



# 1<sup>st</sup> Half Year 2016 Results

**Roadshow Société Générale  
Corporate & Investment Banking  
7 September 2016  
Paris**

# Forward Looking Statements

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This presentation contains forecasts in respect of which there are risks and uncertainties concerning the company's future growth and profitability. The group highlights the fact that the signature of license contracts, which often represent investments for clients, are more significant in the second half of the year and may therefore induce to a more or less favorable full-year performance.

Furthermore the current outcome of the events 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 Registration Document 2015 submitted to the Autorité des Marchés Financiers (AMF) on 25 April 2016 n° D16-0393.

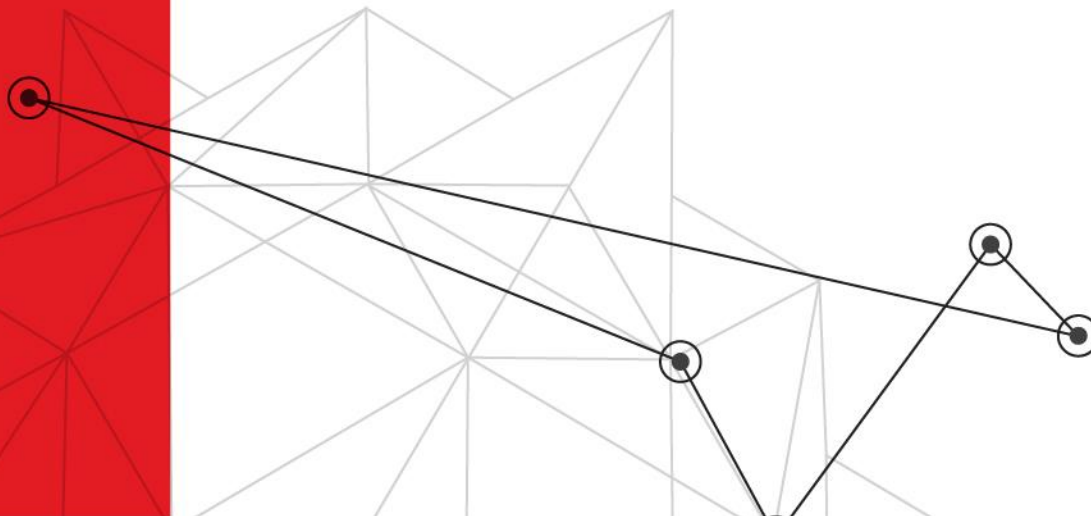
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# Agenda

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- 1<sup>st</sup> Half Year 2016 Analysis
- Accounting & Financial Results
- Mid-term Plan Status
- Appendices

# 1<sup>st</sup> Half Year 2016 Analysis



# HY 2016: Key Figures (€M)

Total Growth  
+ 7.1%

	2016	2015
Revenue	144.7	135.1
Profit from business activity	16.3	12.7
% revenue	11.3%	9.4%
Net Profit	11.0	2.3
% revenue	7.6%	1.7%

# HY 2016: Revenue by Activity

[€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Total Growth	Organic Growth <sup>1</sup>
Licenses	37.4	34.2	33.9	9.5%	10.3%
Maintenance	70.2	68.0	67.5	3.1%	4.0%
<i>Product Revenue</i>	<i>107.6</i>	<i>102.2</i>	<i>101.4</i>	<i>5.3%</i>	<i>6.1%</i>
Services	37.1	32.8	35.5	12.9%	4.4%
<b>Axway</b>	<b>144.7</b>	<b>135.1</b>	<b>136.9</b>	<b>7.1%</b>	<b>5.7%</b>

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

# HY 2016: Revenue by Region

[€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Total Growth	Organic Growth <sup>1</sup>
France	43.9	47.5	47.5	-7.5%	-7.5%
Rest of Europe	31.8	31.6	31.2	0.9%	2.1%
Americas	61.5	49.6	52.1	24.0%	18.1%
Asia/Pacific	7.4	6.5	6.2	15.1%	20.1%
<b>Axway</b>	<b>144.7</b>	<b>135.1</b>	<b>136.9</b>	<b>7.1%</b>	<b>5.7%</b>

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

# HY 2016: Revenue by Quarter & Region

Q1 [€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Organic Growth <sup>1</sup>
France	20.1	22.1	22.1	-9.2%
Rest of Europe	14.6	14.3	14.2	2.3%
Americas	27.5	23.2	24.6	11.6%
Asia/Pacific	3.3	3.0	2.9	11.0%
<b>Axway Q1</b>	<b>65.3</b>	<b>62.6</b>	<b>63.9</b>	<b>2.3%</b>

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

Q2 [€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Organic Growth <sup>1</sup>
France	23.8	25.4	25.4	-6.1%
Rest of Europe	17.3	17.2	17.0	1.9%
Americas	34.1	26.4	27.5	23.8%
Asia/Pacific	4.2	3.4	3.3	28.2%
<b>Axway Q2</b>	<b>79.4</b>	<b>72.5</b>	<b>73.1</b>	<b>8.6%</b>

