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Oggetto : POSTE ITALIANE: Q4 & FY-21 RESULTS
AND 2024 SUSTAIN & INNOVATE
UPDATE - A PLATFORM COMPANY AT
WORK

Testo del comunicato

Vedi allegato.

POSTE ITALIANE Q4 & FY-21 RESULTS AND 2024 SUSTAIN & INNOVATE UPDATE

A PLATFORM COMPANY AT WORK

**2021 RESULTS ABOVE “24SI” TARGETS, WITH RECORD HIGH NET
PROFIT UP 31.0% Y/Y TO €1.6BN**

2021 DPS INCREASED TO €0.59¹, +21% Y/Y

**NEW DIVIDEND POLICY BASED ON HIGHER YEARLY DIVIDEND
GROWTH, SET AT 7% THANKS TO SOLID UNDERLYING
PERFORMANCE**

2021 REVENUES UP 6.6% Y/Y TO €11.2BN

**2021 STRONG OPERATING PROFIT, UP 21.1% Y/Y TO €1.8BN,
REACHING HIGH UPPER RANGE OF UPGRADED GUIDANCE**

249M PARCELS DELIVERED IN 2021, UP 18.3% Y/Y

**MAIL REVENUES SUPPORTED BY NEXIVE INTEGRATION AND VOLUME
RECOVERY**

2021 RECORD NET INFLOWS OF €15.1BN LEADING TO €586BN TFAs

**LIFE REVENUES UP 16.0% IN 2021 DRIVEN BY SUCCESSFUL
COMMERCIAL FOCUS ON MULTICLASS PRODUCTS IN A FAVOURABLE
MARKET ENVIRONMENT**

**2021 PAYMENTS AND MOBILE REVENUES UP 19.6% Y/Y - CARD
TRANSACTIONS UP 28.9% TO 2.0BN**

**“24SI” PLAN AHEAD OF SCHEDULE, BUILDING ON NEW VALUE-
CREATING INITIATIVES AND UNRIVALLED OMNICHANNEL
DISTRIBUTION PLATFORM**

**FOCUS ON STRATEGIC BOLT-ON M&A TO ACCELERATE “24SI”
IMPLEMENTATION**

**2022 EBIT UPGRADED TO €2.0BN, UP 9% VS ORIGINAL “24SI”
GUIDANCE**

¹ Subject to AGM approval.

2021 GROUP FINANCIAL HIGHLIGHTS

- FY-21 REVENUES AT €11.2BN, +6.6% Y/Y (-6.4% Y/Y TO €2.8BN IN Q4-21) AHEAD OF “24SI” ORIGINAL TARGET:
 - FY-21 MAIL, PARCEL & DISTRIBUTION REVENUES AT €3.7BN, +15.1% Y/Y (+6.3% Y/Y TO €1.0BN IN Q4-21) WITH MAIL VOLUMES RECOVERING AND RECORD HIGH PARCELS.
 - FY-21 FINANCIAL SERVICES GROSS REVENUES TO €5.5BN, -1.2% Y/Y (-16.1% Y/Y TO €1.3BN IN Q4-21) WITH NII SUPPORTED BY INVESTMENT IN TAX CREDITS; ACTIVE PORTFOLIO MANAGEMENT SECURED ENTIRELY FOR 2022 AND ABOUT HALF FOR 2023.
 - FY-21 INSURANCE REVENUES TO €1.9BN, +13.9% Y/Y (-7.9% Y/Y TO €415M IN Q4-21). NET INFLOWS AT €8.1BN, MULTICLASS GWP AT 58% OF GWP. LIFE GWP AT €17.6BN (+5.5% Y/Y), P&C GWP AT €309M (+30.1% Y/Y).
 - FY-21 PAYMENTS & MOBILE REVENUES TO €882M, +19.6% Y/Y (+22.0% Y/Y TO €263M IN Q4-21) WITH ACCELERATED CARD AND DIGITAL PAYMENTS AND INCREASING TELCO REVENUES.
- FY-21 TOTAL COSTS TO €9.4BN, +4.1% Y/Y (-5.2% Y/Y TO €2.5BN IN Q4-21):
 - FY-21 ORDINARY HR COSTS TO €5.2BN, UP 0.6% Y/Y (-1.4% Y/Y TO €1.3BN IN Q4-21), EMBEDDING STRUCTURAL SAVINGS, THANKS TO LOWER FTEs.
 - FY-21 NON-HR COSTS TO €3.7BN, UP 13.7% Y/Y (+3.9% Y/Y TO €969M IN Q4-21), SUPPORTING BUSINESS GROWTH IN LINE WITH “24SI”.
- FY-21 EBIT AT €1.8BN, +21.1% Y/Y (-17.6% Y/Y TO €230M IN Q4-21).
- FY-21 NET PROFIT AT €1.6BN, +31.0% Y/Y (+31.7% Y/Y TO €405M IN Q4-21).
- TFAs UP €17BN FOR THE YEAR TO €586BN.
- SOLID CAPITAL POSITION: BANCOPOSTA TOTAL CAPITAL RATIO AT 21.9%², LEVERAGE RATIO AT 3.0% AND POSTE VITA SOLVENCY II RATIO AT 261%.

² Of which CET1 ratio at 19.3%.

Q4 & 2021 Operational Segment Highlights

- **Mail, Parcel & Distribution:** Nexive's integration ahead of Plan; continuing to invest to operate as fully-fledged logistics operator.
- **Financial Services:** renewed agreement with CDP on postal savings distribution until 2024 with share of recurring management fees increasing over time, ensuring sustainability across the Plan. Investment in tax credits supporting NII.
- **Insurance Services:** life product ahead of "24SI" targets, with multi-class representing 58% of GWP; P&C production growth to become a fully-fledged insurance company.
- **Payments & Mobile:** card payments reached 2 billion (+29% y/y) and e-commerce card transactions grew at an impressive 31.0% to 520m, with higher activities on Poste's digital channels. In 2021 e-wallets at 9.1m (+23.4% y/y) thanks to increased usage of the Postepay app; resilient telco services thanks to a loyal customer base.

POSTE ITALIANE 2024 SUSTAIN & INNOVATE PLUS

2022 TARGETS UPGRADED THANKS TO STRONG FOUNDATIONS

All stakeholders have benefited from strong performance and impressive results over the 2017-2021 period:

- Shareholders have benefitted from growth in all business lines, with revenues increasing by €0.7bn and net profit by €0.9bn; dividend per share up 40%.
- Poste Italiane has strengthened its role as strategic pillar for the country, contributing to economic growth with a positive cumulated impact on Italian GDP for more than €49bn from 2018 to 2021. Poste Italiane has been supporting communities over the pandemic through its state-of-the-art IT platform for Covid vaccines distribution and booking system.
- Poste Italiane continues to invest in its people, with over 15,000 new hirings and training and upskilling programs at the core of our people transformation plan with more than 24 million training hours.

