POSTE ITALIANE

Q1 2025 FINANCIAL RESULTS

Rome, 8 May 2025

Giuseppe Esposito

Good afternoon and welcome to Poste Italiane's First Quarter 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 clarifications you might require.
With that, over to you, Matteo.

Matteo Del Fante

Good afternoon, everyone, and thank you for joining us today for our Q1 2025 results call.
We are pleased to report a very strong start to the year, with record first-quarter revenues and double-digit year-on-year EBIT growth. These results are yet another demonstration of the solidity of our business model, disciplined execution and our continued ability to adapt and grow in a dynamic environment.
All business units contributed to a solid 5% year-on-year revenue growth, totalling 3.2 billion euros. This performance was driven by strong Net Interest Income, continued momentum in parcels, strong net inflows in investment products and Postepay Services ecosystem growth.
On the profitability front, Adjusted EBIT came in at 796 million, up 13% year-on-year, with a net profit of 597 million, a remarkable 19% increase compared to the same period last year.
Ongoing expense management remains a key focus as we continue to successfully mitigate inflationary impacts, while cost increase came from expanding businesses.
Our balance sheet remains extremely solid, supporting our upgraded dividend policy. Solvency 2 ratio remains well above 300%, including the dividend accrued on Q1-25 results and the impact of the first 500 million of additional remittance from Poste Vita to the parent company.

As announced, we will pay the balance of our 2024 dividend of around 970 million euros at the end of June, bringing the total dividend for the year to 1.4 billion, equivalent to 1 Euro and 8 cents per share.
As you know, at the end of March, we signed an agreement to acquire from Vivendi 15% of TIM's ordinary shares - a transaction that is expected to close in Q2-25 – bringing our total stake in TIM to 24.8% of the voting capital. With this long-term, strategic investment we plan to support the consolidation of the Italian telco market. We are advancing on several workstreams to generate synergies between Poste Italiane and TIM. We have signed an MOU with TIM for a new MVNO contract, expected to start from the beginning of 2026.
Let's move to Group financial results on Slide 4.
We have posted record first-quarter revenues at 3.2 billion-euro, up 5% year-on-year.
Adjusted EBIT for the quarter is at 796-million-euro and net profit is at 597-million-euro, up 13% and 19% respectively. These figures are the highest we ever reported in a first quarter.
On Slide 5, the strong 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 6% year-on-year to 1.4 billion, supported by record-level NII and solid commercial performance.
Insurance Services delivered strong profitability in both the life and protection segments. Revenues rose 11% in the quarter, reflecting higher CSM and Risk adjustment 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 800 thousand clients.
Let’s go to slide 6 and EBIT evolution by segment.
Mail, Parcel and Distribution reported an adjusted EBIT of 25 million for the quarter, in line with our full-year guidance.
Financial Services operating profitability is up 31% to 260 million driven by record NII and overall strong revenue trends.
Insurance Services EBIT is up 9%, supported by both Life Investments and Protection. Finally, Postepay Services double-digit EBIT growth to 133 million is driven by resilient top-line performance and stable costs.
Let’s move to a more detailed review of our numbers 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 totalled 949 million, up 2% year on year.
Mail revenues at 520 million are slightly down by 3%, in line with the trend that we anticipated with our FY-25 guidance in February.
In addition, a year-on-year comparison on mail revenues is unfavourable this quarter as Q1-24 benefitted from positive one-off items. Let me also remind you that mail revenues will benefit from the new USO pricing from April 2025 with an estimated positive impact on revenues of around 3 million-a-month.
Parcel revenues were up 7% to 393 million, with growth recorded across customer segments.
Distribution revenues from other business units are up 4% in the quarter, reflecting positive commercial trends across the Group.
Adjusted EBIT at 25 million in Q1-25 is well in line with the guidance provided for the full year.
Let's look at volumes and tariffs on slide 9.
Parcel volumes were up 9% supported by strong market positioning across all customer segments, with 40% of items now delivered via the postal network. We have also recorded a 70% increase in deliveries through the Punto Poste network, leading to delivery efficiencies both in terms of costs and lower CO_2 emissions.

