HEADING FOR TOMORROW

PRELIMINARY RESULTS 2018 / Outlook 2019

ACT IS ALREADY DELIVERING

SUCCESSFUL ACT PROJECTS

PROMISED: New products for future growth

✓ **Delivered:**

PostBase Vision
market launch mid 2019 (Roll-Out in the US first, Q4 in Germany, UK, France)

✓ **Delivered:**

discoverFP
introduced in all European countries

✓ **Delivered:**

FP Sign
international roll out – country versions developed, consecu-tive market launch starting 03/2019

Tixi
Always online. Even offline.

✓ **Delivered:**

IoT
Acquired installed base of 30.000 gateways, partner ecosystem developed

ACT IS ALREADY DELIVERING

SUCCESSFUL ACT PROJECTS

PROMISED:
Improve financial flexibility

✓ **Delivered:**

New syndicated loan facility

PROMISED:
Grow Profit

✓ **Delivered:**

JUMP, Leasing model, tax rate

PROMISED:
Improve brand awareness

✓ **Delivered:**

Vision, claim, media visibility

FP REACHED ITS OBJECTIVES 2018

REVENUE AND EBITDA TARGETS MET, FCF EXCEEDED

PROMISED
Revenue slight increase
(2017: 206.3 m €)

206.9
m €
REVENUE*

MET
+0.3 %

PROMISED
EBITDA slight increase
(2017: 26.3 m €)

26.7
m €
EBITDA**

DELIVERED
+1.3 %

PROMISED
Positive adj. FCF at considerably lower level than last year (2017: 9.9 m €)

10.9
m €
ADJ. FCF***

EXCEEDED
+10.3 %

- Excluding adjustments: Revenues of 204.2 m €, EBITDA of 17.1 m €
- JUMP expenses of 8.0 m €, at the upper end of the announced range
- Free cash flow of 3.0 m €

*Currency adjusted | ** Adjusted for currency effects and JUMP expenses | ***Excluding additions to finance lease assets, M&A and JUMP payments
€/US$ exchange rate in 2017 = 1.1297 US$, in 2018: 1 € = 1.1810 US$

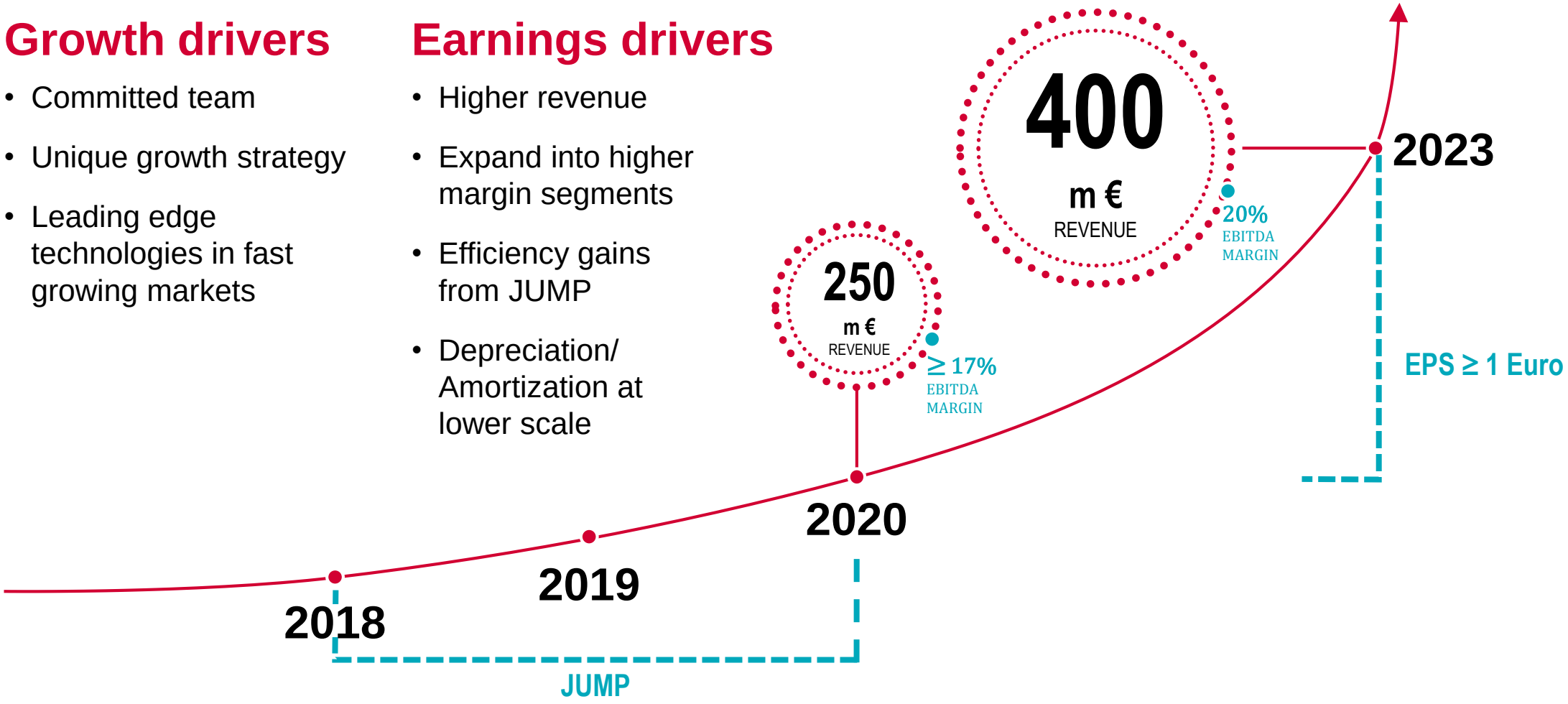
FP IS ON TRACK
FOR THE 2020 GOALS

Growth drivers

- Committed team
- Unique growth strategy
- Leading edge technologies in fast growing markets

