

POSTE ITALIANE

Q4 & FY19 FINANCIAL RESULTS

Rome, March 6, 2020



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

2019 RESULTS AHEAD OF TARGETS FOR SECOND CONSECUTIVE YEAR VALIDATING STRATEGIC TRANSFORMATION FOSTERED BY INNOVATION

ALL SEGMENTS CONTRIBUTED TO STRONG GROWTH IN OPERATING PROFITABILITY IN 2019

DIVIDEND +5% Y/Y IN LINE WITH DELIVER 2022 COMMITMENT

FY19 RESULTS OVERVIEW

STEADY PROGRESSION OF 2019 RESULTS

€ m unless otherwise stated

	FY18	FY19	Var.	Var. (%)
REPORTED REVENUES	10,864	11,038	+174	+1.6%
ADJUSTED REVENUES ¹	10,332	10,659	+327	+3.2%
REPORTED EBIT	1,499	1,774	+275	+18.4%
ADJUSTED EBIT ¹	1,673	1,765	+92	+5.5%
REPORTED NET PROFIT	1,399	1,342	(56)	(4.0%)
ADJUSTED NET PROFIT ¹	1,172	1,258	+86	+7.3%

Q4 19 RESULTS OVERVIEW

STEADY PROGRESSION OF Q4 19 RESULTS

€ m unless otherwise stated

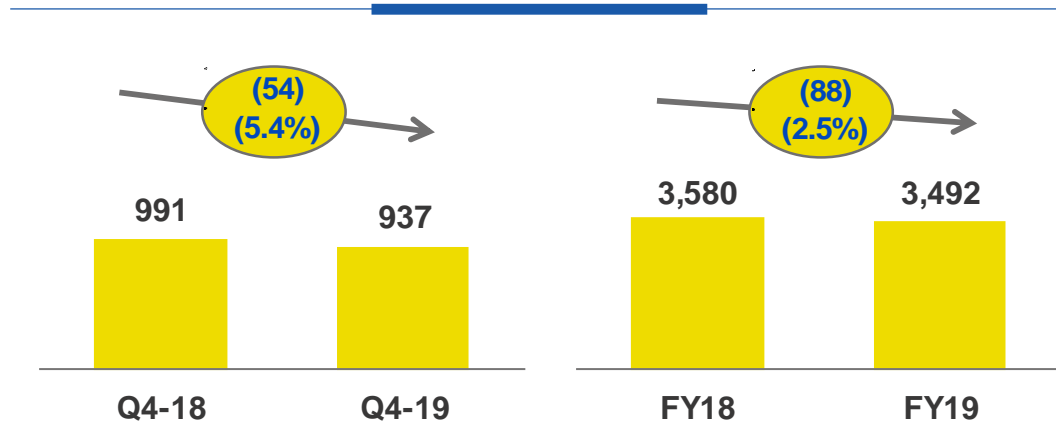
	Q4-18	Q4-19	Var.	Var. (%)
REPORTED REVENUES	2,913	2,949	+36	+1.2%
ADJUSTED REVENUES¹	2,801	2,852	+51	+1.8%
REPORTED EBIT	(10)	234	+244	n.m.
ADJUSTED EBIT¹	490	477	(13)	(2.7%)
REPORTED NET PROFIT	343	259	(83)	(24.3%)
ADJUSTED NET PROFIT¹	349	367	+18	+5.1%

SEGMENT REVENUES – Q4 & FY19

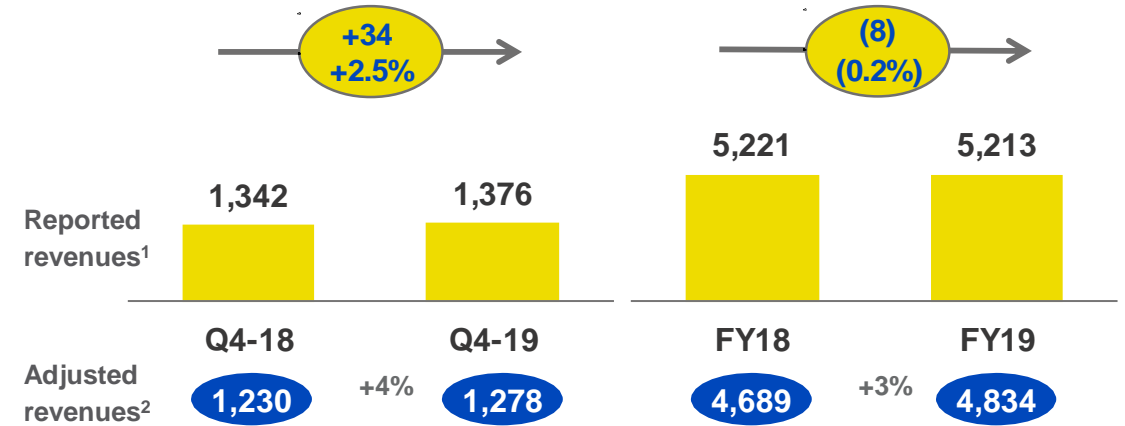
DIVERSIFIED, SUSTAINABLE REVENUE MIX

€ m unless otherwise stated

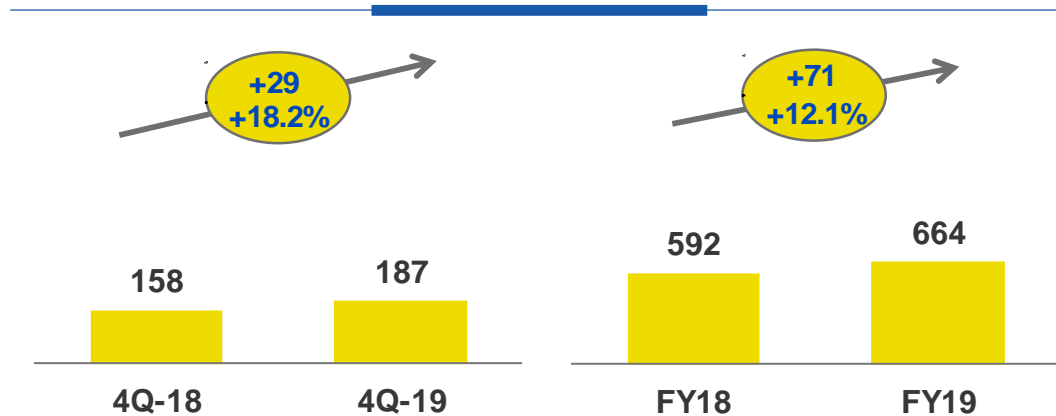
MAIL, PARCEL & DISTRIBUTION



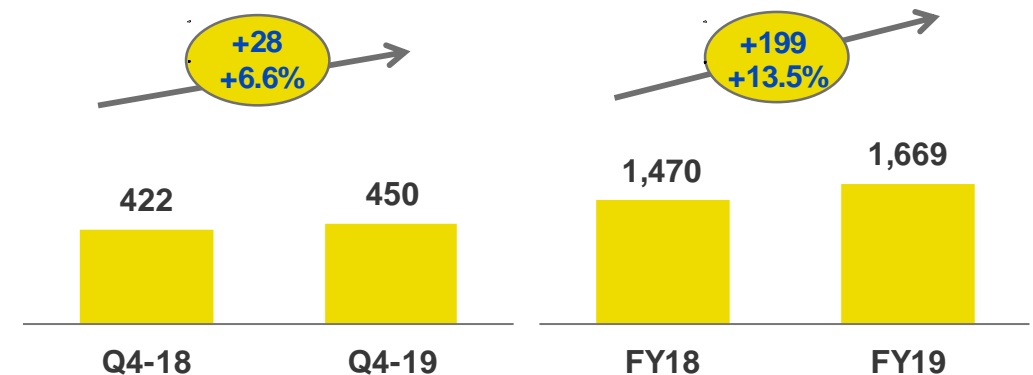
FINANCIAL SERVICES



PAYMENTS, MOBILE & DIGITAL



INSURANCE SERVICES

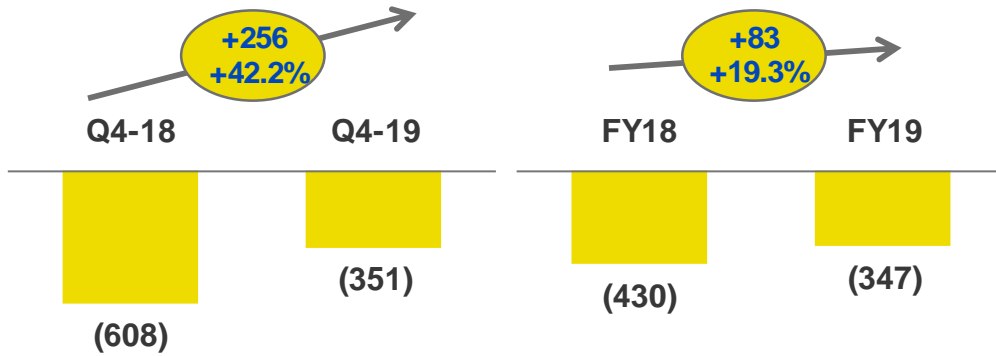


SEGMENT EBIT – Q4 & FY19

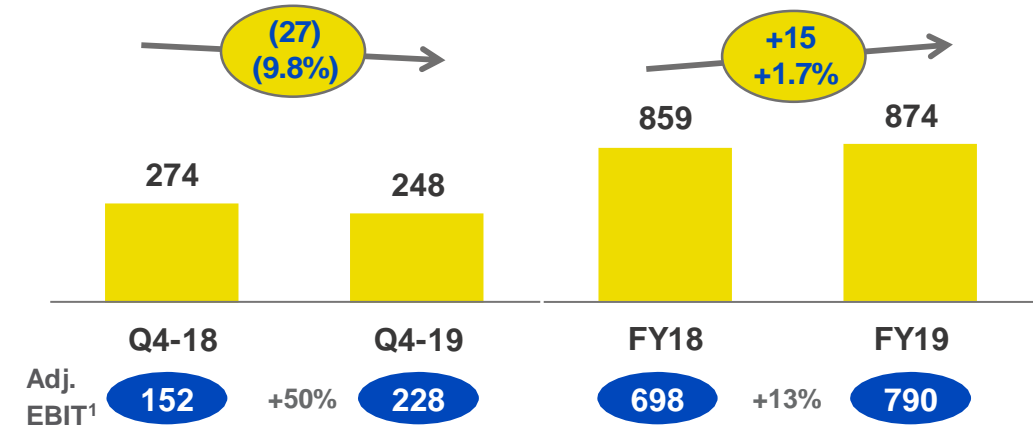
ALL SEGMENTS IN LINE WITH 2019 TARGETS

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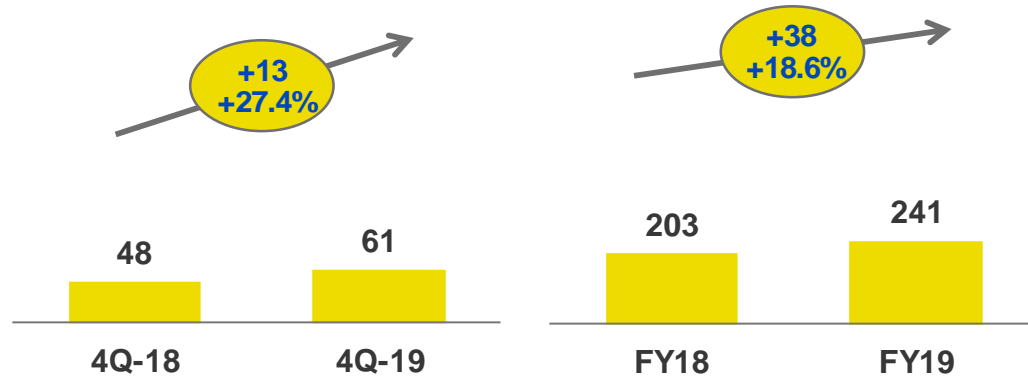
MAIL, PARCEL & DISTRIBUTION



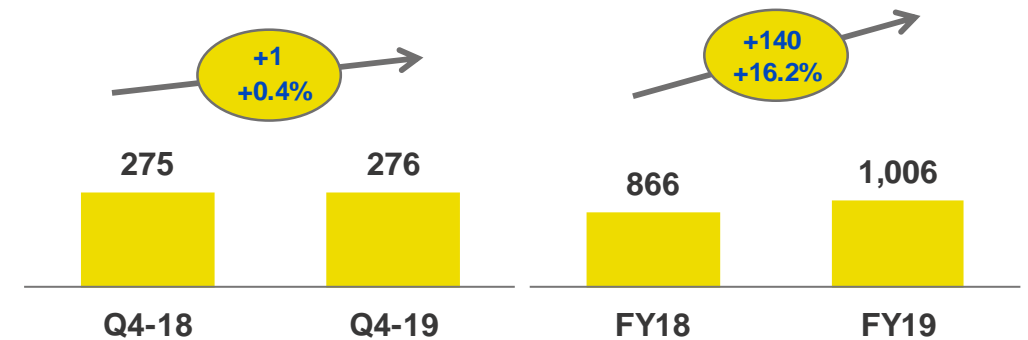
FINANCIAL SERVICES



PAYMENTS, MOBILE & DIGITAL



INSURANCE SERVICES





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BUSINESS REVIEW

APPENDIX

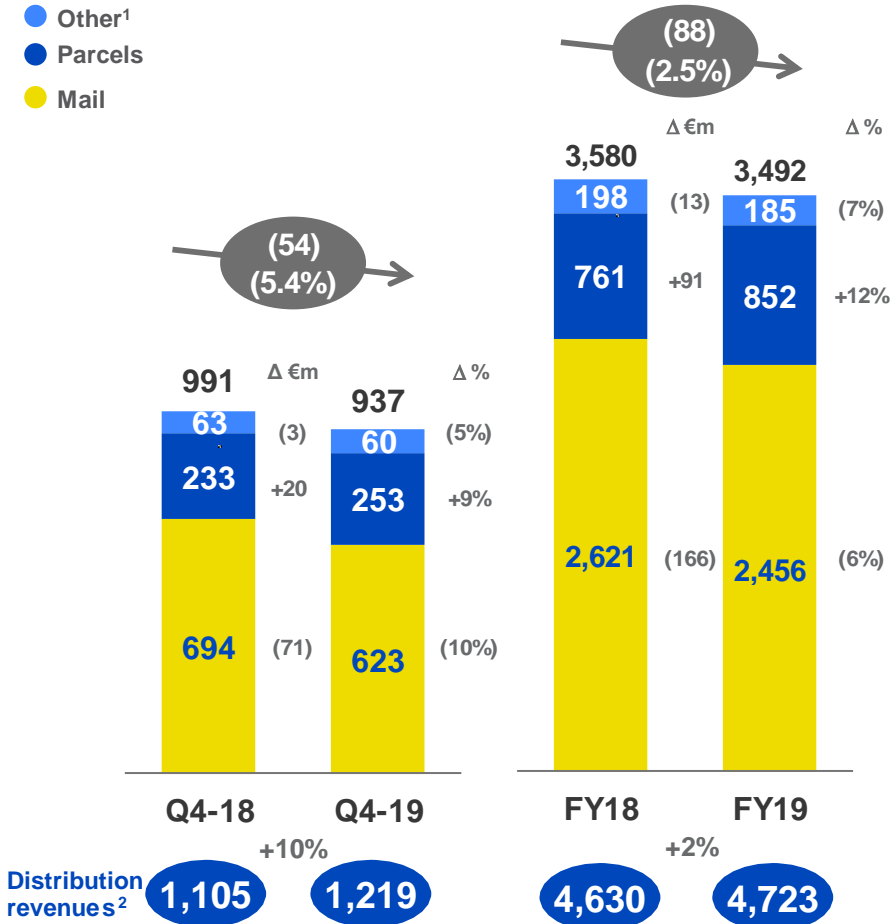
MAIL, PARCEL & DISTRIBUTION

PARCEL REVENUE GROWTH MITIGATING ACCELERATED MAIL DECLINE; EBIT IN LINE WITH TARGET

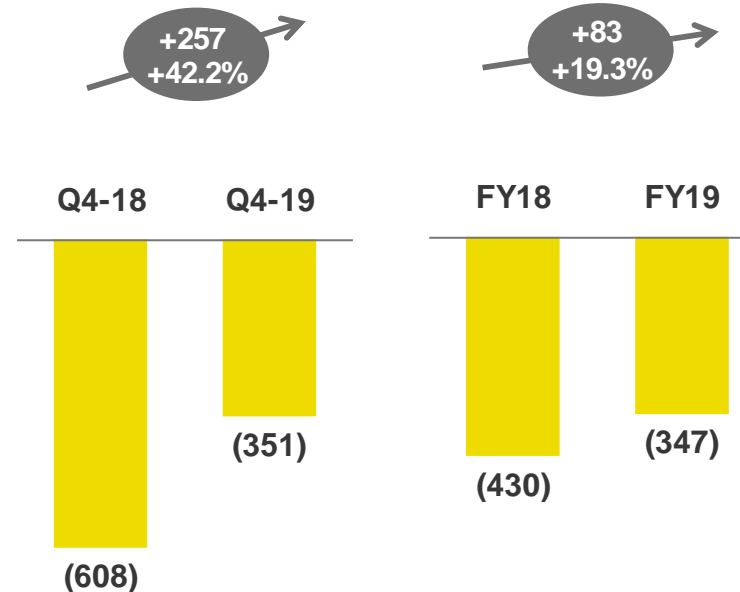


€ m unless otherwise stated

SEGMENT REVENUES



EBIT



KEY HIGHLIGHTS

- Mail revenue decline accelerated due to e-substitution from corporate clients in H2
- Parcel revenues up thanks to B2C outpacing market and improving B2B revenues
- EBIT in line with target as a result of accelerated restructuring

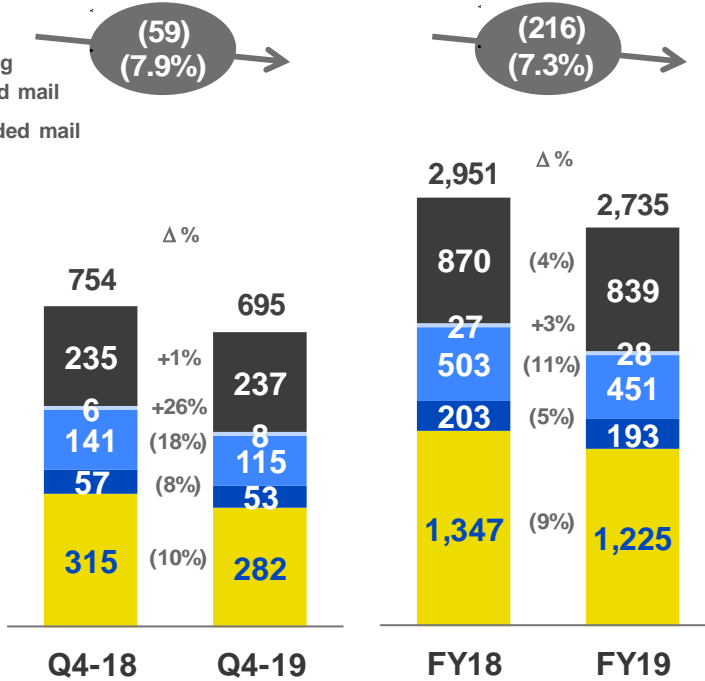
MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

