



FP GROUP

UNAUDITED FINANCIAL STATEMENTS 9M 2017

BERLIN | 16 NOVEMBER 2017



FP GROUP
AIMING AT THE GOALS FOR 2020

GROWING REVENUES

ACT ASSUMPTIONS CONFIRMED



- ✓ **Revenue** increase by 3.0%
 - **Franking machine business** plus 0.6%
 - Revenue growth of 9.8% in **Mail Services**
- ✓ **EBITDA** slightly down due to ACT and non-recurring items
- ✓ **Adj. Free Cash Flow** in line with strong previous year
- ✓ **Implementation of ACT** on track

* excluding M&A and investments in finance lease assets



FP GROUP IS AHEAD OF PEERS



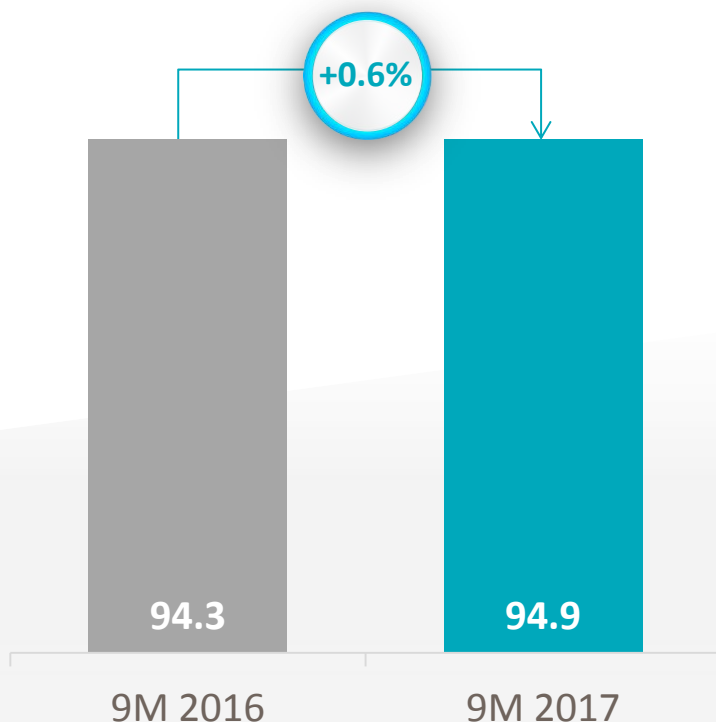
| PEER GROUP COMPARISON | | PEER 1 | PEER 2 |
|---|-----------|------------|------------|
| TOTAL REVENUE GROWTH | | | |
| Q3 2016 (nine months) | 5% | -5% | -5% |
| excluding currency effects | 6% | -3% | -4% |
| FY 2016 | 6% | -3% | -5% |
| excluding currency effects | 7% | -1% | -4% |
| H1 2017 | 4% | 0% | -1% |
| excluding currency effects | 4% | 0% | 0% |
| Q3 2017 (nine months) | 3% | | -1% |
| excluding currency effects | 4% | | 0% |
| REVENUE GROWTH FRANKING MACHINE BUSINESS | | | |
| Q3 2016 (nine months) | 2% | -8% | -7% |
| excluding currency effects | 3% | -6% | NA |
| FY 2016 | 2% | -6% | -7% |
| excluding currency effects | 4% | -5% | NA |
| H1 2017 | 2% | -3% | -5% |
| excluding currency effects | 3% | -4% | NA |
| Q3 2017 | 1% | | -5% |
| excluding currency effects | 2% | | NA |

