

FP GROUP

FINANCIAL RESULTS - 9M 2018

TRANSFORMATION CREATES ADDITIONAL POSITIVE DYNAMICS AT FP



9M 2018: Revenue and Earnings Growth Continue as Announced



- ✓ Revenues of € 154.3 m, EBITDA of € 17.0 m (excluding FX, JUMP adjustments)
- Free cash flow of € -2.7 m (9M 2017: € 4.5 m)
- ✓ Stable earnings development, EPS on prior year level
 - Currency adjusted / ** Adjusted for currency effects and JUMP expenses / ***Excluding additions to finance lease assets and M&A
 - €/US\$ exchange rate in 9M 2017: € 1 = US\$ 1.1136, in 9M 2018: € 1 = US\$ 1.1943

FP GROUP IS AHEAD OF PEERS



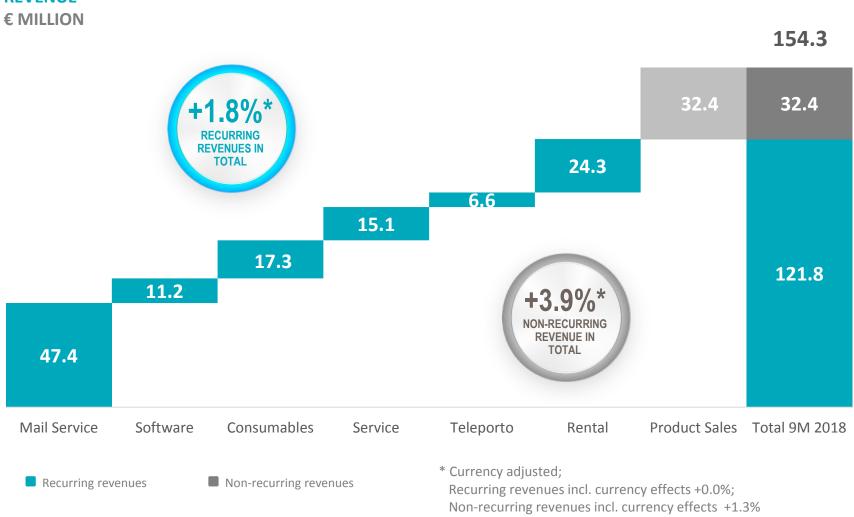
| PEER GROUP COMPARISON | FP | PEER 1 | PEER 2 |
|---------------------------------|----------|--------|--------|
| TOTAL REVENUE GROWTH | | | |
| FY 2016 | 6% | -3% | -5% |
| excluding currency effects | 7% | -1% | -4% |
| FY 2017 | 2% | -4% | 4%* |
| excluding currency effects | 3% | -2% | 4%* |
| H1 2018 | 0% | -6% | 18%* |
| excluding currency effects | 3% | -1% | 17%* |
| 9M 2018 | 0% | | 17%* |
| excluding currency effects | 2% | | 16%* |
| REVENUE GROWTH FRANKING MACHINE | BUSINESS | | |
| FY 2016 | 2% | -6% | -7% |
| excluding currency effects | 4% | -5% | NA |
| FY 2017 | 1% | -6% | -5% |
| excluding currency effects | 3% | -4% | NA |
| H1 2018 | 1% | -9% | -6% |
| excluding currency effects | 6% | -4% | NA |
| 9M 2018 | 1% | | -5% |
| excluding currency effects | 4% | | NA |

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GROWTH OF PRODUCT SALES LEADS TO FUTURE RECURRING REVENUES







ADJUSTED EBITDA 9M 2018 ABOVE PRIOR-YEAR LEVEL



| € MILLION | 01.01 30.09.2017 | 01.01 30.09.2018 |
|-------------------------------|---------------------|---------------------|
| Revenue | 153.9 | 157.3* 154.3 |
| EBITDA | 19.6 | 20.2** 17.0 |
| EBITDA Margin (%) | 12.8% | 12.8%** 11.0% |
| Amortisation/ depreciation | 14.6 | 12.8 |
| ~ to revenue (%) | 9.5% | 8.3% |
| EBIT | 5.0 | 4.2 |
| Net Income | 3.4 | 3.2 |
| EPS (basic, EUR) | 0.21 | 0.20 |

