

FP GROUP

FINANCIAL STATEMENTS H1 2017

FP GROUP ACCELERATES ACT GROWTH STRATEGY INCREASE OF REVENUES





EBITDA €12.7m



- Revenues up by 4.1%
- Franking machine business plus 2.4%
- Mail Services plus 9.6%, relaunch of Mail Services initiated
- Adj. EBITDA of €14.9m not including non-recurring effects from Mail Services and investments in ACT
- Sound adjusted free cash flow

* Free Cash flow adjusted for acquisition of customer list UK and addition of finance lease assets

REVENUE GROWTH IN **FRANKING MACHINE** BUSINESS



REVENUES FRANKING MACHINE BUSINESS

€ MILLION



- ✓ Revenue growth in franking machine business of 2.4%
- ✓ Product sales grew by 9.4% high interest in PostBase products
- ✓ Negative currency effect of €0.2m
- Increasing revenues especially in USA and France

FP GROUP ATTACKS IN CORE BUSINESS





USA

- ✓ Market Share of 6.5%
- Successful launch of PostBase One
- ✓ National Dealer Summit
- ✓ Successful dealer recruiting
- ✓ New lead generation system

France

- ✓ Market Share of 1.9%
- Installed base doubled
- ✓ New Sales Office
- ✓ Introduction of PostBase One for completion of product offering in progress
- Further increase of total market shares

FP GROUP IS AHEAD OF PEERS



PEER GROUP COMPARISON	FP [©]	PEER 1	PEER 2
TOTAL REVENUE GROWTH			
H1 2016 (six months)	5%	-5%	-5%
excluding currency effects	6%	-3%	-4%
FY 2016	6%	-3%	-5%
excluding currency effects	7%	-1%	-4%
H1 2017	4%	1%*	-1%
excluding currency effects	4%	-1%*	0%
REVENUE GROWTH FRANKING MACHINE BUS	SINESS		
H1 2016 (six months)	2%	-8%	-7%
excluding currency effects	3%	-6%	NA
FY 2016	2%	-6%	-7%
excluding currency effects	4%	-5%	NA
H1 2017	2%	-2%*	-5%
excluding currency effects	3%	-4%*	NA

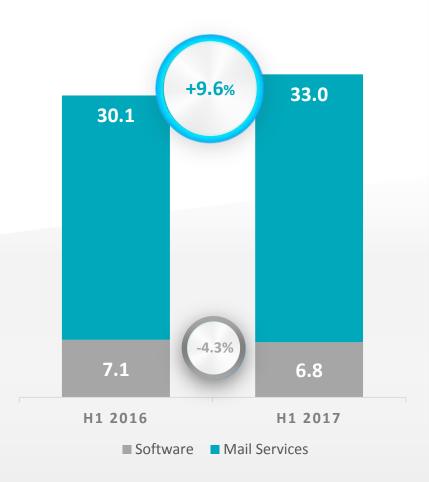
^{*} Peer 1: Only data for Q1 2017 available

CHALLENGING ENVIRONMENT IN MAIL SERVICES AND SOFTWARE BUSINESS



REVENUES

€ MILLION



Software

✓ Temporary decrease in revenues due to change in customer base

Mail Services

- Revenue growth of 9.6% with high purchased services due to franking service
- ✓ Reduction of postage discount by Deutsche Post AG since Jan 1st, 2017 burdened revenues by €0.5m
- Detection of deviations and occasional irregularities in internal processes

