Financial Results
HY 2023

CONFERENCE CALL

August 31st, 2023

HY 2023 financial performance

Revenue and EBITDA in line with expectations – H1 2022 influenced by positive one-offs

-2.3%
Revenue

-6.3%
EBITDA

↓ 0.11
EPS

€ m	**HY 2022**	**HY 2023**
Revenue	127.6	124.6
EBITDA	16.3	15.3
EBITDA Margin	12.8%	12,3%
Depreciation/ Amortisation	9.9	8.8
Consolidated Profit	5.2	3.3
EPS *(basic/diluted Euro)*	0.32	0.21

Revenue growth in key business areas:

+ **Digital Business Solutions:**
  + **9.6%** growth **from € m 14.3 to 15.7**
  + growth in all areas and full integration of Azolver digital business
+ **Mailing, Shipping & Office Solutions:**
  + **2.4%** growth **from € m 73.3 to 75.0,** despite positive one-offs in H1 2022
– **Mail Services:**
  – **revenue decline** of 15% from **€ m 40.0 to 34.0** in line with expectations due to one-offs in H1 2022
– **Negative FX-effects** in H1 2023 **of €m 1.1** versus positive FX-effects in H1 2022 of €m 2.8

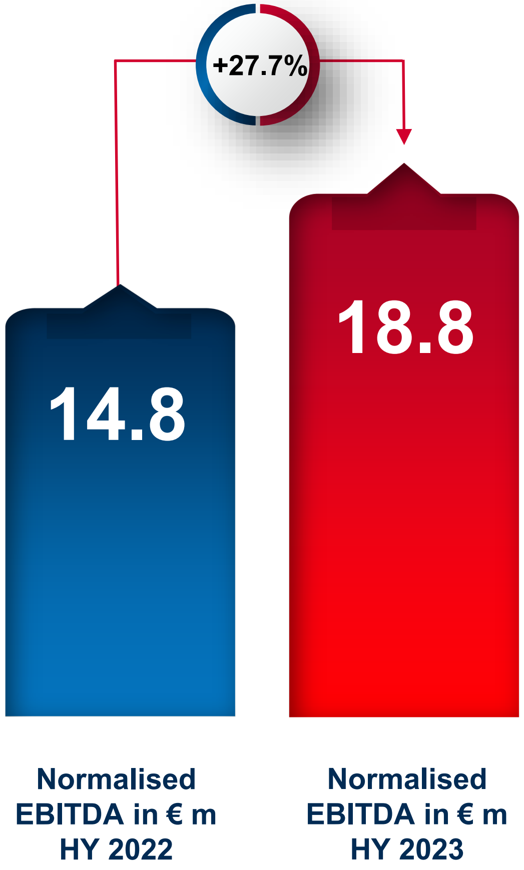
EBITDA impacted by the following:

– Investing in **One ERP** (€m 2.5) expensed as incurred
– H1 2022 impacted positively by postal rate change in Germany €m 2.6
– Investing in **new technology** and **software development capacity**
– Negative FX-effect of €m 0.5

Normalised EBITDA HY 2023

Normalised EBITDA HY 2023 better than prior year period

€ m	HY 2022	HY 2023
EBITDA (as reported)	**16.3**	**15.3**
Rate Change (Germany)	-2.6	0.0
Currency effects	-2.1	0.5
One ERP	2.2	2.5
Cost of material (microchips)	0.5	0.1
M&A expenses	0.5	0.4
Normalised EBITDA	**14.8**	**18.8**
Normalised Revenues*	**111.9**	**125.7**
Normalised EBITDA Margin	**13.2%**	**14.6%**



* Normalised Revenues in HY 2022 exclude Rate Change, FX-effects and Mail Services Non-Recurring; DBS one-offs of 0.4 were not excluded in H1 2022 normalization; Normalised Revenues in HY 2023 exclude only FX-effect

Free Cash Flow and Net Debt

FCF decreasing – Net Debt decreasing

FCF -25.4%

Free Cash Flow € m	HY 2022	HY 2023
Cash flow from operating activities	15.6	11.7
Free cash flow	7.4	5.5

