

# POSTE ITALIANE CONSOLIDATING THE ITALIAN MAIL MARKET

Rome, November 16, 2020



**ACQUISITION OF NEXIVE, SECOND PLAYER IN THE ITALIAN MAIL MARKET, UNDER ART. 75 OF LAW DECREE N. 104**

**CONCENTRATION ENSURES LONG-TERM SUSTAINABILITY OF NATIONAL POSTAL SERVICE – EVEN MORE RELEVANT AFTER LOCKDOWN IMPACT**

**ITALY CONVERGING TOWARDS THE EUROPEAN TREND OF A NATIONAL CHAMPION – IN LINE WITH THE MOST RECENT TRANSACTION IN THE NETHERLANDS**

**CONSOLIDATION WOULD ENSURE ECONOMIES OF SCALE, ENABLING THE IMPROVEMENT OF OVERALL SERVICE QUALITY OF THE MARKET, WHILE PRESERVING WORKFORCE LEVELS**

**PENDING FULFILMENT OF CERTAIN CONDITIONS AND OF THE PROCEDURE UNDER ART. 75 SIGNING AND CLOSING ARE EXPECTED BY END OF JANUARY 2021**



## LAW PROVISION

- On August 14 the Italian Government passed a law decree bearing “*Urgent measures to support employment and the economy*”
- The law decree was converted into law on October 13, 2020



## SCOPE

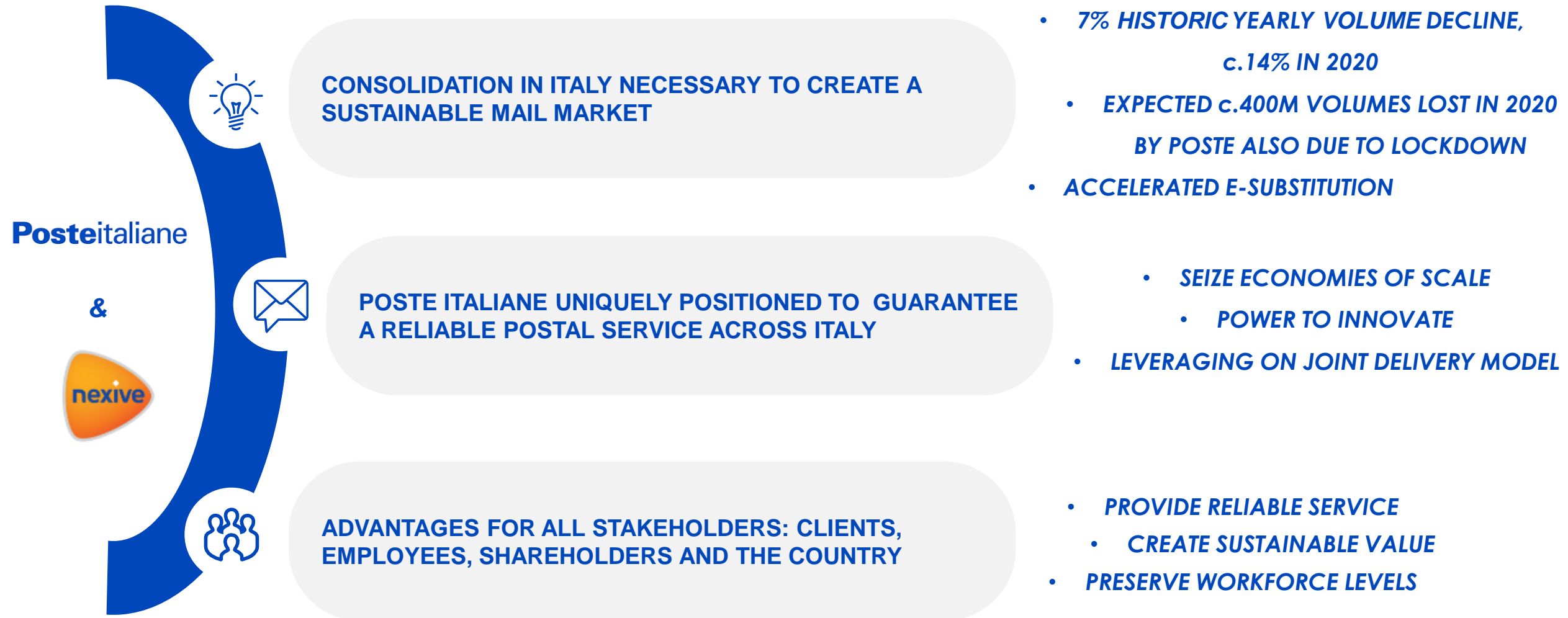
- Art 75 of the law decree allows certain **concentrations which respond to relevant general interest of the national economy**, regarding companies that:
  - operate in **markets characterized by the presence of labor intensive services** or of **general economic interest**
  - **have recorded losses for the last three financial years**
  - **could cease their activity, also as result of health emergency**



