

POSTE ITALIANE Q4 & FY20 FINANCIAL RESULTS

Rome, February 17, 2021





EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

SOLID PERFORMANCE IN UNPRECEDENTED TIMES – CONFIRMING ROLE OF SYSTEMIC PLAYER IN ITALY

REVENUES UP IN Q4 – RESUMING AN UPWARD TRAJECTORY

ALL SEGMENTS CONTRIBUTING TO POSITIVE QUARTERLY EBIT PROGRESSION

YEARLY NET PROFIT OF € 1.2BN

PROPOSED DISTRIBUTION OF € 0.486 DIVIDEND ON FY20 (+5% Y/Y), PAYOUT RATIO AT 52%^{1,2}

Posteitaliane

NETWORK OF 12.8K POST OFFICES OPERATING THROUGHOUT THE YEAR – 7K DURING THE FIRST LOCKDOWN

OVER 1BN PPEs DELIVERED TO SCHOOLS AND OVER 12M DIGITAL IDs ISSUED

575M TRANSACTIONS IN POST OFFICES, 90M ON DIGITAL CHANNELS AND 115M ON THIRD PARTY NETWORKS

AVERAGE DAILY GROSS INFLOWS OF C. € 150M AND RETAIL NET INFLOWS AT € 15.0BN – MOST TRUSTED FINANCIAL INSTITUTION IN ITALY

210M PARCELS DELIVERED (2x VS. 2016)

29M CARDS GENERATING € 49BN PAYMENT TRANSACTIONS (+16% Y/Y)¹

Q4-20 & FY-20 RESULTS OVERVIEW

ACCELERATED OPERATING PERFORMANCE BEGINNING IN Q4-20 – CONTRIBUTING TO RESILIENT 2020 RESULTS

€ m unless otherwise stated

	Q4-19	Q4-20	Var.	Var. (%)	FY19	FY20	Var.	Var. (%)
TOTAL REVENUES	2,924	2,964	+40	+1.4%	10,960	10,526	(434)	(4.0%)
TOTAL COSTS	2,690	2,685	(6)	(0.2%)	9,186	9,002	(184)	(2.0%)
EBIT	234	280	+46	+19.6%	1,774	1,524	(250)	(14.1%)
NET PROFIT	259	308	+49	+18.7%	1,342	1,206	(136)	(10.2%)

INCLUDING 96M
POSITIVE INCOME TAX
ONE-OFF

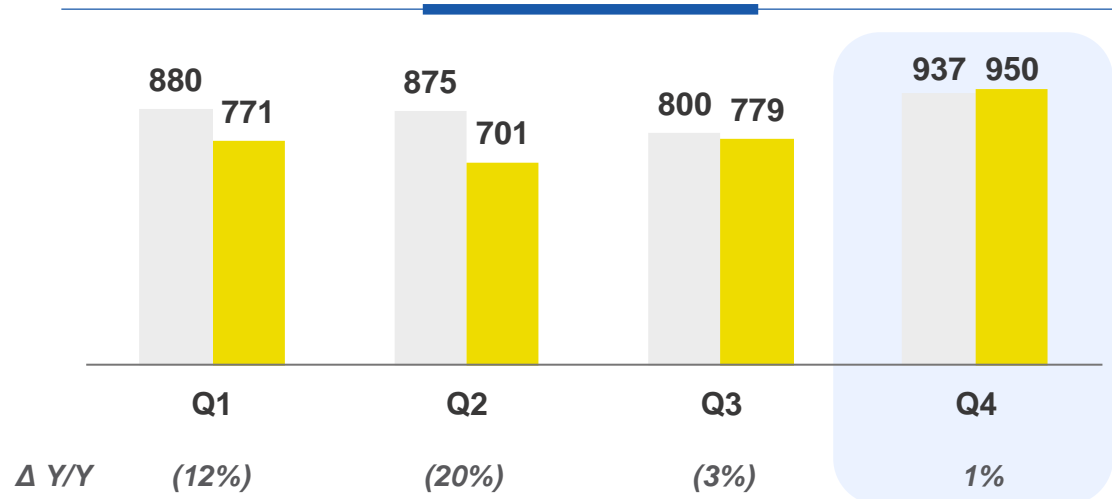
INCLUDING 96M
POSITIVE INCOME TAX
ONE-OFF

SEGMENT REVENUES EVOLUTION

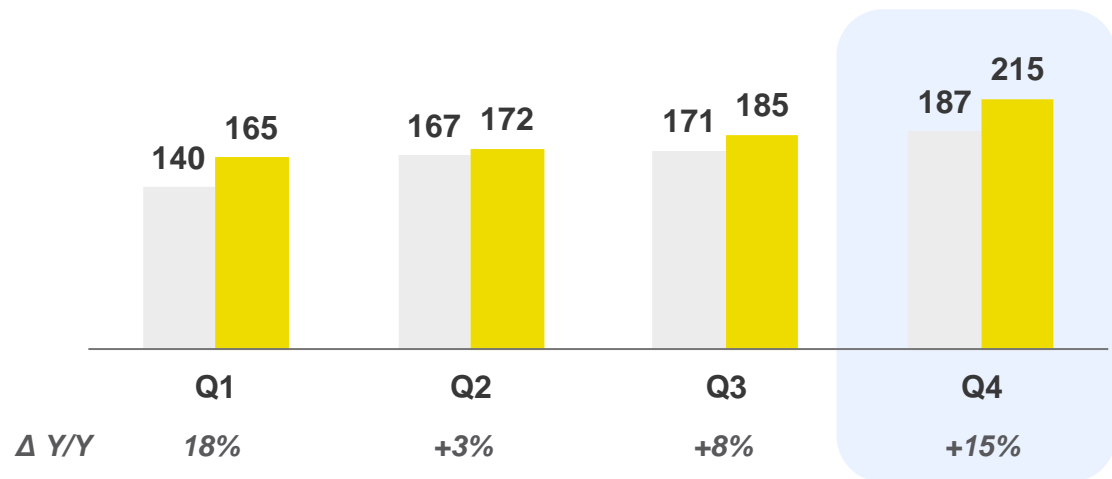
CONTINUED POSITIVE REVENUE PROGRESSION BEGINNING IN H2

€ m unless otherwise stated

MAIL, PARCEL & DISTRIBUTION

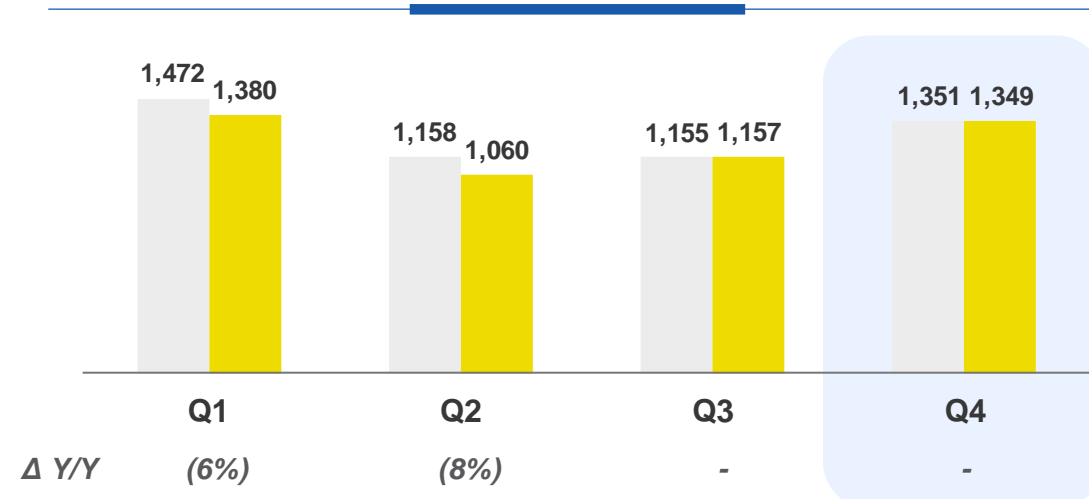


PAYMENTS & MOBILE

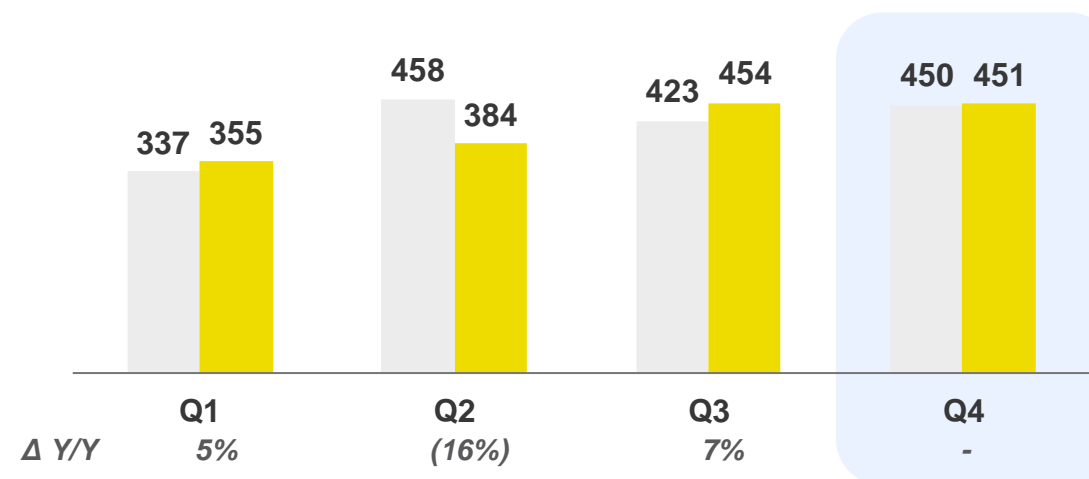


● 2019 ● 2020

FINANCIAL SERVICES¹



INSURANCE SERVICES

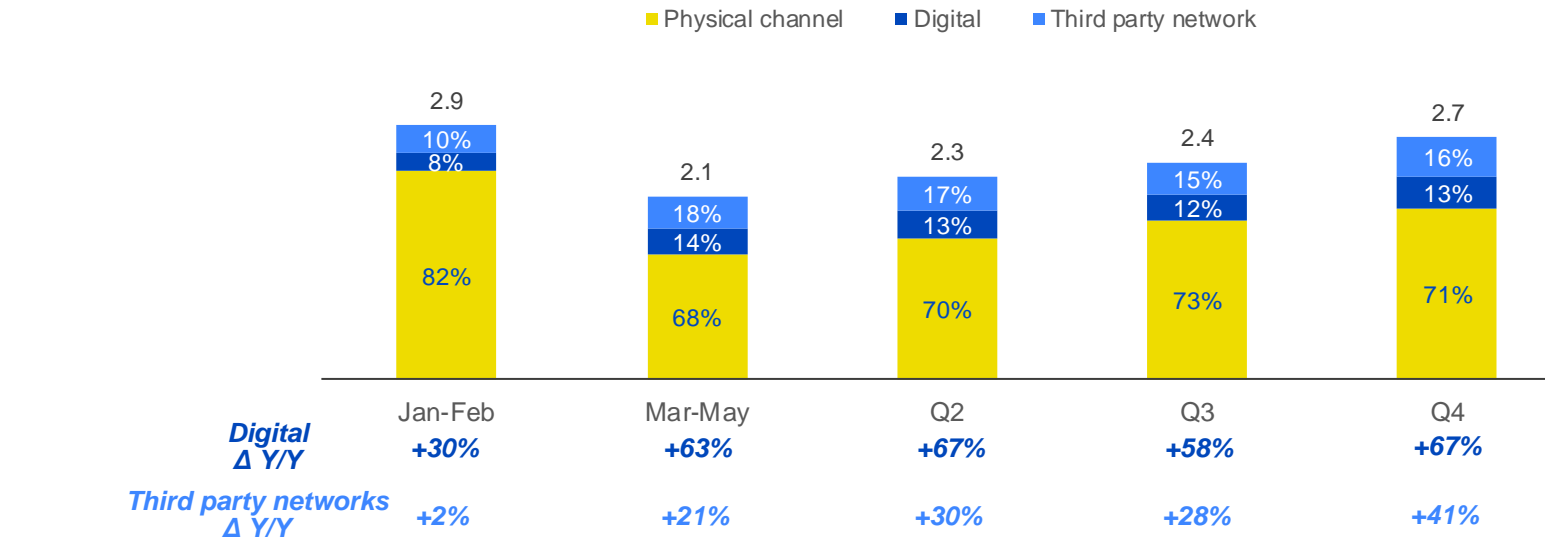


1. Revenues differ from previously communicated figures as revenues are now presented net of interest income charges and capital losses on investment portfolio, which were previously included among costs. As a result, figures for 2019 have been restated

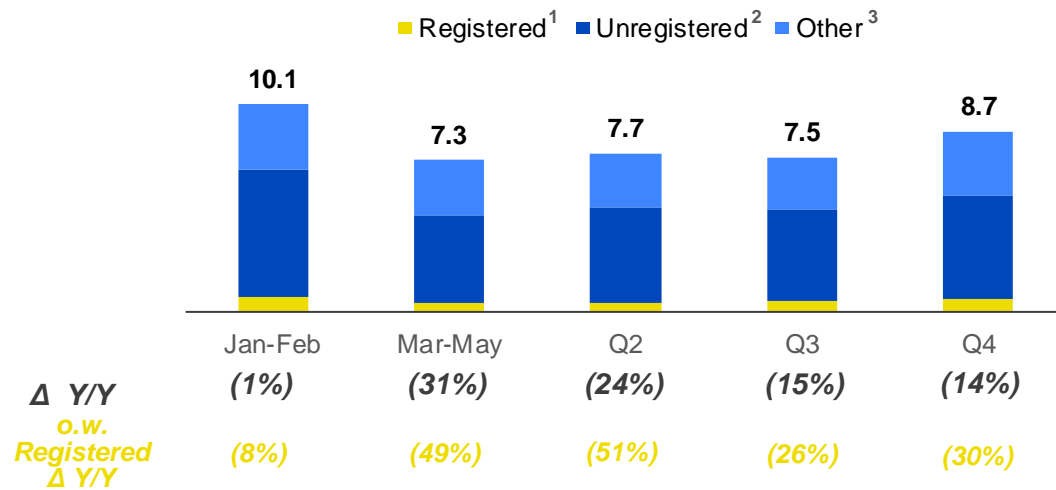
BUSINESS TRENDS IN FY20: MAIL, PARCEL & DISTRIBUTION

COMMERCIAL ACTIVITIES BACK ON TRACK – PARCEL BOOST CONTINUES, OFFSETTING MAIL DECLINE

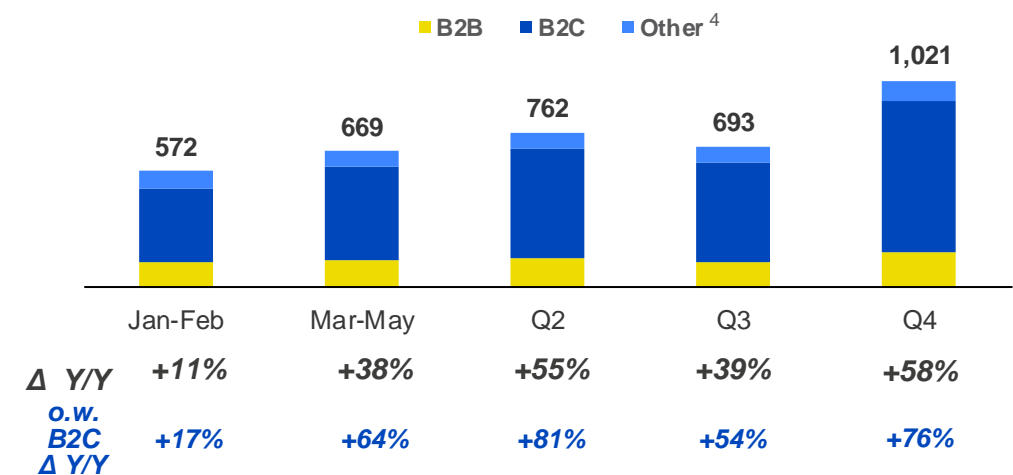
DISTRIBUTION CHANNELS (DAILY AVG, M/TRANSACTIONS)



MAIL VOLUMES (DAILY AVG, M/PCS)



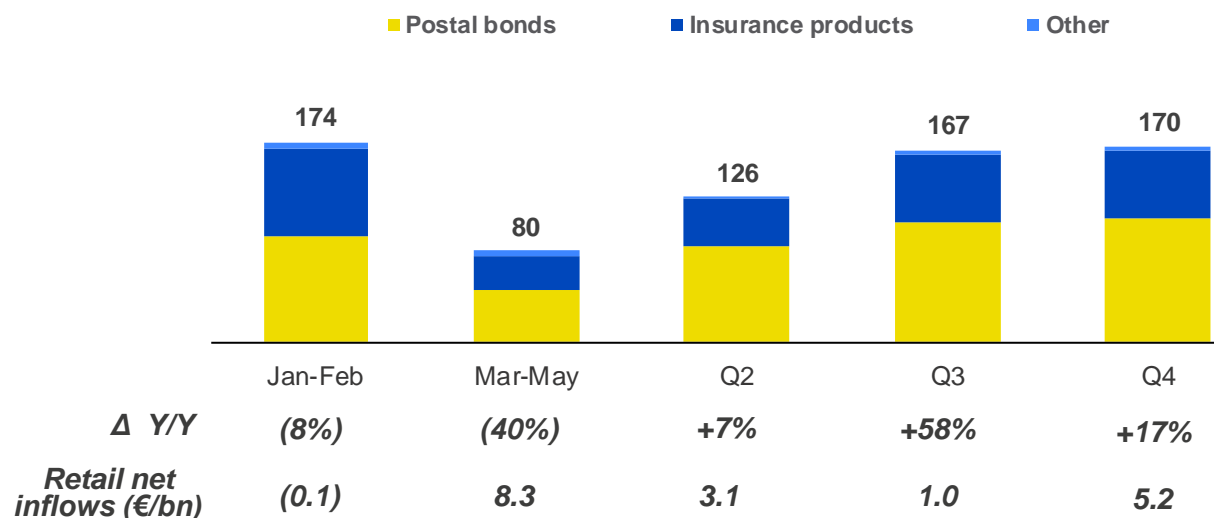
PARCEL VOLUMES (DAILY AVG, K/PCS)



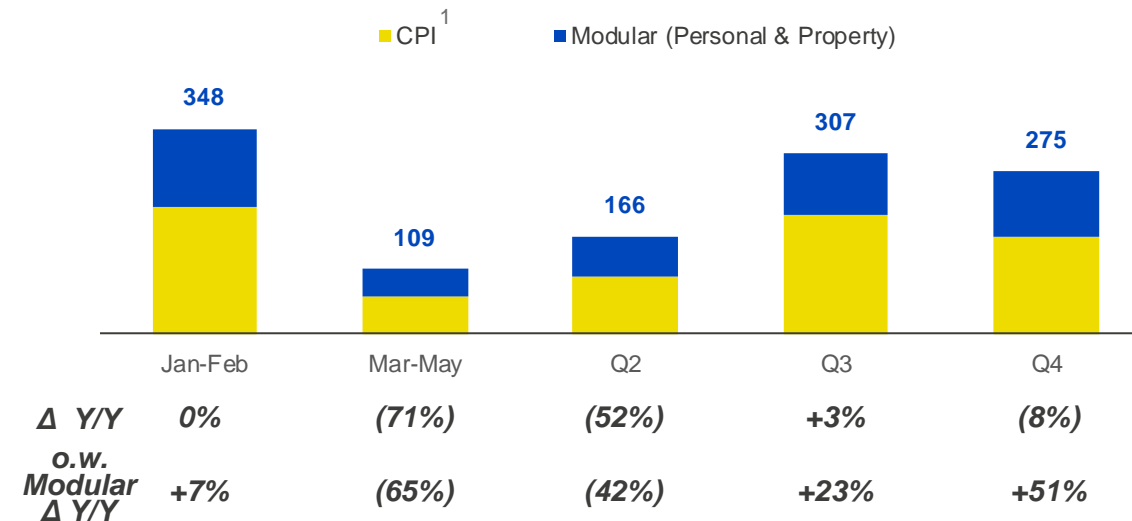
BUSINESS TRENDS: PAYMENTS & MOBILE, FINANCIAL AND INSURANCE SERVICES

COMMERCIAL ACTIVITIES CONTINUE TO SHOW TANGIBLE SIGNS OF RECOVERY

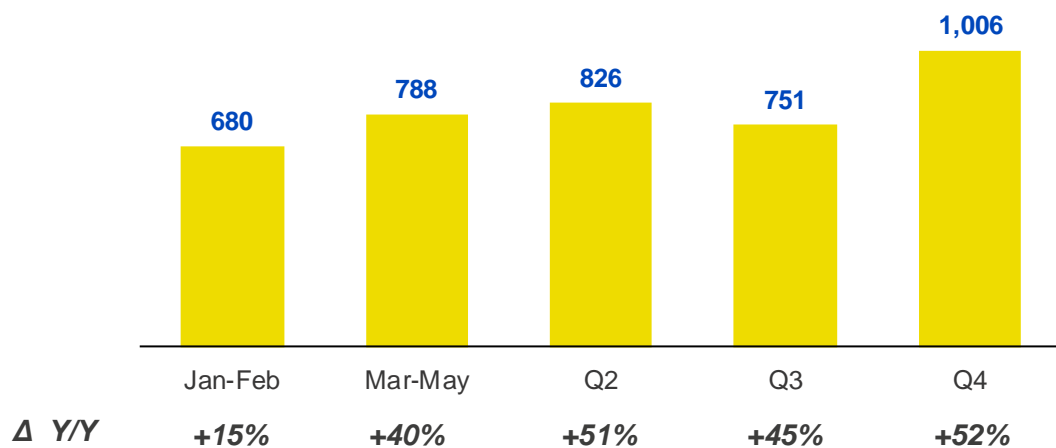
GROSS INVESTMENT INFLOWS (DAILY AVG, €/M)



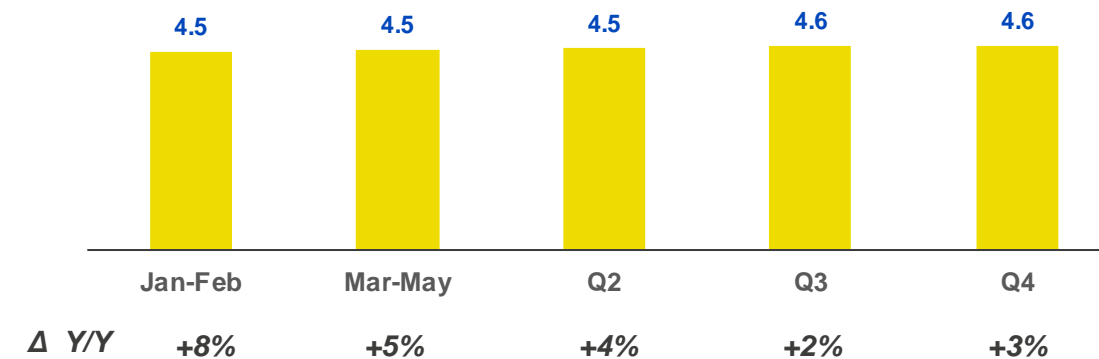
P&C NEW BUSINESS RETAIL (DAILY AVG, K/€)



POSTEPAY DAILY AVG E-COMMERCE TRANSACTIONS (K/#)



TELCO: CUSTOMER BASE (M/#)





