



Capital Markets Day
March 2021

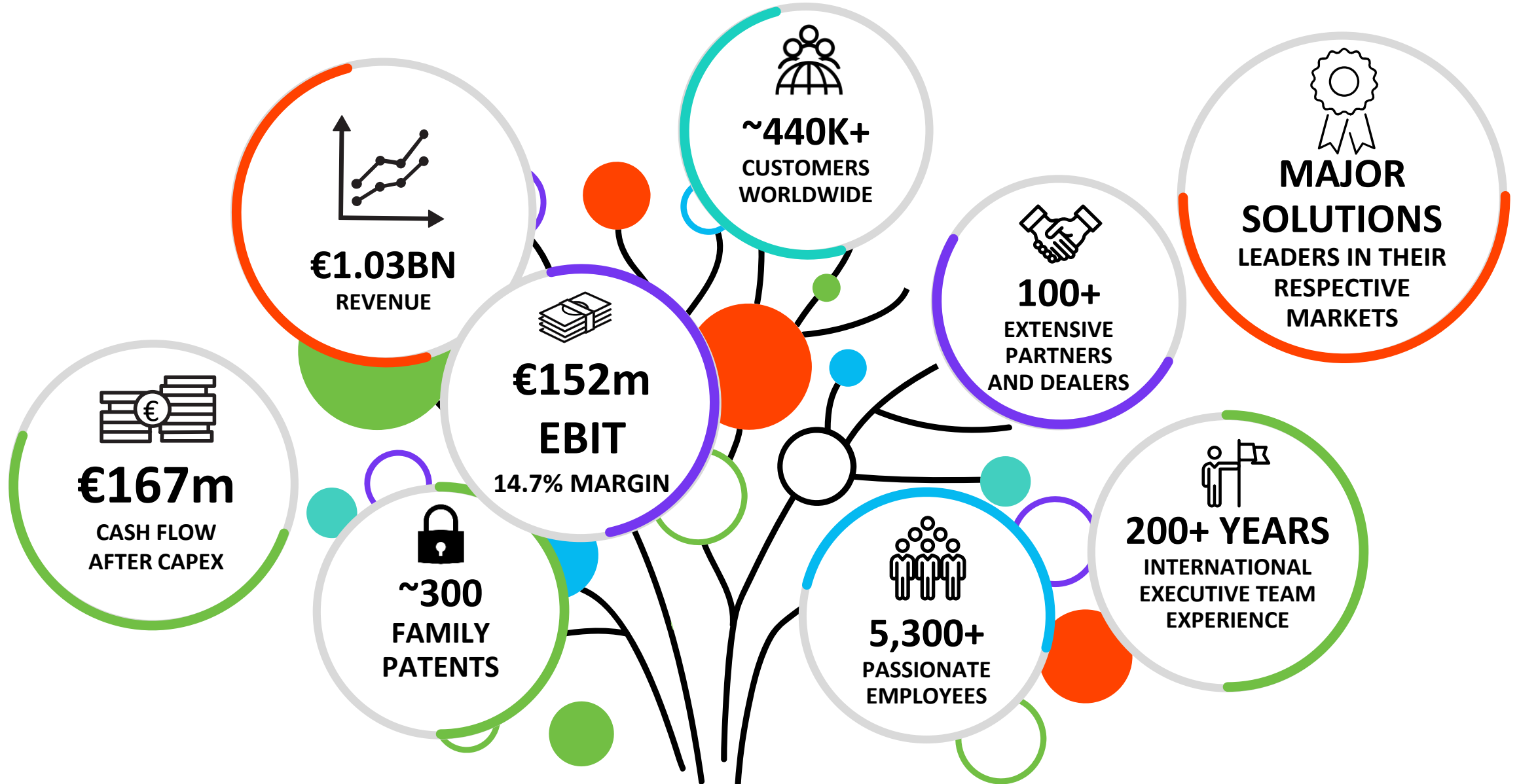


FORWARD-LOOKING STATEMENT

This presentation contains forward-looking statements (made pursuant to (i) the safe harbour provisions of the Private Securities Litigation Reform Act of 1995 and (ii) the principles of the French Autorité des Marchés Financiers' guide to periodical disclosures of listed companies (DOC-2016-05) of 2020), which, by their nature, involve a degree of risk and uncertainty. Forward-looking statements represent the Company's judgment regarding future events, and are based on currently available information. Consequently the Company cannot guarantee their accuracy and their completeness. Actual results may differ materially from those the Company anticipated due to a number of uncertainties, many of which the Company is not aware of.

For additional factors that may cause the Company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the Company with the Autorité des Marchés Financiers (French Financial Markets Authority – "AMF").

A snapshot of Quadiant in 2020





Phase I
“Transform”
2019-2020

Phase II
“Drive Sustainable Value”
2021-2023



AGENDA

FY2020 Results

Laurent du Passage, Chief Financial Officer

Back to Growth Accomplishments

Geoffrey Godet, Chief Executive Officer

Reporting

Laurent du Passage, Chief Financial Officer

Market Dynamics

Tamir Sigal, Chief Marketing Officer

Solutions Achievements and Goals

ICA

Chris Hartigan, Chief Solution Officer

MRS

Alain Fairise, Chief Solution Officer

PLS

Daniel Malouf, Chief Solution Officer

3YP Financial Guidance & Capital Allocation

Laurent du Passage, Chief Financial Officer

Conclusion

Geoffrey Godet, Chief Executive Officer



Resilient recurring revenue and strong recovery in non-recurring revenue

- Total sales of €1,029 million in FY 2020, down 7.3% organically
 - Major operations down by 5.9% on an organic basis, supported by a strong upturn in H2 across all solutions
- Robust performance of recurring revenue (-3.9%)
- Solid rebound in the second half of the year for license and hardware sales



Active cost and cash management to sustain profitability

- **Current operating margin** before acquisition-related expenses at **€152 million**, €145 million excluding earn-out
- **Tight cost management** leading to c.€46m saved in FY 2020, excluding bad debt
- Strong **cash flow generation of €167m**
- **Robust liquidity position** of €914m & **low leverage**






Quadient delivered on all objectives for full-year 2020

- **Resilient** sales performance
- **Solid** profitability
- **Strong** cash-flow generation

2020 market guidance achieved on all objectives

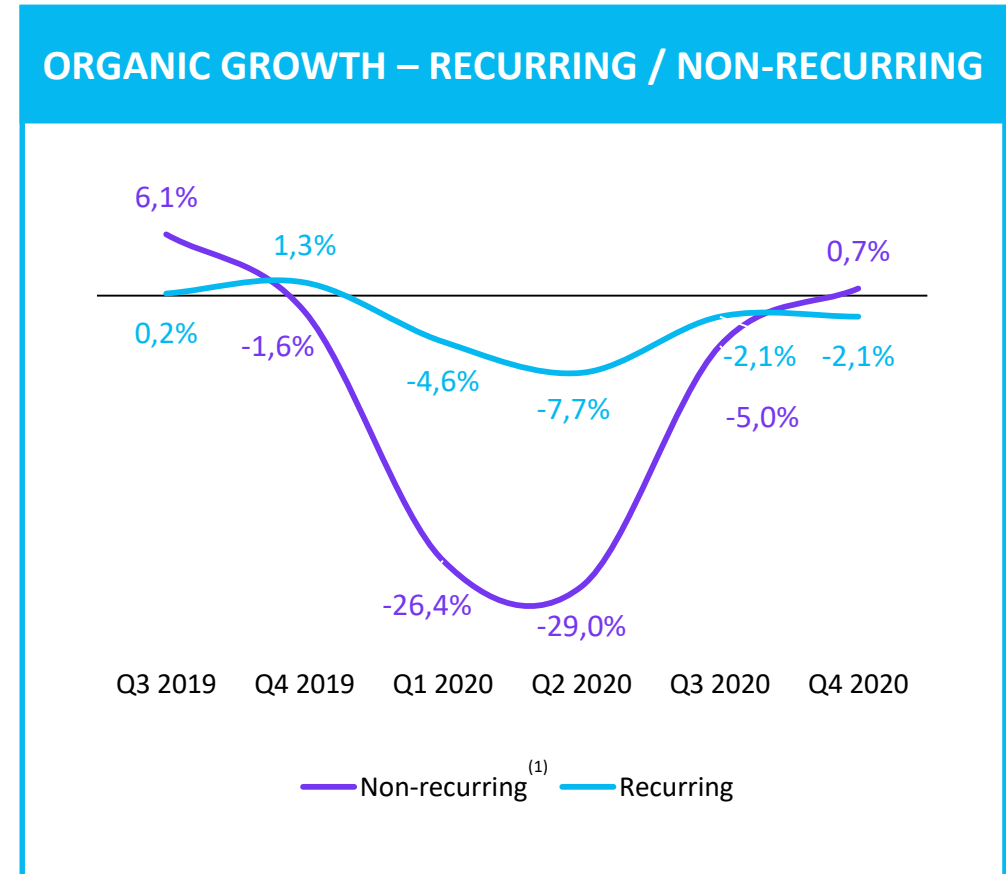
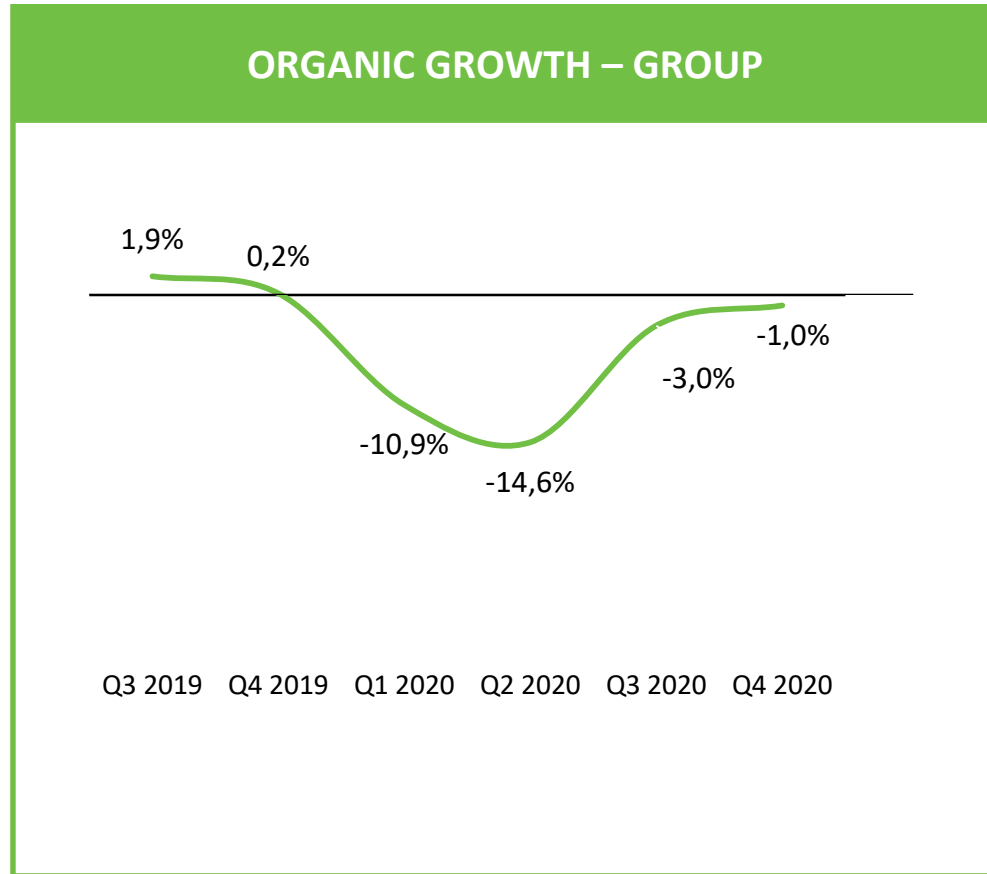


Indicators	Expectations as of:				FY 2020 results
	28 September 2020	23 November 2020	21 January 2021	10 March 2021	
Organic sales decline <i>compared to full-year 2019</i>	Around 10% decline	Around 9% decline	Around 8% decline	Slightly better than 8% decline	-7.3% 
Current operating income (EBIT) <i>(before acquisition-related expenses)</i>	€135-145m	€140-145m		Higher end of the €140m-€145m range	€152m €145m excl. Parcel Pending's earn out ¹ 
Free cash flow <i>(after capital expenditures)</i>	> €100m		> €130m	> €160m	€167m 

Note: ⁽¹⁾ Parcel Pending's earn out of €6.5m. Restated at H1 2020 rate, FY 2020 current operating income (before acquisition-related expenses) would have amounted to €147 million

Strong organic revenue recovery

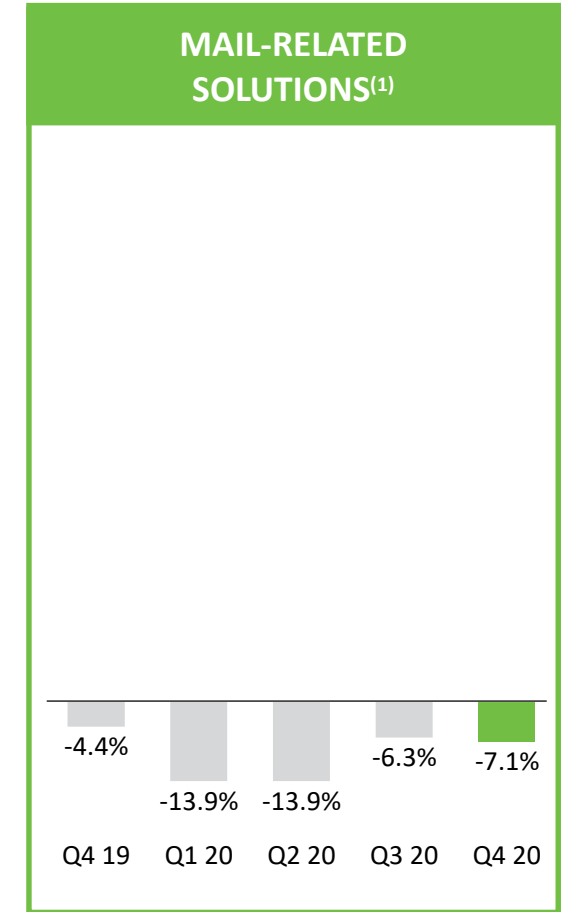
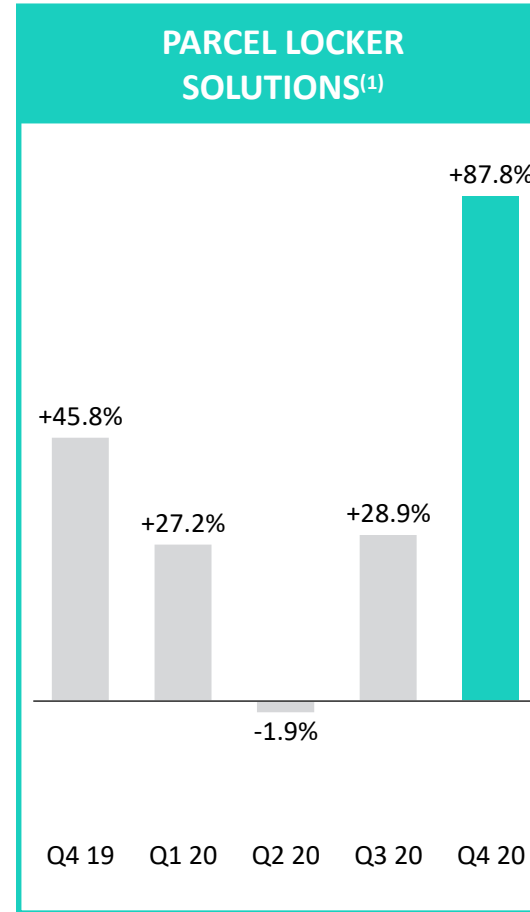
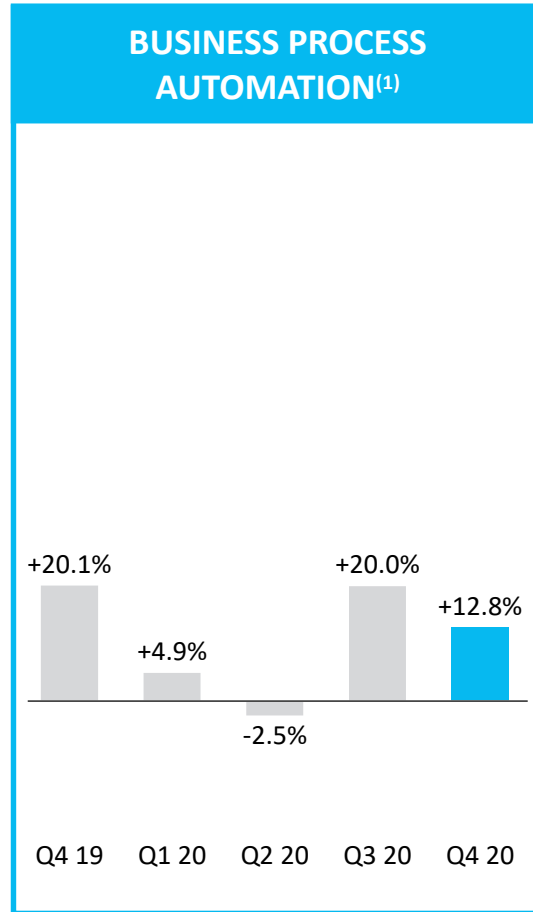
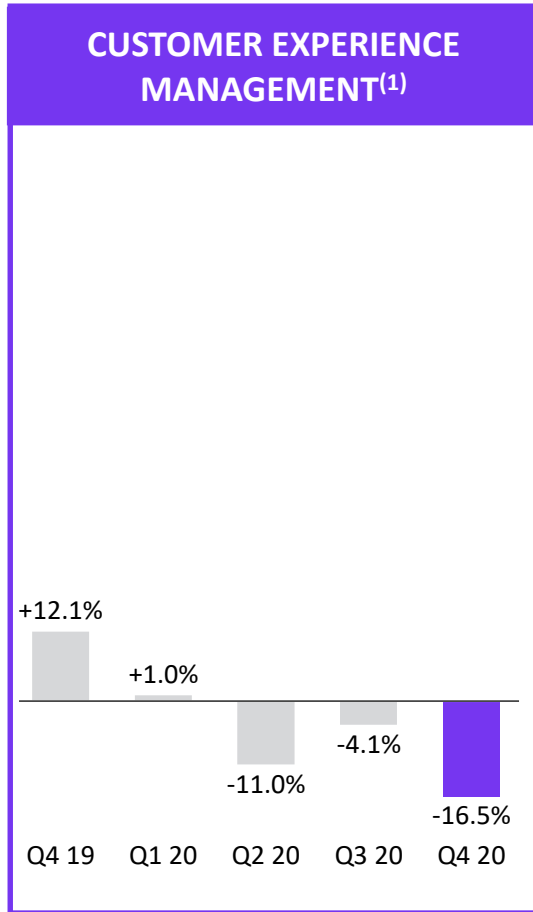
Resilience in recurring and bounce back in non-recurring



Note: ⁽¹⁾ License and hardware sales

Strong rebound in H2 2020

Delayed recovery in Customer Experience Management



Note: ⁽¹⁾ Major Operations figures



Decline in license revenue despite acquiring new customers

- § Delayed customers' investment decisions in the context of Covid
- § Sharper decline compared to 9M 2020 due to strong comparison basis in Q4 2019
- § Total of 60 new customers gained in FY 2020, including large deals in Q4 2020

Proven resilience in subscription-related revenue with high single digit-growth

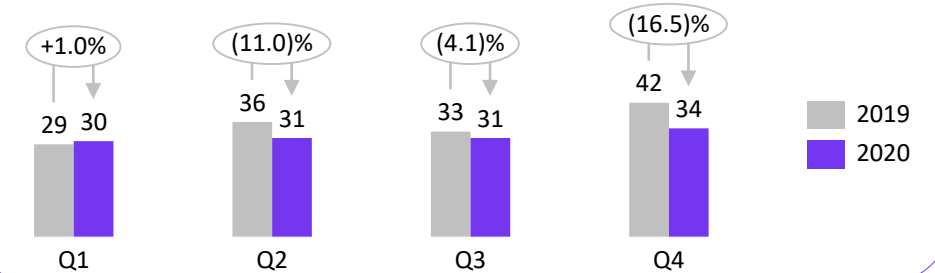
- Continuous strong growth in SaaS subscription revenue
- Increase in maintenance revenue

Contrasting performance across regions

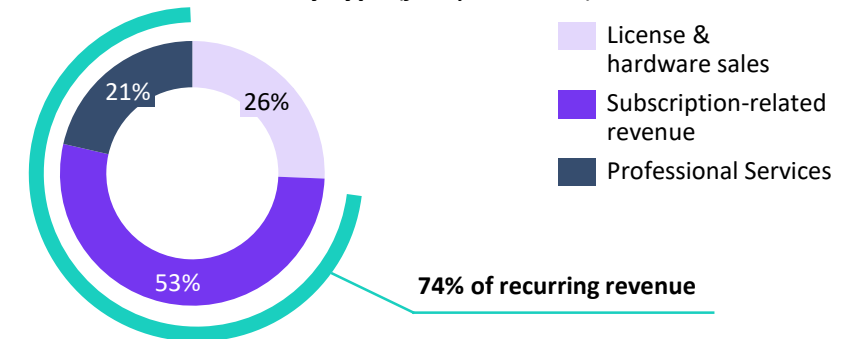
- Growth maintained in North America vs decrease in revenue in Main European countries which were more impacted by the context
- Decline in revenue from International due to strong comparison base in FY 2019 (>40% in FY 2019 vs. FY 2018)

€126m
(8.5)%⁽¹⁾

Revenue by quarter⁽²⁾



Revenue by type (full-year 2020)



Note: ⁽¹⁾ % of organic change vs. the same period in 2019;

⁽²⁾ In €m, % of organic change vs. the same period in 2019

Business Process Automation

Major Operations - Sales in full-year 2020

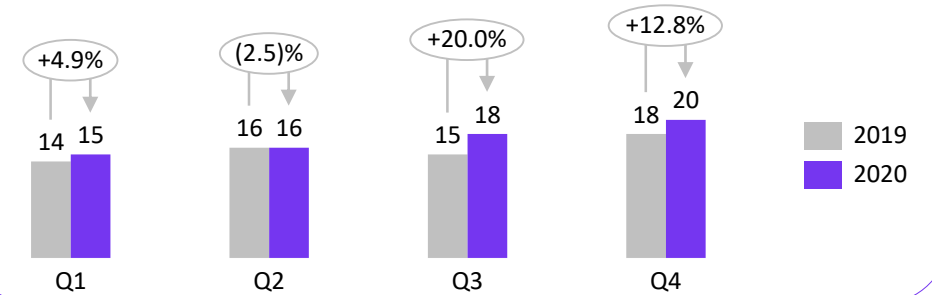


High single digit growth with c. 20% growth in subscription-related revenue

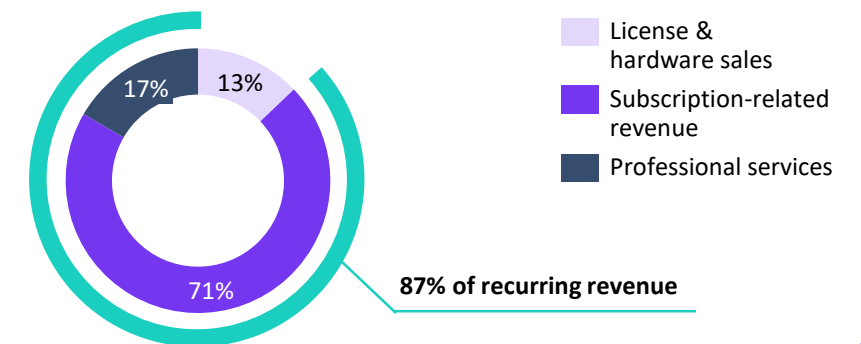
- Continued strong growth in SaaS revenue due to an increase in customer acquisition in prior quarters
- Significant increase in revenue related to volume-based usage
- Ongoing acceleration in new SaaS customer activations due to marketing campaigns and strong appeal for automated solutions in the context of health crisis with resumed global traction from bundled offers with Mail-Related Solutions
- Lowered license placements due to continuous transition to SaaS model
- Very promising first year contribution from YayPay, acquired end-July 2020, with revenue doubling in organic terms, including early traction of cross-selling through MRS channel

€69m
+9.0%⁽¹⁾

Revenue by quarter⁽²⁾



Revenue by type (full-year 2020)



Note: ⁽¹⁾ % of organic change vs. the same period in 2019;

⁽²⁾ In €m, % of organic change vs. the same period in 2019



Continued double digit-growth in subscription-related revenue

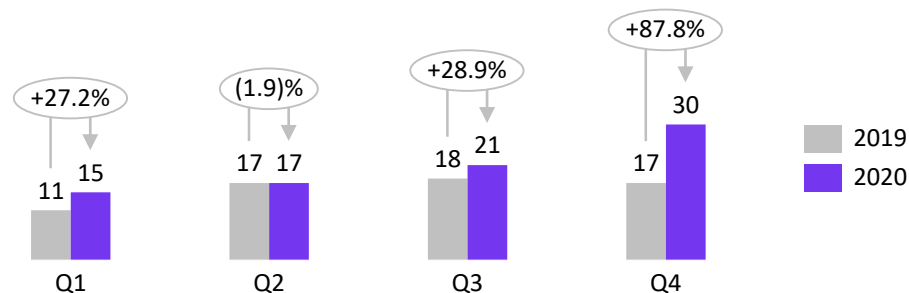
- Continued double-digit growth in rental-based revenue despite slower roll-out in Japan
- Sustained increase in revenue associated with maintenance and consumption/usage activity
- Early start of the roll-out of new compact lockers, Parcel Lockers Lite, as part of the contract with Yamato

Continued dynamic growth in hardware sales

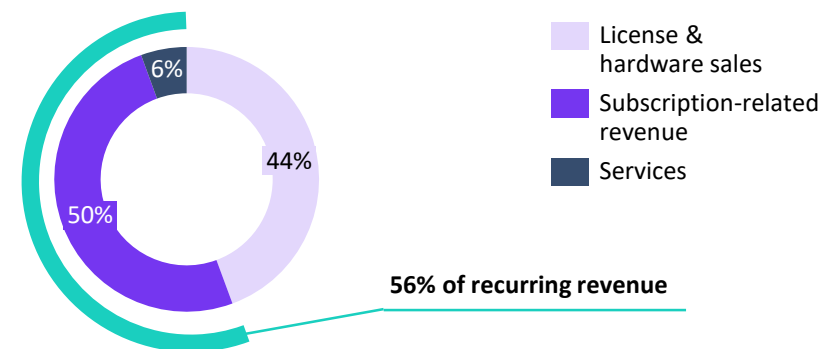
- Strong dynamics in the US retail sector driven by the roll-out of c.80% of the large purchased-model contract with Lowe's
- Slowdown in multi-family and corporate verticals due to Covid

€83m
+36.1%⁽¹⁾

Revenue by quarter⁽²⁾



Revenue by type (full-year 2020)



Note: ⁽¹⁾ % of organic change vs. the same period in 2019;

⁽²⁾ In €m, % of organic change vs. the same period in 2019

Mail-Related Solutions

Major Operations - Sales in full-year 2020



Strong resilience of the installed base and subscription- related recurring revenue

- Overall good resilience secured by multi-year contracts
- Consumption revenue (supplies) improved throughout the year but remained below usual level

Recovery in new hardware placements in H2

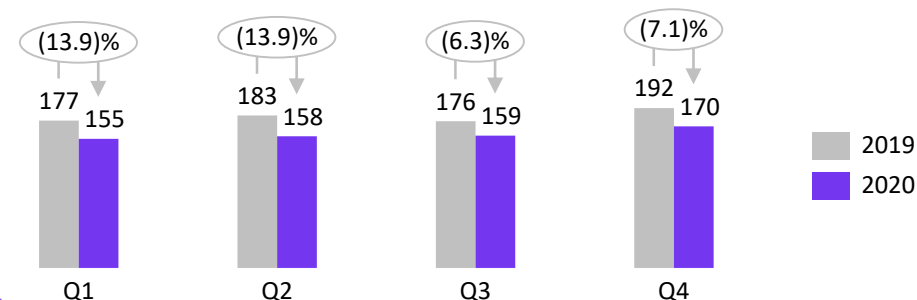
- Continued recovery in new hardware sales with new customer acquisitions
- All three segments (small, medium and large accounts) improving but high-end products still lagging behind
- Backlog remaining high at the end of 2020

Contrasting performance across regions

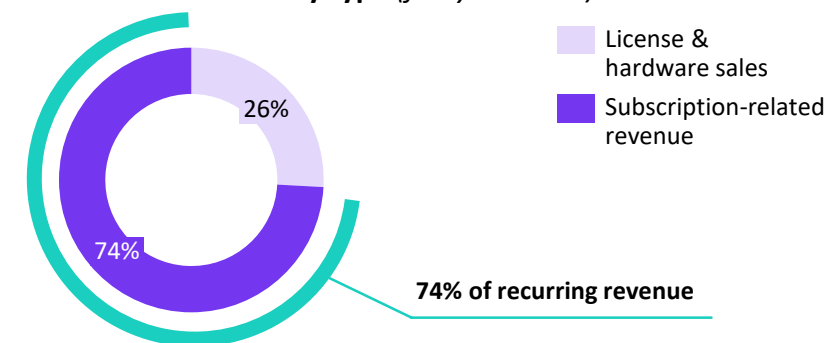
- Slower decline in North America than in Main European countries
- Sequential improvement in business trend, particularly in North America and France/Benelux

€641m
(10.3)%⁽¹⁾

Revenue by quarter⁽²⁾



Revenue by type (full-year 2020)



Note: ⁽¹⁾ % of organic change vs. the same period in 2019;

⁽²⁾ In €m, % of organic change vs. the same period in 2019

Major Operations

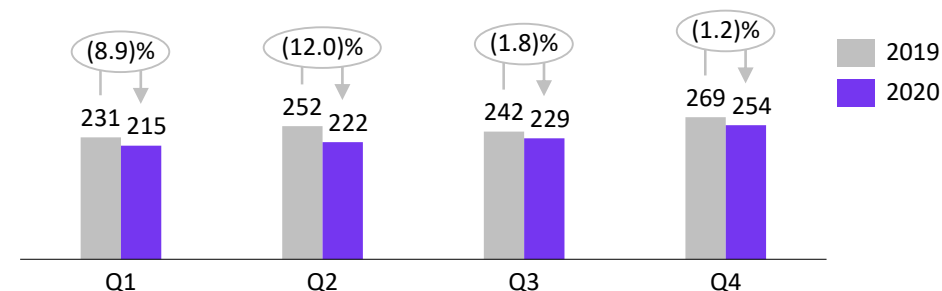
Full-year 2020 sales



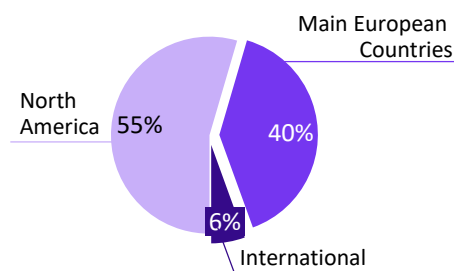
- Resilient performance in **North America**, with a slight decline of **-1.5%** reflecting:
 - Low single-digit organic growth recorded in the second semester
 - Organic increase in each of the growth engines
 - Improved business trend in Mail-Related Solutions
- Lower performance in **main European countries (-12.5%)**, reflecting:
 - Strong impact of stringent lockdowns in H1
 - Improved trend during the second half of the year, especially in France/Benelux
- Solid organic growth in revenue from **International Operations segment (+4.7%)**, fueled by strong revenue growth in Parcel Locker Solutions

€919m
(5.9)%⁽¹⁾

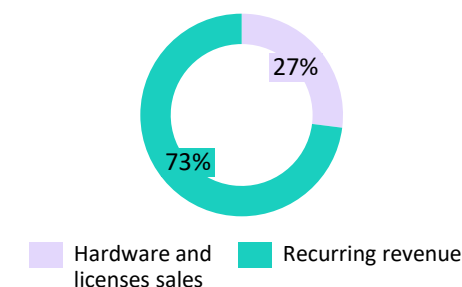
Revenue by quarter⁽²⁾



Revenue by geography⁽³⁾



Revenue by type⁽³⁾



Note: ⁽¹⁾ % of organic change vs. FY 2019;

⁽²⁾ In €m, % of organic change vs. the same period in 2019;

⁽³⁾ As of 31 January 2021

Additional Operations

Full-year 2020 sales



- Continued revenue decline from **Graphic** business and mail-related activities

- Increase in revenue from **Automated Packing**

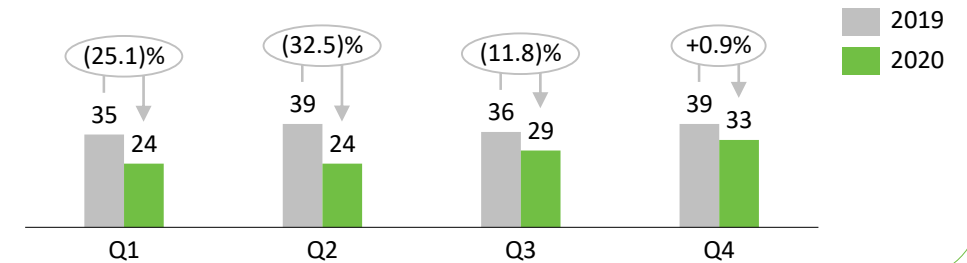
Systems with 17 CVP units sold in 2020 (vs 16 units sold in 2019), of which 2 units of higher-end CVP products

Grow, improve or exit

€110m

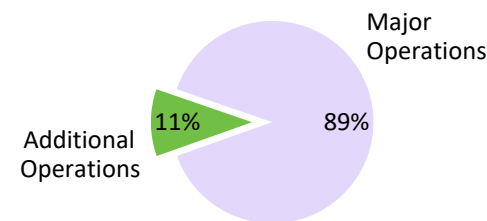
(17.6)%⁽¹⁾

Revenue by quarter⁽²⁾



Share of Additional Operations⁽³⁾

revenue (year-to-date)



Divestments

- ProShip (End-Feb. 2020)
- Activities in Australia and New Zealand (21 Jan. 2021)

Note: ⁽¹⁾ % of organic change vs. FY 2019;

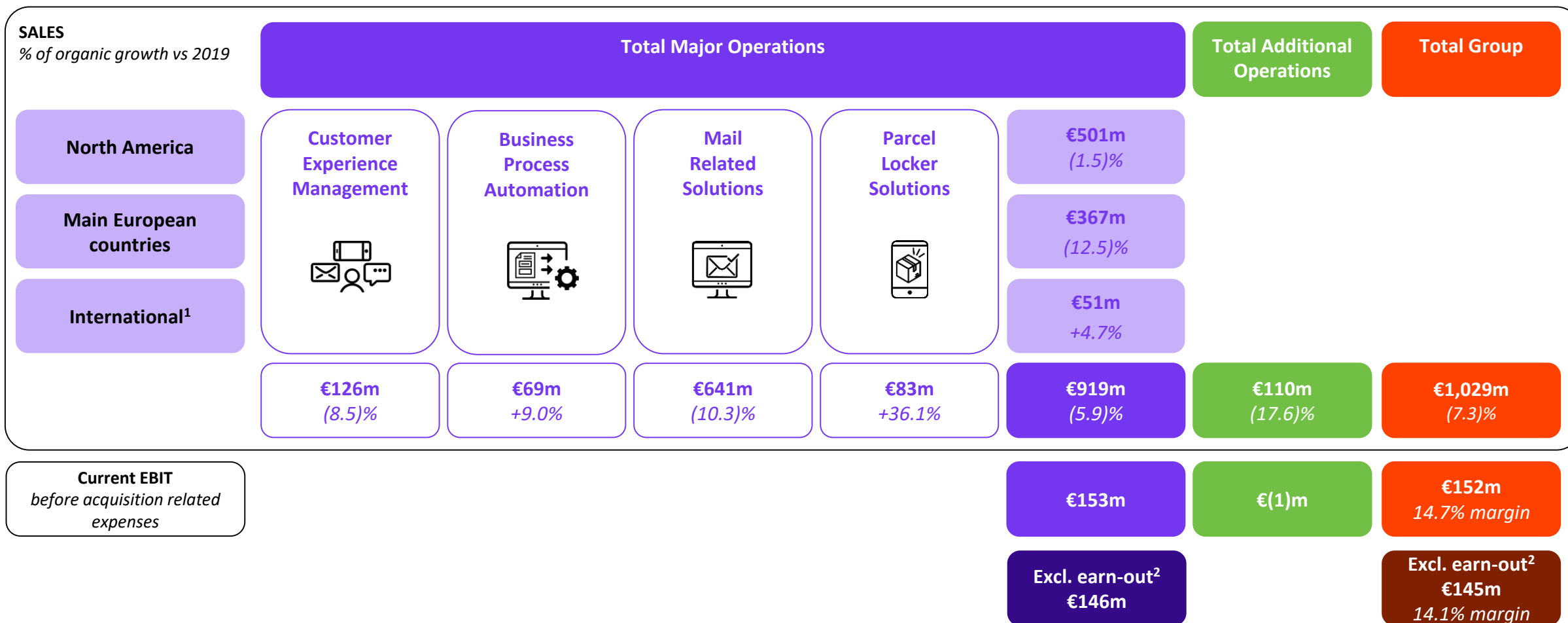
⁽²⁾ In €m, % of organic change vs. the same period in 2019;

