H1 2024 results: Solid 3.2% reported revenue growth and sharp improvement in profitability from Digital

Key highlights

- **H1 2024** consolidated sales of €534 million, **up +3.2% on a reported basis** including the contribution of the latest acquisitions (Daylight and Frama) and **up +0.8% organically**(1)
- H1 2024 **subscription-related revenue up +0.7%** on an organic basis, **representing 72% of total revenue**
- Strong performance from **North America** at **+2.8% organic growth** in H1 2024, representing 58% of Group Sales
- **H1 2024 EBITDA of €111 million**, up 2.6% organically, primarily driven by a **strong increase in profitability in Digital**
- H1 2024 Group **current EBIT of €61 million**, **up 0.3%** organically
- Net attributable income of **€24 million**
- **Leverage ratio** excluding leasing reduced to **1.6x**[2]
- **FY 2024 outlook confirmed**
- **Launch of share buyback program for up to €30 million**

Paris, 23 September 2024

Quadient S.A. (Euronext Paris: QDT), a global automation platform powering secure and sustainable business connections, , today announces its 2024 second-quarter consolidated sales and first half results (period ended on 31 July 2024). The first-half 2024 results were approved by the Board of Directors during a meeting held on 20 September 2024.

Geoffrey Godet, Chief Executive Officer of Quadient S.A., stated:

"Quadient achieved a solid performance in the first half of 2024, setting a good start to the execution of our new strategic plan, 'Elevate to 2030', which aims at delivery €1 billion of subscription-related revenue by 2030. The various modules of our SaaS communication and financial automation platform are further recognized for their technical specificities as well as for their ease of use, reflecting our strong customer centric approach. Our highly recurring business model continues to be fueled by good results in both cross-selling and up-selling our solutions, by the strong outperformance of our Mail business as well as by a solid volume increase within our European parcel lockers open networks.

In parallel, the profitability of our Digital business has sharply increased. Indeed, our Digital EBITDA margin gained 6 points compared to the first half of 2023, demonstrating our commitment to strengthen our investment proposition. Confident in our value-creation potential and in our capacity to achieve our short- and long-term guidance, including our 2026 leverage target, we are announcing today a share buy-back program aimed at improving the return to our shareholders. More than ever, our objective is to accelerate our existing growth trajectory and propel Quadient as the leader in intelligent automation."

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

(1) H1 2024 sales are compared to H1 2023 sales, to which is added pro rata temporis the revenue of Daylight and Frama for a consolidated amount of €12 million. The currency impact is positive for €1 million.
(2) Including IFRS 16

Comments on H1 2024 performance

Group sales came in at €534 million in H1 2024, a **3.2% increase on a reported basis**, and 0.8% organic growth compared to H1 2023 in line with Quadient's expectations. The reported growth includes a positive currency impact of €1 million and a positive scope effect of €12 million, which is related to the acquisition of Daylight in September 2023 and to the acquisition of Frama in February 2024. In Q2 2024, organic revenue growth reached 0.6% compared to Q2 2023.

Consolidated sales and EBITDA by solution

H1 2024 consolidated sales

In € million	**H1 2024**	**H1 2023 restated**[a]	**Change**	**Organic change**
Digital	130	120	+8.3%	+5.9%
Mail	362	353	+2.5%	(0.5)%
Lockers	43	45	(4.7)%	(2.5)%
Group total	**534**	**517**	**+3.2%**	**+0.8%**

(a) The full-year 2023 financial statements published in March 2024 reflected Quadient'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, H1 2023 revenue from the aforementioned subsidiary is not represented in the consolidated revenue of the Group as it is recorded as discontinued operations. This is still the case in H1 2024.

EBITDA and EBITDA margin

	H1 2024		**H1 2023 restated** [a]	
In € million	**EBITDA**	**EBITDA margin**	**EBITDA**	**EBITDA margin**
Digital	20	15.7%	11	9.3%
Mail	94	25.8%	102	29.0%
Lockers	(3)	(6.7)%	(1)	(3.0)%
Group total	**111**	**20.8%**	**112**	**21.7%**

(a) The full-year 2023 financial statements published in March 2024 reflected Quadient'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, H1 2023 EBITDA from the aforementioned subsidiary is not represented in the consolidated EBITDA of the Group as it is recorded as discontinued operations. This is still the case in H1 2024.

