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| Informazione Regolamentata n. 1130-31-2024 | Data/Ora Inizio Diffusione 15 Maggio 2024 12:30:48 | Euronext Milan |
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Societa' : POSTE ITALIANE

Identificativo Informazione
Regolamentata : 190744

Utenza - Referente : POSTEN03 - Fabio Ciammaglichella

Tipologia : REGEM

Data/Ora Ricezione : 15 Maggio 2024 12:30:48

Data/Ora Inizio Diffusione : 15 Maggio 2024 12:30:48

Oggetto : POSTE ITALIANE Q1 2024 FINANCIAL
RESULTS

Testo del comunicato

Vedi allegato

POSTE ITALIANE Q1 2024 FINANCIAL RESULTS

STRONG START TO 2024 ACROSS ALL BUSINESSES

Q1-24 REVENUES UP 6% Y/Y¹ TO €3.05 BILLION²

CONTINUED FOCUS ON COST DISCIPLINE MITIGATING INFLATION IMPACT

STRONG Q1-24 OPERATING PROFIT GROWTH, UP 14% Y/Y¹, TO €706M, BENEFITTING FROM A DIVERSIFIED BUSINESS MODEL

NET PROFIT AT €501M, UP 16% Y/Y¹

POSITIVE ASSET MANAGEMENT AND INSURANCE PRODUCTS NET INFLOWS WITH RESILIENT RETAIL DEPOSITS

STRONG BALANCE SHEET AND SOLID CAPITAL POSITION: DIVIDEND BALANCE OF €0.56 PER SHARE TO BE PAID AT THE END OF JUNE 2024 (€729M TOTAL DIVIDENDS)

FULLY ON TRACK TO MEET CMD 2024 FINANCIAL AND SHAREHOLDERS' REMUNERATION TARGETS

- Q1-24 REVENUES TO OVER €3.0BN², INCREASING 6.0% Y/Y¹:
 - MAIL, PARCEL & DISTRIBUTION SEGMENT REVENUES AT €934M IN Q1-24, UP 4.6% Y/Y, WITH MAIL BENEFITTING FROM A FAVOURABLE PRODUCT MIX AND REPRICING ACTIONS AND THE PARCEL BUSINESS DRIVEN BY B2C.
 - FINANCIAL SERVICES REVENUES AT €1.3BN IN Q1-24, UP 5% Y/Y¹, SUPPORTED BY GROWING NII AND GROWING CONSUMER LOANS' FEES, IN LINE WITH THE BUSINESS PLAN.
 - INSURANCE SERVICES REVENUES AT €397M IN Q1-24, UP 1.0%, THANKS TO POSITIVE NET FLOWS AND LOW LAPSE RATE, WITH IMPROVED PROFITABILITY IN THE PROTECTION BUSINESS.
 - POSTEPAY SERVICES REVENUES AT €379M² IN Q1-24, UP 17.3% Y/Y, DRIVEN BY E-COMMERCE GROWTH (+16% Y/Y) AND THE CONTINUED STRUCTURAL SHIFT FROM CASH TO CARD/DIGITAL PAYMENTS.
- Q1-24 TOTAL COSTS TO €2.3BN², UP 3.7% Y/Y:

¹ Excluding APM - Active Portfolio Management (realized capital gains on BancoPosta BTP portfolio); impact on Revenues and EBIT equal to €168m in Q1-23 vs €22m in Q1-24 and impact on Net Profit equal to €121m in Q1-23 vs €16m in Q1-24.

² Revenues and costs are restated net of commodity price and pass-through charges of the energy business. For a complete reconciliation of the values, please refer to the section on "Alternative Performance Indicators".

- Q1-24 ORDINARY HR COSTS³ AT €1.4BN, UP 3.0% Y/Y WITH LOWER FTEs PARTIALLY MITIGATING PLANNED SALARY INCREASE, IN LINE WITH THE BUSINESS PLAN.
- Q1-24 NON-HR COSTS^{2,3} TO €1.1BN, UP 6.2% Y/Y, RESULTING FROM HIGHER BUSINESS VOLUMES WHILE EMBEDDING INFLATION IMPACT.
- Q1-24 EBIT REACHED €706M, UP 14% Y/Y¹ BENEFITTING FROM A DIVERSIFIED BUSINESS MODEL.
- GROUP CLIENT TFAs REACHED €586BN, UP €5BN FROM DECEMBER 2023⁴, SUPPORTED BY €2.8BN NET INFLOWS AND €2.3BN MARKET EFFECT.
- STRONG CAPITAL POSITION: BANCOPOSTA TOTAL CAPITAL RATIO AT 24.9% (OF WHICH CET1 RATIO AT 21.3%), LEVERAGE RATIO AT 3.3% AND POSTE VITA GROUP SOLVENCY II RATIO AT 313%.

³ Before the application of IFRS 17.

⁴ EoP figures.

