



# FP GROUP

## UNAUDITED FINANCIAL STATEMENTS Q1 2017

BERLIN | 18 MAY 2017



FP WILL ~~NOT~~ GROW IN ITS CORE MARKET

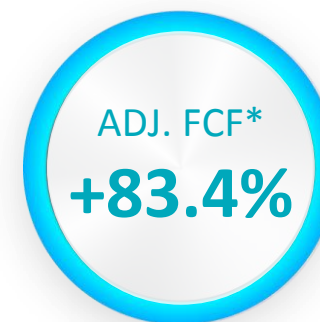
# GOOD START INTO THE NEW FINANCIAL YEAR FP SUCCESSFULLY ATTACKS



€ 55.5 million



€ 8.3 million




€ 4.3 million

- ✓ **Revenue growth** of 5.1% in franking machine business
- ✓ **Revenue growth** of 16.9% in Mail Services
- ✓ As **expected slight increase of EBITDA**
- ✓ Increase of adjusted **Free cash flow\***
- ✓ **Implementation of ACT on track**  
Expenses Q1 2017 of €0.6m

\* excluding M&A and additions to finance lease receivables

# FP IS ALREADY OUTPERFORMING



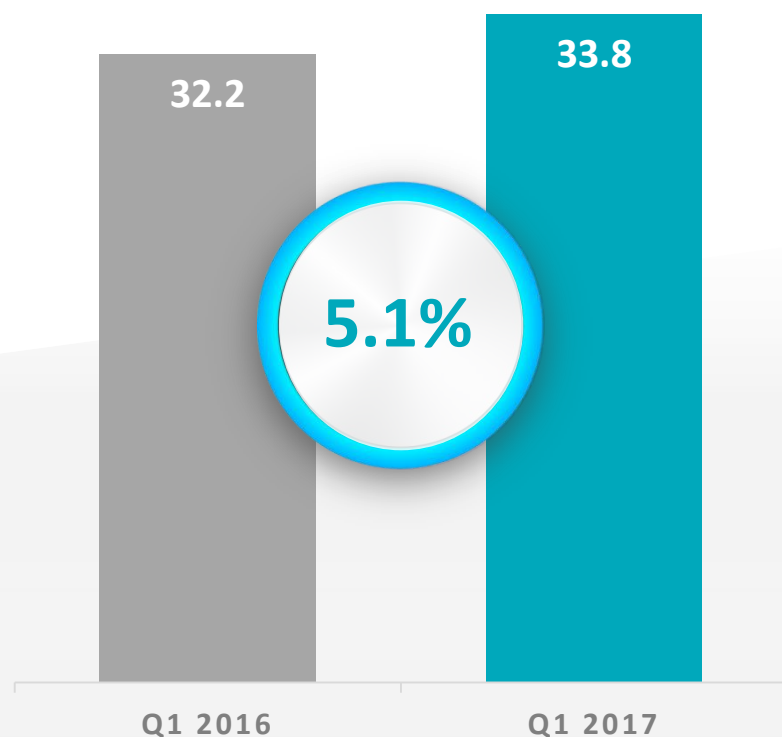
PEER GROUP COMPARISON		PEER 1	PEER 2
<b>TOTAL REVENUE GROWTH</b>			
<b>H1 2016 (six months)</b>	<b>5%</b>	<b>-5%</b>	<b>-5%</b>
excluding currency effects	6%	-3%	-4%
<b>Q3 2016 (nine month)</b>	<b>6%</b>	<b>-4%</b>	<b>-5%</b>
excluding currency effects	7%	-3%	-4%
<b>FY 2016</b>	<b>6%</b>	<b>-3%</b>	<b>-5%</b>
excluding currency effects	7%	-1%	-4%
<b>Q1 2017</b>	<b>8%</b>		<b>-1%</b>
excluding currency effects	8%		0%
<b>REVENUE GROWTH FRANKING MACHINE BUSINESS</b>			
<b>H1 2016 (six months)</b>	<b>2%</b>	<b>-8%</b>	<b>-7%</b>
excluding currency effects	3%	-6%	NA
<b>Q3 2016 (nine month)</b>	<b>3%</b>	<b>-7%</b>	<b>-7%</b>
excluding currency effects	5%	-6%	NA
<b>FY 2016</b>	<b>2%</b>	<b>-6%</b>	<b>-7%</b>
excluding currency effects	4%	-5%	NA
<b>Q1 2017</b>	<b>5%</b>		<b>-6%</b>
excluding currency effects	5%		NA

