



HY2015 Results

Jean-Marc Lazzari
Chief Executive Officer
30 July 2015



Speakers



Jean-Marc Lazzari
Chief Executive Officer



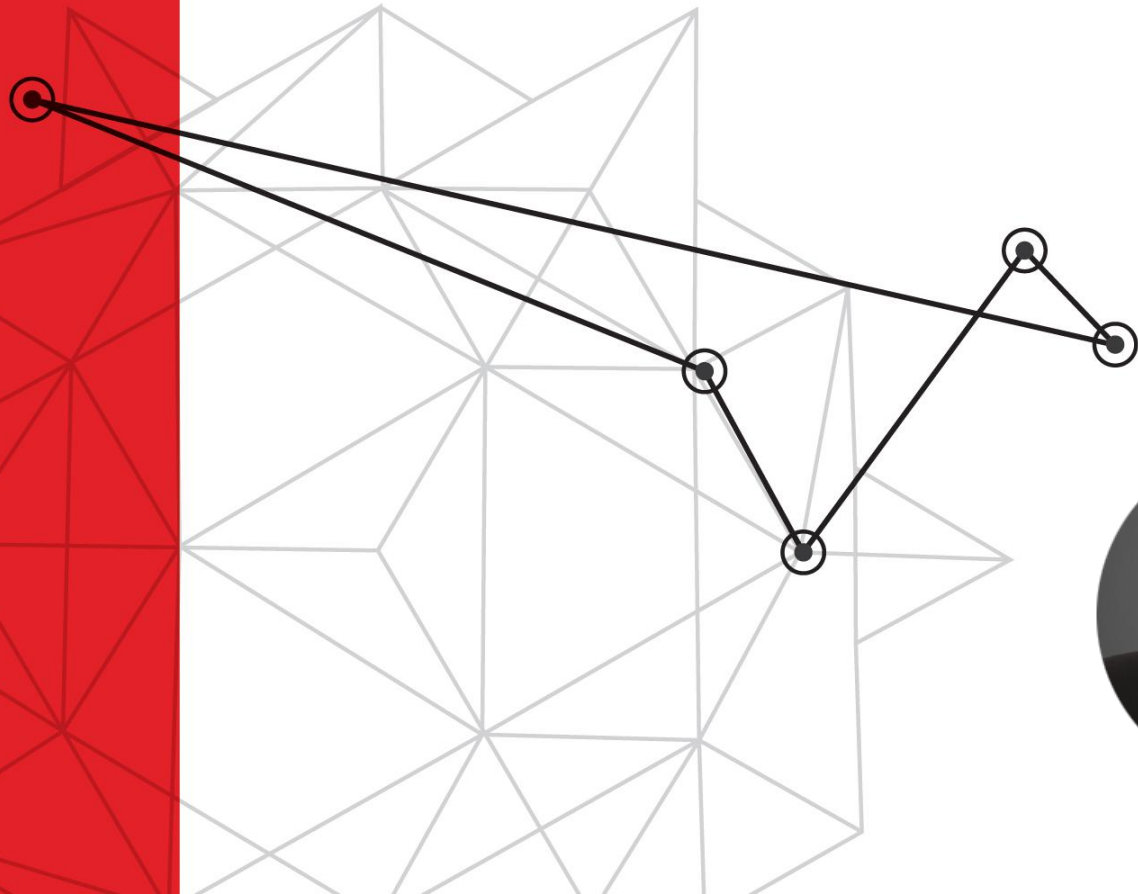
Patrick Donovan
Chief Financial Officer





Jean-Marc Lazzari
Chief Executive Officer

Semester Overview



HY 2015: Key Figures

Total Growth
+17.6%

Revenue (€M)

114.9 (+5.7%)

135.1 (+4.3%)

2014

2015

Profit from business activity (€M)

5.4 (4.7%)

12.7(9.4%)

2014

2015

Net Profit (€M)

2.8 (2.4%)

2.3 (1.7%)

2014

2015

HY 2015 in a Nutshell

France

Strong performance driven by Axway 5 Suite



USA

First signal of business rebound
Still underpenetrated



API

Main growth driver



Cloud

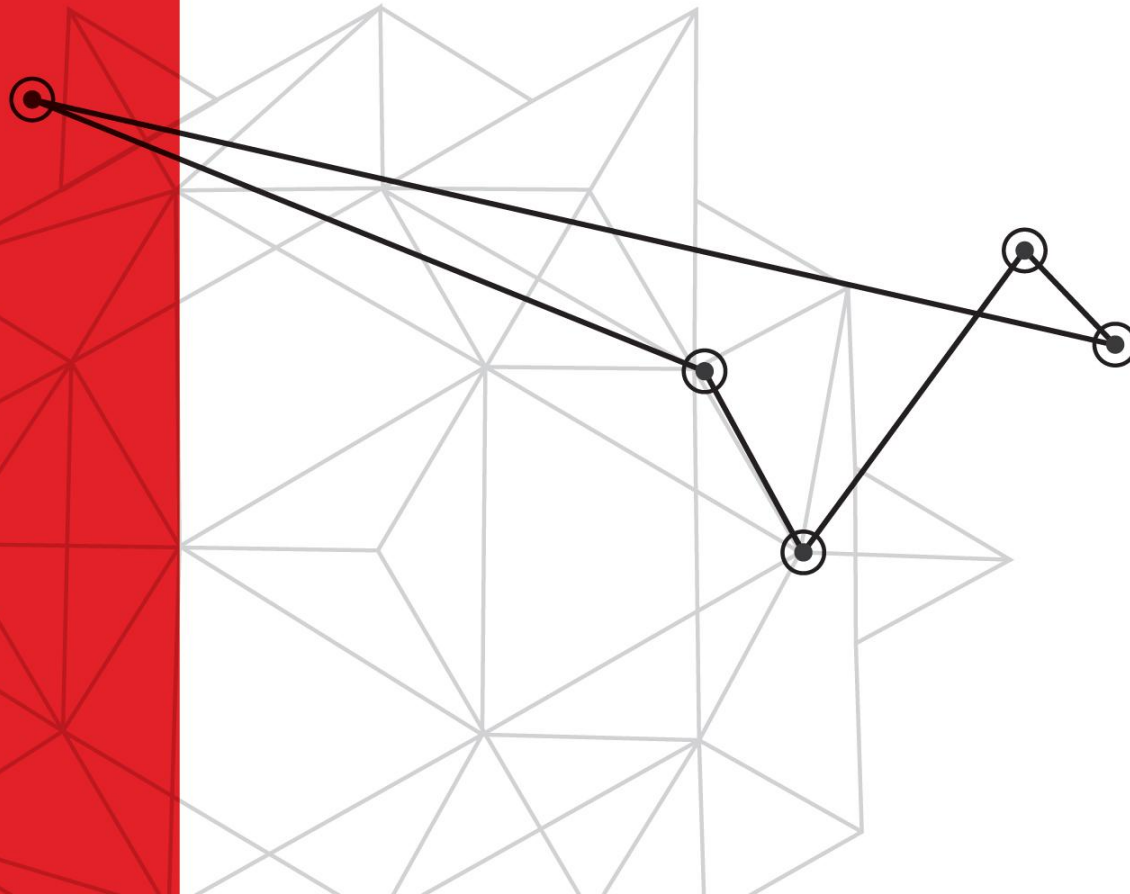
Strong booking and Revenue Growth
Deployment with our partners:

