



2023 Full-Year Results

Analyst Conference

February 21, 2024



Disclaimer

Forward-looking statements

This presentation contains forecasts that may be subject to various risks and uncertainties concerning the Company's future growth and profitability. The Company highlights that contract signatures, which represent investments for customers, are historically more significant in the second half of the year and may therefore have a more or less favourable impact on full-year performance.

Furthermore, activity during the year and/or actual results may differ from those described in this document as a result of a number of risks and uncertainties set out in the 2022 Universal Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) on March 24, 2023.

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Agenda



Patrick Donovan
Chief Executive Officer



Cécile Allmacher
Chief Financial Officer



Roland Royer
Chief Customer Officer

1. Operational Commentary on 2023
2. 2023 Financial Results
3. Customers & Market Trends
4. Focus & Ambition
5. Q&A Session

Operational Commentary on 2023



Patrick Donovan
Chief Executive Officer

Solid performance for the second year running



UPFRONT BOOSTED REVENUE & ARR GROWTH



INCREASED PROFITABILITY & FREE CASH FLOW



EFFICIENT ORGANIZATION & AGILE PORTFOLIO



HIGH EMPLOYEE ENGAGEMENT & CUSTOMER SATISFACTION

Translating in strong financials

	2023	2022	2013-17 Average
Organic Revenue Growth (%)	+5.8%	+5.5%	+1.6%
Profit on Operating Activities (€m)	62.8	46.3	
as a % of revenue	19.7%	14.7%	15.4%
Basic EPS (€)	1.71 €	-1.85 €	
excluding non-cash write-off	1.71 €	1.47 €	1.34
Free Cash Flow (€m)	18.8	2.2	
as a % of revenue	5.9%	0.7%	11.8%

- Reaching our mid-term profitability almost a year early with record profit on operating activities
- Free cash flow as a % of revenue returning as forecasted

READY FOR
NEXT STRATEGIC PHASE



With always the same ambitions

OUR CUSTOMERS

Delivering brilliant
Customer experience

- Record Net Promoter Score
- Expanded product portfolio
- Increased usage and extension of contract durations

OUR EMPLOYEES

Axway, the place to be

- Tied for highest Employee Engagement Score
- Stabilization of workforce with 13.4% attrition

OUR SHAREHOLDERS

Building a predictable,
profitable business model

- 2023 Growth and profitability guidance exceeded
- A strengthened, healthy financial position allowing the launch of the next phase of the company's project

Strengthened Product Portfolio

EXTERNAL EXPANSION



E-Invoicing Compliance expert
based in Belgium

CYCOMFINANCES



PaESoft

Accounting Mapping Solution
based in France



axway

INTERNAL EXPANSION



Amplify Enterprise Marketplace

- Product incubated within the Amplify product family and fully available in 2023
- Competitive advanced offering building pipeline and closing 15 transactions

Curate and monetize your APIs in a central marketplace you build to simplify API adoption and get your latest digital service to the market faster. It's all your APIs. Packaged and ready to go.

← MAINTAIN AN AGILE PORTFOLIO OF HIGH-PERFORMANCE PRODUCTS →

2023 Key Figures

€319.0m

Revenue

compared to €314.0m in 2022, an organic growth of 5.8%

€62.8m

Profit on Operating Activities

or 19.7% of revenue, up 500 bps vs. 14.7% in 2022

+27.4%

Subscription Growth

or €186.6m vs. €154.0m in 2022

+6.6%

ARR Growth

or €228.7m vs. €214.5m at the end of 2022

2023 Financial Results



Cécile Allmacher
Chief Financial Officer

2023 Full-Year Results

KEY FIGURES

Organic Growth*

+5.8%

Total Growth

+1.6%

Profit on Op. Activities

19.7%

or €62.8m

Net profit

11.2%

or €35.8m

INCOME STATEMENT

<i>In millions of euros</i>	2023		2022	
	€m	% of Rev.	€m	% of Rev.
Revenue	319.0		314.0	
Cost of sales	87.2		91.4	
Gross Profit	231.7	72.7%	222.6	70.9%
Operating expenses	168.9		176.4	
<i>of which Sales and marketing</i>	81.6		93.2	
<i>of which Research and development</i>	60.1		57.3	
<i>of which General and administrative</i>	27.2		25.9	
Profit on operating activities	62.8	19.7%	46.3	14.7%
Profit from recurring operations	55.4	17.4%	37.4	11.9%
Operating profit	47.6	14.9%	-46.4	-14.8%
Income taxes	-7.0		7.4	
Net profit	35.8	11.2%	-40.0	-12.8%
Basic earnings per share (in €)	1.71		-1.85	

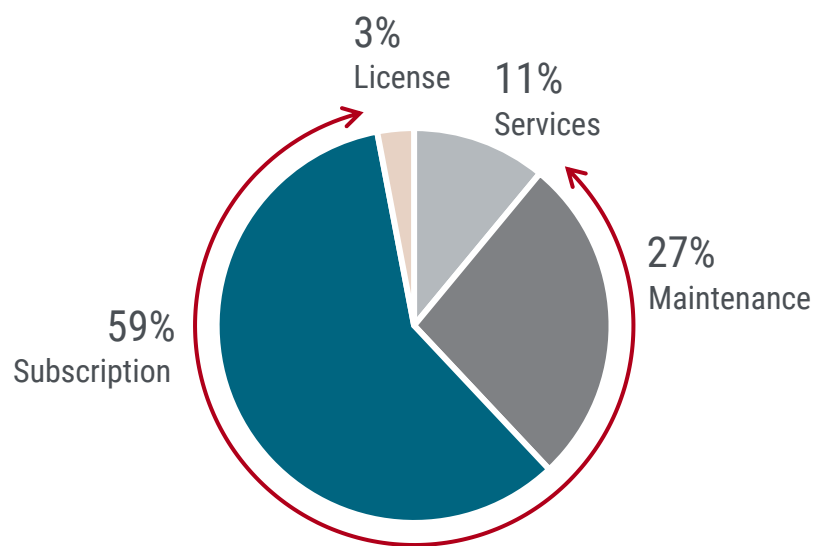
* Alternative performance measures are defined in the glossary at the end of this document.

