

# Acquisition of Cacesa

December 2024



**ctt**



# Disclaimer

## **DISCLAIMER**

This document has been prepared by CTT – Correios de Portugal, S.A. (the “Company” or “CTT”) exclusively for use during this investor announcement and related presentation. 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.<sup>1</sup>

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](http://www.ctt.pt)) as well as on the Portuguese Securities Market Commission's website ([www.cmvm.pt](http://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 concerning 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.

# Acquisition of Cacesa, a significant step in exposure to e-commerce logistics

## TRANSACTION HIGHLIGHTS

1

### Compelling transaction rationale, fully aligned with CTT's strategic roadmap of becoming a full-fledged e-commerce logistics player

- Increase CTT's presence in cross-border e-commerce flows
- Strengthen CTT's foothold in customs clearance through a well-established player
- Reinforce CTT's value proposition for its customers, with a highly complementary service offering increasing loyalty
- Expand CTT's geographical footprint across Europe
- Visible revenue synergies and cost savings
- Accelerate CTT's business transformation, with logistics and CEP becoming the largest contributors to the Group

---

---

Detailed ahead

2

### Key financial terms

- €91m Enterprise Value<sup>1</sup> equivalent to a multiple of 5.5x EV/EBIT<sup>1</sup> (as of 30 June 2024, LTM)
- Transaction to be financed with debt
- Proforma leverage ratio to stand below 2.5x<sup>2</sup> upon closing

3

### Significant value creation

- Strong value creation for shareholders through expected visible synergies (>€5m run-rate at EBIT level) with low execution risk
- + c.20% EPS and FCFPS accretion by 2026E including expected run-rate synergies (+12% excluding synergies)

4

### Next steps

- The transaction is subject to customary closing conditions, including applicable regulatory approvals
- The transaction is expected to close in March/April 2025

<sup>1</sup>Figures under Local GAAP (pre-IFRS 16 implementation); <sup>2</sup>Accounting for Banco CTT under the equity method

# Complementary to CTT's service portfolio



CACESA AT A GLANCE

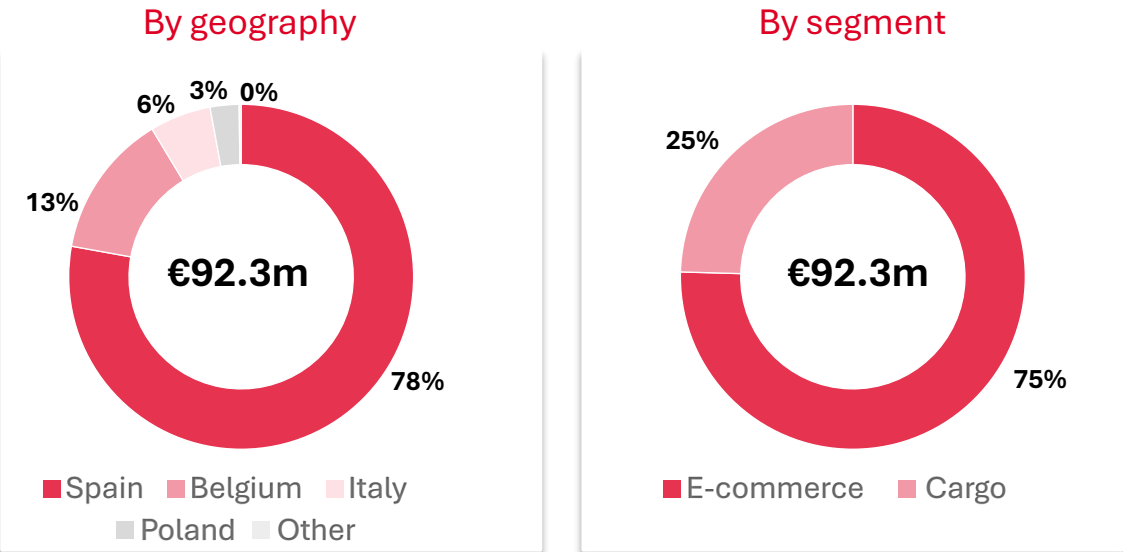
## Description

- Founded in 1987 by Iberia, Cacesa is a well-established Iberian **provider of B2C cross-border e-commerce customs solutions** from China to Europe providing services across the entire value chain:
  - E-commerce**: well-established player in cross-border customs clearance in Spain with relevant position across European markets enhancing customer relationships through supplementary last-mile delivery services
  - Freight forwarding**: wide range of supplementary freight forwarding services including air, sea and road transportation for general cargo, express shipping and special cargo handling
- It employed 276 people in 2023 and has presence in over 15 countries (with the core of its operations in Spain), where it provides asset-light e-commerce services leveraging on its proprietary technological software

