



# UNAUDITED FINANCIAL STATEMENTS Q1 2014 //

**FP GROUP INVESTORS' DAY**

MANAGEMENT BOARD OF FRANCO TYP-POSTALIA HOLDING AG

BIRKENWERDER | 28 MAY 2014

## DISCLAIMER



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.

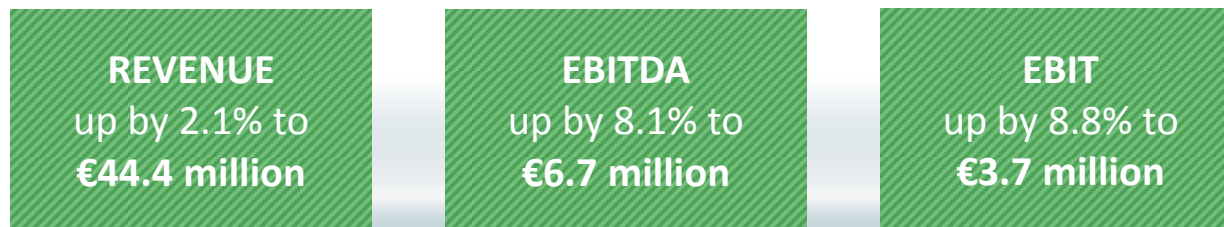
The estimates given entail a degree of risk, and the actual developments may differ from those forecast. Consequently, any unexpected fall in demand or economic stagnation in our key sales markets, such as Western Europe (and especially Germany) or in the USA, UK, or Canada, and Singapore will have a 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 2013 Annual Report develop in a way other than we are currently expecting.

# FP GREW PROFITABLE IN TRADITIONALLY STRONG Q1



- FP increased all key figures in Q1

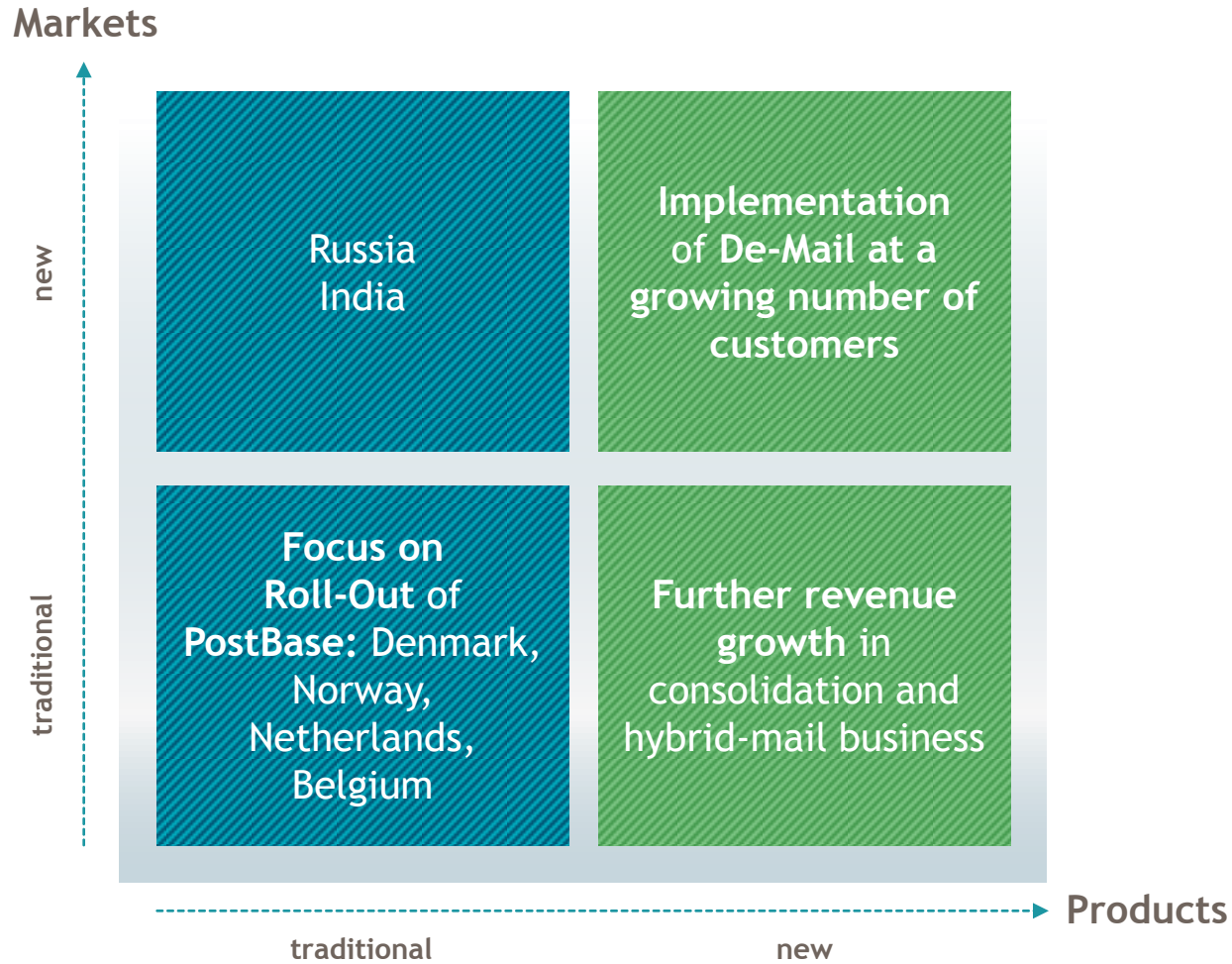


- Software and Mail Service business in Germany as growth driver
- Implementation of new sales channel is progressing
- FP confirms its guidance for 2014

