

**The world is opening.**

Cross-pollenating new ideas, creating new possibilities across geographies, industries, and customers and partners. With every investment, old and new, opportunities for growth are blossoming. So what are you waiting for?

Axway will help turn what you already have into brilliant digital customer experiences. It's time to

# Open

Are you open?

# Everything



# Capital Markets Meeting

Agenda and opening remarks

Arthur Carli

# Agenda

Wednesday June 2, 2021 – 3:30 PM CET	Speakers
<b>Opening Remarks</b>	<b>Arthur CARLI</b> , Investor Relations
<b>Strategy &amp; Finance :</b> <ul style="list-style-type: none"><li>• 2021 – 2023 Vision and Strategy</li><li>• Financial Model &amp; Transformation</li></ul>	<b>Patrick DONOVAN</b> , CEO & <b>Roland ROYER</b> , CCO <b>Cécile ALLMACHER</b> , CFO & <b>Patrick DONOVAN</b> , CEO
<b>Q&amp;A Strategy &amp; Finance</b>	
Break	
<b>Technology Vision &amp; Go-To-Market :</b> <ul style="list-style-type: none"><li>• Product Portfolio Approach</li><li>• Strategic Vision</li><li>• Go-To-Market Approach</li></ul>	<b>Rahim BHATIA</b> , EVP Product Management <b>Vince PADUA</b> , CTIO <b>Paul FRENCH</b> , EVP Go-To-Market
<b>Q&amp;A Technology Vision &amp; Go-To-Market</b>	
<b>Closing</b>	<b>Patrick Donovan</b> , CEO

# 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 Group highlights that signatures of its contracts, which often represent investments for customers, are historically more significant in the second half of the year and may therefore have a more or less favorable 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 2020 Universal registration document filed with the French Financial Markets Authority (Autorité des Marchés Financiers, AMF) on March 18, 2021 under number D.21-0147.


The distribution of this document in certain countries may be subject to prevailing laws and regulations. Individuals 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

**Listed on Euronext Paris (AXW.PA)**

Registered in France

**Phoenix, AZ & Paris, France**

 Global headquarters

**€297.2M in revenue in 2020**

1st French horizontal software publisher

**1800+ Employees**

17 countries worldwide

**11,000 Customers**

100 countries worldwide

**Global API Management leader**

Open platform plus proven MFT, B2B/EDI integration, and vertical solutions



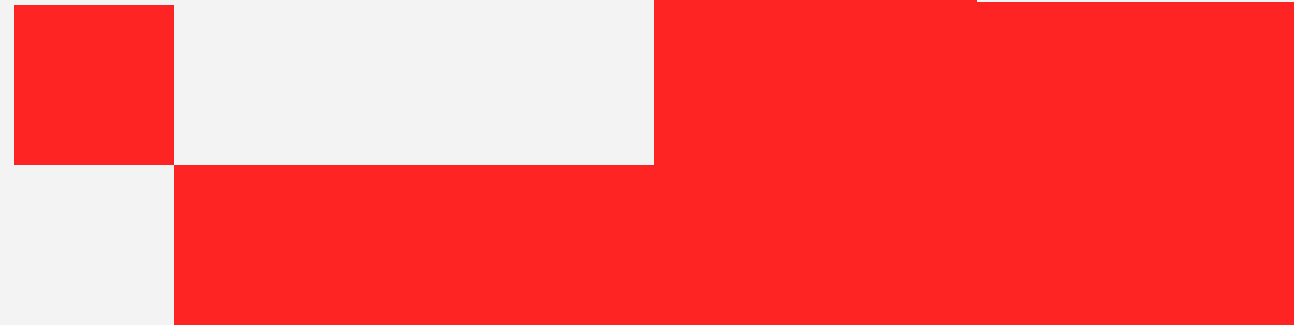
Euronext Paris – Compartment B  
Bloomberg : AXW:FR  
Reuters : AXW.PA  
Market Cap (30/04/21) : €645m

#### Main Indexes

- CAC MID&SMALL
- CAC TECHNOLOGY
- EN TECH CROISSANCE
- EN FAMILY BUSINESS

# Vision & Strategy

Patrick Donovan and Roland Royer



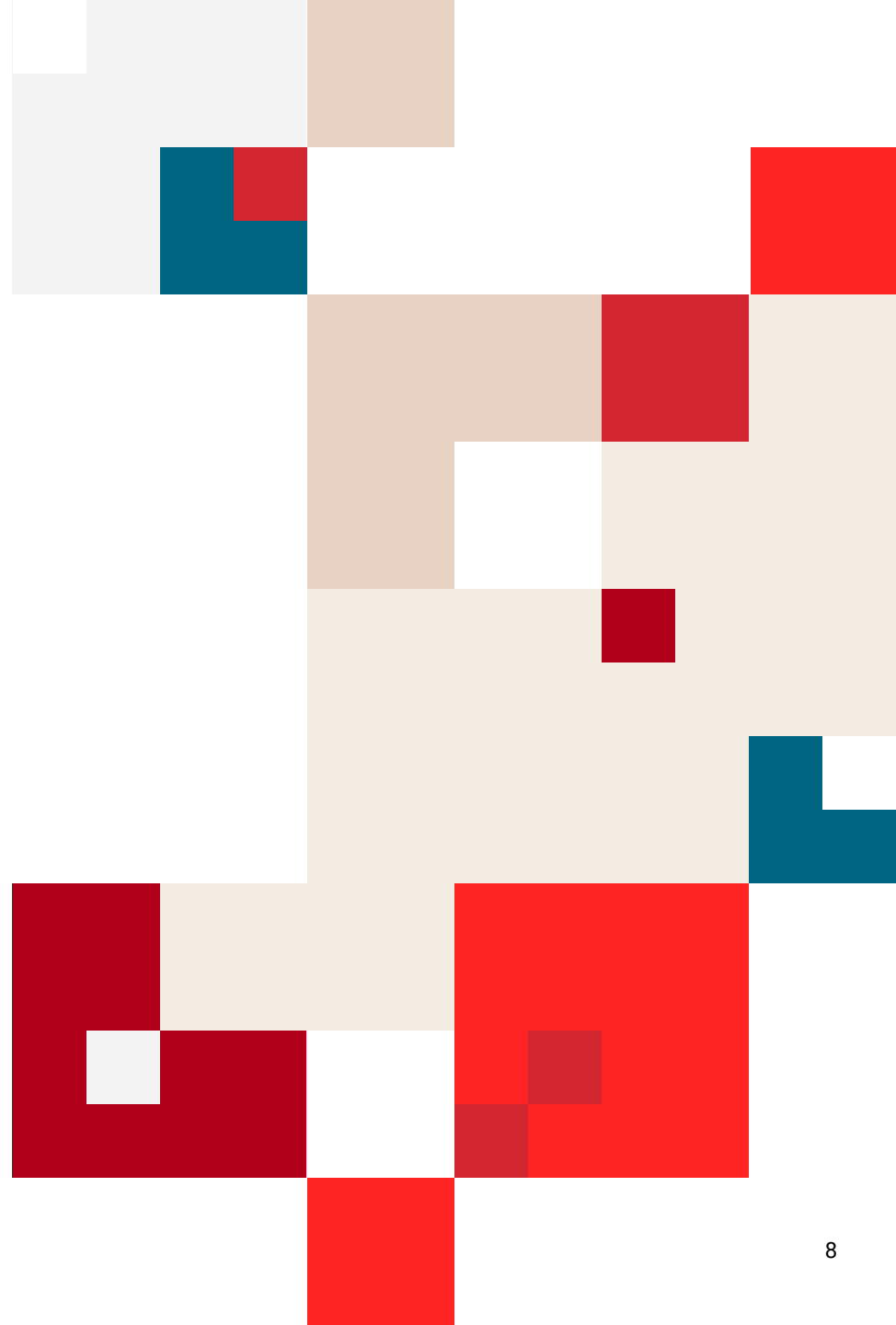
# Objectives for our first Capital Markets Meeting



# Vision & Mission

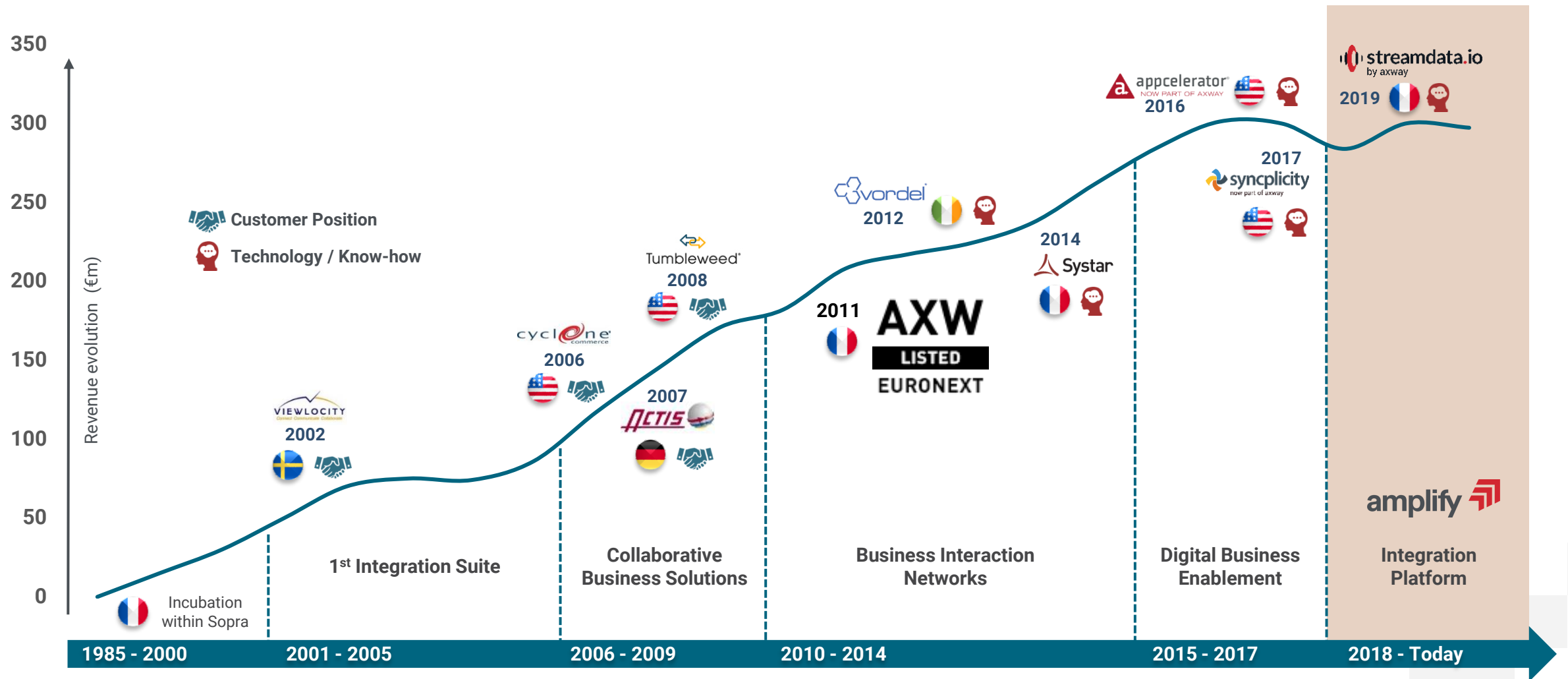
## **AXWAY ENABLES ENTERPRISES TO SECURELY OPEN EVERYTHING**

We believe that in order to create the most value for your customers, partners, and employees, you need to Open Everything by securely integrating and moving data across a complex world of old and new.





# 20+ years supporting our customer's goals



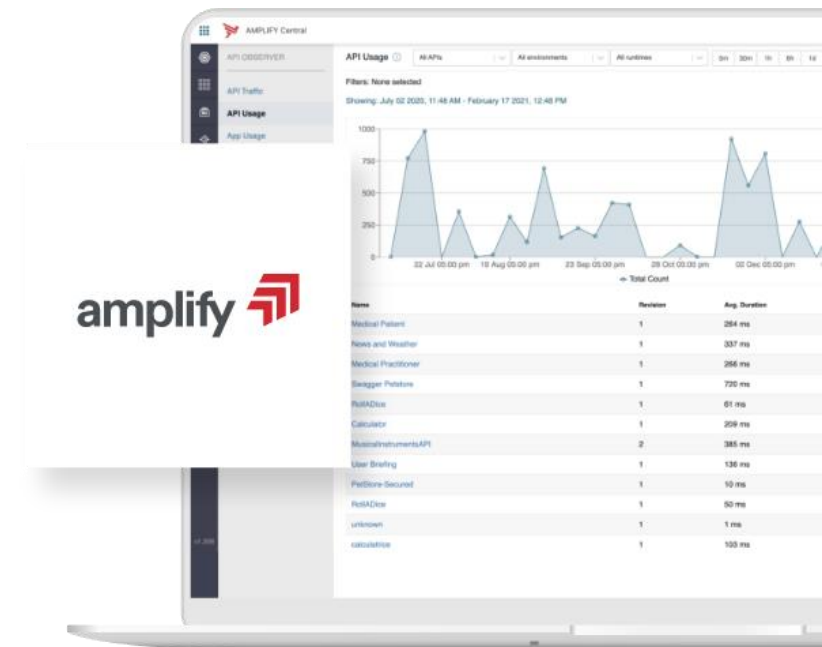
# Success of the 3-year transformation plan

- Upgraded product portfolio
- Strengthened management team and employee's engagement
- Adapted structure, based on customer centricity
- Increased awareness for sustainable growth

2018

2019

2020



# Strategy transformation

FROM HYBRID  
INTEGRATION  
PLATFORM TO



FROM IMAGINATION  
TAKES SHAPE TO

**axway**   
Open Everything

Open Everything

FROM CUSTOMER  
COMMITMENT TO



Delivering brilliant  
customer experience

# Leveraging our strength



20-years of delivering value with our Core Solutions such as MFT, B2Bi, AISuite, Validation Authority and other specialized products



APIM based platform helping meet our customers needs and outcomes



## State of California protects citizens' data and cuts costs with a central managed-file transfer platform

### **SUPPORTS 50 AGENCIES**

and 250 departments data-sharing use cases across the state

### **CENTRALIZED THE SERVICE**

and consolidated needs by reducing disparate applications

### **ADDED GREATER SECURITY**

by protecting sensitive data at rest and in transit, facilitating regulatory compliance






“

*With AMPLIFY Managed File Transfer, we can scale from one or two accounts all the way up to more than 30,000 accounts.*

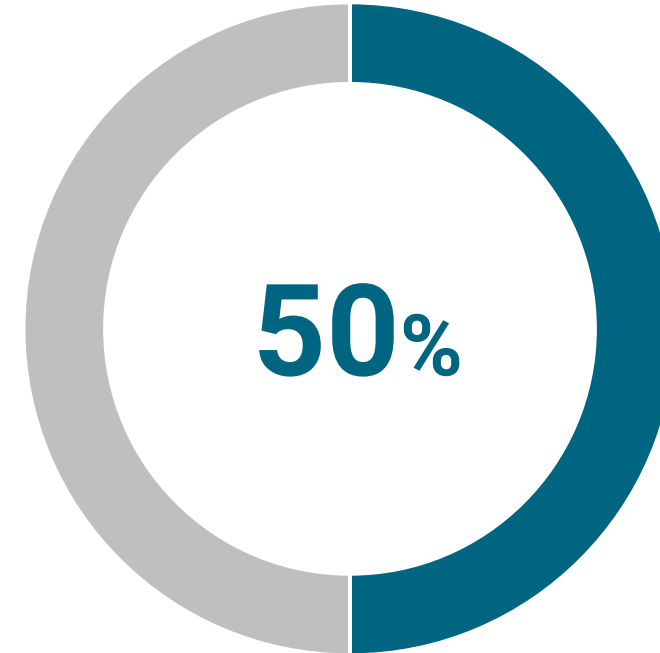
Kevin Paddock  
Supervisor of Web Services