# SIGNIFICANT GROWTH IN CORE BUSINESS



## REVENUES FRANKING MACHINE BUSINESS

€ MILLION



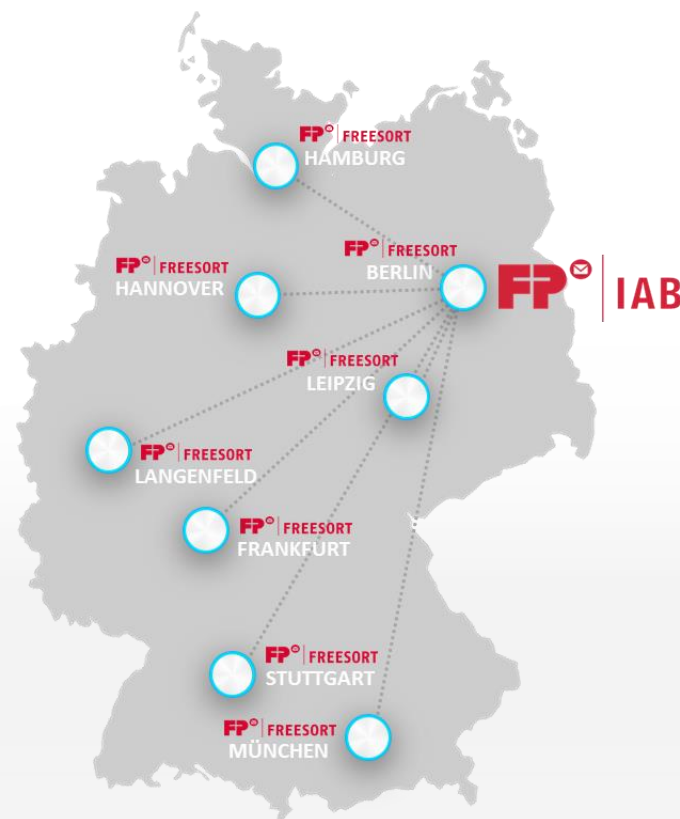
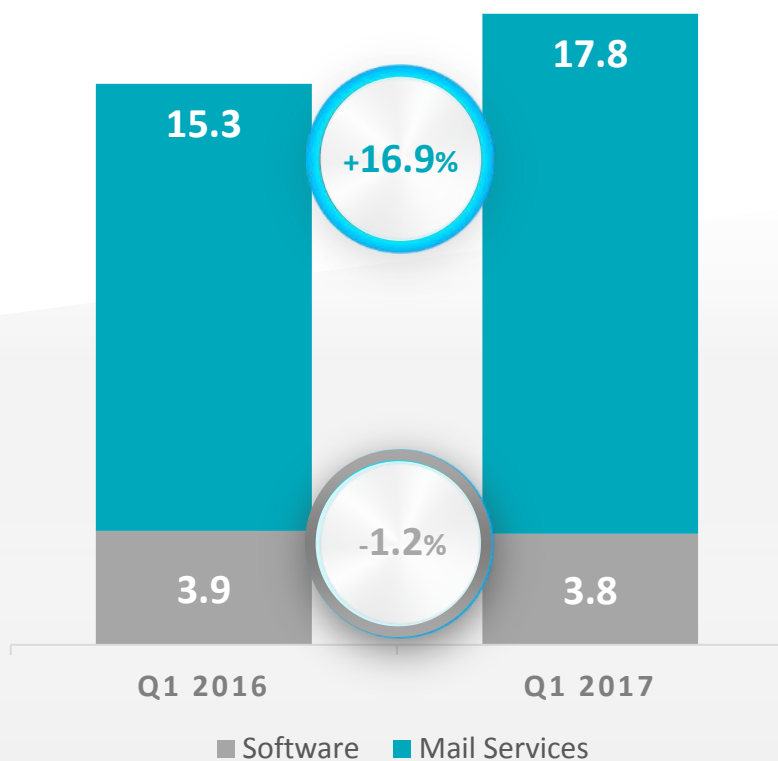
- ✓ Revenue growth in franking machine business of 5.1%
- ✓ Increasing revenues especially in **USA and France**
- ✓ Ongoing positive impact from **Finance Lease**

