



FINANCIAL RESULTS 2019 & OUTLOOK 2020

ACT & JUMP ARE DELIVERING

CEO/CFO: STILL SOME WORK AHEAD



Not everything went according to plan:

- Revenue should have been even higher...
- We would have liked to expand our business model...
- Our share price...

But nevertheless:

- + In view of all performance key indicators, 2019 was a successful year
- + We have increased our market share
- + We launched so many new products like never before
- + Share price: at € 3.45, 15 %(!) higher than at the start of the year

ACT & JUMP ARE DELIVERING

CSO: WE CAN STAND UP TO OTHERS WITH CONFIDENCE



Not everything went according to plan:

- Our cross- and upselling strategies...
- Our decentralised marketing approach...

But nevertheless:

- + The launch of the PostBase Vision, first in the US, was a success.
- + Our market share in France has grown by 1.3 % to over 5 %
- + FP Sign in Germany: we acquired some high-profile customers

ACT & JUMP ARE DELIVERING

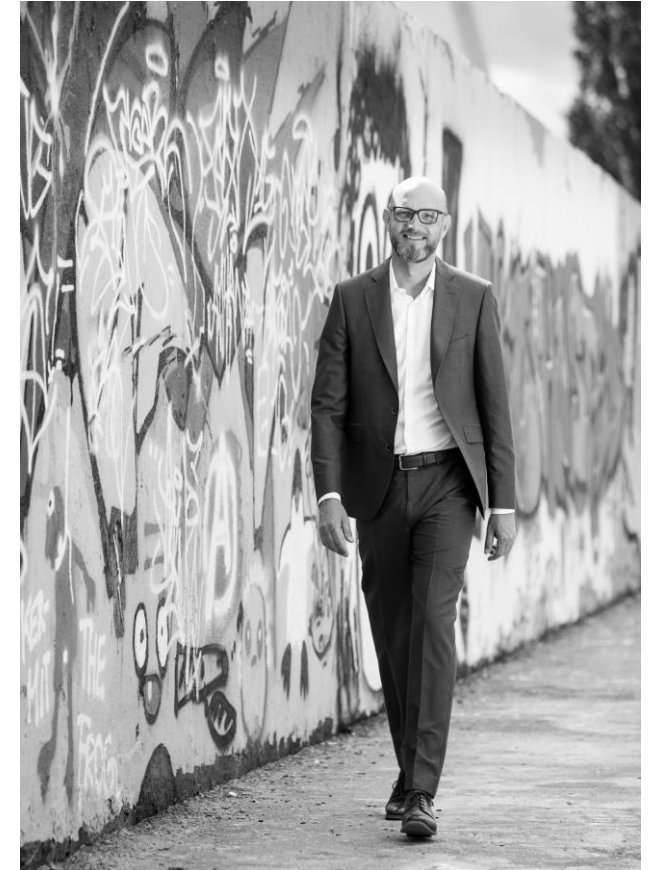
CDO/ COO: MARKETS GROW TOWARDS OUR FUTURE

Not everything went according to plan:

- Bottlenecks forced us to delay the US launch of Parcel Shipping
- Juconn's revenue has not yet reached the expected level

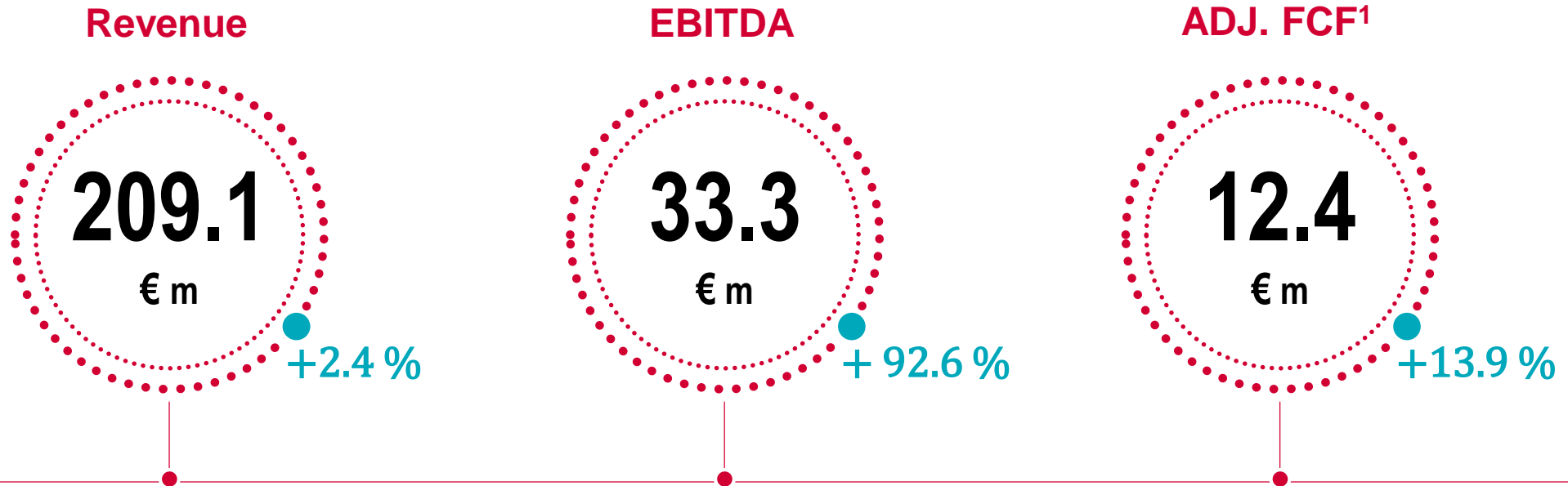
But nevertheless:

- + Successful integration of Tixi in 2019
- + Improved perception of FP in the major IoT markets
- + JUMP has been fully accepted by the organisation



ACT DELIVERED BEST FIGURES EVER

FP INCREASES EBITDA SIGNIFICANTLY IN 2019



- Adjusted for FX: Revenue of € 206.5 m, adjusted for FX and JUMP: EBITDA of € 34.6 m
- JUMP expenses of € 2.3 m, implementation ongoing
- Non-adjusted Free cash flow of € 1.7 m

¹ Excluding additions to finance lease assets, M&A and JUMP payments
EUR/USD exchange rate in 2018: 1 € = 1,1810 USD, in 2019 = 1.1196 USD

EBITDA FY 2019 INCREASED SIGNIFICANTLY

FP ALSO EXCEEDED INITIAL EBITDA EXPECTATIONS

€ m	FY 2018	FY 2019
Revenue	204.2	206.5 ¹ 209.1
EBITDA adjusted²	25.1	34.6
EBITDA as reported	17.3	33.3
EBITDA Margin	8.5 %	15.9 %
Amortisation/ depreciation	17.3	27.4
EBIT	0.0	5.9
Net Income	0.9	1.7
EPS (basic, Euro)	0.06	0.11