# Our core offerings are more important than ever

## TOP 3 REASONS CUSTOMERS INVEST IN INTEGRATION

-  Innovate faster to stay ahead of the competition
-  Reduce operational costs
-  Ensure security and compliance

## B2B/EDI AND MFT WILL CONTINUE TO DRIVE BUSINESS



Of senior leaders who are implementing enterprise integration platforms identified B2B integration and MFT as being more critical in the next 3-5 years than it is today



**BNP PARIBAS**

## **BNP Paribas Personal Finance uses APIs to create a firm foundation for data-driven decision-making**

### **RAPID**

deployment of Unified Catalog cuts time-to-insight

### **SUPPORTS**

effective decision-making around API modernization

### **FACILITATES**

the next phase of the digital transformation journey

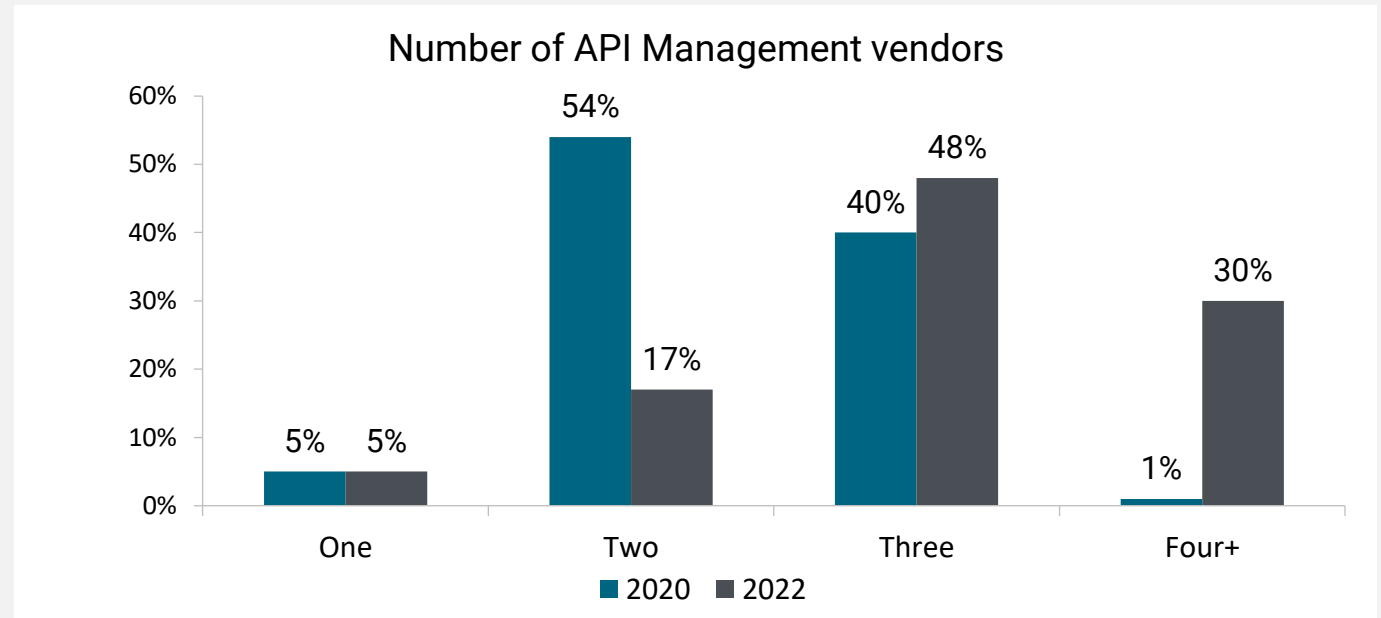
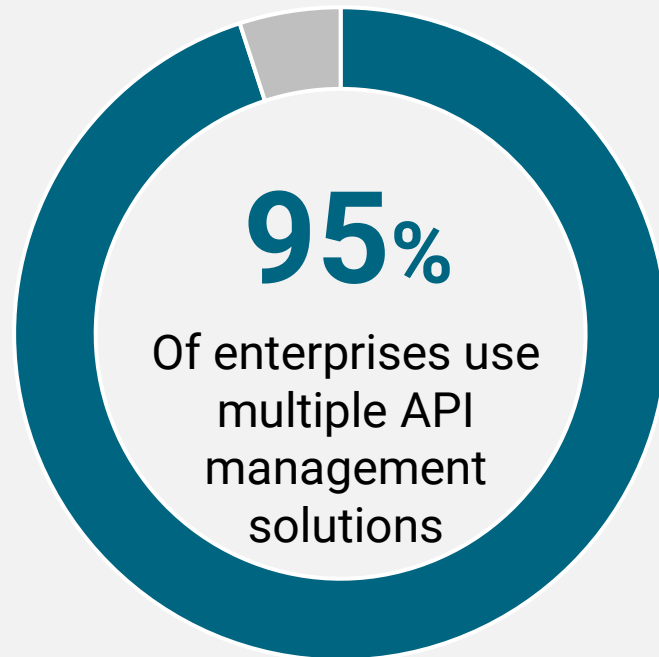


“

*By augmenting our AMPLIFY API Management gateways with Unified Catalog, we will have the strong foundation to drive the next phase of the project: API monetization.*

Jérémy Ségura  
Enterprise Architect

# Growing trend of multiple API management solutions



Source: IDC EMEA (2020): API Management & Integration Survey (right)



# Well positioned for the next 3 years



**BUILDING ON THE TRUST OF OUR CUSTOMERS**



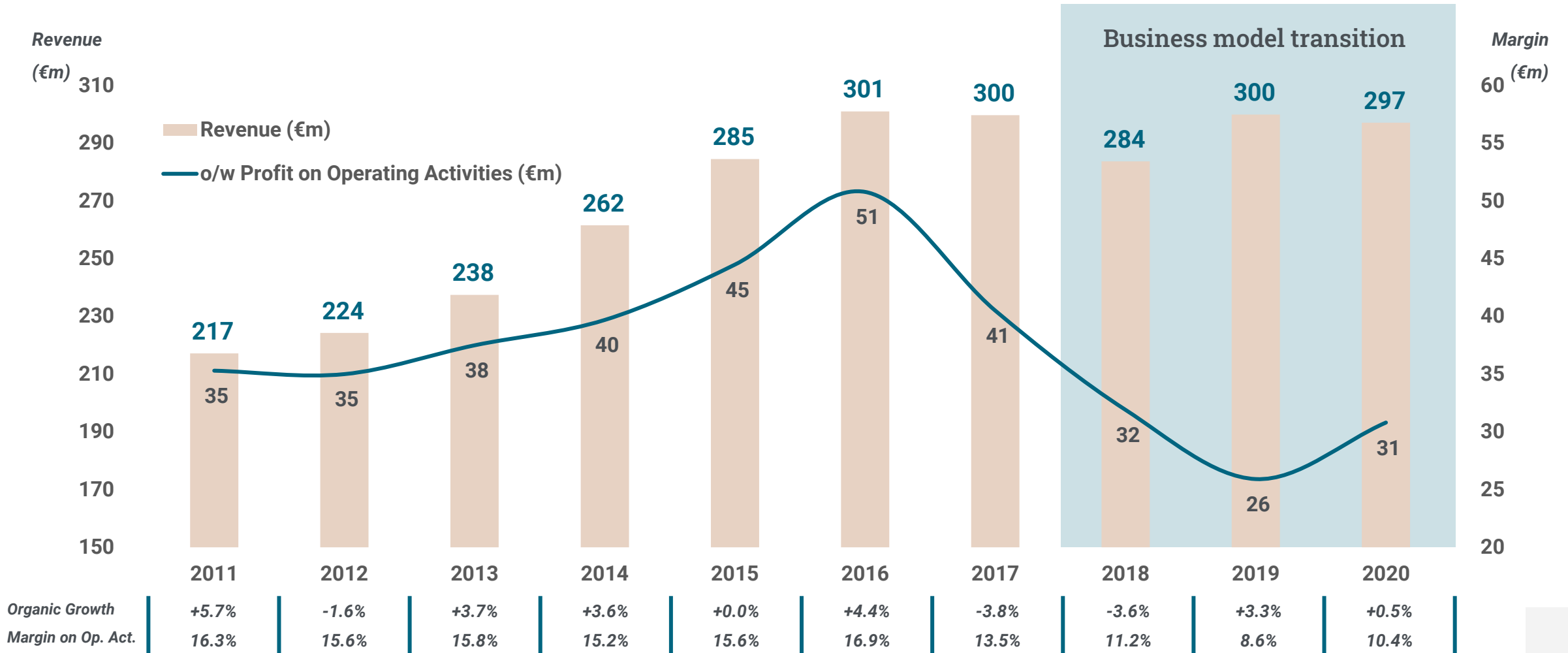
**OUR AMPLIFY OFFERING IS HIGHLY DIFFERENTIATED**

# Financial Model and Transformation

Cécile Allmacher



# In 2020, a new chapter begins



... and it's a 3-year journey!

## 2021 Guidance

**Organic Revenue growth  
between +2% and +4%**

**Profit on Operating Activities  
between 11 to 13% of total revenue**

## 2023 Ambitions

**Revenue  $\geq$  €500 million**  
(including M&A)

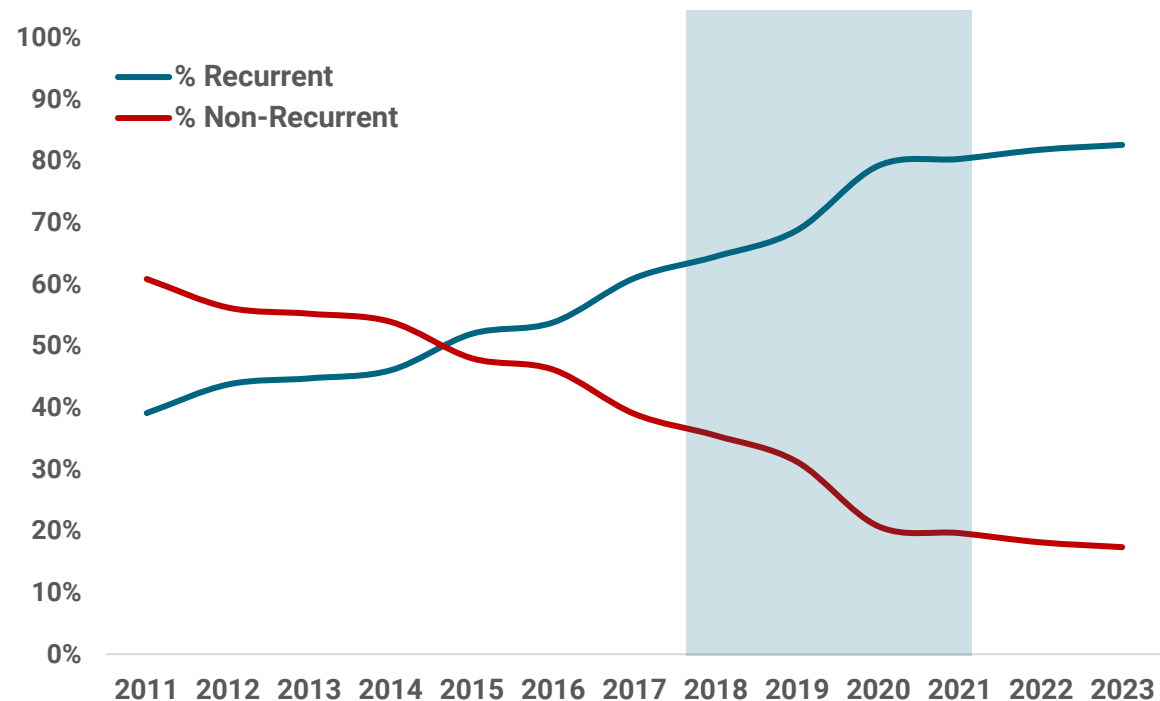
**Profit on Operating Activities  $\geq$  15%**

**Earnings per share  $\geq$  €1**

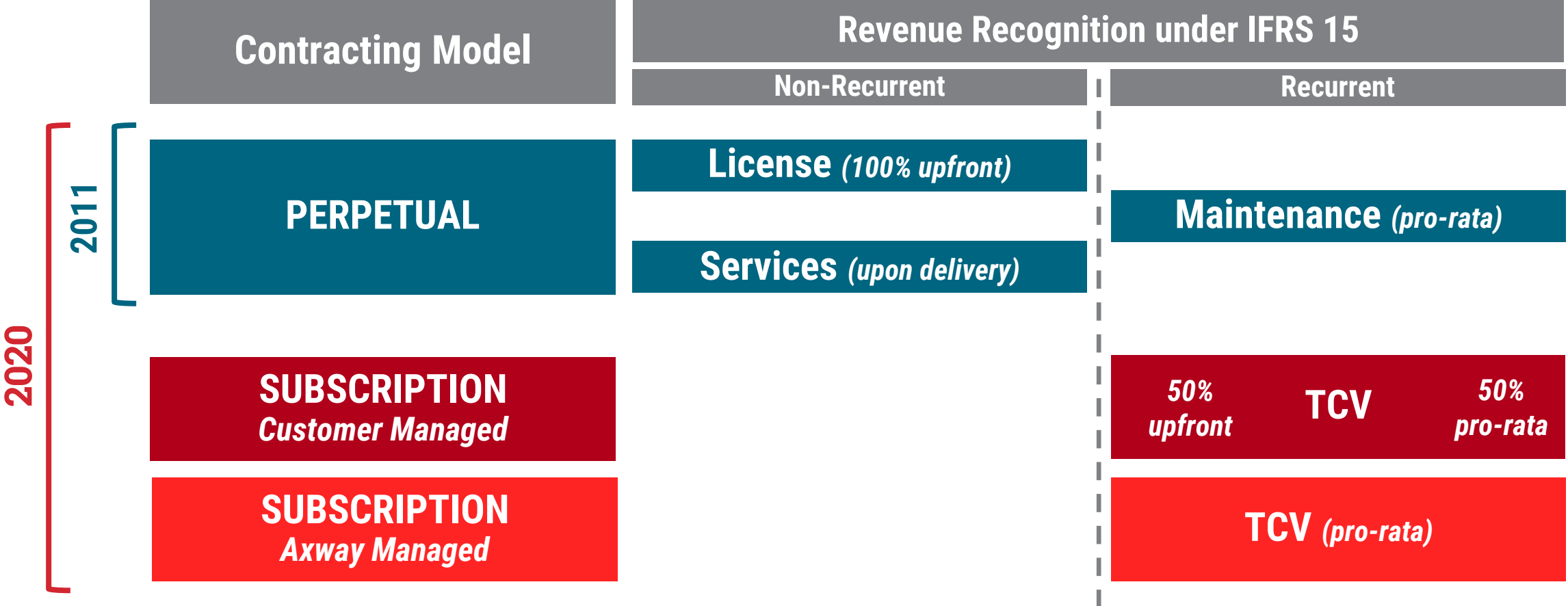
# Subscription brings visibility

	2011		2020	
	Rev.	% of Rev.	Rev.	% of Rev.
License	78	36%	26	9%
Maintenance	85	39%	138	46%
Subscription	-	0%	97	33%
Services	54	25%	36	12%
<b>Axway</b>	<b>217</b>	<b>100%</b>	<b>297</b>	<b>100%</b>
<i>Recurrency</i>	39%		79%	

