



CTT – Correios de Portugal

1H18

Results Presentation

Disclaimer



DISCLAIMER

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during the presentation of the 1st half 2018 results. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason or purpose without the express and prior written consent of CTT. This document (i) may contain summarised information and be subject to amendments and supplements, and (ii) the information contained herein has not been verified, reviewed nor audited by any of the Company's advisors or auditors. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any of the information contained in this document. Consequently, the Company does not assume liability for this document if it is used for a purpose other than the above. No express or implied representation, warranty or undertaking is made as to, and no reliance shall be placed on, the accuracy, completeness or correctness of the information or the opinions or statements expressed herein. Neither the Company nor its subsidiaries, affiliates, directors, employees or advisors assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this document or its contents. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

This document has an informative nature and does not constitute, nor must it be interpreted as, an offer to sell, issue, exchange or buy any financial instruments (namely any securities issued by CTT or by any of its subsidiaries or affiliates), nor a solicitation of any kind by CTT, its subsidiaries or affiliates. Distribution of this document in certain jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. Moreover, the recipients of this document are invited and advised to consult the public information disclosed by CTT on its website (www.ctt.pt) as well as on the Portuguese Securities Exchange Commission's website (www.cmvm.pt). In particular, the contents of this presentation shall be read and understood in light of the financial information disclosed by CTT, through such means, which prevail in regard to any data presented in this document. By attending the meeting where this presentation is made and reading this document, you agree to be bound by the foregoing restrictions.

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. All the statements herein which are not historical facts, including, but not limited to, statements expressing our current opinion or, as applicable, those of our directors regarding the financial performance, the business strategy, the management plans and objectives concerning future operations and investments are forward-looking statements. Statements that include the words “expects”, “estimates”, “foresees”, “predicts”, “intends”, “plans”, “believes”, “anticipates”, “will”, “targets”, “may”, “would”, “could”, “continues” and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements included herein involve known and unknown risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results, performance or achievements to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the results of our operations, growth strategy and liquidity, and the wider environment (specifically, market developments, investment opportunities and regulatory conditions).

Although CTT believes that the assumptions beyond such forward-looking statements are reasonable when made, any third parties are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of CTT, what could cause the models, objectives, plans, estimates and/or projections to be materially reviewed and/or actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Forward-looking statements (in particular, the objectives, estimates and projections as well as the corresponding assumptions) do neither represent a commitment regarding the models and plans to be implemented, nor are they guarantees of future performance, nor have they been reviewed by the auditors of CTT. You are cautioned not to place undue reliance on the forward-looking statements herein.

All forward-looking statements included herein speak only as at the date of this presentation. Except as required by applicable law, CTT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

AGENDA



I



KEY HIGHLIGHTS

II



STRATEGY & OTP UPDATE

III



KEY FINANCIALS

IV



BUSINESS UNITS



Key Highlights

SOLID RECURRING EBITDA GENERATION AS A RESULT OF POSITIVE EVOLUTION IN THE GROWTH LEVERS AND STABILISATION OF THE RECURRING OPERATING COSTS THROUGH THE OTP ¹ INITIATIVES



Return to revenues growth as positive evolution in the growth levers offsets declines in the legacy businesses

Supported by strong growth in Banco CTT (+€2.0m, +23.3% ²), E&P (+€11.1m, +17.7%, or +€6.5m, +10.7% excluding the Transporta acquisition), and the resilience of Mail revenues, aided by pricing and strong product mix

+0.9%
total

-0.3%
Mail & other



Addressed mail volumes decline higher than the guidance range mitigated by strong positive product mix effect

International and registered mail revenues growth and price increase offset the impact of -7.9% addressed mail volumes decline on revenues. Decline of -7.2% adjusted for the effect of -1 working day in the half. The year will finish with +2 working days (+3 in 4Q18)

-7.9%

-7.2%
adjusted for
-1 working day



Stabilisation of the recurring operating costs, increasing only in growth-related areas, as the OTP ¹ starts to have a positive impact on overheads

Recurring operating costs decline in Mail & other (-1.1%) and Financial Services (-14.4%) and increase mainly as a result of growth in activity in Banco CTT and E&P

+3.2%
total

-1.1%
Mail & other



OTP ¹ savings objective for 2018 fully secured

€14.0m of FY18 recurring cost savings secured vs. initial objective of €13.8m (€5.3m of savings already impacting the P&L in 1H18)

€14.0m
of FY18 savings secured



4.1% annual price increase implemented in April

€1.9m impact of delay of implementation of price increase to April, to be recovered in the subsequent 3 quarters with a projected 4.7% average price increase. Final decision on quality of service and pricing (except on volumes projections ³) for 2019 & 2020 issued by ANACOM in July.

+4.1%
for FY18

+4.7%
in 2Q18



Solid recurring EBITDA generation in a semester with one less working day

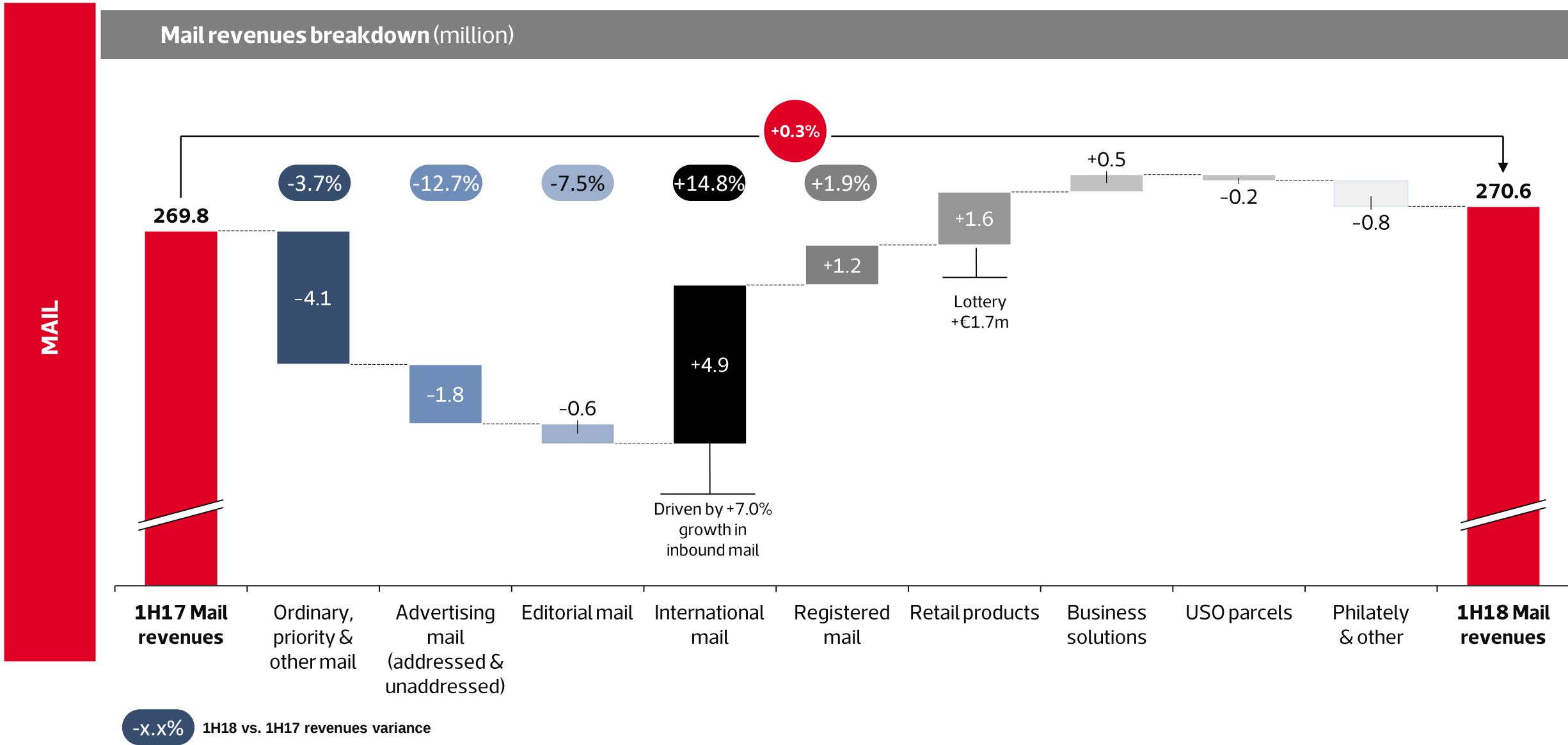
€46.1m

¹Operational Transformation Plan.

