



Financial Results
Q3 2021

November 18th 2021

CONFERENCE CALL

YTD-financial performance

Above our expectations



€m	YTD Q3 2020	YTD Q3 2021
Revenue	147.6	148.9
EBITDA <i>(as reported)</i>	19.5	15.2
EBITDA Margin <i>(as reported)</i>	13.2 %	10.2%
Depreciation/ Amortisation	14.6	13.5
Consolidated Profit	3.8	2.2
EPS <i>(basic/diluted Euro)</i>	0.24	0.14

Revenue slightly above prior year (increase of €m 1.3 or 0.9 %, 2.1% without negative currency effect)

- **Increase in Mail Services** (€m 2.7) and **Software & BPA and IoT** (€m 1.0), **Franking & Office Solutions at the same level excluding currency effects** (€m 2.4 decline, thereof €m 2.1 negative currency effect)
- Negative impact on revenue from **pandemic situation slowed down in Q3 2021**

EBITDA as reported lower than previous year but at upper end of guidance

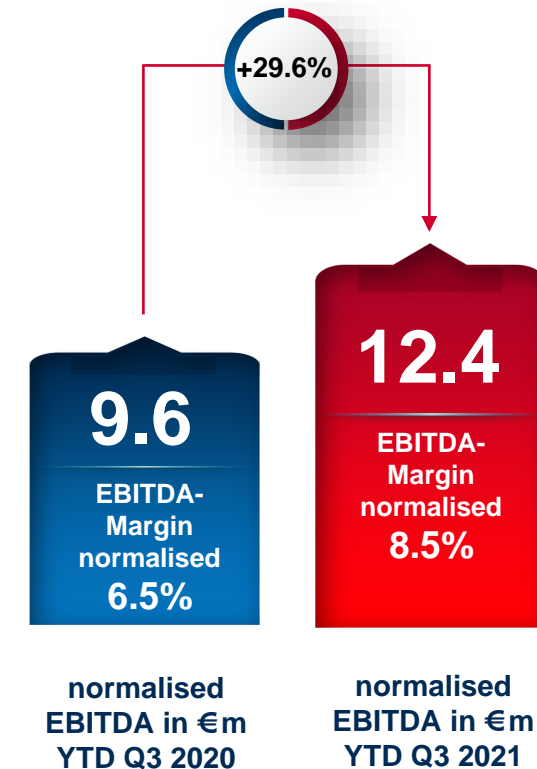
- **Positive impact from first wave of started restructuring measures** (€m 5.2)
- **Negative impact from increased** change in inventories – hence, margin from sales still not in income statement – to be realized in Q4 2021 and Q1 2022 (estimated margin of €m 1.0 to €m 1.5)
- **Negative impact on EBITDA-margin** from higher share of Mail Services (€m 2.8)
- **Negative impact from non-recurring items** (€m 2.8) – thereof expenses for next wave of **restructuring measures** (€m 1.0); **prior year** period positively impacted by **received subsidies** (€m 2.4)

Normalised EBITDA improving

Underlying positive development of operating profitability – without own work capitalised, exchange rates and received subsidies



€m	YTD Q3 2020	YTD Q3 2021
EBITDA (as reported)	19.5	15.2
Own work capitalised	-7.4	-4.0
Corona-related subsidies	-2.4	-0.2
Currency effects	-	1.4
Normalised EBITDA	9.6	12.4



Please note that there may be rounding differences compared to exact figures (monetary units, percentages, etc.).

