HEADING FOR TOMORROW

FP Investors' Day

Berlin | 24 January 2019

AGENDA

13:00 **Welcome**
ACT-Strategy shapes our future
Rüdiger Andreas Günther (CEO, CFO)

13:45 **JUMP: Transforming the FP Group**
Sven Meise (CDO, COO)

14:00 **Leveraging our Customers**
Patricius de Gruyter (CSO)

14:45 **Leveraging our Technology**
Sven Meise (CDO, COO)

15:30 **Coffee Break**

16:00 **Close-up: Markets, Solutions**
Break-out Sessions with A-, C-, T-Teams

17:30 **The FP Share – the Way Ahead**
Sebastian Holl (Baaderbank AG)

17:45 **Increasing Shareholder Value**
Rüdiger Andreas Günther (CEO, CFO)

18:15 **Get Together**

ACT-STRATEGY SHAPES OUR FUTURE

Rüdiger Andreas Günther (CEO, CFO)

A CONNECTED WORLD

GERMAN MAILGENEERING

28,000,000,000

IoT Devices until 2020

+16%

CAGR

WITH CONNECTED RISKS

28,000,000,000

Devices exposed to risks

Security is more vital and more in demand than ever

up to **35%** CAGR*

* Referring to IoT-security market growth until 2023

FP: ONE CENTURY OF SECURE COMMUNICATIONS

FP: ONE CENTURY OF SECURE COMMUNICATIONS

Secure annual transfer of **1.2 bn € of customer deposits**

No. 1 in Germany
No. 3 worldwide

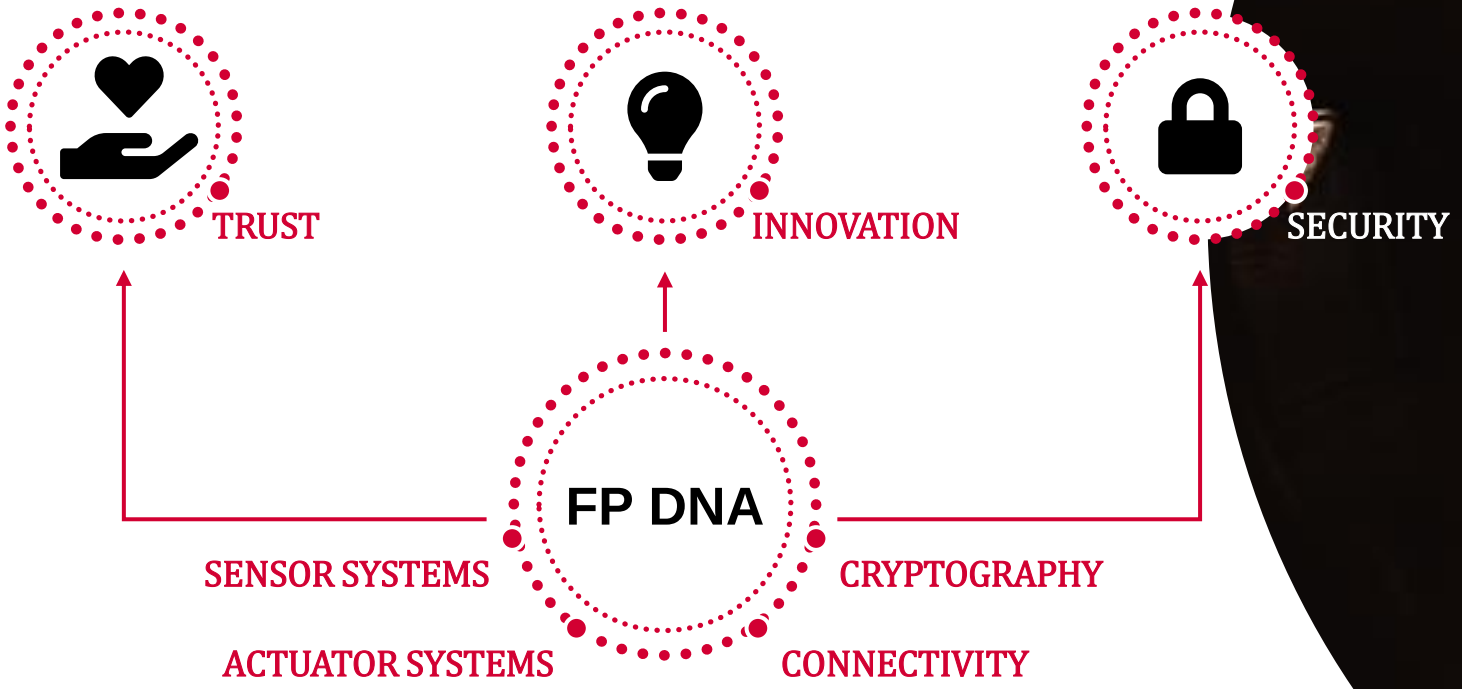
>200,000 customers, in 40 countries worldwide

1,100 employees

2,500 patents support leading R&D Position

GERMAN MAILGENEERING

Secure Mail Business and
Secure Digital Communication Processes



FROM TRADITION TO TRANSFORMATION

Valid for the last century, valid for the next:

Security

Simplification

Convenience

Leveraging our key competencies for the digital age

GROWTH-STRATEGY ACT HAS THREE DIMENSIONS

ATTACK

Keep winning additional customers and market shares in core business

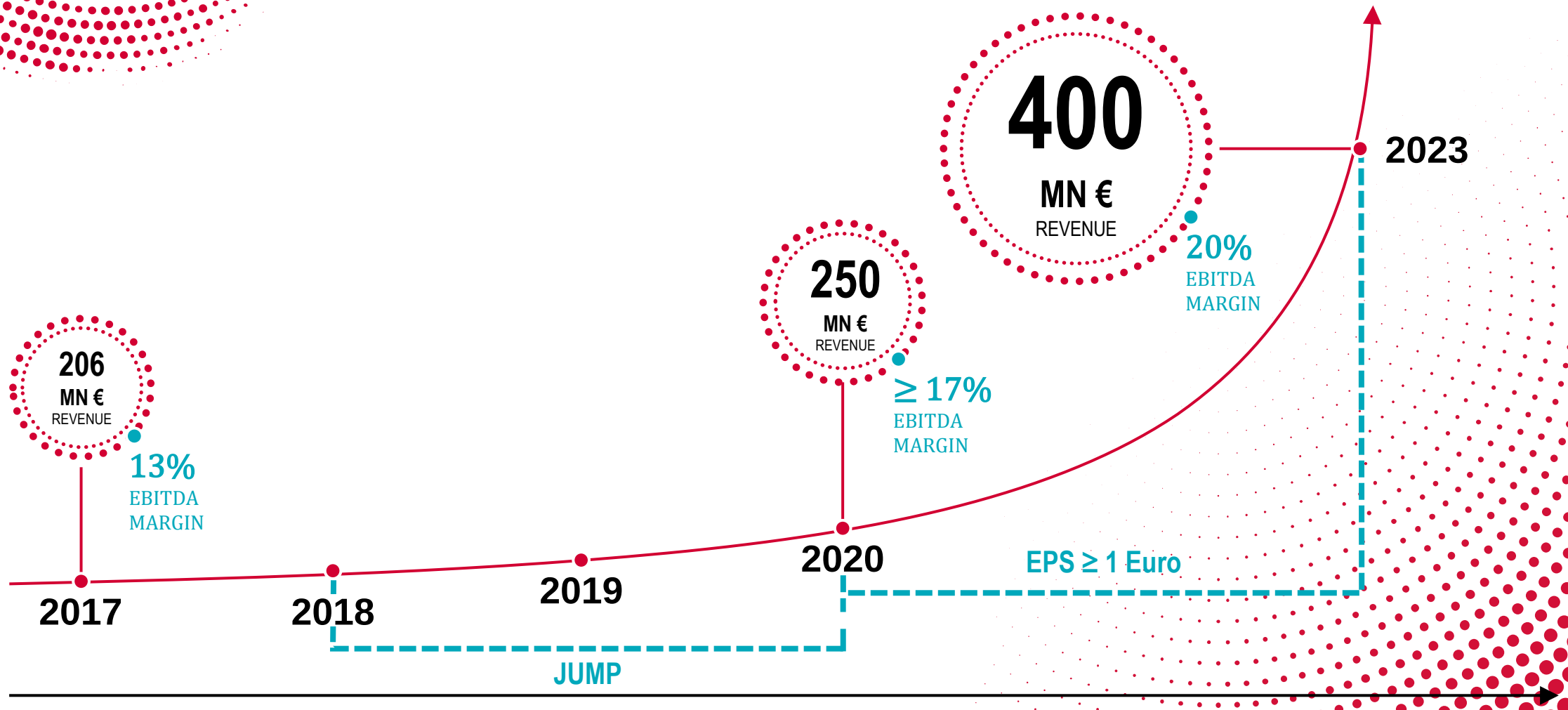
CUSTOMER

Accompany our customers on their journey into the digital world

TRANSFORM

Leveraging our Technology – Penetrate IoT mega markets

FP 2023: AMBITIOUS TARGETS



PROGRESS SINCE 2017

SUCCESSFUL ACT PROJECTS

Promised	Delivered
Grow revenues	**PostBase Vision:** ready for market launch **discoverFP:** market launch in 8 countries since April 2018 **FP Sign:** international roll out – country versions developed, consecutive market launch **IoT:** 30.000 gateways installed, partner ecosystem developed
Grow profit	Leasing model, JUMP, Best Purchase Program
Improve financial flexibility	Tax rate, credit line
Improve brand awareness	Vision, claim, media visibility
Become an agile organization	JUMP

CURRENT SERVICE OFFERING

FP EXPANDS INTO GROWTH MARKETS

Addressable market

Secure Mail Business | **Secure Digital Communication Processes**

discover FP

Franking	e-Signature	Secure IoT
2-3 bn $[1]	9 bn $[2]	30 bn $[3]
CAGR -3-4%	CAGR 30-35%	CAGR 30-35%

P2P | M2M

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

STRATEGY CONTRADICTS MYTHS

The three myths

1. The postage meter market has ~~no~~ future

2. FP will ~~not~~ grow in its core market

3. Digitalization will come ~~overnight~~

CURRENT MARKET SITUATION

Facts

→ Oligopolistic market

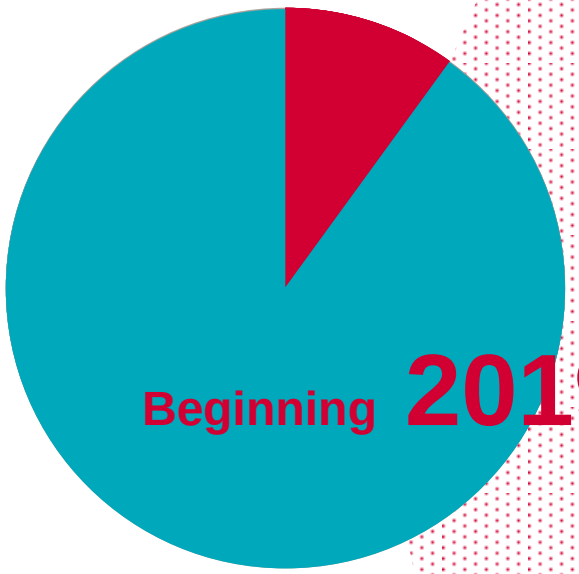
→ High entry barriers

→ Structural shift towards smaller systems

→ High share of recurring revenues

11,5% global market share secured

88,5% to capture



AT THE HEART OF CURRENT ISSUES

SOCIAL MEDIA CARRY OUR MESSAGES

LEADING EDGE TECHNOLOGY
UNBREAKABLE POSTBASE

US customer example

- 4 years in use
- 1.6 mn letters
- 1 mn $ postage
- 0 incidents

PostBase 85

- Innovation Leader
- Technology Leader
- Ease of Use Leader

ALREADY AHEAD OF PEERS

Peer group comparison

Thanks to ACT: Out-performing competitors for 11 quarters in a row

Revenue growth franking machine business	FP		
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			
excluding currency effects	1% / 4%	-7% / -4%	-5% / NA

FOUNDATIONS OF GROWTH:
LEVERAGE CUSTOMERS

>200,000

Accompany customers on their journey into the digital age

Expecting guidance, affordable and tailored digital solutions

Sustainable growth thanks to lasting mutual benefits

SOLUTIONS MAKING OFFICE LIVES MORE EFFICIENT AND CONVENIENT

FOUNDATIONS OF GROWTH
LEVERAGE TECHNOLOGY

IoT Value Chain

PARTNERS | **FP** | **PARTNERS**

Sensors → Secure Gateway → Connectivity → Backend → Middleware → Analytics KI → Frontend (APP)

