





# POSTE ITALIANE

# Q1-21 FINANCIAL RESULTS

ROME, MAY 12, 2021

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-   EXECUTIVE SUMMARY
-  BUSINESS REVIEW
-  APPENDIX



# EXECUTIVE SUMMARY Q1-21



- SOLID FINANCIAL PERFORMANCE AS BUSINESS CONTINUES TO RECOVER
- POSITIVE COMMERCIAL TRENDS IN Q1-21 DESPITE EMERGENCY RELATED RESTRICTIONS & COSTS
- B2C VOLUMES DOUBLING YEAR ON YEAR
- TFA INFLOWS BOOSTED BY INSURANCE PRODUCTS
- STRONG GROWTH IN CARD PAYMENTS WITH INCREASING TRANSACTIONS
- STRATEGIC PILLAR FOR ITALY - STRONGER BRAND REPUTATION
- '2024 SUSTAIN & INNOVATE' EXECUTION WELL ON TRACK

# Q1-21 RESULTS

## STRONG START ON DELIVERING 24SI STRATEGY

€ m unless otherwise stated

	Q1-20 <sup>1</sup>	Q1-21	VAR.	VAR. (%)
REVENUES	2,671	2,933	+262	+9.8%
TOTAL COSTS	2,230	2,313	+82	+3.7%
EBIT	441	620	+180	+40.8%
NET PROFIT	306	447	+141	+46.0%

# 24SI EXECUTION UPDATE - ON TRACK



## Mail & Parcel

- E-commerce from China boosted by JV with Sengi
- Integration with Nexive on track
- Newly automated hub (c.270k daily parcels)
- Logistic and IT expertise to support vaccinations (up to 37% of Italians)



## Financial Services

- New "customer needs' model" to support advisors
- Tax credits purchase boosting financial products sale for retail and SME customers
- Remote advisory model implementation started with automated digital offer for postal savings



## Insurance Services

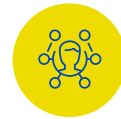
- Half of GWP now multiclass products
- New product integrating life and protection
- Modular offer showing tangible signs of growth



## Payments & Mobile

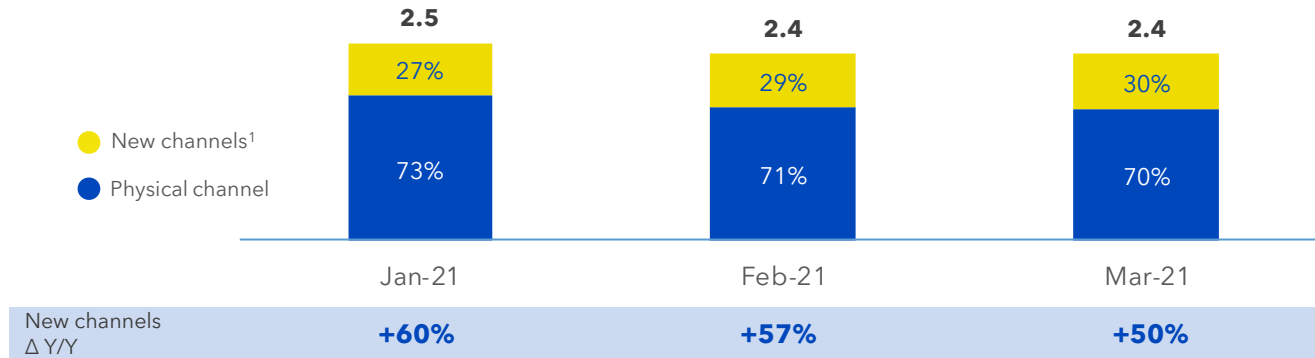
- 51% increase in e-commerce transactions supporting digital strategy
- Broadband commercial offer to be launched in May
- Wholesale telco contract to provide efficiencies from H2

# BUSINESS TRENDS: MAIL, PARCEL & DISTRIBUTION



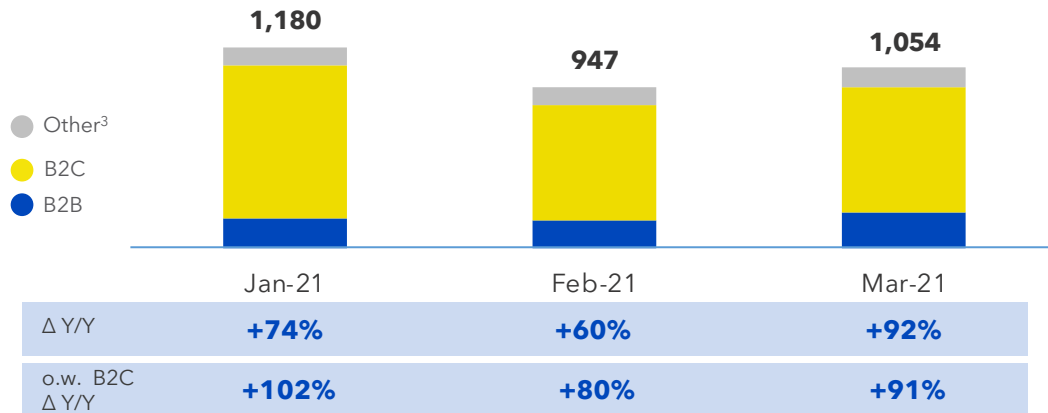
## DISTRIBUTION CHANNELS

(DAILY AVG., M/ TRANSACTIONS)



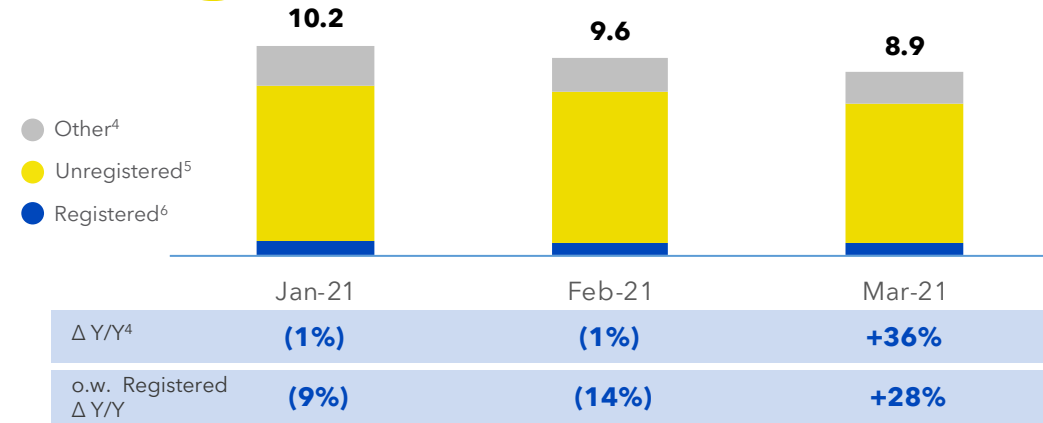
## PARCEL VOLUMES<sup>2</sup>

(DAILY AVG., K/ PCS)



## MAIL VOLUMES<sup>2</sup>

(DAILY AVG., M/ PCS)



1. Includes digital and third party networks 2. 2020 figures excluding Nexive 3. Includes C2X, International, other 4. Includes multichannel service, basic services, Postel, other integrated services 5. Includes unrecorded mail, direct marketing and editorial 6. Includes recorded mail and integrated services

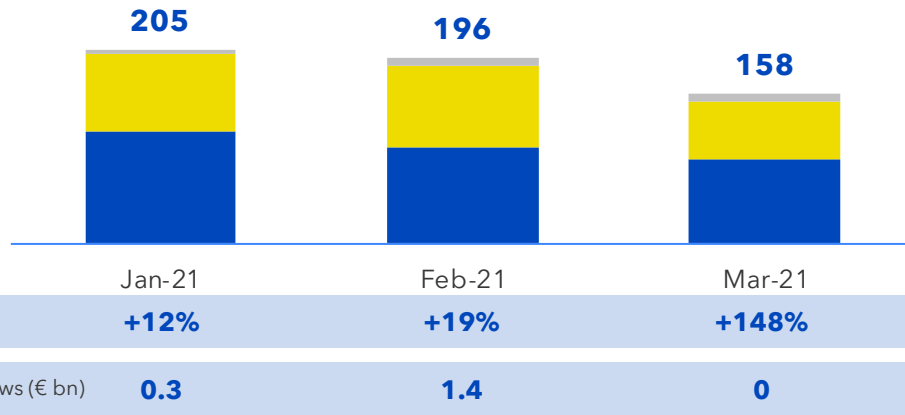
# BUSINESS TRENDS: PAYMENTS & MOBILE, FINANCIAL & INSURANCE SERVICES



## GROSS INVESTMENT INFLOWS

(DAILY AVG., €/M)

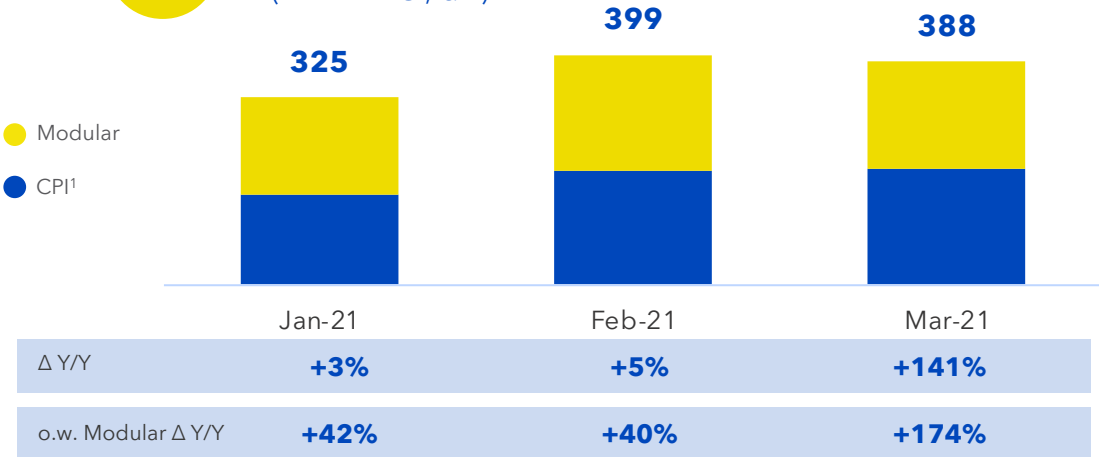
- Other
- Insurance products
- Postal bonds



## P&C RETAIL NEW BUSINESS

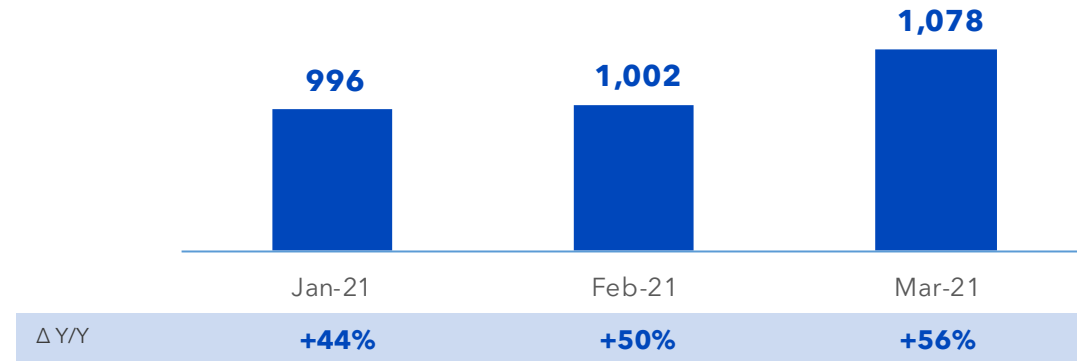
(DAILY AVG., €/K)

- Modular
- CPI<sup>1</sup>



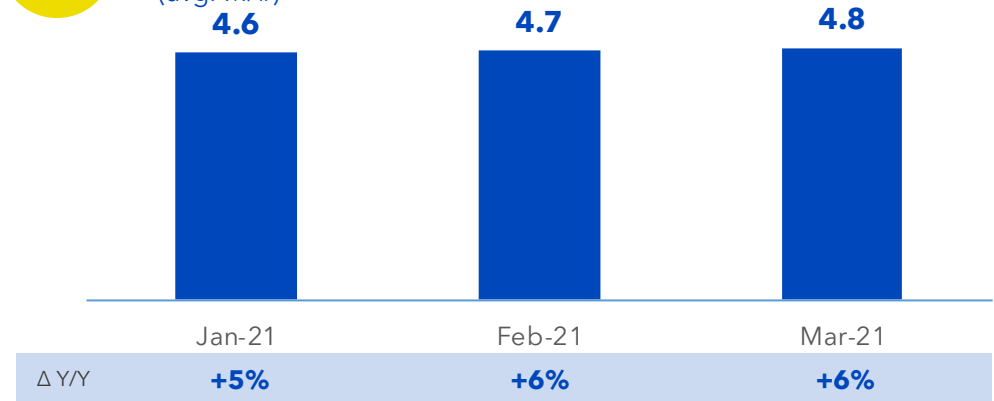
## POSTEPAY DAILY AVG. E-COMMERCE

TRANSACTIONS (DAILY AVG., K/#)



## TELCO: CUSTOMER BASE

(avg. M/#)

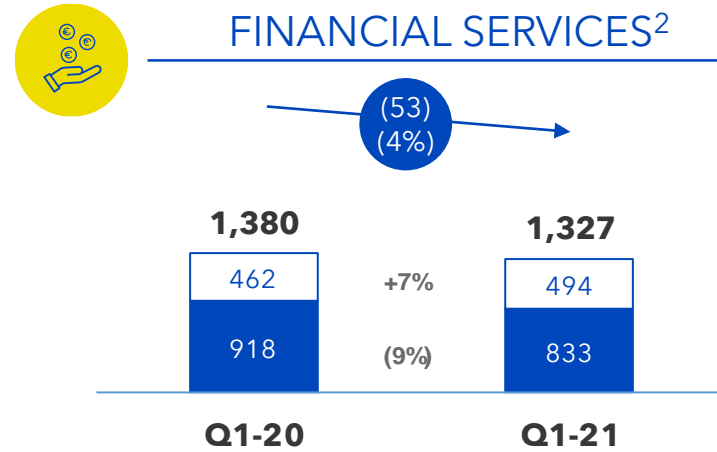
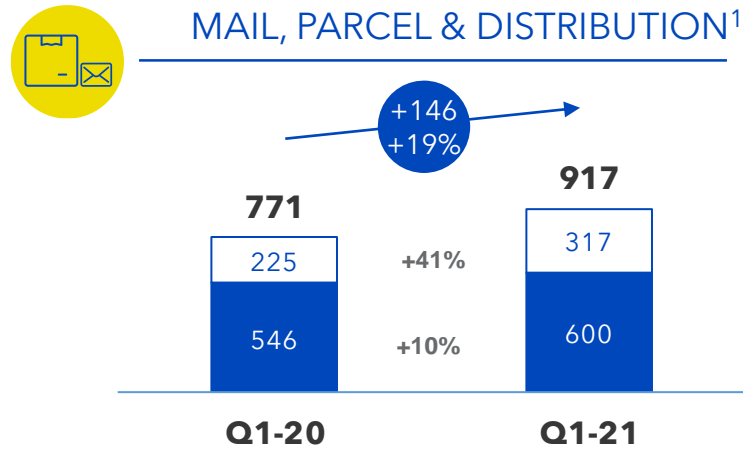


1. Credit protection insurance

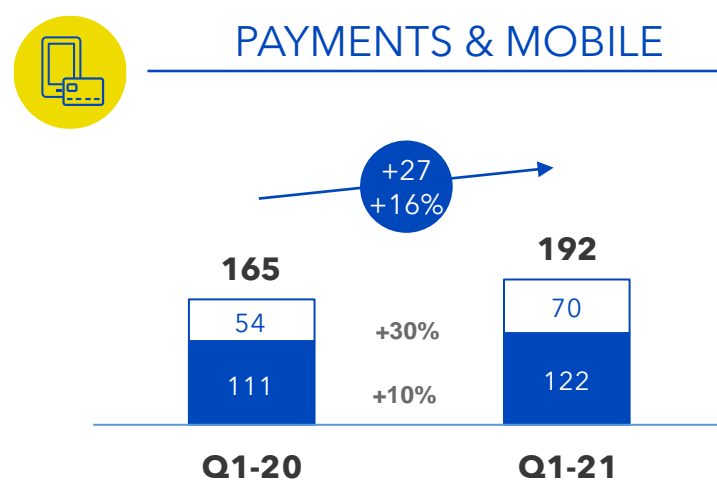
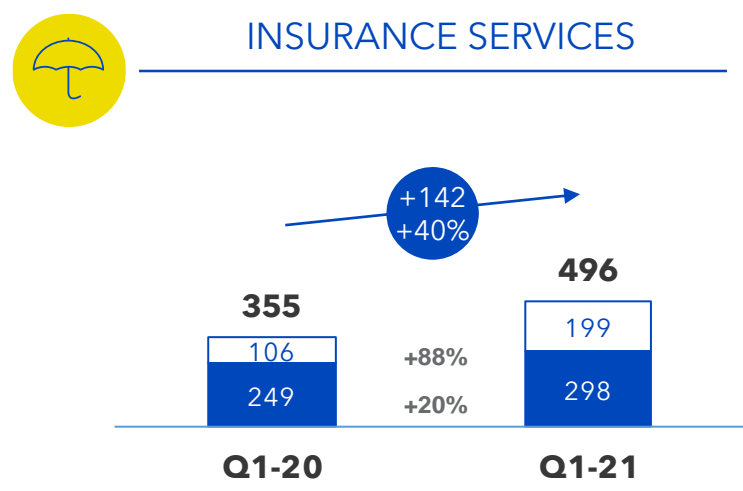
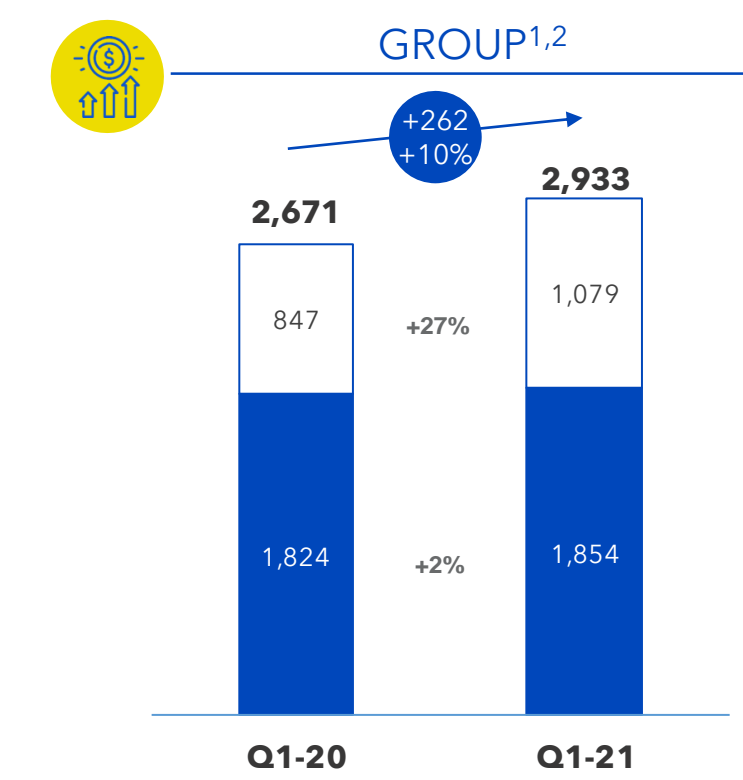
# SEGMENT REVENUES

## RESULTS IN LINE WITH 24SI STRATEGY

€ m unless otherwise stated




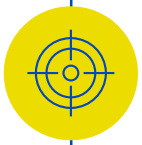

● Jan + Feb ○ Mar



1. Q1-20 excluding Nexive 2. Revenues are now presented net of interest income charges and capital losses on investment portfolio, previously booked as costs. 2020 figures have been restated accordingly



