



Francotyp-Postalia Group

German Equity Forum 2023
Carsten Lind | CEO

November 28th, 2023

FP at a Glance



Transform FP into a profitable international software/hardware technology group



1923

Foundation



Berlin

HQ, stock listed company



1,100

Employees worldwide



>250,000

Customers



2022 revenue: € m251

~ 66% recurring revenue

Business units

Revenue per business area (FY 2022)



Digital Business Solutions

Enabling efficient communication & workflow processes for businesses



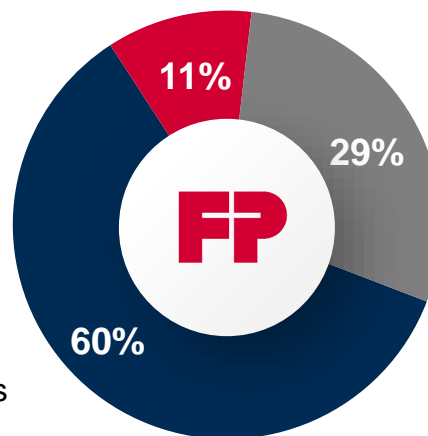
Mailing, Shipping & Office Solutions

Mailing & shipping made easy for businesses



Mail Services

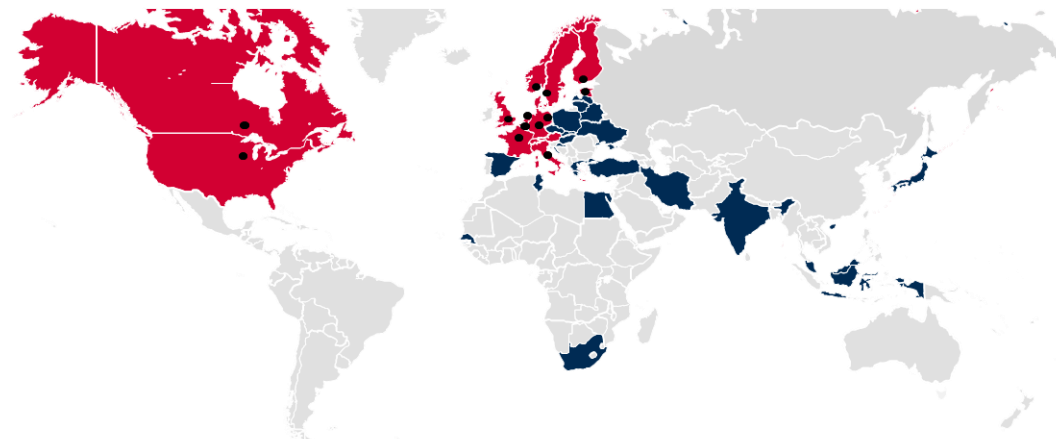
Efficient outsourcing of mail service processes



International footprint

Key regions: Europe & North America | Subsidiaries in 15 countries

Dealer in approx. 40 countries



■ FP subsidiaries
■ Dealers

FP Business Units



Digital Business Solutions

Enabling efficient communication & workflow processes for businesses

- Document Workflow Management
- Business Process Automation & Managment
- Shipping & Logistics

2022

11% Rev. share
34% YoY growth



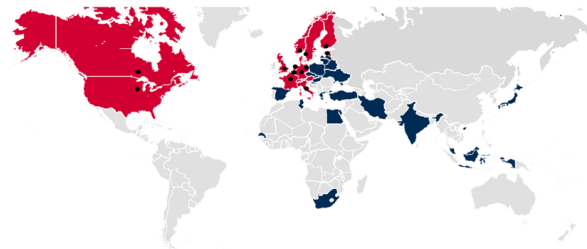
Mailing, Shipping & Office Solutions

Mailing & shipping made easy for businesses

- Mailing
- Shipping
- Office Solutions

2022

60% Rev. share
23% YoY growth



Mail Services

Efficient outsourcing of mail service processes

- Mail Outsourcing (franking, sorting, access to postage discounts)

2022

29% Rev. share
23% YoY growth

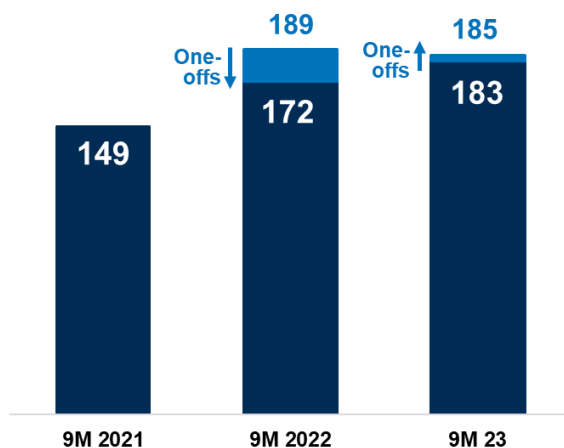


Group Services – under establishment → *efficient market compliant group service processes*

