REMAINING ON COURSE

FINANCIAL RESULTS
FIRST QUARTER 2019

FP IS HEAVILY ACTIVE IN ITS CORE COMPETENCIES…

GERMAN MAILGENEERING

MAGAZIN NEBENWERTE

PRIME STANDARD | FRANCOTYP-POSTALIA HOLDING SCHLIESST STRATEGISCHE PARTNERSCHAFT

Montag, Jan 28 2019 do

28.01.2019 - Die **Francotyp-Postalia Holding AG (ISIN: DE000FPH9000)**, Experte für sicheres Mail-Business und sichere digitale Kommunikationsprozesse,und die Heinz Lackmann GmbH & Co.KG (www.lackmann.de), ein etablierter Anbieter von Systemen und Lösungen für den gesamten Energiemarkt, haben eine strategische Partnerschaft vereinbart. Die gemeinsam entwickelten Lösungen bieten Energieversorgungsunternehmen hohe Kosten- und Effizienzvorteile durch die intelligente Fernüberwachung von Energiesystemen.

Bereits bisher arbeiteten beide Unternehmen auf Projektbasis zusammen. Die Kooperation wird jetzt im Rahmen einer dauerhaften Partnerschaft fortgesetzt. Lackmann sichert sich den Zugriff auf die innovativen FP Tixi Gateways und die flexible Unterstützung durch Anpassungs- und Serviceleistungen. FP erweitert so seine Marktpräsenz und baut sein IoT-Geschäft weiter aus.

In Energiemanagement-Projekten mittels IoT erfassen die Gateways typischerweise die Daten der Energiesysteme und übertragen sie online in eine Steuerzentrale. Von dort aus werden ihnen ebenfalls online die Aufträge zur Regelung der Anlagen für Energieerzeugung und -verteilung übermittelt. Fehlfunktionen oder Ausfallzeiten können so ebenso reduziert werden wie aufwändige handwerkliche Maßnahmen vor Ort.

Wirtschafts Woche GRÜNDER

Juconn: Traditionsunternehmen steigt bei Industrie-Start-up ein

Von Manuel Heckel in Finanzierung, München — 29.01.2019 um 17:30

Das Start-up baut eine Plattform, um Daten aus der Industrie zu vernetzen. Neu-Gesellschafter Francotyp-Postalia sucht dringend nach Erlösen aus der digitalen Welt.

Twittern 0 Gefällt mir G+

Diesen Artikel per E-Mail empfehlen.

Alle Sensoren, alle Maschinen: Jegliche Daten, die in der Industrie anfallen, sollen ihren Platz in der Cloud-Lösung des Start-ups Juconn finden. Die Software will dann bei der Auswertung und Analyse der Daten helfen. Jetzt steigt das Traditionsunternehmen Francotyp-Postalia (FP), groß geworden mit dem Verkauf von Frankier- und Kuvertiermaschinen, als Minderheitsgesellschafter bei dem Start-up ein.

VERLAGSSONDERVERÖFFENTLICHUNG

Verkaufsgespräch Drei Viertel der Deutschen wünschen sich bei größeren Anschaffungen eine qualifizierte Beratung

Werkzeug- & Gerätefertigung	
Francotyp-Postalia	100,0
Metabo	92,0
Festool	87,8
Andreas Stihl	76,1
Black & Decker	65,4
Steinel Vertrieb	58,5
Hilti	51,3
Klingspor	50,6

Studie „Kundenberatung“

Mit Rat und Tat

3000 Unternehmen aus 80 Branchen auf dem Prüfstand – welche Firmen in Deutschland für eine besonders **hohe Beratungsqualität** stehen

„Darf ich Ihnen helfen?“ Manch Kunde könnte bei dieser Frage schon auf dem Absatz kehrtmachen. Oder unter scharfer Beobachtung des Verkäufers durch den Laden schlendern und rumstöbern? Geht für viele gar nicht. Dann gibt es wiederum Kunden, die genau wissen, was sie möchten – aber dennoch nach Beratung fragen. Sie haben vorher im Internet recherchiert und wollen nun eine persönliche Einschätzung. Und dann sind da noch diejenigen, die den Laden mit ganz vagen Vorstellungen betreten und sich von Anfang bis Ende leiten lassen. Kunde ist eben nicht gleich Kunde. Für die Unternehmen bedeutet das: Jeder einzelne Kundenkontakt erfordert Fingerspitzengefühl. Denn die Konkurrenz schläft nicht – weder in der Fußgängerzone noch im Internet.

Ein zentraler Punkt beim Kundenkontakt und der Kundenbindung ist die Beratung. Umfragen zeigen: Gerade bei größeren Anschaffungen legen mehr als drei Viertel der Deutschen besonderen Wert auf eine qualifizierte Beratung. DEUTSCHLAND TEST zeigt, wer diesem Anspruch am besten nachkommt. ■

MAIKA BONNER/THORSTEN JACOBS

…AND GAINS FURTHER CUSTOMER AWARENESS

FP GERMAN MAILGENEERING

Freie Fahrt fürs Freimachen

Mit den Umstellungen, die die Deutsche Post zu Beginn des vergangenen Jahres vorgenommen hat, wurde das routinierte Frankieren vorübergehend aufgemischt. Damit Unternehmen neue Produkte und den Infrastruktur-rabatt nutzen konnten, benötigten ihre Frankiermaschinen einen neuen Stempelabdruck mit eindeutiger ID sowie eine entsprechende Zulassung der Deutschen Post – das dauerte seine Zeit und nicht immer klappte alles wie gewünscht. Francotyp-Postalia war nach eigenen Angaben der erste Hersteller, dessen Kunden ihre Routine wieder aufnehmen konnten. FACTS hat seine „PostBase 65" einem Test unterzogen.

Durch das Fehlen von scharfen Ecken und Kanten und vor allem durch ihre schicke Metallic-Farbe fällt die PostBase sofort ins Auge. Besucher der FACTS-Redaktion zeigten sich beim Anblick durchweg beeindruckt. Augenfällig ist zudem das 4,3 Zoll große Touchdisplay, das sich neigen lässt, sodass große und kleine, sitzende und stehende Nutzer es komfortabel bedienen können und sich außerdem ungünstiger Lichteinfall ausblenden lässt. Die Redakteure stellten anerkennend fest, dass es nicht verdeckt wird, wenn Briefe auf die Waage gelegt werden, wie es bei vielen Frankiermaschinen der Fall ist. Nicht nur die Augen, auch die Ohren wurden bedacht: Beim Bedienen bemerkt man gleich den außergewöhnlich leisen Brieftransport.

