



Q1 2022 revenue up 2.5% on a reported basis, strong underlying trends

Solid developments across all solutions despite a high comparison basis

- **Total revenue of €253 million in Q1 2022, up 2.5% on a reported basis and down -0.6%¹ organically** vs. Q1 2021, in line with Quadiant's expectations.
- **Intelligent Communication Automation** revenue was up 10.7% organically, driven by a 15.7% organic growth in subscription-related revenue. Growth in Annual Recurring Revenue (€158 million^{2,3} at end of Q1 2022) was supported by further customer base expansion, reaching 12,000+ customers² at the end of the quarter, and positive usage evolution.
- Solid performance from **Mail-Related Solutions** with a contained revenue decline of -1.7% organically despite a high comparison basis in Q1 2021 (6.3% organic growth Q1 2021 vs. Q1 2020). Resilience in revenue, driven in part by a positive contribution from North America, confirms the success of Quadiant's strategic choices to focus on innovation and customers.
- **Parcel Locker Solutions** installed base grew by a further c.550 units, reaching 16,300 lockers at the end of Q1 2022. While subscription-related revenue progressed further with an 11.1% organic growth, hardware sales suffered from the very high comparison basis vs. Q1 2021 mainly due to the end of the roll-out of a large retail customer contract in the United States. As a consequence, Parcel Locker Solutions revenue declined by -17.9% on an organic basis, to be compared with the 67.9% organic growth recorded in Q1 2021 vs. Q1 2020.

Dynamic fundamentals and strong pipeline – FY 2022 guidance reiterated

- With a solid Q1 performance in line with its expectations, a robust recurring business model supported by dynamic fundamentals and a strong pipeline across all solutions, Quadiant confirms its FY 2022 guidance as it expects organic growth to accelerate throughout the rest of the year.
- **FY 2022 organic revenue growth confirmed above 2%⁴ compared to FY 2021.**
- **Current EBIT⁵ organic growth confirmed at low to mid-single digit compared to FY 2021.**

Paris, 7 June 2022,

Quadiant (Euronext Paris: QDT), a leader in business solutions for meaningful customer connections through digital and physical channels, today announces its first-quarter 2022 consolidated sales (period ended on 30 April 2022).

Geoffrey Godet, Chief Executive Officer of Quadiant, stated: *"Q1 was very much in line with our expectations thanks to a strong underlying performance in each of our three solutions, despite a high year-over-year comparison basis. Looking ahead, our solid market positions are setting us on a favorable path across our solutions. In that respect, we are very proud of the recent industry recognition placing our cloud platform as a market leader in the IDC MarketScape only three years after having launched our cloud strategy. Our SaaS offers show increasing penetration in their main markets while we also continue the deployment of our newly acquired fintech companies into new European geographies. Our large pipeline of projects for Parcel Lockers continues to show good momentum, while our Mail-Related Solutions are performing well, thanks in particular to the success of our recently launched iX series. Based on these solid fundamentals and thanks to our strongly recurrent and largely inflation-indexed business model, we are confident that organic growth will accelerate throughout the rest of the year and therefore confirm our guidance for the full year."*

¹ Q1 2022 sales are compared to Q1 2021 sales at constant exchange rates (€11 million positive currency impact over the period), to which is added, prorata temporis, revenue from Beanworks acquired in March 2021, for a consolidated amount of €0.7 million, and excluding automated packaging activities divested at the end of H1 2021, accounting for €4.4 million in Q1

² Q1 2022 ARR benefited from a c.€5 million positive currency impact vs. Q4 2021

³ FY 2021 ARR and customer number were corrected for a c.€2m / c.280 customers double counting

⁴ Compared to fiscal year 2021 at constant exchange rates, including Beanworks acquired in March 2021, for a consolidated amount of €0.7 million, and excluding automated packaging activities divested at the end of H1 2021, accounting for €13.8 million

⁵ Current EBIT = current operating income before acquisition-related expenses



FIRST-QUARTER 2022 SALES

Consolidated sales amounted to €253 million in the first quarter of 2022, a 2.5% year-over-year increase and a -0.6% decline on an organic basis. Foreign exchange had a significant positive impact in Q1 of c.€11 million, mostly U.S. dollar driven, while change of scope was a net negative impact of -€3.7 million coming from the combination of the sale of packaging solution business at the end of H1 2021 and from the acquisition of Beanworks in March 2021.