# GROWTH DRIVER MAIL SERVICES



## REVENUES MAIL SERVICES AND SOFTWARE

€ MILLION



# FUTURE GROWTH DRIVER: ACT NOW UP AND RUNNING



## Attack in core business

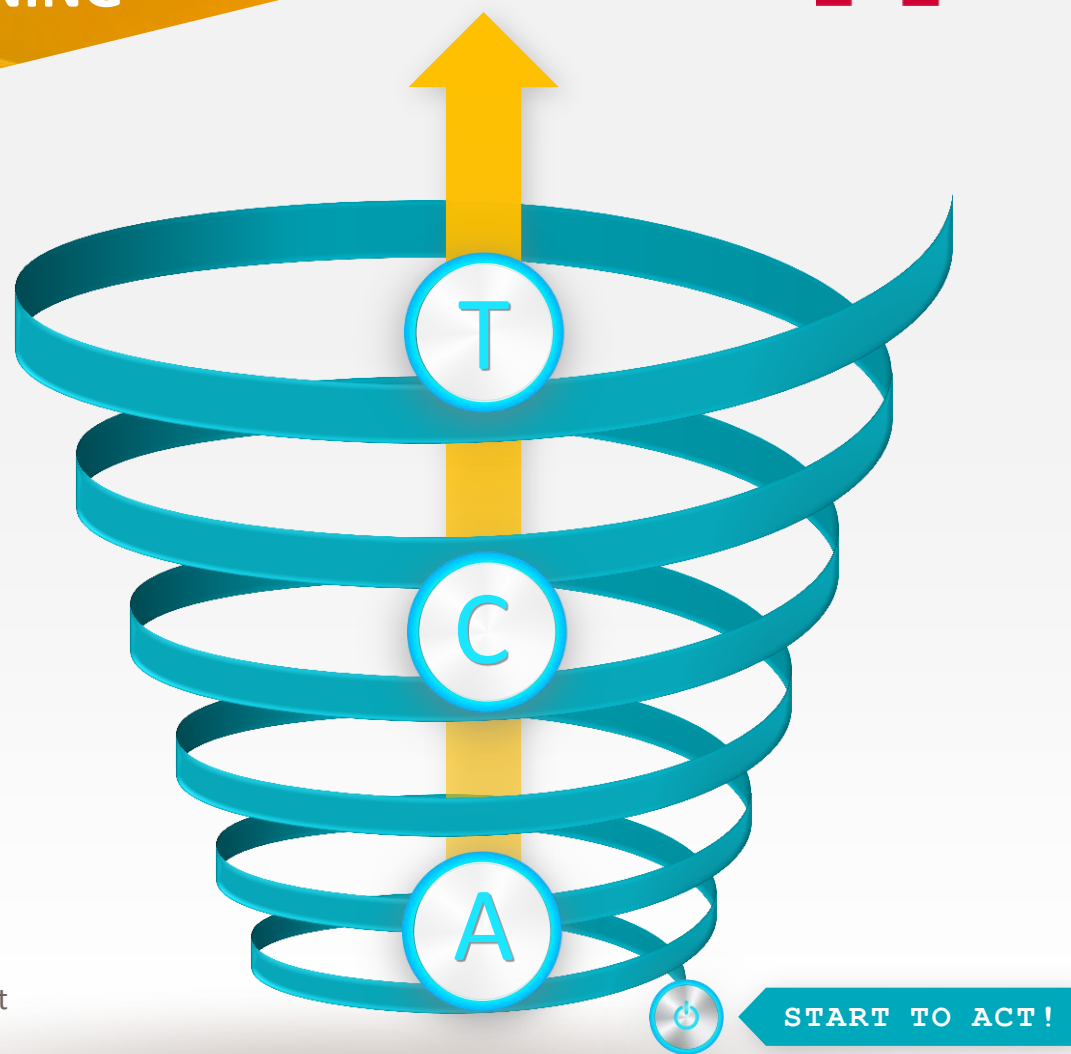
- ✓ Successful implementation of first intelligent marketing initiatives
- ✓ Positive impact from Finance Lease