Earnings drivers

- Higher revenue
- Expand into higher margin segments
- Efficiency gains from JUMP
- Depreciation/ Amortization at lower scale



FP IS OUTPERFORMING ITS PEERS

ACT STRATEGY IS DELIVERING

ACT delivers:
Out-performing competitors
for 12 quarters in a row

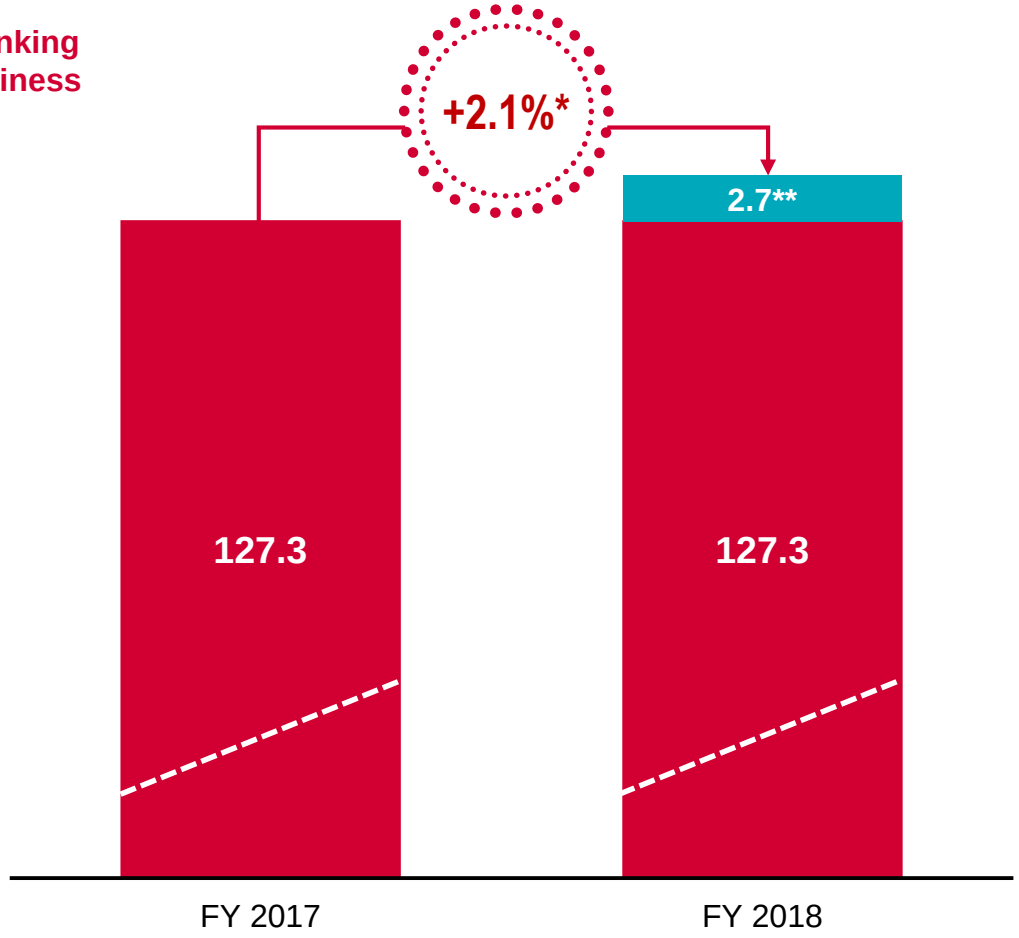
Peer group comparison

Revenue growth franking machine business	FP	Peer 1	Peer 2
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%**
excluding currency effects	**2%**		**NA**
			NA%

