



FUTURE@FP

CONFERENCE CALL

**Financial Results
Half Year 2021**

August 31st 2021

Revenues on prior year level, EBITDA-level ensured through FUTURE@FP measures



€ m	HY 2020	HY 2021
Revenue	99.7	99.5
EBITDA <i>(as reported)</i>	13.1	8.8
EBITDA Margin <i>(as reported)</i>	13.1 %	8.9 %
Depreciation/ Amortization	11.2	9.0
Consolidated Profit	1.8	0.6
EPS (basic/diluted Euro)	0.11	0.04

Revenue in line with prior year (slight decrease of € m 0.2 or 0.2 %)

- Negative impact on revenue from **pandemic situation slowed down in Q2 2021**
- Business picking up, Q2 2021 (vs Q2 2020) – increase of **€ m 5.2 (12.3 %)**
- Development in accordance with upper end of expectations for full year
- **Increase in Mail Services** (€ m 1.2) and in **Software & BPA and IoT** (€ m 0.6), **Franking & Office Solutions quite stable when considering currency effects** (€ m 2.0 decline, but € m 2.3 negative currency effect)
- Benefit from **recurring revenues** also in H1 2021
- Negative currency impact of € m 2.3 (positive effect of € m 0.4 in HY1 2020)

EBITDA as reported comparatively strong and in line with upper end of expectations

- **Positive impact from first wave of started restructuring measures** (€ m 2.7) and **negative impact from non-recurring items** (€ m 2.0) – thereof **expenses for next wave** of restructuring measures (€ m 1.0)

Depreciation/Amortization

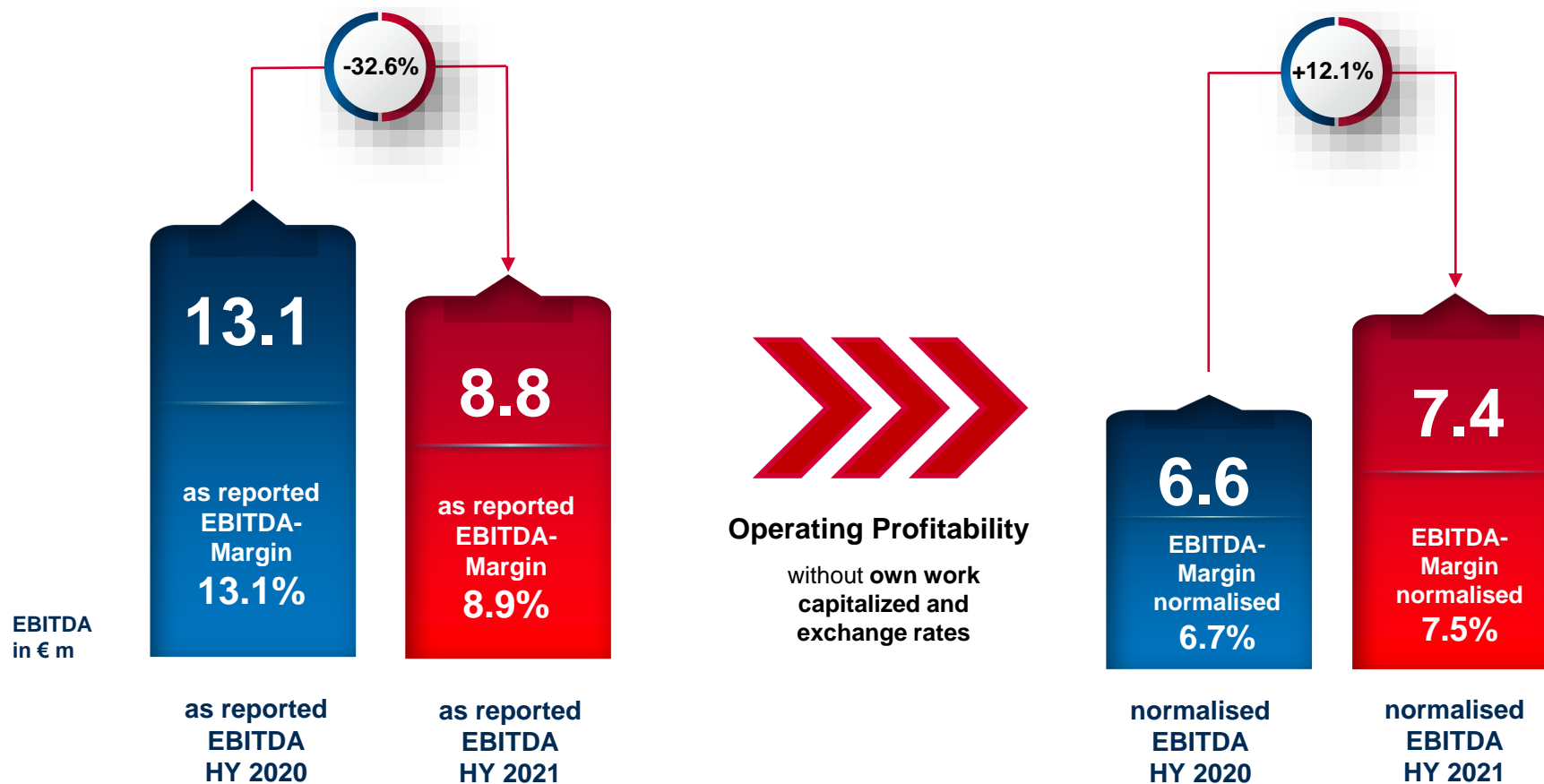
- Decrease by 20% (23% in Q2 2021) mainly due to reduced investment level and clean-up actions in Q4 2020