## Expanding and development of software business

- ✓ Successful launch of FP-Sign (CEBIT, Hannover)
- ✓ New dimensions of technical invention in Internet of Things (IoT) with FP Core technology

## Improve profitability

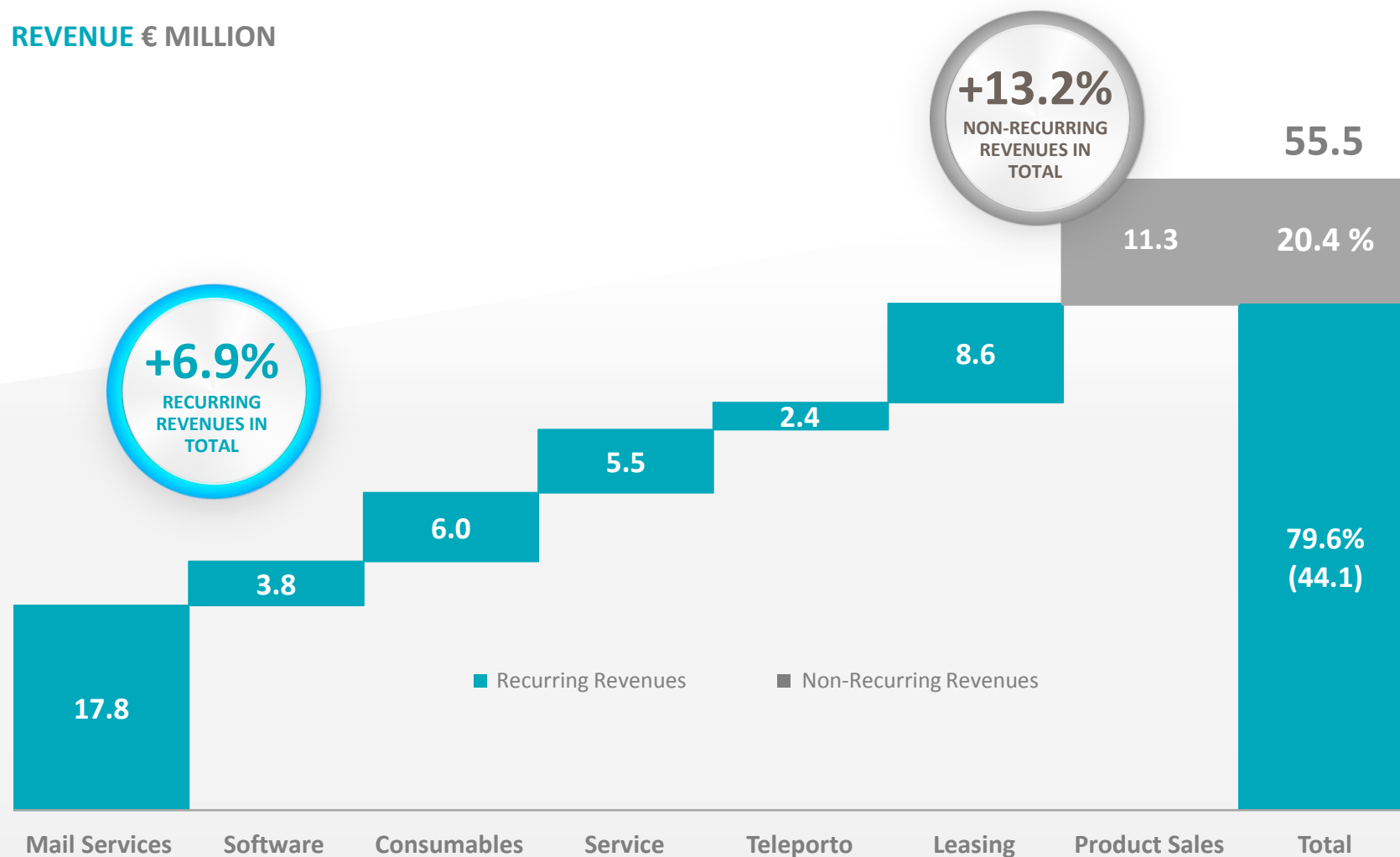
- ✓ Reduced income taxes
- ✓ Implementation of treasury management processes and systems
- ✓ Supply chain management



