

## **A NETWORK THAT UNITES THE COUNTRY**

Poste Italiane is the largest services distribution network in Italy and operates in various sectors, including logistics, mail and parcels, financial and insurance services, payment systems, telephony and the retail energy market. With over 163 years of history, more than 119,000 employees, 12,755 Post Offices, €590 billion in financial assets invested and 46 million customers, it is a unique entity in terms of size, recognition, reach and customer confidence.

In 2024, Poste Italiane generated record revenue of €12.6 billion, up 5% year-on-year, and achieved the highest net profit in its history: €2.01 billion, two years ahead of the targets set in the 2024-2028 Strategic Plan *The Connecting Platform*.

The plan, continuing the work of previous plans, aims to further strengthen innovation and technological infrastructure, to transform the postal network into a parcel management and delivery system, and to develop a new service model focused on customer relations.

Targets to 2028 include Group revenue growth to €13.5 billion, a competitive and sustainable dividend policy, the strengthening of the Group's commitment to supporting the local areas and the country, in synergy with the institutions, and around €5 billion in investments. Sustainability remains at the heart of corporate strategies.

Listed on the Milan Stock Exchange since 2015, Poste Italiane has a free float of about 35%; roughly 65% of the shares are then divided between the Ministry of the Economy and Finance, which holds a 29.26% share, and Cassa Depositi e Prestiti (a company in turn controlled by the Ministry of Economy and Finance) which holds a 35% share.

Silvia Maria Rovere has been Chairperson since May 2023, Matteo Del Fante has been Chief Executive Officer since April 2017 and Giuseppe Lasco has been General Manager since February 2024.

### **Poste Italiane - Main results of 2024**

In 2024, Poste Italiane achieved better than expected results, recording Revenue of €12.6 billion, growing more than 5% year-on-year, and a record Operating profit (EBIT) Adjusted of €2.96 billion, which is actually almost three times higher than the 2017 EBIT, and with a record Net profit of €2.01 billion. Total costs amounted to €10 billion (+7.2% compared to the same period last year), including a one-off bonus payment of €133 million to employees, with a continued focus on supporting business growth and cost management. Specifically, ordinary personnel costs came to €5.5 billion, up 3.0% year-on-year, with an increase in the variable component linked to the commercial results achieved, and non-HR costs amounted to €4.1 billion, up 8.4% year-on-year.

A performance achieved thanks to the diversified, resilient and sustainable business model adopted by the Group - which allows the company to proactively adapt to a constantly changing macroeconomic environment - and thanks to cost rationalisation.

The excellent results achieved allowed Poste Italiane to increase the value creation of its diversified activities, proposing a dividend per share of €1.08 for the fiscal year 2024, an increase of about 35% compared to 2023.

During the year, Poste Italiane continued on the significant process of growth of a multi-year operating cycle that achieved all the main objectives of the Strategic Plans implemented in 2018, completing the Group's transformation into a modern omni-channel platform company while more than doubling the margins and dividend.

The Company continues to collaborate with the government to spread digitalisation and innovation and supports local communities by providing them with its IT and logistics infrastructure to counteract the progressive abandonment of local areas and reduce the digital divide.

With this in mind, Poste Italiane launched the **Polis** project, which will enable all citizens in municipalities with fewer than 15 thousand inhabitants to have a Public Administration One-Stop Shop in post offices. The project involves around 90% of Italian municipalities and 7,000 post offices in small towns, which will be modernised in terms of technology, energy and logistics and transformed into digital hubs also able to provide Public Administration services such as birth, death and marriage certificates, judicial and social security certificates, or ID documents such as passports and electronic identity cards. A total of 3,026 offices have already been enhanced with the Polis project (at 31 December 2024) and the services currently available are: birth, death and marriage certificates and civil status certificates, judicial and social security certificates and, in authorised post

offices, which are rapidly increasing in number, the service for requesting and issuing passports.

Polis also involves a second line of action for the creation of an extensive network of spaces available to citizens for co-working and training activities; a network that will consist of 250 digitised and interconnected "Spaces for Italy", with workstations, shared services, meeting and event areas, open to private individuals, companies, public administration, universities and research centres.

## **Mail, parcels and distribution**

Poste Italiane is the largest logistics company in Italy, able to seize the opportunities related to the growth of e-commerce, also thanks to consolidated know-how in the field of payments and digital.

The activities of the division, which also provides the Universal Service obligation, have always represented the company's identity and include mail and parcel delivery, logistics and express courier services, through an integrated network that is unique in terms of reach, size and coverage.

The successful business transformation, investments and the process of innovation undertaken in recent years have enabled the Group to sort around 2.1 billion units of mail in 2024, deliver 308 million parcels and handle, during peak periods, over one million parcels per day.

In 2024, the Mail, Parcels and Distribution segment generated Revenue of €3.84 billion, up 2.6% year-on-year.