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



# HY 2016: Revenue by Quarter & Activity

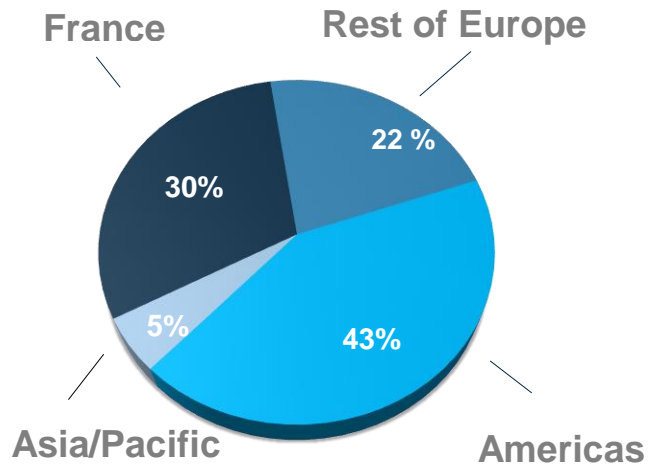
Q1 [€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Organic Growth <sup>1</sup>	Q2 [€M]	2016	2015 Reported	2015 Restated <sup>1</sup>	Organic Growth <sup>1</sup>
Licenses	12.4	13.6	13.6	-8.6%	Licenses	25.1	20.6	20.4	22.9%
Maintenance	34.7	33.5	33.6	3.5%	Maintenance	35.4	34.5	33.9	4.5%
Services	18.2	15.5	16.7	8.8%	Services	18.9	17.3	18.8	0.5%
<b>Axway Q1</b>	<b>65.3</b>	<b>62.6</b>	<b>63.9</b>	<b>2.3%</b>	<b>Axway Q2</b>	<b>79.4</b>	<b>72.5</b>	<b>73.1</b>	<b>8.6%</b>

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

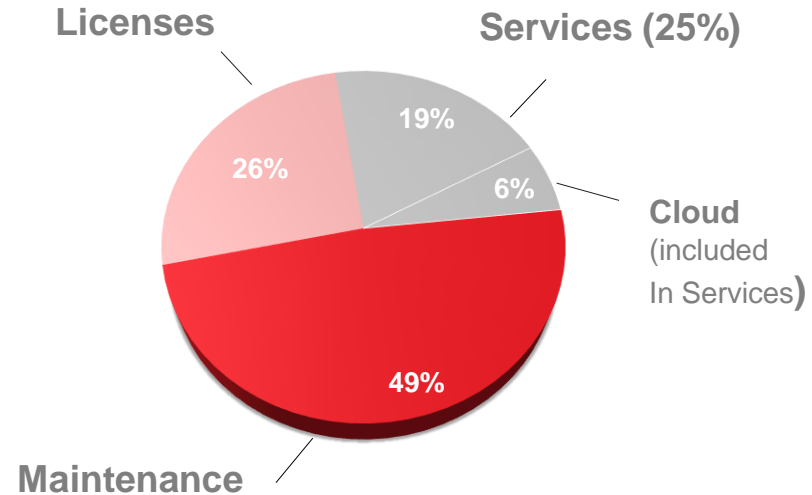
(1) At constant exchange rates and on a like-for-like basis

# HY 2016: Balanced & Resilient Business Model

BY REGION



BY ACTIVITY



# HY 2016: Headcount at End of June 2016

1957

(1849 June 2015)

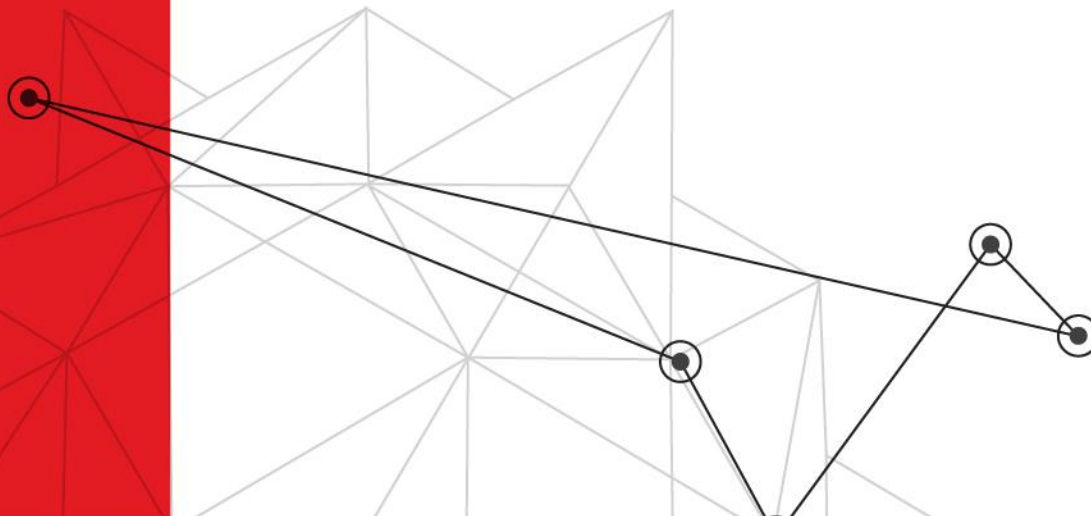


FRANCE 642



USA 508

# Accounting & Financial Results



# Income Statement (1/2)

- Total Revenue grew 7,1% in total, 5,7% organic – with strong license growth
- Gross Profit is 69,3% of Revenue, improving over first half of 2015
- Operating costs grew primarily due to additional costs from Appcelerator acquisition in Jan 2016