2022 GROUP FINANCIAL TARGETS³

- Group Revenues: €11.7bn (+1.1% vs. “24SI” previous guidance of €11.6bn).
- Operating Profit: €2.0bn (+9.0% vs. “24SI” previous guidance of €1.9bn).
- Net Profit: €1.4bn (+8.9% vs. “24SI” previous guidance of €1.3bn).

NEW SUSTAINABLE AND COMPETITIVE DIVIDEND POLICY

- 2021 dividend upgraded to €0.59, up 21% compared to 2020, a year ahead of the previous policy embedded in “24SI”.
- Yearly growth now at 7%, from original 6%, reflecting solid underlying performance.

³ Guidance does not include the impact of the conflict in Eastern Europe on GDP growth.

WE REMAIN COMMITTED TO OUR SUSTAINABLE AND INCLUSIVE GROWTH PATH THROUGH CONTINUOUS INNOVATION AND DIGITALISATION.

ON TRACK TO CARBON NEUTRALITY BY 2030. NEW GREEN CHALLENGE UNDERPINNED BY AN HOLISTIC APPROACH WITH OUR PRODUCTS, SERVICES AND PROCESSES.

2021 results have also been achieved by creating shared value for communities, shareholders and our people through:

- Continuous support of local communities and the country through promoting innovation and digitalisation:
 - **Covid vaccine multi-channel booking systems and logistics:** we delivered around 30 million vaccine doses and processed 40 million bookings through our multi-channel booking system across 8 regions reaching one-third of Italians⁴.
 - **Digital and financial education programme:** more than 3 thousand schools reached by our program on financial education.
 - **Product offering renewal to meet evolving customers' needs:** Postepay Digital launched, the first 100% digital card awarded “Product of the Year 2021” in the smart payment services category⁵.
- Focused skills development and wellbeing for employees and customers:
 - **Gender equality: Poste Italiane enters the Top 100** for the first time in the **gender equality ranking** compiled by Equileap, a leading organization providing gender equality insights within the corporate sector. This achievement goes alongside Poste Italiane’s third consecutive inclusion in the Bloomberg Gender-Equality Index (GEI).
 - **ESG linked remuneration policy** actively supporting the creation of long-term sustainable value for all stakeholders, **ESG targets** have been included both for short and long-term incentive schemes. **Starting from the 2022-2024 LTIP, 20% weight on performance linked to a gender diversity KPIs.**
 - **Training:** 24 million training hours delivered to our employees since 2017 (over 6 million in 2021), of which 80% on-line, also providing appropriate certifications

⁴ Data as of February 2022.

⁵ “Product of the Year” is the UK’s largest consumer survey of product innovation.

to our financial advisors (100% ISO 22222 certified at the end of 2021) with the aim of best serving our clients.

- **Top Employers Italia 2022:** for the third consecutive year, Poste Italiane was awarded this prestigious award by the Top Employers Institute for the excellence of Poste Italiane training and welfare policies.
- **“Insieme 24SI” initiative:** employees are actively encouraged to structurally propose new products, services or processes thus building an environment where people from all backgrounds feel included and valued, and supported by fair processes and equal opportunities.
- **Green challenge, leading the country’s transition towards carbon-neutrality:**
 - **Low-emission fleet:** 10 thousand low-emissions *postini* vehicles at the end of 2021.
 - **Real estate:** installation of photovoltaic panels on real estate assets (c. 2.2t of CO2 saved since project launch).
 - **Innovative green products:** launch of PostePay Green (awarded “Product of the Year 2022”), a new 100% biodegradable prepaid card (1.1m total biodegradable prepaid cards as of December 2021).

Rome, 23 March 2022, yesterday, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”), chaired by Maria Bianca Farina, approved the consolidated 2021 Results, prepared in compliance with IAS/IFRS, and the “24SI” update.

Matteo Del Fante, Poste Italiane Chief Executive Officer and General Manager commented: *“We are rolling out an anti-fragile strategy to successfully adapt to challenging times, overperforming our 2021 targets in terms of revenues, EBIT and net profit. Poste Italiane reported solid results increasing both versus 2020 and 2019. Furthermore, looking at the last 5 years, we have constantly overachieved strategic plan targets, with 2021 net profit almost doubled versus 2017.*

The industrial transformation started with the “Deliver 2022” plan and continued with “24SI” has now shifted the company to the next level, building on the Group’s integrated omnichannel distribution platform.

Building on our parcel results, we are now diversifying our business to become a fully-fledged logistics operator, also through inorganic options such as the acquisition of Plurima, focused on the new fast growing hospital logistics niche market.

Our digitally enabled new channels and B2B2C networks support solid new revenues’ growth. We have reached a significant 20 million average daily interactions, mainly coming from our new channels, including the PuntoPoste network, highlighting the great value generation potential embedded in our customer-base going forward.

We recently launched new strategic initiatives, enabling us to revise upwards our 2022 targets. We have signed an agreement to acquire 100% of LIS to consolidate our growth in the proximity payment business and strengthen the acquiring and SME product offering, in line with the integrated omnichannel strategy at the heart of our Plan.

We have successfully proven to face and overcome stress scenarios and we are in a better shape than many to navigate the current situation.

With these remarkable results, we are proposing an increase of the dividend from €0.486 per share in the previous year to €0.59 per share this year, anticipating the dividend per share originally envisaged for 2022 and upgrading our generous dividend policy.

In May of this year, Poste Italiane will celebrate its 160th anniversary. Our unique heritage has always allowed us to address today’s challenges and guide the future of our communities. We are a platform company, with a resilient and sustainable business for all stakeholders and we were, are and will be always present for communities across Italy.”

POSTE ITALIANE Q4 & FY-21 GROUP RESULTS & “24SI” UPDATE

Wednesday 23 March 2022 - 12:00 CET

To attend click here: [Q4 & FY-21 GROUP RESULTS & “24SI” UPDATE](#)

or via QR code for Android and iOS users:



A listen only audio conference is also available: **+39 02 8020927**

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CONSOLIDATED FINANCIAL RESULTS SUMMARY

€m	Q4-20	Q4-21	Q/Q%	FY-20	FY-21	Y/Y%
GROUP						
Revenues	2,964	2,775	-6.4%	10,526	11,220	+6.6%
EBIT	280	230	-17.6%	1,524	1,846	+21.1%
Net Profit	308	405	+31.7%	1,206	1,580	+31.0%
MAIL, PARCEL & DISTRIBUTION						
External Revenues	950	1,010	+6.3%	3,201	3,685	+15.1%
EBIT	(344)	(281)	+18.4%	(588)	(305)	+48.1%
Net Profit	(242)	(206)	+15.0%	(419)	(230)	+45.1%
FINANCIAL SERVICES						
External Revenues	1,349	1,088	-19.4%	4,945	4,783	-3.3%
EBIT	287	205	-28.6%	866	747	-13.8%
Net Profit	240	163	-32.2%	647	556	-14.0%
INSURANCE SERVICES						
External Revenues	451	415	-7.9%	1,643	1,870	+13.9%
EBIT	274	230	-16.2%	988	1,123	+13.7%
Net Profit	262	174	-33.6%	784	828	+5.6%
PAYMENTS & MOBILE						
External Revenues	215	263	+22.0%	737	882	+19.6%
EBIT	63	77	+21.4%	259	282	+8.8%
Net Profit	49	275	n.s.	194	425	+119.2%

In addition to the standard financial indicators required by IFRS, Poste Italiane discloses alternative performance indicators to provide a better understanding of business performance and financial position. These indicators are described in the annex, in line with the ESMA/2015/1415 Guidelines of 5 October 2015.

