

2018 HIGHLIGHTS

Back to Growth



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WE HELP COMPANIES IMPROVE THE WAY THEY MANAGE INTERACTIONS WITH THEIR CUSTOMERS AND PARTNERS

€1.1 bn sales in 2018

90 countries in which Neopost products are sold

5,600 employees in 29 countries



Major solutions

Mail Related Solutions	Business Process Automation	Customer Experience Management	Parcel Locker Solutions

“WE HAVE ENTERED A VERY EXCITING TIME THAT WILL BENEFIT OUR SHAREHOLDERS, OUR EMPLOYEES AND OUR CUSTOMERS.”



GEOFFREY GODET
CHIEF EXECUTIVE OFFICER

1

What is the outline of Neopost's new strategy?

With the advent of the digital age, physical mail has been steadily declining. Neopost has consequently diversified its business portfolio but ended up with a too scattered range of products and solutions. Focusing on four major solutions in which we have legitimacy, leadership and a proven expertise, provides the best warranty to accelerate the transformation of our company. We are reinvesting in our Mail business, as we see opportunities in leveraging our market position. In Business Process Automation, we are extending our hybrid mail offer to the automated management of invoicing flows. With our Customer Experience Management solutions, we help companies to better interact with their customers. And finally, we are focusing on Parcel Locker Solutions, which provide a very effective answer to the last mile parcel delivery.

Named “Back to Growth”, Neopost's strategic plan should ultimately allow for low single-digit organic sales growth to be delivered in a sustainable manner.

2

What levers are you activating to support this strategy?

First of all, we have decided to focus on two main regions, North America and a few key European countries. And while maintaining a high level of investments, we will accelerate growth through bolt-on acquisitions. In the meantime, we are firmly committed to either grow, improve or exit our additional operations. We are also simplifying our organization, shifting from three independent business units into an integrated company, to generate more cross-selling opportunities and deliver operational synergies. By infusing a new corporate culture, we create a new way of doing business. We are removing layers to make people truly empowered and fully accountable. The success of our strategy will rely on people. Quality of execution will be instrumental. It will be a matter of speed, agility and discipline.

3

What outcome do you expect from the new strategy?

Thanks to organic developments and targeted acquisitions, we will grow our sales and grow our operating income even faster in the years to come while reaching a more balanced business portfolio that will enhance the growth profile of the company. Named “Back to Growth”, our plan should ultimately allow us to deliver low single-digit organic growth in a sustainable manner. We have already started to reshape our portfolio with the acquisition of Parcel Pending, a leader in the fast-growing American parcel locker market, and the divestment of our Data Quality business. I am very confident that this plan will create value to our customers and our shareholders while offering tremendous opportunities to our employees.

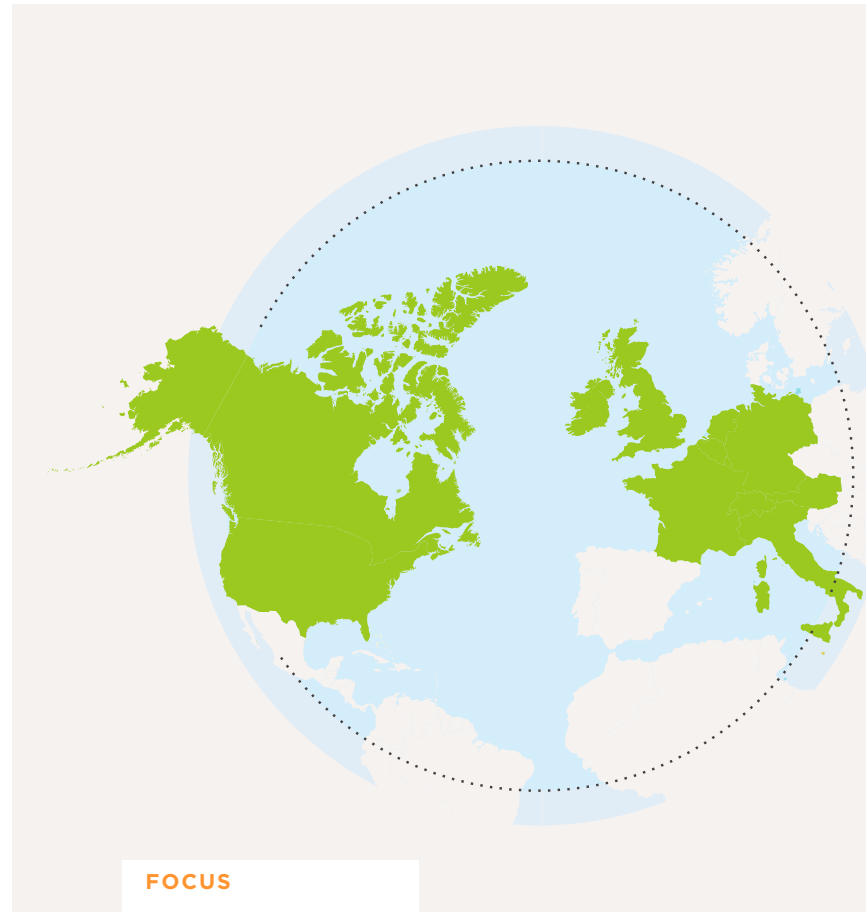
“NEOPOST ACCELERATES ITS TRANSFORMATION TO PROVIDE THE MOST SUITABLE SOLUTIONS AND GET BACK TO GROWTH.”