Digital

In H1 2024, revenue from **Digital reached €130 million**, **up 5.9% organically** (+5.8% in Q2 2024 vs. Q2 2023) **and up 8.3% on a reported basis** (including the contribution from Daylight) compared to H1 2023. Importantly, growth for the Solution was still impacted by the delay in the implementation of two large contracts, announced in Q3 2023.

At the end of H1 2024, **annual recurring revenue (ARR)**, which is a forward-looking indicator of future subscription-related revenue, **reached €221 million**, up from €206 million at the end of FY 2023, representing a **15.3% organic**[3] **growth** on an annualized basis.

In H1 2024, subscription-related revenue recorded a strong **8.7% organic growth, now representing 82%** of Digital total sales, **a further increase** compared to 80% in H1 2023. The share of **SaaS customers stands at 83%** at the end of H1 2024.

EBITDA for Digital was €20 million for the period, representing a **15.7% EBITDA margin**, **up 6.4 points compared to H1 2023**. Strong improvement in profitability continues, supported by the combination of subscription-related revenue growth, and platform size benefits, despite further commercial and innovation investments. The profitability is expected to continue improving in FY 2024.

(3) H1 2024 ARR impacted by a €0.2 million negative currency effect vs 31 January 2024

As part of the customer acquisition focus, Digital continues to experience **strong commercial dynamics,** supported by solid cross-selling with Mail including **some large deals** (notably one deal above USD1 million) in North America. Digital is benefiting from a positive start to Q3 2024 thanks to a new large deal with a US insurance company worth more than USD7 million over 5 years. Regarding the upcoming e-invoicing regulation in Europe, **Quadient is now officially registered as a Partner Dematerialization Platform in France.**

As part of the customer expansion process, the onboarding of all eligible customers on the Quadient Hub is now completed. Focus continues on further **increasing up-selling**. **New partnerships**, notably with Microsoft business central, Sage200 (ERP solutions) and Stripe (payment solution), have also been signed. Lastly, the **churn rate** in Digital continues to decline, now standing **well below 5%.**

Mail

Mail revenue reached **€362 million** in H1 2024, **down only 0.5% on an organic basis** (-0.8% in Q2 2024 vs. Q2 2023). **The reported growth stood at +2.5%**, including the contribution of Frama.

Hardware sales recorded a 4.8% organic growth in H1 2024, with strong contributions from North America, including a positive impact from decertification. The focus on investing into renewing the products offering continues to support product placements, as seen in the further increase in the share of the upgraded installed base, reaching 36.6% at the end of H1 2024 vs. 31.5% at the end of FY 2023.

Subscription-related revenue (68% of Mail sales) recorded a limited **2.8% organic decline** in H1 2024.

EBITDA for Mail was €94 million for H1 2024. EBITDA margin reached 25.8%, down 3.2 points compared to H1 2023. The level of EBITDA margin of Mail was impacted by the higher proportion of revenue from equipment sales as well as by the dilution due to Frama acquisition, which performance is expected to improve significantly from 2025.

Thanks to its strong customer acquisition focus, Quadient's Mail business continues to outperform the market. The commercial performance is expected to be resilient in Q3 2024. On the acquisition side, the aim is to upgrade the installed base.

As part of the customer expansion focus, the cross-selling remains solid, especially in the US, with several large contracts signed. Lastly, Mail benefited from the positive impact of the ongoing US mailing systems decertification.

Lockers

Lockers revenue **reached €43 million** in H1 2024, a 2.5% decrease on an organic basis (-1.8% in Q2 2024 vs Q2 2023) and a 4.7% decrease on a reported basis compared to H1 2023.