**POSTE ITALIANE CREATES VALUE FOR ALL STAKEHOLDERS
CONTRIBUTING TO ITALY'S SOCIAL COHESION, DIGITALIZATION AND
GREEN TRANSITION
CONTINUED FOCUS ON HUMAN CAPITAL AS A KEY DRIVER OF
INNOVATION**

KEY ACHIEVEMENTS IN Q1-24:

- **Poste Italiane's Polis Project provides digital access to Public Administration services, simplifying citizens' lives.** As of the end of March, renovation has been completed in 1,370 Post Offices located in municipalities with fewer than 15 thousand inhabitants. Among the services currently available are INPS (Italian National Social Insurance Agency) assistance, civil and judicial certificates and, more recently, passport issuance.
- **Poste Italiane won the 'Sustainability Reporting Award' promoted by *Corriere della Sera* in collaboration with NeXt - *Nuova Economia per tutti*.** Poste Italiane has been recognised for excellence in non-financial reporting as well as for its dedication in creating value for the community and the environment. In line with the Group's objective to reduce total CO_{2e} emissions by 30% by 2025, the delivery fleet consists of approximately 26,300 low-emissions vehicles (of which around 5,900 are electric), 2,100 buildings include Smart Building solutions and more than 350 photovoltaic plants (covering a total area of around 85,000 square metres) were installed by the end of Q1-24.
- **Launch of Postego S.p.A.,** a Benefit Corporation fully owned by Poste Italiane, with the aim of progressively insourcing the Poste Italiane's delivery fleet (approximately 30 thousand vehicles). Postego will enable the acceleration of the Group's green transition, the selection of vehicle technologies and models in line with Poste Italiane's needs, as well as the tailoring of ancillary services (such as maintenance and technical support), promoting economies of scale and synergies.
- **Launch of 'INSIEME Connecting Ideas',** the third edition of Poste Italiane's engagement program designed to value each individual's contribution to the successful execution of the Group's ESG Strategy.
- **Poste Vita has launched 'Poste Prospettiva Valore Gold II',** a class-I Life investment insurance product, that promotes environmental and social characteristics (pursuant to art.8 of EU Regulation 2019/2088 – SFDR).

Rome, 15 May 2024. Today, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”), chaired by Silvia Maria Rovere, approved First Quarter 2024 Financial Results.

Matteo Del Fante, Poste Italiane Chief Executive Officer commented: *“It’s been a strong start to the year with overall group revenues over €3 billion, with all segments contributing and in line with our strategy. These results demonstrate how we are executing, in a disciplined way, against our plan, with a continued focus on delivering commercial results and on cost discipline. Commercial trends have been supportive in all businesses as customers continue to see Poste Italiane as the safe haven for their savings and the “go to” place for the majority of their daily needs. Positive net flows in asset management and insurance products along with resilient retail deposits are the proof.*

EBIT and Net Profit – both adjusted to account for the materially lower contribution of Active Portfolio Management (capital gains on BancoPosta BTP portfolio) in this quarter compared to the same period of last year - have demonstrated robust double-digit growth rates of 14% and 16% respectively.

In Mail, Parcel and Distribution, revenues were driven by stable registered mail volumes and re-pricing actions, offsetting the strong decline in unregistered mail, and growing parcel volumes.

In Financial Services, revenues were up 5% in the quarter excluding Active Portfolio Management, supported by strong NII and Postal Savings fees, as well as positive underlying business momentum in consumer loans and asset management fees.

Our Insurance Business continues to record positive net flows outpacing a challenging market, with a resiliently low lapse rate, coupled with improving profitability of the Protection business.

Postepay Services continues its steady growth trajectory, benefitting from the continued increase in card and digital payments use and our confirmed leadership in e-Commerce payments. Overall, all the products of this business are supporting growth.

At our Capital Markets Day, two months ago, we set out our strategic plan, “The Connecting Platform”, aiming at reshaping our business to continue generating substantial growth.

We have established ourselves as the largest phygital platform company in Italy, committed to serve the largest client base in the country, catering for both long-term and everyday needs.

This is our first progress report against our journey and it’s a strong one!

We delivered high quality results from all of our four business units, supported by positive commercial trends.

We are successfully executing our plan, with a continued focus on cost discipline mitigating inflationary impacts.

We continue to invest in automation and technology, with the objective of constantly improving customer experience and loyalty.

I am also pleased to announce that the Board of Directors of Poste Italiane and Cassa Depositi e Prestiti have approved a term-sheet outlining the key terms of the upcoming new Postal Savings agreement. The agreement will cover the 2024-26 three-year period and is fully in line with our targets as well as our aim of preserving a stable stock over the plan.

Thanks to our rock-solid capital position and sustainable profitability from our well-diversified business model, we are well-on-track to meet the Capital Markets Day 2024 financial and shareholders' remuneration targets."

POSTE ITALIANE Q1 2024 RESULTS

Wednesday 15 May 2024 - 14:30 CEST

To attend click here: [Poste Italiane Q1 2024 Results Webcast](#)

or via QR code:



A listen only audio conference is also available: **+39 02 8020927**

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Financial calendar

Next events

- **31 May 2024** - Annual General Meeting.
- **26 June 2024** - Payment of the balance of the dividend for 2023, with ex-dividend date of 24 June 2024 and record date (i.e. date of dividend payment eligibility) of 25 June 2024.
- **30 July 2024** - Q2 & H1-24 Group Results presentation.
- **7 November 2024** - Q3 & 9M-24 Group Results presentation.
- **20 November 2024** - Payment of the interim dividend for 2024, with ex-dividend date 18 November 2024 and record date of 19 November 2024.

