



COMPANY PRESENTATION FUTURE@FP

Carsten Lind (CEO)
Martin Geisel (CFO)

April 2021

FUTURE@FP COMMUNICATIONS SCHEDULE

Key communication dates on FUTURE@FP



**1H
RESULTS
AUGUST**



**ANNUAL GENERAL
MEETING
JUNE**



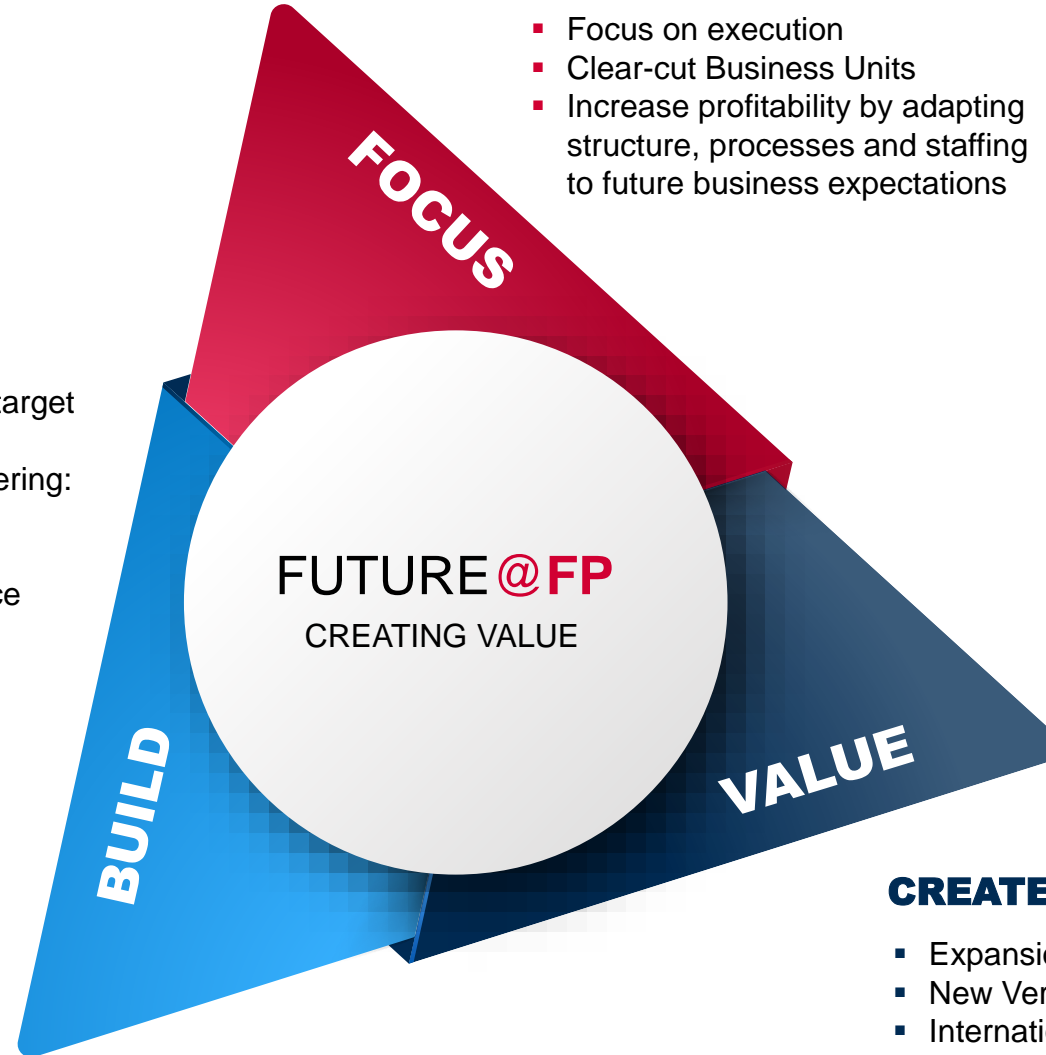
**FY2020
ANNOUNCEMENT
APRIL**

BUILD

- New customer centric target operating model
- Expansion of SaaS offering:
 - IoT
 - BPA
 - FP Digital Office (SMB)

FOCUS

- Focus on execution
- Clear-cut Business Units
- Increase profitability by adapting structure, processes and staffing to future business expectations



CREATE VALUE

- Expansion of SaaS offering
- New Verticals
- International
- Acceleration possible by targeted bolt-on M&A activities



FUTURE@FP

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**

OneFP

→ 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:

