

# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

# AGENDA



● **Massimiliano Riggi** - Investor Relations

● **Matteo Del Fante** - CEO

● **Massimo Rosini** - Mail & Parcel

● **Guido Nola** - Financial Services

● **Andrea Novelli** - Insurance Services

● **Marco Siracusano** - Payments & Mobile

● **Camillo Greco** - CFO

● **Matteo Del Fante** - Closing Remarks

● **Q&A Session**

# 2024 SUSTAIN & INNOVATE



**Matteo Del Fante**  
Chief Executive Officer  
and General Manager



**Camillo Greco**  
Chief Financial Officer



**Massimo Rosini**  
Mail & Parcel



**Marco Siracusano**  
Payments & Mobile



**Guido Nola**  
Financial Services



**Andrea Novelli**  
Insurance Services



**Massimiliano Riggi**  
Investor Relations

# DISCLAIMER

- This document contains 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 the recent Covid-19 pandemic and from the restrictive measures taken by each Country to face it.
- 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 buy 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 has no intention nor is under any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances after the date of this presentation.
- Pursuant to art. 154- BIS, par.2, of the Consolidated Financial Bill of February 24, 1998, the executive (Dirigente Preposto) in charge of preparing the corporate accounting documents at Poste Italiane, Alessandro Del Gobbo, declares that the accounting information contained herein corresponds to document results and accounting books and records.
- This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements. Financial information relating to full year 2020 shown in this document refer to preliminary results.
- Numbers in the document may not add up only due to rounding.



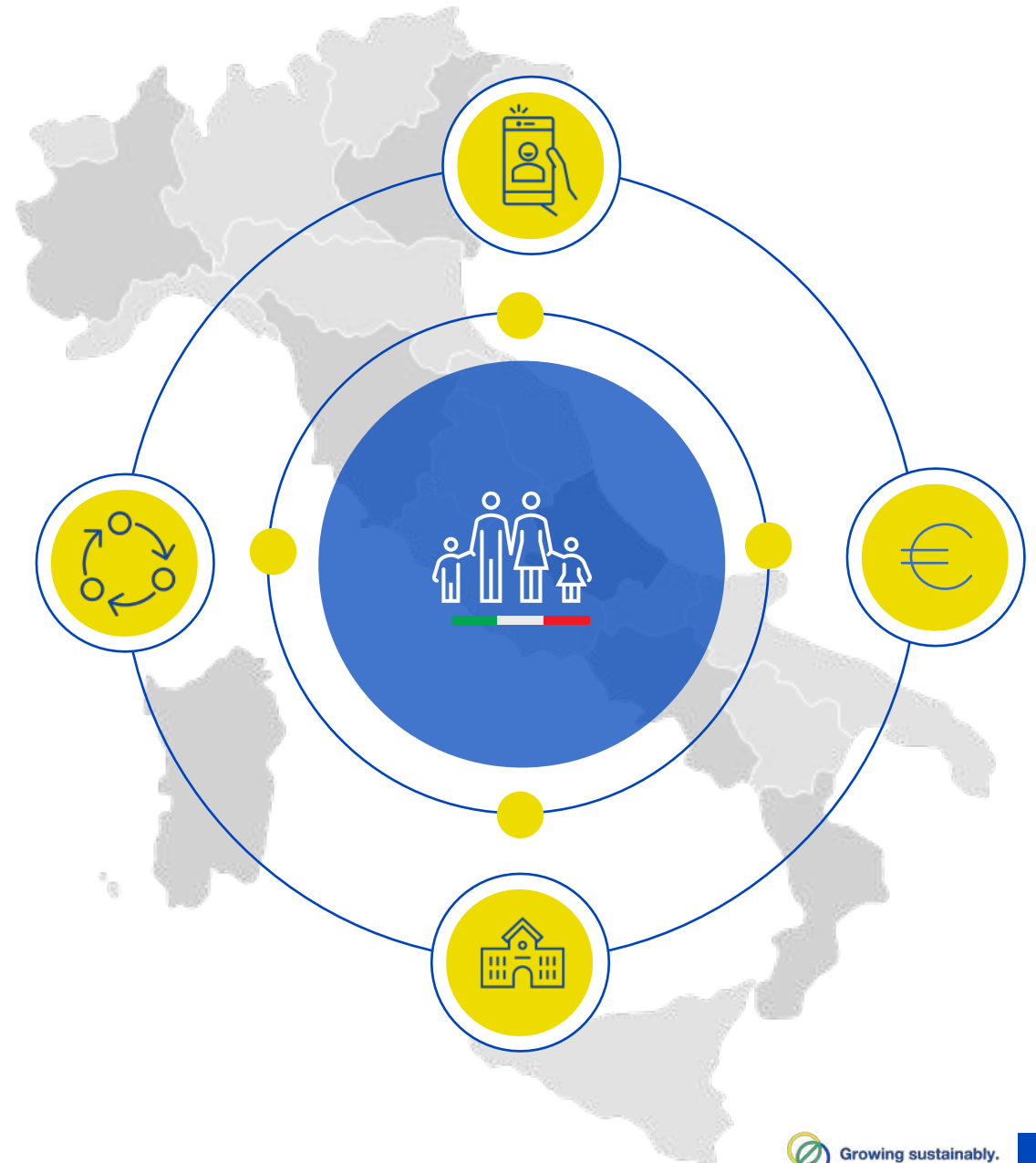
# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

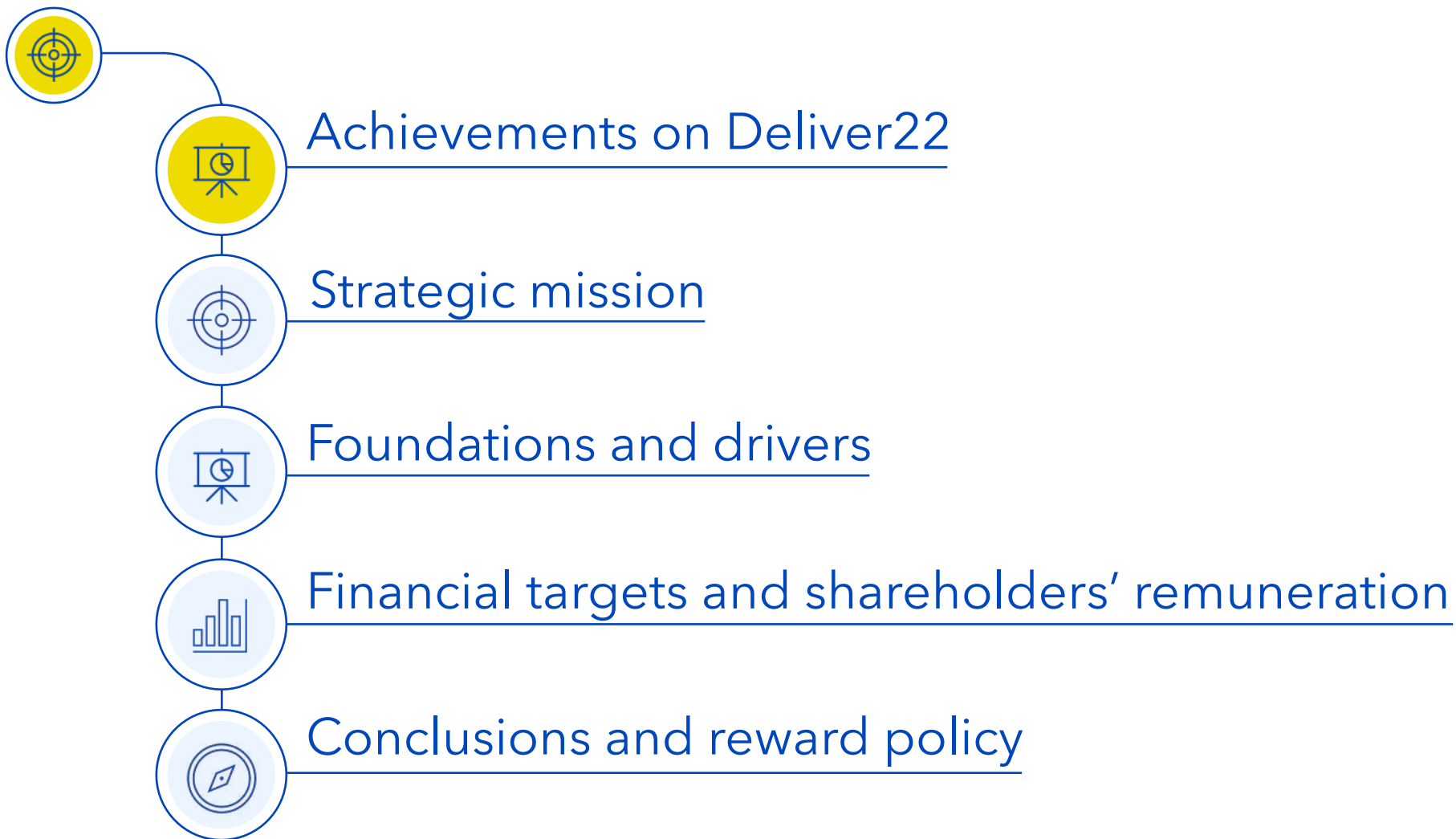
Matteo Del Fante

# A STRATEGIC PILLAR FOR ITALY

-  Supporting Italy during the pandemic and in the implementation of key social initiatives
-  Confirming presence in local communities and inclusion for customers
-  Accelerating the country's digital shift to meet evolving needs
-  Leveraging on unique position to expand clients & products penetration



# CONTENTS



# SUCCESSFULLY EXECUTING DELIVER22

Resilient in 2020 – dividend confirmed in a challenging year

€ bn unless otherwise stated

		2018		2019		2020	
	DELIVER22 Targets as of Feb-18	ACTUAL		GUIDANCE 2019	ACTUAL	DELIVER22 Targets as of Feb-18	ACTUAL
REVENUES	10.7	10.9		11.0	11.0	10.9	10.5
EBIT	1.4	1.5		1.6	1.8	1.6	1.5
NET PROFIT	1.0	1.4		1.1	1.3	1.1	1.2
DIVIDEND PER SHARE (€)	0.44	0.44		0.46	0.46	0.486	0.486



Achieved



Overachieved



# DELIVER22 OPERATIONAL ACHIEVEMENTS

A customer centric business model

## POSTE ITALIANE GROUP

### THE MOST EFFECTIVE AND TRUSTED DISTRIBUTION NETWORK



#### MAIL & PARCEL

**Unrivalled distribution network**

- Successful restructuring of mail network to exploit e-commerce opportunities
- Consolidating mail market to address ongoing mail decline

**B2C Market share (r. #1) 36.7%**

**Market share in mail (r. #1) 89%**



#### FINANCIAL & INSURANCE

**Comprehensive platform for all clients' financial needs**

- A controlled open platform for savings, insurance and investment products to meet evolving customers' financial needs
- Optimised customer and sales coverage with 8k financial advisors and 30k tellers

**Life insurance market share (r. #1) 14.7%**

**Total financial assets €569bn**



#### PAYMENTS & MOBILE

**Unique digital ecosystem**

- Key player in the Italian payments market
- Distinctive platform integrating payments and telco

**Cards issued (r. #1) 28.9M**

**Digital wallets (r. #1) 7.4M**

**Market share e-commerce transactions (r. #1) c.25%**

# ESG STRATEGY – POSITIVE IMPACT ON ALL STAKEHOLDERS

Dynamic strategy, following the evolution of our stakeholders

## Support for local communities and the country

- Key service provider for COVID-19 vaccine platform potentially contributing to about 35% of Italian population vaccination
- Over 1.5bn PPE items and c. 2m vaccine doses delivered

## Equal opportunities & people development

- 5.9m training hours in 2020 of which over 90% delivered remotely
- 200k free Covid-19 tests for employees

## Customer protection and satisfaction

- 33m queries resolved (+38% vs 2018) by Customer Service
- 82% customer satisfaction<sup>1</sup>



## Integrated compliance and risk management

- Development of an ESG model rating suppliers

## Real estate & logistics reduced emissions

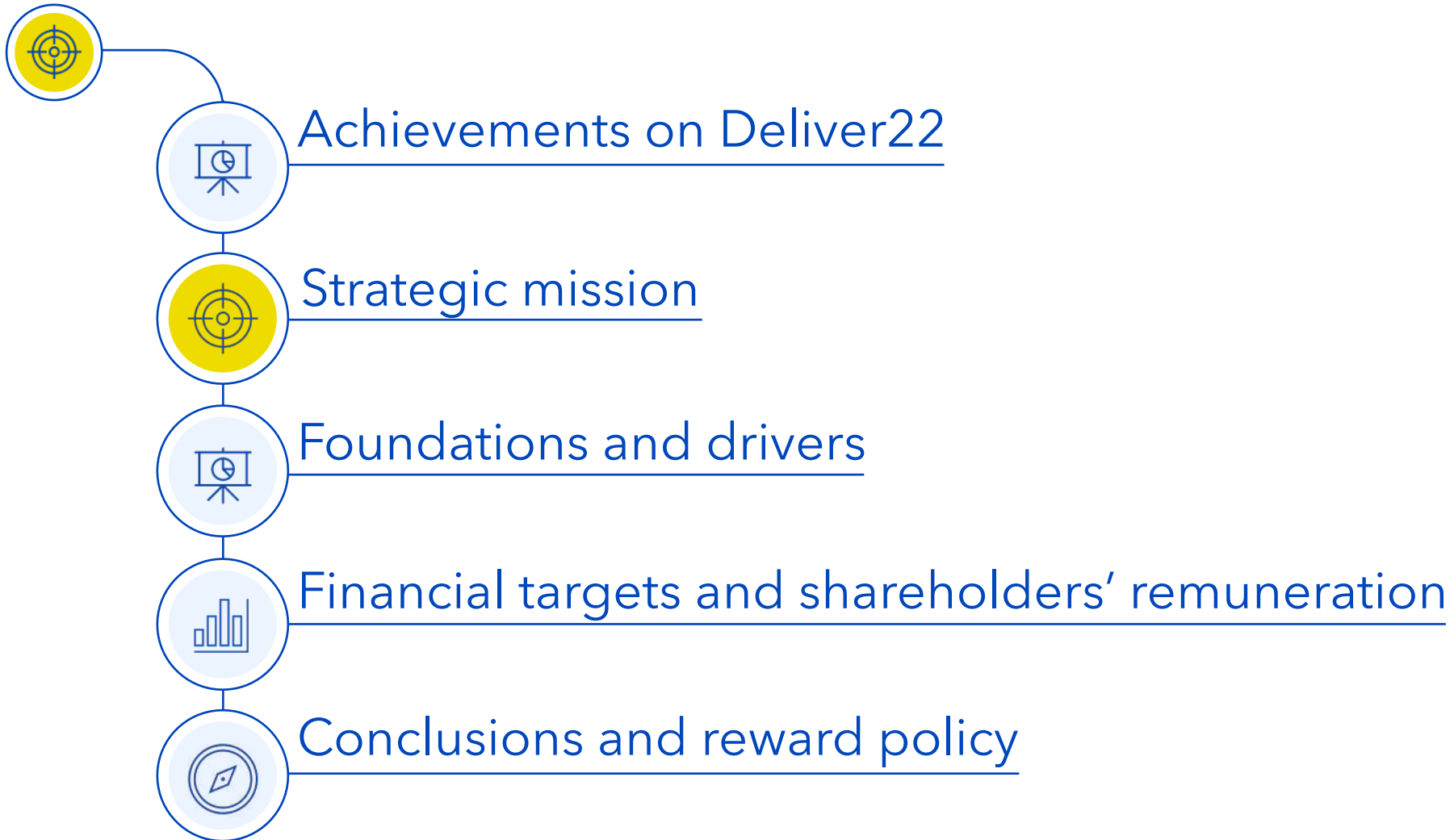
- 95% of electricity from renewables
- KPMG 'True Value' model to assess the environmental impacts of strategic projects

## ESG criteria integrated within traditional investment processes

- ESG policy adopted by BancoPostaFondi, PosteVita and third party asset managers
- BancoPostaFondi and PosteVita carbon footprint score ahead of benchmark<sup>2</sup>

1. Based on the results of "Customer Experience" surveys; 2. Source: Vigeo Italia, as at Dec-20, Energy Transition score 50/100 for BancoPostaFondi and 51/100 for PosteVita versus 40/100 for MSCI World ETF shares

# CONTENTS



# BEST CLIENT BASE IN THE COUNTRY



LARGEST CLIENT  
BASE IN ITALY



BRAND STRENGTH  
RECOGNITION  
CONFIRMED BY



HIGH CUSTOMER LOYALTY  
FOSTERED BY COMMITMENT TO  
QUALITY AND SOCIAL  
RESPONSIBILITY



**35m**

clients



**11m<sup>1</sup>**

daily interactions  
with individuals,  
o.w. 4.7m digital  
visits



**210m**

parcels  
delivered  
in 2020  
(2x 2016)



**27m**

postal savings  
clients



**>€15bn**

retail net inflows  
in 2020



**2.5%**

insurance  
investment  
products lapse  
rate vs 5.5%  
market



**13%<sup>2</sup>**

churn rate in  
Telco vs 20%  
market



**Rank #1**

in the Top 100  
most trusted  
insurance brands  
by Brand Finance

**1.** Based on estimated digital daily visits on App/Web, Post Offices, third parties, contact centre, including daily visits related to Mail & Parcel deliveries; **2.** As of 2019

# THE ENGINE OF INNOVATION AND DIGITALISATION

Connecting Italy in the new hybrid world



**36.7%** 2020 B2C market share<sup>1</sup>



**210M** 2020 parcels delivered (2X vs 2016)



**397M** E-commerce payment transactions 2020<sup>2</sup> (+59% vs 2019)



**spid**

Sistema Pubblico di Identità Digitale

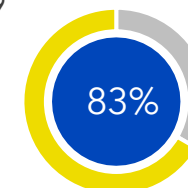
**15M**

**4.5M**

Poste digital ID customers (SPID identities released)

2019

Mar-21<sup>3</sup>



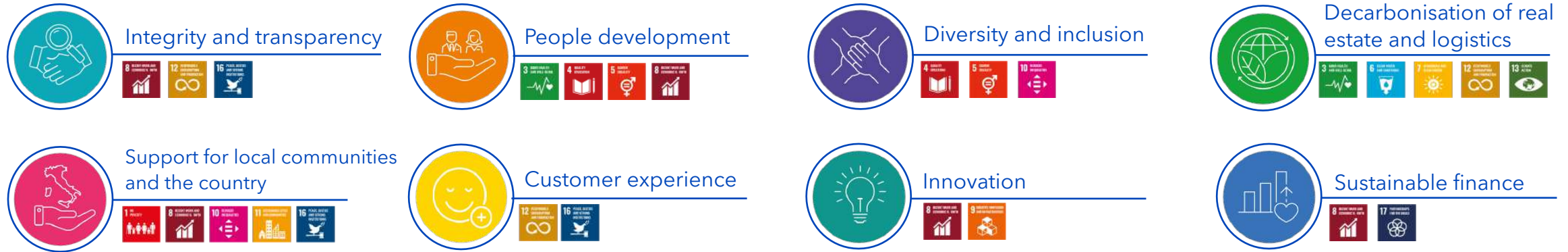
Market share of Poste digital ID

1. Mail & Parcel; 2. PostePay; 3. Update as of March 2021



# ESG STRATEGY 2024 - SUSTAINABLE VALUE CREATION

Delivering responsible growth - driving Italy's sustainability and social integrity through innovation and digitalisation



## Delivering a greener future

Fighting against climate change, innovating throughout the business to minimise our environmental impact, managing risk and achieving long-term resilience

## Investing in a thriving workforce

Rights, safety and wellbeing of our people come first in everything we do

## Protecting our customers, building an inclusive society

Providing vital support to the individuals and communities around us

## Driven by good corporate governance

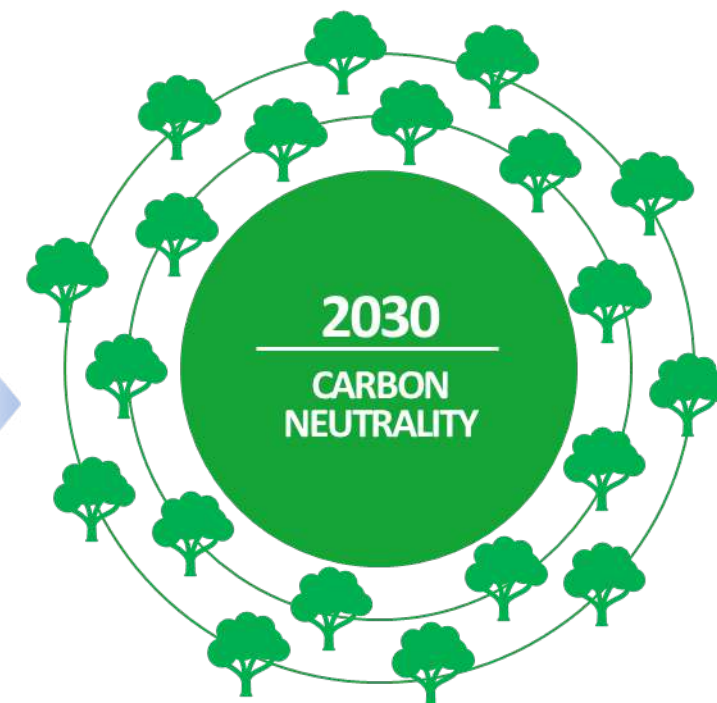
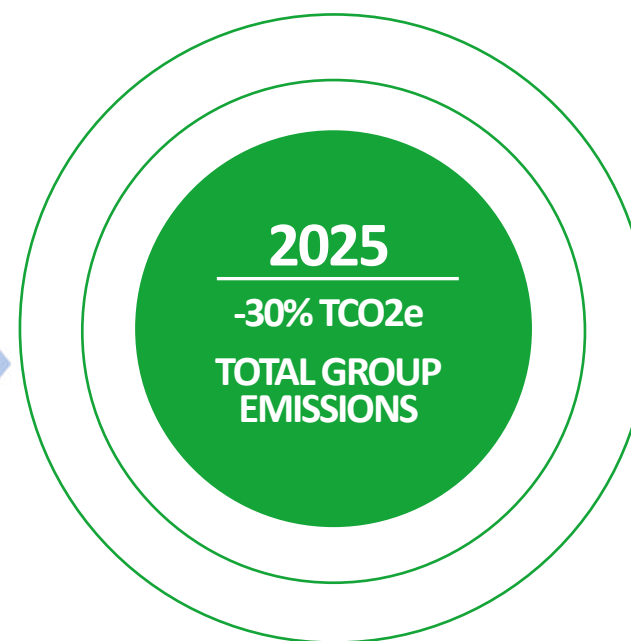
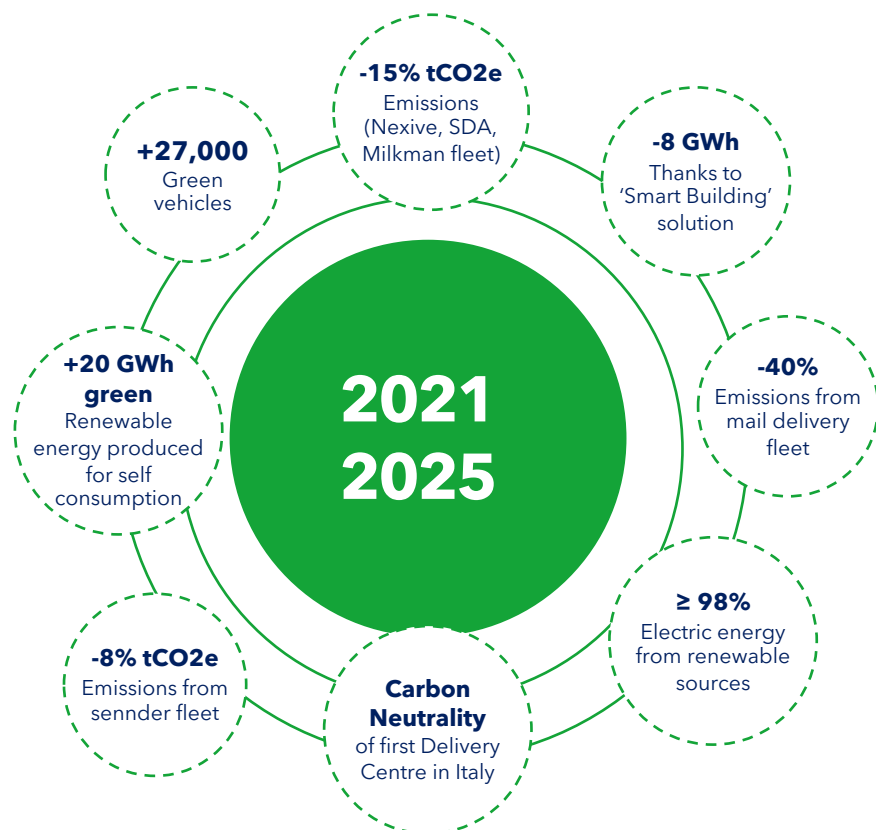
Leading with integrity and transparency, committed to a code of business ethics and remuneration. Striving to manage our business sustainably and invest responsibly

## ENVIRONMENTAL STRATEGY

Targeting carbon neutrality by 2030



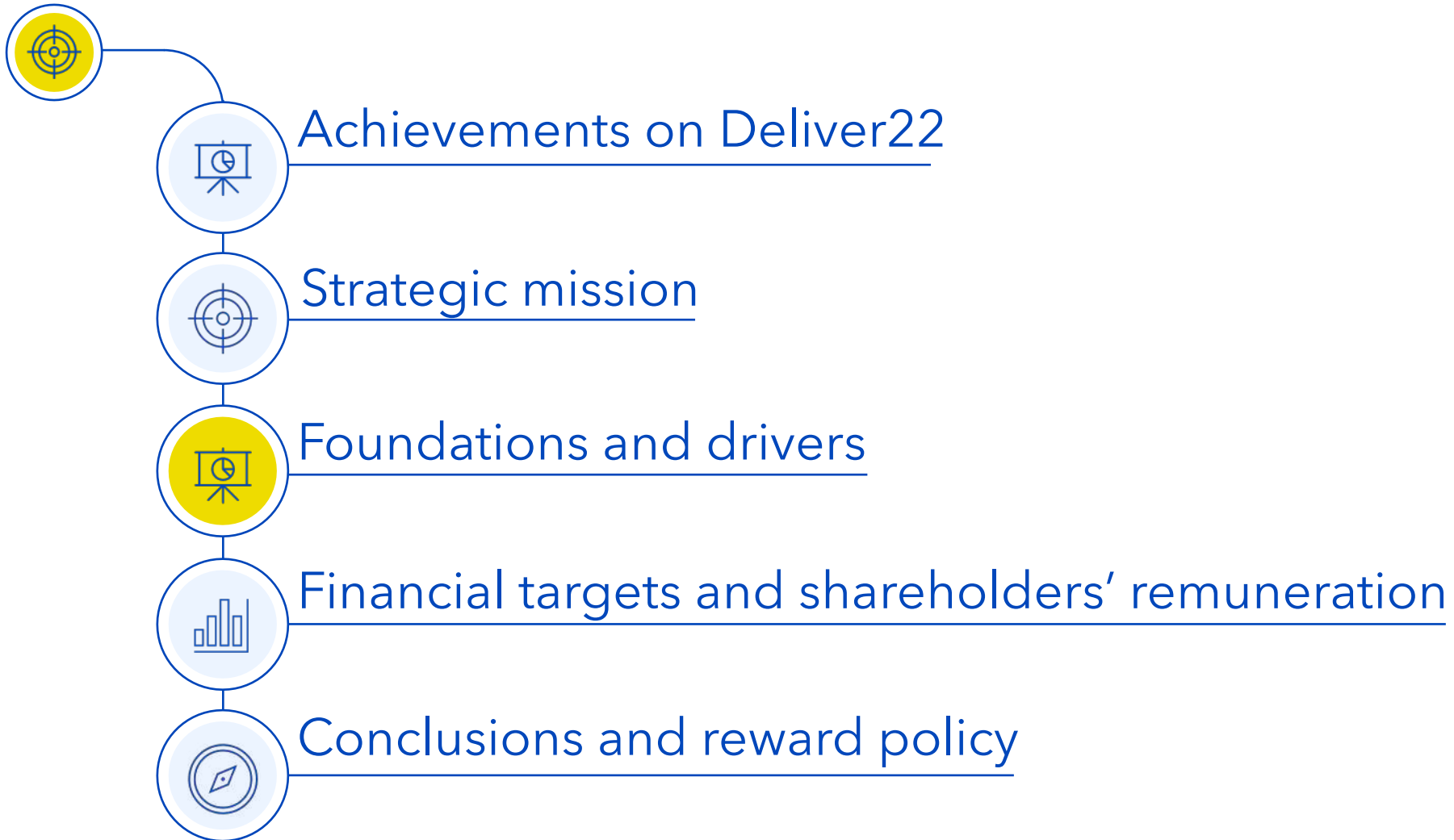
Decarbonisation of real estate and logistics



**BUSINESS AMBITION FOR 1.5°C**

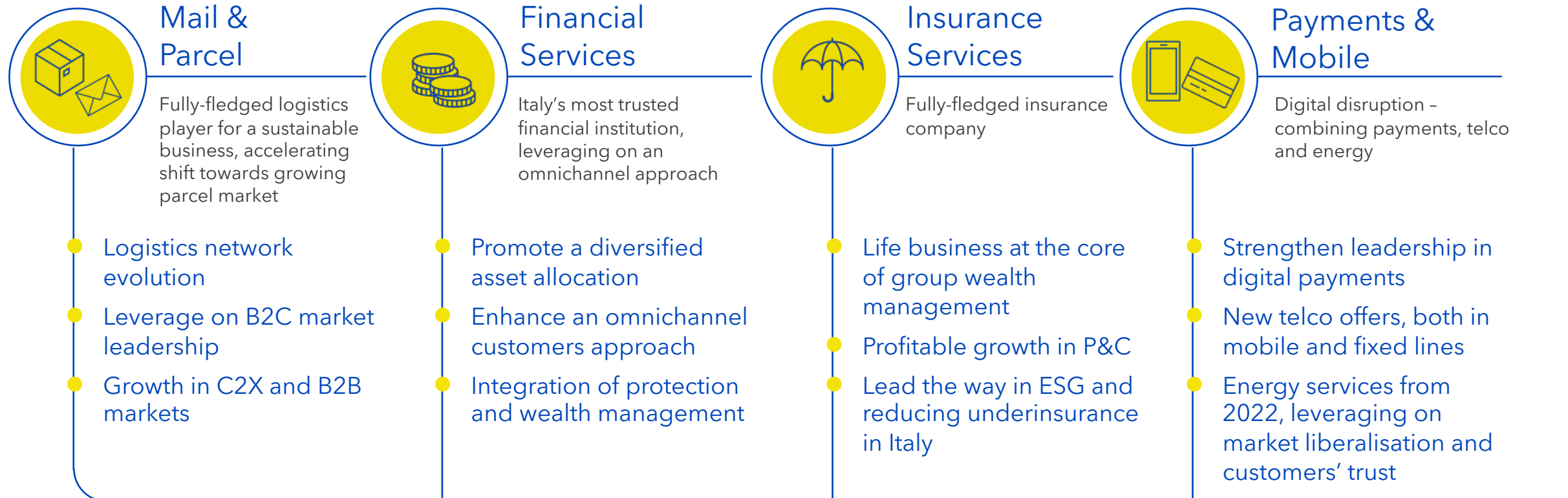


# CONTENTS



## STRATEGY ROLL-OUT







## GROUPWIDE OMNICHANNEL STRATEGY



## SUSTAINABILITY

# EMERGING BUSINESS TRENDS

Poised to seize arising business opportunities

MARKET TRENDS			POSTE'S POSITIONING			
				2017 – 2020	2021 – 2024	
	B2C PARCEL (PER CAPITA <sup>1</sup> )	6	>14	B2C PARCEL REVENUES	+37% CAGR	+13% CAGR
	DIGITAL TRANSACTIONS (PER CAPITA <sup>2</sup> )	77	140	PAYMENT CARDS TRANSACTIONS	+19% CAGR	+16% CAGR
	MANAGED PRODUCTS <sup>3</sup> (% OF TFA)	36%	44%	MANAGED PRODUCTS <sup>4</sup> (% OF TFA)	27% ▶ 29%	29% <sup>5</sup> ▶ >32%
	NON-MOTOR P&C PENETRATION (% ON GDP <sup>6</sup> )	1.0%	2.7%	NON MOTOR P&C GWP	+19% CAGR	+29% CAGR

1. Internal estimates; 2. ECB; 3. Bank of Italy; 4. Includes net technical reserves, mutual funds and discretionary mandates. Retail products perimeter; 5. 2020 – 2024; 6. ANIA



# HYBRID DISTRIBUTION CHANNELS

Unrivalled proximity empowered by third parties and growing digital presence

## PHYSICAL FOOTPRINT

13k



## B2B2C EMPOWERMENT

37k



94%<sup>4</sup>

Italian citizens living within 5 min  
distance from Poste Italiane

## DIGITAL FOOTPRINT (daily digital visits, m)



First 3 APP<sup>3</sup>  
downloaded in the  
Financial Services  
category (Italy - 2020)



39%

2020  
Digital  
Customers<sup>2</sup>

Target  
2024  
50%

1. Lottomatica (FIT), Eni station, DO & GDO, INPOST, Indabox, API; 2. % of customers with at least one access to Poste digital properties in 2020, out of a total customer base of 41M; 3. PostePay, Bancoposta, PosteID. Source: AppAnnie 4. Post offices and PuntoPoste

# PANDEMIC ACCELERATING INTERACTIONS AND BUSINESS SHIFT TOWARDS NEW CHANNELS



## Interactions

(11m total daily avg.<sup>1</sup>)

Share of **CONTACTS** on **new channels**<sup>2</sup>



## Transactions

(2.5m total daily avg.)

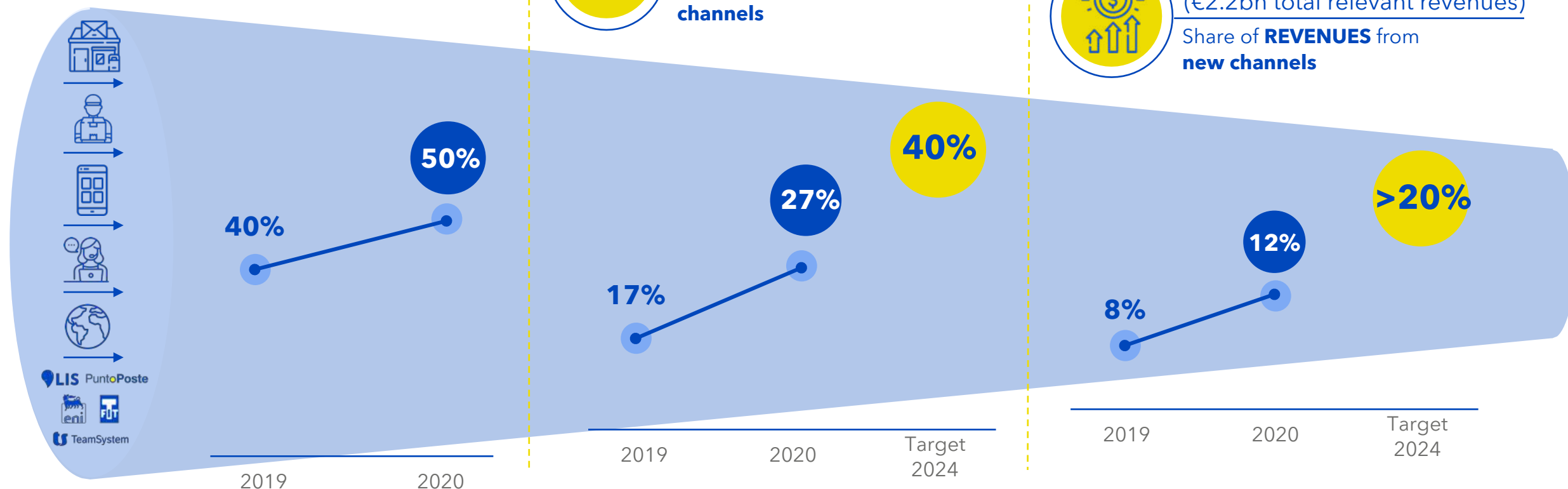
Share of **TRANSACTIONS** on **new channels**



## Revenues<sup>3</sup>

(€2.2bn total relevant revenues)

Share of **REVENUES** from **new channels**

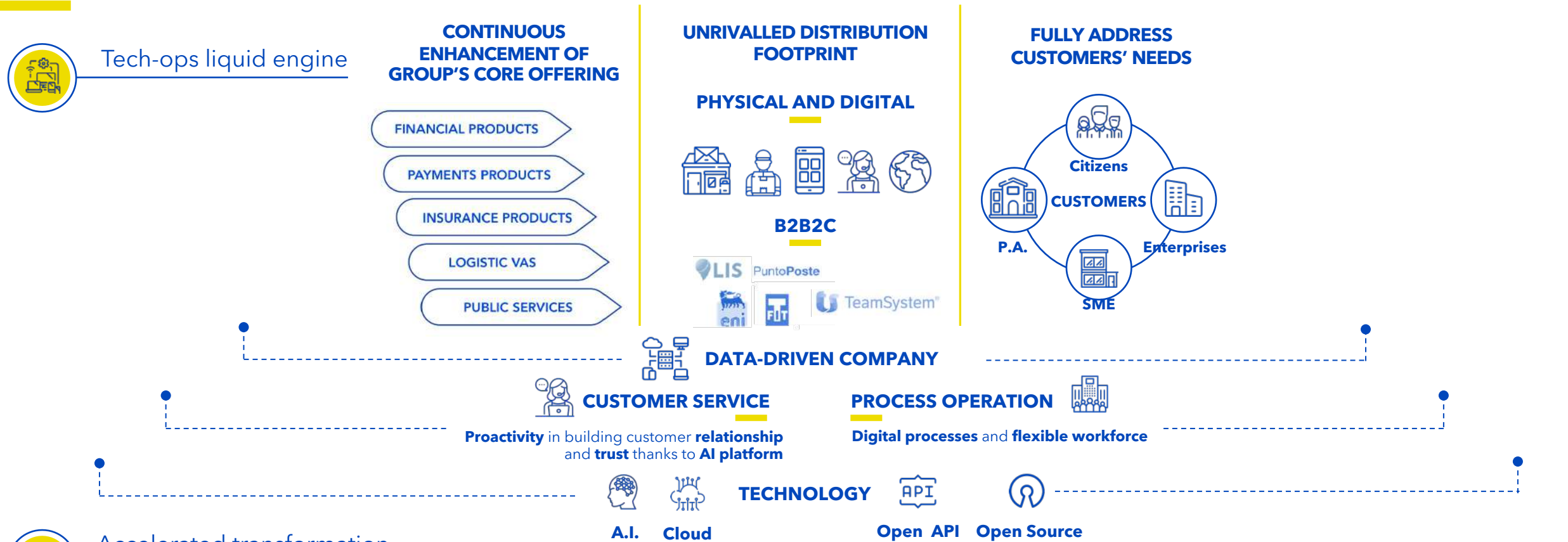


1. Daily observations weighted on the different channels' operability; 2. Digital & B2B2C channels; 3. New channel revenues refer to Digital & B2B2C addressable markets only, excluding recurring revenues from TFA's management and those related to public tender contracts

\*The shares of interactions, transactions and revenues on new channels are evaluated on an annual base

# POSTE AS A TECH ENABLED COMPANY

Tech-ops liquid engine to accelerate the transformation



## Accelerated transformation

**64%**

of investments in transformation and business innovation over the plan (vs. 37% 2018-2020)

