

POSTE ITALIANE

CAPITAL MARKETS UPDATE

2019 RESULTS & 2020 GUIDANCE

Rome, 6 March 2020

AGENDA

MATTEO DEL FANTE – CEO AND GM

DELIVER 2022 PROGRESS REPORT

KEY GROUP & SEGMENT PERFORMANCE DRIVERS

OPERATIONAL PRIORITIES FOR 2020+

GUIDO NOLA – GROUP CFO

2019 FINANCIAL RESULTS

2020 GUIDANCE

POSTE ITALIANE

CAPITAL MARKETS UPDATE

2019 RESULTS & 2020 GUIDANCE

MATTEO DEL FANTE – CEO & GM

PREPARED TO ADDRESS UNEXPECTED ENVIRONMENT

DIVERSIFIED BUSINESS MODEL SERVING THE DAILY NEEDS OF OUR CUSTOMERS

GROUP STRENGTHS

- Distribution platform of choice combining extensive post offices and alternative delivery network with increasing use of digital channels
- More than 75% of Group revenues unrelated to short term commercial activities
- Flexible balance sheet, with very limited leverage and positive cash position
- Strong capital position in Insurance and capital light business model in Financial Services



KEY RISKS

- Impact on China inbound volumes Mail & Parcel
- Impact on mail volumes from economic slowdown
- Impact on B2B parcels from lower commercial activity

- Risk aversion impacting asset management products
- Lower demand for personal loans and mortgage

- Card issuing slowing down
- Cards transactions slowing down, growing trend y/y

- Impact on health and safety of Poste employee and business continuity



MITIGATING FACTORS

- Limited revenue share from China
- Lower margin mail products most impacted
- Strategy focused on fast growing B2C

- Increasing inflows to risk free products (deposits and postal savings)
- No performance fees in Asset Management and limited portfolio churn
- Insurance accumulation as a valuable product to smooth market volatility
- More than 50% of 2020 capital gains already secured

- Increasing card top-ups
- Strategic focus on digital payments

- Restricted travel policy
- Smart-working enabled by advanced IT
- Proactive response in affected areas; groupwide contingency planning

MAIL &
PARCEL

FINANCIAL &
INSURANCE

PAYMENTS &
MOBILE

PEOPLE

2019 RESULTS AHEAD OF TARGETS, SECOND CONSECUTIVE YEAR

DIVIDEND +5% Y/Y IN LINE WITH DELIVER 2022 COMMITMENT

DIVERSIFIED BUSINESS MODEL TO REACH 2020 TARGETS

ALL FINANCIAL TARGETS ACHIEVED TO DATE

NET PROFIT DOUBLED SINCE 2016; NEW GUIDANCE FOR 2020 BASED ON UNAFFECTED MARKETS

€ bn unless otherwise stated

	2017 Actual	2018 Deliver 2022	2018 Actual	2019 Deliver 2022	2019 Actual	2020 Deliver 2022	2020 Guidance
REVENUE	10.6	10.7	10.86	11.0	11.04	10.9	11.1
EBIT	1.1	1.4	1.50	1.6	1.77	1.6	1.8
EBIT MARGIN	11%	13%	14%	15%	16%	15%	17%
NET PROFIT	0.7	1.0	1.40 ¹	1.1	1.34 ²	1.1	1.3
DIVIDEND (€/SHARE)	0.42	0.44	0.44	+5%	0.463 ³	+5%	



DELIVER 2022

2017-2019 ACHIEVEMENTS

INDUSTRIAL TRANSFORMATION DRIVERS

INVESTMENT, PEOPLE AND PROACTIVE ESG STRATEGY SUPPORTED BY INNOVATION

	CAPEX	PEOPLE	ESG
GOAL	2.8bn CAPEX commitment over plan horizon (2018-2022)	Average headcount target 123,000 by 2022 ¹ (2017: 138,000) 10,000 skilled hires to drive transformation	Proactive long-standing sustainability targets
2017-2019	<ul style="list-style-type: none"> 1.3bn deployed to date (2018-19) Increased automated sorting capacity including Bologna Parcel Hub Accelerated payments innovation Centralized CRM and robo-for-advisory solutions 	<ul style="list-style-type: none"> 60% FTE reduction target for 2022 already achieved: 9,000 (2018-19) New hires with capabilities in last-mile-delivery, digital & financial advisory: 4,600² (2018-19) Reverse in workforce average age trend for first time in 20Y: 49.5 vs. 50 Value added per employee: 67,100 vs. 60,000 	<ul style="list-style-type: none"> From SDG³ goals to six ESG pillars: first integrated ESG report (2018) Poste included in key ESG indexes 30% MBO⁴ incentives ESG related Wide ranging commitments for small communities (Piccoli Comuni) 40% reduction in fleet CO2 emissions by 2022
2020	<ul style="list-style-type: none"> Two new parcel hubs by year end 2020 Continued innovation in payments Financial and insurance service enhancement 	<ul style="list-style-type: none"> Continued reduction with 8,100 exits⁵ Step-up in workforce renewal with 6,400 new hires to support business growth 	<ul style="list-style-type: none"> Two new SDG linked pillars supporting business priorities: Innovation and Diversity & Inclusion

BUSINESS SEGMENT REFOCUS POWERING FINANCIAL PERFORMANCE

STRATEGY IN ACTION (1/2)

KEY INITIATIVES

KPIs: 2019 (vs 2017)

FOCUS ON (B2C) PARCEL



- Innovative Joint Delivery Model
- SDA Express Courier (now Op.Co) handling groupwide sorting & automation
- Air & ground transport optimization (now Op.Cos.)
- Customer experience transformation thanks to partnerships and alternative delivery points

- 100% of JDM implemented
- 52m parcels delivered by Postini (+50%)
- 620k daily automated parcel sorting capacity (+55%)
- 35% B2C market share (+5p.p.)
- Alternative delivery network: 8,000 points¹

FOCUS ON DIGITAL PAYMENTS



- Increased market share in cards and transaction value
- Innovation in digital payments and payments/mobile convergence - Connect, QR Code

- 28.7m card stock (+16%)
- €33.1bn total card transaction value (+45%)
- 5.4m active e-wallets (+213%)

FOCUS ON PRODUCTS & SERVICES



- 2017 CDP agreement
- New partnerships in place in Loan & Mortgages and AM
- Salesforce training and advanced data analytics
- Successful life insurance commercial proposition

- Retail net inflows at 3.5bn (vs. 1.2bn)
- Postal savings net outflows -€3.5bn (vs. -7.9bn)
- €3.6bn loan & mortgage (+36%)
- Multiclass 35% of GWP (17x)

GROUPWIDE PERFORMANCE DRIVERS

STRATEGY IN ACTION (2/2)

KEY INITIATIVES

KPIs: 2019 (vs 2017)

CAPITAL GAINS

- Focus on recurring and sustainable revenues leveraging on capital light(er) product distribution
- Limited reliance on capital gains on bottom line - relevant part of capital gains planned for 2020 secured

€m	2016	2017	2018	2019
Net profit	622	689	1,399	1,342
Cap. gains ¹ (% net profit)	69%	68%	19%	18%

COST DISCIPLINE

- Improved HR costs thanks to workforce transformation
- Non-HR costs balancing ongoing operational efficiencies and business activity support

- HR Costs €5,902m (-3.6%)²
- 50% Ordinary HR costs/Revenues (-3pp)
- Non-HR Costs €2,594m (-10%)

OPEN INNOVATION & DISTRIBUTION STRATEGY

- Internal innovation with focus on digital payments and mobile convergence
- Strategic product partnerships with external specialists across key areas via API-based infrastructure (logistics, last-mile, financial services and payments)
- Distribution partnership boosting PuntoPoste network

- Launch of PostePay Connect and Codice Postepay
- Partnerships with sender, Milkman, Moneyfarm and Tink!
- More parcels delivered through Punto Poste network than post offices

1. Net of tax

2. Excluding legal disputes with employees

DISTRIBUTION PLATFORM OF CHOICE

EXTENSIVE PRODUCT PORTFOLIO AND SEAMLESS CUSTOMER EXPERIENCE

Extensive third party products

Selling across our physical and digital channels alongside Poste products



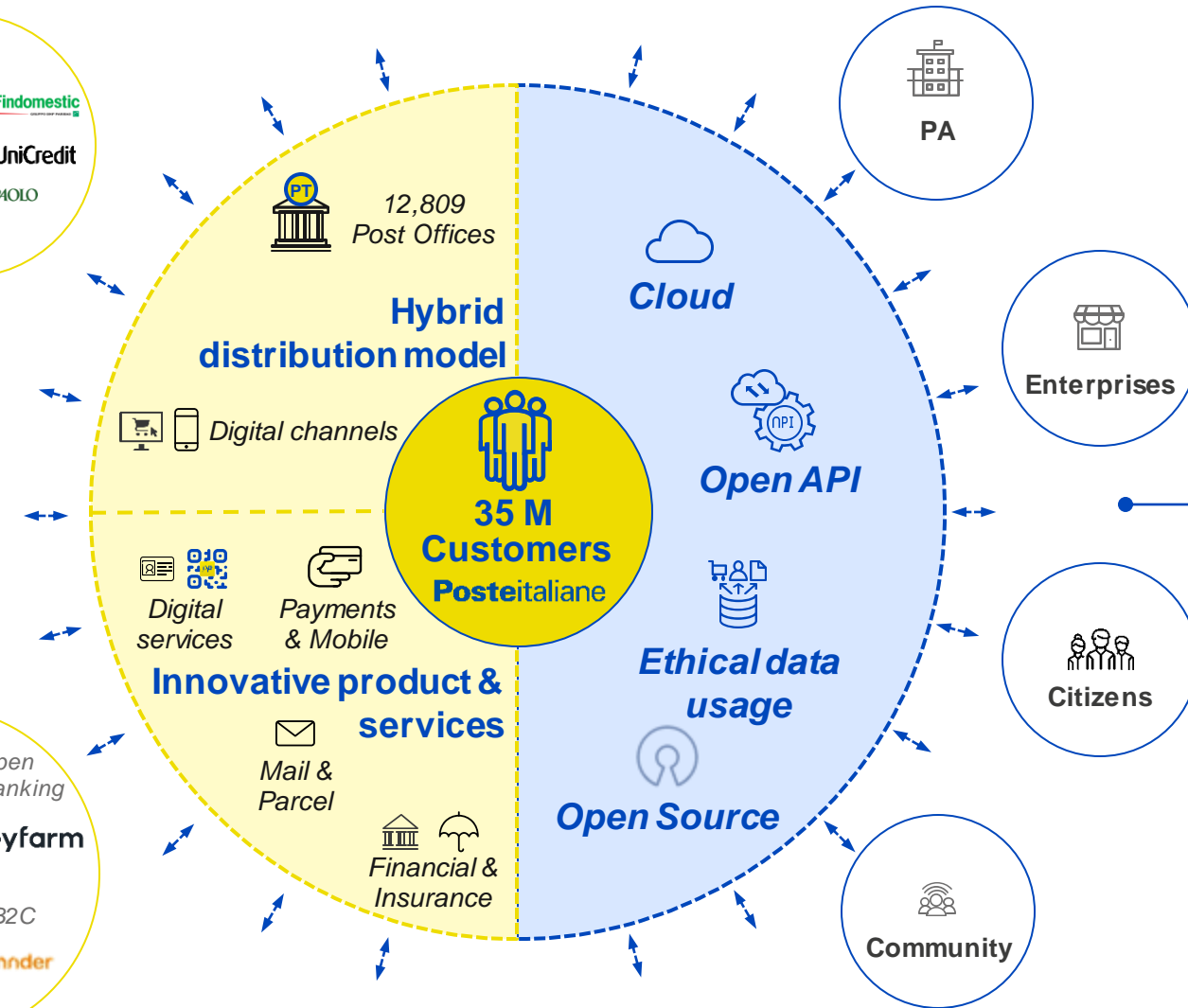
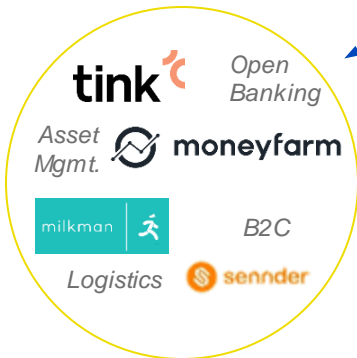
Widespread third party distribution network

Improving our proximity to customers



Innovative Digital Partners

Integrated into our offer through Open Innovation API platform






Empowering people, businesses and public administration

The "engine" of innovation and digitalization for Italy

DIVERSIFIED BUSINESS MODEL

BUSINESS FOCUS RESULTING IN GROWING MARKET SHARES

BUSINESS SEGMENT	POSTE MKT SHARE ¹	Δ vs 2017	2020+ FOCUS
MAIL, PARCEL & DISTRIBUTION  <ul style="list-style-type: none"> <i>B2C parcels (€)</i> 35% +5p.p. <i>B2B parcels (€)</i> 10% +1p.p. 			<ul style="list-style-type: none"> • 4 parcel/capita in Italy, low market penetration vs EU average • Higher B2C tariffs validate focus on quality • E-commerce merchant diversification and enhanced customer experience • B2B business benefiting from Poste's emergence as parcel specialist
FINANCIAL AND INSURANCE  <ul style="list-style-type: none"> <i>Personal loans (€)</i> 9.0% +1.4p.p. <i>Life - Multiclass (GWP)</i> 18.0% +17.0p.p. 			<ul style="list-style-type: none"> • Diversified financial and insurance offer to meet evolving demand • Driving shift from traditional savings to diversified wealth and protection • Italy under-insured for P&C: 1.9% of GDP (Average EU: 4%²)
PAYMENTS, MOBILE AND DIGITAL  <ul style="list-style-type: none"> <i>Card transactions (€)</i> 15.6% +0.8p.p. <i>Acquiring transactions (€)</i> 6.2% +0.2p.p. <i>Telco SIM (#)</i> 5.3% +0.8p.p. 			<ul style="list-style-type: none"> • PostePay to become leader in disruptive digital payments pace • 86% of total number of transactions still cash in Italy • Investing in Codice Postepay to seize merchant and consumer market • Commercial telco initiatives for more stable revenues and lower churn

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GUIDO NOLA – CFO

FY19 RESULTS OVERVIEW

STEADY PROGRESSION OF 2019 RESULTS

€ m unless otherwise stated

	Q4-18	Q4-19	Var.	Var. (%)	FY18	FY19	Var.	Var. (%)
REPORTED REVENUES	2,913	2,949	+36	+1.2%	10,864	11,038	+174	+1.6%
ADJUSTED REVENUES¹	2,801	2,852	+51	+1.8%	10,332	10,659	+327	+3.2%
REPORTED EBIT	(10)	234	+244	n.m.	1,499	1,774	+275	+18.4%
ADJUSTED EBIT¹	490	477	(13)	(2.7%)	1,673	1,765	+92	+5.5%
REPORTED NET PROFIT	343	259	(83)	(24.3%)	1,399	1,342	(56)	(4.0%)
ADJUSTED NET PROFIT¹	349	367	+18	+5.1%	1,172	1,258	+86	+7.3%