<i>In millions of euros</i>	HY 2016	HY 2015	FY 2015
<b>Revenue :</b>			
Licenses	37.4	34.2	80.5
Maintenance	70.2	68.0	137.7
Total Product Revenue	107.6	102.2	218.2
Services	37.1	32.8	66.4
<b>Total Revenue :</b>	<b>144.7</b>	<b>135.1</b>	<b>284.6</b>
<b>Costs of sales:</b>			
Product Revenue	12.5	11.7	23.2
Services	31.9	32.4	63.2
<b>Total Costs of sales :</b>	<b>44.4</b>	<b>44.1</b>	<b>86.4</b>
<b>Gross profit:</b>	<b>100.3</b>	<b>91.0</b>	<b>198.3</b>
<i>as a % of Revenue</i>	69.3%	67.3%	69.7%
<b>Operating expenses :</b>			
Sales and marketing	42.2	41.8	81.9
Research and development	27.0	23.2	46.0
General and administrative	14.8	13.3	25.9
<b>Total operating expenses :</b>	<b>84.0</b>	<b>78.3</b>	<b>153.8</b>
<b>Profit on operating activities</b>	<b>16.3</b>	<b>12.7</b>	<b>44.5</b>

# Income Statement (2/2)

- Profit on Operating Activities finished at 11.3%, an improvement over first half of 2015
- In 2015, Restructuring charge to rationalize our activities after years of acquisitions, primarily in our R&D and Sales areas
- Income tax benefit in 2015 due to the release of certain tax asset valuation reserves as well as a favorable profit levels across our different tax jurisdictions

<i>In millions of euros</i>	HY 2016	HY 2015	FY 2015
<b>Profit on operating activities</b>	<b>16.3</b>	<b>12.7</b>	<b>44.5</b>
<i>as a % of Revenue</i>	<i>11.3%</i>	<i>9.4%</i>	<i>15.6%</i>
Stock option related expenses	(0.2)	(0.3)	(0.6)
Amortization of intangible assets	(3.8)	(3.0)	(6.0)
<b>Profit from recurring operations</b>	<b>12.3</b>	<b>9.4</b>	<b>37.9</b>
<i>as a % of Revenue</i>	<i>8.5%</i>	<i>7.0%</i>	<i>13.3%</i>
Other income and expenses	(1.5)	(8.1)	(10.5)
<b>Operating profit</b>	<b>10.7</b>	<b>1.3</b>	<b>27.4</b>
Cost of net financial debt	(0.2)	(0.2)	(0.4)
Other financial revenues and expenses	0.9	(0.1)	(1.3)
Income taxes	(0.5)	1.4	2.1
<b>Net Profit</b>	<b>11.0</b>	<b>2.3</b>	<b>27.9</b>
<i>as a % of Revenue</i>	<i>7.6%</i>	<i>1.7%</i>	<i>9.8%</i>
Basic net earnings per share (in Euro)	<b>0.53</b>	<b>0.11</b>	<b>1.35</b>

# Simplified Balance Sheet (1/2)

- Goodwill increased as well as Intangibles due to Appcelerator Acquisition
- Consistent cash balance across all periods
- DSO finished at 78 days at HY 2016, versus 80 at HY 2015

<i>In millions of euros</i>	HY 2016	FY 2015	HY 2015
<b>ASSETS</b>			
Goodwill	279.9	251.8	247.9
Intangible assets	52.3	40.9	44.0
Property, plant and equipment	8.5	7.8	6.5
Other non-current assets	53.3	47.0	46.5
<b>Non-current assets</b>	<b>394.1</b>	<b>347.5</b>	<b>344.9</b>
Trade receivables	69.9	73.9	69.3
Other current assets	23.6	22.5	24.0
Cash and cash equivalents	41.7	44.7	41.7
<b>Current assets</b>	<b>135.2</b>	<b>141.0</b>	<b>135.0</b>
<b>TOTAL ASSETS</b>	<b>529.4</b>	<b>488.6</b>	<b>479.9</b>

# Simplified Balance Sheet (2/2)

- 20 M€ borrowings under 125 M€ RCF at 30 June 2016
- Other current liabilities includes 86.9 M€ of deferred income in HY2016 versus 81.8 M€ in HY 2015
- Total shareholders' equity is 338.4 M€ at 30 June 2016

<i>In millions of euros</i>	HY 2016	FY 2015	HY 2015
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	41.6	41.5	41.2
Capital reserves and results	296.8	299.1	266.4
<b>Total shareholders' equity</b>	<b>338.4</b>	<b>340.6</b>	<b>307.5</b>
Financial debt - long-term portion	31.9	7.5	7.8
Other non-current liabilities	14.8	15.7	17.6
<b>Non-current liabilities</b>	<b>46.7</b>	<b>23.2</b>	<b>25.4</b>
Financial debt - short-term portion	2.9	1.5	10.1
Other current liabilities	141.3	123.3	136.9
<b>Current liabilities</b>	<b>144.3</b>	<b>124.8</b>	<b>147.0</b>
<b>TOTAL LIABILITIES</b>	<b>191.0</b>	<b>148.0</b>	<b>172.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>529.4</b>	<b>488.6</b>	<b>479.9</b>