REVENUE GROWTH IN CORE BUSINESS



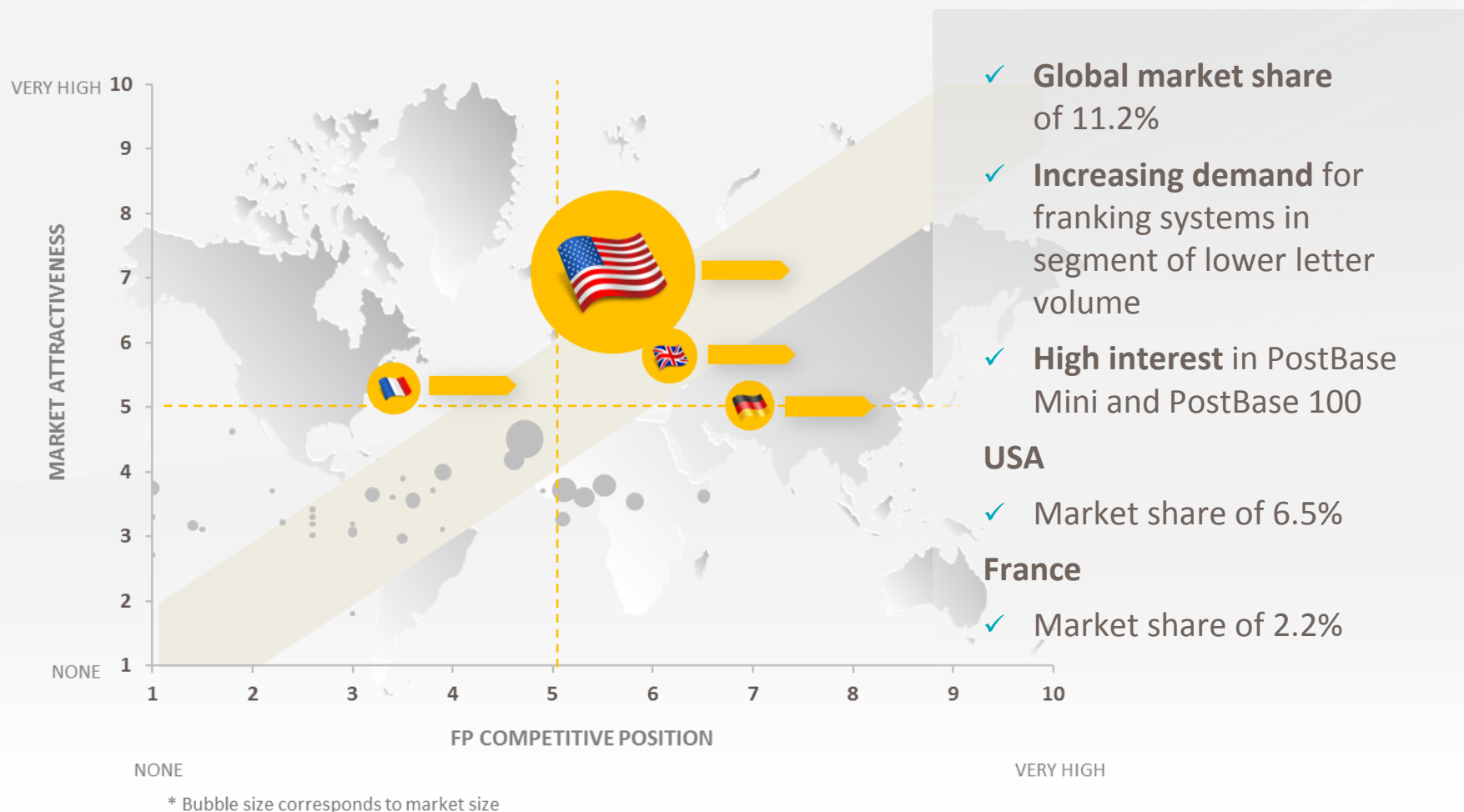
REVENUES FRANKING MACHINE BUSINESS

€ MILLION



- ✓ **Increase of revenues by 1.6%** adjusted by currency effects of -€1.0m
- ✓ **Product sales grew by 4.2%** mainly driven by PostBase 100 and PostBase Mini
- ✓ **Increase of market share**, in particular in strategic core markets

FP SIGNIFICANTLY STRENGTHEN ACTIVITIES IN THE US AND FRANCE

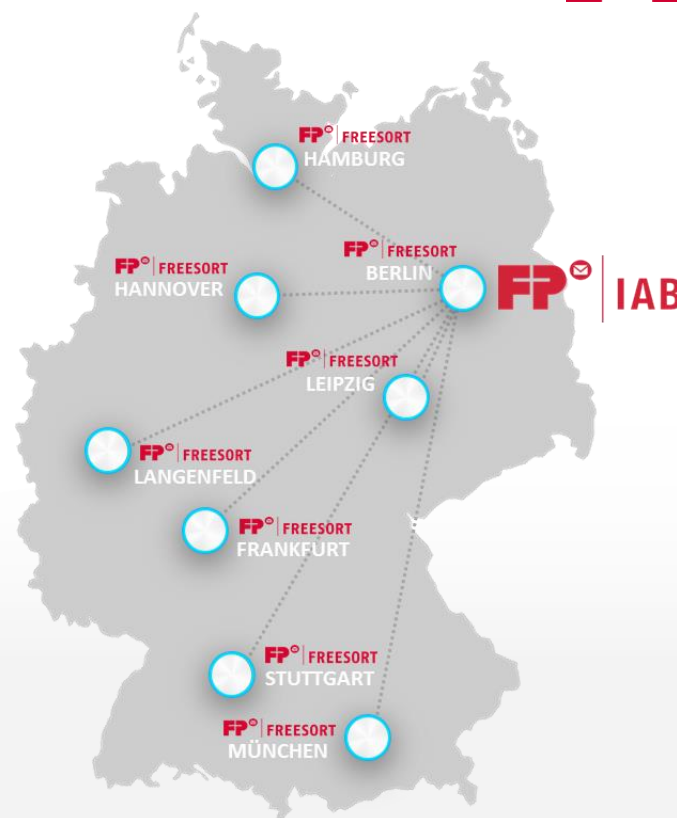
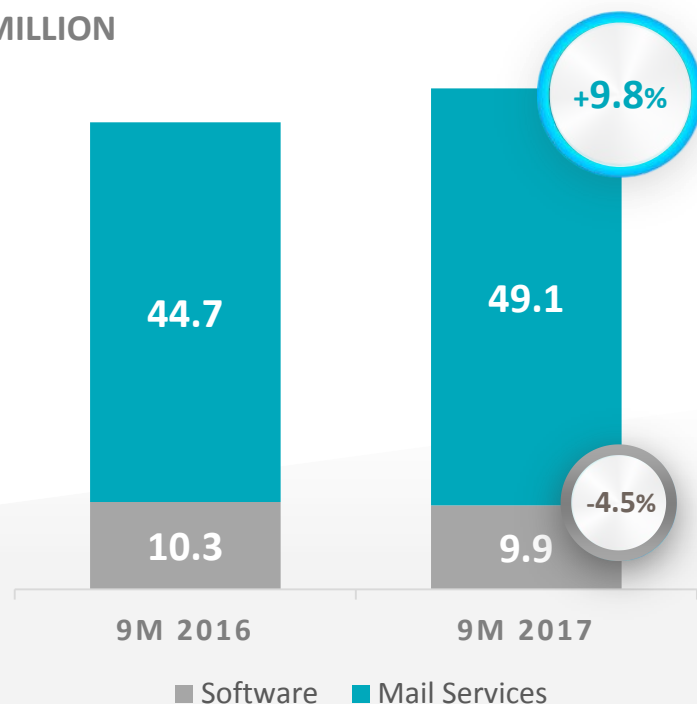