REVENUE GROWTH*

IN CORE BUSINESS

Revenue Franking Machine Business in m €



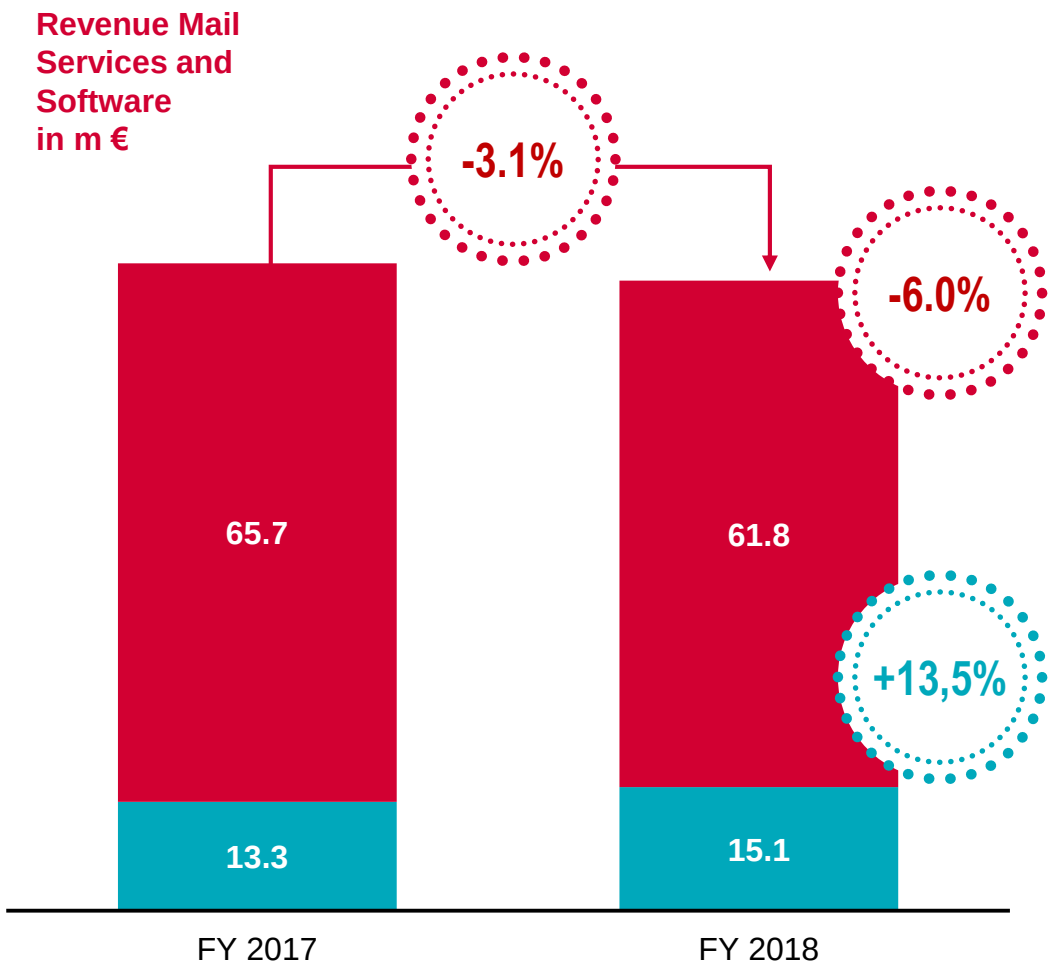
Increase of revenue by 2.1%
(flat including currency effects)

FP Group increased installed base against the market trend:
Five countries increased installed base, among them **USA** and **France**

* Currency adjusted | ** Currency effect

REVENUE MAIL SERVICES AND SOFTWARE

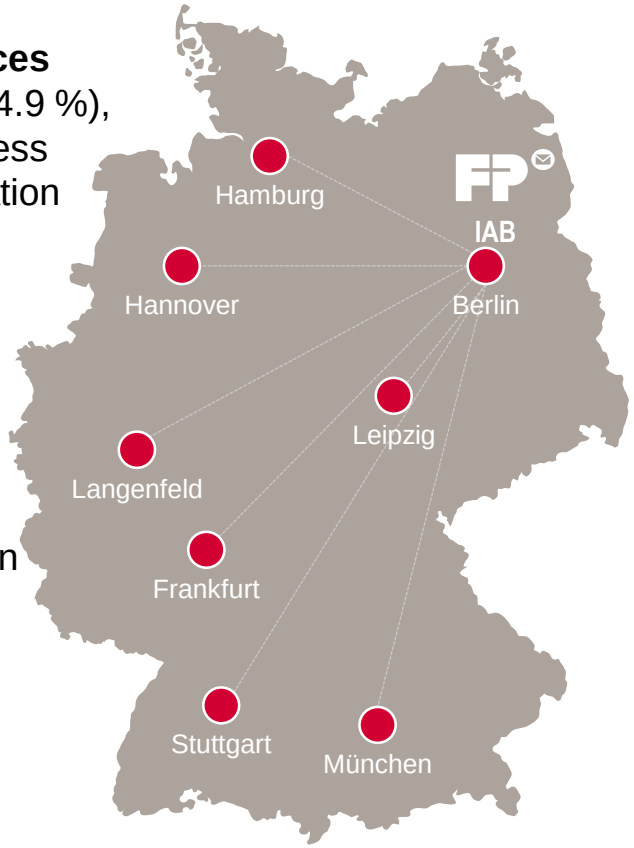
STRONG GROWTH IN SOFTWARE



Revenue decline in **Mail Services** due to reduced letter volume (-4.9 %), avoidance of low-margin business following completed reorganisation