MAIL DECLINE IN LINE WITH LONG TERM TREND; B2C PARCEL PROGRESSING

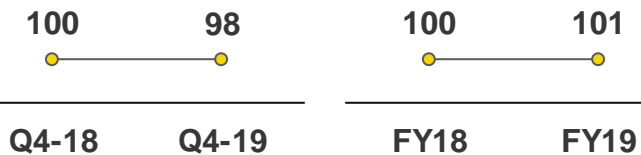


MAIL VOLUMES (M/PC)

- Other¹
- Integrated services
- Direct marketing
- Recorded mail
- Unrecorded mail

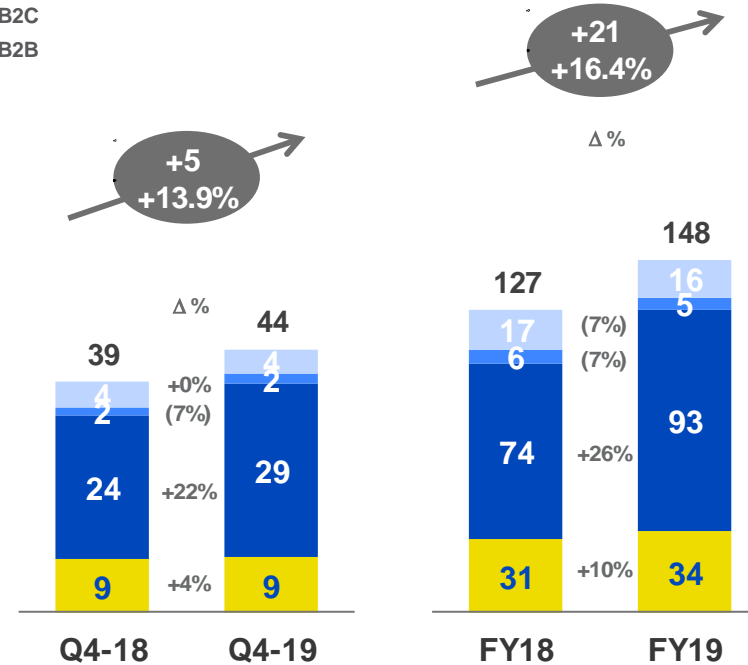


AVERAGE PRICE INDEX (base 100)³

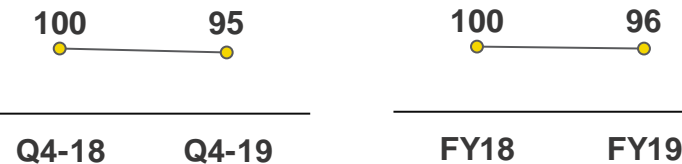


PARCEL VOLUMES (M/PC)

- Other²
- C2C
- B2C
- B2B



AVERAGE PRICE INDEX (base 100)³



KEY HIGHLIGHTS

- Mail volumes down mainly in lower margin products (unrecorded mail, direct marketing)
- Mail tariff benefitting from July-18 repricing
- Parcel volumes boosted by record B2C and sustained B2B growth
- Average parcel tariff down on volume mix; B2C tariff up in a competitive environment, due to higher value delivery services

1. Includes Multichannel services, Editorial services, Postel volumes and other basic services;
 2. Includes International parcels and partnership with other logistic operators
 3. Including any product mix effect

PAYMENTS, MOBILE & DIGITAL

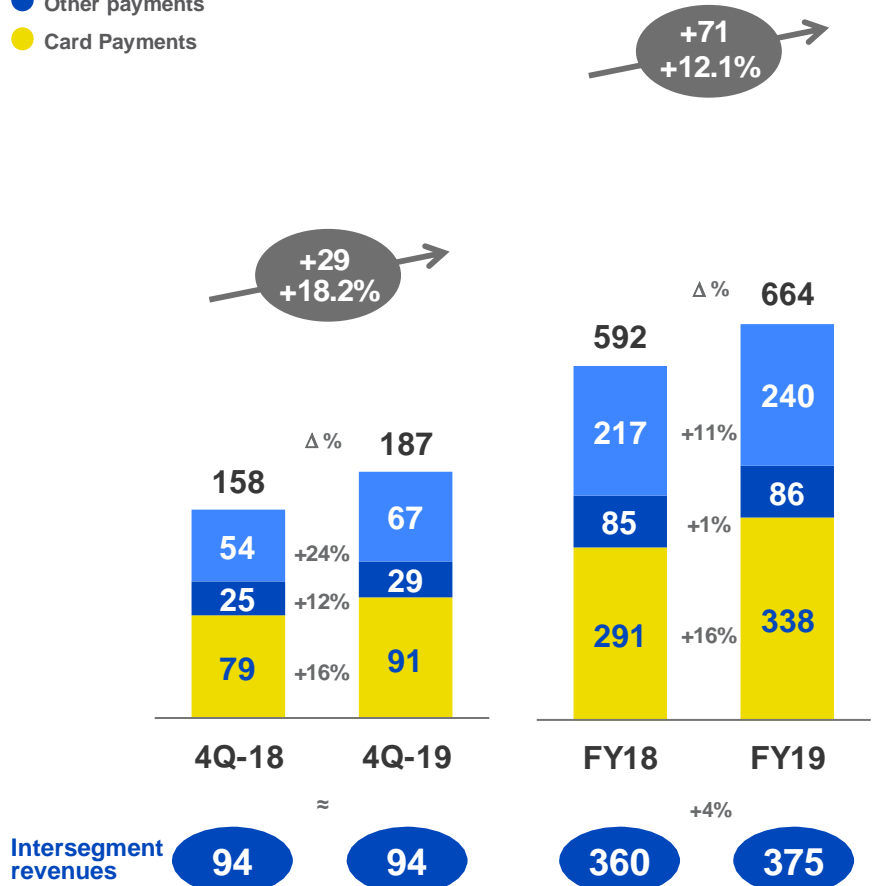
REVENUES FURTHER INCREASING WITH STRONG CARD PAYMENT GROWTH



€ m unless otherwise stated

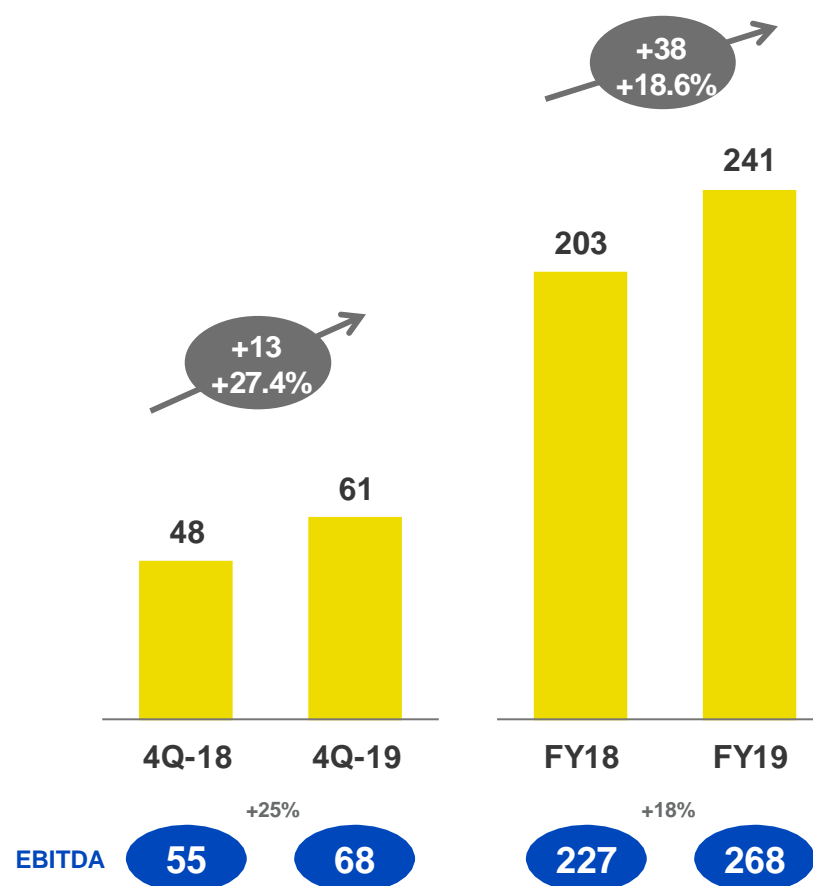
SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments



EBITDA & EBIT

- EBIT



KEY HIGHLIGHTS

- Card payments benefitting from growing transaction volumes and Postepay Evolution stock
- Other payments benefitting from new international digital money transfer partnership
- Telecom revenues up in a competitive market thanks to stable customer base

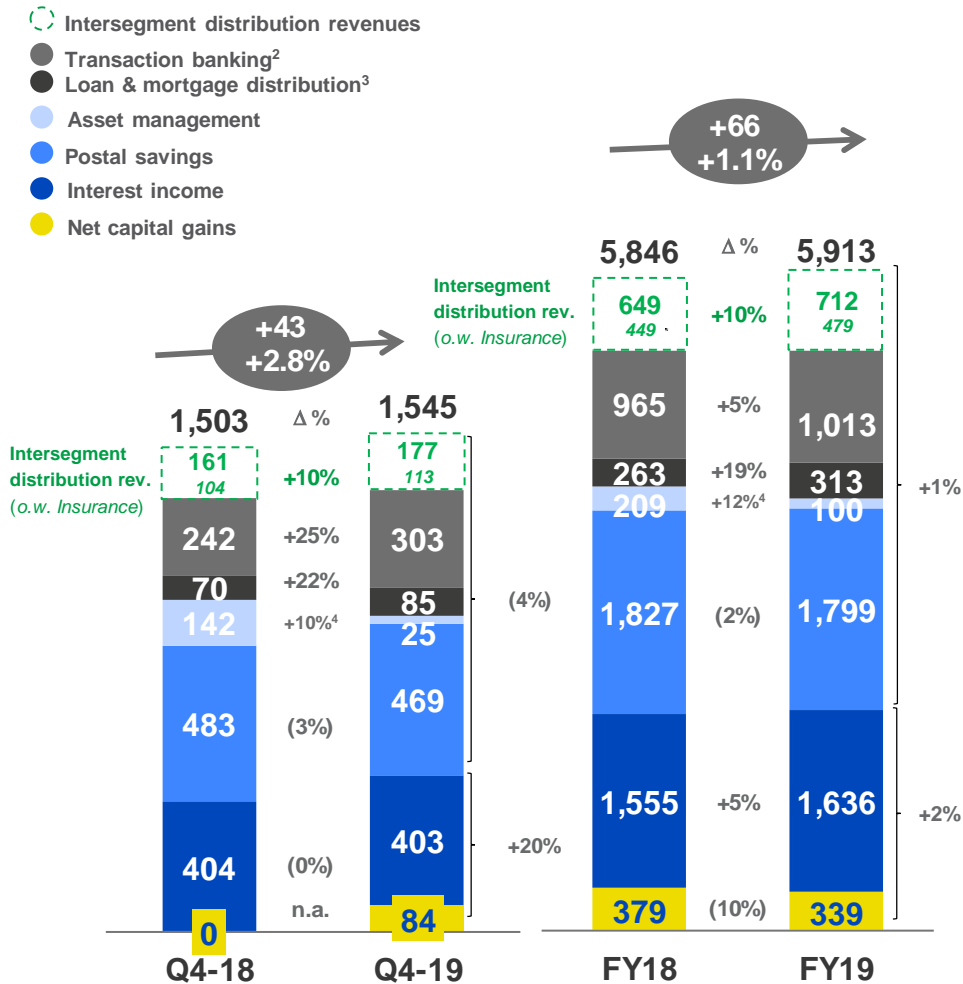
FINANCIAL SERVICES

UNDERLYING PROFITABILITY LEVERAGING ON IMPROVED DISTRIBUTION CAPABILITIES

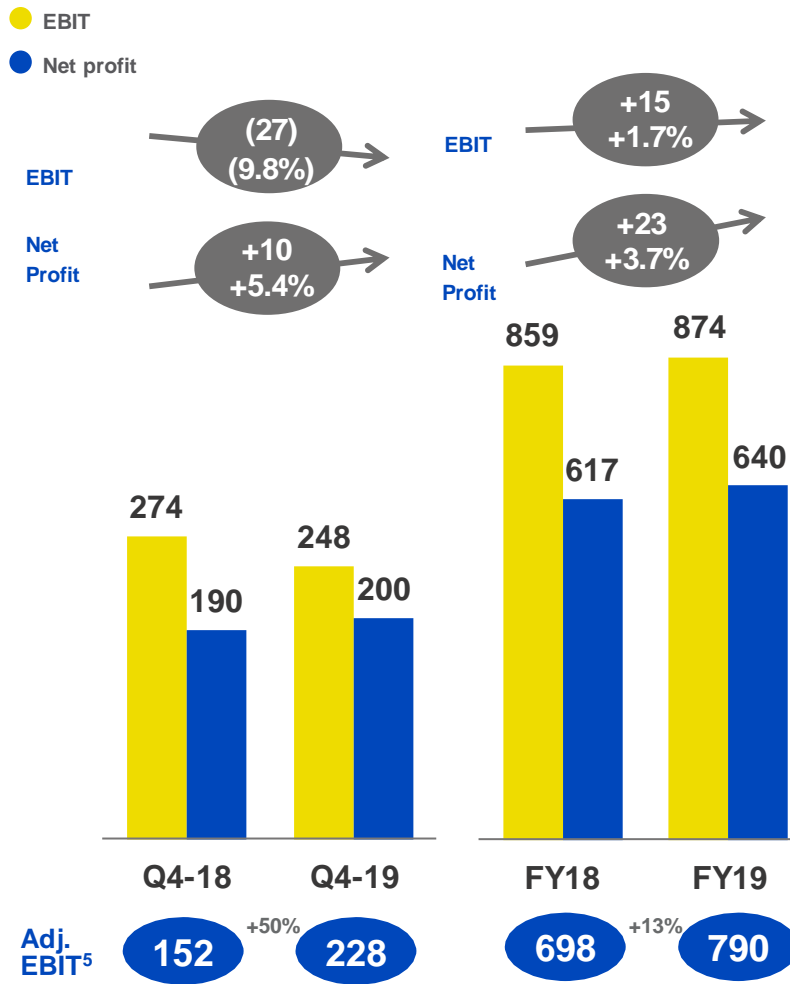
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GROSS REVENUES¹



REPORTED & ADJ. EBIT AND NET PROFIT



KEY HIGHLIGHTS

- Strong revenue growth in areas of strategic focus – insurance, loans & mortgages distribution and asset management
- Postal savings distribution in line with targets
- Reduced weight of capital gains, in line with targets
- EBIT and net profit in line with target

GROUP TOTAL FINANCIAL ASSETS

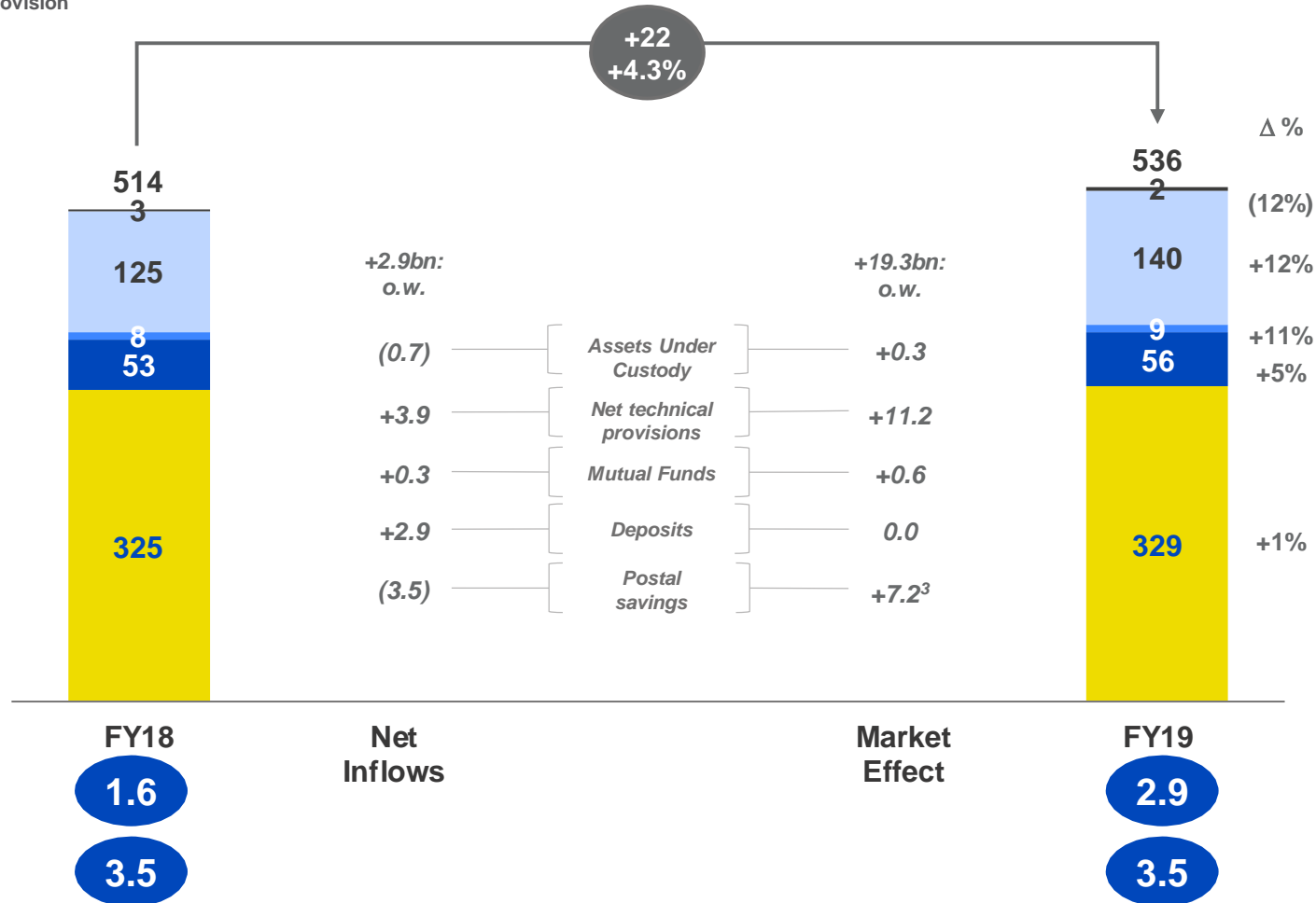
POSITIVE NET INFLOWS AND IMPROVED MIX CONFIRM EFFECTIVE COMMERCIAL STRATEGY



€ bn unless otherwise stated

TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



KEY HIGHLIGHTS

- TFAs up by 22bn y/y, with positive market effect and 2.9bn net inflows:
- Insurance +3.9bn net inflows supported by successful multiclass diversification strategy
- Deposits +2.9bn, benefitting from retail, Postepay and Public Administration inflows
- Mutual funds +0.3bn net inflows
- Postal savings distribution further improving in 2019, successfully addressing a low rate environment with enhanced commercial offer

