Strong 2021 annual results driven by all solutions, confirming a solid return to sustainable and profitable growth

Key highlights

- **Consolidated sales of €1,024 million**, **a 4.3% organic**[1] **growth** versus 2020
- **Software revenues now exceed €200 million**
- **Stable EBITDA margin at 23.9%** thanks to active cost management
- **Current EBIT**[2] **of €147 million**, **up 6.0% on an organic basis**
- **Net attributable income of €88 million**, up c.120%
- **Free cash flow**[3] **of €104 million**, consolidating the Group's **robust liquidity position to €887 million**[4] as of 31 January 2022
- **Stable net debt of €504 million** as of 31 January 2022, confirming the low level of **leverage at 0.4x excluding leasing**[5]
- **Continued progress in Back to Growth strategy** with further reshaping of the portfolio of activities and sustained growth in subscription-related revenue
- **Proposed dividend payment €0.55 per share** in respect of financial year 2021, up 10% versus 2020

Outlook

- **2022 organic sales growth expected over 2%**
- **2022 current EBIT**[2] **organic growth**[6] **expected at low- to mid-single digit rate**
- **Minimum 3% organic sales growth CAGR expected over 2021-2023**
- **Minimum mid-single digit organic growth CAGR of current EBIT**[2] **expected over 2021-2023**

Paris, 28 March 2022,

Quadient (Euronext Paris: QDT), a leader in business solutions for meaningful customer connections through digital and physical channels, announces today its 2021 fourth-quarter consolidated sales and full-year results (period ended on 31 January 2022).

Geoffrey Godet, Chief Executive Officer of Quadient, stated: "*2021 marks the first year of the second phase of Quadient's Back to Growth strategy. A year ago, we hosted a Capital Markets Day to present our sustainable growth outlook to 2023. As we close 2021, we are proud to report solid results driven by revenue growth in all three solutions. Growth was supported by strong acquisition of new customers across our SaaS solutions, a firm rebound in mailing equipment sales outpacing competition again and a strong increase of our parcel lockers installed base. In an environment driven by further digitalization and automation of both communication and financial processes, the usage of our cloud-based platforms recorded a sharp 25% increase. Finally, we continue to benefit from the expansion of e-commerce that is generating higher parcel volumes as evidenced by the greater usage of our growing installed base of connected parcel lockers.*

Quadient's subscription-based business model proved resilient and the transformation to a more recurring and predictable revenue generation continues with a 4.3% year-over-year organic growth in sales and a 6.0% organic growth in current EBIT, surpassing our initial guidance, and such despite challenging supply chain and Covid-related disruptions. Profitability remains

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[1] *FY 2021 sales are compared to FY 2020 sales, from which is deducted revenue pro rata temporis from Proship, the graphics activities in Australia, the APS business and production facility in the Netherlands and to which is added revenue prorata temporis from YayPay and Beanworks, for a consolidated amount of -€40 million, and are restated after a €8 million negative currency impact over the period.*
Q4 2021 sales are compared to Q4 2020 sales, from which is deducted revenue from ProShip, the graphics activities in Australia and New Zealand and the APS business and production facility in the Netherlands and to which is added revenue from YayPay and Beanworks, for a consolidated amount of -€15 million, and are restated after a €9 million positive currency impact over the period.

[2] *Current operating income before acquisition-related expenses.*
[3] *Cash flow after capital expenditure.*
[4] *€487 million of cash and €400 million of undrawn credit line, the latter maturing in 2024.*
[5] *Including IFRS 16.*
[6] *On the basis of 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal, i.e. €145 million, with a scope effect resulting in a €140 million proforma.*

high with a stable EBITDA margin of 23.9% thanks to a more efficient organization and active cost management, while we continued to increase investments in R&D and Go-to-market. Free Cash Flow generation, at €104 million, continued to be strong and drives a healthy financial position with a low level of leverage at 0.4x excluding leasing. Quadient will therefore propose, for approval by the shareholders at the next Annual General Meeting, a dividend of €0.55per share, above the floor set under the dividend policy outlined in its "Back to Growth" strategic plan. On the back of this strong set of results, we are confidently confirming our prospects: our software solutions are generating an increasingly strong base of annual recurring revenue that will soon exceed €250 million, the profitability of our mail solutions remains well under control at close to 45%, and we are well on track to reach more than 25,000 parcel lockers installed by 2023."