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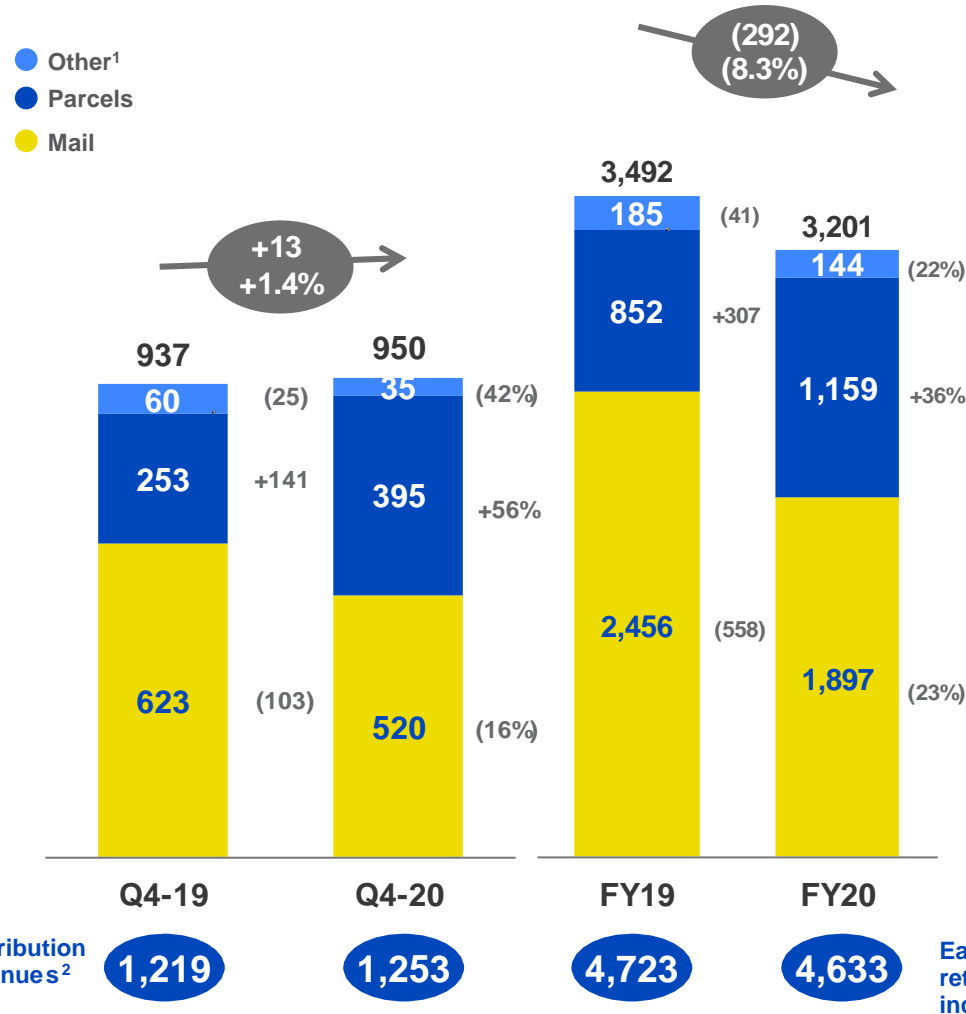
MAIL, PARCEL & DISTRIBUTION

IMPROVING EBIT IN Q4-20 – RECORD HIGH PARCEL REVENUE GROWTH FULLY OFFSETTING MAIL DECLINE

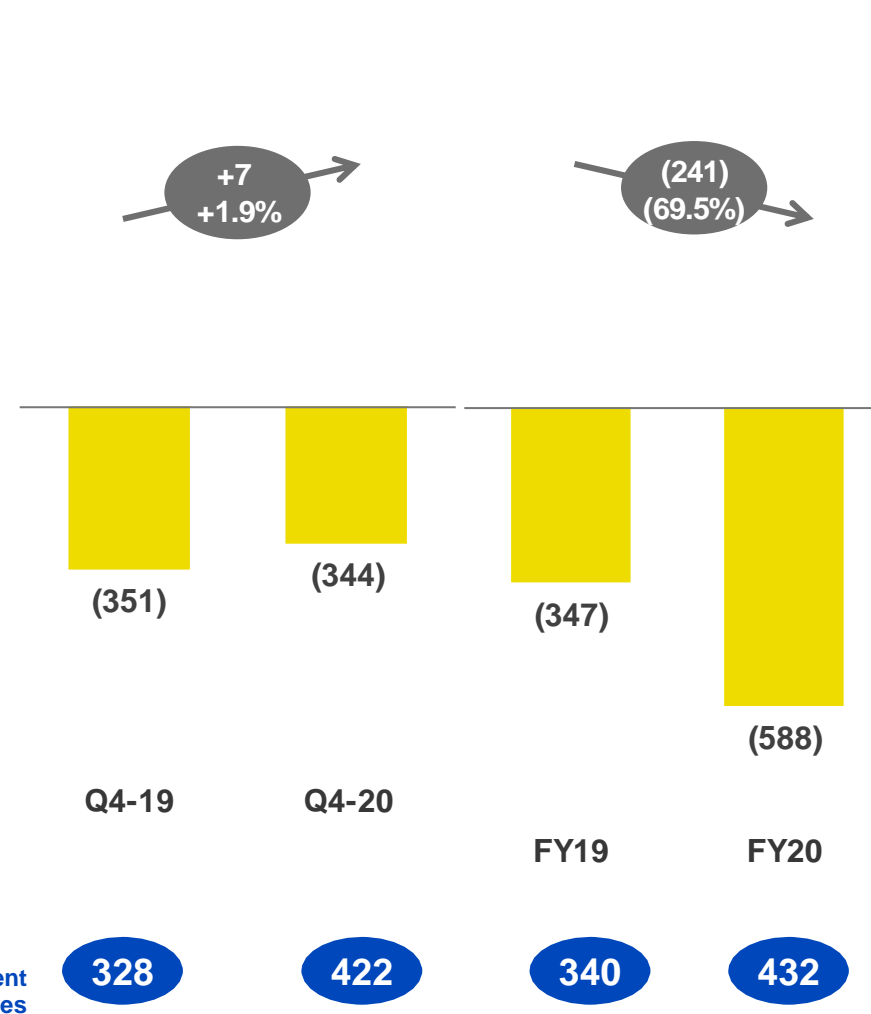
€ m unless otherwise stated



SEGMENT REVENUES



EBIT



Q4 HIGHLIGHTS

(item by item)

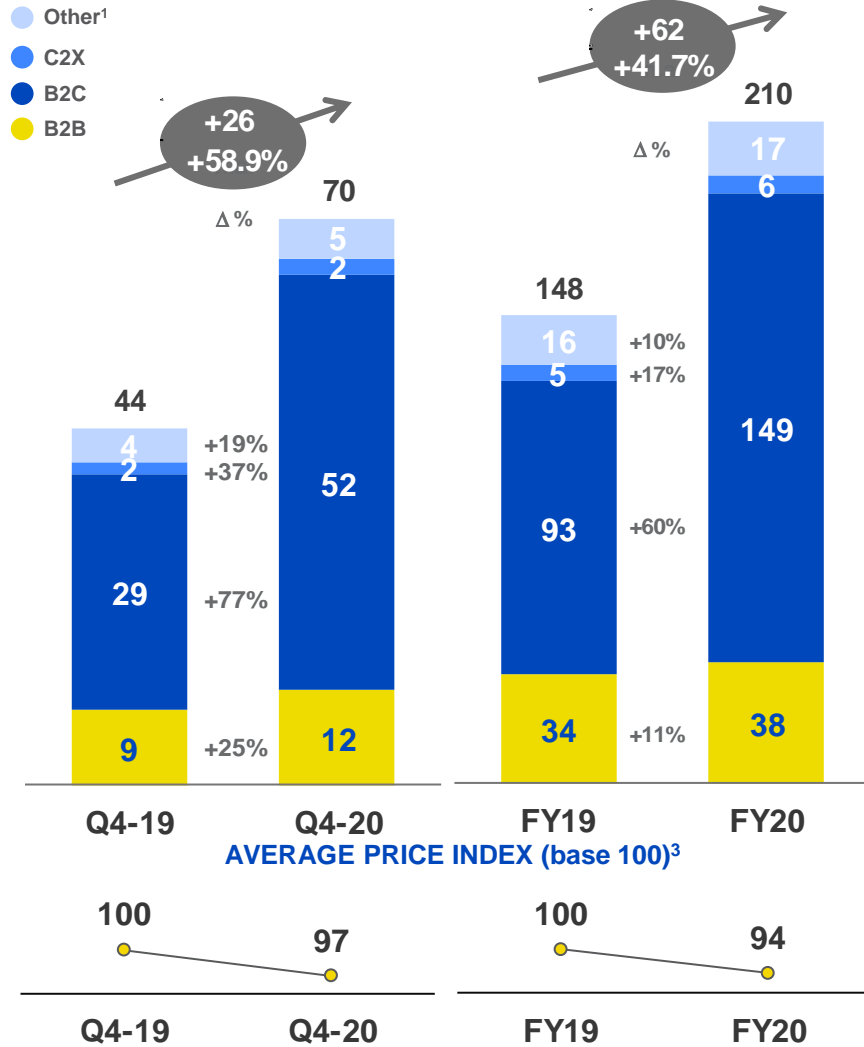
- Top line growth thanks to strong parcels acceleration and higher distribution revenues
- Mail revenues down driven by continued reduced activity, mainly impacting higher margin products
- Parcel revenues more than offsetting mail decline thanks to record B2C growth
- Distribution revenues up due to increased commercial activity
- EBIT improving y/y despite increased early retirement incentives to support renewed focus on group transformation

MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

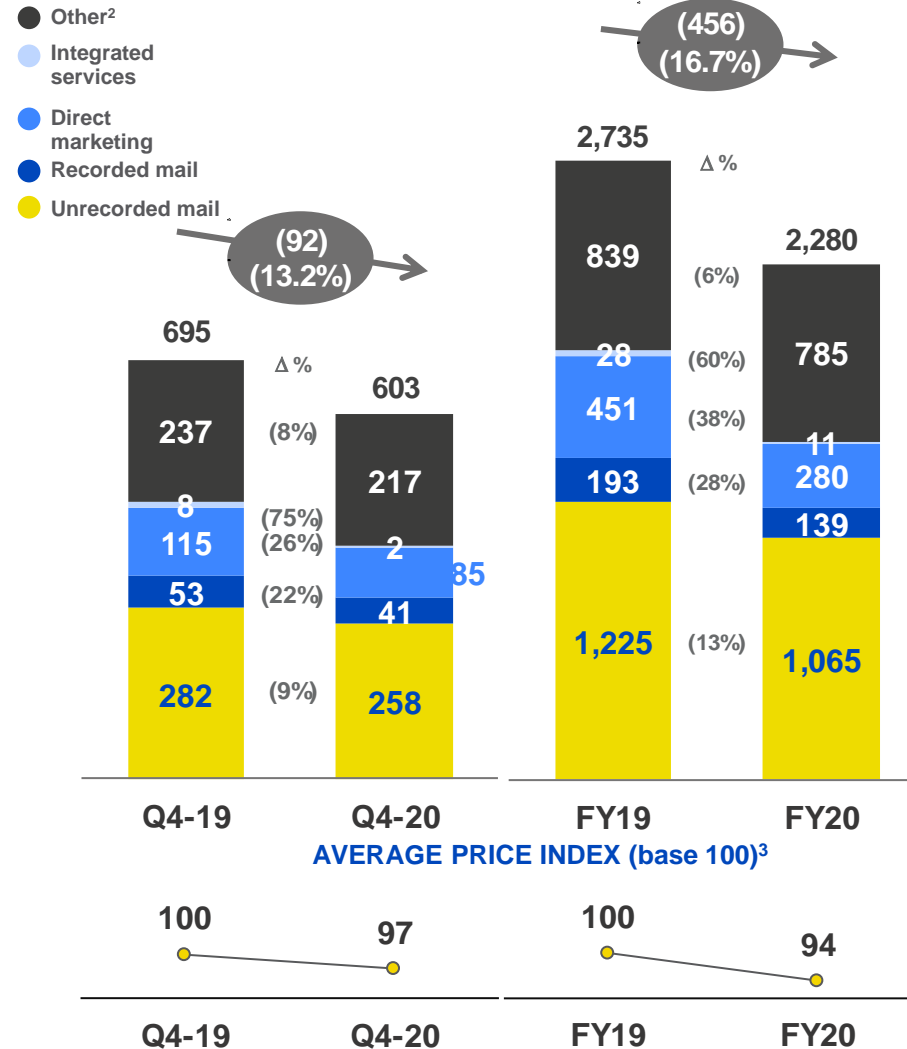
UNPRECEDENTED PARCEL GROWTH BOOSTED BY B2C – MAIL VOLUMES DOWN IN LINE WITH Q3



PARCEL VOLUMES (M/PC)



MAIL VOLUMES (M/PC)



Q4 HIGHLIGHTS

- Parcel volumes up across all products, with B2C boost and B2B acceleration
- Average parcel tariff down due to product-mix effect
- Mail volumes decline slowing down vs Q3
- Average mail tariff down on product-mix effect, however higher vs Q3

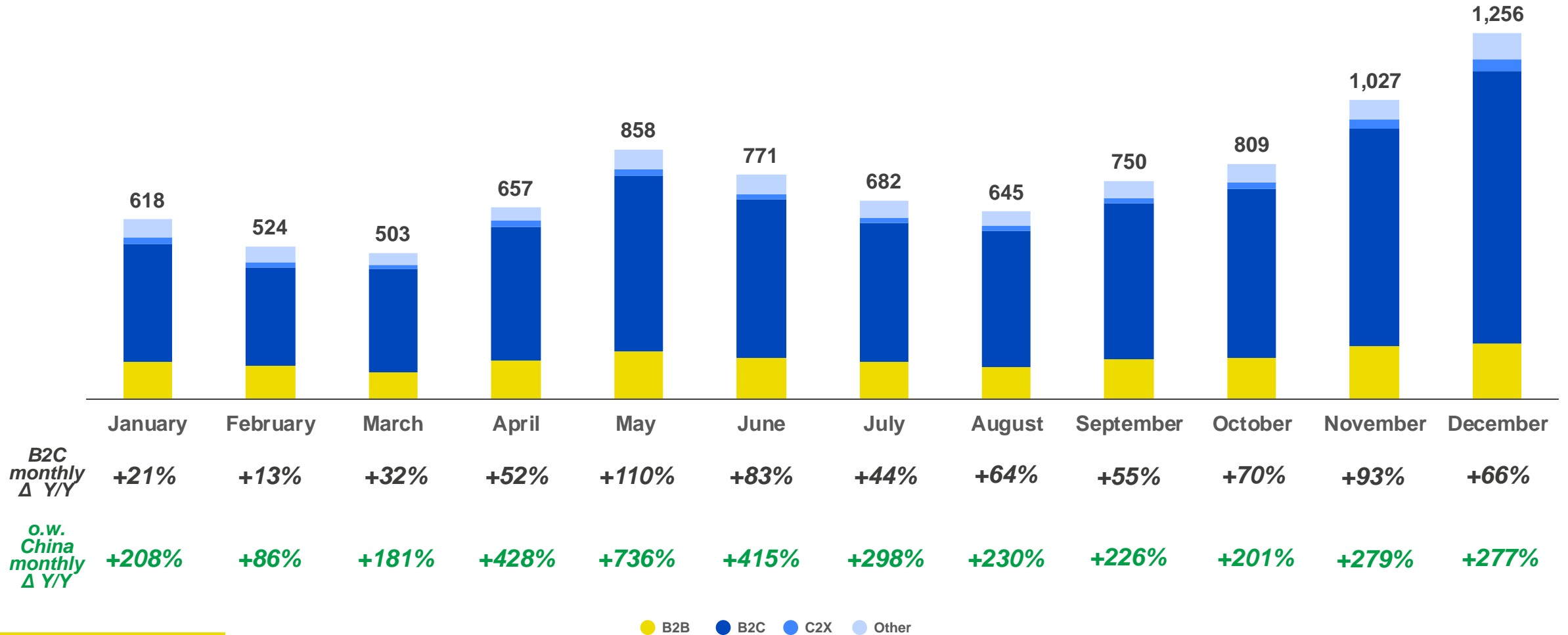
1. Includes International parcels and partnership with other logistic operators
 2. Includes Multichannel services, Editorial services, Postal volumes and other basic services
 3. Including any product mix effect

PARCEL VOLUMES EVOLUTION

RECORD B2C – INBOUND FROM CHINA CONTRIBUTING TO CUSTOMER BASE DIVERSIFICATION



DAILY AVERAGE PARCEL VOLUMES EVOLUTION (K/PC)

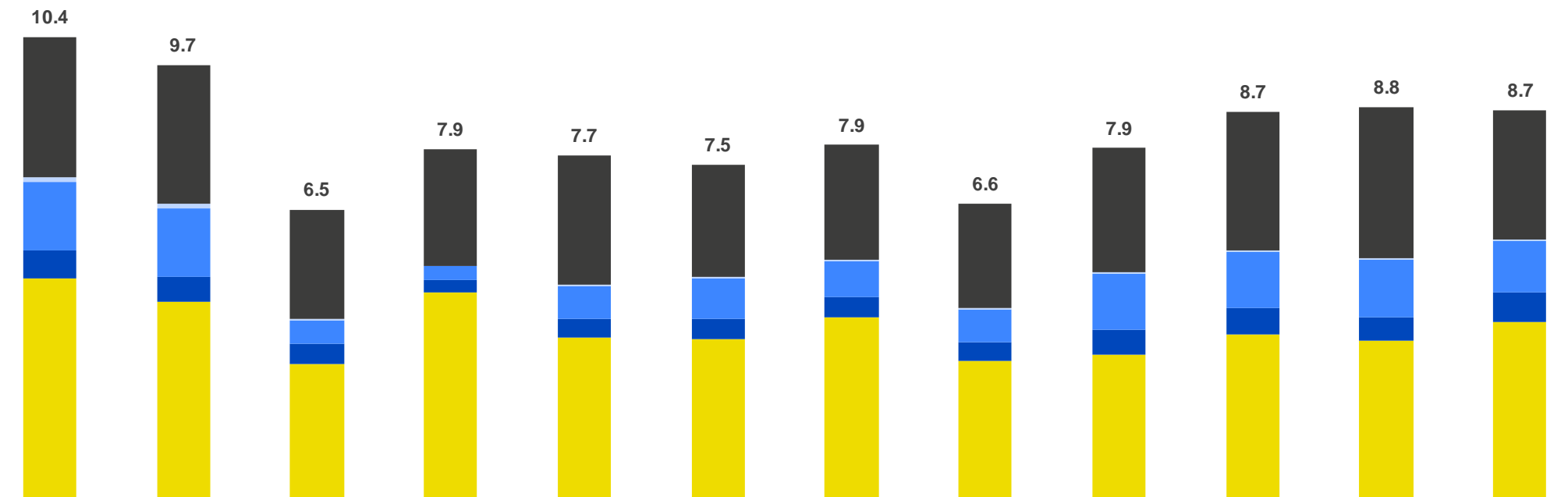


MAIL VOLUMES EVOLUTION

MAIL VOLUME TREND IMPACTED BY HIGHER MARGIN PRODUCT DECLINE, PARTLY EXPECTED TO RECOVER IN 2021



DAILY AVERAGE MAIL VOLUME EVOLUTION (M/PC)



January February March April May June July August September October November December

Monthly Δ Y/Y	+1%	(3%)	(39%)	(31%)	(23%)	(16%)	(14%)	(19%)	(14%)	(16%)	(19%)	(3%)
O.w. Recorded Δ Y/Y	(5%)	(16%)	(43%)	(56%)	(42%)	(45%)	(28%)	(19%)	(16%)	(24%)	(33%)	(8%)

● Unrecorded mail ● Recorded mail ● Direct marketing ● Integrated Services ● Other¹

PAYMENTS & MOBILE

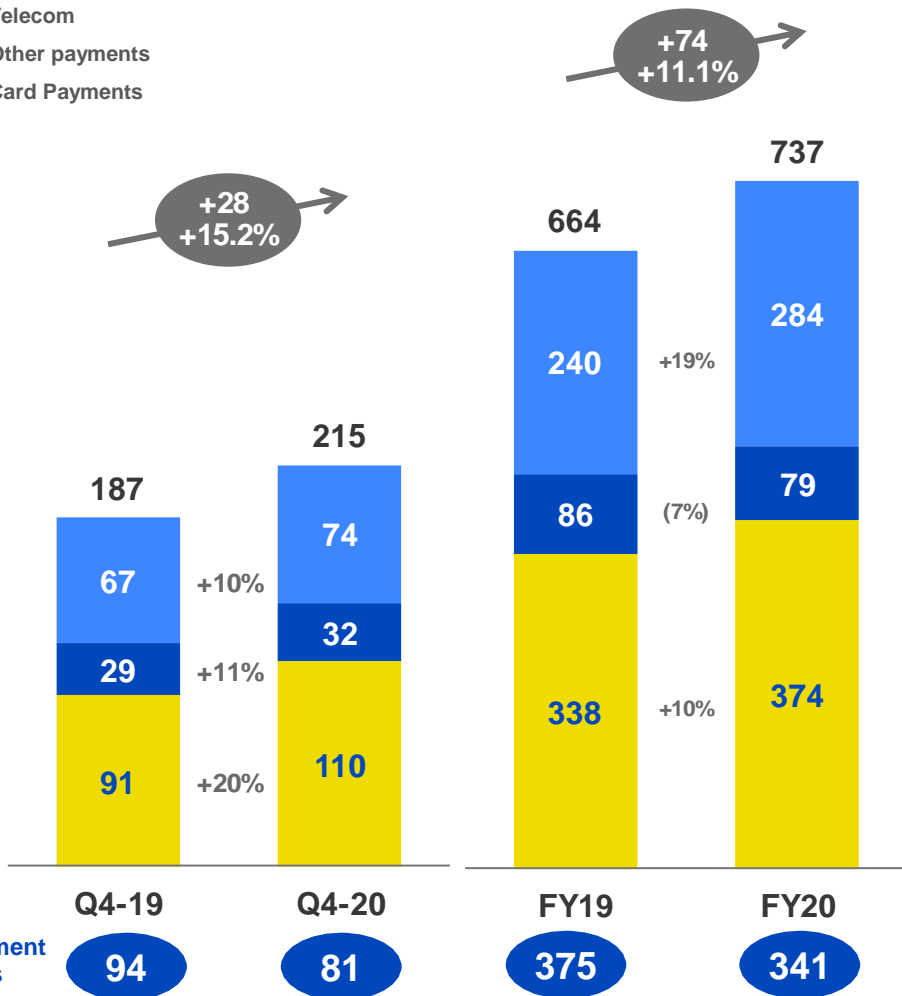
ACCELERATED DIGITAL PAYMENTS LEADING TO IMPROVING PERFORMANCE

€ m unless otherwise stated

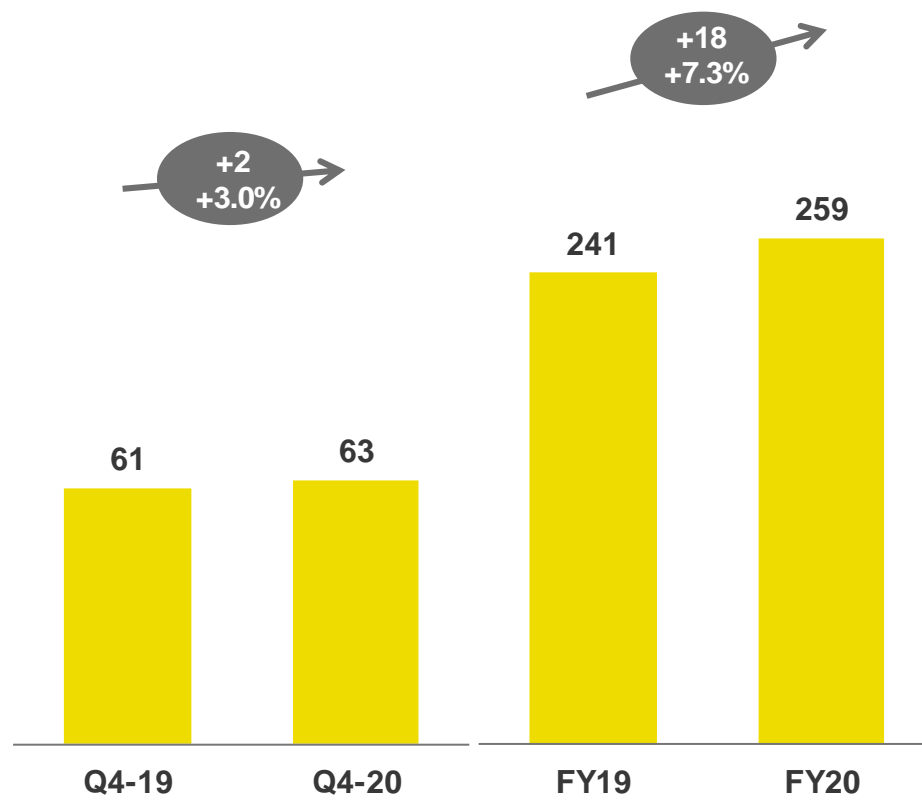


SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments



EBIT



Q4 HIGHLIGHTS

(item by item)