GROSSE FUNKTIONALITÄT

Die PostBase 65 ist für bis zu 200 Briefe am Tag gedacht. Da sie optional über einen automatischen Einzug 65 Frankierungen in der Minute vornehmen kann, darf das Volumen in Spitzenzeiten auch durchaus höher sein. Für geringere Mengen bietet FP die kleineren Modelle PostBase 30 und PostBase 45 an, für größere gibt es die PostBase 100. Alle vier Modelle arbeiten mit derselben Technologie.

Für eine Maschine der Leistungsklasse bis 200 Sendungen am Tag ist die dazugehörige Kostenmanagement-Software „NavigatorPlus" wirklich beachtlich. Sie ist für einfache Frankierungen nicht notwendig, bietet jedoch auch dabei großen Komfort, denn auf dem PC-Bildschirm können mehr Optionen gleichzei-

IoT Convention 2019: FP and Juconn clear the way for the digital transformation

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03/06/2019 | 08:17am EDT

Berlin, 06.03.2019 - The Internet of Things (IoT), the intelligent networking of all technical devices, offers enormous potential for companies to use their data to achieve greater efficiency, economy, customer satisfaction, or new business models. However, many lack the expertise and resources needed to make profitable use of the capabilities.

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Retrofitting: FP securely combines decentralised industrial facilities with the IoT

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03/26/2019 | 09:10am EDT

Berlin, 26 March 2019 - The risk of falling victim to a cyber attack is great: according to a recent study by the BSI*, around two thirds of companies and institutions in Germany were affected by cyber attacks in 2016 and 2017. A quarter of these attacks resulted in production and operations downtime, which can result in high costs for the companies affected. At the same time, the Internet of Things (IoT) is finding its way into increasing numbers of industrial facilities. These are often not designed for the security requirements of the new IoT technologies. At the World Economic Forum in Davos, cyber attacks were recently declared one of the five biggest problems for our societies. FP, expert in the secure mailing business and secure digital communication processes, has developed a secure solution that companies can use to protect themselves from this threat.

FP: EXPANDS INTO GROWTH MARKETS

DOUBLE-DIGIT GROWTH IN E-SIGNATURE AND SECURE IoT 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	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

MARKET, COMPETITION AND COMPANY DEVELOPMENTS IN Q1/2019

FP MANIFESTS ITS MARKET POSITION

Market and Competition:

- Global installed base reduced by **ca 1.1%**
- Competitors **review franking strategy**
- Postcon **sale** by Post NL seems to be **stalling**
- Dropbox **acquired HelloSign** for $230m
- Global market studies **confirm Secure IoT megatrend**

Francotyp-Postalia:

- **Increase** of relative **market share** in the franking business
- **Postbase Vision** in final postal certification process in the US, **excellent customer feedback** so far
- **Freesort: New management** and **postal tariff increase** set foundation to achieve targets
- **Global FP Sign roll-out** started (in April)
- Further market awareness about FP's IoT expertise leads to **improved IoT revenues** over time
- FP successfully **extended IoT value chain** by Juconn participation
- JUMP: Process **definition and design phase completed, implementation phase initiated**

TRANSFORMATION ONGOING AS PLANNED

REVENUE AND EBITDA BELOW EXPECTATION, STRONG CASH FLOW GENERATION

Revenue[1]

51.2
m €
-3.4 %

EBITDA[2]

7.4
m €
-2.6 %

ADJ. FCF[3]

7.4
m €
+116.1%

- Excluding adjustments: Revenues of 52.1 m €, EBITDA of 6.9 m €
- JUMP expenses of 0.9 m €, implementation ongoing
- Free cash flow of 2.9 m €

[1] Currency adjusted | [2] Adjusted for currency effects and JUMP expenses | [3] Excluding additions to finance lease assets, M&A and JUMP payments
EURUSD exchange rate in 2018: 1 € = 1,2292 US$, in Q1 2019 = 1.1361 US$

MAIL SERVICES ACCOUNTABLE FOR REVENUE DECLINE
LEASING FURTHER GAINS TRACTION

m €	Q1/2018	Q1/2019
Equipment sales & others	9.2	8.8
Service	5.2	5.7
Consumables	6.1	6.2
Teleporto	2.3	2.1
Mail Services	17.1	14.4
Software	3.8	4.7
Revenue acc. to IFRS 15	**43.7**	**41.9**
Finance Lease	1.8	2.2
Operate Lease	7.5	8.0
Revenue acc. to IFRS 16	**9.3**	**10.2**
Revenue total	**53.0**	**52.1**

Major items in Q1 2019

- Decline of Mail Services revenue (-15.7 %) due to margin-oriented change in customer base and still lower letter volume
- Substantial increase in Software/ Digital revenue (+22.7 %)
- Strong increase in leasing revenue (+9.4 %) provides future multiple client contact points

ADJUSTED EBITDA FIRST QUARTER 2019

REVENUE AND PROFITABILITY BELOW EXPECTATIONS

m €	Q1 2018	Q1 2019
Revenue	53.0	51.2[2] 52.1
EBITDA	**7.6** **7.4**	**7.4[3]** **6.9**
EBITDA Margin	14.4%[1] 14.1%	14.5%[3] 13.3%
Amortisation/ depreciation	4.3	5.6
~ to revenue	8.1%	10.8%
EBIT	3.2	1.3
Net Income	2.2	1.2
EPS (basic, EUR)	0.14	0.08

Currency and special items

- Positive currency effects of 0.9 m € on revenue, 0.5 m € on EBITDA
- Non-recurring expenses of 0.9 m € for JUMP (in previous year 0.2 m €)

First-time adoption of IFRS 16

- Impact on EBITDA of 1.0 m € almost offset by the depreciation of right-of-use assets of 0.9 m €
- Slightly negative, immaterial effect on consolidated net income

Amortization/depreciation

- Increase due to IFRS 16 and higher amortization of capitalized R&D

[1] Adjusted for JUMP expenses | [2] Currency adjusted | [3] Adjusted for currency effects and JUMP expenses