Revenue from mail amounted to €2.12 billion (+2.4% year-on-year) supported by repricing actions and an improved underlying product mix that mitigated the decline in volumes, which fell by 7.9% year-on-year.

Revenue from parcels amounted to €1.59 billion (+13.2% year-on-year), buoyed by increased volumes, up 20.4% year-on-year.

*Adjusted* segment operating profit (EBIT) in the financial year 2024 amounted to €104 million (-€79 million in Q4 2024), reflecting revenue performance and cost rationalisation.

During the year, the progressive process of transformation of the logistics and delivery networks continued to make them more efficient, and the Joint Delivery Model (the service

model that also provides for deliveries in the afternoon and at weekends) was fully implemented, with postmen and women delivering over 121 million parcels in 2024, up 34.8% year-on-year compared to the 90 million parcels delivered in the previous year. The number of pick-up and dispatch points available to customers has also been further increased, with a physical network which currently encompasses around 28,500 units including post offices, Collect Points such as tobacconists and lockers offering a 24/7 non-stop service.

Poste Italiane also continued to invest in the modernisation of its fleet, making it more environmentally friendly with the introduction of hybrid and electric-powered vehicles. The Group completed the overhaul of its delivery fleet with the introduction of 28,400 low-emission vehicles, of which 6,141 are full green and around 8,800 are hybrids.

In recent years, Poste Italiane has further consolidated its partnerships with specialised technology companies, such as "sennder GmbH", which uses technology to maximise cargo saturation and flexibility in long-haul road transport, and Milkman Spa, which has helped to improve the e-commerce customer experience with new personalised last-mile delivery solutions.

At the same time, the Group has expanded its offer to customers: after the launch of the "Instant" service, which provides home collection and delivery in two hours from the moment the customer requests the service on-line, the Poste Delivery Business range was born, allowing deliveries to be customised "in the making" with the "Choose You" service, offering sellers and e-commerce users the possibility of making shipments and collections also through post offices and the Punto Poste network, and enabling easy, fast and paperless management of returns with the Reverse service.

## Postepay Services

Poste Italiane is one of Italy's main payment system operators, boasting an integrated multi-channel distribution platform that uses state-of-the-art digital infrastructure and the physical network.

PostePay Spa, the Group company specialising in the development and management of mobile and digital payments, is a leader in payment systems with around 30 million cards issued. To accelerate and successfully drive the transition in Italy from cash to digital payments, the company has invested in research into innovative solutions such as Codice Postepay, the digital service which allows buyers to pay using only their mobile phone, and enables merchants to collect using a QR code, without the need for POS terminals.

In 2024, PostePay revenue continued to grow, year-on-year, by a solid 9.5% to €1.6 billion, thanks to further momentum injected by the new payment solutions offered by the Group, growth in transaction volumes both on-line and in physical channels, and the consolidation of the acquisition of LIS. Confirming its leading role in the digital payments market in Italy.

In 2024, Postepay service revenue increased by 9.5% year-on-year to €1.6 billion (€428 million in the fourth quarter of 2024, +7.3% compared to last year), confirming its leading role in the digital payments market in Italy.

Payment revenue grew by 7.5% to €1.2 billion in 2024 and by 5.7% to €322 million in the fourth quarter of 2024, driven by an increase in transacted business (+12% compared to 2023), well above the market average, with e-commerce growing by 15.6% and 19.1% respectively. The performance of Postepay Evolution cards with IBAN (stock at 10.5 million cards) was particularly remarkable, with a 17.1% increase in transactions in the financial year 2024.

Revenue from Telco services was broadly stable at €328 million in 2024, down 1.0% (€83 million in the fourth quarter of 2024, -0.8% compared to the previous year), with a customer base of 4.8 million, in a competitive market.

Poste Energia's retail offer for electricity and gas, launched in June 2022, contributed to the performance in the form of revenue of €76 million in 2024 and €23 million in the fourth quarter, supported by positive market dynamics and continuing favourable industry conditions.

Adjusted operating profit (EBIT) grew 20.3% year-on-year to €529 million in financial year 2024 and 20.9% to €148 million in the fourth quarter of 2024, driven by a solid revenue performance.

## **Financial and insurance services**

Poste Italiane can boast a leading position for the distribution of financial and savings products thanks to its distribution network and to the reputation for reliability that has always characterised its brand. On behalf of Cassa Depositi e Prestiti, the Company exclusively places Postal Savings products (Postal Savings Books and Interest-Bearing Certificates), and provides customers with innovative payment solutions, current account

services, investment and asset management products, insurance and consumer credit solutions.

The performance of Financial Services in 2024 shows revenues increasing by 5.7% year-on-year to €6.4 billion (€1.7 billion in Q4 2024, +9.2% year-on-year), mainly due to higher net interest income of €2.5 billion, (up 13.1% year-on-year), earned on the securities portfolio and an improvement in the operating result and net income compared to last year. BancoPosta's Total Capital Ratio at 31 December 2024 stood at 22.7%, up from 31 December 2023.

