Commitment with Purpose

Consolidated Results **2024**

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CTT - Correios de Portugal, S.A.
2024 Consolidated Results

In 2024 (FY24), **revenues**[1] reached €1,107.3m (+€122.1m; +12.4% y.o.y[2]), reflecting a record performance of Express & Parcels (E&P), a significant growth in Banco CTT (which has already surpassed the targets set for 2025) and an upturn in Mail & Other and Financial Services in 4Q24. In 2024, the E&P segment was the one that contributed most to the revenues of CTT, an e-commerce logistics player in Iberia.

- **Logistics** totalled €949.6m in FY24 (+19.6% y.o.y), accounting for 86% of CTT's total revenues.
  - **Express & Parcels** (E&P) achieved €479.0m in revenues, corresponding to an increase of 40.6% y.o.y, marked by record volumes (+40.9% y.o.y) and revenue.
- **Bank & Financial Services** reached €157.6m (-17.5% y.o.y). The Bank recorded strong growth, reaching business volumes that exceed the target of €7bn announced for 2025 in CMD2022[3]. In Financial Services there was a lower placement of public debt, although figures returned to normal levels in 4Q24.

Recurring EBIT reached €85.1m in FY24 (-€2.4m; -2.7% y.o.y), with a margin of 7.7%.

- **Logistics** totalled €44.3m in FY24 (+46.4% y.o.y). This performance was driven by E&P that reached €36.1m (+82.9% y.o.y), underpinned by the operating leverage resulting from the relevant increase in volumes (>141m items delivered) and revenue.
- **Bank & Financial Services** recorded €40.8m (-28.7% y.o.y). Banco CTT reached €26.6m, an increase of 26.2% y.o.y. Financial Services (-60.6% y.o.y.) reflected the lower volume of public debt placements in the 9M24, which returned to normal levels in 4Q24.

Operating cash flow stood at €93.9m in 2024 (compared to €114.4m in 2023). It should be noted that in 4Q24 there was a strong cash flow generation (€64.8m; +€26.6m compared to 4Q23). Excluding Banco CTT, the operating cash flow grew by 6.7% to €70.3m (in 4Q24 it amounted to €68.9m, +€49.5m compared to 4Q23).

Net profit[4] of €45.5m in FY24 (-€15.0m vs. FY23).

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues[1]	**985.2**	**1,107.3**	**122.1**	**12.4%**	**269.8**	**315.0**	**45.2**	**16.8%**
Logistics	794.1	949.6	155.6	19.6%	227.2	271.0	43.8	19.3%
Express & Parcels	340.6	479.0	138.4	40.6%	111.1	148.5	37.4	33.7%
Bank & Financial Services	191.1	157.6	(33.5)	(17.5%)	42.6	44.0	1.4	3.4%
Operating costs	**833.3**	**947.0**	**113.6**	**13.6%**	**233.5**	**265.3**	**31.8**	**13.6%**
EBITDA[1]	**151.9**	**160.3**	**8.4**	**5.5%**	**36.3**	**49.7**	**13.4**	**37.0%**
Depreciation & amortisation	64.3	75.1	10.8	16.8%	16.8	19.2	2.4	14.4%
Recurring EBIT	**87.6**	**85.1**	**(2.4)**	**(2.7%)**	**19.5**	**30.5**	**11.0**	**56.5%**
Logistics	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
Express & Parcels	19.7	36.1	16.4	82.9%	7.7	12.0	4.4	57.0%
Bank & Financial Services	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
EBIT	**77.8**	**73.8**	**(4.0)**	**(5.1%)**	**20.7**	**25.8**	**5.1**	**24.7%**
Net profit for the period[3]	**60.5**	**45.5**	**(15.0)**	**(24.7%)**	**25.0**	**17.8**	**(7.2)**	**(28.8%)**

	31.12.2023	31.12.2024	Δ	Δ%
Equity	253.3	308.3	55.0	21.7%
Net Debt	(39.0)	(68.1)	(29.2)	(74.8%)
Net debt with Banco CTT under equity method	177.3	205.8	28.5	16.0%
Net debt/EBITDA (LTM) with Banco CTT under equity method	1.4	1.6	0.2	14.0 %

[1] Excluding specific items.
[2] y.o.y - year on year.
[3] Capital Markets Day 2022
[4] Consolidated, attributable to equity holders. In individual accounts, net profit attributable to equity holders amounted to €45.5m.

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Operational Performance

1. Operational Performance

Logistics

Logistics revenues totalled €949.6m in FY24 (+ €155.6m; +19.6% y.o.y). This performance was underpinned by the growth of Express & Parcels (+40.6% y.o.y).

E&P has thus surpassed the Mail & Other business and became the most relevant area for CTT, including in revenues.

€ million

Logistics	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	794.1	949.6	155.6	19.6%	227.2	271.0	43.8	19.3%
Operating costs	706.9	838.7	131.8	18.7%	202.8	236.8	34.0	16.8%
EBITDA	87.2	110.9	23.7	27.2%	24.5	34.3	9.8	39.9%
Recurring EBIT	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
EBIT	20.6	33.1	12.5	60.5%	10.8	12.7	1.9	18.0%

Express & Parcels

Express & Parcels **revenues** broke records, amounting to €479.0m in FY24 (+€138.4m; +40.6% y.o.y), with volumes exceeding 141 million items (+40.9% y.o.y). The results confirm the trust placed in the company by its customers, reflecting the quality of the service offered, a differentiating factor compared to the competition that contributes to the continuous increase in volumes entrusted to CTT.

The results confirm the trust placed in the company by its customers, reflecting CTT's quality of service.

2024 was marked by the uniformisation of the business in Spain and Portugal, and the creation of an Iberian offer. This included standardising the product portfolio, the commercial approach, customer segmentation and pricing methodology. Commercial coordination between Portugal and Spain was also strengthened in the management of international key accounts. This standardisation is crucial, given that most clients operate throughout the Iberian Peninsula and therefore prefer an integrated service that covers the entire economic region.

The expansion of the E&P segment is the result of the growing adoption of e-commerce and the gain in market share, which reflects investments in the expansion and capacity of the network, the extension and differentiation of the portfolio of services offered and the quality of delivery. In order to continue its strategic growth and expansion plan, at the end of 2024, the CTT group announced the purchase of the Spanish company Cacesa and a partnership with DHL.

At the end of 2024, the CTT group announced the purchase of the Spanish company Cacesa and a partnership with DHL for e-commerce in Iberia.