Preliminary trends emerging from April numbers show an acceleration of parcel volume growth vs Q1.
Looking at pricing, the average tariff remains broadly stable as the volume growth is spread across customer segments.
Moving to Mail. The volume trend is in line with expectations, and preliminary April data show an acceleration of registered mail volumes compared to Q1-25.
Finally, the higher mail average tariff to over 1 euro reflects ongoing re-pricing actions across both regulated and market products. As already mentioned, the new pricing on regulated products effective from April is expected to generate an additional 3 million revenues per month.
Moving to Financial Services on Slide 10.
Gross revenues for the quarter came at 1.7 billion, up 7%.
Net interest income came at a record 666 million in Q1, up a strong 13%, benefitting from management yield enhancement actions combined with a supportive rates environment.
Postal Savings distribution fees amounted to 441 million, up 3% year-on-year supported by improving gross inflows.
Consumer Loans distribution fees reached 71 million, up 14% versus Q1-24, driven by higher margins.
Asset management revenues resilient at 44 million in Q1, with higher assets under management compensating lower upfront fees.
Finally, adjusted EBIT came in at 260 million, reflecting the positive revenue trend.

Moving to Slide 11.
TFAs reached 596 billion, up 5 billion in the three months from the end of 2024.
Let's look at each component:
We reported strong 1.6-billion net inflows in investment products confirming the positive trend in Life insurance where net inflows reached 0.9 billion, continuing to outperform the market;
Deposits were up, benefitting from higher balances from PA clients and resilient retail deposits at 58 billion, confirming the stickiness and loyalty of our customer base;
Postal Savings net outflows were driven by high maturities, mitigated by new commercial initiatives.
Moving to Slide 12.
Insurance Services revenues amounted to 442 million in the quarter, up 11% year-on-year.
We continue to have positive net flows in Q1-25 supported by newly launched products and strong commercial effort, continuing to outperform the market. Our lapse rate of 8.6% reflects proactive client portfolio rebalancing, as also demonstrated by the positive net flows. Let me highlight that in Q1-25 around 40% of our lapses have been reinvested into new Life insurance products.
Life, Investments & Pension revenues are up 10% to 400 million in Q1, driven by a higher CSM and Risk Adjustment release.
Protection revenues were up a strong 22% in the quarter, supported by higher gross written premiums, up 19% to

371 million in Q1 and strong profitability. Let me remind you that Q1-25 Protection numbers are exactly on a like-for-like basis, with no change in perimeter.
The combined ratio was 83% in Q1, while we confirm our FY25 guidance of about 85%.
Adjusted EBIT of 378 million is up 9% compared to Q1-24, supported by both Life Investments and Protection.
On slide 13, we show the CSM evolution in the quarter.
Normalised CSM growth is strongly positive at 3.6% annualised, up from 2.5% in 2024, 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 13.6 billion, providing strong visibility on the division's sustainable profitability going forward.
Let's look at the Solvency ratio evolution on Slide 14.
Poste Vita Group's Solvency 2 was 305 percent at the end of March 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 which will be paid next June.
The decline was mainly related to the negative impact from economic variances, driven by the increase in rates and BTP spread in the first quarter, while the internal capital generation of the business fully covers the foreseeable dividend accrued in Q1-25.

The decline in both rates and spread observed in April resulted in an improvement of our Solvency 2 ratio, that currently stands between 305% and 320%.
Moving to Postepay Services on Slide 15.
Revenues rose by 5% year-on-year to 398 million in Q1 as our unique everyday ecosystem continues to drive top-line and profitability growth.
Payments revenues are resilient at 284 million in the quarter, supported by higher transaction value and growth in total number of ecosystem transactions at 9%, proof of the increase in card usage by our clients. This performance offsets the decline in instant payment revenues following recent EU regulatory changes. Total transaction value is up 6% year-on-year, impacted by a tough comparison with Q1-24, which benefitted from seasonality. Preliminary transaction value data for April already shows encouraging signs of acceleration vs Q1-25, with 15% transaction value growth.
Telco revenues grew 2% in Q1 versus last year, supported by our stable client base and the new fibre offer.
Finally, energy revenues are at 32 million, reflecting positive market trends and a solid customer base evolution currently standing at around 800 thousand clients, twice the Q1-24 base. Adjusted EBIT grew a strong 13%, to 133 million in Q1, underpinned by solid top-line performance and stable costs.
On to slide 16, let's look at workforce evolution.