ALL FINANCIAL TARGETS ACHIEVED TO DATE

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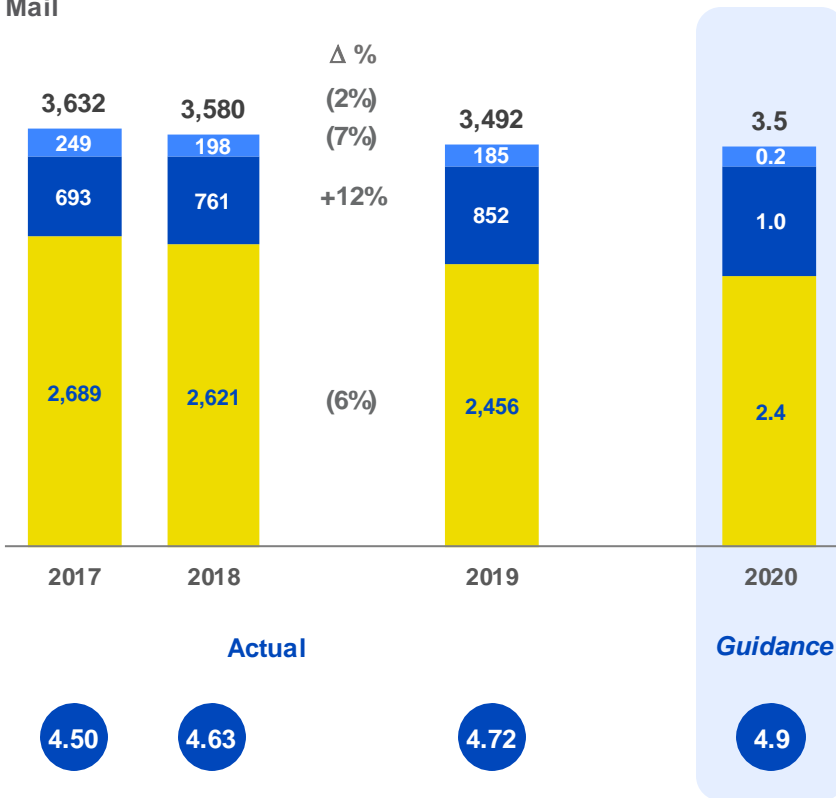
MAIL, PARCEL & DISTRIBUTION

PARCEL REVENUE GROWTH MITIGATING ACCELERATED MAIL DECLINE; EBIT IN LINE WITH TARGET

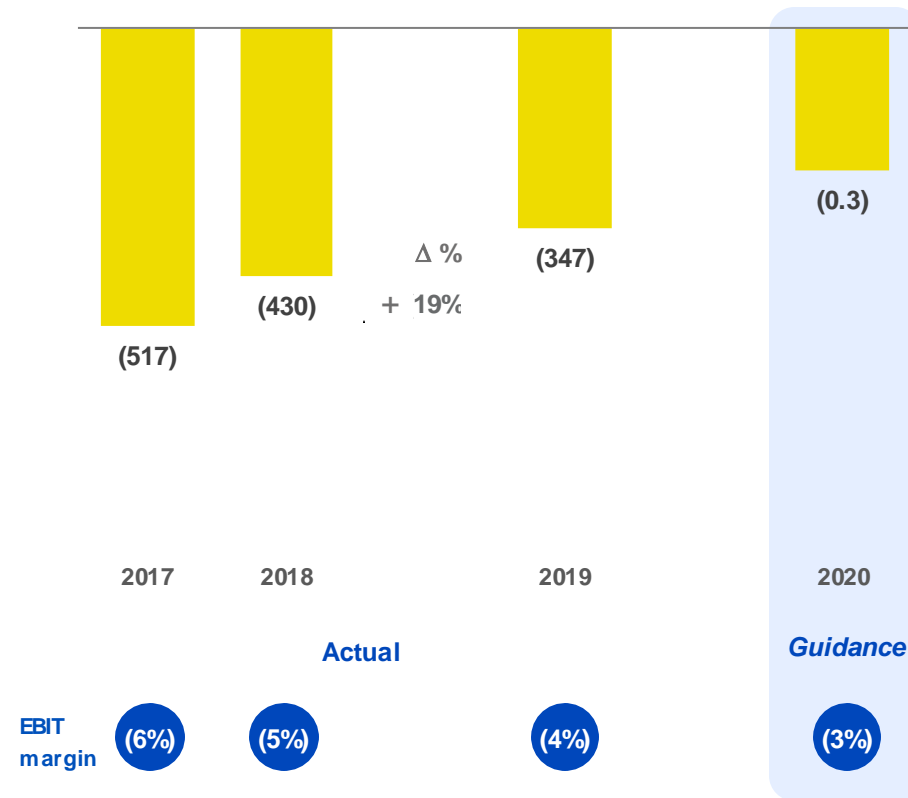
€ m (actual), € bn (guidance)

SEGMENT REVENUES¹

- Others²
- Parcel
- Mail



EBIT



KEY HIGHLIGHTS

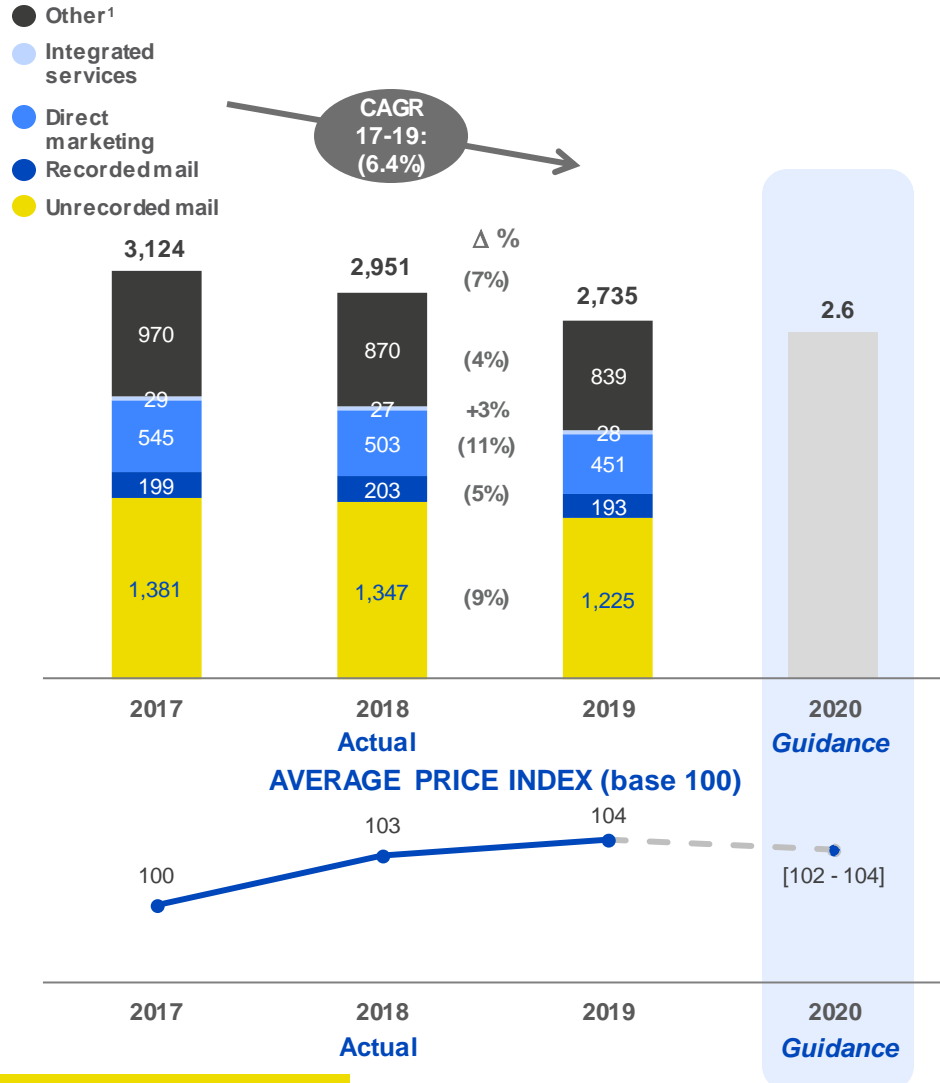
- 2019** Mail revenue decline accelerated due to e-substitution from corporate clients in H2
- 2019** Parcel revenues up thanks to B2C outpacing market and improving B2B revenues
- 2019** EBIT in line with target as a result of accelerated restructuring
- 2020** Revenue target confirmed, driven by continued growth in B2C; mail trend in line with long term trajectory
- 2020** Operating profitability improving supported by continued transformation

MAIL, PARCEL & DISTRIBUTION

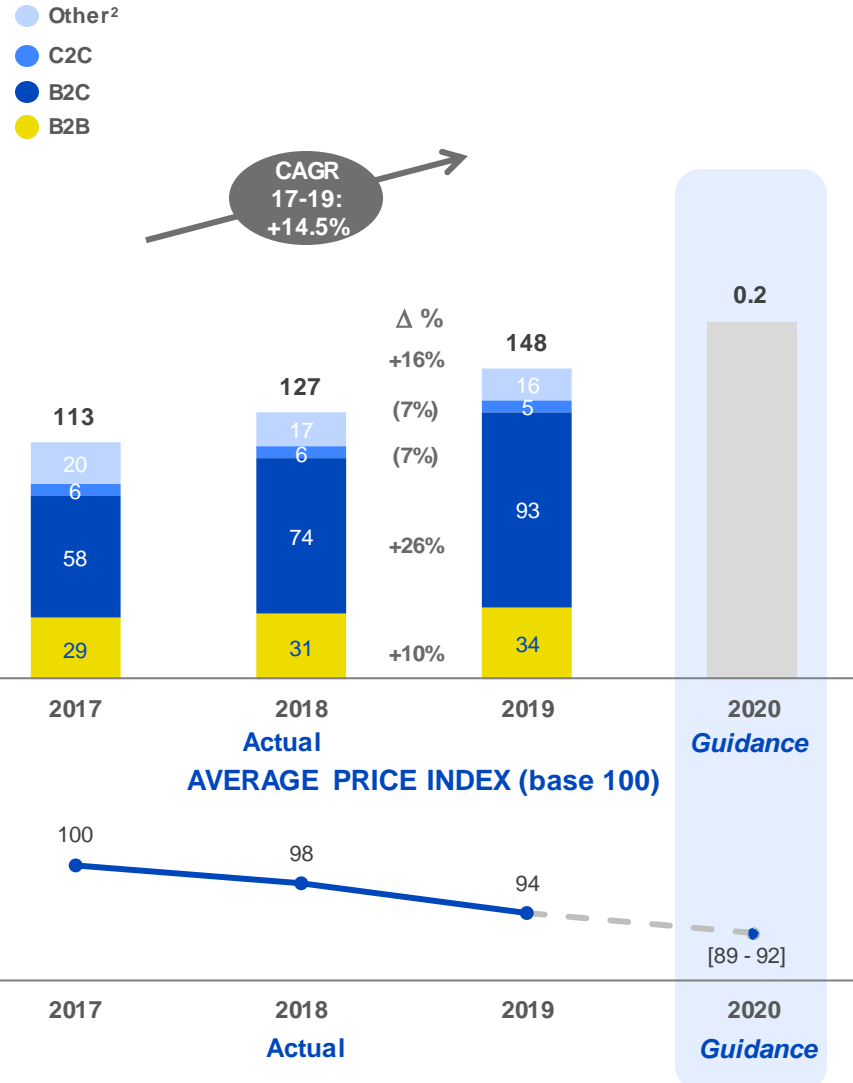
MAIL DECLINE IN LINE WITH LONG TERM TREND; B2C PARCEL PROGRESSING

€ m (actual), € bn (guidance)

MAIL VOLUMES (M/PC)



PARCEL VOLUMES (M/PC)



KEY HIGHLIGHTS

- 2019**
- Mail volumes down mainly in lower margin products (unrecorded mail, direct marketing)
 - Mail tariff benefitting from July-18 repricing
 - Parcel volumes boosted by record B2C and sustained B2B growth
 - Average parcel tariff down on volume mix; B2C tariff up in a competitive environment, due to higher value delivery services
- 2020**
- Mail volume decline in line with Deliver 2022 long term trajectory, while tariff expected stable
 - Parcel volumes will continue to grow leveraging on e-commerce

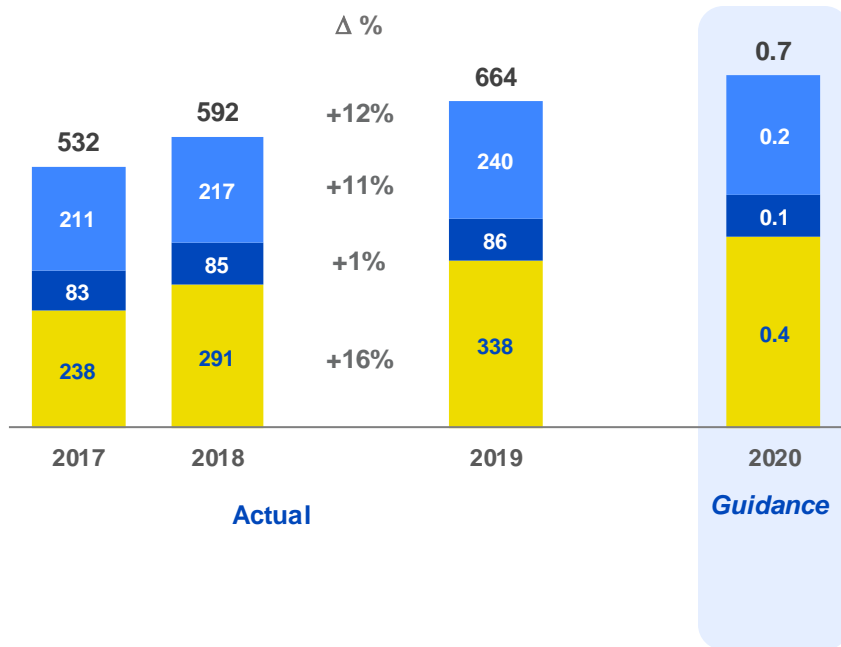
PAYMENTS, MOBILE & DIGITAL

REVENUES FURTHER INCREASING WITH STRONG CARD PAYMENT GROWTH

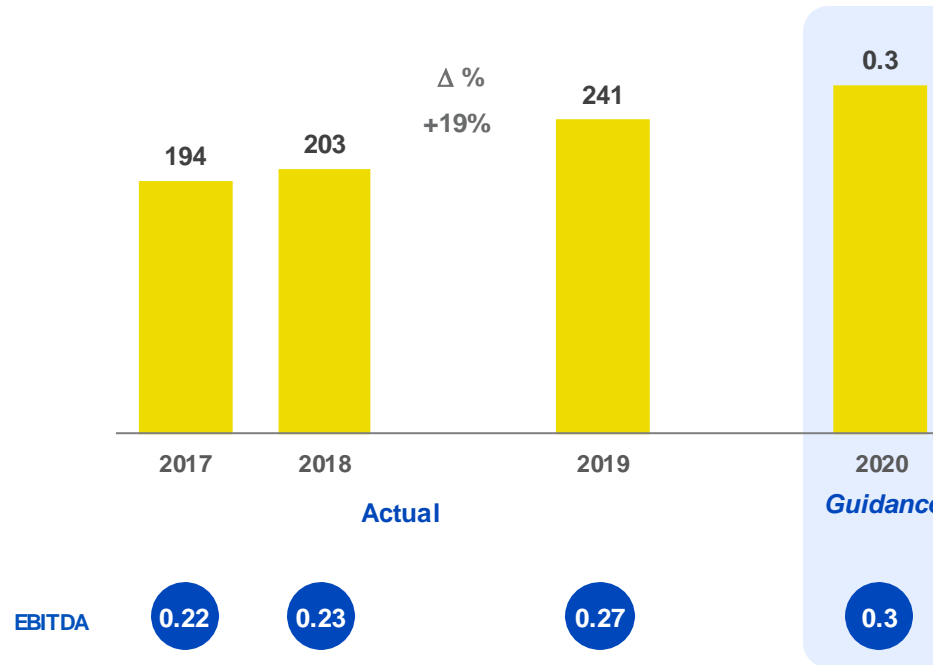
€ m (actual), € bn (guidance)