ADJUSTED FREE CASH FLOW

POSITIVE IMPACT OF ACTIVE WORKING CAPITAL MANAGEMENT

GERMAN MAILGENEERING

m €	Q1 2018	Q1 2019
Cash flow from operating activities	6.6	9.3
Cash flow from investing activities	-4.0	-6.3
Free cash flow	2.6	2.9
Adjusted free cash flow[1]	**3.4**	**7.4**
Cash flow from financing activities	-3.9	-7.9
Cash and cash equivalents	22.6	16.4

Cash flow from operating activities

- Increase supported by improvement of working capital
- IFRS 16: lease payments of 0.9 m € recognized as cash flow from financing activities
- JUMP payments of -2.2 m €

Cash flow from investing activities

- Increase following the participation in Juconn of 2.0 m €
- Increase in investments in internally generated intangible assets of 0.9 m €

Adj. free cash flow reflects higher cash flow from operating activities and improvement of net working capital (compared to previous year)

Cash flow from financing activities

- Repayment of financial liabilities -7.0 m €

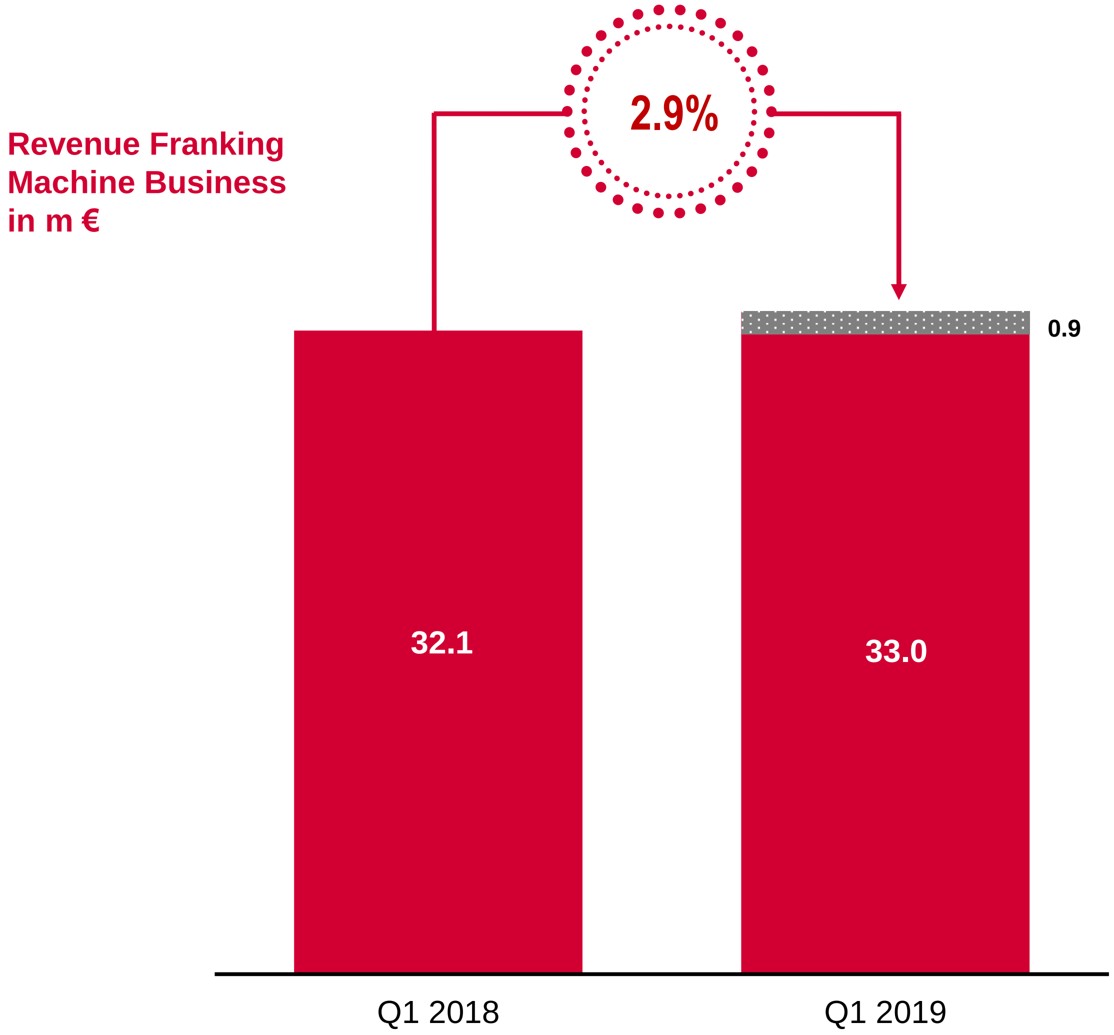
[1] Excluding investments in finance lease assets, M&A and payments for JUMP.

FP IS FURTHER ATTACKING AGAINST MARKET TRENDS
POSITIVE OUTLOOK DUE TO ROLLOUT OF POSTBASE VISION

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
Q1 2019	**2.9%**		**-10.3%**
excluding currency effects	**0%**		**-9.0%**

