Financial Results
9M 2023

CONFERENCE CALL

November 23rd, 2023

9M 2023 financial performance

Revenue pointing to lower end of full year guidance
EBITDA in line with full year guidance

Revenue -3.3%

EBITDA -0.9%

EPS ↓ 0.09

€ m	9M 2022	9M 2023
Revenue	188.7	182.5
EBITDA	22.4	22.2
EBITDA Margin	11.9%	12.2%
Depreciation/ Amortisation	15.2	13.1
Consolidated Profit	6.1	4.5
EPS *(basic/diluted Euro)*	0.38	0.29

Revenue pointing to lower end of the full year guidance

+ **Digital Business Solutions:**
  + **3.1% growth from € m 21.0 to 21.7**
  + Growth in all SaaS-based solutions
– **Mailing, Shipping & Office Solutions:**
  – Decline of 1.5% **from € m 111.7 to 110.0,** PY with positive one-offs
– **Mail Services:**
  – Decline of 10% from **€ m 55.9 to 50.0;** PY with positive one-offs
– **Negative FX-effects** in 9M 2023 **of € m 2.9** versus positive FX-effects in PY of €m 5.0

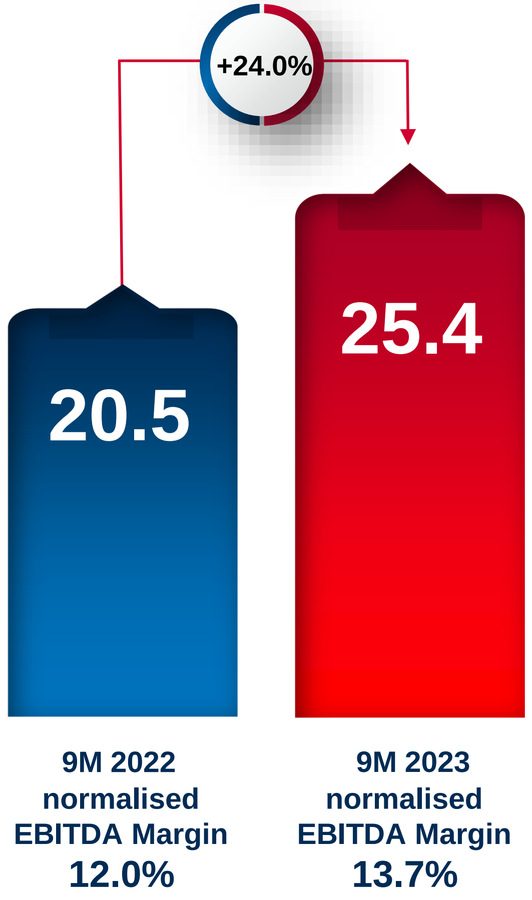
EBITDA in line with full year guidance

– Investing in **One ERP** (€ m 3.7) expensed as incurred
– PY impacted positively by rate change in Germany € m 2.6
– Investing in **new technology** and **software development capacity**
– Negative FX-effect of € m 1.5
+ Release of provisions of € m 2.0 (net)

Normalised EBITDA 9M 2023

Normalised EBITDA 9M 2023 better than prior year period

€ m	9M 2023
EBITDA (as reported)	**22.2**
EBITDA (at constant currency)	**23.7**
One ERP	3.7
Release of provisions (net)	-2.0
Normalised EBITDA	**25.4**
Normalised Revenues*	**185.3**
Normalised EBITDA Margin	**13.7%**



*Normalised Revenues excludes currency effects

Free Cash Flow and Net Debt

Positive free cash-flow and net debt decreasing

FCF **-19.6%**

Free Cash Flow € m	**9M 2022**	**9M 2023**
Cash flow from operating activities	18.0	14.0
Free cash flow	6.9	5.6

