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FP confirms preliminary figures for first six months of 2019

- Total revenue reaches € 99.0 million
- Strong growth in Software/Digital segment of 20.6%
- Adjusted EBITDA reaches € 13.1 million
- Adjusted free cash flow at € 4.0 million

Berlin, 29 August 2019 – Francotyp-Postalia (FP), the expert in secure mail business and secure digital communication processes (ISIN DE000FPH9000), today published its report on the first six months of 2019. FP therewith confirms the preliminary results the company has already released on August 22, 2019. In the first half of fiscal 2019, FP generated revenue of € 99.0 million compared to € 104.8 million in the same period of the previous year. Adjusted for currency effects, revenue amounted to € 97.4 million. Especially negative developments in the Mail Service Segment weighted on revenues, whereas the Software/Digital segment grew by 20.6% to a total of € 8.9 million (H1 2018: € 7.4 million).

FP generated an EBITDA of € 11.6 million in the reporting period as against € 12.8 million in the same period of the previous year. Adjusted for positive exchange rate effects (€ 0.8 million) as well as extraordinary expenses for the ACT-project JUMP (€ 2.2 million), EBITDA amounted to € 13.1 million in the first half of 2019 compare to 13.7 million in the same period of the previous year. This corresponds to an adjusted EBITDA margin of 13.4%, after 13.1% in the same period of the previous year.

The company generated a free cash flow of € -1.3 million (H1 2018: € 0.0). Adjusted for investments in finance lease assets and M&A, and for expenditure for the ACT project JUMP, the FP Group generated an adjusted free cash flow of € 4.0 million compared to € 3.5 million in the same period of the previous year.

FP expects revenue for the full fiscal year of 2019 to come in slightly higher than previous year's level and a strong increase in adjusted EBITDA

Based on the adjusted guidance for the full year 2019 that has been published on August 22, 2019, FP expects revenue for the full fiscal

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year of 2019 to come in slightly higher than previous year's level. At the same time, FP still expects a strong increase for EBITDA year on year, when adjusted for expenses for the ACT project JUMP. With further investments in ACT and new products and services, the FP Group expects that the adjusted free cash flow for the financial year 2019 will be positive, yet considerably lower than in the previous year.

The anticipated development of the financial performance indicators for financial year 2019 is based on the assumption of constant exchange rates.

Key figures at a glance:

In € million	H1 2019	H1 2018
Revenue	99.0	104.8
Cost of materials	48.9	52.3
Staff costs	30.6	31.0
Other expenses	18.7	17.7
EBITDA	11.6	12.8
Adjusted EBITDA	13.1	13.7
EBIT	0.7	4.2
Consolidated net income	0.6	3.1
Earnings per share (in €, basic/diluted)	0.04	0.20
Free cash flow	-1.3	0.0
Adjusted free cash flow	4.0	3.5

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About Francotyp-Postalia (FP)

The FP Group, a listed international company headquartered in Berlin, is an expert in secure mail business and secure digital communication processes. As the market leader in Germany and Austria, the FP Group offers digital solutions in addition to products and services for the consolidation of business mail and efficient mail

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processing for companies and public authorities in its “Software”, “Mail Services” and “Franking/Inserting” product segments. The Group generated revenue of more than € 200 million in 2018. Francotyp-Postalia is represented in ten countries with its own subsidiaries and in a further 40 countries via its own network of dealers. Thanks to a history spanning more than 96 years, FP has a unique DNA in the fields of actuator and sensor technology, cryptography and connectivity. FP has a global market share in franking systems of more than 11%.