



Investors Overview AXWAY

December 2017



Axway: Catalyst for digital transformation

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Axway, Catalyst for digital transformation

Rev. **€301.1 million**
OPM **16.9%**
FCF/Rev **9.3%**

Named a leader in the Gartner MQ for Content Collaboration Platforms. Formerly referred to as Enterprise File Synchronization and Sharing. (July 2017)

Equity **€374 million**
Cash **€51 million**
Net Debt **-€16 million**

Axway solutions are deployed by over 11,000 companies spanning 100 countries.

Dual nationality FR/US
19 locations worldwide

1,930+ employees
including 584 in R&D
& 148 in the sales force

Software Digital Transformation

MARKET DRIVERS

Axway Market Origin: Infrastructure Software

- Software market estimated at \$300 billion*

Applications software

*estimated at \$130 billion**

- Accounting
- ERP
- Sales management
- Human resources

Infrastructure software

*estimated at \$ 169 billion**

- Databases
- Operating systems
- Network management
- Storage management
- Application integration solutions (*Middleware*)

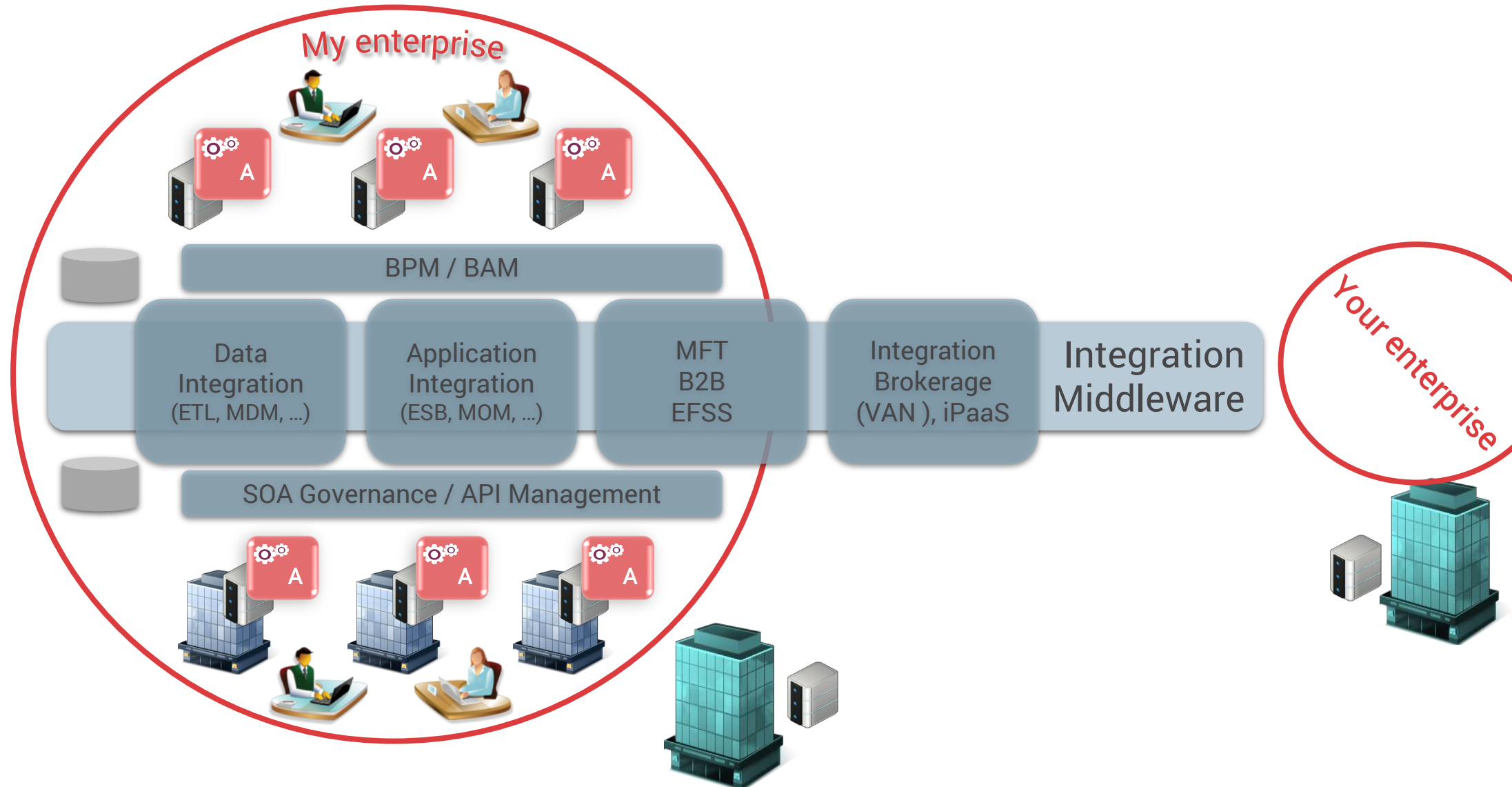
*estimated at \$21 billion**

• Digital Engagement
Estimated at \$2.0 billion

• Foundation
Estimated at \$3.9 billion

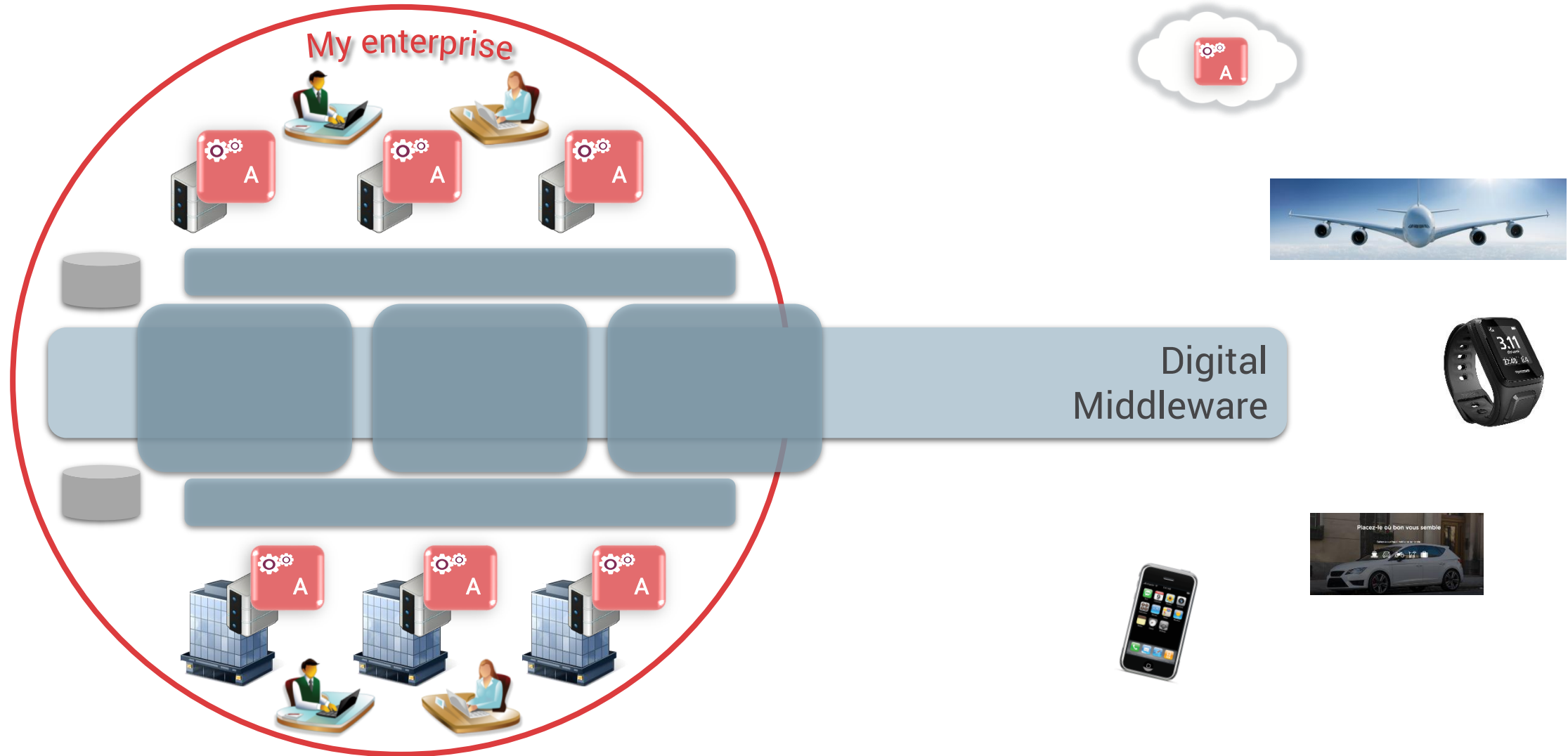
Market origin: technology viewpoint

Axway addressable Market (\$4 billion →)