Currency and one-off effects

- ✓ Currency effects of -€3.0m on revenue,
 -€1.8m on EBITDA
- ✓ Income from statute-barred liabilities of €0.6m, (9M 2017: €1.9m)
- ✓ Non-recurring expenses of €1.4m for JUMP

Adjusted EBITDA above prior-year level

Amortisation/depreciation

 Decrease, as planned, due to lower D&A of leased products and capitalised R&D

Net Income/EPS

- Stable tax quota and interest result
- Net income and EPS on same level as a year ago
- ✓ Adjusted for JUMP expenses: increase

^{*} Currency adjusted / ** Adjusted for currency effects and JUMP expenses

ADJUSTED FREE CASH FLOW INFLUENCED BY WC AND ACT INVESTMENTS IN FUTURE GROWTH



| € MILLION | 01.01 30.09.2017 | 01.01 30.09.2018 |
|-------------------------------------|---------------------|---------------------|
| Cash flow from operating activities | 16.6 | 13.9 |
| Cash flow from investing activities | -12.0 | -16.6 |
| Free cash flow | 4.5 | -2.7 |
| | | |
| Adjusted free cash flow* | 8.0 | 4.3** |
| | 8.0 -0.6 | 4.3 ** -2.8 |

Cash flow from operating activities

 ✓ Decrease due to lower EBITDA, increase of working capital; in previous year's period €1.5m proceeds from tax MAP NL

Cash flow from investing activities

- ✓ Increase in non adjustable capitalized R&D for new products (€ +1.9m)
- ✓ Adjustable investing activities: acquisition of Tixi, US Online dealer (€3.5m); in 2017 acquisition of customer list UK (€1.4m)

Adj. free cash flow also reflects ACT investments; impact by JUMP €-0.9m

Cash flow from financing activities

- ✓ Share buyback -€0.2m
- ✓ Dividend payment -€1.9m
- ✓ Repayment of financial liabilities €-0.2m

^{*} Excluding investments in finance lease assets and M&A. ** Since beginning of 2018 additionally adjusted for JUMP payments.

SYNDICATED LOAN AGREEMENT AMENDED AND EXTENDED



FP'S SYNDICATED LOAN FACILITY AMENDED AND EXTENDED

Increase of the loan volume to €150m (from €120m) secures additional financial flexibility; accounting for the liability was modified accordingly as at 30 September 2018.

- Extended financial certainty by extending the maturity date to 2023
- ✓ Both, volume (by €50m) and tenor (up to 2025) can be extended at FP's discretion
- ✓ Lower financing costs compared to previous facility
- ✓ Existing banking consortium underlined its support to FP's ACT strategy

ACT PROJECTS ON TRACK AS PLANNED: NEW MILESTONES REACHED



Significant progress with ACT

✓ FRANKING BUSINESS

- Increase of installed base at Group level – contrary to market trend
- Market share gains in strategic markets and at Group level

✓ NEW GENERATION POSTBASE

 Market launch on schedule for Q1 2019

✓ DISCOVER FP

- Commercial roll-out in all regions on schedule
- Parcel Shipping solution on track for Q1 2019 launch in US and Germany

✓ FP SIGN

- Local country versions ready for launch with existing customers in 10 core markets
- Sales cooperations with further SME enterprise software vendors

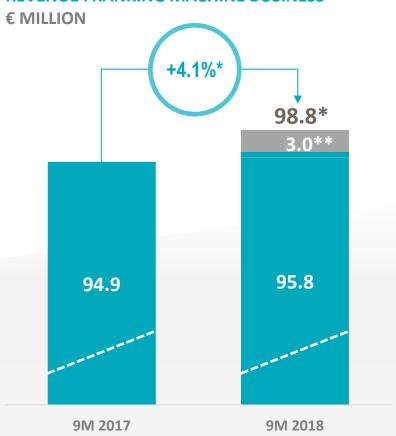
✓ INTERNET OF THINGS

- Integration of Tixi.com on track, joint marketing strategy, joint customer projects
- Increasing sales and customer pipeline
- Expanding position on IoT value chain and expanding cooperation network ongoing

REVENUE GROWTH* IN CORE BUSINESS



REVENUE FRANKING MACHINE BUSINESS



- ✓ Increase of revenue by 4.1% (increase of 0.9% including currency effects)
- ✓ Contrary to the market trend:

