

GOOD GROWTH MOMENTUM IN FIRST QUARTER 2019

- ▶ **First quarter 2019 sales up by 6.9%**
- ▶ **Organic growth¹ at 2.9%**
- ▶ **Unchanged indications for 2019**

Paris, May 27, 2019

Neopost, a global leader in mail solutions, business process automation, customer experience management and parcel locker solutions, today announced €266 million in consolidated sales for the first quarter of 2019 (period ended April 30, 2019), up by 6.9% compared to the first quarter of 2018. Excluding currency and scope effects linked to the acquisition of Parcel Pending and the divestments of Satori Software and Human Inference¹, organic growth stands at 2.9%.

Major Operations (83% of total sales), gathering the Group's four major solutions across the two main geographies, i.e. North America and the main European countries, show a 2.0% organic growth in total sales, driven by the 3.8% organic growth in North America, where each of the four major solutions is showing growth. The main European countries recorded stable sales, excluding currency and scope effects.

Moreover, Additional Operations (17% of total sales) posted 7.4% organic growth. This growth shows notably the continuous expansion of parcel lockers in Japan and good one-off performance in some regions.

The share of recurring revenues in total Group sales stands at 71%.

Geoffrey Godet, Chief Executive Officer of Neopost, commented: ***"This first quarter is the fourth quarter in a row with positive organic growth and the best growth rate recorded since the third quarter 2013.***

The good growth momentum is starting to reflect the choices we have made of reinvesting in our mail related solutions, especially in the United States, and refocusing our resources on business process automation, customer experience management and parcel lockers. It also highlights the quality of execution in the field of commercial strategy, whether in cross-selling, customer acquisition, combined offers, installed base renewal or customer segments' targeting.

Additionally, throughout the remainder of the financial year we will face higher comparison bases due to the good performance recorded from the second quarter of 2018. This is why we are keeping our indications for 2019 unchanged."

¹ Q1 2019 sales are compared to Q1 2018 sales with the addition of Parcel Pending sales for an amount of €4 million and the deduction of €5 million corresponding to the sales of Satori Software and Human Inference.

CHANGE IN SALES

<i>In million euros</i>	Q1 2019	Q1 2018	Change	Change at constant exchange rate	Organic change ¹
Major Operations	221	203	9.2%	4.2%	2.0%
<i>Mail Related Solutions</i>	177	171	3.5%	-1.4%	-1.4%
<i>Business Process Automation</i>	14	10	41.1%	37.1%	37.1%
<i>Customer Experience Management</i>	23	20	13.5%	9.2%	9.2%
<i>Parcel Locker Solutions</i>	7	2	n/a	n/a	13.3%
Additional Operations	45	46	-3.1%	-4.1%	7.4%
Group total	266	249	6.9%	2.6%	2.9%

<i>In million euros</i>	Q1 2019	Q1 2018	Change	Change at constant exchange rate	Organic change ¹
Major Operations	221	203	9.2%	4.2%	2.0%
<i>North America</i>	119	101	17.8%	8.3%	3.8%
<i>Main European Countries</i>	102	102	0.6%	0.1%	0.1%
Additional Operations	45	46	-3.1%	-4.1%	7.4%
Group total	266	249	6.9%	2.6%	2.9%

Major Operations

Mail Related Solutions

Mail Related Solutions first quarter 2019 sales were down organically by 1.4 %, at €177 million.

This limited decrease showed a new improvement of the organic performance recorded in North America, thanks notably to a strong increase in hardware sales. It resulted from an optimized management of the installed base (renewal of leasing contracts), the acquisition of new customers as well as the development of new offers combined with Business Process Automation solutions.

In the main European countries, the decrease in mail related solutions continued at similar pace to previous quarters.

Business Process Automation

Business Process Automation first quarter 2019 sales were up organically by 37.1%, at €14 million.

This growth was due to the strong momentum of the activities in France, as well as in the United States, with a seasonal boost in hybrid mail, the launch of new solutions on accounts receivable management and the development of new offers combined with Mail Related Solutions.

Customer Experience Management

Customer Experience Management first quarter 2019 sales were up organically by 9.2%, at €23 million.

The increase in sales came mainly from the strong growth in revenue related to maintenance and professional services, stemming from the new licenses sold in 2018. The SaaS² subscriptions were also up in this quarter.

Parcel Locker Solutions

Parcel Locker Solutions first quarter 2019 sales stood at €7 million, versus less than €2 million in the first quarter of 2018. It benefited from the consolidation of Parcel Pending, a US company acquired at the end of January 2019. Parcel Pending's integration is underway as planned. Its Q1 2019 sales growth came out above 25%, strongly contributing to the 13.3% organic sales growth of the whole segment.

Additional Operations

Additional Operations first quarter 2019 sales stood at €45 million. Excluding currency and scope effects linked to the divestments of Satori Software and Human Inference, sales increased organically by 7.4%.