Geoffrey Godet
Chief Executive Officer

To achieve its ambitious target, Neopost decided to prune its existing activity portfolio in order to rebalance it and focus on key growth engines.

Focus will be the key to success

Organic investments and bolt-on acquisitions will be made in a disciplined way, squarely focusing on strategic areas in which Neopost has already proven its legitimacy and strengths. Neopost selected the four activities where it can leverage its know-how, the value proposition of its existing solutions, its market position and its deep understanding of customer needs. On the other hand, Neopost will continue to reinforce its positions in key geographies where prospects for profitable growth have been identified.



FOCUS

To drive growth, Neopost decided to focus on four major solutions in two geographies: on the one hand, North America and, on the other, the main European countries, organized around France, Germany and the United Kingdom.

2 MAIN GEOGRAPHIES

- **North America**
United States & Canada
- **Main European countries**
France & Benelux
Germany & Austria, Italy, Switzerland
United Kingdom & Ireland

4 MAJOR SOLUTIONS



Mail Related Solutions



Business Process Automation



Customer Experience Management



Parcel Locker Solutions

A new operating model

To support this ambition, Neopost is changing its operating model to become an integrated company, so that it can act smarter and faster to better meet customers' expectations. This is reinforcing efficiency on the execution side of the new strategy. Clear priorities, new way of doing business, a renewed management team, a new approach to manage solutions in a more integrated way, foster cultural change throughout the organization, which is key in the success of execution.

New strategic priorities

Mail Related Solutions, Business Process Automation, Customer Experience Management and Parcel Locker Solutions are the fields where Neopost will continue to reinforce its positions by delivering value-added hardware and software solutions to be a business partner of choice.

Ladies, gentlemen, dear shareholders,

It has been an honour and privilege to chair the Neopost Board of Directors over the past few years.

Throughout 2018, the Board has been deeply involved in helping and challenging Neopost's management in the definition of its new strategic plan for the next four years.

The world is changing fast. Physical mail continues to decline but it will remain a very large and profitable market for the years to come. SMEs still have a long way to go to digitize and automate their business processes. The efficient management of high volume and on-demand multi-channel personalized customer interactions is becoming every day more critical as part of the customer experience. Last but not least, as e-commerce continues to expand, solving the last mile issue of parcel delivery is a growing challenge.

For all these reasons, I can attest that the Board is fully supportive of Neopost's new strategy and firmly believes that this plan is well-suited to bring the company "Back to Growth". The healthy financial position of the company provides a strong base to support the acceleration of its transformation.

As I will not apply for the renewal of my mandate as director, let me emphasize that over the past 18 months our governance will have greatly evolved, from a joint Chairman and CEO leadership towards an independently chaired Board. I would like to thank you for the confidence you have placed in me all along my career at Neopost, from Chief Financial Officer to Chief Executive Officer and Chairman of the Board.

Yours sincerely,

DENIS THIERY
CHAIRMAN OF THE BOARD

"THROUGHOUT 2018, THE BOARD HAS BEEN SUPPORTING NEOPOST'S MANAGEMENT IN THE DEFINITION OF ITS NEW STRATEGIC PLAN FOR THE NEXT FOUR YEARS."



BOARD MEMBERS
AS OF 1 FEBRUARY
2019

Denis Thiery
Chairman of the Board⁽¹⁾
Neopost CEO from 2007 to 2018
and Chairman since 2010

Geoffrey Godet
Chief Executive Officer
Former Chairman and Chief
Executive Officer of Jouve,
joined Neopost in February 2018

Vincent Mercier⁽²⁾
Lead director
Former Chairman of the
Supervisory Board of strategy
consulting firm Roland Berger

Martha Helena Bejar^(2,3)
Former CEO in several IT
infrastructure management and
network services companies

Hélène Boulet-Supau⁽²⁾
CEO of Sarenza

Éric Courteille⁽²⁾
CEO of La Redoute

Virginie Fauvel⁽²⁾
Member of Euler Hermes Board of
Management, Chief Transformation
Officer and Head of Americas

William Hoover Jr⁽²⁾
Former Senior Partner
at McKinsey & Company

Richard Troksa⁽²⁾
Consultant, former Vice-president
of Hewlett-Packard Enterprise
Software

Nathalie Wright⁽²⁾
Member of the Executive
Committee at Rexel, Group Digital
and IT Transformation Director

(1) Will not apply to a new mandate.
(2) Director deemed independent in
accordance with the independence criteria
set out in the French Afep-Medef code.
(3) Co-opted as director on 11 January 2019.



