Quadient recorded a strong recovery in the second part of the year, leading to sustained profitability and strong free cash flow generation over the full-year 2020

Key highlights

- **Consolidated sales of €1,029 million** in 2020, a contained organic decline of 7.3%[1] vs. 2019;
- **Strong fourth-quarter sales performance, down 1.0% organically,** further improving from the sharp rebound achieved in the third quarter, driven by double-digits growth in Business Process Automation and Parcel Locker Solutions activities;
- **Current EBIT**[2] **of €152 million** in 2020, or €145 million excluding earn-out reversal[3];
- **Profitability maintained at a high level** thanks to active cost management, with **EBITDA margin of 23.9%** in 2020;
- **Net attributable income of €40 million** in 2020;
- **Strong free cash flow**[4] **of €167 million** in 2020, reinforcing the Group's **robust liquidity position of €914 million**[5] as at 31 January 2021;
- **Net debt down by €156 million** vs. 2019, leading to a **low leverage of 0.4x excluding leasing**[6] as at 31 January 2021;
- **Proposed dividend payment €0.50 per share** in respect of financial year 2020;
- **Strategic update and financial trajectory** to be unveiled today in a Capital Markets Day event (please refer to the press release published today related to the Capital Markets Day).

Paris, 30 March 2021,

Quadient (Euronext Paris: QDT), a leader in business solutions for meaningful customer connections through digital and physical channels, announces today its 2020 fourth-quarter consolidated sales and full-year results.

Geoffrey Godet, Chief Executive Officer of Quadient, stated: *"*In the context of the health crisis, Quadient has demonstrated both its strong resilience in the first part of the year and its ability to rebound quickly in the second part of the year. We are particularly pleased with the minor organic decline in revenue achieved in the fourth quarter, at just minus 1%, driven by the outstanding growth of c. 88% in Parcel Locker Solutions. These performances confirm the good trend already recorded in the third quarter 2020.

Thanks to our efforts and agility, we succeeded to mitigate the impact of the crisis while maintaining a sound level of profitability and a healthy balance sheet. With tight cost management measures in place, we achieved an EBITDA margin of close to 24%, down only 80 basis points from the previous year. We also generated strong free cash-flows, leading to a significant reduction of our net debt while preserving a robust liquidity position. As a consequence and in accordance with its dividend policy, Quadient will propose, for approval by the Annual General Meeting of Shareholders, a dividend of 0.50 euros, the floor set under the "Back to Growth" strategic plan."

[1] FY 2020 sales are compared to FY 2019 sales, from which is deducted revenue from ProShip and the graphics activities in Australia and New Zealand and to which is added revenue from YayPay, for a consolidated amount of €13 million, and are restated after a €18 million negative currency impact over the period.
Q4 2020 sales are compared to Q4 2019 sales, from which is deducted revenue from ProShip and the graphics activities in Australia and New Zealand and to which is added revenue from YayPay, for a consolidated amount of €5 million, and are restated after a €12 million negative currency impact over the period.
[2] Current operating income before acquisition-related expenses.
[3] Earn-out reversal of €6.5 million related to Parcel Pending acquisition.
[4] Cash flow after capital expenditure.
[5] €514 million of cash and €400 million of undrawn credit line, the latter maturing in 2024.
[6] Including IFRS 16.

RESILIENT RECURRING REVENUE AND STRONG RECOVERY IN NON-RECURRING REVENUE

Quadient's strategy aims at developing recurring revenues across all solutions, in particular through *SaaS* subscription and rental sales. In 2020, the Group's business model proved resilient, with solid recurring revenue performance in spite of difficult trading and economic conditions, leading to a contained decline in total sales.

Consolidated sales stood at €1,029 million in 2020 (-9.9% compared to 2019). Organic change was 7.3%[1]. Changes of scope are related to the divestment of ProShip in February 2020, the acquisition of YayPay in July 2020 and the divestment from the Group's activities in Australia and New Zealand on 21 January 2021.

Recurring revenue (71% of total sales) recorded a limited organic decrease of 3.9% in 2020 compared to 2019, mitigating the 14.5% organic decline experienced in hardware and license sales.

