

## A NETWORK UNITING THE COUNTRY

**Poste Italiane** constitutes the largest service distribution network in Italy, covering sectors ranging from logistics, letter and parcel delivery, financial and insurance services, payment systems, telecommunications and energy. With our over 160-year history, approximately 120,000 employees and 12,800 post offices, total financial assets of €589 billion and 45 million customers, the Group occupies a unique position in terms of size, recognisability, reach and customer loyalty.

The Company, which in 2023 generated turnover of €12 billion, has a significant impact on the country's economy in terms of GDP, tax revenue, jobs and household income: in the period from 2018 to 2023, the total value of our direct, indirect and induced impacts on the Italian economy amounted to approximately €76 billion in terms of GDP, €44 billion in employment income and €13 billion in terms of tax revenue. Poste Italiane also contributed to the creation of an average of 187 thousand jobs between 2018 and 2023.

In 2023, the Group proceeded to deliver on the growth and transformation plan launched in 2018. We have achieved all the key objectives set in the Deliver22 and 2024 Sustain & Innovate plans implemented over the years with the aim of making Poste Italiane's distribution network an innovative integrated, omnichannel platform, consolidating the Group's leadership in digital payments and in the e-commerce parcel market and building the number one brand for financial and insurance services.

The new 2024-2028 The Connecting Platform strategic plan was launched in March 2024, continuing the sustainable profit growth trajectory initiated with the earlier plans. The new plan aims to drive further innovation and the development of technology infrastructure, transforming the postal network into a network increasingly focused on parcel processing and delivery, boosting the Group's positioning as an end-to-end logistics provider and rolling out a new service model based around the development of enhanced customer relationships.

The new plan targets Group revenue of €13.5 billion in 2028, a competitive and sustainable dividend policy, confirmation of the Group's commitment to supporting communities and the country, alongside government institutions, and approximately €5 billion in investment, continuing to put sustainability at the heart of our strategies with the aim of achieving carbon neutrality by 2030.

Listed on the Milan Stock Exchange since 2015, Poste Italiane's free float accounts for approximately 35% of the shares in issue. Around 65% of the shares are held by the Ministry of the Economy and Finance, with a 29.26% stake, and Cassa Depositi e Prestiti (itself a subsidiary of the Ministry), with a 35% interest.

Silvia Maria Rovere has been the Company's Chairwoman since May 2023, Matteo Del Fante its Chief Executive Officer since April 2017 and Giuseppe Lasco General Manager since February 2024.

## Poste Italiane: financial results for the first half of 2024

Poste Italiane closed the first half of 2024 with a solid financial performance, with revenue exceeding €6 billion, up thanks to the positive contribution of all business sectors.

This excellent performance is the result of the rigorous implementation of the new Strategic Plan, a continuous focus on achieving results and careful streamlining of costs. The Group's business trends were favourable in all areas as customers continue to consider Poste Italiane a safe haven for their savings and a point of reference for most of their daily needs.

**Group revenue** continued to increase, reaching €6.2 billion in the first half of the year, with Underlying growth (*i.e. calculated excluding the impact of the sender gain, Active Portfolio Management and the estimated contribution to the life business guarantee fund*) of 7.3% year-on-year; **Net Profit** exceeded €1 billion (with Underlying growth of +14.3% year-on-year) and **EBIT** amounted to €1.5 billion (with Underlying growth at +14.2% year-on-year). **Total costs** for the period amounted to €4.7 billion (+6.1% year-on-year), with effective streamlining of costs mitigating the effects of inflation and with the ongoing transformation of the workforce being fully aligned with the recently signed Collective Bargaining Agreement.

