



# FP GROUP

## PRELIMINARY RESULTS 2016 / OUTLOOK 2017

BERLIN | 2ND MARCH 2017

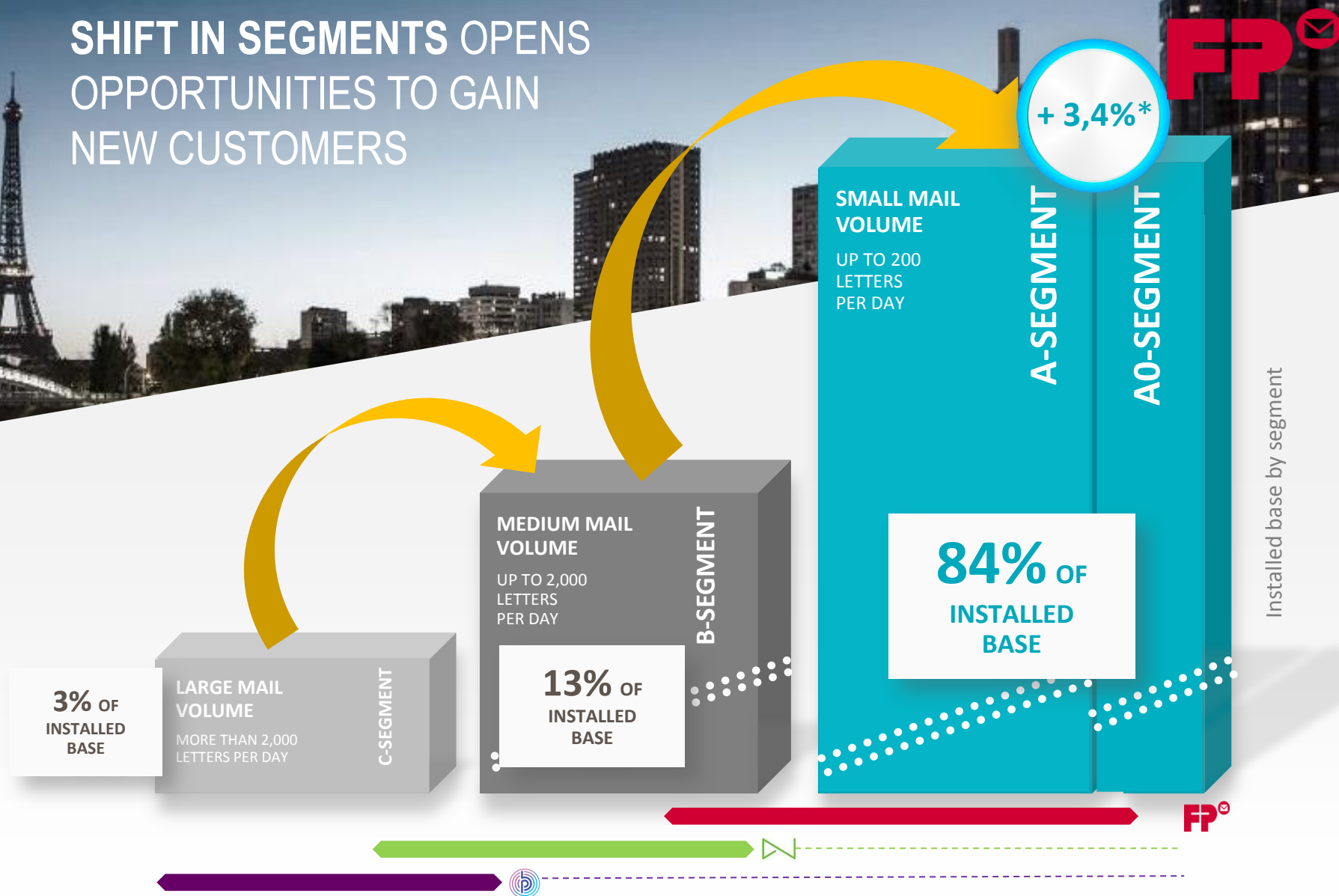
THE LETTER IS HERE TO STAY



- ✓ FP demonstrates strength
- ✓ With new strategy ACT  
FP will realise potentials
- ✓ We are kick-starting FP's future



# SHIFT IN SEGMENTS OPENS OPPORTUNITIES TO GAIN NEW CUSTOMERS



\* Based on data of the four largest meter markets : US, UK, Germany, France (incl. PC-Postage)

FOCUS OF PRODUCT PORTFOLIO

## The logo of the Federal Election Commission (FEC) is displayed in the top right corner. It consists of the letters "FEC" in a bold, sans-serif font, followed by a circular icon containing a stylized envelope.