SEGMENT REVENUES

- Telecom
- Other payments
- Card payments



EBITDA & EBIT



KEY HIGHLIGHTS

- 2019**
 - Card payments benefitting from growing transaction volumes and Postepay Evolution stock
 - Other payments benefitting from new international digital money transfer partnership
 - Telecom revenues up in a competitive market thanks to stable customer base
- 2020**
 - Payment revenues to grow driven by higher transaction volumes
 - Resilient telecom revenues thanks to continuous focus on customer loyalty
 - EBIT up, also after investment in QR Code

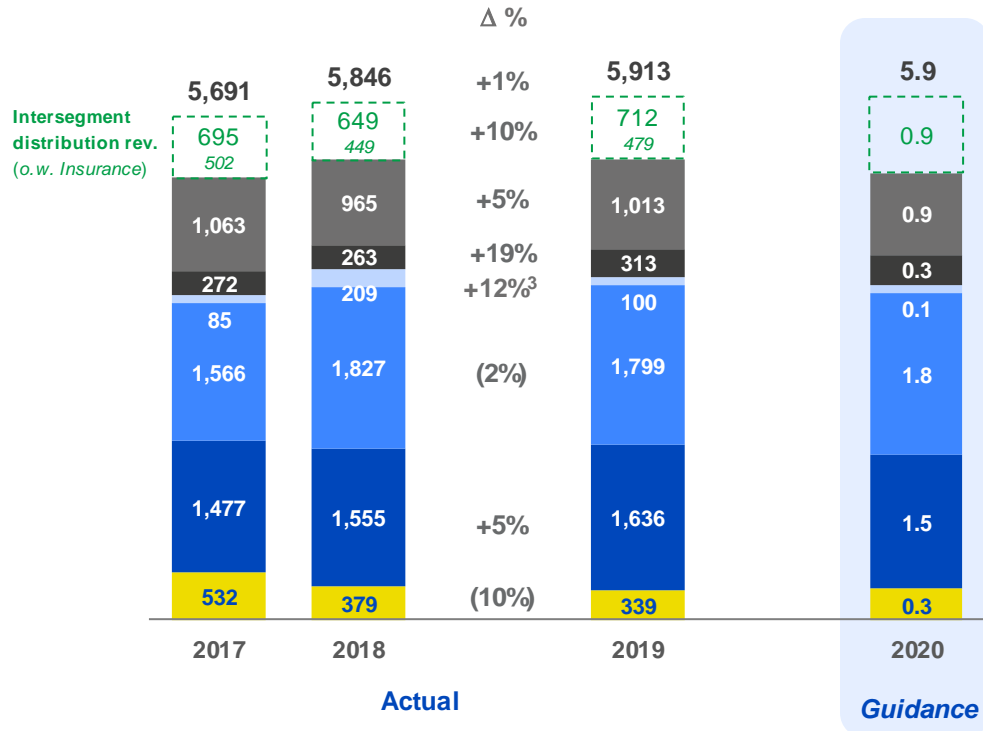
FINANCIAL SERVICES

UNDERLYING PROFITABILITY LEVERAGING ON IMPROVED DISTRIBUTION CAPABILITIES

€ m (actual), € bn (guidance)

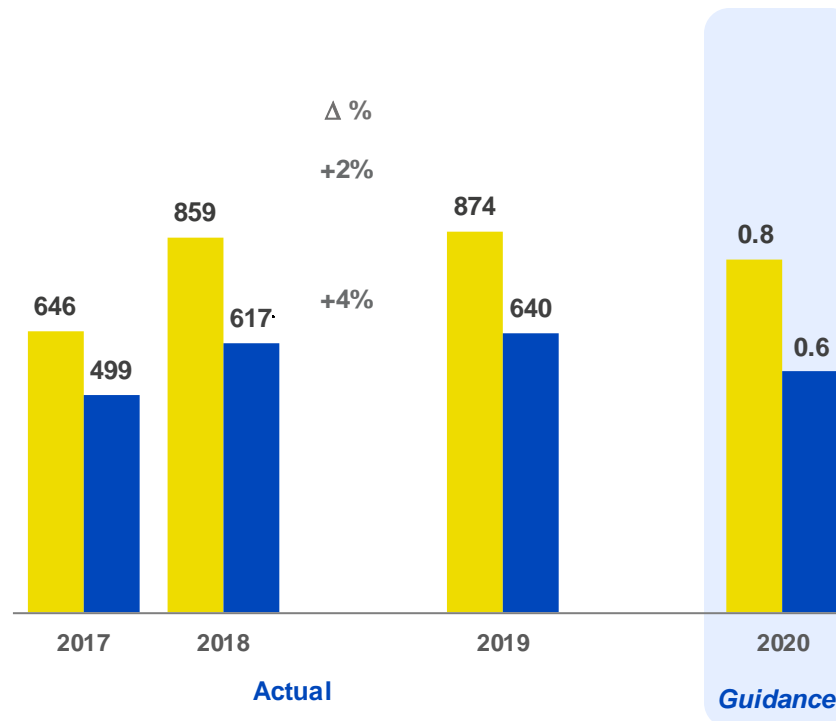
GROSS REVENUES

- Intersegment distribution revenues
- Transaction banking¹
- Loan & mortgage distribution²
- Asset management
- Postal savings
- Interest income
- Net capital gains



EBIT & NET PROFIT

- EBIT
- Net profit



KEY HIGHLIGHTS

- 2019** Strong revenue growth in areas of strategic focus – insurance, loans & mortgages distribution and asset management
- Postal savings distribution in line with targets
- Reduced weight of capital gains, in line with targets
- EBIT and net profit in line with target
- 2020** Recurring revenue generation confirmed leveraging on effective distribution platform and expanded product portfolio
- Operating profitability lower due to higher intersegment distribution costs to the network

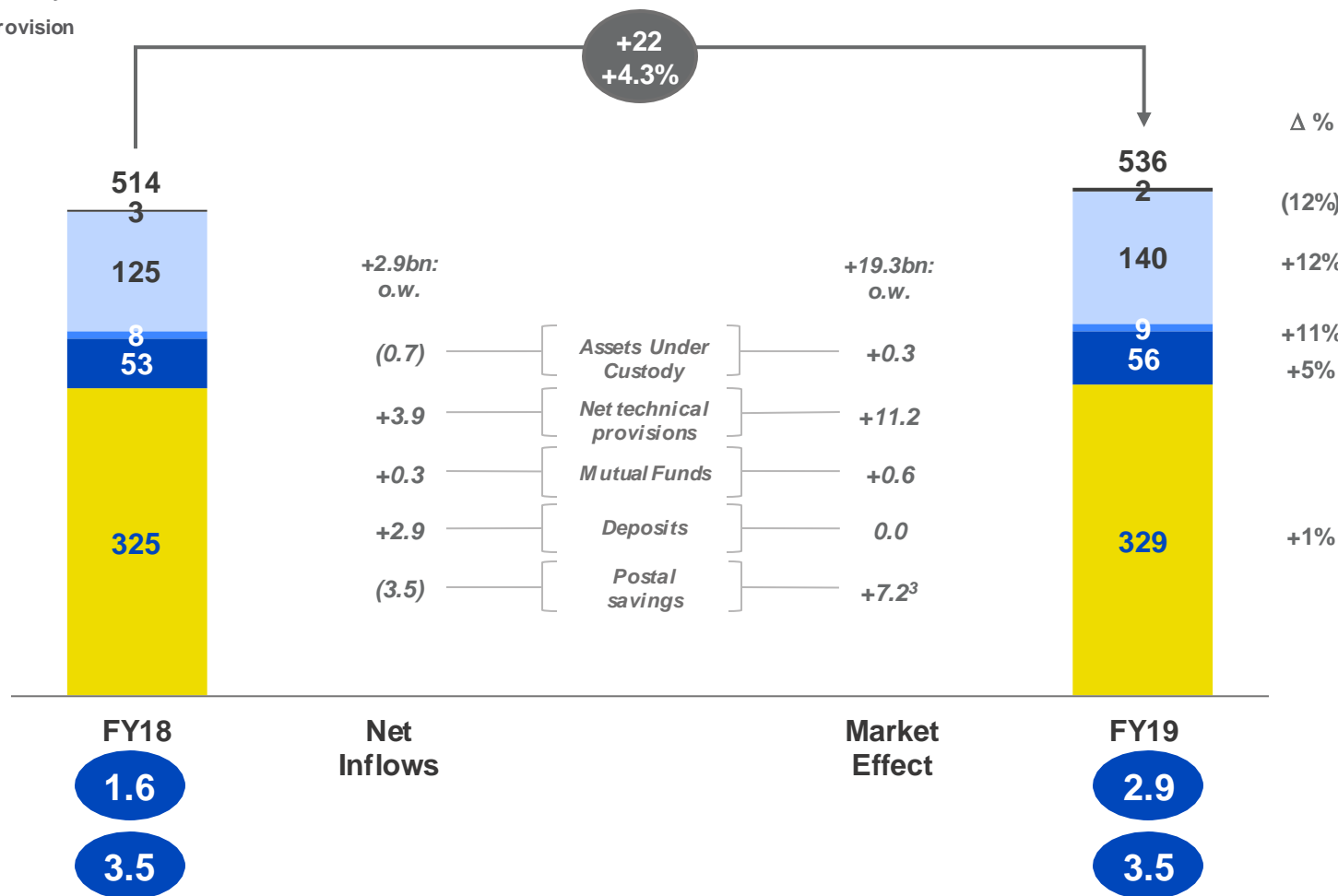
GROUP TOTAL FINANCIAL ASSETS

POSITIVE NET INFLOWS AND IMPROVED MIX CONFIRM EFFECTIVE COMMERCIAL STRATEGY

€ bn unless otherwise stated

TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



KEY HIGHLIGHTS

- TFAs up by 22bn y/y, with positive market effect and 2.9bn net inflows:
- Insurance +3.9bn net inflows supported by successful multiclass diversification strategy
- Deposits +2.9bn, benefitting from retail, Postepay and Public Administration inflows
- Mutual funds +0.3bn net inflows
- Postal savings distribution further improving in 2019, successfully addressing a low rate environment with enhanced commercial offer