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# MAIL, PARCEL & DISTRIBUTION

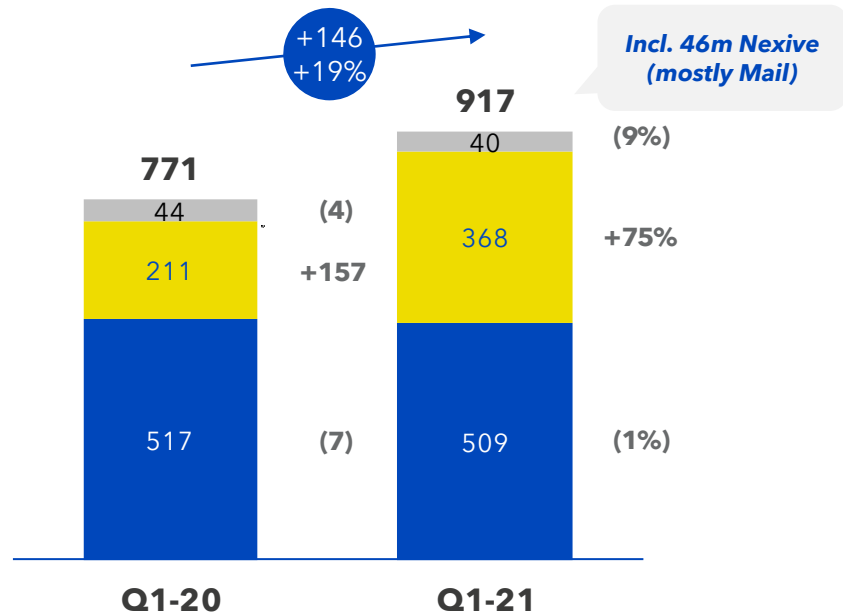
## STRONG REVENUE INCREASE BOOSTED BY RECORD HIGH PARCELS

€ m unless otherwise stated

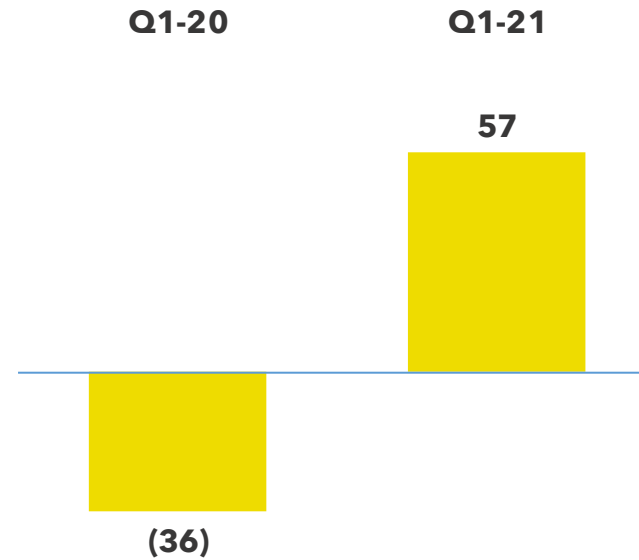


- Other<sup>2</sup>
- Parcel
- Mail

### SEGMENT REVENUES<sup>1</sup>



### EBIT<sup>1</sup>



### HIGHLIGHTS

- Mail revenues on track with Nexive contribution offsetting slower registered mail recovery
- Impressive parcel revenue growth supported by all products
- Distribution revenues consistent with recovery of commercial activities
- Positive EBIT thanks to revenue growth and HR cost reduction

Distribution Revenues <sup>3</sup>	Q1-20	Q1-21
	<b>1,260</b>	<b>1,275</b>

1. 2020 excluding Nexive 2. Includes Philately, Patenti Via Poste, Poste Motori, Poste Air Cargo and other revenues 3. Includes income received by Other Segments in return for use of the distribution network and Corporate Services

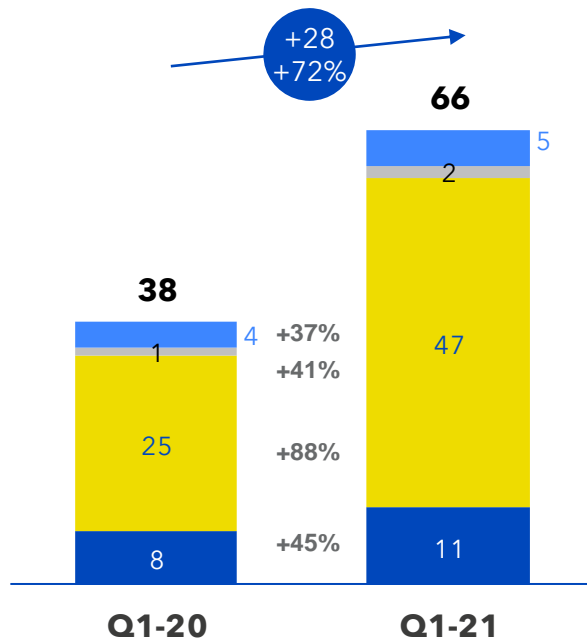
# MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

## IMPRESSIVE PARCEL GROWTH FROM ALL PRODUCTS - MAIL BENEFITTING FROM NEXIVE CONSOLIDATION



### PARCEL VOLUMES<sup>1</sup> (M, PC)

- Other<sup>2</sup>
- C2X
- B2C
- B2B

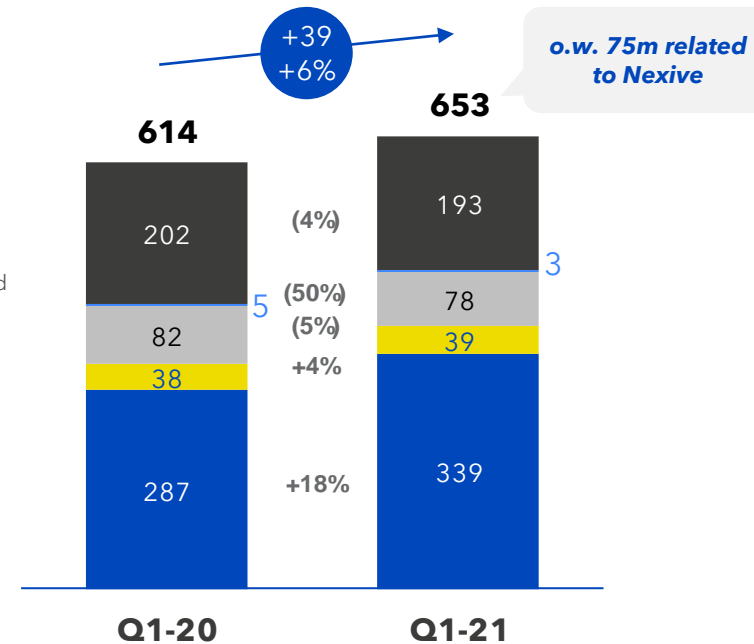


Avg. B2C price index (Base 100) <sup>3</sup>	100	94
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### MAIL VOLUMES<sup>1</sup> (M, PC)



- Other<sup>4</sup>
- Integrated Services
- Direct marketing
- Recorded mail
- Unrecorded mail



Avg. price index (Base 100)	100	93
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### HIGHLIGHTS

- B2C volumes doubling y/y supported by top customers and China
- B2C parcel tariff down, with 4x inbound volumes from China
- Mail volumes up thanks to Nexive contribution
- Mail tariff down due to lower tariff product mix

1. 2020 excluding Nexive 2. Includes International parcels and partnerships with other logistic operators 3. Including logistic value chain contribution from China inbound volumes and proforma for Nexive in 2020 4. Includes Multichannel services, Editorial services, Postel volumes and other basic services

# FINANCIAL SERVICES

## INSURANCE PRODUCT SALES GROWTH MORE THAN OFFSETTING NII DECLINE



### GROSS REVENUES<sup>1,2</sup>

€ m unless otherwise stated

○ Intersegment distribution revenues (o.w. insurance)

● Asset management

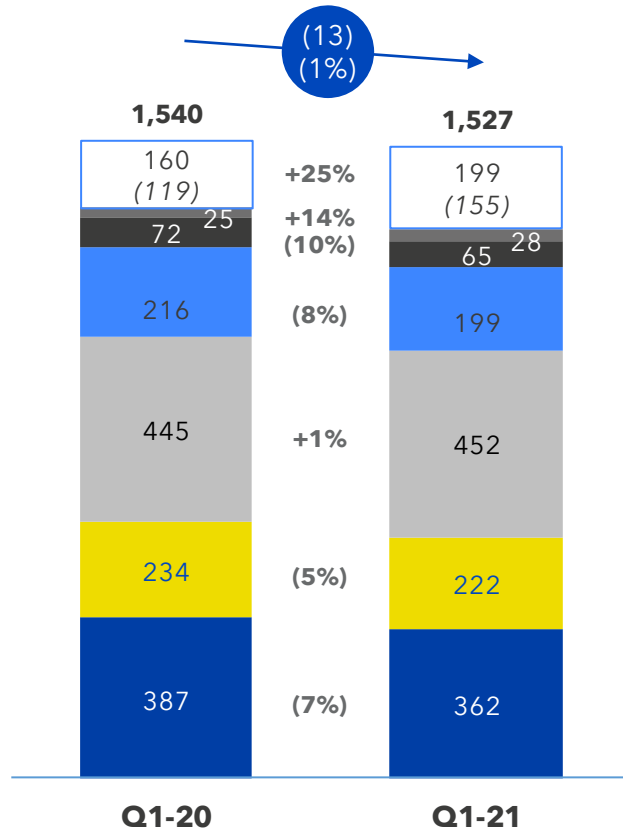
● Loan & mortgage distribution<sup>4</sup>

● Transaction banking<sup>3</sup>

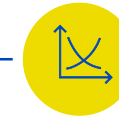
● Postal savings

● Active portfolio management

● Net interest income

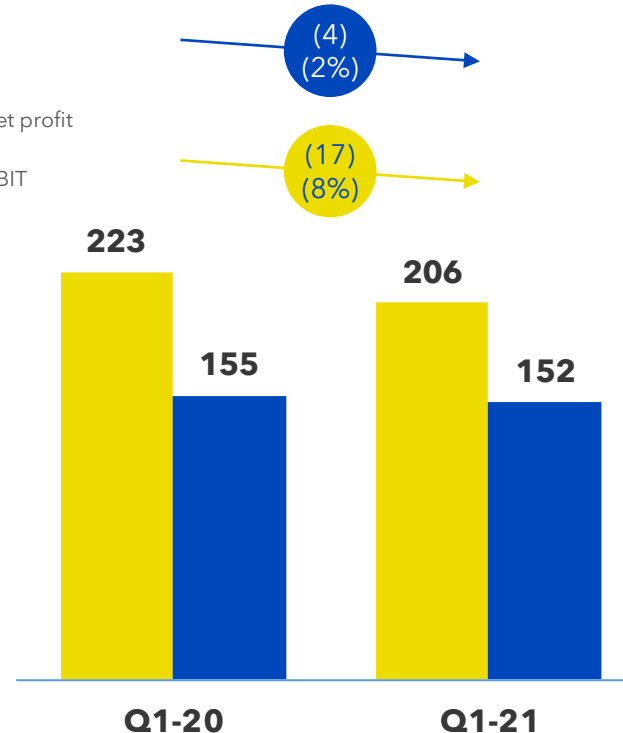


### EBIT & NET PROFIT



● Net profit

● EBIT



### HIGHLIGHTS

- NII down on lower rates, mitigated by higher deposits
- Contribution from active portfolio management secured for FY21
- Postal savings fees flat
- Consolidating market share in loans & mortgages
- Transaction banking down on fewer payment slips
- Distribution fees up thanks to strong insurance inflows

1. Figures presented include intersegment distribution revenues 2. Revenues are now presented net of interest income charges and capital losses on investment portfolio, previously booked as costs. 2020 figures have been restated accordingly 3. Includes revenues from payment slips (*bollettino*), banking accounts related revenues, fees from INPS and money transfers, Postamat 4. Includes reported revenues from custody accounts, credit cards, other revenues from third party products distribution.

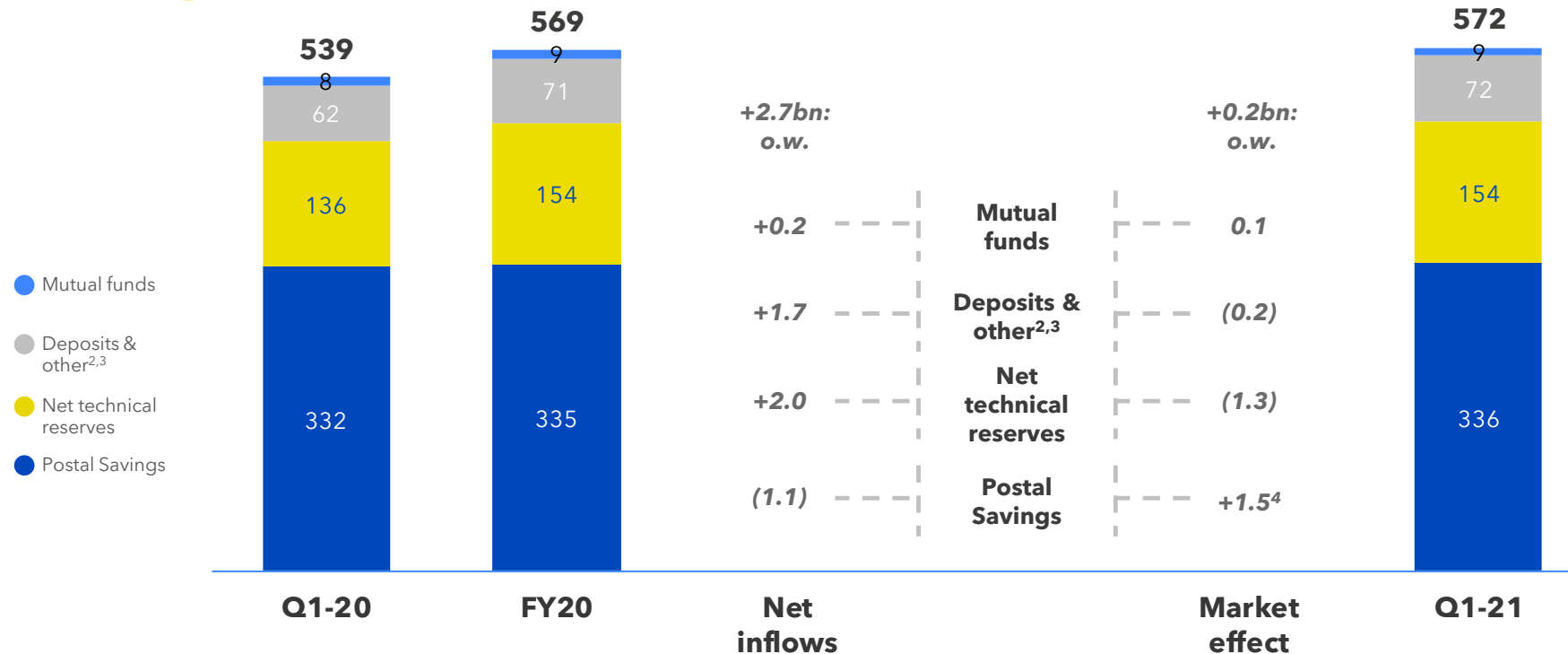
# GROUP TOTAL FINANCIAL ASSETS

TFA<sub>s</sub> INCREASE DRIVEN BY € 2.7BN NET INFLOWS, MAINLY RELATED TO INSURANCE PRODUCTS

€ bn unless otherwise stated



## TFA EVOLUTION<sup>1</sup>



## HIGHLIGHTS

- All components of TFA growing steadily:
- Postal savings +0.4bn related to accrued interests
- Net technical reserves +0.7bn boosted by multiclass and new class I products
- Deposits +1.5bn mainly related to continued preference for liquidity products

Net inflows	<b>6.4</b>	<b>17.8</b>	<b>2.7</b>
Retail net inflows	<b>5.7</b>	<b>15.0</b>	<b>1.6</b>

1. End of period figures 2. Includes deposits and Assets Under Custody 3. Deposits do not include REPOs and Poste Italiane liquidity 4. Includes accrued interests

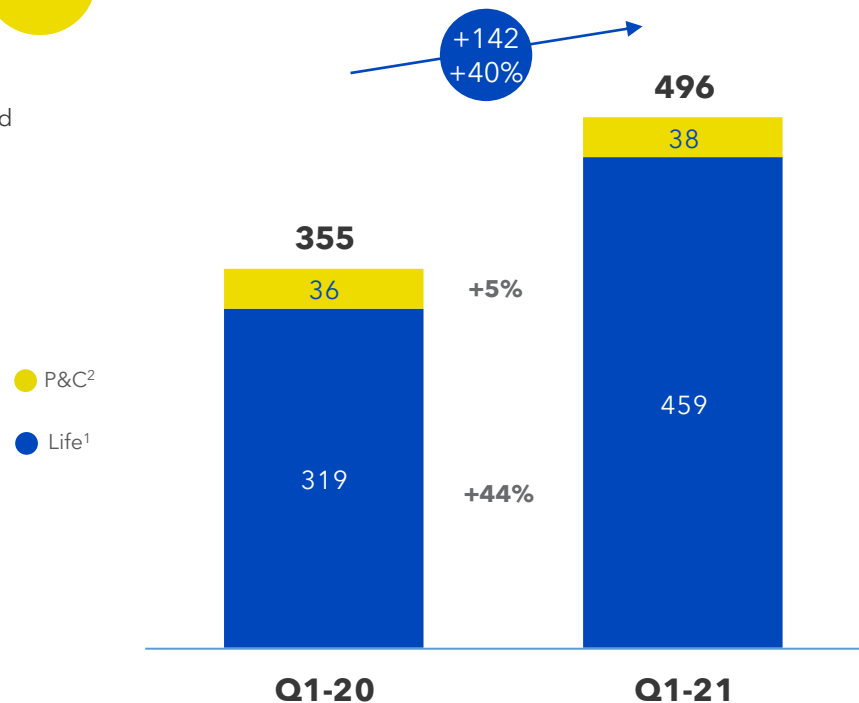
# INSURANCE SERVICES

## INSURANCE AT THE CORE OF WEALTH MANAGEMENT STRATEGY

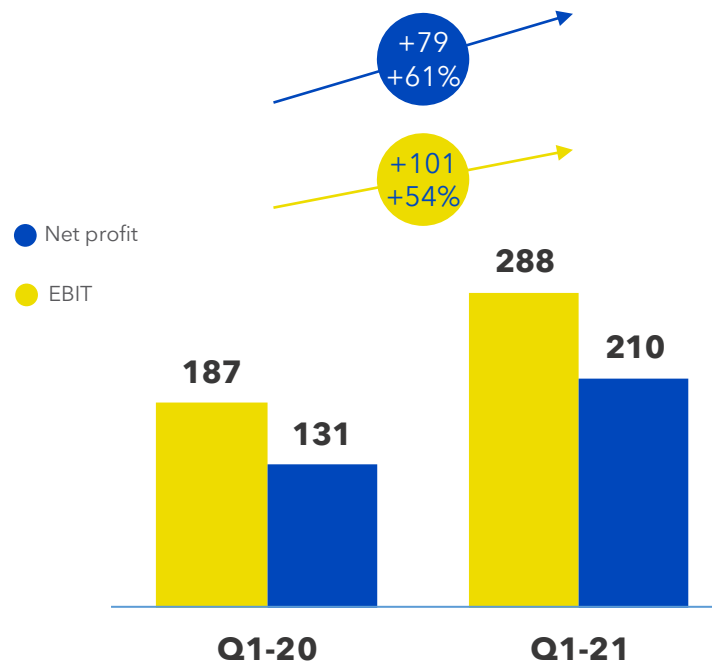
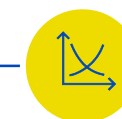