- Amazon
- Local operators



Correct Q1, Better Q2
Axway delivers a solid first half

Half Year 2015 Analysis



HY 2015: Revenue by Region

[€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
France	47.5	42.7	43.2	9.8%	9.7%
Rest of Europe	31.6	29.0	32.4	8.7%	(2.5)%
Americas	49.6	38.8	48.6	27.7%	2.0%
Asia/Pacific	6.5	4.3	5.2	51.4%	24.8%
Axway	135.1	114.9	129.5	17.6%	4.3%

(1) At constant exchange rates and on a like-for-like basis

HY 2015: Revenue by Activity

[€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
Licenses	34.2	27.8	31.8	22.9%	7.4%
Maintenance	68.0	57.4	65.0	18.5%	4.7%
Services	32.8	29.6	32.6	10.8%	0.6%
Axway	135.1	114.9	129.5	17.6%	4.3%

(1) At constant exchange rates and on a like-for-like basis

Q2 2015: Revenue by Region

Q2 2015 [€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
France	25.4	24.6	22.8	3.0%	11.4%
Rest of Europe	17.2	15.0	16.9	15.2%	2.2%
Americas	26.4	20.9	25.7	26.2%	2.7%
Asia/Pacific	3.4	2.3	3.0	46.4%	13.4%
Axway	72.5	62.8	68.4	15.4%	6.0%

(1) At constant exchange rates and on a like-for-like basis

Q2 2015: Revenue by Activity

Q2 2015 [€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
Licenses	20.6	17.0	18.7	21.1%	10.3%
Maintenance	34.5	30.7	33.5	12.5%	3.1%
Services	17.3	15.1	16.2	14.4%	6.7%
Axway	72.5	62.8	68.4	15.4%	6.0%

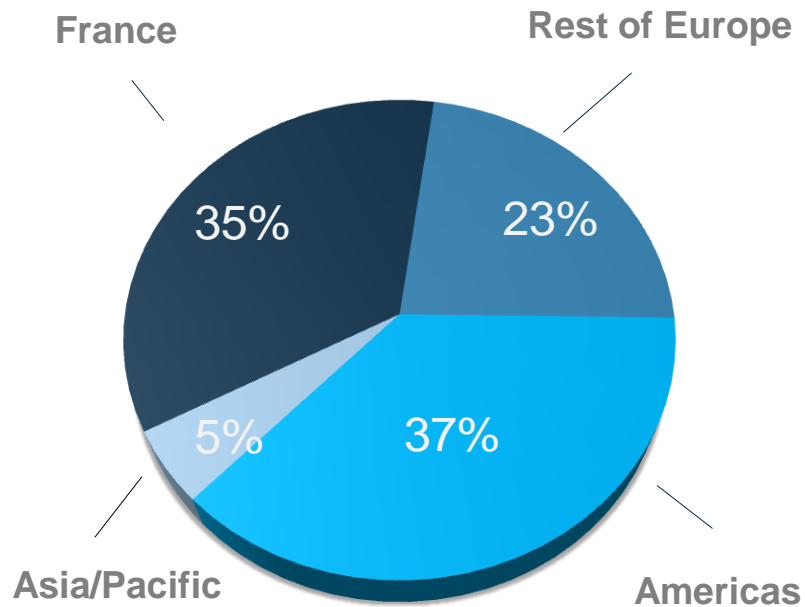
(1) At constant exchange rates and on a like-for-like basis



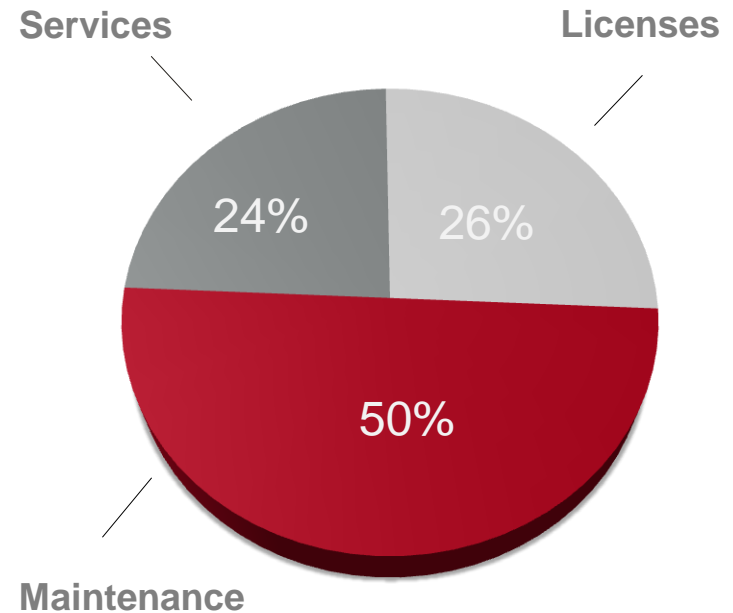
Axway: Balanced and Resilient Business Model

HY 2015

BY REGION

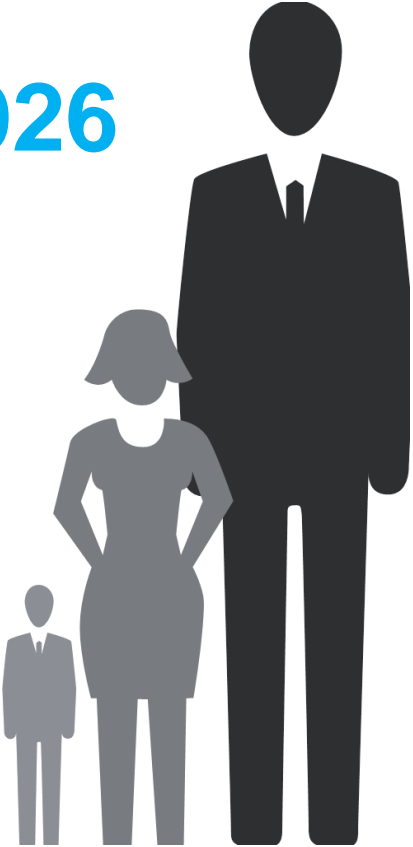


BY ACTIVITY



Headcount at End of June 2015

1926



FRANCE **692**



USA **411**

Signatures: Evolution of the Demand

Traditional
Business
MFT & B2B



OneHealthPort

Convergence
Traditional Business
MFT/B2B
New Business

LVMH
MOËT HENNESSY • LOUIS VUITTON



Pure
New Business
Digitalization



TOTAL



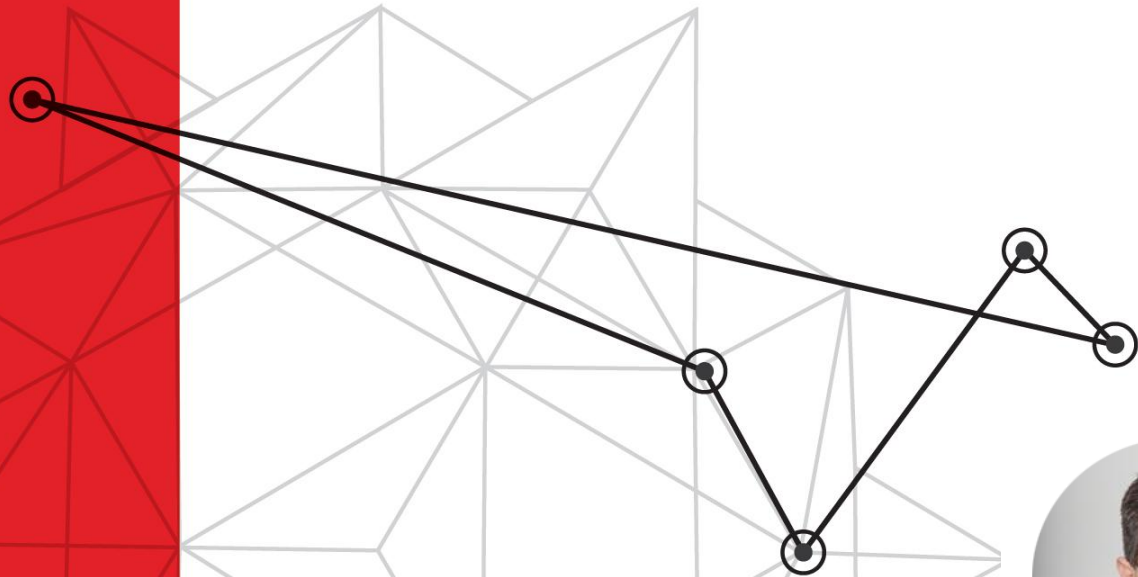
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Patrick Donovan
Chief Financial Officer