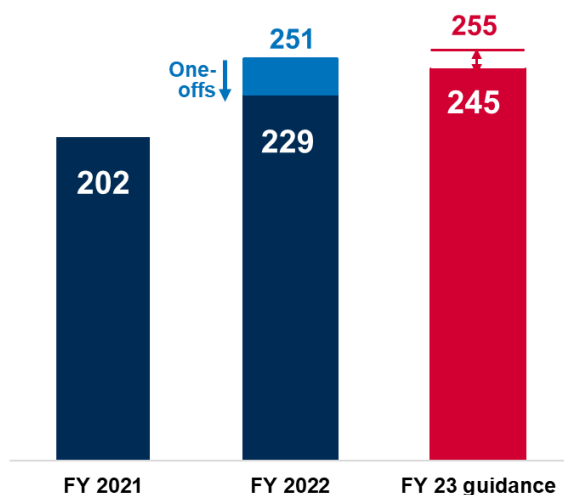
Revenue & EBITDA 9M and FY 2021-2023



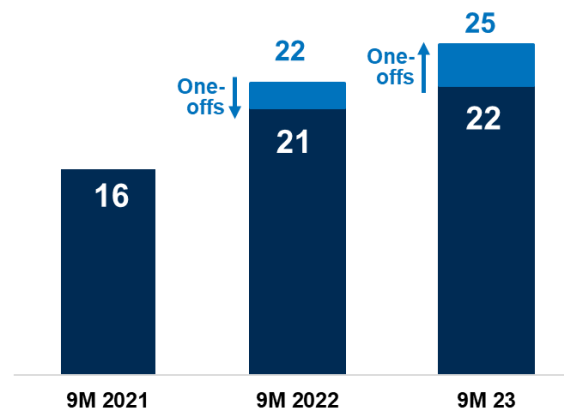
Revenue 9M 21-23 in € m



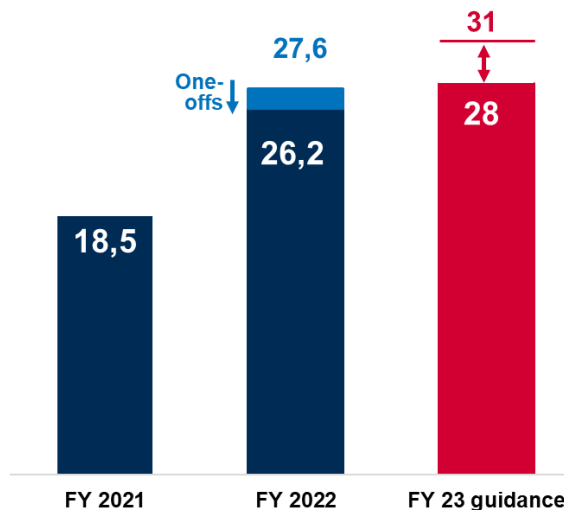
Revenue FY 21-23 in € m



EBITDA 9M 21-23 in € m



EBITDA FY 21-23 in € m



- FUTURE@FP transformation program pays off
- Improving top and bottom line organically and through M&A
- Revenue:
 - + 66% recurring revenue
 - + YoY growth in digital business
 - + YoY growth in MSO and Mail services in 2021 and 2022; flat in 2023
 - Positive one-offs in 2022, head wind from FX in 2023
- EBITDA:
 - + YoY reduction of cost base
 - Positive one-offs in 2022, head wind from FX in 2023
 - Investing in software development capacity
 - Investing in ONE ERP

FP Key Figures

Positive Free Cash Flow and Net Debt Reduction



€ m	FY 2021		FY 2022	9M 2023
Free cash flow	6.5	+24%	8.1	5.6
Net debt	20.5	-11%	18.1	17.4
EPS <i>(basic/diluted Euro)</i>	0.02	↑0.33	0.35	0.29

- **Still huge potential in FUTURE@FP**
to further increase FCF and reduce net debt over the next years
- **FCF**
 - YoY growth in 2021, 2022 despite acquisition costs in 2022 (-4.1 € m)
- **Continues net debt reduction**
 - Despite acquisition costs in 2022 (4.1 € m)
 - Despite increased investment in MSO and DBS



Digital Business solutions (DBS)



Digital Business Solutions (DBS)

Enabling effective communication and workflow processes for businesses



2022

11% Rev. share
34% YoY growth

Key products/ solutions

Key segments/ verticals

Geographical focus

Document Workflow Management

*Giving customers time to care for
their core business*

- Output Management
- Input Management

- Utilities
- Real estate
- Financial & insurance
- Public sector
- SMB (Output Management)