ORGANIC REVENUE GROWTH ACROSS ALL SOLUTIONS AND ALL REGIONS

Group sales stood at €1,024 million in 2021, supported by a solid organic sales growth of 4.3% driven by positive growth from all solutions and all geographical areas. The acceleration of the company towards a subscription-based model continues to materialize with subscription-related revenues up 2.8% on an organic basis versus 2020 and now accounting for 67% of the total Group sale.

On a reported basis, Group sales went down 0.5% compared to 2020, including a negative currency impact of -0.8% and a negative scope effect of -3.9%. In line with the Company's strategy to reshape its portfolio, changes of scope are related to the divestments of ProShip in February 2020, the acquisition of YayPay in July 2020, the divestment from the Graphics activity in Australia and New Zealand in January 2021, the acquisition of Beanworks in March 2021 and the disposal of Automated Packaging Systems and the Netherland-based folder-inserters production site in July 2021.

Consolidated sales

In million euros	**2021**	2020	Change	Change at constant rates	**Organic change(1)**
Major Operations	942	919	2.4%	3.4%	3.0%
Intelligent Communication Automation(a,b)	*201*	183	*9.4%*	*9.5%*	*7.3%*
Mail-Related Solutions(b)	*659*	*653*	*0.9%*	*1.8%*	*1.8%*
Parcel Locker Solutions	*83*	*83*	*-0.7%*	*2.6%*	*2.6%*
Additional Operations	82	110	-25.7%	-26.1%	23.2%
Group total	**1,024**	**1,029**	**-0.5%**	**0.2%**	**4.3%**

In million euros	**2021**	2020	Change	Change at constant rates	**Organic change(1)**
Major Operations	942	919	2.4%	3.4%	3.0%
North America	*519*	*501*	*3.5%*	*5.5%*	*4.7%*
Main European countries(a)	*371*	*367*	*1.1%*	*0.4%*	*0.4%*
International(b)	*52*	*51*	*1.8%*	*4.2%*	*4.2%*
Additional Operations	82	110	-25.7%	-26.1%	23.2%
Group total	**1,024**	**1,029**	**-0.5%**	**0.2%**	**4.3%**

(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 Intelligent Communication Automation outside of North America and the Main European countries.

Major Operations

Sales from **Major Operations** reached €942 million (92% of total sales) in 2021, a 3.0% year-over-year organic growth. All three solutions and all regions contributed to this positive performance.

Sales in **North America** (55% of Major Operations) were up 4.7% organically to €519 million. This was mainly driven by the double-digit increase from cloud-based solutions, Intelligent Communication Automation, with strong customer gains from cross-selling and the deployment of newly-acquired SaaS fintech companies (Beanworks and YayPay). Solid hardware sales from Mail-Related Solutions also contributed to the positive performance, whilst Parcel Locker Solutions suffered from a high comparison basis with Lowe's contract roll-out last year.

Main European countries (39% of Major Operations) recorded an organic sales growth of 0.4% to €371 million. Intelligent Communication Automation and Parcel Locker Solutions posted solid sales growth in the main European markets, with Parcel Locker Solutions delivering the fastest growth thanks to on-going deployment of existing contracts with retailers and the gain of new ones. Sales from Mail-Related Solutions were stable, proving their resilience.

The **International** segment (6% of Major Operations) delivered a solid organic sales growth (+4.2%), with Parcel Locker Solutions being the main driver of performance thanks to a steady increase of the installed base in Japan.

Intelligent Communication Automation

Sales from **Intelligent Communication Automation cloud-based solutions** (21% of Major Operations) were up 7.3% organically reaching for the first time more than €200 million (€201 million in 2021), a solid performance helped by strong customer acquisition. The number of Intelligent Communication Automation net new (after churn) customers grew by over 2,800 over the course of 2021, closing the year in excess of 11,800. The recent acquisition of Beanworks as well as the deployment of YayPay helped drive this dynamic customer acquisition trend with around 350 new AP/AR customers, including strong cross-selling opportunities. Cross-selling accounted overall for two thirds of new Intelligent Communication Automation customers.