Accounting & Financial Results



Income Statement (1/2)

- Improved Profit on Operating Activities of 9.4 % from 4.7 % through License and Maintenance revenue growth while containing costs
- Costs growth due to foreign currency impact on conversion and the addition of one quarter of Systar costs

<i>In millions of euros</i>	HY 2015		HY 2014		FY 2014	
Revenue :						
License	34.2	25.3%	27.8	24.2%	79.6	30.4%
Maintenance	68.0	50.4%	57.4	50.0%	120.5	46.1%
Total Product Revenue	102.2	75.7%	85.2	74.2%	200.1	76.5%
Services	32.8	24.3%	29.6	25.8%	61.5	23.5%
Total Revenue :	135.1	100%	114.9	100.0%	261.6	100.0%
Costs of sales:						
Product Revenue	11.7	8.7%	11.5	10.0%	21.9	8.4%
Services	32.4	24.0%	28.1	24.5%	57.0	21.8%
Total Costs of sales :	44.1	32.7%	39.6	34.5%	78.9	30.2%
Gross profit:	91.0	67.3%	75.3	65.5%	182.6	69.8%
Operating expenses :						
Sales and marketing	41.8	30.9%	37.2	32.4%	77.5	29.6%
Research and development	23.2	17.1%	20.2	17.6%	41.0	15.7%
General and administrative	13.3	9.9%	12.5	10.9%	24.5	9.4%
Total operating expenses :	78.3	57.9%	69.9	60.8%	143.0	54.7%
Profit on operating activities	12.7	9.4%	5.4	4.7%	39.7	15.2%



Income Statement (2/2)

- Operating Profit impacted by 8.1 M€ restructuring charge
- Restructuring charge to rationalize our activities after years of acquisitions, primarily in our R&D and Sales areas
- Amortization increased with addition of Systar intangible assets

<i>In millions of euros</i>	HY 2015	HY 2014	FY 2014
Profit on operating activities	12.7	5.4	39.7
<i>as a % of Revenue</i>	9.4%	4.7%	15.2%
Stock option related expenses	(0.3)	(0.4)	(0.8)
Amortization of intangible assets	(3.0)	(2.0)	(5.3)
Profit from recurring operations	9.4	3.0	33.6
<i>as a % of Revenue</i>	7.0%	2.6%	12.8%
Other income and expenses	(8.1)	(1.0)	(2.3)
Operating profit	1.3	2.0	31.3
Cost of net financial debt	(0.2)	(0.4)	(1.4)
Other financial revenues and expenses	(0.1)	(0.3)	0.4
Income taxes	1.4	1.6	(3.6)
Net Profit	2.3	3.0	26.7
<i>as a % of Revenue</i>	1.7%	2.6%	10.2%
Basic net earnings per share (in Euro)	0.11	0.13	1.29

Simplified Balance Sheet (1/2)

- Goodwill increased from the currency impact on conversion of US Dollar balance sheet
- Cash balance strong at 41.7 M€ with full credit facility available
- DSO — 80 days at 30 June 2015

In millions of euros 30/06/2015 31/12/2014 30/06/2014

ASSETS			
Goodwill	247.9	236.5	226.4
Intangible assets	44.0	45.6	41.8
Property, plant and equipment	6.5	6.9	6.9
Other non-current assets	46.5	42.1	57.0
Non-current assets	344.9	331.1	332.2
Trade receivables	69.3	84.9	65.6
Other current assets	24.0	18.2	13.4
Cash and cash equivalents	41.7	44.6	41.3
Current assets	135.0	147.6	120.4
TOTAL ASSETS	479.9	478.7	452.6



Simplified Balance Sheet (2/2)

- No borrowings under 125 M€ RCF at 30 June 2015
- Other current liabilities includes 81.8 M€ of deferred income

<i>In millions of euros</i>	30/06/2015	31/12/2014	30/06/2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	41.2	41.1	41.1
Capital reserves and results	266.4	257.4	214.2
Total shareholders' equity	307.5	298.5	255.3
Financial debt - long-term portion	7.8	46.3	51.1
Other non-current liabilities	17.6	18.9	22.0
Non-current liabilities	25.4	65.2	73.1
Financial debt - short-term portion	2.4	1.3	21.5
Other current liabilities	144.6	113.7	102.8
Current liabilities	147.0	115.0	124.1
TOTAL LIABILITIES	172.4	180.2	197.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	479.9	478.7	452.6

Change in Equity

- Due to the USD/Euro conversion rate movement a significant translation adjustment was recorded in 2014 and first half 2015 on the conversion of the foreign balance sheets to Euros

<i>In millions of euros</i>	30/06/2015	31/12/2014	30/06/2014
Equity at Opening of Period	298.5	258.4	258.3
Profit for the period	2.6	26.7	2.8
Other comp. income statement items	0.3	0.0	0.0
Share-based payments	0.3	0.8	0.4
Treasury Shares	0.0	-0.1	0.0
Dividends	-8.2	-8.2	-8.2
Capital increase	0.3	1.3	1.0
Actuarial gains and losses	0.0	-0.5	0.0
Other changes	1.0	-0.2	0.3
Translation differential	12.9	20.3	0.7
Equity at End of Period	307.6	298.5	255.3

Cash Flow Statement

- Working Capital Requirements — normal cyclical affect in first half due to cash recovery on year-end sales and maintenance renewals
- Free cash flow for the first half of 2015 is 34.4 M€
- Dividend payment declared in June 2015, paid in July 2015 — out of first half

In millions of euros

	HY 2015	HY 2014	FY 2014
Net profit for the period	2.3	3.0	26.7
Net charges to amortizations, depreciations and provisions	11.1	4.6	8.3
Other income and expense items	(1.7)	0.6	0.2
Cash from operations after cost of net debt and tax	11.8	8.2	35.2
Changes to operating working capital requirements	27.8	21.3	11.0
Costs of net financial debt	0.2	0.4	1.4
Income tax paid net of accrual	(3.7)	(2.3)	(0.2)
Net cash from operating activities	36.1	27.7	47.3
Net cash used in investing activities	(1.5)	(52.5)	(54.4)
Proceeds on shares issued	0.3	1.0	1.3
Dividends paid	-	(8.2)	(8.2)
Change in loan	(40.4)	23.9	7.7
Net interest paid	-	(0.5)	(1.4)
Other changes	0.0	0.2	(0.7)
Net cash from (used in) financing activities	(40.1)	16.6	(1.2)
Effect of foreign exchange rate changes	0.9	0.4	3.7
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4.5)	(7.9)	(4.6)
Opening cash position	44.6	49.2	49.2
CLOSING CASH POSITION	40.0	41.3	44.6

