

POSTE ITALIANE

2024 SUSTAIN & INNOVATE

- **Poste Italiane's new strategic plan – 2024 Sustain & Innovate – built on successful Deliver22 execution – continues a sustainable and profitable growth trajectory**
- **A clear commitment to deliver value creation: €1.6bn net profit in 2024 (+33% vs 2020).**
- **Visible and competitive dividend policy: DPS +35% over the plan horizon**
- **Mail, Parcel & Distribution fully-fledged profitable logistics player by 2025 with a higher revenue share from parcel vs mail**
- **Financial Services model based on People (dedicated training), Products (enhanced product range) and Platform (data-driven customer profiling)**
- **Insurance Services steady growth trajectory, with Life at the core of Group wealth management and profitable growth in P&C**
- **Payments & Mobile supporting Group omnichannel platform through the integration of payments, telco and energy**
- **Poste Italiane to become net zero emissions by 2030**

STRATEGIC HIGHLIGHTS

- **Plan leveraging on emerging new trends across all businesses**
- **Achievable financial targets and KPIs thanks to revenue growth and renewed focus on operational performance: revenues up 3% (CAGR 2019-2024)**
- **Enhanced and sustainable dividend policy based on solid cash generation: DPS +14% in 2021 Y/Y and +6% every year over the plan horizon**
- **Become the single point of entry for all Italians' daily needs and maximise the value of the powerful omnichannel network**
- **Shifting from a mail centric operator into a parcel driven business, leader in the B2C segment**
- **Half of over 11 million daily customer interactions generated from new channels (digital and third-party network), representing 12% of relevant revenues (up to 20% by 2024)**
- **Cultivating a culture of innovation, with the new Digital Technology and Operations division to accelerate Group digitalisation, upgrading the IT architecture and migrating to Italy's largest proprietary cloud**
- **A financial services model based on People (dedicated training), Products (enhanced product range, responding to wider customer needs) and Platform (data-driven**

- customer profiling)
- Confirming Poste Italiane's support to Italy's digitalisation, connecting the country in the new hybrid world
 - Delivering responsible growth, supporting Italy's transition to a sustainable low carbon economy and social integrity through innovation and digitalisation
 - Continuing investments in transformation and business innovation as an enabler for future growth.

FINANCIAL HIGHLIGHTS

- Sustainable and competitive dividend policy linked to Group performance: baseline of €0.55 DPS for 2021 (60% pay-out ratio¹, +14% vs. 2020), increasing by 6% per annum (2019 - 2024)
- Group Revenue up by 3% CAGR (2019 - 2024) to €12.7bn in 2024 with positive contributions from all business segments
- Operating Profit up by 5% CAGR to €2.2bn (2019 - 2024), driven by operational efficiency
- Net Profit up by 6% CAGR to €1.6bn (2019 - 2024)
- Customers' Total Financial Assets growing to €615bn in 2024 (2020: €569bn), supported by a changing investment product mix
- Capital expenditure: record €3.1bn between 2021 and 2024 supporting transformation, with more than 60% of investments being ESG related
- Steady net financial position in Mail, Parcel & Distribution -€1.9bn in 2020 to -€1.8bn in 2024, with operating cash generation supporting capex & dividend distribution.

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

Rome, 19 March 2021: The Board of Directors of Poste Italiane S.p.A (“Poste Italiane”) chaired by Maria Bianca Farina, approved on March 18, 2021, ‘2024 Sustain & Innovate’, a four-year strategic plan designed to thrive on the strong foundations laid with Deliver22.

The successful execution of Deliver22 has been built around the Group’s historical competitive advantages, anticipating and addressing areas of growth with a proactive and clear strategic view. The Joint Delivery Model was a key enabler for delivering 210 million parcels in 2020, more than doubling 2016 volumes. Record TFA’s of €569bn were reached in 2020, with Postal Savings outflows at lowest levels since 2012.