Free Cash Flow and Net Debt

FCF impacted by one-off issues and risk mitigation measures –
Net Debt continuously reduced



Free Cash Flow €m	YTD Q3 2020	YTD Q3 2021
Cash flow from operating activities	17.6	9.6
Free cash flow	7.1	4.6
Cash (without postage held)	19.9	18.5

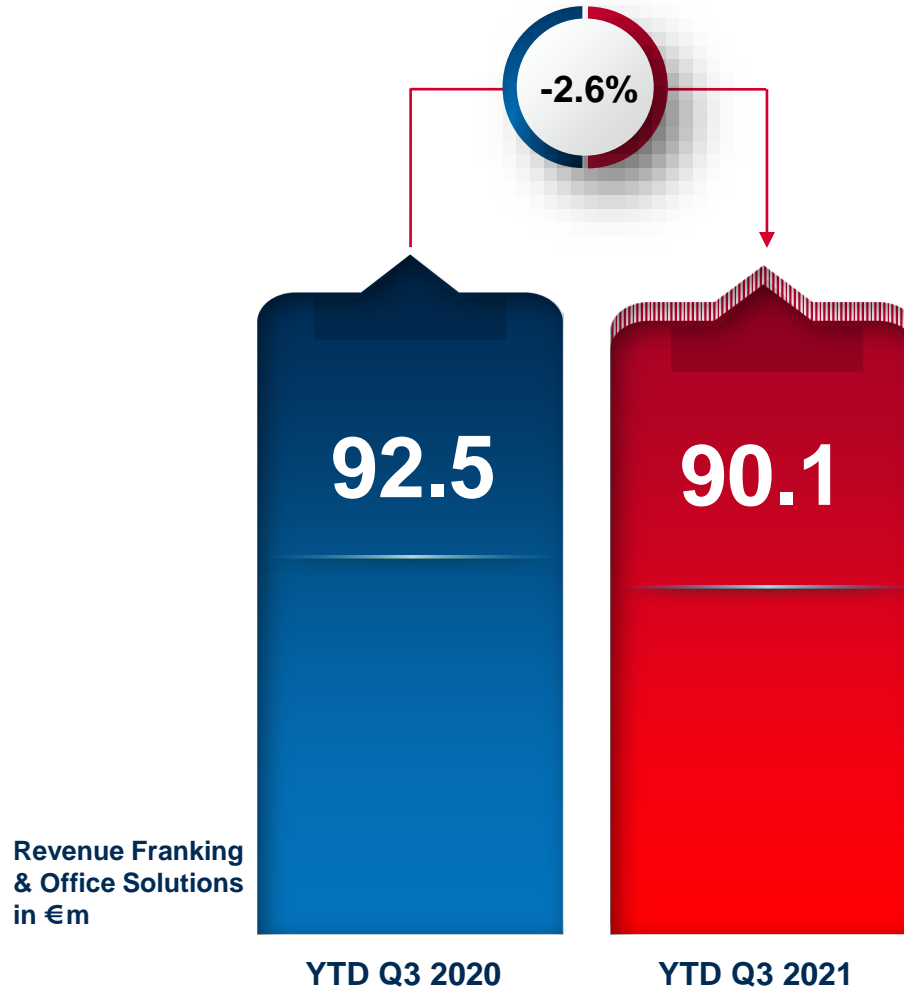
Net Debt €m	31.12.2020	30.09.2021
Financial Debt (incl. Leasing)	47.0	39.9
Cash (without postage held)	23.2	18.5
Net Debt	23.8	21.4

- Negative impact from increased **inventories** (€m 4.7)
- Negative impact from **one-off payments** (Bonus, severance to prior Management Board Members, €m 2) for prior periods
- **Cash flow from operating activities** without the above-mentioned issues would amount to €m 16.3
- **Net debt reduced by €m 2.4** despite reduced Free cash flow – including **installments made on banking facilities (€m 6.9)**
- **Financial covenants are met** in Q1 through Q3 2021 – and active communication with lenders continued