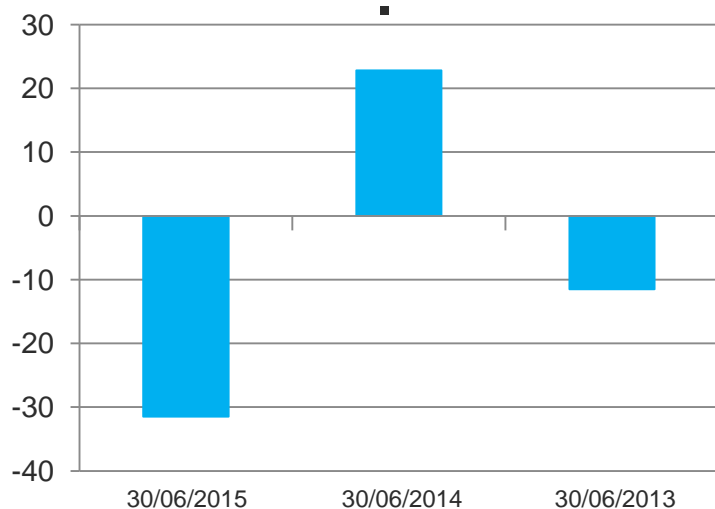


Financial Structure – Covenants 2015

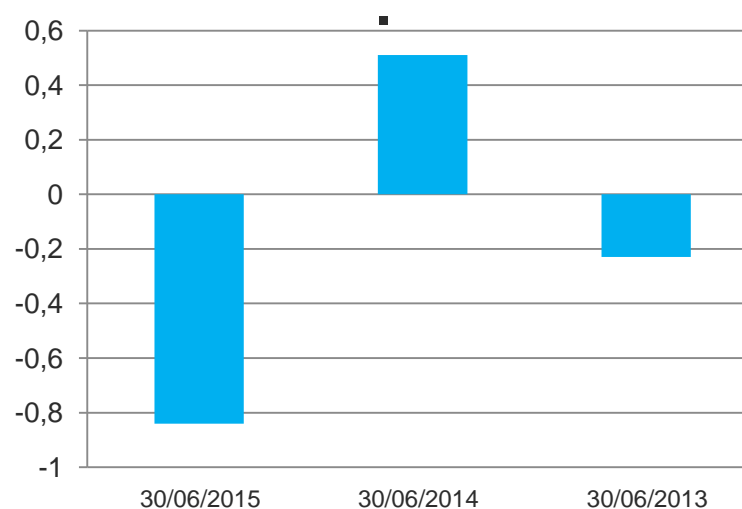
- Financial covenants met in all periods, net treasury for first half of 2015 is 31,5 M€
- Our main covenant is the leverage ratio: $\text{Net debt}/\text{EBE} \leq 3$ (-0,84 at June 30, 2015)
- The 125M€ credit line is extended to mid-2020 and is fully available

In millions of euros

	30/06/2015	30/06/2014	30/06/2013
Net Debt	-31.5	22.8	-11.5
Banking debt	10.2	64.1	42.6
Cash	41.7	41.3	54.1



■ Net Debt



■ Net Debt:/EBE

Good Overall Financial Performance Enabling Axway to Invest in its Future



Total growth above 17%



Operating margin on business activity
at 9.4% vs 4.7%



Net Treasury >30M€ with healthy cash
flows this period (Net debt<0)

