



# FP GROUP UNAUDITED FINANCIAL STATEMENTS HY 2016

BERLIN | 25 AUGUST 2016

- **Brexit:** UK referendum on EU membership has unsettled the market and caused **negative currency effects**
  - The elections in the USA cause **uncertainty**
  - Digitization in Germany is still **lagging behind**
- ➔ **Challenging situation for FP**

Cliff Taylor: Brexit means risk, uncertainty and negativity for the economy

Only question is how bad it will be, analysts say

Bank of England warns Brexit could do serious harm to UK economy

**WORLDPOST**

**Brexit Threatens Entire European Economy**

Italy's banks are on the brink of collapse, but the E.U. is forbidding a bailout.

© 07/12/2016 01:53 pm ET

Candidates, especially Donald Trump, hurting the economy even before the election

"It could make Brexit look like peanuts in terms of the financial market effect," says one economist.

**DIGITALE AGENDA**

**Schleppende Revolution**

# FP DEMONSTRATS STRENGTH

## FP AT A GLANCE



- **Increasing revenues** in franking machine business **against market trends**
- **Ongoing growth** of Mail Services and Software
- **Increasing EBITDA**
- **Significant improvement** of FCF
- First **Operational Excellence** measures in place
- **FP confirms guidance**

### REVENUES

**€100.3m**  
+5.4%

### EBITDA

**€14.6m**  
+2.5%

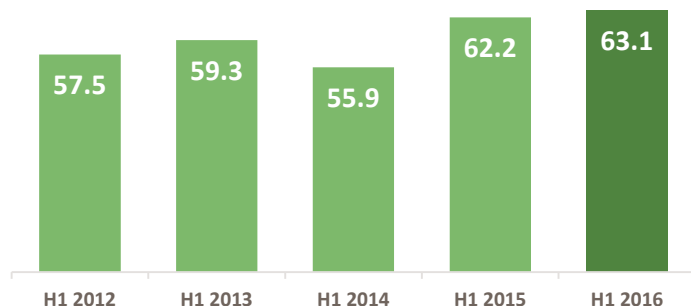
### FCF

**€6.3m**  
significant  
improvement

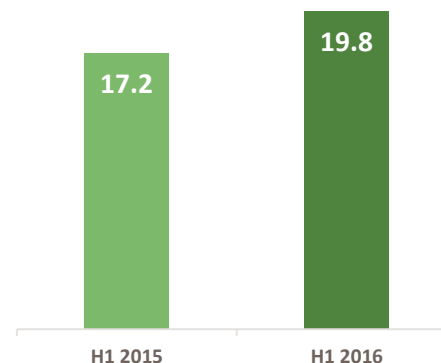
# INVESTMENT IN POSTBASE-FAMILY IS PAYING-OFF



€ MILLION REVENUES FRANKING BUSINESS



MAIN DRIVER IN 2016: INCREASING PRODUCT SALES



- **Growing revenues in franking business** against market trends (+1.5%).  
Adjusted by currency effects increase of 2.8%
- Main driver **Product sales**
- **High quality of PostBase** requires less Service
- **Growing market share** in Canada, UK, Italy, Sweden and France
- **Growth factor** PostBase