- Card payment revenues up thanks to increased card stock and number of transactions
- Other payments up including bank transfers
- Resilient telecom revenues in a competitive environment thanks to a loyal customer base
- Intersegment revenues down on lower payment slips volumes
- EBIT up supported by increasing digital payments

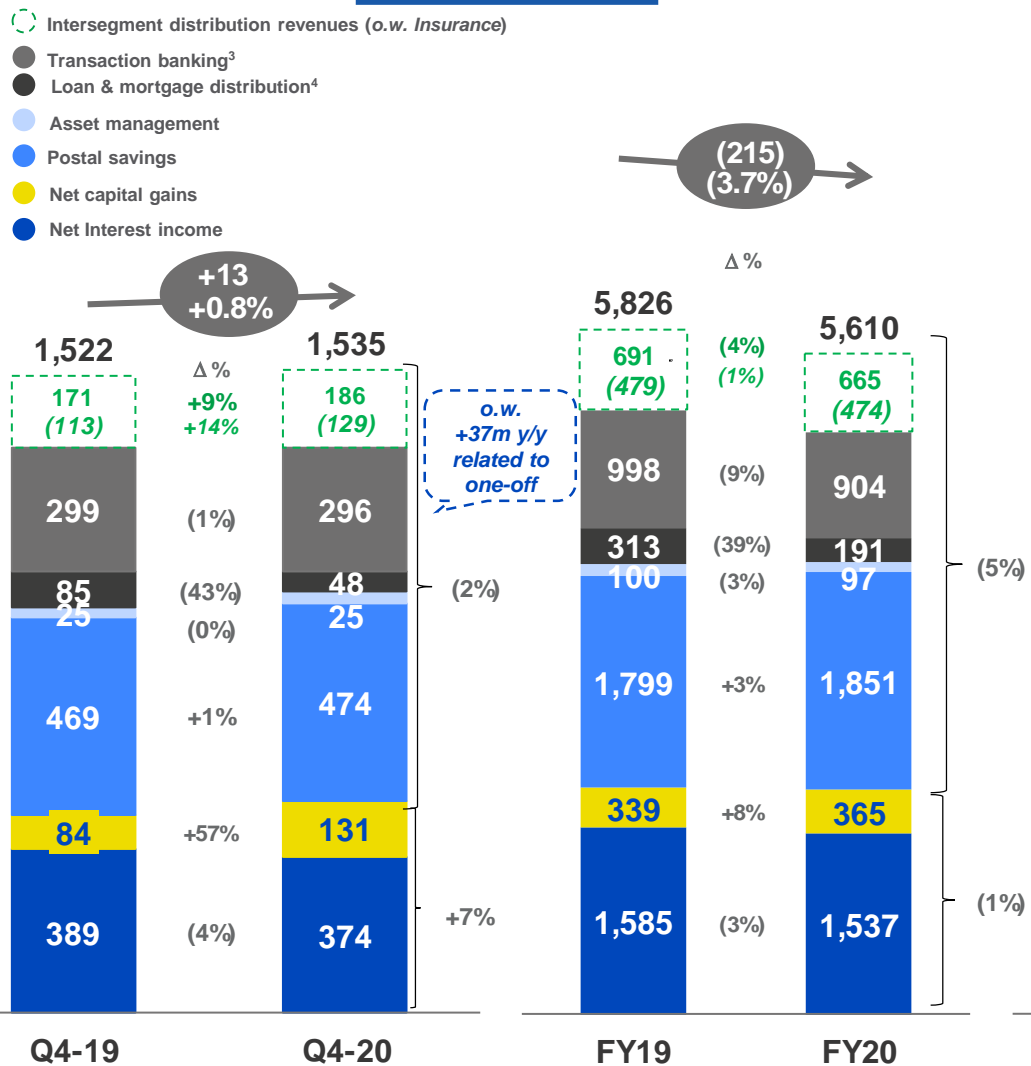
FINANCIAL SERVICES

RESILIENT OPERATING PERFORMANCE, SUCCESSFULLY NAVIGATING A CHALLENGING YEAR

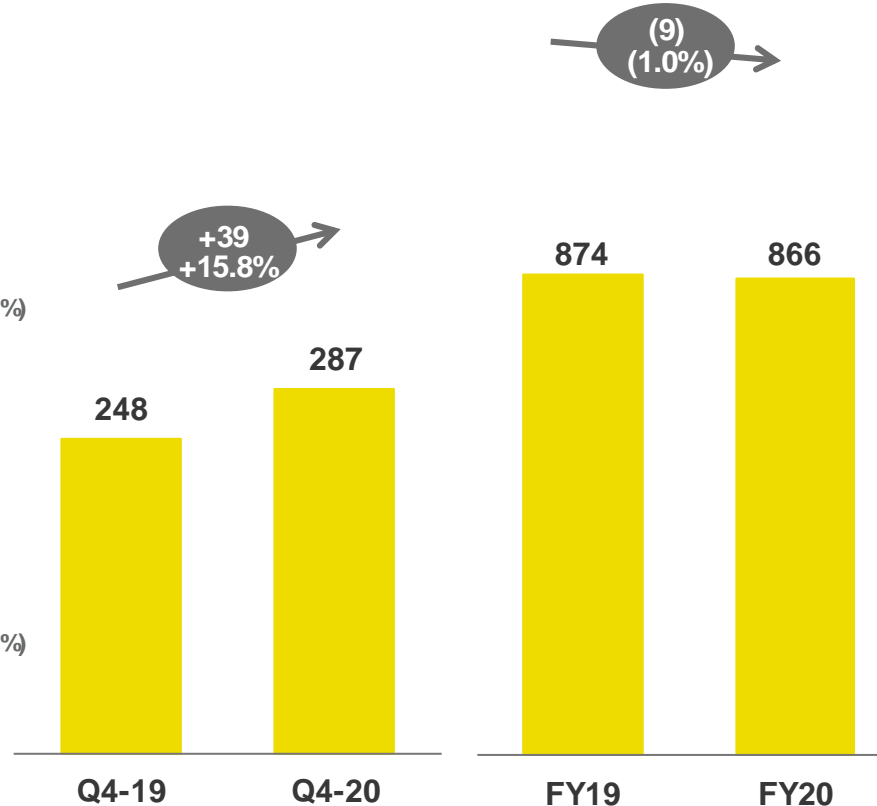
€ m unless otherwise stated



SEGMENT GROSS REVENUES^{1,2}



EBIT



Q4 HIGHLIGHTS

(item by item)

- Net interest income down on lower interest rates, mitigated by higher deposits
- Higher capital gains exploiting attractive market opportunities
- Postal saving fees up supported by new production
- Loan & mortgage distribution revenues down due to lower volumes and average upfront fees
- Insurance distribution fees up thanks to higher gross and net inflows
- EBIT up also benefitting from lower one-off costs

GROUP TOTAL FINANCIAL ASSETS

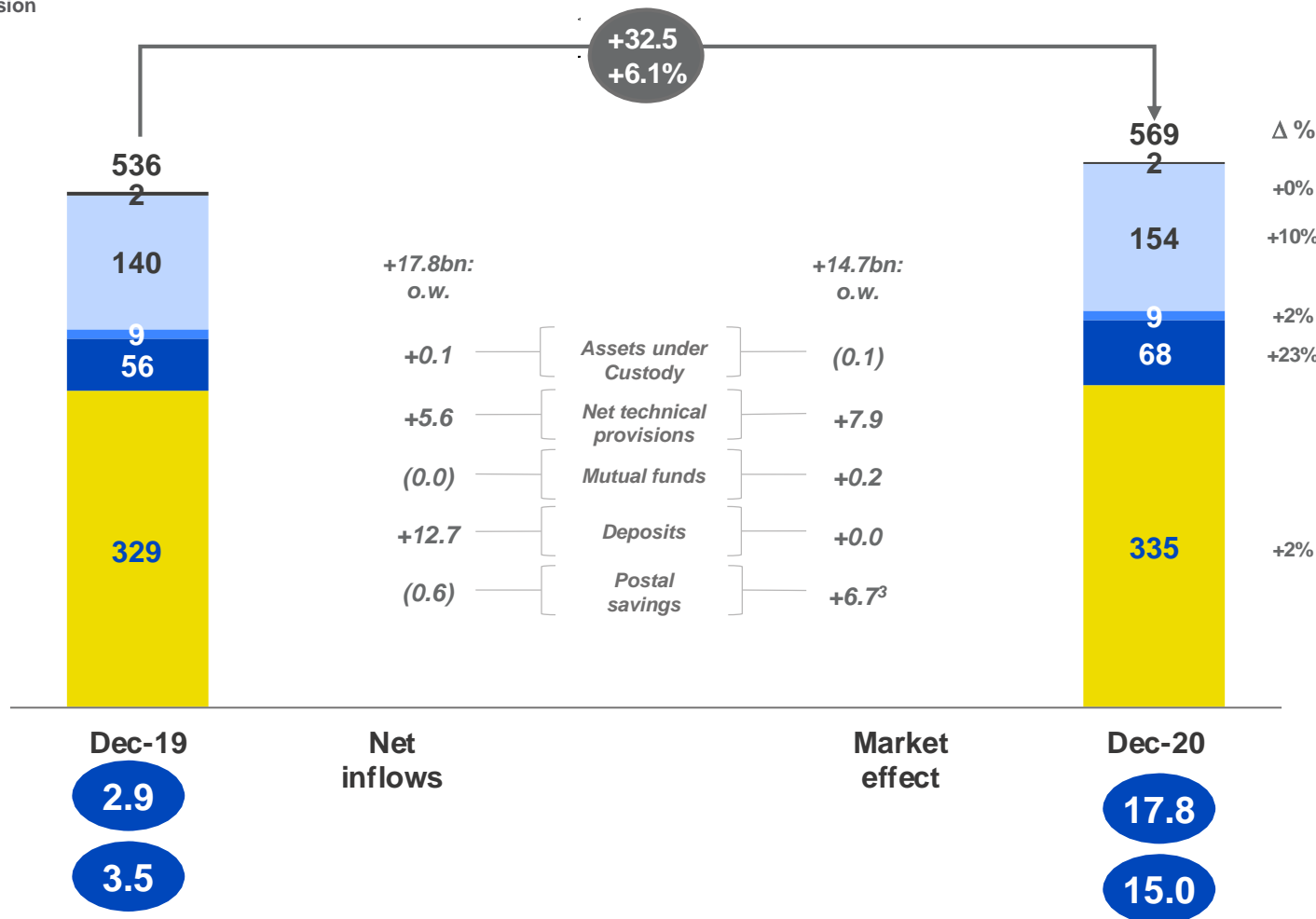
RECORD HIGH NET INFLOWS AND MARKET EFFECT RESULTING IN € 33BN TFA INCREASE



Eop data, € bn unless otherwise stated

TFA EVOLUTION¹

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



HIGHLIGHTS

(item by item)

- TFAs up on both positive net inflows and performance effect
- Strong postal bonds new production mitigating redemptions with record low net outflows
- Deposits increasing with continued preference for liquidity products
- Net technical provisions up, thanks to positive net inflows and market effect

1. End of period TFA
 2. Deposits do not include Repo and Poste Italiane liquidity
 3. Includes accrued interests

INSURANCE SERVICES

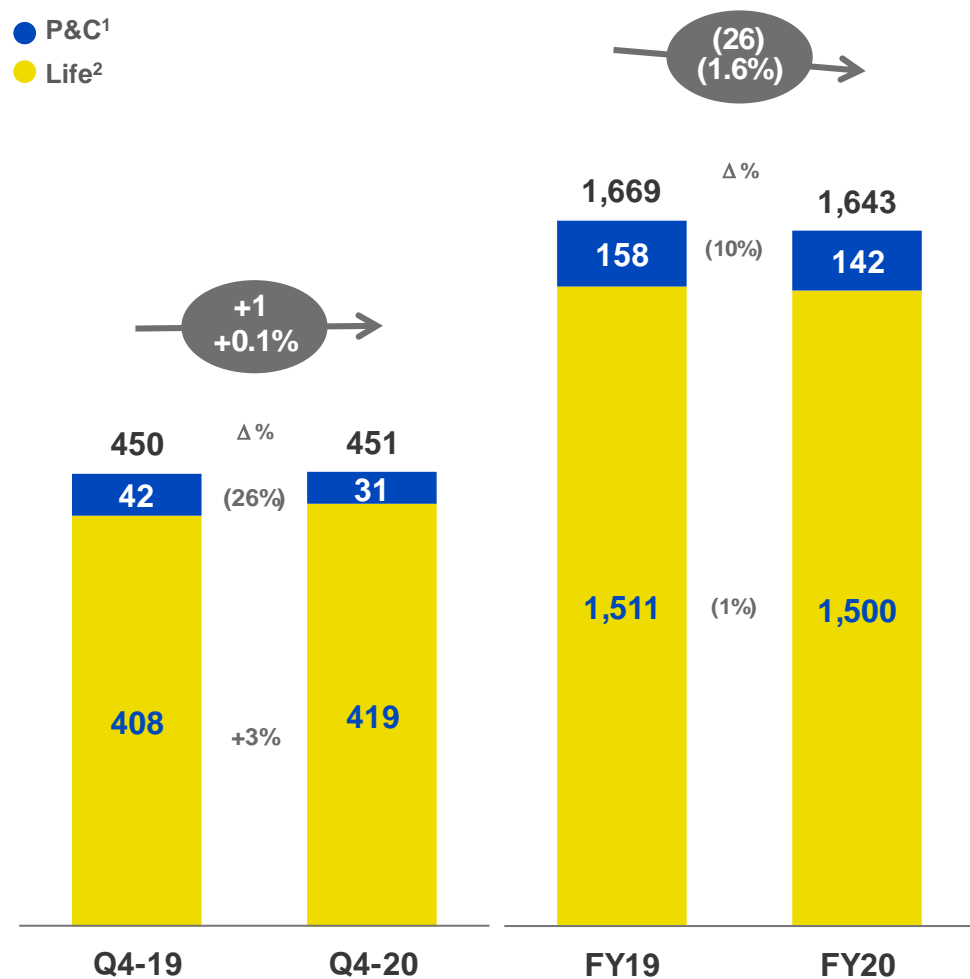
FY20 OPERATING PROFIT STABLE IN A CHALLENGING ENVIRONMENT



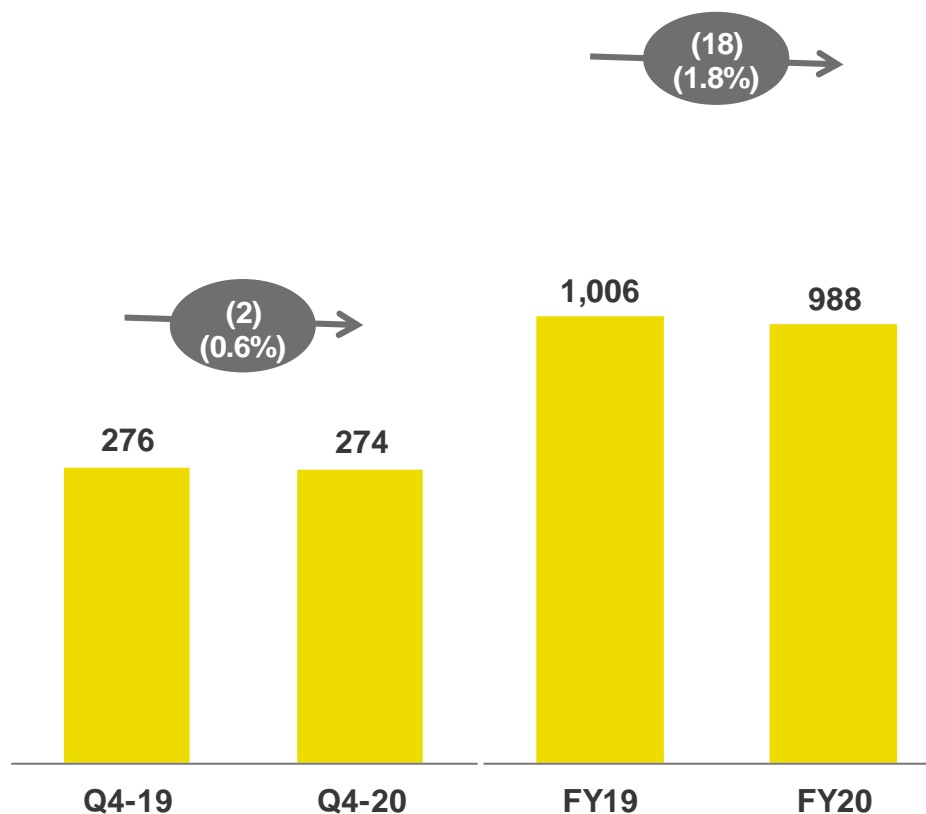
€ m unless otherwise stated

SEGMENT REVENUES

- P&C¹
- Life²



EBIT



Q4 HIGHLIGHTS

(item by item)

- Life revenues up with higher margin multiclass products offsetting lower investment margin frontloaded in Q3
- P&C impacted by lower volumes on CPI in a weak market, mitigated by higher volumes in welfare
- EBIT stable mirroring revenue trend

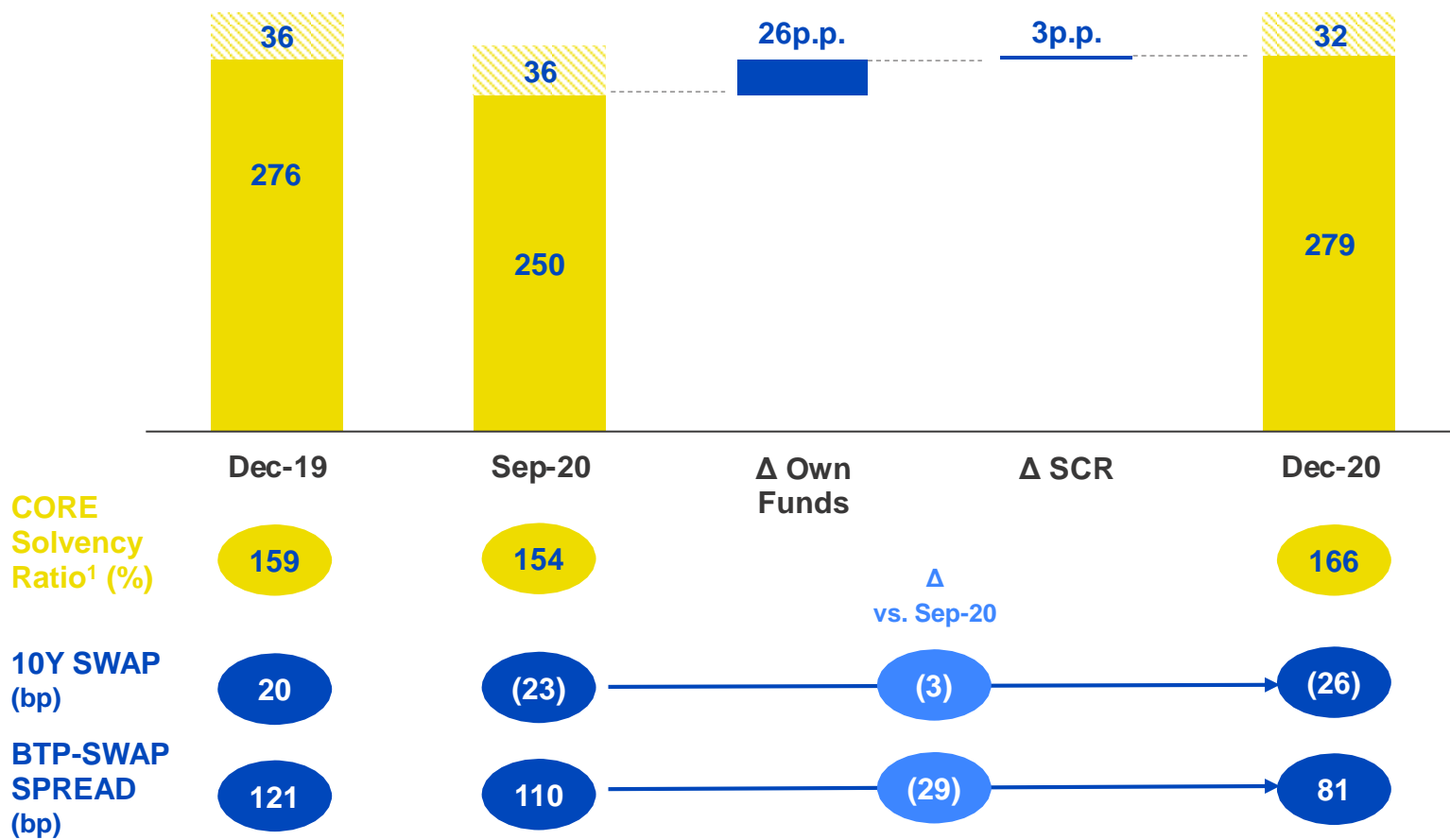
SOLVENCY II RATIO

SOLVENCY II RATIO WELL ABOVE MANAGERIAL AMBITION – BENEFITTING FROM LOWER MARKET SPREADS



SOLVENCY II RATIO EVOLUTION

Transitional measures



HIGHLIGHTS

- Solvency II ratio up to 279%, well above managerial ambition of 200% through the cycle, benefitting from spread narrowing across all asset classes (BTP, Corporates and high yield)
- Transitional measures to provide additional 32p.p. to address market volatility