## Financial and operating metrics (2023)

 <b>€92m</b> revenues	 <b>160m</b> shipments <b>7m</b> parcels <sup>1</sup>
 <b>€20m</b> EBIT <sup>2</sup>	 Well-established customs player in Spain and Italy
 <b>22%</b> EBIT margin	 Present in +15 countries

## Revenue breakdown (2023)



## Strategic positioning in the value chain













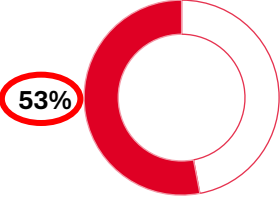
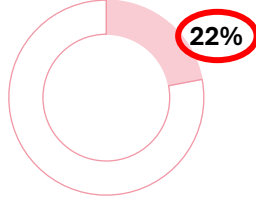
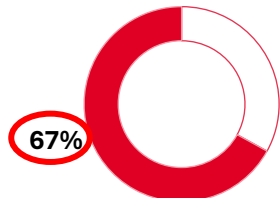
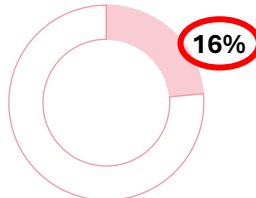
<sup>1</sup>Parcels delivered in the last mile through third party suppliers. <sup>2</sup>EBIT post-IFRS 16 adjustment. For reference, Cacesa reports under Local GAAP

# Significant exposure to e-commerce to enhance CTT's offering



CACESA'S E-COMMERCE BUSINESS

## Business description

		Customs	Last Mile
Offering		<ul style="list-style-type: none"><li>• Customs broker for e-commerce shipments</li><li>• Adjacent services: airport pick up, sorting, transport, temporary warehousing</li></ul>	<ul style="list-style-type: none"><li>• Cacesa acts as reseller of last-mile services</li></ul>
Business model		<div>Asset light  —  —  Asset heavy</div>	<div>Asset light  —  —  Asset heavy</div>
Brands		 	 
Business mix (% of total)	Revenues (2023)		
	Gross Margin (2023)		

## Key figures as of 2023 (e-Commerce)

 <b>€70m</b> revenues	e-Commerce revenues have been growing at a c. 33% CAGR since 2021
 <b>€38m</b> gross margin	e-Commerce gross margin at or above >50% consistently since 2021
 <b>160m</b> shipments <b>7m</b> parcels <sup>1</sup>	Customs and last-mile deliveries have grown at c.10% CAGR since 2021

## Cacesa's value added



<sup>1</sup>Parcels delivered in the last mile through third party suppliers.

# Stable cargo/forwarding business



CACESA’S CARGO/FORWARDING BUSINESS

## Business description

		Air freight	Express	Other services (incl. Alaer)
Offering		<ul style="list-style-type: none"><li>Traditional forwarding from Spain</li><li>Well-established in courier services from Spain to LatAm</li></ul>	<ul style="list-style-type: none"><li>Express air courier from Spain</li><li>Very well-positioned in Madrid-Canary Islands and Ceuta &amp; Melilla</li></ul>	<ul style="list-style-type: none"><li>Sea freight forwarding from Spain and customs for non-e-commerce goods</li><li>Airport logistics and handling in Madrid</li></ul>
Business model		<div>Asset light</div> <div>Asset heavy</div>	<div>Asset light</div> <div>Asset heavy</div>	<div>Asset light</div> <div>Asset heavy</div>
Brands				
Business mix (% of total)	Revenues (2023)			
	Gross Margin (2023)			

## Key figures as of 2023 (Cargo/Forwarding)

<b>€23m</b> revenues	Cargo/forwarding revenues have been relatively stable since 2021
<b>€7m</b> gross margin	Air freight business has been growing at a c.30% CAGR since 2021
<b>8m kilograms<sup>1</sup></b>	Shipped cargo has grown at a c.7% CAGR since 2021

## Cacesa’s value added



<sup>1</sup>Kilograms for express, airfreight and ocean in cargo business.