²Payshop migrated to Banco CTT business unit in Jan-18, the numbers for 1H17 are proforma.

³New Draft Decision issued by ANACOM on this topic.

STRONG PRICING AND MIX EFFECT, DRIVEN BY HIGHER VALUE INTERNATIONAL AND REGISTERED MAIL PRODUCTS, FULLY OFFSET THE IMPACT OF DECLINING MAIL VOLUMES

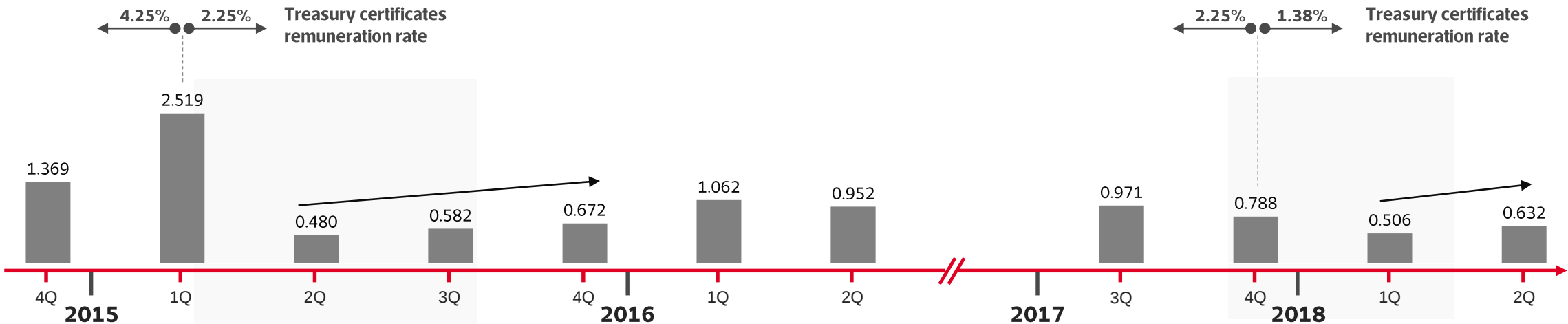


THE RECOVERY IN SAVINGS & INSURANCE PLACEMENTS CONTINUED WHILE THE ACTIVITY IN THE GROWTH BUSINESSES REMAINS SOLID



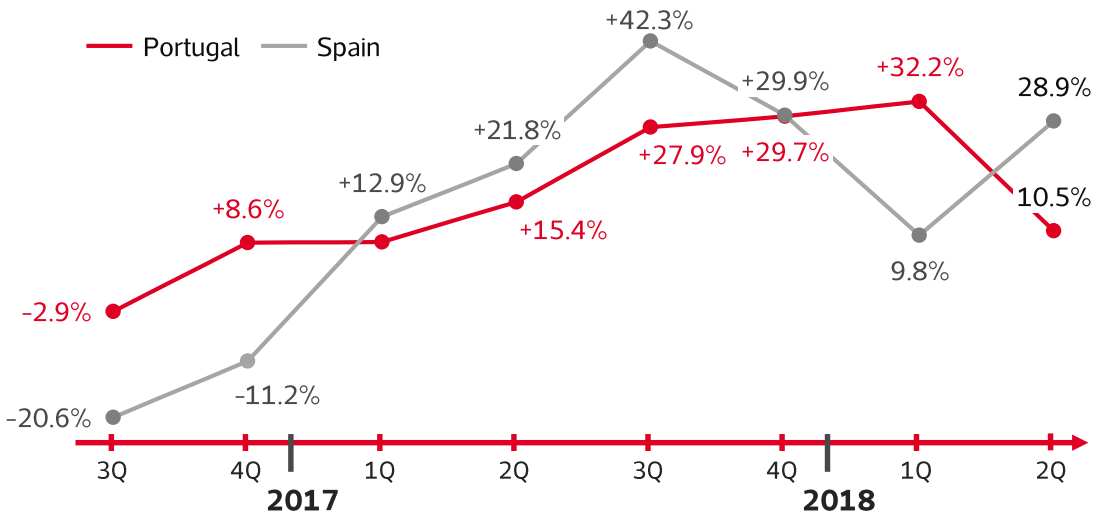
FINANCIAL SERVICES

Savings & insurance products placements (€ billion, quarterly volumes)



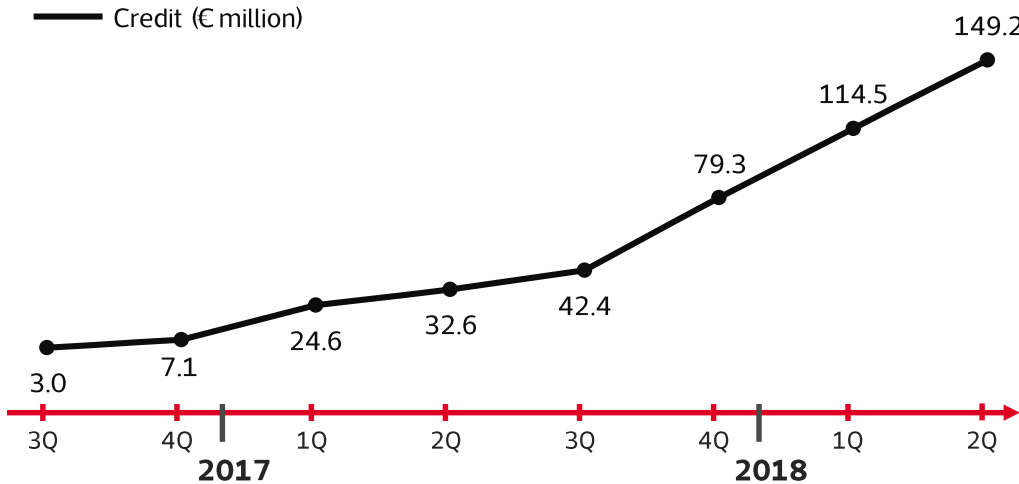
EXPRESS & PARCELS

Parcels volumes (quarterly change, YoY)



BANCO CTT

Credit placed by Banco CTT on its own Balance Sheet (€ million)





Strategy & OTP Update

CTT STRATEGY: TRANSFORM THE POSTAL BUSINESS AND CONTINUE TO DEVELOP THE GROWTH LEVERS

EXPRESS & PARCELS AND BANCO CTT





MAIL



Preserve the value of the Mail business through the implementation of a sizeable Operational Transformation Plan to improve profitability, reinforce quality of service and sustain the mid-term transformation of the Company



EXPRESS & PARCELS



Consolidate CTT's positioning as a strong and integrated Iberian CEP operator, leader in the last-mile distribution in Portugal, leveraging on the e-commerce growth trend

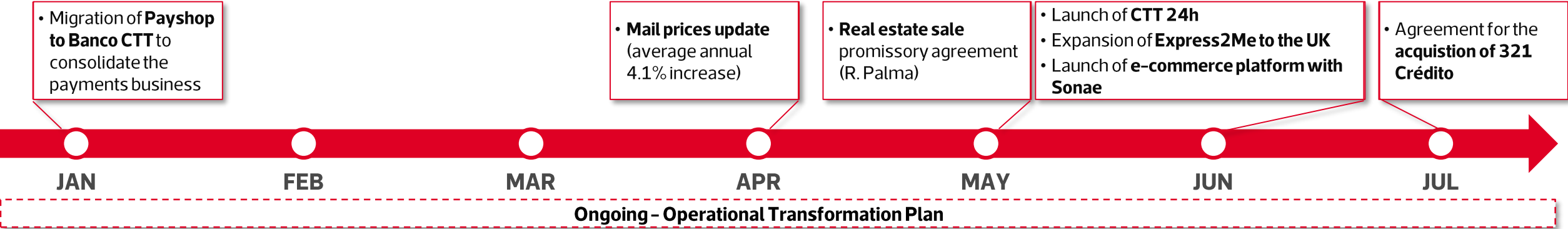


BANCO CTT & FINANCIAL SERVICES



Develop an innovative and fast-growing retail banking & financial services player focused on simplicity, transparency and proximity