CACESA specialises in international e-commerce customs clearance, using a highly automated platform and a proprietary software-based model that allows for profitable and scalable growth. It is present in 15 countries, with Spain, Italy, Belgium and Poland being its main markets.

From a strategic perspective, against a backdrop where marketplaces are progressively integrating more activities, this acquisition aligns perfectly with CTT's strategic roadmap of establishing itself as a leading e-commerce logistics player as it will (i) increase CTT's presence in the cross-border e-commerce flows, which are expected to grow at double digit over the coming years; (ii) strengthen CTT's foothold in customs clearance, which is a critical step in cross-border fulfilment and in forward-located inventory; (iii) reinforce CTT's value proposition for its customers with a wider scope of services; (iv) expand CTT's geographical footprint across Europe, thus providing optionality to expand in the last mile segment by targeting high margin and high return routes; (v) capture sizeable operational synergies with low materialisation risk; and (vi) accelerate CTT's business transformation with an increasing focus on e-commerce logistics and CEP activities.

The strategic partnership with DHL is poised to generate efficiencies and address the growth opportunities of the e-commerce and parcel delivery markets across Spain and Portugal which, combined, form the fourth largest market in Europe[5] and to generate operating efficiencies.

To crystallise the partnership, (i) CTT Expresso will fully acquire DHL Parcel Portugal; (ii) CTT will acquire an indirect 25% stake in DHL Parcel Iberia; and (iii) DHL will acquire a 25% stake in CTT Expresso. Both Parties will grant each other an option to increase, in the future and upon the fulfilment of certain conditions, their mutual shareholdings up to a stake of 49% in the respective companies.

In Spain, CTT Express, the Spanish subsidiary of CTT Expresso, will focus on B2C services, while DHL eCommerce in Spain will handle B2B operations, creating highly efficient networks for parcel processing and last-mile distribution, thus improving the customer experience throughout the Iberian Peninsula.

In the international/cross-border segment, a key source of future e-commerce growth, this partnership will leverage cross-border flows in Europe and inbound flows from the USA by combining DHL's cross-border expertise with CTT's wide Iberian e-commerce last-mile network. In the Iberian B2C market, the combination of DHL's well recognised brand with CTT's competitive B2C operation will fuel additional penetration in large Iberian accounts.

The Joint Venture will combine (i) the network of CTT Expresso, the leading parcel delivery company in Portugal and the fastest growing in Spain, which includes 20,000 service stations (PUDOs) within the colleCTT network, 22 hubs and 260 depots across Iberia, along with more than 1,000 parcel lockers under the Locky brand and (ii) DHL eCommerce footprint in Spain, with over 3,000 service points, 7 hubs, and 73 depots. The integration of both networks is aimed at enhancing customer convenience by allowing them, for example, to drop off and pick up packages at parcel stations or service stations from either partner. It is planned to expand the joint out-of-home network by deploying 10,000 new parcel lockers over the next years.

The growth and operating leverage allowed for an increase in the recurring EBIT margin to 7.5% in 2024.

Supported by strong volume growth and operating leverage, **recurring EBIT** generated by the E&P business increased from €19.7m in 2023 to €36.1m in 2024 and the margin increased from 5.8% to 7.5% (+1.7 pp y.o.y).

Mail & Other

Mail & Other **revenues** amounted to €470.6m in FY24 (+€17.1m; +3.8% y.o.y), with significant growth in 4Q24 (+5.5% y.o.y). This growth was mainly due to the performance of the revenue from addressed mail (+€9.2m; +2.6% y.o.y), business solutions (+ €6.3m; +14.0% y.o.y) and payments (+€2.0m; +10.4% y.o.y).

In 2024, the mail business benefited from the volumes generated by the legislative elections in March. Excluding this effect, addressed mail revenues would have grown by 0.4% y.o.y and revenues from Mail & Other would have increased by 2.1% y.o.y.

The overall average price change of the universal postal service[6] in 2024 was +8.91% y.o.y. Mail revenues benefited from an increase in average revenue per item, as a result of the price increase and the evolution of the mix, which offset the decline in mail volumes.

Mail & Other achieved significant growth in 4Q24 and the highest recurring EBIT margin since 2022.

In FY24, business solutions recorded revenues of €51.0m and the complementarity between the physical and digital worlds was exploited in order to improve the customer experience. The business process

[5] Euromonitor International, 2023 data.

[6] Includes letter mail, editorial mail and parcels of the universal postal service, excluding international inbound mail.

outsourcing (BPO) and contact centre solutions businesses continued to grow, as a result of attracting new customers in different sectors.

Mail & Other **recurring EBIT** reached its highest margin in 4Q24 (4.4%) since 2022, driven by a significant increase in revenues (+5.5% y.o.y), thanks to the less marked decline in volumes, the effective implementation of the cost control programme and the recovery of public debt placements. In 2024, however, there was a decrease to €8.2m, penalised by cost inflation, which was not fully offset by the increase in revenue as the price increase only offset the decline in mail volumes, and by the decrease in public debt subscriptions seen in the first nine months of the year.

Bank & Financial Services

Bank & Financial Services **revenues** reached €157.6m in FY24 (-€33.5m; -17.5% y.o.y). This performance, when compared to the previous year's, is strongly impacted by the performance of public debt certificates, as Banco CTT continues to grow in assets and customers. Public debt placement volumes increased significantly from October onwards, reflecting the change in the maximum investment ceiling for Savings Certificates per subscriber (from €50,000 to €100,000) and CTT's strong commercial proactivity.

€ million

Bank & Financial Services	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	191.1	157.6	(33.5)	(17.5%)	42.6	44.0	1.4	3.4%
Recurring EBIT	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
Recurring EBIT margin (p.p.)	30.0%	25.9%	(4.1 p.p.)		23.2%	29.8%	6.6 p.p.	

Bank

Banco CTT's **revenues** totalled €129.9m in FY24 (+1.4m; +1.1% y.o.y) with net interest income reaching €98.0m (€-0.8m; -0.8% y.o.y). Excluding the impact of the end of the Universo credit card partnership, the growth in revenues would have been 11.8%, with an expansion in net interest income of 13.3%. Interest received rose €44.3m compared to the same period last year, benefiting from the growth in business volumes. Interest paid increased by €45.1m compared to the same period in 2023, due to the increase in customer deposits.

At the end of 2024, the number of current accounts totalled 681k (34k more than in December 2023).

Customer deposits (Banco CTT consolidation) totalled €4,043.7m in FY24 (+30.8% compared to December 2023). There was a 56.4% increase in term deposits and a 9.9% increase in sight deposits compared to December 2023.

