



2014 Results

Christophe Fabre
Chief Executive Officer

26 February 2015

Forward Looking Statements

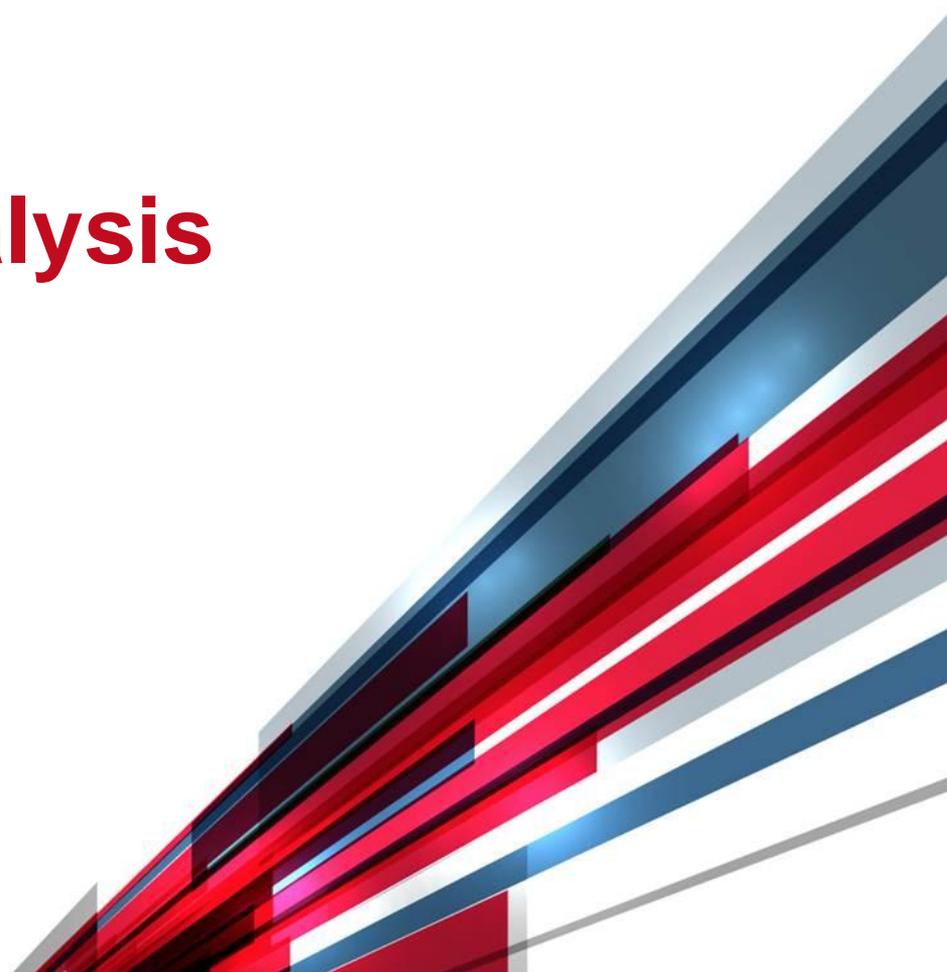
- This presentation contains forecasts in respect of which there are risks and uncertainties concerning the company's future growth and profitability. The group highlights the fact that the signature of license contracts, which often represent investments for clients, are more significant in the second half of the year and may therefore induce to a more or less favourable 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 2013 submitted to the *Autorité des Marchés Financiers* (AMF) on 24 April 2014, number R14-019.
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Content

- **Full Year 2014 Analysis**
- **Accounting & Financial Results**
- **Positioning & Strategy**
- **Q&A**



Full Year 2014 Analysis



2014 in a nutshell

Bad Q3, Excellent Q4: Axway delivers a solid year

- Performance demonstrates the quality of our positioning & products
- Systar acquisition
 - Good FSI customer base and Expertise of the staff
 - New generation of Operational Intelligence product has real potential
- Good first year in Australia and Brazil
- France leveraged all Axway 5 Suite and deliver an excellent year
- US faced sales execution issues and missed some innovation around MFT available for Europe
 - 40% of US sales team replaced in 2014
- Good growth for MFT in Europe
- Excellent growth for Cloud in US, API and Axway 5 Suite world-wide
- Confirmed leadership in four core market segments