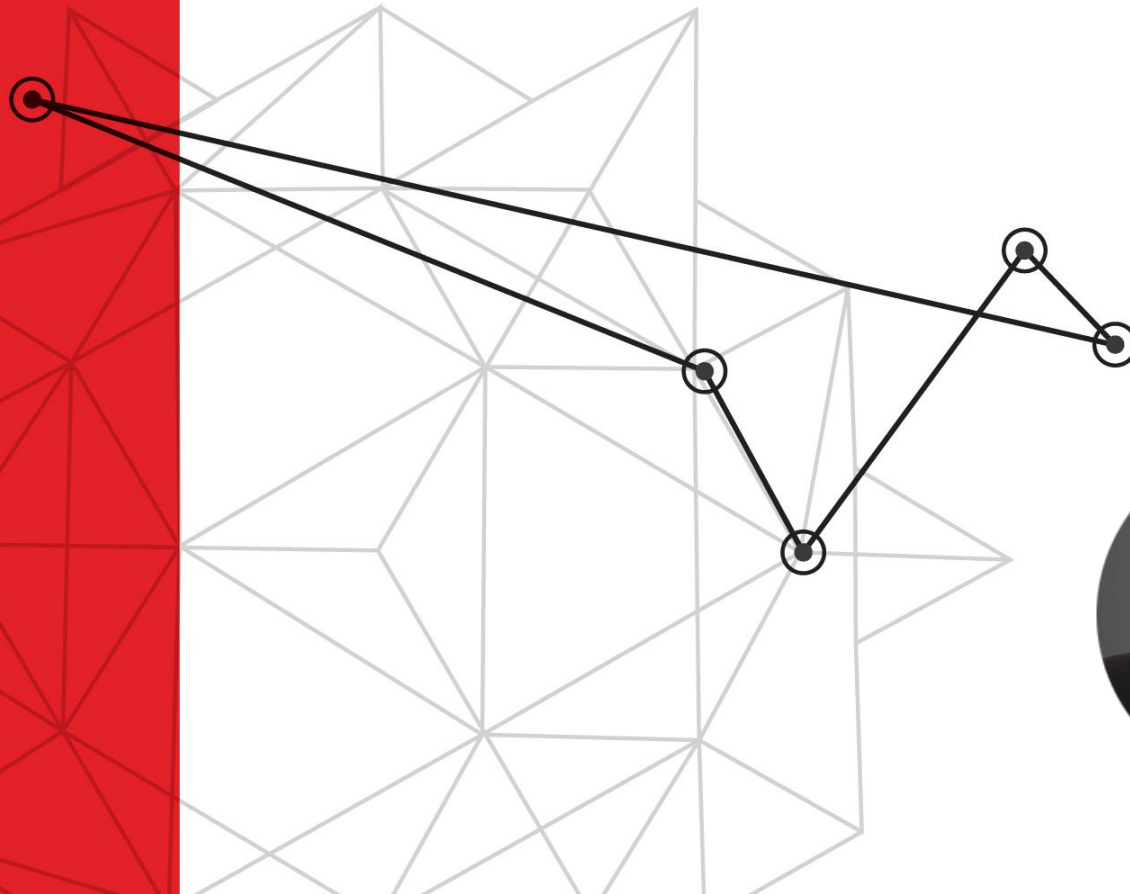
1HY 2015 versus 1HY 2014





Jean-Marc Lazzari
Chief Executive Officer

Strategic Direction



Axway's H2 Focus

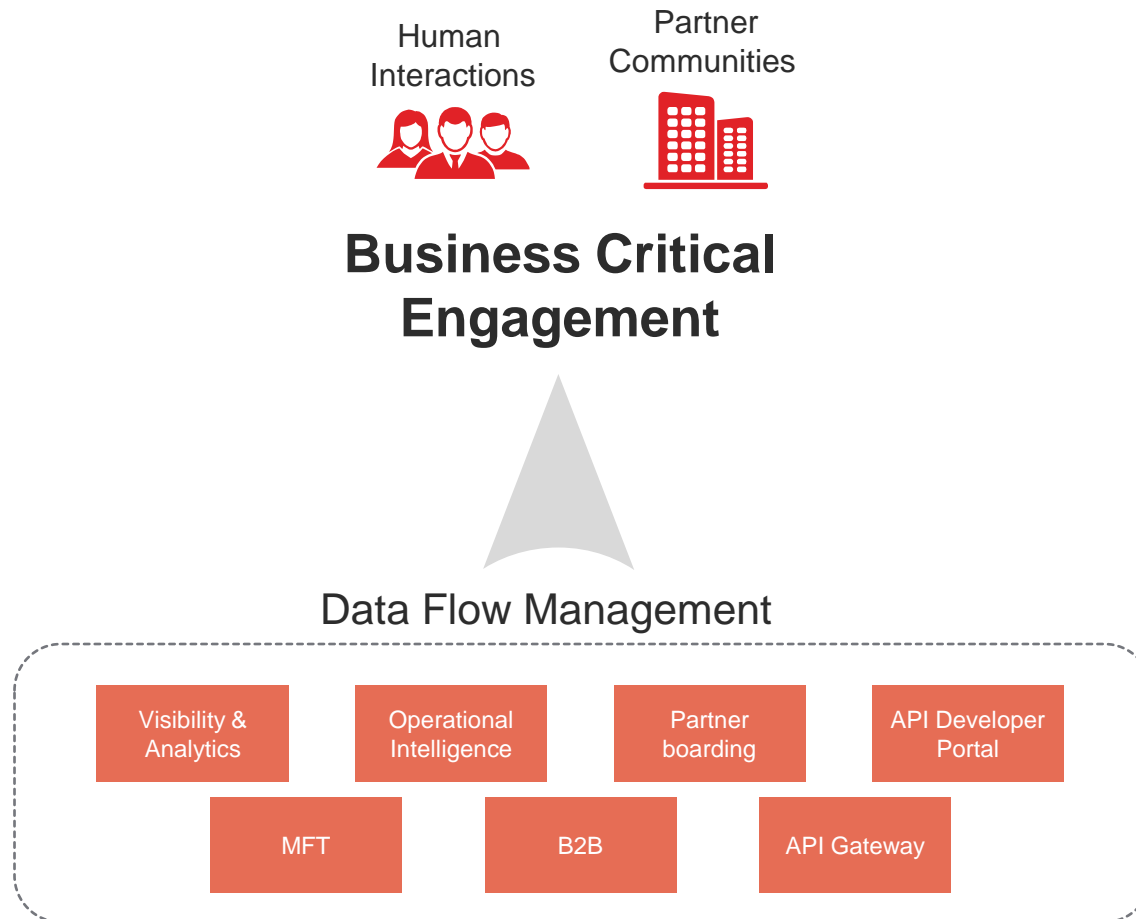


RE-THINK & RE-POSITION

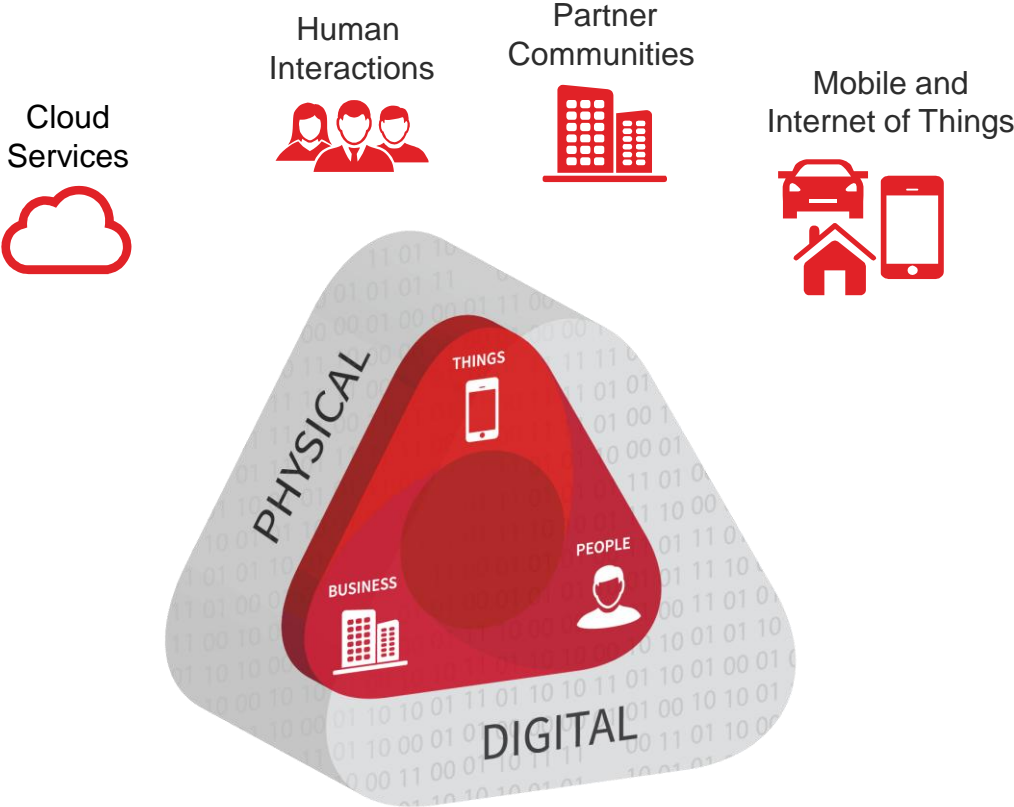


2011: Axway Enabled Critical Business

We provide market leading software and services that empower our customers to govern the flow of data that drive business critical interactions



Digital Business



Digital Business Requirements

Meeting expectations of suppliers, customers and partners
requires increased digital interaction



Creating new revenue streams
requires exposing new services while leveraging existing systems

App strategy and resulting integration strategy
requires a bimodal approach to reach development objectives