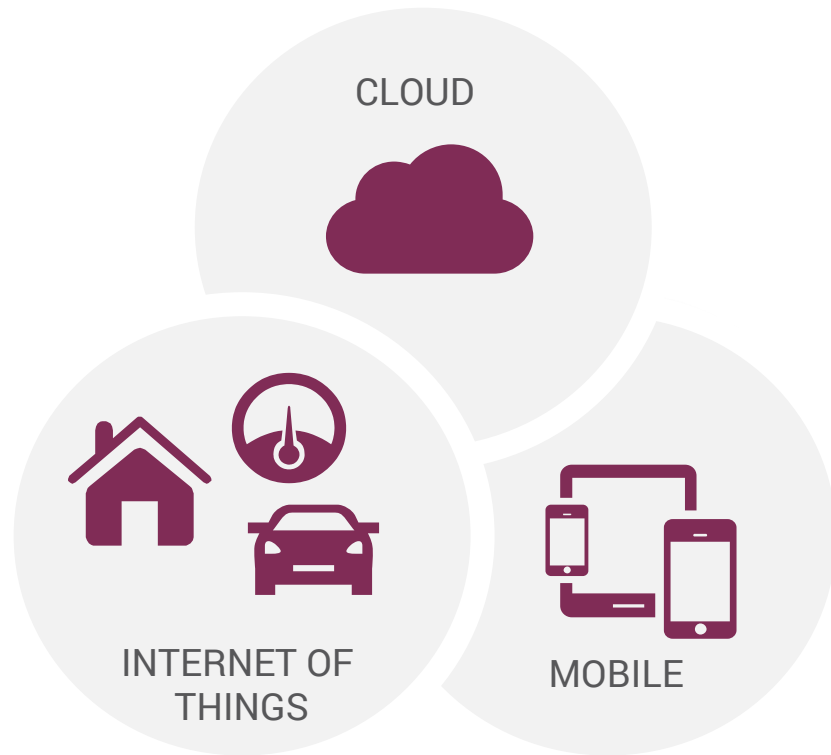


Market evolution: technology viewpoint

Axway addressable Market (\$2 billion ↗)



Digital technology impact: new domains



DIGITAL DISRUPTION 2020

Cloud Creates
\$240 Billion
Market
Opportunity

Mobile Spans
80% of
Developed World

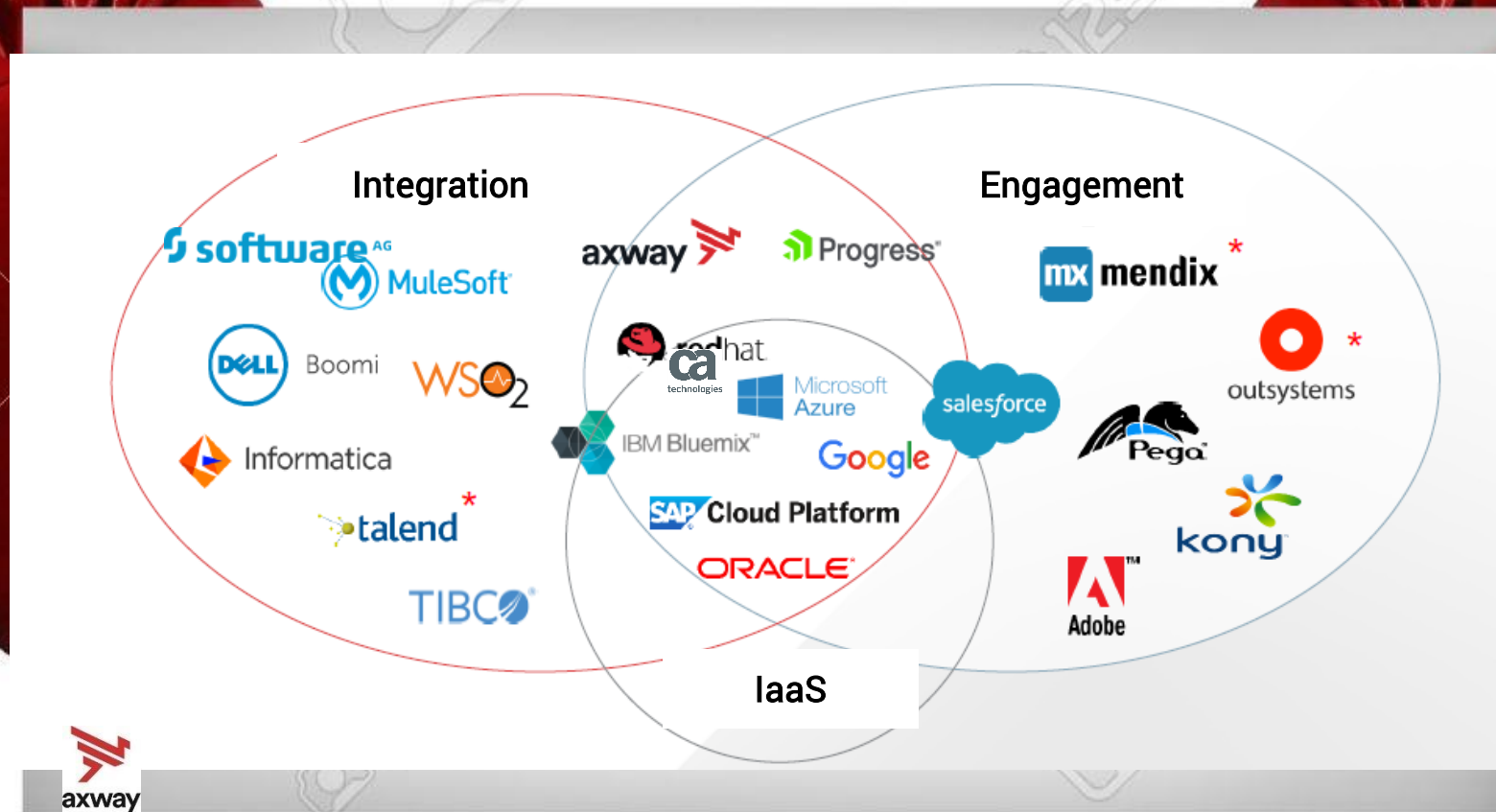
Internet of Things
Drives 25 Billion
Connected
Machines

Digital technology impact : B2B and B2C are converging



Competitive & Market Landscape

From traditional middleware scope to Platform providers



The background of the slide is a composite image. The left side features a long-exposure photograph of a city skyline at night, with numerous illuminated buildings and a body of water in the foreground. Overlaid on this and extending towards the right are vibrant, curved light trails in shades of blue, green, yellow, and red, creating a sense of high speed and digital connectivity. The right side of the slide is a solid white area where the text is located.

Software Digital Transformation

AXWAY OFFER

Axway portfolio segmentation

INTEGRATION FOUNDATION

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

ECOSYSTEM ENGAGEMENT

Analytics
API Management
Identity Federation & Validation
EFSS
Mobile App Development

Axway AMPLIFY™

DATA INTEGRATION & ENGAGEMENT PLATFORM

Achieve higher levels of efficiency and growth by transforming rigid and manual connections between people, businesses and machines into customer experience networks.