WE WILL GROW OUR CUSTOMER BASE




**FP** has more than  
**10 % market share**

**90%**

of the market  
can be captured



# FP CORE BUSINESS DELIVERS GROWTH POTENTIAL

PEER GROUP COMPARISON			Peer 1	Peer 2
<b>TOTAL REVENUE GROWTH</b>				
<b>FY 2015</b>		<b>12%</b>	<b>7%</b>	<b>-6%</b>
excluding currency effects		7%	-1%	-3%
<b>H1 2016 (six months)</b>		<b>5%</b>	<b>-5%</b>	<b>-5%</b>
excluding currency effects		6%	-3%	-4%
<b>FY 2016</b>		<b>6%</b>		<b>-5%</b>
excluding currency effects		7%		-4%
<b>GROWTH MAILING SOLUTIONS</b>				
<b>FY 2015</b>		<b>10%</b>	<b>3%</b>	<b>-9%</b>
excluding currency effects		2%	-5%	-5%
<b>H1 2016 (six months)</b>		<b>2%</b>	<b>-8%</b>	<b>-7%</b>
excluding currency effects		3%	-6%	NA
<b>FY 2016</b>		<b>2%</b>		<b>-7%</b>
excluding currency effects		4%		NA

# FP DEMONSTRATES STRENGTH IN 2016 AND MEETS EXPECTATIONS



REVENUES

**+6.2%**

**€ 203.0 million**

EBITDA

**+1.6%**

**€ 27.2 million**

NET INCOME

**+66.5%**

**€ 6.2 million**

POSITIVE

FREE  
CASH FLOW

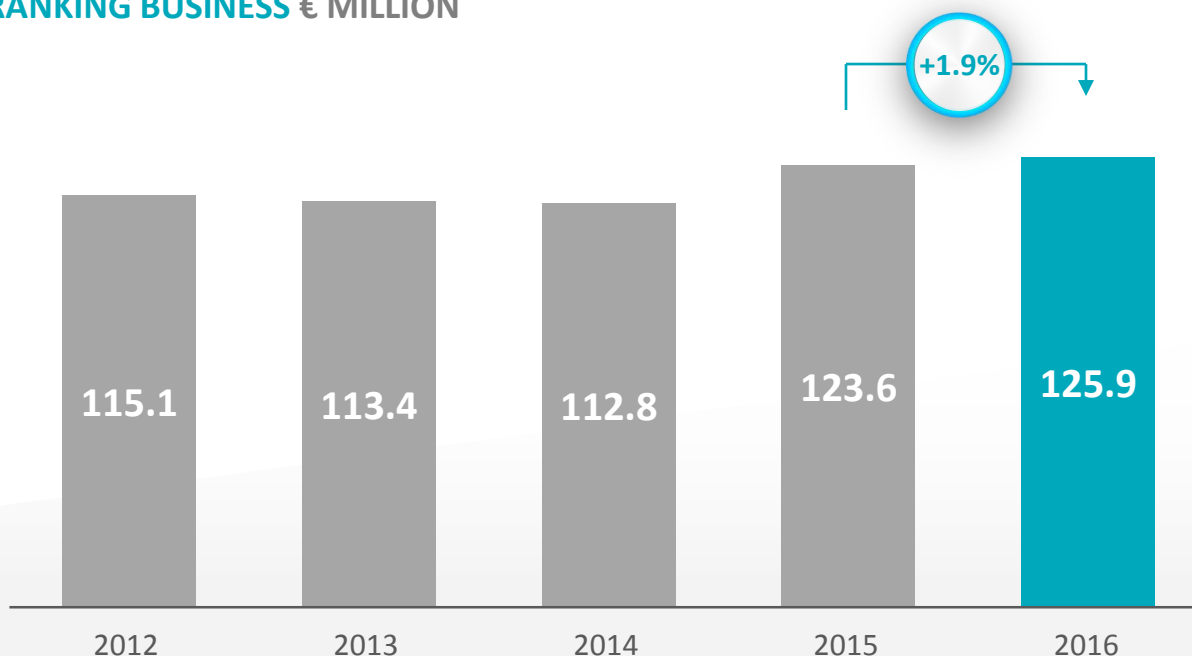
**€ 4.6 million**

- ✓ Strong revenues in **franking machine business** despite negative currency effects of €2.3m
- ✓ Further positive development of **Mail Services** and **Software**
- ✓ **EBITDA growth** despite negative currency effects of €1.1m
- ✓ Significant improvement of free cash flow (€-1.4m previous year)
- ✓ Increasing **EPS** by 65% to **€ 0.36**