- D

Business Process Mgmt. & Automation

*Saving time and money with faster
digital processes*

- Digital Signature
- De-Mail
- eJustice – communication

FP[®] Sign



- Enterprise
- Tax consultants
- Public sector
- MSO customers

- DACH, US,
UK, Nordics

- Public sector,
Justice

- D

Shipping & Logistics

*Saving money and gaining
convenience*

- Parcel shipping (outbound)
- Parcel managmt. (inbound)
- Internal logistics
- City logistics



- SMB Business
- MSO customers

- US, Nordics,
UK, NL

- Enterprise
- Hospitals, universities
- Municipalities

- D, Nordics, US,
UK

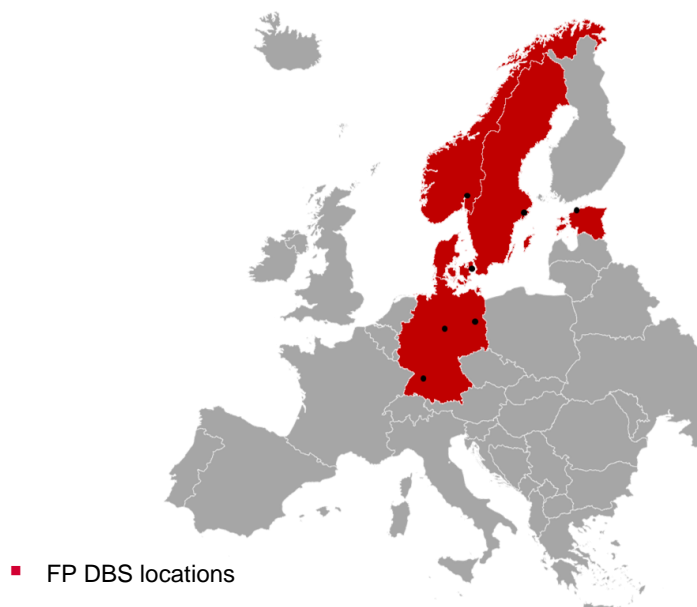
Digital Business Solutions

FP – our way forward



Geographical Scope

- Current DBS locations: D, NOR, SE, DK, EST
- Further sales regions via MSO and dealers: US, Europe



Go-to-market approach

- **Document Management Workflow**
 - Enhancing solutions in input & output management
 - Focus on key verticals in Germany
 - **Business Process Management & Automation**
 - FP Sign – focus on key verticals and increase sales through partner network
 - FP Sign - internationalization
 - **Shipping & Logistics**
 - Internationalization of outbound parcel shipping
 - Scaling newly acquired solutions for inbound parcel management and internal logistics
- + targeted bolt on acquisitions

Mid-term indication: 15 - 20% (CAGR revenue 2020 – 2027)*



*Disclaimer: Mid-term indication gives no guidance nor a forecast. Figures for '23 in range of the guidance



Mailing, Shipping, Office Solutions (MSO)



Mailing, Shipping & Office Solutions

Simplifying customers' office life

2022

60% Rev. share
23% YoY growth



Mailing



Market development

- Decline in all countries, due to mail volume decline (CAGR -4-6%)
- Customers switch to smaller machines (low-end segment)

FP positioning:

- Focus on mid-to-low-end segment (90% of installed base)
- Further growth expected for key countries
- high-end customer base can be leveraged for other office and digital products

