

POSTE ITALIANE

Q2 & H1-2025 FINANCIAL RESULTS

Rome, 13 November 2025

Giuseppe Esposito

Good afternoon and welcome to Poste Italiane's Second Quarter and First Half 2025 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 clarification you might require.

With that, over to you, Matteo.

Matteo Del Fante

Good afternoon everyone and thank you for joining us today for our Q2 and first-half 2025 results call.

It's great to have you with us today as we share another record-breaking quarter of growth and an impressive first half of 2025, as we continue to deliver on our strategic plan. We have delivered record second-quarter group revenues, EBIT and net income. All business units contributed to a solid 5% year-on-year top-line growth, to 6.5 billion euros, and EBIT growth at 12% to over 1.7 billion euros.

These results are yet another demonstration of the solidity of our business model, seamless execution and continued ability to adapt and grow in a dynamic environment, and relentless cost discipline.

Net profit at 1.2 billion is up a remarkable 14% compared to the same period of last year.

Since the beginning of the year, we registered strong net inflows in investment products, confirming the robust commercial performance in insurance products, coupled with record quarterly NII. Our balance sheet remains extremely solid, supporting our upgraded dividend policy. Solvency 2 ratio remains well above 300%, including the impact of the first 500 million of additional remittance from Poste Vita to the parent company paid in June 2025.

The strong momentum across our platform, and particularly in our financial and insurance divisions, gives us the confidence to increase our adjusted EBIT guidance for full

year 2025 to 3.2 billion, and our Net Profit guidance to 2.2 billion.

Let's move to Group financial results on Slide 4.

Poste delivered a strong performance in the second quarter and first half of the year. Let's focus on the half, with a record top line at 6.5 billion euro, up 5% year-on-year.

Adjusted EBIT is at 1.7 billion euro and net profit at 1.2 billion, up a remarkable 12% and 14%, respectively.

These are our best-ever first half results since going public. Adjusted EBIT for the quarter is at 864-million-euro and net profit is at 572-million-euro, up 10% and 9% respectively.

On Slide 5, the strong underlying revenue momentum across all our business segments continues in the second quarter.

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 6% year-on-year to 2.8 billion, supported by record-level quarterly NII and solid commercial performance.

Insurance Services delivered strong profitability in both life and protection segments. Revenues rose 10% in the first half, reflecting growing CSM and higher release.

Postepay Services' unique and integrated ecosystem of everyday services delivered growth in both revenues and profitability.

Payment revenues benefitted from an overall increase in card usage by our clients.

The telco customer base remains solid and stable, while the number of energy clients has almost doubled year-on-year, reaching around 900 thousand clients.

Let's go to slide 6 and EBIT evolution by segment.

Mail, Parcel and Distribution reported an adjusted EBIT of 67 million for the first half of 2025, in line with our full-year guidance.

Financial Services operating profitability is up a sound 27% in the half to 528 million euro driven by record NII and overall strong revenue trends.

Insurance Services EBIT is up 8% to 789 million in the first half, supported by both Life Investments and Protection.

Finally, Postepay Services EBIT growth of 11% to 276 million in H1 is driven by resilient top-line performance and effective cost management, significantly outperforming the market.

Let's move to a more detailed review of the financials by our CFO.

Over to you, Camillo.

Camillo Greco

Thank you Matteo and good afternoon everyone. Let's move to slide 8 on Mail, Parcel & Distribution.

Revenues amount to 960 million in Q2 and 1.9 billion in H1, up both 1%.

Mail revenues at 516 million in Q2, and at just over 1 billion in H1, are in line with the trend that we anticipated with our FY-25 guidance in February.

In addition, the year-on-year comparison on mail revenues is unfavourable this quarter as 2024 benefitted from positive one-off items and Q2-24, in particular, benefitted from volumes related to the EU elections.

Parcel revenues were up 9% to 408 million in Q2 and up 8% to 801 million in H1, supported by all customer segments with a

strong acceleration vs Q1.

Distribution revenues from other business units are up almost 4% in Q2 and H1, reflecting positive commercial trends and compensating for higher network costs.

Adjusted EBIT at 67 million in H1-25 is in line with the guidance provided for the full year.

Let's look at volumes and tariffs on slide 9.

Parcel volumes are up a solid 14% in Q2 and 11% in H1 to 159 million items, with growth in all customer segments - from large e-commerce platforms to small-medium merchants - as we are managing increasing volumes, gaining market share from competitors.

In Q2 we also increased the portion of items delivered via the postal network to 43%, with a positive contribution to the overall business' profitability.

Looking at pricing, the average tariff was impacted by higher volumes with lower pricing and unit costs as we saw a strong acceleration vs Q1 of volumes in second-hand items and boxless returns.

Moving to Mail. The volume trend is in line with expectations, with the bulk of the volume decline concentrated on lower value items such as direct marketing and unregistered mail.

We continue to compensate the anticipated volume decline with ongoing re-pricing actions across both regulated and market products.

Moving to Financial Services on Slide 10.

Gross revenues for the quarter came at 1.7 billion and 3.4 billion for H1, both up 7%.

Net interest income came at a record 671 million in Q2, up 3%, and at 1.3 billion in the half, up 7%, benefitting from higher average deposits and lower cost of funding.

Postal Savings distribution fees amounted to 451 million in Q2, up 9%, and 892 million in H1, up 6% in the first six months supported by improving gross inflows and longer maturity of products sold.