# POSTBASE-FAMILY DRIVES BUSINESS



## REVENUES FRANKING BUSINESS € MILLION

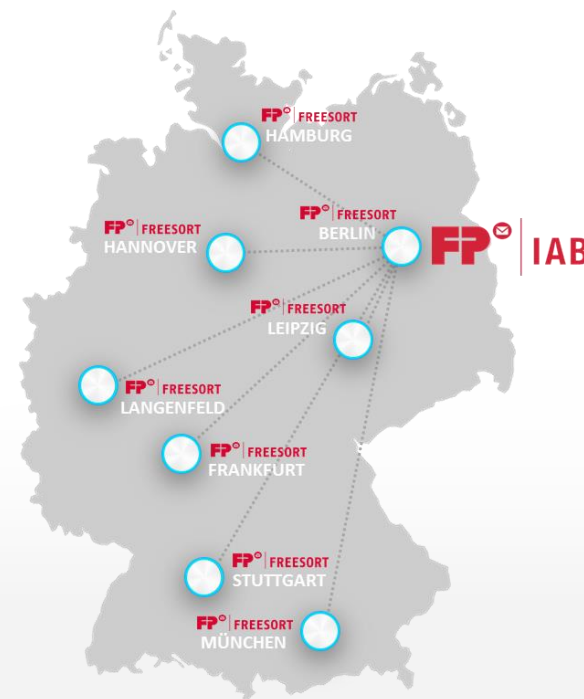
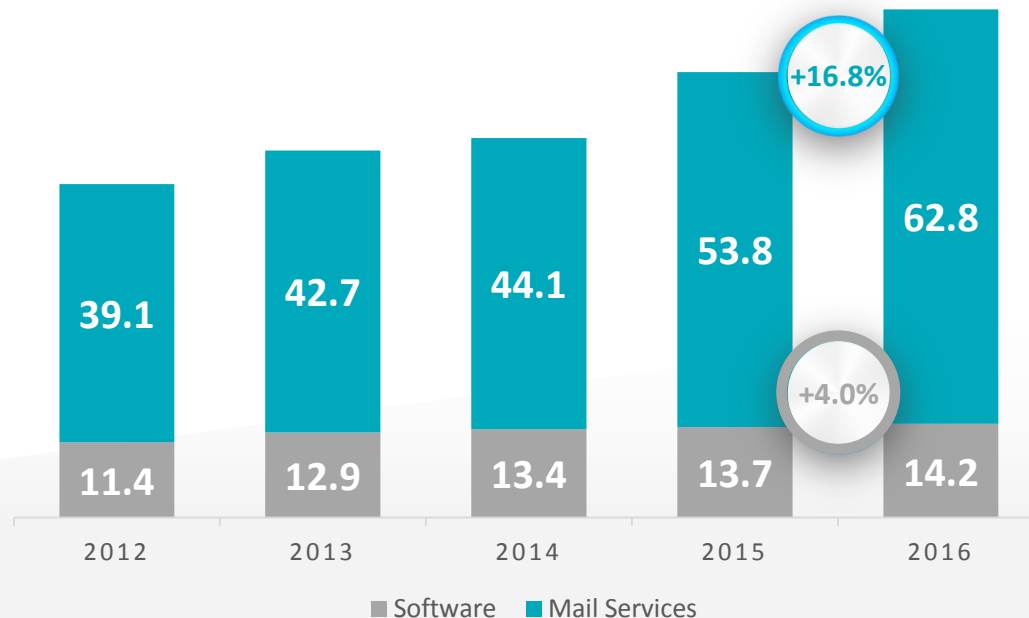


- ✓ **Growing revenues in franking business** despite **negative currency effects of €2.3m**
- ✓ Excluding currency effects the **growth in core business even amounts to 3.8%**
- ✓ Increasing revenues in **USA, Canada, Germany, France, Sweden and Int. Dealer**
- ✓ Ongoing positive impact from **Finance Lease**