Shipping*



Office Solutions



* MSO serves as sales channel for DBS shipping & logistics solutions

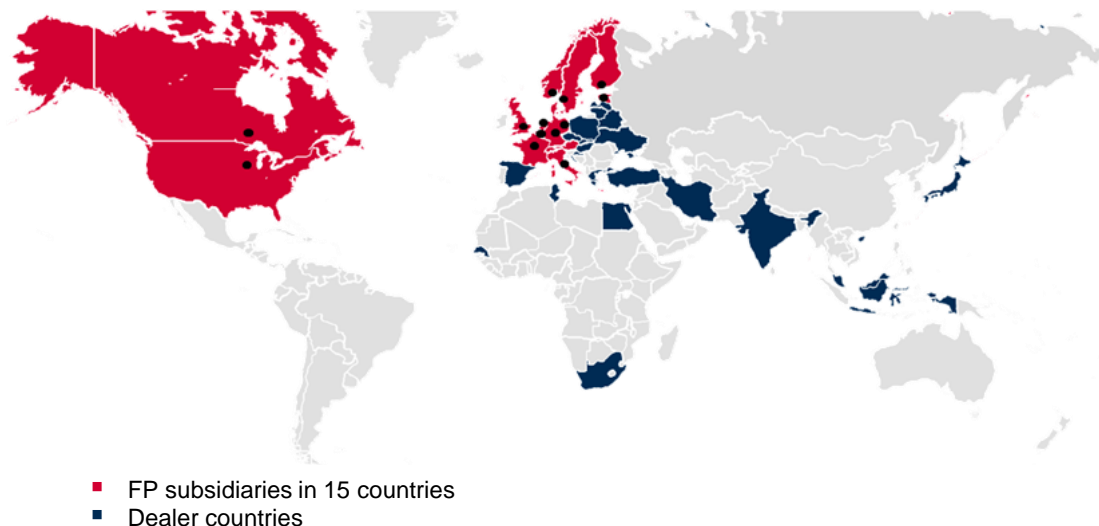
Mailing, Shipping & Office Solutions

FP – our way forward



Geographical Scope

Key regions: Europe & North America



Go-to-market approach

- „Go for growth“: US, F, UK
 - FP well positioned to grow even in declining market
 - US, F, UK are largest meter markets (75% of world market)
 - Modern product portfolio to meet customers and postal operators' requirements (e.g. decertification in US)
 - Expansion into further office and digital solutions broadens attractiveness for customers
- „Defend & Expand“: D, Nordics, IT, AT, NL
 - High market share allows to profitably serve smaller markets (e.g. Nordics „last man standing“)
 - Leverage customer base to cross sell further office and digital solutions

Mid-term indication: ± small single digit development (CAGR revenue 2020 – 2027)*



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Mail Services

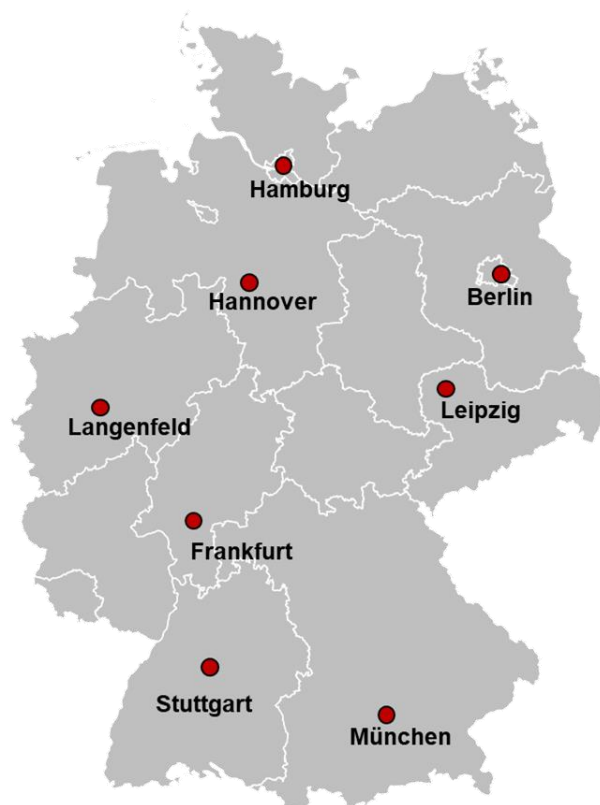


Mail Services

Efficient outsourcing of mail service processes



29% Rev. share
23% YoY growth



Solution

- Outsourcing of mail services processes including mail-pickup, franking, sorting, and handing over to postal operators for final delivery
- Changes in Deutsche Post requirements in Jan 2023 allows for further automatization and optimization of mail processes

Our way forward

- Meet customer needs and provide processing & tracking data
- Open-up growth opportunities by shift into digital services to offer customer value driven by customer data
- Utilize logistic network and locations to leverage input management and parcel management solution

Mid-term indication: ± small single digit development (CAGR revenue 2020 – 2027)*