# GROWTH FACTOR POSTBASE: PORTFOLIO COMPLETED



## → **PostBase One**

launch 2016 in Germany and UK

## → **PostBase 100**

launch 2016 in Germany and US

## → **PostBase Mini**

launched in Austria, Belgium,  
Canada, Denmark, France



## **POSTBASE 100**

Modular system  
100 letters/min  
Easy to use

**Launch 2016**



## **POSTBASE ONE**

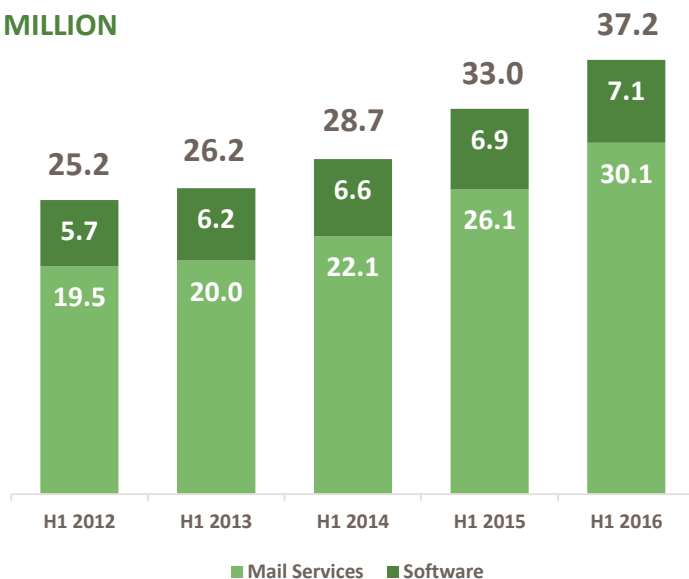
Higher volume  
Dynamic scale  
Mixed post

**Launch 2016**

# ONGOING GROWTH IN MAIL SERVICES AND SOFTWARE



€ MILLION



FREESORT CENTRES IN GERMANY



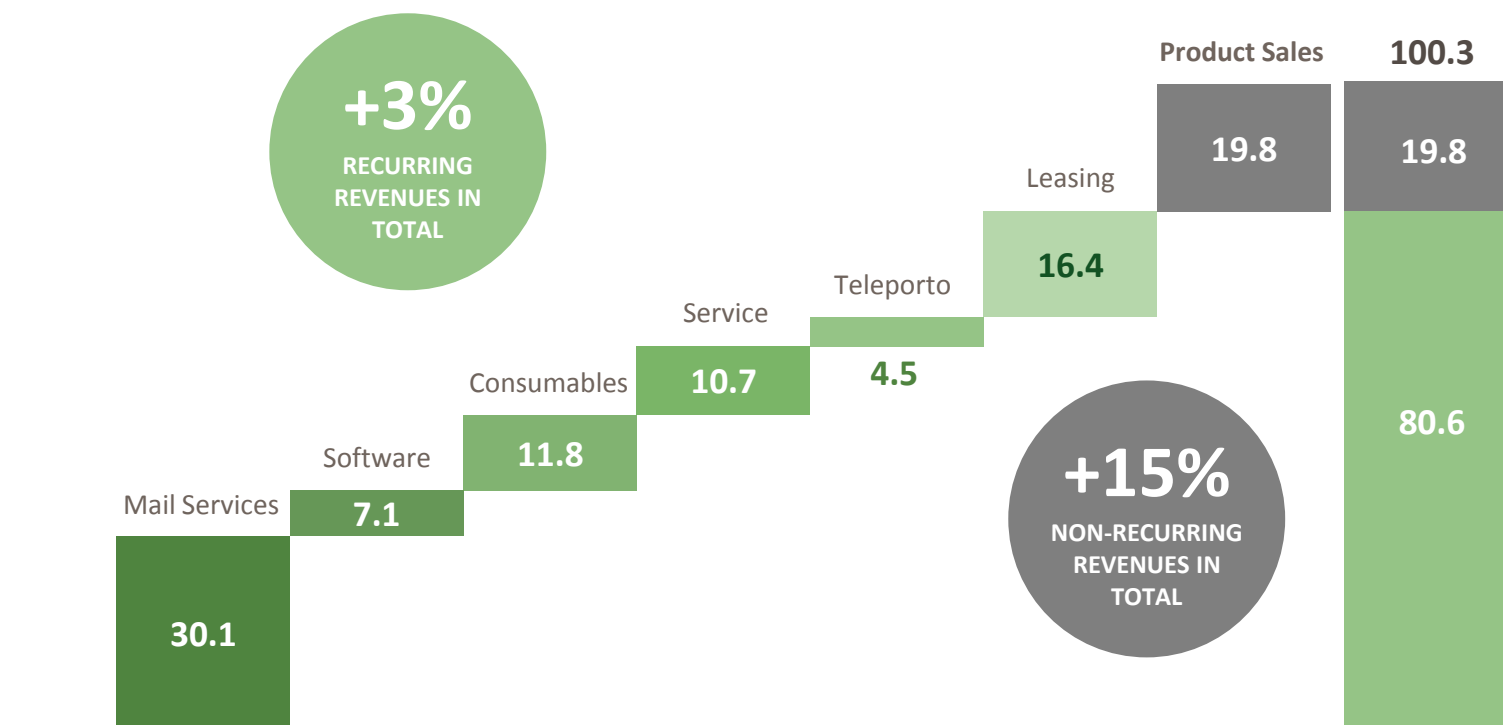
- **Revenue growth of 12.6%**
- **FP gains new customers** in Mail Services and Software
- **Software** with increased transaction volume
- Mail Services increased processed volume by **9% to more than 108 million letters**