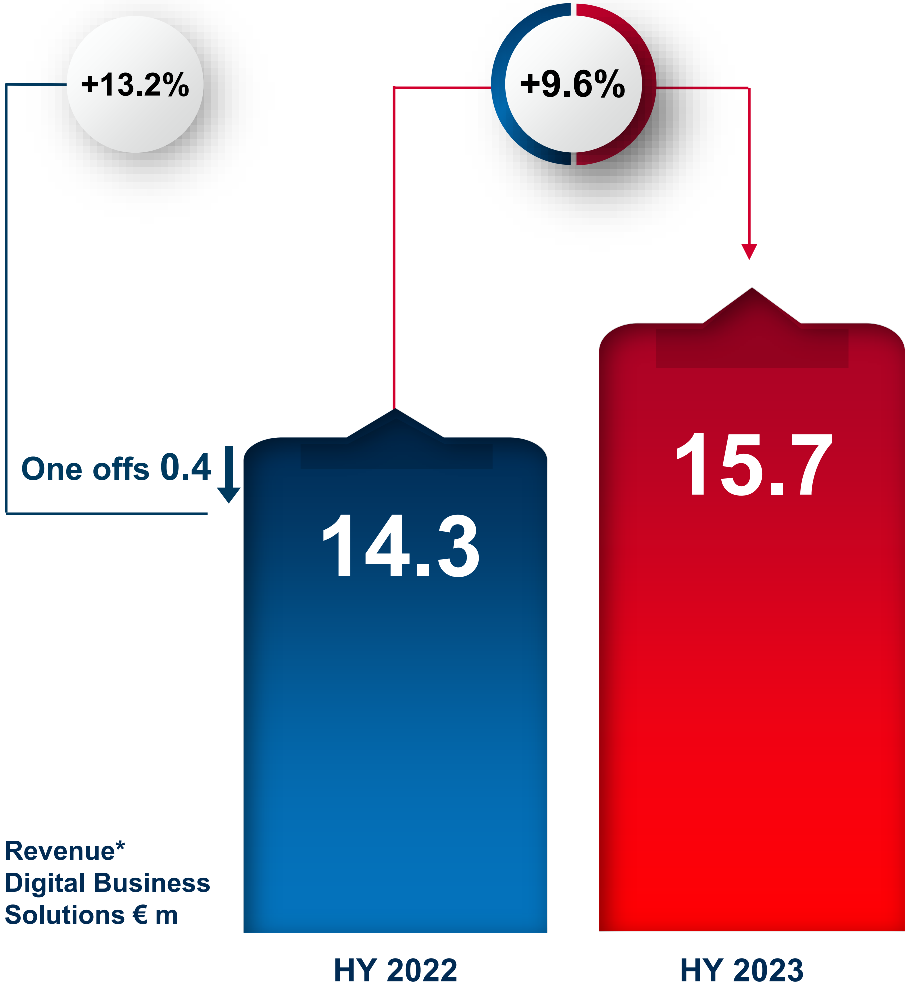
Net Debt -17.7%

Net Debt € m	31.12.2022	30.06.2023
Financial Debt (incl. Leasing)	41.0	40.3
Cash (without postage held)	22.8	25.4
Net Debt	18.1	14.9

- **Decreased Cash flow from operating activities** due to
  - decreased consolidated profit and trade accounts receivables, provisions and liabilities from tax
- **Decreased Free cash flow** for HY 2023 due to increased invests in (w/o Azolver M&A € m 4.1)
  - Fixed assets (€ m 1.0) from PostBase A120 (MSO), techn. Equipment, renewal of hardware (DBS)
  - Others intangible assets (€ m 0.3) renewal of software DBS
  - Capitalization of development costs (€ m 0.9) Post Base Vision (MSO); and DBS
- **Net debt decreased € m 3.2**
- **Cash** increased € m 2.6

FP Digital Business Solutions

Continuous investment and releases of SaaS-based solutions



Document Workflow Management

- Continue implementing new Hardware and Software for Input and Output Management to increase efficiency and offer more data-driven services

Business Process Management & Automation

- **FP Sign:**
  - Continuous investment in improving product and new releases, further integrations (e.g. ELO ECM)
- **De-Mail / e-justice**
  - Launch of e-justice solution for business and organisations (eBO) in June 2023