Consolidated Profit/EPS

- Due to the above, consolidated Profit/EPS for H1 2021 is positive – but behind HY1 2020

Normalised EBITDA improving

Underlying positive development of operating profitability - without own work capitalised and exchange rates



Free Cash flow

Slightly below prior year due to one-off issues



€ m	HY 2020	HY 2021
Cash flow from operating activities	14.6	7.2
Cash flow from investing activities	-8.6	-3.3
Free cash flow	5.9	4.0
Cash flow from financing activities	-4.2	-8.9
Cash (without postage held)	19.8	18.7

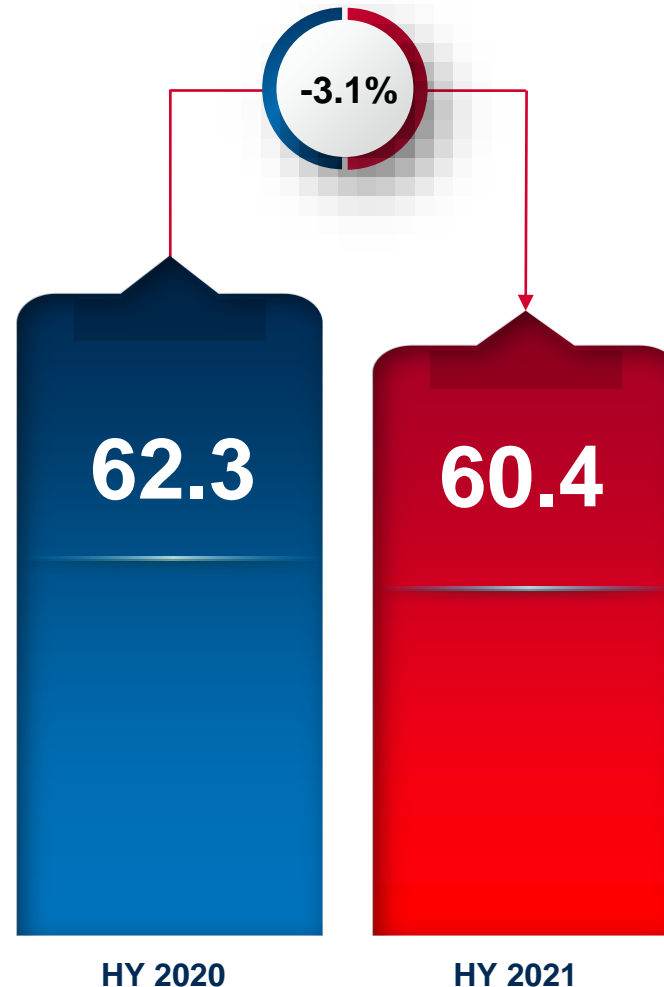
- Continuous positive effects from **Franking & Office solutions** and **strict cost/working capital management**
- Accelerated **one-off payments** in Q2 2021 (Bonus to employees and bonus/severance to prior Management Board Members) for prior periods
- Reduced investments in ERP/CRM; rental equipment **back to normal** level
- **Improved liquidity level:** cash and cash equivalents of **€ m 31.6** (vs € m 36.1) and **long-term bank borrowings of € m 29.6** (vs € m 36.4) due to installments made on banking facilities (€ m 6.9)
- Active lender dialogue continued, **financial covenants are met** in Q1 and Q2 2021, too