Turn Data into Real-time,
DevOps-ready Services



Cross-Platform
App Development



Unified Engagement with
User Communities



Measure Business
Value of Services



Leverage Existing
Integration Foundation

Leveraging industry-leading products

API Management Plus

Open up data and engage developers to innovate new experiences

Decision Insight

Analyze service levels and adoption with real-time, predictive insights

Axway Appcelerator

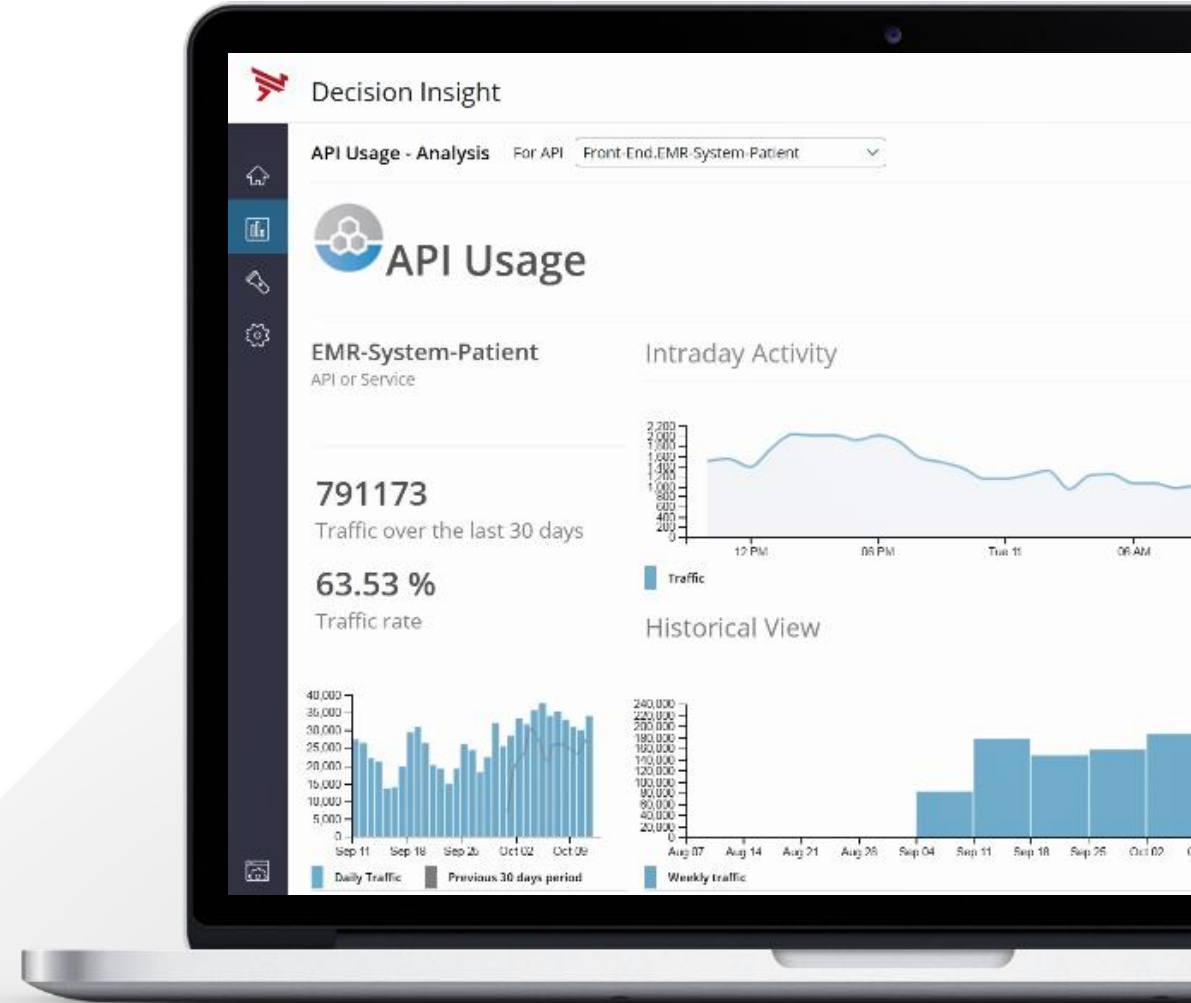
Build beautiful apps that delight users with a seamless digital journey