CONSOLIDATED FINANCIAL RESULTS SUMMARY

| €m | Q1-23 | Q1-24 | Y/Y% |
|--|-------|--------------|------------|
| GROUP | | | |
| Revenues* | 3,023 | 3,045 | +0.7%** |
| EBIT | 767 | 706 | -8.0%** |
| Net Profit | 540 | 501 | -7.1%** |
| MAIL, PARCEL & DISTRIBUTION | | | |
| External Revenues | 893 | 934 | +4.6% |
| EBIT | 88 | 41 | -53.1%*** |
| Net Profit | 41 | 6 | -85.2% |
| FINANCIAL SERVICES | | | |
| External Revenues | 1,414 | 1,335 | -5.6%**** |
| EBIT | 256 | 199 | -22.5%**** |
| Net Profit | 187 | 151 | -19.3% |
| INSURANCE SERVICES | | | |
| External Revenues | 393 | 397 | +1.0% |
| EBIT | 334 | 349 | +4.4% |
| Net Profit | 245 | 252 | +2.8% |
| POSTEPAY SERVICES | | | |
| External Revenues* | 323 | 379 | +17.3% |
| EBIT | 89 | 117 | +32.3% |
| Net Profit | 67 | 93 | +39.0% |

* Figures are restated net of commodity price and pass-through charges of the energy business.

** Group Revenues up €168m (+6% y/y), Group EBIT up €85m (+14% y/y) and Group Net Profit up €66m (+16% y/y) excluding Active Portfolio Management (APM).

*** Mail, Parcel & Distribution EBIT up €71m excluding APM.

**** Financial Services revenues up €67m (+5%) and EBIT down €29m (-13%) excluding APM.

In addition to the standard financial indicators required by IFRS, Poste Italiane discloses alternative performance indicators to provide a better understanding of business performance and financial position. These indicators are described in the Interim Report for the first three months ended 31 March 2024, in line with the ESMA/2015/1415 Guidelines of 5 October 2015.

The Poste Italiane Group consolidated balance sheet and consolidated statement of profit/(loss) and statement of cash flows, are attached to this release. The financial statements and the related notes will be subject to a limited voluntary review audited by Poste Italiane's Independent Auditors.

MAIL, PARCEL & DISTRIBUTION – PARCEL REVENUES ACCELERATING – MAIL REVENUES AHEAD OF PLAN

| €m | Q1-23 | Q1-24 | Y/Y% |
|--|-------|--------------|----------|
| SEGMENT REVENUES | 893 | 934 | +4.6% |
| <i>Mail Revenues</i> | 520 | 535 | +3.0% |
| <i>Parcel & Logistics Revenues</i> | 335 | 368 | +10.0% |
| <i>Other Revenues</i> | 39 | 31 | -20.2% |
| INTERSEGMENT REVENUES | 1,382 | 1,372 | -0.8%* |
| TOTAL REVENUES | 2,276 | 2,306 | +1.3% |
| EBIT | 88 | 41 | -53.1%** |
| EBIT Margin (%) | +3.9% | +1.8% | - |
| NET PROFIT | 41 | 6 | -85.2% |
| KPI's | | | |
| Mail Volumes (#m) | 617 | 560 | -9.2% |
| Parcels delivered by mailmen (#m) | 18 | 27 | +52.1% |
| Parcel Volumes (#m) | 59 | 71 | +21.5% |

* Intersegment revenues up 9% excluding Active Portfolio Management (APM).

** EBIT up €71m excluding APM.

Mail, Parcel & Distribution Q1-24 segment revenues are up 4.6% y/y to €934m.

Mail revenues in Q1-24 were up 3.0% y/y to €535m supported by repricing actions and an improved product mix, offsetting lower volumes, down 9.2% y/y, with average prices up 12.2% in the quarter.

Parcel revenues recorded a solid growth of 10.0% y/y to €368m (+14% excluding the impact of COVID logistics mandate gradual phase-out and one-off effects, mainly related to sender Italia deconsolidation), supported by increasing B2X volumes (69.1m items in Q1-24, up 22.2% y/y).

In Q1-24, strong Parcel volumes growth to 71.1m items, up 21.5% y/y compared to 58.5m in the first quarter of 2023.

Distribution revenues in Q1 were broadly stable (-0.8% y/y) at €1.4bn, up 9% excluding the impact of active portfolio management and reflecting higher network costs.

Segment EBIT down 53.1% y/y in Q1-24 to €41m, with an unfavorable comparison with Q1-23, benefitting from a higher contribution from Active Portfolio Management revenues¹, net of which is up by €71m in the quarter.

FINANCIAL SERVICES – REVENUES SUPPORTED BY GROWING NII AND STABLE POSTAL SAVINGS FEES

| €m | Q1-23 | Q1-24 | Y/Y% |
|--|---------|---------|-----------|
| SEGMENT REVENUES | 1,414 | 1,335 | -5.6%* |
| <i>Active Portfolio Management</i> | 168 | 22 | -86.7% |
| <i>Net Interest Income</i> | 546 | 590 | +8.2% |
| <i>Postal Savings</i> | 425 | 430 | +1.2% |
| <i>Transaction banking</i> | 202 | 186 | -8.2% |
| <i>Consumer Loans Distribution</i> | 44 | 62 | +40.6% |
| <i>Asset Management</i> | 29 | 45 | +54.0% |
| INTERSEGMENT REVENUES | 234 | 223 | -4.4% |
| TOTAL REVENUES | 1,648 | 1,559 | -5.4%* |
| EBIT | 256 | 199 | -22.5%** |
| EBIT Margin (%) | +15.6% | +12.7% | - |
| NET PROFIT | 187 | 151 | -19.3%*** |
| KPI's | | | |
| TOTAL FINANCIAL ASSETS - TFAs (€bn) | 581**** | 586 | +1.1% |
| Average Deposits (€bn) | 96 | 90 | -6.4% |
| Average Postal Savings Deposits (€bn) | 316 | 313 | -0.7% |
| Postal Savings Net Inflows (€m) | (2,337) | (2,691) | -15.2% |

* Segment revenues up €67m (+5% y/y) and Total revenues up €56m (+4% y/y) excluding Active Portfolio Management (APM).

