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**Press release**

## Axway Software: Half-Year Performance In Line With Annual Targets

- First-half revenue of €148.7m, up 1.9% organically and 2.2% in total
- Annual Recurring Revenue (ARR) at €229.9m, up 7.2% compared with end-June 2023
- Profit on operating activities consistent with expectations at 11.5%, in line with first-half 2023
- Sopra Banking Software acquisition project well on track to complete fully in Q3 2024

Paris, July 19, 2024 - Axway Software's Board of Directors, chaired by Pierre Pasquier, approved on July 18, the financial statements for the first half of 2024, which were subject to a limited review by the statutory auditors<sup>1</sup>. As a consequence, Axway's management announces:

**Axway Software: 2024 Half-year results**

Key income statement items*	Half-year 2024		Half-year 2023	
	(€m)	(% Rev)	(€m)	(% Rev)
<b>Revenue</b>	<b>148.7</b>		<b>145.5</b>	
Organic growth	+ 1.9%			
Growth at constant exchange rates	+ 2.2%			
Total growth	+ 2.2%			
<b>Profit on Operating Activities</b>	<b>17.1</b>	<b>11.5%</b>	<b>17.8</b>	<b>12.2%</b>
Profit from Recurring Operations	12.5	8.4%	14.7	10.1%
Operating Profit	8.3	5.6%	11.2	7.7%
<b>Net Profit attributable to the Group</b>	<b>2.8</b>	<b>1.9%</b>	<b>3.7</b>	<b>2.5%</b>
Basic earnings per share (in €)	0.13		0.17	

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

**Patrick Donovan, Chief Executive Officer, declared:**

" In the first half of 2024, we maintained a measured pace, achieving 1.9% organic growth, aligned with our guidance range, while diligently managing expenses to maintain a healthy 11.5% margin on operating activities, consistent with our full-year ambitions. Unlike the exceptional start in 2023, H1 2024 has reflected a more balanced outlook. Higher-than-expected bookings on Axway Managed offerings, which will drive future subscription revenue but had minimal impact in the first half, hindered our ability to sustain a stronger growth momentum. Axway Managed offerings represented over 42% of our bookings in the first 6 months of the year, indicating a trend likely to persist. As Axway advances towards its annual objectives, we are steadfast in our commitment and eager to complete the acquisition of Sopra Banking Software during the third quarter."

<sup>1</sup> The interim consolidated financial statements were subject to limited review procedures.

## Comments on business activity in the first half of 2024

In the first half of 2024, Axway's performance aligned with its annual objectives. After experiencing a robust Q1, the company saw a deceleration in growth during Q2 due to delays in finalizing some key contracts. The Americas region maintained steady mid-digit growth throughout the entire first half, and the Asia-Pacific region continued to progress. France and Europe, which had shown significant growth over the past two years, faced a downturn in Q2 due to a high comparison basis. Nevertheless, Axway continued to successfully attract new customers, which accounted for 25% of bookings during the period.

Several highlights marked Axway's recent news. In February, the company announced its project to acquire Sopra Banking Software, an acquisition that will more than double Axway's revenue and strengthen the company's position in the financial services and banking industries, while diversifying its product portfolio, geographical coverage, and customer base. Simultaneously, the company continued its efforts to further enhance the relevance of its offerings and customer satisfaction. To this end, Axway Summits in North America, Brazil and Europe, held between April and June, were a great success, attracting several hundred customers, eager to discover Axway's vision and new capabilities.

On the product side, Axway's Amplify API Management platform's robustness continued to support customer transaction growth, leading to strong performance for the product line in H1 2024. This highlights the platform's crucial role in enhancing customer success and satisfaction, especially for those with the most advanced systems. The MFT offering was also in high demand over the half-year, buoyed by the success of Axway's Managed offerings, which provide customers with high-end, reliable and secure cloud services, designed to meet all their expectations and challenges.