SOLVENCY II RATIO KEY SENSITIVITIES

RESILIENT UNDER ALL ASSUMED SCENARIOS

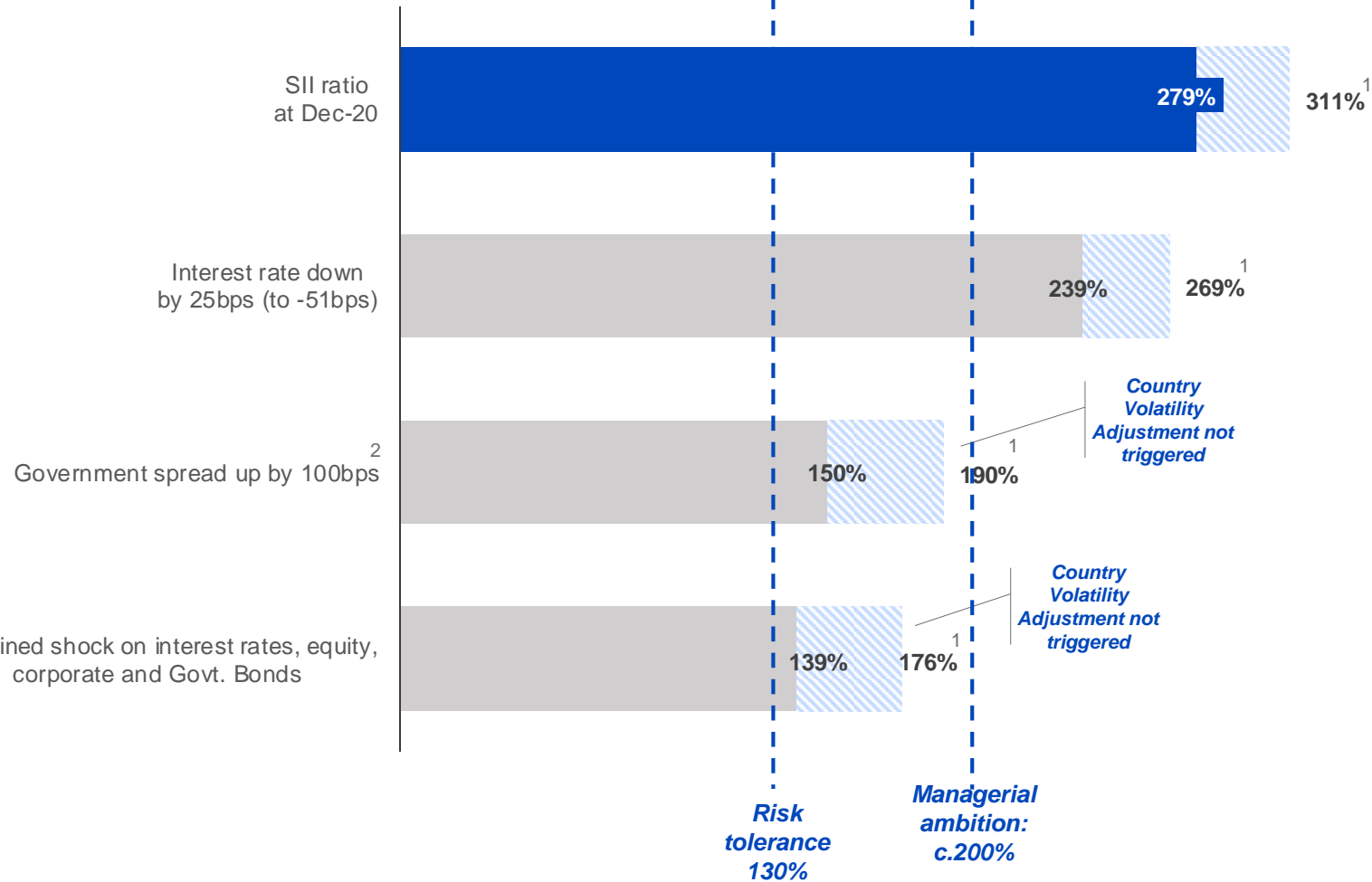


SOLVENCY II RATIO SENSITIVITIES

HIGHLIGHTS

● Solvency II ratio excl. transitional measures

▨ Transitional measures

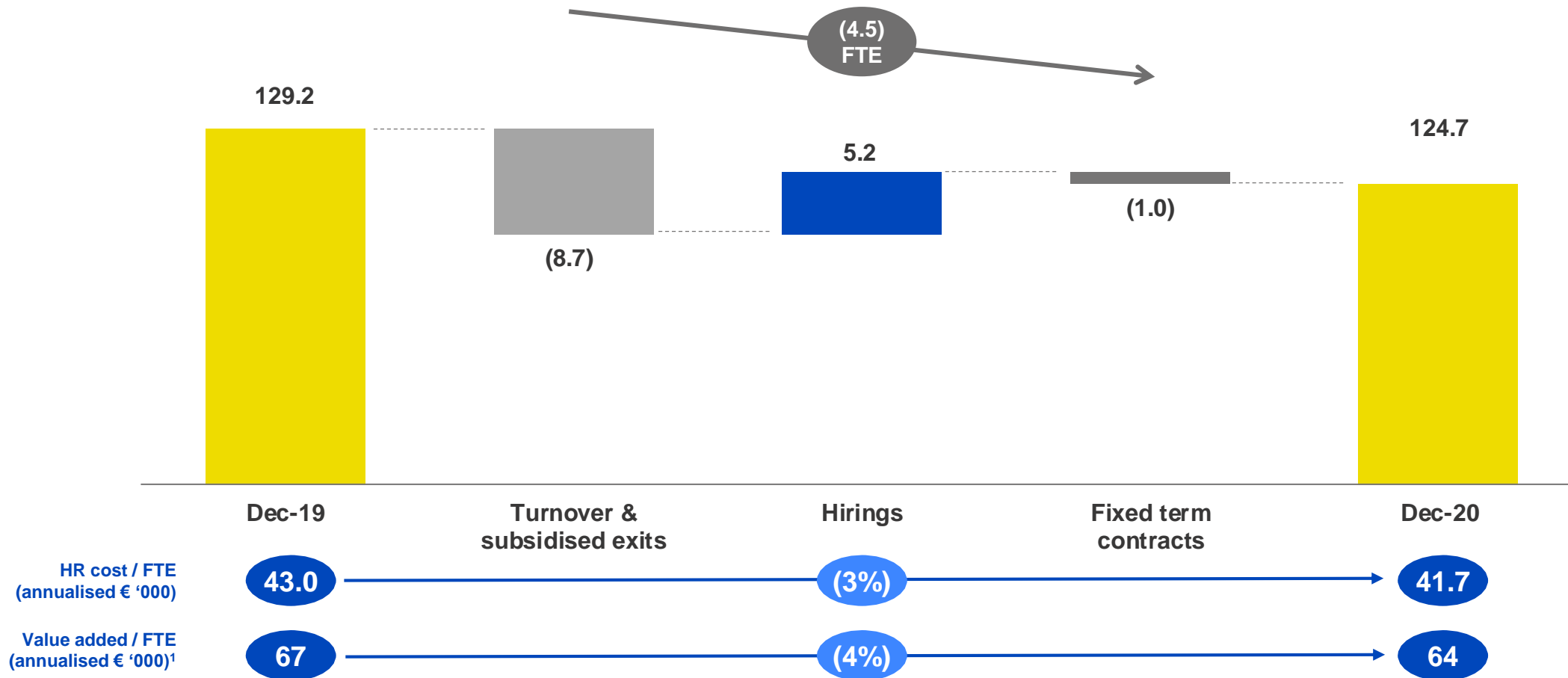


- Solvency II ratio in line with risk tolerance under all assumed scenarios
- Transitional measures provide additional 32p.p. to address potential market headwinds
- Reduced Solvency II ratio volatility expected going forward supported by:
 - portfolio diversification
 - ongoing process to develop internal model
 - new capital light products

GROUP WORKFORCE EVOLUTION

ACCELERATED HEADCOUNT REDUCTION

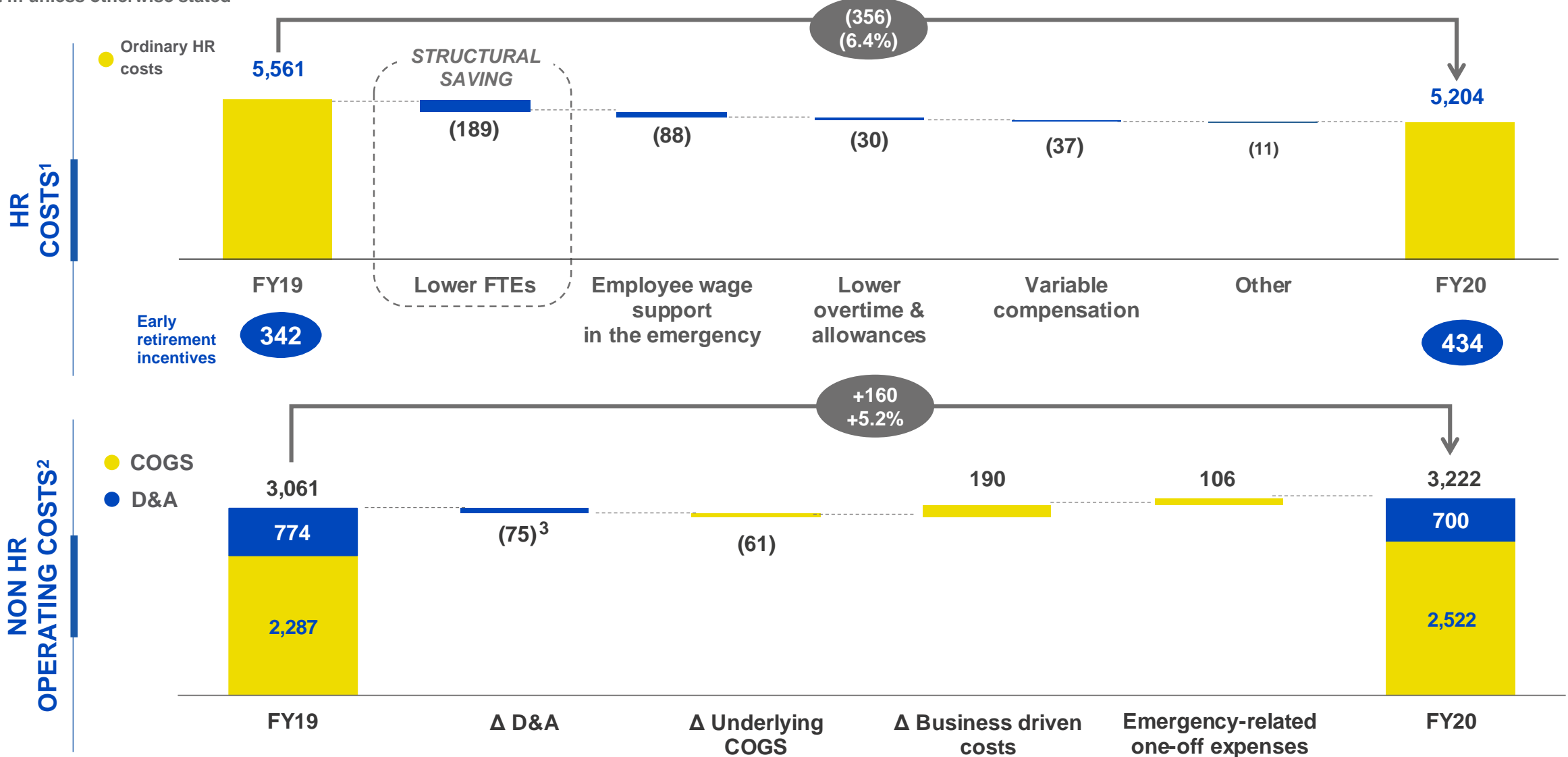
AVERAGE HEADCOUNT ('000/FTE)



FY20 GROUP COSTS

EFFECTIVE COST MANAGEMENT INITIATIVES MITIGATING REVENUE HEADWINDS

€ m unless otherwise stated



1. Excluding legal disputes with employees
 2. Excluding other Non-HR operating costs amounting to 228m in FY-19 and 142m in FY-20
 3. Due to the reassessment of residual life and residual value of real assets, partly offset by increased capex in the last years

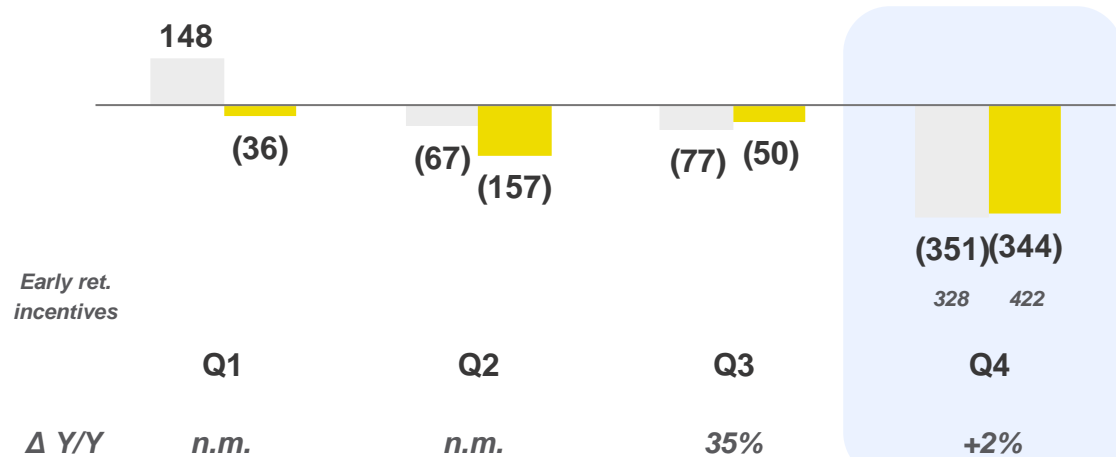
SEGMENT EBIT EVOLUTION

CONTINUED OPERATING PROFIT PROGRESSION BEGINNING IN Q2

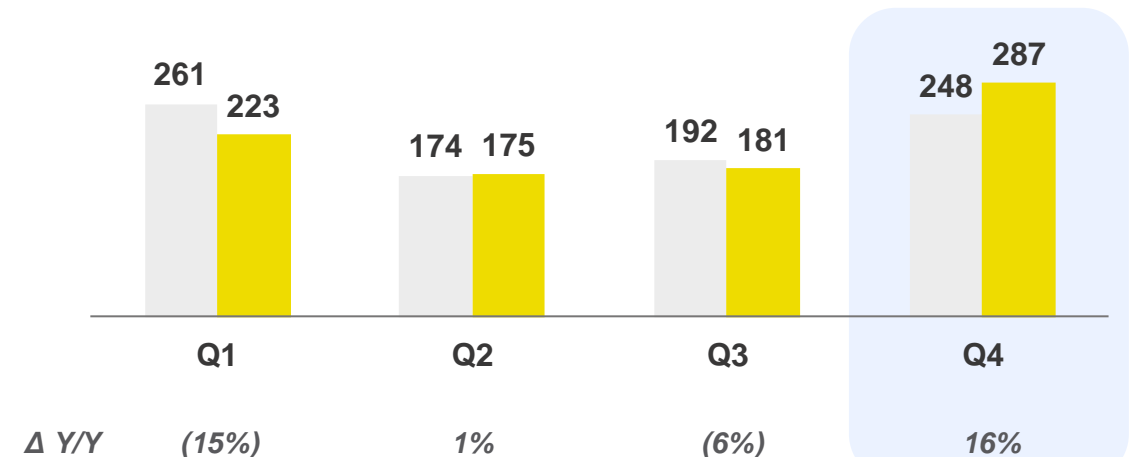
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● 2019 ● 2020

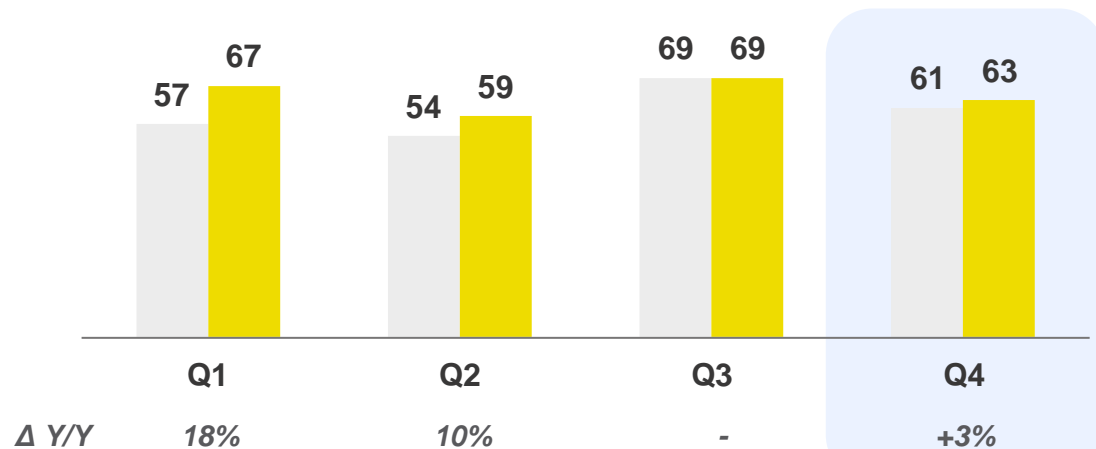
MAIL, PARCEL & DISTRIBUTION



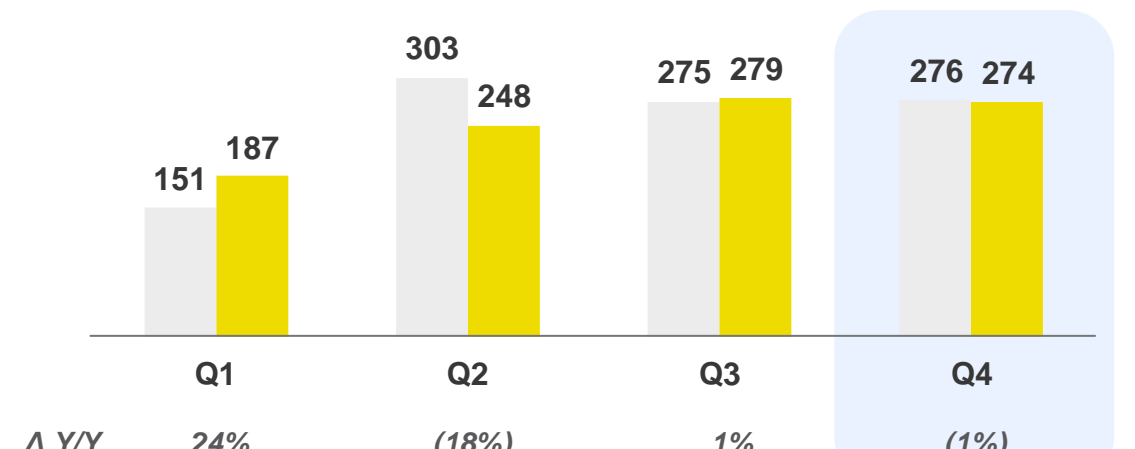
FINANCIAL SERVICES



PAYMENTS & MOBILE



INSURANCE SERVICES



POSTE ITALIANE SYSTEMIC ROLE CONFIRMED

ROBUST 2020 FINANCIAL RESULTS

2020 DIVIDEND POLICY CONFIRMED – DIVIDEND OF € 0.486^{1,2} FOR FY20

NEW STRATEGIC PLAN TO BE ANNOUNCED ON 19 MARCH



Q&A



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POSTE ITALIANE TOP RANKING WITHIN MAJOR SUSTAINABILITY INDICES



RANKED #1
in the Environment and Social fields by Institutional Shareholder Services



RANKED #1
in the Integrated Governance Index



RANKED #3
in the Gender-Parity Index



RANKED #3
among 134 companies worldwide and at European level in 'Transports and Logistics'
The Group is included in the international index and in the regional indices Euronext Vigeo Eurozone 120 and Europe 120



SILVER CLASS
in "S&P Global Sustainability Award" for its excellent sustainability performance and confirmed presence in the 2021 edition of the Sustainability Yearbook.



RANKED A-
in the "Leadership" category by Carbon Disclosure Project



«A» RATING

Poste has received an "A" rating by the MSCI ESG Research, one of the main providers of in-depth research, ratings and analysis of the ESG-related business practices



SINCE 2019

Poste has been included in the Dow Jones Sustainability World Index and in the more selective Europe Dow Jones Sustainability Index



SINCE 2019

Poste Italiane has been included in the Bloomberg Gender-Equality Index (GEI) 2021, assessing gender equality and reporting transparency



FTSE4Good

SINCE 2019

Poste has been included in the FTSE4Good Europe and FTSE4Good Developed indices, standing out for transparent management and the application of sustainable criteria



AMONG TOP

in 2019 within Stoxx Europe 600, within the Gender Diversity Index

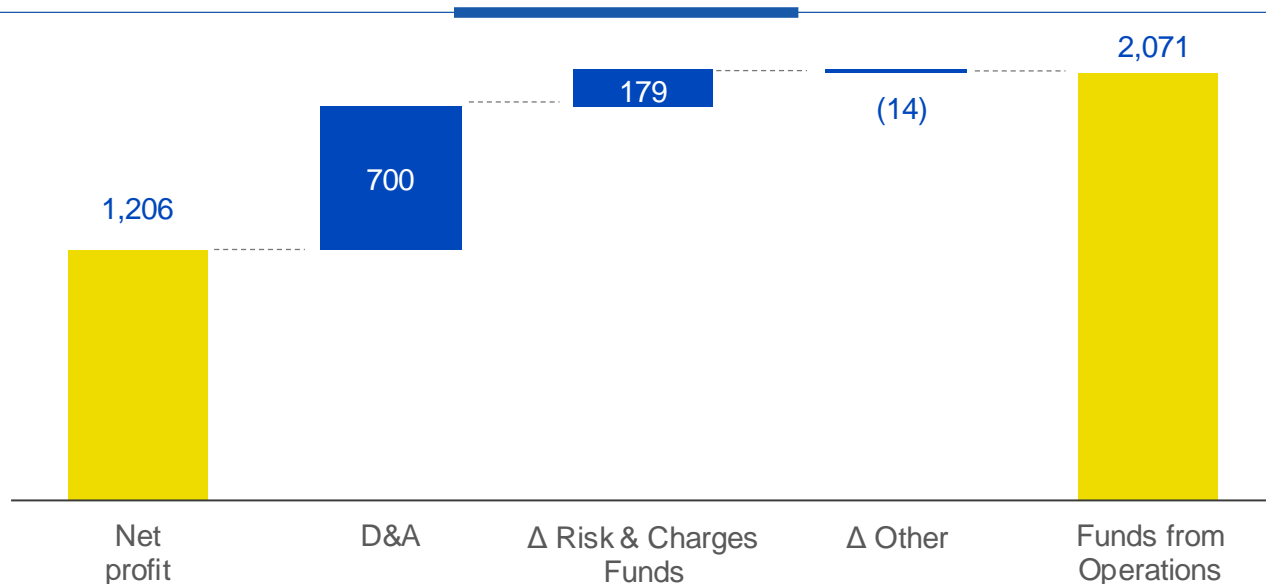
POSTE GROUP: Q4-20 & FY20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES

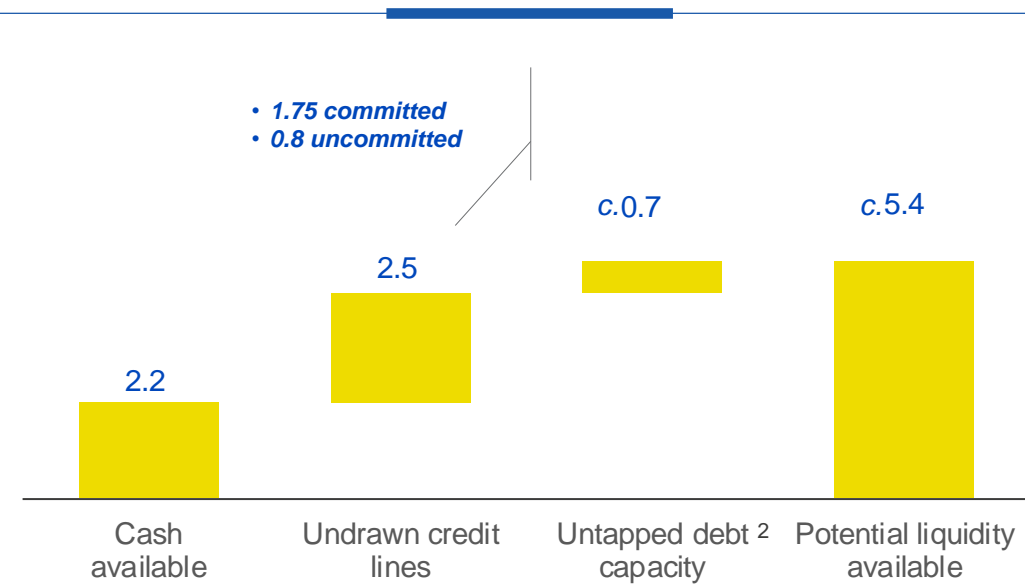
	Q4-19	Q4-20	€ m	%	FY19	FY20	€ m	%
REPORTED REVENUES	2,924	2,964	40	+1%	10,960	10,526	(434)	(4%)
<i>NET CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	84	131			339	365		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	2	(0)			10	(3)		
<i>VISA - CAPITAL GAIN ON SHARE DISPOSAL</i>	0	0			1	0		
ADJUSTED REVENUES	2,839	2,834	(5)	(0%)	10,609	10,164	(445)	(4%)
REPORTED COSTS	2,690	2,685	(6)	(0%)	9,186	9,002	(184)	(2%)
<i>EARLY RETIREMENT INCENTIVES</i>	328	423			342	434		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	(18)			0	(32)		
ADJUSTED COSTS	2,362	2,280	(82)	(3%)	8,844	8,600	(244)	(3%)
REPORTED EBIT	234	280	46	+20%	1,774	1,524	(250)	(14%)
ADJUSTED EBIT	477	554	77	+16%	1,765	1,564	(201)	(11%)
<i>IMPAIRMENTS</i>	(42)	0			(42)	19		
<i>TAX ONE-OFF BENEFIT</i>	0	(96)			0	(96)		
REPORTED NET PROFIT	259	308	49	+19%	1,342	1,206	(136)	(10%)
ADJUSTED NET PROFIT	380	408	28	+7%	1,281	1,158	(122)	(10%)