*Adjusted* operating profit (EBIT) in the financial year 2024 amounted to €900 million, up 4.4% year-on-year (€258 million in Q4 2024, +20.3% year-on-year), reflecting the positive revenue trend.

The Group has continued to invest heavily in offering in order to maximise the value of its distribution network. In fact, in the last few years, it has further enriched its range of products and services, focusing not only on its long-standing relationship with Cassa Depositi e Prestiti but also on distribution agreements with the main market operators and on partnerships signed with innovative companies, like that with the Moneyfarm start-up, an independent company that specialises in digital asset management.

Insurance services are offered by the Poste Vita Group (100% owned by Poste Italiane), which provides customers with supplementary pension solutions, insurance investment products and services for personal and asset protection.

Insurance service revenues increased by 4.7 % year-on-year to €1.6 billion in 2024, with a *Contractual Service Margin* (CSM) release of €1.5 billion in 2024, supported by the launch of new products,

Gross premiums in Protection insurance will amount to €1.0 billion in 2024, +23.0% year-on-year.

The Poste Vita Group closed 2024 with a solvency ratio of 334%, which becomes about 300% net of the forecast to distribute additional dividends of about €1 billion to the parent company Poste Italiane S.p.A. over the plan period, in addition to the distribution of 100% of profits.

The Solvency Ratio of the Poste Vita Group stood at 322% at 31 December 2024,

increasing compared to the 307% recorded in December 2023 (+27 pp), remaining at levels well above regulatory constraints and the managerial ambition (above 200%). Taking into account as of now the potential distribution to the Parent Company of additional extraordinary dividends of approximately €1 billion over the plan period, the Solvency Ratio would be around 300%.

Integrating environmental, social and governance factors into investment processes is key to generating long-term sustainable value. In line with this vision, the financial companies BancoPosta Fondi SGR and Poste Vita have set objectives that are consistent with the Group's commitment to sustainable growth, firmly believing that the asset management sector, through the integration of ESG factors, can contribute to the creation of value, helping to protect society, foster innovation and support economic growth. BancoPosta Fondi SGR and Poste Vita have therefore adopted specific policies and guidelines through which they aim to contribute, through their activities and investment decisions, to sustainability issues such as the fight against climate change and the protection of human rights. Both companies have signed the Principles for Responsible Investment (PRI), which promote the integration of ESG issues within investments and portfolio companies. In 2024, 100% of Poste Vita investment products included ESG elements.

## **Sustainability at the heart of corporate strategies**

Sustainability is an integral component of the company's activities, processes and strategy and is a key driver in the Group's strategic and financial decisions.

Over the years, the Company has embarked on an important path to develop its business strategy, gradually integrating it, from a structural perspective, with Environmental, Social and Governance (ESG) principles and directing the Group's operations towards the creation of shared value for all stakeholders, thus enhancing its reputation.

For Poste Italiane, being sustainable means defining a clear strategy on ESG issues and incorporating them in the strategic objectives across the board, as defined in the 2024-2028 Strategic Plan – “The Connecting Platform”. The Group has chosen to adopt a sustainability strategy that focuses on a governance system in the ESG sphere, sustainability policies and guidelines, part of the company's body of regulations, and an ESG Strategic Plan that, based on its structuring into eight pillars has been connected, in line with the ESRS (European Sustainability Reporting Standards) standards of the CSRD (Corporate Sustainability Reporting Directive), to the three areas: environmental, social

and governance.

The Group's commitment to sustainable development is reflected in the update of the ESG Plan, renewed on the basis of the materiality analysis and in full synergy with the 2024-2028 Strategic Plan. The need to generate sustainable, long-term value for all stakeholders has never been more relevant than today. Indeed, the Poste Italiane Group is called upon to support the national economy throughout the country and to counteract the process of climate change through environmental sustainability measures. In support of this commitment, the Group has implemented specific initiatives according to two macro-environments - fleet overhaul and building energy efficiency - outlining projects that address both direct emissions generated by logistics activities and owned facilities, and indirect emissions associated with the electricity consumed.

In order to clearly define the values and social role with which the Company contributes to the processes of cohesion, inclusion and sustainability of the country, as well as the rules of conduct in the performance of professional activities, the Company has adopted a Code of Ethics for directors, supervisory bodies, management, all employees and all those who work, directly or indirectly, permanently or temporarily, to pursue the objectives of Poste Italiane. The Code is disseminated at all levels of the organisation with the aim of spreading its values, and within it the principles that inspire the culture, behaviour and way of doing business of the Group and its stakeholders are enshrined.

Through numerous ESG initiatives, the Poste Italiane Group aims to lead the country's sustainability process, promoting an inclusive society and a more sustainable future. In addition to offering products and services with sustainable characteristics, this development allows customers to be actively involved, encouraging them to adopt more environmentally responsible behaviour.