INSURANCE SERVICES

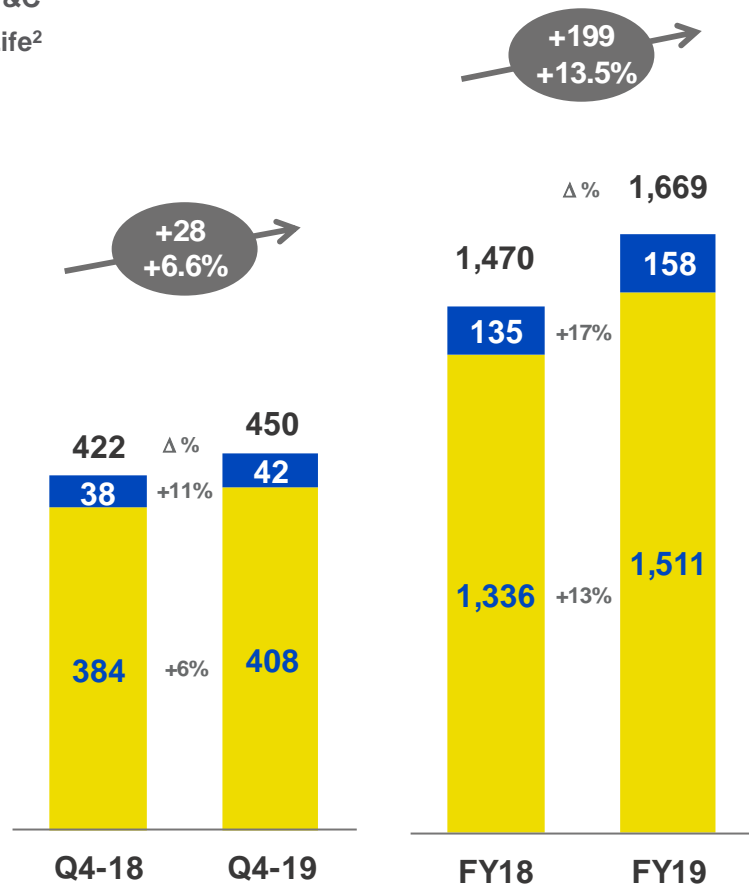
CONSOLIDATING LEADERSHIP IN LIFE WITH SHIFT TO MULTICLASS AND GROWING P&C



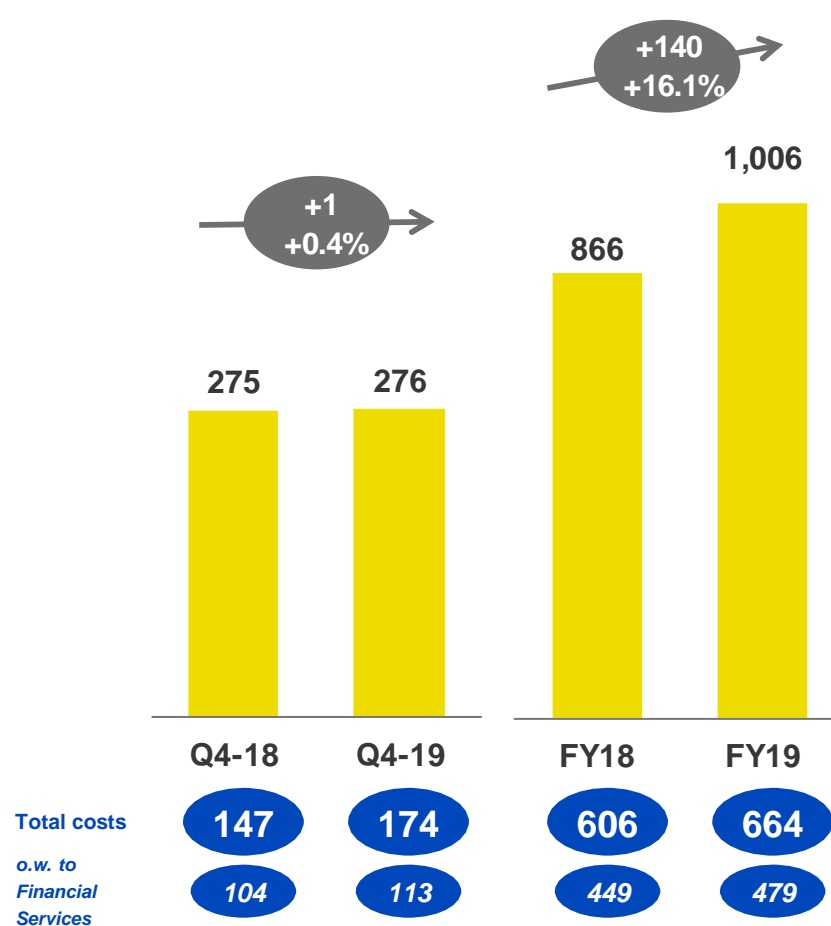
€ m unless otherwise stated

SEGMENT REVENUES

- P&C¹
- Life²



EBIT



KEY HIGHLIGHTS

- Confirmed leadership in life insurance thanks to commercial focus on multiclass products, now representing 35% of GWP
- Increased investment margin in a favourable market environment
- P&C revenue up with positive contribution from all products
- EBIT and net profit above target supported by all product lines

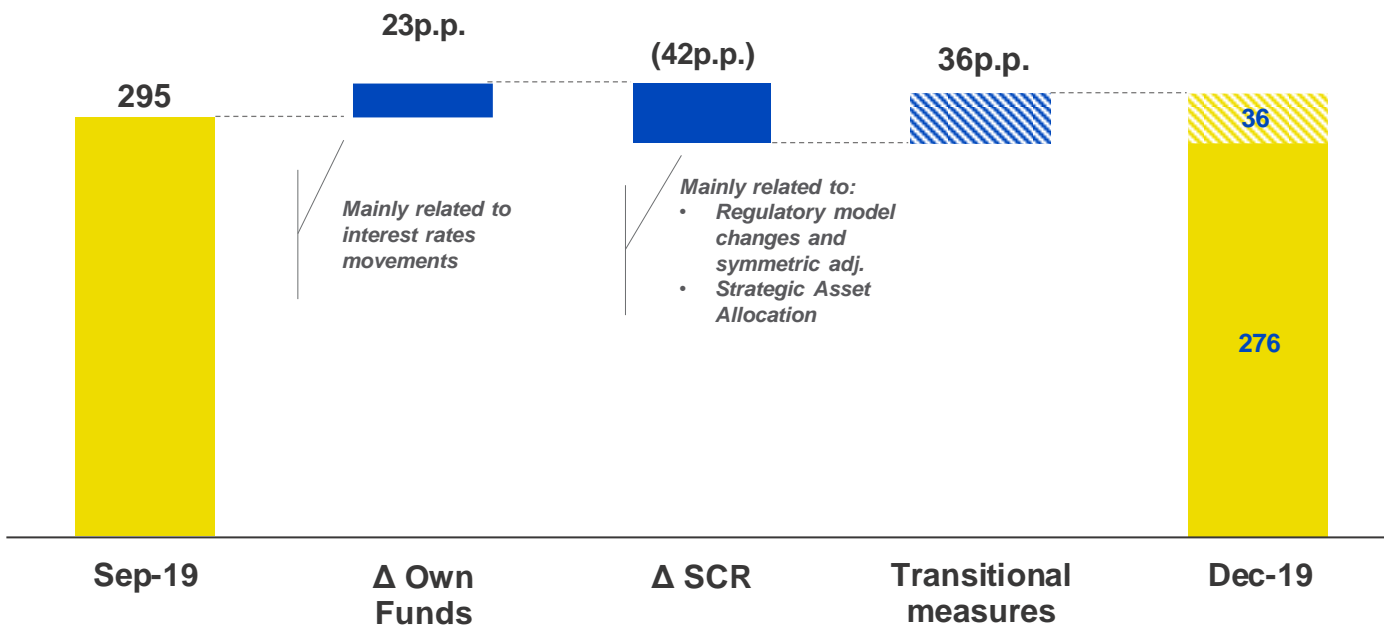
INSURANCE SERVICES: SOLVENCY II RATIO

WELL ABOVE 200% MANAGERIAL AMBITION THROUGH THE CYCLE

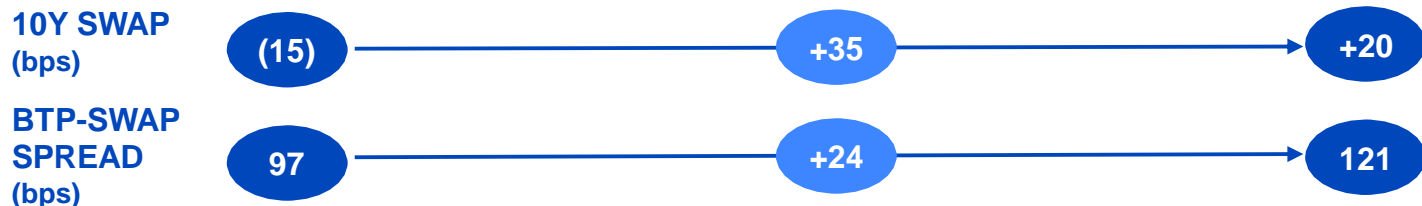


SOLVENCY II RATIO EVOLUTION

KEY HIGHLIGHTS



- Positive impact from higher risk free rates offsetting BTP-Bund spread increase (+13p.p.)
- Ongoing asset diversification to improve risk-return supporting lower Solvency II future volatility (-11p.p.)
- One-off impact from regulatory model changes and increase in the variable component of capital charge on equity exposures¹ (-21p.p.)
- Transitional measures provide 36p.p. buffer to address market volatility
- Dividend payout to Poste Italiane confirmed at 50% in 2020



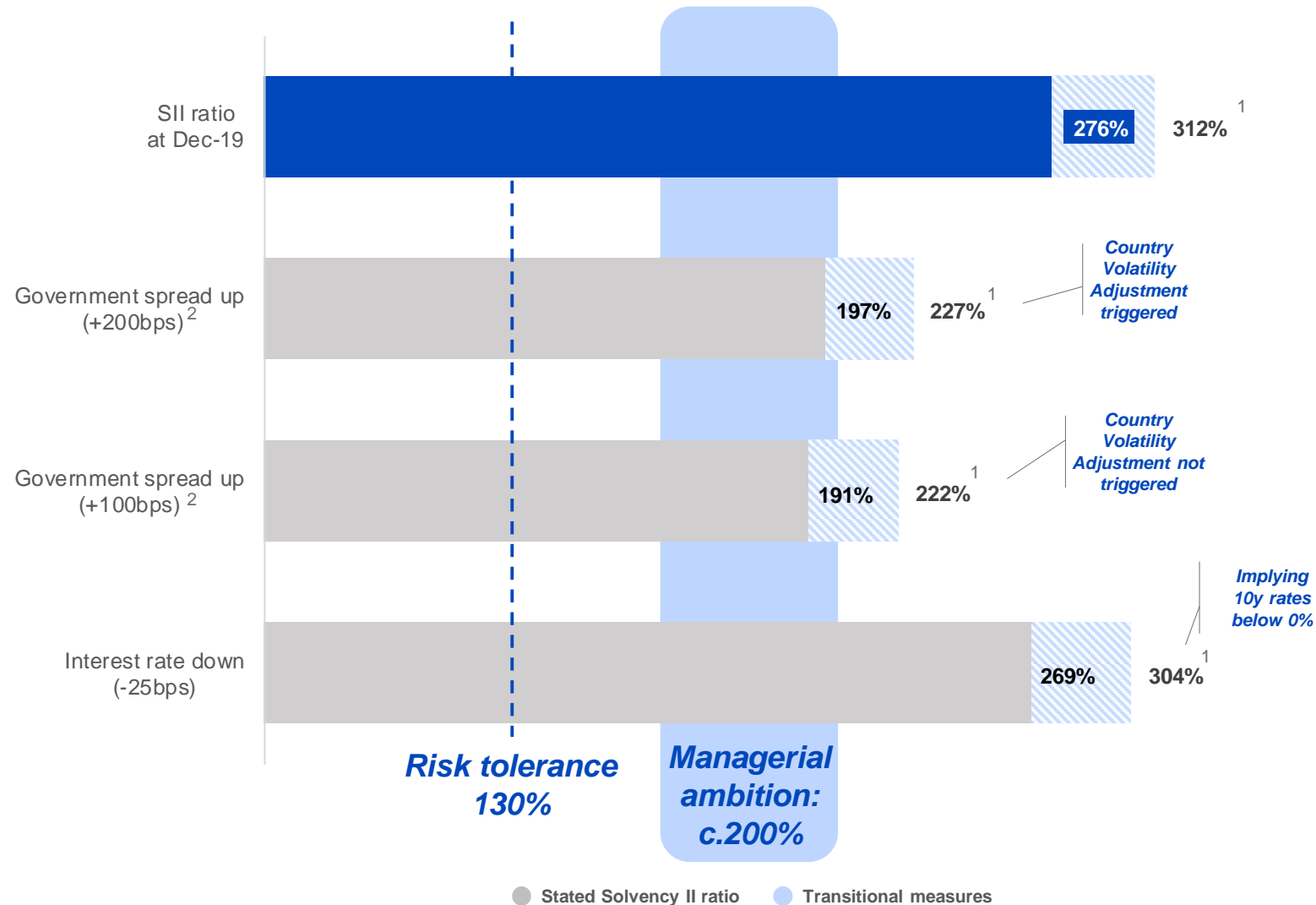
1. "Symmetric adjustment" is a countercyclical tool provided by the regulator which allows insurance companies to reduce the capital requirement on equity exposures when markets experience negative performances

INSURANCE SERVICES: SOLVENCY II RATIO – KEY SENSITIVITIES

WELL POSITIONED TO ADDRESS POTENTIAL MARKET VOLATILITY



SOLVENCY II RATIO SENSITIVITIES



KEY HIGHLIGHTS

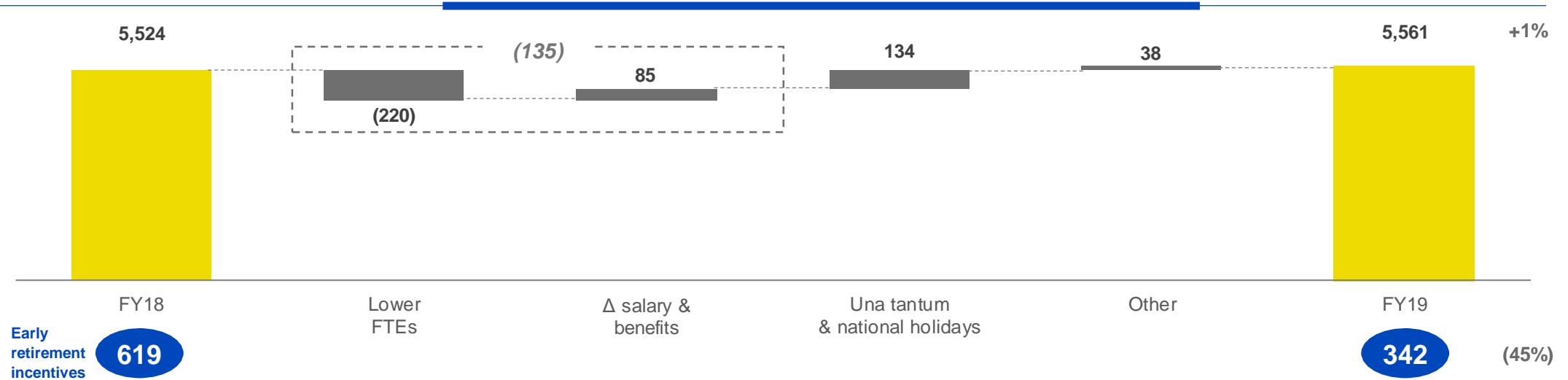
- Reduced Solvency II volatility thanks to ongoing managerial actions (e.g. investment and product diversification)
- Excluding transitional measure, Solvency II ratio above managerial ambition through the cycle under stressed scenarios
- Process to develop internal model approved by the BoD

COST DISCIPLINE – FY19 VS FY18

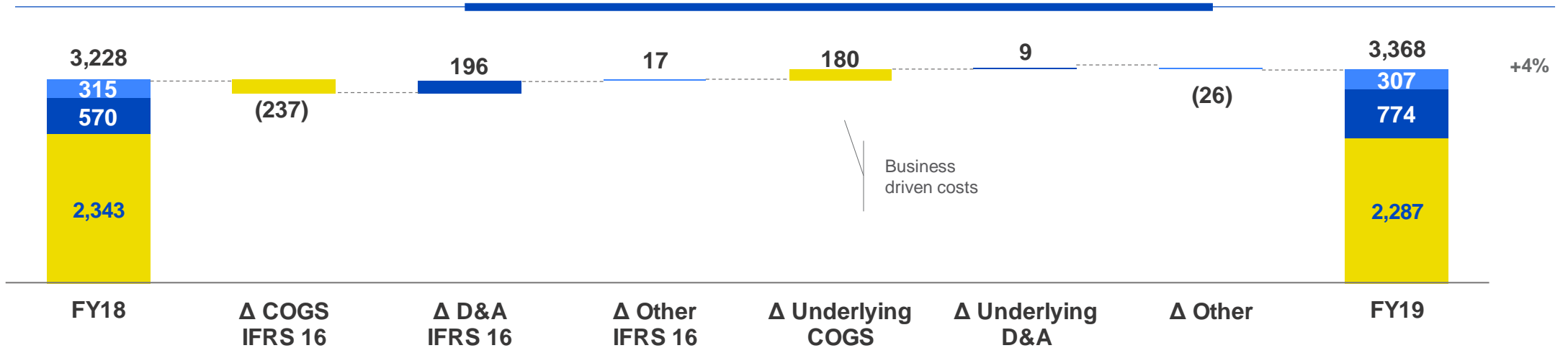
LOWER FTEs DRIVING COST DISCIPLINE, WHILE NON-HR COSTS INCREASE TO SUPPORT GROWTH

€ m unless otherwise stated

HR COSTS¹, Y/Y



NON-HR COSTS, Y/Y

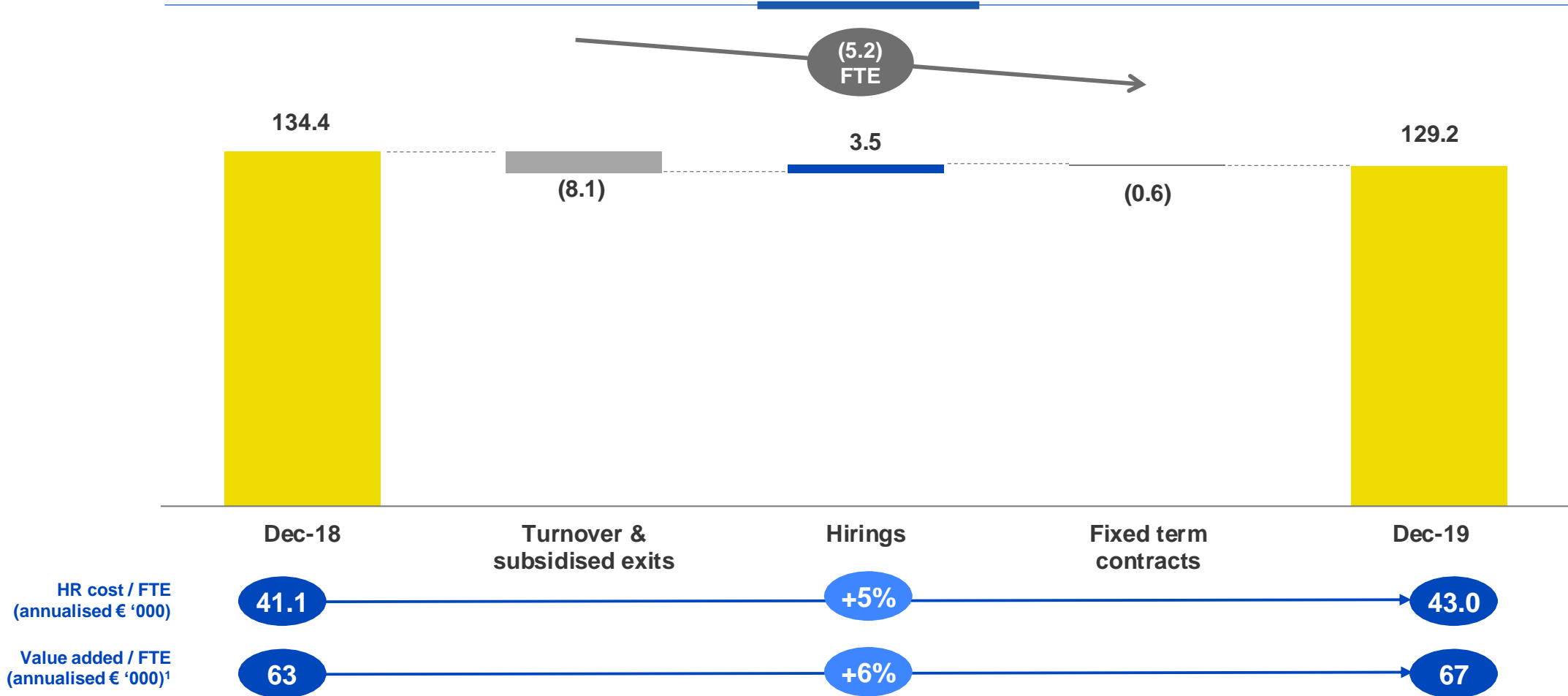


● COGS ● D&A ● Other

WORKFORCE EVOLUTION

HEADCOUNT REDUCTION AHEAD OF PLAN TO SUPPORT TRANSFORMATION

AVERAGE HEADCOUNT ('000)