FM – stay relevant with
FP Digital Office

IoT – from Hardware to
PaaS and SaaS

FPsign - Internationalize

IAB – from print to
document processes

**Tailored verticals &
Focused niches**

→ Continuous process

FP Business Units

To create value for customers



FP BU Software & BPA

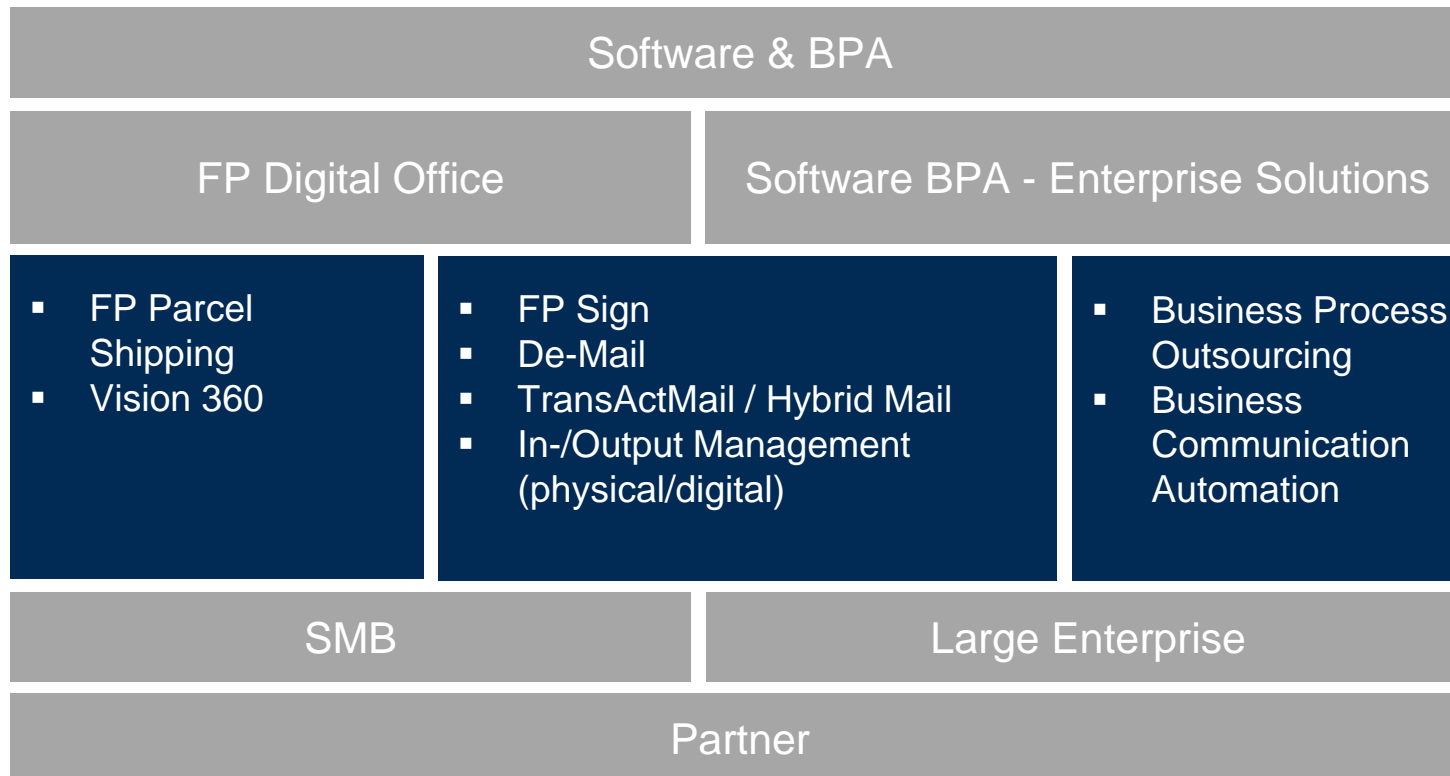
We enable effective communication and workflows for businesses



- Optimize operational efficiency in customers front-office and back-office processes, e.g.
 - Higher customer experience by faster onboarding processes
 - Increased win rate and less termination through faster closing (digital signature)
 - Faster incoming payments by automated invoicing
- Ensure compliance and reliability by automated end-to-end processes
- Higher productivity reduces costs

FP BU Software & BPA

One solution portfolio for different customer segments



- Develop from input/output to data-driven BPA provider (less dependency on lower margin print business)
- FP Sign as integral part of BPA portfolio
- Leverage combined core technology stack
- Niche player in DACH, expanding to EU and vertical solutions
- Optimize go-to market approach
 - Enterprise direct sales & consulting approach
 - FP Digital Office – standardized SMB solutions – BU Franking & Office Solutions as one key channel

➡ Outlook: clear growth perspective

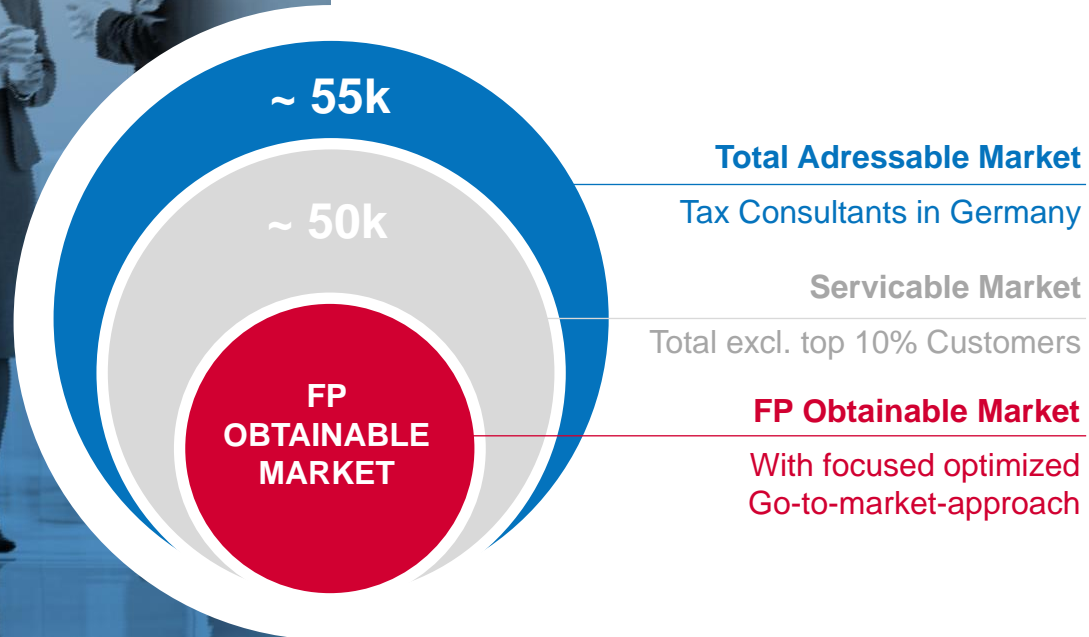
FP BU Software & BPA



FP Sign – example for tailored vertical/niche approach: tax consultants

Tax consultant – digitally signed annual statements and tax returns

- Increase speed and efficiency in client communication by substituting paper-based processes
- Sign and send from existing programs – with a few clicks – any time – anywhere
- Legally compliant solution for all kinds of documents
- German Cloud, certified by German Federal Office for Information Security



Optimized go-to-market approach

- Definition of clear value proposition
- Evaluation of obtainable market
- Focused lead generation
- Identification of potential partners