### SEGMENT REVENUES<sup>1,2</sup>

€ m unless otherwise stated



### EBIT & NET PROFIT



### HIGHLIGHTS

- Life revenues strongly up thanks to increasing volumes and higher margin products
- Non-life revenues up supported by modular offer and welfare
- EBIT up despite increased distribution costs related to higher inflows

Life GWP (€ bn)	<b>4.5</b>	<b>5.7</b>	Combined ratio (%) <sup>3</sup>	<b>82.0</b>	<b>85.4</b>
% of Multiclass	<b>39</b>	<b>46</b>	Lapse rate (%)	<b>2.69</b>	<b>2.86</b>

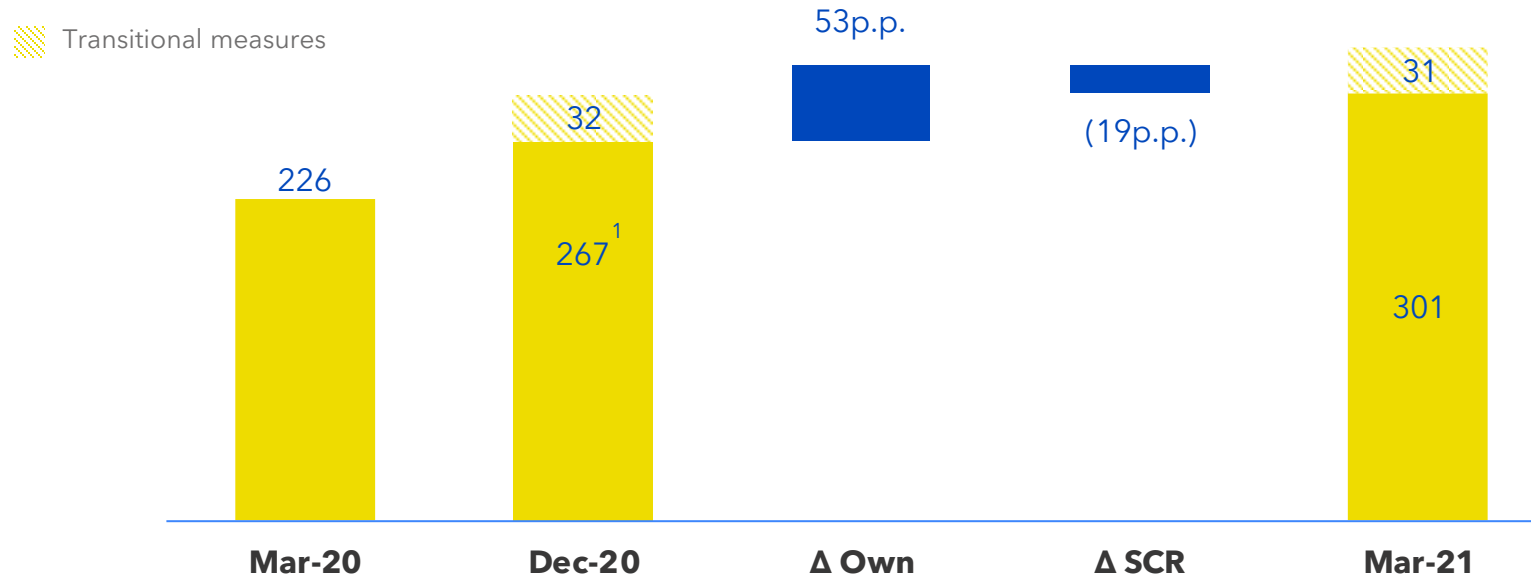
1. Includes Private Pension Plan (PPP) 2. Includes Poste Welfare Servizi (PWS) and Poste Insurance Broker (PIB) 3. Net of reinsurance

# SOLVENCY II RATIO

## SOLVENCY II RATIO BENEFITTING FROM FAVOURABLE MARKET CONDITIONS



### SOLVENCY II RATIO EVOLUTION



Core Solvency Ratio (%) <sup>2</sup>	149	175	173
10Y SWAP (bp)	(2)	(26)	7
BTP-SWAP SPREAD (bp)	154	81	60

### HIGHLIGHTS

- Solvency II ratio benefitting from increasing risk free rates and narrowing spreads across all asset classes (BTP, Corporate and high yield)
- Transitional measures provide additional 31p.p. to address potential market volatility

1. Net of dividends 2. Core Solvency Ratio defined as (shareholders' Equity + retained earnings + Tier 2) / SCR. More details on page 38

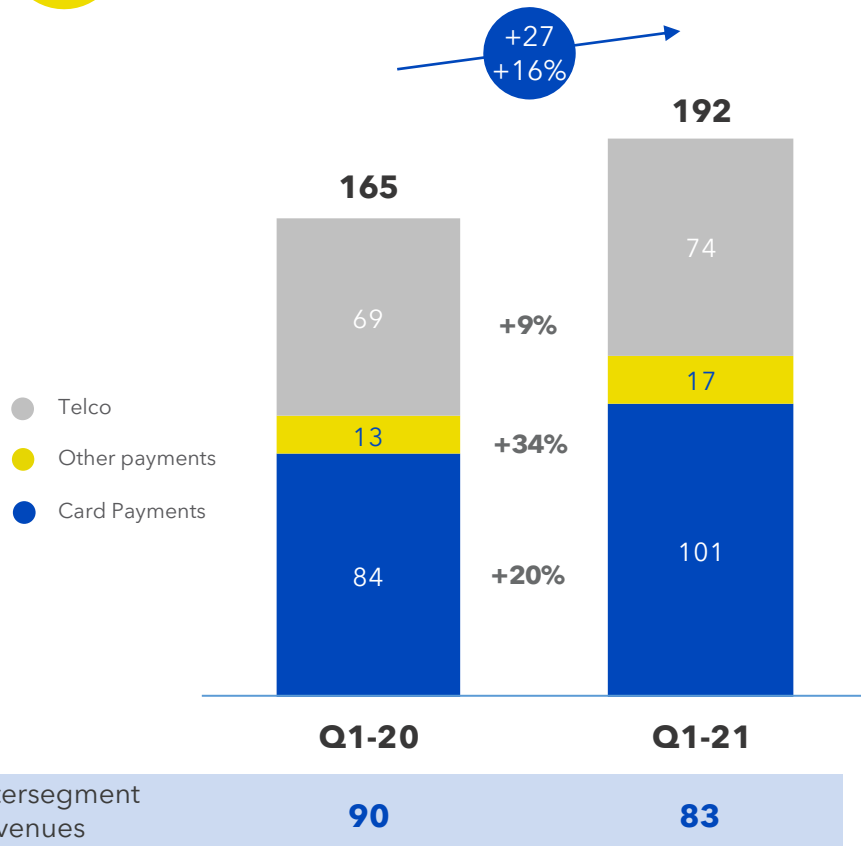
# PAYMENTS & MOBILE

## STRONG REVENUE GROWTH BOOSTED BY CARD PAYMENTS

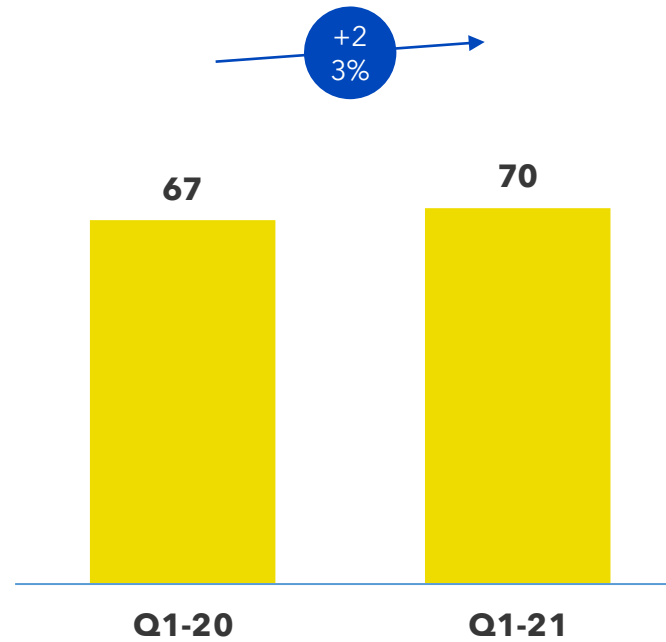
€ m unless otherwise stated



### SEGMENT REVENUES



### EBIT



### HIGHLIGHTS

- Strong card payments with higher card stock and transactions
- Other payments up mainly thanks to tax-related items vs. 2020
- Telco up both on mobile and fixed lines
- EBIT up with digital payments offsetting fewer payment slips and increasing telco costs
- Wholesale telco contract to provide efficiencies from H2

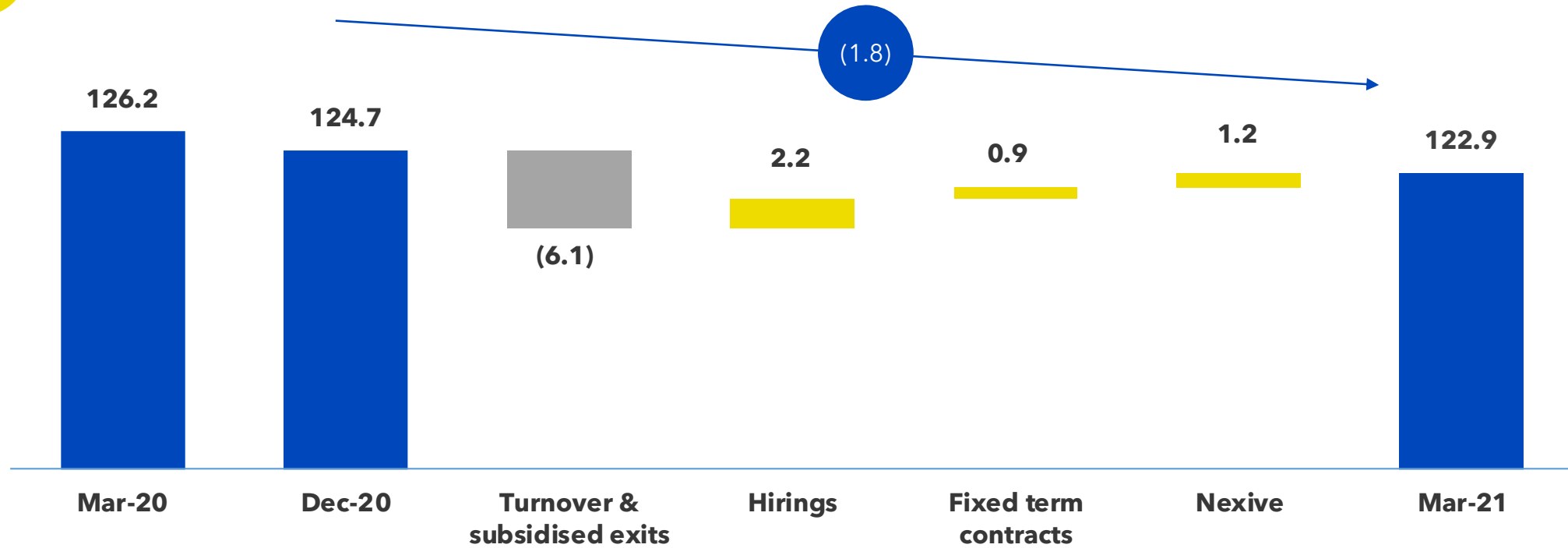


# HUMAN CAPITAL

## FTE DOWN SUPPORTED BY ACCELERATED EXITS



### AVERAGE WORKFORCE EVOLUTION (#, K)



HR cost / FTE (€ K) <sup>1</sup>	44.5	41.7	44.2
Value added/ FTE (€ K) <sup>1,2</sup>	67	64	73

1. Annualised figure 2. Group revenues minus cost of goods sold

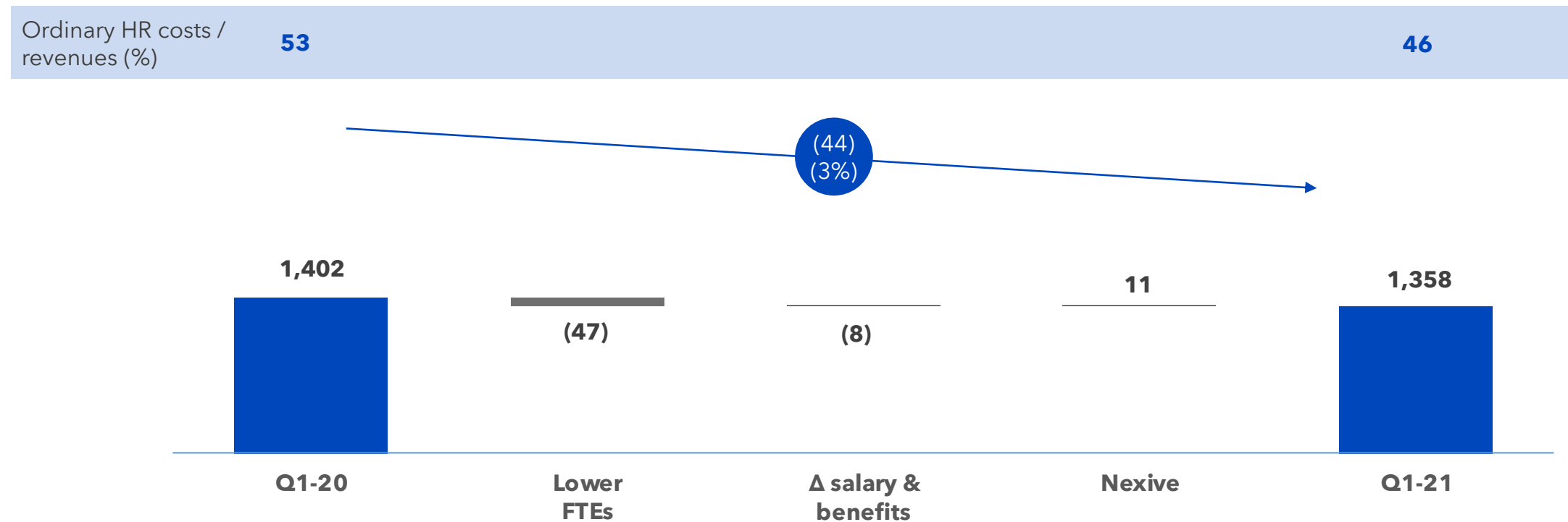
# HUMAN CAPITAL

## ORDINARY HR COSTS DOWN MAINLY RELATED TO LOWER FTE



### ORDINARY HR COSTS<sup>1</sup>

€ m unless otherwise stated



1. Excluding legal disputes with employees

# NON-HR COSTS

CONFIRMED COST DISCIPLINE WHILE SUPPORTING BUSINESS GROWTH

€ m unless otherwise stated



## NON-HR COSTS

Variable costs / variable revenue<sup>1</sup> (%)

74

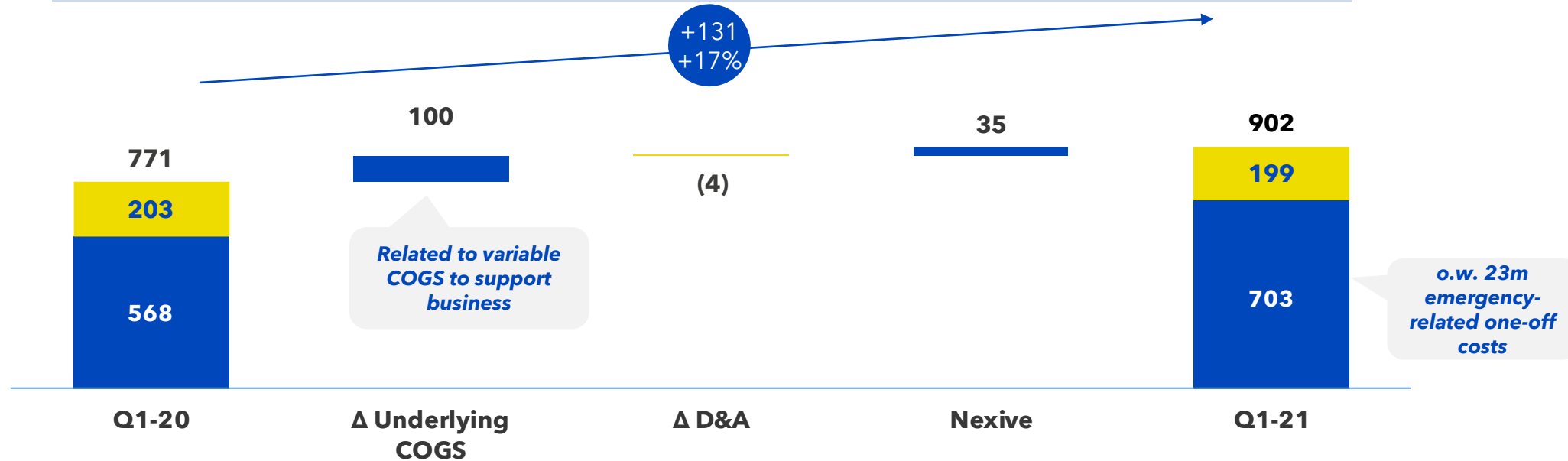
72

Total fixed costs / revenues<sup>1,2</sup> (%)