** EBIT down €29m (-13% y/y) excluding APM.

*** Net Profit down €16m (-10% y/y) excluding APM.

**** Figures in Q1-23 column refer to FY-23.

In Q1-24 gross revenues (including intersegment distribution revenues) were down 5.4% y/y to €1.6bn (+€56m, increasing by 4% y/y excluding Active Portfolio Management).

In Q1-24 Net Interest Income was up 8.2% y/y to €590m, supported by higher interest rates, resilient retail deposits.

Postal savings' distribution fees were up 1.2% y/y in the quarter to €430m, in line with the strategic plan.

In Q1-24 Consumer loans' distribution⁵ fees were up 40.6% y/y to €62m, driven by personal and salary backed loans' volumes and higher upfront fee margins.

In the quarter, transaction banking⁶ fees were down 8.2% y/y to €186m, as a result of lower current account repricing set in April 2023 partially mitigated by other payment services' fees.

Fees from asset management were strongly up 54.0% y/y to €45m, thanks to solid net inflows in target funds.

⁵ Includes reported revenues from custody accounts, credit cards and other revenues from third party products distribution.

⁶ Includes revenues from payment slips (bollettino), current accounts related revenues, fees from INPS and money transfer.

Total Financial Assets reached €586bn in Q1-24 (up €5bn since December 2023), driven by €2.3bn positive market effect and €2.8bn strong net inflows in Deposits, Mutual Funds and Insurance products, confirming once again Poste Italiane as a safe harbour and financial partner of choice for our customers' savings.

In Q1-24 EBIT was down 22.5% y/y to €199m (decreasing by 13% y/y excluding APM¹), impacted by higher distribution costs.

INSURANCE SERVICES – POSITIVE NET FLOWS & LOW LAPSE RATE – IMPROVING PROTECTION PROFITABILITY

| €m | Q1-23 | Q1-24 | Y/Y% |
|--|--------|---------------|--------|
| SEGMENT REVENUES | 393 | 397 | +1.0% |
| <i>Life Investments & Pension</i> | 374 | 363 | -3.0% |
| <i>Protection</i> | 19 | 35 | +77.9% |
| INTERSEGMENT REVENUES | (49) | (39) | +20.5% |
| TOTAL REVENUES | 344 | 358 | +4.1% |
| EBIT | 334 | 349 | +4.4% |
| EBIT Margin (%) | +96.9% | +97.2% | - |
| NET PROFIT | 245 | 252 | +2.8% |
| Release CSM Insurance Services | 313 | 337 | +7.6% |
| KPI's | | | |
| Gross Written Premiums (€m) | 6,249 | 5,005 | -19.9% |
| <i>GWP - Life Investments & Pension (€m)</i> | 6,008 | 4,693 | -21.9% |
| <i>GWP - Protection (€m)</i> | 241 | 312 | +29.4% |

Insurance segment revenues were up 1.0% to €397m⁷. Life Investments & Pension revenues to €363m down 3.0%, with higher CSM release (€337m in Q1-24 compared to €313m in Q1-23).

Life net inflows continued to be positive, outperforming the market with a low lapse rate in a challenging environment.

Q1-24 Protection revenues grew 77.9% y/y to €35m, supported by higher volumes, improving combined ratio and Net Insurance consolidation.

Total Life Investments & Pension gross written premiums were at €4.7bn in Q1-24, -21.9%. At the end of March 2024, the Contractual Service Margin amounted to €13.8bn (up from

⁷ Figures adjusted for compliance with IFRS 17.

€13.7bn at the end of 2023), after the release of €337m in the quarter, supporting the future profitability of the insurance business.

At the end of March 2024, Poste Vita Group's Solvency II Ratio stood at 313%, above the managerial ambition of around 200% through the cycle.

Segment EBIT to €349m in Q1-24, up 4.4% y/y compared to Q1-23 level of €334m.

POSTEPAY SERVICES – STRONG PERFORMANCE ACROSS ALL PRODUCTS

| €m | Q1-23 | Q1-24 | Y/Y% |
|--|--------|---------------|--------|
| SEGMENT REVENUES* | 323 | 379 | +17.3% |
| <i>Payments</i> | 249 | 283 | +13.7% |
| <i>Telco</i> | 79 | 81 | +1.8% |
| <i>Energy*</i> | (5) | 15 | n.m. |
| INTERSEGMENT REVENUES* | 66 | 70 | +5.5% |
| TOTAL REVENUES* | 389 | 449 | +15.3% |
| EBIT | 89 | 117 | +32.3% |
| EBIT Margin (%) | +22.8% | +26.2% | - |
| NET PROFIT | 67 | 93 | +39.0% |
| KPI's | | | |
| Issuing Transaction Value (€bn) | 18.3 | 19.9 | +8.8% |
| <i>of which e-commerce</i> | 5.6 | 6.5 | +16.1% |
| Total Transactions (#bn) | 0.6 | 0.7 | +11.3% |
| <i>of which e-commerce</i> | 0.1 | 0.2 | +16.3% |
| Digital e-wallets stock (#m) | 11.0 | 12.4 | +12.7% |
| Mobile & Land-Line stock (#m) | 4.9 | 4.8 | -2.7% |
| Energy Contracts, stock (#m) | 0.05 | 0.44 | n.m. |

*Revenues are restated net of commodity price and pass-through charges of the energy business.

Postepay services revenues are up 17.3% y/y to €379m in the first quarter of the year², confirming the role played by Postepay as leader in the fast-growing and evolving digital payments market in Italy.

