



## Quadiant new strategic plan “Elevate to 2030” aims at delivering more than €1bn of annual subscription-related revenue and €250m of current EBIT in 2030

### Key highlights

- **>€1bn annual subscription-related revenue as financial ambition for 2030**, a €250m+ increase vs 2023 level, and **c.€250m in current EBIT**, a €100m increase vs 2023 level
- **Total revenue to reach €1.3bn in 2030** driven by **double-digit growth** in both Digital and Lockers and a resilient Mail automation platform
- **All Solutions to converge to a 20%-30% EBITDA margin range by 2030**
- Committed to reaching a **Net Zero target by 2050**, in line with SBTi methodology
- With a **more customer-centric platform**, Quadiant aims to continue to **lead in Mail and win both in Digital and in Lockers with a focus on delivering sustainable and profitable recurring revenue growth**
- **Financial guidance** for the next 3-year period (2024-2026): **minimum 1.5% revenue CAGR** and **minimum 3% current EBIT CAGR**, both on an **organic basis**
- **Average capex expected at €100m per year from 2024 to 2026**
- Further deleveraging expected with **leverage ratio excluding leasing targeted at 1.5x in 2026**
- **Dividend policy maintained at minimum 20% net income payout**, while considering **share buybacks** to return potential **excess cash to shareholders**
- “Elevate to 2030” will lead to a **stronger investment proposition** relying on **faster long-term growth, higher profitability** and a **disciplined capital allocation policy over the period**

Paris, 19 June 2024,

**Quadiant S.A.** (Euronext Paris: QDT), a global automation platform powering secure and sustainable business connections, holds today its 2024 Capital Markets Day, during which its management unveils its new strategic plan entitled: “Elevate to 2030”, including financial guidance for the next three years as well as ambitions for 2030. The plan aims at building on the strong foundations laid over the past five years through the “Back to Growth” strategic plan – which led to a clear repositioning of Quadiant as an intelligent automation platform. This platform is delivering essential benefits to c.350,000 businesses of all sizes, supporting them in their digital transformation. Quadiant’s Intelligent Automation Platform offering spans from business communication and financial processes to mail automation and parcel pick up and drop off applications. Based on a customer-centric approach and supported by a recurring and sustainable business model, the new strategic plan “Elevate to 2030” provides a solid financial outlook based on faster long-term recurring revenue growth, higher profitability and a disciplined capital allocation policy over the period.

Geoffrey Godet, Chief Executive Officer of Quadiant S.A., stated: “In 2019, after I joined Quadiant, we embarked into a first strategic plan aiming at transforming the Company and setting it onto a sustainable and profitable growth trajectory. We successfully closed this plan earlier this year with the FY 2023 results, turning Quadiant into a company focused on creating shareholders value by leveraging its existing asset base and delivering growing recurring revenue. Today, I am pleased to introduce Quadiant’s new strategic plan: Elevate to 2030.



*Elevate to 2030 is our commitment to accelerate the existing growth trajectory and propel Quadiant as the leader in intelligent automation. Our strategic plan is built upon four simple yet powerful key pillars. First, we focus on customers with a greater value proposition powered by our innovative automation platform leveraging Artificial Intelligence. Second, we drive higher recurring revenue through more cross-selling, increased customer penetration and market share gains. Third, we continue to raise the bar in terms of sustainability through ambitious ESG goals and a commitment to achieving Net Zero by 2050. Finally, all this translates into a strong investment proposition. Our ambition is to reach, by 2030, more than €1 billion in subscription-related revenue and more than €250 million in current EBIT, with an accelerating trend driven by the favorable change in business mix. Our plan is supported by a disciplined capital allocation policy over the period. This new journey will give us the opportunity to grow our Digital and Lockers automation platforms further, in two rapidly expanding and yet underpenetrated markets, while continuing to leverage on our Mail customer base to accelerate that growth. Supported by a long-term history of innovation and global capabilities, Quadiant is now on an attractive sustainable and profitable growth journey.”*