Subscription-related revenue was up 5.3% organically in H1 2024, benefiting from the **solid volumes ramp up** within the UK and the French open networks, as well as the contribution of the existing installed base, supported by the higher number of carriers committed to use Quadient's open networks. However, change in commercial agreements with Yamato in Japan in Q3 2023 leading to a greater focus on usage as opposed to a rental-based model, continues for now to weigh on the subscription-related revenue. Overall, subscription-related revenue **stood at 65% of total revenue in H1 2024, up from 61% in H1 2023.**

Non-recurring revenue (license & hardware sales and professional services) **were down 15.1% organically in H1 2024.** Hardware sales were still impacted by slower new installations in North America.

Quadient's global locker installed base reached c.21,400 units at the end of H1 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 Quadient to host parcel lockers in new suitable locations.

EBITDA for Lockers was negative at €(3) million in H1 2024. EBITDA margin stood at (6.7)%, down by 3.7 points. The decrease in EBITDA margin was mainly due to the negative impact from the change in commercial agreement with Yamato for the Japanese installed base at the start of H2 2023.

As part of the customer acquisition focus, Quadient is accelerating the installation pace for lockers in the open networks in Europe, mostly in France and in the UK. This is supported by the additional deals signed for premium locations and conversion of existing lockers. Conversely, the trend remains slow in North America.

As part of the customer expansion focus, volume increased strongly from both pick-up and drop-off in the open networks. The lockers business is also fueled by innovation in usage offerings, notably with new partnership with KeyNest in the United Kingdom, bringing additional volumes into the open network.

REVIEW OF 2024 FIRST HALF-YEAR RESULTS

Simplified P&L

In € million	**H1 2024**	**H1 2023 restated** (a)	**Change**
Sales	**534**	**517**	**+3.2%**
Gross profit	**399**	**387**	**+3.2%**
Gross margin	*74.4%*	*74.8%*	
EBITDA	**111**	**112**	**(1.1)%**
EBITDA margin	*20.8%*	*21.7%*	
Current EBIT	**61**	**65**	**(6.0)%**
Current EBIT margin	*11.5%*	*12.6%*	
Optimization expenses and other operating income & expenses	(16)	(6)	n/a
EBIT	**45**	**59**	**(24.4)%**
Financial income/(expense)	(21)	(16)	+32.3%
Income before tax	**24**	**43**	**(45.4)%**
Income taxes	2	(6)	n/a
Net income of continued operations	**26**	**37**	**(31.0)%**
Net income from discontinued operations	(1)	(0)	n/a
Net attributable income	**24**	**36**	**(32.8)%**
Earnings per share	0.71	1.05	n/a
Diluted earnings per share	0.71	1.05	n/a

(a) The full-year 2023 financial statements published in March 2024 reflected Quadient'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, H1 2023 contribution from the aforementioned subsidiary is not represented in the consolidated P&L of the Group as it is recorded as discontinued operations. This is still the case in H1 2024.

Gross margin stood at 74.4% in H1 2024 from 74.8% in H1 2023, due to slightly higher cost of sales and the impact of Frama integration.

EBITDA(4) for the Group **reached €111 million** in H1 2024, almost flat compared to H1 2023. Organically, the EBITDA grew by 2.6%, thanks to a solid increase at Digital offsetting a weaker EBITDA performance in Mail. **EBITDA margin** stood at **20.8%** in H1 2024, vs 21.7% in H1 2023.

Depreciation and amortization stood at €50 million in H1 2024, compared to €47 million in H1 2023. This is mainly due to slightly higher amortization of Lockers' capex for rent.

Current operating income (current EBIT) reached €61 million in H1 2024 compared to €65 million in H1 2023, down 6.0% on a reported basis and **up 0.3% on an organic basis. Current operating margin** stood at **11.5%** of sales in H1 2024 compared to 12.6% in H1 2023.

Optimization costs and other operating expenses stood at €16 million in H1 2024, versus €6 million in H1 2023 which was impacted by the write-off of an IT project and additional office optimization in the United States and the United Kingdom.

(4) EBITDA = current operating income + provisions for depreciation of tangible and intangible fixed assets.

Consequently, **EBIT reached €45 million** in H1 2024, versus **€59 million** recorded in H1 2023.

