

POSTE ITALIANE

Q1 2026 FINANCIAL RESULTS

Rome, 7 May 2026

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Good morning and welcome to Poste Italiane's First Quarter 2026 Results Conference Call.

In a few moments, the CEO - Matteo Del Fante - will take you through some opening remarks and then the CFO - Camillo Greco - will cover the financials.

As usual, the presentation will be followed by a Q&A session where you can ask questions, either via phone or through our webcast platform. For any topics we won't be able to cover today, please do contact the Investor Relations team who will provide any clarifications you might require.

With that, over to you, Matteo.

Matteo Del Fante

Good morning everyone. Our Q1 2026 results highlight a very strong start to the year and confirm the strength of our platform model. We delivered a record first quarter, with revenues of 3.5 billion and a healthy 8% year-on-year growth supported by all business units.

On profitability, we achieved record Adjusted EBIT of 905 million, up 14% year-on-year, reflecting continued cost discipline in the current inflationary environment. Net profit reached 617 million, up 3% year-on-year.

Commercial trends remained solid, with 1.7 billion investment inflows, coupled with strong momentum in postal savings and stable retail deposits.

We continue to operate from a position of strength. The Group's balance sheet remains robust, with our Solvency ratio at 294% and a 341 million improvement in our net financial position generated in the quarter, 43 million more than in the first quarter of last year.

Finally, digital payments once again grew above the market, underlining the strength of our platform and its ability to generate sustainable growth.

On the back of this strong start to the year and a better-than-expected interest rate environment, we have raised our FY 2026 Adjusted EBIT guidance to 3.4 billion. We will present our standalone 2026-2030 plan together with the Q2 results on 24 July.

Let me now provide an update on the TIM tender offer.

Over the past few months, we have further strengthened our conviction on the strategic rationale of the transaction and its perfect fit with Poste Italiane's platform business model.

With our solid balance sheet and strong cash generation, we are uniquely positioned to support digital investments and accelerate strategic initiatives that will deliver growth. The merger of Poste Telco and TIM consumer businesses will create the number-one mobile operator in Italy, kick-starting the next leg of domestic telco consolidation.

Importantly, Financial and Insurance Services will remain the dominant profit contributor within the combined entity, representing around 82% of domestic EBIT and approximately 64% of overall EBIT including Brazil.

The financial profile of the proposed transaction is extremely strong, with positive EPS impact from 2027, rising to double-digit accretion from 2028. Our guidance-implied 2026 DPS is confirmed and the dividend policy going forward will be accretive compared to the standalone scenario. Pro-forma leverage is expected at 1.4 times by the end of 2026 and steadily decreasing going forward, thanks to the strong cash flow generation of Poste and TIM Brazil. The offer terms are compelling for TIM shareholders, implying a 17% true premium to the pre-announcement price and up to over 50% premium on unencumbered average prices, with 40% value sharing from expected synergies and an attractive dividend outlook.

The combined entity will have a pro-forma free float of around 20 billion, enhancing stock liquidity, with a high-quality shareholder base.

We are on track to close the deal by Q3 2026.

Let's move to Group financial results on Slide 5.

We have posted for the fourth consecutive time a record first-quarter, with revenues at 3.5 billion, up 8% year-on-year.

Top-line growth translated very effectively into profitability, as Adjusted EBIT for the quarter reached 905 million, up 14% year-on-year. Net profit, excluding the TIM stake contribution, was 617 million, up 3%.

On Slide 6, the healthy underlying revenue momentum across all our business segments continues into the new year.

In Mail, Parcel and Distribution, revenue growth was driven by increasing parcel volumes. The anticipated decline in mail volumes is effectively mitigated through ongoing re-pricing actions.

In Financial Services, revenues increased by 11% year-on-year to 1.6 billion, supported by investment portfolio strength and a solid commercial performance.

Insurance Services delivered strong results across both life and protection. Revenues rose 6% in the quarter, reflecting stable CSM stock, coupled with higher release percentage. Postepay Services delivered solid growth across payments and energy ahead of integration into the new financial hub.

The telco customer base remains stable, while the number of energy clients has now reached around 1.1 million clients.

Let's go to Slide 7 and look at EBIT evolution by segment. Mail, Parcel and Distribution reported an adjusted EBIT of 43 million for the quarter, in line with our full-year guidance. Financial Services operating profitability is up 22% to 318 million driven by overall strong revenue trends.

Insurance Services EBIT is up 4%, supported by both Life Investments and Protection.

Finally, Postepay Services double-digit EBIT growth to 153 million is driven by resilient top-line performance and effective cost management.

Let's now look at some examples of how our platform business model is delivering tangible results.