The Poste Italiane Group consolidated balance sheet, consolidated statement of profit/(loss), and consolidated statement of cash flows are attached to this release. The corresponding statements for Poste Italiane S.p.A. are also attached. The financial statements and the related notes have been delivered to the Board of Statutory Auditors and will be audited by Poste Italiane's Independent Auditors.

MAIL, PARCEL & DISTRIBUTION – RECORDED MAIL RECOVERY REVENUES – RECORD HIGH PARCEL GROWTH

€m	Q4-20	Q4-21	Q/Q%	FY-20	FY-21	Y/Y%
SEGMENT REVENUES	950	1,010	+6.3%	3,201	3,685	+15.1%
Mail Revenues (€m)	520	564	+8.4%	1,897	2,082	+9.7%
Parcel Revenues (€m)	395	384	-2.6%	1,159	1,403	+21.0%
Other Revenues (€m)	35	62	+76.1%	144	200	+38.9%
INTERSEGMENT REVENUES	1,253	1,111	-11.3%	4,633	4,694	+1.3%
TOTAL REVENUES	2,203	2,121	-3.7%	7,833	8,380	+7.0%
EBIT	(344)	(281)	+18.4%	(588)	(305)	+48.1%
EBIT Margin (%)	-15.6%	-13.2%	-	-7.5%	-3.6%	-
NET PROFIT	(242)	(206)	+15.0%	(419)	(230)	+45.1%

KPI's						
Mail Volumes (#m)	603	669	+11.0%	2,280	2,558	+12.2%
Parcels delivered by mailmen (#m)	21	25	+20.6%	74	80	+8.7%
Parcel Volumes (#m)	70	68	-3.5%	210	249	+18.3%
B2C Revenues (€m)	205	201	-2.0%	603	723	+19.8%

Mail revenues in 2021 were up 9.7% y/y to €2.1bn (+8.4% y/y to €564m in Q4-21); volumes were up 12.2% y/y (+11.0% y/y in Q4-21) thanks to the integration of Nexive and expected volumes recovery in H2-21.

Parcel revenues were up 21.0% y/y to €1.4bn in FY-21 (-2.6% y/y to €384m in Q4-21), supported by record high B2C volumes in H1-21, exceeding “24SI” targets.

Other revenues in 2021 were up 38.9% y/y to €200m (+76.1% y/y to €62m in Q4-21) thanks to vaccines’ distribution, digital identity (SPID) fees and investment in tax credits.

In 2021 almost 1 million parcels were handled daily with Postini delivering 80 million parcels, up 8.7% y/y.

FY-21 distribution revenues were up 1.3% y/y to €4.7bn (-11.3% y/y to €1.1bn in Q4-21).

2021 Segment EBIT improving considerably, also thanks to costs control and totaling -€305m (+48.1% y/y). Q4-21 EBIT up to -€281m from -€344m in Q4-20.

2024 SUSTAIN & INNOVATE PLUS HIGHLIGHTS

2022 Financial Targets

- Parcel Revenues: €1.5bn vs FY-21 of €1.4bn.

- Mail Revenues: €2.1bn, stable vs FY-21.
- EBIT: - €0.2bn, improving y/y and upgrading “24SI” original target of - €0.3bn.
- Acquisition of Plurima providing exposure to fast-growing market of healthcare logistics and medical data management.

FINANCIAL SERVICES – TRENDS IN LINE WITH “24SI”. NII STRENGTHENED BY INVESTMENTS IN TAX CREDITS

€m	Q4-20	Q4-21	Q/Q%	FY-20	FY-21	Y/Y%
SEGMENT REVENUES	1,349	1,088	-19.4%	4,945	4,783	-3.3%
Net Capital Gain	131	2	-98.8%	365	407	+11.4%
Interest Income	374	375	+0.2%	1,537	1,485	-3.4%
Postal Savings	474	441	-6.9%	1,851	1,753	-5.3%
Transaction banking	296	205	-30.9%	904	797	-11.9%
Third Parties Distribution	48	33	-32.5%	191	221	+15.5%
Asset Management	25	32	+30.5%	97	120	+24.4%
INTERSEGMENT REVENUES	186	199	+7.1%	665	759	+14.1%
TOTAL REVENUES	1,535	1,287	-16.1%	5,610	5,542	-1.2%
EBIT	287	205	-28.6%	866	747	-13.8%
EBIT Margin (%)	+18.7%	+15.9%	-	+15.4%	+13.5%	-
NET PROFIT	240	163	-32.2%	647	556	-14.0%
KPI's						
TOTAL FINANCIAL ASSETS - TFAs (€/bn)	-	-	-	569	586	+3.1%
Average Current Account Deposits (€bn)	-	-	-	67.4	79.1	+17.3%
Average Postal Savings Deposits (€bn)	-	-	-	315.6	318.1	+0.8%
Postal Savings Net Inflows (€m)	(146)	(1,008)	n.s.	(572)	(5,298)	n.s.

In 2021 Financial Services segment revenues were down 3.3% y/y to €4.8bn (-19.4% y/y to €1.1bn in Q4-21), with resilient Net Interest Income supported by investments in tax credits and in line with “24SI” targets.

In 2021 gross revenues (including distribution revenues) were down 1.2% y/y to €5.5bn (-16.1% y/y to €1.3bn in Q4-21), mainly related to active portfolio management secured in Q3.

In 2021 net interest income was down 3.4% y/y at €1.5bn (stable y/y to €375m in Q4-21), due to the impact of yield compression, partially offset by higher deposits and the positive contribution from investments in tax credits.

Postal savings’ distribution fees were down 5.3% y/y in 2021 to €1.8bn (-6.9% y/y to €441m in Q4-21), in line with “24SI” targets, with a new remuneration scheme supporting

sustainability of revenues across the Plan.

In 2021 loan and mortgage distribution fees were up 15.5% y/y to €221m (-32.5% y/y to €33m in Q4-21), reflecting an increasing market demand. The yearly and quarterly results were affected by the accounting of (IFRS9) higher potential early redemptions of personal and salary backed loans.

FY-21 transaction banking fees were down 11.9% y/y to €797m (-30.9% y/y to €205m in Q4-21), due to a 2020 positive non-operating one-off and decreasing physical payment slips volumes.