FP BU Franking & Office Solutions

We help businesses by making their office life easier



FRANKING & OFFICE SOLUTIONS

Mailing and shipping
made easy for
businesses

- Simplify mailing and shipping processes
- Higher efficiency and more time for core processes
- Save costs by choosing the right mailing and shipping options
- Increase impact of customer communication
- Easy-to use solutions for managing physical, information and financial flows (FP Digital Office)

FP BU Franking & Office Solutions

Market Dynamics & Opportunities



FRANKING MACHINE MARKET

- YoY decline worldwide
- 4 major players; high entry barriers
- Shift to low-end franking solutions
- High recurring revenues

FP MARKET POSITION

- #1 in Germany & Austria, #3 worldwide
- Installed base growth potential in some countries
- Key focus on low-mid end franking solutions



DIGITALISATION

- Increasing demand for digital mailing, office solutions and work from home (WFH) capabilities
- COVID-19 has accelerated digital adoption
- Increasing demand especially from mid-size businesses

DIGITAL OFFICE SOLUTIONS

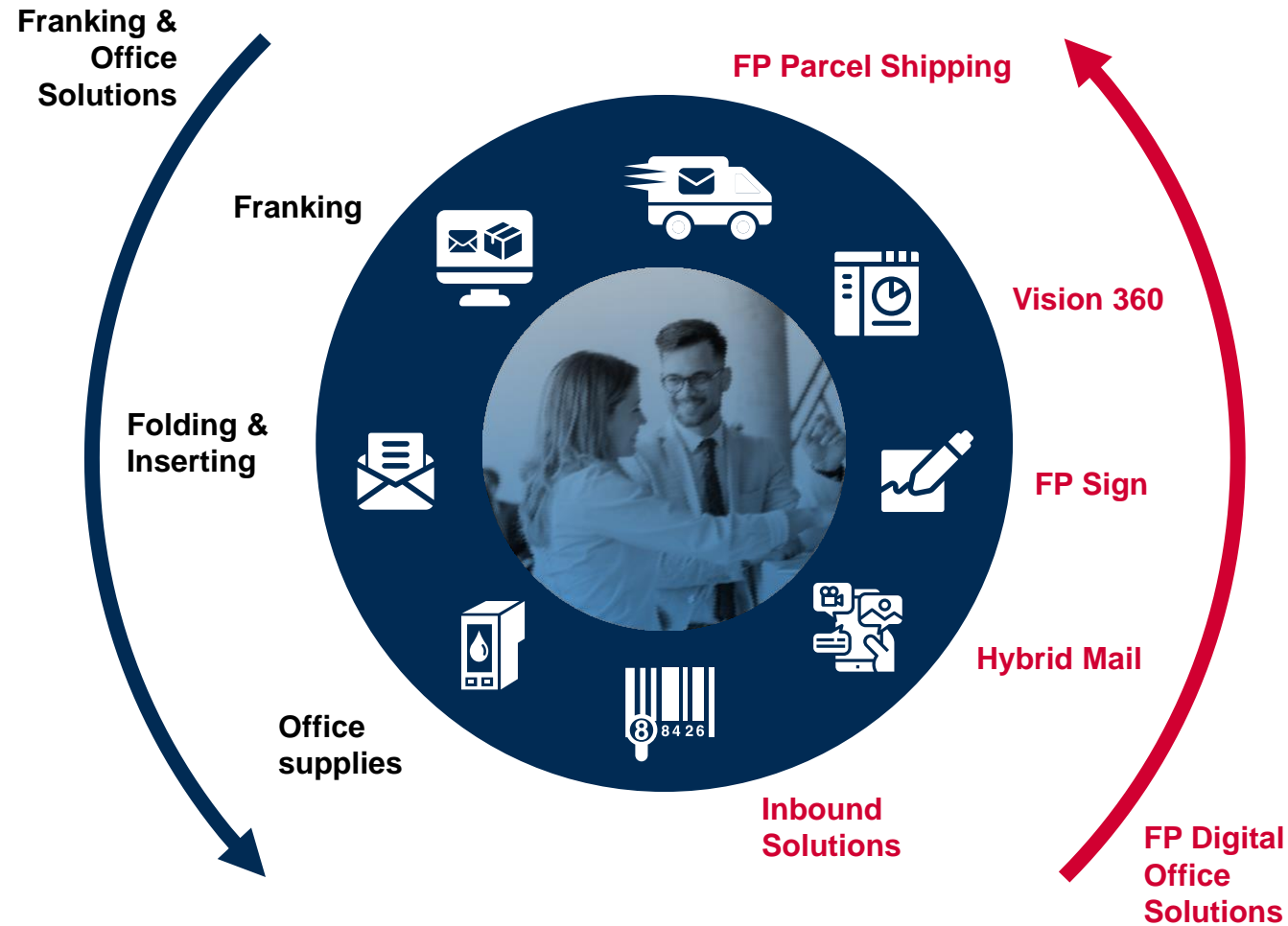
- Customers are looking for one-stop shopping for their office solutions
- Adjacent products and solutions for all office related processes

PARCEL SHIPPING MARKET

- Increasing demand for shipping solutions in line with e-commerce growth
- YoY parcel volume increase of 10-15%

FP BU Franking & Office Solutions

We help businesses by making their office life easier



- Focus on SMB/mid size businesses
 - Growth potential in installed base in selected countries, but likely net decline in FP Group installed base
- Monetize installed base by enhancing value proposition for digital office solutions
- Optimize go-to market approach
 - Focus on two regions – NAM / Europe
 - FP Digital Office solutions developed in BU Software & BPA
 - BU Franking & Office solutions as key channel for FP Digital Office

➡ **Outlook: increasing profitability in a shrinking market**

FP BU Mail Services

We enable efficient outsourcing of mail service processes



MAIL SERVICES

Efficient outsourcing
of mail service
processes



- Comprehensive solutions for mail communication including mail-pickup, franking, sorting, consolidation
- Save on mailing costs
- Improve communication with end customers and business partners
- IT-enabled service for high transparency over costs and processes



- Further streamline and optimize processes
- Create additional value for customers by processing data and enriching physical mail streams with digital added value



