



FP GROUP

FINANCIAL RESULTS – FIRST HALF YEAR 2018

BERLIN | 23 AUGUST 2018

AFTER 18 MONTHS OF ACT-STRATEGY: FP RECORDS POSITIVE HALF-YEAR RESULTS



H1 2018: Revenue and Earnings Growth Continue



- ✓ As reported: revenues of € 104.8 m, EBITDA of € 12.8 m
- ✓ Robust earnings development, EPS of € 0.20 (H1 2017: € 0.13)

* Currency adjusted / ** Adjusted for currency effects and JUMP expenses / *** Excluding additions to finance lease assets, M&A and payments for the ACT project JUMP

€/US\$ avg. exchange rate in H1 2017: € 1 = US\$ 1.083, in H1 2018: € 1 = US\$ 1.211

INCREASINGLY, SUCCESS IN ACT PROJECTS PAVES THE WAY FOR SUSTAINABLE GROWTH



Q2 2018: Significant Progress in Virtually All ACT Projects

✓ **ATTACK IN CORE BUSINESS**

- ✓ FP as the only vendor able to increase installed base in four countries, notably strategic markets USA and France
- ✓ Acquisition of online retail dealer in the USA ⇒ increase customer base, revenue and earnings, reduce cost of winning new customers
- ✓ Development of new generation PostBase in time, in budget for launch in Q1 2019

✓ **JUMP**

- ✓ Decide and Design phases finalised
- ✓ Implementation initiated

✓ **FP SIGN**

- ✓ Sales cooperations with another two German enterprise software vendors (Landwehr and Simpressive)
- ✓ Product implementation at selected customers ongoing

✓ **INTERNET OF THINGS**

- ✓ Acquisition of Tixi.com complements own product portfolio, contributes a host of renowned German customers and 30.000 installed gateways

FP GROUP CONTINUES TO GROW ITS CORE BUSINESS AND IS AHEAD OF PEERS



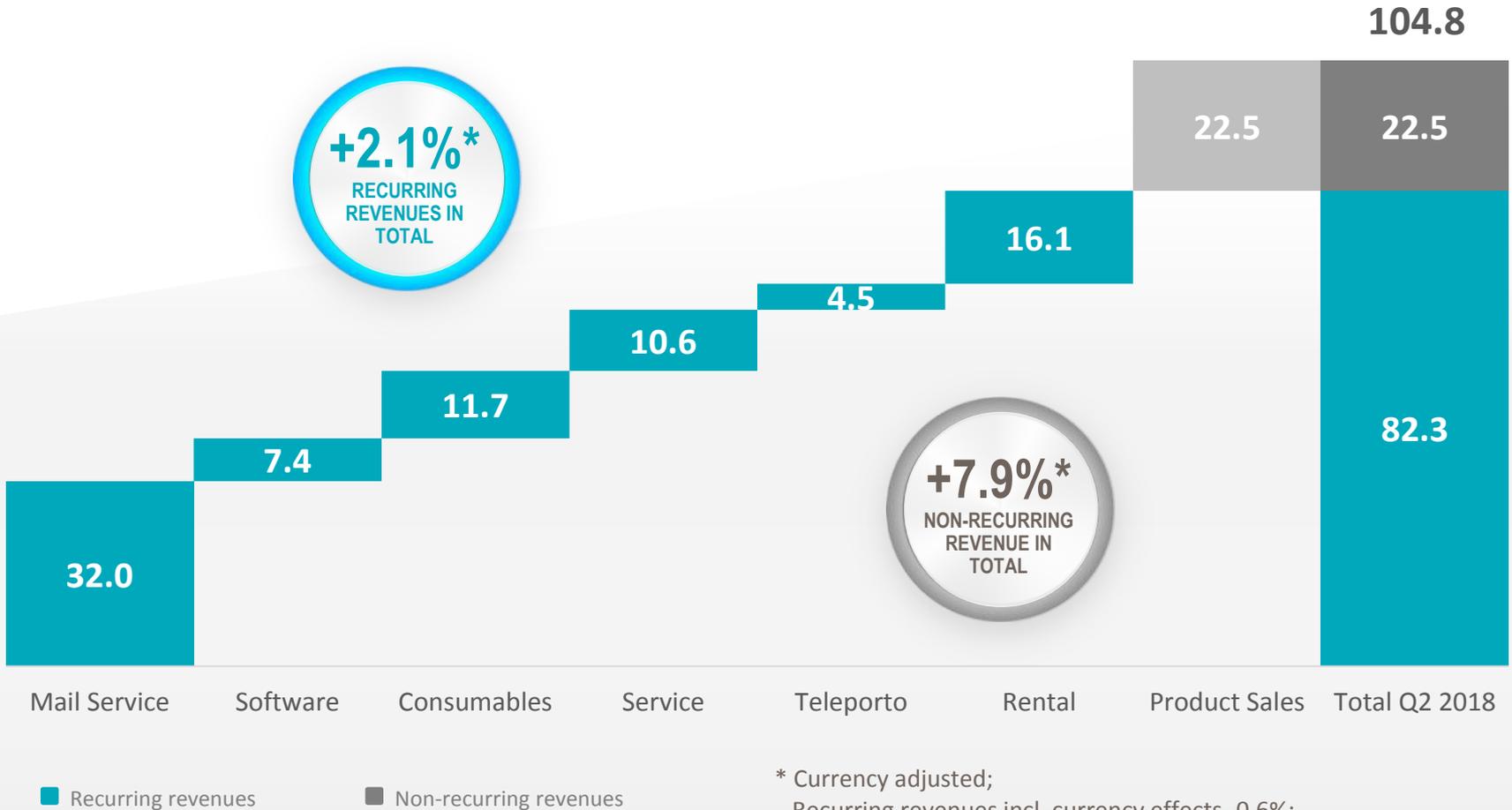
PEER GROUP COMPARISON		PEER 1 **	PEER 2
TOTAL REVENUE GROWTH			
FY 2016	6%	-3%	-5%
excluding currency effects	7%	-1%	-4%
FY 2017	2%	-4%	4%*
excluding currency effects	3%	-2%	4%*
H1 2018	0%		18%*
excluding currency effects	3%		17%*
REVENUE GROWTH FRANKING MACHINE BUSINESS			
FY 2016	2%	-6%	-7%
excluding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