## PROCESS

- Art. 75 prescribes that such **concentrations are deemed approved, with prior notification to the AGCM<sup>2</sup>** of measures to prevent the risks of burdensome effects for final users
- The AGCM, **no later than 30 days from the notification, could prescribe further measures, also taking into account the overall sustainability of the concentration**

# ACQUISITION OF NEXIVE – HIGHLIGHTS



# ITALIAN MAIL MARKET: HIGH FRAGMENTATION AND LOW VOLUMES

## MAIL MARKET (2019)

Mail per capita (#)

171

153

144

56

116

47

N. of postal operators

1,200

12

22

1,800

26

3,000

Volumes (#bn)

14.2

10.3

9.3

2.6

2.0

2.8



## POSTAL OPERATORS (2019)

CAGR (2012-2019)

-3%

-4%

-5%

-6%

-9%

-7%

Market share  
(%, volumes)

85%

99%

97%

97%

99%<sup>1</sup>

82%

Volumes (#bn)

12.1

10.2

9.1

2.4

2.0

2.3

Deutsche Post

Royal Mail

LA POSTE

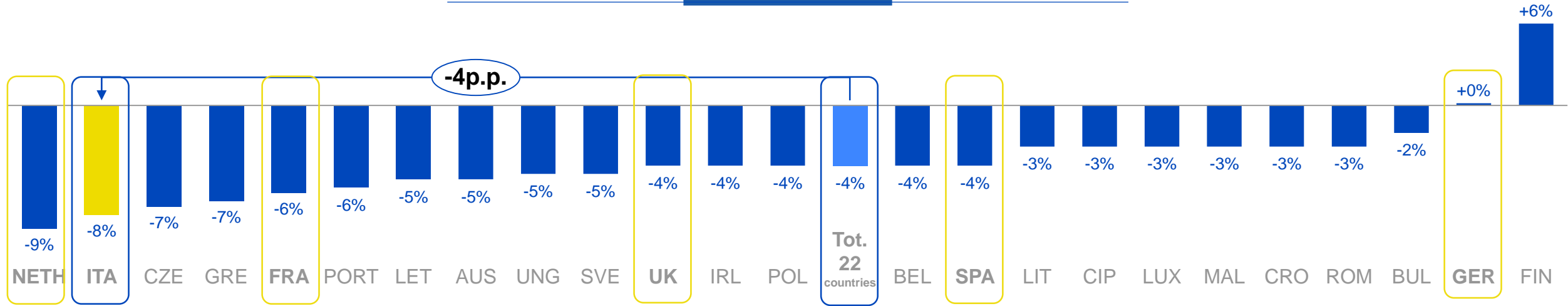
CORREOS

posta

Posteitaliane

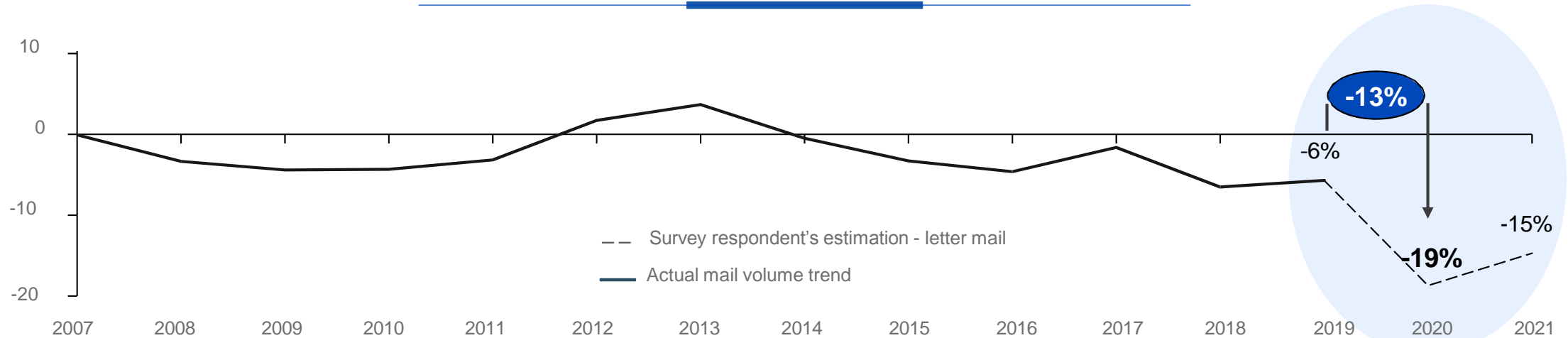
# ITALIAN MAIL MARKET: SIGNIFICANT DROP IN MAIL VOLUMES ACCELERATED BY LOCKDOWN

## AVG. YEARLY % MAIL VOLUME TREND BY COUNTRY (CAGR 2013-2018)



Source: European Commission

## EUROPEAN AVG. YEARLY % MAIL VOLUME TREND

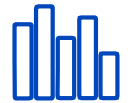


Source: Copenhagen Economics and UPU – Survey Principali Operatori Europei

# POSTE ITALIANE AND NEXIVE – 2019 KEY FIGURES

## POSTE ITALIANE/ MAIL AND PARCELS

## NEXIVE



**REVENUES**

**€3.5BN**

**c.€200M**



**MAIL  
VOLUMES  
& MARKET SHARE**

**2.7BN  
82%<sup>1</sup>**

**c.0.35BN  
12%**



**PARCEL  
VOLUMES  
& MARKET SHARE**

**148M  
22.8%**

**c.8M  
1.2%**



**EMPLOYEES**

**c.51,000**

**c.1,300  
(+ c.5,000 delivery partners)**



## EXPECTED TIMELINE

- **November 16:** signature of Heads of Agreement and filing under art. 75
