



1st Half Year 2016 Results

Jean-Marc Lazzari
Axway CEO
27 July 2016

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.

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Agenda



Jean-Marc Lazzari
Chief Executive Officer



Patrick Donovan
Chief Financial Officer

- 1st Half Year 2016 Analysis
- Accounting & Financial Results
- Mid-term Plan Status
- Q&A



Patrick Gouffran
Investor Relations



Jean-Marc Lazzari, CEO

1st Half Year 2016 Analysis



HY 2016: Key Figures (€M)

Total Growth
+ 7.1%

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

HY 2016: Revenue by Activity

[€M]	2016	2015 Reported	2015 Restated ¹	Total Growth	Organic Growth ¹
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%
Axway	144.7	135.1	136.9	7.1%	5.7%

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

HY 2016: Revenue by Region

[€M]	2016	2015 Reported	2015 Restated ¹	Total Growth	Organic Growth ¹
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%
Axway	144.7	135.1	136.9	7.1%	5.7%

(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 ¹	Organic Growth ¹
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%
Axway Q1	65.3	62.6	63.9	2.3%

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

Q2 [€M]	2016	2015 Reported	2015 Restated ¹	Organic Growth ¹
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%
Axway Q2	79.4	72.5	73.1	8.6%

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

HY 2016: Revenue by Quarter & Activity

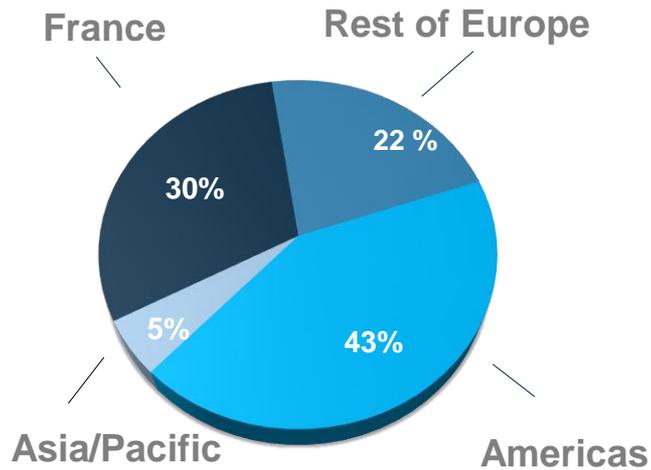
Q1 [€M]	2016	2015 Reported	2015 Restated ¹	Organic Growth ¹	Q2 [€M]	2016	2015 Reported	2015 Restated ¹	Organic Growth ¹
Licenses	12.4	13.6	13.6	-8.6%	Licenses	25.1	20.6	20.4	22.9%
Maintenance	34.7	33.5	33.6	3.5%	Maintenance	35.4	34.5	33.9	4.5%
Services	18.2	15.5	16.7	8.8%	Services	18.9	17.3	18.8	0.5%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

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

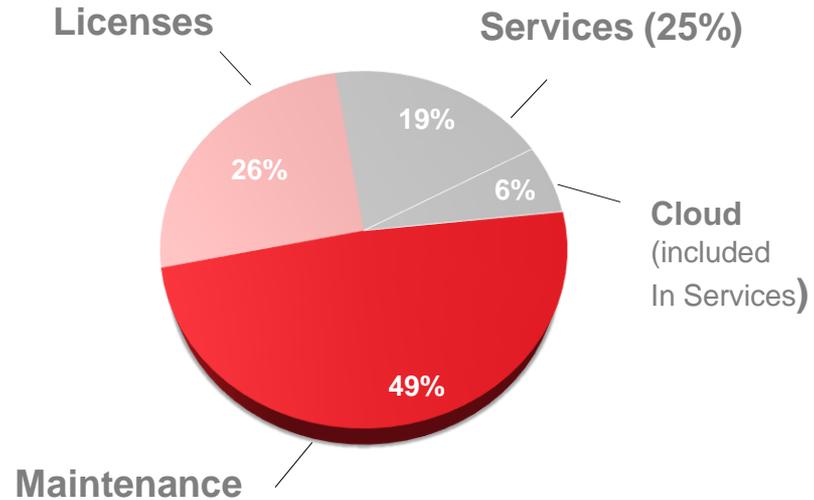
(1) At constant exchange rates and on a like-for-like basis