FP Franking & Office Solutions



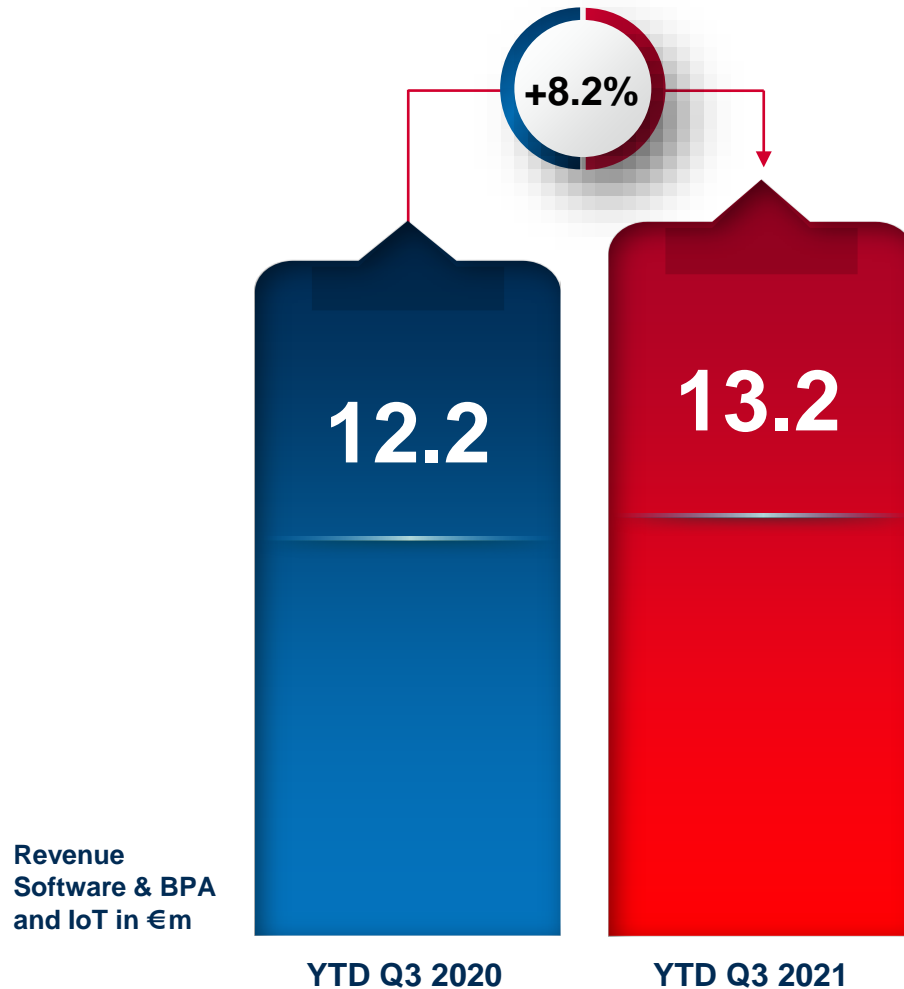
Development easing up in Q3 at different levels across regions



- Negative global impact from **pandemic situation**, with different levels across regions easing up in Q3
- Negative currency impact of € m 2.1
- Revenue increase in office solutions exceeding €m 1.0
- Benefit from recurring revenues also in YTD Q3 2021
- Overall market trend for remaining Q4 2021 with continuous pandemic situation and global supply-chain issues still remains somewhat unclear

FP Software & BPA and IoT

Continuous progress to enhance solutions for customers' communication processes



Input- & Outputmanagement

- **Inputmanagement** – further solutions development and new customer wins
- **Outputmanagement** still impacted from lower/postponed customer activity due to the **pandemic situation**
- Focus on selling the full offering