‘2024 Sustain and Innovate’ will continue to deliver co-ordinated growth opportunities in all our businesses. With execution underpinned by long-term strategic vision, the Group aims to:

- confirm Poste Italiane’s role as a strategic pillar for Italy. Poste Italiane continues to play a vital role in Italy’s vaccination plan
- deliver responsible growth and drive Italy’s sustainability and social integrity, with a strategy structured along 8 pillars and in full alignment with UNSDGs
- drive the accelerated shift towards digital and third party-network channels
- evolve the logistic network throughout the value chain, to capture the full growth potential coming from the growing parcel market. By 2025 over 50% of revenues in the Mail & Parcel segment will come from the parcel business (20% in 2017)
- achieve customer portfolio diversification across savings, insurance and investment products, building on the position as the preferred financial partner, through a state-of-the-art, data-driven technology platform while becoming fully omnichannel
- keep payments as the core and uniquely build on the telco business with the intention of engaging with customers towards more value-added services such as the energy product offer in early 2022

‘2024 Sustain & Innovate’ has pragmatic and achievable financial targets and clearly defined KPIs, including mid-plan objectives.

Operating profit will further improve from €1.5 billion to €2.2 billion by the end of the plan, supported by revenue growth and cost discipline in all business segments. Targets are built on granular and diverse initiatives, with a low execution risk.

Commenting on the new plan, Matteo Del Fante, Chief Executive Officer and General Manager, said:

“With our ‘24 Sustain & Innovate’ (‘24SI’) Plan, we are able to build and grow on the solid foundations put in place with Deliver22 with achievable targets across all our four businesses. Revenues will grow steadily throughout the plan, with EBIT and Net Profit increasing 5% and

6% CAGR respectively, generating €0.4 billion of incremental EBIT between 2019 and 2024. After a step up of 14% in 2021, the dividend per share will benefit from a 6% annual growth. The turnaround in mail and parcels is fully underway and it is the first time parcels will represent a higher revenue proportion than mail, while we will become a fully-fledged logistics player with a sustainable business. In financial and insurance services, the priority is to become the main reference point for all customers' needs, from savings to insurance and loans, attracting them with data driven advisory across all Poste's distribution channels. We will leverage cross and up selling expertise in Payments & Mobile, confirming the leadership in digital payments, introducing broadband connectivity and entering the power and gas market in 2022 with a fair, competitive and customer friendly offering.

Our strategic foresight in creating a cloud-based architecture, leads the Group to be Italy's number one cloud services user. We are delivering new products and services that will help our customers, businesses, the Public Administration and the country as a whole for years to come, with the commitment in creating significant value for all stakeholders.

Confirming the relevance of the environmental topics for our strategy, Poste Italiane will become a net zero emission company by 2030.

Our people have proved to be a cornerstone of our success and we will continue to invest in their skills. We are proud of our key role in the countrywide vaccination plan, with about 2 million vaccine doses already delivered supporting the Italian Army's operations thanks to our cloud native technological platform.

The '24SI' plan transforms challenges into opportunities thanks to the robustness and flexibility of our strategic approach to business. We will confirm with a 'yes' our promise to achieve our 2024 targets.

Poste Italiane is the Italy's most valuable engine of innovation and digitalisation, linking customers, citizens, businesses and the Public Administration physically and digitally."

2024 GROUP FINANCIAL TARGETS

- Group Revenue: €12.7bn (2020: €10.5bn) organic growth with improved quality mix
- Operating Profit: €2.2bn (2020: €1.5bn) improved contributions from all segments
- Net Profit: €1.6bn (2020: €1.2bn) group-wide cost discipline and revenue growth
- Dividend policy: baseline of €0.55 DPS for 2021 (+14% vs. 2020), increasing by 6% per annum up to 2024.