Revenue from **Mail, Parcels and Distribution** in the first six months of 2024 amounted to €1.9 billion (with an Underlying growth of 5.7% year-on-year), buoyed by the parcels business, which recorded an extraordinary double-digit increase, repricing actions and an improved product mix, which mitigated the structural decline in unregistered mail volumes. In particular, mail revenue amounted to €1.1 billion, driven by higher volumes of registered mail and parcel revenue reached €743 million, supported by solid volume growth (+23.5% year-on-year to 143 million units in the first half of 2024), driven by all customer segments.

Revenue from **Financial Services** amounted to €2.7 billion (Underlying growth of 7.0% year-on-year), driven by higher net interest income and favourable business trends in all products.

Invested Financial Assets (IFA) reached €589 billion, an increase of €8 billion since December 2023, supported by net inflows of €4 billion, of which €2.8 billion from investment products.

Revenue from **Insurance Services** amounted to €827 million, up 7.1% year-on-year, thanks to positive net inflows and a low lapse rate, with rapid growth in the protection business.

At the end of June 2024, the Solvency II Ratio of the Poste Vita Insurance Group stood at 297%, well above the management's target of a ratio higher than 200% over the Plan period.

The growth trend for **PostePay Services** continues with Revenue, net of raw material costs and electricity transport charges, amounting to €761 million in the first six months of 2024, up 12.7% year-on-year, driven by growth in e-commerce and the ongoing structural shift of payments from cash to cards and digital transactions.

Moreover, the new Collective Bargaining Agreement was signed in July 2024, which facilitates the transformation of the Group's logistics business and provides greater visibility on the evolution of the cost base over the Plan period.

## Poste Italiane: financial results for 2023

Poste Italiane's results exceeded expectations in 2023, with revenue of €12 billion up over 5% year on year and record EBIT of €2.62 billion, more than doubling the figure for 2017.

This performance was achieved thanks to the Group's diversified, resilient and sustainable business model, enabling the Company to respond proactively to the continually changing macroeconomic environment, and the delivery of cost efficiencies against a backdrop of rising inflation.

These excellent results have allowed Poste Italiane to boost the value created by our diversified activities, enabling us to propose a dividend per share of €0.80 for 2023, an increase of approximately 13% compared with the original proposal of €0.71. Following approval by the Annual General Meeting of shareholders held on 31 May this year, this resulted in the payment of dividends to shareholders totalling €1.0 billion for 2023, a 23% increase on 2022.

During the year, Poste Italiane continued to deliver on our multi-year growth plan, achieving all the key objectives set in the business plans launched since 2018, completing the Group's transformation into a modern omnichannel platform company and, at the same time, enabling us to more than double margins and the dividend.

At the same time, the Group confirmed its strategic role at the heart of the lives of citizens, businesses and institutions, pursuing the creation of long-term value for the public benefit and contributing to economic growth, with the cumulative impact on Italian GDP over the period between 2018 and 2023 amounting to approximately €76 billion.

The Company continues to collaborate with the government to spread digitalisation and innovation and supports local communities by providing them with its IT and logistics infrastructure to counteract the progressive abandonment of local areas and reduce the digital divide.

With this in mind, Poste Italiane launched the Polis project, which will enable all citizens in municipalities with fewer than 15 thousand inhabitants to have a Public Administration One-Stop Shop in Post Offices. The project involves around 90% of Italian municipalities and roughly 7,000 Post Offices in small towns, which will be renovated in terms of technology, energy and logistics and transformed into digital hubs also able to provide Public Administration services such as birth, marriage and death certificates, judicial and social security certificates, or ID documents such as passports and electronic identity cards. A total of 1,890 offices have already been upgraded within the Polis project (at 30 June 2024) and the services currently available are: birth, marriage and death certificates, judicial and social security certificates and, in rapidly growing authorised Post Offices, the service for requesting and renewing passports.

Polis also makes provision for a second line of action for the creation of an extensive network of spaces available to citizens for co-working and training activities; a network that will consist of 250 digitalised and interconnected "Spaces for Italy", with workstations, shared services, meeting and event areas, open to private individuals, companies, the Public Administration, universities and research centres.