* Growth driven by M&A ** Peer 2 Half year numbers scheduled for 25 September 2018.

GROWTH OF PRODUCT SALES LEADS TO FUTURE RECURRING REVENUES



REVENUE
€ MILLION



* Currency adjusted;
 Recurring revenues incl. currency effects -0.6%;
 Non-recurring revenues incl. currency effects +3.9%

ADJUSTED EBITDA ABOVE PREVIOUS YEAR'S LEVEL



€ MILLION	01.01. - 30.06.2017	01.01. - 30.06.2018
Revenue	104.4	107.9* 104.8
EBITDA	12.7	15.5** 12.8
EBITDA Margin (%)	12.2%	14.4%** 12.2%
Amortisation/ depreciation	9.8	8.6
~ to revenue (%)	9.4%	8.2%
EBIT	2.9	4.2
Net Income	2.1	3.1
EPS (basic, EUR)	0.13	0.20

Currency and one-off effects

- ✓ Currency effects of -€3.1m on revenue, -€1.8m on EBITDA
- ✓ Non-recurring expenses of €0.9m for JUMP

Adjusted EBITDA above prior-year period

Amortisation/depreciation

- ✓ Decrease, as planned - in absolute terms and in relation to revenue

Net Income/EPS

- ✓ Net income and EPS considerably higher than a year ago

* Currency adjusted / ** Adjusted for currency effects and JUMP expenses

ADJUSTED FREE CASH FLOW INFLUENCED BY ACT INVESTMENTS IN FUTURE GROWTH



€ MILLION	01.01. - 30.06.2017	01.01. - 30.06.2018
Cash flow from operating activities	12.0	10.0
Cash flow from investing activities	-8.0	-10.0
Free cash flow	4.0	0.0
Adjusted free cash flow*	6.7	3.5**
Cash flow from financing activities	-4.0	-4.4
Cash and cash equivalents	18.2	19.9

Cash flow from operating activities

- ✓ Increase of working capital during the year; in previous year's period €1.4m proceeds from tax agreement in Netherlands

Cash flow from investing activities

- ✓ Increase in non adjustable capitalized R&D for new products (+€1.4m) according to ACT
- ✓ Acquisition of TIXI (€1.4m), in prior year acquisition of customer list UK

Adj. free cash flow

- ✓ Higher working capital during the year, ACT investments, impact of JUMP -€0.3m

Cash flow from financing activities

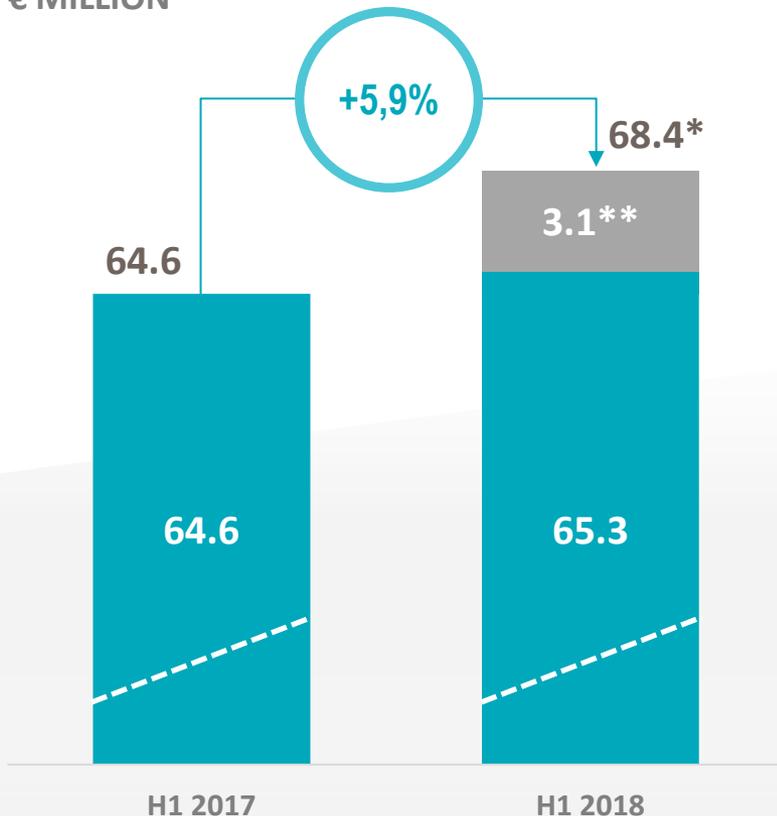
- ✓ Share buyback -€0.2m
- ✓ Dividend payment -€1.9m
- ✓ Repayment of financial liabilities -€2.2m