GROWING BUSINESS WITH MAIL SERVICES ONGOING REALIGNMENT



REVENUES MAIL SERVICES AND SOFTWARE

€ MILLION



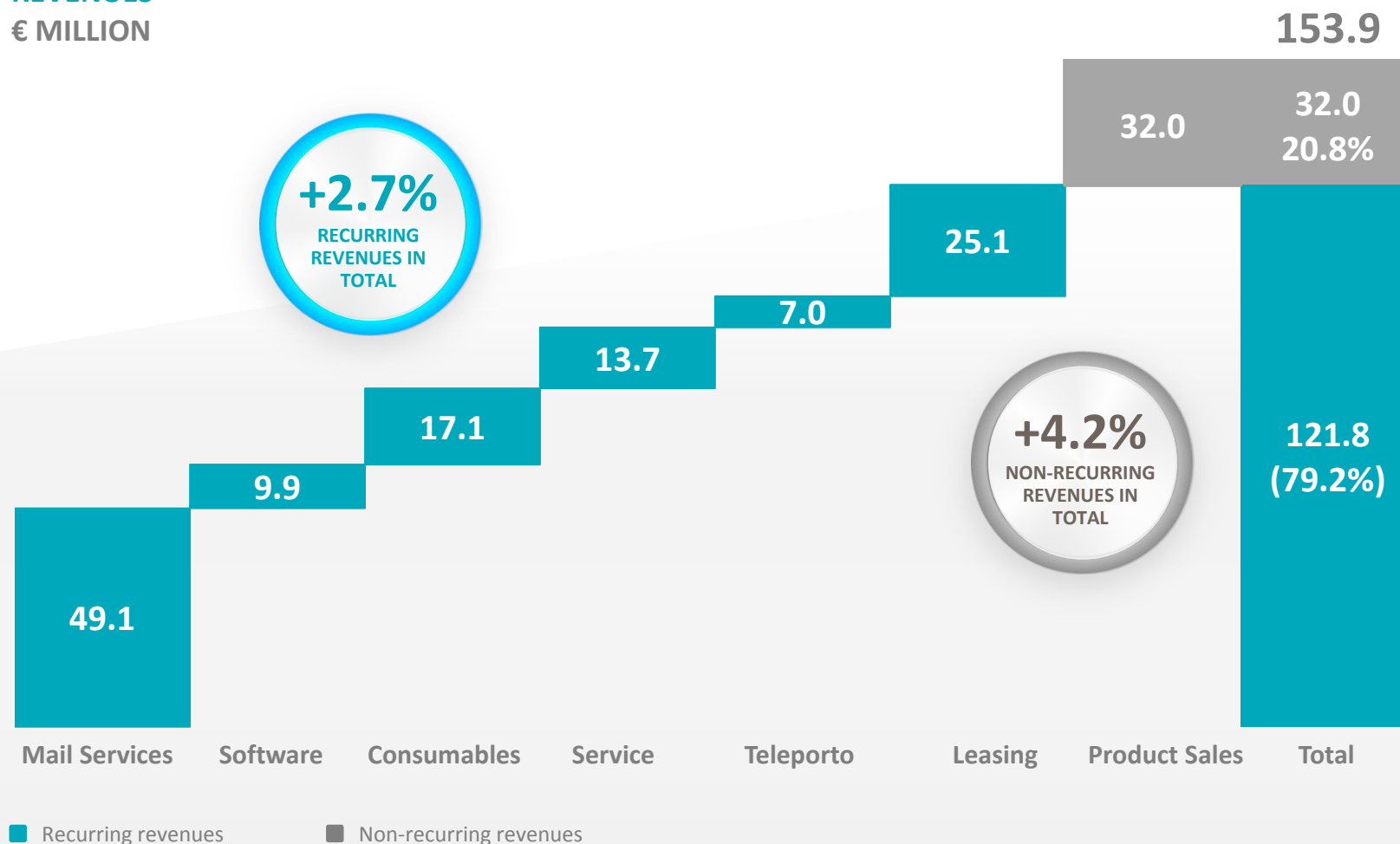
- ✓ Revenue growth in **Mail Services** of 9.8% due to higher demand in franking service
- ✓ Temporary decline of processed mail volume led to revenue decrease of 4.5% in **Software segment**