→ Record annual revenue of €319.0m

→ Margin on operating activities up 500 basis points year-on-year

2023 Full-Year Results

REVENUE BY ACTIVITY



86% Renewable contracts
vs. 84% in 2022

[€m]	2023	2022 Restated*	2022 Reported	Total Growth	Organic Growth*
License	8.8	10.2	11.6	-23.8%	-13.7%
Subscription	186.6	146.5	154.0	+21.2%	+27.4%
Maintenance	87.0	107.9	111.2	-21.7%	-19.4%
Sub-total Products	282.4	264.6	276.7	+2.1%	+6.7%
Services	36.5	36.8	37.3	-2.1%	-0.6%
Axway	319.0	301.4	314.0	+1.6%	+5.8%

* Alternative performance measures are defined in the glossary at the end of this document.

- Subscription activity maintained a very solid momentum throughout the year
- Renewable contracts up to 86% of total revenue

2023 Full-Year Results

SUBSCRIPTION ACTIVITY

[€m]	2023	2022 Restated*	2022 Reported	Total Growth	Organic Growth*
Subscription	186.6	146.5	154.0	+21.2%	+27.4%
<i>of which Axway Managed</i>	47.1	40.6	46.8	+0.6%	+16.0%
<i>of which Customer Managed</i>	139.5	105.9	107.2	+30.1%	+31.7%

* Alternative performance measures are defined in the glossary at the end of this document.

- While subscription organic growth was over 50% in the first 9 months, activity was faced with a record comparison basis in year-end, which did not prevent further progression of 1.8% in Q4
- Upfront revenue represented €93.5m in 2023 vs. €78.7m in 2022

2023 Full-Year Results

Main Balance Sheet items at 31/12/2023

Cash & cash equivalents

€16.7m

vs. €18.3m at 31/12/2022

DSO

182 days

vs. 155 days at 31/12/2022

Total assets

€594.6m

vs. €571.1m at 31/12/2022

Net debt

€75.6m

vs. €69.5m at 31/12/2022

Current deferred revenues

€49.1m

vs. €55.6m at 31/12/2022

Total equity

€346.3m

vs. €327.8m at 31/12/2022

2023 Full-Year Results

CASH FLOWS

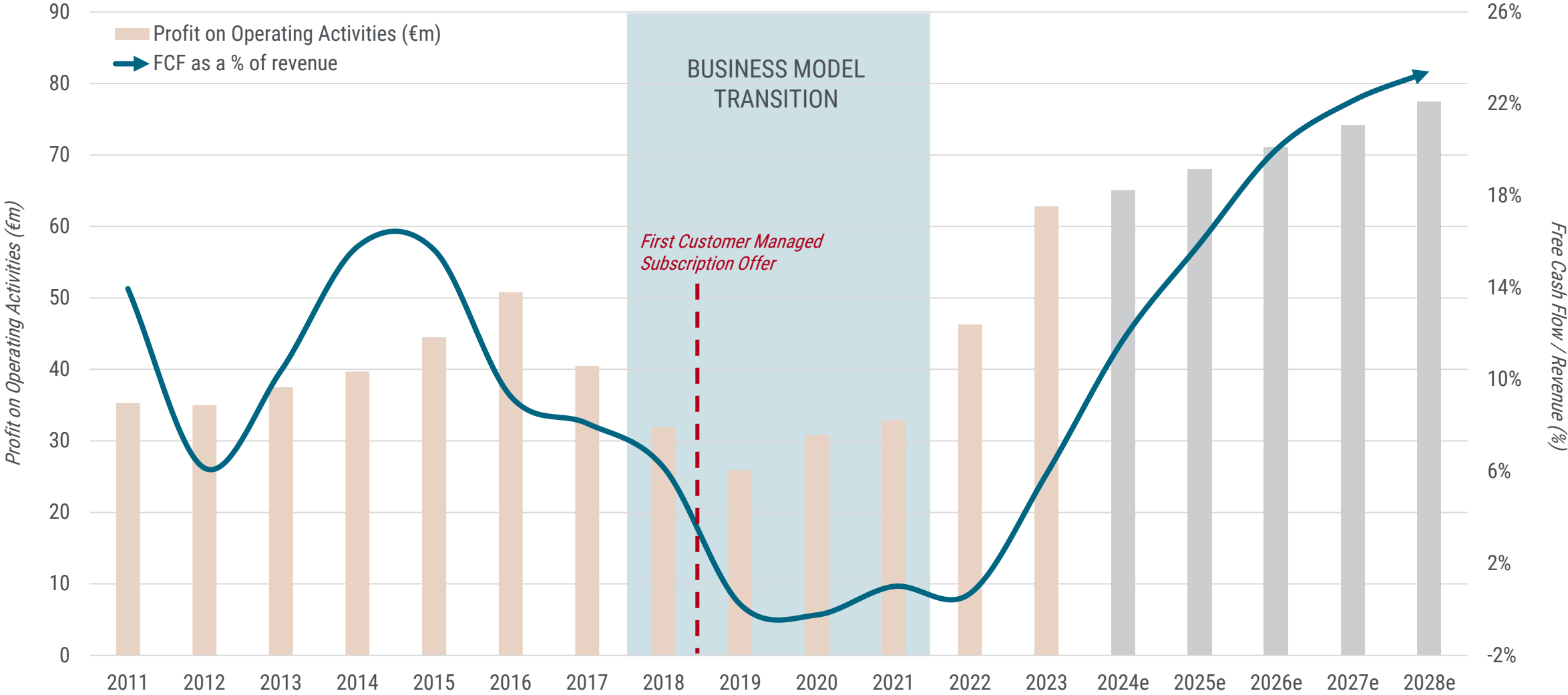
In millions of euros

	2023	2022
Net profit for the period	35.8	-40.0
Change in operating working capital requirements	-32.9	-41.0
Net cash from operating activities	32.1	13.0
Free cash flow	18.8	2.2
Net cash used in investing activities	-12.6	-11.1
Net cash used in financing activities	-21.1	-9.4
Net change in cash and cash equivalents	-1.8	-6.9
Opening cash position	18.3	25.2
Closing cash position	16.5	18.3