# POSITIVE DEVELOPMENT IN MAIL SERVICES AND SOFTWARE



REVENUES € MILLION

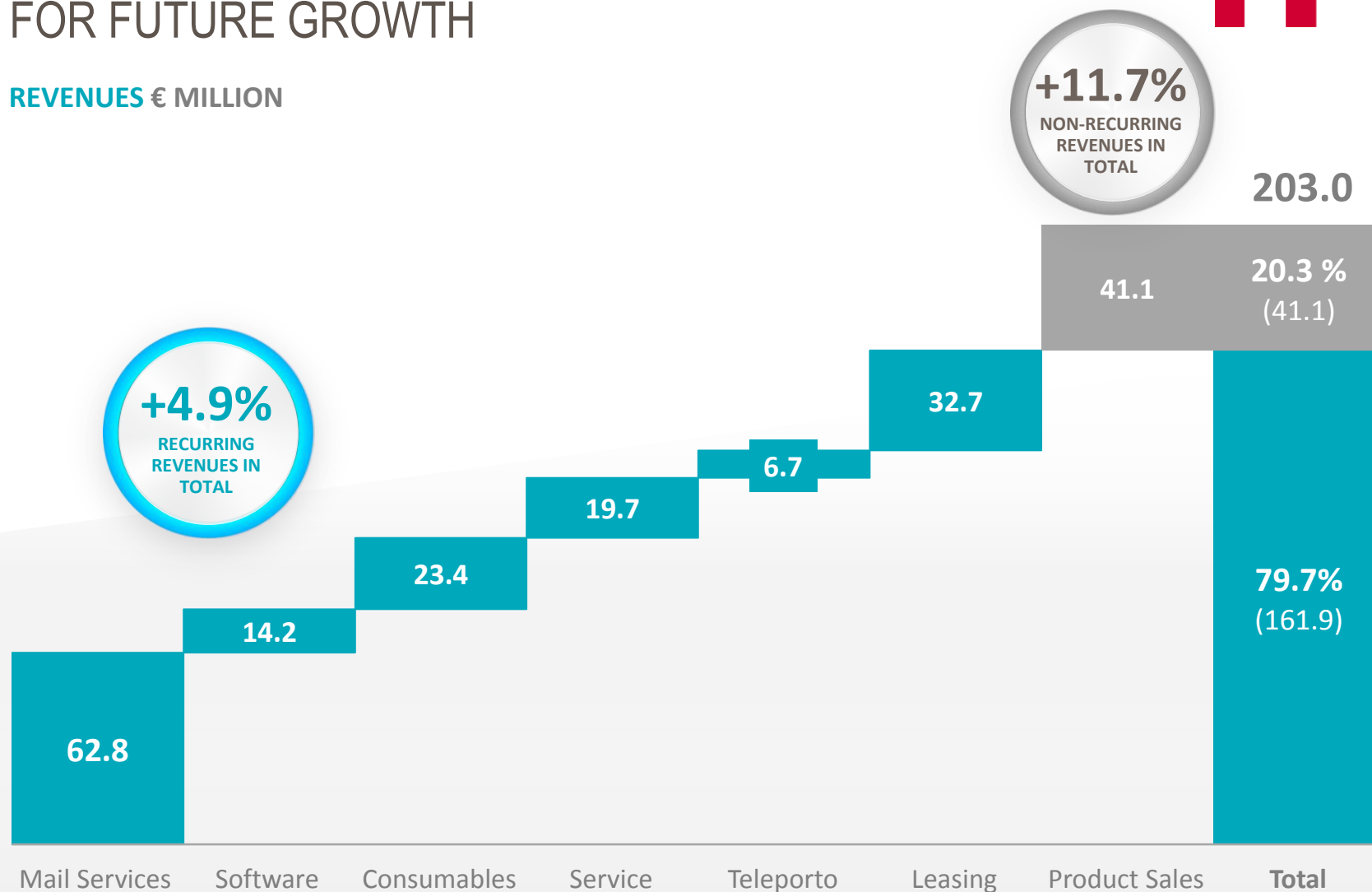


- ✓ **Revenue growth** of 16.8% in Mail Services (operative growth supported by rate change)
- ✓ Software with **increase in revenues** of 4.0%
- ✓ **Acquisition** of remaining 49% of **IAB**
- ✓ **Ongoing Extension** of services