REVENUES AT A GLANCE

STRONG INCREASE OF PRODUCT SALES



REVENUES
€ MILLION



EBITDA IMPACTED BY ONE-OFF EFFECTS AND ACT COSTS



| € MILLION | 01.01. - 30.09.2016 | 01.01. - 30.09.2017 |
|---------------------------------|------------------------|------------------------|
| Revenues | 149.4 | 153.9 |
| EBITDA | 20.6 | 19.6 |
| EBITDA-Marge (%) | 13.8 | 12.8 |
| Amortisations/ Depreciations | 12.5 | 14.6 |
| EBIT | 8.1 | 5.0 |
| Net Income | 5.3 | 3.4 |
| EPS (basic, EUR) | 0.31 | 0.21 |
| EPS (diluted, EUR) | 0.30 | 0.20 |

Mail Services

- ✓ Reduced margin due to less postage discounts
- ✓ Increase of material costs by 7.2% due to higher costs of purchased services (franking services)
- ✓ Extraordinary expenses of €0.5m as previously reported

ACT/ One-off effects

- ✓ Ongoing expected implementation of ACT: expenses of €2.6m, thereof personnel expenses €1.5m
- ✓ Non-recurring expenses of €1.0m, positive effects of income from statute-barred liabilities of €1.9m

Despite one-off effects and costs in ACT:

EBITDA of €19.6m

Currency effect

- ✓ -€1.0m on revenues and -€0.4m on EBITDA

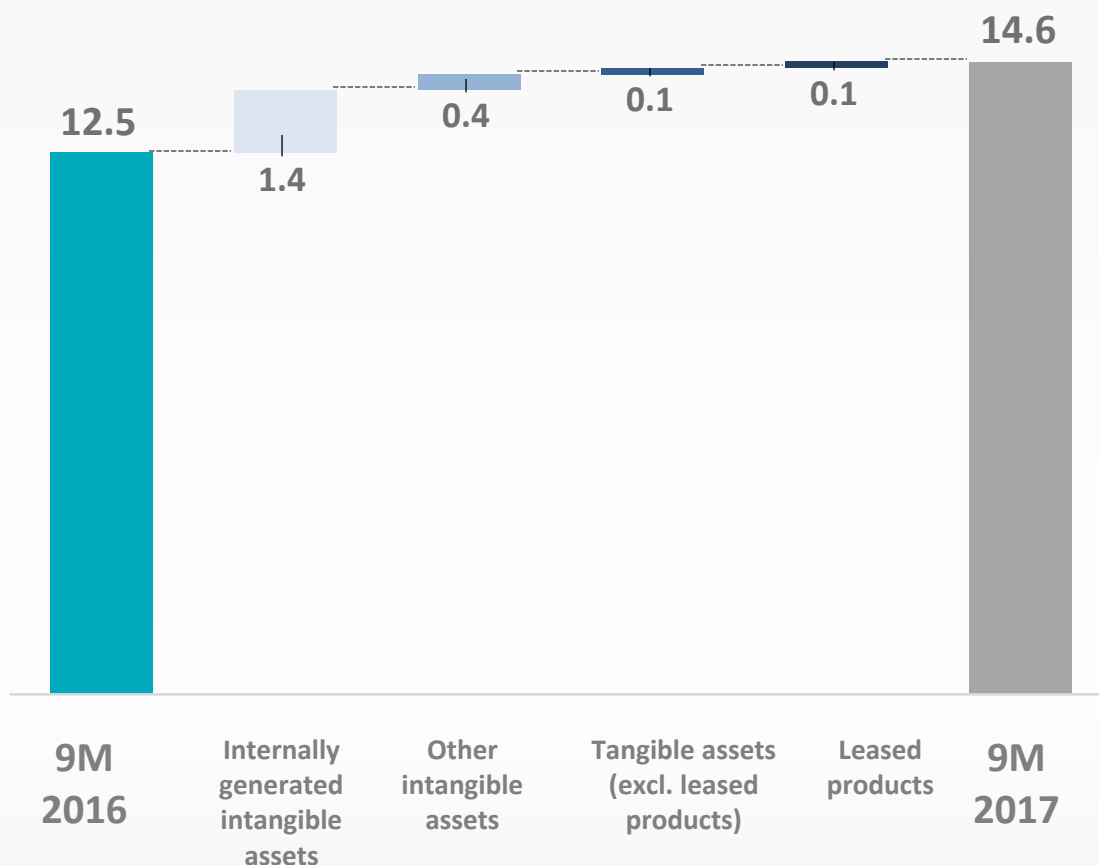
EBITDA adjusted by currency effects of €20.0m