63

56

- D&A
- COGS

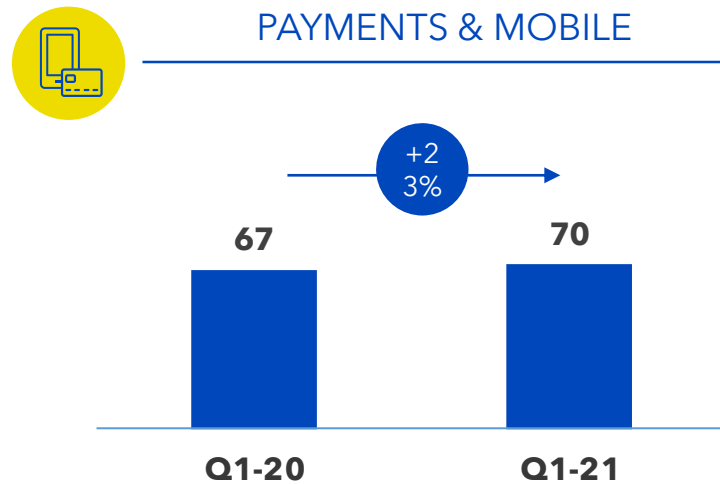
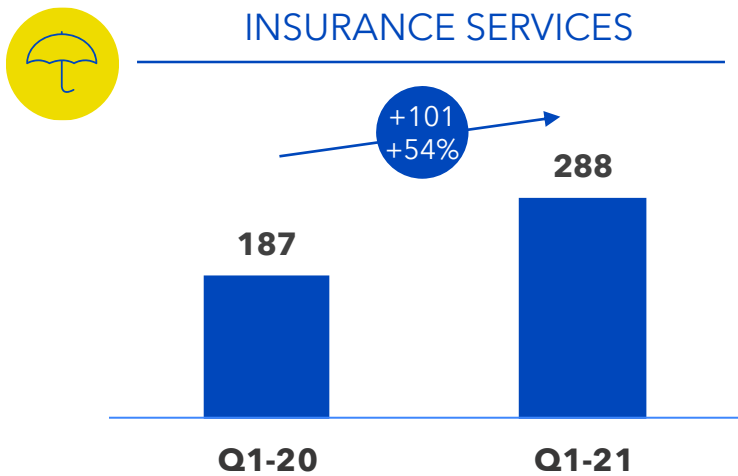
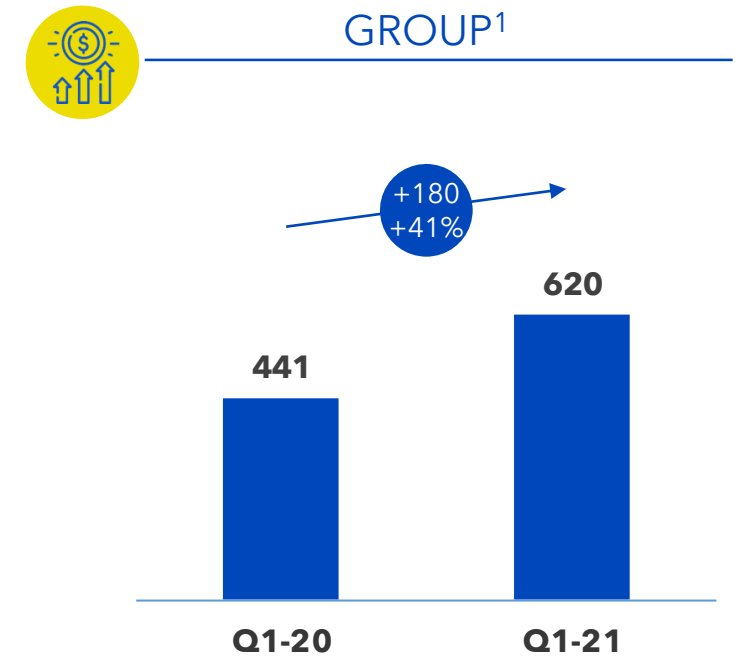
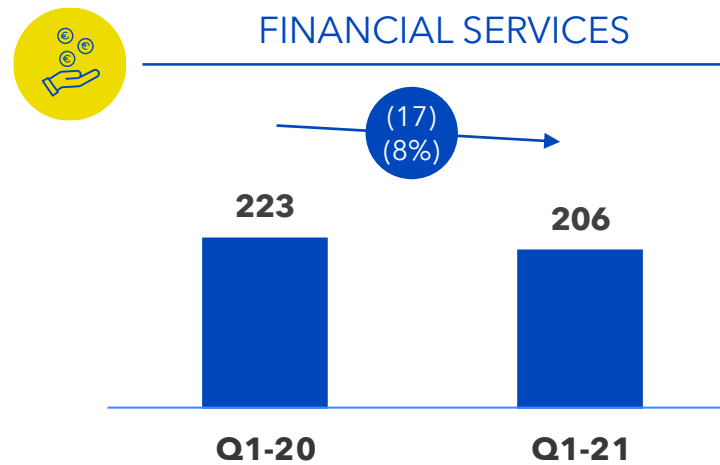
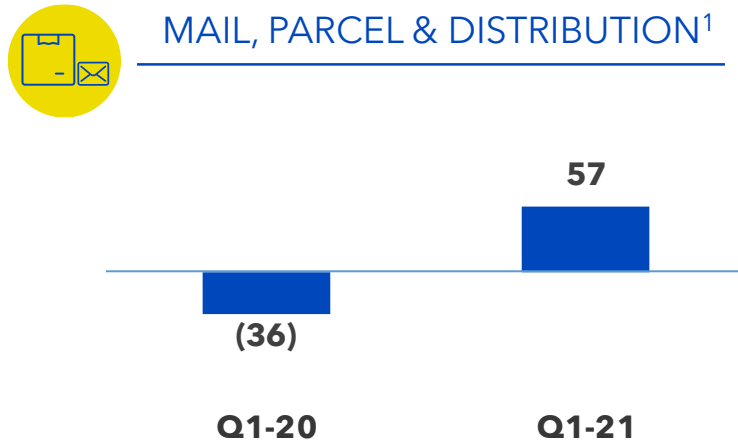


1. Excluding one-off expenses to face the emergency 2. Ordinary labor costs and fixed COGS

# SEGMENT OPERATING PROFIT

## STRONG EBIT PROGRESSION SUPPORTED BY REVENUE GROWTH AND COST DISCIPLINE

€ m unless otherwise stated



1. 2020 excluding Nexive

## CLOSING REMARKS Q1-21



- SOLID FINANCIAL PERFORMANCE AS BUSINESS CONTINUES TO RECOVER
- POSITIVE COMMERCIAL TRENDS IN Q1-21 DESPITE EMERGENCY RELATED RESTRICTIONS & COSTS
- B2C VOLUMES DOUBLING YEAR ON YEAR
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# Q&A

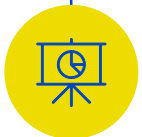
# CONTENTS



EXECUTIVE SUMMARY



BUSINESS REVIEW



APPENDIX



# POSTE ITALIANE'S ESG RATED PERFORMANCE, AWARDS AND MEMBERSHIPS

## ESG Index Scores

Rating agency	Performance
CDP	A- Rating (Leader)
MSCI	A Rating (Average)
ISS E & S Disclosure Quality Score	1- Environmental & Social
Integrated Governance Index	#1 in Italy
Equaleap Gender Parity Index	#3 in Italy
Vigeo Eris Eurozone 120	#3 (Transport & Logistics)
European Women on Boards	Among Top 10 in Italy

## Included in these indices since 2019



## Awards & Recognition in 2021

**Sustainability Award**  
Silver Class 2021  
**S&P Global**

Top Manager Reputation



Top Employer Italia 2021



1st in the world's Top 100 insurance companies

**Brand Finance**

Best performance in the 500 Top Brand Finance  
**Global 500 2021**

SMAU Innovation Award



Certificate of Excellence



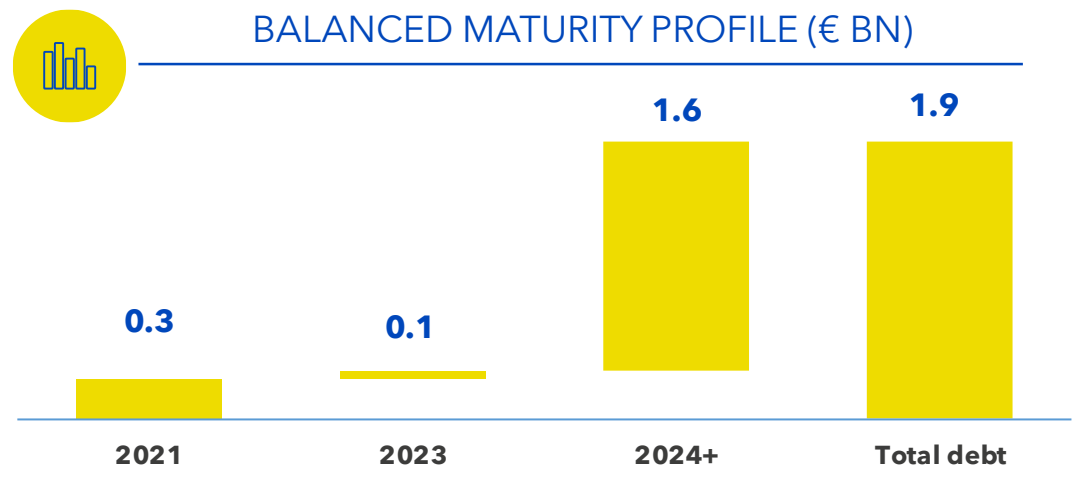
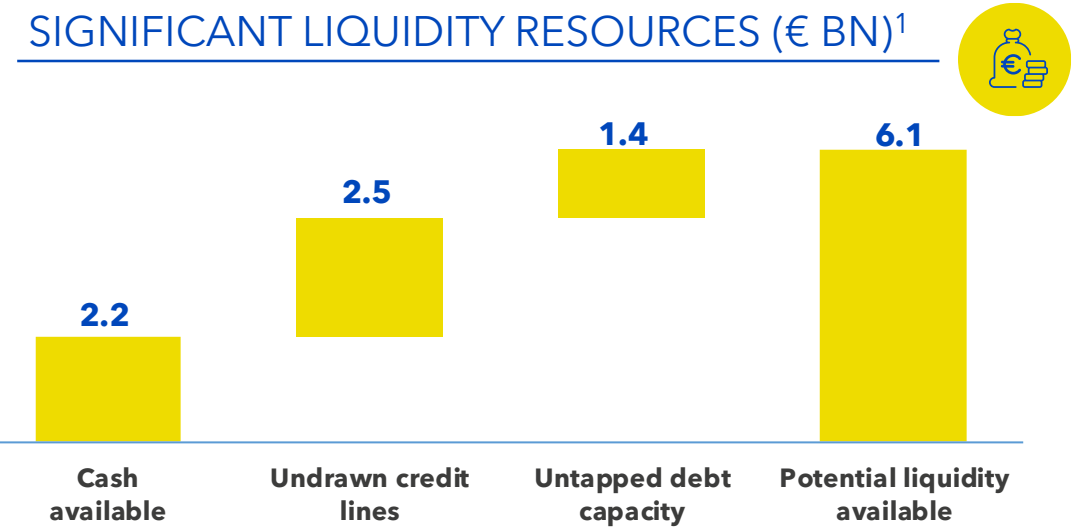
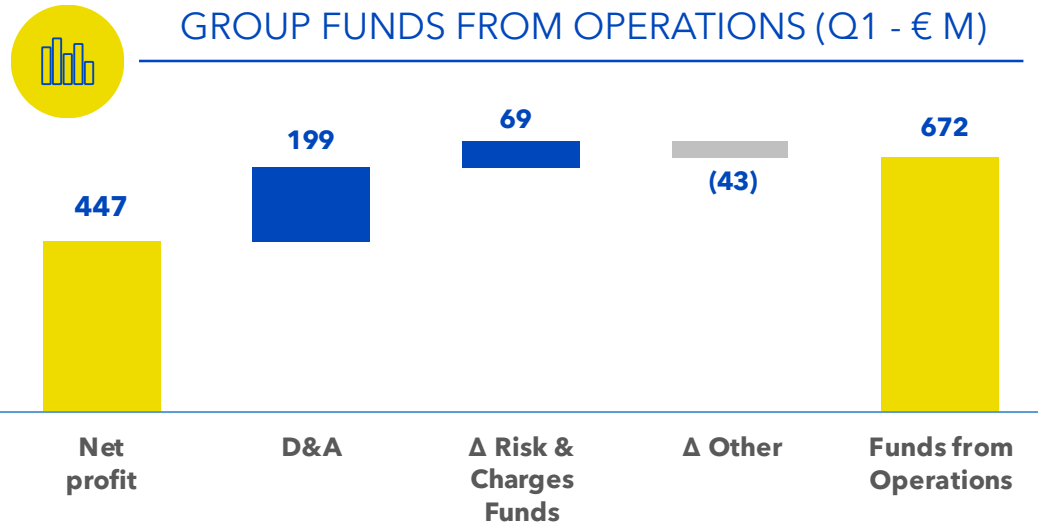
Find out more about our awards and recognition in our [annual report](#)

## Memberships

- UN Global Compact
- Principles for Responsible Investment
- UNEP FI Principles for Sustainable Insurance
- UN Women
- CSR Exhibition
- Sodalitas
- Anima per Il Sociale
- CSR Manager
- Valore D
- Fondazione ASPHI Onlus



# STRONG CASH GENERATION, WIDE LIQUIDITY & BALANCED DEBT PROFILE



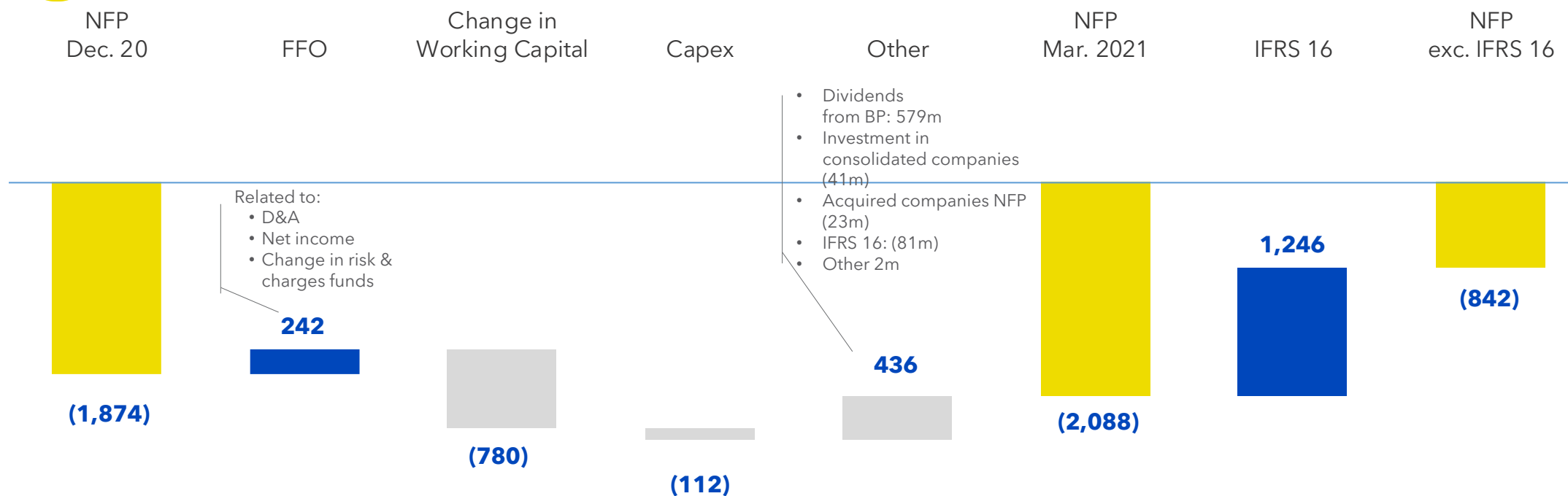
1. As of March 2021 2. Debt capacity consistent with current rating (based on the Moody's credit opinion as of October 2020 and available for future potential financing operations)

# MAIL, PARCEL AND DISTRIBUTION NET FINANCIAL POSITION

€ m unless otherwise stated



## NET FINANCIAL POSITION (+CASH - DEBT)



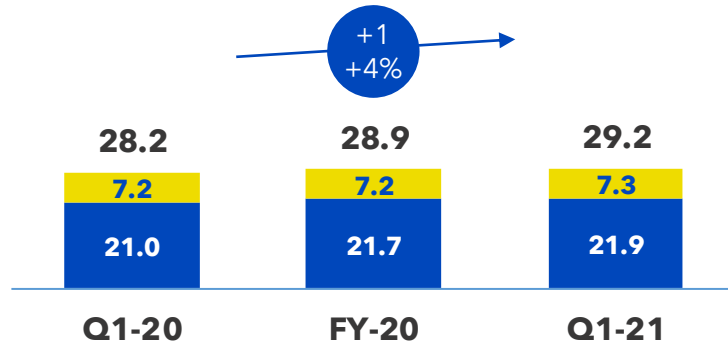
# KEY METRICS IN PAYMENTS & MOBILE

## STEADY INCREASE ACROSS ALL METRICS



CARD STOCK<sup>1</sup> (# M)

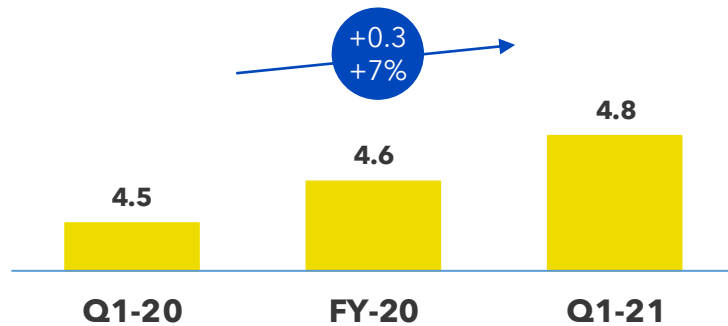
- Debit cards
- Postepay cards



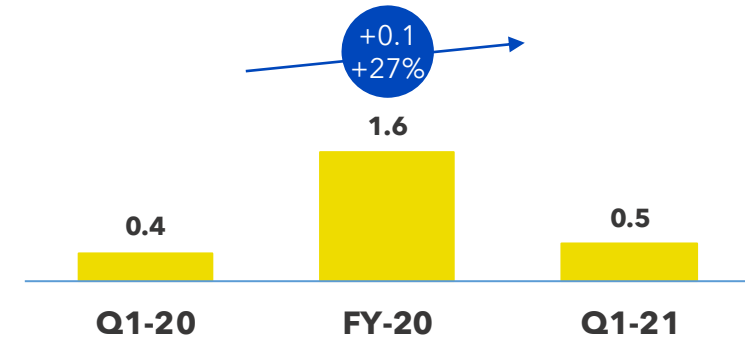
Postepay Evolution stock	Q1-20	FY-20	Q1-21
	7.0	7.7	8.0



MOBILE & LAND LINE, STOCK (# M)

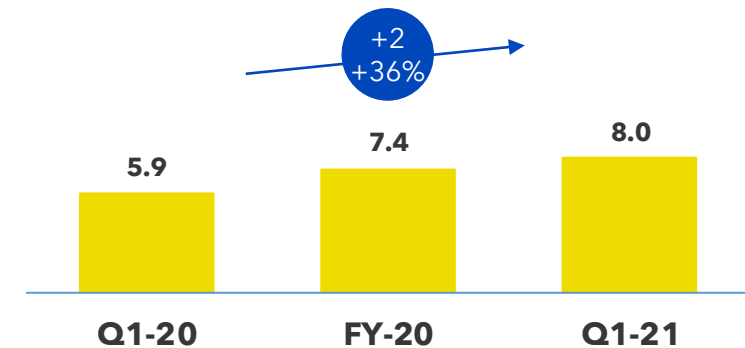


TOTAL CARD TRANSACTIONS (BN)<sup>2</sup>



Of which e-commerce, m <sup>3</sup>	Q1-20	FY-20	Q1-21
	81	397	123

POSTE ITALIANE DIGITAL E-WALLET (# M)<sup>4</sup>



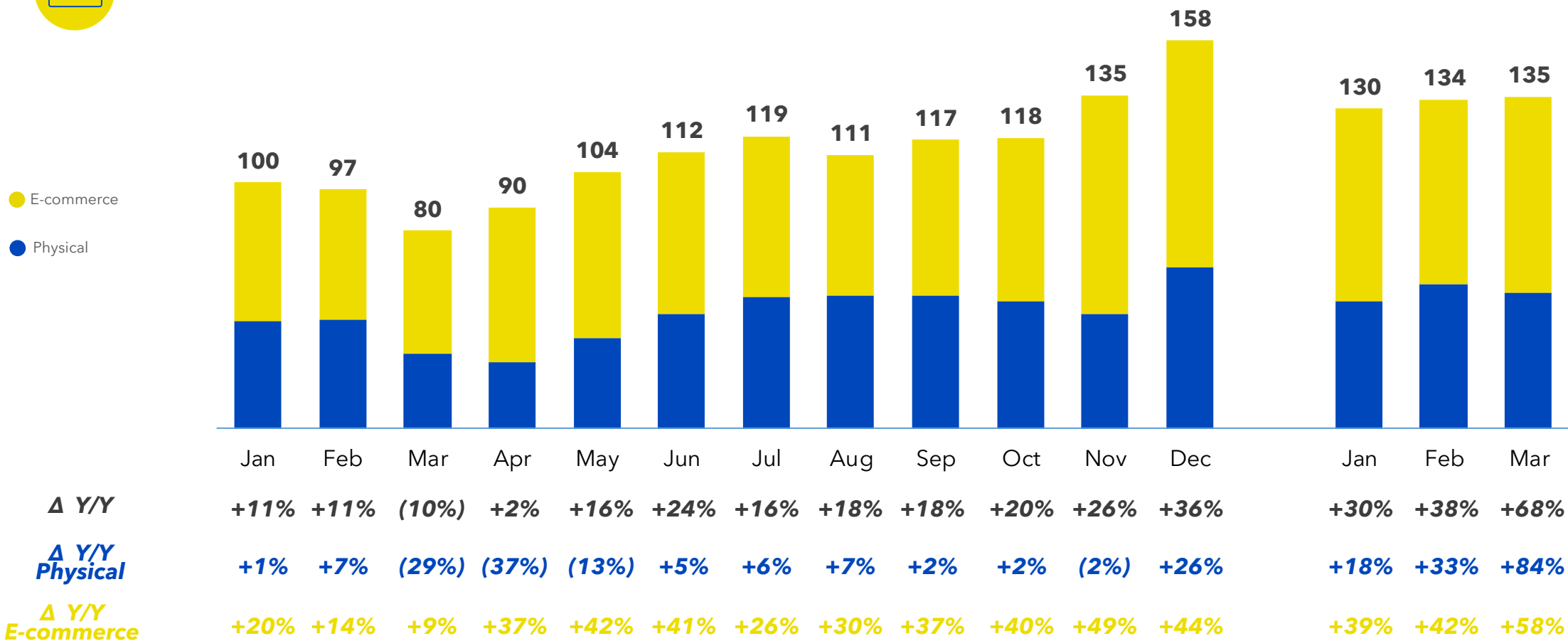
1. Including social measures related cards 2. Including payments, top ups and withdrawals 3. Includes e-commerce and web transactions on Poste Italiane channels 4. An innovative electronic tool associated to a single customer, able to authorize in app payment transactions