FP Franking & Office Solutions

Decline in Franking & Office Solutions very heterogenous



Revenue Franking
& Office Solutions
in € m

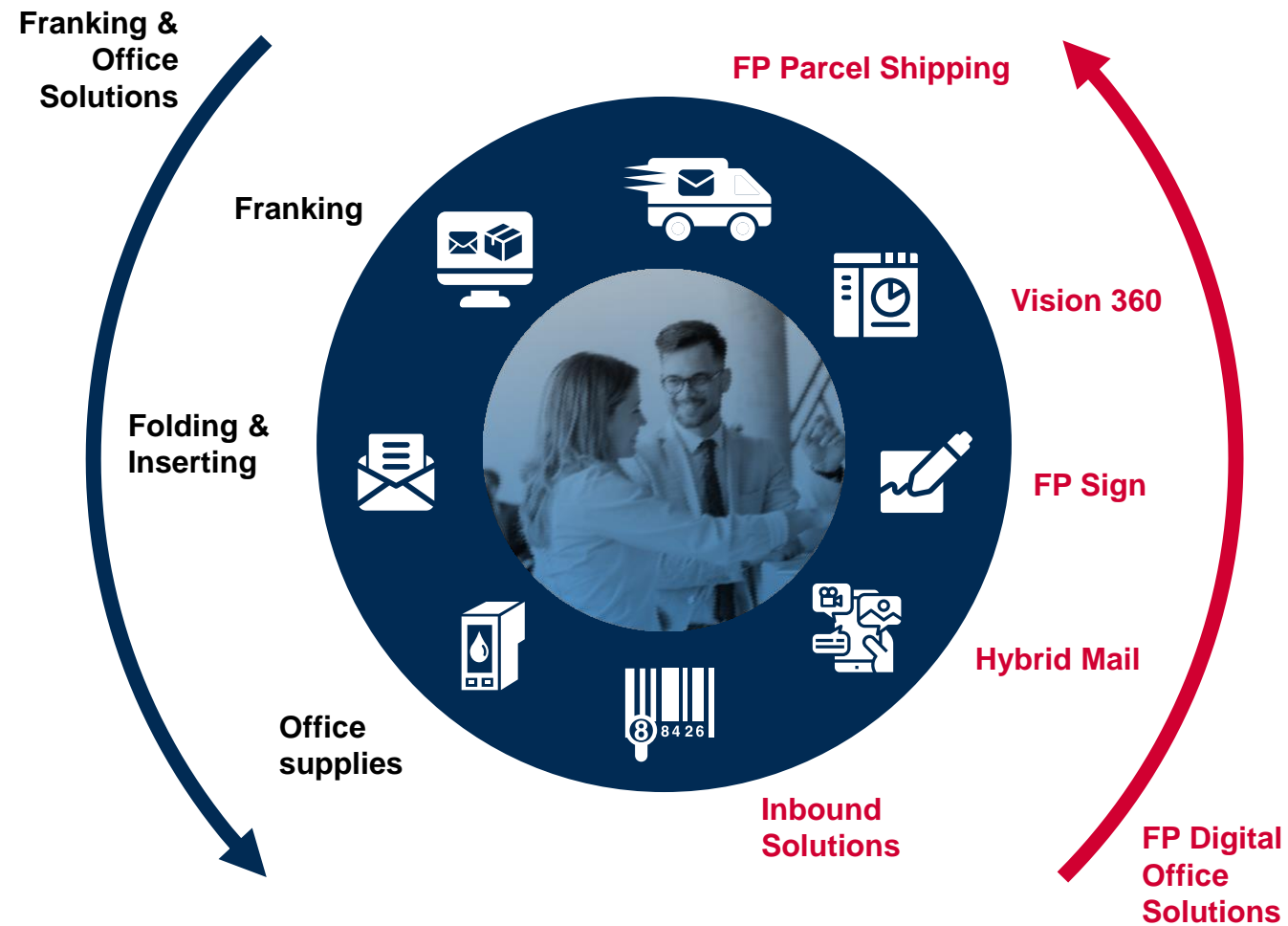


Revenues below prior year

- Negative global impact from **pandemic situation**, with different levels across regions easing up
- Stronger development in Q2 2021 after weak Q1 2021
- HEFTER increased to € m 2.4 after € m 1.7 in prior year period
- Negative impact from currency € m 2.3
- Excluding currency effects, the business unit is quite stable
- Benefit from recurring revenues also in HY1 2021
- Overall market trend for remaining HY2 2021 after pandemic situation still unclear

FP Digital Office

Staying relevant in the franking business



FP Franking & Office Solutions



New products launched in US to chase USPS decertification opportunity

FP Mailing Solutions USA
2.635 Follower:innen
2 Wochen •

We are pleased to announce the launch of the PostBase Insight product line, our newest fully IMI-compliant postage meters. This fully digital mailing system boasts a full-color adjustable touchscreen, intuitive interface, and seamless connectivity for postage download and software updates. #FPMailingSolutions #Postage #Mailing <http://ow.ly/Pd3D50FLZRM>

Übersetzung anzeigen

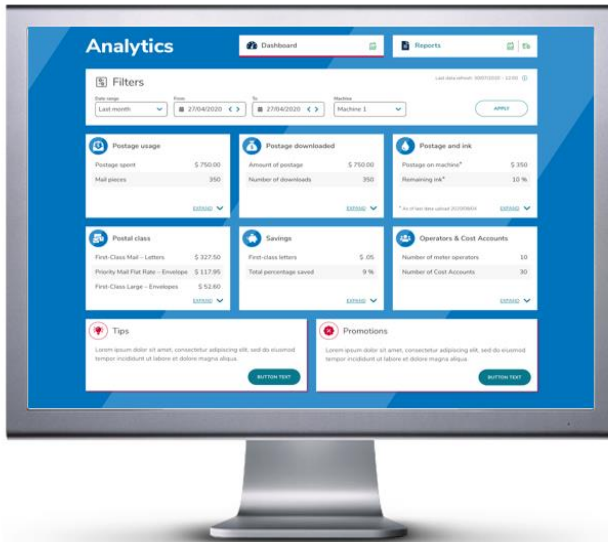


Intelligent Mail Indicia

- Latest USPS standard in metering technology
- All meters in place need to comply to IMI by Dec. 2024
- ~700k meters to be replaced with an IMI-compliant meter (> 80% of total installed meters)
- Real opportunity for FP with fully IMI-compliant product range to gain from competition

Vision360 Online Postal Reporting

Creating additional value for meter customers and increase retention rate



- Monitor, manage and control postal expenditures
 - Access usage and reports from anywhere
 - Best in class analytics dashboard with real-time data
 - Full set of postal reporting
 - Subscription model (essential, advanced, professional)
 - Launched in US (July 2021), UK, D, FR, SE, CA to follow until Q4 2021