RESILIENT REVENUES FROM BANCOPOSTA INVESTMENT PORTFOLIO

SELF HEDGING STRUCTURE EFFECTIVE IN CHANGING MARKET SCENARIOS

€ bn unless otherwise stated

SHOCK DURING 2020

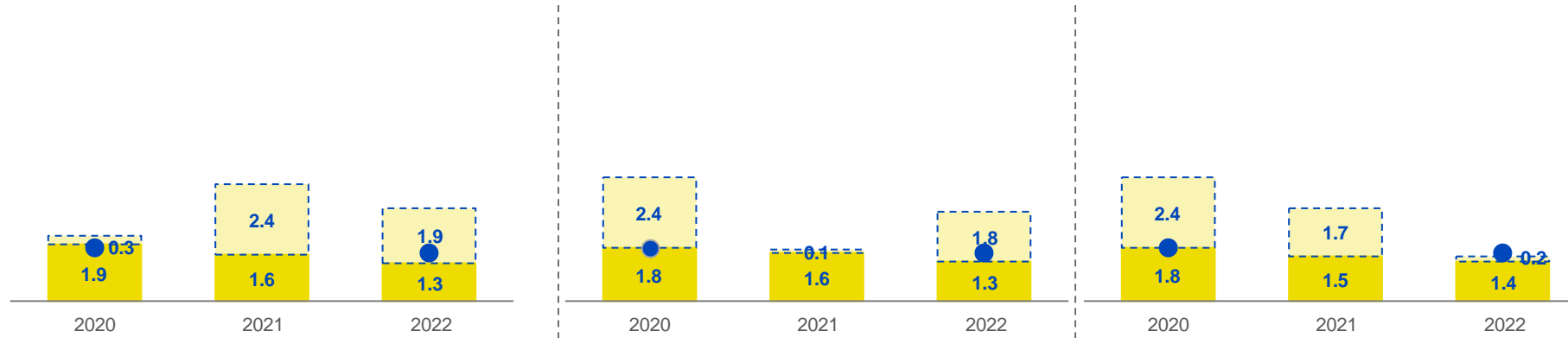
SHOCK DURING 2021

SHOCK DURING 2022

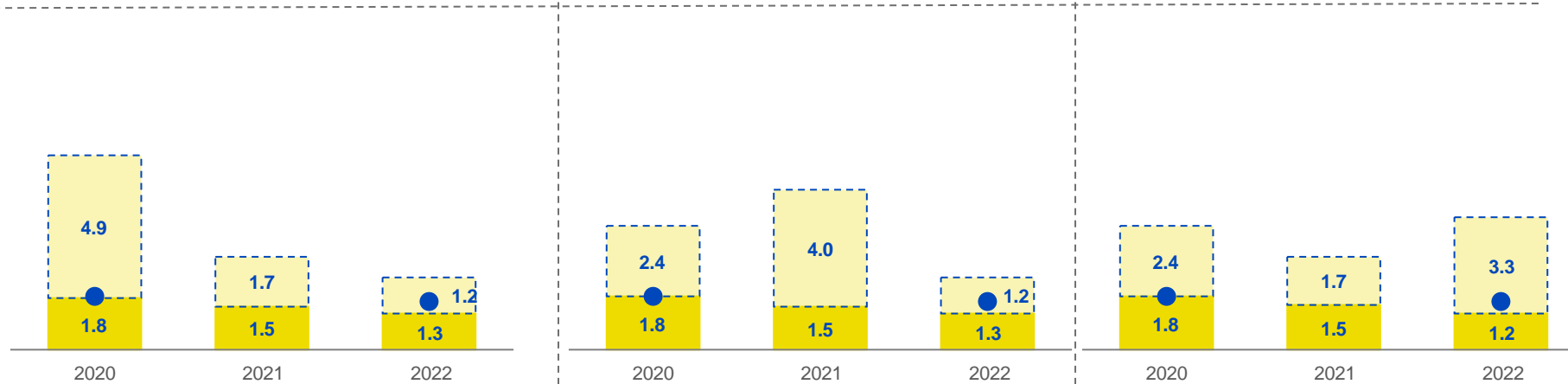
KEY HIGHLIGHTS

■ Capital gains + Interest Income ■ Unrealized capital gains ● Revenue target¹

Spread @ 300bps



Spread @ 100bps



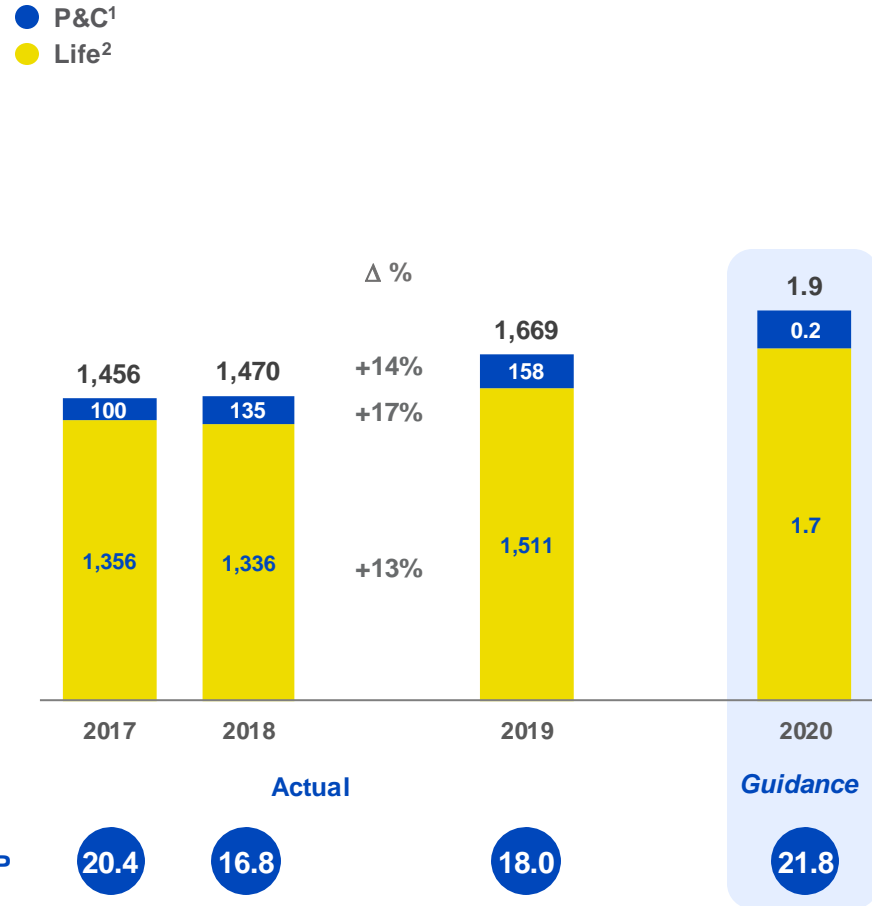
- Conservative hypotheses:
 - IRS based on forward curve rates²
 - Bond maturities reinvested and minimal new inflows
- Two stressed scenarios for BTP:
 - Credit spread level up to 300bps
 - Credit spread level down to 100bps
- Interest income and future capital gains can be achieved in most scenarios; impact on EBIT mitigated considering interest expenses envisaged in 2022

INSURANCE SERVICES

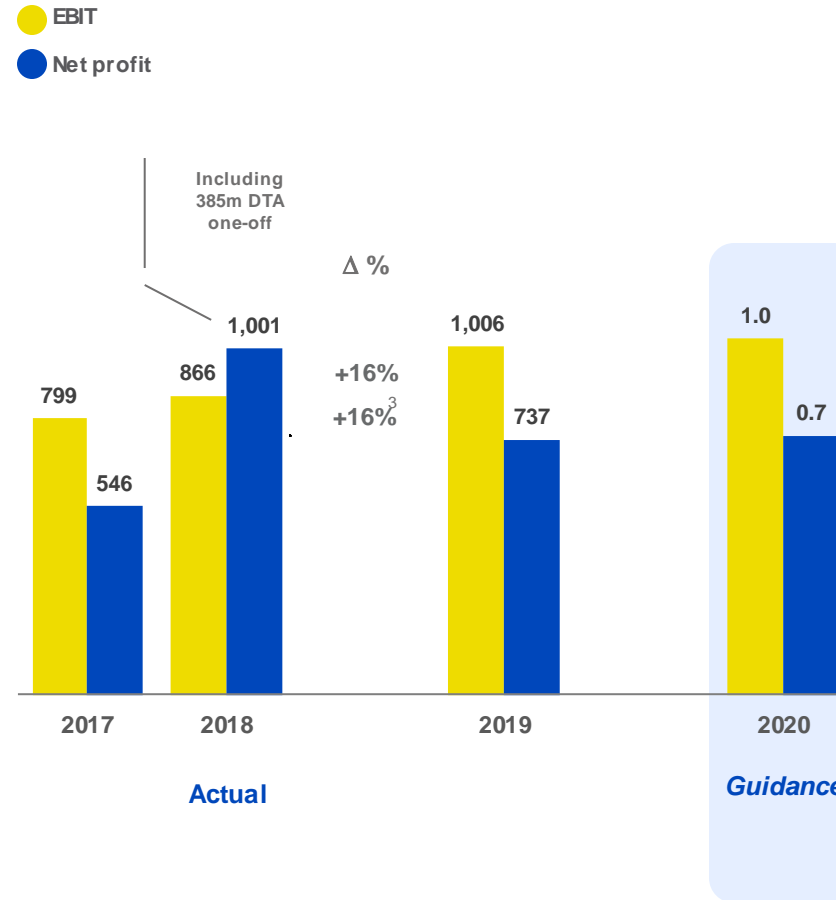
CONSOLIDATING LEADERSHIP IN LIFE WITH SHIFT TO MULTICLASS AND GROWING P&C

€ m (actual), € bn (guidance)

SEGMENT REVENUES



EBIT & NET PROFIT



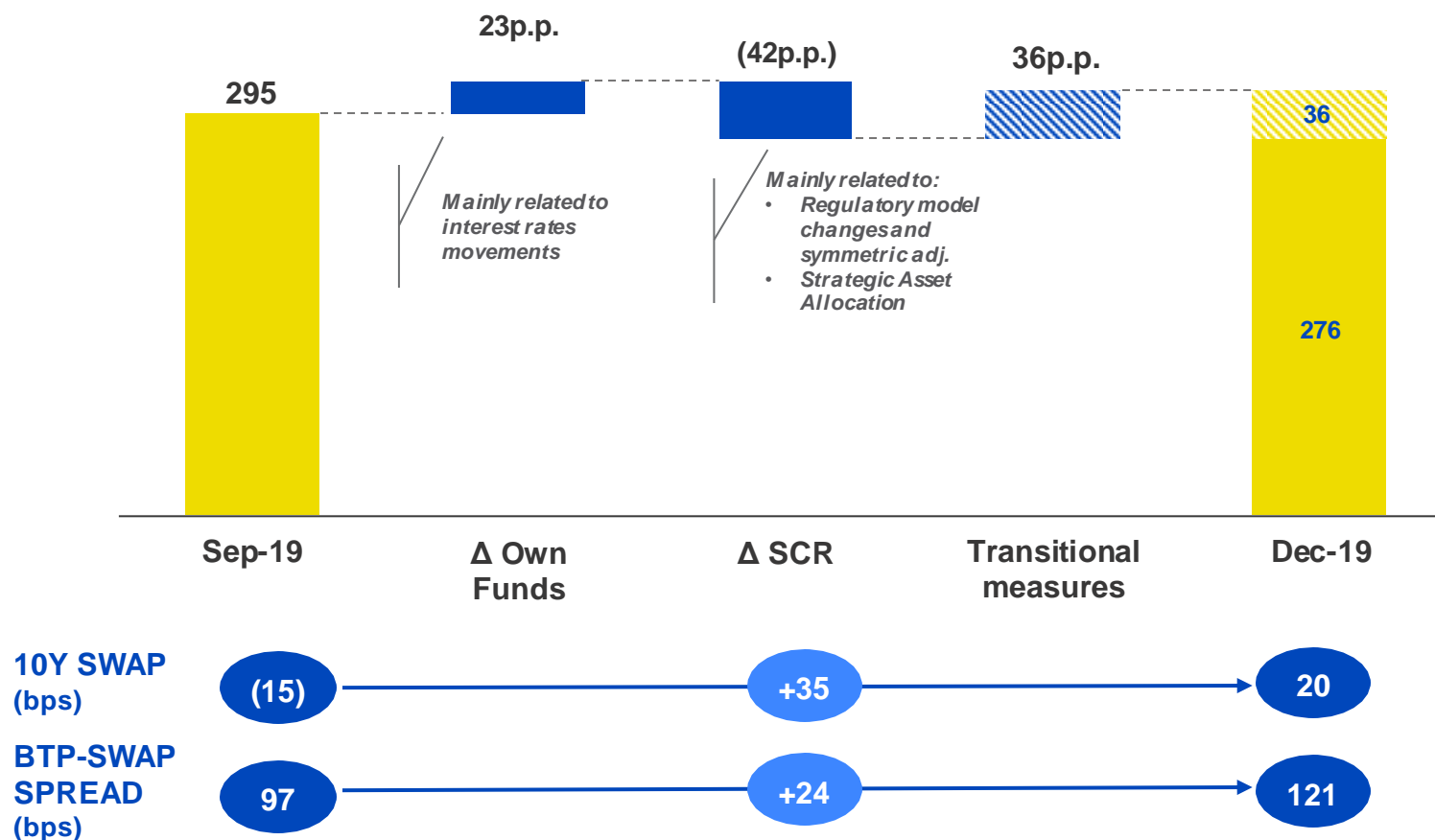
KEY HIGHLIGHTS

- 2019**
 - Confirmed leadership in life insurance thanks to commercial focus on multiclass products, now representing 35% of GWP
 - Increased investment margin in a favourable market environment
 - P&C revenue up with positive contribution from all products
 - EBIT and net profit above target supported by all product lines
- 2020**
 - Revenues driven by continued focus on life multiclass products and modular offer in P&C

INSURANCE SERVICES: SOLVENCY II RATIO

WELL ABOVE 200% MANAGERIAL AMBITION THROUGH THE CYCLE

SOLVENCY II RATIO EVOLUTION



KEY HIGHLIGHTS

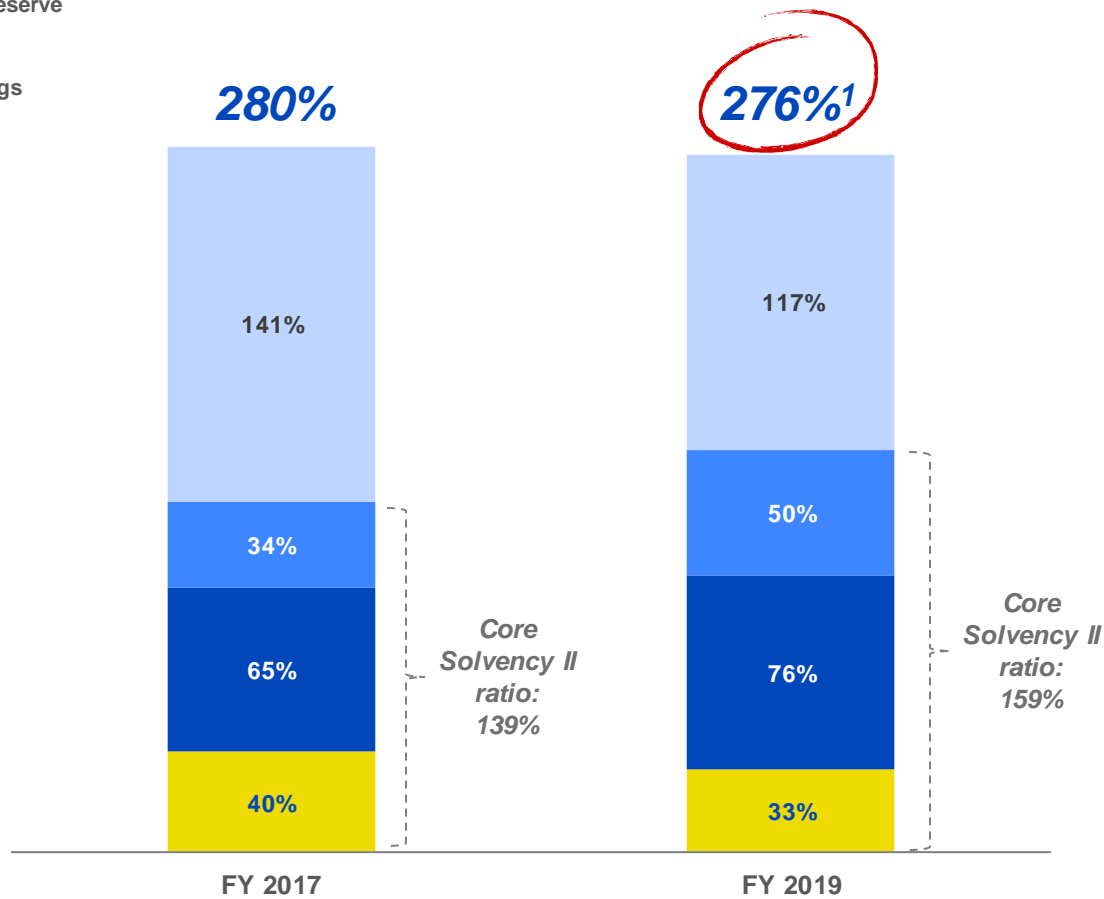
- Positive impact from higher risk free rates offsetting BTP-Bund spread increase (+13p.p.)
- Ongoing asset diversification to improve risk-return supporting lower Solvency II future volatility (-11p.p.)
- One-off impact from regulatory model changes and increase in the variable component of capital charge on equity exposures¹ (-21p.p.)
- Transitional measures provide 36p.p. buffer to address market volatility
- Dividend payout to Poste Italiane confirmed at 50% in 2020

INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

EFFECTIVE MANAGERIAL ACTIONS RESULTING IN HIGHER SOLVENCY II QUALITY

CORE SOLVENCY II RATIO

- Reconciliation reserve
- Tier 2
- Retained earnings
- Share capital



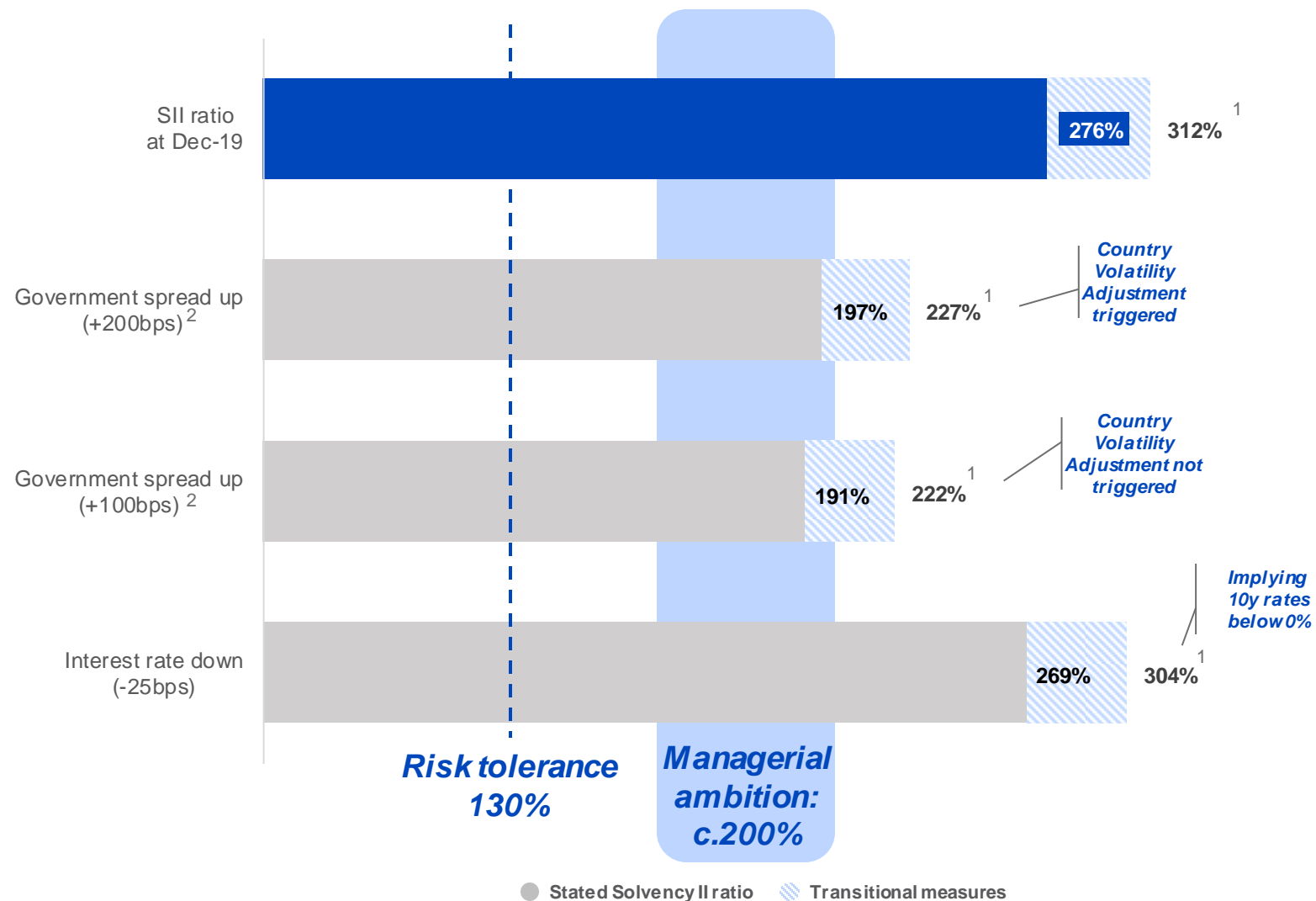
KEY HIGHLIGHTS

- "Core" Solvency II ratio up to 159% vs FY17 thanks to:
 - Ancillary Own Funds up to 1.75bn
 - Retained earnings for c1.0bn, including 0.4bn DTA write-up;
 - Asset and Liability ongoing diversification
- Higher share of "Core" Solvency II enabling lower volatility

INSURANCE SERVICES: SOLVENCY II RATIO – KEY SENSITIVITIES

WELL POSITIONED TO ADDRESS POTENTIAL MARKET VOLATILITY

SOLVENCY II RATIO SENSITIVITIES



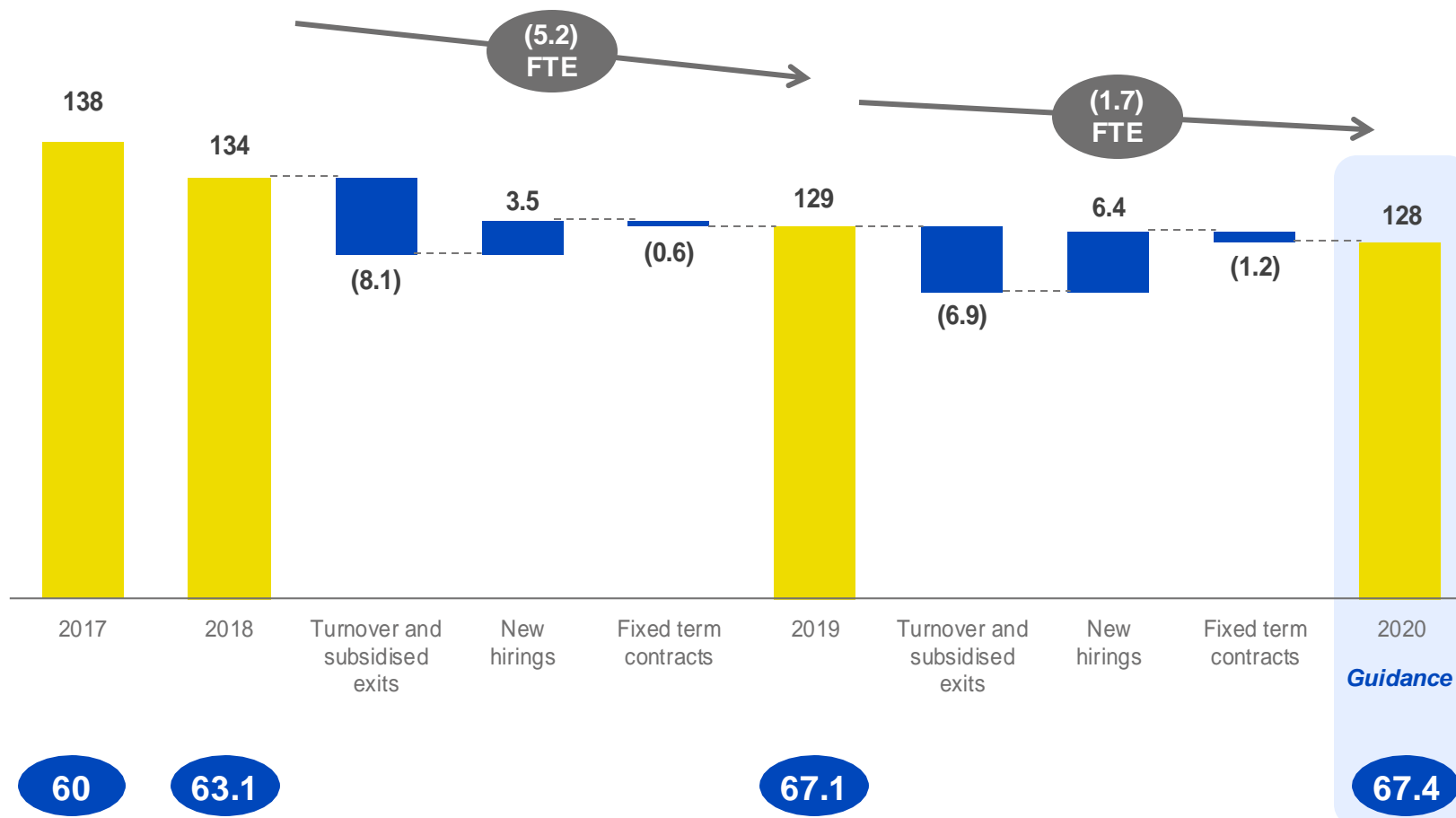
KEY HIGHLIGHTS

- Reduced Solvency II volatility thanks to ongoing managerial actions (e.g. investment and product diversification)
- Excluding transitional measure, Solvency II ratio above managerial ambition through the cycle under stressed scenarios
- Process to develop internal model approved by the BoD

GROUP WORKFORCE EVOLUTION

HEADCOUNT REDUCTION AHEAD OF PLAN TO SUPPORT TRANSFORMATION

AVERAGE HEADCOUNT ('000)



KEY HIGHLIGHTS

2019

Headcount reduction ahead of plan thanks to accelerated voluntary exits

New hires focused on specialist expertise in logistics and financial advisors to renew workforce

Value added per FTE up to 67.1k (vs. 60k in 2017)

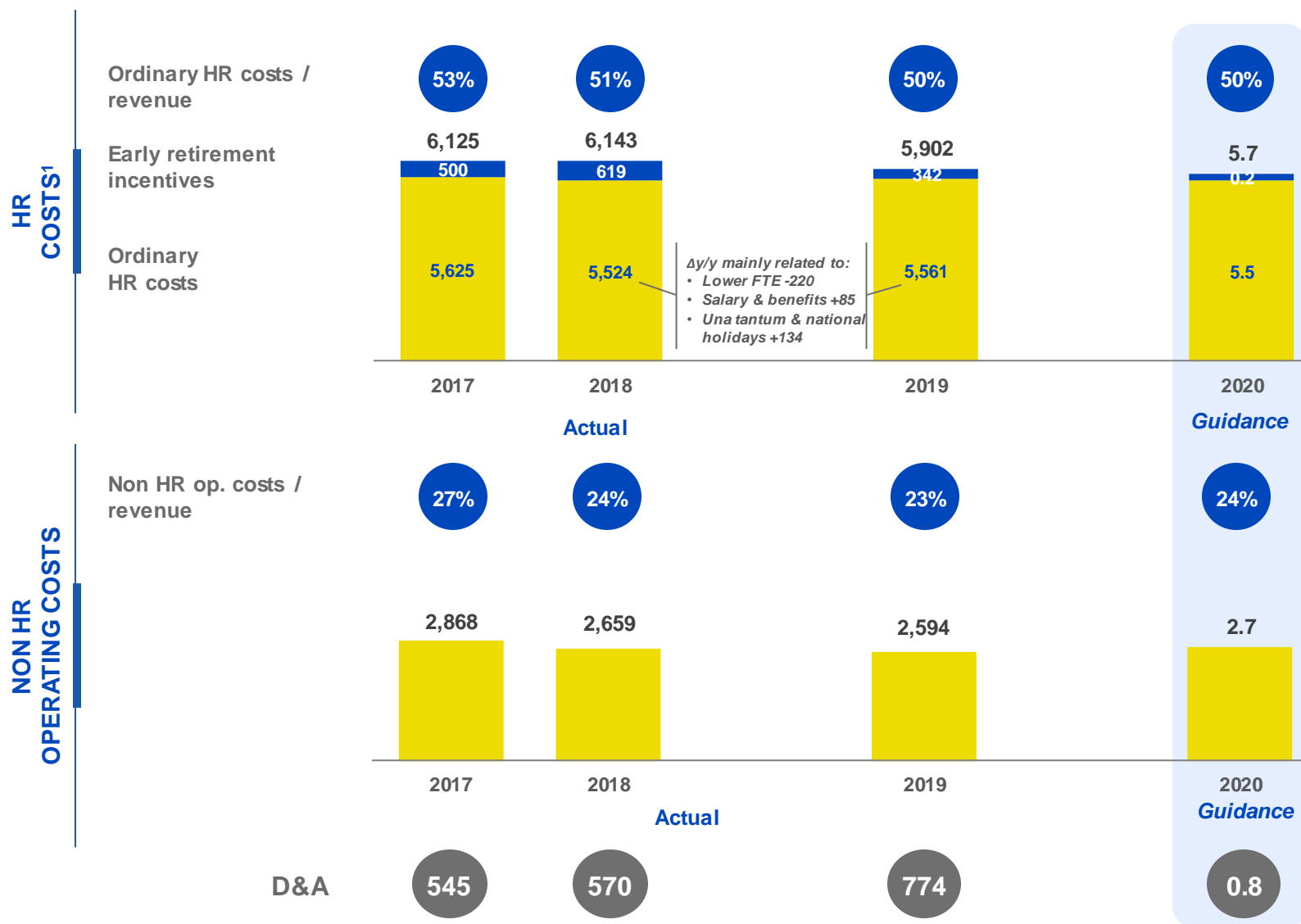
2020

Transformation to continue in 2020 with 8.1k reduction and 6.4k new hires

COST DISCIPLINE

SUPPORTED BY SUCCESSFUL EFFICIENCY INITIATIVES

€ m (actual), € bn (guidance)



KEY HIGHLIGHTS

2019

HR costs down on lower retirement incentives in a favorable context, non-HR costs including D&A up to support business²

2020

Focus on cost discipline confirmed

Early retirement incentives down in 2020 as restructuring priorities shift to workforce renewal

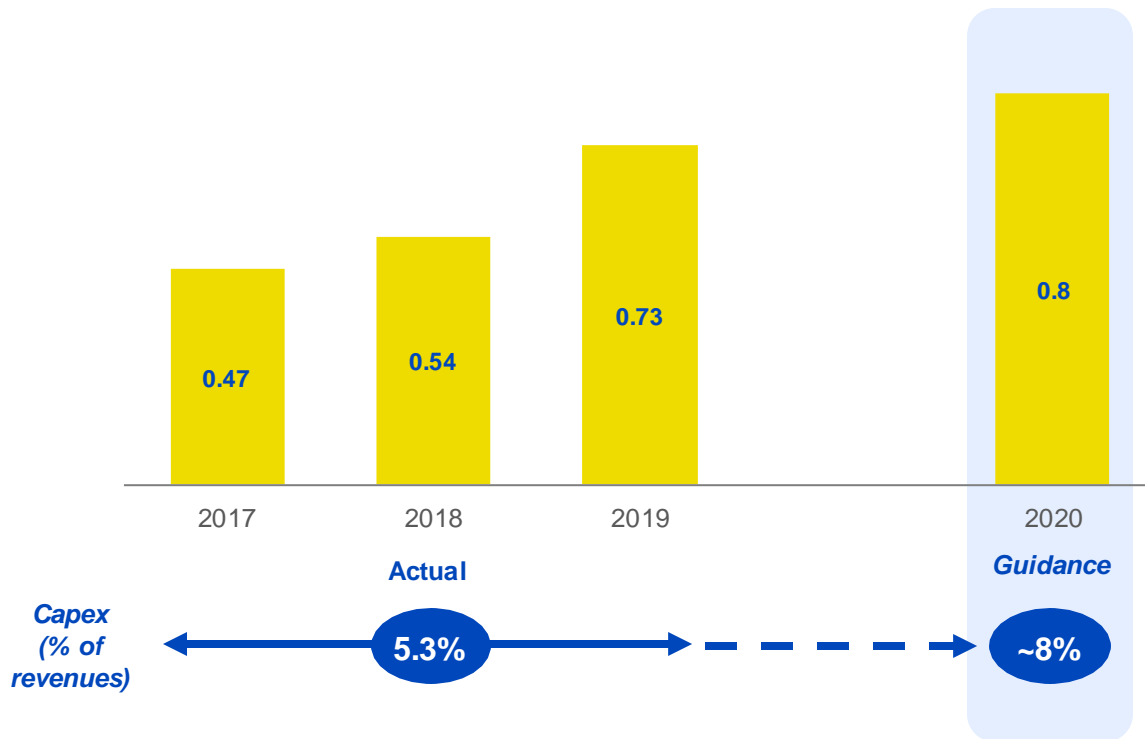
Any increase in non-HR costs directly related to business growth