# STRONG INCREASE OF NON-RECURRING REVENUES FOR FUTURE GROWTH



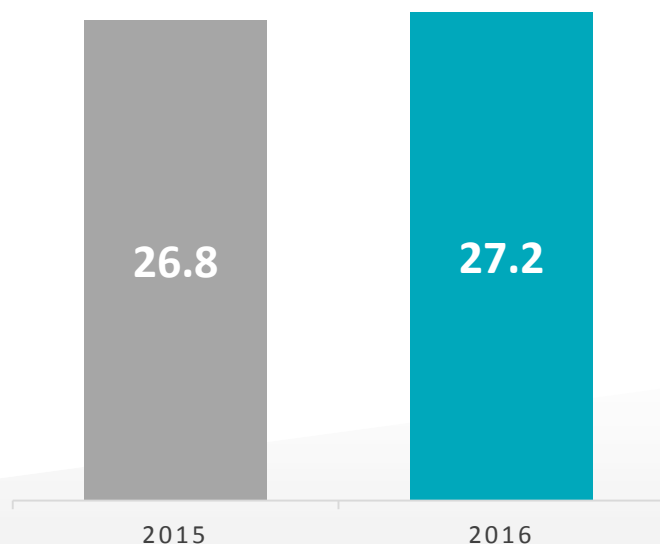
REVENUES € MILLION



# INCREASE OF EARNINGS



EBITDA € MILLION

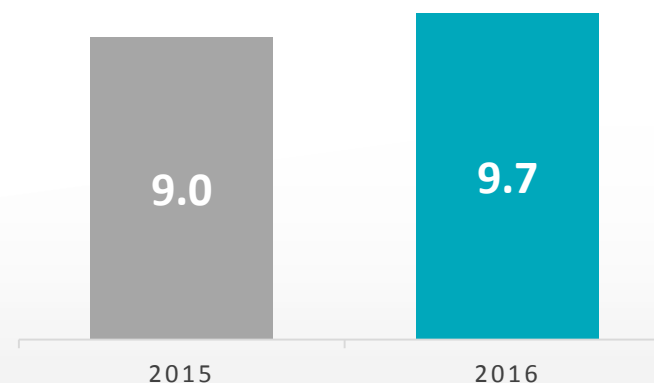


## Slight increase of EBITDA

**Burdens from** negative currency effect of € 1.1m, ACT strategy / FP Fit, realignment De-Mail

**EBITDA** margin of 13.4%

EBIT € MILLION



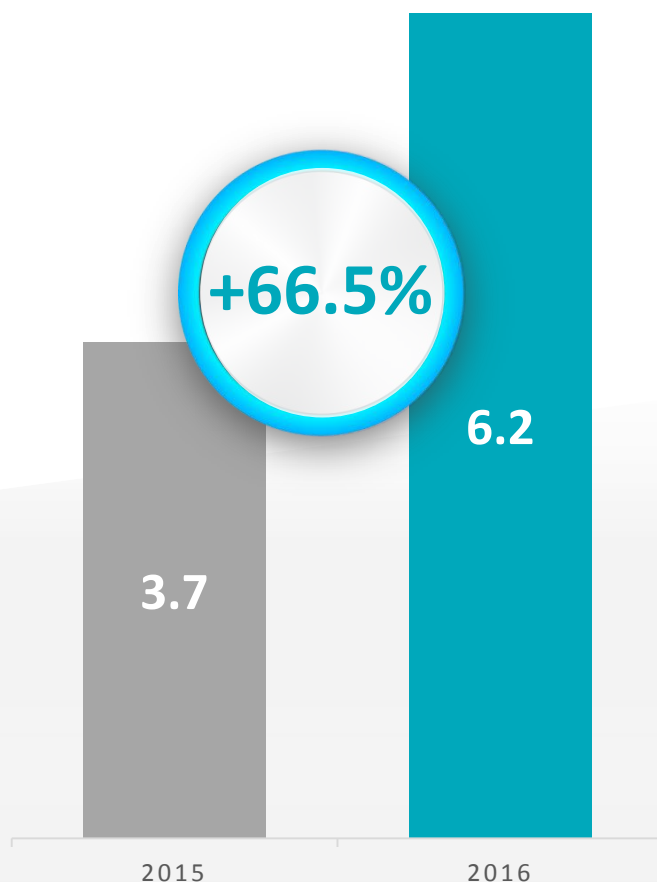
## Increase of EBIT

despite increase of regular **Depreciation** and **Amortisation** as expected

# STRONG GROWTH OF NET INCOME



NET INCOME € MILLION



Average rates    €/\$ 2016 = 1.1071 and 2015 = 1.1099;  
                         €/£ 2016 = 0.8196 and 2015 = 0.7260

## Significant improvement of net income

Negative currency effects, but:

- ✓ Improved EBIT
- ✓ Decreased net finance costs
- ✓ **Significant improvement of tax rate 35.5% (2015: 51.3%)**
- ✓ **Increasing EPS by 65% to € 0.36**

Management Board and Supervisory Board intend to propose **a dividend of 16 cents for 2016** (45% of net income)