Since the end of 2024, the average headcount rose to 120 thousand, in line with higher FTEs supporting our 2025 target and consistent with business growth.
This figure includes approximately 1,200 additional temporary workers engaged during the Q4-24 peak period, when we managed significantly higher volumes compared to the previous year. More importantly, the profitability per FTE continued to improve with the value added per FTE growing by 4%, at 87,000 euro.
HR costs per FTE are up 1% to 47,800 euro as a result of variable compensation.
Moving to Group HR costs on Slide 17.
In Q1, ordinary HR costs increased by 3% to slightly over 1.4 billion due to higher FTEs and variable compensation as already mentioned.
In the quarter, ordinary HR Costs on Revenues are slightly down to 41%.
Moving to slide 18.
Non-HR costs increased by 62-million year-on-year, mainly driven by 36 million of additional variable costs reflecting higher business volumes, while fixed COGS decreased by 3 million. D&A are up by 29 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.
In our Strategy Update in February we outlined 2025 targets and confirmed our strong commitment to generate sustainable profitability growth and deliver compelling shareholders' remuneration.
We are off to a solid start this year across the board, with our record performance in the first quarter and look forward to delivering strong results in 2025 and beyond. We continue to build upon strong momentum with a clear commitment to generate long-term value for our stakeholders. Our group maintains a robust balance sheet, supporting our upgraded dividend policy based on a 70% payout ratio, implying a 2024 dividend balance of 75 cents per share - equivalent to around 970 million euros - to be paid at the end of June.
Our recent acquisition of a significant stake in TIM underscores our commitment as a long-term industrial shareholder focused on driving value creation and supporting the consolidation of the Italian telecommunications market. We expect to generate strong synergies with this transaction and we have already signed an MOU for a new MVNO contract which will be active from January 2026.
In summary, we are focused on disciplined execution. This record quarter is the first step in delivering the targets we have laid out and that's all supported by a sustainable and

highly diversified business model which allows us to deliver predictable earnings growth.
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.

Question & Answer Session

Farooq Hanif – JP Morgan

My first question is around what you can tell us now about potential areas of synergy with TIM, what are your plans for where you think you can create value through that shareholding? And my second question is, if you could elaborate on the EU payment regulation change, what that means? Are there any ongoing effects, if you can talk about that?

Matteo Del Fante

Okay. I will take the first one and get Camillo ready. Farooq, thank you for the second question. The first synergy is the one we are very close to formalize. We have an MOU already signed with TIM with respect to the roaming service that our 5 million clients of Poste will benefit from next year from TIM. Then, I think this is an acquisition that technically is not even finalized because we are for the second tranche waiting for the final sign-off from the antitrust Italian authorities, so it's in the making. But additional synergies that we see, and this is going to be a very important, I think, very positive journey, but one should not expect to see,

basically, results of this synergy program on both sides of the fence, so also on the TIM side every month or even every quarter. By the end of the year, there will be synergies. And the second item that we can put on the table today is on the distribution of the positive services through the network of TIM with a white label concept and format, so this would be TIM label products powered by Poste Italiane. And that would be, for us, an additional channel of distribution, and for TIM an additional source of distribution revenues and product they can offer to their clients. And there will be probably traffic in the opposite direction in terms of our network distributing some of the TIM products over time. So, I think, we're working very well with the company at the moment, and we are exploring every possible opportunity. And the more we work, the more we see in terms of opportunities, but it will take a bit of execution time, Farooq.

Camillo Greco

The second question, there was a change in the EU law on fees applied to separate transfers and the instant payments had to be made equal in terms of cost to normal credit

transfers. That is something that we had in our budget, so no surprise here. In terms of impact on the quarter, the net impact was around EUR7 million, as we had probably a slightly higher number in terms of fee reduction, but we had a greater volume with the net impact being EUR7 million. But it's something that we did expect and is part of our budget.

Gian Luca Ferrari – Mediobanca

Back a bit from Farooq's question on TIM. Out of the EUR3.5 billion COGS, how much is potentially addressable or workable together with TIM in terms of ICT expenses you are having today and would be better managed thanks to the skills of TIM? And linked also to the TIM argument, I was wondering if you can share with us the cost of the MVNO contract you signed with them. Second and final question is on the 7% increase in parcels. If I recall properly, you gave us a guidance for 2025 of EUR1.8 billion, which means a plus 10% to plus 16% depending if we take the upper end or the lower end of the EUR1.8 billion. So I was wondering if the plus 7% is still enough to meet the EUR1.8 billion

guidance for full year or we should expect something lower given the level of Q1?