THREE COMMITTEES
SUPPORTING THE WORKS OF
THE BOARD OF DIRECTORS

Audit Committee
Éric Courteille, Chairman
William Hoover Jr
Hélène Boulet-Supau
• 3 meetings held in 2018

Remuneration and Appointments Committee
Vincent Mercier, Chairman
Hélène Boulet-Supau
Virginie Fauvel
• The Appointments Committee
and the Remuneration Committee merged
in September 2018.
• The Remuneration Committee and the
Appointments Committee met 2 times each
separately, and 2 times as one committee in 2018.

Strategy and Corporate Responsibility Committee
Richard Troksa, Chairman
Nathalie Wright
Vincent Mercier
• Created in September 2018
• 3 meetings held in 2018



**REFLECTING THE COMPANY'S
NEW MATRIX ORGANIZATION,
THE LEADERSHIP TEAM COMBINES
HEADS OF CENTERS OF
EXCELLENCE AND OF BUSINESS
OPERATIONS, FOR BOTH SOLUTION
LINES AND GEOGRAPHIES.**

To act as an integrated company, Neopost adopted early 2019 a matrix organization of its operations. The structure has been designed to ensure rapid decision-making process, people empowerment and team focus on strategic initiatives, all key factors for a successful implementation of the Back to Growth strategy.

Since January 2019, a renewed management team was put in place combining internally promoted people and new staff. It gathers leaders with international skills and from diverse origins. Major operations are managed on the one hand by product line and on the other hand by region. Other business operations are entrusted to a dedicated manager. New functions have been created to support the execution of the Back to Growth strategy across the company in the fields of innovation, M&A and transformation of Neopost.

**A UNIFIED COMPANY TO UNLOCK SYNERGIES
ACROSS SOLUTIONS AND GEOGRAPHIES**

The new organizational structure aims at pooling strengths, reinforcing the efficiency of common processes and creating synergies. Neopost

is fundamentally reorganizing its support functions. From Portfolio Management, Strategic Marketing, Supply Chain, R&D and

Innovation to IT, Human Resources and Finance, central teams are positioned as centers of excellence to serve the entire organization. In addition, at the

geographical level, Neopost's range of capabilities provides opportunities for customer-based synergies and cross-selling.



Geoffrey Godet
Chief Executive Officer



Jeff Crouse
Mail Related Solutions



Alyna Wnukowsky
Business Process Automation



Christian Hartigan
Customer Experience Management



Daniel Malouf
Parcel Locker Solutions



Alain Fairise
North America



Benoît Berson
France & Benelux



Duncan Groom
United Kingdom & Ireland



Dror Allouche
Germany & Austria, Switzerland, Italy



Gil Wozelka
International Operations



Stéphanie Auchabie
Human Resources



Brandon Batt
Transformation



Henri Dura
Solutions



Jean-François Labadie
Finance



Steve Rakoczy
Digital



Laurent du Passage
Chief of Staff



Tamir Sigal
Marketing



Zbyněk Hodic
Software R&D



Thierry Le Jaoudour
Hardware R&D & Supply Chain



Éric Pité
Innovation

- Major Solutions
- Main Geographies
- Centers of Excellence
- International Operations



FOR ORGANIZATIONS WHO NEED TO SIMPLIFY MAIL, WE PROVIDE THE HARDWARE, SOFTWARE AND EXPERTISE REQUIRED TO DELIVER ACCURATE AND TIMELY COMMUNICATIONS.

Neopost's value-added solutions

Neopost's solutions combine hardware, software and associated services. They help businesses of all sizes, enabling efficient mail processing and expenses control. Thanks to reporting and item tracking systems through all mailroom processes, they provide businesses with information that is becoming increasingly vital to them. Lastly, they ensure accurate delivery and personalization of mail content. Neopost also offers software applications alongside its franking machines, to facilitate package shipments for the mailroom, allowing for postage discounts in some countries.

Building on strong assets

Neopost's strategy is to leverage its wide range of smart solutions and its specific business model, 70% of annual sales being recurring revenue from leasing, services and supplies. The company will continue supporting its large customer base by expanding its offer and upgrading its product lines, by bringing in additional features and continuous technology updates. Neopost will also continue rolling out its various solutions across the geographies, in line with postal compliance and integrating new software solutions, particularly for shipping. More than ever, the main drivers of the new strategy are: customer experience improvement, cost optimization and cross-selling opportunities where there is purpose and value.

Physical mail remains a large market. Although mail volumes have been declining for the past decade, the trend has not been the same in all countries, depending in particular on government initiatives driving digitalization. For Neopost, there is still a significant potential for business in some major markets, such as the United States.

