



PRESS RELEASE

2021 THIRD-QUARTER
AND NINE-MONTH SALES



Quadiant reports solid nine-month 2021 sales performance and expects strong commercial momentum to continue into the fourth quarter

Key highlights

- Consolidated sales of €752 million in 9M 2021, reflecting an organic growth of +7.2%¹ compared to 9M 2020
 - Q3 2021 sales of €248 million, almost stable on an organic basis (-0.3%²) versus Q3 2020;
- Good revenue performance across all solutions in 9M 2021:
 - **Intelligent Communication Automation:** Strong double-digit organic³ growth in subscription-related revenue (+20.1%) and 2,000+ new customers gained across all solutions
 - **Mail-Related Solutions:** Strong recovery in hardware sales (+17.6%) leading to positive organic³ revenue growth in all geographies, significantly outpacing competition
 - **Parcel Locker Solutions:** Sales up 22.5% organically³, driven by a double-digit growth in subscription-related revenue and hardware sales; 2,200+ new lockers deployed, expanding the installed base to 15,100+ units
- Successful issuance of a €270 million new *Schuldschein* private placement

Updated 2021 outlook

- With a backlog at the highest level of the year at the end of 9M 2021 and solid bookings expected across all solutions in Q4 2021, as planned, but considering the current supply chain tensions, Quadiant now expects for full-year 2021:
 - Organic sales growth around 4% (*versus above 4% previously*)
 - Current EBIT⁴ organic⁵ growth around 5-6% (*versus above 6% previously*)
- 2021-2023 guidance on both sales and current EBIT⁴ organic⁵ CAGR confirmed

Paris, 7 December 2021,

Quadiant (Euronext Paris: QDT), a leader in business solutions for meaningful customer connections through digital and physical channels, announced today its 2021 third-quarter and nine-month consolidated sales.

Geoffrey Godet, Chief Executive Officer of Quadiant, stated:

***“As expected, after a strong first half of the year, third-quarter organic sales growth was stable due to a much higher base of comparison. Our software business performance was strong, with more than 800 net new customers gained in the third quarter, an accelerated growth in annual recurring revenue and a sustained increase in the use of our cloud platforms. Our resilient mail-related business continued outpacing competition thanks notably to the successful placement of our new generation product line. As evidenced by the 600 new units installed in the third quarter alone, our parcel locker business continued to benefit from a sustained rollout across all verticals, a fast scaling of our open networks as well as from the success of our Lite lockers.*”**

¹ 9M 2021 sales are compared to 9M 2020 sales, from which is deducted (prorata temporis) revenue from ProShip, the Graphics activities in Australia and New Zealand and the Automated Packaging Systems business, and to which is added (prorata temporis) revenue from YayPay and Beanworks, for a total amount of -€25 million, and are restated from a €18 million negative currency impact over the period.

² Q3 2021 sales are compared to Q3 2020 sales, from which is deducted (pro rata temporis) revenue from the Graphics activities in Australia and New Zealand and the Automated Packaging Systems business, and to which is added (pro rata temporis) revenue from Beanworks, for a total amount of -€12 million, and are restated from a €2 million positive currency impact over the period.

³ Within Major Operations.

⁴ Current operating income before acquisition-related expenses.

⁵ On the basis of 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal, i.e. €145 million, with a scope effect resulting in a €140 million proforma.



PRESS RELEASE

2021 THIRD-QUARTER
AND NINE-MONTH SALES

quadi^{ent}
Because connections matter.

Looking at the end of our fiscal year, we expect solid bookings across all solutions in the fourth quarter, as planned. We also see a strong pipeline of large tenders in our parcel locker business across all regions. Even with the highest level of backlog of the year at the end of the third quarter, we are managing increasing supply chain tensions in hardware equipment due to lower availability of components and shipping delays. These supply chain tensions are expected to have a slight impact on our full-year 2021 results. We expect to deliver a strong 2021 performance, with around 4% organic sales growth and around 5-6% current EBIT organic growth, still better than what we had anticipated at the beginning of the year.”



9M 2021 SALES REVIEW

Consolidated sales amounted to €752 million in the first nine months of 2021, up 1.2% compared to the first nine months of 2020. Excluding currency impact and changes of scope⁶, organic growth stood at 7.2% in 9M 2021.