FP Sign and De-Mail

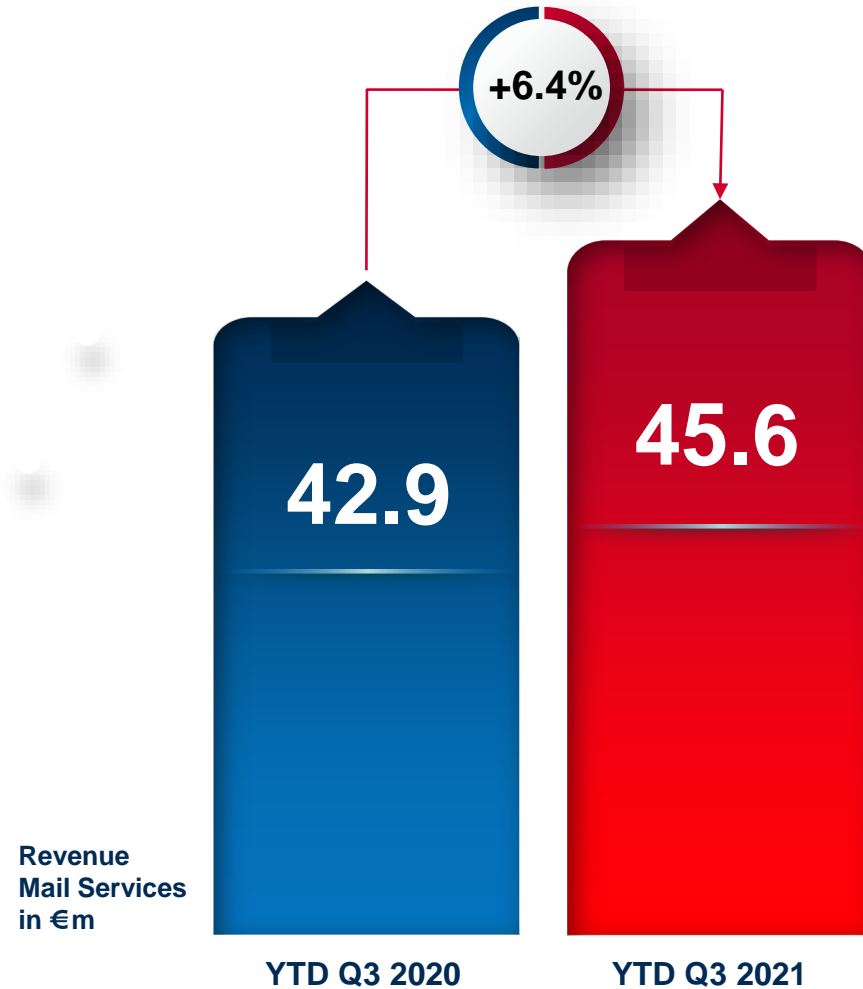
- FP Sign – continuous addition of **new features supporting enterprise sales** and **low-touch/now-touch onboarding**
- Focused sales activities, new customer wins
- **Growing demand for e-justice communication** solutions
- **De-Mail** – **strengthened sales activities** after major competitor announced exit from business