# PAYMENTS AND MOBILE: POSTEPAY TRANSACTION VALUE

## STEADY INCREASE IN E-COMMERCE TRANSACTIONS



POSTEPAY DAILY AVERAGE TRANSACTION VALUE (BASE 100)

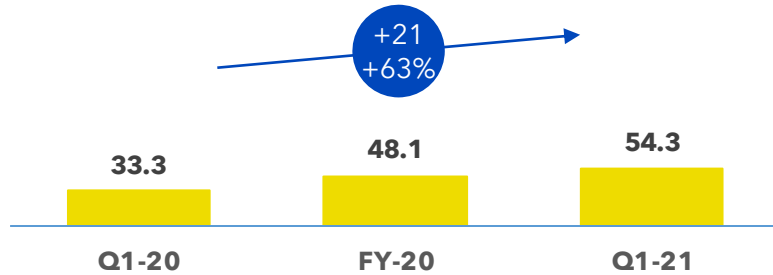


# POSTE ITALIANE DIGITAL FOOTPRINT

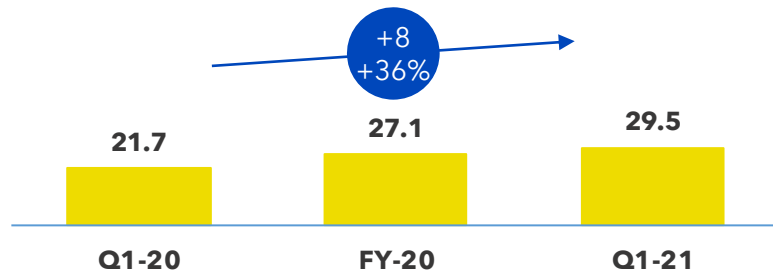
## KEY METRICS CONSTANTLY IMPROVING



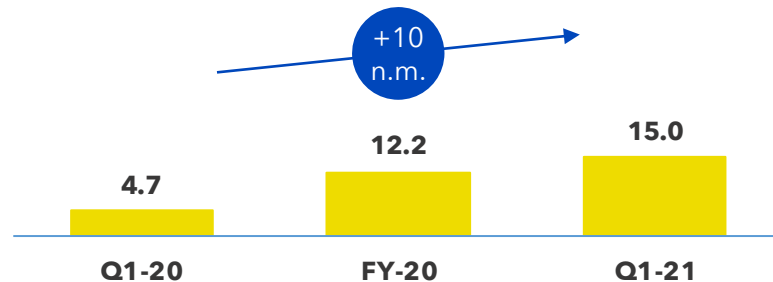
CUMULATED APP DOWNLOADS (# M)<sup>1</sup>



REGISTERED ONLINE USERS (# M)

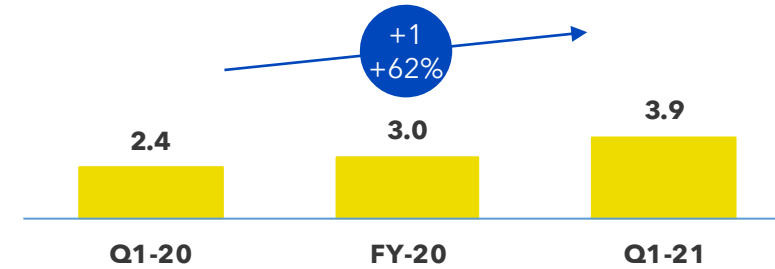


ELECTRONIC IDENTIFICATION STOCK (# M)<sup>2</sup>

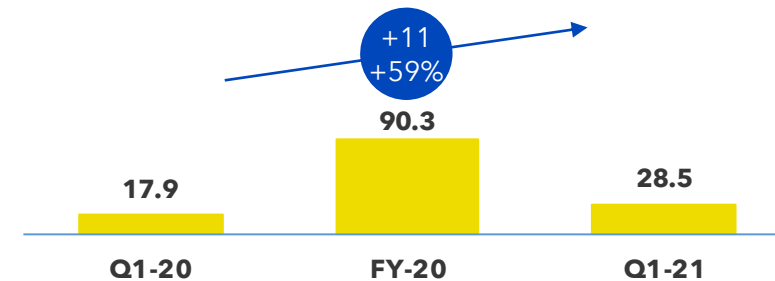


1. Source: App stores (iOS and Android) 2. Electronic identification refers to number of ID outstanding

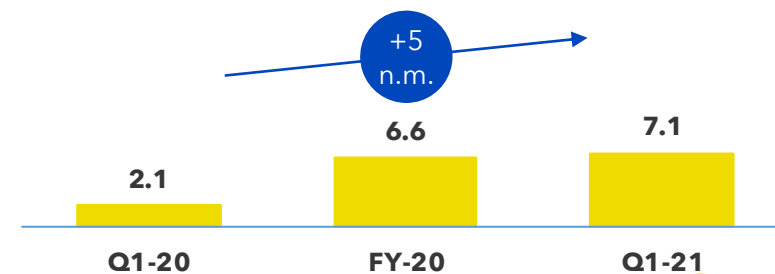
DAILY ONLINE USERS (€ M)



CONSUMER FIN. TRANSACTIONS (€ M)



PRIVATE DIGITAL IDs (€ M)



# BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

## PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

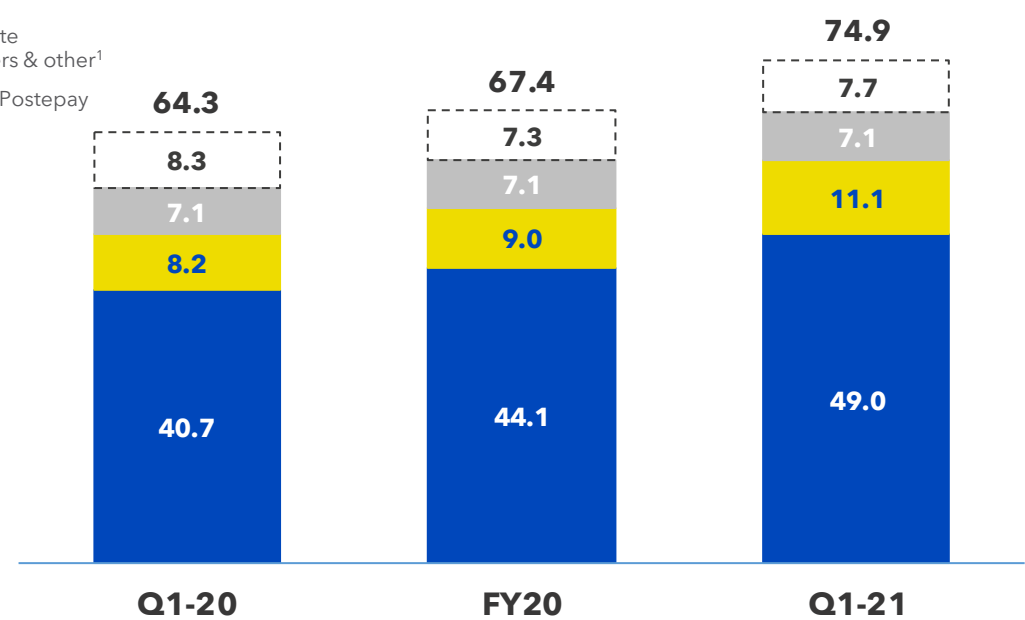
€ m unless otherwise stated



### AVERAGE CURRENT ACCOUNT DEPOSITS

- Public Administration<sup>2</sup>
- REPO
- Corporate customers & other<sup>1</sup>
- Retail + Postepay

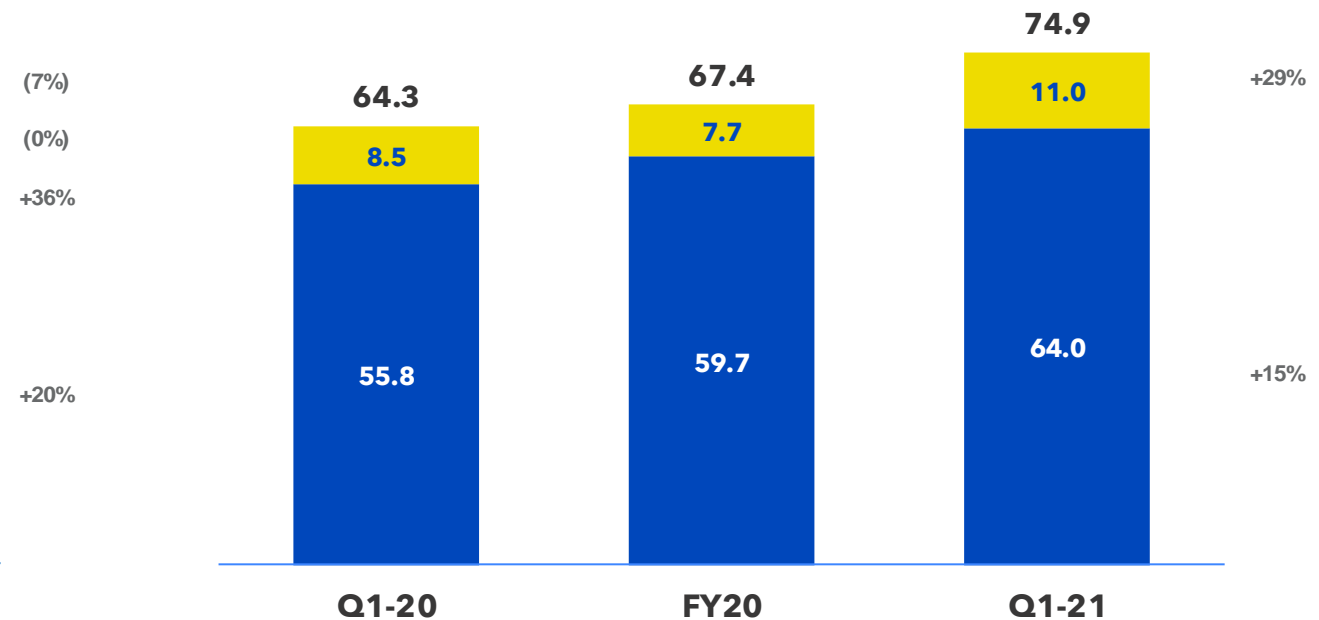
+11  
+17%



### AVERAGE INVESTMENT PORTFOLIO

- Italian government bonds
- Deposits @ MEF and other deposits<sup>3</sup>

+11  
+17%



Avg. Return ex. Cap. gains (%) <sup>4</sup>	2.46	2.30	1.96
Duration (# of years)	6.2	6.2	6.2

1. Includes business current accounts, PostePay business and other customers debt 2. Entirely invested in floating rate deposits c/o MEF 3. Including liquidity Buffer, deposits c/o other financial institutions, short term bonds (< 12 months) and excluding Poste Italiane liquidity 4. Average yield calculated as interest income on average current account deposits

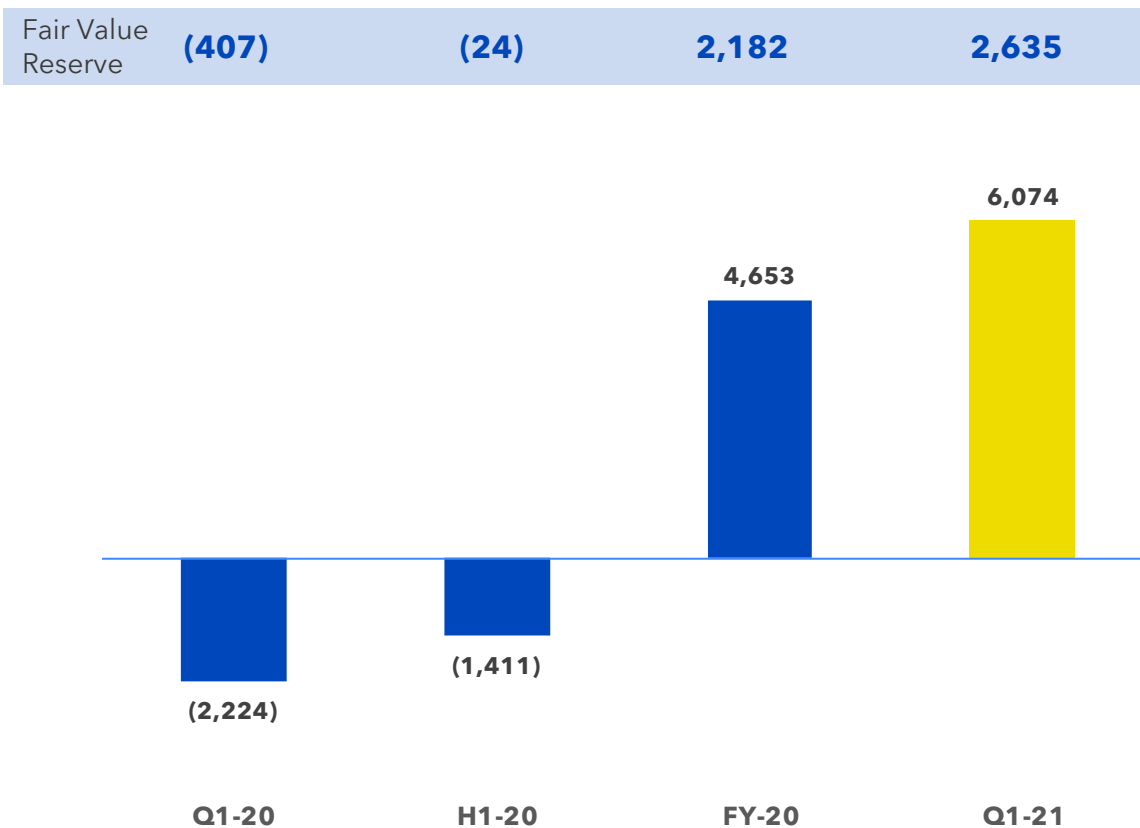
# UNREALISED GAINS & LOSSES AND SENSITIVITIES

## NET UNREALISED GAINS AT € 6.1BN

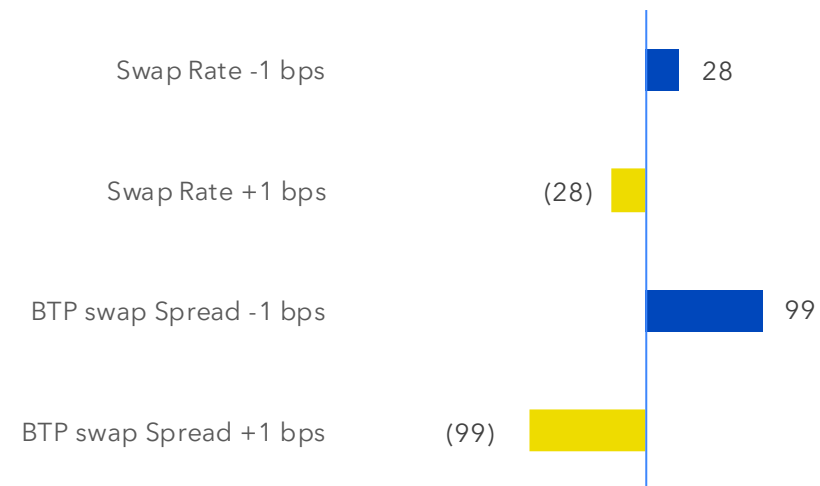
€ m unless otherwise stated



### UNREALISED GAINS AND LOSSES



### UNREALISED GAINS SENSITIVITIES



	Q1-20	H1-20	FY20	Q1-21	Var (bp) Q1-21 vs FY20
BTP 10Y	1.52	1.26	0.54	0.67	13
SWAP 10Y	(0.02)	(0.17)	(0.26)	0.07	33
BTP 15Y	1.92	1.68	0.92	1.06	15
SWAP 15Y	0.16	0.0	(0.08)	0.34	42
BTP 30Y	2.44	2.22	1.42	1.65	23
SWAP 30Y	0.17	0.04	(0.03)	0.48	51

# POSTAL SAVINGS

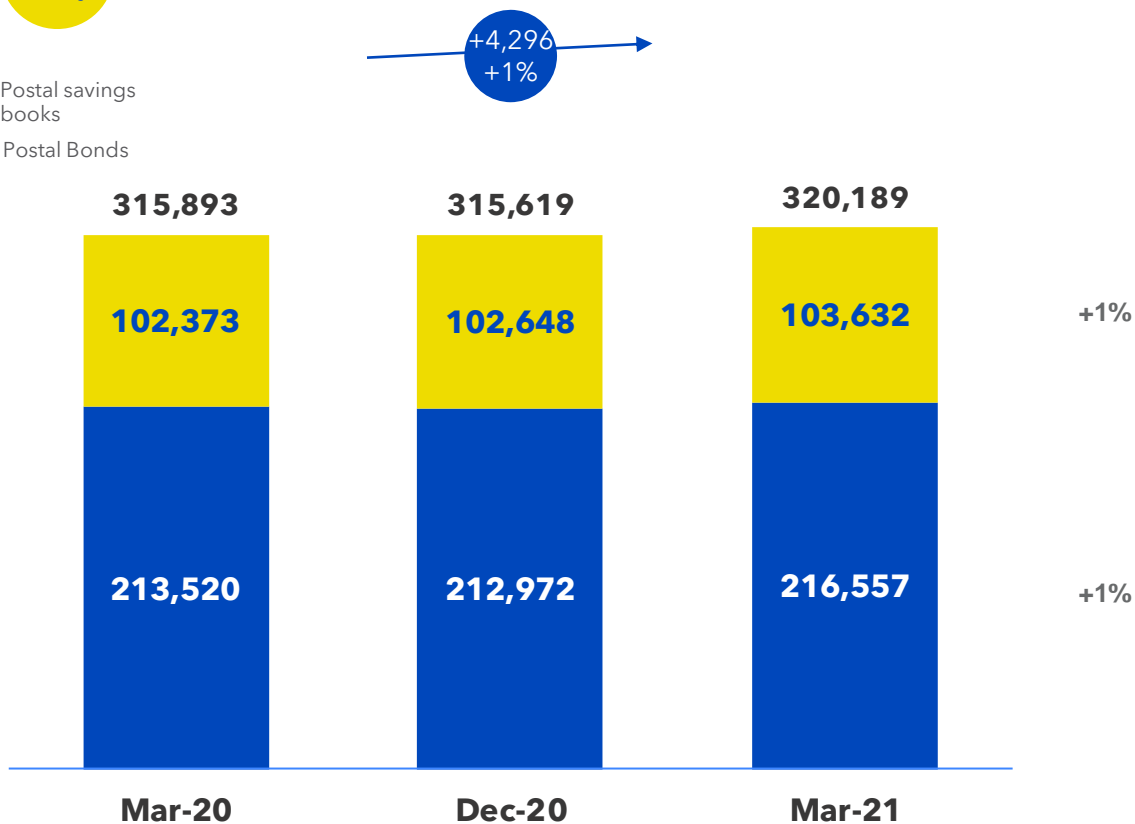
## POSTAL SAVINGS SUPPORTED BY PREFERENCE FOR LIQUIDITY PRODUCTS AND ACCRUED INTERESTS