Change in 9M 2021 sales

In million euros	9M 2020	9M 2021	Change	Change at constant rates	Organic change
Major Operations	666	689	+3.5%	+6.2%	+5.8%
Intelligent Communication Automation ^(a, b)	133	147	+10.5%	+12.0%	+9.8%
Mail-Related Solutions ^(b)	480	481	+0.2%	+2.8%	+2.8%
Parcel Locker Solutions	53	62	+16.0%	+22.5%	+22.5%
Additional Operations	77	62	-19.2%	-19.4%	+26.8%
Group total	743	752	+1.2%	+3.6%	+7.2%

In million euros	9M 2020	9M 2021	Change	Change at constant rates	Organic change
Major Operations	666	689	+3.5%	+6.2%	+5.8%
North America	366	378	+3.0%	+7.9%	+7.1%
Main European countries ^(c)	262	274	+4.3%	+3.8%	+3.8%
International ^(d)	37	38	+2.6%	+5.9%	+5.9%
Additional Operations	77	62	-19.2%	-19.4%	+26.8%
Group total	743	752	+1.2%	+3.6%	+7.2%

(a) Intelligent Communication Automation gathers Business Process Automation and Customer Experience Management activities formerly presented within Major Operations.

(b) Product reclassification from Intelligent Communication Automation to Mail-Related Solutions in 2020.

(c) Including Austria, Benelux, France, Germany, Ireland, Italy, Switzerland and the United Kingdom.

(d) International includes the activities of Parcel Locker Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries.

Major Operations

Major Operations revenue stood at €689 million (92% of total sales) in the first nine months of 2021, up 5.8% on an organic basis compared to the first nine months of 2020.

As a reminder, Quadiant's strategy is to promote subscription-related revenue across all its solutions, in particular through SaaS⁷ software subscriptions as well as equipment rental and leasing.

Subscription-related revenue (70% of Major Operations sales) increased by 3.2% organically versus 9M 2020, while license and hardware sales were up 12.7% and revenue from professional services grew by 8.6%.

North America (55% of Major Operations sales) delivered a sustained revenue performance in 9M 2021 (+7.1%), driven by the strong rebound of Mail-Related Solutions in H1 2021 and double-digit organic sales growth across Intelligent Communication Automation and Parcel Locker Solutions businesses.

Main European countries (40% of Major Operations sales) benefited from an improved level of activity in 9M 2021 (+3.8%).

The **International** segment (5% of Major Operations sales) reported a solid revenue performance in 9M 2021 (+ 5.9%), mainly driven by Parcel Locker Solutions in Japan.

⁶ Including the divestment of ProShip (end-February 2020), the acquisition of YayPay (29 July 2020), the divestment of the Graphics activities in Australia and New Zealand (21 January 2021), the acquisition of Beanworks (23 March 2021), and the divestment of the Automated Packaging Systems ("CVP") business (end-July 2021).

⁷ SaaS = Software as a Service.



Intelligent Communication Automation

Intelligent Communication Automation revenue stood at €147 million (21% of Major Operations sales) in 9M 2021, up 9.8% on an organic basis compared to 9M 2020.

Intelligent Communication Automation customer base grew rapidly in 9M 2021, with over 2,000 net new customers gained in the period across all software solutions. This reflects in particular a strong contribution from cross-selling into Quadiant's SMB customers generated by the Mail-Related Solutions sales force.

Subscription-related revenue were up by 20.1% organically compared to 9M 2020, reflecting a growing customer demand for cloud-based solutions, with double-digit sales increases across both SMBs (+30%, including a +69% organic growth in revenue from Accounts Receivables (AR) and Accounts Payables (AP) automation solutions) and large accounts (+13%).

As a result, the contribution of subscription-related revenue to Intelligent Communication Automation sales further expanded in 9M 2021, at c.67%, up from c.60% in 2020, underscoring the accelerated shift to *SaaS*.

Professional services experienced a good level of activity in 9M 2021 (+6.7%), while perpetual license revenue were sharply lower versus 9M 2020 (-20.5%) due to ongoing shift in business model to *SaaS* subscriptions, in line with the Group's strategy.

Mail-Related Solutions

Mail-Related Solutions revenue stood at €481 million (70% of Major Operations sales) in 9M 2021, up 2.8% on an organic basis compared to 9M 2020. Sales recorded positive organic growth across all geographies, outpacing competition, including a strong performance in North America.

Subscription-related revenue (72% of Mail-Related Solutions sales) decreased by 2.1% organically versus 9M 2020, reflecting the overall good resilience of the installed base.

License and hardware sales grew double-digits in 9M 2021 (+17.6%), primarily benefiting from the strong recovery of H1 2021, thanks to a good traction in new customer acquisitions, while the level of bookings continued to be good in Q3 2021. However, the backlog was at the highest level of the year at the end of 9M 2021 due to supply chain tensions.

