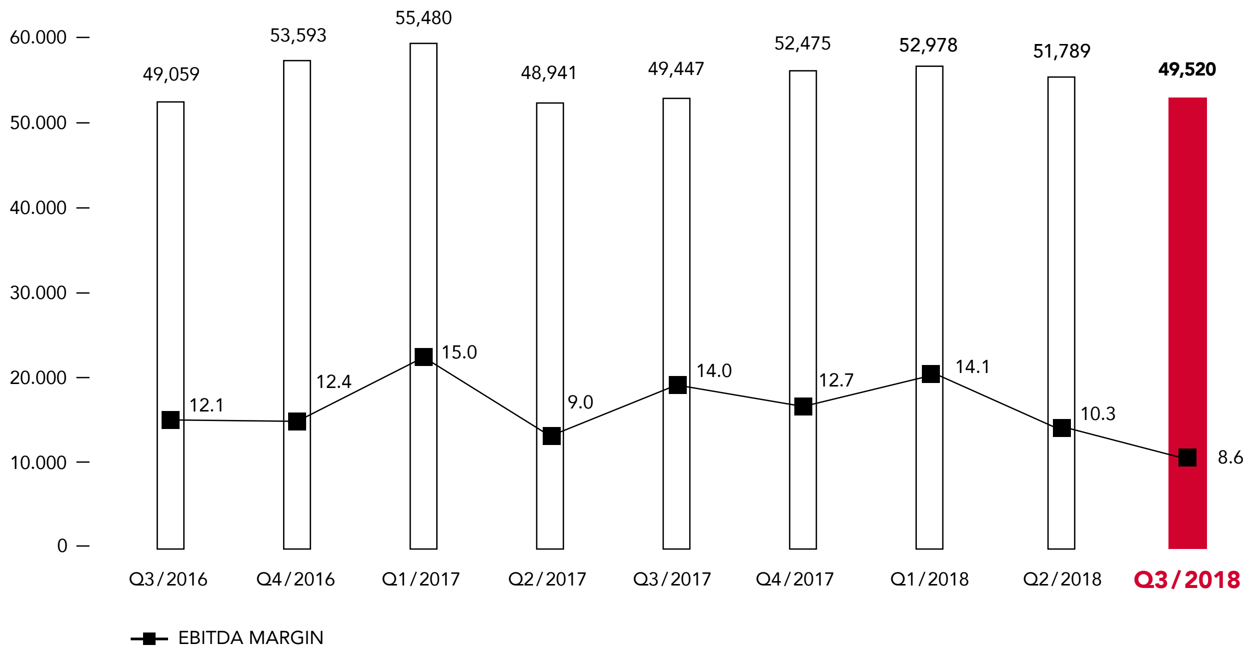
GERMAN MAILGENEERING

3/2018
Quarterly report

Key Figures

REVENUE BY QUARTER (in EUR thousand)



FIGURES IN ACCORDANCE WITH CONSOLIDATED FINANCIAL STATEMENTS (in EUR thousand)

	Q3/2016	Q4/2016	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Q2/2018	**Q3/2018**
Revenue	49,059	53,593	55,480	48,941	49,447	52,475	52,978	51,789	49,520
Per cent change to prior year quarter	6.4%	7.7%	8.1%	−0.2%	0.8%	−2.1%	−4.5%	5.8%	0.1%
Revenue (excl. currency effects)									49,416
Per cent change to prior year quarter									−0.1%
EBITDA	5,955	6,623	8,306	4,403	6,919	6,688	7,447	5,324	4,245
as percentage of revenue	12.1%	12.4%	15.0%	9.0%	14.0%	12.7%	14.1%	10.3%	8.6%
EBITDA (adj.*)									4,644
as percentage of adjusted revenue									9.4%
Consolidated net income	1,258	933	2,198	−70	1,252	1,269	2,196	954	81
as percentage of revenue	2.6%	1.7%	4.0%	−0.1%	2.5%	2.4%	4.1%	1.8%	0.2%
Adjusted free cash flow**			4,251	2,457	1,270	1,807	3,413	89	758
Shareholders equity	36,593	35,946	38,267	33,497	33,587	32,959	34,000	34,511	34,897
as percentage of balance sheet total	21.6%	21.5%	22.8%	20.7%	20.2%	19.4%	20.2%	19.8%	20.0%
Net debt***	17,998	19,786	17,709	18,632	18,778	19,460	17,342	21,372	24,066
Net debt ratio**	49%	55%	46%	56%	56%	59%	51%	62%	69%
Share price end of period (EUR)	**4,.6**	**5.49**	**5.28**	**5.98**	**4.74**	**4.66**	**3.80**	**3.31**	**4.03**
Earnings per share (EUR)	**0.08**	**0.04**	**0.14**	**−0.01**	**0.08**	**0.08**	**0.14**	**0.06**	**0.01**