COVENANTS



Progressive normalization of free cash flow



Customers & Market Trends



Roland Royer
Chief Customer Officer

Customer success as a company value

NET PROMOTER SCORE

37

COMPARED TO 35
AT THE END OF 2022

OVERALL RENEWAL
SUCCESS RATE

94%

RENEWED OR MOVED
TO SUBSCRIPTION

AVERAGE
MIGRATION MULTIPLIER

1.9x

MAINTENANCE MOVING
TO SUBSCRIPTION

Reinforces attractiveness

...and brings in new Customers!

NEW CUSTOMERS

> 100

NEW CUSTOMERS
AVERAGE TCV

€ 190_k

NEW CUSTOMERS
BOOKING SHARE

15%

2023 Success across geographies

AMERICAS

- Axway MFT proven security and reliability as a strong success driver in the USA
- APIM leadership position continue to increase market share in LATAM

EMEA

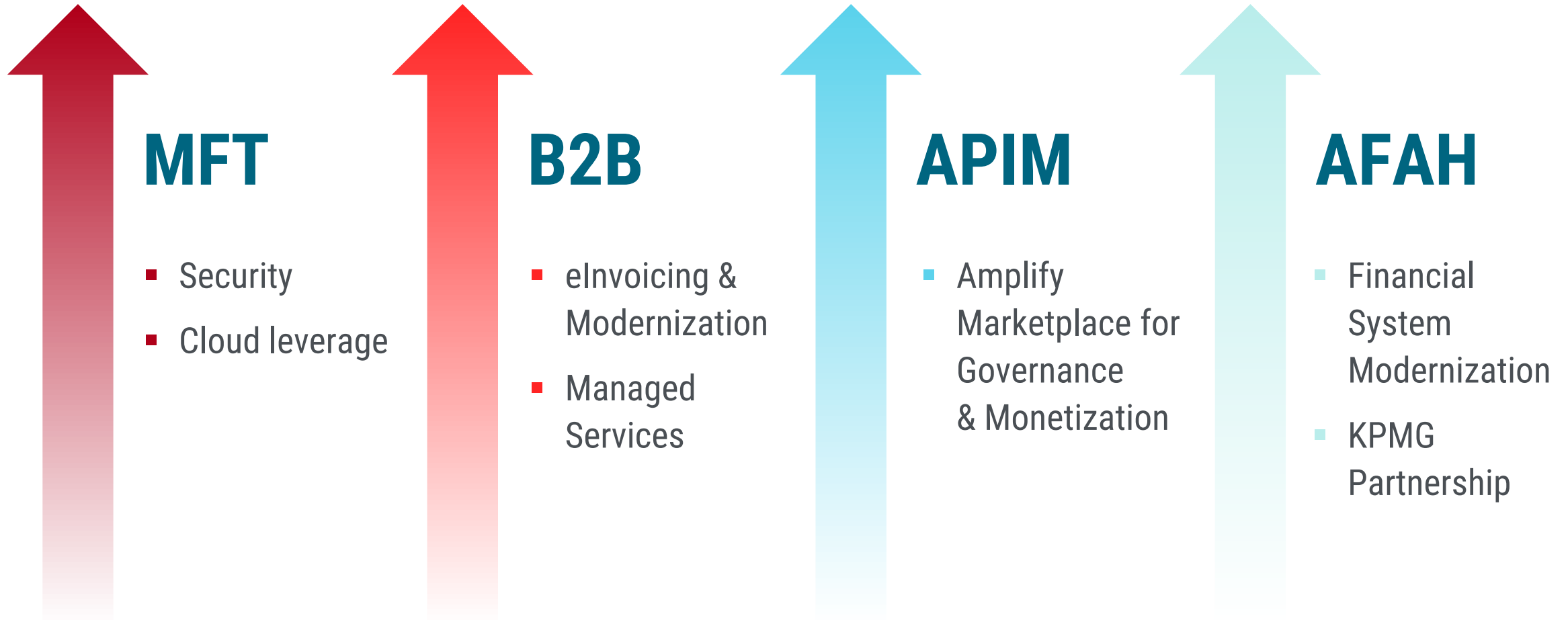
- Solid performance across Europe converting our historical customer base to subscription
- A second year of strong growth in Germany with historical and new customers

APAC

- Important shift toward Axway Managed Solution impacting revenue with a positive ARR growth

Customer Success is Axway's Success

4 Main product lines drivers



Looking ahead...



○ ORGANIZATION & FOCUS

Solid, proven teams in place in all regions

○ PRODUCT LINES

New offers that resonate in the market for each of our 4 main product lines:

- APIM - Amplify Marketplace
- MFT - Cloud Edition
- B2B - eInvoicing
- AFAH - Accounting Mapping

○ CUSTOMER BASE

Continued focus on customer success to drive growth through the migration of our 1,000+ existing clients who have not yet made the leap, and the acquisition of new ones

Focus & Ambition



Patrick Donovan
Chief Executive Officer

Axway's Why

Our Purpose

An independent technology provider that sustainably grows enduring value, based upon trust, for our customers, employees, and shareholders.