Net attributable income

Net cost of debt was up year-on-year at €20 million, against €15 million in H1 2023, impacted by higher interest rates on the variable portion of the debt (one third of Quadient's debt). **The currency gains & losses and other financial items** was a loss of €(1) million in H1 2024, stable vs. H1 2023. Overall, **net financial result was a loss of €21 million** in H1 2024 compared to a loss of €16 million in H1 2023.

Income tax reached a **€2 million profit in H1 2024**, benefitting from the positive impact of internal IP transfers. It compares to an expense of €6 million in H1 2023.

Net income from discontinued operations of the Mail Italian subsidiary amounts to €(1) million, including additional fees related to the ongoing sale process for this subsidiary.

Net attributable income after minority interest amounted to €24 million in H1 2024 compared to €36 million in H1 2023.

Earnings per share from continued operations came in at **€0.74 in H1 2024 compared to €1.06 in H1 2023**. The fully diluted earnings per share**(5)** was €1.05 in H1 2023.

Earnings per share stood at €0.71 in H1 2024 compared to €1.05 in H1 2023. The fully diluted earnings per share(5) was €0.71 in H1 2024 compared to €1.05 in H1 2023. The impact of dilutive instruments is accretive, dilutive earnings per share is therefore brought into line with net earnings per share.

Cash flow generation

The change in **working capital** was a net cash outflow by €19 million in H1 2024 compared to a net cash outflow of €55 million in H1 2023, mostly reflecting a better level of cash collection and the one-off positive impact from timing differences in VAT payments.

The **leasing portfolio and other financing services** stood at €591 million as of 31 July 2024, compared to €598 million as of 31 January 2024 (only down by (1.0)% on an organic basis), thanks to the solid performance of the Mail activity. While generating future subscription-related revenue, the expected increase in lease receivables resulting from the good performance in the placement of new equipment will translate into a cash outflow in H2 2024. At the end of H1 2024, the default rate of the leasing portfolio stood at around 1.2% compared to c.1.3% at the end of FY 2023.

Interest and taxes paid increased slightly to €38 million in H1 2024 versus the amount of €35 million paid in H1 2023. The difference was mostly explained by higher interest rates in H1 2024.

Capital expenditure reached €46 million in H1 2024, stable compared to H1 2023 reflecting an increase in capex for rent offset by the non-renewal of office leases (lower IFRS 16 capex). Capex for Digital reached €12 million in H12024, slightly up compared to €11 million in H1 2023 and was mainly focused on R&D. Capex for Mail decreased from €25 million to €22 million, due to lower IFRS 16 capex linked to less office leases renewal. Capex for Lockers increased from €10 million to €13 million to support the open network deployment in the UK and France.

All in all, **cash flow after capital expenditure** was up from a negative amount of €15 million in H1 2023 to a positive amount of €3 million in H1 2024.

Leverage and liquidity position

Net debt stood at €726 million as of 31 July 2024, a slight increase against the €709 million of net financial debt recorded as of 31 January 2024. In June 2024, the Group extended by an additional year the maturity of its Revolving Credit Facility to 2029. In July 2024, Quadient proceeded to a partial bond buy-back for a total amount of €7 million, leaving the outstanding amount of the 2.25% bond at €260 million.

The Group is well positioned to refinance its 2.25% bond, maturing early 2025.

(5) For the H1 2024, the average compounded number of shares is 33,950,930. Diluted number of shares is 34,487,900.

The **leverage ratio** (net debt/EBITDA) remained **broadly stable** from 3.0x**(2)** as of 31 July 2024 compared to **2.9x**(2) as of 31 January 2024. **Excluding leasing,** Quadient **leverage ratio** improved from 1.65x(2) as of 31 January 2024 to **1.6x(2)** as of 31 July 2024.

As of 31 July 2024, the Group had a robust **liquidity position** of **€494 million**, split between €194 million in cash and a €300 million undrawn credit line, maturing in 2029.

Shareholders' equity stood at €1,064 million as of 31 January 2024 compared to €1,069 million as of 31 January 2024. The **gearing ratio(6)** stood at 68,2% as of 31 July 2024.