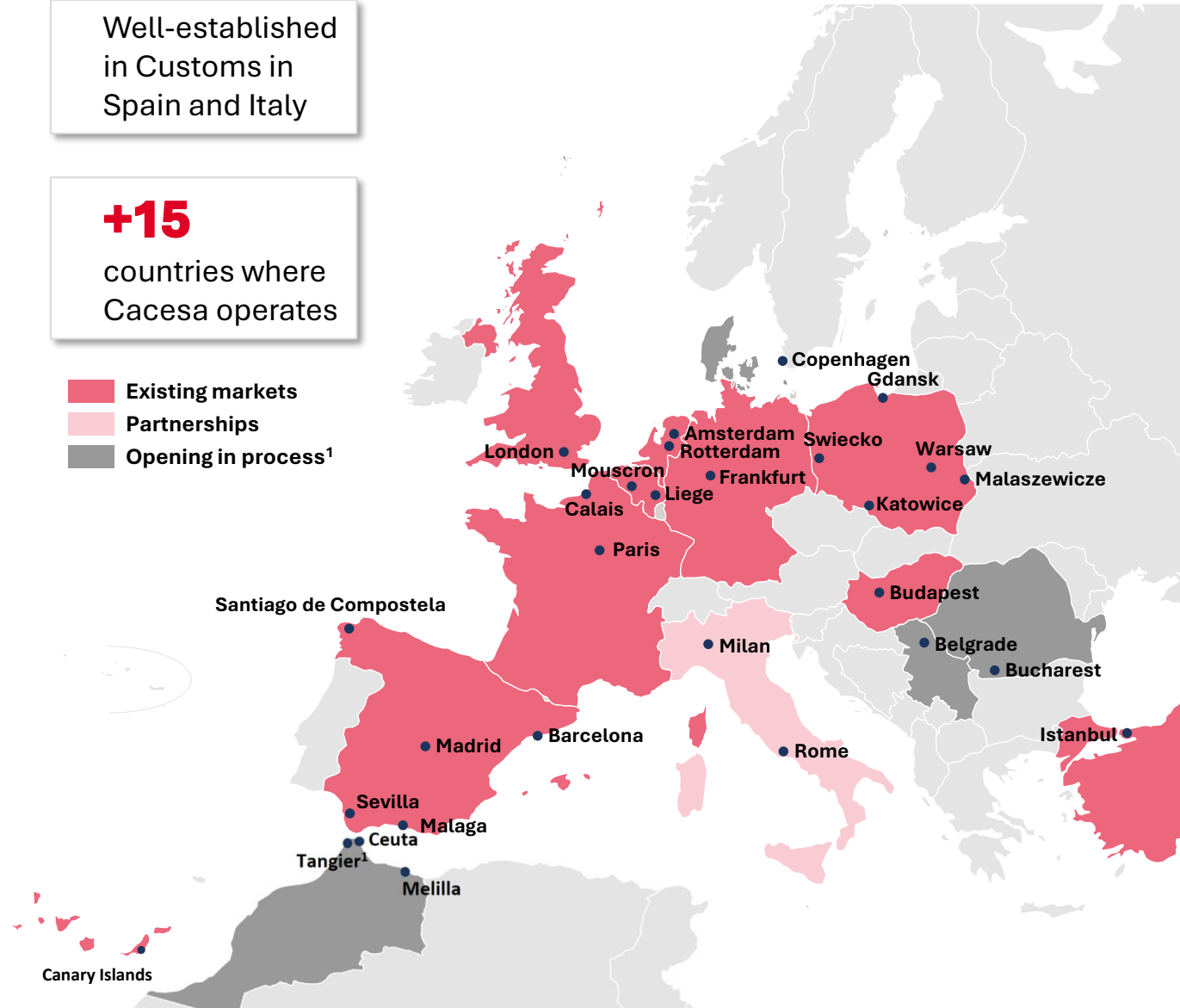
# Strong and solid exposure to Spain, while providing further optionality

## CACESA'S GEOGRAPHICAL FOOTPRINT

Well-established  
in Customs in  
Spain and Italy

**+15**  
countries where  
Cacesa operates

■ Existing markets  
■ Partnerships  
■ Opening in process<sup>1</sup>



### Bridging Europe and China

- China to Europe represents ~15-20% of global cross-border e-commerce orders
  - Cacesa connects Europe and China, streamlining cross-border trade and e-commerce between the two regions



### Positioned for EU growth and international expansion

- Cacesa has successfully expanded across the EU and is well-positioned for further growth in existing and new markets



