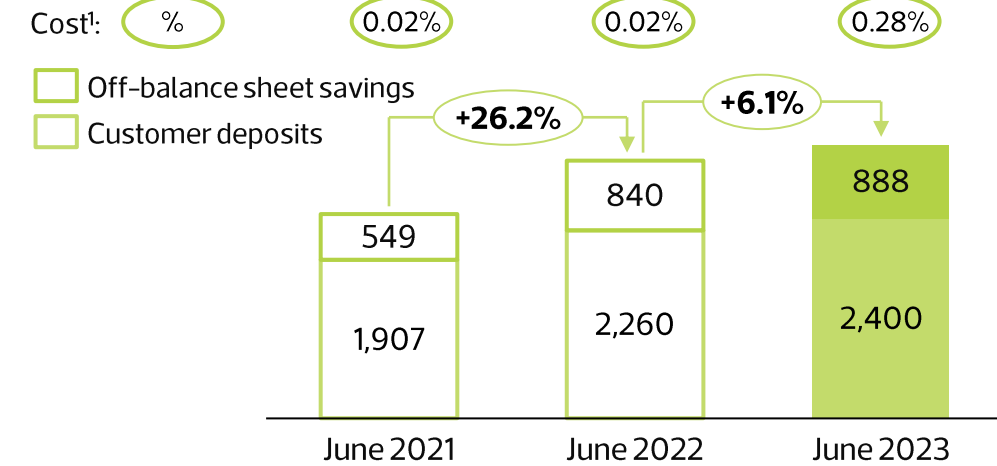
Banco CTT – Accounts

Thousands, EoP



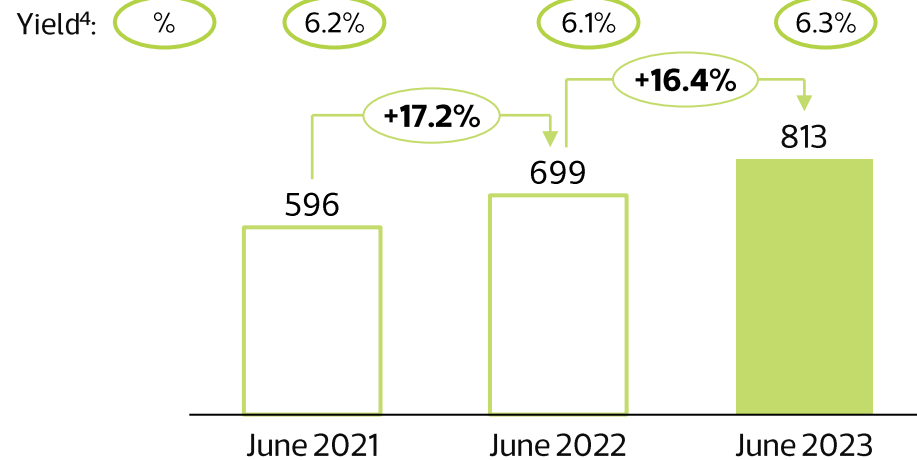
Banco CTT – Customer deposits and Off-Balance Sheet savings