REVENUE GROWTH
IN CORE BUSINESS

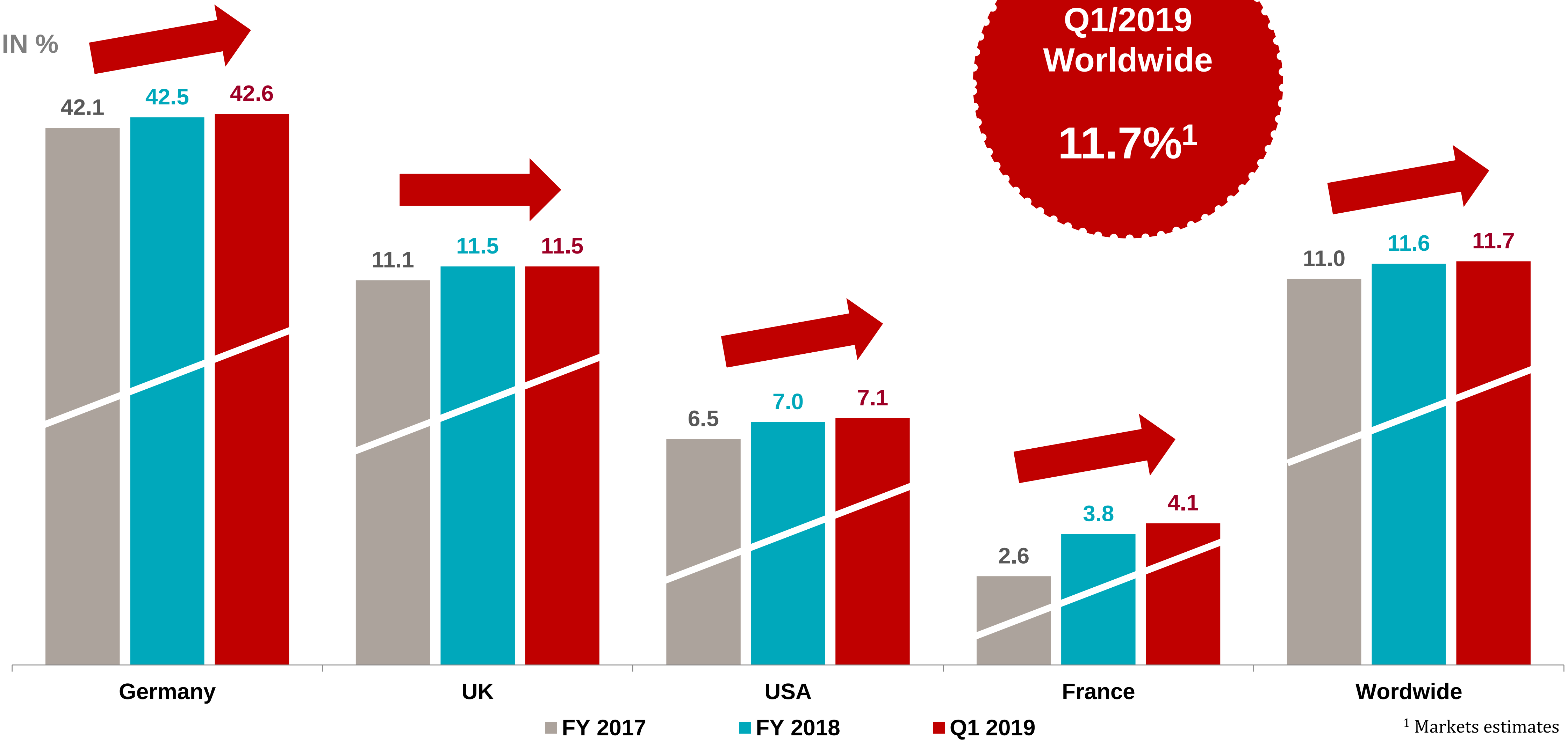


In a decreasing market environment, revenues in the franking business increased by 2.9%

- Revenue increase positively impacted by currency effects of 0.9 m €
- Positive revenue development compared to competition
- Optimistic outlook for the second half year due to launch of PostBase vision (currently in final postal certification in the US; GER, UK, FR: market launch in 2019)

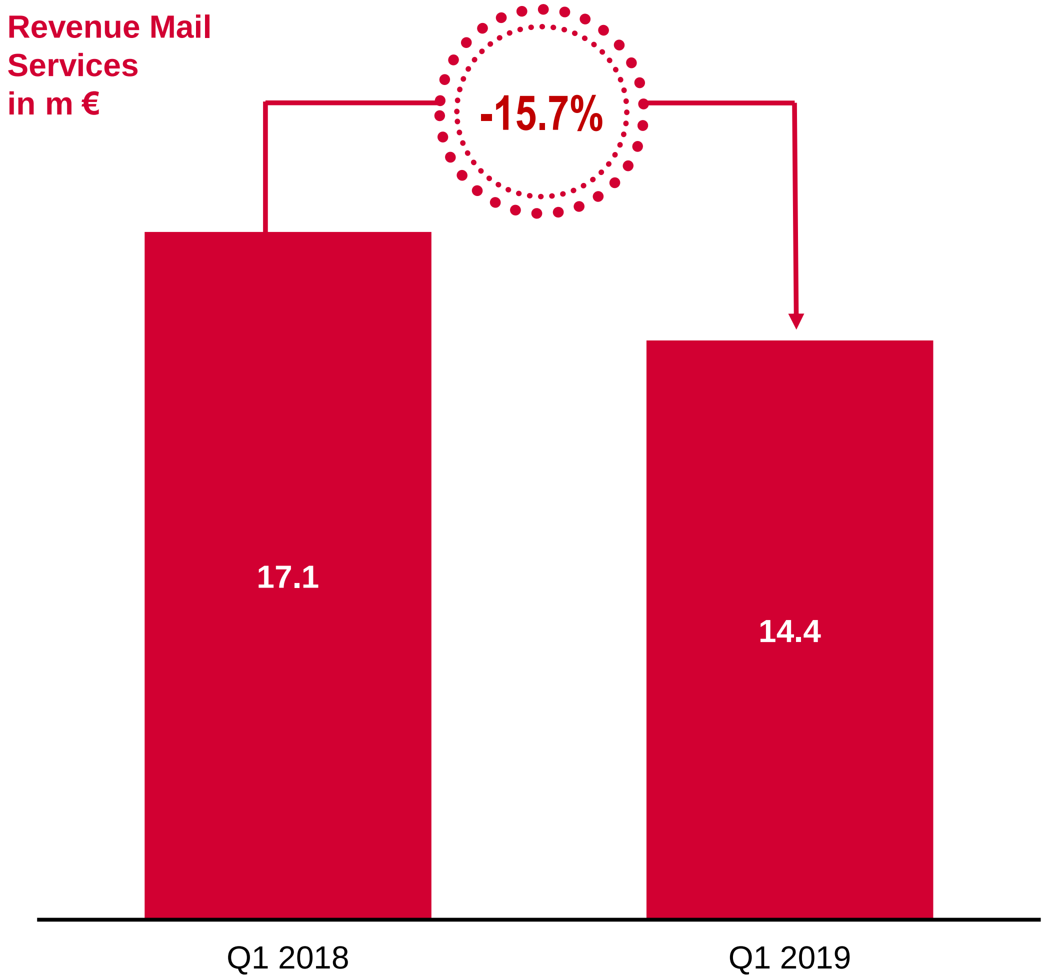
FP CONTINUES TO GAIN MARKET SHARE IN FRANKING[1]

