



# Full-Year 2016

Analyst Conference

23 Feb. 2017



# Forward Looking Statements

- 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.
- The distribution of this document in certain countries may be subject to the laws and regulations in force. 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.

# Agenda

## Speakers



Jean-Marc Lazzari,  
CEO



Patrick Donovan,  
CFO

- Full Year 2016 Analysis
- Accounting & Financial Results
- Mid-Term Status
- Q&A– direct, audio, chat





# Full-Year 2016 Analysis

Jean-Marc Lazzari  
CEO





# Highlights 2016 #axway

- Transition year
- Continued transformation: PM, R&D...
- **Appcelerator** Integration
- New **branding** “imagination takes shape”
- **Moving people** Paris, Sydney, Singapore...
- **AMPLIFY** platform innovation



- Axway announces the acquisition of Syncplicity
- Leader in secure collaboration and file sharing (EFSS)



# Key figures 2016

Total  
growth  
+5.8%

	2016	2015 Published
Revenue	301.1	284.6
Profit from business activity <i>(%revenue)</i>	50.8 <i>16.9%</i>	44.5 <i>15.6%</i>
Net Profit <i>(%revenue)</i>	31.5 <i>10.5%</i>	27.9 <i>9.8%</i>

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

# Revenue by activity 2016

[€M]	2016	2015 Published	2015 Restated	Organic Growth <sup>1</sup>
Licenses	81.3	80.5	79.9	1.8%
Maintenance	143.0	137.7	136.6	4.7%
Services	76.8	66.4	72.0	6.7%
<b>Axway</b>	<b>301.1</b>	<b>284.6</b>	<b>288.5</b>	<b>4.4%</b>

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



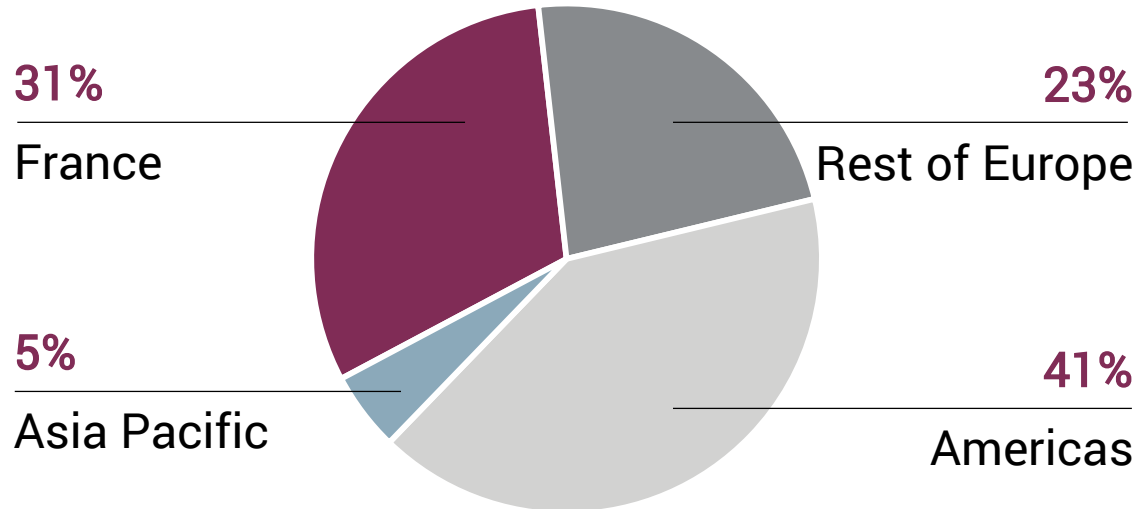
# Revenue by region 2016

[€M]	2016	2015 Published	2015 Restated	Organic Growth <sup>1</sup>
France	94.2	95.2	94.8	-0.6%
Rest of Europe	68.8	65.7	64.0	7.4%
Americas	122.9	109.7	115.9	6.0%
Asia Pacific	15.3	13.9	13.8	10.7
<b>Axway</b>	<b>301.1</b>	<b>284.6</b>	<b>288.5</b>	<b>4.4%</b>