€ million, EoP



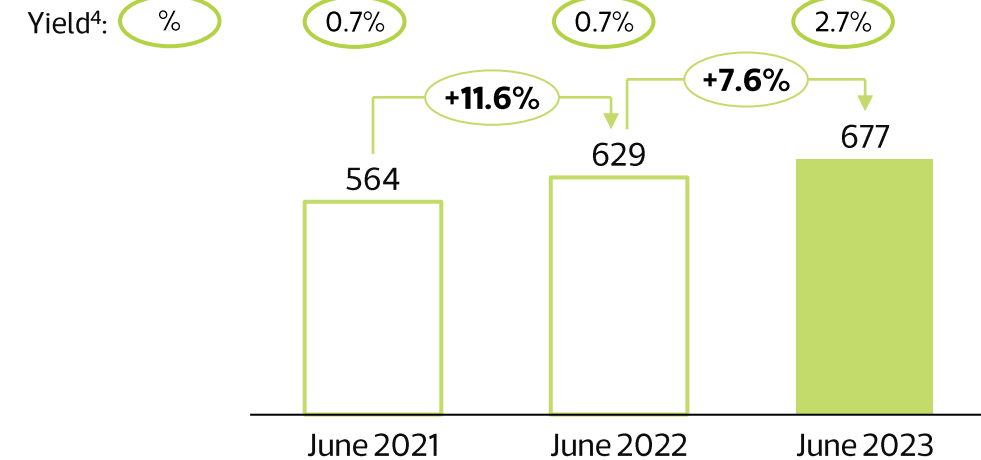
Banco CTT – Auto Loans volumes^{2,3}

€ million, EoP



Banco CTT – Mortgage Loans volumes²

€ million, EoP

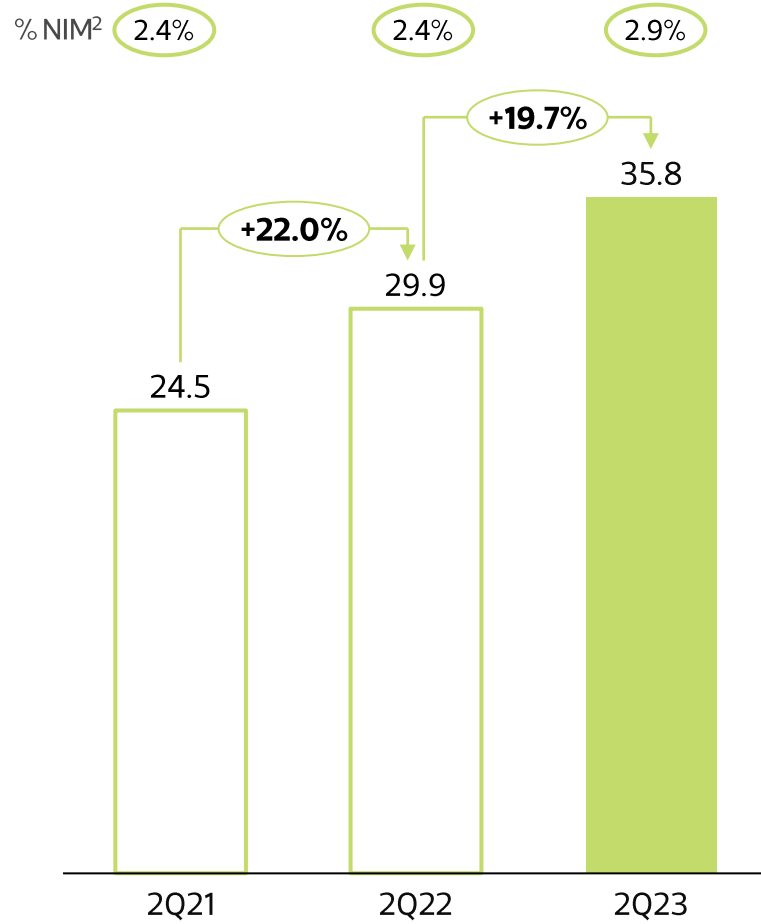


¹Cost of customer deposits, cumulative; ²Net of impairments; ³Consolidated contribution; ⁴Cumulative