- **30 days:** AGCM deadline to potentially prescribe further measures
- **By end of January 2021:** expected signing and closing, subject to fulfilment of the relevant conditions and the procedure under art. 75



## VALUATION & FUNDING

- **Nexive valued at €60m enterprise value** with the support of Lincoln International
- **Final price to be determined upon completion of the due diligence process**
- **Total consideration entirely funded by cash at hand**



## FINANCIAL IMPACTS

- Seize **economies of scale**
- **Positive impact on** expected timing of **Mail, Parcel and Distribution breakeven**






# APPENDIX

# POSTNL AND SANDD 2018

## CONSOLIDATION OF MAIL MARKET IN THE NETHERLANDS

### POSTNL AND SANDD<sup>1</sup>

- February 25, 2019:  
*Deal announcement*
- October 1, 2019:  
*Deal closing*
- February 1, 2020:  
*Integration completed*

			
<b>Employees</b>	38,000	19,000	<b>57,000</b>
<b>Postal deliverers</b>	18,000	16,000	<b>34,000</b>
<b>Mail volumes</b>	1,781m	720m	<b>2,501</b>
<b>Mail volumes Market share (%)<sup>2</sup></b>	75%	21%	<b>96%</b>
<b>Domestic Mail Revenues</b>	€1,678m	€201m	<b>€1,879m</b>

# DISCLAIMER

This presentation 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 presentation 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 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 precisely estimate, including, but not limited to, changes in the legislative and regulatory framework, market developments and price fluctuations.

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

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

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

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