SecureTransport / B2Bi, CG/CFT

Secure and consolidate file transfers and streamline B2B processes

Axway Syncplicity

Secure Enterprise File Sync and Share



Industry analyst recognition

Leader

Full Life Cycle API
Management

Leader

Applications Services
Governance

Leader

On-Premises Application
Integration Suites

Gartner

Leader

API Management
Solutions



Strong Performer
API Management
Solutions, Q4 2016

Strong Performer
Mobile Development
Platforms, Q4 2016



Leader

Pharmaceutical Track
and Trace Software

Leader

B2B Integration Gateway
Software



Leader

API Security
Management Solutions

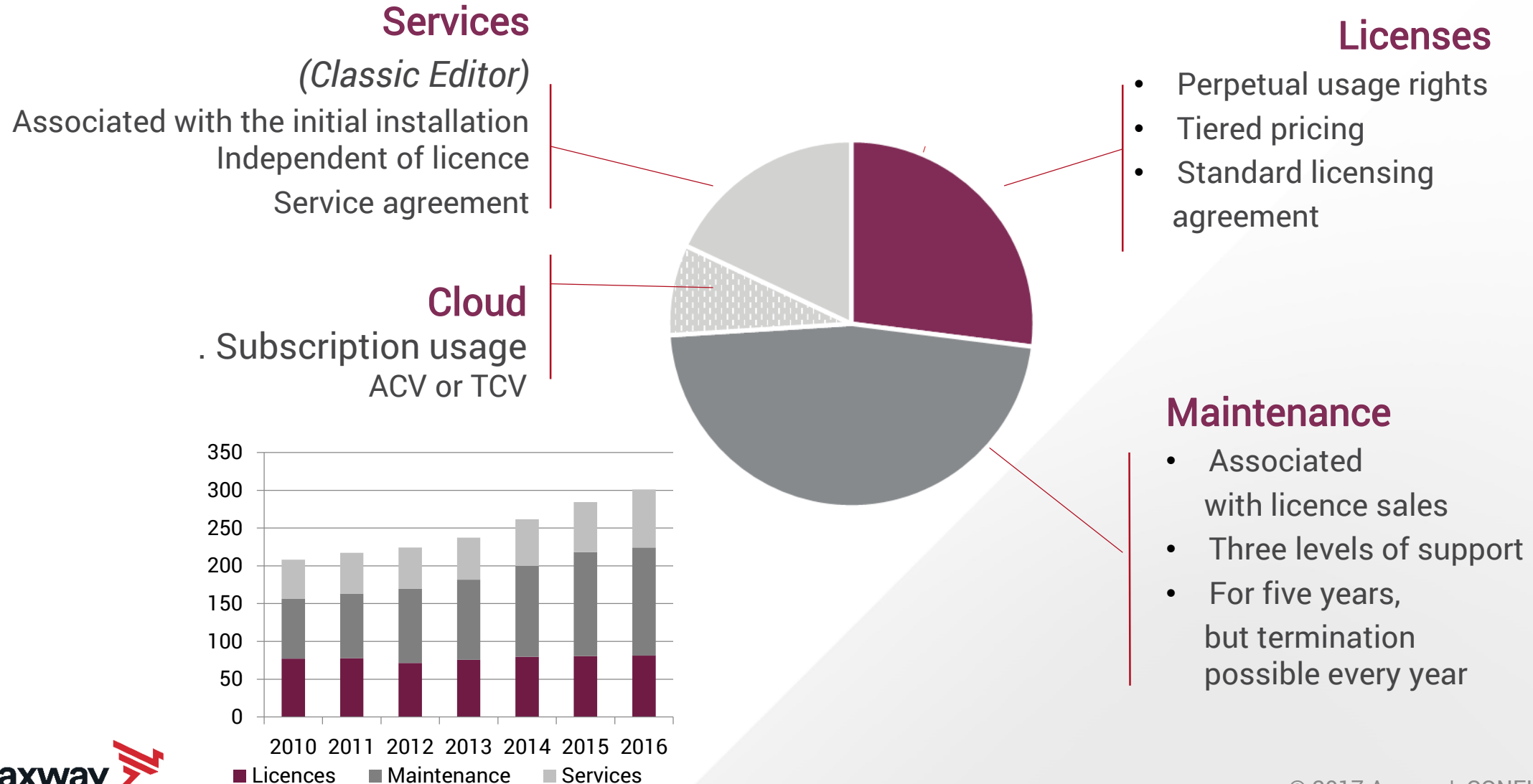




Axway Business Model

A Catalyst for transformation

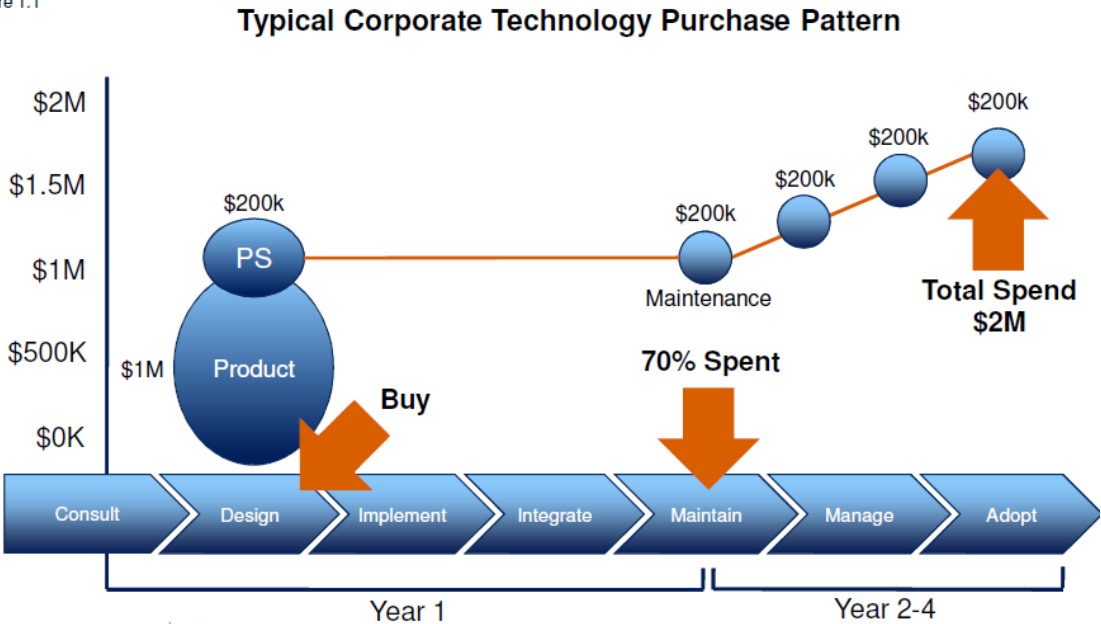
Axway Business Model: 4 sources of revenue in 2017