Robust building blocks as foundations for our software house



VISION

To be a leading, trusted technology provider empowering customers with secure digital business interactions to achieve faster outcomes at a lower cost.

MISSION

Empowering customers with secure, mission-critical software and services to successfully operate and simplify their most complex business interactions.

MFT

The most secure and reliable way to integrate file data

B2B

Powering the largest global trading ecosystems

Amplify (APIM)

Secure, govern and monetize APIs in a hybrid way

Financial Accounting Hub (FAFH)

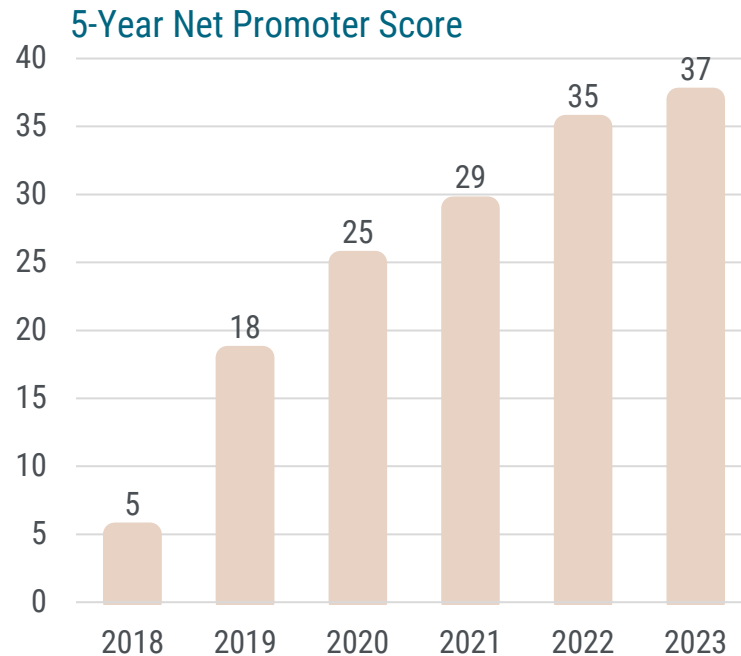
Ensuring auditability, consistency, and agility

Specialized Products

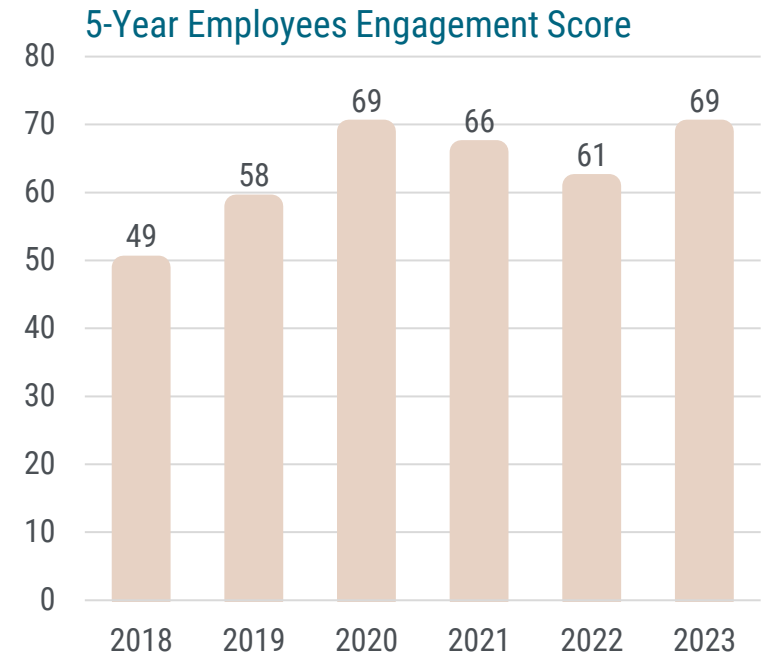
20+ years history of ensuring critical digital processes

Sustainably growing enduring value for....

OUR CUSTOMERS



OUR EMPLOYEES



and our Shareholders...

	2023	2022	2021	2020	2019	5 Year Average	2013-17 Average	2024 Guidance
Organic Revenue Growth (%)	+5.8%	+5.5%	-2.7%	+0.5%	+3.3%	+2.5%	+1.6%	+1 to 3%
Profit on Operating Activities (€m)	62.8	46.3	32.9	30.8	25.9			
as a % of revenue	19.7%	14.7%	11.5%	10.4%	8.6%	13.0%	15.4%	≈ 20%
Basic EPS (€)	1.71	-1.85	0.45	0.40	0.25			
excluding non-cash write-off	1.71	1.47	0.45	0.40	0.25	0.86	1.34	
Free Cash Flow (€m)	18.8	2.2	2.9	-0.7	0.6			
as a % of revenue	5.9%	0.7%	1.0%	-0.2%	0.2%	1.5%	11.8%	

Mid-term ambitions



It's time for a big step forward for Axway

EXPAND AXWAY'S PRODUCT PORTFOLIO BY **ACQUIRING MOST OF SOPRA BANKING SOFTWARE ACTIVITIES**

GIVE BIRTH TO A **ENTERPRISE SOFTWARE COMPANY WITH CRITICAL SCALE**

- Unique opportunity for AXW to expand its product portfolio and to continue its development by capitalizing on its recent performance
- SBS would benefit from the scale and experience of a global software organisation that has already transitioned to a subscription model
- Strengthening a long-standing business partnership between AXW and SBS, notably through APIM and AFAH
- Achieving combined revenue of \approx €650m, well above AXW's mid-term ambition, more than doubling its current revenue
- AXW and SBS share a large part of their DNA and have common values that will significantly help a smooth integration
- Combination creating a software house with new and combined capabilities to look for further value creation in either side of the portfolio

Transaction Overview

TRANSACTION CONSIDERATIONS

- Project to acquire most of Sopra Banking Software activities from Sopra Steria
- Acquisition for an Enterprise Value of €330m