FY 2014: Revenue by Region

	[€M]	2014	2013 Published	2013 Pro forma	Total Growth	Organic Growth ¹
	France	103.4	82.5	95.1	25.3%	8.8%
	Rest of Europe	59.5	57.6	57.9	3.3%	2.7%
	Americas	89.1	90.7	93.0	-1.8%	-4.2%
	Asia/Pacific	9.6	6.7	6.5	42.3%	46.5%
	Axway	261.6	237.5	252.6	10.1%	3.6%

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

FY2014: Revenue by Type

[€M]	2014	2013 Published	2013 Pro forma	Total Growth	Organic Growth ¹
Licenses	79.6	75.6	81.0	5.3%	-1.8%
Maintenance	120.5	106.3	112.8	13.3%	6.8%
Services	61.5	55.6	58.8	10.5%	4.6%
 Axway	261.6	237.5	252.6	10.1%	3.6%

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

Q4 2014: Revenue by Region

	Q4 2014 [€M]	2014	2013 Published	2013 Pro forma	Total Growth	Organic Growth ¹
 France		40.3	27.3	32.5	47.6%	23.9%
 Rest of Europe		17.1	17.7	17.8	-3.4%	-4.0%
 Americas		26.7	24.2	27.4	10.3%	-2.5%
 Asia/Pacific		3.1	1.9	2.0	60.6%	56.2%
 Axway		87.2	71.2	79.8	22.6%	9.4%

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

Q4 2014: Revenue by Type

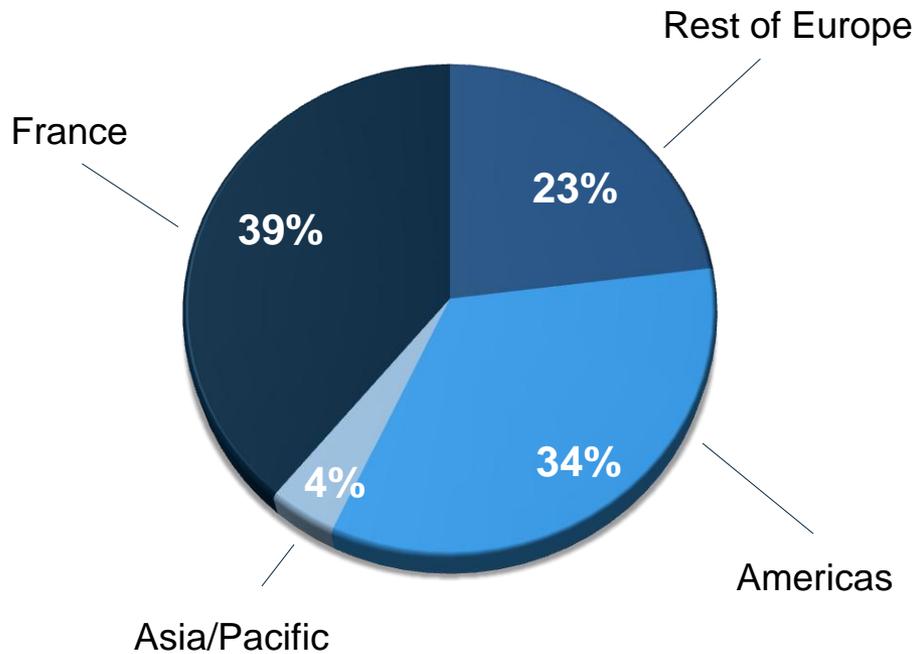
Q4 2014 [€M]	2014	2013 Published	2013 Pro forma	Total Growth	Organic Growth ¹
Licenses	38.5	28.5	32.5	35.2%	18.3%
Maintenance	32.2	27.4	30.5	17.7%	5.5%
Services	16.6	15.4	16.7	8.0%	-0.7%
 Axway	87.2	71.2	79.8	22.6%	9.4%