# FP'S GROWTH STRATEGY IS PAYING OFF



# PROGRESS IN MAJOR AREAS IN Q1 2014



## FOCUS ON AUFBRUCH 2015



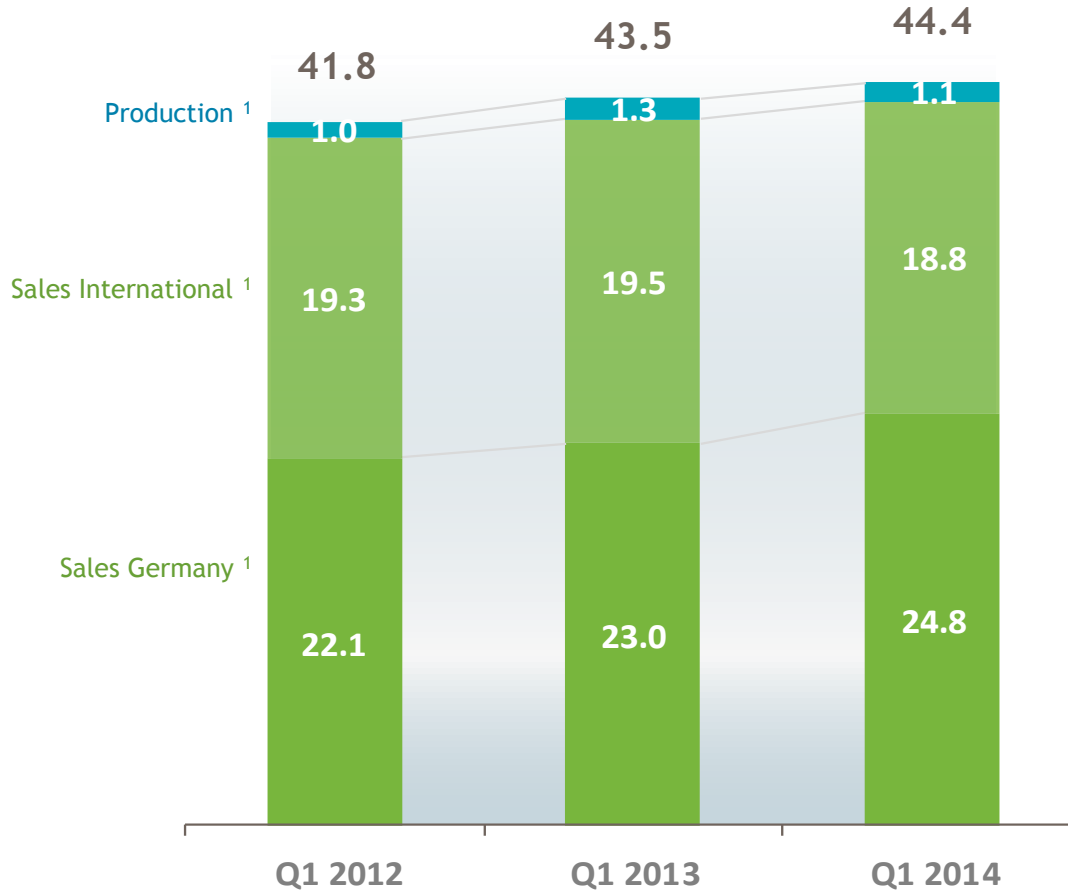
- **Implementation of new sales channel is progressing:**  
In Q1, FP has won dealer associations like Büroring (350 independent dealers) and WinWin Office Network (30 mid-sized dealers) as well as regional partners with a close contact to SMEs
- **Ongoing optimisation of sales approach:**  
FP will strengthen the sales force in 2014 using product bundles (FP Box) and telesales
- **Ongoing optimisation of cost structure, e. g. by improving the channel mix between direct and indirect sales**

# SALES PUSH IN GERMANY WITH PROMISING RESULTS



## Revenue by Segments

€ million



International Sales were influenced by **negative currency effect** of €0,5m

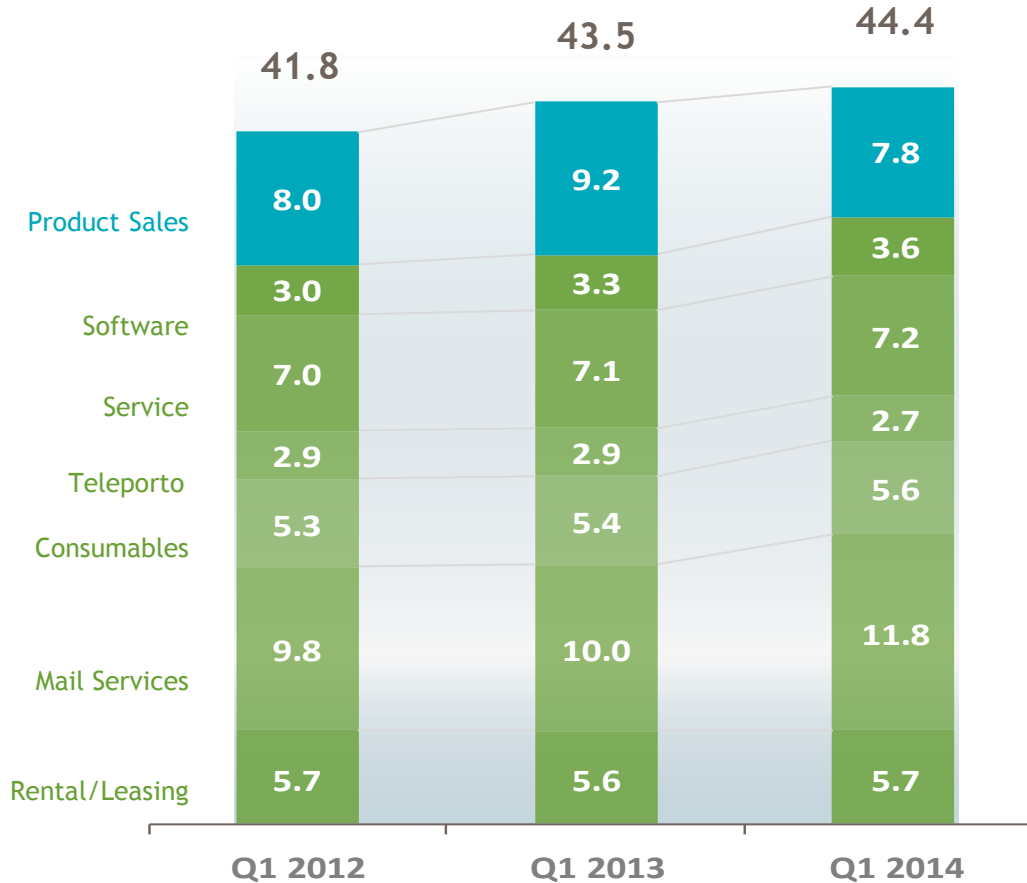
German organization benefits from **multi-channel approach** mainly Software and Mail Service business