FY-21 asset management fees were up 24.4% y/y to €120m (+30.5% y/y to €32m in Q4-21), thanks to recurring commissions and higher net inflows.

Total Financial Assets reached €586bn at the end of the year (up €17bn since December 2020), driven by record high net inflows of €15.1bn and €2.3bn positive market effect.

Net Technical Reserves increased €5.2bn, driven by €8.1bn net inflows, and Deposits' net inflows reached €11.3bn supported by all categories, confirming a clear preference for liquidity by customers.

In FY-21 EBIT is down 13.8% y/y to €747m (down 28.6% y/y to €205m in Q4-21), in line with "24SI" targets.

2024 SUSTAIN & INNOVATE PLUS HIGHLIGHTS

2022 Financial Objectives

- Gross Revenues: €5.7bn (FY-21: €5.54bn), above original "24SI" target of €5.6bn thanks to tax credits investments.
- EBIT: €0.7bn (FY-21: €0.75bn), confirming "24SI" original target.
- New postal savings distribution agreement providing more stable and sustainable revenues.

INSURANCE SERVICES – FY-21 STRONG PERFORMANCE IN LINE WITH “24SI”, SUPPORTED BY FAVOURABLE MARKET CONDITIONS

€m	Q4-20	Q4-21	Q/Q%	FY-20	FY-21	Y/Y%
SEGMENT REVENUES	451	415	-7.9%	1,643	1,870	+13.9%
Life (inc. Private Pension Plan)	419	389	-7.1%	1,500	1,740	+16.0%
P&C	31	26	-17.9%	142	130	-8.4%
INTERSEGMENT REVENUES	1	1	-41.7%	1	3	+87.6%
TOTAL REVENUES	452	416	-7.9%	1,644	1,873	+13.9%
EBIT	274	230	-16.2%	988	1,123	+13.7%
EBIT Margin (%)	+60.7%	+55.3%	-	+60.1%	+60.0%	-
NET PROFIT	262	174	-33.6%	784	828	+5.6%

KPI's						
Gross Written Premiums (€m)	4,475	3,737	-16.5%	16,898	17,883	+5.8%
GWP - Life + Private Pension Plans (€m)	4,422	3,667	-17.1%	16,661	17,574	+5.5%
GWP - P&C (€m)	53	70	+33.0%	237	309	+30.1%

In 2021 Insurance segment revenues were up 13.9% y/y to €1.9bn (-7.9% y/y to €415m in Q4-21) and in line with ambitious targets.

In FY-21 life revenues were also up 16.0% y/y to €1.7bn (-7.1% y/y to €389m in Q4-21), driven by successful commercial focus on multiclass products now representing 58% of GWP.

2021 Non-life revenues were down 8.4% y/y to €130m (-17.9% y/y to €26m in Q4-21), impacted by business mix and negative one-offs.

FY-21 Life gross written premiums were up 5.5% y/y to €17.6bn (-17.1% y/y to €3.7bn in Q4-21).

FY-21 P&C gross written premiums were up 30.1% y/y to €309m (+33.0% y/y to €70m in Q4-21), supported by modular offer and health insurance.

In 2021 EBIT was up 13.7% y/y to €1.1bn (-16.2% y/y to €230m in Q4-21) and in line with our ambitious targets.

At the end of December 2021, Poste Vita Group's Solvency II Ratio stood at 261%, with transitional measures providing an additional buffer of 24p.p. to address potential market volatility going forward.

2024 SUSTAIN & INNOVATE PLUS HIGHLIGHTS

2022 Financial Targets

- Segment Revenues: €2.2bn (FY-21: €1.9bn).
- EBIT: €1.2bn (FY-21: €1.12bn).
- Life business continues to benefit from steady profitability improvement thanks to mix shifting towards higher margin products and favourable market conditions.
- Management actions to support the ambitious P&C business growth which is expected to continue, contributing to revenue diversification.

PAYMENTS AND MOBILE – ALL BUSINESS LINES BOOSTING SOLID REVENUE GROWTH

€m	Q4-20	Q4-21	Q/Q%	FY-20	FY-21	Y/Y%
SEGMENT REVENUES	215	263	+22.0%	737	882	+19.6%
<i>Cards Payments</i>	110	136	+24.0%	374	457	+22.4%
<i>Other Payments</i>	32	48	+52.9%	79	115	+45.3%
<i>Telecom</i>	74	78	+5.9%	284	309	+8.8%
INTERSEGMENT REVENUES	81	73	-9.4%	341	319	-6.4%
TOTAL REVENUES	296	336	+13.4%	1,079	1,201	+11.4%
EBIT	63	77	+21.4%	259	282	+8.8%
EBIT Margin (%)	+21.3%	+22.8%	-	+24.0%	+23.4%	-
NET PROFIT	49	275	n.s.	194	425	+119.2%
KPI's						
Postepay cards (#m)	-	-	-	21.7	21.1	-2.8%
<i>of which Postepay Evolution cards(#m)</i>	-	-	-	7.7	8.4	+9.3%
Total payment cards transactions (#bn)	-	-	-	1.6	2.0	+28.9%
<i>of which eCommerce transactions (#m)</i>	-	-	-	397.0	519.9	+31.0%
Mobile & land-line (#m)	-	-	-	4.6	4.7	+2.2%
Digital e-Wallets (#m)	-	-	-	7.4	9.1	+23.4%

FY-21 segment revenues continued their positive trajectory up 19.6% y/y to €882m, confirming the role played by PostePay as leader in the fast-growing and evolving digital payments environment in Italy. In Q4 Payments and Mobile segment revenues continued to grow by a strong 22.0% y/y to €263m.

Card payments were up 22.4% y/y to €457m in 2021 (+24.0% y/y to €136m in Q4-21).

The shift towards higher recurring margin Evolution cards continued, with the total stock now at 8.4million cards (up 9.3% y/y in FY-21).

In FY-21 Other payments were up 45.3% y/y to €115m (+52.9% y/y to €48m in Q4-21), mainly thanks to payment transactions directly managed by PostePay as Payment Service Provider and an increasing level of bank transfers.

Telco revenues were up 8.8% y/y to €309m in FY-21 (+5.9% y/y to €78m in Q4-21), benefitting from a resilient customer base of 4.7 million users (+2.2% y/y from 4.6 million in 2020) with a low churn rate.

Card transactions up 29% in FY-21 to 2.0bn.

E-commerce transactions continued the upward trend within the 2021 to 519.9m (+31.0% y/y) and PostelD (Poste Italiane's National Digital ID solution) in FY-21 has now been adopted by 21.2m clients (+73.2% y/y).

In FY-21 EBIT was up 8.8% y/y to €282m (+21.4% y/y to €77m in Q4-21), supported by increasing digital payments and savings coming from the new telco wholesale contract.