Consumer Loans distribution fees reached 69 million in the quarter, up 17%, and 140 million in the half, up 15%, driven by higher margins.

A different product mix with lower up-front fees leads to Q2 revenues at 46 million and first half at 89 million in asset management, while AUM are growing thanks to positive net inflows.

Finally, adjusted EBIT came in at 268 million in Q2, up 23%, and at 528 million in the first half, up 27% compared to the first half of 2024, on the back of positive revenue trends.

Moving to Slide 11.

TFAs continue to grow reaching 600 billion in the half, up 9 billion from the start of the year.

Let's look at each component:

We reported strong 1.9-billion net inflows in investment products confirming the positive trend in Life insurance where net inflows reached just under 1 billion.

Deposits were up, benefitting from resilient retail deposits at 58 billion and higher balances from PA clients which however have a more volatile nature.

Postal Savings net outflows were driven by high maturities, mitigated by new commercial initiatives resulting in strong gross inflows.

Moving to Slide 12.

Insurance Services revenues amounted to 464 million in Q2, up 8% year-on-year and 0.9 billion in H1, up 10% and supported by both Life and Protection.

We continue to report positive net flows also in Q2 driven by strong gross written premiums (up 20% year on year) with increased share of multiclass products.

Our new advisory offering built in the context of the new commercial service model is leading to proactive rebalancing our clients' portfolios, resulting in a lapse rate of 8.9% in the first half of the year, 45% of which have been reinvested into new Life, Investments & Pension products. Life, Investments and Pension revenues are up 9% to 412 million in Q2, and up 10% to 811 million in H1 on the back of higher CSM stock and CSM release.

Protection revenues were up a strong 9% in H1, supported by higher gross written premiums, up 29% in the first half and a remarkable 43% in the quarter, also boosted by new corporate contracts. Combined ratio stood at 83% in the first half, while we confirm our FY25 guidance of about 85%. Adjusted EBIT of 789 million in the half is up 8% compared to H1-24, reflecting top-line trends.

On slide 13, we show the CSM evolution in the first half of 2025.

Our stock of CSM has grown to 14.2 billion on the back of strong new business and recovery of financial variances. This provides us with strong visibility on the future profitability of the business.

Normalised CSM growth stood at 3.2% on an annualised basis, up from 2.0% in 2024, with a strong increase in new business value and expected return more than compensating H1-25 release.

Let's look at the Solvency ratio evolution on Slide 14.

Poste Vita Group's Solvency 2 was 315% at the end of June 2025, well above the managerial ambition of circa 200%

through the cycle. This ratio already embeds the 100% remittance of net profits for the period to the parent company, as well as the impact from the first 500 million additional remittance was paid in June.

The improvement was mainly related to the reduction of the BTP spread over the quarter.

Our Solvency 2 ratio currently stands between 305% and 320%.

Moving to Postepay Services on Slide 15.

The Postepay ecosystem continues to represent a powerful engine of growth, innovation and customer engagement for the group.

Revenues rose to 404 million in Q2 and 802 million in H1, up 6% and 5% respectively with a strong recovery in payments growth in Q2.

Payments revenues are up 5% to 296 million in Q2 and up 3% to 580 million in H1, supported by transaction value growth of 11% in the quarter and 9% year-to-date. The total number of ecosystem transactions also accelerated in the quarter with a 15% year-on-year growth, testament to our clients' increased card usage. This performance offsets the decline in instant payment revenues following recent EU regulatory changes.

Telco revenues are stable in the quarter and up 1% in H1 to 165 million, supported by our resilient client base and the new fibre offer.

Finally, energy net revenues are up a remarkable 68% to 57 million in the first half, reflecting an increased customer base currently at around 900 thousand clients.

Adjusted EBIT grew 9%, to 144 million in Q2 and 11% to 276 million in H1, underpinned by solid top-line performance and cost discipline.

On to slide 16, let's look at workforce evolution.

In the first half of the year, the average headcount was just shy of 120 thousand, with the increase aimed at supporting business growth, both at the holding company and subsidiaries.

HR costs per FTE are up 2% to 47,800 euro driven by increases linked to the new labour agreement and variable compensation to reward performance.

Moving to Group HR costs on Slide 17.

In H1, ordinary HR costs increased by 3% to just under 2.9 billion due to higher FTEs and variable compensation as already mentioned. In the half, ordinary HR Costs on Revenues are down to 40%.

Moving to slide 18.

Non-HR costs increased by 120-million year-on-year, mainly driven by 72 million additional variable COGS reflecting higher business volumes. Fixed COGS are up 10 million. D&A are up by 38 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.

I am proud to say that 2025 is progressing very well, with these results reflecting consistent strength across all businesses, achieving record first half revenue and profitability.

We continue to build upon solid momentum with a clear commitment to generate long-term value for our stakeholders.

The strong performance to date gives us the confidence to raise our full-year 2025 guidance. We are increasing our 2025 adjusted EBIT guidance from the initial 3.1 billion to 3.2 billion, and the 2025 net profit guidance from 2.1 to 2.2 billion, resulting in higher shareholders' remuneration in light of our dividend policy based on a payout ratio.

We maintain a solid group balance sheet, with low leverage and an insurance solvency II ratio at 315%, well above our managerial ambition, providing us with significant financial flexibility.

Our unique model continues to position us well for sustained, profitable growth in all market conditions and is fully supported by the strong diversification of the Group.

Finally, I want to thank again our dedicated employees, whose hard work, commitment and professionalism are key to the strong results we continue to achieve.