# STRONG INCREASE OF PRODUCT SALES



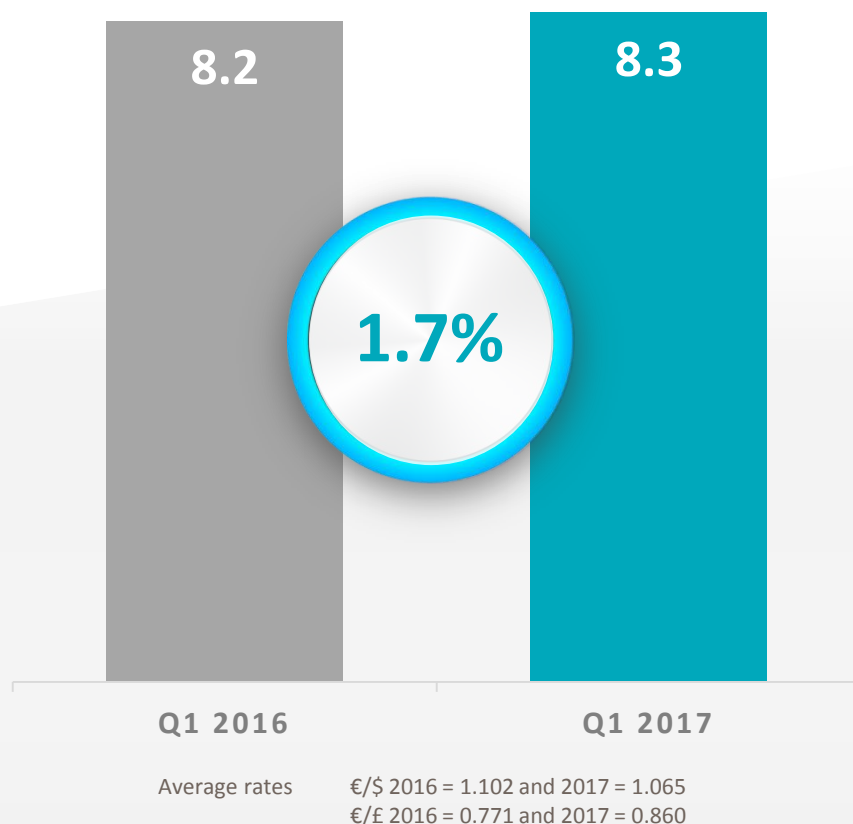
REVENUE € MILLION



# SLIGHT INCREASE OF EBITDA



EBITDA € MILLION

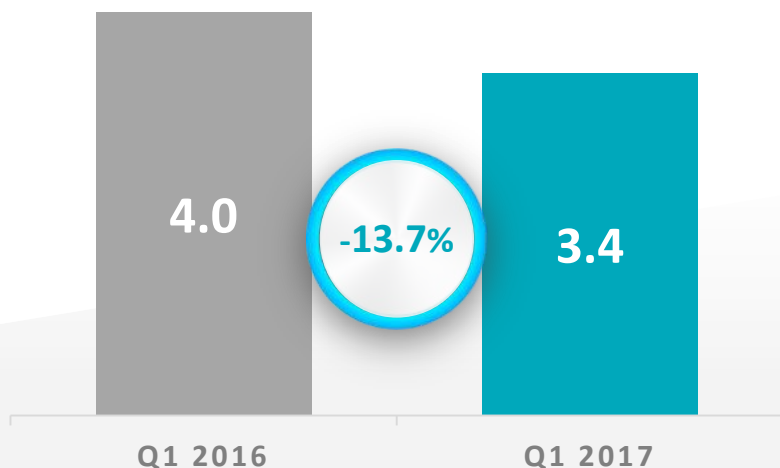


- ✓ Increase of **material costs** by 15.4% to €27.5m (previous year €23.8m) mainly due to higher cost of purchased services (Mail Services)
- ✓ **Personal expenses** €15.2m (Q1 2016: €14.4m)
- ✓ Further implementation of **ACT**: Expenses of €0.6m
- ✓ EBITDA margin of 15.0%

# DESPITE INVESTMENTS IN ACT STRATEGY EPS NEARLY ON PREVIOUS YEAR'S LEVEL



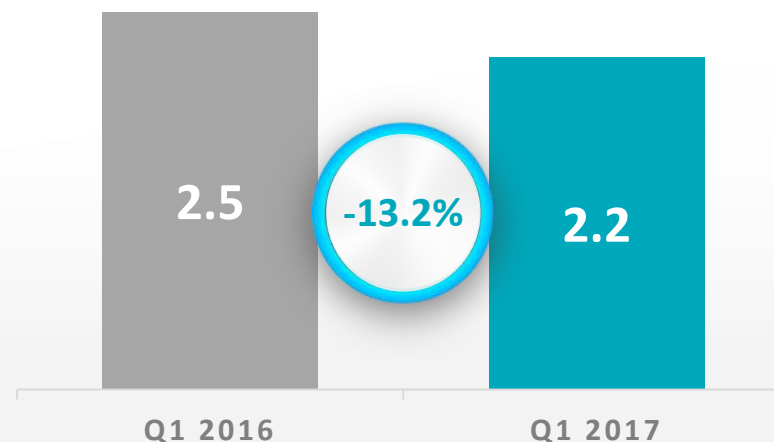
EBIT € MILLION



## Expected decline of EBIT

- ✓ because of increasing Depreciation and Amortisation mainly due to modernisation of product portfolio, investments in software and acquisition of customer lists.
- ✓ Depreciation/amortisation to revenues is expected to level out as of 2018

NET INCOME € MILLION



## Net income affected by Investments in ACT

- ✓ Tax rate 34.5% (Q1 2016: 34.9%)
- ✓ Adjusted for ACT expenses consolidated net income and EPS were above the level of the previous year
- ✓ **EPS of 0.14€ nearly on previous year's level (Q1 2016: 0.15€)**

# FURTHER IMPROVEMENT OF FREE CASH FLOW



€ MILLION	01.01. - 31.03.2016	01.01. - 31.03.2017
Cash flow from operating activities	5.9	6.2
Cash flow from investing activities	-4.2	-4.3
<b>Free Cash flow</b>	<b>1.6</b>	<b>1.9</b>
<b>Adj. Free Cash flow*</b>	<b>2.3</b>	<b>4.3</b>
Cash flow from financing activities	0.3	-2.3
Cash and cash equivalents	17.3	18.3

\* excluding M&A and additions to finance lease receivables

## Operating activities:

- ✓ Increasing cash flow due to improved EBITDA and despite increase of growth related working capital

## Investing activities:

- ✓ Acquisition of customer list (UK), capitalisation of development costs and rental equipment