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**



Patrick Donovan
Chief Financial Officer

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
Revenue :			
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
Total Revenue :	144.7	135.1	284.6
Costs of sales:			
Product Revenue	12.5	11.7	23.2
Services	31.9	32.4	63.2
Total Costs of sales :	44.4	44.1	86.4
Gross profit:	100.3	91.0	198.3
<i>as a % of Revenue</i>	69.3%	67.3%	69.7%
Operating expenses :			
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
Total operating expenses :	84.0	78.3	153.8
Profit on operating activities	16.3	12.7	44.5

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
Profit on operating activities	16.3	12.7	44.5
<i>as a % of Revenue</i>	11.3%	9.4%	15.6%
Stock option related expenses	(0.2)	(0.3)	(0.6)
Amortization of intangible assets	(3.8)	(3.0)	(6.0)
Profit from recurring operations	12.3	9.4	37.9
<i>as a % of Revenue</i>	8.5%	7.0%	13.3%
Other income and expenses	(1.5)	(8.1)	(10.5)
Operating profit	10.7	1.3	27.4
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
Net Profit	11.0	2.3	27.9
<i>as a % of Revenue</i>	7.6%	1.7%	9.8%
Basic net earnings per share (in Euro)	0.53	0.11	1.35

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
ASSETS			
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
Non-current assets	394.1	347.5	344.9
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
Current assets	135.2	141.0	135.0
TOTAL ASSETS	529.4	488.6	479.9

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

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
Net profit for the period	11.0	2.3	27.9
Net charges to amortizations, depreciations and provisions	2.8	11.1	13.8
Other income and expense items	(0.0)	(1.7)	(1.1)
Cash from operations after cost of net debt and tax	13.8	11.8	40.6
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)
Net cash from operating activities	22.0	36.1	49.6
Net cash used in investing activities	(50.4)	(1.5)	(5.2)
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
Net cash from (used in) financing activities	24.6	(40.1)	(46.1)
Effect of foreign exchange rate changes	(0.6)	0.9	1.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4.4)	(4.5)	(0.7)
Opening cash position	43.9	44.6	44.6
CLOSING CASH POSITION	39.5	40.0	43.9

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 ≤ 3 (-0,98 at Dec 31, 2015 and -0,21 at June 30, 2016)
- The 125 M€ credit line is extended to mid-2021



EBE/cost of debt
Covenant >5



Net Debt/Retained
Earnings
(Covenant <1)

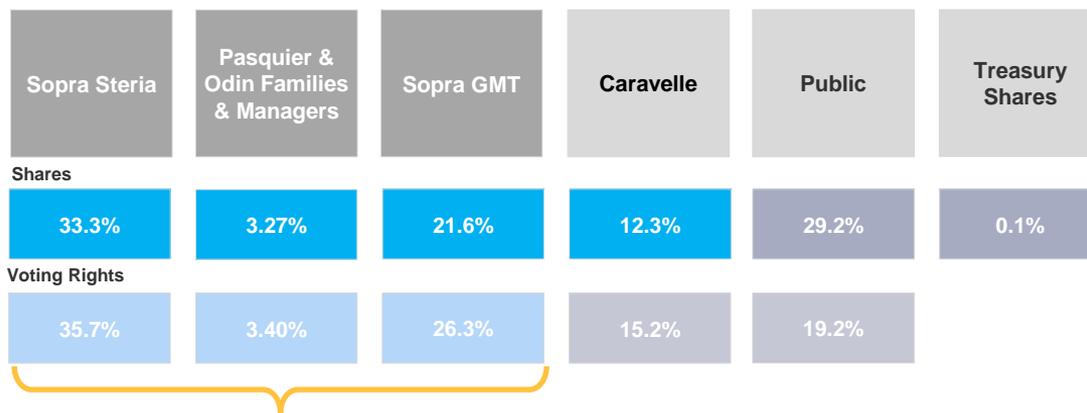


Net Debt/EBE
(Covenant <3)