Recurrent vs. Non-Recurrent Revenue



# But disrupts revenue recognition



# Subscription revenue recognition model

vs. Traditional

	Contract Value	Signature Metric Value*	Initially committed contract period					
			Year 1		Year 2	Year 3	Year 4	
			Upfront	Recurrent	Recurrent	Recurrent	Upfront	Recurrent
<b>PERPETUAL</b>	180	147	147	33	33	33	-	33
<b>SUBSCRIPTION</b> <i>Customer Managed</i>	180	180	90	30	30	30	90	30
<b>SUBSCRIPTION</b> <i>Axway Managed</i>	180	180	-	60	60	60	-	60

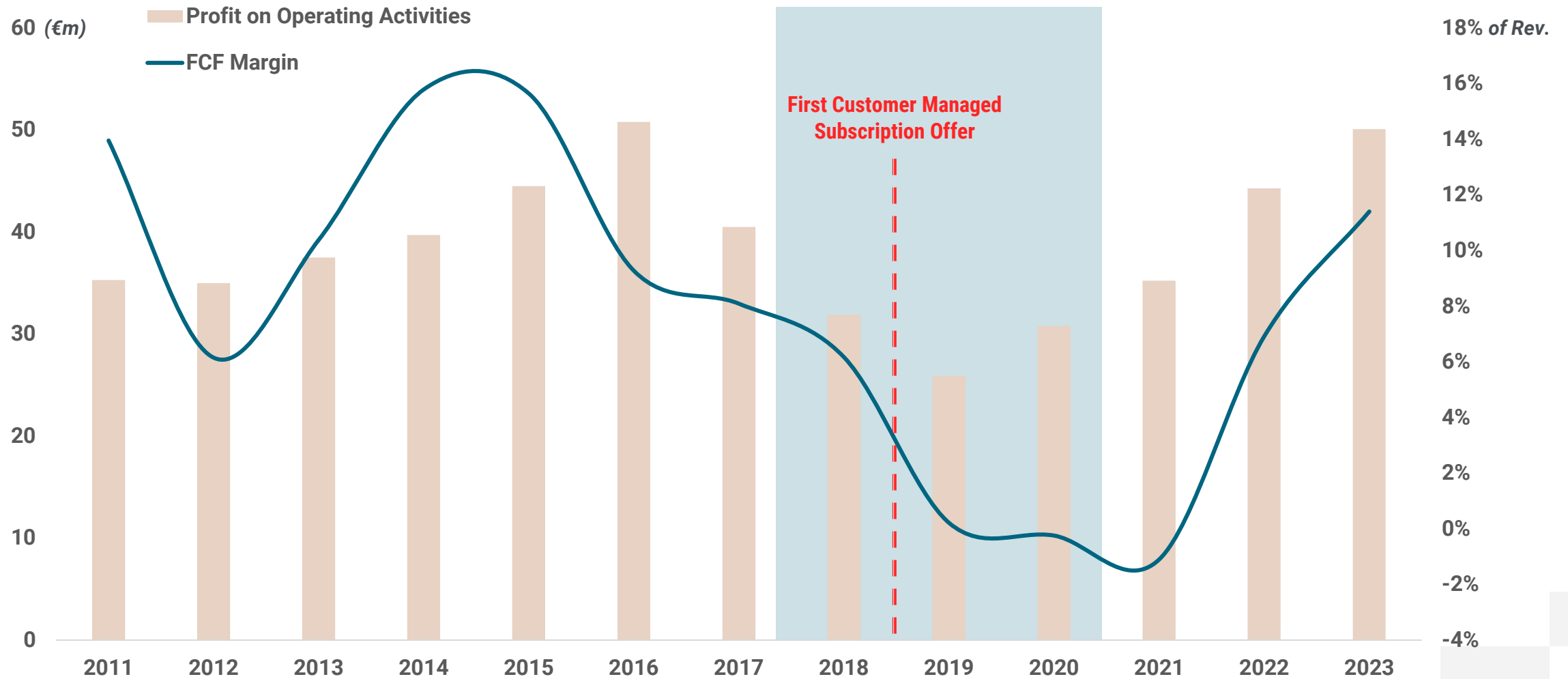
\* Signature Metric does not include renewals of Maintenance or Subscription

# Subscription impact on invoicing

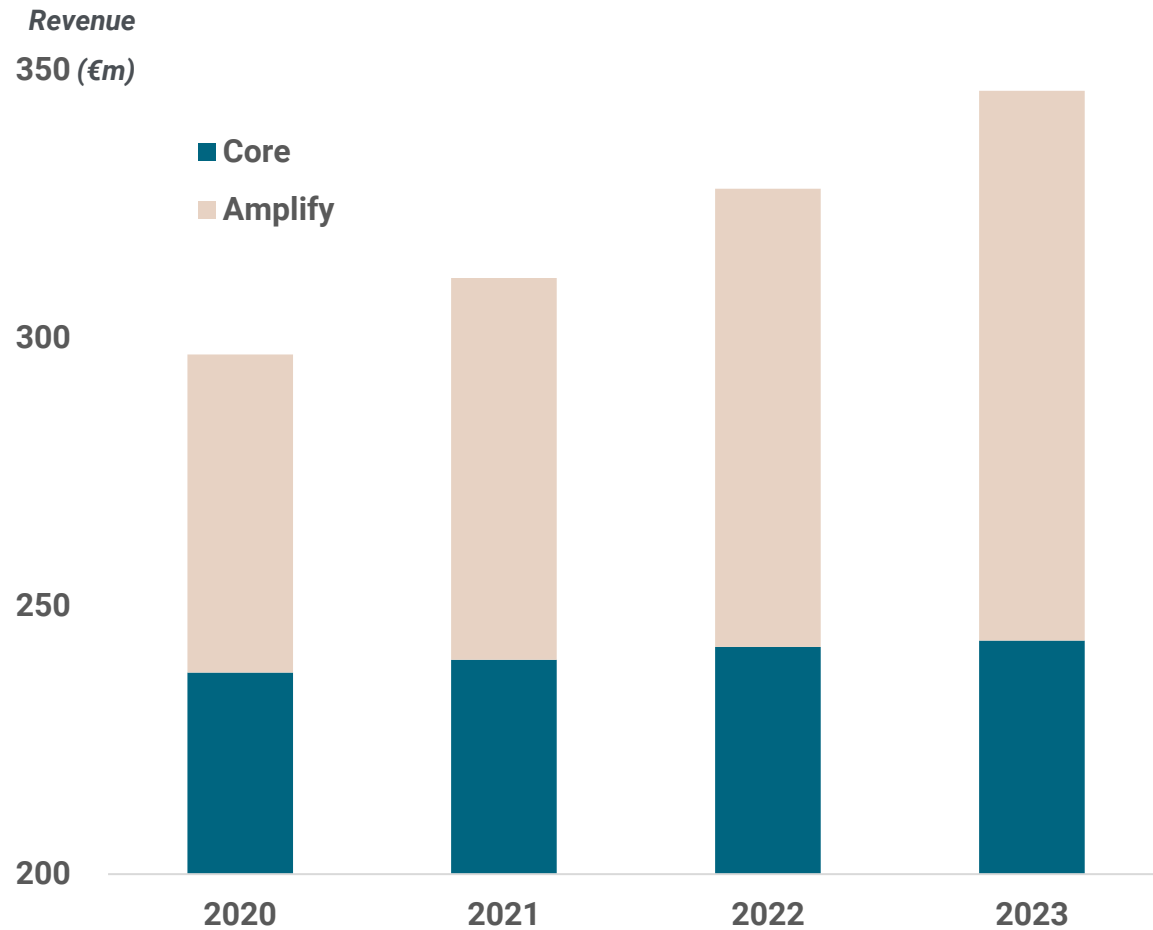
	Contract Value	Initially committed contract period				
		Year 1	Year 2	Year 3	Year 4	
<b>PERPETUAL</b>	<b>180</b>	<b>Revenue</b>	<b>180</b>	<b>33</b>	<b>33</b>	<b>33</b>
		<i>Invoice</i>	<i>180</i>	<i>33</i>	<i>33</i>	<i>33</i>
		$\Delta$	-	-	-	-
<b>SUBSCRIPTION Customer Managed</b>	<b>180</b>	<b>Revenue</b>	<b>120</b>	<b>30</b>	<b>30</b>	<b>120</b>
		<i>Invoice</i>	<i>60</i>	<i>60</i>	<i>60</i>	<i>60</i>
		$\Delta$	<b>-60</b>	<b>-30</b>	<b>0</b>	<b>-60</b>
<b>SUBSCRIPTION Axway Managed</b>	<b>180</b>	<b>Revenue</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>
		<i>Invoice</i>	<i>60</i>	<i>60</i>	<i>60</i>	<i>60</i>
		$\Delta$	-	-	-	-



# Transformation impact on FCF



# Expected Revenue Growth - 2021 to 2023



+

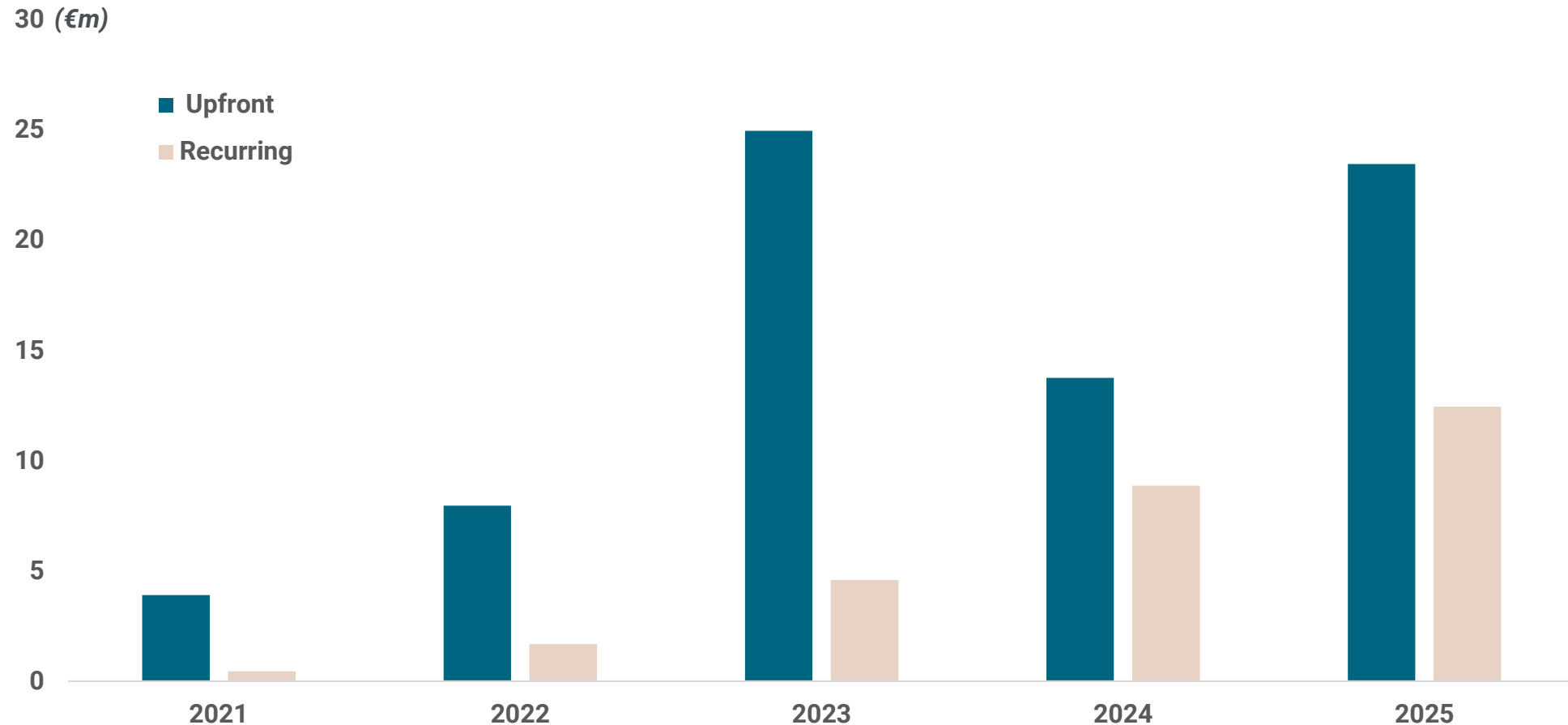


# M&A

to reach €500m of revenue

# Customer Managed Subscription Renewals

2021 to 2025



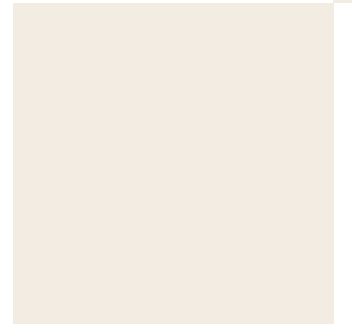
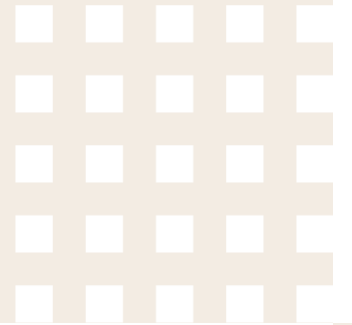
# Evolution of the P&L profile