Interest from auto loans amounted to €60.9m in FY24 (+€7.8m; +14.7% y.o.y), amounting to a portfolio net of impairments of €937.5m (+9.0% compared to December 2023). Auto loans production stood at €272.5m in FY24 (+0.8% y.o.y).

Interest from mortgage loans stood at €30.8m in the period (+€7.6m; +32.6% y.o.y).This growth benefited from the positive evolution of Euribor rates since 1H23. The mortgage loan portfolio net of impairments totalled €800.6m in FY24 (+10.0% compared to December 2023). Mortgage loan production totalled €187.5m in FY24 (-€24.7m; -11.6% y.o.y).

Also worthy of note is that the Bank's investment portfolio saw an increase of €43.5m in interest received in FY24 compared to FY23, due to the investment of larger amounts in sovereign debt securities. Other interest received increased by €7.0m in the same period, to which essentially contributed the liquidity surplus at Banco de Portugal.

Commissions received in this business unit reached €29.8m in FY24 (+€2.6m; +9.5% y.o.y). The following positive contributions in the year stand out: (i) commissions received from accounts and cards, which totalled €13.2m (+€0.5m; +4.0% y.o.y); (ii) from mortgage loans, which totalled €1.4m (+€1.0m; +249.0% y.o.y); and (iii) from insurance, which amounted to €4.4m (+€0.9m; +24.5% y.o.y).

As at 31 December 2024, the loan-to-deposit ratio was 43.1%.

The cost of risk in the year stood at 0.7% (-0.6 p.p. vs. 2023).

The net allocation to impairments and loan provisions totalled €13.0m in 2024 (compared to €25.5m in 2023, -€12.5m, -48.9% y.o.y) and a cost of risk of 0.7% (compared to 1.3% in 2023). The 2024 figure is positively influenced by the end of Universo credit card partnership and the gain from the sale of the non-performing car loan portfolio (the cost of risk excluding this gain would be 0.9%).

Recurring EBIT totalled €26.6m (+26.2% y.o.y) mainly due to strong growth in business volumes, particularly in deposits and mortgage and auto loans, the evolution of the average interest rates and the reduction in credit risk costs.

Banco CTT's main goal is to expand its business volumes, based on the stable growth of its customer base and the deepening of its relationships with customers. To this end, it has invested in systems and human resources in order to encourage each customer to expand the range of products they have with Banco CTT.

Banco CTT has already surpassed the objectives set for 2025 in terms of business volumes and profitability.

Banco CTT is well positioned to achieve the 2025 objectives, having already surpassed some of those disclosed in September 2023:

- Reach 700k to 750k accounts (compared to 681k as at the end of 2024);
- Grow in customer resources and loans to customers to business volumes of over €7bn (target already exceeded, having reached €7.0bn at the end of 2024);
- Deliver on profitability, with pre-tax profits between €25m and €30m (a target that has also already been achieved, having reached €26.4m in FY24).

Financial Services

Financial Services **revenues** amounted to €27.7m in FY24 (-€34.9m; -55.7% y.o.y). This unfavourable performance occurred mainly in the first 9M24, with public debt subscriptions returning to normal levels in the last quarter, given the change in the ceilings per saver. In this context, in 4Q24, Financial Services revenues reached €10.4m, growing by 29.3% y.o.y (+€2.3m compared to 4Q23).

Public debt subscriptions normalised in 4Q24.

Public debt certificates (Savings Certificates and Treasury Certificates Savings Growth) posted revenues of €13.5m in 2024 (-€31.0m; -69.7% y.o.y).

In the first half of 2023, public debt certificates reached all-time highs, driven by the product's greater attractiveness when compared to bank deposits. The change in marketing conditions in June 2023 reduced the appeal of this product for savers, due to the reduction in interest rates, and limited marketing capacity, as a result of the drastic reduction in the maximum investment ceilings per subscriber.

At the beginning of October 2024, the Government announced a change in the marketing conditions for Savings Certificates, with the maximum investment limit per subscriber increasing from €50,000 to €100,000 for the F series and from €250,000 to €350,000 for the accumulated E and F series. This change in limits triggered a significant increase in subscriptions in the quarter, with income from savings certificates reaching €6.3m (the highest figure since 2Q23).

CTT has carried out marketing campaigns over the last few months, highlighting the attractiveness of Savings Certificates when compared to other alternatives. The year 2024 also marked the launch of Aforro Digital in July, which saw a very positive evolution, with a total of 32,591 customers linking their Aforro account to the CTT App. The total number of operations carried out on the CTT App was also significant, totalling 183,838 operations. In addition, the daily average amount subscribed in the CTT App showed remarkable and sustained growth, from around €70k per day in July to €326k per day in December, reflecting customer confidence and interest in the product. In 2024, the total amount subscribed was over 29 million euros. This positive trend was further reinforced in January 2025, with a sharp rise in the average daily amount subscribed to €606k. In January 2025, the total amount subscribed was 13.9 million euros, representing 47% of the full year 2024.

In FY24, subscriptions of these certificates amounted to €2,087.1m, half of which in the last quarter of the year, and therefore over one billion euros, on a par with the quarterly average seen between 2019 and 2021.

In addition to the distribution of public debt, CTT has been repositioning its retail network for the distribution of services from other entities (retail as a service). This strategy includes the distribution of: (i) public debt; (ii) insurance products; (iii) health plans; and (iv) other convenience services for citizens.

In this context, CTT reinforced the commercial dynamism in the area of non-life insurance, including auto, health, personal accidents, among others, based on the distribution agreement with Generali, but also benefiting from distribution agreements with other institutions, namely in terms of health plans.

Health plans offer customers significant discounts on a wide network of private healthcare providers. The high level of satisfaction with this product is reflected in the low drop-out rates, thus creating a recurring income base for CTT. There has also been strong take-up by SMEs, which are thus able to provide healthcare support for their employees. At the end of 2024, the number of users exceeded 25,800, generating an average annual revenue of €32 per user.

From a functional perspective of the network, the strategy involves offering mail and express & parcels products and services, mostly in self-service. Strong focus is also placed on omnichannel through the interconnection between virtual and in-person experience, but favouring the use of remote channels, especially for evaluation, purchase preparation and servicing.

Taking into account the aforementioned framework, **recurring EBIT** in FY24 stood at €14.3m (-60.6% y.o.y). In 4Q24, due to the return to normalised levels of public debt placement, recurring EBIT totalled €5.1m (+44.7% y.o.y), representing 36% of the full year.