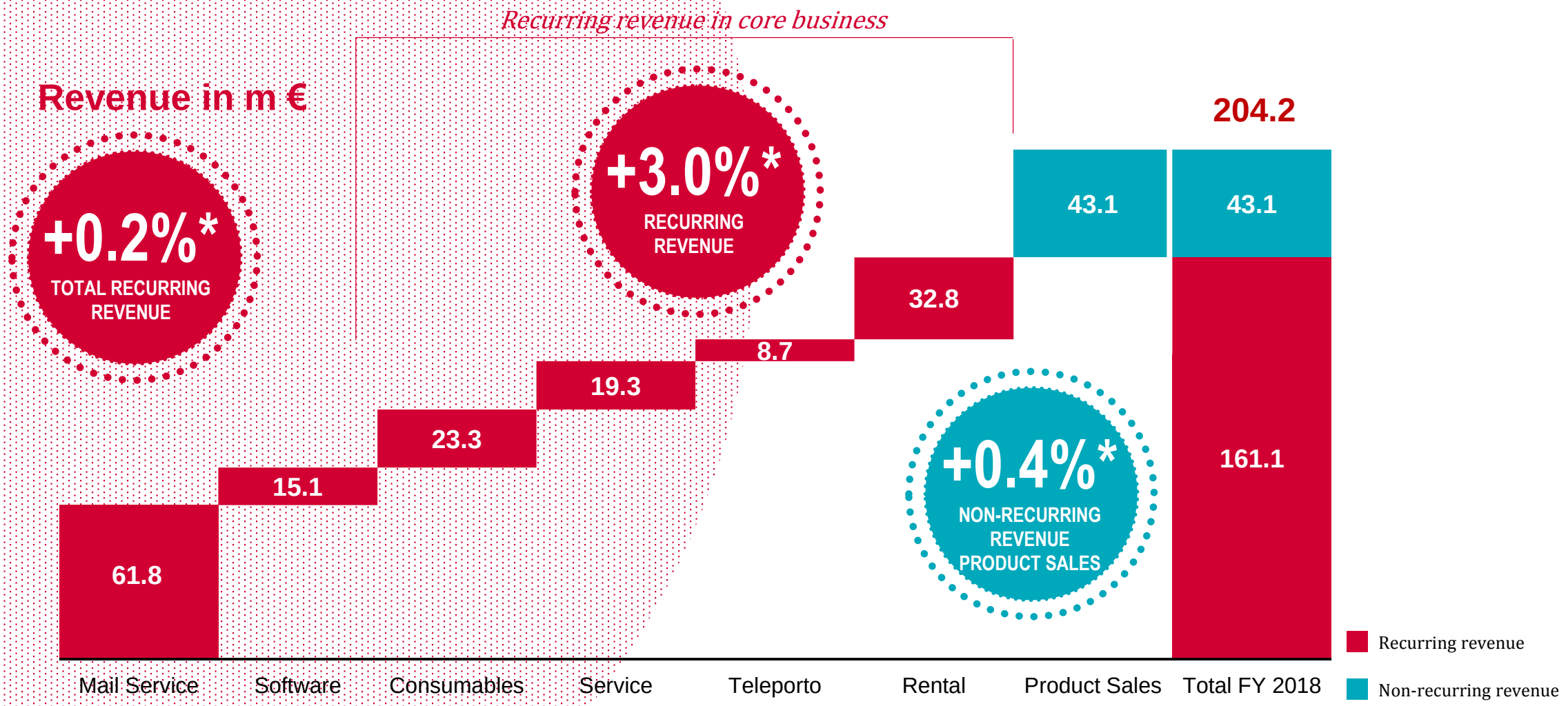
Software business shows strong growth: Dynamic development in **Hybrid Mail**

Market entry of **new digital products**, first small revenue contribution; foundation set for strong future growth



INCREASING RECURRING REVENUES

PREVIOUS INVESTMENTS LEAD TO HIGHER RECURRING REVENUES



* Currency adjusted

ADJUSTED EBITDA FY 2018

SLIGHTLY UP ON PREVIOUS YEAR

m €	FY 2017	FY 2018
Revenue	206.3	**206.9*** 204.2
EBITDA	**26.3**	**26.7**** **17.1**
EBITDA Margin (%)	12.2%	12.9%** 8.4%**
Amortisation/ depreciation	19.1	17.3
~ to revenue (%)	9.2%	8.5%
EBIT	7.3	- 0.3
Net Income	4.6	0.9
EPS (basic, EUR)	0.29	0.06

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

Currency and one-off effects

- Currency effects of -2.7 m € on revenue, -1.5 m € on EBITDA
- Income from statute-barred liabilities of 0.7 m € (previous year 2.8 m €)
- Non-recurring expenses of 8.0 m € for JUMP

Adjusted EBITDA slightly above prior-year period (+1.3 %)

Amortisation/depreciation

- Decrease, as planned, due to lower D&A of leased products and capitalized R&D

Net Income/EPS

- Strong interest result and reduced tax rate of 28.4% lead to positive consolidated net income, despite JUMP-investments

ADJUSTED FREE CASH FLOW
ABOVE PREVIOUS YEAR

m €	FY 2017	FY 2018
Cash flow from operating activities	21.3	24.6
Cash flow from investing activities	-15.5	-21.6
Free cash flow	5.8	3.0
Adjusted free cash flow*	**9.9**	**10.9****
Cash flow from financing activities	1.1	-6.4
Cash and cash equivalents	24.1	21.2

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

Cash flow from operating activities

- Increase supported by improvement of net working capital and higher proceeds from tax refund +4.4 m €
- JUMP payments -1.4 m €

Cash flow from investing activities

- Adjustable investing activities above prior-year level: acquisition of Tixi & US-Distributor (+3.5 m €), in 2017 acquisition of customer list UK (+1.4 m €)
- Increase in non-adjustable investments, mainly capitalized R&D (+2.4 m €) and other investments (+1.6 m €)

Adj. free cash flow reflects higher investments (+4.0 m €), non-recurring proceeds from tax refund (+4.4 m €) and improvement of net working capital (compared to previous year)

