REMAINING ON COURSE

FINANCIAL RESULTS
FIRST QUARTER 2019
FP IS HEAVILY ACTIVE IN ITS CORE COMPETENCIES…
AND GAINS FURTHER CUSTOMER AWARENESS
FP: EXPANDS INTO GROWTH MARKETS

DOUBLE-DIGIT GROWTH IN E-SIGNATURE AND SECURE IoT MARKETS

Addressable market

Secure Mail Business

Franking
2-3 bn $\textsuperscript{1}

CAGR 3-4%

Secure Digital Communication Processes

e-Signature
9 bn $\textsuperscript{2}

CAGR 30-35%

Secure IoT
30 bn $\textsuperscript{3}

CAGR 30-35%

discover FP

Source: 1 FP estimate based on industry revenues, 2 Target market size 2023, PS Market Research 6/2017, 3 Target market size 2023, Markets & Markets Research 6/2017
MARKET, COMPETITION AND COMPANY DEVELOPMENTS IN Q1/2019
FP MANIFESTS ITS MARKET POSITION

Market and Competition:
• Global installed base reduced by ca 1.1%
• Competitors review franking strategy
• Postcon sale by Post NL seems to be stalling
• Dropbox acquired HelloSign for $230m
• Global market studies confirm Secure IoT megatrend

Francotyp-Postalia:
• Increase of relative market share in the franking business
• Postbase Vision in final postal certification process in the US, excellent customer feedback so far
• Freesort: New management and postal tariff increase set foundation to achieve targets
• Global FP Sign roll-out started (in April)
• Further market awareness about FP’s IoT expertise leads to improved IoT revenues over time
• FP successfully extended IoT value chain by Juconn participation
• JUMP: Process definition and design phase completed, implementation phase initiated
Excluding adjustments:

- Revenues of 52.1 m €, EBITDA of 6.9 m €
- JUMP expenses of 0.9 m €, implementation ongoing
- Free cash flow of 2.9 m €
MAIL SERVICES ACCOUNTABLE FOR REVENUE DECLINE
LEASING FURTHER GAINS TRACTION

<table>
<thead>
<tr>
<th>m €</th>
<th>Q1/2018</th>
<th>Q1/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment sales &amp; others</td>
<td>9.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Service</td>
<td>5.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Consumables</td>
<td>6.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Teleporto</td>
<td>2.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Mail Services</td>
<td>17.1</td>
<td>14.4</td>
</tr>
<tr>
<td>Software</td>
<td>3.8</td>
<td>4.7</td>
</tr>
<tr>
<td>Revenue acc. to IFRS 15</td>
<td>43.7</td>
<td>41.9</td>
</tr>
<tr>
<td>Finance Lease</td>
<td>1.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Operate Lease</td>
<td>7.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Revenue acc. to IFRS 16</td>
<td>9.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Revenue total</td>
<td>53.0</td>
<td>52.1</td>
</tr>
</tbody>
</table>

Major items in Q1 2019

- Decline of Mail Services revenue (-15.7 %) due to margin-oriented change in customer base and still lower letter volume

- Substantial increase in Software/Digital revenue (+22.7 %)

- Strong increase in leasing revenue (+9.4 %) provides future multiple client contact points
### Adjusted EBITDA First Quarter 2019

**Revenue and Profitability Below Expectations**

<table>
<thead>
<tr>
<th>m €</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>53.0</td>
<td>51.2(^2) 52.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>7.6</td>
<td>7.4(^3) 6.9</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>14.4%(^1) 14.1%</td>
<td>14.5%(^3) 13.3%</td>
</tr>
<tr>
<td><strong>Amortisation/depreciation</strong></td>
<td>4.3</td>
<td>5.6</td>
</tr>
<tr>
<td>~ to revenue</td>
<td>8.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3.2</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>2.2</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>EPS (basic, EUR)</strong></td>
<td>0.14</td>
<td>0.08</td>
</tr>
</tbody>
</table>

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**Currency and Special Items**

- Positive currency effects of 0.9 m € on revenue, 0.5 m € on EBITDA
- Non-recurring expenses of 0.9 m € for JUMP (in previous year 0.2 m €)

