



SPAFID CONNECT

Informazione Regolamentata n. 1130-41-2019	Data/Ora Ricezione 08 Maggio 2019 06:47:14	MTA
--	--	-----

Societa' : POSTE ITALIANE

Identificativo : 118050

Informazione
Regolamentata

Nome utilizzatore : POSTEN03 - Fabio Ciammaglichella

Tipologia : REGEM

Data/Ora Ricezione : 08 Maggio 2019 06:47:14

Data/Ora Inizio : 08 Maggio 2019 06:47:15

Diffusione presunta

Oggetto : Poste Italiane - 1Q2019 results

Testo del comunicato

Vedi allegato.

POSTE ITALIANE: 1Q19 RESULTS

- NET PROFIT AT €439M IN 1Q19, CONFIRMING DELIVER 2022 TARGETS. NET PROFIT ADJUSTED AT €231M (+5.3% Y/Y)
- FOCUS ON DISTRIBUTION LEADING TO BETTER QUALITY REVENUES AND PROFITABILITY WITH REDUCED RELIANCE ON CAPITAL GAINS
- STRONG FINANCIAL SERVICES PERFORMANCE; SOLID INSURANCE, PAYMENTS & MOBILE CONTRIBUTIONS DRIVEN BY POSTE ITALIANE'S POWERFUL DISTRIBUTION NETWORK
- PARCEL REVENUES UP, SUPPORTED BY ONGOING INDUSTRIAL TRANSFORMATION; MAIL REVENUES DOWN, IN LINE WITH THE SECULAR DECLINE EMBEDDED IN *DELIVER 2022*
- CONTINUING FOCUS ON COST DISCIPLINE IN LINE WITH *DELIVER 2022* TARGETS
- ONGOING WORKFORCE TRANSFORMATION WITH c. 2,000 AVERAGE NEW HIRES
- GROUP CAPEX CONTINUE TO SUPPORT SIGNIFICANT AND TARGETED INVESTMENTS, FOCUSED ON MAIL & PARCEL AUTOMATION AND IT

1Q19 Group Financial Highlights

- **Revenues** at €2,842m (-1.5% y/y); **adjusted revenues**¹ at €2,569m (+3.5% y/y) with improving revenue quality and reduced reliance on capital gains
- **Total Operating Costs** at €2,225m (+2% y/y) in line with expectations; HR cost increase mitigated by lower FTEs; higher variable costs supporting revenue growth; value added per capita increased
- **EBIT** at €617m (-12.2% y/y); **adjusted EBIT**² increased by €20m to €351m (+6% y/y) with strong progression of underlying operating profitability on track with 2019 targets
- **Total Financial Assets** (TFA) of €525bn (+€11bn from December 18) driven by positive market performance and improving inflows from all products: deposits +€6.6bn, with a seasonal effect from Public Administration accounts; insurance +€1.5bn thanks to multiclass offering; mutual funds +€0.2bn
- **PosteVita Group Solvency II Ratio** at 214% as of March 2019; ongoing managerial actions to protect against market volatility; Ancillary own Funds approved by the Regulator in 1Q19
- **Group Capex** at €65m (+15.7% y/y) well on track with 2019 guidance

¹ Excluding capital gains and IFRS 9 impact of Visa

² Excluding capital gains, IFRS 9 impact on Visa and early retirement incentives, capital losses, hedging Visa derivatives and fair value change

1Q19 Segment Financial Highlights

- **Mail, Parcel & Distribution:** Revenues at €880m (-2.1% y/y); Parcel revenues up 15% with B2C up 35% y/y to €86m; Mail Revenues down vs strong 1Q18 featuring positive one-off items; volumes for higher value mail items (e.g. corporate clients) in line with expectations, confirming visibility on future trend; adjusted operating profit down to -€53m, in line with expectations and on track with our 2019 target
- **Payments, Mobile & Digital:** Revenues at €140m (+7.3% y/y); thanks to Card Payments and strong progression of transaction volumes; Telecom revenues resilient in a competitive market; Operating profit in line with last year and up 11% excluding VAT provision for €6m
- **Financial Services:** Revenues at €1,485m (-3.1% y/y); all distribution related revenues contributed positively: higher fees from postal savings placement, increasing third party loan and mortgage as well as asset management revenues; operating profit up 9.3% actively substituting capital gains down 31%. EBIT up €28m on an adjusted basis
- **Insurance Services:** Revenues at €337m (+4.3% y/y) supported by Life and P&C growth; Life revenues up 2% supported by higher volumes thanks to multiclass products; P&C revenues up 28% thanks to improved welfare and CPI product offer