# Cash Flow Statement

- Working Capital Requirements — positive improvement 2015 with the conversion of receivables from customers and due from tax agencies
- Free cash flow for HY 2016 is 17.4 M€
- Systar borrowing against RCF was paid off in 2015 and 20 M€ was borrowed under RCF for Appclerator acquisition

<i>In millions of euros</i>	HY 2016	HY 2015	FY 2015
<b>Net profit for the period</b>	<b>11.0</b>	<b>2.3</b>	<b>27.9</b>
Net charges to amortizations, depreciations and provisions	2.8	11.1	13.8
Other income and expense items	(0.0)	(1.7)	(1.1)
<b>Cash from operations after cost of net debt and tax</b>	<b>13.8</b>	<b>11.8</b>	<b>40.6</b>
Changes to operating working capital requirements	8.7	27.8	13.3
Costs of net financial debt	0.2	0.2	0.4
Income tax paid net of accrual	13.2	(3.7)	(4.6)
<b>Net cash from operating activities</b>	<b>22.0</b>	<b>36.1</b>	<b>49.6</b>
<b>Net cash used in investing activities</b>	<b>(50.4)</b>	<b>(1.5)</b>	<b>(5.2)</b>
Proceeds on shares issued	0.1	0.3	3.1
Dividends paid	-	-	(8.2)
Change in loan	24.8	(40.4)	(41.0)
Net interest paid	(0.2)	-	(0.4)
Other changes	(0.2)	0.0	0.3
<b>Net cash from (used in) financing activities</b>	<b>24.6</b>	<b>(40.1)</b>	<b>(46.1)</b>
Effect of foreign exchange rate changes	(0.6)	0.9	1.1
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(4.4)</b>	<b>(4.5)</b>	<b>(0.7)</b>
Opening cash position	43.9	44.6	44.6
<b>CLOSING CASH POSITION</b>	<b>39.5</b>	<b>40.0</b>	<b>43.9</b>

# Financial Structure — Covenants 2016

- Financial covenants met in all periods. Net treasury for HY 2016 is 10,5 M€
- Our main covenant is the leverage ratio: Net debt/EBE  $\leq 3$  (-0,98 at Dec 31, 2015 and -0,21 at June 30, 2016)
- The 125 M€ credit line is extended to mid-2021

181,99

30/06/2016

EBE/cost of debt  
Covenant >5

-0,03

30/06/2016

Net Debt/Retained  
Earnings  
(Covenant <1)

-0,21

30/06/2016

Net Debt/EBE  
(Covenant <3)

# Axway Shareholders Structure

31/06/2016

20,804,681 SHARES OUTSTANDING  
33,793,093 VOTING RIGHTS

Sopra Steria	Pasquier & Odin Families & Managers	Sopra GMT	Caravelle	Public	Treasury Shares
Shares					
33.3%	3.27%	21.6%	12.3%	29.2%	0.1%
Voting Rights					
35.7%	3.40%	26.3%	15.2%	19.2%	

## Concerted action

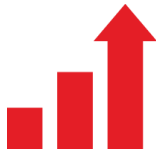
- 58.29% of the shares
- 65.49% of the voting rights

# Financial Summary

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**Total revenue growth of +7.1%**