Matteo Del Fante

I will take the first one and let Camillo be ready for the second one. The MVNO contract, we're not in the position yet to disclose the amount, so that's an easy answer. On synergies on the cost side, you referred to our ICT, I think it's a broader topic that will take time because the more we disclose each other our costs on one side and revenue projection on some of these items if we stay within the technology or, for example, in the cloud space, the more I think we will have opportunities to increase shareholders' value for both companies. But that's not the one single item we're looking at the moment. So I'm not in the position again to give you a specific figure on ICT expenses reduction on the basis of synergies.

Camillo Greco

The second question, first of all, we absolutely reconfirm the number. I imagine the number as EUR100 million interval, as you rightly pointed out. And I also made a comment on my script that April was a very strong month in terms of

reporting double-digit growth in April. So, comfortable with that. Giving a bit more granularity on what has happened in the first three months of the year, we have performed well in terms of market share, both in terms of B2C, which remained stable at high levels, and we grew market share in B2B. Probably what has happened in the first three months of the year is that the market overall was likely softer vis-a-vis what we expected. The other point I'd like to make is that, obviously, top-line growth drives profitability and drives EBIT. What we did in the last three months is that we have materially increased the percentage of parcels being delivered to the door, which is a much more cost-efficient way of delivering the parcels. So, that has helped us also to protect the profitability of the business, if not to increase it, as we've been much more efficient the way these parcels have actually been delivered. So, just to say that not only we absolutely confirm top-line, but we also very strongly confirm EBIT guidance.

Matteo Del Fante

If I may add, Gian Luca, there is certainly a top-line element which correctly you're focusing on. But we have started

focusing already a few quarters ago on profitability in the space that will clearly come from more volumes and synergies and cost efficiencies, but have a lot to do with, as Camillo said, using more third-party networks and that helps us reducing our cost of delivery for the last mile. It has to do with the re-engineering of our real estate logistic footprint, which is evolving rapidly versus a parcel-driven footprint from a mail originally driven network. And the last item to drive margin growth in the space is going up the value chain. So, now that we have reached a leadership in B2C, going into the B2B, going into warehousing, going into contract logistics, which is -- what we started as an exercise a couple of years ago. So I think, hopefully over time, this is a long journey and we have all learned together that logistics is not a space where you move the needle and the market share rapidly quarter-after-quarter. You need to keep pushing and trying to increase margin and revenues over a relatively medium term time horizon. But there is the commitment, there is the balance sheet, there is the focus, and we're positive that we're on the right track.

Giovanni Razzoli – Deutsche Bank

The question is on the revenues in the mail. You mentioned that there has been in this quarter a favorable mix effect. So compared with the past, there is not only an increase in tariffs, but also you mentioned a mix effect. And then you also mentioned that there was an increase in the recorded mail pricing. Is this favorable mix effect referring to that or is this something different? And do you think that increasing the value-added services on the traditional mail may help to compensate in part the decline in the volumes.

Matteo Del Fante

I think already Camillo mentioned the fact that after one year of surprise, because you remember last year we budgeted a decrease in mail revenues and we recorded an increase, we finally got a normal quarter, which is revenue decline in mail. We're back to the non-normal in Q2 to-date, including the first week of May, where we see revenue going back to positive ground, which is maybe sort of an overshooting or rebalancing effect of what we've seen in Q1 possibly to some extent. Certainly, the trend in the long-term trend is against us, Giovanni, there is no doubt. And

value-added, to your question, services, yes, will help us to some extent, but it will not stop the long-term trend that mail will experience over time. So we should not be too optimistic in the medium term of not seeing the decline in revenues. Because when we say value-added products, we're talking about registered mail, which is already today relatively well-priced in Italy. We need more room to increase pricing on registered mail, more room, as Camillo anticipated, on universal service products that is also kicking in Q2 and supporting the positive signs that we're seeing in mail in Q2.

Camillo Greco

The pricing will give us around EUR25 million of incremental revenues from the 1st of April, that we are continuing our systematic repricing actions on the rest of the market, and the total impact of those actions should translate to around EUR50 million revenues incremental in 2025.

Matteo Del Fante

Revenues incremental in terms of pricing effect, and obviously we will have the volume effect against us, just to be clear.

Iain Pearce - BNP Paribas

The first one was just on the payments revenues. If I understood this correctly, I think you said that April revenues had accelerated quite strongly, but the impact from the EU law change was EUR7 million, which wouldn't imply that that's falling out, would be a big change. If you can give us a bit more detail on what's happened with the payment revenues post Q1, and sort of the impact from the EU law change going forward, that would be very useful. And the second question is just on the NII, clearly a very strong number, again, on that line. If you could just talk to us about the sustainability of that number, if that number benefited at all from any one-offs, that would be useful.