“We will continue rolling out our various solutions across our main geographies, with a specific focus in the United States.”

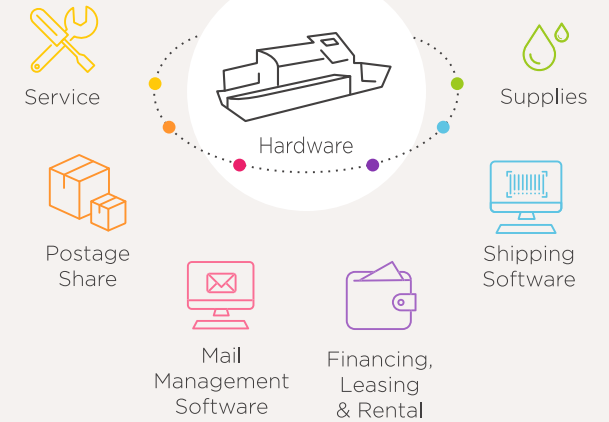
Jeff Crouse
Chief Solution Officer
Mail Related Solutions

Among the most resilient countries, it represents approximately 50% of the global market and offers opportunity for market share gains.

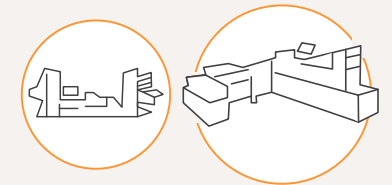
USE-CASE: GIP-SIB

The Public Interest Group of Brittany GIP-SIB, in need to increase productivity, switch to industrial mail rates and better manage mail flows, called on Neopost's expertise. Thanks to Neopost's high-end folding/inserting and franking machines, combined with powerful tracking and validating software solutions Valitrack and AIMS, GIP-SIB now has a global solution. They are now capable to handle the entire production, from document preparation to franking, while being able to control the content and integrity of their postal flow.

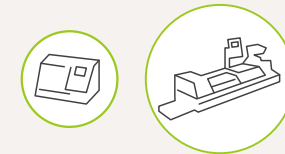
A FULL RANGE OF HARDWARE, SOFTWARE AND SERVICES



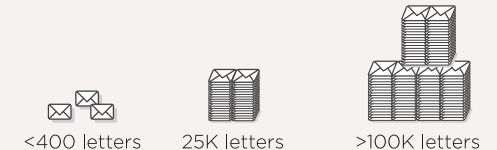
FOLDING INSERTING



POSTAGE PAYMENT



Typical monthly volume



Neopost's wide range of hardware and software equipment as well as associated services allow to assist customers in the fulfillment of their needs while adapting to fast-changing markets. Whether their activity demands lower or higher volumes, alongside digitalized mail or not, Neopost has the products to help them navigate the change.



FOR BUSINESSES WHO WANT TO STREAMLINE DOCUMENT MANAGEMENT PROCESSES AND AUTOMATE WORKFLOWS, OUR DIGITAL SOLUTIONS HELP MANAGE COMMUNICATIONS AND ELEVATE THE CUSTOMER EXPERIENCE.

Business Process Automation (BPA) transforms the way companies manage internal workflows through digitalization and automation, replacing a series of manual tasks for more efficiency, quality and resource optimization. As a player in this growing market, Neopost offers software solutions to help companies optimize costs while mastering regulation, enhancing their processes and improving customer satisfaction.

each envelope, frank and rationalize postal remittance in order to benefit from discounts. More recently, in France, and quickly followed by the United States and United Kingdom, Neopost successfully launched Neotouch, its web-based advanced platform for document delivery management.

“We have a deep understanding of the challenges small and medium businesses face when considering the digitalization of their processes.”