### Channelling shipment flows from Spain to Canary Islands & Latin America

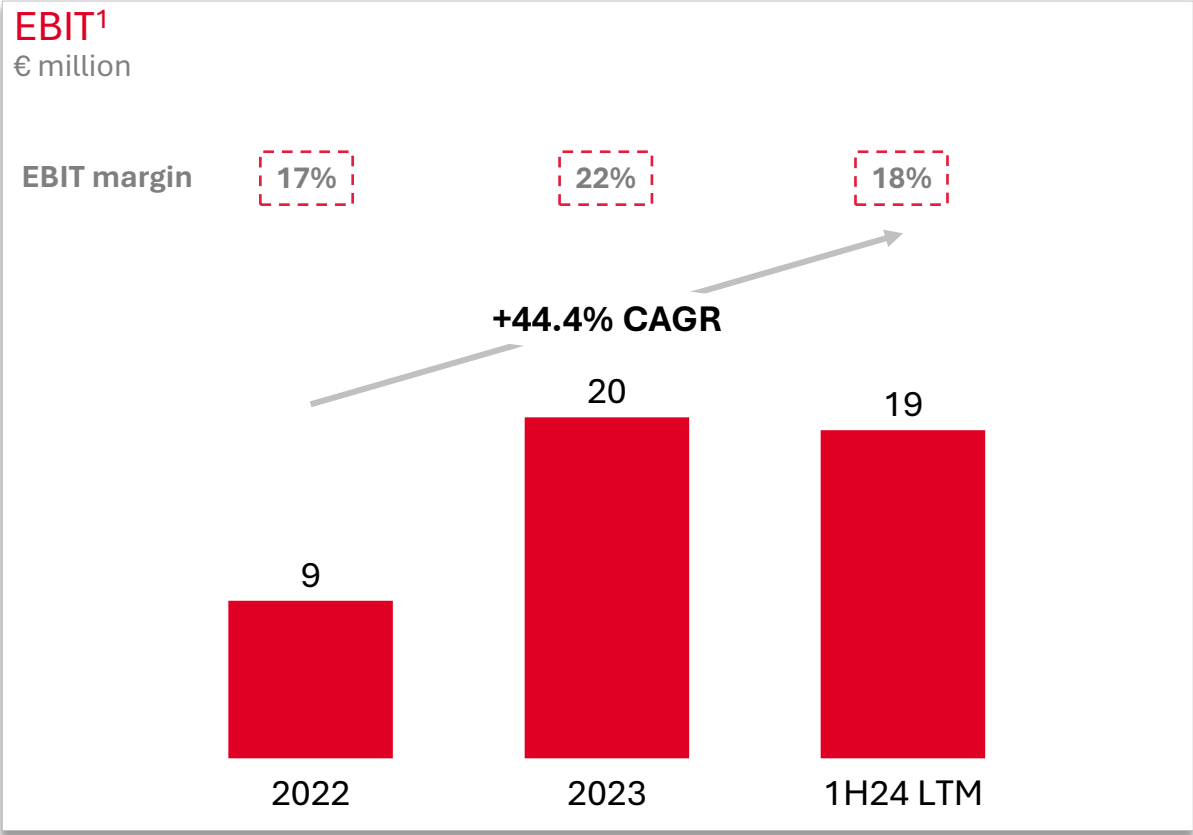
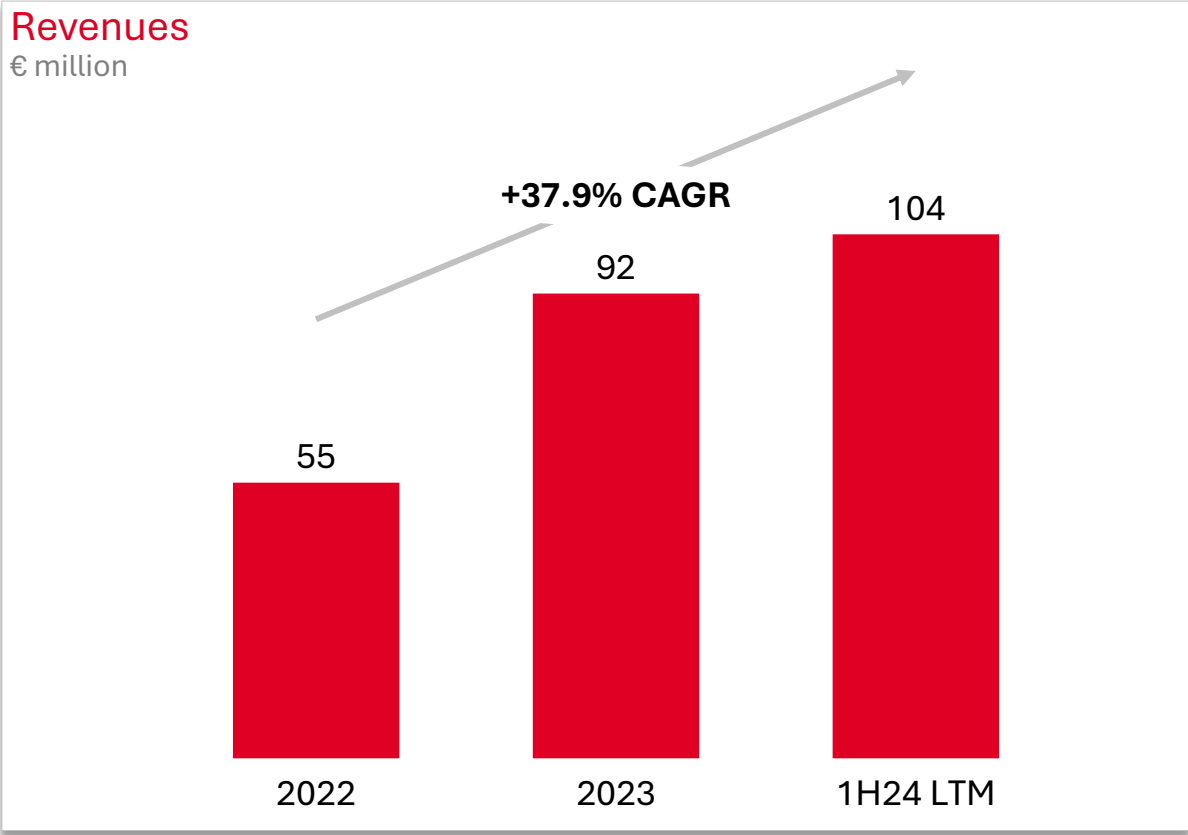
- Cacesa is specialized in air parcel shipments from Latin American expats to their home countries and express parcels exports to the Canary Islands



