



Q1 2019 SALES

May 2019

Forward-looking statement (Safe Harbour)

This presentation contains forward-looking statements (made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995), which, by their nature, involve a degree of risk and uncertainty. Forward-looking statements represent the company's judgement regarding future events, and are based on currently available information. Consequently the company cannot guarantee their accuracy and their completeness. Actual results may differ materially from those the company anticipated due to a number of uncertainties, many of which the company is not aware of. For additional factors that may cause the company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the company with the Autorité des Marchés Financiers (French financial markets authority - AMF).

Q1 2019 highlights

- ▷ **Strong execution delivering good performance**
 - In each of the Major Solutions
 - In each of the Main Geographies

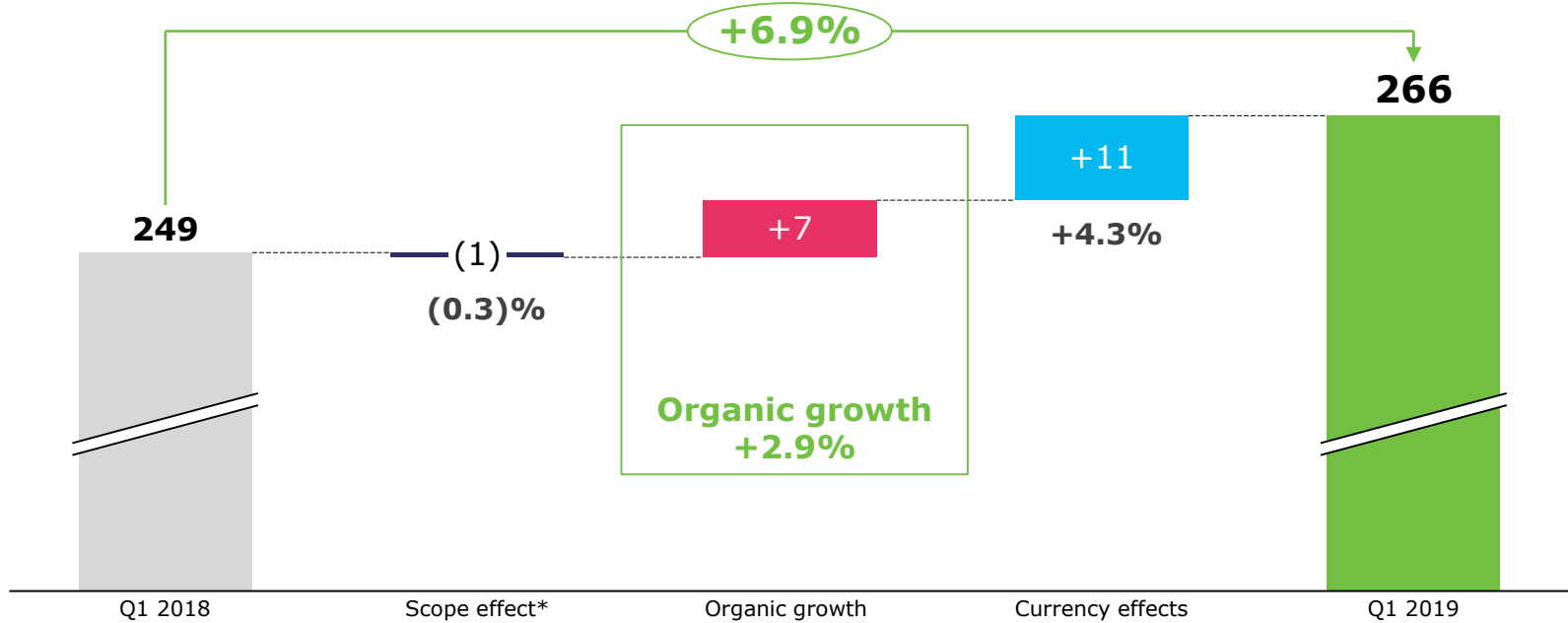
- ▷ **Positive impact of the first “Back to Growth” initiatives**
 - Improvement in cross-selling
 - Customer acquisitions
 - Strong refocus on Mail Related Solutions

- ▷ **Strengthened M&A team to support the current and next steps in integration, acquisitions and divestments**
 - Parcel Pending integration on track



Q1 2019 sales

Change in sales (in € million, % of organic change)