Factors influencing revenue and/or EBITDA

- Currency: Positive effects of € 2.6 m (revenue) and € 1.0 m (EBITDA)
- JUMP: Non-recurring expenses of € 2.3 m (in previous year € 8.0 m) and recurring savings in the same amount (“wash”)
- IFRS 16: impact on EBITDA of € 3.7 m almost offset by depreciation of the right-of-use assets of € 3.7 m
- Reassessment of economic useful life of leased products: positive effect of € 3.1 m (revenue) and € 2.5 m (EBITDA)

Adjusted EBITDA 36.5 % above previous year level/ **EBITDA as reported** 92.6 % above previous year level

Amortization/depreciation

- Increase due to IFRS 16 and impairment of freesort goodwill (€ 5.9 m) and of FP Sign (€ 2.7 m)
- Decline due to reassessment of useful life of leased products (€-3.1 m)

Net Income/EPS

- Due to the negative one-off effects, including the impairment of Juconn (€ 1.0 m), net income/EPS for 2019 is again low in comparative terms

¹ Currency adjusted | ² Adjusted for currency effects and JUMP expenses
Comparative period 2018 adjusted.

FREE CASH FLOW

HIGH INVESTMENTS / PAYMENTS INFLUENCE CASH FLOW

€ m	FY 2018	FY 2019
Cash flow from operating activities	24.2	23.0
Cash flow from investing activities	-21.2	-21.4
Free cash flow	3.0	1.7
Adjusted free cash flow¹	10.9	12.4
Cash flow from financing activities	-6.4	-4.7
Cash and cash equivalents	21.2	18.5

Cash flow from operating activities

- Continuous positive effects from strong core business, higher profitability and strict cost management
- JUMP payments of €-3.8 m (in 2018 €-1.4 m)
- High one-off tax proceeds in the previous year (€ 5.9 m)
- IFRS lease payments of €-3.9 m recognized as cash flow from financing activities

Cash flow from investing activities

- Increase in investments in internally generated intangible assets of €-13.9 m (€-8.0 m for new products, €-5.5 m for ERP/CRM)

Adj. free cash flow reflects strong cash generation potential, adjustment of JUMP (€-3.8 m), M&A (€-1.0 m), investment in finance lease assets (€-5.9 m; thereof €-3.1 m due to reassessment of economic useful life of leased products)

Cash flow from financing activities

- IFRS 16 effect of lease payments of €-3.9 m, previously recognized as cash flow from operating activities
- Dividend payment of €-0.5 m (2018: € -1.9 m)

¹ Excluding investments in finance lease assets, M&A and payments for JUMP

RESTATEMENT AS OF 01.01.2018 DUE TO DUTCH PENSION PLANS

JUMP: CONTINUOUS OPERATIONAL OPTIMIZATION EFFORTS

Effects on Group financial statements

€ m	01.01.2018 adjusted	Period 2018 adjusted	31.12.2018 adjusted	Period 2019	31.12.2019
Pension provisions	2.7		2.6		3.0
EBITDA		0.2		0.3	
Effect on Equity	-2.0	-0.0	-2.0	-0.3	-2.3
Equity	31.7 (18.5 %)		31.3 (18.7 %)		32.0 (17.2 %)

- Analysis of group-wide pensions plans as part of JUMP and preparation of Group financial statements 2019
- Pension plan in the Netherlands, set up in 2000, initially identified as defined contribution plan, had to be restated as defined benefit plan
- Accounting was corrected in the consolidated financial statements for 2019 at the beginning of the comparative period on 2018, January 1
- The effect of the first-time recognition of pension provisions on equity amounts to €-2.0 m as of 2018, January 1
- JUMP project not only increases power for ACT strategy, but also eliminates historically established organizational risks

FP 2019 CORE BUSINESS

CONTINUOUS SUCCESSFUL ATTACK IN CORE BUSINESS 2016 - 2019

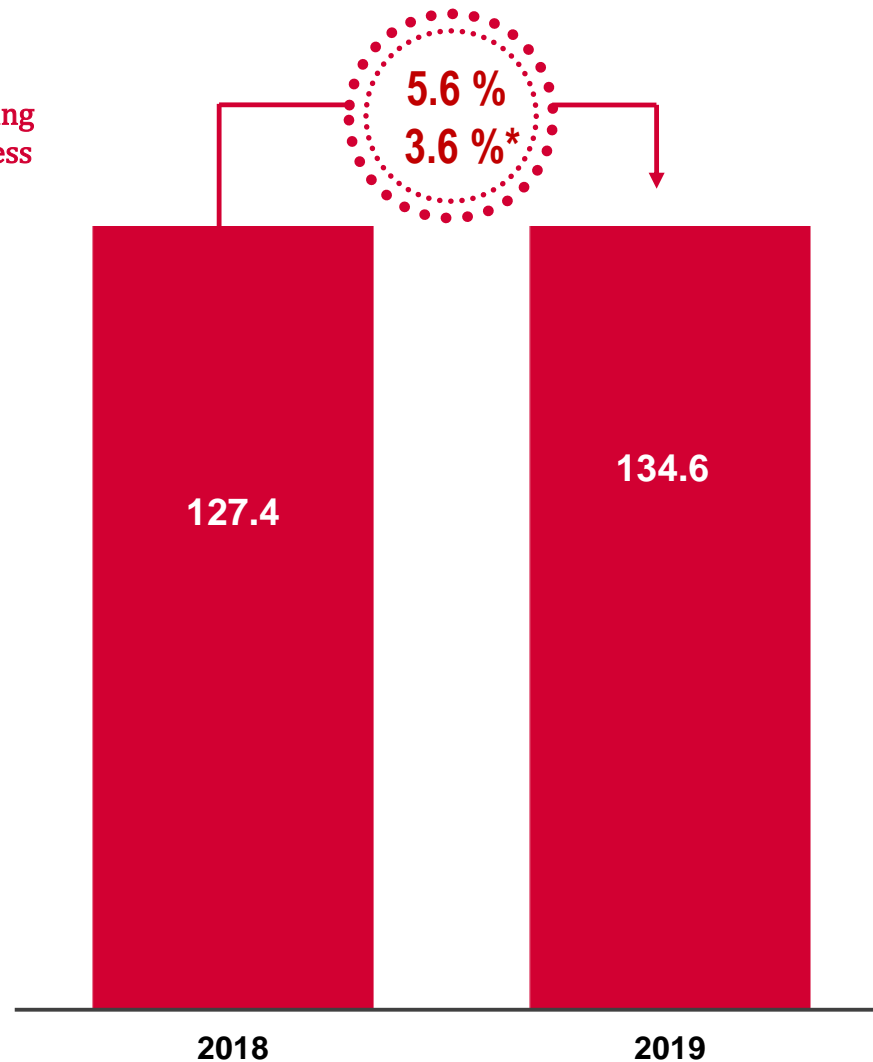
Peer group comparison

	FP		Peer 1		Peer 2	
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	
FY 2018	0 %		-6 %		-6 %	
excluding currency effects	2 %		-4 %		NA	
FY 2019	5.6 %		n.a.		-9 %	
excluding currency effects	3.6 %		-2.8 %		n.a.	