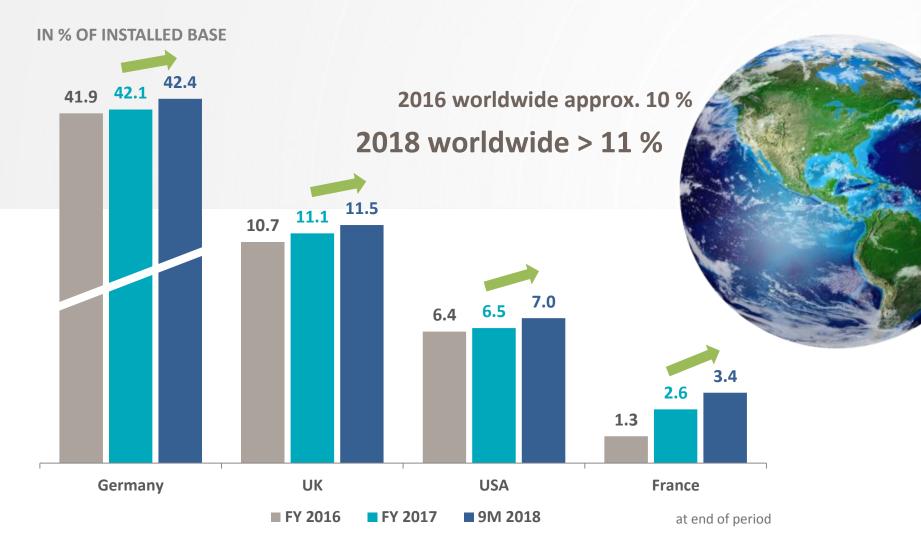
 Increase of installed base at FP Group

 level. Five countries add machines to
 their portfolio, including USA and France
- ✓ Germany also continues to show a dynamic development in terms of market share and revenue development in 2018.

^{*} Currency adjusted ** Currency effect

IN 9M 2018, FP CONTINUED TO GAIN MARKET SHARE IN ALMOST ALL COUNTRIES

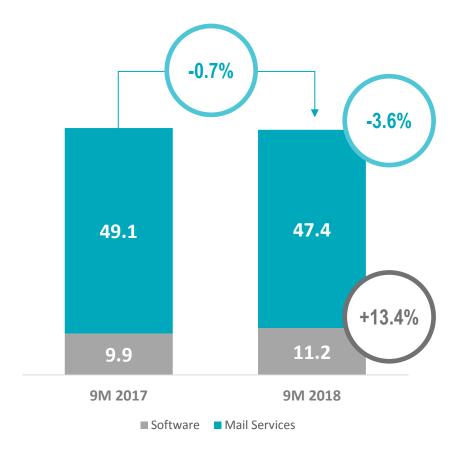




REVENUE MAIL SERVICES AND SOFTWARE

REVENUE MAIL SERVICES AND SOFTWARE

€ MILLION

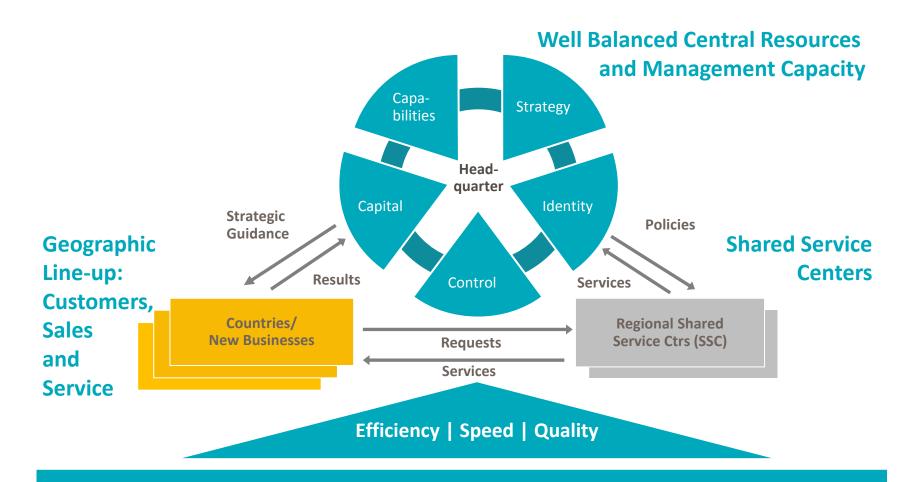




- Revenue decline in Mail Services due to the largely completed reorganisation as well as to changes in the customer and product mix
- Software business shows strong growth:
 Dynamic development in Hybrid Mail
- Market entry of new digital products and business models ongoing, but no significant revenue contribution yet, as expected.