MAIL, PARCEL & DISTRIBUTION

2024 Financial Targets

- Segment Revenues: €3.9bn (2020: €3.2bn) with increased parcel revenues offsetting mail decline
- Parcel Revenues: €1.8bn (2020: €1.16bn) with growth sustained by continued leadership in the B2C market
- Revenue/Employee: to increase from €63,000 in 2020 to €79,000 in 2024

2024 Operational Objectives

- B2C Market share: 38% (2019: 35%)
- C2C Market share: 57% (2019: 41%)
- 100% lean approach roll-out in sorting centres
- Punto Poste population coverage (within a 1 km range): 80% (2019: 40%)

Poste Italiane aims at becoming the logistic operator of choice, ensuring economic and environmental sustainability and the transformation of the business from a mail to parcel-centric operator.

The successful introduction of the Joint Delivery Model will facilitate further efficiency initiatives such as contactless delivery and *postini* mileage reductions, exploiting the higher coincidence enabled by the Punto Poste network expansion. The integration of Nexive will create relevant cost synergies, mostly collected by 2022. Overall network evolution will increase productivity, supported by the activation of the “World Class Mail and Parcel” lean programme along the whole value chain.

The complete reshape and renewal of the *postini* fleet, with increasing load-factors matching higher parcels demand, will enable a 40% emissions cut, thanks to the introduction of hybrid and full electric vehicles. By 2021, two Italian cities will be fully served by electric vehicles.

FINANCIAL SERVICES

2024 Financial Targets

- Gross Revenues: €5.9bn (2020: €5.61bn) stable despite conservative portfolio yield assumptions, leveraging effective distribution capabilities
- EBIT: €0.7bn (2020: €0.87bn) reflecting higher intersegment costs related to the commercial effort required. This is in line with the increased value of our advisory model, including an upgraded role of our financial advisors to meet more complex

customers' needs.

2024 Operational Objectives

- Total Financial Assets: €615bn (2020: €569bn), with an improving mix between liquidity and investment products
- Fees per client at €290 in 2024 (2020: €243) as a result of an increased average ticket per product sold and higher value per client

In Financial Services, Poste Italiane will effectively respond to changing customer preferences and behaviours, leveraging the unique strengths and assets of the Group, with an omnichannel and customer-centric approach.

In wealth management, growth in the coming years will be driven by diversification of customer portfolios and further segmentation, fuelled by new products to maximise risk-return profile, with an ESG focus.

Financial advisors will improve efficiency of portfolios, supported by clients' profiling and the integration of P&C into the advisory model.

INSURANCE SERVICES

2024 Financial Targets

- Segment Revenues: €2.7bn (2020: €1.64bn) with robust growth across all lines and an increasing diversification thanks to the fast-growing P&C business, with a 2019-24 segment CAGR of 10%
- EBIT: €1.3bn (2020: €0.99bn) improving steadily as a result of revenues more than offsetting the higher intersegment costs required to remunerate the enhanced advisory and commercial effort.

2024 Operational Objectives

- Life Gross Written Premiums: €26.5bn (2020: €16.7bn) with a sustainable and capital efficient mix and an attractive risk-return for retail investors
- Protection GWP: €1.5bn (2020: €0.3bn) leveraging on a fully-fledged P&C business

now in place, including a smart distribution model for motor insurance, with no underwriting risk

- Mix of life investment products: Multiclass more than 60% of life GWP (2020: 34%)

In Insurance Services, Poste Italiane will strengthen its leadership position in Life, thanks to its investment products, ideally positioned to serve the increasing demand by retail investors for low risk and volatility investments.

The fully-fledged P&C business is ready to serve the increased demand for health and property protection expected in the post Covid-19 environment. Thanks to the in-house TPA² for health insurance and fully digital claims management capabilities already in place, this will translate into profitable growth for the division.

Poste Italiane aims to bridge the divide between Italians underinsurance compared to the majority of other European countries leveraging on the integration of P&C covers within life investment products.

Starting from a strong capital position, the management ambition of a Solvency 2 capital ratio above 200% through the cycle is confirmed, with a commitment to reduce by 50% by 2024 the sensitivity of the ratio to the main risk factors.

