



Axway

54th Global software editor*

December 2015

*source: Axway



Disclaimer

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 2014 submitted to the Autorité des Marchés Financiers (AMF) on 23 April 2015, number D. 15-0391.

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Axway, 54th Global software editor

One of the world
leaders
in governing the flow
of data

N°5 Global Software AFDEL &
TRUFFLE100
TOP 10 Syntec Numerique
Leadership Compass for API Security
Management

Rev. **€261.6 million**
OPM **15.2%**
FCF/Rev. **16.3%**

Euronext Paris listing: 2011
Market cap **€500 million**
Float **29.7%**

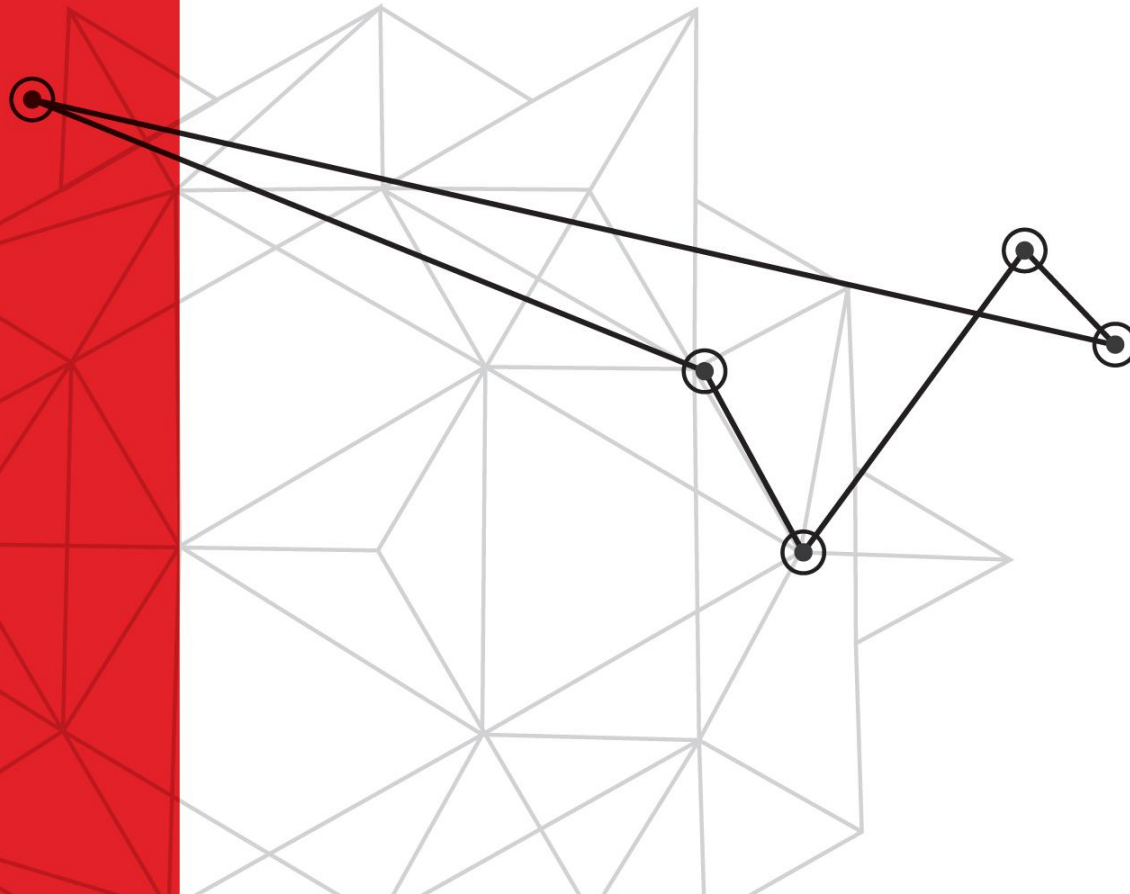
Dual nationality
FR-US
19 locations
worldwide

1,960+ employees
including 650 in R&D
and 130 in the sales force

Summary

- **TOP 50 Software Editors**
- **Software Editor Business Model**
- **Track record of profitable growth**
- **Status on the Company Transformation**

TOP 50* Software Editor, From Middleware Market to Digital Market



August 2015

*source: Axway

Axway Market Origin: Infrastructure software

Company software market
estimated at \$300 billion*



Application software
(**Applications**)
estimated at \$130 billion*

- Accounting
- ERP
- Sales management
- Human resources

Infrastructure software
estimated at \$ 169 billion*

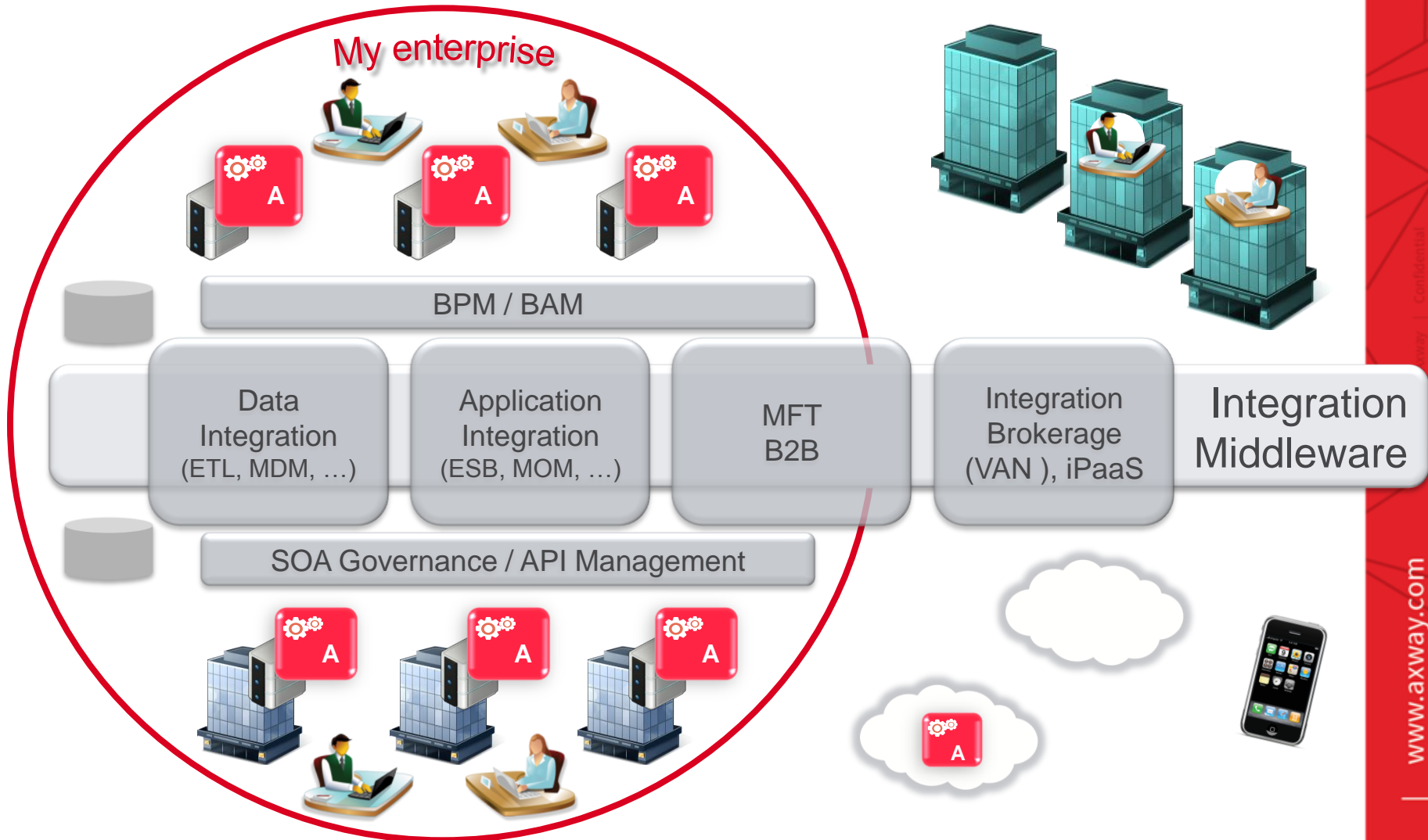
- Databases
- Operating systems
- Network management
- Storage management
- Application integration solutions (**Middleware**) market \$21 billion*



* Gartner figures

Market origin: technology viewpoint

Axway addressable Market (\$4 billion)

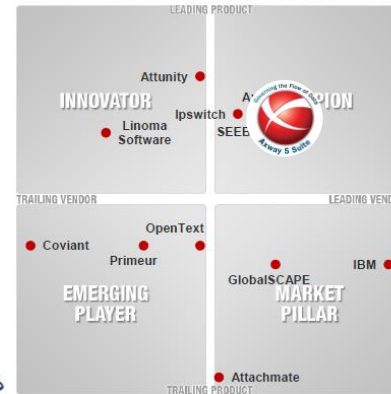
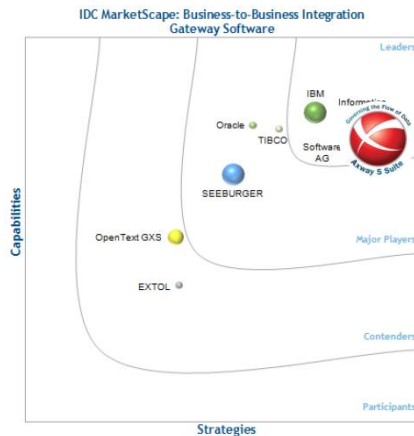