2024 SUSTAIN & INNOVATE PLUS HIGHLIGHTS

2022 Financial Targets

- Segment Revenues: €1.0bn (FY-21: €0.88bn).
- EBIT: €0.3bn (FY-21: €0.28bn).
- Net Profit: €0.2bn (FY-21⁶: €0.43bn).
- LIS acquisition allows to further develop omnichannel strategy, expand acquiring business and strengthen positioning on SME clients.
- Launch of energy offer forecasted by late 2022, with medium term ambitions confirmed in terms of 100% green energy, volumes and growth targets.
- Card transactions, transactions value and Postepay deposits expected to continue growing double digits in 2022.

⁶ Including €225m of NEXI stake revaluation.

RECENT EVENTS AND BUSINESS OUTLOOK

During 2021, the Group accelerated the planned recovery trend, achieving better-than-expected results at the pre-pandemic levels of 2019.

The trend in inflation recorded mainly towards the end of 2021, the pressure on raw material prices and the recent international political events involving Russia and Ukraine introduce uncertainty and turbulence on the markets.

The Group procures supplies and competes mainly in the domestic market, does not have production units in the countries affected by the conflict or bordering countries, and has limited commercial relationships with the countries affected by the conflict. Therefore, it does not have direct repercussions that could significantly affect the various businesses or lead to significant repercussions on its profitability. The volatility of the financial markets could change customers' investment decisions, guiding them towards more liquid products or products that are at least less exposed to the trends of the financial markets. The Group has historically demonstrated resilience in times of financial turbulence, establishing itself as a 'safe harbour' for savers, thanks to a portfolio of financial offers that will continue to keep Postal Savings at the centre of the strategy, also in the future. The Group's cost structure includes limited exposure to sectors with high pressure on prices, and the price rises seen up to now have not generated significant economic effects or significant critical issues in operating processes.

On 23 March 2022, Poste Italiane updated the financial community with the 2024 Sustain & Innovate Plus Strategic Plan, in which the Group confirms its goal of accompanying the country in responsible, inclusive and sustainable growth, also through a process of digital transformation that leverages the significant planned investments in technology aimed at helping to close the country's geographical and generational digital divide.

The development of the insurance saving and Postal Saving segments will remain strategic, thanks also to the new agreement with Cassa Depositi e Prestiti. Investments are planned to support the growth of parcels, digital payments and protection, with offers aimed at reducing the country's underinsurance.

The acquisition of LIS will accelerate the implementation of the Group's omni-channel strategy, facilitating the transition to digital payments and strengthening the growth of proximity payment in the business.

In support of the economic recovery and in agreement with the Institutions, Poste Italiane will continue to purchase tax credits, which will enable the Group to increase its flexibility in

managing the investment portfolio, in a persistent low-interest-rate environment.

In line with the Strategic Plan, the Group intends to enter the energy market by the end of 2022, depending on the market scenario and the business opportunities, by proposing a fair, competitive and easily understood offer and supply from 'green' sources.

The commitment to the ecological transformation includes important initiatives and investments, such as making properties more efficient, lowering emissions from the company fleet and photovoltaics. These actions will lead the Group towards carbon neutrality, expected by the end of 2030.

MATERIAL EVENTS DURING THE PERIOD AND SUBSEQUENT TO 31 DECEMBER 2021

Conflict in Eastern Europe

The potential impacts, although currently unclear and uncertain also in relation to the pressure on inflation driven by the sharp increases in energy and raw material prices, seem limited in relation to the fact that the Group's operating activities are almost entirely carried out within the country and without depending on the value chain with the countries involved.

Acquisition and corporate restructuring of the Nexive Group

On 29 January 2021, the transaction was completed and Poste Italiane acquired the entire share capital of Nexive from PostNL European Mail Holdings B.V. and Mutares Holding – 32 GmbH at a price of €34.4 million, based on an enterprise value of €50 million and net debt of €15.6 million. Following the price adjustment provided for in the contractual agreements, the final consideration amounted to €30.7 million.

Subsequently, on 11 May 2021, Poste Italiane SpA's Board of Directors approved the plans for the merger and demerger relating to the reorganisation, within the Poste Italiane Group. In particular, the above-mentioned corporate reorganisation is divided into the following phases:

- the merger by incorporation of Nexive Group and Nexive Servizi into Poste Italiane;
- the partial demerger of Nexive Network (i) in favour of Poste Italiane, as regards the mail delivery business, which includes the shareholding in Nexive Scarl, and (ii) in favour of Postel SpA, a company also wholly and directly controlled by Poste Italiane, as regards the printing business.

The transaction is effective from 1 October 2021.

BNL Finance ("Financit")

The closing of the transaction was completed on 1 July 2021 for Poste Italiane to acquire a 40% equity investment in BNL Finance, a BNL Gruppo BNP Paribas company that is a leader in the salary backed loans market, following the approval from the Italian Supervisory Authorities and the completion of the de-merger by BNL Finance's in favour of its parent company BNL of the out-of-scope activities.

Also with effect from 1 July 2021, BNL Finance S.p.A. changed its name to Financit S.p.A..

Sengi Express Limited

On 19 January 2021, Poste Italiane SpA and Cloud Seven Holding Limited signed a binding framework agreement for strengthening the partnership in the e-commerce market between China and Italy. The framework agreement provided for the acquisition by Poste Italiane of 51% of the voting capital (40% of the total capital) of Sengi Express Limited ("Sengi Express"), a company wholly owned by Cloud Seven Holding Limited based in Hong Kong. Sengi Express is a leading company in the creation and management of cross-border logistics solutions for Chinese e-commerce merchants active in the Italian market. The closing of the transaction was completed on 1 March 2021.

Eurizon Capital Real Asset SGR ("ECRA")

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements to acquire 40% of the share capital of Eurizon Capital Real Asset SGR S.p.A. ("ECRA"), a company specialising in investments in support of the real economy controlled by Eurizon, which currently has assets under management of approximately €3.4 billion. The transaction was closed on 31 January 2022, once the regulatory authorities had given their approval. We can note that ECRA continues to be controlled and consolidated by Eurizon.

Hybrid Bond issue

Poste Italiane S.p.A., with a settlement date of 24 June 2021, placed its first hybrid subordinated perpetual bond issue with an 8-year non-call period for institutional investors, with a total nominal value of €800 million, with the aim of strengthening the Group's capital structure, and, in particular, BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio, as well as Poste Vita's Solvency II ratio, thus helping to support the Group's long-term growth in accordance with the strategic guidelines of the "24 SI" Strategic Plan.

Interim dividend 2021

On 10 November 2021, Poste Italiane's Board of Directors, in the light of the Parent Company's performance and financial position in the first half of 2021 and in line with prevailing practice, decided to advance part of the ordinary dividend for 2021 as an interim dividend. The advance of €0.185 per share, gross of any withholding taxes, was paid with effect from 24 November 2021 for a total of €241 million.

MFM Holding Ltd

On 26 January 2022 MFM Holding Ltd (“Moneyfarm”) launched a capital increase for an amount of approximately €53 million, subscribed for approximately €44 million by M&G plc, a listed asset manager based in the UK, and pro quota by Poste Italiane with an investment of approximately €9 million, in order not to dilute its stake of approximately 14%.