* Adjusted for currency effects and (Q1/2018) JUMP expenses
** Key indicator since beginning of 2017
*** Figures for Q1/2016–Q3/2016 were adjusted in Q4/2016

Growth as planned – focus on transformation

Further improvement in revenue and earnings (adjusted) in the first nine months of the 2018 fiscal year

FP generates revenue of EUR 154.3 million and grows by 2.2% to EUR 157.3 million after adjustment for currency effects

EBITDA amounts to EUR 17.0 million; adjusted for negative currency effects and expenses for the ACT project JUMP, it rises 2.7% to EUR 20.2 million

Adjusted free cash flow reaches EUR 4.3 million

Expenses of EUR 1.4 million for JUMP in the first nine months of 2018

Forecast for 2018 fiscal year confirmed

Third Quarter 2018

HIGHLIGHTS

JULY

ISReasy supports consolidation customers

In the Mail Services segment, Francotyp-Postalia launches a new software solution for the infrastructure discount (ISR) introduced by Deutsche Post AG in 2018. ISReasy is an SaaS (software as a service) and a stand-alone solution. It allows for a transparent comparison of credit notes in the context of reimbursements by Deutsche Post to the respective consolidator. The software solution helps companies make the best possible use of the infrastructure discount and identify sources of error quickly and easily.

AUGUST

IoT technology opens up new markets for FP

Karberg & Hennemann GmbH & Co. KG, a leading German supplier of oil purification systems in industrial plants, is the first major customer to use FP's IoT technology in the 2018 fiscal year. FP gateways – modules for secure data transfer to the cloud – form the core of a jointly developed solution that Karberg & Hennemann uses all around the world for remote monitoring of its systems.

Acquisition in the US

Francotyp-Postalia acquires the operations of a US online trader for franking machine accessories. As part of its ACT growth strategy, FP is strengthening sales activities in the US with this acquisition, expanding its customer base and accelerating growth in market share.

SEPTEMBER

Expanded partnership with Bundesdruckerei

FP Sign customers benefit from the expanded cooperation with Bundesdruckerei. With the connection to the digital signature solution sign-me from Bundesdruckerei's subsidiary D-TRUST, contracts can be signed in a legally valid way without a separate signature card and documents can be shared quickly and securely on mobile devices.

Invitation to tender won in UK

FP wins out against the competitors in an invitation to tender by the "National Health Service – Blood and Transplant" in the United Kingdom. In future, this British agency will use PostBase machines including dynamic scales and feed systems. During the fourth quarter of 2018, the previously used machines will be replaced by FP systems at all NHS locations.

FP secures and increases financial flexibility until 2023

The FP Group has extended and increased the syndicated loan agreement in place since 2016 ahead of schedule. At the same time, improved terms and conditions take effect. The finance volume has been increased to EUR 150 million (previously EUR 120 million) in conjunction with an increase option of EUR 50 million (previously EUR 30 million). The amended syndicated loan agreement has a term of five years to 2023 (previous term: 2021) and can be extended by up to two years.

FP’s digital business is continuing to develop promisingly. Among other developments, we have gained Karberg & Hennemann as a new IoT customer. FP gateways now enable the oil filter specialist to perform secure, cloud-based remote monitoring of its systems worldwide.

Sven Meise, CDO

We are developing growing momentum now. With ACT, we have started out on the path of transformation. In implementing the sub-project JUMP and radically reorganising the Group, we are now paving the way for sustainable, profitable growth.

Rüdiger Andreas Günther, CEO / CFO

We are gaining additional, fresh momentum in sales with the launch of the new PostBase, which will start beta tests in the US at the beginning of next year. At the same time, we are now developing the sales and marketing plans for the launch of FP Sign in all 10 FP countries.