Average rates €/ \$ 9M 2016 = 1.116 and 9M 2017 = 1.114
 €/ £ 9M 2016 = 0.803 and 9M 2017 = 0.873

DEVELOPMENT OF AMORTISATIONS/DEPRECIATIONS AS EXPECTED



€ MILLION



Main driver of expected increase

- ✓ **Modernisation** of PostBase product family
- ✓ Investment in software and acquisition of **customer lists**

Ratio to revenues is **expected to level out during 2018**

ADJUSTED FREE CASH FLOW IN LINE WITH STRONG PREVIOUS YEAR



| € MILLION | 01.01. - 30.09.2016 | 01.01. - 30.09.2017 |
|---|------------------------|------------------------|
| Cash flow from operating activities | 17.1 | 16.6 |
| Cash flow from investing activities | -11.9 | -12.0 |
| Free Cash flow | 5.2 | 4.5 |
| Adj. Free Cash flow* | 8.2 | 8.0 |
| Cash flow from financing activities | -3.8 | -0.6 |
| Cash and cash equivalents | 16.3 | 21.4 |

* excluding M&A and investments in finance lease assets

Operating activities:

- ✓ Slight decrease due to reduced EBITDA

Investing activities:

- ✓ Acquisition of customer list (UK), capitalisation of development costs and rental equipment

Financing activities:

- ✓ Increase of financial liabilities
- ✓ Payment of dividends

Adj. Free cash flow on strong previous year's level (-1.2%)

FP IS AIMING FOR THE 2020 ACT GOALS



YEAR OF ACT
STRATEGY
IMPLEMENTATION

YEAR OF ACTION

2016

APPOINTMENT
NEW CEO & CFO

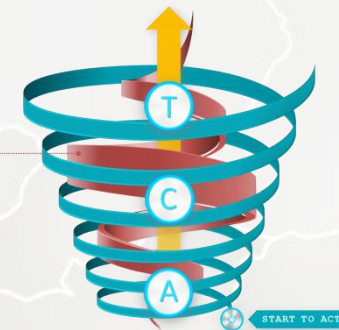


ANNOUNCEMENT
OF ACT STRATEGY
NOV. 2016

2017

2018

- FINANCIAL EXCELLENCE
- SALES EXCELLENCE
- HR EXCELLENCE
- DIGITAL EXCELLENCE



TRACK RECORD FIRST FP FIT MEASURES



| Issues | 2016 | 2017 | 2018 | Results |
|--------------------------|--|---|--|-------------------------------------|
| Corporate Finance | <ul style="list-style-type: none"> Negotiation loan agreement | | | Loan agreement of €150m (June 2016) |
| Tax | <ul style="list-style-type: none"> Analysis First measures | Ongoing process | | Reduced tax ratio from 50% to 35% |
| Treasury | | Implementation of first measures | Ongoing optimisation process | Improvement of financial result |
| Best material purchase | <ul style="list-style-type: none"> Analysis of cost reduction potential | Implementation of first measures | Ongoing process | |
| HR Excellence | | Fit4Change process initiated | Ongoing process | |
| Marketing & Sales plus | | <ul style="list-style-type: none"> Expansion of sales organisation (US /FR) Initialization of first steps Brand Management New successful approaches in terms of Lead Generation | <ul style="list-style-type: none"> Ongoing sales measures to attack New FP Brand | Increase of market share |
| Global IT Set-up | IT-Assessment | Development CRM/ERP harmonisation strategy | Implementation | |
| Structure & Organisation | Acquisition of 100% IAB | Mail Services: improvement of efficiency, quality and process stability | Accelerated start of project „Structure & Organisation“ | |