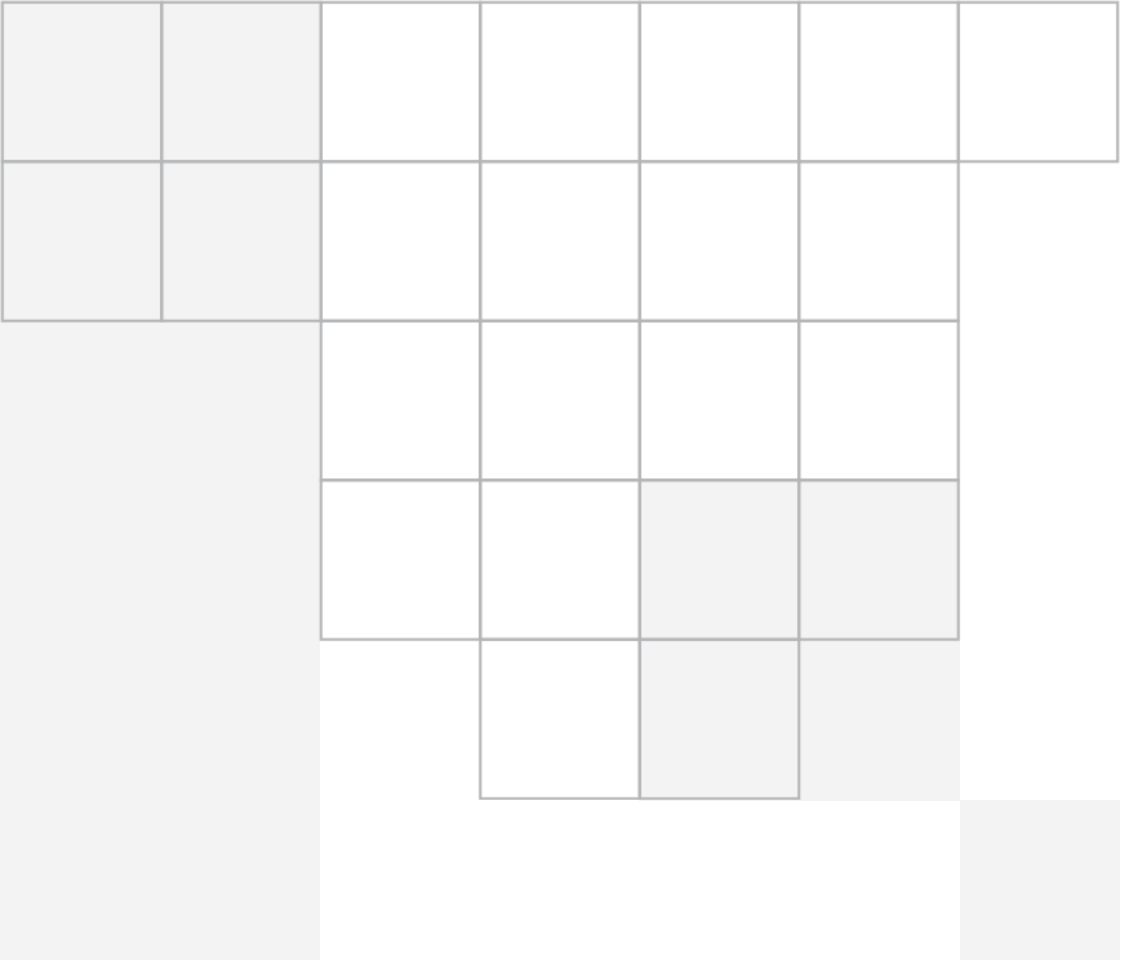
		2011	2020	2023e
<b>Gross Margins</b> (% of Revenue)	<i>Subscription</i>	-	71%	
	<i>License &amp; Maintenance</i>	88%	85%	
	<b>Sub-total Software</b>	88%	80%	
	<i>Services</i>	10%	4%	
	<b>Axway</b>	68%	71%	71%
<b>Operating Expenses</b> (% of Revenue)	<i>Sales &amp; Marketing</i>	28%	31%	
	<i>Research &amp; Development</i>	15%	20%	
	<i>General &amp; Administrative</i>	9%	9%	
	<b>Axway</b>	52%	60%	56%
<b>Profit on Operating Activities</b>		16%	10%	15%

# For the future



**Questions?**





# Break

# Product Portfolio Approach

Rahim Bhatia – EVP Product Management





# Customer challenges



Manage a highly heterogeneous environment



Incorporate new technologies, while deriving value from prior investments



New types of users, endpoints, devices, protocols



Unrelenting pressure to increase security posture

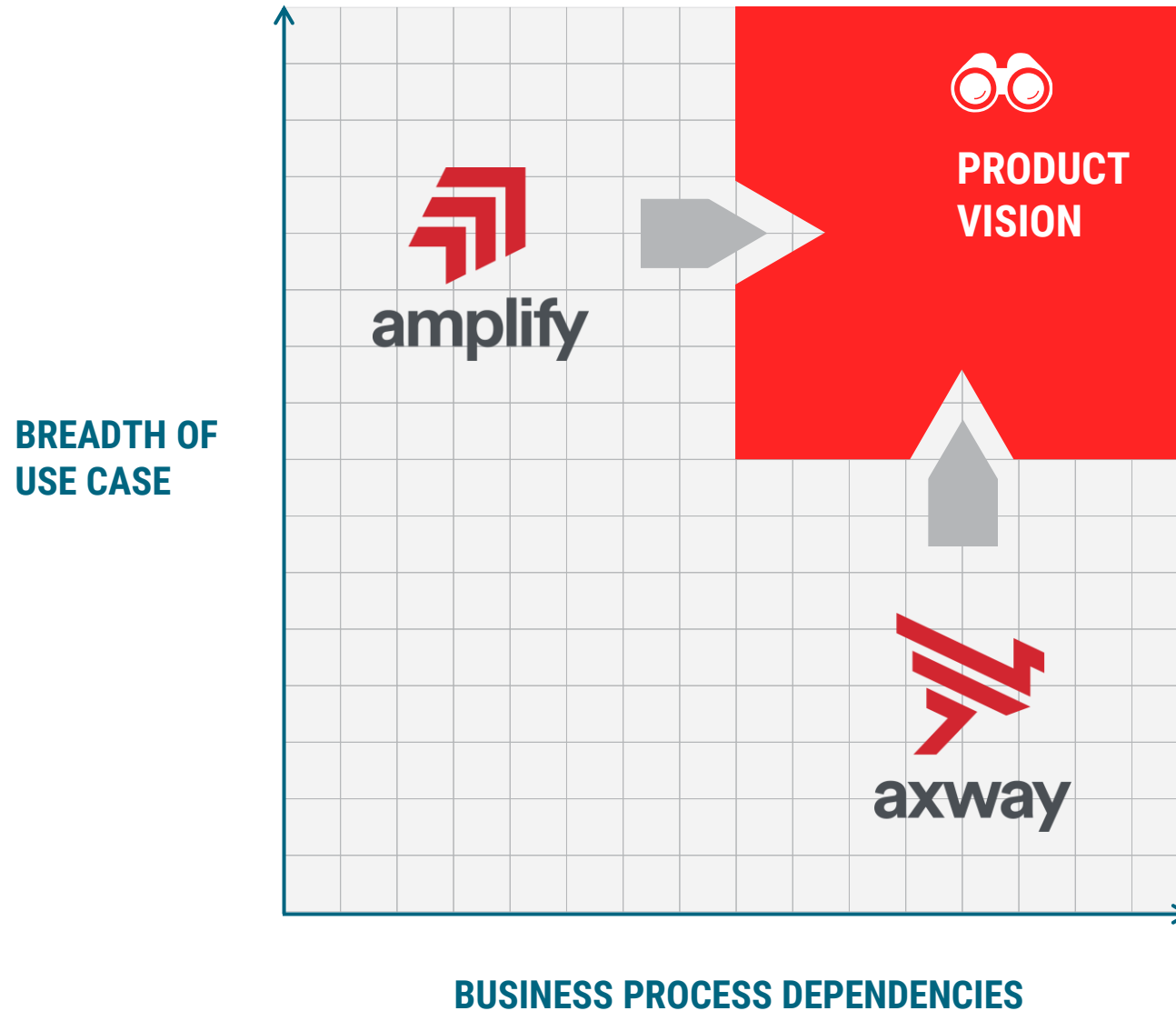


Keep a lid on costs, increase ROI, decrease time to value

# Customer challenges → mega trends → customer value



# Portfolio strategy



# One game – two plays

01




Staying even closer to our historical customers with key account managers and customer success managers

02



A dedicated team of specialists to accelerate winning market share for Amplify Platform

# Investments aligned to market trends

	Market Size 2020	Relative Size 2020	Market Size 2024	Relative Size 2024	CAGR
amplify 	<b>2B</b>	<b>54%</b>	<b>3.6B</b>	<b>64%</b>	<b>16%</b>
MFT	0.943B	25%	1.3B	23%	9%
B2B	0.76B	20%	0.73B	13%	0%
<b>Total Addressable Market</b>	<b>3.7B</b>	<b>100%</b>	<b>5.63B</b>	<b>100%</b>	<b>12%</b>

Source: Gartner Q1 2021 update



## WHERE WE ARE GOING

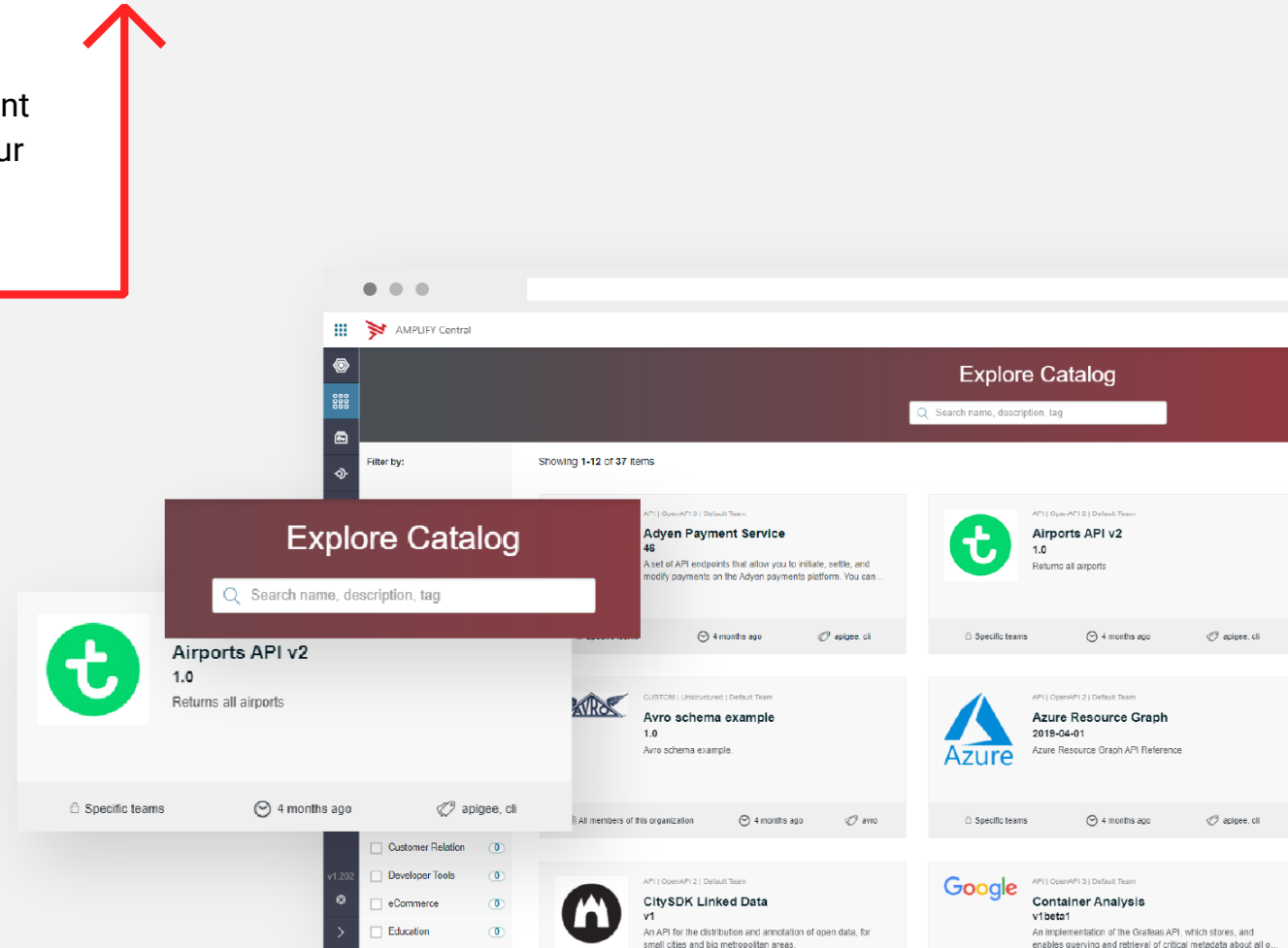
Amplify API Management Platform grows with your business needs

## WHERE WE ARE

Hundreds of customers rely on Axway and early adopters are blazing trails

## WHERE WE HAVE BEEN

Mature API Gateway complemented by a SaaS Platform



# Growing IT complexity

2 Dev teams



5 Dev teams



10 Dev teams (internal and external)



10 APIs



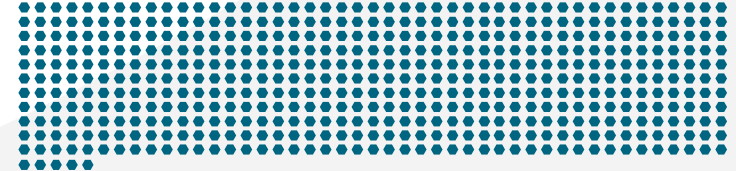
100 APIs



3 Geographies



500 APIs



3 Impacted applications



25 Impacted applications (Internal and Cloud)



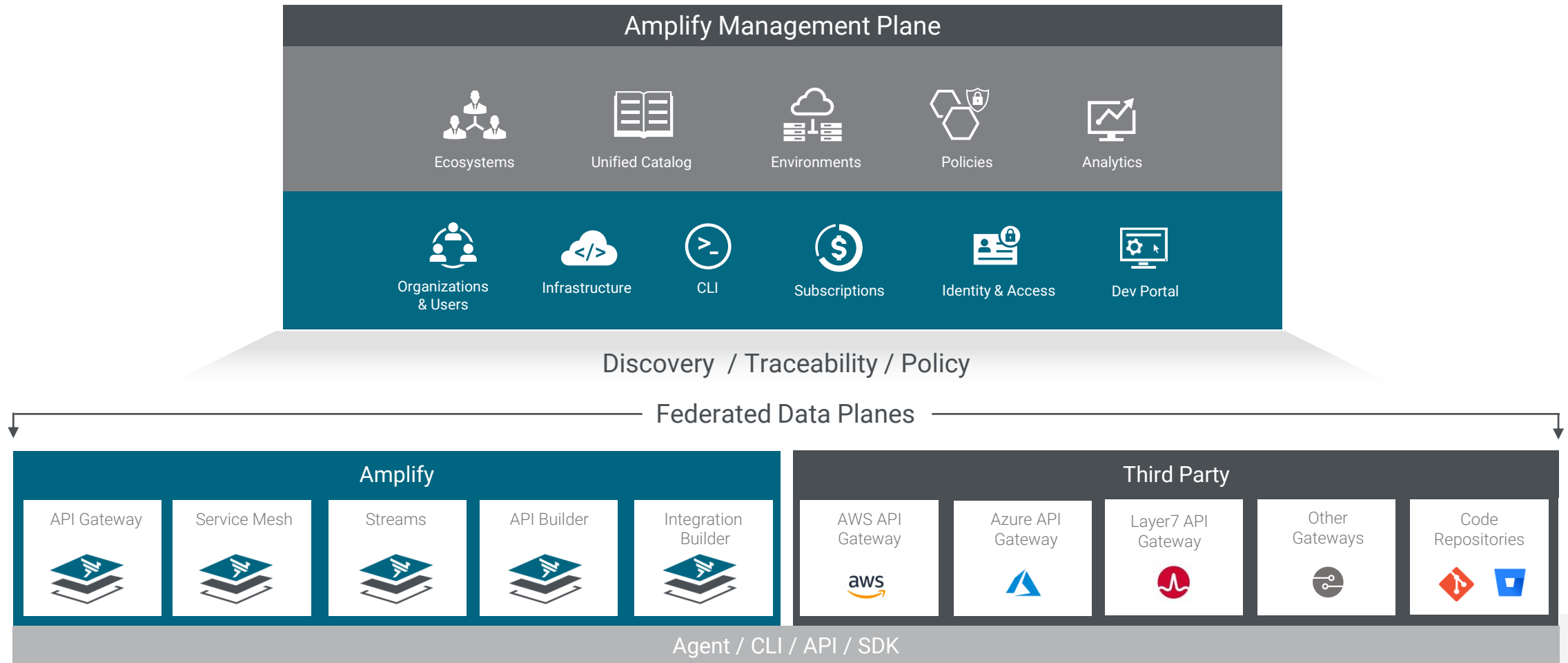
100 Impacted applications (Internal and Cloud)