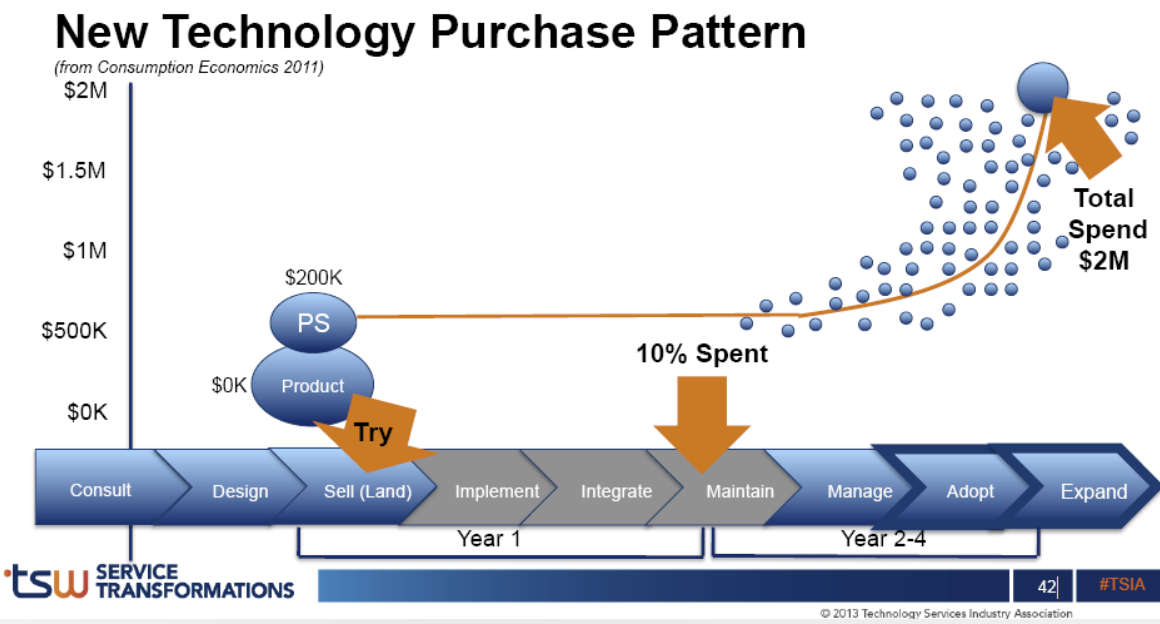
Business Model transformation

Traditional Model – Upfront Sales

Figure 1.1

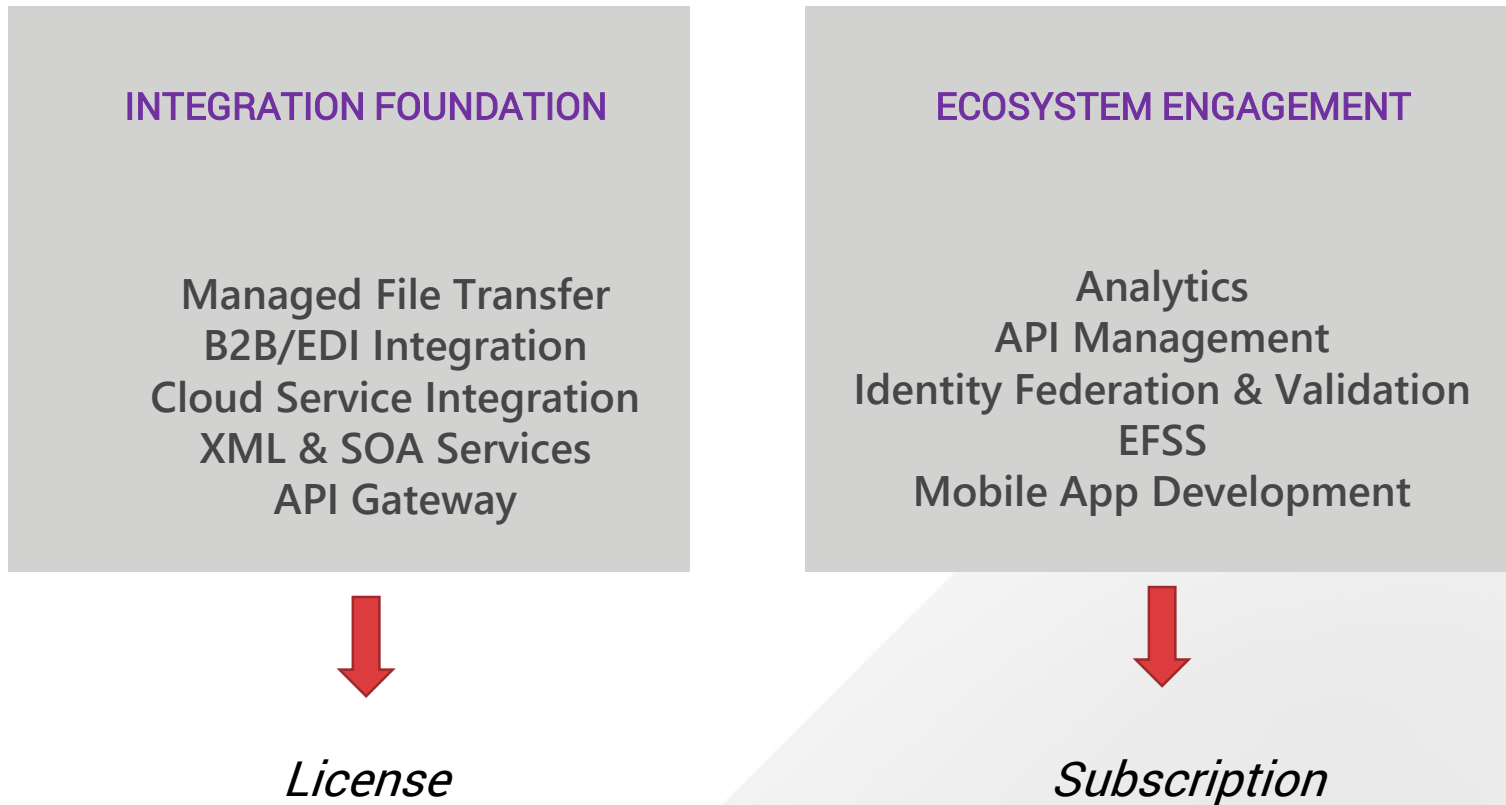


New Model – Long Tail Sales



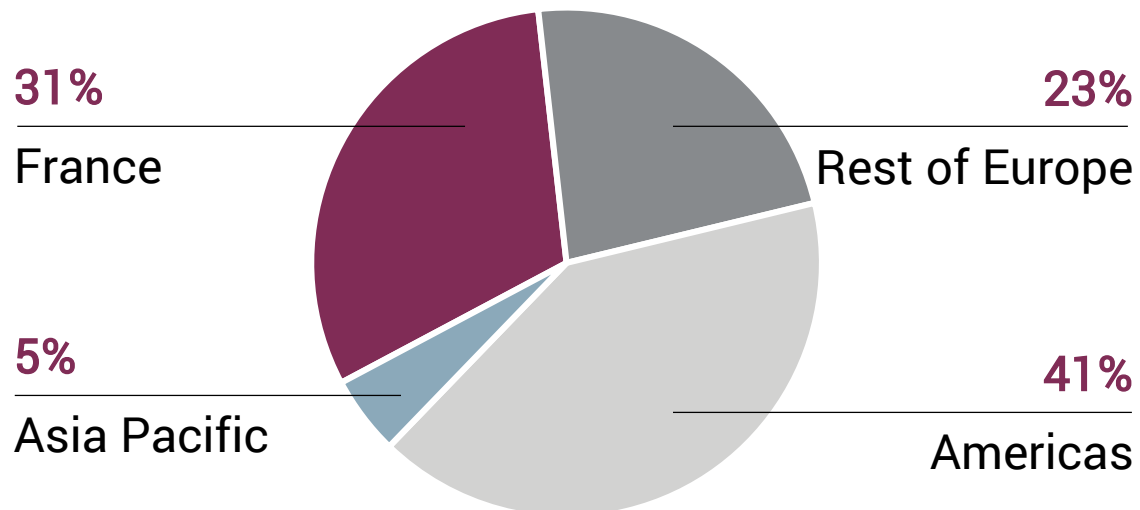
Business Model transformation

Portfolio segmentation

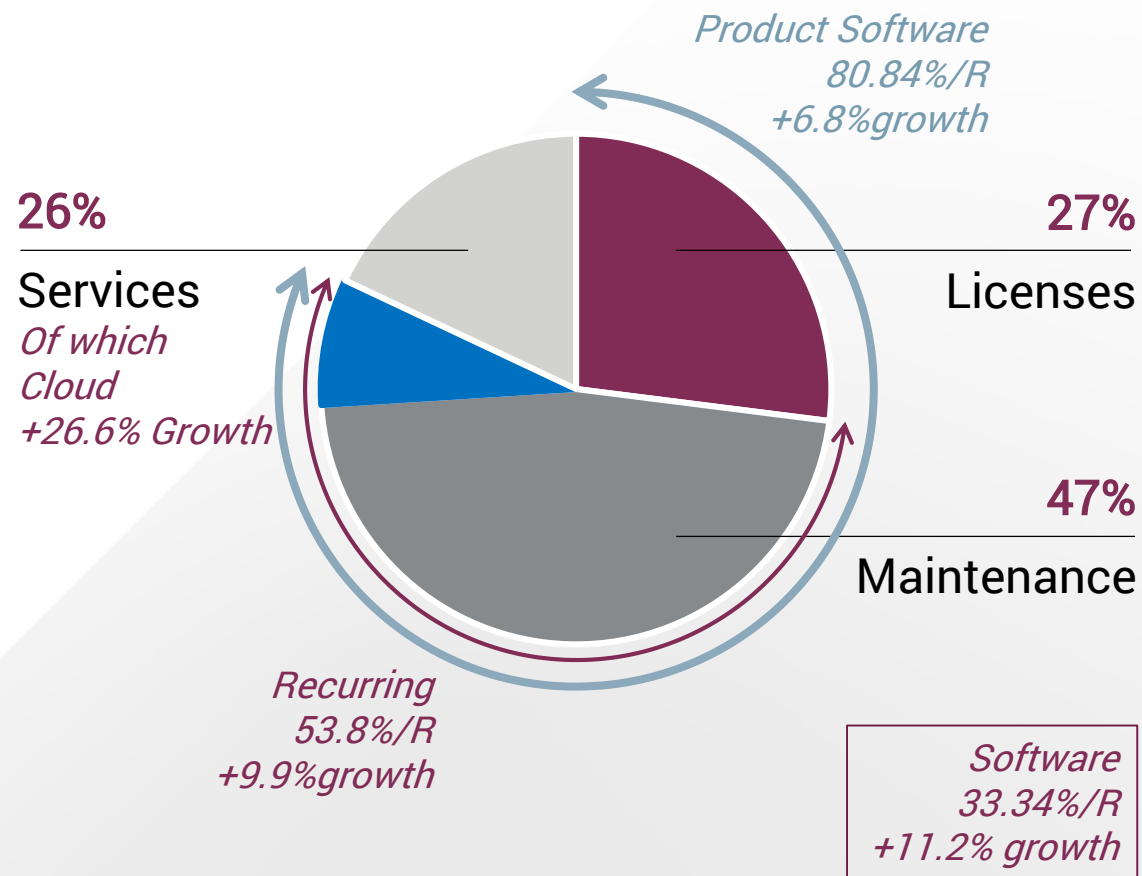