Leading position confirmed by IT analysts

**2014
On-premises
App Integration
Suite
- Gartner**



**2014
B2B Gateway
- IDC**



**2013
MFT
- Info-Tech**

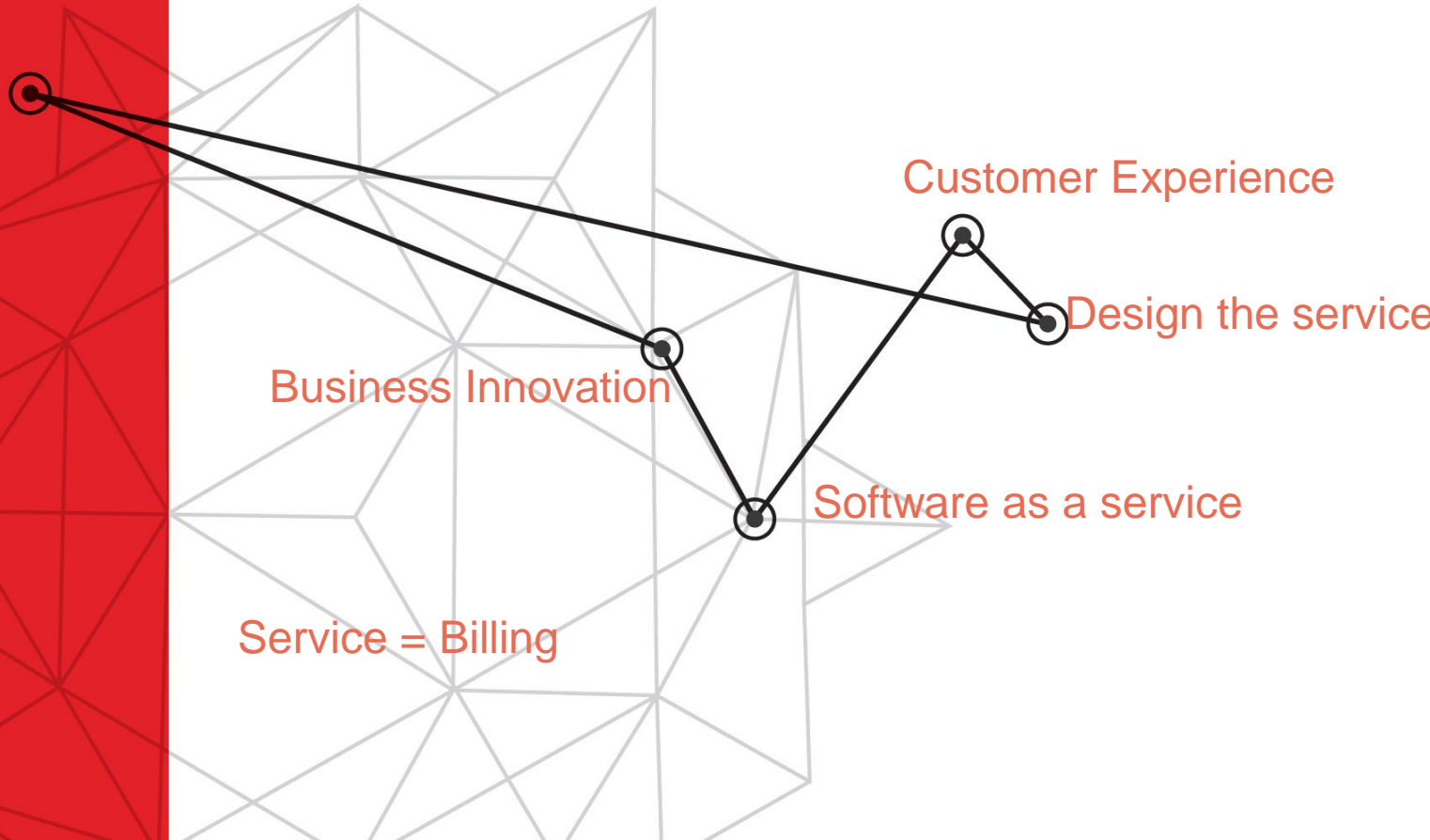
**2013
Application
Services
Governance
- Gartner**

- IDC: “Axway is a **Disruptive Innovator**, only vendor able to demonstrate its **API** capabilities in context of **trading partner integration**.”

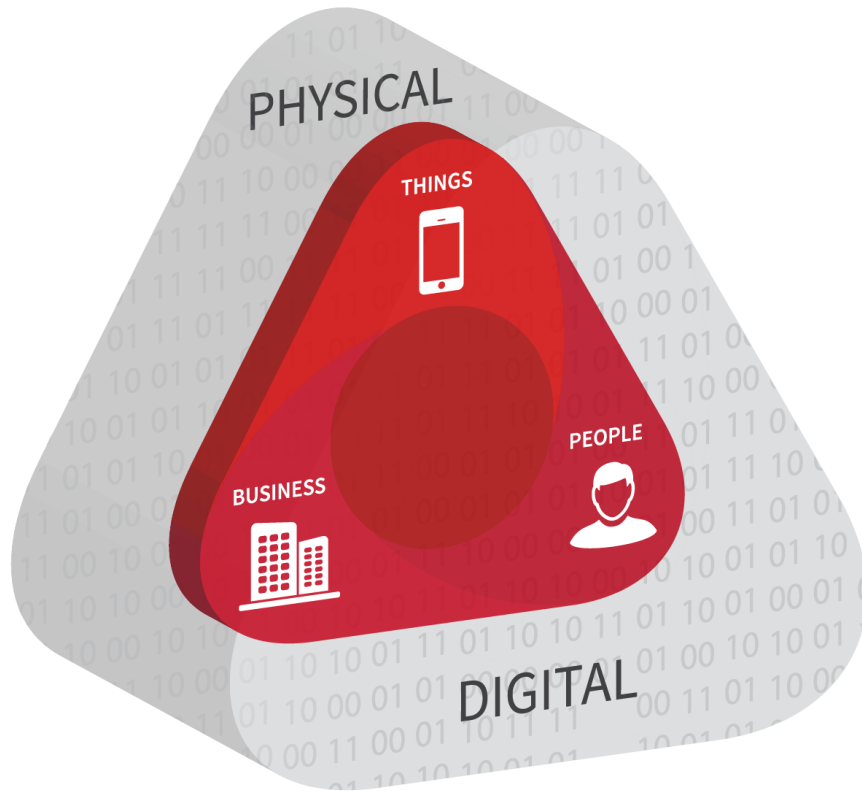


Axway, Digital Journey

Develop Business Digital



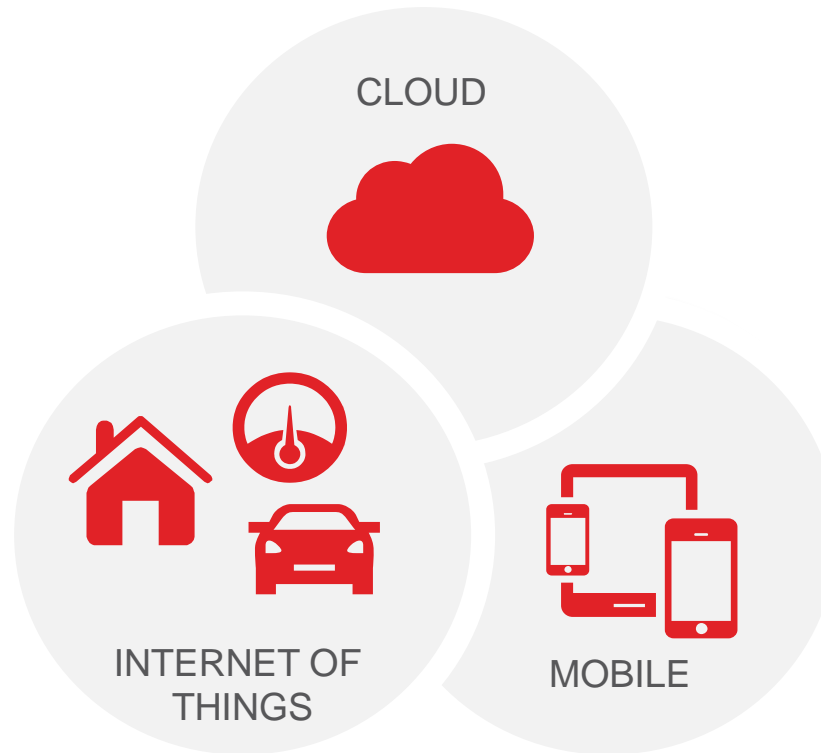
Digital Business



Digital business blurs the digital and physical worlds to increase agility, innovation and customer responsiveness.

It requires integration to connect intelligent things, people, and businesses.

Digital Business Drivers



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.”¹

¹The State of Digital Business 2014, Forrester Research, Inc., May 7, 2014”

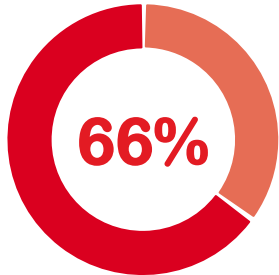


Disruptive Market Drivers...

“The challenge we and many others are facing is that it’s very hard to know when exactly the disruption will become so big that you actually don’t even survive without being part of that disruption.”