⁽³⁾ As of 31 January 2021

Thanks to the resilience of our model, Quadiant recorded a limited organic decline in sales and maintained a high level of profitability in 2020



(in €m, % of organic change vs 2019)



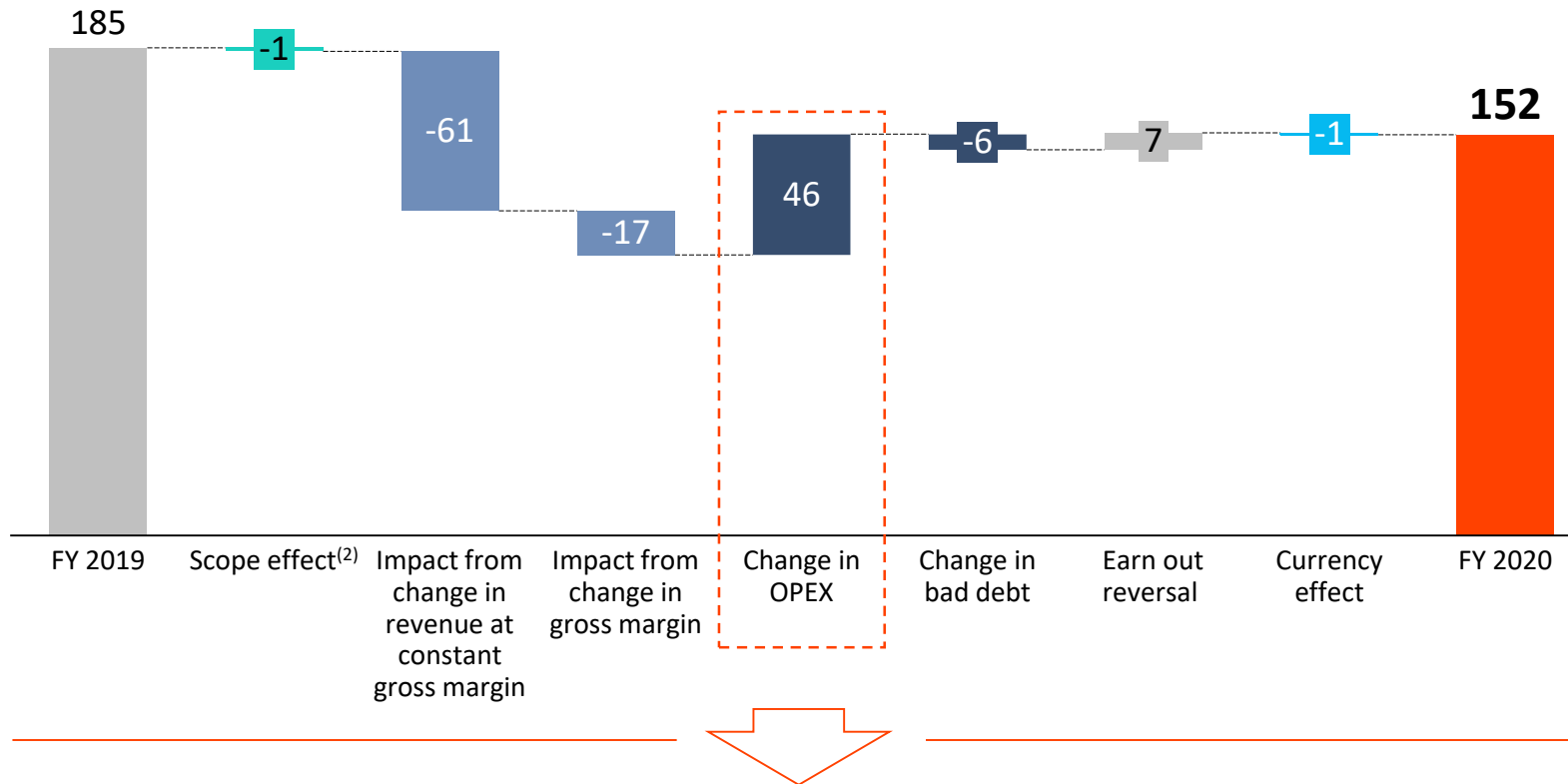
Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of FY 2019 revenue by segment and activity has been restated accordingly;

⁽²⁾ Parcel Pending's earn out reversal of €6.5m

Active cost management limited the impact of sales decline on current EBIT⁽¹⁾ in FY 2020



FY 2020 Current operation result before acquisition related expenses bridge
(in €m, % of organic change vs FY 2019)



Estimated ~€46m savings vs. 2019 due in large part to short-term adjustments while protecting go-to-market and R&D capacity to take advantage of the rebound



Efficiency adjustments

- **Hiring freeze**
- **Local adjustments** to costs
- Standardization of **IT tooling**
- Increased remanufacturing
- Increase shared fixed-assets utilization & sales efficiency thanks to cross-sell activities



Restructuring and resizing

- **MRS continuous annual adjustments** to sales teams and service
- Full-year impact of **Temando** shutdown
- **Smart working**: 38 office closures with no impact on customer service/business continuity



One-offs and reshaping

- Hard cash savings on **bonuses, events, marketing, travel ban, etc.** during Covid
- **Divestments** (ProShip - end-Feb. 2020; Activities in Australia and New Zealand - 21 Jan. 2021)

Note: ⁽¹⁾ Current operation result before acquisition related expenses;

⁽²⁾ Scope effect taking into account the divestments of ProShip (end-Feb. 2020) and business in Australia and New Zealand (21 Jan. 2021) as well as the acquisition of YayPay (end-July 2020)

Net attributable income of €40 million, up from €14 million in FY 2019, leading to an improved EPS of €0.92 for 2020



<i>In € million</i>	FY 2019	FY 2020	
Current operating income (before acquisition-related expenses)	185	152	
Acquisition-related expenses	(15)	(20)	← 2020: Including costs linked to YayPay transaction (non recourse loans to the founders) and ProShip divestment (bonus contingent to the closing of the transaction)
Current operating income	170	132	
Optimization expenses and other operating income & expenses	(93)	(36)	← 2019: Incl. write-offs with Additional Operations and ProShip reclassification under IFRS 5 2020: Expenses related to increased restructuring expenses associated with cost optimization measures and the sale of Australian business
Operating income	77	96	
Cost of debt	(39)	(33)	← Benefits from refinancing operations in 2019/2020
Currency gains & losses and other	(2)	1	
Net financial income/(expense)	(41)	(32)	
Profit before tax	36	64	
Taxes	(22)	(24)	
Income from associated companies	1	1	
Minority interest	(1)	(1)	
Net attributable income	14	40	
Net margin as a % of sales	1.2%	4.0%	
<i>EPS (in €)</i>	<i>0.15</i>	<i>0.92</i>	
<i>Fully diluted EPS (in €)</i>	<i>0.15</i>	<i>0.92</i>	

Note: Average rates €/€ FY 2020 = 1.15 and FY 20219 = 1.12 ; €/£ FY 2020 = 0.89 and FY 2019 = 0.87; ⁽¹⁾ Operating income before acquisition-related expenses;

⁽²⁾ As per IFRS treatments, the calculation takes into account the dividends paid to ODIRNANE's holders;

⁽³⁾ The average compounded number of shares is 34,116,146

Strong cash flow generation and EBITDA margin at 23.9% in FY 2020



<i>In € million</i>	FY 2019	FY 2020	
EBITDA	282	246	
<i>EBITDA margin (%)</i>	<i>24.7%</i>	<i>23.9%</i>	
Other items	(20)	(16)	← - Cash restructuring costs - Adjustments of non-cash IFRS items impacting the P&L of which Parcel Pending earn-out reversal
Cash flow¹	262	230	
Change in working capital requirement	(7)	2	← - Working capital mostly impacted by higher receivables (back ended invoices added to slower collections) and payables (accruals and VAT postponement)
Change in lease receivables	25	62	← - 8.7% organic decline for the leasing portfolio vs 2019
Interest and income tax paid	(85)	(37)	← - 2019: Operations of refinancing and resolution of fiscal litigation - 2020: Decrease in interest paid thanks to 2019/2020 refinancing operations, and lower level of activity leading to lower level of tax payment (benefits from tax loss carry-back measures in the US)
Cash flow from operations	195	257	
Capital expenditure	(109)	(90)	← - Lower capex related to maintenance - Lower capex related to Parcel Locker Solutions installation in Japan compared to high base in 2019 and decrease in rented mail equipment
Cash flow after capex	86	167	
Acquisitions net of divestments	(12)	(9)	← - 2019: payment of taxes on Satori capital gain - 2020: acquisition of YayPay partially offset by proceeds from ProShip divestment
Cash flow after capex & acquisitions	74	158	

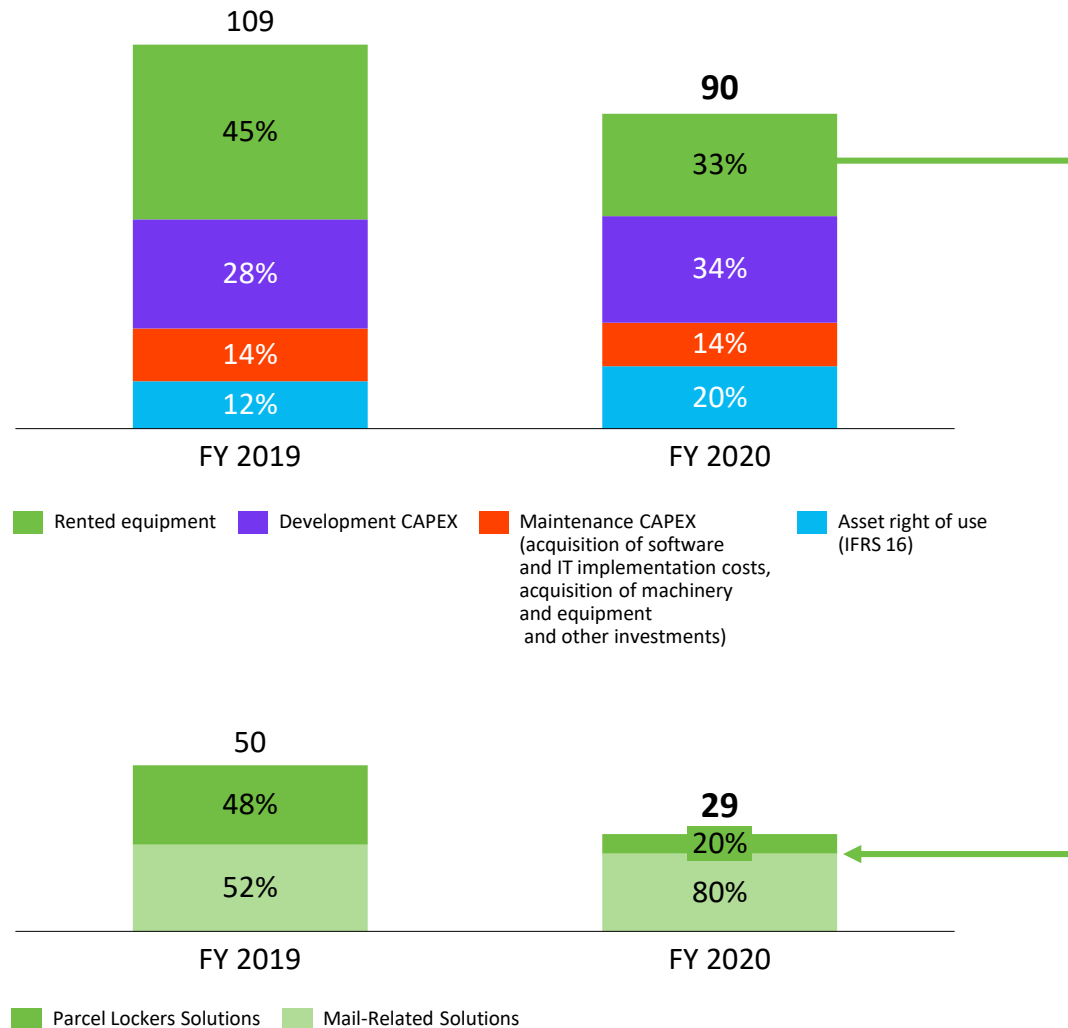
Note: Average rates €/£ FY 2020 = 1.15 and FY 2019 = 1.12; €/€ FY 2020 = 0.89 and FY 2019 = 0.87;

⁽¹⁾ Before net cost of debt and tax

CAPEX mix reflecting current trading with a strategic choice to maintain R&D investment and accelerate launch of new products ahead of 2021 rebound



CAPEX mix (€m)



- Rented equipment
 - Reduced investments related to Parcel Locker Solutions in Japan, mostly due to
 - A high comparable base in 2019
 - A lower level of placements 2020
 - Lighter capex requirements for the roll-out of the Parcel locker Lite units in 2020
 - Reduced rented mail equipment in line with decreased level of activity
- Development CAPEX maintained at €30m as in 2019
- Slight decrease in maintenance CAPEX, related to delay in new projects

Financial structure

Decrease in net debt and improved leverage vs 31 January 2020



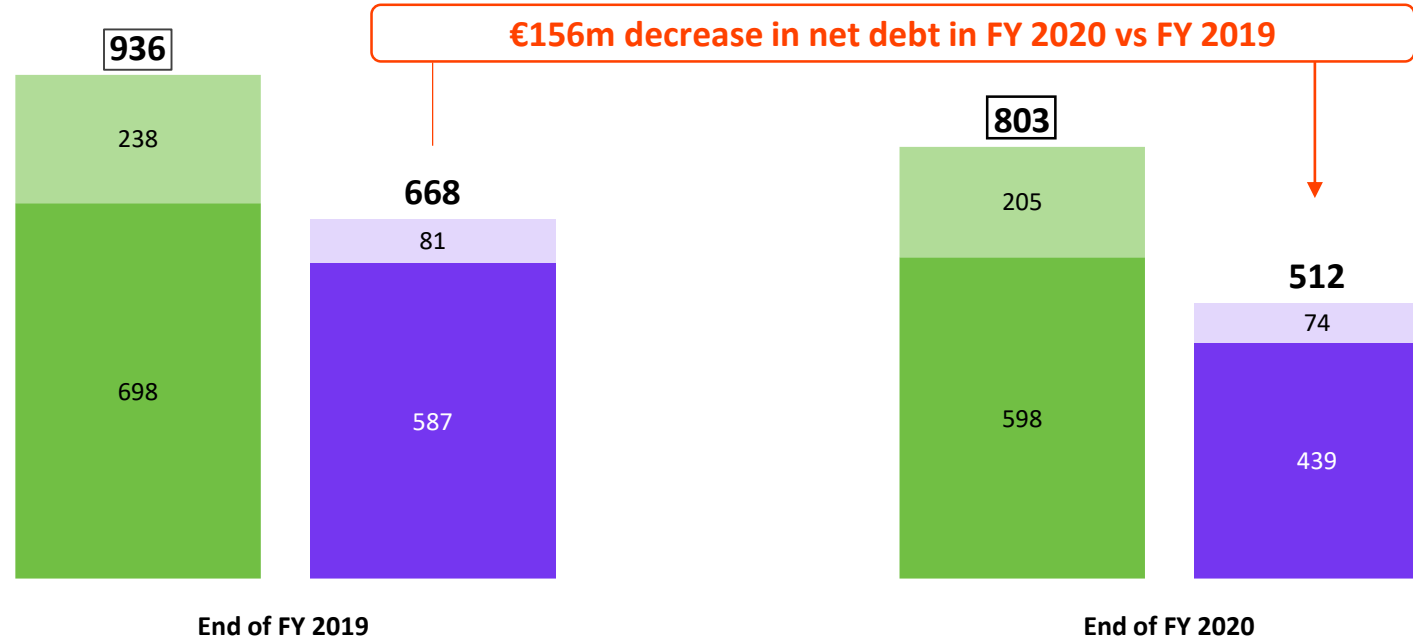
NET FINANCIAL DEBT¹

- IFRS 16 debt
- Net financial debt excluding IFRS 16

to be compared with

TOTAL FUTURE CASH FLOW FROM RENTAL AND LEASING

- Rental future cash flows
- Leasing portfolio



Net debt / EBITDA	2.4x 2.3x excl. IFRS 16	2.1x 2.0x excl. IFRS 16
Net debt excl. leasing / EBITDA excl. leasing	0.9x 0.5x excl. IFRS 16	0.4x 0.0x excl. IFRS 16

Leverage excluding leasing at c. 0.4x

Note: Closing rates €/€ FY 2020 = 1.21, FY 2019 = 1.11 ; €/£ FY 2020 = 0.88, FY 2019 = 0.84;

⁽¹⁾ Excluding ODIRNANE of €265 million, maturing 2022 - classified in equity under IFRS

Strong liquidity position as of 31 January 2021



2020 active debt management

Reminder

- **February 2020:** Success of the *Schuldschein* extension (c.€42m) with a new 4 and 5 year-long maturity
- **February 2020:** Buyback of additional €15m on 2021 2.5%-bond
- **September 2020:** Early repayment of USD 85m originally maturing in 2021 (USD 35m) and in 2022 (USD 50m) - total down payment of USD 115m (including USD 30m maturing in 2020)

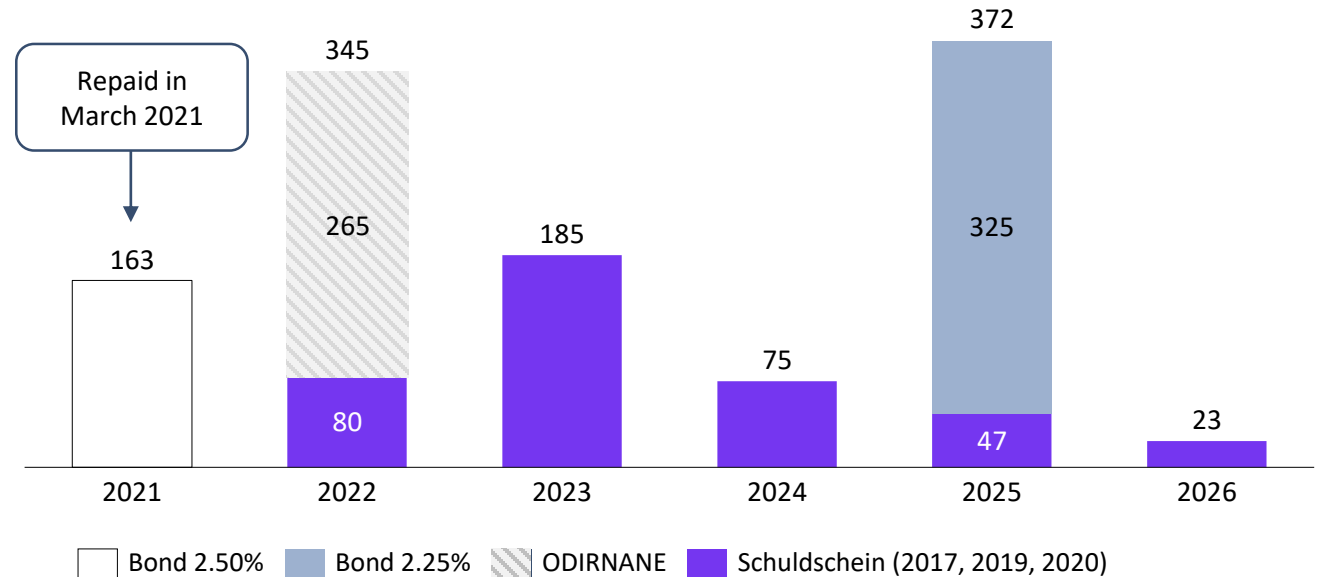
Post-closing event

- **March 2021:** 2.5% bond repaid for €163m, three months earlier thanks to 3 months par call

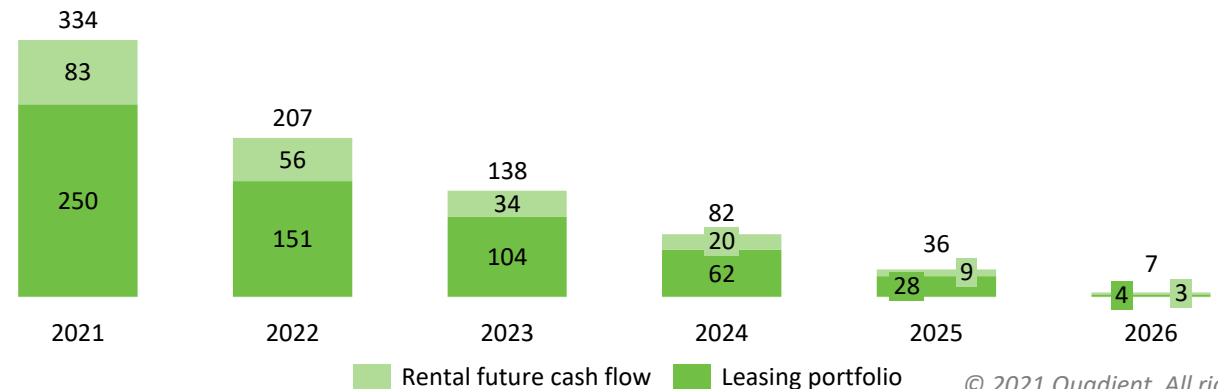
Strong liquidity position

- **As of 31 January 2021:**
 - €514m of cash & €400m of undrawn credit facility (maturing 2024)
 - €598m of a well-spread leasing portfolio (over 7 years)
 - €205m of rental future cash flows (over 7 years)

Financial debt maturities as at 31 January 2021



Well-spread maturity of leasing portfolio and rental future cash flows



Continued progress in 2020 across the five pillars of our CSR program



People



- New **inclusion and diversity policy**
- **Smartwork** and **Work from Anywhere** programs

Ethics & Compliance



- Updated **Code of Ethics** and **Ethics alert** process

Environment



- **New low carbon** strategy
- **Material decrease** of energy consumption, waste, and greenhouse gas emissions in 2020

Solutions



- **97% customer satisfaction** (+1pp)
- 35% of MRS products from **remanufacturing** (+3pp)

Philanthropy



- **Volunteering** and formal initiatives
- New corporate **philanthropy program**

Recognition of Quadiant's CSR achievements and progress by external rating agencies in 2020



54% overall score
(+2pts vs 2018)



Ranked 6th out of 230
(+3 places vs 2019)



B grade for last 3
consecutive years



Eco Vadis "Gold" for 3
consecutive years



Maintained
"Prime" Status



Included in 2020 Ethibel EXCELLENCE
& Ethibel PIONEER Investment Register



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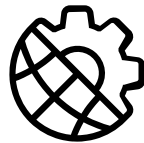
“Transform” 2019-2020



Simplified and refocused our operations and solutions portfolio to become a leader in each of the growth markets that we serve



Defined a sustainable value creation model for Quadient based on validated growth engines, recurring revenue and major operations



Organized as one company to quickly scale by leveraging our expertise, infrastructure, commercial relationships and global footprint, generating ~€100m top and bottom-line synergies

Early 2019, we announced our strategy, grounded on a thorough assessment of the company and our markets at the time



What needed to change

- **Declining and underinvested core mail equipment business** (reduced R&D and customer acquisition)
- **Fragmented business portfolio** with lack of geographical focus and global approach, few sizeable opportunities
- **Dependency on third party** Intellectual Property
- **Siloed company culture**
- Decentralized financial management of **15+ independent businesses**
- **Untapped synergies potential** due to decentralized operating model

What had potential to be leveraged

- **Resilient mail equipment business** (#2 worldwide) **with strong cash flow generation**
- Potential for **strong subscription-related revenue model**
- **Large customer base** with further cross-selling potential
- Performant, scaled and global **sales/go-to-market organization**
- Strong **supply chain** with further potential for optimization
- **Strong CCM software business** (#2 worldwide) with great software engineering practice
- **Interesting Parcel locker Japanese practice**, with a potential to scale model
- Strong **opportunity to refocus the business and generate synergies**
- **Sound financials**

Grounded on a holistic, complete and in-depth strategic review with no “sacred cows” conducted in 2018

Back to Growth defined a sustainable value creation model for Quadient



Our strategy

Build sustainable and profitable **businesses with high growth and leading market positions** that are **synergistic** with our foundational mail-related business

While continuing to reap the benefits of our strongly profitable and cash generative – but structurally declining – mail-related business, and reshaping our portfolio

Software Solutions

Growth engines

CXM & BPA: Enable our clients to **build meaningful connections with their customers while automating business processes** in an increasingly digitalized environment



Smart Hardware solutions

Growth engine

MRS: Foundation, continued innovation to support evolving customer mailing needs, product range adaptation to customer requirements and gain market share



PLS: Bring automation and convenience to **last-mile parcels shipping** challenges for carriers, retailers, property managers, corporations as well as consumers, in a booming e-commerce context



Foster synergies across solutions

From **commercial cross-selling between solutions, to back-office efficiencies, and from mutualized R&D to integrated supply chains** and logistics across smart hardware solutions, all in an **integrated company** with a unified **culture and branding**

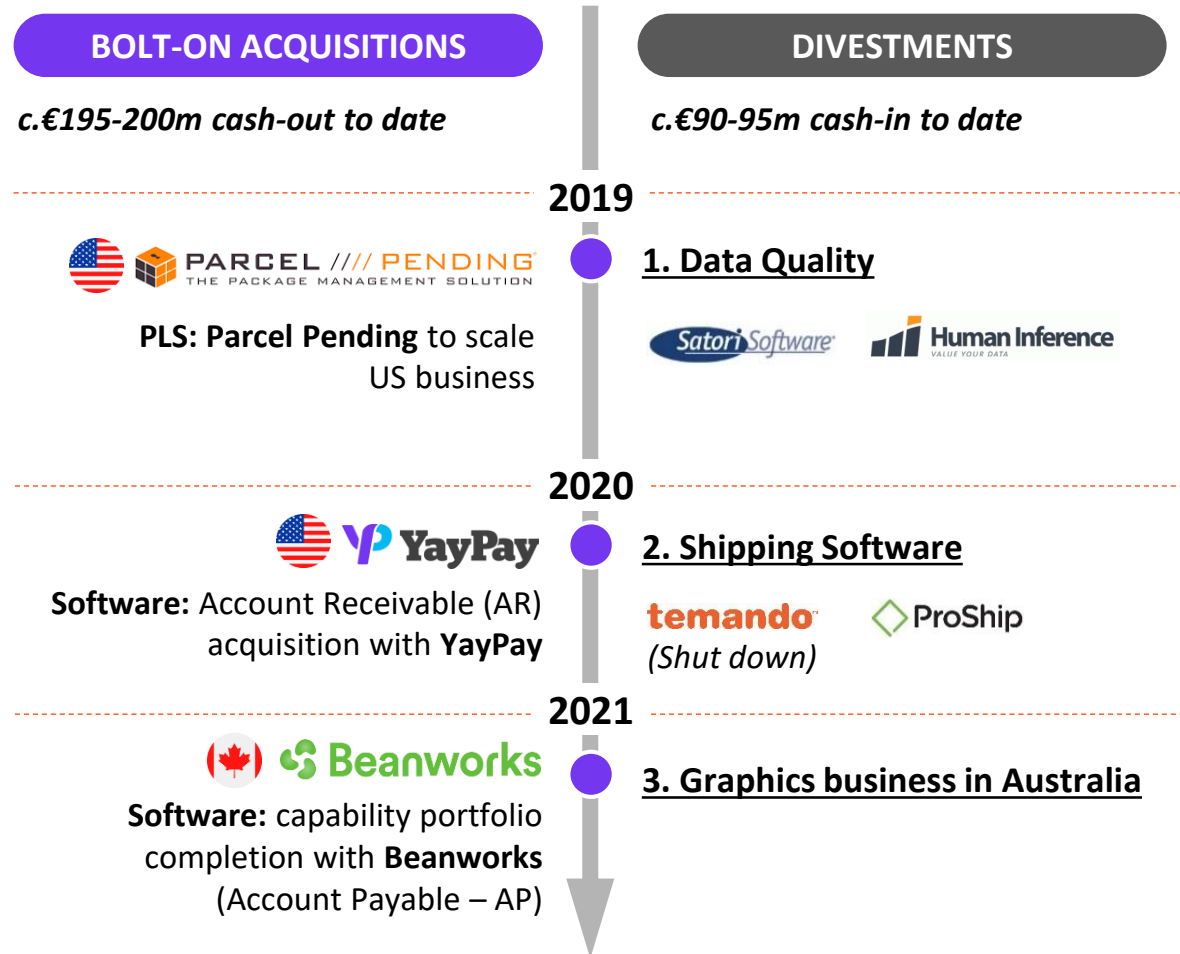
In last two years, we successfully simplified and refocused our operations and solutions portfolio



Quadient has set the foundation for our transformation...

- **Unified and integrated company with a strong culture:**
 - Adoption of **Quadient name** to leverage brand equity in the digital space and reflect our new ambition
 - **EPIC:** Empowerment, Passion, Inspiration and Community
 - Leaner **management** layer, speed of **decision**
 - **Diversity**
 - Business **KPIs** not just financials
- **Refreshed ExCom & Senior leaders**, with new talents hired to lead our transformation
- **Management re-focus and simplification of the company:**
 - Established **country clusters** to gain efficiency: leaner, customer and language proximity
 - From **15+ solutions** to **4 major solutions**
 - Other solutions under Additional Operations, with dedicated management
- **Establishment of Centers of Excellence** to gain expertise, scale, simplification (e.g. from 100 websites to one, tools like CRMs, ERPs etc.)

... and reshaped our portfolio



Quadient successfully conducted M&A operations across our major solutions with a strict financial discipline



Past successful acquisitions



2012

Gartner Magic Quadrant for CCM software



Before 2017 rebranding, GMC Software had been named a **“Leader”** in CCM **four times consecutively**. **Highest growth** over '12-'15 among peers

16% as of 2015*



2016

Selection of customers



icon Systemhaus acquisition led to a **reinforcement of Quadient positioning in Germany**, especially in the **insurance industry** (used by 75% of the top 30 German insurance companies in 2019)

28.1% as of 2019*

Promising acquisitions, on track to provide expected financial returns



2019



Parcel Pending **exceeded 2020 growth ambition**. **Big win in retail with Lowe's** (1,700 lockers) is a successful experience, which is leveraged to launch residential in the UK and France



2020

2020-2021 IDC MarketScape Report



After acquisition, YayPay moved from **“Major Player”** to **“Leader”** category – highlighting Quadient's quality and discipline in identifying the right M&A targets

Note: (*) Year three post year of acquisition, with ROCE > WACC in both cases as per financial discipline guidelines. GMC ROCE shared in Capital Markets Day 2019

Source: Quadient press releases and websites

Strong growing subscription model thanks to focused investments and increased materiality of our growth engines

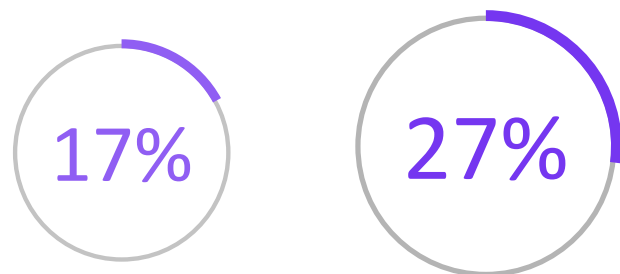


Reduction of MRS dependency with now >25% on new solutions 

Strong share of subscription-related revenue ensuring stability 

Focus on Major Operations 

Growth engines – PLS, Software (CXM & BPA)
% of total revenue



2018

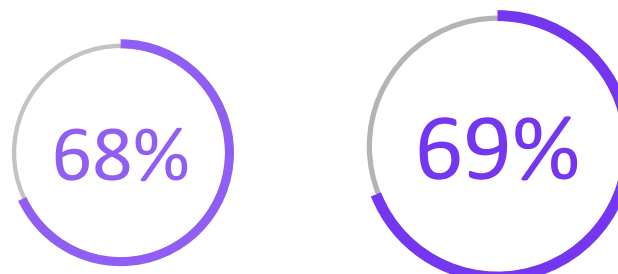
2020

~€191m¹

~€278m

+45%

Subscription-related revenue
% of total Major Operations revenue



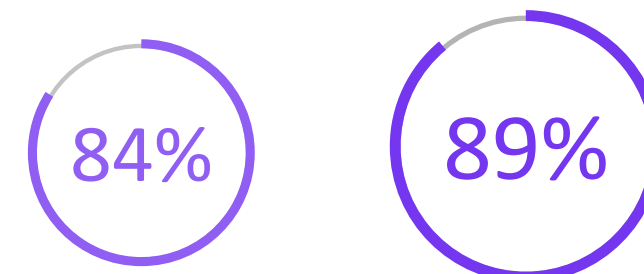
2018

2020

~€621m

~€632m

Major Operations
% of total Quadient revenue



2018

2020

~€919m¹

~€919m

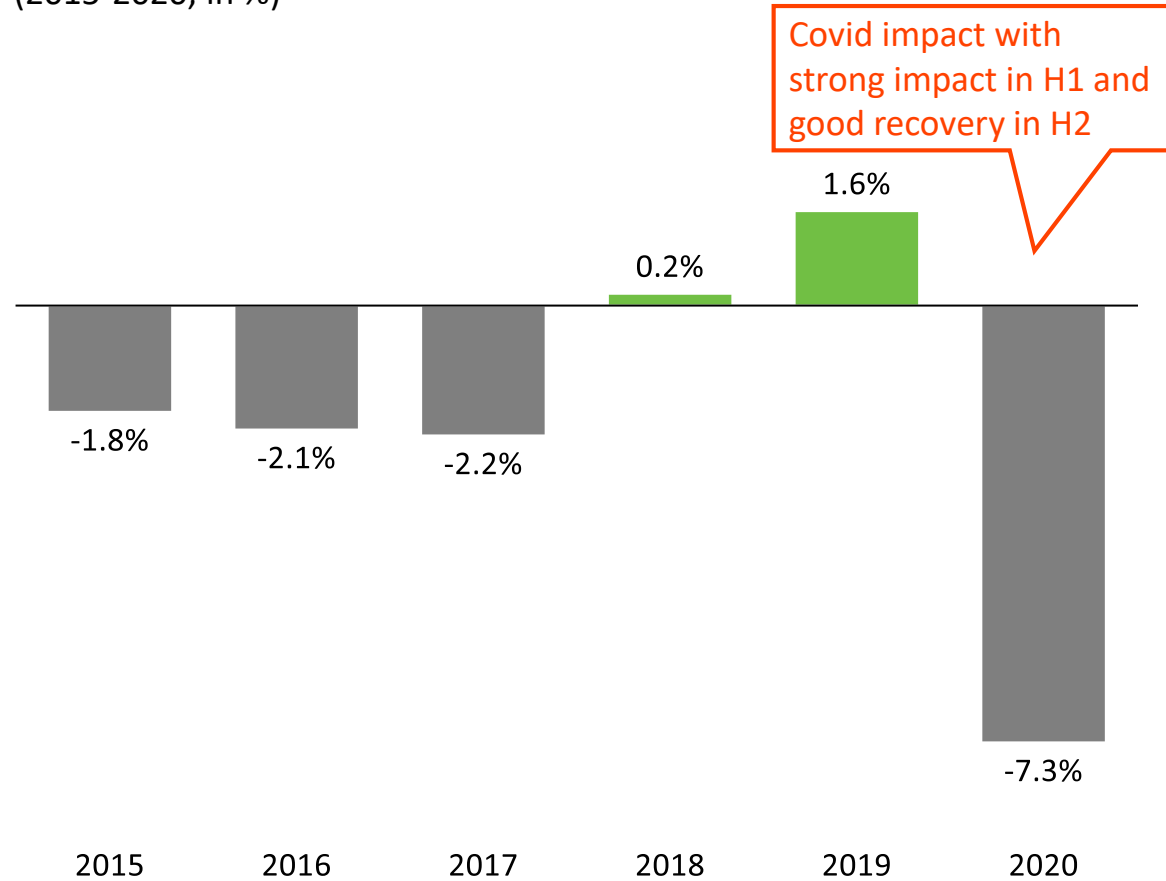
Note: ⁽¹⁾ 2018 revenue figures re-scoped to take into account the change of scope of Major Operations from 2020
Source: Quadient Internal data