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

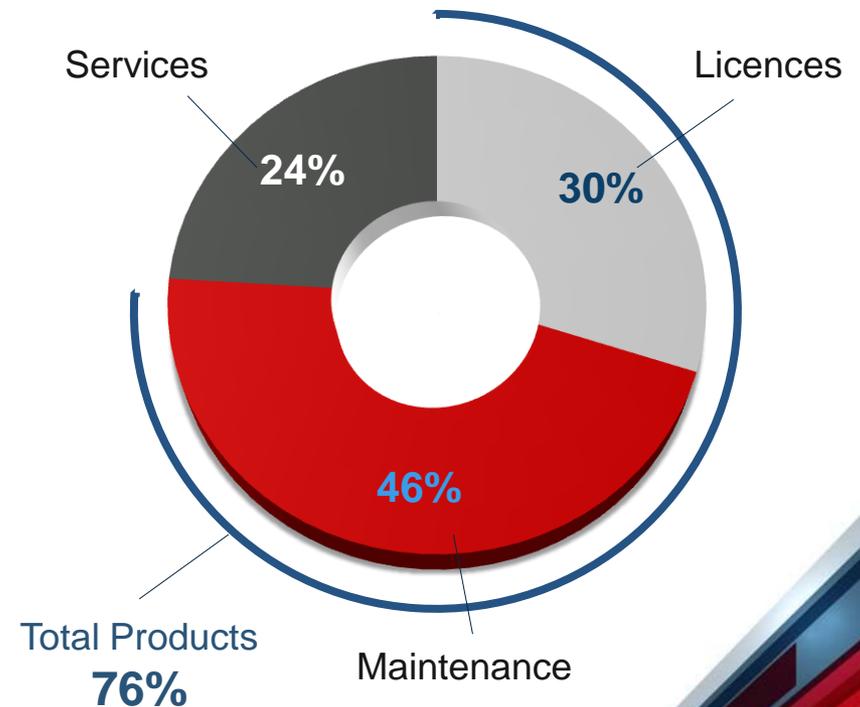
Axway: a Balanced Business Model

FY 2014

BY REGION



BY ACTIVITY



License Metrics 2014

ASP – Share of Indirect – New/Repeat

- No 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%

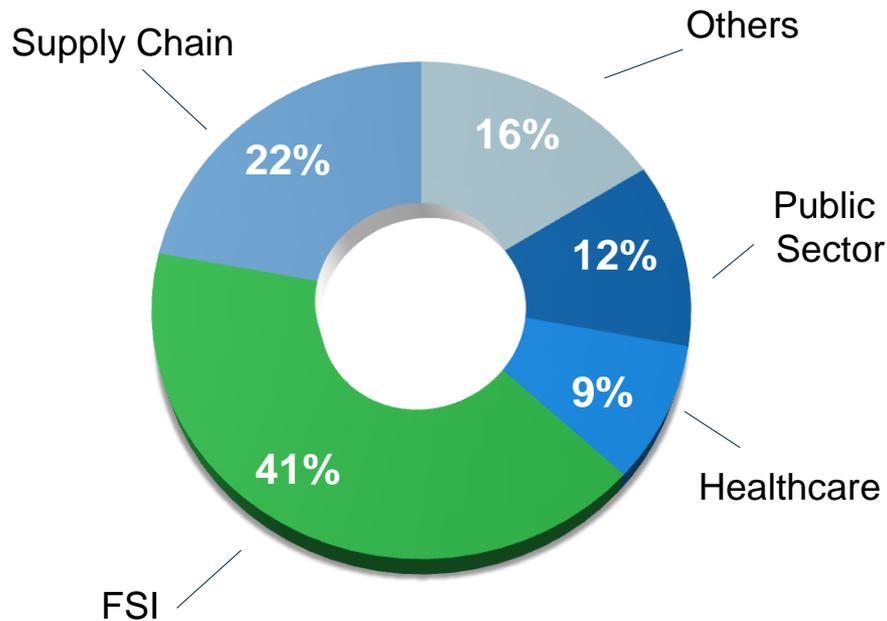
- Average Sale Price
 - ASP Tiers 1 ~615k€
 - ASP Tiers 2 (< 250 k€) ~107 k€
 - ASP Tiers 3 (< 50 k€) ~9 k€



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%

- Attachment rate = 20%
(average weighted by volume)