FP Parcel Shipping, Vision 360

- US, UK and D international sales roll-out **ongoing**

FP Mail Services

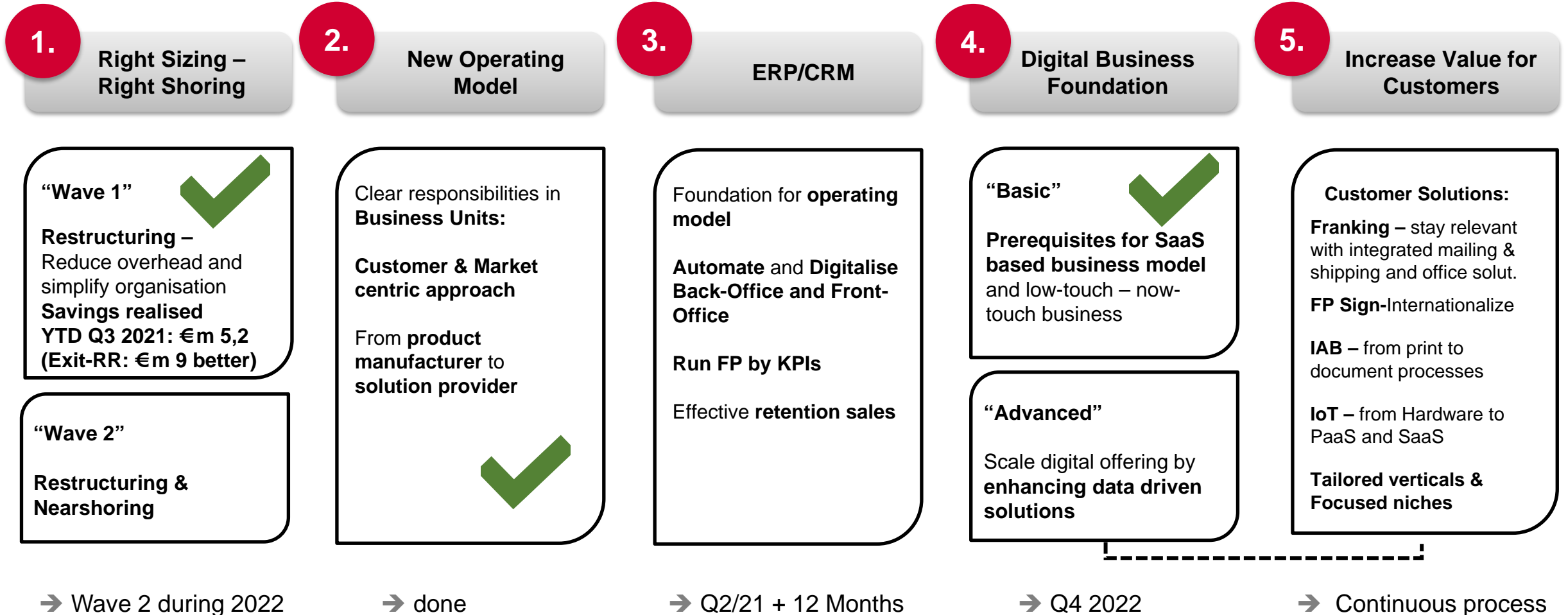
Continuous increase in challenging market environment



- Revenue increase above expectations, driven by higher share in franking service
- Continuous focus on profitable revenue
- Ongoing productivity improvement by end-to-end process optimisation
- Overall market decline in mail volume prevails

FUTURE@FP – first results achieved

5 key programs to bring FP back on the growth path



Revised Guidance for 2021

Revenues and EBITDA improved



	2020	2021 (previous)	2021 (revised)
REVENUE	€m 195.9	€m 192 – €m 200	€m 198 - €m 201
EBITDA-MARGIN	4.1 %	6 – 8 %	8.5 – 9.1 %
EBITDA	€m 8.0	€m 12 – 16	€m 17 – 18

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 and that the global economy will continue to recover. 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 2021 deviating from the forecast figures.



Financial Results
Q3 2021

Q&A Session

Appendix



Revenue by Product and Service



Recurring revenue base

€m	YTD Q3 2020	YTD Q3 2021
Equipment sales & others	21.4	22.0
Service	17.0	14.7
Consumables	17.8	17.8
Teleporto	6.0	5.7
Mail Services	42.9	45.7
Software / Digital	12.2	13.7
Revenue acc. to IFRS 15	117.3	119.6
Finance Lease	9.0	7.5
Operate Lease	21.5	21.9
Revenue acc. to IFRS 16	30.5	29.4
Exchange Rate effect from hedge accounting	-0.2	-0.1
Revenue total	147.6	148.9

Major items YTD Q3 2021

- Negative impact on revenue from **pandemic situation** and **currency effects** on Franking & Office Solutions – stable business development
- Positive effect in Mail Services mainly due to performed restructuring
- Positive development in Software & BPA and IoT mainly driven by growth within **FP Sign and De-Mail** and **Digital Office**
- Approximately **65%** (64% in prior year period) of recurring revenues, underlining FP's resilient business model