BRINGING FORWARD RELAUNCH OF MAIL SERVICES





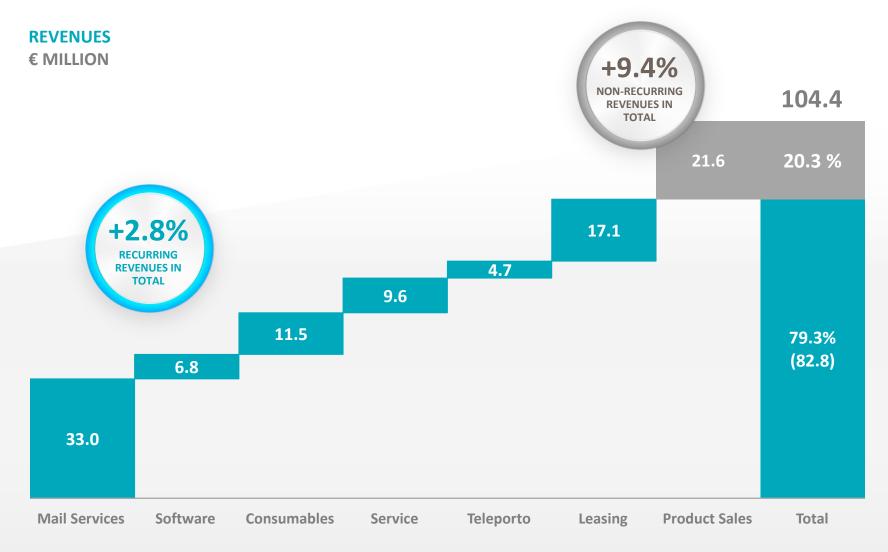
Mail Services

- ✓ Strengthen Management Team
- Enhancement of process quality and security
- ✓ Increasing level of automation
- ✓ Setup of new Mail Services centre
- ✓ Qualification programs for staff
- Implementation of continuous improvement process
- Closer integration of Mail Services and Software

REVENUES AT A GLANCE:

STRONG INCREASE OF PRODUCT SALES





TRANSITION YEARS 2017 AND 2018

EFFECT ON EARNINGS



€ MILLION	01.01 30.06.2016	01.01 30.06.2017
Revenues	100.3	104.4
EBITDA	14.6	12.7
EBITDA-Marge (%)	14.6	12.2
EBITDA adj.	15.0	14.9
Depreciation/ Amortisation	8.3	9.8
EBIT	6.3	2.9
Net Income	4.0	2.1
EPS (basic, EUR)	0.24	0.13
EPS(diluted, EUR)	0.23	0.13

ACT

 ✓ Ongoing expected implementation of ACT: expenses of €1.7m, thereof personal expenses €1.0m

Mail Services

- ✓ Reduced margin due to less postage discounts of €0.5m and increase of cost of purchased services (franking services)
- ✓ Extraordinary expenses of €0.5m

Depreciation/Amortisation

- As expected higher depreciation and amortisation leads to lower EBIT
- ✓ Depreciation/amortisation to revenues is expected to level out as of 2018

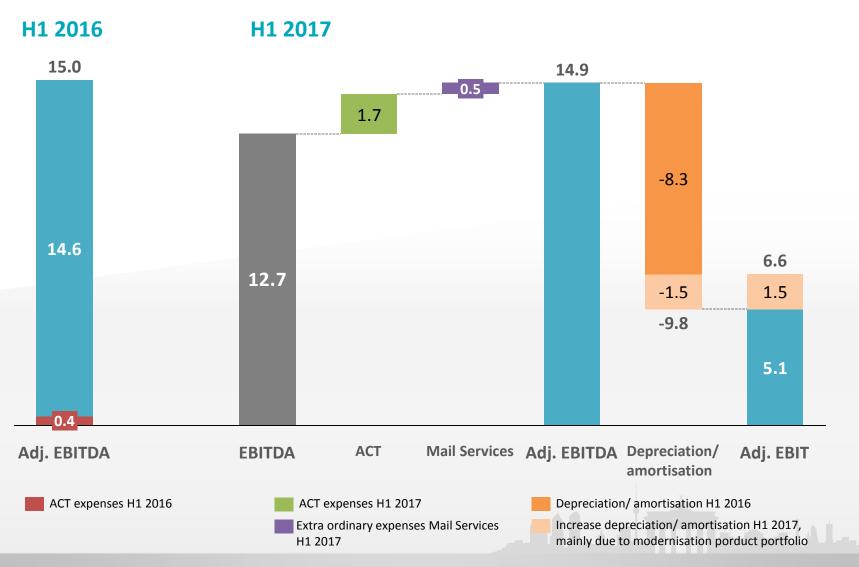
Average rates

€/\$ H1 2016 = 1.116 and H1 2017 = 1.083 €/£ H1 2016 = 0.779 and H1 2017 = 0.860

ACT GROWTH STRATEGY

INVESTMENTS INTO FP's FUTURE





CASH FLOW COMPARED TO PREVIOUS YEAR



€ MILLION	01.01 30.06.2016	01.01 30.06.2017
Cash flow from operating activities	14.7	12.0
Cash flow from investing activities	-8.5	-8.0
Free Cash flow	6.3	4.0
Adj. Free Cash flow*	7.6	6.7
	7.6 -1.2	6.7 -4.0