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



2014
versus
2013

** This percentage represents full year revenue impact*

Cloud metrics 2014

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

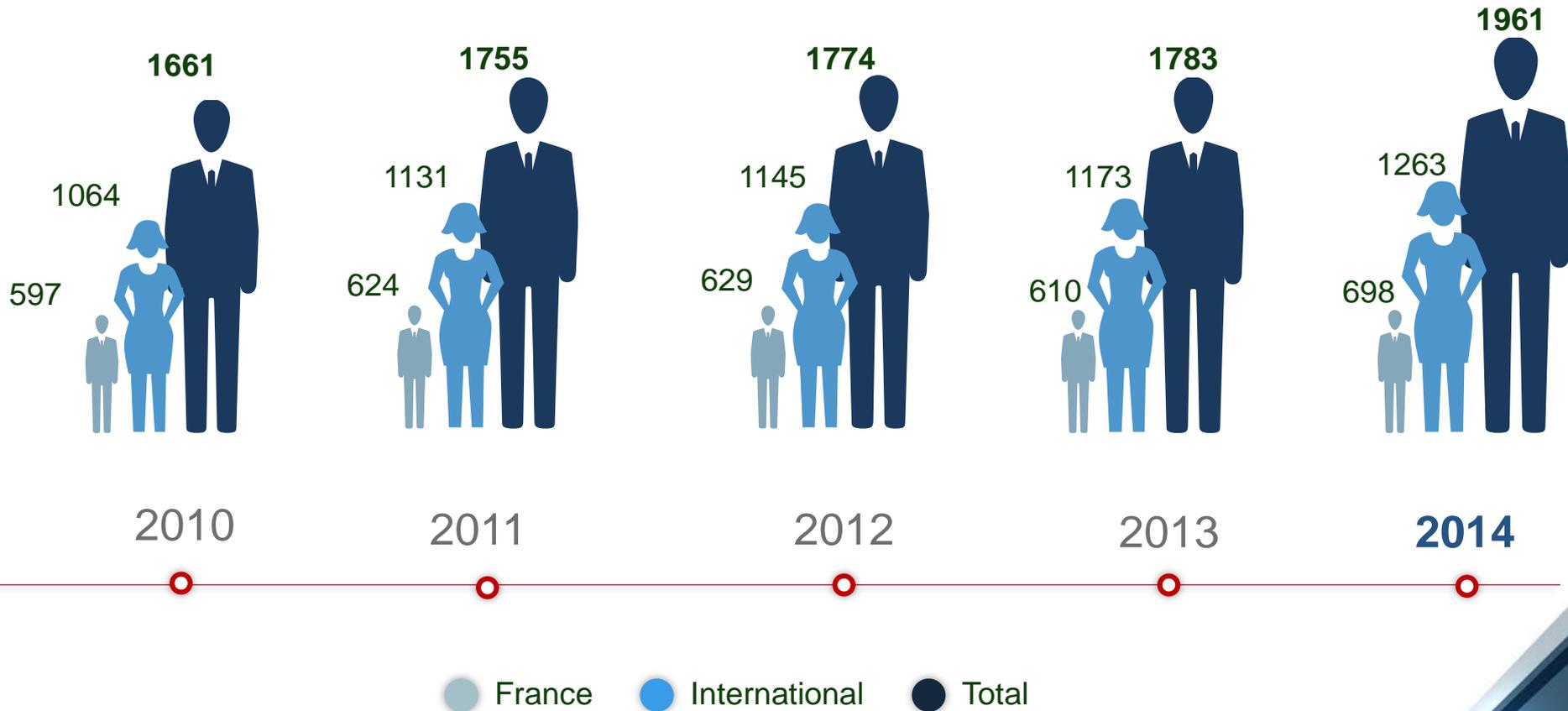
- ASR on 12/31/14 : 7.5 €M

ASR= committed subscription revenue in next 12 months

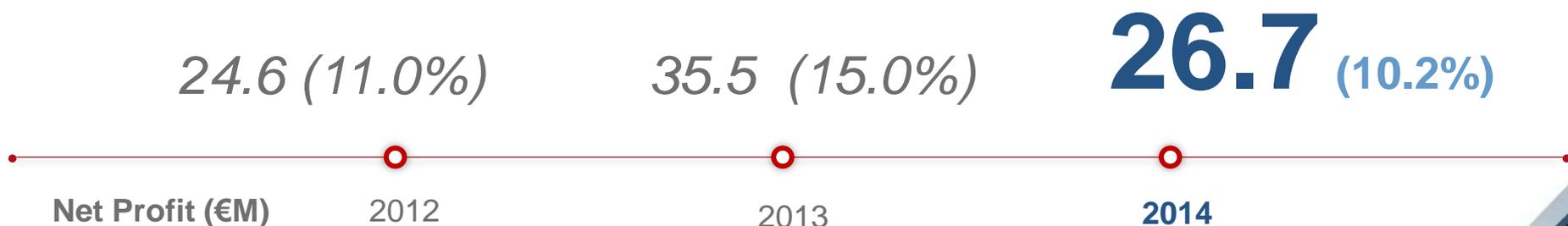


2014
versus
2013

Headcount at end of 2014: 1,961



FY 2014: Key Figures





Accounting & Financial Results

**Patrick Donovan,
Chief Financial Officer**

Income Statement (1/2)