Change in Q1 2022 sales

<i>In million euros</i>	Q1 2022	Q1 2021	Change	Change at constant rates	Organic change
Major Operations	236	226	+5.1%	-0.0%	-0.8%
<i>Intelligent Communication Automation</i>	52	44	+4.4%	+7.8%	+10.7%
<i>Mail-Related Solutions</i>	165	159	+0.9%	+6.3%	-1.7%
<i>Parcel Locker Solutions</i>	19	22	-14.6%	-17.9%	-17.9%
Additional Operations	16	20	-24.3%	-24.3%	+1.8%
Total Sales	253	246	+2.5%	-2.1%	-0.6%

<i>In million euros</i>	Q1 2022	Q1 2021	Change	Change at constant rates	Organic change
Major Operations	236	226	+5.1%	-0.0%	-0.8%
<i>North America</i>	135	123	+10.0%	+1.5%	+0.0%
<i>Main European countries^(a)</i>	89	91	-2.4%	-3.4%	-3.4%
<i>International</i>	13	12	+11.4%	+10.1%	+10.1%
Additional Operations	16	20	-24.3%	-24.3%	+1.8%
Total Sales	253	246	+2.5%	-2.1%	-0.6%

(a) Austria, Benelux, France, Germany, Ireland, Italy, Switzerland, United Kingdom

Major Operations

Major Operations recorded revenue of €236 million (94% of total sales) in the first quarter of 2022, up by 5.1% year-over-year, benefiting from a favorable currency impact. On an organic basis, revenue was down by -0.8% vs. Q1 2021, impacted by the high comparison bases for Mail-Related Solutions and Parcel Locker Solutions, while Intelligent Communication Automation posted a double-digit organic growth.

Q1 2022 sales in **North America** (57% of Major Operations sales) was flat vs. Q1 2021 on an organic basis. Quadiant benefited from a double-digit contribution from Intelligent Communication Automation and a strong performance from Mail-Related Solutions. Parcel Locker Solutions revenue, however, suffered from the high comparison basis related to the end of the roll-out of a large retail customer contract in Q1 last year.

Main European countries benefited from the deployment of recently gained Parcel Locker Solutions' contracts with double digit organic growth for the Solution, as well as Intelligent Communication Automation's recent launch of its Accounts Payable Automation platform. This positive performance for European Operations was offset by a revenue decline in Mail-Related Solutions, particularly in France.

The **International** segment posted a double-digit organic increase in revenue in Q1 2022 (+10.1%) compared to Q1 2021, driven by the positive contribution from both Intelligent Communication Automation and Parcel Locker Solutions.



Intelligent Communication Automation

Intelligent Communication Automation reported sales of €52 million in the first quarter of 2022, up by 10.7% organically compared to the first quarter of 2021.

Subscription-related revenue (73% of Intelligent Communication Automation in Q1 2022) recorded a strong double-digit organic growth of 15.7% with all client types posting double digit growth, including a c.50% growth in subscription-related revenue growth from ICA's financial automation solutions (AR/AP).

Despite the continuous shift in business model from license to SaaS, license sales reported a 6.4% organic revenue increase in Q1 2022, compared to a particularly low level in Q1 2021. The -3.7% organic decline in professional services revenue was driven by product mix evolution and fewer large contract implementations in Europe vs. Q1 last year.

Annual Recurring Revenue progressed significantly to €158 million² at the end of Q1 2022 vs. €145 million³ at the end of FY 2021 supported by further customer gains. Customer number³ surpassed 12,000 at the end of Q1 2022 fueled by a c.450 net increase in the period reflecting the success of our cross-selling and up-selling strategy as well as the promising deployment of recently acquired Account Payable Automation platform Beanworks in France and the UK.

Post closing of the quarter and only three years after announcing our cloud strategy, Quadiant was named a "Leader" in the 2022 IDC MarketScape vendor assessment for Cloud Customer Communications Management (CCM), highlighting the strong positioning of Quadiant's cloud platform offer against competition. Such a selective industry recognition further demonstrates the success of Quadiant's SaaS strategy and the rapid and successful development of its cloud offering. Amongst other things, the IDC MarketScape listed customer experience strategy, performance and scale, and implementation experience as strengths of Quadiant.

Mail-Related Solutions

Mail-Related Solutions sales stood at €165 million in the first quarter of 2022, down only -1.7% organically compared to the first quarter of 2021 despite a strong comparison base in Q1 2021, which was up 6.3% vs. Q1 2020 on an organic basis.

Subscription-related revenue (73% of Mail-Related Solutions sales in Q1 2022), was down -1.7% organically, highlighting once again the resilience of the business and of its installed base.