Cash flow from financing activities

- Share buyback -0.2 m €
- Dividend payment -1.9 m €
- Repayment of financial liabilities -4.3 m €

DIVIDEND PROPOSAL 2018

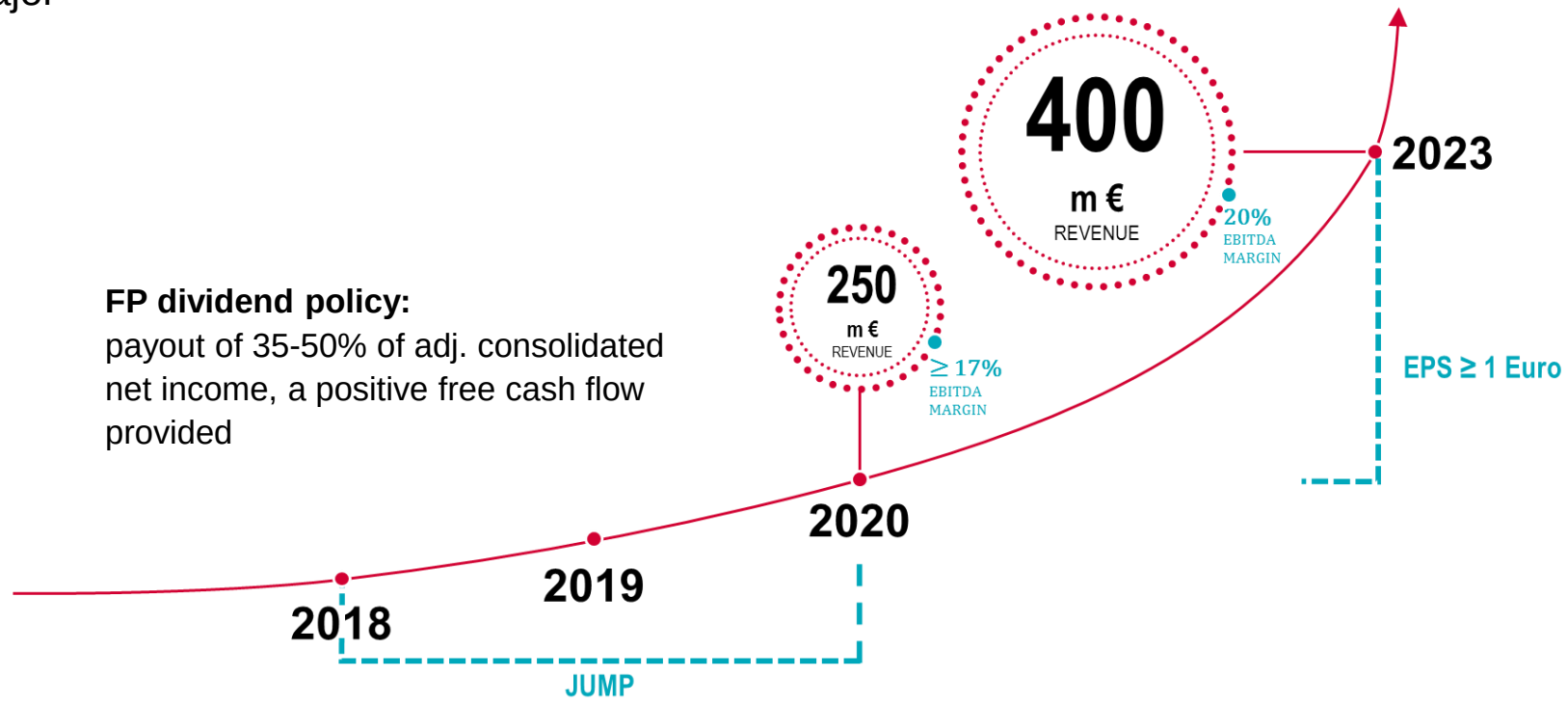
STICKING TO THE PROMISES

- **FP remains committed to its shareholders** although heavy investments into major transformation process

- **FP dividend proposal for 2018:** tax free dividend of 0.03 €, corresponding to 54 % of consolidated net income

- **FP dividend continuity:** distribution for 6 consecutive years

FP dividend policy:
payout of 35-50% of adj. consolidated net income, a positive free cash flow provided