# SIGNIFICANTLY INCREASED FREE CASH FLOW REFLECTS IMPROVED OPERATIONAL PERFORMANCE



€ MILLION	2015	2016
Cash flow from <b>operating activities</b>	18.6	22.1
Cash flow from <b>investing activities</b>	-20.1	-17.6
<b>Free Cash flow</b>	<b>-1.4</b>	<b>4.6</b>
Cash flow from <b>financing activities</b>	2.4	-0.7
<b>Cash and cash equivalents</b> at the end of period	15.9	18.7

## Operating activities:

- ✓ Increasing cash flow due to higher EBITDA as well as solid working capital despite strong increase of receivables from finance lease

## Investing activities:

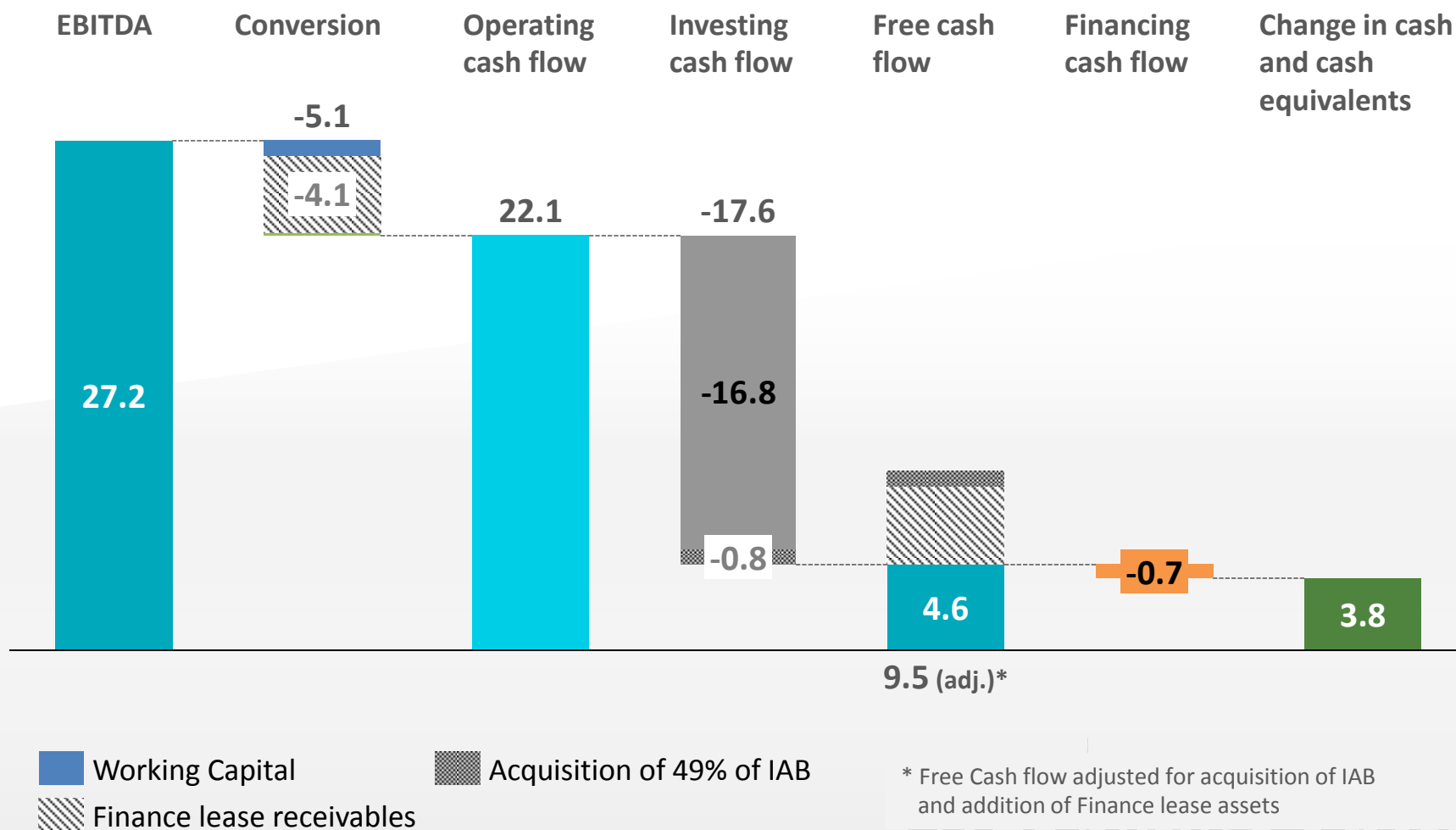
- ✓ Lower investments as expected, but acquisition of minority shares IAB