Patricius de Gruyter, CSO

Overview of the first nine months 2018

Overall statement: Growth as planned – focus on transformation

In the first nine months of the 2018 fiscal year, the **FP** Group developed as planned. The company is continuing to grow. In the first nine months of the 2018 fiscal year, **FP** generated consolidated revenues of EUR 154.3 million and grew by 2.2% to EUR 157.3 million after adjustment for currency effects. EBITDA amounted to EUR 17.0 million. Adjusted for currency effects and expenses for the ACT project JUMP, it rose 2.7% to EUR 20.2 million. Negative currency effects impacted revenue by EUR 3.0 million and EBITDA by EUR 1.8 million in the first nine months of 2018. Adjusted free cash flow reached EUR 4.3 million. With all three key figures, **FP** thus remains on track to achieve the forecast for the 2018 fiscal year. Consolidated net income and earnings per share were almost at the previous year's level. In the traditionally weaker third quarter, consolidated revenue amounted to EUR 49.5 million in the 2018 fiscal year (July to September 2017: EUR 49.4 million).

FP is continuing to attack in its core business with franking machines, working systematically to establish the new digital areas and pressing ahead with the launch of new products. At the same time, **FP** is consistently continuing with its transformation trajectory and is developing growing momentum in all business areas after entering into the implementation phase in the 2018 fiscal year.

FP is operating from a position of strength here. The company has a solid equity base as well as financial stability and flexibility with scope for the planned further growth on the basis of the syndicated loan agreement that was extended and increased after the end of the reporting period. Further information on this is provided in the section "Significant events after the end of the reporting period".

In the first nine months of 2018, the **FP** Group further expanded its market position in its core business with franking systems, gaining market share again in key countries. In the third quarter of 2018, **FP** increased the number of machines in the Group (not including international dealers) again, counter to the market trend. The frontrunners were the US, Canada and France. In the Mail Services segment, the realignment was largely completed in the first nine months of 2018. As a result, and due to changes in the customer and product mix, revenue was down year-on-year.The Software segment further expanded its business and achieved double-digit growth in revenue – which was partly also attributable to postage cost effects.

The **FP** Group invests in its core business and develops new digital products and business models from its core areas of expertise in sensor technology, actuator technology, connectivity and cryptography. As planned, the company completed the "decide and design phase" of the JUMP project, a central sub-project of the ACT strategy, in the third quarter of 2018 and started executing and implementing it in the fourth quarter of the 2018 fiscal year. With these measures, **FP** is being realigned across the Group in order to raise profitability to the targets communicated by 2020 and to accelerate revenue growth. Key measures under JUMP include the introduction of a uniform ERP / CRM system throughout the organisation and the establishment of two Shared Service Centres for North America and Europe in order to handle administrative tasks in a concentrated manner. The JUMP measures also include streamlining the management level in international sales and realigning the current decentralised organisation, consisting of independent sales companies, into three main sales regions (North America, Central Region (Germany, Austria and Switzerland) and Middle Europe (rest of Europe and international dealers)).

Financial position: FP secures and increases financial flexibility until 2023

Effective 28 September 2018, the **FP** Group extended and increased the syndicated loan agreement in place since 2016 ahead of schedule under an amendment agreement. At the same time, improved terms and conditions take effect. This reinforces and intensifies the trusting and cooperative partnership between the **FP** Group and the bank syndicate, comprising Commerzbank Aktiengesellschaft, Landesbank Baden-Württemberg, Postbank Luxemburg – a subsidiary of DB Privat- und Firmenkundenbank AG – and UniCredit Bank AG. The amendment agreement, with its favourable terms, reflects the Group's positive performance since 2016. **FP** is also making use of the favourable market environment and securing its financing for the long term. Based on the amendment agreement concluded, the finance volume has been increased to EUR 150 million (previously EUR 120 million) in conjunction with an increase option of EUR 50 million (previously EUR 30 million). The amended syndicated loan agreement has a term of five years to 2023 (previous term: 2021) and can be extended by up to two years. It now therefore covers the entire implementation period of the ACT growth strategy and gives **FP** greater financial scope for its implementation, including future M&A activities. The recognition of the syndicated loan agreement was modified accordingly.

Comparability of disclosures: Application of IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers"

This document complies with the guidelines for quarterly reporting in accordance with section 51 a of the Regulations of the Frankfurt Stock Exchange. These interim financial statements as at 30 September 2018 are prepared in accordance with IFRS financial reporting standards as adopted by the EU and are based on the consolidated financial statements as at 31 December 2017. The 2017 annual report is available online at https://www.fp-francotyp.com/. For general statements on the introduction of the two new standards IFRS 9 and IFRS 15, please refer to Section I. General Information, "Adoption of New and Revised IFRSs", in the notes to the consolidated financial statements for 2017.