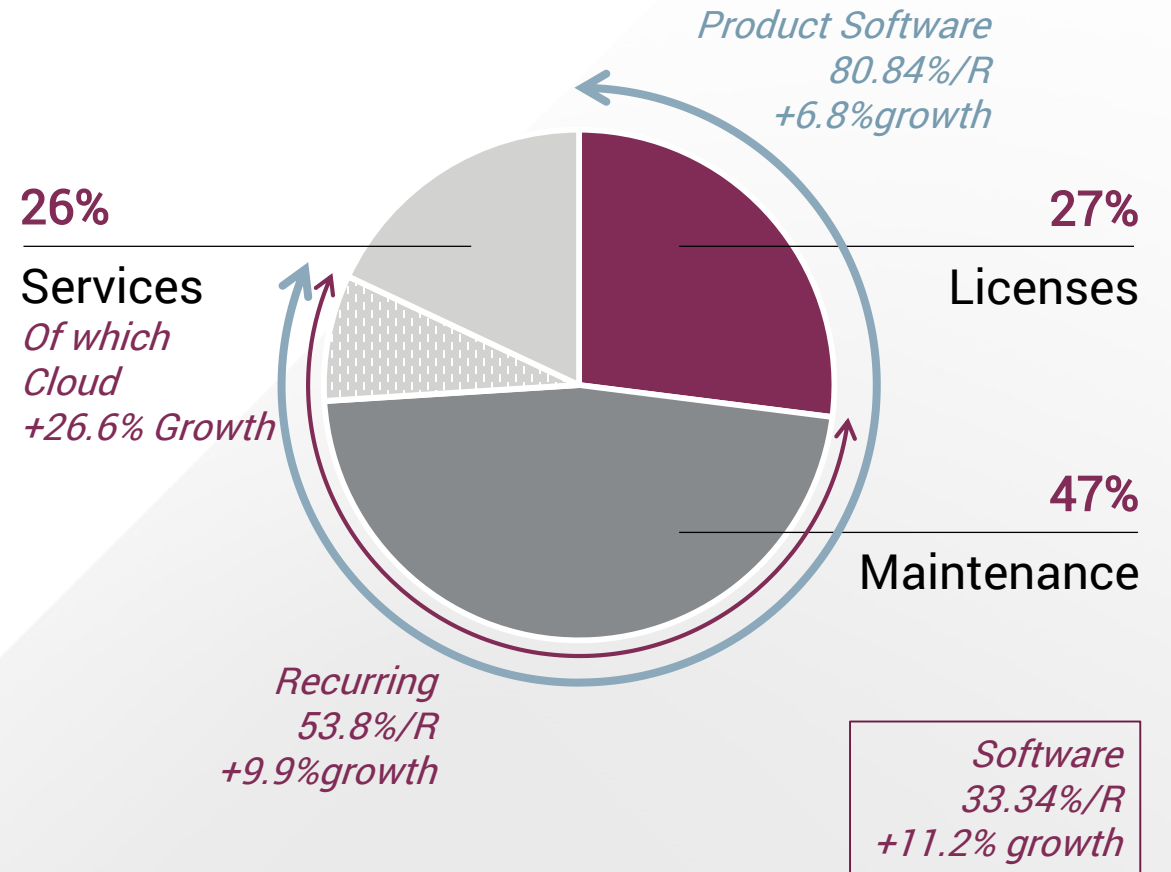
(1) At constant exchange rates and on a like-for-like basis

# Balanced and resilient business model

## By Region



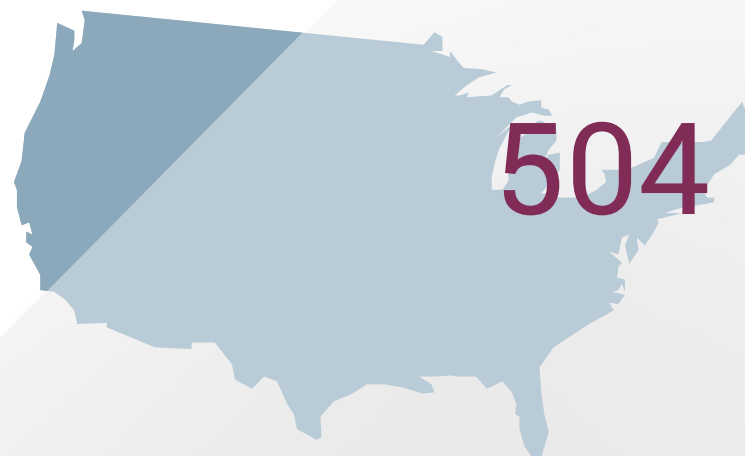
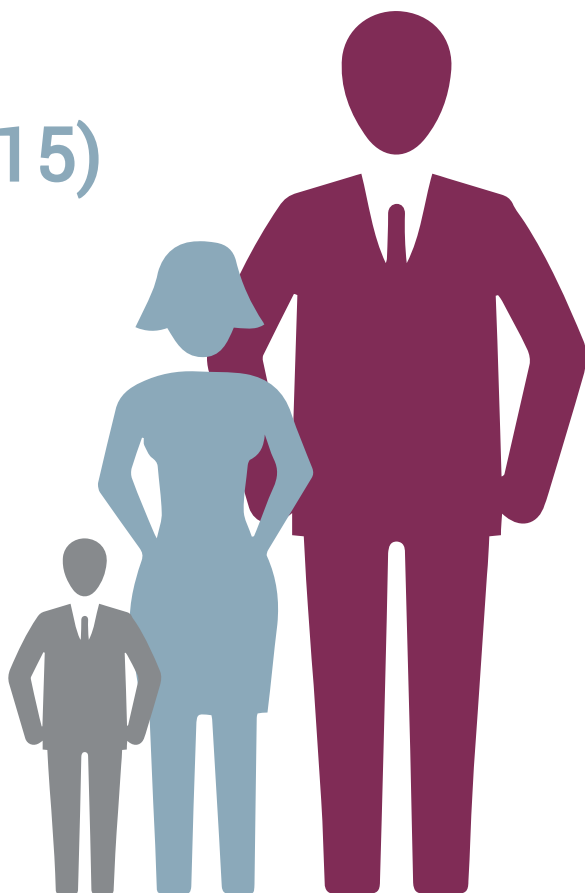
## By Activity



# Headcount at end of december 2016

1930

(1884 Dec. 2015)





# Accounting & Financial Results

Patrick Donovan  
CFO



# Income statement (1/2)

- Total Revenue grew 5.8 % with total growth seen in all lines of business
- Gross Profit as a % of Revenue improved in all periods with improved Service and Cloud profitability
- R&D continued to grow in support of our growing portfolio and new Platform launch