Growth in revenues driving higher RoTE

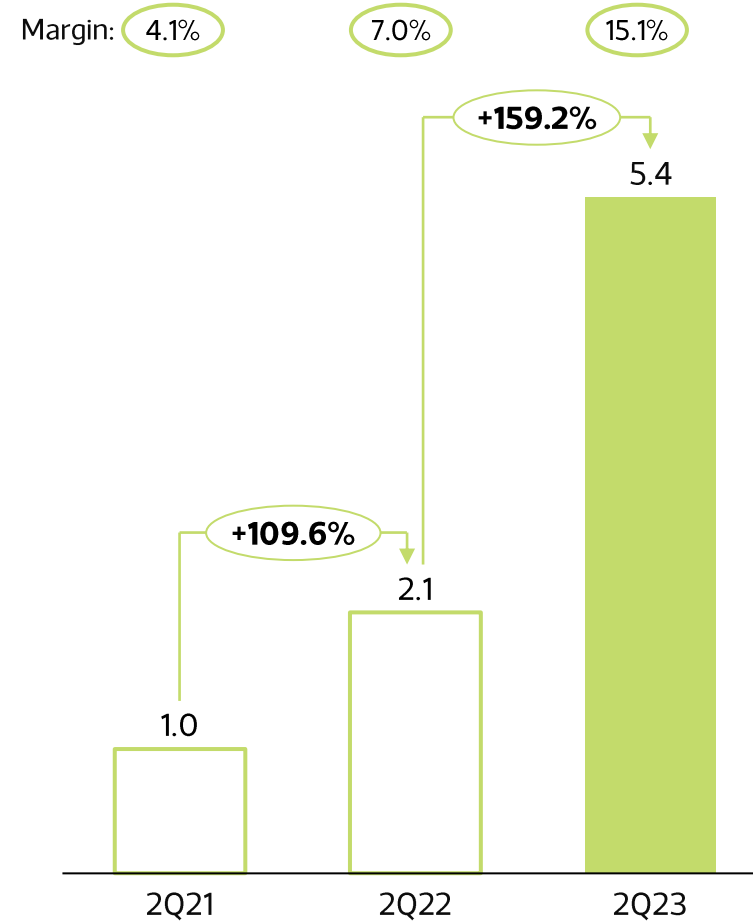
Revenues

million; % change vs. prior year



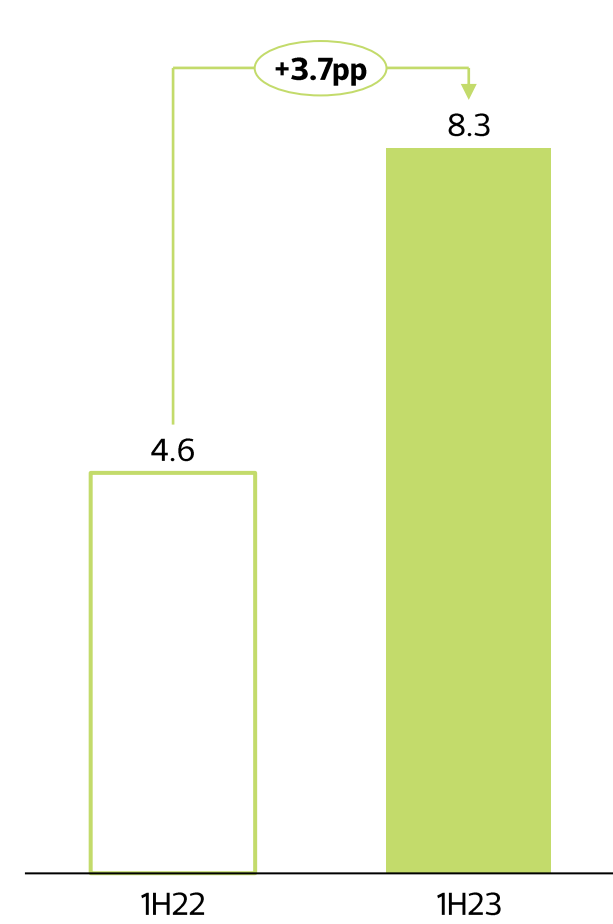
Rec. EBIT

million; % change vs. prior year



RoTE^{1,2}

%



¹RecurringRoTE; ²Cumulative

Strategic partnership between CTT, Banco CTT and Tranquilidade/Generali Seguros

Transaction description and rationale



1

Long-term distribution agreements for the distribution by CTT and Banco CTT of **Tranquilidade/General** insurance products through their respective distribution channels, with exclusivity renewable every 5 years

2

The partnership reinforces CTT Group's **value proposition** for its customers with a broad offering of **life and non-life insurance products**

3

Tranquilidade / Generali to subscribe a **€25m reserved capital increase** in exchange for a stake of **approximately 8.71%** in Banco CTT (**implied valuation of 1.1x P/BV 1H22**)

4

Proceeds from the capital increase will support the **development of Banco CTT** and **reinforce its capital position (+240 bps impact on CET1 FL ratio¹)**