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

REVENUE GROWTH* IN CORE BUSINESS

REVENUE FRANKING MACHINE BUSINESS

€ MILLION



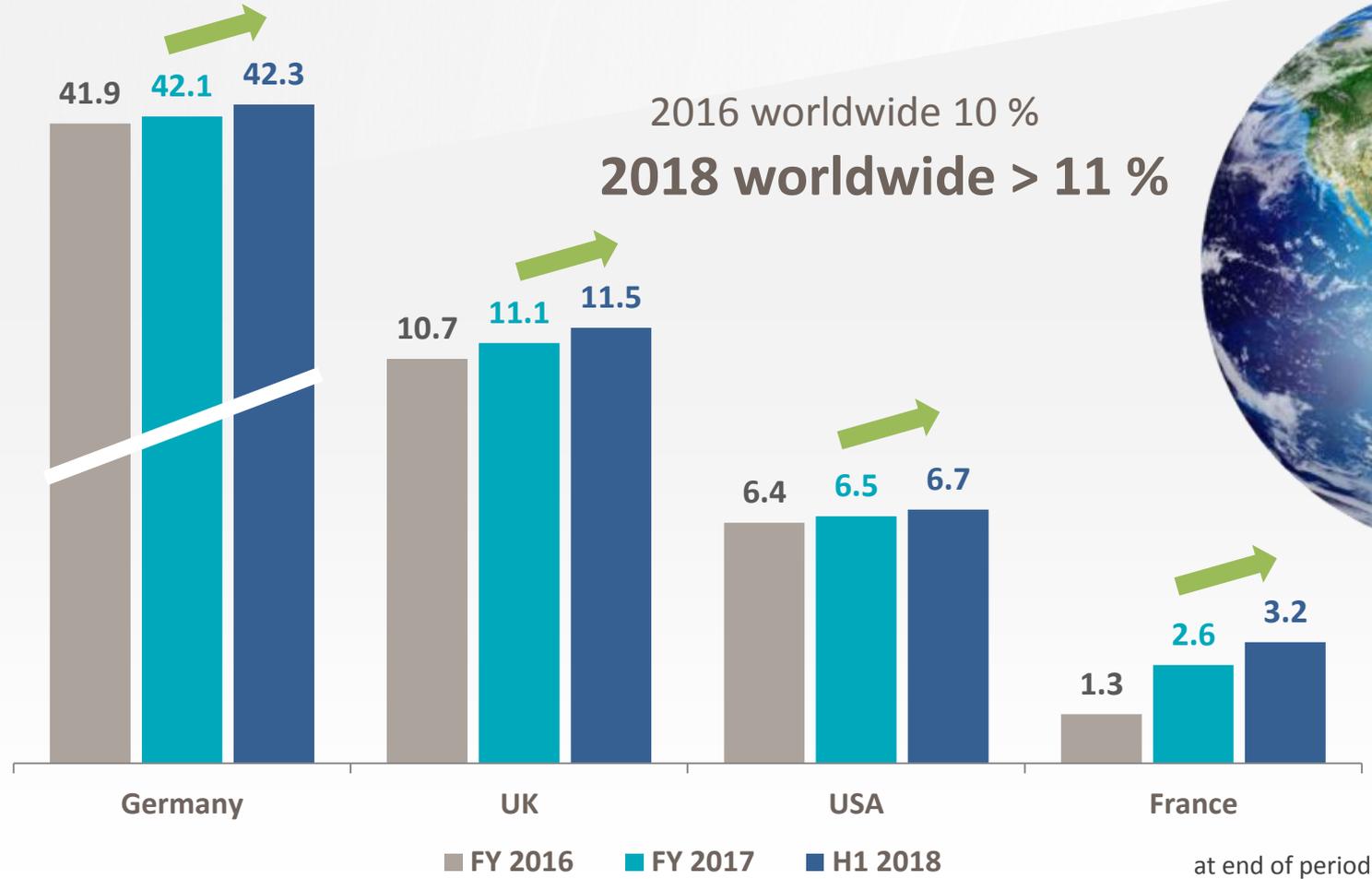
- ✓ **Increase of revenue by 5.9%** (increase of 1.1% including currency effects)
- ✓ **Increase of installed base** in four strategic markets, including USA and France
- ✓ **Germany** continues to show a dynamic development in 2018, partly due to non-recurring effect from introduction of infrastructure discount by Deutsche Post

* Currency adjusted ** Currency effect

IN H1 2018, FP CONTINUED TO GAIN MARKET SHARE IN MOST COUNTRIES



IN % OF INSTALLED BASE



UNIFIED GROUP-WIDE SALES ORGANIZATION WILL LEVERAGE CUSTOMER BASE, GAIN SYNERGIES



SALES OUTLOOK 2018

Maintain and expand leadership in selected markets –
Increase of installed base in strategic markets
Gain momentum with new digital products

- ✓ Maintain and expand Customer Base as major asset of FP
- ✓ Create customer delight with convenient products which make their lives easier
- ✓ Development and introduction of next generation PostBase (Q1 2019)
- ✓ International rollout of discoverFP and related features and services
- ✓ Focus on FP Sign as high potential product for enhanced efficiency, speed and cost savings at customers