MAIL ITALIAN SUBSIDIARY

Following the reclassification of the Mail Italian Subsidiary as discontinued operations under IFRS 5 in full-year 2023, an agreement for its sale has been signed with a local mail distribution company in July 2024.

CAPITAL ALLOCATION

In line with Quadient's capital allocation policy, the Company announces the launch of a share buyback program for a total consideration of up to €30 million to be executed on the market over an18-month(7) period.

This operation aims at improving shareholders' return. It also demonstrates Quadient's confidence in the value creation potential of its new Elevate to 2030 strategic plan, its ability to reach its FY 2026 leverage ratio target(8) and is in line with the capital allocation policy of the Company. A press release detailing this share buyback program has been published alongside today's H1 2024 results.

OUTLOOK

With H1 2024 organic growth in line with expectations, Quadient confirms its FY 2024 financial guidance of organic growth both at the revenue and current EBIT levels. H2 2024 will benefit from an easier comparison basis for both Digital and Lockers 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.

Q2 2024 BUSINESS HIGHLIGHTS

Approval of all resolutions by the combined Shareholders' meeting of 14 June 2024

On 17 June 2024, Quadient announced that its combined Annual General Meeting was held on 14 June 2024, under the chairmanship of Mr. Didier Lamouche. All submitted resolutions were ratified, with an attendance rate of **74.19%** (quorum for ordinary and extraordinary resolutions).

The Annual General Meeting approved the renewal of the three-year terms of directorship of Hélène Boulet-Supau, Geoffrey Godet, Richard Troksa. Vincent Mercier's directorship was renewed for an 18-month term, until 31 December 2025. The Annual General Meeting also approved the co-option and approved the renewal for a three-year term of Bpifrance Investissement, represented by Emmanuel Blot.

Quadient expands its Open Locker Network in new high traffic locations in Japan, leveraging existing JR East Smart Logistics Lockers

On 21 June 2024, Quadient announced a significant expansion of its open locker network in Japan through a strategic partnership with JR East Smart Logistics Co., Ltd., the logistics arm of the major Japanese rail company. This collaboration integrates Quadient's advanced parcel delivery and pickup functionalities into JR East's existing multifunctional locker system, Multi E-Cube, across Japan's extensive railway network. This marks the first time Quadient is expanding its intelligent locker

(6) Net debt / shareholders' equity
(7) Subject to the renewal of the share buyback authorizations at the 2025 AGM
(8) FY 2026 leverage ratio excluding leasing target of 1.5x

capacities to third-party networks, highlighting its agility in deploying an open and interoperable logistics ecosystem with new approaches.

Quadient reports cross-selling success in North America, reinforcing strategic vision

On 2 July 2024, Quadient announced that nearly 50% of the large deals signed in North America with mail automation customers in May included digital automation platform applications, confirming the critical role its software solutions play in influencing customer decisions. Additionally, two-thirds of these cross-sell deals, secured by Quadient's mail teams, featured both mail and digital automation solutions, reaching an over 60% integration rate.

Quadient launches new cloud-based application to empower small businesses in their Mail management processes

On 4 July 2024, Quadient announced the launch of Secure Barcode, a cloud-based application designed to enhance the security of customer physical communications through seamless barcode generation and insertion into documents. This innovative solution is tailored for small businesses that are beginning their journey into digital mail solutions, providing immediate benefits in document management and operational efficiency.

Quadient and Punch Pubs Partner to enhance parcel locker access for UK communities

On 11 July 2024, Quadient announced a new contract with Punch Pubs, a leading pub company in the UK. This partnership will see the deployment of Quadient's Parcel Pending open locker network across 1,261 pub locations managed by Punch Pubs, enhancing the accessibility and convenience of parcel deliveries and returns for communities nationwide. This collaboration supports sustainable growth strategies, leveraging Punch Pubs' nationwide commercial properties to deliver value to local populations.

More than 1.5 million higher education Students in the U.S. now rely on Quadient smart lockers for package delivery

On 25 July 2024, Quadient announced it has reached a new milestone of installed smart lockers totaling more than 250 colleges and universities across the United States. Across the campuses, more than 1.5 million students per year are served by the automated lockers.