FUTURE@FP

Guidance
2021

FY 2021 Guidance

Paving the way for higher margins



	2020	2021
REVENUE	€ m 195.9	€ m 185 – € m 196
EBITDA-MARGIN	4.1 %	3 – 6 %
EBITDA	€ m 8.0	€ m 6 – 12

- 2021 will be influenced by pandemic situation and by FUTURE@FP
- Uncertainties remain – we are optimistic based on the progress made in Q1 2021



Financial Results FY 2020

Resilient revenue despite pandemic situation due to recurring revenue



€ m	FY 2020	FY 2019
Revenue	195.9	209.1
EBITDA as reported	8.0	33.3
EBITDA Margin	4.1 %	15.9 %
Amortisation/ depreciation	21.9	27.4
Net Income	-15.1	1.7
EPS (basic, Euro)	-0.94	0.11

Revenue slowing down

- Negative impact on revenue from **pandemic situation and FX** (€ m -1.8 headwind vs € m 2.6 tailwind in 2019)
- Partly compensated by **M&A** (HEFTER; € m +4.8)
- 2019 positively impacted by **reassessment** of economic useful life of leased products € m 3.1
- Benefit from recurring revenues in 2020

EBITDA before one-offs comparatively strong and in line with prior year

- Impact on EBITDA: **non-recurring expenses for restructuring measures** (€ m 9.0) and **discharges** of intangible assets (€ m 4.1), **lower own work capitalized** (€ m 4,1); FX-headwind (€ m -0,7 vs tailwind € m 1.0 in 2019) - **partly compensated** through active use of government aid programs for short-time work and furlough (€ m 2.5)

Amortization/depreciation

- Decrease by 20 % mainly due to reassessment of useful life of leased products since 2019 and reduced impairment losses (€ m 3.3 in 2020 vs. € m 8.6 in 2019)

Net Income/EPS

- Due to the above, net income/EPS for 2020 is negative

Free Cash flow

Strong cash flow generated even in difficult times



€ m	FY 2020	FY 2019
Cash flow from operating activities	22.5	23.0
Cash flow from investing activities	-11.4	-21.4
Free cash flow	11.2	1.7
Adjusted free cash flow ¹	15.2	12.4
Cash flow from financing activities	-5.5	-4.7
Cash	23.2	18.5

- Continuous positive effects from **franking business, strict cost/working capital management**
- Investments in internally generated intangible assets **back to normal** level (prior year: € m -8.0 for new products, € m -5.5 for ERP/CRM)
- **Improved liquidity level:** cash and cash equivalents of **€ m 36.1** (vs € m 30.5) and **borrowings of € m 36.4** (vs € m 38.6)
- Active lender dialogue, financial covenants were met throughout 2020 – same for budget 2021