## Financing activities:

- ✓ Dividend payments to shareholders and previous IAB minority shareholder



# IMPACT ON FREE CASH FLOW FROM ACQUISITION AND INCREASE IN FINANCE LEASES







# FP SUPPORTS CUSTOMERS IN THEIR **DIGITAL TRANSFORMATION**

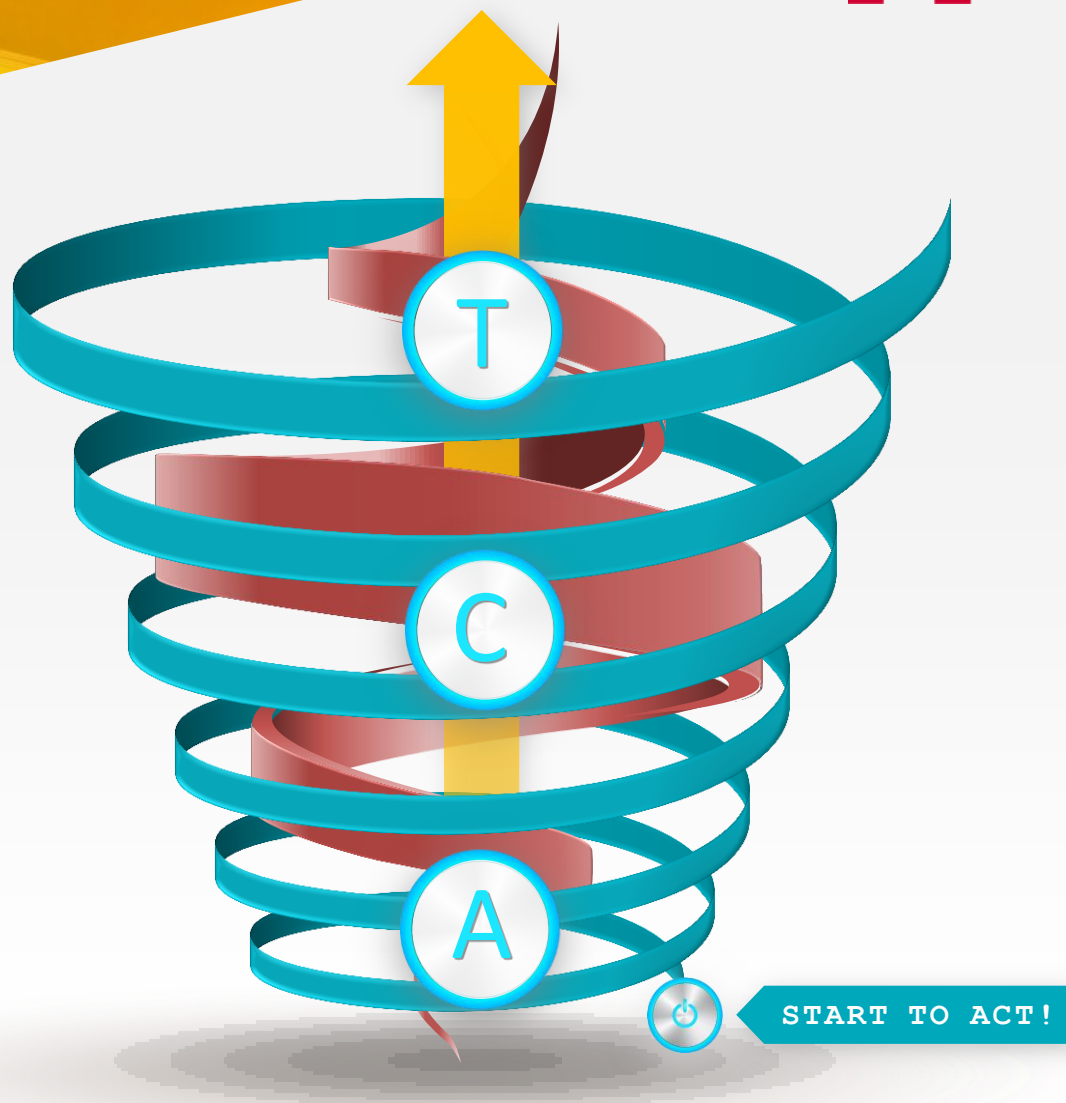
- **FP will follow its customers' journey** to be a **competent partner** in their digital transformation
- **FP becomes a professional provider** for Business Process Outsourcing in In- & Outbound Management by enhancing and integrating our current and future solution portfolio
- **FP utilizes growth in the market** for Digital Transaction Management providing an own cloud based solution for signing and managing digital contracts (FP Sign)
- **Transform** FP into an enlarged business