## Financing activities:

- ✓ Repayment of financial liabilities

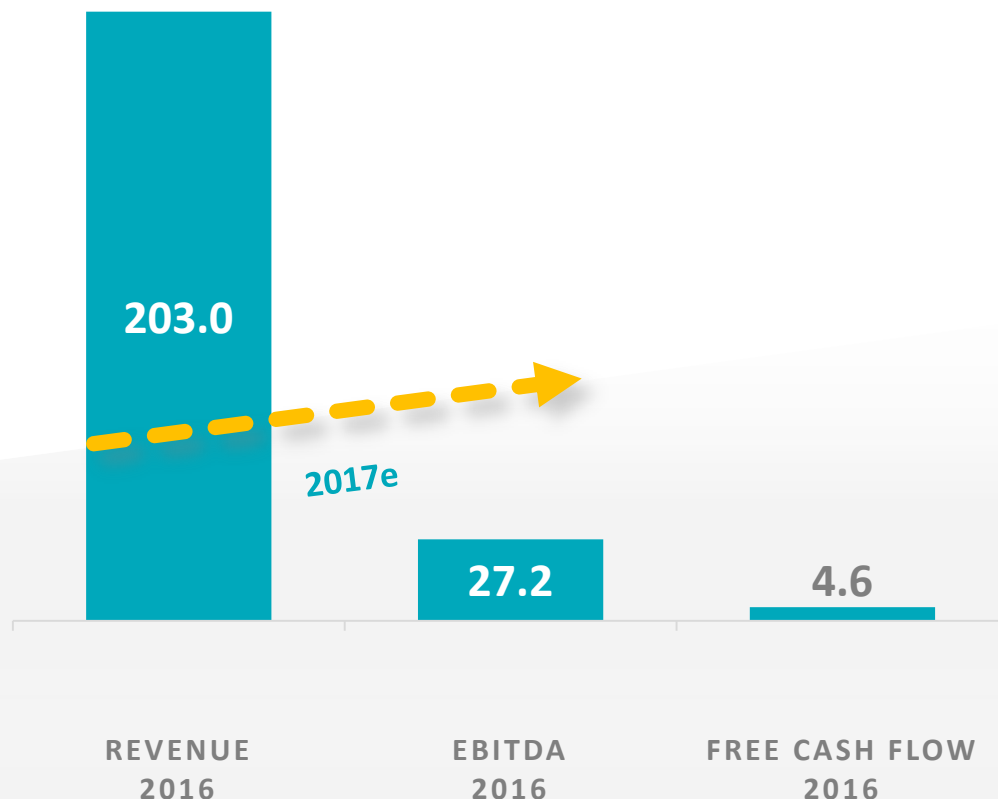
**Free cash flow** increased by 17.2%

**Adj. Free cash flow** increased by 83.4%

# GUIDANCE FOR 2017 CONFIRMED: FURTHER PROGRESS IN ALL KEY FIGURES



€ MILLION



## REVENUE

FP expects a  
**slight increase\***

## EBITDA

FP expects a  
**slight increase\***

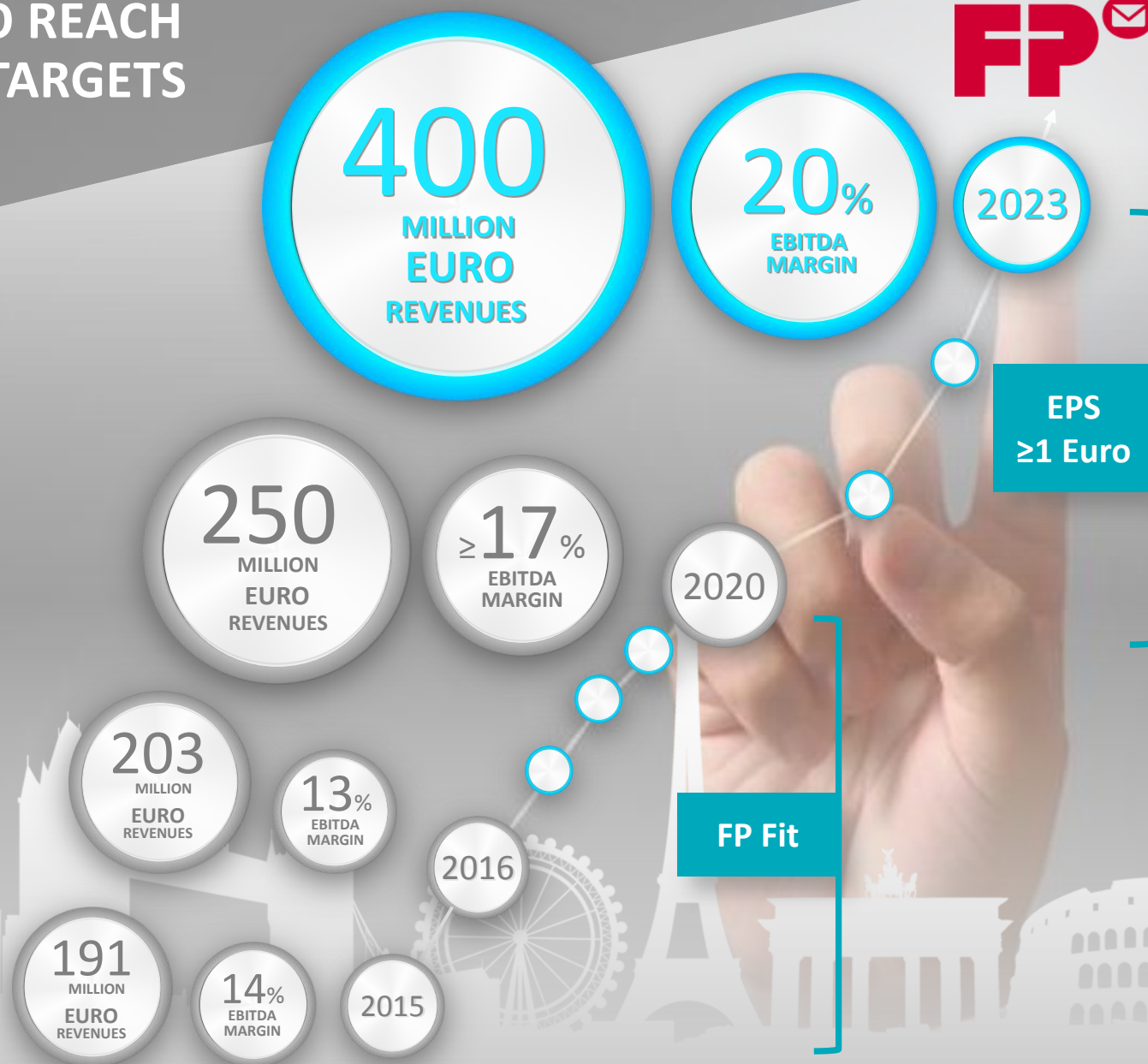
## FREE CASH FLOW

FP expects adj. FCF at a **similar level** to last year\*\*

\* Based on constant currency level

\*\* Based on constant currency level, excluding M&A and additions to finance lease receivables