Closing of the transaction expected to occur before the end of 2023

¹CET1FL ratio includes 1H22 results

Insurance distribution agreements overview

Key highlights



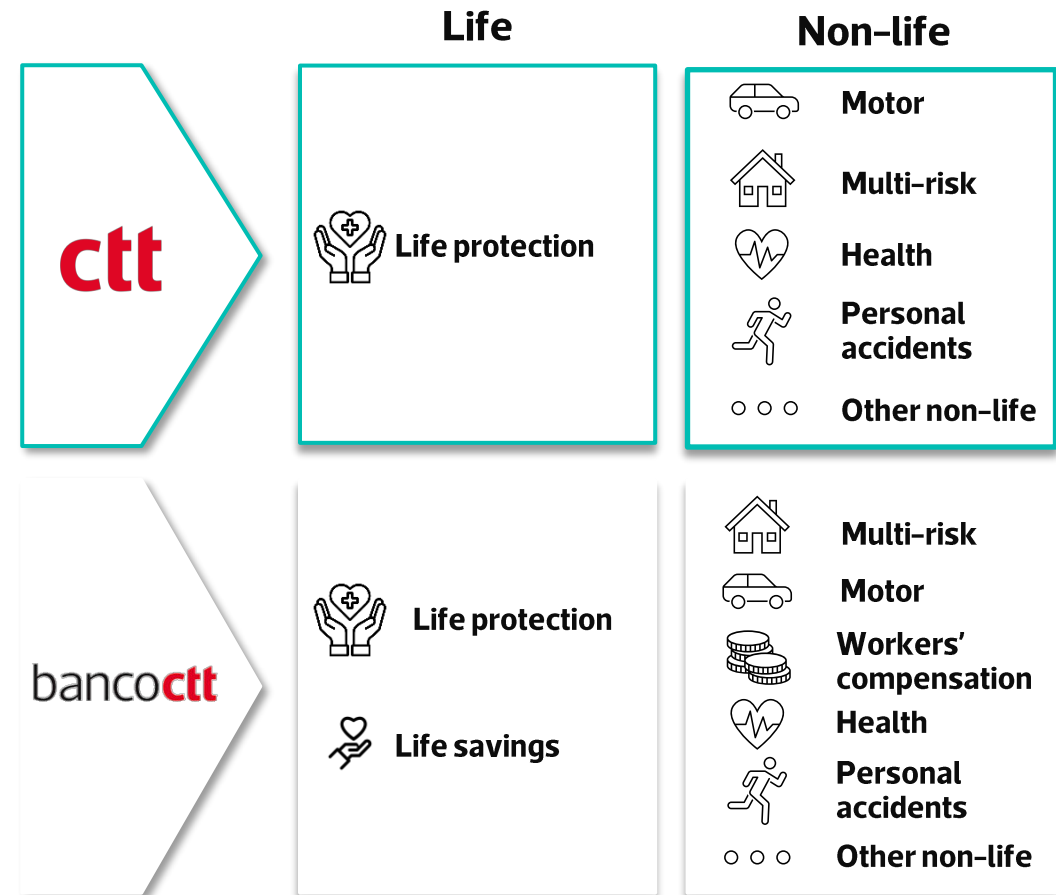
Long-term agreements, with exclusivity renewable every 5 years

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

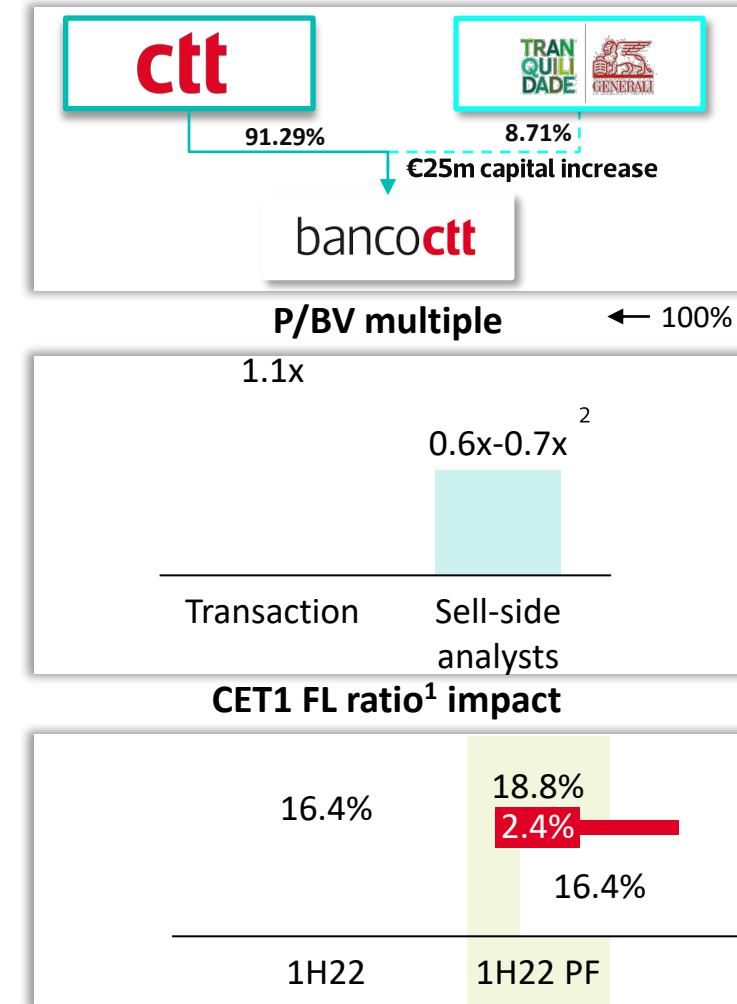


Capital increase in Banco CTT ensures full alignment of interests between the parties