Hardware sales also continue to show resilience with a contained -1.6% organic decline, a solid performance which came on the back of a strong Q1 2021 (31.9% organic growth vs Q1 2020 thanks to a post-COVID rebound). This is proving the robustness of Quadiant's strategic choices and the success of the placements of the iX product range. The share of upgraded installed base continues to progress at a steady pace, reaching 13.8% at the end of Q1 2022 vs. 11.7% at the end of the FY 2021.

Sales experienced positive organic growth in North America, while the Main European countries posted an organic decline with France being impacted by the presidential election. However, both regions outperformed their respective markets.

Parcel Locker Solutions

Parcel Locker Solutions reported sales of €19 million down -17.9% organically against the high Q1 2021 comparison basis at €22 million, which was up 67.9% organically compared to the first quarter of 2020 due to the end of the deployment of the large retail customer's contract in the United States. The impact from this very high comparison basis is reflected in the hardware sales performance (-47.7% organic decline vs. Q1 2021).

In contrast, subscription-related revenue (67% of Parcel Locker Solutions sales in Q1 2022), posted a double-digit organic growth (+11.1%) driven by the increase in the installed base (16,300 lockers at the end of Q1 2022, up c.550 units from the end of 2021) and proving the attractiveness of the offering across the four main verticals (property management, carriers, retailers, universities & corporates).

Of note, the high double-digit organic growth in revenue in France and the UK, thanks to the deployment of recently signed contracts with large retailers.

Overall, the underlying trends in Parcel Locker Solutions remain sound with a significant pipeline of potential projects ahead.



Additional Operations

Additional Operations recorded revenue of €16 million (6% of total sales) in the first quarter of 2022, up 1.8% on an organic basis compared to the first quarter of 2021. On a reported basis and due to change in scope, Additional Operations posted a -24.3% decline reflecting the disposal of the Automated Packaging Solution business at the end of H1 2021.

ESG: SCOPE 1 & 2 GHG EMISSION REDUCTION TARGETS RAISED, IN LINE WITH A 1.5°C TRAJECTORY

The reduction of GHG emissions and the fight against climate change are an important focus of Quadiant's CSR program. Defined at the beginning of 2021, Quadiant's initial target was a -28% reduction by 2030 for scope 1 and 2 GHG emissions against 2018's baseline. This was set in line with the SBTi methodology based on the "Well below 2°C trajectory". In 2021, Quadiant's corporate actions combined with the impact of COVID on the Company's ways of working led to a larger than anticipated decline of -45.9% in scope 1 & 2 emissions (against the 2018 baseline). As the Company returns to a more dynamic way of working and the business continues to grow, this performance is likely to recede in the short-term due to an expected increase in energy consumption and corporate travels.

Building upon this 2021 outcome, Quadiant has decided to raise its emission reduction targets, now aiming for a much more ambitious -50.4% reduction of for scope 1 & 2 GHG emissions by 2030 (still against the 2018 baseline). This new target is set according to the more demanding SBTi methodology based on the "1.5°C trajectory". To align management to this target, the climate ambitions reflected here have been introduced as part of the Company's long-term incentive plan criteria with a 20% weight. This criteria is also part of the CEO's long-term incentive plan criteria.

Regarding scope 3 GHG emissions, Quadiant has kept its 2030 target unchanged, *i.e.* a -40% GHG reduction per € million revenue compared to 2018 baseline, set in line with the SBTi methodology based on the "Well below 2°C trajectory".

FULL-YEAR 2022 OUTLOOK CONFIRMED

Performance was in line with Quadiant's expectations for the first quarter 2022, driven by strong market dynamics and solid business fundamentals, while Q1 2022 organic growth was impacted by a high comparison basis for both Mail-Related Solutions and Parcel Locker Solutions.

Despite growing uncertainty in the macroeconomic environment, Quadiant expects the business trends for its three solutions to remain solid. Current trading conditions remain attractive with i) positive developments for Intelligent Communication Automation's cloud platform cross-selling and up-selling as well as growth opportunities in new geographies; ii) expected further penetration for Mail-Related Solutions' iX product range in Quadiant's main markets, while backlog levels remain high thanks to solid bookings; iii) a promising pipeline of projects in Parcel Locker Solutions supported by sound global e-commerce and logistics market dynamics; and iv) innovative products contributing to clients' automation and cost savings. In addition, regarding supply chain conditions, Quadiant has not experienced any further deterioration neither in terms of freight and raw material costs, nor in terms of shipping delays.

Against this backdrop, Quadiant expects organic growth to resume and accelerate throughout the year, confirming its FY 2022 guidance of an organic revenue growth of at least 2%⁴ vs. 2021. Quadiant continues to expect double-digit organic sales growth in both Intelligent Communication Automation and Parcel Locker Solutions, and an organic sales decline in Mail-Related Solutions to remain contained.