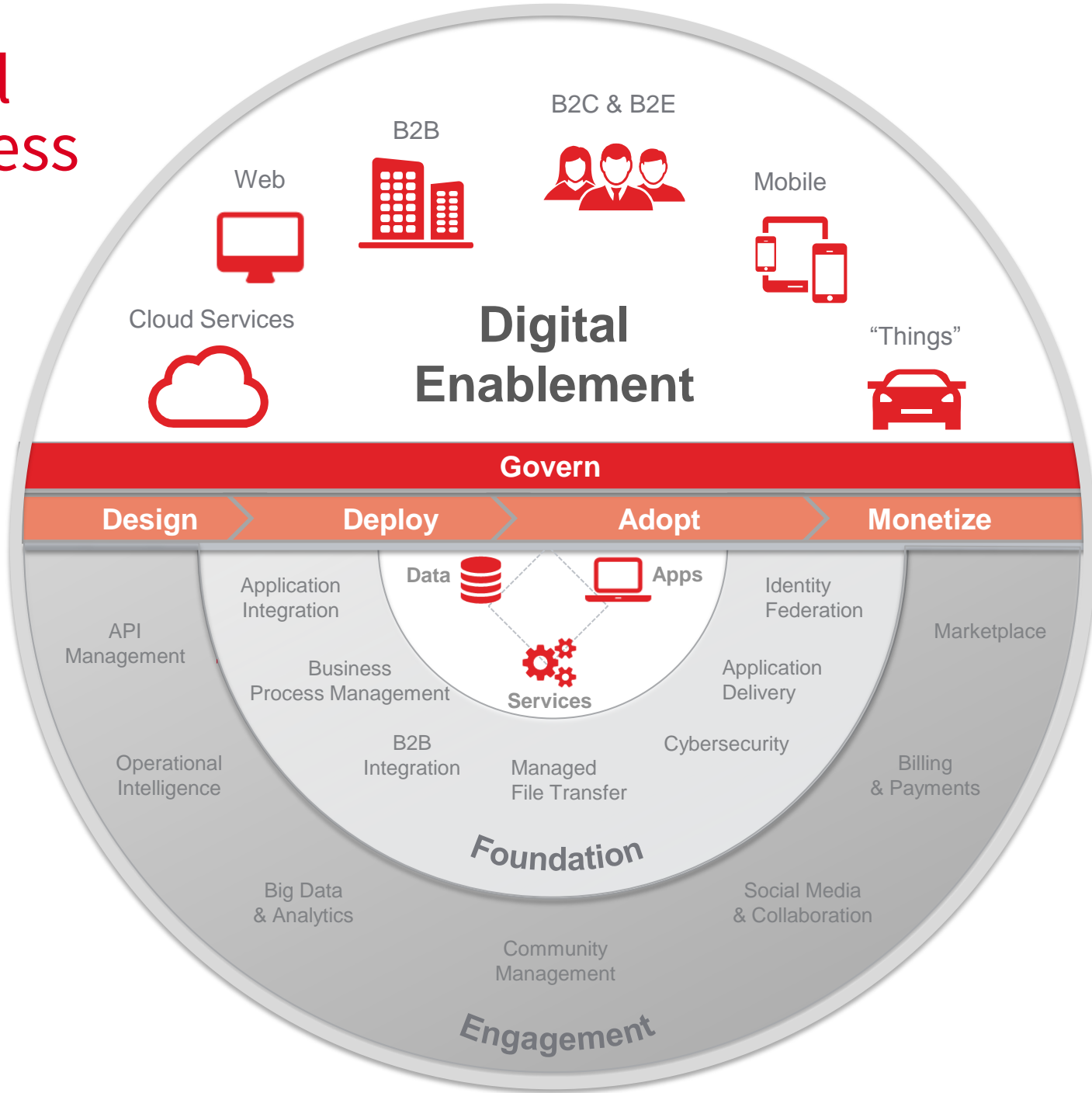


Increasing volume and variety of data flows
requires ability to govern these flows to reduce risk

Enhanced collaboration within ecosystems
requires real-time visibility for predictive interactions

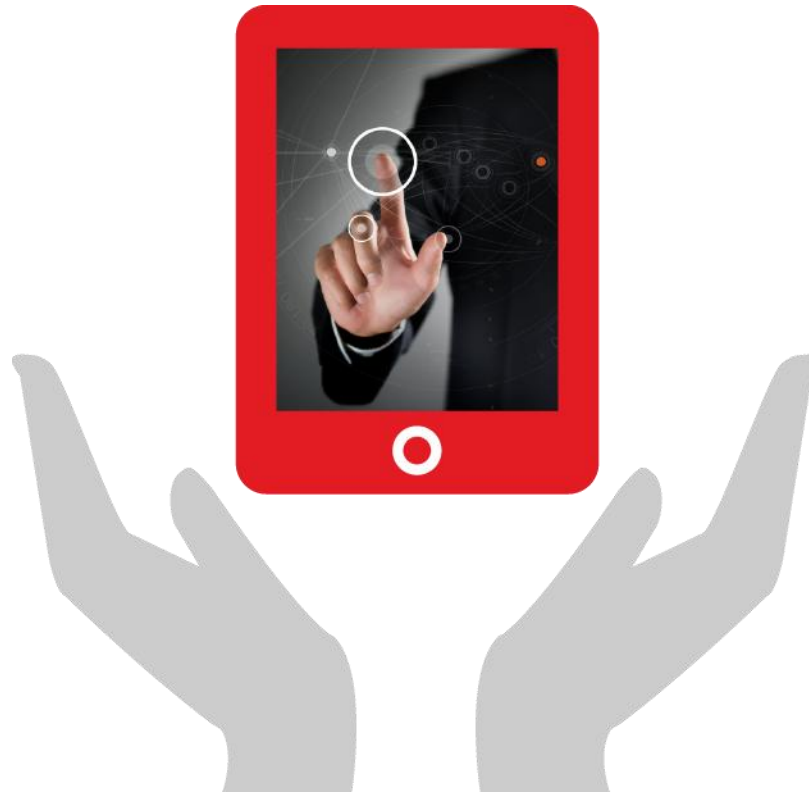


Digital Business

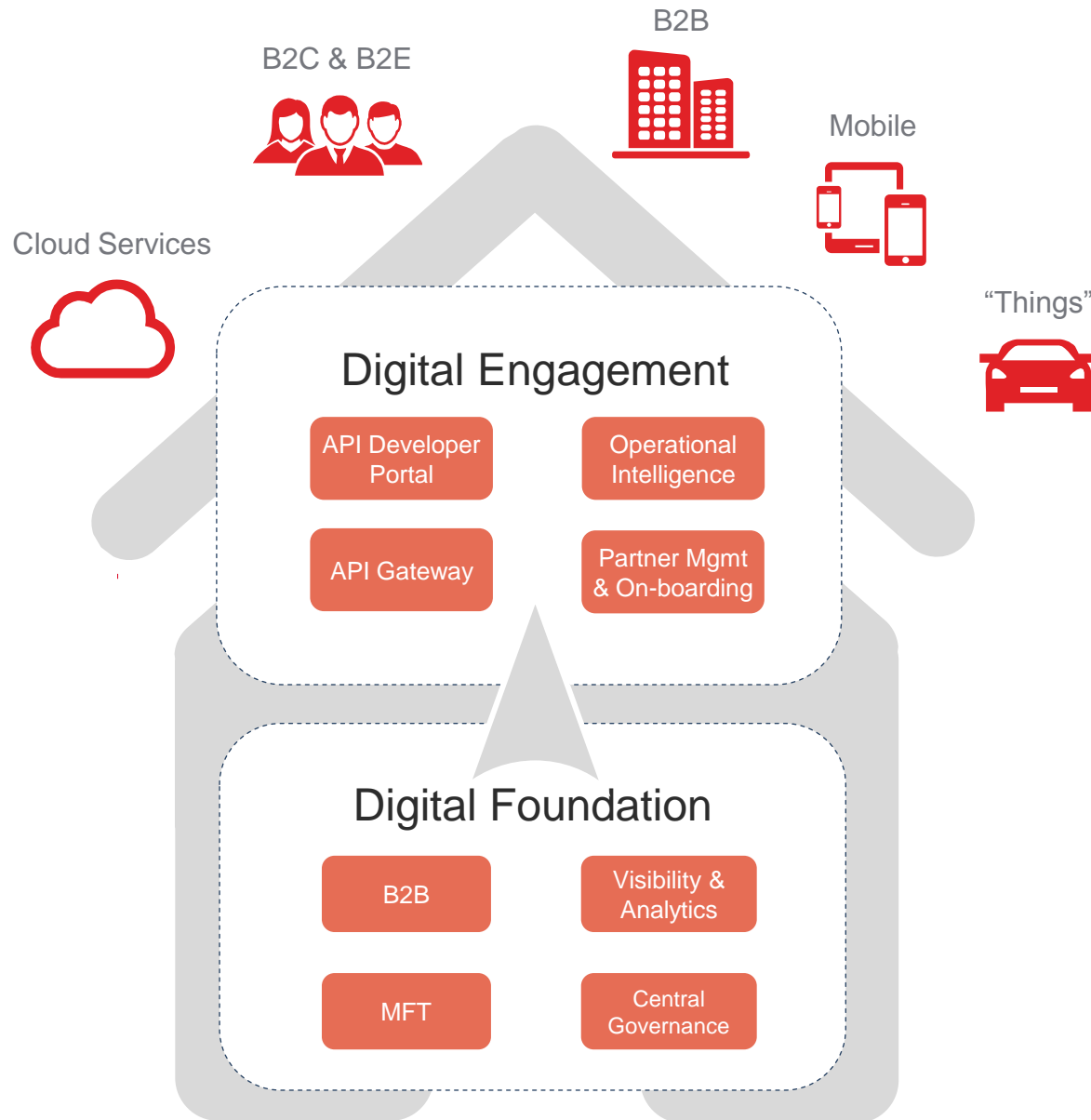


2015 Axway's Vocation

Enabling your digital business by connecting people, processes and things while governing data flows throughout your ecosystem



