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Press release
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Axway Software: Solid start to the year in Q1 2024

- Organic revenue growth¹ of 6.9% over Q1 2024, reaching €76.9m revenue
- Annual Recurring Revenue (ARR) at €227.8m, up 8.4% compared with end-March 2023
- Buoyant Subscription activity with organic growth of over 30% for the quarter
- Sopra Banking Software acquisition project well on track

Axway (Euronext: AXW.PA) made a solid start to 2024 thanks to sustained sales activity, driven in particular by the Americas and Rest of Europe regions, which recorded important revenue growth. As large companies continue to accelerate their move to cloud infrastructures, Axway is benefiting from its optimized organization by regions and main products to accelerate new customer acquisition. Over the period, thanks to 3 large deals, the value of new customer bookings more than doubled compared with 2023. This trend was accompanied by quarterly organic revenue growth of 6.9%, underpinned by the go-live of contracts signed in the second half of 2023.

In terms of the main product lines, several major developments took place since the beginning of the year:

- In the MFT and B2B markets, Axway is capitalizing on its historical expertise and strong leading positions to fuel new customers signings. In addition to the security and reliability of products, decision-makers are looking to Axway's Managed Cloud infrastructures to help them get up and running quickly. Both product lines, which have very large installed bases worldwide, are also seeing major customers accelerate their migration to the cloud, with strong demands for containerization of their applications.
- The Amplify API Management offering got off to a successful sales start in 2024, supported by growth in key customer usage and the gain of several new logos. Signings and pipeline were particularly boosted by the new Amplify Marketplace offering success, which addresses the aggregation, security and consumption management of all APIs for the largest enterprises.
- The Axway Financial Accounting Hub (AFAH) offering, recently reinforced with new functionalities from the acquisition of Cycom Finances, has been boosted by strategic partnerships, including the one signed with KPMG France at the end of 2023, which are beginning to bear fruit and feed business pipeline growth. Axway's value proposition of offering consistency, agility and auditability to the company's main financial departments through a single hub is very positively perceived, making Axway a preferred partner for customers rationalizing their existing configurations or implementing new projects accelerated by the involvement of business teams.

Patrick Donovan, Axway's Chief Executive Officer, said:

"I am delighted to see that the Axway team has launched 2024 on a promising note, building upon the momentum of our recent years' achievements. As we progress, it is imperative for Axway to maintain unwavering focus on delivering value and results to its customers. To do so, we'll need the energy and enthusiasm I've seen in all the events that have kicked off our year. This was once again the case a few days ago when I attended our annual North American Summit, which was a great success thanks to the strong engagement of each participating Customers, Partners and Collaborators. As Axway enters a new chapter, building a reference player in the world of enterprise software solutions through renowned products and brands, offering crucial business benefits to our customers will remain our steadfast commitment. This is the cornerstone of our day-to-day activities, and we look forward to welcoming Sopra Banking Software teams to share this mission. The consistency of this strategic approach is reflected in the strength of our portfolio of market-leading products. Exciting times lie ahead as we steer Axway towards the next stage of its development, and we'll be sure to keep everyone informed of our ongoing progress."

¹ See Glossary and Alternative Performance Measures

Comments on Q1 2024 activity

Axway Software: Consolidated revenue

1 st Quarter 2024 (€m)	Q1 2024	Q1 2023 Restated*	Q1 2023 Reported	Total Growth	Organic Growth
Revenue	76.9	71.9	71.8	7.1%	6.9%

* Revenue at 2024 scope and exchange rates

Axway's revenue amounted to €76.9m in Q1 2024, representing organic growth of 6.9% and total growth of 7.1%. Within the Q1 2023 restated figures, currency fluctuations had a negative impact of €0.3m due to the slight depreciation of the US dollar against the euro while changes in the consolidation scope, resulting from the 2023 acquisitions, had a positive impact of €0.4m.

Axway Software: Revenue by business line

1 st Quarter 2024 (€m)	Q1 2024	Q1 2023 Restated*	Q1 2023 Reported	Total Growth	Organic Growth
Subscription	49.4	37.9	37.8	30.9%	30.3%
of which Axway Managed	12.4	11.0	10.7	15.3%	12.5%
of which Customer Managed	37.0	26.9	27.0	37.1%	37.6%
Maintenance	17.1	22.3	22.5	-23.8%	-23.4%
Subtotal - Renewable Contracts	66.5	60.3	60.2	10.5%	10.4%
License	1.4	2.1	2.1	-36.3%	-35.8%
Services	9.0	9.5	9.5	-5.2%	-5.5%
Axway Software	76.9	71.9	71.8	7.1%	6.9%

* Revenue at 2024 scope and exchange rates

The **Subscription** activity posted quarterly revenue of €49.4m, with strong organic growth of 30.3%. Revenue was boosted by the signing or renewal of several major Customer Managed deals, giving rise to immediate recognition of around half their total value. Upfront revenue from new or renewed Customer Managed contracts represented €24.7m in Q1 2024. At the same time, Axway Managed offerings continued to gain ground, accounting for 45% of new contracts signed during the period, with booking growth of almost 65%. The annual value of new subscription contracts signed (ACV) during the quarter reached €7.8m.