## A superior value proposition that meets powerful market trends

**Quadiant’s vision is to power the world’s most trusted connections between businesses, their data and their customers.** The business world is increasingly driven by the need for more digitalization, the higher use of Artificial Intelligence (AI) and automation, the constant rise of e-commerce and greater consideration of ESG criteria. Being at the junction of these four main business trends, Quadiant is supporting businesses of all sizes in their digital transformation and growth journey to unlock operating efficiency with reliable, secure and sustainable automation solutions. Thanks to its **scalable, flexible and reliable Intelligent automation platform**, Quadiant provides its customers with a superior value proposition that positioned the company as a **partner of choice for intelligent, sustainable and compliant digital transformation**. Its intelligent automation platform accelerates the transition towards digital connections, using AI-powered automation features to process large volumes of complex data. The platform also automates mail and parcels management while providing differentiated and seamless digital customer experience. Additionally, Quadiant’s solutions bring positive ESG impact through the reduction of CO<sub>2</sub> emissions, thanks notably to the remanufacturing of mailing equipment, the digitalization of documents and connections, as well as the greater efficiency of parcel pick-up and delivery.

With **three automation platforms (Digital, Mail and Lockers) built on a common subscription business model**, Quadiant aims at delivering growth through a two-pronged go-to-market approach based on acquisition of new customers and expansion within the existing base. Operating in attractive markets, Quadiant targets to add c.16,000 additional customers and locker installations every year continuing to build on an already at-scale customer base. The Company is also committed to leveraging this large existing base of c.350,000 customers by cross-selling and up-selling its wide range of applications. Indeed, the uniqueness and key differentiator of Quadiant lies in that ability to sell several applications to an existing customer whether it is cross-selling (sale of an additional application from a second business line) or upselling (sale of a second application within the same business line). Successfully penetrating a customer account boosts its lifetime value and Quadiant anticipates that c.70% of the 2030 growth ambition will originate from its expansion strategy.

This growth strategy is supported by global capabilities at Company level, combining **years of expertise in R&D and innovation** with an integrated supply chain and support organization allowing for a sustainable approach to product manufacturing and costs savings. With over **550 engineers and developers and 6 R&D centers worldwide**, Quadiant is well equipped to further develop new innovative services and continue to improve its existing applications. From a supply chain and support standpoint, Quadiant’s integrated approach optimizes logistics flows and customer support functions by sharing these capabilities across the Company and on a global scale.

### Digital

Quadiant’s Digital automation platform offers an array of high value cloud-based software applications available through SaaS subscriptions. These applications include customer journey mapping, invoice-to-cash, procure-to-pay, communication management, document automation, intelligent forms, and hybrid mail. They are delivered through an integrated cloud platform featuring services such as a centralized control panel, value-added services, add-on capabilities, AI-powered digital interactions, and integrated support, also enabling access to other applications. By addressing many



business pain points, Quadiant's digital automation offering brings unquestionable customer benefits, from cost benefits to greater convenience and strictest compliance.

In the core geographies where Quadiant operates, the addressable demand for its Digital automation platform is set to grow from c.€6 billion in 2023 to c.€9 billion in 2027, providing significant growth opportunities, both in communication automation and financial automation. Particularly, Quadiant is uniquely positioned to drive compelling value from new regulatory e-invoicing initiatives within the European Union. Quadiant is leveraging the innovation of its Digital automation platform and building on the strong invoice generation, delivery and information ingestion capabilities that already exist across its applications. **Managing e-invoicing is core to the Quadiant offering** and common service delivered by the platform, extensible to all Quadiant Digital customers. In addition, Quadiant participates in several alliances that are working on defining the standards for e-invoicing. This enables Quadiant to remain an active participant in this evolving field and adapt over time to potential change, in order to continue to bring the best and most efficient invoice-to-cash and procure-to-pay solutions to its customers.

To capture this growth, Quadiant will be relying on an efficient go-to-market to solicit both new customers through direct sales and partners, and existing mail customers through cross-selling.

For the 2024-2026 period, Quadiant provides an **indicative trajectory of c.10% organic CAGR in Digital revenue** and targets an **EBITDA margin greater than 20% in 2026**. Quadiant's 2030 ambition for its Digital business is to reach more than **€500 million in revenue**, with over 90% of subscription-related revenue, and an **EBITDA margin of c.30%**.