Since 1 January 2018, the **FP** Group has applied IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers". As a result, individual items of the opening consolidated statement of financial position as at 1 January 2018 have been adjusted in relation to FP's consolidated financial statements as at 31 December 2017. In the opening consolidated statement of financial position adjusted as at 1 January 2018, the first-time application of IFRS 15 resulted in a decrease in deferred income of EUR 0.1 million that related entirely to current liabilities. Equity increased by EUR 0.1 million after taking account of deferred taxes.

The new standard on financial instruments, IFRS 9, includes fundamental changes with regard to the classification and measurement of financial assets in particular, as well as new regulations on hedge accounting. IFRS 15 was implemented in the **FP** Group as at 1 January 2018 in line with the modified retrospective method. Under this method, the effects of the changeover are recognised in consolidated equity and the presentation of the prior-year period remains unchanged. In the opening consolidated statement of financial position adjusted as at 1 January 2018, the first-time application of IFRS 9 resulted in a decrease totalling EUR 0.1 million in the following items of the statement of financial position: finance lease receivables, trade receivables and other current assets. Equity declined by EUR 0.1 million after taking account of deferred taxes.

The application of the two new financial reporting standards did not have any material impact on the **FP** Group's net assets, financial position and results of operations in the first nine months of 2018. The **FP** Group does not anticipate any material impact for 2018 as a whole, either.

Results of operations: Revenue and market share in core business increase

In the Franking and Inserting segment, the **FP** Group generated a slight increase in revenue of 0.9% to EUR 95.8 million in the first nine months of 2018. Exchange rate effects across all currencies were negative, totalling EUR 3.0 million in the reporting period. Adjusted for currency effects, the **FP** Group achieved growth of 4.1% year-on-year in its core business in the first nine months of 2018. **FP** is thus continuing its excellent performance compared with the industry norm and repeating the successes of the previous quarters. In the first nine months of 2018, **FP** gained further market share worldwide. The company grew in its domestic market of Germany in particular, and sales successes were achieved again in the strategically important foreign markets of the US and France. **FP** increased its market share to 3.4% and consolidated its third-place position on the French market. In the US the figure rose to 7.0%, while in Germany it is at 42.4%. The global market share has already reached 11.5%

now. In particular, the PostBase product family continues to successfully contribute to the growth of the **FP** Group worldwide. The company is currently working on the new generation of the PostBase franking system that is to be launched on the market in 2019.

New customers for FP Sign and progress in IoT business

The integration of the Mail Services and Software segments is still in full swing and the cooperation is moving forward. Revenue in the Mail Services segment amounted to EUR 47.4 million in the first nine months of 2018 as against EUR 49.1 million in the same period of the previous year. The volume of processed letters in the consolidation business decreased slightly. The 3.6% decline in revenue as against the same period of the previous year is also due to the realignment of this product area and to changes in the customer and product mix.

Revenue in the Software segment amounted to EUR 11.2 million in the first nine months of the 2018 fiscal year, representing a 13.4% increase as against the same period of the previous year. As expected, the revenue contribution of the new digital products was not yet material in the first nine months of 2018.

FP is constantly expanding its product and service range with digital solutions as planned. At present, the main components for achieving the accelerated growth planned for the 2019 fiscal year in this area are the conclusion of sales partnerships for the signature solution **FP** Sign and the conclusion of contracts with new and existing customers from IoT business. In May 2018, the Internet of Things specialist Tixi.com was acquired, thereby significantly expanding the product range and gaining new customers. In the two high-demand markets of Industry 4.0 and the energy transition, **FP** already has expertise, references and competitive products. A joint sales strategy for IoT gateways has been developed, initially focusing on the expansion of business in these key markets. In addition, the possibility of expanding **FP's** positioning in the IoT value chain is being considered.

Adjusted EBITDA above previous year's level

In the first nine months of 2018, the **FP** Group generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 17.0 million as compared to EUR 19.6 million in the same period of the previous year. Negative currency effects of EUR 1.8 million and planned expenses for the ACT project JUMP of EUR 1.4 million had a negative impact on EBITDA. There was a positive effect from higher own work capitalised, primarily for investments in new products in the context of the ACT growth strategy, and from higher investments in leased products. In the first nine months of the 2018 fiscal year, the **FP** Group generated income from statute-barred liabilities in the amount of EUR 0.6 million. In the same period of 2017, income of this kind had an impact of EUR 1.9 million on EBITDA.