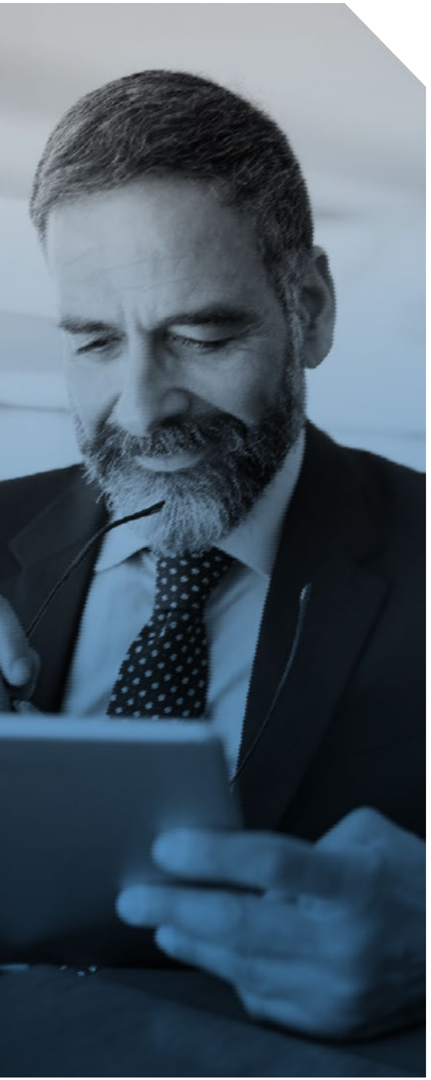
Shipping & Logistics

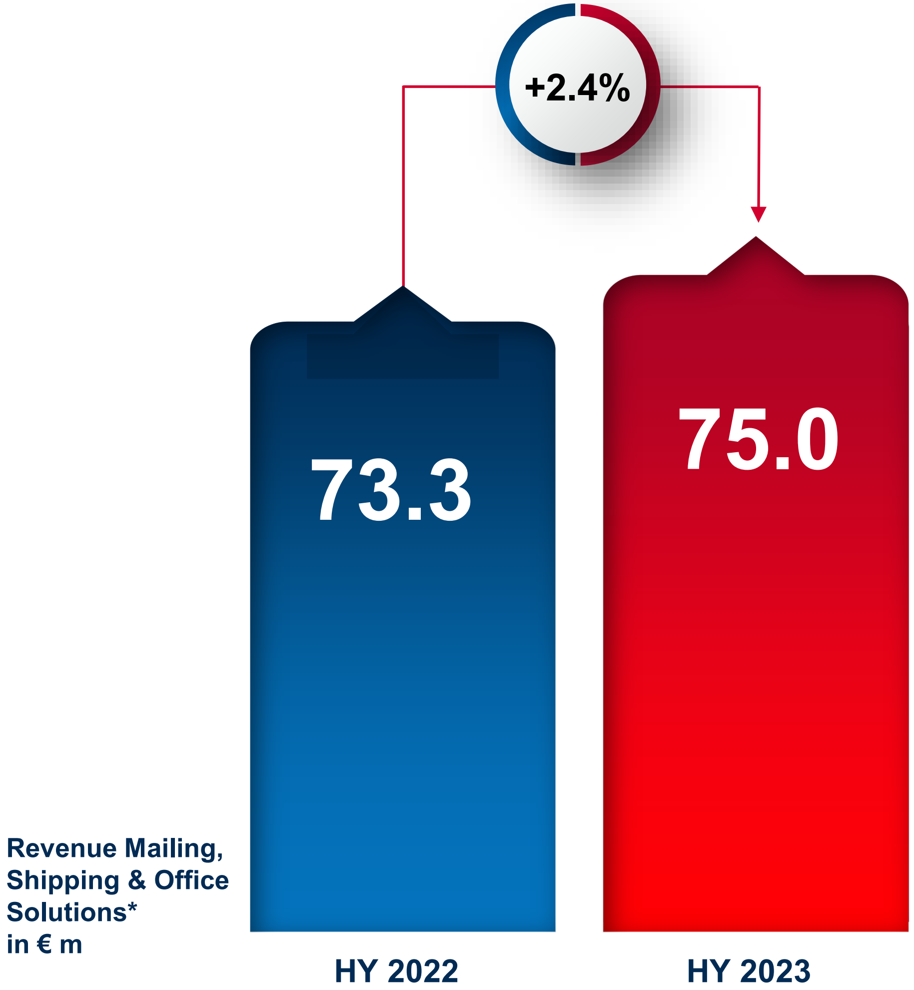
- FP Parcel Shipping launched in Norway (Q1) and Netherlands (Q2), further launches will follow
- Further international customer onboarding for FP Trax Suite