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

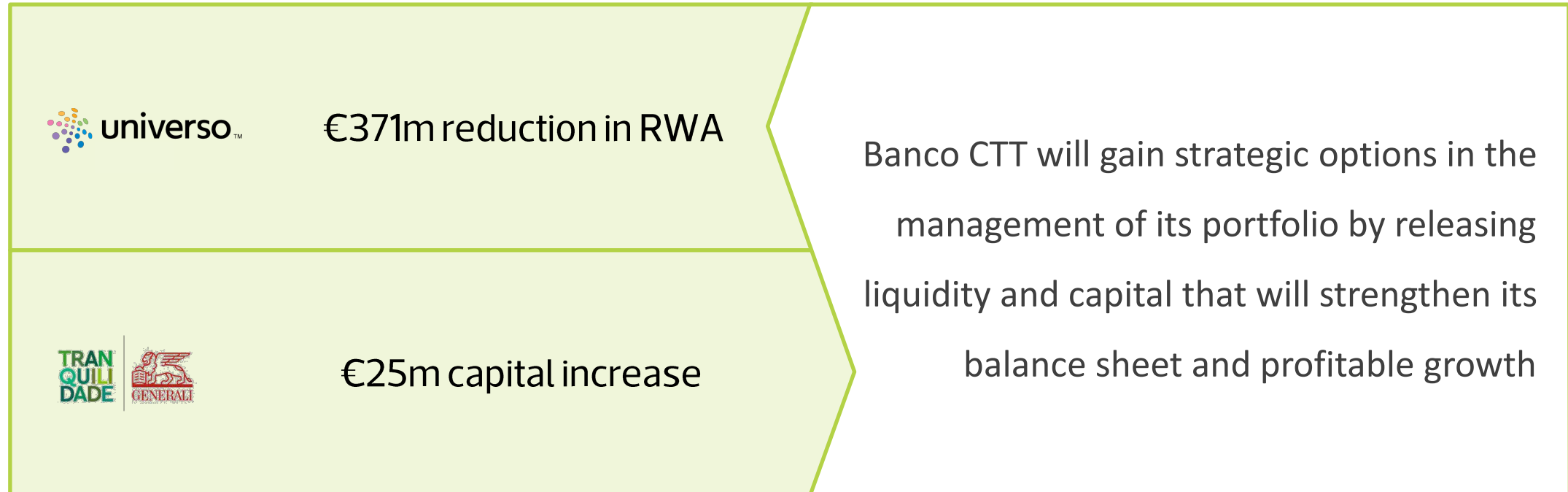


2022 Key Performance Indicators

- 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

¹Direct contribution before funding costs; ²Banco CTT's revenues includes a €1.9M severance payment for termination of contract in December 2022; ³ PBTI/Average net loans; ⁴Tranquilidade/Generali Seguros, and ⁵Ongoing process to fulfil the conditions precedent, including banking and insurance regulatory authorities' approvals.