Adjusted for currency effects and expenses for JUMP, EBITDA came to EUR 20.2 million – corresponding to a year-on-year increase of 2.7%. The adjusted EBITDA margin reached 12.8% (9M 2017: 12.7%).

The cost of materials increased slightly by 0.9% year-on-year to EUR 77.3 million (9M 2017: EUR 76.6 million) and the cost of materials ratio rose to 50.1% after 49.8% in the previous year. In the first nine months of 2018, staff costs were up 2.0% at EUR 45.9 million, including staff-related expenses for the ACT project JUMP of EUR 0.5 million. The staff cost ratio increased slightly to 29.7%, compared with 29.2% in the previous year. Other expenses climbed by 8.3% to EUR 26.4 million. Among other items, they include expenses for consulting services for the JUMP project, a key sub-project within the ACT growth strategy, in the amount of EUR 0.9 million.

As planned, depreciation declined both in absolute terms and in relation to revenue, due primarily to lower depreciation on leased products including finance lease assets. It fell by 12.4% year-on-year to EUR 12.8 million in the first nine months of 2018. Earnings before interest and taxes (EBIT) therefore totalled EUR 4.2 million after EUR 5.0 million in the same period of the previous year. Consolidated net income amounted to EUR 3.2 million in the first nine months of 2018, while earnings per share (EPS) were almost at the previous year's level at EUR 0.20.

Financial position and net assets: Increased investments in future growth

As announced, the **FP** Group is making increased investments in future growth, and particularly in product development, production and franking systems for lease markets, on the basis of the ACT strategy. In addition, the company already invested in acquiring the operations of the Berlin-based IoT specialist Tixi.com in the first half of 2018, and in the third quarter of 2018 it acquired an online dealer for franking machine supplies in the US. A total of EUR 3.5 million was invested in acquisitions. Investments in the first nine months of 2018 totalled EUR 16.6 million and were thus significantly above the level recorded in the same period of the previous year (EUR 12.0 million).

Cash outflows for investments were offset by cash inflows totalling EUR 13.9 million from the cash flow from operating activities (January to September 2017: cash inflows of EUR 16.6 million). Free cash flow thus amounted to EUR –2.7 million, compared with EUR 4.5 million in the same period of the previous year. Adjusted for investment in finance lease assets of EUR 2.6 million (9M 2017: EUR 2.1 million), investments in M&A of EUR 3.5 million (9M 2017: EUR 1.4 million) and first payments for the ACT project JUMP of EUR 0.9 million, the **FP** Group generated free cash flow of EUR 4.3 million, down on the previous year's figure of EUR 8.0 million.

Positive cash flow from operating activities is an important funding source for the **FP** Group. In addition, there are loan agreements with financial institutions and finance leases that already existed or were adjusted during the year. Financial liabilities fell to EUR 42.9 million as at 30 September 2018, compared with EUR 43.5 million as at 31 December 2017. They were countered by funds totalling EUR 18.8 million (31 December 2017: EUR 24.1 million). The **FP** Group's net debt increased to EUR 24.1 million as at 30 September 2018, compared with EUR 19.5 million as at the end of the 2017 fiscal year.

Risks and opportunities

Compared with the risks and opportunities described in detail in the 2017 annual report under "Risk and Opportunity Report", there have been no significant changes. The 2017 annual report is available online at https://www.fp-francotyp.com/.

Forecast: Forecast confirmed

The **FP** Group confirmed its forecast for the 2018 fiscal year. For fiscal year 2018, the **FP** Group anticipates a slight increase in revenue.

In 2018, it will accelerate the implementation of numerous ACT projects and measures and will also roll out the ACT project JUMP. **FP** is thus making the organisation fit for the future, which in fiscal year 2018 will lead to non-recurring expenses of between EUR 6.0 million and EUR 8.0 million. Adjusted for these expenses, the **FP** Group also expects a slight year-on-year increase in EBITDA.

Following substantial investments in the US lease market in the period from 2012 to 2015, the **FP** Group is anticipating a slight decline in depreciation and amortisation for 2018. Owing to growing investment in ACT and new products, the company expects free cash flow for 2018 to be positive but well below the previous year when adjusted for M&A and investments in finance lease assets, and before payments in connection with the JUMP project.

The anticipated development of financial performance indicators for the 2018 fiscal year is based on the assumption of constant exchange rates.