ACT-PROJECT JUMP: MAKING FP FIT FOR PROFITABLE GROWTH

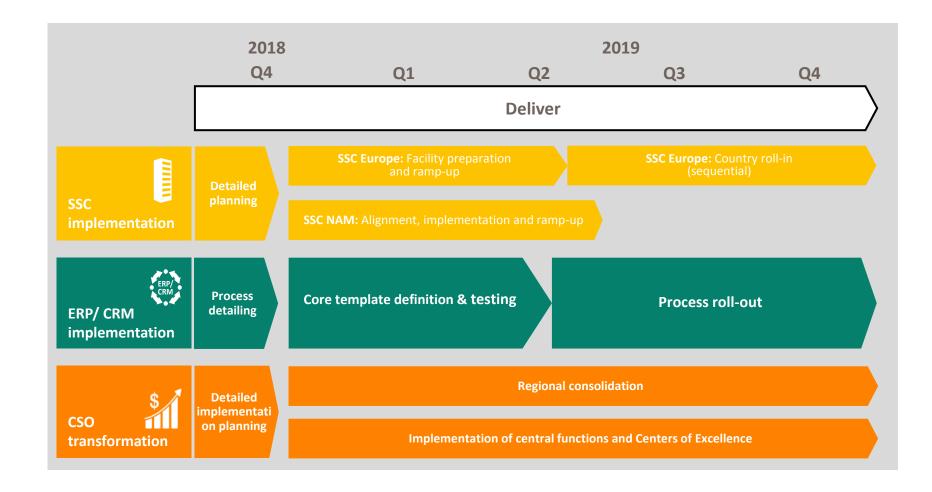




The new organisation and the new processes will be supported by uniform ERP/CRM-Systems

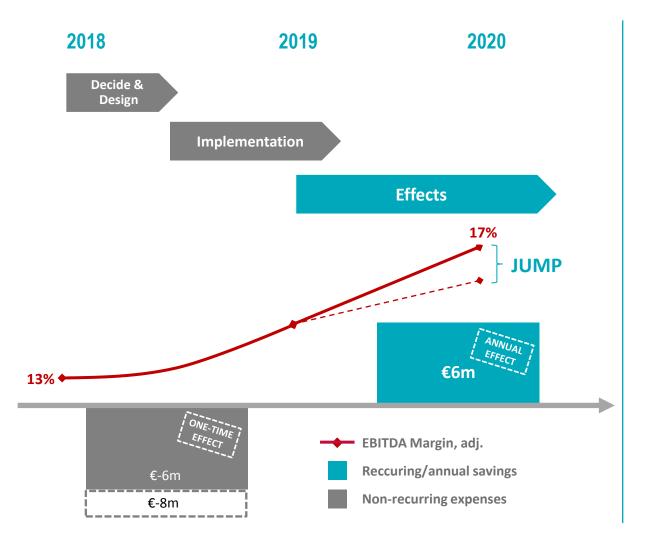
JUMP PROJECT ENTERS IMPLEMENTATION PHASE READY TO SHAPE A NEW FP





ACT-PROJECT JUMP – TRANSFORMATION FOR SUSTAINABLE PROFIT IMPROVEMENTS





KEY TARGET

 Sustainable profitability improvements (FP Group)

IMPLEMENTATION STARTED

- Initial projects finalised
- Implementation started
- Roll-out 2018/2019
- One-off expenses in 2018
- Full positive annual effects as of 2020

SELECTED JUMP INITIATIVES

Supporting Functions:

- Establish competence centers, shared services, regional sales organisation
- Maximise automation, digitalisation