In million euros	**2020**	2019	Change	Change at constant rates	**Organic change[1]**
Major Operations	919	994	-7.5%	-5.8%	-5.9%
Customer Experience Management	*126*	*140*	*-10.3%*	*-8.5%*	*-8.5%*
Business Process Automation	*69*	*63*	*+8.8%*	*+10.1%*	*+9.0%*
Parcel Locker Solutions	*83*	*63*	*+33.4%*	*+36.1%*	*+36.1%*
Mail-Related Solutions	*641*	*728*	*-11.9%*	*-10.3%*	*-10.3%*
Additional Operations	110	149	-26.0%	-25.0%	-17.6%
Group total	**1,029**	**1,143**	**-9.9%**	**-8.3%**	**-7.3%**

In million euros	**2020**	2019	Change	Change at constant rates	**Organic change[1]**
Major Operations	919	994	-7.5%	-5.8%	-5.9%
North America	*501*	*523*	*-4.3%*	*-1.4%*	*-1.5%*
Main European countries[(a)]	*367*	*421*	*-12.7%*	*-12.5%*	*-12.5%*
International[(b)]	*51*	*50*	*+2.1%*	*+4.7%*	*+4.7%*
Additional Operations	110	149	-26.0%	-25.0%	-17.6%
Group total	**1,029**	**1,143**	**-9.9%**	**-8.3%**	**-7.3%**

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

(b) International includes the activities of Parcel Locker Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of 2019 revenue by segment and by activity has been restated accordingly.

Major Operations supported by a strong upturn in H2 2020 across all solutions, except for a delayed recovery in Customer Experience Management

Revenue from **Major Operations** stood at €919 million (89% of total sales) in 2020, down 5.9% on an organic basis compared to 2019. The resilience of recurring revenue, down by only 3.0% organically vs. 2019, including strong growth in Parcel Locker Solutions and Business Process Automation activities, helped to mitigate the decline in mail-related hardware equipment sales as well as in new software license sales.

Sales in **North America** recorded a slight organic decrease (-1.5%) in 2020, thanks to a low single-digit organic growth posted in the second half, due to the performance of Quadient's three growth engines (Customer Experience Management, Business Process Automation and Parcel Locker Solutions) and improved business trend in Mail-Related Solutions.

Main European countries posted a sharper organic sales decline (-12.5%) in 2020. However, sales that were strongly impacted during the first half of the year due to stringent lockdowns, improved during the second half, especially in France/Benelux.

The **International** segment delivered a solid organic sales growth (+4.7%) in 2020, driven by a strong increase in revenue from Parcel Locker Solutions.

Customer Experience Management

Customer Experience Management sales stood at €126 million in 2020, down 8.5% organically compared to 2019.

License sales were affected by a high comparable base in 2019, especially in the second and fourth quarters. Moreover, in the social-distancing context, go-to-market was more difficult with large accounts, which weighed on new customer acquisitions. Quadient however continued to expand its client base with the gain of 60 new clients in 2020, including large deals in Q4 2020. Answering customer demand, the progressive shift from on-premise licenses to *SaaS*-based subscription model impacted license sales while reinforcing the Group's recurring revenue model going forward.

Recurring revenue (74% of Customer Experience Management sales) showed a very good resilience during the year, with notably a high-single digit growth in subscription-related revenue that benefited from continuous strong growth in *SaaS*[7] subscription sales and increased maintenance revenue. This performance was offset by the decline in revenue from professional services, still impacted by social distancing measures and lower new placements.

The performance was contrasted across regions, with revenue growth in North America, reflecting good business momentum throughout the year. Conversely, sales in main European countries were affected by more severe social distancing measures leading to delayed customers' investment decisions. International sales were also down due to a very high comparison base in 2019 (above 40% organic growth in 2019 compared to 2018).

Business Process Automation

Business Process Automation sales stood at €69 million in 2020, up 9.0% organically compared to 2019. This increase reflected the strong growth in *SaaS* revenue thanks to increased level of *SaaS* subscriptions recorded in the previous quarters as well as a significant increase in revenue related to volume-base usage of Business Process Automation's platforms, leading to a growth of c. 20% in subscription-related revenue in 2020.