*In millions of euros*

	FY 2016	FY 2015	FY 2014
<b>Revenue :</b>			
Licenses	81.3	80.5	79.6
Maintenance	143.0	137.7	120.5
Total Product Revenue	224.2	218.2	200.1
Services	76.8	66.4	61.5
<b>Total Revenue :</b>	<b>301.1</b>	<b>284.6</b>	<b>261.6</b>
<b>Costs of sales:</b>			
Product Revenue	23.7	23.2	21.9
Services	63.0	63.2	57.0
<b>Total Costs of sales :</b>	<b>86.6</b>	<b>86.4</b>	<b>78.9</b>
<b>Gross profit:</b>	<b>214.4</b>	<b>198.3</b>	<b>182.6</b>
<i>as a % of Revenue</i>	<i>71.2%</i>	<i>69.7%</i>	<i>69.8%</i>
<b>Operating expenses :</b>			
Sales and marketing	81.9	81.9	77.5
Research and development	53.3	46.0	41.0
General and administrative	28.4	25.9	24.5
<b>Total operating expenses :</b>	<b>163.7</b>	<b>153.8</b>	<b>143.0</b>
<b>Profit on operating activities</b>	<b>50.8</b>	<b>44.5</b>	<b>39.7</b>



# Income statement (2/2)

- Profit on Operating Activities finished at 16.9%, a strong 1.3 point improvement over FY2015
- Income tax benefit in 2015 due to the release of certain tax asset valuation reserves as well as favorable profit levels across our different tax jurisdictions.
- Basic EPS improved in all periods presented up to € 1.51 in 2016

*In millions of euros*

	FY 2016	FY 2015	FY 2014
<b>Profit on operating activities</b>	<b>50.8</b>	<b>44.5</b>	<b>39.7</b>
<i>as a % of Revenue</i>	<i>16.9%</i>	<i>15.6%</i>	<i>15.2%</i>
Stock option related expenses	(1.1)	(0.6)	(0.8)
Amortization of intangible assets	(7.9)	(6.0)	(5.3)
<b>Profit from recurring operations</b>	<b>41.8</b>	<b>37.9</b>	<b>33.6</b>
<i>as a % of Revenue</i>	<i>13.9%</i>	<i>13.3%</i>	<i>12.8%</i>
Other income and expenses	(6.7)	(10.5)	(2.3)
<b>Operating profit</b>	<b>35.1</b>	<b>27.4</b>	<b>31.3</b>
Cost of net financial debt	(0.4)	(0.4)	(1.4)
Other financial revenues and expenses	0.5	(1.3)	0.4
Income taxes	(3.7)	2.1	(3.6)
<b>Net Profit</b>	<b>31.5</b>	<b>27.9</b>	<b>26.7</b>
<i>as a % of Revenue</i>	<i>10.5%</i>	<i>9.8%</i>	<i>10.2%</i>
Basic net earnings per share (in Euro)	<b>1.51</b>	<b>1.35</b>	<b>1.29</b>

# Simplified balance sheet (1/2)

- Goodwill and intangibles increased from the acquisition of Appcelerator
- Strong cash balance to end 2016 at 51.7
- DSO finished at 85 days, equal to 2015 end of year DSO

*In millions of euros*

	31/12/16	31/12/15	31/12/14
<b>ASSETS</b>			
Goodwill	288.8	251.8	236.5
Intangible assets	49.8	40.9	45.6
Property, plant and equipment	14.5	7.8	6.9
Other non-current assets	49.6	47.0	42.1
<b>Non-current assets</b>	<b>402.7</b>	<b>347.5</b>	<b>331.1</b>
Trade receivables	78.2	73.9	84.9
Other current assets	25.3	22.5	18.2
Cash and cash equivalents	51.7	44.7	44.6
<b>Current assets</b>	<b>155.2</b>	<b>141.0</b>	<b>147.6</b>
<b>TOTAL ASSETS</b>	<b>557.8</b>	<b>488.6</b>	<b>478.7</b>

# Simplified balance sheet (2/2)

- 20 M€ of borrowings under 125 M€ RCF at 31 Dec 2016, additional debt outside RCF
- Current liabilities includes 74.5 M€ of deferred income in 2016 versus 66.6 M€ in 2015

*In millions of euros*

	31/12/16	31/12/15	31/12/14
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	42.0	41.5	41.1
Capital reserves and results	332.8	299.1	257.4
<b>Total shareholders' equity</b>	<b>374.8</b>	<b>340.6</b>	<b>298.5</b>
Financial debt - long-term portion	35.5	7.5	46.3
Other non-current liabilities	10.3	15.7	18.9
<b>Non-current liabilities</b>	<b>45.7</b>	<b>23.2</b>	<b>65.2</b>
Financial debt - short-term portion	3.7	1.5	1.3
Other current liabilities	133.6	123.3	113.7
<b>Current liabilities</b>	<b>137.3</b>	<b>124.8</b>	<b>115.0</b>
<b>TOTAL LIABILITIES</b>	<b>183.0</b>	<b>148.0</b>	<b>180.2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>557.8</b>	<b>488.6</b>	<b>478.7</b>

# Change in equity

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

*In millions of euros*

	31/12/16	31/12/15	31/12/14
<b>Equity at Opening of Period</b>	<b>340.6</b>	<b>298.5</b>	<b>258.4</b>
Profit for the period	31.5	27.9	26.7
Other comp. income statement items	0.0	0.0	0.0
Share-based payments	1.0	0.5	0.8
Treasury Shares	0.2	0.4	-0.1
Dividends	-8.3	-8.2	-8.2
Capital increase	3.4	3.1	1.3
Actuarial gains and losses	0.5	0.0	-0.5
Other changes	-0.2	0.0	-0.2
Translation differential	6.1	18.5	20.3
<b>Equity at End of Period</b>	<b>374.8</b>	<b>340.6</b>	<b>298.5</b>

# Cash Flow statement

- Working Capital Requirements – positive improvement in 2014 and 2015 with monetization of certain assets and improvement in DSO. 2016 Change finished at -5,9 M€
- Free cash for 2016 is 27.9 M€ versus 44.5 M€ for 2015