1Q19 Segment Operational Highlights

- **Mail, Parcel & Distribution:** 64% of progress on Joint Delivery Model for Mail & Parcel; Bologna new hub for parcel sorting now operational at 125,000 parcels daily with a full capacity of 250,000 parcels/day; MoU signed with European digital start-up *sender* to optimize long-haul transportation logistics; alternative delivery expansion with 1,400 locations beyond post offices
- **Payments, Mobile & Digital:** Positive impact from Postepay Connect integrated offer with over 1,600 daily average sales, driving average daily sales of Postepay Evolution cards to 6,600 and SIM cards to 3,300 in 1Q19
- **Financial Services:** Third party loan and mortgage distribution revenue up supported by commercial initiatives
- **Insurance Services:** Ongoing diversification with positive contributions from both Life and P&C businesses; successful results from new multiclass products with €1.9bn net inflows in 1Q19; P&C benefitted from welfare products and CPI products (linked to third party loan and mortgage distribution)

Rome, 8 May 2019, yesterday, the Board of Directors of Poste Italiane S.p.A. (“Poste Italiane” or the “Group”) chaired by Maria Bianca Farina approved First Quarter 2019 Financial Results (unaudited).

Commenting on the results, Matteo Del Fante, Poste Italiane Chief Executive Officer and General Manager, said: *“First quarter results demonstrate ongoing Deliver 2022 progress, with sustainable recurring revenue growth, cost discipline, as well as a continued reduction of Poste’s reliance on non-recurring items such as capital gains.*

We continue to accelerate our industrial transformation in 2019 to capitalize on future growth opportunities. The new, state of the art, parcel sorting centre in Bologna will add daily capacity of 250,000 parcels, while we continued to expand alternative delivery options for our customers. Our Joint Delivery Model is now running in 64 percent of delivery centres and we are well on track to reach full implementation by year end.

Efforts to maximize the potential of our extensive distribution network improved net inflows across all financial products in the first quarter, with positive contributions from Life and P&C insurance as well as payment and mobile activities.

Our workforce transformation also continues, with new hires in key areas like last-mile delivery, customer relationship management and digital to drive Deliver 2022.”

1Q19 RESULTS

Wednesday 8 May 2019 – 11:30am CEST

WEBCAST

<https://www.posteitaliane.it/en/index.html>

CONFERENCE CALL DETAILS

Italy: +39 06 8750 0896 (Conference ID 7067447)

For more information:

Poste Italiane S.p.A Investor Relations

Tel. +39 06 5958 4716

Mail: investor.relations@posteitaliane.it

Poste Italiane S.p.A. Media Relations

Tel. +39 06 5958 2097

Mail: ufficiostampa@posteitaliane.it

CONSOLIDATED FINANCIAL RESULTS SUMMARY

€m	1Q18	1Q19	Y/Y%
GROUP			
Revenues	2,884	2,842	-1.5%
Adjusted Revenues	2,482	2,569	+3.5%
EBIT	703	617	-12.2%
Adjusted EBIT	331	351	+6.0%
Net Profit	485	439	-9.5%
Adjusted Net Profit	220	231	+5.3%
MAIL, PARCEL & DISTRIBUTION			
Revenues	899	880	-2.1%
EBIT	263	148	-43.7%
Adjusted EBIT	(38)	(53)	-39.4%
Net Profit	174	101	-41.9%
PAYMENTS, MOBILE & DIGITAL			
Revenues *	130	140	+7.3%
EBIT	57	57	+0.1%
Net Profit	43	42	-0.5%
FINANCIAL SERVICES			
Revenues *	1,532	1,485	-3.1%
Adjusted Revenues	1,130	1,212	+7.3%
EBIT	239	261	+9.3%
Adjusted EBIT	169	196	+16.3%
Net Profit	174	190	+9.5%
INSURANCE SERVICES			
Revenues	324	337	+4.3%
EBIT	144	151	+4.9%
Net Profit	95	105	+10.7%

* 1Q18 results have been reclassified according to new segment perimeters for Payments Mobile & Digital

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 Interim Report for the three months ended 31 march 2019, in line with the ESMA/2015/1415 Guidelines of 5 October 2015.