Customer acquisitions under the *SaaS* subscription model continued to accelerate throughout the year and across all regions, fueled by marketing campaigns, a strong appeal for automation solutions in the context of the health crisis and resumed global traction from bundled offers with Mail-Related Solutions over the world.

License sales represent an increasingly small portion of Business Process Automation revenue due to the ongoing shift to *SaaS*-mode solutions, particularly in North America and France.

YayPay recorded a very promising first contribution, delivering a triple-digit organic sales growth since the acquisition at the end of July 2020, including early traction of cross-selling through the Mail-Related Solutions channel.

Parcel Locker Solutions

Parcel Locker Solutions sales stood at €83 million in 2020, strongly up by 36.1% organically compared to 2019, thanks to very strong growth in both recurring and non-recurring revenue.

Subscription-related revenue posted double digit-growth thanks to a strong increase in revenue associated with maintenance and consumption/usage activity (e.g., resident fees, storage fees) as well as the strength of rental-based revenue, despite a slowdown in new installations in Japan compared to 2019. The activity also recorded the early start of the rollout of new compact lockers as part of the contract with Yamato.

Hardware sales experiencied a dynamic growth in the second half of the year, particularly in the fourth quarter, fueled by the rollout of c. 80% of the large purchased-model contract with US retail chain Lowe's, which more than offset the slowdown in multifamily and corportate verticals due to the health crisis.

Mail-Related Solutions

Mail-Related Solutions sales stood at €641 million in 2020, down 10.3% organically compared to 2019. The installed base and subscription-related revenue (74% of Mail-Related Solutions sales) proved their resilience, largely supported by multi-year contracts and consumption revenue that improved throughout the year as usage started to return although at a level that remained below usual.

[7] *SaaS = Software as a Service*

Placements of new hardware continued to recover in the second half of the year with new customer acquisition and all three segments (small, medium and large accounts) improving even if high-end products were still lagging behind. Furthermore, backlog remained high at the end of 2020.

The decline continued to be less pronounced in North America than in the Main European Countries. Business trends improved sequentially, from the low level achieved in the second quarter, across all regions, especially in North America and in the France/Benelux region.

Additional Operations

Revenue from **Additional Operations** stood at €110 million (11% of total sales) in 2020, down 17.6% organically compared to 2019. This performance mainly reflected a drop in revenue from Graphics and Mail-Related Solutions in the Nordics and Australia, as well as weaker revenue related to the export business (e.g. OEM contracts with third-party Mail-Related Solutions distributors).

Quadient sold 17 CVP units under the Automated Packaging Systems business in 2020 (vs. 16 CVP units in 2019), of which 2 units of higher-end CVP products.

Q4 2020 SALES

Consolidated sales stood at €287 million in the fourth quarter of 2020, slightly down by 1.0% organically compared to the fourth quarter of 2019 (excluding currency and scope effects).

Major Operations sales stood at €253 million in Q4 2020, down 1.2% organically compared to Q4 2019, driven by continued resilience of recurring revenue and a strong rebound in non-recurring revenue.

Customer Experience Management sales stood at €34 million in Q4 2020, down 16.5% organically compared to the Q4 2019, due to a high comparable base in license sales,the impact of social distancing measures on both professional services and new leads generation and delayed customers' investment decisions. *SaaS* revenue subscriptions however continued to grow strongly.

Business Process Automation sales stood at €20 million in Q4 2020, up by 12.8% organically compared to Q4 2019, supported by high growth in subscription-related revenue. Volume-based activities kept on recovering although at a slower pace than in Q3 2020 due to the end of the catch-up effect. On the other hand, license sales were impacted by the continuous transition to *SaaS* model despite resumed traction from bundled offers with Mail-Related Solutions.

Parcel Locker Solutions sales stood at €30 million in Q4 2020, strongly up by 87.8% organically compared to Q4 2019. This reflected a sustained performance of subscription-related revenue and the very dynamic rollout of Lowe's contract in the US.