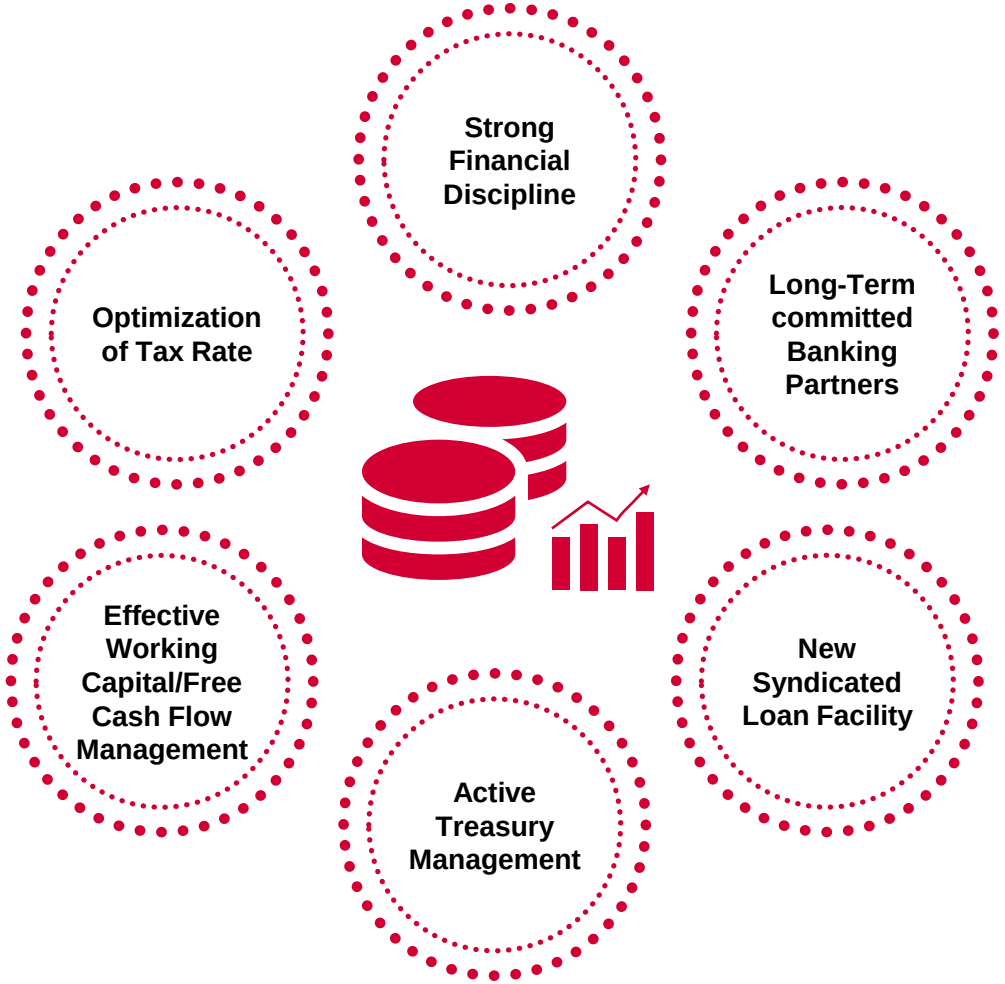
END TO END SOLUTION

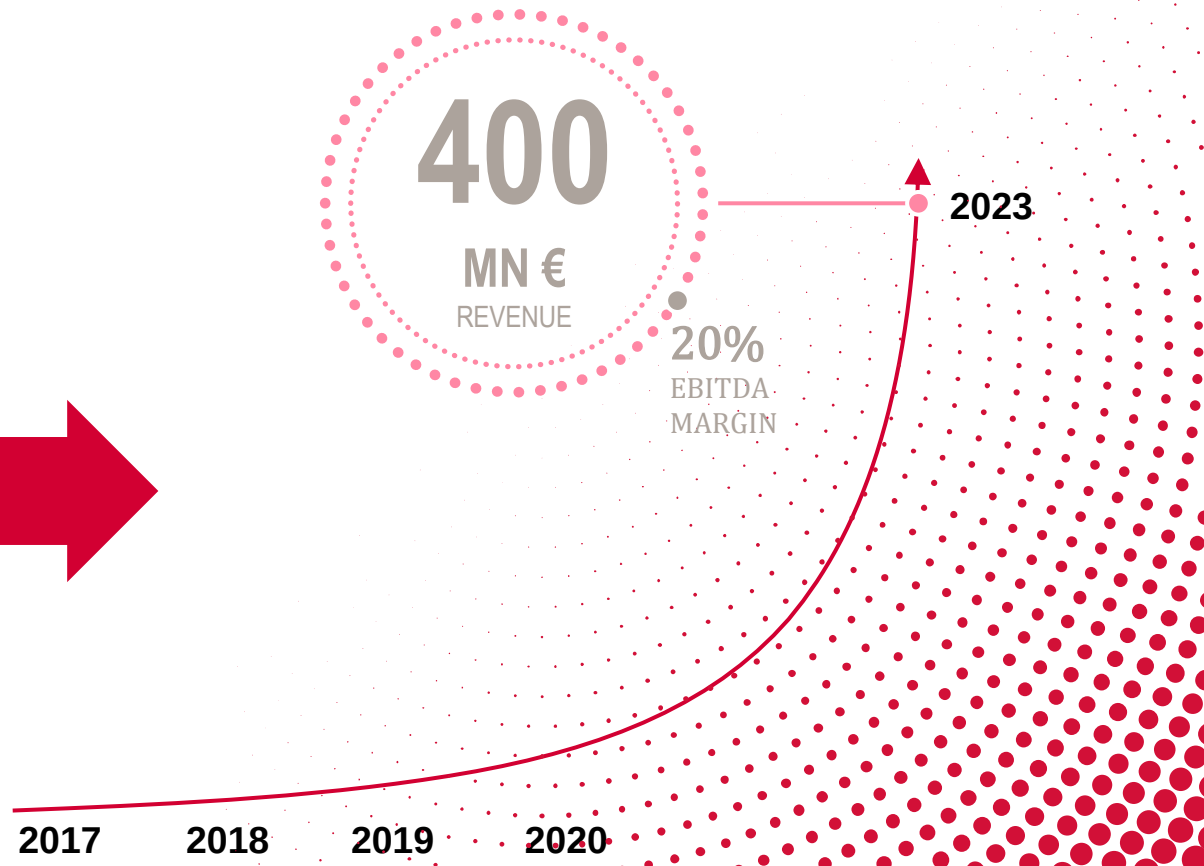
JUMP TARGETS

EFFICIENCY. QUALITY. SPEED.

STRONG BASIS FOR GROWTH

PROVIDING MAXIMUM LEEWAY FOR GROWTH





JUMP: TRANSFORMING THE GROUP

EFFICIENCY, QUALITY, SPEED THROUGH JUMP

SVEN MEISE (CDO, COO)

JUMP TARGETS

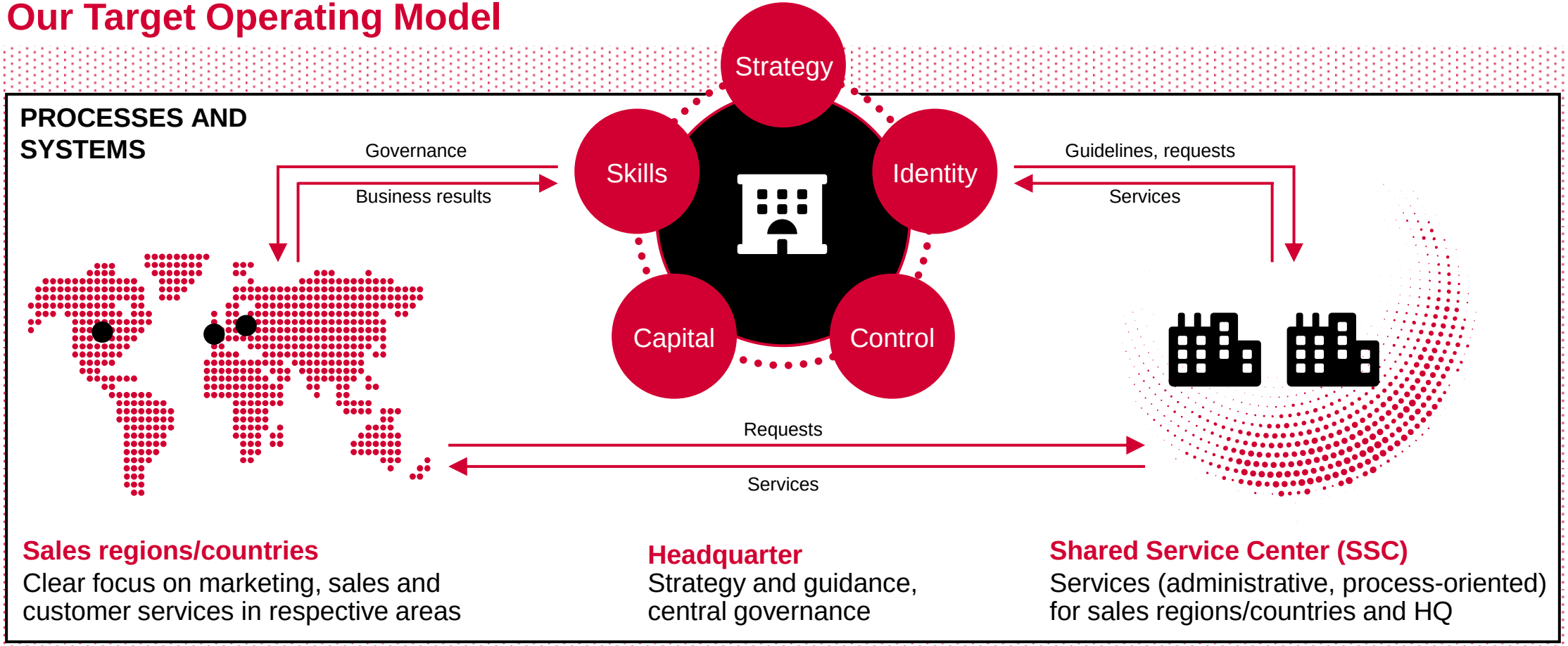
EFFICIENCY. QUALITY. SPEED.

Benefits

- Strong management for efficiency (cont. improvement, demand, etc.)
- Higher synergy and savings potential
- Cross-functional collaboration (breaking down of silos)
- Strong central steering and governance
- Better scalability for future business growth
- Global standardization – delivering ONE FP approach
- Enhanced transparency & manageability (KPIs)