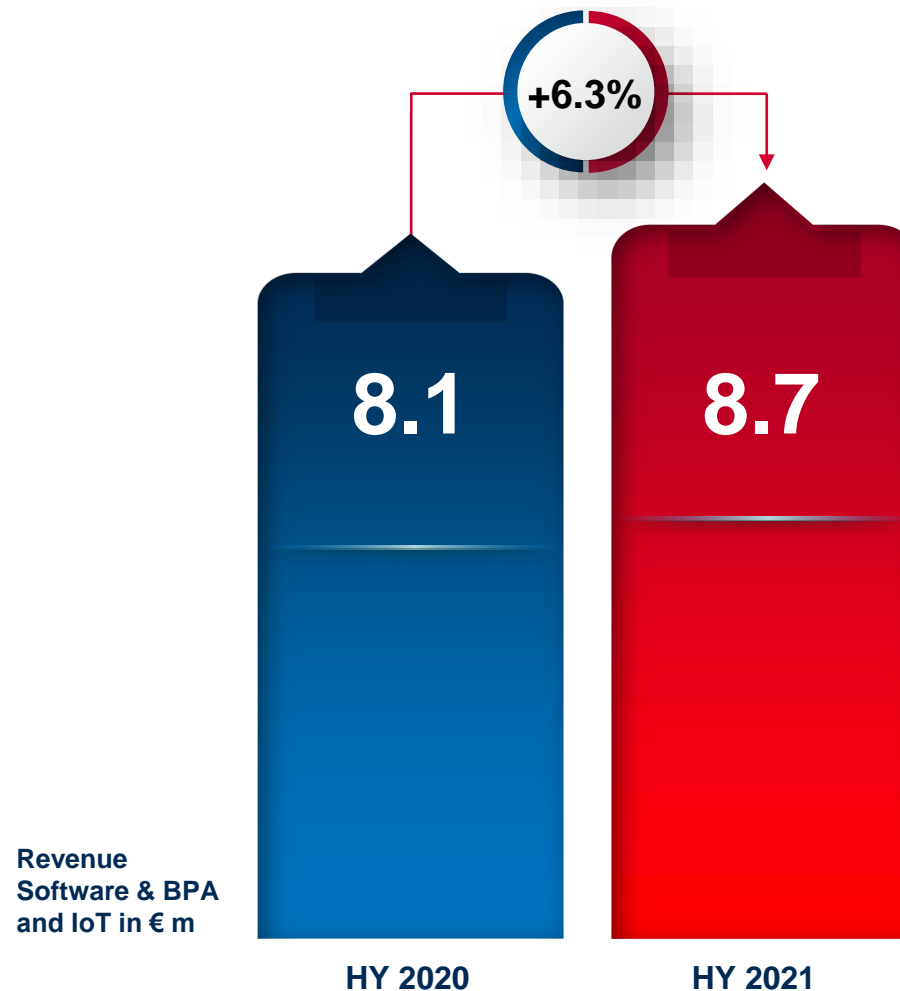
I love the dashboard to help me manage postage usage and know how much ink is in the meter. For reporting our needs are really simple for chargeback purposes and this gives me everything that I need to get the job done quickly.



-Amy Alexander Accounting Coordinator

FP Software & BPA and IoT

Progress ongoing – picking up speed



Input- & Outputmanagement

- Lower/postponed customer activity in output management projects due to the **pandemic situation**
- Strengthening of sales activities **ongoing**
- **Input Management** - new FP Service picking up

FP Sign and DE-Mail

- Sales & marketing activities **strengthened**
- New customer wins, still in ramp up phase
- New reseller partners signed

FP Sign, FP Parcel Shipping, Vision 360

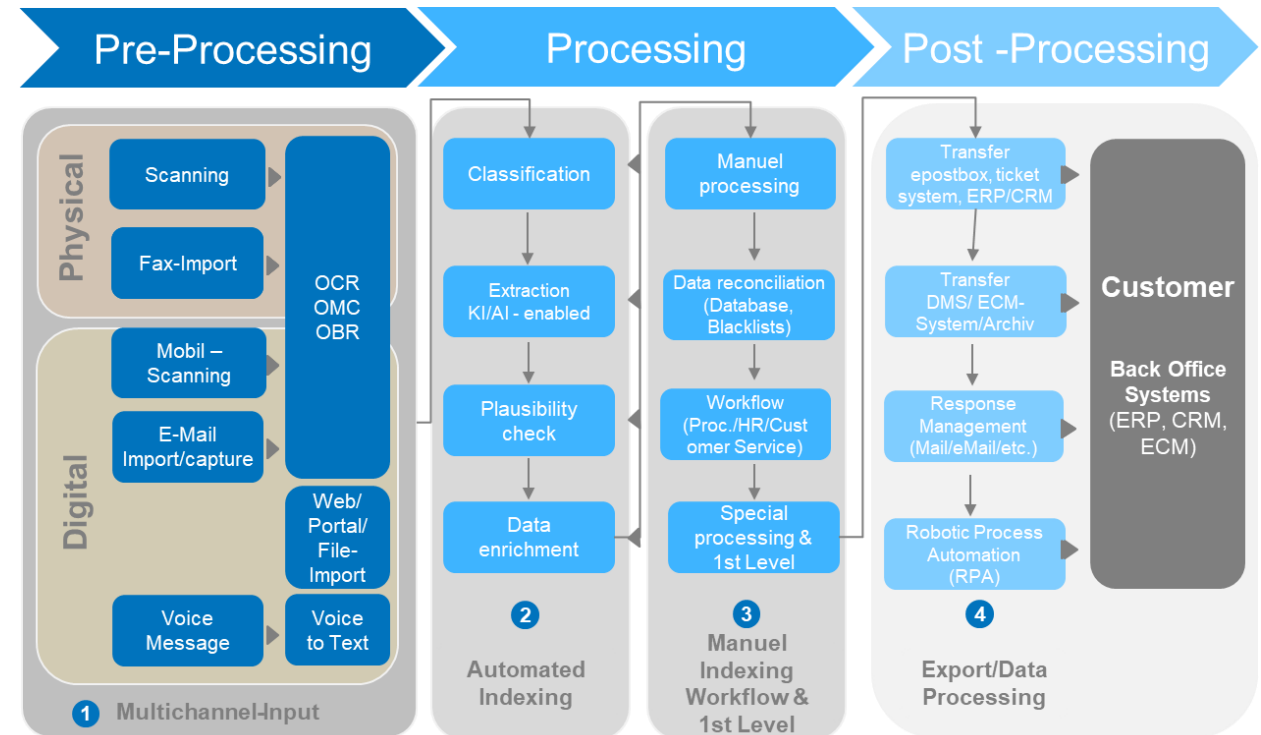
- US, UK and D international sales roll-out **ongoing**