€ m unless otherwise stated

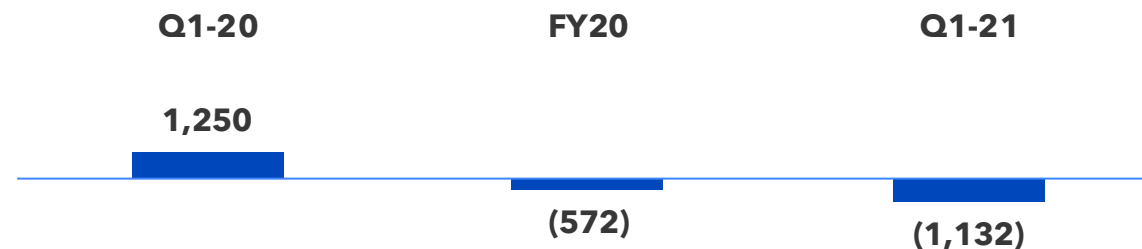


### AVERAGE POSTAL SAVINGS<sup>1</sup>

- Postal savings books
- Postal Bonds



### POSTAL SAVINGS NET INFLOWS



1. Average postal savings excludes interests accrued year-to-date and interests compounded, but not yet payable, on postal bonds not matured as of the reporting date



# ASSET MANAGEMENT

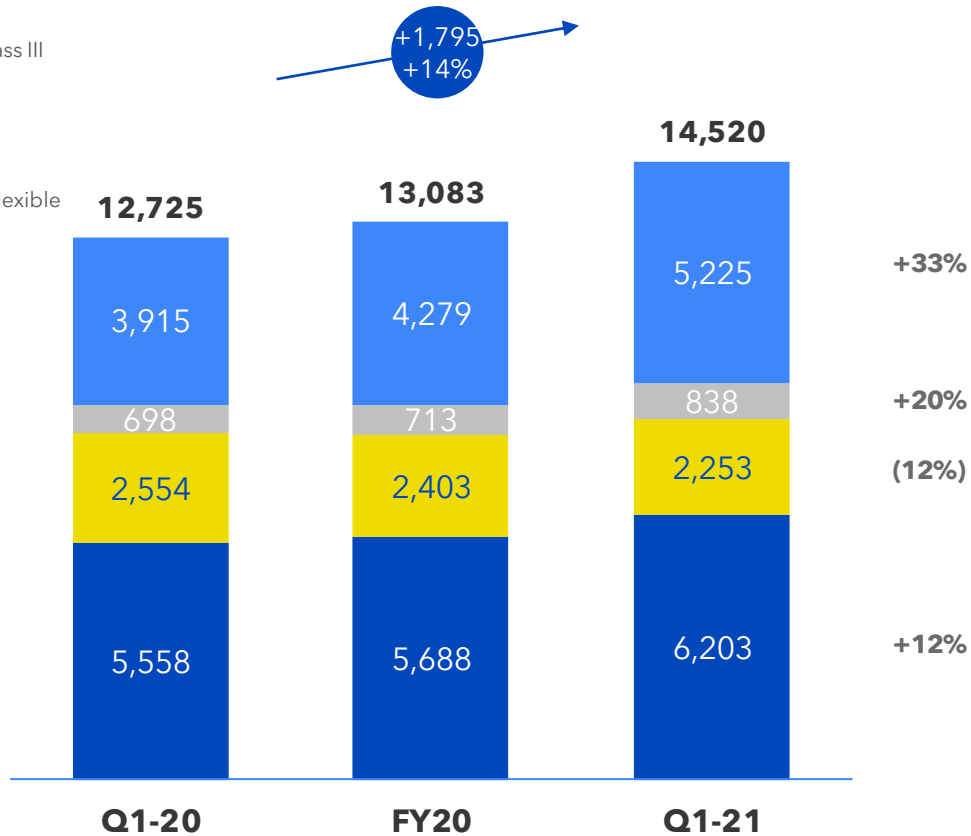
## POSITIVE NET INFLOWS SUPPORTED BY MULTICLASS PRODUCTS

€ m unless otherwise stated

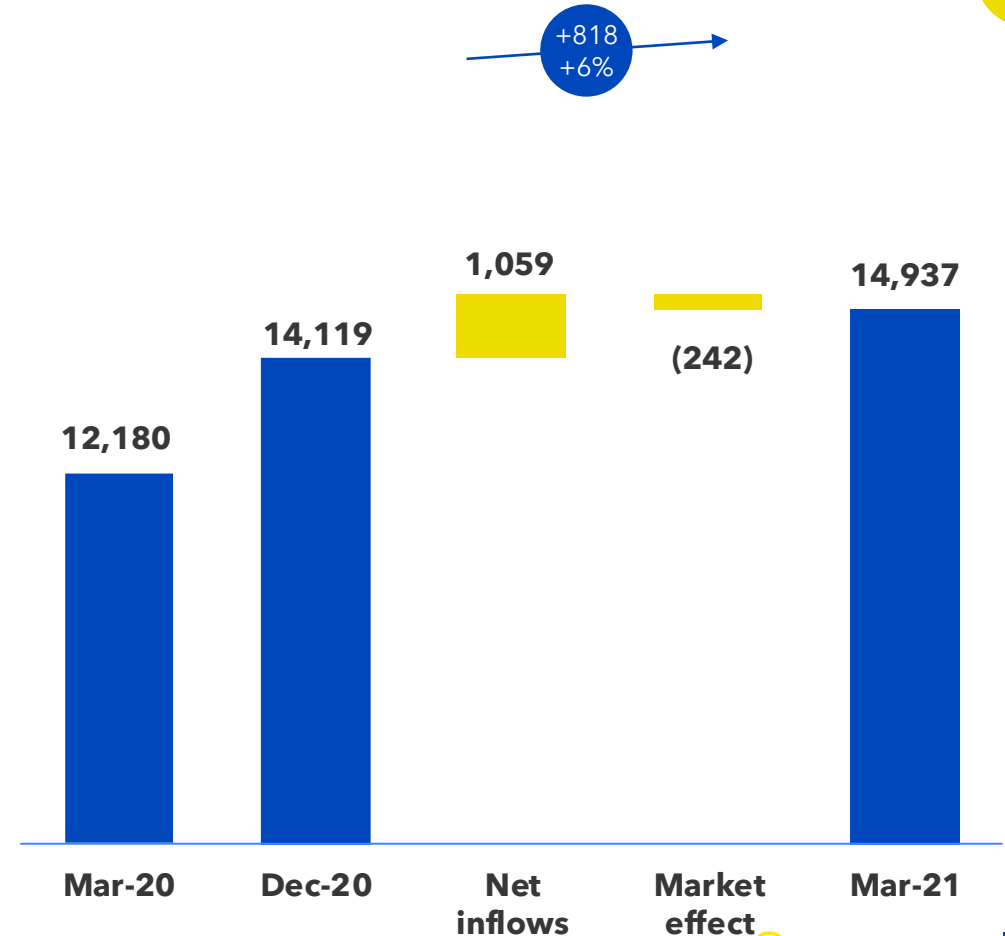


### AVERAGE ASSETS UNDER MANAGEMENT

- Unit linked & multiclass Class III
- Equity
- Bond & Cash
- Balanced & Flexible



### AUM EVOLUTION - EOP



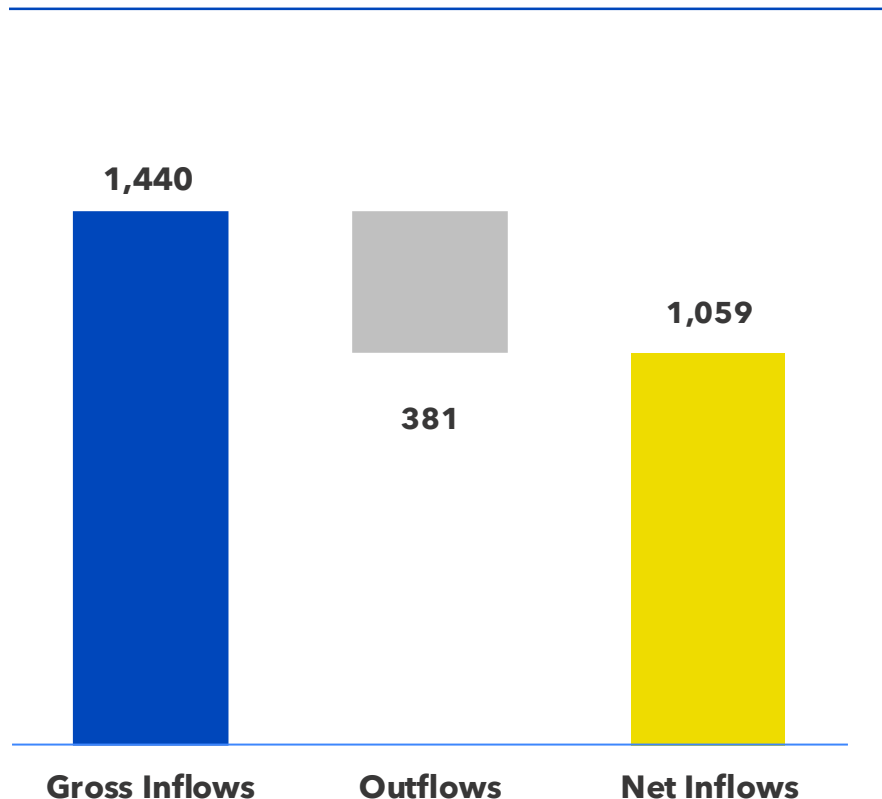
# ASSET MANAGEMENT NET INFLOWS INCREASING IN Q1-21

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

€ m unless otherwise stated



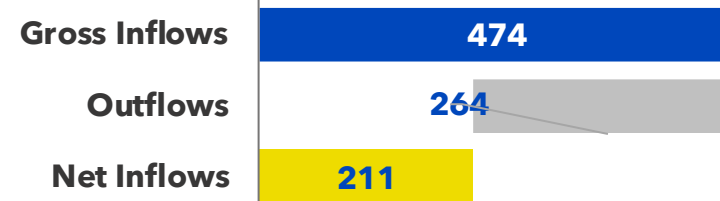
### TOTAL NET INFLOWS - Q1-21



### MULTICLASS CLASS III



### MUTUAL FUNDS



### UNIT LINKED (CLASS III)

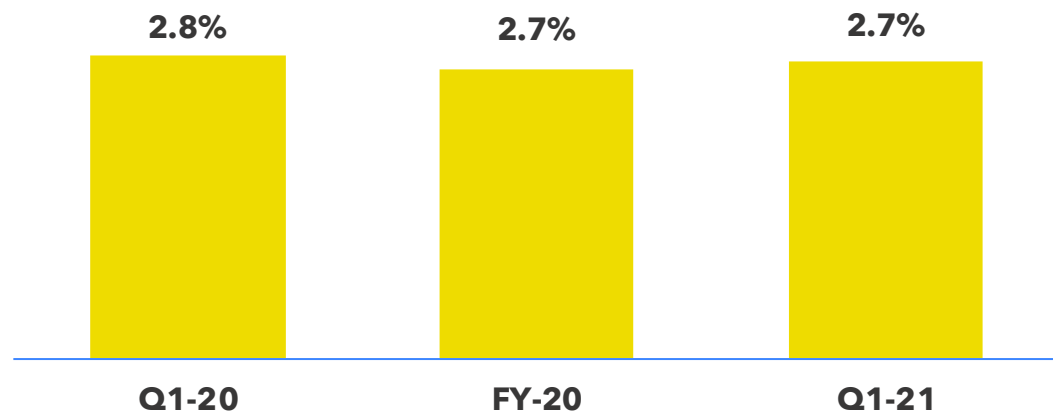


# BANCOPOSTA: SOLID AND EFFICIENT CAPITAL POSITION

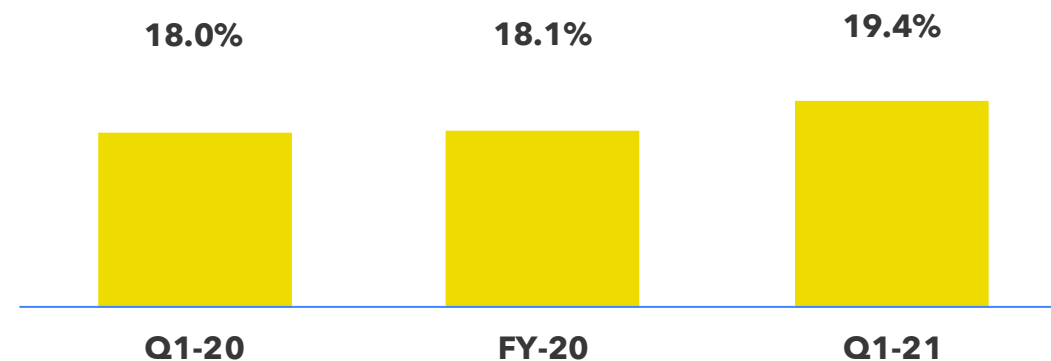
## AN ASSET GATHERER WITH A LIGHT BALANCE SHEET



LEVERAGE RATIO



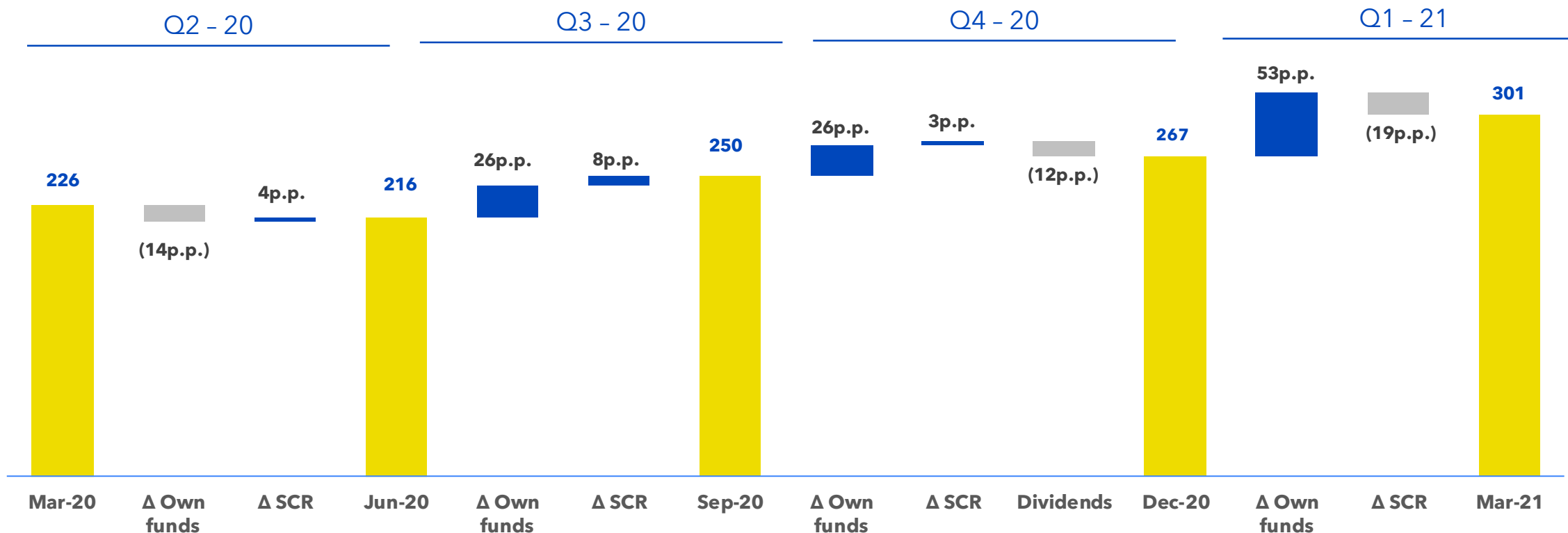
CET1 RATIO



Period	Balance Sheet Exposure (€ BN)
Q1-20	85.8
FY-20	92.3
Q1-21	90.1

Period	RWA (€ BN)
Q1-20	13.3
FY-20	13.5
Q1-21	12.6

# INSURANCE SERVICES SOLVENCY II EVOLUTION

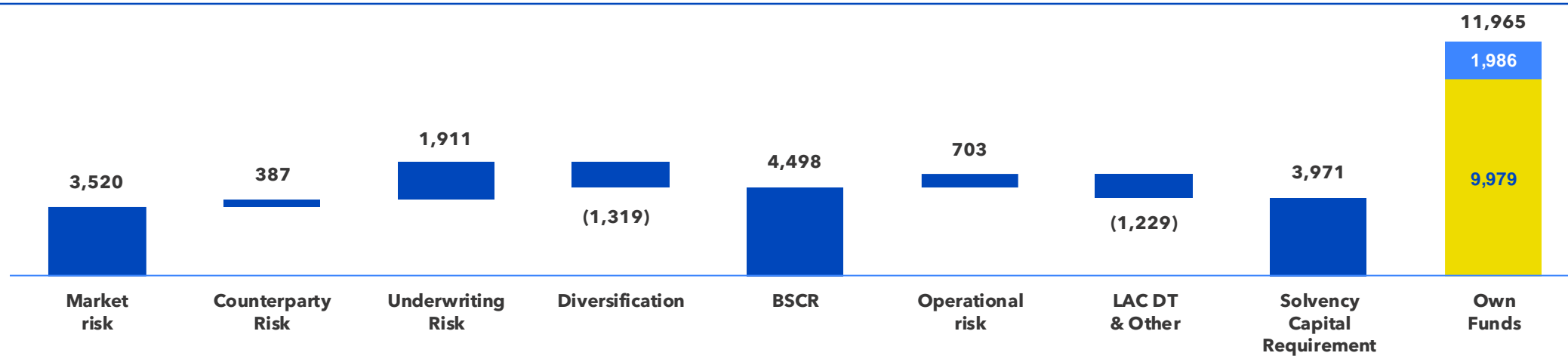


	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
SWAP (BP)	(2)	(17)	(23)	(26)	7
BTP-SWAP SPREAD (BP)	154	142	110	81	60
V.A. CURR. (BP)	46	19	14	7	5

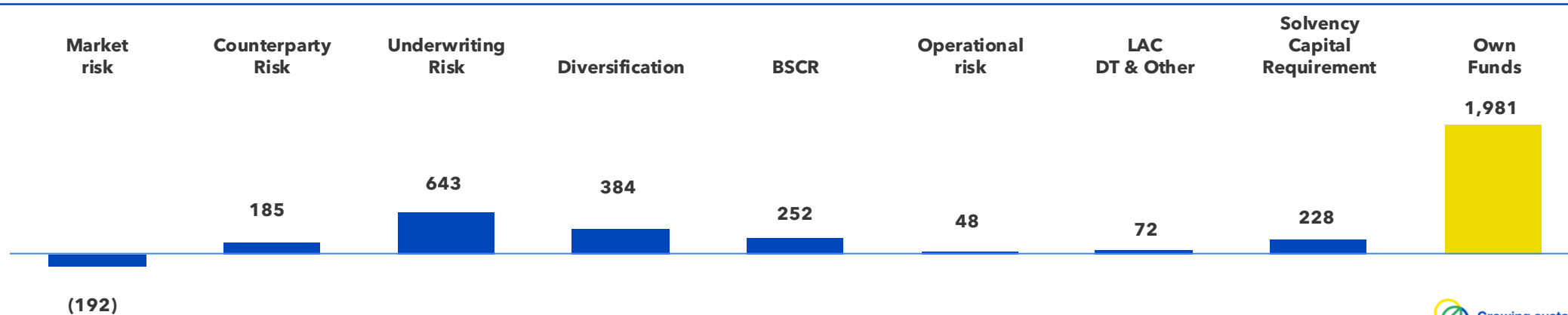
# INSURANCE SERVICES

## SOLVENCY II OWN FUNDS TIERING AND SOLVENCY CAPITAL REQUIREMENTS

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



CHANGE VS. DECEMBER 2020 (€ M)