Finally, Axway was positioned as a Leader in The Forrester Wave™: API Management Software<sup>2</sup> by Forrester Research. This new recognition testifies to the company's relentless efforts in delivering innovative solutions that drive digital transformation and business growth for its customers. The API Management, B2B Integration and MFT offerings, were also each named leaders in their respective categories of the Summer 2024 reports of the G2<sup>3</sup> evaluation platform for enterprise solutions.

## Comments on operational performance in the first half of 2024

In H1 2024, Axway's revenue totaled €148.7m, up 1.9% organically and 2.2% in total. Within the H1 2023 restated figures, currency fluctuations had non-significant impact, while changes in the consolidation scope resulting from the 2023 acquisitions, had a positive impact of €0.4m. Profit on operating activities amounted to €17.1m for the period, or 11.5% of revenue.

### Axway Software: Revenue by business line

Half-year 2024 (€m)	H1 2024	H1 2023 Restated*	H1 2023 Reported	Total Growth	Organic Growth
Subscription	93.2	79.0	78.7	18.5%	18.0%
<i>of which Axway Managed</i>	25.9	22.6	22.3	16.5%	14.8%
<i>of which Customer Managed</i>	67.3	56.4	56.4	19.3%	19.3%
Maintenance	34.6	44.6	44.6	-22.3%	-22.3%
<b>Subtotal - Renewable Contracts</b>	<b>127.9</b>	<b>123.6</b>	<b>123.3</b>	<b>3.7%</b>	<b>3.4%</b>
License	2.6	3.0	3.0	-12.2%	-12.1%
Services	18.2	19.3	19.2	-5.4%	-5.7%
<b>Axway Software</b>	<b>148.7</b>	<b>145.9</b>	<b>145.5</b>	<b>2.2%</b>	<b>1.9%</b>

\* Revenue at 2024 scope and exchange rates

The **Subscription** activity continued to perform strongly in H1 2024, achieving organic growth of 18.0% to €93.2m in revenue. Axway Managed offerings revenue saw organic growth of 14.8%, supported by the full impact of deals signed in 2023 in addition to those concluded in H1 2024, while Customer Managed offerings revenue soared by 19.3%. Upfront revenue from Customer Managed contracts signed in the first 6 months of the year represented €39.4m. Axway continued to win new business, as illustrated by the annual value of new subscription contracts (ACV) signed in H1 2024, which totaled €15.9m. Axway Managed offerings once again attracted a growing number of customers, accounting for 42% of total bookings in H1 2024, which will boost future revenue for the activity. This trend is expected to continue for the foreseeable future.

In H1 2024, **Maintenance** generated €34.6m in revenue, making up 23% of Axway's overall revenue. The activity experienced an organic decline of 22.3%, due to the continued shift of customers to subscription models, yet maintained a high renewal rate of around 91%.

At the end of June 2024, Axway's Annual Recurring Revenue (ARR) reached €229.9m, up 7.2% on a like-for-like basis, compared to €214.5m at the end of June 2023. In H1 2024, revenue from renewable contracts represented 86% of total revenue.

**License** revenue for the first half amounted to €2.6m, reflecting a 12.1% organic decline. Q2 revenue showed a strong recovery with a 44.3% increase compared to the previous year, partially offsetting Q1's sharp decline. Axway expects the full-year activity revenue to remain consistent with last year's figures, contributing 2 to 4% of the company's total revenue.

<sup>2</sup> The Forrester Wave™: API Management Software, Q3 2024, Forrester Research, Inc., July 1, 2024. To learn more [click here](#).

<sup>3</sup> To learn more about Axway's G2 evaluations [click here](#).

The **Services** activity, representing approximately 12% of Axway's total revenue, experienced a slight organic decrease in H1 2024, with revenue of €18.2m, marking a 5.7% drop from the same period last year. Full-year revenue is expected to be slightly down on the previous year, due to the higher than expected proportion of Axway Managed contracts signed in H1.