REVENUE GROWTH

CORE BUSINESS GROWTH ACHIEVED BUT ONLY SMALL WHEN ADJUSTED FOR REASSESSMENT OF USEFUL LIFE

Revenue Franking
Machine Business
in € m



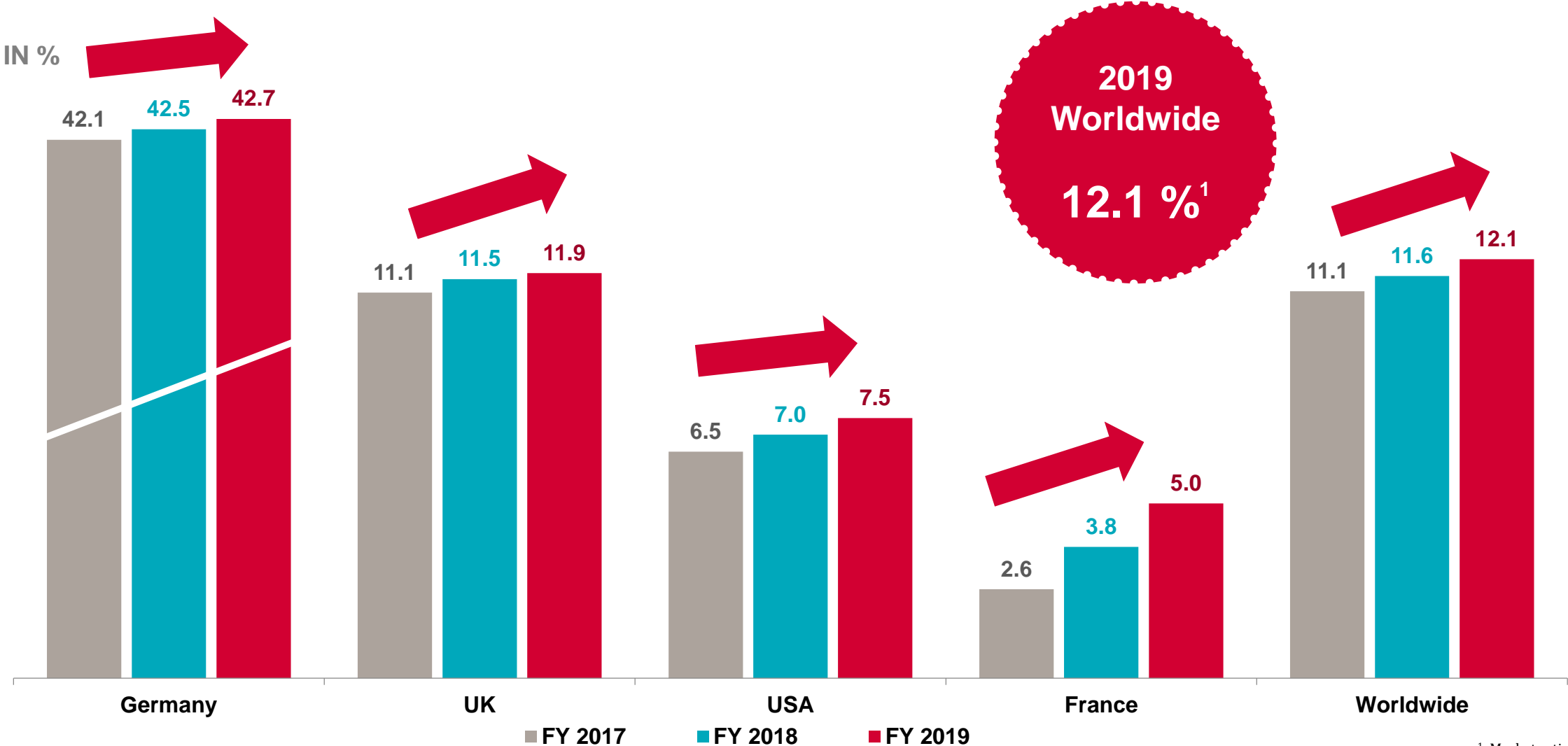
Revenues up by 5.6 % as reported and 3.6 % adjusted for FX effects (€ 2.6 m)

- Strong increase in service fees due to postal rate change in Germany
- Positive impact from launch of new postage meter product range PostBase Vision in the US market, UK and Germany
- FP gained further market share in strategic important markets such as France and US
- Net growth of 1.3 % taking into account the effect of the reassessment of economic useful life of leased