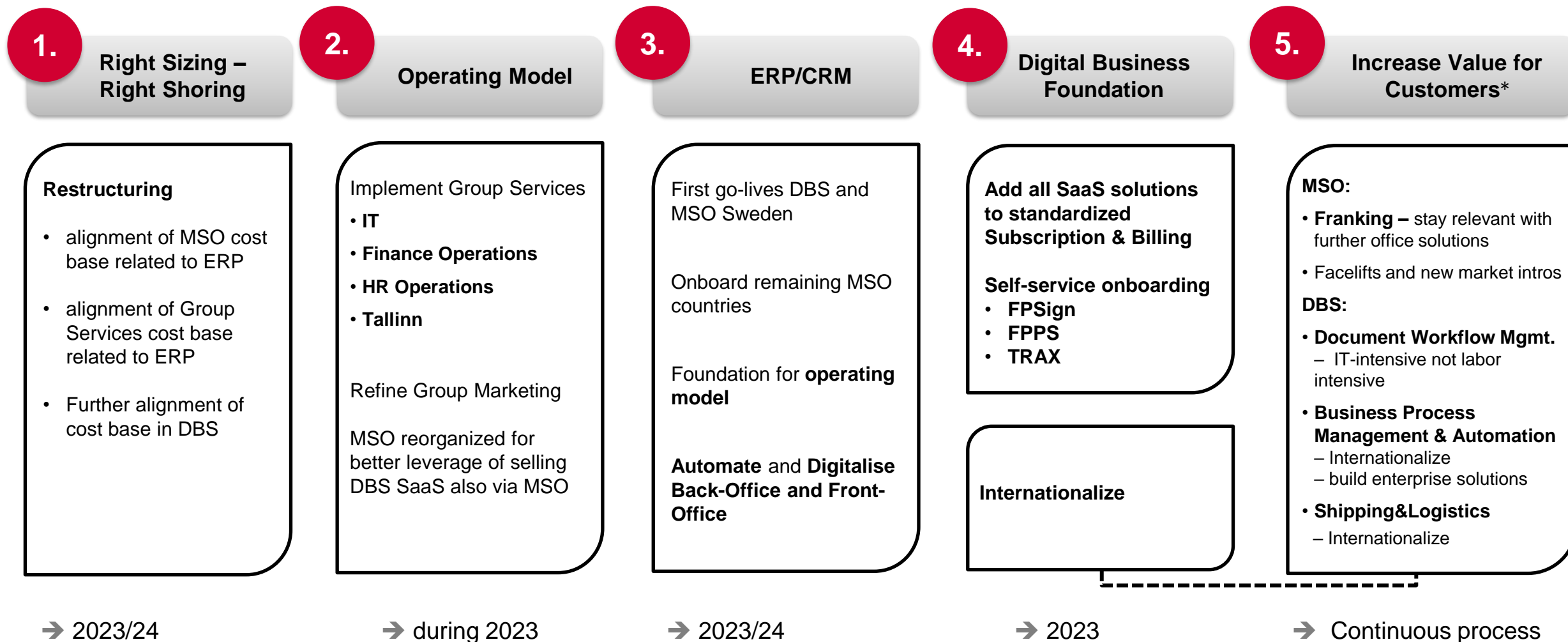


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FUTURE@FP – next level 2023 onwards



5 key programs to continue on the profitable growth path



* Selected samples, further initiatives in all areas

Guidance for 2023

Improving revenue and EBITDA



	2022 as reported	2022 normalised	Guidance 2023
REVENUE	€ m 251	€ m 229	€ m 245 - 255
EBITDA	€ m 27.6	€ m 26.2	€ m 28 – 31
EBITDA-MARGIN	11.0 %	11.4 %	11.4 – 12.2 %

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. 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 2023 deviating from the forecast figures.

FP M&A strategy - buy and build



Digital Business Solutions

Strategy

- Enabling effective communication and workflow processes for businesses
 - Enhancing solutions in all areas
 - Internationalisation from niche player in DACH to EU and NAM

M&A Strategy

- Extend solutions portfolio
 - Technology-driven: Workflow solutions, eSignature, eID, AI, RPA, shipping, logistics
 - eJustice and other (semi-) public sector (Germany)
 - Customer-segment driven

Mailing, Shipping & Office Solutions

- Increase profitability in an overall shrinking market
 - Growth with focus on small/mid-size companies in selected countries
 - Monetize installed base by enhancing value proposition to further (digital) solutions

- Leverage cost synergies
 - Franking solutions
- Extend solutions portfolio
 - Parcel shipping solutions
 - SaaS-based software solutions around office
 - Office products (partnering)

Common criteria

Company size:

- Revenue: > 10 m
- EBIT: sustainable profitable financial performance

Business model:

- Proven business model
- Scalable model in a growing market
- Software focus: SaaS

Business model (con't):

- Clear value proposition for all products
- Strong unique selling propositions
- Focus: EU & North America

Sustainable transformation of FP*



Environment

- Environmentally friendly and energy efficient products, refurbishment program
- Parcel management solutions enabling customers to increase ESG score (less CO₂)
- CO₂ emission reductions by 7% in 2022, waste reduction by 3% in 2022