Mail-Related Solutions sales stood at €170 million in Q4 2020, down 7.1% organically compared to Q4 2019, confirming the rebound experienced in Q3 2020 after the sharper decline recorded in the first half of the year. Revenue related to supplies (ink cartridges) continued to improve alongside higher consumption, but still remained below usual level.

Additional Operations sales stood at €33 million in Q4 2020, slightly up by 0.9% organically compared to Q4 2019.

REVIEW OF 2020 FULL-YEAR RESULTS

Simplified P&L

In € million	**2020**	2019	Change
Sales	**1,029**	1,143	(9.9)%
Gross profit	743	841	(11.5)%
Gross margin	*72.2%*	*73.6%*	
EBITDA	246	282	(12.8)%
EBITDA margin	*23.9%*	*24.7%*	
Current operating income before acquisition-related expenses	**152**[a]	185	(18.1)%
Current operating income margin (before acquisition related expenses)	*14.7%*[a]	*16.2%*	
Current operating income	132	170	(22.1)%
Net attributable income	**40**	14	+187.9%
Earnings per share	0.92	0.15	n/a
Diluted earnings per share	0.92	0.15	n/a

[a] Including Parcel Pending's earn-out reversal for an amount of €6.5 million. Excluding this earn-out reversal, the current operating income before acquisition-related expenses amounts to €145 million and the associated margin stands at 14.1%.

Operating income, enforced by active cost management

	2020			**2019**		
	Major Operations	Additional Operations	**Group total**	Major Operations[a]	Additional Operations[a]	**Group total**[a]
Revenue	919	110	**1,029**	994	149	**1,143**
Current operating income before acquisition-related expenses	153[b]	(1)	**152**[b]	188	(3)	**185**

[a] Major Operations now includes the activities of Parcel Locker Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries which were previously accounted for in Additional Operations. The breakdown of FY 2019 revenue and current EBIT has been restated accordingly.

[b] Including Parcel Pending's earn-out reversal for an amount of €6.5 million. Excluding this earn-out reversal, the current operating incomes before acquisition-related expenses of Major Operations and of the Group respectively amount to €153 million and €145 million

Gross margin was 72.2% in 2020 compared to 73.6% in 2019, despite a significant volume effect, due to the built-in flexibility of the cost base resulting from a high proportion of outsourcing in hardware manufacturing andan unfavorable mix effect.

Current operating income before acquisition-related expenses stood at €152 million in 2020 compared to €185 million in 2019, mainly reflecting the revenue decrease and active cost management in both cost of sales and operating expenses. Indeed, continued tight cost optimization measures helped to generate c. €46 million of savings in operating expenses, before impact of bad debt, in 2020, while allowing the Group to maintain ongoing investment efforts to support the implementation of its strategic initiatives. Current operating income before acquisition-related expenses also includes a one-off earn-out reversal of €6.5 million related to Parcel Pending's acquisition.

Thanks to the initiatives undertaken to protect the profitability, **current operating margin** before acquisition-related expenses stood at 14.7% of sales in 2020 compared to 16.2% in 2019.

Acquisition-related expenses stood at €20 million in 2020 compared to €15 million in 2019, linked to the high level of M&A activity throughout the year notably including costs associated with the divestment of ProShip (bonus contingent to the closing of the transaction) and the acquisition of YayPay (non-recourse loans to the founders).

Current operating income stood at €132 million in 2020, compared to €170 million in 2019.

Optimization and other operating expenses stood at €36 million in 2020 including increased restructuring expenses related to cost optimization measures and the divestment of the graphics activities in Australia and New Zealand. It compares to €93 million in 2019, which included a €70 million impairment of almost 100% of non-strategic activities-related goodwill within Additional Operations.

Operating income stood at €96 million in 2020 compared to €77 million in 2019.

Net attributable income of €40 million

The **net cost of debt** stood at €33 million in 2020 compared to €39 million in 2019, benefiting from the refinancing operations in 2019 and 2020.

The Group recorded **currency gains and other financial items** of €1 million in 2020 compared to a €2 million loss related to currency and other financial items in 2019.

As a result, **net financial result** was a loss of €32 million in 2020 compared to a loss of €41 million in 2019.

Income tax amounted to €24 million in 2020 compared to €22 million in 2019. The **corporate tax rate** stood at 36% in 2020 compared to 58% in 2019.