- 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 as a %, stable for all periods presented
- Amortization increased with addition of Systar Intangibles
- Other Income/Expense in 2012/2013 mostly GSA, 2014 Systar and Other misc 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>	<i>15.2%</i>	<i>15.8%</i>	<i>15.6%</i>
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>	<i>12.8%</i>	<i>13.7%</i>	<i>14.1%</i>
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
	<i>10.2%</i>	<i>15.0%</i>	<i>11.0%</i>
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 44,5 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/Euro conversion rate movement a significant translation adjustment was recorded in 2014 on the conversion of the foreign balance 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

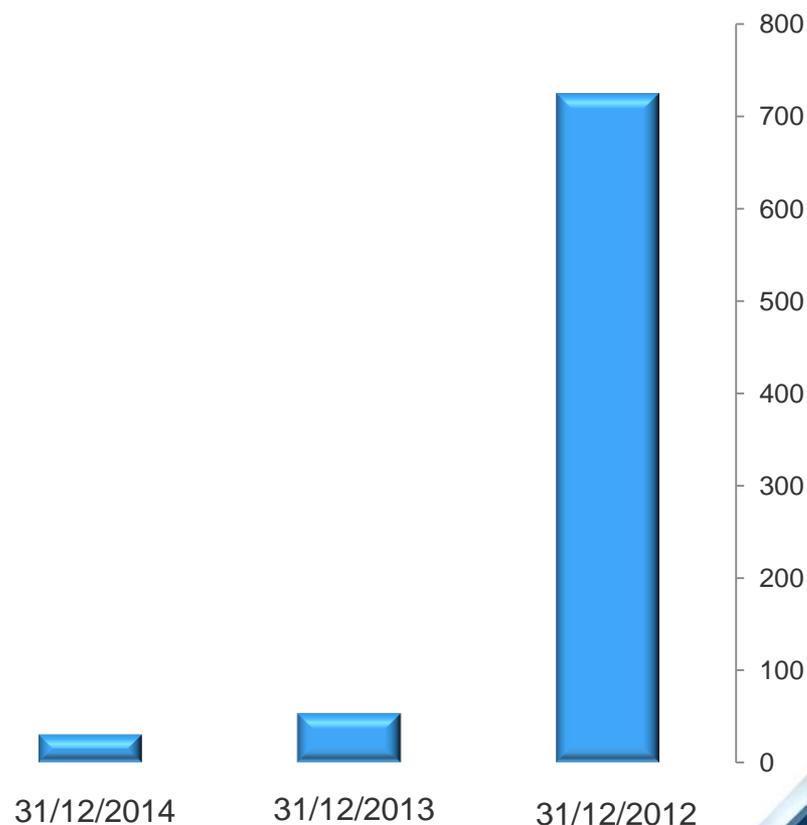
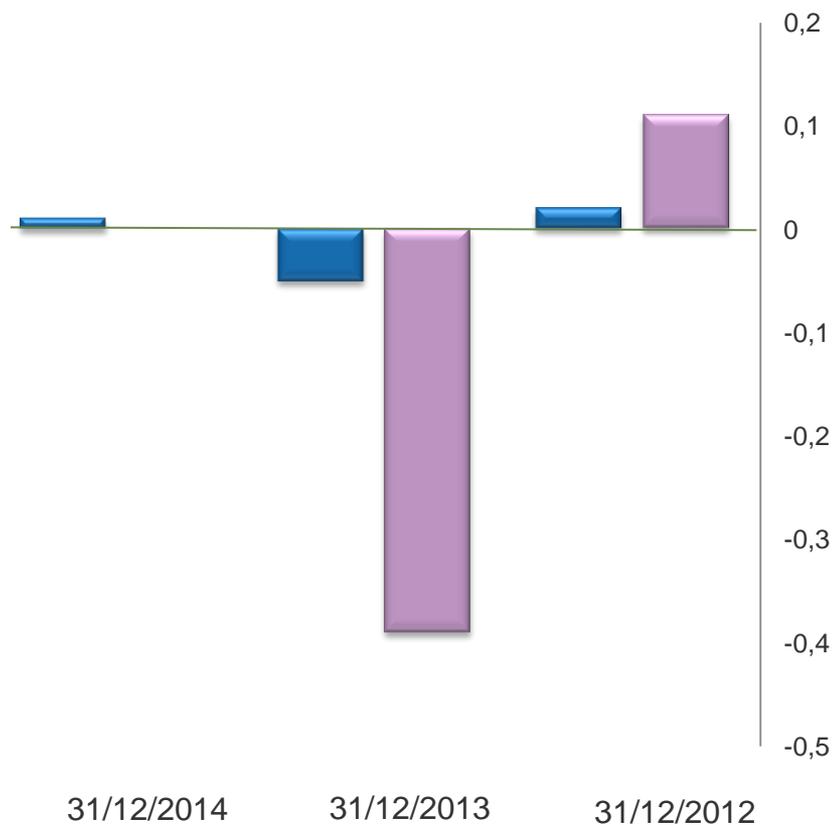
Cash Flow Statement