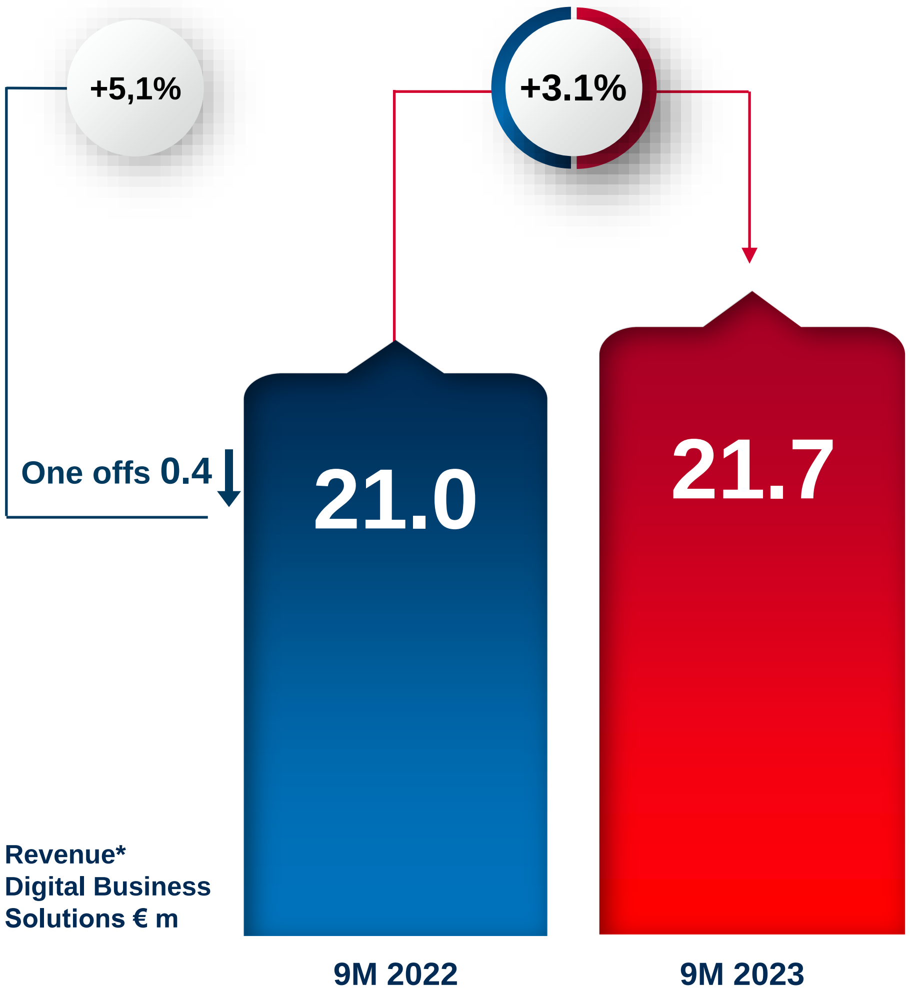
Net Debt **- 4.0%**

Net Debt € m	**31.12.2022**	**30.09.2023**
Financial Debt (incl. Leasing)	41.0	35.7
Cash (without postage held)	22.8	18.3
Net Debt	18.1	17.4

- **Decreased Cash flow from operating activities**
  - Decreased consolidated profit and increased tax and interest payments
  - In 9M 2022 impacted by tax refunds of € m 1.5 in NL, UK and US
- **Decreased Free cash flow**
  - Due to increased invests in
    - Fixed assets: Post Base Vision, techn. equipment, renewal of hardware DBS (€ m 6.6 vs. 6.3 in 9M 2022)
    - Purchased intangible assets: renewal of software DBS (€ m 0.4 vs. 0.1 in 9M 2022)
    - Capitalization of development costs: Post Base Vision and DBS; (€ m 1.4 vs. 0.7 in 9M 2022)
- **Cash** decreased € m 4.6, mainly due to repayment of the current portion of the syndicated loan
- **Net debt decreased € m 0.7**

FP Digital Business Solutions

Continuous investment and growth in SaaS-based solutions



*Including all digital stand-alone software solution revenues sold by MSO;
previous year figures have been adjusted: DBS consolidation profits have been reallocated from Mail Services to DBS

Document Workflow Management

- Continue implementing new Hardware and Software to increase efficiency and offer more data-driven services
- Decline in output management due to business decline of a customer

Business Process Management & Automation

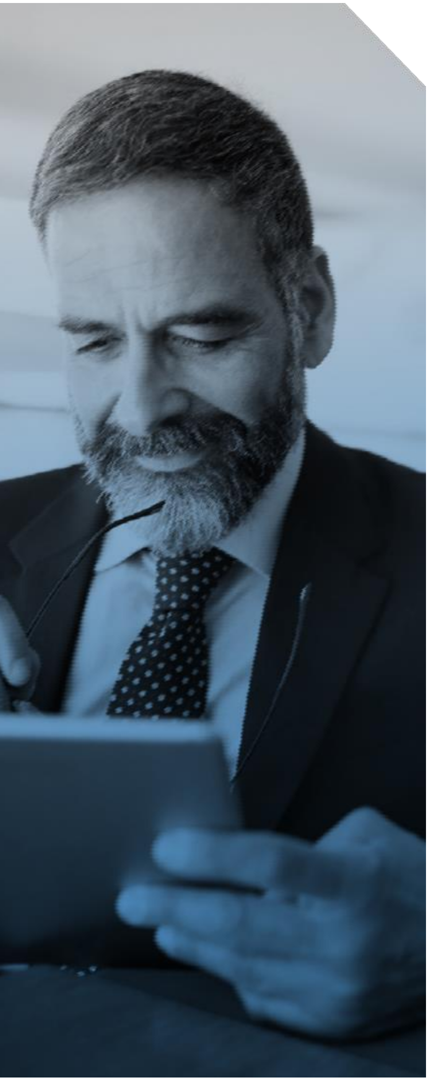
- **FP Sign:**
  - Major release in September including new functionalities for enterprise customers
- **De-Mail / e-justice**
  - Continuous customer onboarding of e-justice solution for business and organisations after launch of eBO in June 2023