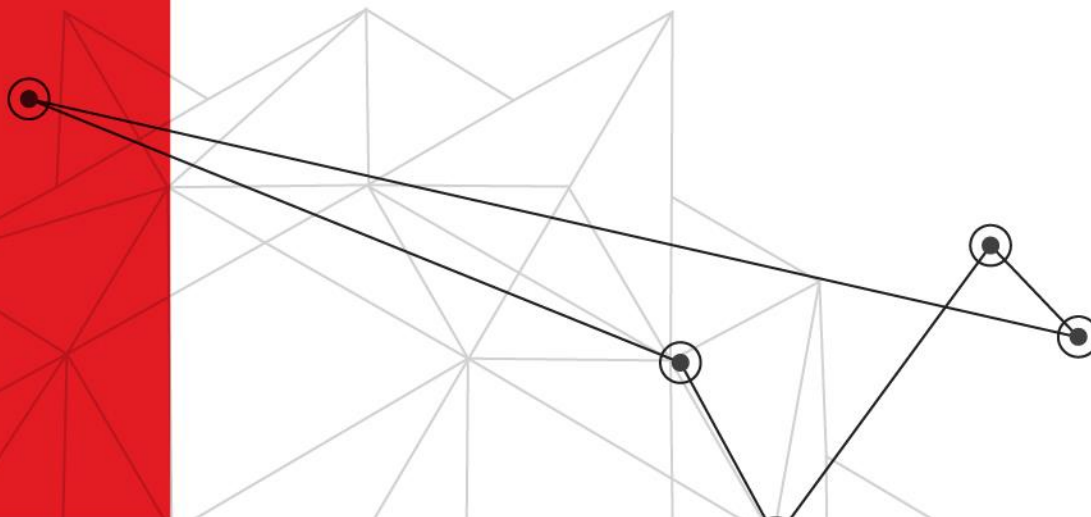


**Growth in result from operating activities to 11.3% of total revenues in HY 2016**



**Solid ending cash of 42 M€**

# Mid-term Plan Status



# Axway Business plan ambition by 2018

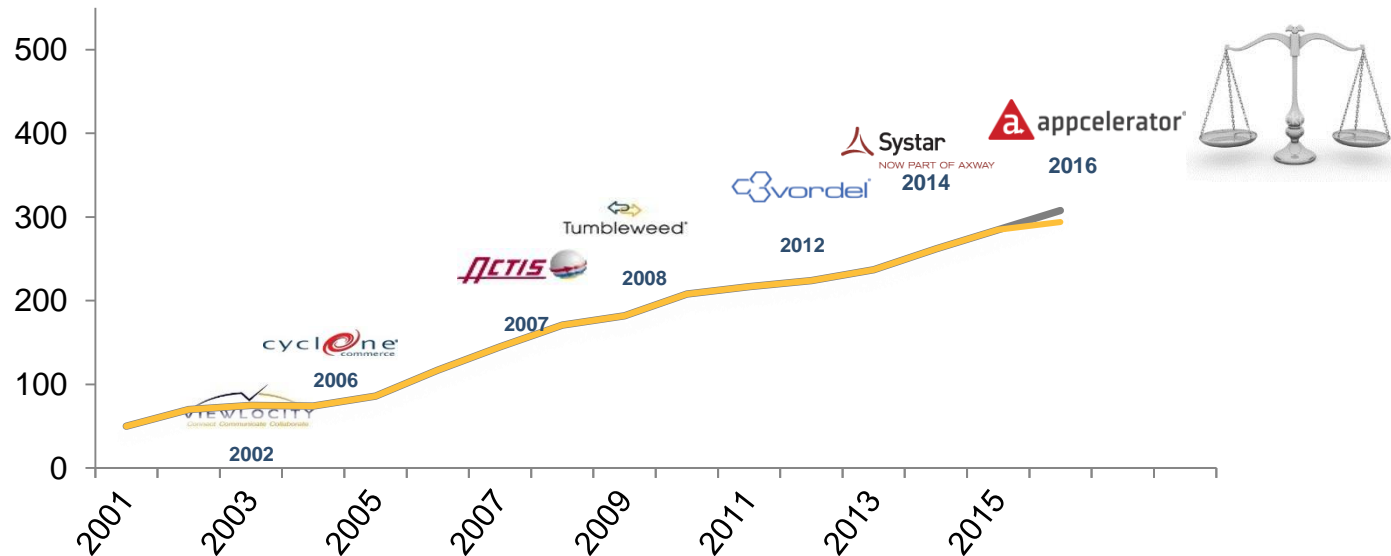
- 
- Double Axway size
  - Preserve margins before acquisition
  - Target 20% growth annually in license/cloud revenue in the United States market
  - Achieve average annual growth of 30% in Ecosystem Engagement revenue
  - Keep our historic leadership in France
  - Active M&A plan on both engagement and foundation domains

*All the hypothesis mentioned above are not objective and final results to group has decided to achieve by 2018. Furthermore they depend on a lot of criteria that may change drastically in the future and conduct to deem these hypothesis as inaccurate and inadequate with the group situation*

# Axway Business plan ambition by 2018

- Double Axway size\*: Good start with HY Growth 2016 and ambition to add inorganic/organic Revenue through 2016

Revenue (M€)



\* 2014 base of 262 M€

# Axway Business plan ambition by 2018

- Preserve margins before acquisition – HY Margin stable with prior year

	<u>S1 2016</u>	<u>S1 2015</u>
<b>Profit from business activity (M€)</b>	<b>16.3</b>	<b>12.7</b>
<i>%revenue</i>	<i>11.3%</i>	<i>9.4%</i>
<hr/>		
<b>Net Profit (M€)</b>	<b>11.0</b>	<b>2.3</b>
<i>%revenue</i>	<i>7.6%</i>	<i>1.7%</i>



# Axway Business plan ambition by 2018



- Target +20% growth annually in license/cloud revenue in the United States market:
- 

- *After 15 consecutive quarters of declining licence revenue in the US, turnaround confirmed with 3 consecutive quarters of growth*



Total US License/Cloud growth  
in HY 2016 of 76%

- Achieve average annual growth of +30% in Ecosystem Engagement revenue

- *Our Digital « Ecosystem Engagement» business is taking off.  
Average « Ecosystem Engagement» license value increased significantly*



Total Ecosystem Engagement  
License growth in HY 2016 of  
68%

# Axway Business plan ambition by 2018

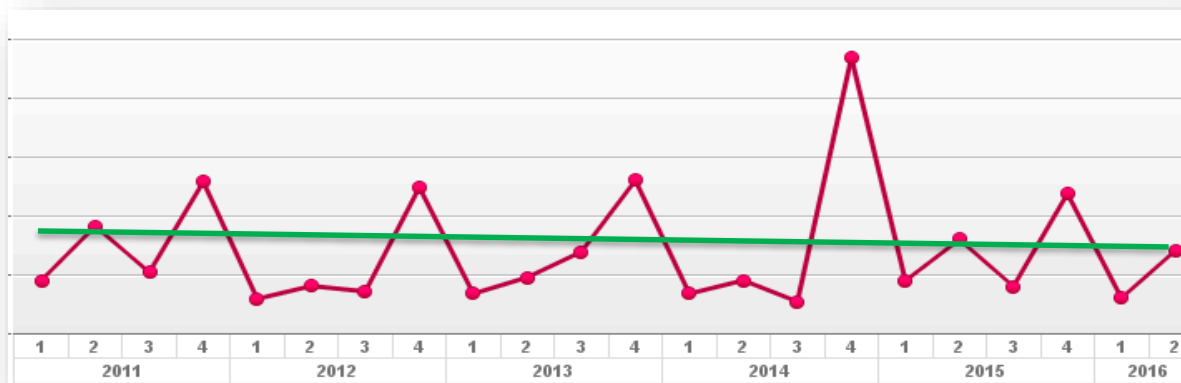


- Keep our historic leadership in France:

