



FY21

Results Presentation
Appendix

ctt

Committed to deliver

16 March 2022

Disclaimer

DISCLAIMER

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during the presentation of the FY21 results. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of CTT. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Company’s advisors or auditors.

Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Company does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Company nor its subsidiaries, affiliates, directors, employees or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, issue, exchange or buy any financial instruments (namely any securities issued by CTT or by any of its subsidiaries or affiliates), nor a solicitation of any kind by CTT, its subsidiaries or affiliates. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by CTT on its website (www.ctt.pt) as well as on the Portuguese Securities Market Commission’s website (www.cmvm.pt). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by CTT, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views concerning future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions).

Although CTT believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of CTT, what could cause the models, objectives, plans, estimates and / or projections to be materially reviewed and / or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of CTT. You are cautioned not to place undue reliance on the forward-looking statements herein.

All forward-looking statements included herein speak only as at the date of this presentation. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Appendix

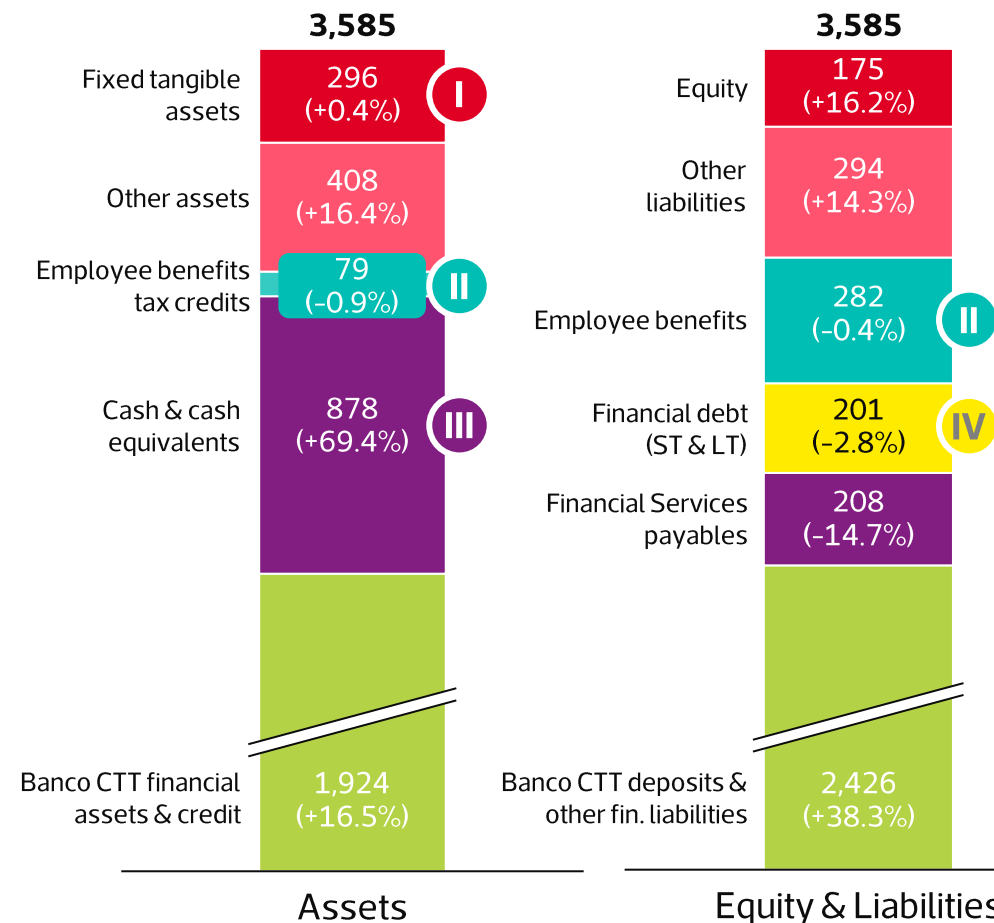
ctt

Committed to deliver

Key Balance sheet details

31 December 2021 Balance sheet

€ million; % change vs. 31 Dec 2020



I Fixed tangible assets

(+) Rights of use (leases)	103.5
(+) Other fixed tangible assets	192.8
(=) Fixed tangible assets	296.3

Rights of use increased €0.9m vs. Dec-20 (+0.9%)

III Adjusted cash¹

(+) Adjusted cash Banco CTT	126.1
(+) Adjusted cash CTT	16.1
(=) Adjusted cash	142.3