Matteo del Fante

I think I'll let Camillo answer on both questions. I think the second one is one we anticipated and, obviously, it's a key question, I believe, in the quarter where we just reported.

Camillo Greco

Yes. So with respect to the, again, going back to payments. The first thing I'd like to, again, put out very clearly is that the first quarter of this year compared to the first quarter of last year had some material differences. First of all, because Easter in 2024 was in March and this year was in April. And the second point is that Q1 '24 had a leap year. It was a leap year, there was the 29th of February. So there was an impact on the calendar and there was an impact as far as festivities are concerned. So that's in terms of the calendar. The second point was around the EU change in law, which was already, as I said, fully budgeted and had an impact of around EUR7 million on the first quarter. It will continue to have an impact on the rest of the year. However, as per the point I made before, which is that there has been a change of seasonality, the first month of the second quarter has gone strongly. And the way we measure that is in terms of

transaction value. So, transaction value managed by Postepay in the first three months of the year was growing 6% compared to Q1-24. If you were to add to that three months and additional month, i.e. April, the increase from 6% would go to 8.4%, which implies a double-digit growth in the single month of April. So that's on payments. With respect to NII, you will remember that on the 21st of February we presented the numbers and we gave an indication of what we call investment portfolio return on our BTP portfolio of EUR2.6 billion. That was a combination of NII plus capital gains. We did have a strong first quarter in terms of NII. However, as you know, 30% of our portfolio is at variable rates. So, we would expect a non-proportional level of NII throughout the year. And we would like to reconfirm the level that we gave at the beginning in February, which was EUR2.6 billion of total portfolio return for 2025.

Tommaso Nieddu – Kepler Cheuvreux

I have a couple of questions. The first one is on your guidance and payout policy. I understand that in 2025 the

inclusion of TIM's third quarter profit shouldn't have a significant impact. But I was wondering, should we consider the 70% payout on the profits with or without TIM's contribution, and same for net income? And the second question is still on the stake acquisition of TIM and is on the selling shares of TIM, can you please give us a comment on that, are you happy with the current structure?

Matteo Del Fante

No, I mean, to be entirely honest, Tommaso, thank you first of all for your questions. But we legally are not even shareholders at the moment. So I think it's very premature to anticipate comments for sure on the capital structure of TIM. And at this point in time, let's wait for our next results announcement also on the first question on the payout, which is not -- I wouldn't be worried, but at this point we prefer not to comment. And sorry about that and thank you again for your questions.

Andrea Lisi – Equita

The first one is on the CSM release. If you think that the release ratio we have seen in this quarter is at sustainable level and can be applied also going on and in case, which are your expectations there? And the second question is on the outflows in terms of postal savings, which actions are you putting in place and which trends are you expecting for the coming quarter?

Matteo Del Fante

Okay. We will do the reverse. Thank you, Andrea. This time around I will answer the second question and then let Camillo answer the first one. On postal savings, the year-end is negative net collection, net savings. We are anticipating, together with CBP, initiatives on products mainly. And we are confident that, just like last year, we will manage to achieve our planned net funding targets, even though, clearly, Q1 has been a relatively heavy one, but we are not yet considering a problem.

Camillo Greco

With respect to CSM, I'll answer it sort of indirectly, saying that we have not provided guidance on CSM, but we have

provided guidance on revenues and on EBIT for the division Poste Vita. We believe that those numbers that we have put forward, really, two months and a half ago, are still there. And obviously an important part of the revenues of Poste Vita by the tune of EUR1.5 billion are made up by CSM releases. So, that's I think what we can say at this point, and we reconfirm those numbers. I can also go a step forward saying that we believe that, based on what we know now, that around 3.5% growth of the CSM should be sustainable for the rest of the year.

Matteo Del Fante

Just to complete, I think the question was on the percentage release. The percentage release, as you know, depends on the duration of the portfolio, and this will depend also on the evolution of market interest rates. So, we cannot say if this is exactly the level you will see in the future. But on average, if you look at the number of this quarter and the last few quarters of 2024, this is the level you should expect for the rest of the year. And Andrea, just to supplement on my first answer, looking at our internal projections for the year-end, we are slightly ahead of plan.