*Including all digital stand-alone software solution revenues sold by MSO;
previous year figures have been adjusted: DBS consolidation profits have been reallocated from Mail Services to DBS

FP Mailing, Shipping & Office Solutions

Revenue growth against overall market trend



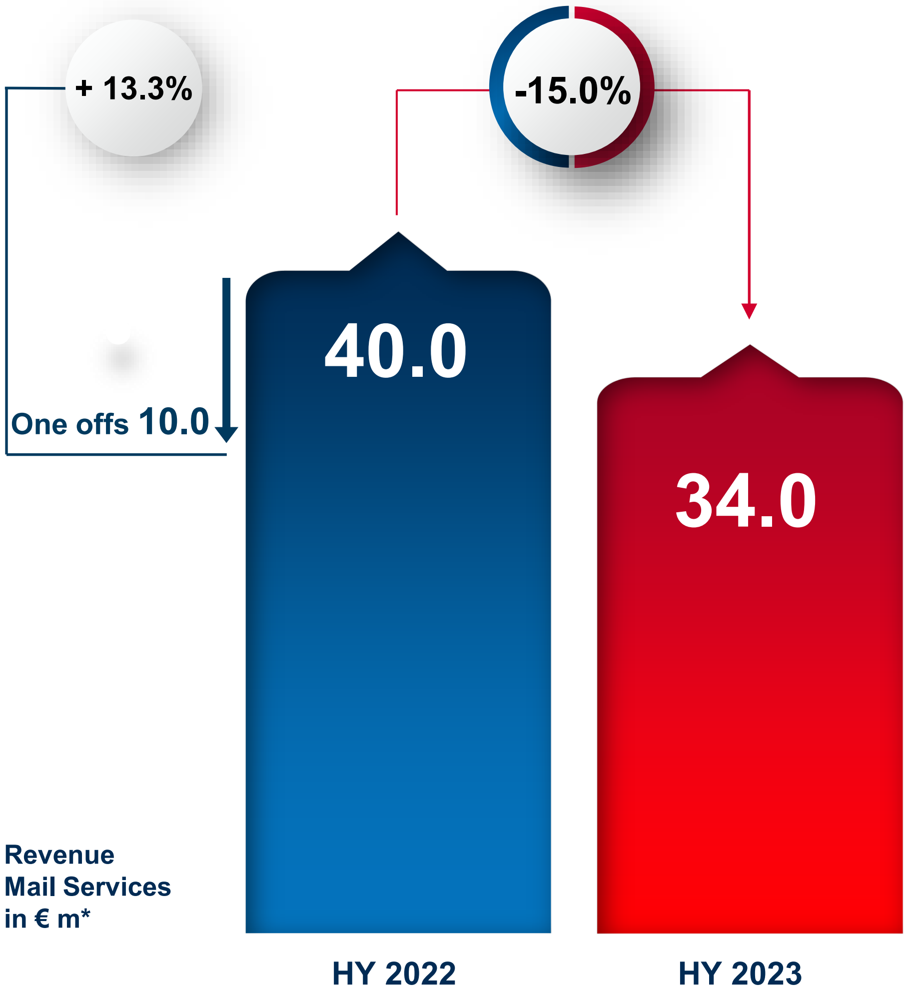


- **Revenue** increase of **2.4%** in spite of a negative **currency impact** of € m 1
  - H1 2022 influenced by positive one-off effects from **rate change** in Germany of €m 2.9 and positive FX-effects of €m 2.8
  - H1 2023 including revenues from Azolver entities (acquired in Q1 2022)
  - Ongoing **switch of Azolver** customers to **FP franking machines**

*Excluding stand-alone digital solution sales of MSO, which are shown in DBS

FP Mail Services

Revenue in line with expectations – H1 2022 influenced by positive one-off effects