# INCREASE OF RECURRING AND NON-RECURRING REVENUES



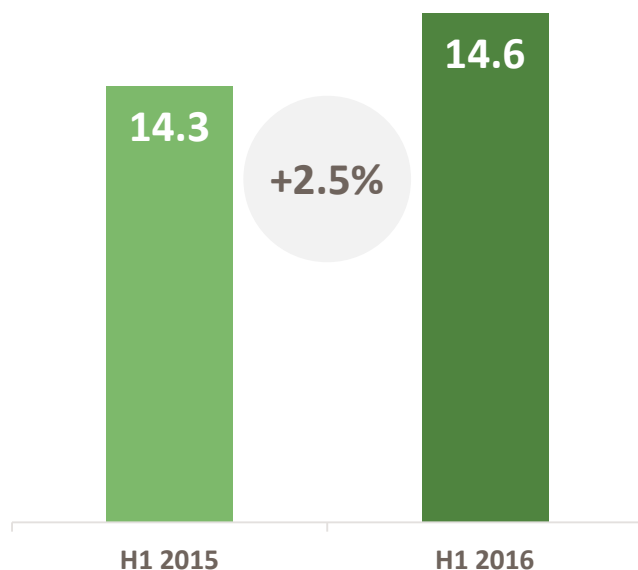
€ MILLION



# EARNINGS CONTINUE TO INCREASE

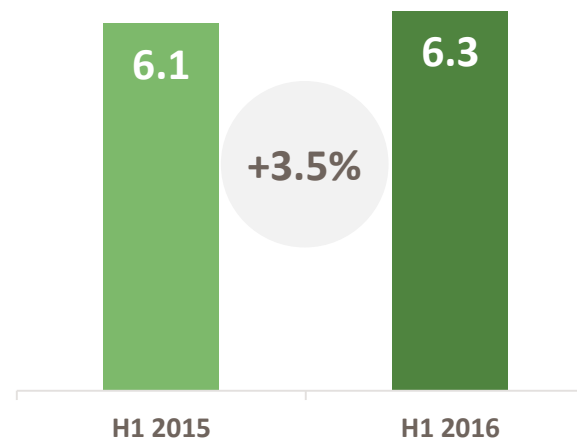


EBITDA € MILLION\*



- **EBITDA on track for 2016**
- EBITDA margin of 14.6% in HY 2016 with potential to improve

EBIT € MILLION\*



- **Slight increase of EBIT** despite higher depreciation and amortisation



# NET PROFIT ON PREVIOUS YEAR'S LEVEL



€ MILLION



## Net profit Q2 2016 makes up leeway

€ million	2015	2016
Q1	3.5	2.5
Q2	0.5	1.5

despite negative effects of:

- Currency and lower financial results

### Positive effects:

- Improved EBIT
- Better interest result
- Stable tax result

Operational excellence measures implemented. **Significant improvement of tax ratio expected for 2016** compared to 2015

\* Average rates €/€ H1 2016 = 1.116 and H1 2015 = 1.116; €/£ H1 2016 = 0.779 and H1 2015 = 0.733

# SIGNIFICANTLY IMPROVED FREE CASH FLOW REFLECTS OPERATIONAL PERFORMANCE



€ MILLION	01.01. - 30.06.2015	01.01. - 30.06.2016
Cash flow from <b>operating activities</b>	<b>8.5</b>	<b>14.7</b>
Cash flow from <b>investing activities</b>	<b>-9.1</b>	<b>-8.5</b>
<b>Free Cash flow</b>	<b>-0.6</b>	<b>6.3</b>
Cash flow from <b>financing activities</b>	<b>2.6</b>	<b>-1.2</b>
<b>Cash and cash equivalents at the end of period</b>	<b>17.1</b>	<b>20.0</b>