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

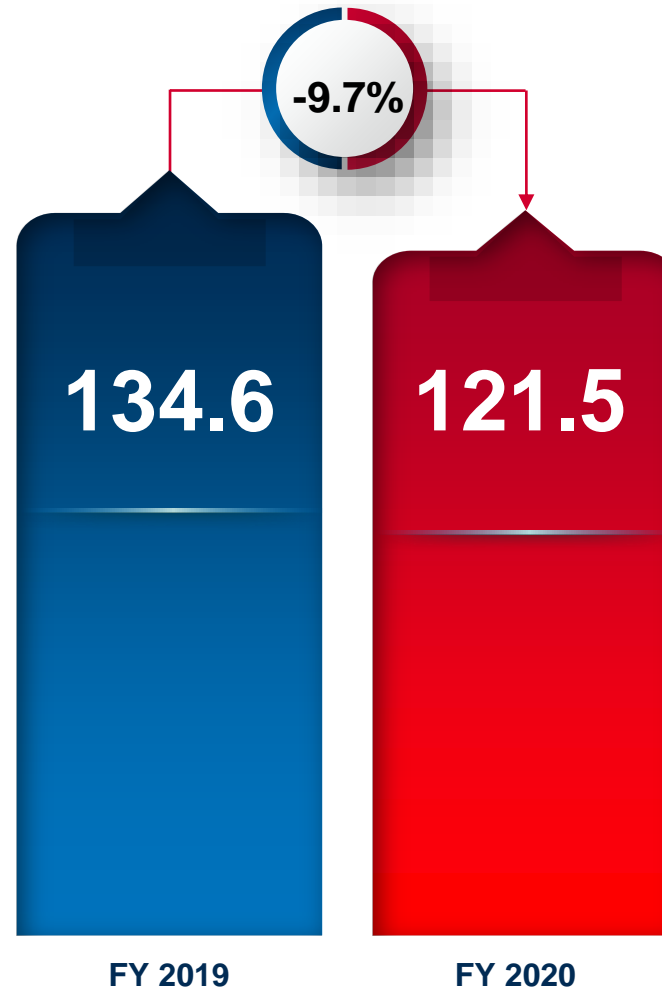
FP Franking Business



Decline in franking business partly related to pandemic situation



Revenue Franking
Business
in € m



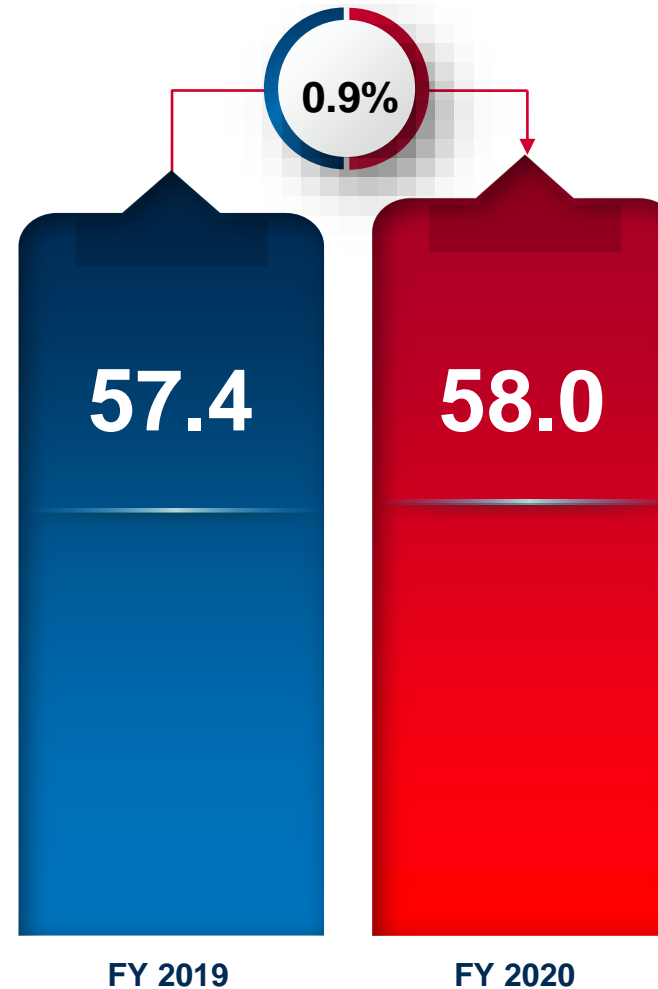
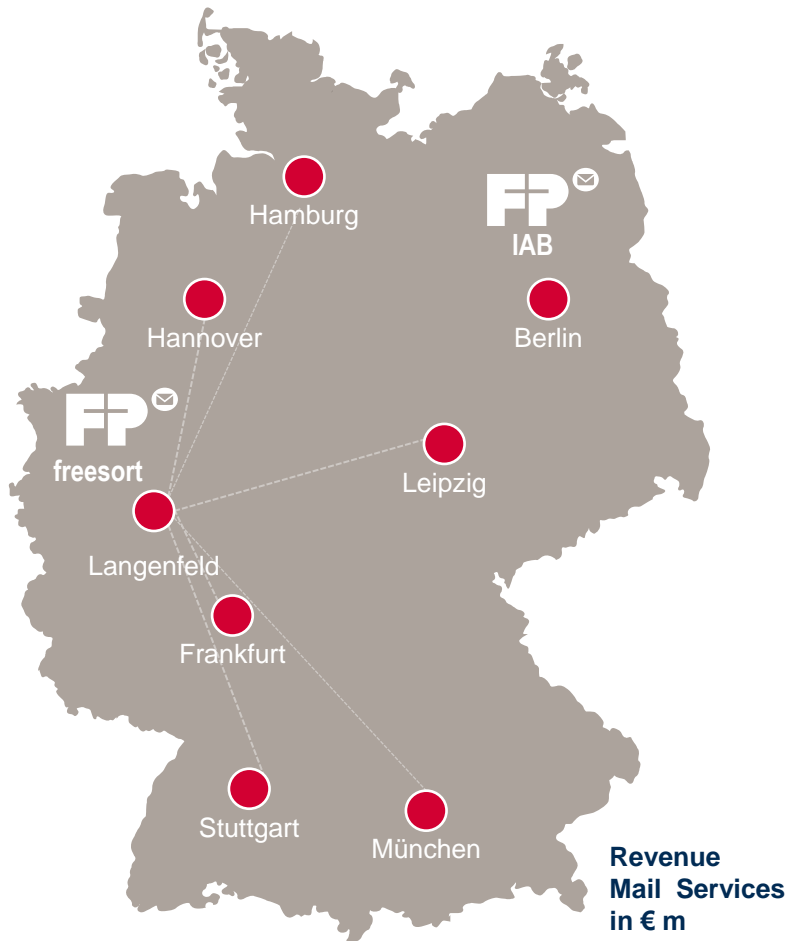
Revenues down by 9.7% as reported

- Negative impact on revenue from **pandemic situation and FX** (€ m -1.8 headwind vs € m 2.6 tailwind in 2019)
- Partly compensated by **M&A** (HEFTER; € m +4.8)
- 2019 positively impacted by **reassessment** of economic useful life of leased products (€ m 3.1)
- In 2019 strong increase in service fees due to postal rate change in Germany (€ m 2.6)

FP Mail Services



Stabilisation despite pandemic situation in challenging market environment



Main impact:

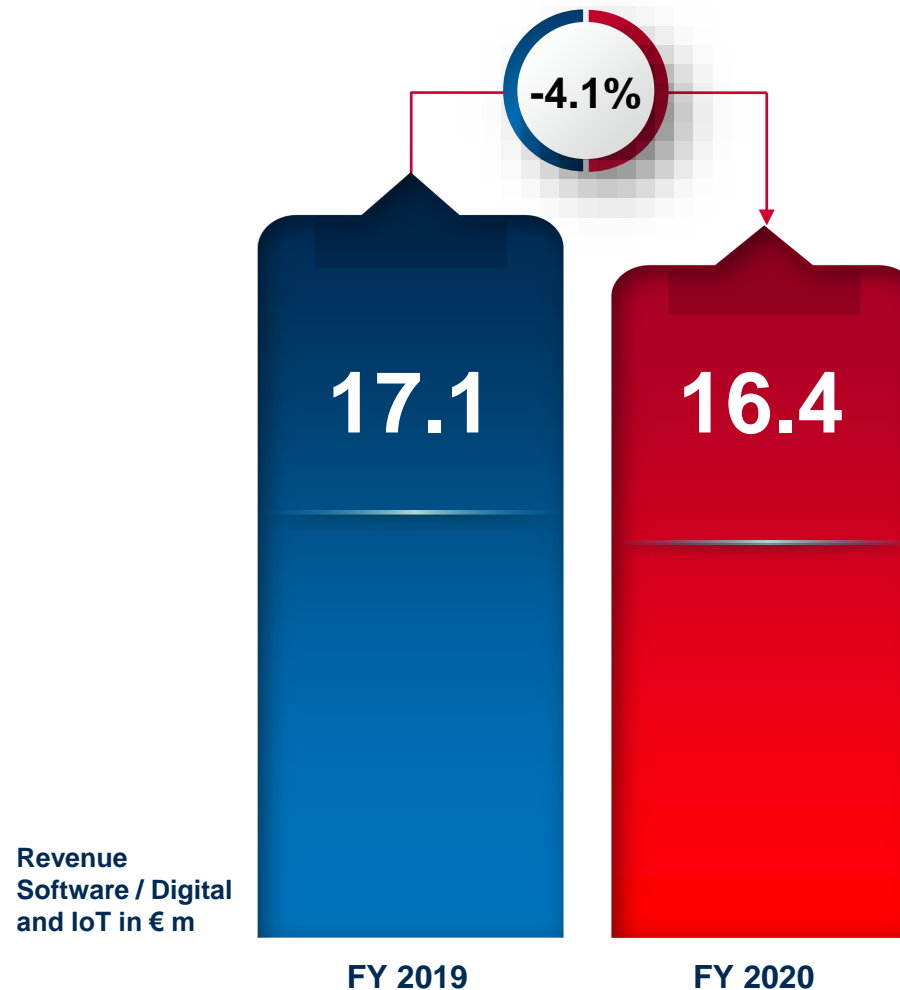
- Postage tariff increase by DPAG had a full year effect in 2020 – in prior year only partly
- Improved customer acquisition after a tough 2019
- Continuous focus on profitable revenue