LIS Holding S.p.A.

On 25 February 2022 PostePay signed with IGT Lottery S.p.A. (“IGT”) a binding agreement for the acquisition of 100% of LIS Holding S.p.A. (together with the subsidiary LIS Pay S.p.A., “LIS”) at a price of €700 million determined on the basis of an Enterprise Value of €630 million and available net cash of €70 million. The boards of directors of Poste Italiane and PostePay have approved the transaction which remains subject to the usual closing conditions, including obtainment of the regulatory approvals. The closing is expected within the third quarter of 2022.

Tink AB

On 10 March 2022, following the approval by the supervisory and antitrust authorities, the closing was completed of the operation to sell the equity investment in Tink AB held by PostePay S.p.A. to Visa Open Connect Limited.

Plurima S.p.A.

On 18 March 2022 Poste Italiane S.p.A. (“Poste Italiane”) has signed a binding agreement with Opus S.r.l. - fully owned by the Marconi Family - and the Siparex private equity group, for the acquisition of a controlling stake in Plurima S.p.A. (“Plurima”, or the “Company”) at a purchase price corresponding to an enterprise value of €130 million for the entire share capital of the Company. The transaction will be executed through Poste Italiane’s fully owned subsidiary Poste Welfare Servizi S.r.l. (“PWS”) and will be fully funded with Poste Italiane’s ample available cash resources. At the closing of the transaction, which is expected within the second quarter of 2022 following the approval by the antitrust authorities, PWS will own 70% of Plurima’s share capital, while the Marconi Family will retain a 30% stake. Luca Marconi will be confirmed as the Company’s Executive Chairman.

ALTERNATIVE PERFORMANCE INDICATORS

In keeping with the guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), in addition to the financial disclosures required by IFRS, Poste Italiane has included a number of indicators in this report that have been derived from them. These provide management with a further tool for measuring the Group's performance.

The following alternative performance indicators are used:

EBIT (Earnings before interest and taxes) - this is an indicator of operating profit before financial expenses and taxation.

EBIT margin – this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue. This indicator is also presented separately for each Strategic Business Unit.

GROUP NET CASH POSITION: the sum of financial assets, tax credits Law no. 77/2020, cash and deposits attributable to BancoPosta, cash and cash equivalents, technical provisions for the insurance business (shown net of technical provisions attributable to reinsurers) and financial liabilities. This indicator is also shown separately for each Strategic Business Unit.

NET CASH POSITION OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: is the financial indebtedness shown according to the format recommended by ESMA, the European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) excluding non-current trade and other payables for which there is a significant financing component, either implicitly or explicitly, and including: non-current financial assets, tax credits Law no. 77/2020, current derivative assets used for hedging purposes and intersegment financial receivables and borrowings

Composition of net financial position* (€m):

	MAIL, PARCEL & DISTRIBUTION	FINANCIAL SERVICES	INSURANCE SERVICES	PAYMENTS & MOBILE	ADJUSTMENTS	CONSOLIDATED
Balance at 31 December 2021						
Financial liabilities	4,814	102,198	284	8,716	(11,280)	104,732
Technical reserves for the insurance business	-	-	159,089	-	-	159,089
Financial assets	(942)	(89,995)	(158,606)	(9,783)	10,470	(248,856)
Tax credits Law no. 77/2020	(448)	(6,008)	-	-	-	(6,456)
Technical reserves attributable to reinsurers	-	-	(50)	-	-	(50)
Cash and deposits attributable to BancoPosta	-	(7,659)	-	-	-	(7,659)
Cash and cash equivalents	(2,121)	(2,021)	(4,584)	(32)	800	(7,958)
Net Financial Position*	1,303	(3,485)	(3,867)	(1,099)	(10)	(7,158)
Balance at 31 December 2020						
Financial liabilities	5,438	95,295	304	7,459	(10,266)	98,230
Technical reserves for the insurance business	-	-	153,794	-	-	153,794
Financial assets	(1,310)	(92,385)	(155,953)	(7,753)	9,518	(247,883)
Tax credits Law no. 77/2020	(35)	-	-	-	-	(35)
Technical reserves attributable to reinsurers	-	-	(54)	-	-	(54)
Cash and deposits attributable to BancoPosta	-	(6,391)	-	-	-	(6,391)
Cash and cash equivalents	(2,254)	(2,020)	(964)	(16)	738	(4,516)
Net Financial Position*	1,839	(5,501)	(2,873)	(310)	(10)	(6,855)

* Net financial position: (Surplus) / Net debt

TABLES

POSTE ITALIANE GROUP'S FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (€M)

	(€m)	
ASSETS	31 December 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,267	2,134
Investment property	32	31
Intangible assets	873	755
Right-of-use assets	1,116	1,200
Investments accounted for using the equity method	277	615
Financial assets	221,226	221,134
Trade receivables	3	2
Deferred tax assets	1,245	1,123
Other receivables and assets	4,012	3,839
Tax credits Law no. 77/2020	5,551	29
Technical provisions attributable to reinsurers	50	54
Total	236,652	230,916
Current assets		
Inventories	155	165
Trade receivables	2,508	2,373
Current tax assets	115	187
Other receivables and assets	1,146	1,054
Tax credits Law no. 77/2020	905	6
Financial assets	27,630	26,749
Cash and deposits attributable to BancoPosta	7,659	6,391
Cash and cash equivalents	7,958	4,516
Total	48,076	41,441
TOTAL ASSETS	284,728	272,357
LIABILITIES AND EQUITY	31 December 2021	31 December 2020
Equity		
Share capital	1,306	1,306
Reserves	3,599	3,909
Treasury shares	(40)	(40)
Retained earnings	7,237	6,327
Equity attributable to owners of the Parent	12,102	11,502
Equity attributable to non-controlling interests	8	5
Total	12,110	11,507
Non-current liabilities		
Technical provisions for insurance business	159,089	153,794
Provisions for risks and charges	693	625
Employee termination benefits	922	1,030
Financial liabilities	15,122	18,366
Deferred tax liabilities	953	1,229
Other liabilities	1,749	1,576
Total	178,528	176,620
Current liabilities		
Provisions for risks and charges	575	771
Trade payables	2,029	1,837
Current tax liabilities	16	13
Other liabilities	1,860	1,745
Financial liabilities	89,610	79,864
Total	94,090	84,230
TOTAL EQUITY AND LIABILITIES	284,728	272,357

CONSOLIDATED STATEMENT OF NET PROFIT (LOSS) (€M)

(€m)