CONSOLIDATED STATEMENTS

Reported EBIT at €617m in 1Q19 vs €703m in 1Q18, down by €86m y/y. On an adjusted basis, EBIT increased from €331m to €351m, up by €20m thanks to the positive contribution from Financial Services (+€28m y/y) and Insurance Services (+€7m y/y) more than offsetting the reduction in Mail Parcel & Distribution (-€15m y/y).

Adjustments on a segment basis relate to capital gains and other one-off items, that only apply to Financial Services and Mail Parcel & Distribution, as detailed in the table “Explanatory notes to adjusted figures”.

MAIL, PARCEL & DISTRIBUTION – STRONG B2C PARCEL PERFORMANCE MITIGATING SECULAR DECLINE OF MAIL, SUPPORTED BY ONGOING TRANSFORMATION

€m	1Q18	1Q19	Y/Y%
SEGMENT REVENUES	899	880	-2.1%
INTERSEGMENT REVENUES	1,370	1,331	-2.8%
TOTAL REVENUES	2,268	2,211	-2.5%
EBIT	263	148	-43.7%
Adjusted EBIT	(38)	(53)	-39.4%
EBIT Margin (%)	11.6%	6.7%	n.m.
NET PROFIT	174	101	-41.9%
KPI's			
Mail Volumes (#m)	804	717	-10.9%
Parcel Volumes (#m)	29	35	+19.4%
B2C Revenues (€m)	63	86	+34.9%

Mail revenues were down 5.1% in the first quarter, in line with the secular decline embedded in *Deliver 2022*. Poste Italiane continues to manage the decline of mail, with volumes for lower margin items such as unrecorded mail, decreasing at a faster rate than higher margin products such as corporate related mailings that are in line with expectations, confirming visibility on future trend. Average prices in mail were up 6% in 1Q19 thanks to the positive volume-mix-effect as well as re-pricing on several products effective from July 2018.

Parcel revenues strongly increased in the first quarter, up 15%, with B2C parcels increasing by 35% as Poste Italiane continued to capitalize on eCommerce growth. Parcel volumes strongly increased in 1Q19, up 19.4%, boosted by a 31% increase in B2C volumes. B2B revenues increased significantly by 17% with relative volumes up 18% compared to 1Q18. Average prices for parcels were down 4% in 1Q19, as result of a changing volume mix to B2C while tariffs were broadly stable for B2B and up for both B2C and C2C.

Industrial transformation continued in the period. Approximately 80% of 1Q19 group capital expenditure was focussed in the segment, while 64% of targeted delivery centres are now operating under the Joint Delivery Model, in line to reach 100% coverage by the end of 2019. A new advanced parcel sorting facility is now operational in Bologna and currently running at 125,000 parcels daily. The official inauguration is planned by 2Q19 with full capacity of 250,000 parcels per day. This plant also offers an improved environmental performance thanks to energy efficiency measures and self-generated solar energy.

During the period Poste Italiane signed a memorandum of understanding to establish a joint venture with a European digital freight forwarder company, *sender*, focussed on driving efficiency across the long-haul road transport through load optimization, reducing costs and CO2 emissions.

Poste Italiane's agreement with the FIT network is accelerating the development of alternative delivery points of the PuntoPoste network. There are now 1,400 active alternative delivery points (up by 1,000 since December 2018) additional to post offices, while FIT locations are now operational as a delivery option on the Amazon marketplace.