02
Financial Performance

2. Financial performance

Income statement

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
Revenues	**985.2**	**1107.3**	**122.1**	**12.4 %**	**269.8**	**315.0**	**45.2**	**16.8 %**
Logistics	794.1	949.6	155.6	19.6 %	227.2	271.0	43.8	19.3 %
Express & Parcels	340.6	479.0	138.4	40.6 %	111.1	148.5	37.4	33.7 %
Mail & Other	453.5	470.6	17.1	3.8 %	116.1	122.5	6.3	5.5 %
Bank & Financial Services	191.1	157.6	(33.5)	(17.5)%	42.6	44.0	1.4	3.4 %
Financial Services	62.6	27.7	(34.9)	(55.7)%	8.0	10.4	2.3	29.3 %
Banco CTT	128.5	129.9	1.4	1.1 %	34.5	33.6	(0.9)	(2.6)%
Operating costs	**897.7**	**1,022.1**	**124.5**	**13.9%**	**250.3**	**284.5**	**34.2**	**13.7%**
Staff costs	382.6	405.4	22.7	5.9%	99.8	106.4	6.6	6.6%
ES&S	391.5	496.9	105.4	26.9%	120.4	147.9	27.4	22.8%
Impairments and provisions	25.8	15.3	(10.5)	(40.8%)	5.3	2.3	(3.0)	(57.2%)
Other costs	33.4	29.4	(4.0)	(11.9%)	8.0	8.7	0.7	9.4%
Operating costs (EBITDA)	**833.3**	**947.0**	**113.6**	**13.6%**	**233.5**	**265.3**	**31.8**	**13.6%**
Depreciation and amortisation	64.3	75.1	10.8	16.8%	16.8	19.2	2.4	14.4%
Recurring EBIT	**87.6**	**85.1**	**(2.4)**	**(2.7%)**	**19.5**	**30.5**	**11.0**	**56.5%**
Logistics	30.3	44.3	14.0	46.4%	9.6	17.4	7.7	80.4%
Express & Parcels	19.7	36.1	16.4	82.9%	7.7	12.0	4.4	57.0%
Mail & Other	10.5	8.2	(2.3)	(22.0%)	2.0	5.4	3.4	170.5%
Bank & Financial Services	57.3	40.8	(16.4)	(28.7%)	9.9	13.1	3.3	33.1%
Financial Services	36.2	14.3	(22.0)	(60.6%)	3.5	5.1	1.6	44.7%
Banco CTT	21.1	26.6	5.5	26.2%	6.4	8.0	1.7	26.7%
Specific items	9.8	11.4	1.6	16.3%	(1.2)	4.7	5.9	492.4%
Business restructuring and strategic projects	(17.4)	3.2	20.6	118.3%	(21.9)	0.5	22.5	102.5%
Costs with strategic studies and projects	2.1	4.5	2.4	114.3%	0.5	3.1	2.6	518.8%
Other non-recurring income and expenses	25.1	3.7	(21.4)	(85.4%)	20.2	1.1	(19.2)	(94.7%)
EBIT	**77.8**	**73.8**	**(4.0)**	**(5.1%)**	**20.7**	**25.8**	**5.1**	**24.7%**
Financial results (+/-)	(16.2)	(17.4)	(1.2)	(7.4%)	(4.6)	(4.3)	0.3	6.4%
Financial income, net	(16.2)	(17.4)	(1.2)	(7.4%)	(4.6)	(4.3)	0.3	6.4%
Financial costs and losses	(16.9)	(17.9)	(1.0)	(5.9%)	(4.6)	(4.5)	0.1	1.8%
Financial income	0.6	0.4	(0.2)	(32.7%)	0.0	0.2	0.2	»
Gains/losses in subsidiaries, associated companies and joint ventures	0.0	0.0	0.0	(594.2%)	0,0	0.0	0.0	(463.2%)
Income tax	1.1	9.3	8.2	749.4%	(8.9)	2.9	11.7	132.5%
Non-controlling interest	(0.1)	1.5	1.6	»	0.0	0.8	0.9	»
Net profit for the period[7]	60.5	45.5	(15.0)	(24.7%)	25.0	17.8	(7.2)	(28.8%)

[7] Attributable to equity holders.

Revenues

CTT revenues[8] totalled €1,107.3m in 2024, up by €122.1m; (+12.4% y.o.y) compared to 2023, reflecting the growth of Express & Parcels (+€138.4m; +40.6% y.o.y), the recovery of Mail & Other (+€17.1m; +3.8% y.o.y), the stability of Banco CTT (+€1.4m; +1.1% y.o.y) and the significant decrease in Financial Services & Retail (-€34.9m; -55.7% y.o.y). It should be noted that the guidance given at the Capital Markets Day 2022 for the year 2025 has already been achieved in 2024.

Express & Parcels was, in 2024 and for the first time, the business that contributed most to the CTT group's revenues, overtaking the Mail & Other segment. Express & Parcels already represents 43% of CTT's revenues (+8.7 p.p. compared to 2023).

Operating costs

In 2024, **operating costs** totalled €1,022.1m (+€124.5m; +13.9% y.o.y).

Staff costs increased by €22.7m (+5.9% y.o.y) in the period, mostly due to the salary increase (+€13.5m), particularly the national minimum wage. Given the current economic situation, these increases reflect a significant additional effort on the part of the company. On the other hand, the growth in activity, namely in the Express & Parcels business, as well as in the contact centre and document management in the corporate solutions business line, also explains the remainder of the variation in staff costs.

External supplies & services costs increased by €105.4m (+26.9% y.o.y), essentially due to the direct costs of services associated with growing businesses, such as Express & Parcels (+€105.8m).

Impairments and provisions decreased by €10.5m (-40.8% y.o.y) as a result of the reduction in impairments in the Banco CTT business (-€12.5m), mainly as a result of the sale of a portfolio of non performing auto loans in the end of 2023.

Other costs decreased by €4.0m (-11.9% y.o.y.), with a significant contribution from the retail business (-€4.8m) due to the repositioning of the network to a services platform, discontinuing the marketing of several products.

Depreciation & amortisation increased by €10.8m (+16.8% y.o.y), essentially due to investments in information systems (€2.9m), buildings and facilities (€3.3m) and fleet (€4.3m).

Specific items amounted to €11.4m, mostly due to: (i) restructuring, including employment contracts suspension agreements (€3.2m); (ii) costs associated with strategic projects (€4.5m); and (iii) transaction costs associated with the start-up of the Real Estate business (€1.2m).