FP Inputmanagement

New business segment with focused go-to-market approach

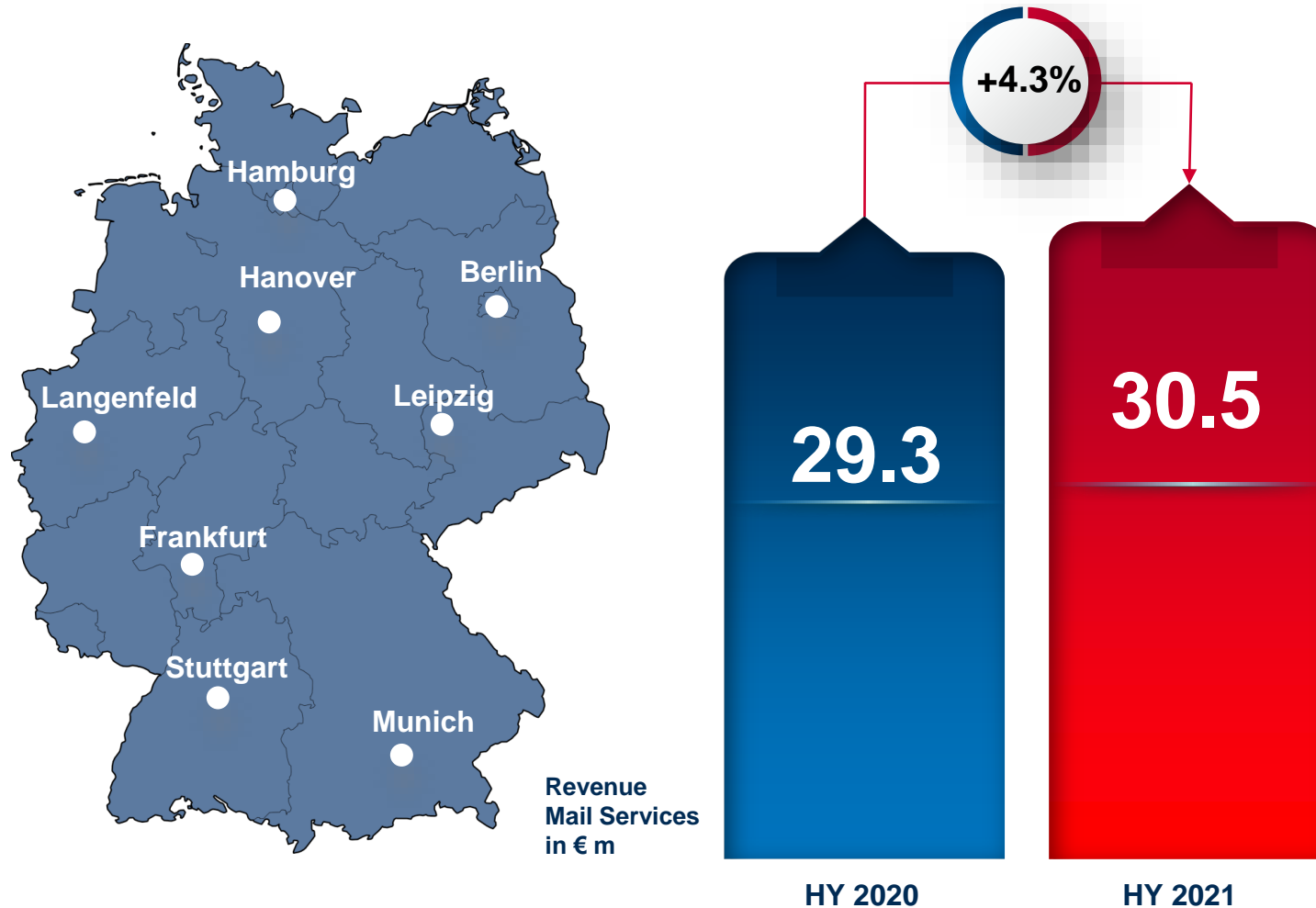


- Land and expand go-to-market approach
 - Inputmanagement often starting point for digital transformation, starting with physical input – extending to digital input
 - Key value proposition is combination of input/output (digital/physical) to get highest back-office automation
 - Extend into higher margin services (data enrichment, archiving)
 - Extend along the customer value chain into outputmanagement and vice versa
 - High integration into customers processes and systems (becoming non-exchangeable provider)



FP Mail Services

Strong increase in challenging market environment



Main impact:

- Revenue increase above expectations
- Higher share in franking service
- Continuous focus on profitable revenue
- Increase in productivity by end-to-end process optimization

Remaining Factors:

- Overall market decline in mail volume prevails

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Key programs and steps to execute for bringing FP forward

1.

**Right Sizing –
Right Shoring**

Restructuring – reduce
excess capacity

Use highly efficient
service partners in
nearshore locations

- **Finance Operations**
- **Customer Service**
- **Telesales**
- **IT and R&D**

Lean HQ

→ started

2.

**New Operating
Model**

Clear responsibilities in
Business Units:

**Customer & Market
centric approach**

From **product
manufacturer** to
Solution Provider

→ Q2/Q3 2021

3.

ERP/CRM

Foundation for
operating model

**Automate and
Digitalize Back-Office
and Front-Office**

Run FP by KPIs

Effective retention sales

→ Q2 + 12 Months

4.

**Digital Business
Foundation “wave 1”**

**Scale digital offerings
(inter) nationally with**

- **Low touch sales** for
SMB customers on
SaaS business
- Increase
responsiveness
through **Cloud
based eco-system**

→ Q4 2021

5.