**30%** of  
the total sales

**S2 pipeline  
encouraging**

**Size of deals  
in growth**



# Axway Business plan ambition by 2018

- Active M&A plan on both engagement and foundation domains



THE FORRESTER WAVE™: MOBILE INFRASTRUCTURE SERVICES, Q3 2015

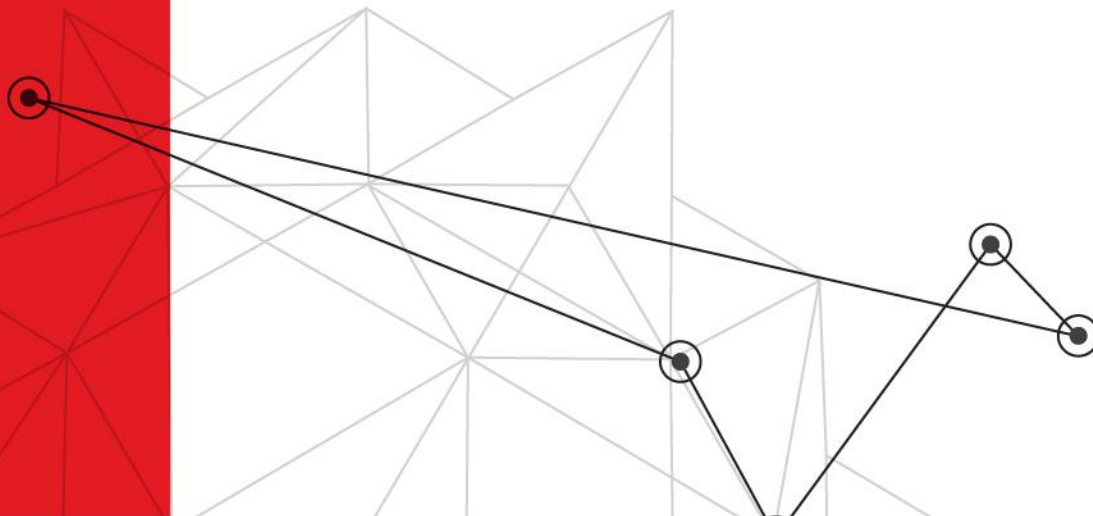
Appcelerator is one of six vendors who is “...strong across the major mobile infrastructure disciplines ... [and] ...well suited to act as the centerpiece of nearly all enterprise mobility solutions.”<sup>1</sup>

# On the way ...

- 
- Double Axway size
  - Increase margins before acquisition
  - Target 20% growth annually in license/cloud revenue in the United States market
  - Achieve average annual growth of 30% in Ecosystem Engagement revenue
  - Keep our historic leadership in France
  - Active M&A plan on both engagement and foundation domains

*All the hypothesis mentioned above are not objective and final results to group has decided to achieve by 2018. Furthermore they depend on a lot of criteria that may change drastically in the future and conduct to deem these hypothesis as inaccurate and inadequate with the group situation*

# Appendices



# Portfolio Segmentation

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## DIGITAL BUSINESS ENABLEMENT

### INTEGRATION FOUNDATION



- Managed File Transfer
- B2B/EDI Integration
- Cloud Service Integration
- XML & SOA Services
- API Integration

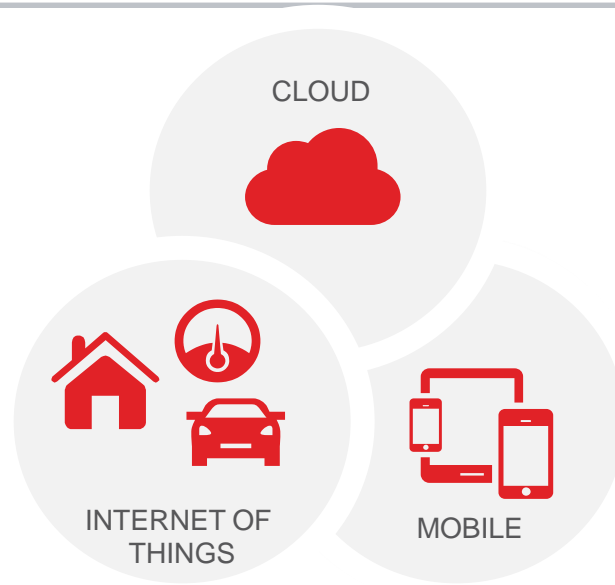
### ECOSYSTEM ENGAGEMENT



- Analytics
- API Management
- Community Management
- Identity Federation
- Identity Validation
- Mobile App Development