**c.€300M**

Cumulated Cloud spending  
**1<sup>st</sup> Italian Cloud services users**

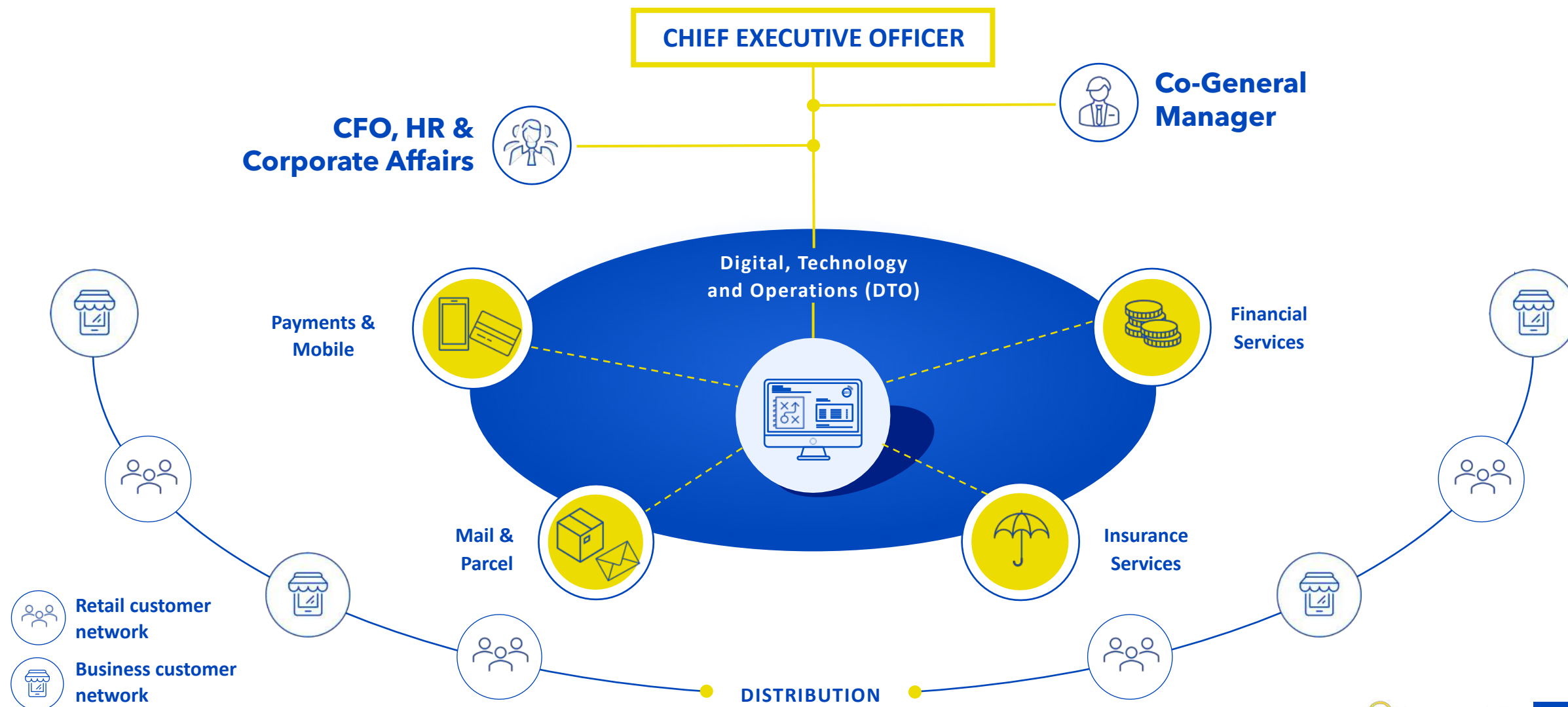
**>8M**

**25% of total Contact Centre interactions** successfully handled by AI via Chatbot or Voicebot (20x vs 2019)

**145**

**API integrated partners** as of 2020

## BUSINESS ORGANISATION READY FOR A SUCCESSFUL EXECUTION



# TOTAL FINANCIAL ASSETS

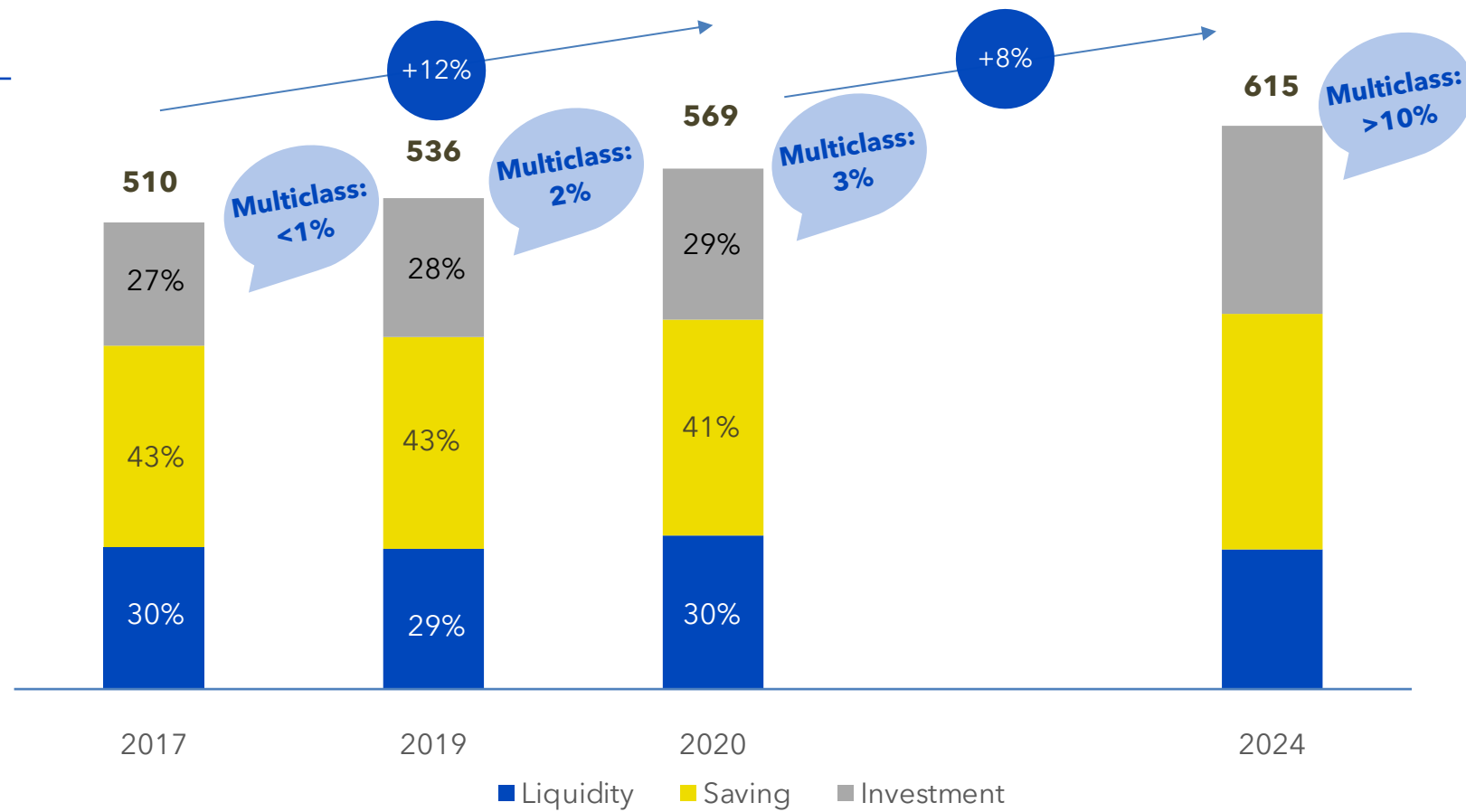
Enhanced advisory model with a comprehensive portfolio approach to best serve clients' needs



## Total Financial Assets<sup>1</sup>

(€ bn)

- Client profiling and enhanced advisory model supporting proactive portfolio allocation to enhance risk return
- Leveraging on consolidated leadership to integrate life insurance into managed products to meet clients' needs



<sup>1</sup>. Liquidity: deposits and postal books; Saving: postal bonds and time deposit postal books; Investment: net technical reserves, mutual funds and asset under custody



## HUMAN CAPITAL

25% of 2024 workforce to be renewed

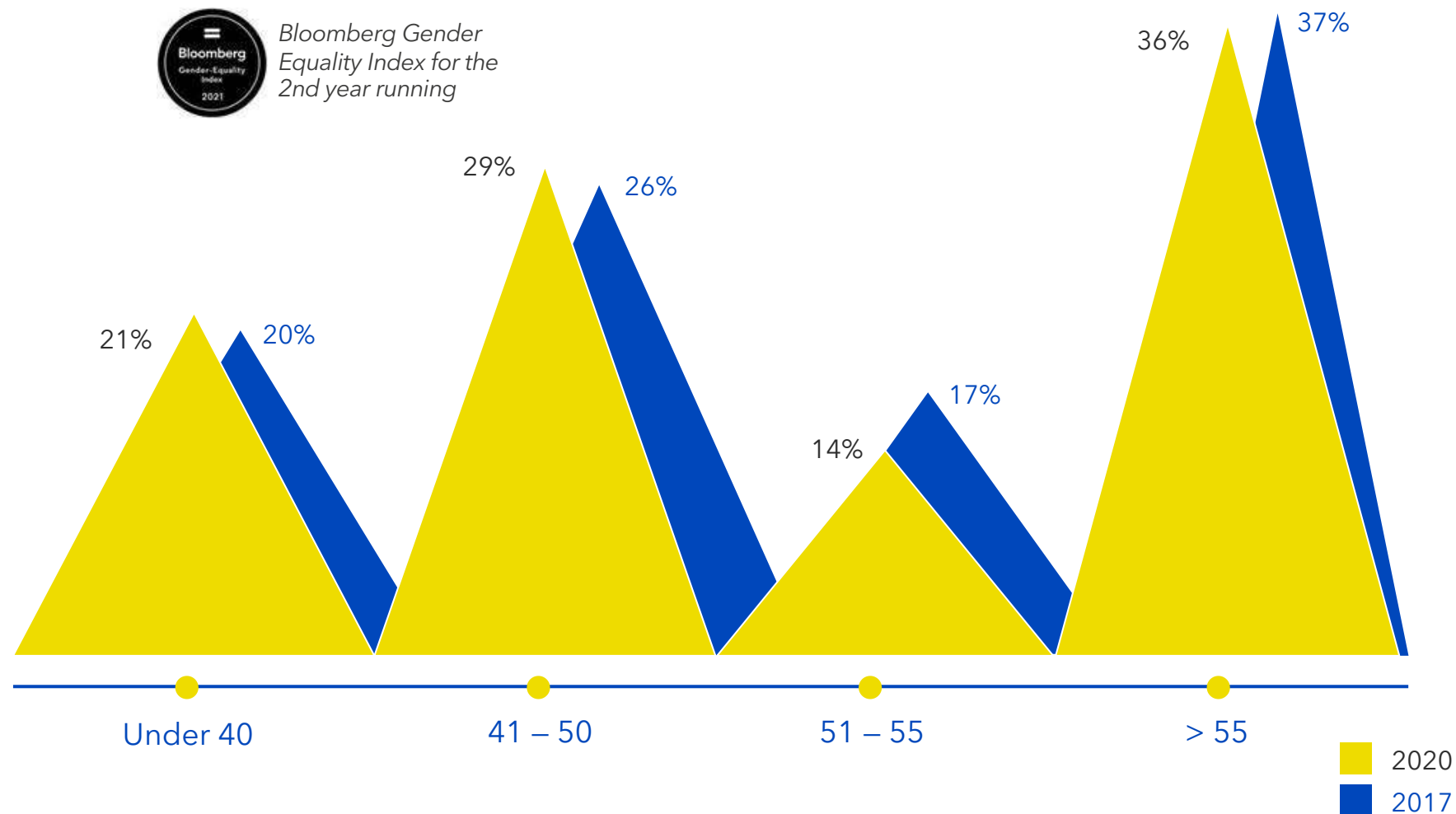


## Age evolution



Bloomberg Gender  
Equality Index for the  
2nd year running

	AVERAGE AGE (Y)	FEMALE EMPLOYEES
2017	49.7	54%
2020	49.2	55%
2024	49.3	56%



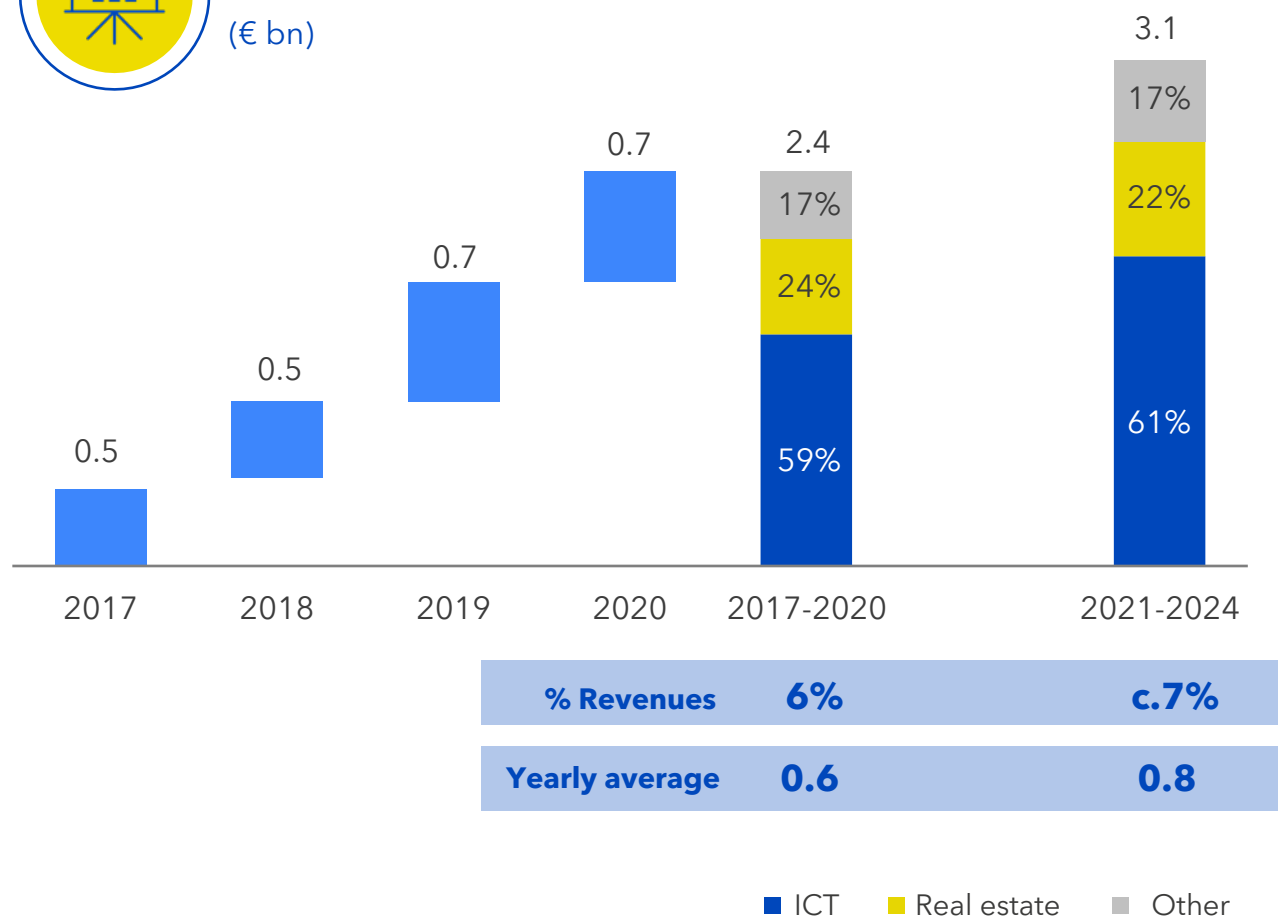
# RECORD HIGH CAPEX OVER THE BUSINESS PLAN

€3.1bn to support transformation



## Capex evolution

(€ bn)



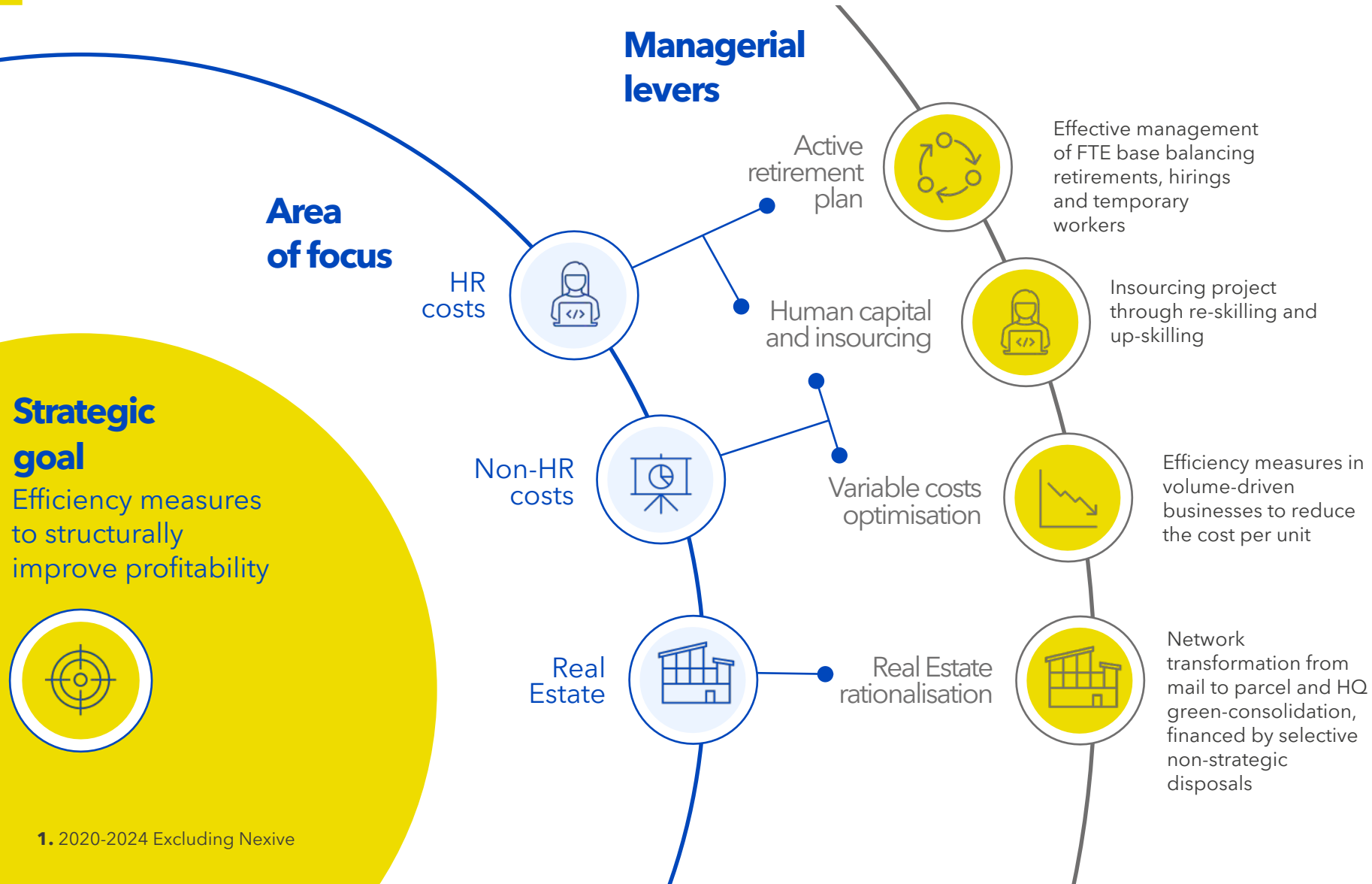
## Key strategic priorities (90% of total capex)

>60%  
ESG

- Hybrid-Cloud transformation and IT platform
- Customer experience and people development
- Mail & Parcel automation
- Energy efficiency
- Business and product development
- New postal offices service model

# STRATEGIC FOCUS ON COSTS

Cost discipline flexibility - supporting business growth



## KPIs

9K

Avg FTE reduction<sup>1</sup>

## Value Added per FTE

2019	2024
67	77

## Variable costs/ Variable revenues

2019	2024
79%	67%

1. 2020-2024 Excluding Nexive

# ESG STRATEGY

S.M.A.R.T. ESG targets constantly monitored to ensure successful execution



## Integrity and transparency

- New Integrated Anti-Fraud Platform
- ISO 37001 certification

**100% of products by 2024**

**100% by 2022**



## Customer experience

- Increase customer satisfaction
- Paperless appointment booking system

**+4% by 2022**

**All Post Offices by 2021**



## Diversity and inclusion

- Equal Salary Certification
- Groupwide initiatives to ensure equal opportunities for women in leadership

**by 2022**

**by 2021**



## Innovation

- SMART Post Boxes<sup>2</sup>
- QR-code payments
- Biodegradable payment cards

**10.5k units by 2025**

**500k merchants by 2022**

**20m cards by 2024**



## Sustainable finance

- Climate change monitoring
- Insurance coverage for green buildings
- AUM<sup>3</sup> benchmarked against ESG indices
- PosteVita investment products to include ESG factors

**All active portfolios by 2021**

**by 2021**

**50% by 2022**

**100% by 2024**



## People development

- Work-related accident frequency rate
- Workforce education and development-training hours<sup>1</sup>

**-8% by 2024**

**25m by 2024**



## Support for local communities and the country

- Countrywide educational and financial inclusion projects for Italians in digital format by 2022

**Launch by 2022**



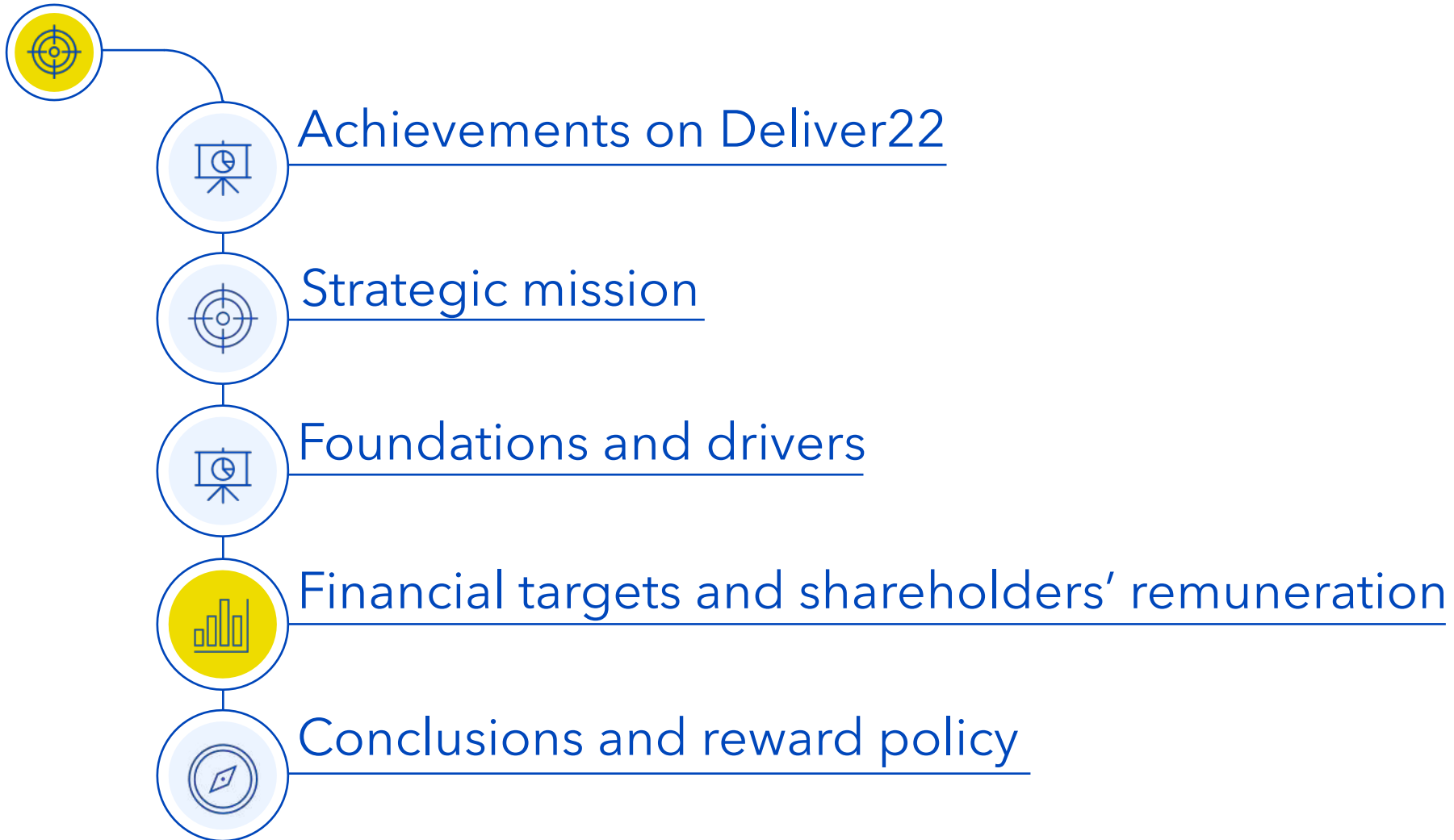
## Decarbonisation of real estate and logistics

- Emission reduction - carbon neutrality by 2030

**-30% by 2025**

1. Cumulated 2020 - 2024 training hours. 5.9m training hours delivered in 2020; 2. Equipped with infrared mail tracking sensors, indicating in real time if there is mail to collect; 3. BancoPostaFondi's AUM

# CONTENTS



# KEY FINANCIAL TARGETS

Profitability trajectory supporting enhanced dividend policy

€ bn unless otherwise stated

	2019	2020	2021	2022	2024	CAGR 19-24
REVENUES	11.0	10.5	11.2	11.6	12.7	+3%
EBIT	1.8	1.5	1.7	1.9	2.2	+5%
NET PROFIT	1.3	1.2	1.4	1.3	1.6	+6% <sup>1</sup>
DIVIDEND PER SHARE (€)	0.463	0.486	c. 0.55			+7%

1.2 excl. SIA revaluation

+14% VS. 2020  
60% PAYOUT<sup>2</sup>

6%<sup>3</sup>

**1.** Excluding €0.1bn related to the revaluation of SIA stake in 2019; **2.** Corresponding to 60% of underlying net profit of €1.2bn (excluding the revaluation of SIA stake of €0.3bn)  
**3.** For 2022, 2023 and 2024



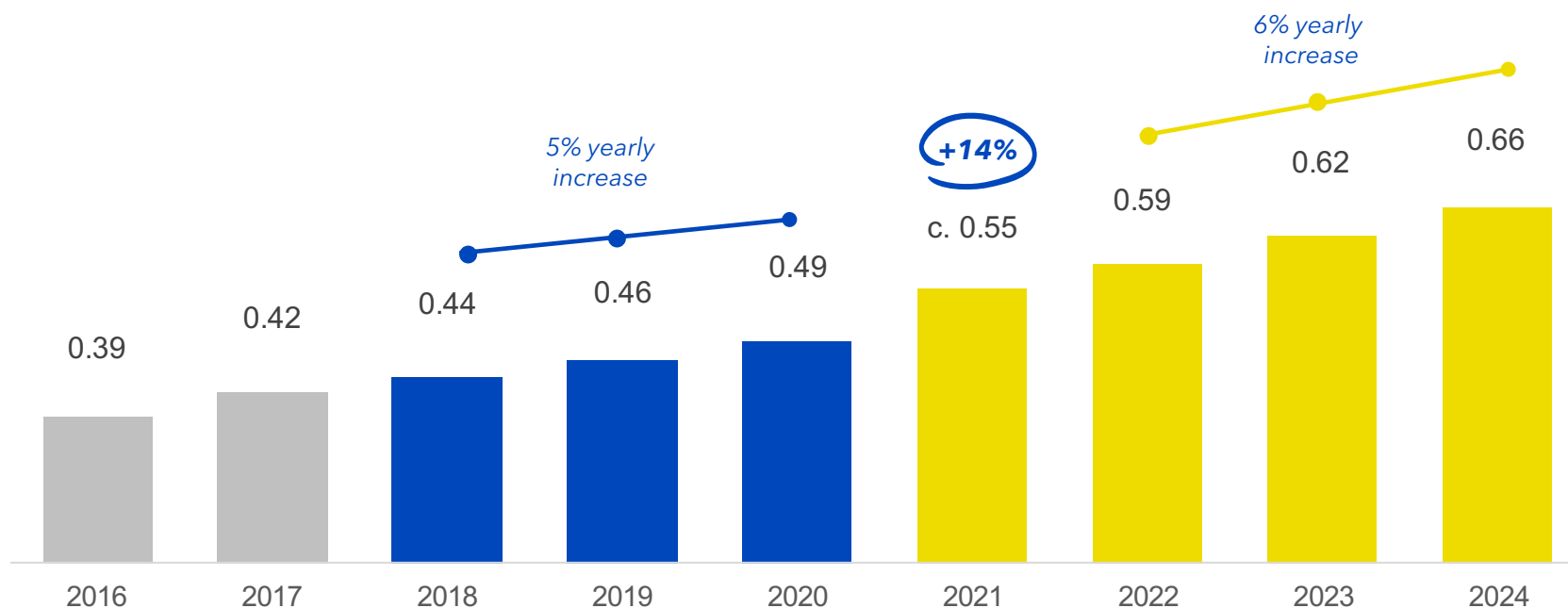
# SHAREHOLDERS' REMUNERATION

Upgraded dividend policy: DPS +35% over the plan horizon



## Dividend policy

(€)



- Sustainable dividend policy linked to group performance
- Visible remuneration
- Commitment to competitive dividend thanks to conservative payout ratio

<b>Payout ratio</b>	<b>81%</b>	<b>80%</b>	<b>41%</b>	<b>45%</b>	<b>52%</b>	<b>c.60%<sup>1</sup></b>
---------------------	------------	------------	------------	------------	------------	--------------------------

1. 2021 payout corresponding to 60% of underlying net profit of €1.2bn (excluding the revaluation in SIA's stake of €0.3bn)

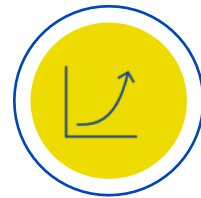
# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

Massimo Rosini

MAIL, PARCEL & DISTRIBUTION

# MAIL, PARCEL & DISTRIBUTION ACHIEVEMENTS



## Positioning

- Parcel-focused operator, market leader in B2C



## Capabilities

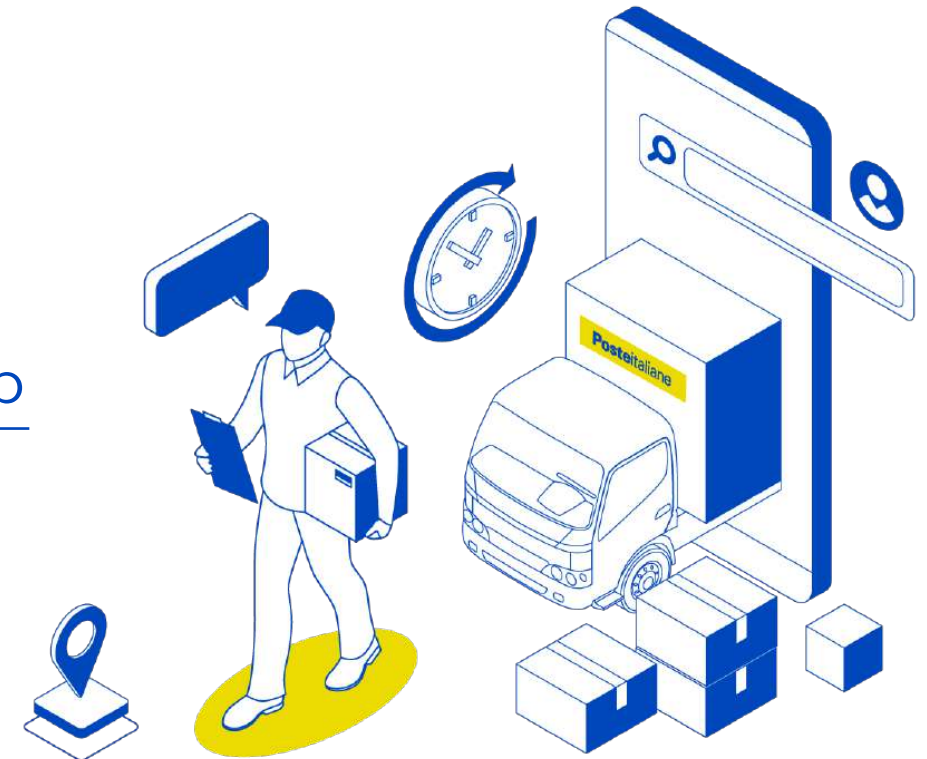
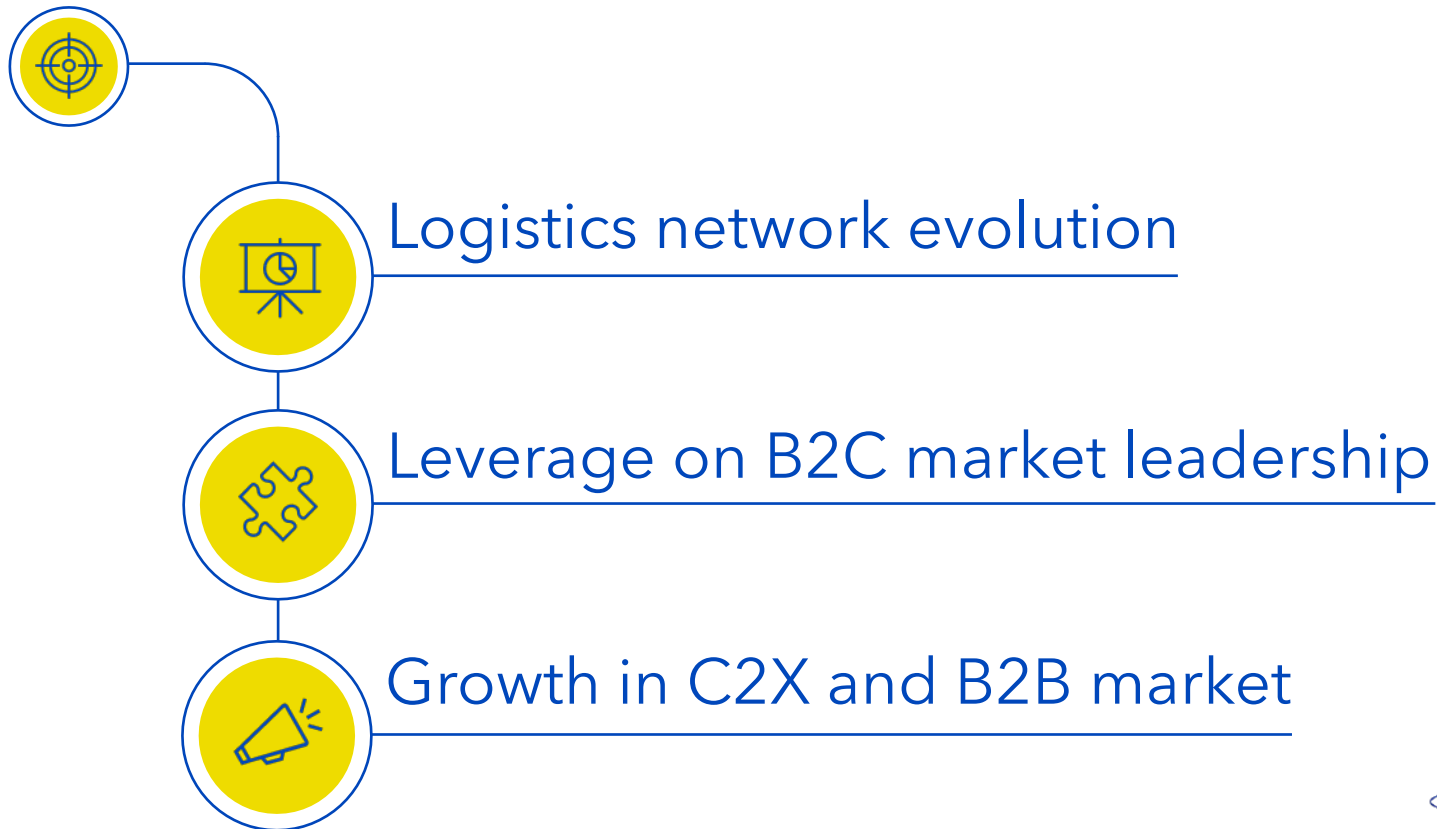
- Highly automated, parcel-driven network



## Service offer

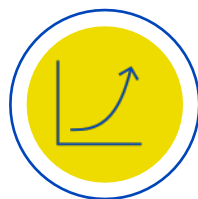
- Time-to-market on logistic solutions
- Strategic pattern: from opportunistic to leader in innovation

# FULLY-FLEDGED LOGISTIC PLAYER FOR A SUSTAINABLE BUSINESS



# MARKET TRENDS

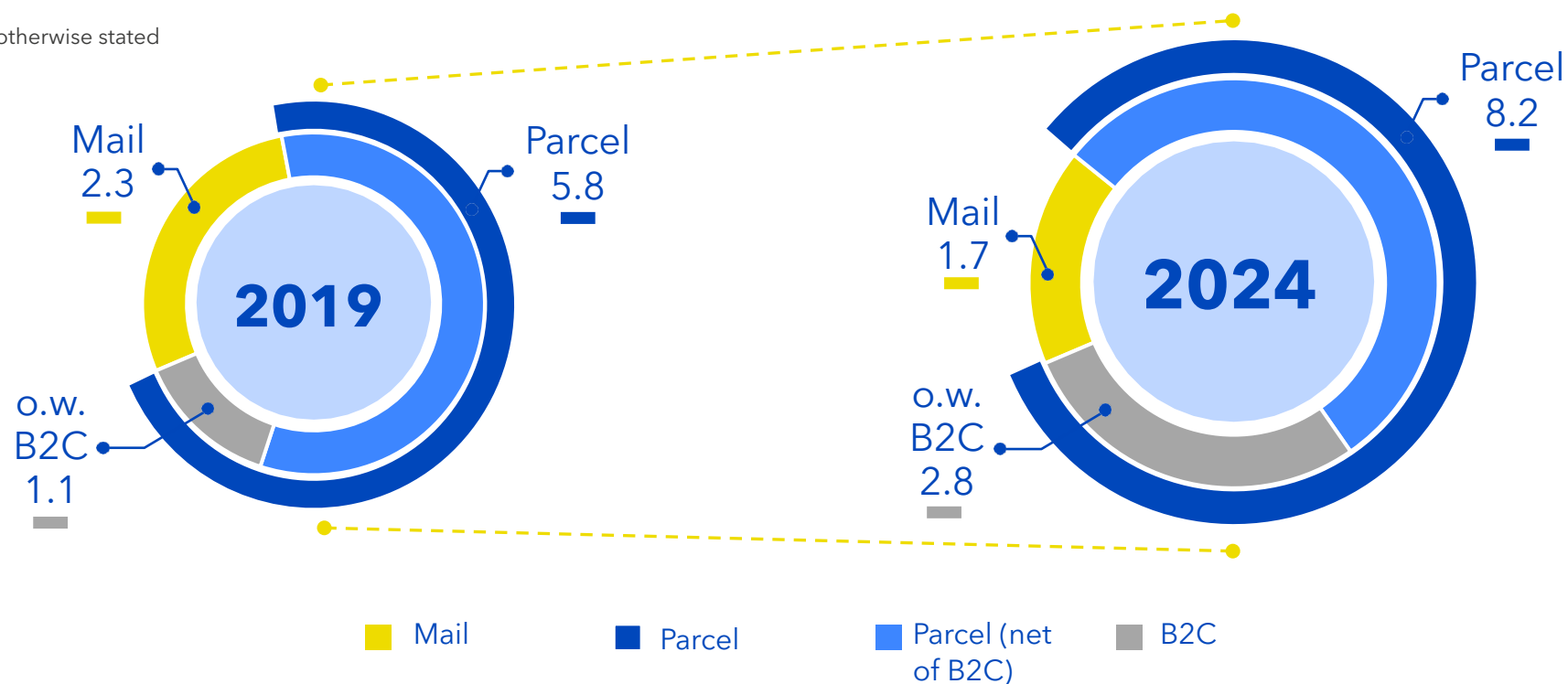
Continuing mail decline & parcel growth driven by B2C



## Market size

Mail & Parcel market - Revenues

€bn unless otherwise stated



**CAGR  
19 - 24**

Mail

**-7%**

Parcel

**+7%**

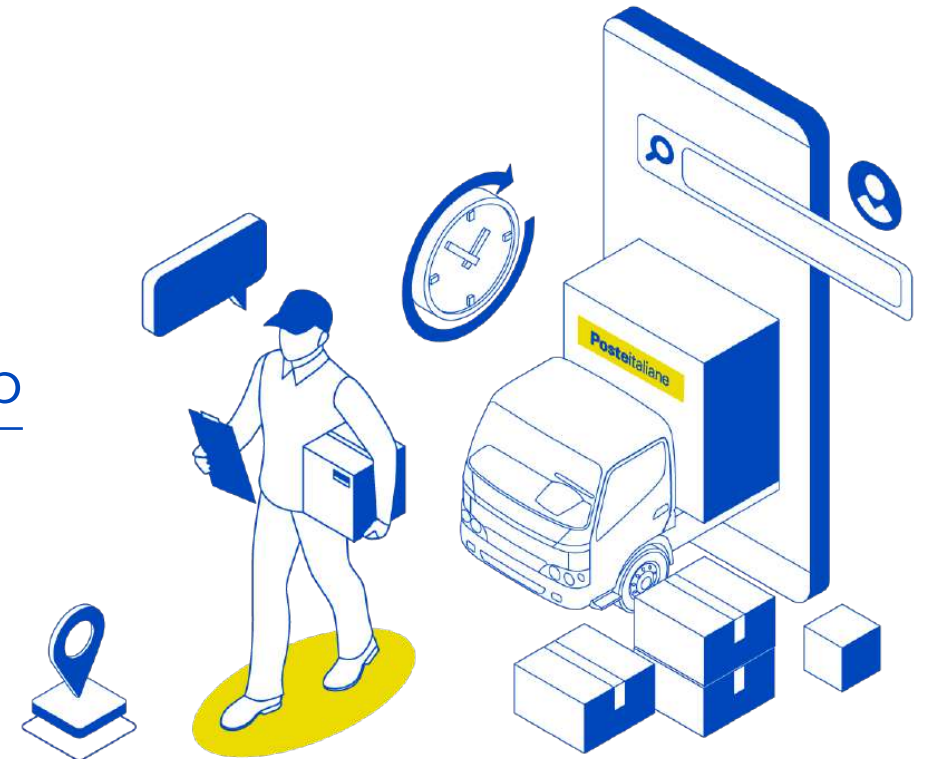
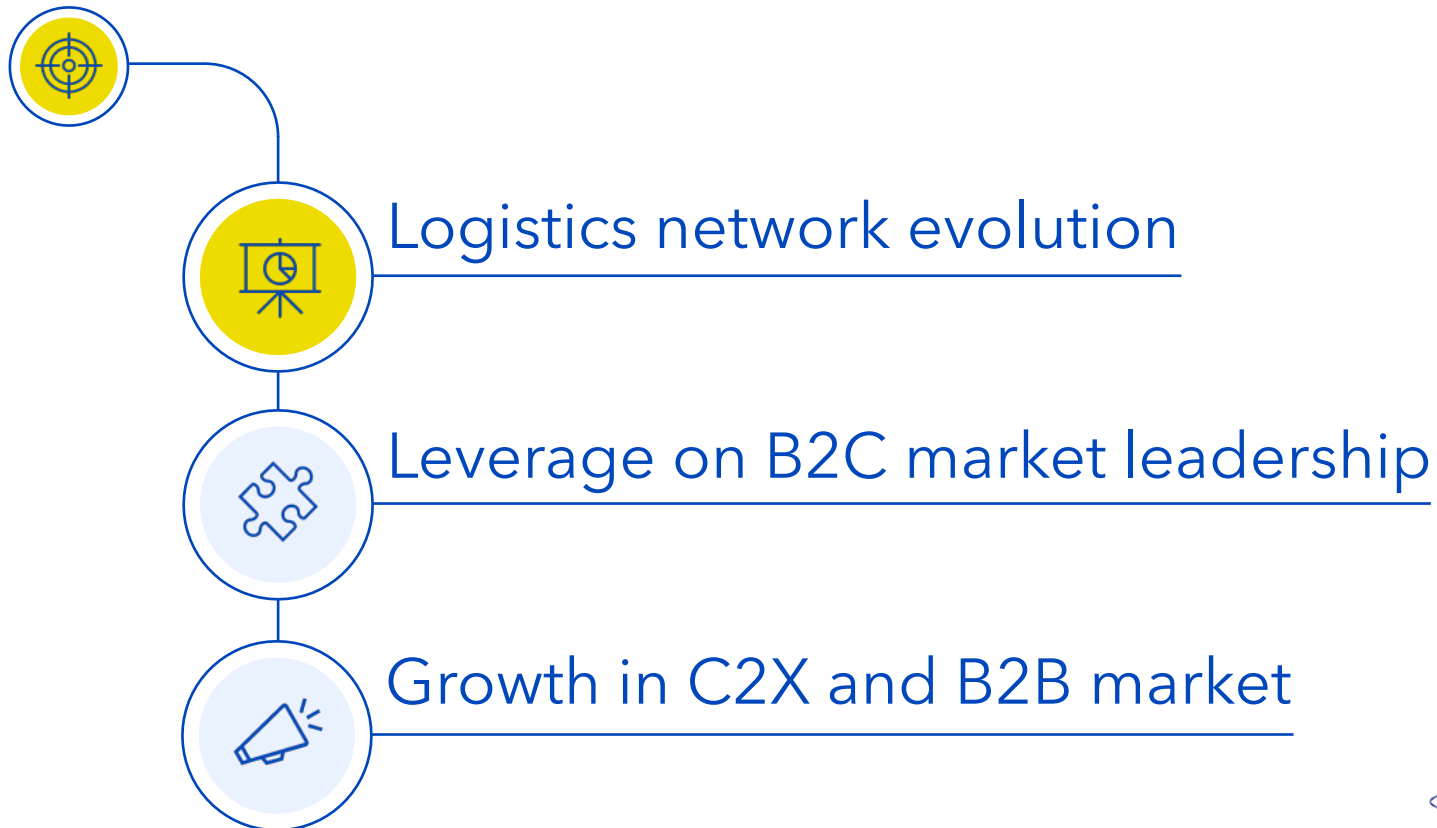
B2C