<sup>1</sup>Representative offices are established in Morocco and India, with operations pending the receipt of necessary regulatory approvals

# Successful growth story underpinned by cross-border e-commerce flows



CACESA'S KEY HISTORICAL FIGURES



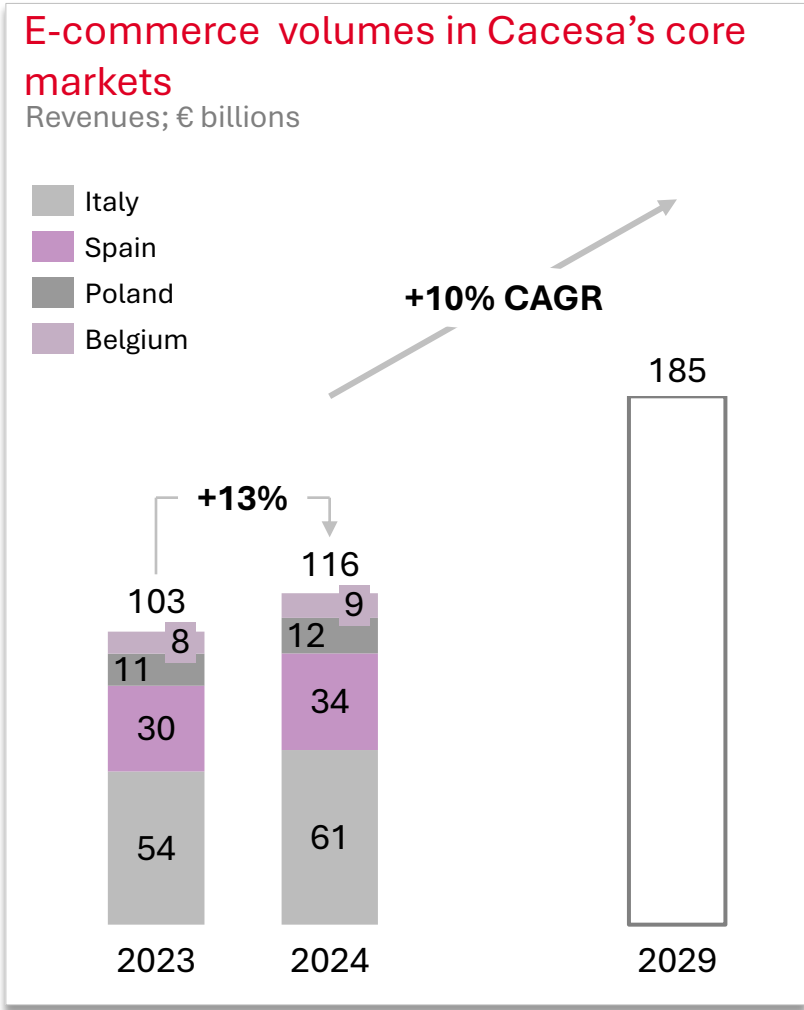
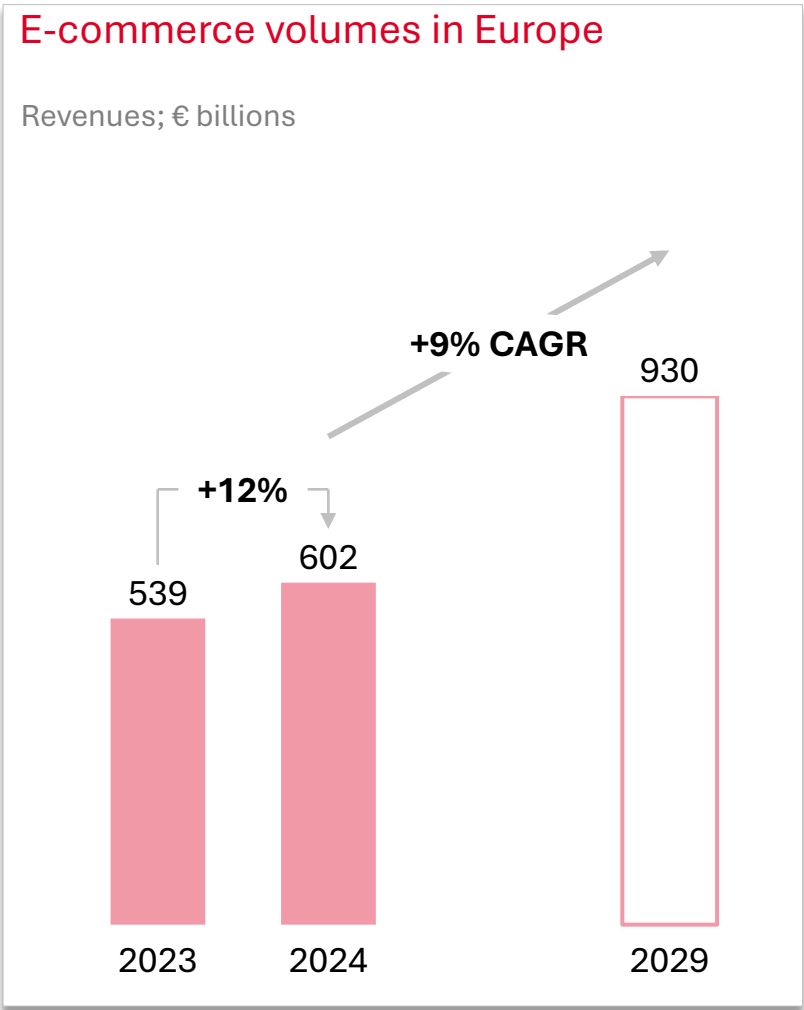