#### Axway Software: Revenue by geographic area

Half-year 2024 (€m)	H1 2024	H1 2023 Restated*	H1 2023 Reported	Total Growth	Organic Growth
France	41.7	45.6	45.5	-8.3%	-8.4%
Rest of Europe	38.6	36.1	35.6	8.4%	7.0%
Americas	60.2	57.2	57.2	5.2%	5.2%
Asia/Pacific	8.1	7.0	7.1	14.4%	16.0%
<b>Axway Software</b>	<b>148.7</b>	<b>145.9</b>	<b>145.5</b>	<b>2.2%</b>	<b>1.9%</b>

\* Revenue at 2024 scope and exchange rates

**France** posted first-half revenue of €41.7m in H1 2024, representing an expected organic decline of 8.4%. This contraction is attributable to the high comparison basis resulting from the previous year's strong performance, which made growth difficult, notably due to significant upfront revenues recorded last year when major subscription migration projects were signed.

Across the **Rest of Europe**, Axway maintained a robust growth trajectory, reporting revenue of €38.6m in H1 2024, with an organic growth rate of 7.0%. This positive trend was driven by good performances in key markets such as Germany and Southern Europe, leveraging the Amplify API Management and MTF offerings. Axway's strategic commitment to enhancing customer value and expanding its market reach played a pivotal role across the region.

Axway continued its upward trajectory in the **Americas** (USA and Latin America), reporting €60.2m in revenue over H1 2024, reflecting a strong 5.2% organic growth rate. Thanks to a solid reputation for security, Axway has seen several new customers choose its MFT and APIM offerings to replace competing solutions. The region remains a cornerstone of Axway's global strategy, accounting for 40% of its overall revenue in the first half.

Axway achieved promising results in **Asia/Pacific** with revenue totaling €8.1m in H1 2024, reflecting a very solid organic growth rate of 16.0%, driven by the ramp-up of major deals contracted in 2023.

#### Comments on net profit for the first half of 2024

Profit from recurring operations was €12.5m in H1 2024, or 8.4% of revenue, compared to 10.1% (€14.7m) in H1 2023. It includes amortization of allocated intangible assets of €1.7m and a share-based payment expense of €2.9m.

Operating profit for the half-year was €8.3m, or 5.6% of revenue, compared to €11.2m or 7.7% of revenue in H1 2023.

Net profit for the period was €2.8m, representing 1.9% compared to 2.5% in H1 2023.

Basic earnings per share were €0.13 for the period, down from €0.17 in H1 2023.

#### Financial position at June 30, 2024

At June 30, 2024, Axway's financial position was solid, with cash of €16.9m and bank debt of €87.7m.

Free cash flow was €6.7m in H1 2024, compared to €16.5m a year earlier. Due to the timing of some collections and payments that will recover in H2, Axway expects that 2024 full-year free cash flows will improve compared to the 2023 level.

Shareholders' equity stood at €355.9m at June 30, 2024, compared to €314.6m at the end of June 2023.

#### Update on Sopra Banking Software acquisition project

On July 10, 2024, Axway announced that all regulatory conditions precedent to the completion of the acquisition were satisfied, with the exception of the AMF's approval of the prospectus to be submitted by Axway in connection with the contemplated rights issue to help finance the transaction.

Axway's intention is to launch the rights issue before the end of July 2024. The indicative timetable for the rights issue will be set out in the operation prospectus, which is expected to be approved by the AMF in the next few days. The rights issue constitutes the final step in the project to acquire Sopra Banking Software, which is expected to be finalized in Q3 2024.

#### Change in the workforce

At June 30, 2024, Axway had 1,471 employees compared to 1,465 at December 31, 2023.

## 2024 Targets

For 2024, Axway confirms that it expects organic growth of between 1% and 3% and a profit on operating activity of around 20% of revenue. These confirmed targets apply to Axway's current structure. Guidance including Sopra Banking Software will be disclosed to the market at the time of the launch of the rights issue.