Remaining Factors:

- Overall market decline in mail volume prevails

FP Software/Digital and IoT

Delayed projects and corona impact on top-line



Hybrid Mail Services

- Reduction in output management projects with key customers and in input management due to the pandemic situation
- Strengthening of sales activities required

FP Sign

- Strong delay in product development in 2020 due to resource constraints, which led to missing product features
- Sales & marketing activities were slowed down in international roll-out in combination with initially missing product specifications
- Opportunities from pandemic situation have not yet been converted into revenues – however Order Back-log (for 2021) has improved

IoT

- Delay in customer order placing due to pandemic situation
- Comprehensive and redesigned IoT product portfolio required to address focused verticals

Current Pandemic-Situation



FP remains focused on employee and customer safety, business continuity, resilience, safeguarding cash and improving earnings

Business Continuity

- Majority of employees globally are working on a remote basis (work-from-home)
- Focus on working capital while maintaining secure supply chain (raw material buffer)
- Remote service (wherever feasible)

Measures taken/planned:

- Hiring freeze, short-time work, holiday/overtime utilization
- Continuing screening and using, when adequate, government aid programs related to short-time work and furlough (2020: € 2.5M in the US, Germany, Canada and UK)
- Capex prioritization: expense reduction, project reviews
- Continuous detailed scenario analysis
- Improved liquidity level: cash and cash equivalents of € m 36.1 (vs € m 30.5) and borrowings of € m 36.4 (vs € m 38.6) – syndicated loan facilities remain available
- Active lender dialogue, financial covenants were met throughout 2020 – and also in our budget 2021

Business Resilience

- High level of recurring revenues in franking business
- Franking Business: high volatility and negative impact on order intake and consumables, varying throughout the 3 regions
- Mail Services: noticeable decline in processed mail volume
- Hybrid Mail: relatively stable and low negative impact
- FP Sign: increased customer leads and registrations (as a result of remote activities)
- IoT: delay in customer projects

Appendix

A blue-tinted photograph of a modern office environment. 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 strong recurring revenue base

€ m	FY 2020	FY 2019
Equipment sales & others	30.4	32.2
Service	21.8	26.4
Consumables	23.9	24.3
Teleporto	8.0	8.4
Mail Services	58.0	57.4
Software/Digital	16.4	17.1
Revenue acc. to IFRS 15	158.5	165.7
Finance Lease	9.7	14.7
Operate Lease	28.0	29.1
Revenue acc. to IFRS 16	37.7	43.7
Revenue total	195.9	209.1

Major items in 2020

- Negative impact on revenue from **pandemic situation** and **FX** (€ m -1.8 headwind vs € m 2.6 tailwind in 2019)
- Partly compensated by **M&A** (HEFTER; € m +4.8)
- Stabilization in Mail Services mainly driven by postage tariff increase since mid 2019 and improved customer acquisition
- Negative development in Software/Digital mainly driven by hybrid mail services and by IoT – partly compensated by growth within FP-Sign and DE-Mail
- App. **62 %** of recurring revenues, underlining FP's resilient business model
- 2019 positively impacted by reassessment of economic useful life of leased products (€ m 3.1) and strong increase in service fees due to postal rate change in Germany (€ m 2.6)