Complexity

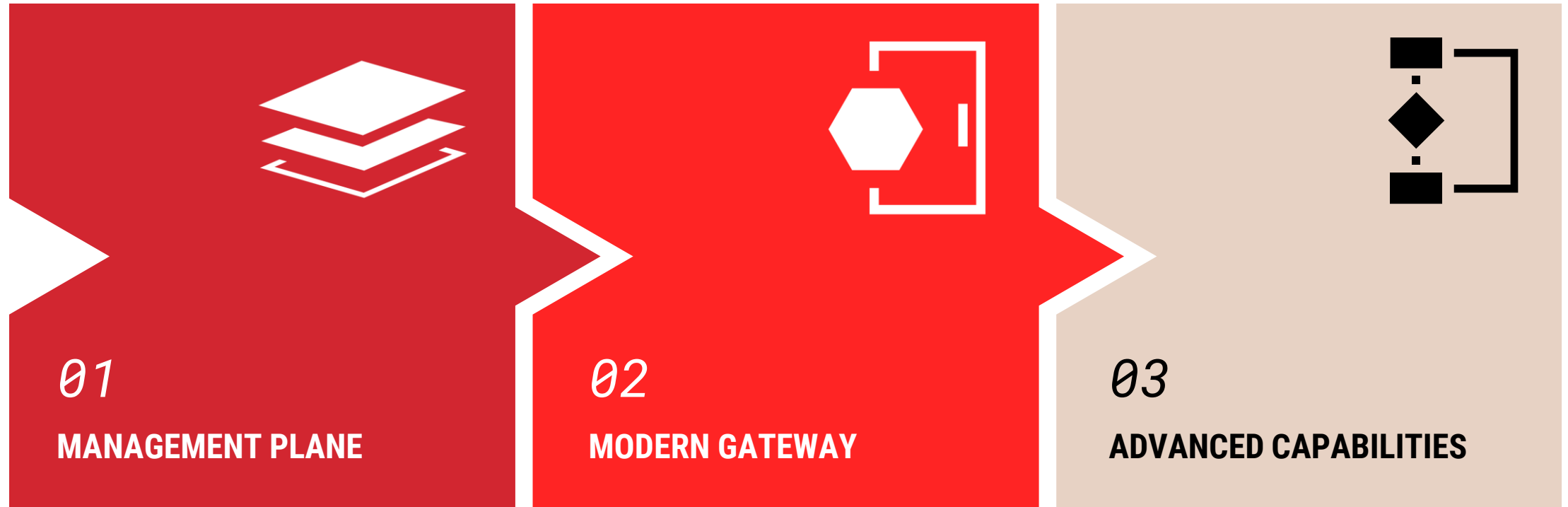
# Manage your ecosystem with Amplify

Centralized control for your environments



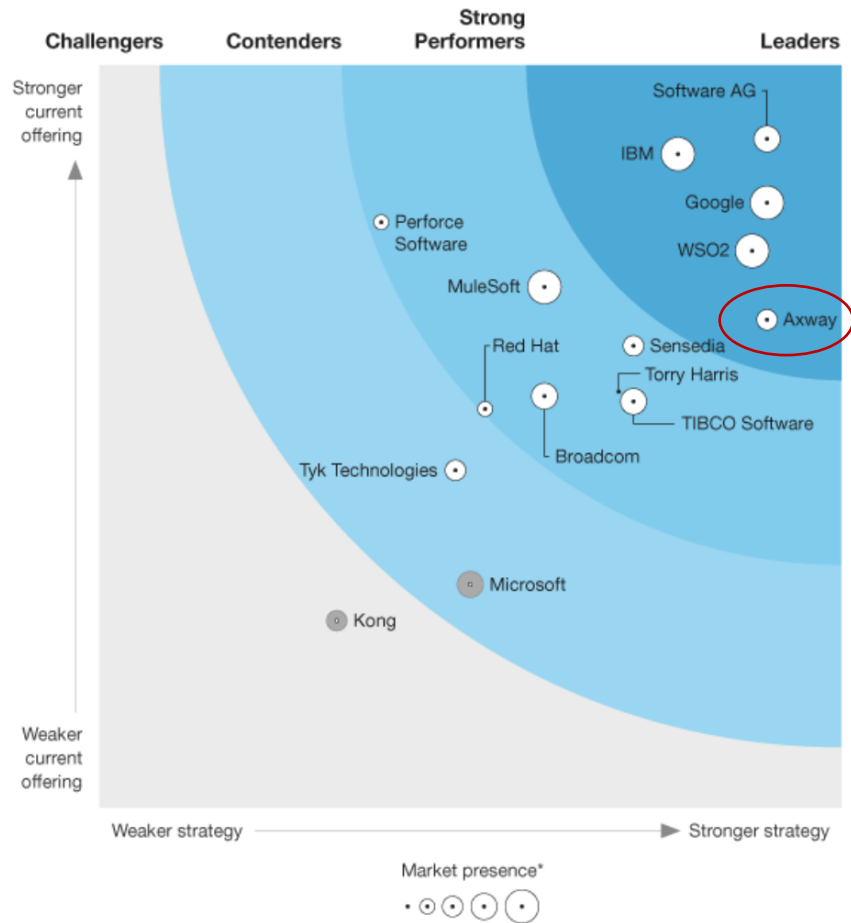


# Roadmap to a future proof platform



# Strengthened Market Position

The Forrester Wave™: API Management Solutions, Q3 2020



\*A gray bubble indicates a nonparticipating vendor.

The Forrester Wave™: API Management Solutions, Q3 2020, Forrester Research, Inc., August 4, 2020  
 The Forrester Wave™ is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave™ are trademarks of Forrester Research, Inc. The Forrester Wave™ is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave™. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.



Gartner 2020 Magic Quadrant for Full Life Cycle API Management



Source: Gartner (September 2020)

Gartner 2020 Magic Quadrant for Full Life Cycle API Management, Paolo Malinverno, Kimihiko Iijima, Mark O'Neill, John Santoro, Shameen Pillai, Akash Jain, 22 September 2020. This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request from Axway. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

# MFT

## WHERE WE ARE GOING

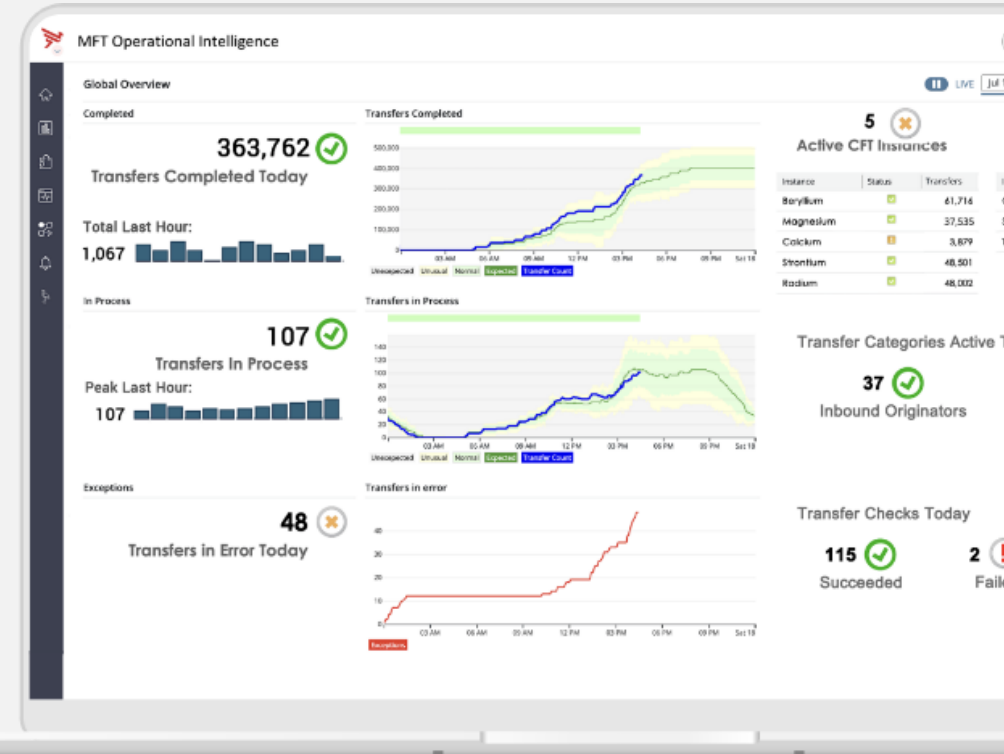
As MFT continues to be mission critical, our customers' requirements are squarely centered on resiliency, scale and increased operational intelligence and efficiency.

## WHERE WE ARE

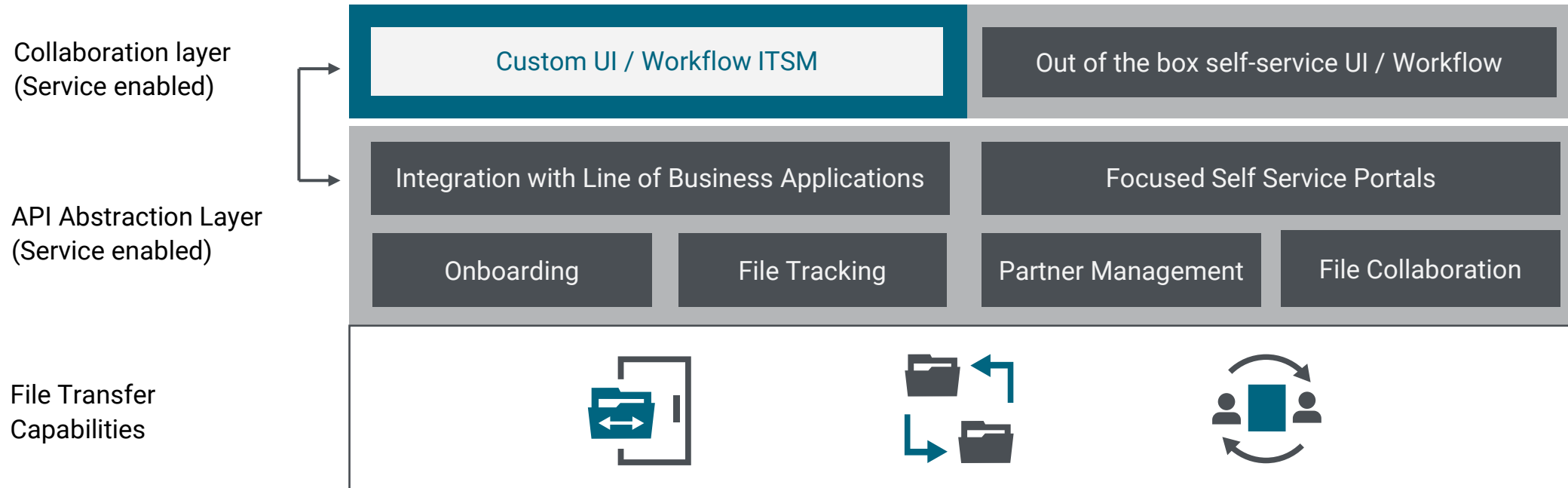
Run on-premises, on multi-cloud platforms, and in a hybrid deployment setup. Axway also offers a SaaS solution and a best in class fully managed MFT service.

## WHERE WE HAVE BEEN

Market leader always supporting the most mission critical and highest value file transfer infrastructures in the world.



# Axway is modernizing MFT



# Axway MFT: Built for cloud, driven by business



# Axway B2B

## WHERE WE ARE GOING

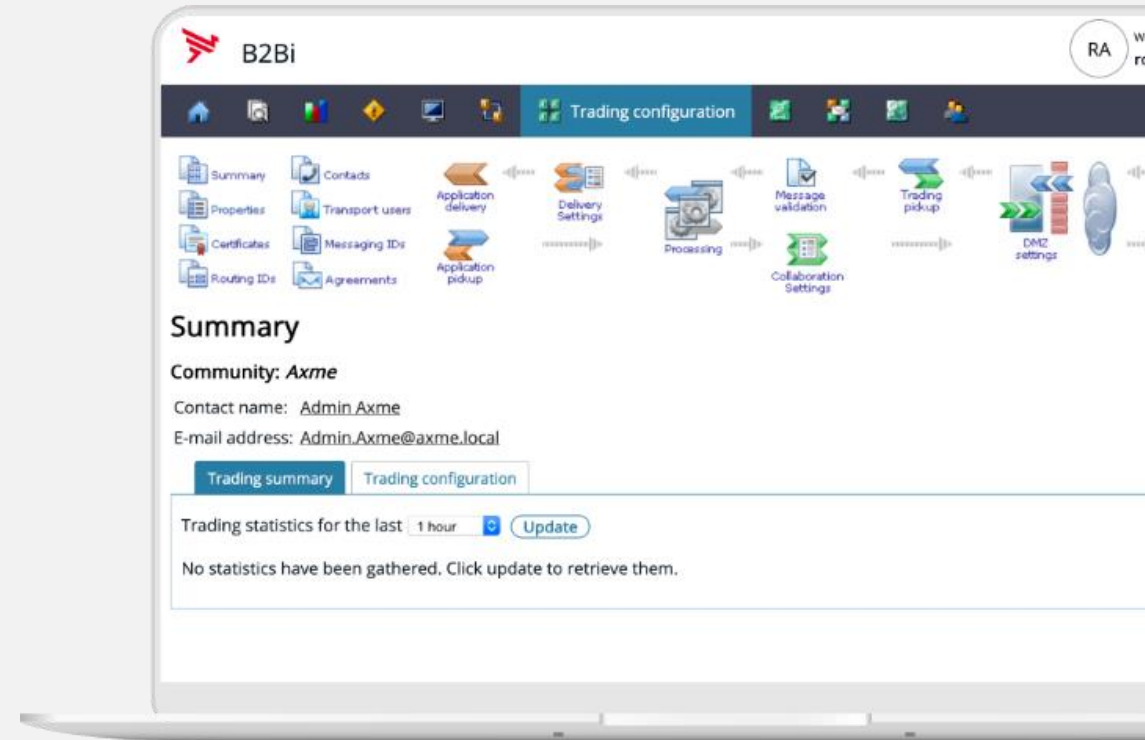
Axway B2Bi offers the tools and capabilities to keep up with this changing landscape, including native JSON transformation and innovative APIs.