**First-time Adoption of IFRS 16**

- Impact on EBITDA of 1.0 m € almost offset by the depreciation of right-of-use assets of 0.9 m €
- Slightly negative, immaterial effect on consolidated net income

**Amortization/depreciation**

- Increase due to IFRS 16 and higher amortization of capitalized R&D

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\(^1\) Adjusted for JUMP expenses \ | \(^2\) Currency adjusted \ | \(^3\) Adjusted for currency effects and JUMP expenses
### ADJUSTED FREE CASH FLOW

**POSITIVE IMPACT OF ACTIVE WORKING CAPITAL MANAGEMENT**

<table>
<thead>
<tr>
<th>m €</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>6.6</td>
<td>9.3</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-4.0</td>
<td>-6.3</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>2.6</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Adjusted free cash flow</strong>⁠¹</td>
<td>3.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-3.9</td>
<td>-7.9</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>22.6</td>
<td>16.4</td>
</tr>
</tbody>
</table>

**Cash flow from operating activities**
- Increase supported by improvement of working capital
- IFRS 16: lease payments of 0.9 m € recognized as cash flow from financing activities
- JUMP payments of -2.2 m €

**Cash flow from investing activities**
- Increase following the participation in Juconn of 2.0 m €
- Increase in investments in internally generated intangible assets of 0.9 m €

**Adj. free cash flow** reflects higher cash flow from operating activities and improvement of net working capital (compared to previous year)

**Cash flow from financing activities**
- Repayment of financial liabilities -7.0 m €

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¹ Excluding investments in finance lease assets, M&A and payments for JUMP.
FP IS FURTHER ATTACKING AGAINST MARKET TRENDS
POSITIVE OUTLOOK DUE TO ROLLOUT OF POSTBASE VISION

Peer group comparison

<table>
<thead>
<tr>
<th></th>
<th>FP</th>
<th>Peer 1</th>
<th>Peer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue growth franking machine business</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2016 excluding currency effects</td>
<td>2%</td>
<td>-6%</td>
<td>-7%</td>
</tr>
<tr>
<td>FY 2017 excluding currency effects</td>
<td>4%</td>
<td>-5%</td>
<td>NA</td>
</tr>
<tr>
<td>FY 2018 excluding currency effects</td>
<td>1%</td>
<td>-6%</td>
<td>-5%</td>
</tr>
<tr>
<td>Q1 2019 excluding currency effects</td>
<td>0%</td>
<td>-4%</td>
<td>NA</td>
</tr>
</tbody>
</table>

FP | 10
In a decreasing market environment, revenues in the franking business increased by 2.9%

- Revenue increase positively impacted by currency effects of 0.9 m €
- Positive revenue development compared to competition
- Optimistic outlook for the second half year due to launch of PostBase vision (currently in final postal certification in the US; GER, UK, FR: market launch in 2019)
FP CONTINUES TO GAIN MARKET SHARE IN FRANKING¹
A BIG MARKET STILL TO CONQUER

<table>
<thead>
<tr>
<th>Markets</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>11.0</td>
<td>11.6</td>
<td>11.7</td>
</tr>
<tr>
<td>UK</td>
<td>11.1</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>USA</td>
<td>6.5</td>
<td>7.0</td>
<td>7.1</td>
</tr>
<tr>
<td>France</td>
<td>2.6</td>
<td>3.8</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Worldwide: 11.7%¹

¹ Markets estimates
REVENUE MAIL SERVICES NOT SATISFACTORY
POSITIVE IMPACT EXPECTED FROM POSTAGE TARIFF INCREASE AND NEW MANAGEMENT

Mail service revenue continue to disappoint

- Substantial volume decrease in existing client base
- Existing and new customer activities do not compensate loss of non-profitable clients yet
- Positive revenue impact expected from postage tariff increase by Deutsche Post in second half 2019
- New experienced and active management in place
REVENUE SOFTWARE/ DIGITAL
SET FOR GROWTH

FP Sign
- International roll out in April shall lead to further revenues in the course of the year
- Sales and marketing initiatives started to upgrade existing meter customer base
- Continuous upgrade with new customer-centric features
- Increasing sales pipeline