Covid impact interrupted seven quarters of growth in a row

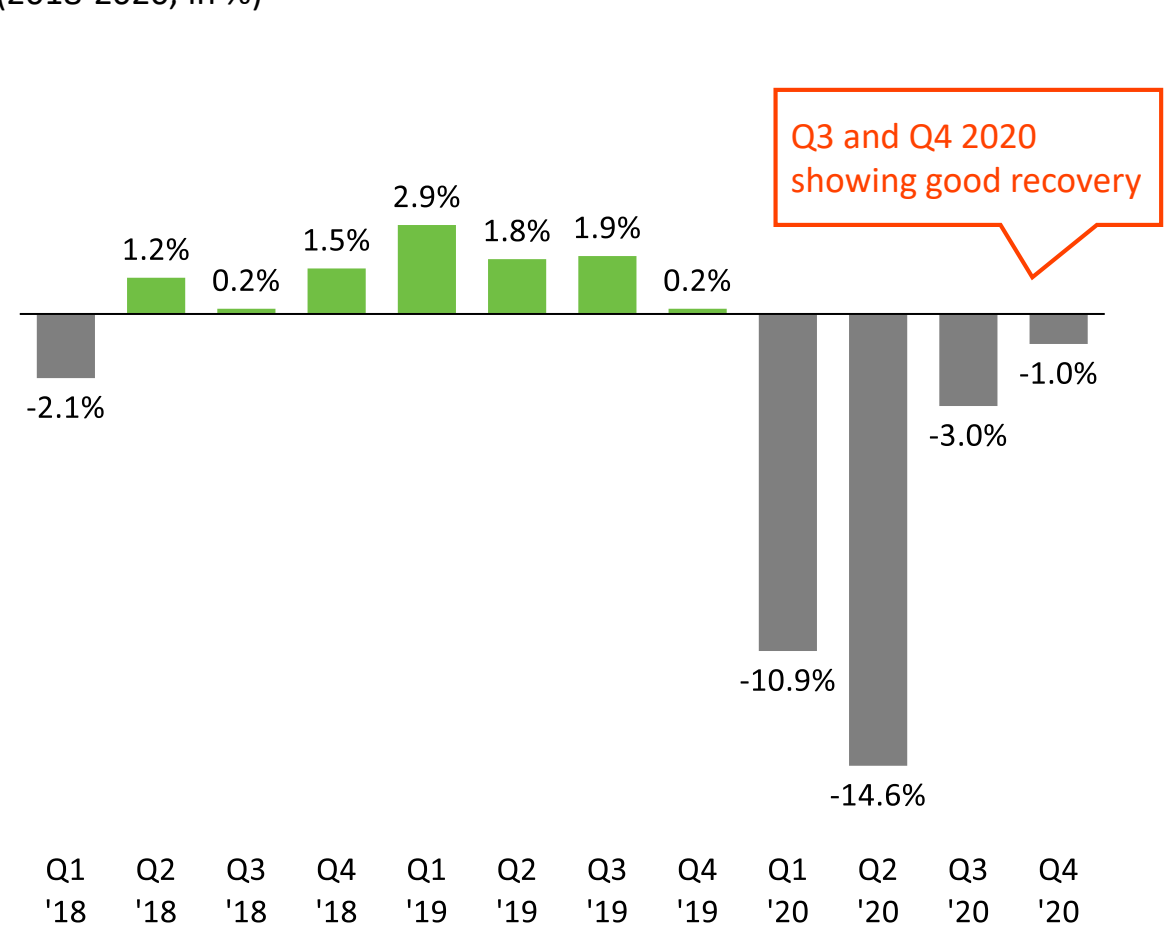
Organic growth expected to resume from 2021



Quadient reported YoY organic revenue evolution
(2015-2020, in %)



Quadient reported QoQ organic revenue evolution
(2018-2020, in %)



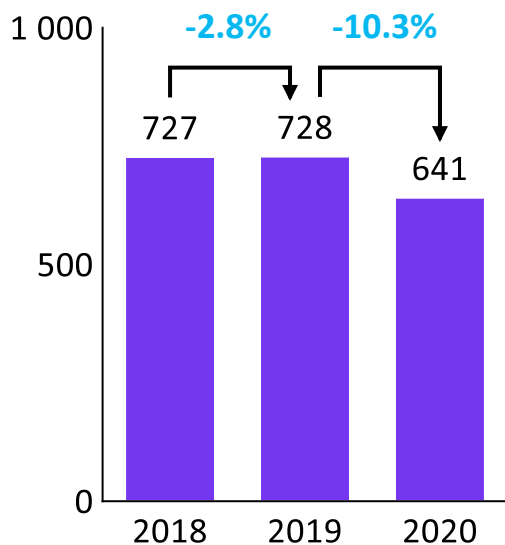
Source: Quadient internal data

We have proven to be a good parent to all solutions, building successful solutions over the past two years



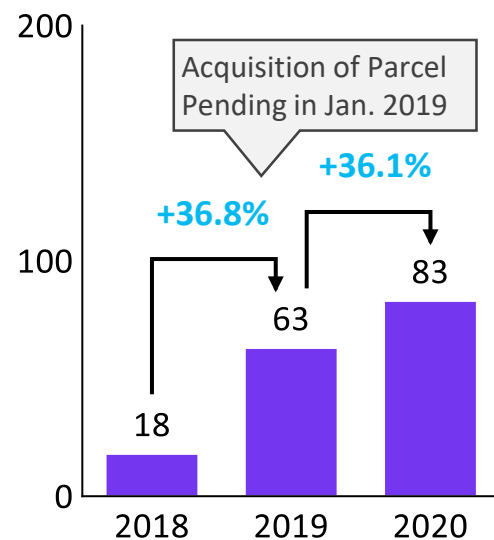
/ MAJOR OPERATIONS

MRS revenue evolution
(2018-20, in €m)



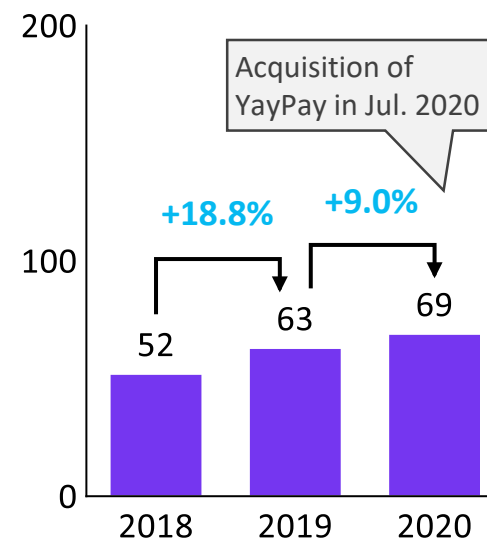
- **Market share gains** vs. peers (esp. in the US)
- High and stable **profitability**
- Active **cost base management**

PLS revenue evolution
(2018-20, in €m)



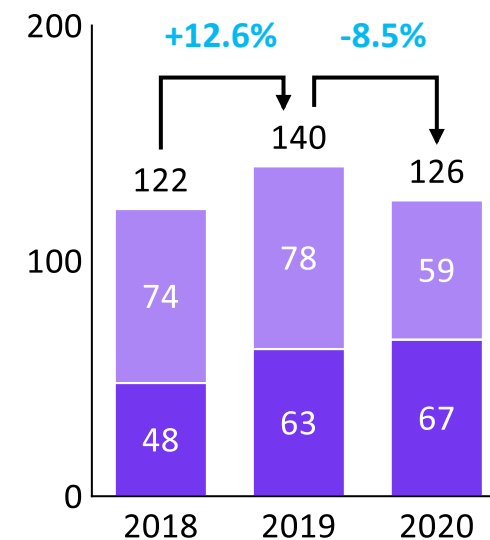
- **Bold move in the US residential market** with the acquisition of **Parcel Pending** and key wins e.g. contract with **Lowe's**

BPA revenue evolution
(2018-20, in €m)



- **Maturing business**, building own solution IP
- **Acquisitions** (YayPay) strong growth in line with expectations

CXM revenue evolution
(2018-20, in €m)



- **Market share gains** vs. peers
- **Growing amount of subscription-related** revenue even in 2020

Source: Quadiant internal data

Key

+X%

Organic variation (excluding FX impact and scope effect)



Subscription-related revenue

Other revenue (perpetual license and PSO)

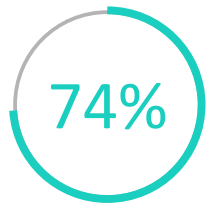
Large installed base across solutions generating c.70% subscription-related revenue on average, minimum 50% by solution, building a resilient value creation model



/ MAJOR OPERATIONS



Subscription-related revenue per solution, 2020, in %



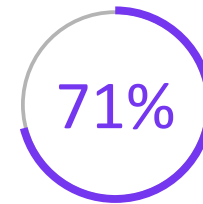
~440k clients¹

High share of subscription-related revenue based on services, financing, rentals and supplies



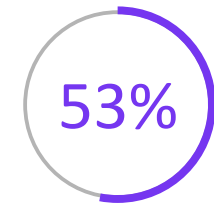
~5k clients¹

Mix of Purchase, Rental and Pay-per-use model, with strong subscription-related share (rentals, maintenance...)



~7k clients¹

Predominant subscription model based on SaaS/Subs (e.g. Impress, YayPay)



~2k clients¹

Evolving from a one-off license to a subscription model (mostly based on maintenance and Inspire SaaS) for large customers

Note: ⁽¹⁾ Total number of clients in 2020, for each solution
Source: Quadiant internal data

Quadient unified our organization and now benefits from strong capability sharing



Quadient strongest capability sharing areas
 Lower sharing potential identified

Management capabilities

Solution strategy and value creation

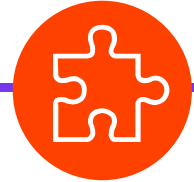


Both BPA & CXM targeting converging AP/AR/CCM markets

Regulatory management



M&A, JVs and partnering



Talent management



Portfolio management and corporate finance



Operating capabilities

Supply chain and operations

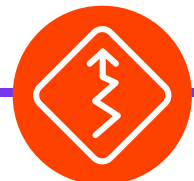


2 MRS & PLS common warehouses, flexible manufacturing teams

Product development and innovation



Go-to-market



Sourcing

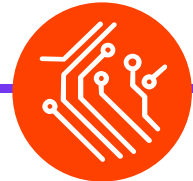


Customer experience

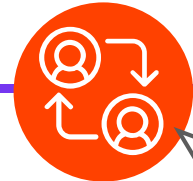


Proprietary assets

Technology, IP and data

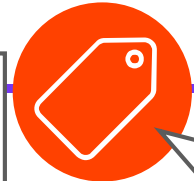


Customer relationship



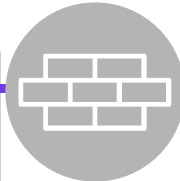
Strong MRS customer base with cross-sell opportunities

Value proposition and brand



"One-brand" strategy driving strong corporate identity

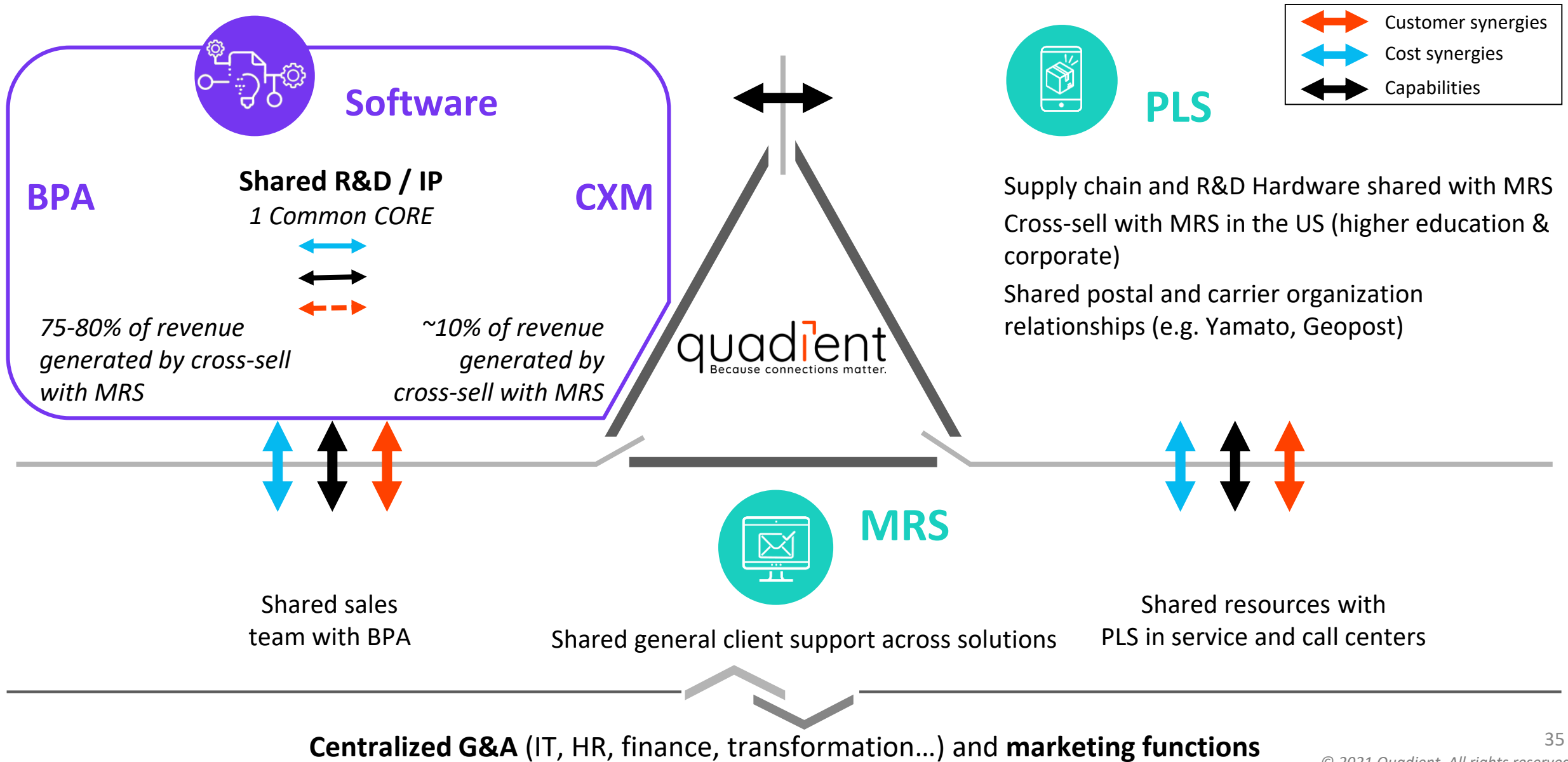
Tangible assets



People, talent and culture



Thanks to our increasingly integrated model, we have already generated ~€70m revenue synergies and €25-35m cost synergies in 2020





**“Drive
Sustainable
Value”
2021-2023**



Accelerate convergence software strategy with Intelligent Communication Automation (ICA), driven by customer requirements and market drivers



Continue generating more synergies between solutions and operations, powered by being a unified company



Define forward-looking objectives to measure impact of CSR activities, starting in 2021 by now being a signatory member to UN Global Compact

Increasing external market convergence and internal synergies between CXM and BPA have led us to one software solution



Back to Growth based on 3 pillars (MRS/PLS/Software) with software solutions initially kept separated

- CCM, AR/AP and CXM only **at the beginning of convergence**
- **Differences in Cloud adoption maturity** across segments
- CXM and BPA each required **focused management** to reach first stage of maturity:
 - Differences in go-to-market (global for CXM vs fragmented for BPA)
 - Nascent R&D and Technology synergy

Why are we now managing them as one software solution?

- 1 **Increasingly convergent** solutions on the **CCM/AR/AP value chain**
- 2 **Scaled and increasing synergies** on Technology and R&D
- 3 Acquisitions of **YayPay & Beanworks**, completing and reinforcing our **Cloud/SaaS software offering**



Allows to **generate further cost synergies between CXM & BPA** on product management & marketing and go-to-market



Brings the **scale of a more established software provider** to partners and customers



Stimulates innovation to provide additional services and features, leveraging cloud, AI and intelligence (capability synergy)



More holistic, integrated and simplified value proposition for each customer segment and partners (revenue synergies)



① CXM/CCM/AR/AP needs converging and Covid is accelerating digitization

Converging needs across CXM/CCM/AR/AP

→→→ **CXM/CCM/AR converging** value-chain giving clients the need for **end-to-end digitized customer journey**

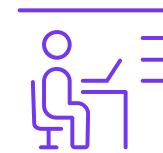


AR/AP convergence for mid-market & SMBs to digitize back-office processes, with similar buyers

Acceleration of digitization needs with Covid



71% of North America SMBs and **63%** of Western Europe's consider Covid crisis as a **key driver for accelerated digitization**



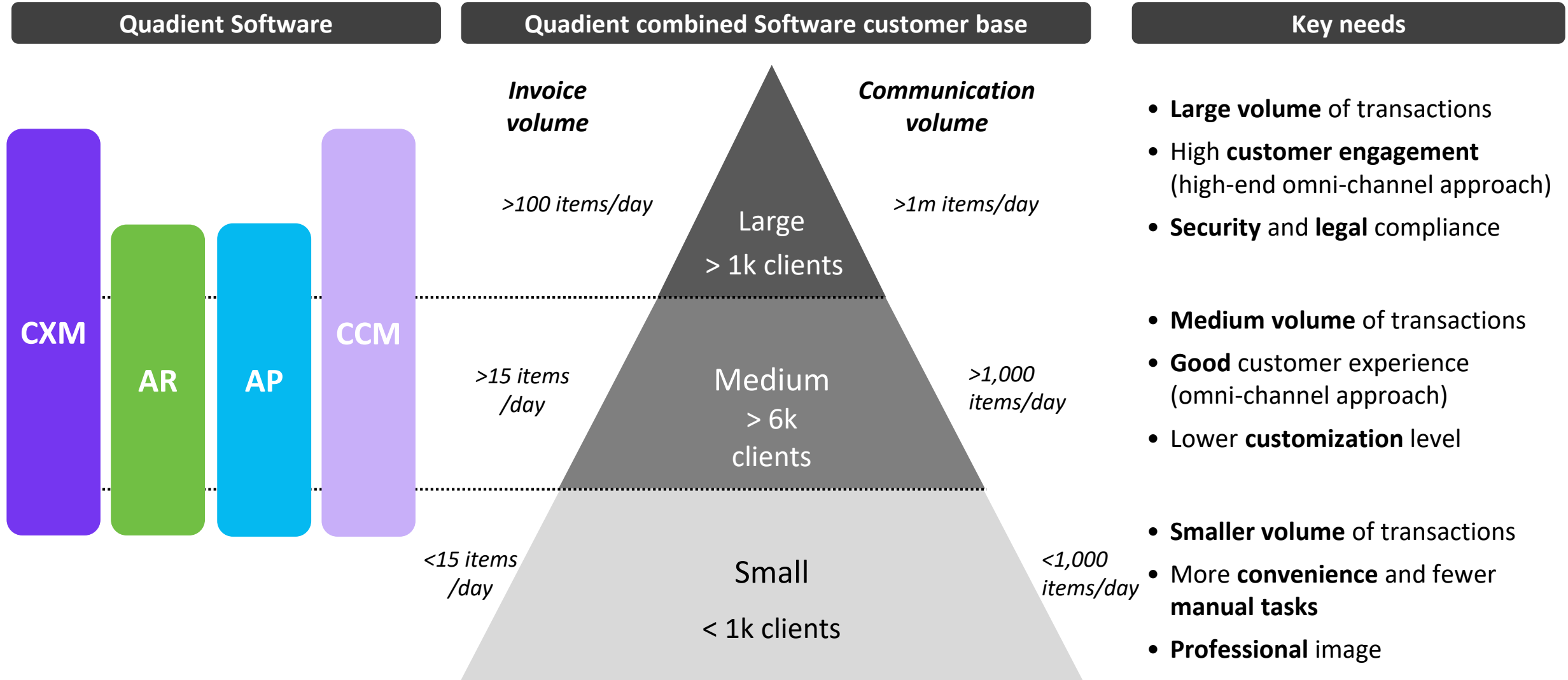
1.5x to 2x increase in share of companies with a high % of **employees working remotely post-Covid**

*“Communications platforms [...] may be **modular** in design, offering buyers purchasing options or it can be a single system with configurable components. [...] Vendors have an important role to play in the **automation of digital forms, e-signature, and capture solutions**”*

*“IDC expects this trend to continue as remote workers turn into a **permanent hybrid workforce post Covid-19**”*

IDC, Worldwide CCM Software Forecast, 2020-24

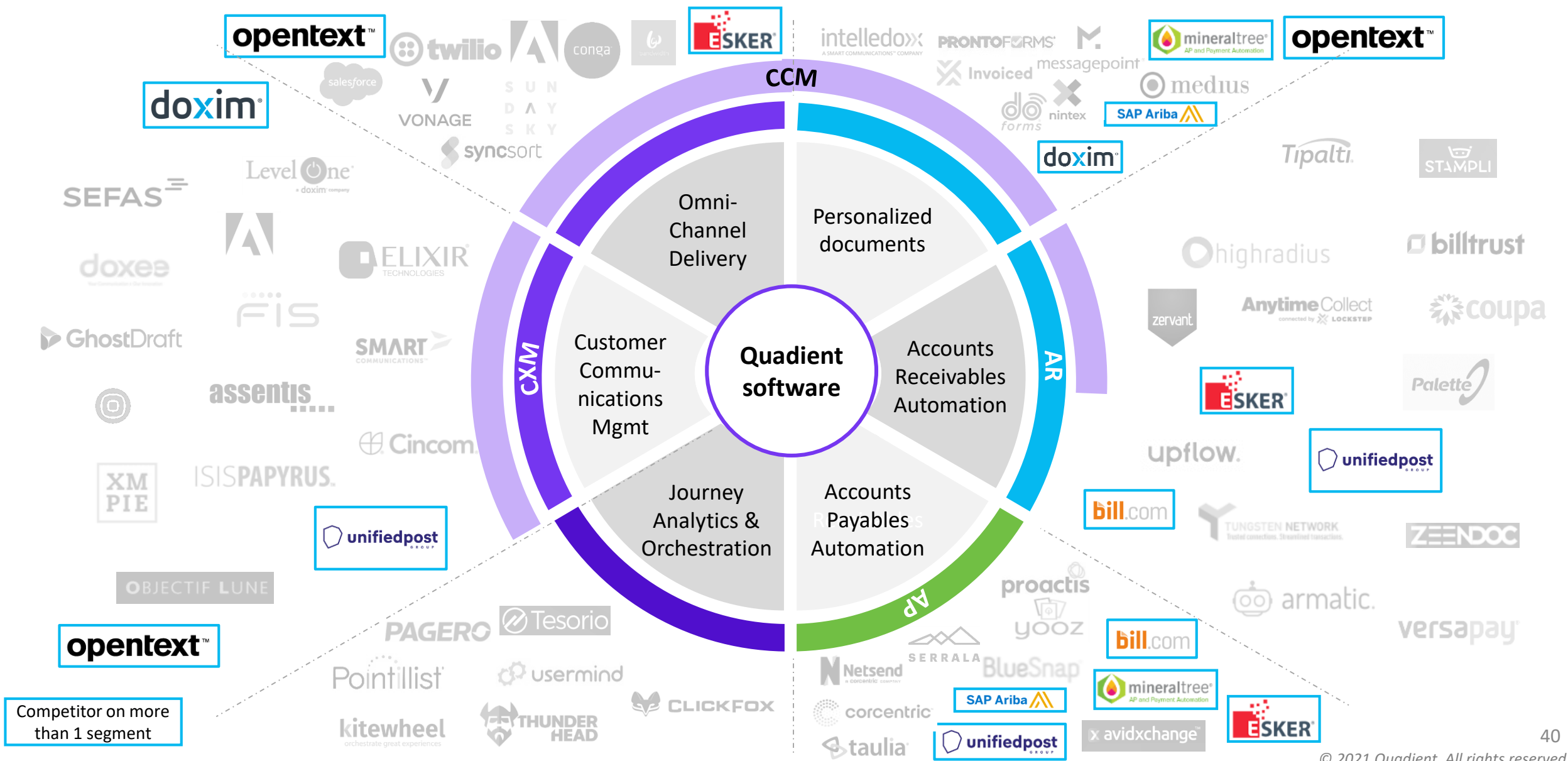
① Quadient software solutions cover the full spectrum of CXM/CCM/AR/AP
③ applications and address the needs of customers of all sizes





1 Several players already cover multiple segments

Quadient now covers the full value chain



Competitor on more than 1 segment



① Analysts and partners are supportive of this new approach

Industry analysts, who cover the categories in the same research implying they make sense for customers

“Combining CXM and BPA together into one business unit is a logical next step for Quadiant. This move will broaden their reach in the communication services and automation markets offering their expertise to organizations both large and small. With a strong foundation of communication management and its newly acquired SaaS cloud-based AR and AP automation capabilities, Quadiant is uniquely positioned to help its clients transition to a modern architecture with an eye toward customer experience excellence.”

Marci Maddox, IDC

“The most common use cases for CCM include customer correspondence (39%), marketing material (37%), statements and invoices (36%), policy documents (36%), and contracts/quotes (30%). Many use cases are shifting to interactive and on-demand requirements including customer and employee onboarding.”

December 2020, IDC #US47000420

Source: IDC, Spark Matrix TM

Partners, who support our suite by cross-selling several of our software solutions

Canon

Capgemini

sage

RICOH

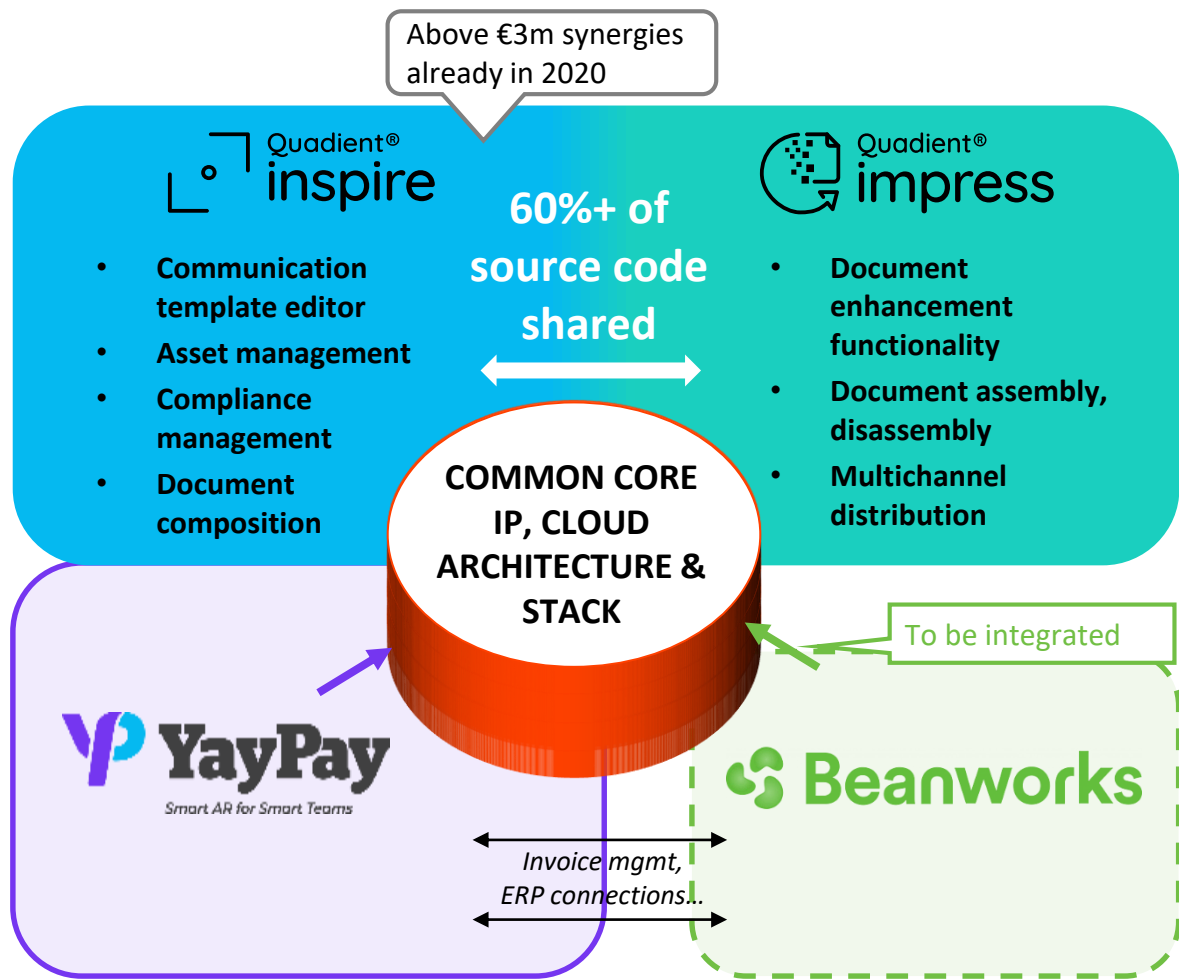
xerox

tessi

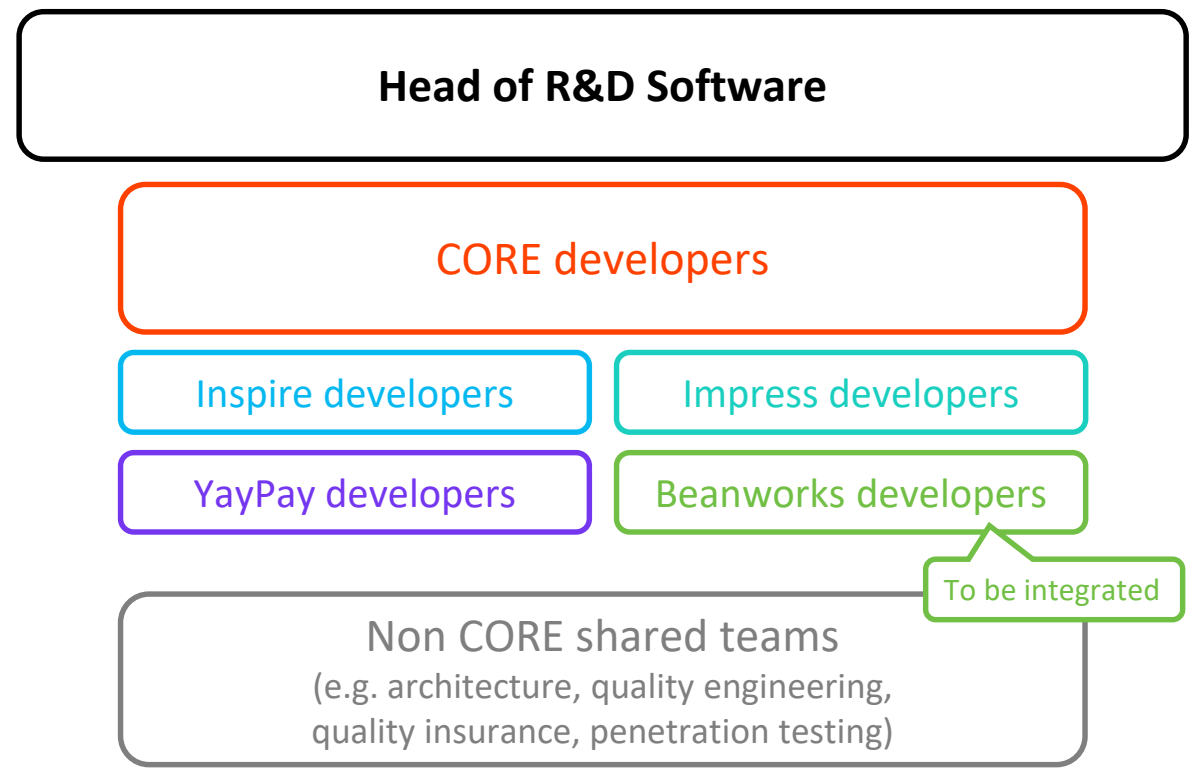


② CXM & BPA now have scaled and increasing synergies on Technology and R&D

Shared development platform with the same components

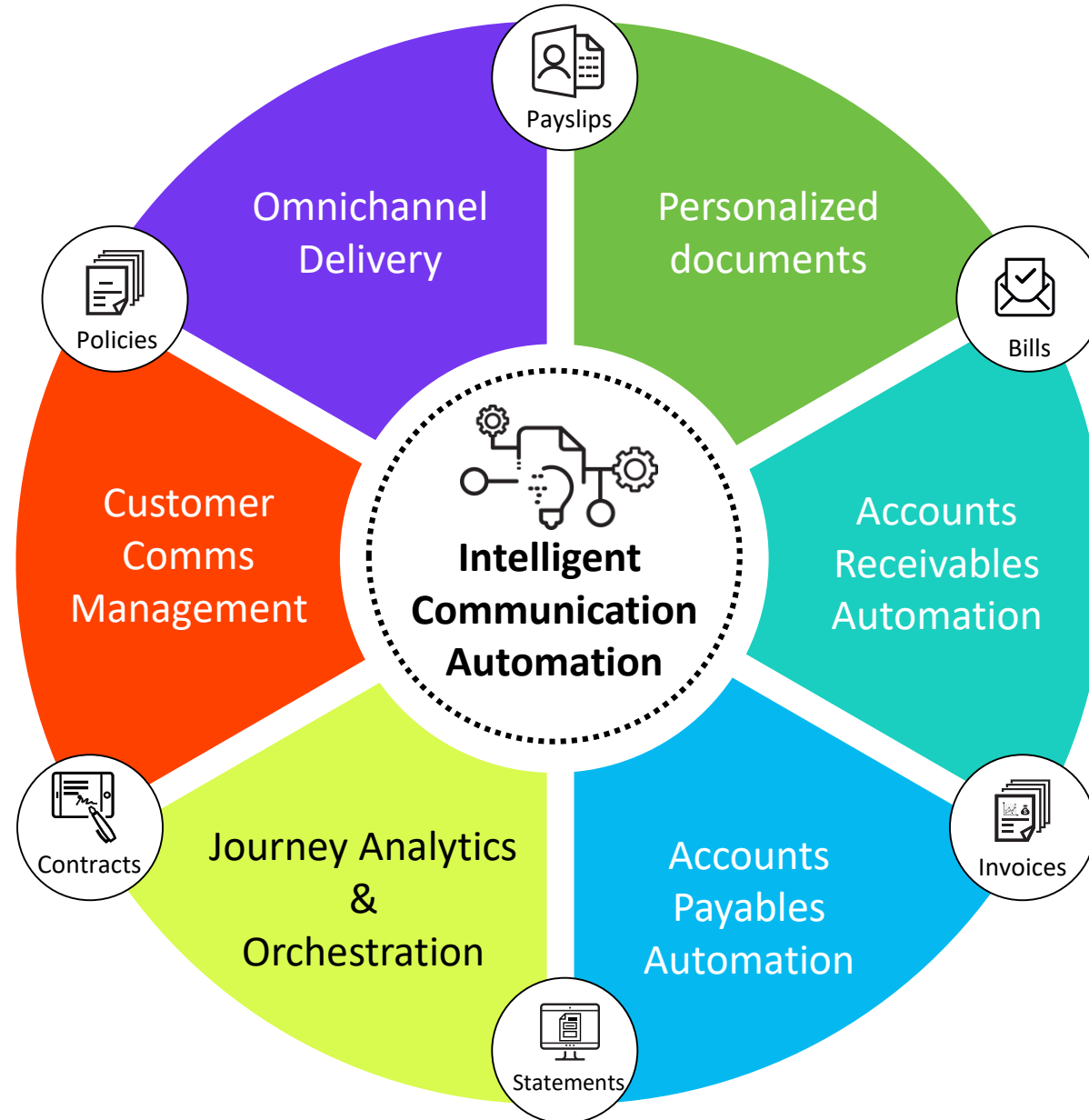


Global R&D Software team



Our vision is to have **70% of resources in cost-effective locations with one hub in Czech Republic and satellites** (Ukraine, Canada and France)

Our software solutions, CXM and BPA, will now become Intelligent Communication Automation, one of our three Major Solutions

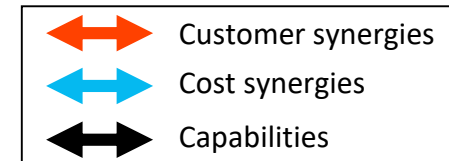




We plan to leverage even higher synergies going forward, by continuing to work as a unified company



/ NON EXHAUSTIVE



YayPay by Quadiant **Beanworks** by Quadiant

Additional synergies

ICA



PLS



quadiant
Because connections matter.