## WHERE WE ARE

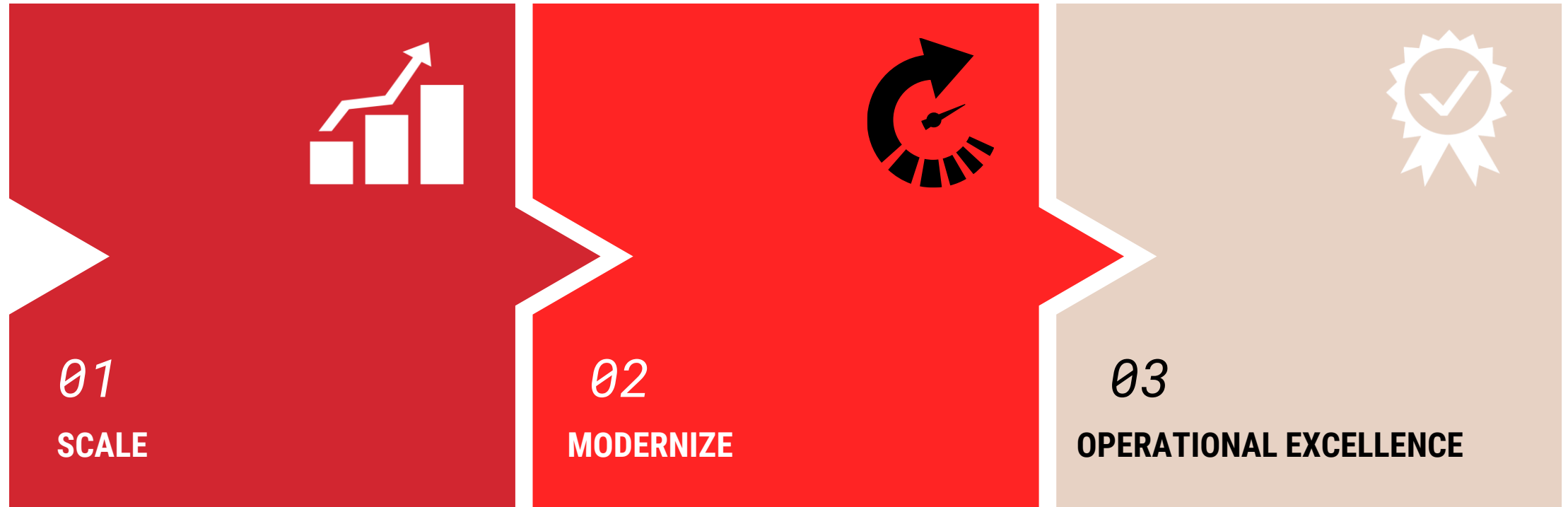
Axway has become integral to the largest and most sophisticated supply chains around the globe.

## WHERE WE HAVE BEEN

Axway entered the market and became THE benchmark against which all other B2B connectivity solutions are rated by standards bodies such as Drummond.



# Axway B2B customer requirements

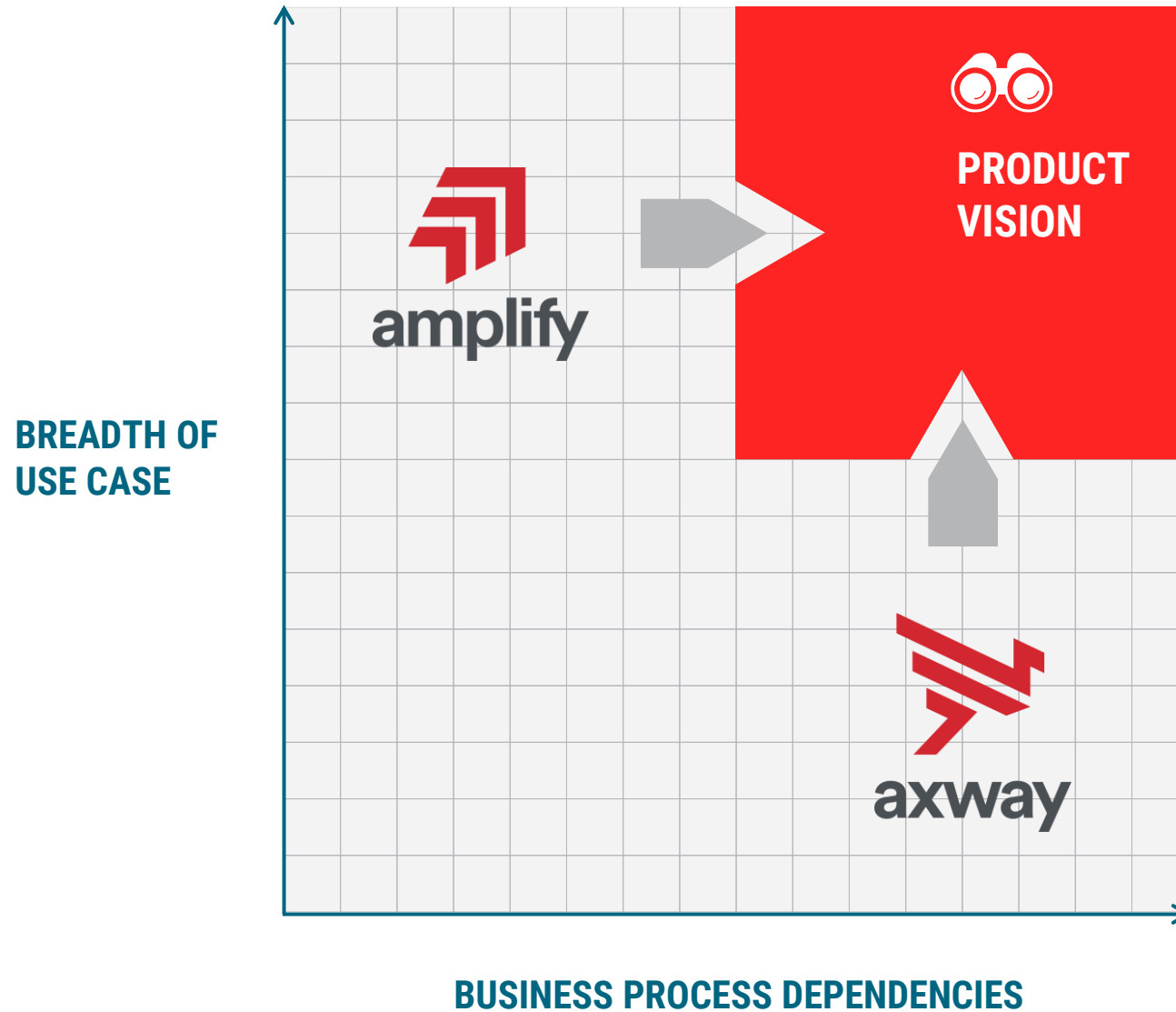


# Axway B2B roadmap: Evolving to customer needs





# Portfolio strategy



# Strategic Vision

Vince Padua, CTIO



# Vision & Mission

## **AXWAY ENABLES ENTERPRISES TO SECURELY OPEN EVERYTHING**

We believe that in order to create the most value for your customers, partners, and employees, you need to Open Everything by securely integrating and moving data across a complex world of old and new.