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## Today, Friday, July 19, 2024, 8.30 a.m. (UTC+2): 2024 Half-Year Results Virtual Analyst Conference

→ Virtual Conference Registration: [Click here](#) - Please note that the meeting will be held in English.

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## Financial calendar

Thursday, October 24, 2024, before market opening: Publication of Q3 2024 Revenue.

## Glossary & Alternative performance measures

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

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

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

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.

## Disclaimer

This press release contains forward-looking statements that may be subject to various risks and uncertainties concerning Axway's growth and profitability, notably in the event of future acquisitions. Axway highlights that signature of contracts, which represent investments for customers, are more significant in the second half of the year and may therefore have a more or less favorable impact on full-year performance. In addition, Axway notes that potential acquisition(s) could also impact this financial data. 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. The distribution of this document in certain countries may be subject to prevailing laws and regulations. Natural persons present in these countries and in which this document is disseminated, published, or distributed, should obtain information about such restrictions, and comply with them.

## About Axway

Axway enables enterprises to securely open everything by integrating and moving data across a complex world of new and old technologies. Axway's API-driven B2B integration and MFT software, refined over 20 years, complements Axway Amplify, an open API management platform that makes APIs easier to discover and reuse across multiple teams, vendors, and cloud environments. Axway has helped over 11,000 businesses unlock the full value of their existing digital ecosystems to create brilliant experiences, innovate new services, and reach new markets. Learn more at [axway.com](https://axway.com)

**Appendices (1/4)**
**Axway Software: Revenue by business line**

1 <sup>st</sup> Quarter 2024 (€m)	Q1 2024	Q1 2023 Restated*	Q1 2023 Reported	Total Growth	Organic Growth
License	1.4	2.1	2.1	-36.3%	-35.8%
Subscription	49.4	37.9	37.8	30.9%	30.3%
Maintenance	17.1	22.3	22.5	-23.8%	-23.4%
Services	9.0	9.5	9.5	-5.2%	-5.5%
<b>Axway Software</b>	<b>76.9</b>	<b>71.9</b>	<b>71.8</b>	<b>7.1%</b>	<b>6.9%</b>

2 <sup>nd</sup> Quarter 2024 (€m)	Q2 2024	Q2 2023 Restated*	Q2 2023 Reported	Total Growth	Organic Growth
License	1.3	0.9	0.9	47.0%	44.3%
Subscription	43.8	41.1	40.9	7.1%	6.6%
Maintenance	17.5	22.3	22.1	-20.9%	-21.3%
Services	9.1	9.7	9.7	-5.6%	-5.9%
<b>Axway Software</b>	<b>71.7</b>	<b>73.9</b>	<b>73.6</b>	<b>-2.5%</b>	<b>-3.0%</b>

\* Revenue at 2024 scope and exchange rates

**Axway Software: Revenue by geographic area**

1 <sup>st</sup> Quarter 2024 (€m)	Q1 2024	Q1 2023 Restated*	Q1 2023 Reported	Total Growth	Organic Growth
France	23.9	24.8	24.7	-3.2%	-3.5%
Rest of Europe	17.4	13.8	13.5	29.5%	25.9%
Americas	32.1	30.6	30.9	4.2%	5.2%
Asia/Pacific	3.4	2.7	2.8	21.5%	25.1%
<b>Axway Software</b>	<b>76.9</b>	<b>71.9</b>	<b>71.8</b>	<b>7.1%</b>	<b>6.9%</b>

2 <sup>nd</sup> Quarter 2024 (€m)	Q2 2024	Q2 2023 Restated*	Q2 2023 Reported	Total Growth	Organic Growth
France	17.8	20.8	20.8	-14.4%	-14.4%
Rest of Europe	21.2	22.2	22.2	-4.4%	-4.7%
Americas	28.1	26.7	26.4	6.3%	5.3%
Asia/Pacific	4.7	4.3	4.3	9.8%	10.2%
<b>Axway Software</b>	<b>71.7</b>	<b>73.9</b>	<b>73.6</b>	<b>-2.5%</b>	<b>-3.0%</b>