Key initiatives 1H18



THE RECENT STRATEGIC ANNOUNCEMENTS UNDERPIN CTT'S COMMITMENT TO DEVELOP ITS KEY GROWTH LEVERS: EXPRESS & PARCELS AND BANCO CTT



STRATEGIC INITIATIVES UNDERWAY IN CTT'S GROWTH LEVERS



Express & Parcels



Strengthen CTT's offer to grow in the B2C market and leverage on the development of the e-commerce in Portugal



IMPROVING LIFE



Launch of JV with Sonae for online B2C marketplace, based on the high expected growth of the Portuguese e-commerce landscape

- Joint investment of €10m to €15m in the first 2 years
- Leverage on complementary capabilities and skills from the two groups to jointly develop an e-commerce marketplace
- Benefit from the growth potential of the e-commerce, through (i) positioning based on proximity, (ii) simple, safe and convenient purchasing experience, (iii) broad online offer of products and services by a growing number of companies

bancoctt



Accelerate the origination of credit to clients, including consumer credit



Diversify product portfolio



Acquisition of 321 Crédito further expands Banco CTT's own credit offering, with strong contribution to profitability

- 2017 Net profit: €7.9m (2018E target Net profit of c.9m)
- Specialised consumer credit player, operating through a network of car dealers in the used auto loans market, with strong growth dynamics:
 - 2017 market share in used auto loans production: 9.2% (top 5 in the market) vs. 7.5% in 2016
 - 2017 net loan book: €251m (62% growth vs. 2016). 2017 used auto loans production: €133m (54% growth vs. 2016)

OPERATIONAL TRANSFORMATION PLAN SAVINGS OBJECTIVE FOR 2018 FULLY SECURED



Total recurring operating cost savings

FY18 savings
objective secured



€14.0m

FY18 savings
secured¹

€13.8m

FY18 savings
objective

Detail on the next page



Total non-recurring revenues /
capital gain

FY18 capital gain
objective secured



€8.6m

FY18 capital gain
expected

€5.2m

FY18 capital gain
objective



Total non-recurring costs

€11.9m €13.7m_{YTD}

4Q17 non-
recurring costs €3.7m in 1Q18 and
€10.0m in 2Q18

€9.0m €20.0m

4Q17 non-
recurring costs
objective FY18 non-
recurring costs
objective

¹ FY18 estimated recurring operating cost savings, taking into account initiatives already implemented until 30 June 2018.

ES&S COSTS & HR OPTIMISATION INITIATIVES SAVINGS FAR EXCEEDING THE INITIAL PROJECTIONS, WHILE NETWORKS INITIATIVES ARE EXPECTED TO HAVE A MORE SIGNIFICANT IMPACT FROM 2019 ONWARDS

Progress has been made on all initiatives...



Adjust HR policies and deepen the ES&S cost reduction efforts



Reinforce HR optimisation programme and rationalise non-core assets



Optimise the Retail Network maintaining proximity to the citizens



Reengineer the Distribution Network to improve operational efficiency and quality of service

...with FY18 savings ¹ in general exceeding the initial projections

Renegotiation of contracts for IT, electricity, buildings leases and maintenance, fleet and transport of valuables

€4.4m
(vs. €3.7m plan)

238 negotiated staff exits in this initiative so far, 161 in 2017 & additional 77 in 2018

€7.1m
(vs. €3.9m plan)

Advancing at a more moderate pace vs. initial projections

€1.1m
(vs. €3.9m plan)

The future operations model and network architecture have been defined

€1.4m
(vs. €2.3m plan)

¹ FY18 estimated recurring operating cost savings, taking into account initiatives already implemented until 30 June 2018.



Key Financials

QUARTERLY NET PROFIT IMPACTED BY ~€10M OF RESTRUCTURING COSTS RELATED TO THE OPERATIONAL TRANSFORMATION PLAN; RECURRING EBITDA BEGINS TO STABILISE



Financial and operational performance

€ million, except when otherwise indicated

Financial indicators	Quarter			Half		
	2Q17	2Q18	Δ%	1H17	1H18	Δ%
Revenues	175.2	178.2	+1.7%	352.1	355.1	+0.9%
Recurring operating costs ¹	150.6	154.8	+2.8%	299.5	309.1	+3.2%
Recurring EBITDA ¹	24.6	23.3	-5.0%	52.6	46.1	-12.4%
Reported Net profit	7.4	0.9	-87.9%	17.7	6.3	-64.8%
Recurring Net profit ¹	11.4	10.3	-10.0%	26.4	21.1	-19.9%

	 Addressed mail (million items)	 Unaddressed mail (million items)	 Parcels (million items)	 Savings & insurance flows (€ billion)	 BCTT credit to clients (€ million)
2Q18 volumes	172.1	110.8	9.2	0.9	34.7
vs. 2Q17	-6.7%	-13.0%	+18.8%	-32.4%	+337.6%

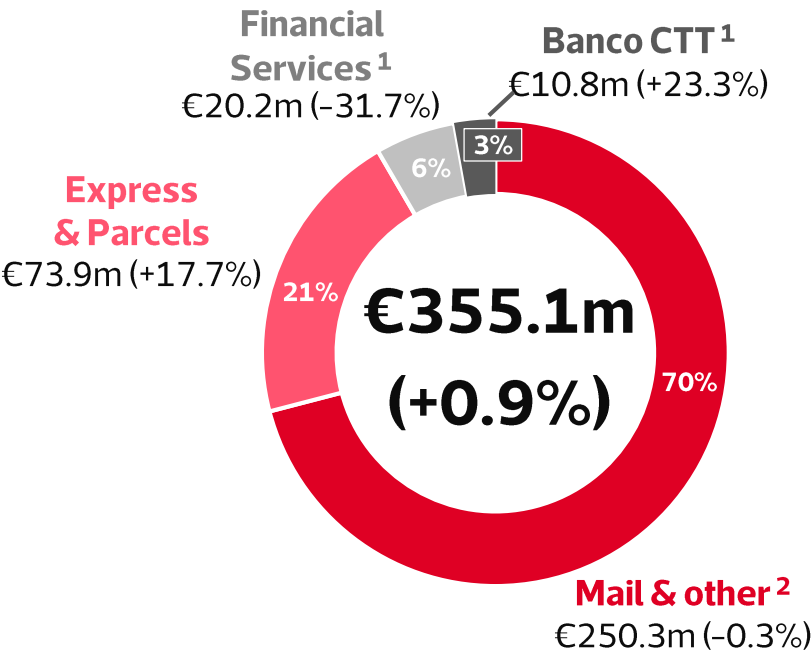
¹ Excluding non-recurring costs affecting EBITDA of €3.7m and €10.7m and affecting EBITDA and EBIT of €4.1m and €10.9m in 2Q17 and 2Q18, respectively. Excluding non-recurring costs affecting EBITDA of €6.9m and €15.1m and affecting EBITDA and EBIT of €7.9m and €17.2m in 1H17 and 1H18, respectively. Recurring net profit excludes non-recurring revenues and costs and considers the theoretical (nominal) tax rate of CTT.