JUMP LEADS TO OPERATIONAL EXCELLENCE

Our Target Operating Model



CLEAR RESPONSIBILITIES FOR
STRATEGIST, MARKETEER AND ENABLER

Future FP Organisation

Patricius de Gruyter

CSO
since June 2018
with FP

CSO Marketeer

- Sales Strategy
- Sales Regions
- Global Marketing
- Service Excellence

Rüdiger Andreas Günther

CEO and CFO
since January 2016
with FP

CEO/CFO Strategist

- Communications
- Strategy
- Finance
- HR
- Legal
- Treasury

Sven Meise

CDO, COO
since February 2015
with FP

COO Enabler

- Procurement
- Production
- R&D
- Logistics
- Shared Service Center
- IT

OTHERS NEED YEARS –
WE ACCOMPLISH IN 18 MONTHS

SSC implementation

ERP/CRM implementation

CSO transformation

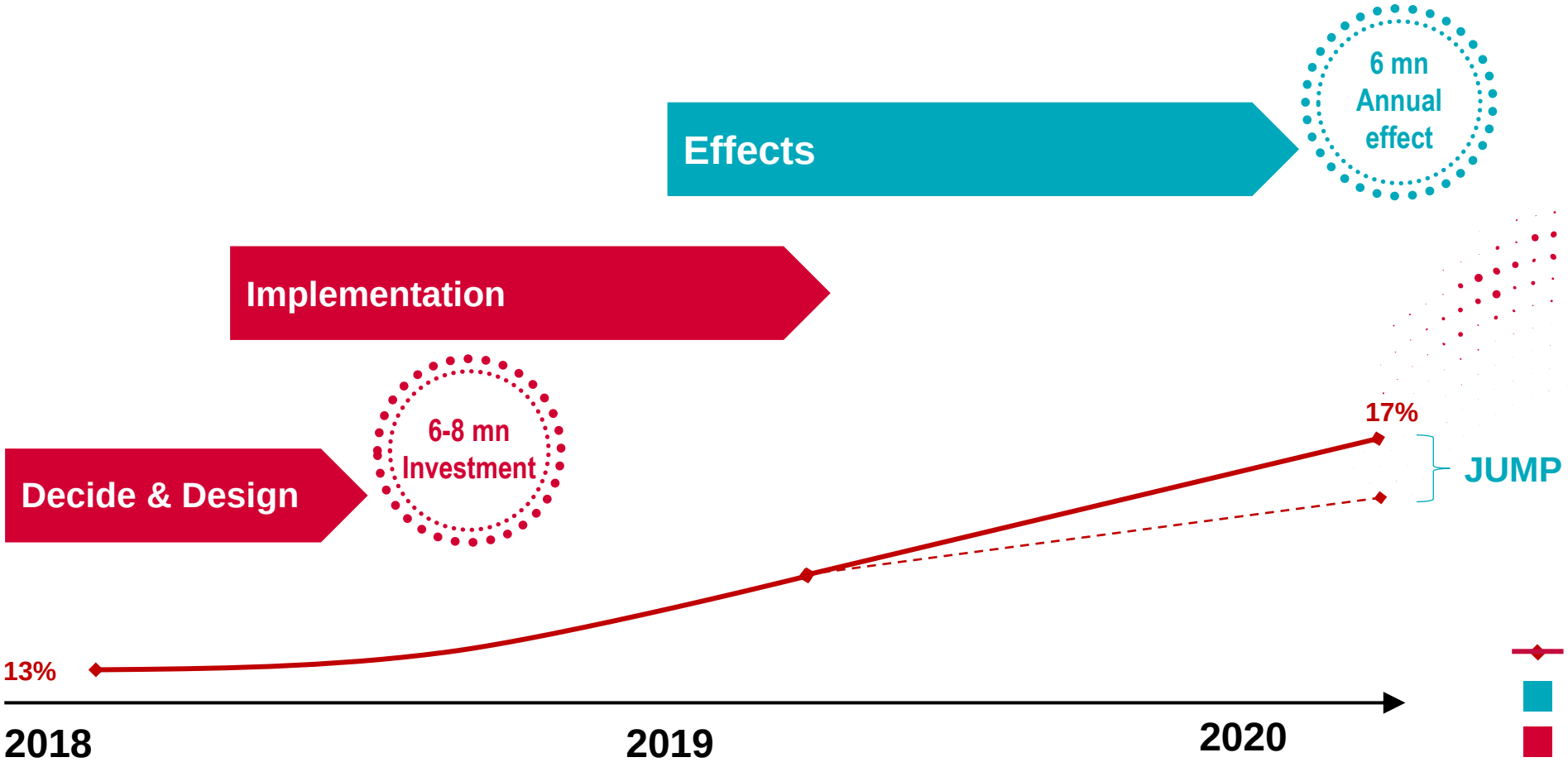
INTEGRATED PROCESS DESIGN

Functional realization

Program coord. and “drum beat”

Comms. and change mgmt.

JUMP IS ON TRACK WITH AMBITIOUS TIMING



EBITDA Margin, adj.
Recurring/Annual savings
Non-recurring expenses

FP GERMAN MAILGENEERING

ATTACK IN CORE BUSINESS

KEEP WINNING ADDITIONAL CUSTOMERS
AND MARKET SHARES IN CORE BUSINESS

PATRICIUS DE GRUYTER (CSO)

A

ACT

CURRENT SERVICE OFFERING

FP EXPANDS INTO GROWTH MARKETS

Secure Mail Business | Secure Digital Communication Processes

discoverFP

	Franking	e-Signature	Secure IoT
Addressable market	2-3 bn $[1]	9 bn $[2]	30 bn $[3]
	CAGR -3-4%	CAGR 30-35%	CAGR 30-35%
Strategic Direction	Grow customer base for cross & up-selling of digital products	Cross & upsell to existing SMB customer base and enlarge digital solutions portfolio	Establish ecosystem for secure IoT
Customer Segments	Mainly SMB	SMB, integrators/value added resellers	Key verticals: Industry 4.0, Energy
Value Proposition	Make mailing and shipping as easy as possible	Make transactions easy, fast and secure	Secure M2M communication

P2P | M2M

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

POSTBASE VISION

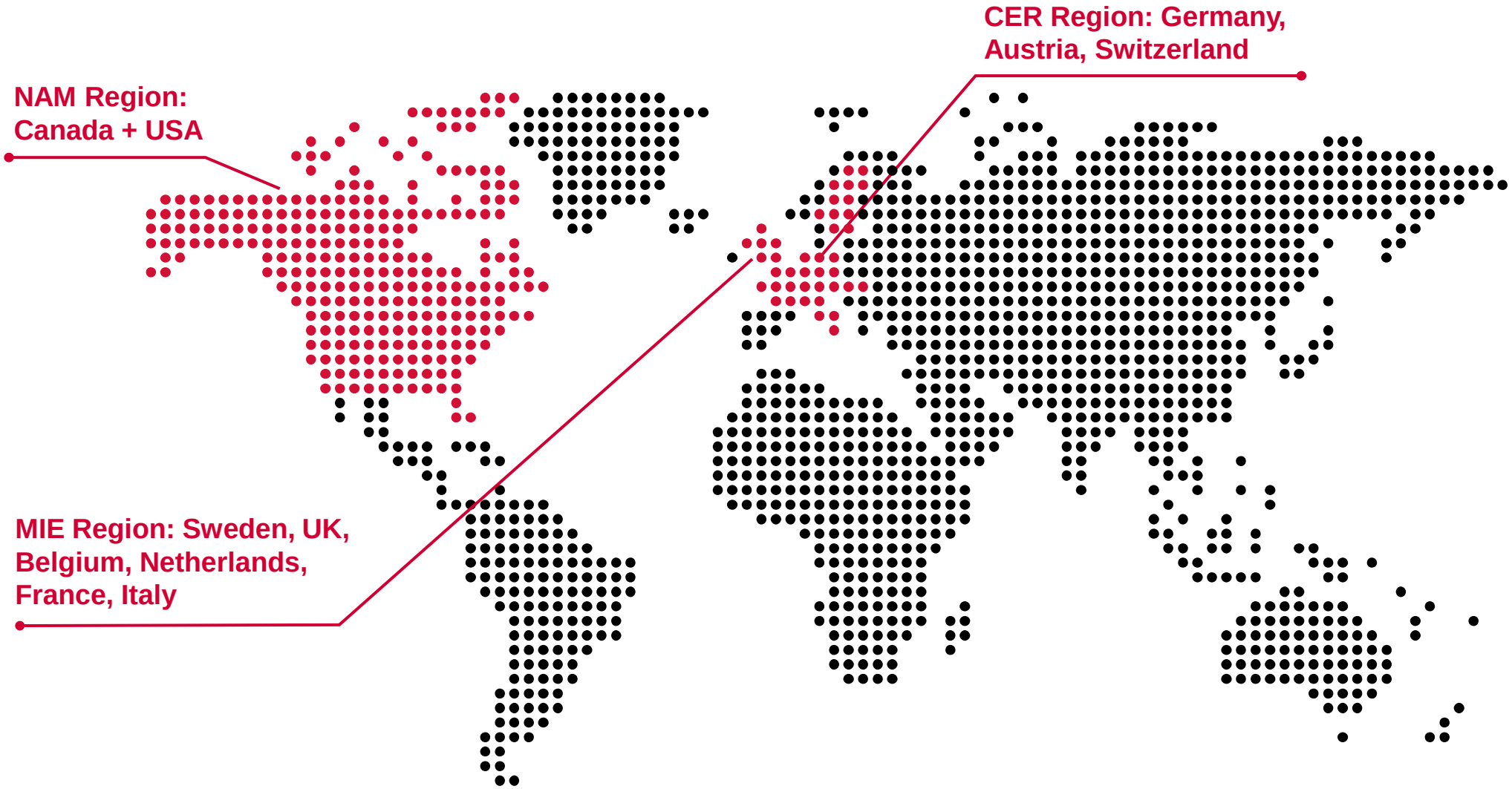
MOST ADVANCED POSTAGE METER

- Innovative 1“ printing technology
- Large, swivelling colour touch screen
- Customer oriented, convenient user experience
- LED lighting
- Comprehensive digital monitoring via discoverFP
- Cost accounting and controlling functionalities