We operate a scalable, digitally enabled infrastructure, supported by in-house product capabilities and a unique combination of physical and digital distribution.

The platform allows us to add clients and revenues at near-zero marginal cost, while addressing structural everyday needs such as digital payments, secure digital identities, energy and everyday services.

You can see here a few examples highlighting the strength of the platform. We have become Italy's largest payment ecosystem reaching 1.6 billion revenues in 2025 from 0.4 billion in 2017 with transaction values growing at a 16% CAGR from 2018 to 2025, increasing our market share.

Energy is another clear example of how we leverage the platform. Built on an in-house, cloud-native backbone, we are scaling the customer base at near-zero acquisition cost, reaching 1 million clients in 3 years since launch and becoming an increasingly meaningful contributor to Group EBIT.

Finally, Digital Identities address a systemic national need. SPID has rapidly scaled to around 30 million users, with monetisation now accelerating as adoption deepens and up-selling opportunities materialise.

This is the foundation on which we continue to build the new Poste Italiane as the leading integrated platform company in Italy.

I would now like to move to a more detailed update on the TIM offer.

This slide illustrates why Poste Italiane and TIM represent the perfect strategic fit enabling future growth.

Poste Italiane already operates the largest platform in Italy, combining financial and insurance services, logistics and distribution, energy and digital identities, supported by an unmatched physical and digital network.

TIM adds connectivity and tech infrastructure leadership, completing the platform with an iconic upmarket brand, a large retail telco client base, sovereign digital capabilities, enterprise commercial excellence and a market-leading mobile operator in Brazil.

The industrial logic is very strong: together we serve the largest Italian client base, leveraging a unique distribution footprint made of post offices, digital channels, third-party networks and TIM outlets, underpinned by critical physical and digital infrastructure supporting the country's digitalization, connectivity and data sovereignty.

From an earnings standpoint, the combined entity remains firmly anchored to Poste Italiane's core strengths, with financial and insurance services accounting for around 82% of domestic EBIT and continuing to represent the bulk of the Group's cash generation.

At the same time, connectivity and digital services to Public Administrations and Enterprises represent a powerful growth opportunity.

Let me spend a moment on our SuperApp and why integrating the TIM consumer offer is so powerful.

With 17 million users and over 4 million daily actives, we already operate at unmatched national scale. The SuperApp is designed around everyday services, from payments and banking to connectivity, cloud and energy, driving higher frequency and greater stickiness than traditional e-commerce models. Today, close to 80% of our App users own more than one product, double the percentage of non-App users.

Integrating TIM's premium offerings and broad customer base into the SuperApp accelerates engagement, unlocks cross-selling and strengthens the flywheel effect.

Importantly, this is built on owned, critical infrastructure, not loosely assembled partnerships.

The result is a unique trusted marketplace for daily essential services and long-term needs, enhanced by AI-driven orchestration and personalization across key life events, supporting sustainable growth and multiple monetisation levers over time. To summarize: it is easier to sell 1 more product to an existing client than winning 1 new client! And this is thanks to our DIGITAL + PHYSICAL seamless assistance to our clients.

Let me now hand over to Camillo for the financial aspects of the proposed transaction, as well as a detailed overview of our Q1-26 financial results.

Camillo Greco

Thank you Matteo and good afternoon everyone. Let's briefly focus on the shareholder value creation which is a key pillar of this transaction.

Our ongoing analysis confirms the initial assessment of circa 700 million synergies, with 500 million coming from cost efficiencies and a further 200 million EBIT from incremental revenues.

From an earnings perspective, the transaction is EPS accretive from 2027, with double-digit accretion in 2028, implying a compelling pro-forma 2028 P/E multiple of 8 to 9 times.

On dividends, we re-confirm the 2026 guidance-implied DPS, with dividends paid also on the new shares issued as a result of the TIM Offer with an accretive dividend policy going forward.

Leverage remains low, at around 1.4 times net debt to EBITDA-After-Lease by year-end 2026 and declining thereafter, with current credit ratings, as of today confirmed by all three rating agencies.

Let's move to a more detailed overview of expected synergies.

On the revenue side, with TIM we will add a premium connectivity offer to our platform and unlock powerful cross and up-selling opportunities through Italy's largest distribution network and our 4.2 million SuperApp daily active users.

We will also accelerate growth across Enterprises and Public Administrations as we expand the tech services offer of cloud, cybersecurity, IoT and agentic AI as well as an integrated one-stop-shop for financial, insurance, cloud sovereign solutions and other services. Overall, we confirm more than 200 million of EBIT from incremental revenues. On the cost side, the in-depth analysis confirms around 500 million efficiencies. The merger of Poste Telco and TIM consumer enables opex and workforce rationalisation. The deal will generate efficiencies from digital and technology integration, optimization of the distribution networks and real-estate footprint, as well as economies of scale on advertising and procurement costs. Additionally, the re-launch of our insourcing programme will provide further structural cost benefits.