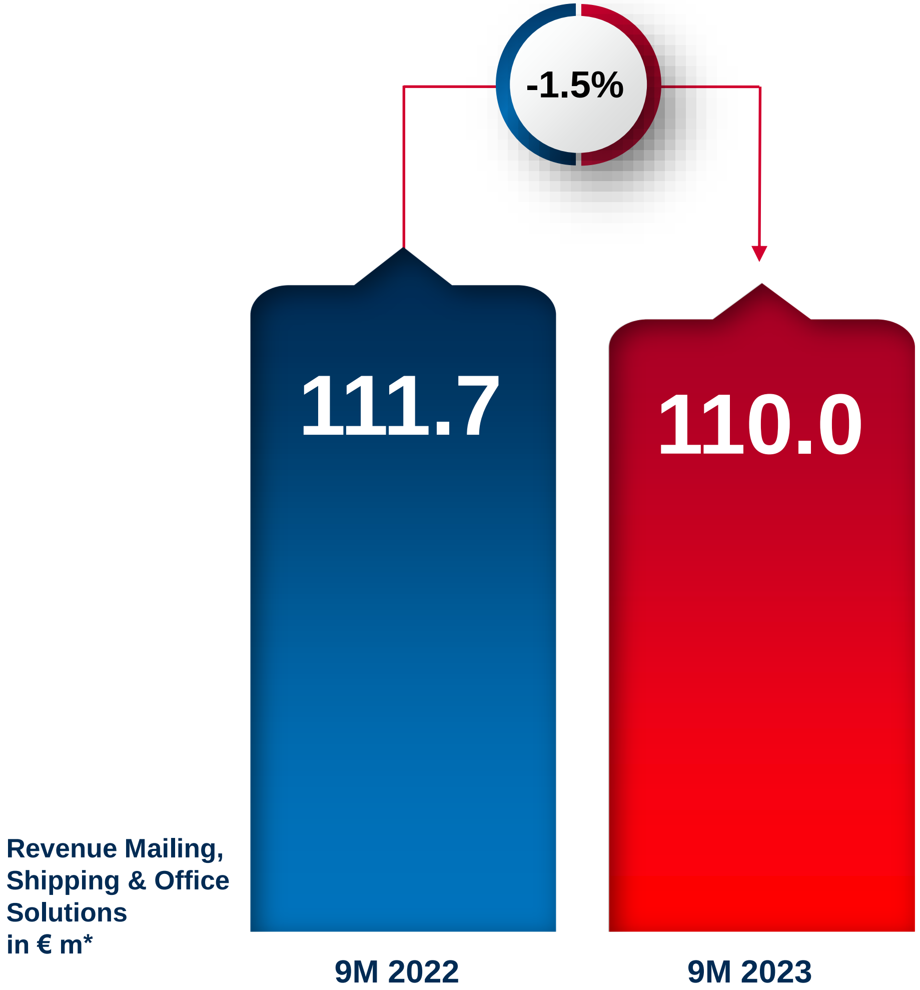
Shipping & Logistics

- FP Parcel Shipping launched in Norway (Q1) and Netherlands (Q2), launch in UK in Q3
- Further international customer onboarding for FP Trax Suite