Operating activities:

 Decreasing cash flow due to lower EBITDA

Investing activities:

- Slight temporary decrease of capitalised development costs and investments in rental equipment
- ✓ Acquisition of customer list (UK)

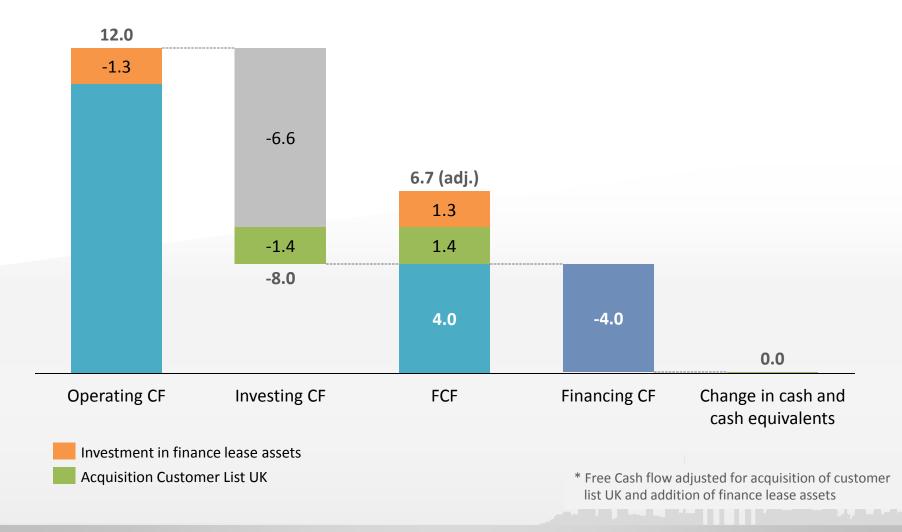
Financing activities:

- ✓ Payment of dividends
- Repayment of financial liabilities

^{*} excluding M&A and additions to finance lease assets

SOUND ADJUSTED FREE CASH FLOW IN H1 2017

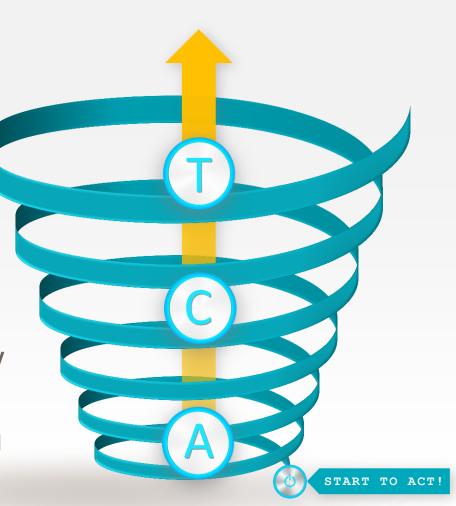




SUMMARIZING H1 2017 AND OUTLOOK 2017



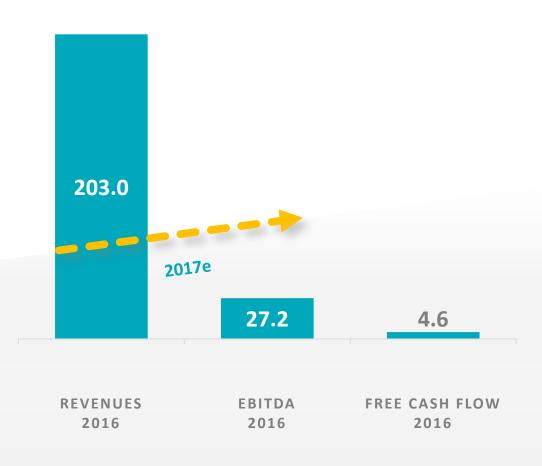
- ✓ FP Group accelerates ACT strategy
- Increase in market shares against general market trend
- Further growing business in theUSA and France
- Initiated improvements of profitability in Mail Services
- Closer integration of Mail Services and
 Software Solutions business



FP MAINTAINS GUIDANCE FOR 2017



€ MILLION



REVENUES

FP expects a slight increase*

EBITDA

FP expects a slight increase*

FREE CASH FLOW

FP expects adj. FCF at a similar level to last year**

^{*} Based on constant currency level

^{**} Based on constant currency level, excluding M&A and additions to finance lease assets