In line with the Company's strategy, the shift in revenue model continues to accelerate, driven by the growing demand for cloud-based solutions. Subscription-related revenue went up 17.1% organically, now representing 67% of Intelligent Communication Automation sales compared to 59% in 2020. Share of SaaS customers reached 76% at the end of 2021 and annual recurring revenue stood at €147 million at the end of 2021, up from €123 million at the end of 2020. Conversely, license sales went down 26.7% organically, despite one large deal booked in the second quarter of 2021, with Q4 license decline reaching -45%. License sales now account for only 14% of the Solution's total sales.

The **Solution profit margin** [7] for Intelligent Communication Automation was down 3.9 points year-over-year to 14.7%, on an organic basis. Change of business model, recent targeted acquisitions and planned increased investments related to cloud-platform expansion, additional go-to-market and marketing are transitionally weighing on the profitability of the Solution.

Mail-Related Solutions

Mail-Related Solutions sales (70% of Major Operations) stood at €659 million in 2021, up 1.8% organically compared to 2020. This solid performance was driven by a dynamic 12.5% organic growth in hardware sales: placements of new hardware recovered strongly in 2021 thanks to product renewal (launch of the new iX-9 in the US) and a clear focus on customer acquisition and retention. 2021 also turned out to be a record year for high-end production mail folder-inserters.

Meanwhile, the Company recorded a limited 2.0% organic decrease in subscription-related revenues (71% of Mail-Related Solutions sales). The resilience of both the installed base and subscription-related revenues remains strong, thanks to multi-year contracts.

Overall, thanks to customer acquisition and retention, Mail-Related Solutions growth stood c.3 points above the global market performance [8]. This outperformance was most noticeable in the North American market.

[7] In order to monitor the financial performance of its three Major Solutions in a consistent and comparable way, Quadient has introduced a new profitability metric per solution called solution profit margin. These solution profit margins are calculated as revenues minus cost of goods sold as well as all sales, services, marketing, product and R&D expenses.
[8] Market being defined as the aggregate of the 3 main global players.

The Solution Profit Margin[6] for Mail-Related Solutions was slightly down 1.0 point organically to 44.2% mainly due to the higher freight costs and supply chain disruptions. Overall, higher freight and sourcing costs amounted to an additional €6million in costs.

Parcel Locker Solutions

Parcel Locker Solutions sales (9% of Major Operations) stood at €83 million in 2021, a 2.6% organic increase compared to 2020. Performance was impacted by the demanding comparison base in hardware sales from the Lowe's contract in 2020. Hardware sales were sharply down but subscription-related revenues were up 19.1% organically thanks to the roll-out of existing contracts with retailers and carriers in Europe and, to a lesser extent, to the increased installed base in Japan. The lockers' usage rate continues to improve, reaching 61% at the end of 2021 (versus 57% a year ago), also contributing to the solid performance in subscription-related revenues.

Quadient closed the year with over 15,800 lockers installed globally, well on track to deliver the Company's 2023 target to reach 25,000 lockers. Over 2,800 lockers were installed in 2021 with over 650 being installed in the fourth quarter of 2021 despite supply chain issues.

Solution profit margin[6] for Parcel Locker Solutions stood at -4.5% in 2021, a 10.1 points year-over-year organic decline. This was mainly due to the sharp increase in freight costs for new installations and to planned increased R&D and go-to-market investments, whilst the profitability of the installed base remained high at 27%.

Additional Operations

Revenue from **Additional Operations** stood at €82 million in 2021, down 25.7% year-over-year. This decline is mainly due to the disposal of Graphics activities in Australia and New Zealand, and the divestment of the Automated Packing Systems. Additional Operations now only account for 8% of total sales. On an organic basis, however, Additional Operations sales were up 23.2% thanks to a good performance in Parcel Locker Solutions in Sweden while Automated Packing Systems also had a positive contribution before the divestment took place at end-July 2021.