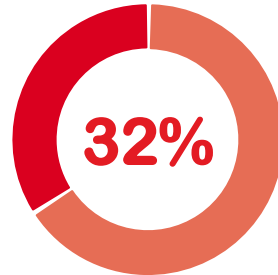
- CEO, Konecranes Plc, Finland

More Regulation



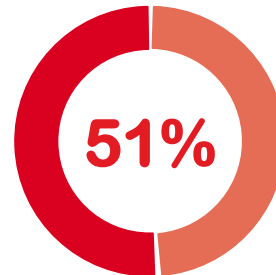
...anticipate significant changes in regulation

More Competition



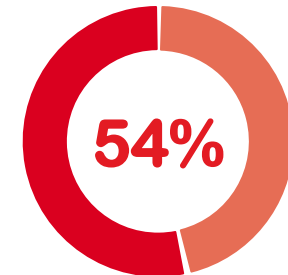
...competition will increasingly come from technology sector

New Partners



...will enter into new alliances in the coming 12 months

New Markets



...have entered or considered entering a new sector

...driving the Journey to Digital Business

Operational Efficiency



Compliance, consolidation & modernization to reduce costs

Business Innovation



New products, services & business models for competitive advantage

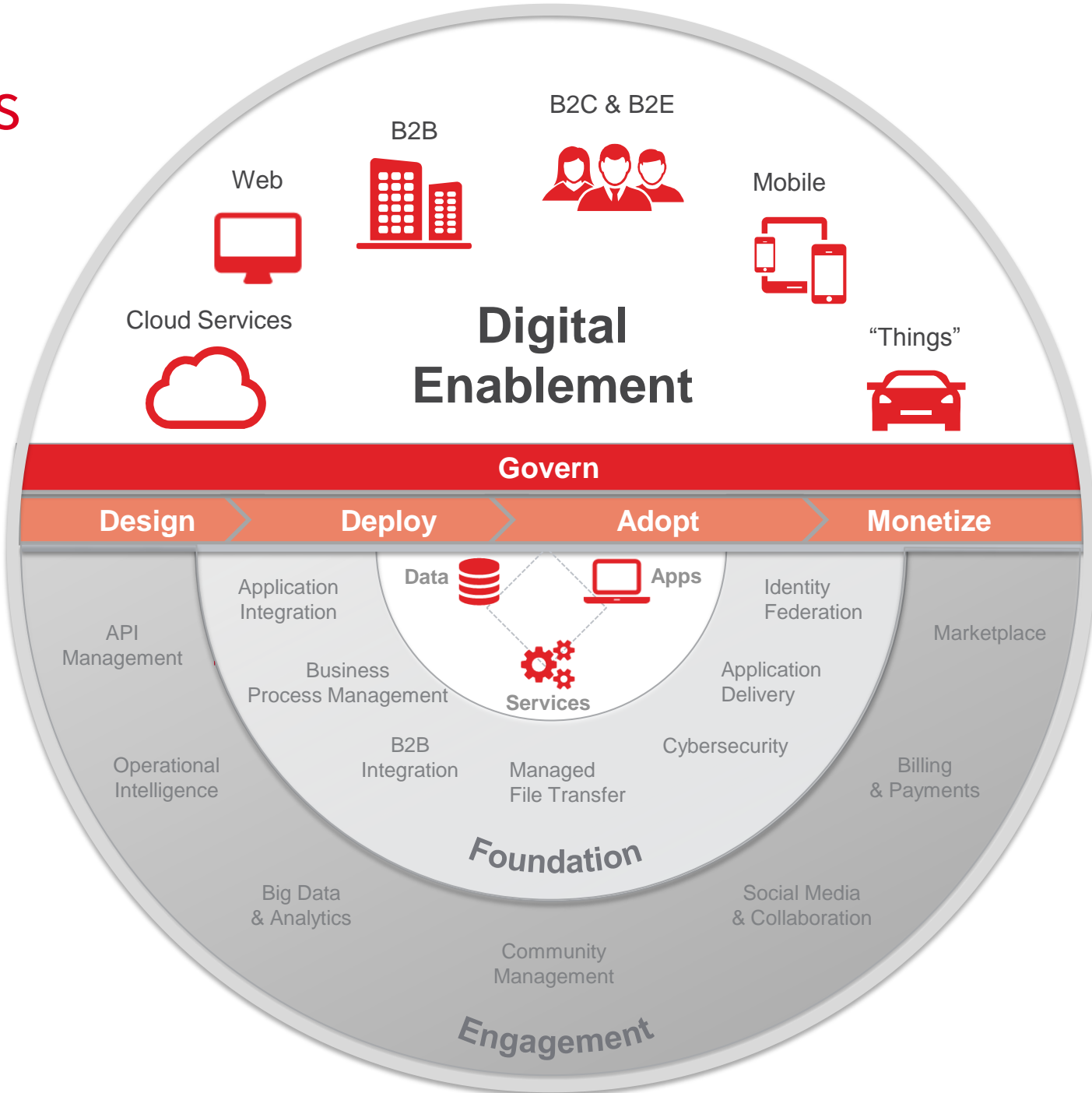
Customer Experience



Omni-channel engagement across physical & virtual worlds



Digital Business



Big Data & Analytics

Operational Intelligence

API Management

Community Management

Social Media & Collaboration

Billing & Payments

Marketplace & eCommerce

Design, adopt & monetize digital services

ENGAGEMENT

Digital Enablement



Deploy multi-enterprise integration platform

FOUNDATION

Business Process Management

MFT & EDI Gateway Services

Enterprise Architecture

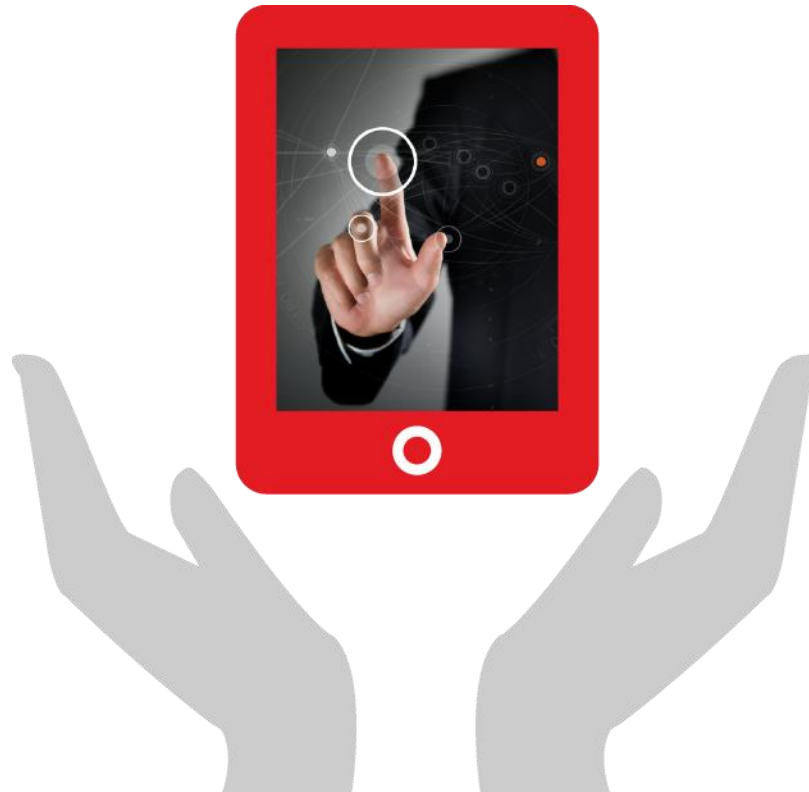
Application Delivery

DevOps

Identity Federation

2015 Axway's Vocation

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



1st Software Suite using APIs to connect B2B, MFT & Mobile in Digital Environment