Net attributable income amounted to €40 million in 2020 compared to €14 million in 2019. **Earnings per share** stood at €0.92 in 2020 compared to €0.15 in 2019.

Strong cash flow generation

EBITDA[8] stood at €246 million in 2020 compared to €282 million in 2019, reflecting lower current operating income and broadly stable depreciation and amortization. EBITDA margin was 23.9% in 2020 compared to 24.7% in 2019.

The change in **working capital** generated a net cash inflow of €2 million in 2020 compared to a net cash outflow of €7 million in 2019. This mainly reflected higher level of receivables (due to back ended invoices added to slower collections) more than offset by the payables (due to the postponement of payments of some social taxes and VAT).

The Group recorded a decrease in its **lease receivables** (-€62 million in 2020 compared to -€25 million in 2019) due to lower placements of new equipment in the context of lockdowns.

The **leasing portfolio and other financing services** stood at €598 million as at 31 January 2021 compared to €698 million as at 31 January 2020, representing an organic decrease of 8.7% in 2020 versus an organic decrease of 3.5% in 2019. At the end of the financial year 2020, the default rate of the leasing portfolio stood at around 1.7%.

Interest and taxes paid stood at €37 million in 2020 compared to €85 million in 2019, mainly due to the positive impact from 2019 and 2020 refinancing operations on interest expenses and reduced amount of tax paid resulting from the lower level of activity. As a reminder, interests and taxes paid recorded two non-recurring items in 2019: the bond liability management in January 2020 (€8.7 million) and the resolution of tax litigation dated 2006-2008 (€6.6 million).

Capital expenditure stood at €90 million in 2020 compared to €109 million in 2019. This reflected lower investments related to maintenance, in line with a decreased level of activity, and reduced investments related to rented equipment, both mail equipment and Parcel Locker Solutions in Japan, the latter being mostly due to a high comparable base in 2019, lower level of placements in 2020 and lighter capex requirements linked to LITE products.

In total, the Group recorded **cash flow after capital expenditure** of €167 million in 2020 compared to €86 million in 2019.

[8] *EBITDA = current operating income + provisions for depreciation of tangible and intangible fixed assets.*

IMPROVED LEVERAGE AND ROBUST LIQUIDITY POSITION

Net debt was reduced by €156 million to €512 million as at 31 January 2021 from €668 million as at 31 January 2020. The leverage ratio (net debt/EBITDA) improved at 2.1x[9] as at 31 January 2021 compared to 2.4x[9] as at 31 January 2020. The Group's net debt is backed by future cash flows generated from its rental and leasing activities.

Excluding leasing, the leverage ratio remained low at 0.4x[9] as at 31 January 2021 compared to 0.9x[9] as at 31 January 2020.

Shareholders' equity stood at €1,240 million as at 31 January 2021 compared to €1,249 million as at 31 January 2020. The gearing[10] ratio decreased to 41% of shareholders' equity as at 31 January 2021 compared to 54% as at 31 January 2020.

The Group has a robust **liquidity position** of €914 million as at 31 January 2021, including €514 million in cash and €400 million of undrawn credit line, the latter maturing in 2024.

OUTLOOK

A strategic update as well as Quadient's financial trajectory will be unveiled today during Quadient's Capital Markets Day event. A dedicated press release addressing these items will be issued today.

BUSINESS HIGHLIGHTS

Quadient continues reshaping business portfolio with divestment from Graphics activities in Australia and New Zealand

On 21 January 2021, Quadient announced the divestment of its Graphics activities in Australia and New Zealand to Smartech Business Systems Australia Pty, a technology solutions provider and a long-term partner working with Quadient in the Asia-Pacific region. As part of the transaction, Smartech Business Systems Australia Pty will become the distributor of Quadient's Mail-Related Solutions in Australia and New Zealand and will continue to serve its more than 19,000 customers in the region.

The transaction was closed on 20 January 2021 and the total selling price amounts to AUD $6 million, including AUD $4 million paid at closing and AUD $2 million deferred payments.