# Vision point of view



## NEXT DECADE

Automation  
Interoperable  
Composable

## THIS DECADE

Speed  
Flexibility  
Integration

## LAST DECADE

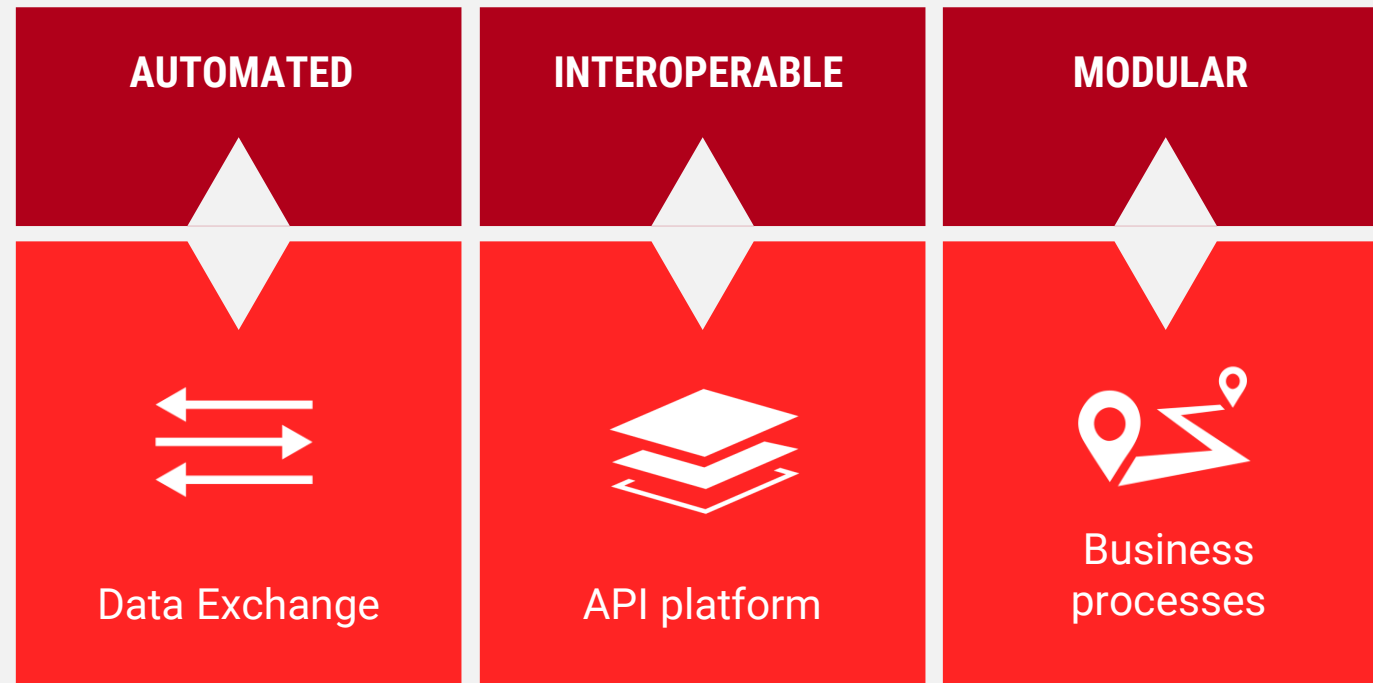
Security  
Resiliency

# Big problems and big opportunities

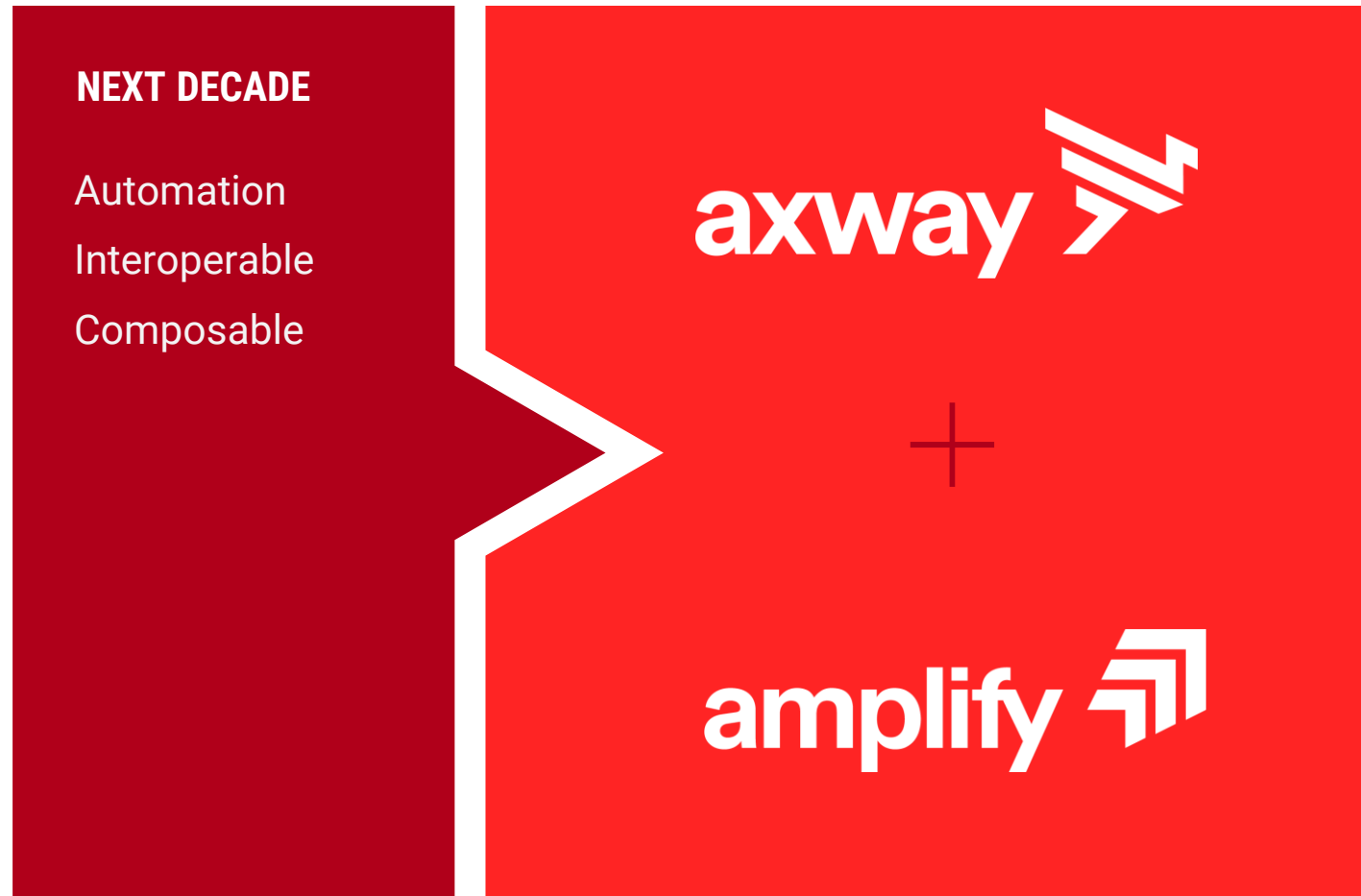


# Composable ecosystem

## Orchestration of automotive ecosystem



# Flexible co-creation and co-innovation



# “We are what we repeatedly do” - Socrates





# Go-To-Market Approach

Paul French – EVP Go-To-Market



# Unified model to deliver results

## CUSTOMER VIEW



## 2021 FOCUS & EXECUTION



# One game – two plays

01



## MAINTAIN

Market leadership

## CUSTOMER EXPANSION

Net retention rate

02



## EXPAND

Market leadership

## NEW LOGOS

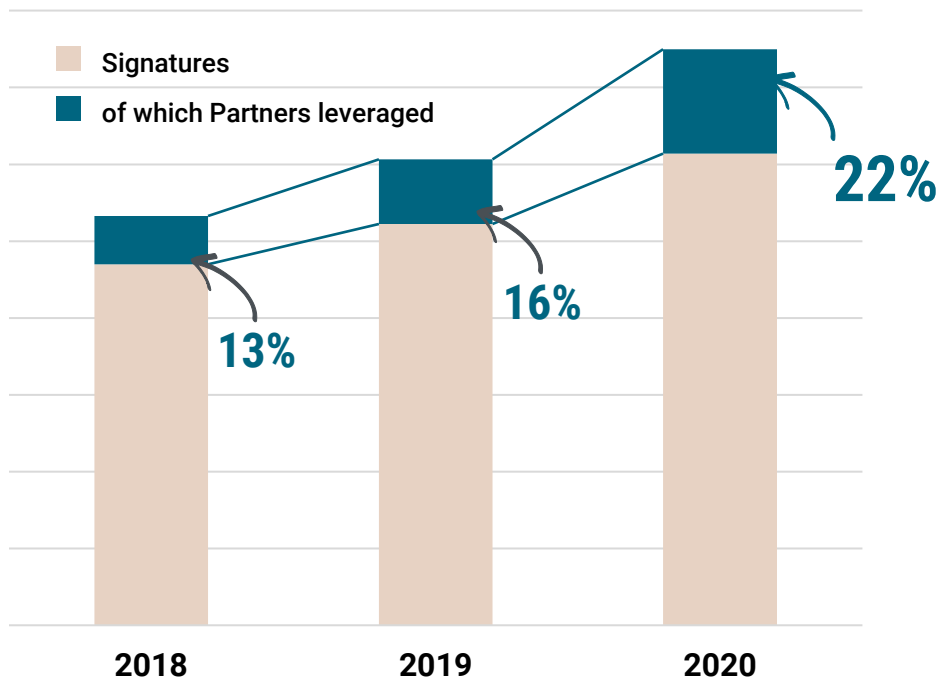
Growth rate

**CUSTOMER DELIGHT** NPS

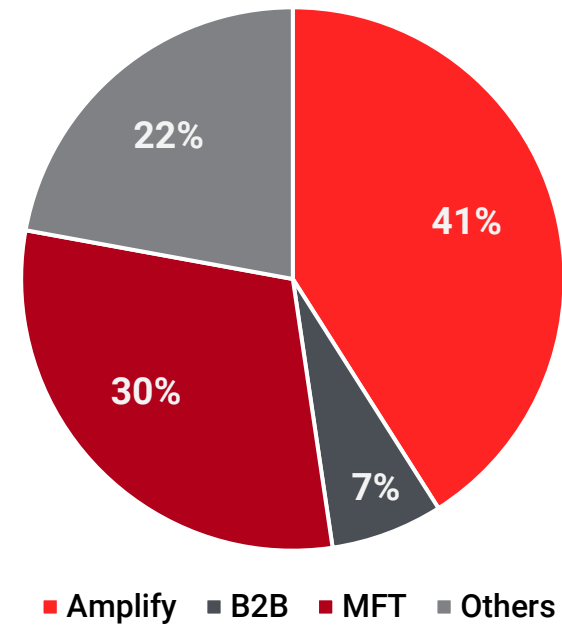
# Accelerating success with partners

Partners leveraged signatures grew from 13% to 22% in 3 years

Share of Partners leveraged signatures

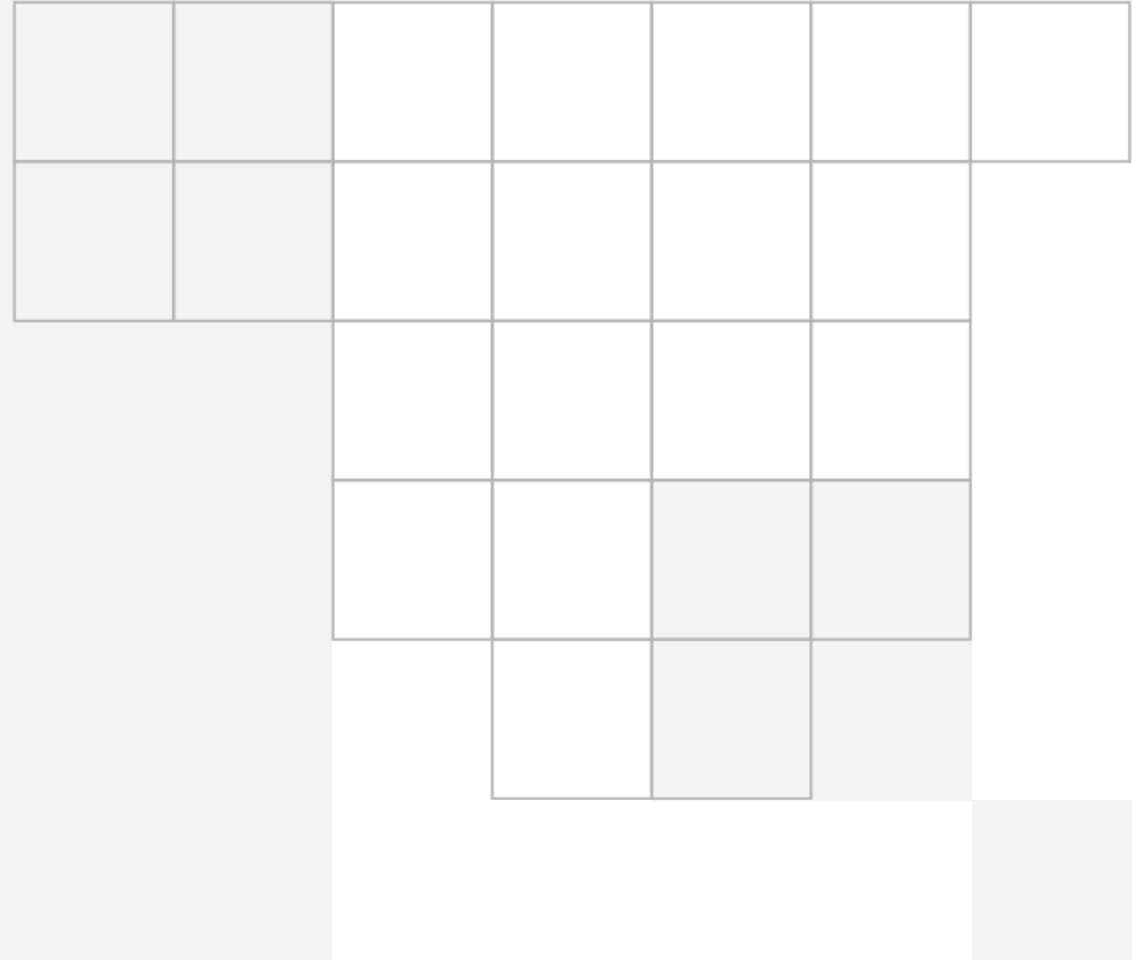


Partners leveraged signatures by product

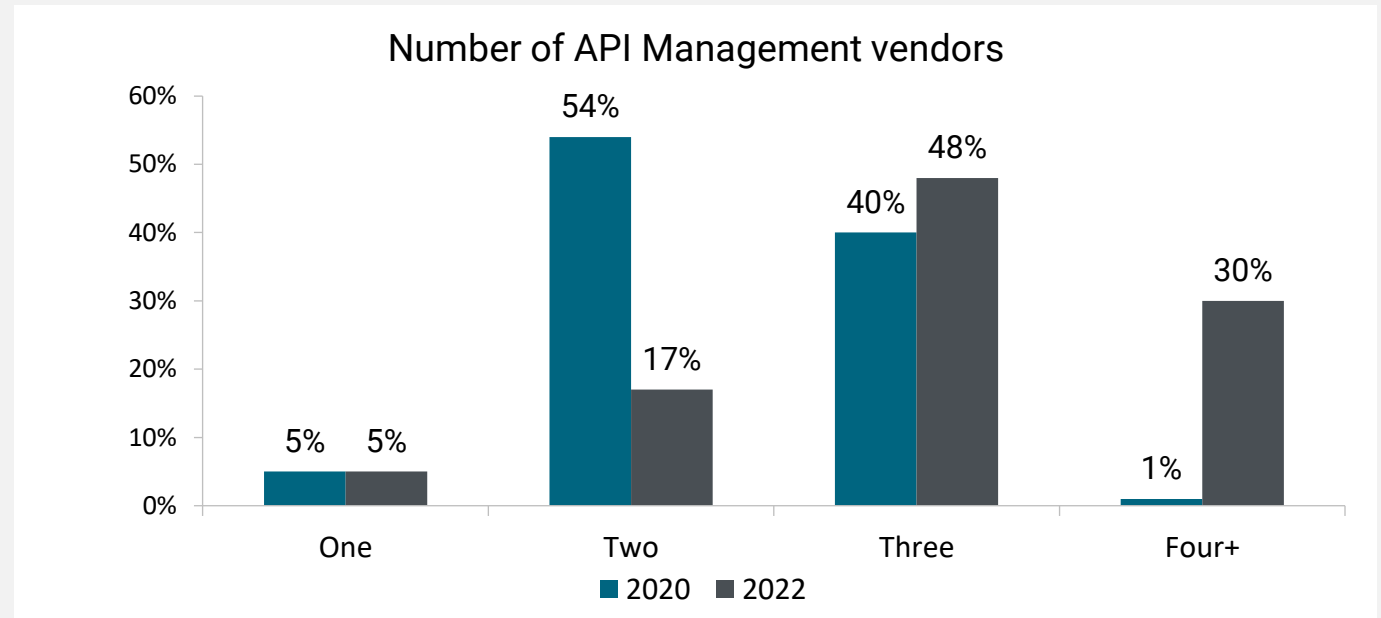
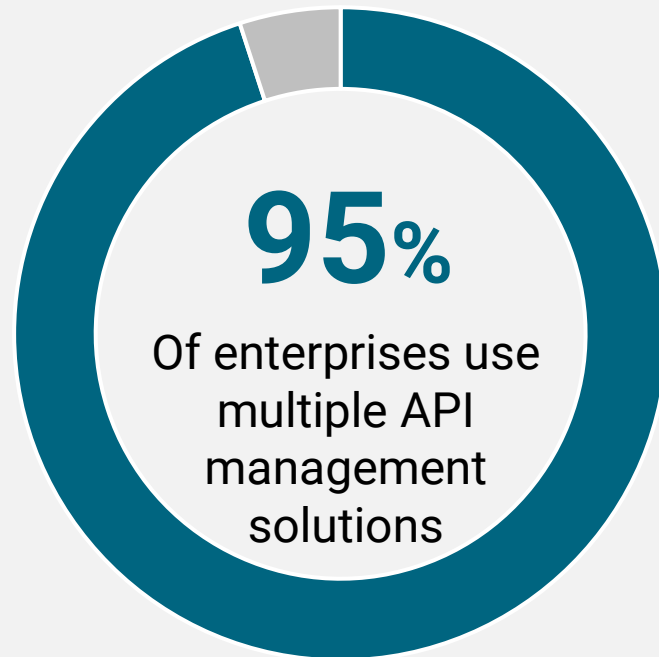


- Significant success of the “API Boost” program with Sopra Steria, generating a 3-digit signature growth vs. 2019

**amplify** 



# Growing trend of multiple API management solutions



Source: IDC EMEA (2020): API Management & Integration Survey (right)

## Create a marketplace to monetize digital products through APIs and automate subscription management based on a single catalog across the enterprise

### **INCREASE EFFICIENCY**

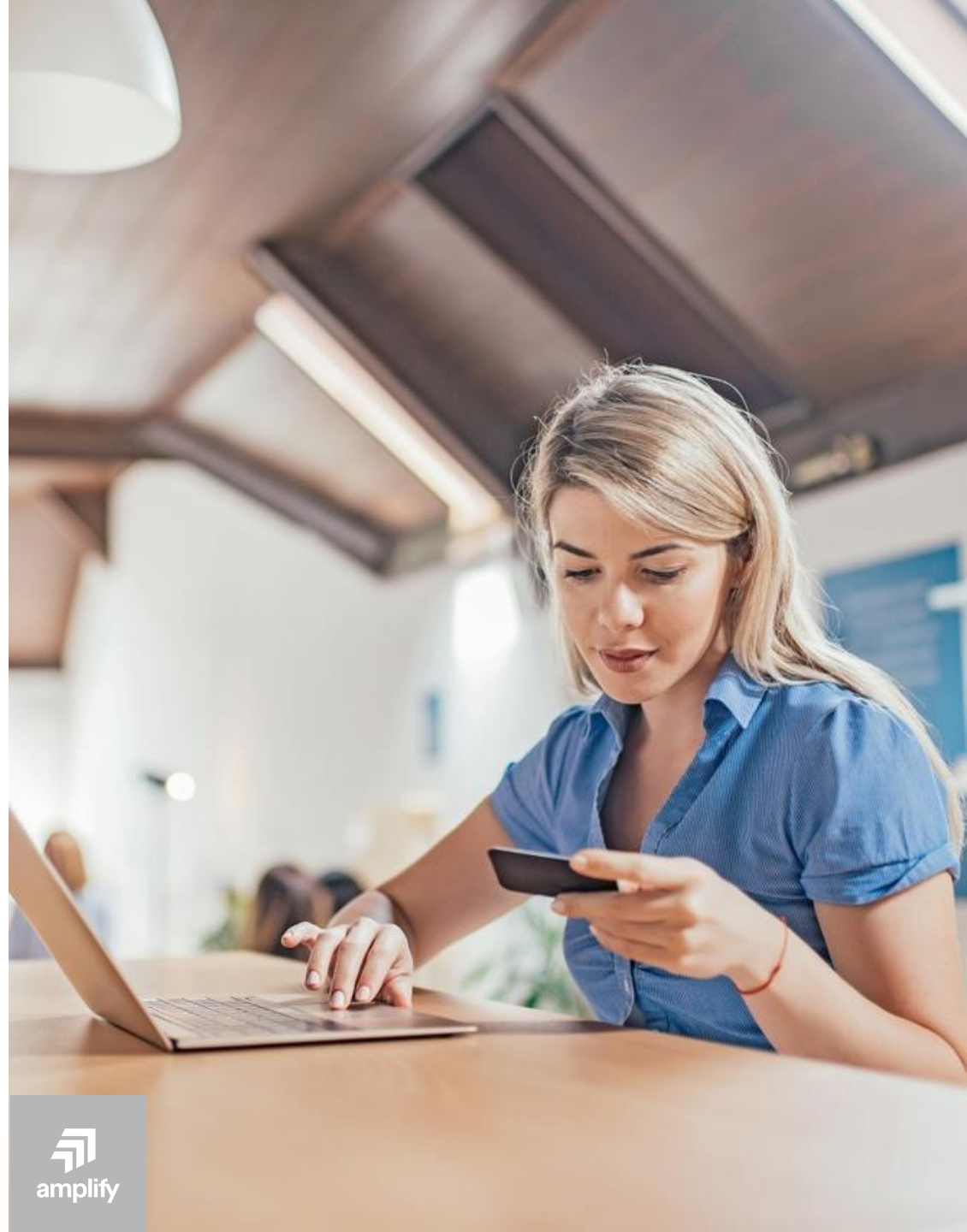
By offering API reusability which reduces manual tasks and errors via automation, auto-discover APIs, and makes consumption data easier