PAYMENTS, MOBILE AND DIGITAL – SEGMENT REVENUES SUPPORTED BY STRONG GROWTH IN CARD PAYMENTS AND RESILIENT TELECOMS REVENUES

€m	1Q18	1Q19	Y/Y%
SEGMENT REVENUES	130	140	+7.3%
<i>Cards Payments (€m)</i>	66	75	+14.4%
<i>Other Payments (€m)</i>	12	13	+0.6%
<i>Telecom Services (€m)</i>	52	52	-0.1%
INTERSEGMENT REVENUES	89	96	+7.7%
TOTAL REVENUES	219	235	+7.4%
EBIT	57	57	+0.1%
EBIT Margin (%)	26.0%	24.2%	n.m.
NET PROFIT	43	42	-0.5%

KPI's			
Postepay cards (#m) *	19.0	19.2	+1.2%
<i>of which Postepay Evolution cards (#m)*</i>	6.3	6.6	+5.6%
Total payment cards transactions (#bn)	0.25	0.33	+31.9%
<i>of which eCommerce transactions (#m)</i>	49.7	55.8	+12.1%
PosteMobile SIM & Casa (#m) *	4.1	4.2	+3.5%
Digital e-Wallets (#m) *	2.8	3.1	+9.7%

* figures in 1Q18 column refer to FY2018

Card payments revenues were up 14.4% driven by higher number of PostePay cards and strong increase of volumes in both physical and digital channels.

Telecoms revenues were stable in 1Q19, successfully managing a competitive environment in the mobile sector, thanks to new product offers aimed at increasing customer loyalty.

Postepay Connect is an innovative integrated offer, launched in 4Q18, bundling payments and mobile services, including real time data and money transfer in one app, for a single annual fee. Postepay Connect has generated 164,000 new subscribers since launch, positively impacting Postepay Evolution cards (stock: 6.6m, with 6,600 daily average sales in 1Q19, up 16%) and stabilizing SIMs cards in a competitive environment (stock: 4.2m, with 3,300 SIMs daily average sales 1Q19 flat y/y).

Operating profitability for Payments, Mobile and Digital was in line with last year, up 11% y/y excluding the impact of a €6m VAT provision for intercompany services.

FINANCIAL SERVICES – FOCUS ON DISTRIBUTION DELIVERING HIGHER QUALITY REVENUES AND PROFITABILITY

€m	1Q18	1Q19	Y/Y%
SEGMENT REVENUES	1,532	1,485	-3.1%
ADJUSTED SEGMENT REVENUES	1,130	1,212	+7.3%
INTERSEGMENT REVENUES	182	193	+6.0%
TOTAL REVENUES	1,714	1,678	-2.1%
EBIT	239	261	+9.3%
ADJUSTED EBIT	169	196	+16.3%
EBIT Margin (%)	13.9%	15.6%	n.m.
NET PROFIT	174	190	+9.5%
KPI's			
TOTAL FINANCIAL ASSETS - TFAs (€bn) *	514	525	+2.2%
Average Current Account Deposits (€m)	57,660	61,203	+6.1%
Average Postal Savings Deposits (€m)	309,977	312,399	+0.8%
Postal Savings Net Inflows (€m)	(2,571)	(1,760)	+31.6%
Unrealized gains (€m)	2,789	(3,093)	n.m.
Product Sales (# m ln)	2.2	2.3	+5.0%

* figures in 1Q18 column refer to FY2018

Reported segment revenues for 1Q19 were down year-on-year but include 31% lower capital gains, in line with Poste Italiane's plan to reduce reliance on non-recurring revenues. The underlying financial performance was strong, confirming the ability to generate sustainable revenues leveraging on a powerful network. Total Financial Assets increased by €11bn year to date, driven by improving contributions from all product lines.

Postal Saving distribution revenues were up 3.7% y/y. Outflows improved thanks to a renewed commercial focus including the launch of new products successfully distributed end-to-end by our digital channels since November 2018.

Third party loan and mortgage distribution revenues were up 34%, supported by higher volumes, while asset management revenues increased 13%, faster than volumes.

Interest income was up 14%, driven by higher rates and volumes, demonstrating Poste Italiane's ability to take advantage of market volatility while increasing retail deposits.

INSURANCE SERVICES – HIGHER REVENUES AND EBIT SUPPORTED BY ONGOING DIVERSIFICATION OF THE BUSINESS

€m	1Q18	1Q19	Y/Y%
SEGMENT REVENUES	324	337	+4.3%
<i>Life (inc. Private Pension Plan)</i>	<i>294</i>	<i>300</i>	<i>+2.0%</i>
<i>P&C</i>	<i>29</i>	<i>37</i>	<i>+28.0%</i>
INTERSEGMENT REVENUES	0	0	n.a.
TOTAL REVENUES	324	338	+4.3%
EBIT	144	151	+4.9%
EBIT Margin (%)	44.4%	44.7%	n.m.
NET PROFIT	95	105	+10.7%
KPI's			
Gross Written Premiums (€m)	5,336	5,989	+12.2%
GWP - Life + Private Pension Plans (€m)	5,287	5,910	+11.8%
GWP - P&C (€m)	48	79	+64.1%

Insurance Services segment revenues grew by 4.3% in 1Q19.