Poste's investment-grade rating will allow for an optimization of the combined entity's funding costs.

We expect one-off integration costs of around 700 million pre-tax, mainly over 2026-27. Moving to slide 14...

This page illustrates how we see the true premium offered to TIM shareholders and why we believe our value proposition is compelling.

Considering both the cash component of the deal, as well as the expected value of TIM shareholders' share of the Combined Entity, including synergies, the true premium embedded in our offer is 17%, calculated on pre-deal spot prices.

The embedded premium rises to up to 50% if calculated on unencumbered average prices, as TIM shares have risen by around 110% since our first investment in February 2025.

Importantly, our offer to TIM minority shareholders embeds a 40% sharing of the value of synergies, in line with the market standard 50-50 split when considering that Poste Italiane already owns 20% of TIM's share capital.

Overall, this is a transaction structured to deliver an attractive premium, transparent value sharing and long-term upside to all shareholders.

Let's move to slide 15 for an update on transaction timeline. We announced the deal on March 22, followed by the filing of the Exchange and Cash Offer documentation and regulatory submissions on April 10, both completed as planned.

On June 18, we will hold an EGM for the capital increase approval.

On July 24 we will present Poste Italiane's standalone 2026-2030 plan alongside Q2 and H1-26 results, providing full transparency and enabling a more informed assessment of the value of the equity component of the consideration.

By the end of July, we expect Bank of Italy and Consob approvals, allowing the offer period to start, with closing targeted for the end of Q3 2026.

Overall, execution is progressing smoothly and in line with our stated timetable.

Let's now move to our Q1 financial results from page 17.

In Mail, Parcel & Distribution, revenues totalled just over 1 billion, up 6% year-on-year.

Mail revenues at 505 million are down by 3%, in line with the trend that we anticipated for full-year 2026.

Parcel revenues accelerated a remarkable 15% to 453 million, driven by market share gains across a diversified customer base and contract logistics development. On the logistics front we announced a JV with Benetton Logistics leveraging our logistics and e-commerce leadership to create a scalable platform capable of attracting new customers and supporting profitable growth for the Group. Distribution revenues from other business units are up 7% in the quarter, driven by strong commercial momentum and Active Portfolio Management concentration in Q1-26. Adjusted EBIT at 43 million in Q1-26 is well in line with the full year guidance.

Let's look at volumes and tariffs on Slide 18.

Parcel volumes were up 15% supported by continuing market share gains across customer segments.

43% of items are now delivered via the postal network, up 3 percentage points versus last year.

Looking at parcel pricing, the average tariff remains broadly stable, as volume growth is spread across customer segments and growth in lower-priced items comes with a lower unit cost to deliver.

Moving to Mail. The volume trend is in line with expectations down 8%, whilst the higher mail average tariff

reflects ongoing re-pricing actions across both regulated and market products.

Moving to Financial Services, with gross revenues for the quarter at 1.8 billion, up 8%.

Net interest income came at 658 million in Q1-26, reflecting lower rates on variable portfolio vs Q1-25 while marginally ahead of 2026 guidance as a result of an improved interest rate environment towards the end of the quarter. We expect this will provide more meaningful support to NII in the coming quarters. The 166 million Active Portfolio Management revenues realized in the quarter represent most of the capital gains expected for the year.

Postal Savings distribution fees are stable at 440 million and supported by improving net inflows.

Consumer Loans distribution fees reached 66 million.

Asset management revenues are up 27% to 55 million in Q1, benefitting from higher assets under management.

Finally, adjusted EBIT came in at 318 million, up 22%, reflecting the positive revenue trend.

Moving to Slide 20.

TFAs reached 606 billion, up 5.3 billion in the three months from the end of 2025. Looking briefly at each component: We reported strong 1.7-billion net inflows in investment products confirming the positive trend in Life insurance, with significant contribution from multi-class products, as well as in asset management;

Deposits were up, benefitting from higher balances from PA clients and resilient retail deposits at 59 billion, confirming the stickiness and loyalty of our customer base; Improved Postal Savings net outflows were driven by higher flows in Postal Bonds.

Moving to Slide 21.

Insurance Services revenues amounted to 469 million in Q1-26, up 6% year-on-year. We continue to have positive net flows in Q1-26 with a significant contribution from multi-class products.

Our improving lapse rate, down to 7%, is driven by a normalizing market environment and lower clients' portfolio rebalancing activity. In Q1-26 around 35% of our lapses have been reinvested into new Life products.