\* Revenue at 2024 scope and exchange rates

**Appendices (2/4)**
**Axway Software : Consolidated Income Statement**

Half-year 2024	H1 2024		H1 2023		Full-year 2023	
	€m	% Rev.	€m	% Rev.	€m	% Rev.
<b>Revenue</b>	<b>148.7</b>		<b>145.5</b>		<b>319.0</b>	
<i>of which License</i>	2.6		3.0		8.8	
<i>of which Subscription</i>	93.2		78.7		186.6	
<i>of which Maintenance</i>	34.6		44.6		87.0	
<b>Sub-total Products</b>	<b>130.5</b>		<b>126.3</b>		<b>282.4</b>	
Services	18.2		19.2		36.5	
<b>Cost of sales</b>	<b>43.9</b>		<b>42.9</b>		<b>87.2</b>	
<i>of which License and Maintenance</i>	6.3		6.4		24.1	
<i>of which Subscription</i>	19.4		18.6		28.2	
<i>of which Services</i>	18.1		17.9		34.9	
<b>Gross profit</b>	<b>104.7</b>	<b>70.5%</b>	<b>102.6</b>	<b>70.5%</b>	<b>231.7</b>	<b>72.7%</b>
<b>Operating expenses</b>	<b>87.6</b>		<b>84.8</b>		<b>168.9</b>	
<i>of which Sales and marketing</i>	41.8		42.1		81.6	
<i>of which Research and development</i>	31.2		29.4		60.1	
<i>of which General and administrative</i>	14.6		13.3		27.2	
<b>Profit on operating activities</b>	<b>17.1</b>	<b>11.5%</b>	<b>17.8</b>	<b>12.2%</b>	<b>62.8</b>	<b>19.7%</b>
Stock option expense	-2.9		-1.4		-4.2	
Amortization of intangible assets	-1.7		-1.7		-3.2	
<b>Profit from recurring operations</b>	<b>12.5</b>	<b>8.4%</b>	<b>14.7</b>	<b>10.1%</b>	<b>55.4</b>	<b>17.4%</b>
Other income and expenses	-4.1		-3.5		-7.9	
<b>Operating profit</b>	<b>8.3</b>	<b>5.6%</b>	<b>11.2</b>	<b>7.7%</b>	<b>47.6</b>	<b>14.9%</b>
Cost of net financial debt	-2.7		-2.1		-4.6	
Other financial revenues and expenses	-0.9		0.4		-0.2	
Income taxes	-2.0		-5.9		-7.0	
<b>Net profit</b>	<b>2.8</b>	<b>1.9%</b>	<b>3.7</b>	<b>2.5%</b>	<b>35.8</b>	<b>11.2%</b>
Basic earnings per share (in €)	0.13		0.17		1.71	