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POSTE GROUP: Q4 & FY19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES

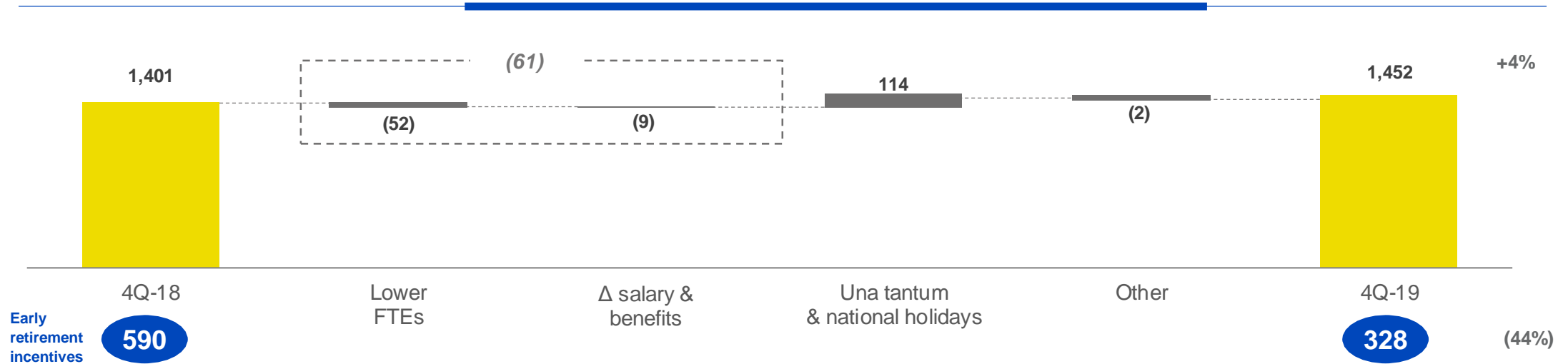
	Q4-18	Q4-19	EUR m	%	FY18	FY19	EUR m	%
REPORTED REVENUES	2,913	2,949	36	+1%	10,864	11,038	174	+2%
GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO	0	92			404	353		
VISA - IFRS 9 VALUATION	(7)	6			9	25		
VISA - CAPITAL GAIN ON SHARE DISPOSAL	0	0			0	1		
ANIMA ONE-OFF	120	0			120	0		
ADJUSTED REVENUES	2,801	2,852	52	+2%	10,332	10,659	327	+3%
REPORTED COSTS	2,923	2,715	(207)	(7%)	9,366	9,264	(101)	(1%)
CAPITAL LOSSES ON INVESTMENT PORTFOLIO	0	8			25	13		
EARLY RETIREMENT INCENTIVES	590	328			619	342		
REAL ESTATE FUNDS PROVISIONS	(4)	0			21	0		
POSTEL'S GOODWILL IMPAIRMENT	33	0			33	0		
VISA - FAIR VALUE HEDGE	0	4			0	15		
VISA - IFRS 9 VALUATION	(7)	0			9	0		
ADJUSTED COSTS	2,311	2,376	65	+3%	8,659	8,894	235	+3%
REPORTED EBIT	(10)	234	244	n.m.	1,499	1,774	275	+18%
ADJUSTED EBIT	490	477	(13)	(3%)	1,673	1,765	92	+6%
IMPAIRMENTS	62	46			62	46		
SIA STAKE REVALUATION	0	88			0	88		
REPORTED NET PROFIT	343	259	(83)	(24%)	1,399	1,342	(56)	(4%)
ADJUSTED NET PROFIT	349	367	18	+5%	1,172	1,258	86	+7%

COST DISCIPLINE – Q419 VS Q418

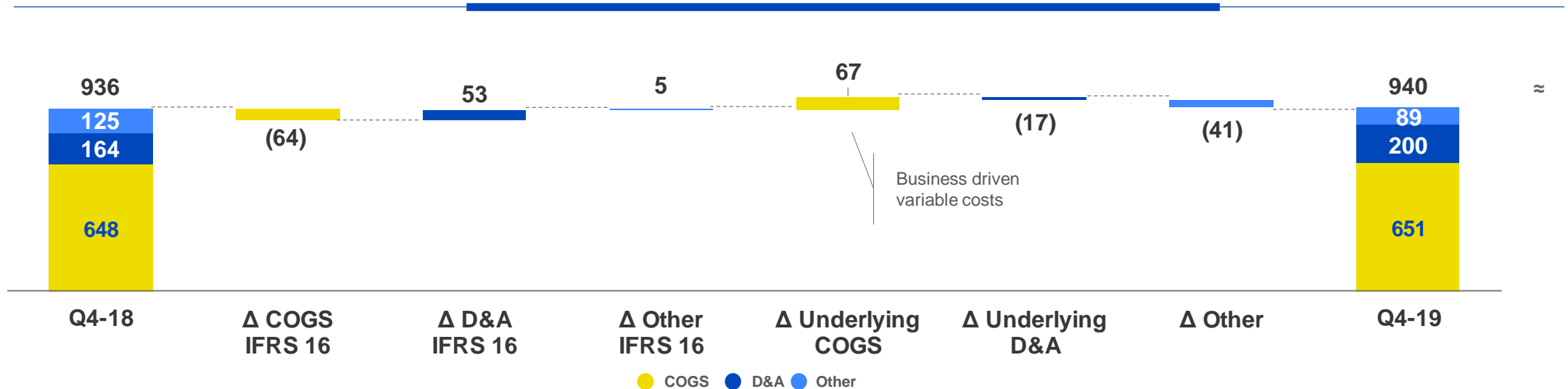
LOWER FTES DRIVING COST DISCIPLINE, WHILE NON-HR COSTS INCREASE TO SUPPORT GROWTH

€ m unless otherwise stated

HR COSTS¹, Y/Y



NON-HR COSTS, Y/Y

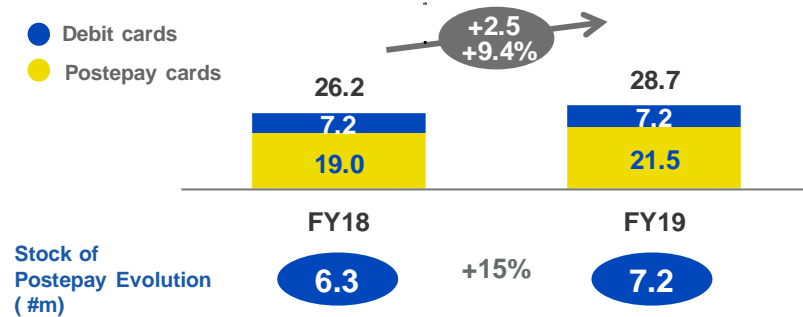


GROWTH IN PAYMENTS, MOBILE & DIGITAL

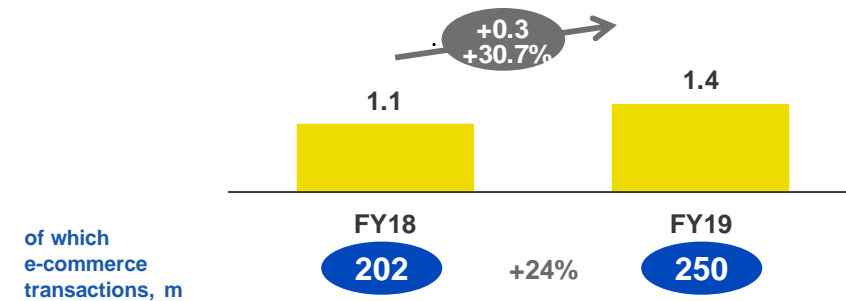
KEY METRICS STEADILY IMPROVING



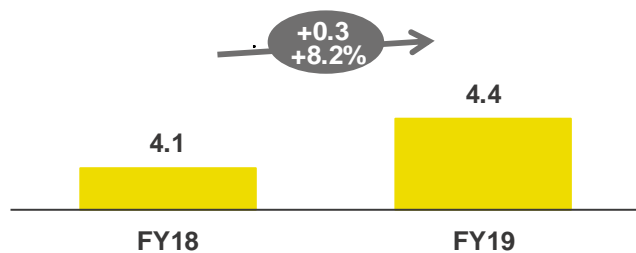
CARD STOCK



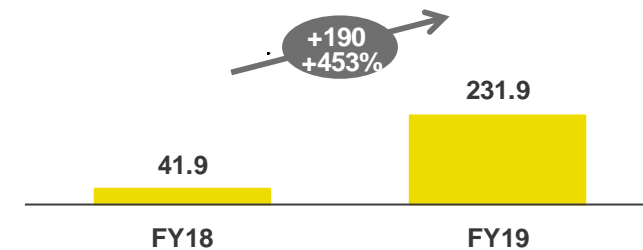
TOTAL PAYMENT CARD TRANSACTIONS (# BN)



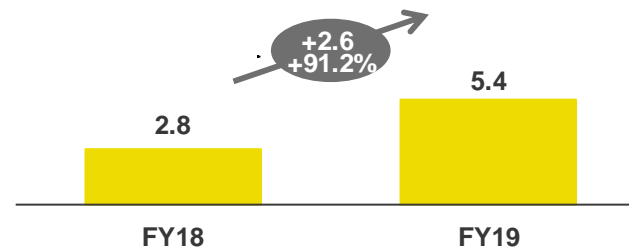
MOBILE & LAND LINE, STOCK (# M)



POSTEPAY CONNECT SUBSCRIPTIONS (# K)



DIGITAL E-WALLET, STOCK (# M)¹



1. An innovative electronic tool associated to a single customer, which is enabled through a mobile app to authorize payment transactions

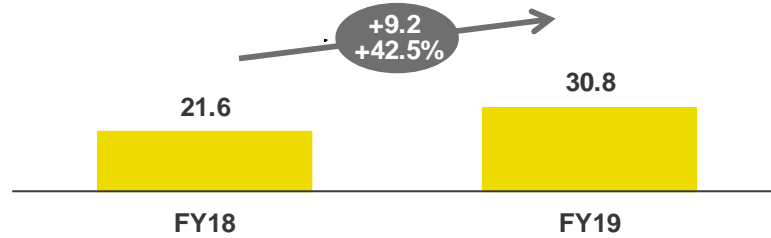
POSTE ITALIANE DIGITAL FOOTPRINT

KEY METRICS STEADILY IMPROVING

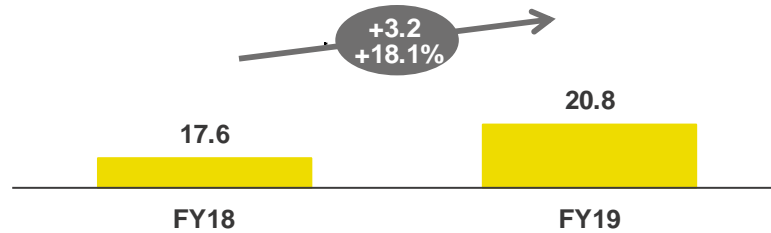


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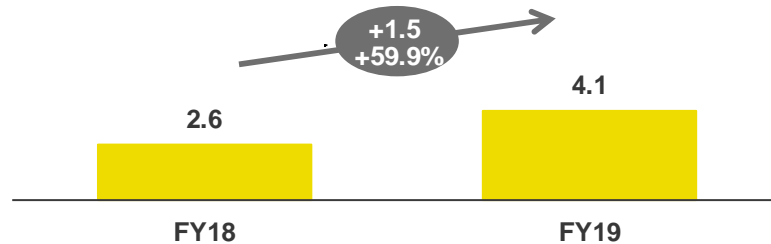
GROWTH IN CUMULATED APP DOWNLOADS¹



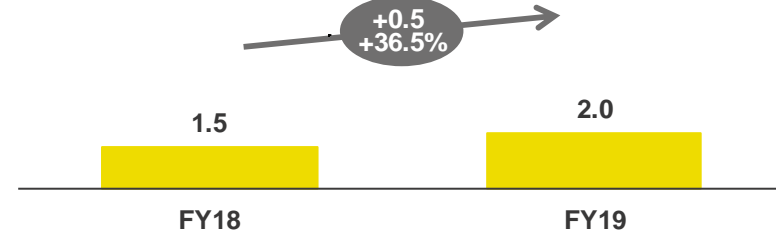
REGISTERED ONLINE USERS



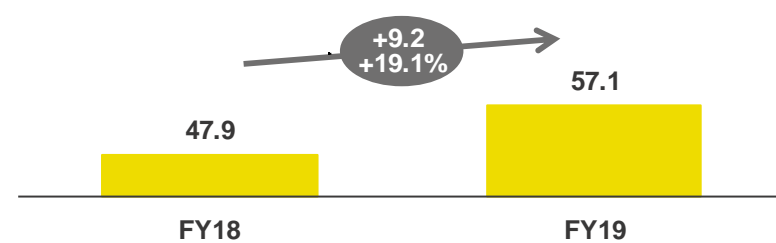
ELECTRONIC IDENTIFICATION² STOCK



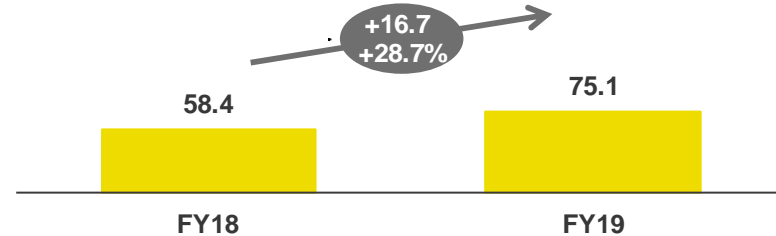
DAILY ONLINE USERS



GROWTH IN CONSUMER FIN. TRANSACTIONS



GROWTH IN TRACK & TRACE SEARCHES³



FINANCIAL SERVICES: Q4 & FY19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	Q4-18	Q4-19	EUR m	%	FY18	FY19	EUR m	%
SEGMENT REPORTED REVENUES	1,342	1,376	34	+3%	5,221	5,213	(8)	(0%)
<i>GROSS CAPITAL GAINS ON INV. PORTFOLIO</i>	0	92			404	353		
<i>VISA - IFRS 9 VALUATION</i>	(7)	6			9	25		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			0	1		
<i>ANIMA - ONE OFF</i>	120	0			120	0		
SEGMENT ADJUSTED REVENUES	1,230	1,278	49	+4%	4,689	4,834	145	+3%
<i>INTERSEGMENT REVENUES</i>	161	177	17	+10%	649	712	63	+10%
ADJUSTED TOTAL REVENUES	1,390	1,456	66	+5%	5,338	5,547	209	+4%
REPORTED COSTS	1,228	1,306	77	+6%	5,011	5,052	40	+1%
<i>EARLY RETIREMENT INCENTIVES</i>	1	0			10	2		
<i>CAPITAL LOSSES ON INV. PORTFOLIO</i>	0	8			25	13		
<i>CAPITAL GAINS COMMISSIONING</i>	0	65			307	265		
<i>VISA - FAIR VALUE HEDGE</i>	0	4			0	15		
<i>REAL ESTATE FUNDS PROVISIONS</i>	(4)	0			21	0		
<i>VISA - COMMISSIONING ON IFRS 9 VALUATION</i>	0	0			0	0		
<i>VISA - IFRS 9 VALUATION</i>	(7)	0			9	0		
ADJUSTED COSTS	1,239	1,228	(11)	(1%)	4,640	4,757	117	+3%
REPORTED EBIT	274	248	(27)	(10%)	859	874	15	+2%
ADJUSTED EBIT	152	228	76	+50%	698	790	92	+13%
REPORTED NET PROFIT	190	200	10	+5%	617	640	23	+4%
ADJUSTED NET PROFIT	111	186	74	+67%	511	577	66	+13%

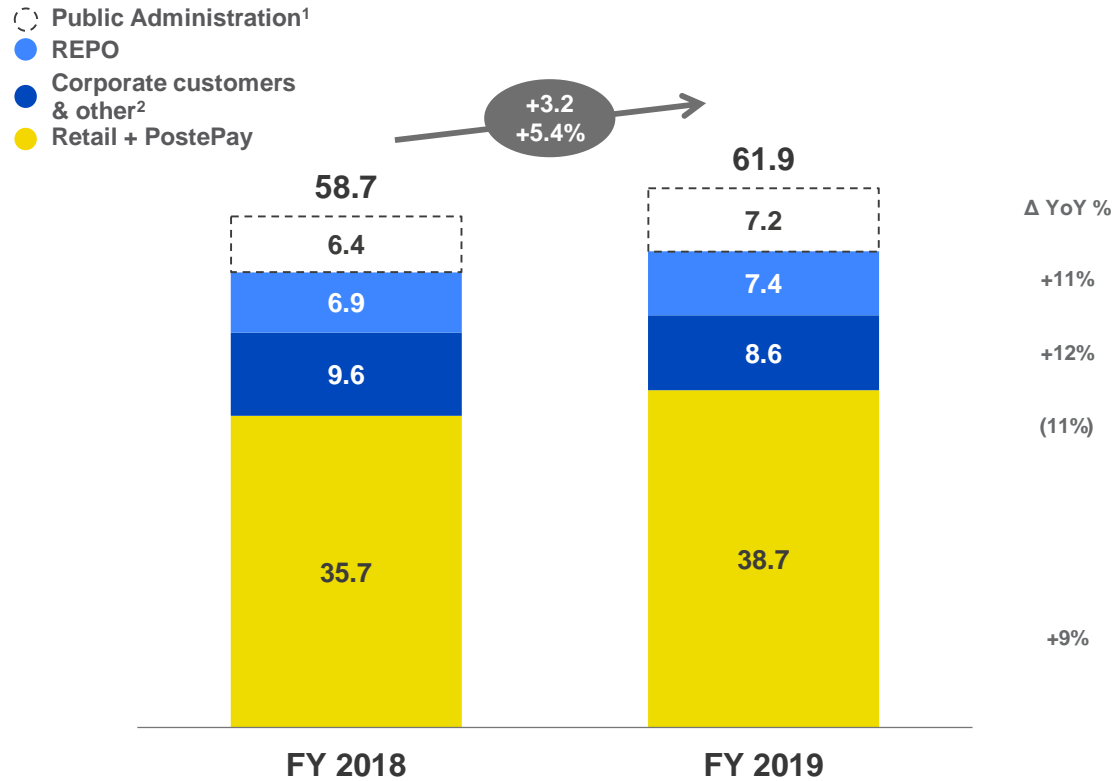
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