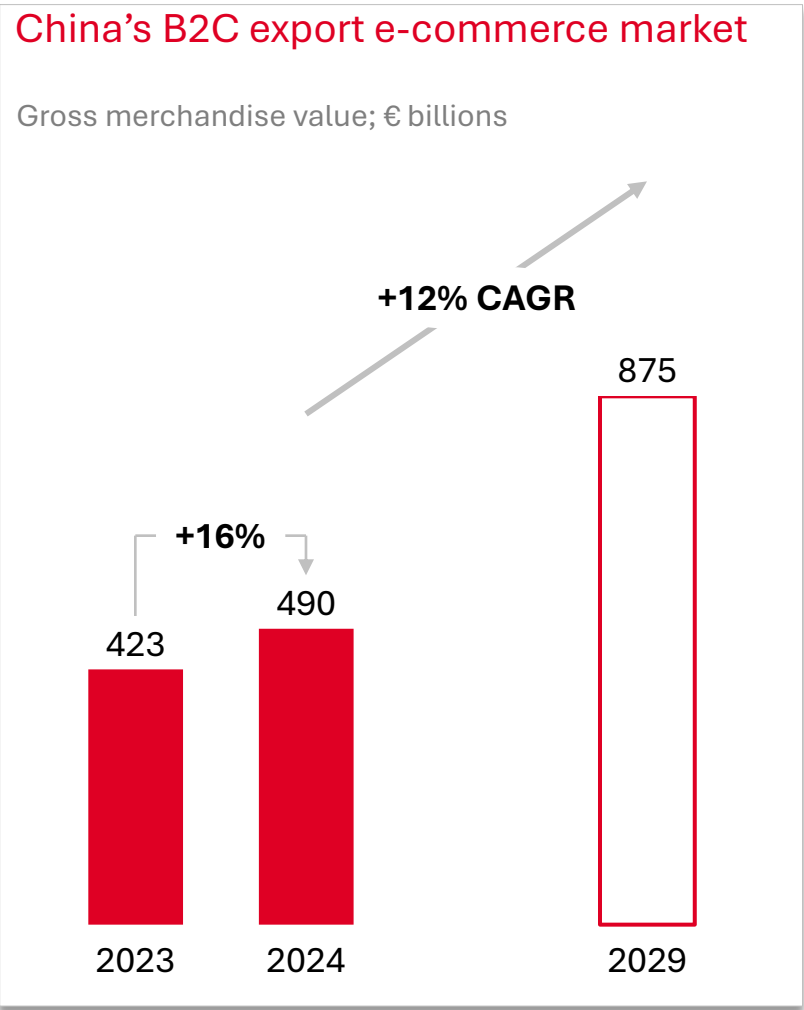
-  **Strong organic growth driven by internationalisation and transformation into a cross-border e-commerce customs provider**
-  **Highly profitable business leveraging on its proprietary IT and an asset light approach, supporting strong cash flow generation**