# Digital Business Drivers

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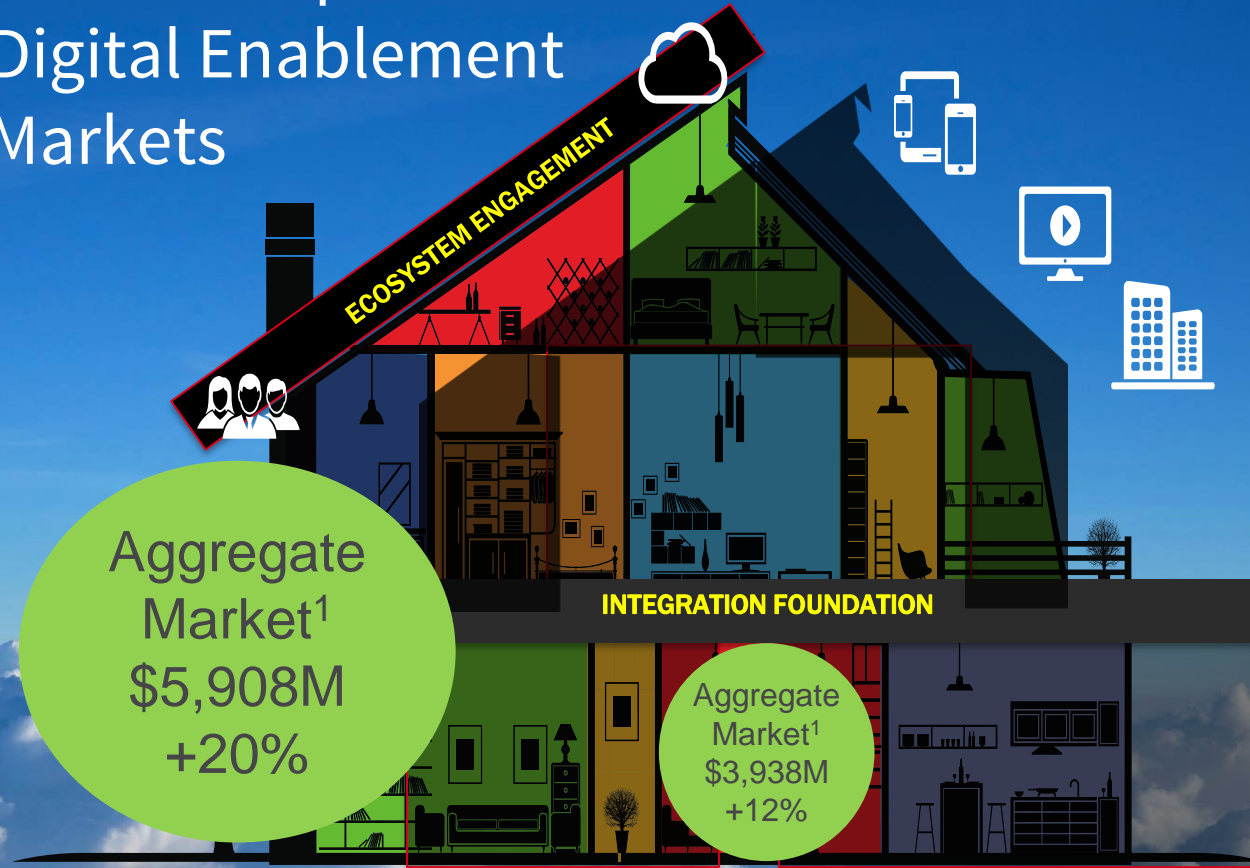


74% of today's business executives say they have a digital strategy...

"...only 19% of executives believe their firms have the right technology to properly execute on the digital strategy."<sup>1</sup>

<sup>1</sup>"The State of Digital Business 2014, Forrester Research, Inc., May 7, 2014"