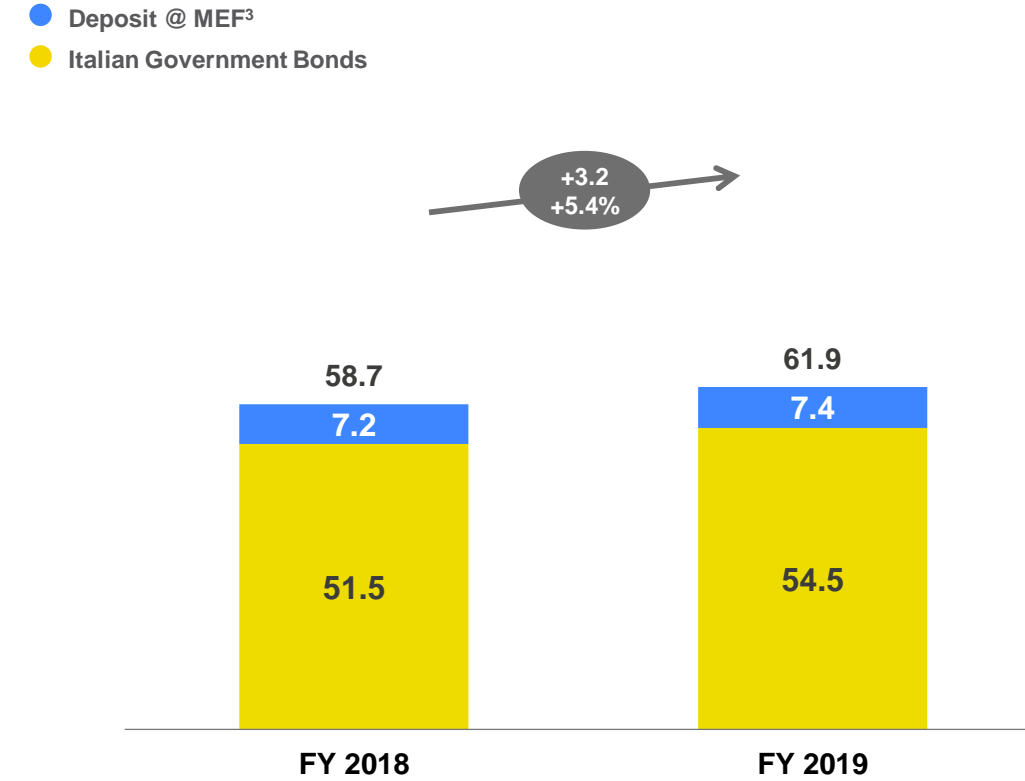


€ bn unless otherwise stated

AVERAGE CURRENT ACCOUNT DEPOSITS



AVERAGE INVESTMENT PORTFOLIO



Avg. return excl. cap. gains (%)⁴

2.62%

2.57%

Δ % YoY (5bps)

BTP investment ptf. duration (# of years)

5.2

5.5

BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

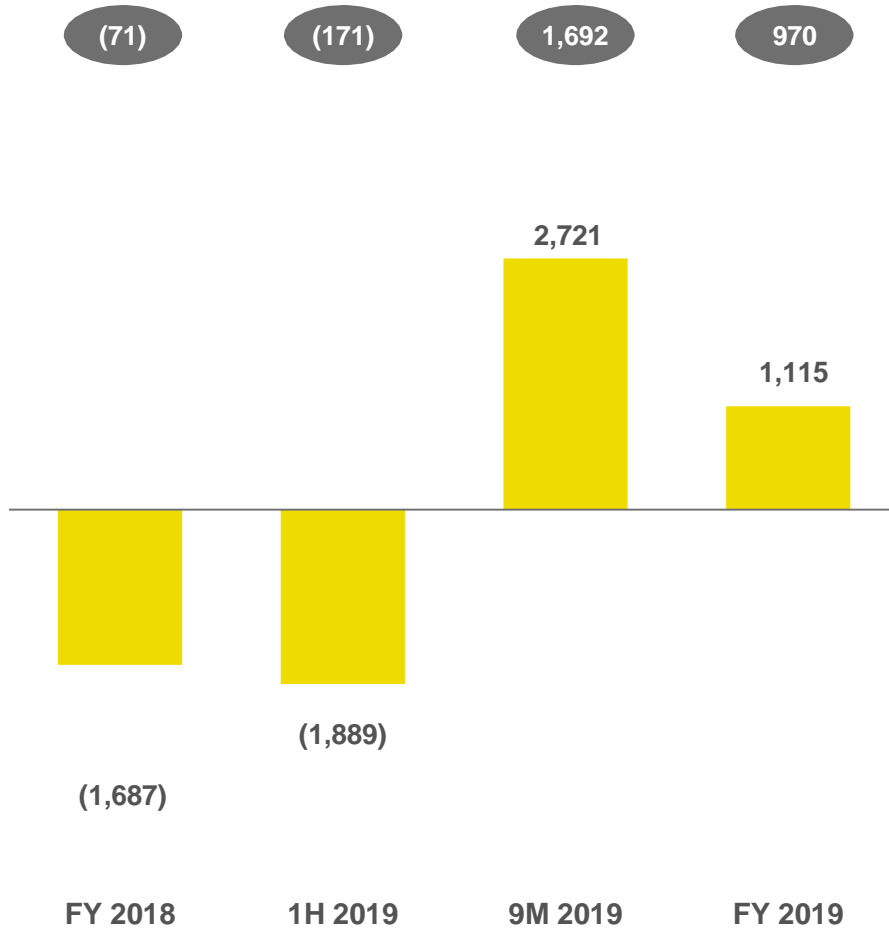
UNREALISED GAINS AT 1.1BN



€ m unless otherwise stated

UNREALISED GAINS/LOSSES

Fair Value reserve



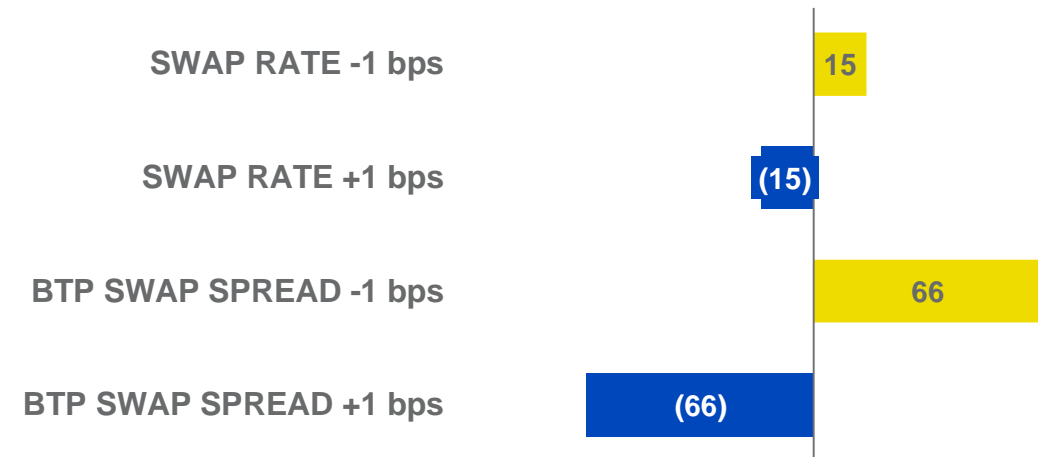
(71)

(171)

1,692

970

UNREALISED GAINS SENSITIVITIES¹



	FY 2018	1H 2019	9M 2019	FY 2019	Var (bps) FY19 vs 9M19
BTP 10Y	2.74	2.10	0.82	1.41	+0.59
SWAP 10Y	0.81	0.18	(0.15)	0.20	+0.35
BTP 15Y	3.03	2.55	1.37	1.89	+0.52
SWAP 15Y	1.17	0.49	0.07	0.46	+0.39
BTP 30Y	3.53	3.09	1.91	2.47	+0.56
SWAP 30Y	1.38	0.72	0.22	0.63	+0.41

GROUP TOTAL FINANCIAL ASSETS

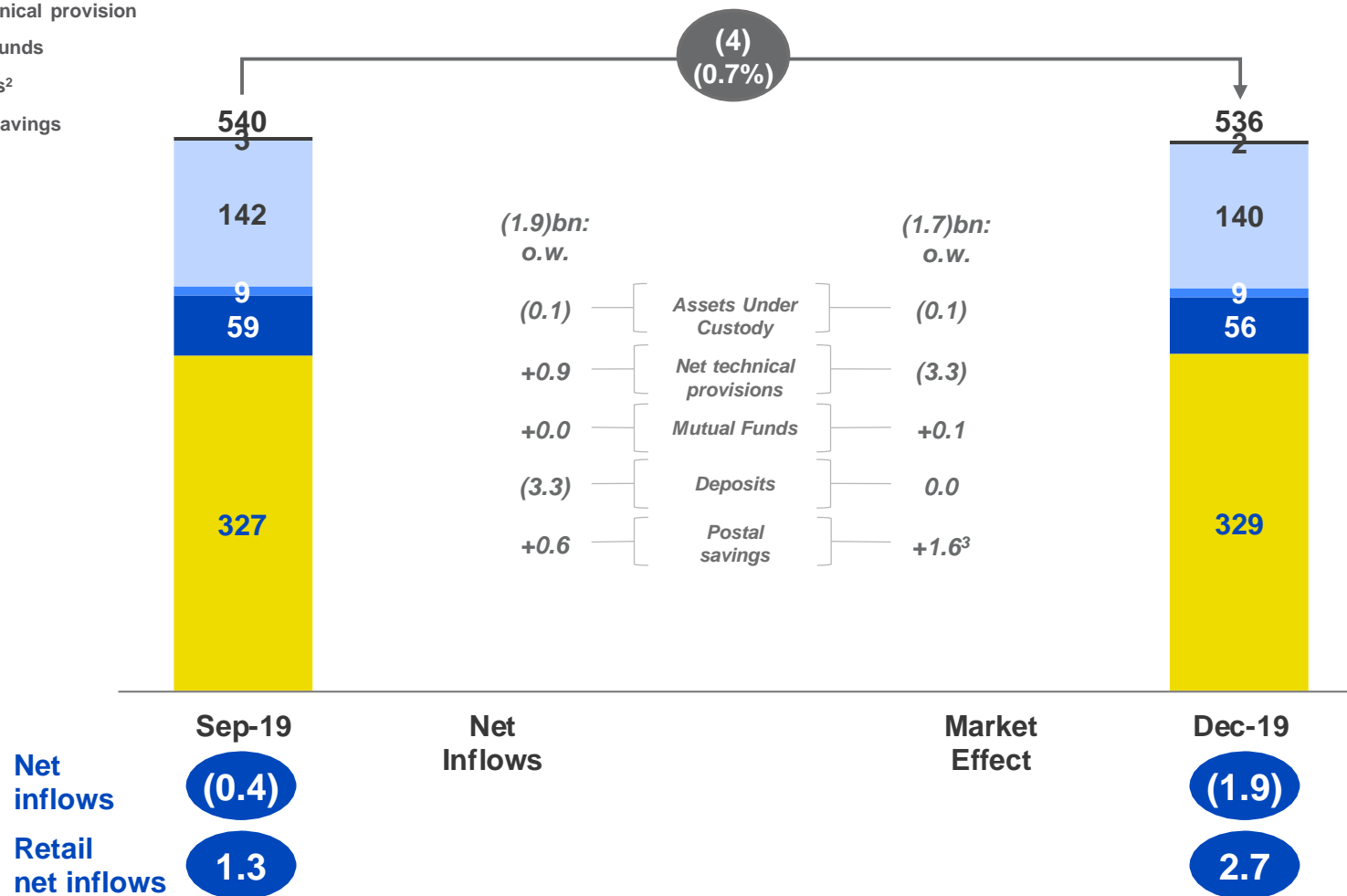
POSITIVE NET INFLOWS AND IMPROVED MIX CONFIRM EFFECTIVE COMMERCIAL STRATEGY



€ bn unless otherwise stated

TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



KEY HIGHLIGHTS

- TFAs down by 4bn vs. 3Q19
- Net inflows driven by:
 - Insurance products +0.9bn, supported by multiclass products
 - Postal savings distribution further improving in 2019, successfully weathering a low rate environment

1. End of period TFA
 2. Deposits do not include Repo and Poste Italiane liquidity
 3. Including interests accrued

POSTAL SAVINGS

NET INFLOWS AND DISTRIBUTION FEES ON TRACK WITH 2019 TARGETS

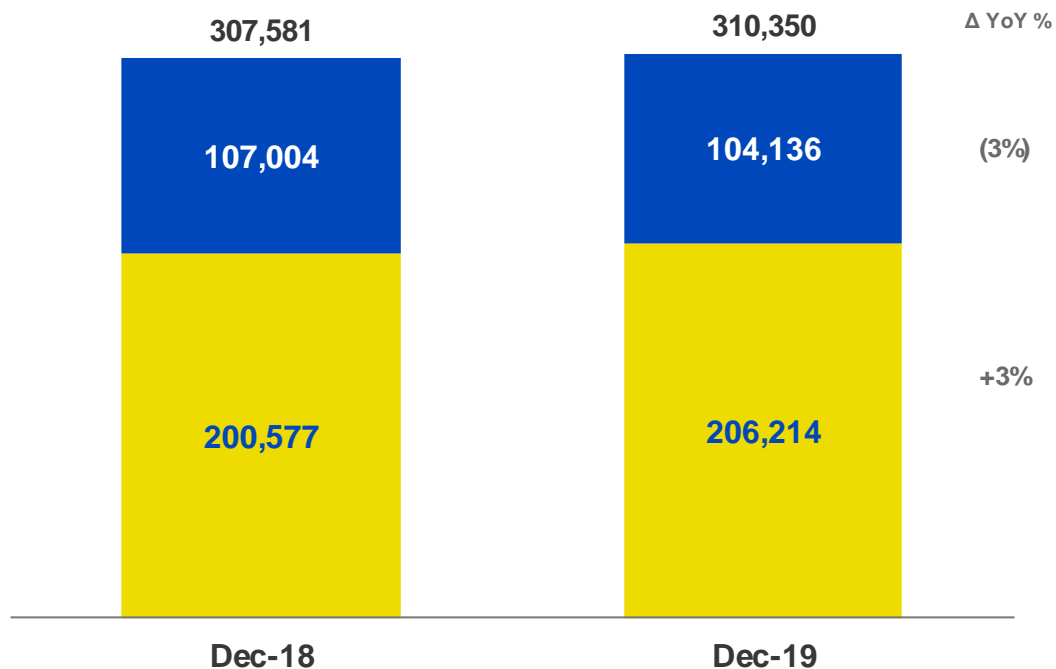
€ m unless otherwise stated



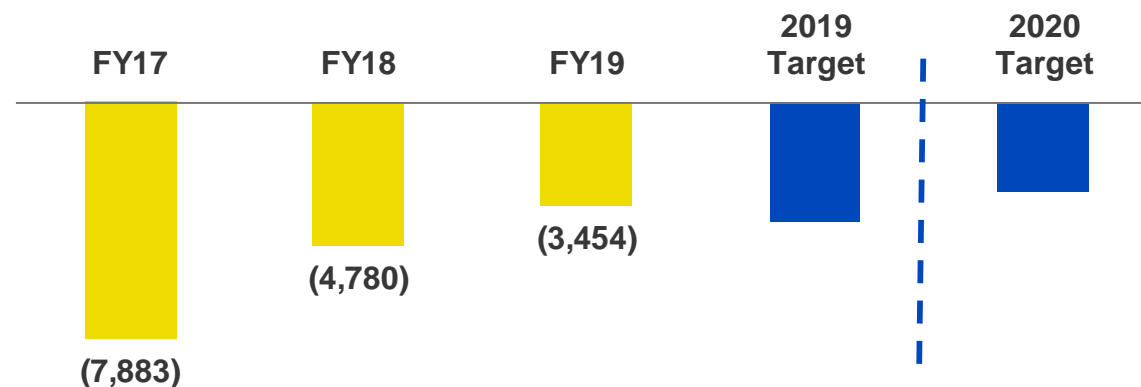
AVERAGE POSTAL SAVINGS

- Postal saving books
- Postal bonds

+2,770
0.9%



POSTAL SAVINGS NET INFLOWS



Target 2018-2020: average -4bn

ASSET MANAGEMENT PROGRESSING

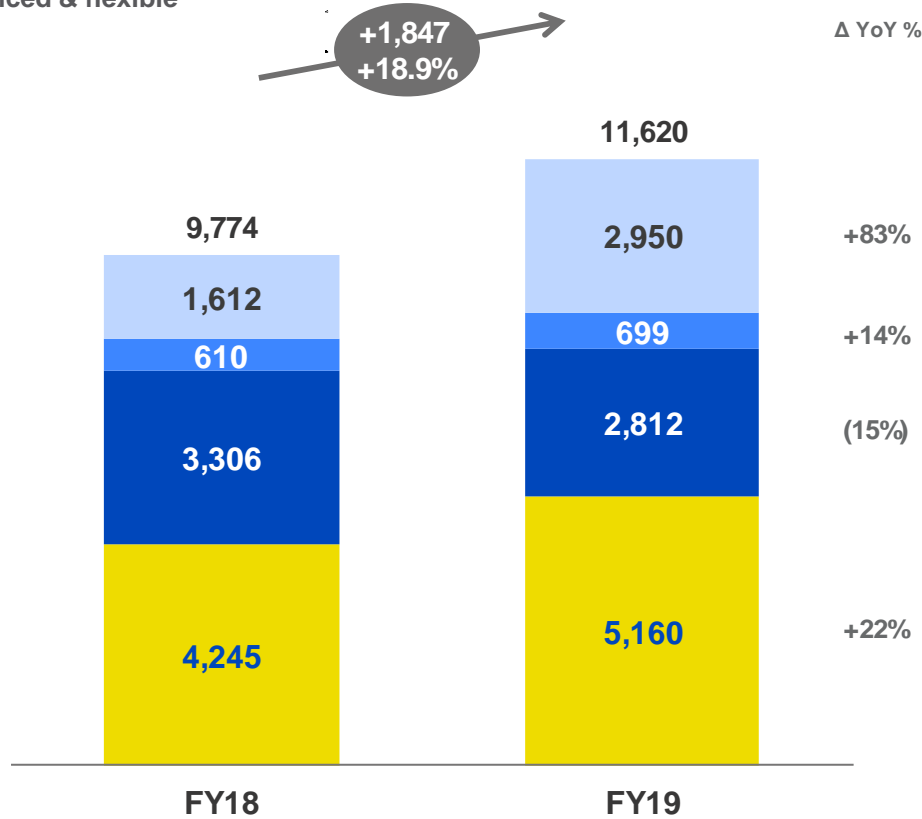
MULTICLASS INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES DRIVING AUM GROWTH