SBS IN A NUTSHELL

- A recognized player in banking and financing software
- Long-term technology partner for banks and financing institutions
- Serving 650+ customers in more than 80 countries

SBS KEY METRICS

- Revenue ≈ €340m (≈ 80% of SBS current perimeter)
- Anticipated mid-single digit profit on operating activities
- 3,500 Employees and a global geographical footprint

SBS Snapshot



650+ Customers Worldwide	≈ €340m FY 2023 Estimated Revenue	80+ Operating Countries	≈ 3,500 Financial Services Experts	29 Locations Worldwide
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SOPRA BANKING PLATFORM

- Customer engagement
- Open banking
- Deposits & savings
- Lending lifecycle
- Payment & cards
- Risk, regulation & reporting

Public Cloud

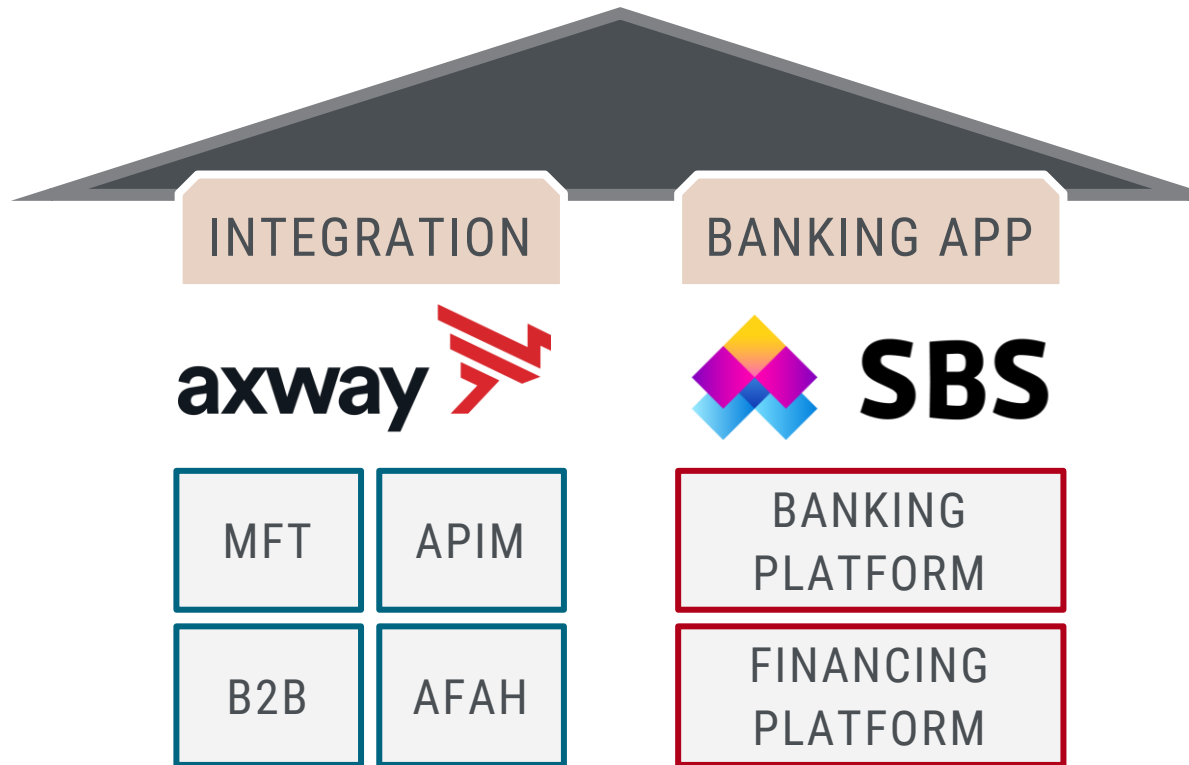
Hybrid Cloud

Private Cloud

SOPRA FINANCING PLATFORM

- Auto finance
- Equipment finance
- Consumer finance
- Commercial lending
- Development finance
- Real estate finance
- Wholesale finance

Building a robust enterprise software house



- 1 Enterprise software house with critical scale to ensure long-term independent project
- 2 Addressing both banking app and integration needs with market recognized product portfolio
- 3 Accelerating SBS transition to subscription and Cloud models
- 4 Strengthen the new Group's firepower and visibility
- 5 Leveraging expertise of \approx 5,000 software experts around the world

Transaction Key Financials

2023 REVENUE

axway 

€319m

 SBS

≈ €340m

axway  +  SBS

≈ €650m

2023 PROFIT ON
OPERATING ACTIVITIES

19.7%

+

Mid-single digit

=

≈ 10 to 14%

KEY IMPACTS



Doubling Axway's
current revenue



Mid-term
Profit on Op. Activities target: 15-20% of rev.

Transaction Financing

TRANSACTION FINANCING

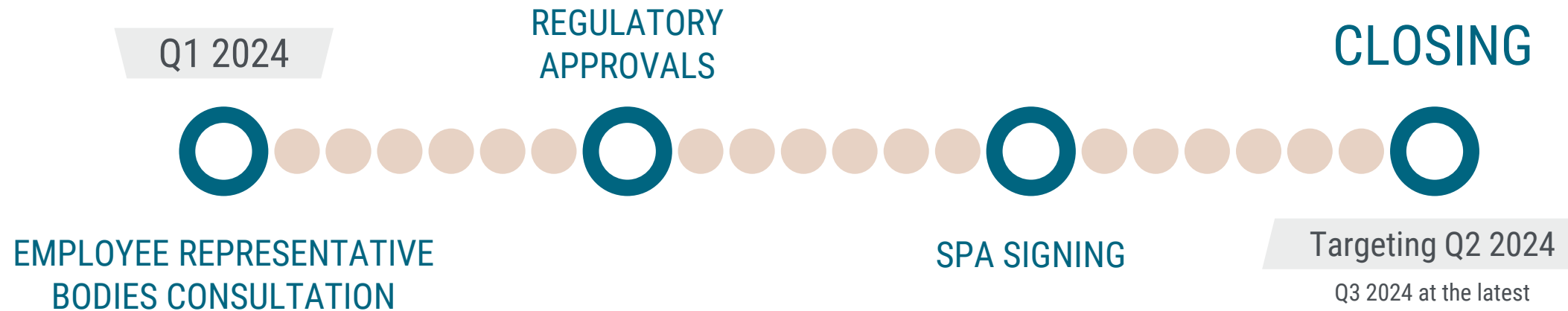
- €130m capital increase with preferential subscription rights¹
- €200m new debt facilities for the balance