Otherwise, the share of new generation smart devices further expanded, at 11.3% of the installed base at the end of 9M 2021, up from 4.9% at the end of 2020.

Parcel Locker Solutions

Parcel Locker Solutions sales stood at €62 million (9% of Major Operations sales) in 9M 2021, up 22.5% on an organic basis compared to 9M 2020, benefiting from a dynamic customer demand in all verticals – from carriers to retail and from property managers to education campuses and corporate offices.

Compared to the end of 2020, Quadiant's installed base increased by over 2,200 units to reach more than 15,100 parcel lockers at the end of 9M 2021.

Subscription-related revenue (57% of Parcel Locker Solutions sales) increased by 19.6% organically versus 9M 2020, thanks to the expansion of the installed base in North America in 2020 and an increase in usage rate.

License and hardware sales grew double-digits in 9M 2021 (+26.1%), reflecting a strong H1 2021 performance that benefited from the dynamism of the retail sector in North America thanks to the Lowe's contract (US rollout completed in Q1 2021 and extension into Canada in Q2 2021), and despite a high comparison basis in Q3 2020 (start of the Lowe's US rollout). However, the North American backlog was at the highest level of the year at the end of 9M 2021 due to supply chain tensions.

Additional Operations

Additional Operations revenue stood at €62 million (8% of total sales) in in the first nine months of 2021, up 26.9% on an organic basis compared to in the first nine months of 2020. This mainly reflected increased sales of Automated Packing Systems in the first half (the APS business was divested end July 2021).

**Q3 2021 SALES REVIEW**

Consolidated sales amounted to €248 million in the third quarter of 2021, down 3.8% compared to the third quarter of 2020. Excluding currency impact and changes of scope⁸, sales were almost stable on an organic basis in Q3 2021 (-0.3%).

Change in Q3 2021 sales

<i>In million euros</i>	Q3 2020	Q3 2021	Change	Change at constant rates	Organic change
Major Operations	229	232	+1.1%	+0.1%	-0.4%
<i>Intelligent Communication Automation (a, b)</i>	46	51	+10.0%	+8.5%	+6.1%
<i>Mail-Related Solutions (b)</i>	161	160	-0.6%	-1.8%	-1.8%
<i>Parcel Locker Solutions</i>	22	21	-4.4%	-4.1%	-4.1%
Additional Operations	29	16	-43.4%	-44.3%	+0.9%
Group total	258	248	-3.8%	-4.9%	-0.3%

<i>In million euros</i>	Q3 2020	Q3 2021	Change	Change at constant rates	Organic change
Major Operations	229	232	+1.1%	+0.1%	-0.4%
<i>North America</i>	127	128	+0.2%	-1.1%	-1.9%
<i>Main European countries (c)</i>	89	91	+1.8%	+0.7%	+0.7%
<i>International (d)</i>	12	13	+6.3%	+7.3%	+7.3%
Additional Operations	29	16	-43.4%	-44.3%	+0.9%
Group total	258	248	-3.8%	-4.9%	-0.3%

(e) *Intelligent Communication Automation gathers Business Process Automation and Customer Experience Management activities formerly presented within Major Operations.*

(f) *Product reclassification from Intelligent Communication Automation to Mail-Related Solutions in 2020.*

(g) *Including Austria, Benelux, France, Germany, Ireland, Italy, Switzerland and the United Kingdom.*

(h) *International includes the activities of Parcel Locker Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries.*

Major Operations revenue stood at €232 million in Q3 2021, almost stable on an organic basis compared to Q3 2020 (-0.4%). This reflected the continuous resilience of subscription-related revenue (+2.5%) that was offset by lower license and hardware sales (-7.4%) and revenue from professional services (-1.8%).

- **Intelligent Communication Automation** sales stood at €51 million in Q3 2021, up 6.1% organically versus Q3 2020. Growth mainly resulted from a strong double-digit increase in subscription-related revenue (+20.3%) that more than offset a sharp decline in license sales (-32.3%) due to the ongoing shift in business model to *SaaS* subscriptions.
- After a first half of 2021 that benefited from a favorable comparison basis in H1 2020 due to the COVID lockdowns impact, **Mail-Related Solutions** sales only declined by 1.8% organically in Q3 2021 versus Q3 2020, at €160 million. This reflected a resilient subscription-related revenue performance (-3.2%) as well as slightly higher hardware and license sales (+2.1%), with a continued good level of bookings in the period.
- **Parcel Locker Solutions** sales stood at €21 million in Q3 2021, down 4.1% organically versus Q3 2020. This mainly reflected a drop in license and hardware sales (-26.8%) due to the significant revenue contribution of the Lowe's contract in the US in Q3 2020, partly offset by a double-digit growth in subscription-related revenue in Q3 2021 (+18.7%). At the end of Q3 2021, the parcel locker business benefits from a strong pipeline of large tenders across regions.