## Operating activities:

- Increasing cash flow due to
  - higher EBITDA,
  - improved working capital,
  - positive one-offs (€1.7m)

## Investing activities:

- End of decertification in the US leads to lower investments in leased inventories

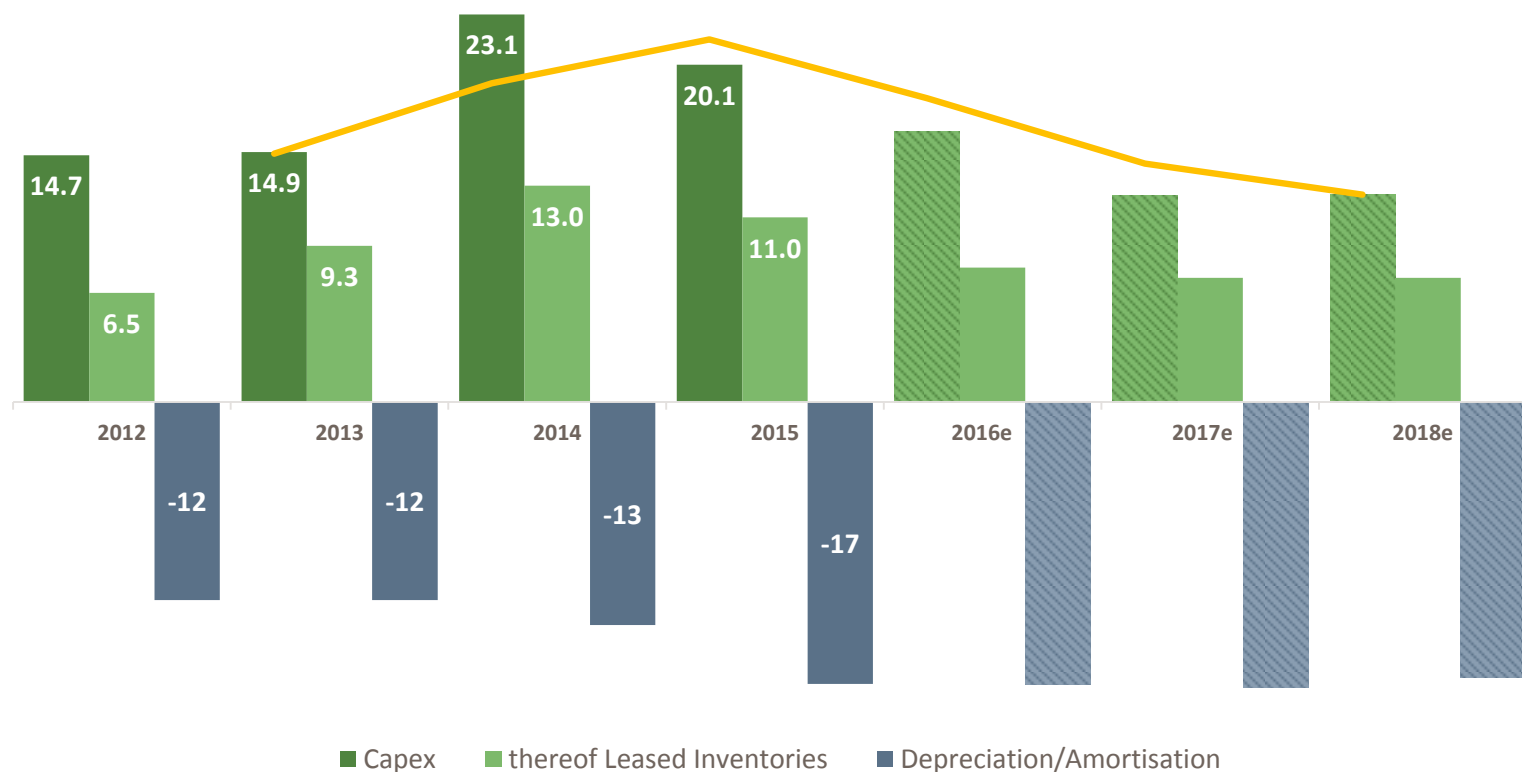
## Financing activities:

- Repayment of former loan
- Dividend payment of €1.9m

# CAPEX HAS PASSED PEAK-LEVEL DEVELOPMENT AS ANNOUNCED



€ MILLION COMPARISON CAPEX – DEPRECIATION/AMORTISATION YEARLY BASES



# STRENGTHENING OF FINANCING IN HY 2016



€ MILLION	31.12. 2015 old	31.12. 2015 new*	30.06. 2016
Financial liabilities	36.3	36.3	36.9
Cash & Cash equivalents	16.7	15.9	20.0
<b>Net debt</b>	19.6	20.4	16.9
Shareholders' equity	35.2	35.2	35.7
<b>Net debt/ equity ratio</b>	56%	58%	47%

\* New, consistent cash & cash equivalents definition (own shares unconsidered)

- In Q2 2016, FP concluded a new, **significantly expanded loan agreement on better terms**
- Agreement has a **total volume of EUR 120 million** and an increase option of EUR 30 million
- **Decrease of net debt** corresponds to positive free cash flow

# FIRST POSITIVE EFFECTS OF OPERATIONAL EXCELLENCE MEASURES



**PRODUCTS**



**EFFICIENCY**



**SPEED**

- ✓ **New financing** completed
- ✓ First steps to **optimise tax quote** will be effective for 2016

## Further initiatives:

- **Financial and Administrative Departments** (Treasury and Personnel development)
- **IT and R&D** (IT Assessment)
- **Sales Department** (Customer Relation Management)

# GROWING BUSINESS NEEDS PROPER STRATEGY



## Strategy process

- ✓ Identification of trends and drivers
- ✓ Market analysis
- ✓ Analysis of (future) customers and products

**Review of FP 2020 strategy and  
presentation of the first results**

**PRESENTATION  
AUTUMN 2016**

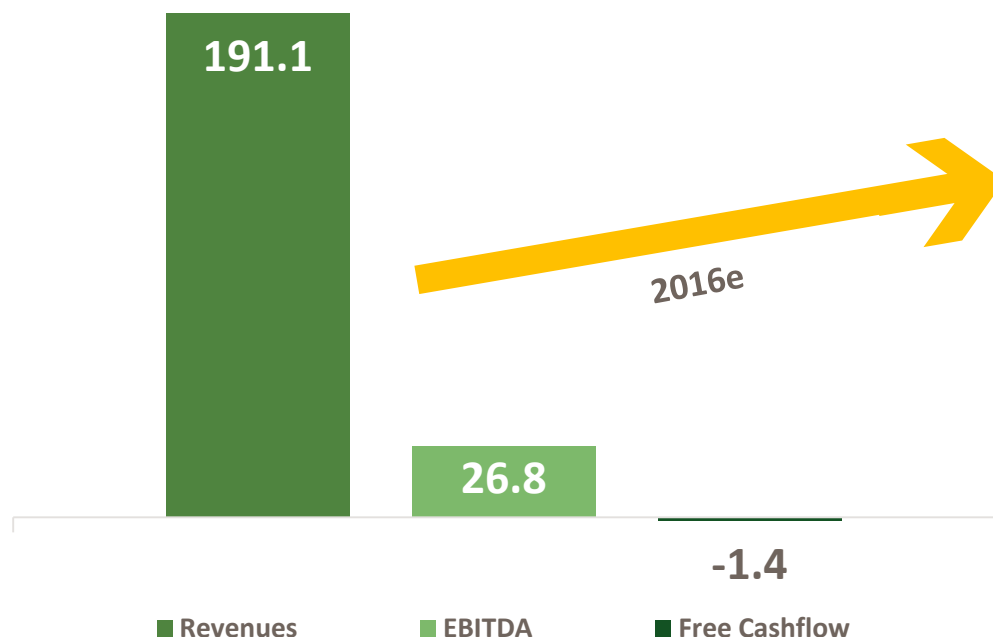
**START  
JANUARY 2016**



# FP IN 2016 – CONFIRMATION OF GUIDANCE



€ MILLION 2015



## REVENUE

FP expects a  
**slight increase\***

## EBITDA

FP expects a  
**slight increase\***

## FREE CASH FLOW

FP expects a  
**positive Free Cash Flow\***

\* Based on constant average currency level of 2015.