IoT
- Strategic cooperation with Lackmann sets basis for remote IoT control in core segment sub metering
- IoT: 3-year framework contract with Getec energy solutions
- Contract with E.ON Business Solutions providing gateways for virtual power plants (smart grid solutions)
- Increasing sales pipeline, including significant long-term large-order projects

Others
- Uptake of e-invoicing solutions FP Italy
- Further increase in discoverFP registrations setting the base for future cross-selling
NEW DIGITAL BUSINESS MODELS
SIGNIFICANT REVENUE UPSIDE POTENTIAL FOR FP

- Only 18 months since start of new product development and initial market approach
- Start-up situation further developing and evaluating new business models with initial customers
- Software/ Digital activities contribute to growth

![Graph showing revenue growth from 2018 to 2020 with labels for IoT, Others, and FP Sign.](image-url)
JUMP IN ACTion
FIRST MEASURES TAKEN – SIGNIFICANT WORK AHEAD

Implementation of JUMP in progress:

- Shared Service Center Europe founded, located near Berlin
- First hirings for centralized organization concluded; ongoing positive discussions with labour unions and workers council
- ERP/CRM realization started
- Centers of Excellence for strategic functions (e.g. Service, HR, Finance) in implementation – numerous best practice processes reviewed
- JUMP-parameters and effects continuously under review
- JUMP EBITDA effect in 2019 expected to be neutral
- Full year savings effect of 6.0 m € confirmed

Our Target Operating Model

Sales regions/countries
Clear focus on marketing, sales and customer services in respective areas

Headquarter
Strategy and guidance, central governance

Shared Service Center (SSC)
Services (administrative, process-oriented) for sales regions/countries and HQ

Processes and Systems
- Governance
- Business results
- Skills
- Identity
- Capital
- Control
- Requests
- Services

Governance, requests, services flows between sales regions/countries, Headquarter, and Shared Service Center.
GUIDANCE 2019: ACT – JUMP – DELIVER
CLEAR FOCUS ON 2020 GOALS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>204.2 m €</td>
<td>Strong increase(^2)</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>25.1 m €(^1)</td>
<td>Adjusted for JUMP expenses – strong increase(^2)</td>
<td></td>
</tr>
<tr>
<td><strong>ADJ. FCF</strong></td>
<td>10.9 m €</td>
<td>Positive adj. FCF at a considerably lower level than last year(^3)</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) EBITDA 2018 as reported – adjusted for JUMP expenses (8.0 m €).

\(^2\) Based on constant currency level;

\(^3\) Based on constant currency level, excluding payments for JUMP, additions to finance lease assets and M&A.
HEADING FOR TOMORROW

Questions are welcome
<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q1 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>53.0</td>
<td>52.1</td>
<td>-1.7</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>0.1</td>
<td>0.4</td>
<td>560.5</td>
</tr>
<tr>
<td>Other own work capitalised</td>
<td>3.4</td>
<td>3.8</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Total output</strong></td>
<td>56.5</td>
<td>56.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>26.7</td>
<td>25.3</td>
<td>-5.3</td>
</tr>
<tr>
<td>Staff costs</td>
<td>14.9</td>
<td>15.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Other income/expenses</td>
<td>-7.4</td>
<td>-8.3</td>
<td>12.4</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>7.4</td>
<td>6.9</td>
<td>-6.7</td>
</tr>
<tr>
<td>as % of revenue</td>
<td>14.1%</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td>Amortisation/deprecations</td>
<td>4.3</td>
<td>5.6</td>
<td>30.8</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>3.2</td>
<td>1.3</td>
<td>-57.5</td>
</tr>
<tr>
<td>Interest result</td>
<td>0.1</td>
<td>0.2</td>
<td>47.4</td>
</tr>
<tr>
<td>Other financial result</td>
<td>0.1</td>
<td>0.3</td>
<td>353.3</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-1.2</td>
<td>-0.6</td>
<td>-47.5</td>
</tr>
<tr>
<td><strong>Consolidated net income</strong></td>
<td>2.2</td>
<td>1.2</td>
<td>-44.8</td>
</tr>
<tr>
<td><strong>EPS (€ basic)</strong></td>
<td>0.14</td>
<td>0.08</td>
<td>-44.8</td>
</tr>
<tr>
<td><strong>EPS (€ diluted)</strong></td>
<td>0.14</td>
<td>0.08</td>
<td>-44.7</td>
</tr>
</tbody>
</table>
FINANCIAL SITUATION – BALANCE SHEET ASSETS (31.03.2019)