Additional Operations revenue stood at €16 million in Q3 2021, up 0.9% on an organic basis compared to Q3 2020.

⁸ Including the divestment of the Graphics activities in Australia and New Zealand (21 January 2021), the acquisition of Beanworks (23 March 2021), and the divestment of the Automated Packaging Systems ("CVP") business (end-July 2021).



PRESS RELEASE

2021 THIRD-QUARTER
AND NINE-MONTH SALES

quadiant
Because connections matter.

OUTLOOK

- With a backlog at the highest level of the year at the end of 9M 2021 and solid bookings expected across all solutions in Q4 2021, as planned, but considering the current supply chain tensions, Quadiant now expects for full-year 2021:
 - Organic sales growth around 4% (*versus above 4% previously*)
 - Current EBIT⁹ organic¹⁰ growth around 5-6% (*versus above 6% previously*)
- 2021-2023 guidance on both sales and current EBIT¹¹ organic¹² CAGR confirmed

⁹ Current operating income before acquisition-related expenses.

¹⁰ On the basis of 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal, i.e. €145 million, with a scope effect resulting in a €140 million proforma.



Q3 2021 BUSINESS HIGHLIGHTS

Quadiant Introduces the iX-9, a High-output Mailing and Shipping System Combined with All-in-one Mail Center Software

On 9 August 2021, Quadiant announced the general availability in the U.S. of the latest addition to its successful iX-Series: the iX-9 Series high-volume mailing system, available both standalone and integrated with the company's S.M.A.R.T.® cloud-based mail center software.

Quadiant Announces Partnership with UiPath to Further Enhance and Automate Omnichannel Customer Communications

On 18 August, Quadiant announced it has partnered with leading enterprise automation software company UiPath. Quadiant's partnership and integration with UiPath helps enterprises digitally transform customer experiences while maintaining regulatory compliance on customer communications, boosting productivity, reducing cost and improving employee satisfaction.

Quadiant Among Finalists for Parcel and Postal Technology International Awards 2021

On 8 September 2021, Quadiant announced it has been selected as a finalist once again for the Parcel and Postal Technology International Awards. Its innovative solution Campus Hub is in the 2021 shortlist for the "Final Mile Innovation of the Year" category. Campus Hub is a smart parcel locker solution that enables university campuses to seamlessly manage the growing volume of packages and goods to be delivered and distributed to students.

Independent Consulting Study Reveals Strong Total Economic Impact for Users of Accounts Receivable Automation Solution YayPay by Quadiant

On 13 September 2021, Quadiant announced the publication of a study conducted by Forrester Consulting, part of a leading global research and advisory firm, showing that YayPay by Quadiant, an accounts receivable (AR) management and automation solution, can help reduce days sales outstanding (DSO), improve the customer experience, accurately predict cash flow and reduce lost revenue, with a return on investment (ROI) for a composite customer of over 400% over three years.

Quadiant Surpasses 10,000 Global Software Customers

On 29 September, Quadiant announced that it has crossed over the 10,000 software customer threshold for the first time.

Paula Felstead appointed as an independent director of Quadiant

On 1 October, Quadiant announced the appointment of Paula Felstead, an expert in transformation, digital and technology, as an independent member of the Board of Directors, effective 24 September 2021. Paula Felstead was co-opted to replace Virginie Fauvel, who resigned from her position as Director on 2nd September 2021.

Quadiant Releases Significant Upgrade to its Cloud-based Document Automation Solution to Expedite Transition to Digital for SMBs

On 5 October, Quadiant announced a significant upgrade to Quadiant® Impress, a software-as-a-service (SaaS) multi-channel document delivery and automation solution for small and medium businesses (SMBs). The solution now offers delivery channel preference management capabilities.

Quadiant's Cloud-based Customer Journey Mapping Named Leader by Independent Research Firm

On 11 October, Quadiant announced it has been recognized as a Technology Leader in a new analysis of the global customer journey mapping (CJM) market. The SPARK Matrix: Customer Journey Mapping (CJM), 2021 study from Quadrant Knowledge Solutions is a competitive analysis of the CJM market and ranks leading CJM vendors. The study concluded that Quadiant's CJM SaaS-based solution, Inspire Journey, is distinguished by its approach of providing a CJM tool designed for customer communication portfolio management, connecting often ignored touchpoints in customer experience (CX) strategies.



