



POSTE ITALIANE


Q1-23 FINANCIAL RESULTS


4 MAY 2023

A PLATFORM COMPANY AT WORK

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EXECUTIVE SUMMARY

ROBUST START INTO 2023 SUPPORTED BY ALL BUSINESSES

- REVENUE INCREASE DRIVEN BY SOLID COMMERCIAL TRENDS
- CONTINUED FOCUS ON COST EFFICIENCY MITIGATING EXPECTED INFLATION IMPACT
- EBIT AT €767M, UP 11% Y/Y SUPPORTED BY ALL BUSINESSES
- WELL ON TRACK TO MEET 2023 GUIDANCE
- SOLID BALANCE SHEET - DIVIDEND BALANCE OF €0.44 P/S TO BE PAID ON 21 JUNE 2023¹ (€571M)

1. Ex-dividend date 19 June 2023, record date 20 June 2023

Q1-23 RESULTS OVERVIEW

ROBUST START TO 2023 DRIVEN BY SOLID COMMERCIAL ACTIVITY AND CONTINUED COST MANAGEMENT

€ m unless
otherwise stated

	Q1-22	Q1-23	VAR.	VAR. (%)
REVENUES	2,816	3,044	+227	+8.1%
TOTAL COSTS	2,127	2,277	+150	+7.0%
EBIT	690	767	+77	+11.2%
NET PROFIT	494	540	+46	+9.4%

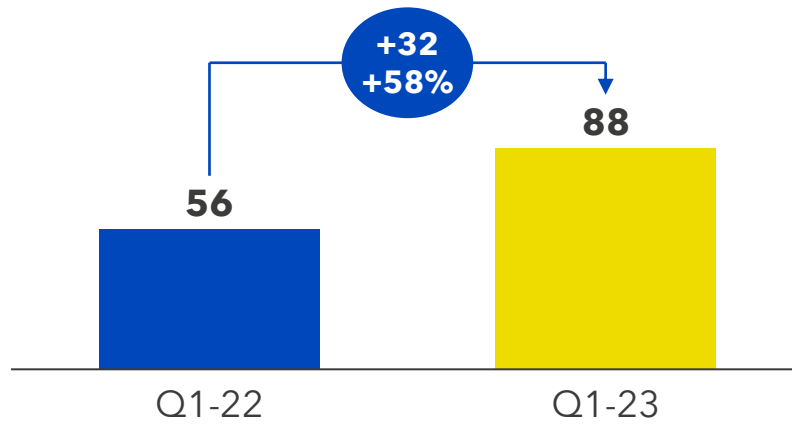
OPERATING PROFIT BY SEGMENT

STRONG OPERATING RESULTS ACROSS ALL BUSINESSES

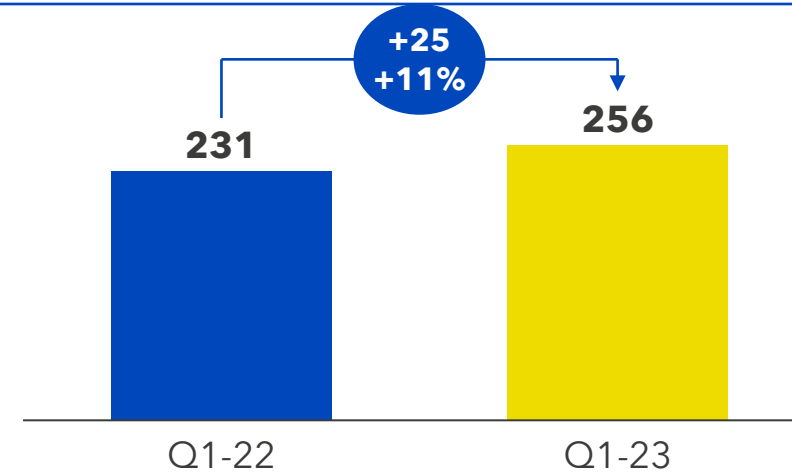
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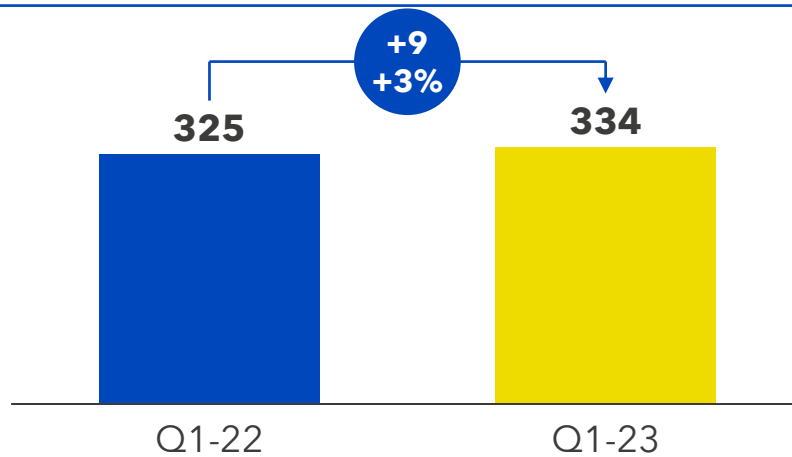
MAIL, PARCEL & DISTRIBUTION



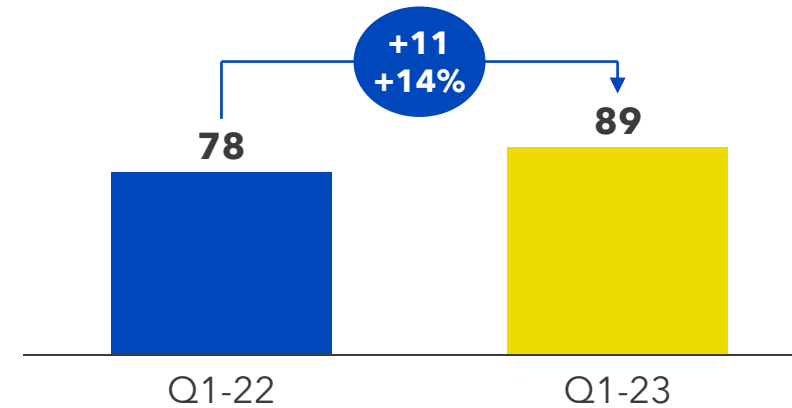
FINANCIAL SERVICES





INSURANCE SERVICES






PAYMENTS & MOBILE



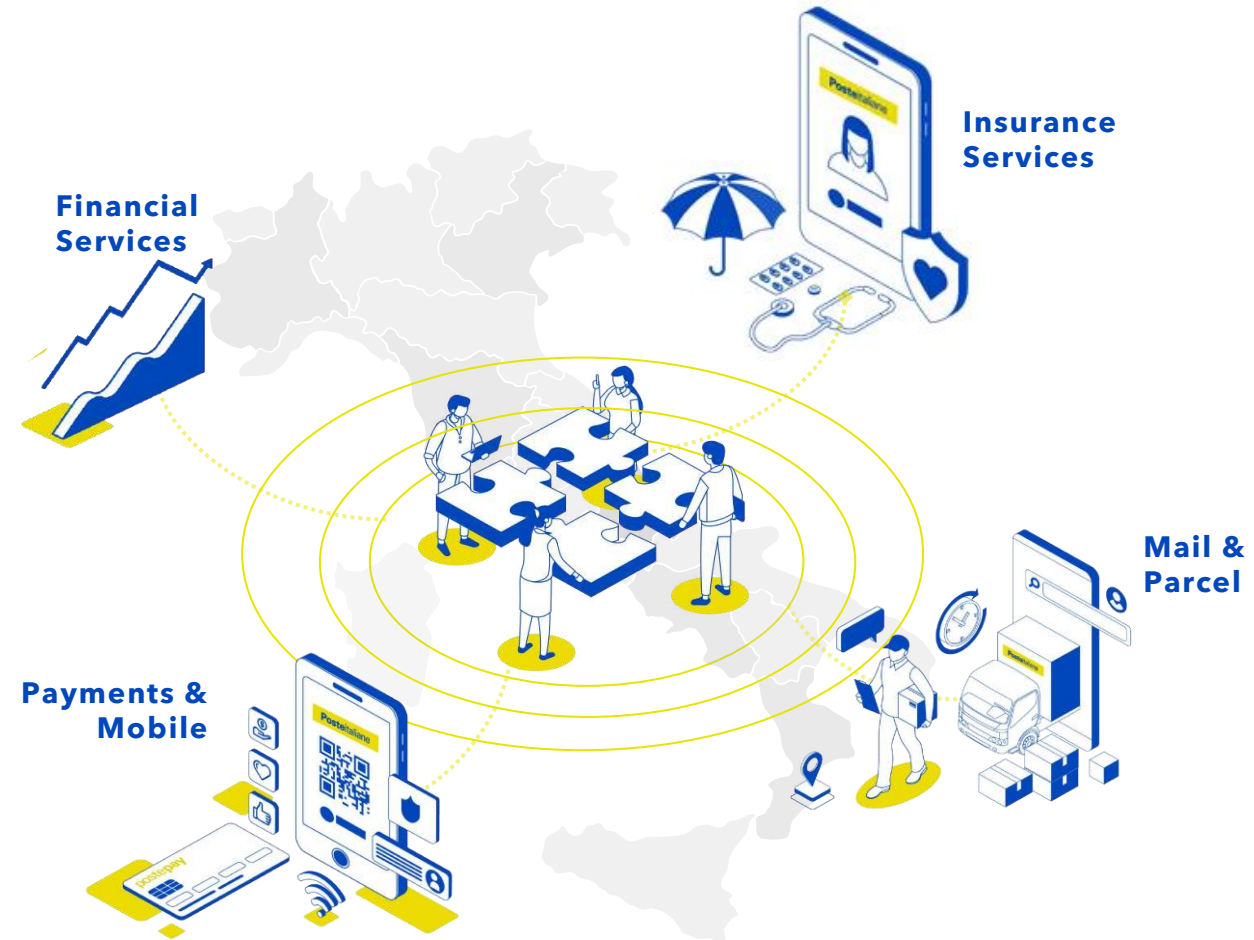
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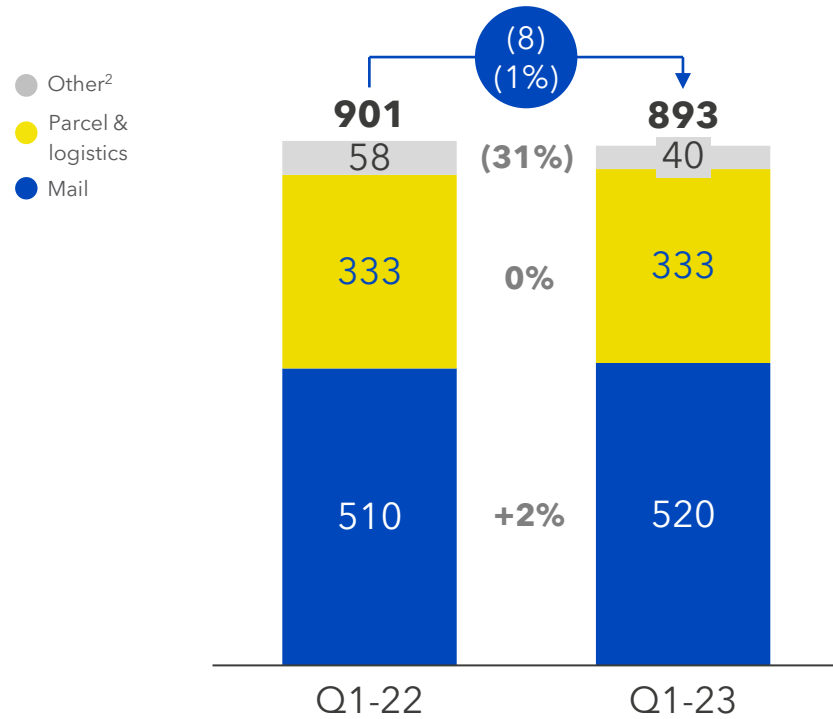


MAIL, PARCEL & DISTRIBUTION

RESILIENT MARKET REVENUES AND IMPROVING OPERATING PROFITABILITY

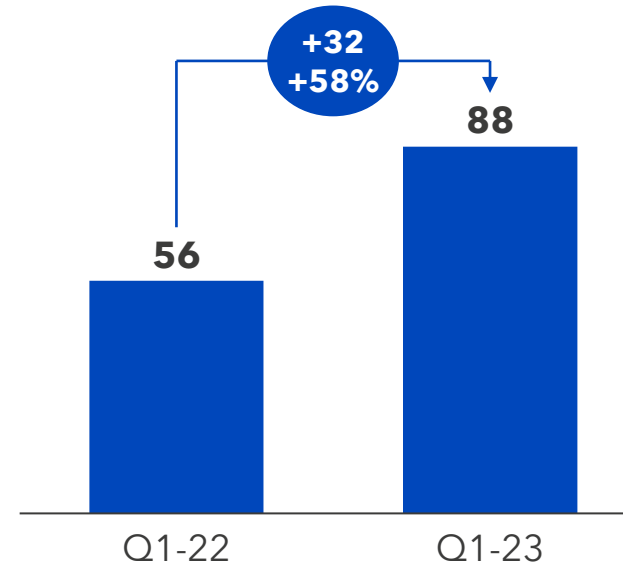
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SEGMENT REVENUES¹



Distribution Revenues ³	Q1-22	Q1-23
	1,269	1,382

EBIT¹



Q1 HIGHLIGHTS

- Mail revenues growth supported by ongoing repricing actions and favourable product mix
- Underlying parcel revenues flat - volumes with positive contribution from B2C
- Other revenues impacted by non-core activities
- Improving EBIT supported by higher distribution revenues in a challenging market

1. Q1-23 revenues include 15m from Plurima mitigating 18m lower revenues related to COVID-19 vaccination plan; **2.** Includes Tax Credit contribution, Digital Identities fees, vaccination plan related expense recovery, EGI, Poste Air Cargo, Patenti Via Poste, Philately, Poste Motori, Poste Welfare Service, Agile and Sourcesense; **3.** Includes income received by Other Segments in return for use of the distribution network and Corporate Services

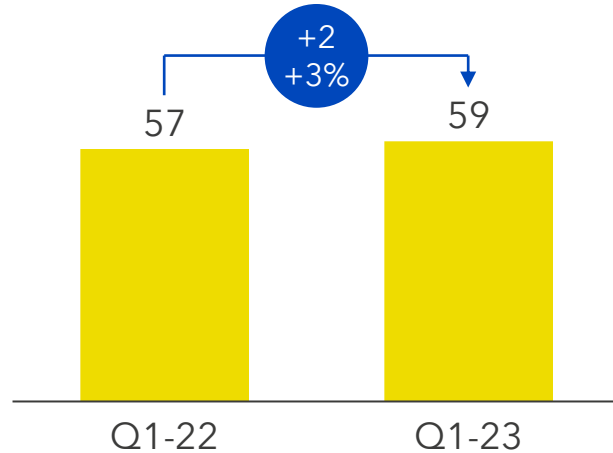
MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

PARCEL VOLUMES UP WITH B2C TARIFF FLAT; MAIL REPRICING MORE THAN OFFSET VOLUME DECLINE

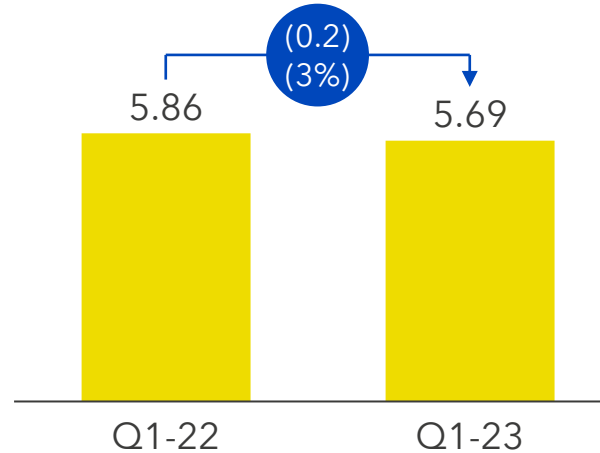
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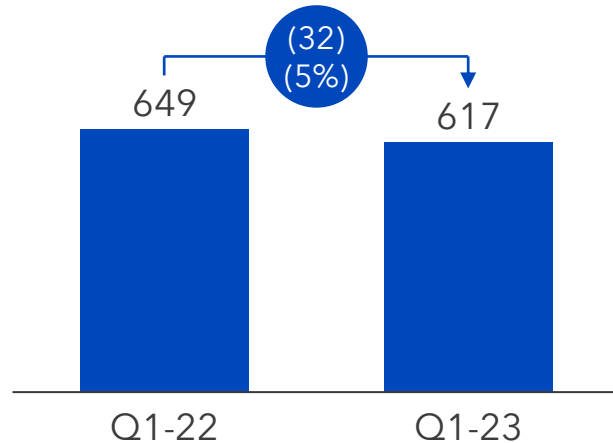
PARCEL VOLUMES (M, PC)



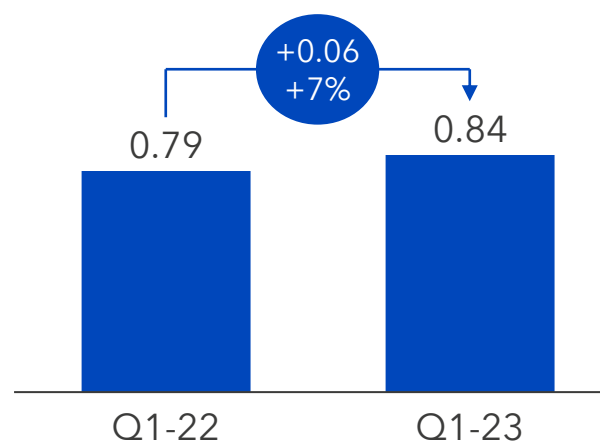
PARCEL TARIFFS¹ (€/PC)



MAIL VOLUMES (M, PC)



MAIL TARIFFS¹ (€/PC)



Q1 HIGHLIGHTS

- Parcel volumes growth supported by increasing B2C
- Parcel tariffs down due to product mix with stable B2C
- Lower mail volumes driven by structural decline in unrecorded items
- Higher mail tariffs supported by ongoing repricing actions

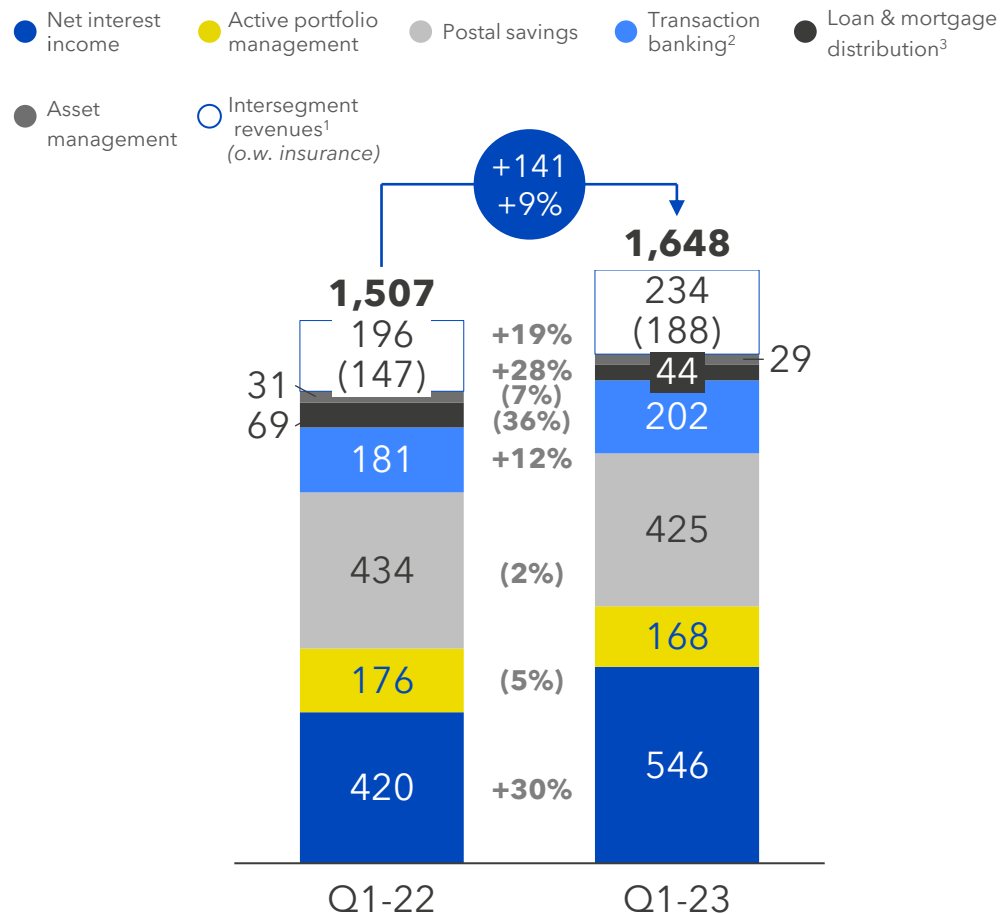
1. Including mix effect

FINANCIAL SERVICES

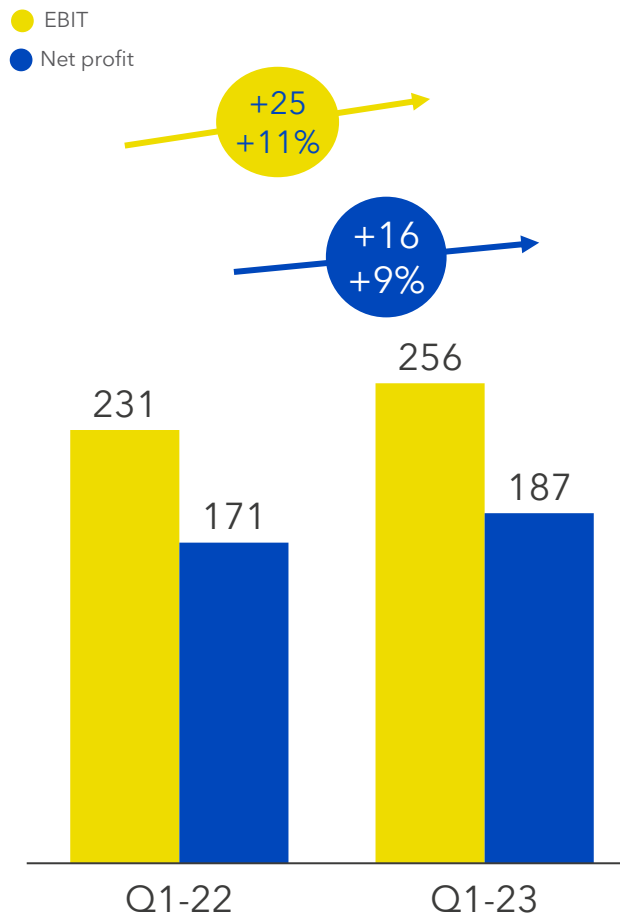
REVENUE GROWTH DRIVEN BY NET INTEREST INCOME AND INSURANCE FEES

€ m unless otherwise stated

GROSS REVENUES



EBIT & NET PROFIT



Q1 HIGHLIGHTS

- Intersegment revenues up driven by higher Insurance distribution fees
- NII growth supported by higher interest rates and increasing retail deposits
- Neutral active portfolio management, completed for 2023 (secured in early 2022)
- Postal savings fees in line with FY-23 guidance
- Transaction banking fees supported by repricing of current account fees implemented in H2-22
- Loan and mortgage fees impacted by higher partners' cost of funding - volumes up Y/Y
- Asset management fees impacted by financial markets performance