Life insurance revenues increased by 2% due to higher volumes, supported by multiclass products; P&C revenues increased by 28%, benefitting from Poste Italiane's welfare offer to its employees and CPI products linked to increased third party loan and mortgage distribution activity.

Insurance related net inflows amount to over €1.5bn thanks to Poste Italiane's successful multiclass offer (+€1.9bn), already representing 32% of GWP in 1Q19, in line with the year-end target.

At the end of March 2019, the Poste Vita Group's Solvency II Ratio stood at 214%.

Poste Vita received regulatory approval in February 2019 for maximum €1.75bn ancillary own funds to be received from Poste Italiane of which €1.0bn accounted for in 1Q19, improving Solvency II Ratio by 24 percentage points.

The Solvency II Ratio is in line with the managerial ambition to maintain a level of around 200% through the cycle, while confirming our ability to effectively manage volatile markets.

On 30 May 2019 the bond issued by Poste Vita on 30 May 2014 will expire for a nominal value of €750m (book value at 31 March 2019 €768m).

RECENT EVENTS AND BUSINESS OUTLOOK

The Group continues to be engaged in implementing the objectives outlined in the five-year Deliver 2022 Plan, approved by the Board of Directors on 26 February 2018 and, with specific regard to 2019, remains focussed on the targets set out in the budget for 2019 approved by the Board of Directors on 19 March 2019 and presented to the market.

The Mail, Parcels and Distribution Strategic Business Unit is engaged in completing implementation of the new Joint Delivery Model, which targets the reorganisation of 755 delivery centres by the end of 2019 (64% implementation progress as of 31 March 2019). The Business Unit will also continue with the adoption of new automation technologies to support production processes, with the aim of boosting the efficiency and quality of sorting processes. The Group's new parcel sorting centre near Bologna will become fully operational in the coming months. The centre, located in the logistical heart of Italy, will host what is currently the country's largest sorting centre, employing approximately 350 people when at full capacity and equipped with the latest safety and energy saving technologies. Further mail and parcel sorting centres will enter into operation by 2019.

The aim of this investment is to maximise synergies in the logistics and operations network and leverage all the Group's available assets, enabling the Group to improve its competitive position in the parcels market by taking advantage of the opportunities arising from the growth of eCommerce.

In addition, as part of the process of modernising its vehicle fleet, the Group will continue with the introduction of electric vehicles (3-wheeled vehicles) for delivery activities. This will improve safety and accelerate the adoption of eco-friendly forms of transport.

The creation of the new Payments, Mobile and Digital Strategic Business Unit aims to deliver on the strategic objective of becoming Italy's leading payments platform, ensuring convergence between payments and mobile technology, and between physical and digital channels. In this regard, PostePay SpA intends to lead changes in the habits of consumers, businesses and the Public Administration, creating new integrated products and services, above all in the fields of acquiring, eCommerce and mobile and digital payments. Postepay Connect will be the first product to be sold on line through a fully digital process using the Postepay App.

With regard to collection services, the possibility to make payments to the Public Administration using payment slips will be extended to third-party networks with which Poste Italiane has concluded agreements whilst the development of digital payment solutions for Public Administration customers will continue.

With regards to card issuing, the following activities, among other things, will take place: the launch of a new version of the Postepay App, making it more user-friendly and easier to carry out transactions; the addition of new functions making it easier for customers to top up their Postepay card and addressing the issue of declined transactions; the introduction of parental control services to enable parents and guardians applying for a Postepay Junior card to have control over how the cards are used by children.

In line with the Deliver 2022 Plan, the Financial Services Strategic Business Unit will continue with initiatives designed to take advantage of the opportunities resulting from the recent regulatory changes introduced by MiFID II and IDD, leveraging the Group's existing strengths: its customer base, distribution network and brand.