Payments revenues up 13.7% to €283m as Postepay leads the continued structural shift from cash to card/digital payments and confirms its leadership in e-commerce payments, up 16% in Q1-24.

Telco revenues were up 1.8% y/y to €81m in Q1-24, supported by the fiber offer and benefitting from a loyal customer base of 4.8 million users, in a competitive market.

The Poste Energia retail energy offer, launched in June 2022, contributed to the top line with €15m in the quarter².

Segment EBIT for the period was up 32.3% y/y to €117m, driven by strong revenue growth.

MATURING BONDS

Issuer: Poste Italiane SpA

10 December 2024 is the expiry date of the first tranche of €500 million related to the senior unsecured loan with a total nominal value of €1 billion issued on 10 December 2020.

OUTLOOK

The Italian economy, according to preliminary estimates, was characterised in the first part of the year by moderate growth both with respect to the previous quarter and in trend terms, and will continue to grow moderately in the course of 2024 and then strengthen in the following years, on the assumption that the international context, albeit uncertain, will not entail any particular tensions in the energy commodities and financial markets.

Against this backdrop, the Poste Italiane Group ended the first quarter of the year reporting positive trends across all lines of business, with revenues up on the same quarter last year and inflationary impacts contained thanks to continued cost discipline.

On 20 March 2024, the "2024 - 2028 Strategic Plan - The Connecting Platform" was presented to the financial community, which lays the foundations on:

- I) a new business service model that maximises the value of the 'platform' company in a diversified, integrated and sustainable way;
- II) the Group's transformation path to become a complete logistics operator, ensuring the financial sustainability of the Mail, Parcels and Distribution segment.

The logistical transformation towards an end-to-end logistical operator includes the evolution of the postal network, increasingly oriented towards parcel management, the development of international business and integrated logistics; as part of the broader strategic partnership with DHL signed in 2023, this strategy includes the establishment in April 2024 of Locker Italia SpA to develop a network of lockers in Italy for last mile parcel deliveries. The constitution of NewCo Poste Logistics S.p.A. in March 2024 also contributes to the strengthening of so-called integrated logistics.

The focus, also for the current year, will remain on offering products/services that keep pace with evolving market contexts, confirming the centrality of Postal Savings in the Poste Italiane Group's offering. In the insurance sector and specifically in the Life Investment and Retirement business, the Group will be committed to evolving its commercial offer, taking into account both market dynamics and the optimisation of service quality, in order to protect customers' savings from market risks and inflation. In the protection segment, the Group confirms its ambition to reduce the country's under-insurance by making insurance protection more accessible through the evolution of the offer and an integrated advisory model, including through Net Insurance, acquired in 2023, as a factory of Poste Vita Group products distributed through physical and digital third-party networks.

In addition, benefiting from the growth of e-commerce and cashless payments, the Postepay business will evolve towards digital and innovative payment solutions that will allow, for example, the management from digital channels of the renewal and replacement phases of payment cards, so as to increase the level of customer loyalty, stock and continuity of use. In the pursuit of the development of the telephony offer, in the course of 2024, the main project initiatives will concern the extension of fixed telephony services to Small Business Operators customers, the development of new services, and a technological upgrade for the evolution of the network infrastructure with ultra broadband solutions to meet the growing hyper connectivity needs of customers. In the energy business, during the year, the Group will focus on the growth of the customer base, while focusing on strategies related to the change in the reference scenario regarding the end of the protected market, as well as on the completion of the sales and after-sales service offering, and on building the loyalty of acquired customers.

Among the most important omnichannel initiatives, the Poste Italiane SuperApp will be progressively enriched with all the functionalities of the BancoPosta and Postepay apps with the aim of replacing them in the near future. It will also be fully customised to the individual customer's profile and, thanks to cutting-edge technology and artificial intelligence, will be the single point of access to the Group's 'phygital' platform, maximising cross- and up-selling potential.

The Group will continue to rely on and value its people as the key to success for the implementation of the new strategic plan; to this end, constructive negotiations are underway for the renewal of the National Collective Labour Agreement, which expired at the end of 2023.

As part of the National Recovery and Resilience Plan, the Group will continue with the implementation of "Polis", a strategic project to support the country's social cohesion, which involves approximately 7,000 municipalities with a population of less than 15 thousand inhabitants, in which the Post Office will be transformed into a digital services hub for quick and easy access to Public Administration services. Some 250 co-working spaces nationwide are also planned, as well as the implementation of numerous actions to support the country's energy transition.

In the transition path undertaken towards carbon neutrality expected by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low CO2 emission vehicles, the installation of photovoltaic panels for energy supply and efficiency of properties; the replacement of current Postepay cards with cards made with eco-sustainable

materials and digital cards will also continue, as will the development of specific offers aimed at enhancing customers' sustainable behaviour. As part of the green transition, we also note the establishment in May 2024 of the new company Postego S.p.A., which aims to progressively internalise the Poste Italiane car fleet.

MATERIAL EVENTS DURING THE PERIOD AND EVENTS AFTER 31 MARCH 2024

PRINCIPAL CORPORATE ACTIONS

MLK Fresh

On 31 January 2024, through the establishment of the NewCo named "MLK Fresh S.r.l." ("MLK Fresh"), the partnership in the Fresh Food sector between MLK Deliveries S.p.A. and Mazzocco S.r.l. ("Mazzocco"), an Italtrans Group company operating as a national refrigerated courier, was formalised.

MLK Fresh, 70% owned by MLK and 30% by Mazzocco, will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.