Growing pipeline of cross-selling opportunities (UK, France, Japan, Canada)

Further cross-selling opportunities thanks to an end-to-end communication software offering within ICA portfolio and between MRS and ICA

Further Supply Chain/Service/Call Centers synergies (integration and scaling of Parcel Pending in Europe)



MRS

Centralized G&A (IT, HR, finance, transformation...) and marketing functions



Quadient setting forward-looking targets to measure CSR impact as a signatory member to the UN Global Compact



Objectives by or before 2023



People

Empower our people to achieve our company strategy

- >80% of employees benefiting remote working 2 days or more per week
- >30% of women among managers and senior leaders
- Being recognized “Best Places to Work” with score greater than 70



Ethics & Compliance

Enable a culture of excellence and integrity

- All employees endorsed the Code of Ethics and completed the training
- All employees completed one or more compliance training programs
- All our strategic suppliers have endorsed the Supplier Code of Conduct



Environment

Protect the planet by reducing our environmental footprint

- Reduce our carbon emissions by:
 - (i) 28%, for scope 1 & 2 by 2030
 - (ii) 40% / €m revenue for targeted categories, for scope 3 by 2030
- Placement of MRS products from remanufacturing to account for over 50%



Solutions

Offer innovative, secure and sustainable solutions

- Achieve overall customer satisfaction above 95%
- Pursue investments in R&D and Innovation above 4.5% of our revenues
- % of reduction of CO₂ emissions related to our solutions use (introduced in '22)



Philanthropy

Engage and support the communities in which we live

- 5,000 annual hours + contributed by Quadient’s employees supporting communities
- 25% of employees involved in volunteering & sponsorship projects

Since March 8, 2021, Quadient is a signatory member to the UN Global Compact which officially formalizes our commitment to sustainable development

Quadient is committed to take actions to support specifically the following Sustainable Development Goals:



Going forward, we will continue building on our strengths and executing our successful Back to Growth strategy with a clear ambition



Installed base business

Generating strong subscription-related revenue, highly profitable



Leader in our markets

For each solution, in all major geographies

Leveraged customer base

With strong cross-selling across Solutions especially in the MRS customer base

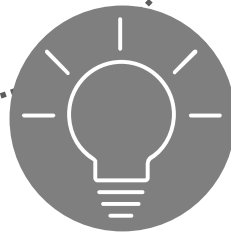


Double digit growth engines

To continue rebalance our portfolio

SaaS ICA business

Covering end to end CCM/CXM/AP/AR value chain



Strong focus on innovation/technology/cloud

With the launch of new products for all solutions





AGENDA

FY2020 Results Laurent du Passage, Chief Financial Officer

Back to Growth Accomplishments Geoffrey Godet, Chief Executive Officer

Reporting

Laurent du Passage, Chief Financial Officer

Market Dynamics Tamir Sigal, Chief Marketing Officer

Solutions Achievements and Goals

ICA Chris Hartigan, Chief Solution Officer

MRS Alain Fairise, Chief Solution Officer

PLS Daniel Malouf, Chief Solution Officer

3YP Financial Guidance & Capital Allocation Laurent du Passage, Chief Financial Officer

Conclusion Geoffrey Godet, Chief Executive Officer

We used to report our software segments, CXM and BPA, separately (FY20 figures)



SALES % of organic growth vs 2019	Total Major Operations				Total Additional Operations	Total Group
North America	Customer Experience Management	Business Process Automation	Mail Related Solutions	Parcel Locker Solutions	€501m (1.5)%	
Main European countries					€367m (12.5)%	
International ¹					€51m +4.7%	
	€126m (8.5)%	€69m +9.0%	€641m (10.3)%	€83m +36.1%	€919m (5.9)%	€1,029m (7.3)%
					€153m	€(1)m
					Excl. earn-out ² €146m	Excl. earn-out ² €145m 14.1% margin

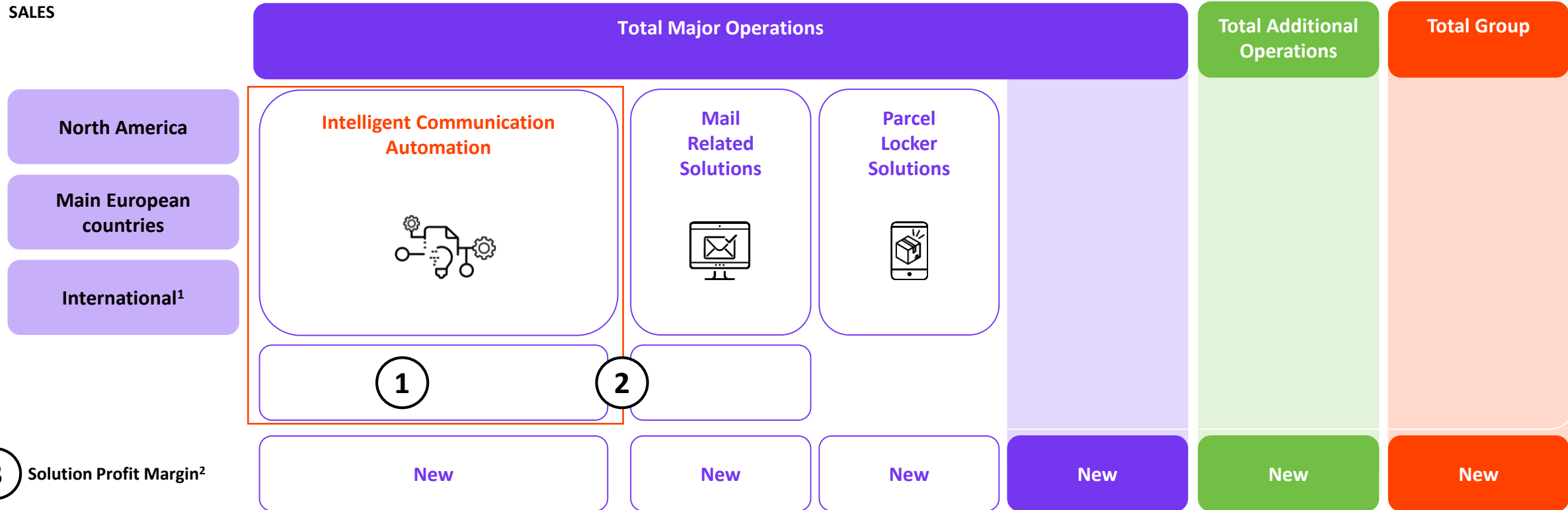
Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of FY 2019 revenue by segment and activity has been restated accordingly;

⁽²⁾ Parcel Pending's earn out reversal of €6.5m



From 2021 we will report our new ICA solution and Solution Profit Margin

SALES



③ Solution Profit Margin²

- ① Merging of Customer Experience Management and Business Process Automation into one Software solution: **Intelligent Communication Automation**
- ② Product reclassification from Intelligent Communication Automation to Mail-Related Solutions (~€12m in 2020)
- ③ Introduction of a new KPI to follow closely the performance of each solution called **Solution Profit Margin**

Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of FY 2019 revenue by segment and activity has been restated accordingly; ⁽²⁾ Before Group's G&A and innovation expenses

Definition of our new profitability metric: Solution Profit



How do we calculate Solution Profit?

-  REVENUES
-  COST of GOODS SOLD¹
-  SALES EXPENSES
-  LOCAL MARKETING EXPENSES
-  SERVICE EXPENSES
-  CALL CENTERS EXPENSES
-  R&D EXPENSES
-  MARKETING & PRODUCT MANAGEMENT EXPENSES

= **SOLUTION PROFIT**

Group G&A are excluded from Solution Profit as they are centralized, shared at group level and integrated at region and not at solution level

Why is Solution Profit a relevant metric ?

- Enables to pilot **real financial performance** and **profitability** of the Solution
- Allows to monitor a **comparable metric** across the three solutions

Note: ⁽¹⁾ Cost of Good Sold consists of production-related direct costs (purchases, labor) plus depreciation of equipment rented to customers and sales-related transport and logistics costs

With our adjusted reporting, we now provide profitability by solution



SALES % of organic growth vs 2019	Total Major Operations			Total Additional Operations	Total Group	
North America	Intelligent Communication Automation 	Mail Related Solutions 	Parcel Locker Solutions 	€501m (1.5)%		
Main European countries				€367m (12.5)%		
International ¹				€51m +4.7%		
	€183m (3.5)%	€653m (10.3)%	€83m +36.1%	€919m (5.9)%	€110m (17.6)%	€1,029m (7.3)%
Solution Profit Margin⁽²⁾	21.3%	45.3%	5.6%	36.9%	15.4%	34.6%
Current EBIT before acquisition related expenses				€153m	€(1)m	€152m 14.7% margin
				Excl. earn-out ² €146m		€145m excl. earn-out ² 14.1% margin

Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of FY 2019 revenue by segment and activity has been restated accordingly; ⁽²⁾ Before Group's G&A and innovation expenses, unaudited figures; ⁽³⁾ Parcel Pending's earn out reversal of €6.5m



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As part of Back to Growth, Quadient chose to focus on markets driven by eCommerce & Digitalization, while continuing to benefit from the resilience of Mail



eCommerce explosion

- **Parcel volumes are growing** as a consequence of eCommerce continued penetration, notably driven by the pandemic
- **103Bn parcels delivered globally** in 2019
- Across our main 4 countries (US/UK/FR/JP), eCommerce is **poised to further grow by c.10% p.a. over 2019-24**

Digitalization acceleration

- **Digitalization**, a long-term business trends, **has been catalyzed** by new work from home habits & the imperative of business continuity
- **Regulators** in some countries are further driving this groundswell trend
- Large, mid market and small organizations alike are **pushing their digital agenda** to adapt to this state of the business to deliver great experience to employees, customers & vendors

Large resilient Mail Volume

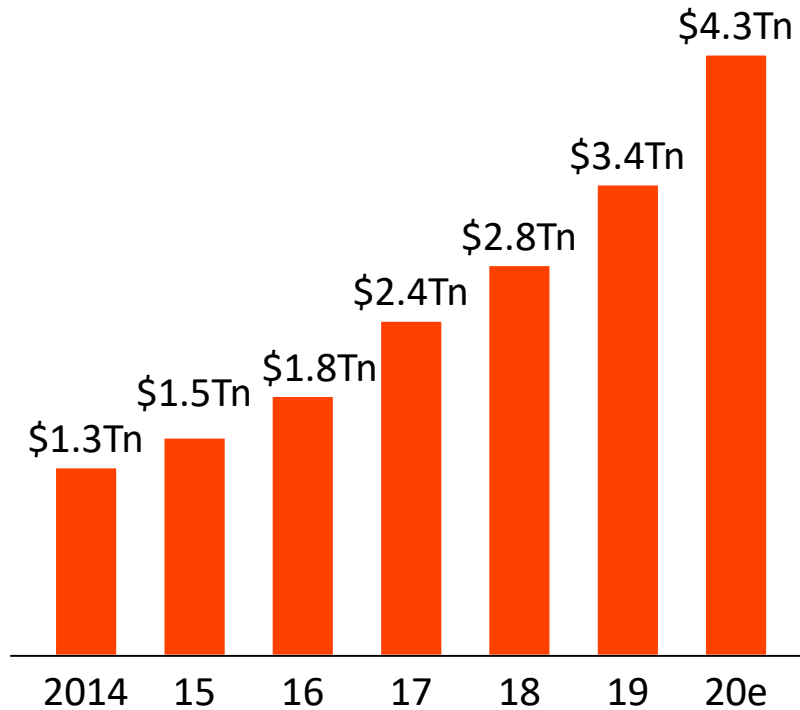
- In our Main Geographies, **c.185Bn pieces of mail are sent very year**
- Quadient still has only **20% market share in the Mail-Related Solutions** market with significant room to grow

Following e-commerce development, Parcel volumes have skyrocketed, notably in mature countries

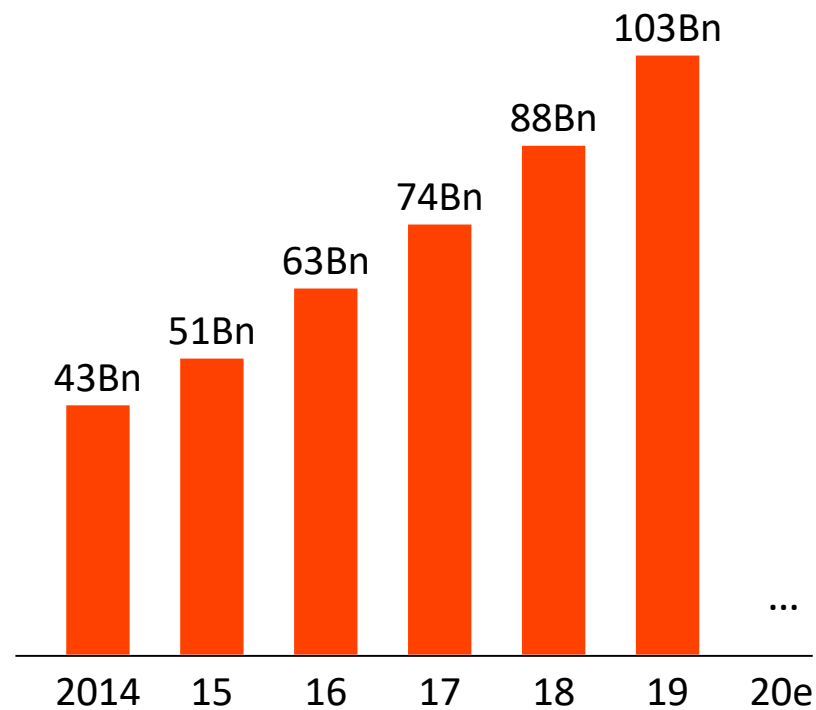


PLS underlying drivers

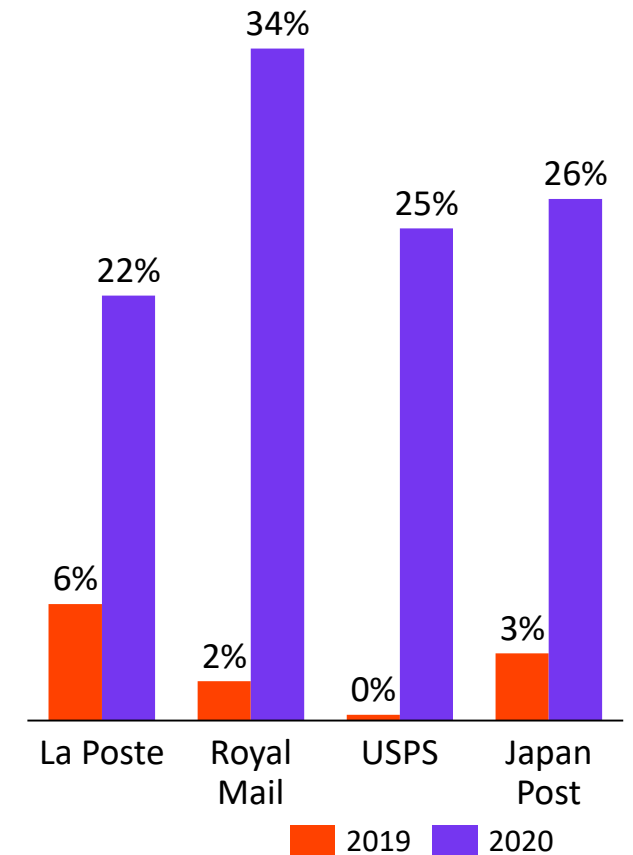
Global eCommerce sales evolution



Global parcel volume evolution



YoY parcel volumes increase from selected Postal organization (2019-20*)



Note: France: 2019 data ending Dec. 2019 vs. 2020 Jan. to June; UK: 2019 data ending March 2020 vs. 2020 April to Aug.; US: 2019 data ending Dec. 2019 vs. 2020 Jan. to Jun.; Japan: 2019 data ending March 20 vs. 2020 April to June
 Source: eMarketer; Statista; La Poste; Royal Mail; USPS; Japan Post

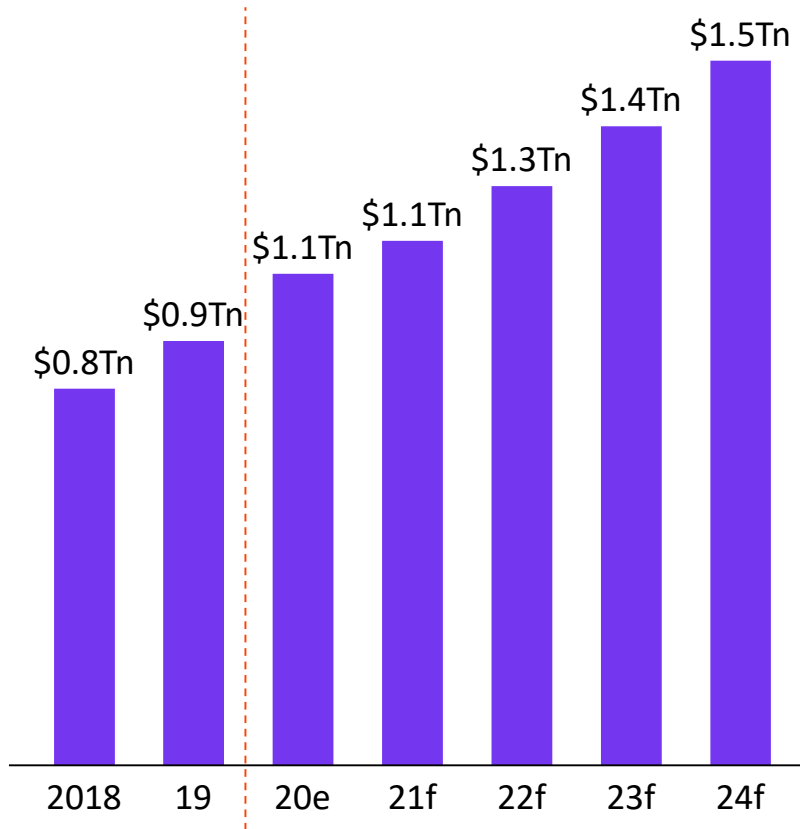
3x to 10x increase potential for Parcel lockers installed base by 2025



PLS underlying drivers

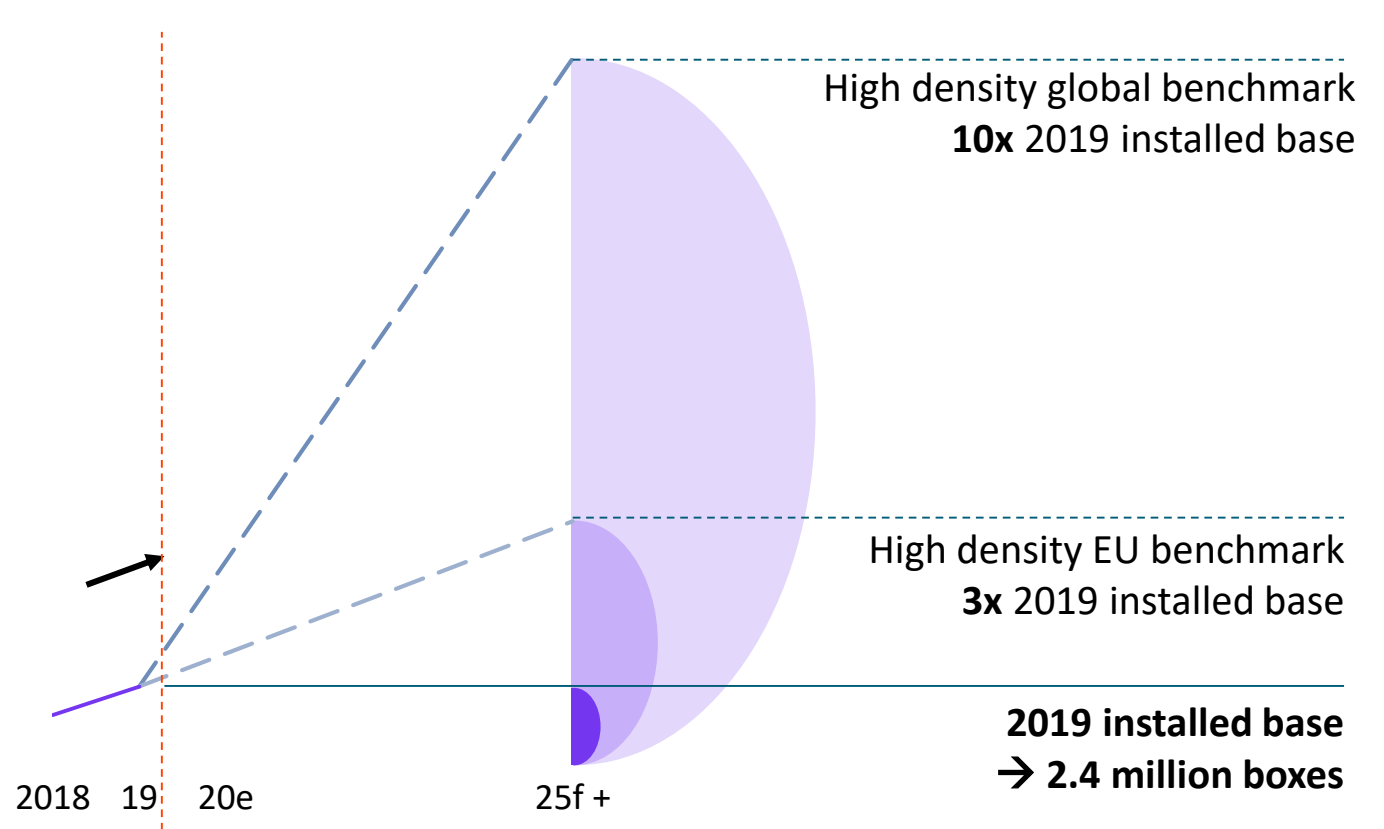
Retail eCommerce sales evolution

(US, JP, FR, UK)



Parcel Locker installed base potential

(In # of boxes; US, JP, FR, UK)

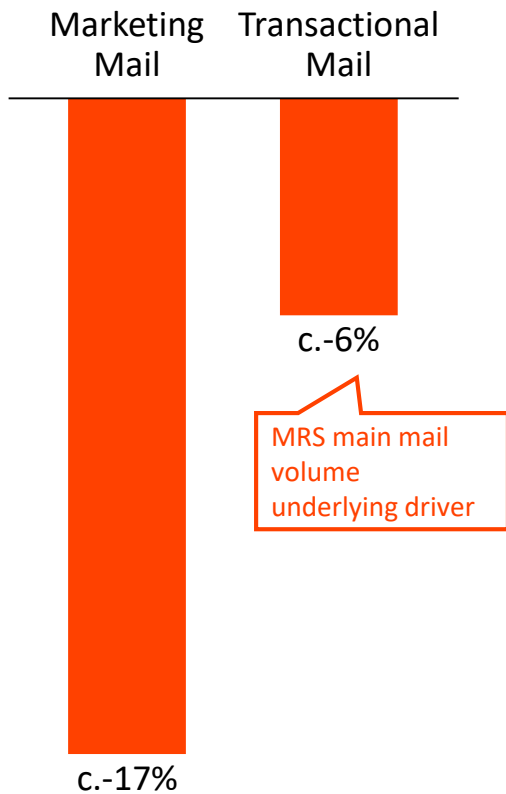


Mail volume poised to further decline after Covid, at a manageable rate



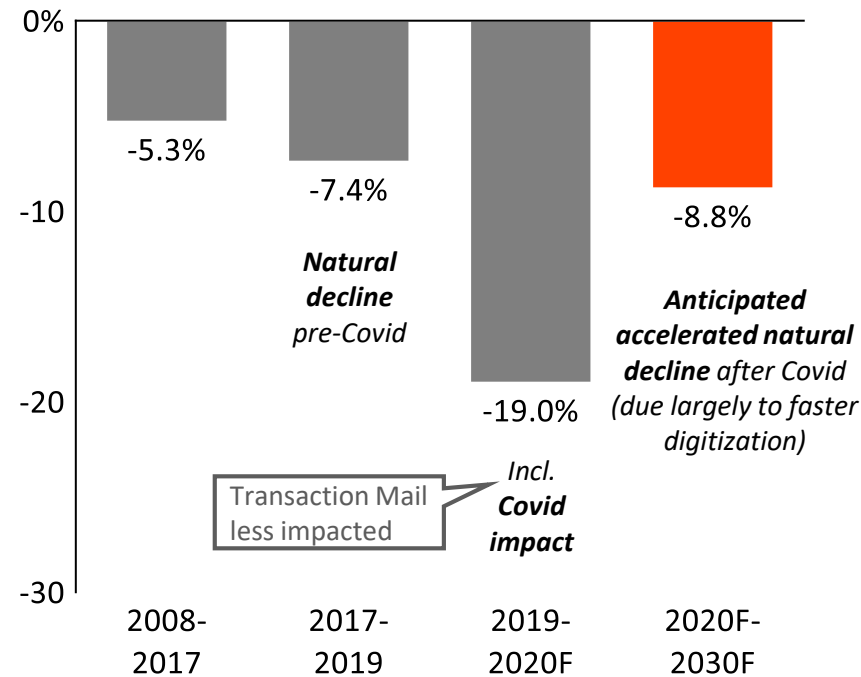
MRS underlying drivers

Transactional Mail is more resilient than Marketing Mail in times of crisis*

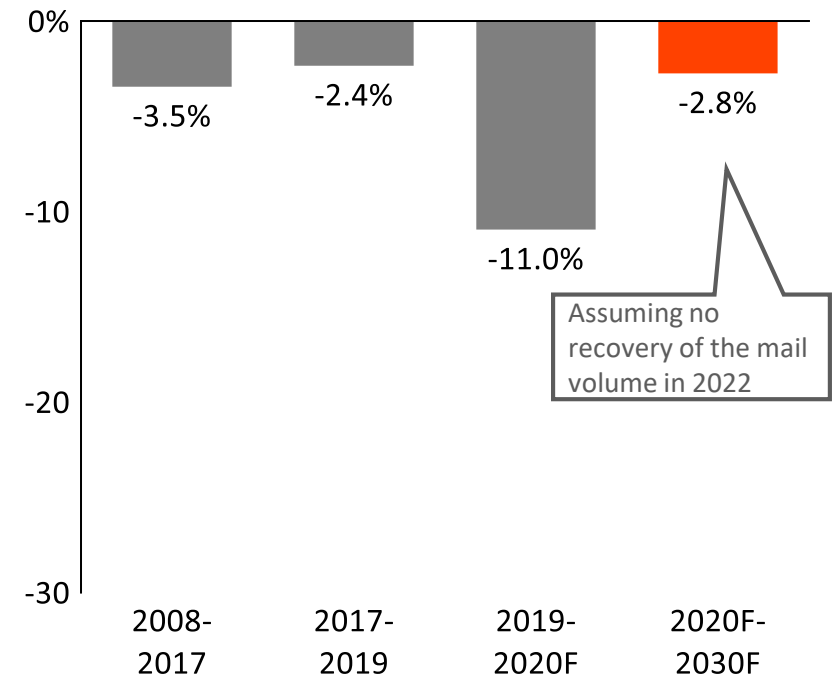


Mail volume will continue to decline but at a manageable pace especially in the US

Forecast of Mail volume CAGR by period (France, 2008-2030F, in %, estimates)



Forecast of Mail volume CAGR by period (US, 2008-2030F, in %, estimates)



Note: Transactional vs. Marketing mail split & evolution not available for the UK (c.5% of main 4 countries mail volume); 2020 are estimates pending final data from National Post Offices; *% of Mail volume in 2019 vs. 2020, US/FR/UK/DE estimates
Source: Local Post offices; Quadient analyses

Digitalization is accelerating



ICA underlying drivers

Work from Home will continue to drive digitalization



Post Covid, 55% of companies surveyed expect that of their employees will work remotely at least 1 day a week



Working From Home on a regular basis is expected to increase 2x vs. pre-Covid level



60% of companies surveyed expect that more than 25% of employees will work remotely at least one day a week after COVID



In Tech, the share of businesses that have workers working remotely once a week is expected to more than double post Covid

Investing in technologies that help employees work remotely is firmly at the top of SMBs strategies to ensure organizational resilience

IDC, 2020 SMBs Digital Transformation, 09/09/2020

Source: Quadient customer survey; IDC; Business Payments Coalition

Digitalization agenda is being pushed by regulators across the world

“Loi de Finance” Business-to-Government (B2G) e-invoicing enforcement as of for 2023, with rumored addition of B2C



B2G e-invoicing is now mandatory from Nov 2020



The Business Payments Coalition is leading a 3-year effort to explore the feasibility of developing and implementing a standard, ubiquitous B2B electronic invoice and processing platform similar to ones that have been developed in other countries.

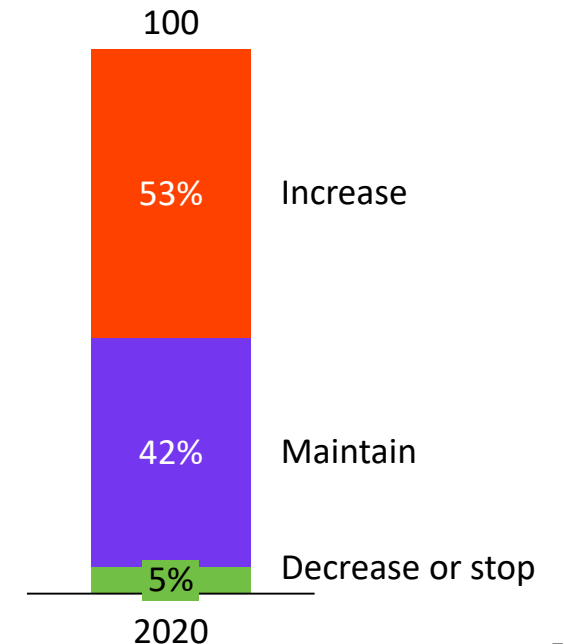
Business Payments Coalition



Delivering exceptional communication-led experience remains a key focus

How do you plan to use your Quadient Inspire solution(s) in the next 6 months?

(246 respondents)



Quadient Software Solution is active in a €6Bn+ market driven by clear market drivers

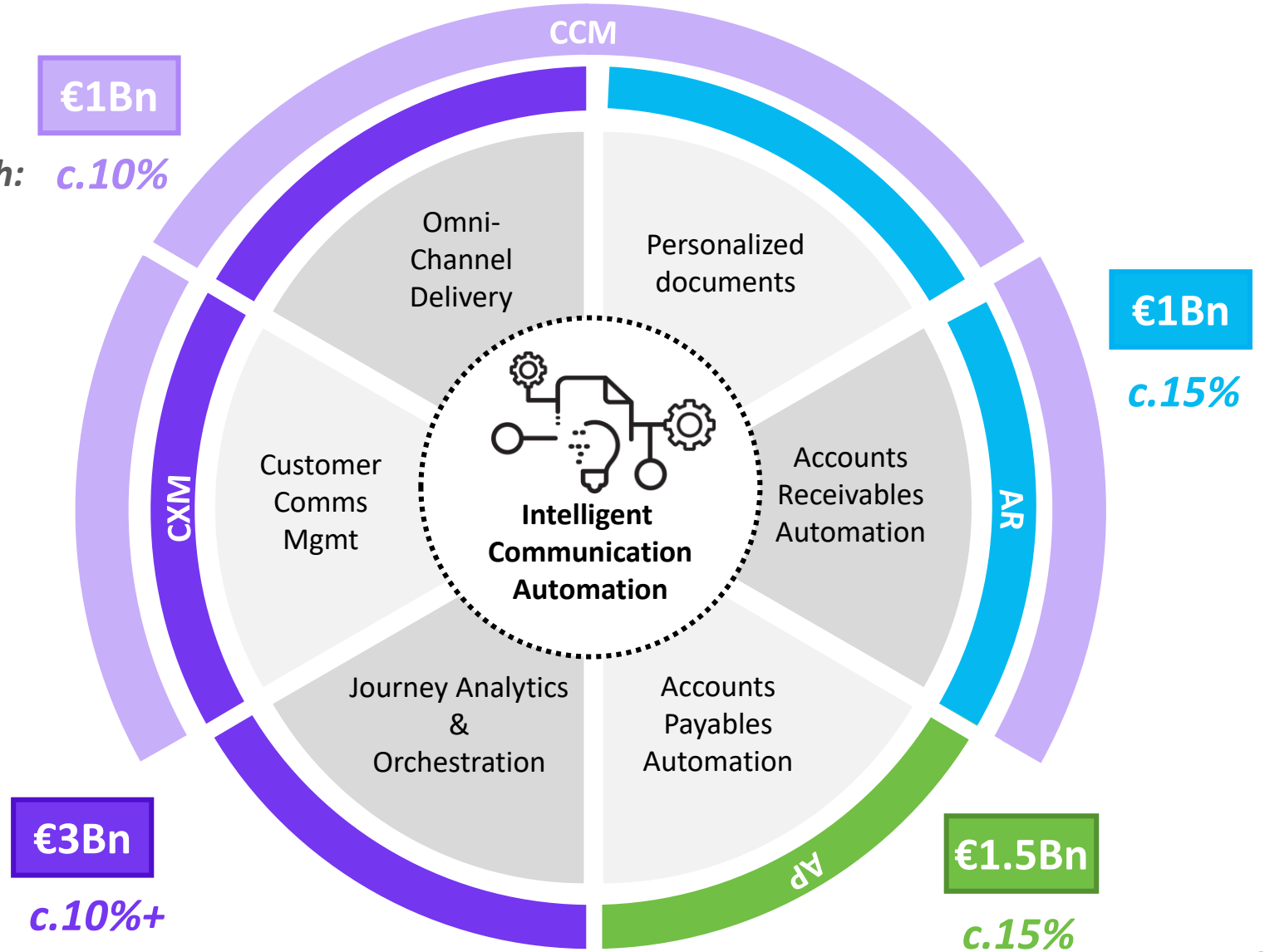


ICA underlying drivers

Underlying drivers:

- ➔ Remote Working
- ➔ Customer, Employee, vendors Experience
- ➔ Replacement of legacy systems
- ➔ SaaS Penetration
- ➔ Regulation
- ➔ Bad payers' sanction
- ➔ Cash management

Market size: **€1Bn**
 Market growth: **c.10%**



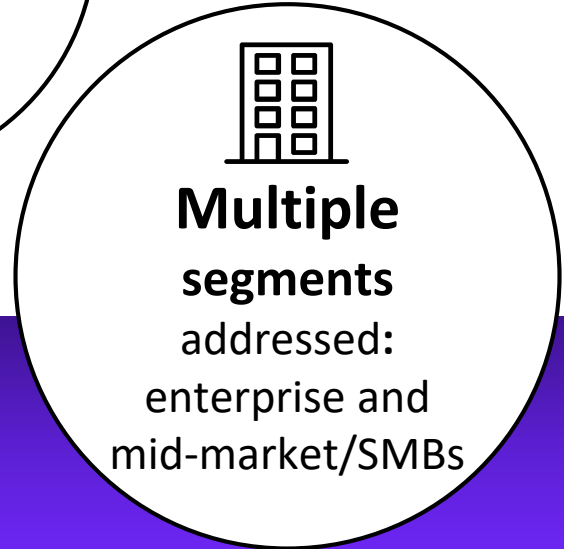
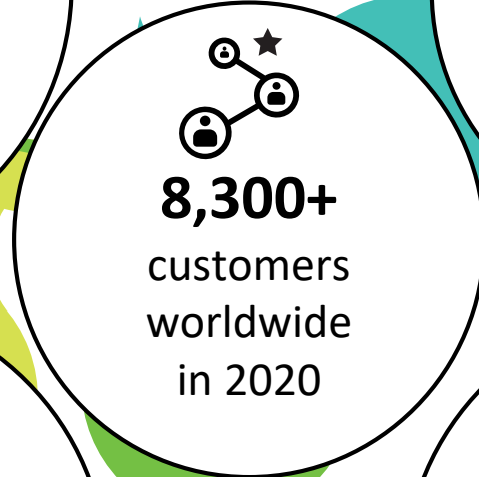
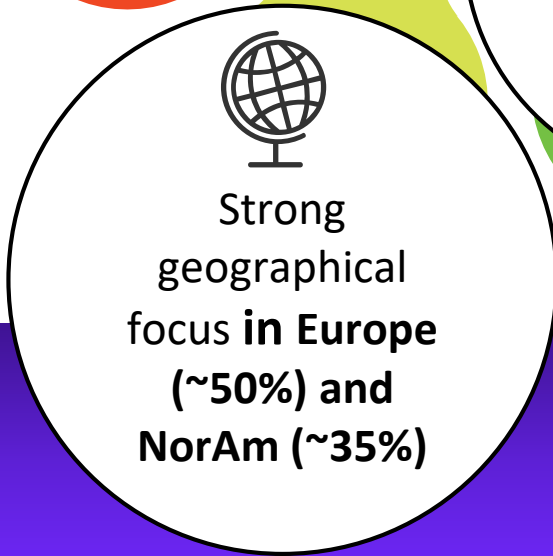
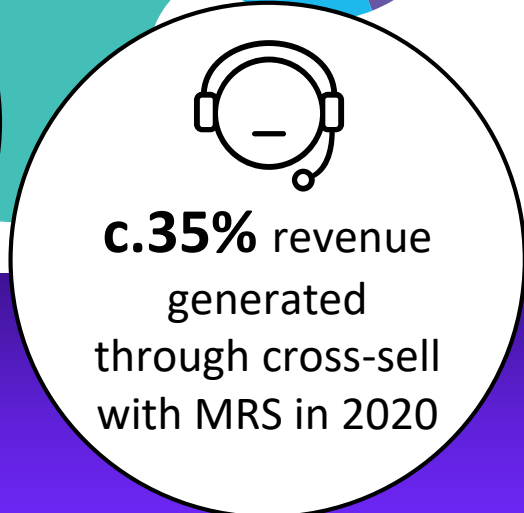
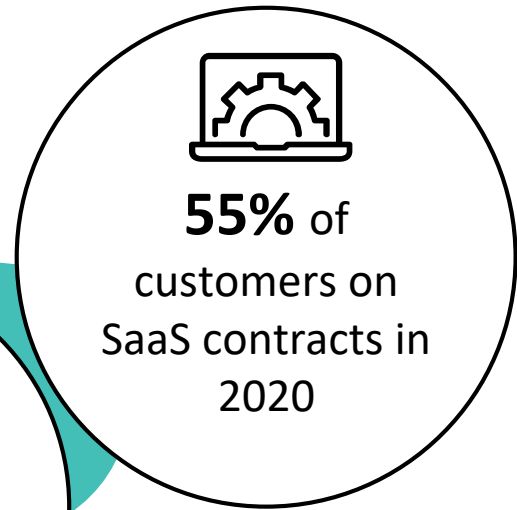
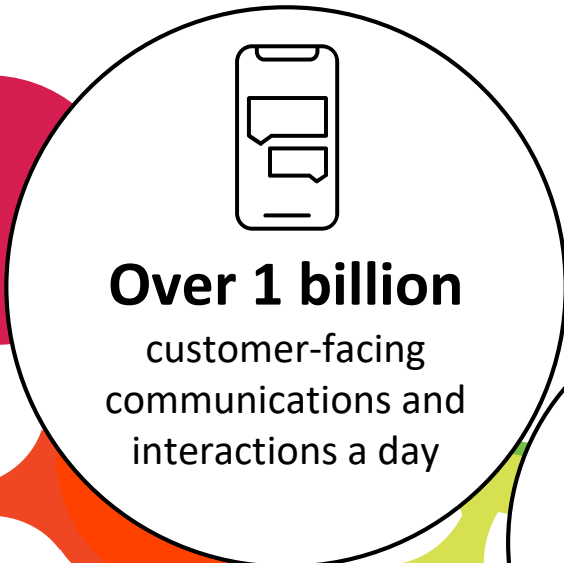
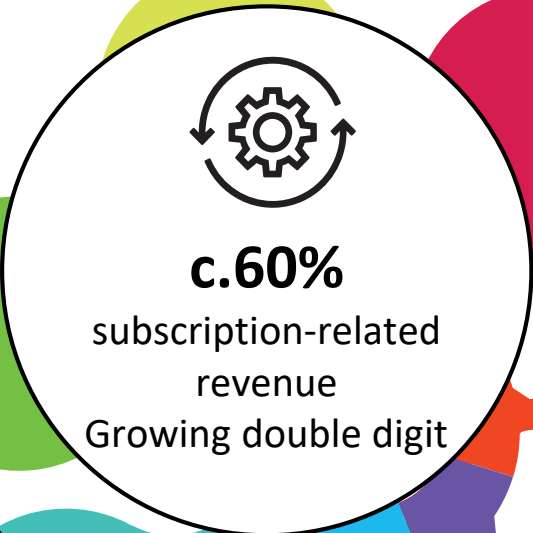
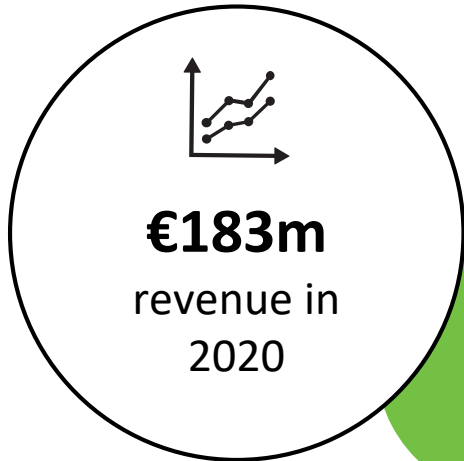
Source: Forrester; IDC; Quadient analysis