* Currency adjusted

FP MARKET SHARE IN FRANKING FURTHER INCREASED IN 2019

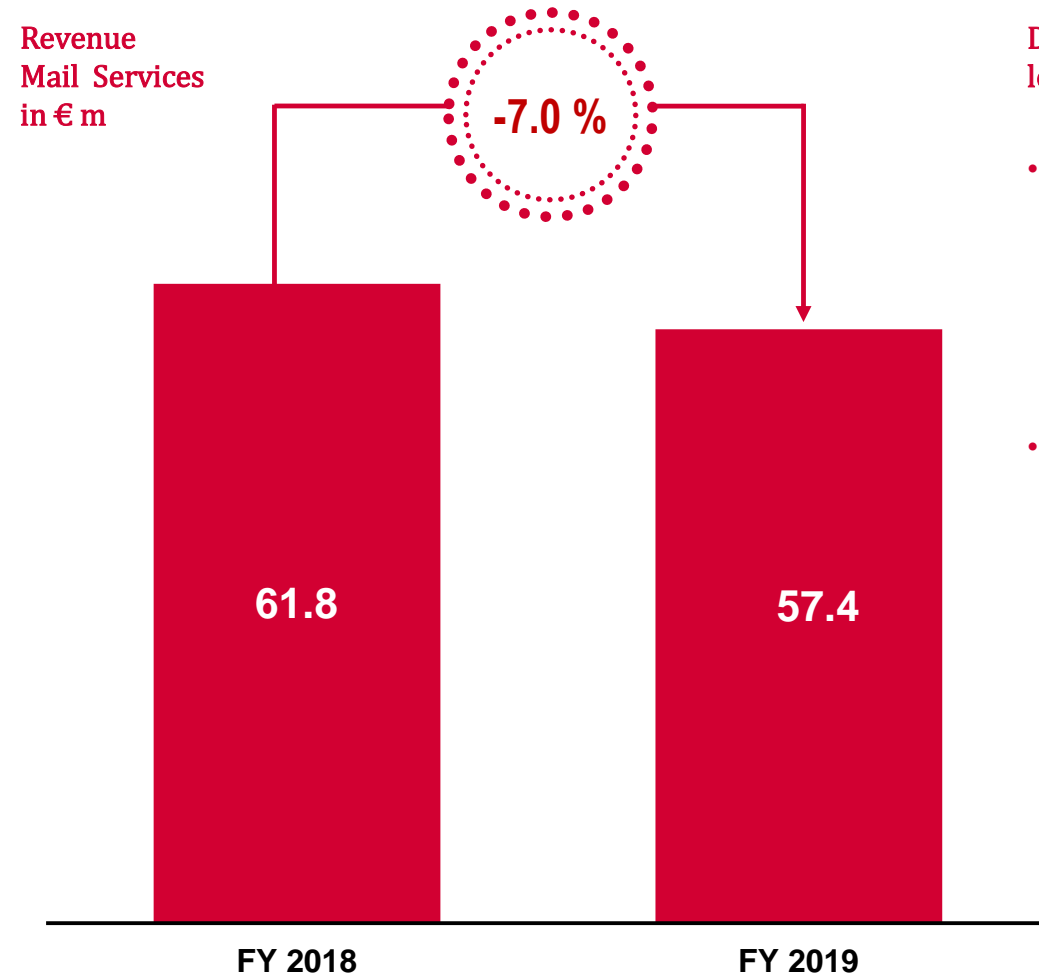
OUTPERFORMING MARKET & COMPETITORS



¹ Market estimates

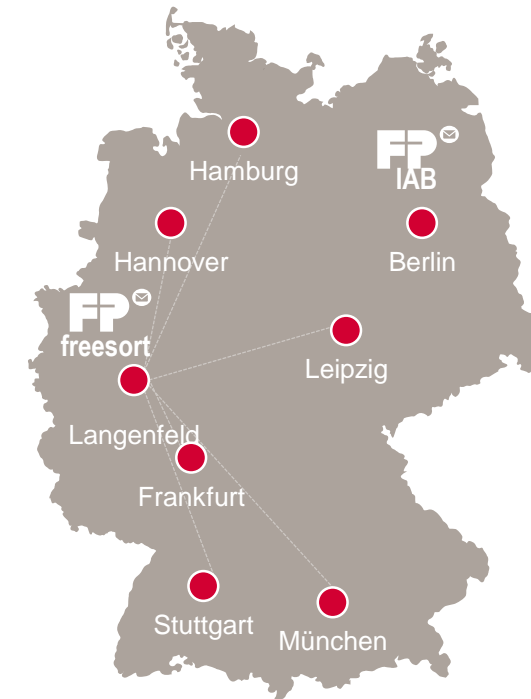
FP MAIL SERVICES

DECLINE IN REVENUE SLOWS DOWN

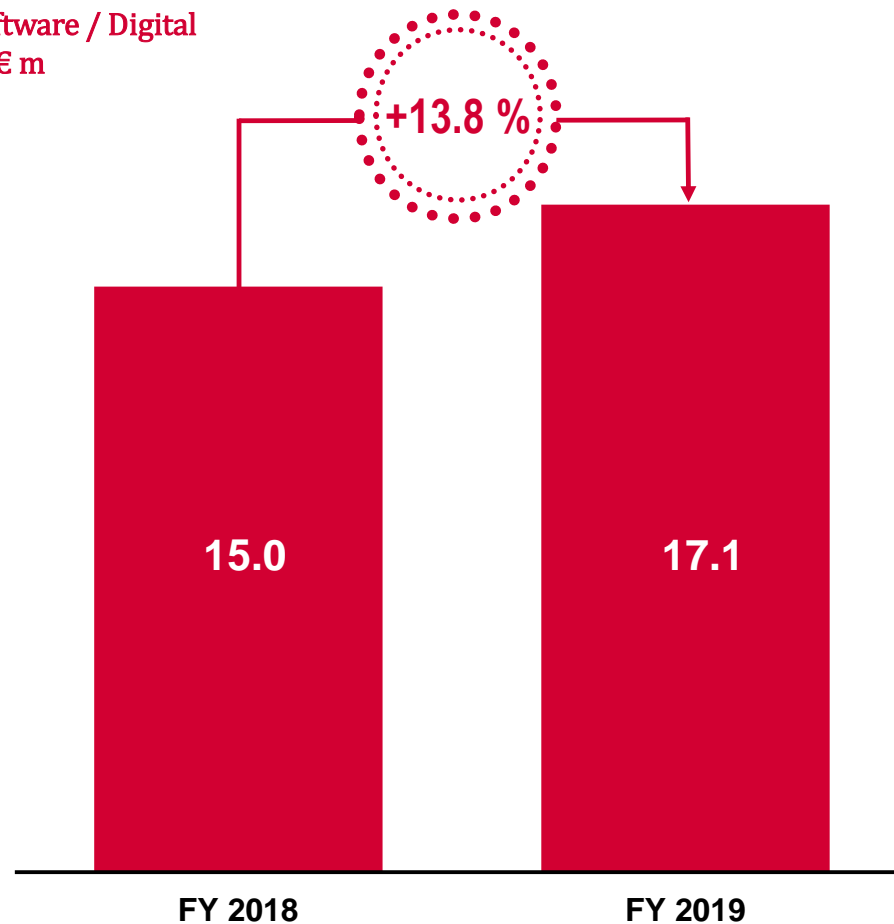


Decline in revenues further slowed down in Q4 2019, leading to an overall decline in 2019 of 7.0 %

- Factors remain:
 - Decrease above industry average in mail volume with -12 %, driven by FP's decision to terminate unprofitable contracts
 - Focus on profitable revenue, still no compensation of foregone revenue
- Positive impact:
 - Postage tariff increase by DPAG
 - Improvement in margins due to an increase in relevant discounts (Teilleistungsrabatt/ Infrastrukturabbatt)
 - Improved customer acquisition
 - Superior IT platform leading to successful customer acquisition from competitors



Revenue
Software / Digital
in € m



Hybrid Mail Services

- Solid growths in output management projects with key customers and growth in input management
- Strengthening of sales activities

FP Sign

- Strong delay in product development in 2019 due to resource constraints, which led to missing product features
- Sales & marketing activities were slowed down in international roll-out in combination with initially missing product specifications resulting in a strong deviation from business plan with the effect of impairment of capitalized development costs
- Despite of this push-back still some landmark customers were successfully acquired throughout 2019