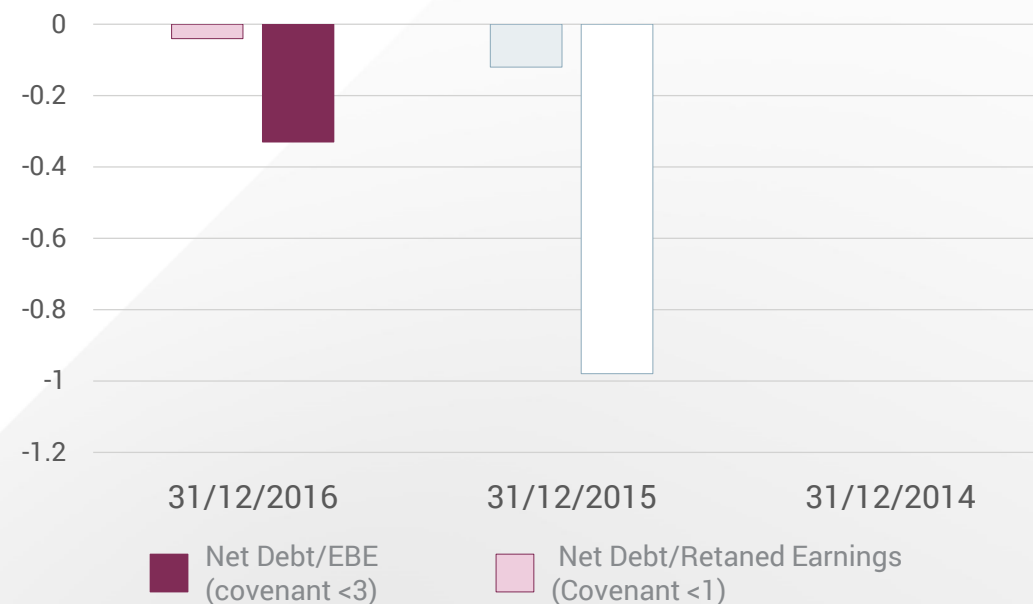
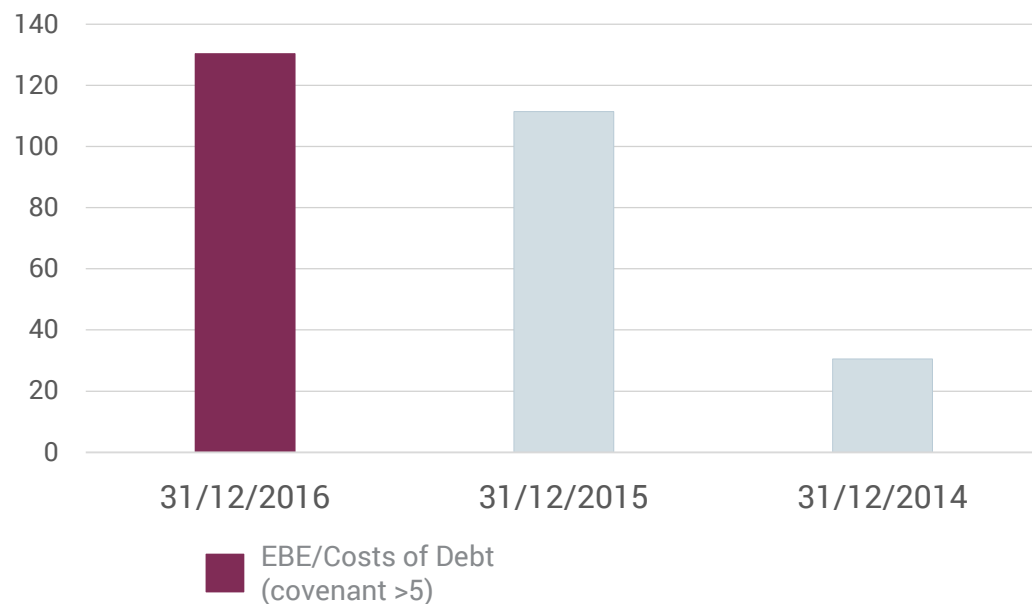
*In millions of euros*

	FY 2016	FY 2015	FY 2014
<b>Net profit for the period</b>	<b>31.5</b>	<b>27.9</b>	<b>26.7</b>
Net charges to amortizations, depreciations and provisions	8.5	13.8	8.3
Other income and expense items	3.5	(1.1)	0.2
<b>Cash from operations after cost of net debt and tax</b>	<b>43.5</b>	<b>40.6</b>	<b>35.2</b>
Changes to operating working capital requirements	(5.9)	13.3	11.0
Costs of net financial debt	0.4	0.4	1.4
Income tax paid net of accrual	0.5	(4.6)	(0.2)
<b>Net cash from operating activities</b>	<b>38.4</b>	<b>49.6</b>	<b>47.3</b>
<b>Net cash used in investing activities</b>	<b>(57.3)</b>	<b>(5.2)</b>	<b>(54.4)</b>
Proceeds on shares issued	3.4	3.1	1.3
Dividends paid	(8.3)	(8.2)	(8.2)
Change in loan	31.3	(41.0)	7.7
Net interest paid	(0.4)	(0.4)	(1.4)
Other changes	(0.1)	0.3	(0.7)
<b>Net cash from (used in) financing activities</b>	<b>26.0</b>	<b>(46.1)</b>	<b>(1.2)</b>
Effect of foreign exchange rate changes	0.8	1.1	3.7
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>7.8</b>	<b>(0.7)</b>	<b>(4.6)</b>
Opening cash position	43.9	44.6	49.2
<b>CLOSING CASH POSITION</b>	<b>51.7</b>	<b>43.9</b>	<b>44.6</b>



