



Quadient announces solid 3.2% reported revenue growth in Q1 2024, in line with its expectations

Key highlights

- **Q1 2024** consolidated sales of €261 million, **up +3.2% on a reported basis** including the contribution of latest acquisitions (Daylight and Frama) and **up +1.0% organically**⁽¹⁾
- Q1 2024 **subscription-related revenue up +1.2%** on an organic basis, **representing 72%** of total revenue
- **€155 million new debt raised** in anticipation of the refinancing of the Bond maturing in early 2025
- **Positive growth outlook confirmed for full-year 2024**
- **Capital Markets Day** to outline the 2024-2026 strategic plan scheduled for **19 June 2024**

Paris, 27 May 2024,

Quadient S.A. (Euronext Paris: QDT), a leader in business solutions for meaningful customer connections through digital and physical channels, today announces its 2024 first-quarter consolidated sales (period ended on 30 April 2024).

Geoffrey Godet, Chief Executive Officer of Quadient S.A., stated: *“2024 is off to a positive start for Quadient, in line with our expectations, with a solid 3.2% reported revenue growth for the first quarter. Revenue growth was driven by the positive performance from Intelligent Communication Automation, with a strong acceleration of its annual recurring revenue (ARR⁽²⁾), reaching a new high at €215 million and a 17% organic⁽³⁾ growth on an annualized basis compared to the end of full-year 2023. Our Mail-Related Solutions continue to show strong resilience and outperformed market trends with another quarter of very limited decline, while Parcel Locker Solutions revenue remains impacted by the evolution of our commercial agreement towards volume-based revenue for Yamato. However, the increase in volumes both for the drop off and the pick-up of parcels is strong and confirms the steady deployment of our new open networks in UK and France. Finally, our recent acquisitions, Frama and Daylight, are also contributing to overall revenue growth and their integrations are progressing well.*

We remain confident in our ability to deliver positive organic growth in revenue and in current EBIT before acquisition-related expenses for the full-year and are looking forward to sharing more details on our medium-term outlook during our Capital Markets Day scheduled for the 19 June 2024.”

Figures exclude Mail-Related Solutions Italian subsidiary which has been reclassified as discontinued operations in 2023.

(1) Q1 2024 sales are compared to Q1 2023 sales, to which is added pro rata temporis the revenue of Daylight and Frama for a consolidated amount of €6 million. The currency impact is almost flat over the period.

(2) Forward-looking indicator of future subscription-related revenue.

(3) Q1 2024 ARR was impacted by a €0.3 million negative currency effect vs. 31 January 2024.



Q1 2024 performances

Group sales came in at €261 million in Q1 2024, a **3.2% increase on a reported basis**, and 1.0% organic growth compared to Q1 2023 in line with Quadiant's expectations. The reported growth includes an almost flat currency impact and a positive scope effect of **€6 million**, which is related to the **acquisition of Daylight in September 2023 and the acquisition of Frama in February 2024**.

Q1 2024 consolidated sales

In € million	Q1 2024	Q1 2023 ^(a)	Change	Organic change
Intelligent Communication Automation	64	58	+8.5%	+6.0%
Mail-Related Solutions	178	174	+2.5%	(0.2)%
Parcel Locker Solutions	20	21	(6.3)%	(3.4)%
Group total	261	253	+3.2%	+1.0%

^(a) The full-year 2023 financial statements published in March 2024 reflected Quadiant's decision to review the future of its Mail activity in Italy with a view to divest this subsidiary within the next 12 months. As this was the case in the full-year 2023 statements, Q1 2023 revenue from the afore-mentioned subsidiary is not represented in the consolidated revenue of the Group as it is recorded as discontinued operations. This is still the case in Q1 2024.

Intelligent Communication Automation

In Q1 2024, sales from **Intelligent Communication Automation reached €64 million, up 6.0% organically and up 8.5% on a reported basis** (including the contribution from Daylight) compared to Q1 2023. Importantly, growth for the Solution was still impacted by the delay in the further implementation of two large contracts, announced in Q3 2023.

At the end of Q1 2024, **annual recurring revenue (ARR⁽²⁾)**, which is a forward-looking indicator of future subscription-related revenue, **reached €215 million**, up from €206 million at the end of full-year 2023, representing a **17% organic⁽³⁾ growth** on an annualized basis compared to the end of FY 2023. **Booking trends were solid in the quarter** for both communication automation and financial automation modules with **cross-selling from Mail-Related Solutions customers representing close to 30%** of total bookings over the period.