Quadient Awarded Gold Medal by EcoVadis for its Commitment to Corporate Social Responsibility

On 14 January 2021, Quadient announced that its commitment to corporate social responsibility (CSR) and sustainability has been recognized by global rating agencies EcoVadis[11] and CDP[12] (formerly Carbon Disclosure Project).

Quadient reached the EcoVadis Gold status and is in the top 1% of companies in its industry category. This marks the third consecutive year EcoVadis has recognized Quadient with the Gold certification. EcoVadis' rating is based on multiple criteria across 4 themes: environmental stewardship, labor and human rights, sustainable procurement and ethics. The recognition of Quadient's performance is the result of the company's best-in-class policies and practices, notably in the fields of climate change, circular economy, employees health & safety, flexible work conditions (e.g., remote work, flextime), diversity and inclusion the implementation of an ethics alert program.

Quadient's commitment toward sustainable environmental practices was also confirmed by achieving a "B" score with CDP, for the third year in a row. CDP uses a detailed and independent methodology to assess companies, allocating a score from A to D based on the comprehensiveness of disclosure, awareness and management of environmental risks, and demonstration of best practices associated with environmental leadership. By achieving a "B" rating, Quadient ranks higher than the global and industry average of its peers.

[9] Including IFRS 16.
[10] Net debt / shareholders' equity
[11] Learn more at www.ecovadis.com.
[12] Learn more at https://www.cdp.net/.

POST-CLOSING EVENTS

Quadient Increases its Commitment to ESG by Joining the United Nations Global Compact[13] as a Signatory Member

On 25 March 2021, Quadient announced it has joined the United Nations Global Compact, the world's largest corporate sustainability initiative. Quadient joins more than 12,000 companies across the globe in aligning strategies and operations with the UN Global Compact's ten universal principles on human rights, labor, environment and anti-corruption.

Quadient's approach to corporate responsibility is based on improving working conditions, promoting a culture of integrity, reducing its environmental footprint, providing innovative, reliable and sustainable solutions, and supporting the communities in which the company operates. These pillars have been aligned with the UN Global Compact principles that Quadient commits to respect, support and promote by joining the initiative. Becoming a signatory member also implies taking action to advance the UN Sustainable Development Goals (SDGs), eight of which Quadient is already committed to.

This decision demonstrates Quadient's commitment to corporate social responsibility and will support further advancement of the company's strategic initiatives on Environmental, Social and Corporate Governance (ESG).

Quadient Announces the Acquisition of Beanworks, a Leading FinTech in *SaaS* Accounts Payable Automation Solutions

On 22 March 2021, Quadient announced the signing of a definitive agreement to acquire Beanworks, a fast-growing market leader specializing in Software as a Service (*SaaS*) Accounts Payable Automation solutions.

Beanworks was founded in 2012 and is headquartered in Vancouver, Canada. A highly performing FinTech with an attractive *SaaS* recurring revenue model and a track record of high double-digit annual revenue growth, Beanworks supports the accounts payable processes of nearly 800 customers that, combined, currently process more than €11.9 billion a year through the platform. The global market for accounts payable (AP) automation is growing rapidly, accelerated by the global pandemic and the increasing number of teams working from home, driving businesses of all sizes to reflect on the benefits of digitalizing their financial processes and shifting to electronic payments. Adroit Market Research anticipates the AP automation market will reach $4 billion by 2025.

With a comprehensive SaaS AP/AR automation offer, Quadient is now uniquely positioned to address the emerging e-invoicing regulations in Europe and the growing demand for cashflow management solutions, bringing greater control and better visibility to accounting teams around the world.

At the closing of the transaction, which occurred on 25 March 2021, Quadient owns a majority stake of c. 96% in Beanworks, with two key leaders retaining a minority equity stake. Quadient has a mechanism to increase its ownership up to 100% in the coming years. The purchase price, excluding transaction-related costs, amounts slightly above 70 million euros[14]. The acquisition will be financed entirely in cash, without recourse to additional debt. Despite the global pandemic, Beanworks saw c. 70% year-over-year revenue growth in 2020 and is expected to achieve revenue of roughly 7 million euros at the end of 2021. The company has approximately 90 employees.