N&TS Group Networks & Transactional Systems Group S.p.A

On 28 February 2024, Postepay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group S.p.A., an Italian leader in software solutions for electronic payments. The transaction, closed on 15 April 2024 following the fulfilment of conditions precedent, aims to enhance Postepay's technological expertise in order to support its expansion strategy in the digital payments market.

Poste Logistics

On 4 March 2024, Poste Logistics S.p.A. (also "NewCo") was established, whose share capital is wholly-owned by Poste Italiane S.p.A. The NewCo will focus on integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier S.p.A. ("SDA") concerning the integrated logistics business, through a partial demerger transaction. The partial demerger transaction, which was approved by the Extraordinary Shareholders' Meetings of SDA and Poste Logistics S.p.A. on 27 March 2024, will become effective during the third quarter of 2024.

Locker Italia S.p.A.

On 18 April 2024, the company Locker Italia S.p.A. was established - owned by Poste Italiane S.p.A. and Deutsche Post International BV with equal stakes of 50% respectively - which will be dedicated to the development in Italy of a network of lockers for last mile deliveries of parcels managed by Poste Italiane S.p.A. and the e-commerce division of the DHL Group.

Postego S.p.A.

On 9 May 2024, Postego S.p.A. was established, a benefit company wholly-owned by Poste Italiane, with the aim of progressively internalising the Poste Italiane car fleet (about 30,000 delivery vehicles).

ALTERNATIVE PERFORMANCE INDICATORS

In keeping with the guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), in addition to the financial disclosures required by IFRS, Poste Italiane has included a number of indicators in this report that have been derived from them. These provide management with a further tool for measuring the Group's performance.

The following alternative performance indicators are used:

EBIT (Earnings before interest and taxes) - this is an indicator of operating profit before financial expenses and taxation.

EBIT margin – this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue. This indicator is also presented separately for each Strategic Business Unit.

GROUP NET DEBT/(FUNDS): the sum of financial assets, tax credits under Law no. 77/2020, Cassa e Depositi BancoPosta, Cash and cash equivalents, liabilities under insurance contracts, assets for outward reinsurance and Financial liabilities.

TOTAL FINANCIAL ASSETS: they represent the amount of assets/liabilities managed or administered by the Group and are obtained from the sum of Postal Savings collected by the Parent Company in the name and on behalf of Cassa Depositi e Prestiti, deposits on postal current accounts, and assets managed by the subsidiary BancoPosta Fondi SpA SGR, as well as the investments made on behalf of customers in investment products other than the above (equities, bonds, Moneyfarm products, etc.) and the Insurance Technical Provisions of the Life insurance business, which represent the obligations taken on vis-à-vis policyholders and tariff premiums net of loadings. The presence within this indicator of Insurance Technical Provisions, calculated analytically contract by contract, in accordance with the application rules set out in Annex 14 of ISVAP Regulation no. 22 of 4 April 2008 (Mathematical Provisions⁸), i.e., in accordance with the standards for preparing the statutory financial statements of Poste Vita SpA, does not make it possible to perform a reconciliation with the insurance obligations presented in the financial information for the period.

⁸ In addition to the Mathematical Provisions, the Insurance Provisions also include provisions for future expenses, supplementary insurance premium provisions, profit-sharing provisions and reversals.

NET CASH POSITION OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: is the financial indebtedness shown according to the format recommended by ESMA, the European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) excluding non-current trade and other payables for which there is a significant financing component, either implicitly or explicitly, and including: non-current financial assets, tax credits Law no. 77/2020, current derivative assets used for hedging purposes and intersegment financial receivables and borrowings.

POSTEPAY SERVICES SBU REVENUE NET OF ENERGY COSTS: this is an indicator of the operating performance of the Postepay Services Strategic Business Unit, within which the new business involving the sale of electricity and natural gas is represented. This indicator is calculated by subtracting the costs associated with the purchase of raw materials and the transport of electricity and gas from the revenue of the entire SBU.

The reconciliation of external revenue reported and external revenue for the management view is presented in the table below:

| | 1Q-23 | | 1Q-24 | |
|--|-------------------|--------------|-------------------|--------------|
| | POSTEPAY SERVICES | CONSOLIDATED | POSTEPAY SERVICES | CONSOLIDATED |
| External revenue - reported | 343 | 3,044 | 470 | 3,136 |
| Commodity prices and pass-through charges for external clients | (20) | (20) | (91) | (91) |
| External revenue | 323 | 3,024 | 379 | 3,045 |

Composition of net financial position* (€m):