SOPRA GMT BECOMING AXW REFERENCE SHAREHOLDER

- GMT would acquire a block of 3.6m AXW shares from SSG, representing 16.7% of AXW's capital, as well as all of SSG's residual preferential subscription rights
- GMT would subscribe on an irreducible basis up to the amount of its rights and those previously acquired from SSG, representing in total ≈ **53% of the rights issue**
- GMT would secure the remainder of the rights issue by subscribing any shares that would remain unsubscribed at the end of the allocation process
- GMT welcoming One Equity Partners to help finance the deal

¹ The subscription price per new Axway share will be determined at the time of launch of the rights issue, according to standard market practice, and will include a customary discount to the Theoretical Ex-Rights Price (TERP). Taking into account the discount to TERP, the subscription price will be not higher than 26.5€.

Project timeline and considerations



OTHER CONSIDERATIONS

- Subject to satisfactory confirmatory due diligence and valuation reports from independent experts
- Subject to satisfaction of customary closing conditions including applicable regulatory approvals
- Upcoming rights issue to be launched ahead of closing

Q&A Session

Call +44 (0) 33 0551 0200

or use the chat to ask a question

Financial Calendar

Monday, March 25, 2024: Filing of the 2023 Universal Registration Document

Thursday, April 25, 2024, before market opening: Publication of Q1 2024 Revenue

Thursday, May 16, 2024, 2:30 pm (UTC+1): Annual Shareholders' Meeting

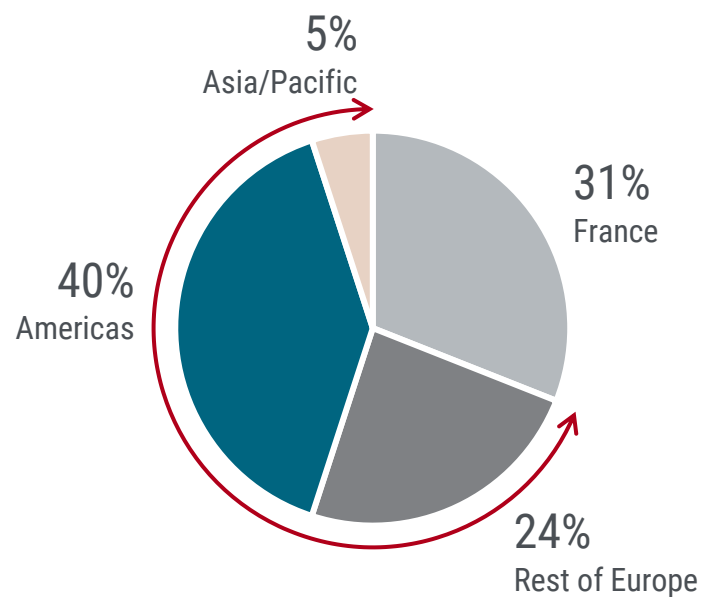
Tuesday, July 23, 2024, after market closing: Publication of H1 2023 Results

Thank you

Appendices

2023 Full-Year Results

REVENUE BY GEOGRAPHY



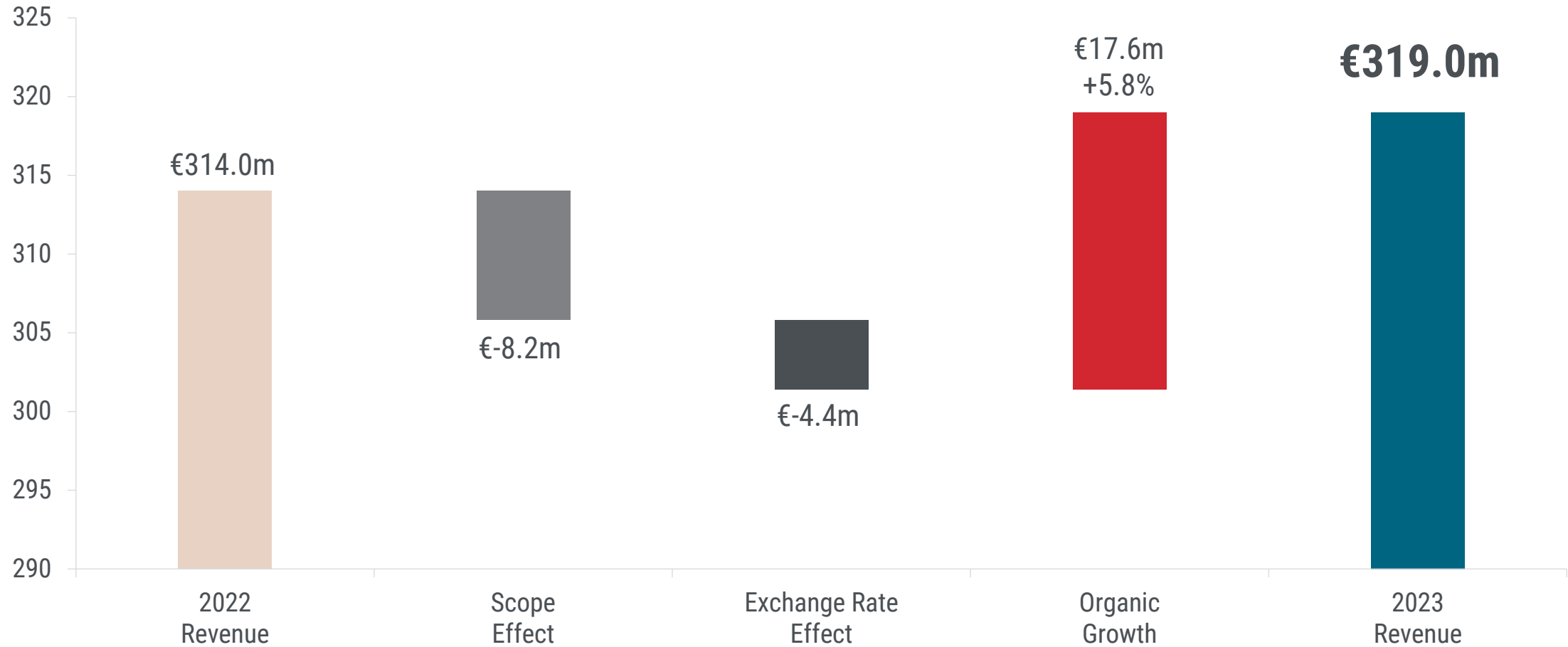
69% International revenue
vs. 71% in 2022