All of these disclosures are based on the information available at the end of the first nine months of the 2018 fiscal year. The **FP** Group wishes to point out that the planning data as stated may differ from the actual figures subsequently recorded.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income for the Period from 1 January to 30 September 2018

in EUR thousand	**1.1.–30.9.2018**	1.1.–30.9.2017	**3rd quarter 2018 1.7.–30.9.2018**	3rd quarter 2017 1.7.–30.9.2017
Revenue	154,287	153,868	49,520	49,447
Increase / decrease in inventories of finished goods and work in progress	190	544	–385	76
	154,477	154,412	49,135	49,523
Other own work capitalised	10,153	7,870	3,315	2,746
Other income	1,969	3,306	319	2,193
Cost of materials				
a) Expenses for raw materials, consumables and supplies	26,384	26,691	8,037	8,512
b) Cost of purchased services	50,911	49,900	16,932	16,294
	77,294	76,591	24,969	24,806
Staff costs				
a) Wages and salaries	38,956	38,174	12,573	12,507
b) Social security contributions	6,009	5,957	1,934	1,850
c) Expenses for pensions and other benefits	913	855	366	333
	45,878	44,985	14,874	14,689
Amortisation, depreciation and write-downs	12,782	14,598	4,217	4,767
Other expenses	26,410	24,383	8,680	8,047
Net interest income				
a) Interest and similar income	1,539	1,655	526	386
b) Interest and similar expenses	1,157	1,160	402	556
	381	495	124	–170
Other financial result				
a) Other financial income	768	640	–197	–105
b) Other finance costs	451	789	–168	–251
	317	–149	–28	146
Income taxes	–1,702	–1,996	–43	–876
Consolidated net income	**3,231**	**3,380**	**81**	**1,252**

in EUR thousand	**1.1.–30.9.2018**	1.1.–30.9.2017	**3rd quarter 2018 1.7.–30.9.2018**	3rd quarter 2017 1.7.–30.9.2017
Other comprehensive income				
Foreign currency translation of financial statements of foreign entities	846	–3,697	250	–1,195
of which taxes	25	–3	–36	1
Provisions for pensions and partial retirement obligations in accordance with IAS 19 (rev. 2011)	0	–8	0	–3
of which taxes	0	0	0	0
of which reclassified to consolidated net income	0	0	0	0
Cash flow hedges – effective part of changes to fair value	–96	0	–11	0
of which taxes	29	0	3	0
Cash flow hedges – reclassified to profit or loss	15	249	95	0
of which taxes	–6	–108	29	0
Other comprehensive income after taxes	765	–3,456	**334**	–1,198
Total comprehensive income	**3,996**	**–76**	**415**	**54**
Consolidated net income, of which:	3,231	3,380	81	1,252
Consolidated net income attributable to the shareholders of FP Holding	3,231	3,380	81	1,252
Consolidated net income attributable to non-controlling interests	0	0	0	0
Total comprehensive income, of which	3,996	–76	415	54
Total comprehensive income attributable to the shareholders of FP Holding	3,996	–76	415	54
Total comprehensive income attributable to non-controlling interests	0	0	0	0
Earnings per share (basic in EUR):	0,20	0,21	0,01	0,08
Earnings per share (diluted in EUR):	**0,20**	0,20	**0,01**	0,08

Consolidated Statement of Financial Position as at 30 September 2018

ASSETS

in EUR thousand	30.9.2018	1.1.2018 adjusted	31.12.2017
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets including customer lists	19,094	21,578	21,578
Goodwill	10,454	8,494	8,494
Development projects in progress and advance payments	9,994	5,074	5,074
	39,543	35,146	35,146
Property, plant and equipment			
Land, land rights and buildings	2,755	2,784	2,784
Technical equipment and machinery	5,044	4,659	4,659
Other equipment, operating and office equipment	4,112	4,274	4,274
Leased products	18,086	18,384	18,384
Finance lease assets	500	1,208	1,208
Advance payments and assets under construction	250	446	446
	30,747	31,755	31,755
Other assets			
Associates	36	36	36
Other equity investments	0	163	163
Finance lease receivables [1]	12,849	11,212	11,234
Other non-current assets	163	153	153
	13,048	11,565	11,587
Tax assets			
Deferred tax assets	2,548	1,411	1,386
Current tax assets	2,446	2,446	2,446
	4,994	3,857	3,832
	88,332	**82,323**	**82,320**
CURRENT ASSETS			
Inventories			
Raw materials, consumables and supplies	5,348	3,892	3,892
Work in progress	703	747	747
Finished goods and merchandise	7,010	5,994	5,994
	13,061	10,633	10,633
Trade receivables [1]	**19,254**	**18,643**	**18,684**
Other assets			
Finance lease receivables [1]	5,044	4,028	4,037
Income taxes receivable	5,429	5,813	5,813
Derivative financial instruments	262	110	110
Other current assets [1]	13,552	13,257	13,271
	24,287	23,207	23,230
Securities	**675**	**676**	**676**
Cash and cash equivalents	**28,697**	**34,234**	**34,234**
	85,974	87,393	87,457
	174,306	**169,716**	**169,777**