	FY 2021	FY 2020
Revenue from Mail, Parcels & other	3,685	3,201
Net revenue from Financial Services	4,783	4,945
Revenue from Financial Services	4,931	5,151
Expenses from financial activities	(148)	(206)
Revenue from Insurance Services after movements in technical provisions and other claims expenses	1,870	1,643
Insurance premium revenue	17,829	16,865
Income from insurance activities	4,383	4,065
Net change in technical provisions for insurance business and other claims	(19,964)	(18,767)
Expenses from insurance activities	(378)	(520)
Revenue from Payments & Mobile	882	737
Net operating revenue	11,220	10,526
Cost of goods and services	2,873	2,523
Personnel expenses	5,467	5,638
Depreciation, amortisation and impairments	790	700
Capitalised costs and expenses	(33)	(37)
Other operating costs	253	103
Impairment loss/(reversal) on debt instruments, receivables and other assets	24	75
Operating profit/(loss)	1,846	1,524
Finance costs	73	75
Finance income	369	123
<i>of which, non-recurring income</i>	225	-
Impairment loss/(reversal of impairment losses) on financial asset	-	1
Profit/(Loss) on investments accounted for using the equity method	26	5
Profit/(Loss) before tax	2,168	1,576
Income tax expense	588	370
<i>of which, non-recurring expense/(income)</i>	-	(96)
NET PROFIT FOR THE PERIOD	1,580	1,206
of which, attributable to owners of the Parent	1,578	1,207
of which, attributable to non-controlling interests	2	(1)
Earnings per share	1.214	0.927
Diluted earnings per share	1.214	0.927

CONSOLIDATED STATEMENT OF CASH FLOWS (€M)

		(€m)
	FY 2021	FY 2020
Cash and cash equivalents at beginning of year	4,516	2,149
Profit/(Loss) before tax	2,168	1,576
Depreciation, amortisation and impairments	790	700
Depreciation (revaluation) of investments	(225)	-
Goodwill Impairment	-	-
Net provisions for risks and charges	363	566
Use of provisions for risks and charges	(501)	(388)
Provisions for employee termination benefits	1	2
Employee termination benefits	(129)	(120)
(Gains)/Losses on disposals	2	(2)
Impairment losses/(reversals) on financial instruments	-	-
(Dividends)	-	-
Dividends received	-	-
(Finance income realised)	(3)	(1)
(Finance income in form of interest)	(136)	(108)
Interest received	133	112
Interest expense and other finance costs	64	62
Interest paid	(32)	(28)
Losses and impairment losses/(Reverseals of impairment losses) on receivables	33	61
Income tax paid	(394)	(823)
Other changes	(20)	7
Cash flow generated by operating activities before movements in working capital	[a] 2,114	1,616
<i>Movements in working capital:</i>		
(Increase)/decrease in Inventories	11	(26)
(Increase)/decrease in Trade receivables	(184)	(262)
(Increase)/decrease in Other receivables and assets	(45)	(127)
Change in tax credits Law no. 77/2020	(526)	(35)
Increase/(decrease) in Trade payables	129	209
Increase/(decrease) in Other liabilities	244	(436)
Cash flow generated by /(used in) movements in working capital	[b] (371)	(677)
Increase/(decrease) in liabilities attributable to financial, payments, cards and acquiring, insurance activities	10,813	14,469
Net cash generated by/(used for) financial asset and tax credit Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance	(13,294)	(15,961)
(Increase)/decrease in cash and deposits attributable to BancoPosta	(1,268)	(2,088)
Increase/(decrease) in net technical provisions for insurance business	10,334	7,813
(Income)/Expenses and other non-cash components	(4,144)	(3,255)
Cash generated by/(used for) financial assets/liabilities attributable to financial, payments, card and acquiring, insurance	[c] 2,441	978
Net cash flow from /(for) operating activities	[d]=[a+b+c] 4,184	1,917
<i>Investing activities:</i>		
Property, plant and equipment	(342)	(300)
Investment property	-	(1)
Intangible assets	(412)	(379)
Investments	(50)	(1)
Other financial assets	(4)	(35)
Investment in consolidated companies, net of cash acquired	(40)	-
<i>Disposals:</i>		
Property, plant and equipment, investment property, intangible assets and assets held for sale	3	6
Investments	-	-
Other financial assets	423	109
Net cash flow from /(for) investing activities	[e] (422)	(601)
Proceeds from/(Repayments of) long-term borrowings	(87)	1,248
(Increase)/decrease in loans and receivables	-	-
Increase/(decrease) in short-term borrowings	(366)	415
(Purchase)/disposal of own shares	-	-
Dividends paid	(662)	(613)
Equity instrument - perpetual hybrid bond	794	-
Other transactions with minority shareholders	-	1
Net cash flow from/(for) financing activities and shareholder transactions	[f] (321)	1,051
Impact of change in exchange rate on cash and cash equivalents	[g] 1	-
Net increase/(decrease) in cash	[h]=[d+e+f+g] 3,442	2,367
Cash and cash equivalents at end of year	7,958	4,516
Restricted net cash and cash equivalents at the end of year	(5,369)	(1,705)
Unrestricted net cash and cash equivalents at end of year	2,589	2,811

POSTE ITALIANE SPA'S FINANCIAL STATEMENTS (€m)
POSTE ITALIANE SPA - BALANCE SHEET

	(€m)	
ASSETS	31 December 2021	31 December 2020
Non-current assets		
Property, plant and equipment	2,110	1,987
Investment property	32	31
Intangible assets	828	719
Right-of-use assets	945	1,033
Investments	2,598	2,215
Financial assets	69,430	72,040
Trade receivables	1	1
Deferred tax assets	674	579
Other receivables and assets	1,674	1,547
Tax credits Law no. 77/2020	5,551	29
Total	83,843	80,181
Current assets		
Inventories	11	21
Trade receivables	2,924	2,983
Current tax assets	106	143
Other receivables and assets	973	896
Tax credits Law no. 77/2020	905	6
Financial assets	20,783	20,284
Cash and deposits attributable to BancoPosta	7,658	6,391
Cash and cash equivalents	3,870	4,029
Total	37,230	34,753
TOTAL ASSETS	121,073	114,934
LIABILITIES AND EQUITY	31 December 2021	31 December 2020
Equity		
Share capital	1,306	1,306
Own shares	(40)	(40)
Reserves	3,486	3,820
Retained earnings	2,282	2,153
Total	7,034	7,239
Non-current liabilities		
Provisions for risks and charges	628	578
Employee termination benefits	896	1,003
Financial liabilities	14,948	18,179
Deferred tax liabilities	674	982
Other liabilities	1,677	1,534
Total	18,823	22,276
Current liabilities		
Provisions for risks and charges	541	731
Trade payables	2,031	2,121
Current tax liabilities	1	6
Other liabilities	1,332	1,455
Financial liabilities	91,311	81,106
Total	95,216	85,419
TOTAL LIABILITIES AND EQUITY	121,073	114,934

**POSTE ITALIANE SPA – BALANCE SHEET – SUPPLEMENTARY STATEMENT
SHOWING BANCOPOSTA'S RING FENCED SHAREHOLDERS' EQUITY AT 31
DECEMBER 2021 (€m)**

(€m)

