



CTT – Correios de Portugal, S.A.
Av. dos Combatentes, no. 43 – 14th Floor
1643-001 LISBOA
Lisbon commercial registry and
fiscal no. 500 077 568
Share Capital EUR 69,220,000.00

Announcement – Lisbon, 18 December 2024

Material information

- Transaction announcement

CTT – Correios de Portugal, S.A. ("CTT") hereby informs that on this date, CTT, through its subsidiary CTT Expresso – Serviços Postais e Logística S.A ("CTT Expresso"), entered into an agreement for the acquisition of the total share capital of Compañía Auxiliar al Cargo Expres, S.A.U. ("CACESA", "Company"), a Spanish company well-established in cross-border e-commerce customs, for a total consideration of €104 million.

The acquisition values the Company at an enterprise value of €91 million, equivalent to a multiple of 5.5x EBIT¹. The acquisition is subject to customary closing conditions, including applicable regulatory approval. The transaction will only be implemented after obtaining clearance under the relevant merger control authority. The transaction is expected to close in March or April 2025.

CTT will finance the transaction with debt through commitments already agreed with a group of relationship banks. Proforma leverage ratio, with Banco CTT consolidated under the equity method, to stand at below 2.5x² upon closing.

This transaction represents an important milestone in CTT's transformation journey to become a leading e-commerce logistics player in the Iberian Peninsula.

- Company description and overview

CACESA operates an e-commerce cross-border customs clearance platform, being a top-level provider in Spain and established in other European markets, primarily focused on e-commerce players. CACESA's platform in e-commerce customs clearance, is highly automated and leverages on a proprietary software-driven process that enables profitable scalable growth. CACESA also offers supplementary last-mile parcel delivery services, reinforcing the value proposition for its custom clearance customers. Moreover, CACESA also offers through its network, supplementary freight forwarding cargo services, including air / sea freight & express. CACESA is present in 15 countries, being Spain, Italy, Belgium and Poland its main markets.

In 2023, the activity and performance indicators of CACESA were as follows:

1. Revenues³ of €92 million, up by 69% y.o.y;

¹ Figures under Local GAAP (pre-IFRS 16 implementation) as at 30 Jun 2024, LTM

² Accounting for Banco CTT under the equity method

³ Figures adjusted for IFRS16. For reference, Cacesa reports under Local GAAP.



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2. e-commerce cross-border customs clearance, last mile delivery and freight forwarding cargo activities represented 53%, 22% and 25% of 2023 revenues, respectively.
3. EBIT³ of €20 million, up by 117% y.o.y.

- **Rationale of acquisition**

This transaction is part of CTT's ambition to further strengthen its leading presence in e-commerce in the Iberian Peninsula and broaden the portfolio of e-commerce services and solutions available to its clients thus strengthening the commercial relationships and pursuing growth in e-commerce logistics.

From a strategic perspective, against a backdrop where marketplaces are progressively integrating more activities, this acquisition aligns perfectly with CTT's strategic roadmap of becoming an e-commerce logistic player as it will (i) increase CTT's presence in the cross-border e-commerce flows, which are expected to grow at double digit over the coming years; (ii) strengthen CTT's foothold in customs clearance, which is a critical step in cross-border fulfilment and in forward-located inventory; (iii) reinforce CTT's value proposition for its customers with a wider scope of services; (iv) expand CTT's geographical footprint across Europe, thus providing optionality to expand in the last mile segment by targeting high margin and high return routes; (v) capture sizeable operational synergies with low materialisation risk; and (vi) accelerate CTT's business transformation with an increasing focus on e-commerce logistics and CEP activities.

This acquisition is expected to generate operational synergies that will result in an incremental EBIT of more than €5 million. Main revenue synergies are expected to arise from expansion of last-mile delivery services and integration with CTT's customs processes. Cost synergies are expected to materialise from increased efficiencies in customs handling operations and elimination of overhead duplicities.

The acquisition is expected to be accretive to earnings and cash flow as from day one, with +c.20% EPS and FCFPS accretion by 2026E (including expected run-rate synergies).

- **Closing remarks and other observations**

CTT reiterates its ambition for 2024, as follows: (i) to continue to grow, with consolidated revenues increasing by "mid-single digit"; (ii) the strong growth of the Iberian Express & Parcels and Banco CTT business units will enable recurring EBIT, excluding Financial Services, to grow from €51m in 2023 to above €70m in 2024 (>36% y.o.y); and (iii) consolidated recurring EBIT between €80m and €90m is therefore reiterated.

CTT remains committed to its capital allocation and financial flexibility principles, as announced in June 2022 during the Capital Markets Day: (1) to enable CTT to continue to pursue its objectives of investing in business growth and to being a reference Iberian player in logistics and e-commerce; (2) to implement an attractive shareholder remuneration policy, constituting an adequate source of income for its shareholders and (3) to combine, within the content of specific market conditions, recurrent dividend-based remuneration with opportunistic shareholder remuneration, based on share buy-



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backs and subsequent cancellation of shares. Within this context, CTT will continue to execute its ongoing €25m share buyback⁴, as announced on 19 July 2024, of which €9.5m have already been acquired.

This information to the market and the general public is disclosed pursuant to the terms and for the purposes of Article 17 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, on market abuse (market abuse regulation), Article 29-Q of the Portuguese Securities Code and other legislation in force in Portugal. It is also available on CTT website at:

https://www.ctt.pt/grupo-ctt/investidores/comunicados/index?language_id=1.

CTT – Correios de Portugal, S.A.

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⁴ This Share Buyback Programme, amounting to the overall value of €25m, is to be implemented until 22 July 2025, and has the exclusive objectives of: (i) repurchasing a maximum of up to 8,500,000 shares, representing a maximum nominal value of €4,250,000 (which corresponds to 6.14% of the share capital at the present date), in any case not exceeding the referred maximum overall amount of investment; and (ii) decreasing the same amount of the share capital through the cancellation of the acquired own shares. For further information, please refer to the Material Information announcement that was made on 19 July 2024 and subsequent communications.