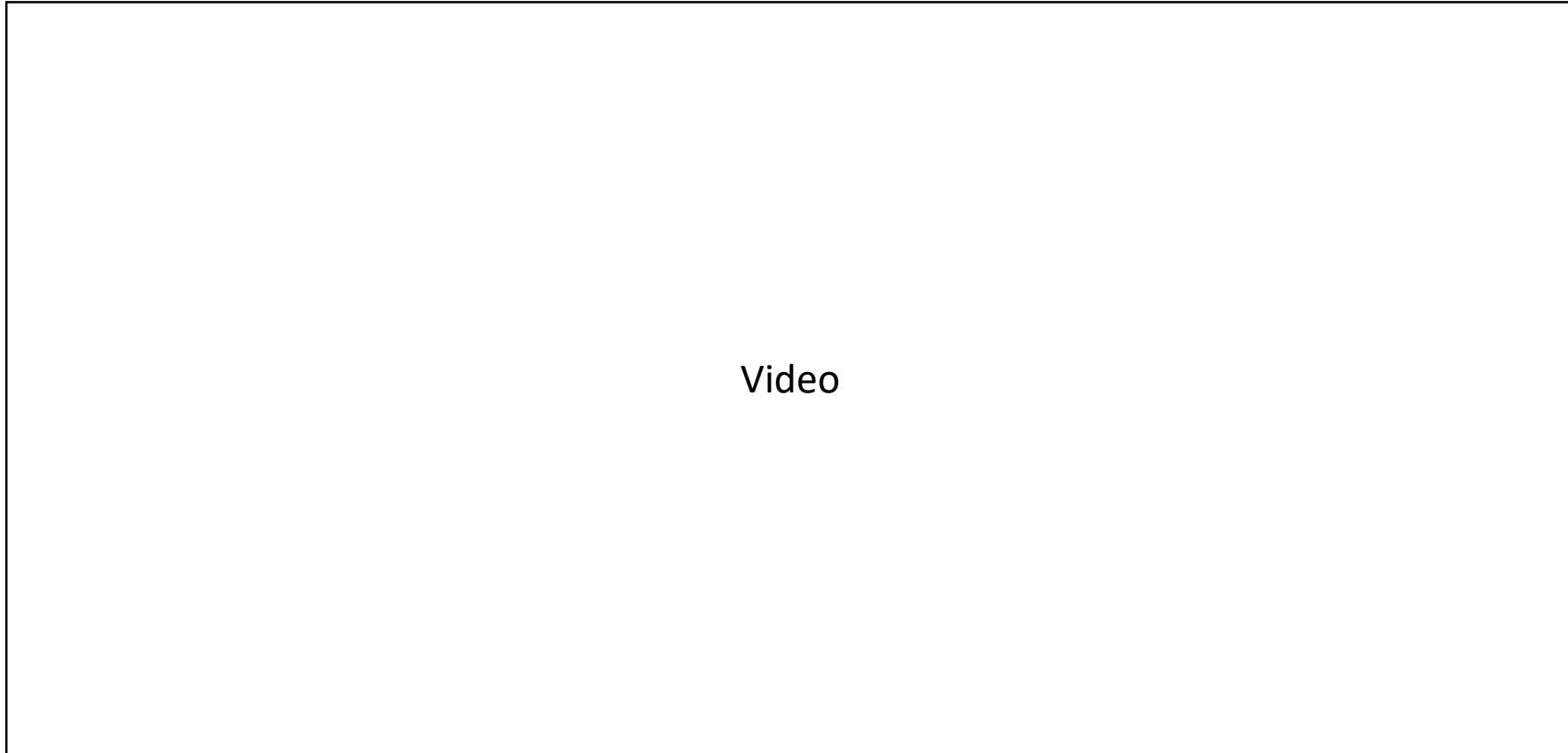
AGENDA

FY2020 Results	Laurent du Passage, Chief Financial Officer
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Intelligent Communication Automation (ICA) in a nutshell



Note: Data post-reclassification of ICA products to MRS; ⁽¹⁾ Solution Profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient internal data



Video

Quadient ICA helps customers to digitalize and automate all their business-critical communications through an integrated set of technologies



Quickly develop, test and deploy integrated online and mobile experiences aligned to the consumers channel of choice



SEND

Omni-Channel Delivery

ENHANCE

Personalized documents

Easily integrate data from Business applications such as ERPs, CRMs, and marketing platforms to personalize and enrich all communications



MANAGE

Customer Comms Mgmt

Intelligent Communication Automation

Accounts Receivables Automation

COLLECT

Generate compliant communications at scale including notifications, correspondence, emails, statements and policies, governed by approval workflows

Automate AR collections and predict payments. Speed up and simplify payments by having more visibility, options and control



Journey Analytics & Orchestration

Accounts Payables Automation

OPTIMIZE

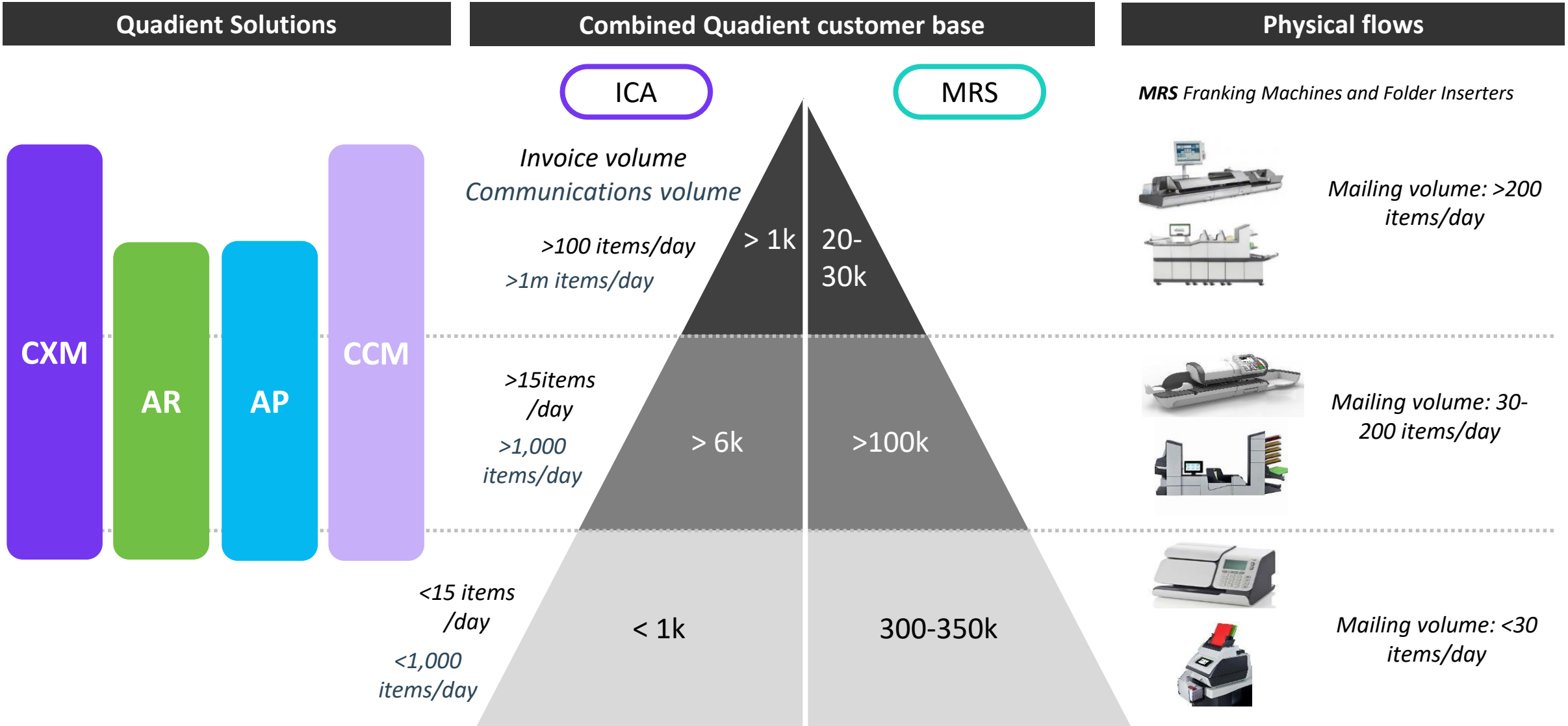
Map and orchestrate customer and communication journeys while measuring business outcomes across different touchpoints

PAY

Automate AP processes validation, approval and payment and spend more time on managing your cash



Intelligent Communication Automation has developed a suite of products that answers the digital needs from our historical Mailing clients



In addition to Quadiant salesforce, we build on a strong ecosystem of partners, many of whom operate across our portfolio, to expand our market reach and customer engagement activity



Go-to-Market Partners



Technology Partners

Resellers and Distributors



ICA provides global productized solutions to more than 8,300 customers, diversified across multiple verticals



6 of the top 15 largest insurance companies & 7 of the top 15 largest financial services companies



Print Service Provider (PSP)



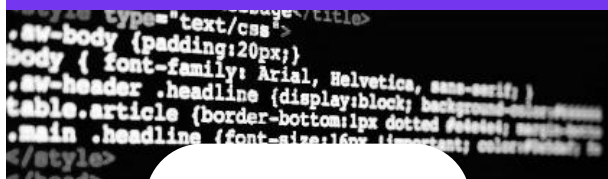
Financial Services



Healthcare



Government / Public Sector



Tech & Software



Property Management



Utilities / Telco



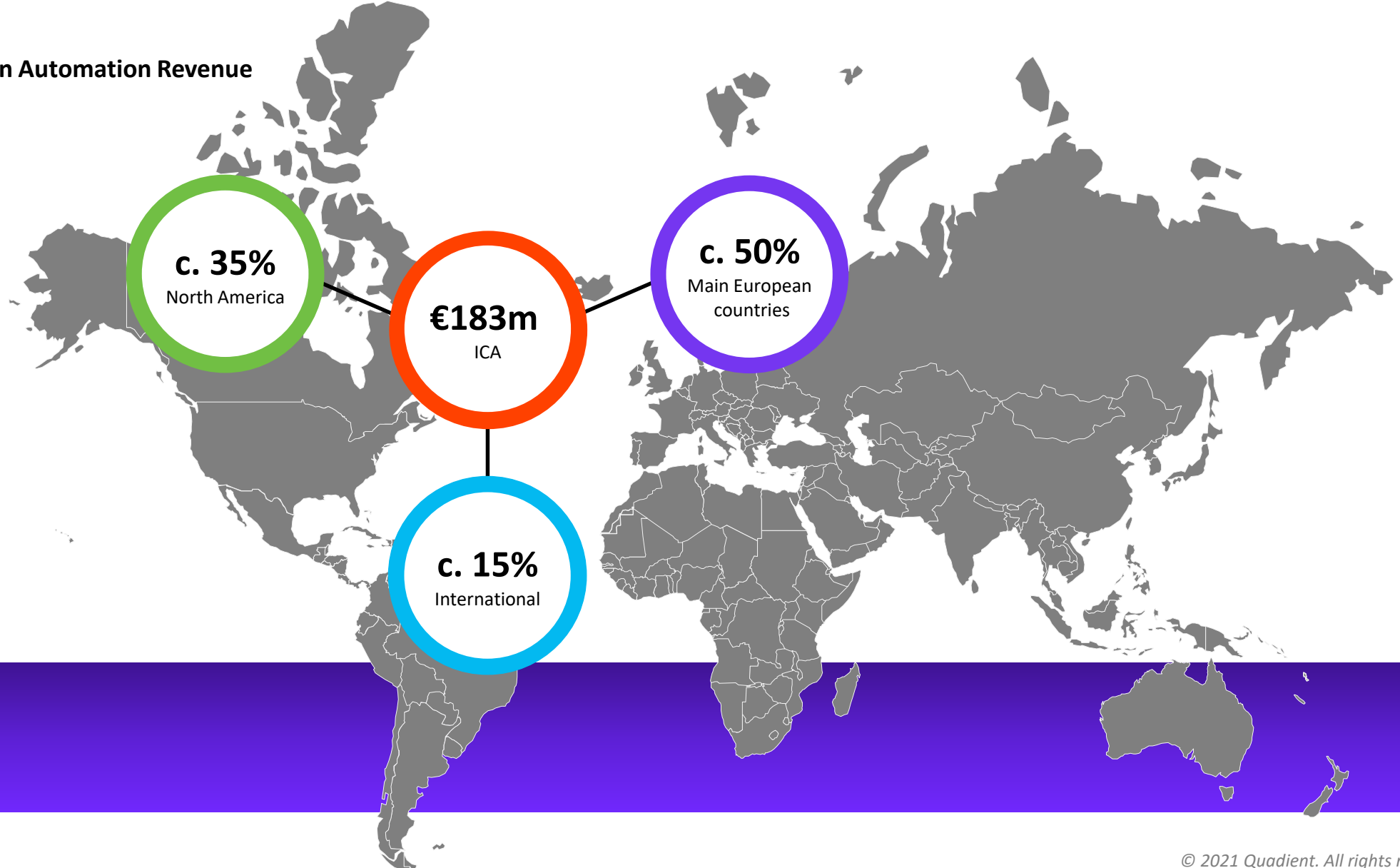
Manufacturing



We have pursued a global software strategy, resulting in customers and revenue mostly coming from the key geographies we focus on



Intelligent Communication Automation Revenue
(2020)



We are evolving to a subscription model to better address market demands and our customers' needs



FROM...

UPFRONT REVENUE

- Software license sales
- Professional services

TO...

SUBSCRIPTION-RELATED REVENUE

- Subscription
- SaaS license
- Consumption (usage)
- Maintenance

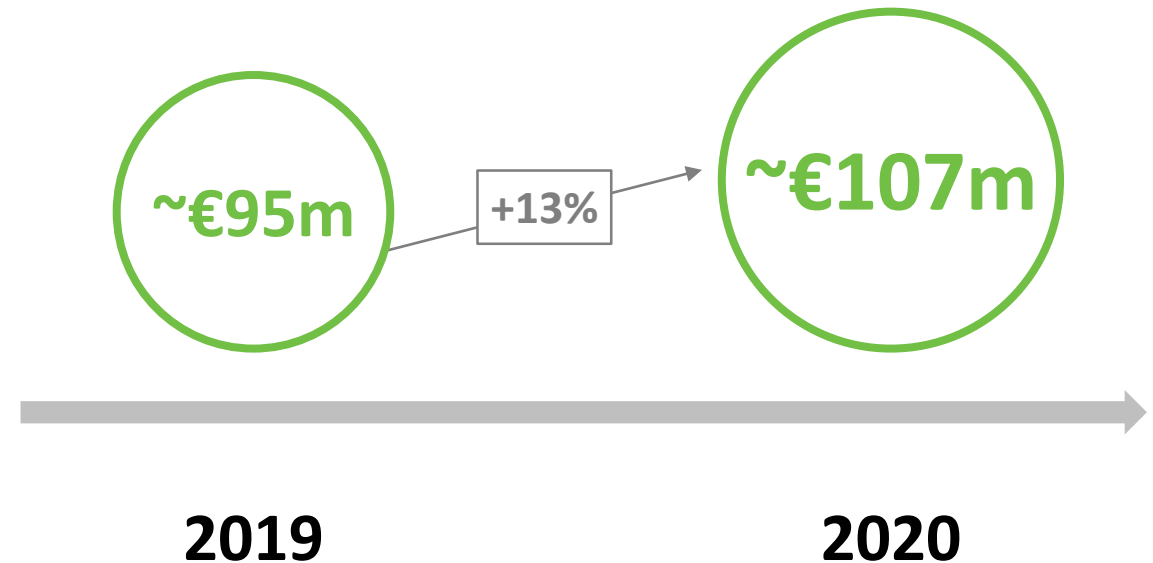
AREAS OF CONSIDERATION FOR TRANSITION, DRIVEN BY THE MARKET:

- Customer preference for SaaS model
- Security requirements
- Partner engagement models
- Operational requirements

Source: Quadiant internal data

ICA subscription-related revenue is on a strong growth trajectory

ICA subscription-related revenue
(2019-20, in €m)





ICA benefits from, and contributes to, the synergies within Quadiant

- **Intelligent Communication Automation (ICA)** leverages an installed base of **440k existing MRS customers**: c.60% of ICA customers are currently MRS customers
- High share of ICA pipeline and revenue from **MRS leads**: c.35% of ICA revenue originated from **MRS direct sales organization** in 2020
- **Shared salespeople with MRS in the US, UK and France** to have a broader coverage in the countries and higher productivity of salespeople – **reducing sales costs for ICA by sharing with MRS**
- **Local and corporate marketing partly shared** between Solutions

Source: Quadiant internal data



Cross-sell on customer base to drive revenue

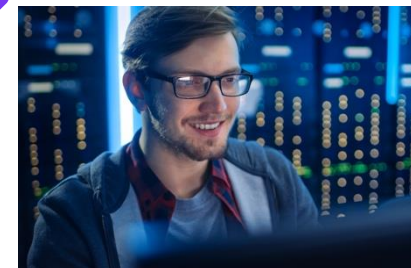


Scale Services and Call Centers faster

Reduce go-to-market costs by leveraging existing resources (Salesforce & Marketing)



Best-in-class R&D



- **Shared general client support** across solutions by region (e.g. invoicing questions)
- Development of **Software** and cloud-based platform benefits from **shared capabilities between all Quadiant solutions**
- **Leverage group IP portfolio** (~300 patent families)

Numerous initiatives, both organic and acquisitions, in past two years to enhance our offering, go-to-market strategy and to accelerate transition to subscription and cloud



Increasing cross-selling on MRS large customer base

Enhanced Go-To-Market initiatives

Transition to Subscription and Cloud

Greater **vertical diversification** for Inspire targeting Utility, Telecom, & Government customers



Integration with **Kitewheel** for **Customer Journey mapping**



Launch of focused **YayPay** sales efforts to MRS customer base



Launch of **Impress Distribute** in the UK, the US and the Netherlands



Integration for Cloud-based Insurance Claims use cases



2020

2019



New **cloud-based** capabilities with Inspire R14

Acquisition of **YayPay**, AR cloud-based solution



Launch of **Impress cloud**

2021

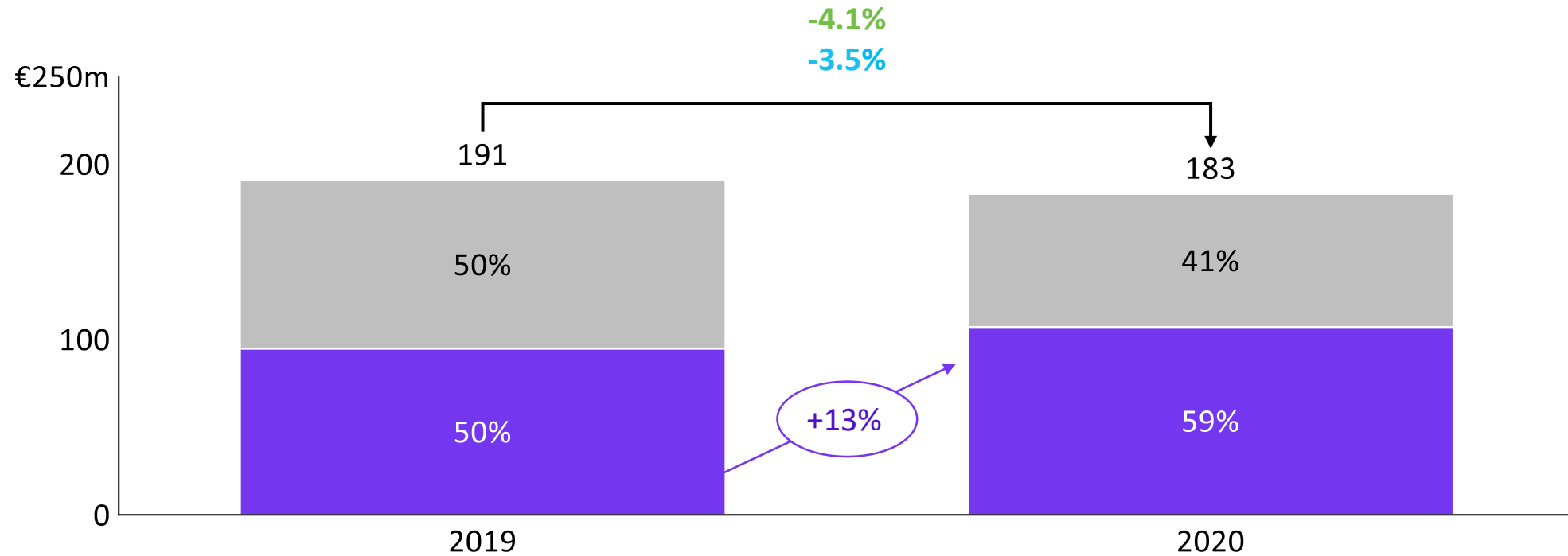
Acquisition of **Beanworks**, AP cloud-based solution



The new combined entity reached ~€183m revenue in 2020 of which ~60% subscription-related, growing 13% YoY in 2020



ICA revenue evolution
(2019-20, in €m)



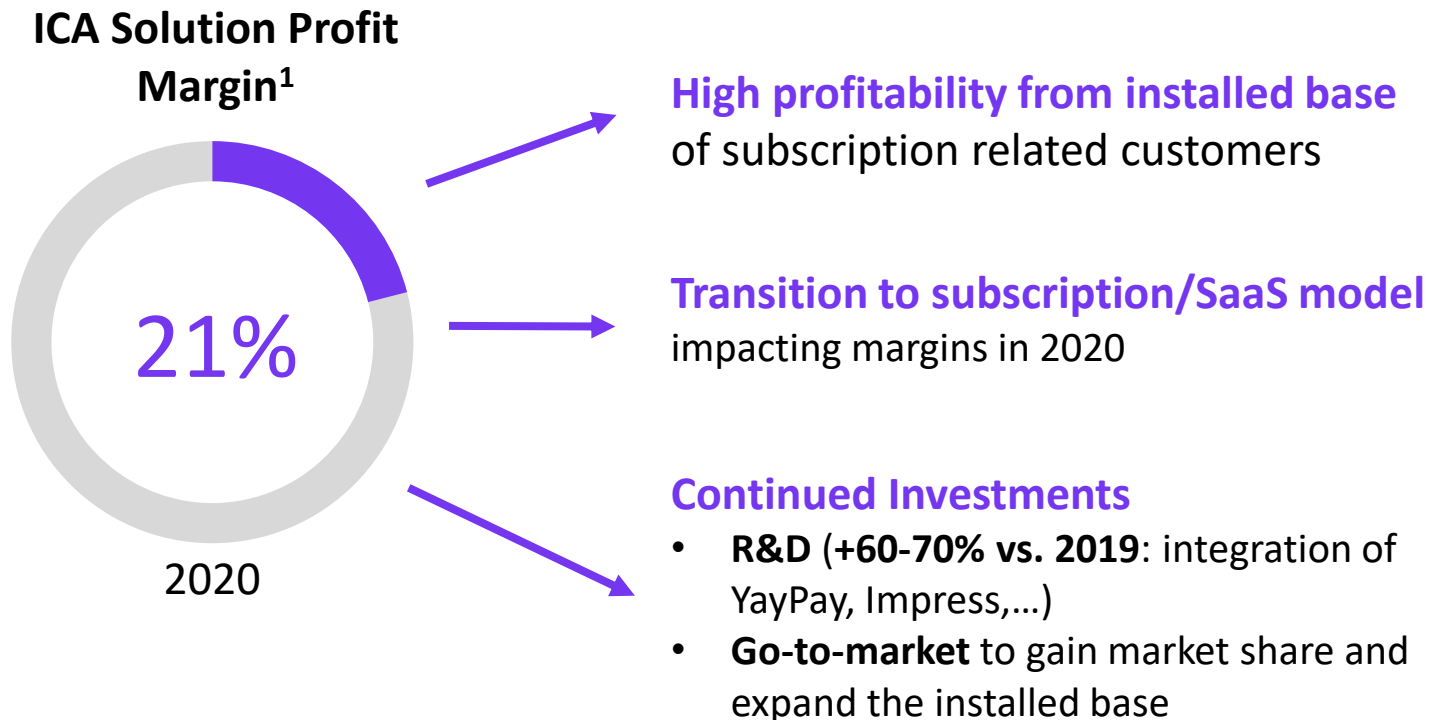
Key	
+X%	Total variation (including FX impact)
+X%	Total organic variation (excluding FX impact and scope effect)
	Subscription-related revenue
	Other revenue (license and PSO)

Our profitability will strengthen over time, thanks to ongoing investment to build a strong subscription installed base



On the short-term, ICA Solution Profit Margin will reflect the transition to a subscription model and acceleration of investments

Further investments in 2021 to continue scaling the transition which we believe will create more value for Quadiant



Lower volatility, more **visibility** and **stability**



Higher profitability model post transition to subscription and progressive scaling of the platform



Lower entry cost and better value for the customer, **easing acquisition**



Expected **higher loyalty and greater lifetime value** for customers

We constantly track three KPIs to drive and monitor our growth trajectory



% of SaaS/Subs customers

ARR (Annual Recurring Revenue)

% of subscription-related revenue

Definition

Number of **SaaS/Subs customers** over total number of customers

Annualized revenue from subscription-related revenue streams

Subscription-related revenue over total revenue

Rationale

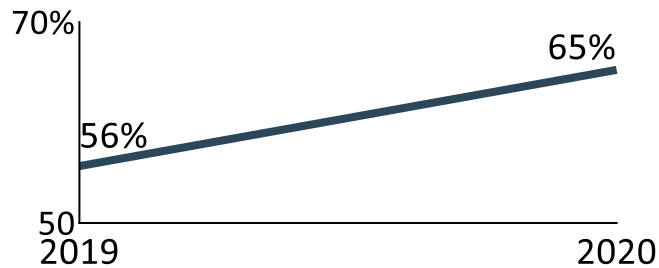
Monitors **transition to Subs/SaaS**

Allows to assess the **health** of ICA and compare it to **peers** as it takes recurring software business **specificities** into account

Subscription-related revenue ensures **revenue robustness** and **safety**

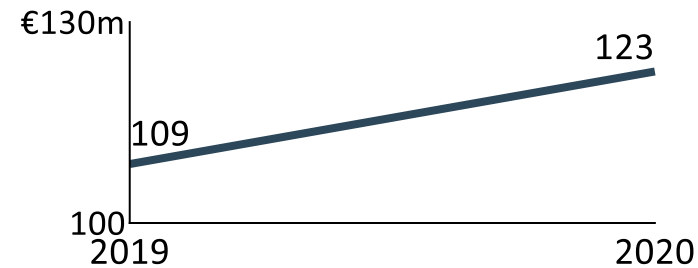
Historical evolution

Share of SaaS/Subs customers¹ (2019-20, in %)



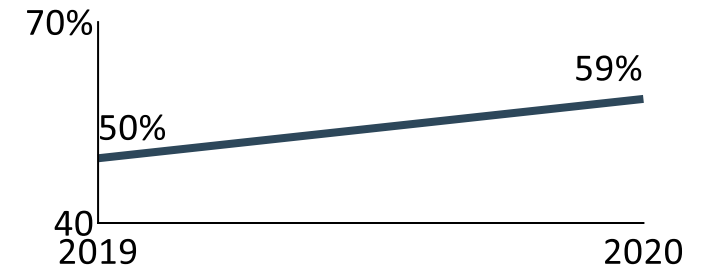
+9pp between 2019 and 2020

ARR (2019-20, in €m)



+13% growth between 2019 and 2020

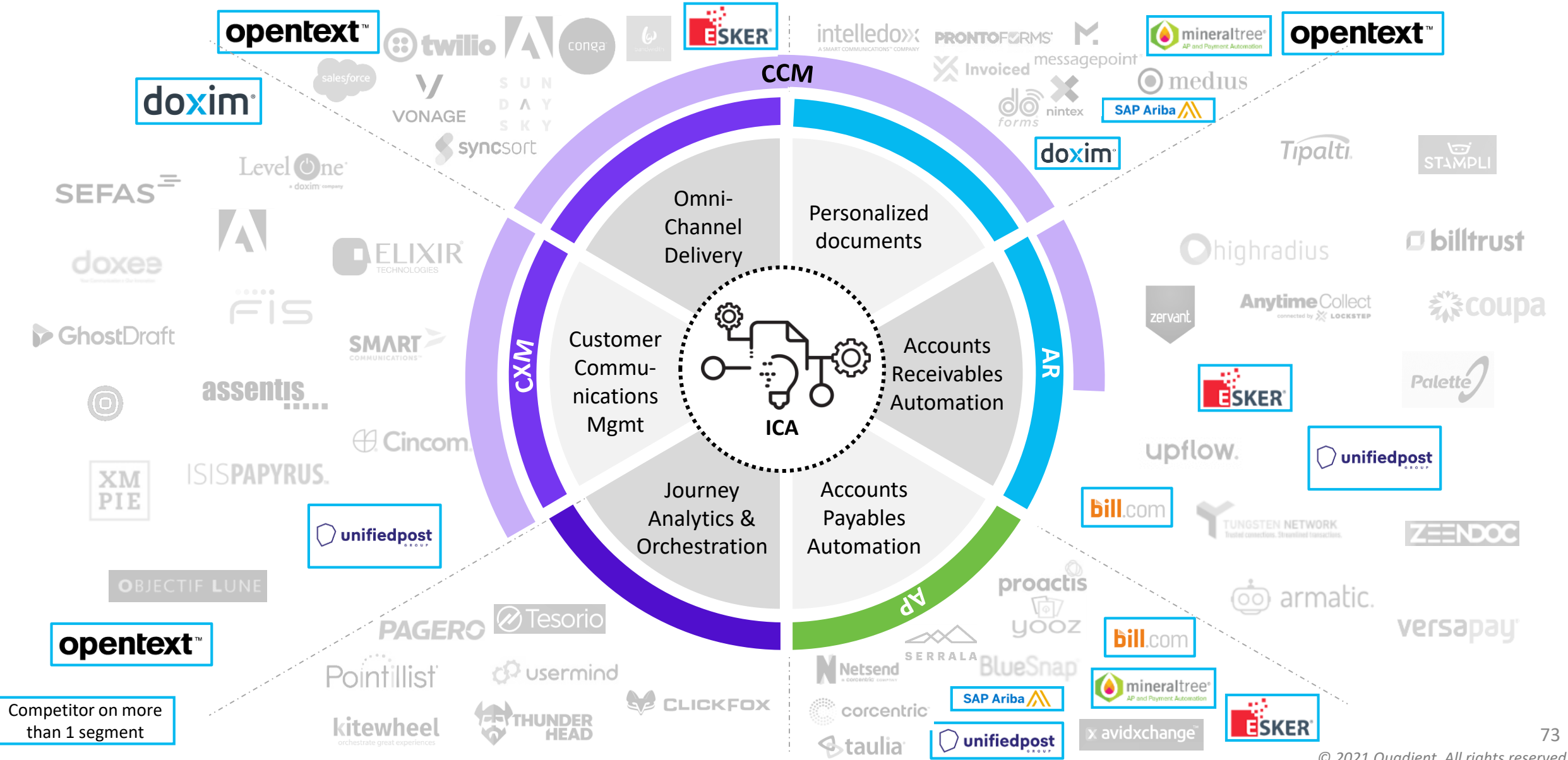
Share of subscription-related revenue excl. PSO (2019-20, in %)



+9pp between 2019 and 2020

Note: ⁽¹⁾ Does not include impact of reclassification of ICA products to MRS
Source: Quadiant internal data

Quadient ICA is uniquely positioned



Competitor on more than 1 segment

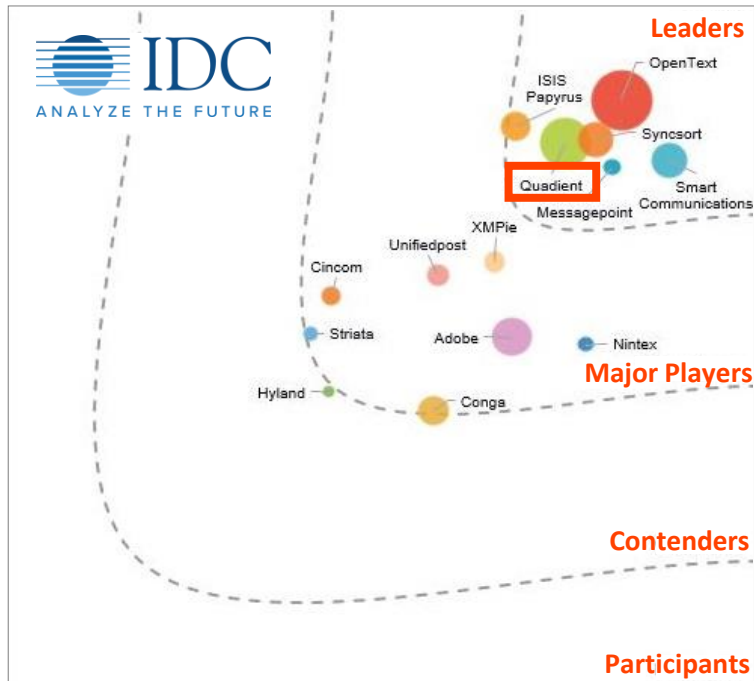
ICA products are recognized as leading players in their respective segments



Quadient CCM software benefits from a leader position and high recognition

IDC MarketScape Vendor Assessment
(2020-2021, World, SaaS CCM vendor)

CCM



Strategies

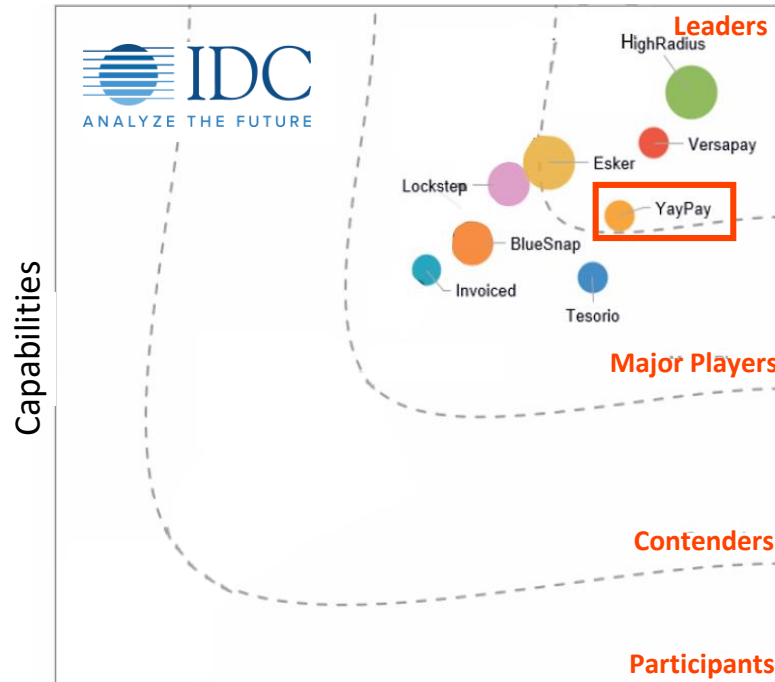
Other players were quoted in IDC Worldwide Customer Communications Management market shares 2019 (e.g. Esker, Objectif Lune)

Source: IDC; Featured Customers

YayPay was moved from the “Major players” to the “Leaders” category in 2021

IDC MarketScape Vendor Assessment
(2020-2021, World, SaaS AR vendor for SMEs)

AR



Strategies

YayPay and Beanworks mentioned in IDC Market Glance Financial Applications, software providers, along with Esker, Bill.com, billtrust...