<sup>1</sup> | Non-consolidated figures according local GAAP. Revenue with third parties.

# HIGH PROPORTION OF RECURRING REVENUES



€ million



## Major revenue drivers

- Growing demand for multi-channel offers in Germany
  - Mail Services +18%
  - Software + 9%

## Growth constraint

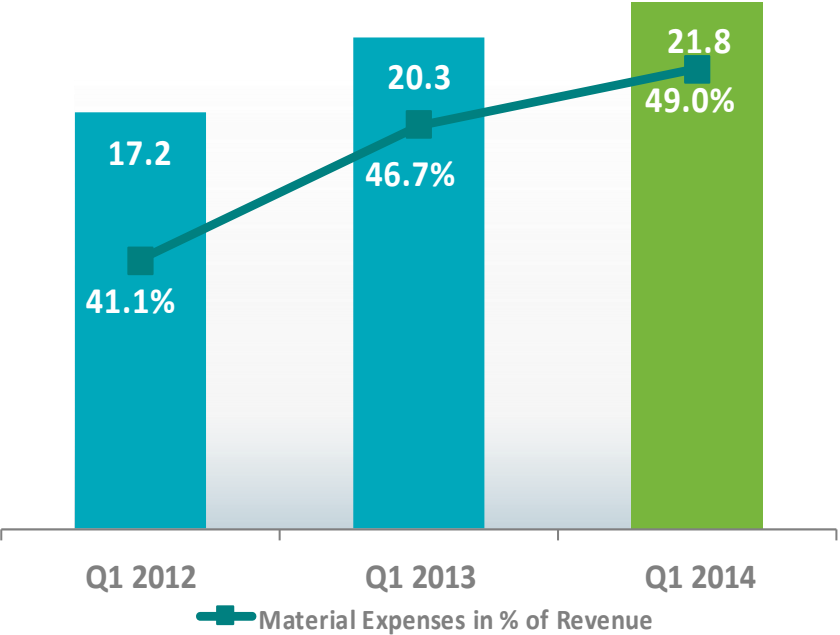
- Negative currency effect of €0.5m mainly shown in rental business and product sales
- End of decertification in Austria

High proportion of recurring revenues (82%) is a perfect base for sustainable business



# INCREASE IN MATERIAL EXPENSES

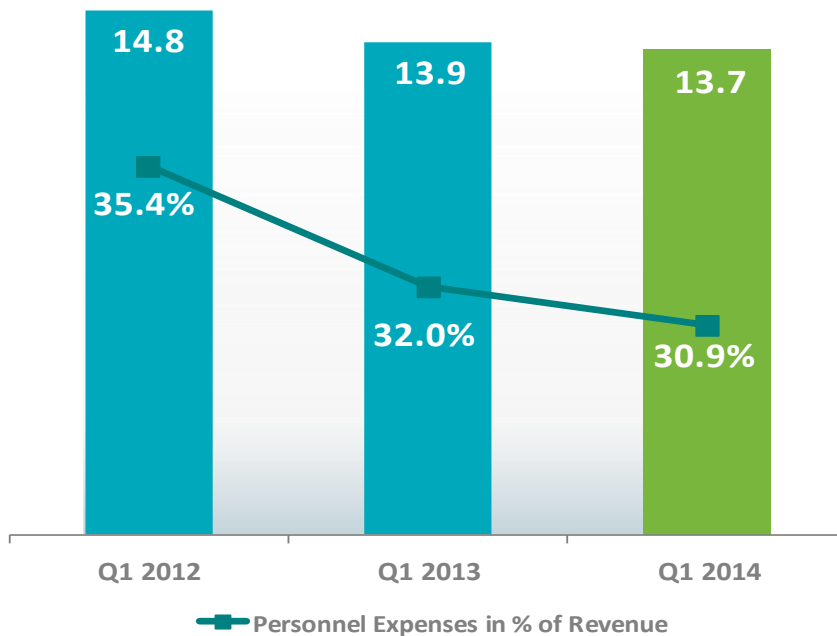
€ million



High demand for consolidation business with high material ratio leads to higher material expenses