II Net employee benefits

(+) Employee benefits (liabilities) *	281.9
(+) Employee benefits (equity) ^{1;2}	1.2
(-) Employee benefits tax credit	78.6

(=) Net employee benefits 204.5

* Of which €265m related to healthcare

IV Financial debt

(+) Bank loans	85.8
(+) Lease liabilities	115.3
(=) Financial debt	201.1

¹More detail in slide 21 of results presentation; ²Corresponding to stock option remuneration plan

Growth in parcels in Portugal and Spain drives revenues and profitability growth in FY21

Revenues FY21

Consolidated view; € million; % change vs. prior year

Portugal	€135.1m (+14.5%)
Parcels	€118.5m (+22.8%)
Cargo	€8.2m (-28.3%)
Banking network	€4.4m (-32.5%)
Logistics	€3.2m (+31.0%)
Other	€0.9m (-19.0%)
Spain	€117.3m (+62.3%)
Mozambique	€3.2m (+19.0%)
Total	€255.7m (+32.5%)

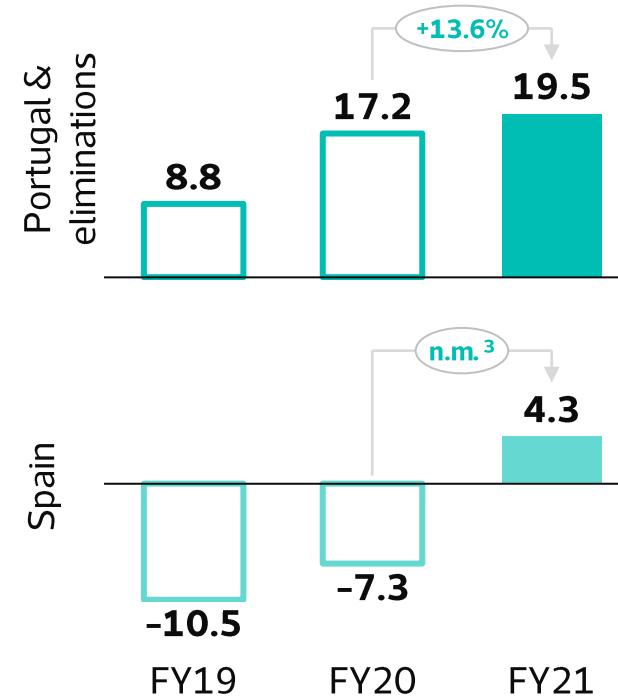
Volumes by region (m items)

Metric	Total	Portugal	Spain
FY21	73.8	32.7	41.1
vs. FY20	+38.4%	+15.2%	+65.0%

¹ Excluding Specific items, depreciation & amortization; ² Individual company views (not consolidated); ³ Not meaningful.