Recurring EBIT

Recurring EBIT stood at €85.1m in FY24 (-€2.4m; -2.7% y.o.y), with a margin of 7.7%, reflecting the strong growth of Express & Parcels (+€16.4m; +82.9% y.o.y.), Banco CTT (+€5.5m; +26.2% y.o.y), but penalised by the declines in Financial Services & Retail (-€22.0m; -60.6% y.o.y) in Mail & Other (-€2.3m; -22.0% y.o.y).

As a result of this performance, CTT fulfilled its commitment to achieve a recurring EBIT between €80m and €90m and increase the recurring EBIT of Logistics and the Bank by over 36% to >€70m. In fact, the recurring EBIT of Logistics and the Bank totalled €70.9m (+38.1% y.o.y) in FY24.

In 2024, the Express & Parcels recurring EBIT represented €36.1m (+€16.4m; +82.9% y.o.y). Express & Parcels was, in 2024 and for the first time in the full year, the business that contributed most to CTT's recurring EBIT and already represents 42% of this indicator (+19.8 p.p. compared to 2023). This strong growth is the result of the positive evolution of volumes, revenues and the operating leverage, reaching a margin of 7.5% (+1.7 p.p. compared to 2023).

In 4Q24, recurring EBIT grew by 56.5% y.o.y to €30.5m (+€11.0m compared to 4Q23), with all business areas contributing to this strong growth.

Net profit

The consolidated financial results amounted to -€17.4m (-€1.2m; -7.4% y.o.y) in FY24.

Financial costs and losses incurred amounted to €17.9m, mainly incorporating financial costs related to post-employment and long-term employee benefits of €5.9m, the decrease of which is essentially due to the reduction of the liability with the CTT Social Support Plan in 2023, interest paid on lease liabilities linked to

[8] Excluding specific items.

the implementation of IFRS 16 for an amount of €5.3m and interest expense on bank loans for an amount of €6.2m, which increased due to the continued use of the Commercial Paper and Factoring line programmes.

In FY24, CTT obtained a **consolidated net profit** attributable to CTT group equity holders of €45.5m (-€15.0m compared to FY23). The evolution of consolidated net profit was influenced by the decrease in recurring EBIT (-€2.4m vs. FY23) as well as by the evolution of income tax for the period (+€8.2m vs. FY23).

Taxes recorded in 2024 increased to €9.3m (+€8.2m compared to 2023). It should be noted that in 2023 the taxes recorded were exceptionally low, due to (i) the recovery of income tax from previous years, (ii) deferred taxes related to the temporary difference generated in the sale & leaseback operation associated with the transfer of a number of properties to CTT IMO Yield and (iii) the amounts related to tax benefits from previous years and the year itself. Also noteworthy is the growth in the Express & Parcels business, particularly in Spain.

Staff

	31.12.23	31.12.24	∆	∆%
Express & Parcels	1,693	2,119	426	25.2%
Mail & Other	11,450	10,832	(618)	(5.4%)
Financial Services	38	32	(6)	(15.8%)
Banco CTT	489	609	120	24.5%
Total, of which:	**13,670**	**13,592**	**(78)**	**(0.6%)**
Permanent	11,386	11,649	263	2.3%
Fixed-term contracts	2,284	1,943	(341)	(14.9%)
Portugal	12,637	12,226	(411)	(3.3%)
Other geographies	1,033	1,366	333	32.2%

As at 31 December 2024, the number of CTT employees (permanent employees and fixed-term employees) was 13,592, down by 78 (-0.6% y.o.y) compared to 31 December 2023, as shown in the table below.

There was an increase in the number of employees in the expanding business units, namely the Express & Parcels business unit (+426) and Banco CTT (+120).

The Mail & Other business unit posted a decrease (-618), mostly due to the prosecution of the Human Resources optimisation programme underway.

Together, the areas of operations and distribution within the mail network (4,714 employees, of whom 3,692 are delivery postmen and women) and the retail network (2,070 employees) represented circa 58.2% of CTT's permanent staff.

Cash flow statement

€ million

	2023	2024	Δ	Δ%	4Q23	4Q24	Δ	Δ%
EBITDA	151.9	160.3	8.4	5.5%	36.3	49.7	13.4	37.0%
IFRS16 affecting EBITDA	(30.7)	(39.3)	(8.5)	(27.8%)	(7.8)	(10.1)	(2.3)	(29.7%)
Impairments and provisions	24.8	14.3	(10.4)	(42.1%)	5.0	2.0	(2.9)	(59.5%)
Specific items*	(9.8)	(11.4)	(1.6)	(16.3%)	1.2	(4.7)	(5.9)	«
Capex	(36.1)	(46.4)	(10.3)	(28.6%)	(19.5)	(20.2)	(0.8)	(4.0%)
Δ Working capital	14.4	16.3	1.9	13.5%	23.0	48.1	25.1	109.3%
Operating cash flow	**114.4**	**93.9**	**(20.5)**	**(17.9%)**	**38.2**	**64.8**	**26.6**	**69.7%**
Employee benefits	(18.5)	(18.6)	(0.1)	(0.4%)	(5.8)	(5.0)	0.8	14.2%
Tax	(1.6)	(12.5)	(10.9)	«	(2.6)	(5.6)	(3.0)	(112.1%)
Free cash flow	**94.4**	**62.8**	**(31.6)**	**(33.4%)**	**29.8**	**54.3**	**24.5**	**82.1%**
Debt (principal + interest)	77.2	(86.4)	(163.6)	«	58.1	(11.3)	(69.5)	(119.4%)
Dividends	(17.9)	(25.0)	(7.1)	(39.6%)	0.0	(1.6)	(1.6)	«
Acquisition of own shares	(10.2)	(20.7)	(10.6)	(104.0%)	(5.6)	(6.7)	(1.0)	(18.1%)
Disposal of buildings	0.0	0.3	0.2	»	0.0	0.2	0.2	»
Investments in associated companies and joint ventures	(1.7)	55.4	57.2	»	(1.5)	24.9	26.4	»
Change in adjusted cash	**141.8**	**(13.6)**	**(155.4)**	**(109.6%)**	**80.8**	**59.8**	**(21.0)**	**(26.0%)**
Δ Liabilities related to Financial Serv. & others and Banco CTT, net[9]	(237.4)	(31.4)	205.9	86.8%	(3.2)	44.2	47.4	»
Δ Other[10]	(9.3)	9.3	18.6	»	2.9	2.1	(0.8)	(26.8%)
Net change in cash	**(104.9)**	**(35.7)**	**69.2**	**66.0%**	**80.6**	**106.2**	**25.6**	**31.7%**

*Specific items affecting EBITDA.