Q4 2021 SALES

Consolidated sales stood at €273 million in the fourth quarter of 2021, down 5.0% on a reported basis and down 3.3% on an organic basis compared to the fourth quarter of 2020. This organic decline in revenue is essentially due to a high basis of comparison as the fourth quarter of 2020 coincided with the peak of the roll-out of the Lowe's contract in Parcel Locker Solutions. In the meantime, thanks to its efforts and agility, the Company succeeded to mitigate the impact of increasing supply chain tensions on hardware manufacturing and shipping delays to ultimately deliver its clients in a timely manner.

Major Operations sales stood at €253 million in the fourth quarter of 2021, down 4.4% organically compared to the fourth quarter of 2020. **Intelligent Communication Automation** sales were up 0.6% organically to €54 million impacted by the change in business model with license declining by -45% in Q4. **Mail-Related Solutions** sales continued to show strong resilience, reaching €178 million, down by 1.1% only on an organic basis. **Parcel Locker Solutions** sales stood at €21 million in fourth quarter of 2021, a sharp 32.1% decline on an organic basis due to the very high comparison basis of the Lowe's contract deployment.

Additional Operations sales stood at €20 million in the fourth quarter of 2021, down 40.9% on a reported basis due to the changes in scope, but up 12.9% on an organic basis.

REVIEW OF 2021 FULL-YEAR RESULTS

Simplified P&L

In € million	**2021**	**2020**	Change
Sales	**1,024**	**1,029**	**(0.5)%**
Gross profit	744	743	+0.1%
Gross margin	*72.6%*	*72.2%*	
EBITDA	245	246	(0.4)%
EBITDA margin	*23.9%*	*23.9%*	
Current operating income before acquisition-related expenses	**147**	**152[a]**	**(3.3)%**
Current operating income margin (before acquisition related expenses)	*14.4%*	*14.7%[a]*	
Current operating income	135	132	+2.3%
Net attributable income	**88**	**40**	**+1%**
Earnings per share	2.32	0.92	+152%
Diluted earnings per share	2.17	0.92	+136%

[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%.

Current operating income[9] up 6.0% organically

In € million	**2021**			**2020**		
	Major Operations	Additional Operations	**Group total**	Major Operations	Additional Operations	**Group total**
Revenue	942	82	**1,024**	919	110	**1,029**
Current operating income before acquisition-related expenses	147	0	**147**	153[a]	(1)	**152[a]**

[a] 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 €146 million and €145 million

Gross margin improved slightly to 72.6% in 2021 compared to 72.2% in 2020, despite higher freight costs. Gross margin benefited from higher activity, a more favourable revenue mix effect in Intelligent Communication Automation SaaS solution as well as from a tight control over costs of sales.

Current operating income before acquisition-related expenses stood at €147 million in 2021 up 6.0% on an organic basis compared to €145 million in 2020 (€152 million including the one-off Parcel Pending earn-out reversal). This is mainly reflecting the organic growth in revenue, the improved gross margin, the sustained profitability of the installed base and active management of operating expenses, in particular savings in G&A expenses resulting from further simplification and integration of the organization as well as a reduction of the Group's real estate footprint. In the meantime, as Quadient continues to invest in its three solutions, planned increased spending in go-to-market and R&D weighed on the profitability, so did the dilutive impact of recently acquired and fast-growing businesses dedicated to financial process automation (YayPay and Beanworks). In addition, the continuous shift in revenue model towards SaaS subscription (as opposed to perpetual licenses) is also impacting the mix in operating income.

Current operating margin before acquisition-related expenses stood at 14.4% of sales in 2021 compared to 14.1% in 2020 excluding Parcel Pending earn-out reversal (14.7% including the earn-out reversal).

[9] Before acquisition-related expenses

Acquisition-related expenses stood at €12 million in 2021 compared to €20 million in 2020 mainly due to lower M&A activity. Consequently, **current operating income** stood at €135 million in 2021, compared to €132 million in 2020.