**+21%**

B2C market is a part of parcel business; Excluding in mail market: Universal Service Obligation, editorial contributions (e.g. subsidies received for distribution of newspapers and magazines) and printing services



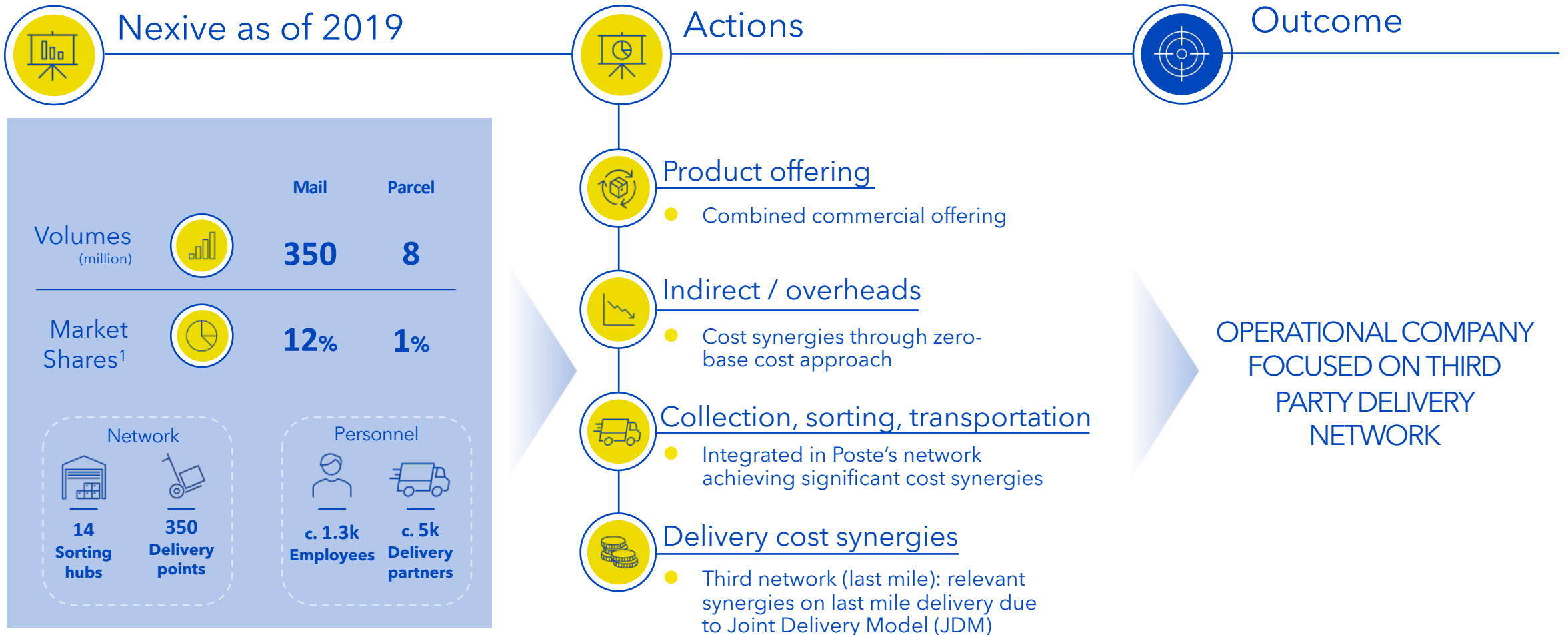
# FULLY-FLEDGED LOGISTIC PLAYER FOR A SUSTAINABLE BUSINESS





# LOGISTICS NETWORK EVOLUTION

Nexive's sustainable integration - €100 m running cost synergies mostly by 2022



1. Market shares in volume

# LOGISTICS NETWORK EVOLUTION

Efficiency across the whole value chain: sorting



## Automation and efficiency

- Fully operational automated parcel hubs
- Replacement of mail legacy technologies with mixed-mail machines
- Light automation to complete plant industrialisation
- Mail sorting nodes downsizing



## Operational excellence programme

- Boosting "lean approach" in day-by-day operations



## KPIs

**2X**  
**24 vs 19**



Daily automated parcel capacity

**7/7**  
**by 2024**



Daily processing

**-40%**  
**by 2024**



Mail sorting machines

**100%**  
**by 2024**



% of sorting centers operating with "lean approach"  
("World Class Mail and Parcel programme")

# LOGISTICS NETWORK EVOLUTION

Efficiency across the whole value chain: transportation



## Aircargo network

- New air connections to support parcel growth
- Payload enhancement



## Road network

- Linehaul optimisation:
  - Exploiting sender JV digital capabilities
  - Customer base extension



## KPIs

**-15%**  
**24 vs 19**



Air cargo direct cost<sup>1</sup>

**-10%**  
**24 vs 19**



Road transportation cost<sup>2</sup>

1. Per cubic meter, on each connection; 2. Per unit loaded

# LOGISTICS NETWORK EVOLUTION

Efficiency across the whole value chain: delivery



## Last mile delivery-efficiency

- Sizing model update:
  - Parcel contactless delivery
  - Last mile routes optimisation on daily basis (dynamic routing)
  - Enhance coincidence (Punto Poste)



## Operational Excellence Programme

- Extension of "World Class Mail and Parcel programme"



## KPIs

**+20%**  
**24 vs 19**



Daily parcel delivery productivity

**+220%**  
**24 vs 19**



Yearly parcels delivered in JDM



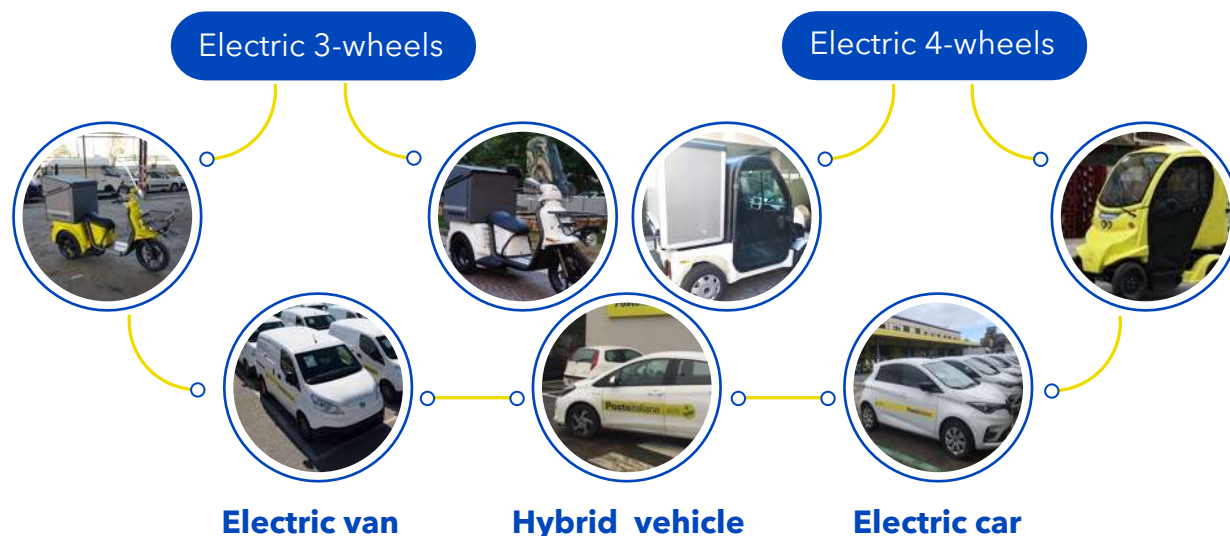
# LOGISTICS NETWORK EVOLUTION

## Green mobility fleet

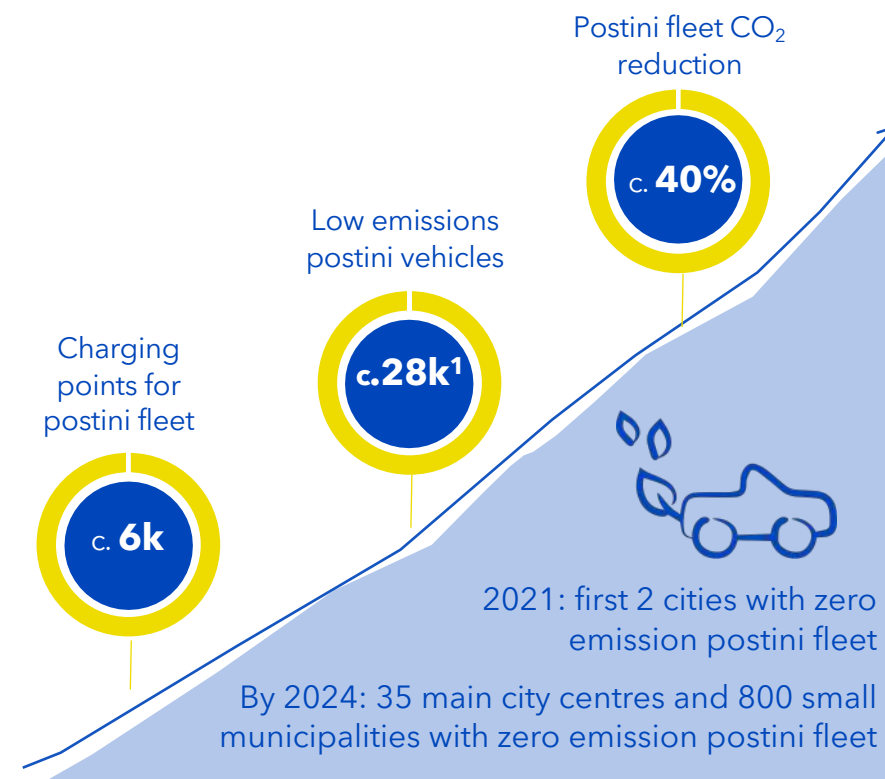
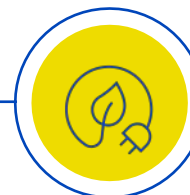


### Fleet renewal

- Introducing fully electric and hybrid vehicles
- Installing a dedicated charging infrastructure for electric vehicles
- New vehicles designed and developed in line with parcel delivery needs



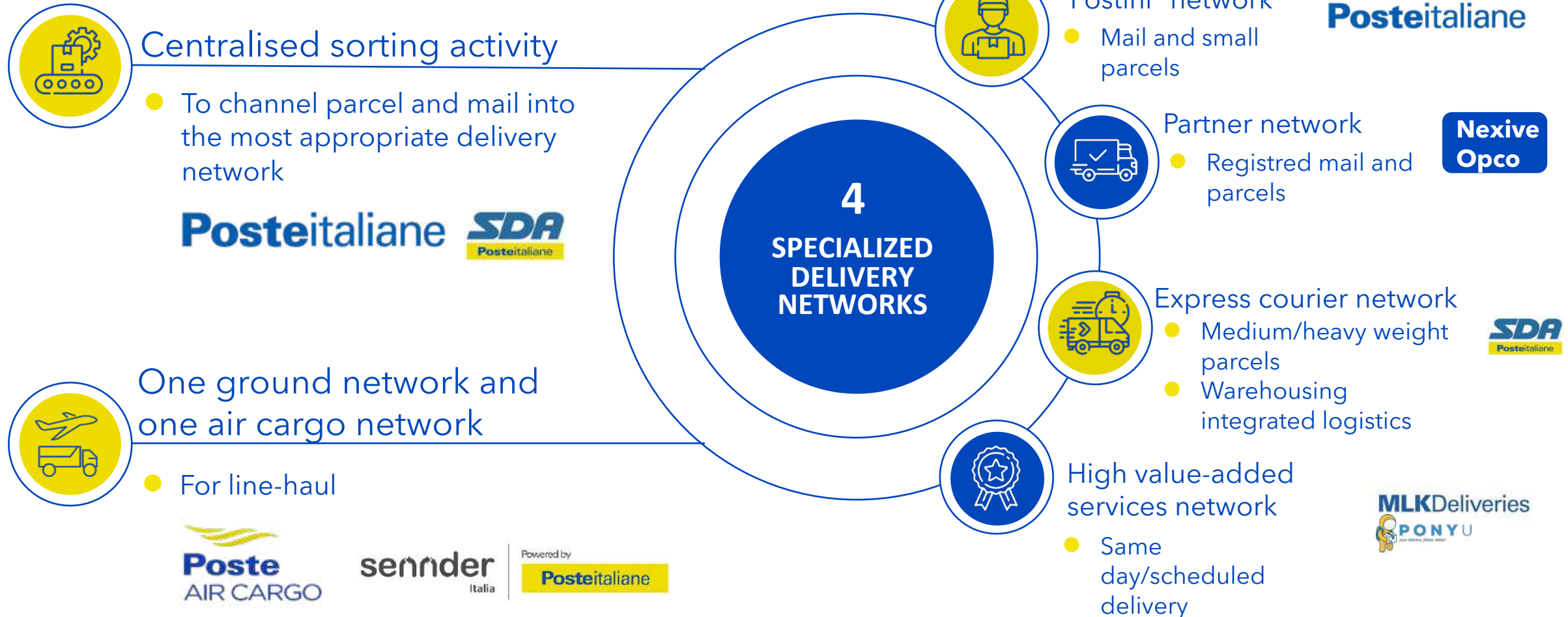
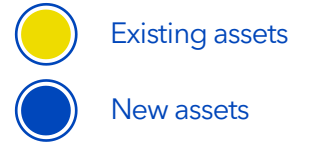
### Key Metrics



1. o/w 13k Electric and hybrid

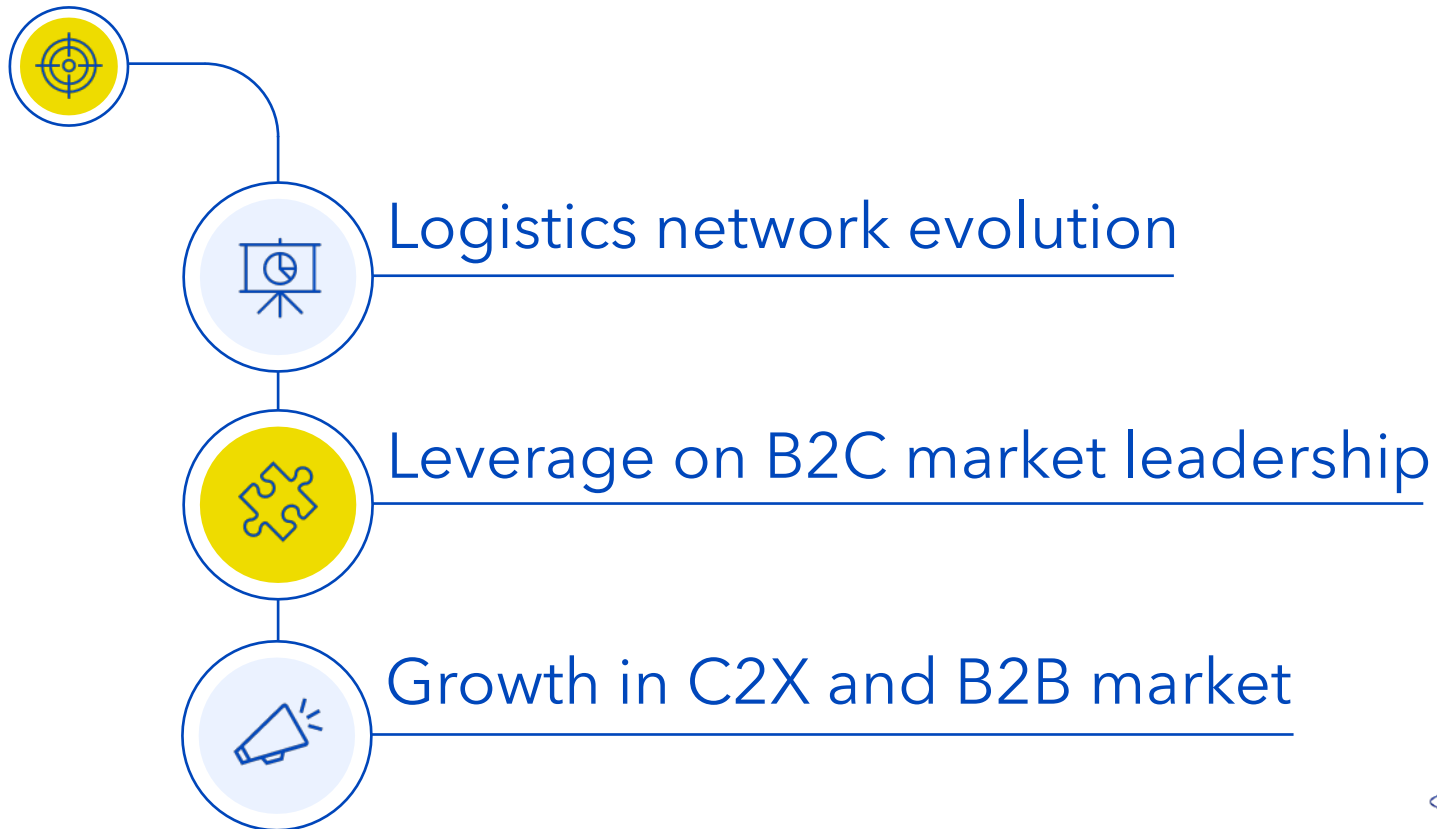
# LOGISTICS NETWORK EVOLUTION

Integrated operating model





# FULLY-FLEDGED LOGISTIC PLAYER FOR A SUSTAINABLE BUSINESS



# LOGISTICS NETWORK EVOLUTION

## Key merchants



### Amazon

- Partnership based on Poste's solid service level and unrivalled network coverage
- 3 years contract renewed<sup>1</sup>



### Zalando

- Increasing volumes leveraging on Punto Poste network (100% share of wallet on returns)<sup>2</sup>
- Service excellence, strengthening fashion segment penetration

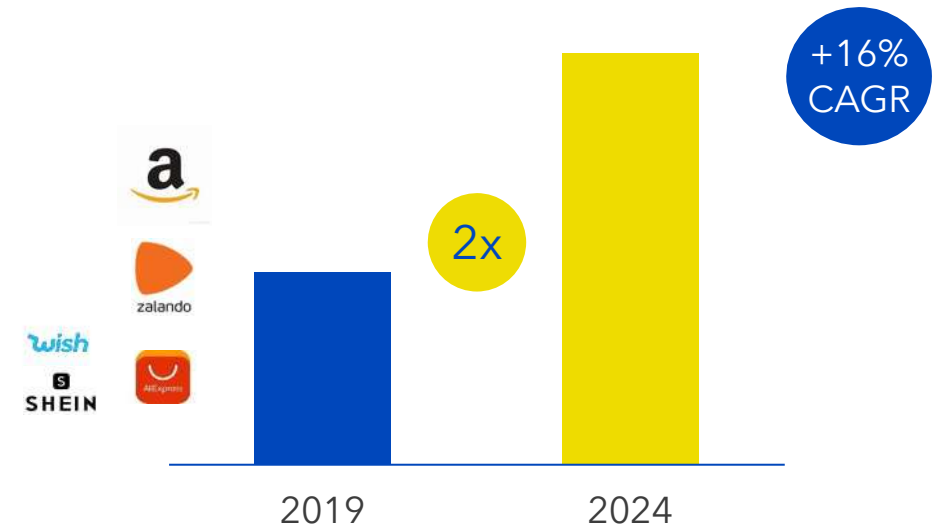


### Chinese merchants

- Best cost-to-quality ratio leveraging on Joint Delivery Model
- Higher market penetration thanks to direct local presence (Sengi Express)

## Key merchant revenues

Base 100 in 2019



1. Starting from January 2021 2. On Zalando's direct returns

# LEVERAGE ON B2C MARKET LEADERSHIP

## Sengi Express acquisition



### Cross border e-commerce from China

- China represents c. 37% of global cross-border e-commerce worldwide



### Agreement highlights

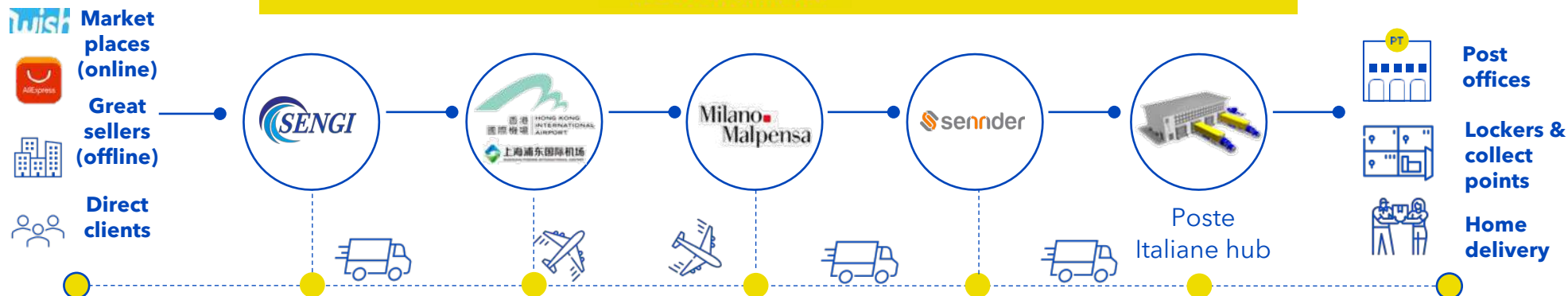
- Poste Italiane acquired 51% of Sengi Express, market leader in the provision of cross-border logistics solutions for Chinese e-commerce merchants
- Sengi Express to offer full logistic chain services in China, with real time full tracking



### Strategic goals

- Control of the entire value chain through advanced end-to-end tracking technologies
- Increase profitability of inbound business through vertical integration
- Launch geographical diversification of Poste Italiane's business

### Tracking provided by Posteitaliane along the entire logistic chain



# LEVERAGE ON B2C MARKET LEADERSHIP

Comprehensive offer to widen customer base



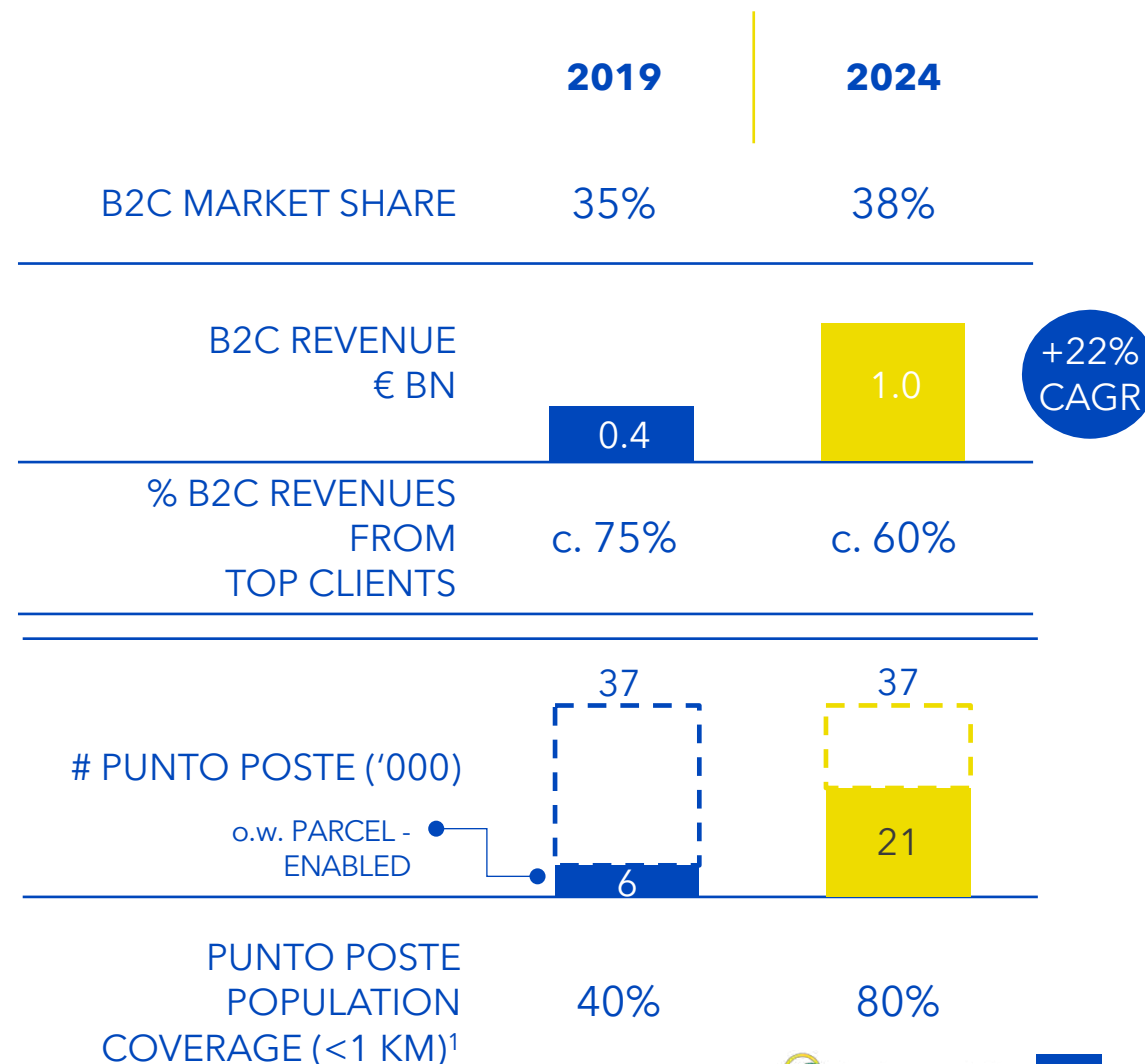
## B2C last mile

- New advanced delivery options orders:
  - Scheduled delivery improvement by reducing delivery time slots (from 4 hours to 30 minutes)
  - Instant delivery (< 90 minutes), for local2local market and specific industries (e.g. pharma)



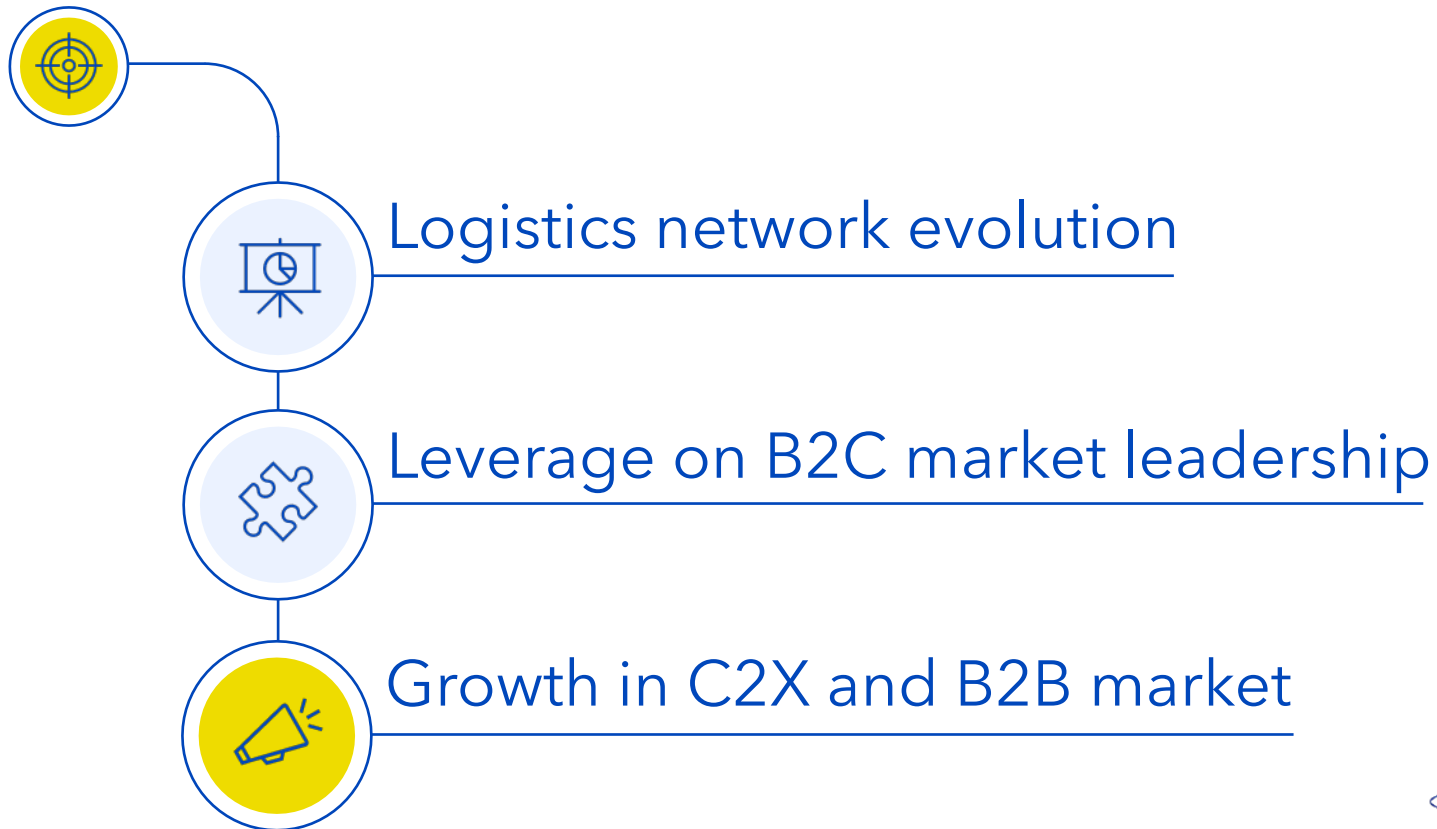
## Further growth of Punto Poste network

- Largest network of proximity logistics services (80% within 1 km proximity by 2024)
- Focus on excellence in e-shopper experience



<sup>1</sup>. Of the population within 1 Km of a Punto Poste

# FULLY-FLEDGED LOGISTIC PLAYER FOR A SUSTAINABLE BUSINESS



# GROWTH IN C2X AND B2B MARKET

C2X: new offer model with focus on advanced user experience



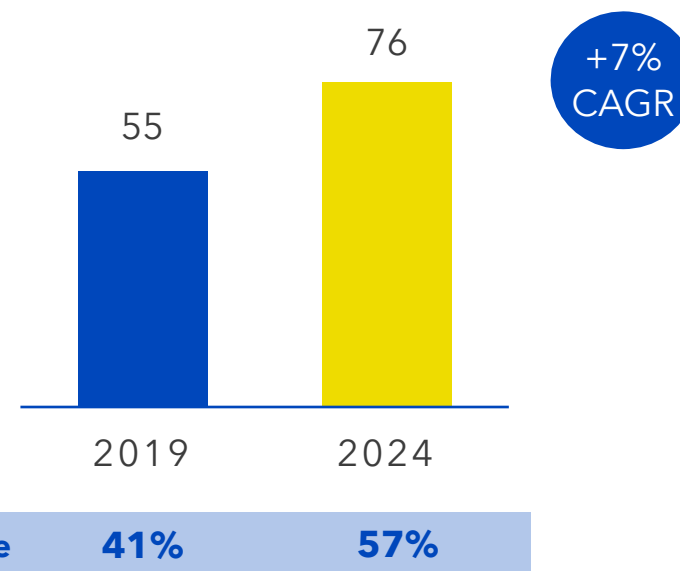
## New offer model

- Continuous improvement of user experience:
  - Paperless:
    - Shipments via QR code from post offices and Punto Poste Network
    - Paperless home pick-up
  - Instant delivery for online local2local shipping
- Omnichannel experience: excellent user experience between physical and digital channels
- Strengthening social value
- Proximity: post office services expansion to the Punto Poste network



## C2C revenue

€ m





# GROWTH IN C2X AND B2B MARKET

## Emergency logistics support during the pandemic

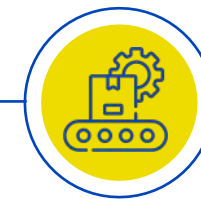


### Combining warehousing and delivery

- Design and implementation of fast solutions to provide logistic support during emergency:
  - Storage for personal protection equipment (PPE) and delivery to schools (>1.5 bn)
  - Supporting Italian Army in vaccine distribution from national HUB to regional health facilities (c. 2m doses and > 5m injection kits)
  - Developing vaccine tracking and tracing along the chain



### Warehousing



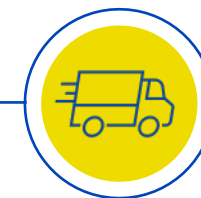
Stock Keeping Units (SKU)

1,000

Cubic meters materials handled

>500

### Delivery



PPE distribution

20,000



Monthly Destinations



Vaccine distribution

60



Controlled-temperature vehicles



To over

70



Regional health facilities (i.e. hospitals)



# GROWTH IN C2X AND B2B MARKET

B2B: wider integrated services for customised industry offer

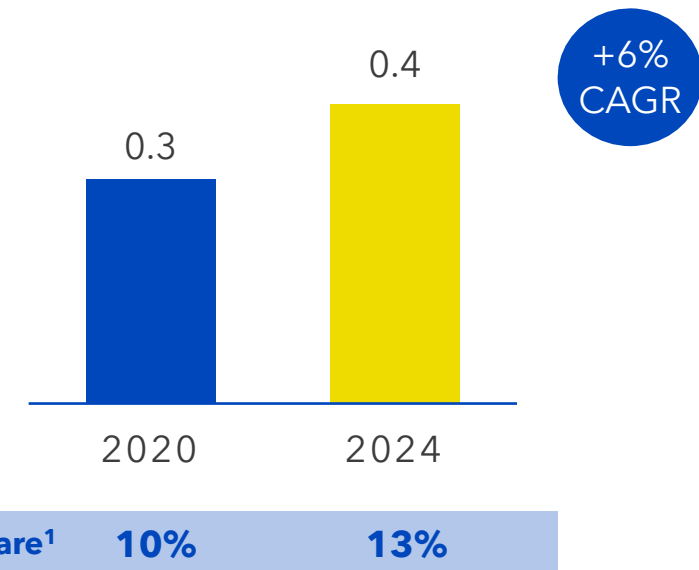


## Strategy evolution

- Industry-specific tailored commercial strategy
- Offer development:
  - Customised offer
  - Ad-hoc logistic components for heavy and multi-layered shipments
  - Integrated advanced tracking technologies
  - Integrated warehousing and distribution solutions to improve end-to-end efficiency and competitiveness:
    - Progressive development of storage assets
    - Network transformation with focus on distribution capacity
    - End-to-end tracking technologies integrated along the entire value chain
- Yield management

## B2B & Contract logistic revenues

€ bn



## KEY FINANCIAL TARGETS

€bn unless otherwise stated	2019	2020	2021	2022	2024	CAGR 19-24	2025
SEGMENT REVENUES	3.49	3.20	3.6	3.7	3.9	+2%	3.9
MAIL REVENUES	2.46	1.90	2.1	2.1	1.9	-5%	1.9
PARCELS REVENUES	0.85	1.16	1.3	1.5	1.8	+16%	2.0
EBIT	(0.35)	(0.59)	(0.5)	(0.3)	(0.0)	n.s.	+0.1
SEGMENT REVENUES / FTE (€.k)	64	63	68	71	79	+4%	82

# FULLY-FLEDGED LOGISTIC PLAYER FOR A SUSTAINABLE BUSINESS



# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

Guido Nola  
**FINANCIAL SERVICES**

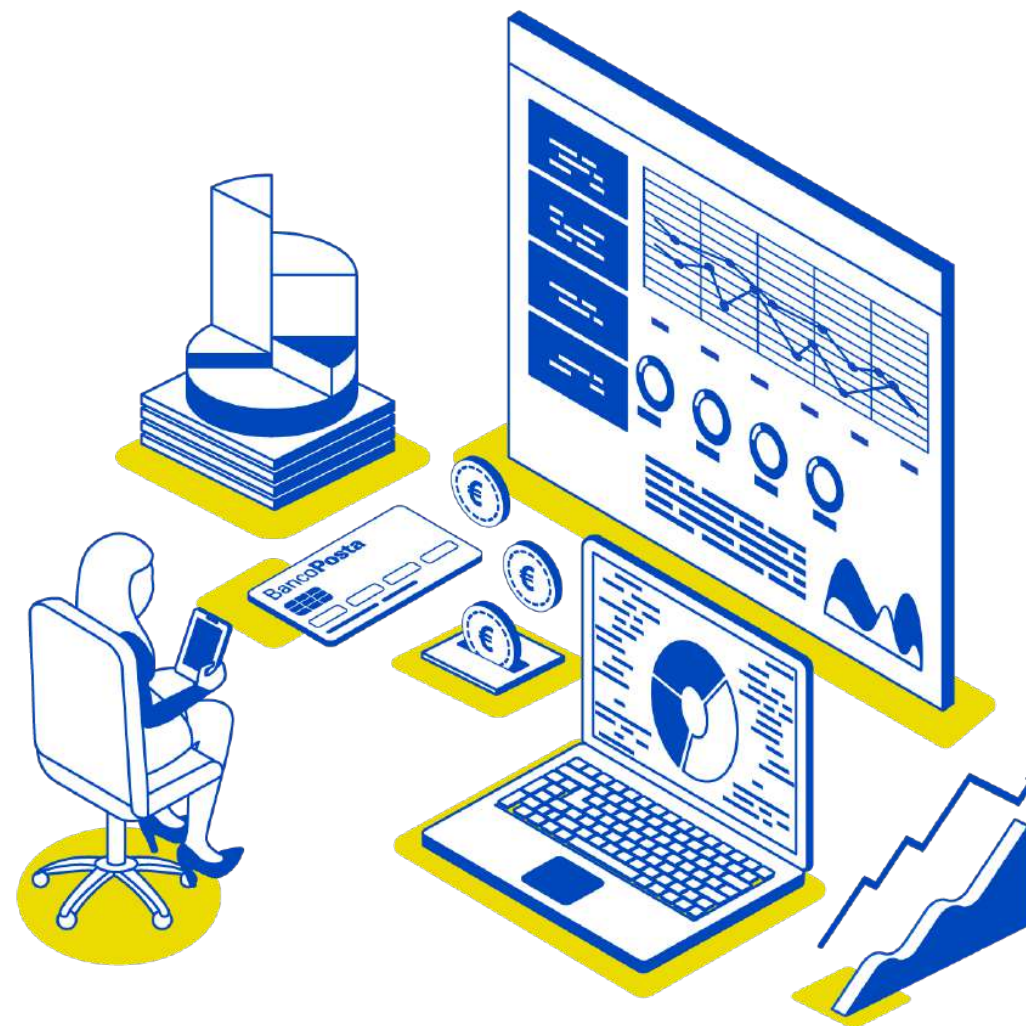
## TOWARDS 2024



- Strong results achieved: higher volumes and improved quality
- Focus on People and Platforms delivered a landmark transformation
- Strong foundations to build a seamless customer experience
- Active portfolio management constantly allowed to outperform market yields
- Resilient investment portfolio uniquely positioned for a reflationary scenario
- Stable revenue stream to support distribution network definite transformation over the Plan