| | MAIL, PARCEL AND DISTRIBUTION | FINANCIAL SERVICES | INSURANCE SERVICES | POSTEPAY SERVICES | ADJUSTMENTS | CONSOLIDATED |
|--|-------------------------------|--------------------|--------------------|-------------------|-------------|----------------|
| Balance at 31 Marzo 2024 | | | | | | |
| Financial liabilities | 5,028 | 91,033 | 451 | 10,089 | (13,165) | 93,436 |
| Insurance contracts liabilities | - | - | 157,046 | - | (1) | 157,045 |
| Financial assets | (1,136) | (79,325) | (157,699) | (11,234) | 12,142 | (237,252) |
| Tax credits Law no. 77/2020 | (407) | (7,709) | - | - | - | (8,116) |
| Reinsurance contract assets | - | - | (263) | - | - | (263) |
| Cash and deposits attributable to BancoPosta | - | (4,149) | - | - | - | (4,149) |
| Cash and cash equivalents | (1,067) | (1,158) | (4,150) | (93) | 1,005 | (5,462) |
| Net Financial Position* | 2,419 | (1,307) | (4,616) | (1,238) | (19) | (4,761) |
| Balance at 31 December 2023 | | | | | | |
| Financial liabilities | 5,017 | 93,076 | 429 | 10,478 | (13,606) | 95,393 |
| Insurance contracts liabilities | - | - | 155,339 | - | (1) | 155,338 |
| Financial assets | (1,205) | (80,636) | (156,394) | (11,507) | 12,582 | (237,159) |
| Tax credits Law no. 77/2020 | (407) | (7,912) | - | - | - | (8,318) |
| Reinsurance contract assets | - | - | (233) | - | - | (233) |
| Cash and deposits attributable to BancoPosta | - | (4,671) | - | - | - | (4,671) |
| Cash and cash equivalents | (650) | (940) | (3,561) | (65) | 1,004 | (4,211) |
| Net Financial Position* | 2,755 | (1,082) | (4,420) | (1,093) | (21) | (3,861) |

* Net financial position: (Surplus) / Net debt

TABLES

POSTE ITALIANE GROUP'S FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (€M)

| ASSETS (€m) | 31 March 2024 | 31 December 2023 |
|---|----------------------|-------------------------|
| Non-current assets | | |
| Property, plant and equipment | 2,521 | 2,546 |
| Investment property | 27 | 28 |
| Intangible assets | 2,018 | 2,062 |
| Right of use assets | 1,226 | 1,265 |
| Investments accounted for using the equity method | 302 | 294 |
| Financial assets | 204,042 | 205,656 |
| Trade receivables | 2 | 3 |
| Deferred tax assets | 2,595 | 2,109 |
| Other receivables and assets | 3,917 | 4,084 |
| Tax credits Law no. 77/2020 | 6,729 | 6,534 |
| Reinsurance contract assets | 263 | 233 |
| Total | 223,642 | 224,814 |
| Current assets | | |
| Inventories | 174 | 172 |
| Trade receivables | 2,269 | 2,404 |
| Current tax assets | 174 | 167 |
| Other receivables and assets | 933 | 1,051 |
| Tax credits Law no. 77/2020 | 1,386 | 1,784 |
| Financial assets | 33,210 | 31,503 |
| Cash and deposits attributable to BancoPosta | 4,149 | 4,671 |
| Cash and cash equivalents | 5,462 | 4,211 |
| Total | 47,757 | 45,963 |
| Non-current assets and disposal groups held for sale | 50 | 50 |
| TOTAL ASSETS | 271,449 | 270,827 |
| LIABILITIES AND EQUITY (€m) | 31 March 2024 | 31 December 2023 |
| Equity | | |
| Share capital | 1,306 | 1,306 |
| Reserves | 1,185 | 1,083 |
| Treasury shares | (94) | (94) |
| Retained earnings | 8,525 | 8,027 |
| Total equity attributable to owners of the Parent | 10,922 | 10,322 |
| Equity attributable to non-controlling interests | 121 | 117 |
| Total | 11,043 | 10,439 |
| Non-current liabilities | | |
| Insurance contracts liabilities | 157,045 | 155,338 |
| Provisions for risks and charges | 775 | 782 |
| Employee termination benefits | 614 | 637 |
| Financial liabilities | 9,865 | 10,243 |
| Deferred tax liabilities | 1,542 | 900 |
| Other liabilities | 1,946 | 2,058 |
| Total | 171,788 | 169,958 |
| Current liabilities | | |
| Provisions for risks and charges | 598 | 554 |
| Trade payables | 1,764 | 2,252 |
| Current tax liabilities | 324 | 189 |
| Other liabilities | 2,362 | 2,285 |
| Financial liabilities | 83,571 | 85,150 |
| Total | 88,619 | 90,430 |
| TOTAL EQUITY AND LIABILITIES | 271,449 | 270,827 |

CONSOLIDATED STATEMENT OF NET PROFIT (LOSS) (€M)

| (€m) | First quarter 2024 | First quarter 2023 |
|--|--------------------|--------------------|
| Revenue from Mail, Parcels & Other | 934 | 893 |
| Net revenue from Financial Services | 1,335 | 1,414 |
| <i>Revenue from Financial Services</i> | 1,498 | 1,520 |
| <i>Expenses from financial activities</i> | (163) | (106) |
| Net revenue from Insurance Services | 397 | 393 |
| <i>Insurance service revenues from contract issued</i> | 673 | 599 |
| <i>Insurance service expenses from contract issued</i> | (287) | (226) |
| <i>Income/(expenses) from reinsurance contracts held</i> | (6) | (4) |
| <i>Finance income and (expenses) and other income</i> | 1,680 | 1,578 |
| <i>Insurance finance (costs)/income from contracts issued</i> | (1,666) | (1,554) |
| <i>Finance income/(costs) from reinsurance contracts held</i> | 2 | (0) |
| Revenue from Postepay Services | 470 | 343 |
| Net operating revenue | 3,136 | 3,044 |
| Cost of goods and services | 896 | 763 |
| Personnel expenses | 1,275 | 1,235 |
| Depreciation, amortisation and impairments | 201 | 208 |
| Capitalised costs and expenses | (14) | (13) |
| Other operating costs | 61 | 83 |
| Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets | 12 | (0) |
| Operating profit/(loss) | 706 | 767 |
| Finance costs | 34 | 29 |
| Finance income | 44 | 34 |
| Impairment loss/(reversal of impairment losses) on financial asset | 0 | (0) |
| Profit/(Loss) on investments accounted for using the equity method | 7 | 5 |
| Profit/(Loss) before tax | 723 | 777 |
| Income tax expense | 222 | 237 |
| NET PROFIT FOR THE PERIOD | 501 | 540 |
| of which attributable to owners of the Parent | 498 | 539 |
| of which attributable to non-controlling interests | 3 | 1 |
| Earnings per share | 0.384 | 0.415 |
| Diluted earnings per share | 0.384 | 0.415 |