GROWTH STRATEGY
OUR APPROACH

- Intensify and accelerate lead generation
- Use every positive customer contact for cross- and upselling
- Combine A and C parts of strategy under one consistent sales approach
- Achieve significant A to C conversion rates already in year 1
- Achieve healthy cost per order
- Exchange best practice
- Expand range of products and solutions
- Accelerate time to market
- New leasing model

10 COUNTRIES BECOME 3 REGIONS



LEVERAGE CUSTOMER POTENTIAL

ACCOMPANY OUR CUSTOMERS ON THEIR JOURNEY INTO THE DIGITAL WORLD

ACT

FOUNDATIONS OF GROWTH

LEVERAGE CUSTOMERS

>200,000

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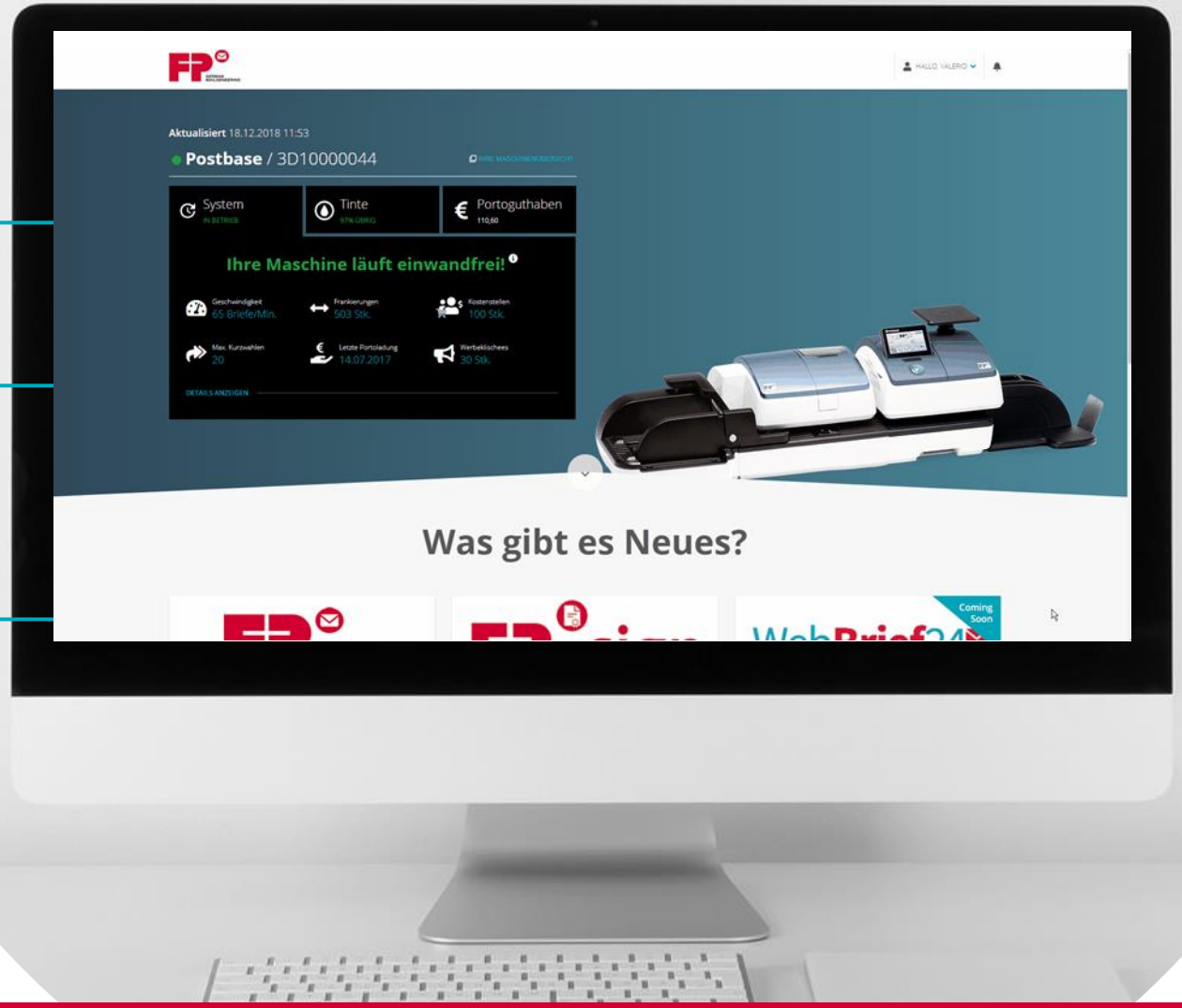
SOLUTIONS MAKING OFFICE LIVES MORE EFFICIENT AND CONVENIENT

GERMAN
MAILGENEERING
discoverFP
PORTAL TO THE DIGITAL WORLD

THE PORTAL TO THE DIGITAL WORLD

- Meter monitoring and management
- Value-added services
- App-platform for own and 3rd party products