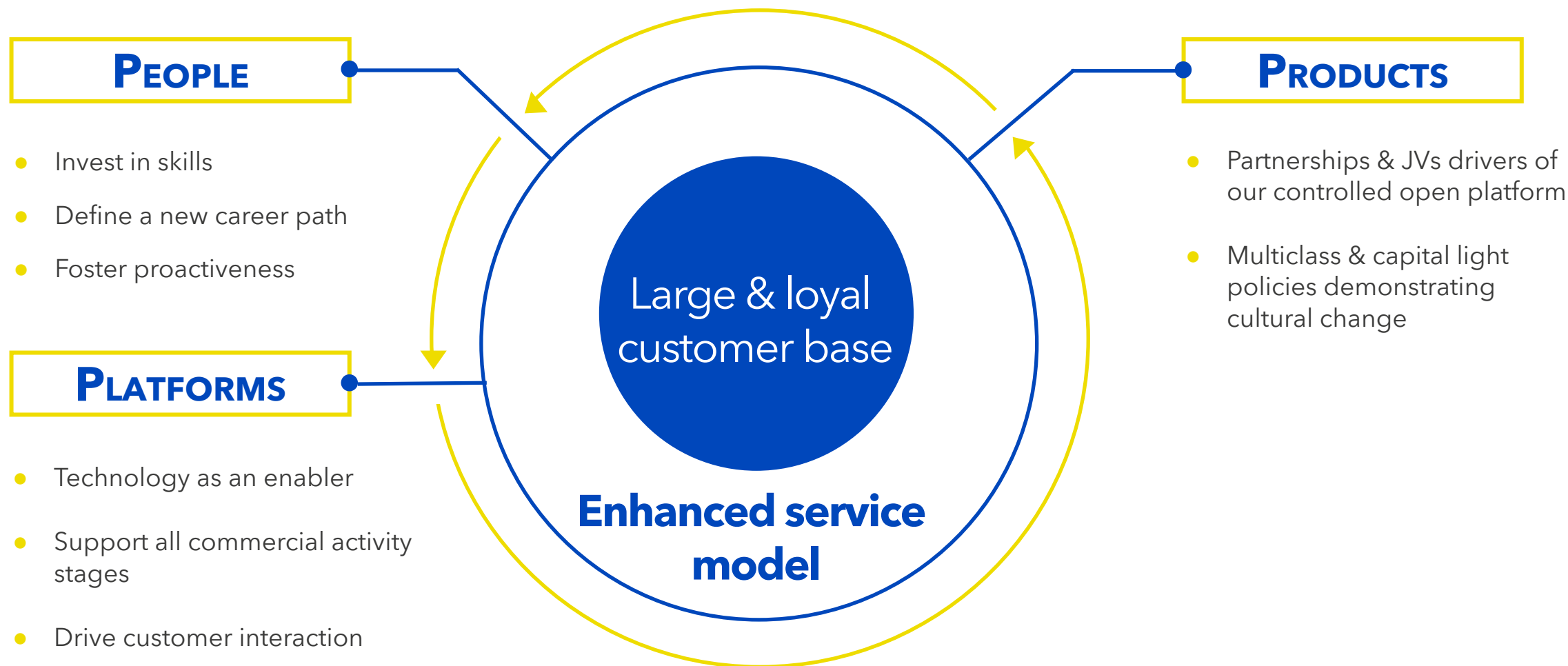
# CONTENTS





# THE KEY COMPONENTS OF OUR SUCCESS

Growth and better quality of volumes across all business lines



# MARKET LEADERSHIP IN DISTRIBUTION

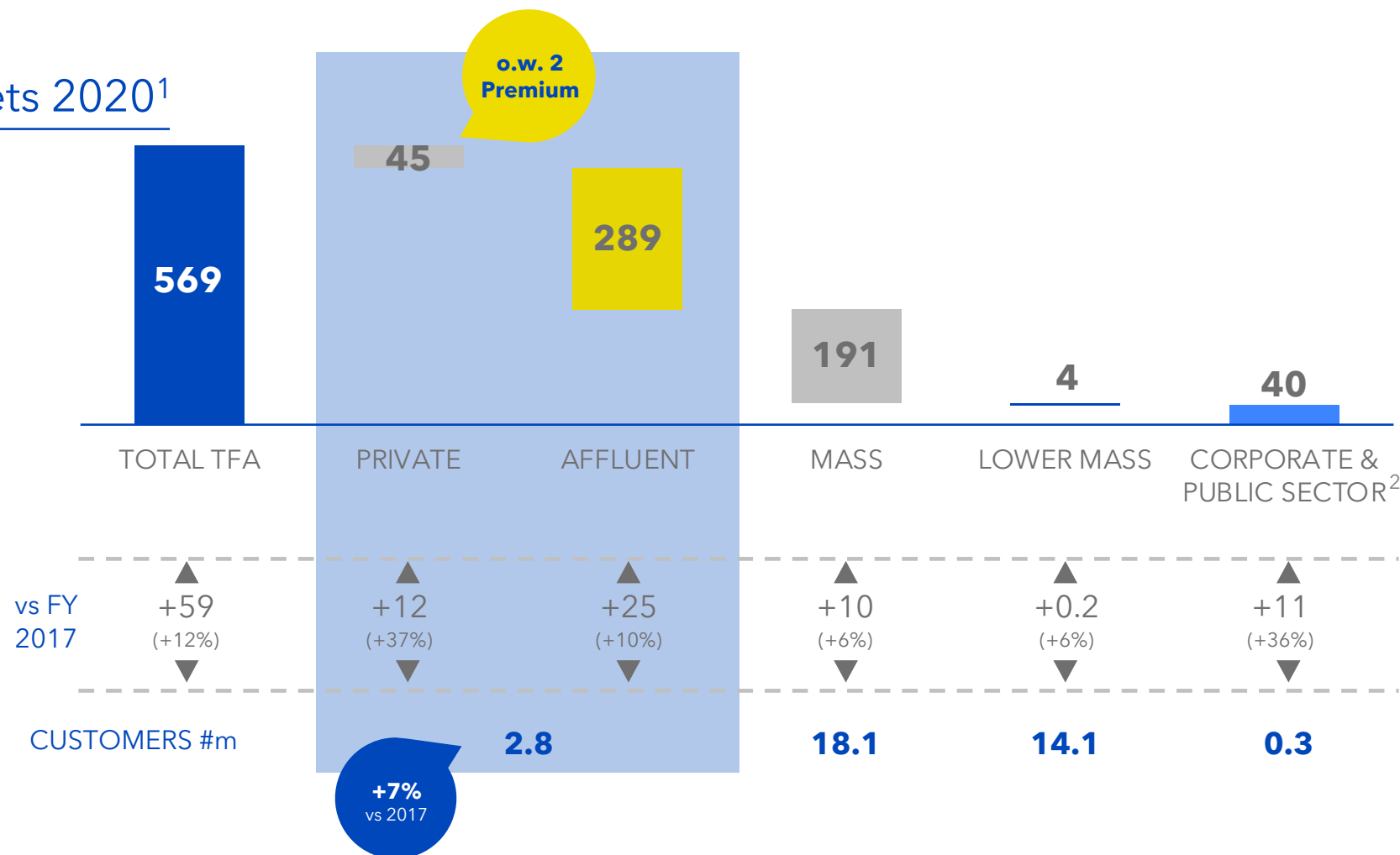
Increasing TFA supported by Private and Affluent segments



Total Financial Assets 2020<sup>1</sup>

(€ bn)

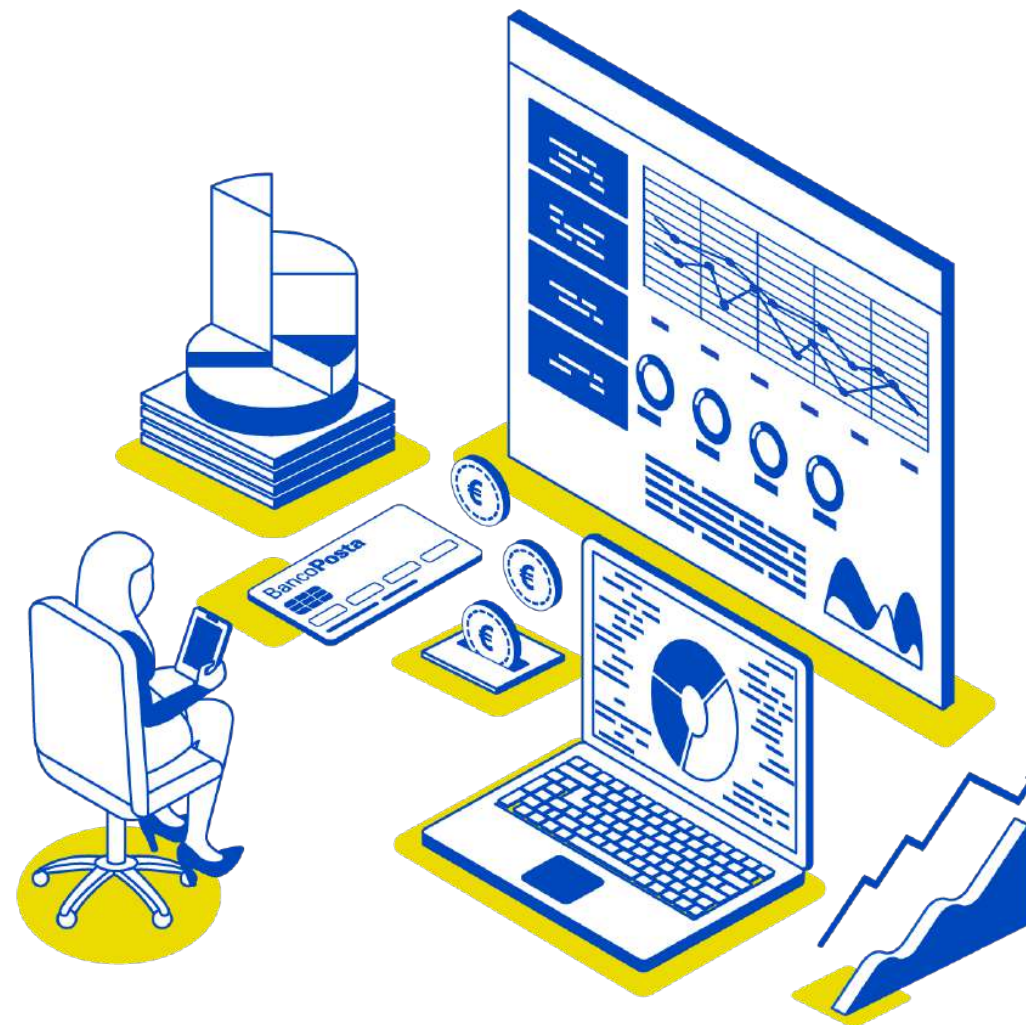
- TFA growth in challenging market conditions
- Strong performance in Private and Affluent segments thanks to enhanced client profiling and effective service model evolution



1. TFA under management or administration (excl. REPO). Postal bonds proportionally assigned across retail segments. Segments: Private: TFA > €500K; Affluent: TFA between €75K and €500K or selected prospects with TFA < €75K; Lower Mass: mono-product clients with less than €2.5K, excluding current account holders; Mass: remaining retail clients

2. Includes TFA from non retail Clients and non-Client-driven TFA, including unrealized capital gains on investments underlying Class I life insurance products

# CONTENTS



# MARKET AND MACRO TRENDS

Conservative assumptions for GDP growth and rates development



## MACRO

GDP expected to rebound in Italy over the Plan<sup>1</sup>

	2021	2024
GDP expected growth	<b>5.2%</b>	<b>1.2%</b>

Increase in household propensity to save<sup>2</sup>



**Expected annual growth  
in financial assets 2021-2023**

Ultra-low interest rates, expected back to positive in 2021<sup>3</sup>

	2021	2024
10y IRS	<b>0.09%</b>	<b>0.42%</b>
10y BTP Swap spread	<b>0.55%</b>	<b>0.65%</b>



## MARKETS

Low non-motor P&C penetration<sup>4</sup>



**1.0% vs 2.7%**



Low household debt levels<sup>5</sup>



**44.4% vs 61.6%**



1. Source: Moody's 2. Source: Prometeia, December 2020, "Rapporto di previsione" 3. Source: 10Y interest rate SWAP and spread Forward Curve as of February 22nd 2021  
4. Source: ANIA "allontAniamo i rischi e rimAniamo protetti edizione 2020" P&C non motor premiums/GDP 5. Source: Banca d'Italia, January 2021, "Economic Bulletin"

# MARKET AND MACRO TRENDS (cont'd)

Ready to seize upcoming commercial opportunities



## MARKET TRENDS



## OPPORTUNITIES



### HIGHER PREFERENCE FOR LIQUIDITY

Market volatility and low rates

Higher inflows as a driver for savings



### DIGITALISATION

Acceleration of customers' digitalization

Omnichannel service model



### MACRO SCENARIO

Ultra-low yields

Customers shifting towards managed products



### EXPECTED ECONOMIC REBOUND

Improving consumer confidence

Consumers' demand for personal loans



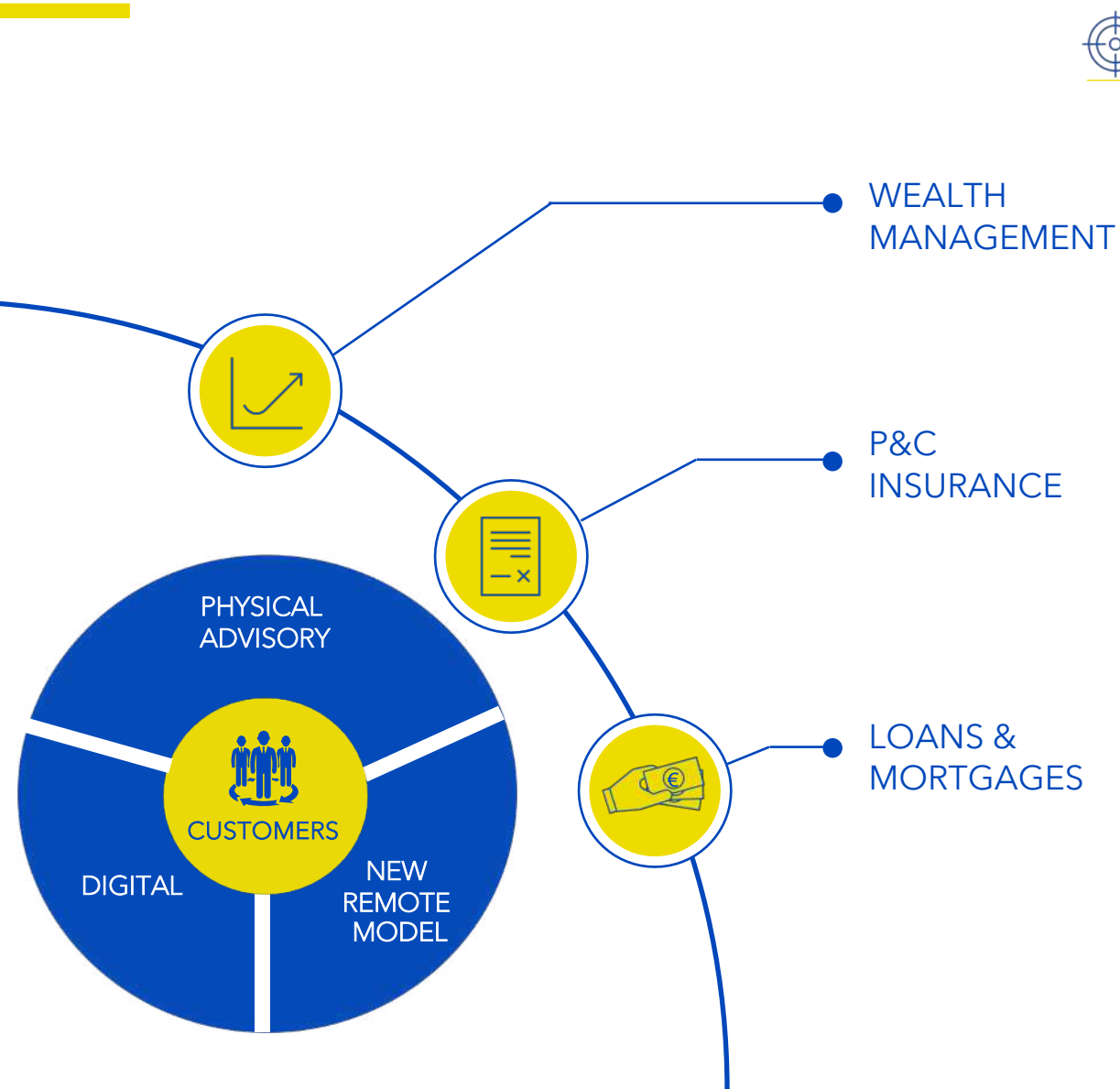
### ESG TRANSFORMATION

ESG integrated within investment process

ESG investment solutions

# 2021 - 2024 PRIORITIES

Strong foundations for further model evolution



## Priorities

- Customers portfolio diversification
  - New products to maximize risk/return profile
  - ESG focus
- 
- Integration of P&C and investment advisory model
  - Enhance client profiling
  - Increase average ticket
  - Motor to complete product range
- 
- New partnerships to accelerate salary backed loans distribution
  - E2E digital subscription and instant lending

## KPI 2020 - 2024

**Total TFA, 569 → 615**  
€ bn

o/w AUM 163 → 202

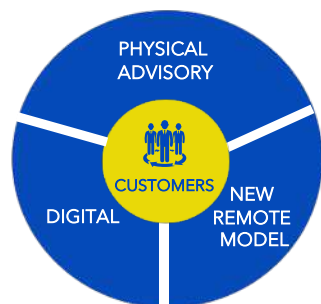
**0.3 → 1.5**  
GWP<sup>1</sup>, € bn

**2.9 → 6.0**  
Annual volumes, € bn

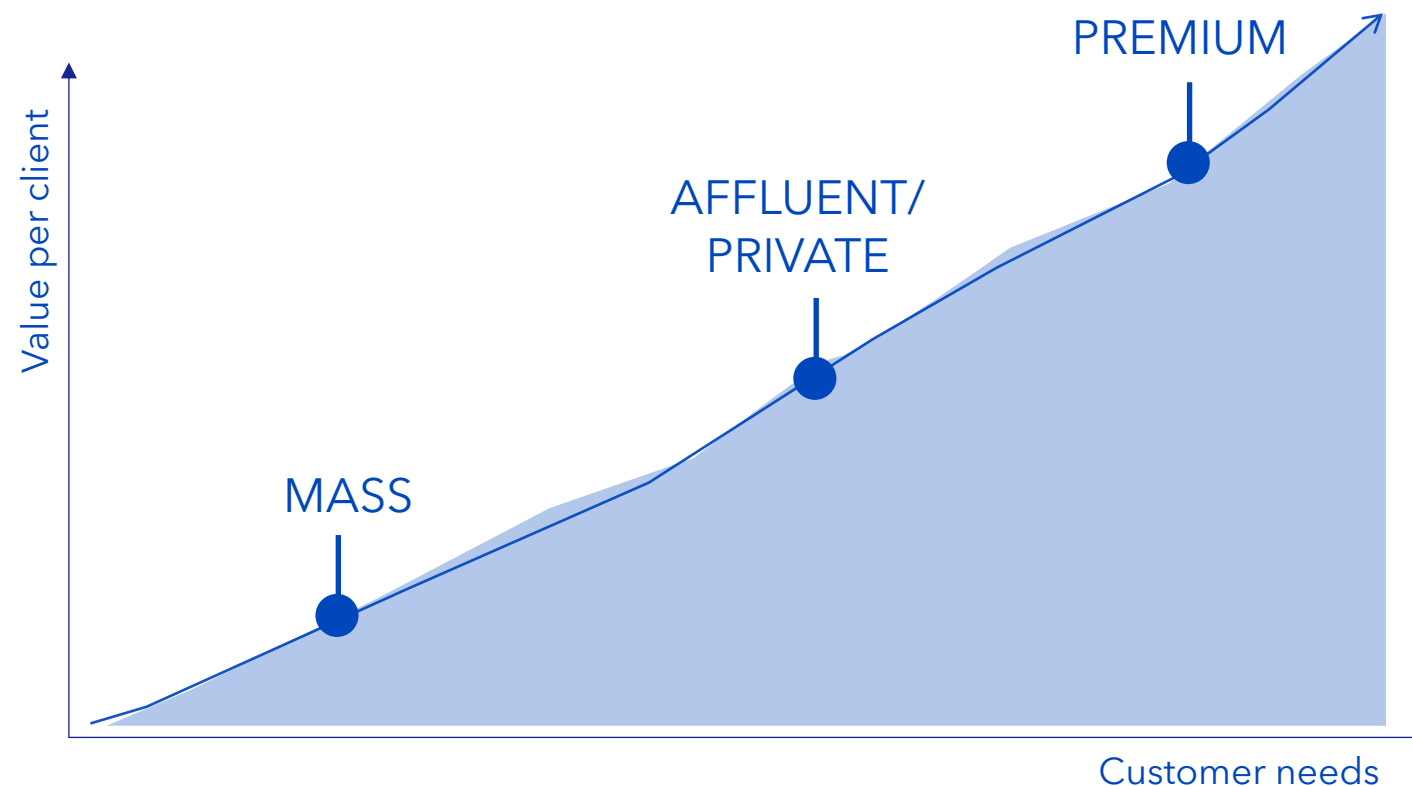
1. Includes third party motor offer and life protection GWP

# FURTHER EVOLVING SERVICE MODEL

Meet growing customer needs to drive increase in value per client



## Omnichannel service model



## Financial Advisors support to increase clients' coverage



Enhanced client segmentation and coverage optimization



Automated advisory proposals for Financial Advisors



Investment centre to support Financial Advisors



Platforms to manage customer interactions (agenda, dashboard)

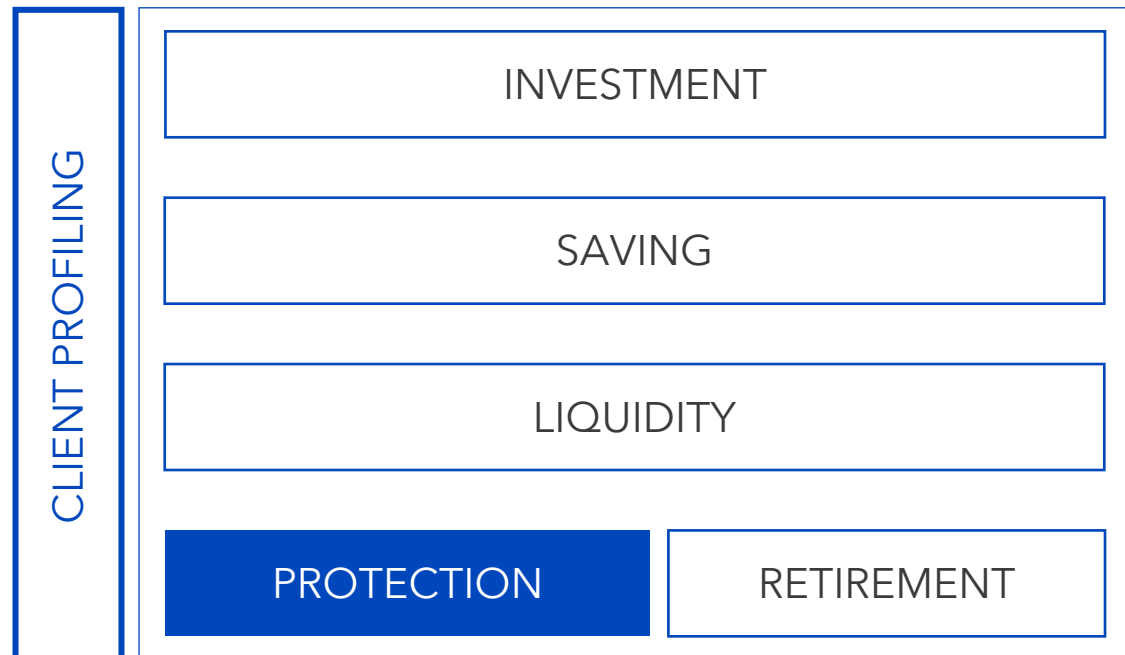




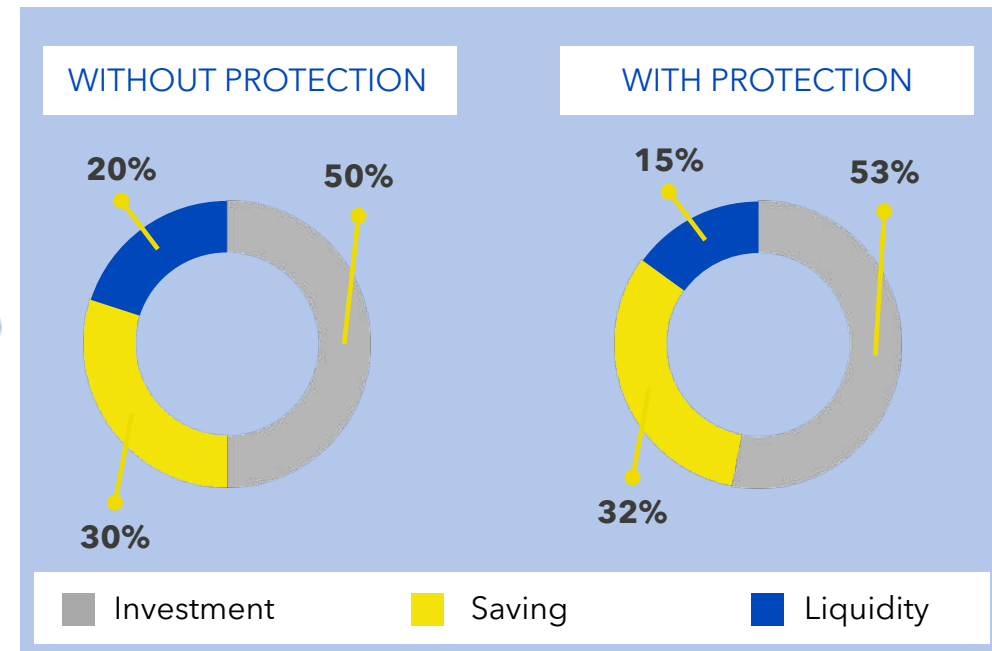
# P&C INSURANCE

Protection key to advisory model

A comprehensive view of clients' needs



Improved asset allocation<sup>1</sup>



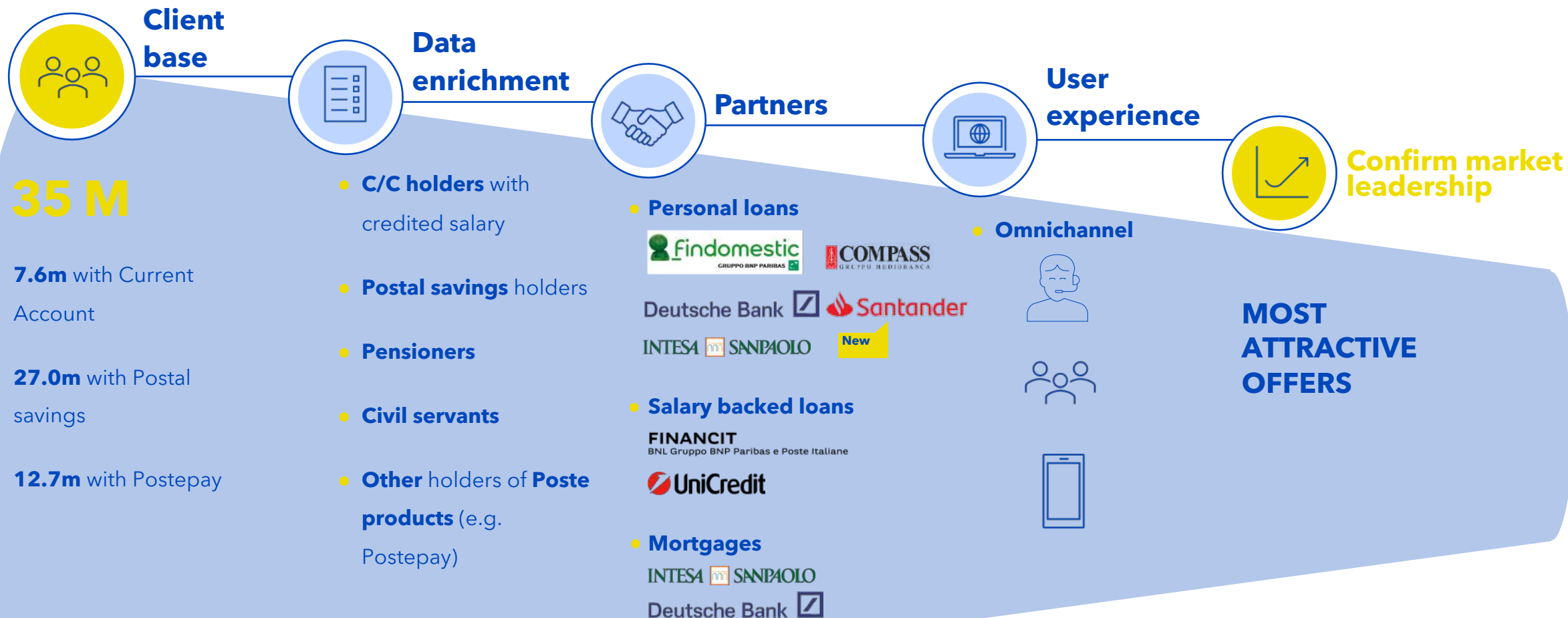
- Holistic view of clients' asset allocation, including P&C modular offer, to improve asset diversification
- Enhanced client profiling for a more tailored advisory

- Integrating P&C in the advisory model to reduce liquidity held for precautionary purposes
- Critical illness protection within new insurance investment products

1. Target portfolio of a 55 year old client with €100k assets and risk profile equal to 3 activating health and home protection

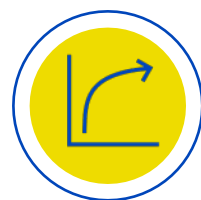
# LOANS AND MORTGAGES DISTRIBUTION

Significant growth based on clients' knowledge and strong partnerships



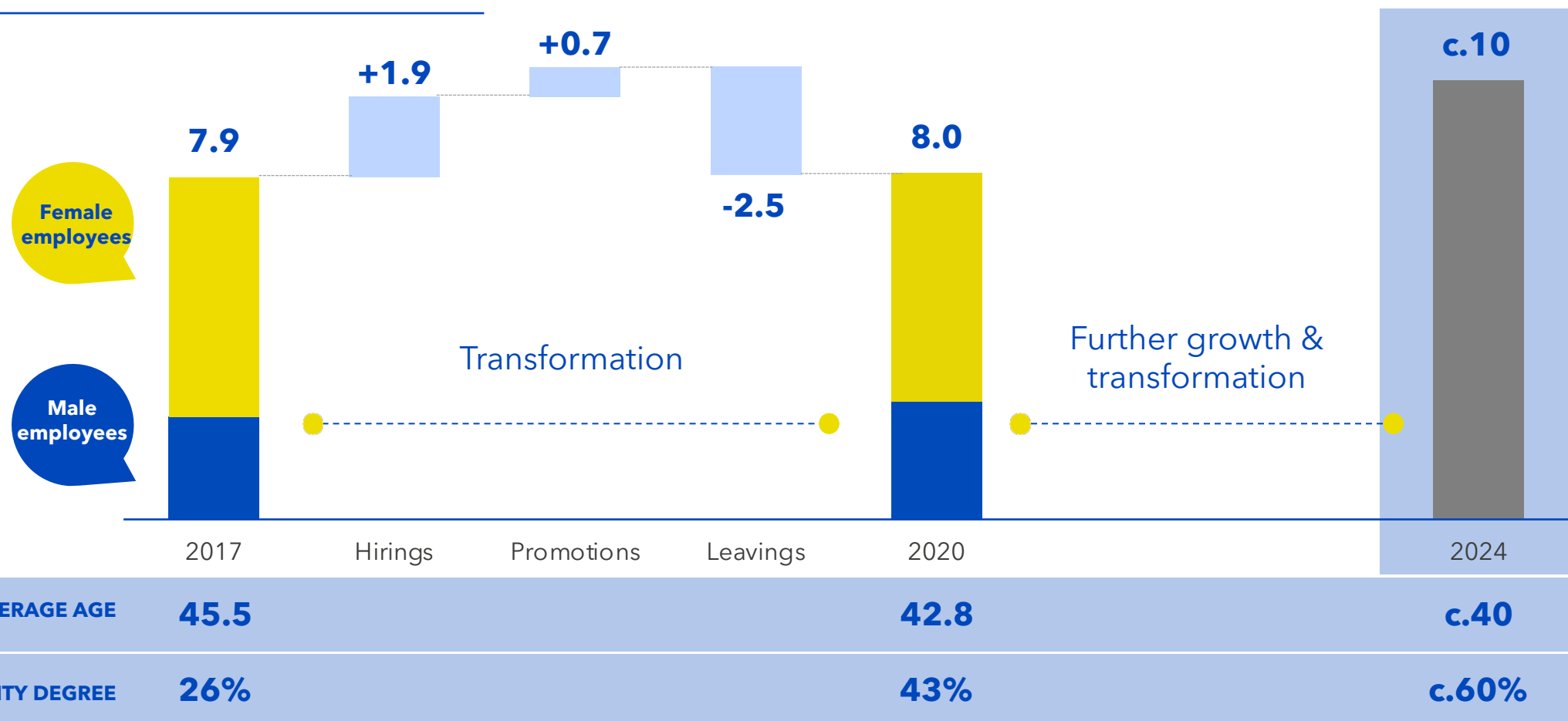
# INVESTING IN PEOPLE

Financial Advisors evolution to drive Financial Services transformation

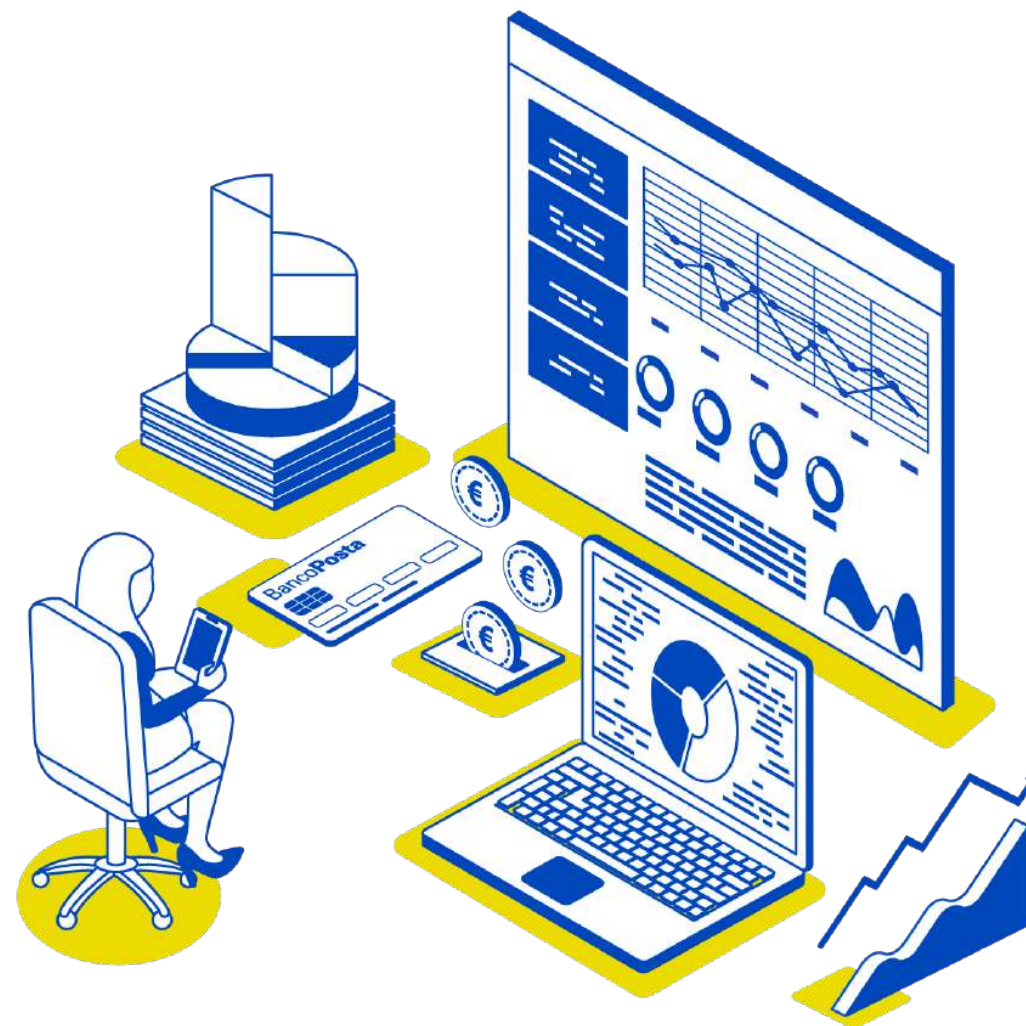


## Financial Advisors evolution

#k

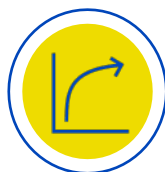


# CONTENTS



# MORE VOLUMES, BETTER QUALITY

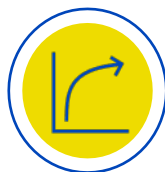
Ambitious but achievable targets



## Total Financial Assets<sup>1</sup>

Stock, € bn

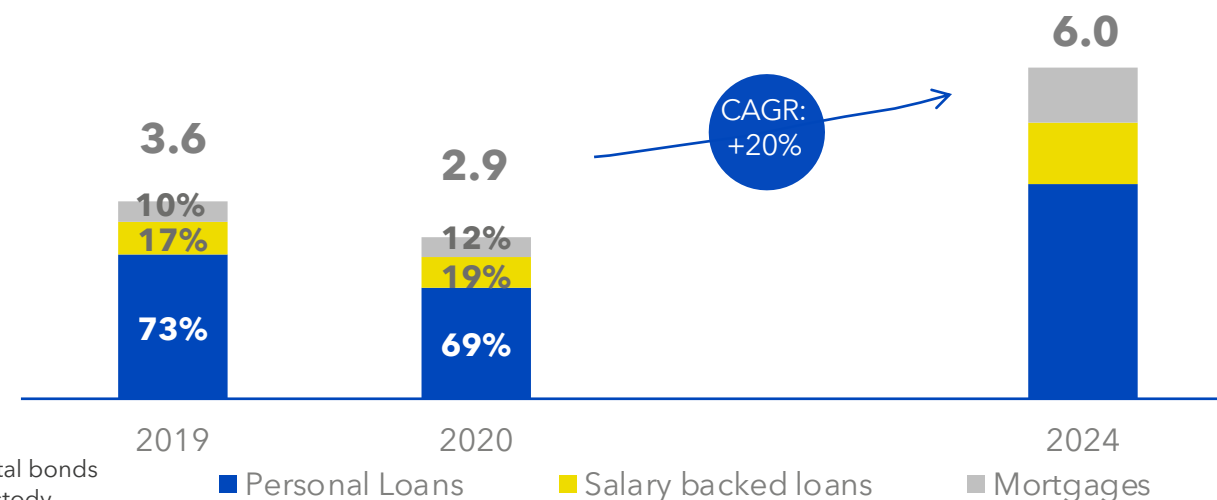
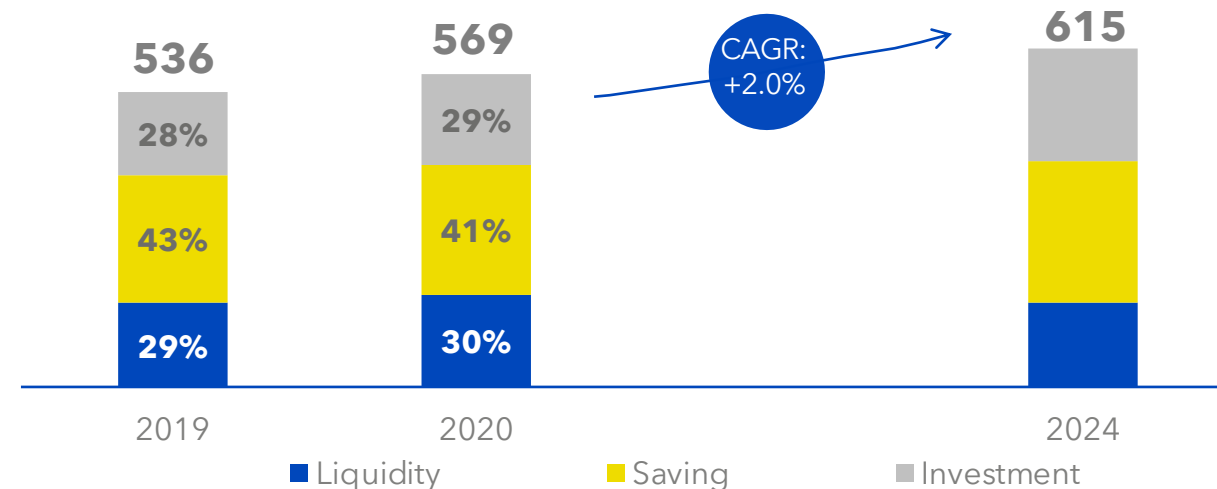
- Right product mix, in line with market environment
- Excess liquidity driving investments growth
- Proactive portfolio allocation to enhance risk/return profile
- Increase ESG investment products<sup>2</sup>



## Loans and Mortgages

Yearly volumes, € bn

- Growing volumes with resilient margins thanks to controlled open architecture
- Driving salary and pension backed loans market development

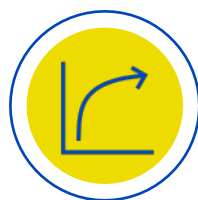


1. Liquidity: deposits (not including Repo and Poste Italiane liquidity) and postal books; Saving: postal bonds and time deposit postal books; Investment: net technical reserves, mutual funds and asset under custody

2. Mutual Funds with ESG benchmark from 12.4% in 2020 to >50% in 2022

# BTP PORTFOLIO IN A LOW FOR LONG INTEREST RATES SCENARIO

Flexible investment strategy adapting to changing market conditions

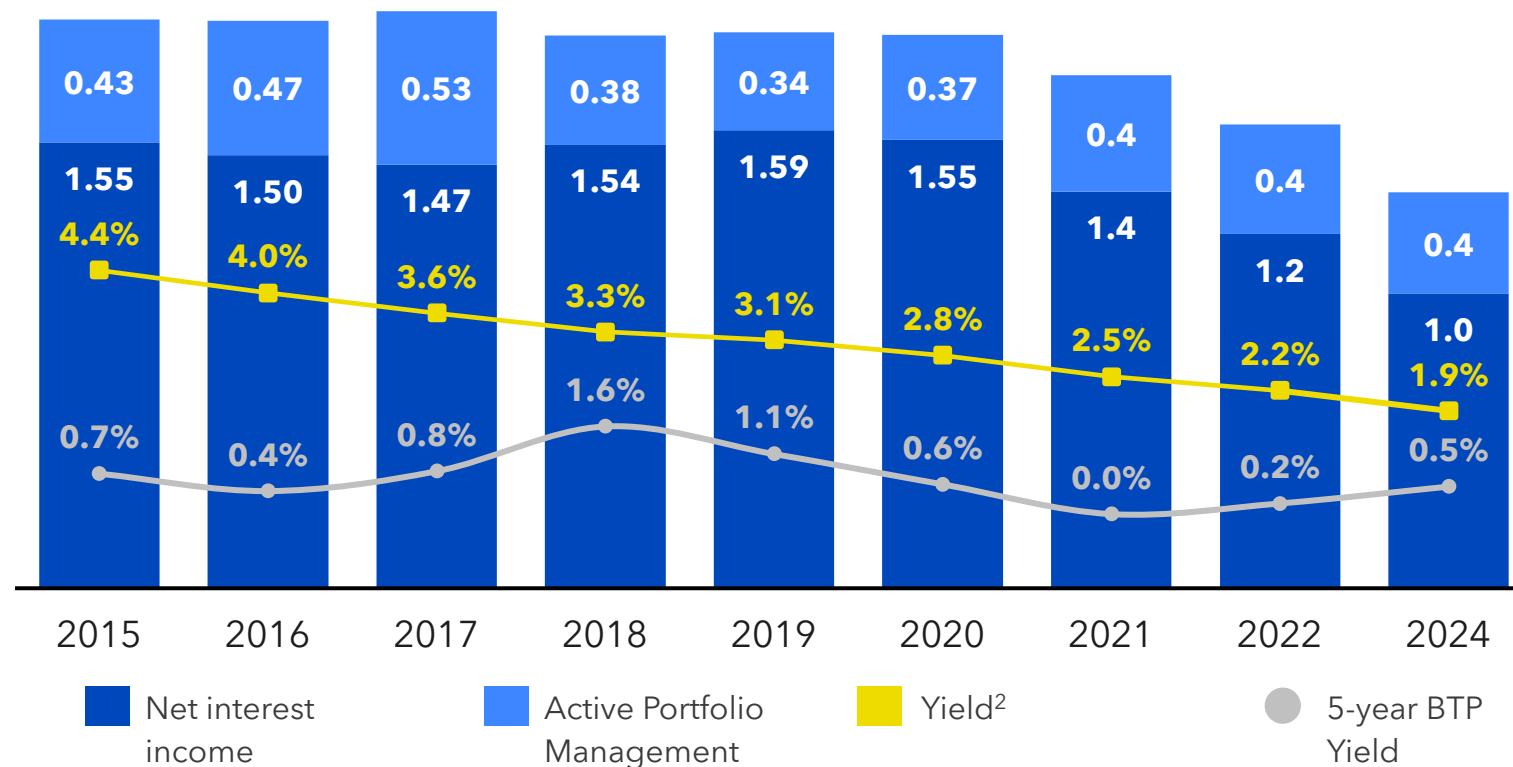


Revenues from  
investment activity

(€ bn)