The Axway 5 software suite governs data flow in companies

Five Expertise Areas

- Interactions
- Business rules
- Visualisation
- Integration
- Security

50 components

- Customised business solution tailored to the customer's requirements



1st software suite to use APIs to connect B2B, MFT and Mobile



HY 2015: Customer Demand Evolution

Traditional
Business
MFT & B2B



OneHealthPort

Convergence
Traditional Business
MFT/B2B
New Business

LVMH
MOËT HENNESSY • LOUIS VUITTON



Pure
New Business
Digitalization



TOTAL



FESTO

dun&bradstreet



Competitive & Market Landscape

Digital Foundation

Generalists



Traditional Middleware and Integration Providers



Specialists



Cloud Integration and Integration Brokerages



API Management



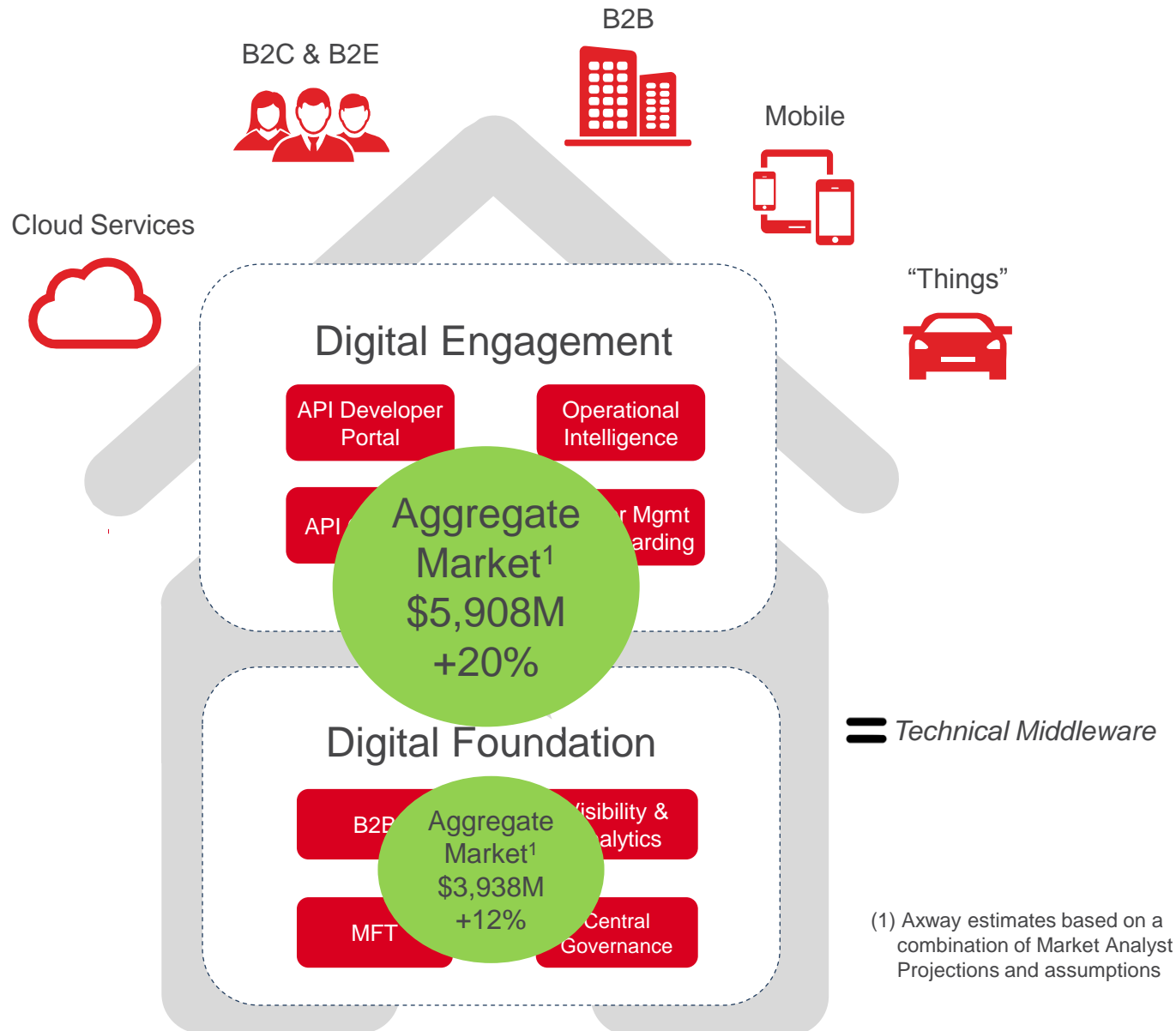
Specialists



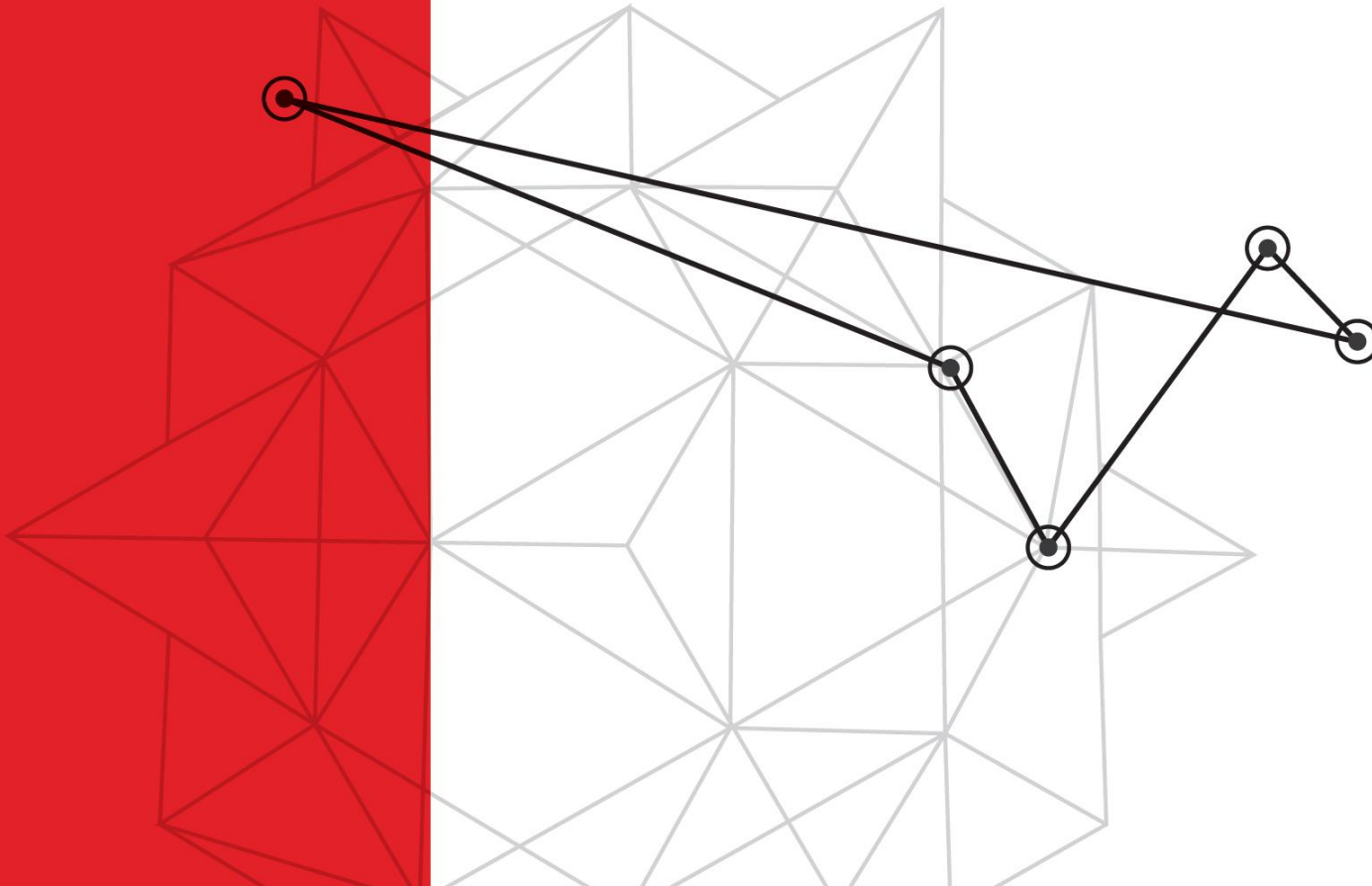
Digital Engagement



Potential Digital Enablement Markets



Software Editor Business Model



Three sources of revenue in 2014

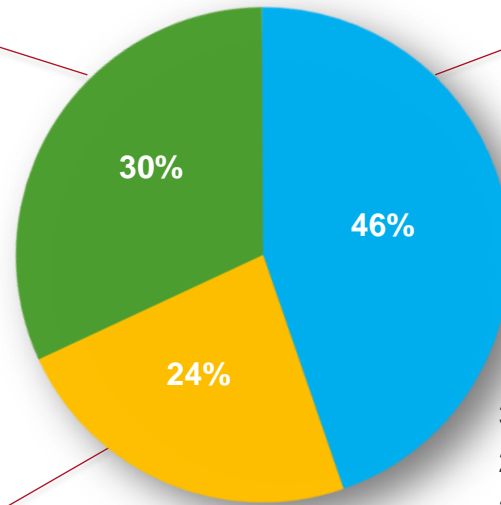
Licences

Perpetual usage rights
Tiered pricing
Standard licensing agreement

Services

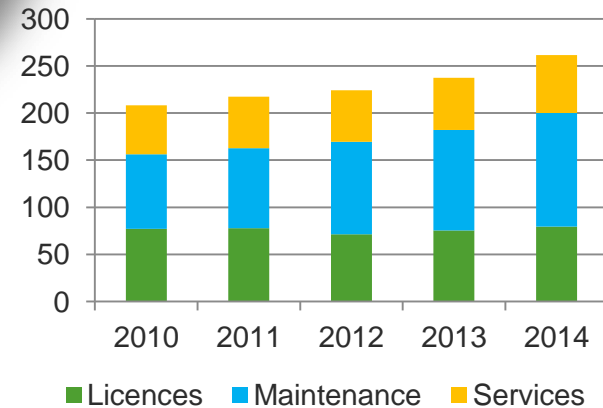
Classic Editor
Associated with the initial installation
Independent of licence
Service agreement

Software as a Service
Rental mode
Specific agreement



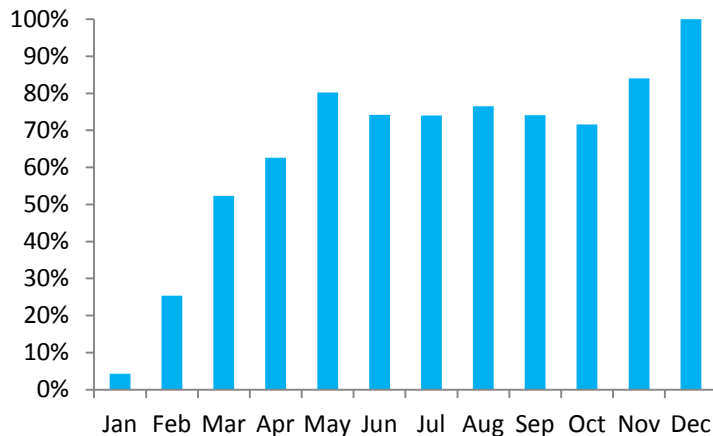
Maintenance

- Associated with licence sales
- Three levels of support
- For five years, but termination possible every year



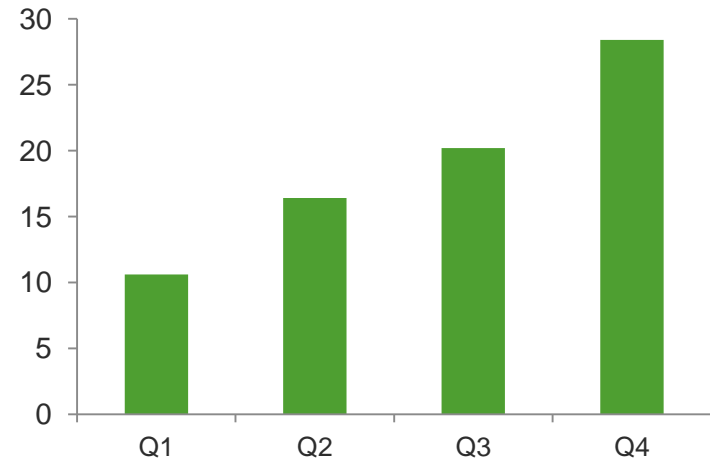
Axway Cash generation profile

Cash life cycle (cumulative)



Software Business Cycle

2014 Rev. (€M)



- **Cash flow cycle**

- Influenced by grouped maintenance at the beginning of the year (Feb. March)
- Increased at the start of the year by licences
- Regulated by services during the year



Debt & Financing

- Despite our aggressive acquisition strategy, we managed to keep our debt at a very low level, helped by our robust and stable cash flow generation.