1. Include intersegment distribution revenues; 2. Includes revenues from payment slips (*bollettino*), banking accounts related revenues, fees from INPS and money transfers; 3. Includes reported revenues from custody accounts, credit cards, other revenues from third party products distribution

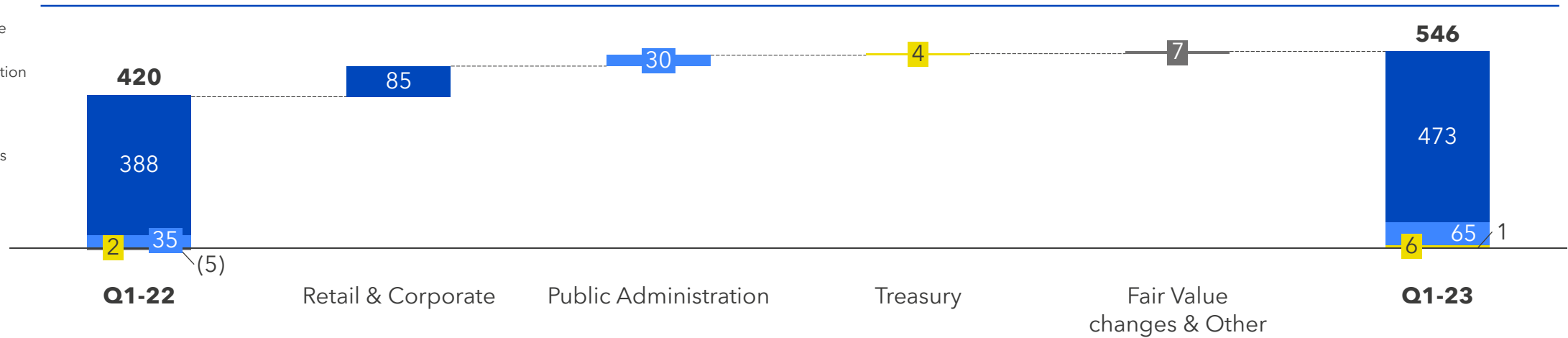
NET INTEREST INCOME EVOLUTION

POSITIVE IMPACT FROM RISING INTEREST RATES AND INCREASING RETAIL DEPOSITS Y/Y

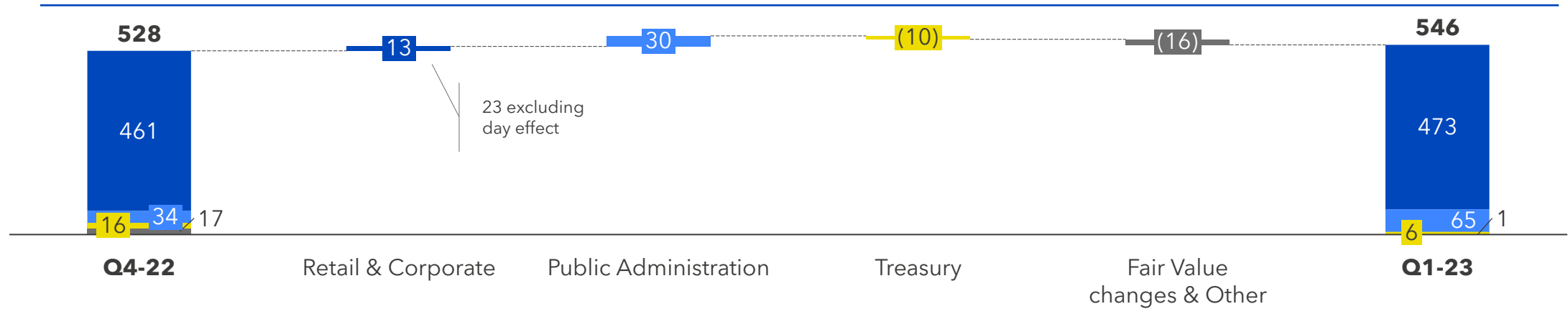
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Y/Y EVOLUTION

- Retail & Corporate
- Public Administration
- Treasury
- Fair value changes & Other



Q/Q EVOLUTION

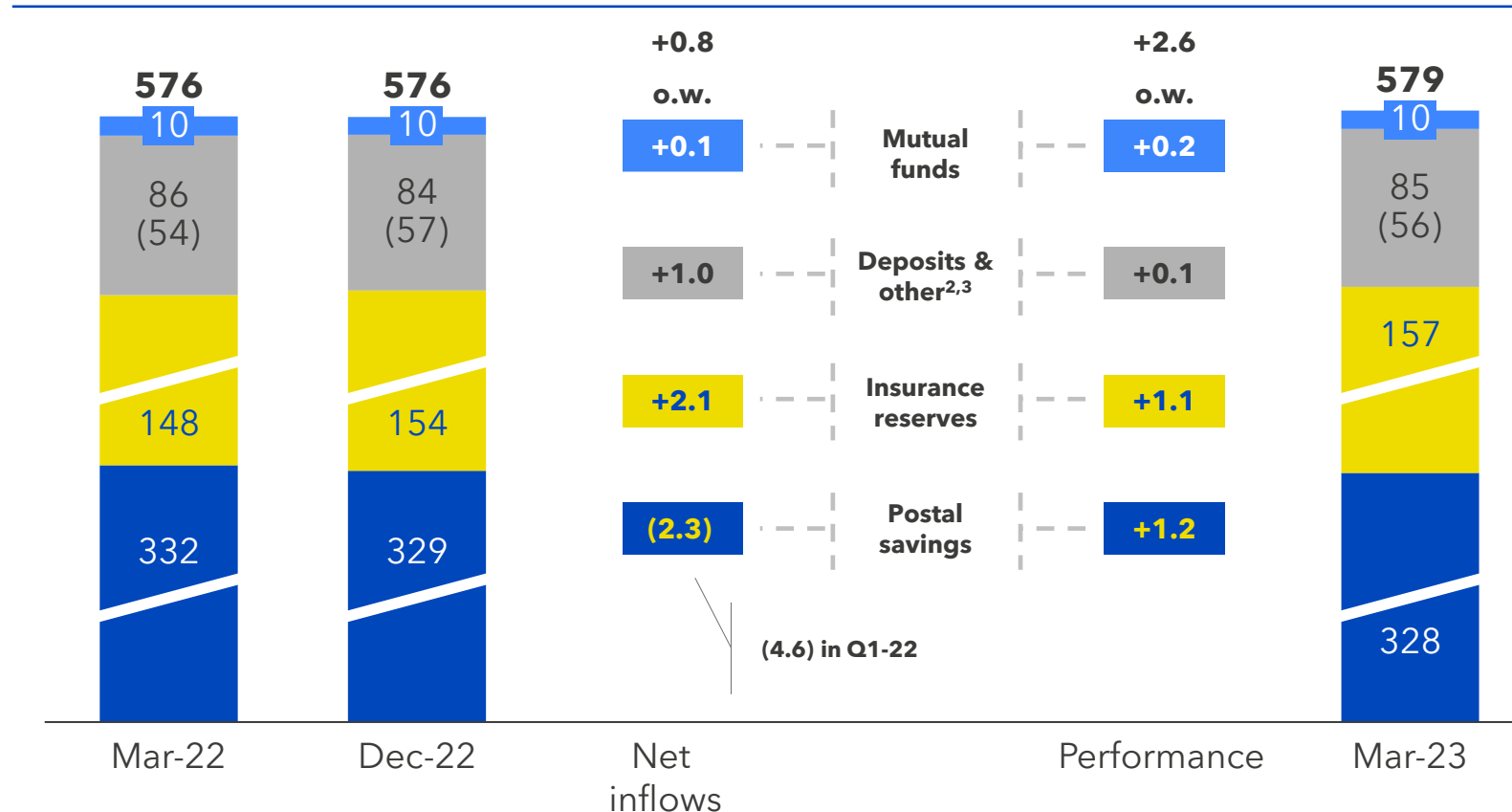


Note: all figures are reported net of interest expenses

GROUP TOTAL FINANCIAL ASSETS

INCREASING TFAs DRIVEN BY NET INFLOWS AND POSITIVE PERFORMANCE EFFECT

TFA EVOLUTION¹



Q1 HIGHLIGHTS

- 92% of customers' TFA shielded from market fluctuations
- Postal savings flows supported by revamped commercial offer resulting in improving retail flows (y/y)
- Strong positive flows in Insurance - Insurance Reserves reclassified net of market effect following IFRS17 adoption
- Steady increase in deposits
- Net inflows in savings and investments supported by insurance products, deposits and mutual funds

Retail net flows ⁴	(4.1)	(0.6)
o.w. net savings & investments flows ⁵	1.9	0.5

1. EoP figures, 2022 Insurance Reserves restated to exclude the Deferred Policyholders' Liabilities "DPL" (-14bn as of Dec-22), in line with local GAAP; 2. Includes deposits and Assets Under Custody; 3. Deposits do not include REPOs and Poste Italiane liquidity; 4. Includes net flows into postal savings, Mutual Funds, Moneyfarm, Insurance Reserves, Deposits and Assets Under Custody; 5. Includes net flows into Mutual Funds, Moneyfarm, Postal Bonds, Insurance reserves, and Assets under Custody

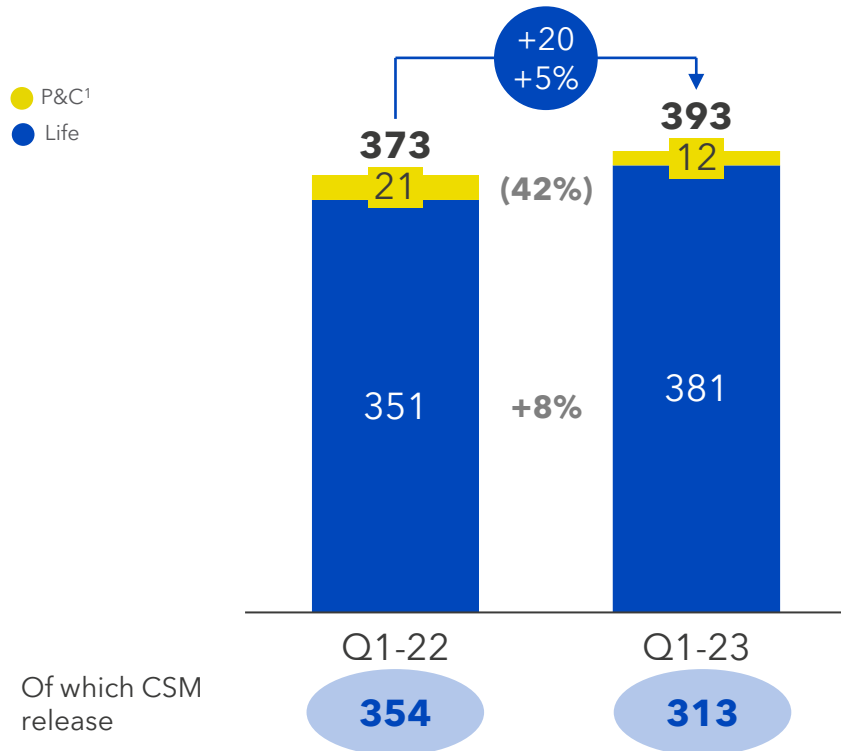
INSURANCE SERVICES

POSITIVE NET FLOWS AND LOW LAPSE RATE - OUTPERFORMING A CHALLENGING MARKET

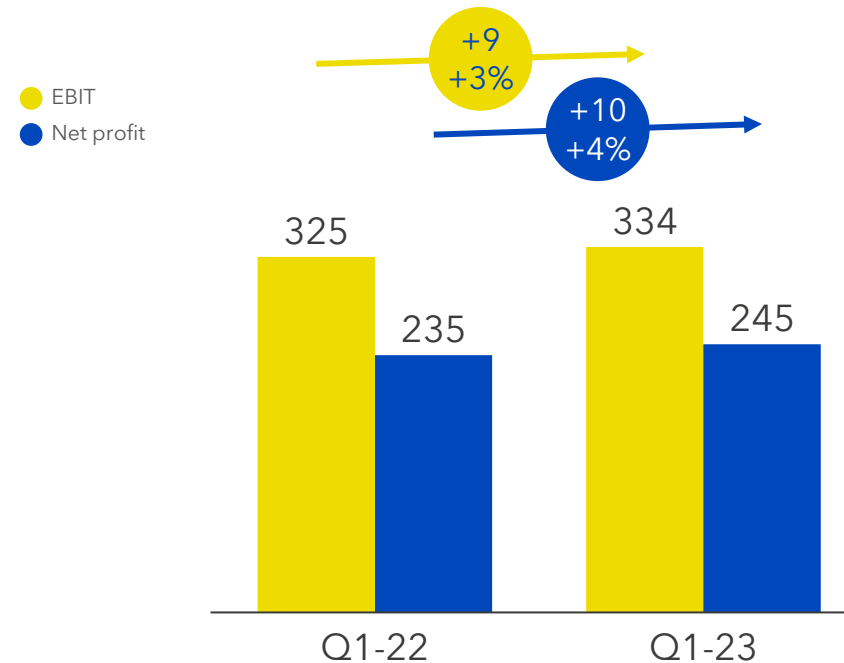
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SEGMENT REVENUES¹

Figures reported under IFRS17 starting from 2023. Q1-22 figures restated accordingly



EBIT & NET PROFIT



Q1 HIGHLIGHTS

- Life revenues growth supported by higher volumes and margins:
 - positive net flows, with a resiliently low lapse rate, outperforming the market
 - adapting product-mix to take advantage of increasing demand for capital guaranteed products
- Higher GWP in P&C across all product lines; revenues and combined ratio temporarily impacted by product mix, with a strong increase in welfare business
- Tender offer on Net Insurance successfully completed in Q2-23, as expected

Life net inflows (€ bn)	2.6	2.1
Lapse rate (%) ²	3.7	3.9

P&C GWP	124	201
Comb. Ratio (%) ³	83%	94%

1. Net of claims; includes Poste Insurance Broker; **2.** Since 2022 lapse rate is calculated as surrenders divided by average reserves. 2017-2021 data have been restated accordingly in line with market practice; **3.** COR reclassified as insurance expenses, net reinsurance expenses, other technical income and expenses, not directly attributable expenses divided by gross insurance revenues, net of reinsurance

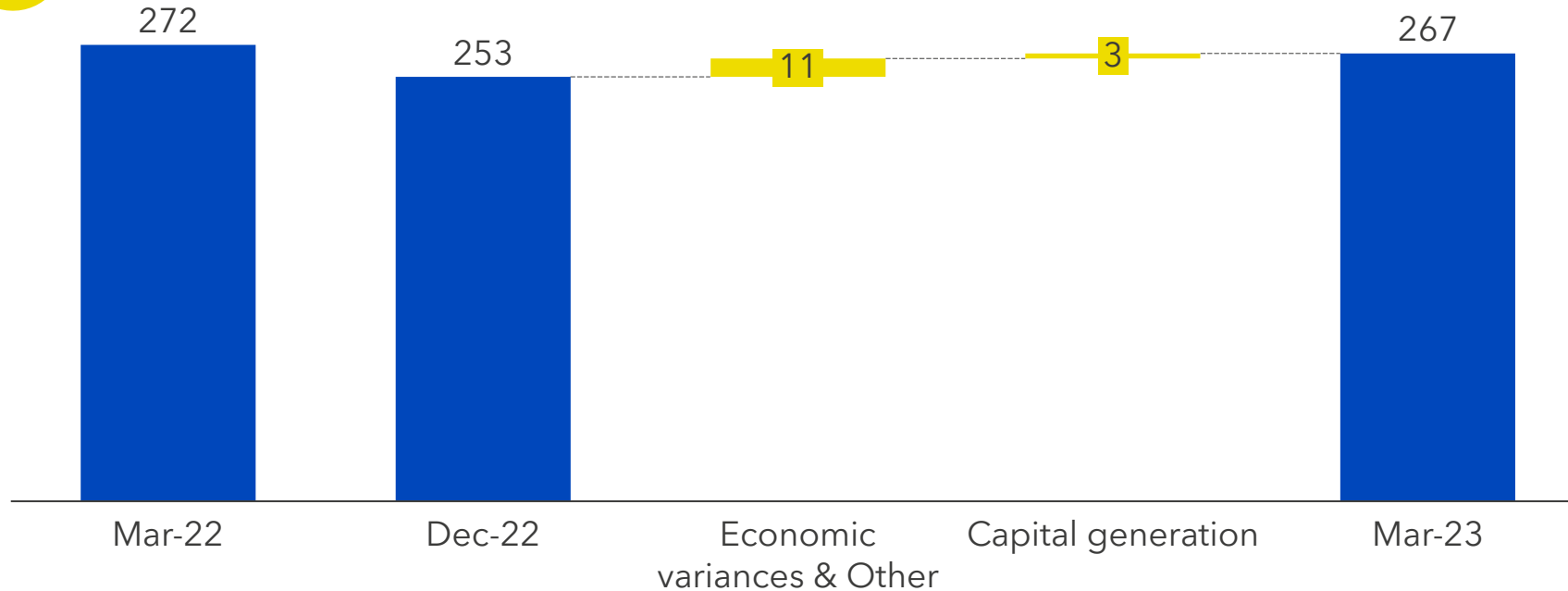
SOLVENCY II RATIO

SII RATIO WELL ABOVE MANAGERIAL AMBITION

% unless
otherwise stated



Q1 SOLVENCY II RATIO EVOLUTION¹



Q1 HIGHLIGHTS

- Solvency II ratio at 267%, (+14 p.p. from December 2022)
- Economic variances: positive impact of lower risk-free rates and BTP spread
- Positive capital generation from new business and in force portfolio

Volatility adjustment (bp)	6	19	20
10Y Swap (bp)	119	320	296
BTP-Swap spread (bp)	85	151	114
Corporate bond spread (bp)	79	114	129