Investment portfolio<sup>1</sup> **45.2** **49.6** **55.8** **58.8** **62.0** **67.5** **71.9** **72.5** **73.9**

- Effective portfolio management ensuring yields above market
- Conservative assumptions on interest rates scenario based on current forward yield curve
- Great portfolio flexibility to adapt to market evolution



1. Annual average, includes Public Administration deposits with the Ministry of Economy and Finance 2. Return including the contribution from active portfolio management; calculated on average bond portfolio

# SENSITIVITY ANALYSIS

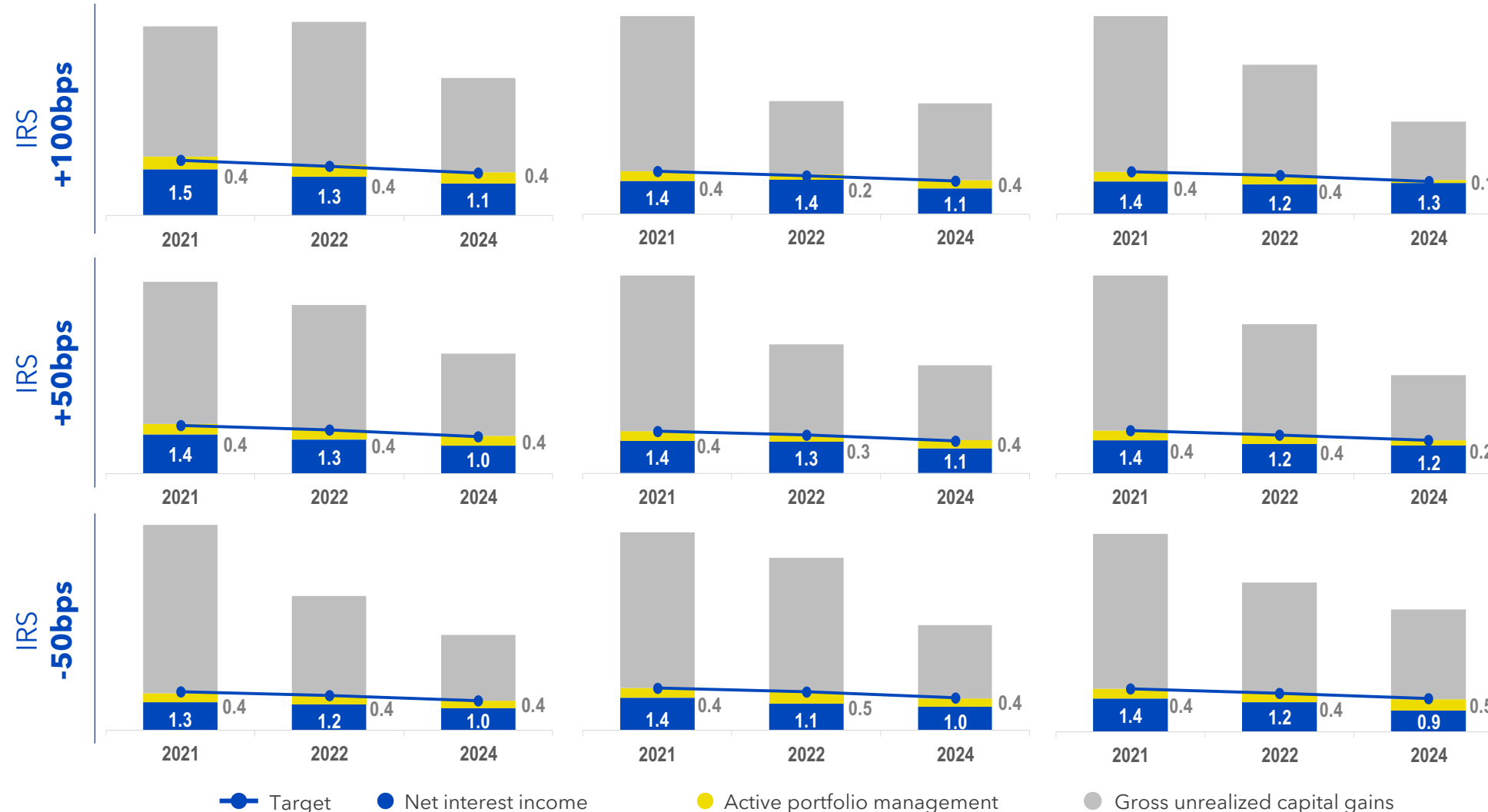
Significant gross unrealized capital gains under all stressed scenarios

€ bn

Shock @2021

Shock @2022

Shock @2024

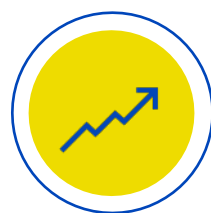


- Sensitivity hypothesis: parallel shock to IRS curve to last one year
- No managerial actions assumed
- Revenue targets met under all scenarios

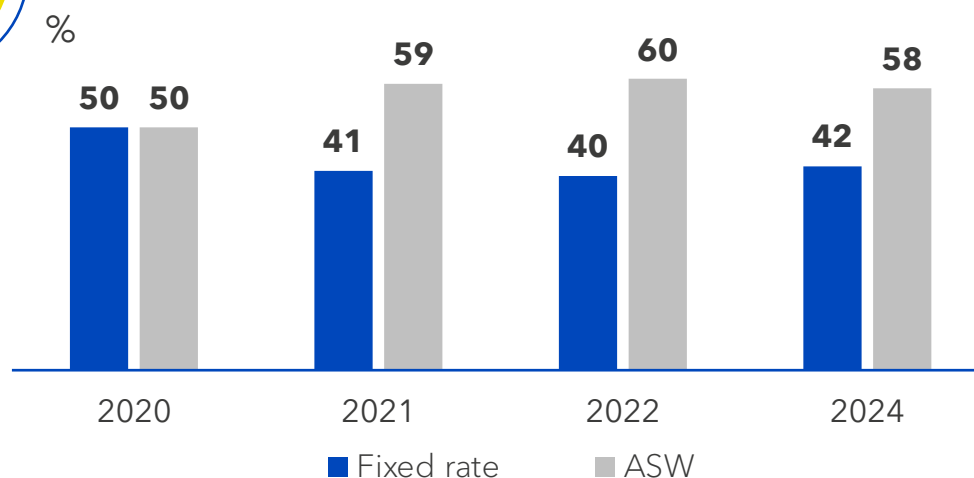


# INVESTMENT PORTFOLIO MANAGEMENT

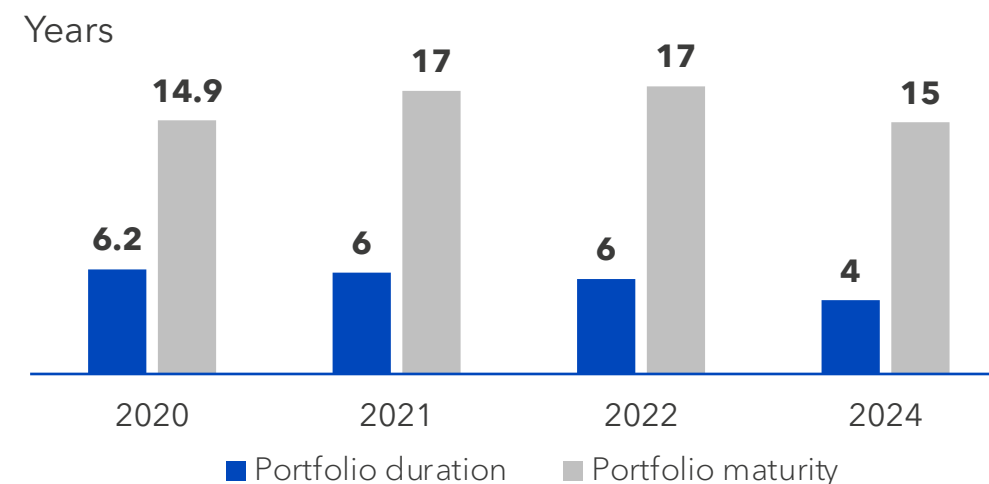
Material upside in a reflationary scenario



## REFLATION SCENARIO



- **Short-term rates:** benefits from re-fixing of floating legs



- **Long-term rates:** benefits from asset swap hedges restructuring

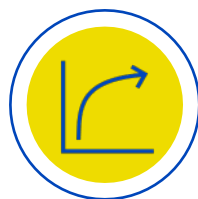


## LOW RATES SCENARIO

- Significant gross unrealized capital gains to meet revenue targets

# NEW POSTAL SAVINGS DISTRIBUTION AGREEMENT

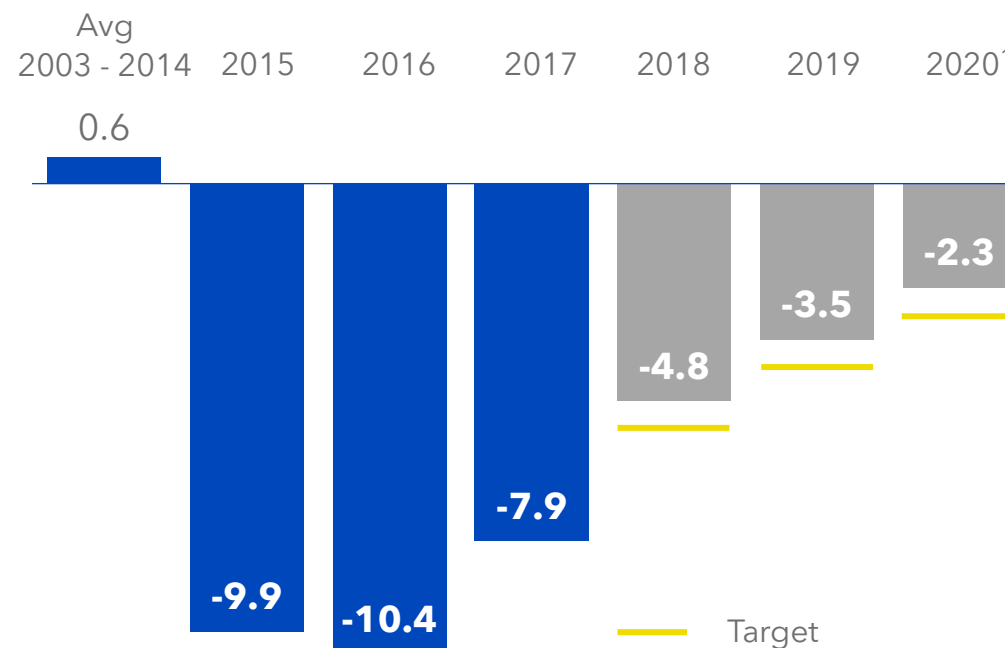
At the core of Poste's commercial strategy until 2024



## Net inflows

(€ bn)

- Outstanding results achieved
- Postal savings confirming key role in Poste's financial offer
- Uniquely positioned in an uncertain interest rates development
- New agreement underway



1. Excluding early pension-payments effect; reported figures at -€0.6m

# FINANCIAL TARGETS AND KPIs

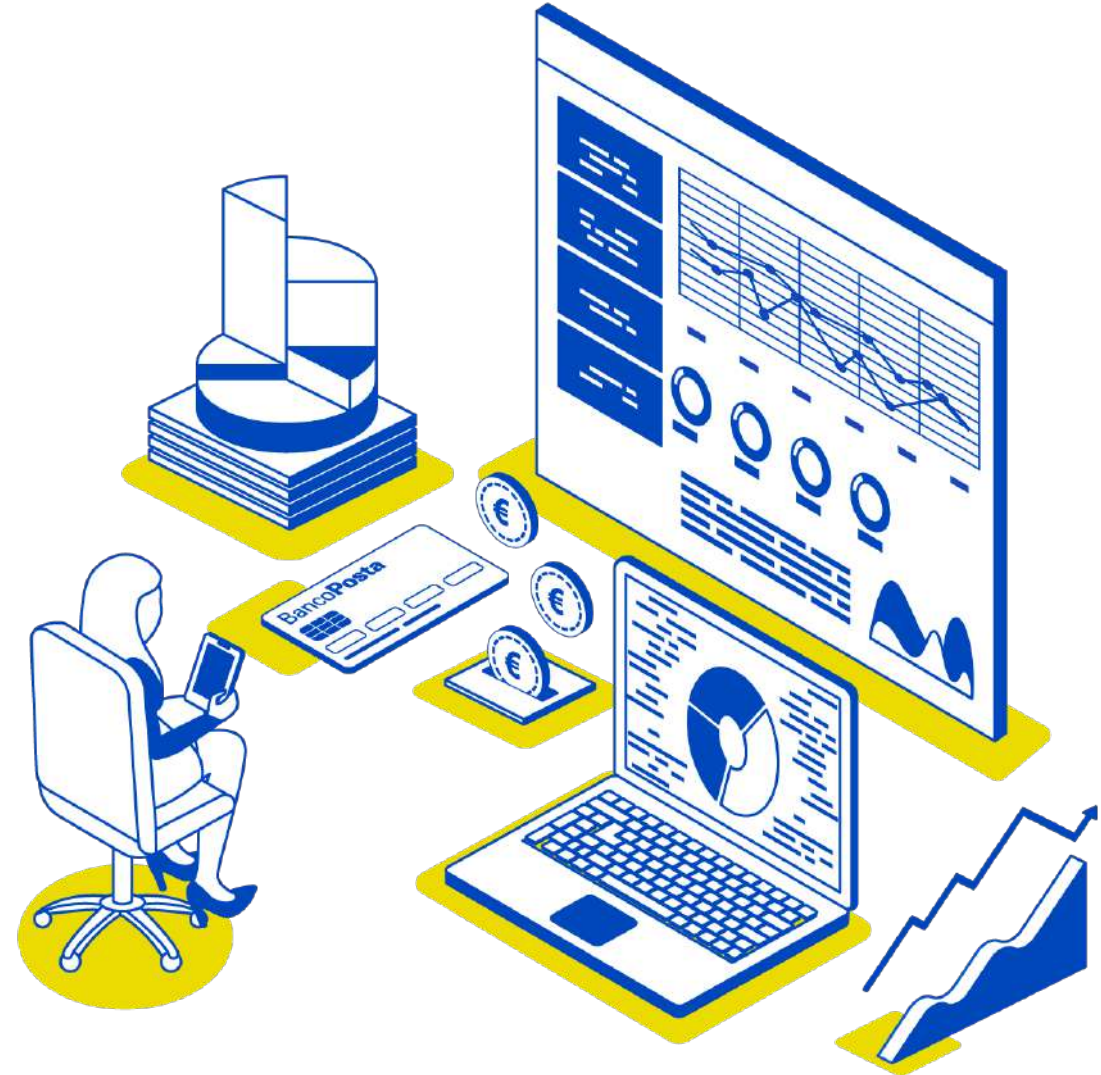
Stable gross revenues despite conservative portfolio yield assumptions

€ bn unless otherwise stated	2019	2020	2021	2022	2024	CAGR 19-24
SEGMENT GROSS REVENUES	5.83	5.61	5.6	5.6	5.9	>0%
EBIT	0.87	0.87	0.7	0.7	0.7	>-6%
TFA	536	569	—————→		615	c.3%
FEES PER CLIENT <sup>1</sup> (€)	252	243	—————→		>290	>3%

1. New perimeter including segment revenues from financial services, insurance and payments (portfolio management and one-off not included)

## TOWARDS 2024

PEOPLE, PRODUCTS  
AND PLATFORMS TO  
DO MORE AND BETTER  
FOR POSTE'S  
SUSTAINABLE FUTURE



# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

Andrea Novelli  
**INSURANCE SERVICES**

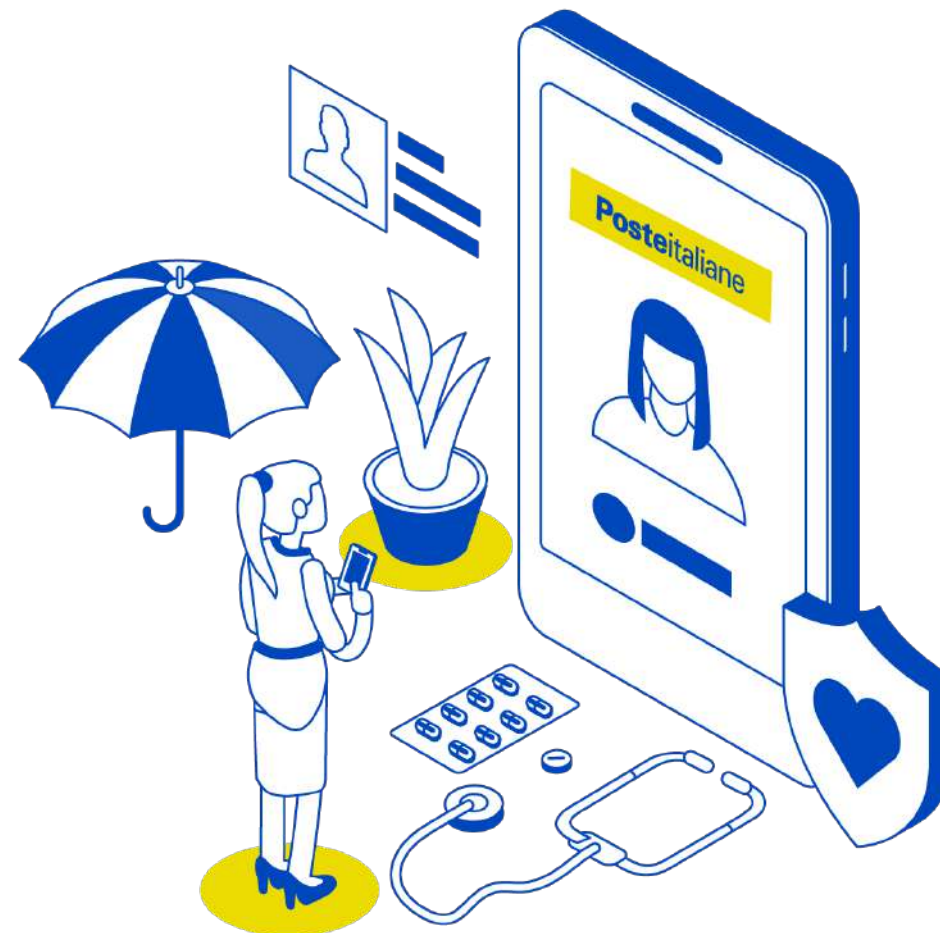
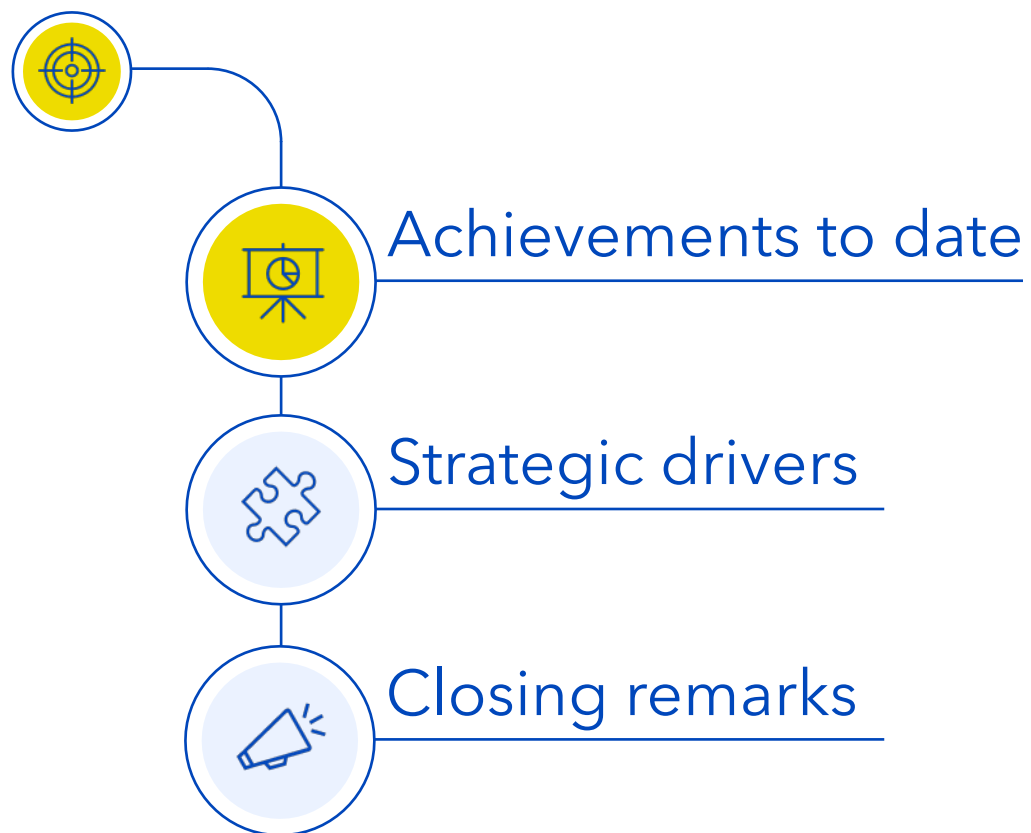
# TOWARDS 2024



- Life business at the core of group wealth management
- Profitable growth in P&C
- Lead the way in ESG and reducing underinsurance in Italy
- Strong and sustainable capital position



# CONTENTS





# ACHIEVEMENTS TO DATE

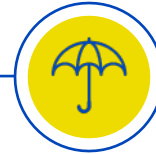
Deliver(ed)



Financial targets  
exceeded



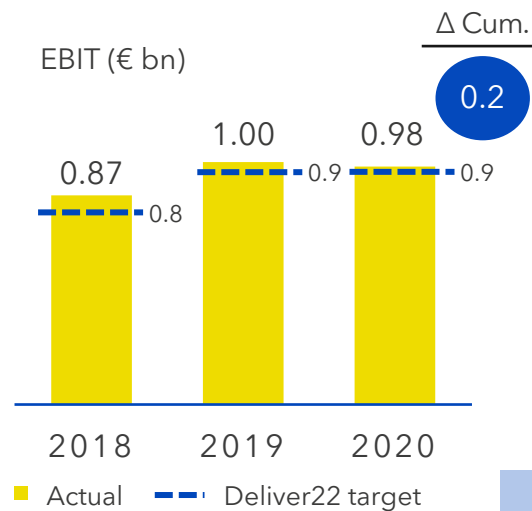
Stronger capital  
position



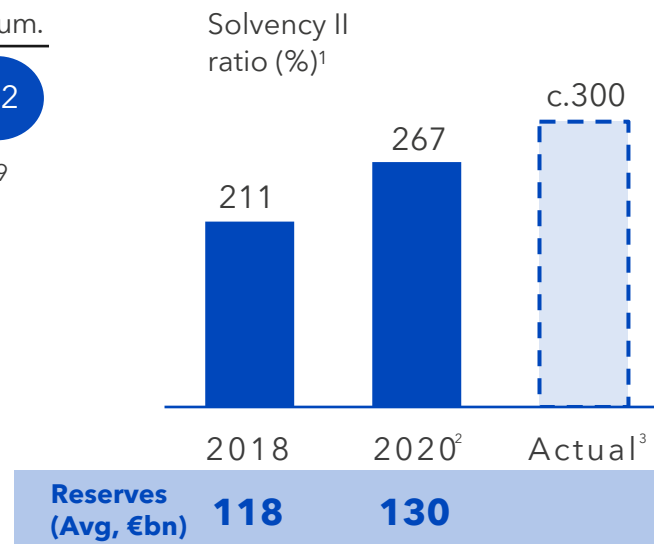
Sustainable  
Life business



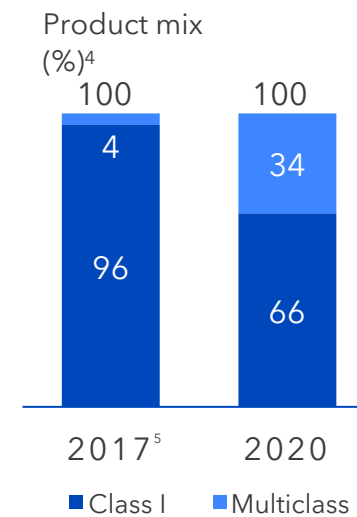
Fully-fledged  
Non-Life business



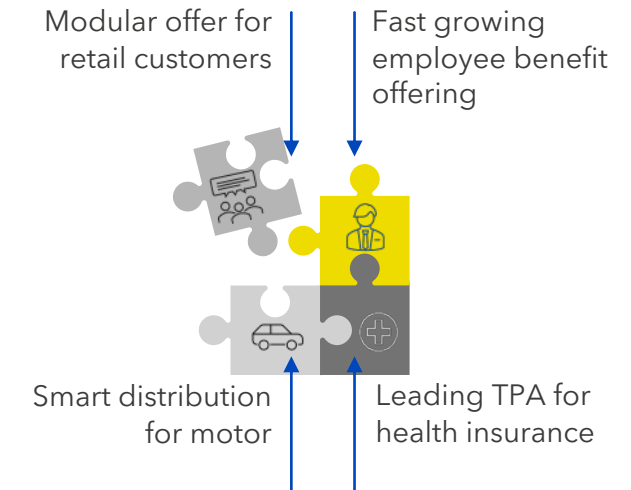
200M+ EBIT above  
Deliver22 target



Solvency II ratio up despite strong  
underlying business growth



Improved product mix in terms of  
profitability and capital efficiency



Non-Life business  
positioned for strong growth

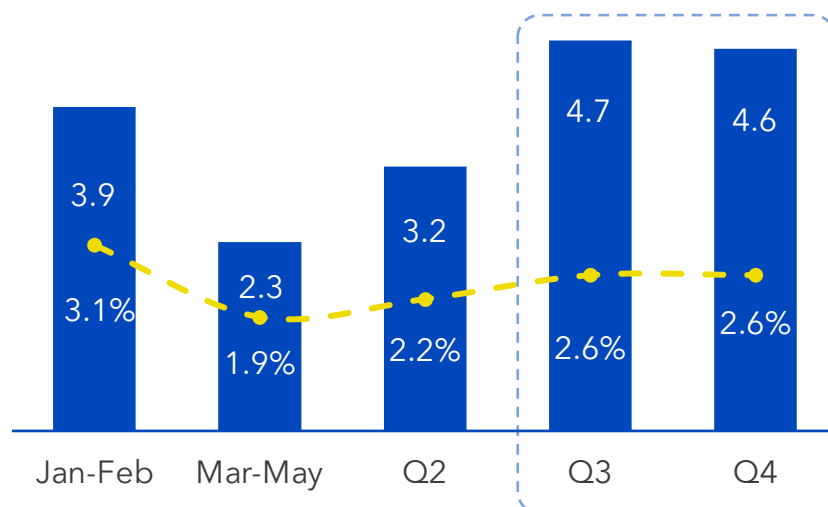
**1.** Excluding Solvency II transitional measures **2.** Includes foreseeable dividends on FY20 net profit and subject to review by the Independent Auditor **3.** Internal estimate as of 12 March 2021 **4.** Mix of new business premiums and subsequent premiums on existing policies **5.** Multiclass includes 2% Class III products

# COVID-19 IMPACT

Strong rebound after first national lockdown and resilient capital position



## Total GWP trend (€ bn)

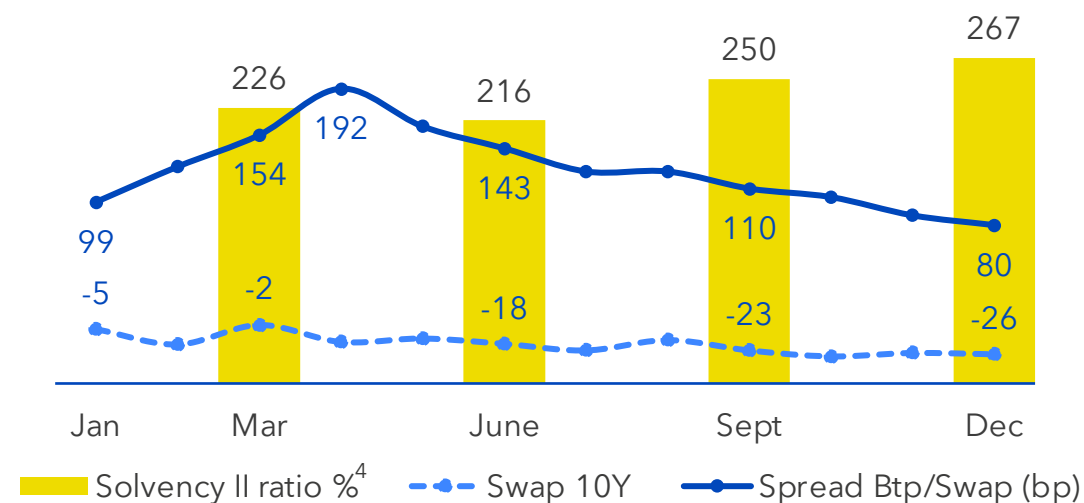
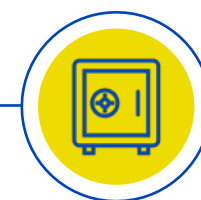


ΔY/Y	-8%	-52%	-25%	+26%	+11%
------	-----	------	------	------	------

Market lapse rate <sup>2</sup> (2020)	6.0% <sup>3</sup>	5.4%	5.2%	5.5%
---------------------------------------	-------------------	------	------	------

■ GWP (Life+P&C) 2020    ● Lapse rate<sup>1</sup>

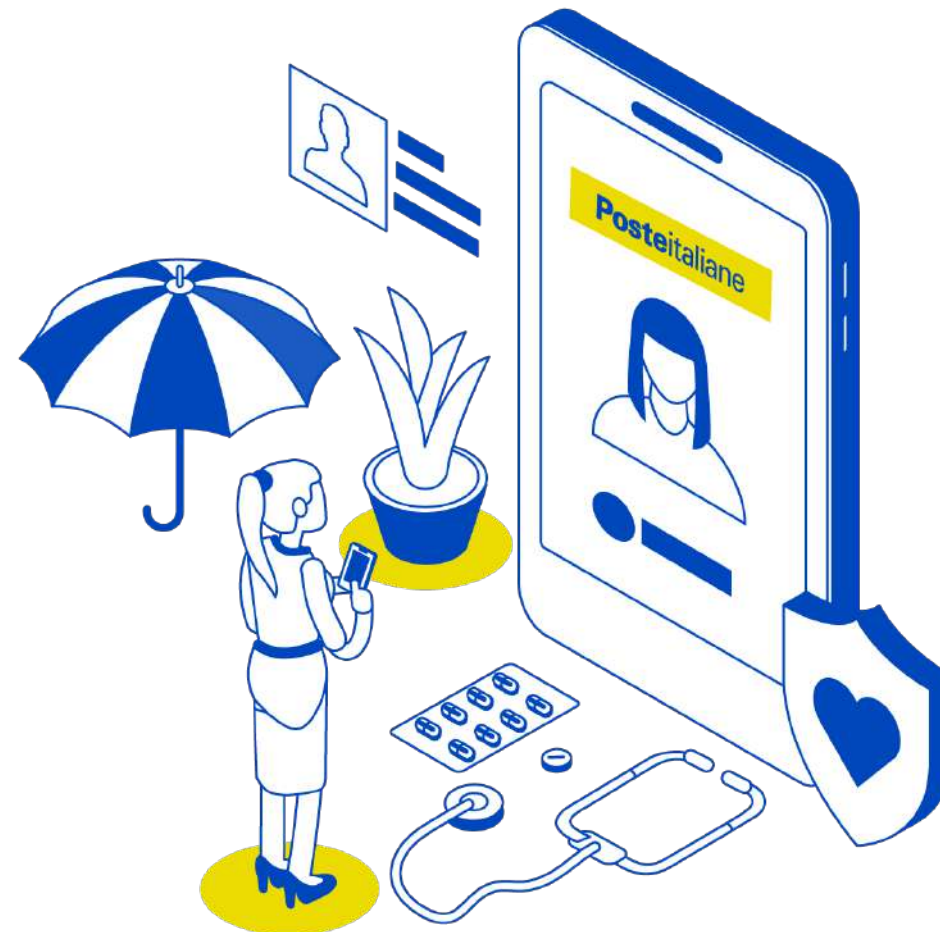
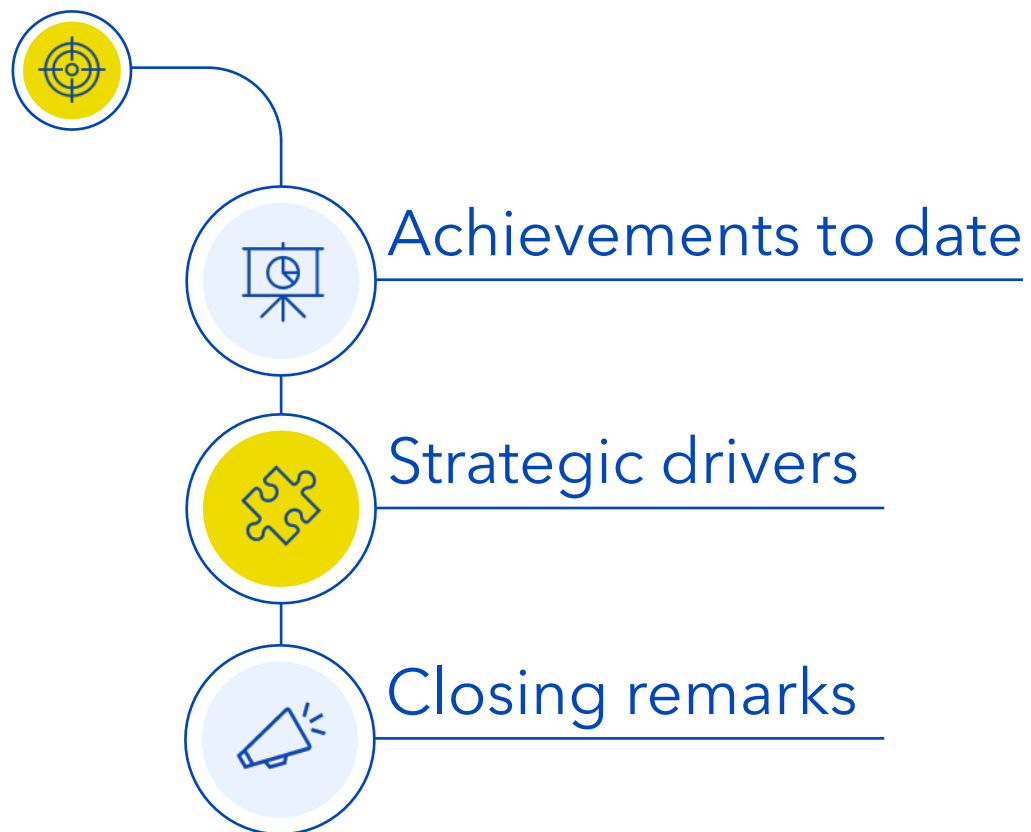
## Solvency II ratio trend 2020



■ Solvency II ratio %<sup>4</sup>    - - - Swap 10Y    — Spread Btp/Swap (bp)

1. Average for the period 2. Source: Ania trends, data YTD for each quarter 3. Source: Ania trends, Q1 figure 4. Excluding Solvency II transitional measures; Solvency II ratio as of December 2020 includes foreseeable dividends on FY20 net profit and subject to review by the Independent Auditor

# CONTENTS



# MARKET AND MACRO TRENDS

Clear long-term market trends favouring growth both in Life and P&C business



## MACRO

GDP expected to rebound in Italy over the Plan<sup>1</sup>

	2021	2024
<b>GDP expected growth</b>	<b>5.2%</b>	<b>1.2%</b>

Increase in household propensity to save<sup>2</sup>

+2.7%

**Expected annual growth  
in financial assets 2021-2023**

Ultra-low interest rates, expected back to positive in 2021<sup>3</sup>

	2021	2024
<b>10y IRS</b>	<b>0.09%</b>	<b>0.42%</b>
<b>10y Spread</b>	<b>0.55%</b>	<b>0.65%</b>



## MARKETS

Growing demand for low risk and volatility investment products<sup>4</sup>

+6%

Market Life  
GWP

CAGR 24-20

Low non-motor P&C penetration<sup>5</sup>



1.0% vs 2.7%



Health insurance demand accelerated by the new "Covid-19" scenario<sup>6</sup>

+9%

Market health  
GWP

CAGR 24-20

1. Source: Moody's 2. Source: Prometeia ("Rapporto di previsione" - December 2020) 3. Source: 10Y interest rate SWAP and spread forward curve as of 22 February 2021  
4. Source: Prometeia 5. Source: ANIA "allontAniamo i rischi e rimAniamo protetti edizione 2020" P&C non motor premiums/GDP 6. Source: Prometeia

# LIFE INSURANCE

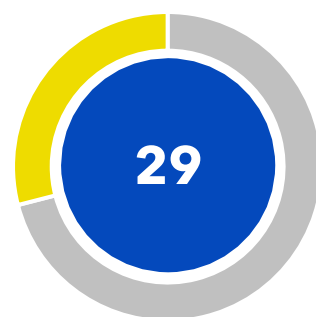
Poste Vita ideally positioned to serve increasing demand for low-risk investment products...



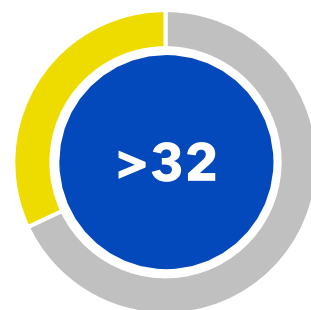
## Total Financial Assets (TFA)

Enhanced Bancoposta advisory platform to help clients reduce excess liquidity and increase diversification

Retail TFA %



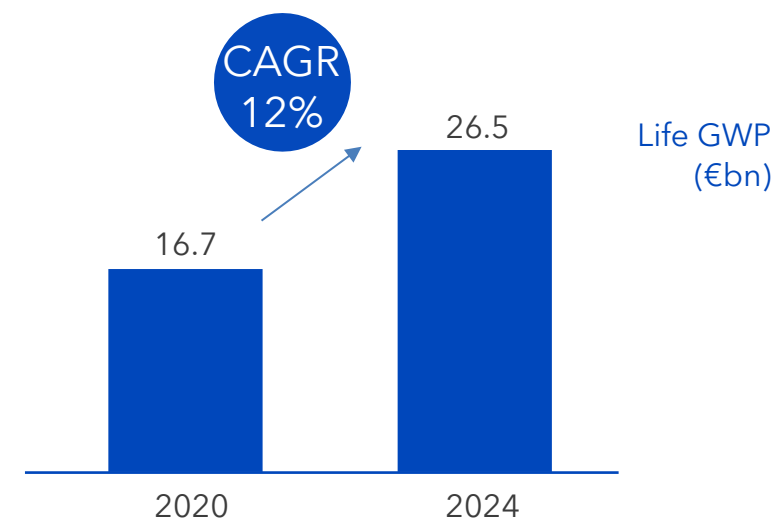
2020



2024

■ AUM<sup>1</sup> ■ Others<sup>2</sup>

## Life GWP and reserves trend



Reserves (Avg, €bn)	130	>170
Portfolio turnover (% GWP) <sup>3</sup>	-	15%

**1.** Includes life net technical reserves, mutual funds and discretionary mandates **2.** Includes postal books, retail current accounts, Postepay, postal bonds and assets under custody **3.** % of GWP expected from the turnover of the in-force business to increase diversification of clients' portfolios

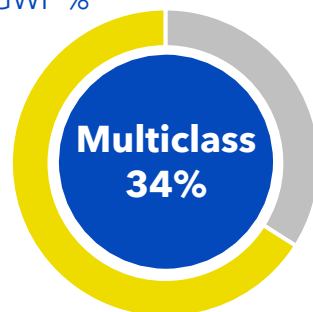
## LIFE INSURANCE

...with a sustainable and profitable product mix...