From a profitability standpoint, Quadiant also reiterates its guidance of a low to mid-single digit current EBIT⁵ organic growth compared to 2021. The Company's business model benefits from a largely recurring and indexed installed based. In addition, Quadiant expects to build on both its good track record of cost control and some pricing power against inflation.



Q1 2022 BUSINESS HIGHLIGHTS

Quadiant Continues Footprint Expansion in Document Automation Cloud Solutions with Impress Distribute now Available in Germany

On 12 April 2022, Quadiant announced the launch of Impress Distribute in Germany, expanding in yet another major European market the capabilities of Quadiant® Impress, its cloud-based document automation for small and medium businesses (SMBs). With Impress Distribute, Quadiant now brings additional communication channels to German users, in particular print mail outsourcing in partnership with SPS, a global full-service provider of business process services.

Purolator Installs Parcel Pending by Quadiant Smart Lockers to Enhance Customer Experience and Meet Increased Package Delivery Demands

On 22 February 2022, Quadiant announced that Purolator, one of Canada's leading integrated freight, package and logistics solutions providers, has installed more than 20 Parcel Pending by Quadiant smart locker systems at its busiest terminals in Canada. The automated smart lockers provide Purolator's customers with a convenient and secure way to retrieve their packages, any time, day or night.

Quadiant Launches its Accounts Payable Automation Solution Beanworks in France and the UK Amidst Rising Demand

On 16 February 2022, Quadiant announced the launch of Beanworks by Quadiant in the United Kingdom (UK) and France. The leading accounts payable (AP) automation solution provides accounting teams with a faster, more secure and easier way to approve invoices and pay vendors from anywhere.

POST-CLOSING EVENTS

Quadiant Named a Leader in IDC MarketScape for Cloud Customer Communications Management

On 2 June 2022, Quadiant announced that the Company was named a "Leader" in the IDC MarketScape: Worldwide Cloud Customer Communications Management Applications 2022 Vendor Assessment - Dynamic Delivery of Multi-channel Personalized Experiences (doc #US48167722, May 2022). The report provides details to assess providers of CCM solutions, including [Quadiant® Inspire](#) and [Quadiant® Impress](#). According to the IDC MarketScape report, enterprises that seek omnichannel customer experiences through the lens of a customer journey should consider Quadiant. The IDC MarketScape listed customer experience strategy, performance and scale, and implementation experience as strengths of Quadiant.

Quadiant Launches Automated Accounts Receivable Solution YayPay in France

On 10 May 2022, Quadiant announced the launch in France of YayPay by Quadiant, a cloud-based intelligent accounts receivable (AR) solution that automates the entire AR process from credit to cash application. The YayPay expansion comes on the heels of the launch earlier this year of Quadiant's accounts payable (AP) automation solution, Beanworks, in France and the United Kingdom, as well as last month's launch of Impress Distribute, its cloud-based omnichannel document distribution solution, in Germany. Powered by artificial intelligence and machine learning, YayPay's predictive analytics engine provides insights on payer behavior and their impact on cash flow, with the use of dynamic dashboards and process automation that help to reduce outstanding receivables and day sales outstanding (DSO) for companies. Acquired in 2020, YayPay is part of Quadiant's best-of-breed and cloud-based Intelligent Communication Automation (ICA) platform, which is bringing together customer communications management, financial automation, customer journey mapping and document automation. In 2021, Quadiant software activities represented revenues of more than €200 million.

Quadiant and Decathlon Reaffirm Partnership on Parcel Lockers

On 3 May 2022, Quadiant announced that Decathlon, a leading global sporting goods retailer, will equip dozens of additional stores with Quadiant's automated parcel lockers in 2022. Since the adoption of the first Quadiant locker solutions in 2015, Decathlon has equipped 62 stores in France with the lockers. The success of the lockers, which has been tested and certified by the retailer's teams, motivated the sports brand to expand its partnership with Quadiant. New consumer consumption patterns and growing demand for more convenient delivery solutions, accelerated by the global pandemic, led Decathlon to refine its omnichannel strategy by increasing the pick-up options for its "click & collect" offers.



CONFERENCE CALL & WEBCAST

Quadiant will host a conference call and webcast on **7 June 2022** at 6:00 pm Paris time (5:00pm London time). The meeting will be held in English.

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

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

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

Password: QUADIENT

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

CALENDAR

- **16 June 2022: Annual General Meeting** (<https://invest.quadiant.com/en-US/annual-general-meetings>)
- **26 September 2022: First half 2022 results and second quarter 2022 sales.**

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/en-US>.

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