€ m unless otherwise stated

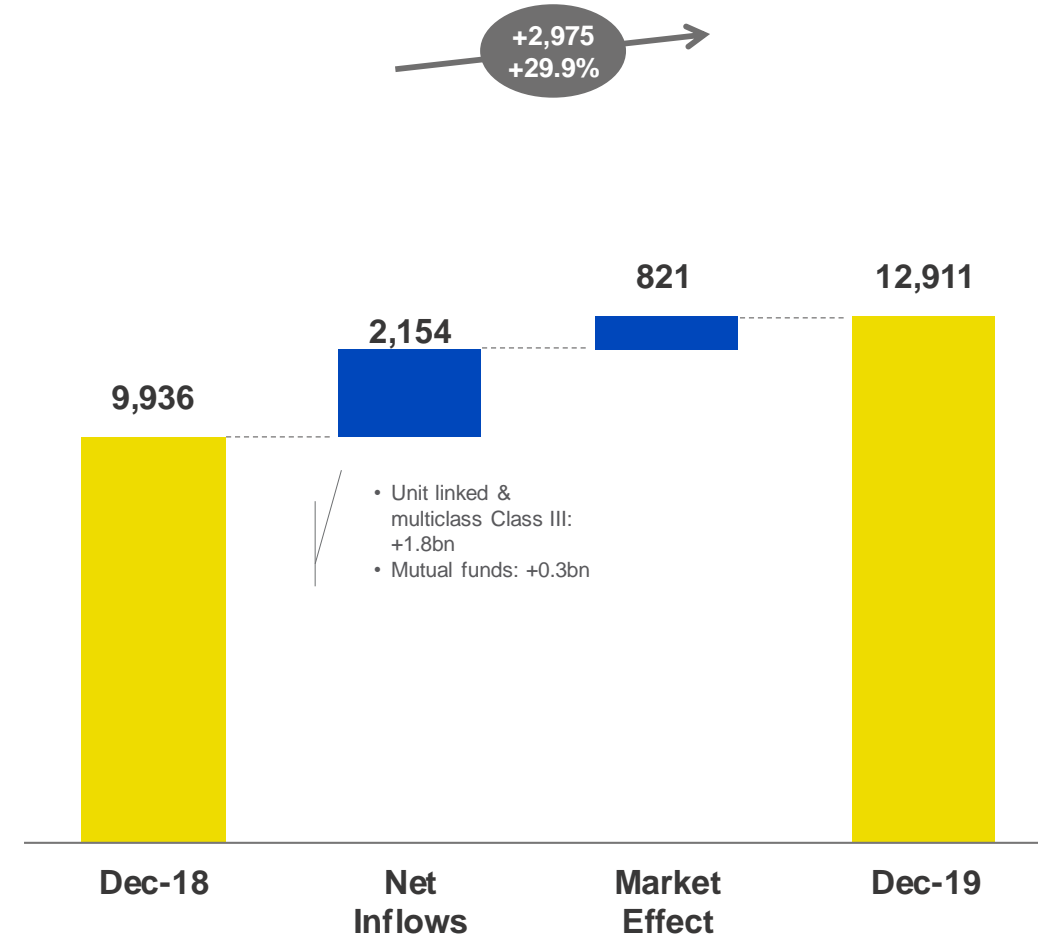


AVERAGE ASSET UNDER MANAGEMENT

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



ASSETS UNDER MANAGEMENT EVOLUTION¹



1. End of period Assets Under Management

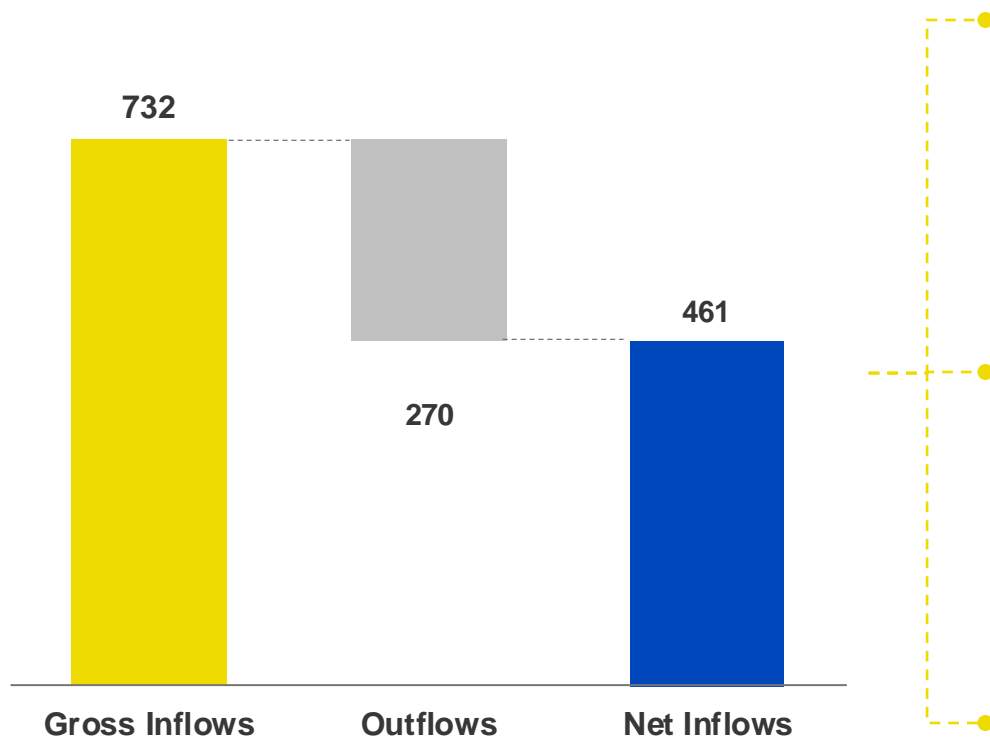
ASSET MANAGEMENT NET INFLOWS INCREASING IN Q4-19

INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES RESULTING IN POSITIVE NET INFLOWS



€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



MULTICLASS CLASS III¹



MUTUAL FUNDS



UNIT LINKED (CLASS III)

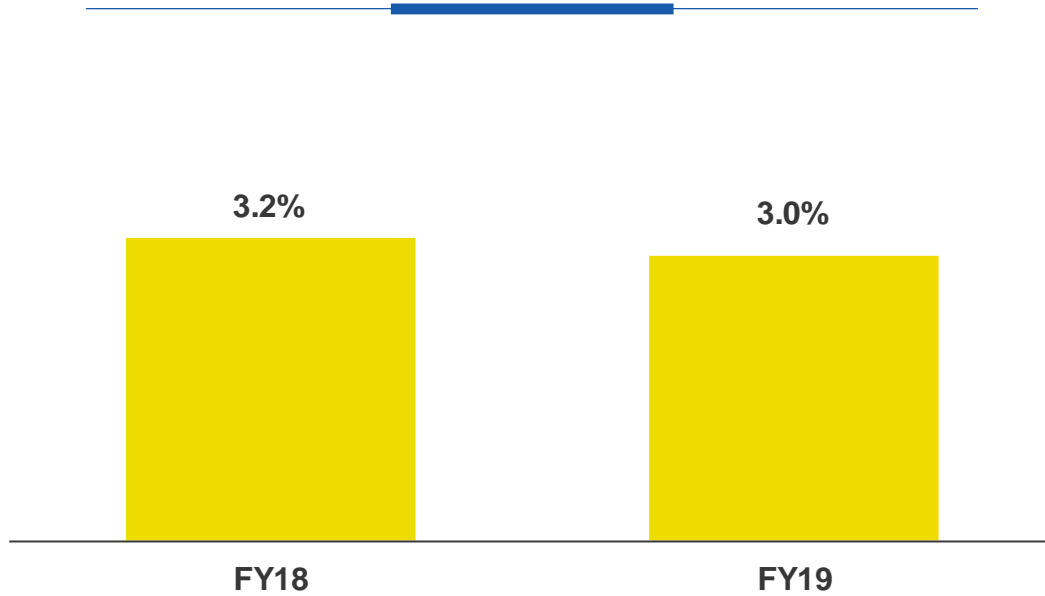


SOLID AND EFFICIENT CAPITAL POSITION IN BANCOPOSTA

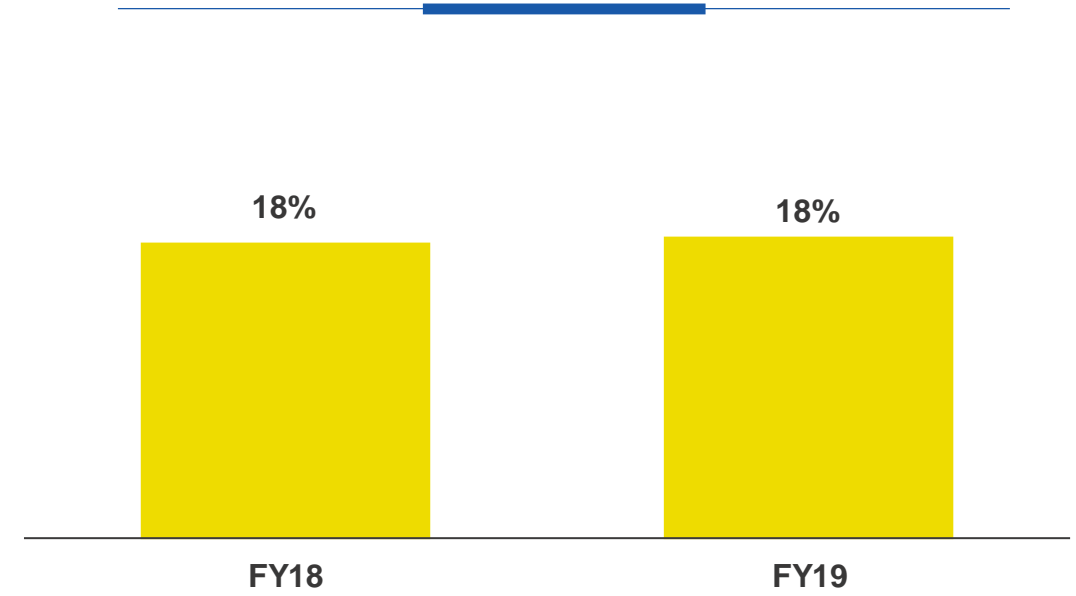
AN ASSET GATHERER WITH LOW BALANCE SHEET RISK



LEVERAGE RATIO



CET 1 RATIO



SOLVENCY II EVOLUTION

MANAGERIAL AMBITION CONFIRMED AT C. 200% THROUGH THE CYCLE

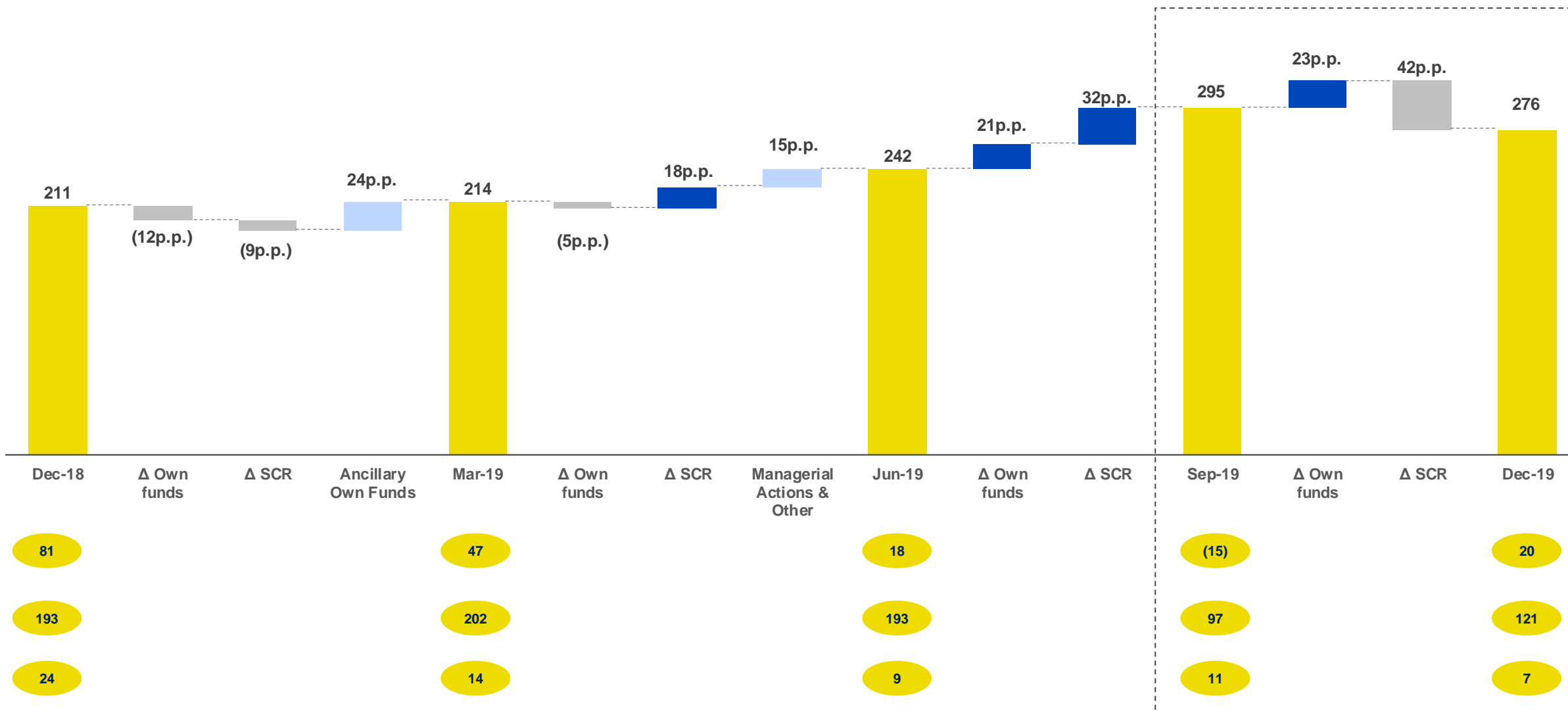


Q1 2019

Q2 2019

Q3 2019

Q4 2019

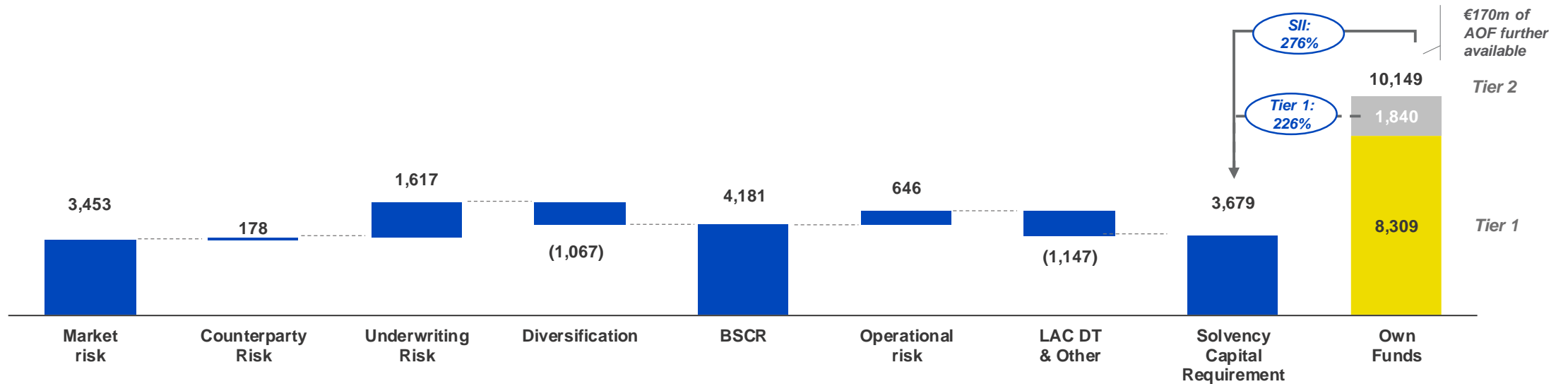


SOLVENCY II: OWN FUNDS TIERING AND SCR BREAKDOWN

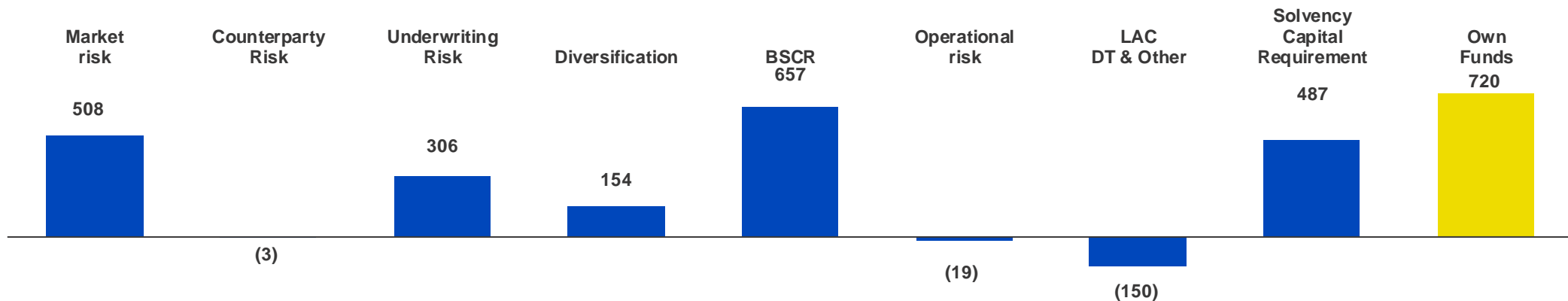
MANAGERIAL AMBITION CONFIRMED AT C. 200% THROUGH THE CYCLE



SOLVENCY II CAPITAL AND SOLVENCY II CAPITAL REQUIREMENT EVOLUTION (EUR M)



CHANGE VS. SEP. 2019 (EUR M)





TRANSITIONAL MEASURES

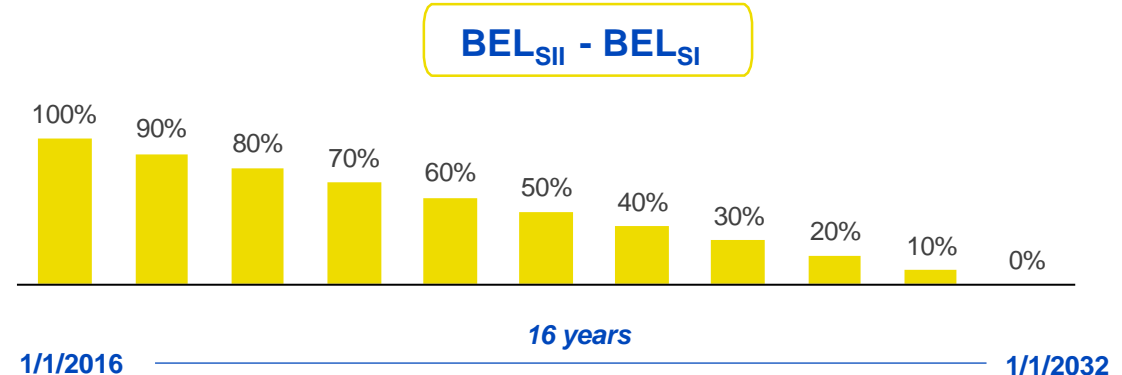
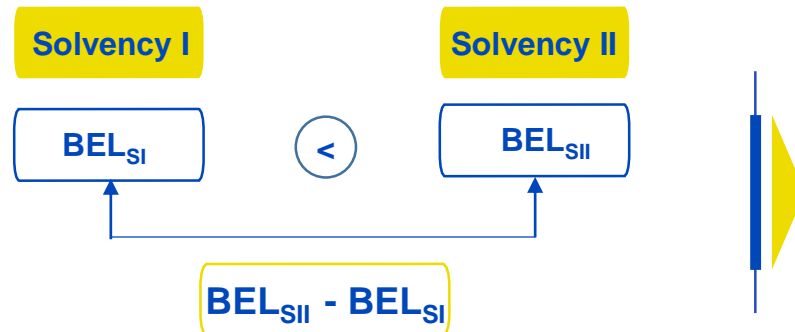
Regulatory capital measure introduced by 2014/51/EU Directive