Alyna Wnukowsky
Chief Solution Officer
Business Process Automation

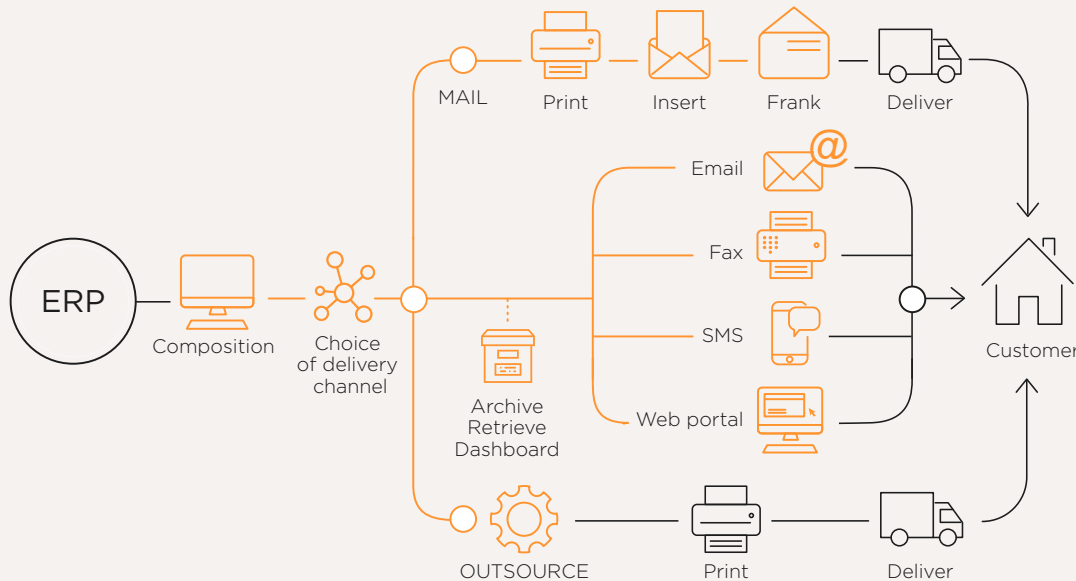
A strong legitimacy in the SME segment

80% of Neopost’s customer base in the field of mail are SMEs. A few years ago, Neopost started to expand its offer with output management solutions, helping these customers to prepare their mail and optimize printing, efficiently insert variable quantities of documents into

Neopost’s roadmap in the BPA segment

Neopost’s focus remains to offer the best technology to support SMEs that have no IT teams or process specialists, so they can easily implement and start using the solutions right away. Neopost builds on its current solutions to develop new Accounts Payable and Accounts Receivable offers. This includes integrating with ERP systems and managing complete invoicing workflows. Paying a particular attention to product usability, Neopost also concentrates on simplifying the main process pain points that have been identified with the current users of its solutions. The company plans to further develop its offer towards a full suite of Business Process Automation solutions, extended to other ERP-related processes, including Order to Cash and Procure to Pay.

HELPING SMES TO RATIONALIZE AND DIGITALIZE DOCUMENT DELIVERY



IN-HOUSE MAILROOM EQUIPMENT

A FULL RANGE OF MAILING EQUIPMENT

AN OUTPUT MANAGEMENT SOFTWARE FOR SMEs (OMS-500)

To support SMEs in their transition to more digitalized processes, Neopost offers them at any stage the right solution, giving them flexibly to choose the communication channel that makes most sense for them and their customers - starting with invoices.

HYBRID MAIL OUTSOURCING SERVICES FOR BOTH BATCH AND DAILY MAIL (NEOTOUCH)

USE-CASE: SOLUC'EA

Toulouse-based Soluc'ea specializes in very large routing activities. They are long-standing Neopost customers for franking machines, and as their activity grew, they quickly found themselves limited both in production capacity and speed of execution. As their customers also demanded more security and quality, Soluc'ea chose the OMS-500 solution to track both the integrity and the completion of their mailings. And in this dematerialization era, they have also adopted Neopost's electronic registered letter solution, Neotouch.



FOR ORGANIZATIONS WHO MUST COMPETE BY CREATING EXCEPTIONAL CUSTOMER EXPERIENCES, OUR OMNI-CHANNEL SOLUTIONS AND EXPERTISE DELIVER COMPLIANT AND MEANINGFUL CUSTOMER INTERACTIONS.

Neopost's success in the field of Customer Experience Management stems from its rich history in Customer Communications Management (CCM), built around Inspire, its award-winning enterprise software platform that is used by over 1,600 customers around the world. For many companies, especially those in regulated industries, communicating with existing customers is often subject to compliance standards and must ensure the security of personalized content and data.

While traditional CCM solutions only manage one-way communications, from businesses to their customers, Inspire has evolved to support two-way content and data exchange for more engaging and personalized interactions. Inspire also allows organizations to easily integrate content and data from diverse enterprise systems.

Growing in a fast-changing market

Neopost's strategy is three-fold. First, continue to focus on its core vertical targets (Print Service Providers, Financial Services, Insurance and Healthcare) while selectively expanding into additional verticals that have similar requirements: Utilities, Telecommunications and Government. Secondly, continue to enrich its platform, specifically by providing new cloud-based services and SaaS offerings. And finally, leverage the company's expertise in its core targeted

industries by focusing on those specific touchpoints along the customer journey that have a high impact on satisfaction.

“Our platform serves as the communication backbone that supports key touchpoints throughout the customer journey, the ones that have the highest impact on the overall customer satisfaction.”