**Increase Value for
Customers**

Customer Solutions:

Franking – stay relevant
with FP Digital Office

FP Sign - Internationalize

IAB – from print to
document processes

IoT – from Hardware to
PaaS and SaaS

**Tailored verticals &
Focused niches**

→ Continuous process

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Status and key achievements in HY 2021



1.

Right Sizing – Right Shoring

Update

- *First Wave nearly done and further in progress*
- *lean HQ*
- *savings realized so far of € m 2.7 in HY 2021*
 - *€ m 1.7 personnel costs*
 - *€ m 1 OOE*

→ started

2.

New Operating Model

Update

- **BU Franking & Office Solutions:** *regional organization merged into two regions*
- **BU Software&BPA:** *Digital solutions merged into one unit*
- **BU Mail Services:** *Further optimization*

→ Q2/Q3 2021

3.

ERP/CRM

Update

- *Proof of concept in final phase*
- *Focus on interfaces to FP postal systems*
- *Focus on integration to FP front-end-customer experience*
- *Project design and planning within timeline*

→ Q2 + 12 Months

4.

Digital Business Foundation “wave 1”

Update

- *Prerequisite for low touch sales and SaaS based business in development*

→ Q4 2021

5.

Increase Value for Customers

Update

- *Digital Office solutions launched*
- *FP Sign – new features developed –targeted approach*
- *Inputmanagement – new business established*

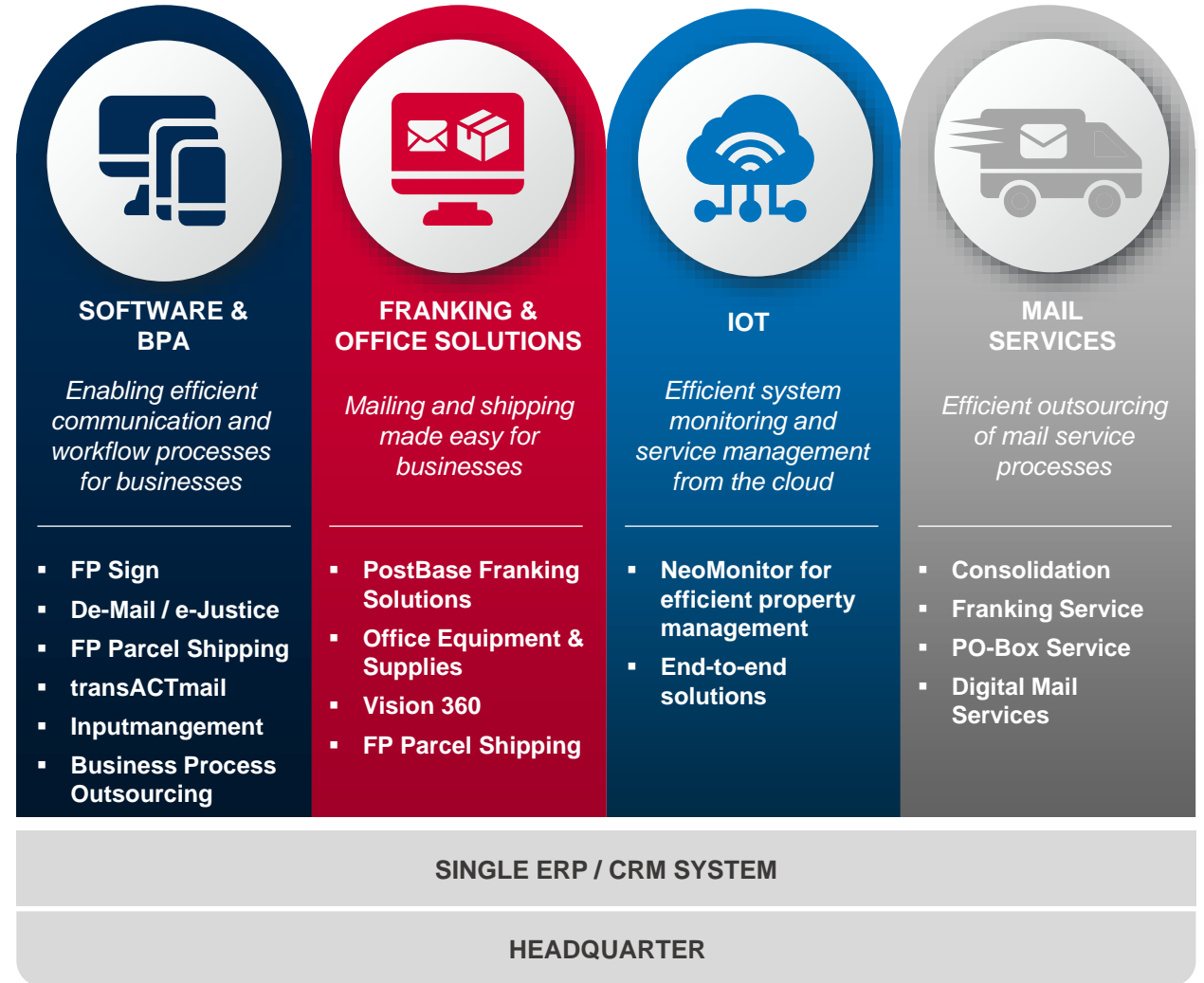
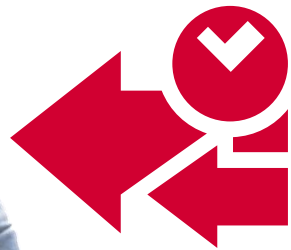
→ Continuous process

The new FP Organisation

To create value for customers



Create
value for
customers



Adjusted Guidance for 2021



Paving the way for higher margins

	2020	2021 (previous)	2021 (new)
REVENUE	€ m 195.9	€ m 185 – € m 196	€ m 192 – € m 200
EBITDA-MARGIN	4.1 %	3 – 6 %	6 – 8 %
EBITDA	€ m 8.0	€ m 6 – 12	€ m 12 – 16

Disclaimer

Statements in this release relating to future development and the Group's forecasts are based on our careful assessment of future events - based on economic forecasts and that the global economy will continue to recover. Any additional negative economic developments beyond this, such as a further lockdown of entire or specific economic sectors, may lead to actual results for fiscal year 2021 deviating from the forecast figures.