# Financial structure – Covenants 2016

- Financial covenants met in all periods. Net treasury for 2016 is 16,3 M€
- Our main covenant is the leverage ratio: Net debt/EBE  $\leq 3$  (-0,33 at Dec 31, 2016)
- The 125 M€ credit line is extended to mid-2021 and is fully available

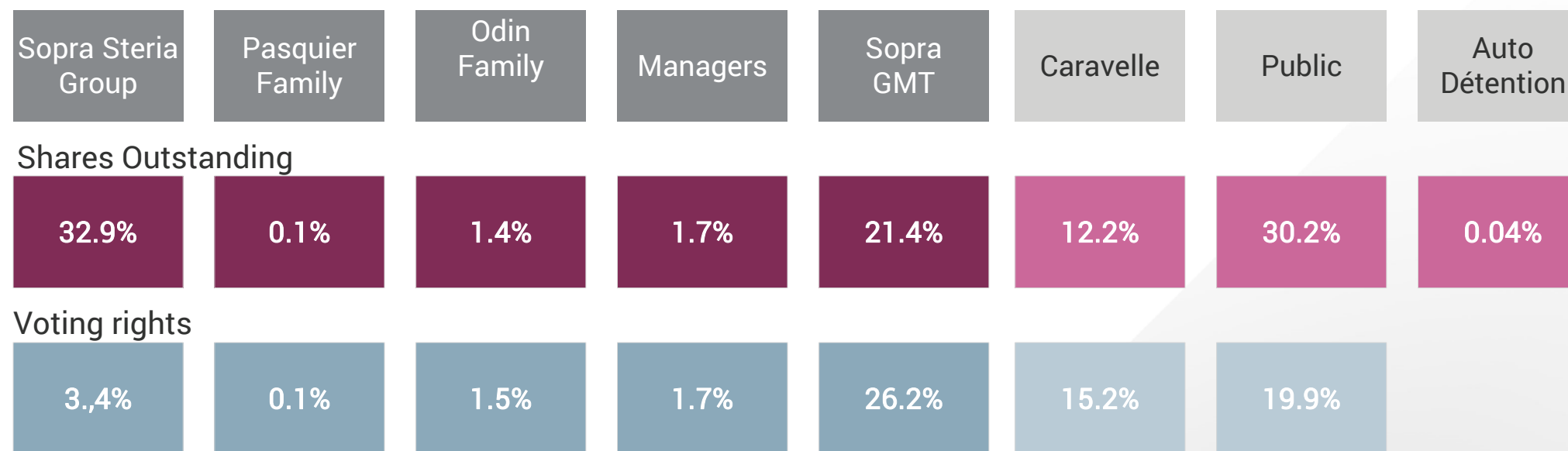


# Axway shareholder structure

31/12/2016

21 021 354 SHARES OUTSTANDING

33 977 278 VOTING RIGHTS



## Concerted action

- 57.54% of the shares
- 64.91% of the voting rights

# Finance at a glance



Strong increase in Profit on Operating Activities 16.9% of Revenue



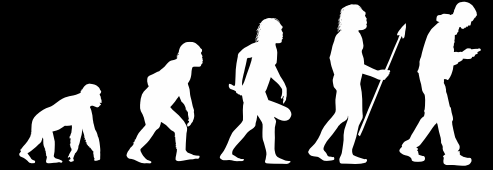
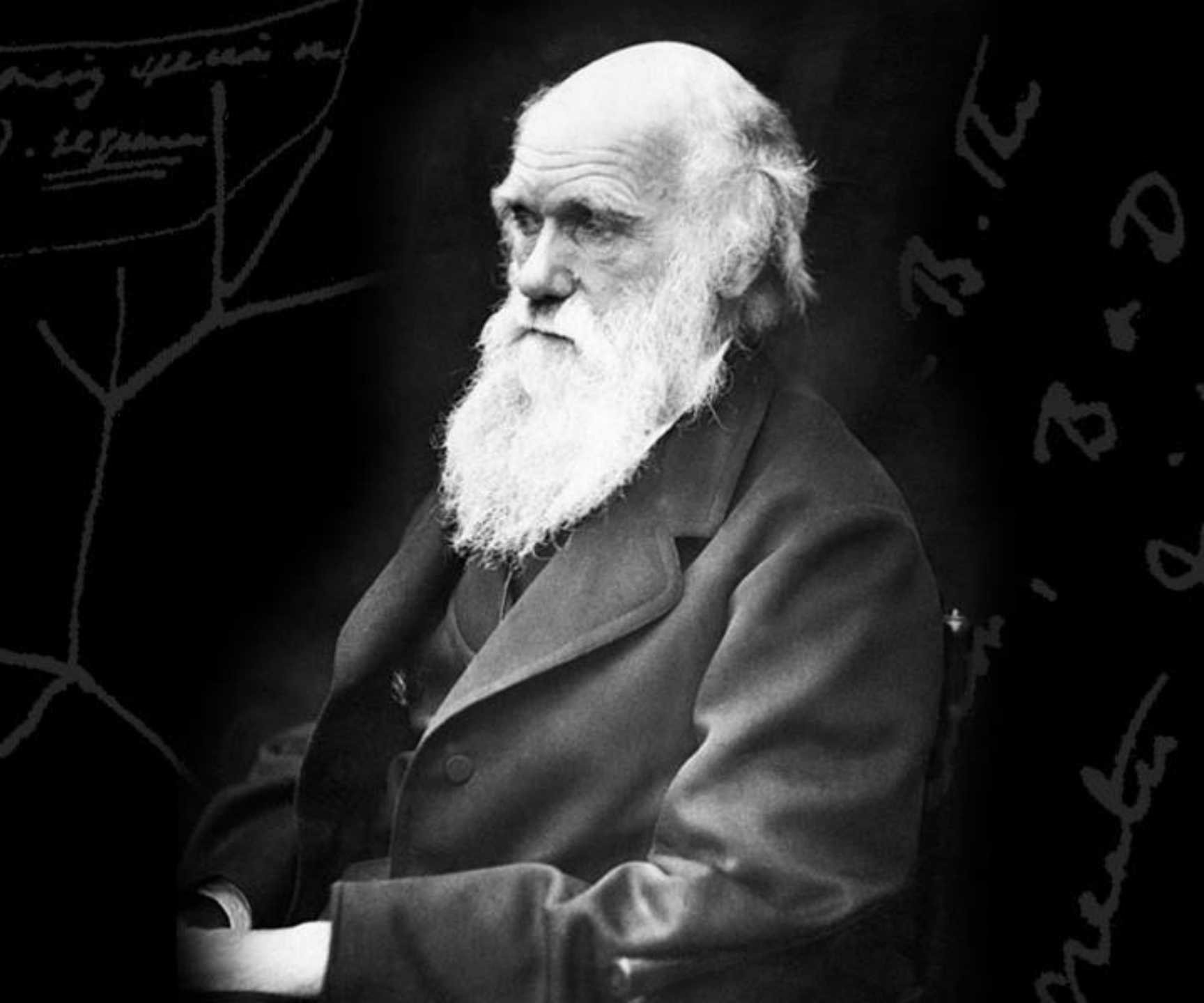
Solid ending cash 51,7 €M