- Mail Services **revenue in line with expectations**
  - H1 2022 was impacted by **pandemic-related one-off effects** (higher volumes and higher share of franked mail)
  - After positive experience in the pandemic, customer continue outsourcing the franking service, resulting **in higher franking volumes in H1 2023**
- Implementation of new discount scheme by Deutsche Post, in place since January 2023
- Consistent cost management has **improved margins**

*previous year figures have been adjusted: DBS consolidation profits have been reallocated from Mail Services to DBS

FUTURE@FP – next level 2023 onwards

5 key programs to continue on the profitable growth path

1. Right Sizing – Right Shoring

DBS Document Workflow Management

Group Services

“Wave 2”

Restructuring & Nearshoring

➔ 2023/24

2. Operating Model

Implement Group Services
- **IT**
- **Finance Operations**
- **HR Operations**
- **Tallinn**

Refine Group Marketing

MSO reorganized for better leverage of selling DBS SaaS also via MSO

➔ during 2023

3. ERP/CRM

First go-lives DBS and MSO Sweden

Onboard remaining MSO countries

Foundation for **operating model**

Automate and **Digitalise Back-Office and Front-Office**

➔ 2023/24

4. Digital Business Foundation

Add all SaaS solutions to standardized Subscription & Billing

Self-service onboarding
- **FPSign**
- **FPPS**
- **TRAX**

Internationalize

➔ 2023

5. Increase Value for Customers*

MSO:
- **Franking –** stay relevant with further office solutions
- Facelifts and new market intros

DBS:
- **Document Workflow Mgmt.**
  – IT-intensive not labor intensive
- **Business Process Management & Automation**
  – Internationalize
  – build enterprise solutions
- **Shipping&Logistics**
  – Internationalize

➔ Continuous process

* Selected samples, further initiatives in all areas

Summary HY 2023

Continued growth in key business areas

- **DBS** – continuous growth and build up of digital business shows sustainable transformation path for FP
- **MSO** – growth against market trend shows FP's resilient business model

EBITDA Margin 12.3 %

- despite tailwinds from one-offs and FX in 2022 and
- despite headwind from FX in 2023

On a normalized basis

Revenue	€m 125.7	(growth of 12.5%)
EBITDA	€m 18.8	(growth of 27.7%)

Guidance for 2023

Improving revenue and EBITDA

	2022 as reported	2022 normalised	Guidance 2023
REVENUE	€ m 251	€ m 229	€ m 245 - 255
EBITDA	€ m 27.6	€ m 26.2	€ m 28 – 31
EBITDA-MARGIN	11.0 %	11.4 %	11.4 – 12.2 %

Disclaimer

Statements in this release relating to future development and the Group's forecasts are based on our careful assessment of future events - based on economic forecasts. Any additional negative economic developments beyond this, such as a further lockdown of entire or specific economic sectors, may lead to actual results for fiscal year 2023 deviating from the forecast figures.

Financial Results HY 2023

Q&A Session

Appendix

Revenue by Product and Service HY 2023

Recurring revenue ~67% versus 68% in prior year

€ m	HY 2022	HY 2023
Equipment sales & others	17.9	17.7
Consumables	12.8	14.1
Service	16.5	15.7
Teleporto	4.7	4.7
Mail Services	40.0	34.0
Software / Digital	14.3	15.7
Revenue acc. to IFRS 15	**106.1**	**101.9**
Operate Lease	15.9	15.0
Finance Lease	5.8	7.9
Revenue acc. to IFRS 16	**21.6**	**23.0**
Currency effects	-0.2	-0.2
Revenue total	**127.6**	**124.6**