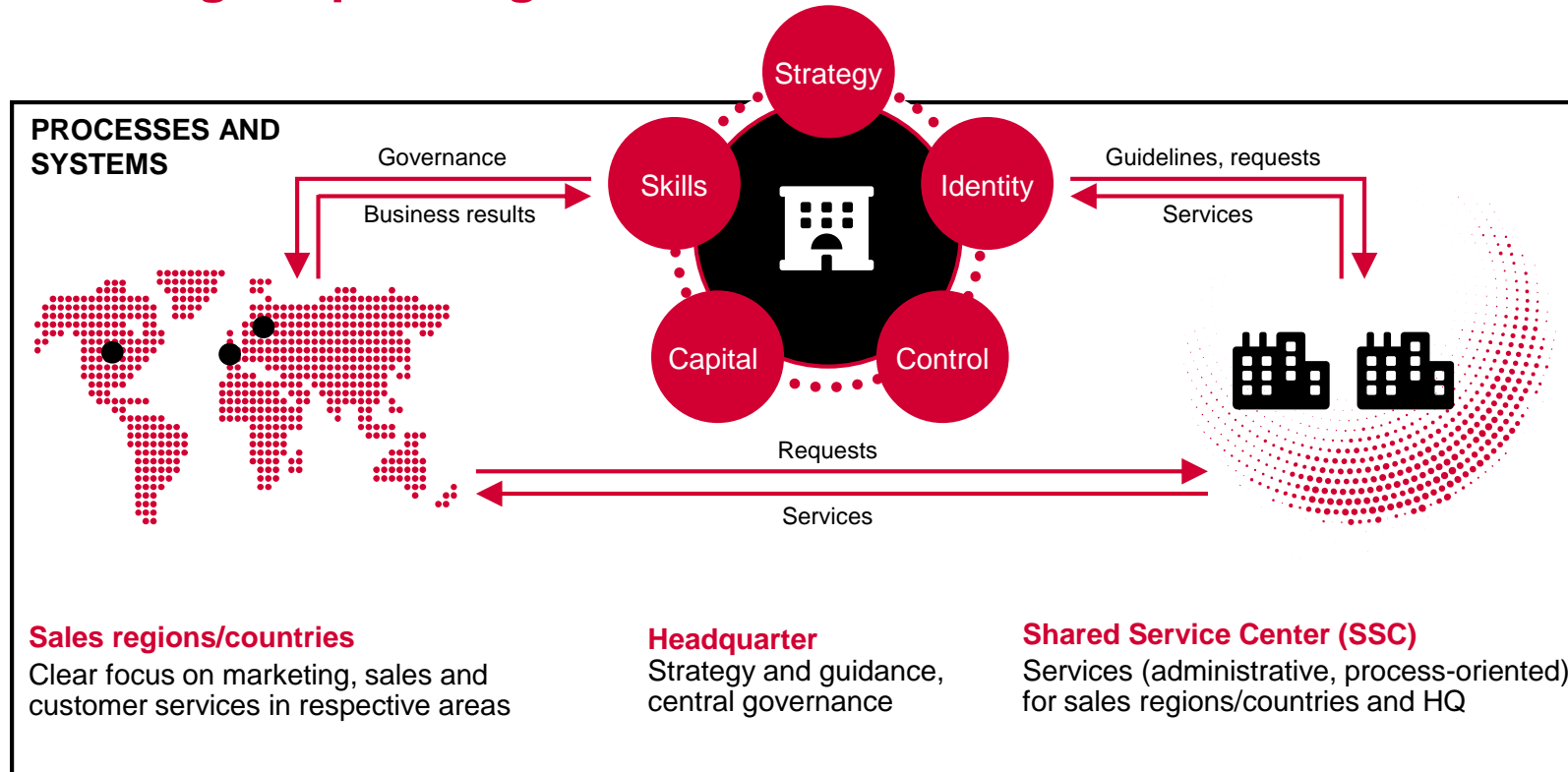
IoT

- Successful integration of Tixi operation
- Comprehensive and redesigned IoT product portfolio to address focus verticals
- Successful marketing campaign to improve FP's brand recognition in the relevant markets (energy, automation, infrastructure)
- Technical integration with Juconn IoT platform completed

JUMP IN 2019

IMPLEMENTATION ONGOING (UPDATE)

Our Target Operating Model



Status update: JUMP

- SSC Europe successfully opened and transfer of first administrative/process-oriented functions ongoing as scheduled
- Recurring savings of € 2.3 m realized, higher than expected ("Wash achieved")
- ERP/CRM to be fully implemented at the end of 2021
- As of 2022 full realization of € 6 m recurring savings

THE CURRENT CORONA-SITUATION

FP FOCUSSES ON EMPLOYEE AND CUSTOMER SAFETY, BUSINESS CONTINUITY, RESILIENCE - AND SAFEGUARDING CASH AND EARNINGS

Business Continuity

- Majority of employees globally are working on a remote basis (home office)
- Focus on working capital while maintaining secure supply chain (raw material buffer)
- Remote service (wherever feasible)
- Global IT organizational fully operational

Measures taken/planned:

- Hiring freeze, Short-time work, use of holidays/overtime
- Capex/ Opex reduction: expense reduction, project reviews
- Screening of public support programs
- Continuous detailed scenario analyses
- Liquidity management: As of 31 Dec 2019 funds of almost € 180 m of liquidity reserves (thereof almost € 20 m in cash and cash equivalents, and remainder in unutilized € 200 m syndicated loan facility)
- Active lender dialogue, financial covenants were comfortably met

Business Resilience

- High level of recurring revenues in core business
- Franking Business: Double-digit negative impact on order intake and consumables, varying throughout the 3 regions
- Mail Services: noticeable decline in processed mail volume
- Hybrid Mail: relatively stable and low negative impact as of mid April
- FP Sign: Increased customer leads and registrations (as a result of remote activities)
- IOT: delay in customer projects

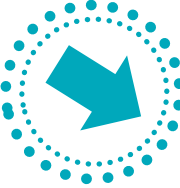

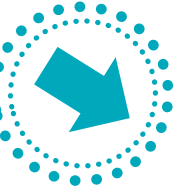


Guidance 2020 & Outlook 2023



FY 2020 GUIDANCE

SIGNIFICANT DECLINE EXPECTED DUE TO SARS-COV-2

	2019		2020
REVENUE*	€ 209.1 m		Significant decline
EBITDA*	€ 33.3 m		Significant decline
ADJ. FCF**	€ 12.4 m		Significant decline

Pre-corona guidance intended

- Increase of revenue by 5 – 8 %
- EBITDA in the range of € 30 m to € 34 m

* Based on constant currency level;