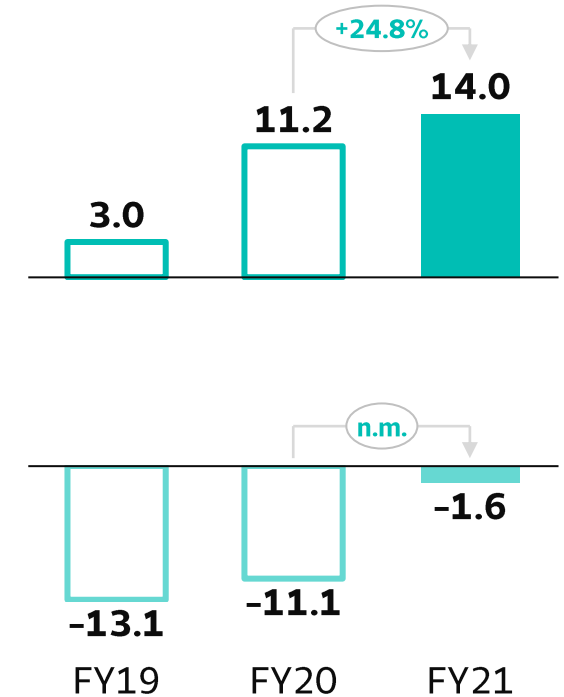
EBITDA ^{1,2}

€ million



Recurring EBIT ²

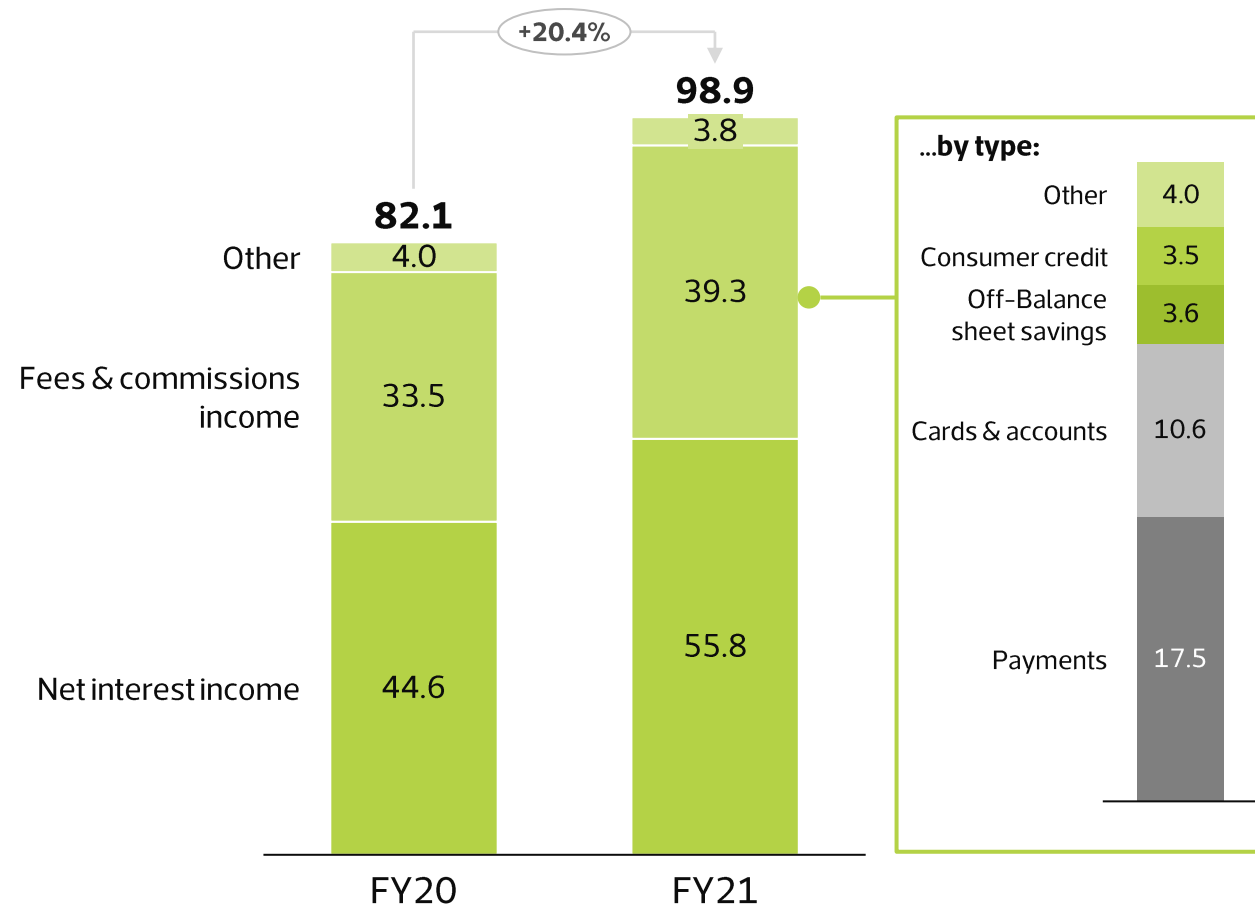
€ million



Banco CTT continues on its path of profitable growth on the back of consumer credit and auto offerings