ACT-STRATEGY SHAPES OUR FUTURE

FP GERMAN MAILGENEERING

FP: GROWTH BALANCES DECLINE

FP EXPANDS INTO GROWTH 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%

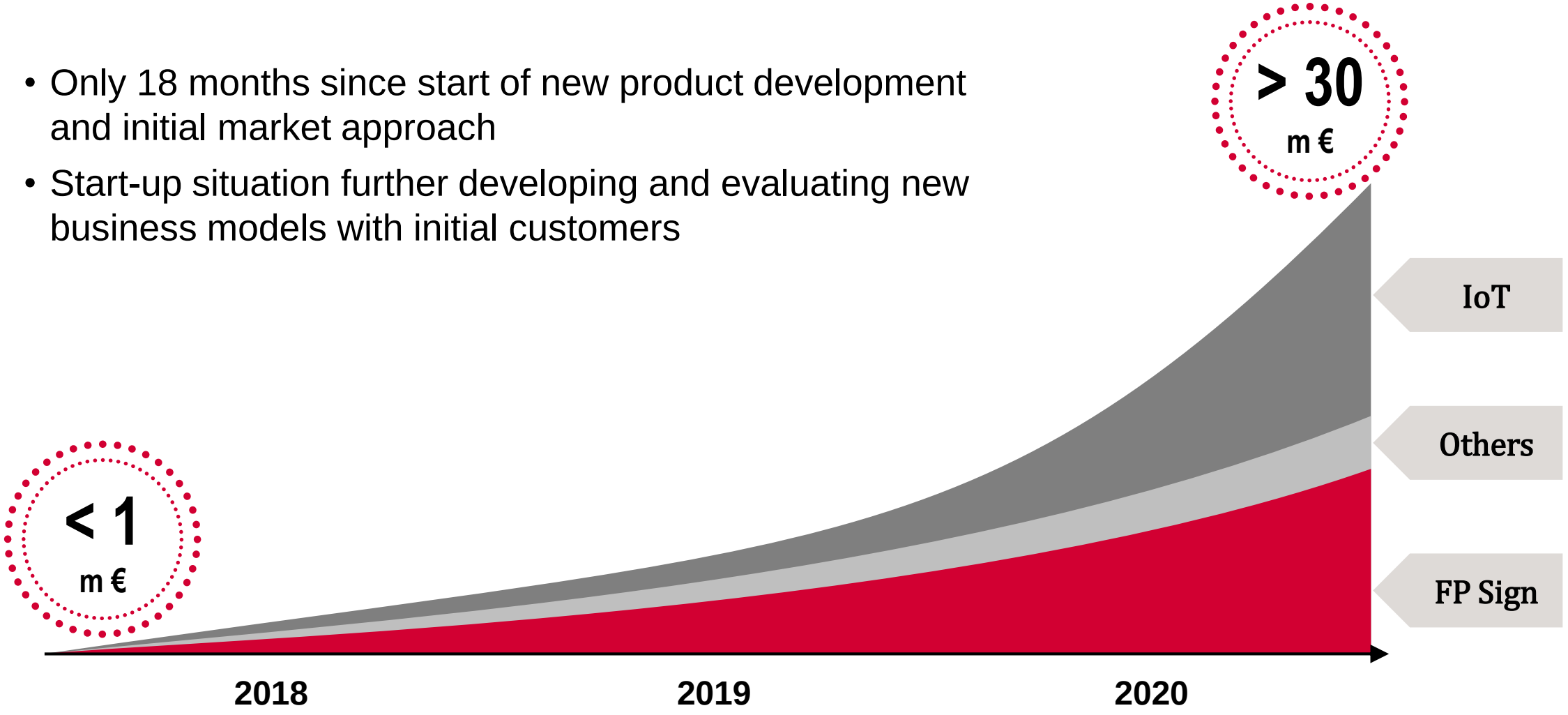
P2P | M2M

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

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



ATTACK IN CORE BUSINESS

KEEP WINNING ADDITIONAL CUSTOMERS
AND MARKET SHARES IN CORE BUSINESS

FP GERMAN MAILGENEERING

CURRENT MARKET SITUATION

A BIG MARKET STILL TO CONQUER

- Oligopolistic market
- High entry barriers
- Structural shift towards smaller systems
- High share of recurring revenues

FP has more than **11.5% market share**

88.5%

of the **market remain to be captured**

POSTBASE VISION SETS FOUNDATION FOR FURTHER ATTACK

MOST ADVANCED POSTAGE METER IN THE WORLD

- Built for our customers, with our customers
- Unmatched convenient user experience
- Connected2Tomorrow with the new customer portal discoverFP

LEVERAGE CUSTOMER POTENTIAL

ACCOMPANY OUR CUSTOMERS ON THEIR JOURNEY INTO THE DIGITAL WORLD

FP PARCEL SHIPPING

PROVIDE NEW SERVICES TO OUR CUSTOMERS

Target: Win high percentage of active users

USA

- Cross and upselling
- Monthly recurring fee
- Single- and Multicarrier version available