1. EoP figures

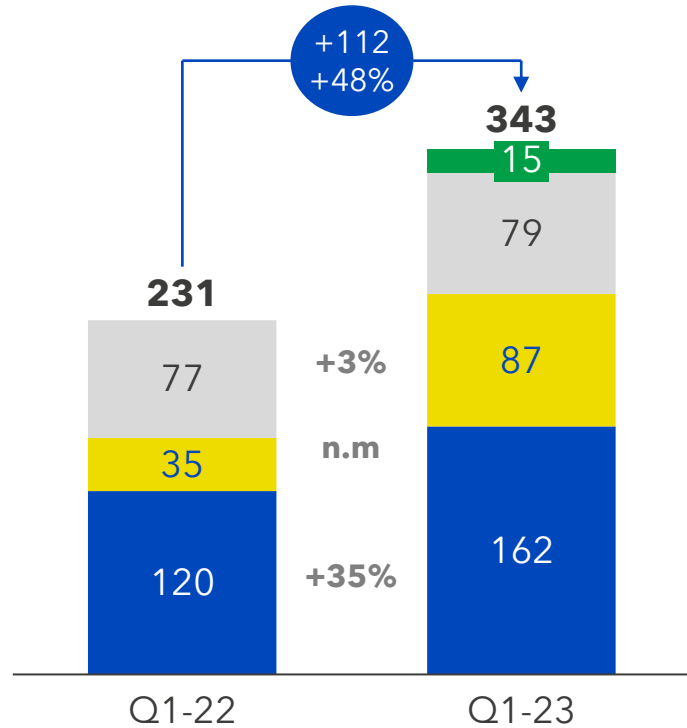
PAYMENTS & MOBILE

STRONG PERFORMANCE CONFIRMED ACROSS ALL BUSINESS LINES - ENERGY BUSINESS UP & RUNNING

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otherwise stated

SEGMENT REVENUES¹

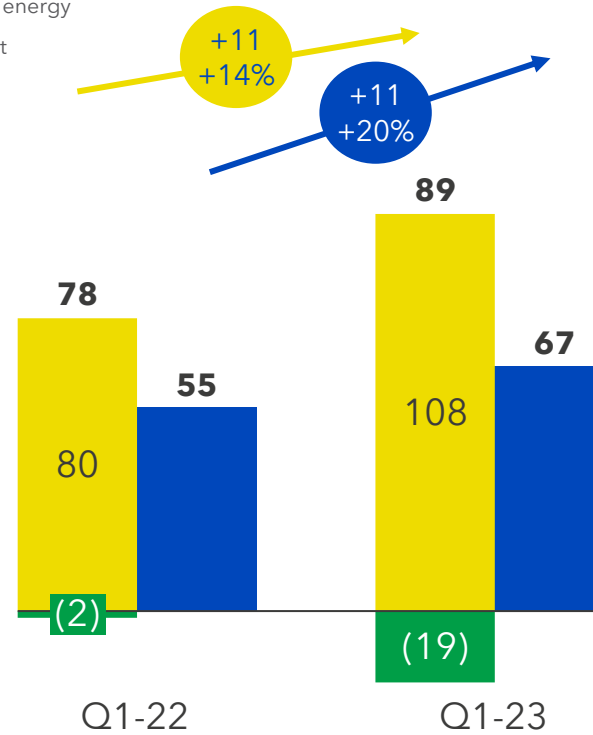
- Energy
- Telco
- Other payments
- Card Payments



Intersegment revenues **67** (Q1-22) **66** (Q1-23)

EBIT & NET PROFIT

- EBIT
- EBIT o.w energy
- Net profit



Q1 HIGHLIGHTS

- Strong card payments - increasing usage and structural cash-to-card shift driving higher than expected transaction value (+18% in Q1-23)
- LIS consolidation further supporting Card (+23m additional revenues) and other payments (+46m additional revenues)
- Other payments benefitting from transactions directly managed by PostePay as Payment Service Provider
- Telco revenues up in a competitive market
- EBIT growth driven by revenues and LIS consolidation, more than compensating energy business start-up costs

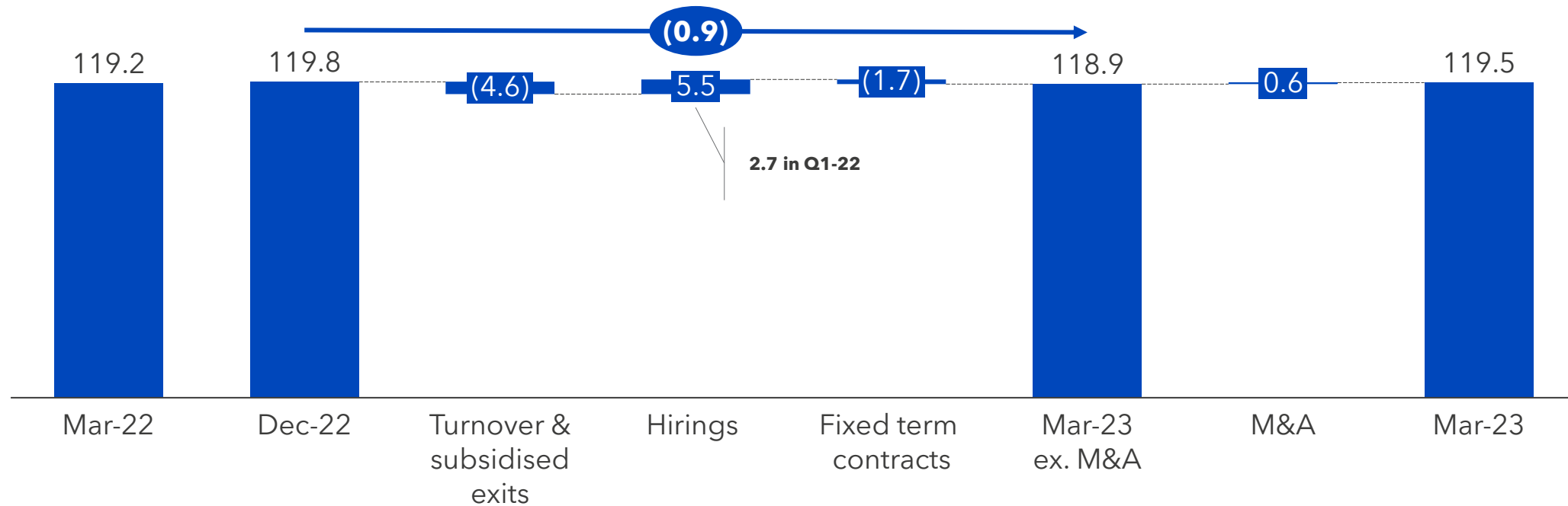
1. LIS revenues incremental contribution to Other Payments and Card Payments for a total of 68 in Q1-23; LIS EBIT contribution of 10 in 1Q23 (o.w. +12m EBIT and -2 PPA amortization)

HUMAN CAPITAL – FTEs

CONTINUED FTE EFFICIENCY, WITH FOCUSED WORKFORCE RENEWAL



AVERAGE WORKFORCE EVOLUTION (#, K)



Value added/
FTEs (€ K)^{1,2}

76.5

74.5

81.9

HR costs/
FTEs (€ K)¹

44.5

43.0

45.4

Y/Y

+7.0%

+2.1%

1. Annualized figures, calculated excluding IFRS17 effect; 2. Group revenues minus cost of goods sold

HUMAN CAPITAL - HR COSTS

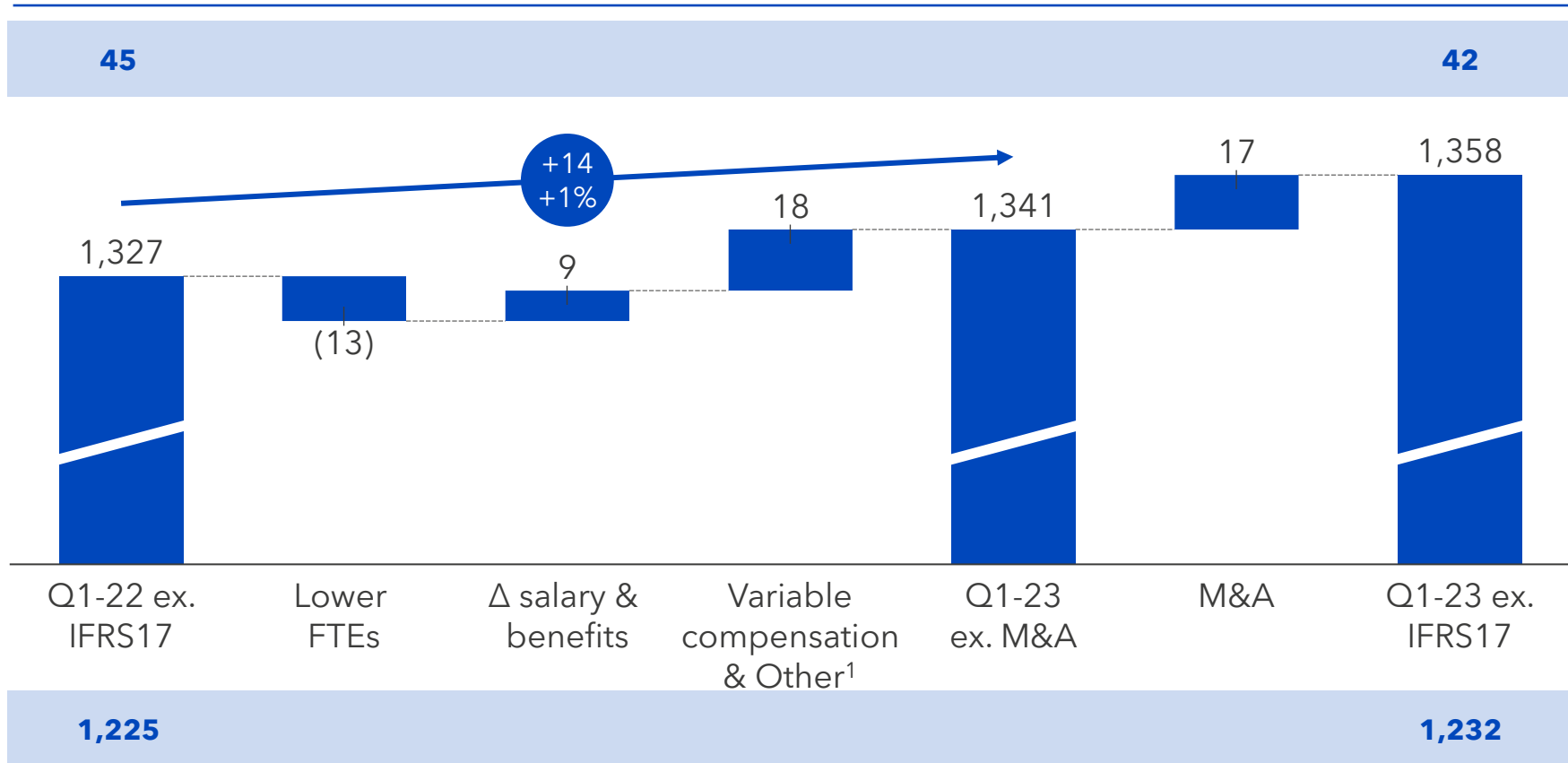
LOWER FTEs MITIGATING PLANNED SALARY INCREASE AND HIGHER VARIABLE COMPENSATION

€ m unless

otherwise stated

ORDINARY HR COSTS

Ordinary HR costs /
revenues (%)



IFRS17 HR Costs

1,225

1,232

1. Unpaid leave and provisions for holidays, extraordinary items on bonuses and compensation, family subsidies (*Assegno familiare*), turnover and other

NON-HR COSTS

ENERGY BUSINESS START-UP COSTS AND INFLATION INCREASE - IN LINE WITH EXPECTATIONS

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otherwise stated

NON-HR COSTS¹

Variable costs / variable revenues (%)

69

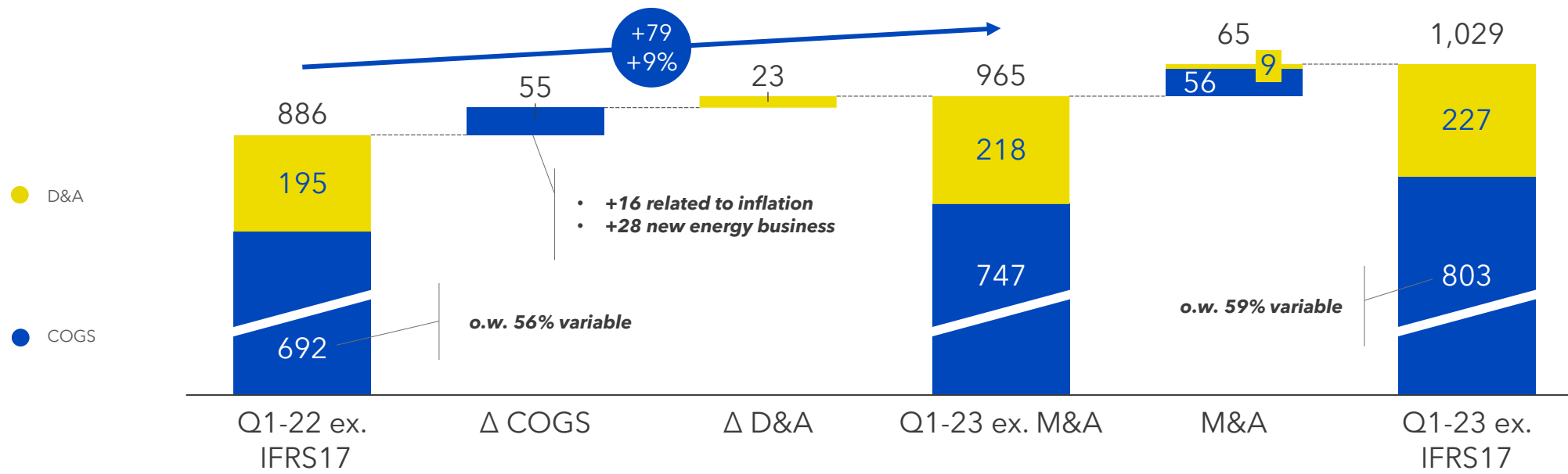
70

Fixed COGS / total revenues (%)

10

10

68% net of new energy business and inflation impact



IFRS17 non HR Costs

839

971

1. Excluding other non-HR costs

CLOSING REMARKS






ROBUST START INTO 2023 SUPPORTED BY ALL BUSINESSES


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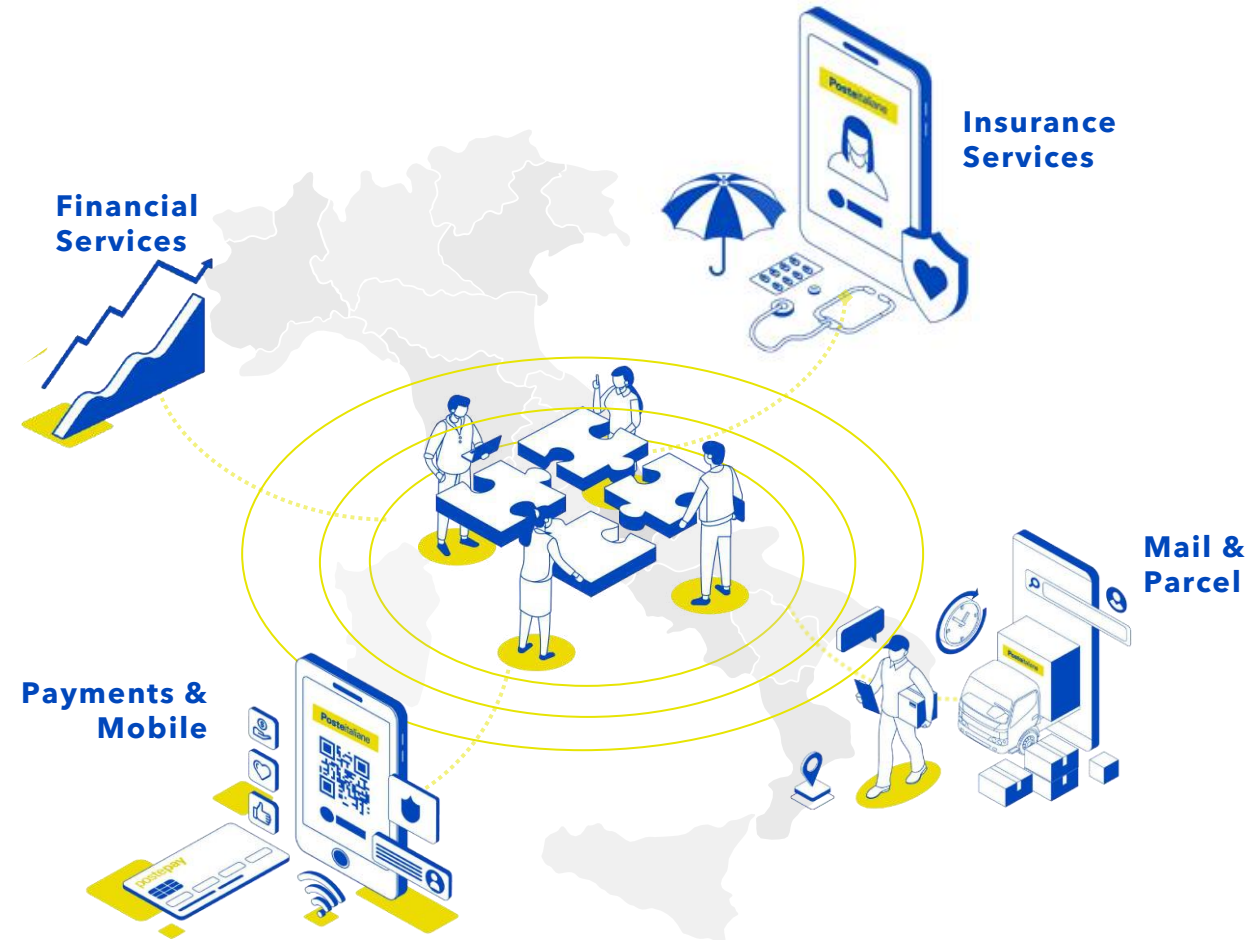
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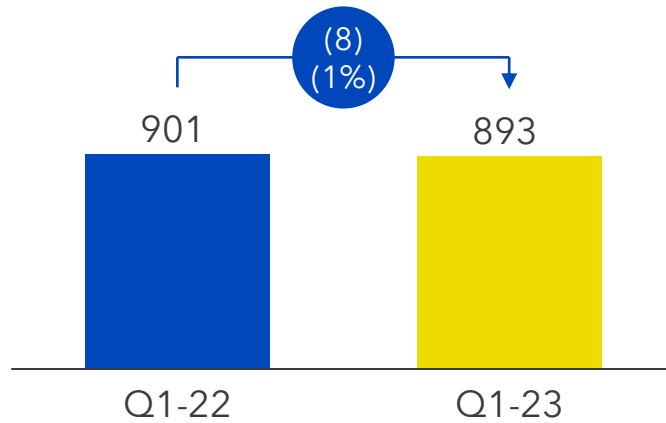
SEGMENT REVENUES

HEALTHY REVENUE PROGRESSION ACROSS BUSINESS UNITS

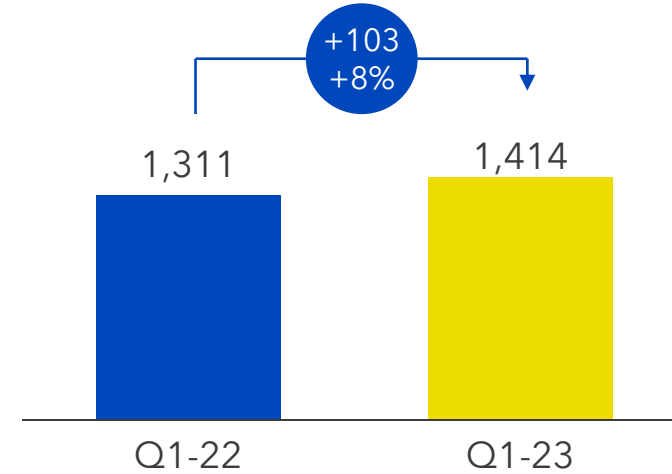
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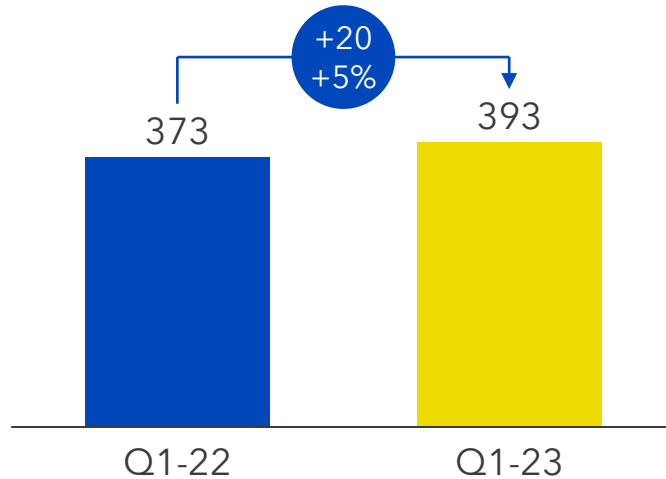
MAIL, PARCEL & DISTRIBUTION