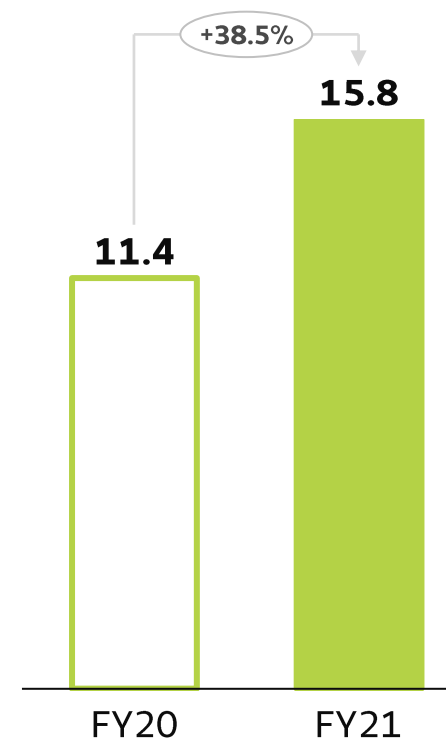
Revenues

€ million; % change vs. prior year



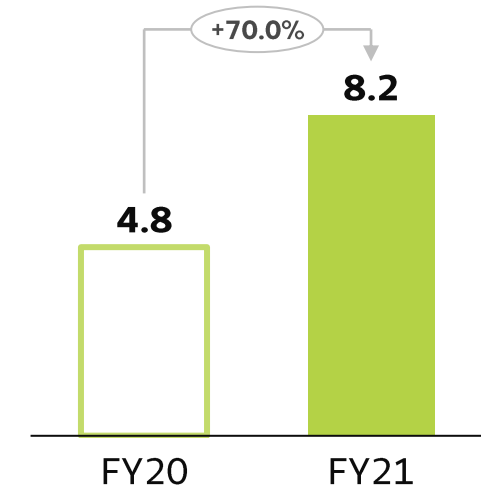
EBITDA ¹

€ million % change vs. prior year



Recurring EBIT

€ million; % change vs. prior year

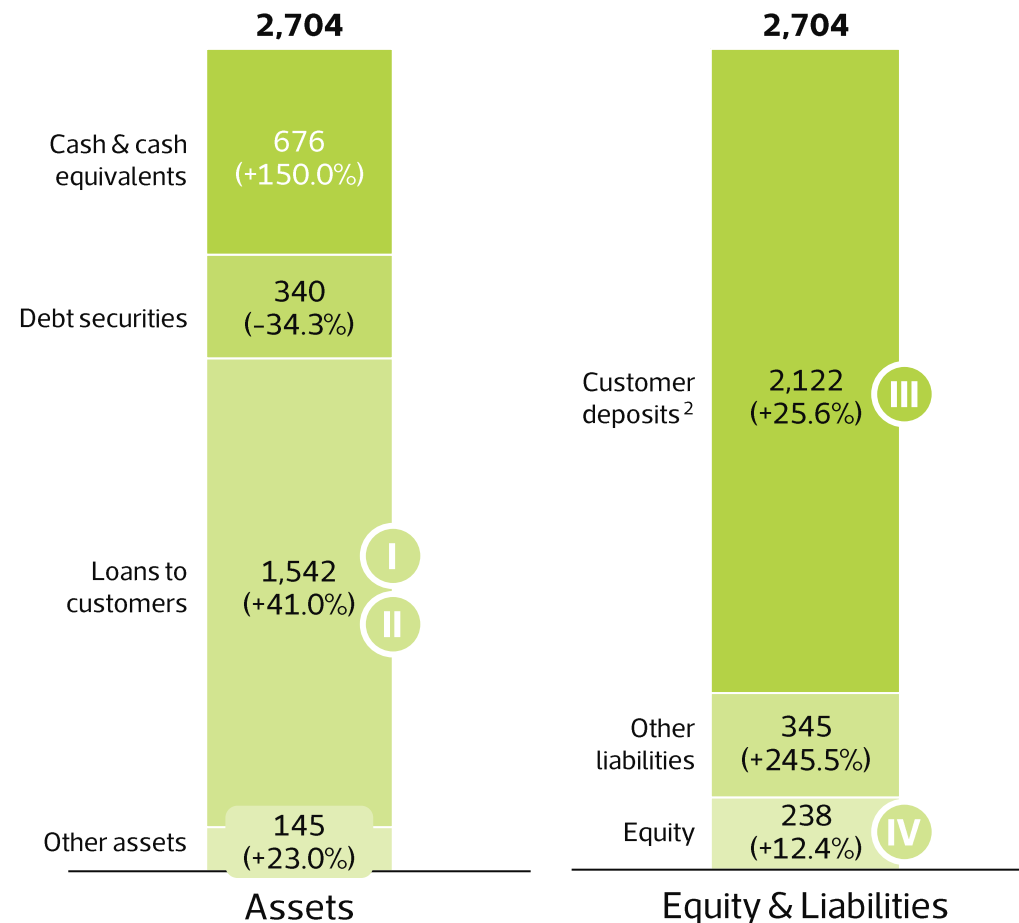


¹ Excluding Specific items, depreciation & amortization

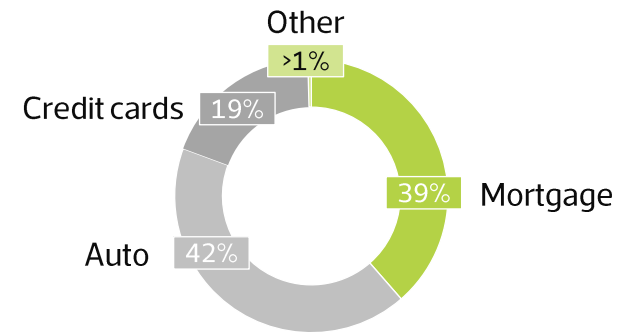
Banco CTT cost of risk remains stable with active management of its capital position

31 December 2021 Banco CTT Balance Sheet

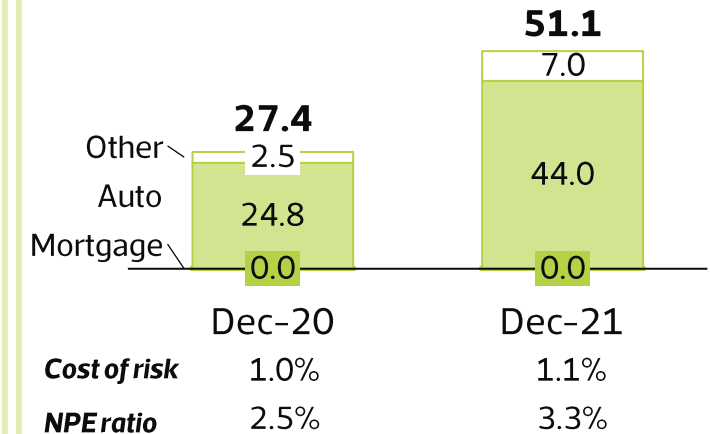
€ million; % change vs. 31 Dec 2020



I Loans by type



II Non-performing exposures¹



III Customer deposits²

Sight deposits

€1,487m
(+23.2%)

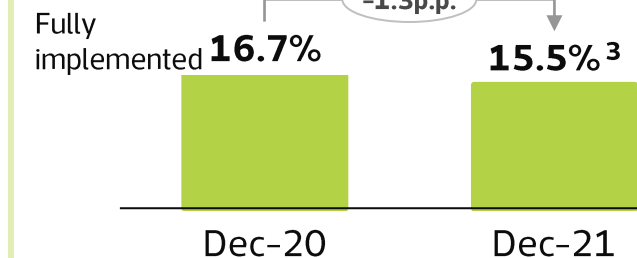
Term deposits

€636m