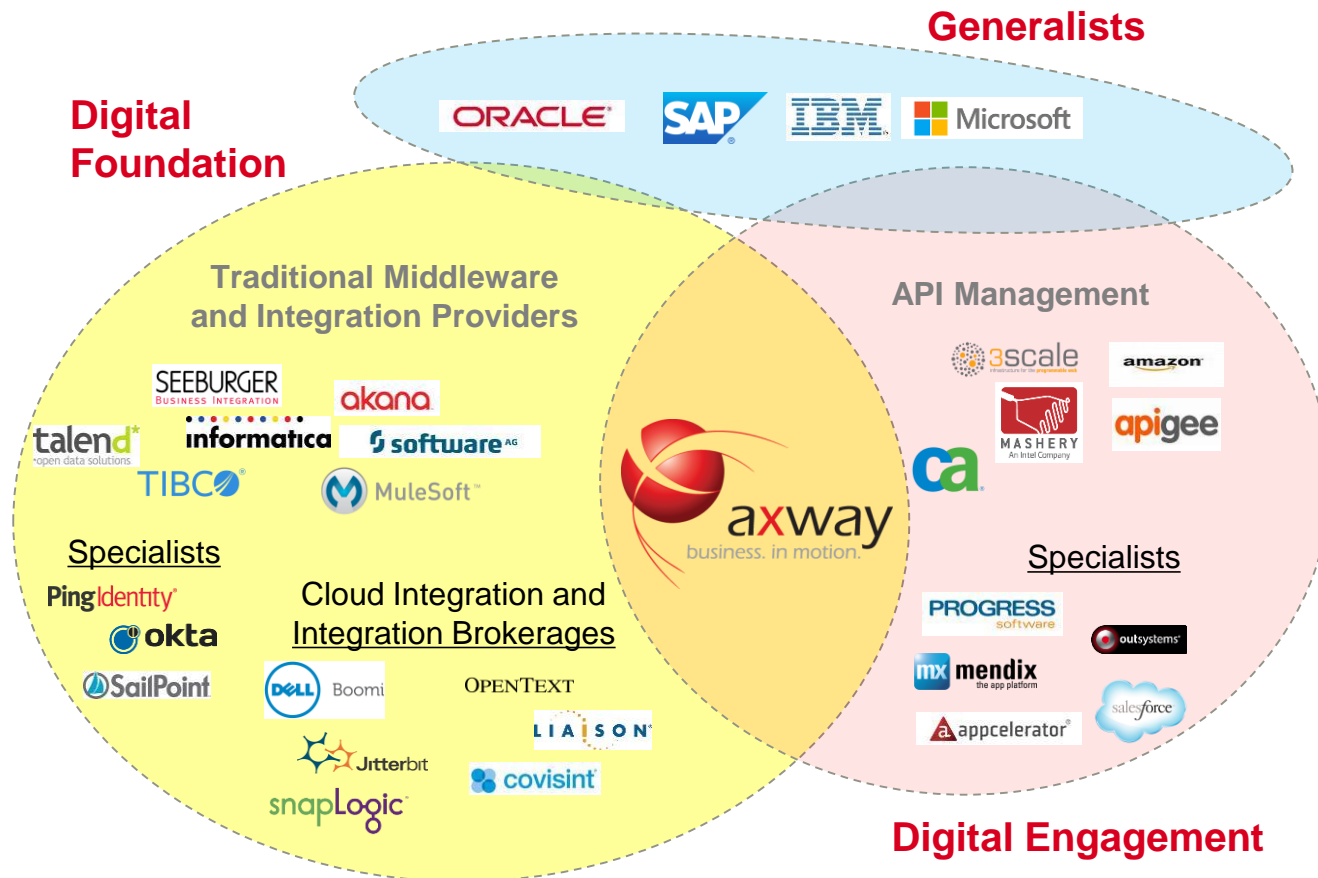
# Additional potential Digital Enablement Markets



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

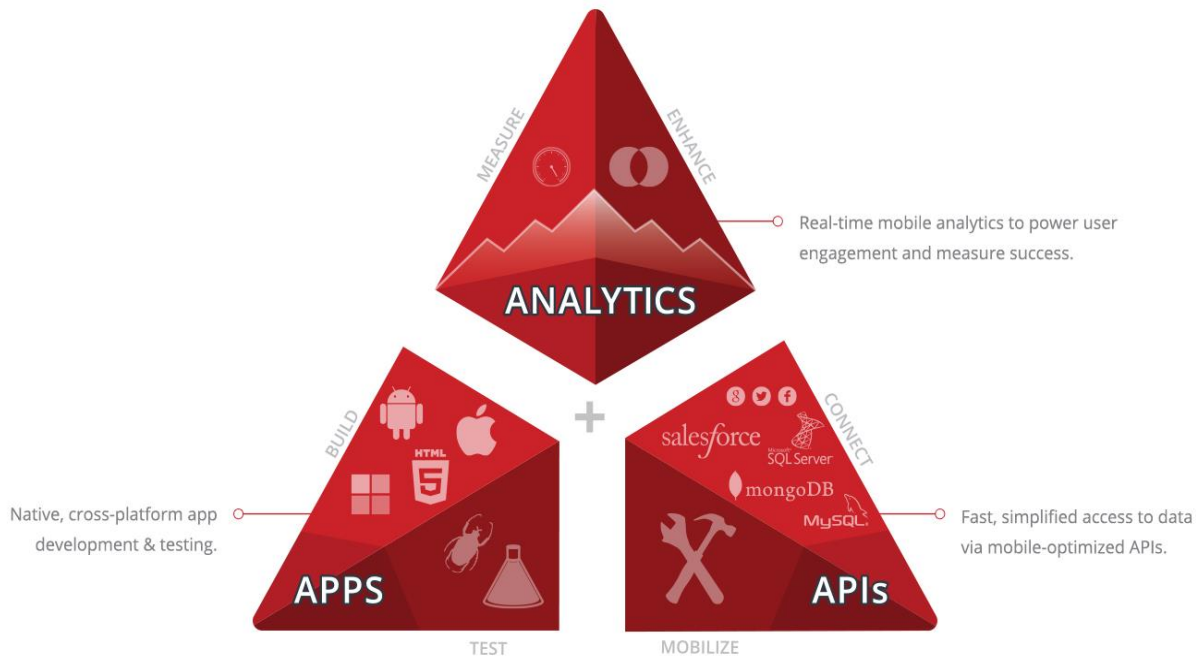


# Competitive & Market Landscape



# Appcelerator Platform

OPEN, EXTENSIBLE, CLOUD-BASED



# Governance

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**Jean-Marc Lazzari**  
Chief Executive Officer

- French-American management: 10 top managers coming from the software industry and historical corporate management

## Strengthened Governance

- **Board of Directors**  
comprising 12 members, of which five are independent members
  - Pierre Pasquier Chairman
  - Kathleen Clark-Bracco Vice Chairman
- **Compliance** with the Middledenext Code of Corporate Governance



Thank you  
presentation available on  
[www.investors.axway.com/en](http://www.investors.axway.com/en)

Mobile App: Axway IR available  
on Apple store & Android



**Patrick Gouffran**  
Investor Relations  
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