Balanced and resilient business model FY 2016

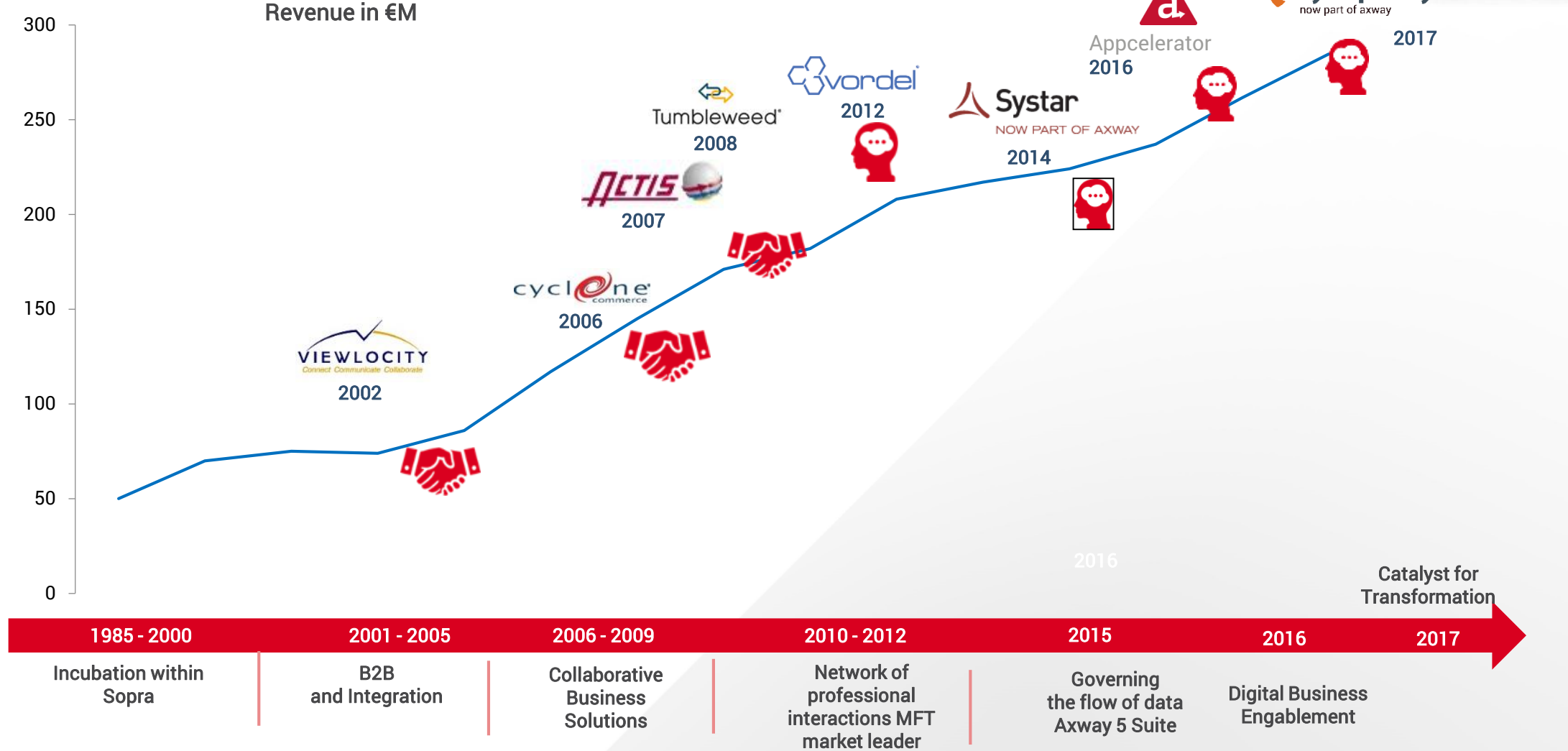
By Region



By Activity



A composite growth model: organic + acquisition





Business Model

Business Metrics



License Metrics FY 2016 *(versus 2015)*

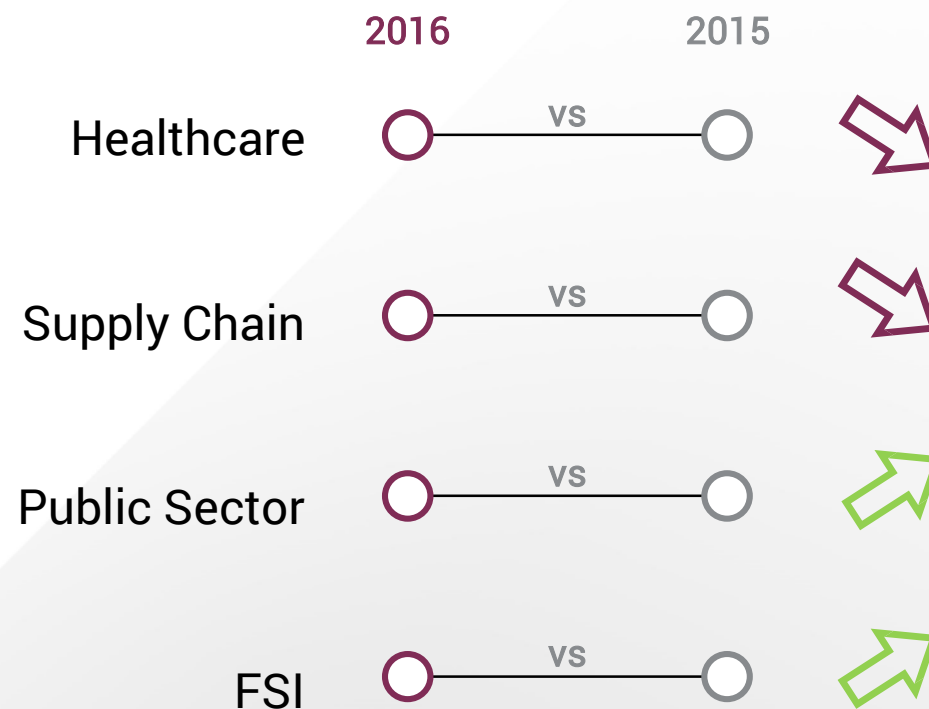
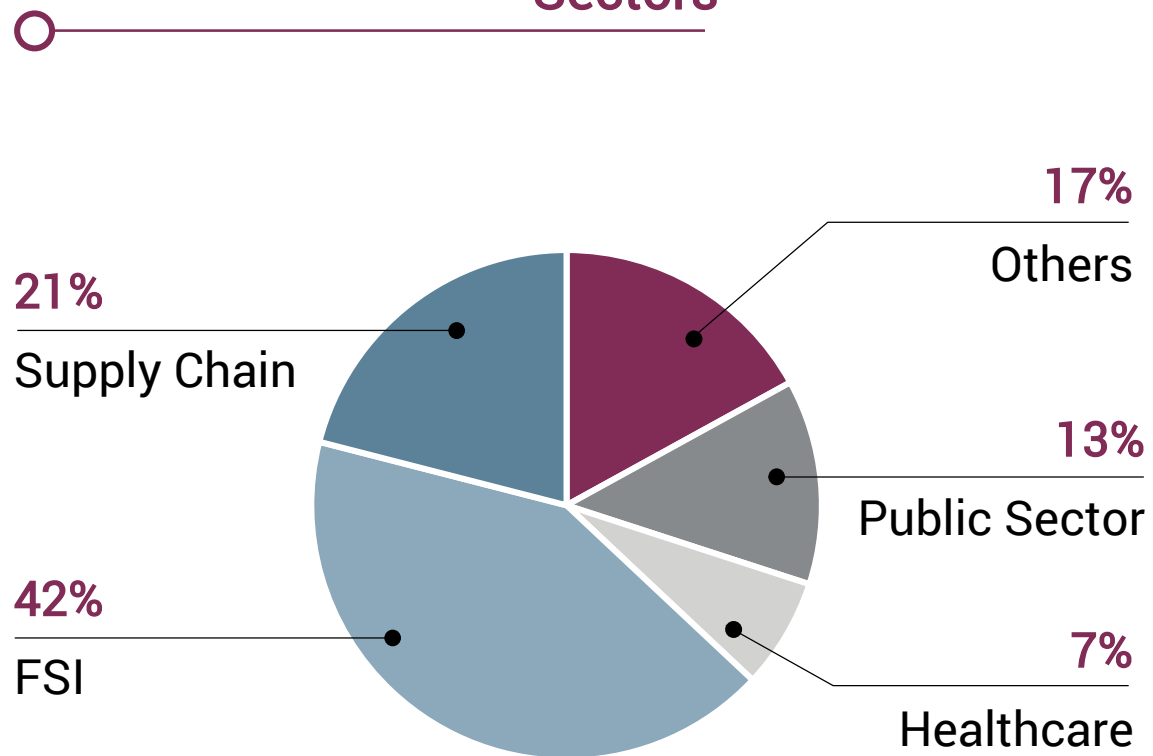