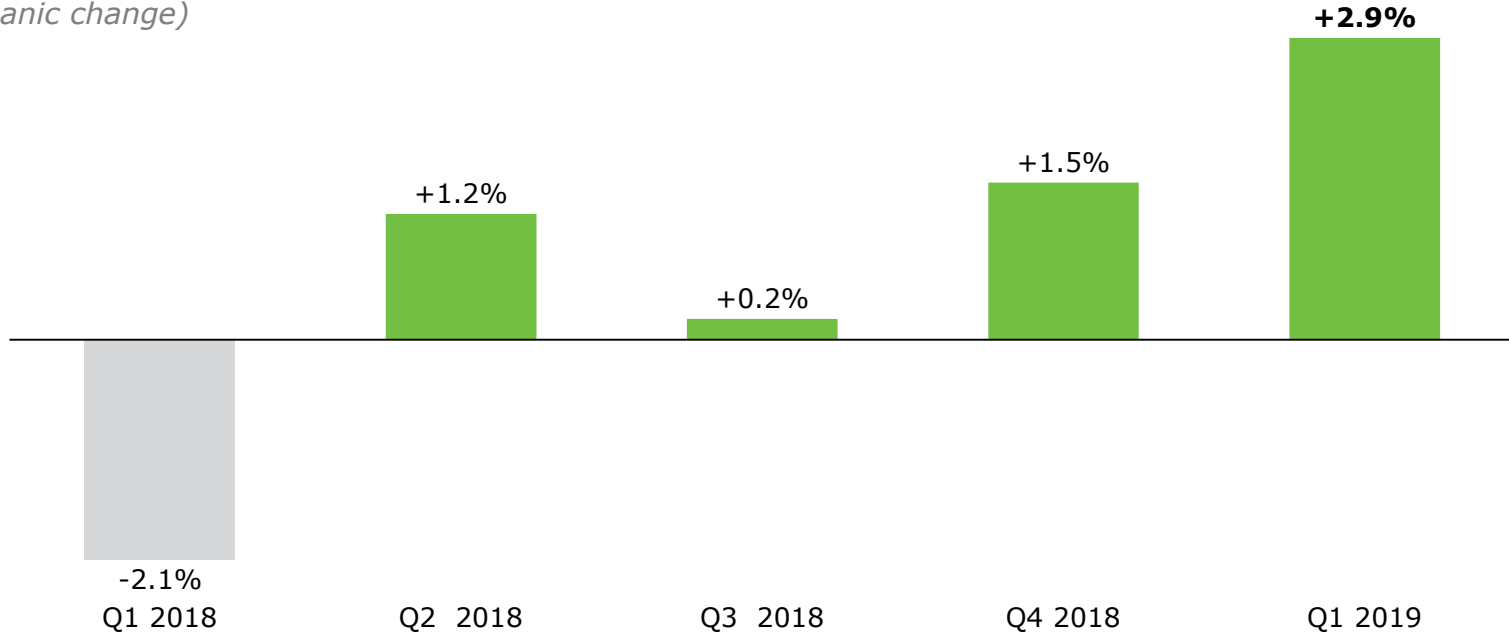
Strong reported growth in Q1 2019 thanks to both organic growth and favorable currency impacts

* Sales scope effects: 1/ acquisition of Parcel Pending: +€4m; 2/ divestment of Satori Software and Human Inference: -€5m



Organic sales performance per quarter

(% of organic change)