Quadient Nearly Doubles U.S. Smart Locker Installations in 2020 and Reaches 13,000 Units Worldwide

On 1 March 2021, Quadient announced its base of smart locker stations has surpassed 13,000 worldwide, representing more than 600,000 boxes overall and positioning Quadient as the second largest[15] global provider of parcel locker solutions.

Driven by consumer demand for safer and more secure package retrieval and the continued growth of online commerce, Parcel Pending by Quadient smart locker solutions have been installed at multifamily properties, major retailers, leading universities, corporate campuses and pick-up and drop-off (PUDO) locations. In the first nine months of the company's fiscal year 2020, ending 31 January 2021, Quadient saw a 78% jump in the number of packages delivered using its smart lockers.

[13] *To learn more about the UN Global Compact, visit: https://www.unglobalcompact.org/.*
[14] *Based on ECB's €/$ exchange reference rate on 19 March 2021*
[15] *Source: Quadient market analyses.*

Quadient appoints Laurent du Passage as Chief Financial Officer

On 26 February 2021, Quadient announced the appointment, as of 1 March 2021, of Laurent du Passage as Chief Financial Officer. Laurent du Passage has been with Quadient since 2014, having held several positions, including that of Chief Financial Officer of Quadient's Customer Experience Management business and Chief of Staff to the CEO. Most recently, Laurent du Passage was Quadient's VP Controller.

Laurent du Passage is taking over from Christelle Villadary, who made the decision to give a new direction to her career.

Quadient Moves Up Three Places in the 2020 Gaïa Research Ranking[16]

On 18 February 2021, Quadient announced it is sixth in the 2020 Gaïa Research global ranking, moving up three places compared to the previous year. Quadient also holds the fifth position among companies with revenues above €500 million. Every year, the rating recognizes the best performing companies in France in environmental, social and corporate governance (ESG), among a selected panel of 230 small and medium-sized companies listed on Euronext Paris.

Gaïa Research (formerly Gaïa Rating), EthiFinance's extra-financial rating agency, specializes in ESG analysis and rating of French and European companies. Since 2009, it has set rankings per revenue category to recognize the best players from a selected panel of 230 Euronext Paris-listed small and medium-sized companies. Ratings are used by leading asset management companies in their management and investment decision-making processes.

Quadient exercises its residual maturity par call for its bond maturing in June 2021

On 8 February 2021, Quadient announced the exercise of the residual maturity par call for its bond ISIN FR0011993120, maturing on 23 June 2021, for a total amount of €163.2 million. The exercice of this call occured on 23 March 2021 and resulted in savings of around €1 million in financial expenses.

As a reminder, on 23 January 2020, Quadient issued a new €325 million bond, maturing in 2025 and bearing a 2.25% coupon, this issue being specifically allocated to the refinancing of the June 2021 maturity.

Release of Version 1.2 of Cloud-based Platform Quadient Impress

On 4 February 2021, Quadient announced the general availability of Quadient® Impress version 1.2, an upgrade of the multichannel outbound document management platform that automates the customer communication workflow for small and medium businesses. Quadient Impress version 1.2 includes architecture upgrades throughout the cloud-based platform that speed the task of preparing and sending customer communications on-site or remotely with greater scalability and enhanced security.

To know more about Quadient's newsflow, the previous press releases are available on our website at the following address: https://invest.quadient.com/en-US/press-releases.

[16] For more information on Gaïa Research, visit www.gaia-rating.com.

CONFERENCE CALL & WEBCAST

Quadient will host a conference call and webcast today at 2:00 pm Paris time (1:00 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: +1 202 204 1514;
- United Kingdom (standard international): +44 (0) 33 0551 0200;

Password: Quadient.

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

CALENDAR

- 26 May 2021: **Q1 2021 sales release** (after close of trading on the Euronext Paris regulated market).