**Poste Italiane closed 2023 with revenue** of €12.0 billion (up 5.4% on 2022), thanks to our diversified strategy that continues to create value. **EBIT** of €2.62 billion was up 9.4% compared with the previous year and more than double the figure for 2017 (in line with guidance for 2023, amounting to €2.60 billion), whilst **net profit** rose 22.1% year on year to €1.9 billion.

**Total costs** of €9.4 billion were up 4.3% on the previous year, including the payment of a one-off bonus of €133 million to employees, with a continued focus on driving business growth and cost discipline. Ordinary personnel expenses amounted to €5.3 billion, a year-

on-year increase of 3.4%, reflecting an increase in the variable component linked to the commercial performance and non-HR costs of €4.1 billion. The latter were up 9.4% year on year and included expenditure of €179 million on acquisitions.

## Mail, parcels and distribution

Poste Italiane is Italy's largest logistics provider, able to take advantage of the opportunities linked to the growth in e-commerce, thanks to our extensive payments and digital expertise.

This segment, which also provides Italy's Universal Postal Service, has always formed a key part of Poste Italiane's identity and includes mail and parcel delivery, logistics and express delivery services supplied through an integrated network that is unique in terms of size and coverage.

The successful industrial transformation, our investment and the innovation process embarked on in recent years enabled the Group to sort approximately 2.3 billion letters in 2023, deliver approximately 256 million parcels and handle more than 1 million parcels per day.

The Mail, Parcels and Distribution segment beat previous expectations to achieve break-even in 2023, generating revenue of €3.7 billion, up 2.6% year-on-year.

Letter post revenue of €2.1 billion was up 0.2% year on year, driven by repricing initiatives and an improved underlying product mix, offsetting the 6.2% year-on-year decline in volumes.

Parcel revenue of €1.4 billion (unchanged with respect to the previous year) reflects volume growth, above all in the B2C segment (with 203 million items delivered in 2023, a year-on-year increase of 12.4%), and a particularly strong performance in the fourth quarter, when volume growth in the B2C segment reached 17.1% compared with the same quarter of the previous year.

The progressive transformation of the logistics and delivery networks continued during the year, with the aim of improving efficiency. The Joint Delivery Model (the service model that also provides for afternoon and weekend deliveries) is now fully operational, with postmen and women delivering over 90 million parcels in 2023. This marks year-on-year growth of 26.9% compared with the 71 million parcels delivered in the previous year. There was a further increase in the number of pick-up and drop-off points available

to customers, with a physical network that currently includes 28,500 post offices and collection points such as tobacconists and lockers offering a non-stop 24-hour, 7-day service.

Poste Italiane has also continued to invest in modernisation of the vehicle fleet, making it more environmentally friendly with the introduction of hybrid and electric vehicles: at the end of June 2024, the Group operated around 27,400 low-emission vehicles (of which approximately 5,800 are electric and 8,500 are hybrid), including three- and four-wheeled scooters and cars. The aim of these initiatives is to arrive at 27,800 low-emission vehicles by 2024, cutting emissions by 40% by the same year and helping Poste Italiane achieve our goal of being carbon neutral by 2030.

In recent years, the Group has further consolidated the partnerships entered into with the specialist technology businesses, sender GmbH, which uses technology to maximise long-distance road transport saturation and flexibility, and Milkman SpA, which has helped improve the e-commerce customer experience thanks to its offering of personalised last-mile delivery solutions.

At the same time, the Group has expanded its customer offering. Following the launch of our “Instant” service, with door-to-door collection and delivery within two hours of the customer requesting the service with a click, we launched Poste Delivery Business. This enables customers to personalise shipments in progress using the *Scegli tu* service, which offers e-commerce vendors and users the possibility to send and collect parcels through post offices and Punte Poste points and enables the easy, rapid and paperless processing of returns through the Reverse service.