A BIG MARKET STILL TO CONQUER



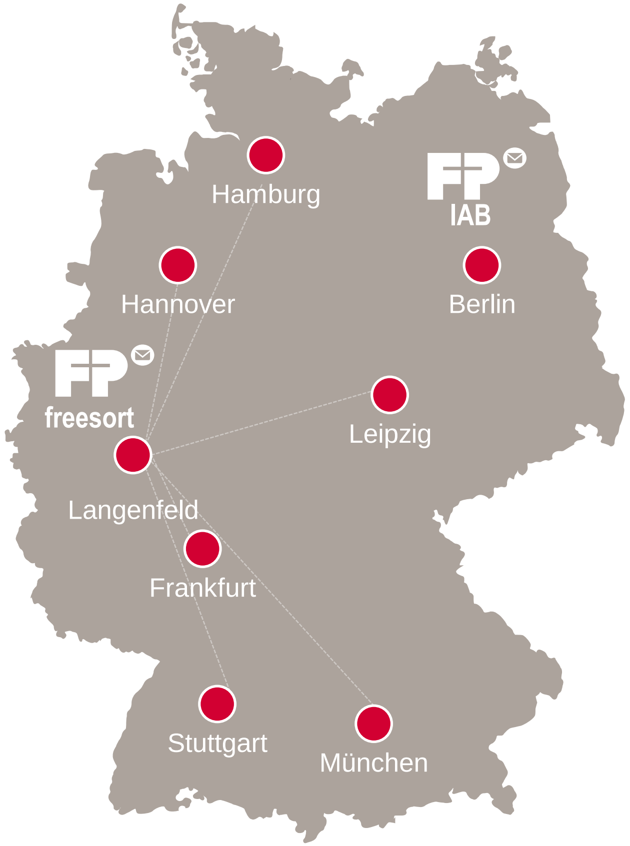
1 Markets estimates

REVENUE MAIL SERVICES NOT SATISFACTORY
POSITIVE IMPACT EXPECTED FROM POSTAGE TARIFF INCREASE AND NEW MANAGEMENT

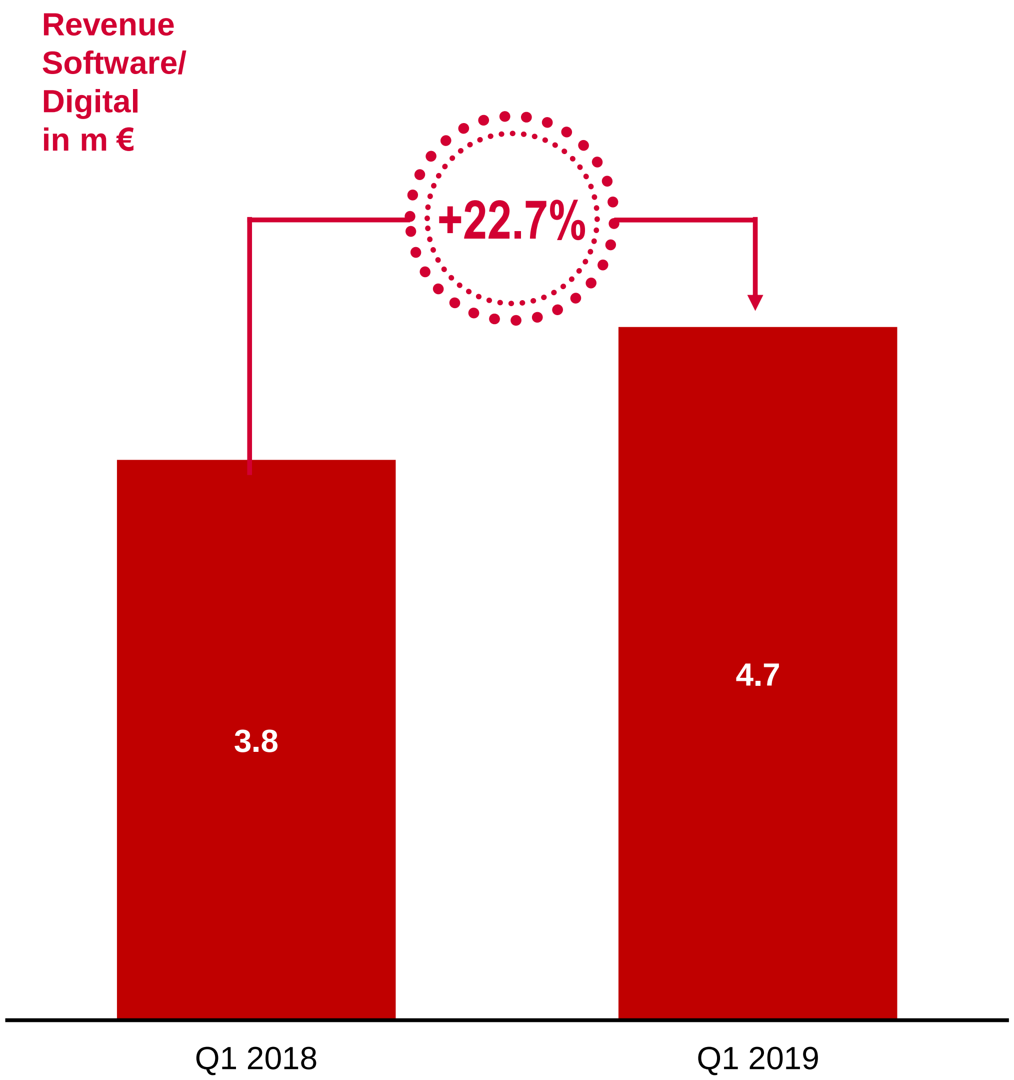


Mail service revenue continue to disappoint

- Substantial volume decrease in existing client base
- Existing and new customer activities do not compensate loss of non-profitable clients yet
- Positive revenue impact expected from postage tariff increase by Deutsche Post in second half 2019
- New experienced and active management in place



REVENUE SOFTWARE/ DIGITAL
SET FOR GROWTH



FP Sign

- International roll out in April shall lead to further revenues in the course of the year
- Sales and marketing initiatives started to upgrade existing meter customer base
- Continuous upgrade with new customer-centric features
- Increasing sales pipeline

IoT

- Strategic cooperation with Lackmann sets basis for remote IoT control in core segment sub metering
- IoT: 3-year framework contract with Getec energy solutions
- Contract with E.ON Business Solutions providing gateways for virtual power plants (smart grid solutions)
- Increasing sales pipeline, including significant long-term large-order projects