(+32.0%)

Significant growth both in term & sight deposits
573k current accounts (+56k in FY21)

IV Capital and liquidity

CET1



LCR 1,068% 881%
LDR 65% 73%

¹ New regulatory definition of default which came into effect in January 2021 resulted in a non-recurring growth of non-performing exposures in FY21; ² Excludes deposits from intragroup companies; ³ Includes the unaudited net income of FY21

Financial Services & Retail boosted by the renewed commercial dynamics in retail

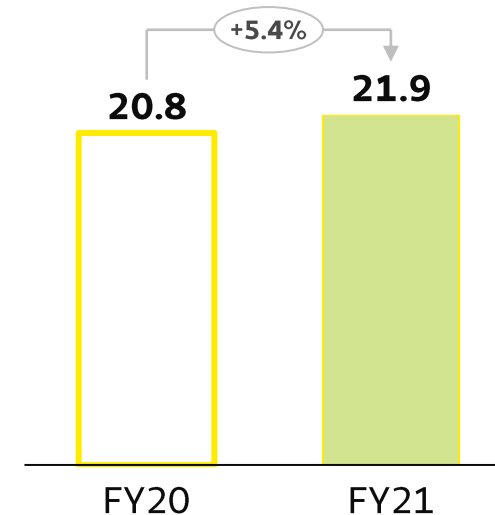
Revenues FY21

€ million; % change vs. prior year

Savings & insurance	€23.9m (+3.3%)
Money orders	€5.5m (-8.6%)
Payments	€1.6m (+1.9%)
Retail products & services	€17.6m (+35.2%)
Other	€0.4m (-3.7%)
Total	€48.9m (+11.0%)