# ON TRACK TO REACH AMBITIOUS TARGETS





# FP GROUP

## APPENDIX

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



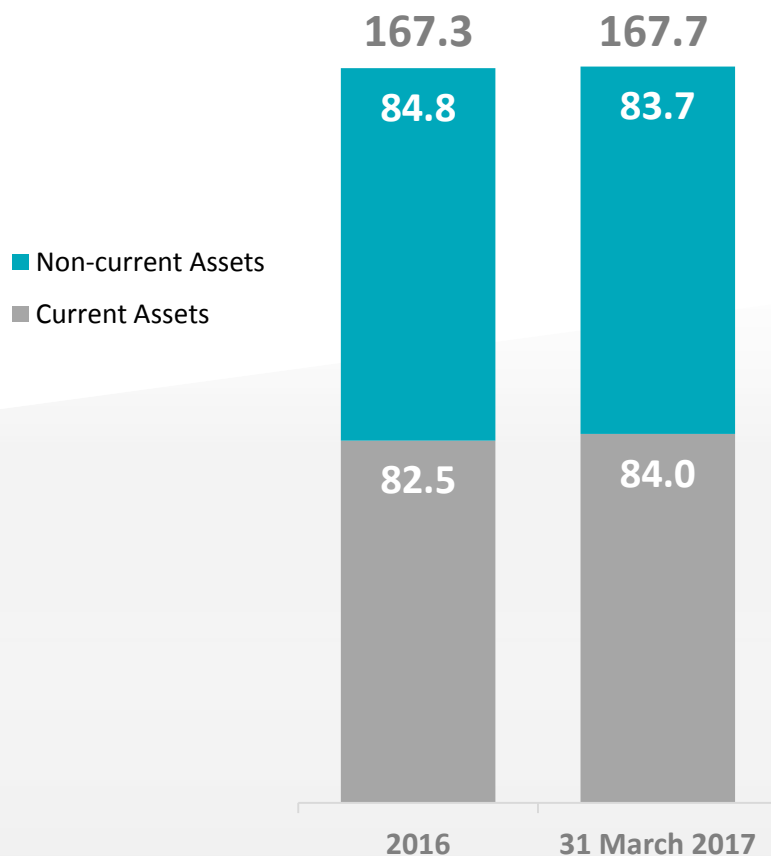
€ MILLION	Q1 2016	Q1 2017	%
<b>Revenues</b>	<b>51.3</b>	<b>55.5</b>	<b>8.1</b>
Change in inventories	-0.5	0.6	n/a
Own work capitalised	3.5	2.1	-40.9
<b>Total output</b>	<b>54.3</b>	<b>58.2</b>	<b>7.1</b>
Material expenses	23.8	27.5	15.4
Personnel expenses	14.4	15.2	5.7
Other income ./ expenses	-8.0	-7.2	-9.9
<b>EBITDA</b>	<b>8.2</b>	<b>8.3</b>	<b>1.7</b>
as % of revenue	15.9	15.0	
Deprecation / Amortisation	4.2	4.9	16.5
<b>EBIT</b>	<b>4.0</b>	<b>3.4</b>	<b>-13.7</b>
Interest result	-0.2	0.1	n/a
Financial results	0.1	-0.2	n/a
Income taxes	-1.4	-1.2	-14.5
<b>Net profit</b>	<b>2.5</b>	<b>2.2</b>	<b>-13.2</b>
<b>EPS (€ basic)</b>	<b>0.15</b>	<b>0.14</b>	<b>-8.3</b>
<b>EPS (€ diluted)</b>	<b>0.15</b>	<b>0.13</b>	<b>-9.4</b>

# FINANCIAL SITUATION – BALANCE SHEET



## FINANCIAL SITUATION

€ MILLION



### Slight decrease of non-current assets due to

- Declining leased products (-2%)
- Increasing Finance lease receivables (7%)