Maintenance generated €17.1m in revenue during Q1 2024, representing 22% of Axway's total revenue. The activity experienced an organic decline of 23.4%. With a high renewal rate of around 91% over the quarter, the decline in revenue, in line with forecasts, was due to the continuous migration of customers to subscription-based contracts.

At the end of March 2024, Axway's ARR (Annual Recurring Revenue) stood at €227.8m, increasing by 8.4% on a like-for-like basis compared with €210.2m at the end of March 2023. In Q1 2024, revenue from renewable contracts represented 86% of total revenue.

License revenue was €1.4m in the first 3 months of the year, representing less than 2% of Axway's total revenue. Activity was down 35.8% compared with Q1 2023.

Stabilized at around 12% of Axway's total revenue, the **Services** activity experienced a slight organic decline, with revenue of €9.0m (-5.5%) over the period. On a full-year basis, revenue should be stable compared with 2023.

Axway Software: Revenue by geographic area

1 st 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%
Axway Software	76.9	71.9	71.8	7.1%	6.9%

* Revenue at 2024 scope and exchange rates

In **France**, Axway reported first-quarter revenue of €23.9m, down 3.5% organically on the very high comparison basis achieved in early 2023. Despite the signing of large deals at the end of the quarter, the exceptional performance recorded in Q1 2023 prevented business from growing. Nevertheless, the strong pipeline enables Axway to anticipate full-year growth in the country.

In the **Rest of Europe**, Axway maintained its growth trajectory with revenue of €17.4m, up 25.9% on the previous year. Activity was supported by solid performances in Germany and Benelux, driven by MFT and B2B offerings.

In the **Americas** (USA and Latin America), revenue reached €32.1m in Q1 2024, or 42% of total revenue. With organic growth of 5.2% and total growth of 4.2%, Axway's business benefited from improved sales momentum across the continent. In both the United States and Brazil, Axway's MFT and Amplify (APIM) offerings met with great success, winning new customers.

In **Asia/Pacific**, revenue for the quarter came to €3.4m representing strong organic growth (25.1%), driven by earnings from Axway Managed contracts signed in 2023.

Update on Sopra Banking Software acquisition project

On February 21, 2024, Axway announced that it had entered into exclusive discussions with Sopra Steria regarding the acquisition of a significant part of the activities of Sopra Banking Software. Axway would acquire the concerned Sopra Banking Software activities for an enterprise value of around €330m by combining a capital increase of around €130m with preferential subscription rights², with new credit facilities.

At this stage, all steps described in the project announcement are in motion and well underway. Assuming parties involved secure the necessary approvals and clearances, and complete the different requirements, Axway reaffirms its objective of finalizing the acquisition of Sopra Banking Software by the end of Q2 2024, or at the latest during Q3 2024.

Financial position at March 31, 2024

At March 31, 2024, Axway had cash of €23.7m and net debt of €60.4m.

Axway's bank lines, in place through 2027, provide financing of up to €125.0m. Axway highlights that, if necessary, it has access to additional financing capacity under its existing revolving credit facility. However, in the context of the proposed acquisition of Sopra Banking Software, Axway's credit facility will be reviewed in the light of the debt mechanisms chosen to help finance the deal.

2024 Targets

For 2024, Axway anticipates organic growth of between 1% and 3%, and a profit on operating activity of around 20% of revenue.

² 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€.

Financial Calendar

Thursday, May 16, 2024, 2:30 p.m. (UTC+2): Annual Shareholders' Meeting

Tuesday, July 23, 2024, after market closing: Publication of 2024 Half-Year Results

Tuesday, July 23, 2024, 6:30 p.m. (UTC+2): 2024 Half-Year Results Virtual Analyst Conference

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

Glossary and 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.

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.

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 2023 Universal Registration Document filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*, AMF) on March 25, 2024. 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

Appendices (1/1)
Axway Software: Impact on revenue of changes in scope and exchange rates

1 st Quarter 2024 (€m)	Q1 2024	Q1 2023	Growth
Revenue	76.9	71.8	7.1%
Changes in exchange rates		-0.3	
Revenue at constant exchange rates	76.9	71.5	7.6%
Changes in scope		+0.4	
Revenue at constant scope and exchange rates	76.9	71.9	7.0%

Axway Software: Changes in exchange rates

1 st Quarter 2024 For 1€	Average rate Q1 2024	Average rate Q1 2023	Change
US Dollar	1.086	1.073	- 1.2%