<sup>1</sup>EBIT post-IFRS 16 adjustment. For reference, Cacesa reports under Local GAAP



# Strong growth potential anchored on structural market upside

MARKET POTENTIAL



**China's B2C e-commerce exports (o.w. ~20% addressed to Europe) to grow at double digit in next years**

**E-Commerce market volumes also expected to grow at double digit in Cacesa's core markets underpinned by Asian flows**

# Compelling transaction rationale fully aligned with CTT's strategic roadmap



## KEY TRANSACTION BENEFITS



### Increase CTT's presence in cross-border e-commerce flows

- Cross-border e-commerce customs market is expected to grow double-digit for the next 3-5 years
- Well-established position in a dynamic market



### Strengthen CTT's foothold in customs clearance through a well-established player

- Clearance is critical in cross-border fulfilment
- Limited number of customs clearance players



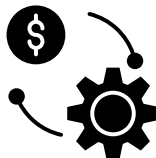
### Reinforce CTT's value proposition for its customers , with a highly complementary service offering increasing loyalty

- Improve CTT's stickiness with clients, and grow share of wallet
- Integrated service offering, highly complementary to CTT's
- Leverage on Cacesa's capabilities to fuel growth in fulfilment and forward inventory



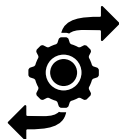
### Expand CTT's geographical footprint across Europe

- Expansion into new cross-border e-commerce markets on customs services
- Optionality to capitalise on international opportunities in the Last Mile segment by targeting high margin and high return routes



### Visible operational synergies

- Revenue synergies from: (i) last-mile delivery services; (ii) integration with CTT's customs processes while improving client loyalty through service differentiation; and (iii) capture of new international clients leveraging on Cacesa's footprint
- Cost savings from: i) increased efficiencies in customs handling operations; and ii) elimination of overhead duplicities



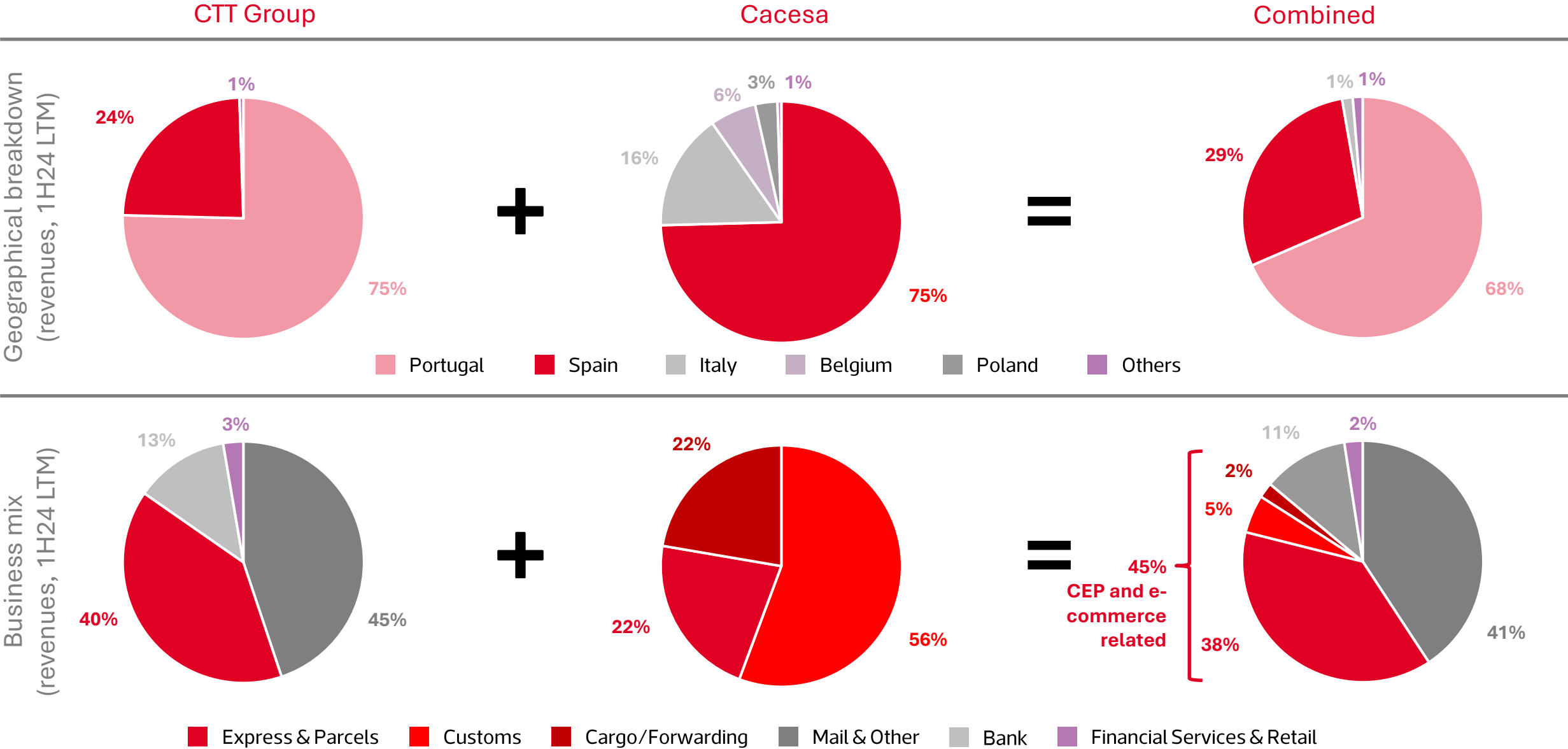
### Accelerate CTT's business transformation, with logistics and CEP becoming the largest contributors to the Group