In the Postal Savings segment, in agreement with Cassa Depositi e Prestiti, the Group aims to boost inflows into both its standard product range and special savings products. In addition, work on simplifying front-end operations will continue, with the aim of boosting efficiency and the quality of sales and after-sales services. New initiatives will also be launched with a view to expanding the range of services available to customers through both traditional physical and digital channels.

With regards to BancoPosta current accounts, in the coming months, development of the offering will focus on meeting the needs of separate target customer segments while ensuring compliance with the new requirements introduced by the PSD2 Directive governing digital payments, which will come into effect from September 2019.

In terms of the distribution of loan products, the agreement with Intesa Sanpaolo will allow the Group to further expand its offering, adding new types of loan with the aim of responding more effectively to customer needs, a process that will include specific promotional campaigns. In addition, the launch of the new partnership with UniCredit, covering salary backed loans, will enable the Group to develop a multi-partner strategy, adding new products to the existing offering.

Finally, in response to the gradual decline in interest rates and the relative stability of credit spreads towards the end of the first quarter of 2019 and at the beginning of the second, BancoPosta portfolio financial management strategy has involved a number of transactions designed to boost the efficiency of the first-rate securities portfolio and the sale of another tranche of securities planned for 2019.

The offering of insurance products will aim to consolidate the Group's leadership in the Italian market, supported by products providing greater added value (multiclass products). In the Non-life segment, the aim is to continue to achieve growth in the welfare and non-

vehicle sectors, focusing on property insurance and developing the loan and mortgage protection offering.

Finally, with regard to vehicle insurance, the Group is looking at the market and at potential partnerships aiming at offering vehicle insurance policies to employees.

ALTERNATIVE PERFORMANCE INDICATORS

The meaning and the content of alternative performance indicators, not provided for in IAS/IFRS, are described below. These indicators are used to provide a clearer basis for assessment of the Group's operating and financial performance.

EBIT MARGIN: is calculated as the ratio of operating profit (EBIT) to total revenue.

NET FINANCIAL POSITION OF THE GROUP: is the sum of financial liabilities, technical reserves for the insurance business, financial assets, and technical reserves attributable to reinsurers, cash and deposits attributable to BancoPosta and cash and cash equivalents.

EXPLANATORY NOTES TO ADJUSTED FIGURES

€m	1Q18	1Q19	Y/Y%
REPORTED REVENUES	2,884	2,842	-1%
GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO	402	261	
VISA - IFRS 9 VALUATION	0	12	
ADJUSTED REVENUES	2,482	2,569	4%
REPORTED COSTS	2,181	2,225	
CAPITAL LOSSES ON INVESTMENT PORTFOLIO	24	0	
EARLY RETIREMENT INCENTIVES	6	3	
VISA - HEDGING DERIVATIVE FAIR VALUE CHANGE	0	4	
ADJUSTED COSTS	2,151	2,218	3%
REPORTED EBIT	703	617	-12%
ADJUSTED EBIT	331	351	6%
REPORTED NET PROFIT	485	439	-10%
ADJUSTED NET PROFIT	220	231	5%

Composition of net financial position* (€m):

	MAIL, PARCEL AND DISTRIBUTION	PAYMENTS, MOBILE AND DIGITAL	FINANCIAL SERVICES	INSURANCE SERVICES	ADJUSTMENTS	CONSOLIDATED
Balance at 31 March 2019						
Financial liabilities	2,709	4,294	74,238	1,065	-7,003	75,303
Technical reserves for the insurance business	0	0	0	129,146	0	129,146
Financial assets	-1,435	-4,087	-72,069	-130,590	5,871	-202,310
Technical reserves attributable to reinsurers	0	0	0	-74	0	-74
Cash and deposits attributable to BancoPosta	0	0	-3,438	0	0	-3,438
Cash and cash equivalents	-599	-383	-173	-1,663	1,126	-1,692
Net Financial Position*	675	-176	-1,442	-2,116	-6	-3,065
Balance at 31 December 2018						
Financial liabilities	1,259	4,307	67,022	1,034	-6,693	66,929
Technical reserves for the insurance business	0	0	0	125,148	0	125,148
Financial assets	-1,417	-4,097	-64,578	-126,545	5,773	-190,864
Technical reserves attributable to reinsurers	0	0	0	-71	0	-71
Cash and deposits attributable to BancoPosta	0	0	-3,318	0	0	-3,318
Cash and cash equivalents	-973	-246	-1,323	-1,574	921	-3,195
Net Financial Position*	-1,131	-36	-2,197	-2,008	0	-5,372