[€m]	2023	2022 Restated*	2022 Reported	Total Growth	Organic Growth*
France	99.9	90.9	91.6	+9.0%	+9.9%
Rest of Europe	76.1	67.8	68.4	+11.2%	+12.1%
Americas	126.4	123.1	133.3	-5.1%	+2.7%
Asia/Pacific	16.6	19.6	20.8	-20.0%	-15.3%
Axway	319.0	301.4	314.0	+1.6%	+5.8%

* Alternative performance measures are defined in the glossary at the end of this document

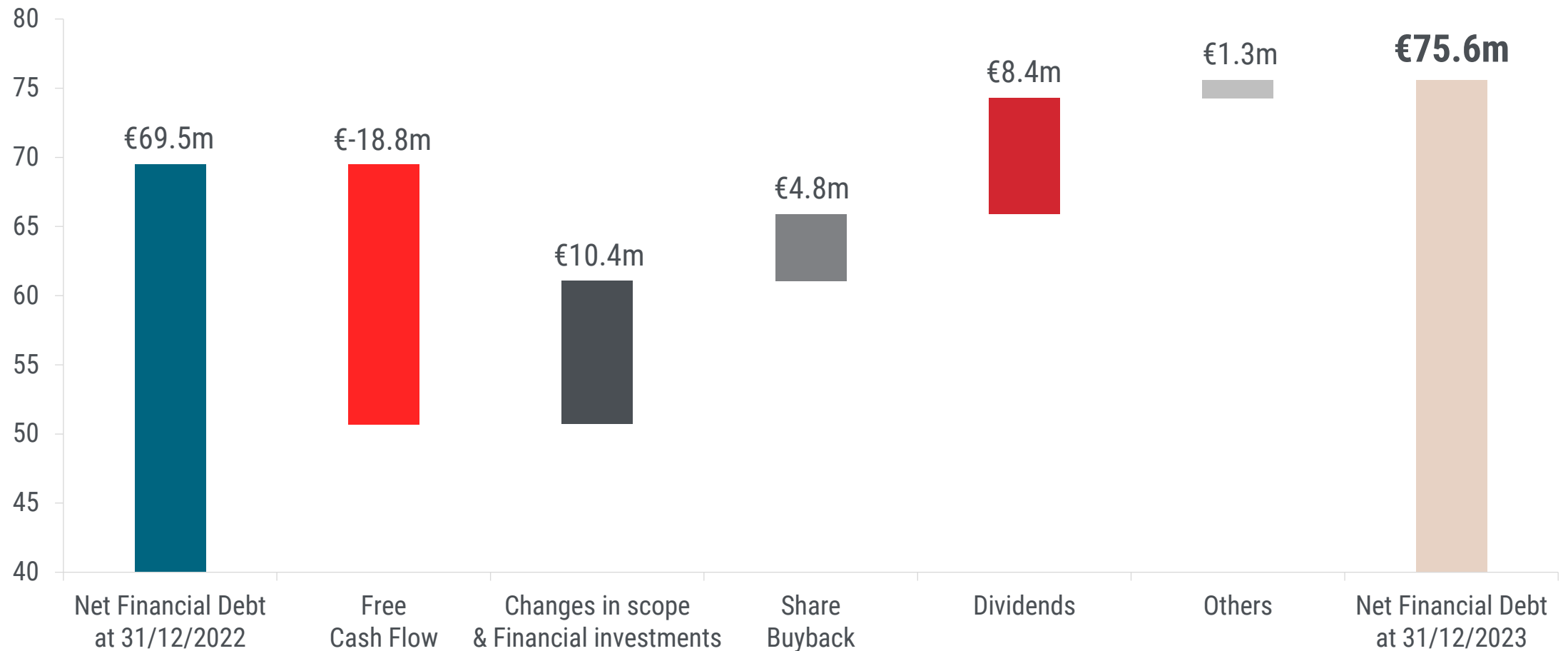
2023 Full-Year Results

Change in Revenue



2023 Full-Year Results

Change in Net Debt



2023 Full-Year Results

SIMPLIFIED BALANCE SHEET

- Cash and cash equivalents of €16.7m
- DSO of 182 days vs. 155 at 31/12/2022
- €75.6m Net debt
- Current deferred revenues of €49.1m