FP GROUP APPENDIX

CONSOLIDATED STATEMENTOF COMPREHENSIVE INCOME



€ MILLION	H1 2016	H1 2017	%
Revenues	100.3	104.4	4.1
Change in inventories	-0.2	0.5	n/a
Own work capitalised	6.5	5.1	-21.0
Total output	106.6	110.0	3.2
Material expenses	47.8	51.8	8.4
Personnel expenses	28.7	30.3	5.4
Other income ./. expenses	-15.4	-15.2	-1.5
EBITDA	14.6	12.7	-13.2
as % of revenue	14.6	12.2	
Deprecation / Amortisation	8.3	9.8	18.1
EBIT	6.3	2.9	-54.5
Interest result	-0.3	0.7	n/a
Financial results	0.1	-0.3	n/a
Tax results	-2.2	-1.1	-48.3
Net Income	4.0	2.1	-46.9
EPS (€ basic)	0.24	0.13	-45.3
EPS (€ diluted)	0.23	0.13	-44.0

FINANCIAL SITUATION — BALANCE SHEET



FINANCIAL SITUATION

€ MILLION



Decrease of non-current assets due to

- Declining leased products (-13%)
- + Increasing Finance lease receivables (+10%)

Decrease of current assets due to

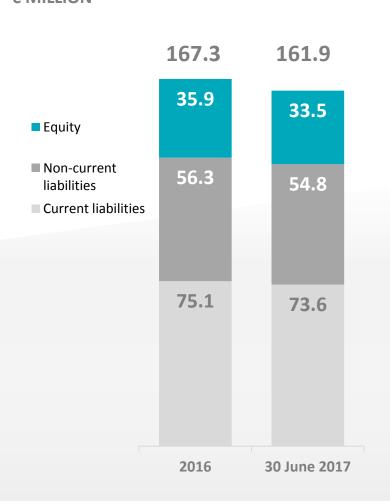
- Slight decrease of inventories
- Decreasing trade receivables (-6%)
- Increase of cash and cash equivalents (+3%)

FINANCIAL SITUATION — BALANCE SHEET



FINANCIAL SITUATION

€ MILLION



Equity ratio of **20.7%** (2016: 21.5%)

Decrease of non-current liabilities due to

✓ Decreasing financial liabilities

Decrease of current liabilities due to

Decreasing provisions



FP GROUP BASIC INFORMATION

FP MANAGEMENT

Rüdiger Andreas Günther **CEO** and **CFO**

since January 2016 with FP

Bank Apprenticeship and **Business Administration studies** in Göttingen, North Carolina, USA

- √ 1985 Beginning of career at today's Bank of America in Chicago, USA
- ✓ Afterwards responsible for finance department at Metro AG
- √ 1993 Change to Claas KGaA: 13 years CFO and CEO
- ✓ Afterwards Board positions within Infineon and Arcandor
- ✓ 2012 Change to Jenoptik AG as CFO



since June 2013 with FP

Banker and Economist (WAH)

- More than 30 years of sales experience in the IT and telecommunications industry
- Executive positions in sales management and general management of international groups such as Oki Systems, Konica Minolta Printing Solutions und Ricoh
- ✓ CEO of Utax GmbH (was) acquired by Kyocera Corporation in 2010)

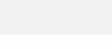


since February 2015 with FP

Degree in Business Administration (BA) specializing in Business Computer Science

- ✓ Many years of experience in Output Management, IT and Software Solutions
- ✓ National and international positions at IBM Germany **GmbH**
- Responsible for Professional Services, Information Technology and Group Program Management at TA Triumph-Adler GmbH







FP AT THE **STOCK MARKET**





ISIN DE000FHP9000

Segment Prime Standard/ All Industrial

IPO 30 November 2006

Reuters FPHG.DE

Shares 16.3 million

Freefloat 74.3% (according to GSE Frankfurt)

Coverage Hauck & Aufhäuser, Warburg Research

MAIN SHAREHOLDER			
3R Investments	10.3%		
INKA MBH	10.2%		
Quaero Capital	5.2%		
SALTARAX GMBH	3.6%		
Ludic GmbH	3.5%		
RUDOLF HEIL	3.0%		



24 August 2017

Results for the Half Year 2017

16 November 2017

Results for the Third Quarter 2017



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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.



FP GROUP THANK YOU VERY MUCH