STRONG CASH GENERATION, AMPLE LIQUIDITY RESOURCES AND BALANCED DEBT PROFILE

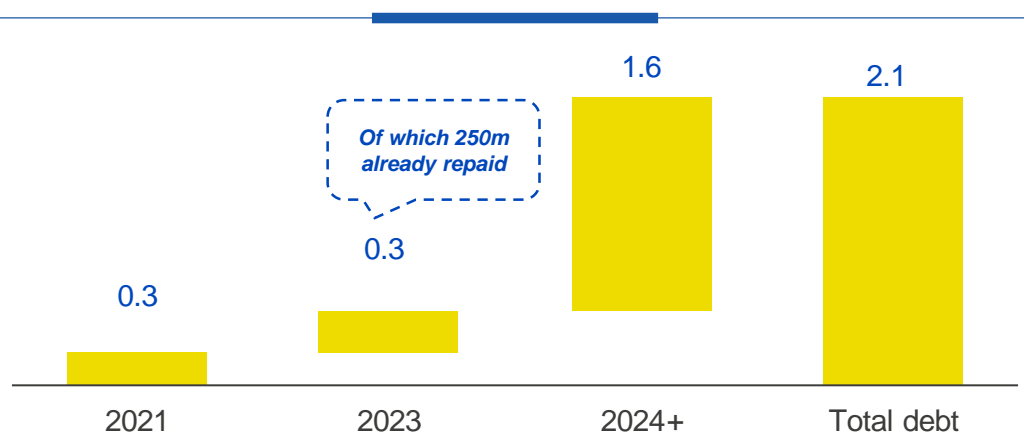
GROUP FUNDS FROM OPERATIONS (FFO) – FY20 (€ m)



...SIGNIFICANT LIQUIDITY RESOURCES¹ (€ bn)



BALANCED MATURITY PROFILE (€ bn)

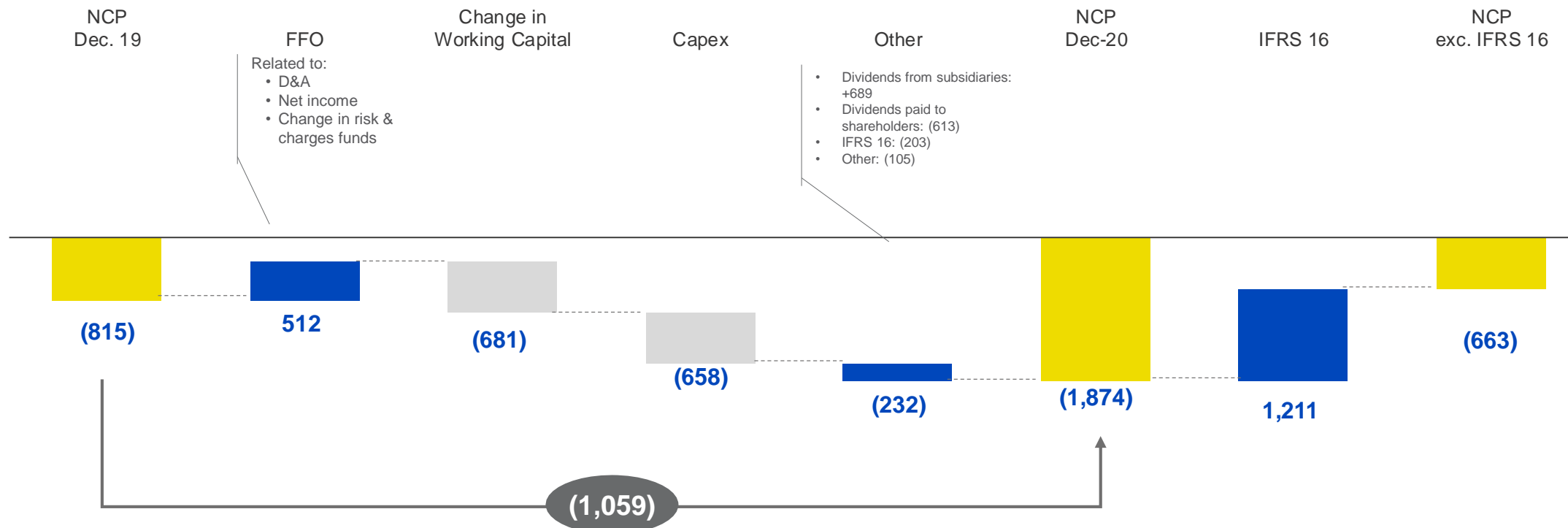


MAIL, PARCEL & DISTRIBUTION NET CASH POSITION



€ m unless otherwise stated

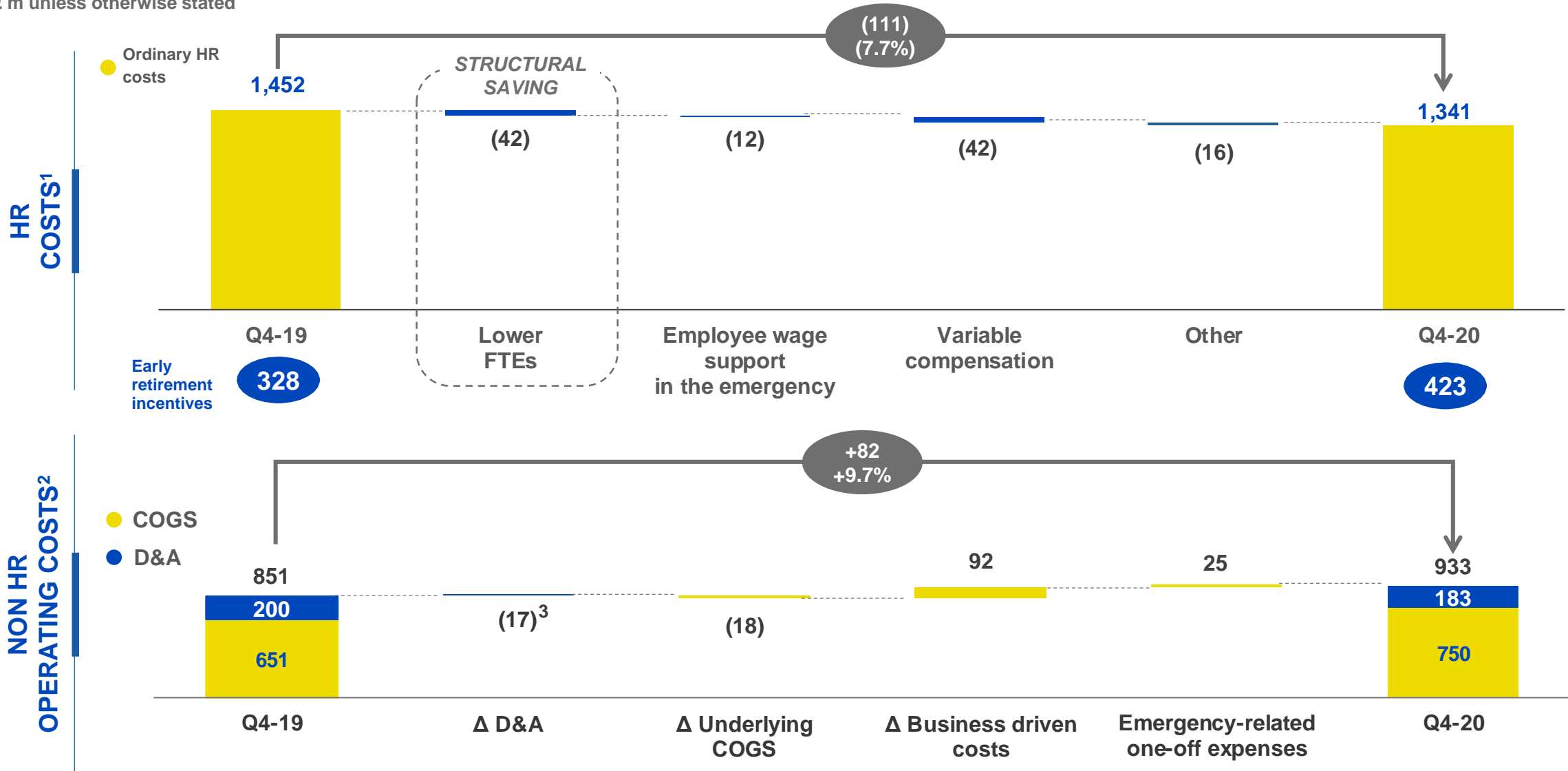
NET CASH POSITION (+ CASH – DEBT)



Q4-20 GROUP COSTS

EFFECTIVE COST MANAGEMENT INITIATIVES MITIGATING REVENUE HEADWINDS

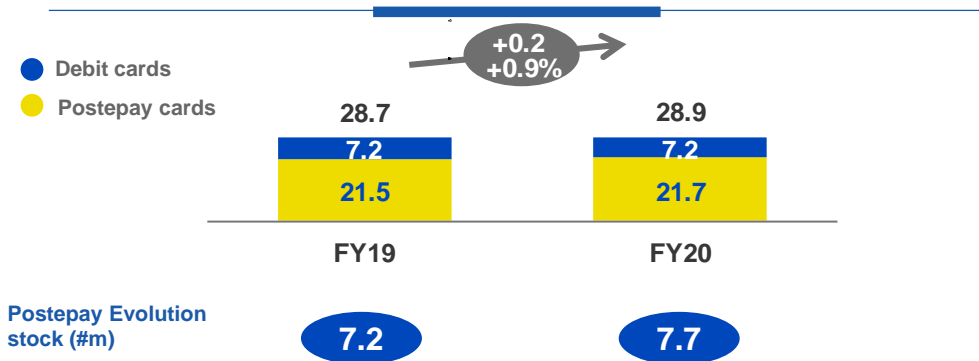
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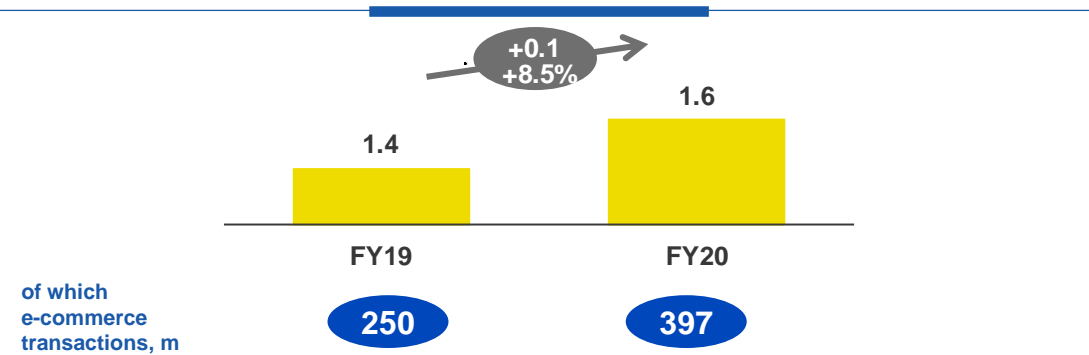
1. Excluding legal disputes with employees
 2. Excluding other Non-HR operating costs amounting to 64m in Q4-19 and (9)m in Q4-20
 3. Due to the reassessment of residual life and residual value of real assets, partly offset by increased capex in the last years



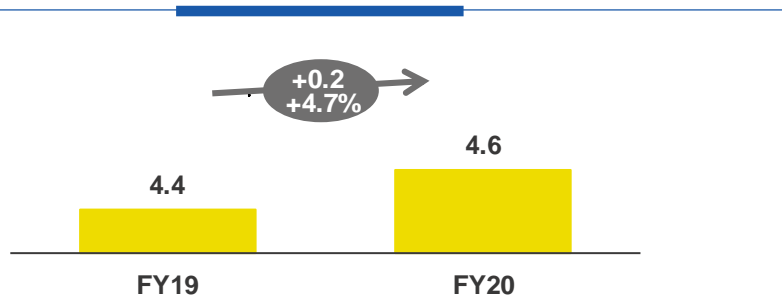
CARD STOCK¹



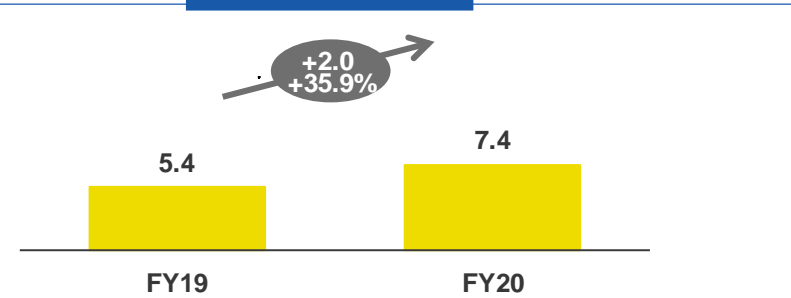
TOTAL CARD TRANSACTIONS (# BN)²



MOBILE & LAND LINE, STOCK (# M)



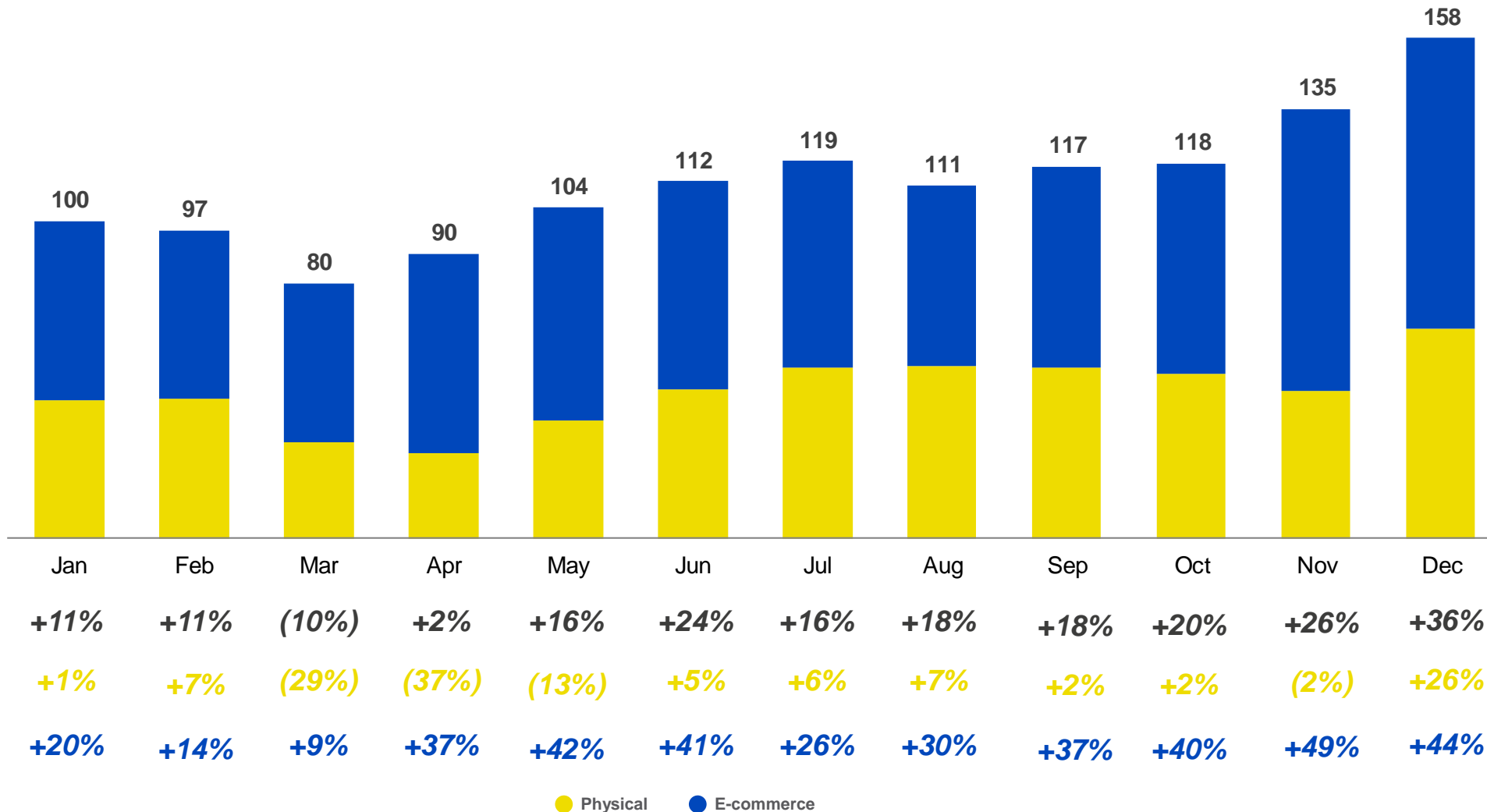
POSTE ITALIANE DIGITAL E-WALLET (# M)³



PAYMENTS AND MOBILE: POSTEPAY TRANSACTION VALUE



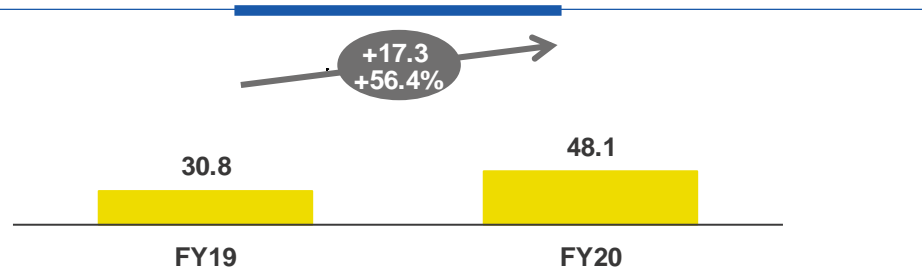
POSTEPAY DAILY AVERAGE TRANSACTION VALUE (BASE 100)



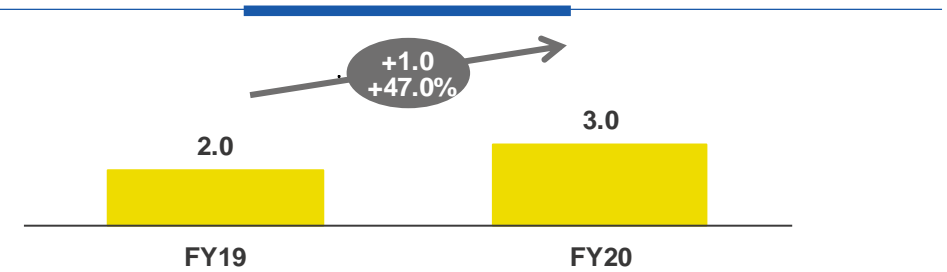
POSTE ITALIANE DIGITAL FOOTPRINT

KEY METRICS CONSTANTLY IMPROVING

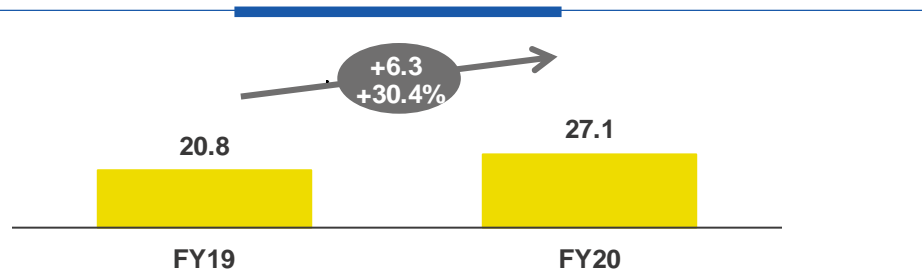
CUMULATED APP DOWNLOADS¹ (# M)



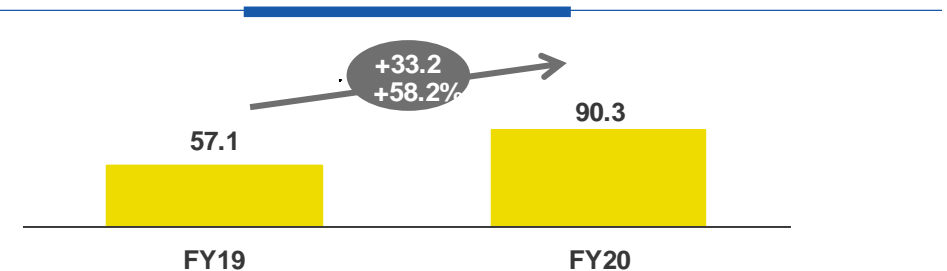
DAILY ONLINE USERS (# M)



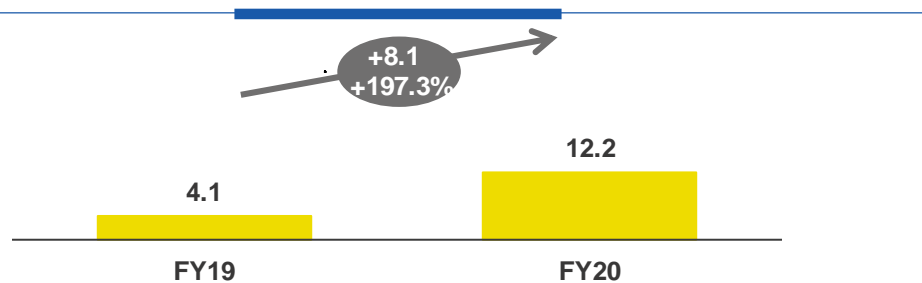
REGISTERED ONLINE USERS (# M)



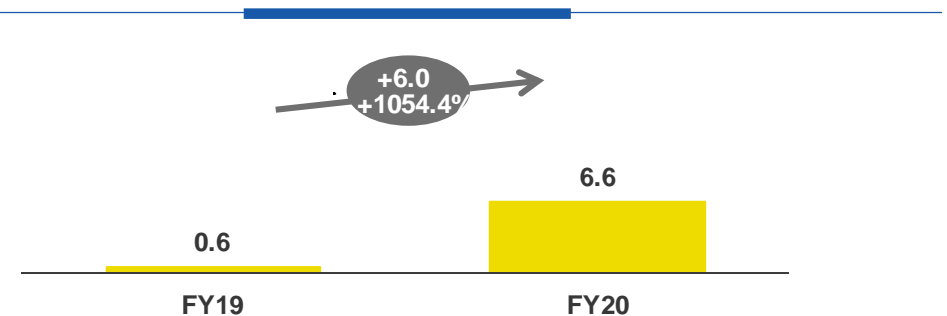
CONSUMER FIN. TRANSACTIONS (# M)



ELECTRONIC IDENTIFICATION² STOCK (# M)



PRIVATE DIGITAL IDs (# M)



1. Source: App stores (iOS and Android)
2. Electronic identification refers to number of ID outstanding

FINANCIAL SERVICES: Q4-20 & FY20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	Q4-19	Q4-20	€ m	%	FY19	FY20	€ m	%
SEGMENT REPORTED REVENUES	1,351	1,349	(2)	(0%)	5,135	4,945	(190)	(4%)
<i>NET CAPITAL GAINS ON INV. PORTFOLIO</i>	84	131			339	365		
<i>VISA - FAIR VALUE VALUATION/FAIR VALUE HEDGE</i>	2	0			10	(3)		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			1	0		
SEGMENT ADJUSTED REVENUES	1,265	1,218	(47)	(4%)	4,784	4,583	(201)	(4%)
<i>INTERSEGMENT REVENUES</i>	171	186	15	+9%	691	665	(25)	(4%)
ADJUSTED TOTAL REVENUES	1,436	1,404	(33)	(2%)	5,475	5,248	(226)	(4%)
REPORTED COSTS	1,274	1,248	(26)	(2%)	4,951	4,745	(207)	(4%)
<i>EARLY RETIREMENT INCENTIVES</i>	0	0			2	1		
<i>CAPITAL GAINS COMMISSIONING</i>	65	104			265	289		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	(18)			0	(32)		
ADJUSTED COSTS	1,209	1,162	(47)	(4%)	4,685	4,487	(198)	(4%)
REPORTED EBIT	248	287	39	+16%	874	866	(9)	(1%)
ADJUSTED EBIT	228	242	14	+6%	790	761	(29)	(4%)
<i>IMPAIRMENTS</i>	0	0			0	19		
<i>TAX ONE OFF BENEFIT</i>	0	(23)			0	(23)		
REPORTED NET PROFIT	200	240	40	+20%	640	647	7	+1%
ADJUSTED NET PROFIT	186	186	(0)	(0%)	577	569	(8)	(1%)

BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

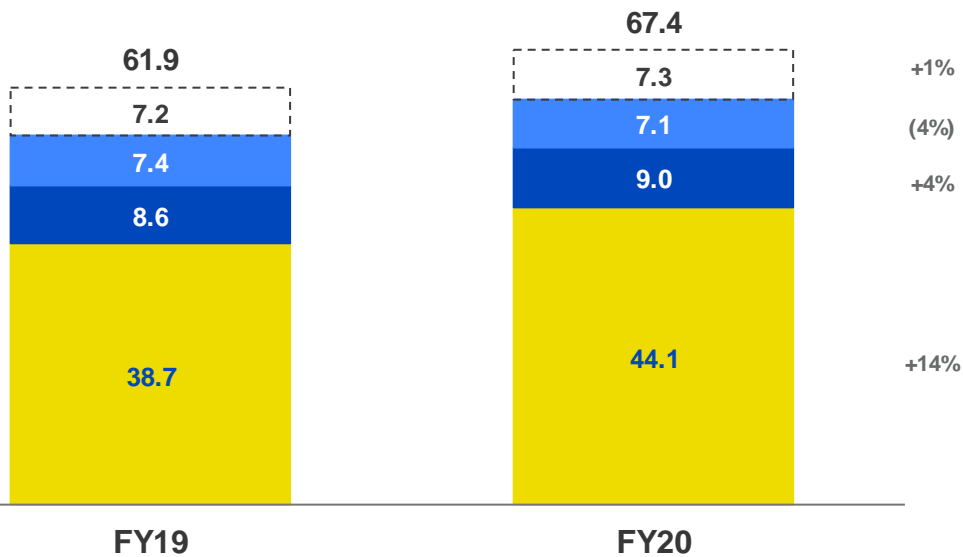


€ bn unless otherwise stated

AVERAGE CURRENT ACCOUNT DEPOSITS

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

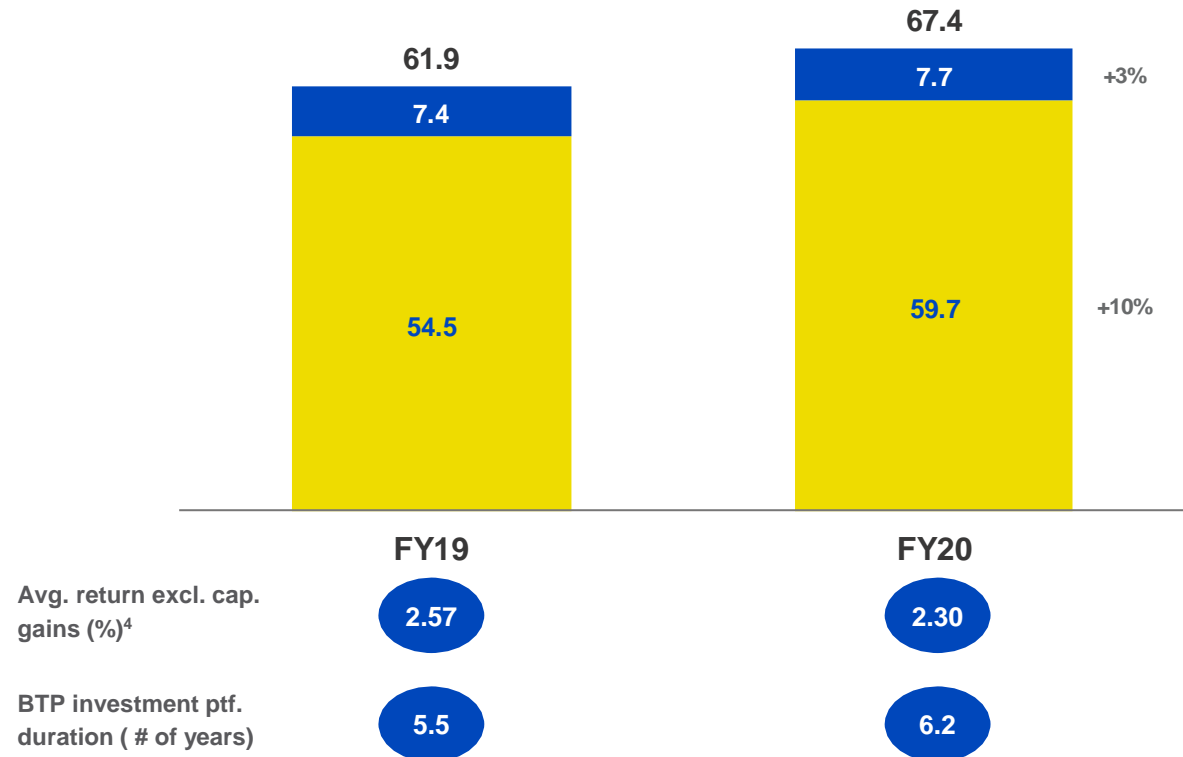
+5.5
+8.9%



AVERAGE INVESTMENT PORTFOLIO

- Deposit @ MEF³
- Italian Government Bonds

+5.5
+8.9%



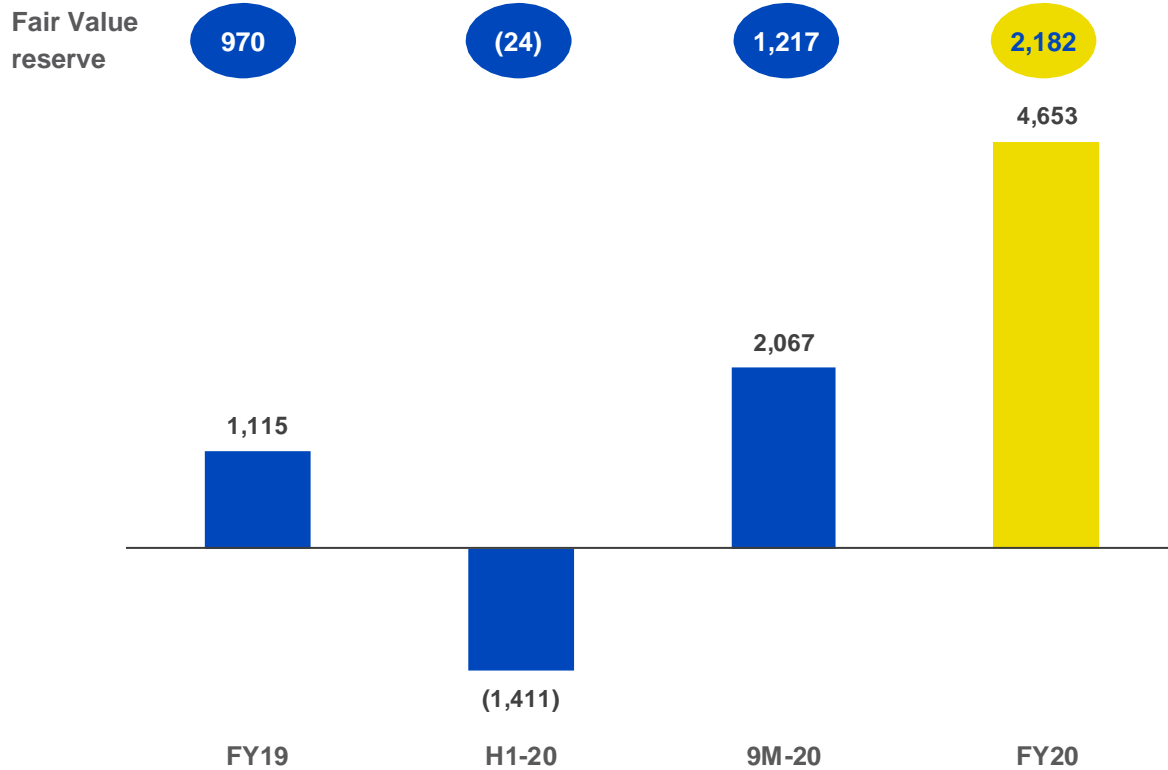
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

NET UNREALIZED GAINS AT € 4.7BN

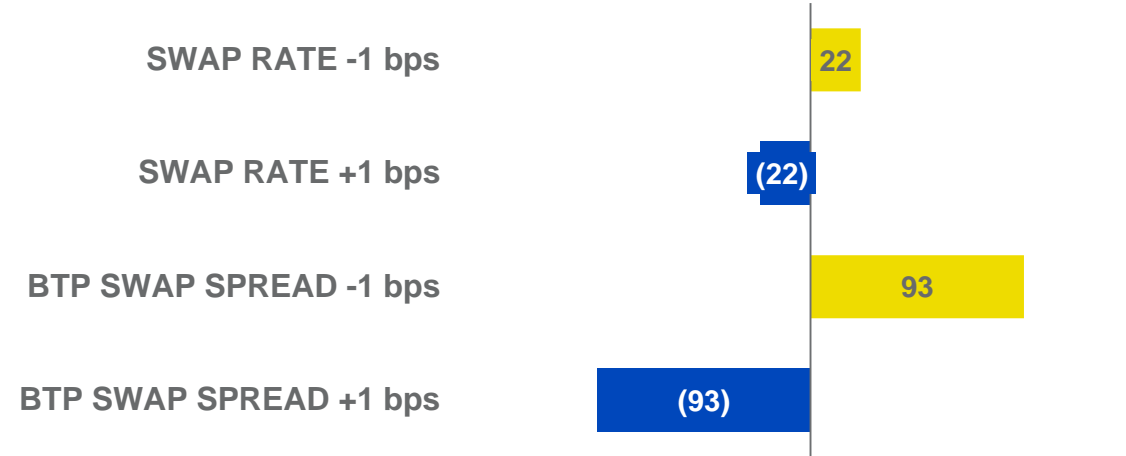


€ m unless otherwise stated

UNREALIZED GAINS/LOSSES



UNREALIZED GAINS SENSITIVITIES



	FY19	H1-20	9M-20	FY20	Var (bps) FY-20 vs 9M-20
BTP 10Y	1.41	1.26	0.87	0.54	(0.32)
SWAP 10Y	0.20	(0.17)	(0.23)	(0.26)	(0.04)
BTP 15Y	1.89	1.68	1.23	0.92	(0.31)
SWAP 15Y	0.46	0.0	(0.05)	(0.08)	(0.03)
BTP 30Y	2.47	2.22	1.75	1.42	(0.34)
SWAP 30Y	0.63	0.04	(0.01)	(0.03)	(0.02)

POSTAL SAVINGS

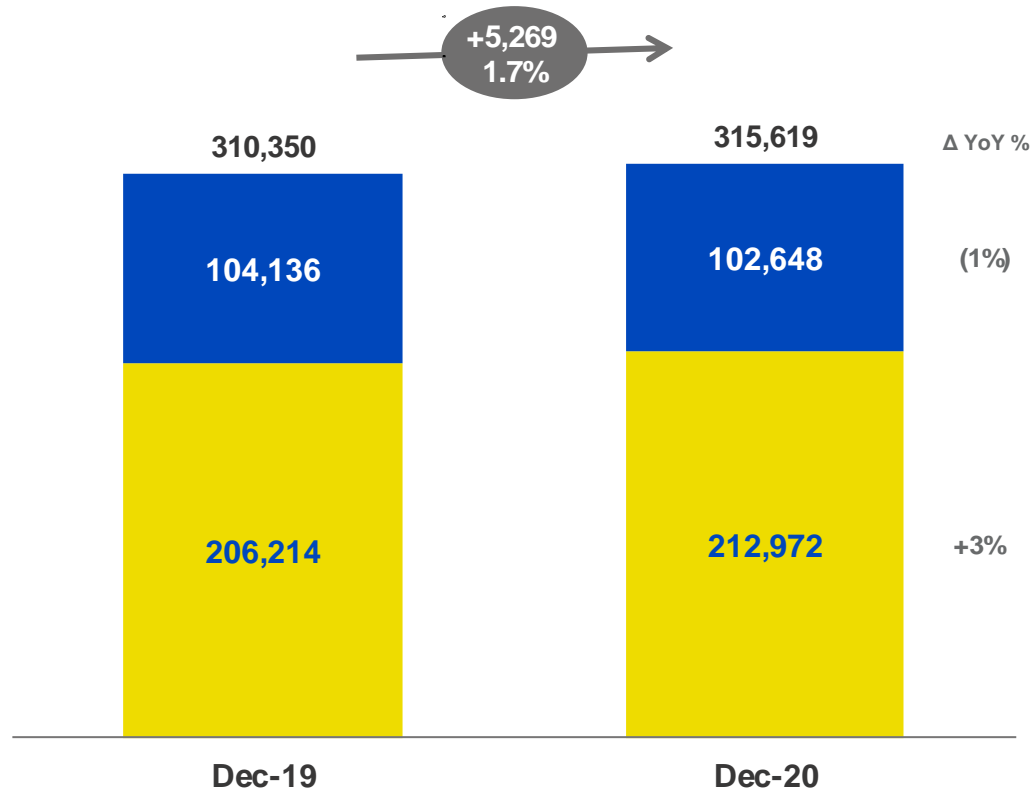
STRONG IMPROVEMENT OF NET INFLOWS, ALSO SUPPORTED BY PREFERENCE FOR LIQUIDITY PRODUCTS

€ m unless otherwise stated

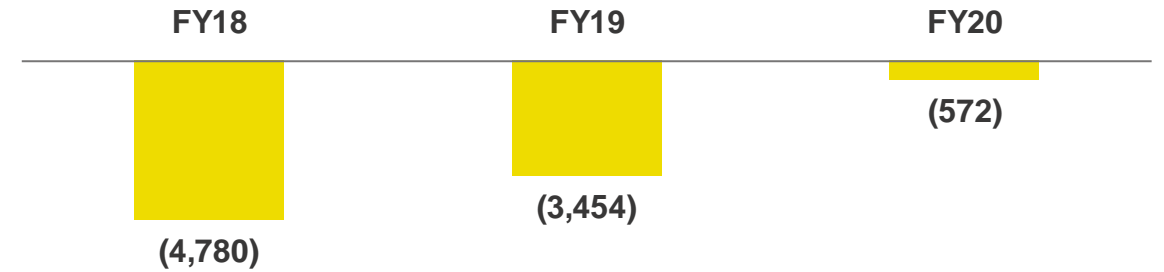


AVERAGE POSTAL SAVINGS¹

- Postal saving books
- Postal bonds



POSTAL SAVINGS NET INFLOWS



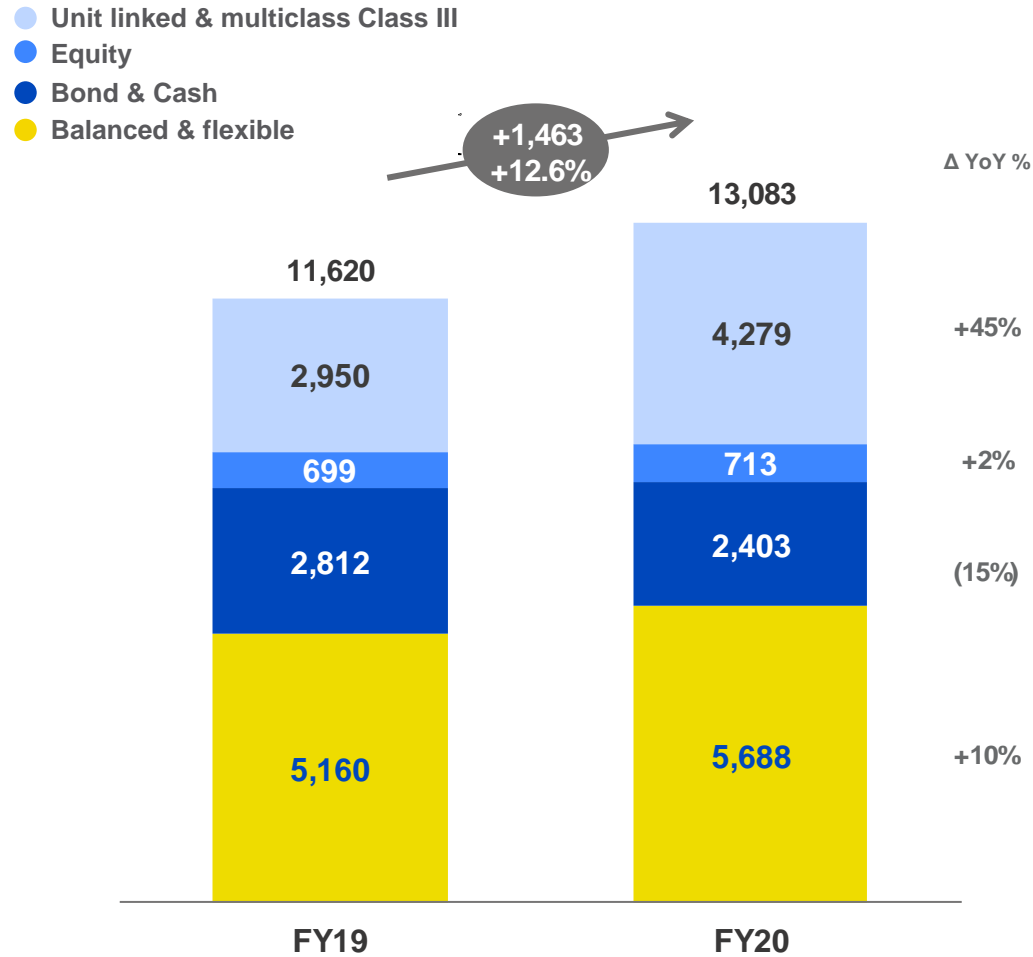
ASSET MANAGEMENT PROGRESSING

POSITIVE NET INFLOWS IN A VOLATILE MARKET ENVIRONMENT

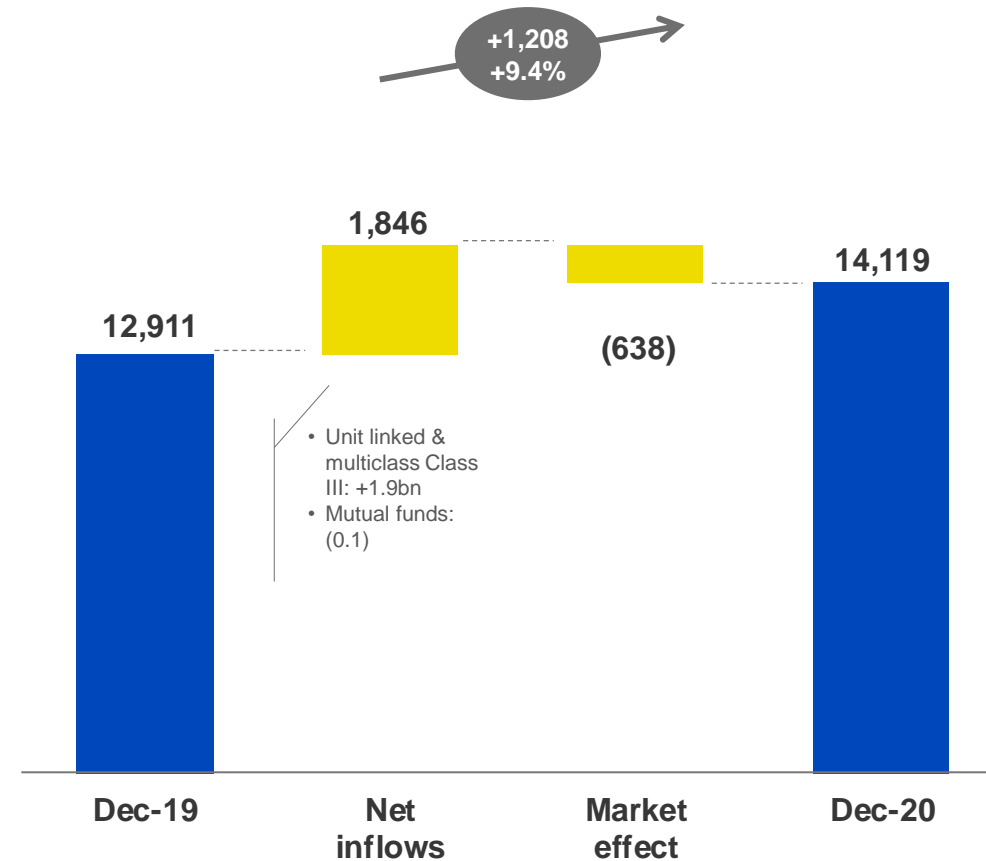


€ m unless otherwise stated

AVERAGE ASSETS UNDER MANAGEMENT



ASSETS UNDER MANAGEMENT EVOLUTION – EoP



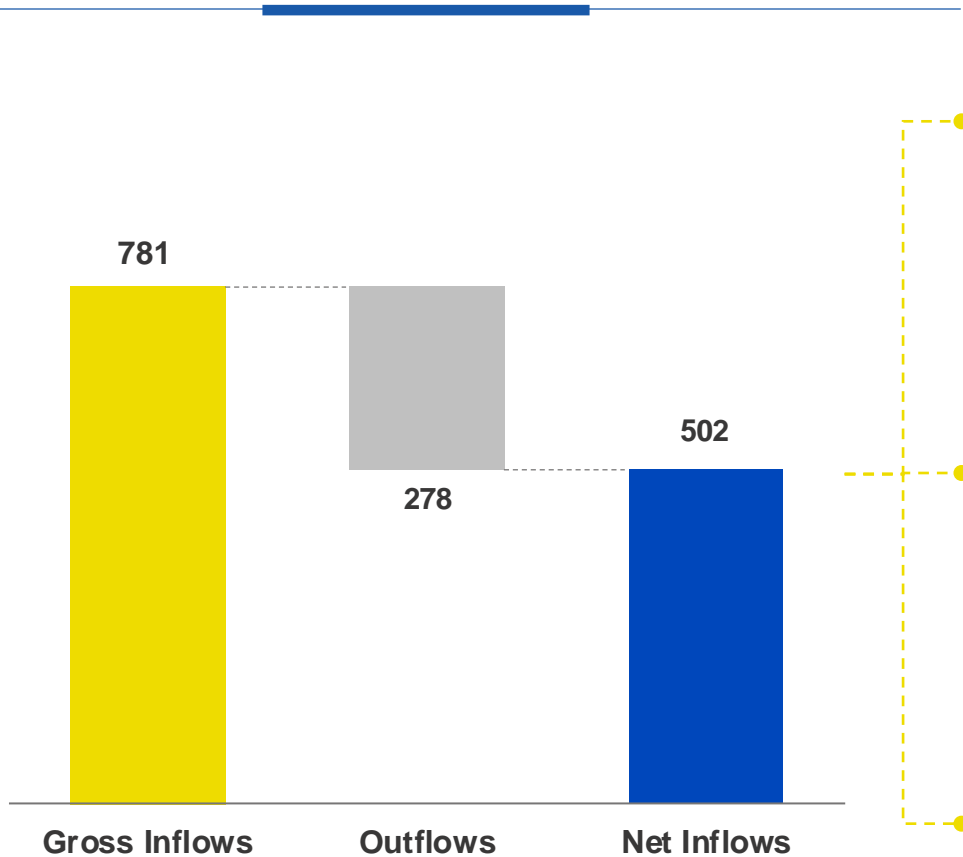
ASSET MANAGEMENT NET INFLOWS INCREASING IN Q4-20