On the back of our performance in the parcels market, Poste Italiane has also begun to accelerate our transformation into a fully-fledged logistics operator. This has involved initiatives such as the acquisition of Plurima, with the aim of entering the niche hospital logistics sector, renewal of the partnership with Amazon for a further 5 years, the partnership with DHL to develop our international business and, at the beginning of 2024, the establishment of a joint venture in the express delivery segment, together with a specialist provider, MLK Fresh, for the home delivery of groceries.

## **PostePay services**

Poste Italiane is one of Italy’s leading payment system providers, exploiting the Group’s integrated multichannel distribution platform, using latest-generation digital infrastructure and a physical network consisting of approximately 64,000 contact points, including post

offices and sub-post offices, that offer the Group's services.

PostePay SpA, the Group company specialising in the development and processing of mobile and digital payments, is the leader in payment systems, having issued approximately 30 million cards. To speed up and drive a successful transition from cash to digital payments in Italy, the company has invested in the development of innovative solutions. One example is *Codice PostePay*, the digital service that allows shoppers to pay for their purchases using just their mobile phone and merchants to collect payments using a QR code, without the need for a POS terminal.

The Payments and Mobile segment continued to see year-on-year revenue growth in 2023, with the figure of €1.4 billion up by a solid 27.5%. The increase was further driven by the new payment solutions offered by the Group, the growing volume of both online and offline transactions and the integration of the newly acquired LIS, which generated additional revenue of €184 million, accelerating the Group's omnichannel strategy.

Revenue from card payments rose 23.2% year on year to €717 million in 2023, reflecting growth in e-commerce transactions, the structural shift from cash to card payments and the contribution from LIS.

Other collection and payment services rose 63.2% year on year to reach €381 million in 2023, primarily thanks to payment transactions handled directly by PostePay as a payment service provider.

Revenue from telecommunications services amounted to €331 million (up 3.8% year on year), driven by the fibre offering and exploiting the Group's loyal customer base, numbering 4.7 million, in challenging market.

The new energy offering, launched in February 2023, had attracted approximately 500,000 customers and the number of e-commerce transactions continued to grow, with 706.7 million transactions in 2023 (up 18.1% year on year).

The number of e-wallets rose to 12 million in 2023, rising 11.9% compared with 2022. The number of customers actively using a PostelD (Poste Italiane's national digital identity solution) at the end of 2023 amounted to 24 million (with the number issued totalling 27 million), confirming the Company's key role in accelerating Italy's digital transition. 2023 also saw the number of customers registered with Poste Italiane's digital channels (the website and apps) rise to 39 million, with 6.3 million people accessing the channels each day and Poste Italiane's apps downloaded 96.8 million times by the end of December 2023.



## Financial and insurance services

Poste Italiane plays a leading role in the distribution of savings and financial products, thanks to our distribution network and the brand's long-standing reputation for dependability. We are the sole distributor on behalf of Cassa Depositi e Prestiti of Postal Savings products – Savings Books and Interest-bearing Certificates – and offer our customers innovative payment solutions, current account services, investment and asset management products, insurance solutions and third-party consumer credit products.

Total gross revenue from Financial Services (including intersegment revenue) amounted to €6.1 billion in 2023, marking growth of 5.8% year on year. This was driven by net interest income and Postal Savings products, which performed well in the fourth quarter of 2023. Total financial assets (TFA) rose further to €581 billion, with net retail inflows totalling €1.2 billion.

The Group has continued to invest heavily in diversification of the offering to take maximise advantage of our distribution network. In recent years, we have further extended our range of products and services, focusing not only on our long-standing relationship with Cassa Depositi e Prestiti, but also on distribution agreements with leading market players and on partnerships with innovative businesses, such as the one entered into with the start-up, Moneyfarm, an independent company specialising in digital wealth management.

Insurance services are provided by the Poste Vita group (a wholly owned subsidiary of Poste Italiane), which offers customers a range of solutions designed to meet demand for supplementary pensions, insurance investment products and personal and property protection.