Potential Digital Enablement



Axway's Digital Business Heritage

Proven Digital Business Success

with a global customer base of over 11,000



Recognized Digital Foundation Leader

with MFT, B2B/EDI and API Management solutions



“Edge” Focus

on multi-enterprise integration as the epicenter of the entire ecosystem



Proven Track Record

of addressing enterprise scale, legacy integration scenarios



Data Flow Governance Differentiation

Total Visibility

...become proactive by anticipating problems and reducing risk before business is disrupted



Complete Control

... define and enforce policies to ensure consistency across the ecosystem



Assured Security

...comply with industry and government regulations as well as your own internal security audits

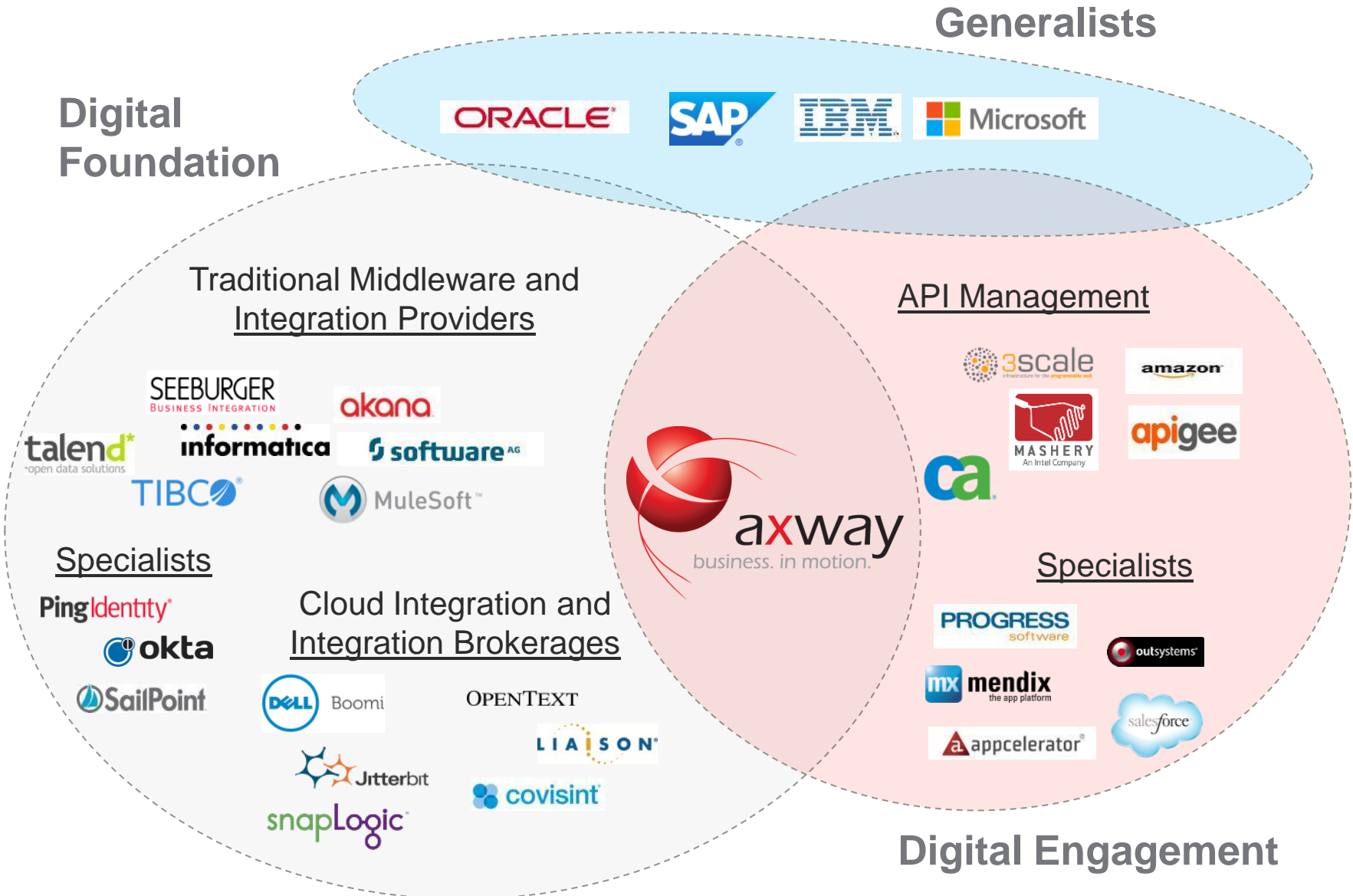


Interaction & Partners

...manage B2B interactions, ease partner on-boarding



Competitive & Market Landscape

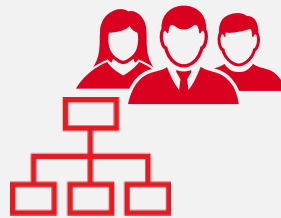


TRANSFORM & ALIGN

DELIVER STRONG
RESULTS



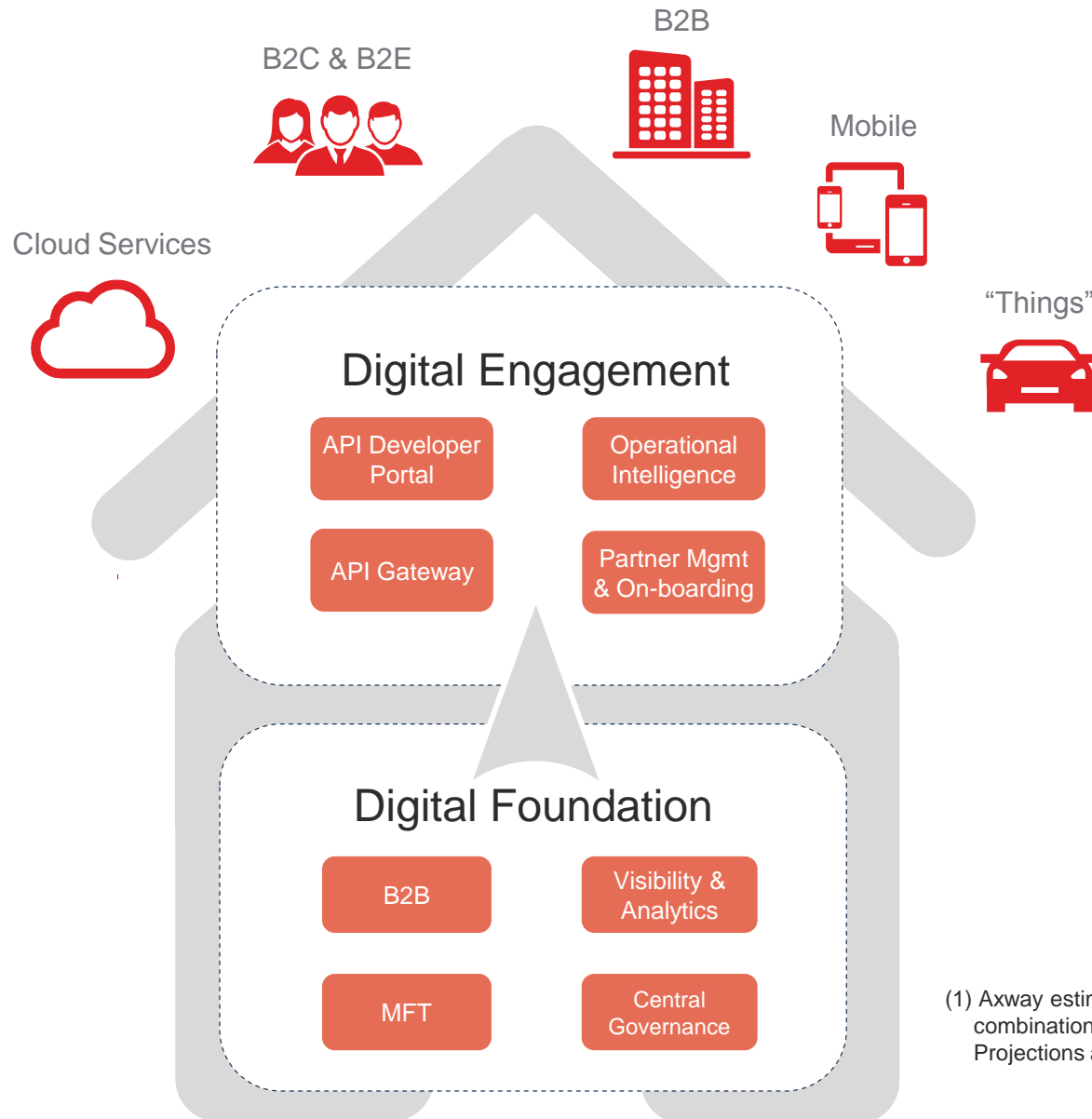
RE-THINK &
RE-POSITION



TRANSFORM
& ALIGN



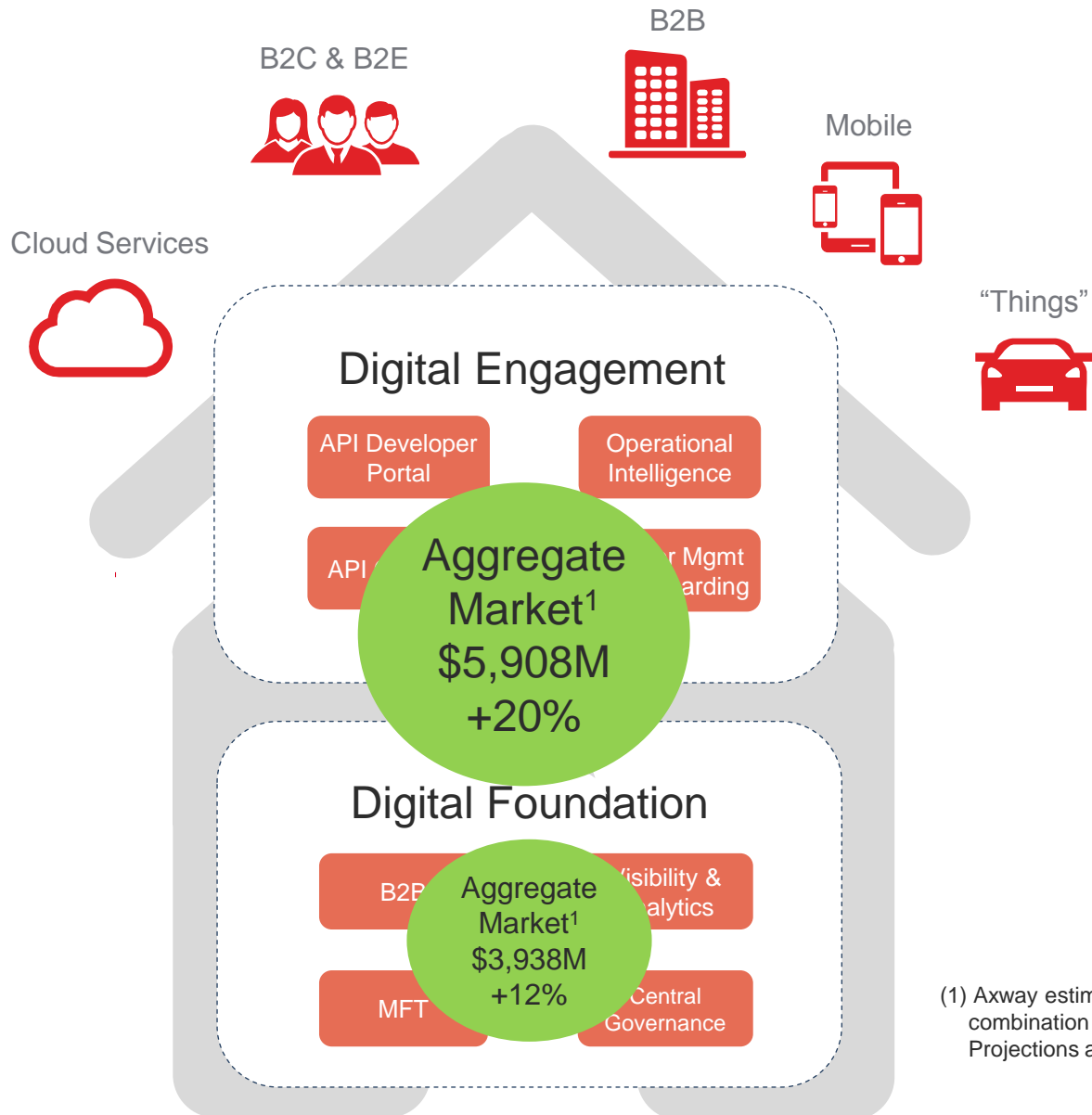
Potential Digital Enablement Markets



(1) Axway estimates based on a combination of Market Analyst Projections and assumptions



Potential Digital Enablement Markets



(1) Axway estimates based on a combination of Market Analyst Projections and assumptions



Go-to-Market Strategy



US, UK, Germany

Invest