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

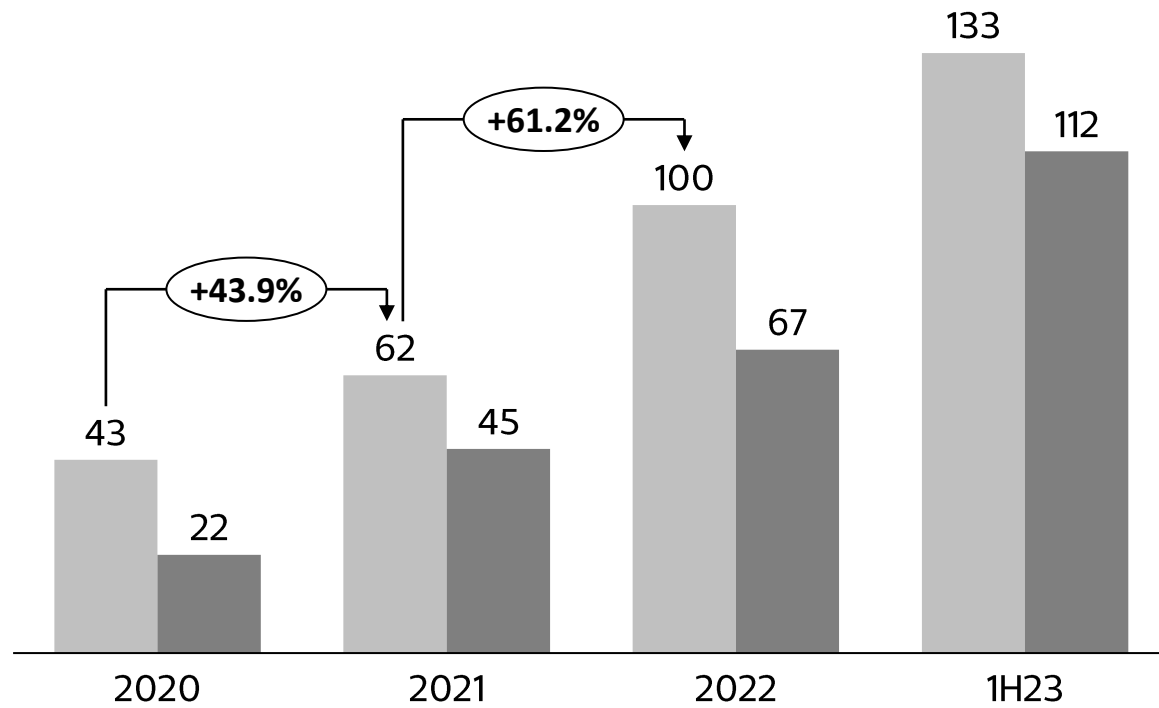


Strong cash-flow generation

Consolidated Cash Flow

€ million; LTM

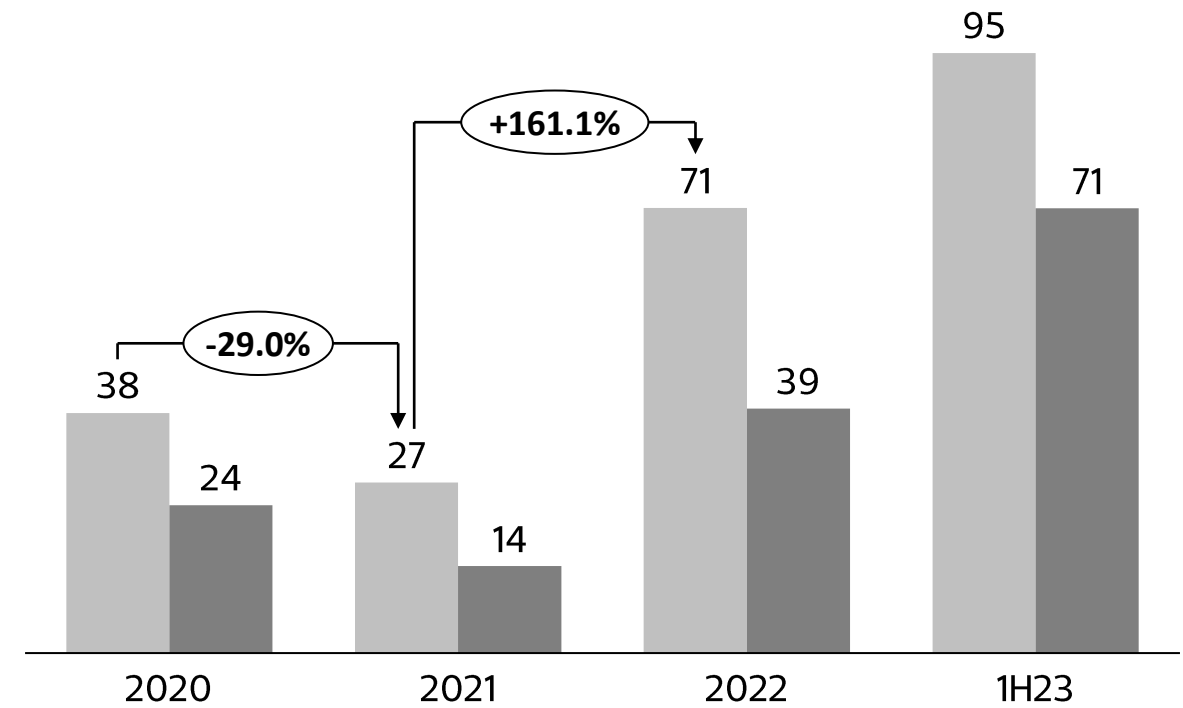
Operational CF FCF



Cash Flow with Banco CTT under equity method

€ million; LTM

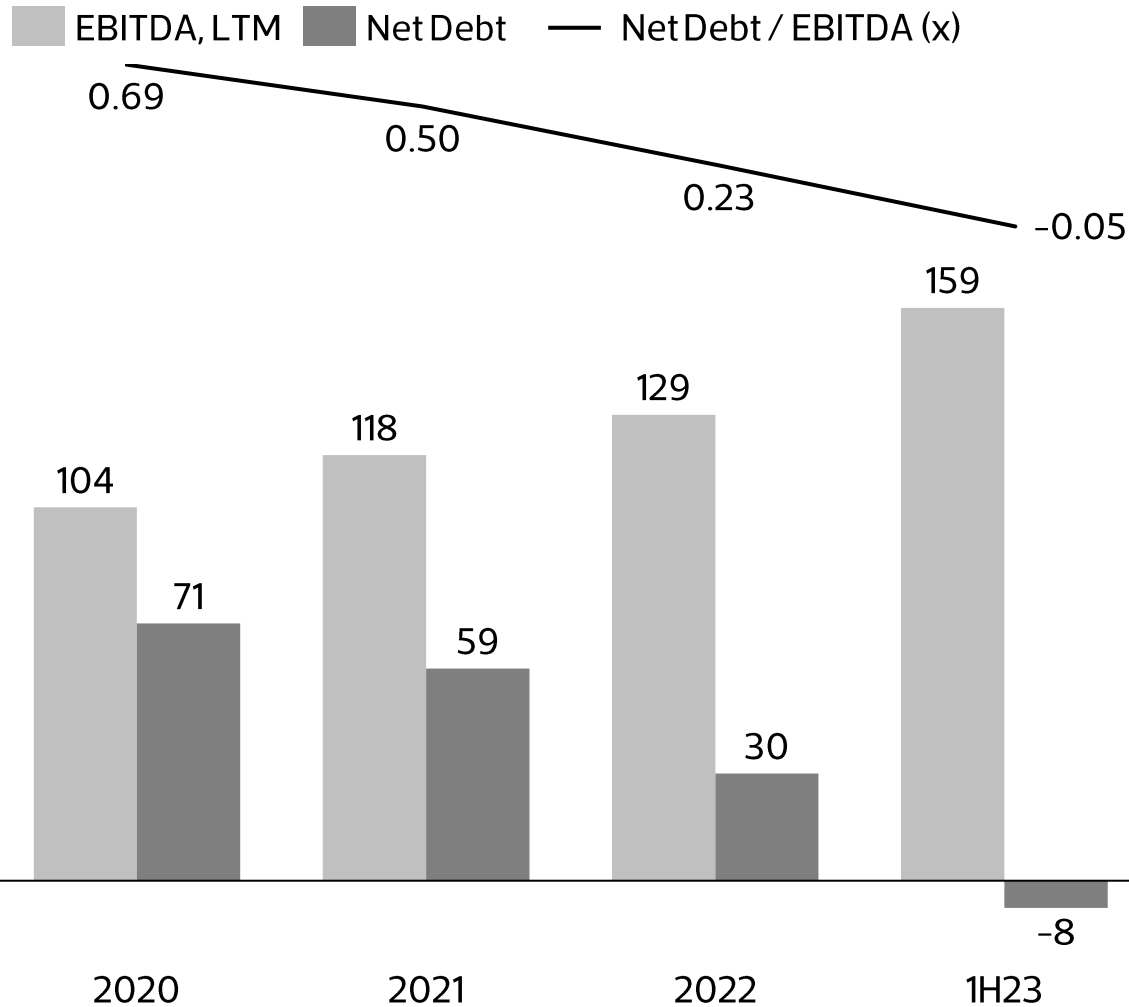
Operational CF FCF



Prudent balance sheet enabling strategic and financial flexibility

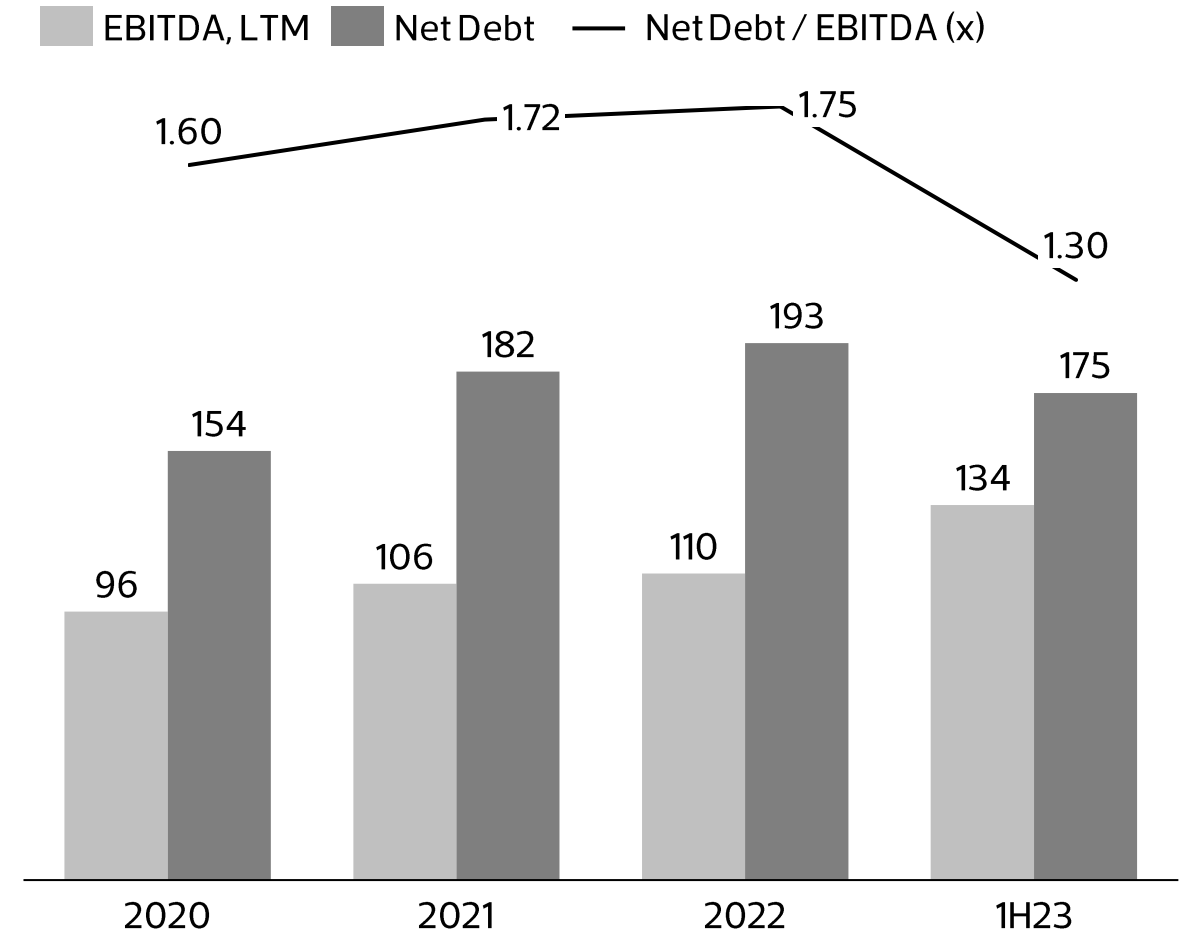
Consolidated leverage

€ million



Leverage with Banco CTT under equity method

€ million



Growing dividend combined with opportunistic SBB