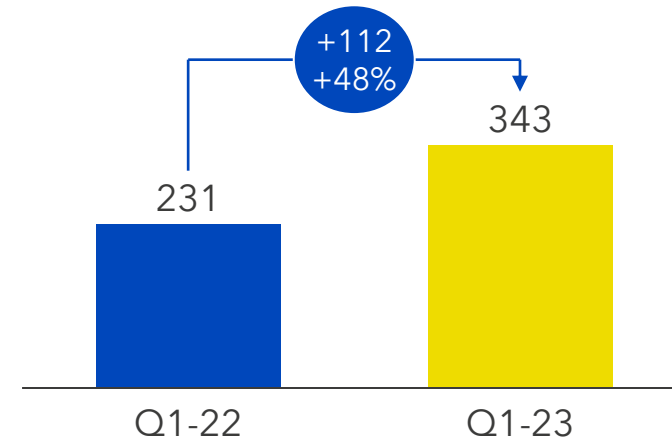
FINANCIAL SERVICES



INSURANCE SERVICES



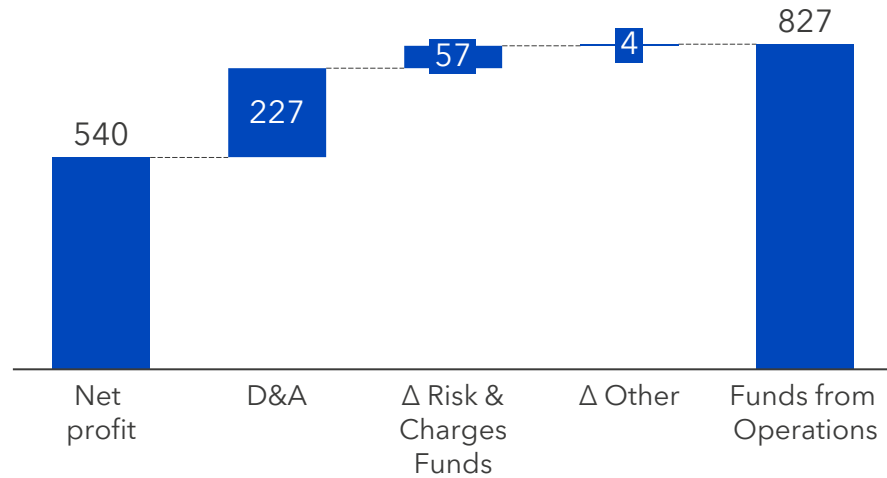
PAYMENTS & MOBILE



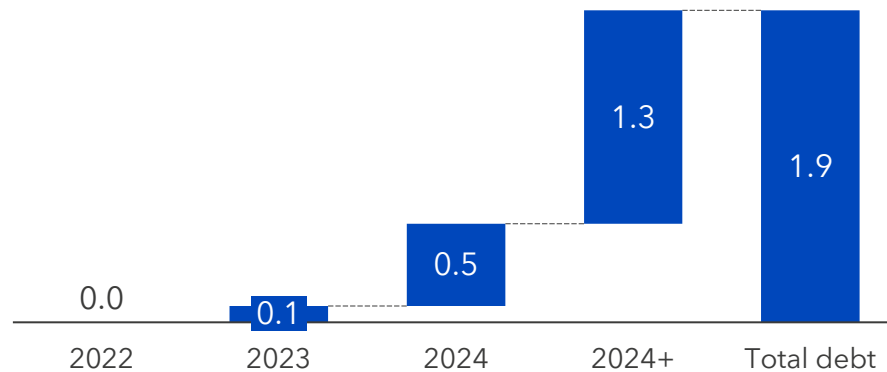
STRONG CASH GENERATION, AMPLE LIQUIDITY & BALANCED DEBT PROFILE



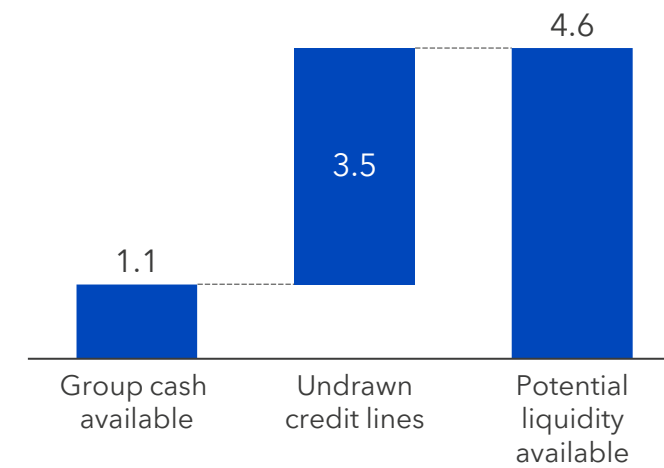
GROUP FUNDS FROM OPERATIONS (Q1-23 - € M)



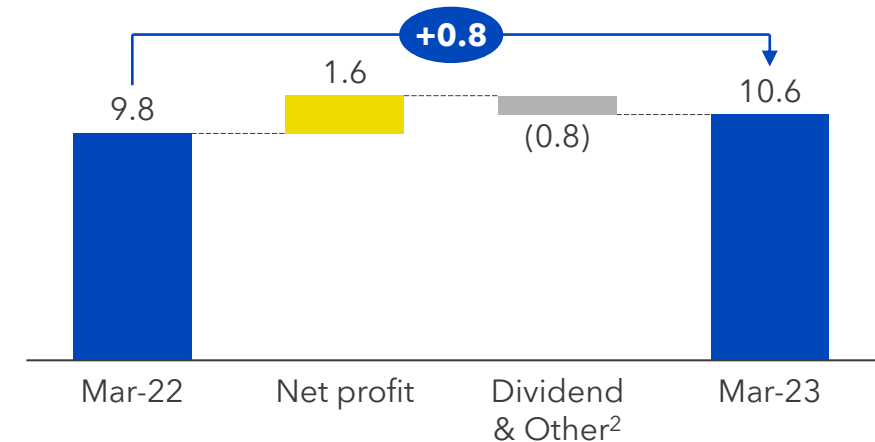
BALANCED MATURITY PROFILE (€ BN)



SIGNIFICANT LIQUIDITY RESOURCES (€ BN)



GROUP SHAREHOLDERS' EQUITY¹ (€ BN)



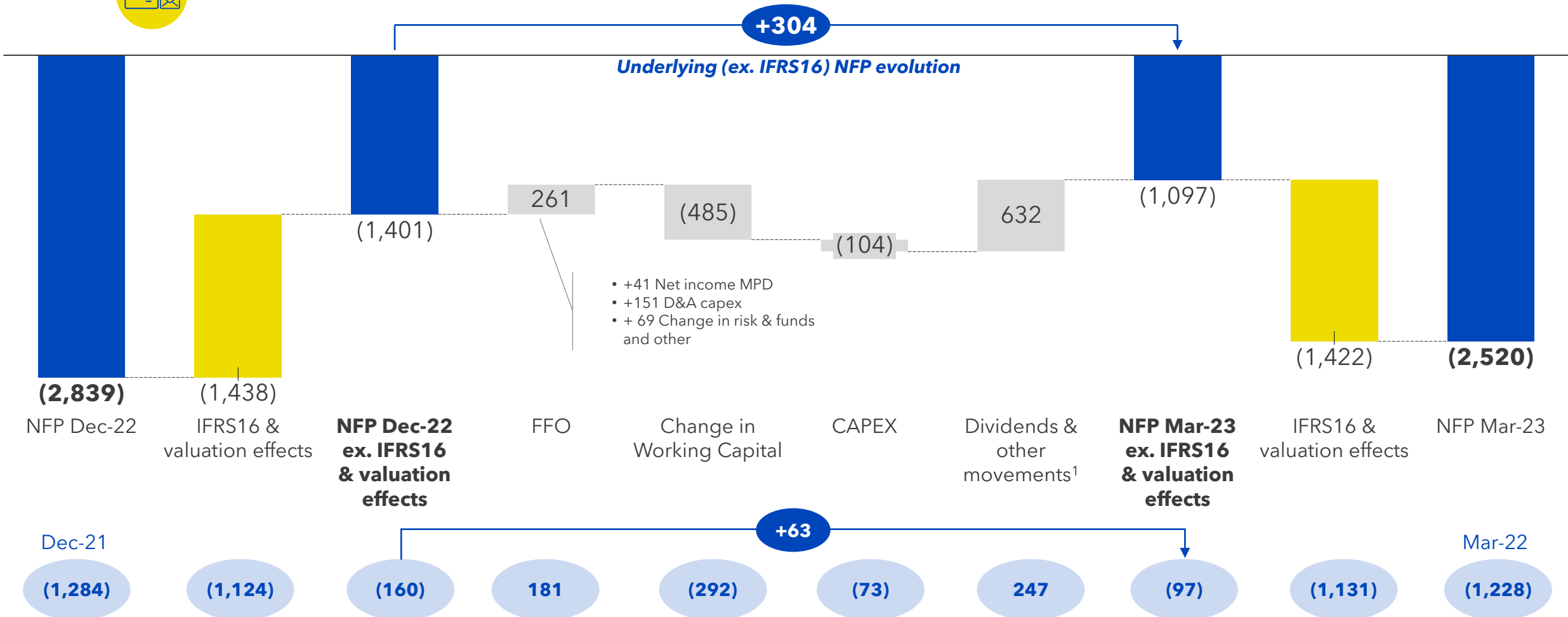
1. Shareholders' equity net of revaluation reserves and taking into consideration the dividend proposed for 2022 and IFRS17 restatement effects, **2.** Other includes buyback, the coupon on the hybrid bond, the purchase of options for minority acquisitions, TFR, reserve variation related to incentive schemes (IFRS2)

MAIL, PARCEL AND DISTRIBUTION NET FINANCIAL POSITION IMPROVING UNDERLYING CASH GENERATION

€ m unless
otherwise stated



NET FINANCIAL POSITION (+CASH - DEBT)



- +41 Net income MPD
- +151 D&A capex
- + 69 Change in risk & funds and other

1. Include hybrid instruments management and extraordinary effects

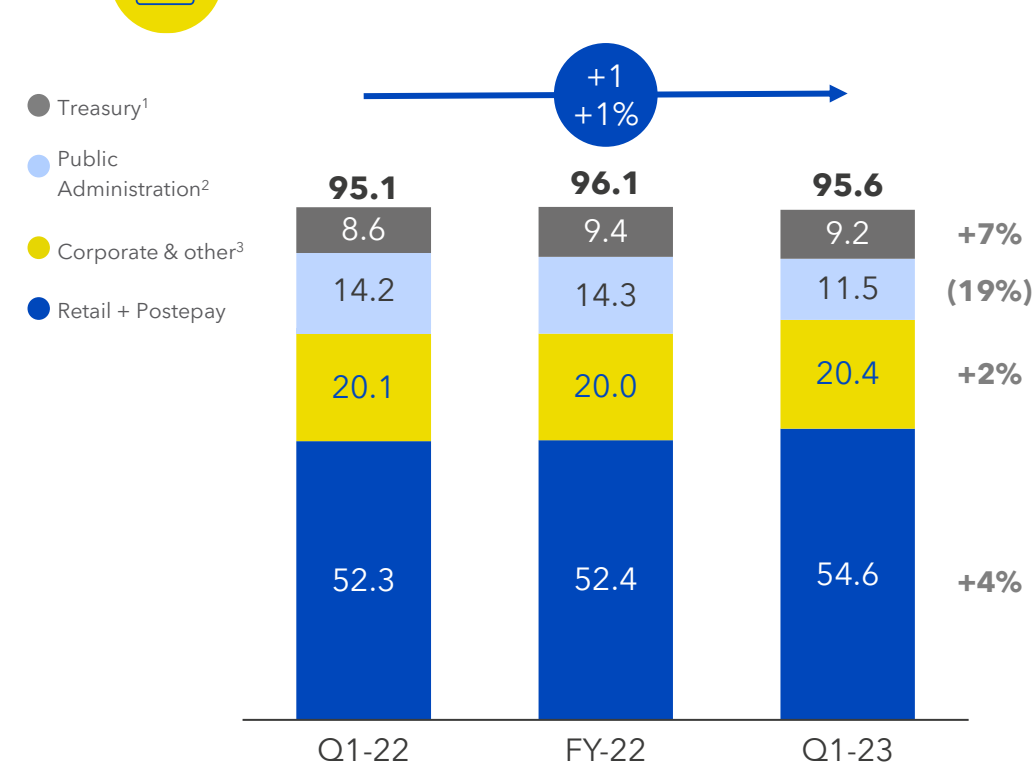
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

AVERAGE DEPOSITS UP THANKS TO RETAIL AND CORPORATE CLIENTS

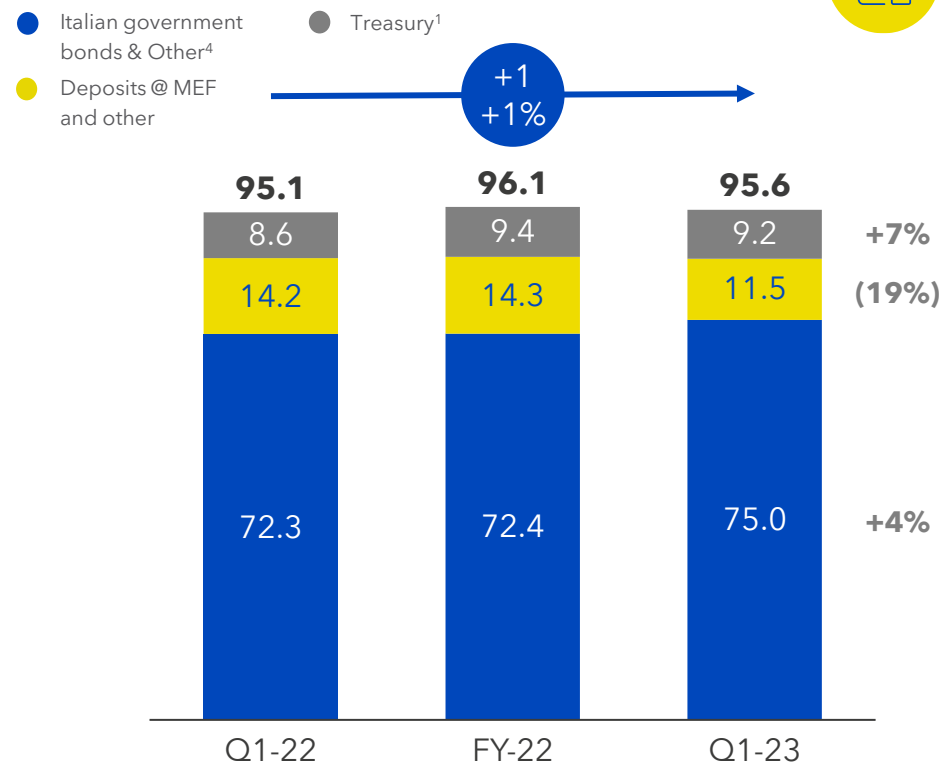
€ bn unless otherwise stated



AVERAGE DEPOSITS



AVERAGE INVESTMENT PORTFOLIO



HIGHLIGHTS

- Deposit increase y/y supported by Retail and Corporate accounts
- Public Administration assets yield mostly linked to 10Y Italian Govies - liabilities mainly remunerated on 6M Euribor
- Treasury assets mainly remunerated at a fixed rate - liabilities remunerated at variable rate

Avg. Return ex. cap. gains (%) ⁵	1.79	1.99	2.31
Duration (# of years)	5.5	5.0	5.1

1. Includes short term REPO and collateral 2. Entirely invested in floating rate deposits c/o MEF; 3. Includes business current accounts, PostePay business, Long-term REPO, Poste Italiane liquidity and other customers debt; 4. Includes Tax Credits & Others; 5. Average yield calculated as net interest income on average deposits

FINANCIAL SERVICES – ASSETS LIABILITIES STRUCTURE

STICKY AND WELL DIVERSIFIED DEPOSITS BASE

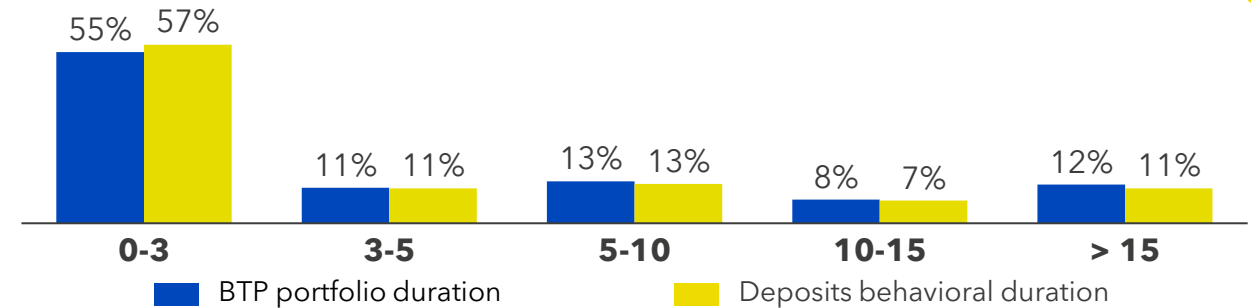


HIGHLIGHTS

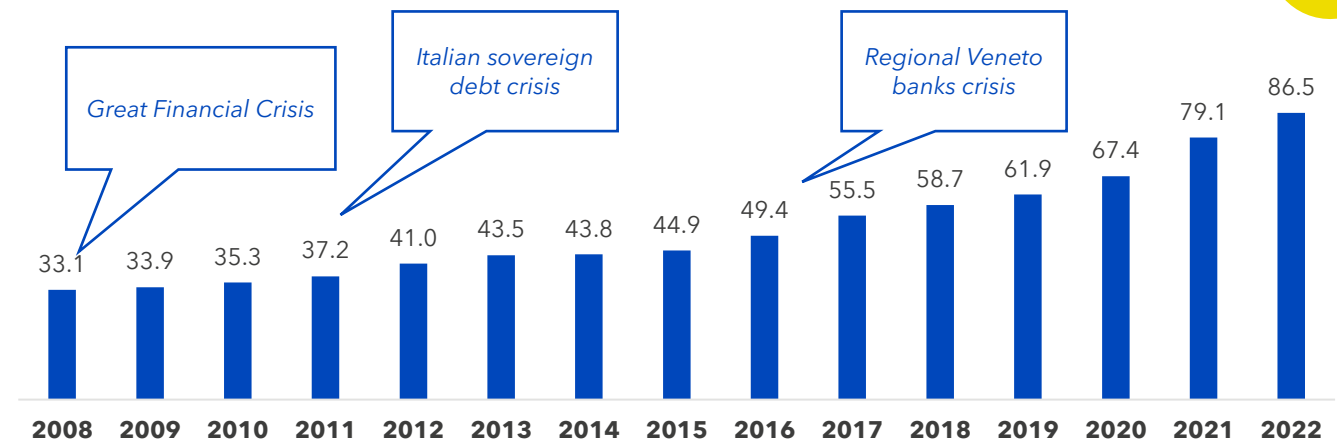
- Persistent deposits thanks to sticky and well diversified customer base (68% retail with average balance of c.€6k per account) across savings and investment products
- BTP portfolio duration closely replicates the behavioural profile of deposits
- Customers acknowledge Poste Italiane’s solidity with increasing inflows in times of financial turbulence



ASSETS LIABILITIES STRUCTURE



AVERAGE CURRENT ACCOUNTS TREND¹ (€bn)



1. Excluding Treasury and Poste Italiane liquidity

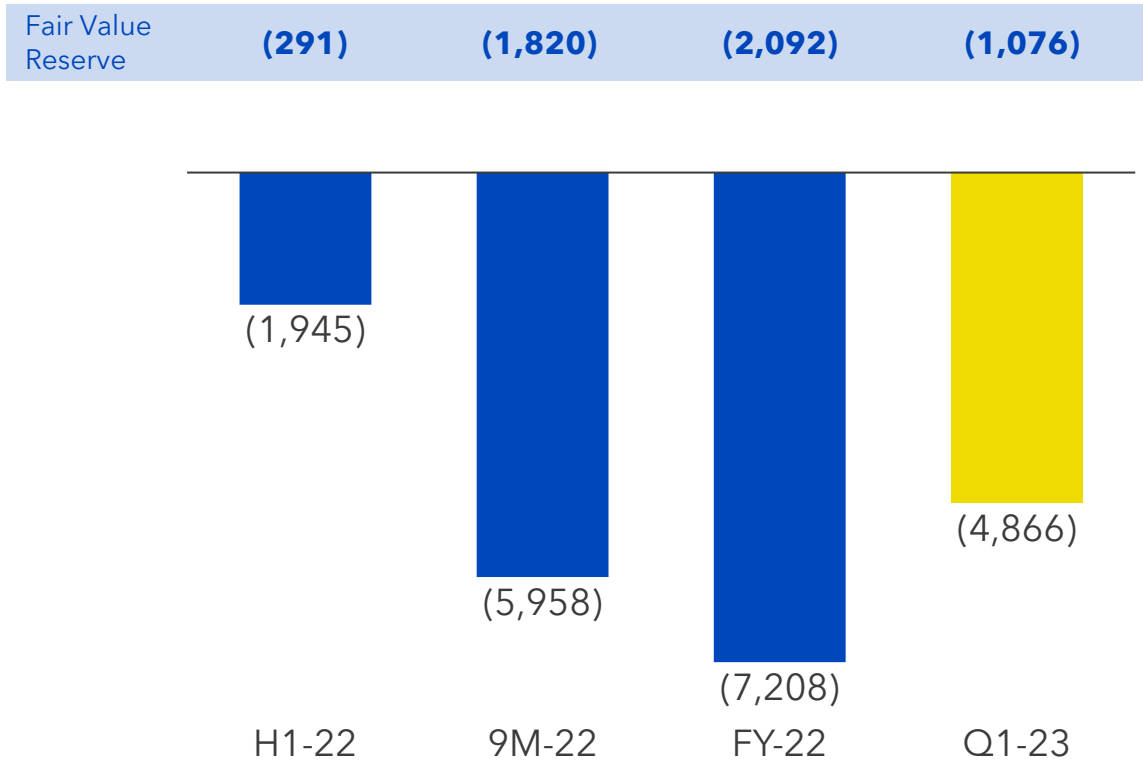
UNREALISED GAINS & LOSSES AND SENSITIVITIES