# DECREASE IN PERSONNEL EXPENSES

€ million



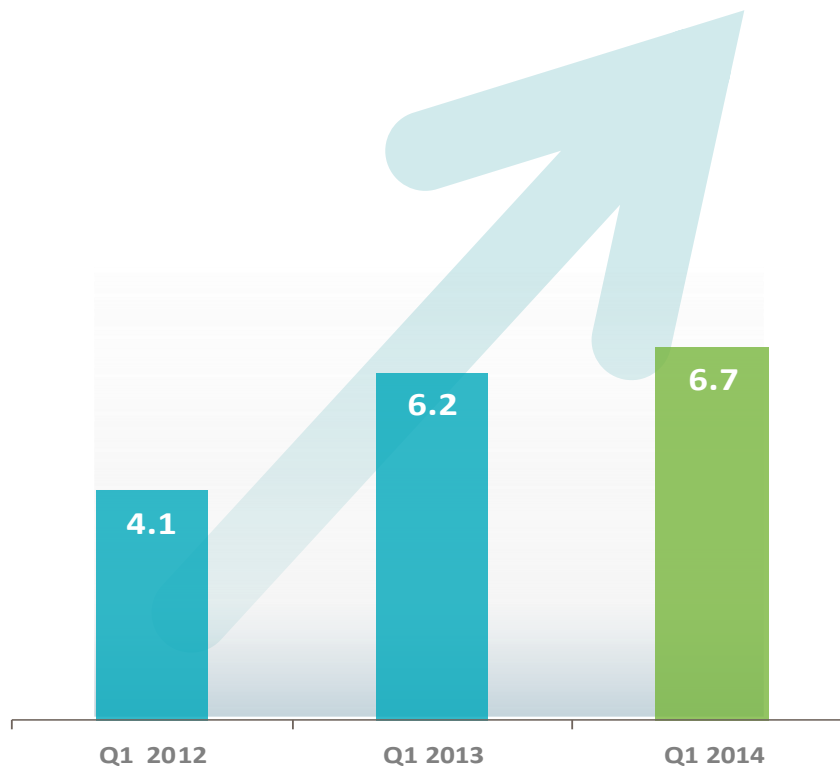
Decrease in personnel expenses results from restructuring efforts

Number of employees decreased by 2.3% from 1,082 (Q1/2013) to 1,057 (Q1/2014)

Personel expenses will remain stable

# EBITDA TRADITIONALLY STRONG IN Q1

€ million



EBITDA increases by 6.6%

## Profitability drivers

- Higher revenues
- Efficiency of new production site
- Lower other expenses

## Profitability constraints

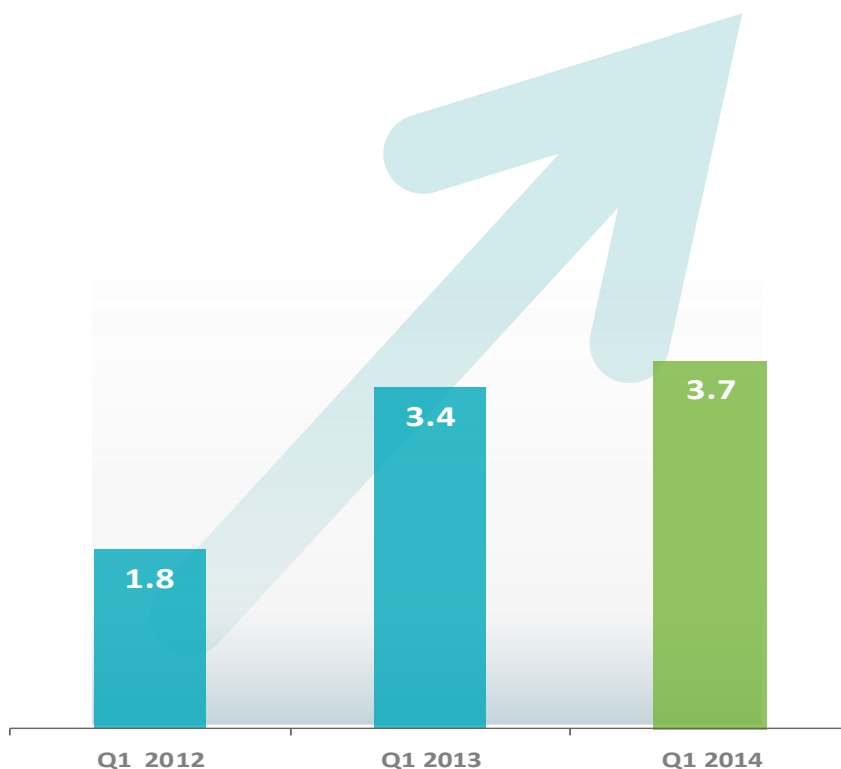
- Negative currency effect of €0.3m due to unexpected accentuated weakness of the US-dollar