In FY24, the Group generated an **operating cash flow** of €93.9m (-€20.5m compared to FY23). The evolution of operating cash flow benefited from the positive performance in terms of EBITDA generated (+€8.4m to €160.3m) and working capital (+€1.9m), although this was not enough to offset the effect of the €10.3m increase in the level of investment, to €46.4m in 2024, the variation in IFRS16 affecting EBITDA (-€8.5m) and in impairments and provisions (-€10.4m). The evolution in investment is explained above all by the investment made in the express & parcels business in Spain, particularly in sorters and mini-sorters in order to support the strong growth that has been taking place in the activity and is expected to continue in the future. In addition, the CTT Group maintained its focus on improving its IT systems, especially in Banco CTT, reinforcing its investment in business support computer systems. The evolution of IFRS16 affecting EBITDA is mostly due to investment in fleet electrification and in facilities, leading to the growth in payments relative to IFRS 16 liabilities. The change in impairments and provisions was mainly due to the reduction in impairments in the Banco CTT business.

In terms of working capital, the positive evolution observed in EBITDA-related items (+13.5%) should be noted, with particular emphasis on the more efficient management of accounts receivable, namely in terms of collections, with a positive impact on the average collection period.

With regard to the free cash flow generated in 2024, totalling €62.8m (-€31.6m), this was also influenced by the level of taxes paid (€12.5m). Taxes paid in 2023 were exceptionally low due to the recovery of income tax from the previous year and the receipt of amounts related to tax benefits from previous years. It should also be noted that the amount of taxes paid in 2024 increased due to greater activity in Express & Parcels, particularly in Spain.

[9] 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.

[10] The change in other cash items reflects the evolution of Banco CTT's sight deposits at Banco de Portugal, outstanding cheques/clearing of Banco CTT cheques, and impairment of sight and term deposits and bank applications.

Consolidated statement of financial position

€ million

	31.12.23	31.12.24	Δ	Δ%
Non-current assets	2,354.7	2,519.9	165.2	7.0%
Current assets	2,402.0	3,188.9	786.9	32.8%
Assets	**4,756.6**	**5,708.8**	**952.2**	**20.0%**
Equity	**253.3**	**308.3**	**55.0**	**21.7%**
Liabilities	**4,503.4**	**5,400.5**	**897.1**	**19.9%**
Non-current liabilities	689.6	603.9	(85.7)	(12.4%)
Current liabilities	3,813.8	4,796.6	982.9	25.8%
Equity and consolidated liabilities	**4,756.6**	**5,708.8**	**952.2**	**20.0%**

The key aspects of the comparison between the **balance sheet** as at 31.12.2024 and that as at 31.12.2023 are as follows:

Assets reached €5.7bn (+€952.2m vs. FY23). This growth is mainly due to the increase in (i) credit to banking clients (+€148.3m), (ii) tangible fixed assets (+ €41.7m) and (iii) investment in debt securities at amortised cost (+€1,329.7m) following Banco CTT's investment in public debt and supranational debt. This increase was partially offset by the decrease in other banking financial assets (-€570.9m) as a result of the reduction of Banco CTT's investments in central banks.

Equity totalled €308.3m (+€55.0m vs. FY23). This evolution reflects essentially: (i) the €45.5m net profit attributable to equity holders of the CTT Group in 2024; (ii) the €23.3m dividend payment made by CTT, S.A. on 16 May 2024; (iii) the €20.7m acquisition of own shares carried out throughout the year; (iv) the reduction in other changes in equity (-€4.6m) as a result of the recognition of actuarial changes relating to the 2024 valuation; and (v) the increase in non-controlling interests (+€59.1m) as a consequence of the sale of 26.3% of CTT IMO Yield and the capital increase in Banco CTT by Generali, which now holds 8.71% of its capital.

Liabilities amounted to €5.4bn (+€897.1m vs. FY23), This increase essentially reflects (i) the increase in banking clients' deposits and other loans (+€952.8m) and (ii) the increase in accounts receivable (+€105.0m) partly explained by the increase in public debt subscriptions in the end of the year. This increase was partially offset by the reduction in debt securities issued at amortised cost (-€94.5m) following redemptions made, as well as by the reduction in short and long-term debt (-€42.8m) essentially as a consequence of the combined effect of the amortisation of short and long-term debt and the increase in lease liabilities.

Consolidated net debt

The **consolidated net debt** reached a negative amount of €68.1m in 2024 (i.e. a net cash position). It evolved favourably compared to 2023 in the amount of €29.2m. The key aspects of the comparison between the consolidated net debt at 31.12.2024 and that as at 31.12.2023 are as follows:

Adjusted cash decreased by €13.6m, as a result of the operating cash flow generated (+€93.9m), the receipt of €32.4m following the sale of 26.3% of CTT IMO Yield and the receipt of €25.0m as a result of the capital increase in Banco CTT by Generali. These were more than offset by (i) payments of employee benefits (-€18.6m), (ii) the payment of dividends (-€25.0m), (iii) the acquisition of own shares (-€20.7m), (iv) tax payments (-€12.5m) and (v) the settlement of bank loans and interest paid (-€86.4m).

Short-term & long-term debt decreased by €42.8m, essentially due to the combined effect of the increase in lease liabilities (+€38.1m), the amortisation of loans with Novo Banco and BBVA/Bankinter (-€14.1m) and the amortisation of short-term debt (-€60.0m).

€ million

	31.12.23	31.12.24	Δ	Δ%
Net debt	**(39.0)**	**(68.1)**	**(29.2)**	**(74.8%)**
ST & LT debt	**269.0**	**226.3**	**(42.8)**	**(15.9%)**
of which Finance leases (IFRS16)	118.3	156.4	38.1	32.2%
Adjusted cash (I+II)	**308.0**	**294.4**	**(13.6)**	**(4.4%)**
Cash & cash equivalents	**351.6**	**315.9**	**(35.7)**	**(10.2%)**
Cash & cash equivalents at the end of the period (I)	**315.2**	**270.2**	**(45.0)**	**(14.3%)**
Other cash items	36.4	45.7	9.3	25.7%
Other Financial Services liabilities, net (II)	**(7.2)**	**24.2**	**31.4**	**»**