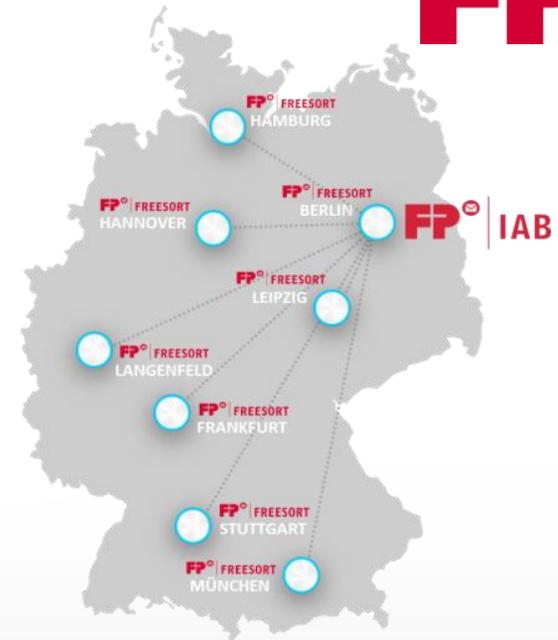
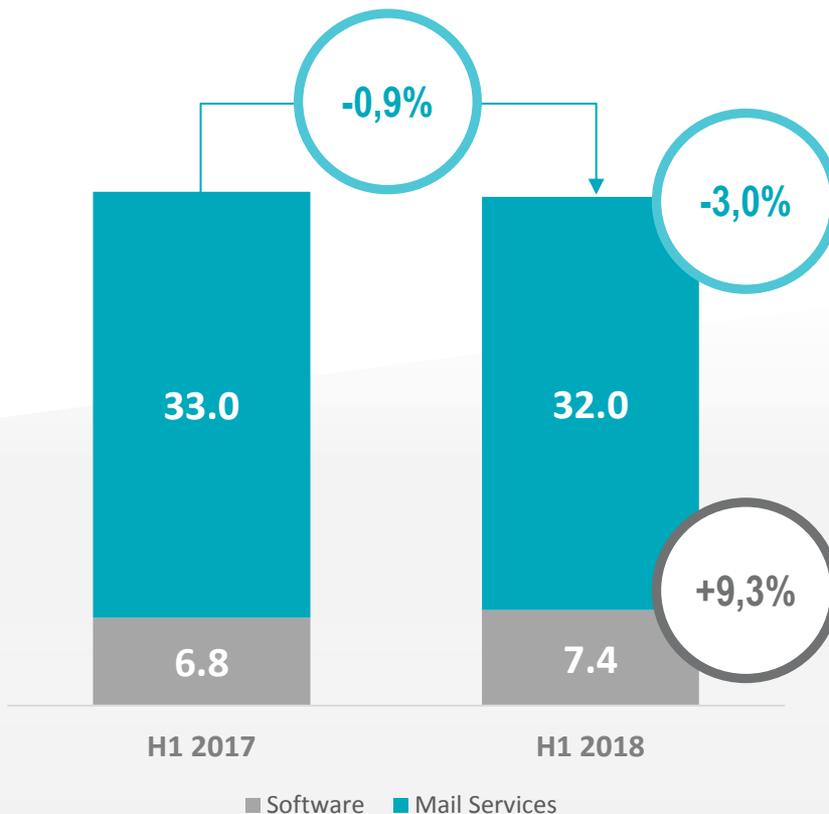


Next generation PostBase – Artist's Impression

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: Positive development in **Hybrid Mail**
- ✓ Market entry of new digital products and business models ongoing, but no significant revenue contribution yet, as expected.

LEVERAGING THE CUSTOMER BASE: discoverFP OPENS THE GATE TO THE DIGITAL WORLD OF FP



discoverFP

Portal solution serves as the bridge between analogue and digital worlds
Key to setting off on joint customer journey.

- ✓ Multiple new features and solutions for customer satisfaction and customer retention
- ✓ Key strategic sales tool for cross- and upselling of high margin services and products
- ✓ Technical roll-out completed in 7 out of 10 countries
- ✓ Sales launch ongoing