Improvement of EBITDA margin to 15.1%

# INCREASING EBIT DESPITE HIGHER DEPRECIATION



€ million



Depreciation and amortisation rose as expected from €2.8m to €3.0m

Increase of depreciation will continue as long as US decertification is running

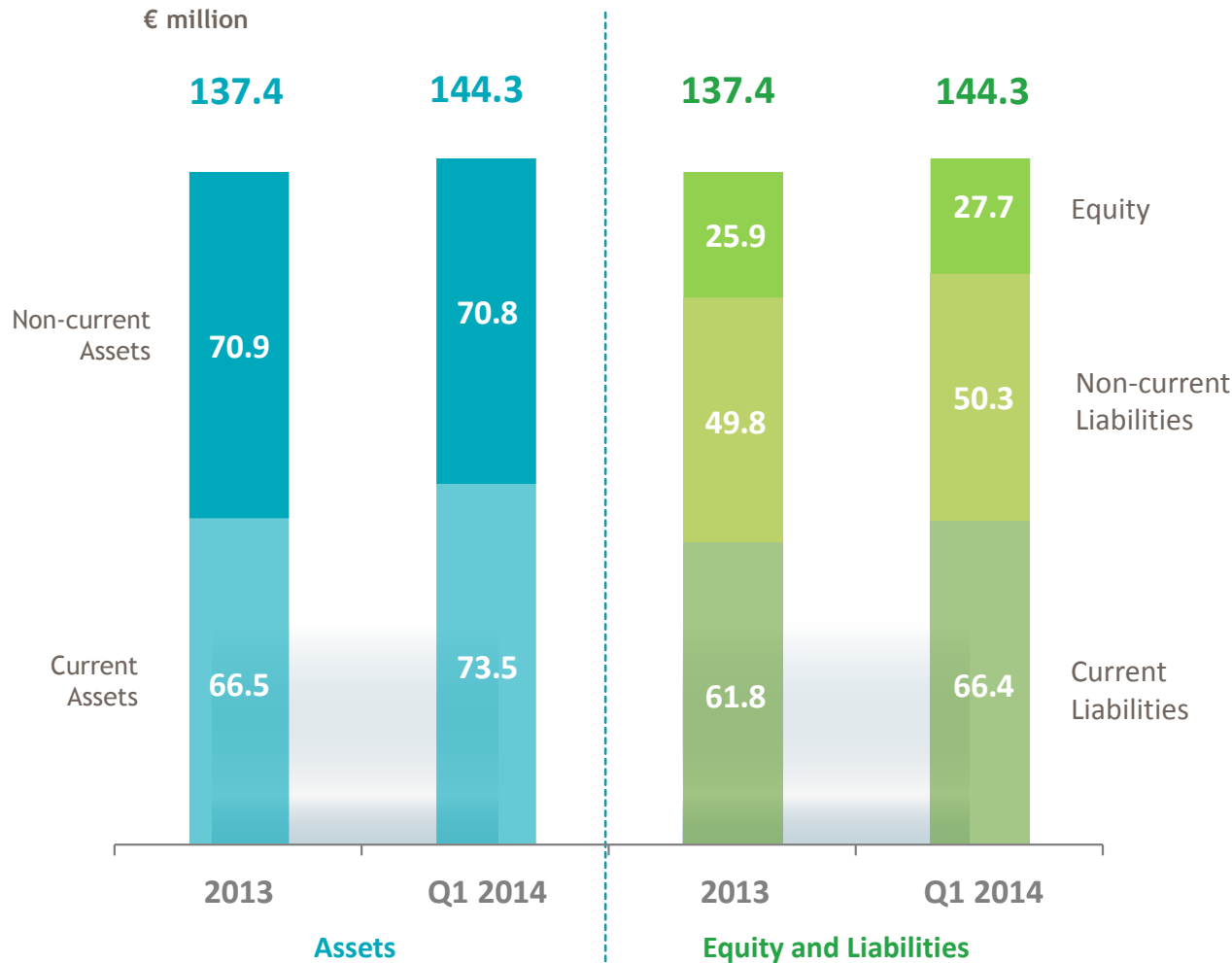
Nevertheless EBIT improves by 8.8%

## SUSTAINABLE PROFITABILITY OF FP

€ million	Q1 2014	Q1 2013	%
<b>Revenue</b>	<b>44.4</b>	<b>43.5</b>	<b>2.1</b>
Change in inventories	1.0	0.7	42.9
Own work capitalised	3.8	3.7	2.7
<b>Total output</b>	<b>49.1</b>	<b>47.8</b>	<b>2.7</b>
Material expenses	21.8	20.3	7.4
<b>Gross profit</b>	<b>27.4</b>	<b>27.5</b>	<b>-0.4</b>
Personnel expenses	13.7	13.9	-1.4
Other income ./. Expenses	7.1	7.4	-4.1
<b>EBITDA</b>	<b>6.7</b>	<b>6.2</b>	<b>8.1</b>
as % of revenue	15.0	14.4	
Depreciation/ Amortisation	3.0	2.8	7.1
<b>EBIT</b>	<b>3.7</b>	<b>3.4</b>	<b>8.8</b>
Interest result	-0.6	-0.5	20.0
Financial results	-0.1	0.2	n/a
Tax result	-1.1	-1.0	10.0
<b>Net profit/loss</b>	<b>1.9</b>	<b>2.2</b>	<b>-13.6</b>
<b>EPS (€)</b>	<b>0.11</b>	<b>0.14</b>	<b>-21.4</b>

- Revenue growth in Germany
- Improvement of EBITDA due to enhanced cost structure
- Financial results are influenced by currency effects due to reporting date evaluation at different exchange rate
- Tax ratio on similar level compared to fiscal year 2013 (37,7%)
- Mainly the currency effects lead to a decrease in net profit and EPS