### Increase of current assets due to

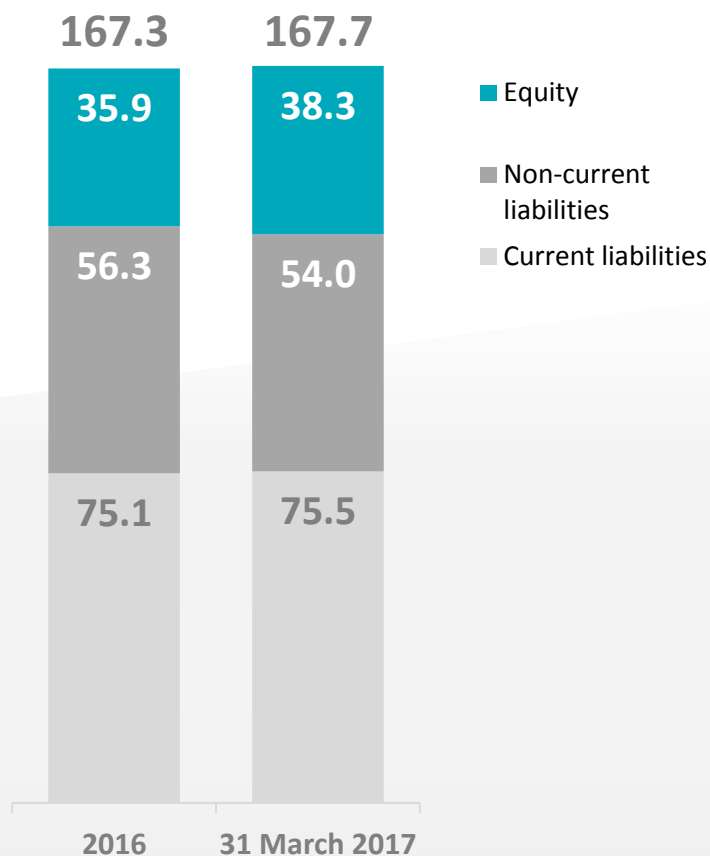
- + Slight increase of inventories
- + Increasing trade receivables (8%)
- + Increase of cash and cash equivalents (3%)

# FINANCIAL SITUATION – BALANCE SHEET



## FINANCIAL SITUATION

€ MILLION



- ✓ **Equity ratio** with increase to **22.8%** (2016: 21.5%)
- ✓ Decrease of **non-current liabilities** due to
  - Decreasing financial liabilities
- ✓ Slight Increase of **current liabilities** due to
  - + Increasing other liabilities



# FP GROUP

## BASIC INFORMATION

**Rüdiger Andreas  
Günther**  
CEO and CFO



since January 2016 with FP

Bank Apprenticeship and  
Business Administration studies  
in Göttingen, North Carolina, USA

- ✓ 1985 Beginning of career at today's Bank of America in Chicago, USA
- ✓ Afterwards responsible for finance department at Metro AG
- ✓ 1993 Change to Claas KGaA: 13 years CFO and CEO
- ✓ Afterwards Board positions within Infineon and Arcandor
- ✓ 2012 Change to Jenoptik AG as CFO

**Thomas  
Grethe**  
CSO



since June 2013 with FP

Banker and Economist (WAH)

- ✓ More than 30 years of sales experience in the IT and telecommunications industry
- ✓ Executive positions in sales management and general management of international groups such as Oki Systems, Konica Minolta Printing Solutions und Ricoh
- ✓ CEO of Utax GmbH (was acquired by Kyocera Corporation in 2010)

**Sven  
Meise**  
CDO



since February 2015 with FP

Degree in Business  
Administration (BA) specializing  
in Business Computer Science

- ✓ Many years of experience in Output Management, IT and Software Solutions
- ✓ National and international positions at IBM Germany GmbH
- ✓ Responsible for Professional Services, Information Technology and Group Program Management at TA Triumph-Adler GmbH

# FP AT THE STOCK MARKET



<b>ISIN</b>	DE000FHP9000
<b>Segment</b>	Prime Standard/ All Industrial
<b>IPO</b>	30 November 2006
<b>Reuters</b>	FPHG.DE
<b>Shares</b>	16.3 million
<b>Freefloat</b>	74.3% (according to GSE Frankfurt)
<b>Coverage</b>	Hauck & Aufhäuser, Warburg Research

## MAIN SHAREHOLDER

<b>3R Investments</b>	10.3%
<b>INKA MBH</b>	10.2%
<b>Quaero Capital</b>	5.2%
<b>SALTARAX GMBH</b>	3.6%
<b>Ludic GmbH</b>	3.5%
<b>RUDOLF HEIL</b>	3.0%

# FINANCIAL CALENDAR



**18 May 2017**

Results for the First Quarter 2017

**07 June 2017**

Annual General Shareholder Meeting, Berlin

**24 August 2017**

Results for the Half Year 2017

**16 November 2017**

Results for the Third Quarter 2017

# CONTACT

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Vice President Investor Relations / PR

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**This report contains forward-looking statements** on the business development of the Francotyp-Postalia Group. These statements are based on assumptions relating to the development of the economic and legal environment in individual countries and economic regions, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press.

**The estimates given entail a degree of risk**, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, UK, or Canada, and Singapore will have a corresponding impact on the development of our business.

**The same applies in the event of a significant shift** in current exchange rates relative to the US dollar, sterling, Canadian dollars, Singapore dollars. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2016 Annual Report develop in a way other than we are currently expecting.



# FP GROUP ANY QUESTIONS?