RETURN TO REVENUES GROWTH AS POSITIVE EVOLUTION IN THE GROWTH LEVERS OFFSET THE DECLINE OF THE LEGACY BUSINESSES



1H18 recurring revenues

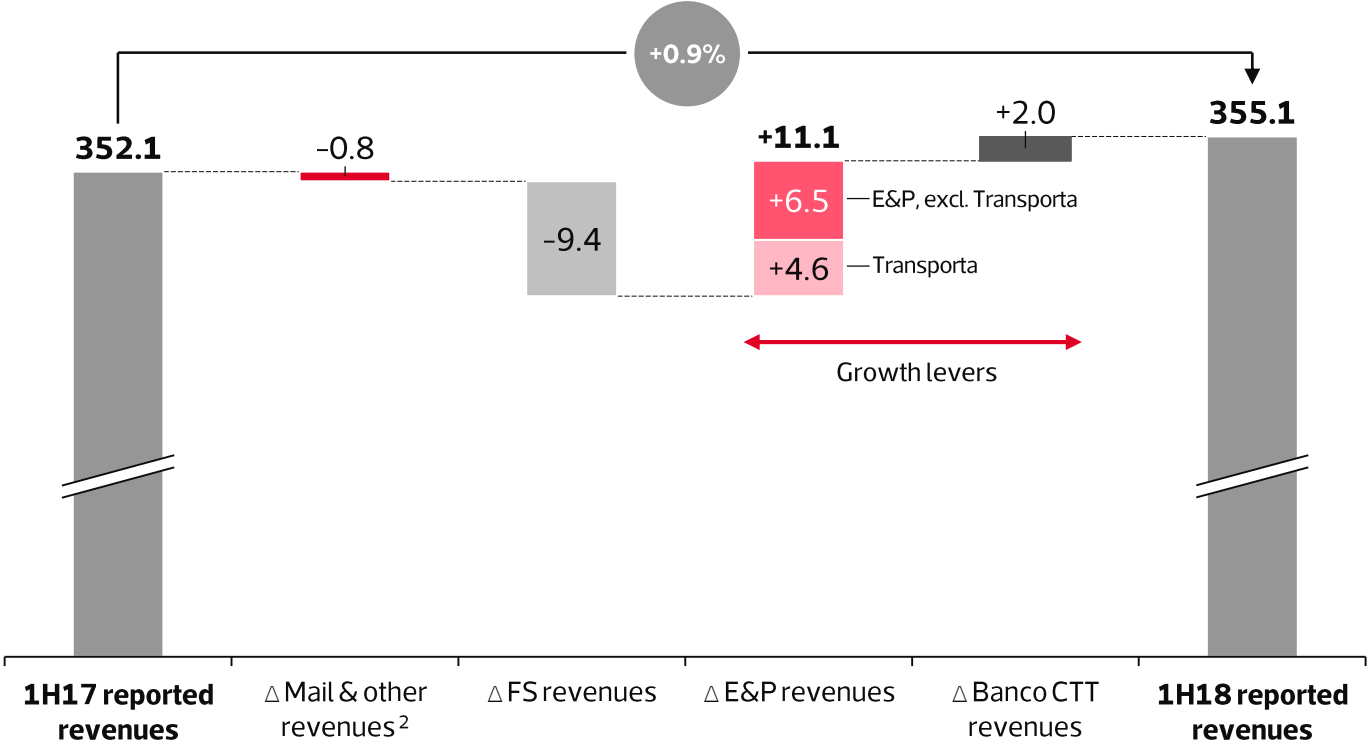
€ million; % change vs. prior year; % of total



X% % of total

Revenues breakdown

€ million



- The growth levers continued to post strong increases in volumes and revenues. E&P volumes grew significantly in Portugal (+20.4%, +10.0% excl. Transporta) and in Spain (+19.1%). Banco CTT revenues grew €2.0m (+23.3%), driven by net interest margin expansion
- The impact of -7.9% addressed mail volumes decline (-7.2% when adjusted for the loss of one working day in the half) was offset by an effective 3.6% average price increase in the half, strong positive mix effect (growth in international mail (+4.9m) & registered mail (+€1.2m)) and higher lottery sales (+€1.7m), the latter partially suspended in 1H17
- -52.6% decline in subscriptions led to -€9.5m decline (-56.3%) in the commissions from public debt products, the principal driver of Financial Services revenues

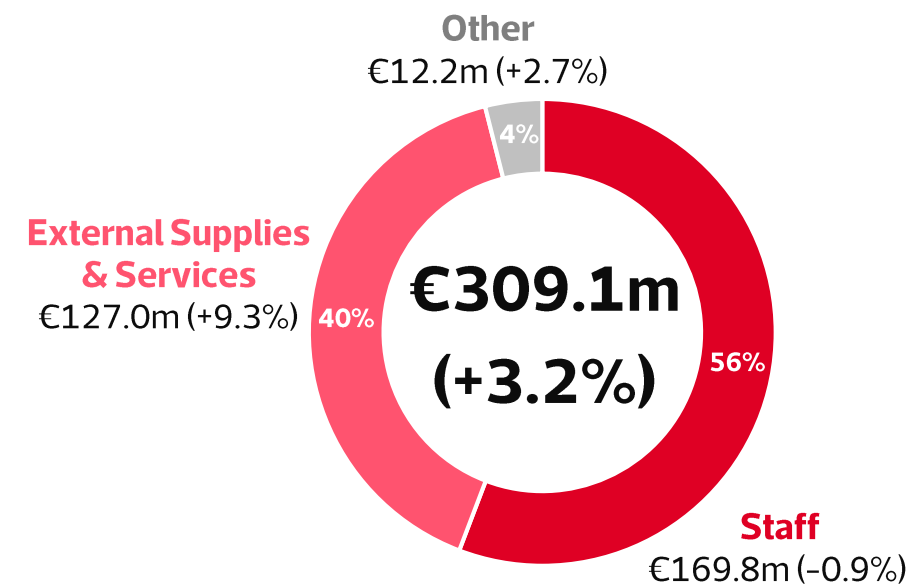
¹ Payshop migrated to Banco CTT business unit in Jan-18 (proforma figures used for 1H17 for FS and Banco CTT).
² Including income related to CTT Central Structure and Intragroup Eliminations amounting to -€18.8m in 1H17 and -€20.3m in 1H18.

THE RECURRING OPERATING COSTS INCREASE, MAINLY AS A RESULT OF GROWTH IN ACTIVITY, AS THE OPERATIONAL TRANSFORMATION PLAN STARTS TO HAVE A POSITIVE IMPACT ON OVERHEADS