1) Information on adjustments to the previous year can be found on p. 7

PASSIVA

in EUR thousand	30.9.2018	1.1.2018 adjusted	31.12.2017
EQUITY			
Issued capital	16,301	16,301	16,301
Capital reserves	34,743	34,746	34,746
Stock option reserve	1,397	1,318	1,318
Treasury shares	–1,863	–1,625	–1,625
Loss carried forward [1]	–14,790	–17,532	–17,543
Consolidated net income after minority interests	3,231	4,649	4,649
Total other equity	–4,122	–4,887	–4,887
	34,897	32,970	32,959
NON-CURRENT LIABILITIES			
Provisions for pensions and similar obligations	16,409	16,528	16,528
Other provisions	1,408	1,139	1,139
Financial liabilities	42,682	43,138	43,138
Other liabilities	278	70	70
Deferred tax liabilities [1]	1,236	1,607	1,576
	62,014	62,481	62,450
CURRENT LIABILITIES			
Tax liabilities	6,441	5,091	5,091
Provisions	8,125	7,965	7,965
Financial liabilities	192	412	412
Trade payables	13,173	11,210	11,210
Other liabilities [1]	49,465	49,586	49,689
of which telepostage EUR 25.630 thousand (previous year: EUR 27,281 thousand)	77,395	74,264	74,367
	174.306	**169.716**	**169.777**

Consolidated Cash Flow Statement
for the Period from 1 January to 30 September 2018

in EUR thousand	**1.1.–30.9.2018**	1.1.–30.9.2017
1. Cash flow from operating activities		
Consolidated net income	3,231	3,380
Net income tax recognised in profit or loss	1,702	1,996
Net interest income recognised in profit or loss	-381	–495
Amortisation, depreciation and write-downs on non-current assets	12,782	14,598
Decrease (–)/increase (+) in provisions and tax liabilities	77	–1,045
Loss (+)/gain (–) on the disposal of non-current assets	89	466
Decrease (+)/increase (–) in inventories, trade receivables and other assets not attributable to investing or financing activities (without finance lease)	–2,915	2,262
Decrease (+)/increase (–) in receivables from finance lease	–2,622	–2,116
Decrease (–)/increase (+) in trade payables and other liabilities[1] not attributable to investing or financing activities	2,343	–2,600
Other non-cash income	436	264
Interest received	1,539	1,655
Interest paid	-977	–1,104
Income taxes received	205	1,011
Income taxes paid	–1,612	–1,716
Cash flow from operating activities	13,897	16,557
2. Cash flow from investing activities		
Payments for the capitalisation of development costs	–5,213	–3,315
Payments for capitalised interest for development costs	–74	–37
Proceeds from disposals of non-current assets	–180	12
Payments for investments in intangible assets	–603	–1,488
Payments for investments in property, plant and equipment	–7,065	–7,192
Payments for investments in the acquisition of operations (IAS 7)	–3,485	0
Cash flow from investing activities	**–16,620**	–12,020

in EUR thousand	1.1.–30.9.2018	1.1.–30.9.2017
3. Cash flow from financing activities		
Payments for distributions to shareholders	–1,908	–2,606
Bank loan repayments	–498	–6
Repayments of finance lease liabilities	–182	–1,030
Proceeds from the assumption of finance lease liabilities	0	353
Proceeds for the purchase of treasury shares	–241	0
Proceeds from the issue of new shares	0	212
Proceeds from the assumption of bank loans	0	2,470
Cash flow from financing activities	–2,829	–608
Cash and cash equivalents [1]		
Change in cash and cash equivalents	–5,552	3,929
Change in cash due to currency translation	270	–1,136
Cash at beginning of period	24,090	18,655
Cash at end of period	**18,808**	**21,448**

1) Postage credit balances managed by the FP Group of EUR 10,564 thousand (previous year: EUR 9,420 thousand) are deducted from cash and other liabilities. Securities held as current assets are included in cash and cash equivalents in the amount of EUR 675 thousand (previous year: EUR 683 thousand).