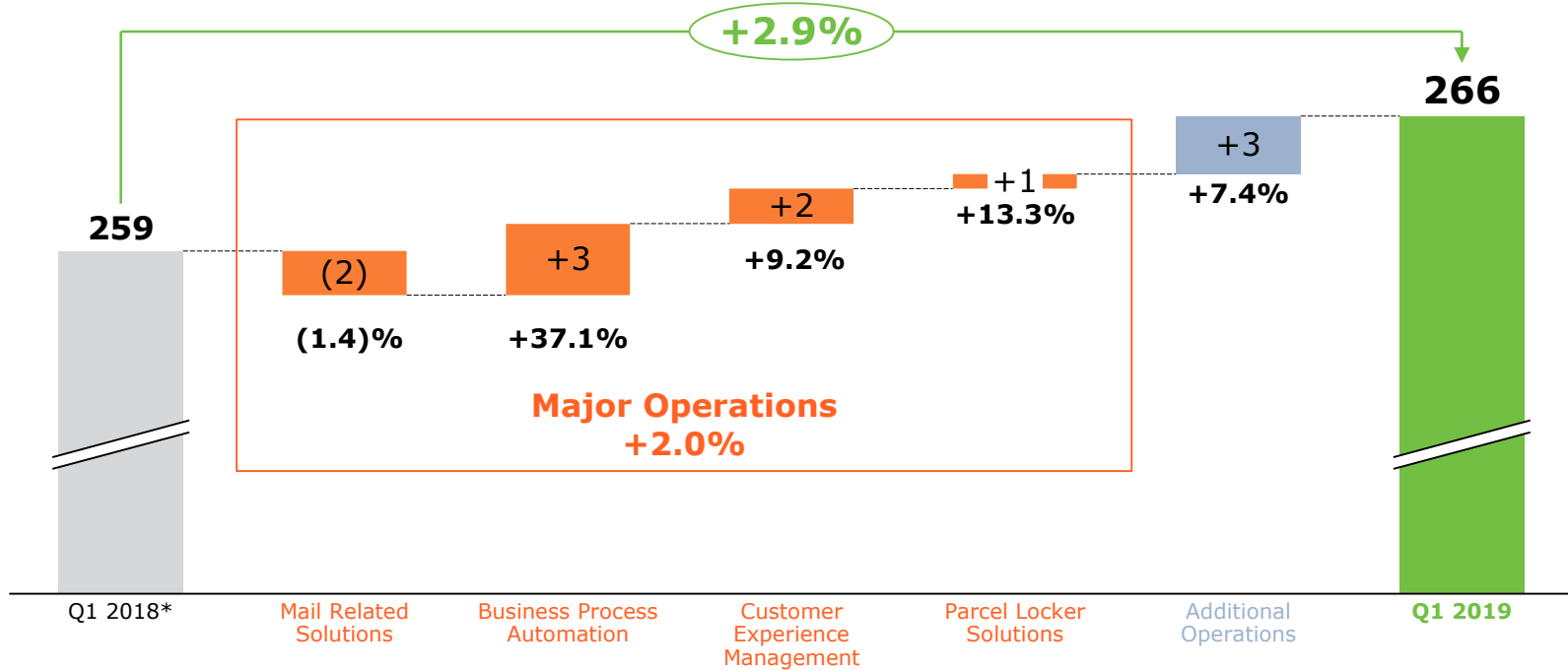


Positive organic growth posted for the fourth consecutive quarter



Q1 2019 change in organic sales

(in € million, % of organic change)



Highest organic growth performance since Q3 2013

* Pro forma = excluding scope effect (divestments of Satori Software and Human Inference and acquisition of Parcel Pending) and currency impacts



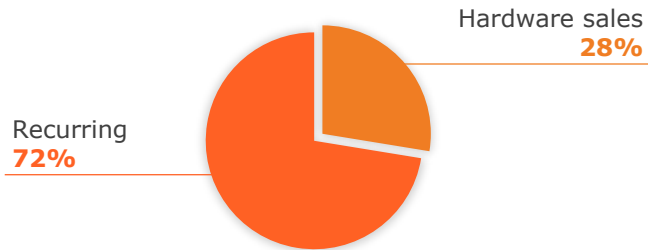
Mail Related Solutions in Q1 2019

Major Operations



- ▶ Total sales
€177m
- ▶ Organic change (vs Q1 2018)
-1.4%

Sales per type of revenue



- ▶ **Strong performance in North America**
 - Low single digit organic growth
 - Stabilization of recurring revenues
 - Strong growth in hardware sales
 - Good performance in production mail
 - Higher renewal of leasing contracts
 - Customer acquisition
- ▶ **Continuous mid-single digit decline in main European countries**
- ▶ **Higher cross-selling with Business Process Automation**

Limited decline in Mail Related Solutions thanks to a strong quarter in North America



Business Process Automation in Q1 2019

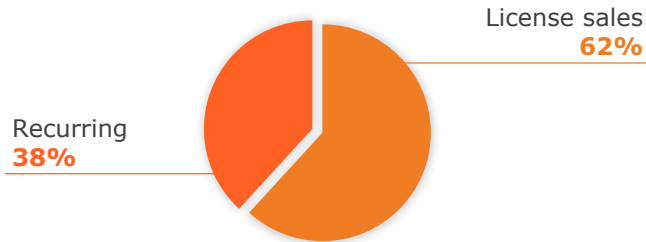
Major Operations



- ▶ Total sales
€14m
- ▶ Organic change (vs Q1 2018)
+37.1%

- ▶ **Strong growth thanks to an acceleration in France and in the US**
 - Seasonal increase in hybrid mail activity
 - Development of indirect channels
 - Definition of priority segments for a better commercial efficiency
 - Roll-out of account receivables offering
- ▶ **Customer acquisition**
- ▶ **Increased SaaS business**
- ▶ **Higher cross-selling with Mail Related Solutions**