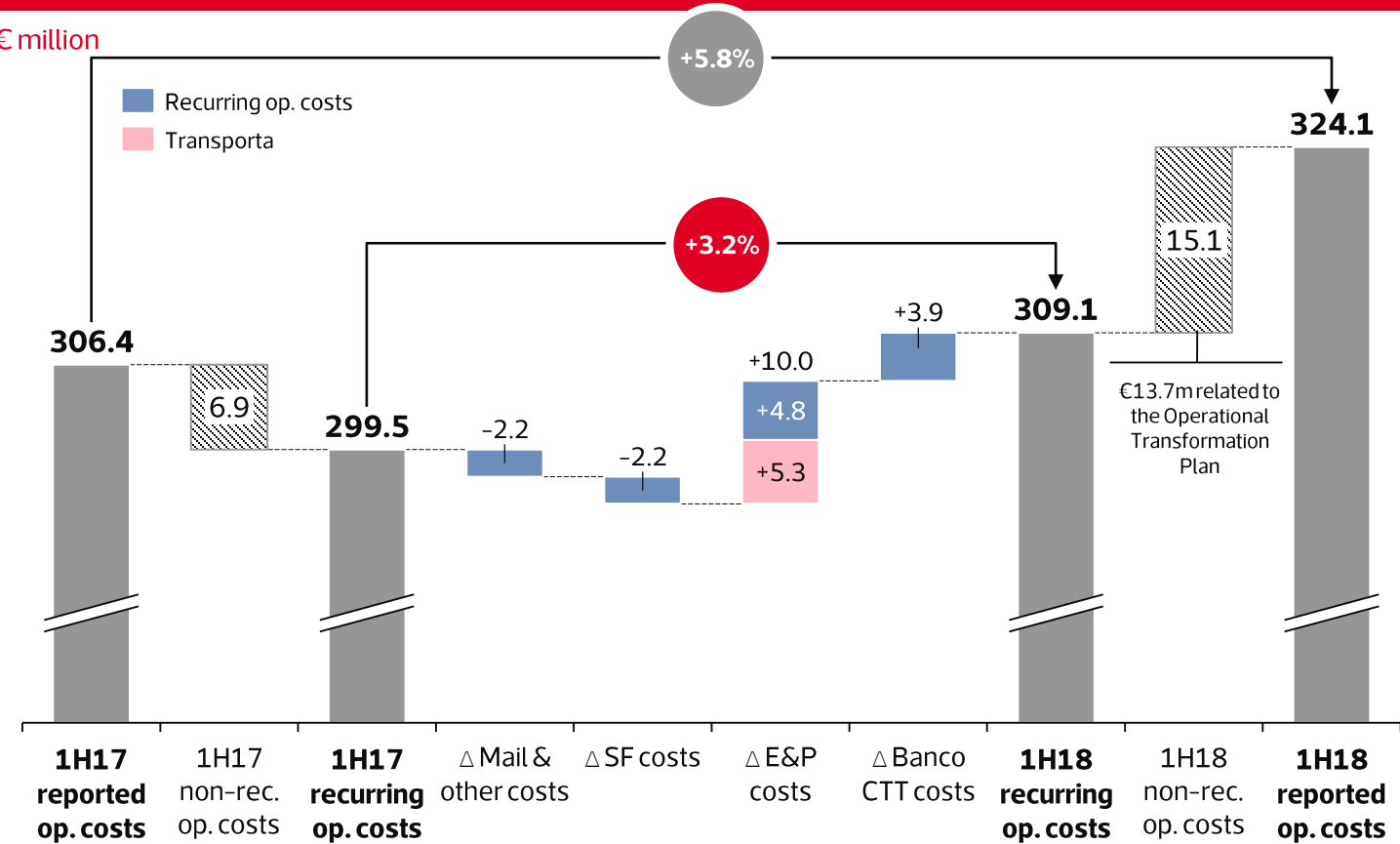
1H18 recurring operating costs

€ million; % change vs. prior year; % of total



Operating costs breakdown

€ million



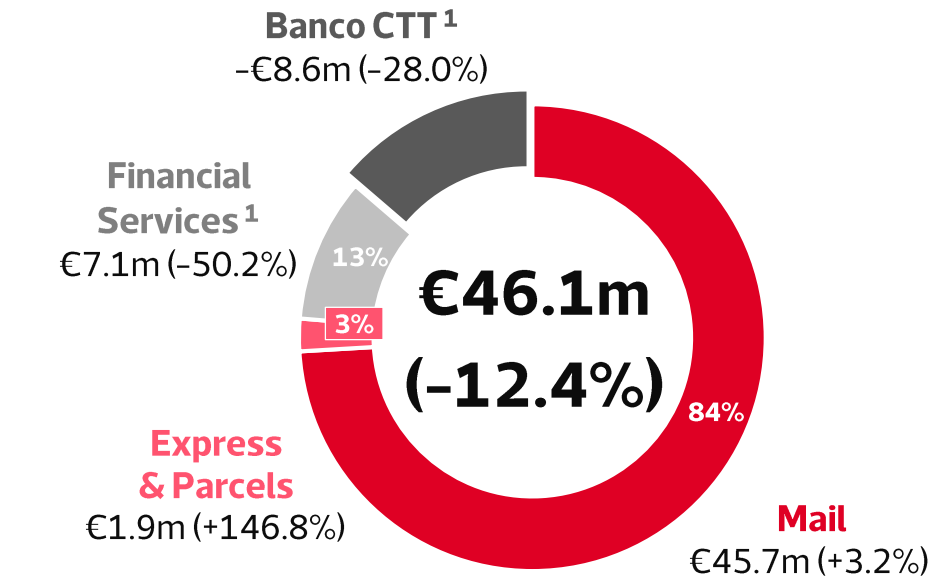
- **+€1.6m increase in costs of goods sold of lottery products impacting other costs** (with corresponding +€1.7m impact on revenues), sales were partially suspended in 1H17
- **ES& S costs increased by +€9.1m (+18.0%) in E&P and by +€2.8m (+33.2%) in Banco CTT.** Transportation & distribution costs (+€8.3m) and banking fees and commissions (+€0.7m) increase as a result of growth in activity, while savings were realised in IT (-€1.4m), electricity (-€0.7m) and transport of valuables (-€0.1m) costs, as a result of the OTP
- **The impacts of the Operational Transformation Plan on Staff costs more than offset the salary increase (+€1.3m impact in 1H18)** negotiated with the unions
- **The large majority of the non-rec. op. costs were related to the Operational Transformation Plan (€13.7m, >90%),** of which **€13.2m indemnities** related to negotiated staff exits

THE EBITDA EVOLUTION REFLECTS PRIMARILY THE LOSS OF HIGH INCREMENTAL MARGIN PRODUCT REVENUES IN FINANCIAL SERVICES



1H18 recurring EBITDA

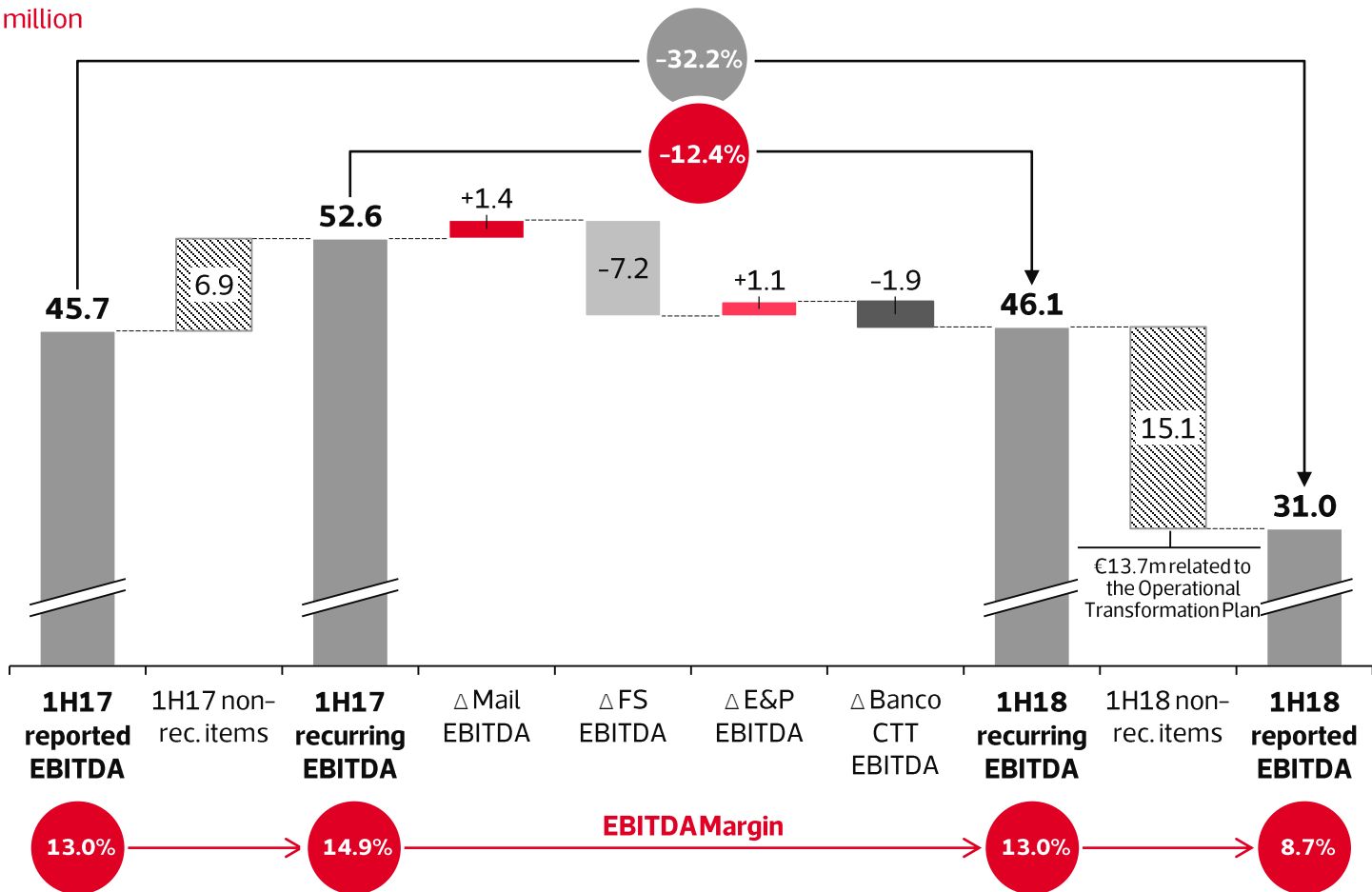
€ million; % change vs. prior year; % of total



X% % of total (excl. Banco CTT)

EBITDA breakdown ¹

€ million



- **Solid EBITDA performance in Mail** as the **stabilisation of the recurring cost base** and a strong **pricing / positive mix** effect **fully offset the decline in volumes**
- **Financial Services EBITDA declined markedly**, due to the **loss of public debt certificates revenues with very high incremental margin**
- **Express & Parcels EBITDA growth** reflects primarily the **improvement in Spain** and the preservation of the **EBITDA margin in Portugal**
- **Banco CTT EBITDA declined** as a result of **higher marketing costs** in 1H18 and one-time commission fee received in 1H17

¹ Payshop migrated to Banco CTT business unit in Jan-18 (proforma figures used for 1H17 for FS & Banco CTT).