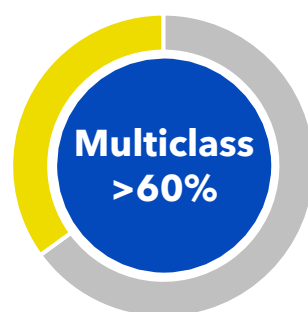


## Product mix

Product mix,  
GWP %



2020



2024

■ Class I<sup>1</sup> ■ Multiclass<sup>2</sup>

Capital light  
products GWP %<sup>3</sup>

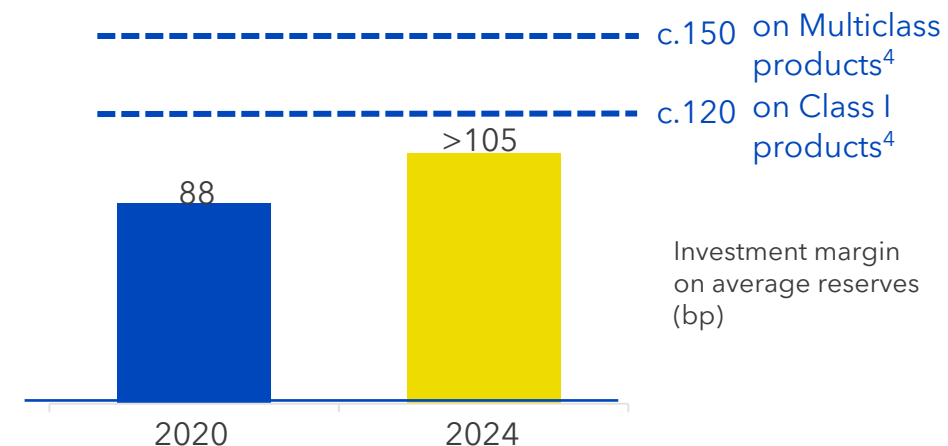
35%

80%

## Investment margin



Steady profitability improvement thanks  
to mix shifting towards higher margin  
products



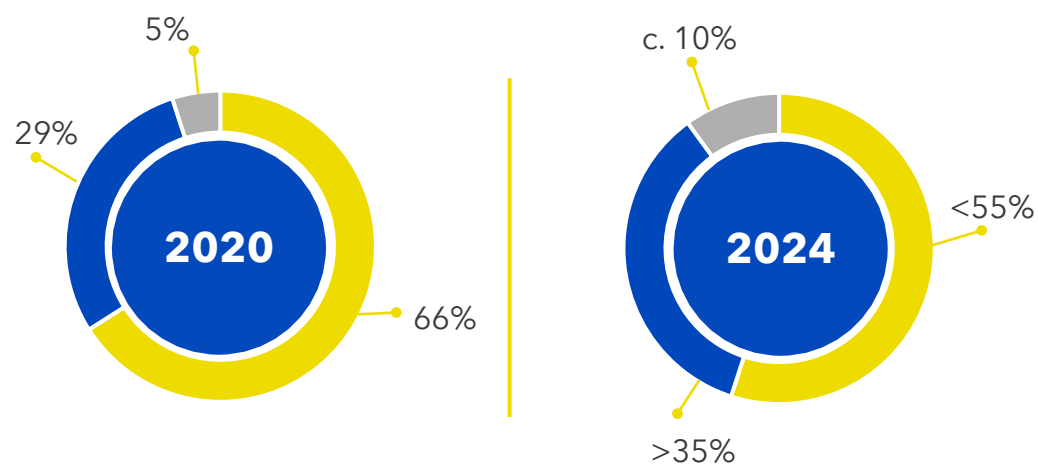
**1.** Includes life protection GWP **2.** Includes Class III **3.** Multiclass and Class I products with capital guarantee in case of death only **4.** Investment margin expected on new business (average 2021-2024)

## LIFE INSURANCE

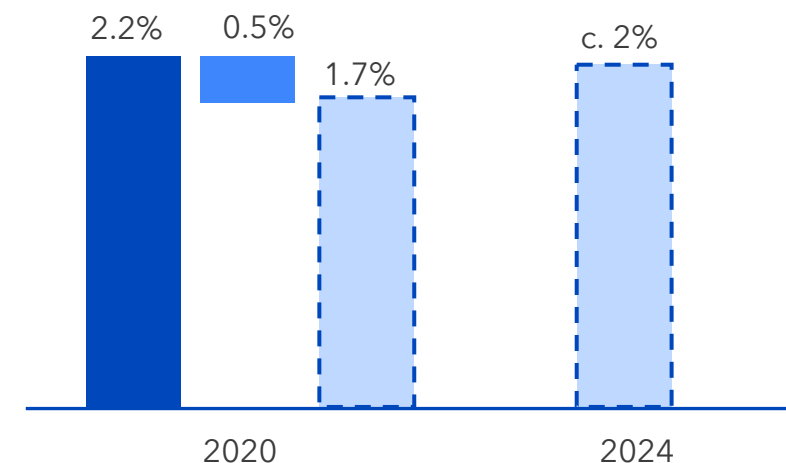
...leveraging on an increasingly diversified portfolio with attractive returns



## Asset mix (GWP, %)



Government bonds Corporate bonds Private markets and other

Asset return<sup>1</sup> (trend 20-24, %)

Segregated fund return Average minimum guaranteed return (Return - Minimum guaranteed return)

Unrealised capital gains (€bn)<sup>2</sup> c. 16

Assets duration (years)<sup>1,3</sup> c. 7

1. Segregated fund: Poste Valore Più, >90% of Class I reserves 2. Data as of 12 March 2021, unrealised capital gains on segregated fund 3. As of year-end 2020

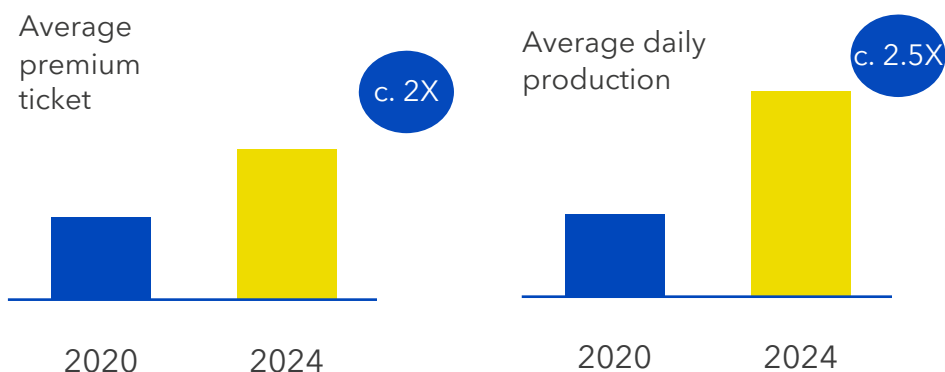
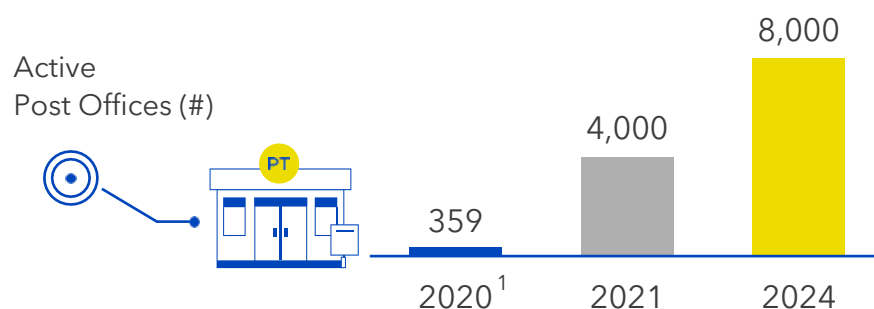


## P&amp;C

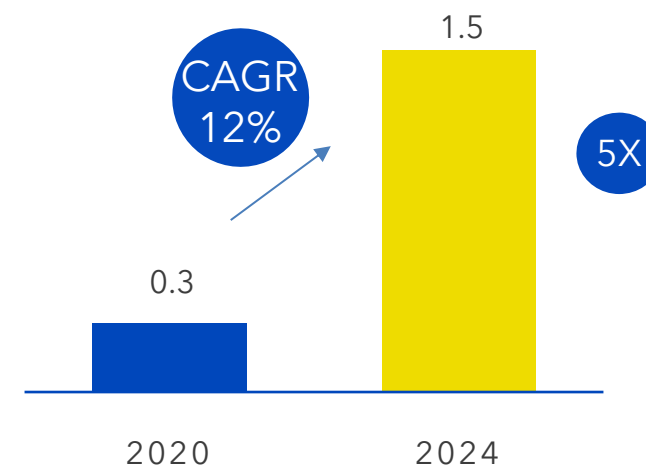
Profitability growth driven by retail modular offer and motor



## Modular offer

Ramp-up in Motor<sup>1</sup>Protection GWP<sup>2</sup>

€ bn

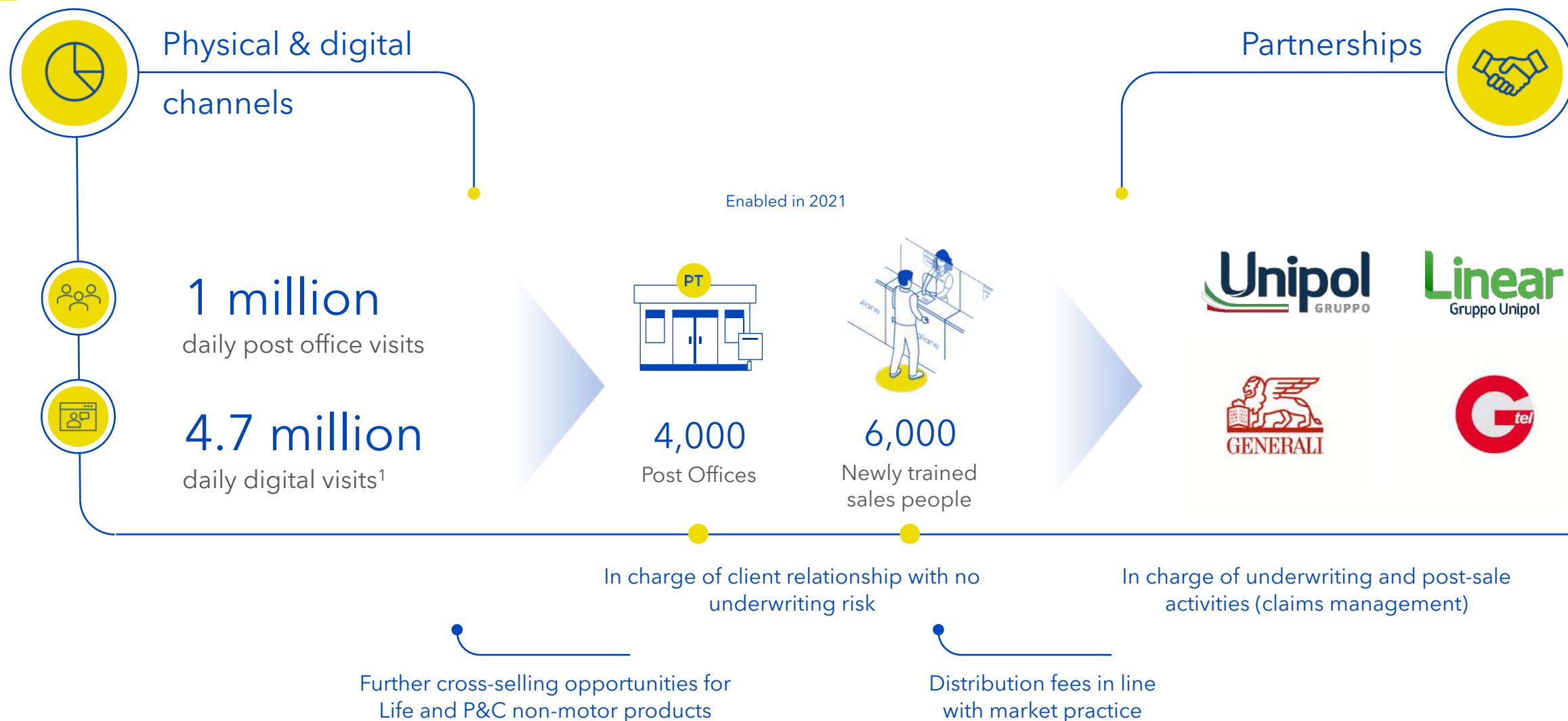


Combined ratio <sup>3</sup>	79%	c. 80%
% Non-Life revenues on total	6%	15%

1. Number of Post Offices authorized to sell motor insurance; 2020 selected Post Offices to serve employees offer, 2024 number of Post Offices set up to reach market best practice 2. Includes third party motor offer and life protection GWP 3. Combined ratio excluding non-motor (underwriting risk taken by partners)

# MOTOR SERVICE MODEL

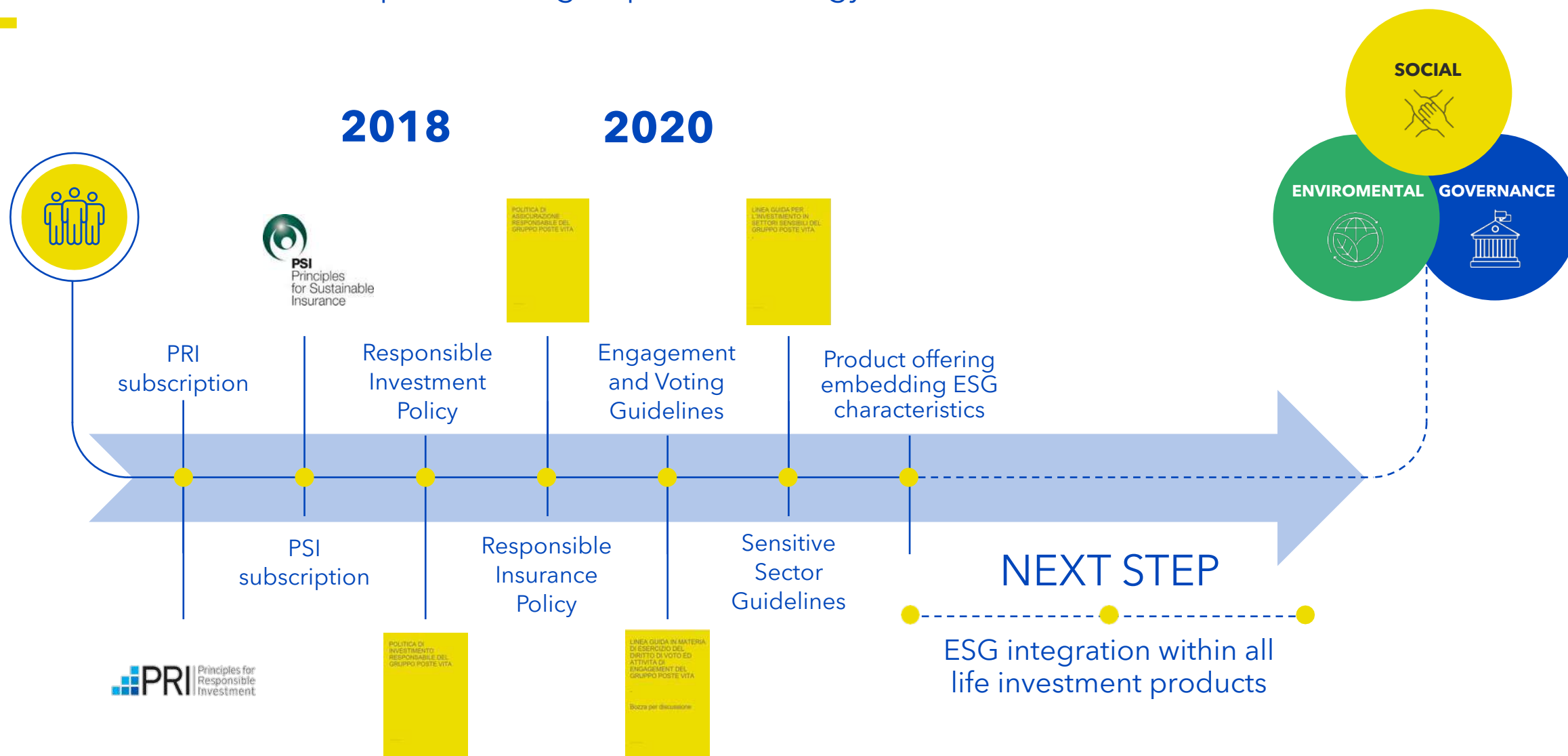
Smart open platform with no underwriting risk for Poste Vita



1. Daily average 2020 web/app

# THE POSTE VITA ESG JOURNEY

Sustainable finance as a pillar of the group's ESG strategy



# LIFE-P&C INTEGRATION

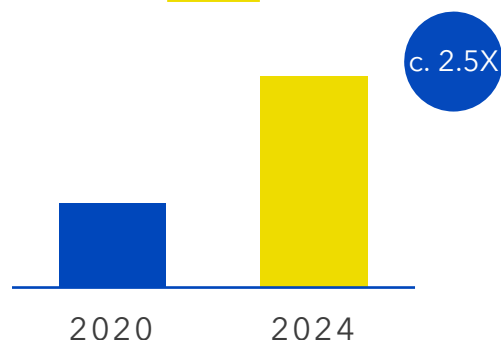
Advisory and innovation to reduce retail customers' underinsurance



## New integrated advisory platform

- Bancoposta wealth management advisory platform to include P&C products to promote diversification and insurance education
- Enhanced client profiling to offer more tailored advisory on P&C

### Penetration of P&C products<sup>1</sup>

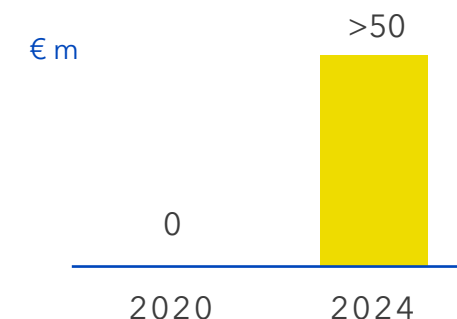


## P&C covers embedded in life policies



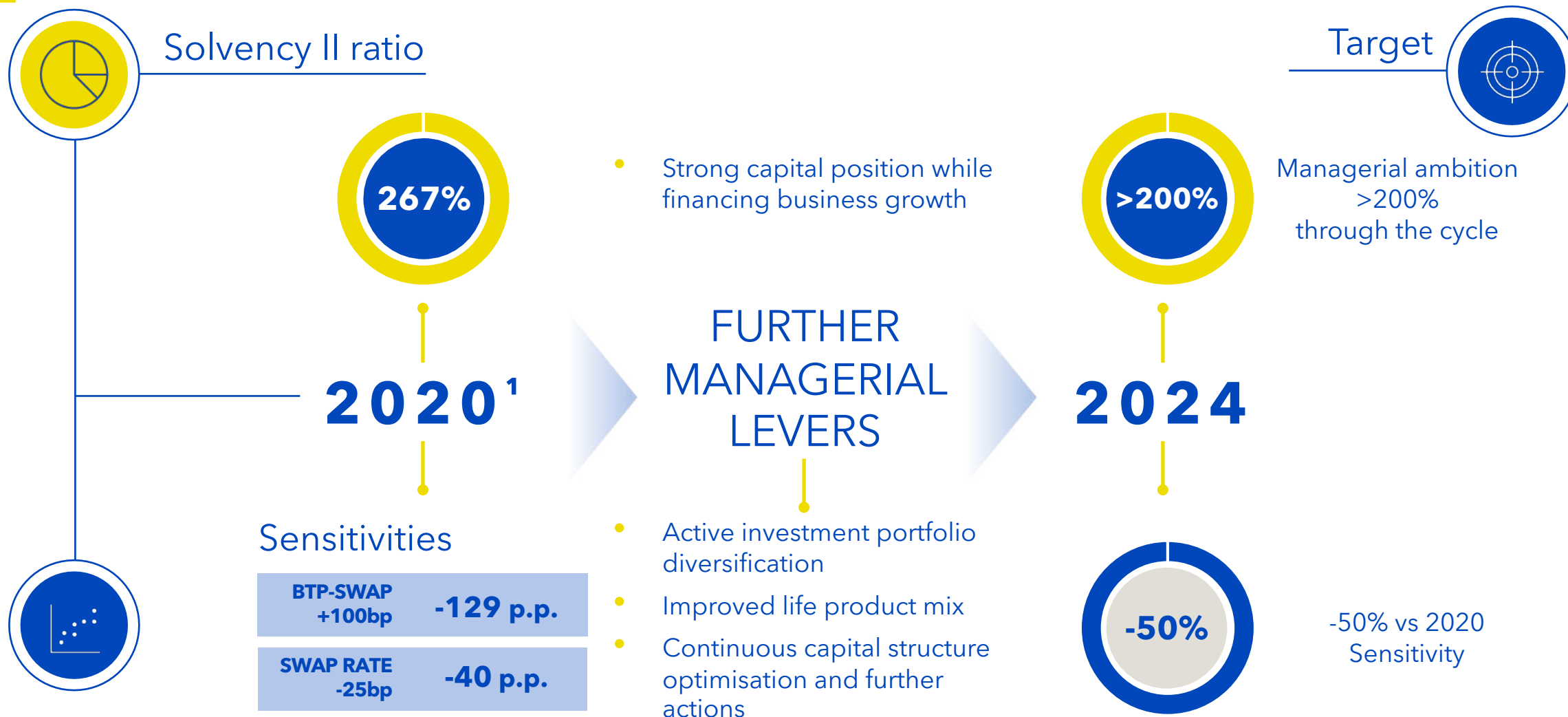
- Launched in 2021: critical illness protection in all new insurance investment solutions
- New products to be developed from 2022

### Life-embedded, P&C GWP



1. Percentage of customers buying P&C coverage on total customers buying other financial and insurance products for each year

## SOLVENCY CAPITAL

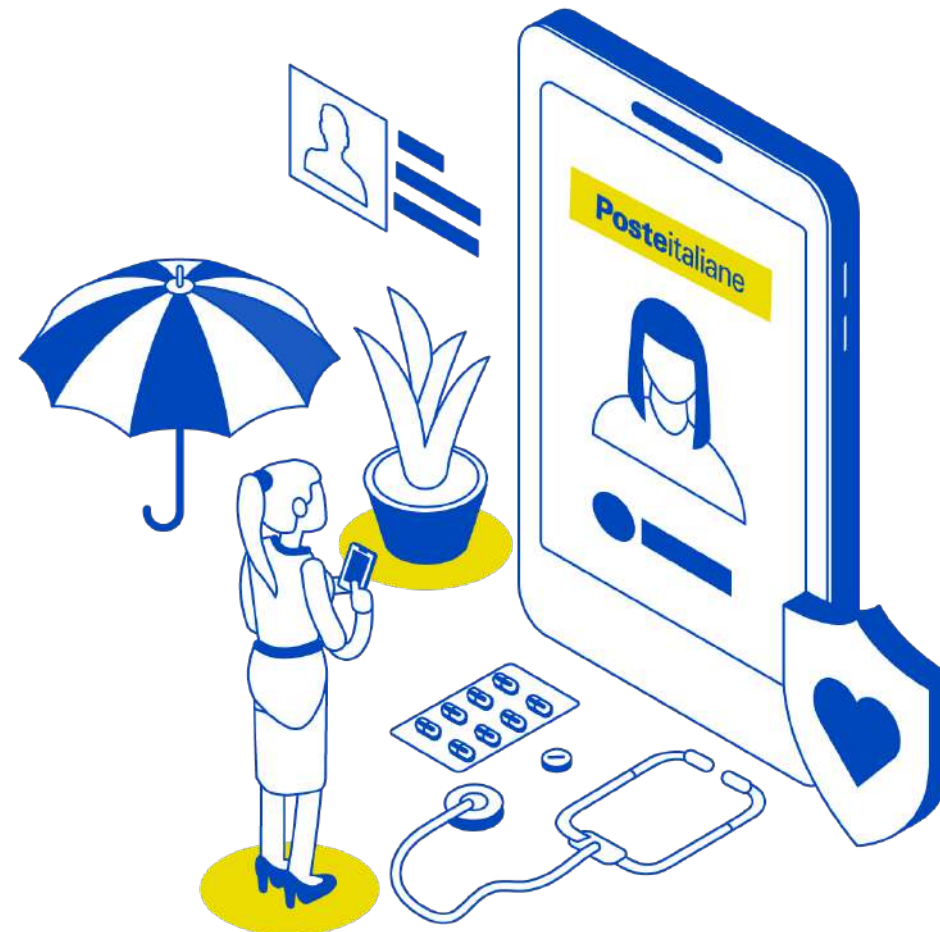


1. Excluding Solvency II transitional measures; includes foreseeable dividends on FY20 profit and subject to review by the Independent Auditor

## FINANCIAL TARGETS

€ bn	2019	2020	2021	2022	2024	CAGR 19-24
SEGMENT REVENUES	1.67	1.65	2.0	2.2	2.7	10%
LIFE REVENUES	1.51	1.50	1.8	2.0	2.3	8%
NON-LIFE REVENUES	0.16	0.14	0.2	0.3	0.4	21%
DISTRIBUTION FEES	0.47	0.46	0.6	0.7	1.1	19%
EBIT	1.00	0.98	1.1	1.2	1.3	5%
NET PROFIT	0.73	0.78	0.8	0.9	0.9	4%

# CONTENTS





# TOWARDS 2024



- Life business at the core of group wealth management
- Profitable growth in P&C
- Lead the way in ESG and reducing underinsurance in Italy
- Strong and sustainable capital position

# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

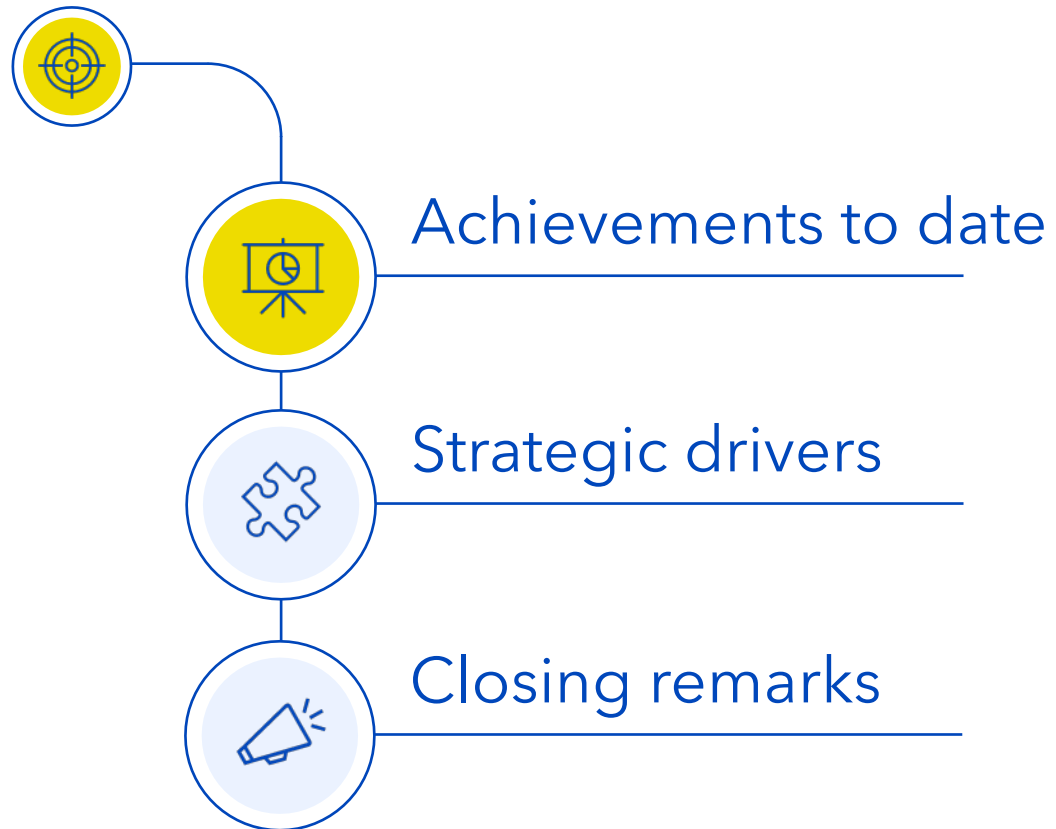
Marco Siracusano  
**PAYMENTS & MOBILE**

# TOWARDS 2024



- Transformation journey confirmed by 2020 results
- Resilient performance during pandemic, paving the way for future growth
- PostePay supporting Group omnichannel platform through the integration of payments, telco and energy
- Future growth supported by all business segments

# CONTENTS



# PAYMENT AND TELCO MARKET IN PANDEMIC

Paving the way for future growth

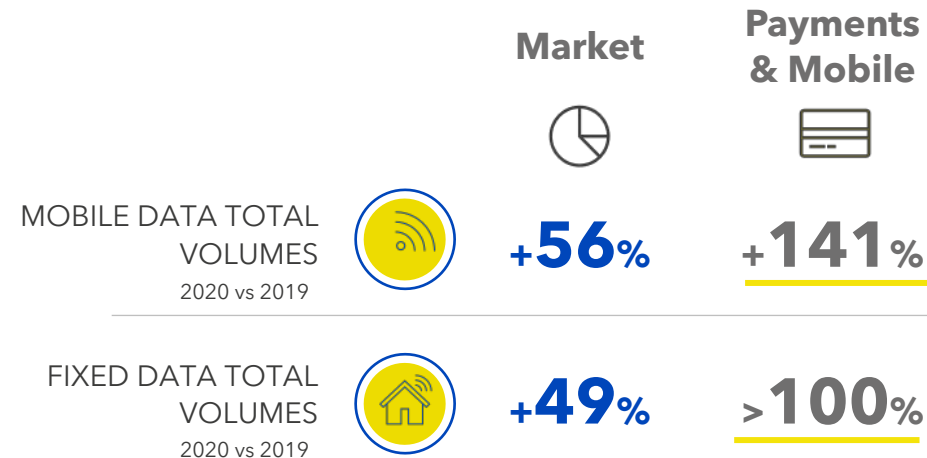
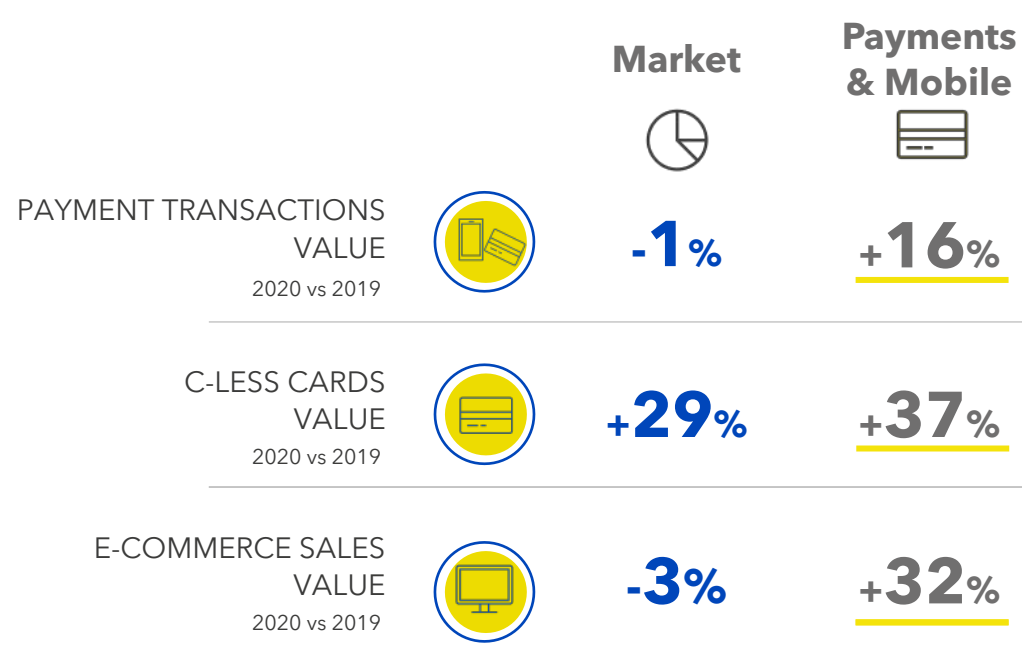
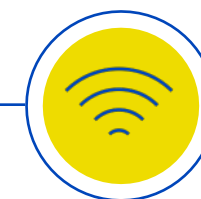


## Payments

Performance y/y (%)

## GROWTH OF E-COMMERCE, TOUCHLESS PAYMENTS AND DATA TRAFFIC

## Telco



Sources "Politecnico di Milano - Osservatorio Innovative Payments"; "Osservatorio eCommerce B2C"; "Netcomm 26/2/21"; Osservatorio AGCOM (Osservatorio sulle Comunicazioni - Monitoraggio Covid-19 1/21 and 4/20 )

# FINANCIAL ACHIEVEMENTS

Deliver(ed)



## All financial targets met

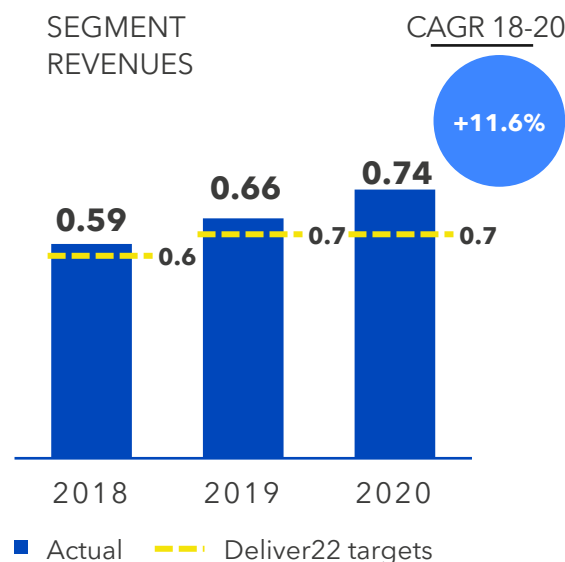
€bn unless otherwise stated



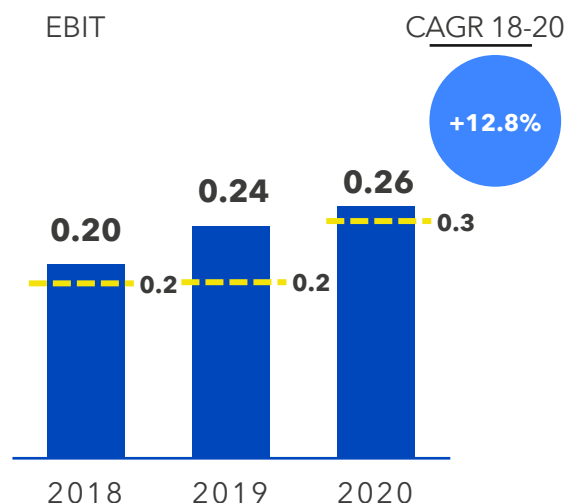
## Sustained card transactions growth



## Resilient telco

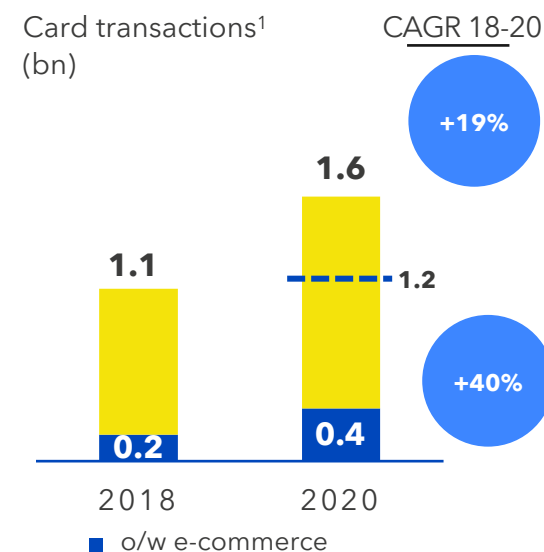


Double digit growth with all segments meeting guidance also in challenging 2020



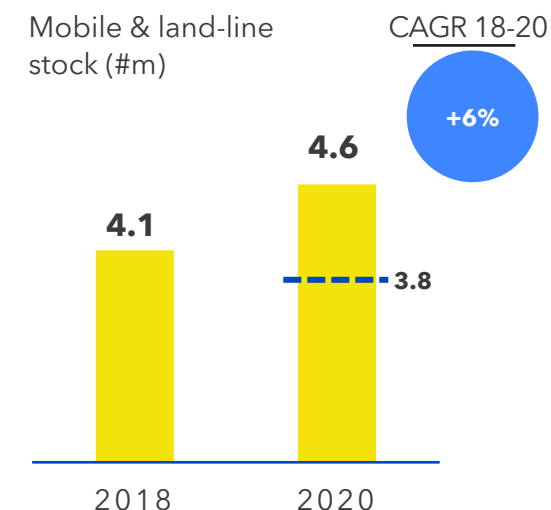
Double digit growth supported by increasing digital payments

EBITDA **0.23    0.27    0.28**



Increasing transactions with acceleration of digital and contactless payments

Total cards stock (#m) **26.2    28.9**

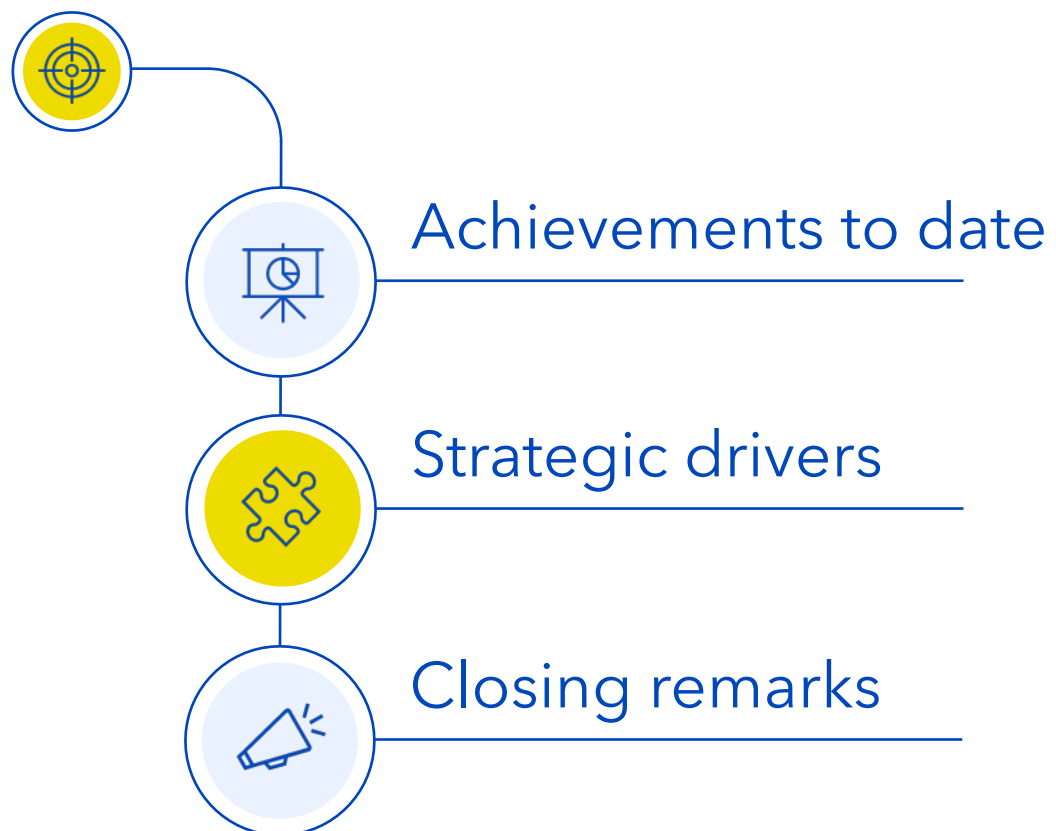


Loyal customer base in a competitive environment

1. Includes withdrawals and top-ups



# CONTENTS



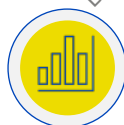
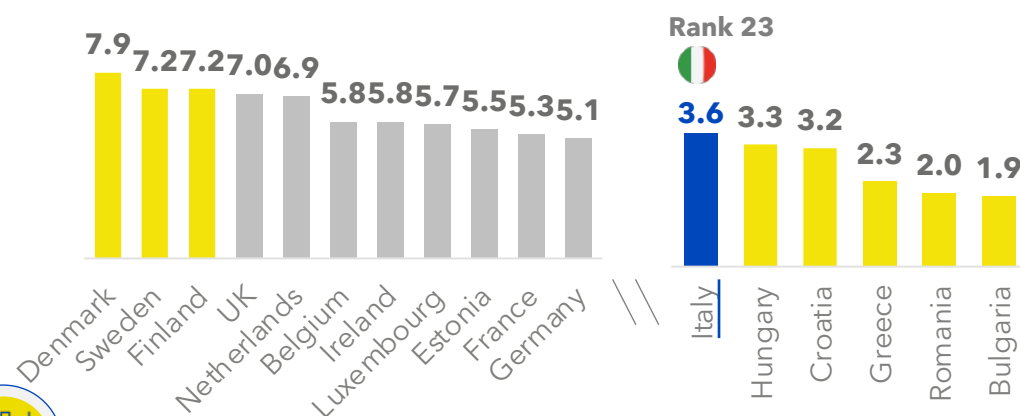


# DIGITAL PAYMENTS AND FIBRE BUSINESSES EXPOSED TO GROWING MARKETS

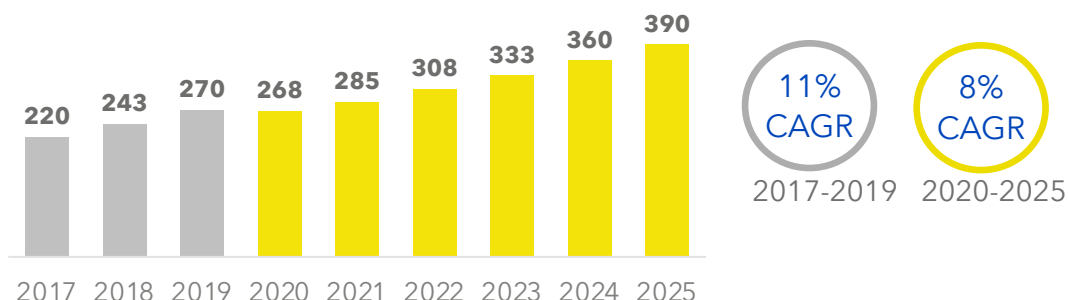


## Payments market

### 2020 Cashless Society Index In Europe<sup>1</sup>



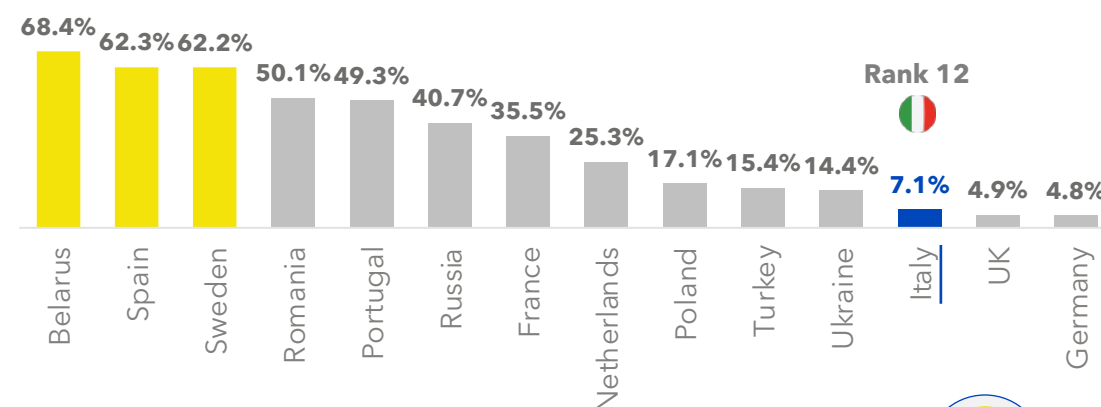
### 2020-2025 Italy Card Volumes Forecast (€bn)



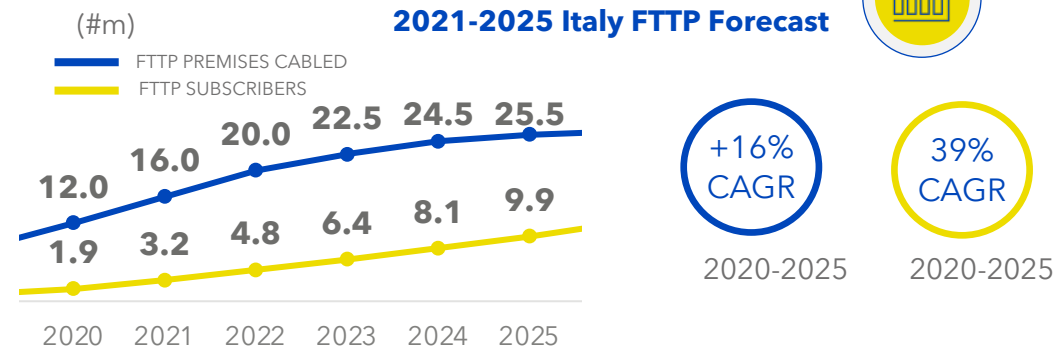
## Fibre To The Premises (FTTP) Market

### 2020 FTTP Penetration European Ranking

(FTTP household penetration)



### 2021-2025 Italy FTTP Forecast

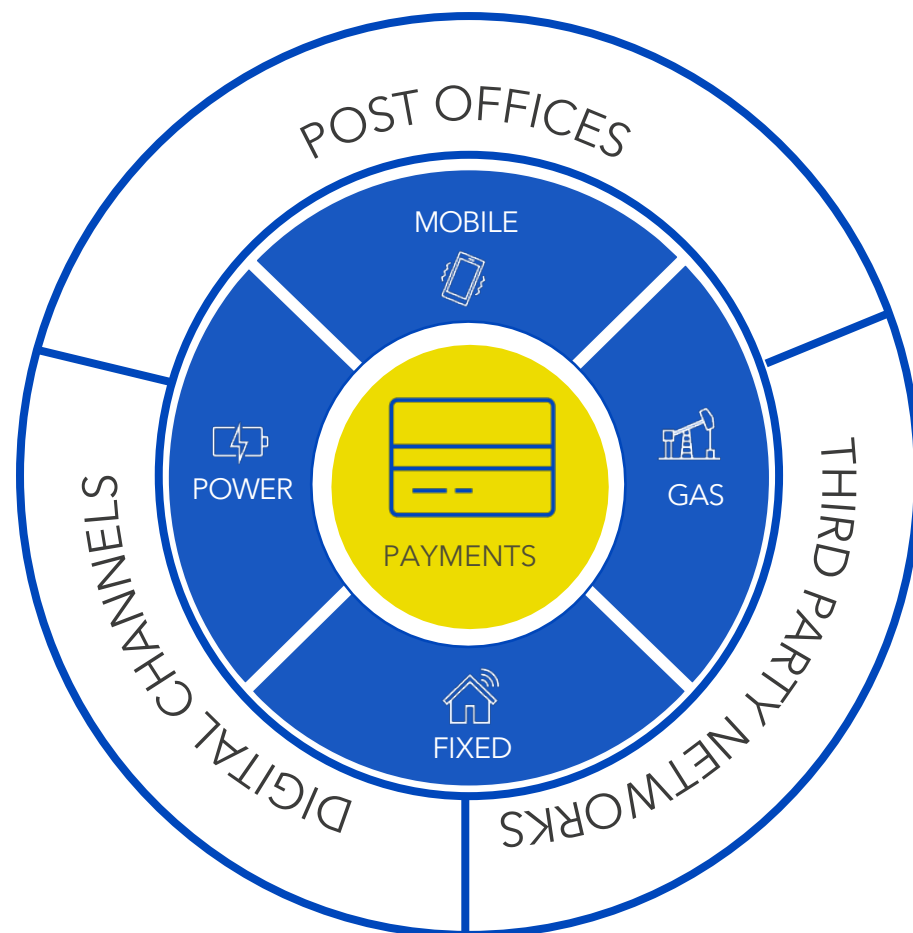


Sources: Politecnico di Milano - Osservatorio Innovative Payments, RBR (data extracted in September 2020) and The European House Ambrosetti; FTTH Council Europe 2020-2026 After Covid-19 (2020 Conference)

1. Cashless Society Index (2020, 5th edition) based on 16 KPIs grouped into two areas: "Enabling factors" (e.g. POS/ATM distribution) and "Payments status" (e.g. number/value of card transactions, ecommerce)

# POSTEPAY DRIVING GROUP'S OMNICHANNEL STRATEGY

From payments to value added services in Telco and Energy



## PAYMENTS

Core business boosting innovative payments and digital ecosystem

## VALUE ADDED SERVICES

Digital payments as layer for integration, enabling telco and energy services

## OMNICHANNEL STRATEGY

Hybrid strategy integrating an unrivaled post office, digital channels and third party network

## CROSS-SELLING

Increase customers value for the Group

## SUSTAINABILITY

Support digital divide reduction.  
Launch eco-friendly products across all sectors and reach 20 million biodegradable cards by 2025.