Solid Annual Results for 2016 with organic growth up by 4.4%



**Mid-term Status**  
Jean-Marc Lazzari  
CEO



“It is not the strongest of the species that survives, nor the most Intelligent that survives. It is the one that is most adaptable to change.”

**- Charles Darwin**



# Digital disruption continues to test the ingenuity and agility of most enterprises

900B

HOURS SPENT  
INSIDE MOBILE  
APPS IN 2016

80%

MOBILE COVERAGE  
IN THE DEVELOPED  
WORLD

200B

CONNECTED  
DEVICES DRIVEN  
BY THE IOT

\$1T

IN IoT SPENDING  
BY 2020

90%

CARS CONNECTED  
BY 2020

\$79B

SMART HOME  
INDUSTRY





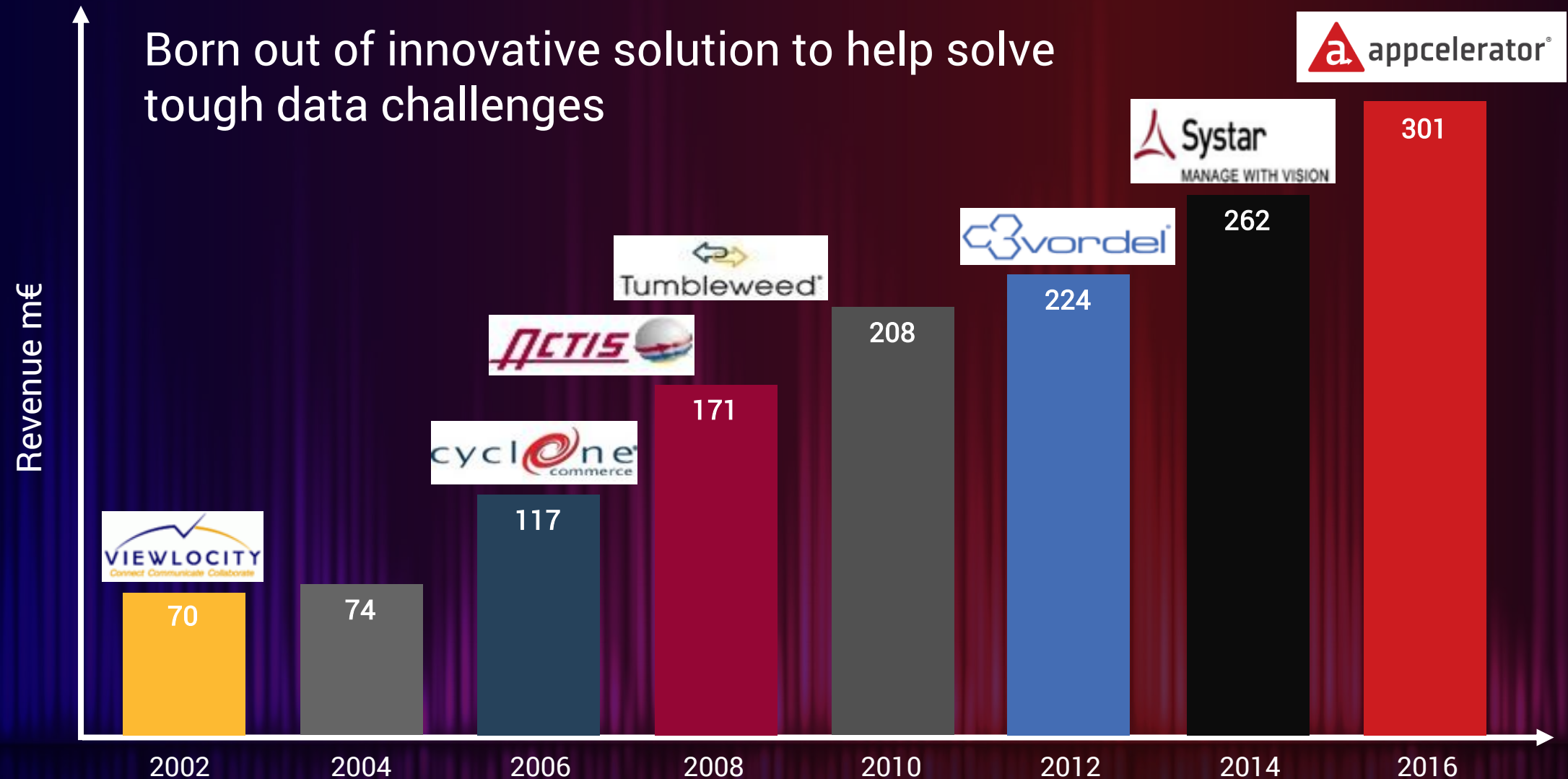
# Platform Domination

---

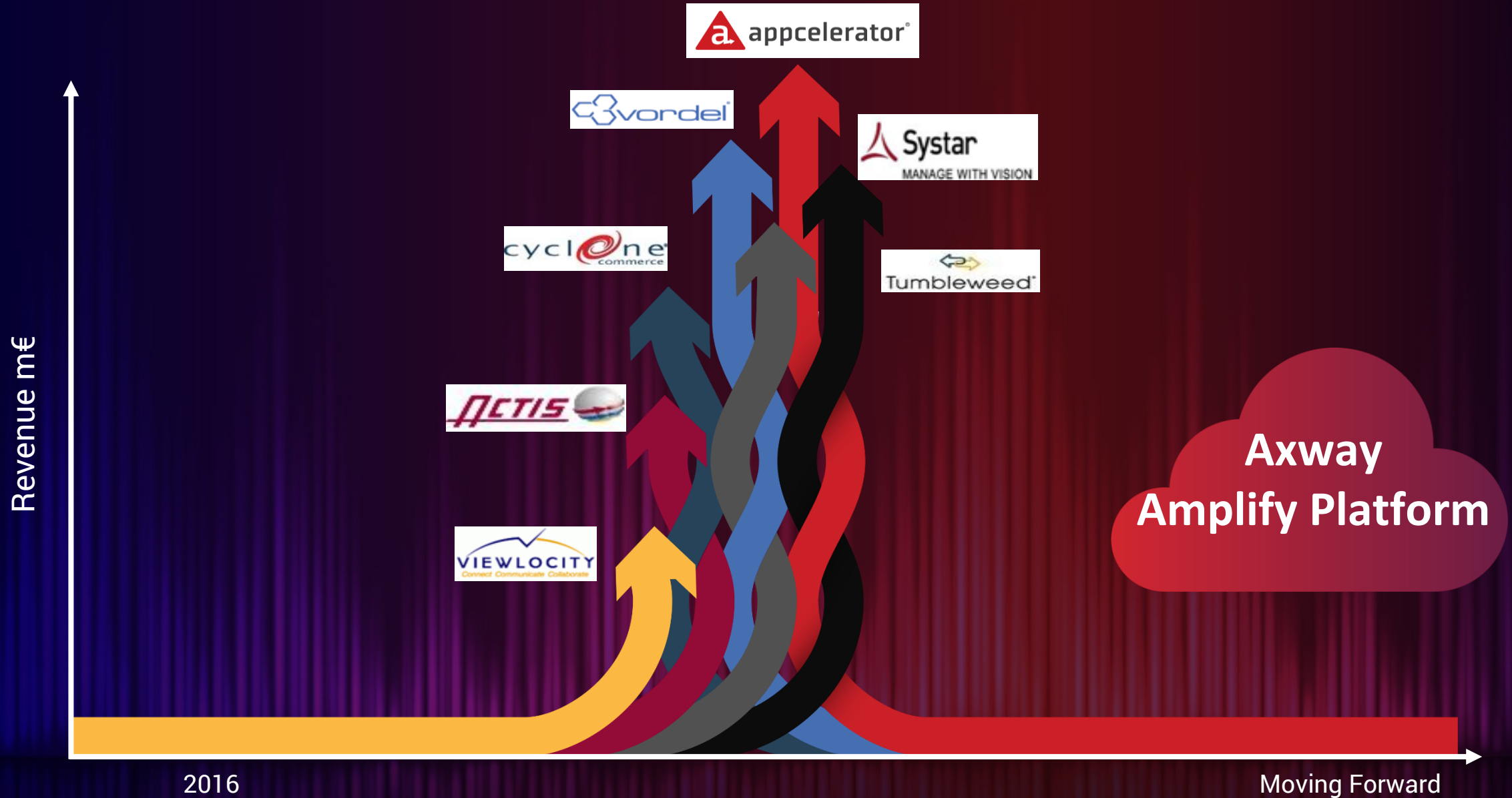
The Services  
Consumption  
Revolution

---

# Our Heritage



# The New Transformed Axway



# A Powerful Digital Innovation Workspace

## Axway AMPLIFY Platform

### Users



Developers



Suppliers



Partners



Employees

### DevOps-Ready Data Access

#### APIs & Connectors

Integrate with Applications & Databases  
Leverage SOA, B2B and MFT infrastructure