- CEP and e-commerce logistics to become the largest EBIT contributors to the Group
- Further differentiates CTT's e-commerce competitive position in Spain by reducing delivery times for clients

Cacesa provides geographical diversification and business complementarity

ctt

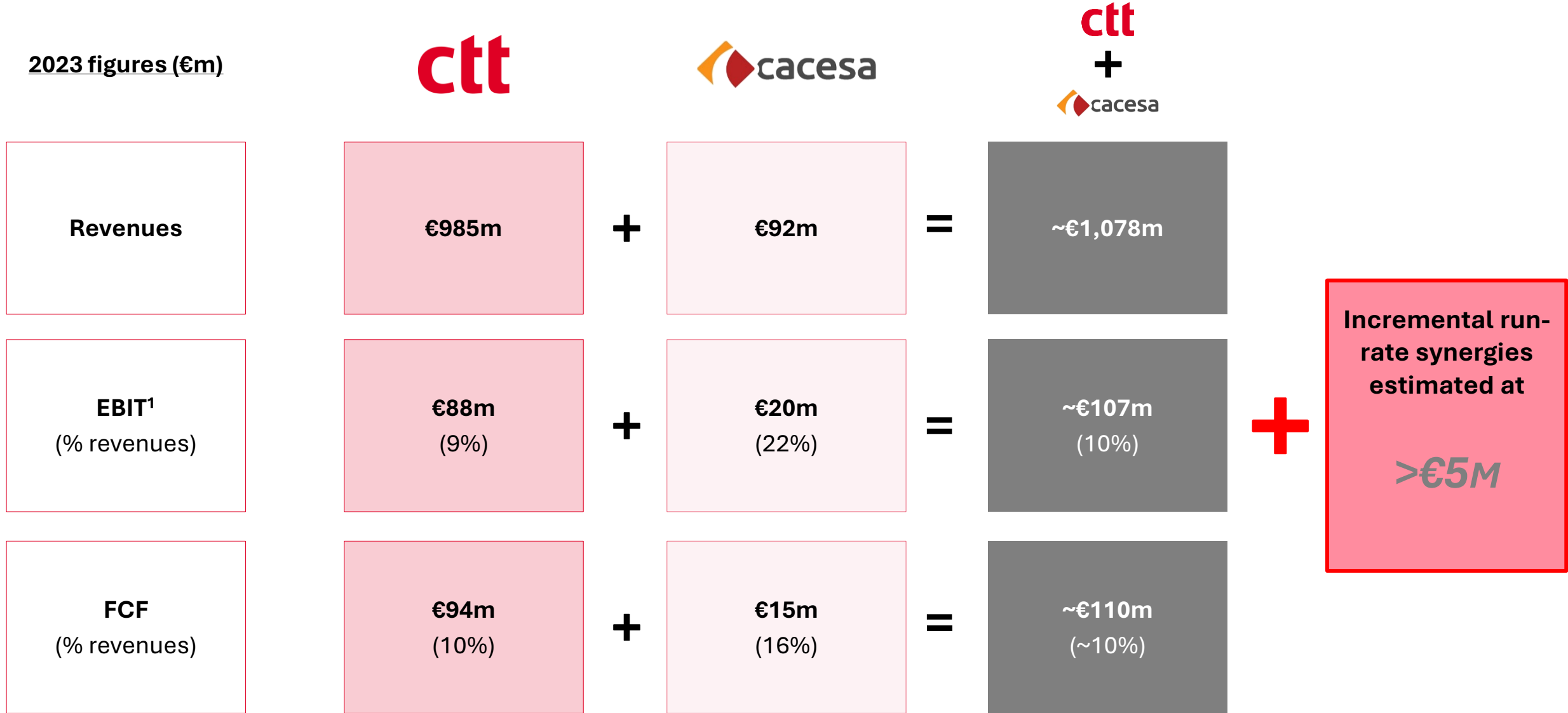
CTT PROFORMA POST ACQUISITION



# Combination with Cacesa to improve CTT's relevance in Iberia



CTT PROFORMA POST ACQUISITION



<sup>1</sup>Recurring EBIT post IFRS-16 adjustment. For reference, Cacesa reports under Local GAAP



# Setting new foundations to unlock future profitable organic growth

## KEY TAKEAWAYS



**Earlier access and increased exposure to global e-commerce flows, with focus on Spain**



**Improving the span of CTT's service portfolio**



**Opportunity to reinforce and deepen customer relationship**



**Increased relevance in Iberia**



**Optionality on geographical expansion**



**Low risk topline and cost synergies**



**Acquisition to earnings and cash-flow accretive as from day one**



We make our path fully  
committed to deliver

[ctt.pt](http://ctt.pt)

## **Investor Relations**

**Phone: +351 210 471 087**

**E-mail: [investors@ctt.pt](mailto:investors@ctt.pt)**

**[ctt.pt](http://ctt.pt)**