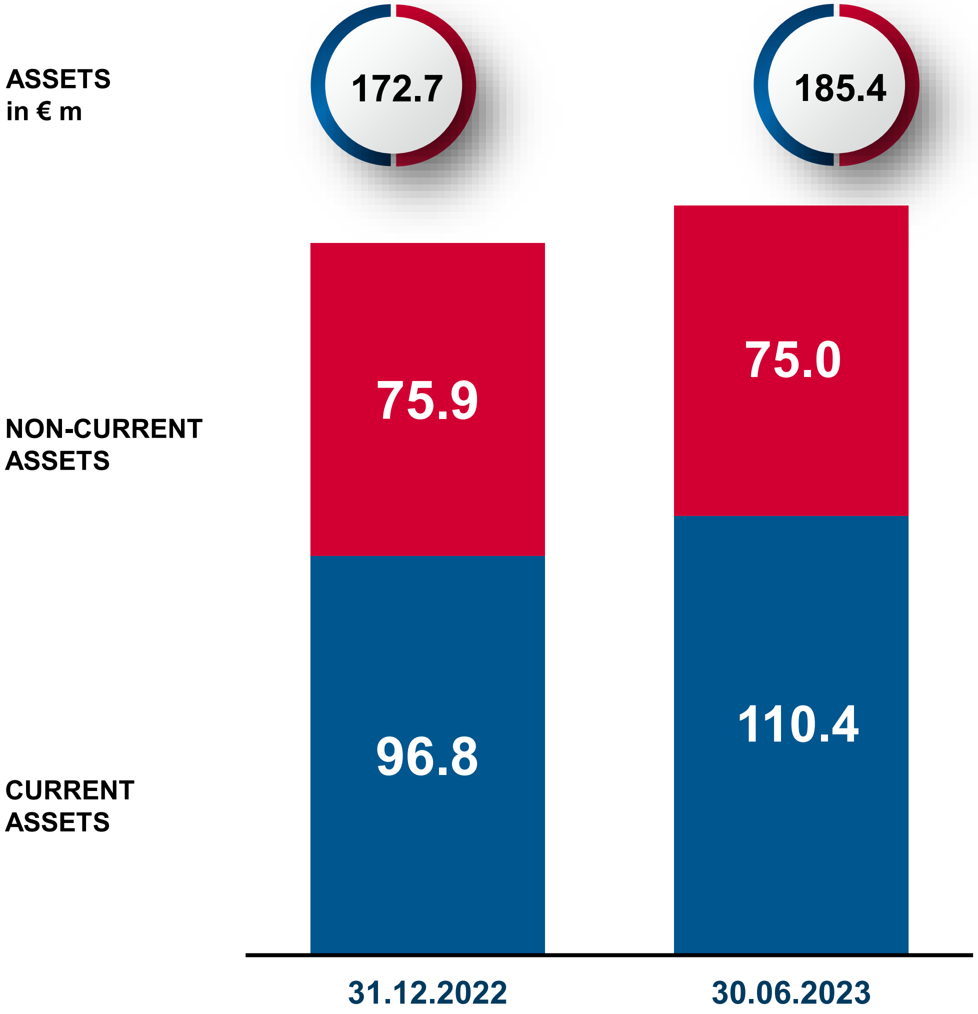
Consolidated Statement

of profit and loss HY 2023

€ m	HY 2022	HY 2023
Revenue	**127.6**	**124.6**
Change in inventories	0.5	-0.1
Other own work capitalised	3.2	3.9
Total output	**131.3**	**128.5**
Other operating income	0.9	1.0
Cost of materials	-64.6	-58,5
Personnel expenses	-31.0	-33.8
Impairment losses and gains on trade receivables	-1.2	-1.1
Other operating expenses	-19.1	-20.9
EBITDA	**16.3**	**15.3**
as % of revenue	*12.8%*	*12.3%*
Depreciation/Amortisation	-9.9	-8.8
Interest result	0.8	0.2
Other financial result including at-equity income	1.0	-0.3
Income taxes	-3.0	-3.0
Consolidated net income	**5.2**	**3.3**
EPS (€ basic)	**0.32**	**0.21**
EPS (€ diluted)	**0.32**	**0.21**

Financial Situation

Balance Sheet - Assets (30.06.2023)