TRACK RECORD STRATEGIC ACT PROJECTS

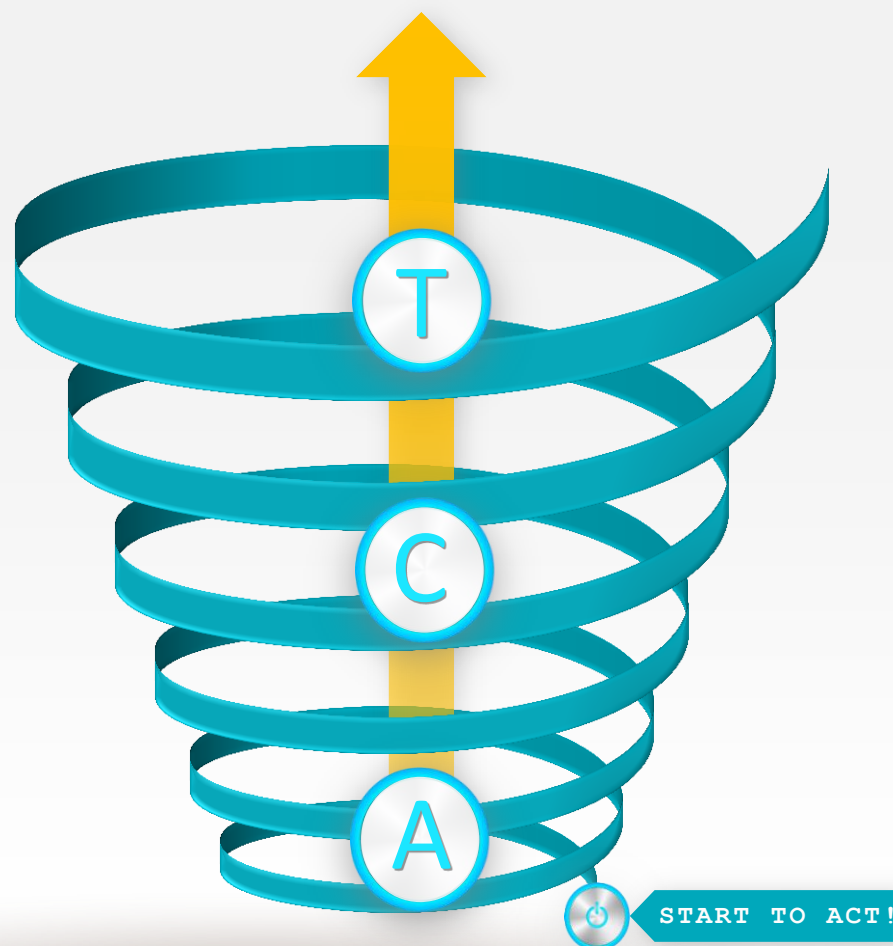


| Projects | 2016 | 2017 | 2018 |
|------------------------------------|---------------------|---|---|
| FP-Sign | Product development | <ul style="list-style-type: none"> • Market launch on CEBIT • Nationwide roadshow | <ul style="list-style-type: none"> • Implementation in different ERP/CRM Systems • New Releases based on Customer Experiences |
| FP Portal | Market analysis | <ul style="list-style-type: none"> • Development and pilot phase | Global roll-out |
| FP IoT | | <ul style="list-style-type: none"> • Evaluation of trends • Verifying possible market opportunities • Establishment of a partner network • Development of Prototype | <ul style="list-style-type: none"> • Development • Pre-sales • Marketing |
| FP Finance | | <ul style="list-style-type: none"> • Analysis of opportunities • Development of FP Finance business model • Set-up NewCo | Start implementation Europe |
| FP Product Roadmap Franking | | <ul style="list-style-type: none"> • Market analysis • Start development | <ul style="list-style-type: none"> • Ongoing development • Prototyping |
| FP Parcel shipment | | <ul style="list-style-type: none"> • Market analysis | <ul style="list-style-type: none"> • Development • Partnering |

FP IS AIMING FOR THE 2020 ACT GOALS SUMMARY



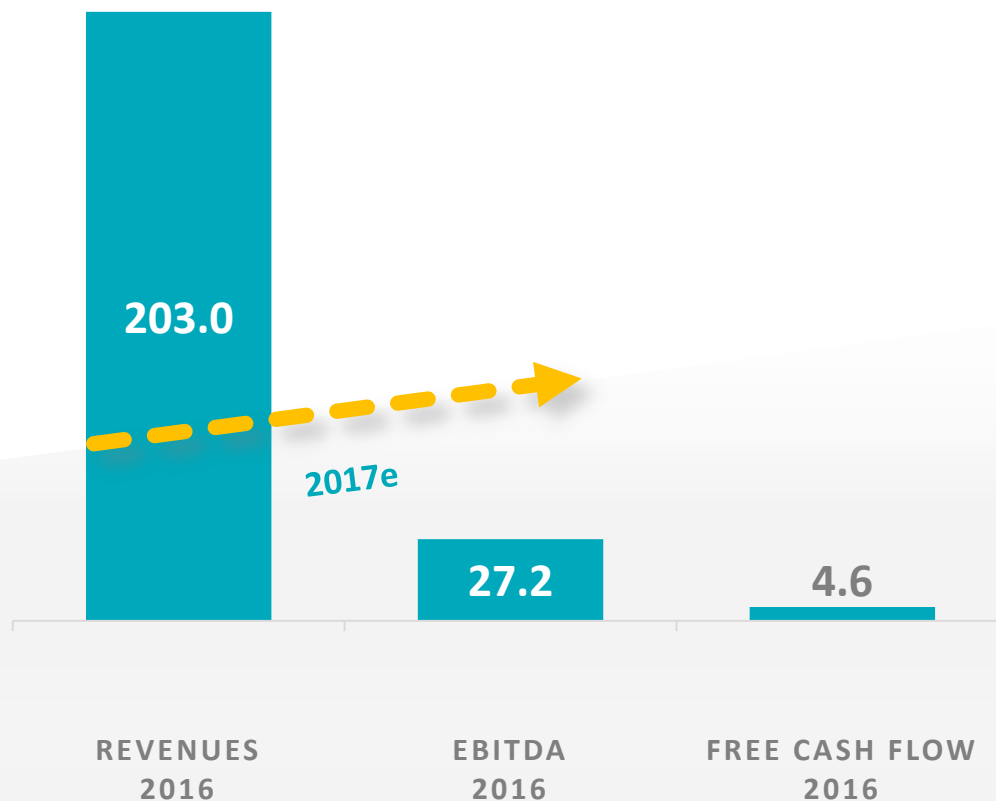
- ✓ **Attack in core business.** In 2017 first confirmation of ACT assumptions
- ✓ **2018 will be the year of ACTION**
- ✓ **ACT “Structure & Organisation”** leads to noticeable non-recurring expenses in 2018
- ✓ Adjusted positive effects are expected in 2018
- ✓ **Clear focus on medium- and long-term ACT goals**