IMPROVING NET UNREALISED LOSSES - NO IMPACT ON CAPITAL POSITION

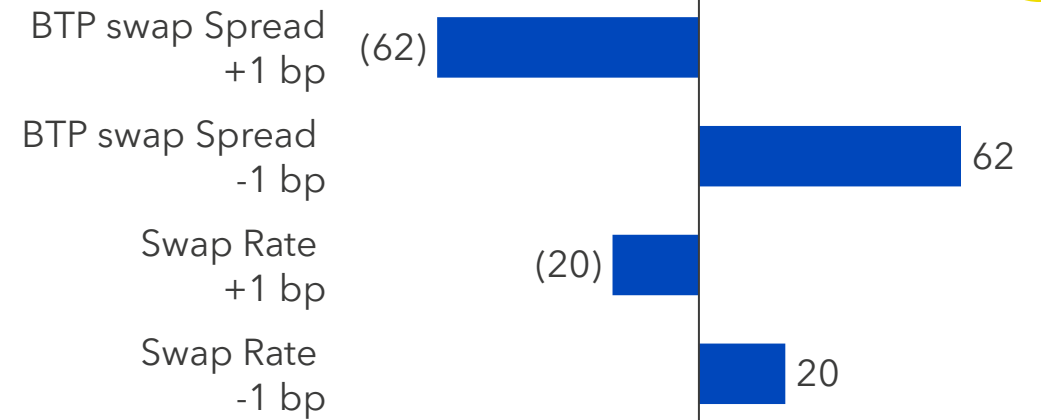
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UNREALISED NET GAINS AND LOSSES



PORTFOLIO SENSITIVITIES



	Q2-22	Q3-22	Q4-22	Q1-23	Var (bp) Q1-23 vs Q4-22
BTP 10Y	3.26	4.52	4.72	4.10	(62)
SWAP 10Y	2.17	3.08	3.20	2.96	(25)
BTP 15Y	3.44	4.40	4.75	4.36	(39)
SWAP 15Y	2.35	3.07	3.14	2.96	(18)
BTP 30Y	3.67	4.34	4.79	4.32	(47)
SWAP 30Y	1.98	2.40	2.53	2.50	(4)

POSTAL SAVINGS

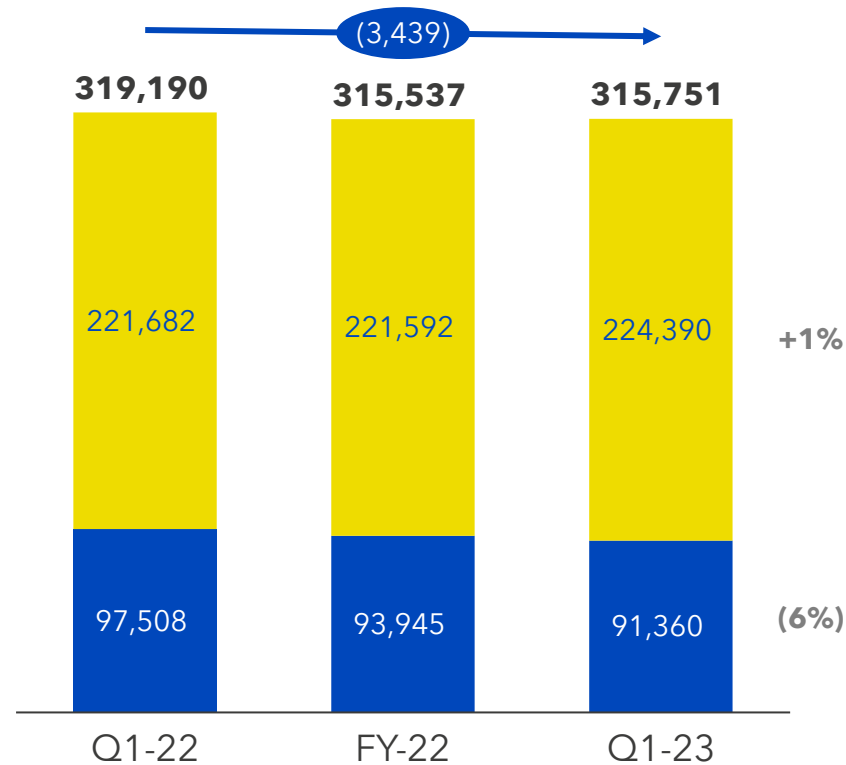
NET OUTFLOWS IN LINE WITH 2023 TARGET OF POSTAL SAVING DISTRIBUTION FEES

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otherwise stated

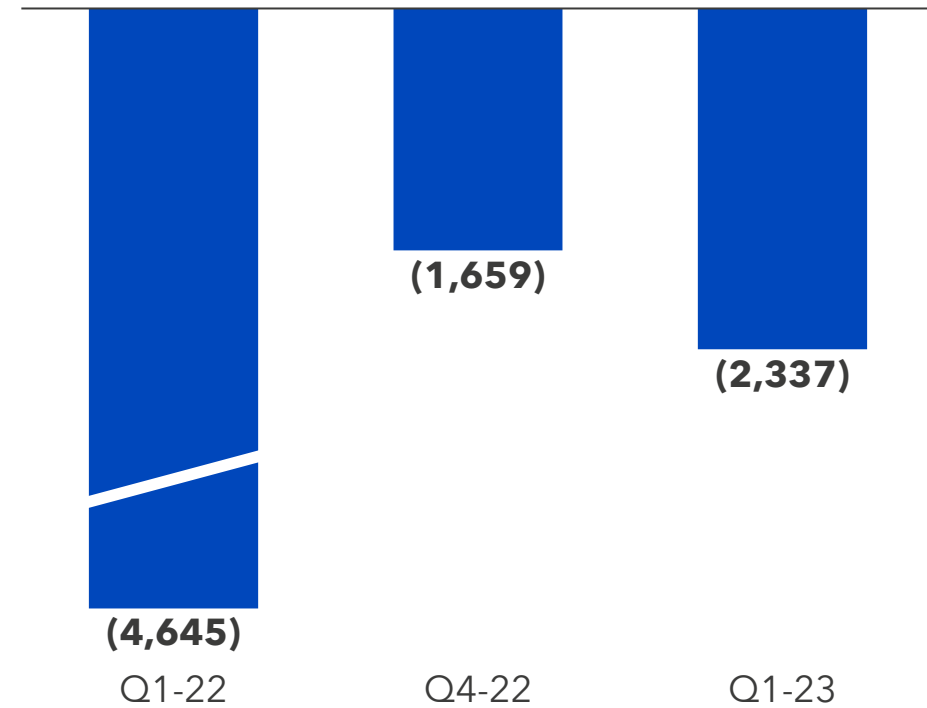


AVERAGE POSTAL SAVINGS¹

- Postal Bonds
- Postal savings books



POSTAL SAVINGS NET FLOWS



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

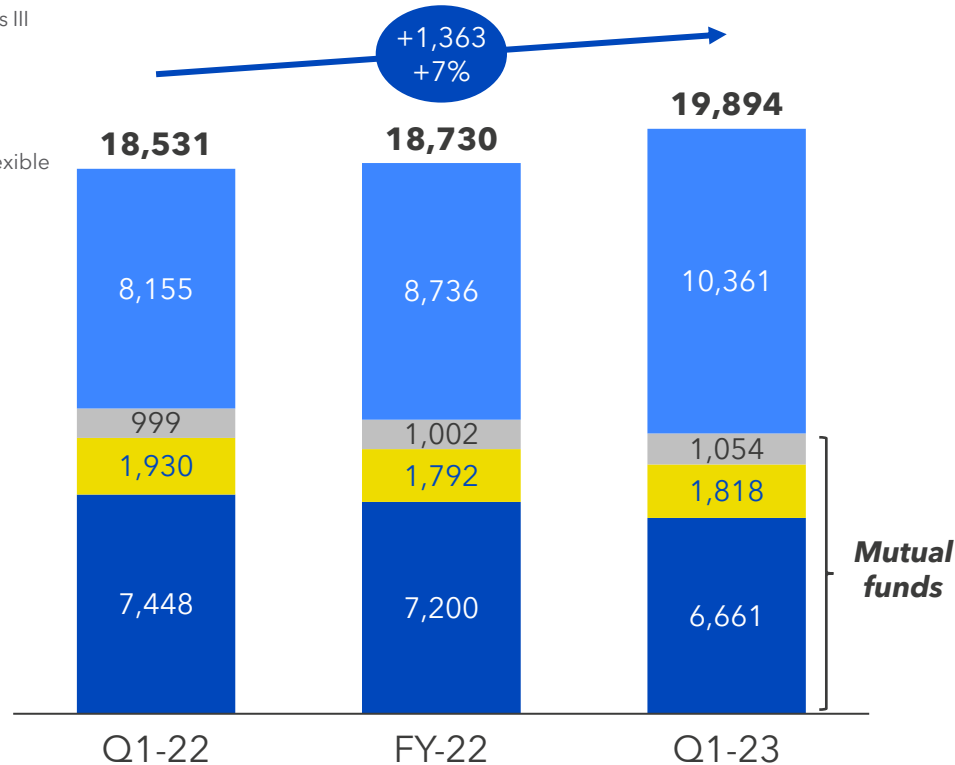
POSITIVE NET FLOWS SUPPORTED BY MULTICLASS CLASS III PRODUCTS

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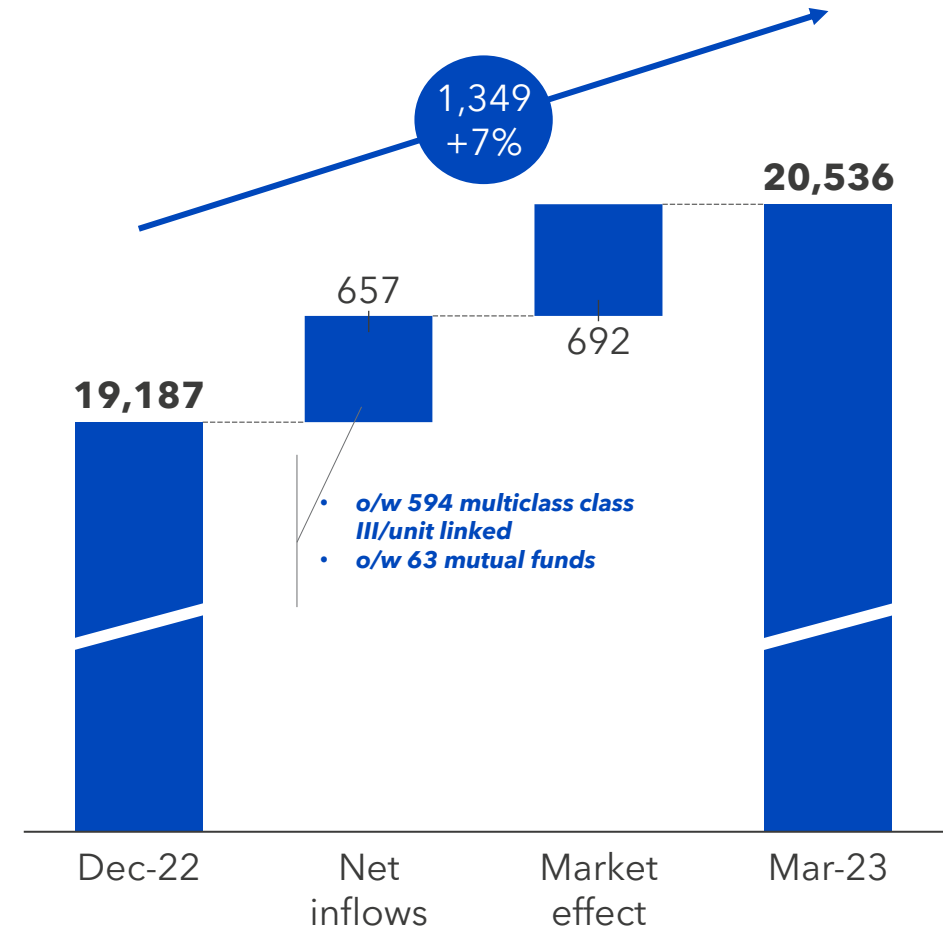


AVERAGE ASSETS UNDER MANAGEMENT

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



AUM EVOLUTION - EOP



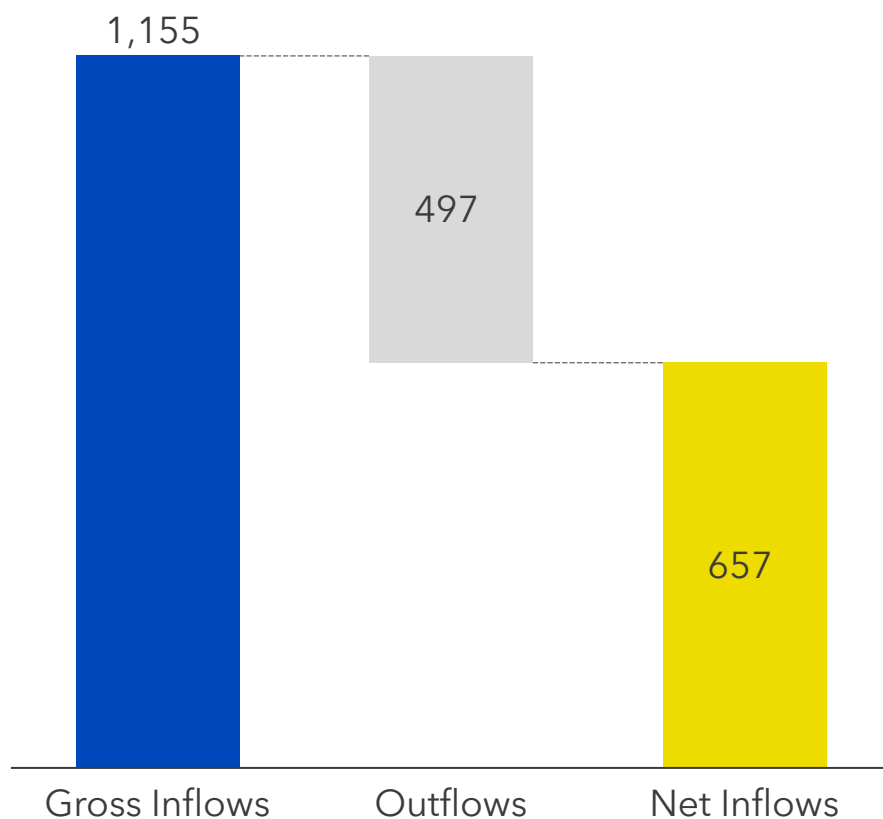
ASSET MANAGEMENT NET INFLOWS

POSITIVE NET FLOWS THANKS TO MULTICLASS CLASS III PRODUCTS

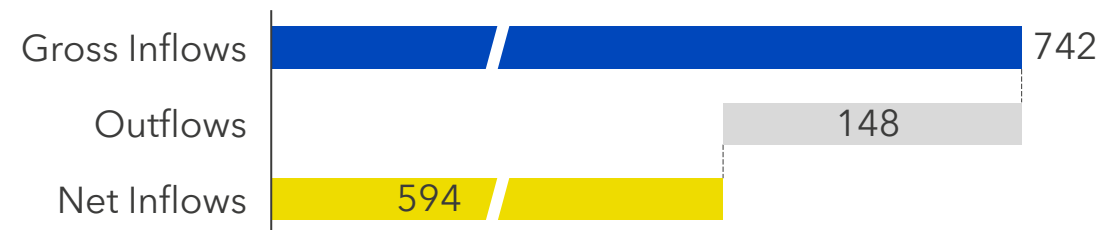
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otherwise stated



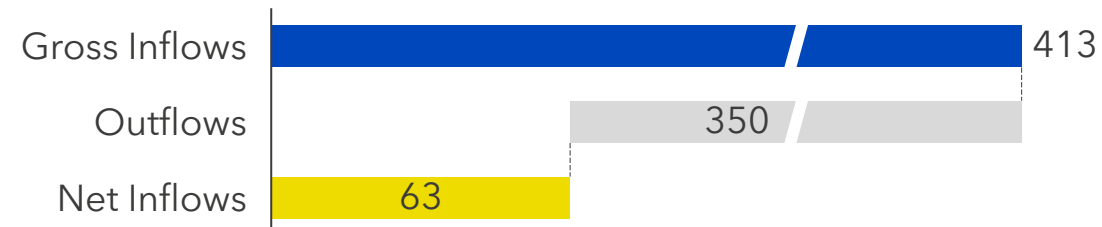
TOTAL NET FLOWS Q1-23



MULTICLASS CLASS¹ III & UNIT LINKED



MUTUAL FUNDS



1. Inflows at target

BANCOPOSTA: SOLID AND EFFICIENT CAPITAL POSITION

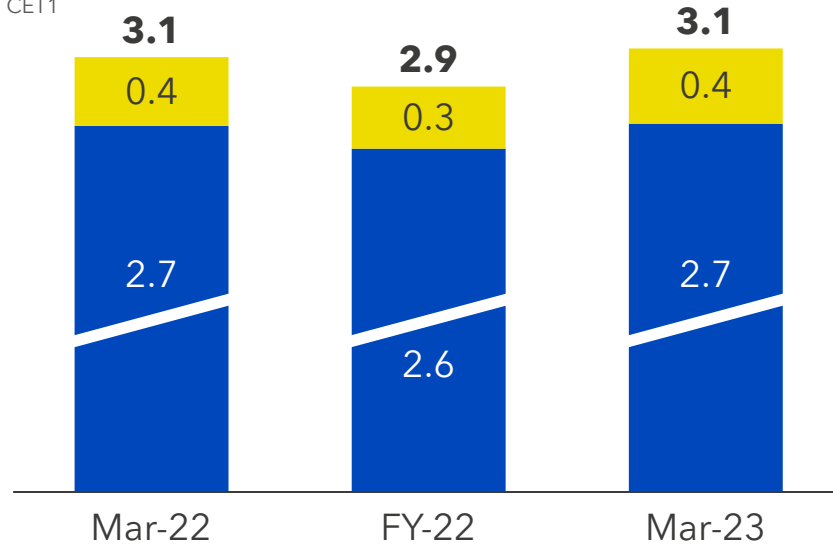
AN ASSET GATHERER WITH A CAPITAL LIGHT BALANCE SHEET



LEVERAGE RATIO (%)

● AT1

● CET1



BALANCE SHEET
EXPOSURE (€ BN)

97.1

101.7

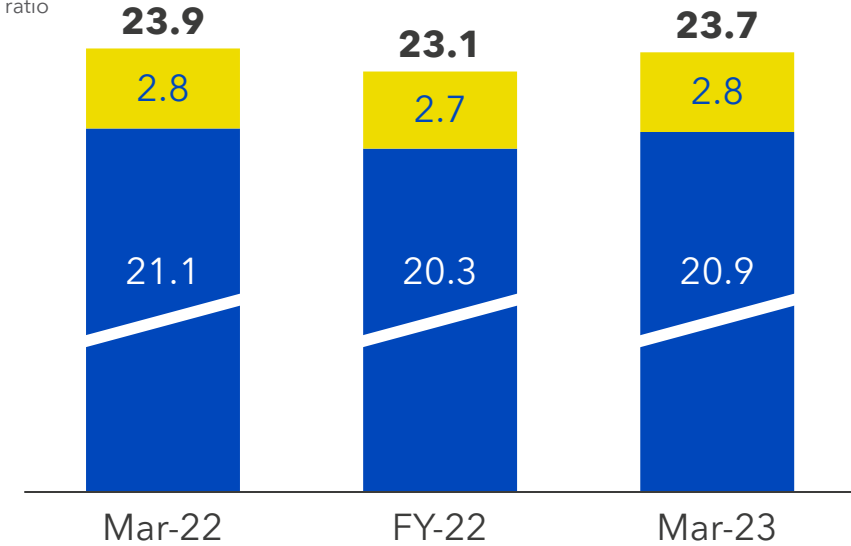
96.3



TOTAL CAPITAL RATIO (%)

● AT1 ratio

● CET1 ratio



RWA (€ BN)