<i>In millions of euros</i>	31/12/2014	31/12/2013	31/12/2012
Net Debt	1.8	-20.7	1.5
Banking debt	46.4	28.5	36.9
Cash	44.6	49.2	35.4

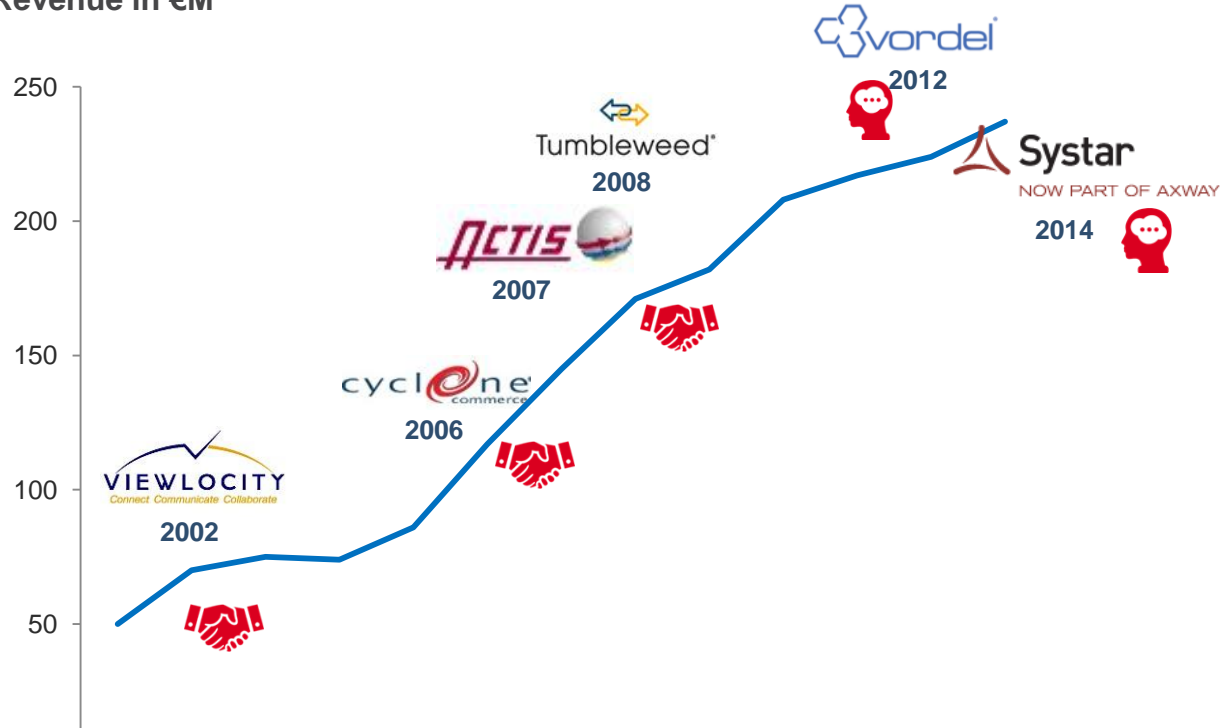
Our Main Financing tool: RCF signed mid 2014

Amount	125M
Type	100% Revolving facility
Maturity	5Y+1+1 without amortization
Example of margins depending on our financial leverage (Net Debt/EBE)	Leverage < 1 70bps 2,5 < L < 3 140bps
Utilization fees	10-20-40
Non utilization fees	33%
Legal documentation	Limits of acquisition: 120M per calendar year 100M of additional debt



A composite growth model: organic + acquisition

Revenue in €M



1985 - 2000

Incubation within Sopra

2001 - 2005

B2B and Integration

2006 - 2009

Collaborative Business Solutions

2010 - 2012

Network of professional interactions
MFT market leader

By 2015

Governing the flow of data
Axway 5 Suite



Acquisition target: Customer position



Acquisition target: Technology/competency

A presence spanning the continents



R&D centre



France



€102 million



698 people



2,077 customers



Rest of Europe



€60 million



745 people



2,908 customers

Americas



North America



€90.7 million



440 people



4,014 customers

South America



1,387 customers



20 people

Africa



73 customers



Asia Pacific



€10 million



58 people



1,530 customers

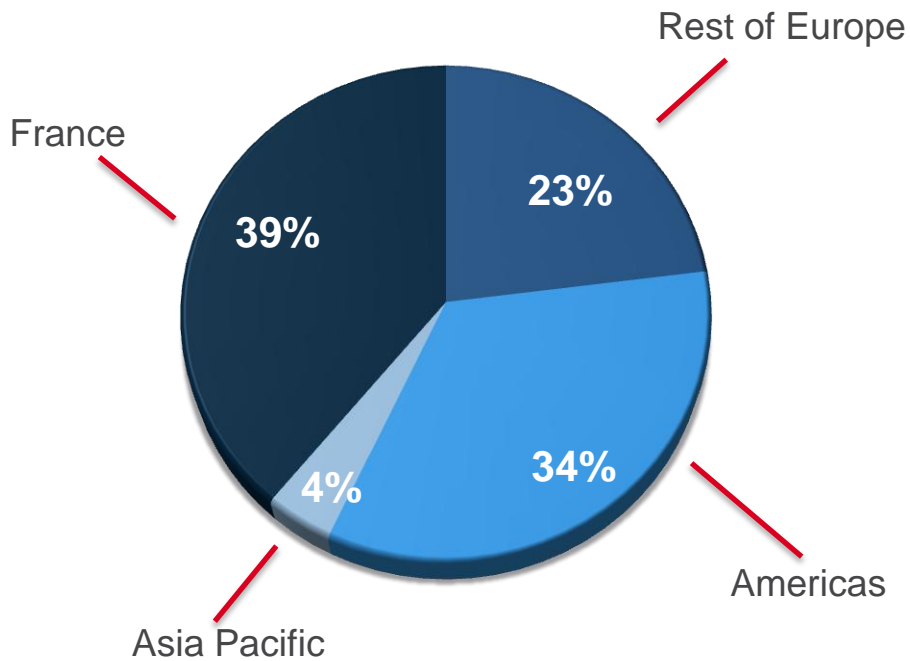
More than 11,000 customers served through 19 locations
General management in the United States and registered office
in France



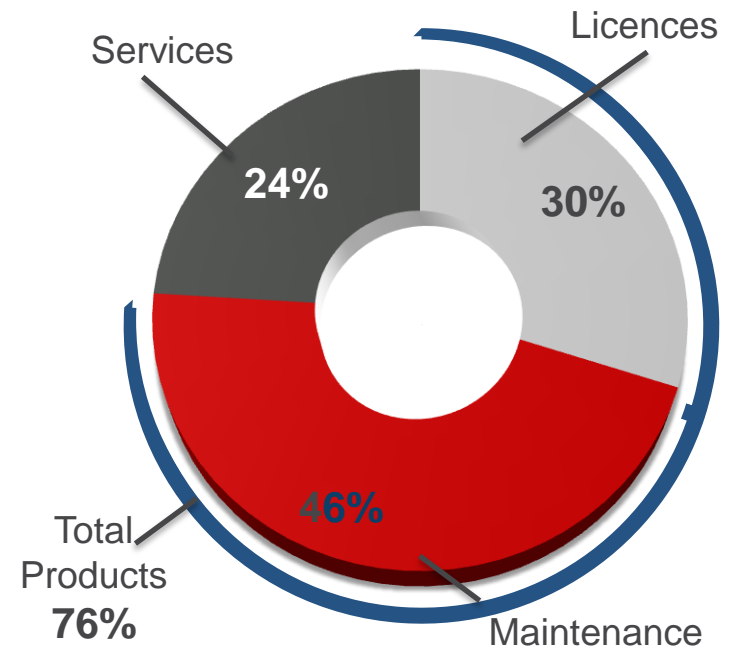
Axway: a Balanced Business Model

FY2014

BY REGION



BY ACTIVITY



License Metrics 2014

ASP – Share of Indirect – New/Repeat

- Nb Deals ~ 2154



Share of Tiers 1 business(>250k€)

- Share of nb. of deals: 2,4%
- Share of total amount: 42%



- Share of indirect business (€): 9%



- Share of New business (€): 9%



Average Sale Price

- ASP Tiers 1 ~615k€
- ASP Tiers 2 (< 250 k€) ~107 k€
- ASP Tiers 3 (< 50 k€) ~9 k€



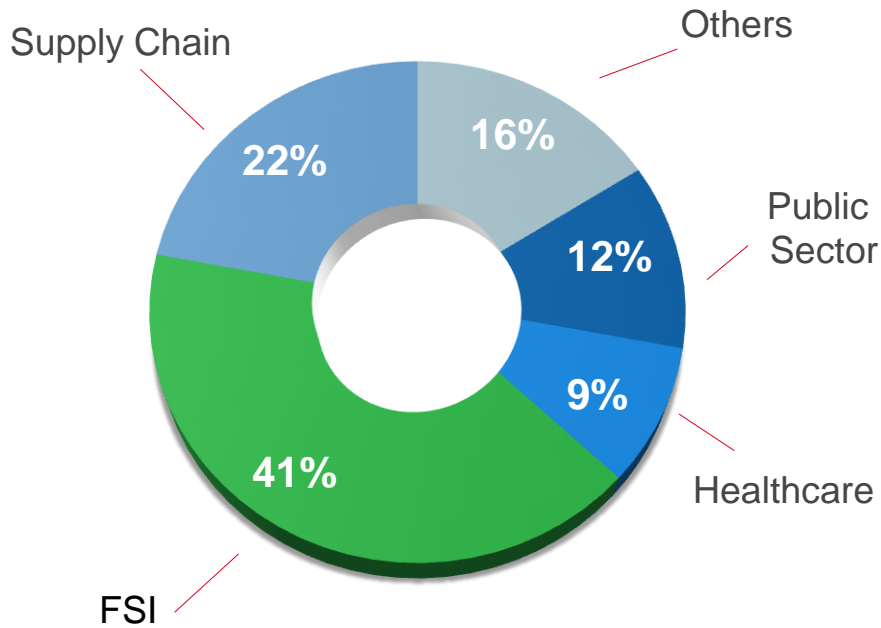
2014
versus
2013



License Metrics 2014

Share of verticals in License revenues

SECTORS



HEALTHCARE

vs 2013

SUPPLY CHAIN

vs 2013

PUBLIC SECTOR

vs 2013

FSI

vs 2013



Maintenance Metrics 2014

- Total Value/ Contribution ~ 120M€/46%



Attachement rate = 20%

(average weighted by volume)



2014
versus
2013

- Renewal rate (*) = 93.5%
(average weighted by volume)



** This percentage represents full year revenue impact*



Cloud Metrics 2014

- Subscription recognized: 6.2 M€ (+53%)