# FP ACT AND FP FIT PROJECTS ARE UP AND RUNNING



## WE KEEP OUR PROMISES

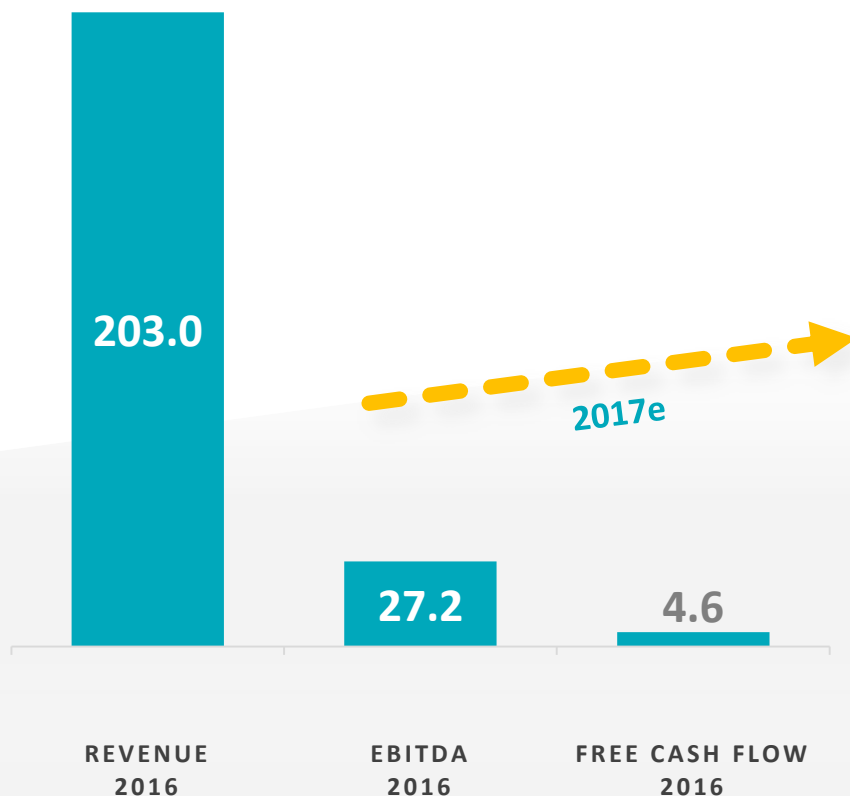
- ✓ Increase of financing power
- ✓ Reduced tax results
- ✓ Bring organisation towards excellence with FP FIT
- ✓ Show growth potential of FP
- ✓ Implement ACT



# FURTHER PROGRESS IN ALL KEY FIGURES IN 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.

# ON TRACK TO REACH AMBITIOUS TARGETS



EPS  
≥1 Euro



FP Fit

Dividend policy 35%-50% of  
adjusted net income





FP GROUP



**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 27 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



<b>ISIN</b>	DE000FHP9000
<b>Segment</b>	Prime Standard/ All Industrial
<b>IPO</b>	30 November 2006
<b>Reuters</b>	FPHG.DE
<b>Shares</b>	16.3 million
<b>Freefloat</b>	<b>78.5%</b> (according to GSE Frankfurt)
<b>Coverage</b>	Hauck & Aufhäuser, Warburg Research

## MAIN SHAREHOLDER

<b>3R Investments</b>	<b>10.3%</b>
<b>INKA MBH</b>	<b>10.2%</b>
<b>Quaero Capital</b>	<b>5.2%</b>
<b>SALTARAX GMBH</b>	<b>3.6%</b>
<b>Ludic GmbH</b>	<b>3.5%</b>
<b>RUDOLF HEIL</b>	<b>3.0%</b>

# FINANCIAL CALENDAR



**13 April 2017**

Consolidated Financial Statements 2016

**18 May 2017**

Results for the First Quarter 2017

**07 June 2017**

Annual General Shareholder Meeting, Berlin

**24 August 2017**

Results for the Half Year 2017

**16 November 2017**

Results for the Third Quarter 2017

# CONTACT



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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, 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 2015 Annual Report develop in a way other than we are currently expecting.



**FP GROUP**  
**THANK YOU VERY MUCH**