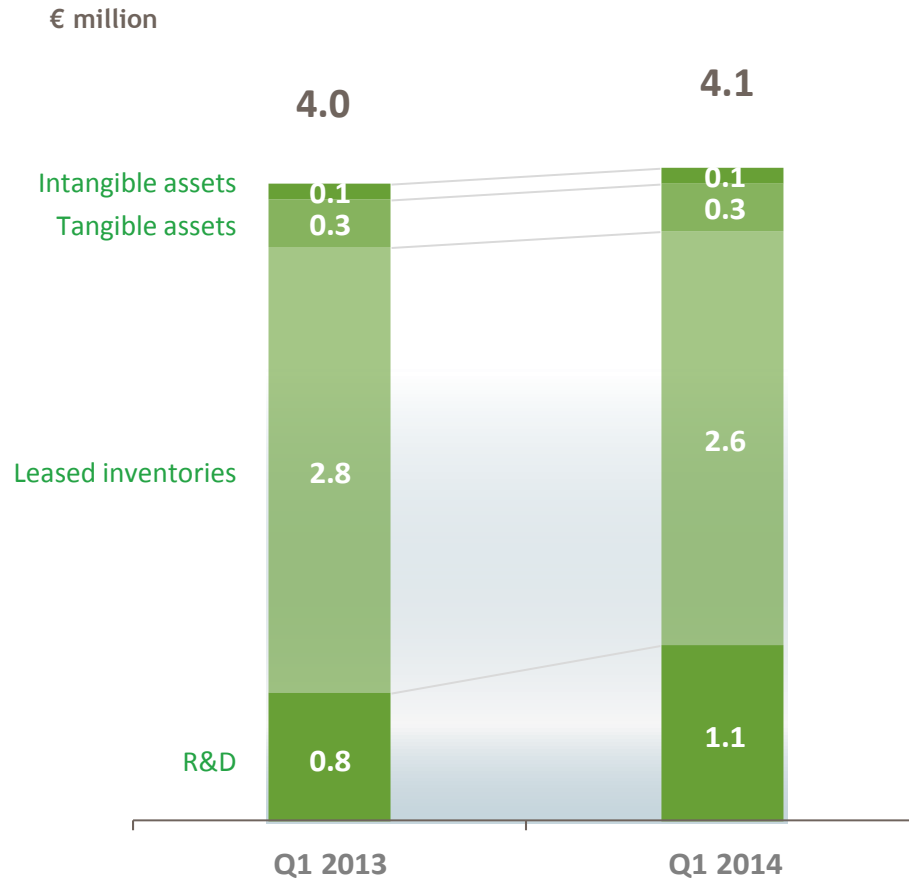
# PROFITABLE GROWTH STRENGTHENS EQUITY



Equity ratio improved to **19.2%** (2013: 18.9%)

Current assets grew due to **increase of PostBase production** for sale and rental business

# HIGH LEVEL OF INVESTMENTS IN Q1 2014



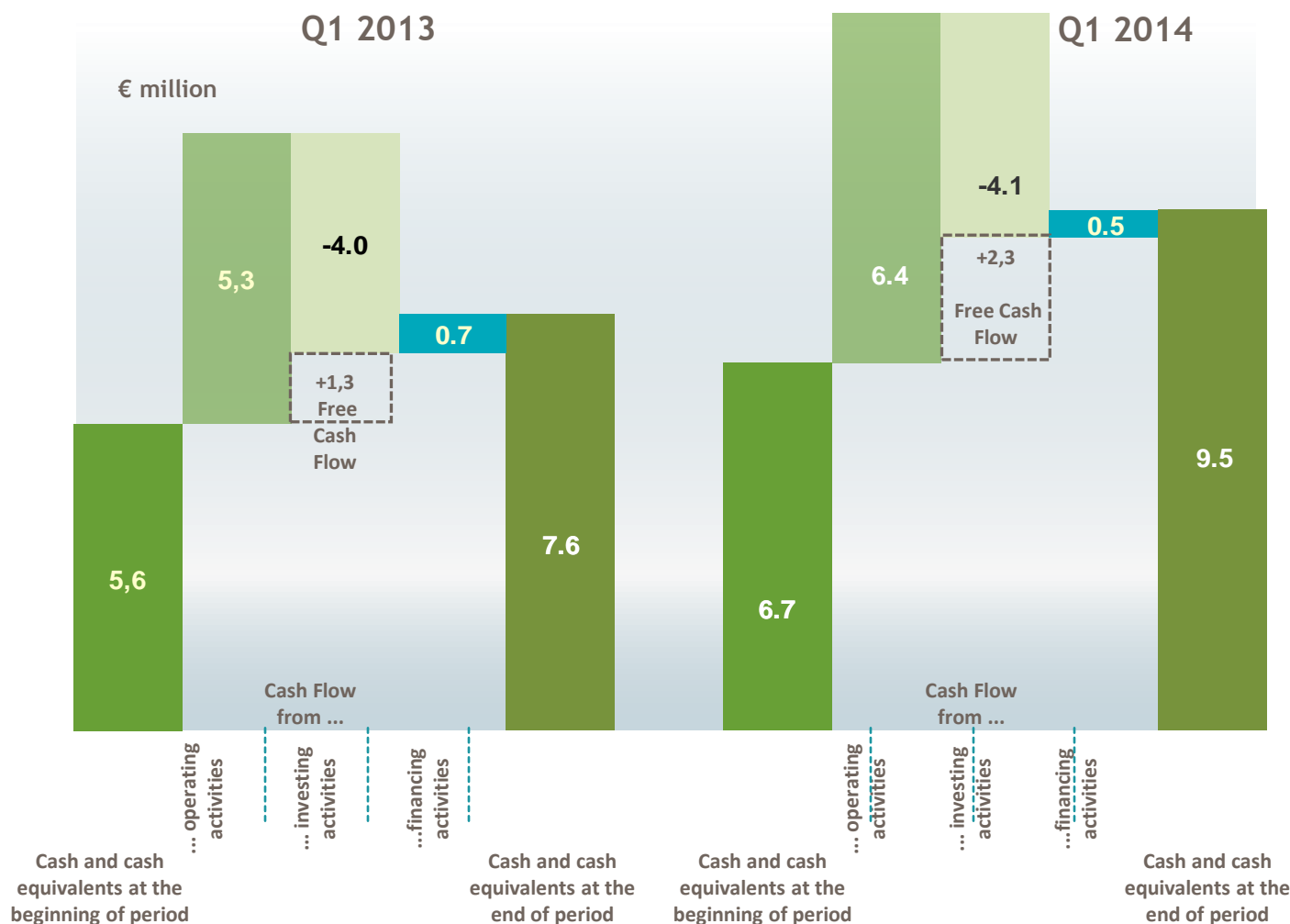
CAPEX Drivers:

Continuing high investments in leased inventories

MyMail successor and country variants

Investments will increase during the year 2014

# STRONG OPERATIVE BUSINESS STRENGTHENS LIQUIDITY



## Free cash flow drivers:

Cash flow from operating activities rose to €6.4m due to growing profitability and lower increase of working capital compared to prior year (2013: €3.1m/ 2014: €1.5m)

Stable cash flow from investing activities

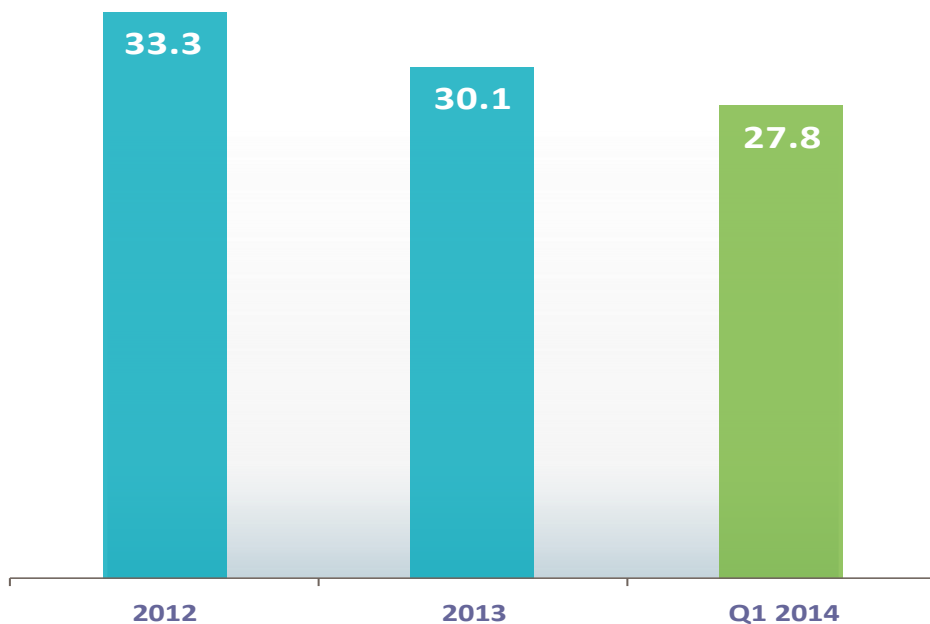
\* | incl. change in cash and cash equivalents due to currency translation 2013: €0.0m, 2014: €-0.0m



# FURTHER REDUCTION OF NET DEBT



€ million



Net Debt 31 March 2014 in € million	
Financial Liabilities	39.1
Net Cash and Cash equivalents	11.3
= 30.7 cash and cash equivalents	
- 21,9 restricted cash	
+ 0.7 securities	
+ 1.8 own shares	
<b>Total</b>	<b>27.8</b>

## IN 2014, FP WILL INVEST IN FUTURE GROWTH



- **Investments in rental markets**

Focus on roll-out of PostBase in US rental market (ongoing decertification), France (Europe's largest franking machine market)

- **Investments in R&D and tooling**

Further PostBase country variants and a new franking machine system especially for small letter volumes (mymail successor)

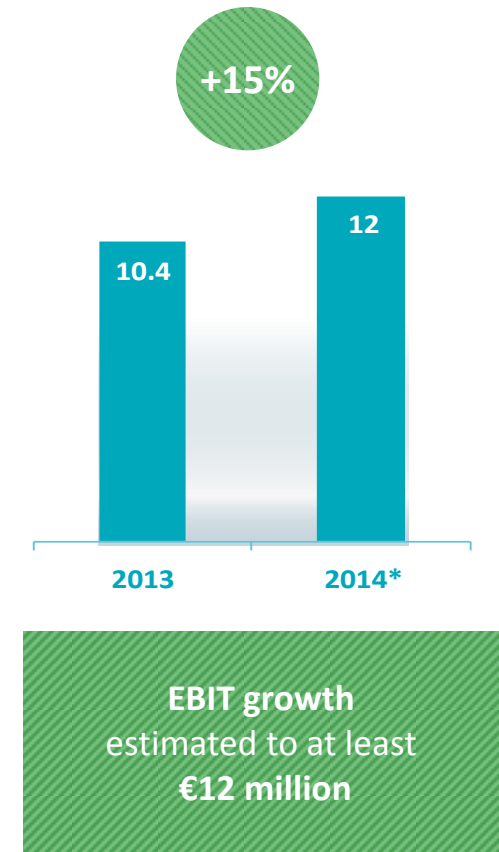
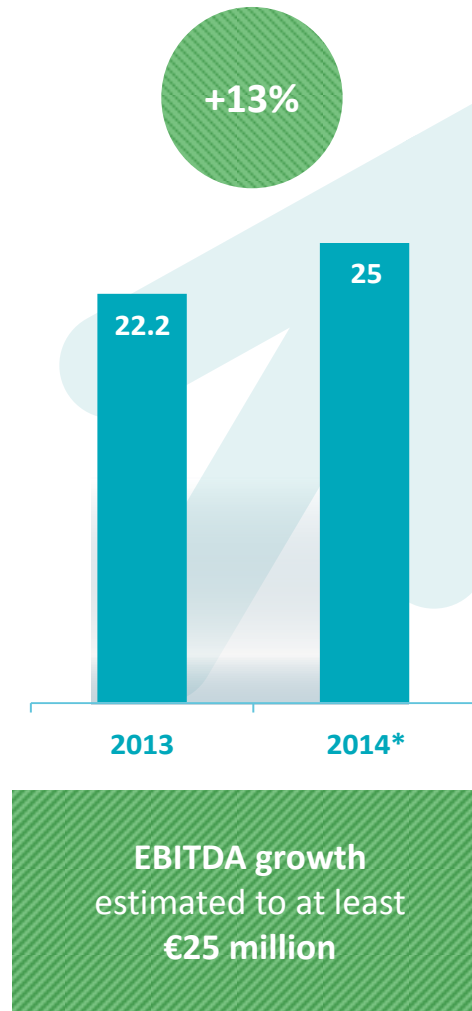
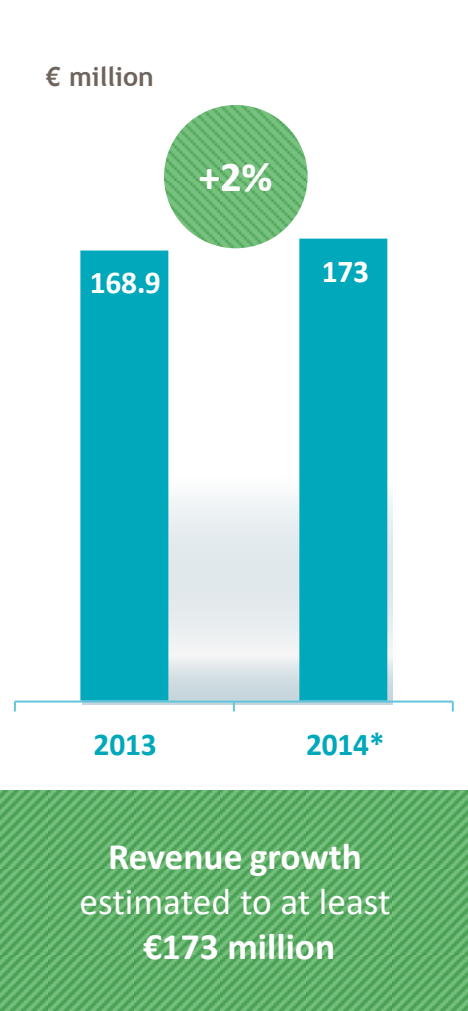
- **Replacement investments**