FP CONFIRMS GUIDANCE FOR 2017



€ MILLION



REVENUES

FP expects a slight increase*

EBITDA

FP expects a slight increase*

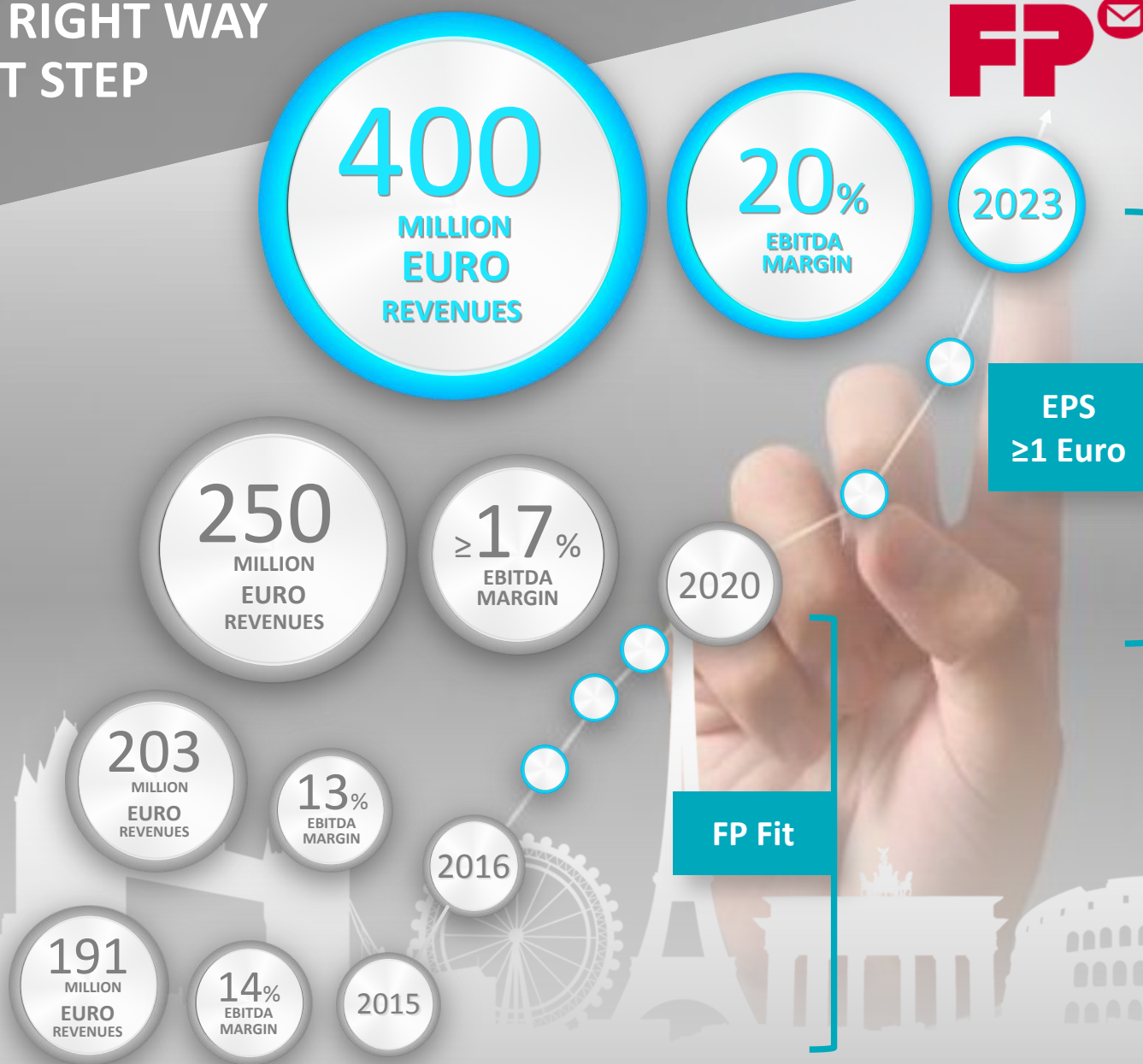
FREE CASH FLOW

FP expects adj. FCF at a similar level to last year**

* Based on constant currency level

** Based on constant currency level, excluding M&A and additions to finance lease assets

FP IS ON THE RIGHT WAY FOR THE NEXT STEP





FP GROUP

QUESTIONS ARE WELCOME



FP GROUP

APPENDIX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



| € MILLION | 9M 2016 | 9M 2017 | % |
|--------------------------|--------------|--------------|--------------|
| Revenues | 149.4 | 153.9 | 3.0 |
| Change in inventories | 0.4 | 0.5 | 24.2 |
| Own work capitalised | 8.9 | 7.9 | -11.8 |
| Total output | 158.7 | 162.3 | 2.2 |
| Material expenses | 71.4 | 76.6 | 7.2 |
| Personnel expenses | 42.9 | 45.0 | 4.8 |
| Other income ./ expenses | -23.8 | -21.1 | 11.3 |
| EBITDA | 20.6 | 19.6 | -4.7 |
| as % of revenue | 13.8 | 12.8 | |
| Amortisation/Deprecation | 12.5 | 14.6 | 16.8 |
| EBIT | 8.1 | 5.0 | -37.9 |
| Interest result | -0.1 | 0.5 | n/a |
| Financial results | 0.1 | -0.1 | n/a |
| Tax results | -2.8 | -2.0 | -29.8 |
| Net Income | 5.3 | 3.4 | -35.8 |
| EPS (€ basic) | 0.31 | 0.21 | -32.4 |
| EPS (€ diluted) | 0.30 | 0.20 | -32.6 |

FINANCIAL SITUATION – BALANCE SHEET



FINANCIAL SITUATION

€ MILLION



Slight decrease of non-current assets due to

- Declining leased products
- + Increasing Finance lease receivables

Increase of current assets due to