Shareholder remuneration principles¹disclosed 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 ecommerce;
- 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:

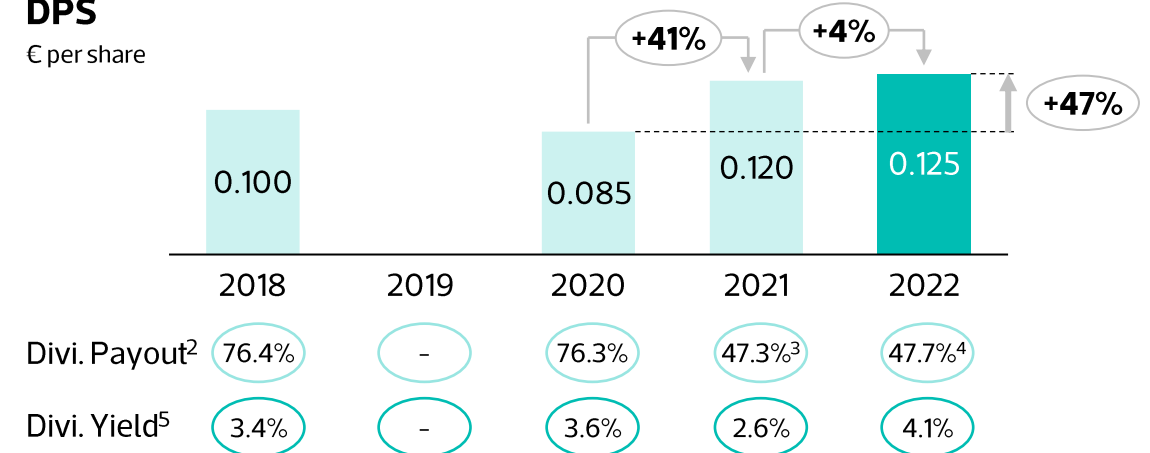
- market conditions
- a suitable financial and accounting context of CTT's balance sheet, and
- the applicable legal and regulatory terms and conditions

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

Take aways @1H23 earnings announcement

-  Strong growth and margin expansion of Express & Parcels in Iberia with a solid outlook
-  Price increase and steady focus on costs and efficiency compensating volume decline
-  Growing in insurance distribution, while savings are normalising following intense commercial activity
-  Banco CTT continues to deliver client, volume and revenue growth thus enhancing profitability
-  Very strong quarter with consolidated revenue and recurring EBIT growth across all businesses
-  Strong cash-flow generation improving financial flexibility
-  Launched €20m share buyback complementing the annual dividend (€0.125 per share) paid in May



We reaffirm our recurring EBIT guidance of “at least €80m in 2023”

ctt

committed to deliver

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