Beanworks has been ranked a “Top performer” by Customers

AP



*“I can honestly say that with Beanworks, AP automation actually happened and **everything we wanted from it. We did it faster than planned.**”*

Controller, Home Point Financial

Leveraging our growing position, we aim at being the leader in our market with increasing profitability



Intelligent Communication Automation

Leader in communication/processes



CONTINUE STRONG REVENUE GROWTH

- Focus on **key solutions** leadership in **key geographies**
- Strengthen **direct go-to-market**
- Continue to build a **Subscription/SaaS** installed base
- Integrate AP offer and continue build up AR tech blocks to provide a **leading technology** covering end-to-end **CXM/CCM/AR/AP capabilities**




STRENGTHENED PROFITABILITY ONCE TRANSITION TO SUBSCRIPTION/SaaS COMPLETED

- **Scaling of the Subscription/SaaS** model than will bring sustainable long-term value
- **Investments in R&D and IT** to support topline growth ambition

We aim to reach an ambitious profile by the end of the 3-year plan



Over 20-25% subscription-related revenue CAGR
Over the 3-year plan



c.30% Solution Profit Margin
On a FY basis by the end of the 3-year plan

Intelligent Communication Automation – Key takeaways



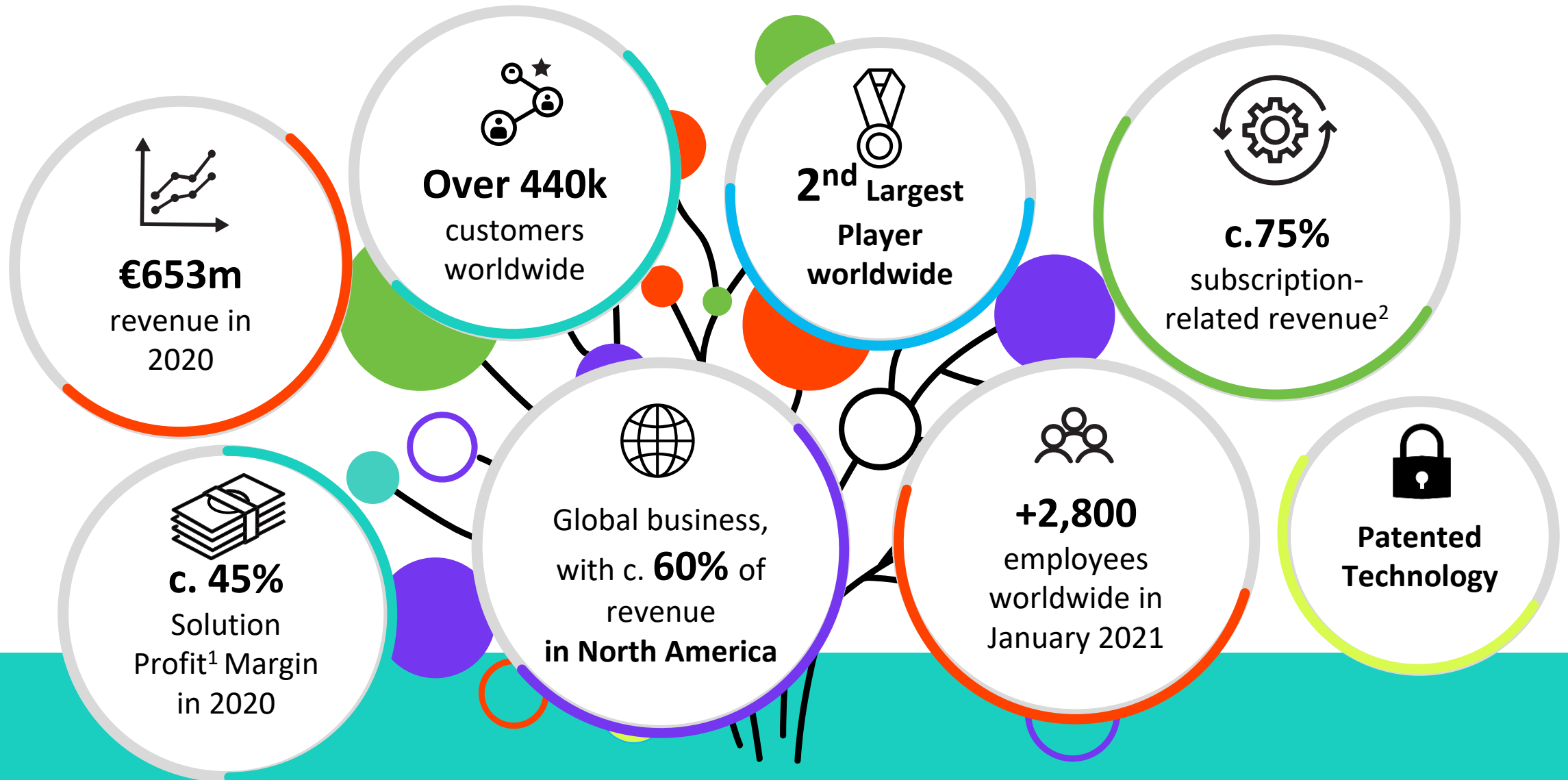
- 1** ICA is the **combination of CXM and BPA** solutions that are now increasingly **convergent** and **synergistic** on Technology and R&D software (cost and capabilities)
- 2** ICA answers the adjacent **digital needs** of Quadient's historic physical mail customers – it is **a scaling growth engine** and a key element of our **Back to Growth strategy**
- 3** ICA enjoys a **unique positioning** thanks to **extensive commercial/cost synergies** with the Group (e.g. 35% of revenues coming from MRS leads, **c.60%** of customers from MRS customer base) – targeting **c.30% Solution Profit Margin** on a FY basis by the end of the 3-year plan
- 4** We are accelerating our **transition** towards **SaaS/Subscription** model on the CXM segment, while already operating mostly on SaaS on CCM/AR/AP, ensuring **revenue recurrence** and broader market opportunities – subscription-related revenue is expected to grow at a CAGR superior to **20-25%** over the 3-year plan
- 5** Quadient is **among few players** to offer a best-of-suite solution covering most of the **CXM/CCM/AR/AP value chain** – fueled by **recent acquisitions** (i.e. YayPay in 2020, recognized as a leader in the AR space, and Beanworks in Q1 2021) allowing us to **scale on mid-market**
- 6** Going forward, we have defined a clear roadmap to **fully transition to SaaS/Subscription** model, to cover end-to-end **CCM/CXM/AR/AP features and capabilities** and to scale our **key solutions globally**



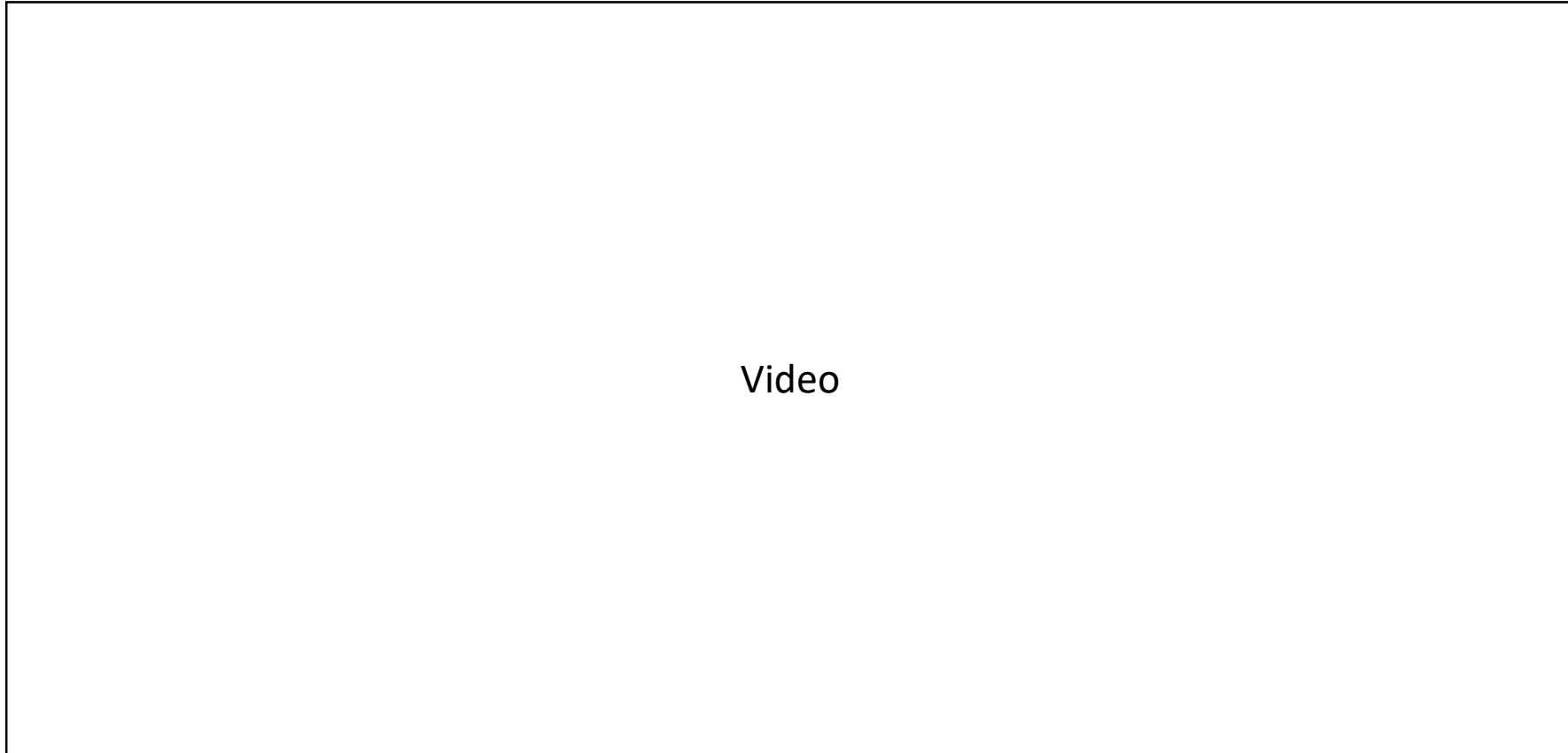
AGENDA

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MRS in a nutshell



Note: Data post-reclassification of ICA products to MRS; ⁽¹⁾ Solution profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient internal data



Video

Quadient MRS addresses a variety of use cases and customer profiles to make their mail-related process easy, efficient and compliant



2 core use cases with an ecosystem around...



... for a wide range of customers



From small mailers...

... up to high volume mail facilities

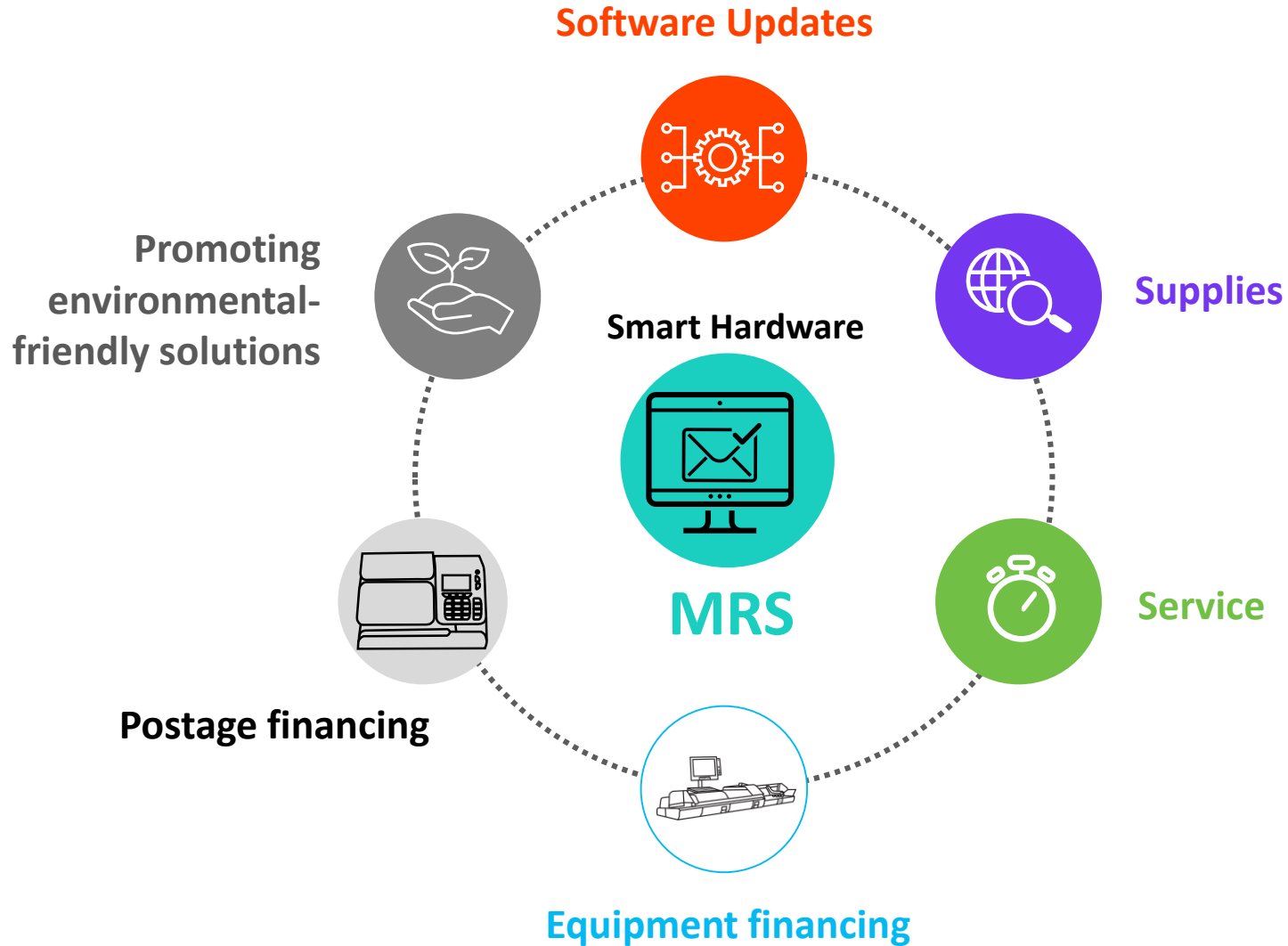
Convenience sale

Critical business impact partnership

- Fewer trips to the Post Office, no need to buy stamps
- Ability to accurately pay for a wide range of postal services and destinations
- Professional image for the organization

- Expense control: Maximize employee productivity and reduce costs
- Revenue growth: increase sales, market share and profit
- Customer engagement: improve acquisition, satisfaction and retention
- Risk mitigation: enhance security and regulation compliance

Thanks to our subscription-related business model, high-quality customer service, and balanced customer base, Quadiant MRS business is solid and highly predictable

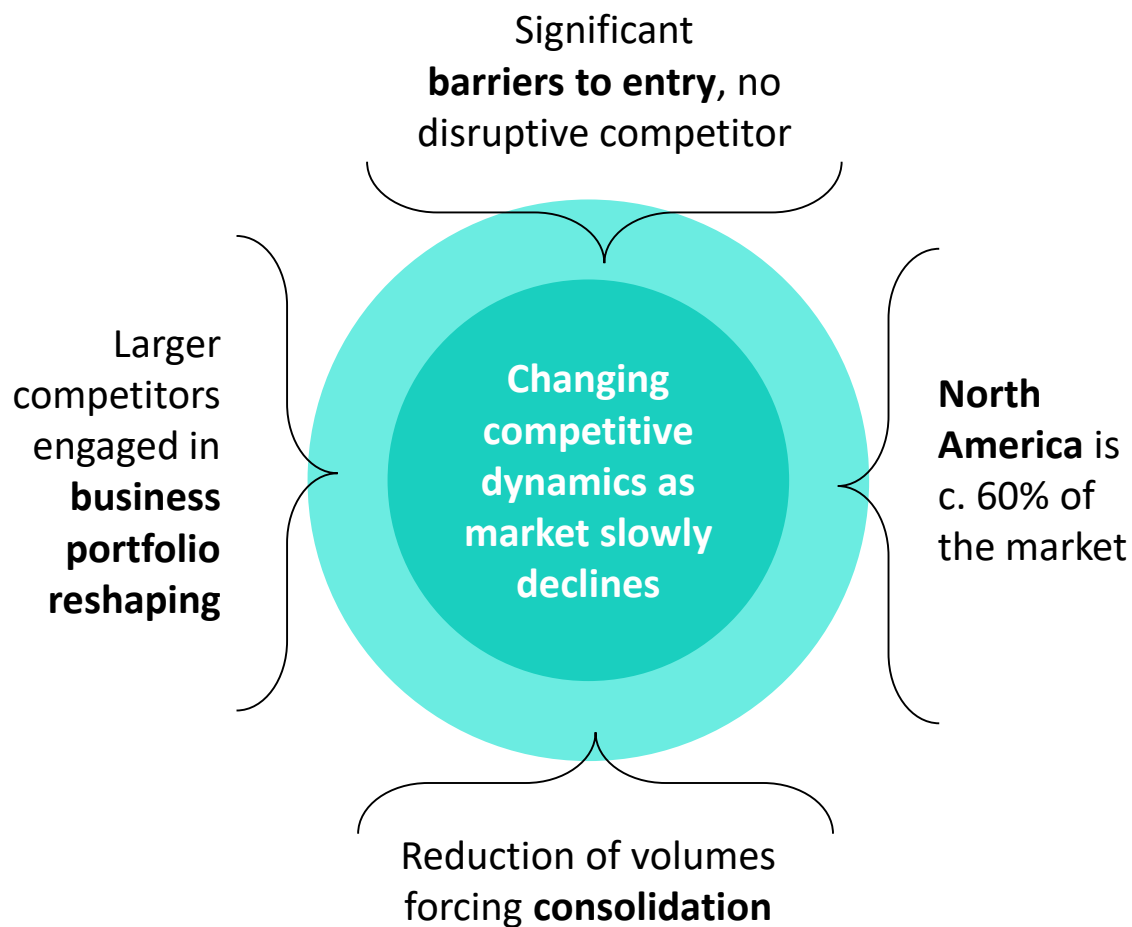


Most of the business is on multi year contracts with a **committed subscription-related revenue** throughout contract lifecycle: leasing or rental models with significant service revenues during contract lifetime (**~75% of revenue is subscription-related**)

Large number of customers (440 000+): **no dependency** on a few large accounts

High customer retention rate thanks to a very high customer satisfaction level (**95%+ satisfaction**)

Quadient is present on a worldwide level, with strong positions on a €2.9Bn¹ market where competitors are well known



- #1 global player
- Decreasing presence in Europe
- Full range



- #2 global player
- Leader in Europe
- Full range



- #3 global player
- Present in all major markets, market leader in Germany
- Focused on low-end
- No Folder Inserter manufacturing



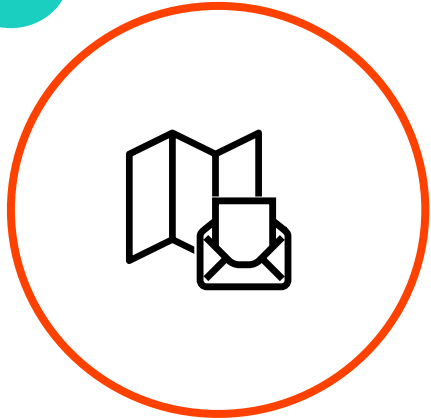
- #4 player
- Present in European markets only
- Focused on low end
- No Folder Inserter manufacturing

Note: ⁽¹⁾ 2019 figures, including production mail
Source: Companies financials; Quadient analysis

Quadient plays on the dynamic Mail-Related Solutions market which has experienced better trends than mail volume evolution



1



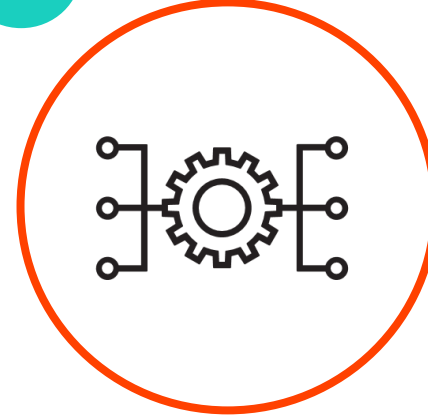
Mail – the market's underlying driver – **is not declining at the same pace everywhere**, and **won't disappear altogether**

2



The business model cushions volume trends: clients decide on renewal mostly at contract end
Most businesses still need a mail processing solution even if volume decreases

3



Mail-Related Solutions **players can increase value by offering new device designs, additional services and products**, matching mail evolutions

4



Quadient is **gaining share** in the large Mail Solutions market

MRS benefits from, and contributes to, the synergies within Quadiant



Leverage Customer Base to drive Revenue for Quadiant

- Mail is often an **entry point** for a business relationship and gives other Solutions access to our **large customer base** (e.g. **c.60%** of ICA customers are also MRS')
- **Growing share of ICA pipeline and revenue** from MRS leads: **c.35%** of ICA revenue originated from **MRS direct sales organization** in 2020



Reduce Go-to-market Costs (Salesforce & Marketing)

- **Shared salespeople with ICA in the US, UK and France** to have a broader coverage in the countries and higher productivity of salespeople – **reducing sales costs for MRS by sharing with ICA**
- **Local and corporate marketing partly shared** between Solutions



Share Services and Call Centers to optimize costs

- **Shared resources between PLS and MRS** in service/maintenance as well as in call centers in the UK and France allowing PLS to have broader coverage
- Shared general **client support** across solutions by region (e.g. invoicing questions)



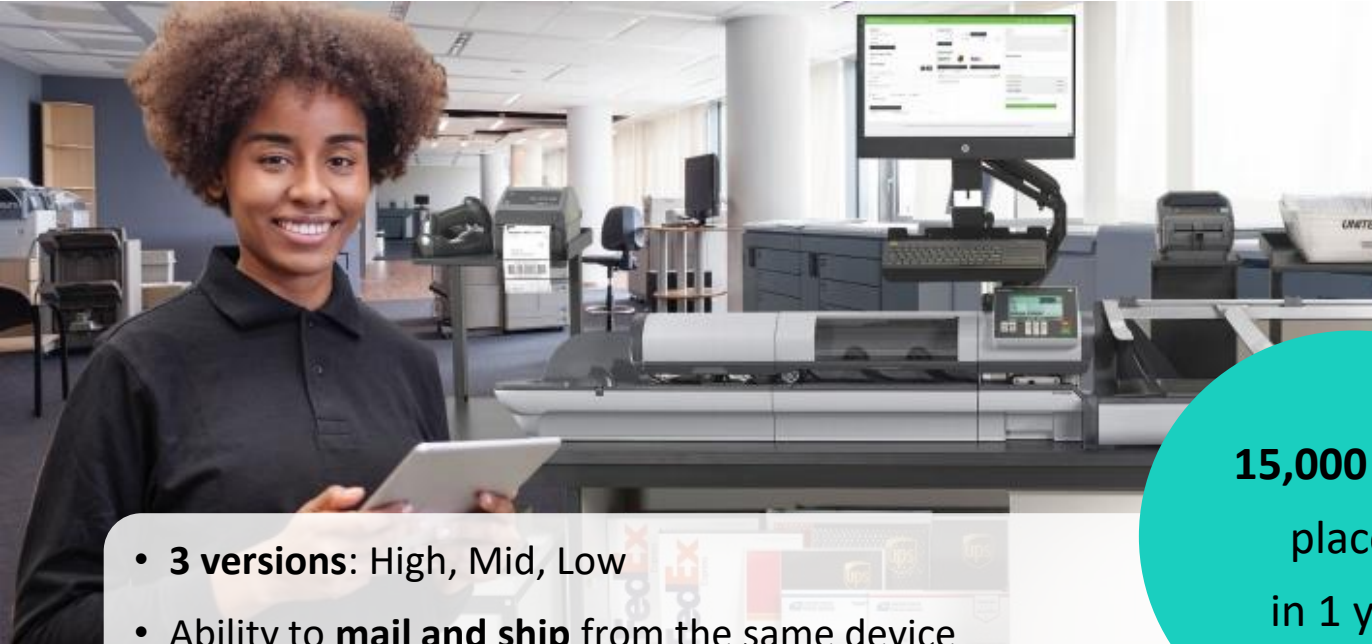
Best in Class R&D and Supply Chain

- **R&D Hardware synergies with PLS** with engineers working on both Solutions
- **Supply chain fully shared between MRS and PLS:**
 - 2 shared **warehouses** in the US and Europe with flexible teams
 - Common **transport and outsourcing** resources
 - **Shared IT Supply Chain backbone**

We have continued investing in our business including in new products launches, go-to-market and cross selling-acceleration in 2019 and 2020



QUADIENT'S IX/SMART LINE IS AN EXAMPLE OF A RECENT SUCCESSFUL PRODUCT LAUNCH



15,000 units placed in 1 year

- 3 versions: High, Mid, Low
- Ability to **mail and ship** from the same device
- Cloud Based **Mailroom Management** application suite
- Meets **highest level data specification** from the Postal Service
- **Improved** screen, interface **design** and aesthetics
- Improved **access to onboard diagnostics** and sensors for lower service and remote maintenance
- **Proprietary ink cartridge**

We have also driven several operational initiatives



Expansion of **sales channels** through **OEM agreements**



Introduction of more **self-service capabilities** for customers



Growth of **inside sales channels** for transactional business



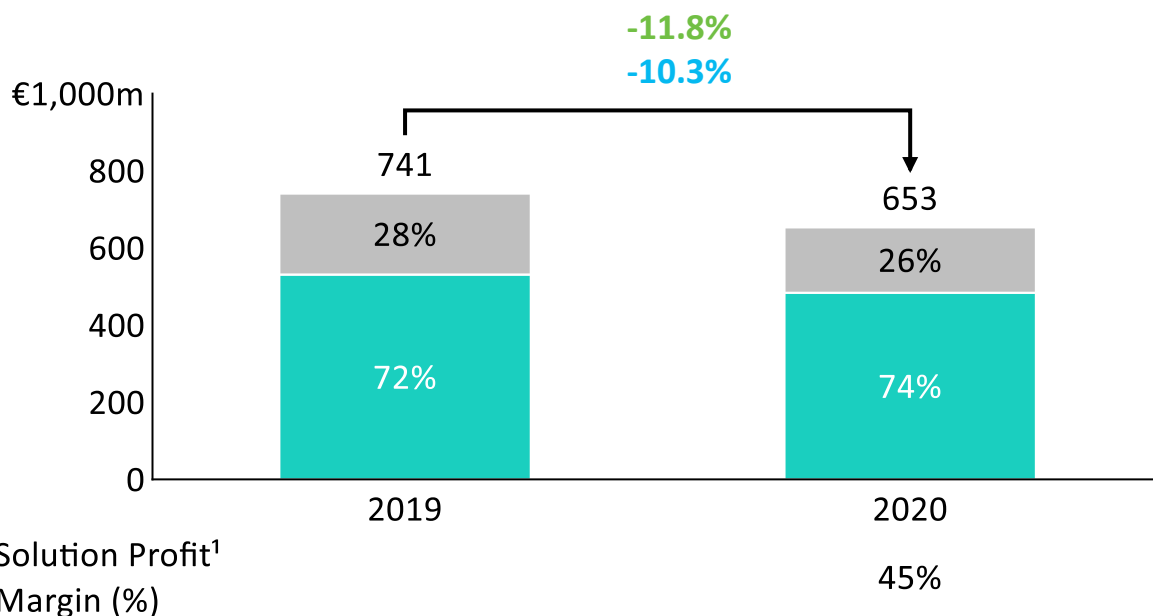
Acceleration of **cross-sell activities** with the launch of the **Impress suite and YayPay** of ICA digital solutions

Thanks to these initiatives, we have been able to sustain our revenue in 2019 and 2020



In spite of our revenue decline during Covid, profit has remained strong

Evolution of MRS Revenue and Solution Profit Margin
(2019-2020, €m, %)



Key

- +X% Total variation (including FX impact)
- +X% Total organic variation (excluding FX impact and scope effect)
- Subscription-related revenue
- Other revenue (hardware)

Comments

- **-10.3% organic revenue decline** in 2020 vs. 2019 due to three main reasons:
 - Slow down of **usage revenue** with closures and lockdowns in MRS major countries
 - Reduction of **marketing spend** on new business acquisition as lockdowns hampered commercial cycles
 - **Delayed decision making** due to uncertainties on the economic environment
- However, high resilience of revenue thanks to our high **subscription-related revenue** share relying on multi-year contracts

Note: Figures including reclassification from ICA products to MRS; ⁽¹⁾ Solution profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient Internal Data

Thanks to multi-year specific programs, Quadient succeeded to maintain our Solution Profit Margin, even in 2020 despite Covid



Short-term

Variable Costs Impact / Efforts

- Hiring freeze
- Headcount rightsizing
- Travel ban
- Furloughs
- Demand generation spend

Ongoing – Long-term

Fixed Costs Impact / Efforts

- **Supply Chain:**
 - Rationalization of the footprint
 - Outsourcing
- **R&D:**
 - Offshoring & Outsourcing
 - Centralization of deployments in Bagneux and Tools standardization
 - Reduction of legacy versions

Synergies Impact / Efforts

- **Better utilization of assets**, shared with other solutions
 - Sales teams (cross-selling with ICA)
 - Service and maintenance
 - Supply chain warehouses and infrastructure with PLS
 - R&D Hardware shared with PLS

MRS 2020
SOLUTION
PROFIT
MARGIN¹

45%

Note: ⁽¹⁾ Solution profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient Internal Data

Quadient constantly tracks three KPIs to drive and monitor our trajectory



Share of upgraded Installed Base

Definition

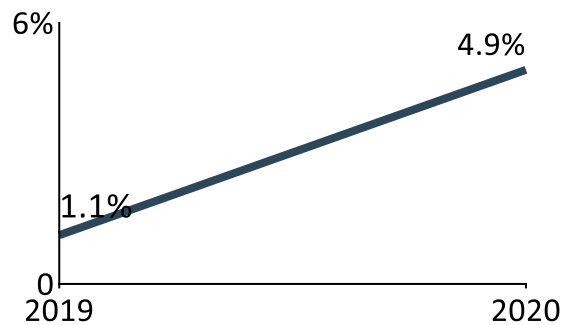
- Share of **new generation smart devices** among total number of devices in the installed base

Rationale

- **Size the upside potential** for upgrade to the latest generation smart hardware

Historical evolution

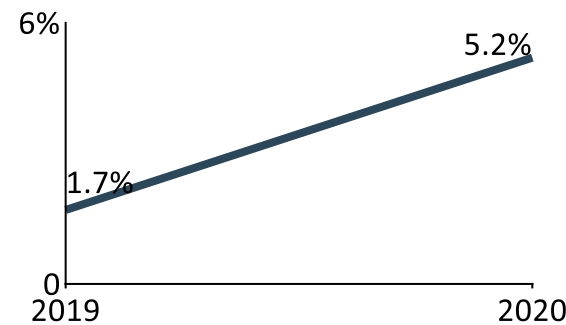
Share of upgraded Installed Base (2019-20, %)



Resilience Index¹

- Spread between **supplies revenue evolution** and **total revenue evolution**
- Confirm that **MRS revenue decline is slower than overall mail volume decline** (proxy: supplies)

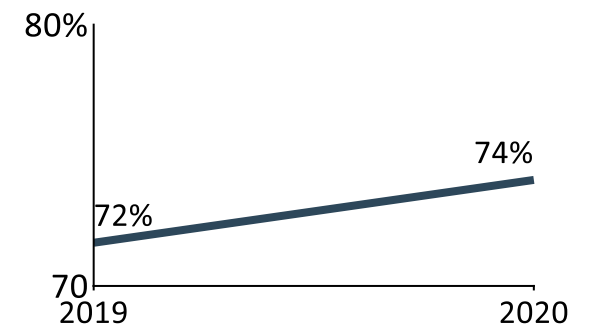
Resilience Index² (2019-20, %)



Share of subscription-related revenue

- % of revenue deemed subscription-related
- Subscription-related revenue ensures **revenue robustness** and **safety**

Share of subscription-related revenue (2019-20, %)



Note: ⁽¹⁾ Resilience Index = supplies revenue evolution vs. previous year (in %) - total revenue evolution vs. previous year (in %); ⁽²⁾ 2019 and 2020 Resilience Indexes do not take into account the ICA/MRS products reclassification
Source: Quadient internal data

MRS aims to remain a profitable and cash generative business



MRS

Profitable/cash-generative mail business to fully monetize



MONETIZE INSTALLED BASE IN CORE GEOGRAPHIES AND PUSH CROSS-SELLING



• Installed base monetization

- Renew the line with product launches
- Grow market share
- Improve go-to-market channels



• Focus on core geographies

- North America
- Europe top 3
- OEM penetration



• Grow Cross-Selling with ICA and PLS



MAINTAIN PROFITABILITY THROUGH DIVESTMENTS AND SUPPLY CHAIN AND R&D OPTIMIZATION



• Supply Chain:

- Optimize footprint
- Improve Cost of Sales and variabilize
- Deploy sustainable products in North America



• R&D:

- Concentrate on 2 expertise centers for Document Systems instead of 3

We aim at containing revenue decline while maintaining profit



Better than -5% organic
CAGR revenue decline
Over the 3-year plan



High Solution Profit Margin
in the range of 43-45%
On a FY basis by the end of the 3-year plan

The MRS ambition is clear and leverages the strength of Quadiant's assets



**Resilient. Well-Managed.
Highly Profitable.**

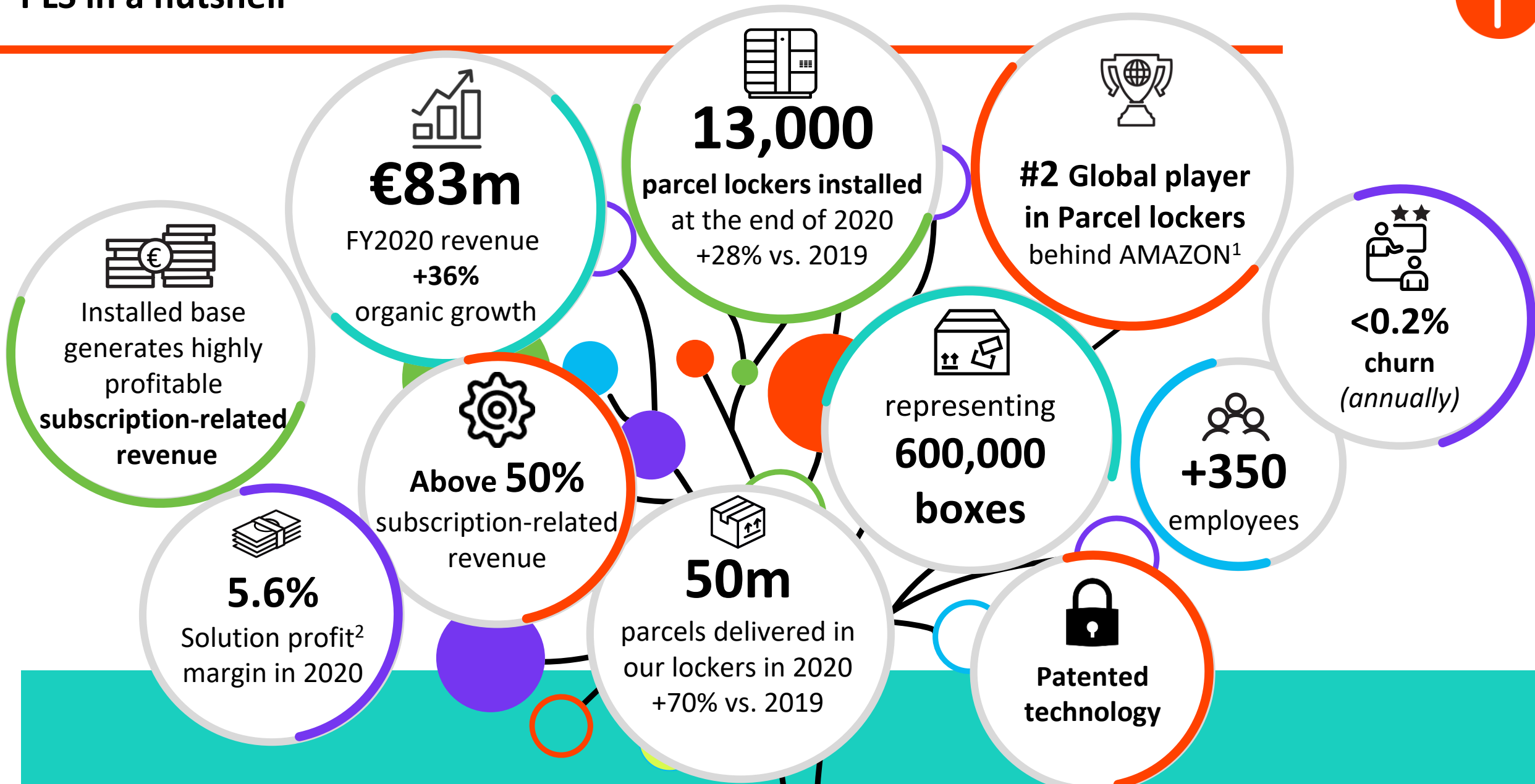




AGENDA

FY2020 Results	Laurent du Passage, Chief Financial Officer
Back to Growth Accomplishments	Geoffrey Godet, Chief Executive Officer
Reporting	Laurent du Passage, Chief Financial Officer
Market Dynamics	Tamir Sigal, Chief Marketing Officer
Solutions Achievements and Goals	
ICA	Chris Hartigan, Chief Solution Officer
MRS	Alain Fairise, Chief Solution Officer
PLS	Daniel Malouf, Chief Solution Officer
3YP Financial Guidance & Capital Allocation	Laurent du Passage, Chief Financial Officer
Conclusion	Geoffrey Godet, Chief Executive Officer

PLS in a nutshell



Note: ⁽¹⁾ In number of installed lockers, in Quadient's main geographies; ⁽²⁾ Solution Profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient internal data © 2021 Quadient. All rights reserved.