#### Mail

Quadiant's Mail automation platform combines both hardware equipment (franking machines, folder-inserters, letter openers, addressing systems, rating scales) and its associated software and digital printing functionalities. In most cases, the equipment is placed through rental or leasing contracts. The highly automated services provided by Quadiant's Mail automation platform deliver tangible customer benefits, including labor cost savings associated with greater efficiency, cost benefits generated by access to the best and most accurate postage rates, higher convenience thanks to in-house mail creation and better compliance with proof of mailing integrity, audit trails and tracking.

Against the backdrop of a steady decline in mail volumes, Quadiant's addressable demand for its Mail automation core market segments should drop from c. €2.4 billion in 2023 to c. €2.0 billion in 2027. Quadiant, however, believes that its Mail revenue will continue to show resilience, declining only slowly and gradually thanks to a continuous investment effort in innovation to upgrade its offering and its ability to gain market share. Quadiant is also **best positioned to support its customers with both their digital mail and parcel automation needs through effective cross-selling**, allowing for an extension of the customer relationship beyond mail and an increase in revenue per customer.

Quadiant's indicative trajectory for the 2024-2026 period is of **c.-3% organic CAGR in Mail revenue** and a **targeted EBITDA margin greater than 25% in 2026**. Quadiant's 2030 ambitions for Mail is to have more **c.€600 million in revenue**, including more than 65% subscription-related revenue, and an **EBITDA margin between 20% and 25%**.

#### Lockers

Quadiant's Lockers automation platform provides a series of applications dedicated to parcel pick up and returns. Parcel lockers and drop boxes are set either indoors or outdoors, equipped with security cameras and available on a 24/7 basis. Quadiant's Lockers automation platform has two main categories: open network infrastructure and sales & rentals of lockers for private use. Regarding open networks, **Quadiant deploys and operates an infrastructure of lockers in selected countries** (France, Japan, the UK). This infrastructure of lockers is used on a fee per parcel model by large international and domestic carriers. Typical locations for these parcel lockers include train stations, gas stations, car parks or supermarkets. On the other hand, in the same countries as well as in the United States, Quadiant equips targeted verticals including residences, universities, retailers and distributors with parcel lockers for the specific needs of residents, students, retail consumers and shoppers. Customer benefits range from reduced delivery and collection costs to 24/7 availability, greater convenience and experience, improved security of parcel delivery and reduced CO<sub>2</sub> emissions in city centers.



The expansion of e-commerce is the main driving force supporting automated lockers' demand growth. In the core geographies where Quadiant operates, the addressable market for its Lockers automation platform is set to grow at a pace of over 10% p.a. on average from c.€400m in 2023 to c.€600m in 2027. Together with the rise in online retail, parcel volumes growth is also boosted by the increase in the level of returns as well as the growing C2C market. To capture this growth, Quadiant is looking at expanding its footprint, securing new sites to install more lockers. Indeed, together with innovative features, density of the lockers network to reach critical proximity is a key driver to foster adoption and increase usage. Quadiant also continues to innovate, with services being added to its locker services such as the award-winning drop box to consolidate returns.

For the 2024-2026 period, Quadiant provides an indicative trajectory of **more than 10% organic CAGR in Lockers revenue** and targets **an EBITDA margin greater than 10% in 2026**, with EBITDA breakeven point being reached as soon as FY 2024. Quadiant's 2030 ambition for Lockers is to reach an installed base of **more than 40,000 lockers, more than €200 million in revenue, and an EBITDA margin of c.20%**.

### Stronger ESG commitments

To fulfill Quadiant's long-term sustainable growth ambition, the "Elevate to 2030" strategic plan includes **strong ESG commitments towards its customers, its people and communities, and the environment**.

Towards its customers, Quadiant aims at building trust through market-leading applications, *i.e.* applications helping customers to reduce the environmental impact of each transaction and ensuring security and data protection. It also involves relying on an ethical and responsible supply chain. Targets set for 2026 include notably: **95% customer satisfaction**, life-cycle assessments covering 80% of the applications portfolio, ISO 27001 certification extension from Digital to Lockers R&D centers, 85% code of conduct endorsement by strategic business partners, with 30% of them committed to reduce their carbon footprint.

Towards its people and communities, Quadiant aims at providing its team with career opportunities based on a competitive rewards program, assessing gender pay gap and adequate wage, nurturing a diverse, equitable and inclusive workforce, and forging meaningful partnerships that positively impact the company's communities. Targets set for 2026 include: **35% of women representation within management**, 75% inclusion index score, and 5,000 volunteering hours dedicated to communities every year by 2026.