FP Mailing, Shipping & Office Solutions

Revenue in line with expectations - partly impacted by one-offs - and Azolver



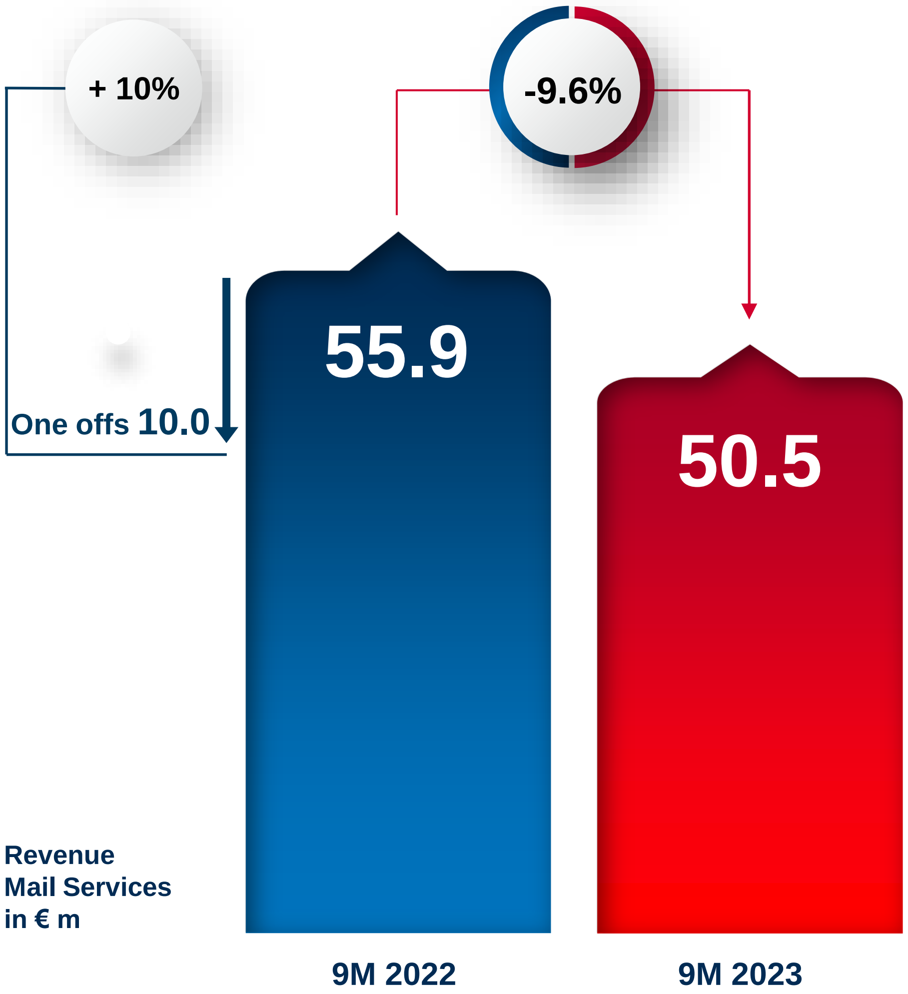


*Excluding all digital stand-alone software solution revenues sold by MSO; previous year figures have been adjusted with reclassification of services

- 9M 2022 revenue influenced by positive one-off effects from **rate change** in Germany of €m 2.9
- 9M 2023 including revenues from Azolver entities (acquired in Q1 2022)
- Negative FX-effects in 9M 2023 of € m 2.7
- Ongoing **switch of Azolver** customers to **FP franking machines**

FP Mail Services

Revenue in line with expectations – 9M 2022 influenced by positive one-off effects



- Mail Services **revenue in line with expectations**
  - 9M 2022 was impacted by **pandemic-related one-off effects** (higher volumes and higher share of franked mail)
  - After positive experience in the pandemic, customer continue outsourcing the franking service, resulting **in higher franking volumes in 9M 2023**
- Implementation of new discount scheme by Deutsche Post, in place since January 2023
- Consistent cost management has **improved margins**

FUTURE@FP – next level 2023 onwards

5 key programs to continue on the profitable growth path

1. Right Sizing – Right Shoring

Restructuring

- alignment of MSO cost base related to ERP
- alignment of Group Services cost base related to ERP
- Further alignment of cost base in DBS

➔ 2023/24

2. Operating Model

Implement Group Services
- **IT**
- **Finance Operations**
- **HR Operations**
- **Tallinn**

Refine Group Marketing

MSO reorganized for better leverage of selling DBS SaaS also via MSO

➔ during 2023

3. ERP/CRM

First go-lives DBS and MSO Sweden

Onboard remaining MSO countries

Foundation for **operating model**

Automate and **Digitalise Back-Office and Front-Office**

➔ 2023/24

4. Digital Business Foundation

Add all SaaS solutions to standardized Subscription & Billing

Self-service onboarding
- **FPSign**
- **FPPS**
- **TRAX**

Internationalize

➔ 2023

5. Increase Value for Customers*

MSO:
- **Franking –** stay relevant with further office solutions
- Facelifts and new market intros

DBS:
- **Document Workflow Mgmt.**
  – IT-intensive not labor intensive
- **Business Process Management & Automation**
  – Internationalize
  – build enterprise solutions
- **Shipping&Logistics**
  – Internationalize

➔ Continuous process

* Selected samples, further initiatives in all areas

Summary 9M 2023

Revenue pointing to lower end of full year guidance

- Continuous growth in SaaS-business
- Stable MSO and Mail Services business

EBITDA in line with full year guidance

- EBITDA Margin 12.2 %
- Despite tailwinds from one-offs and FX in 2022 and headwind from FX in 2023

On a normalized basis

- **Revenue** € m 185.3 (growth of 8.7%)*
- **EBITDA** € m 25.4 (growth of 24.0%)

*amended version after error correction

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.