So, that makes us comfortable to be able to reach the plan by year-end.

Manuela Meroni – Banca IMI

A couple of questions remaining. The first one is on the net inflow on deposits, they have been quite strong in this quarter. For sure, they are benefiting from the public administration but also the corporate customers increased in terms of deposits. So I'm wondering if there is a specific trend that you wanted to highlight there.

And the second question is on the consumer loan distribution. It has been a quite strong quarter. I'm wondering if you have changed something in your approach there, if this result is recurrent or is just, let's say, a matter of pricing?

Camillo Greco

I'll start from the second. The performance of the book of consumer loans is driven by volume but also driven by interest rates at which we discount the underlying product and we book our fees. Those rates have been going down so that has helped us to support the performance. I think

that we have for the year a budget of 0.2 billion for the division. With respect to the net flows on cash, obviously, they have been doing well. There is a bit more volatility as usual with public administration and corporates, but the performance is in line with our expectations.

Daniel Wilson-Omordia – Morgan Stanley

Just a couple of questions on Postepay. First question around the stock of the prepaid cards. I understand that this stock doesn't grow kind of linearly but you've seen quite a large drop this quarter in the stock. Admittedly, the transaction value has come up a bit to counter that but I'm just wondering if you can comment on that. And then second question is on energy. Clearly, the business is growing quite well and you're growing customers quite well and everything, but it also seems that the operating revenue you're getting per customer is increasing. So I'm wondering if you have any comments on the evolution of that over time?

Camillo Greco

It is true that we had a reduction in cards in the Postepay standard, but that has to do with cards which were sponsored by the government in terms of cash distributed for inclusion purposes to the Italian citizens. COVID-related. And as these extraordinary measures of the government have been reduced, the usage of those cards has been in a way reduced accordingly to the tune of around 1.2 million cards, that is the estimate of the government-related cards. So nothing strange there. In fact, we continue to see strong performance on our star marquee product which is the Postepay Evolution card, which continues to grow. It grew by 400,000 units this year compared to the equivalent period in Q1 of '24. With respect to energy, I think, yes, we have had encouraging performance. The revenue per customer is also driven by the cost of the underlying product, and we have been in a more benign environment in that sense. So we are also positive for the rest of the year on the energy, also in light of the supply agreements we have in place.

Michael Huttner – Berenberg

I have two questions, both on insurance. So both are kind of seeing the very strong growth in volumes, both on the savings side and the protection. And I just wondered if you can speak a little bit about that, it feels that we are running a little bit ahead of budget and I would like to understand maybe what is driving this as well.

Camillo Greco

So it was a good quarter for insurance. It was also a good quarter compared to last year, where we had materially less inflows in the first quarter of 2024. We had intercepted some inflows on the business through BancoPosta. And as you may recall, we have changed our portfolio to address more flows going to Poste Vita, and that's exactly what we have done. We have also benefited from a greater release of CSM driving top line. That's something we addressed in the previous questions. What I didn't comment on and I'm going to comment more now, is that we had also an equally good performance also on what we call P&C, where, yes, we had an increase of around 60 million in terms of premiums. The star performers in that category were CPI

products, which grew by 24% compared to the first quarter of 2024. That has to do with the products we sell directly, but also with the products we sell through our majority-owned subsidiary Net Insurance, which had a very strong performance quarter-on-quarter.

Michael Huttner – Berenberg

And just to understand, are these lovely trends sustainable do you think?

Camillo Greco

Yes, certainly in line with our budget that aspires to have somewhere between EUR1.1 billion and EUR1.2 billion for 2025, yes.

Matteo Del Fante

If I may add. There is a very focused ongoing effort in the company on what you can call smart cross-selling. So basically, not only we're trying to embed protection, PST protection contracts into life, which is obviously a natural way of doing embedded cross-selling within the insurance segment. There is also an ongoing effort to drive clients from one product to the next best product for that client using all the data we have on our clients and using,

obviously, our increasing weight of digital channels where proposing the next best product maybe with a discount is the easy proposition to put in place. But more importantly, for our footprint, this is taking place more and more also in the post office. So allowing our teller people and our consultants, colleagues to have a clear picture of the client profile, the product needed, and the best offer that we can do to that client on the next best product to be offered. And this I think will be one of the key efforts that we're putting in place that will impact all segments, and that obviously will increase our operating leverage of the company and benefiting our bottom line.