Optimization and other operating expenses stood at €19 million in 2021, a lower amount than in 2020, which stood at €36 million. The improvement reflects the progresses already made by the Group in its repositioning and a signal that the phase II of the Back to Growth strategy is well under way. As a result, **operating income** stood at €116 million in 2021, a significant improvement on the €96 million recorded in 2020.

Net attributable income up c.120%

Active debt management, including the early repayment of $85 million USPP in September 2020 and the early repayment of €163 million bond in March 2021, has led to a significant reduction in the **net cost of debt** for the year. 2021 net cost of debt was €25 million compared to €33 million in 2020.

With the €20 million increase in the fair value of its investments in the X'ange 2 and Partech Entrepreneurs private equity funds, the Group recorded €17 million in **currency gains and other financial items** compared to €1 million in 2020.

Overall, **net financial result** was limited to a loss of €9 million in 2021 compared to a loss of €32 million in 2020.

Income tax was down to €20 million in 2021 from €24 million in 2020, which had been impacted by exceptional bookings to cover for potential tax risks in the UK. In 2021, the Group benefited from tax loss carry-back measures in the US in the context of Covid-19 pandemic as well as non-taxable VC capital gains. Consequently, the **corporate tax rate** stood at 18% in 2021 compared to 36% in 2020.

Net attributable income therefore amounted to €88 million in 2021 compared to €40 million in 2020, **a c.120% increase**.

Earnings per share stood at €2.32 in 2021 compared to €0.92 in 2020, while fully diluted EPS was €2.17 in 2021 (€0.92 in 2020).

Strong cash flow generation

EBITDA[10] stood at €245 million in 2021 compared to €246 million in 2020. **EBITDA margin** remained stable year-over-year at 23.9% in 2021, thanks to a high contribution from the installed base of customers, for each of the 3 solutions, active cost management and a leaner organization, offsetting the ongoing supply chain issues, the dilutive impact of recent acquisitions and increased investments.

The change in **working capital** was negative by €8 million in 2021 compared to a net cash inflow of €2 million in 2020. The decrease in receivables could not fully offset the significant inventory increase to mitigate supply chain disruptions.

Lease receivables decreased by €39 million in 2021 compared to a decrease of €62 million in 2020, thanks to a slowdown in the decline of the leasing portfolio.

The **leasing portfolio and other financing services** remained stable year-over-year at €595 million as of 31 January 2022 compared to €598 million as of 31 January 2021 which represents an organic decrease of 6.4% versus an organic decline of 8.7% in 2020. At the end of the financial year 2021, the default rate of the leasing portfolio stood at around 1.7%, a level stable versus 2020.

Interest and taxes paid increased sharply to €66 million in 2021 from €37 million in 2020. Whilst interests paid were stable year-over-year, income tax paid rose significantly due to a normalization after the exceptional measures the Group benefited from in 2020 during the Covid-19 related crisis.

Capital expenditure was down marginally at €88 million in 2021 compared to €90 million in 2020. Development capex was up to €37 million in 2021 (it was €30 million in 2020) focusing on R&D investments for software developments and higher spending linked with the recent acquisitions. Rented equipment capex was stable year-over-year although reflecting a different mix with higher parcel lockers and lower mail equipment. Maintenance capex was also stable. Of note is the lower renewal of real estate lease as further cost optimization are implemented. This drove down IFRS 16 capex.

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

Cash flow after capital expenditure for the year was down to €104 million in 2021 compared to €167 million in 2020.

IMPROVED LEVERAGE AND ROBUST LIQUIDITY POSITION

Net debt was down slightly, despite the acquisition of Beanworks, to €504 million as of 31 January 2022 from €512 million as of 31 January 2021 . The issuance of a €270 Schuldschein in November 2021 has allowed the immediate repayment of €130 million of Schuldschein debt maturing in 2022 and 2023. Post closing (in February 2022), it has allowed the further repayment of €83 million of Schuldschein debt maturing in 2022 and 2023, whilst the remaining will partly contribute to the repayment of the €265 million ODIRNANE[11] bonds by June 2022. The Group has **no other significant debt maturity before** its €325 million 2.25% bond maturing in **2025**.