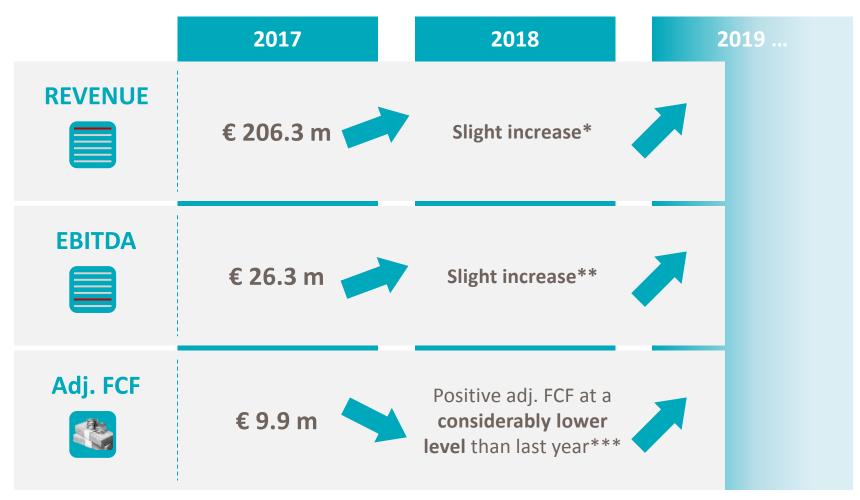
Sales & Marketing, R&D, Production & Logistics:

- Reduce time-to-market
- Increase customer retention rate

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2018: STEPPING STONE TOWARDS SUSTAINABLE GROWTH IN 2019 AND BEYOND



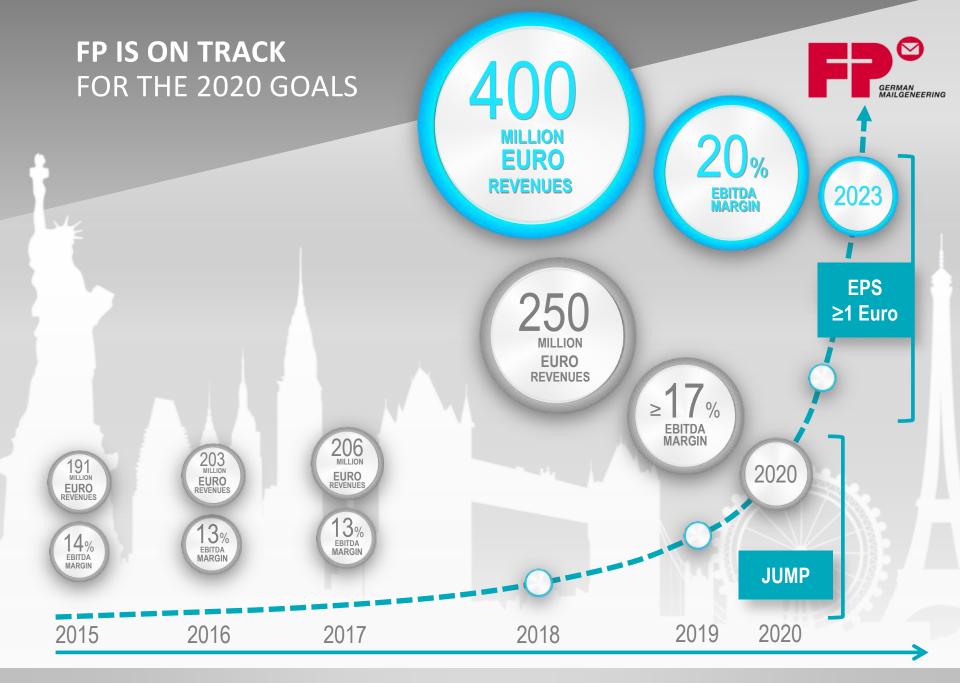


^{*} Based on constant currency level;

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^{**} Based on constant currency level, adjusted by JUMP (leading to up to € 6.0 m to € 8.0 m non-recurring expenses);

^{***} Based on constant currency level, excluding payments for JUMP, additions to finance lease assets and M&A;