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

FUTURE@FP

CREATING VALUE

- Increasing EPS
- Improving Free Cash Flow
- Reducing net debt
- Growth in SaaS-solutions
- Stable MSO with high recurring revenues
- Stable Mail Services

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9M 2023

Q&A Session

Appendix

Revenue by Product and Service 9M 2023

Recurring revenue base

€ m	9M 2022	9M 2023
Equipment sales & others	27.1	26.2
Consumables	21.2	19.9
Service	23.6	22.0
Teleporto	7.2	6.7
Mail Services	55.9	50.5
Software / Digital	21.9	22.6
Revenue acc. to IFRS 15	**156.7**	**147.9**
Operate Lease	24.1	24.0
Finance Lease	8.3	10.7
Revenue acc. to IFRS 16	**32.4**	**34.8**
Currency effects	-0.4	-0.3
Revenue total	**188.7**	**182.5**

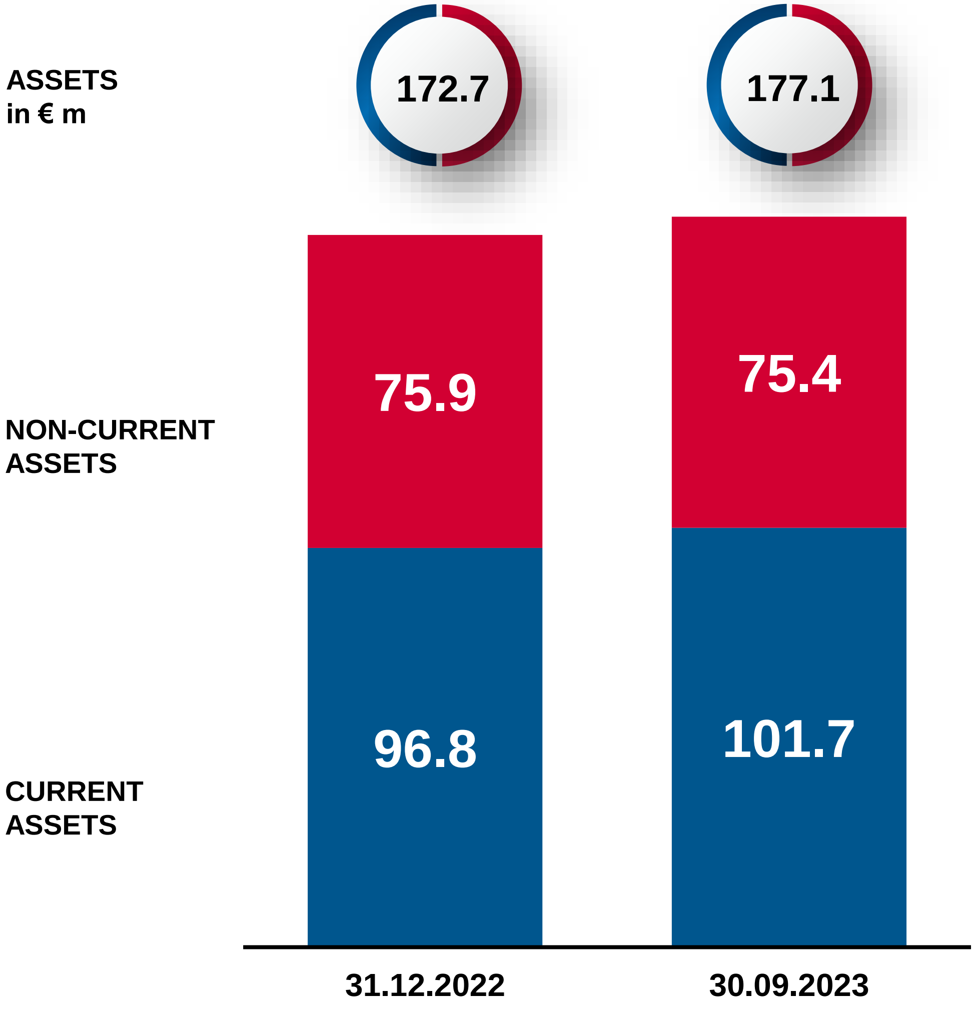
Consolidated Statement

of profit and loss 9M 2023

€ m	9M 2022	9M 2023
Revenue	**188.7**	**182.5**
Change in inventories	0.5	-0.1
Other own work capitalised	5.1	5.6
Total output	**194.3**	**188.0**