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Q&A Session

Appendix

A blue-tinted photograph of a modern office. In the foreground, a group of four people (three women and one man) are gathered around a table, smiling and looking at documents and a tablet. In the background, another person is seated at a desk, and a woman is standing near a window. The overall atmosphere is collaborative and professional.

Revenue by Product and Service

Continuously recurring revenue base



€ m	HY 2020	HY 2021
Equipment sales & others	14.5	14.2
Service	11.4	10.0
Consumables	12.1	11.8
Teleporto	4.3	3.8
Mail Services	29.3	30.5
Software / Digital	8.1	9.2
Revenue acc. to IFRS 15	79.8	79.6
Finance Lease	5.5	5.2
Operate Lease	14.6	14.8
Revenue acc. to IFRS 16	20.2	20.0
Exchange Rate effect from hedge accounting	-0.2	-0.1
Revenue total	99.7	99.5

Major items in H1 2021

- Negative impact on revenue from **pandemic situation** on Franking & Office Solutions as well as Mail Services
- Positive Effect in Mail Services mainly due to performed restructuring
- Positive development in Software & BPA and IoT mainly driven by growth within **FP Sign and De-Mail**
- Approximately **65 %** (65 % in prior year period) of recurring revenues, underlining FP's resilient business model

Consolidated Statement

of profit and loss HY 2021



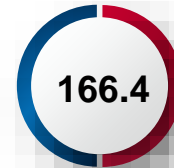
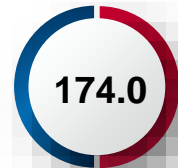
€ m	HY 2020	HY 2021
Revenue	99.7	99.5
Change in inventories	1.4	1.8
Other own work capitalised	5.9	3.0
Total output	107.0	104.3
Cost of materials	48.0	49.8
Employee benefit expenses	31.2	29.5
Impairment losses and gains on trade receivables	0.5	0.5
Other expenses (less other income)	14.1	15.7
EBITDA	13.1	8.8
<i>as % of revenue</i>	<i>13.1%</i>	<i>8.9%</i>
Depreciation/Amortisation	11.2	9.0
Interest result	0.6	0.5
Other financial result including at-equity income	0.1	0.6
Income taxes	-0.9	-0.3
Consolidated net income	1.8	0.6
EPS (€ basic)	0.11	0.04
EPS (€ diluted)	0.11	0.04

Financial Situation

Balance Sheet - Assets (30.06.2021)



ASSETS
in € m



NON-CURRENT
ASSETS

82.2

77.7

CURRENT
ASSETS

91.8

88.7

31.12.2020

30.06.2021

Non-Current Assets

- Decrease in intangible assets mainly due to amortization and depreciation

Current Assets

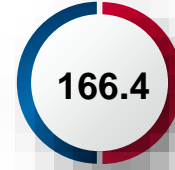
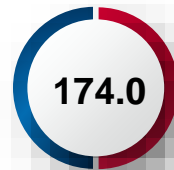
- Decrease in cash and cash equivalents (€ m 4.5), mainly due to made instalments on our credit facilities and other accelerated payments made possible due to improved cash management
- Decrease in other assets (€ m 1.8)
- Increase in inventories (€ m 2.4) and trade receivables (€ m 0.7) due to seasonality – partly mitigated by improved working capital management

Financial Situation

Balance Sheet - Equity & Liabilities (30.06.2021)



EQUITY &
LIABILITIES
in € m



EQUITY

13.7

14.6

NON-CURRENT
LIABILITIES

74.2

65.6

CURRENT
LIABILITIES

86.1

86.1

31.12.2020

30.06.2021

Equity ratio of 8.8 %
(31.12.2020: 7.9 %)

Non-current liabilities

- Decrease in bank liabilities mainly due to made installments (€ m 6.9)

Current liabilities

- Increase of other liabilities (€ m 3.4) due to seasonality
- Decrease in other accruals (€ m 3.0) and trade payables (€ m 1.2) due to seasonality

Basic Information

FP Management



Carsten Lind



CEO

since November 2020

Degree in M.Sc, Ba and EMBA

- Long-standing experience in technology companies: Regional CEO for 13 years in international IT & consulting companies such as CSC and Fujitsu as well as Asterion
- Before joining FP, he was Managing Partner at Bavaria Industries Group AG, where he served as Active Chairman for portfolio companies and inter alia was responsible for M&A activities

Martin Geisel



CFO

since January 2021

Degree in Business Administration

- More than 30 years of experience working in the finance industry such as ISS Facility Services Holding GmbH and ISS Communication Services GmbH as well as Danaher Corporation, a US company listed on the stock market
- Chief Finance Officer of Leica Microsystems, Hach-Lange, and Fluke
- Martin Geisel possesses many years of experience in the areas of treasury, M&A and investment banking