DESCRIPTION

- Temporary deduction on SII Best Estimate Liabilities (BEL)
- Additional buffer to weather potential future volatility
- Long term benefit gradually phasing out by 2032

SCOPE AND CALCULATION

- Phase out of the positive difference in BEL until 2032



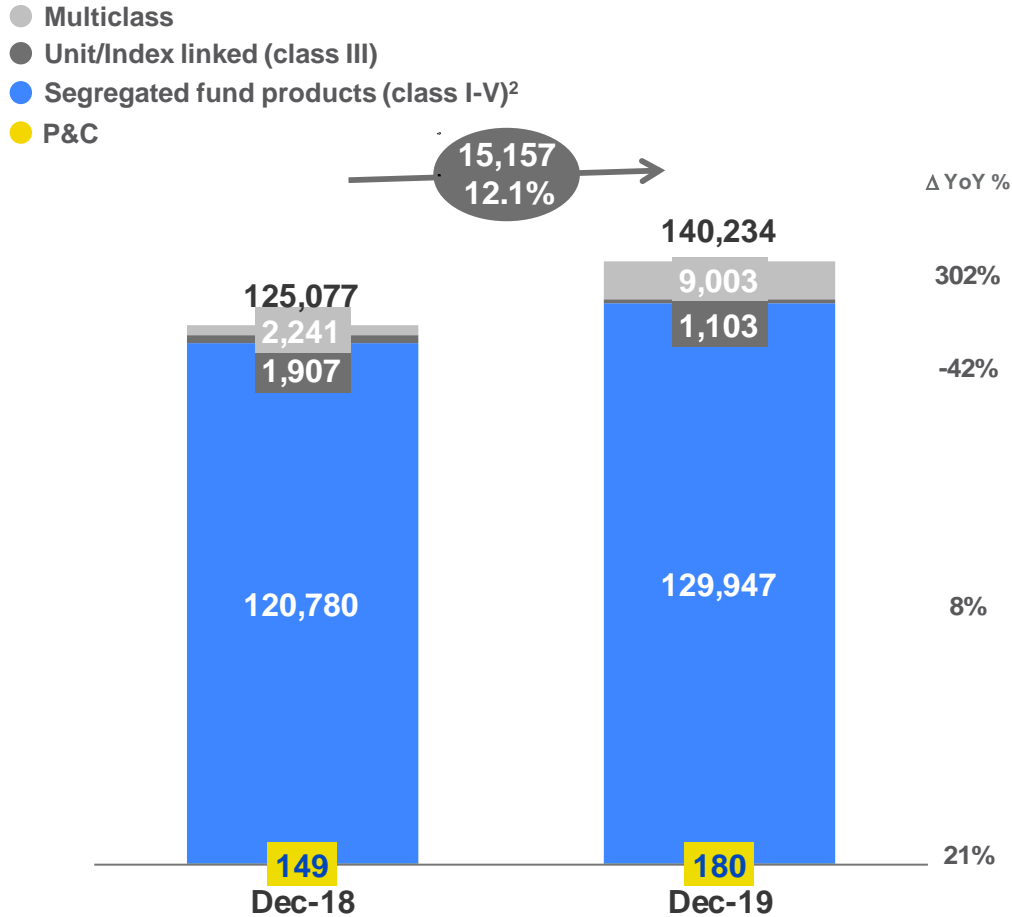
NET TECHNICAL PROVISIONS INCREASING WHILE CHANGING MIX

CONTINUED DIVERSIFICATION TOWARDS CAPITAL EFFICIENT PRODUCTS

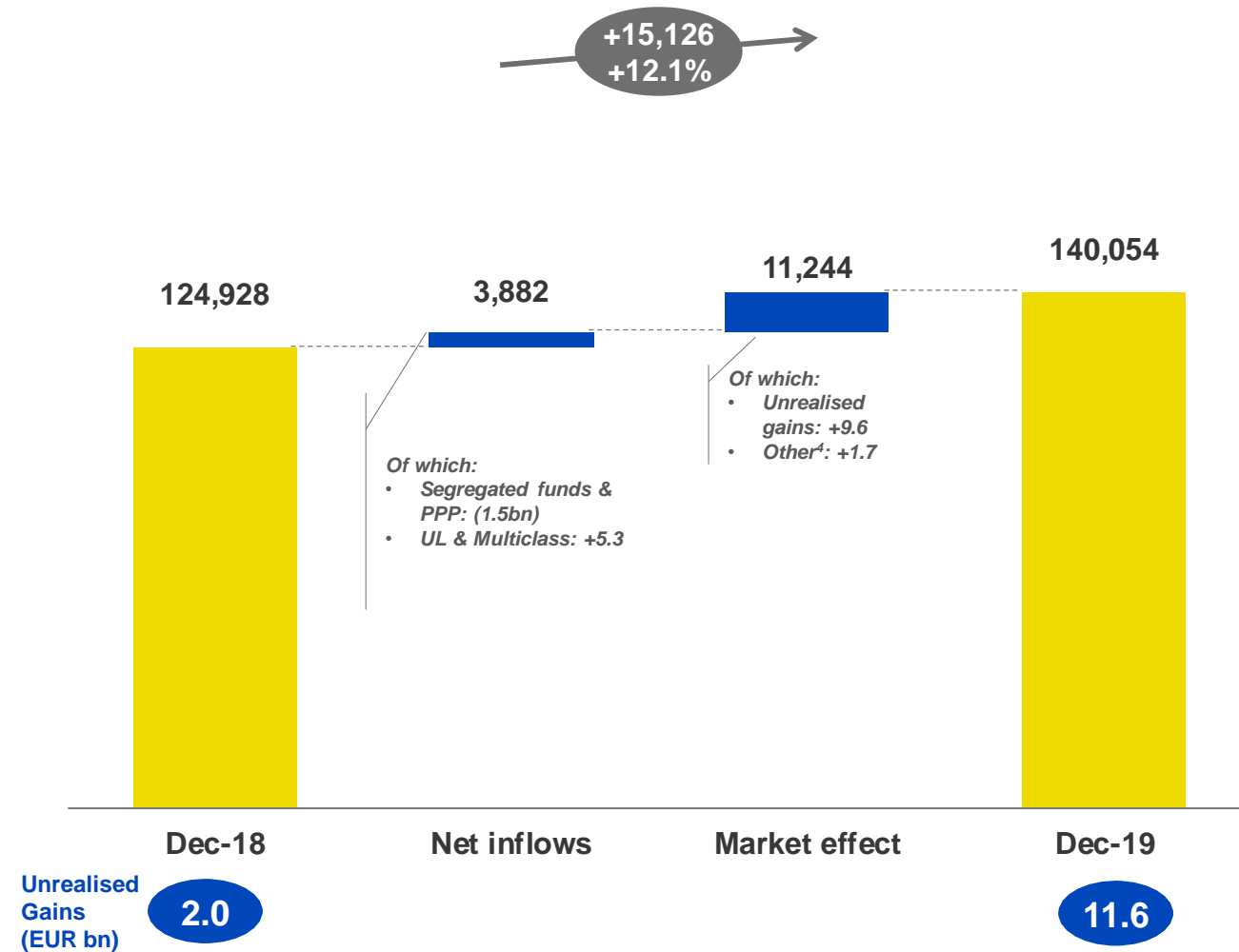


€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION³

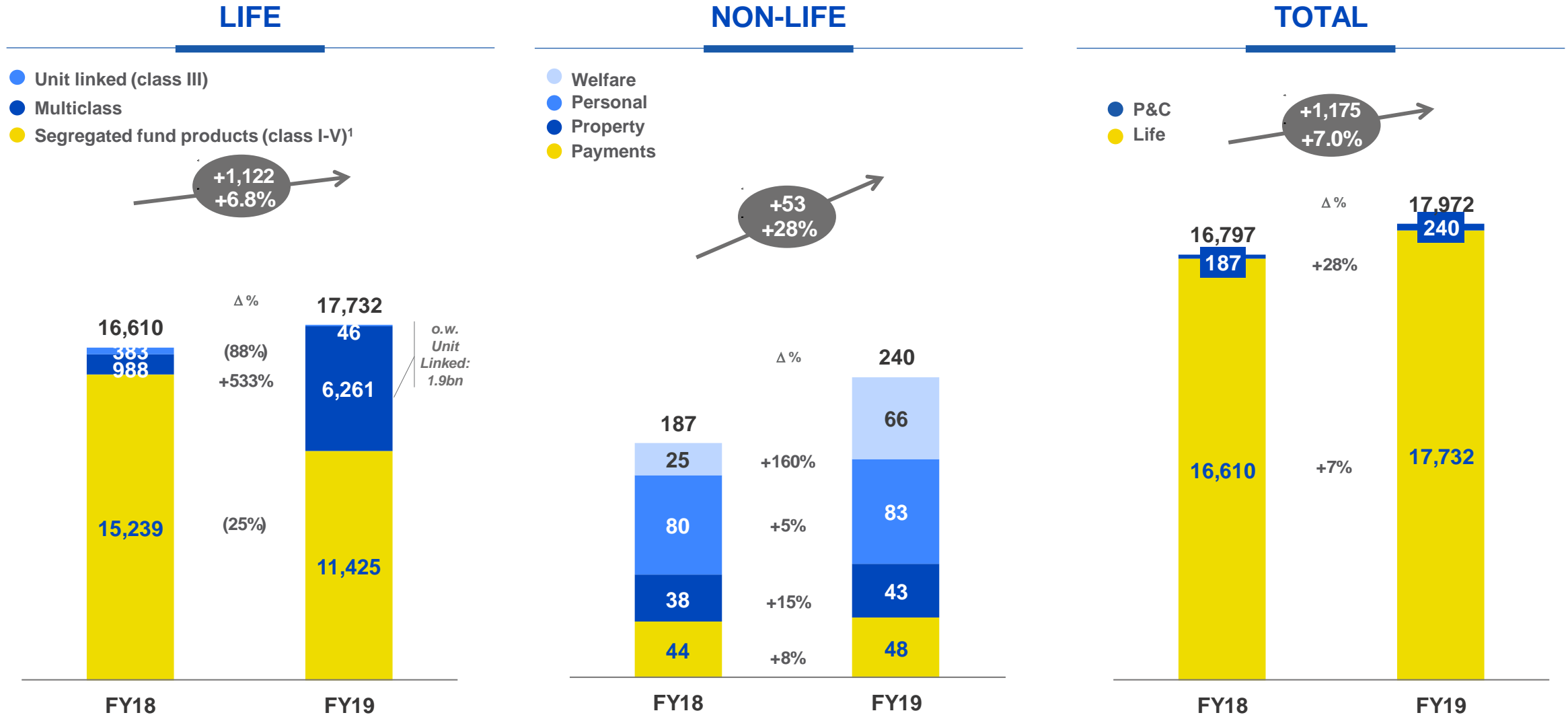


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN FY19

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



€ m unless otherwise stated

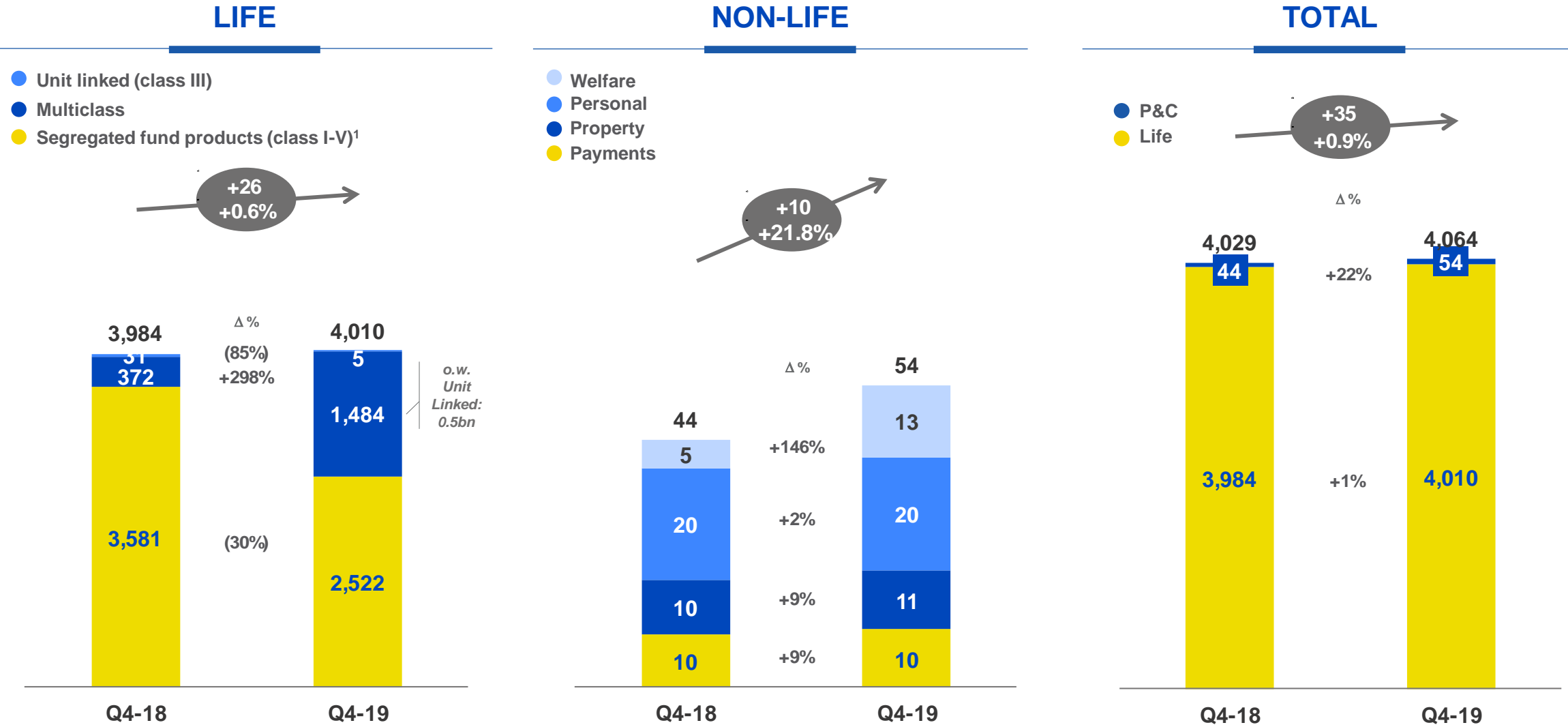


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN Q4-19

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



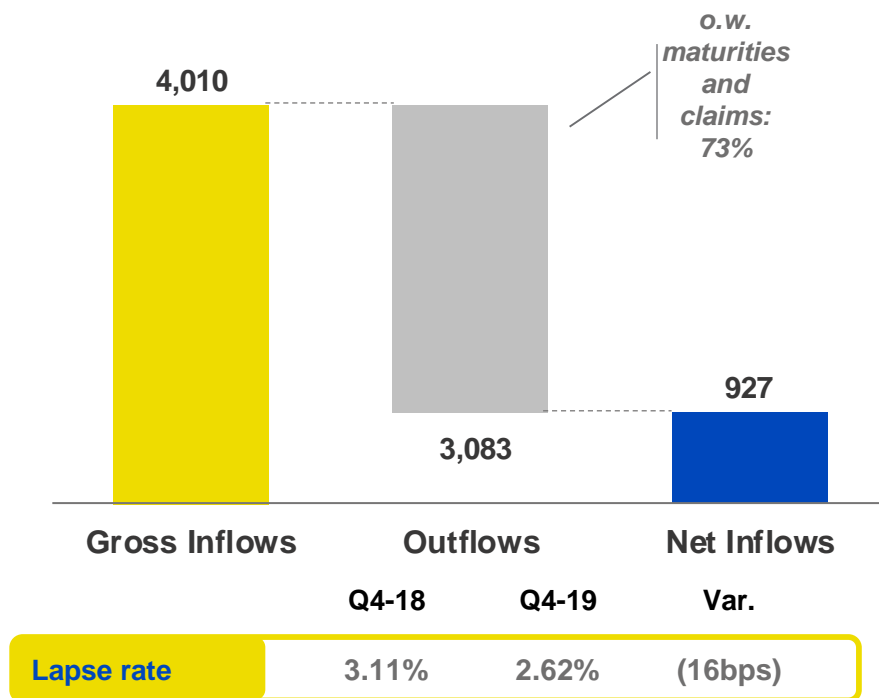
€ m unless otherwise stated





€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



UNIT LINKED (CLASS III)

Gross written premiums	5
Outflows	9
Net Outflows	(5)

MULTICLASS

Gross written premiums	1,484
Outflows	41
Net Inflows	1,443

SEGREGATED FUNDS & PPP¹

Gross written premiums	2,522
Outflows	3,032
Net Outflows	(511)

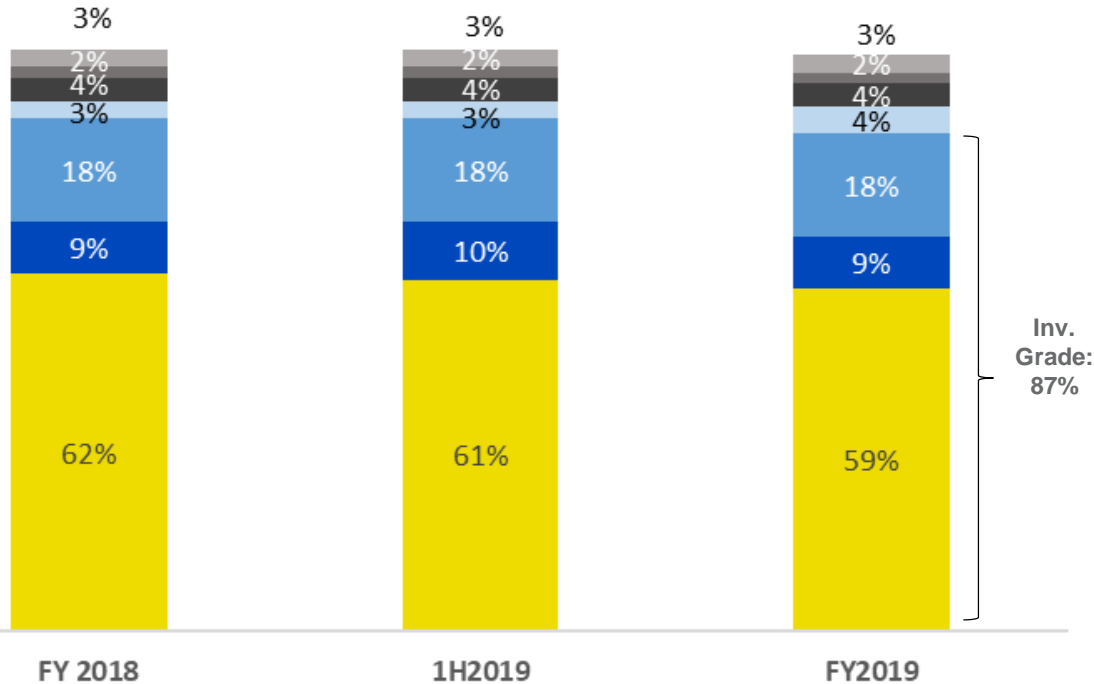
INSURANCE SERVICES

UNREALISED CAPITAL GAINS AT c.11.6BN



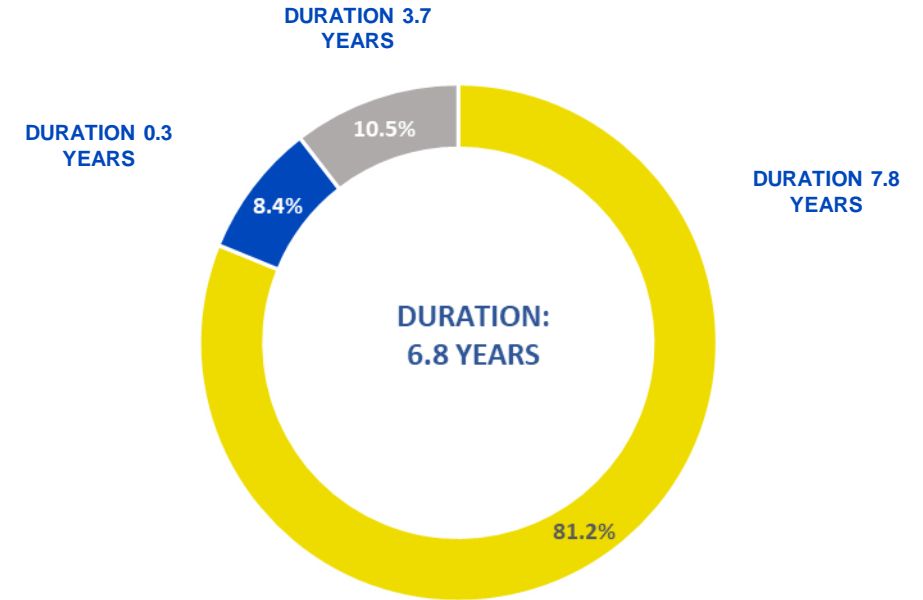
INVESTMENT PORTFOLIO BREAKDOWN

- Private markets
- Equity
- Emerging markets
- High yield
- Corporate bonds
- Global govies
- Italian Govies



