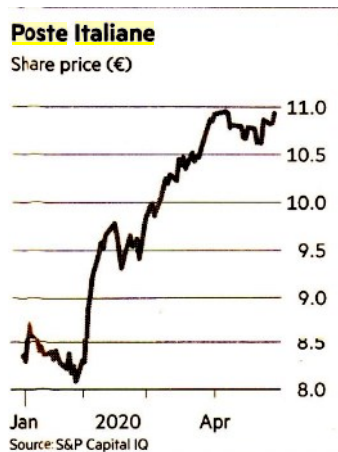


Poste Italiane uses frontline role in Covid battle to modernise services



Chief Matteo Del Fante wants to make Poste Italiane more relevant

Group broadens digital offering after its cloud tech helped vaccine programme

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Italy's postal services company has been given a frontline role in the country's battle against coronavirus.

It may seem an unusual move, but it is part of Poste Italiane chief executive Matteo Del Fante's plan to make the group more relevant to customers and adapt to the times.

"It's quite obvious that in 10 or 20 years, traffic in post offices will diminish, we won't be able to keep them all open," Del Fante told the Financial Times. "Which is why, in the meantime, we are creating products that we will be able to sell outside the post office."

The group was appointed in March to help the regional governments' stumbling vaccine programme, which have run into problems and delays with some health centres empty as the booking system for jabs has misfired.

Poste Italiane uses its cloud technology to manage bookings and is also working with the army to distribute vaccines across the country.

The initiative fits well with Del Fante's plan to broaden the company's services towards digital and logistics as it aims to shift away from its traditional business of delivering the mail.

Like other big European postal groups such as the UK's Royal Mail, it has been hit hard by the decline in letters as people increasingly use email.

"We must provide customers with the services they need... [by following] trends like the growth of ecommerce,

digital payments and the interaction between citizens and the public administration," Del Fante said.

"We are going to invest €3.1bn across the next four years and 57 per cent of the total will focus on the company's transformation."

Del Fante added: "Covid vaccine booking can be done through our ATMs, online and through the digital devices of the postmen who deliver mail."

The company announced its new three-year plan in March, targeting €12.7bn in revenues by 2024, a 33 per cent rise in net profit and a yearly 6 per cent dividend increase.

The group, which has enjoyed a sharp jump in daily parcel deliveries from less than 500,000 to more than 1m because of the pandemic and a share price boost of about 30 per cent since the start of the year, hopes to grow its dividend 14 per cent to €0.55 in 2021.

Del Fante said the company was also tapping younger customers through their digital payments application and top-up cards. Three-quarters of Italians below the age of 30 have a Poste payment card, according to company data.

The Poste Pay division reported €737m in revenues in 2020 as digital payments jumped 10 per cent and ecommerce transactions rose almost 60 per cent during the period.

In addition, the company is the main provider of individual digital identities, which allow taxpayers to access Italy's public administration services such as state school applications and personal health records.

"We offer a variety of digital products because we don't only want to be characterised by the post office," said Del Fante.

On the logistics front, the group has a

partnership with global ecommerce groups such as Amazon in a rare example of collaboration between global platforms and national delivery companies as it aims to turn round its unprofitable shipping division.

The postal service also announced that it would start selling energy this year as it plans to become one of the top five domestic utilities performers by 2024.

However, Del Fante still believes the company should maintain its large physical presence across Italy with 12,800 offices as the group continues to play a crucial role in the payment of state pensions, job seekers' allowances and savings management.

"Only companies that maintain their physical presence can serve an active role in the country's digitalisation as the digital divide [between generations] will continue for many years and you can't just give up the physical infrastructure," Del Fante said.

This is particularly important, he added, because the company manages more than half a trillion euros in savings, the bulk of which are accounts that range from €75,000 to €500,000.

"It would be very hard to manage €570bn in savings if we didn't have a strong physical presence across the country, you need an edge."

The company has also gained an edge through the vaccine booking programme, demonstrating its technology could solve Italy's rollout problems and using the pandemic to evolve its business further.

Poste Italiane sfrutta il ruolo di primo piano nella battaglia contro il Covid per modernizzare i suoi servizi