Consolidated Statement

of profit and loss YTD Q3 2021



€m	YTD Q3 2020	YTD Q3 2021
Revenue	147.6	148.9
Change in inventories	0.6	2.9
Other own work capitalised	7.4	4.0
Total output	155.6	155.8
Cost of materials	69.8	74.6
Employee benefit expenses	45.8	42.6
Impairment losses and gains on trade receivables	1.1	0.8
Other expenses (less other income)	19.4	22.6
EBITDA	19.5	15.2
<i>as % of revenue</i>	<i>13.2%</i>	<i>10.2%</i>
Depreciation/Amortisation	14.6	13.5
Interest result	0.9	0.9
Other financial result including at-equity income	-0,1	0.8
Income taxes	-1.8	-1.2
Consolidated net income	3.8	2.2
EPS (€ basic)	0.24	0.14
EPS (€ diluted)	0.24	0.14

Financial Situation

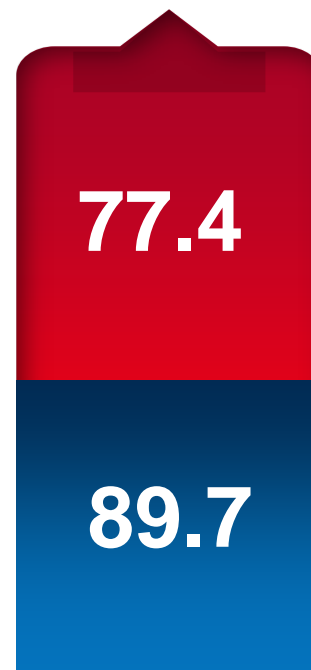
Balance Sheet - Assets (30.09.2021)



ASSETS
in €m



NON-CURRENT
ASSETS



CURRENT
ASSETS

31.12.2020

30.09.2021

Non-Current Assets

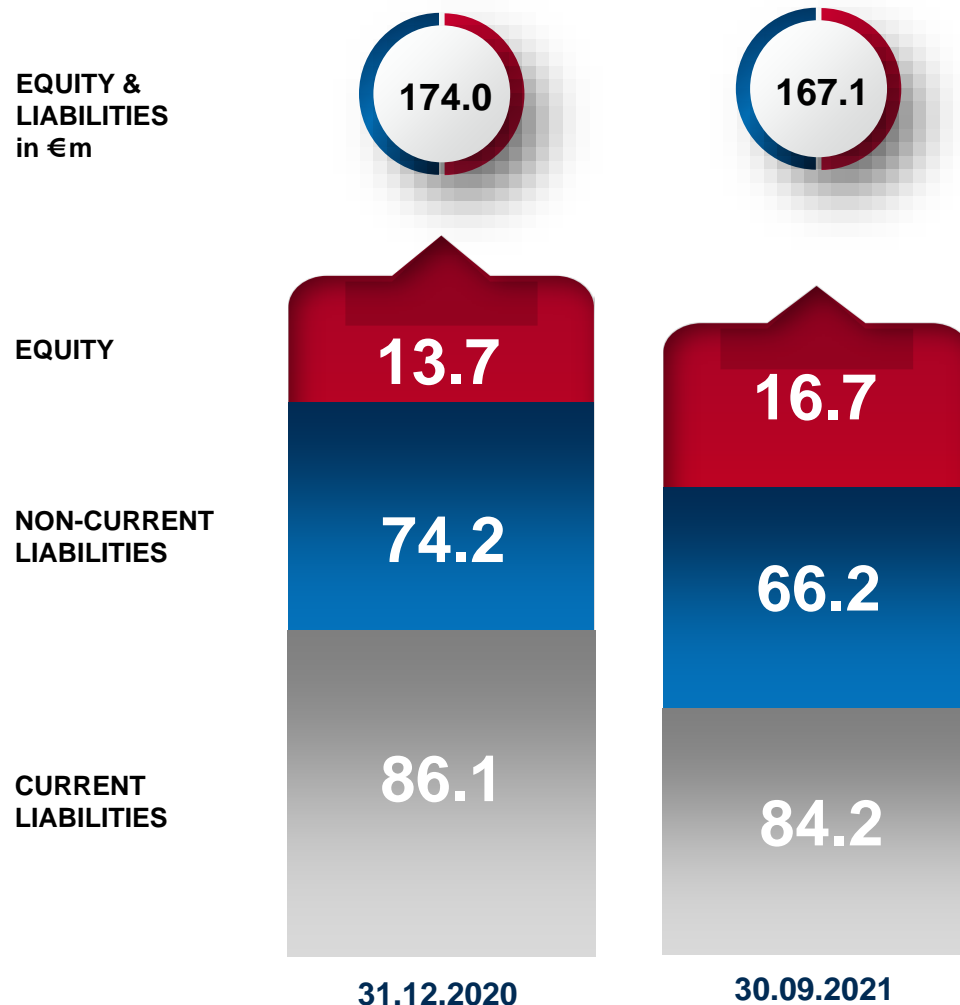
- Decrease in intangible assets mainly due to amortisation and depreciation