Consolidated Statement of Changes in Equity for the Period from 1 January to 30 September 2018

in EUR thousand	Issued capital	Capital reserves	Stock option reserve	Treasury shares	Consolidated net income
As at 1.1.2017	**16,215**	**34,620**	**1,179**	**0**	**–14,937**
Consolidated net income 1.1.–30.9.2017					3,380
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions and early retirement according to IAS 19	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 1.1.–30.9.2017	0	0	0	0	0
Total comprehensive income 1.6.– 30.9.2017	0	0	0	0	3,380
Distributions	0	0	0	0	0
Stock option settlement	86	126	112	0	0
Distributions	0	0	0	0	–2,606
Acquisition of non-controlling interests	0	0	0	0	0
As at 30.9.2017	**16,301**	**34,746**	**1,291**	**0**	**–14,163**
As at 1.1.2018	**16,301**	**34,746**	**1,318**	**–1,625**	**–12,894**
Änderung von Bilanzierungs- und Bewertungsmethoden: Erstanwendung IFRS 9 und IFRS 15					12
As at 1.1.2018 (adjusted)	**16,301**	**34,746**	**1,318**	**–1,625**	**–12,882**
Consolidated net income 1.1.–30.9.2018	0	0	0	0	3,231
Foreign currency translation of financial statements of foreign entities	0	0	0	0	0
Adjustment of provisions for pensions and early retirement according to IAS 19	0	0	0	0	0
Cash flow hedges	0	0	0	0	0
Other comprehensive income 1.1.–30.9.2018	0	0	0	0	0
Total comprehensive income 1.1.– 30.9.2018	0	0	0	0	3,231
Distributions	0	0	0	0	–1,908
Stock option settlement	0	–3	79	5	0
Acquisition of non-controlling interests	0	0	0	–243	0
As at 30.9.2018	**16,301**	**34,743**	**1,397**	**–1,863**	**–11,559**

	Total other equity							
	Currency translation adjustment	Net investments in foreign operations	Adjustment due to IAS 19	Difference amount from acquisition of shares of other shareholders	Reserve from hedging transactions	Equity attributable to FP Holding	Non-controlling interests	**Total**
	2,954	**132**	**−3,529**	**−439**	**−249**	**35,946**	**0**	**35,946**
						3,380	0	3,380
	−3,691	−6	0	0	0	−3,697	0	−3,697
	0	0	−8	0	0	−8	0	−8
	0	0	0	0	249	249	0	249
	−3,691	−6	−8	0	249	−3,456	0	−3,456
	−3,691	−6	−8	0	249	−76	0	−76
	0	0	0	0	0	0	0	0
	0	0	0	0	0	324	0	324
	0	0	0	0	0	−2,606	0	−2,606
	0	0	0	0	0	0	0	0
	−737	**126**	**−3,537**	**−439**	**0**	**33,588**	**0**	**33,588**
	−1,303	**96**	**−3,318**	**−439**	**77**	**32,959**	**0**	**32,959**
						12		12
	−1,303	**96**	**−3,318**	**−439**	**77**	**32,971**	**0**	**32,971**
	0	0	0	0	0	3,231	0	3,231
	928	−82	0	0	0	846	0	846
	0	0	0	0	0	0	0	0
	0	0	0	0	−81	−81	0	−81
	928	−82	0	0	−81	765	0	765
	928	−82	0	0	−81	3,996	0	3,996
	0	0	0	0	0	−1,908	0	−1,908
	0	0	0	0	0	81	0	81
	0	0	0	0	0	−243	0	−243
	−375	**14**	**−3,318**	**−439**	**−4**	**34,897**	**0**	**34,897**

Further information

Information about the Company

The listed and globally operating FP Group with headquarters in Berlin, Germany, is an expert for secure mailing business and secure digital communication processes. As market leader in Germany and Austria, the FP Group offers products and services in the areas “Franking and Folding / Inserting”, “Mail Services” and “Software” for the efficient processing of mail, consolidation of business mail, and digital solutions for companies and authorities. The Group achieved revenues of more than 200 million euros in 2017. Francotyp-Postalia has subsidiaries based in ten different countries and is represented by its own trading network in an additional 40 countries. With a company history spanning 95 years, FP possesses a unique DNA in the areas of actuating elements, sensor systems, cryptography and connectivity. FP’s global market share for franking systems is more than eleven percent.

Further information can be found at www.fp-francotyp.com.

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