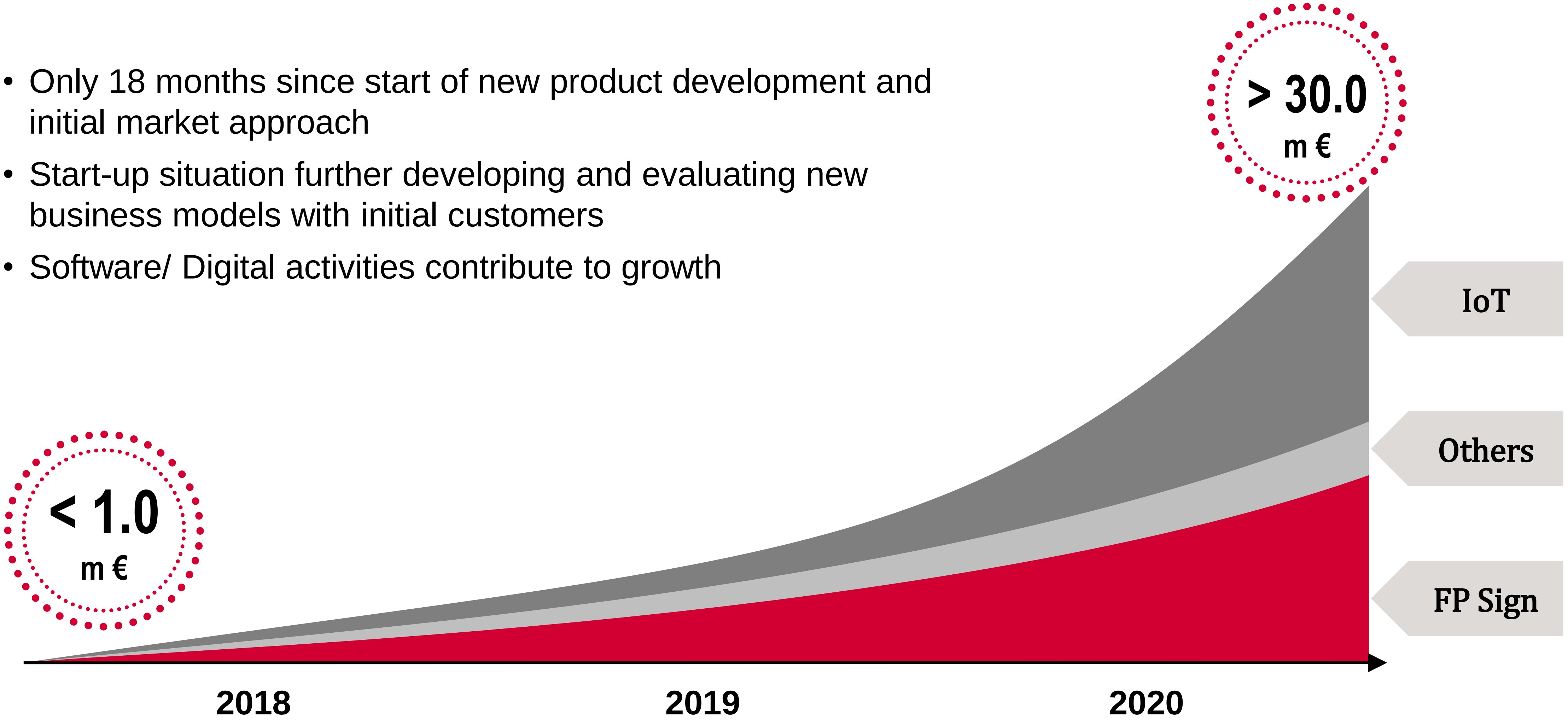
Others

- Uptake of e-invoicing solutions FP Italy
- Further increase in discoverFP registrations setting the base for future cross-selling

NEW DIGITAL BUSINESS MODELS

SIGNIFICANT REVENUE UPSIDE POTENTIAL FOR **FP**

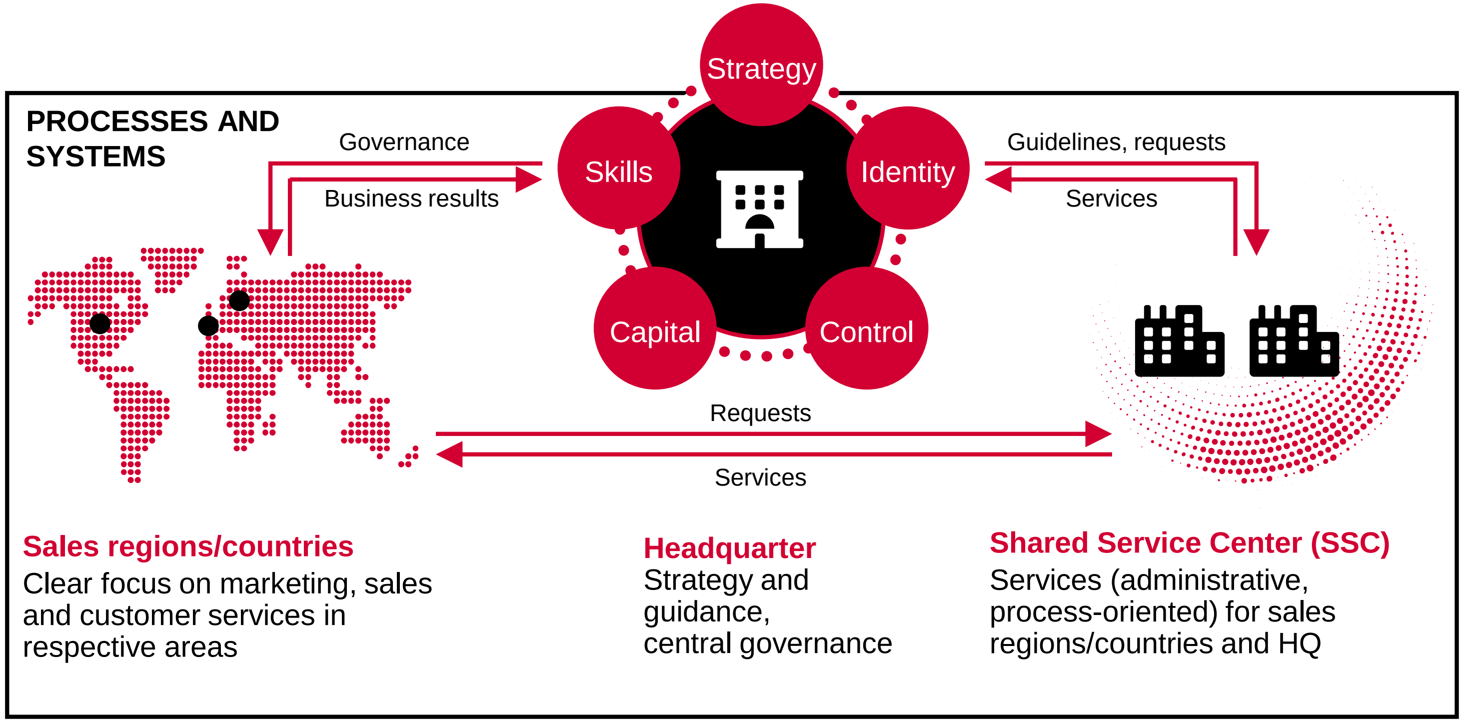
- Only 18 months since start of new product development and initial market approach
- Start-up situation further developing and evaluating new business models with initial customers
- Software/ Digital activities contribute to growth