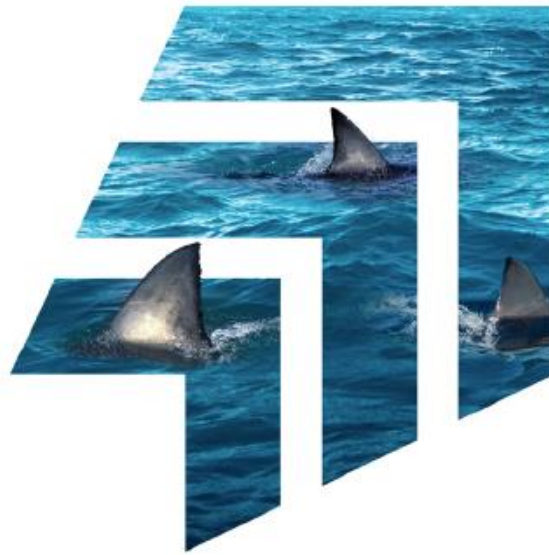
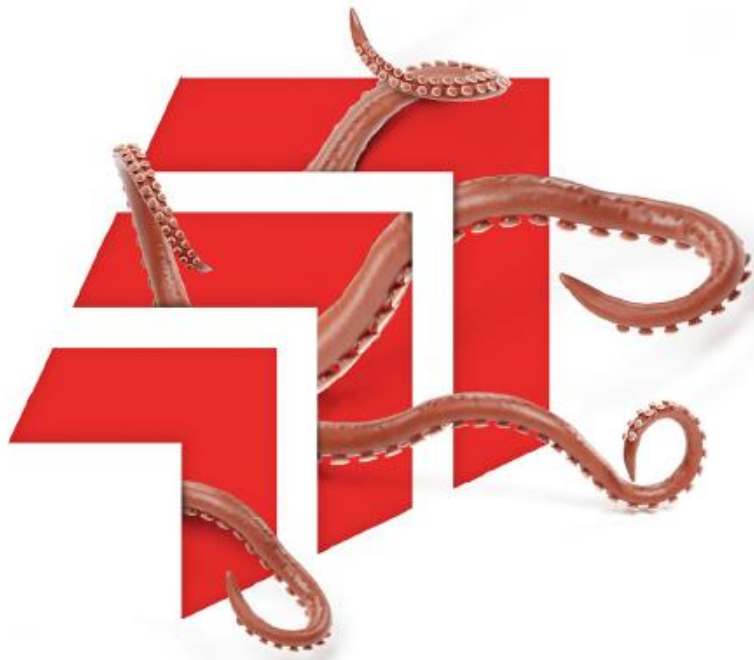
### **CREATE A MARKETPLACE**

For all published APIs from a heterogenous API Gateway into a single enterprise catalog

### **INCREASE REVENUE**

By driving higher API adoption



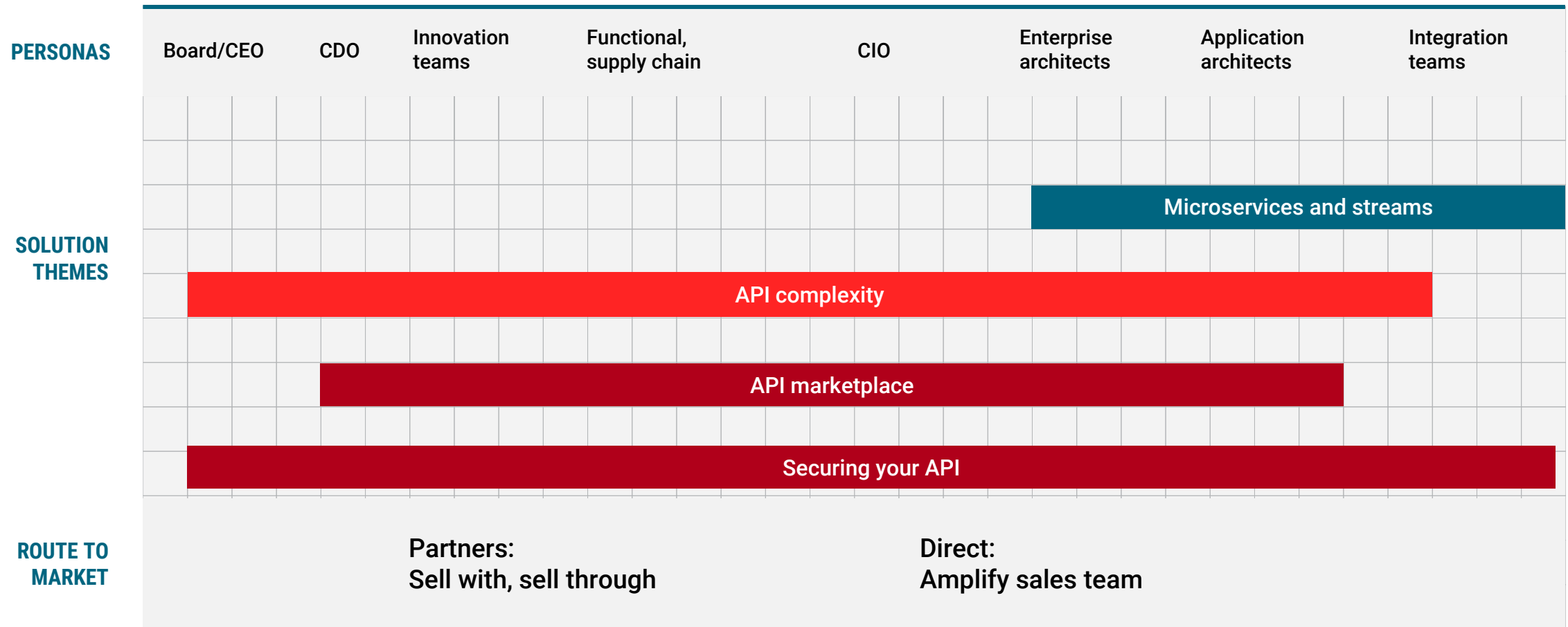


# Tame **IT**

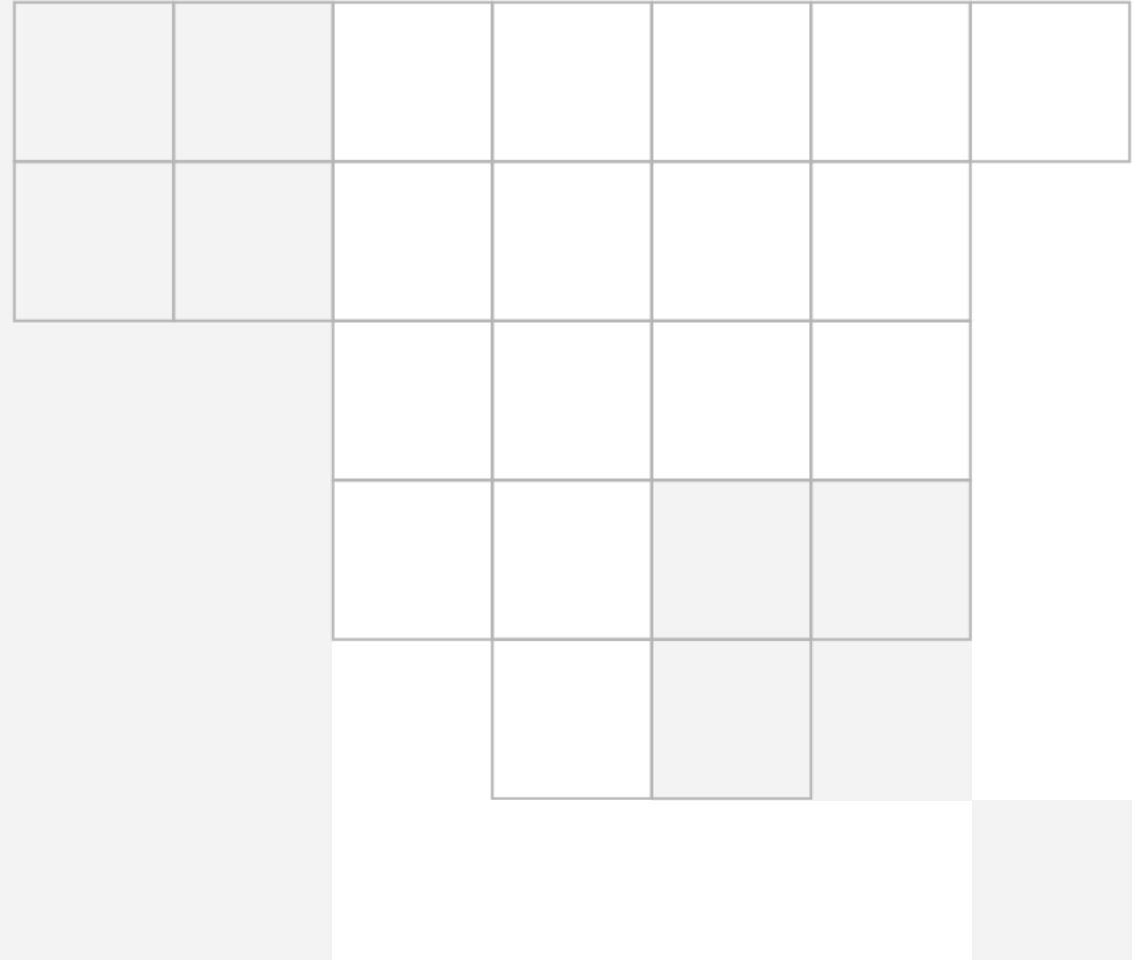
API complexity is a **beast**,  
tame it with Amplify.



# 2021 GTM – Amplify



**axway** 





The challenge is achieving the right balance between managing the short-term issues of cost and complexity while at the same time investing in the future.

Mike Gilbert, *The CEO's Dilemma*



**Bundesagentur  
für Arbeit**

**Enables secure, seamless eGovernment  
services in Germany with a hybrid  
integration platform**

**€150 BILLION**

In social security benefits paid in 2020

**100,000 EMPLOYERS**

Integrated with a secure, central platform

**UP TO 5 MILLION**

Cyber threats defeated daily



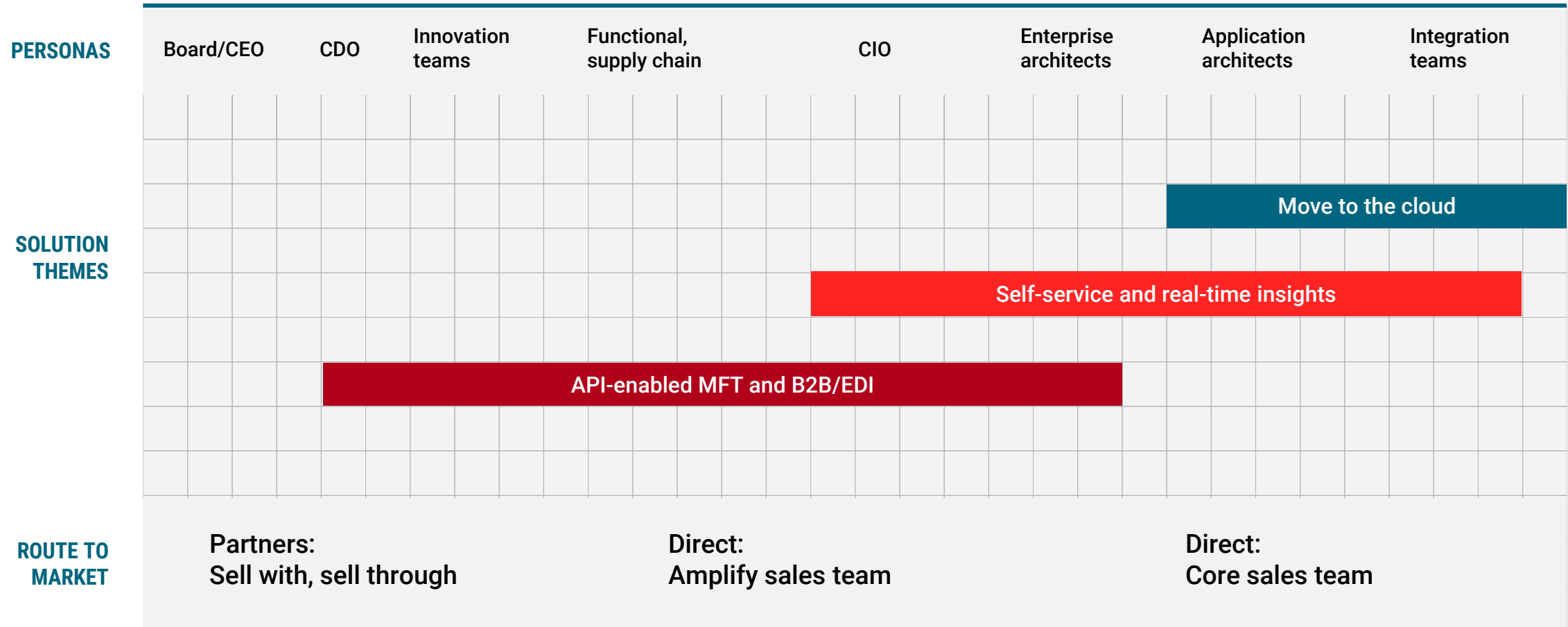
“

*Our success during the COVID-19 crisis clearly demonstrates the value of a mature approach to data integration and security – and we look forward to supporting a new generation of eGovernment services with Axway.*

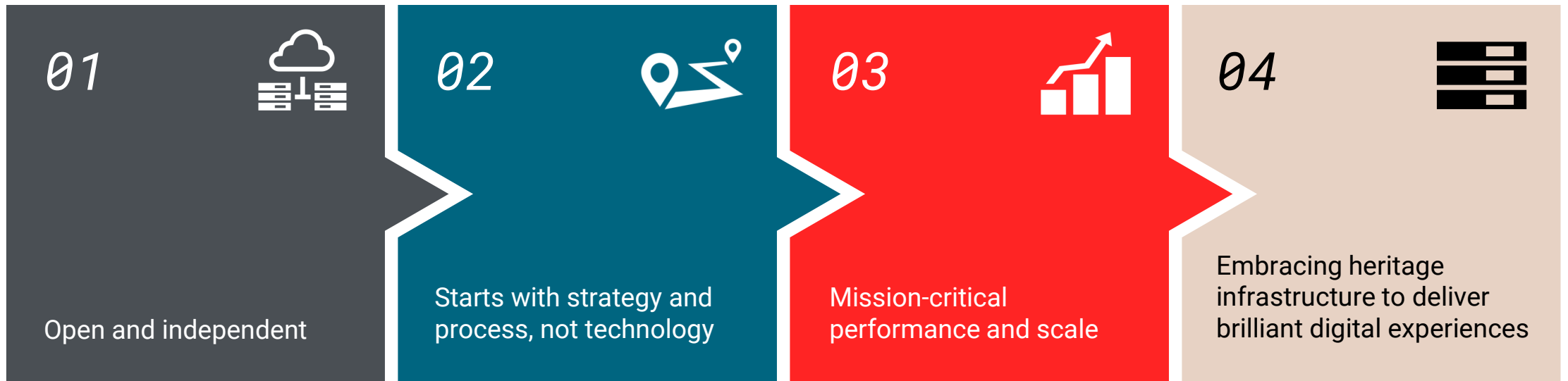
Peter Neuhauser

Head of TEC1 – CERT, Network Services, and Security as a Service

# 2021 GTM – Axway Core



# Winning in a competitive environment



**The world is opening.**

Cross-pollenating new ideas, creating new possibilities across geographies, industries, and customers and partners. With every investment, old and new, opportunities for growth are blossoming. So what are you waiting for?

Axway will help turn what you already have into brilliant digital customer experiences. It's time to

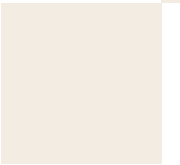
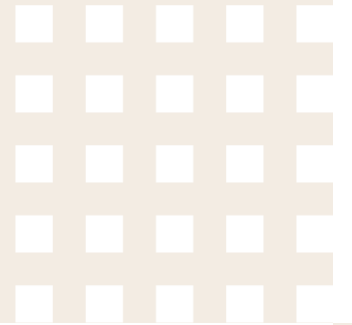
# Open

Are you open?

# Everything



**Questions?**





# Objectives for our first Capital Markets Meeting