FIXED INCOME BREAKDOWN BY RATE TYPE

- Inflation linked
- Floating
- Fixed income



	FY 2018	1H 2019	9M 2019	FY 2019	Var. YoY
Minimum guaranteed return (Class I) (%)	0.78%	0.72%	0.70%	0.67%	(14bps)
Asset return (%)	2.82%	2.36%	2.39%	2.38%	(16bps)

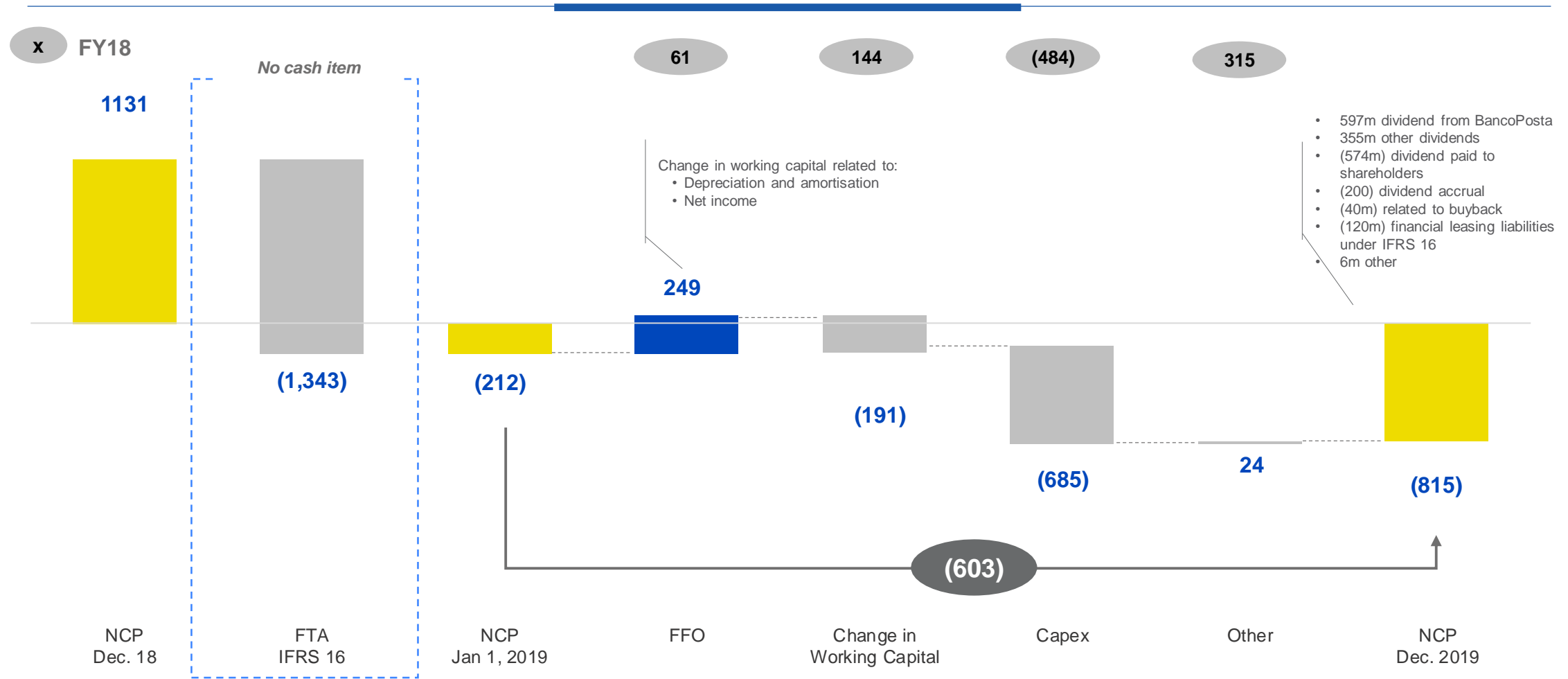
MAIL, PARCEL & DISTRIBUTION NET CASH POSITION

SOLID CASH POSITION IMPACTED BY THE FIRST TIME ADOPTION OF IFRS 16







€ m unless otherwise stated

NET CASH POSITION (+CASH – DEBT)



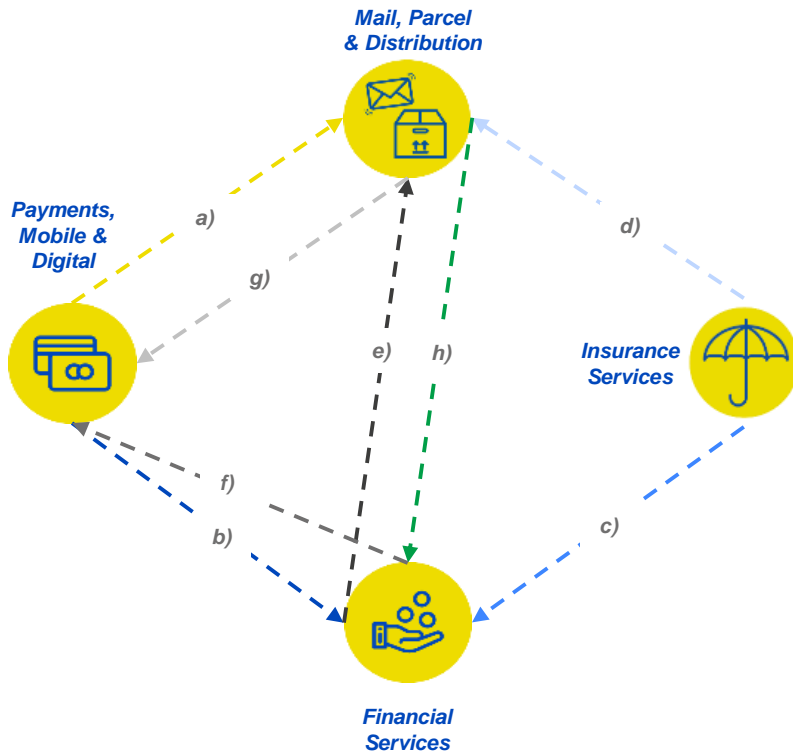
GROUP PERFORMANCE

MAIN KPIs

OPERATIONAL KPI's		Q4-18	Q4-19	Δ% YoY	FY18	FY19	Δ% YoY
 MAIL PARCEL & DISTRIBUTION	Mail Volumes (#m)	754	695	(8%)	2951	2735	(7%)
	Parcels delivered by mailmen (#m)	14	14	(1%)	45	52	+16%
	Parcel volumes (#m)	39	44	+14%	127	148	+16%
	B2C Revenues (€m)	98	125	+28%	301	383	+27%
 PAYMENTS, MOBILE & DIGITAL	PostePay cards (#m)				19.0	21.5	+13%
	<i>of which PostePay Evolution cards (#m)</i>				6.3	7.2	+15%
	Total payment cards transactions (#bn)				1.10	1.44	+31%
	<i>of which eCommerce transactions (#m)</i>				202	250	+24%
	Mobile & land-line (#m)				4.1	4.4	+8%
Digital e-Wallets (#m)				2.8	5.4	+91%	
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				514	536	+4%
	Product Sales (#m)				8.4	8.0	(5%)
	Unrealized gains (€m)				(1,687)	1,115	n.m.
 INSURANCE SERVICES	Gross Written Premiums (€m)	4,029	4,064	+1%	16,797	17,972	+7%
	GWP – Life (€m)	3,636	3,659	+1%	15,514	16,643	+7%
	GWP – Private Pension Plan (€m)	348	351	+1%	1,095	1,088	(1%)
	GWP – P&C (€m)	44	54	+22%	187	240	+28%

INTERSEGMENT COSTS AS OF FY 2019

INTERSEGMENT COST FLOWS



MAIN RATIONALE

INDICATIVE MAIN REMUNERATION SCHEME

€ m Δ Y/Y

<ul style="list-style-type: none"> • Payments, Mobile and Digital remunerates: 				
a)	Mail, Parcel and Distribution for providing IT, delivery volume and other corporates services ¹ ;	a)	Number of payment transactions x flat fee (depending on the product)	a) 222 (2%)
b)	Financial Services for promoting and selling card payments and other payments (e.g. tax payments) throughout the network;	b)	Fixed % of revenues	b) 195 +20%
				Total: 418
<ul style="list-style-type: none"> • Insurance Services remunerates: 				
c)	Financial Services for promoting and selling insurance products ² and for investment management services ³ ;	c)	Fixed % of upfront fees	c) 479 +7%
d)	Mail, Parcel and Distribution for providing corporate services ¹ ;	d)	Depending on service/product	d) 20 12%
				Total: 499
<ul style="list-style-type: none"> • Financial Services remunerates: 				
e)	Mail, Parcel and Distribution for promoting and selling Financial, Insurance and PMD products throughout the network and for proving corporate services ⁴ ;	e)	Fixed % (depending on the product) of revenues	e) 4,485 +2%
f)	Payments, Mobile and Digital for providing certain payment services ⁵	f)	Depending on service/product	f) 338 n.m.
				Total: 4,822
<ul style="list-style-type: none"> • Mail, Parcel and Distribution remunerates: 				
g)	Payments, Mobile and Digital for acquiring services and postman electronic devices	g)	Annual fee	g) 34 n.m.
h)	Financial Services as distribution fees related to «Bollettino DTT»	h)	Flat fee for each «Bollettino»	h) 38 4%
				Total: 72

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	Q4-18	Q4-19	Var.	Var.%	FY18	FY19	Var.	Var.%
Total revenues	2,913	2,949	36	+1%	10,864	11,038	174	+2%
of which:								
Mail, Parcel and Distribution	991	937	(54)	(5%)	3,580	3,492	(88)	(2%)
Payments, Mobile and Digital	158	187	29	+18%	592	664	71	+12%
Financial Services	1,342	1,376	34	+3%	5,221	5,213	(8)	(0%)
Insurance Services	422	450	28	+7%	1,470	1,669	199	+14%
Total costs	2,923	2,715	(207)	(7%)	9,366	9,264	(101)	(1%)
of which:								
Total personnel expenses	1,986	1,776	(211)	(11%)	6,137	5,896	(241)	(4%)
<i>of which personnel expenses</i>	<i>1,401</i>	<i>1,452</i>	<i>51</i>	<i>+4%</i>	<i>5,524</i>	<i>5,561</i>	<i>37</i>	<i>+1%</i>
<i>of which early retirement incentives</i>	<i>590</i>	<i>328</i>	<i>(262)</i>	<i>(44%)</i>	<i>619</i>	<i>342</i>	<i>(277)</i>	<i>(45%)</i>
<i>of which legal disputes with employees</i>	<i>(5)</i>	<i>(5)</i>	<i>0</i>	<i>+4%</i>	<i>(5)</i>	<i>(6)</i>	<i>(1)</i>	<i>(15%)</i>
Other operating costs	773	740	(33)	(4%)	2,659	2,594	(65)	(2%)
Depreciation, amortisation and impairments	164	200	36	+22%	570	774	205	+36%
EBIT	(10)	234	244	n.m.	1,499	1,774	275	+18%
EBIT Margin	(0%)	7.9%			13.8%	16.1%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	(52)	76	128	n.m.	(8)	99	107	n.m.
Profit before tax	(62)	310	372	n.m.	1,490	1,873	382	+26%
Income tax expense	(404)	51	455	n.m.	92	530	439	n.m.
Profit for the period	343	259	(83)	(24%)	1,399	1,342	(56)	(4%)

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS



€m	Q4-18	Q4-19	Var.	Var.%	FY18	FY19	Var.	Var.%
Segment revenue	991	937	(54)	(5%)	3,580	3,492	(88)	(2%)
Intersegment revenue	1,105	1,219	114	+10%	4,630	4,723	93	+2%
Total revenues	2,096	2,156	60	+3%	8,210	8,215	5	+0%
Personnel expenses	1,961	1,746	(215)	(11%)	5,989	5,782	(208)	(3%)
<i>of which personnel expenses</i>	1,372	1,418	47	+3%	5,381	5,442	60	+1%
<i>of which early retirement incentives</i>	589	328	(262)	(44%)	608	340	(268)	(44%)
Other operating costs	574	557	(17)	(3%)	2,056	1,985	(71)	(3%)
Intersegment costs	16	18	2	+10%	67	72	5	+7%
Total costs	2,551	2,321	(230)	(9%)	8,112	7,838	(274)	(3%)
EBITDA	(455)	(165)	290	+64%	98	377	279	n.m.
Depreciation, amortisation and impairments	152	186	34	+22%	528	724	196	+37%
EBIT	(608)	(351)	256	+42%	(430)	(347)	83	+19%
EBIT MARGIN	(0%)	(0%)			(0%)	(0%)		
Finance income/(costs)	(15)	(43)	(28)	n.m.	(31)	(36)	(5)	(17%)
Profit/(Loss) before tax	(622)	(394)	228	+37%	(462)	(384)	78	+17%
Income tax expense	(155)	(98)	57	+37%	(89)	(77)	12	+13%
Profit for the period	(467)	(296)	171	+37%	(372)	(306)	66	+18%

PAYMENTS, MOBILE & DIGITAL

PROFIT & LOSS



€m	Q4-18	Q4-19	Var.	Var.%	FY18	FY19	Var.	Var.%
Segment revenue	158	187	29	+18%	592	664	71	+12%
Intersegment revenue	94	94	(0)	(0%)	360	375	16	+4%
Total revenues	252	280	28	+11%	952	1,039	87	+9%
Personnel expenses	8	8	(0)	(1%)	31	31	1	+3%
<i>of which personnel expenses</i>	8	7	(0)	(4%)	31	31	1	+2%
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	0	0	n.m.
Other operating costs	89	101	12	+14%	304	322	17	+6%
Intersegment costs	101	103	2	+2%	390	418	28	+7%
Total costs	197	212	15	+7%	725	771	46	+6%
EBITDA	55	68	14	+25%	227	268	41	+18%
Depreciation, amortisation and impairments	6	7	1	+10%	24	27	3	+13%
EBIT	48	61	13	+27%	203	241	38	+19%
EBIT MARGIN	19%	22%			21%	23%		
Finance income/(costs)	2	93	91	n.m.	4	99	95	n.m.
Profit/(Loss) before tax	51	155	104	n.m.	208	340	133	+64%
Income tax expense	14	17	3	n.m.	55	68	14	+26%
Profit for the period	36	138	101	n.m.	153	272	119	+77%



€m	Q4-18	Q4-19	Var.	Var.%	FY18	FY19	Var.	Var.%
Segment revenue	1,342	1,376	34	+3%	5,221	5,213	(8)	(0%)
Intersegment revenue	161	177	17	+10%	649	712	63	+10%
Total revenues	1,503	1,553	50	+3%	5,871	5,926	55	+1%
Personnel expenses	8	11	3	+35%	80	43	(36)	(45%)
<i>of which personnel expenses</i>	8	11	3	+39%	70	42	(28)	(40%)
<i>of which early retirement incentives</i>	1	0	(0)	(19%)	10	2	(8)	(83%)
Other operating costs	85	44	(41)	(48%)	214	186	(28)	(13%)
Depreciation, amortisation and impairments	0	(0)	(0)	n.m.	0	0	(0)	(77%)
Intersegment costs	1,135	1,251	116	+10%	4,718	4,822	105	+2%
Total costs	1,228	1,306	77	+6%	5,011	5,052	40	+1%
EBIT	274	248	(27)	(10%)	859	874	15	+2%
EBIT MARGIN	18%	16%	(0)	(13%)	15%	15%		
Finance income/(costs)	(40)	11	50	n.m.	(32)	6	38	n.m.
Profit/(Loss) before tax	234	258	24	+10%	827	881	53	+6%
Income tax expense	44	58	13	+30%	210	240	30	+14%
Profit for the period	190	200	10	+5%	617	640	23	+4%

INSURANCE SERVICES

PROFIT & LOSS



€m	Q4-18	Q4-19	Var.	Var.%	FY18	FY19	Var.	Var.%
Segment revenue	422	450	28	+7%	1,470	1,669	199	+14%
Intersegment revenue	0	0	(0)	(27%)	2	1	(1)	(64%)
Total revenues	423	450	28	+7%	1,472	1,670	197	+13%
Personnel expenses	10	11	1	+15%	38	40	2	+6%
<i>of which personnel expenses</i>	9	11	2	+21%	37	40	3	+9%
<i>of which early retirement incentives</i>	0	0	(0)	n.m.	1	0	(1)	(100%)
Other operating costs	25	39	14	+54%	84	102	17	+21%
Depreciation, amortisation and impairments	5	6	1	+26%	17	24	6	+37%
Intersegment costs	108	118	10	+10%	467	499	32	+7%
Total costs	147	174	27	+18%	606	664	58	+10%
EBIT	275	276	1	+0%	866	1,006	140	+16%
EBIT MARGIN	65%	61%			59%	60%		
Finance income/(costs)	1	15	14	n.m.	51	30	(21)	(41%)
Profit/(Loss) before tax	276	291	15	+6%	917	1,035	119	+13%
Income tax expense	(308)	73	382	n.m.	(84)	298	383	n.m.
Profit for the period	584	218	(366)	(63%)	1,001	737	(264)	(26%)

DISCLAIMER

This presentation contains certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

These forward-looking statements are made as of the date of this presentation and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or precisely estimate, including, but not limited to, changes in the legislative and regulatory framework, market developments and price fluctuations.

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

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