**Appendices (3/4)**
**Axway Software: Simplified Balance Sheet**

Half-year 2024	30/06/2024 (€m)	30/06/2023 (€m)	31/12/2023 (€m)
<b>Assets</b>			
Goodwill	302.7	299.3	302.1
Intangible assets	9.4	6.9	5.1
Property, plant and equipment	10.2	10.4	9.3
Lease right-of-use assets	15.5	12.9	17.8
Other non-current assets	31.2	32.6	33.2
<b>Non-current assets</b>	<b>369.1</b>	<b>362.1</b>	<b>367.6</b>
Trade receivables	166.3	135.2	178.0
Other current assets	38.8	34.0	32.3
Cash and cash equivalents	16.9	14.2	16.7
<b>Current assets</b>	<b>222.0</b>	<b>183.4</b>	<b>227.0</b>
<b>Total Assets</b>	<b>591.1</b>	<b>545.4</b>	<b>594.6</b>
<b>Equity and Liabilities</b>			
Share capital	43.3	43.3	43.3
Reserves and net profit	312.6	271.4	303.0
<b>Total Equity</b>	<b>355.9</b>	<b>314.6</b>	<b>346.3</b>
Financial debt - long-term portion	83.3	83.8	88.0
Lease liabilities - long-term portion	18.9	13.2	19.7
Other non-current liabilities	16.3	14.1	16.5
<b>Non-current liabilities</b>	<b>118.6</b>	<b>111.2</b>	<b>124.2</b>
Financial debt - short-term portion	4.4	3.7	4.3
Lease liabilities - short-term portion	2.5	6.1	4.0
Deferred Revenues	60.1	66.5	49.1
Other current liabilities	49.7	43.3	66.7
<b>Current liabilities</b>	<b>116.7</b>	<b>119.7</b>	<b>124.1</b>
<b>Total Liabilities</b>	<b>235.3</b>	<b>230.8</b>	<b>248.3</b>
<b>Total Equity and Liabilities</b>	<b>591.1</b>	<b>545.4</b>	<b>594.6</b>

**Appendices (4/4)**
**Axway Software: Cash Flow Statement**

Half-year 2024	H1 2024 (€m)	H1 2023 (€m)	Full-year 2023 (€m)
<b>Net profit for the period</b>	<b>2.8</b>	<b>3.7</b>	<b>35.8</b>
Net charges to amortization, depreciation and provisions	3.3	9.4	19.3
Other income and expense items	4.1	-1.0	1.4
<b>Cash from operations after cost of net debt and tax</b>	<b>10.1</b>	<b>12.2</b>	<b>56.6</b>
Change in operating working capital requirements (incl. employee benefits liability)	2.6	4.5	-32.9
Cost of net financial debt	2.7	2.1	4.6
Income tax paid net of accrual	-0.3	4.4	3.9
<b>Net cash from operating activities</b>	<b>15.0</b>	<b>23.1</b>	<b>32.1</b>
<b>Net cash used in investing activities</b>	<b>-2.7</b>	<b>-8.6</b>	<b>-12.6</b>
Proceeds from the exercise of stock options	0.0	-	-
Purchases and proceeds from disposal of treasury shares	-2.2	-4.4	-4.8
Dividends paid	0.0	-8.4	-8.4
Change in loans	-5.1	-0.4	3.4
Change in lease liabilities	-3.2	-3.5	-7.2
Net interest paid	-2.2	-1.6	-3.7
Other flows	0.1	-0.3	-0.4
<b>Net cash from (used in) financing activities</b>	<b>-12.6</b>	<b>-18.6</b>	<b>-21.1</b>
Effect of foreign exchange rate changes	0.1	-0.1	-0.2
<b>Net change in cash and cash equivalents</b>	<b>-0.2</b>	<b>-4.2</b>	<b>-1.8</b>
Opening cash position	16.5	18.3	18.3
<b>Closing cash position</b>	<b>16.3</b>	<b>14.2</b>	<b>16.5</b>

**Axway Software: Impact on revenue of changes in scope and exchange rates**

Half-year 2024 (€m)	H1 2024	H1 2023	Growth
<b>Revenue</b>	<b>148.7</b>	<b>145.5</b>	<b>+ 2.2%</b>
Changes in exchange rates		+0.0	
<b>Revenue at constant exchange rates</b>	<b>148.7</b>	<b>145.5</b>	<b>+ 2.2%</b>
Changes in scope		+0.4	
<b>Revenue at constant scope and exchange rates</b>	<b>148.7</b>	<b>145.9</b>	<b>+ 1.9%</b>

**Axway Software: Changes in exchange rates**

Half-year 2024 For 1€	Average rate H1 2024	Average rate H1 2023	Change
US Dollar	1.081	1.081	- 0.1%