discoverFP.com



FP Sign

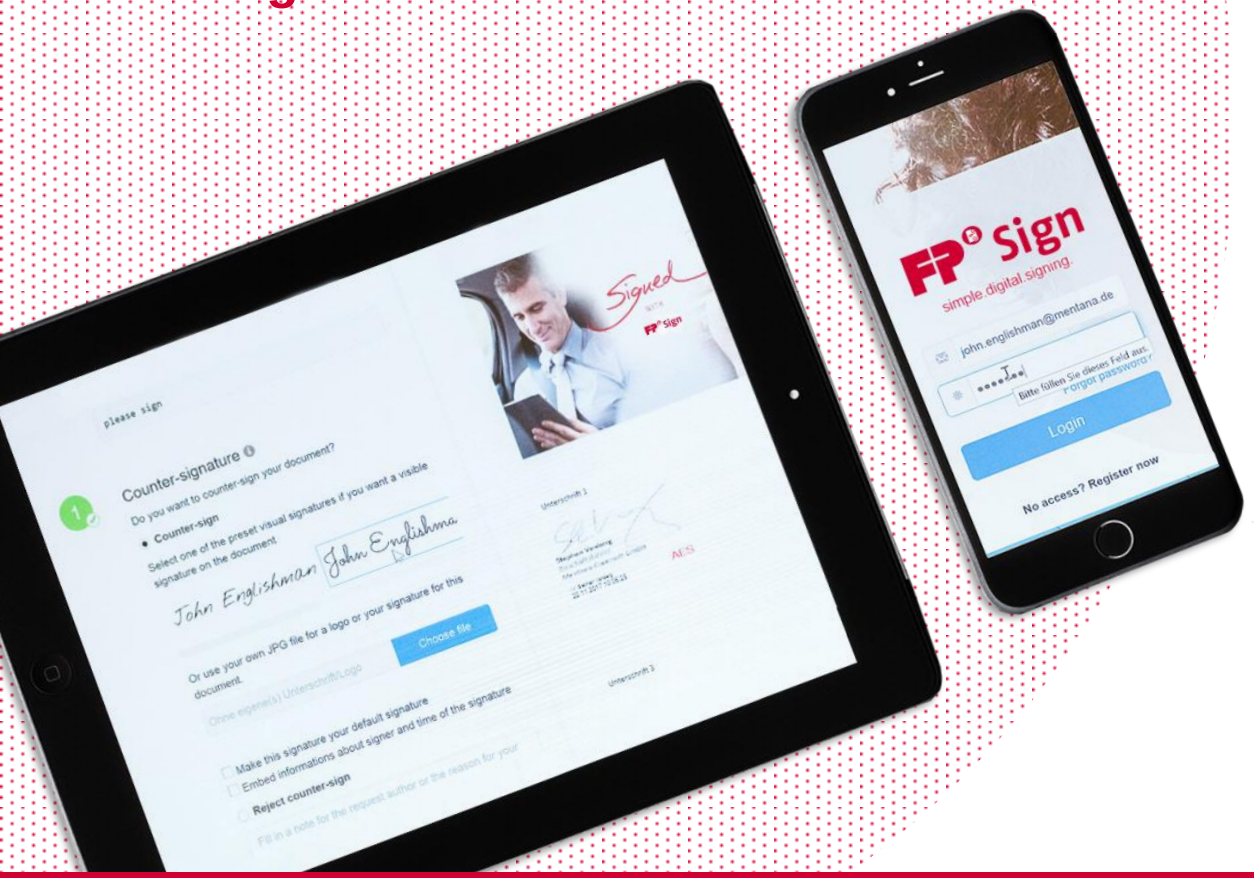
EFFICIENT WORKFLOWS

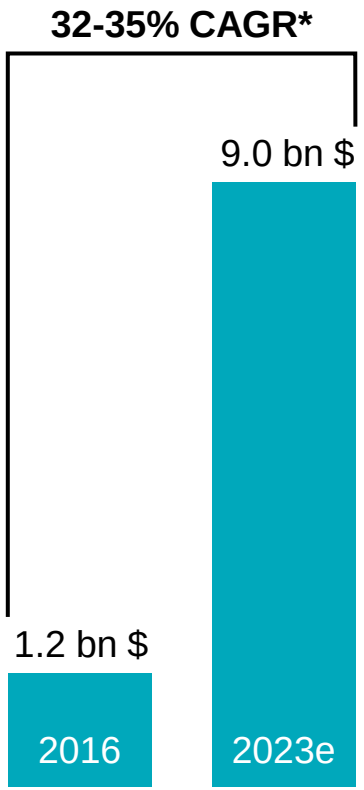
AT THE HEART OF CURRENT ISSUES

SOCIAL MEDIA CARRY OUR MESSAGES

FP SIGN: EFFICIENT WORKFLOWS – EASY AND SECURE

High demand in fast growing e-signature market





* E-signature software market
Source: PS Market Research 6/2017

FP Sign Benefits

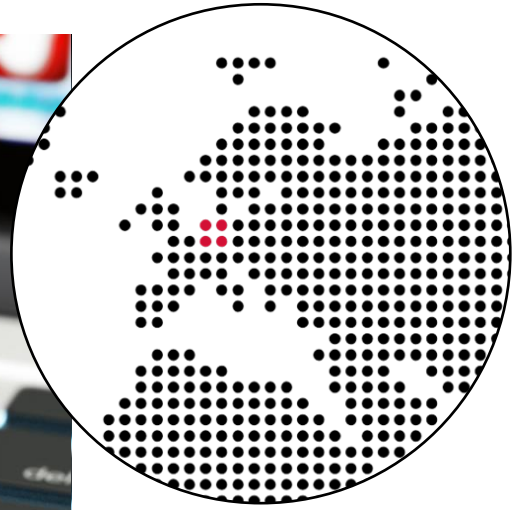
- Easy implementation and customization
- Tailored to SMB
- Data security made in Germany

Three sales channels

- Existing customer base
- Cooperation with ERP vendors
- Direct sales

FP PARCEL SHIPPING

Targets: Win high percentage of active users



USA

- Cross and upselling
- Monthly recurring fee
- Single- and Multicarrier version available

Germany

- Available to customers immediately
- Recurring fee as part of teleport with slight increase
- Multicarrier version available as of 2020

Mail and Hybrid Services

FP MAIL SERVICES

- FP Mail Services are number 3 and largest independent downstream access provider in Germany
- Customer benefit: Access to attractive postal pricing
- Complementary to FM business and input/output management
- High volume and labour intensive business with low margins

Targets:

Focus on revenue growth and margin improvement

HYBRID SERVICES: INPUT/OUTPUT MANAGEMENT

- Value proposition:
  integrated input/output management
- Customer benefit: Highly customized solutions for mid-size customers
- Highly fragmented market
- Hybrid services complementary to FM and downstream access business

Targets:

Revenue growth and increase in EBITDA-margin

TRANSFORMING THROUGH TECHNOLOGY

PENETRATE IOT MEGA MARKETS

SVEN MEISE (CDO, COO)

$ 30,000,000,000

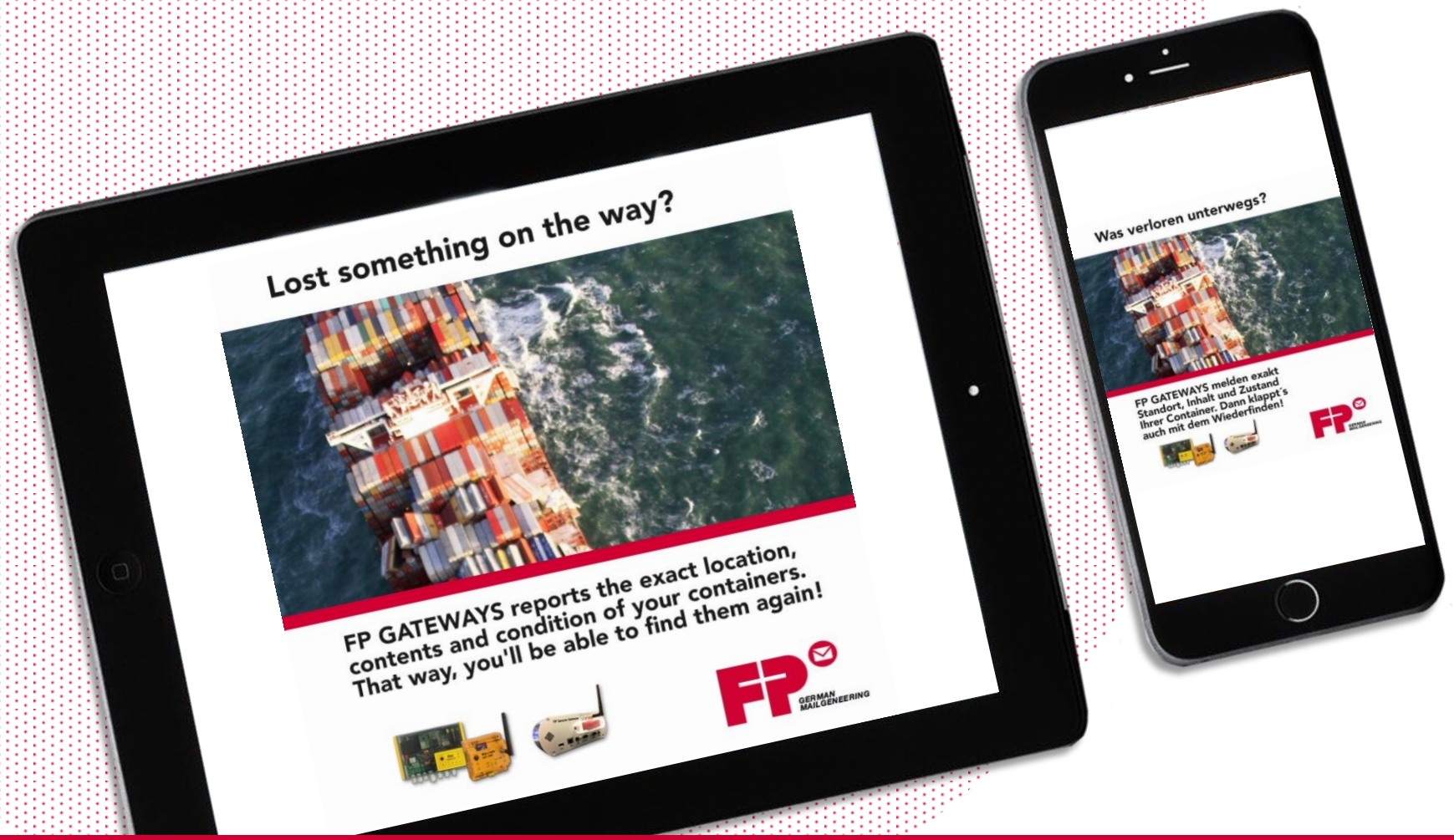
Security is more vital and more in demand than ever

up to
35%
CAGR*

* Referring to IoT-security market growth until 2023

AT THE HEART OF CURRENT ISSUES

SOCIAL MEDIA CARRY OUR MESSAGES



FOUNDATIONS OF GROWTH
LEVERAGE TECHNOLOGY

IoT Value Chain

PARTNERS | **FP** | **PARTNERS**

Sensors → Secure Gateway → Connectivity → Backend → Middleware → Analytics KI → Frontend (APP)