Digital Licenses	45%		
Nb Deals	~1967		
Share of Tiers 1 business			
Share of nb. of deals:	3.2%		
Share of total amount:	46.6%		
Share of indirect business partner:	24%		
Share of New business (€):	10.3%		
Average Sale Price			
ASP Tiers 1	~571K€		
ASP Tiers 2 (< 250 k€)	~104€		
ASP Tiers 3 (< 50 k€)	~10K€		

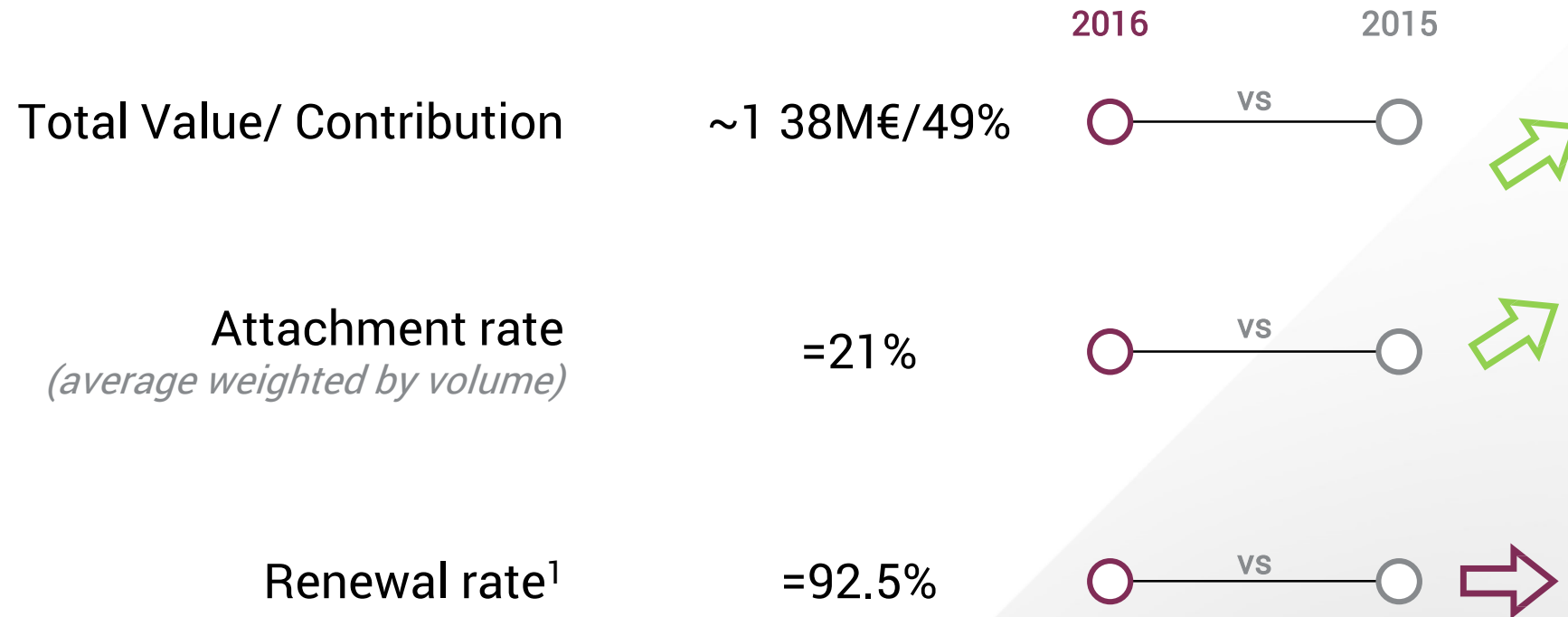
License Metrics FY 2016

Share of verticals in License revenues

Sectors



Maintenance Metrics FY 2016 (vs 2015)



(1) This percentage represents full year revenue impact

Cloud Metrics HY 2017(vs HY 2016)

14.8%
Organic
growth

HY 2017

HY 2016

Subscription/Total Revenue

12%



New ACV

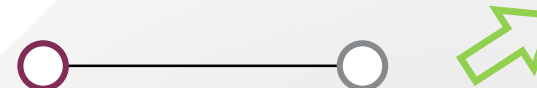
4.3M€



*ACV=
Annual Contract Value
is the signed revenue still to come during the year.*

New TCV

7.3M€

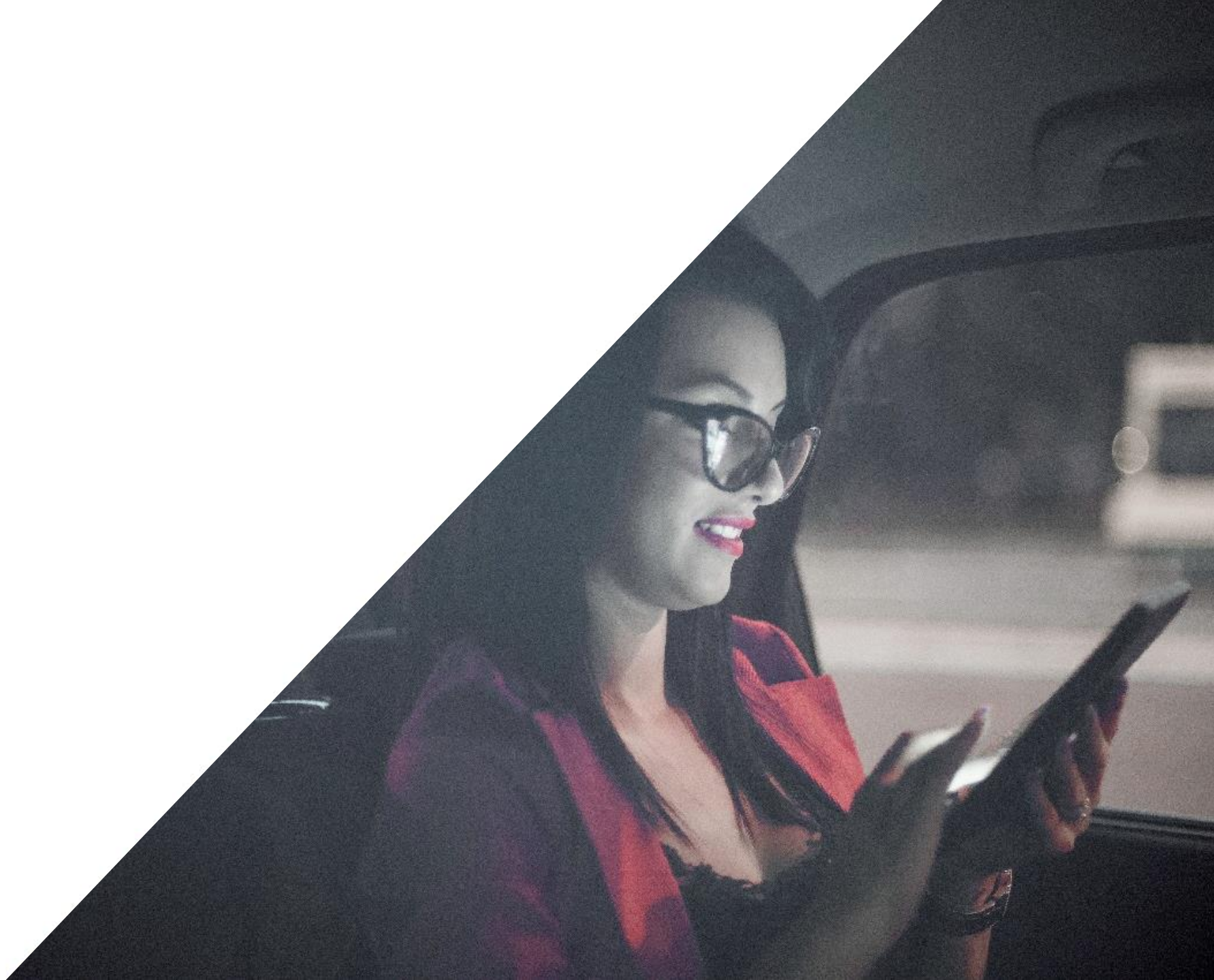


*TCV=
Annual Contract Value is the signed revenue
still to come during the year.*