Throughout Q1 2024, Intelligent Communication Automation experienced positive trends in terms of customer acquisitions. For instance, over 700 new small and mid-size customers were added to the base in the quarter. In addition, Quadiant signed **several multi-year subscription deals with large US health insurance companies representing a total amount of €4.5 million**, including one large three-year contract averaging €1million subscription-related revenue per annum. This is a further recognition of the quality of Quadiant's Customer Communication Management offering for large and complex business needs.

Quadiant Hub customers onboarding to its cloud platform is now nearing completion, at **a level of 88%** at the end of Q1 2024. This goes along with the successful up-selling of financial automation modules with several platform deals combining both accounts receivable and accounts payable.

In Q1 2024, subscription-related revenue recorded a strong **9.0% organic growth, now representing 82%** of Intelligent Communication Automation total sales, **a further increase compared to 80% in Q1 2023**. The share of **SaaS customers also stands at 82%** at the end of Q1 2024.

The change in business model from on-premise licenses to SaaS and the lower requirements for installation and support services continue to drive the decline in professional services and license sales, which, together, are now **representing only 18%** of total revenue.



Mail-Related Solutions

Mail-Related Solutions sales reached **€178 million** in Q1 2024, **down only 0.2% on an organic basis**. **The reported growth stood at +2.5%**, including the contribution of Frama. **The integration of Frama is progressing well**, and the focus is now set on upgrading its installed base and initiating cross-selling efforts.

Hardware sales recorded a 4.1% organic growth in Q1 2024, with positive contributions not just from North America but also France and International. The focus on investing into renewing the products offering continues to support solid product placements, as seen in the further increase in the share of the upgraded installed base, reaching 33.8% at the end of Q1 2024 vs. 31.5% at the end of FY 2023.

Subscription-related revenue (69% of Mail-Related Solution sales) recorded a **limited 2.0% organic decline** in Q1 2024, supported both by robust rental product placements and the positive impact on recurring revenue of recent good performance in hardware sales.

Cross-selling of Intelligent Communication Automation solutions **continues at a sustained pace** bringing close to 30% of Intelligent Communication Automation bookings in value as mentioned previously.

Parcel Locker Solutions

Parcel Locker Solutions sales **reached €20 million** in Q1 2024, a 3.4% decrease on an organic basis and a 6.3% decrease on a reported basis compared to Q1 2023.

Subscription-related revenue was up 2.8% organically in Q1 2024, benefiting from the **deployment of the UK open network**, as well as the contribution of the existing installed base, supported by the higher number of carriers committed to use Quadiant's open networks. However, the increased focus towards a usage-based model is still impacting subscription-related revenue (change in commercial agreements with Yamato in Japan in Q3 2023). The global usage rate of the platform remained solid, standing at 58% in Q1 2024. Overall, subscription-related revenue **stood at 68% of total revenue in Q1 2024, up from 65% in Q1 2023**.

License and hardware sales were down 20.2% organically in Q1 2024. Hardware sales were impacted by lower installations in North America.

Quadiant's global locker installed base reached c.20,800 units at the end of Q1 2024 vs. c.20,200 units at the end of FY 2023. This is reflecting an **acceleration in the pace of installation of new lockers, notably in the UK**, fueled by the partnerships signed by Quadiant to host parcel lockers in new suitable locations.

Debt maturities management

To anticipate the refinancing of the residual amount of its 5-year 2.25% bond⁽⁴⁾ maturing in early 2025, Quadiant raised:

- €140 million through a *Schuldschein*. The private placement was in euros for €117.5 million and United States dollars for 26 million, with maturities spread between 3 and 7 years;
- €15 million, through loans signed with Bpifrance. The maturities of the tranches are 4 and 7 years.

⁽⁴⁾ Residual amount as of 31 January 2024: €267.6 million



FY 2024 guidance unchanged

Quadiant confirms its FY 2024 financial guidance of **organic growth both at the revenue and current EBIT before acquisition-related expenses levels**.

With Q1 2024 organic sales growth in line with expectations, and solid booking trends over the quarter, Quadiant had a positive start to the year. In addition, H2 2024 will benefit from an easier comparison basis for both Intelligent Communication Automation and Parcel Locker Solutions as there will no longer be any negative impact neither from the delay in implementation of the two large SaaS contracts, nor from the change in commercial agreement with Yamato, which took place at the beginning of H2 2023.

Additional financial guidance, three-year strategic focus and trajectory for the Group will be discussed at Quadiant's **Capital Markets Day planned for 19 June 2024**.

Q1 2024 business highlight

Quadiant confirms its eligibility for PEA-PME scheme

On 2 April 2024, Quadiant announced its eligibility for the PEA-PME scheme, as it complies with the criteria for inclusion set by Article L.221-32-2 of the French Monetary and Financial Code.