Cost of materials	-94.3	-86.7
Personnel expenses	-47.6	-48.0
Impairment losses and gains on trade receivables	-1.9	-0.9
Other expenses (less other income)	-28.2	-30.2
EBITDA	**22.4**	**22.2**
as % of revenue	*11.9%*	*12,2%*
Depreciation/Amortisation	-15.2	-13.1
Interest result	1.3	0,2
Other financial result including at-equity income	1.6	-0.3
Income taxes	-3.9	-4.5
Consolidated net income	**6.1**	**4.5**
EPS (€ basic)	**0.38**	**0.29**
EPS (€ diluted)	**0.38**	**0.29**

Financial Situation

Balance Sheet - Assets (30.09.2023)



Non-Current Assets

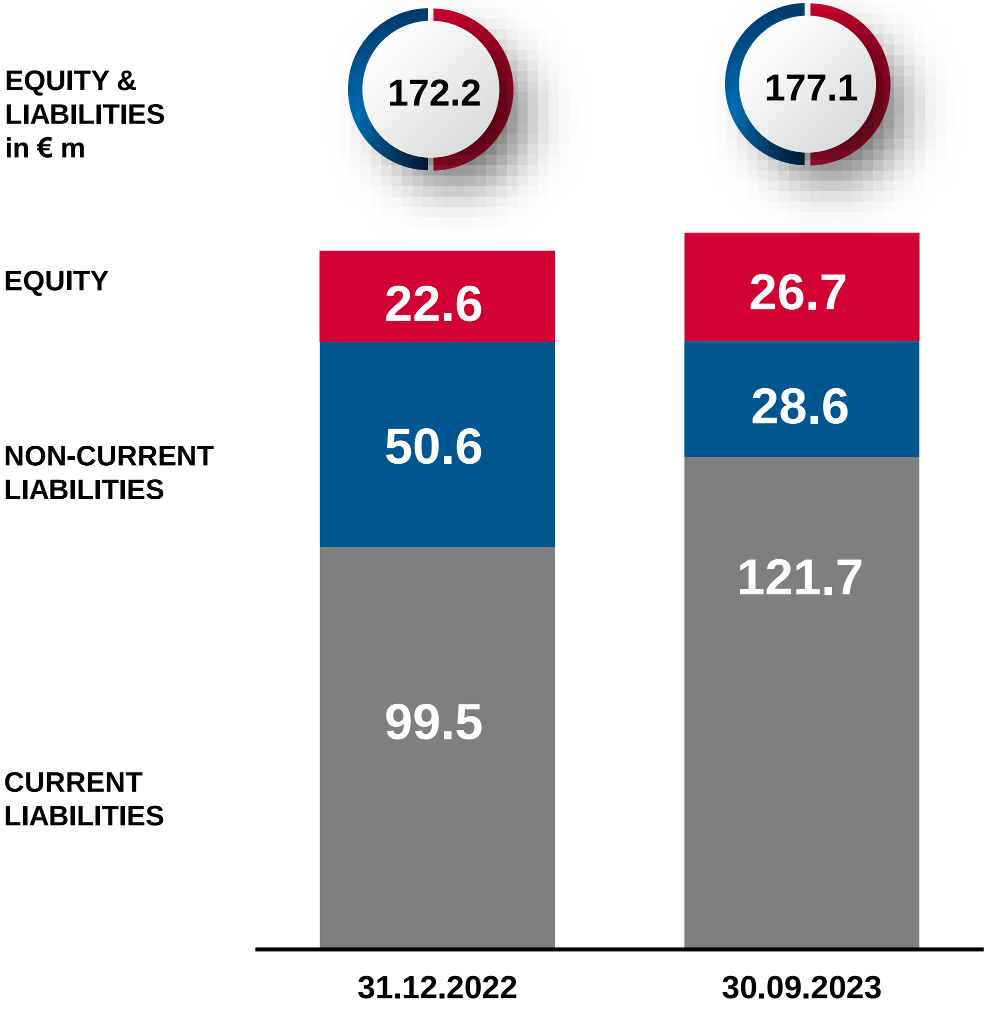
- Intangible assets decreased by € m 1.7 mainly due to depreciation (€ m 3.4). The decrease was partly offset by additions totalling to € m 1.8 of development projects, of purchased and internally generated intangible assets
- Increase of right of use assets by € m 0.4
- Increase of non-current financial assets by € m 0.5. Increase of non-current non-financial assets by € m 0.2