** Excluding payments for JUMP, additions to finance lease assets and M&A.



FINANCIAL RESULTS 2019 & OUTLOOK 2020

Q&A session



APPENDIX

REVENUES BY PRODUCT AND SERVICES

CONTINUOUSLY STRONG RECURRING REVENUE BASE

€ m	FY 2018	FY 2019
Equipment sales & others	35.6	32.2
Service	23.2	26.4
Consumables	23.1	24.3
Teleporto	9.1	8.4
Mail Services	61.8	57.4
Software/ Digital	15.0	17.1
Revenue acc. to IFRS 15	167.9	165.7
Finance Lease	8.0	14.7
Operate Lease	28.3	29.1
Revenue acc. to IFRS16	36.3	43.7
Revenue total	204.2	209.1

Major items in 2019

- Decline in equipment sales mainly due to lower sales in Germany following an unusually strong previous year in comparative terms
- Continuously strong service revenue increase in excess of 10 %
- Finance lease supported by first revenue from vendor lease partnership (Grenke). Effect of the reassessment of the useful life of leased products for lessor accounting of € 3.1m
- Operate lease positively impacted by growing installed base of PostBase franking systems, particularly in the North American lease market
- Positive development in Software/Digital mainly driven by hybrid mail services and by the solutions relating to the Internet of Things (IoT)
- App. 77 % of recurring revenues, underlining FP's resilient business model

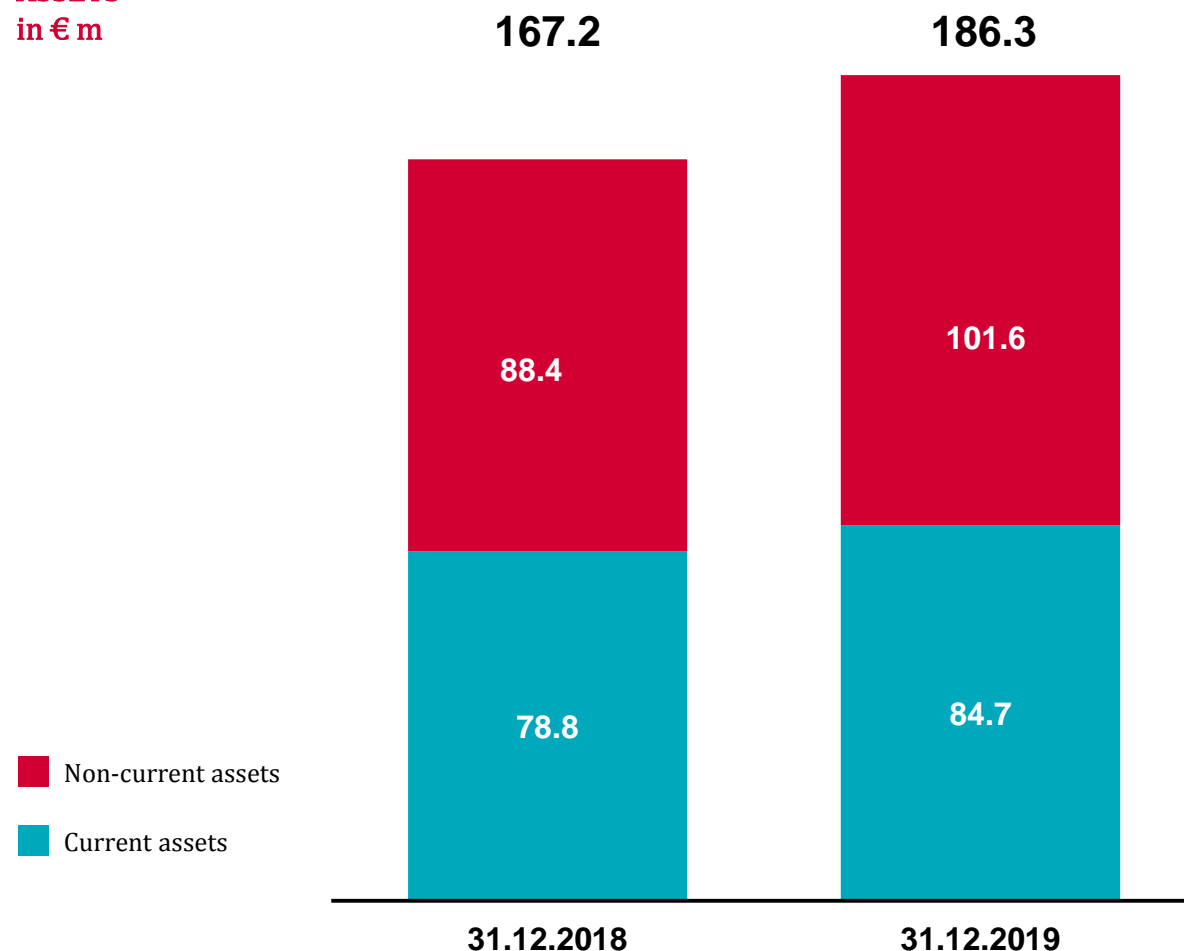
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2019

€ m	FY 2018	FY 2019	%
Revenue	204.2	209.1	+2.4
Change in inventories	-0.3	-0.0	n.a.
Other own work capitalised	14.1	18.6	+32.1
Total output	218.0	227.6	+4.4
Cost of materials	101.6	101.6	0.0
Staff costs	64.5	60.2	-6.7
Impairment losses and gains on trade receivables	0.8	1.9	120.9
Other income/expenses	-33.7	-30.6	-9.0
EBITDA	17.3	33.3	92.6
as % of revenue	8.5	15.9	n.a.
Amortisation/depreciations	17.3	27.4	58.2
EBIT	0.0	5.9	n.a.
Interest result	1.4	0.4	-71.8
Other financial result	0.1	0.6	962.4
Result from at-Equity investments	0	-1.0	n.a.
Income taxes	-0.5	-4.2	724.6
Consolidated net income	0.9	1.7	+85.4
EPS (€ basic)	0.06	0.11	+85.4
EPS (€ diluted)	0.06	0.11	+85.6

Comparative period 2018 adjusted.

FINANCIAL SITUATION – BALANCE SHEET ASSETS (31.12.2019)

ASSETS
in € m



Comparative period 2018 adjusted.

