



## Corporate news

### Aiming at the goals for 2020 Francotyp-Postalia confirms its forecast for 2017

- Revenues increase by 3.0% to EUR 153.9 million in the first nine months of 2017
- EBITDA slightly down to EUR 19.6 million due to ACT and one-off effects

Berlin, 16 November 2017. Francotyp-Postalia Holding AG, the expert in secure and efficient communication, increased its revenues by 3.0% to EUR 153.9 million in the first nine months of 2017. FP is not slowing down its attack in the core business with franking systems. The FP Group improved its global market share. In particular, FP significantly expanded its market share in the strategic growth markets US and France. Revenues from the franking machine business grew by 0.6% to EUR 94.9 million in the first nine months of 2017 despite the strong euro. The negative currency effects amounted to EUR 1.0 million in total. The success story of PostBase 100 and PostBase Mini continued in the third quarter of 2017. Hence, the assumptions of the ACT growth strategy were confirmed. The market changes are accelerating. In consequence, the demand for franking systems for small mail volumes is growing, while the demand for bigger systems is shrinking.

Mail Services revenues rose significantly by 9.8% to EUR 49.1 million in the first nine months of 2017. Despite the ongoing strong revenue growth during the last five years, margins in the Product segment remained weak and profitability declined further in the first nine months of 2017. Revenues in the Software segment amounted to EUR 9.9 million compared to EUR 10.3 million in previous year. This reduction mainly resulted from a temporary decline in the mail volume processed.

### EBITDA of EUR 19.6 million impacted by one-off effects and ACT costs

In line with planning, 2017 is impacted by the implementation of the ACT strategy. ACT costs amounted to EUR 2.6 million in the first nine months of the current fiscal year. Despite further one-off effects of EUR 1.0 million, the company reported an EBITDA of EUR 19.6 million in the first nine months of 2017 compared with EUR 20.6 million in the same period of 2016. The negative effects resulted mainly from concentrating the production-related activities at the Wittenberge site (EUR 0.5 million) and expenses in connection with the previously reported irregularities in the Mail Services segment (EUR 0.5 million). There was a positive effect of EUR 1.9 million from statute-barred liabilities. The currency-adjusted EBITDA amounted to EUR 20.0 million.



As expected, depreciations and amortisations increased to EUR 14.6 million in the first nine months of 2017. EBIT totalled EUR 5.0 million and the consolidated net income amounted to EUR 3.4 million in the first nine months of the current fiscal year. This corresponds to basic earnings per share (EPS) of 21 cents. At EUR 8.0 million, the adjusted free cash flow generated by the FP Group was in line with the strong previous year.

### **FP is aiming for the 2020 ACT goals**

FP is aiming at the ACT goals for 2020 and is increasing the speed remarkably. The ACT strategy has started successfully in 2016. Now, FP is accelerating projects and measures to improve efficiency in order to sustainably increase performance on the long-run. The Management Board confirms the forecast 2017. Assuming constant exchange rates, the company still anticipates a slight year-on-year increase in revenues and a slightly improved EBITDA, with an adjusted free cash flow on previous year's level for 2017.

The ACT strategy is turning FP into a dynamic growth company. Rüdiger Andreas Günther, CEO & CFO of the FP Group, explains: "In fiscal year 2016 we completed a clear change of direction in FP's positioning with the ACT growth strategy. We are attacking in our core business, developing new products and services for our customers and accelerating our digital transformation. In the first year of ACT – 2017 – we are focussing on implementing the strategic measures and projects. 2018 will be the year of action. We are not wasting any time. We have a clear focus on our medium- and long-term goals and want to improve our current EBITDA margin of currently around 13% to 17% with revenues of EUR 250 million by 2020. In 2018 we, hence, accelerate our implementation of our projects and measures and are also rolling out the ACT-project "Structure & Organisation". We are hereby making FP fit for the future - leading to noticeable non-recurring expenses. Adjusted positive effects are expected in 2018. We are aiming at doubling our revenues to around EUR 400 million with an EBITDA margin of 20% by 2023."

### **Key figures at a glance:**

in € million	9M/2017	9M/2016	Change
Revenues	153.9	149.4	3.0%
Cost of materials	76.6	71.5	7.2%
Staff costs	45.0	42.9	4.8%



Other expenses	24.4	26.0	-6.1%
EBITDA	19.6	20.6	-4.7%
Amortisations and depreciations	14.6	12.5	16.8%
EBIT	5.0	8.1	-37.9%
Consolidated net income	3.4	5.3	-35.8%
Earnings per share (basic, in EUR)	0.21	0.31	-32.4%
Earnings per share (diluted, in EUR)	0.20	0.30	-32.6%
Free cash flow	4.5	5.2	-13.5%
Adjusted free cash flow*	8.0	8.2	-2.2%

\* Adjusted for investments in finance lease assets and M&A

**Contact**

Francotyp-Postalia Holding AG  
 Investor Relations/Public Relations  
 Sabina Prüser  
 Tel: +49 (0)30 220 660 410  
 Fax: +49 (0)30 220 660 425  
 e-mail: [s.prueser@francotyp.com](mailto:s.prueser@francotyp.com)  
 De-Mail: [s.prueser@francotyp.de-mail.de](mailto:s.prueser@francotyp.de-mail.de)

**About Francotyp-Postalia Holding AG**

The FP Group, which has its headquarters in Berlin, provides businesses and authorities with innovative solutions for secure communications. In addition to systems for franking and inserting mail, the company's range currently comprises services such as the collection of business mail and software solutions. Thanks to its 90-year history, the FP Group boasts a unique combination of organically grown mail processing expertise and digital know-how. The company has branches in many developed countries and has a global market share of more than 10% in the area of franking machines. The FP Group generated revenue of more than EUR 200 million in fiscal 2016. It is striving to double its revenue to around EUR 400 million by 2023. As part of the ACT strategy, the company will be on the attack in the core business, provide additional products services to its customers and press ahead with its digital transformation.