THE OPERATING FREE CASH FLOW GENERATION IN 1H18 WAS INFLUENCED BY ONE-TIME PAYMENTS OF €24M, AS PART OF THE OPERATIONAL TRANSFORMATION PLAN



Cash flow

€ million; % change vs. prior year

	Reported			Adjusted ¹ (Excl. FS float & Banco CTT deposits and fin. assets)			
	1H17	1H18	Δ%	1H17	1H18	Δ%	
From operating activities	296.7	189.9	-36.0%	35.8	1.1	-96.9%	Impacted by €24.0m in payments related to the OTP, including €22.2m of indemnities for negotiated staff exits in 4Q17 & 1H18
Cashflow excl. FS float & Banco CTT				42.2	3.6	-91.4%	
Banco CTT cash flow				-6.4	-2.5	60.5%	
From investing activities	-117.9	-133.5	-13.2%	-21.2	-15.5	27.0%	
Capex payments	-22.9	-17.1	25.3%	-22.9	-17.1	25.3%	€8.3m Capex in 1H18
of which Banco CTT	-4.4	-3.6	19.1%	-4.4	-3.6	19.1%	
Banco CTT investments and fin. assets	-96.7	-118.0	-22.0%				
Other	1.7	1.6	-4.1%	1.7	1.6	-4.1%	
Operating free cash flow	178.8	56.4	-68.4%	14.6	-14.4	-198.3%	
From financing activities	-73.8	-65.0	11.9%	-73.8	-65.0	11.9%	
of which Dividends	-72.0	-57.0	20.8%	-72.0	-57.0	20.8%	
Other	-3.6	-26.5	-644.4%	0.1	0.0	-100.0%	
Net change in cash	101.5	-35.1	-134.6%	-59.0	-79.4	-34.5%	

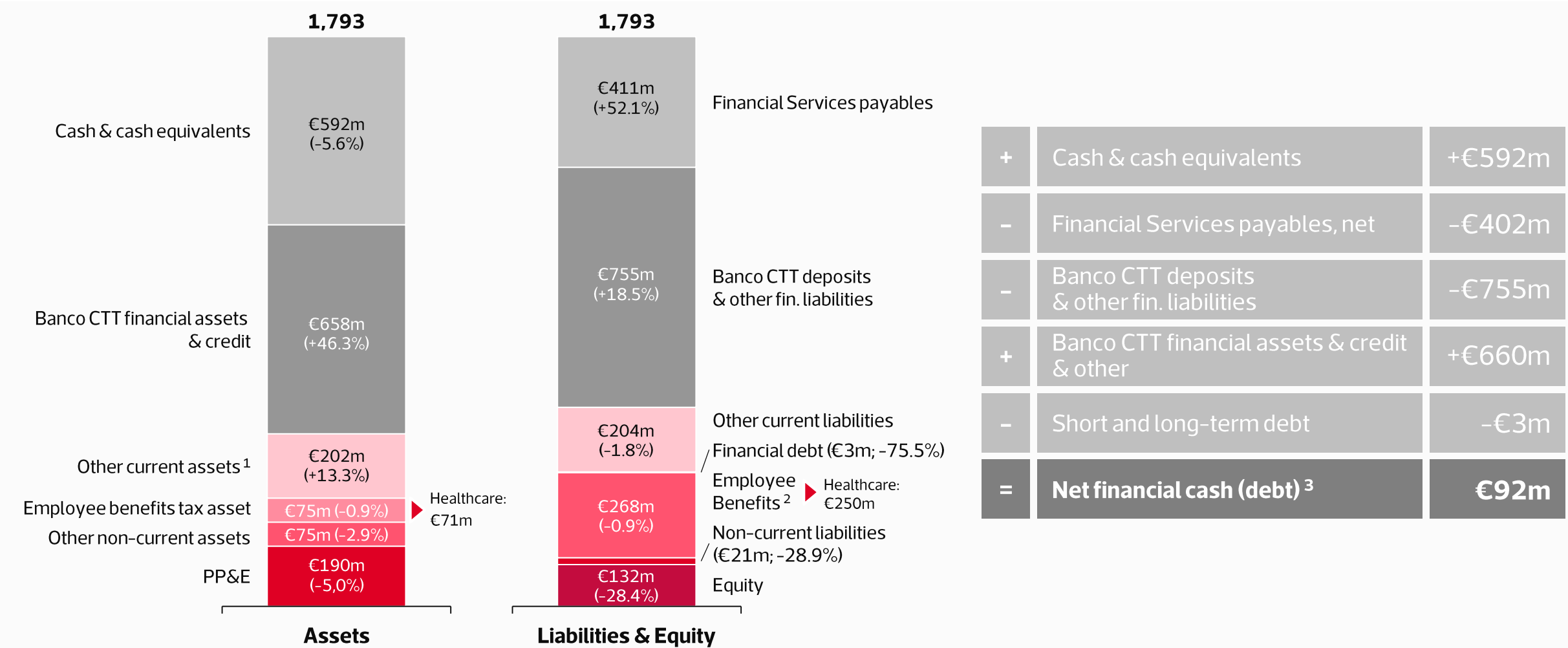
¹ Cash flow from operating and investing activities excluding changes in Net Financial Services payables and the following items from the CF statement, all of them relating to Banco CTT financial activity: "Banking customer deposits and other loans", "Credit to bank clients", third parties' "Other operating assets and liabilities" regarding Banco CTT, "Investments in securities", "Deposits at Bank of Portugal" and "Other banking financial assets".

THE BALANCE SHEET REFLECTS THE SIGNIFICANT CASH FLOAT GENERATED BY FINANCIAL SERVICES AND THE STRONG DEPOSIT GATHERING CAPACITY OF BANCO CTT



Balance Sheet – 30 June 2018

€ million; % change vs. 31 December 2017



¹ Including Financial Services receivables of €4m and €9m as at Dec-17 and Jun-18, respectively.

² including current and non-current liabilities.

³ Including €67m of Banco CTT's own cash.