POST-CLOSING EVENTS

Quadient recognized as a major player for first time in IDC MarketScape for worldwide accounts payable automation software for midmarket and small businesses

On 14 August 2024, Quadient announced it has been named a Major Player for the first time in two IDC MarketScape reports – IDC MarketScape: Worldwide Accounts Payable Automation Software for Midmarket 2024 Vendor Assessment (doc # US52378624, July 2024) and IDC MarketScape: Worldwide Accounts Payable Automation Software for Small Businesses 2024 Vendor Assessment (doc # US52378824, July 2024).

Quadient secures major contract in North America, demonstrating strength in integrating Digital communications and Mail automation solutions

On 28 August 2024, Quadient announced a new contract with a North American global leader in financial services, worth approximately €1.4 million per year over an initial period of three years. This successful deal underscores Quadient's capability to meet the complex communication needs of large organizations through its extensive portfolio of digital and mail automation platforms, combined with high-level consulting and professional services.

Quadient unveils new mobile app, enabling any local business to offer parcel locker delivery services to customers

On 4 September 2024, Quadient announced the launch of a mobile app that enables local businesses to deliver customer orders directly to Quadient open network lockers without the need for specific software integrations. The app is already available in the Japanese market under the name PUDO ACCESS and will soon be made available in other countries, continuing to create value for merchants and their local communities.

E-invoicing mandate for businesses in France: Quadient officially registered as a Dematerialization Platform Partner

On 12 September 2024, Quadient announced its official registration as a Partner Dematerialization Platform (PDP) under number 0060. This registration, issued on 12 September 2024 by the PDP Registration Service of the Public Finance Department, acknowledges that Quadient meets all the requirements of the new Finance Law and is authorized to participate in the next phase of interoperability tests with the tax authorities' platform when it becomes available.

Quadient Named a Leader in 2024 SPARK Matrix for Accounts Payable Automation

On 19 September 2024, Quadient announced it has been recognized as a Technology Leader in the "SPARK Matrix: Accounts Payable Automation" report, a detailed analysis of the accounts payable (AP) automation market by independent analyst firm QKS Group. The recognition comes on the heels of Quadient also being named a Technology Leader in the "2024 SPARK Matrix: Accounts Receivable (AR) Applications" report, which was published in May. This marks the second year in a row that Quadient has been named a leader in both AP and AR in the SPARK Matrix reports.

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

CONFERENCE CALL & WEBCAST

Quadient 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: Quadient

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

Calendar

- 27 November 2024: **Third quarter 2024 sales release** (after close of trading on the Euronext Paris regulated market).

About Quadient®

Quadient is a global automation platform provider powering secure and sustainable business connections through digital and physical channels. Quadient 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, Quadient shares are eligible for PEA-PME investing.

For more information about Quadient, visit https://invest.quadient.com/en/.

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APPENDIX

Digital: New name for Intelligent Communication Automation

Mail: New name for Mail-Related Solutions

Lockers: New name for Parcel Locker Solutions

H1 2024 and Q2 2024 consolidated sales

H1 2024 consolidated sales by geography

In € million	**H1 2024**	**H1 2023 restated** [(a)]	Change	**Organic change**
North America	308	295	+4.1%	+2.8%
Main European countries[(b)]	182	173	+4.9%	(1.6)%
International[(c)]	45	49	(8.0)%	(2.5)%
Group total	**534**	**517**	**+3.2%**	**+0.8%**

(a) *The full-year 2023 financial statements published in March 2024 reflected Quadient'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, H1 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 H1 2024.

(b) *Including Austria, Benelux, France, Germany, Ireland, Italy (excluding Mail), Switzerland, and the United Kingdom*

(c) *International includes the activities of Digital, Mail and Lockers outside of North America and the Main European countries*

Q2 2024 consolidated sales by Solution

In € million	**Q2 2024**	**Q2 2023 restated** [(a)]	Change	**Organic change**
Digital	66	61	+8.1%	+5.8%
Mail	183	179	+2.4%	(0.8)%
Lockers	23	24	(3.2)%	(1.8)%
Group total	**273**	**264**	**+3.3%**	**+0.6%**

(a) *The full-year 2023 financial statements published in March 2024 reflected Quadient'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, Q2 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 Q2 2024.