JUMP IN ACTion

FIRST MEASURES TAKEN – SIGNIFICANT WORK AHEAD

Our Target Operating Model



Implementation of JUMP in progress:

- Shared Service Center Europe founded, located near Berlin
- First hirings for centralized organization concluded; ongoing positive discussions with labour unions and workers council
- ERP/CRM realization started
- Centers of Excellence for strategic functions (e.g. Service, HR, Finance) in implementation – numerous best practice processes reviewed
- JUMP-parameters and effects continuously under review
- JUMP EBITDA effect in 2019 expected to be neutral
- Full year savings effect of 6.0 m € confirmed

GUIDANCE 2019: ACT – JUMP – DELIVER

CLEAR FOCUS ON 2020 GOALS

	2018	2019	2020
REVENUE	**204.2 m €**	**Strong increase**[2]	
EBITDA	**25.1 m €**[1]	Adjusted for JUMP expenses – **strong increase**[2]	
ADJ. FCF	**10.9 m €**	Positive adj. FCF at a **considerably lower level** than last year[3]	

1 EBITDA 2018 as reported – adjusted for JUMP expenses (8.0 m €).
2 Based on constant currency level;
3 Based on constant currency level, excluding payments for JUMP, additions to finance lease assets and M&A.

HEADING FOR TOMORROW

Questions are welcome

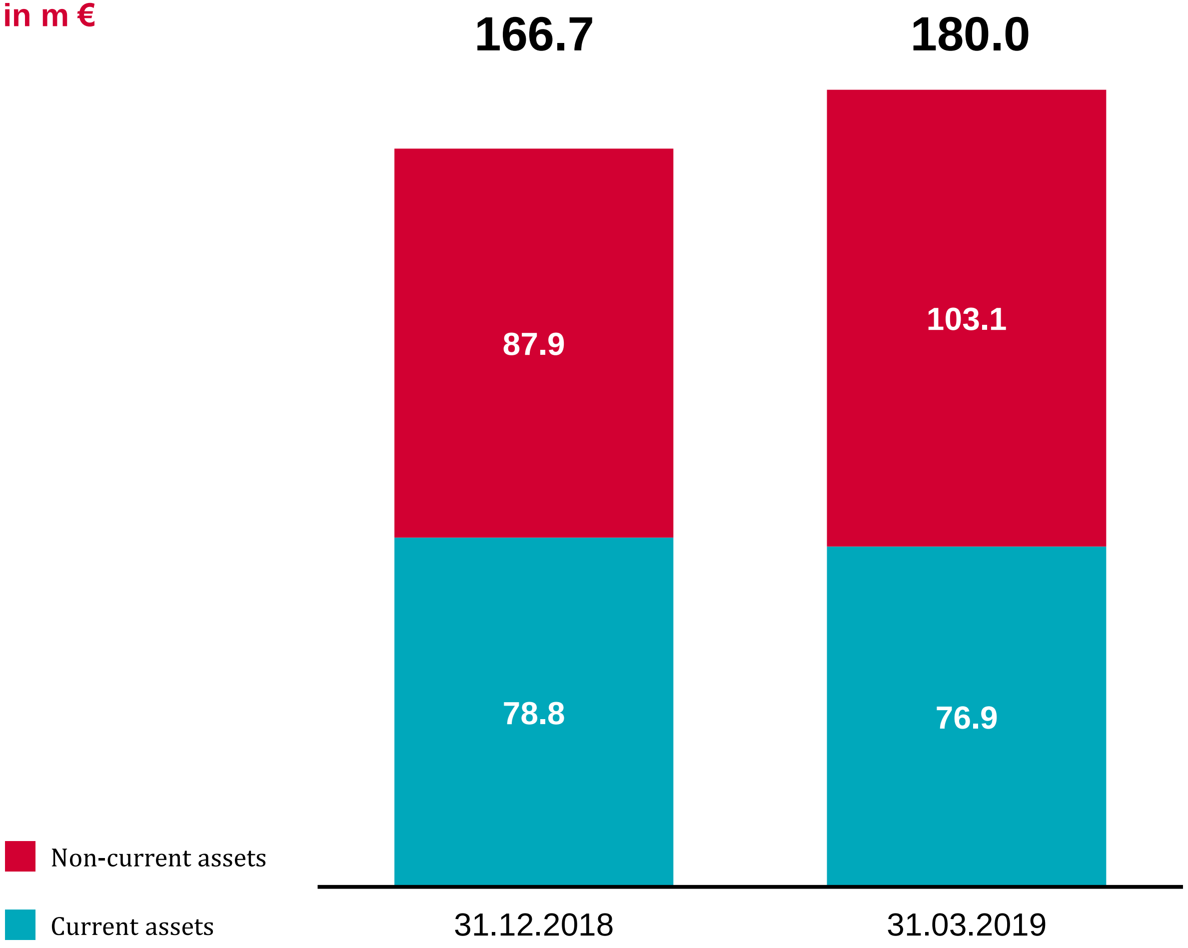
APPENDIX

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Q1 2019

m €	Q1 2018	Q1 2019	%
Revenue	**53.0**	**52.1**	**-1.7**
Change in inventories	0.1	0.4	560.5
Other own work capitalised	3.4	3.8	10.3
Total output	**56.5**	**56.3**	**-0.4**
Cost of materials	26.7	25.3	-5.3
Staff costs	14.9	15.7	5.6
Other income/expenses	-7.4	-8.3	12.4
EBITDA	**7.4**	**6.9**	**-6.7**
as % of revenue	14.1%	13.3%	
Amortisation/depreciations	4.3	5.6	30.8
EBIT	**3.2**	**1.3**	**-57.5**
Interest result	0.1	0.2	47.4
Other financial result	0.1	0.3	353.3
Income taxes	-1.2	-0.6	-47.5
Consolidated net income	**2.2**	**1.2**	**-44.8**
EPS (€ basic)	**0.14**	**0.08**	**-44.8**
EPS (€ diluted)	**0.14**	**0.08**	**-44.7**