POSITIVE NET INFLOWS THANKS TO MULTICLASS CLASS III COMPONENT OF INSURANCE PRODUCTS

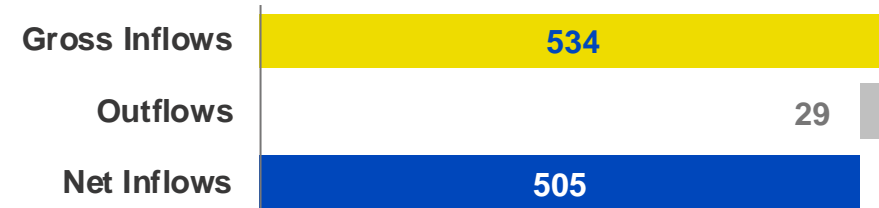
€ m unless otherwise stated



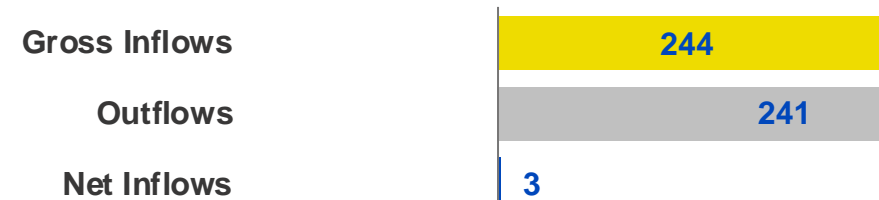
TOTAL NET INFLOWS – Q4-20



MULTICLASS CLASS III¹ – Q4-20



MUTUAL FUNDS – Q4-20



UNIT LINKED (CLASS III) – Q4-20

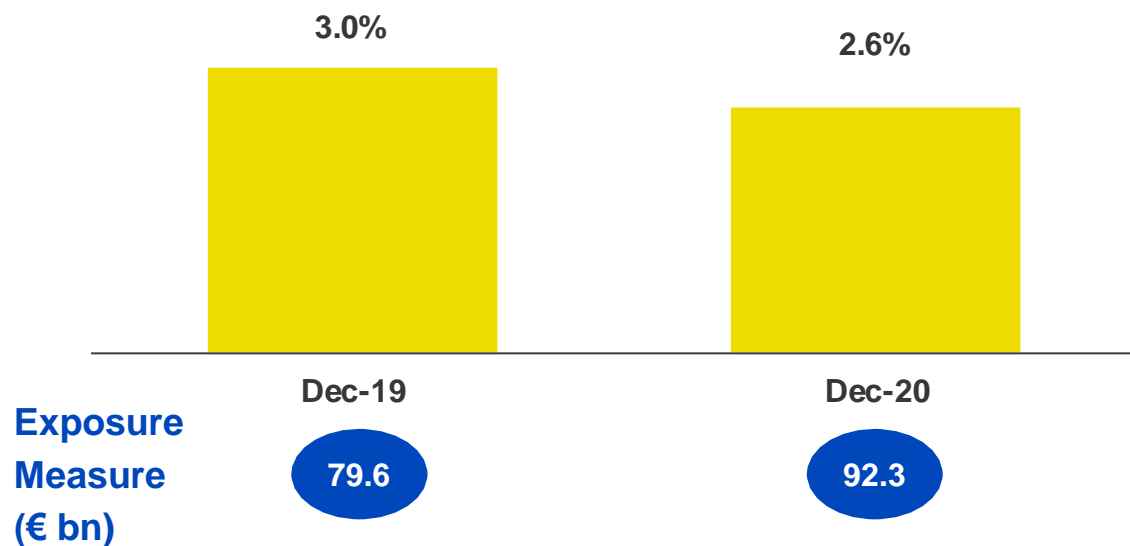


BANCOPOSTA: SOLID AND EFFICIENT CAPITAL POSITION

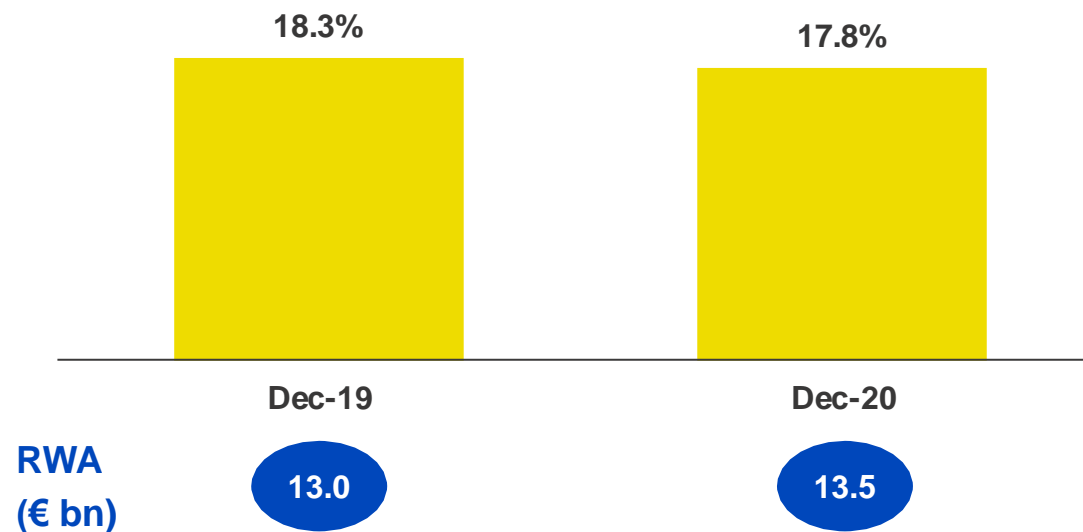
AN ASSET GATHERER WITH A CAPITAL LIGHT BALANCE SHEET



LEVERAGE RATIO

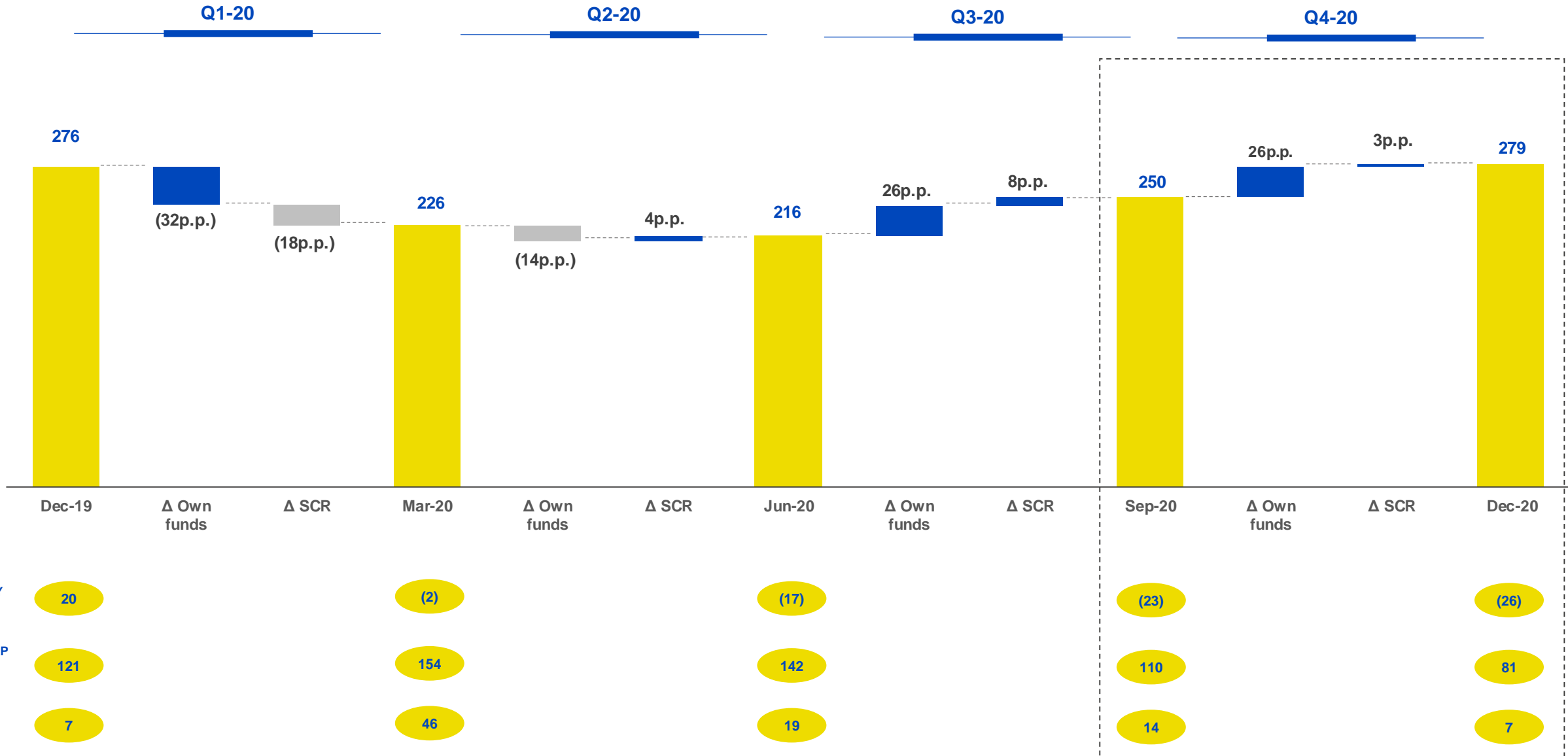


CET 1 RATIO



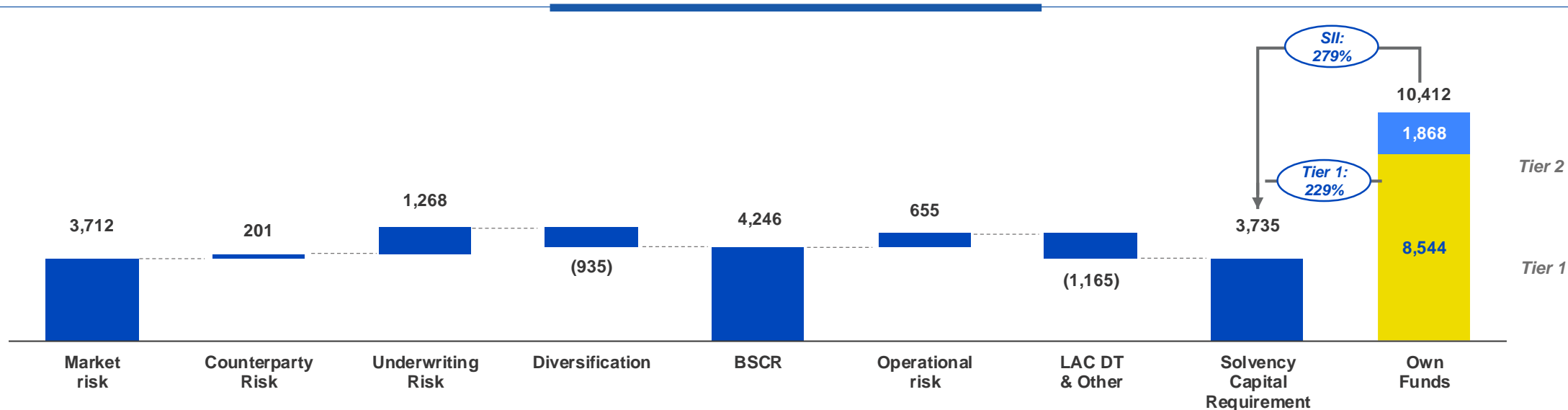
INSURANCE SERVICES

SOLVENCY II EVOLUTION

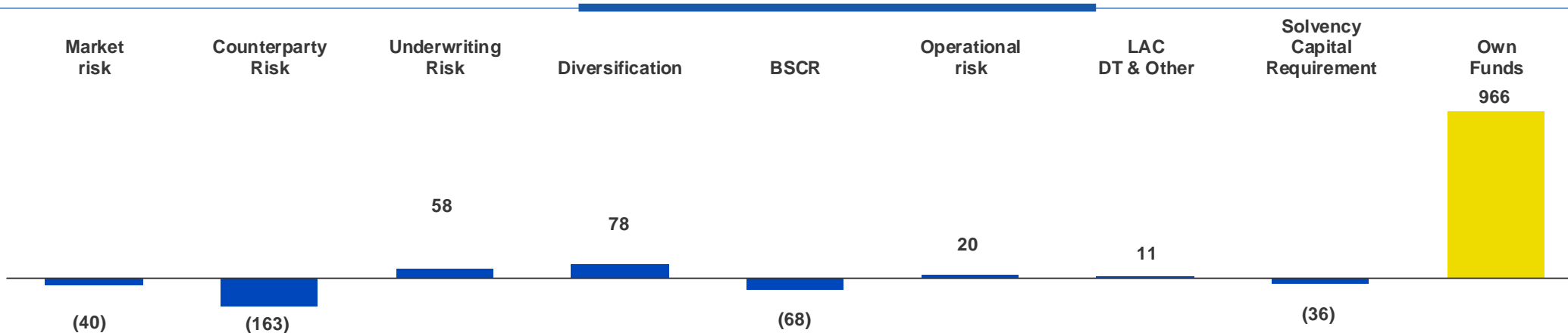




SOLVENCY II CAPITAL AND SOLVENCY II CAPITAL REQUIREMENT EVOLUTION (€ M)



CHANGE VS. SEPTEMBER 2020 (€ M)

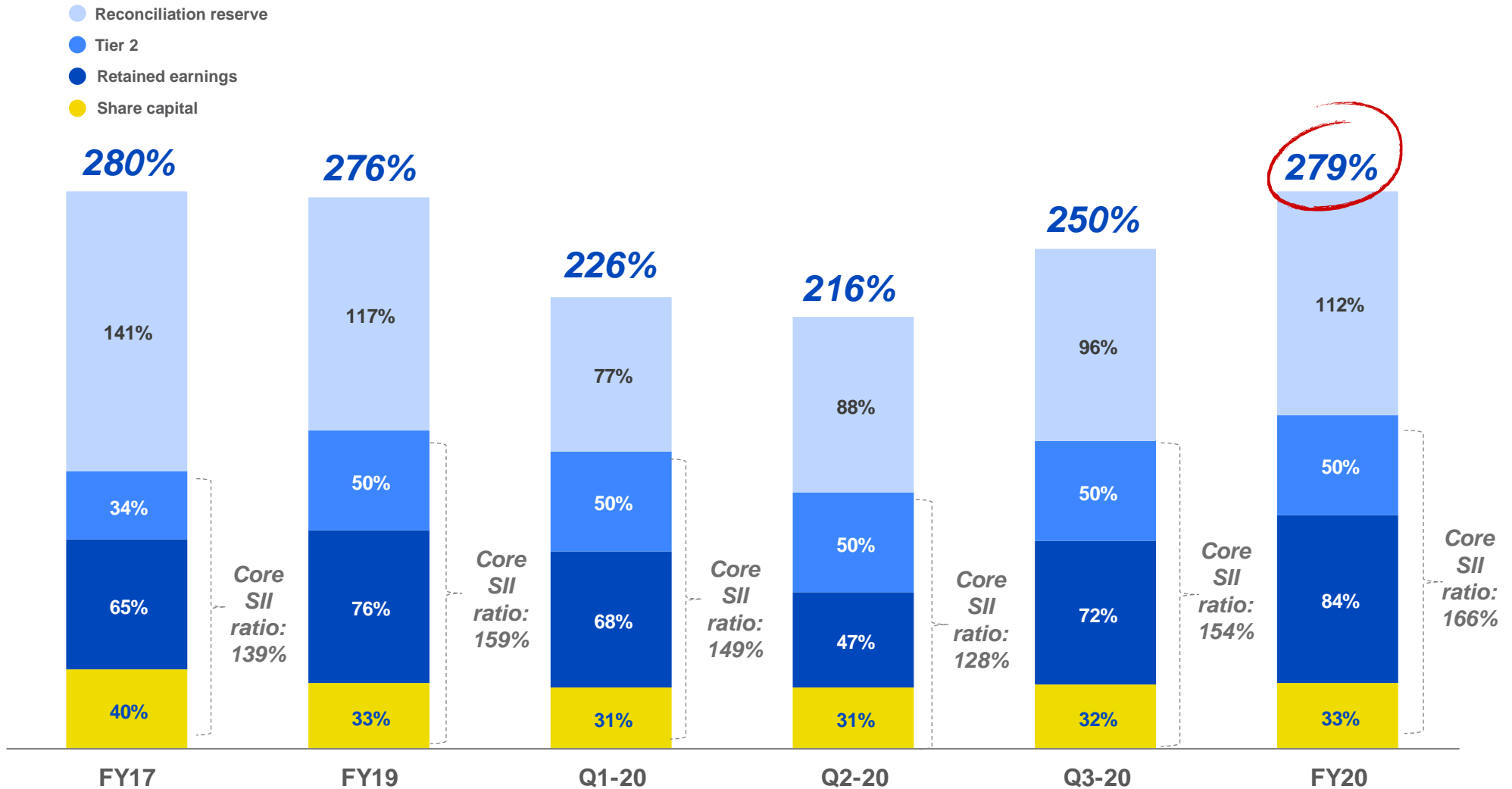


INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

CORE SOLVENCY II RATIO UP TO 166%



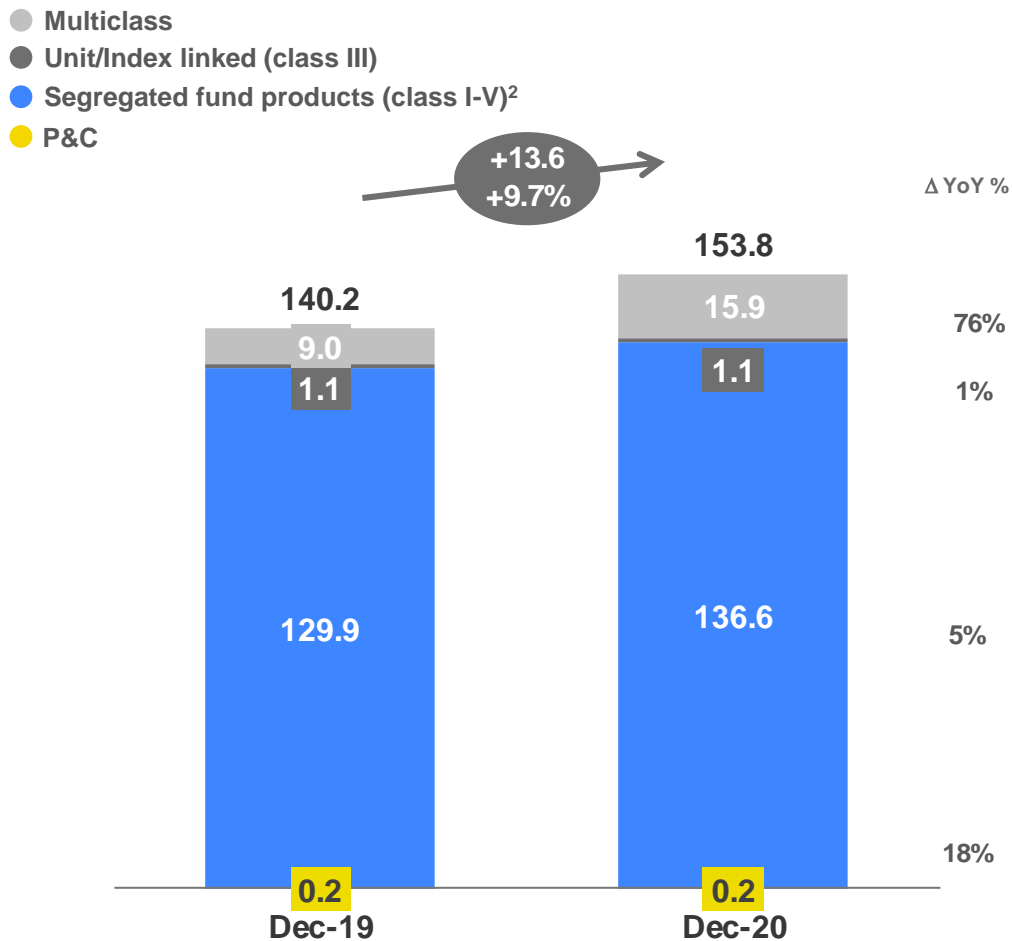
CORE SOLVENCY II RATIO – EXCLUDING TRANSITIONAL MEASURES



