

P R E S S   R E L E A S E

**FP on track with ACT – preliminary figures for 2017 confirmed**

**Targets clearly in focus: transformation into growth company to be intensified in 2018**

- FP Group publishes the 2017 annual report and its first sustainability report
- Preliminary figures for fiscal year 2017 confirmed
- 2017 targets achieved for revenue and EBITDA, and even exceeded for adjusted free cash flow
- Tax-free dividend of 12 cents proposed
- Medium-term goals for 2020 remain in sharp focus

**Berlin, 29 March 2018** - Francotyp-Postalia Holding AG (FP), the expert in secure mail business and secure digital communication processes, presented its annual report for 2017 today. In it, the company confirms the provisional figures for fiscal year 2017 published at the beginning of March 2018. Revenue rose to EUR 206.3 million, EBITDA amounted to EUR 26.3 million, and adjusted free cash flow came to EUR 9.9 million.

Adjusted for currency effects, the FP Group's revenue climbed by 2.7% to EUR 208.4 million in fiscal year 2017 and EBITDA by 1.1% to EUR 27.5 million. The company thus met its forecasts for revenue and EBITDA and actually exceeded the forecast for adjusted free cash flow. At the Annual General Meeting on 29 May 2018, the Management Board and Supervisory Board will propose the payment of a tax-free dividend of 12 cents per share. In connection with the ongoing expenses for the ACT growth strategy, the company is thus showing consistency in its dividend policy.

**Growth in the core business**

16 months ago, the Management Board launched the ACT growth strategy to shape the FP Group into a dynamic growth company. The company is on the attack in the traditional business with franking systems in particular. Last year, FP increased revenue from product

sales by 7.1% and its global market share to around 11% in this segment, against the market trend.

Rüdiger Andreas Günther, CEO of the FP Group, explains: “As expected, the franking machine business is offering FP good opportunities for further high-margin growth. We are gaining market share. At the same time, we are ushering our customers from the analogue into the digital age. Data security is and will remain a major issue here. With our experience in cryptography, sensor and actuator technology, and connectivity, we are in an ideal position to unlock the additional potential of our technology in this area.”

Fiscal year 2017 was all about the implementation of the ACT growth strategy. Among other things, the international market presence was expanded and eleven additional national variants of the PostBase product family were certified. Marketing began for pioneering digital products and offerings such as **FP Sign**, a solution for the legally binding digital signing of documents, and **discoverFP**, the customer portal.

### **FP becomes faster and more agile**

As previously announced, FP will make one-time investments of between EUR 6 million and EUR 8 million for the project that has now been launched to improve the structure and organisation (JUMP project) as part of the ACT growth strategy in fiscal year 2018. The first positive effects are expected in 2019. Annual savings of EUR 6 million are anticipated from the following year. The company still has a clear focus on its medium- and long-term goals. FP will become faster and more agile in order to implement the accelerated growth trajectory as planned and achieve the profitability increases announced as part of ACT in a reliable and sustainable manner.

For fiscal year 2018, the FP Group expects revenue to increase slightly year on year. Adjusted for the expenses of the JUMP project, the FP Group also expects a slight year-on-year increase in EBITDA. Owing to growing investment in new products and further ACT measures, 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 fiscal year 2018 is based on the assumption of constant exchange rates.

### **Sustainable growth**

The FP Group has published its first sustainability report today. It demonstrates the company's responsible behaviour to its customers, employees, investors and other stakeholders and illustrates the ecological, economic and social dimension of its sustainable growth.

The 2017 annual report published today also documents the company's transformation. It already embodies a culture of innovation, speed and teamwork, which is a prerequisite for the transformation and an important element of the ACT growth strategy. The new, distinctive image of the FP brand is intended to further raise awareness on the market and thus contribute to the achievement of the medium- and long-term targets. The new FP is on its way to becoming the leading service provider for secure mail business and secure digital communication processes.

FP CEO Günther explains: "2017 and 2018 are phases of new beginning and of implementation, with which we will make FP successful in the long term. In 2019, we will have a faster, more flexible and more efficient organization. The outcome of our work is increased profitability. FP is undergoing a radical change. We are reshaping a company with 95 years of successful technology tradition into a smart, forward-looking enterprise. We want to increase revenue to EUR 250 million by as early as 2020. For 2023, FP's 100th anniversary, we are targeting the EUR 400 mark and an EBITDA margin of 20%. By building on our initial success and stepping up the measures already taken, we will use 2018 to prepare for our dynamic and sustainable growth."

**Key figures at a glance:**

in € million	2017	2016	Change
Revenue (as reported)	206.3	203.0	1.7%
Revenue (after currency effects)	208.4	203.0	2.7%
Cost of materials	102.9	96.5	6.6%
Staff costs	59.2	57.4	3.1%
Other expenses	34.1	37.1	-8.3%
EBITDA (as reported)	26.3	27.2	-3.3%
EBITDA (after currency effects)	27.5	27.2	1.1%
Amortisation and depreciation	19.1	17.5	9.0%
EBIT	7.3	9.7	-25.5%
Consolidated net income	4.6	6.2	-25.0%
Earnings per share (in €), basic	0.29	0.36	-21.5%
Earnings per share (in €), diluted	0.28	0.36	-21.4%
Adjusted free cash flow	9.9	9.5	3.7%

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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 products and services for efficient mail processing, consolidation of business mail and digital solutions for businesses and authorities with its product segments "Franking and Inserting", "Mail Services" and "Software". The Group generated revenue of more than EUR 200 million in 2017. 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 95 years, FP has a unique DNA in the fields of actuator and sensor technology, cryptography and connectivity. It has a share of over 11% in the global market for franking systems.

You can find out more at [www.fp-francotyp.com](http://www.fp-francotyp.com).