++ discoverFP.com ++



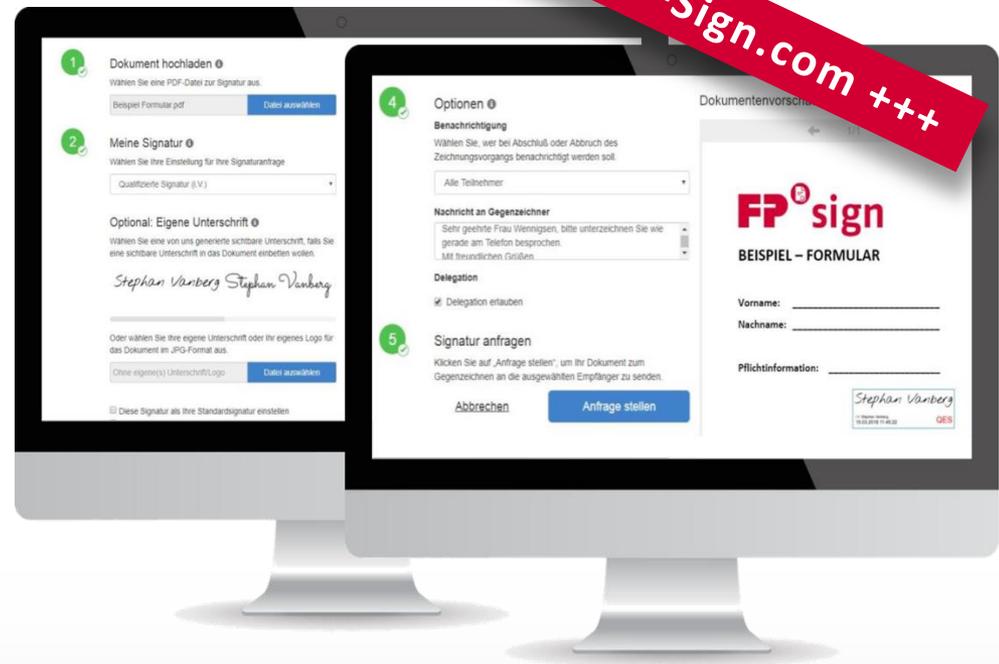
ACCOMPANY CUSTOMERS ON THEIR JOURNEY FROM THE ANALOGUE TO THE DIGITAL WORLD



FP SIGN – EFFICIENT AND SAFE WORKFLOWS

Transaction management and secure e-signature processes – saving customers time and money.

- ✓ Sales offensive addressing existing customers being prepared
- ✓ Sales partnerships enhance revenue potential without additional sales force
 - ✓ Landwehr Software
 - ✓ Simpressive
- ✓ Advantage as compared to US competitors: significant part of customers prefer EU/German vendor
- ✓ International rollout planned for 2019



<https://www.fp-sign.com>

ENTERING THE MARKET OF INTERNET OF THINGS

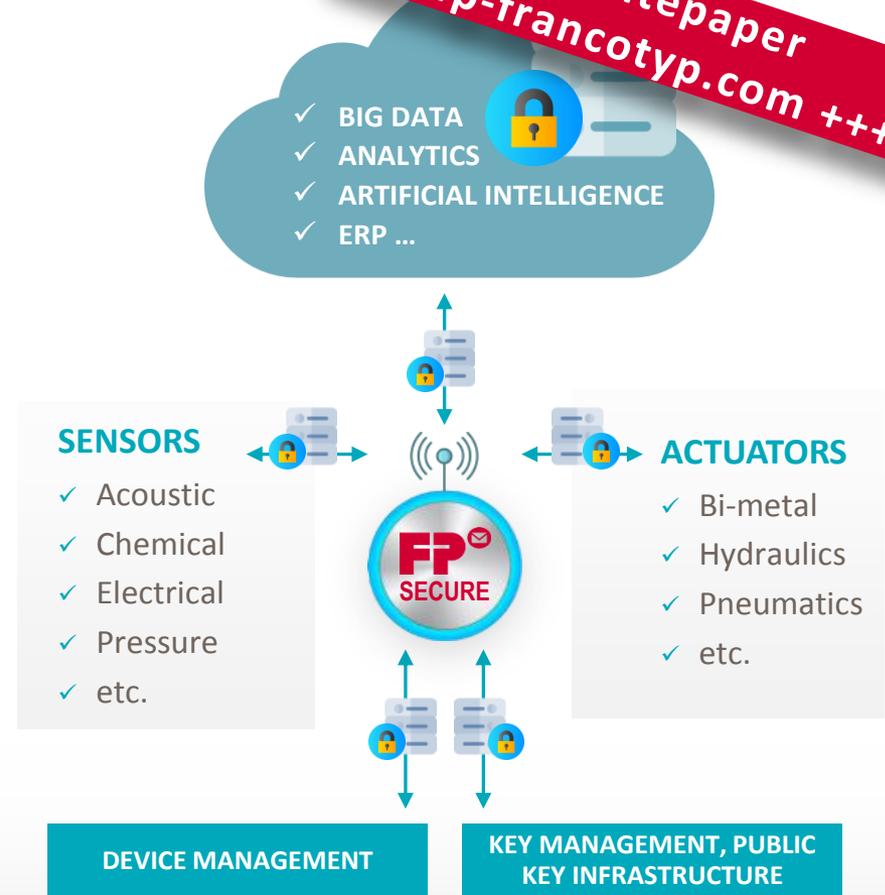


IoT Whitepaper
+++ fp-francotyp.com +++

FP is a Pioneer of IOT – operating one of the most modern and most secure IoT networks

Recent Acquisition of IoT-specialist Tixi.com complements product portfolio and opens additional opportunities