- ASR on 12/31/14 : 7.5M€

ASR= committed subscription revenue in next 12 months



2014
versus
2013

Headcount at End of June 2015

1926



FRANCE **692**



USA **411**

Update on Axway Shareholder Structure

30/06/2015

20,602,494 SHARES OUTSTANDING
35,408,908 VOTING RIGHTS

Sopra Steria	Pasquier Family	Odin Family	Managers	Sopra GMT	Geninfo (SG Group)	Caravelle	Public	Treasury Shares
Shares outstanding								
25.33%	0.11%	1.12%	1.13%	21.86%	8.71%	12.49%	29.15%	0.11%
Voting Rights								
29.40%	0.12%	1.30%	1.26%	25.08%	10.12%	14.52%	18.13%	

Concerted action

- 58.25% of the shares
- 67.28% of the voting rights



Governance



Jean-Marc Lazzari
Chief Executive Officer

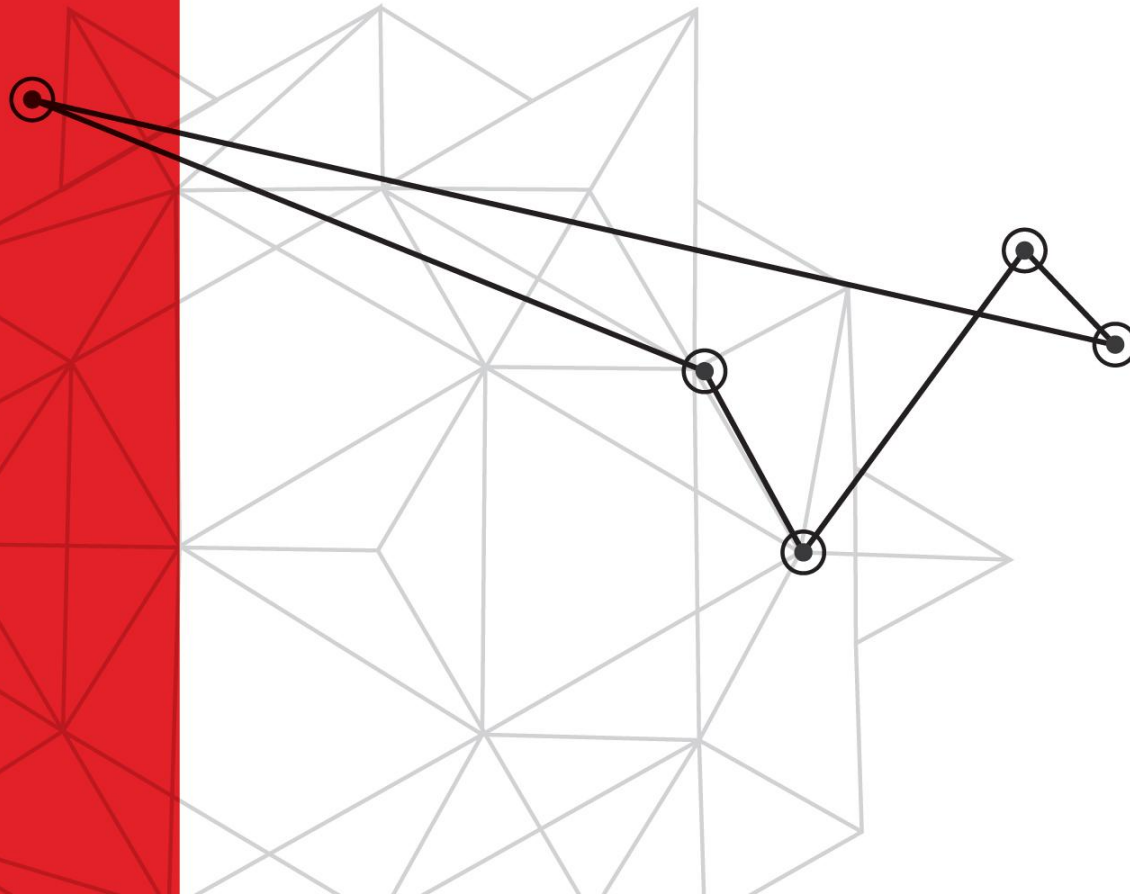
- French-American management: 10 top managers coming from the software industry and historical corporate management

Strengthened Governance

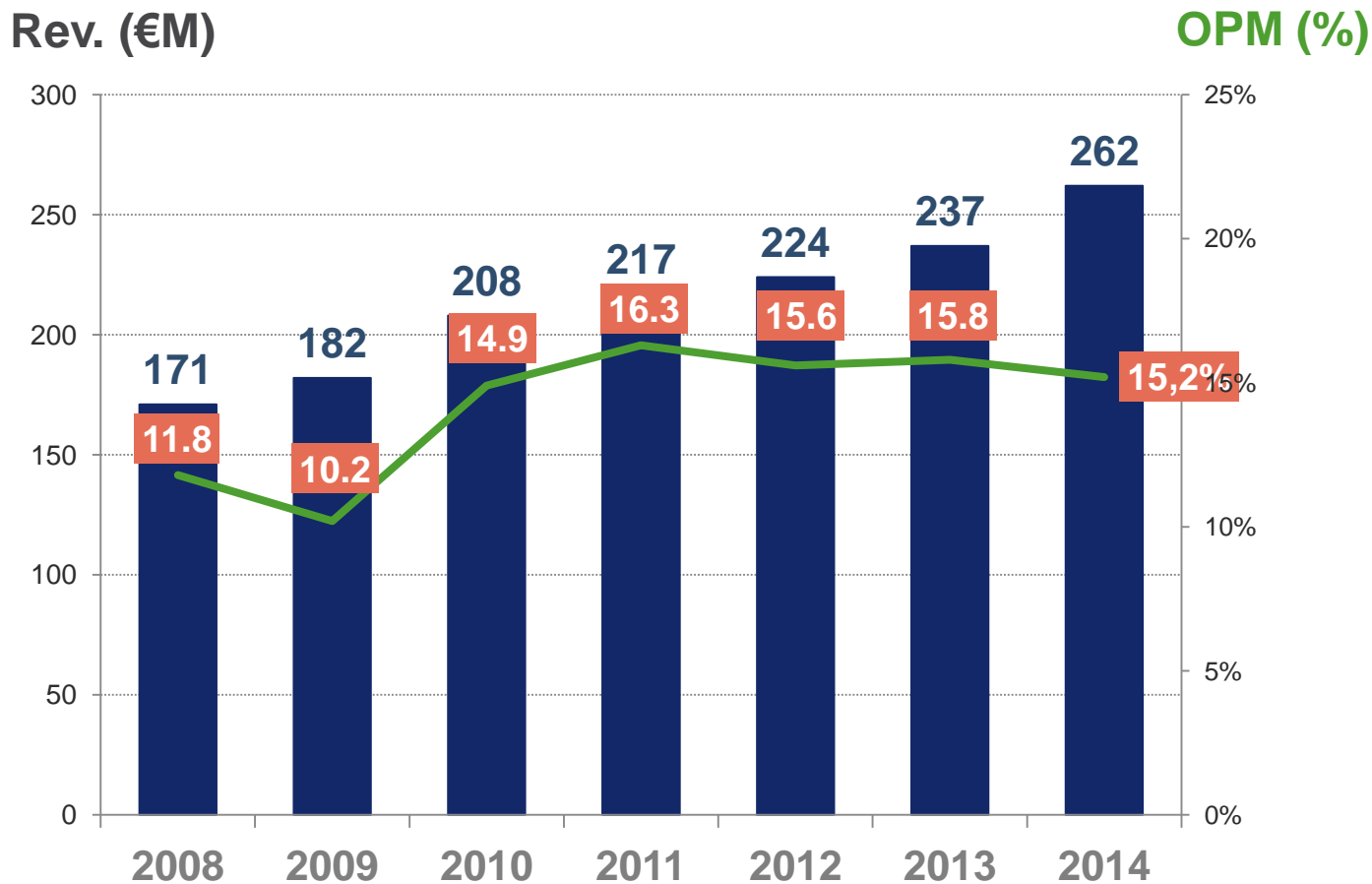
- **Board of Directors**
comprising ten members, of which five are independent members
 - Pierre Pasquier Chairman
 - Kathleen Clark-Bracco Vice Chairman
- **Compliance** with the Middlenext Code of Corporate Governance



Track Record of Profitable Growth



Growth and profitability over the last six years



FY2014: Cost Analysis

- Slight improvement in Gross Profit each period
- Approximately 13 M€ of the 22 M€ cost increase coming from Systar
- Increase in R&D Capabilities to advance A5 suites including API and Decision Insight
- Investment in key management within our Distribution network

<i>In millions of euros</i>	FY 2014		FY 2013		FY 2012	
Revenue :						
Licenses	79.6	30.4%	75.6	31.8%	71.4	31.8%
Maintenance	120.5	46.1%	106.3	44.8%	98.2	43.8%
Total Product Revenue	200.1	76.5%	181.9	76.6%	169.6	75.6%
Services	61.5	23.5%	55.6	23.4%	54.7	24.4%
Total Revenue :	261.6	100.0%	237.5	100.0%	224.3	100.0%
Costs of sales:						
Product Revenue	21.9	8.4%	20.7	8.7%	20.7	9.2%
Services	57.0	21.8%	51.4	21.6%	51.1	22.8%
Total Costs of sales :	78.9	30.2%	72.1	30.4%	71.7	32.0%
Gross profit:	182.6	69.8%	165.4	69.6%	152.6	68.0%
Operating expenses :						
Sales and marketing	77.5	29.6%	70.8	29.8%	64.1	28.6%
Research and development	41.0	15.7%	33.6	14.2%	32.5	14.5%
General and administrative	24.5	9.4%	23.5	9.9%	21.0	9.4%
Total operating expenses :	143.0	54.7%	127.9	53.9%	117.6	52.4%
Profit on operating activities	39.7	15.2%	37.5	15.8%	35.0	15.6%



Income Statement (2/2)