FP GROUP QUESTIONS ARE WELCOME



FP GROUP

APPENDIX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 9M 2018



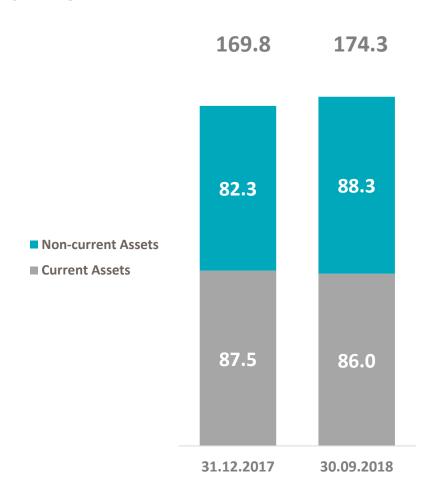
| in € Million | 9M 2017 | 9M 2018 | % |
|-----------------------------|---------|---------|-------|
| Revenue | 153.9 | 154.3 | 0.3 |
| Change in inventories | 0.5 | 0.2 | -65.0 |
| Other own work capitalised | 7.9 | 10.2 | 29.0 |
| Total output | 162.3 | 164.6 | 1.4 |
| Cost of materials | 76.6 | 77.3 | 0.9 |
| Staff costs | 45.0 | 45.9 | 2.0 |
| Other income ./. expenses | -21.1 | -24.4 | 16.0 |
| EBITDA | 19.6 | 17.0 | -13.3 |
| as % of revenue | 12.8% | 11.0% | |
| Amortisation/ depreciations | 14.6 | 12.8 | -12.4 |
| EBIT | 5.0 | 4.2 | -15.8 |
| Interest result | 0.5 | 0.4 | -23.0 |
| Other financial result | -0.1 | 0.3 | N/A |
| Income taxes | -2.0 | -1.7 | -14.8 |
| Consolidated net income | 3.4 | 3.2 | -4.4 |
| EPS (€ basic) | 0.21 | 0.20 | -2.1 |
| EPS (€ diluted) | 0.20 | 0.20 | -1.2 |

FINANCIAL SITUATION – BALANCE SHEET ASSETS (30.09.2018)



ASSETS

€ MILLION



✓ Non-Current Assets

- Increase of intangible assets by €4.4 m, thereof goodwill € 2.0 m
- Increase of deferred tax assets by € 1.2 m
- Increase of receivables from finance lease by €1.6 m

Current Assets

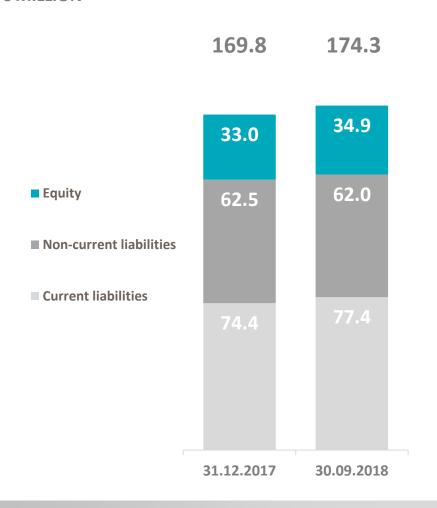
- Increase of inventories and trade receivables (€ 3.0 m)
- Decrease in cash and cash equivalents (€- 5.5 m)

FINANCIAL SITUATION – BALANCE SHEET LIABILITIES (30.09.2018)



LIABILITIES

€ MILLION



✓ Equity ratio of 20.0%

(31.12.2017: 19.4%)

- Share buyback (€ -0.2 m)
- Dividend payment 2017: € 1.9 m
- + Total comprehensive income 9M 2018 (€ 4.0 m)

✓ Non-current liabilities

- Decrease of financial liabilities
 (€ -0.5 m)
- Decrease of deferred tax liabilities

✓ Current liabilities

Increase of trade payables
 (€ 2.0 m)



FP GROUP BASIC INFORMATION

FP MANAGEMENT



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



since June 2018 with FP

Degree in Business Administration (WHU)

- 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

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



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FP AT THE **STOCK MARKET**





ISIN DE000FHP9000

Segment Prime Standard/ All Industrial

IPO 30. November 2006

Reuters FPHG.DE

Shares 16.3 million

Freefloat 78.7% (calc.)

Coverage Warburg Research, LBBW, Dr. Kalliwoda, GSC

| MAIN SHAREHOLDERS | | |
|------------------------------|-------|--|
| Active Ownership Fund | 9.50% | |
| Obotritia Capital KgaA | 6.60% | |
| Quaero Capital | 5.20% | |
| SALTARAX GMBH | 3.59% | |
| Ludic GmbH | 3.51% | |
| Magallanes Value Investors | 3.30% | |
| Baring Fund Managers Limited | 3.07% | |



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15 November 2018

Results for the Third Quarter 2018

28 November 2018

German Equity Forum

24 January 2019

Investors' Day, Berlin

7 March 2019

Preliminary Results for the Financial Year 2018

16 May 2019

Results for the First Quarter 2019

28 May 2019

Annual General Shareholders' Meeting, Berlin



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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.



FP GROUP

LET'S GO FOR IT!