Life, Investments & Pension revenues are up 6% to 423 million in Q1, driven by a growing CSM and higher release. Protection revenues were up 9% in the quarter, supported by higher gross written premiums, up 6% to 392 million in Q1, and a market-leading combined ratio.

Adjusted EBIT of 392 million is up 4% compared to Q1-25, supported by both Life Investments and Protection.

Net profit at 265 million reflects the lower free capital yield due to the additional remittance to the Parent company and the temporarily higher IRAP tax rate.

On Slide 22, we show the CSM evolution in the quarter. Normalised CSM growth is positive at 2.9% annualised, with

a strong increase in new business value and expected return more than compensating the quarterly release.

Group CSM at the end of the quarter is at 13.8 billion, providing strong visibility on the division's sustainable profitability going forward.

Importantly, both the CSM and the equity of our insurance business have grown in the quarter.

Poste Vita Group's Solvency II ratio was 294% at the end of March 2026, well above the managerial ambition of around 200% through the cycle. This ratio already embeds the accrual of the 100% net profit remittance to the parent company.

The ratio remains solid, with the movement mainly driven by negative impact from economic variances, due to higher risk-free rates and spreads, while the internal capital generation of the business fully covers the foreseeable dividend impact.

Moving to Postepay Services on Slide 24, where solid revenue and EBIT progression continues, ahead of integration into the financial hub.

Revenues rose by 7% year-on-year to 425 million in Q1 as our unique everyday ecosystem continues to drive top-line and profitability growth.

Strong payments revenues at 297 million up 5% in the quarter, supported by higher transaction value, up 10% year-on-year, and growth in total number of ecosystem transactions up 14%.

Telco revenues are stable in Q1 at 82 million, thanks to solid client acquisition dynamics. The migration to the TIM network infrastructure has been completed in April.

Energy revenues reached 46 million in the quarter, driven by the expansion of the customer base, now at 1.1 million clients.

Top-line performance and effective cost management drove a strong 15% Adjusted EBIT growth, to 153 million in Q1.

Let me give you a brief overview of Poste Italiane's Telco business.

Launched as an MVNO in 2007, the telco business is now the 5th player in Italy with a total of 5 million customers, with a 6% market share in mobile.

Our telco client base is extremely loyal, with a 6 to 7% churn rate, well below market levels. 2025 revenues were 328 million while in Q1-26 they reached 82 million. Profitability is meaningful and improving, with contribution to Group EBIT implying a 25% margin.

The business operates with a very lean structure, leveraging our nationwide physical distribution network and digital channels, including the SuperApp.

Against this backdrop, the envisaged combination of Poste Telco business with TIM Consumer creates the number-one mobile operator in Italy and effectively kick-starts the next leg of domestic telco consolidation.

Let's move to FTE's on page 26.

Since the end of 2025, the average headcount has fallen to just over 119 thousand.

Importantly, the value added per FTE continues to improve by 7%, at 93,000 euro per FTE.

HR costs per FTE are up 2% to 48,800 euro per FTE as a result of higher variable compensation and labour agreement salary increase.

Moving to Slide 27.

HR costs increased marginally by 1% to over 1.4 billion, mainly driven by 23 million of additional costs from higher variable compensation and labour agreement salary increase.

In the quarter, ordinary HR Costs on Revenues are down to 39%.

Non-HR costs increased by 116-million year-on-year. Fixed costs were up due to a concentration of marketing and advertising costs in the quarter. Variable costs are up 66 million reflecting business growth dynamics. D&A are up by 18 million in line with the increasing investments driving our continuous transformation.

In general, our focus on cost and capex discipline across all divisions remains laser sharp and protecting the bottom-line profitability, as well as cash flow, remains our top priority. Thanks for your time, let me hand over to Matteo for a wrap-up.

Matteo Del Fante

Thank you Camillo.

To conclude, Poste Italiane is delivering record results, with healthy growth, rising profitability and a very solid balance sheet, validating the strength of our platform business model. Looking ahead, in light of our strong Q1 results and an improved interest rate environment, we have raised our Adjusted EBIT guidance to 3.4 billion. Against this backdrop, we are even more convinced that the TIM transaction is the natural step in our platform's evolution. TIM adds connectivity and technological leadership, completes our offering with an iconic premium brand and enables us to fully unlock the value of our physical-digital ecosystem. The deal is financially disciplined, EPS and DPS accretive also thanks to material expected synergies and is fully consistent with our capital and dividend framework. Execution is on track and the closing is expected by Q3 2026. We are entering a new chapter of our journey, shaped by the progress we have achieved and driven by a clear long-term ambition. On July 24, we will be unveiling our 2026-2030 standalone plan, alongside our Q2-26 results. I look forward to seeing you there.