The Poste Vita group recorded a positive performance, with inflows again outperforming the market and a low lapse rate against a challenging backdrop. Gross Life written premiums totalled approximately €18 billion (up 4.8% year on year compared with 2022) and life revenue amounted to €1.5 billion.

P&C products also recorded a very strong performance, as the development of services continued, in line with the planned diversification of the insurance offering. Revenue from this segment rose 34.7% compared with the previous year to €92 million, driven by growth in gross written premiums to €581 million (up 48.2% year on year compared with 2022) and the consolidation of Net Insurance, whose acquisition was completed in the first half of 2023, with the aim of further accelerating the Group's growth and earnings in the protection business.



The Poste Vita Insurance Group's Solvency II ratio was 305% at the end of December 2023, ahead of the target of 200% set by management for the period covered by the plan.

Poste Italiane also made progress with regard to the sustainability of financial and insurance services: Bancoposta Fondi SGR's ESG-linked open-ended retail funds already accounted for 88% of the total in 2022 (42% in 2021), whilst the percentage of Poste Vita products containing ESG elements had reached 60% (compared with 50% in the previous year). The commitment to responsible investment continued in 2023, with Poste Vita's launch of four new ESG-linked Life insurance products: two class 1 products, *Poste Domani Insieme* and *Poste Prospettiva Valore Gold*, and two multi-class products, *Poste Progetto Integrazione Programmata* and *Poste Progetto Bonus 4in4*.

BancoPosta Fondi SGR, on the other hand, launched the *BancoPosta Universo Tematico* fund promoting environmental and social responsibility (pursuant to art. 8 of EU Regulation 2019/2088 – SFDR). The subsidiary also contributed to climate-related initiatives, such as Climate Action 100+, and the community engagement activities promoted by the Sustainable Finance Forum.

Finally, Poste Italiane opened the new Fraud Prevention Centre in 2023. The Centre is tasked with round-the-clock monitoring of the financial transactions carried out at post offices, online or using payment cards. Thanks to a group of Fraud Management and Fraud Intelligence experts and use of the latest technologies in this area, the Centre has further raised the level of security for the Group and its customers.

## **Sustainability at the heart of the Company's strategy**

Over recent years, Poste Italiane has embarked on an important sustainability path, with a view to turning market challenges into opportunities for the creation of shared value for the benefit of Italy's economic growth.

The Company has drawn up an ESG (Environmental, Social, Governance) Plan, including all the Group's specific quantitative and qualitative sustainability goals. The ESG plan forms an integral part of the 2024 Sustain & Innovate (24SI) business plan and in the most recent 2024-2028 The Connecting Platform plan and is based on eight pillars that coincide with the ESG aspects relevant to Poste Italiane: Integrity and Transparency, People Development, Diversity and Inclusion, Value for Local Communities, Customer Experience, Innovation, the Green Transition and Sustainable Finance. The Company

has also adopted the leading international standards and principles, including the United Nations Sustainable Development Goals, Global Compact and Women's Empowerment Principles (WEPIs).

As a result of the concrete actions provided for in the ESG Plan, Poste Italiane has made progress towards achieving a number of objectives in recent years. This has led to recognition of our leadership in terms of sustainability, with Poste Italiane featuring in the most important global rankings and indices, thus confirming that we are on the right path.

In December 2023, the Group was included for the fifth year running in the "World" and "Europe" segments of the Dow Jones Sustainability Index, the most prestigious sustainability index that only includes companies deemed to be among the best in the world in terms of sustainable management of their business. Our inclusion in the STOXX Global ESG Leaders Index, which includes approximately 400 highest-scoring global companies in terms of ESG, selected from the basket of companies belonging to the STOXX Global 1800, was also confirmed. 2023 also saw the Group rank first in Standard&Poor's Global's Corporate Sustainability Assessment (CSA) in the insurance sector, before being rated for the fourth consecutive year as a global leader in the insurance sector, for its sustainability and inclusion policies, in the 2024 edition of Standard&Poor's Global's Sustainability Yearbook.