Business Units

MAIL: PRICING AND STRONG POSITIVE PRODUCT REVENUES MIX EFFECT OFFSET THE IMPACTS OF STRUCTURAL & COMPETITIVE PRESSURES AND ONE LESS WORKING DAY ON MAIL VOLUMES



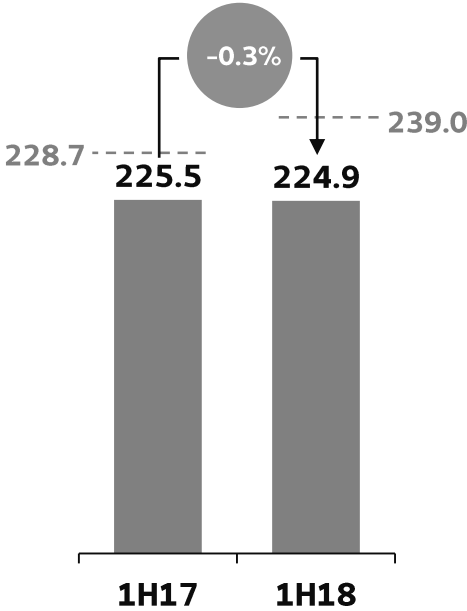
1H18 revenues

€ million; % change vs. prior year

- Transactional	€210.1m (+1.0%)
- Advertising	€12.5m (-12.7%)
- Editorial	€7.7m (-7.5%)
- Business Solutions	€4.8m (+12.6%)
- USO Parcels	€3.4m (-5.4%)
- Other ¹	€32.1m (+2.7%)
Total	€270.6m (+0.3%)

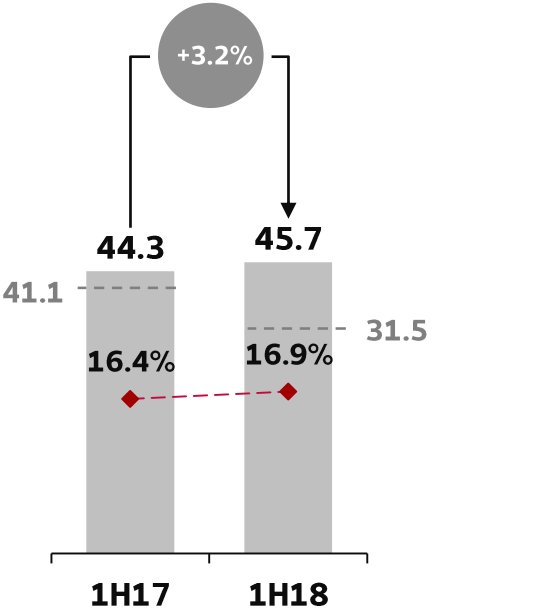
Operating costs¹

€ million



EBITDA

€ million



Mail volumes by type (m items)

Metric	Avg. mail prices	Addressed mail	Transactional	Advertising	Editorial	Unaddressed mail
1H18	N/D	357.3	307.6	30.6	19.1	211.1
vs. 1H17	+3.6%	-7.9%	-7.1%	-13.7%	-11.5%	-10.1%

¹ Other revenues include +€2.6m of revenues from lottery sales, which were partially suspended in 1H17 (+€1.7m impact in 1H18); similarly, operating costs include +€2.4m in CGS related to this product in 1H18, vs. €0.8m in 1H17.

EXPRESS & PARCELS: DOUBLE-DIGIT LIKE-FOR-LIKE VOLUMES GROWTH IN BOTH PORTUGAL AND SPAIN

DROVE STRONG REVENUES GROWTH AND HEALTHY INCREASE IN PROFITABILITY



1H18 revenues

€ million; % change vs. prior year

– Portugal & other ¹	€45.6m (+20.1%)
– Parcels	€32.6m (+7.5%)
– Cargo & Logistics ²	€7.9m (+156.7%)
– Banking network	€3.1m (+22.0%)
– Other ²	€1.9m (-1.6%)
– Spain	€27.4m (+14.3%)
– Mozambique	€0.9m (+10.5%)
Total	€73.9m (+17.7%)
Total excl. Transporta	€66.9m (+10.7%)



E&P volumesby region (m items)

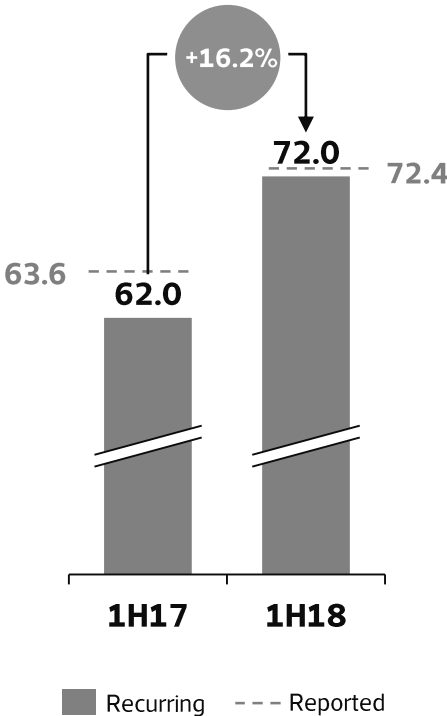
Metric	Total	Portugal	Portugal excl. Transporta	Spain	Mozambique
1H18	18.0	9.4	8.1	8.5	0.03
vs. 1H17	+19.7%	+20.4%	+10.0%	+19.1%	-5.4%

¹ Including revenues from intra-group transactions with companies of other business units and other operating income of Portugal, Spain and Mozambique.

² Including Transporta revenues in 1H18 (€6.8m in Cargo & Logistics and €0.1m in Other).

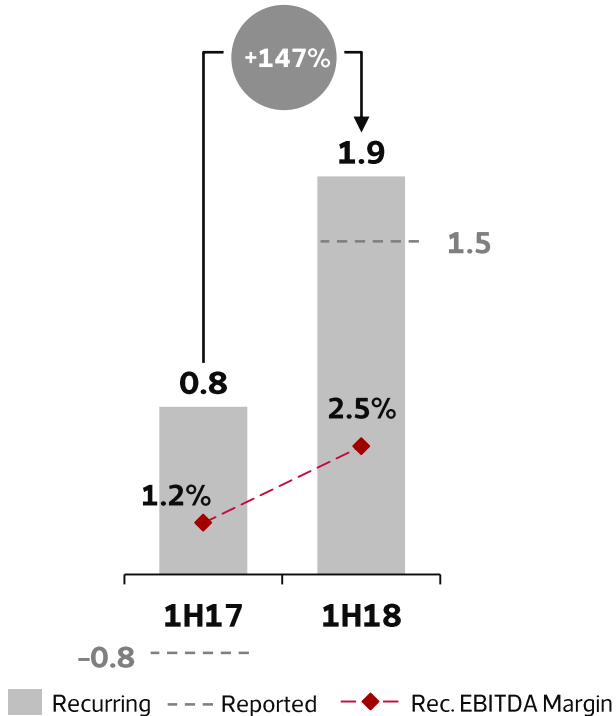
Operating costs

€ million



EBITDA

€ million



FINANCIAL SERVICES: THE LOSS OF MORE THAN 50% OF HIGH INCREMENTAL MARGIN PUBLIC DEBT PRODUCTS REVENUES IMPACTED THE FINANCIAL SERVICES PROFITABILITY



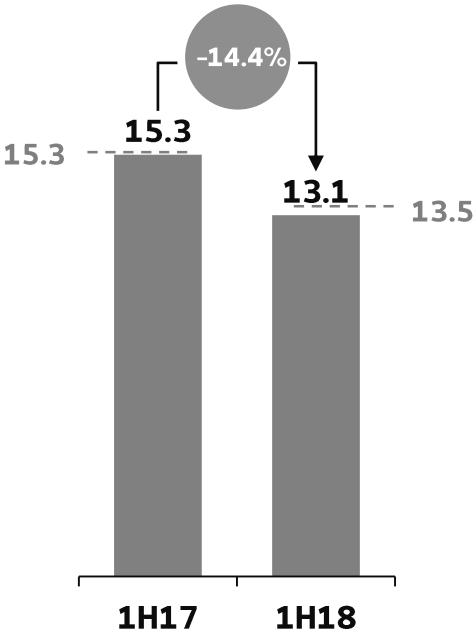
1H18 revenues ¹

€ million; % change vs. prior year

– Savings & Insurance	€8.1m (-52.8%)
– Payments ¹	€6.5m (-8.4%)
– Transfers	€4.3m (-11.5%)
– Other	€1.4m (+144.9%)
Total	€20.2m (-31.7%)

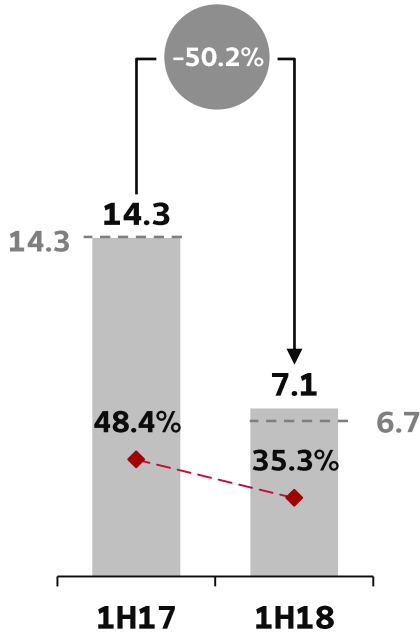
Operating costs ¹

€ million



EBITDA ¹

€ million



€ FS volumes by type

Metric	Savings & insurance placements (€bn)	Payments (m ops)	Money orders & transfers (m ops)
1H18	1.1	13.1	8.3
vs. 1H17	-49.7%	-6.0%	-7.4%

¹ Payshop migrated to Banco CTT business unit in Jan-18 (proforma figures presented for 1H17 for this product line).