Q2 2024 consolidated sales by geography

In € million	**Q2 2024**	**Q2 2023 restated** [(a)]	Change	**Organic change**
North America	157	150	+4.9%	+3.2%
Main European countries[(b)]	93	89	+4.2%	(1.8)%
International[(c)]	22	25	(10.1)%	(5.8)%
Group total	**273**	**264**	**+3.3%**	**+0.6%**

(a) *The full-year 2023 financial statements published in March 2024 reflected Quadient'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, Q2 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 Q2 2024.

(b) *Including Austria, Benelux, France, Germany, Ireland, Italy (excluding Mail), Switzerland, and the United Kingdom*

(c) *International includes the activities of Digital, Mail and Lockers outside of North America and the Main European countries*

First half-year 2024

Consolidated income statement

In € million	H1 2024 (period ended on 31 July 2024)	H1 2023 restated (period ended on 31 July 2023)
Sales	**534**	**517**
Cost of sales	(135)	(131)
Gross margin	**399**	**387**
R&D expenses	(31)	(31)
Sales and marketing expenses	(143)	(139)
Administrative and general expenses	(97)	(90)
Service and support expenses	(58)	(55)
Employee profit-sharing, share-based payments and other expenses	(5)	(3)
Acquisition-related expenses	(4)	(3)
Current operating income	**61**	**65**
Optimization expenses and other operating income & expenses	(16)	(6)
Operating income	**45**	**59**
Financial income/(expense)	(21)	(16)
Income before taxes	**24**	**43**
Income taxes	2	(6)
Share of results of associated companies	0	(0)
Net income from continued operations	**26**	**37**
Net income of discontinued operations	(1)	(0)
Net income	**25**	**37**
Of which:		
- Minority interests	1	1
- **Net attributable income**	**24**	**36**

Simplified consolidated balance sheet

Assets *In € million*	H1 2024 (period ended on 31 July 2024)	FY 2023 (period ended on 31 January 2024)
Goodwill	1,089	1,082
Intangible fixed assets	118	121
Tangible fixed assets	158	156
Other non-current financial assets	66	65
Other non-current receivables	2	2
Leasing receivables	591	598
Deferred tax assets	47	17
Inventories	71	67
Receivables	193	228
Other current assets	74	84
Cash and cash equivalents	194	118
Current financial instruments	2	2
Assets held for sale	11	9
TOTAL ASSETS	**2,617**	**2,550**

Liabilities *In € million*	H1 2024 (period ended on 31 July 2024)	FY 2023 (period ended on 31 January 2024)
Shareholders' equity	1,064	1,069
Non-current provisions	15	12
Non-current financial debt	552	715
Current financial debt	329	66
Lease obligations	39	46
Other non-current liabilities	4	2
Deferred tax liabilities	119	104
Financial instruments	4	5
Trade payables	69	79
Deferred income	190	212
Other current liabilities	219	225
Liabilities held for sale	13	15
TOTAL LIABILITIES	**2,617**	**2,550**

Simplified cash flow statement

In €millions	**H1 2024 (period ended on 31 July 2024)**	**H1 2023 restated (period ended on 31 July 2023)**
EBITDA	**111**	**112**
Other elements	(11)	(7)
Cash flow before net cost of debt and income tax	**100**	**105**
Change in the working capital requirement	(19)	(55)
Net change in leasing receivables	6	16
Cash flow from operating activities	**87**	**66**
Interest and tax paid	(38)	(35)
Net cash flow from operating activities	**49**	**31**
Capital expenditure	(46)	(46)
Net cash flow after investing activities	**3**	**(15)**
Impact of changes in scope	(8)	0
Others	0	(0)
Net cash flow after acquisitions and divestments	**(5)**	**(15)**
Dividends paid	0	(0)
Change in debt and others	64	25
Net cash flow from financing activities	**64**	**25**
Cumulative translation adjustments on cash	(0)	(1)
Net cash from discontinued operations	2	(1)
Change in net cash position	**60**	**10**