#### Big Data

#### Hadoop & Elastic Search

Connect to any Big Data infrastructure

#### Federated Identities & SSO

#### Rights Management

Maintaining privileges

#### Internet Of Things

Powerful Digital

### Business Intelligence



**Cross-Platform  
Development  
Apps**



**Advanced  
Analytics  
Insights**



**Service Accelerators  
Marketplace Services**



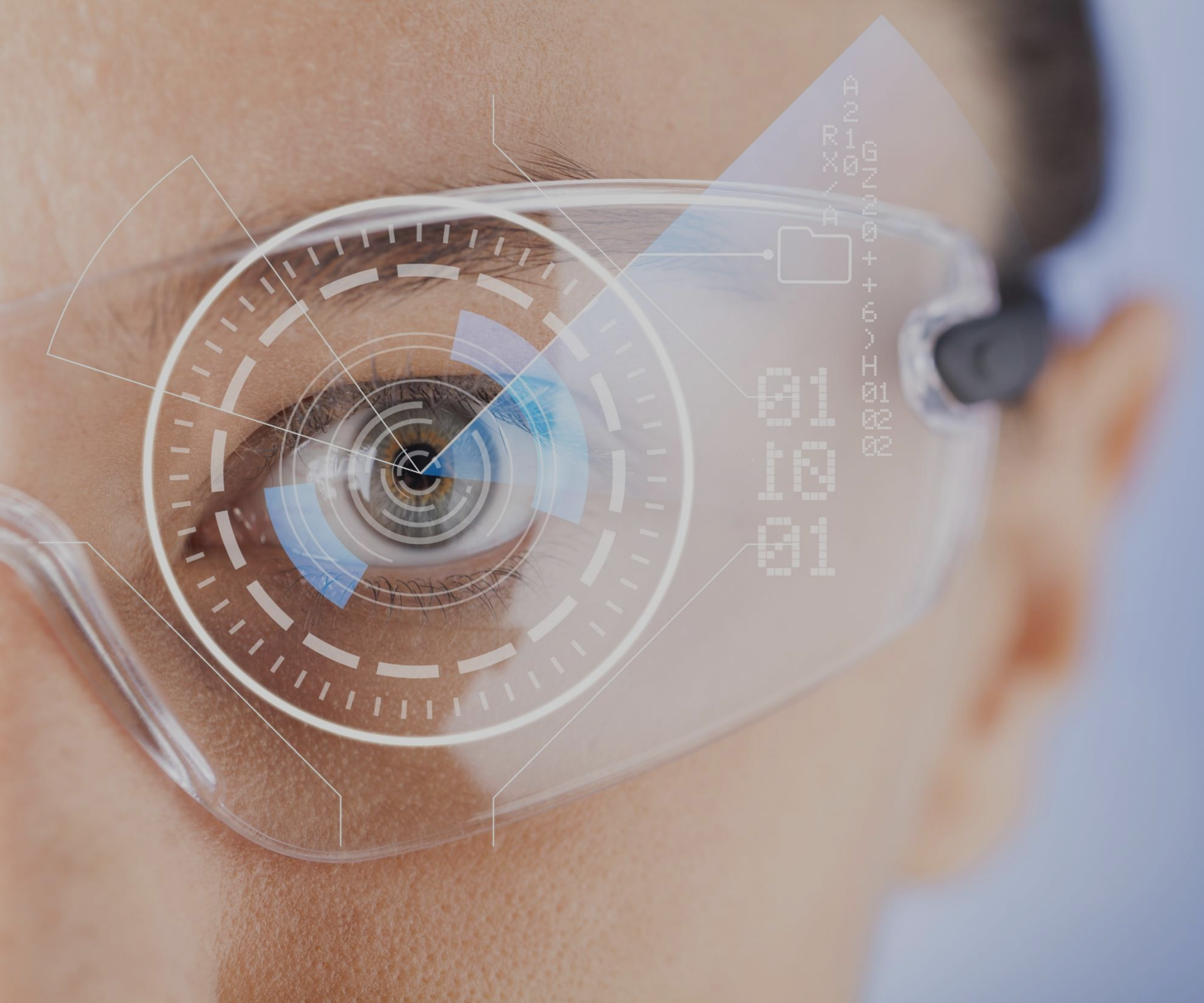


# Artificial Intelligence, Machine Learning, & Robotics

---

Transforming  
Experiences

---



# Big Data Analytics Augmented Reality

---

Improving  
Experiences

---





# Tsunami Internet of Things

---

Connecting  
Experiences

---

# EFSS Opportunity



- Over the past 3 years market of EFSS has grown at over **20%+** year over year
- IDC forecasts EFSS enterprise market to grow to **\$1.8 billion +17% in 2017**

# Strengthening Axway leadership in secure file exchange



# Forrester Wave: Enterprise File Sync And Share, Hybrid Solutions, Q2'16



The Forrester Wave™: Enterprise File Sync And Share Platforms, Hybrid Solutions, Q2 2016, Forrester Research, Inc., April 26, 2016



# Axway business plan ambition & strategy

- Preserve **margins** before acquisition while **investing in innovation**



16,9%, 17.7% R&D,  
AMPLIFY, Golden Gate, API



# Axway business plan ambition & strategy

- Preserve **margins** before acquisition while **investing in innovation**
- Keep our historic leadership in **France**, while focusing on **Digital**

Stable Revenue, 80% growth  
in Digital, +16%Q4

# Axway business plan ambition & strategy

- Preserve **margins** before acquisition while **investing in innovation**
- Keep our historic leadership in **France**, while focusing on **Digital**
- Target **20% growth** in software revenue in the USA

+23.4% software revenue  
growth in the USA

# Axway business plan ambition & strategy



- Preserve **margins** before acquisition while **investing in innovation**
- Keep our historic leadership in **France**, while focusing on **Digital**
- Target **20% growth** in software revenue in the USA
- **Achieve** average annual growth of **30% Digital revenue**

**+53% Digital (API, Analytics,...)**

# Axway business plan ambition & strategy



- Preserve **margins** before acquisition while **investing in innovation**
- Keep our historic leadership in **France**, while focusing on **Digital**
- Target **20% growth** in software revenue in the USA
- **Achieve** average annual growth of **30% Digital revenue**
- **Active M&A** plan both on engagement and foundation domains

Appcelerator & Syncplicity  
acquisitions since January 2016

# Q&A







THANK YOU

[www.investors.axway.com/en](http://www.investors.axway.com/en)

Mobile App: Axway IR  
available  
on Apple store & Android