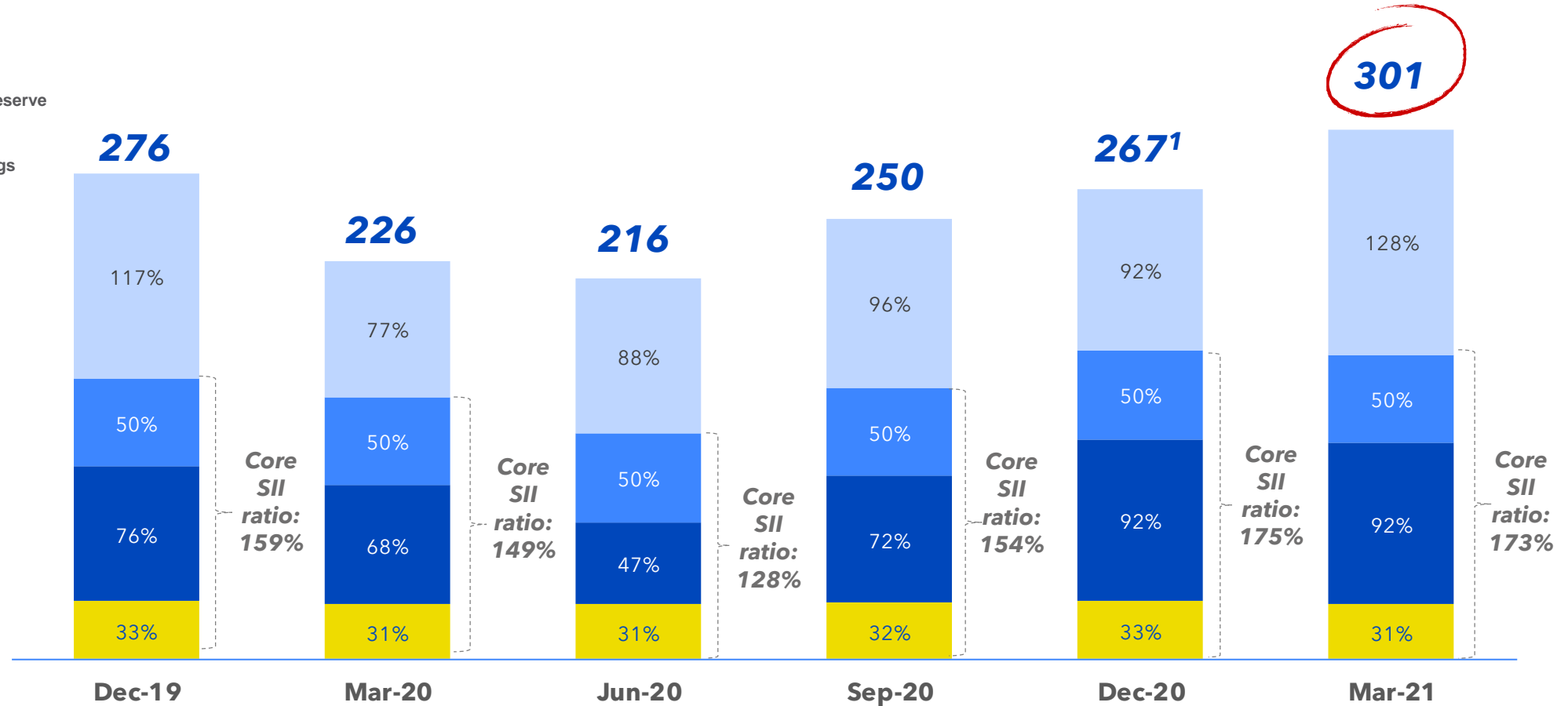
# INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

## BROADLY STABLE CORE SOLVENCY II RATIO



### CORE SOLVENCY RATIO - EXCLUDING TRANSITIONAL MEASURES

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



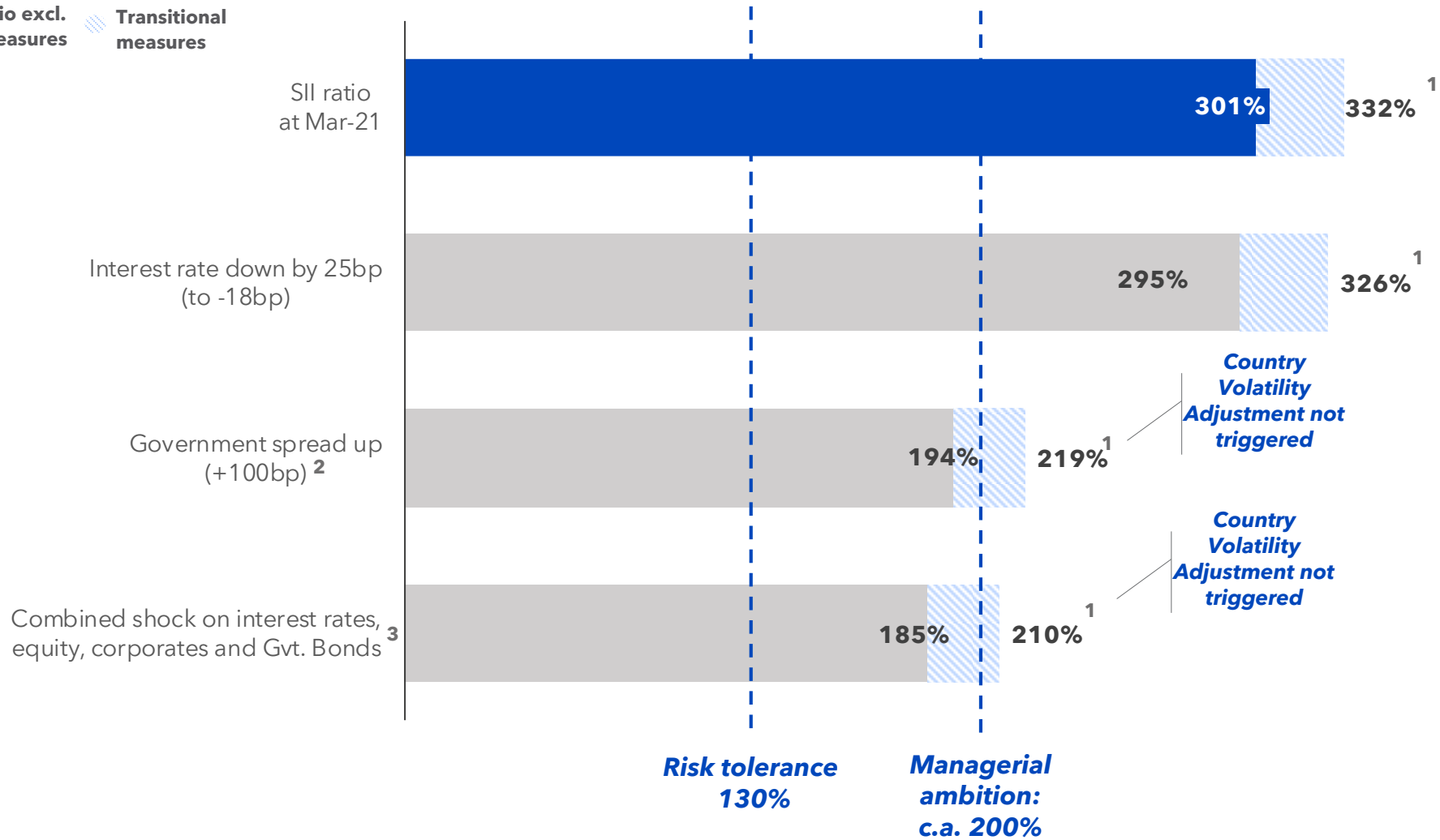
1. Net of dividends

# SOLVENCY II RATIO KEY SENSITIVITIES

## RESILIENT UNDER SEVERE SCENARIOS

● Solvency II ratio excl. transitional measures

▨ Transitional measures



1. Including Transitional measures 2 Vs. Asset Swap Spread 3. +100 Government IT e corporate spread up,-25bp interest rates,-30% Equity

# INSURANCE SERVICES

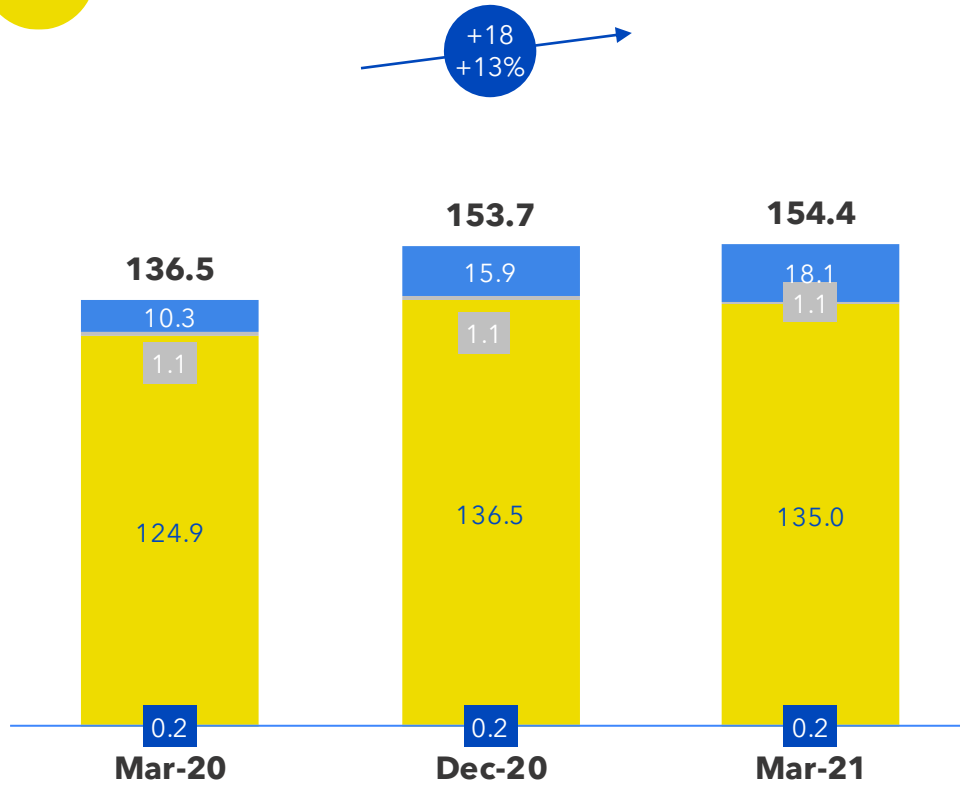
## CONTINUED DIVERSIFICATION TOWARDS MORE CAPITAL EFFICIENT PRODUCTS

€ bn unless otherwise stated

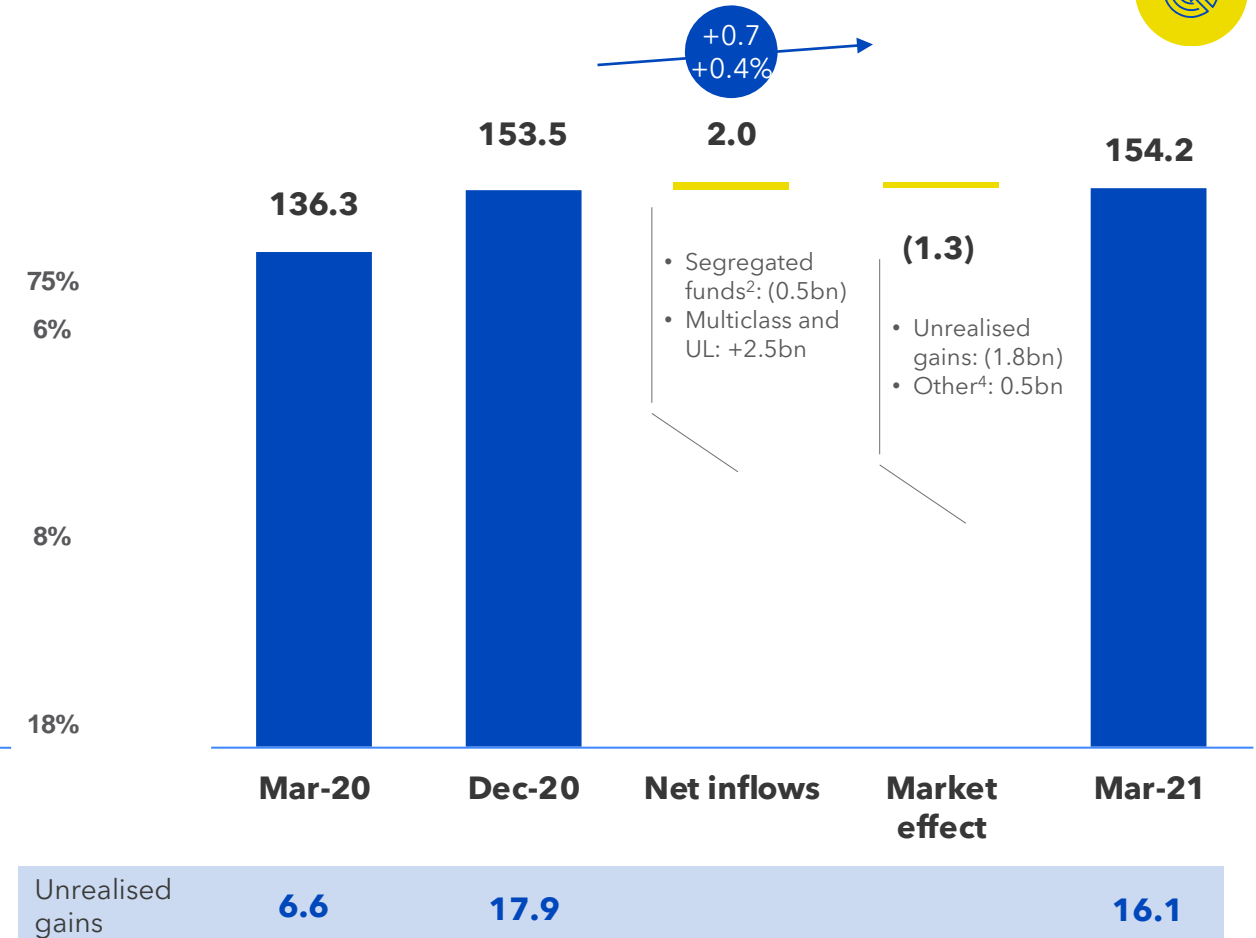


### GROUP NET TECHNICAL PROVISIONS<sup>1</sup>

- Multiclass
- Unit linked (Class III)
- Segregated fund products (class I-V)<sup>2</sup>
- P&C



### LIFE NET TECHNICAL PROVISIONS EVOLUTION<sup>3</sup>



1. Includes non-life technical reserves and net of re-insurance reserves; EoP figures 2. Includes life protection and PPP; 3. EoP figure; 4. Includes interests, upfront fees and other minor items



# INSURANCE SERVICES

## INCREASING SHARE OF MULTICLASS GROSS WRITTEN PREMIUMS

€ m unless otherwise stated



### LIFE

+1,227  
+27%



### NON-LIFE

+19  
+24%



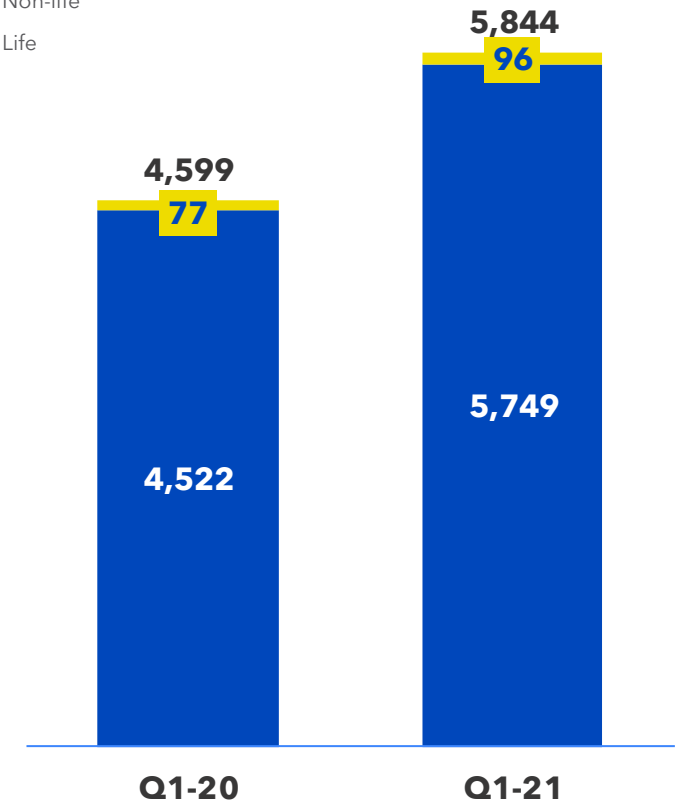
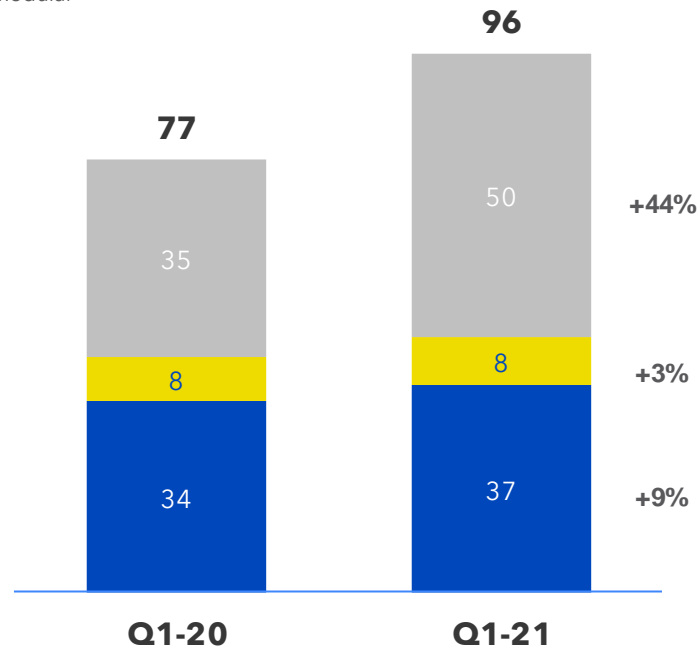
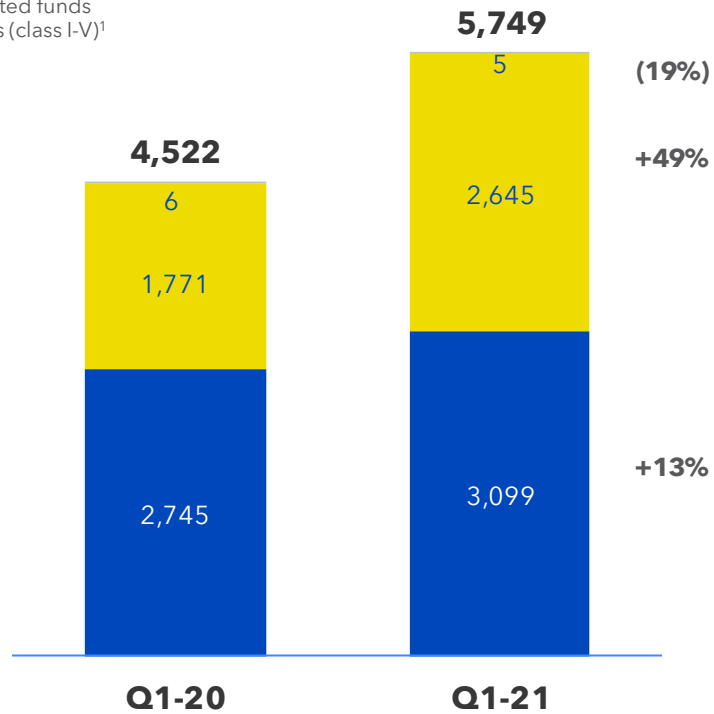
### TOTAL