ASSETS
in m €

<table>
<thead>
<tr>
<th></th>
<th>31.12.2018</th>
<th>31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>87.9</td>
<td>103.1</td>
</tr>
<tr>
<td>Current assets</td>
<td>78.8</td>
<td>76.9</td>
</tr>
<tr>
<td>Total</td>
<td>166.7</td>
<td>180.0</td>
</tr>
</tbody>
</table>

Non-Current Assets
- First-time adoption IFRS 16: accounting for right-of-use assets (12.3 m €)
- Increase of other assets, mainly from participation on Juconn (2.0 m €)
- Increase of receivables from finance lease (0.8 m €)

Current Assets
- Decrease in cash and cash equivalents (-3.6 m €)
FINANCIAL SITUATION – BALANCE SHEET LIABILITIES (31.03.2019)

LIABILITIES in m €

<table>
<thead>
<tr>
<th>Description</th>
<th>31.12.2018</th>
<th>31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>31.2.2018</td>
<td>31.03.2019</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>76.5</td>
<td>85.7</td>
</tr>
<tr>
<td>Equity</td>
<td>33.3</td>
<td>35.7</td>
</tr>
</tbody>
</table>

Equity ratio of 19.8%
(31.12.2018: 20.0%)

- Total comprehensive income 3M 2019 (2.3 m €)

Non-current liabilities
- Increase of financial liabilities, mainly following first-time adoption IFRS 16 (+9.0 m €)

Current liabilities
- Increase of financial liabilities, mainly following first-time adoption IFRS 16 (+3.5 m €)
- Increase of trade payables (+0.8 m €)
- Increase of other liabilities (+4.8 m €)
BASIC INFORMATION
Rüdiger Andreas Günther
CEO, 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

Patricius de Gruyter
CSO
since June 2018 with FP

Degree in Business Administration (Dipl.-Kfm.), WHU – Otto Beisheim School of Management, Vallendar, Germany

- Many years of experience in the IT, cable network operator and dialogue marketing sectors,
- Director of B2B Sales at Kabel Deutschland AG
- Managing Director of the Tectum Group, a specialist in customer service and telesales
- Managing Director of Computacenter AG, a leading IT service provider

Sven Meise
CDO, COO
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

**ISIN**
DE000FHP9000

**Segment:**
Prime Standard/All Industrial

**IPO**
30 November 2006

**Reuters**
FPHG.DE

**Shares**
16.3 mn

**Freefloat**
78.7% (calc.)

**Coverage**
Warburg Research, LBBW, Dr. Kalliwoda, GSC, Baader Bank

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**MAIN SHAREHOLDERS**

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obotritia Capital KgaA</td>
<td>10.30%</td>
</tr>
<tr>
<td>Active Ownership Fund</td>
<td>9.5%</td>
</tr>
<tr>
<td>Quaero Capital</td>
<td>4.90%</td>
</tr>
<tr>
<td>SALTARAX GMBH</td>
<td>3.59%</td>
</tr>
<tr>
<td>Ludic GmbH</td>
<td>3.51%</td>
</tr>
<tr>
<td>Magallanes Value Investors</td>
<td>3.30%</td>
</tr>
<tr>
<td>Baring Fund Managers Limited</td>
<td>3.07%</td>
</tr>
</tbody>
</table>
FINANCIAL CALENDAR

28 May 2019  Annual General Shareholders’ Meeting, Berlin

22 August 2019  Results for the First Half Year 2019

14 November 2019  Results for the Third Quarter 2019
Maik Laske  
Head of Treasury | M&A | Investor Relations

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Twitter  
www.twitter.com/ir_fp
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.
We ACT to win your trust