FP will invest in new sorting machines and cartridge production machines

# AFTER A STRONG Q1, FP CONFIRMS GUIDANCE



€ million



\* Guidance



# WE WILL NOW ANSWER YOUR QUESTIONS //

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BIRKENWERDER | 28 MAY 2014



# APPENDIX //

**FP GROUP INVESTORS DAY**

MANAGEMENT BOARD OF FRANCO TYP-POSTALIA HOLDING AG

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# FP BOARD OF MANAGEMENT



## Hans Szymanski

CEO and CFO

Member of the Board since December 2008.

Born in 1963, economics graduate, responsible for Finance, Accounting, Controlling, Human Resources, Legal and Compliance, IT, Research and Development, Quality Management, Production, Purchasing, Logistics, and Strategic Business Development.

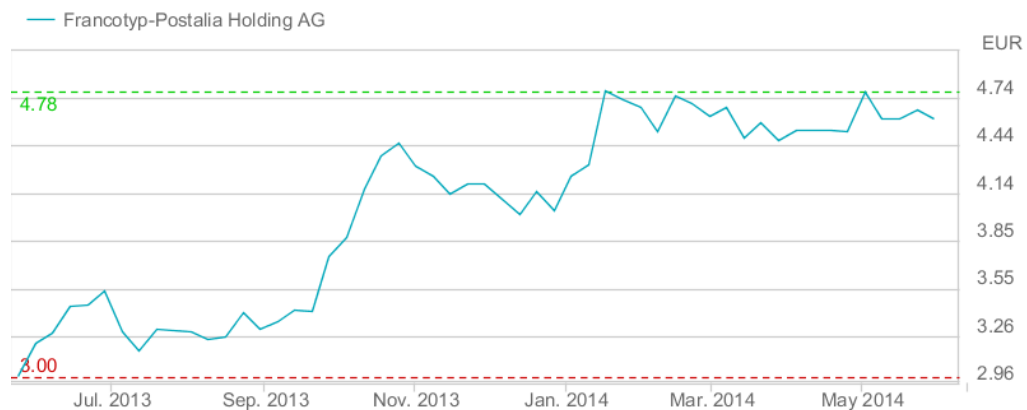
## Thomas Grethe

CSO

Member of the Board since June 2013.

Born in 1959, banking and economics graduate (WAH), responsible for Sales Germany and International, Strategic Business Development and Product Management, Internal Audit, Marketing and Corporate Communications.

# FP STOCK INFORMATION



<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>	16.16 million
<b>Freefloat</b>	82.4% (according to GSE Frankfurt)
<b>Coverage</b>	Hauck & Aufhäuser, Warburg Research

## Shareholder Structure

Shareholder	Percentage
3R Investments	10.3%
ARGOS Funds SICAV	5.2%
Saltarax GmbH	3.6%
Ludic GmbH	3.5%
HANSAINVEST	3.4%
Alceda Fund Management SA*	3.1%
Scherzer & Co. AG	3.0%
Eric Spoerndli*	5.0%
Rudolf Heil	3.0%
Treasury Stock	2.3%

\* | These are data based on share capital of 14.7 million shares

# CONTACT



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Vice President Investor Relations/ Public Relations

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## Blog

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# FINANCIAL CALENDAR



**19 June 2014**

Annual General Meeting in Berlin

**28 August 2014**

Presentation Financial Results 2<sup>nd</sup> Quarter 2014

**November 2014**

Presentation Financial Results 3<sup>rd</sup> Quarter 2014



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