* Net financial position: (Surplus) / Net debt

TABLES

POSTE ITALIANE GROUP'S FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	(€m)	
ASSETS	at 31 March 2019	at 31 December 2018
Non-current assets		
Property, plant and equipment	1,898	1,945
Investment property	47	48
Intangible assets	523	545
Right of use assets	1,339	-
Investments accounted for using the equity method	501	497
Financial assets	176,951	170,922
Trade receivables	7	7
Deferred tax assets	1,591	1,368
Other receivables and assets	3,489	3,469
Technical provisions attributable to reinsurers	74	71
Total	186,420	178,872
Current assets		
Inventories	138	136
Trade receivables	2,839	2,192
Current tax assets	112	117
Other receivables and assets	909	1,111
Financial assets	25,359	19,942
Cash and deposits attributable to BancoPosta	3,438	3,318
Cash and cash equivalents	1,692	3,195
Total	34,487	30,011
TOTAL ASSETS	220,907	208,883
LIABILITIES AND EQUITY		
Equity		
Share capital	1,306	1,306
Reserves	925	1,531
Own shares	(40)	-
Retained earnings	5,685	5,268
Equity attributable to owners of the Parent	7,876	8,105
Equity attributable to non-controlling interests	-	-
Total	7,876	8,105
Non-current liabilities		
Technical provisions for insurance business	129,146	125,149
Provisions for risks and charges	662	656
Employee termination benefits	1,170	1,187
Financial liabilities	10,067	7,453
Deferred tax liabilities	711	701
Other liabilities	1,322	1,379
Total	143,078	136,525
Current liabilities		
Provisions for risks and charges	873	863
Trade payables	1,485	1,583
Current tax liabilities	149	12
Other liabilities	2,210	2,319
Financial liabilities	65,236	59,476
Total	69,953	64,253
TOTAL EQUITY AND LIABILITIES	220,907	208,883

CONSOLIDATED STATEMENT OF NET PROFIT (LOSS) OF THE PERIOD

(€m)

	For the three months ended 31 March 2019	For the three months ended 31 March 2018
Revenue from Mail, Parcel & other	880	898
Revenue from Payments, Mobile & Digital	140	143
Revenue from Financial Services	1,484	1,519
Revenue from Insurance Services after movements in technical provisions and other claims	338	324
expenses		
Insurance premium revenues	5,952	5,312
Income from insurance activities	1,751	832
Net change in technical provisions for insurance business and other claim expenses	(7,304)	(5,420)
Expenses from insurance activities	(61)	(400)
Net operating revenue	2,842	2,884
Cost of goods and services	533	557
Expenses from financial activities	13	30
Personnel expenses	1,438	1,430
Depreciation, amortisation and impairments	188	132
Capitalised costs and expenses	(5)	(2)
Other operating costs	48	27
Impairment loss/(reversal) on debt instruments, receivables and other assets	10	7
Operating profit/(loss)	617	703
Finance costs	23	20
Finance income	25	23
Impairment loss/(reversal) on financial instruments	-	-
Profit/(Loss) on investments accounted for using the equity method	4	5
Profit/(Loss) before tax	623	711
Income tax expense	184	226
PROFIT FOR THE PERIOD	439	485
of which, attributable to owners of the Parent	439	485
of which, attributable to non-controlling interests	-	-
Earnings per share	0.338	0.372
Diluted earnings per share	0.338	0.372

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)

For the three months ended 31 March 2019 For the three months ended 31 March 2018