Sales per type of revenue



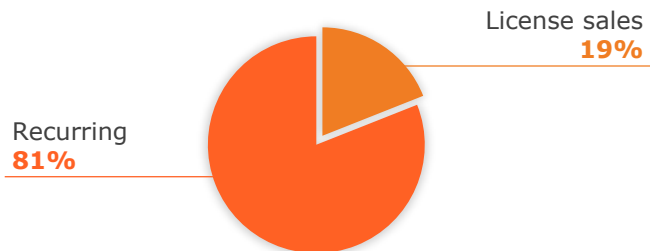
**Strong continued growth
boosted by seasonal effect**



- ▶ Total sales
€23m
- ▶ Organic change (vs Q1 2018)
+9.2%

- ▶ **Growth in maintenance & professional services**
 - Thanks to the good performance in 2018 license sales
- ▶ **Increase in SaaS subscription**
- ▶ **Staffing new teams to cover utilities, telcos and government**
- ▶ **Enhanced version of Inspire released**
 - Especially for cloud capabilities

Sales per type of revenue



**Good dynamics in
Customer Experience Management**



Parcel Locker Solutions in Q1 2019

Major Operations



- ▶ Total sales
€7m
- ▶ Organic change (vs Q1 2018)
+13.3%

▶ Residential - Parcel Pending

- Integration underway as planned
- Top line growth above 25%

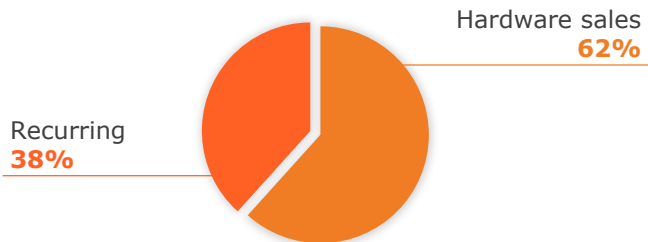
▶ Universities

- High comparison base in Q1 2018 in Neopost Parcel Lockers business in the US

▶ Retail – new vertical in the US

- Several pilots underway

Sales per type of revenue

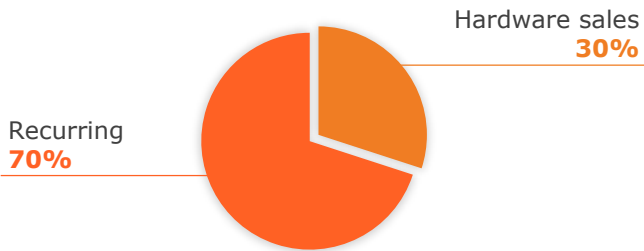


A good start for Parcel Pending

- ▶ Total sales
€221m
83% of total sales
- ▶ Organic change (vs Q1 2018)
+2.0%

- ▶ **Particularly high organic growth in North America**
 - With +3.8%, driven by each of the four Major Solutions
- ▶ **Stabilization of main European countries**

Sales per type of revenue



Sales per geography



- ▶ Total sales
€45m
17% of total sales
- ▶ Organic change *(vs Q1 2018)*
+7.4%
- ▶ **Positive one-off effects**
 - In export markets and in the Nordics for Mail Related Solutions
 - In Customer Experience Management
- ▶ **Continued growth in Parcel Lockers in Japan**

Group's ambition reminder: "Grow, improve or exit"

▶ **Indications for 2019 unchanged**

- **Organic sales growth** almost flat compared to 2018¹
- **Current EBIT**^{2,3} below 2018 current EBIT excluding earn-out reversal
- **High level of free cash flow**⁴ (FCF conversion⁵ > 50%)

▶ **Key aspects of “Back to Growth” financial trajectory (reminder)**

- **Mid-single digit sales CAGR**² and **high-single digit current EBIT CAGR**^{2,3} **over the 4-year plan**, fueled by organic growth as well as M&A⁴
- **Rebalancing of business portfolio** (Mail Related Solutions below 50% of total sales) **by no later than 2022 to allow for sustainable low single digit organic sales growth** going forward
- **High level of free cash flow**⁵ **generation** maintained throughout the plan (FCF conversion⁶ > 50%)