FINANCIAL SITUATION – BALANCE SHEET ASSETS (31.03.2019)

ASSETS
in m €



Non-Current Assets

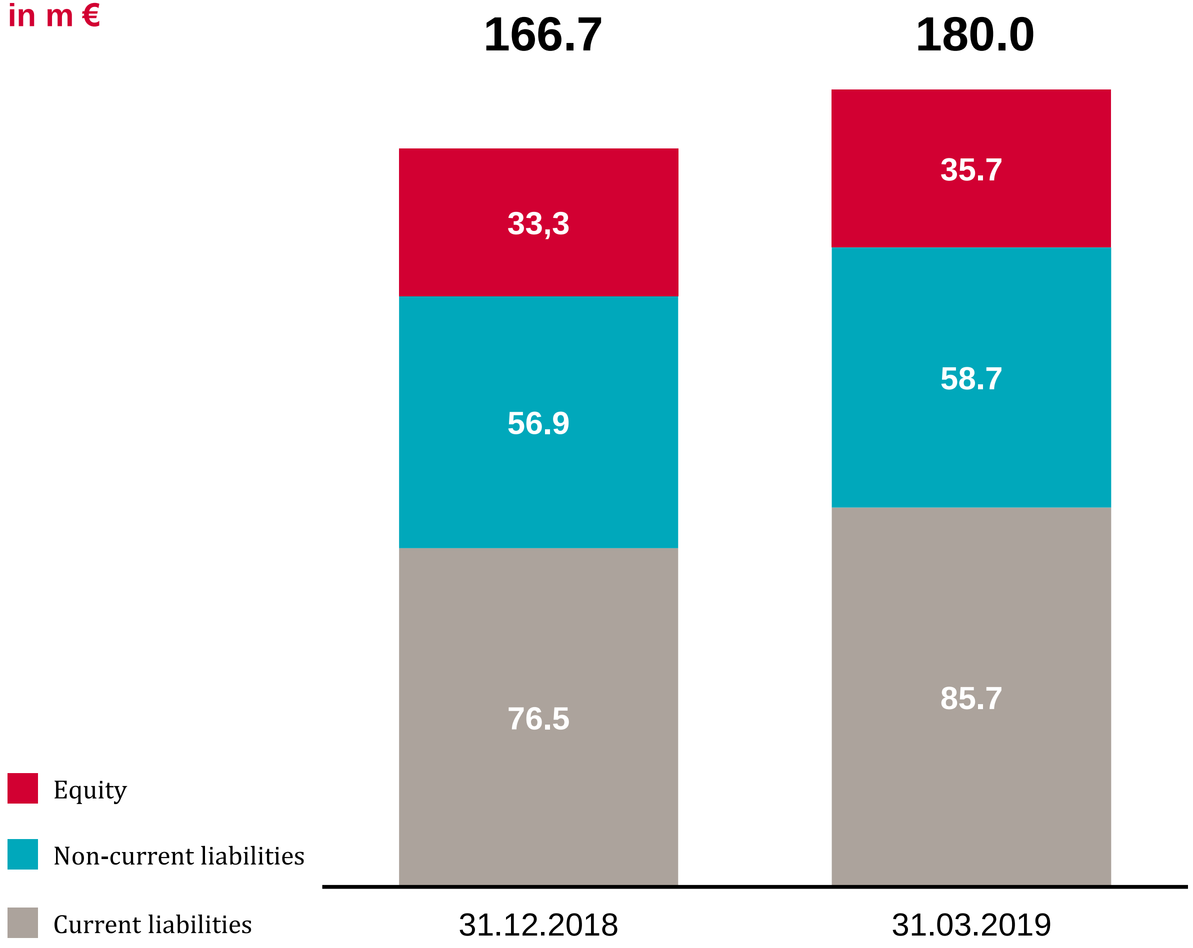
- First-time adoption IFRS 16: accounting for right-of-use assets (12.3 m €)
- Increase of other assets, mainly from participation on Juconn (2.0 m €)
- Increase of receivables from finance lease (0.8 m €)

Current Assets

- Decrease in cash and cash equivalents (-3.6 m €)

FINANCIAL SITUATION – BALANCE SHEET LIABILITIES (31.03.2019)

LIABILITIES
in m €



Equity ratio of 19.8%
(31.12.2018: 20.0%)

- Total comprehensive income 3M 2019 (2.3 m €)

Non-current liabilities

- Increase of financial liabilities, mainly following first-time adoption IFRS 16 (+9.0 m €)

Current liabilities

- Increase of financial liabilities, mainly following first-time adoption IFRS 16 (+3.5 m €)
- Increase of trade payables (+0.8 m €)
- Increase of other liabilities (+4.8 m €)

BASIC INFORMATION

FP MANAGEMENT

Rüdiger Andreas Günther

CEO, 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 (Dipl.-Kfm.), 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
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 mn

Freefloat
78.7% (calc.)

Coverage
Warburg Research,
LBBW, Dr. Kalliwoda,
GSC, Baader Bank

MAIN SHAREHOLDERS	
Obotritia Capital KgaA	10.30%
Active Ownership Fund	9.5%
Quaero Capital	4.90%
SALTARAX GMBH	3.59%
Ludic GmbH	3.51%
Magallanes Value Investors	3.30%
Baring Fund Managers Limited	3.07%

FINANCIAL CALENDAR

28 May 2019	Annual General Shareholders' Meeting, Berlin
22 August 2019	Results for the First Half Year 2019
14 November 2019	Results for the Third Quarter 2019

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.


We ACT
to win
your trust