- 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

Financial Structure – Covenants 2014

Financial covenants met in all periods, net debt near zero



■ Net Debt / EBE R1 <3 ■ Net Debt / Equity R3 <1

■ EBE / Cost of net financial debt R2 >5

Update on Axway Shareholder Structure

31/12/2014

20,568,138 SHARES OUTSTANDING
35,421,420 VOTING RIGHTS

Sopra Steria	Pasquier Family	Odin Family	Managers	Sopra GMT	Geninfo (SG Group)	Caravelle	Public	Treasury Shares
Shares outstanding								
25.5%	0.1%	1.1%	1.1%	21.3%	8.7%	12.5%	29.5%	0.2%
Voting Rights								
29.5%	0.1%	1.3%	1.3%	24.7%	10.1%	14.5%	18.4%	

Concerted action

- 57.8% of the shares
- 67.1% of the voting rights



Positioning and Strategy

**Christophe Fabre,
Chief Executive Officer**

Axway confirms its Market Drivers

- **Digital Business Enablement**
- **Risk & Compliance, Security**
- **Operational efficiency**
 - Partner on boarding/Community Management
 - Visibility/Operational Intelligence
 - Self provisioning/Shared services/Cloud consumption
- **“Uncontrollable” volume increase**
- **Hybrid Integration**
- **API-centric architecture**

Signatures 2014: EMEA / APAC



Exchange Platform



The largest banking network (10,000 agencies) addresses 10 million customers.

Back Office Exchange Platform (A2A) involving MFT and API, opening digital banking.

Joint success with Sopra Banking Software.

Digital Banking



One of the world's most profitable banks. Operating in Australia, Asia, UK and USA; 1700 Service centers; 42,000 employees.

Omni Channel Customer Experience (Web, Mobile, Agency) thanks to an API Centric Finance Integration.

Digital MFT



A global car maker: 160 countries, N° 2 in Europe. A single file transfer infrastructure addressing all transfer patterns (A2A, H2H, H2S and B2B): File Transfer as a Service and a first step towards Digital MFT.

Signatures 2014: Americas / EMEA



Operational Excellence



9 billion transactions, 2,02 billion card authorizations annually for 56,000 accounts and close to 2,400 clients on a daily basis: Crédit Agricole Cards & Payments secure the whole payments and cards value chain with Axway Decision Insight for effective transactions service level delivery

Cloud - FATCA



United States Department of Treasury government agency responsible for tax collection and administration of the Internal Revenue Code.

Cloud-based International Data Exchange Service; Supports Reporting under FATCA and Intergovernmental Agreements.

Community Mangt



Headquartered in São Paulo, Bradesco is one of the largest banks in Brazil.

MFT Platform is a Hub for Customer and Partners for Check and Document Image Exchanges.