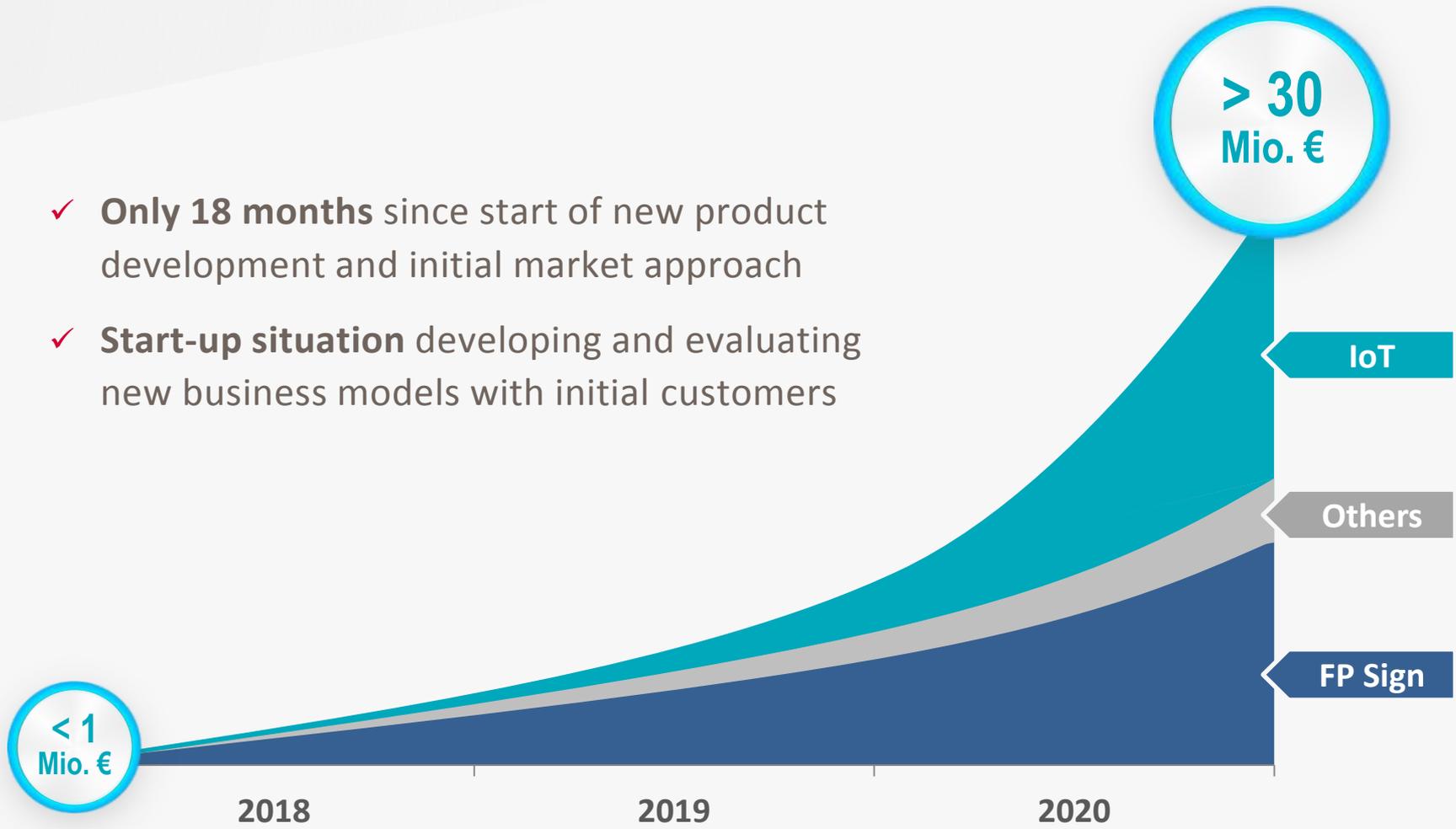
- ✓ Product installations currently being tested by industrial pilot customers
- ✓ Transformation from one-time product sales approach to recurring subscription-based revenue streams initiated



FP Secure Gateway
opens the gate to secure data transmission

NEW DIGITAL BUSINESS MODELS GENERATE SIGNIFICANT REVENUE UPSIDE POTENTIAL FOR FP

- ✓ **Only 18 months** since start of new product development and initial market approach
- ✓ **Start-up situation** developing and evaluating new business models with initial customers



GUIDANCE 2018 CONFIRMED: ON OUR WAY TO STRONGER GROWTH IN 2019 AND BEYOND

	2017	2018	2019 ...
REVENUE 	€ 206.3 m 	Slight increase* 	
EBITDA 	€ 26.3 m 	Slight increase** 	
Adj. FCF 	€ 9.9 m 	Positive adj. FCF at a considerably lower level than last year*** 	

* Based on constant currency level;

** 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 IS ON TRACK FOR THE 2020 GOALS





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QUESTIONS ARE WELCOME



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APPENDIX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME H1 2018



in € Million	H1 2017	H1 2018	%
Revenue	104.4	104.8	0.3
Change in inventories	0.5	0.6	22.9
Other own work capitalised	5.1	6,8	33.5
Total output	110.0	112.2	2.0
Cost of materials	51.8	52.3	1.1
Staff costs	30.3	31.0	2.3
Other income ./ expenses	-15.2	-16.1	5.6
EBITDA	12.7	12.8	0.5
as % of revenue	12.2%	12.2%	
Amortisation/ depreciations	9.8	8.6	-12.9
EBIT	2.9	4.2	46.1
Interest result	0.7	0.3	-61.3
Other financial result	-0.3	0.3	N/A
Income taxes	-1.1	-1.7	N/A
Consolidated net income	2.1	3,1	48.0
EPS (€ basic)	0.13	0.20	51.4
EPS (€ diluted)	0.13	0.20	52.9

FINANCIAL SITUATION – BALANCE SHEET

ASSETS (30.06.2018)

ASSETS

€ MILLION



✓ Non-Current Assets

- + Increase of intangible assets by €1.0m, thereof goodwill €0.7m
- + Increase of deferred tax assets by €2.6m
- + Increase of receivables from finance lease by €1.1m

✓ Current Assets

- + Increase of inventories and trade receivables (€2.4m)
- Decrease in cash and cash equivalents (€-4.2m)