END TO END SOLUTION

ACCELERATED MARKET ACCESS

In May 2018, FP acquired tixi.com, a leading IoT specialist

Strategic focus IoT security for:

- Industry 4.0
- Energy revolution

30.000 Gateways already installed

METRO PROPERTIES

e·on

evoqua WATER TECHNOLOGIES (ehemals Siemens)

MVV Energiedienstleistungen

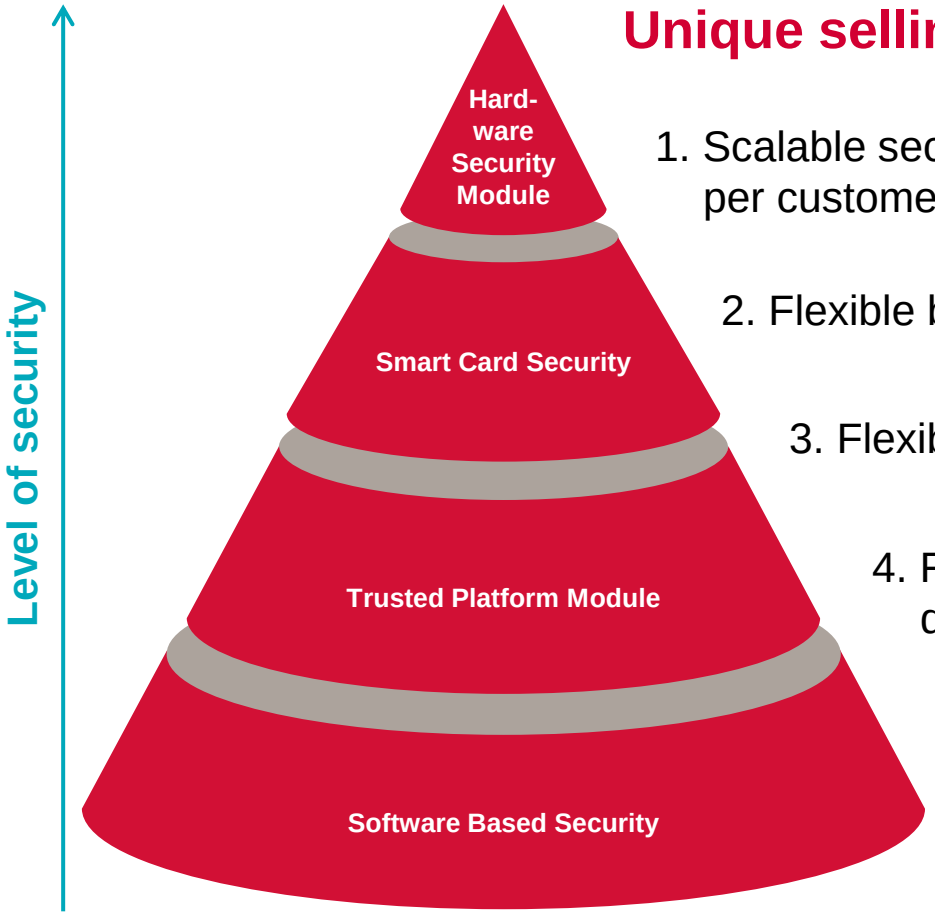
GETEC GRUPPE

Linde

mainova

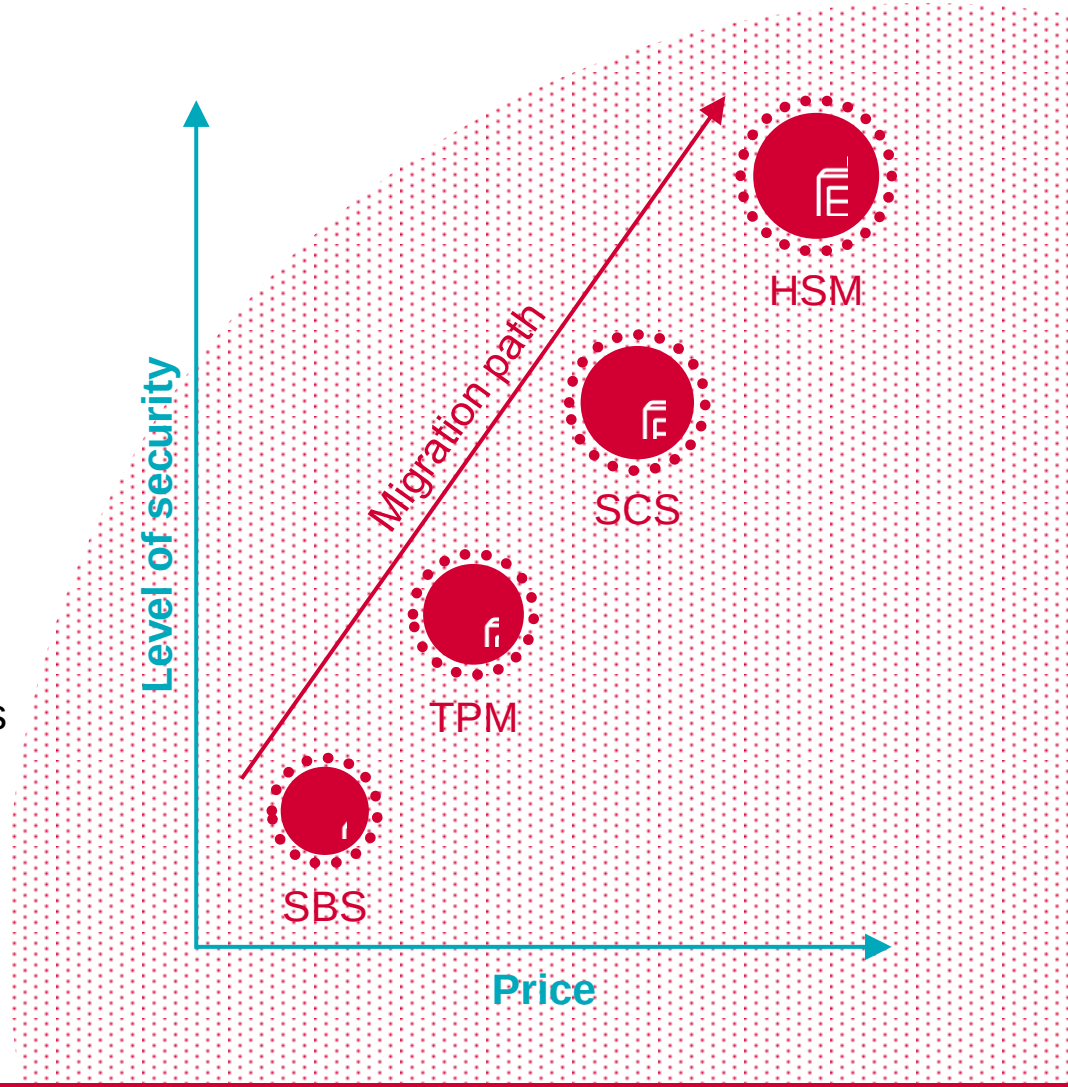
VATTENFALL

LEADING EDGE GATEWAY TECHNOLOGY



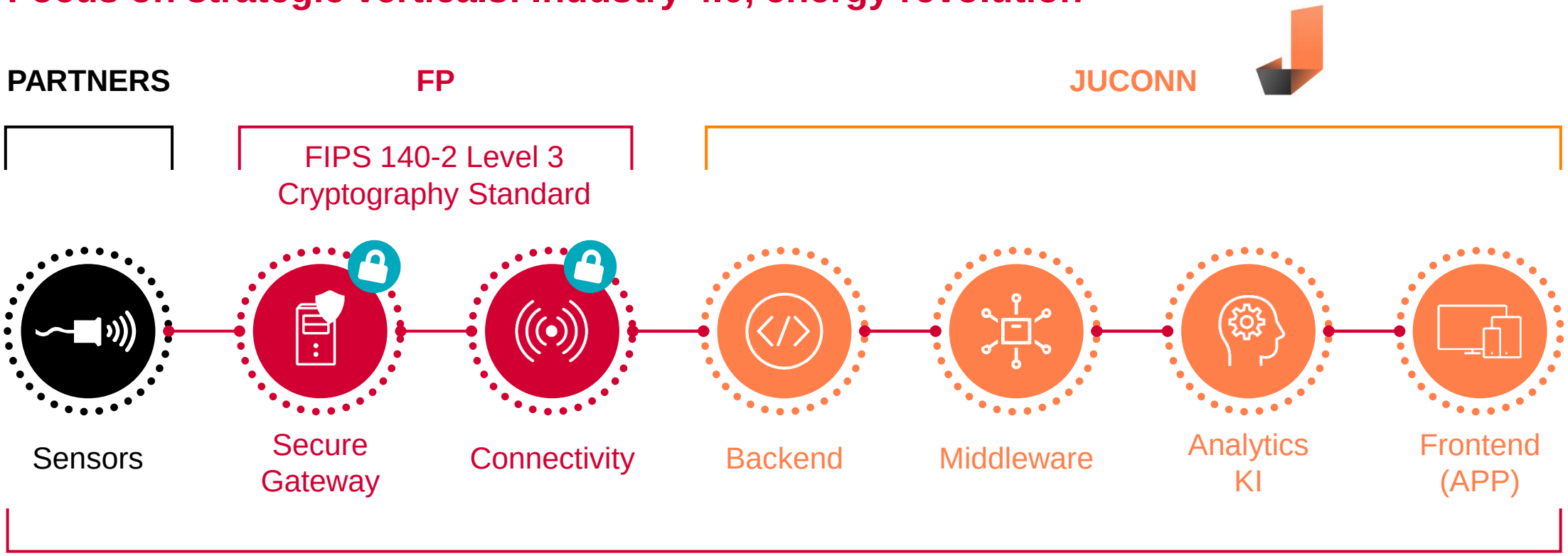
Unique selling proposition

1. Scalable security solutions as per customer requirements
2. Flexible billing systems
3. Flexibility of data sources
4. Flexibility of downstream solutions
5. Quickest time-to-PoC



EXPANDING OUR IOT VALUE CHAIN

Focus on strategic verticals: Industry 4.0, energy revolution



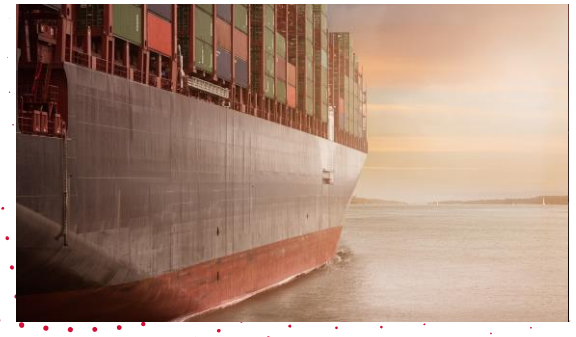
ACCELERATED MARKET ACCESS

Provider of cloud and smart data solutions and incubator aiming at market leadership in specific segments:

- Data-agnostic platform
- Integration of blockchain technology
- Adaptability to individual customer needs

Joint offering of comprehensive, customized end-to-end solutions

15% Participation as of January 2019



JUCONN ACTS AS INCUBATOR

Facts

- Offers access to its highly flexible, data-agnostic cloud platform to innovative business founders