<i>In millions of euros</i>	31/12/2023	31/12/2022
Assets		
Goodwill	302.1	297.8
Non-current assets	367.6	374.0
Trade receivables	178.0	148.1
Other current assets	32.3	30.6
Cash and cash equivalents	16.7	18.3
Current assets	227.0	197.1
Total Assets	594.6	571.1
Equity and Liabilities		
Equity	346.3	327.8
Financial debt - long-term portion	88.0	84.6
Lease liabilities - long-term portion	19.7	23.5
Other non-current liabilities	16.5	11.7
Non-current liabilities	124.2	119.8
Financial debt - short-term portion	4.3	3.2
Lease liabilities - short-term portion	4.0	5.8
Deferred revenues	49.1	55.6
Other current liabilities	66.7	58.9
Current liabilities	124.1	123.5
Total Liabilities	248.3	243.3
Total Equity and Liabilities	594.6	571.1

2023 Full-Year Results

CHANGES IN EQUITY & EARNINGS PER SHARE AT 31/12/2022

In millions of euros

	31/12/2023	31/12/2022	31/12/2021
Equity at Beginning of Period	327.8	372.2	355.5
Profit for the period	35.8	-40.0	9.6
Dividends	-8.4	-8.5	-8.6
Capital increase	0.0	0.0	2.1
Other	-1.9	-10.3	-5.0
Foreign exchange translation adjustments	-7.1	14.4	18.6
Equity at End of Period	346.3	327.8	372.2

In €

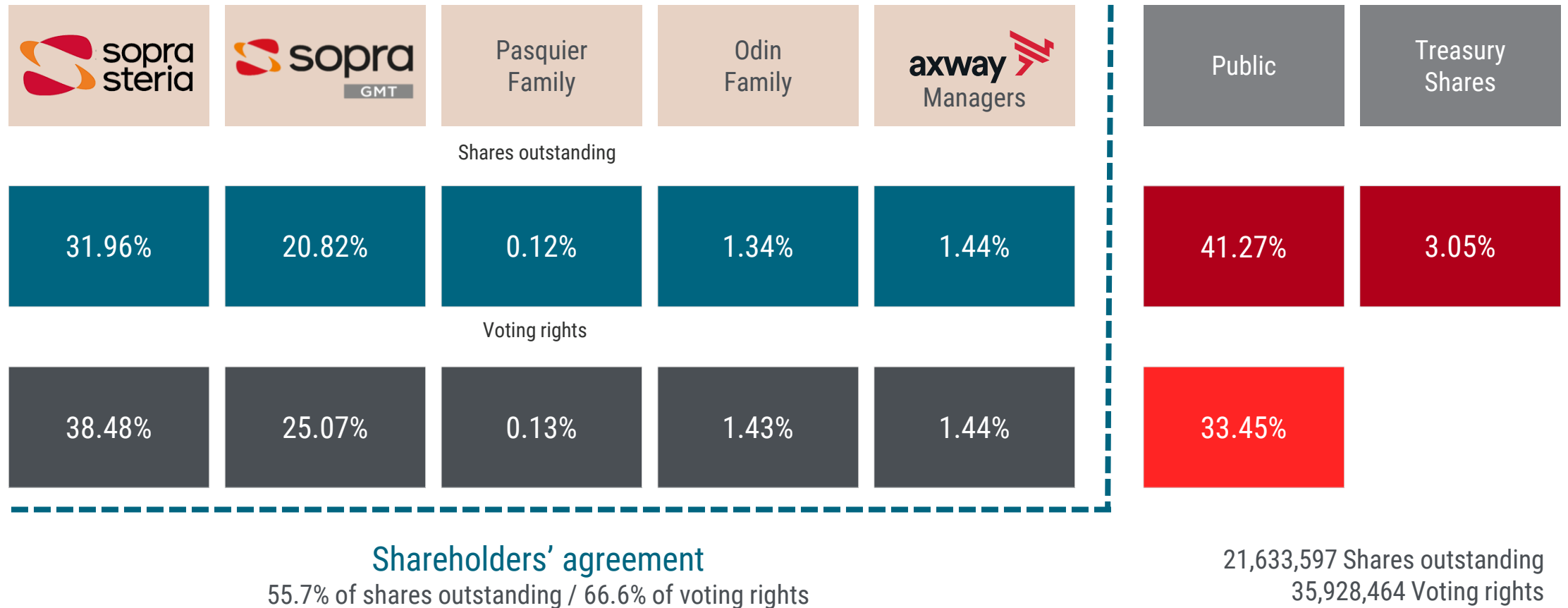
	31/12/2023	31/12/2022
Net profit for the period (in €m)	35.8	-40.0
Weighted average number of shares excluding treasury shares	21,0 M	21,63M
Basic earnings per share	1.71	-1.85
Theoretical potential weighted average number of shares	21,6 M	22,2M
Diluted earnings per share	1.66	-1.85

2023 Full-Year Results

HEADCOUNT

	31/12/2023	31/12/2022
France	432	437
Rest of Europe	612	636
Americas	357	378
Asia/Pacific	64	74
Axway	1 465	1 525

Shareholding structure at 31/12/2023



Alternative performance measures

ACV: *Annual Contract Value* – Annual contract value of a subscription agreement.

ARR: *Annual Recurrent Revenue* – Expected annual billing amounts from all active maintenance and subscription agreements.

Employee Engagement Score: Measurement of employee engagement through an independent annual survey.

Growth at constant exchange rates: Growth in revenue between the period under review and the prior period restated for exchange rate impacts.

NPS: *Net Promoter Score* – Customer satisfaction and recommendation indicator for a company.

Organic growth: Growth in revenue between the period under review and the prior period, restated for consolidation scope and exchange rate impacts.

Profit on operating activities: Profit from recurring operations adjusted for the non-cash share-based payment expense, as well as the amortization of allocated intangible assets.

Restated revenue: Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.

TCV: *Total Contract Value* – Full contracted value of a subscription agreement over the contract term.