# FP GROUP APPENDIX

BERLIN | 25 AUGUST 2016



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

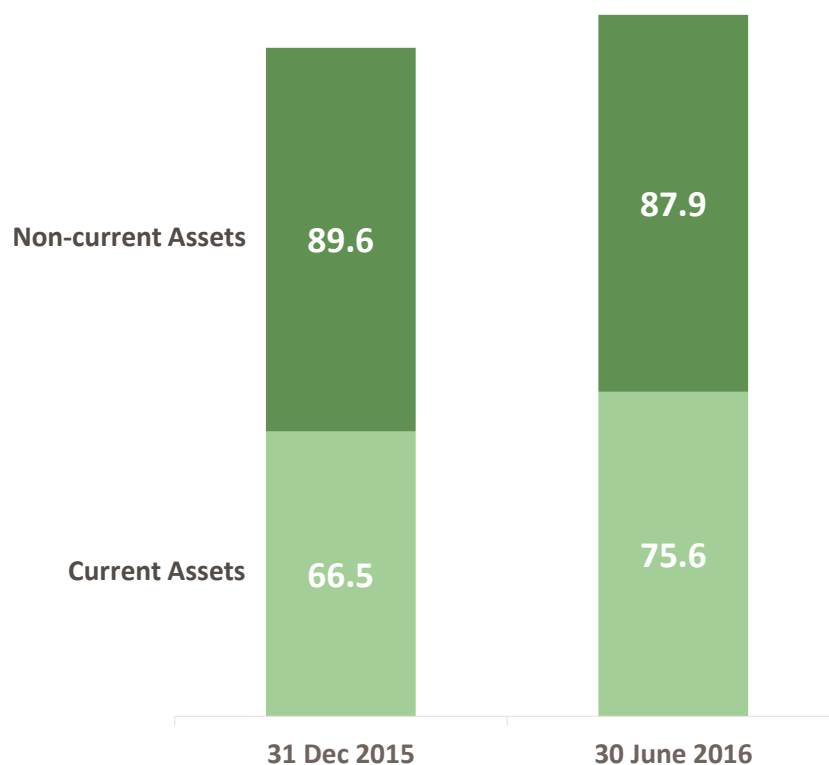


€ MILLION	H1 2015	H1 2016	%
<b>Revenue</b>	<b>95.2</b>	<b>100.3</b>	<b>5.4</b>
Change in inventories	0.2	-0.2	n/a
Own work capitalised	7.5	6.5	-13.3
<b>Total output</b>	<b>102.8</b>	<b>106.6</b>	<b>3.7</b>
Material expenses	44.4	47.8	7.6
<b>Gross profit</b>	<b>58.4</b>	<b>58.8</b>	<b>0.7</b>
as % revenue	61.4	58.6	
Personnel expenses	28.4	28.7	1.1
Other income ./ expenses	-15.7	-15.4	n/a
<b>EBITDA</b>	<b>14.3</b>	<b>14.6</b>	<b>2.5</b>
as % of revenue	15.0	14.6	
Deprecation / Amortisation	8.2	8.3	1.8
<b>EBIT</b>	<b>6.1</b>	<b>6.3</b>	<b>3.5</b>
Interest result	-0.6	-0.3	-54.0
Financial results	0.6	0.1	-76.2
Tax results	-2.1	-2.2	4.3
<b>Net profit</b>	<b>4.0</b>	<b>4.0</b>	<b>0.2</b>
<b>EPS (€)</b>	<b>0.24</b>	<b>0.24</b>	<b>0.0</b>