Axway Shareholders Structure

31/06/2016

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



Concerted action

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

Financial Summary



Total revenue growth of +7.1%



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

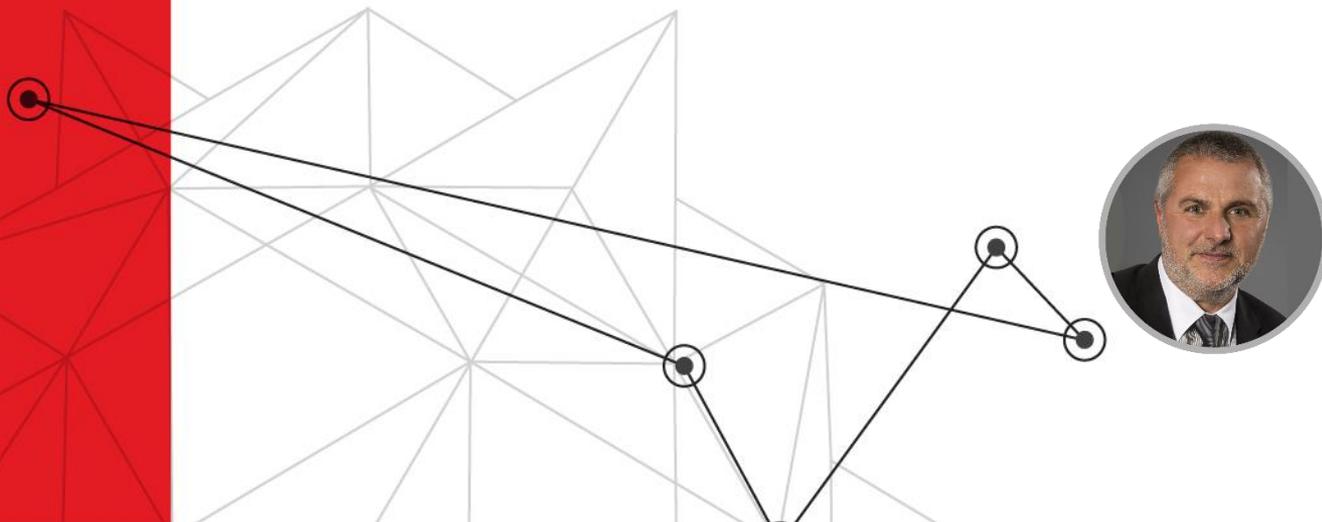


Solid ending cash of 42 M€



Jean-Marc Lazzari, CEO

Mid-term Plan Status



Axway Business plan ambition by 2018

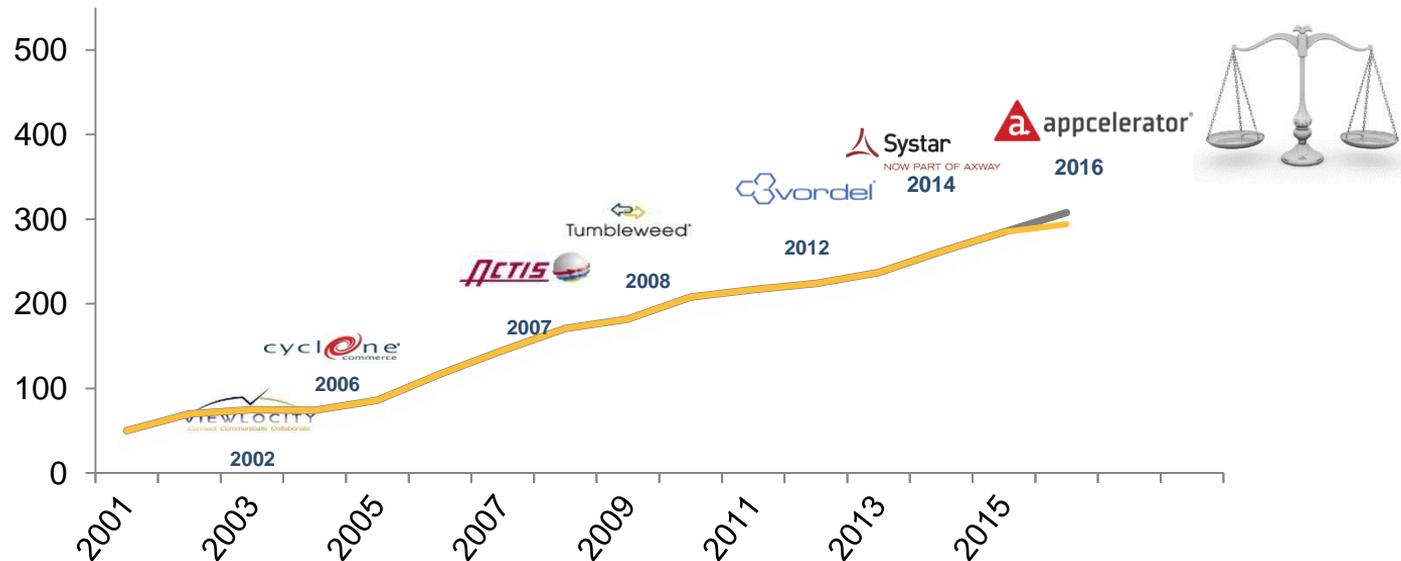
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- Double Axway size
 - Preserve margins before acquisition
 - Target 20% growth annually in license/cloud revenue in the United States market
 - Achieve average annual growth of 30% in Ecosystem Engagement revenue
 - Keep our historic leadership in 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>
Profit from business activity (M€) <i>%revenue</i>	16.3 11.3%	12.7 9.4%
Net Profit (M€) <i>%revenue</i>	11.0 7.6%	2.3 1.7%