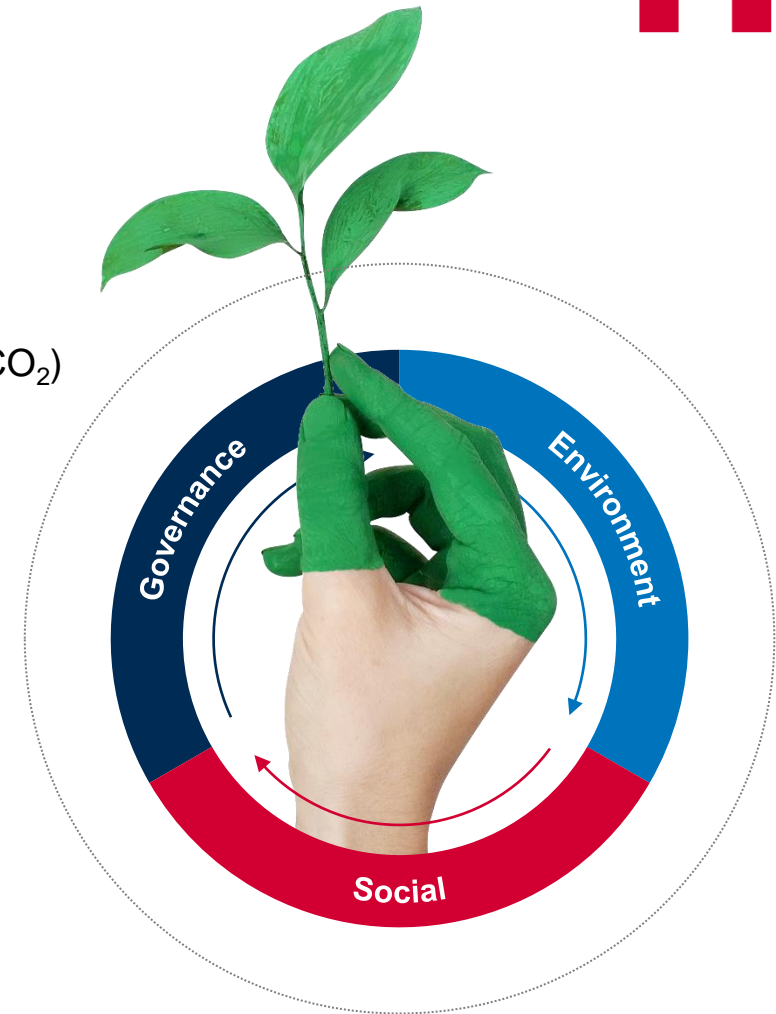
Social

- Women quota target in 1st and 2nd mgmt. level exceeded (14% and 32%)
- Education and training programs
- Certified health and safety management system

Governance

- SVB sets ESG targets for Board variable remuneration
- ISO certifications: 9001; 14001; 45001; 50001; 27001 (for DBS only); last recertified in 2023




➔ Project kicked off, to extend current FP ESG reporting to requirements from CSRD (EU - Corporate Sustainability Reporting Directive) and EU Taxonomy



FP Analyst Coverage



Consensus with > 79% - upside potential

	Institute	Recommendation	Date	Target price (in €)	Upside potential (in %)
	Baader Helvea Equity Research	Buy	Aug 2023	5.00	+40 %
	Warburg Research	Buy	Sept 2023	6.40	+99 %
	GSC Research	Buy	Sept 2023	6.40	+99 %
CONSENSUS (MEDIAN)				5.93	79%