Current Assets

- Increase in trade receivables by € m 1.7 in DE and US
- Increase in cash and cash equivalents by € m 3.9, thereof in postage credit balances managed by the FP Group by € m 8.5

Financial Situation

Balance Sheet - Equity & Liabilities (30.09.2023)



Equity ratio of 15.1 %
(31.12.2022: 13.1%)

Non-current liabilities

- Decrease by € m 22.0 mainly due to change in maturity of syndicated loan (financing liabilities € m 7.7 vs. € m 29.5 as of 31.12.2022)

Current liabilities

- Overall increase by € m 22.3 related to
  - Increase by € m 16.5 due to change in maturity of syndicated loan (financing liabilities € m 28 vs. € m 11.5 as of 31.12.2022)
  - Increase in financial liabilities from telepostage (€ m 8.5) corresponding to asset side
  - Decrease of other provisions of € m 3.4 mainly due to net release of restructuring provision (€ m 2.0) and consumption of other personnel provisions

* Adjustment for FY 2021 due to IAS 8 accounting of commissions restatement

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.

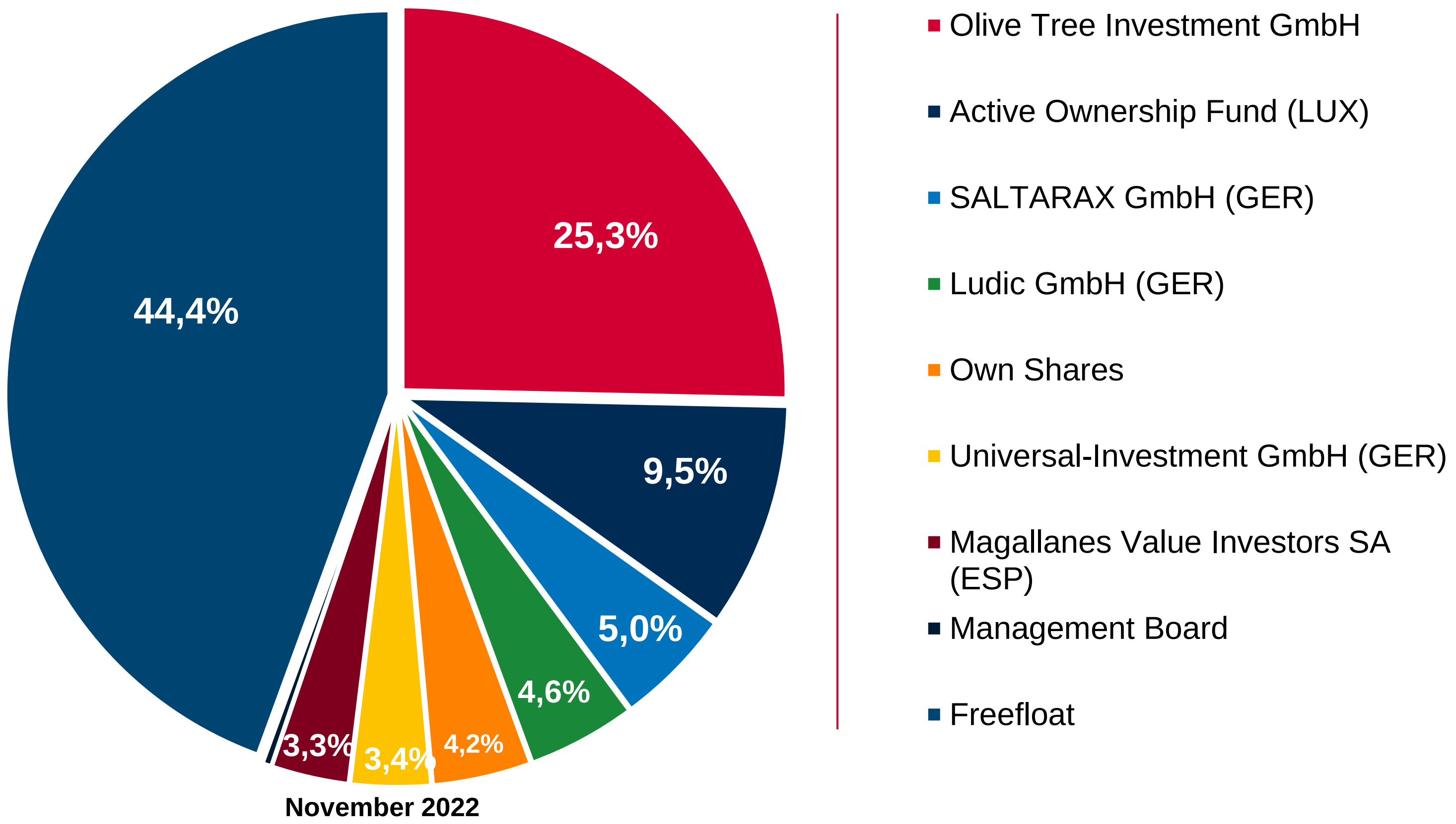
The FP share

Strong & international shareholder base (in %)