Non-Current Assets

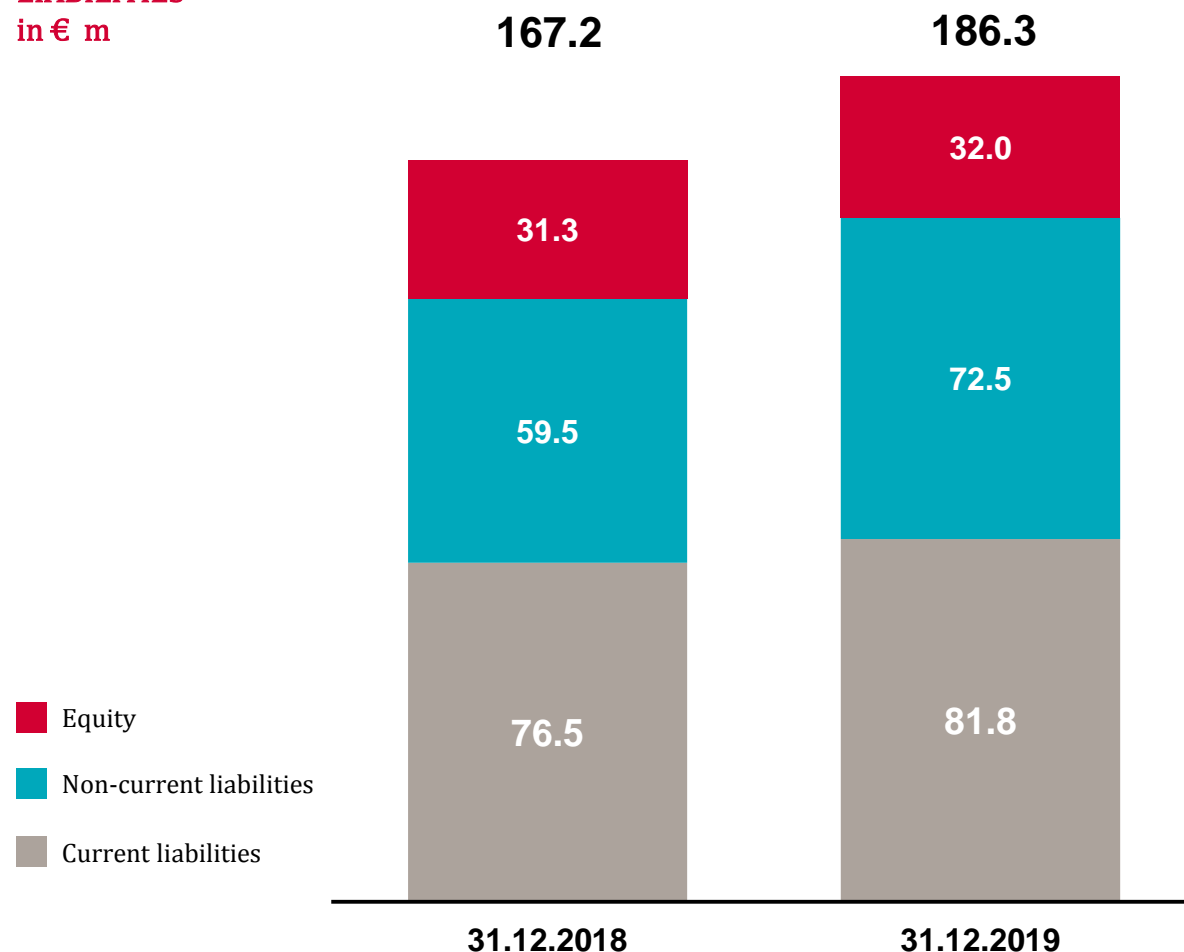
- + First-time adoption IFRS 16: accounting for right-of-use assets (€ 11.2 m)
- + Increase of other non-current assets, mainly due to increase in finance lease receivables (€ 4.2 m, thereof € 2.7 m due to reassessment of useful life of leased products)
- Decrease due to impairment of freesort goodwill (€-5.9 m) and FP Sign (€-2.7 m)

Current Assets

- + Slight increase of inventories (€ 0.8 m)
- + Significant increase of other assets (€ 5.9 m), mainly due to increase in finance lease receivables (€ 1.8 m) and tax refunds (€ 1.4 m)
- + Decrease in cash and cash equivalent (€-2.6 m), increase in postage credits managed by FP (€ 2.2 m)

FINANCIAL SITUATION – BALANCE SHEET LIABILITIES (31.12.2019)

LIABILITIES
in € m



Comparative period 2018 adjusted.

Equity ratio of 17.2 %
(31.12.2018: 18.7 %)

Non-current liabilities

- + Increase of provisions for pensions and similar obligations due to actuarial remeasurement during the fiscal year (€ 1.8 m)
- + Increase of other provisions, deferred tax liabilities and other liabilities due to reclassifying current provisions for the ACT project JUMP (€ 1.8 m); increase in deferred tax liabilities (€ 2.1 m)
- + Increase of financial liabilities, mainly following first-time adoption IFRS 16 (€ 7.2 m)

Current liabilities

- + Increase of financial liabilities, mainly following first-time adoption IFRS 16 (€ 3.3 m)
- + Increase of other liabilities (€ 3.7 m)



BASIC INFORMATION

Rüdiger Andreas Günther

CEO, CFO
since January 2016



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

Patricius de Gruyter

CSO
since June 2018



Degree in Business Administration, WHU – Otto Beisheim School of Management, Vallendar, Germany