EFFECTIVE CAPITAL EXPENDITURE

CONTINUED INVESTMENTS TO SUPPORT STRATEGY

€ bn unless otherwise stated

CAPEX PLAN



2020 INVESTMENT FOCUS

- Mail, Parcel & Distribution:
 - Growing capex in automation, efficiency and customer experience
 - Mixed mail, parcel sorting machines, higher quality delivery services
- Financial Services and Insurance:
 - Products and service evolution
- Payment, Mobile and Digital:
 - Products development and card payments innovation (e.g. QR-Code)

**ALL SEGMENTS CONTRIBUTED TO STRONG GROWTH IN
OPERATING PROFITABILITY IN 2019**

**CONTINUED EBIT GROWTH IN 2020, WITH RECURRING
REVENUE GENERATION AND COST REDUCTION**

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CLOSING REMARKS

MATTEO DEL FANTE – CEO & GM

**2019 PERFORMANCE VALIDATES STRATEGIC
TRANSFORMATION**

DIVIDEND +5% Y/Y IN LINE WITH DELIVER 2022 COMMITMENT

**NEW 2020 TARGETS WITH UNDERLYING OPERATING
PROFITABILITY GROWTH POWERED BY INNOVATION**



Q&A







APPENDIX

ADDITIONAL FINANCIAL INFORMATION

KEY PERFORMANCE INDICATORS

TRACKING PROGRESS ACROSS ALL SEGMENTS

		2017	2018	2019	2022	
 MAIL, PARCEL & DISTRIBUTION	<ul style="list-style-type: none"> Operational turnaround Trusted provider and unique network 	Segment revenue/ FTE	€60k	€62k	€64k	€68k
		Parcels delivered by Postini ¹	35m/pcs	45m/pcs	52m/pcs	>100m/pcs
		B2C market share	30%	33%	35%	40%
 PAYMENTS, MOBILE & DIGITAL	<ul style="list-style-type: none"> Enhancement of payment eco-system 	Total Postepay cards stock (#)	17.7m	19.0m	21.5m	18.3m
		o/w Postepay evolution stock (#)	4.7m	6.3m	7.2m	9.9m
		Payment cards transactions (#)	0.9bn	1.1bn	1.4bn	1.6bn
		Digital e-wallet stock (#)	1.7m	2.8m	5.4m	6.5m
 FINANCIAL SERVICES	<ul style="list-style-type: none"> Distribution of comprehensive range of products covering all financial needs 	TFAs	€510bn	€514bn	€536bn	€583bn
		Product sales (#)	8.0m	8.4m	8.0m	>12m
		Fees per client	€222	€235	€241	>€250
 INSURANCE SERVICES	<ul style="list-style-type: none"> Growth in Life capital-light products and P&C offering 	GWP	€20.4bn	€16.8bn	€18.0bn	€20.7bn
		% multi-class, unit-linked on Life GWP	4%	8%	36%	41%

POSTE GROUP: Q4 & FY19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES

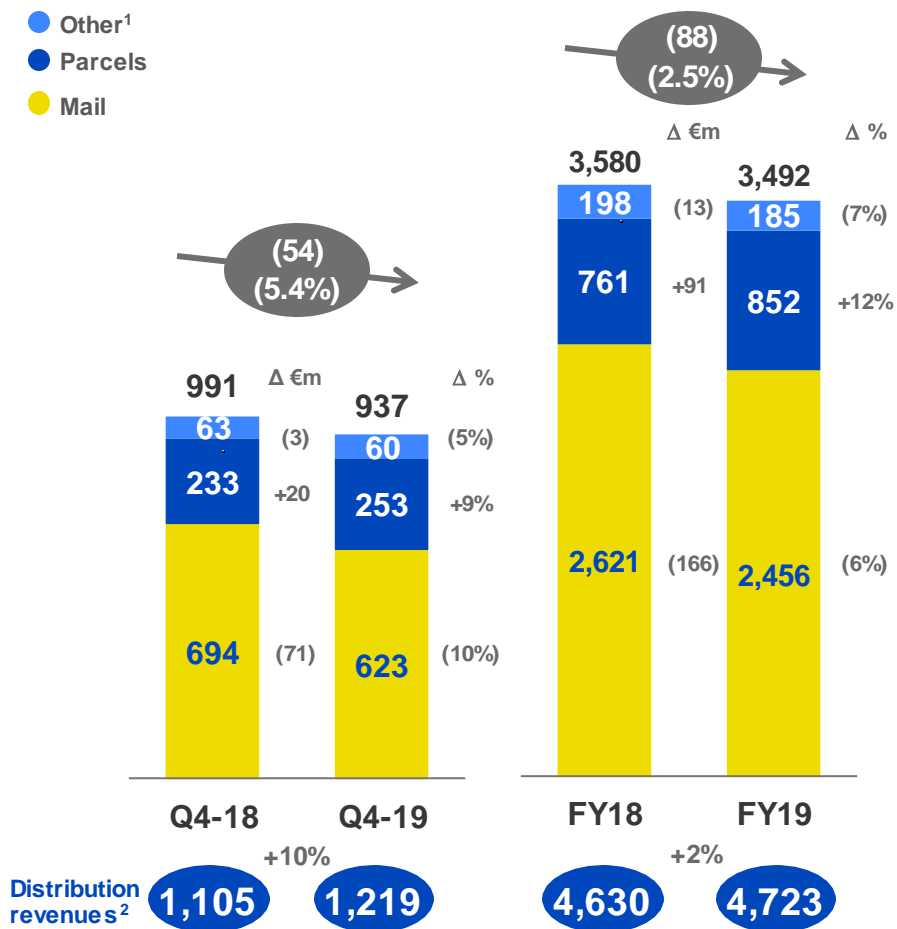
	Q4-18	Q4-19	EUR m	%	FY18	FY19	EUR m	%
REPORTED REVENUES	2,913	2,949	36	+1%	10,864	11,038	174	+2%
<i>GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	0	92			404	353		
<i>VISA - IFRS 9 VALUATION</i>	(7)	6			9	25		
<i>VISA - CAPITAL GAIN ON SHARE DISPOSAL</i>	0	0			0	1		
<i>ANIMA ONE-OFF</i>	120	0			120	0		
ADJUSTED REVENUES	2,801	2,852	52	+2%	10,332	10,659	327	+3%
REPORTED COSTS	2,923	2,715	(207)	(7%)	9,366	9,264	(101)	(1%)
<i>CAPITAL LOSSES ON INVESTMENT PORTFOLIO</i>	0	8			25	13		
<i>EARLY RETIREMENT INCENTIVES</i>	590	328			619	342		
<i>REAL ESTATE FUNDS PROVISIONS</i>	(4)	0			21	0		
<i>POSTEL'S GOODWILL IMPAIRMENT</i>	33	0			33	0		
<i>VISA - FAIR VALUE HEDGE</i>	0	4			0	15		
<i>VISA - IFRS 9 VALUATION</i>	(7)	0			9	0		
ADJUSTED COSTS	2,311	2,376	65	+3%	8,659	8,894	235	+3%
REPORTED EBIT	(10)	234	244	n.m.	1,499	1,774	275	+18%
ADJUSTED EBIT	490	477	(13)	(3%)	1,673	1,765	92	+6%
<i>IMPAIRMENTS</i>	62	46			62	46		
<i>SIA STAKE REVALUATION</i>	0	88			0	88		
REPORTED NET PROFIT	343	259	(83)	(24%)	1,399	1,342	(56)	(4%)
ADJUSTED NET PROFIT	349	367	18	+5%	1,172	1,258	86	+7%

MAIL, PARCEL & DISTRIBUTION

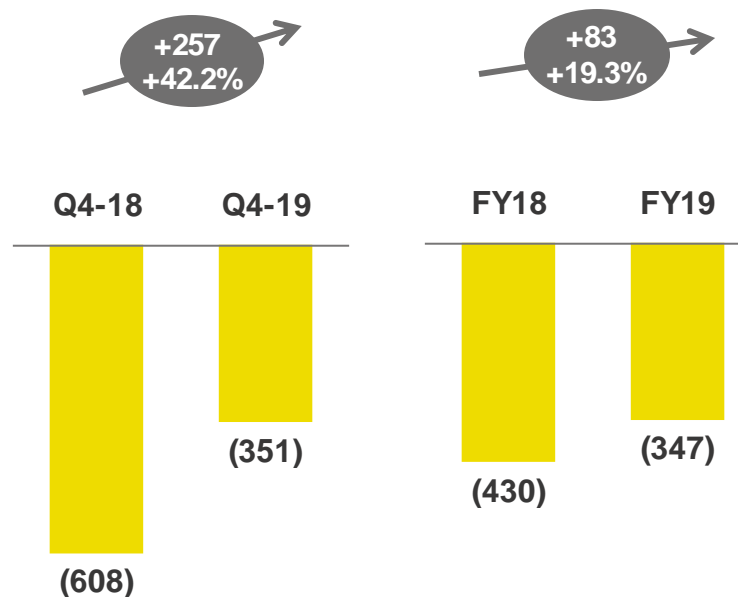
PARCEL REVENUE GROWTH MITIGATING ACCELERATED MAIL DECLINE; EBIT IN LINE WITH TARGET

€ m unless otherwise stated

SEGMENT REVENUES



EBIT



KEY HIGHLIGHTS

- Mail revenue decline accelerated due to e-substitution from corporate clients in H2
- Parcel revenues up thanks to B2C outpacing market and improving B2B revenues
- EBIT in line with target as a result of accelerated restructuring

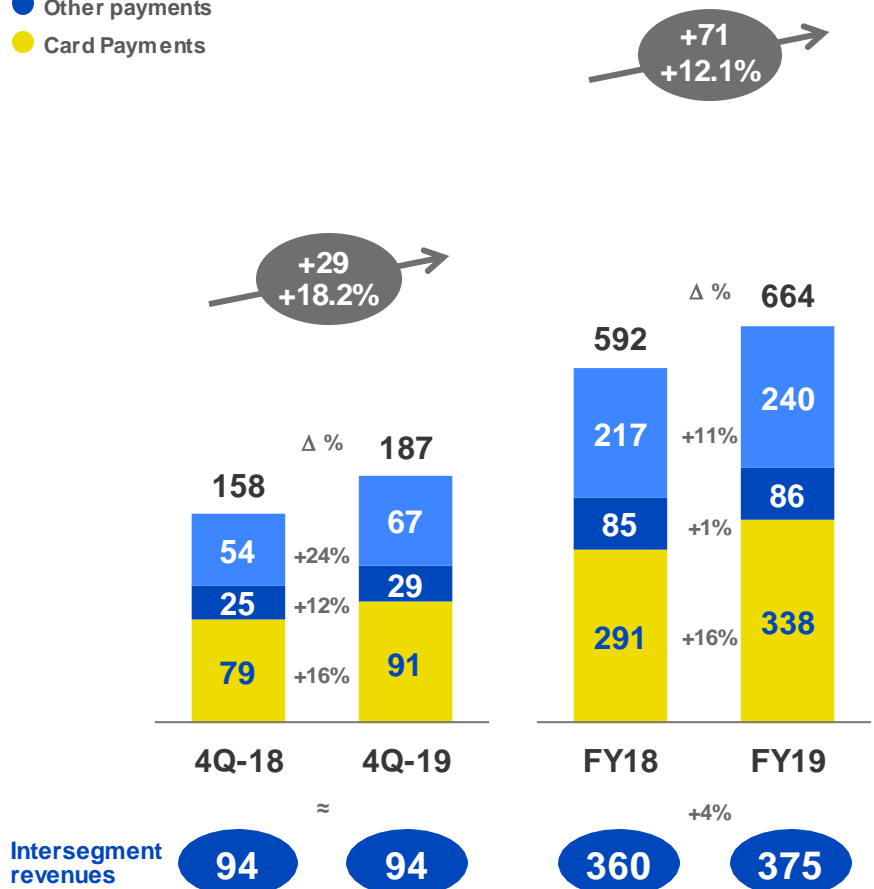
PAYMENTS, MOBILE & DIGITAL

REVENUES FURTHER INCREASING WITH STRONG CARD PAYMENT GROWTH

€ m unless otherwise stated

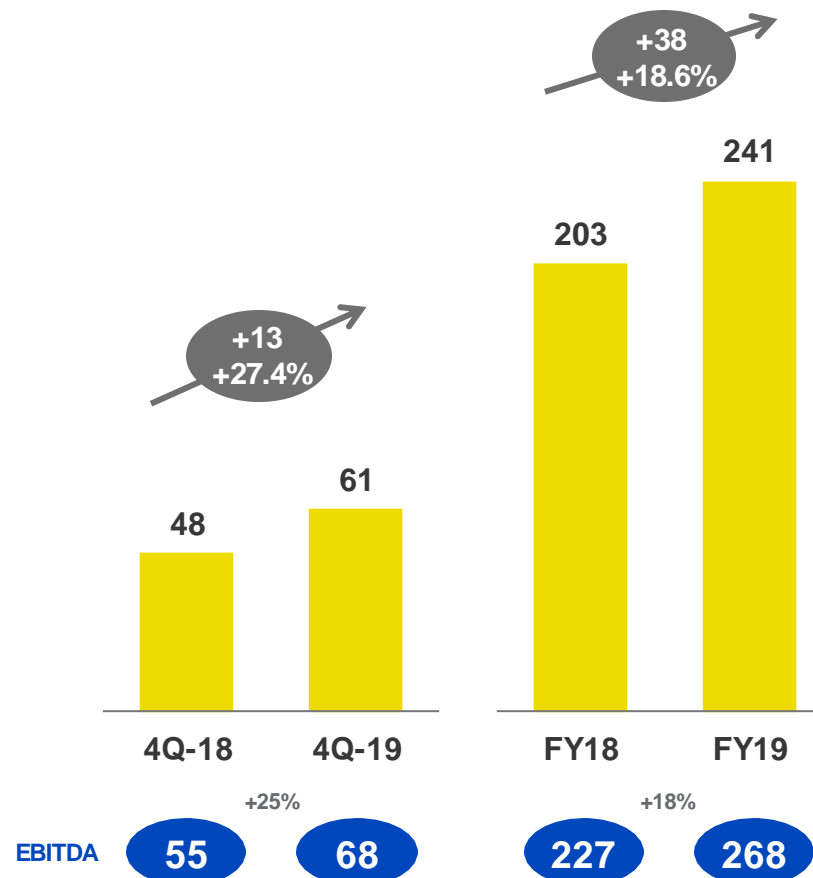
SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments



EBITDA & EBIT

- EBIT



KEY HIGHLIGHTS

- Card payments benefitting from growing transaction volumes and Postepay Evolution stock
- Other payments benefitting from new international digital money transfer partnership
- Telecom revenues up in a competitive market thanks to stable customer base

FINANCIAL SERVICES: Q4 & FY19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES

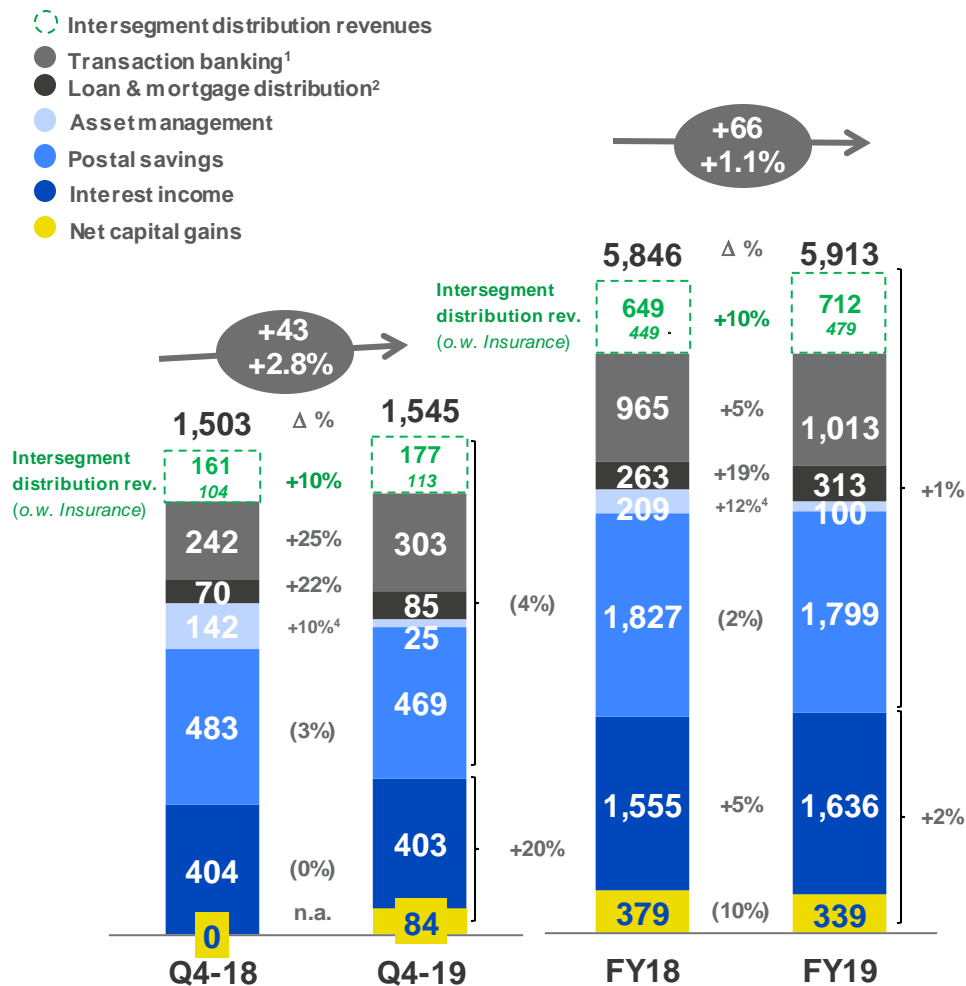
	Q4-18	Q4-19	EUR m	%	FY18	FY19	EUR m	%
SEGMENT REPORTED REVENUES	1,342	1,376	34	+3%	5,221	5,213	(8)	(0%)
<i>GROSS CAPITAL GAINS ON INV. PORTFOLIO</i>	0	92			404	353		
<i>VISA - IFRS 9 VALUATION</i>	(7)	6			9	25		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			0	1		
<i>ANIMA - ONE OFF</i>	120	0			120	0		
SEGMENT ADJUSTED REVENUES	1,230	1,278	49	+4%	4,689	4,834	145	+3%
<i>INTERSEGMENT REVENUES</i>	161	177	17	+10%	649	712	63	+10%
ADJUSTED TOTAL REVENUES	1,390	1,456	66	+5%	5,338	5,547	209	+4%
REPORTED COSTS	1,228	1,306	77	+6%	5,011	5,052	40	+1%
<i>EARLY RETIREMENT INCENTIVES</i>	1	0			10	2		
<i>CAPITAL LOSSES ON INV. PORTFOLIO</i>	0	8			25	13		
<i>CAPITAL GAINS COMMISSIONING</i>	0	65			307	265		
<i>VISA - FAIR VALUE HEDGE</i>	0	4			0	15		
<i>REAL ESTATE FUNDS PROVISIONS</i>	(4)	0			21	0		
<i>VISA - COMMISSIONING ON IFRS 9 VALUATION</i>	0	0			0	0		
<i>VISA - IFRS 9 VALUATION</i>	(7)	0			9	0		
ADJUSTED COSTS	1,239	1,228	(11)	(1%)	4,640	4,757	117	+3%
REPORTED EBIT	274	248	(27)	(10%)	859	874	15	+2%
ADJUSTED EBIT	152	228	76	+50%	698	790	92	+13%
REPORTED NET PROFIT	190	200	10	+5%	617	640	23	+4%
ADJUSTED NET PROFIT	111	186	74	+67%	511	577	66	+13%

FINANCIAL SERVICES

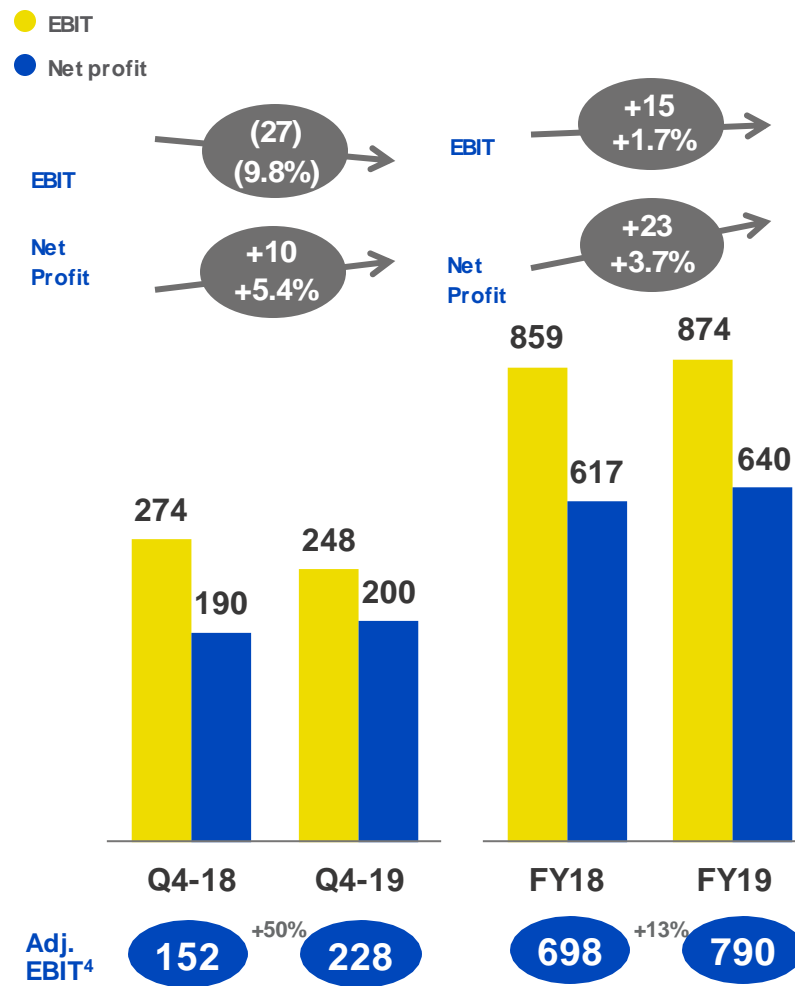
UNDERLYING PROFITABILITY LEVERAGING ON IMPROVED DISTRIBUTION CAPABILITIES

€ m unless otherwise stated

GROSS REVENUES



REPORTED & ADJ. EBIT AND NET PROFIT



KEY HIGHLIGHTS

- Strong revenue growth in areas of strategic focus – insurance, loans & mortgages distribution and asset management
- Postal savings distribution in line with targets
- Reduced weight of capital gains, in line with targets
- EBIT and net profit in line with target

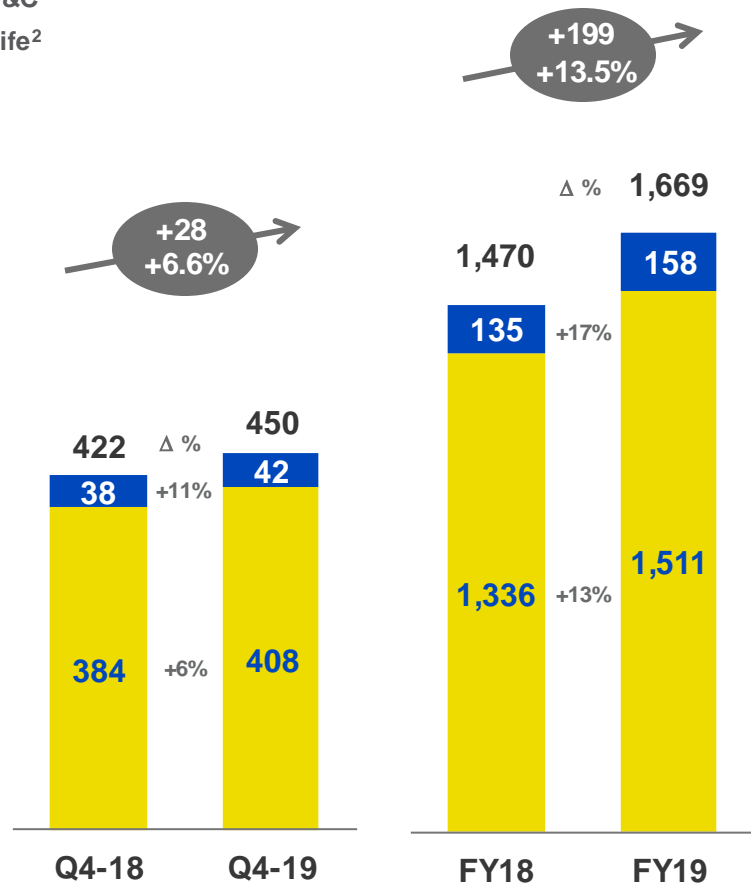
INSURANCE SERVICES

CONSOLIDATING LEADERSHIP IN LIFE WITH SHIFT TO MULTICLASS AND GROWING P&C

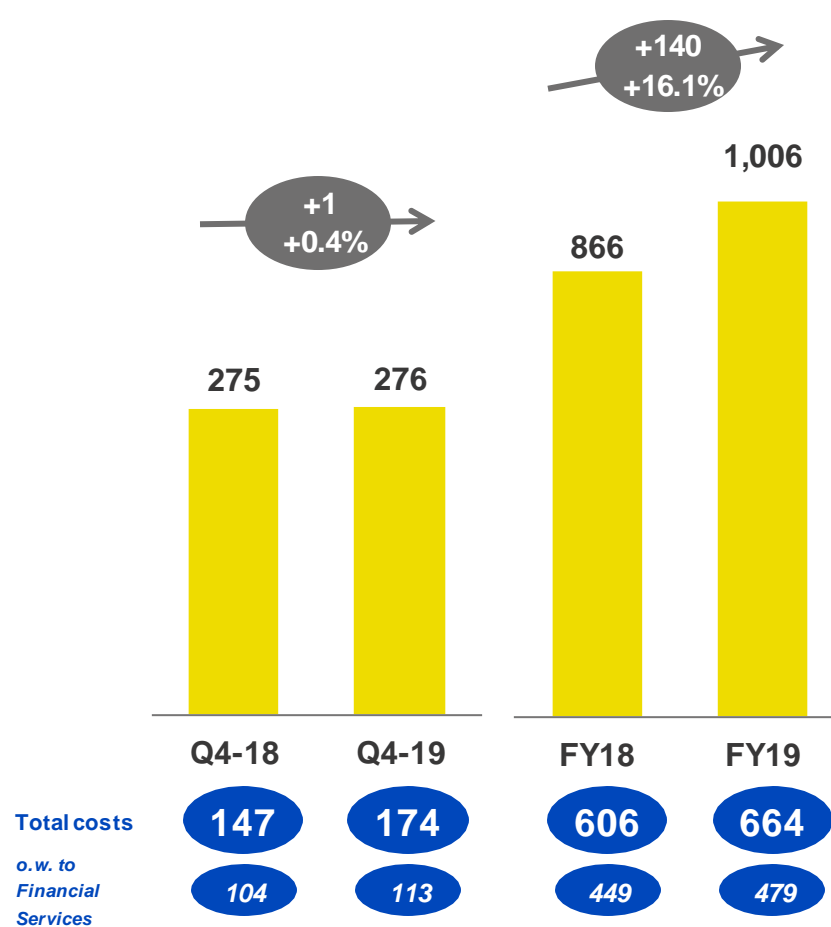
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SEGMENT REVENUES

● P&C¹
● Life²



EBIT



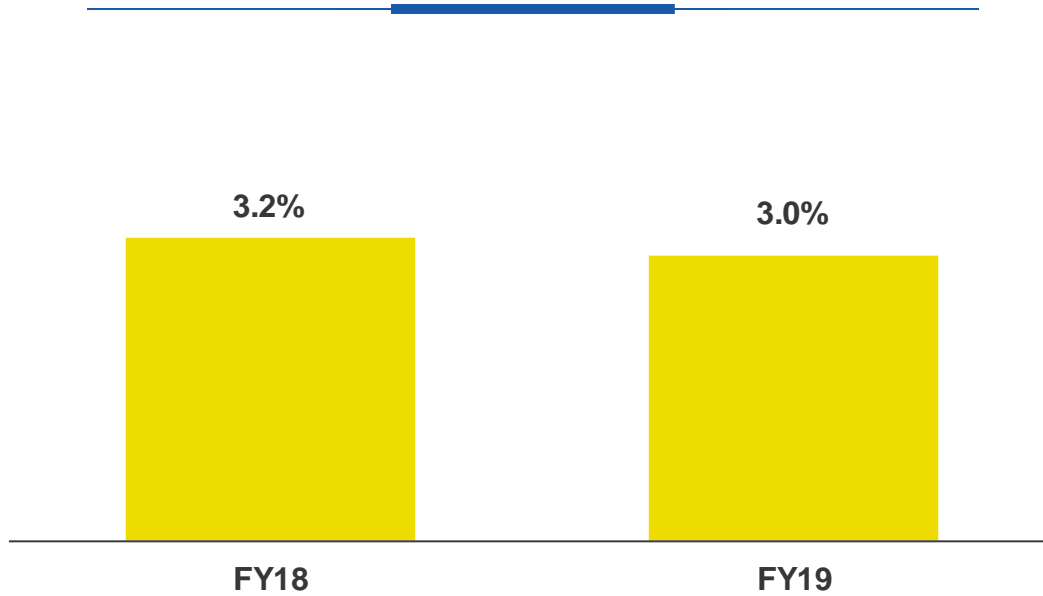
KEY HIGHLIGHTS

- Confirmed leadership in life insurance thanks to commercial focus on multiclass products, now representing 35% of GWP
- Increased investment margin in a favorable market environment
- P&C revenue up with positive contribution from all products
- EBIT and net profit above target supported by all product lines