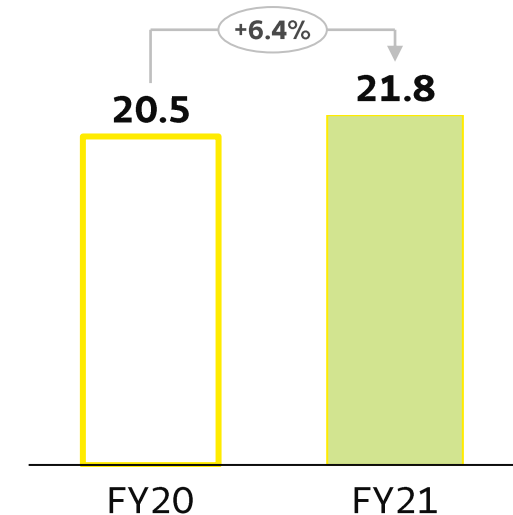
EBITDA¹

€ million



Recurring EBIT

€ million



Financial Services volumes by type

Metric	Savings flows (€bn)	Placements	Redemptions	Money orders (m ops.)
FY21	5.6	4.4	1.1	13.4
vs. FY20	19.7%	15.4% <small>of which 4.4 (+15.5%) public debt</small>	34.7%	-11.8%

¹ Excluding Specific items, depreciation & amortization

Mail profitability hindered in 2H21 by the decline in inbound mail revenues

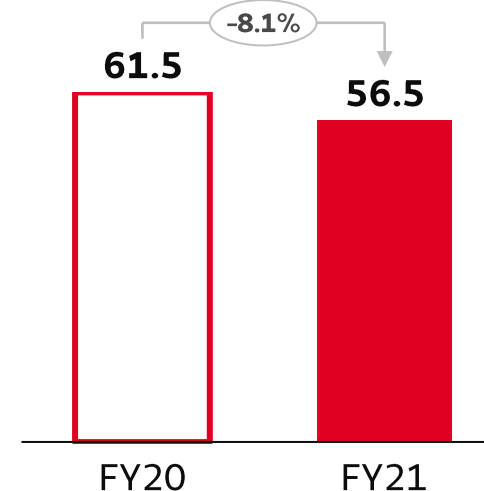
Revenues FY21 ¹

€ million; % change vs. prior year

Transactional	€361.2m (+0.7%)
Advertising	€19.0m (+3.5%)
Editorial	€13.0m (+1.5%)
Business solutions	€29.0m (+82.8%)
USO parcels	€7.9m (+7.4%)
Philately & other ¹	€10.1m (+5.2%)
Total	€440.3m (+4.1%)

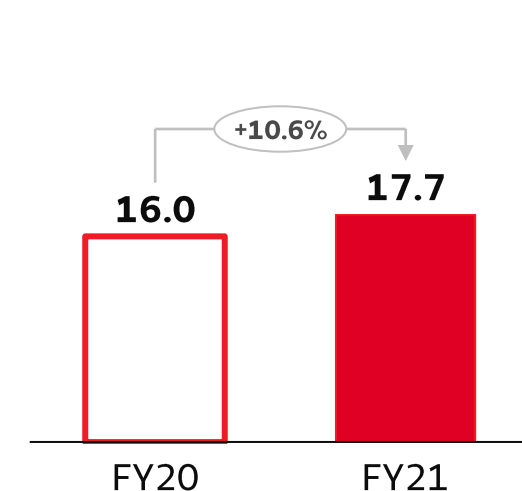
EBITDA ²

€ million



Recurring EBIT

€ million



Volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
FY21	N.A.	484.6	415.7	39.9	29.0	449.9
vs. FY20	+1.7%	-6.3%	-7.0%	0.4%	-3.5%	9.1%

¹ Including Central Structure; ² Excluding Specific items, depreciation & amortization

Consolidated Income statement

Income statement

€ million

	Reported		With Banco CTT under equity method	
	FY20	FY21	FY20	FY21
Revenues	745.2	847.9	679.2	766.3
Operating costs	641.6	729.8	582.9	660.1
of which Impairments & provisions	15.3	11.4	6.1	-0.8
EBITDA	103.6	118.1	96.3	106.2
Depreciation & amortization	62.1	58.0	56.3	51.1
of which IFRS 16 impact	24.5	26.4	23.7	25.6
Recurring EBIT	41.5	60.1	40.0	55.1
Specific items	7.0	-1.8	6.8	14.5
EBIT	34.5	61.9	33.2	40.5
Net financial income / (costs)	-9.6	-8.5	-9.6	-8.5
of which IFRS 16 impact	-3.3	-3.1	-3.2	-3.0
Associated companies – gains / (losses)	-1.7	-2.6	-1.5	12.9
Earnings before taxes	23.1	50.8	22.2	44.9
Net profit attributable to equity holders	16.7	38.4	16.7	37.7