(1) This percentage represents full year revenue impact



Latest financial publication



Income statement (1/2)

- Continue to see impact of shifting business model with license revenue decrease and cloud increase
- Gross Profit as a 66.9% of revenue dropped with falling license revenue, Cloud margin up to 38% and service margin increased to 13% as well
- R&D continued to grow in support of our growing portfolio and new Platform launch and Syncplicity products

In millions of euros

	HY 2017	HY 2016	FY 2016
Revenue :			
Licenses	25.0	37.4	81.3
Cloud	17.2	9.0	19.1
Maintenance	73.5	70.2	143.0
Total Product Revenue	115.7	116.6	243.4
Services	27.1	28.0	57.7
Total Revenue :	142.8	144.7	301.1
Costs of sales:			
License and Maintenance	13.2	12.5	23.7
Cloud	10.6	6.5	12.7
Services	23.5	25.5	50.3
Total Costs of sales :	47.3	44.4	86.6
Gross profit:	95.5	100.3	214.4
<i>as a % of Revenue</i>	66.9%	69.3%	71.2%
Operating expenses :			
Sales and marketing	42.7	42.2	81.9
Research and development	31.5	27.0	53.3
General and administrative	15.2	14.8	28.4
Total operating expenses :	89.5	84.0	163.7
Profit on operating activities	6.0	16.3	50.8

Income statement (2/2)

- Profit on Operating Activities finished at 4.2%, a drop from 11.3% in HY 2016
- Increase in intangible amortization relates to assets from Syncplicity
- Net Profit finish at 2.6 M€ or 0,12€ per share, similar to S1 2015 and 2014

In millions of euros

	HY 2017	HY 2016	FY 2016
Profit on operating activities	6.0	16.3	50.8
<i>as a % of Revenue</i>	4.2%	11.3%	16.9%
Stock option related expenses	(0.5)	(0.2)	(1.1)
Amortization of intangible assets	(4.5)	(3.8)	(7.9)
Profit from recurring operations	1.0	12.3	41.8
<i>as a % of Revenue</i>	0.7%	8.5%	13.9%
Other income and expenses	(1.3)	(1.5)	(6.7)
Operating profit	(0.4)	10.7	35.1
Cost of net financial debt	(0.0)	(0.2)	(0.4)
Other financial revenues and expenses	0.5	0.9	0.5
Income taxes	2.5	(0.5)	(3.7)
Net Profit	2.6	11.0	31.5
<i>as a % of Revenue</i>	1.8%	7.6%	10.5%
Basic net earnings per share (in Euro)	0.12	0.53	1.51

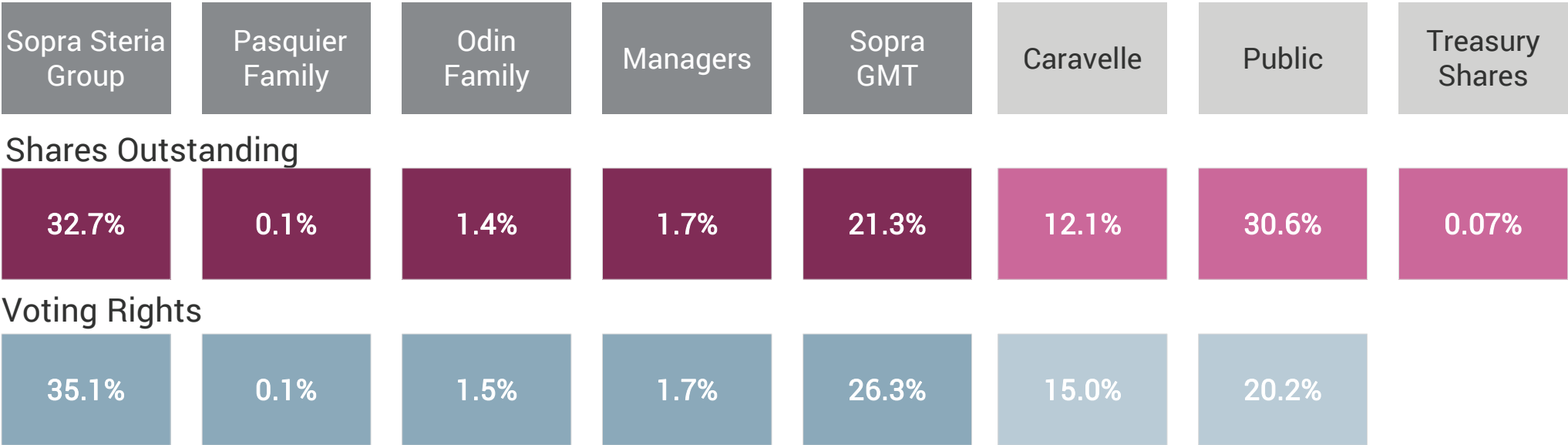
Corporate Profile

A Catalyst for transformation

Axway shareholder structure

30/06/2017

21,187,706 SHARES OUTSTANDING



Concerted action

- 57.14% of the shares
- 64.73% of the voting rights

Governance



Jean-Marc Lazzari
Chief Executive Officer

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

- **Strengthened Governance**
- **Board of Directors**
comprising 13 members, of which 7 are independent members
- Pierre Pasquier Chairman
- Kathleen Clark-Bracco Vice Chairman
- **Compliance** with the Middledenext Code of Corporate Governance

Corporate Social Responsibility

Organizations & Labels

- Global Compact



- EcoVadis label for customers



- Sub-contractor & purchasing policy
- 2017 Gaïa Index



Governance

- Board members:
 - 63% independent
 - 36% women → 42%
 - 95% attendance rate meeting

HR Responsibility

- 1,286 Axwagians trained
- 23714 hours
- 7,367 training sessions



CSR Report

Download

http://www.investors.axway.com/sites/default/files/csr_report_extract_registration_document_axway_2016_0.pdf

Environmental Responsibility

- Digital customer journey
- Full digital internal exchanges/paperless
- 90% virtual servers
- Transportation policy

A woman with dark, curly hair is looking upwards and to the right with a thoughtful expression. In the background, a man is holding a red marker, suggesting a collaborative work environment. The image is split diagonally by a white line, with a red triangle at the bottom right.

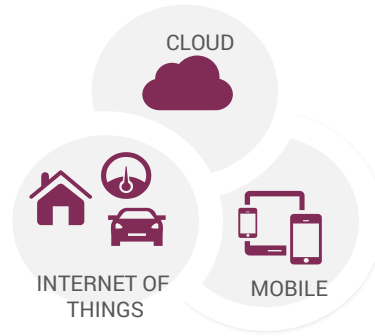
axway 

Perspective

2017: transformation milestone

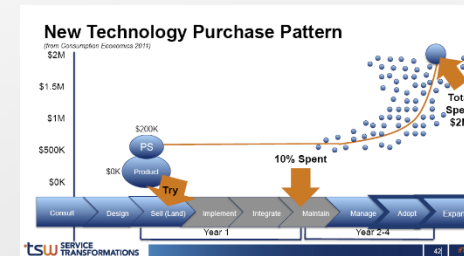
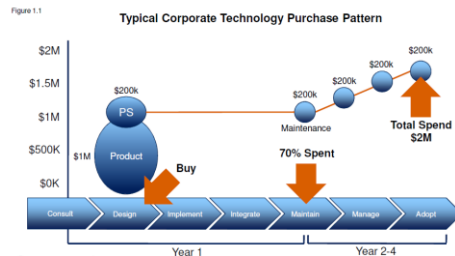
- Technology transformation:

- Digital Engagement scope →



- Platform architecture → Axway AMPLIFY™

- Business Model transformation:



FY 2017 Outlook

Keep focusing
on our strategic
ambition

Continue Axway
Transformation

Stable
FY Revenue

FY ROA
over
13%