Current Assets

- Decrease in cash and cash equivalents (€ m 5.5), mainly due to made instalments on our credit facilities and other accelerated payments made possible due to improved cash management
- Decrease in other assets (€ m 1.5)
- Increase in inventories (€ m 4.7) in order to mitigate supply chain risks and slight increase in trade receivables (€ m 0.2) due to seasonality – partly mitigated by improved working capital management

Financial Situation

Balance Sheet - Equity & Liabilities (30.09.2021)



Equity ratio of 10.0 %
(31.12.2020: 7.9 %)

Non-current liabilities

- Decrease in bank liabilities mainly due to made installments (€ m 6.9)

Current liabilities

- Increase of tax liabilities (€ m 2.0) and other liabilities (€ m 2.1) due to seasonality
- Decrease in other accruals (€ m 3.5) and trade payables (€ m 1.8) due to seasonality



Basic 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
- 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

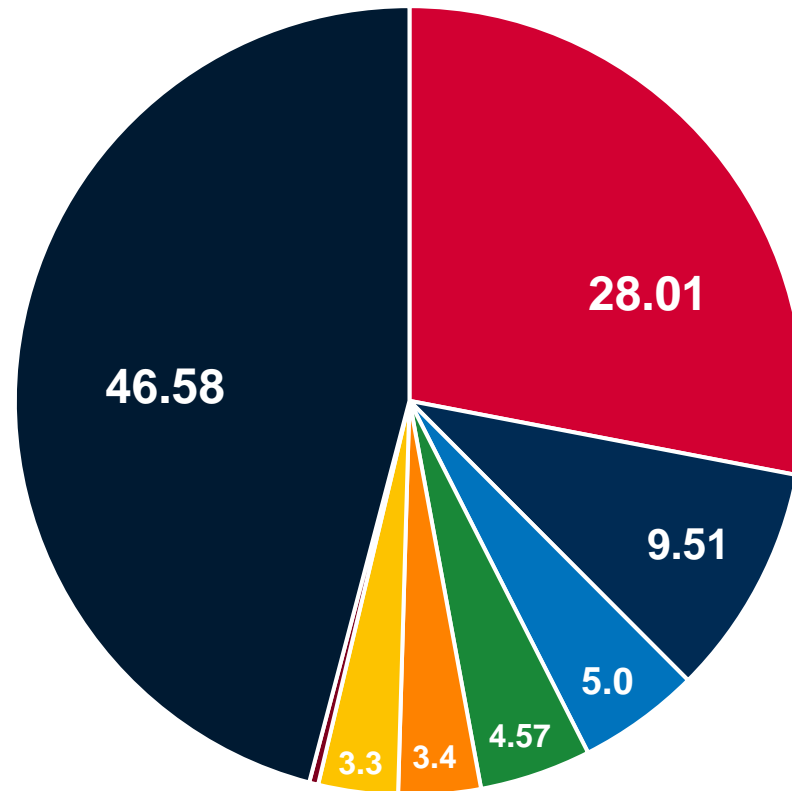
Strong & international shareholder base (in %)