BANCO CTT: BANCO CTT REVENUES GROWTH DRIVEN BY THE CONTINUED EXPANSION OF THE NET INTEREST MARGIN, AS MORE LIQUIDITY IS BEING DEPLOYED IN HIGHER YIELDING ASSETS, INCLUDING CREDIT



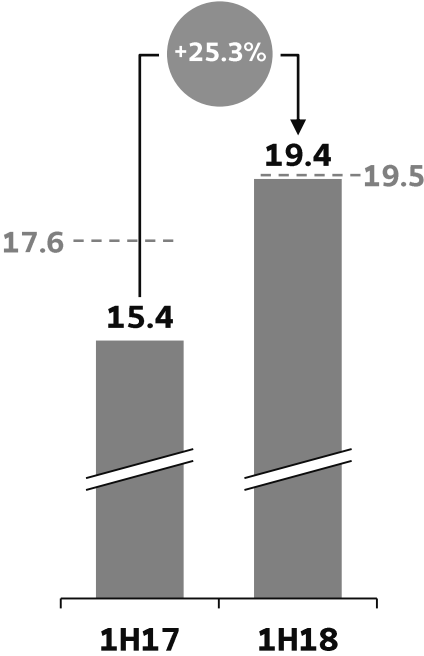
1H18 revenues ¹

€ million; change vs. prior year

– Net interest income	€3.3m (+€2.2m)
– Interest income	€3.7m (+€2.2m)
– Interest expense	€0.4m (+€0.0m)
– Fees & commissions income ²	€2.2m (–€0.1m)
– Consumer credit ² and insurance	€0.5m (–€1.0m)
– Own products	€1.6m (+€0.9m)
– Payshop & other ¹	€5.3m (–€0.0m)
Total	€10.8m (+€2.0m)

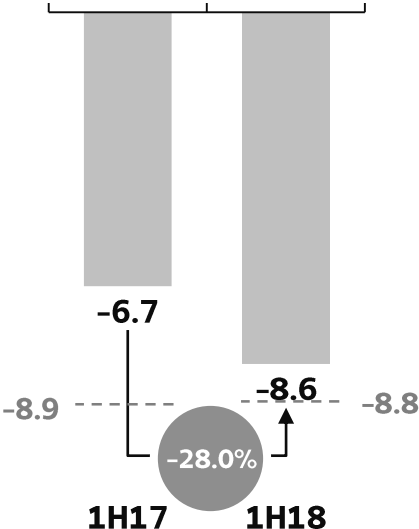
Operating costs ¹

€ million



EBITDA ¹

€ million



■ Recurring --- Reported

■ Recurring --- Reported



Selected Banco CTT Balance Sheet indicators

Metric (non consolidated)	Assets (€ million)				Deposits (€ million)		Equity (€ million) / CET 1 (%) (fully implemented)
	Cash & equivalents	Investments	Credit to clients	of which Mortgage	Term	Sight	
30-Jun-18	267.7	401.5	149.2	131.8	212.6	523.8	99.1/ 32.4%
vs. 30-Jun-17	-1.7%	+115.7%	+358.3%	>>	+23.6%	+107.6%	+13.2% / -17.5p.p.

¹ Payshop business migrated to Banco CTT Business Unit in Jan-18 (proforma figures presented for 1H17).

² Consumer credit & credit cards sold in partnership with BNP Paribas Personal Finance (Cetelem). The 1H17 revenues included a fixed commission fee of €0.8m from an insurance provider for the launch of sale of insurance products.

³ Amount outside CTT's Balance Sheet, representing the amount of credit placed in 1H18, in partnership with BNP Paribas Personal Finance (Cetelem).



Branches
(#)

212



Current
accounts

c. 285k
(+c.59k in 1H)



Customers (#)

> 350
thousand



Deposits

€736.4m



Consumer
credit ³

€18.8m



Appendix

CONSOLIDATED RESULTS



€ million	Reported		Recurring ¹		Reported with Banco CTT under equity method ²	
	1H17	1H18	1H17	1H18	1H17	1H18
Revenues	352.1	355.1	352.1	355.1	346.8	348.0
Operating costs	306.4	324.1	299.5	309.1	292.2	308.3
EBITDA	45.7	31.0	52.6	46.1	54.6	39.8
EBITDA margin	13.0%	8.7%	14.9%	13.0%	15.7%	11.4%
Depreciations, amortisations, impairments & provisions	-15.2	-16.7	-14.2	-14.5	13.8	15.3
EBIT	30.6	14.3	38.4	31.6	40.8	24.5
Financial income / (costs)	-2.4	-2.8	-2.4	-2.8	-2.4	-2.8
Associated companies – gains / (losses)	0.0	0.1	0.0	0.1	-8.2	-7.9
Earnings before taxes (EBT)	28.2	11.7	36.0	28.9	30.3	13.9
Income tax for the period	10.5	5.4	9.7	7.7	-12.6	-7.6
Non-controlling interests	-0.05	0.03	-0.05	0.03	-0.05	0.03
Net profit attributable to equity holders	17.7	6.3	26.4	21.1	17.7	6.3

¹ Recurring net profit excludes non-recurring revenues and costs and considers the theoretical (nominal) tax rate of CTT.

² Payshop migrated to Banco CTT business unit in Jan-18 (proforma figures presented for 1H17).

BALANCE SHEET



€ million	CTT		With Banco CTT under equity method ¹	
	31-Dec-17	30-Jun-18	31-Dec-17	30-Jun-18
Non-current assets	678.5	867.1	413.4	415.2
Current assets	930.3	925.5	557.3	620.6
Assets	1,608.8	1,792.6	970.7	1,035.7
Equity	184.0	131.8	184.0	131.8
Liabilities	1,424.8	1,660.8	786.8	904.0
Non-current liabilities	282.7	272.2	282.7	272.1
Current liabilities	1,142.0	1,388.6	504.1	631.8
Equity and Liabilities	1,608.8	1,792.6	970.7	1,035.7

¹ Payshop migrated to Banco CTT business unit in Jan-18 (proforma figures presented for Dec-17).

€15.1M OF NON-RECURRING ITEMS AFFECTING EBITDA IN 1H18, €13.7M OF WHICH RELATED TO THE OPERATIONAL TRANSFORMATION PLAN



€ million		Non-recurring items	
		1H17	1H18
Recurring EBITDA		52.6	46.1
Non-recurring items affecting EBITDA		6.9	15.1
Other operating income		0.0	0.01
Staff costs		2.9	13.3
ES&S & other op. costs		4.0	1.7
Reported EBITDA		45.7	31.0
Recurring EBIT		38.4	31.6
Non-recurring costs affecting only EBIT		1.0	2.2
Provisions (reinforcements / reductions)		-0.1	1.7
Impairments and D&A (losses / reductions)		1.1	0.4
Non-recurring items affecting EBITDA & EBIT		7.9	17.2
Reported EBIT		30.6	14.3

€13.2m of indemnities related to the Operational Transformation Plan
 €1.3m of strategic studies, €0.5m of which related to the Operational Transformation Plan
 €1.4m provision related to the Spanish Competition Authority fine



CTT Investor Relations

Contacts:

Phone: +351 210 471 087

E-mail: investors@ctt.pt

Upcoming Events:

- > 7 September – Lisbon – CaixaBank BPI Iberian Conference
- > 13 September – London – J.P. Morgan Small / Mid-cap Conference
- > 14 September – Paris – Kepler Cheuvreux Autumn Conference