Towards the environment, Quadiant seeks to reduce its impact on the planet with a climate strategy designed to **achieve zero carbon emissions by 2050**, implying the decarbonation of its applications all along their lifecycle as well as responsible manufacturing and recycling. Targets set for 2026 include: **at least 50% of placement of mail products stemming from remanufacturing**, and at least 90% of the company's industrial waste recycled. Regarding GHG emissions, the scope 1 & 2 targets for 2030 were initially set at -50% vs. 2018; considering the -55% reached in 2023, Quadiant is now targeting -64% by 2030 in line with SBTi targets, with an intermediary target of -59% set for 2026 (targets yet to be approved by SBTi). The scope 3 target for 2030 remains at -30% vs 2018.

### A strong investment proposition

While further deploying cross-selling opportunities and value-creation synergies across its businesses, Quadiant will continue to leverage its leadership positions. Additional growth and higher profitability will stem from the solid recurring revenue generated by its automation platforms and the ability to drive innovative applications. Quadiant is therefore guiding for a **greater than 1.5% organic revenue CAGR** over 2024-2026, and a **twice-as-fast organic current EBIT CAGR** with a **minimum of 3%** for the period 2024-2026. The 2024 financial guidance is confirmed with organic growth expected at revenue and current EBIT levels.



The dynamics at play within Quadiant's portfolio of businesses, *i.e.* a double-digit growth in Digital and Lockers revenues and an only moderate decline in Mail revenue will mechanically generate a year after year acceleration in Quadiant's total revenue growth.

Quadiant's **ambitions for 2030** are to have **more than €1.3 billion of total revenue**, including **more than €1 billion of subscription-related revenue** (an increase of more than €250 million vs. 2023), and a **current EBIT of c.€250 million** (an increase of c.€100 million vs. 2023).

In the meantime, Quadiant will maintain a disciplined capital allocation policy. Quadiant's strategic approach will continue to be based on an ongoing assessment of its invested capital to maximize long-term value for its shareholders.

Capital expenditure (capex) is expected to average at c. €100 million per year for the 2024-2026 period, to be compared with an average of €93 million over the 2021-2023 period. The slight increase will be due in part to Digital R&D activities for its platform development and – to a higher extent – to the deployment of the parcel lockers open network in the UK and France. Mail capex is expected to remain stable and mostly linked to new rented equipment.

In addition to organic investments, potential opportunistic acquisitions may be considered to strengthen the platforms, while Quadiant will also continue to keep a flexible approach to its portfolio.

Thanks to continuously strong and recurring free cash-flow generation, Quadiant aims at maintaining a healthy, yet efficient balance sheet by bringing further down its **net debt excluding leasing/EBITDA excluding leasing ratio to 1.5x in 2026**.

Finally, Quadiant's shareholder return policy will continue to be based on a **dividend pay-out ratio of minimum 20% of net income** while considering the use of excess cash to perform share buybacks, subject to value-creation criteria.

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To know more about Quadiant's news flow, previous press releases are available on our website at the following address: <https://invest.quadiant.com/en/newsroom>.

## Appendix

Digital: New name for Intelligent Communication Automation

Mail: New name for Mail-Related Solutions

Lockers: New name for Parcel Locker Solutions



## CONFERENCE CALL & WEBCAST

Quadiant will host its Capital Markets Day in Paris today at 9:00 am CET.

A livestream webcast and a replay will be accessible at the following address: [Webcast](#)

A replay of the webcast will also be available on Quadiant's Investor Relations website for 12 months.

## Calendar

- 23 September 2024: **H1 2024 results and Q2 2024 revenue**
- 27 November 2024: **Q3 2024 revenue**

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## About Quadiant®

Quadiant is a global automation platform provider powering secure and sustainable business connections through digital and physical channels. Quadiant supports businesses of all sizes in their **digital transformation** and growth journey, unlocking operational efficiency and creating meaningful customer experiences. Listed in compartment B of Euronext Paris (QDT) and part of the CAC® Mid & Small and EnterNext® Tech 40 indices, Quadiant shares are eligible for PEA-PME investing.

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

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