The increase of packages creates tremendous and different challenges for consumers and all e-commerce stakeholders, including side effects on environment



Consumers



Poor online shopping delivery experience

- Package delivery/pickup is painful when times don't match your schedule
- Package pickup takes a long time because collection counter is busy
- Process for returning goods is extremely painful
- Human interaction during package hand-over is a health concern

65%

of consumers expect safe contactless delivery after COVID-19*

e-commerce stakeholders

(retailer, carrier, residential, corporate, education)



Increasing last-mile costs

- More packages → more stops → last-mile costs ↗
- Labor constraints due to management of opening new routes and peak periods
- Increasing number of misdelivered packages, impacting cost and customer experience

41% of total cost

Last-mile delivery is the biggest cost driver in the e-commerce supply chain**



Parcel burden

- Property staff and collection point staff are overloaded with incoming packages
- Buildings lack physical space to store packages securely
- Packages can be stolen

Environment



Growing CO₂ emission

- Increase of delivery vans contributes to traffic congestion and growing CO₂ emissions

25% & 20%

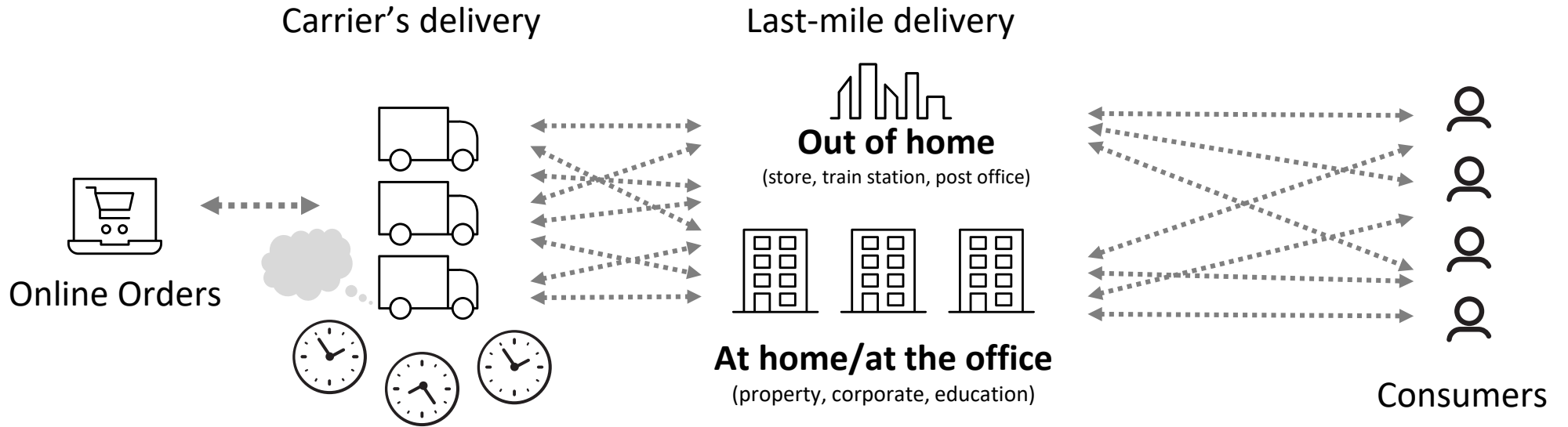
of CO₂ emission of urban traffic comes from delivery vans ***

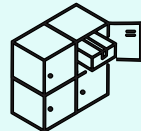
Parcel lockers are the only automated, proven last-mile delivery solution to answer these challenges



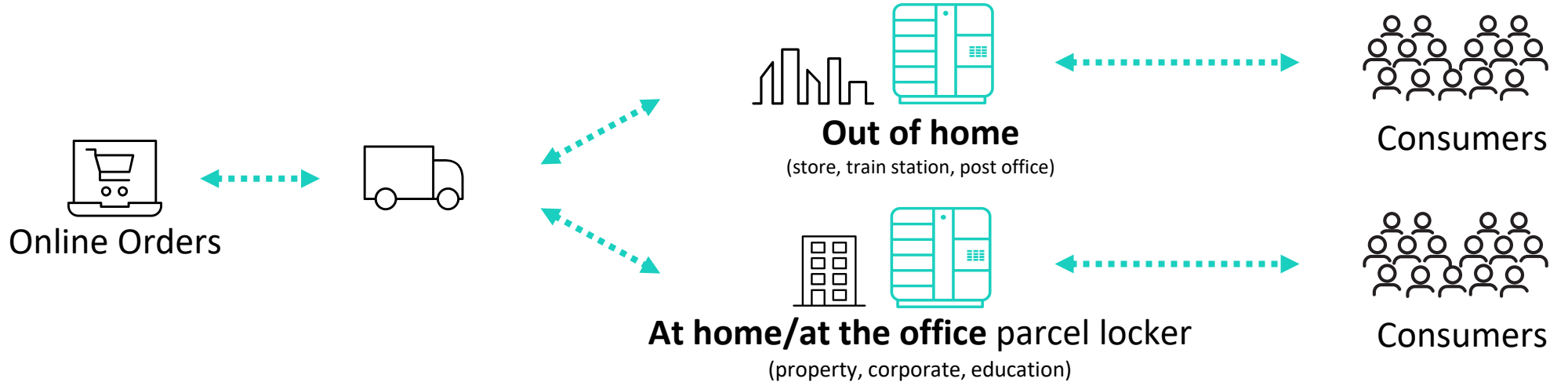
HAND DELIVERY 

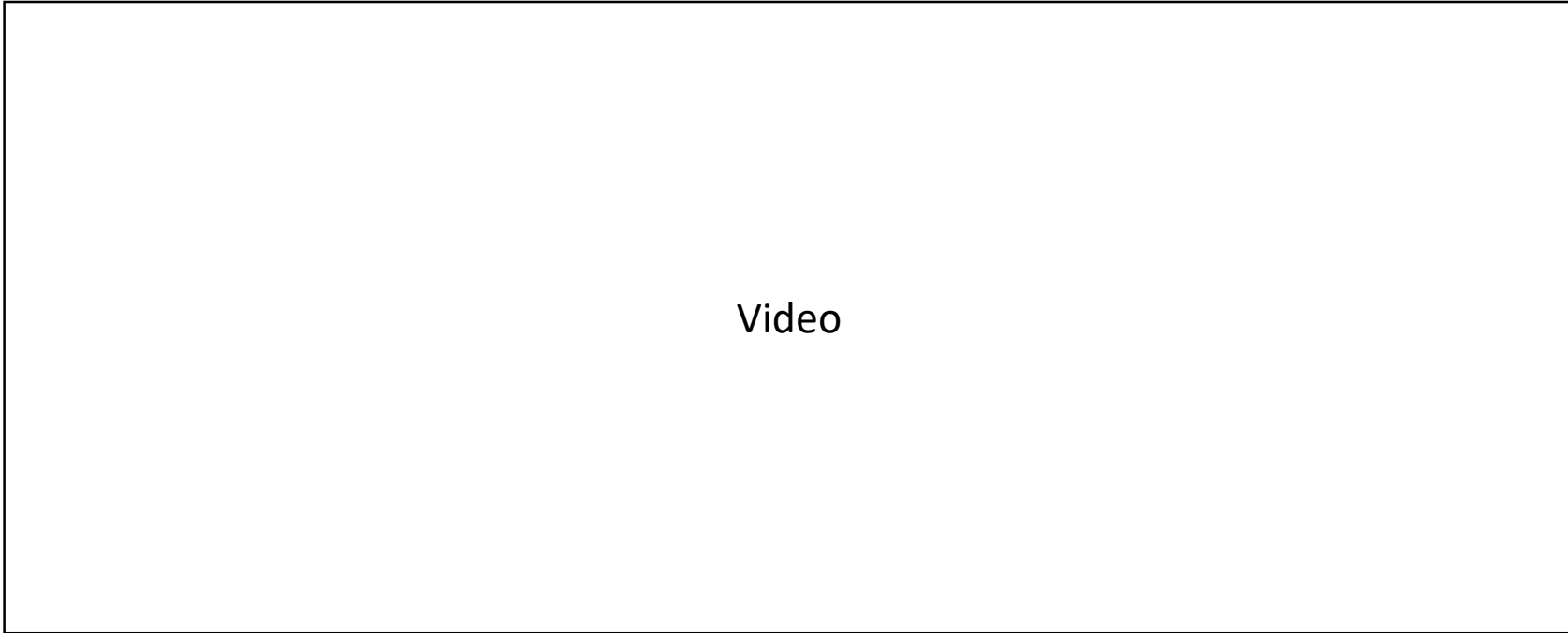
Carrier must deliver parcels to each user individually



PARCEL LOCKERS 

Carrier pools deliveries at the lockers



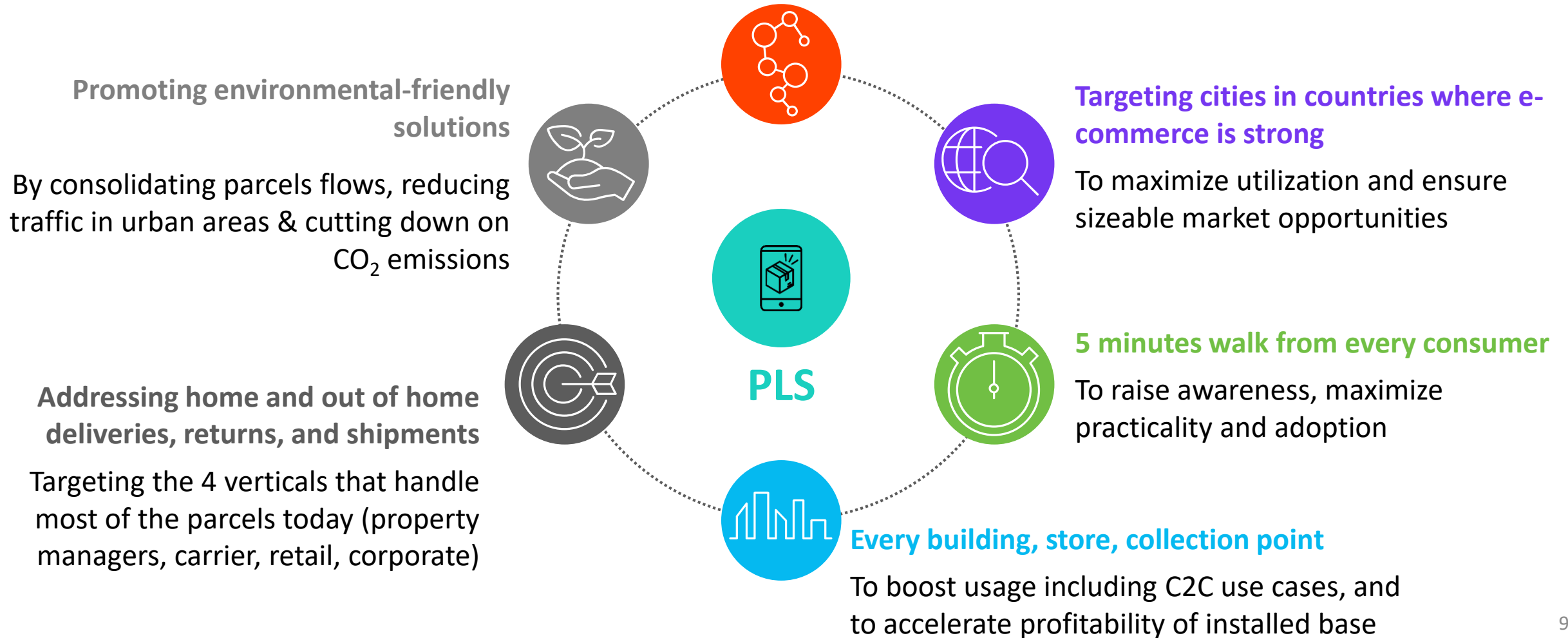


Quadient PLS mission statement is to grow and monetize a large, dense, and open locker network



An Open locker network for last-mile delivery

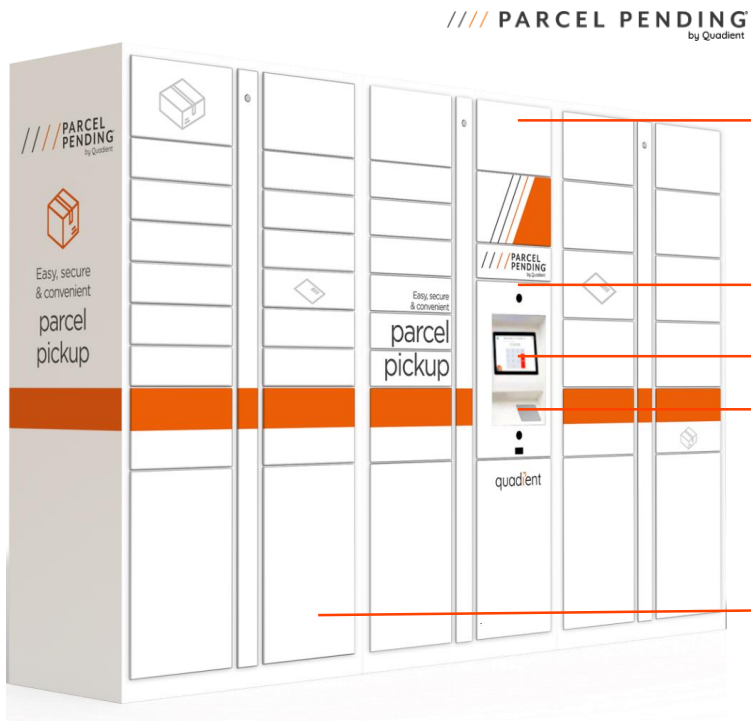
To serve our customers and consumers with a carrier-agnostic approach while solving their challenges



Our solution breaks boundaries to create an integrated experience using a combination of smart hardware, intuitive mobile interface and cloud platform



Smart Hardware with integrated software



Design mastered by Quadient to optimize total costs of ownership

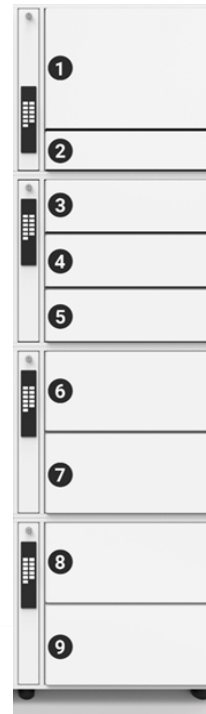
Embedded **cameras** for security

Error-proof user interface

Scanner for contactless operations & package tracking

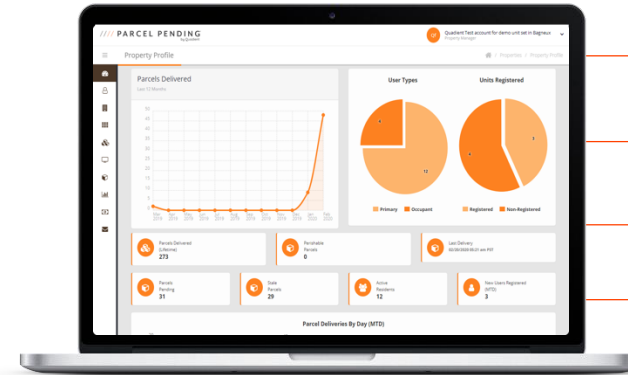
Modular & evolvable configurations and box sizes to adapt to evolving needs

Standard Locker



LITE Locker

Network management platform



Unique secured, robust & scalable platform

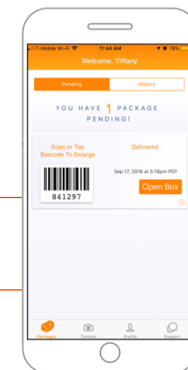
Manage **millions of users** and **thousands of devices** with specific processes & roles

Monitoring with proactive alerts

Business intelligence for smart base evolution

Superior **Integration capability**

Mobile application



Contactless Pickup

Fast & easy returns



Thousands of diverse business customers already rely on our vertical-agnostic, location-agnostic, and open parcel locker network solution



Covers needs of all customers with an integrated hardware/software solution

Addresses **home** and **out-of-home** parcel operations with a range of products

Manages **comprehensive range** from **low to high** parcel volume needs



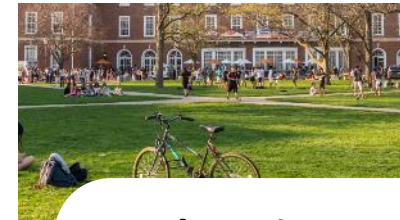
Carriers



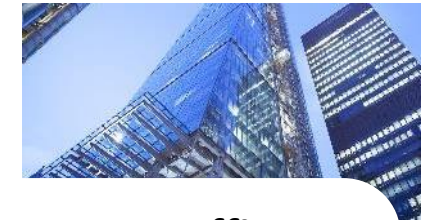
Retail



Property managers



Education and corporate offices



Benefits for consumers:

- ✓ Retrieve parcels where they want, when they want
- ✓ Ensure consumer peace of mind by preventing parcel loss or theft

Benefits for the environment:

- ✓ Limit urban congestion at peak hours in urban areas
- ✓ Cut down on CO₂ emissions

Quadient offers two flexible business models to accommodate our customers' requirements; both models generate profitable subscription-related revenue



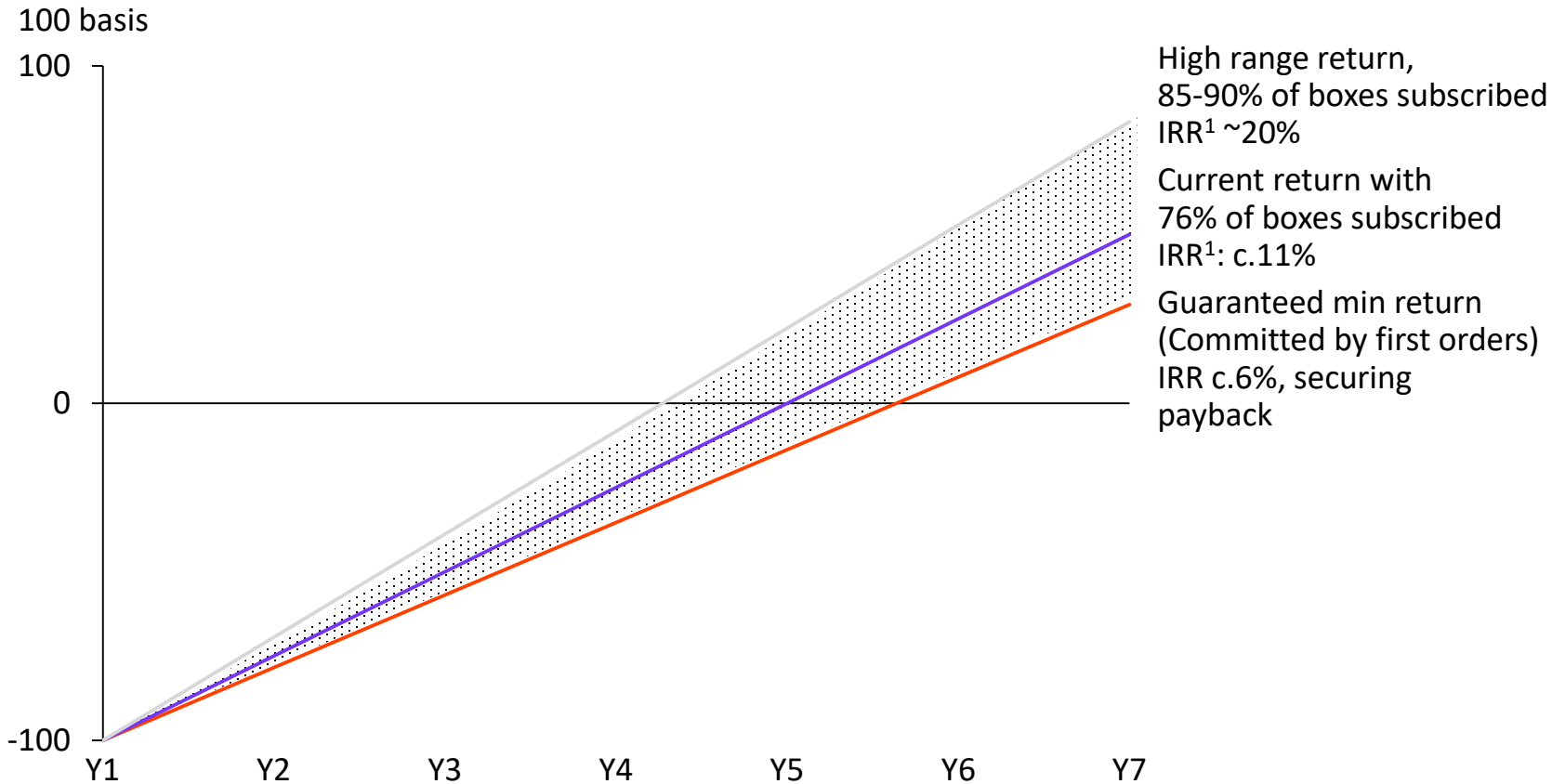
	PURCHASE	RENTAL
Characteristics	<ul style="list-style-type: none"> • Customer invests in the hardware • Quadient provides the solution and services • Yearly typical commitment for subscription revenue with high stickiness (<0.2% churn) 	<ul style="list-style-type: none"> • Low investment for customer • Quadient invests and provides full-service • 3-7 years commitment period
One-off revenue	<ul style="list-style-type: none"> • Sale of the hardware at beginning of contract <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">60% of total revenue over 5-year period*</div>	<ul style="list-style-type: none"> • None
Subscription revenue	<ul style="list-style-type: none"> • Software subscription • Hardware support and maintenance • Consumer/service support <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">40% of total revenue over 5-year period*</div>	<ul style="list-style-type: none"> • Subscription/rental revenue, including all services: <ul style="list-style-type: none"> – Locker subscription/ rental – Software subscription – Hardware support and maintenance – Consumer/service support <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">100% of revenue*</div>
Additional volume-based revenue related to subscription	<ul style="list-style-type: none"> • Fee per transaction <ul style="list-style-type: none"> – e.g. in residential US, consumers pay Quadient a fee when leaving parcel more than 3 days in locker 	<ul style="list-style-type: none"> • Fee per parcel <ul style="list-style-type: none"> – To monetize available space, Quadient rents boxes on a 'fee per parcel' basis
Subscription-related revenue		

Note: (*) Excluding additional subscription-related revenue streams which are not included in all contracts

Quadient manages our open network model securing a minimum return with first orders, and drives additional profitability onboarding other customers once rolled out



PLS Japan average cumulated cash profile, base 100 cash out in year 1

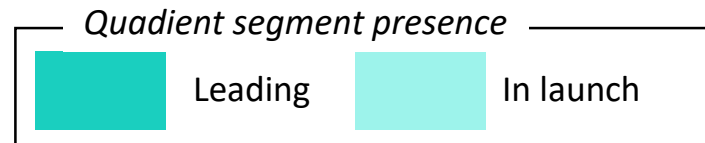
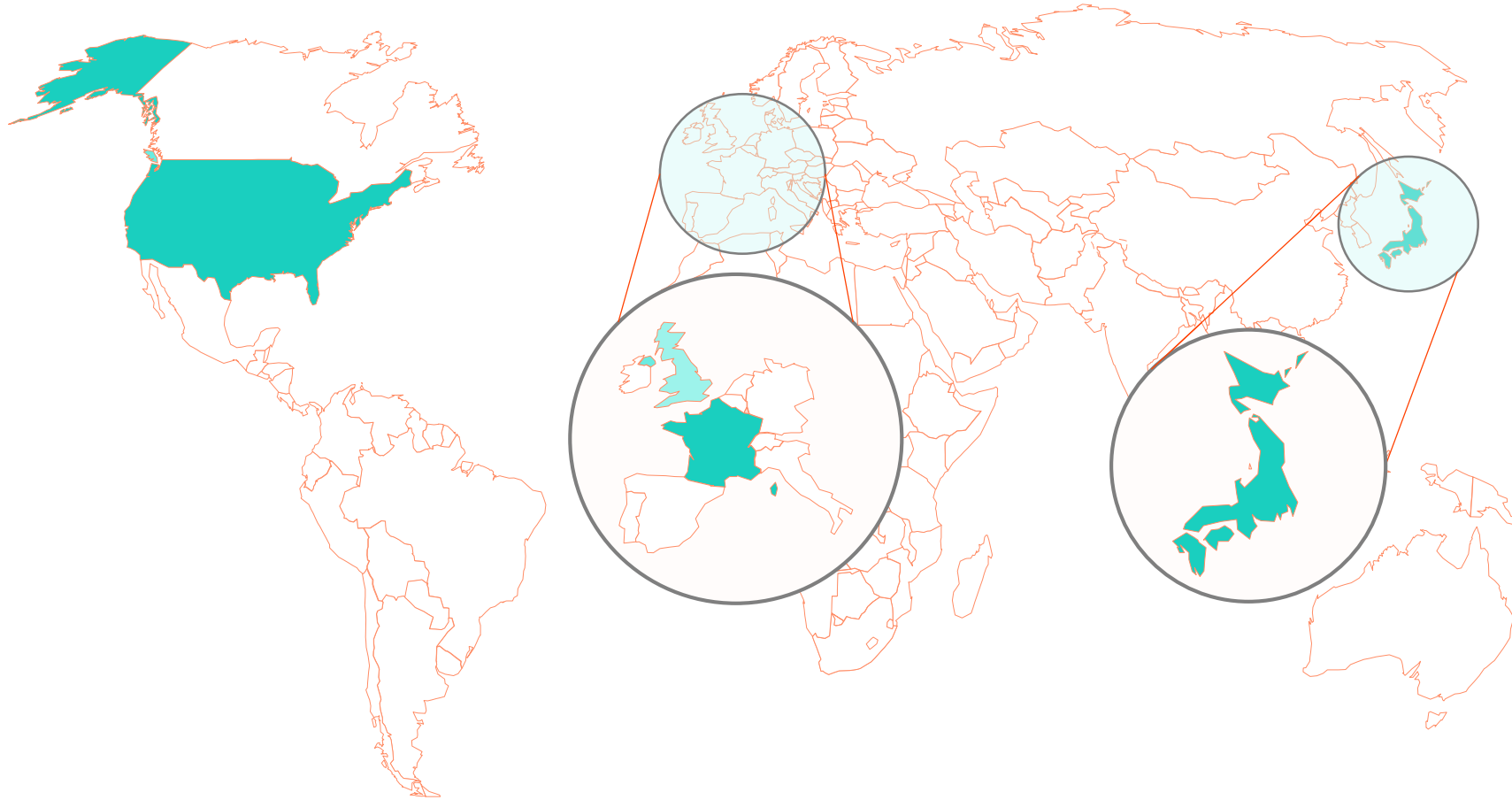


- Example of Japan shows commitment over locker lifetime with first orders securing a minimum payback to Quadient within a **decent timeframe**
- Once rolled out, Quadient is adding additional **volumes or boxes subscribed**, improving our return on investment
- With additional secured volume since roll out, Japan Parcel Lockers currently sits at **11% IRR¹** and could reach up to **20%**
 - Calculation are based on a 7-year lifetime; if lifetime exceeds those 7 years, IRR will mechanically increase

Quadient focuses on 4 countries out of the Top10 largest e-commerce markets where we leverage our strong operational & commercial capabilities



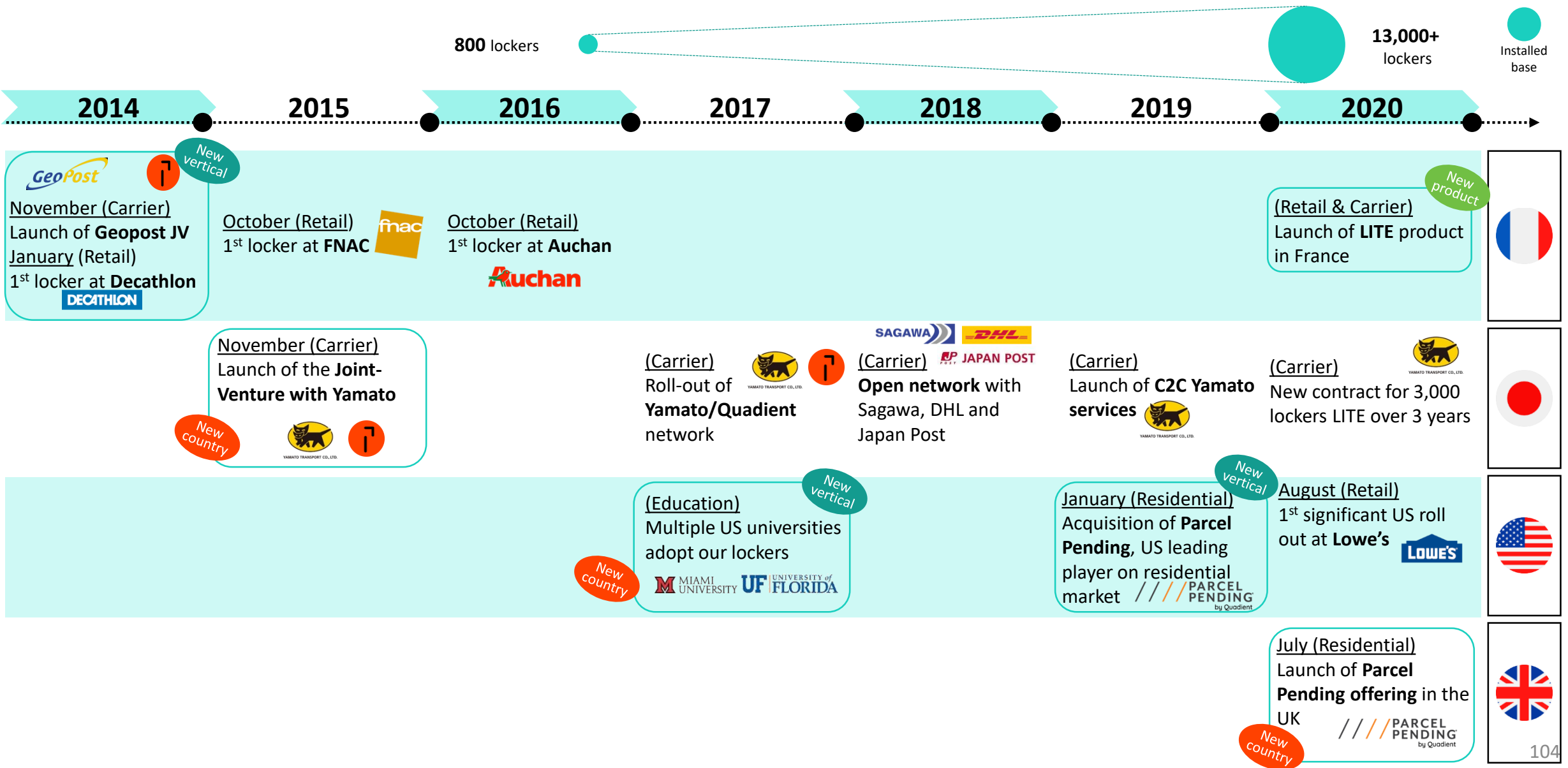
Mapping of Quadient PLS presence



Largest retail e-commerce market (2020)

- 1 China
- 2 **USA**
- 3 **United Kingdom**
- 4 **Japan**
- 5 South Korea
- 6 Germany
- 7 **France**
- 8 India
- 9 Canada
- 10 Spain

Thanks to our repeatable model, Quadiant has achieved a leadership position, strengthened by our unified organization and acquisition of Parcel Pending



PLS' high growth continued in 2020: +36% organic revenue growth with over 50% of subscription strongly growing



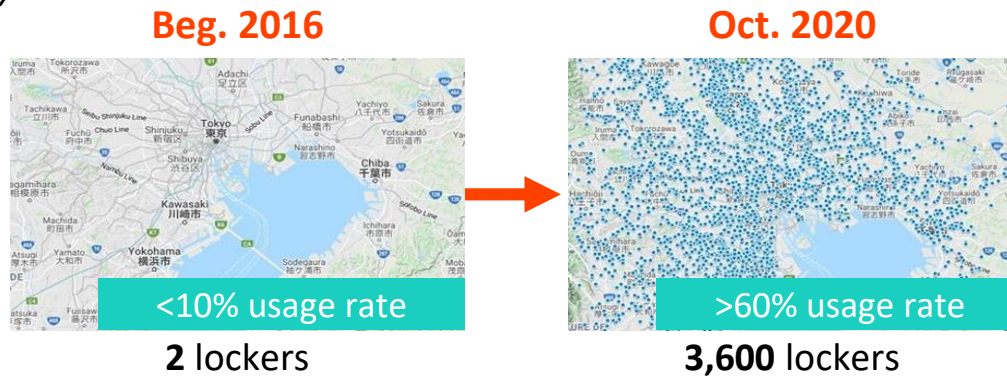
Strong growth drivers in all geographies...