Christian Hartigan
Chief Solution Officer
Customer Experience Management

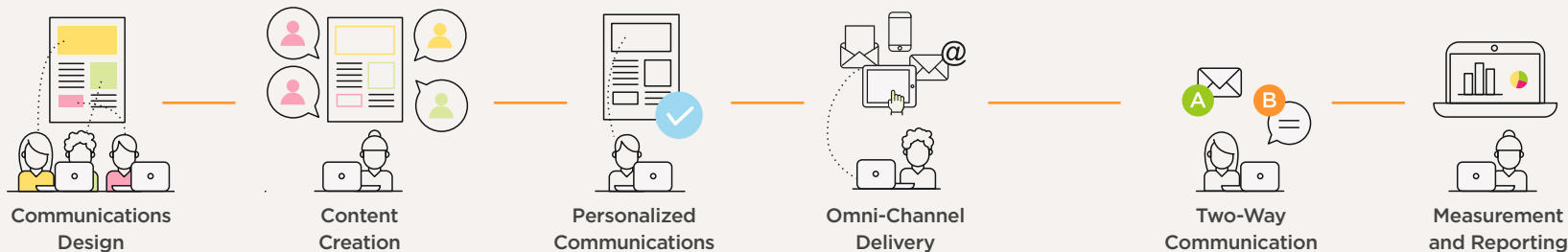
As it continues to innovate and invest beyond the traditional CCM use case, Neopost is helping its clients deliver on the promise of true Customer Experience in a customer-centric, digital and omni-channel world.

USE-CASE: MICHELIN

Michelin, the leader in tire technology based in Clermont-Ferrand, France, needed to rethink how they communicate with customers across email, SMS and paper. They were facing several IT and business challenges while bringing into place

a new customer communications platform. By choosing Inspire, in partnership with systems integrator CGI Bordeaux, Michelin could bring omni-channel communications to life at epic speed, from kick-off up to the initial production launch.

ONE PLATFORM TO DELIVER MULTIPLE PERSONALIZED OMNI-CHANNEL COMMUNICATIONS



Neopost's Inspire platform is flexible enough to allow business users to intuitively manage very specific communication types, including the full range of digital communications. It is also a robust solution used by large enterprises to compile and deliver tens of thousands of complex and secure communications every day.



FOR BUSINESSES AND PEOPLE WHO NEED TO MANAGE A GROWING VOLUME OF DELIVERIES AND RETURNS, WE PROVIDE AND OPERATE A SMART AND SECURE PICK-UP, DROP-OFF SOLUTION.

Worldwide parcel volumes show an extremely dynamic trend, driven by the incredible expansion of e-commerce. China, the United States, Japan and, in Europe, Germany, UK and France are the largest markets today.

Last mile delivery challenge

Today, most parcels are still being delivered by carriers and drivers directly at home or by the use of intermediate locations, such as retail stores and pick-up points. While e-customers

have raised their expectations for shipping services, carriers and pick up points struggle with accrued workload organization and pressure on the workforce, increasing costs and jeopardizing quality of service. Today, the only mature and flexible automated solution being able to solve all of these issues at once is the Parcel Locker.

A wide range of customer benefits

At corporations, offices or universities for instance, and residential locations, Parcel Lockers simplify the management of incoming packages and bring valuable services to residents, students and employees. For carriers, they reduce missed deliveries and allow to consolidate deliveries in a single point. For e-retailers, Parcel Lockers can replace physical locations, bringing their products closer to the consumer, while reducing costs and facilitating returns. And, finally, for physical retailers, Parcel Lockers are the perfect fit for click-and-collect, a service that is currently expanding in all countries.

A nascent market, a local business

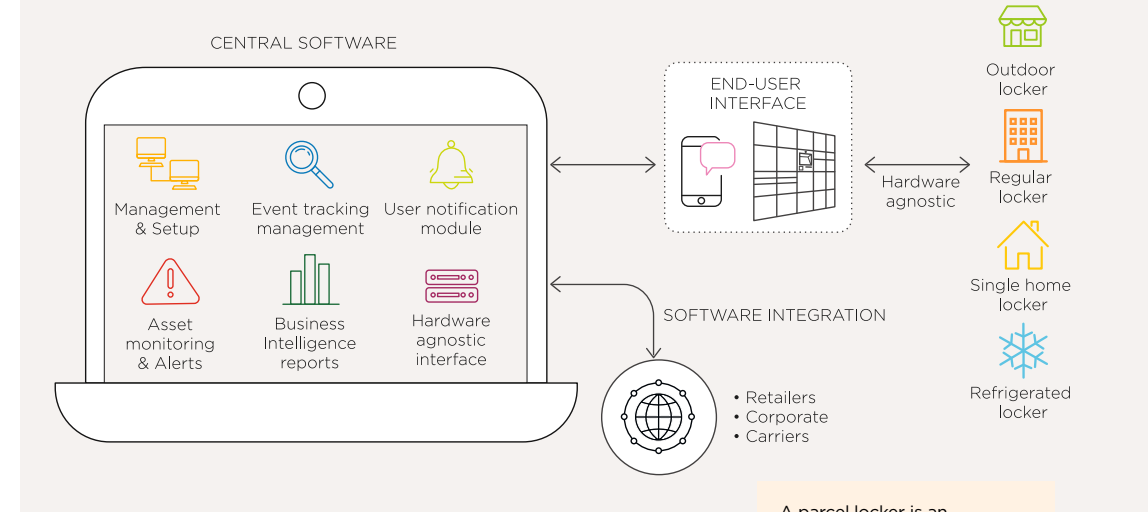
Neopost already acquired a significant experience in two vertical segments, carriers and retail, and in two major countries, France

ACQUISITION OF PARCEL PENDING

On January 23, 2019, as part of its Back to Growth strategic plan, Neopost announced the acquisition of Parcel Pending, the market leader in the United States for parcel lockers in the

residential segment, with an installed base of 2,500 units. It constitutes a sizeable platform to address new verticals and develop strong synergies with Neopost's traditional business.