The **leverage ratio** (net debt/EBITDA) remained stable at 2.1x[11]. The Group's net debt is entirely backed by future cash flows generated from its rental, leasing and other financing activities. Excluding leasing, the leverage ratio remained low at 0.4x[10] as of 31 January 2022, unchanged year-over-year. And taking ODIRNANE[12] into account as debt, the leverage ratio excluding leasing stands at 2.0x[10] EBITDA versus 1.9x[10] at the end of 2020.
Shareholders' equity stood at €1,359 million as of 31 January 2022 compared to €1,240 million as of 31 January 2021. The **gearing ratio**[13] went down to 37% from 41% as of 31 January 2021.

As of 31 January 2022, the Group had a robust **liquidity position** of €887 million, split between €487 million in cash and a €400 million undrawn credit line, the latter maturing in 2024.

OUTLOOK

Good prospects expected in 2022

- Double-digit organic sales growth is expected in Intelligent Communication Automation. Customer growth is expected to remain strong, supported by cross-selling and the Beanworks and YayPay deployment outside North America. Increase in SaaS subscriptions and in the use of cloud platforms is anticipated to continue driving further growth in annual recurring revenue.
- Organic sales decline in Mail-Related Solutions is expected to remain contained. At the end of 2021, backlog levels remain high thanks to solid bookings and due to supply chain longer deliveries time.
- Double-digit organic sales growth is expected in Parcel Locker Solutions supported by the roll-out of existing contracts and by the ongoing positive momentum with carriers in Europe and Japan. New deals have also been signed in the retail and residential sectors, including a good start in the UK. The pipeline of projects is promising with exciting opportunities ahead in a market which is fast developing.

2022 Guidance

- At Group level, full-year 2022 organic sales growth is therefore expected over 2% thanks to solid performances expected from new solutions combined with ongoing resilience of Mail-Related Solutions despite the current uncertainties of the geopolitical situation and ongoing supply chain disruptions.
- Low to mid-single digit current EBIT[2] organic growth[14] is anticipated with margins expected to rise as the profitability of the installed base is expected to continue to improve for both the SaaS activity and parcel lockers, whilst Mail-Related profit margin will be maintained. The Group will continue to benefit from a leaner organization with continuous focus on costs optimization.

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[11] Including IFRS 16.
[12] ODIRNANE bonds amount to €265 million, maturing in 2022. Since there is no contractual obligation to repay the nominal or to pay coupons to holders of the bonds, ODIRNANE bonds have been recognized as an equity instrument.
[13] Net debt / shareholders' equity
[14] On the basis of 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal i.e., €145 million, with a scope effect resulting in a €140 million proforma.

2023 guidance confirmed

- Both sales and current EBIT[2] organic growth CAGR guidance over 2021-2023 are confirmed i.e., a minimum 3% organic sales growth CAGR and a minimum mid-single digit organic growth CAGR of current EBIT before acquisition-related expenses.

BUSINESS HIGHLIGHTS

Quadient receives 'AA' MSCI ESG Rating Recognizing Efforts and Achievements Over the Past Years Paris

On January 24, 2022, Quadient announced that it has been awarded an AA rating in the MSCI ESG Ratings dated December 2021. MSCI is a leading provider of critical decision support tools and services for the global investment community. On a AAA to CCC ratings scale, MSCI ESG Ratings measure over 8,500 companies' resilience to long-term, industry material environmental, social and governance (ESG) risks.

The AA rating places Quadient in the Leaders category alongside peer organizations that show strong management of their most significant ESG risks and opportunities. In the MSCI ESG Ratings report, Quadient falls into the highest scoring range relative to global peers in terms of corporate governance, with an independent board majority and the alignment of its governance practices with shareholder interests.