This growth was linked to further expansion in Parcel Locker activity in Japan and to one-off good performance of mail-related activity in the Nordic countries and in the export markets, as well as the good performance in Customer Experience Management in Asia-Pacific and in the rest of Europe.

HIGHLIGHTS***Refinancing***

On May 15, 2019, Neopost announced that it has successfully raised the equivalent of EUR 210 million (EUR 130 million and USD 90 million) through a *Schuldschein*, a private placement loan issued under German law. This transaction, mainly intended to repay existing lines maturing in 2019, allows the extension of the average maturity of the Group's debt under very favorable conditions.

GENERAL OVERVIEW OF THE FINANCIAL POSITION***Financial position***

Neopost's financial position is sound. The Group continues to generate significant cash flow. Neopost would like to point out that its net debt is fully backed by future cash flows coming from its rental and leasing activities.

² SaaS = Software as a Service

Dividend

As announced on March 26, 2019, the Board of Directors decided to submit a proposed dividend of €0.53 per share in respect of fiscal year 2018, corresponding to a 20% payout ratio, for approval at the Annual General Meeting on June 28, 2019. When approved, the dividend will be paid in cash and in one installment on August 6, 2019 (ex-dividend date: August 2, 2019).

UNCHANGED INDICATIONS

Regarding **2019**, excluding deterioration of economic conditions, the Group expects its organic sales growth to be almost flat, and this in spite of its portfolio of activities that remains strongly dependent on mail-related business.

The Group also expects a decrease in its 2019 current operating income, excluding currency effects, compared to the 2018 current operating income, excluding earn-out reversal. This takes into account the new initiatives launched this year to enable the "Back to Growth" plan.

Reminder of the key aspects of the "Back to Growth" financial trajectory

The Group expects its sales to grow at an average mid-single digit rate³ annually and its current operating income⁴ at an average high-single digit rate³ annually throughout the plan period, fueled by organic growth as well as M&A⁵.

The Group also aims at rebalancing its business portfolio, which will lead to Mail Related Solutions representing less than 50% of sales by 2022, in order to be in a position to achieve sustainable low single digit organic sales growth.

Neopost will maintain a high level of free cash flow generation throughout the plan with a minimum annual conversion ratio (free cash flow after capex / current operating income⁴) above 50%.

³ Excluding currency effects

⁴ Excluding acquisition-related expenses

⁵ €400 million net of divestments over the period

MEETING WEBCAST

Neopost has scheduled a conference call and a webcast on **May 27, 2019** from 6:15pm Paris time / 5:15pm London time. The meeting will be held in English. To join the webcast, go to <http://www.neopost-group.com/>. The recording of the webcast meeting will be available for a period of one year.

CALENDAR

Neopost's Annual General Meeting will be held in Paris on June 28, 2019.

The press release announcing second-quarter 2019 sales and the 2019 interim financial statements will be published on September 24, 2019 after market close.

ABOUT NEOPOST

NEOPOST is a global leader in mail solutions, business process management, customer experience management and parcel locker solutions. Its mission is to deliver reliable solutions that create relevant and personalized interactions.

With a direct presence in 29 countries and around 5,800 employees, Neopost reported annual sales of €1.1 billion in 2018. Its products and services are sold in more than 90 countries. Neopost is listed in compartment A of Euronext Paris and belongs to the SBF 120 index.

For more information, please contact:**Gaële Le Men, Neopost**

Financial and Corporate Communications Director

+33 (0)1 45 36 31 39

g.le-men@neopost.com /

financial-communication@neopost.com

OPRG Financial

Isabelle Laurent / Fabrice Baron

+33 (0)1 53 32 61 51 / +33 (0)1 53 32 61 27

isabelle.laurent@oprqfinancial.fr /

fabrice.baron@oprqfinancial.fr

Or visit our website: www.neopost-group.com

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APPENDICES:**Glossary**

- **Major Operations:** the four major solutions in which Neopost has already acquired strong legitimacy and which have the potential to reach a significant size and have significant growth potential in the two main geographies, i.e. North America and the main European countries. These four major solutions are: Mail Related Solutions, Business Process Automation, Customer Experience Management and Parcel Lockers Solutions.
- **Mail Related Solutions:** solutions linked to mail management, mainly franking machines, folders/inserters and mailroom shipping software
- **Business Process Automation:** range of business process automation solutions, especially in the field of invoicing flows (hybrid mail, accounts receivable, accounts payable);
- **Customer Experience Management:** solutions enabling companies to create, manage and provide omni-channel and personalized solutions on demand and in high volumes;
- **Parcel Locker Solutions:** automated parcel lockers system to solve "last-mile" delivery issues in high density urban areas;
- **Additional Operations:** the four major solutions operating outside the two main geographies, and the Group's other activities including graphics, shipping software and the CVP automated packing solution.
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2018 HISTORICAL QUARTERLY FIGURES ACCORDING TO THE NEW REPORTING
Sales

<i>In million euros</i>	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
Group total	249	279	264	300	1,092

<i>In million euros</i>	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
Group total	249	279	264	300	1,092