Back in 2022, the Group was assigned the highest Vigeo-Eiris ESG Overall Score, which measures and assesses over 300 indicators relating to companies' policies regarding the environment, respect for human rights, development of human capital, stakeholder relations, corporate governance and code of ethics, integrity and efforts to combat bribery, the prevention of social and environmental dumping in the chain of contractors and subcontractors.

Then, in 2023, Poste Italiane was ranked in the Advanced category of Moody's Analytics overall score. The agency's positive rating of Poste Italiane reflects our strong commitment to embedding ESG risk analysis in our investment and due diligence processes, and our ability to manage environmental risk through programmes, targets and initiatives aimed at cutting GHG emissions. The agency also rated the Company highly for our solid employee engagement strategy, designed to attract new talent and retain existing staff, and for the implementation of robust data protection processes, including external certifications and compliance programmes.

The Group has also consolidated its leadership in the MIB® ESG index, launched by Euronext and Borsa Italiana, whilst Sustainalytics has also ranked the Group as a top ESG performer out of a group consisting of over 15,000 companies assessed globally. Our

rating as a climate change leader by CDP (formerly the Carbon Disclosure Project) has also been confirmed, with a rating of A-, and the Group also holds the prestigious Platinum medal awarded by EcoVadis, which evaluates the sustainability of companies along the supply chain, having ranked in the top 1% of companies with the highest score globally.

The progress made by Poste Italiane as regards social issues and governance practices has been recognised through confirmation, in 2023, of the assignment of an “AA” rating by Morgan Stanley Capital International, and by our inclusion, for the fourth year running, in the FTSE4GOOD index. The international rating agency, FTSE Russell, has significantly upgraded Poste Italiane’s rating compared with earlier assessments: the scores assigned for the three ESG aspects were higher than the average for the sector to which the Group belongs and above the average scores for Italy as a whole. The categories in which the Group scored highest were Human Rights & Community, Labour Standards, Corporate Governance and Anti-Corruption.

The Group’s gender equality and inclusion policies have been rewarded with the Company’s inclusion, for the fourth consecutive year, in the Gender-Equality Index (GEI). This is the main global benchmark index for investors looking for information on companies’ gender equality performance, based on an assessment of approximately 500 companies worldwide. The Group’s ranking saw further improvement in the 2023 edition compared with previous years, once again scoring significantly higher than the average for the companies ranked in the GEI. The score was reached following an assessment covering five dimensions: female leadership and the talent pipeline, equal pay, inclusive culture, sexual harassment policies and pro-women branding. The positive rating particularly rewarded transparency in the disclosure of information, pay equity and the Group’s inclusive culture. In November 2022, Poste Italiane received “Equal Salary” certification in recognition of our adoption of equal pay for all employees. The same month saw the Company become the first blue-chip in the FTSEMIB index to be certified in accordance with the new international ISO 30415:2021 “Diversity & Inclusion” standard, in recognition of our strong commitment to embedding diversity principles and adopting an inclusive corporate culture.

In January 2024, we were also recognised as a Top Employer for the fifth consecutive year, reflecting excellence in our training and corporate welfare policies, which, among other things, have resulted in the provision of over six million hours of training per year.

Finally, in November 2023, Poste Italiane obtained UNI/PdR 125:2022 certification, a form of accreditation provided for in the National Recovery and Resilience Plan (NRRP), in recognition of our ability to guarantee gender equality in the workplace. The Company achieved an overall score of 96% (compared with the minimum requirement of 60%),

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reflecting the outstanding results achieved in six macro areas: culture and strategy, governance, HR processes, development opportunities and inclusion for women within the Company, gender pay equality and protections for parenthood and the work-life balance.