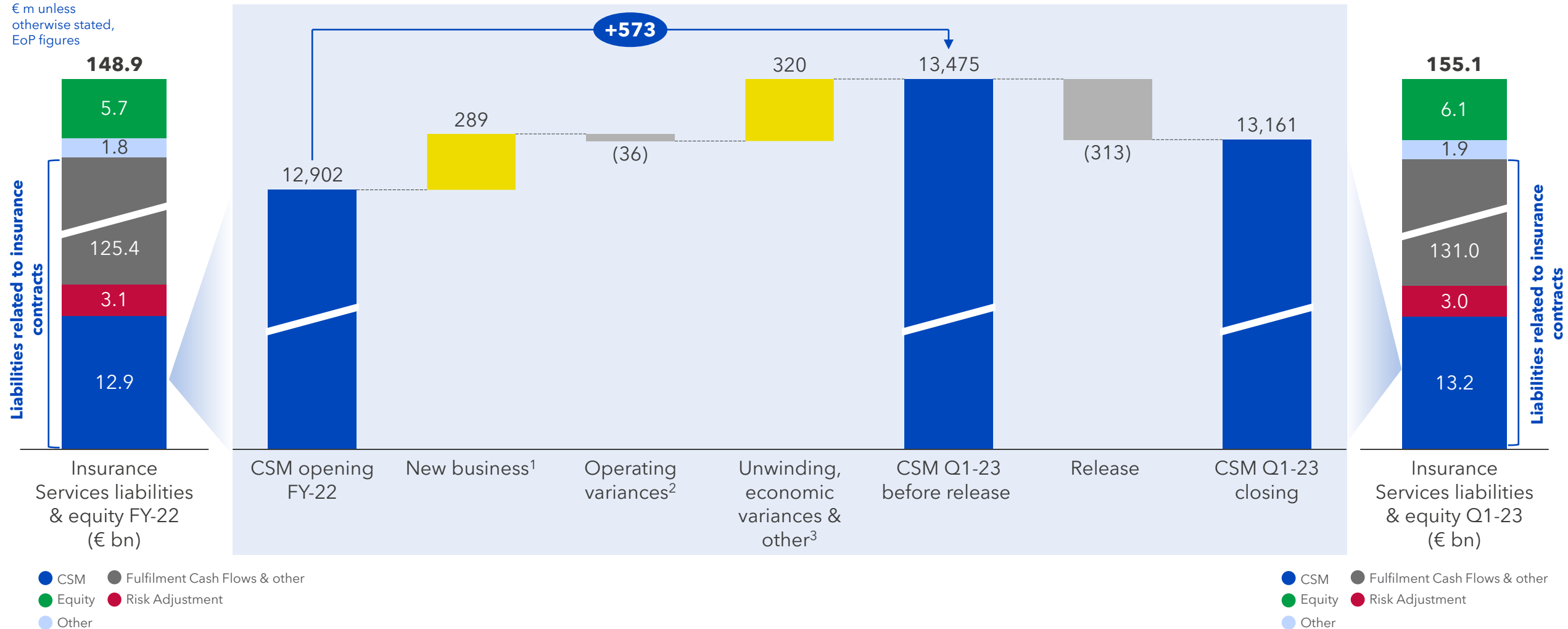
12.4

12.9

12.4

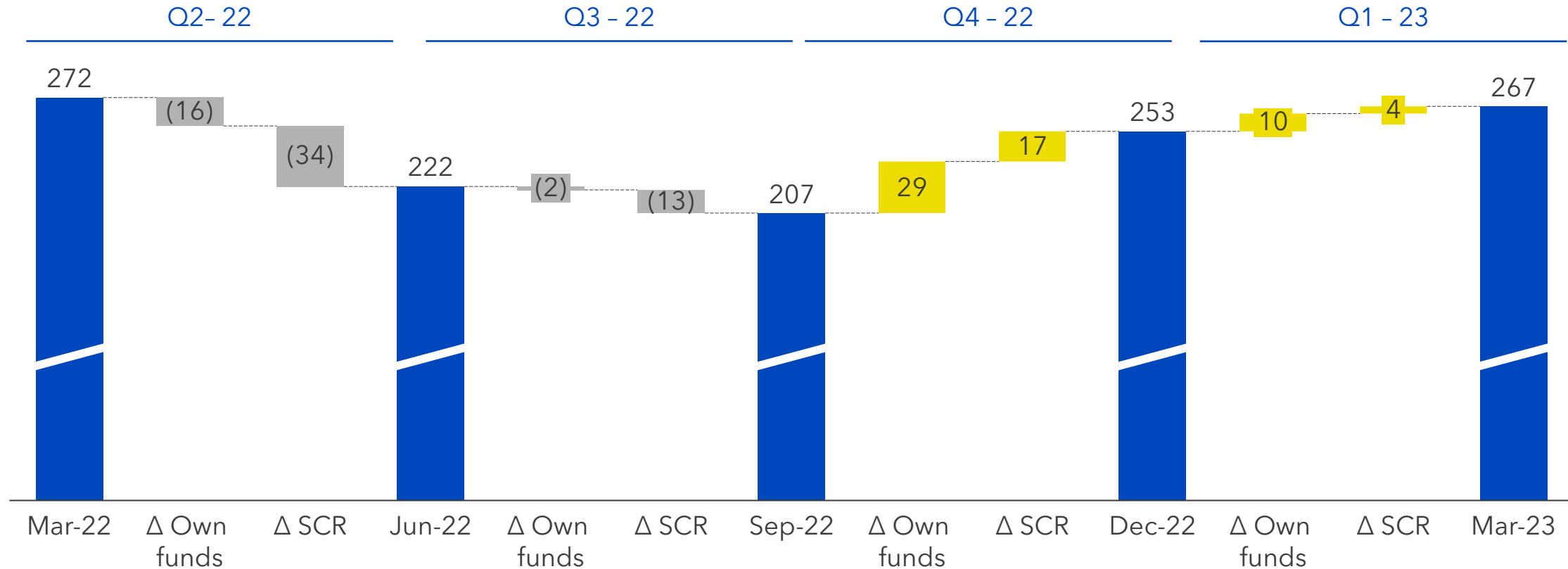
CONTRACTUAL SERVICE MARGIN EVOLUTION OVER 13BN OF CSM SUPPORTING SUSTAINABLE PROFITABILITY GOING FORWARD

€ m unless
otherwise stated,
EoP figures



1. CSM of the business issued over the reporting period; 2. Impact of non-financial assumptions in future cash flow projections; 3. Interest rates' impact at current rates for business accounted for using VFA (Variable Fee Approach) and at lock-in rates for business accounted for using the BBA (Building Block Approach)

INSURANCE SERVICES SOLVENCY II EVOLUTION

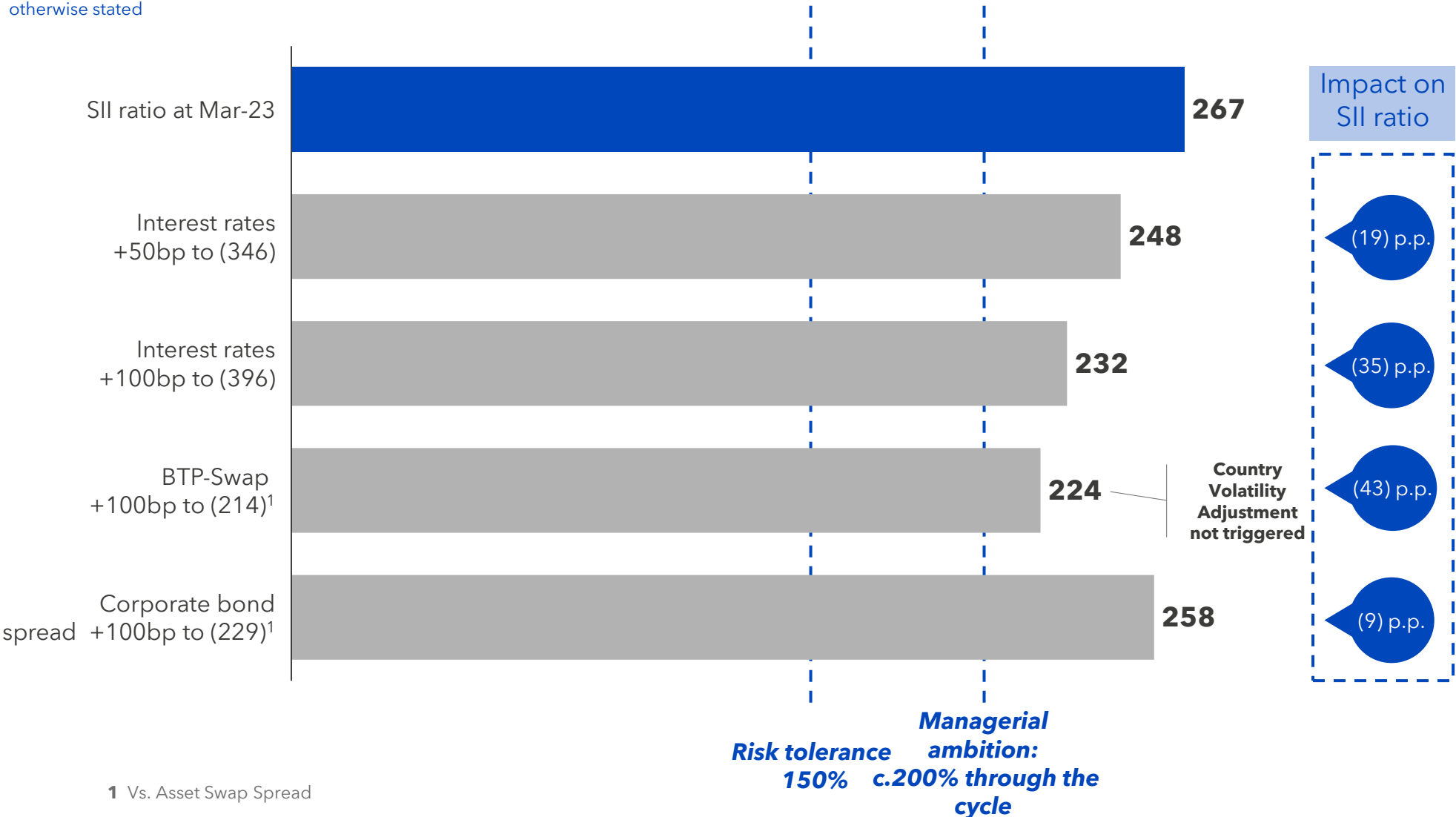


SWAP (BP)	119	219	308	320	296
BTP-SWAP SPREAD (BP)	85	109	144	151	114
V.A. CURR. (BP)	6	25	17	19	20

SOLVENCY II RATIO SENSITIVITIES

RATIOS WELL ABOVE RISK TOLERANCE UNDER SIMULATED SCENARIOS

% unless
otherwise stated



Q1 HIGHLIGHTS

- Solvency II ratio sensitivity to BTP-Swap spread (+100bp):
 - (129) p.p. as of Dec-20
 - (98) p.p. as of Dec-21
 - (71) p.p. as of Mar-22
 - (60) p.p. as of Jun-22
 - (34) p.p. as of Sep-22
 - (29) p.p. as of Dec-22
 - (43) p.p. as of Mar-23 (CVA not triggered)
- Solvency II ratio sensitivity to Swap rate (+100bp):
 - (42) p.p. as of Jun-22
 - (27) p.p. as of Sep-22
 - (32) p.p. as of Dec-22
 - (35) p.p. as of Mar-22

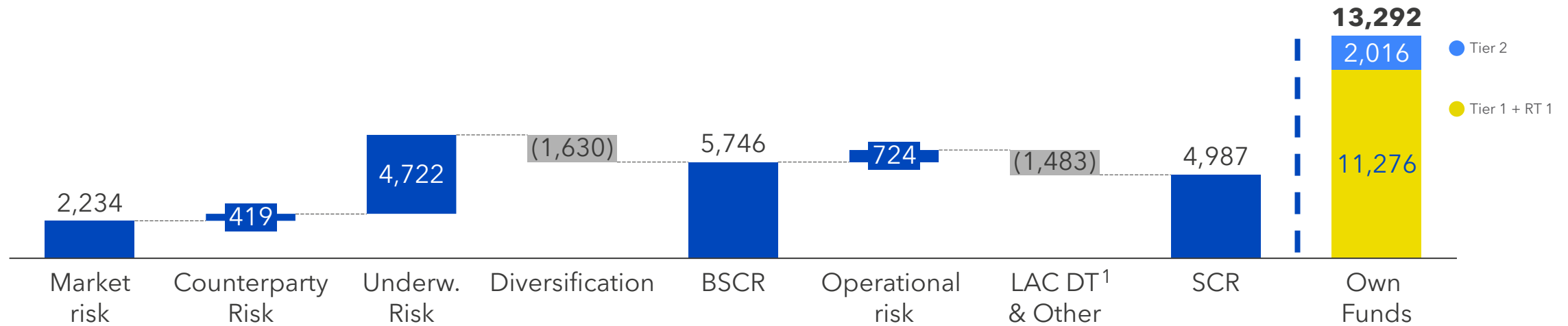
¹ Vs. Asset Swap Spread

INSURANCE SERVICES

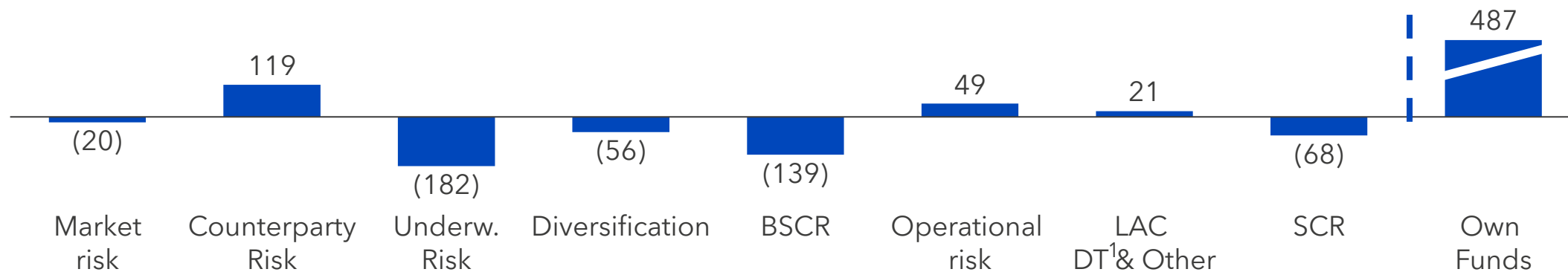
SOLVENCY II OWN FUNDS TIERING AND SOLVENCY CAPITAL REQUIREMENTS

€ m unless
otherwise stated

SOLVENCY II CAPITAL AND SOLVENCY II CAPITAL REQUIREMENT BREAKDOWN



CHANGE VS DECEMBER 2022



1. Loss Absorbing Capacity of deferred taxes ("LAC DT")

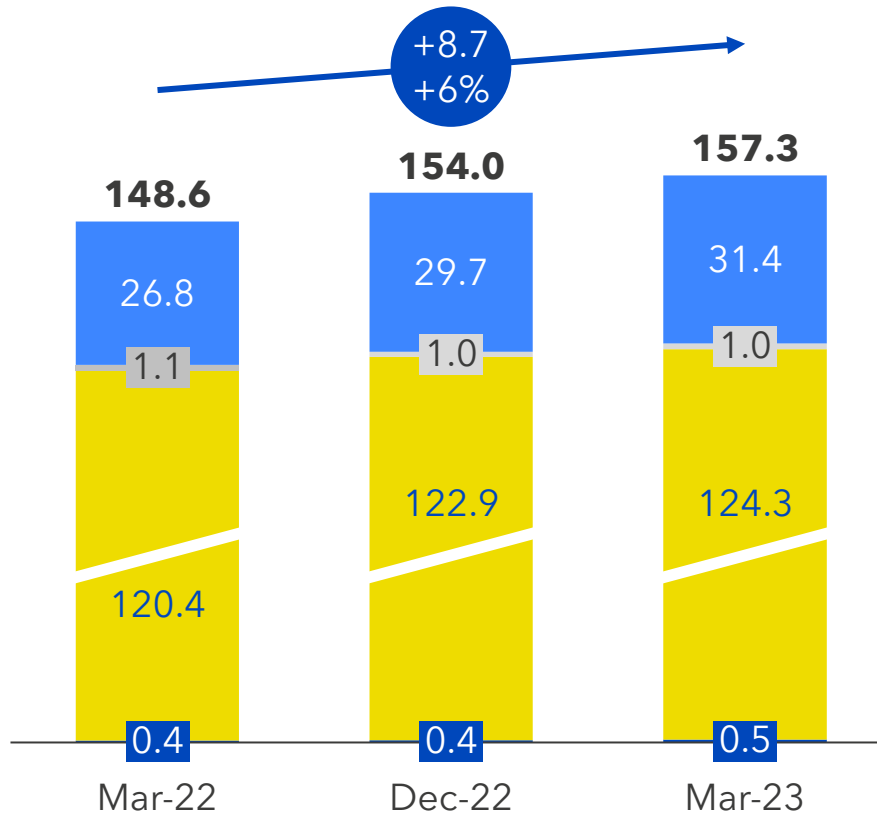
INSURANCE SERVICES

STRONG NET INFLOWS OUTPERFORMING THE MARKET

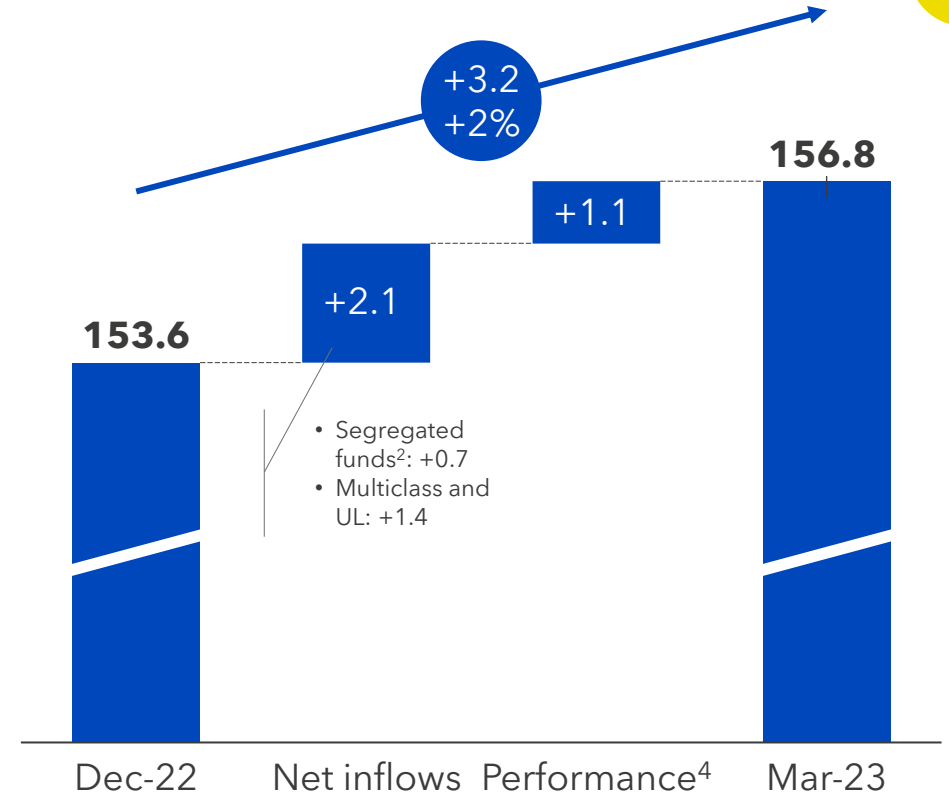
€ bn unless otherwise stated



TOTAL INSURANCE RESERVES¹



LIFE INSURANCE RESERVES EVOLUTION³



1. EoP figures, 2022 Insurance Reserves restated to exclude the Deferred Policyholders' Liabilities "DPL" (-14bn as of Dec-22), in line with local GAAP. Includes non-life insurance reserves; **2.** Includes life protection and PPP; **3.** EoP figure; **4.** Includes interests, upfront fees and other minor items