Accounts Receivable Automation Solution YayPay by Quadiant Joins Forces with Flywire to Digitize Global B2B Payment

On 22 October, Quadiant announced a new strategic collaboration to automate and digitize business-to-business (B2B) payments globally. As a result of the partnership, Quadiant's cloud-based accounts receivable (AR) management and automation solution, YayPay by Quadiant, will extend Flywire's digital payment solutions to its global B2B clients.

ESG: Quadiant reaches the podium with second place in the 2021 Gaïa Research ranking

On 29 October, Quadiant announced it was awarded second place in the Gaïa Research 2021 ranking, in the category of companies with more than €500 million in revenues. Every year, Gaïa Research recognizes French companies with the best environmental, social and governance (ESG) performance from a panel of 230 small and medium sized companies listed on Euronext Paris. Already ranked fifth in its category last year, Quadiant continues its efforts to improve in all three areas.

POST-CLOSING EVENTS

Quadiant Listed Among Leading French Software Publishing Companies

On 4 November, Quadiant announced it has been ranked 13th in the 2021 edition of the EY/Numeum Top 250 French software publishers and developers. The Top 250, published by consultancy firm EY and professional software industry association Numeum, evaluated 269 companies according to their software publishing revenue. Quadiant also placed fifth in the Horizontal French Publishers' Category.

French Real-Estate Player France Loire Chooses Quadiant to Offer its Residents a Modern Parcel Pick-up Solution

On 9 November, Quadiant announced that its Parcel Pending by Quadiant solution has been selected by France Loire, a French social housing company owned by the Arcade-VYV Group, to equip one of their residential buildings in the city of Vierzon, in the department of the Cher. The new Quadiant smart parcel locker has been installed to allow residents to receive their parcels in a simple and secure manner.

Quadiant successfully issues a new Schuldschein private placement amounting to €270 million under very favorable conditions

On 22 November, Quadiant announced that it has successfully raised the equivalent of €270 million (i.e. €178 million and USD105 million) through a Schuldschein, a private placement loan issued under German law. On the back of strong investor interest, the deal volume was upsized to €270 million from €100 million initially planned.

Quadiant Introduces New Mail Outsourcing Capabilities for its Cloud-Based Platform Quadiant® Impress in France, in Partnership with Tessi

On 29 November, Quadiant announced the availability of new mail delivery services in France, expanding the capabilities of Quadiant® Impress, its cloud-based document automation platform for small and medium businesses (SMBs). To support the new service, Quadiant has chosen to partner with Tessi, a global provider of Business Process Services.



PRESS RELEASE

2021 THIRD-QUARTER
AND NINE-MONTH SALES

quadiant
Because connections matter.

CONFERENCE CALL & WEBCAST

Quadiant's management will host a conference call and webcast today at 6:15pm CET (5:15pm GMT).

To join the webcast, please click on the following link: https://channel.royalcast.com/landingpage/quadianten/20211207_1/.

To join the conference call, please use the following dial-in numbers:

- France: +33 (0) 1 70 37 71 66;
- United States: +1 212 999 6659;
- United Kingdom (standard international): +44 (0) 33 0551 0200.

Password: QUADIENT.

A replay of the webcast will be available for a period of one year.

About Quadiant®

Quadiant is the driving force behind the world's most meaningful customer experiences. By focusing on three key solution areas, Intelligent Communication Automation, Parcel Locker Solutions and Mail-Related Solutions, Quadiant helps simplify the connection between people and what matters. Quadiant supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. Quadiant is listed in compartment B of Euronext Paris (QDT) and is part of the CAC® Mid & Small and EnterNext® Tech 40 indices.

For more information about Quadiant, visit <https://invest.quadiant.com/>

Contacts

Laurent Sfaxi, Quadiant

+33 (0)1 45 36 61 39

l.sfaxi@quadiant.com

financial-communication@quadiant.com

Caroline Baude, Quadiant

+33 (0)1 45 36 31 82

c.baude@quadiant.com

OPRG Financial

Isabelle Laurent / Fabrice Baron

+33 (0)1 53 32 61 51 /+33 (0)1 53 32 61 27

isabelle.laurent@oprghfinancial.fr

fabrice.baron@oprghfinancial.fr