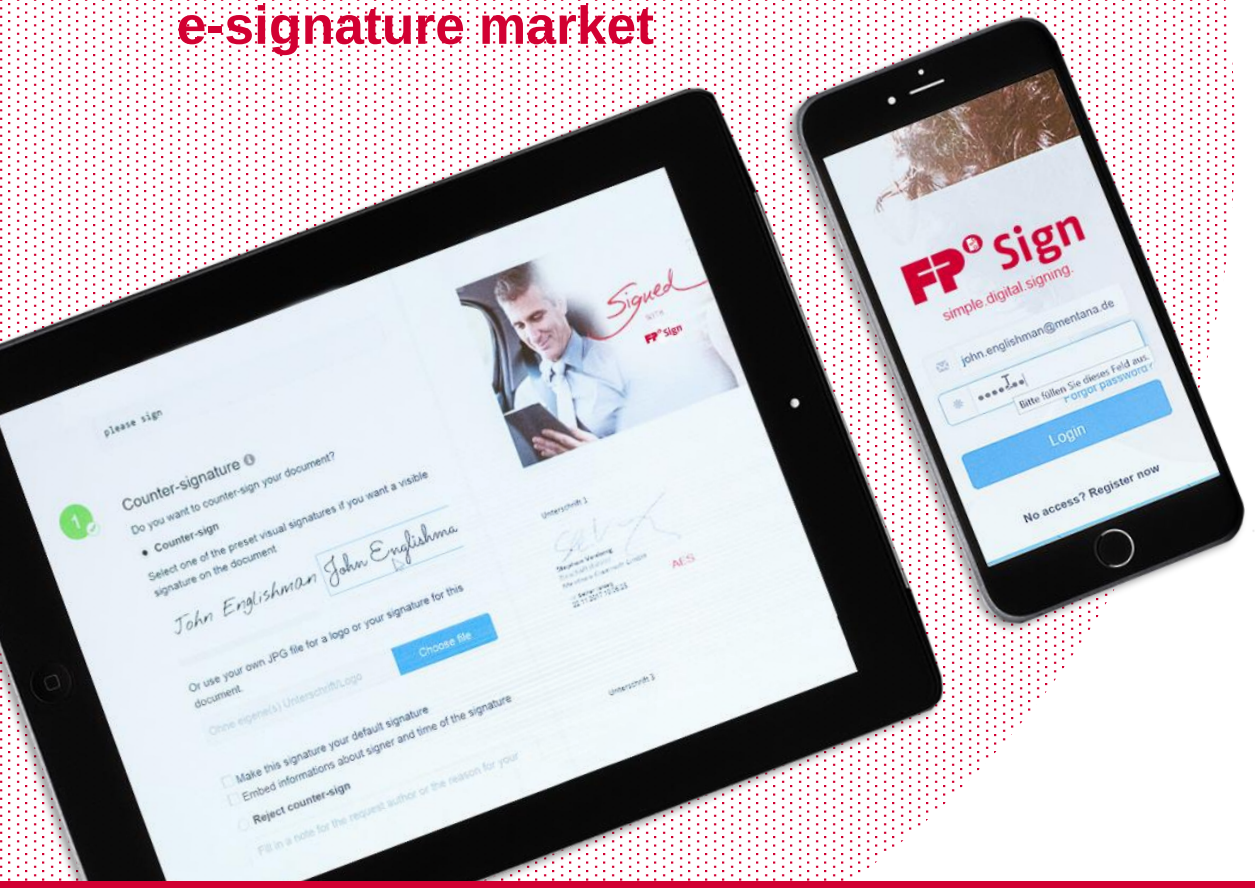
Germany

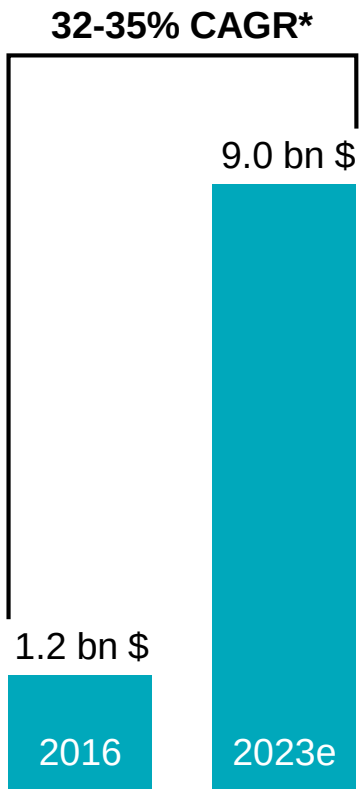
- Available to customers immediately
- Recurring fee as part of teleport with slight increase
- Multicarrier version available as of 2020

FP SIGN: EFFICIENT AND SECURE WORKFLOWS

BUSINESS OPPORTUNITIES BASED ON OUR DNA

High demand in fast growing e-signature market





* E-signature software market
Source: PS Market Research 6/2017

FP Sign Benefits

- Easy implementation and customization
- Tailored to SMB
- Data security made in Germany
- EIDAS compliant