Non-Current Assets

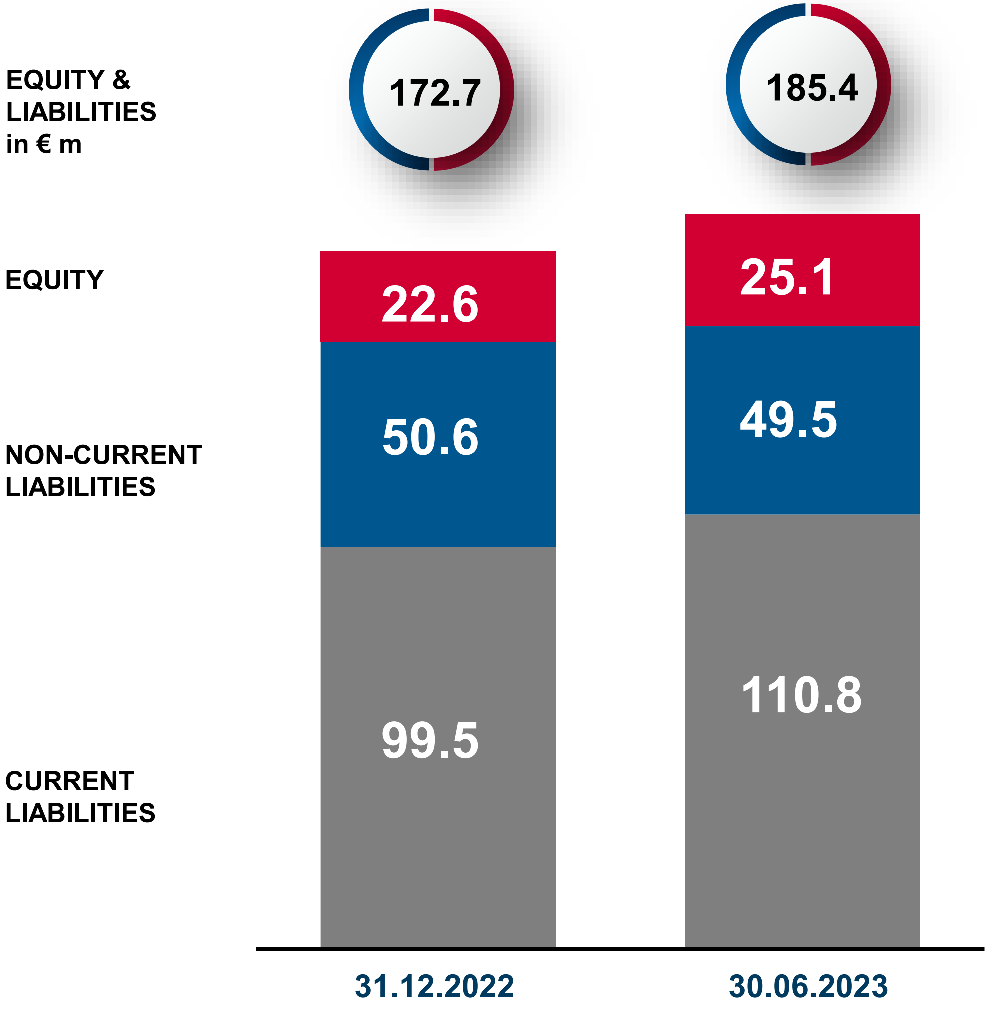
- Intangible assets decreased mainly due to amortization
- Decrease of right of use assets is mainly due to depreciation

Current Assets

- Increase in trade receivables by € m 0.8 in DE and US
- Increase in other financial assets (€ m 0.7)
- Increase in cash and cash equivalents by € m 12.3, thereof in postage credit balances managed by the FP Group by € m 9.7

Financial Situation

Balance Sheet - Equity & Liabilities (30.06.2023)



Equity ratio of 13.6 %
(31.12.2022: 13.1%)

Non-current liabilities

- Decrease by € m 1.1 mainly coming from liabilities from finance lease

Current liabilities

- Increase in financial liabilities from telepostage (€ m 9.5) corresponding to asset side
- Increase in other non-financial liabilities of (€ m 3.3) mainly due to increase of contract liabilities in MSO
- Decrease of € m 1.4 for provisions for personnel expenses, warranties and litigation costs.

General Information

FP Management Board

Carsten Lind

CEO
since November 2020

Degree in M.Sc, Ba and EMBA

- Long-standing experience in technology companies: Regional CEO for 13 years in international IT & consulting companies such as CSC and Fujitsu as well as Asterion

Ralf Spielberger

CFO
since October 2022

Degree in Business Administration

- Proven financial expert with extensive experience in digital transformation processes: CFO for more than 15 years in international companies such as Pitney Bowes, ADAC SE and CSC.