Consolidated Statement

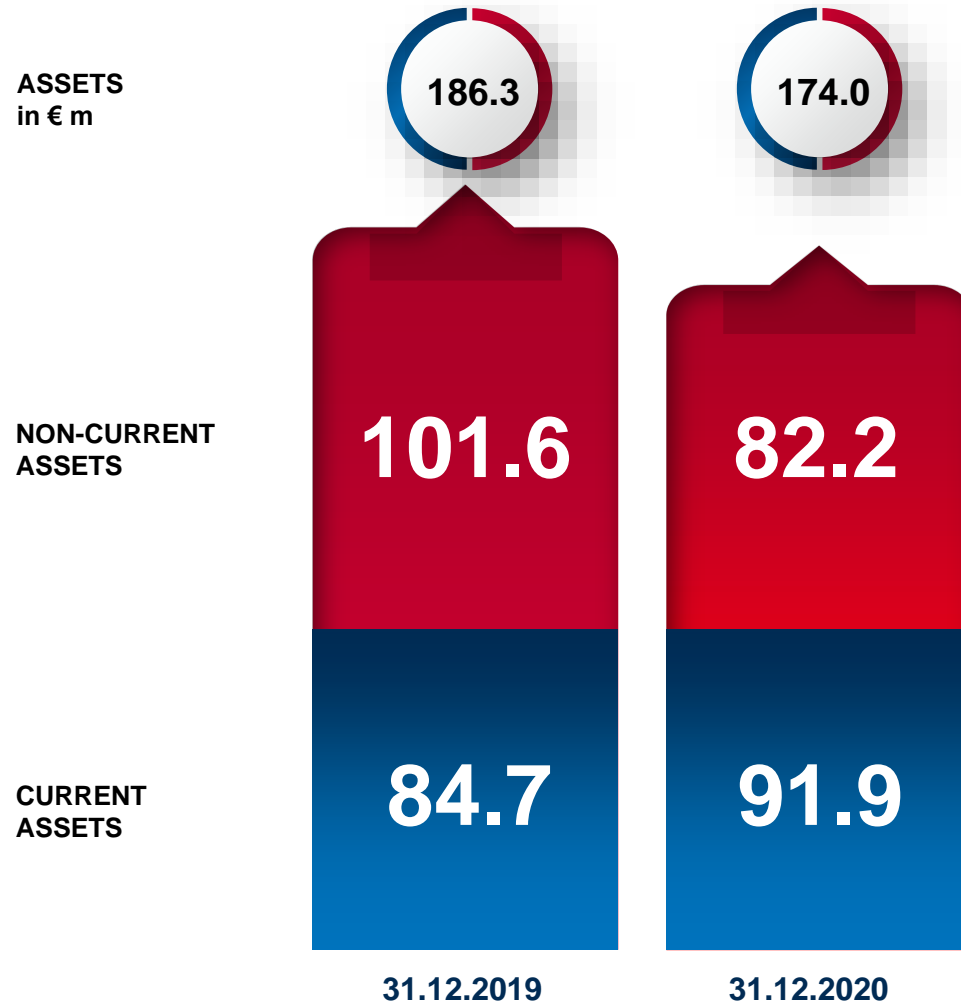
of comprehensive Income 2020



€ m	FY 2020	FY 2019	%
Revenue	195.9	209.1	-6.3
Change in inventories	-0.4	-0.0	n/a
Other own work capitalised	7.8	18.6	-58.1
Total output	203.3	227.7	-10.7
Cost of materials	-93.9	-101.6	-7.6
Staff costs	-67.8	-60.2	12.6
Impairment losses and gains on trade receivables	-1.2	-1.9	-36.8
Other income/expenses	-32.4	-30.6	-5.9
EBITDA	8.0	33.3	-76.0
as % of revenue	4.1	15.9	-74.2
Amortisation/depreciation	-21.9	-27.4	-20.1
Interest result	0.9	0.4	125.0
Other financial result	-1.0	0.6	n/a
Result from at-Equity investments	-0.6	-1.0	-40.0
Income taxes	-0.4	-4.2	-90.5
Consolidated net income	-15.1	1.7	n/a
EPS (€ basic)	-0.94	0.11	n/a
EPS (€ diluted)	-0.94	0.11	n/a

Financial Situation

Balance Sheet Assets (31.12.2020)



Non-Current Assets

- Decrease due to discharge (€ 4.1 m) and impairment loss (€ 10.1 m) of intangibles including goodwill
- Decrease in tangibles mainly due to depreciation and amortization

Current Assets

- Significant increase in cash and cash equivalents (€ 5.6 m), thereof increase in postage credits managed by FP (€ 1.0 m), due to improved cash management
- Significant increase in other assets (€ 3.4 m) due to tax refunds
- Slight decrease in inventories (€ 0.9 m) and receivables (€ 0.5 m) due to improved working capital management

Financial Situation

Balance Sheet Equity & Liabilities (31.12.2020)

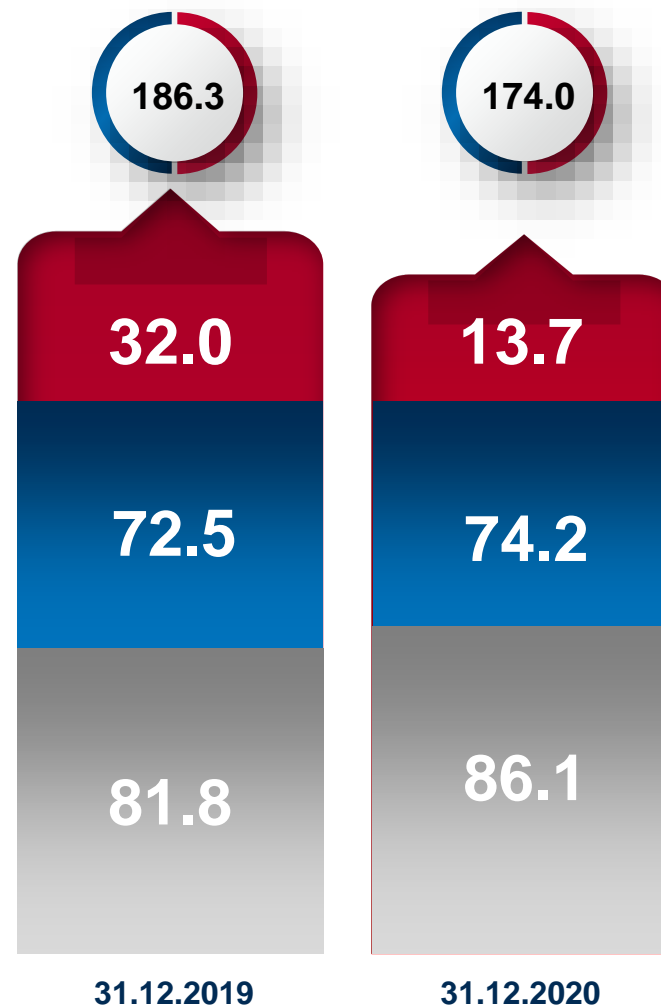


EQUITY &
LIABILITIES
in € m

EQUITY

NON-CURRENT
LIABILITIES

CURRENT
LIABILITIES



Equity ratio of 7.9 %
(31.12.2019: 17.2 %)

Non-current liabilities

- Increase of personnel-related provisions (€ 2.0 m) due to restructuring measures
- Increase in derivatives (€ 1.7 m) due to longer durations
- Decrease in bank liabilities due to made installments (€ 2.2 m)

Current liabilities

- Increase of personnel-related liabilities (€ 4.6 m) mainly following our restructuring measures
- Increase of other liabilities (€ 1.6 m)
- Decrease in derivatives (€ 1.3 m)