Consolidated balance sheet with Banco CTT under equity method

€ million

	31.12.23	31.12.24	Δ	Δ%
Non-current assets	713.0	783.1	70.1	9.8%
Current assets	506.7	514.1	7.4	1.5%
Assets	**1,219.6**	**1,297.2**	**77.6**	**6.4%**
Equity	**253.4**	**281.0**	**27.6**	**10.9%**
Liabilities	**966.2**	**1,016.2**	**50.0**	**5.2%**
Non-current liabilities	333.8	342.7	9.0	2.7%
Current liabilities	632.4	673.5	41.0	6.5%
Equity and consolidated liabilities	**1,219.6**	**1,297.2**	**77.6**	**6.4%**

Consolidated net debt with Banco CTT under equity method

€ million

	31.12.23	31.12.24	Δ	Δ%
Net debt with Banco CTT under equity method	**177.3**	**205.8**	**28.5**	**16.0%**
ST & LT debt	**265.7**	**221.9**	**(43.7)**	**(16.5%)**
of which Finance leases (IFRS16)	114.9	152.0	37.1	32.3%
Adjusted cash (I+II)	**88.3**	**16.1**	**(72.2)**	**(81.7%)**
Cash & cash equivalents	**276.3**	**236.9**	**(39.4)**	**(14.2%)**
Cash & cash equivalents at the end of the period (I)	**276.3**	**236.9**	**(39.4)**	**(14.2%)**
Other cash items	0,0	0,0	0,0	53.0%
Other Financial Services liabilities, net (II)	**(188.0)**	**(220.8)**	**(32.8)**	**(17.5%)**

Liabilities related to employee benefits

€ million

	31.12.23	31.12.24	Δ	Δ%
Total liabilities	**173.5**	**185.8**	**12.3**	**7.1%**
Healthcare	154.2	157.9	3.6	2.3%
Healthcare (321 Crédito)	1.1	1.2	0.1	10.7%
Suspension agreements	11.4	16.3	4.9	42.7%
Other long-term employee benefits	4.7	4.9	0.2	4.9%
Other long-term benefits (321 Crédito)	0.2	0.2	0.0	10.7%
Pension plan	0.2	0.2	0.0	(5.6%)
Other benefits	1.7	5.1	3.5	205.9%
Deferred tax assets	(49.4)	(50.6)	(1.2)	2.4%
Current amount of after-tax liabilities	**124.1**	**135.2**	**11.1**	**9.0%**

Liabilities related to employee benefits (post-employment and long-term benefits) stood at €185.8m in December 2024, up by 7.1% compared to December 2023, broken down as shown in the table above. The €12.3m increase in gross liabilities is due to: (i) a €12.5m provision for employment contract suspension agreements, of which €10.3m results from the transfer of the restructuring provisions item made in 2023, following the formalisation of the suspension agreements throughout 2024; (ii) €5.9m relating to the financial costs associated with total liabilities; and (iii) €12.5m relating to movements that mainly include differences in the experience curve, essentially in the health plan, partially offset by the payment of €18.6m in liabilities

These liabilities related to employee benefits are associated with deferred tax assets amounting to €50.6m, which brings the current amount of liabilities related to employee benefits net of deferred tax assets associated with them to €135.2m.

03
Other Highlights

3. Other highlights

Postal regulatory issues

On 23 September 2024, the Ordinance governing the quality of service indicators applicable to the provision of the Universal Postal Service to be complied with by CTT in the period from 1 January 2025 until the end of the current Concession Contract was published in the Official Gazette. The Ordinance sets out the quality of service parameters (QSP), the respective quality of service indicators (QSI) and the performance targets associated with the provision of the universal postal service, which CTT, as the universal postal service provider, is obliged to fulfil. Although a high level of demand is maintained, this decision translates into the introduction of a very positive flexibility compared to the current framework.

The new QSPs, which are to be applied from 1 January 2025, are in line with best practices in the European Union, reducing the number of indicators from 24 to 7, simplifying their definition and implementation, and ensuring greater stability and predictability in the provision of the Universal Postal Service. The new QSIs are in force from 1 January 2025.

Within the regulatory framework in force since February 2022 and the Convention on the criteria to be met for the pricing of postal services that make up the basket of services within the universal service obligation (Universal Postal Service Price Convention) for the 2023-2025 period, of 27 July 2022, the prices of these services were updated on 1 February 2024. The update corresponded to an average annual price change of 9.49%. The overall average annual price change, which also reflects the effect of updating the special bulk mail prices, was 8.91%.

Effective from 1 February 2025, in the context of the aforementioned Price Convention, the prices of the basket of letter mail, editorial mail and parcels services were updated, corresponding to an average annual price change of 6.90%. As part of the company's pricing policy for 2025, this update corresponds to an average annual price change of 6.53%, which also reflects the effect of updating the special prices for bulk mail.

Main ESG milestones achieved

In 2024, CTT once again demonstrated its strong positioning in sustainability, particularly regarding its environmental performance. This dimension is of special relevance to the company's strategy given the nature of its activity, mainly supported by logistics, transport, and distribution of mail, parcels, and express deliveries.

CTT has committed to the ambitious goal of reducing its global carbon footprint by 55% by 2030, compared to 2021, validated by the Science Based Target Initiative (SBTi) and aligned with the ambition to limit global warming to 1.5 ºC. This commitment is heavily supported by the decarbonisation of the last-mile distribution fleet, with a notable increase in CTT's own electric fleet, which has more than quadrupled since 2021, reaching 35% by the end of this year.

Prioritising the path to decarbonisation of CTT's activities and contributing to climate change mitigation, CTT increased its eligible investments under the EU Taxonomy, with aligned activities representing 27.4% of the total consolidated revenue.

Lastly, CTT maintained its commitment to transparently and regularly disclose relevant sustainability information to its stakeholders. The information in this report is aligned with the latest European regulations, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the Taxonomy Regulation that classifies sustainable economic activities.

Share buy-back programme

At the end of 2023, CTT held an aggregated total of 4,409,300 own shares, representing 3.06% of its share capital, of which 3,031,168 were acquired in the context of the share buyback programme announced on 21 June 2023 and 1,378,132 own shares previously held.

The aforementioned share buyback programme was completed on 9 May 2024, whereby the Company acquired a total of 5,475,000 shares for a total amount of €19,978,144.

Following the resolution of the Annual General Meeting of 23 April 2024, which approved the share capital reduction in the amount of up to €3,825,000.00 for the special purpose of implementing the share buyback programme and corresponding release of excess capital, on 17 July 2024, a CTT share capital reduction in the amount of €2,737,500.00 through the cancellation of 5,475,000 shares held by the Company, representing 3.80% of its share capital and acquired under the share buyback programme mentioned in the previous paragraph, was registered before the Commercial Registry Office. As such, CTT's share capital became €69,220,000.00, represented by 138,440,000 shares.