ASSETS	Capital outside the ring-fence	BancoPosta RFC	Adjustments	Total
Non-current assets				
Property, plant and equipment	2,110	-	-	2,110
Investment property	32	-	-	32
Intangible assets	828	-	-	828
Right-of-use assets	945	-	-	945
Investments	2,598	-	-	2,598
Financial assets	407	69,023	-	69,430
Trade receivables	1	-	-	1
Deferred tax assets	391	283	-	674
Other receivables and assets	60	1,614	-	1,674
Tax credits Law no. 77/2020	383	5,168	-	5,551
Total	7,755	76,088	-	83,843
Current assets				
Inventories	11	-	-	11
Trade receivables	2,025	899	-	2,924
Current tax assets	106	-	-	106
Other receivables and assets	384	589	-	973
Tax credits Law no. 77/2020	65	840	-	905
Financial assets	51	20,732	-	20,783
Cash and deposits attributable to BancoPosta	-	7,658	-	7,658
Cash and cash equivalents	1,857	2,013	-	3,870
Total	4,499	32,731	-	37,230
Intersegment relations net amount	-	77	(77)	-
TOTAL ASSETS	12,254	108,896	(77)	121,073
LIABILITIES AND EQUITY	Capital outside the ring-fence	BancoPosta RFC	Adjustments	Total
Equity				
Share capital	1,306	-	-	1,306
Own shares	(40)	-	-	(40)
Reserves	805	2,681	-	3,486
Retained earnings	590	1,692	-	2,282
Total	2,661	4,373	-	7,034
Non-current liabilities				
Provisions for risks and charges	453	175	-	628
Employee termination benefits	893	3	-	896
Financial liabilities	2,579	12,369	-	14,948
Deferred tax liabilities	4	670	-	674
Other liabilities	62	1,615	-	1,677
Total	3,991	14,832	-	18,823
Current liabilities				
Provisions for risks and charges	487	54	-	541
Trade payables	1,830	201	-	2,031
Current tax liabilities	1	-	-	1
Other liabilities	1,271	61	-	1,332
Financial liabilities	1,936	89,375	-	91,311
Total	5,525	89,691	-	95,216
Intersegment relations net amount	77	-	(77)	-
TOTAL LIABILITIES AND EQUITY	12,254	108,896	(77)	121,073

POSTE ITALIANE SPA - STATEMENT OF NET PROFIT (LOSS)

(€m)

	FY 2021	FY 2020
Revenue from sales and services	8,488	8,226
Other income from financial activities	523	516
Other operating income	680	299
Total revenue	9,691	9,041
Cost of goods and services	2,486	2,318
Expenses from financial activities	178	235
Personnel expenses	5,235	5,446
Depreciation, amortisation and impairments	715	622
Capitalised costs and expenses	(31)	(32)
Other operating costs	209	67
Impairment loss/(reversal) on debt instruments, receivables and other assets	14	55
Operating profit/(loss)	885	330
Finance costs	64	80
Finance income	76	82
Profit/(Loss) before tax	897	333
Income tax for the year	100	8
<i>of which, non-recurring expense/(income)</i>	-	(38)
PROFIT FOR THE YEAR	797	325

POSTE ITALIANE SPA – STATEMENT OF CASH FLOWS (€m)

(€m)

	Notes	FY 2021	FY 2020
Cash and cash equivalents at beginning of year		4,029	1,206
Profit/(Loss) before tax		897	333
Depreciation, amortisation and impairments		715	622
Impairments/(Reversals of impairments) of investments		-	12
Net provisions for risks and charges		349	553
Use of provisions for risks and charges		(490)	(374)
Employee termination benefits paid		(126)	(119)
(Gains)/losses on disposals		1	(2)
(Dividends)		(8)	(8)
Dividends received		8	8
(Finance income in form of interest)		(63)	(62)
Interest received		70	69
Interest expense and other finance costs		57	57
Interest paid		(30)	(27)
Losses and impairments/(Recoveries) on receivables		24	41
Income tax paid		(333)	(638)
Other changes		(4)	4
Cash generated by operating activities before movements in working capital	[a]	1,067	469
<i>Movements in working capital:</i>			
(Increase)/decrease in Inventories		10	(21)
(Increase)/decrease in Trade receivables		69	(619)
(Increase)/decrease in Other receivables and assets		278	400
Increase/(decrease) in Trade payables		(119)	504
Increase/(decrease) in Other liabilities		(22)	(86)
Increase/(decrease) in Tax credits Law no. 77/2020		(526)	(35)
Cash generated by/(used in) movements in working capital	[b]	(310)	143
Increase/(decrease) in financial liabilities attributable to BancoPosta		10,814	14,676
Net cash generated by/(used for) financial assets to BancoPosta		1,768	(8,198)
(Increase)/decrease in other financial assets attributable to BancoPosta and Tax credits Law no. 77/2020		(9,871)	(1,384)
(Increase)/decrease in cash and deposits attributable to BancoPosta		(1,267)	(2,088)
(Income)/Expenses and other non-cash components attributable to financial activities		(1,842)	(1,471)
Cash generated by/(used for) financial assets and liabilities attributable to BancoPosta	[c]	(398)	1,535
Net cash flow from/(for) operating activities	[d]=[a+b+c]	359	2,147
<i>Investing activities:</i>			
Property, plant and equipment		(298)	(246)
Investment property		(1)	(1)
Intangible assets		(409)	(365)
Investments		(409)	(20)
Other financial assets		(75)	(57)
<i>Disposals:</i>			
Property, plant and equipment, investment property and assets held for sale		4	6
Investments		1	-
Other financial assets		507	114
Mergers		(10)	(61)
Net cash flow from/(for) investing activities	[e]	(690)	(630)
Increase/(decrease) in financial instruments		(100)	1,246
Increase/(decrease) in short-term borrowings		140	673
Dividends paid		(662)	(613)
Equity instruments - perpetual hybrid bonds		794	-
Net cash flow from/(for) financing activities and shareholder transactions	[f]	172	1,306
Net increase/(decrease) in cash	[g]=[d+e+f]	(159)	2,823
Cash and cash equivalents at end of year		3,870	4,029
Restricted net cash and cash equivalents at the end of year		(1,736)	(1,599)
Unrestricted net cash and cash equivalents at end of year		2,134	2,430

Declaration by the Executive responsible for preparing the corporate accounting documents

The undersigned, Alessandro Del Gobbo, in his capacity as Executive responsible for preparing Poste Italiane's corporate accounting documents (*Dirigente Preposto*)

DECLARES

that, pursuant to art. 154-BIS, par. 2, of the Consolidated Financial Bill of February 24, 1998, accounting information disclosed in this document corresponds to document results and accounting books and records.

This document includes forward-looking statements that are not a guarantee of future performance as well as summary financial information that should not be considered a substitute for Poste Italiane's full financial statements.

Rome, 23 March 2022

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 direct and indirect effects resulting from the international conflict in Eastern Europe.

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.

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.

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