➤ FP Group current EV / EBITDA < 3

FUTURE@FP

Key investment highlights



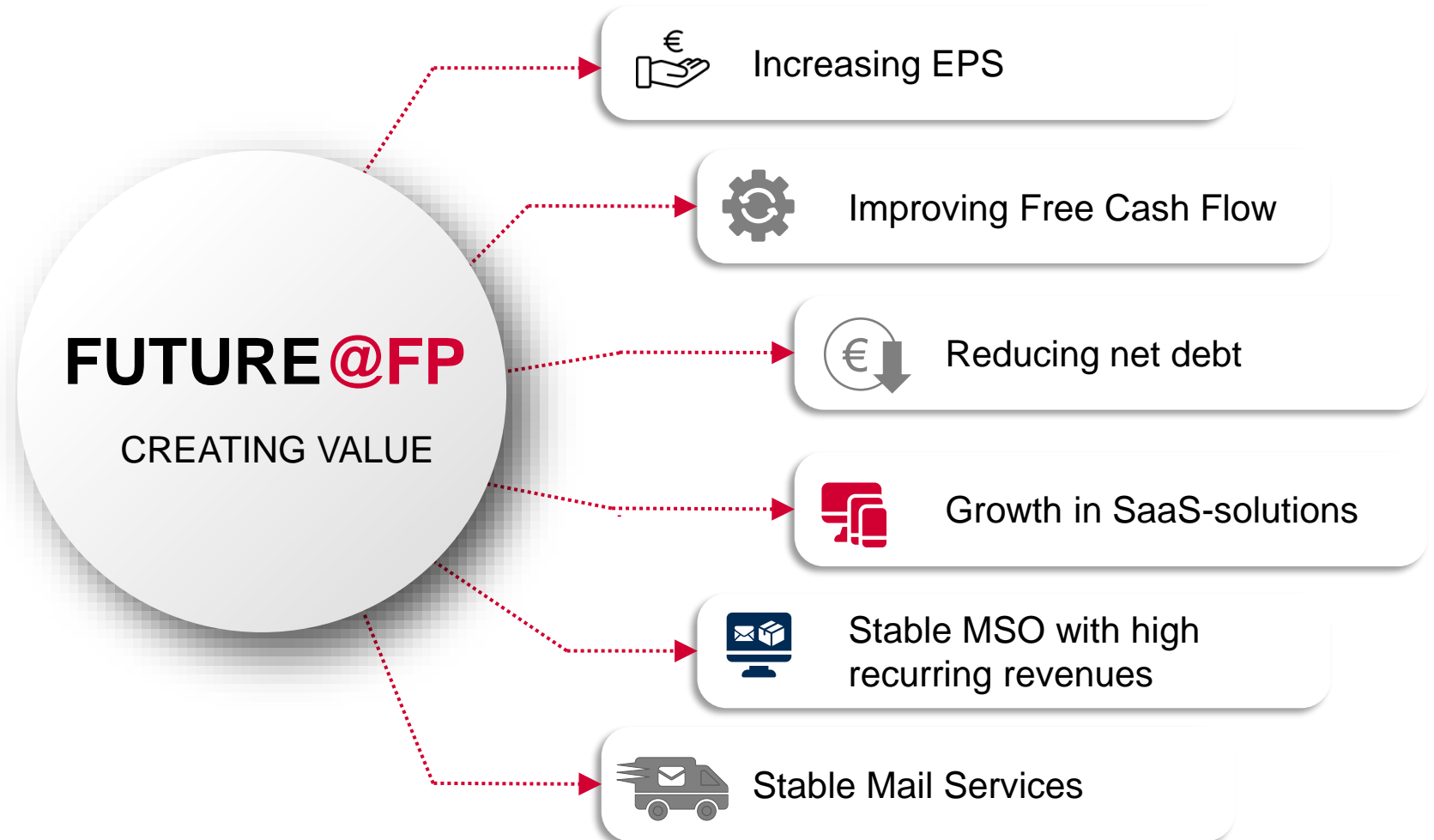
2021 - 2023

Investing in SaaS solutions – enabling faster growth

Implementing ONE ERP – foundation for cost base reduction

Focused acquisitions – generating synergies and expanding solution portfolio

New target operating model – clear cut business units, merging all digital solutions in one unit



A blue-tinted photograph of an office environment. In the foreground, a woman with long blonde hair is smiling and looking at a laptop. Next to her, a man with glasses is also smiling and looking at the laptop. In the background, another woman is visible, looking down at some papers. The overall atmosphere is positive and collaborative.

Appendix

Financials 9M 2023

General Information

FP Management Board



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

Ralf Spielberger

CFO
since October 2022

Degree in Business Administration



- Proven financial expert with extensive experience in digital transformation processes: CFO for more than 15 years in international companies such as Pitney Bowes, ADAC SE and CSC.

The FP share

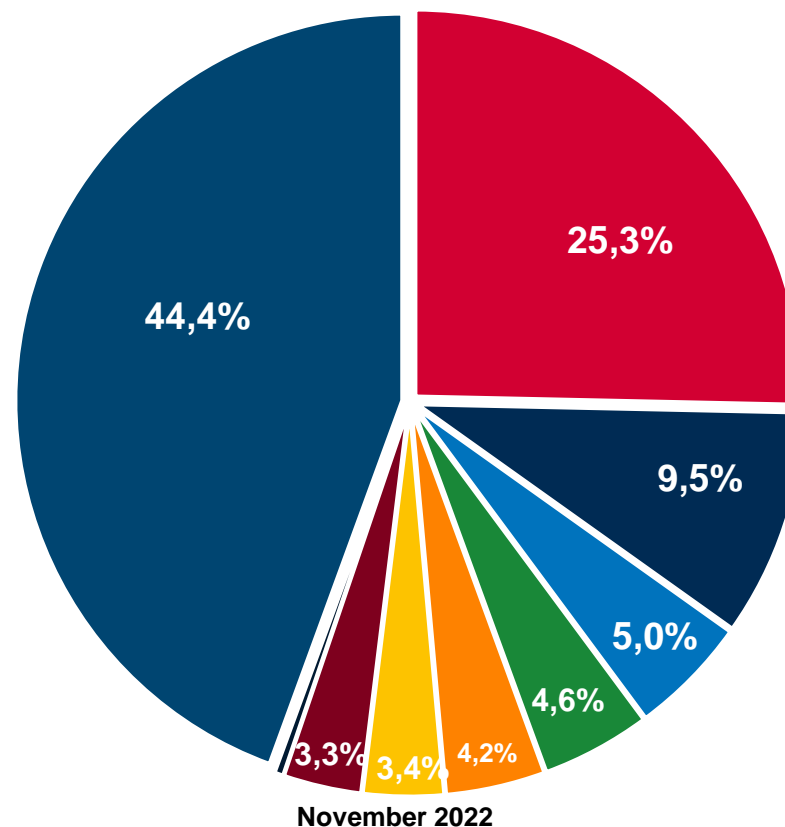
Strong & international shareholder base (in %)