Consolidated Balance sheet

Balance sheet

€ million

	Reported		With Banco CTT under equity method	
	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21
Non-current assets	1,984.3	1,970.3	638.8	680.2
Current assets	910.6	1,614.9	484.0	454.9
Assets	2,894.9	3,585.2	1,122.8	1,135.0
Equity	150.3	174.5	150.3	173.9
Liabilities	2,744.6	3,410.7	972.5	961.1
Non-current liabilities	493.4	705.3	444.0	422.5
Current liabilities	2,251.2	2,705.4	528.5	538.6
Equity and Liabilities	2,894.9	3,585.2	1,122.8	1,135.0
Net financial debt¹	71.4	58.9	153.9	182.4

¹ See slide 21 of results presentation for more details

Consolidated Cash flow statement

Cash flow

€ million

	Reported			With Banco CTT under equity method		
	FY20	FY21	Δ 21/ 20	FY20	FY21	Δ 21 / 20
EBITDA	103.6	118.1	+14.5	96.3	106.2	+9.9
Non-cash items	-13.1	-18.9	-5.8	-21.6	-30.4	-8.7
Specific items affecting EBITDA	-7.0	1.8	+8.8	-6.8	-14.5	-7.8
Capex	-33.4	-36.1	-2.7	-27.2	-31.3	-4.1
Change in working capital	-7.2	-3.0	+4.1	-2.5	-2.9	-0.4
Operating cash flow	42.9	61.8	+18.8	38.2	27.1	-11.1
Tax	-9.0	-3.6	+5.3	-2.6	-0.5	+2.1
Employee benefits	-12.1	-12.8	-0.7	-12.1	-12.8	-0.7
Free cash flow	21.8	45.3	+23.5	23.5	13.8	-9.7
Debt (principal + interest)	-1.5	-10.8	-9.2	-1.5	-10.8	-9.2
Dividends	0.0	-12.8	-12.8	0.0	-12.8	-12.8
Acquisition of own shares	0.0	-6.4	-6.4	0.0	-6.4	-6.4
Financial investments & other	-0.3	-8.6	-8.3	-0.3	-18.6	-18.3
Net change in adjusted cash	20.0	6.8	-13.2	21.7	-34.7	-56.4
Change in liabilities FS & other & Banco CTT (net) ¹	63.9	351.3	+287.4	-3.5	-36.6	-33.1
Change in other ²	-8.8	1.6	+10.3	-0.0	-0.0	-0.0
Net change in cash	75.2	359.7	+284.5	18.3	-71.3	-89.5

¹ The change in net liabilities of Financial Services and Banco CTT reflects the evolution of credit balances with third parties, depositors or other banking financial liabilities, net of the amounts invested in credit or investments in securities / banking financial assets, of entities of the CTT Group providing financial services, namely the financial services of CTT, Payshop, Banco CTT and 321 Crédito; ² The change in other cash items reflects the evolution of Banco CTT's sight deposits at Bank of Portugal, outstanding cheques / clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications

Specific items with a positive impact on the FY21 P&L

Specific items

€ million

	Reported	
	FY20	FY21
Recurring EBIT	41.5	60.1
Specific items	7.0	-1.8
Revenues	-0.5	-1.0
Staff costs	3.9	11.2
ES&S & other op. costs & other gains	3.6	-12.0
EBIT	34.5	61.9

€10.6m restructuring charge, related to 97 suspension agreements of employee contracts signed in FY21 and 38 agreements provisioned for 1Q22

Net gain of €12.0m that was primarily related to a €17.8m capital gain booked in connection to the sale of public debt securities to optimize Banco CTT balance sheet against a backdrop of the rollout of the partnership with Sonae, compensated by €2.3m cost with strategic studies and €0.9m in COVID-19 related costs

CTT

Correios de Portugal, S.A.

Investor Relations

Contacts:

Phone: +351 210 471 087

E-mail: investors@ctt.pt

ctt.pt



From a
parcel to
whatever
you want

From a
parcel to
whatever
you dream
of

From a
parcel to
whatever
you wish
for

We
connect
people and
companies