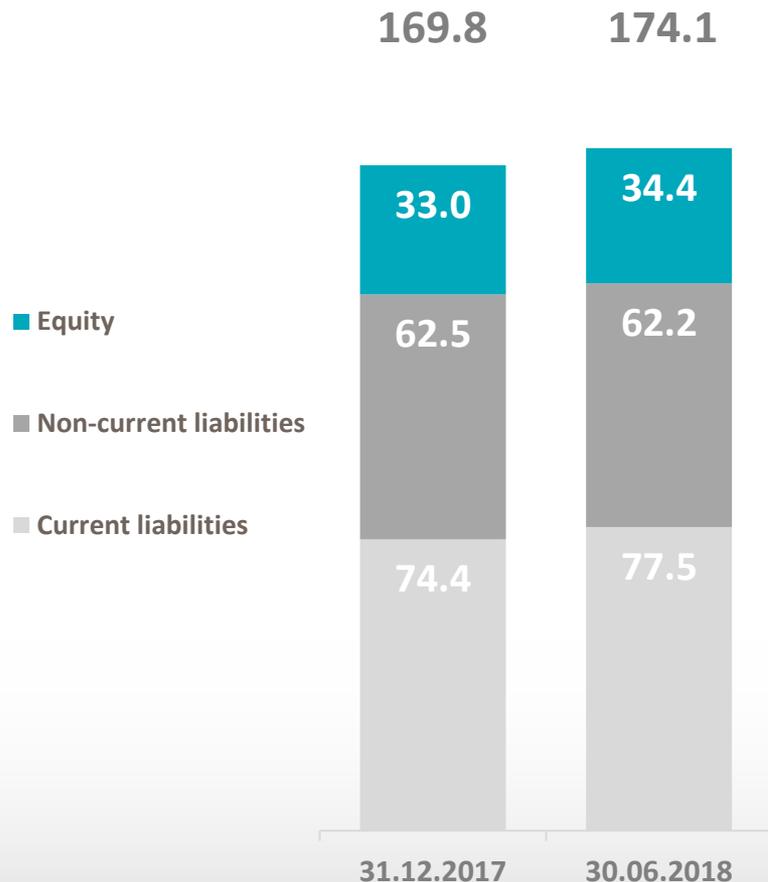
FINANCIAL SITUATION – BALANCE SHEET

LIABILITIES (30.06.2018)