shares 16,301,456

Market cap approx.
€ m 46*

Prime Standard

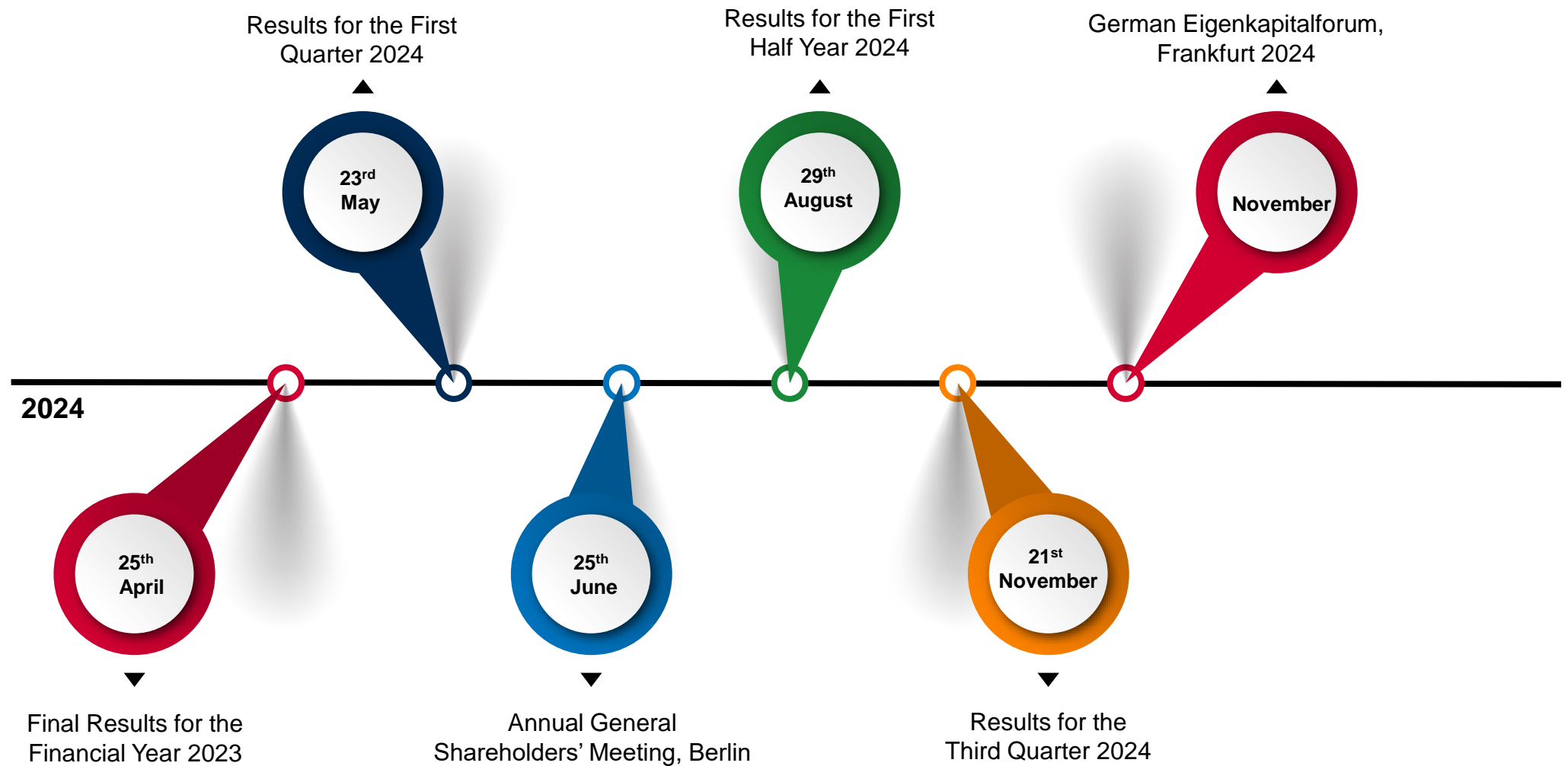
* November, 22 2023



- Olive Tree Investment GmbH
- Active Ownership Fund (LUX)
- SALTARAX GmbH (GER)
- Ludic GmbH (GER)
- Own Shares
- Universal-Investment GmbH (GER)
- Magallanes Value Investors SA (ESP)
- Management Board
- Freefloat

Financial Calendar

2024



Contact



Dr. Monika Plum
Head of Strategy & Investor Relations

Francotyp-Postalia Holding AG
Prenzlauer Promenade 28
13089 Berlin

Phone + 49 30 220 660 284
Fax + 49 30 220 660 425
ir@francotyp.com

www.fp-francotyp.com

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 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 2022 Annual Report develop in a way other than we are currently expecting.

Please note that there may be **rounding differences** compared to exact mathematical figures (monetary units, percentages, etc.).