	1,639	1,978
Unrestricted net cash and cash equivalents at beginning of period	1,639	1,978
Cash subject to investment restrictions	53	-
Escrow account with the Italian Treasury	72	55
Cash attributable to technical provisions for insurance business	1,392	358
Amounts that cannot be drawn on due to court rulings	18	15
Current account overdrafts	-	1
Cash received on delivery (restricted) and other restrictions	21	21
Cash and cash equivalents at beginning of period	3,195	2,428
Cash and cash equivalents at beginning of period	3,195	2,428
Profit/(loss) for the period	439	485
Depreciation, amortisation and impairments	188	132
Losses and impairments/(recoveries) on receivables	8	7
(Gains)/Losses on disposals	-	-
Impairment of disposal groups	-	-
(Increase)/decrease in inventories	(2)	1
(Increase)/decrease in receivables and other assets	(541)	(834)
Increase/(decrease) in payables and other liabilities	(54)	142
Movement in group of assets and liabilities held for sale	-	-
Movement in provisions for risks and charges	16	20
Movement in provisions for employee termination benefits and pension plans	(48)	(39)
Differences in accrued finance costs and income (cash correction)	14	13
Other changes	30	8
Net cash flow generated by/(used in) non-financial operating activities [a]	50	(65)
Increase/(decrease) in liabilities attributable to financial activities	5,503	2,873
Net cash generated by/(used for) financial assets attributable to financial activities	(6,194)	(2,116)
(Increase)/decrease in cash and deposits attributable to BancoPosta	(119)	368
(Income)/expenses from financial activities	(445)	(786)
Cash generated by/(used for) assets and liabilities attributable to financial activities [b]	(1,255)	339
Net cash generated by/(used for) financial assets attributable to insurance activities	(1,440)	(1,758)
Increase/(decrease) in net technical provisions for insurance business	2,905	3,255
(Gains)/losses on financial assets/liabilities measured at fair value through profit or loss	(1,095)	276
(Income)/expenses from insurance activities	(466)	(545)
Cash generated by/(used for) assets and liabilities attributable to insurance activities [c]	(96)	1,228
Net cash flow from/(for) operating activities [d]=[a+b+c]	(1,301)	1,502
<i>Investing activities</i>		
Property, plant and equipment, investment property and intangible assets	(65)	(56)
Investments	(1)	-
Other financial assets	(50)	-
<i>Disposals</i>		
Property, plant and equipment, investment property and intangible assets and assets held for sale	-	1
Investments	-	-
Other financial assets	25	164
Change in scope of consolidation	-	-
Net cash flow from/(for) investing activities [e]	(91)	109
Proceeds from/(Repayments of) borrowings	(71)	(6)
(Increase)/decrease in loans and receivables	-	-
(Purchase)/disposal own shares	(40)	-
Dividends paid	-	-
Net cash flow from/(for) financing activities and shareholder transactions [f]	(111)	(6)
Net increase/(decrease) in cash [g]=[d+e+f]	(1,503)	1,605
Cash and cash equivalents at end of period	1,692	4,033
Cash and cash equivalents at end of period	1,692	4,033
Cash subject to investment restrictions	-	-
Escrow account with the Italian Treasury	(72)	(55)
Cash attributable to technical provisions for insurance business	(1,158)	(1,481)
Amounts that cannot be drawn on due to court rulings	(18)	(15)
Current account overdrafts	-	-
Cash received on delivery (restricted) and other restrictions	(16)	(13)
Unrestricted net cash and cash equivalents at end of period	428	2,469

* * *

Poste Italiane presents its quarterly financial reports on a voluntary basis, with a focus on business highlights in compliance with art. 82-ter of the CONSOB Issuers Regulations (as amended by CONSOB Resolution no. 19770 of 26 October 2016), which gives listed companies whose Member State of origin is Italy, the faculty to voluntarily publish additional periodic financial information besides their annual and half-yearly reports.

The document containing the Interim Financial Report as of 31 March 2019 will be published by 15 May 2019, made available to the public at the Company's head office, on the Company's website (www.posteitaliane.it), on the website of the authorised storage system "eMarket Storage" (www.emarketstorage.com), and filed with Borsa Italiana S.p.A. (www.borsaitaliana.it), the Italian stock exchange.

Declaration by the Executive responsible for preparing the corporate accounting documents

The undersigned, Tiziano Ceccarani, 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 summary financial information and should not be considered a substitute for Poste Italiane Group Interim Financial Report as of 31 March 2019 (unaudited).

Rome, May 8, 2019

Fine Comunicato n.1130-41

Numero di Pagine: 19