shares 16,301,456

**Market cap approx.
€m 51¹**

Prime Standard



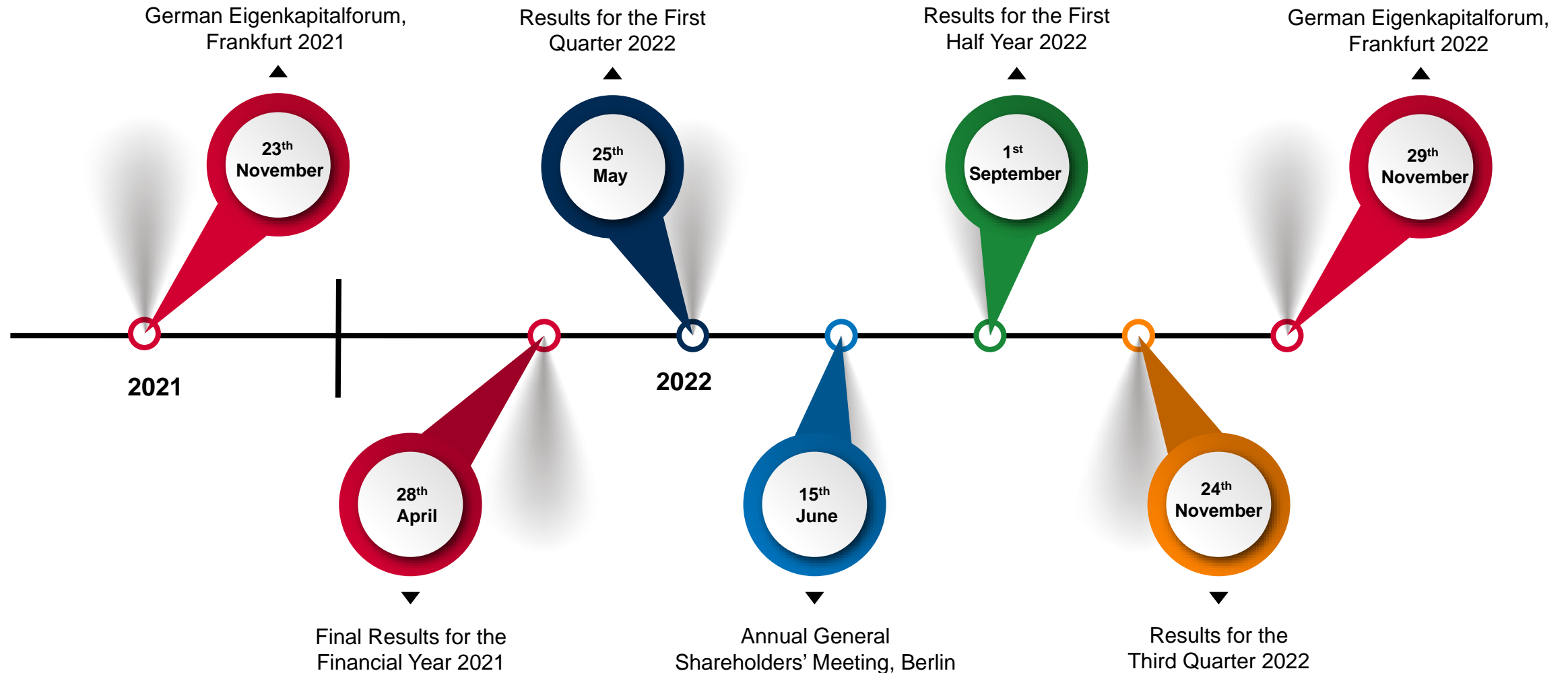
- Obotritia Capital KGaA (GER)
- Active Ownership Fund (LUX)
- SALTARAX GmbH (GER)
- Ludic GmbH (GER)
- Universal-Investment GmbH (GER)
- Magallanes Value Investors SA (ESP)
- Management Board
- Freefloat

November 2021

¹ As of 18th November 2021, excluding 257,393 own shares.

Financial Calendar

2021/2022



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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 2020 Annual Report develop in a way other than we are currently expecting.