¹ Excluding deterioration of economic conditions
² At constant currency

³ Current EBIT = current operating income before acquisition-related expenses
⁴ €400 million net of divestments over the period

⁵ Free cash flow = cash flow from operations after tax and interest - capex
⁶ FCF conversion = Free cash flow / Current EBIT

Q&A





APPENDICES









Recap - Q1 2019 sales

Q1 2019 figures (in €m, % of organic change vs 2018, unaudited figures)

	Major Operations			Additional Operations	Total Group
	North America	Main European countries	Total		
	Mail Related Solutions 		€177m (1.4)%		
	Business Process Automation 		€14m +37.1%		
	Customer Experience Management 		€23m +9.2%		
	Parcel Locker Solutions 		€7m +13.3%		
Sales	€119m +3.8%	€102m +0.1%	€221m +2.0%	€45m +7.4%	€266m +2.9%

New reporting on 2018

2018 figures (in €m, % of organic change vs 2017, unaudited figures)

	Major Operations			Additional Operations	Total Group
	North America	Main European countries	Total		
	Mail Related Solutions 		€727m (3.0)%		
	Business Process Automation 		€52m +23.0%		
	Customer Experience Management 		€101m +29.3%		
	Parcel Locker Solutions 		€6m +28.4%		
Sales	€446m +1.5%	€440m +1.2%	€886m +1.3%	€206m (4.2)%	€1,092m +0.2%
Current EBIT¹			€206m²	€(7)m	€199m²
			Excl. earn-out³ €199m		Excl. earn-out³ €192m

¹ Current EBIT = current operating income before acquisition-related expenses

² Of which innovation expenses of €5m

³ icon Systemhaus' earn-out reversal of €7.5m



Final segmentation for FY 2018 vs published FY 2018

(in €m, % of organic change vs 2017, unaudited figures)

	FY 2018 as published ¹	FY 2018 as published ¹ (organic growth)	FY 2018 Final segmentation ²	FY 2018 Final segmentation ² (organic growth)
Major Operations	890	1.5%	886	1.3%
<i>Mail Related Solutions</i>	730	-2.9%	727	-3.0%
<i>Business Process Automation</i>	45	19.6%	52	23.0%
<i>Customer Experience Management</i>	109	32.0%	101	29.3%
<i>Parcel Locker Solutions</i>	6	18.5%	6	28.4%
Additional Operations	202	-5.0%	206	-4.2%
Total Group	1,092	0.2%	1,092	0.2%

	FY 2018 as published ¹	FY 2018 as published ¹ (organic growth)	FY 2018 Final segmentation ²	FY 2018 Final segmentation ² (organic growth)
Major Operations	890	1.5%	886	1.3%
<i>North America</i>	450	1.8%	446	1.5%
<i>Main European Countries</i>	440	1.3%	440	1.2%
Additional Operations	202	-5.0%	206	-4.2%
Total Group	1,092	0.2%	1,092	0.2%

¹ As published in the FY 2018 presentation deck (unaudited figures)

² After minor reclassifications in order to better mirror the new management organization (unaudited figures)



Reported 2018 quarterly figures according to the new segmentation

(in €m, unaudited figures)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Major Operations	203	225	215	243	886
<i>Mail Related Solutions</i>	171	184	176	196	727
<i>Business Process Automation</i>	10	14	13	15	52
<i>Customer Experience Management</i>	20	25	25	31	101
<i>Parcel Locker Solutions</i>	2	2	1	1	6
Additional Operations	46	54	49	57	206
Total Group	249	279	264	300	1,092

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Major Operations	203	225	215	243	886
<i>North America</i>	101	110	113	122	446
<i>Main European Countries</i>	102	115	102	121	440
Additional Operations	46	54	49	57	206
Total Group	249	279	264	300	1,092



Pro forma 2018 quarterly figures according to the new segmentation

(in €m, unaudited figures)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Major Operations	207	232	223	250	912
<i>Mail Related Solutions</i>	171	184	176	196	727
<i>Business Process Automation</i>	10	14	13	15	52
<i>Customer Experience Management</i>	20	25	25	31	101
<i>Parcel Locker Solutions</i>	6	9	9	8	32
Additional Operations	41	48	44	51	184
Total Group	248	280	267	301	1,096

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Major Operations	207	232	223	250	912
<i>North America</i>	105	117	121	129	472
<i>Main European Countries</i>	102	115	102	121	440
Additional Operations	41	48	44	51	184
Total Group	248	280	267	301	1,096

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