First 'Quadiant Connects' Virtual Conference Will Help Organizations Be More Innovative and Accelerate their Digital Transformation

On 15 April 2024, Quadiant announced that it will be hosting the first-of-its-kind Quadiant Connects virtual conference on May 15, 2024, bringing together business leaders and other decision makers from organizations of all sizes including those from its community of over 400,000 customers.

Drupa 2024: Quadiant to Showcase Newest, Most Advanced Cloud Software, Mailing and Shipping Solutions

On 25 April 2024, Quadiant announced it will showcase its newest, most advanced mailing and shipping systems, combined with powerful software and the latest technology in direct printing at Drupa 2024, one of the world's largest trade fairs for the mailing and shipping industry. The event runs from May 28 to June 7 in Düsseldorf, Germany, and will bring together print service providers, IT experts and other print and digital communication professionals from around the world.

Availability of the 2023 Universal Registration Document

On 30 April 2024, Quadiant announced that it has filed its 2023 Universal Registration Document, in xHTML format, with the French Financial Markets Authority (Autorité des marchés financiers or "AMF"), on 29 April 2024, under the reference number D.24-0365.

Post-closing events

Quadiant Secures Significant Contracts with Healthcare Leaders in the USA

On 8 May 2024, Quadiant announced the signing of significant contracts in the first quarter of the 2024 fiscal year for its Intelligent Communication Automation software solutions in the U.S. healthcare sector. These agreements, collectively valued at nearly 4.5 million euros through multi-year subscription contracts, attest to Quadiant's continued success in the customer communications management (CCM) market.

Quadiant Positioned as Leader in 2024 SPARK Matrix for Accounts Receivable Applications for Third Consecutive Year

On 20 May 2024, Quadiant announced that for the third year in a row it has been named a Technology Leader in the 2024 SPARK Matrix™: Accounts Receivable Applications by independent analyst firm Quadrant Knowledge Solutions. SPARK Matrix reports provide detailed analysis of global market dynamics, major trends, vendor landscapes and competitive positioning.



PRESS RELEASE

2024 FIRST-QUARTER SALES

quadi^{ent}
Because connections matter.

KeyNest Selects Quadi^{ent}'s Open Locker Network to Expand Convenient Key Exchange Services to Consumers in the UK

On 23 May 2024, KeyNest announced that it has signed an exclusive agreement with Quadi^{ent} for a national partnership in the UK. Under the new agreement, Quadi^{ent}'s open locker network, already used by millions of consumers across the country, now offers a new convenient service, expanding beyond parcel delivery.

Availability and consultation of the information relating to the Ordinary Annual and Extraordinary General Meeting to be held on 14 June 2024

On 24 May 2024, Quadi^{ent} informed its shareholders that an ordinary annual and extraordinary general meeting of the Company will be held physically and live broadcast on Friday 14 June 2024 at 2 pm (Paris time), at the Courtyard par Marriott Paris Arcueil, 6 avenue du Président Allende, 94110 Arcueil.

To know more about Quadi^{ent}'s news flow, previous press releases are available on our website at the following address: <https://invest.quadi^{ent}.com/en/newsroom>.



CONFERENCE CALL & WEBCAST

Quadiant will host a conference call and webcast today at 6:00 pm Paris time (5:00 pm London time).

To join the webcast, click on the following link: [Webcast](#).

To join the conference call, please use one of the following phone numbers:

- France: +33 (0) 1 70 37 71 66.
- United States: +1 786 697 3501.
- United Kingdom (standard international): +44 (0) 33 0551 0200.

Password: Quadiant

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

Calendar

- 14 June 2024: **Shareholders General Meeting**
- 19 June 2024: **Capital Markets Day**

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. Quadiant shares are eligible for PEA-PME investing.

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

Contacts

Catherine Hubert-Dorel, Quadiant

+33 (0)1 45 36 30 56

c.hubert-dorel@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



APPENDIX

Q1 2024 consolidated sales by geography

<i>In € million</i>	Q1 2024	Q1 2023	Change	Organic change
North America	150	145	+3.3%	+2.4%
Main European countries ^(a)	89	84	+5.6%	(1.4)%
International ^(b)	23	24	(5.8)%	+0.9%
Group total	261	253	+3.2%	+1.0%

(a) Including Austria, Benelux, France, Germany, Ireland, Italy (excluding MRS), Switzerland, and the United Kingdom

(b) International includes the activities of Intelligent Communication Automation, Mail-Related Solutions and Parcel Locker Solutions outside of North America and the Main European countries