 # shares 16,301,456

Market cap approx. € m 46*

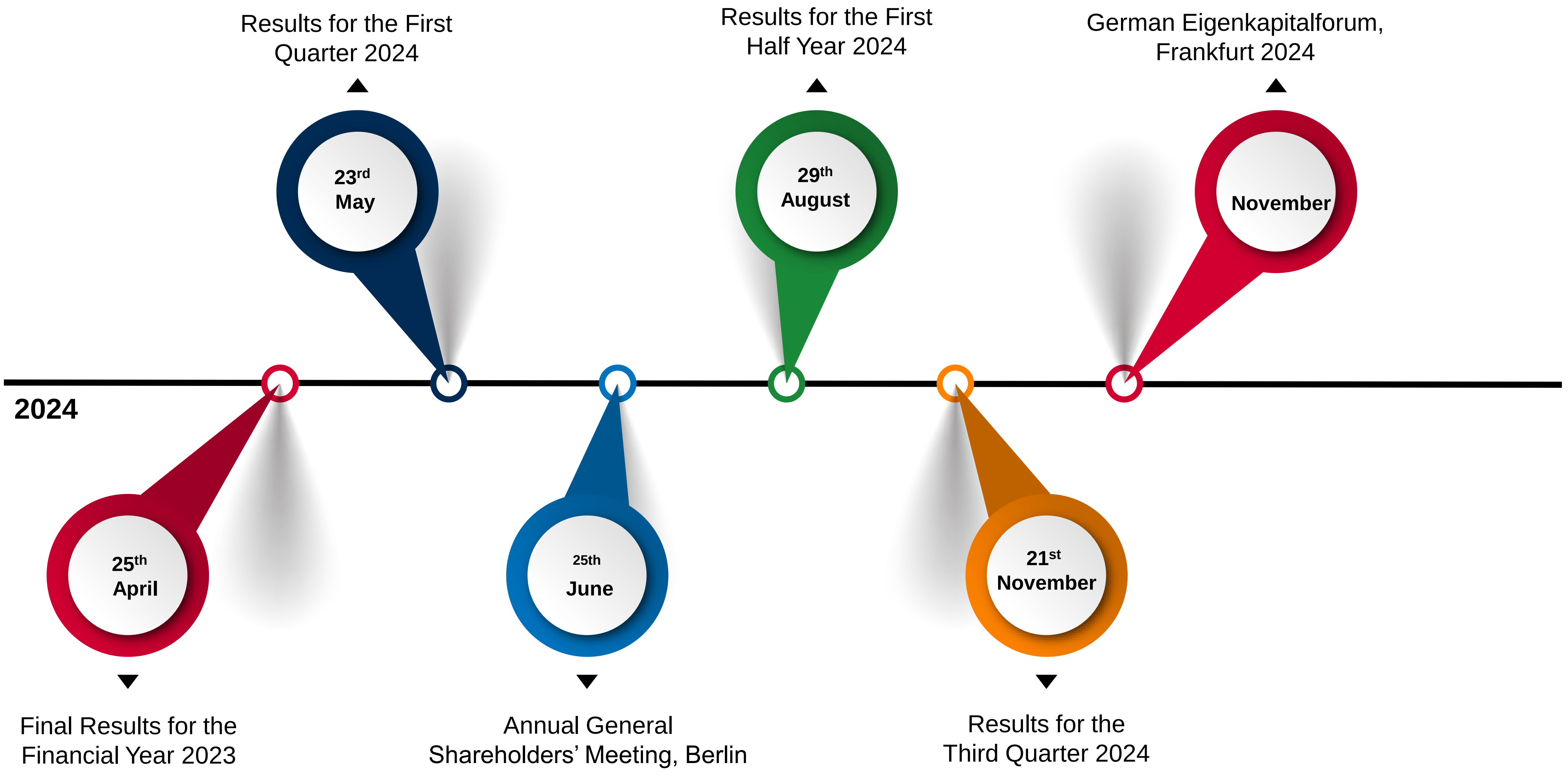
Prime Standard



*** November, 22 2023**

Financial Calendar

2024



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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 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 2021 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.).