On 19 July 2024, CTT Board of Directors approved the implementation of a new share buyback programme amounting to the overall value of €25,000,000.00, equivalent to 4.01% of CTT's market capitalisation as at the date of the announcement. This programme, planned to be implemented over the following 12 months, has the exclusive objectives of (i) repurchasing a maximum of up to 8,500,000 shares, representing a maximum nominal value of €4,250,000.00 and corresponding to 6.14% of the share capital as at that date, and (ii) decreasing the same amount of the share capital through the cancellation of the own shares acquired.

Hence, on 22 July 2024, CTT started trading in the context of the share buyback programme with JB Capital Markets, S.V., S.A.U. being appointed as the financial intermediary in charge of the execution of said programme. By the end of 2024, CTT had purchased 2,504,001 shares under this programme.

As at 31 December 2024, CTT held 3,792,047 own shares, corresponding to 2.74% of its share capital, including 1,288,483 own shares previously held.

As at 13 March 2025, the date of the most recent communication on this subject to the market, CTT had already acquired 3,834,615 shares. As a consequence, on that date, the Company held, as a result of the transactions carried out in the context of the share buyback programme, an aggregated total of 5,122,661 own shares, representing 3.70% of its share capital.

4. Future Perspectives

In 2024, **CTT made substantial progress on its transformation path, becoming an Iberian e-commerce operator**, with the Express & Parcels segment accounting for the largest share of revenues and recurring EBIT. Record volumes were also achieved in Iberia, driven not only by the growth of the Iberian e-commerce market, but also by gains in market share. The increase in volumes entrusted to CTT by its customers is due to the high quality of service. This is a differentiating factor compared to the competition, which will sustain future growth.

CTT announced ambitious growth targets for **Banco CTT**, both in terms of the number of customer accounts and in terms of business volume and profitability. In line with these objectives, Banco CTT achieved, already in 2024, the targets set out for 2025 in the strategic plan regarding business volume, earnings before taxes (EBT) and profitability (record RoTE of 13.0%[11]). Banco CTT will continue to invest in improving the experience (IT systems and sales force) with the aim of deepening and intensifying the customer relationship and thus increasing engagement with current and future customers.

In **Financial Services**, the ceiling per subscriber of Savings Certificates was increased from €50,000 to €100,000 in October, triggering a significant increase in daily subscriptions to this product. The new functionality of the CTT app, which makes it possible to manage savings certificates digitally and more conveniently for customers, has been very popular. CTT continues to grow in retail service products such as insurance (Generali) and health plans.

In **Mail**, the strategy involves guaranteeing the sustainability of the business and exploring digitalisation opportunities, optimising the customer experience. As in 2023, a price increase was successfully implemented in 2024 in order to offset the decline in volumes due to increased digitalisation. The focus remains thus on controlling costs and selling business solutions to our customers, boosting growth with innovative solutions and strengthening customer relations.

[11] Accumulated recurring RoTE (Return on Tangible Equity) which excludes specific items, normalised assuming tangible capital of 15% of RWAs, compatible with the target disclosed in CMD 2022. With the current capital structure, RoTE is 10.0% for FY24.

In 2025, CTT intends to: (i) conclude the transactions and successfully complete the integration of the inorganic growth opportunities that arose during 2024, namely the acquisition of the Spanish customs clearance company Cacesa and the strategic partnership with DHL; (ii) invest organically in the Iberian express and parcel market in order to capitalise on the growing trend towards e-commerce adoption; (iii) continue to foster Banco CTT's growth, which is underpinned by balance sheet optionality and potential equity and industry partnerships; (iv) continue to launch new recurring revenue services and thus increase the profitability of the retail network; (v) continue to carry out transformation initiatives in order to maintain mail productivity; (vi) look for new opportunities for inorganic growth, particularly in the logistics and fulfilment segments.

CTT will focus on minimising the impact of relevant and persistent macro and industry risks, including geopolitical uncertainty, inflation, cost of energy and raw materials, or the imposition of tariffs that affect global trade.

Against this backdrop, CTT reiterates the objectives for 2025 disclosed at the 2022 Capital Markets Day, anticipating revenues between €1.1bn and €1.25bn (already achieved in 2024) and organic recurring EBIT above €100m. Growth will be driven by the strong expansion of the Express & Parcels segment, greater engagement with Banco CTT customers and normalisation of public debt placement.

CTT remains committed to its principles of capital allocation and financial flexibility, as announced in June 2022 during the Capital Markets Day: (1) enabling CTT to continue to pursue its investment objectives in business growth and to be a leading Iberian player in logistics and e-commerce; (2) implementing an attractive shareholder remuneration policy, providing an adequate source of income for its shareholders; and (3) combining, within specific market conditions, a recurring dividend-based shareholder remuneration with a case-by-case shareholder remuneration, based on the repurchase and subsequent cancellation of shares. In this context, CTT will continue to implement the ongoing €25m share buyback programme[12] announced on 19 July 2024, of which €19m have already been acquired.

On 20 March 2025, CTT announced the intention of its Board of Directors to propose to the 2024 AGM the payment of a dividend of 17.0 cents of euro per share. This proposal represents a dividend yield of 3.1% and a payout ratio of 52%. The proposal is subject to a number of conditions, namely market conditions, CTT's financial situation and assets, as well as legal and regularly applicable terms and conditions. Simultaneously, CTT also announced the intention of its Board of Directors to propose to the 2025 AGM, within the scope of the share buyback programme that began in 2024 and is currently underway, the cancellation of up to 8,500,000 representative shares of up to 6.1% of the share capital already acquired or to be acquired under the share buyback programme, as well as related reserves.

Final Note

This press release is based on CTT – Correios de Portugal, S.A. statutory reported financial information for the 2024 financial year, audited by an auditor registered with the Portuguese Securities Market Commission (CMVM).

Lisbon, 20 March 2025

The Board of Directors

This information to the market and the general public is made under the terms and for the purposes of article 29-Q of the Portuguese Securities Code. It is also available on CTT website at:
https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1

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[12] This share buyback programme, with a total value of €25m, will be implemented until 22 July 2025, and has the following sole objectives: (i) the buyback of a maximum of up to 8,500,000 shares, representing a maximum nominal value of €4,250,000 (which corresponds to 6.14% of the share capital on this date), not exceeding in any case the overall maximum investment amount mentioned; and (ii) the reduction of the share capital by the same amount through the cancellation of the own shares acquired.

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