LIABILITIES

€ MILLION

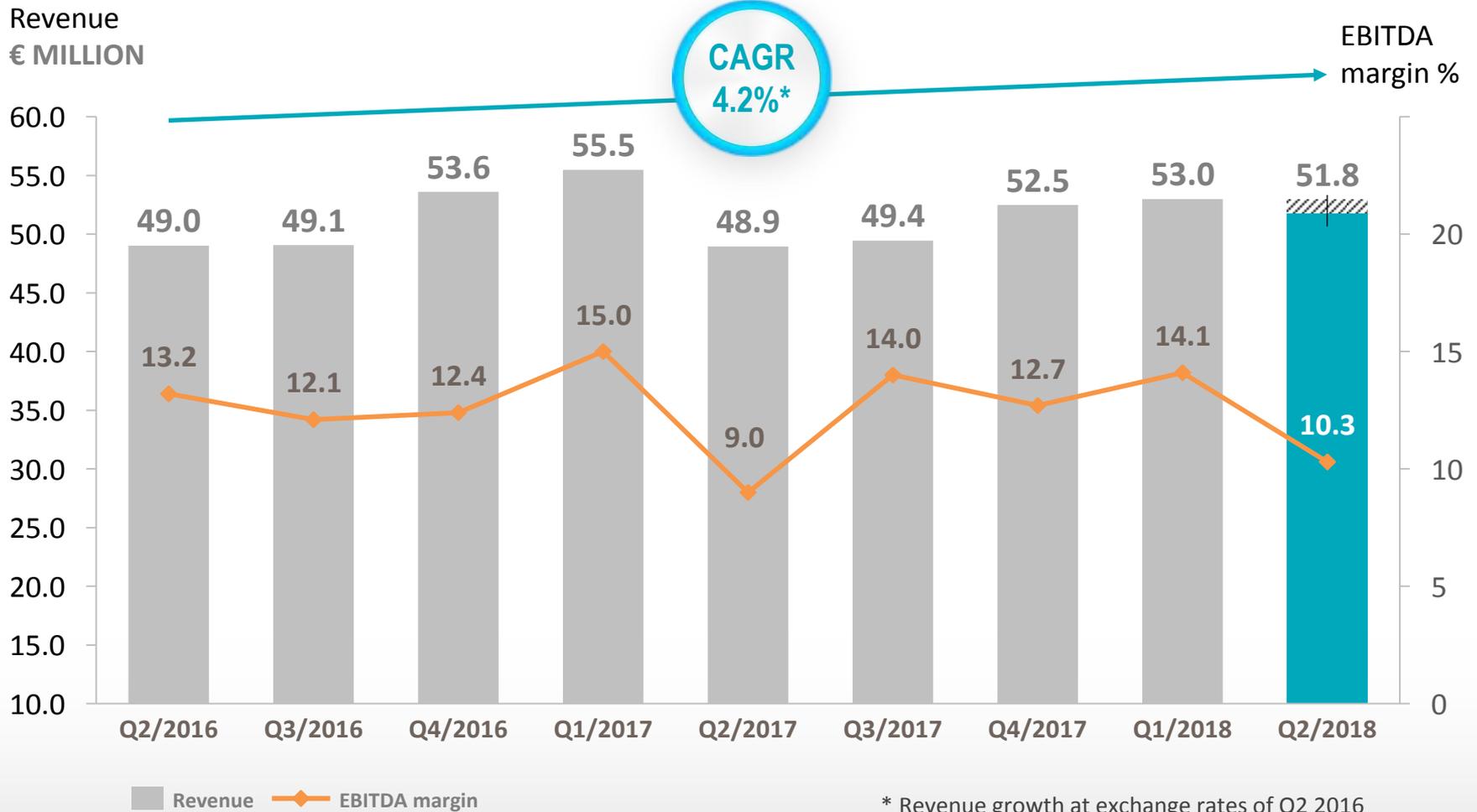


- ✓ **Equity ratio of 19.8%**
(31.12.2017: 19.4%)
 - Share buyback (€ -0.2 m)
 - Dividend payment 2017: -€1.9m
 - + Total comprehensive income H1 2018 (€ 3.6 m)

- ✓ **Non-current liabilities**
 - Decrease of financial liabilities (€-2.1m)
 - + Increase of deferred tax liabilities

- ✓ **Current liabilities**
 - + Increase of other liabilities, partly offset by decrease in liabilities from teleporto (-€1.3m): €3.8m

MEDIUM TERM GROWTH TREND REMAINS INTACT





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BASIC INFORMATION



**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



**Patricius
de Gruyter**
CSO

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

FP AT THE STOCK MARKET

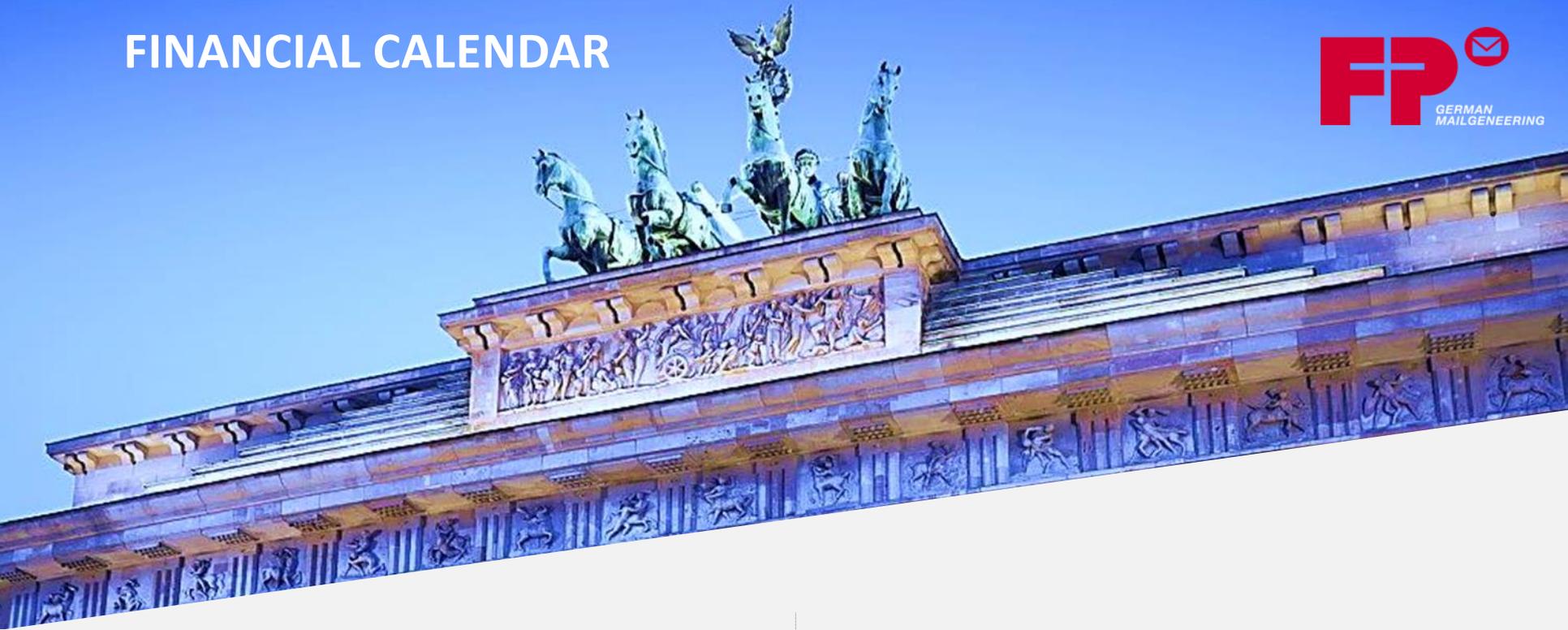


ISIN	DE000FHP9000
Segment	Prime Standard/ All Industrial
IPO	30 November 2006
Reuters	FPHG.DE
Shares	16.3 million
Freefloat	74.3% (according to GSE Frankfurt)
Coverage	Warburg Research, LBBW, Dr. Kalliwoda, GSC

MAIN SHAREHOLDERS

Active Ownership Fund	9,5%
INKA GMBH	9,4%
Quaero Capital	5,2%
SALTARAX GMBH	3,6%
Ludic GmbH	3,5%
MAGALLANES VALUE INVESTORS	3,3%
BARING'S	3,1%

FINANCIAL CALENDAR



24 September 2018

Berenberg/Goldman Sachs Conference

25 September 2018

Baader Bank German Corporate Conference

15 November 2018

Results for the Third Quarter 2018



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



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LET'S GO FOR IT!