CONSOLIDATED STATEMENT OF CASH FLOWS (€M)

| (€m) | First quarter 2024 | First quarter 2023 |
|--|--------------------|--------------------|
| Unrestricted net cash and cash equivalents at beginning of the period | 1,635 | 1,228 |
| Restricted net cash and cash equivalents at beginning of the period | 2,576 | 3,755 |
| Cash and cash equivalents at beginning of the period | 4,211 | 4,983 |
| Result for the period | 501 | 540 |
| Depreciation, amortisation and impairments | 219 | 226 |
| Losses and impairments losses/(reversal of impairment losses) on receivables | 12 | 0 |
| (Gains)/Losses on disposals | (1) | (2) |
| (Increase)/decrease in inventories | (1) | (5) |
| (Increase)/decrease in receivables and other assets | 402 | 64 |
| Increase/(decrease) in payables and other liabilities | (401) | (36) |
| Change in tax credits Law no. 77/2020 | - | (108) |
| Change in provisions for risks and charges | 38 | 94 |
| Change in employee termination benefits and provision for retirement benefits | (23) | (29) |
| Difference in accrued financial expenses and income (cash adjustment) | 21 | 14 |
| Other changes | 88 | (29) |
| Net cash flow from/(for) non-financial operating activities | 855 | 730 |
| Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance | (1,979) | (7,517) |
| Net cash generated by/(used for) financial asset and tax credit Law no. 77/2020 attributable to financial activities, payment, cards and acquiring and insurance | 2,497 | 4,434 |
| (Income)/Expenses and other non-cash components | (1,731) | (2,066) |
| Increase/(decrease) in net insurance contracts liabilities | 1,644 | 3,421 |
| Cash generated by/(used for) financial assets and liabilities attributable to financial activities, payment, cards and acquiring and insurance | 432 | (1,727) |
| Net cash flow from/(for) operating activities | 1,287 | (997) |
| <i>Investing activities</i> | | |
| Property, plant and equipment, investment property and intangible assets | (81) | (112) |
| Investments | | (1) |
| Other financial assets | (1) | (0) |
| <i>Disposals</i> | | |
| Property, plant and equipment, investment property and intangible assets and assets held for sale | 2 | 3 |
| Other financial assets | 5 | 14 |
| Investment in consolidated companies, net of cash acquired | 0 | - |
| Net cash flow from/(for) investing activities | (75) | (96) |
| Proceeds from/(Repayments of) borrowings | 40 | (39) |
| Dividends paid | - | (1) |
| Net cash flow from/(for) financing activities and shareholder transactions | 40 | (39) |
| Effect of exchange rate fluctuations on cash and cash equivalents | 0 | 0 |
| Net increase/(decrease) in cash | 1,251 | (1,133) |
| Cash and cash equivalents at end of the period | 5,462 | 3,850 |
| Restricted net cash and cash equivalents at the end of the period | (3,194) | (2,765) |
| Unrestricted net cash and cash equivalents at end of the period | 2,267 | 1,084 |

Poste Italiane presents its quarterly financial reports on a voluntary basis, with a focus on business highlights in compliance with art. 82-ter of the CONSOB Issuers Regulations (as amended by CONSOB Resolution no. 19770 of 26 October 2016), which gives listed companies whose Member State of origin is Italy, the faculty to voluntarily publish additional periodic financial information besides their annual and half-yearly reports.

The document containing the Interim Financial Report as of 31 March 2024 will be published by 15 May 2024, made available to the public at the Company's head office, on the Company's website (www.posteitaliane.it), on the website of the authorised storage system "eMarket Storage" (www.emarketstorage.com), and filed with Borsa Italiana S.p.A. (www.borsaitaliana.it), the Italian stock exchange.

Declaration by the Executive responsible for preparing the corporate accounting documents

The undersigned, Alessandro Del Gobbo, in his capacity as Executive responsible for preparing Poste Italiane's corporate accounting documents (*Dirigente Preposto*)

DECLARES

that, pursuant to art. 154-BIS, par. 2, of the Consolidated Financial Bill of February 24, 1998, accounting information disclosed in this document corresponds to document results and accounting books and records.

This document includes summary financial information and should not be considered a substitute for Poste Italiane Group Interim Financial Report as of 31 March 2024.

Rome, 15 May 2024

Forward looking statements and other important information

This document may contain certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

These forward-looking statements are made as of the date of this document and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what is expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or estimate precisely, including, but not limited to, changes in the legislative and regulatory framework, market developments, price fluctuations and other risks and uncertainties, such as, for instance, risks deriving from risks deriving from the direct and indirect effects resulting from the international conflict in Eastern Europe.

Forward-looking statements contained herein are not a guarantee of future performance and you are therefore cautioned not to place undue reliance thereon.

This document does not constitute a recommendation regarding the securities of the Company; it does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Poste Italiane or any of its Group companies or other forms of financial assets, products or services.

Except as may be required by applicable law, Poste Italiane denies any intention or obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances after the date of this presentation.

This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

Numbers in the document may not add up only due to roundings.