The FP share

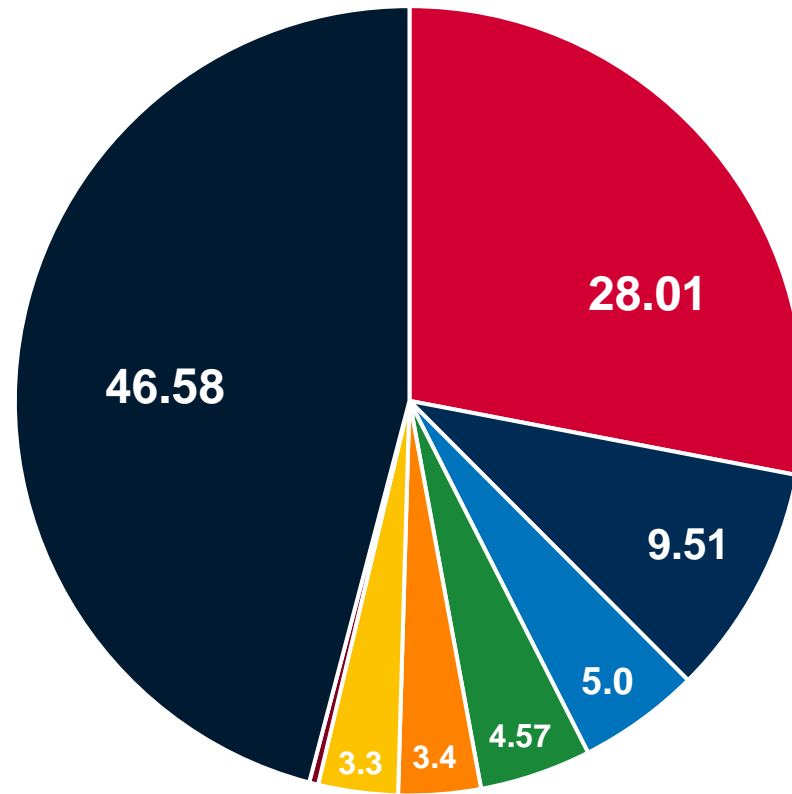
Strong & international shareholder base (in %)



shares 16,301,456

**Market cap approx.
€ m 50.1¹**

Prime Standard



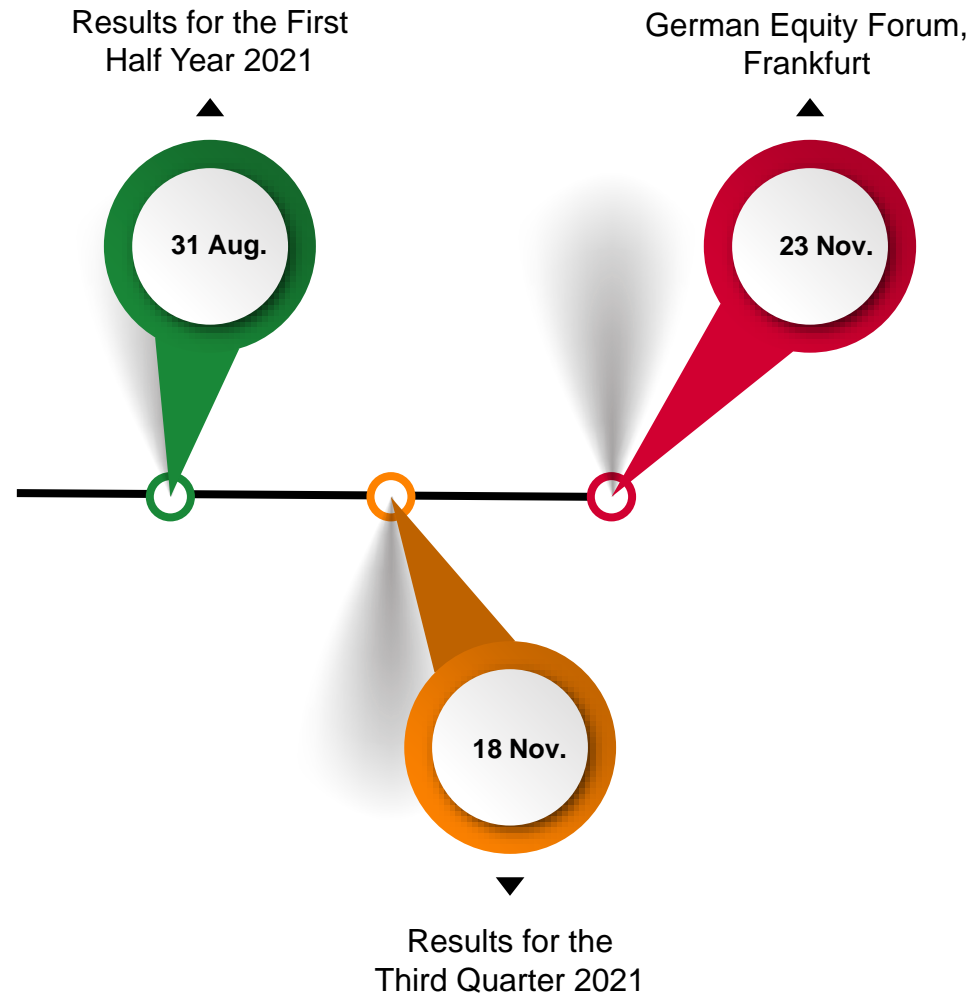
August 2021

- Obotritia Capital KGaA (GER)
- Active Ownership Fund (LUX)
- SALTARAX GmbH (GER)
- Ludic GmbH (GER)
- Universal-Investment GmbH (GER)
- Magallanes Value Investors SA (ESP)
- Management Board
- Freefloat

¹ As of 31 August 2021, excluding 257,393 own shares.

Financial Calendar

2021



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 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 and Canadian dollars. In addition, expected business development may vary if the assessments of value-enhancing factors and risks presented in the 2020 Annual Report develop in a way other than we are currently expecting.