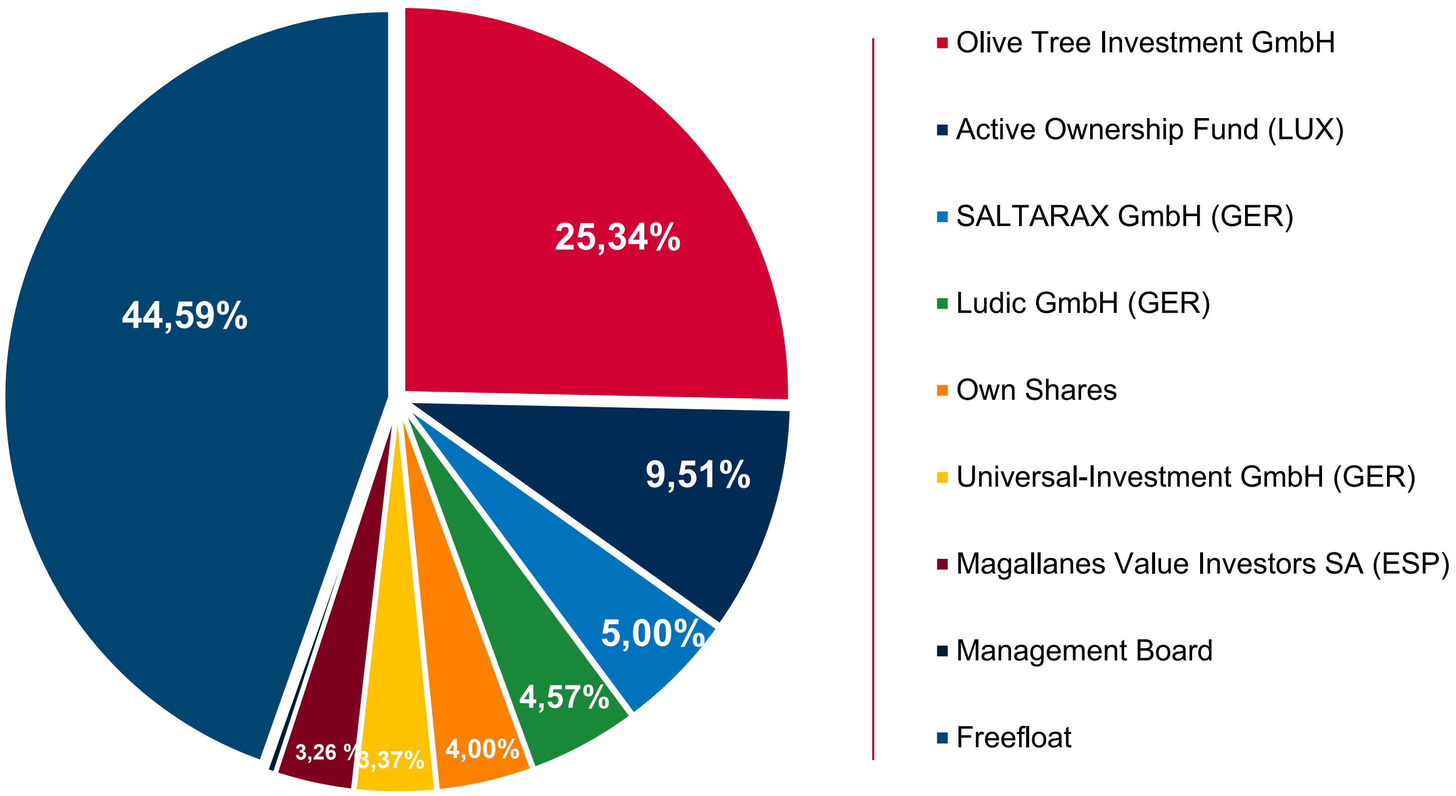
The FP share

Strong & international shareholder base (in %)

 # shares 16,301,456

Market cap approx.
€ m 52*

Prime Standard



* August, 28 2023

Financial Calendar

2023

2023

27th April
Results for the Financial Year 2022

15/16th May
German Spring Conference Frankfurt

25th May
Results for the First Quarter 2023

14th June
Annual General Shareholders' Meeting, Berlin

31st August
Results for the First Half Year 2023

23th November
Results for the Third Quarter 2023

27th November
Deutsches Eigenkapitalforum Frankfurt

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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 will have a corresponding impact on the development of our business.

The same applies in the event of a shift in current exchange rates relative to the US dollar, sterling and Canadian dollars. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2022 Annual Report develop in a way other than we are currently expecting.

Please note that there may be **rounding differences** compared to exact mathematical figures (monetary units, percentages, etc.).