A SMART SOLUTION INTEGRATED WITH PARTNERS AND CUSTOMERS



and Japan. With more than 4,400 units, it manages today the world's third installed base. To accelerate its development, Neopost wants to grow fast in North America, where the potential is huge, and continue to develop existing verticals in Japan and France, followed by other major countries.

A parcel locker is an automated system that ensures the simple and secure delivery and retrieval of packages and online orders, with the use of a secure code. The Neopost technology is a full solution with unique and powerful centralized back-end functionalities.

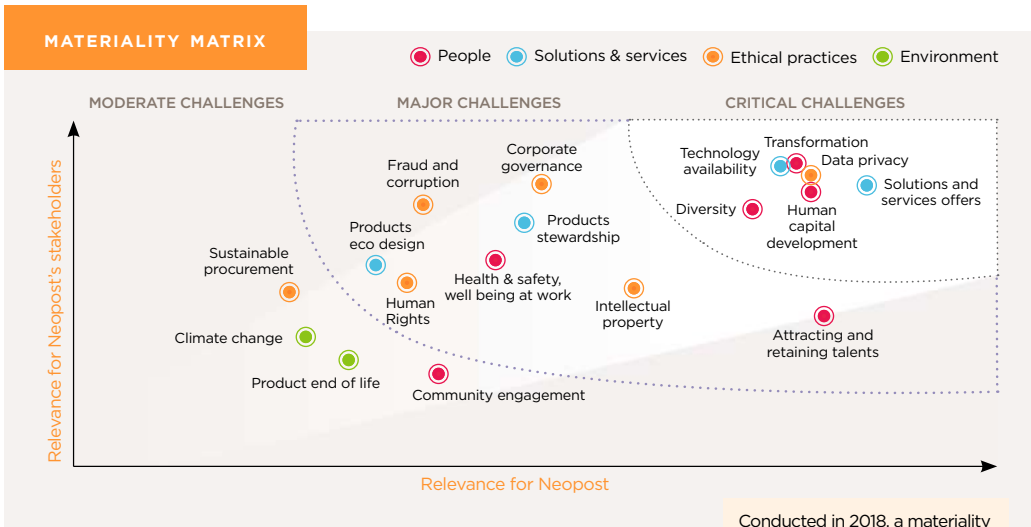
“By building a strong value proposition in Parcel Locker Solutions, our ambition is to address all needs in the verticals we are targeting, from low end to high end, and become a leader in every country we do business in.”

Daniel Malouf
Chief Solution Officer
Parcel Locker Solutions

On top of that, the company will continue expanding the product portfolio to new markets, from single-home to residences with more than 200 apartments, indoors and outdoors equipment, refrigerated lockers, supported by a unique and powerful central back-end system to manage and monitor the complete activity.

- **USE-CASE: PACKCITY JAPAN**
- Packcity Japan, a jointly owned company established in May 2016 with Yamato Transport, the Japanese leader in transportation and parcel delivery, has exceeded in 2018 3,000 parcel lockers in operation. This is in line with the initial plan to install 5,000 units in Japan by 2022. This swift roll-out is a response to the growing consumer demand for expanded delivery options, and demonstrates Neopost's leadership and capacity to roll-out and operate large parcel locker networks.

CSR COMMITMENTS



Conducted in 2018, a materiality analysis helped Neopost identify and prioritize which challenges matter most to its stakeholders and consequently where the company needs to be focusing.

PURSuing A CORPORATE RESPONSIBILITY APPROACH

Neopost has been voluntarily and actively engaged for more than 15 years in its Corporate Social Responsibility (CSR) commitments. The company focuses on meeting

customer satisfaction, innovation, product reliability and availability's high standards, from the design of its solutions to the delivery of services, translated into ambitious objectives which are regularly monitored. Along with that, Neopost's environmental policy focuses on innovation and the eco-design of products, their remanufacturing and the recycling of industrial waste, thus encompassing the principles of the circular economy.

A culture of innovation across the organization

Each year, Neopost invests around 5% of its turnover in Innovation and Research & Development, to support the launch of industry-leading technology. In recent years, award-winning innovations such as the automated packing solution CVP-500 were the direct result of this initiative. It also supports NeopostLabs, its team dedicated to innovation, in their experiments around 10 future trends such as artificial intelligence, virtual and augmented reality or machine learning, to identify potential uses creating future value to customers.