INSURANCE SERVICES GWP

GROWTH SUPPORTED BY SOLID COMMERCIAL ACTIVITY

€ m unless otherwise stated



LIFE



NON-LIFE

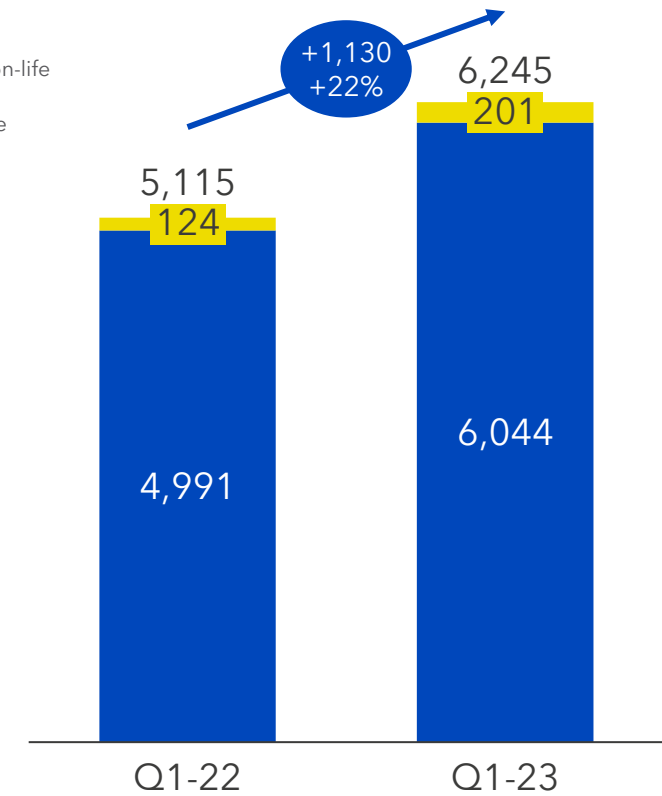
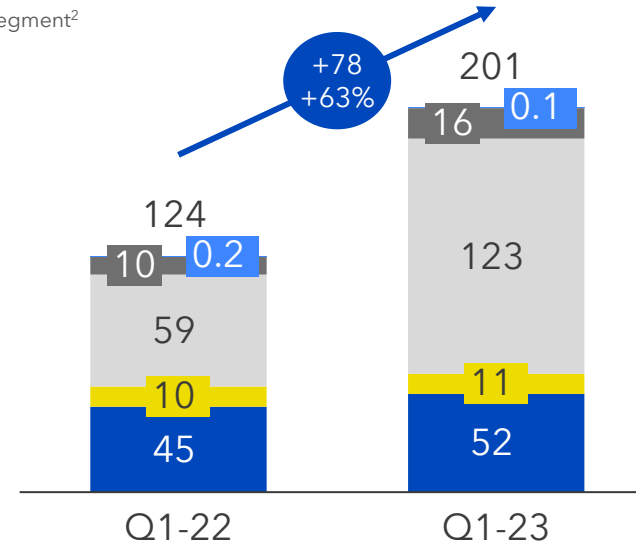
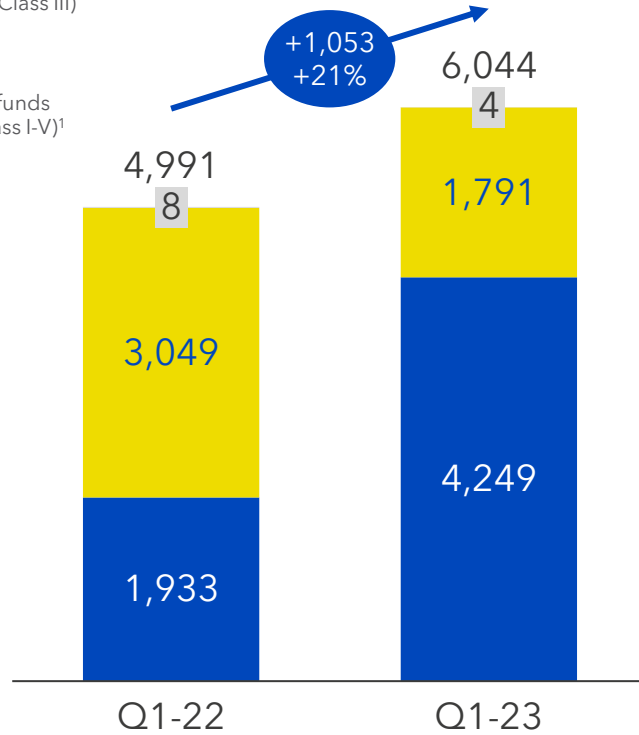


TOTAL

- Unit Linked (Class III)
- Multiclass
- Segregated funds products (class I-V)¹

- Welfare
- CPI
- Modular
- Salary - backed Loan
- Intersegment²

- Non-life
- Life



Multiclass (% of life GWP) **61** (Q1-22) **30** (Q1-23)

1. Includes life protection and PPP; 2. Includes P&C Intercompany contracts and Life P&C Integration

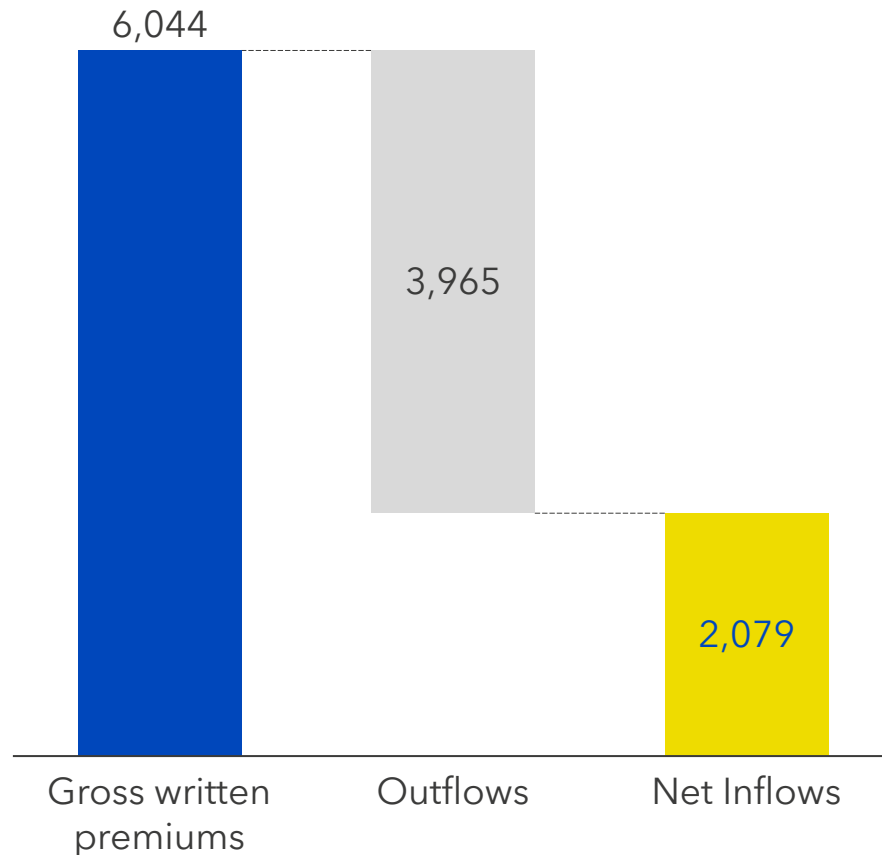
INSURANCE SERVICES NET INFLOWS

POSITIVE NET FLOWS ACROSS ALL PRODUCTS

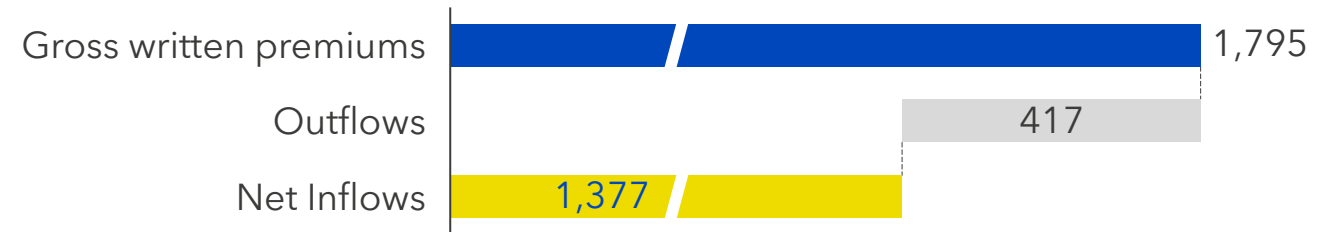
€ m unless
otherwise stated



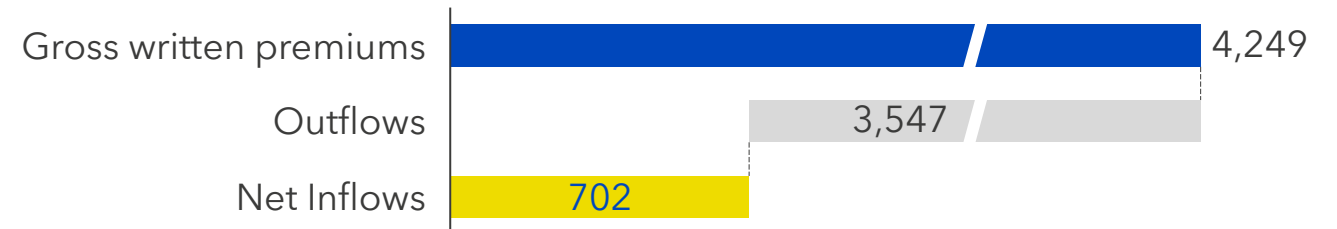
TOTAL NET FLOWS Q1-23



MULTICLASS & UNIT LINKED¹



CLASS I²



1. Including original Class I premiums shifted to Class III in accordance with contractual clauses; 2. Includes life protection and PPP

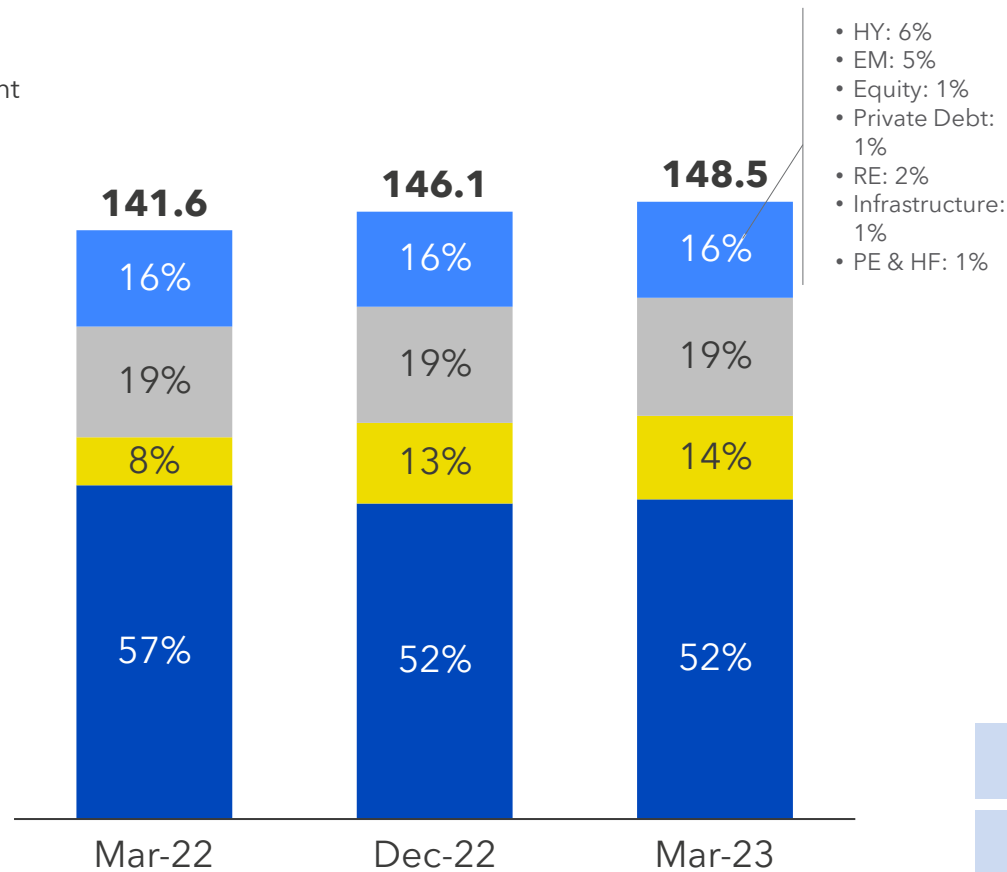
INSURANCE SERVICES

INVESTMENT PORTFOLIO ONGOING DIVERSIFICATION



INVESTMENT PORTFOLIO BREAKDOWN¹

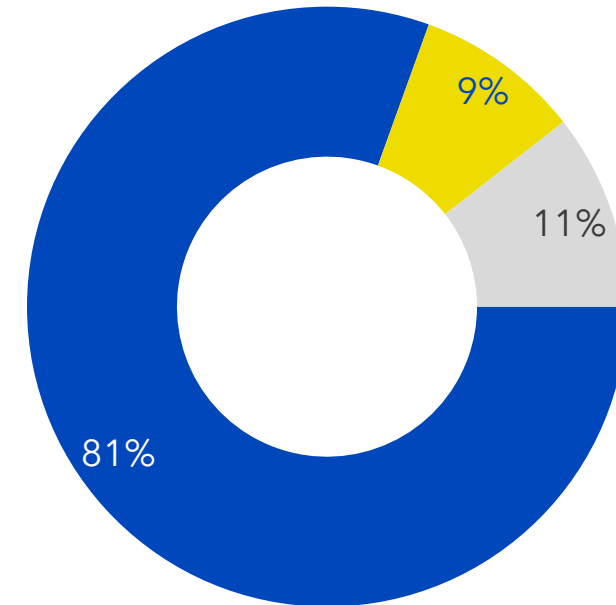
Total investment portfolio (€ bn)



- HY: 6%
- EM: 5%
- Equity: 1%
- Private Debt: 1%
- RE: 2%
- Infrastructure: 1%
- PE & HF: 1%

BOND PORTFOLIO BREAKDOWN BY COUPON TYPE

- Fixed
- Floating
- Inflation linked



	H1-22	9M-22	FY-22	Q1-23	Var (bp) Q1-23 vs FY-22
Minimum guaranteed return (Class I) (%)	0.56	0.55	0.54	0.53	(1)
Segregated Fund return (%)	2.58	2.56	2.59	2.27	(32)

1. Includes financial assets covering Class I technical provisions and free surplus investments according to local GAAP

IFRS17: KEY ACCOUNTING CHOICES AND OPTIONS ADOPTED

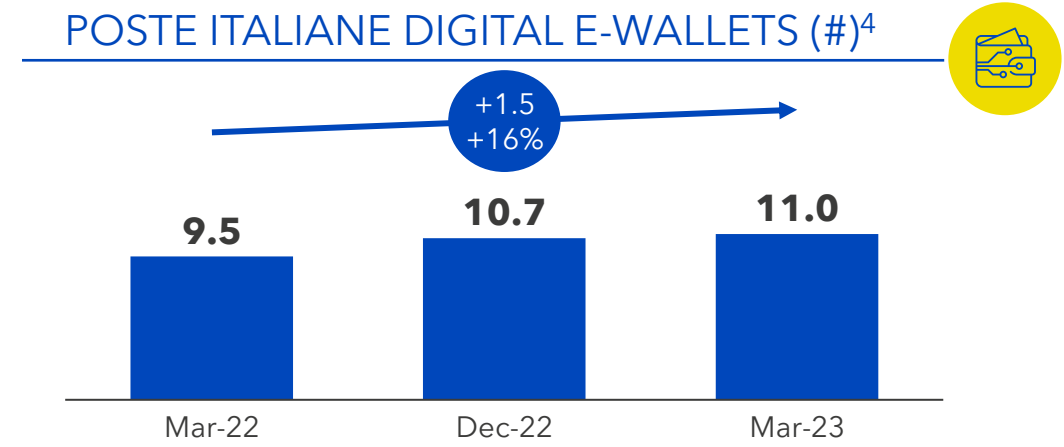
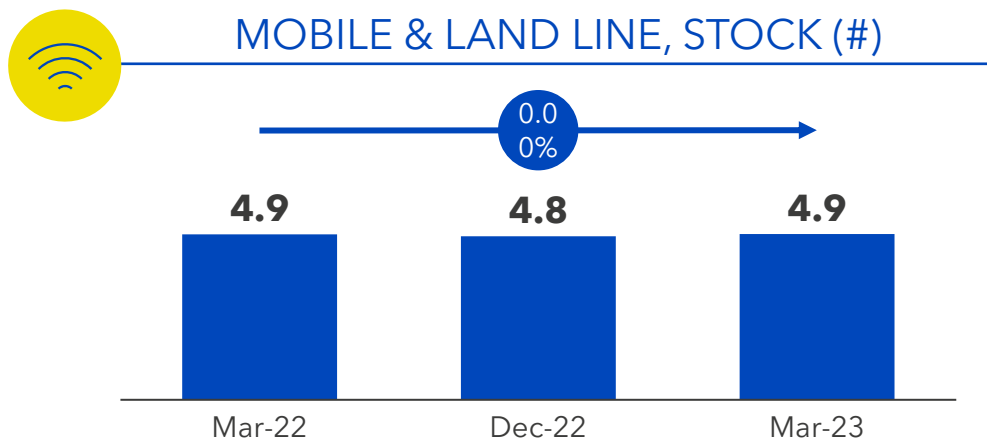
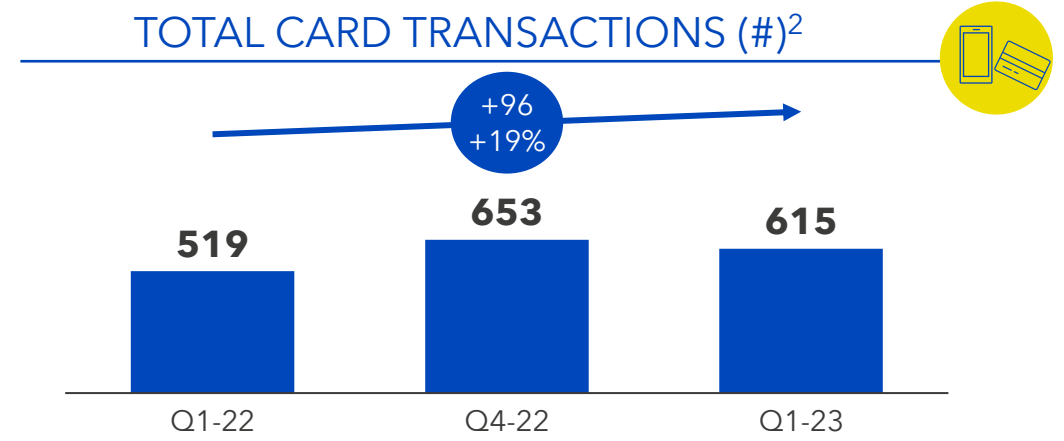
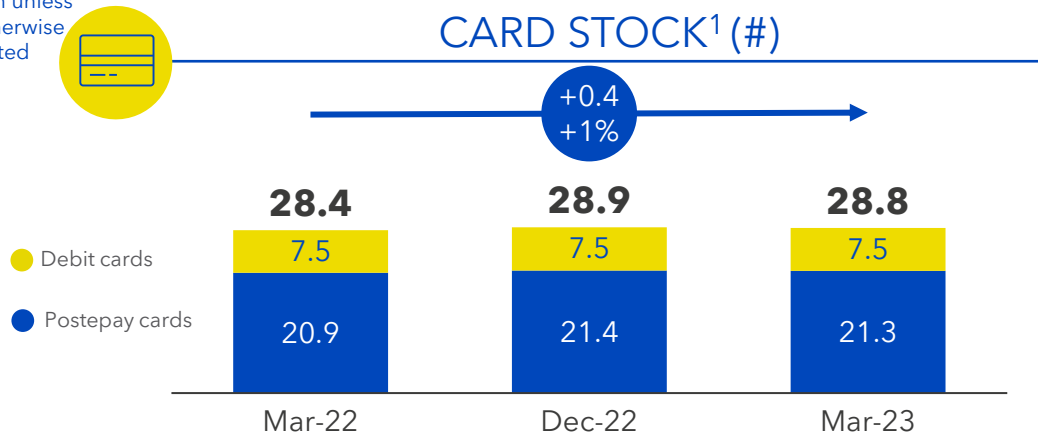
	APPROACH	IMPACT OF	
		Financial Assumptions	Technical Assumptions
Measurement Model	<ul style="list-style-type: none"> Life: <ul style="list-style-type: none"> 98%¹ Variable Fee Approach (VFA) 	CSM	CSM
	<ul style="list-style-type: none"> 2%¹ Building Block Approach 	P&L/OCI	CSM
	<ul style="list-style-type: none"> P&C: <ul style="list-style-type: none"> 68%¹ Premium Allocation Approach 	P&L/OCI	P&L/OCI
	<ul style="list-style-type: none"> 32%¹ Building Block Approach 	P&L/OCI	CSM
	OPTIONS ADOPTED	RATIONALE	
Transition Approach	<ul style="list-style-type: none"> 99%¹ Modified Retrospective Approach 1%¹ Fair Value Approach 	<ul style="list-style-type: none"> Alignment to the present value of future profits of the underlying business and continuity between valuation in first time adoption and the new business after transition date 	
	Discount Rate	<ul style="list-style-type: none"> Bottom-up Approach: Risk-free rate + illiquidity premium (calibrated on own assets for VFA business) 	<ul style="list-style-type: none"> Consistency with Solvency II framework (full alignment for Building Block Approach) Matching assets & liability valuations and reducing earnings sensitivity to market volatility
Risk Adjustment		<ul style="list-style-type: none"> Percentile Approach: <ul style="list-style-type: none"> Life: 70th percentile P&C: 80th percentile 	<ul style="list-style-type: none"> Reflecting appropriate level of prudence on underlying reserves