- Profit on Operating Activities margin stable for all periods presented
- Amortization increased with the addition of Systar Intangibles.
- Other Income/Expense in 2012/2013: mostly GSA, 2014 mostly Acquisition costs
- EPS in 2013 - 1.33 €/share without Exceptional items

<i>In millions of euros</i>	FY 2014	FY 2013	FY 2012
Profit on operating activities	39.7	37.5	35.0
<i>as a % of Revenue</i>	15.2%	15.8%	15.6%
Stock option related expenses	(0.8)	(1.4)	(1.1)
Amortization of intangible assets	(5.3)	(3.7)	(2.1)
Profit from recurring operations	33.6	32.4	31.7
<i>as a % of Revenue</i>	12.8%	13.7%	14.1%
Other income and expenses	(2.3)	(5.3)	(2.9)
Operating profit	31.3	27.2	28.7
Cost of net financial debt	(1.4)	(0.3)	0.3
Other financial revenues and expenses	0.4	(1.0)	(0.4)
Income taxes	(3.6)	9.8	(4.0)
Net Profit	26.7	35.6	24.7
	10.2%	15.0%	11.0%
Basic net earnings per share (in Euro)	1.29	1.75	1.22

Simplified Balance Sheet (1/2)

- Goodwill increased by 33 M€ for Systar Acquisition, the rest from foreign currency impact
- Due to strong Q4 sales, Trade A/R increased significantly and DSO's increased to 105 days from 90 days in 2013

<i>In millions of euros</i>	31/12/2014	31/12/2013	31/12/2012
ASSETS			
Goodwill	236.5	189.3	196.6
Intangible assets	45.6	28.8	31.0
Property, plant and equipment	6.9	6.3	6.2
Other non-current assets	42.1	45.7	27.6
Non-current assets	331.1	270.1	261.4
Trade receivables	84.9	64.4	72.2
Other current assets	18.2	8.3	8.1
Cash and cash equivalents	44.6	49.2	35.4
Current assets	147.6	121.9	115.7
TOTAL ASSETS	478.7	392.0	377.1



Simplified Balance Sheet (2/2)

- Bank debt 45 M€ at the end of 2014
- Deferred Maintenance Revenues increased to 61 M€ from 40 M€

<i>In millions of euros</i>	31/12/2014	31/12/2013	31/12/2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	41.1	40.9	40.6
Capital reserves and results	257.4	217.4	193.3
Total shareholders' equity	298.5	258.4	233.9
Financial debt - long-term portion	46.3	28.5	36.9
Other non-current liabilities	18.9	15.5	16.2
Non-current liabilities	65.2	44.0	53.1
Financial debt - short-term portion	1.3	9.5	5.3
Other current liabilities	113.7	80.1	84.7
Current liabilities	115.0	89.6	90.0
TOTAL LIABILITIES	180.2	133.6	143.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	478.7	392.0	377.0



Change in Equity

- Due to the USD/Eur conversion rate movement a significant translation adjustment was recorded in 2014 on the conversion of the foreign balances sheets to Euro's

<i>In millions of euros</i>	31/12/2014	31/12/2013	31/12/2012
Equity at Opening of Period	258.4	233.9	213.4
Profit for the period	26.7	35.6	24.7
Share-based payments	0.8	1.3	1.1
Treasury Shares	-0.1	0.0	-0.1
Dividends	-8.2	-7.1	-5.0
Capital increase	1.3	2.2	2.1
Actuarial gains and losses	-0.5	0.3	-0.1
Other changes	-0.2	0.1	0.0
Translation differential	20.3	-7.9	-2.2
Equity at End of Period	298.5	258.4	233.9



Cash Flow Statement

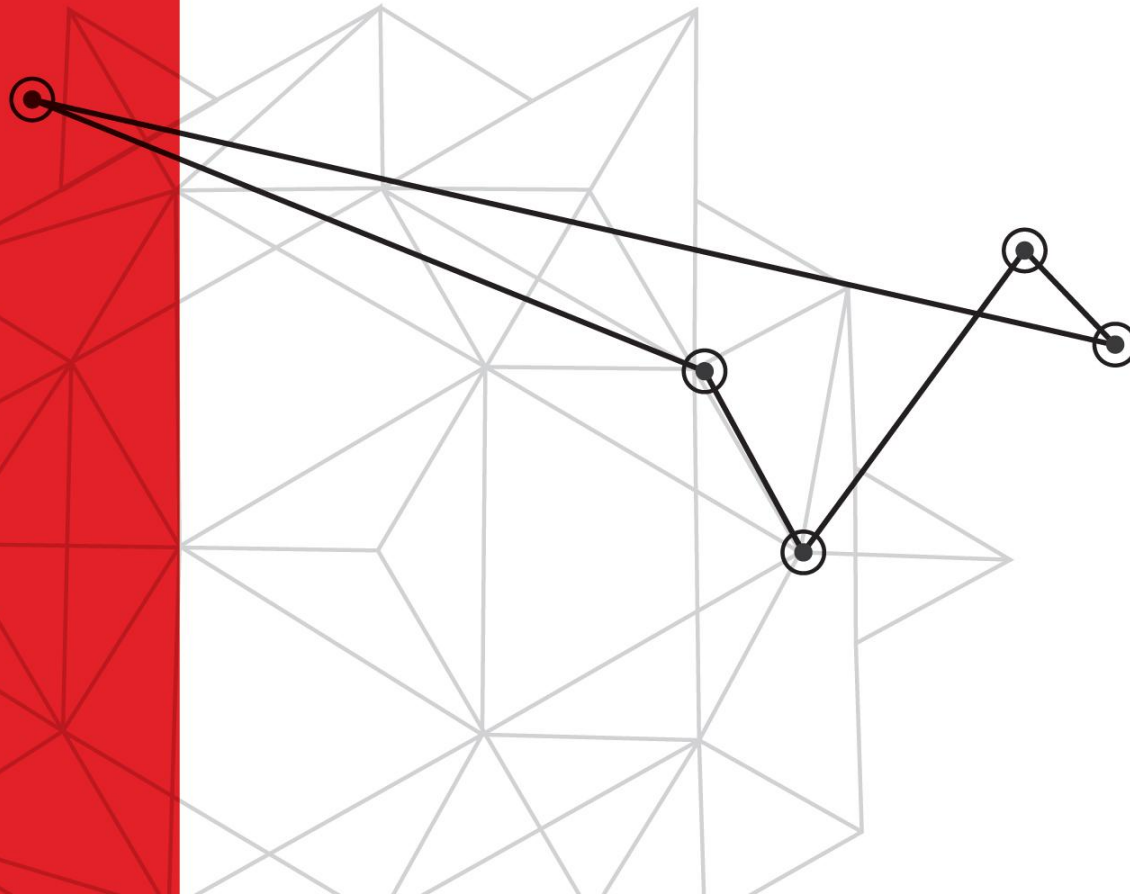
- Working Capital Requirements change positive in 2014 due to monetization of CIR receivables
- Investing activities includes the purchase of Systar

<i>In millions of euros</i>	31/12/2014	31/12/2013	31/12/2012
Net profit for the period	26.7	35.6	24.7
Net charges to amortizations, depreciations and provisions	8.3	8.0	5.8
Other income and expense items	0.2	1.7	0.6
Cash from operations after cost of net debt and tax	35.2	45.3	31.1
Changes to operating working capital requirements	11.0	(3.6)	(10.8)
Costs of net financial debt	1.4	0.7	0.1
Income tax paid net of accrual	(0.2)	(14.1)	(0.2)
Net cash from operating activities	47.3	28.3	20.2
Net cash used in investing activities	(54.4)	(3.6)	(45.6)
Proceeds on shares issued	1.3	2.2	2.1
Dividends paid	(8.2)	(7.1)	(5.0)
Change in loan	7.7	(4.4)	40.0
Net interest paid	(1.4)	(0.7)	-
Other changes	(0.7)	0.3	0.1
Net cash from (used in) financing activities	(1.2)	(9.7)	37.2
Effect of foreign exchange rate changes	3.7	(1.2)	(0.1)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4.6)	13.8	11.7
Opening cash position	49.2	35.4	23.7
CLOSING CASH POSITION	44.6	49.2	35.4



Last trend

27 October 2015



9 Month Cumulative by Activity – PR 27.10.2015

Nine-Month cumulative [€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
Licenses	49.0	41.1	46.6	19.2%	5.3%
Maintenance	102.4	88.3	87.7	16.0%	4.8%
Services	49.5	44.9	48.9	10.2%	1.2%
Axway	200.9	174.3	193.2	15.3%	4.0%