Quadient introduces the iX-9, a High-output Mailing and Shipping System Combined with All-in-one Mail Center Software

August 9, 2021, Quadient announced the general availability in the U.S. of the latest addition to its successful iX-Series: the iX-9 Series high-volume mailing system, available both standalone and integrated with the company's S.M.A.R.T.® cloud-based mail center software. The iX-9 expands Quadient's intelligent iX-Series mailing and shipping systems first introduced in the U.S. in 2020, with more than 15,000 units shipped since launch. The iX-Series includes Quadient's most advanced shipping, mailing, accounting and reporting software suite, available in the iX-3, iX-5, iX-7 and now iX-9 models, to meet the needs of businesses of all sizes. Ideally fit for high volumes, the iX-9 Series automatically seals, weighs, measures, meters and stacks large mail runs in minutes. Additionally, the iX-9 also meets the latest USPS Intelligent Mail Indicia (IMI) and Dimensional Weighing (DIM) requirements.

Quadient increases its Commitment to ESG by Joining the United Nations Global Compact[15] 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).

POST-CLOSING EVENTS

Quadient helps DHL expand delivery network in Sweden with smart outdoor parcel lockers

On 16 March 2022, Quadient announced that DHL, world's leading logistics company will be rolling out a significant number of Quadient's smart parcel lockers in 2022, in outdoor locations in the largest regions of Sweden. For Quadient, this strategic partnership with DHL in the region will help both companies reach their common goal of providing better and more sustainable delivery services to business customers and consumers. Parcel Pending by Quadient smart parcel lockers provide the customer

[15] To learn more about the UN Global Compact, visit: https://www.unglobalcompact.org/.

significantly greater flexibility in when and where they want to pick up their parcels and this reduces the shipping cost considerably for both carrier and customer.

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

On February 22, 2022, Quadient announced that Purolator, one of Canada's leading integrated freight, package and logistics solutions providers, has installed more than 20 Parcel Pending by Quadient 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. The new locker systems are part of Purolator's ongoing investments to enhance customer experience while meeting the demand of increased e-commerce package volumes. Smart parcel lockers are emerging as a logistics solution that speeds up delivery times, improves the delivery experience and increases package visibility.

Parcel Pending by Quadient's smart lockers supported Purolator through its busy 2021 holiday season, during which more than 12,000 shipments were kept safe from bad weather and from being stolen. It took customers approximately 15 seconds to collect their packages.

Quadient launches its Accounts Payable Automation Solution Beanworks in UK and France Amidst Rising Demand

On February 16, 2022, Quadient announced the launch of Beanworks by Quadient 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.

Beanworks by Quadient has been growing in North America since 2012, with businesses now processing more than €14 billion a year through the platform. The cloud-based AP workflow provides a multitude of benefits to accounting and financial teams looking to simplify time-consuming invoice management processing, reduce fraud risks and manage AP with remote workforces. The solution offers teams robust features such as automatic data capture, multi-level invoice approval channels and purchase order matching. Users also benefit from real-time status updates on invoices, access to AP inboxes, payment approvals and workflows that reduce the need for time consuming and error-prone data entry.

The Beanworks AP solution currently integrates with market-leading financial software including QuickBooks, Sage 50, Sage 100, Sage 200, Sage 300, Sage Intacct, Microsoft Dynamics GP, Xero, and NetSuite. Accelerated by the global pandemic and the increase of remote work, the global market for AP automation is experiencing significant growth. Adroit Market Research predicts the AP automation market will reach $4 billion by 2025.

UK and French businesses of all sizes are beginning to reflect on the benefits of digitizing their financial processes and shifting to electronic payments with the emerging e-invoicing regulations in these countries.

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

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: +1 202 204 1514;
- 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

- 7 June 2022: **Q1 2022 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 2021 sales

In € million	**Q4 2021**	**Q4 2020**	Change	Change at constant rates	**Organic change[(1)]**
Major Operations	253	254	-0.4%	-4.0%	-4.4%
Intelligent Communication Automation[(a,b)]	*54*	*51*	*+6.5%*	*+3.0%*	*+0.6%*
Mail-Related Solutions[(b)]	*178*	*173*	*2.8%*	*-1.1%*	*-1.1%*
Parcel Locker Solutions	*21*	*30*	*-29.9%*	*-32.1%*	*-32.1%*
Additional Operations	20	33	-40.9%	-41.7%	*+12.9%*
Group total	**273**	**287**	**-5.0%**	**-8.3%**	**-3.3%**