for growth in large, underpenetrated markets

- Leverage improved sales efficiency
- Increase sales capacity
- Focus partner network expansion

France

Expand

market share through cross-selling and up-selling in our extensive customer base

- Expand Digital Engagement solutions in our Digital Foundation customer base

Rest of World

Maintain

our strong global footprint with market-specific strategies

- Leverage geographic specific market strengths
- Continue to develop partners to strengthen capabilities / coverage



Axway on the Road of Transformation

Strengthened Product Management

- Hired new head of Product Management
- Created a Chief Digital Officer position
- Focused on Digital Enablement
- Implement a bi-model approach

Sales Transformation

- Continued strengthening of Sales Organization (NA mainly)
- Solution selling methodology to address IT and LoB
- Sales enablement
- Created “Digital Sales Reps” profiles (Hunters)

Product Portfolio Adjustments

- Product Portfolio and Lab rationalization program
- “Cloud First” Program
- Accelerate investments on Digital Enablement Solutions

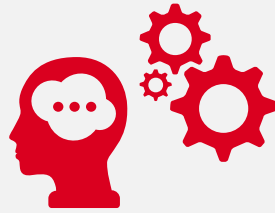


To Wrap Up...

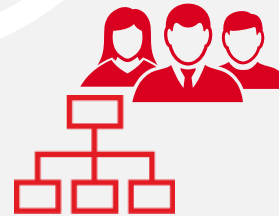
**DELIVER STRONG
RESULTS**



**RE-THINK &
RE-POSITION**



**TRANSFORM
& ALIGN**





Thank You

Questions & Answers

[Investor Relations](#)
[Patrick Gouffran](#)
pgouffran@axway.com
[Tel +33 \(6\)85924991](tel:+33685924991)

www.investors.axway.com