¹. % based on mathematical reserves as of Dec-21

PAYMENTS & MOBILE KEY METRICS

STEADY INCREASE ACROSS KEY METRICS

€ m unless otherwise stated



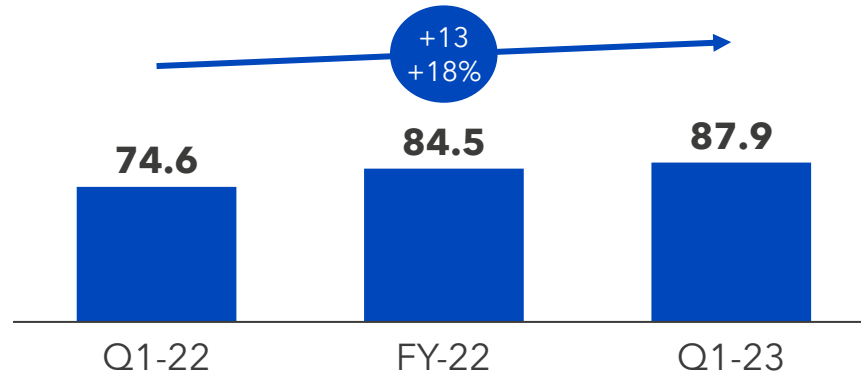
1. Including social measures related cards; 2. Including payments, top ups and withdrawals; 3. Includes e-commerce and web transactions on Poste Italiane channels; 4. An innovative electronic tool associated to a single customer, able to authorize in app payment transactions

POSTE ITALIANE DIGITAL FOOTPRINT

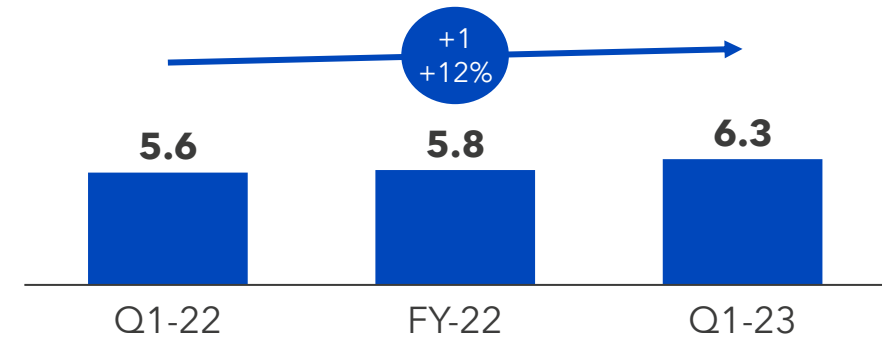
KEY METRICS CONSTANTLY IMPROVING



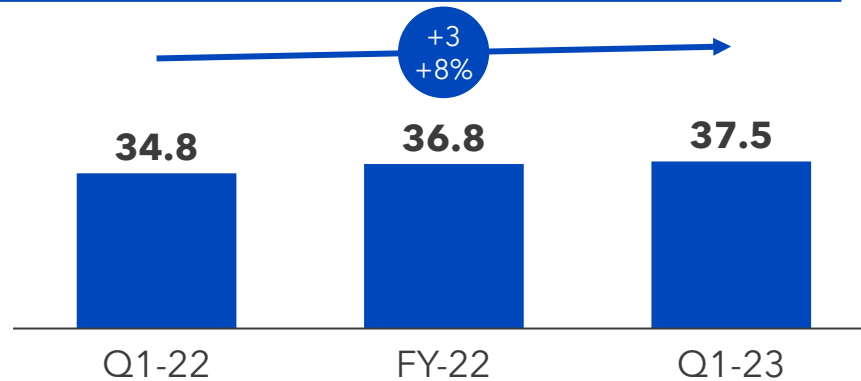
CUMULATED APP DOWNLOADS (# M)¹



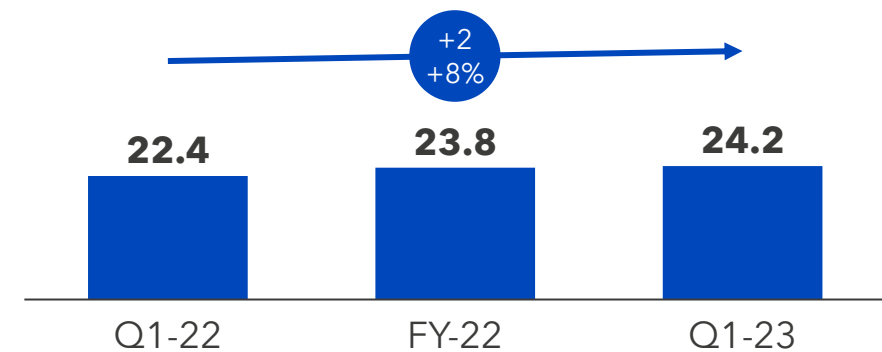
DAILY ONLINE USERS (# M)



REGISTERED ONLINE USERS (# M)



ELECTRONIC IDENTIFICATION STOCK (# M)²



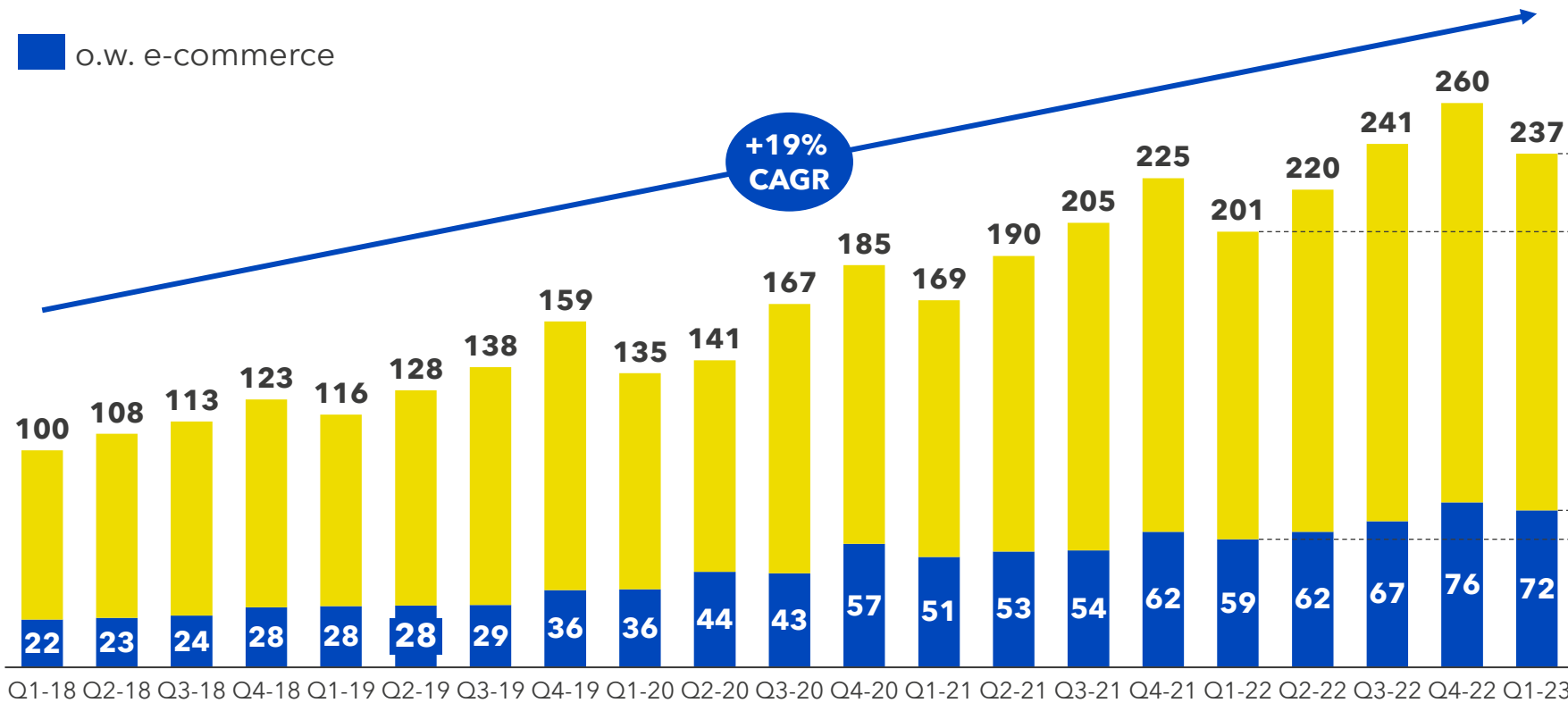
1. Source: App stores (iOS and Android); 2. Electronic identification refers to number of ID outstanding

POSTEPAY PAYMENTS TRANSACTION VALUE

STEADY INCREASE IN E-COMMERCE TRANSACTIONS



POSTEPAY TRANSACTION VALUE (BASE 100)¹



HIGHLIGHTS

- Postepay payment transaction value strongly up, Q1-23 +18% Y/Y supported by a strong e-commerce growth (+23%)
- Further room for growth thanks to low penetration of digital payments in Italy (38%² in 2021)

1. Refers to PostePay SpA transaction value; 2. Osservatorio Innovative Payments

INTERSEGMENT COSTS AS OF Q1-23

INTERSEGMENT DYNAMICS' KEY DRIVERS

€ m unless
otherwise stated

MAIN RATIONALE	INDICATIVE MAIN REMUNERATION SCHEME	1Q-22	1Q-23
<ul style="list-style-type: none"> • Payments and Mobile remunerates: <ul style="list-style-type: none"> a) Mail, Parcel and Distribution for providing IT, delivery volume, promoting and selling SIMs and energy contracts and other corporates services¹; b) Financial Services for promoting and selling card payments and other payments (e.g. tax payments) throughout the network; 	<ul style="list-style-type: none"> a) Number of payment transactions flat fee (depending on the product) b) Fixed % of revenues 	<ul style="list-style-type: none"> a) 60 b) 51 <p>Total: 112</p>	<ul style="list-style-type: none"> a) 69 b) 56 <p>Total: 125</p>
<ul style="list-style-type: none"> • Insurance Services remunerates: <ul style="list-style-type: none"> c) Financial Services for promoting and selling insurance products² and for investment management services³; d) Mail, Parcel and Distribution for providing corporate services¹; 	<ul style="list-style-type: none"> c) Fixed % of upfront fees d) Depending on service/product 	<ul style="list-style-type: none"> c) 146 d) 21 <p>Total: 167</p>	<ul style="list-style-type: none"> c) 191 d) 20 <p>Total: 211</p>
Insurance Services reported intersegment costs under IFRS17 , remunerating MPD only ⁴		Total: 6	Total: 6
<ul style="list-style-type: none"> • Financial Services remunerates: <ul style="list-style-type: none"> e) Mail, Parcel and Distribution for promoting and selling Financial, Insurance and PMD products throughout the network and for proving corporate services⁵; f) Payments & Mobile for providing certain payment services⁶ 	<ul style="list-style-type: none"> e) Fixed % (depending on the product) of revenues f) Depending on service/product 	<ul style="list-style-type: none"> e) 1,189 f) 50 <p>Total: 1,239⁷</p>	<ul style="list-style-type: none"> e) 1,294 f) 47 <p>Total: 1,341⁷</p>
<ul style="list-style-type: none"> • Mail, Parcel and Distribution remunerates: <ul style="list-style-type: none"> g) Payments & Mobile for acquiring services and postman electronic devices h) Financial Services as distribution fees related to "Bollettino DTT" 	<ul style="list-style-type: none"> g) Annual fee h) Flat fee for each "Bollettino" 	<ul style="list-style-type: none"> g) 10 h) 4 <p>Total: 14</p>	<ul style="list-style-type: none"> g) 8 h) 0 <p>Total: 8</p>

1. Corporate Services such as communication, anti money laundering, IT, back office and call centres; **2.** Which, in turn, remunerates Mail, Parcel and Distribution; **3.** Investment management services provided by BancoPosta Fondi SGR; **4.** Under IFRS17 costs directly attributable to insurance policies - incl. distribution costs to remunerate Poste Italiane network - are attributed to Insurance Services' revenues; **5.** E.g. Corporate services are remunerated according to number of allocated FTEs, volumes of letters sent and communication costs; **6.** E.g. "Bollettino"; **7.** Excluding interest charges

POSTE ITALIANE'S SUSTAINABILITY PATH

SUCCESSFULLY PROGRESSING ON OUR INTEGRATED STRATEGY

SINCE 2017 INCLUDED IN 16 ESG INDICES, 19 AWARDS RECEIVED, >2X BRAND VALUE

POLIS PROJECT CONTRIBUTING TO SOCIAL COHESION

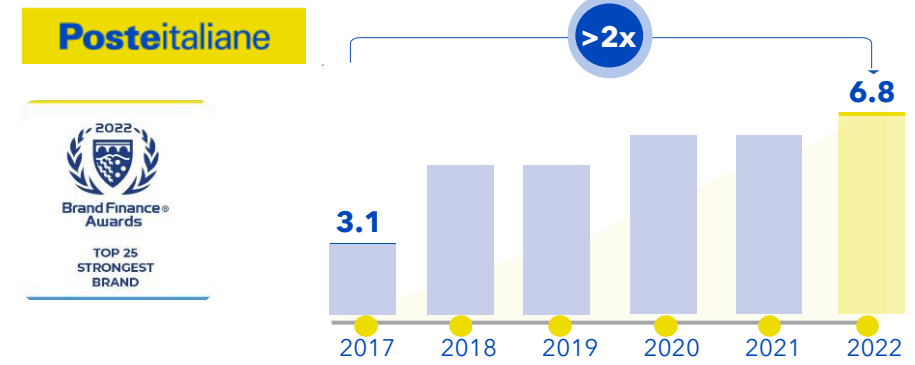
16

Indices & Ratings



Brand Value¹ (€bn)

6.8



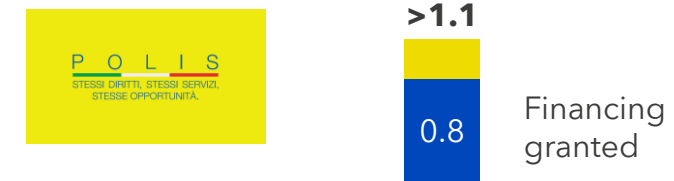
19

Awards



Polis project investment (€bn)

>1.1²



Selected indices, ratings and awards; **1.** Source: Brand Finance Italy 100 2022;

2. Polis project was approved by Decree Law 59/2021 and funded with €0.8bn from the Complementary Fund of the National Recovery and Resilience Plan

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	Q1-22	Q1-23	Var.	Var. %
Total revenues	2,816	3,044	+227	+8%
of which:				
Mail, Parcel and Distribution	901	893	(8)	(1%)
Financial Services	1,311	1,414	+103	+8%
Insurance Services	373	393	+20	+5%
Payments and Mobile	231	343	+112	+48%
Total costs	2,127	2,277	+150	+7%
of which:				
Total personnel expenses	1,224	1,235	+11	+1%
<i>of which personnel expenses</i>	1,225	1,232	+7	+1%
<i>of which early retirement incentives</i>	2	4	+2	+84%
<i>of which legal disputes with employees</i>	(3)	(0)	+3	+99%
Other operating costs	724	833	+109	+15%
Depreciation, amortisation and impairments	179	208	+29	+16%
EBIT	690	767	+77	+11%
EBIT Margin	+24%	+25%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	19	10	(9)	(47%)
Profit before tax	709	777	+68	+10%
Income tax expense	215	237	+22	+10%
Profit for the period	494	540	+46	+9%

CONSOLIDATED ACCOUNTS – SEGMENT VIEW

PROFIT & LOSS

€m if not otherwise stated	Mail, Parcels & Distribution	Payment & Mobile	Financial Services	Insurance Services	Adjustments & eliminations ¹	Total
External Revenues	893	343	1,414	393	0	3,044
Intersegment Revenues	1,382	66	234	(49)	(1,634)	0
TOTAL REVENUES	2,276	409	1,648	344	(1,634)	3,044
Labour cost	1,326	13	12	2	(118)	1,235
COGS	601	167	9	3	(17)	763
Other Costs	52	5	27	(0)	0	83
Capitalised Costs and Expenses	(12)	(0)	0	0	0	(13)
Impairment Loss/(Reversal) on debt instruments, receivables and other assets	(4)	1	3	(0)	0	(0)
Intersegment Costs	8	125	1,341	6	(1,480)	(0)
TOTAL COST	1,970	311	1,391	10	(1,615)	2,068
D&A	217	10	0	0	(19)	208
EBIT	88	89	256	334	(0)	767
Finance income/(cost)	(11)	6	1	14	0	10
PBT	77	95	258	348	0	777
Tax cost/(income)	36	28	71	103	0	237
NET PROFIT	41	67	187	245	0	540

1. IFRS17 requires the attribution of costs directly attributable to insurance policies - incl. distribution costs to remunerate Poste Italiane network - to Insurance Services' revenues. To ensure full elimination of intersegment costs we make an adjustment at Group level, allocating such costs to Labour costs, COGS and D&A

MAIL, PARCEL & DISTRIBUTION PROFIT & LOSS

€m	Q1-22	Q1-23	Var.	Var. %
Segment revenue	901	893	(8)	(1%)
Intersegment revenue	1,269	1,382	+114	+9%
Total revenues	2,170	2,276	+106	+5%
Personnel expenses	1,300	1,326	+26	+2%
<i>of which personnel expenses</i>	1,298	1,322	+25	+2%
<i>of which early retirement incentives</i>	2	4	+2	+79%
Other operating costs	610	636	+26	+4%
Intersegment costs	14	8	(6)	(43%)
Total costs	1,924	1,970	+46	+2%
EBITDA	246	305	+59	+24%
Depreciation, amortisation and impairments	190	217	+27	+14%
EBIT	56	88	+32	+58%
EBIT MARGIN	+3%	+4%		
Finance income/(costs)	3	(11)	(13)	n.m.
Profit/(Loss) before tax	58	77	+19	+32%
Income tax expense	27	36	+9	+33%
Profit for the period	31	41	+10	+31%

FINANCIAL SERVICES

PROFIT & LOSS

€m	Q1-22	Q1-23	Var.	Var. %
Segment revenue	1,311	1,414	+103	+8%
Intersegment revenue	196	234	+37	+19%
Total revenues	1,507	1,648	+141	+9%
Personnel expenses	11	12	+2	+14%
<i>of which personnel expenses</i>	11	12	+1	+13%
<i>of which early retirement incentives</i>	0	0	+0	n.m.
Other operating costs	26	38	+12	+47%
Depreciation, amortisation and impairments	0	0	(0)	n.m.
Intersegment costs	1,239	1,341	+102	+8%
Total costs	1,276	1,392	+116	+9%
EBIT	231	256	+25	+11%
EBIT MARGIN	15%	16%		
Finance income/(costs)	5	1	(4)	(76%)
Profit/(Loss) before tax	236	258	+21	+9%
Income tax expense	65	71	+5	+8%
Profit for the period	171	187	+16	+9%

INSURANCE SERVICES

PROFIT & LOSS

€m	Q1-22	Q1-23	Var.	Var. %
Segment revenue	373	393	+20	+5%
Intersegment revenue	(38)	(49)	(10)	(27%)
Total revenues	335	344	+10	+3%
Personnel expenses	1	2	+1	n.m.
<i>of which personnel expenses</i>	<i>1</i>	<i>2</i>	<i>+1</i>	<i>n.m.</i>
<i>of which early retirement incentives</i>	<i>0</i>	<i>0</i>	<i>+0</i>	<i>n.m.</i>
Other operating costs	2	2	+1	+54%
Depreciation, amortisation and impairments	1	0	(1)	(71%)
Intersegment costs	6	6	(0)	(5%)
Total costs	10	11	+1	+8%
EBIT	325	334	+9	+3%
EBIT MARGIN	97%	97%		
Finance income/(costs)	11	14	+2	+21%
Profit/(Loss) before tax	336	348	+12	+3%
Income tax expense	101	103	+2	+2%
Profit for the period	235	245	+10	+4%

PAYMENTS & MOBILE

PROFIT & LOSS

€m	Q1-22	Q1-23	Var.	Var. %
Segment revenue	231	343	+112	+48%
Intersegment revenue	67	66	(1)	(1%)
Total revenues	298	409	+111	+37%
Personnel expenses	7	13	+6	+88%
<i>of which personnel expenses</i>	7	13	+6	+88%
Other operating costs	98	172	+74	+75%
Intersegment costs	112	125	+14	+12%
Total costs	217	311	+94	+43%
EBITDA	81	98	+17	+21%
Depreciation, amortisation and impairments	3	10	+6	n.m.
EBIT	78	89	+11	+14%
EBIT MARGIN	26%	22%		
Finance income/(costs)	(0)	6	+6	n.m.
Profit/(Loss) before tax	78	95	+17	+22%
Income tax expense	22	28	+6	+25%
Profit for the period	55	67	+11	+20%

DISCLAIMER

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.

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

This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

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