PAYMENTS & MOBILE

2024 Financial Targets

- Segment Revenues: €1.6bn (2020: €0.74bn) with relevant contribution from payments and the new energy business
- EBITDA: €0.4bn (2020: €0.28bn) with a 2019-24 segment CAGR of 8%
- EBIT: €0.4bn (2020: €0.26bn) with a 2019-24 segment CAGR of 10%

2024 Operational Objectives

- Total payment cards portfolio to reach 29.6m

² Third Party Administrator.

- Total card transactions to grow with a 2019-24 CAGR of 14%, (e-commerce transactions to grow 29%, 2019-2024 CAGR)
- Digital e-wallets: 10.7m (2020: 7.4m)

Payments & Mobile's fully embeds the omnichannel service model, leveraging the Group's physical network assets, evolving towards the digital world and encompasses all Poste Italiane's new channels evolutions.

The division has the opportunity to further increase cross-selling activities and will be pivotal in offering customers new FTTP³ services and from mid-2022 the new energy services offer, leveraging on an energy-fintech approach.

HUMAN CAPITAL

2024 Targets

- Ordinary HR costs / Revenue: 43% (2020: 49%) confirming focus on business growth
- Early retirement incentives: €0.1bn (2020: €0.43bn)
- Targeting a 25% workforce renewal by 2024 versus 2017
- Value added/FTE: to increase from €64,000 in 2020 to €77,000 in 2024

CAPITAL INVESTMENT PROGRAM

2024 Financial Targets

- Total Capex 2021-2024: €3.1bn (2017-2020: €2.4bn)
- Capex on revenues: c. 7% (2017-2020: 6%)
- Total capex split: 61% IT, 22% Real Estate and 17% other

'2024 Sustain & Innovate' will be supported by an effective investment program, driving innovation across all businesses with €3.1bn, maintaining the ratio of capital expenditures over revenues stable, thanks to efficient business management and conservative cost strategy.

REMUNERATION STRATEGY

Poste Italiane's has a new flexible and innovative "Reward Platform" model, with an integrated approach combining Human Capital Development, Environmental, Social & Governance (ESG) and Financial Sustainability strategies. Key objectives include:

Financial Sustainability

³ FTTP (Fibre To The Premises, broadband offer)

- total self-financing of all short and long term incentive schemes
- aligning management interests with shareholders'

Environmental, Social & Governance (ESG)

- increase in weight of non-financial objectives
- highest level of disclosure on remuneration items

Human Capital Development

- people development
- reward competitiveness, in respect of moderate remuneration levels

SOLID AND EFFICIENT BALANCE SHEET

Poste Italiane will maintain a strong balance sheet and an efficient capital structure throughout 2024 Sustain & Innovate.

STEADY NET FINANCIAL POSITION TO SUPPORT DIVIDENDS AND CAPEX PLAN

Shareholder's equity will increase over the plan, pursuing an efficient Group capital structure.

Insurance Services will continue to enjoy a solid capital position with a Solvency II ratio over 200% through the cycle, well in excess of regulatory requirements.

BancoPosta has a strong capital positions, with CET 1 ratio at 17% in 2024, thanks to its capital light business model centred on distribution of third-party products, with no credit risk.

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Forward looking statements and other important information

This document contains certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

These forward-looking statements are made as of the date of this document and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what is expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or estimate precisely, including, but not limited to, changes in the legislative and regulatory framework, market developments, price fluctuations and other risks and uncertainties, such as, for instance, risks deriving from the recent Covid-19 pandemic and from the restrictive measures taken by each Country to face it.

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

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

Except as may be required by applicable law, Poste Italiane has no intention or is under any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances after the date of this presentation.

Pursuant to art. 154- BIS, par.2, of the Consolidated Financial Bill of February 24, 1998, the executive (*Dirigente Preposto*) in charge of preparing the corporate accounting documents at Poste Italiane, Alessandro Del Gobbo, declares that the accounting information contained herein corresponds to document results and accounting books and records.

This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements. Financial information relating to full year 2020 shown in this document refer to preliminary results.

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