In € million	**Q4 2021**	**Q4 2020**	Change	Change at constant rates	**Organic chang1[(1)]**
Major Operations	253	254	-0.4%	-4.0%	-4.4%
North America	*141*	*135*	*4.7%*	*-1.2%*	*-2.1%*
Main European countries[(c)]	*98*	*105*	*-6.9%*	*-8.0%*	*-8.0%*
International[(d)]	*14*	*14*	*-0.3%*	*-0.4%*	*-0.4%*
Additional Operations	20	33	-40.9%	-41.7%	*+12.9%*
Group total	**273**	**287**	**-5.0%**	**-8.3%**	**-3.3%**

(a) Intelligent Communication Automation gathers Business Process Automation and Customer Experience Management activities formerly presented within Major Operations
(b) Product reclassification from Intelligent Communication Automation to Mail-Related Solutions.
(c) Including Austria, Benelux, France, Germany, Ireland, Italy, Switzerland and the United Kingdom.
(d) International includes the activities of Parcel Locker Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries.

FULL-YEAR 2021

Consolidated income statement

In € million	**2021 (period ended on 31 January 2022)**	**2020 (period ended on 31 January 2021)**
Sales	**1,024**	**1,029**
Cost of sales	(280)	(286)
Gross margin	**744**	**743**
R&D expenses	(52)	(55)
Sales expenses	(270)	(252)
Administrative and general expenses	(175)	(194)
Maintenance and other expenses	(99)	(91)
Employee profit-sharing and share-based payments	(1)	1
Current operating income before acquisition-related expenses	**147**	**152**
Acquisition-related expenses	(12)	(20)
Current operating income	**135**	**132**
Optimization expenses and other operating income & expenses	(19)	(36)
Operating income	**116**	**96**
Financial income/(expense)	(8)	(32)
Income before taxes	**108**	**64**
Income taxes	(20)	(24)
Share of results of associated companies	1	1
Net income	**89**	**41**
Minority interests	1	1
Net attributable income	**88**	40

Simplified consolidated balance sheet

Assets *In € million*	**31 January 2022**	**31 January 2021**
Goodwill	1,120	1,026
Intangible fixed assets	138	128
Tangible fixed assets	186	207
Other non-current financial assets	99	65
Leasing receivables	595	598
Other non-current receivables	6	3
Deferred tax assets	20	17
Inventories	73	71
Receivables	227	231
Other current assets	95	100
Cash and cash equivalents	487	514
TOTAL ASSETS	**3,046**	**2,960**

Liabilities *In € million*	**31 January 2022**	**31 January 2021**
Shareholders' equity	1,359	1,240
Long-term provisions	19	27
Non-current financial debt	914	821
Other non-current liabilities	2	3
Current financial debt	77	205
Deferred tax liabilities	158	148
Deferred income	193	187
Financial instruments	2	1
Other current liabilities	322	328
TOTAL LIABILITIES	**3,046**	**2,960**

Simplified cash flow statement

In €millions	**2021 (period ended on 31 January 2022)**	**2020 (period ended on 31 January 2021)**
EBITDA	**245**	**246**
Other elements	(18)	(16)
Cash flow before net cost of debt and income tax	**227**	**230**
Change in the working capital requirement	(8)	2
Net change in leasing receivables	39	62
Cash flow from operating activities	**258**	**294**
Interest and tax paid	(66)	(37)
Net cash flow from operating activities	**192**	**257**
Capital expenditure	(88)	(90)
Net cash flow after investing activities	**104**	**167**
Impact of changes in scope	(61)	(9)
Net cash flow after capex & acquisitions	**43**	**158**
Disposals of fixed assets	0	0
Others	9	1
Net cash flow after acquisitions and disposals	**52**	**159**
Capital increase	(3)	(1)
Dividends paid	(17)	(12)
Change in debt and others	(50)	(118)
Net cash flow from financing activities	**(70)**	**(131)**
Cumulative translation adjustments on cash	(9)	(12)
Change in net cash position	**(28)**	**16**