Three sales channels

- Existing customer base
- Cooperation with ERP vendors
- Direct sales

TRANSFORMING THROUGH TECHNOLOGY

PENETRATE IOT MEGA MARKETS

EXPANSION OF IOT VALUE CHAIN
UNIQUE END TO END SOLUTIONS AND JUCONN PARTICIPATION

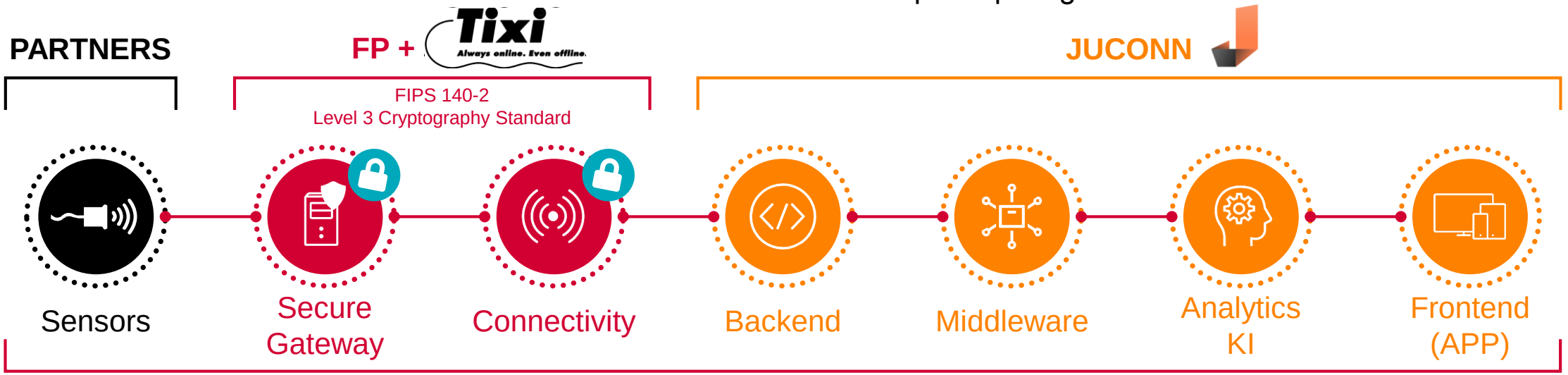
IoT Value Chain

30.000 Gateways already installed

The FP Hardware Security Gateways…
- … provide highest security level standard
- … are closely positioned to sensors
- … are interlinked with various cloud services
- **… are the central part of our ACT strategy**

Focus on strategic verticals: Industry 4.0, energy revolution

The participation in Juconn allows for…
- …providing end to end solutions to customers
- …a broader customer access
- …stronger sales of our FP Hardware Security and TIXI-Gateways
- …participating in further value creation of Juconn



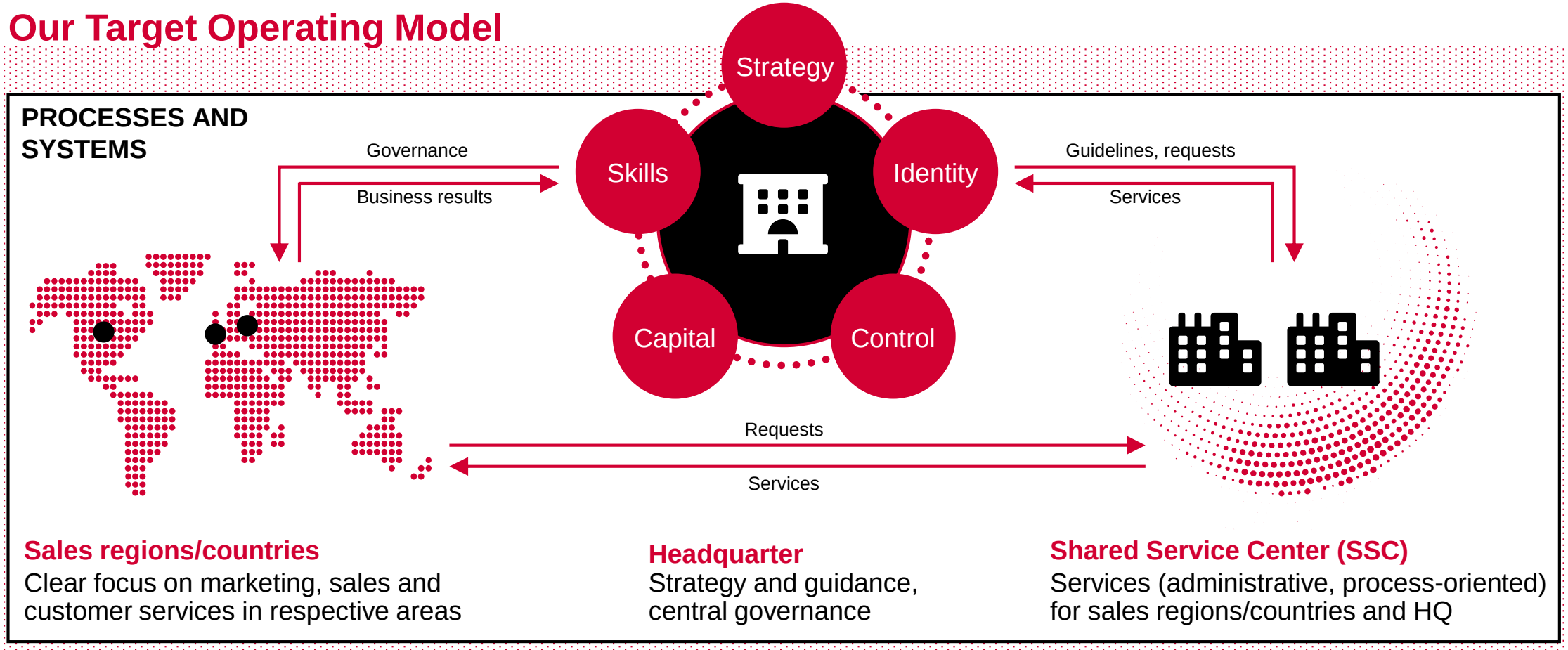
JUMP: TRANSFORMING THE GROUP

EFFICIENCY, QUALITY, SPEED THROUGH JUMP

GERMAN MAILGENEERING

JUMP TRANSFORMATION
NEW COMPANY ORGANIZATION

Our Target Operating Model



GERMAN
MAILGENEERING
GUIDANCE
2019

GUIDANCE 2019: ACT – JUMP – DELIVER

CLEAR FOCUS ON 2020 GOALS

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

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

With our innovative, efficient products and services, we make our customers' lives easier, leaving them more time and thus greater enjoyment in their everyday work

By 2023,
we will be the
first brand customers
think of and trust
for secure mail
business and
digital communication
processes

HEADING FOR TOMORROW

Questions are welcome

APPENDIX

BASIC INFORMATION

FP MANAGEMENT

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 (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

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

CONTACT

Maik Laske
Head of Treasury | M&A
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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