ENVIRONMENT CONSCIOUSNESS, FROM CONCEPTION TO DELIVERY

Neopost implemented an eco-design policy as early as 2006 within development projects associated with environmental assessments. The efforts made yielded great results on both environmental and economic gains of the new product generations. Remanufacturing, started in 2013, was another substantial step in Neopost's environmental strategy,

as part of a more global approach to the circular economy. Dismantling, cleaning and upgrading products retrieved at the end of a contract or out of order, showed a reduction of up to 37% in terms of greenhouse gas (GHG) emissions in comparison with a new machine, as proven by independent experts in the circular economy in a study conducted in 2015.



SUPPORTING THE TEAMS TO DRIVE CHANGE

26.6% of managers are women	24.0% of the workforce are millennials	94.4% of employees have a permanent contract
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a reciprocal, lasting and loyal engagement between the company and each of its talents. Neopost supports its teams in reshaping the business, giving them the means and opportunities to grow and develop personally and professionally, while helping to fulfil the company's strategy.

Neopost firmly believes that engaging with its teams is essential to achieve a successful transformation. To sustain its operations around the world and get ready to grasp the opportunities created by its Back to Growth strategy, Neopost is committed to build the best conditions for

Digital-based training and e-learning

Neopost's goal is to offer innovative content, appropriate and varied formats, and personalized training components. It is a prime lever in promoting internal mobility and retaining the best talents as the company evolves in a competitive landscape. In 2018, 85% of staff attended at least one training course. There has been a sharp rise in digital-based trainings, achieving a rate as high as 29.7% of total trainings, in line with the company's digital activities.

TALENT MANAGEMENT AND LEADERSHIP PROGRAMS

- In 2018, Neopost has put emphasis on specific initiatives to develop talent management and succession planning, as well as to foster diversity, especially women leadership programs. To support these initiatives, Neopost has created a Talent Management and Diversity Department led at Group HR level, taking example on key local initiatives that have already delivered positive results.

WHILE EMBARKING ON ITS NEW STRATEGY, NEOPOST HAS STABILIZED ITS SALES ON A COMPARABLE BASIS.

The slightly positive organic sales growth recorded in 2018 marked a symbolic shift in Neopost's recent history. Combined with a lower decline in Mail Related Activities, the strong double-digit growth in the other three Major Operations that Neopost has decided to focus on fueled such performance. On a reported basis, total sales were down 1.8% essentially due to currency effects. On an organic basis, Major Operations (81% of total sales) went up 1.5% while Additional Operations (19% of total sales) went down 5.0%.

Strong visibility on future cash-flows

Total sales are underpinned by recurring revenue from services related to mail handling equipment and parcel lockers, but also from maintenance, services and SaaS revenues related to software. In 2018, recurring revenue accounted for 70% of sales versus 68% in 2017.

A strong business model, very sound financials

Neopost has maintained a high level of operating income thanks in particular to a steady reduction of its operating expenses. Current operating margin* was stable compared to 2017 at 18.2% of total sales. Thanks to a constantly strong cash-flow generation, the net debt, which is fully backed by future rental and leasing income flows, fell further down.

A minimum dividend of €0.50 per share

Neopost has adapted its shareholder policy to gain flexibility in its capital allocation. Proposed dividend in respect of fiscal year 2018 is set at €0.53 per share in line with the annual pay-out ratio of a minimum of 20% of the net attributable income.

* Current operating income before acquisition-related expenses.

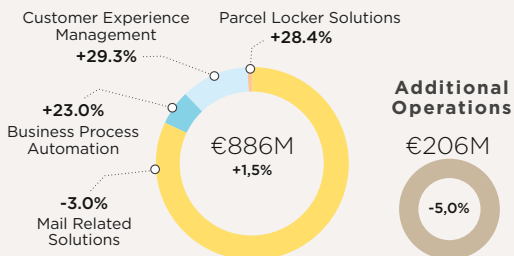
2018 KEY FIGURES

SALES INDICATORS

€1.1 bn 2018 total sales
+0.2% 2018 total sales organic growth
70% Share of recurring revenue in 2018 total sales

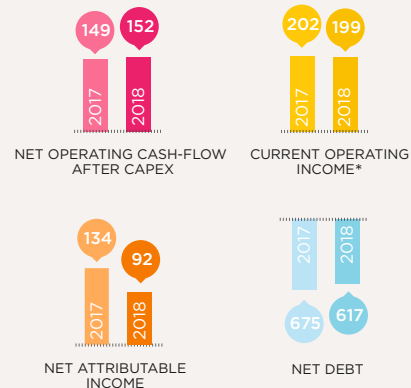
Major Operations

Sales breakdown and evolution by activity



% organic growth vs 2017

FINANCIAL INDICATORS



2018 HIGHLIGHTS

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