- Obtains shares in the young companies, thus
- Continuously growing its network
- Continuously increasing its know-how from a wide range of industry segments
- Laying the foundation for leadership in selected markets

SUSTAINABLE REVENUE AND EARNINGS GROWTH

RÜDIGER ANDREAS GÜNTHER (CEO, CFO)

FP: THE 95-YEAR-OLD START-UP

Start-up

- Empty pockets
- No customers
- No proven technology
- No brand

Spirit & Innovation

FP

- Financial flexibility up to 200 mn €
- >200,000 customers worldwide
- Leading edge technologies
- Unique brand

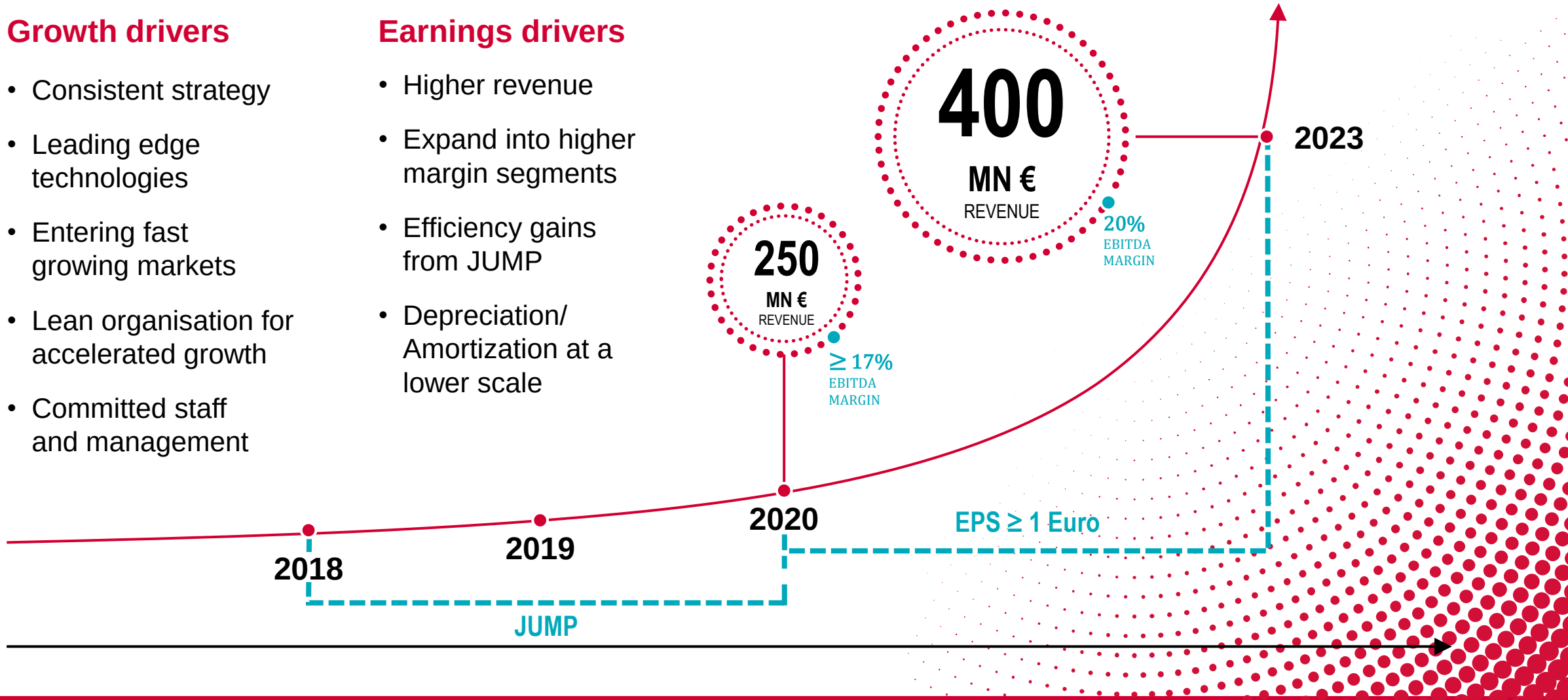
FP 2023 REVENUE TARGETS

Growth drivers

- Consistent strategy
- Leading edge technologies
- Entering fast growing markets
- Lean organisation for accelerated growth
- Committed staff and management

Earnings drivers

- Higher revenue
- Expand into higher margin segments
- Efficiency gains from JUMP
- Depreciation/ Amortization at a lower scale



With our innovative, efficient products and services, we make our customers' lives easier, leaving them more time and thus greater enjoyment in their everyday work

By 2023,
we will be the
first brand customers
think of and trust
for secure mail
business and
digital communication
processes

We ACT
to win
your trust

INVEST IN
OUR FUTURE