# ENTERING THE ENERGY MARKET

Arising business opportunities



## Market enhancer

Promoting market maturity in order to be a trusted provider for the full market liberalization by 2023, providing a safe option to switch to the free market for more than 40% of retail customers



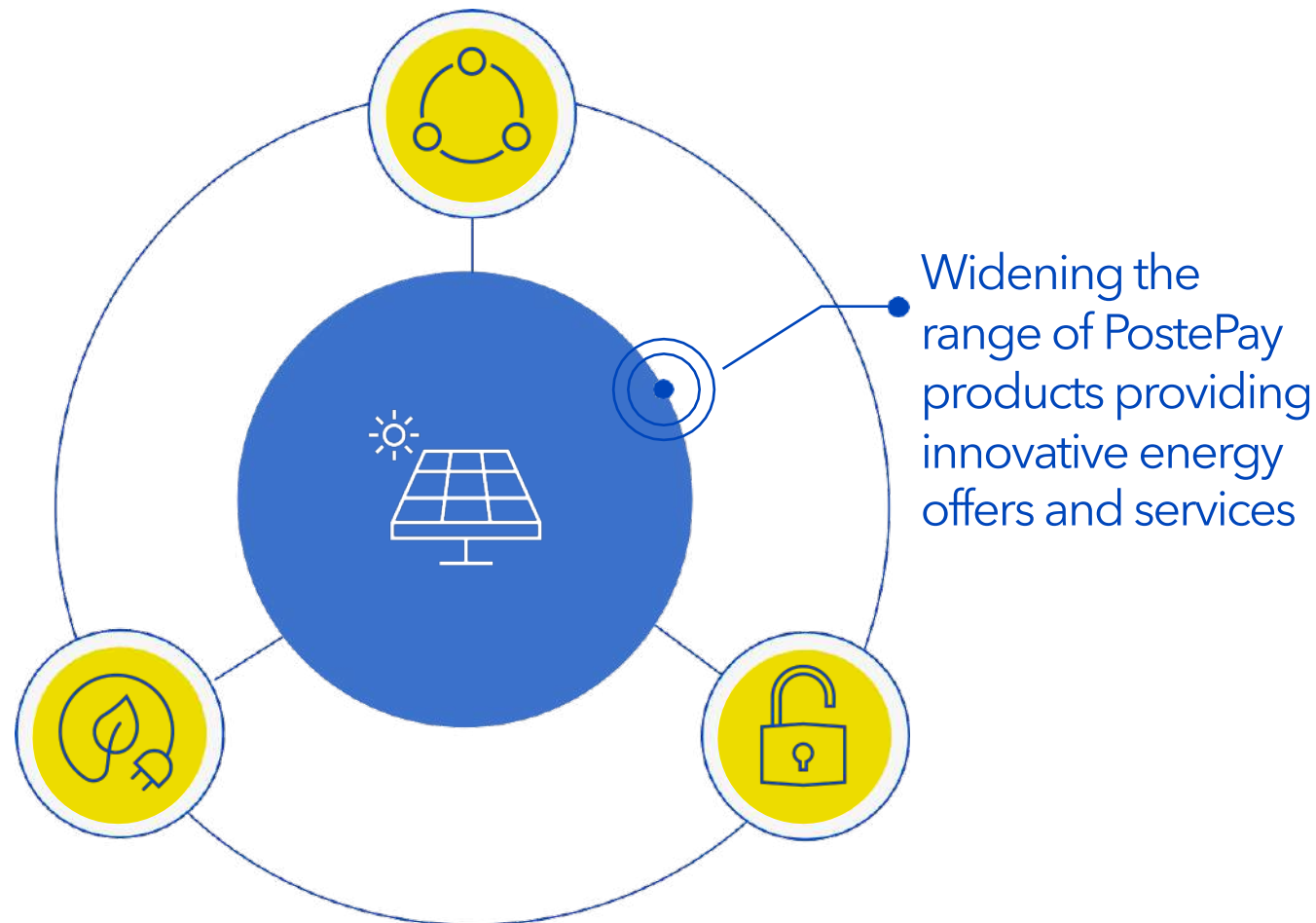
## Multiservices

Expanding multiservices offering to retail customers (payments, financial services, telco)



## Sustainability

Poste Italiane to play a leading role in energy transition and the green economy



# PAYMENTS & MOBILE: STRATEGY TOWARDS 2024



## Key drivers & main targets

### PAYMENTS



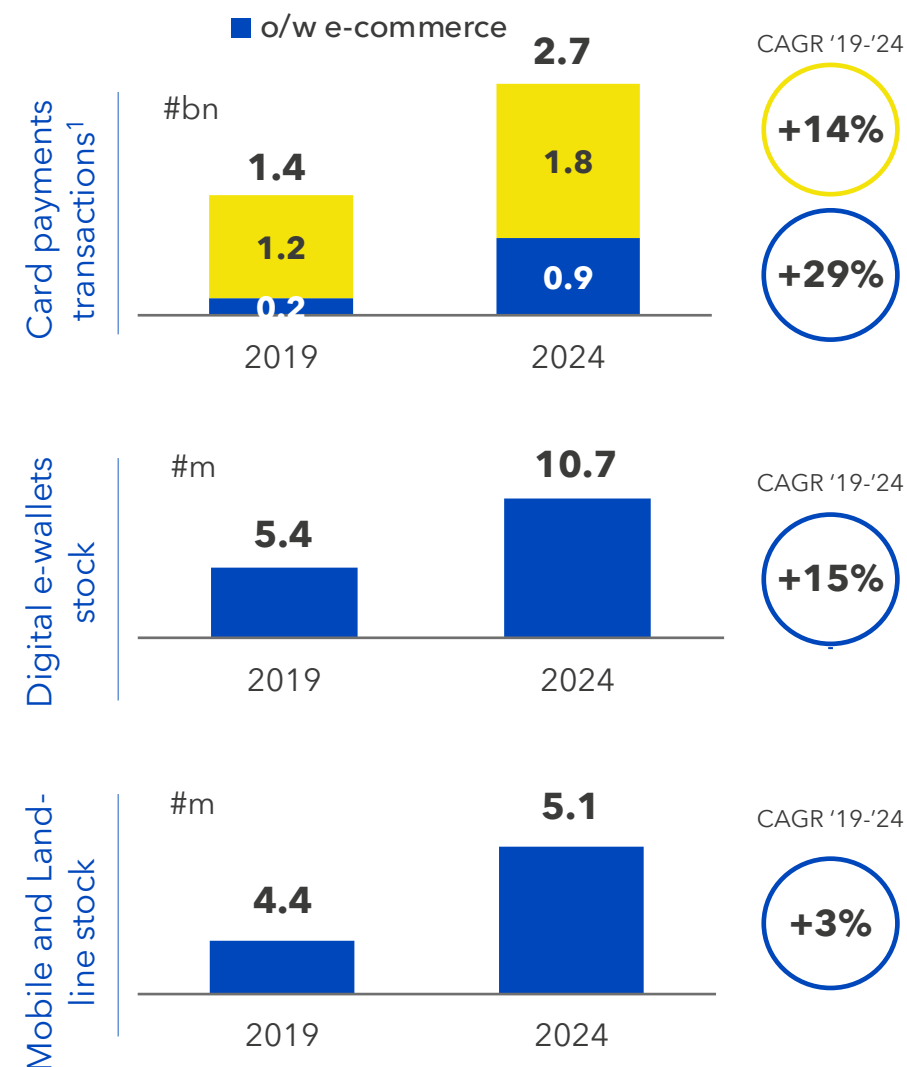
- Strengthen **digital offer** and enhance **digital customer engagement**
- Enlarge SME customer** base with an integrated offer
- Open **API architecture** driving **instant payments** and other **PSD2** use cases
- Enhance Postepay Connect framework** for multi-services offer
- Expand **cooperation with Bancomat** from acquiring to issuing and app to enlarge domestic payments arena

### TELCO



- Strengthen **mobile market distinctive positioning** and increase **digital channel acquisitions**
- Enhance efficiency supported by new 5-year wholesale agreement with Vodafone**
- Expand addressable market both in the **Broadband offer** and in the innovative **Fibre offer** by Q2 21
- Advanced connectivity** solutions with a **"device strategy"**

1. Includes withdrawals and top-ups



# ENERGY: STRATEGY TOWARDS 2024

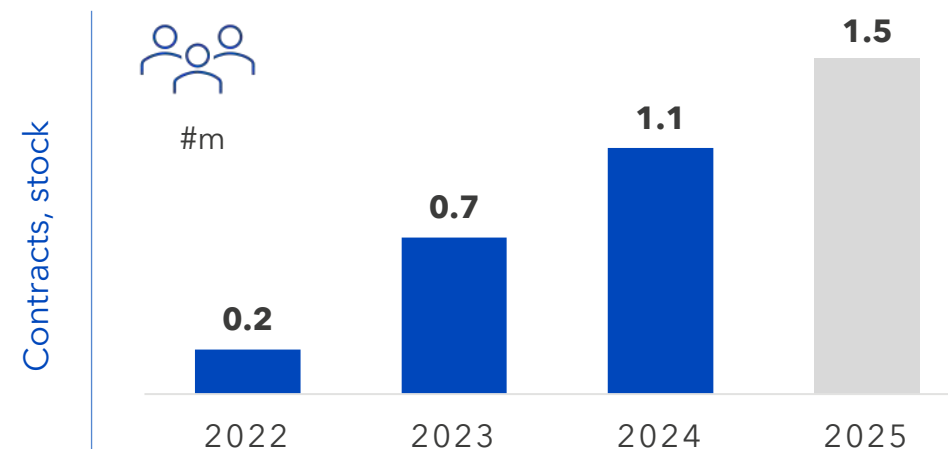


## Key drivers & main targets

### ENERGY



- New **Energy offers** both power and gas
- **100% Green**
- **Smart use of technology**
- Superior digital **customer experience** and **trusted proximity** through post offices network
- Strengthen relationship with customers: from transactional to relational approach



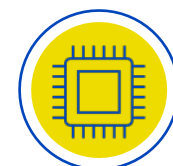
Breakeven

**By 2024**



Positive EBIT




**By 2025**



Digital acquisitions

**up to 20%**

## 2024 PLAN - KPIs

2018 - 2024 KPIs		2018	2019	2020 Actual	2021	2022	2024	CAGR 19-24	2025
 PAYMENTS	Total payment cards, stock (#m)	26.2	28.7	28.9	28.9	29.0	29.6	+1%	29.8
	o/w Postepay EVO, stock (#m)	6.3	7.2	7.7	8.8	9.9	11.6	+10%	12.5
	o/w biodegradable, stock (#m)	-	-	-	1.0	6.0	16.0	n.m.	20.0
	Payment transactions value (€bn) <sup>1</sup>	34.4	41.9	48.8	56.8	66.4	83.2	+15%	91.8
	Card transactions (bn) <sup>2</sup>	1.1	1.4	1.6	1.8	2.1	2.7	+14%	3.0
	o/w e-commerce (m)	202	250	397	464	581	894	+29%	1,028
	Postepay average deposits (€bn)	3.2	4.2	5.5	6.7	7.3	8.3	+15%	9.1
	Digital e-wallets, stock (#m)	2.8	5.4	7.4	8.3	9.3	10.7	+15%	11.8
 TELCO	Mobile & land-line, stock (#m)	4.1	4.4	4.6	4.7	4.8	5.1	+3%	5.3
 ENERGY	Power & Gas, Contracts stock (#m)					0.2	1.1	n.m.	1.5

1. Includes Postamat and Postepay card payments transactions (excludes ATM withdrawals);

2. Includes withdrawals and top-ups

# 2018 – 2024 FINANCIALS

Steep growing trajectory



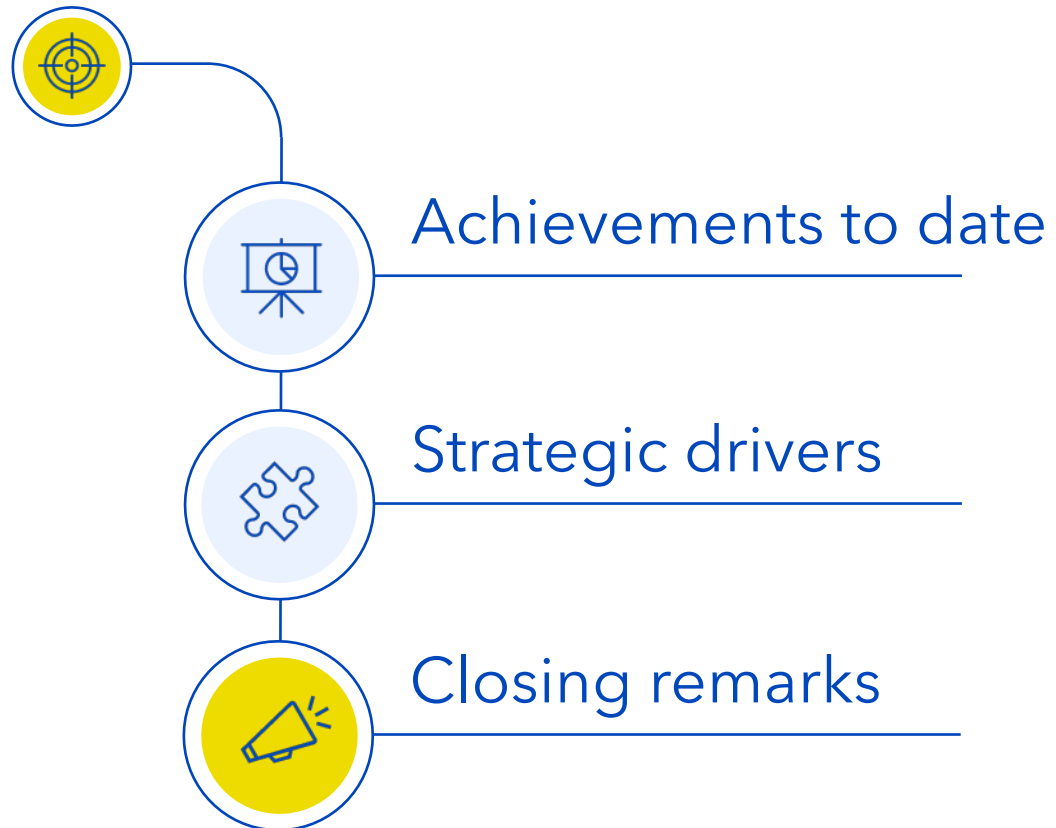
€bn unless otherwise stated

	2018	2019	2020	2021	2022	2024	CAGR 19-24	2025
SEGMENT REVENUES	0.59	0.66	0.74	0.8	1.0	1.6	+20%	1.9
EBIT	<b>0.20</b>	<b>0.24</b>	<b>0.26</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	10%	0.4
EBITDA	0.23	0.27	0.28	0.3	0.3	0.4	+8%	0.5
NET PROFIT	0.15	0.27 <sup>1</sup>	0.19	0.4 <sup>1</sup>	0.2	0.3	+9%	0.3

1. 2019: includes €88m of SIA's stake revaluation and €11m of SIA share of equity income; 2021: includes €0.3bn SIA's stake revaluation



# CONTENTS



# CLOSING REMARKS



- Transformation journey confirmed by 2020 results
- Resilient performance during pandemic, paving the way for future growth
- PostePay supporting Group omnichannel platform through the integration of payments, telco and energy
- Future growth supported by all business segments

# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

Camillo Greco  
CFO











# CONTENTS



# SUCCESSFULLY EXECUTING DELIVER22

Resilient in 2020 – dividend confirmed in a challenging year

€ bn unless otherwise stated

	2018		2019		2020	
	DELIVER22 Targets as of Feb-18	ACTUAL	GUIDANCE 2019	ACTUAL	DELIVER22 Targets as of Feb-18	ACTUAL
REVENUES	10.7	10.9 	11.0	11.0 	10.9	10.5
EBIT	1.4	1.5 	1.6	1.8 	1.6	1.5
NET PROFIT	1.0	1.4 	1.1	1.3 	1.1	1.2 
DIVIDEND PER SHARE (€)	0.44	0.44 	0.46	0.46 	0.486	0.486 

 Achieved  Overachieved

## KEY FINANCIAL TARGETS

Profitability trajectory supporting enhanced dividend policy

€ bn unless otherwise stated

	2019	2020	2021	2022	2024	CAGR 19-24
REVENUES	11.0	10.5	11.2	11.6	12.7	+3%
EBIT	1.8	1.5	1.7	1.9	2.2	+5%
NET PROFIT	1.3	1.2	1.4	1.3	1.6	+6% <sup>1</sup>
DIVIDEND PER SHARE (€)	0.463	0.486	c. 0.55		6% <sup>3</sup>	+7%

1.2 excl. SIA revaluation

+14% VS. 2020  
60% PAYOUT<sup>2</sup>

1. Excluding €0.1bn related to the revaluation of SIA stake in 2019 2. Corresponding to 60% of underlying net profit of €1.2bn (excluding the revaluation of SIA stake of €0.3bn)  
3. For 2022, 2023 and 2024

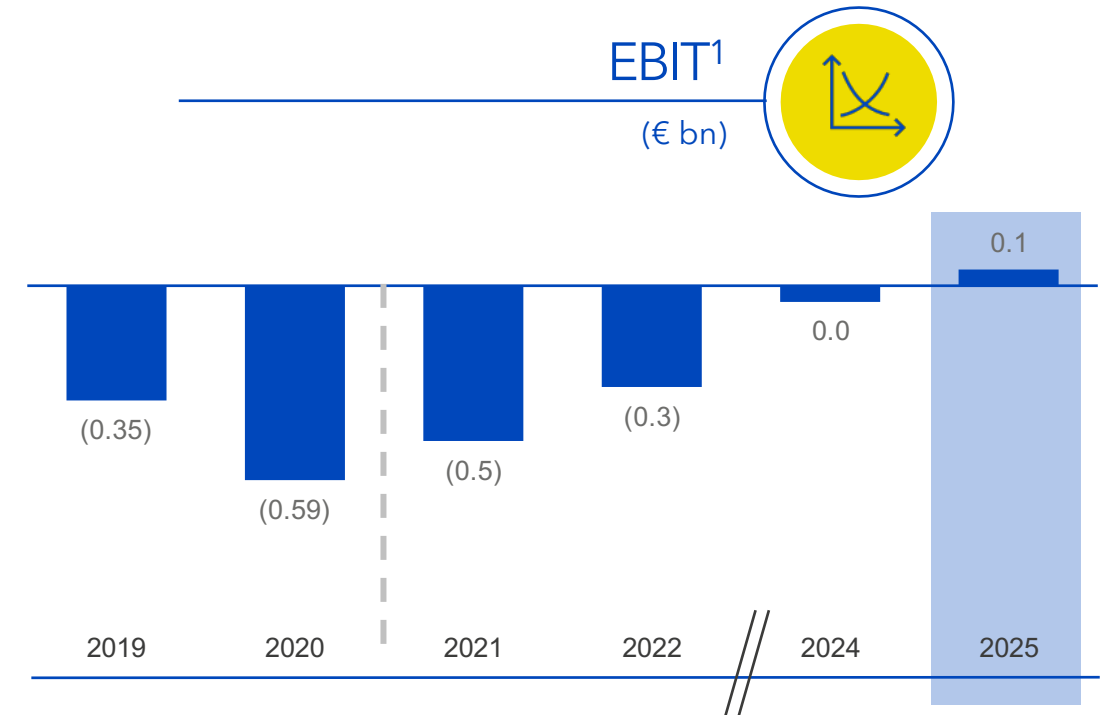
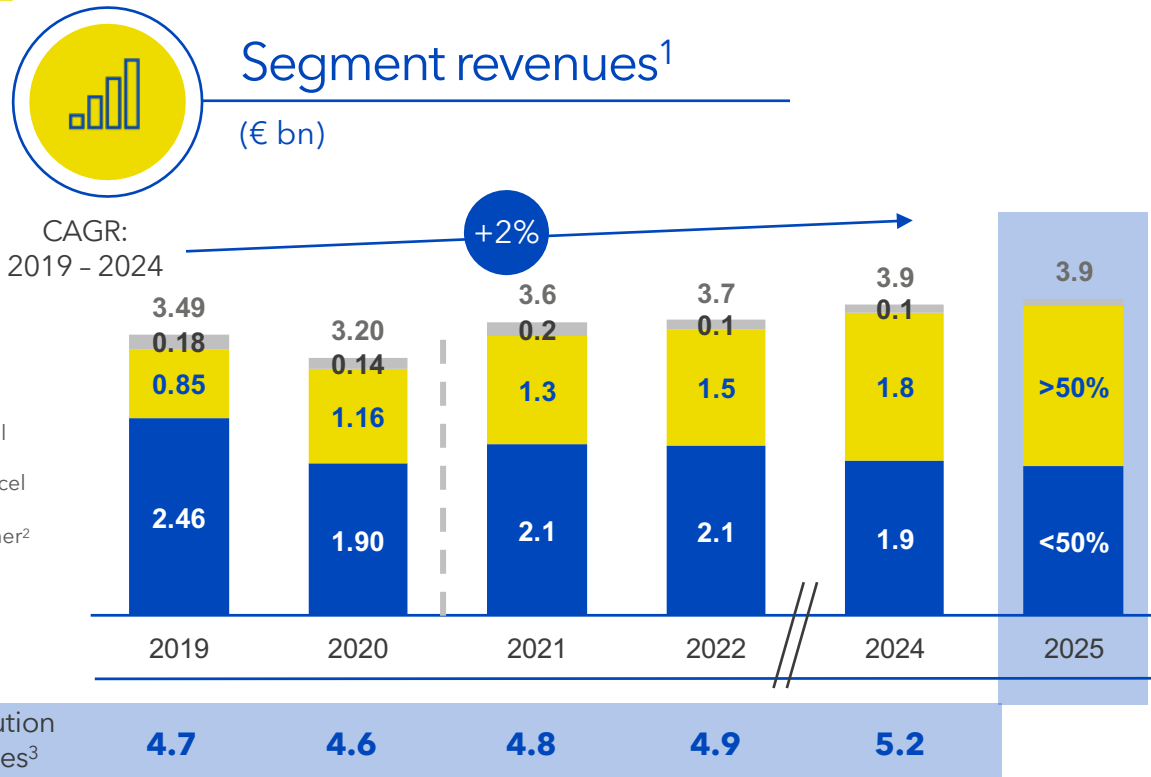
# CONTENTS





# MAIL, PARCEL & DISTRIBUTION

Parcel business to become largest revenue contributor – sustainable business by 2025



- Total revenues steadily increasing over the plan horizon
- Resilient mail revenues supported by Nexive consolidation
- Sustained parcel revenue growth across all product lines
- Parcel revenues >50%<sup>4</sup> of revenues by 2025 (vs. 18%<sup>4</sup> in 2016)
- Intercompany revenues up thanks to higher value added distributed products

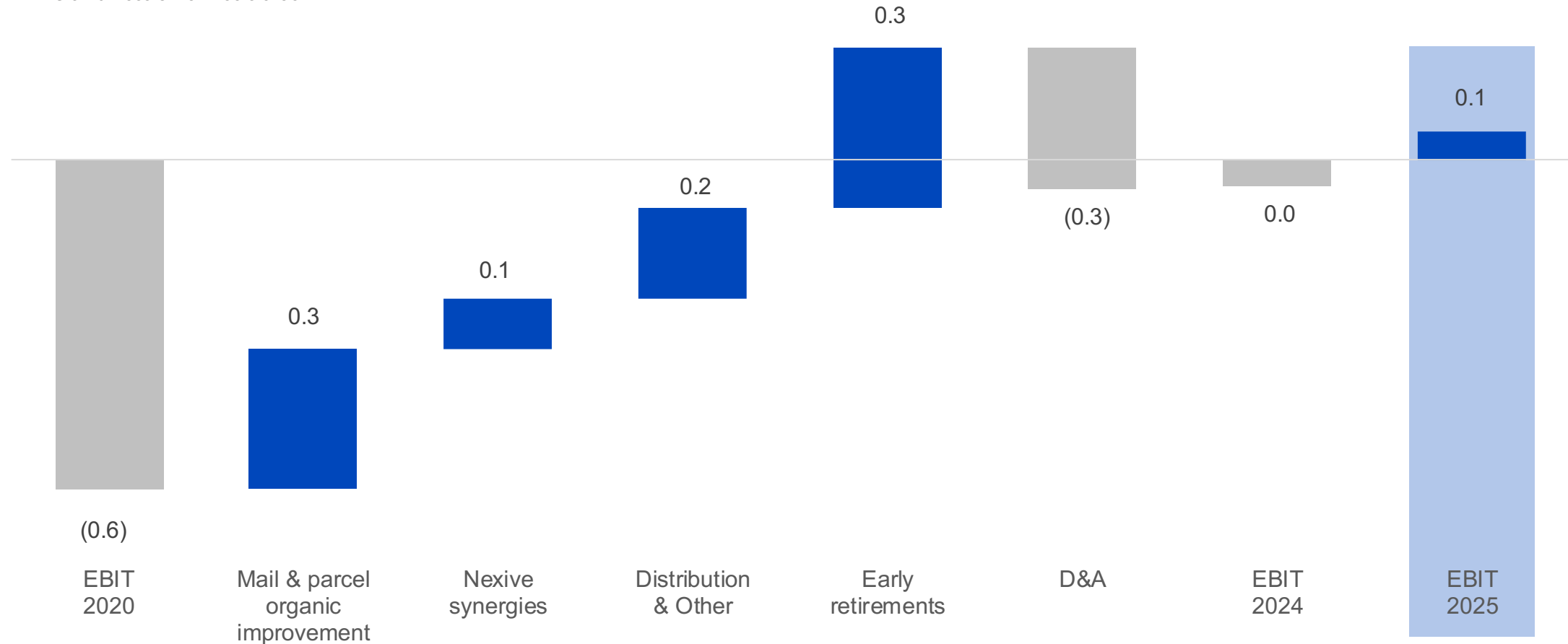
- Breakeven reached in 2024 – sustainable positive EBIT starting from 2025
- Nexive integration delivering 0.1bn running synergies, mostly by end 2022
- Continued streamlining across the entire logistic value chain
- Value-based strategy delivering higher parcel margins

1. 2019 reported and 2020 preliminary figures 2. Includes Philately, Patenti Via Poste, Poste Motori, Poste Air Cargo and other revenues 3. Includes income received by Other Segments in return for use of the distribution network and Corporate Services 4. Share of parcel revenues on total parcel and mail revenues

# MAIL, PARCEL & DISTRIBUTION – EBIT EVOLUTION

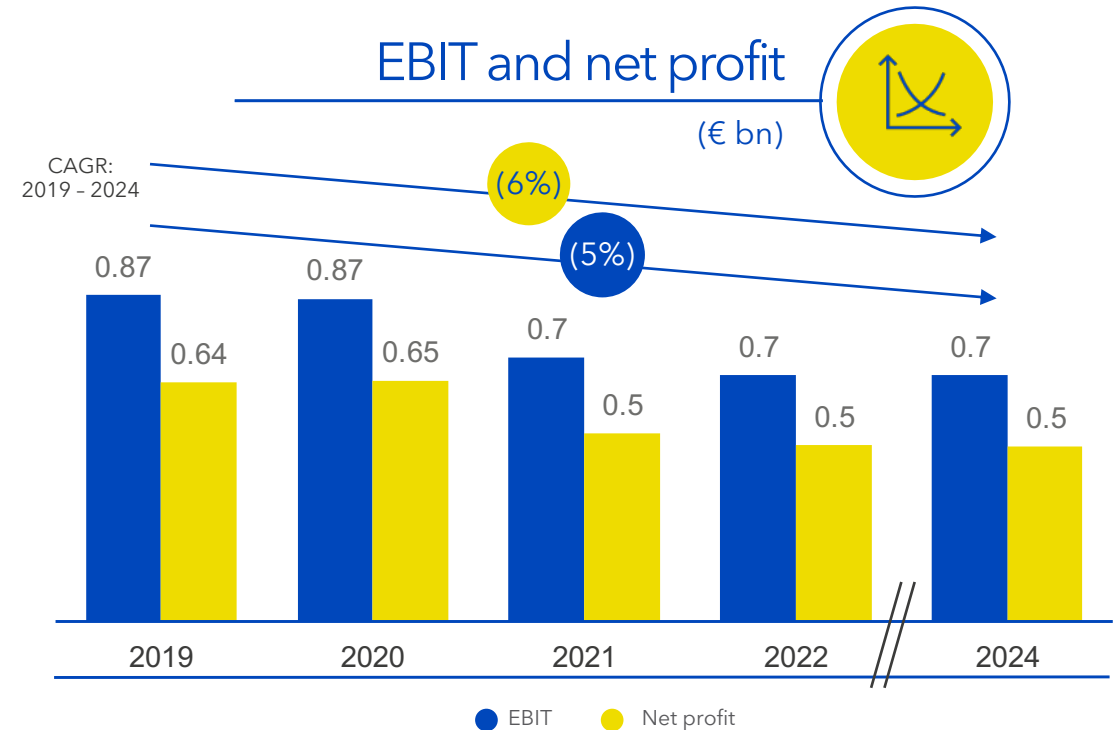
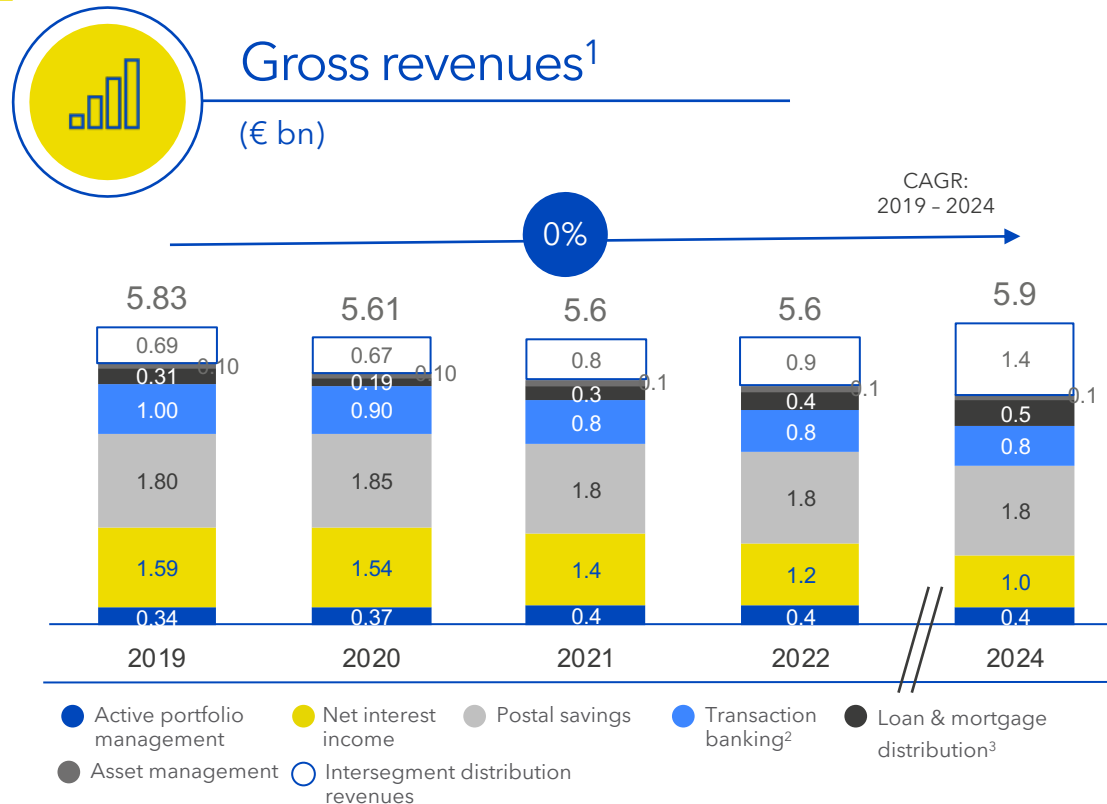
Breakeven by 2024 supported by successful turnaround

€ bn unless otherwise stated



# FINANCIAL SERVICES

Resilient top line despite reduced net interest income in a low interest rate scenario



- Enhanced distribution successfully addressing interest rates headwinds
- Investment portfolio contribution impacted by NII in a conservatively low interest rates scenario, mitigated by effective portfolio management
- Postal savings distribution fees broadly stable
- Loan & mortgage fees supported by market trends & renewed strategic focus

- EBIT reflecting higher intersegment costs, consistent with enhanced distribution network service model

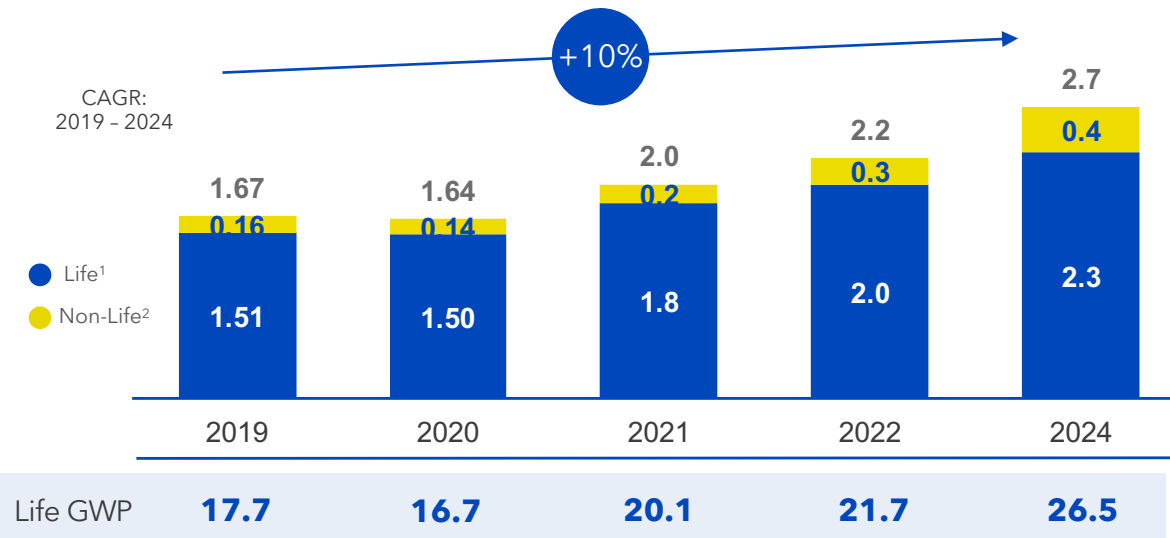
# INSURANCE SERVICES

Complete product offering driving top line growth



## Segment revenues

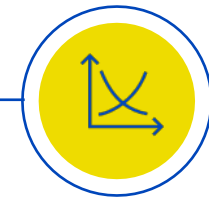
(€ bn)



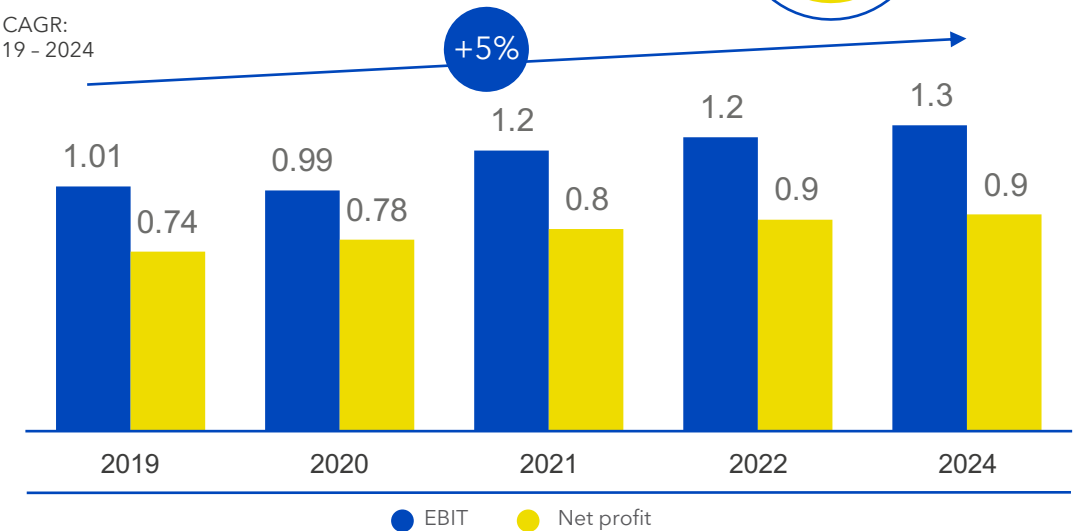
- Revenues up via enhanced product offer - new advisory model combining life & P&C
- Continued life revenue growth driven by multiclass products and new capital light offer
- Comprehensive P&C offer (including motor) leading to 2x revenues over the plan horizon, contributing to revenue diversification