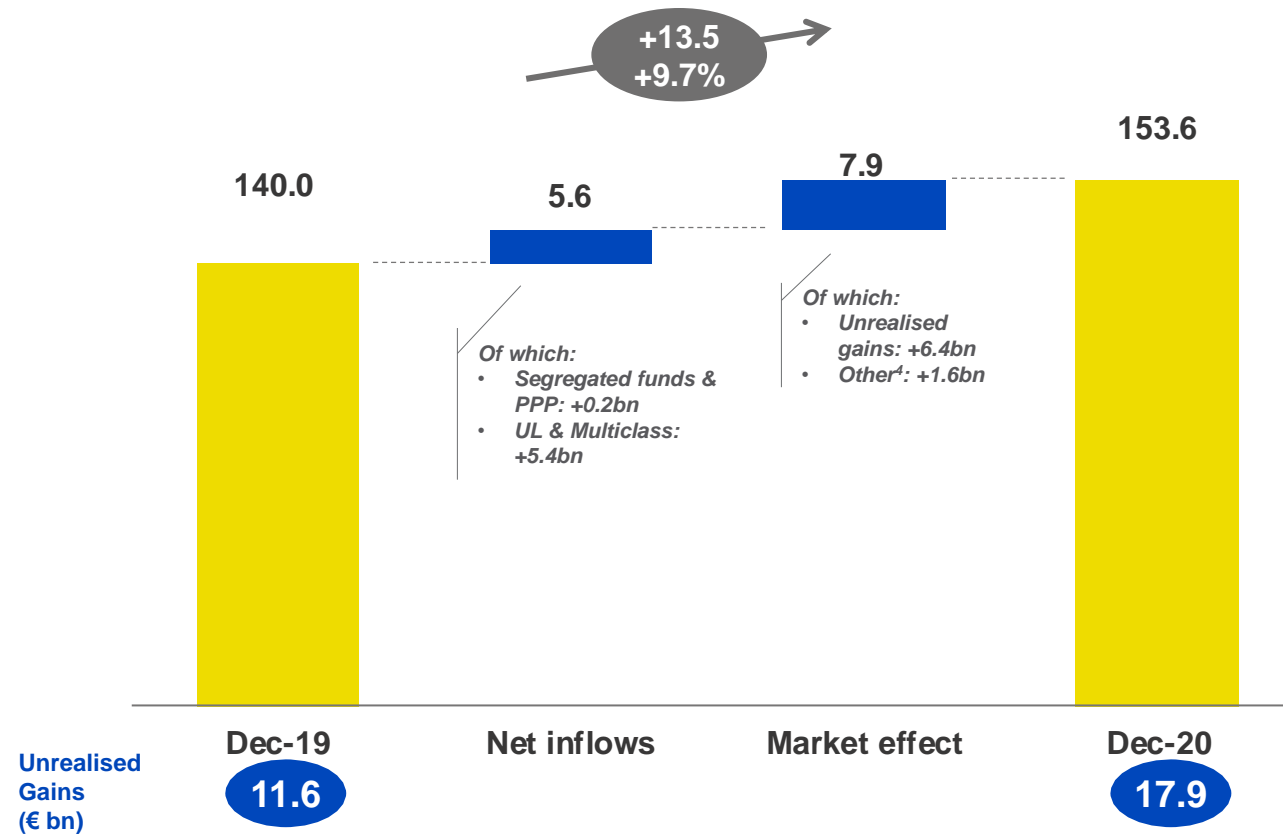


€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION³



INSURANCE SERVICES

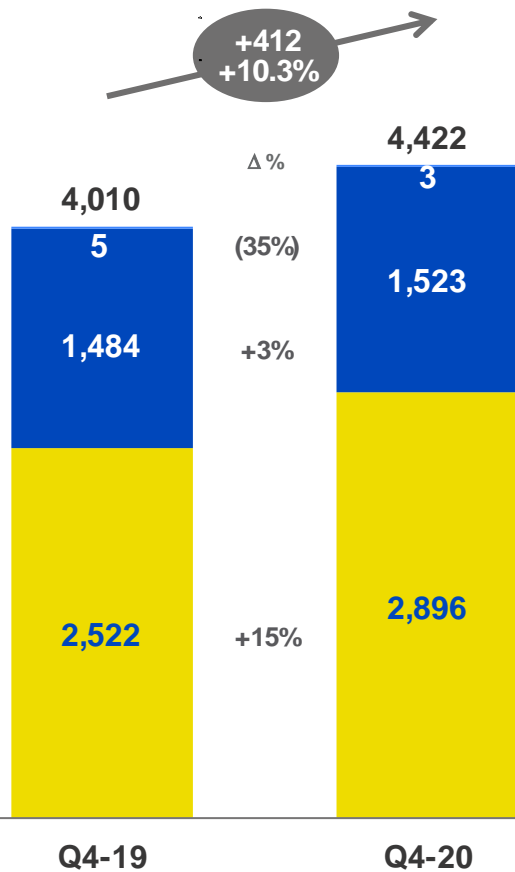
GROSS WRITTEN PREMIUM MIX IN Q4-20



€ m unless otherwise stated

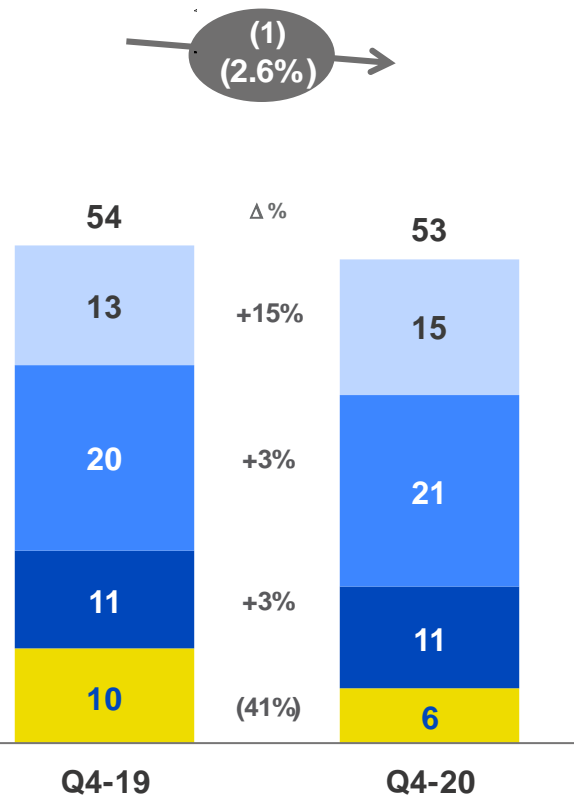
LIFE

- Unit linked (class III)
- Multiclass
- Segregated fund products (class I-V)¹



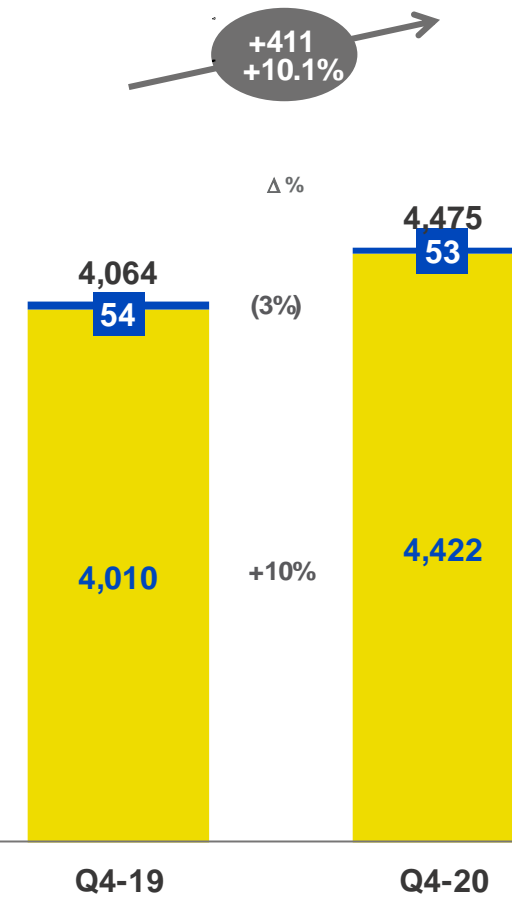
NON-LIFE

- Welfare
- Personal
- Property
- Payments



TOTAL

- P&C
- Life



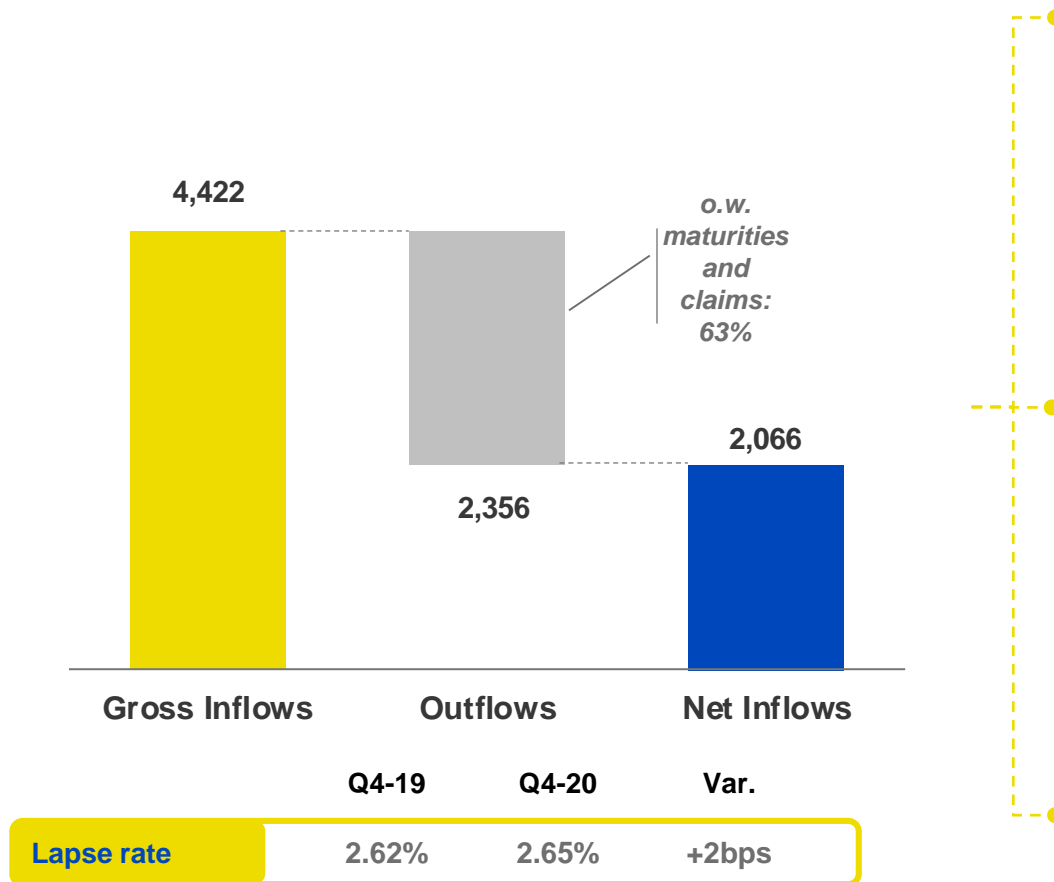
INSURANCE SERVICES

POSITIVE NET INFLOWS THANKS TO MULTICLASS INSURANCE PRODUCTS



€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



UNIT LINKED (CLASS III)



MULTICLASS



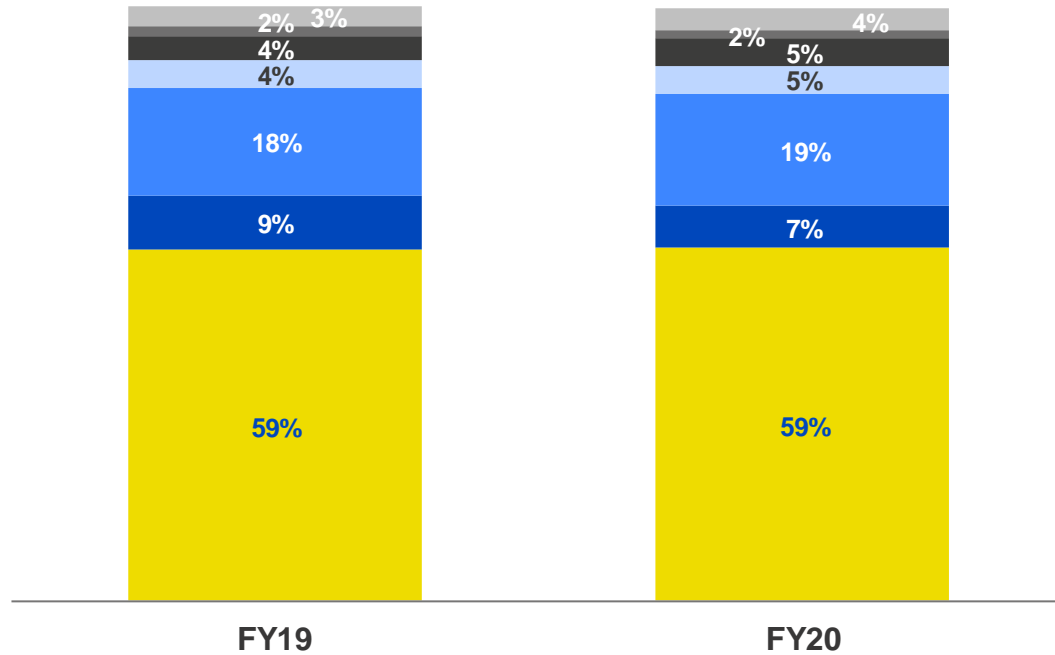
SEGREGATED FUNDS & PPP¹





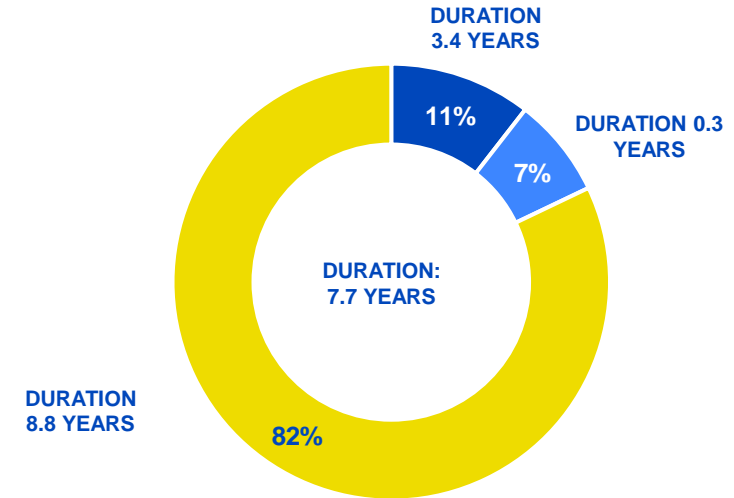
INVESTMENT PORTFOLIO BREAKDOWN

- Private markets
- Equity
- Emerging markets
- High yield
- Corporate bonds
- Global govies
- Italian Govies



FIXED INCOME BREAKDOWN BY RATE TYPE





- Floating
- Inflation linked
- Fixed income



	FY19	H1-20	9M-20	FY20	Var. YoY
Minimum guaranteed return (Class I) (%)	0.67	0.61	0.60	0.57	(10)bps
Segregated fund return (%)	2.38	2.19	2.22	2.16	(22)bps

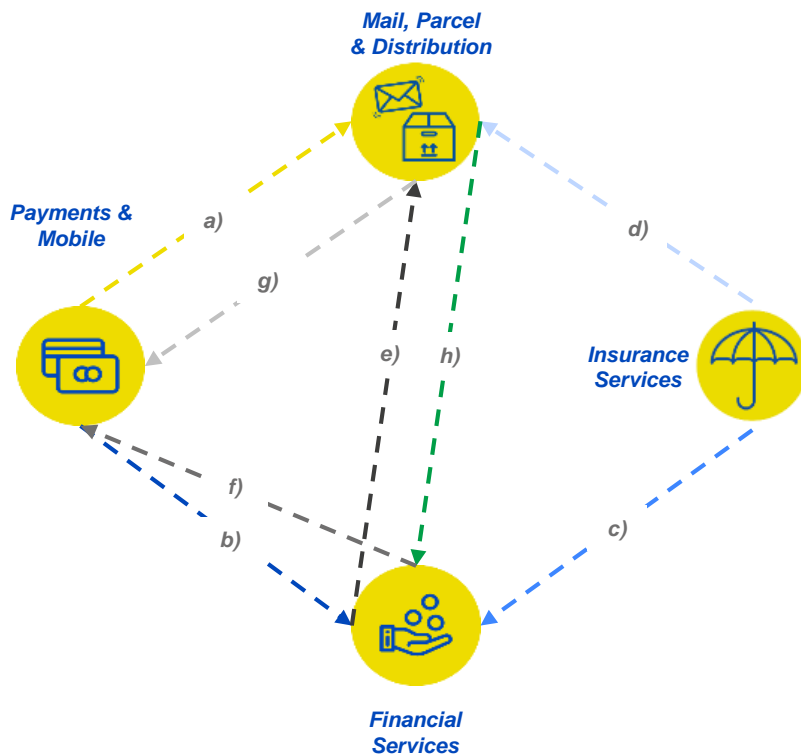
GROUP PERFORMANCE

MAIN KPIs

OPERATIONAL KPI's		Q4-19	Q4-20	Δ% YoY	FY19	FY20	Δ% YoY
 MAIL PARCEL & DISTRIBUTION	Mail Volumes (#m)	695	603	(13%)	2,735	2,280	(17%)
	Parcels delivered by mailmen (#m)	14	21	+49%	52	74	+44%
	Parcel volumes (#m)	44	70	+59%	148	210	+42%
	B2C Revenues (€m)	125	205	+63%	383	603	+57%
 PAYMENTS & MOBILE	PostePay cards (#m)				21.5	21.7	+1%
	<i>of which PostePay Evolution cards (#m)</i>				7.2	7.7	+7%
	Total payment cards transactions (#bn)				1.4	1.6	+9%
	<i>of which eCommerce transactions (#m)</i>				249.9	397.0	+59%
	Mobile & land-line (#m)				4.4	4.6	+5%
Poste Italiane Digital e-Wallets (#m)				5.4	7.4	+36%	
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				536	569	+6%
	Unrealized gains (€m)				1,115	4,653	+317%
 INSURANCE SERVICES	Gross Written Premiums (€m)	4,064	4,475	+10%	17,972	16,898	(6%)
	GWP – Life (€m)	3,659	4,044	+11%	16,643	15,566	(6%)
	GWP – Private Pension Plan (€m)	351	378	+8%	1,088	1,095	+1%
	GWP – P&C (€m)	54	53	(3%)	240	237	(1%)

INTERSEGMENT COSTS AS OF Q4-20

INTERSEGMENT COST FLOWS



MAIN RATIONALE

INDICATIVE MAIN REMUNERATION SCHEME

€ m Δ Y/Y

• Payments and Mobile remunerates:

- a) **Mail, Parcel and Distribution** for providing IT, delivery volume and other corporates services¹;
- b) **Financial Services** for promoting and selling card payments and other payments (e.g. tax payments) throughout the network;

- a) Number of payment transactions flat fee (depending on the product)
- b) Fixed % of revenues

a) 52 +10%

b) 56 -

Total: 108

• Insurance Services remunerates:

- c) **Financial Services** for promoting and selling insurance products² and for investment management services³;
- d) **Mail, Parcel and Distribution** for providing corporate services¹;

- c) Fixed % of upfront fees
- d) Depending on service/product

c) 130 +15%

d) 14 n.m.

Total: 143

• Financial Services remunerates:

- e) **Mail, Parcel and Distribution** for promoting and selling Financial, Insurance and PMD products throughout the network and for providing corporate services⁴;
- f) **Payments & Mobile** for providing certain payment services⁵

- e) Fixed % (depending on the product) of revenues
- f) Depending on service/product

e) 1,186 +2%

f) 63 (18%).

Total: 1,251

• Mail, Parcel and Distribution remunerates:

- g) **Payments & Mobile** for acquiring services and postman electronic devices
- h) **Financial Services** as distribution fees related to "Bollettino DTT"

- g) Annual fee
- h) Flat fee for each «Bollettino»

g) 9 (7%)

h) 10 +11%

Total: 19

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Total revenues	2,924	2,964	40	+1%	10,960	10,526	(434)	(4%)
of which:								
Mail, Parcel and Distribution	937	950	13	+1%	3,492	3,201	(292)	(8%)
Payments and Mobile	187	215	28	+15%	664	737	74	+11%
Financial Services	1,351	1,349	(2)	(0%)	5,135	4,945	(190)	(4%)
Insurance Services	450	451	1	+0%	1,669	1,643	(26)	(2%)
Total costs	2,690	2,685	(6)	(0%)	9,186	9,002	(184)	(2%)
of which:								
Total personnel expenses	1,776	1,760	(15)	(1%)	5,896	5,638	(258)	(4%)
<i>of which personnel expenses</i>	<i>1,452</i>	<i>1,341</i>	<i>(111)</i>	<i>(8%)</i>	<i>5,561</i>	<i>5,204</i>	<i>(356)</i>	<i>(6%)</i>
<i>of which early retirement incentives</i>	<i>328</i>	<i>423</i>	<i>94</i>	<i>+29%</i>	<i>342</i>	<i>434</i>	<i>93</i>	<i>+27%</i>
<i>of which legal disputes with employees</i>	<i>5</i>	<i>3</i>	<i>(2)</i>	<i>(32%)</i>	<i>6</i>	<i>1</i>	<i>(5)</i>	<i>n.m.</i>
Other operating costs	715	741	26	+4%	2,515	2,664	149	+6%
Depreciation, amortisation and impairments	200	183	(17)	(8%)	774	700	(75)	(10%)
EBIT	234	280	46	+20%	1,774	1,524	(250)	(14%)
EBIT Margin	+8%	+9%			+16%	+14%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	76	25	(51)	(67%)	99	52	(46)	(47%)
Profit before tax	310	305	(5)	(2%)	1,873	1,576	(296)	(16%)
Income tax expense	51	(3)	(54)	(106%)	530	370	(160)	(30%)
Profit for the period	259	308	49	+19%	1,342	1,206	(136)	(10%)

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenues	937	950	13	+1%	3,492	3,201	(292)	(8%)
Intersegment revenue	1,219	1,253	34	+3%	4,723	4,633	(90)	(2%)
Total revenues	2,156	2,203	47	+2%	8,215	7,833	(382)	(5%)
Personnel expenses	1,746	1,736	(11)	(1%)	5,782	5,539	(242)	(4%)
<i>of which personnel expenses</i>	<i>1,418</i>	<i>1,313</i>	<i>(105)</i>	<i>(7%)</i>	<i>5,442</i>	<i>5,107</i>	<i>(335)</i>	<i>(6%)</i>
<i>of which early retirement incentives</i>	<i>328</i>	<i>422</i>	<i>95</i>	<i>+29%</i>	<i>340</i>	<i>432</i>	<i>92</i>	<i>+27%</i>
Other operating costs	557	615	58	+10%	1,985	2,143	158	+8%
Intersegment costs	18	19	1	+6%	72	73	1	+2%
Total costs	2,321	2,370	49	+2%	7,838	7,755	(83)	(1%)
EBITDA	(165)	(167)	(2)	(1%)	377	78	(299)	(79%)
Depreciation, amortisation and impairments	186	178	(8)	(5%)	724	667	(58)	(8%)
EBIT	(351)	(344)	7	+2%	(347)	(588)	(241)	(69%)
EBIT MARGIN	(16%)	(16%)			(4%)	(8%)		
Finance income/(costs)	(43)	6	49	n.m.	(36)	12	48	n.m.
Profit/(Loss) before tax	(394)	(338)	55	+14%	(384)	(577)	(193)	(50%)
Income tax expense	(98)	(96)	2	+2%	(77)	(158)	(80)	n.m.
Profit for the period	(296)	(242)	54	+18%	(306)	(419)	(113)	(37%)

PAYMENTS & MOBILE

PROFIT & LOSS



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	187	215	28	+15%	664	737	74	+11%
Intersegment revenue	94	81	(13)	(14%)	375	341	(34)	(9%)
Total revenues	280	296	16	+6%	1,039	1,079	40	+4%
Personnel expenses	8	6	(1)	(19%)	31	25	(6)	(19%)
<i>of which personnel expenses</i>	7	6	(1)	(17%)	31	25	(6)	(19%)
<i>of which early retirement incentives</i>	0	0	(0)	n.m.	0	0	(0)	n.m.
Other operating costs	101	115	14	+14%	322	384	62	+19%
Intersegment costs	103	108	4	+4%	418	385	(32)	(8%)
Total costs	212	229	17	+8%	771	795	24	+3%
EBITDA	68	67	(1)	(2%)	268	284	16	+6%
Depreciation, amortisation and impairments	7	4	(3)	(42%)	27	25	(2)	(6%)
EBIT	61	63	2	+3%	241	259	18	+7%
EBIT MARGIN	22%	21%			23%	24%		
Finance income/(costs)	93	2	(91)	n.m.	99	8	(91)	n.m.
Profit/(Loss) before tax	155	66	(89)	(58%)	340	267	(74)	(22%)
Income tax expense	17	17	(0)	(0%)	68	73	4	+6%
Profit for the period	138	49	(89)	(65%)	272	194	(78)	(29%)



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	1,351	1,349	(2)	(0%)	5,135	4,945	(190)	(4%)
Intersegment revenue	171	186	15	+9%	691	665	(25)	(4%)
Total revenues	1,522	1,535	13	+1%	5,826	5,610	(215)	(4%)
Personnel expenses	11	11	(0)	(3%)	43	40	(3)	(7%)
<i>of which personnel expenses</i>	11	10	(0)	(3%)	42	39	(3)	(7%)
<i>of which early retirement incentives</i>	0	0	(0)	(3%)	2	1	(0)	(27%)
Other operating costs	18	(13)	(32)	(172%)	107	46	(61)	(57%)
Depreciation, amortisation and impairments	0	0	0	+21%	0	0	0	+4%
Intersegment costs	1,245	1,251	6	+0%	4,801	4,658	(142)	(3%)
Total costs	1,274	1,248	(26)	(2%)	4,951	4,745	(207)	(4%)
EBIT	248	287	39	+16%	874	866	(9)	(1%)
EBIT MARGIN	16%	19%			15%	15%		
Finance income/(costs)	11	3	(8)	n.m.	6	(9)	(15)	n.m.
Profit/(Loss) before tax	258	289	31	+12%	881	857	(24)	(3%)
Income tax expense	58	49	(9)	(15%)	240	210	(30)	(13%)
Profit for the period	200	240	40	+20%	640	647	7	+1%



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	450	451	1	+0%	1,669	1,643	(26)	(2%)
Intersegment revenue	0	1	1	+299%	1	1	1	+119%
Total revenues	450	452	1	+0%	1,670	1,644	(25)	(2%)
Personnel expenses	11	8	(3)	(28%)	40	33	(7)	(17%)
<i>of which personnel expenses</i>	11	8	(3)	(28%)	40	32	(8)	(19%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	1	1	n.m.
Other operating costs	39	25	(14)	(36%)	102	92	(10)	(10%)
Depreciation, amortisation and impairments	6	1	(5)	(81%)	24	8	(15)	(66%)
Intersegment costs	118	143	26	+22%	499	523	25	+5%
Total costs	174	177	3	+2%	664	656	(8)	(1%)
EBIT	276	274	(2)	(1%)	1,006	988	(18)	(2%)
EBIT MARGIN	61%	61%			60%	60%		
Finance income/(costs)	15	14	(1)	(5%)	30	41	12	+39%
Profit/(Loss) before tax	291	289	(2)	(1%)	1,035	1,029	(6)	(1%)
Income tax expense	73	27	(46)	(63%)	298	245	(54)	(18%)
Profit for the period	218	262	44	+20%	737	784	47	+6%

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 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.

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.

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