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



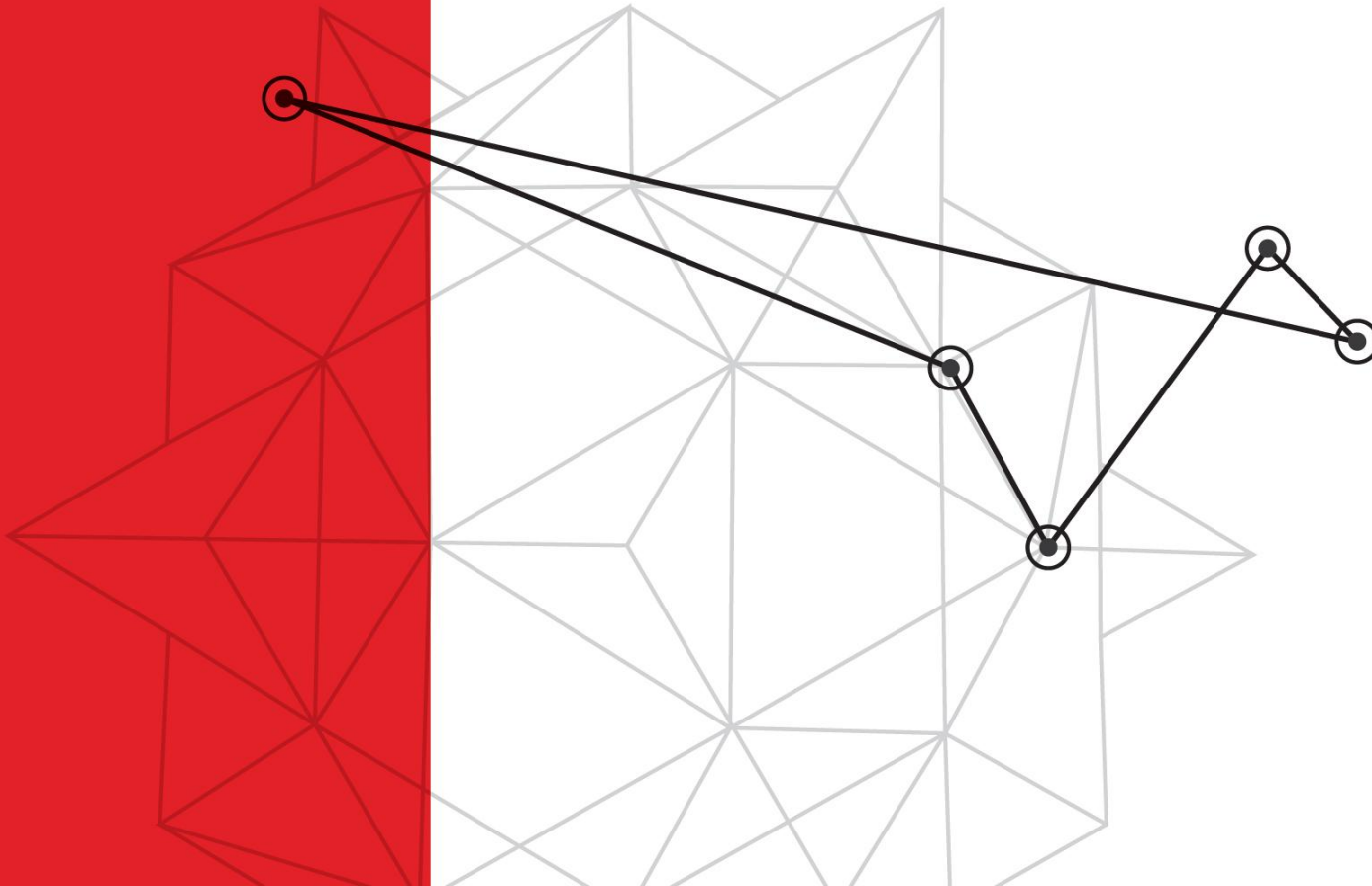
9 Month Cumulative by Region – PR 27.10.2015

Nine-Month cumulative [€M]	2015	2014 Published	2014 Pro forma	Total Growth	Organic Growth ¹
France	68.0	63.1	62.7	7.8%	8.4%
Rest of Europe	47.6	42.4	46.5	12.3%	2.4%
Americas	75.7	62.3	76.4	21.5%	(0.8)%
Asia/Pacific	9.6	6.5	7.5	47.6%	27.3%
Axway	200.9	174.3	193.2	15.3%	4.0%

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



Status of the company transformation



Status of the Axway 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)

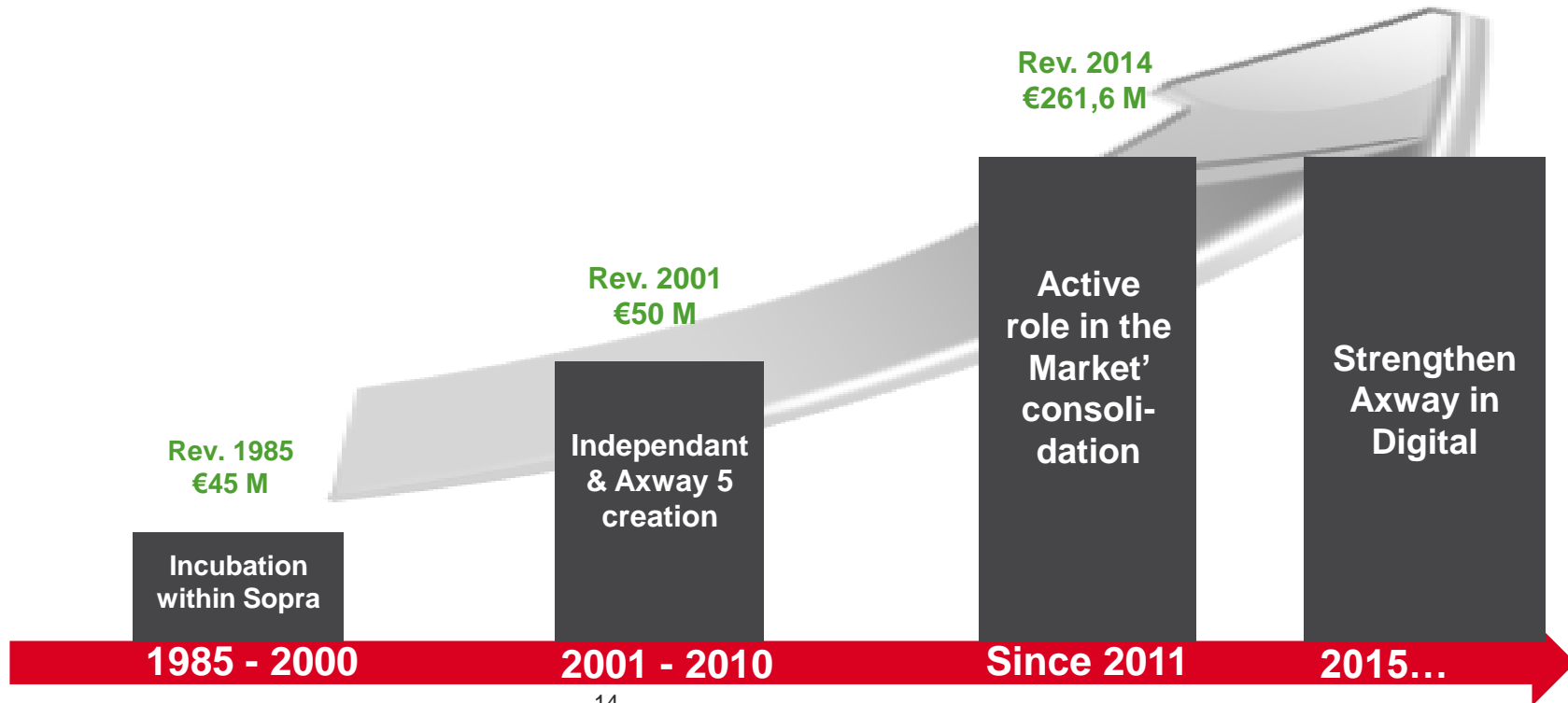
Product Portfolio Adjustments

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

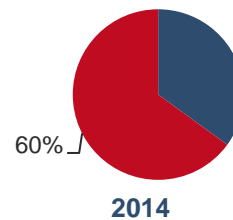
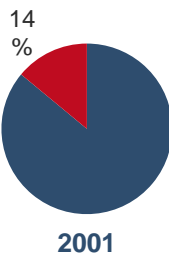


A Key Actor Strategy

To strengthen Axway in governing the flow of data in DIGITAL



~10% International Business



A strategy with strong growth potential

- Capitalising on competitive assets
- Strengthening the full-service approach to customers
- Developing the technological platform
- Actively pursuing organic growth and targeted acquisitions

**➔ To strengthen our position as a benchmark player
in Governing the Flow of Data
In Digital Market**



Why invest in Axway?

- A technology actor, Innovative model
- A significant customer base, no risky dependence to one customer.
- A high renewal rate on maintenance contracts. The recurring revenue is high and rising.
- A leader position and good consolidation opportunities in Digital software market
- A permanent process to improve the operational margin
- Sopra Steria and Sopra GMT as stable shareholders of Axway.



Axway, 54th Global software editor

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

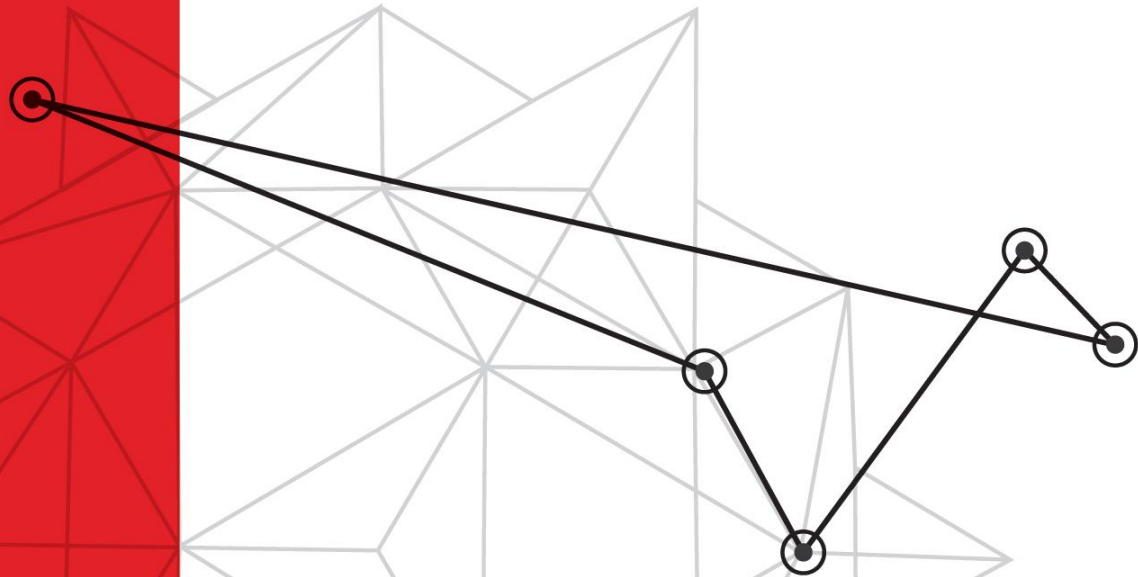
Rev. **€261.6 million**
OPM **15.2%**
FCF/Rev. **16.3%**

Euronext Paris listing: 2011
Market cap **€500 million**
Float **29.7%**

Dual nationality
FR-US
19 locations
worldwide

1,960+ employees
including 650 in R&D
and 130 in the sales force

Thank You



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