# CONSOLIDATED BALANCE SHEET ASSETS



€ MILLION ASSETS

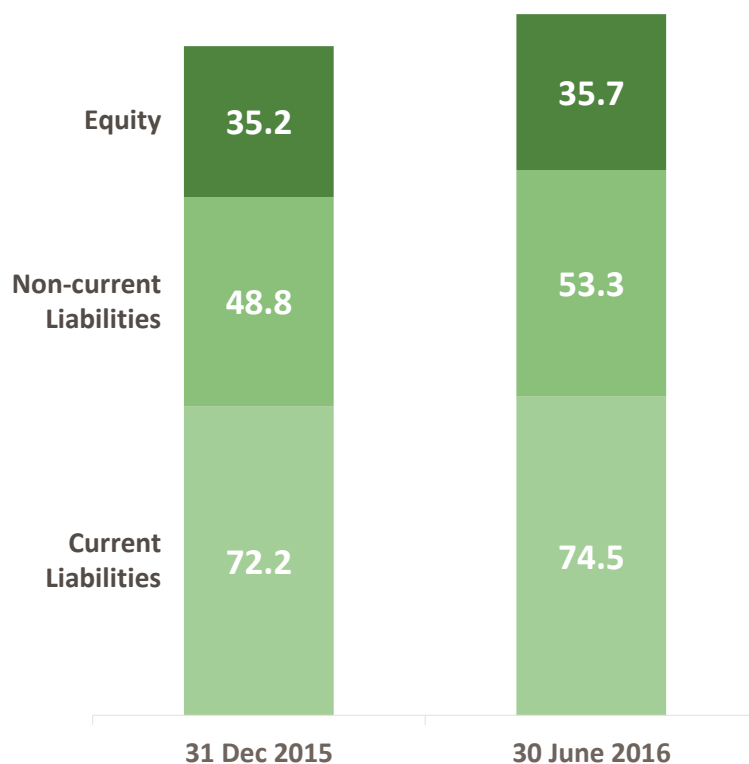


- Slight **decrease of non-current assets** due to declining tangible assets
- **Increase of current assets** due to increase of cash and cash equivalents

# CONSOLIDATED BALANCE SHEET EQUITY AND LIABILITIES



€ MILLION EQUITY AND LIABILITIES



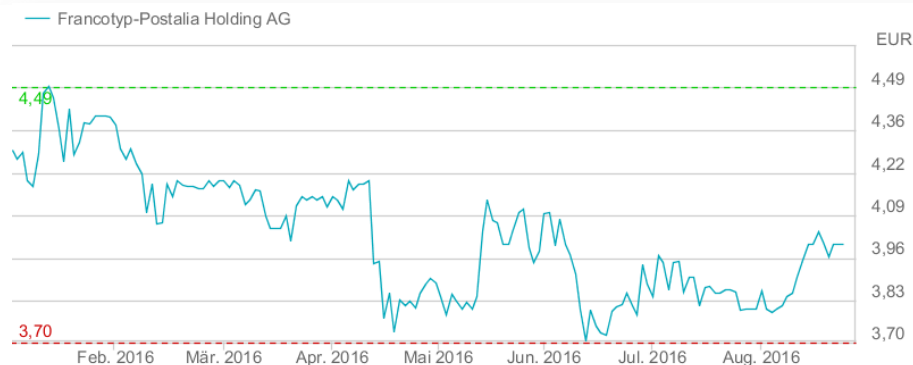
- **Equity ratio** with slight decrease to 21.8% (2015: 22.6%)
- Increase of **non-current liabilities** du to increasing financial liabilities
- Increase of **current liabilities** du to increasing other liabilities



FP GROUP  
THANK YOU VERY MUCH

ICONS MIT FREUNDLICHER GENEHMIGUNG VON FREEPIK.COM UND FLATICON.COM

# FP STOCK INFORMATION



<b>ISIN</b>	DE000FHP9000
<b>Segment</b>	Prime Standard/ All Industrial
<b>IPO</b>	30 November 2006
<b>Reuters</b>	FPHG.DE
<b>Shares</b>	16.16 million
<b>Freefloat</b>	<b>78.5%</b> (according to GSE Frankfurt)
<b>Coverage</b>	Hauck & Aufhäuser, Warburg Research

## SHAREHOLDER STRUCTURE

3R Investments	<b>10.3%</b>
INKA mbH	<b>10.2%</b>
ARGOS Funds SICAV	<b>5.2%</b>
Saltarax GmbH	<b>3.6%</b>
Ludic GmbH	<b>3.5%</b>
Alceda Fund Management SA*	<b>3.1%</b>
Scherzer & Co. AG	<b>3.0%</b>
Rudolf Heil	<b>3.0%</b>
Treasury Stock	<b>1.0%</b>

\* These are data based on share capital of 14.7 million shares

**25 August 2016**

Presentation Results for the **Half-year 2016**

**17 November 2016**

Presentation Results **3rd Quarter 2016**