- 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, COO
since February 2015

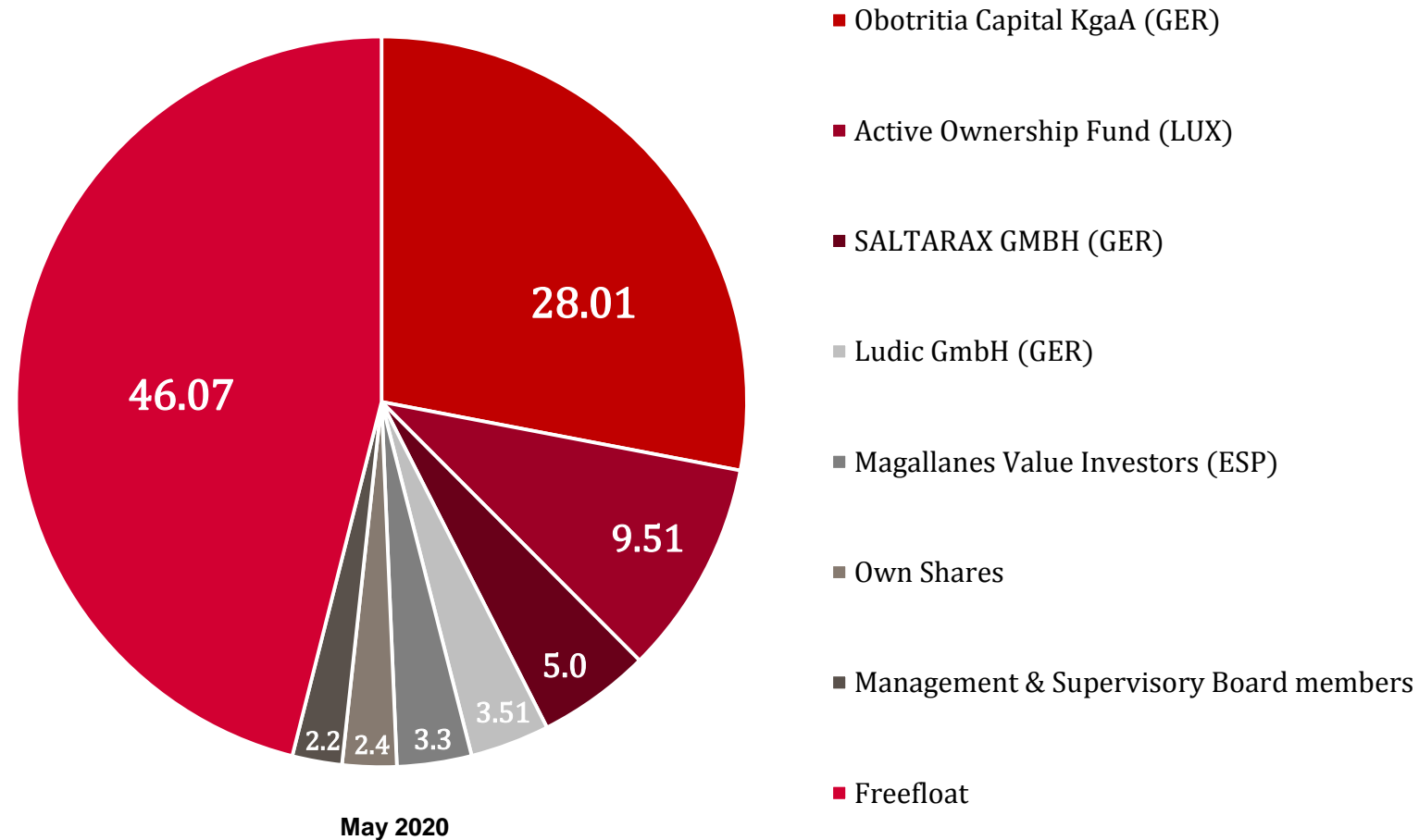


Degree in Business Administration specializing in Business Computer Science

- 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

THE FP SHARE

STRONG & INTERNATIONAL SHAREHOLDER BASE (IN %)



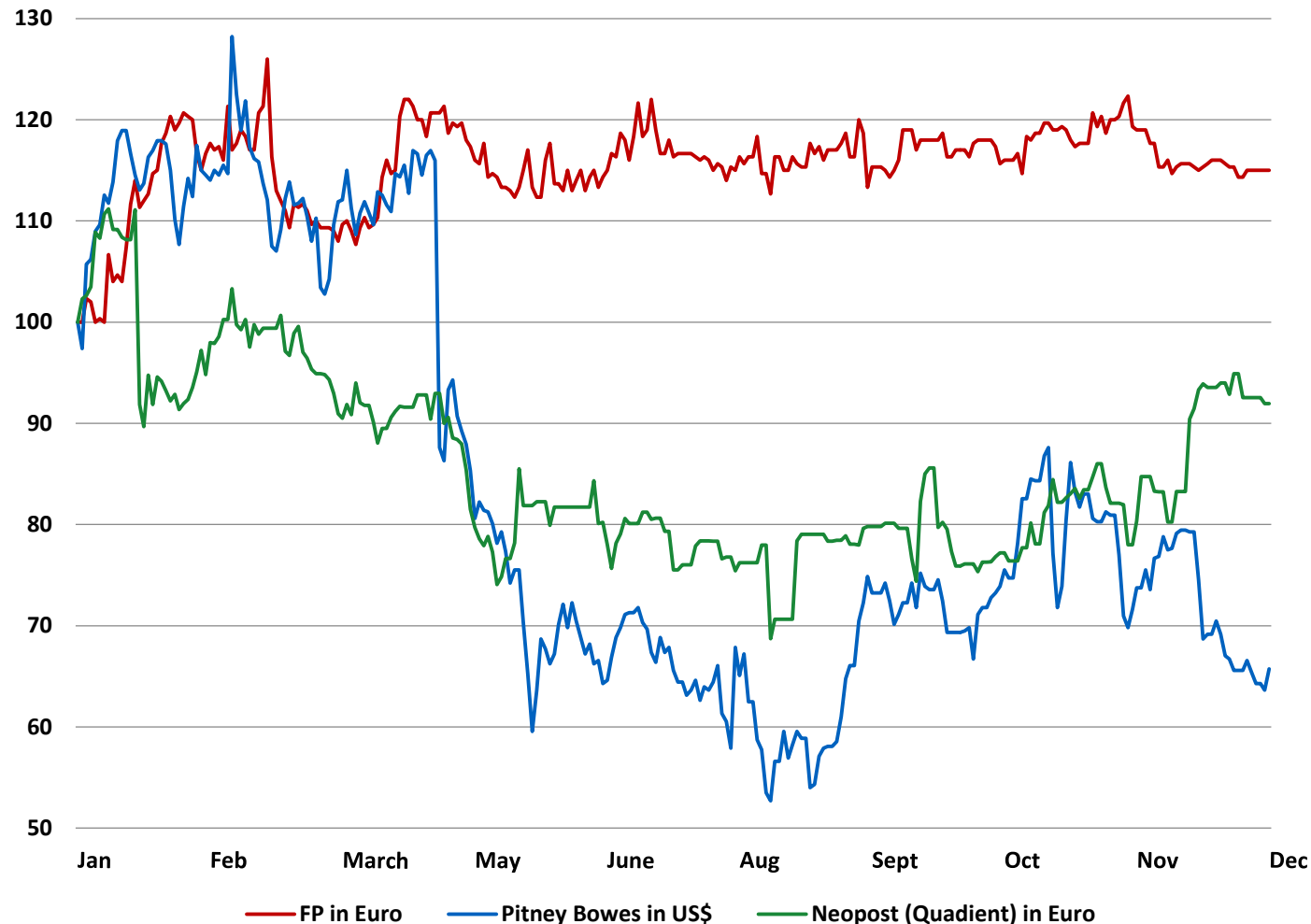
shares
16,301,456

Market cap
ca. € 50 m

Prime Standard

FP SHARE IN 2019

FP OUTPERFORMED COMPETITORS



2019
+15 %

NP 2019
-8 %

PB 2019
-34 %

FP share:

- ISIN DE000FHP9000
- Prime Standard
- Reuters: FPHG.DE
- Designated Sponsor:
Mainfirst / Baader Bank

CONTACT

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FINANCIAL CALENDAR

18 May 2020	Final Results for the Financial Year 2019
28 May 2020	Results for the First Quarter 2020
17 June 2020	Annual General Shareholders' Meeting, Berlin (under review)
27 August 2020	Results for the First Half Year 2020
16 November 2020	Results for the Third Quarter 2020
17 November 2020	German Eigenkapitalforum, Frankfurt

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 2016 Annual Report develop in a way other than we are currently expecting.