+1,246  
+27%

- Unit Linked (Class III)
- Multiclass
- Segregated funds products (class I-V)<sup>1</sup>

- Welfare
- CPI
- Modular

- Non-life
- Life



1. Includes life protection and PPP

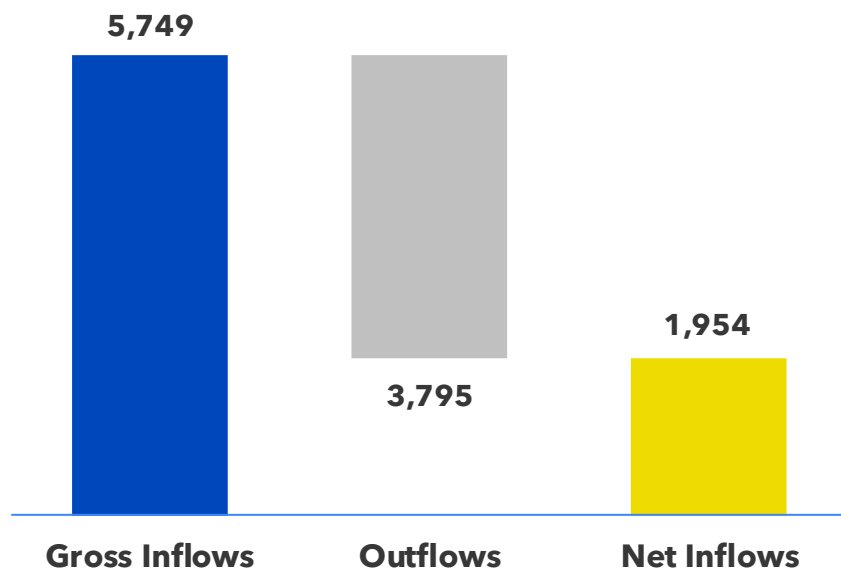
# INSURANCE SERVICES

## POSITIVE NET INFLOWS THANKS TO MULTICLASS INSURANCE PRODUCTS

€ m unless otherwise stated



### TOTAL NET INFLOWS - Q1-21



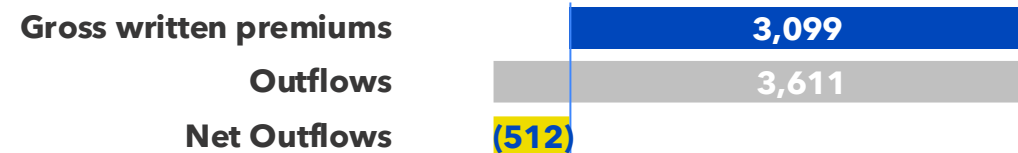
### UNIT LINKED (CLASS III)



### MULTICLASS



### SEGREGATED FUNDS AND PPP<sup>1</sup>



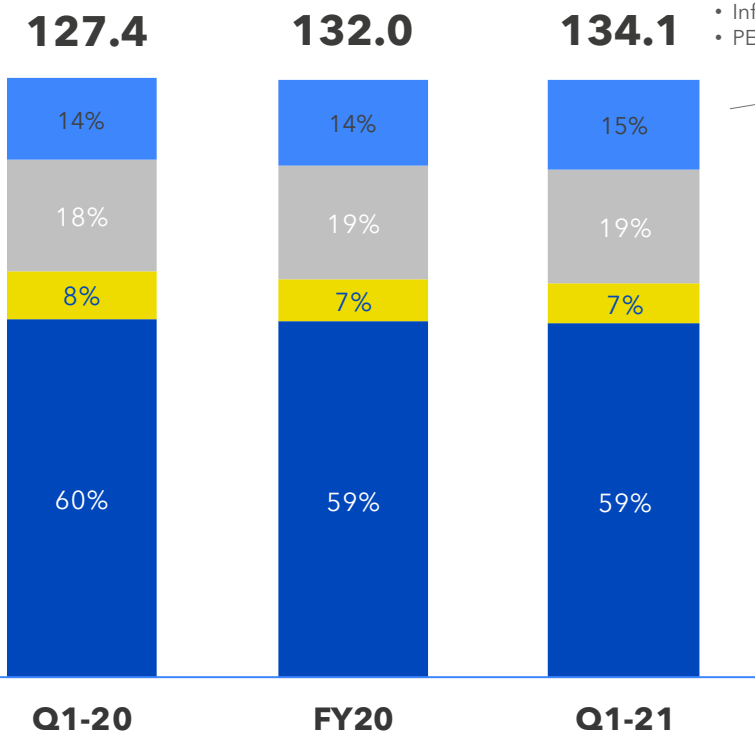
1. Includes life protection and PPP

# INSURANCE SERVICES LOW RISK INVESTMENT PORTFOLIO



## INVESTMENT PORTFOLIO BREAKDOWN

Total investment portfolio (€ bn)

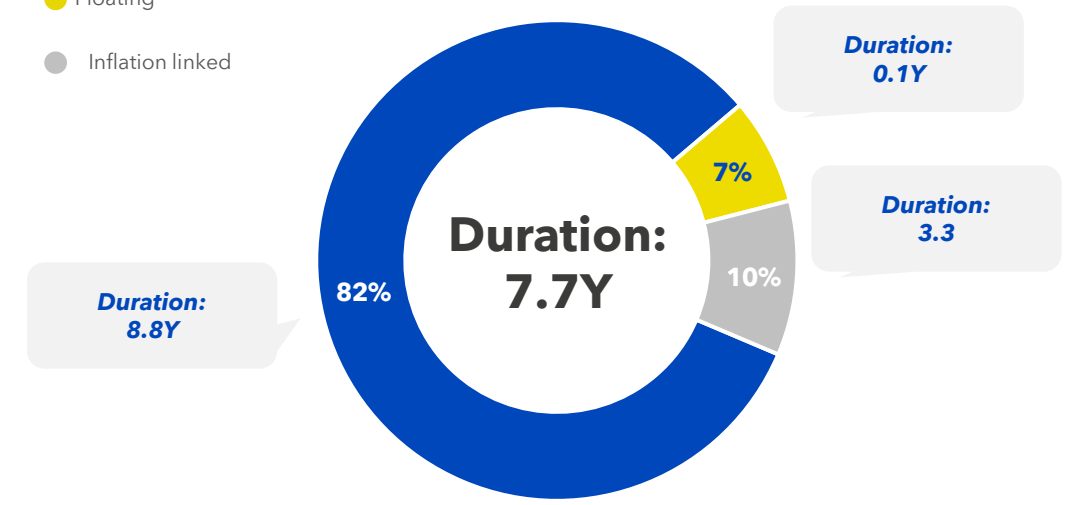


- HY: 5%
- EM: 5%
- Equity: 2%
- Private Debt: 1%
- RE: 2%
- Infrastructure: 1%
- PE & HF: 1%

- Other
- Corporate bonds
- Global Govies
- Italian Govies

## FIXED INCOME BREAKDOWN BY RATE TYPE





- Fixed
- Floating
- Inflation linked



	Q1-20	H1-20	FY20	Q1-21	Var (bp) Q1-21 vs FY20
Minimum guaranteed return (Class I) (%)	0.64	0.61	0.57	0.51	(6bp)
Segregated Fund return (%)	2.06	2.19	2.16	2.11	(5bp)

# GROUP PERFORMANCE

## MAIN KPIs

OPERATIONAL KPI's		Q1-20	Q1-21	Δ% YoY
 <b>MAIL PARCEL &amp; DISTRIBUTION</b>	Mail Volumes (#m)	614	653	+6%
	Parcels delivered by mailmen (#m)	14	21	+46%
	Parcel volumes (#m)	38	66	+72%
	B2C Revenues (€m)	108	188	+74%
 <b>PAYMENTS &amp; MOBILE</b>	PostePay cards (#m)	21.0	21.9	+4%
	<i>of which PostePay Evolution cards (#m)</i>	7.0	8.0	+14%
	Total payment cards transactions (#bn) <sup>1</sup>	0.4	0.5	+27%
	<i>of which eCommerce transactions (#m)</i> <sup>2</sup>	81.4	123.3	+51%
	Mobile & land-line (#m)	4.5	4.8	+7%
Digital e-Wallets (#m)	5.9	8.0	+36%	
 <b>FINANCIAL SERVICES</b>	Total Financial Assets - TFAs (€/bn)	539	572	+6%
	Unrealized gains (€m)	(2,224)	6,074	n.a.
 <b>INSURANCE SERVICES</b>	Gross Written Premiums (€m)	4,599	5,844	+27%
	GWP - Life (€m)	4,273	5,483	+28%
	GWP - Private Pension Plan (€m)	249	265	+7%
	GWP - P&C (€m)	77	96	+24%
	o.w. Modular	34	37	+9%
	o.w. Welfare	35	50	+44%
o.w. Payment	8	8	+3%	

1. Including payments, top ups and withdrawals 2. Includes e-commerce and web transactions on Poste Italiane channels

# INTERSEGMENT COSTS AS OF Q1-21

## INTERSEGMENT DYNAMICS' KEY DRIVERS

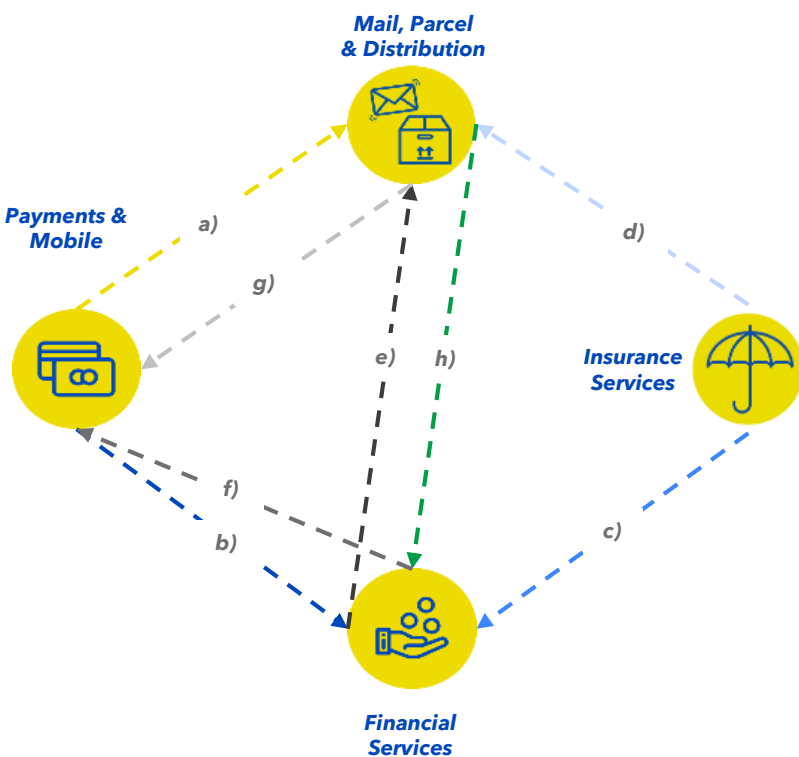
€ m unless otherwise stated

### INTERSEGMENT COST FLOWS

### MAIN RATIONALE

### INDICATIVE MAIN REMUNERATION SCHEME

€ M



**Payments and Mobile remunerates:**

- a) **Mail, Parcel and Distribution** for providing IT, delivery volume and other corporates services<sup>1</sup>;
- b) **Financial Services** for promoting and selling card payments and other payments (e.g. tax payments) throughout the network;

**Insurance Services remunerates:**

- c) **Financial Services** for promoting and selling insurance products<sup>2</sup> and for investment management services<sup>3</sup>;
- d) **Mail, Parcel and Distribution** for providing corporate services<sup>1</sup>;

**Financial Services remunerates:**

- e) **Mail, Parcel and Distribution** for promoting and selling Financial, Insurance and PMD products throughout the network and for providing corporate services<sup>4</sup>;
- f) **Payments & Mobile** for providing certain payment services<sup>5</sup>

**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"

a)	Number of payment transactions flat fee (depending on the product)	a) 58
b)	Fixed % of revenues	b) 41
		<b>Total: 98</b>
<hr/>		
c)	Fixed % of upfront fees	c) 155
d)	Depending on service/product	d) 17
		<b>Total: 172</b>
<hr/>		
e)	Fixed % (depending on the product) of revenues	e) 1,199
f)	Depending on service/product	f) 74
		<b>Total: 1,273<sup>6</sup></b>
<hr/>		
g)	Annual fee	g) 9
h)	Flat fee for each «Bollettino»	h) 10
		<b>Total: 19</b>

1. Corporate Services such as communication, anti money laundering, IT, back office and call centers 2. Which, in turn, remunerates Mail, Parcel and Distribution 3. Investment management services provided by BancoPosta Fondi SGR. 4. E.g. Corporate services are remunerated according to number of allocated FTEs, volumes of sent letters and communication costs 5. E.g. 'Bollettino' 6. Including interest charges

# CONSOLIDATED ACCOUNT

## PROFIT & LOSS

€m	Q1-20	Q1-21	Var.	Var. %
<b>Total revenues</b>	<b>2,671</b>	<b>2,933</b>	<b>+262</b>	<b>+10%</b>
of which:				
Mail, Parcel and Distribution	771	917	+146	+19%
Financial Services	1,380	1,327	(53)	(4%)
Insurance Services	355	496	+142	+40%
Payments and Mobile	165	192	+27	+16%
<b>Total costs</b>	<b>2,230</b>	<b>2,313</b>	<b>+82</b>	<b>+4%</b>
of which:				
Total personnel expenses	1,404	1,358	(46)	(3%)
<i>of which personnel expenses</i>	1,402	1,358	(44)	(3%)
<i>of which early retirement incentives</i>	1	2	+1	+66%
<i>of which legal disputes with employees</i>	1	(2)	(3)	n.m.
Other operating costs	623	755	132	+21%
Depreciation, amortisation and impairments	203	199	(4)	(2%)
<b>EBIT</b>	<b>441</b>	<b>620</b>	<b>+180</b>	<b>+41%</b>
EBIT Margin	+16%	+21%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	7	20	+13	n.m.
<b>Profit before tax</b>	<b>447</b>	<b>640</b>	<b>+193</b>	<b>+43%</b>
Income tax expense	141	193	+52	+37%
<b>Profit for the period</b>	<b>306</b>	<b>447</b>	<b>+141</b>	<b>+46%</b>

# MAIL, PARCEL & DISTRIBUTION PROFIT & LOSS

€m	Q1-20	Q1-21	Var.	Var. %
Segment revenue	771	917	+146	+19%
Intersegment revenue	1,260	1,275	+15	+1%
<b>Total revenues</b>	<b>2,031</b>	<b>2,192</b>	<b>+161</b>	<b>+8%</b>
Personnel expenses	1,375	1,332	(43)	(3%)
<i>of which personnel expenses</i>	1,375	1,331	(45)	(3%)
<i>of which early retirement incentives</i>	0	2	+1	n.m.
Other operating costs	484	589	+105	+22%
Intersegment costs	17	19	+3	+15%
<b>Total costs</b>	<b>1,876</b>	<b>1,941</b>	<b>+65</b>	<b>+3%</b>
<b>EBITDA</b>	<b>155</b>	<b>251</b>	<b>+96</b>	<b>+62%</b>
Depreciation, amortisation and impairments	191	194	+2	+1%
<b>EBIT</b>	<b>(36)</b>	<b>57</b>	<b>+94</b>	<b>n.m.</b>
EBIT MARGIN	(2%)	+3%		
Finance income/(costs)	3	5	+2	+65%
<b>Profit/(Loss) before tax</b>	<b>(33)</b>	<b>62</b>	<b>+95</b>	<b>n.m.</b>
Income tax expense	(2)	24	+27	n.m.
<b>Profit for the period</b>	<b>(31)</b>	<b>38</b>	<b>+69</b>	<b>n.m.</b>

# FINANCIAL SERVICES

## PROFIT & LOSS

€m	Q1-20	Q1-21	Var.	Var. %
Segment revenue	1,380	1,327	(53)	(4%)
Intersegment revenue	160	199	+39	+25%
<b>Total revenues</b>	<b>1,540</b>	<b>1,527</b>	<b>(13)</b>	<b>(1%)</b>
Personnel expenses	11	11	(0)	(2%)
<i>of which personnel expenses</i>	11	11	(0)	(2%)
<i>of which early retirement incentives</i>	0	0	+0	n.m.
Other operating costs	28	42	+13	+47%
Depreciation, amortisation and impairments	0	0	+0	+14%
Intersegment costs	1,278	1,268	(9)	(1%)
<b>Total costs</b>	<b>1,317</b>	<b>1,321</b>	<b>+4</b>	<b>+0%</b>
<b>EBIT</b>	<b>223</b>	<b>206</b>	<b>(17)</b>	<b>(8%)</b>
EBIT MARGIN	14%	13%	(0)	(7%)
Finance income/(costs)	(1)	5	+6	n.m.
<b>Profit/(Loss) before tax</b>	<b>221</b>	<b>211</b>	<b>(10)</b>	<b>(5%)</b>
Income tax expense	66	59	(7)	(10%)
<b>Profit for the period</b>	<b>155</b>	<b>152</b>	<b>(4)</b>	<b>(2%)</b>



# INSURANCE SERVICES

## PROFIT & LOSS

€m	Q1-20	Q1-21	Var.	Var. %
Segment revenue	355	496	+142	+40%
Intersegment revenue	0	1	+1	n.m.
<b>Total revenues</b>	<b>355</b>	<b>497</b>	<b>+142</b>	<b>+40%</b>
Personnel expenses	11	9	(2)	(18%)
<i>of which personnel expenses</i>	<i>10</i>	<i>9</i>	<i>(1)</i>	<i>(11%)</i>
<i>of which early retirement incentives</i>	<i>1</i>	<i>0</i>	<i>(1)</i>	<i>n.m.</i>
Other operating costs	25	27	+2	+8%
Depreciation, amortisation and impairments	4	1	(3)	(73%)
Intersegment costs	127	172	+44	+35%
<b>Total costs</b>	<b>167</b>	<b>209</b>	<b>+41</b>	<b>+25%</b>
<b>EBIT</b>	<b>187</b>	<b>288</b>	<b>101</b>	<b>+54%</b>
EBIT MARGIN	53%	58%		
Finance income/(costs)	2	11	+10	n.m.
<b>Profit/(Loss) before tax</b>	<b>189</b>	<b>300</b>	<b>111</b>	<b>+59%</b>
Income tax expense	58	90	+32	+55%
<b>Profit for the period</b>	<b>131</b>	<b>210</b>	<b>79</b>	<b>+61%</b>

# PAYMENTS & MOBILE PROFIT & LOSS

€m	Q1-20	Q1-21	Var.	Var. %
Segment revenue	165	192	+27	+16%
Intersegment revenue	90	83	(7)	(7%)
<b>Total revenues</b>	<b>255</b>	<b>276</b>	<b>+20</b>	<b>+8%</b>
Personnel expenses	7	6	(0)	(4%)
<i>of which personnel expenses</i>	7	6	(0)	(4%)
<i>of which early retirement incentives</i>	0	0	+0	n.m.
Other operating costs	87	97	+11	+12%
Intersegment costs	87	98	+11	+13%
<b>Total costs</b>	<b>181</b>	<b>202</b>	<b>+22</b>	<b>+12%</b>
<b>EBITDA</b>	<b>75</b>	<b>74</b>	<b>(1)</b>	<b>(2%)</b>
Depreciation, amortisation and impairments	8	4	(3)	(45%)
<b>EBIT</b>	<b>67</b>	<b>70</b>	<b>+2</b>	<b>+3%</b>
EBIT MARGIN	26%	25%		
Finance income/(costs)	3	-2	(5)	n.m.
<b>Profit/(Loss) before tax</b>	<b>71</b>	<b>68</b>	<b>(3)</b>	<b>(4%)</b>
Income tax expense	19	20	+0	+2%
<b>Profit for the period</b>	<b>51</b>	<b>48</b>	<b>(3)</b>	<b>(6%)</b>

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