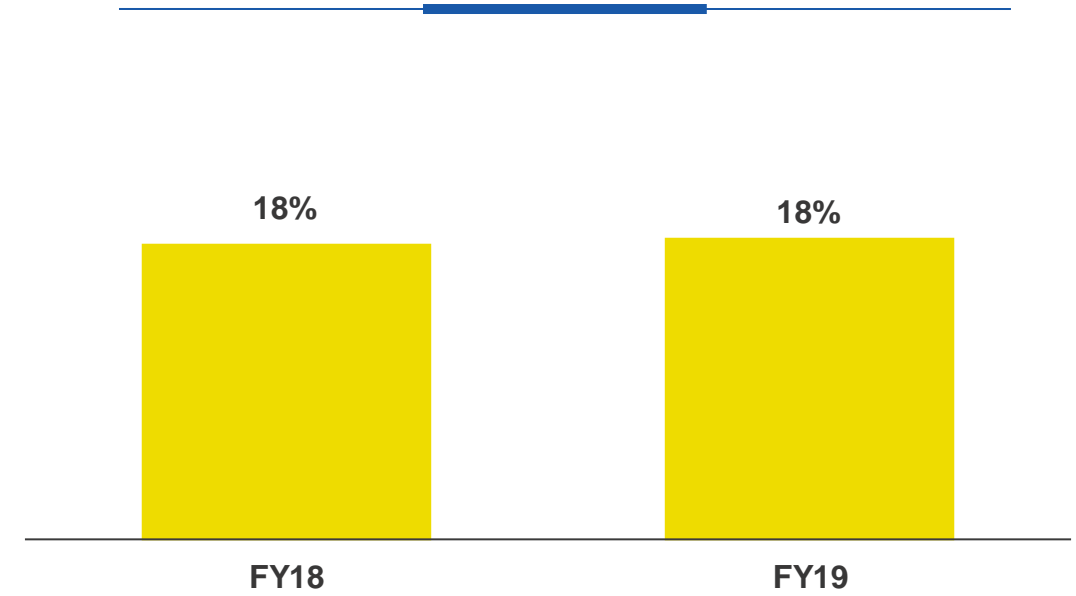
SOLID AND EFFICIENT CAPITAL POSITION IN BANCOPOSTA

AN ASSET GATHERER WITH LOW BALANCE SHEET RISK

LEVERAGE RATIO



CET 1 RATIO



BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

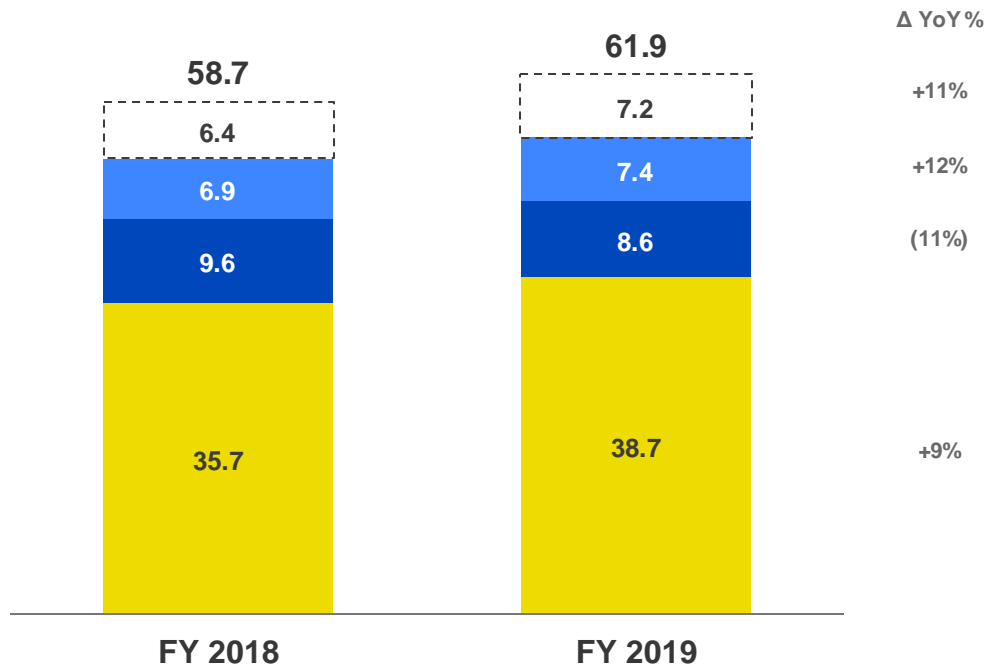
PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

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AVERAGE CURRENT ACCOUNT DEPOSITS

- Public Administration¹
- REPO
- Corporate customers & other²
- Retail + PostePay

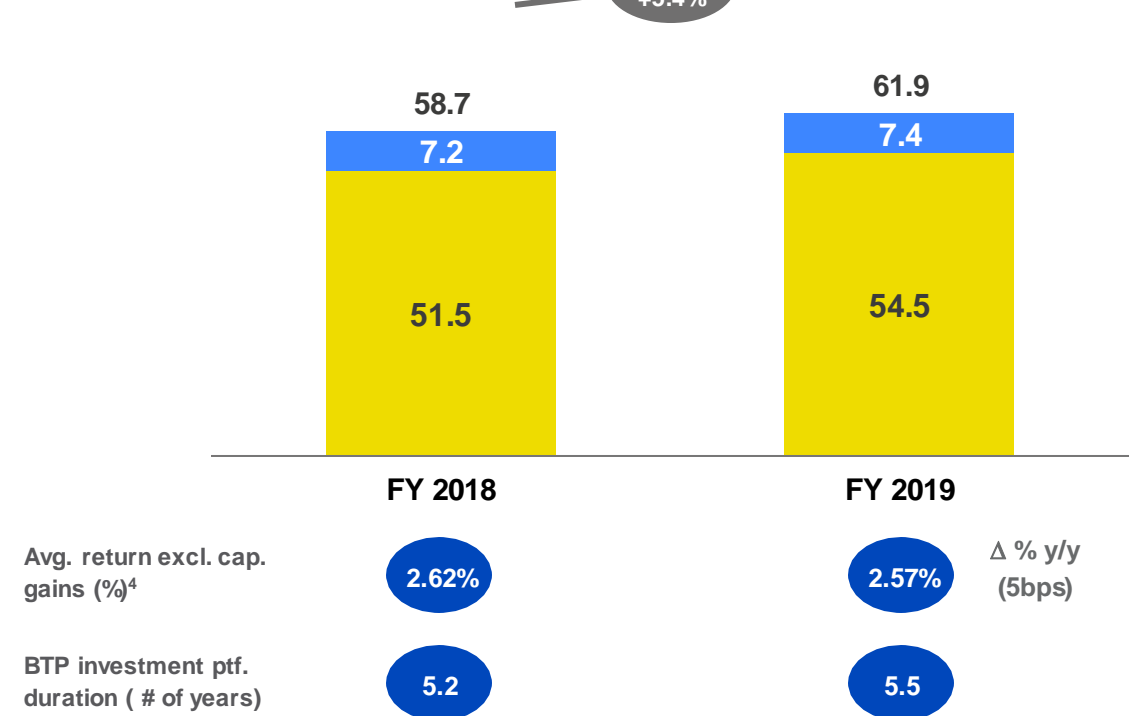
+3.2
+5.4%



AVERAGE INVESTMENT PORTFOLIO

- Deposit @ MEF³
- Italian Government Bonds

+3.2
+5.4%

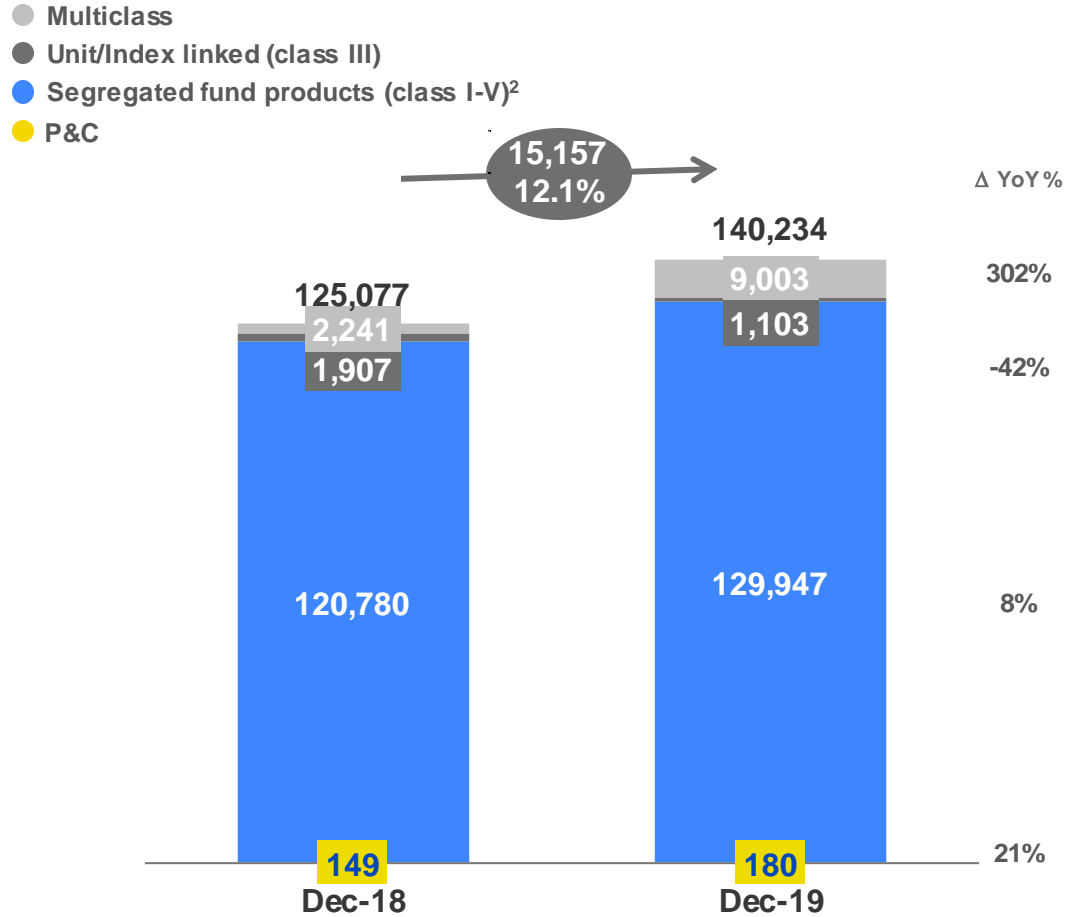


NET TECHNICAL PROVISIONS

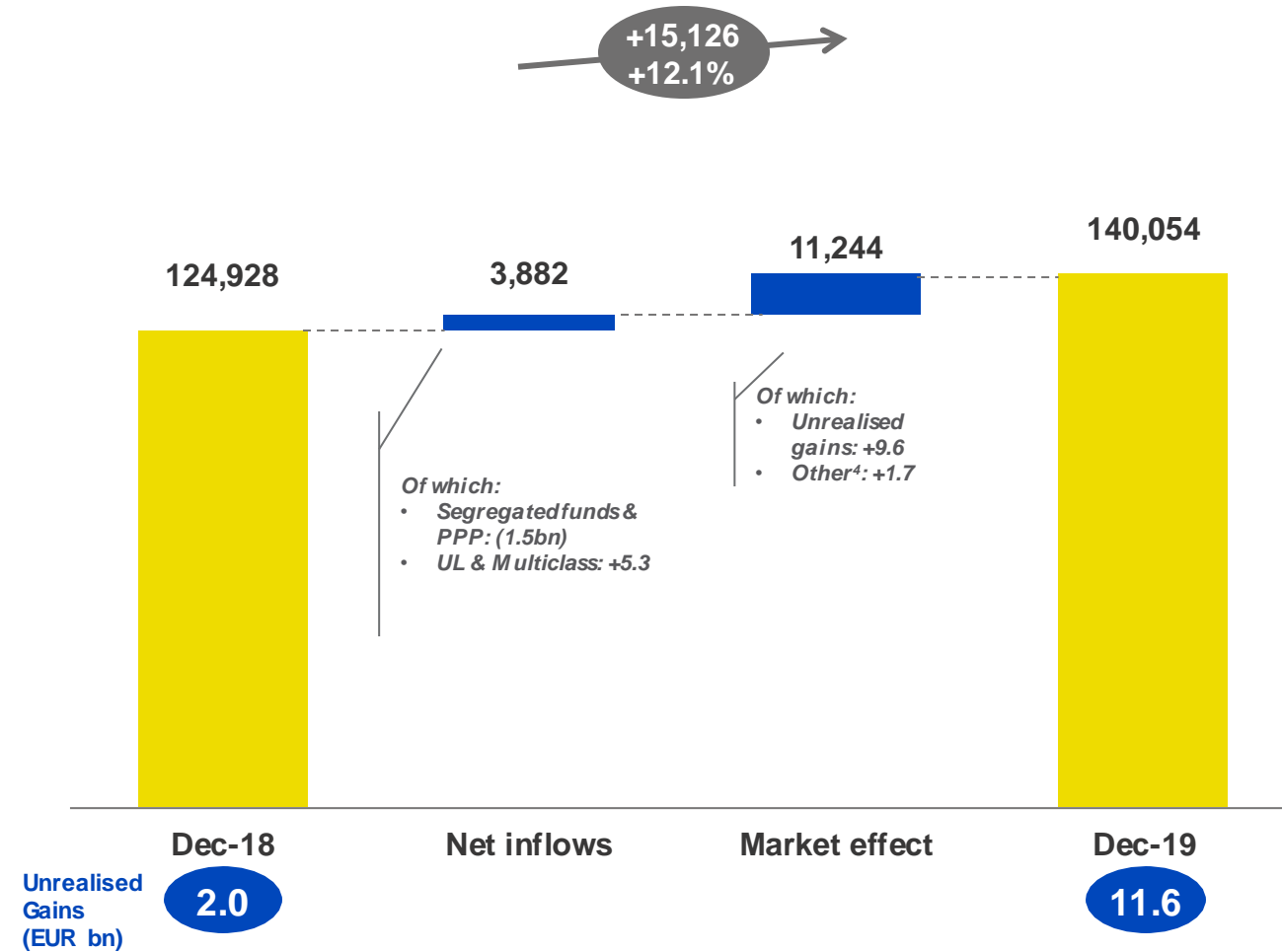
CONTINUED DIVERSIFICATION TOWARDS CAPITAL EFFICIENT PRODUCTS

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GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION



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