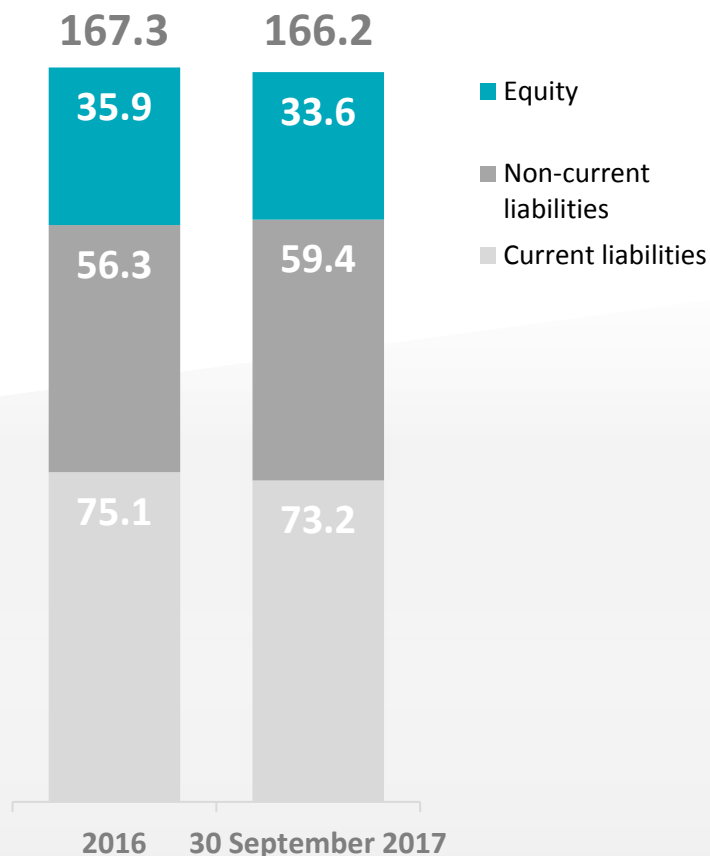
- + Increase of cash and cash equivalents

FINANCIAL SITUATION – BALANCE SHEET



FINANCIAL SITUATION

€ MILLION



- ✓ **Equity ratio of 20.2%**
(2016: 21.5%)
- ✓ **Increase of non-current liabilities due to**
 - Increasing financial liabilities
 - Increasing deferred taxes
- ✓ **Slight Decrease of current liabilities due to**
 - + Decreasing other liabilities
 - + Increasing tax liabilities



FP GROUP

BASIC INFORMATION

**Rüdiger Andreas
Günther**
CEO and 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

**Thomas
Grethe**
CSO



since June 2013 with FP

Banker and Economist (WAH)

- ✓ More than 30 years of sales experience in the IT and telecommunications industry
- ✓ Executive positions in sales management and general management of international groups such as Oki Systems, Konica Minolta Printing Solutions und Ricoh
- ✓ CEO of Utax GmbH (was acquired by Kyocera Corporation in 2010)

**Sven
Meise**
CDO



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 million |
| Freefloat | 74.3% (according to GSE Frankfurt) |
| Coverage | Warburg Research |

MAIN SHAREHOLDER

| | |
|------------------------------|-------|
| INKA GMBH | 10.2% |
| Active Ownership Fund | 9.5% |
| Quaero Capital | 5.2% |
| SALTARAX GMBH | 3.6% |
| Ludic GmbH | 3.5% |
| RUDOLF HEIL | 3.0% |
| TREASURY SHARES | 0.7% |

FINANCIAL CALENDAR



29 November 2017

German Equity Forum Frankfurt/Main
(Deutsches Eigenkapitalforum)



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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.