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

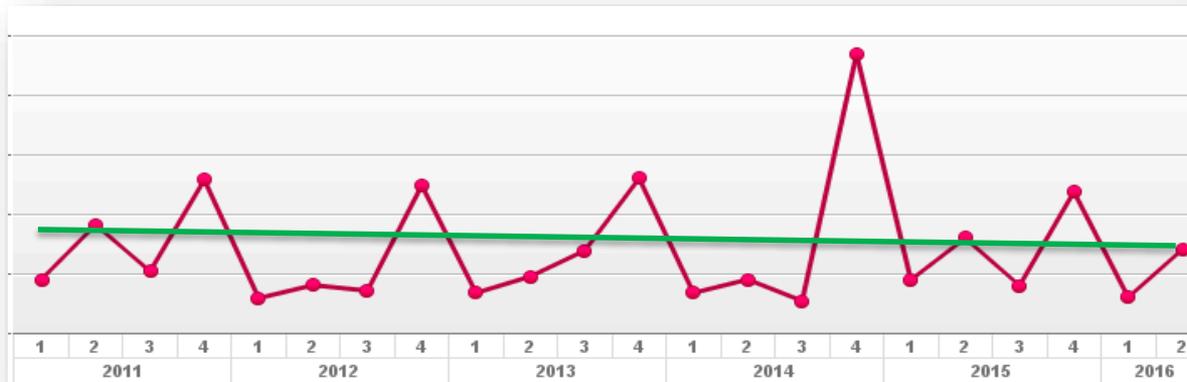


- Keep our historic leadership in France:

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.”¹

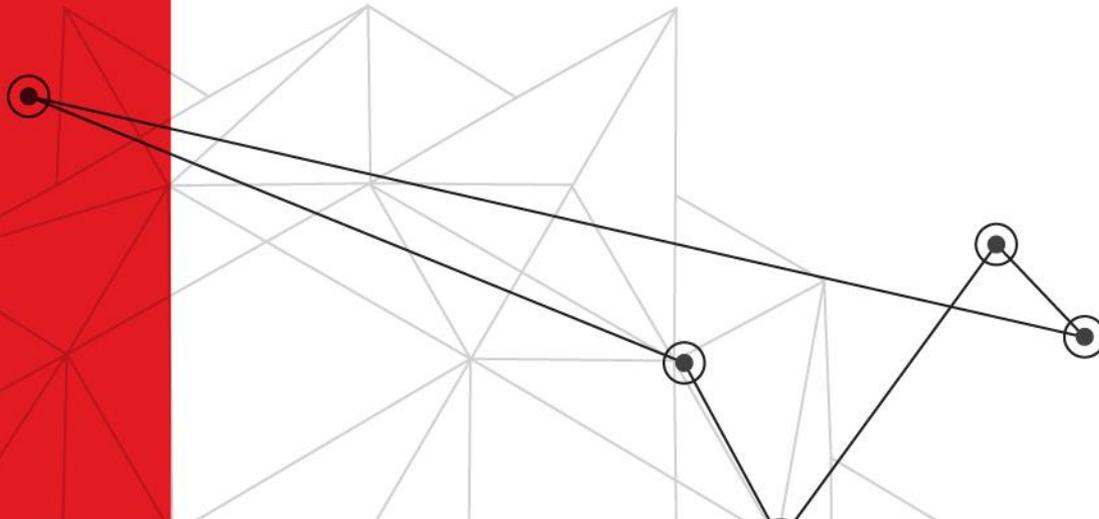
On the way ...

- Double Axway size
- Increase margins before acquisition
- Target 20% growth annually in license/cloud revenue in the United States market
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Q&A





Thank you
presentation available on
www.investors.axway.com/en

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on Apple store & Android



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