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

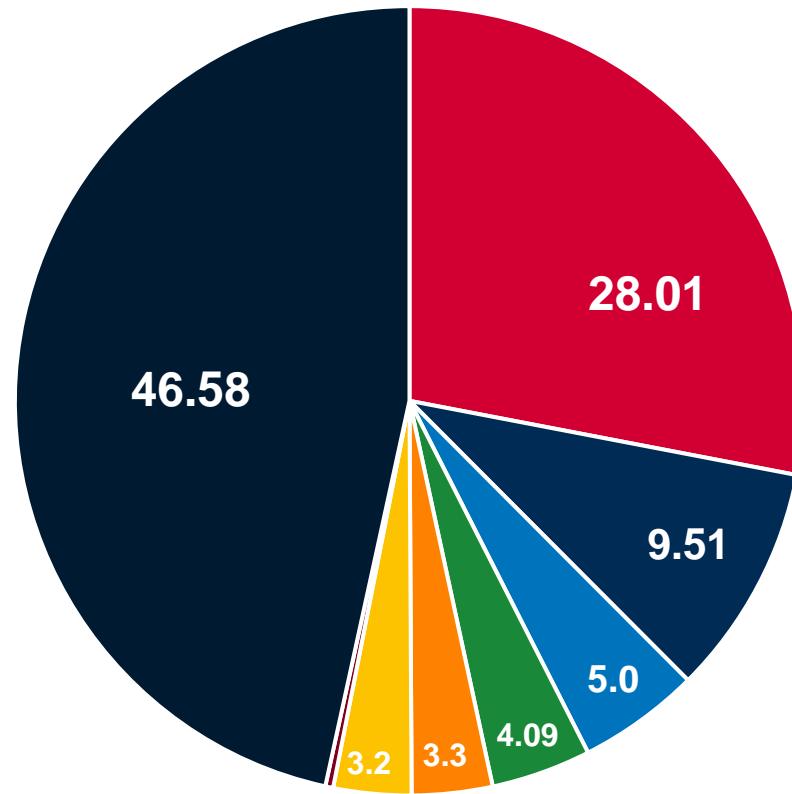
Strong & international shareholder base (in %)



shares 16,301,456

**Market cap approx.
€ m 54¹**

Prime Standard



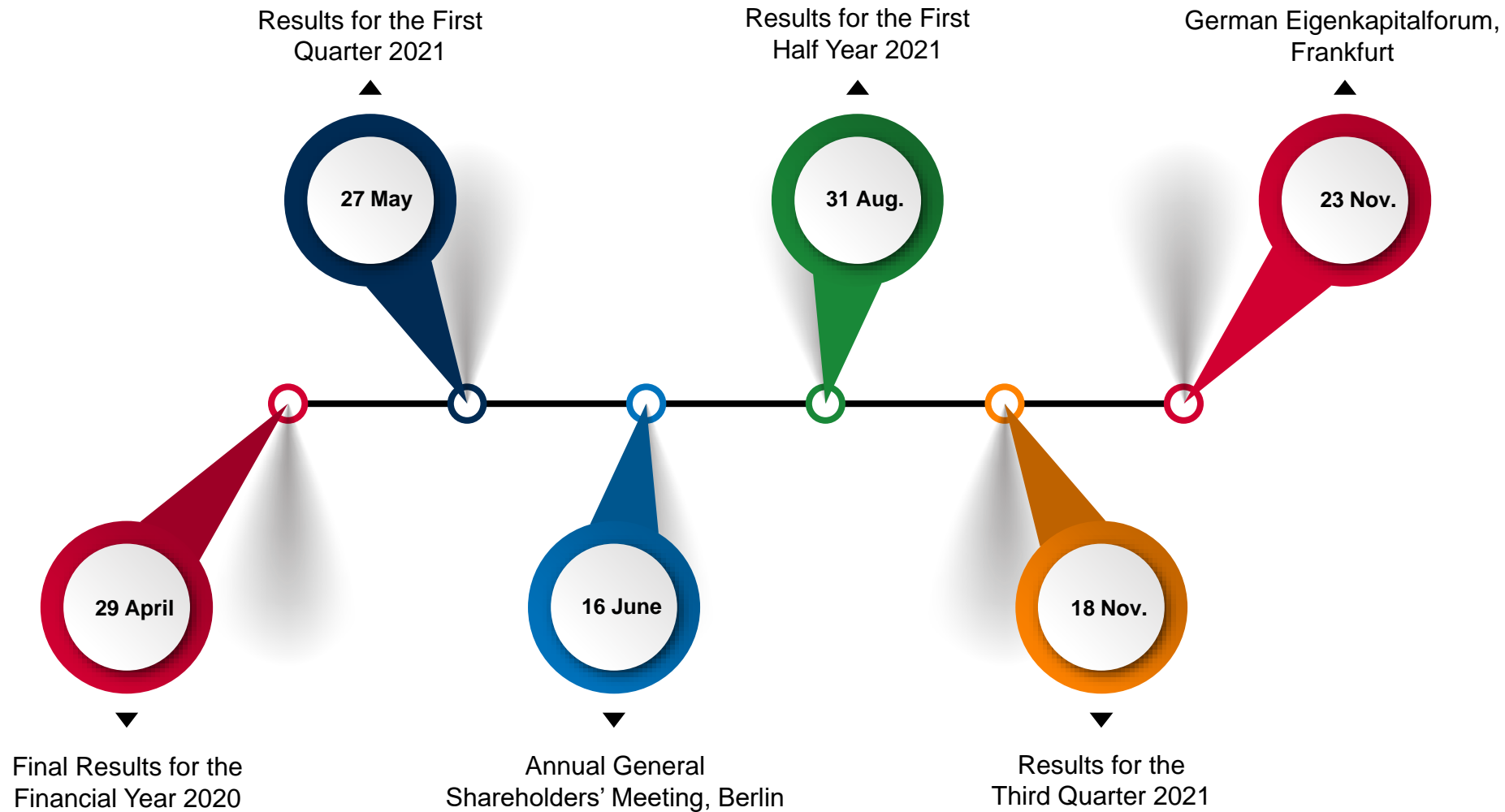
April 2021

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

¹ As of 27 April 2021, excluding 257,393 own shares.

Financial Calendar

2021



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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.