Our Market has deeply changed since 2011

Digital Business Transformation (Mobile, IoT, Social, Big Data)

Cloud Consumption

**Integration
Middleware
(25B\$)**

Specialists

- 

Governing the Flow of Data

 - Cyclone
 - Tumbleweed
 - Vordel
 - Systar
- 

Process Integration

 - IDS Scheer
 - Metismo
 - Terracota
 - My-channels
 - Apama
 - Alfabet
 - Metaquark
 - LongJump
- 

Real time Integration

 - Data Synapse
 - Proginet
 - Nimbus
 - Loglogic
 - Streambase
- 

Data Integration
- 

Content Management

 - Streambase
 - Global360
 - Metastorm
 - Vignette
 - Easylink
 - GXS (Inovis)
 - Cordys

Generalists

- 
 - Ilog
 - Lombardi
 - Sterling Commerce
 - CastIron
 - Aspera
- 
 - BEA
 - Sun (Seebyond)
 - Bitzer Mobile
 - Nimbula
- 
 - Business Objects
 - Crossgate
 - Ariba
 - Hybris

Niche

API	MFT - B2B
Layer 7 (CA)	Seeburger
Apigee	Ipswitch
Mashery (Intel)	Liaison
Apiphany (Microsoft)	Hubspan
	Nubridges



The 5 Key factors which changed the Middleware Market since 2011



Digital Business as a corporate mandate



Increasing usage of Cloud in Large Enterprises



Demand for Cloud Services & Hybrid Integration



Emergence of API (3 Phases)

1. digital business middleware (New edge)
2. added value for MFT and B2B (OmniChannel)
3. alternative of ESB inside the IS (No ESB)



Maturation of Enterprise Service Bus Market

Obsolescence of « Mega Hub » trend in favour of distributed and best of breed approach

2011

2012

2013

2014

2015

Digital Business is a new world



LOB Manager



Chief Digital Officer



API Admin



API Manager



Enterprise Architect



Digital App Developer



API & Policy Developer

Business Transformation
Faster, better, cheaper
IT vs Business

- New Data Flows
- New Governance



Security officer



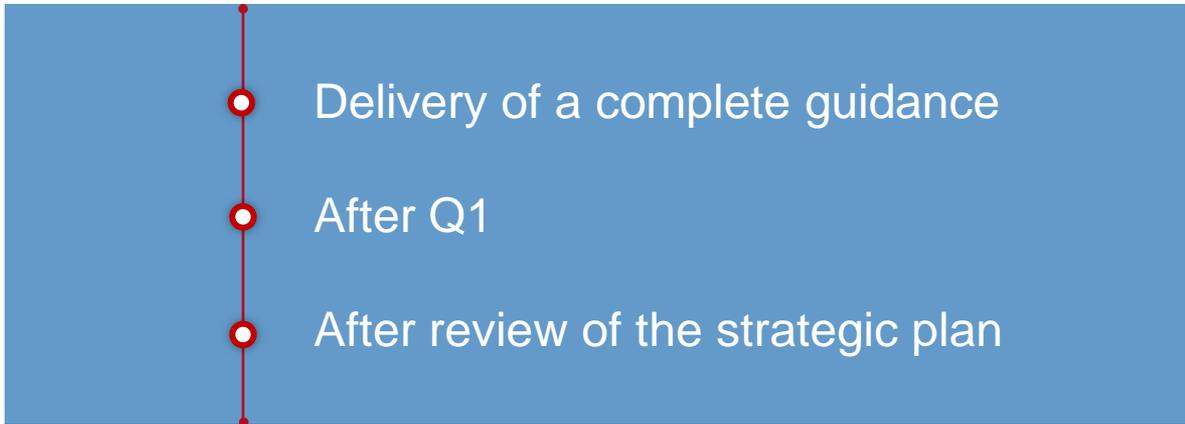
DevOps Manager

Axway has adapted with success since 2011

- **Market positioning with Axway 5 Suite**
 - Anticipation of B2B convergence (API/B2B/MFT)
 - Move to hybrid API-centric architecture (vs ESB)
 - Innovation around Data Flow Governance (UFM, OI)
- **Transformation plan from Sales to R&D**
 - One business culture
 - One way
 - One organization
- **Sales transformation**
 - Strengthening of Sales Organization
 - Solution selling methodology to address IT & LoB
 - Sales enablement

Axway is Updating its 3Y Strategy Plan

- More changes to focus Axway on the main priorities
- Good sales pipe to begin the year
- Q1/2015 seems well oriented

- 
- Delivery of a complete guidance
 - After Q1
 - After review of the strategic plan



2015

June

It's time for Q & A

11,000+
customers

1,961+
employees

261.6 M€
15.2% margin

Governing Flow
of data





Thank You

www.finance.axway.com