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About Quadient®

Quadient 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, Quadient helps simplify the connection between people and what matters. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. Quadient 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 Quadient, visit https://invest.quadient.com/

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Appendices

Change in Q4 2020 sales

In million euros	**Q4 2020**	Q4 2019	Change	Change at constant rates	**Organic change[1]**
Major Operations	254	269	-5.6%	-1.1%	-1.2%
Customer Experience Management	*34*	*42*	*-20.0%*	*-16.5%*	*-16.5%*
Business Process Automation	*20*	*18*	*+11.8%*	*+15.2%*	*+12.8%*
Parcel Locker Solutions	*30*	*17*	*+79.0%*	*+87.8%*	*+87.8%*
Mail-Related Solutions	*170*	*192*	*-11.5%*	*-7.1%*	*-7.1%*
Additional Operations	33	39	-14.5%	-13.8%	+0.9%
Group total	287	308	-6.7%	-2.7%	-1.0%

In million euros	**Q4 2020**	Q4 2019	Change	Change at constant rates	**Organic change[1]**
Major Operations	254	269	-5.6%	-1.1%	-1.2%
North America	*135*	*141*	*-4.5%*	*+3.1%*	*+2.8%*
Main European countries	*105*	*114*	*-7.6%*	*-7.0%*	*-7.0%*
International	*14*	*14*	*+0.8%*	*+5.0%*	*+5.0%*
Additional Operations	33	39	-14.5%	-13.8%	+0.9%
Group total	287	308	-6.7%	-2.7%	-1.0%

FULL-YEAR 2020

Consolidated income statement

In € million	2020 (period ended on 31 January 2021)	2019 (period ended on 31 January 2020)
Sales	**1,029**	**1,143**
Cost of sales	(286)	(302)
Gross margin	**743**	**841**
R&D expenses	(55)	(53)
Sales expenses	(252)	(283)
Administrative and general expenses	(194)	(215)
Maintenance and other expenses	(91)	(104)
Employee profit-sharing and share-based payments	1	(1)
Current operating income before acquisition-related expenses	**152**	**185**
Acquisition-related expenses	(20)	(15)
Current operating income	**132**	**170**
Optimization expenses and other operating income & expenses	(36)	(93)
Operating income	**96**	**77**
Financial income/(expense)	(32)	(41)
Income before taxes	**64**	**36**
Income taxes	(24)	(22)
Share of results of associated companies	1	1
Net income	**41**	**15**
Minority interests	1	1
Net attributable income	**40**	**14**

Simplified consolidated balance sheet

Assets *In € million*	**31 January 2021**	**31 January 2020**
Goodwill	1,026	1,045
Intangible fixed assets	128	130
Tangible fixed assets	207	235
Other non-current financial assets	65	69
Leasing receivables	598	698
Other non-current receivables	3	4
Deferred tax assets	17	9
Inventories	71	77
Receivables	231	233
Other current assets	100	96
Cash and cash equivalents	514	498
Assets held for sale	0	21
TOTAL ASSETS	**2,960**	**3,115**

Liabilities *In € million*	**31 January 2021**	**31 January 2020**
Shareholders' equity	1,240	1,249
Long-term provisions	27	29
Non-current financial debt	821	1,055
Other non-current liabilities	3	1
Current financial debt	205	112
Deferred tax liabilities	148	135
Deferred income	187	198
Financial instruments	1	2
Other current liabilities	328	327
Liabilities held for sales	0	7
TOTAL LIABILITIES	**2,960**	**3,115**

Simplified cash flow statement

In €millions	**2020 (period ended on 31 January 2021)**	**2019 (period ended on 31 January 2020)**
EBITDA	**246**	**282**
Other elements	(16)	(20)
Cash flow before net cost of debt and income tax	**230**	**262**
Change in the working capital requirement	2	(7)
Net change in leasing receivables	62	25
Cash flow from operating activities	**294**	**280**
Interest and tax paid	(37)	(85)
Net cash flow from operating activities	**257**	**195**
Capital expenditure	(90)	(109)
Net cash flow after investing activities	**167**	**86**
Impact of changes in scope	(9)	(12)
Disposals of fixed assets	0	3
Others	1	0
Net cash flow after acquisitions and disposals	**159**	**77**
Capital increase	(1)	1
Dividends paid	(12)	(18)
Change in debt and others	(118)	191
Net cash flow from financing activities	**(131)**	**174**
Cumulative translation adjustments on cash	(12)	0
Change in net cash position	**16**	**251**