## EBIT and net profit

(€ bn)



CAGR: 2019 - 2024



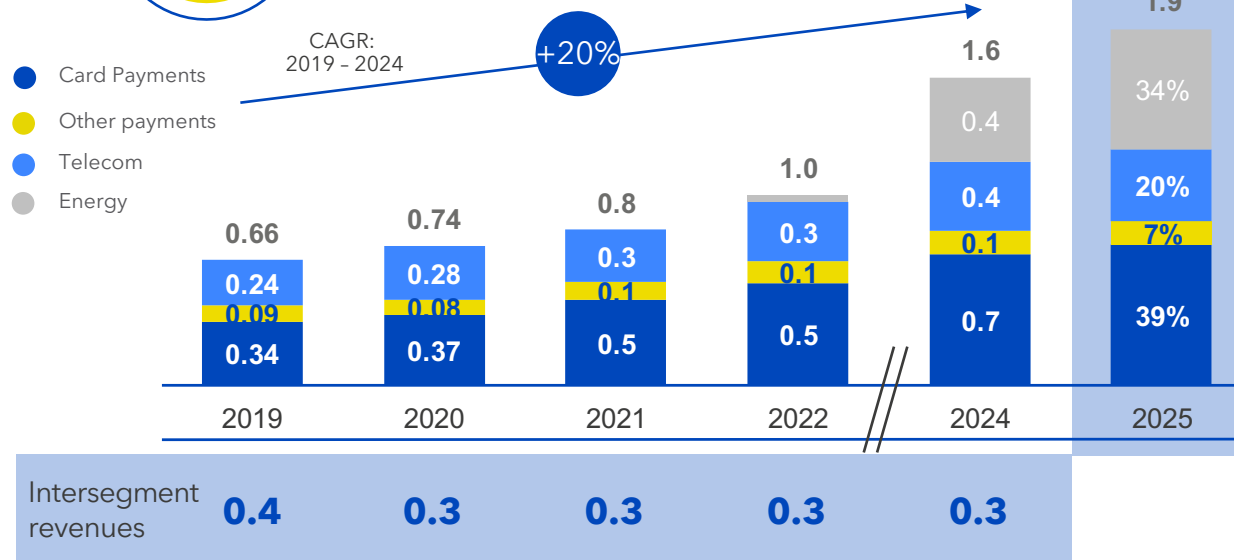
- EBIT up, outpacing higher distribution costs required by higher value added managed life insurance products distributed by the network

# PAYMENTS & MOBILE

Omnichannel platform driving strong profitability increase

## Segment revenues

(€ bn)

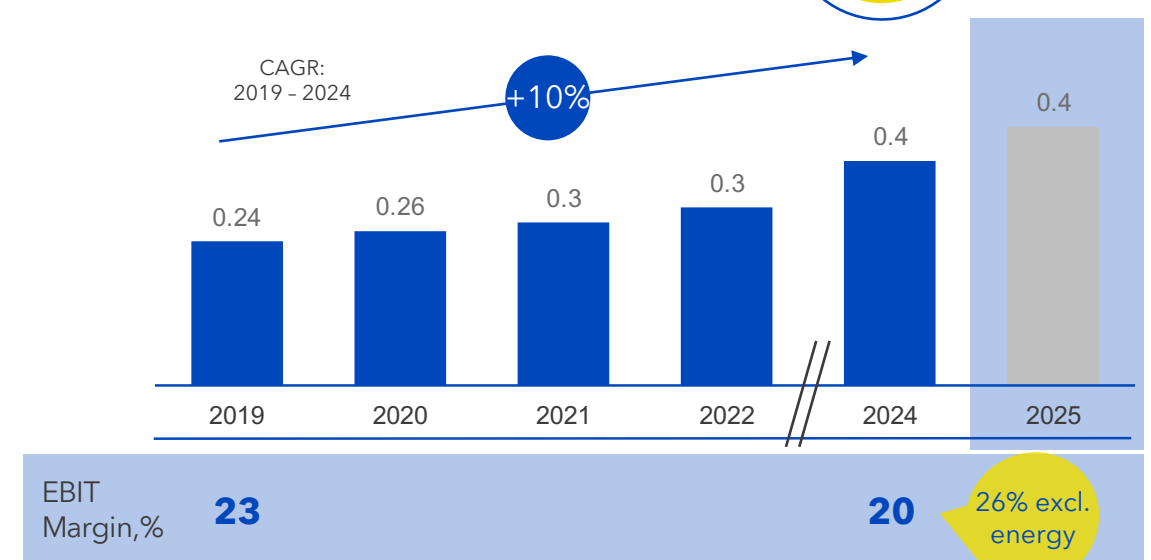


- Double digit organic revenue growth supported by all product lines
- Payments revenues 2x over the plan thanks to enhanced leadership in digital payments
- Telco revenues up thanks to wider customer base supported by new fibre offer
- Entering energy market leveraging on customers' trust and unrivalled omnichannel network

2020 Preliminary figures

## EBIT

(€ bn)



- Strong EBIT growth, more than offsetting the structural decline in payment slips and energy business start up costs
- Variable costs increase driven by volume growth at lower costs per unit
- Energy business contributing to positive EBIT from 2024/2025

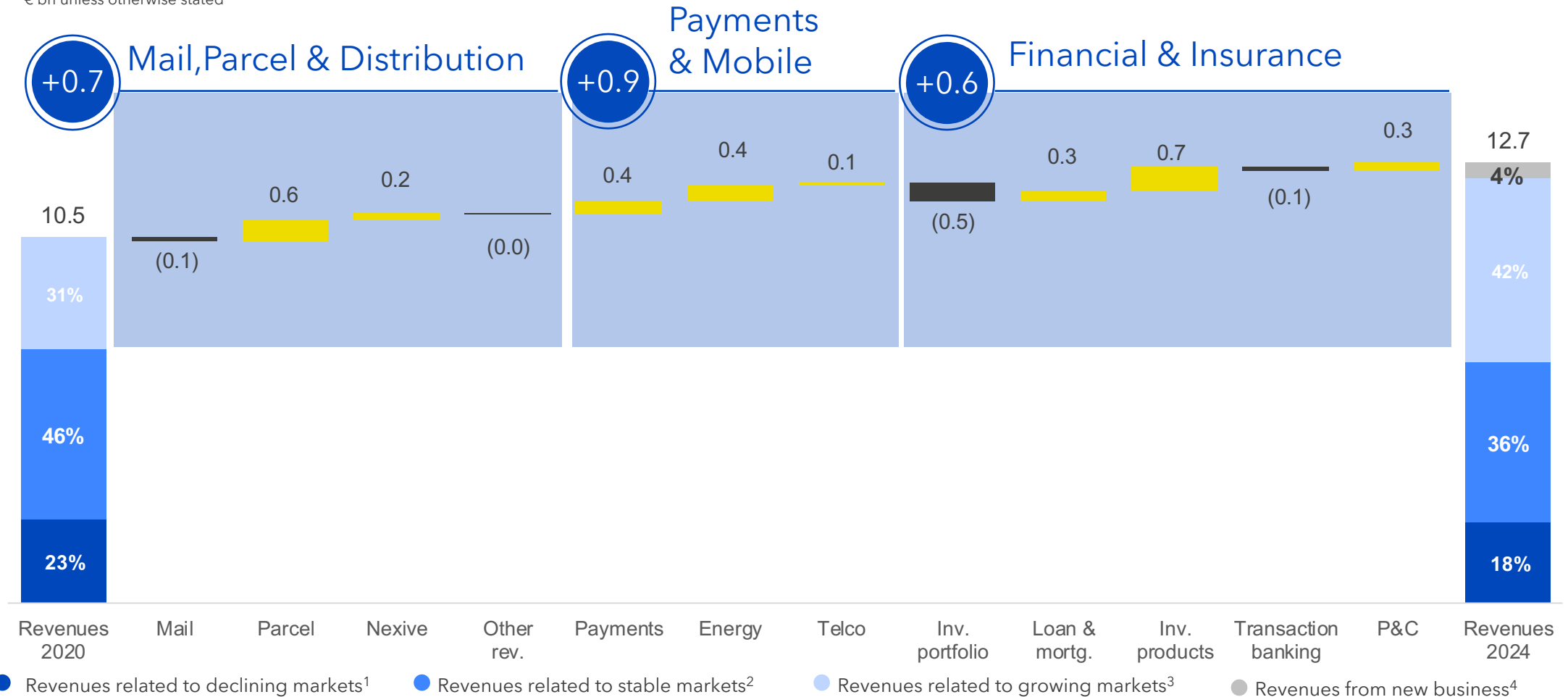
# CONTENTS



# REVENUE EVOLUTION 2020 – 2024

Revenues up supported by higher growth businesses

€ bn unless otherwise stated



2020 Preliminary figures **1.** Declining markets: mainly mail and payment slips **2.** Stable markets: telco, postal savings and asset management

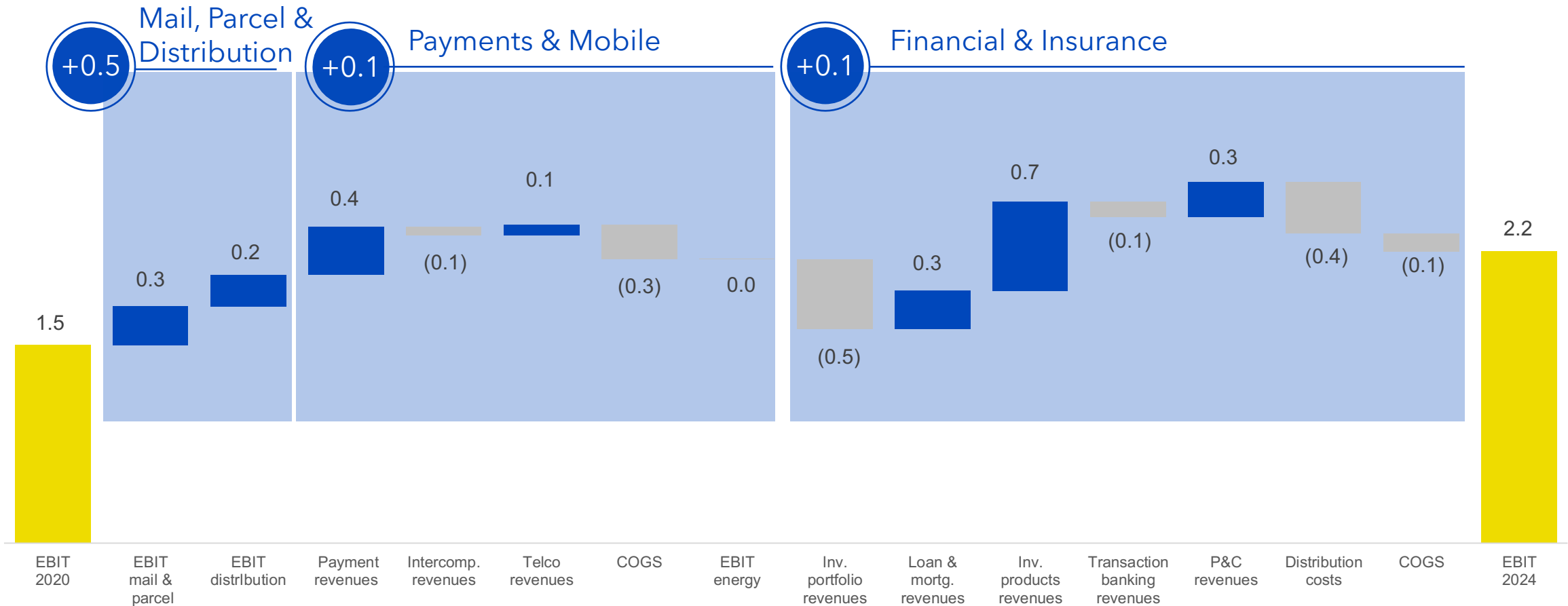
**3.** Growing markets: parcels, life insurance, P&C and payments **4.** Energy business



# EBIT EVOLUTION 2020 – 2024

All segments contributing to positive EBIT progression

€ bn unless otherwise stated



2020 Preliminary EBIT

# CONTENTS



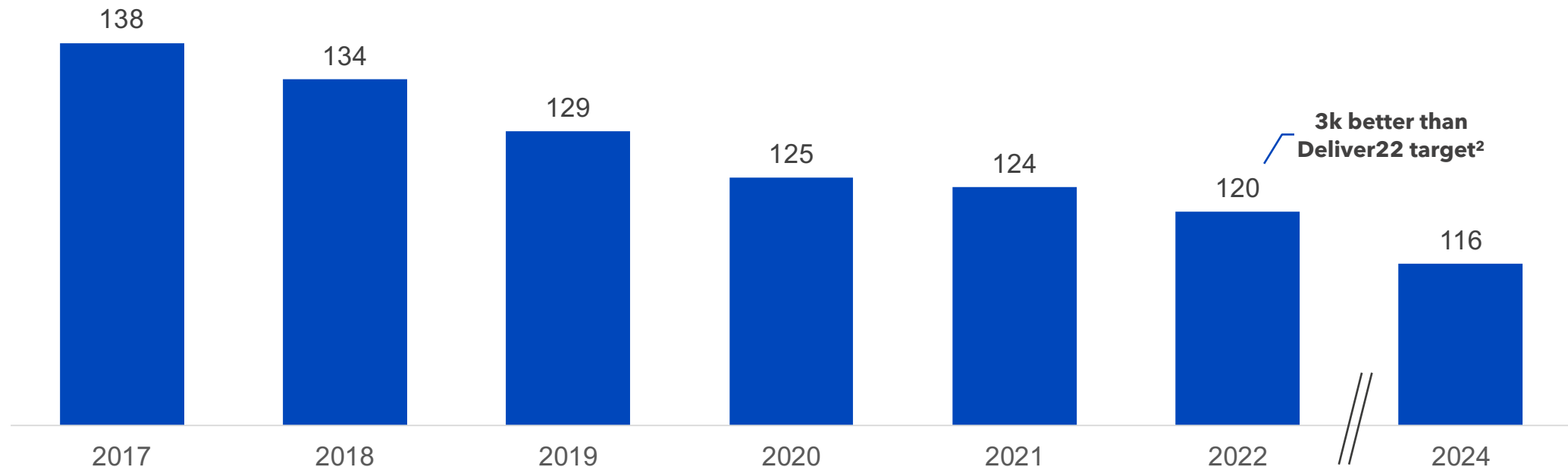
# HUMAN CAPITAL

Effective workforce management, leveraging on proven track record



## Average workforce evolution<sup>1</sup>

(#, k)



Value added/  
FTE (€ K)

60

64

77

1. Excluding Nexive 1.3k FTEs 2. Deliver22 target at 123k

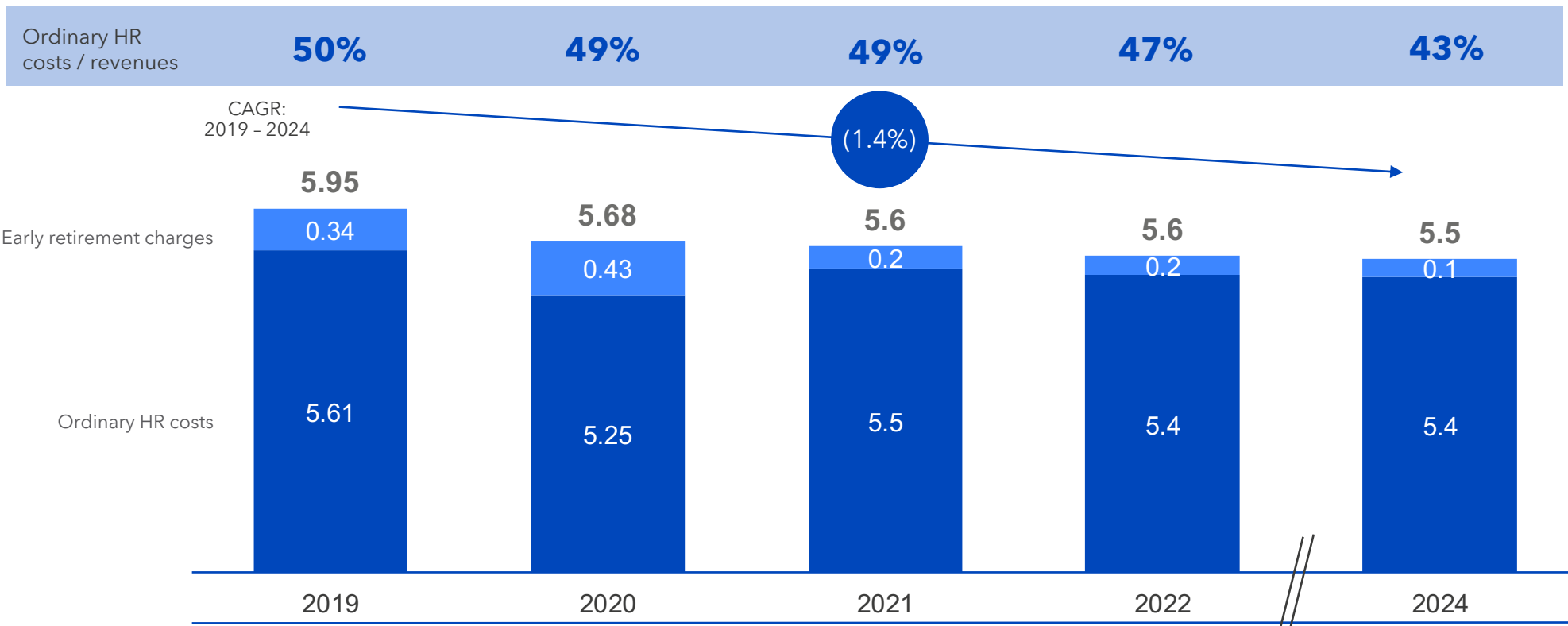
# HUMAN CAPITAL

Decreasing ordinary HR costs as % of revenues



HR costs<sup>1,2</sup>

(€ bn)



1. 2019 and 2020 (preliminary results) proforma including Nexive 2. Excluding legal disputes with employees

# NON-HR COSTS

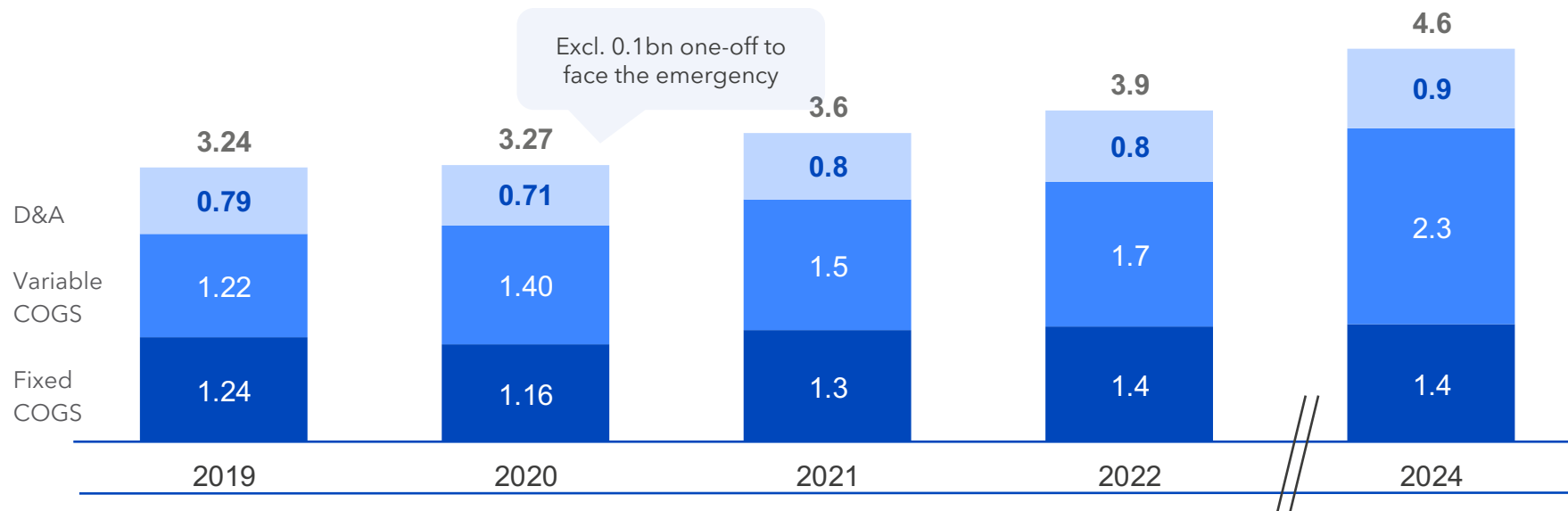
Total costs increase to support business, with lower cost per unit



## Non-HR costs<sup>1</sup>

(€ bn)

Variable costs / variable revenue	79%	72%	71%	69%	67%	→ Lower variable cost per unit
Total fixed costs / revenues <sup>2</sup>	61%	60%	60%	59%	53%	→ Lower fixed cost per unit



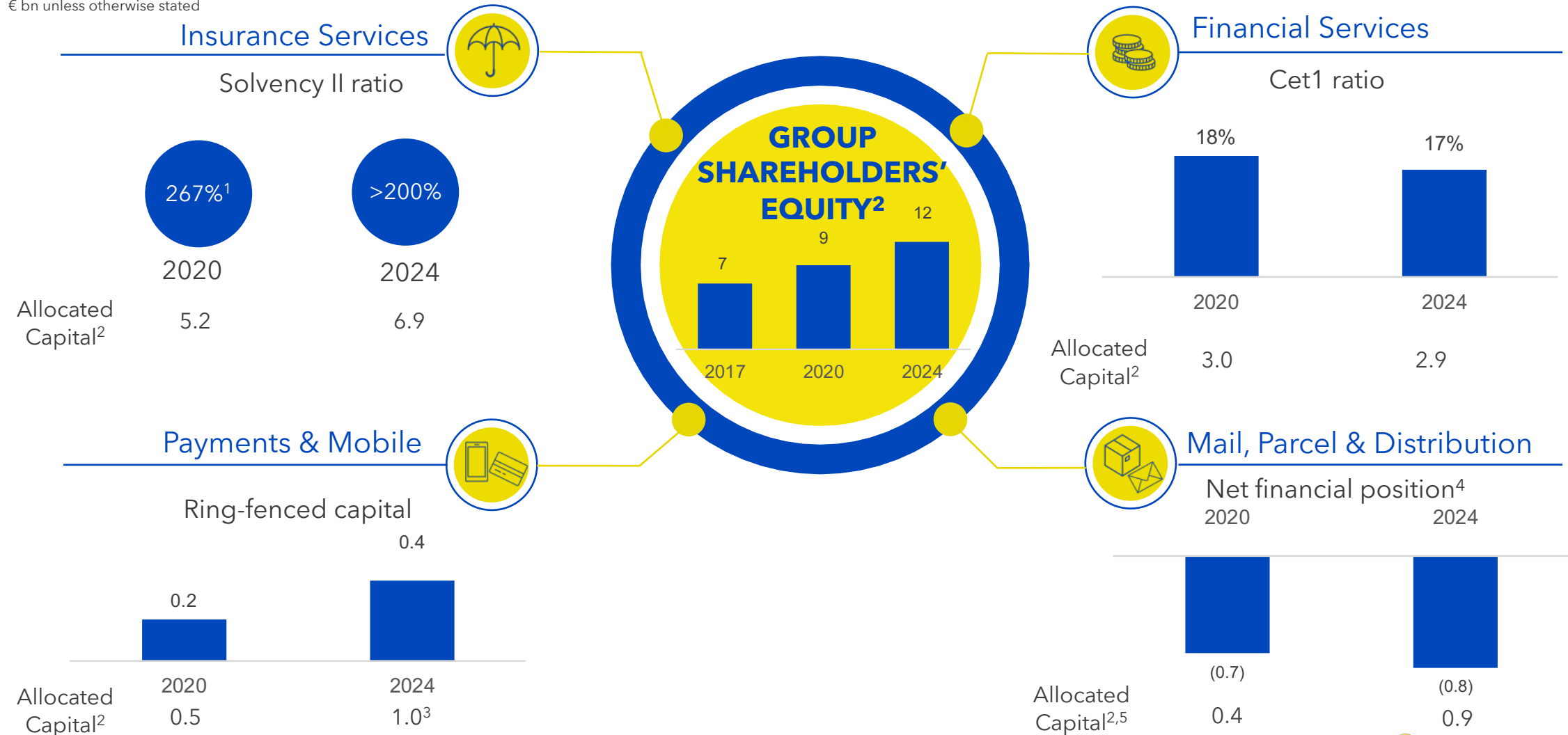
1. 2019 and 2020 proforma Including Nexive. Excluding COVID-19 related expenses in 2020 and 2021 2. Ordinary labour costs and fixed COGS

# CONTENTS



# SOLID CAPITAL GENERATION & EFFICIENT ALLOCATION TO DRIVE GROWTH AND SHAREHOLDERS' RETURN

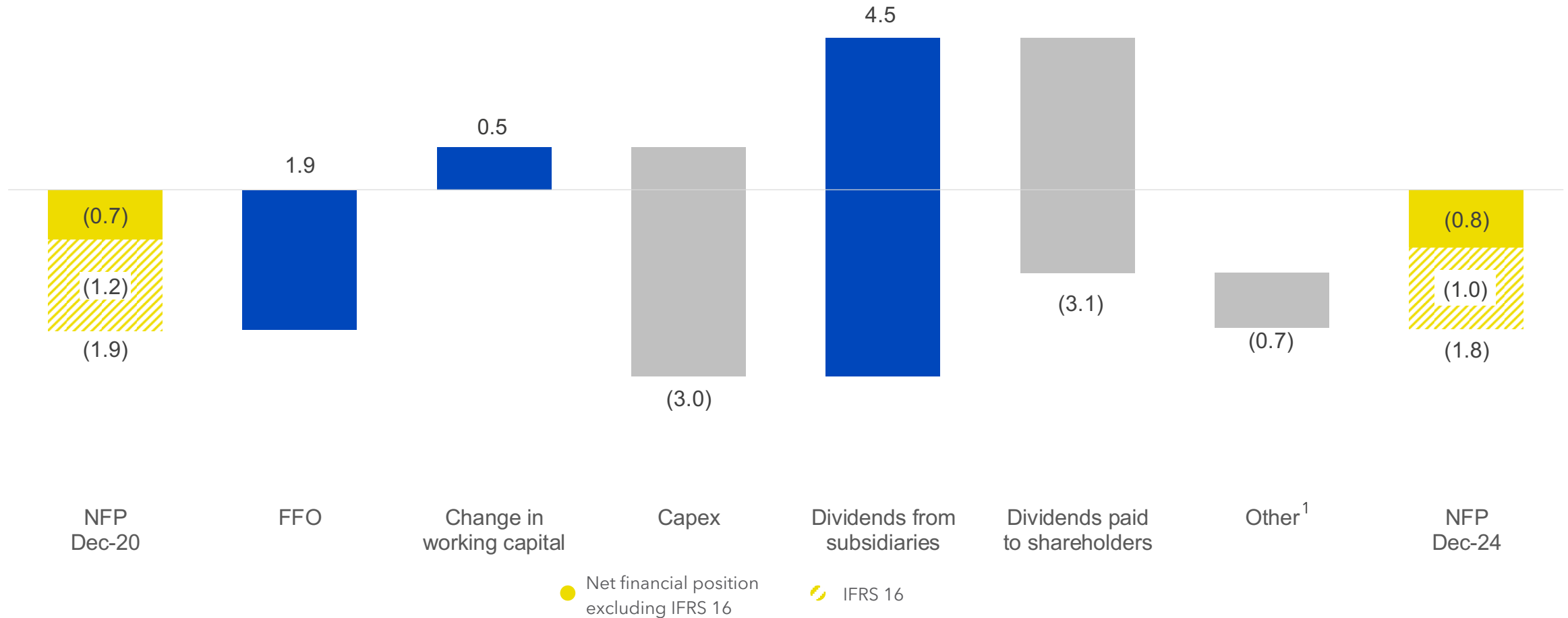
€ bn unless otherwise stated



**1.** Includes foreseeable dividends on FY20 net profit and subject to review by the Independent Auditor **2.** Excluding revaluation reserves **3.** Including €0.3bn capital gain on SIA's stake **4.** Excluding IFRS 16 (€1.2bn in 2020 and €1.1bn in 2024) **5.** Excluding participation in non-segment companies and including non distributed reserves



# MP&D: STEADY NET FINANCIAL POSITION SUPPORTING CAPEX & DIVIDEND DISTRIBUTION



1. New liabilities ex IFRS 16 and other equity movements

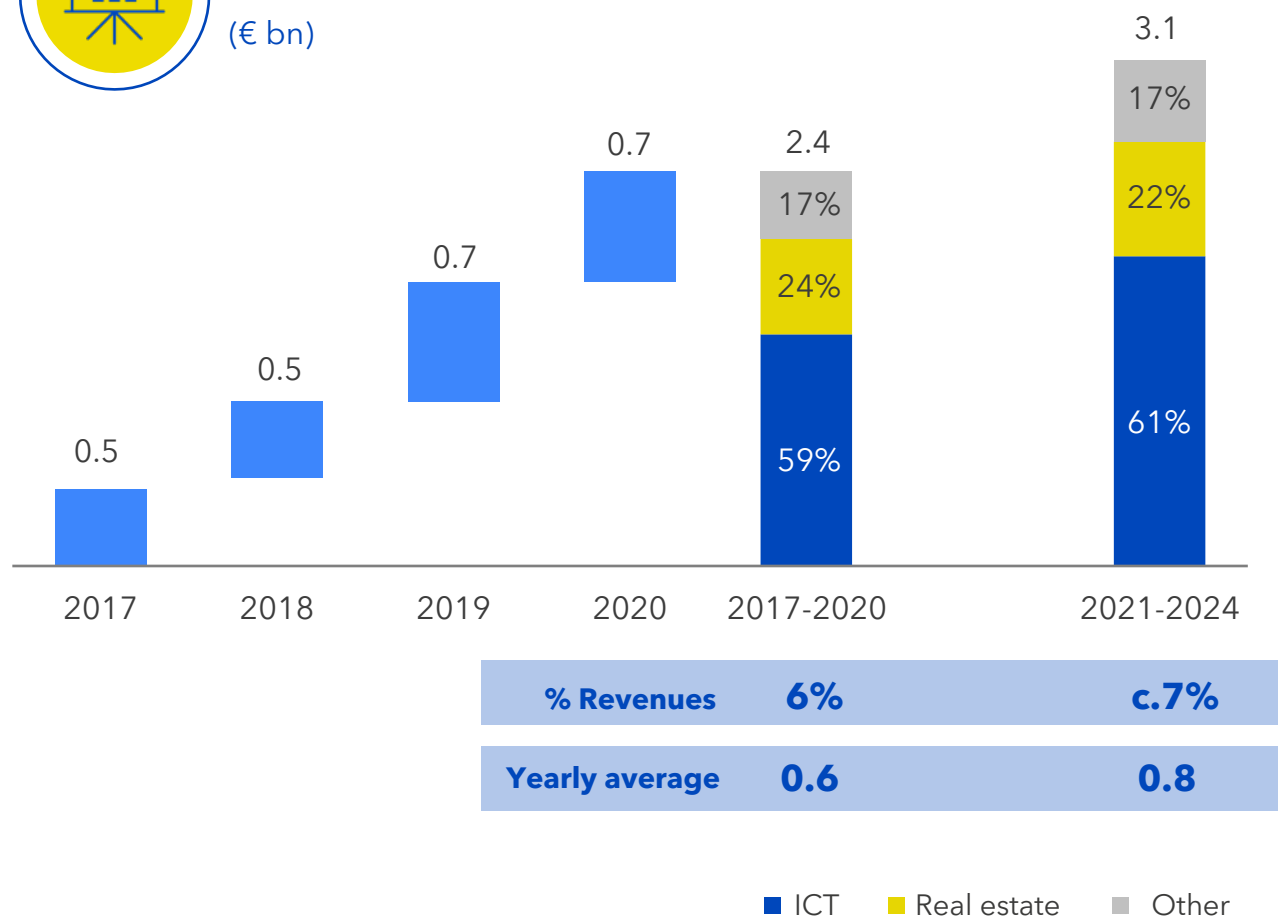
# RECORD HIGH CAPEX OVER THE BUSINESS PLAN

€3.1bn to support transformation



## Capex evolution

(€ bn)



## Key strategic priorities (90% of total capex)

>60%  
ESG

- Hybrid-Cloud transformation and IT platform
- Customer experience and people development
- Mail & Parcel automation
- Energy efficiency
- Business and product development
- New postal offices service model

# GROUP MAIN SHAREHOLDINGS

Key partners to support growth, embedding potential upside



## Mail & Parcel

1.8%<sup>1</sup>

- Leading digital road freight forwarder in Europe
- €1bn valuation reached in the latest capital raise (Jan. 21)

6.3%<sup>1</sup>

- Scheduled and instant delivery
- Improved customer experience in last mile delivery

51%



- Full logistic chain services for inbound e-commerce from China - E2E tracking for Italian customers

75%



Powered by

Posteitaliane

69.2%<sup>1</sup>

## Payments

17.2%



- Pro-forma stake c.3.6%<sup>2</sup>
- Implied cap gains of c.€0.3bn

4.7%<sup>1</sup>

- Open banking, account based payments and other innovative payment services
- Global exposure to best-in-class technology and products

14.5%<sup>1</sup>

- Visibility and optionality on digital currencies/ assets

2.9%<sup>1</sup>

## Financial & Insurance

10.4%



- Market value of the stake: €125m
- Preferred partnership in asset management business

14.1%<sup>1</sup>

- New digital investment products

40%



- Market leader in salary backed loans
- Ten-year distribution commercial agreement

1. On a fully diluted basis, including impact of employee stock option plan and other dilutive instruments 2. Post merger with Nexi and Nets

# FINANCIAL HIGHLIGHTS - FIT TO PERFORM



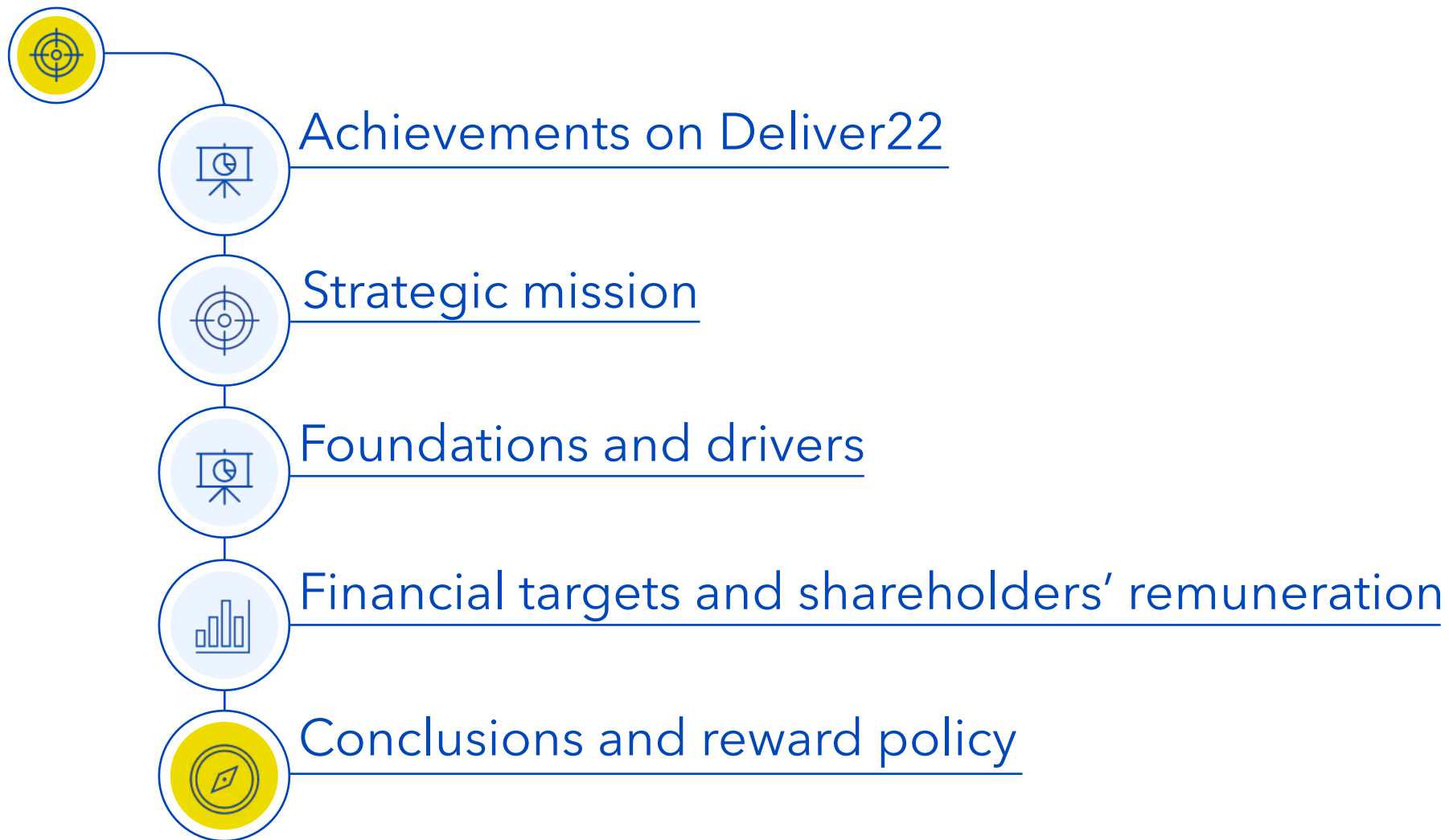
- Business plan underpinned by realistic assumptions by segment
- Continued cost discipline – supporting business evolution
- Efficient segment capital allocation to meet expected growth
- Financial holdings instrumental to drive commercial effort as well as gain exposure to disruptive trends

# POSTE ITALIANE 2024 SUSTAIN & INNOVATE

STREAMING, MARCH 19, 2021

Matteo Del Fante

# CONTENTS





# THE TREND IS OUR FRIEND – STAY TUNED!



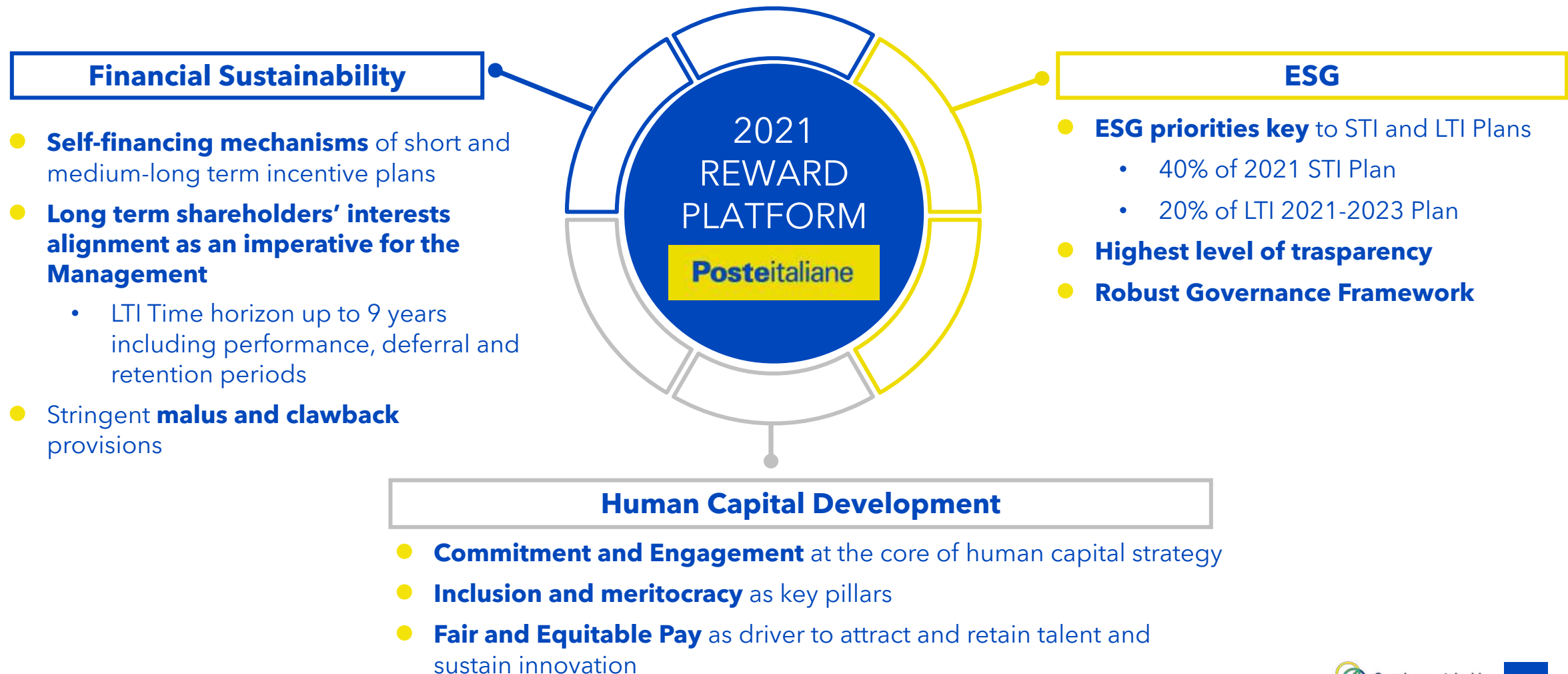
- Deliver22 business and customer trends confirmed for '2024 Sustain & Innovate'
- Poste uniquely positioned to benefit from business and market trends:
  - Largest and highly loyal client base in Italy
  - Physical, digital and third party networks driving unrivalled daily client interactions
  - Focused on a sustainable strategy as a tech-enabling platform
  - Execution under way with experienced and committed management team
- Investors rewarded with commitment to competitive dividend - shareholders' interests and management objectives fully aligned



# REWARD STRATEGY

Integrating human capital development, ESG and business

A "REWARD PLATFORM" TO SUPPORT THE GROUP LONG-TERM INTERESTS AND CREATE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS



# Posteitaliane

    [posteitaliane.it](https://www.posteitaliane.it)