- **Scaling of business on property managers** since the acquisition of **Parcel Pending** in 2019 and **market share gain in 2020** over Luxer One and Package Concierge
- Strong dynamic in the retail market thanks to **large purchase contract with Lowe's** which resulted in a **massive deployment in Q4 2020** generating **very significant revenue**



- Continuous **roll-out of our large and dense network strategy** – *example of Tokyo area:*

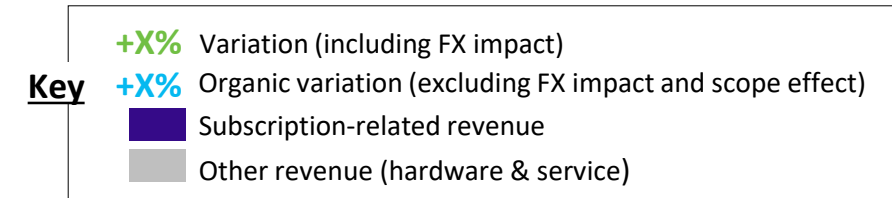
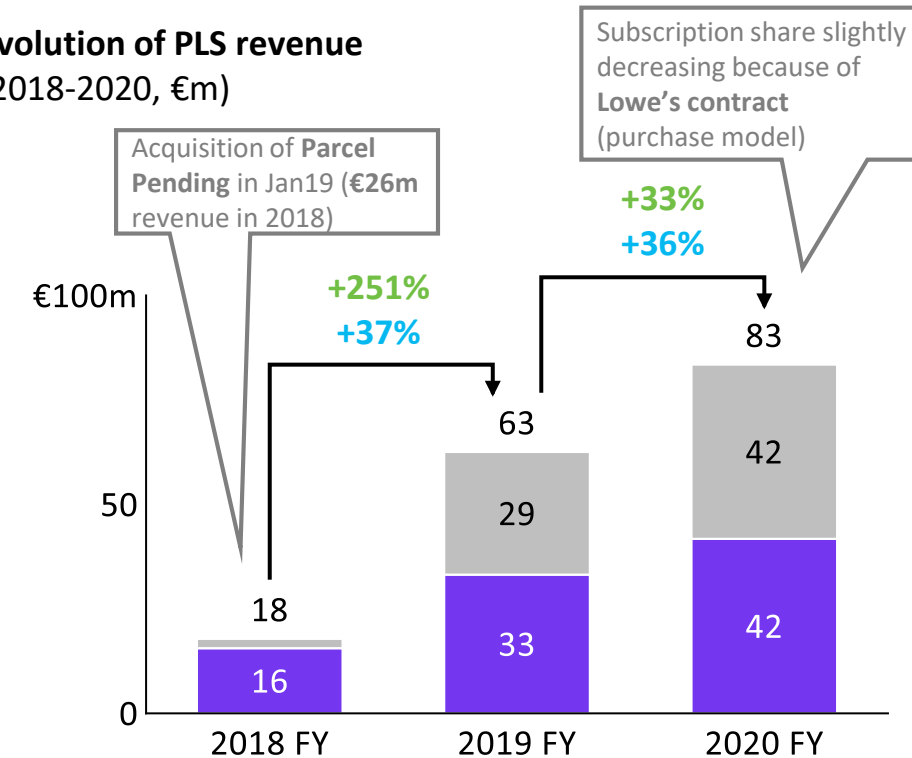


- Expansion of our **addressable market:**
 - Launch of the **UK Residential vertical** in 2020 
 - **New Parcel Locker Lite** to complete our comprehensive range and meet the requirements of our main markets

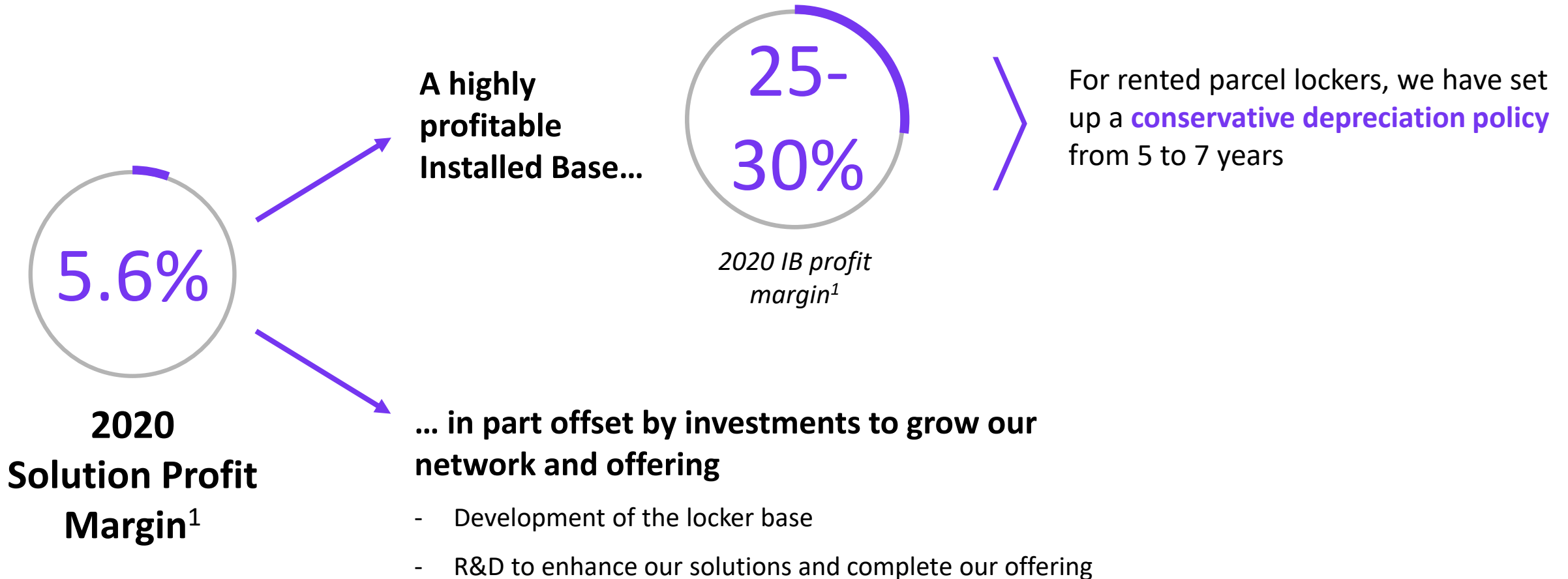
Source: Quadient internal data

... resulting in strong growth trajectory

Evolution of PLS revenue (2018-2020, €m)



Installed base already highly profitable and expected to continue improving with scale; 5.6% Solution Profit Margin in 2020, as a result of investments to develop the base



Note: ⁽¹⁾ Solution Profit defined as Revenues – COGS – Expenses for Sales, Service, Local Marketing, Call Centers, R&D and Marketing & Product Management, unaudited figures
Source: Quadient internal data

We constantly track three KPIs to drive and monitor our growth trajectory and profitability



Installed base

Usage rate

Growth of subscription-related revenue

Definition

Number of **lockers** installed

(Number of **parcels** in the locker at the **beginning of the day** + number of **parcels** delivered **during the day**) / number of **subscribed boxes** in the locker

YoY **growth of subscription-related revenue**

Rationale

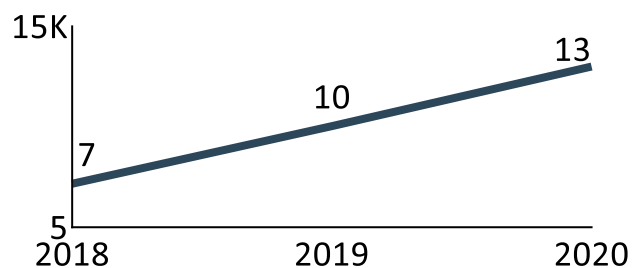
- Monitoring of **numbers of lockers** and **market share**
- Allows to monitor **customer acquisition** and **churn**

- Shows the progress in the **monetization of our installed base**

- Subscription-related revenue ensures **revenue robustness and safety**

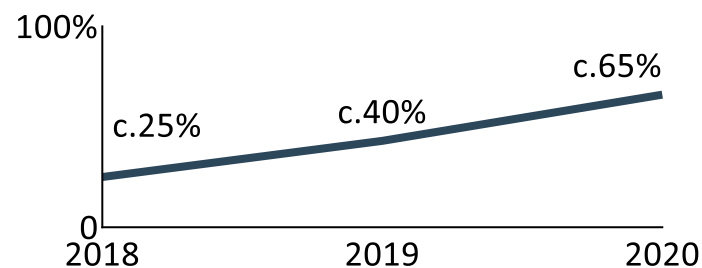
Historical evolution

Installed base (2018-20, in K)



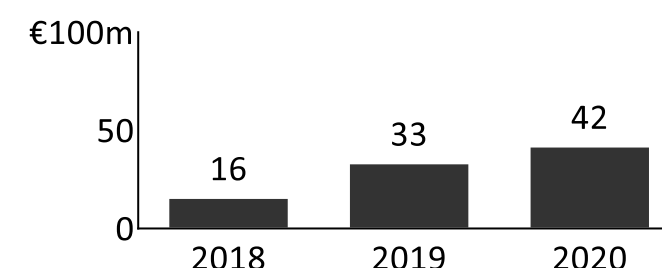
Strong double-digit growth of the installed base: +c.80% between 2018 and 2020

Usage rate (2018-20, in %)



~+40pp between 2018 and 2020
Goal of 75% usage rate

Subscription-related revenue (2018-20, in €m)



Strongly growing subscription-related revenue

Quadient is uniquely positioned, in a fast-growing market, thanks to its carrier-agnostic approach and differentiated offering covering all verticals



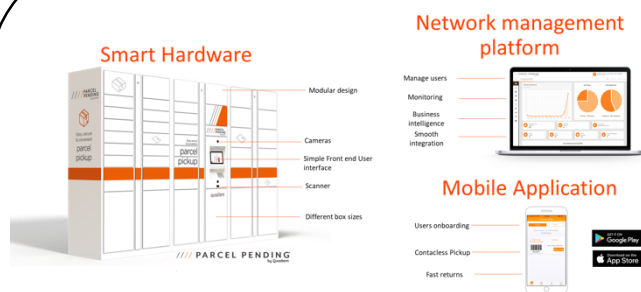
	Geographic presence	Installed base	Carrier-agnostic	Coverage <i>(retailer, carrier, residential, corporate/education)</i>
quadient		13k	✓	Full
Player #A	Global	[15-18]k	✗	Residential Hub only in the US For other verticals, focused on its own logistics operations
Player #B		12k	✗	Focused on out of home
Player #C		[4-6]k	✓	Residential, retailer, corporate/education



The strength of our PLS repeatable approach is based on three differentiating pillars

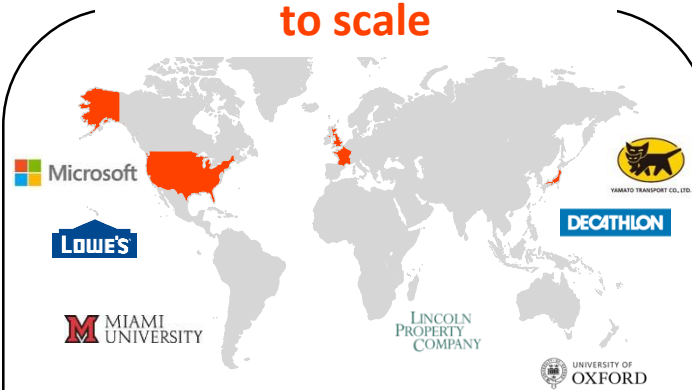


Integrated & comprehensive solution



- **Software capability** to meet e-commerce stakeholders' needs
- **Comprehensive and competitive range** (Low to high volumes, modular approach)
- **Integration capabilities** with third party systems
- Proven **scalability**

Uniquely positioned to scale



- **Multi-local leader**
- Existing **major references** and proven **vertical expertise**
- **Carrier-agnostic**
- Adaptable business models addressing customer needs
- **Strategic partnerships**

Unified service capability



- Managed **cloud-based network services**
- **Quadiant's own services operations** (e.g. deployment, warehouse, support and maintenance)
- Ability to **scale network and services**



PLS also benefits from, and contributes to, synergies within Quadiant

- Benefits from **MRS long-term relationship with postal and carrier organizations** (e.g. Yamato, Geopost)
- **In addition, >5% PLS revenue recognized as generated by MRS**
- Cross-sell and leverage of large **MRS base in corporate, education, carriers, property management**
- **Accelerated by Quadiant presence in UK/IRL**
- Benefits from **MRS salespeople** who also sell PLS in the UK and in the US



Cross-sell Customer Base to drive Revenue



Reduce Go-to-market Costs (Salesforce & Marketing)



Share Services and Call Centers to accelerate scale development



Best in Class R&D and Supply Chain



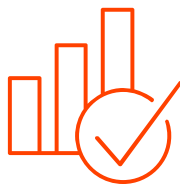
- **Shared resources with MRS** in service/maintenance as well as in call centers in the UK and France allowing PLS to have broader coverage
- Shared general **client support** across solutions by region (e.g. invoicing questions)
- **Supply chain fully shared between PLS and MRS:**
 - 2 shared **warehouses** in the US and Europe **with flexible teams**
 - Common **transport and outsourcing** resources
 - Shared IT Supply Chain backbone
- **Shared R&D HW capability** between PLS and MRS
- Development of **Software** and cloud-based platform benefits from **shared capabilities between all Quadiant solutions**
- **Leverage group IP portfolio** (~300 patent families)

As a result, PLS ambition is to become a leader in parcel lockers in a selection of the top 10 e-commerce geographies



PLS

Innovative leader in parcel lockers solutions



SCALE FAST

- Accelerate **scale of existing geos and verticals**
- Scale **new verticals** in our geographies
- Potentially launch **new priority top 10 e-commerce geographies**



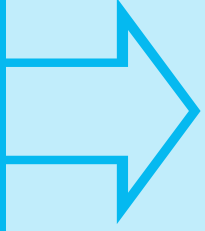
GROW PROFITABLY

- **Installed Base** profitability to continue to increase through **scaling and monetization** thanks to our strategy to **create a large and dense network**
- **Future investments** focused on:
 - Salesforce and Marketing to **continue expanding our network** (gain market share and launch new countries & additional verticals in our existing countries)
 - **Maintain R&D investment** to remain competitive and on the edge of innovation

Ambitious topline and bottom line growth for PLS



More than 25k Lockers
By the end of the 3-year plan



35-40% Profit margin of the Installed Base
On a FY basis by the end of the 3-year plan

Key Takeaways on Parcel Lockers Solutions



- 1 Quadiant is positioned on a **fast-growing market** with **strong underlying drivers** (e-commerce, parcel volumes)
- 2 Quadiant targets the **key e-commerce countries** aspiring to build a **large and dense local network** in each one, targeting **25k+ lockers** by the end of the 3-year plan
- 3 **Unique Parcel Locker Solution provider** addressing the needs from **all verticals** (carriers, retail, property managers, corporate/education), with a repeatable model
- 4 Quadiant promotes environmental-friendly solutions by **consolidating parcels flows, reducing traffic congestion** in urban areas & **cutting down on CO₂ emissions**
- 5 Quadiant is **among the leaders** in our targeted countries (#1 in Japan on our segments, #1 in US Residential, #1 in France retail)
- 6 Quadiant builds a sustainable subscription-related revenue model with high profitability thanks to our **growing installed base**, whose profit margin is targeted to reach **35-40%** on a FY basis by the end of the 3-year plan
- 7 **Secured ~50% subscription-related revenue** with low churn and multi-year contracts
- 8 **Extensive commercial/cost synergies** with the rest of the Quadiant organization (e.g. access to MRS customer base, shared Service, call centers, R&D and supply chain)



AGENDA

FY2020 Results Laurent du Passage, Chief Financial Officer

Back to Growth Accomplishments Geoffrey Godet, Chief Executive Officer

Reporting Laurent du Passage, Chief Financial Officer

Market Dynamics Tamir Sigal, Chief Marketing Officer

Solutions Achievements and Goals

ICA Chris Hartigan, Chief Solution Officer

MRS Alain Fairise, Chief Solution Officer

PLS Daniel Malouf, Chief Solution Officer

3YP Financial Guidance & Capital Allocation

Laurent du Passage, Chief Financial Officer

Conclusion Geoffrey Godet, Chief Executive Officer



Regular assessment

- Ensure we are the **best owner of our solutions**
- Focus on **maximizing long term sustainable returns** for our shareholders and stakeholders
- **Regular review** of our assessment and assumptions with a “no sacred cows” mindset
 - Holistic strategic review in 2018 leading to Back to Growth Phase I: “Transform”
 - Regular assessment of execution for the first two years
 - Mid-point strategic refresh in H2 2020 leading to Back to Growth Phase II: “Drive Sustainable Value”

Invested capital

- **Major Operations**
 - Integrate, generate further synergies, retain future optionality
 - Scalable growth engines and mail-related solutions
- **Additional Operations**
 - Grow, improve or exit businesses
- Maintain a **healthy balance sheet**, and **deploy surplus cash** to highest risk-adjusted return opportunities (organic investments, targeted M&A and/or share buybacks)

Financial trajectory guideline until 2023



/ SCOPE: GROUP

1

Topline growth

Minimum 2% organic growth in 2021

Minimum 3% organic growth CAGR over 2021-23

2

Current EBIT growth

4-6% organic current EBIT growth in 2021*

Minimum mid-single digit organic current EBIT growth CAGR over 2021-23*

Clear and disciplined capital allocation policy will maximize value for shareholders over '21-23



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Capital Allocation Policy Priorities

1

Capex

Focus on organic growth opportunities and operations if they offer attractive risk-adjusted returns

- R&D and Maintenance Capex of ~€70-80m per year in 2021-23 (incl. IFRS-16)
- Rented equipment Capex of €40m+ per year in 2021-23 to support PLS installed base growth

2

Deleverage

Maintain a healthy, yet efficient balance sheet by bringing down leverage excl. leasing* below 1.75x in 2023, post repayment of ODIRNANE

3

Portfolio management

Regularly assess if we should divest (or spin-off) assets, no “sacred cows”, and re-deploy the capital in more attractive areas, including potential opportunistic bolt-on acquisitions (to cover cost of capital by year 3 post closing)

4

Shareholder return policy

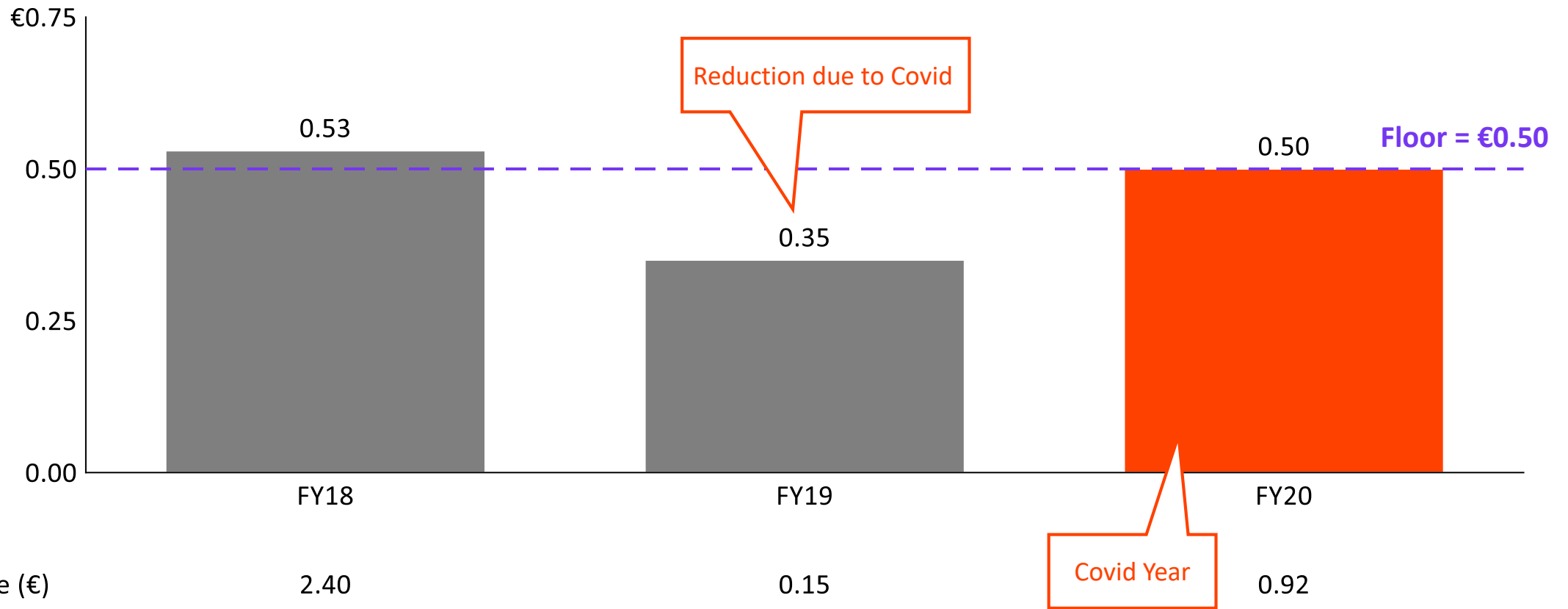
Maintain minimum 20% Net Income dividend payout, with a €50cts DPS floor
Consider yearly excess cash available for share buybacks, subject to value creation criteria

Note: (*) Leverage excl. leasing = Net debt excl. leasing / EBITDA excl. leasing
Source: Quadiant internal data



4 Proposed €0.50 Dividend Per Share for 2020, in line with our shareholder return policy, up 43% vs. last year

Dividend per share
(FY18-20, in € per share)



Source: Quadiant internal data

Summary of our ambitions for our three major solutions



/ SCOPE: MAJOR OPERATIONS

Intelligent Communication Automation

Mail-Related Solutions

Parcel Locker Solutions



Over 20-25% subscription-related revenue CAGR
Over the 3-year plan



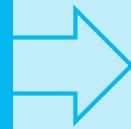
Better than -5% Organic CAGR revenue decline
Over the 3-year plan



More than 25k Lockers
By the end of the 3-year plan



c.30% Solution Profit Margin
On a FY basis by the end of the 3-year plan



High Solution Profit Margin in the range of 43-45%
On a FY basis by the end of the 3-year plan



35-40% Profit Margin of the Installed Base
On a FY basis by the end of the 3-year plan

We have set KPIs for each solution that we constantly track to drive profitability and monitor our growth trajectory



Intelligent Communication Automation

1 SHARE OF SAAS/SUBS CUSTOMERS

- Number of **SaaS/Subs customers** over total number of customers

2 ANNUAL RECURRING REVENUE (ARR)

- **Annualized revenue** from subscription-related revenue streams

3 SHARE OF SUBSCRIPTION-RELATED REVENUE

- **Subscription-related revenue** over total revenue

Mail-Related Solutions

1 SHARE OF UPGRADED INSTALLED BASE

- Share of **new generation smart devices** among total number of devices in the installed base

2 RESILIENCE INDEX

- Spread between **supplies revenue evolution** and **total revenue evolution**

3 SHARE OF SUBSCRIPTION-RELATED REVENUE

- **Subscription-related revenue** over total revenue

Parcel Locker Solutions

1 INSTALLED BASE

- Number of **lockers** installed

2 USAGE RATE

- (Number of **parcels** in the locker at the **beginning of the day** + number of **parcels** delivered **during the day**) / number of **boxes** in the locker

3 GROWTH OF SUBSCRIPTION-RELATED REVENUE

- **Year-over-Year growth** of subscription-related revenue



AGENDA

FY2020 Results	Laurent du Passage, Chief Financial Officer
Back to Growth Accomplishments	Geoffrey Godet, Chief Executive Officer
Reporting	Laurent du Passage, Chief Financial Officer
Market Dynamics	Tamir Sigal, Chief Marketing Officer
Solutions Achievements and Goals	
ICA	Chris Hartigan, Chief Solution Officer
MRS	Alain Fairise, Chief Solution Officer
PLS	Daniel Malouf, Chief Solution Officer
3YP Financial Guidance & Capital Allocation	Laurent du Passage, Chief Financial Officer
Conclusion	Geoffrey Godet, Chief Executive Officer

quadi⁷ent
Because connections matter.



Glossary

FY2020 Results

Solutions Achievements and Goals

ICA

MRS

PLS

Glossary – Key elements for our company



Our Strategy

▶ Back to Growth



Our Values

▶ Empowerment, Passion, Inspiration, Community



Our Organization

▶ An organization structured around Solutions, Operations, and Support functions



Our 3 Solutions

▶ Mail-Related Solutions (MRS), Parcel Locker Solutions (PLS), Intelligent Communication Automation (ICA)



Our Main Geographies

▶ North America (USA & Canada), Main European Countries (France & Benelux, DACH & Italy, UK & Ireland), and International



Our Solutions teams

▶ Marketing, Innovation, Software R&D, Hardware R&D and Supply Chain, supporting Solutions and Operations to design, produce and market solutions



Our Support teams

▶ Human Resources, Finance, Digital, Transformation, supporting the business transversally

Glossary – Key acronyms for our company



AP	Accounts Payable
AR	Accounts Receivable
ARR	Annual Recurring Revenue
BPA	Business Process Automation
CCM	Customer Communication Management
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSO	Chief Solution Officer (role)
CXM	Customer Experience Management
DACH/IT	Germany, Austria, Switzerland, Italy
EPIC	Empowerment, Passion, Inspiration and Community
ERP	Enterprise Resource Planning
FR/BEN	France and Benelux
GTM	Go-to-Market
HW	Hardware

ICA	Intelligent Communication Automation
IP	Intellectual Property
MRS	Mail-Related Solutions
NorAm	North America
OEM	Original Equipment Manufacturer
PLS	Parcel Locker Solutions
PSO	Professional Services Organization
PSP	Print Service Provider
QoQ	Quarter on Quarter
SaaS	Software as a Service
SMB	Small-to-medium sized business
SW	Software
SW R&D	Software Research & Development
UK/IRL	United Kingdom and Ireland
YoY	Year on Year

Glossary – Key definitions for our company



Name	Scope	Definition
Solution Profit	All	Revenue – Cost of Goods Sold – Sales Expenses – Local Marketing Expenses – Service Expenses – Call Centers Expenses – R&D Expenses – Marketing & Product Management Expenses
Solution Profit Margin	All	Solution Profit over Solution Revenue
Organic variation	All	Variation excluding FX impact and scope effect
Reclassified figures	ICA & MRS	Figures that take into account the reclassification of some ICA products as MRS products
Leverage Ratio	Group	Net Debt / EBITDA
Intelligent Communication Automation (ICA)	ICA	ICA is the solution combining Business Process Automation (BPA) and Customer Experience Management (CXM)
Installed Base	MRS	Number of installed devices
	PLS	Number of installed lockers
Subscription-Related revenue	MRS	Revenue from Supplies, Services, Rentals, Rate Change, and Financing
	PLS	Revenue from Rentals, Volume, Maintenance & Support, and Financing
	ICA	Revenue from SaaS including Volume, Maintenance, and Financing
Non-recurring revenue	MRS	Revenue from Hardware
	PLS	Revenue from License/Hardware and installation services
	ICA	Revenue from perpetual license and PSO
Resilience Index	MRS	Spread between supplies revenue evolution and total revenue evolution
Usage rate	PLS	$(\text{Number of parcels in the locker at the beginning of the day} + \text{Number of parcels delivered during the day}) / \text{Number of boxes in the locker}$
Annual Recurring Revenue (ARR)	ICA	Annualized revenue from subscription-related revenue streams



Glossary

FY2020 Results

Solutions Achievements and Goals

ICA

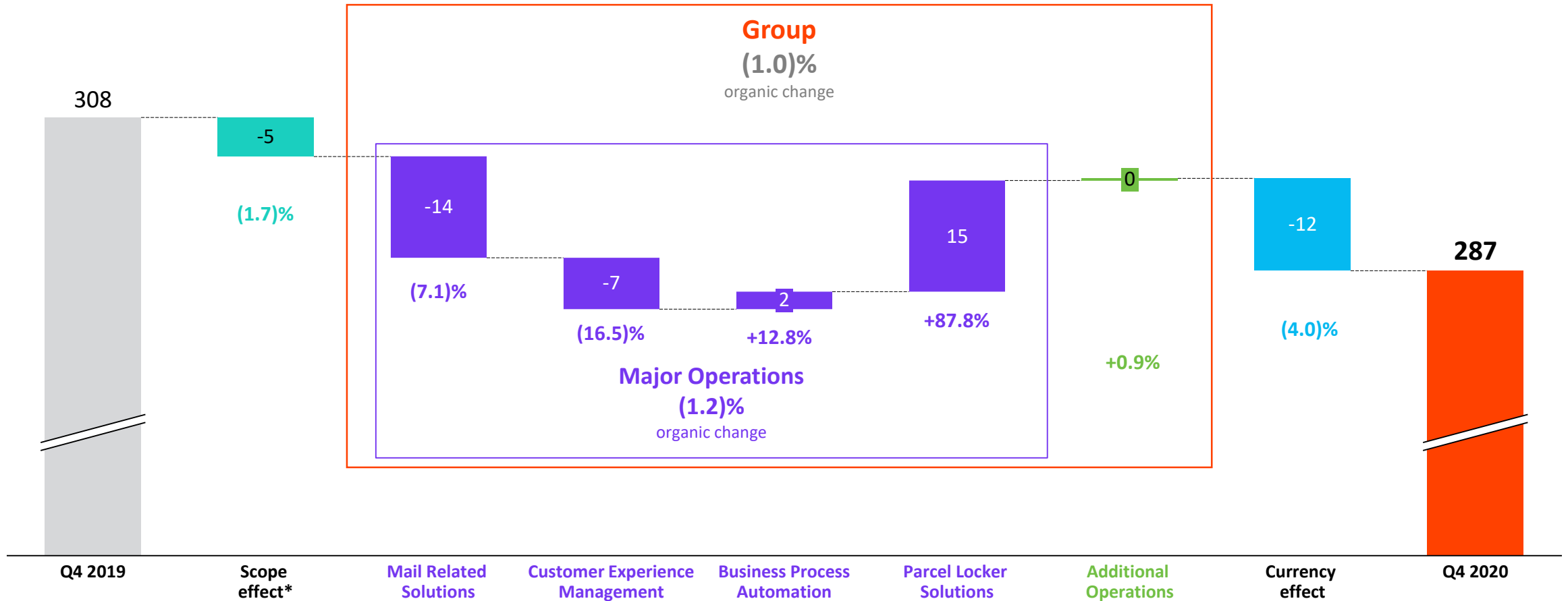
MRS

PLS

Q4 2020 sales bridge



(in €m, % of organic change vs Q4 2019)



Note: ⁽¹⁾ Scope effect: -€5.2m taking into account the divestments of ProShip (end-Feb. 2020) and business in Australia and New Zealand (20 Jan. 2021) as well as the acquisition of YayPay (end-July 2020)

Q4 2020 sales



In m€
% of organic growth vs 2019

	Total Major Operations					Total Additional Operations	Total Group
North America	Customer Experience Management	Business Process Automation	Mail Related Solutions	Parcel Locker Solutions	€135m +2.8%		
Main European countries					€105m (7.0)%		
International ¹					€14m +5.0%		
TOTAL SALES	€34m (16.5)%	€20m +12.8%	€170m (7.1)%	€30m +87.8%	€254m (1.2)%	€33m +0.9%	€287m (1.0)%

Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of Q4 2019 revenue by segment and activity has been restated accordingly.



<i>(in € millions)</i>	31/01/2020	31/01/2021
Sales	1,143	1,029
Cost of sales	(302)	(286)
Gross margin	841	743
R&D expenses	(53)	(55)
Sales expenses	(283)	(252)
Administrative and general expenses	(215)	(194)
Maintenance and other expenses	(104)	(91)
Employee profit-sharing and share-based payments	(1)	1
Current operating income before acquisition-related expenses	185	152
Acquisition-related expenses	(15)	(20)
Current operating income	170	132
Optimization expenses and other operating income & expenses	(93)	(36)
Operating income	77	96
Financial income/(expense)	(41)	(32)
Income before taxes	36	64
Income taxes	(22)	(24)
Share of results of associated companies	1	1
Net income	15	41
Minority interests	1	1
Net attributable income	14	40

Consolidated balance sheet (1/2)



<i>Assets (in € millions)</i>	31/01/2020	31/01/2021
Goodwill	1,045	1,026
Intangible fixed assets	130	128
Tangible fixed assets	235	207
Non-current financial assets	69	65
Other non-current receivables	4	3
Leasing & financing receivables	698	598
Deferred tax assets	9	17
Inventories	77	71
Trade receivables	233	231
Other current assets	96	100
Cash and cash equivalents	498	514
Assets held for sale	21	0
TOTAL	3,115	2,960

Consolidated balance sheet (2/2)



<i>Liabilities (in € millions)</i>	31/01/2020	31/01/2021
Shareholders' equity	1,249	1,240
Non-current provisions	29	27
Non-current financial debt	1,055	821
Current financial debt	112	205
Other non-current debt	1	1
Deferred tax liabilities	135	148
Prepaid income	198	187
Other current liabilities	327	328
Current financial instruments	2	3
Liabilities held for sale	7	0
TOTAL	3,115	2,960

All financial covenants easily met



		<i>Schuldschein 2019, Schuldschein 2020 and Revolving Credit Facility (excluding IFRS 16)</i>		<i>Schuldschein 2017 (including IFRS 16)</i>	
		Quadient level as at Jan. 31, 2020	Quadient level as at Jan 31, 2021	Quadient level as at Jan. 31, 2020	Quadient level as at Jan 31, 2021
Covenants on leasing operations	Maximum drawing: 90% of outstanding leasing portfolio	Intercompany net leasing debt standing at 73% of outstanding leasing portfolio	Intercompany net leasing debt standing at 75% of outstanding leasing portfolio	Intercompany net leasing debt standing at 73% of outstanding leasing portfolio	Intercompany net leasing debt standing at 75% of outstanding leasing portfolio
Covenants on non leasing operations	Maximum leverage of 3.0 ⁽¹⁾ excluding leasing entities	0.5	0.0	0.9	0.4
	Minimum equity: €600m	€1,244m	€1,240m	€1,238m	€1,233m
	Default Rate < 5%	~1.5%	~1.7%	~1.5%	~1.7%
	Minimum interest cover ⁽²⁾ : 4.0	7.5	7.7	7.5	7.9

Note: ⁽¹⁾ Net debt excluding leasing/EBITDA excluding leasing;

⁽²⁾ EBITDA/net cost of debt

From now on, we will report our new ICA entity and Solution Profit Margin 2020 figures



SALES

% of organic growth vs 2019

	Total Major Operations			Total Additional Operations	Total Group
North America	Intelligent Communication Automation 1	Mail Related Solutions 	Parcel Locker Solutions 	€501m (1.5%)	
Main European countries				€367m (12.5%)	
International ¹				€51m +4.7%	
	€183m (3.5%) 2	€653m (10.3%)	€83m +36.1%	€919m (5.9%)	€110m (17.6%)
3 Solution Profit Margin²	21.3%	45.3%	5.6%	36.9%	15.4%
Current EBIT before acquisition related expenses				€153m	€(1)m
					€1,029m (7.3%)
					34.6%

Note: ⁽¹⁾ The International segment includes the activities of Parcel Lockers Solutions in Japan and of Customer Experience Management outside of North America and the Main European countries. The breakdown of FY 2019 revenue by segment and activity has been restated accordingly;
⁽²⁾ Before Group's G&A and innovation expenses, unaudited figures

- 1 Merging of Customer Experience Management and Business Process Automation into one Software activity: **Intelligent Communication Automation**
- 2 Product reclassification from Intelligent Communication Automation to Mail-Related Solutions (~€12m in 2020)
- 3 Introduction of a new KPI to follow closely the performance of each solution called **Solution Profit Margin**



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SaaS/cloud is the future of digital communications



Many organizations will realize they need to **replace their antiquated CCM platforms**

Gartner

Adoption of electronic delivery for service communication, often regulated, **remains alarmingly low, still approaching only 10% to 20% in mature industries like insurance and banking.** Enterprises should be looking to replace monolithic legacy document-generation systems with a set of communication services that supports multichannel communications, support mobile content and **deliver a more personalized and contextual customer experience**

FORRESTER

Effective management of **omnichannel customer communications** will become **more strategic than ever**

 **ASPIRE | LEADERBOARD**

Businesses will look for more **digital transformation** opportunities than ever before

FORRESTER

Cloud delivery will be in greater demand due to business continuity implications

 **IDC**
ANALYZE THE FUTURE

By 2023, over 75% of all customer communications management implementations will be cloud or hybrid solutions

Gartner



Glossary

FY2020 Results

Solutions Achievements and Goals

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Focus on leasing and rental flows business models and treatments



Day of placement

Over contract term (5 years)

		Day of placement	Over contract term (5 years)
Leasing	Income statement	<ul style="list-style-type: none"> • Revenue: price of equipment • Costs: costs of good sold, selling expenses 	<ul style="list-style-type: none"> • Revenue: interests on lease receivable • Costs: leasing administrative costs • Financial results: interest on debt
	Balance sheet	<ul style="list-style-type: none"> • Asset: increase in lease receivables • Liabilities: increase in financial debt 	<ul style="list-style-type: none"> • Asset: lease receivables repayment • Liabilities: financial debt repayment
Rental	Income statement	<ul style="list-style-type: none"> • Revenue: n/a • Costs: selling expenses 	<ul style="list-style-type: none"> • Revenue: annual rent • Costs: depreciation of fixed asset for rent (COGS)
	Balance sheet	<ul style="list-style-type: none"> • Asset: increase in fixed asset for rent • Liabilities: increase in financial debt 	<ul style="list-style-type: none"> • Asset: depreciation of fixed asset for rent • Liabilities: financial debt repayment

Accounting treatment of leasing and rental flows differs for Quadiant but is neutral for customers



Glossary

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Quadient Parcel Locker solutions deliver benefits to all e-commerce stakeholders



Carriers



Retail



Property managers



Education and corporate offices

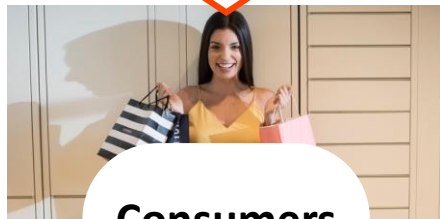


- ✓ Develop a dense network of collection points to consolidate parcel volume, gain productivity & reduce last mile cost

- ✓ Automate click & collect orders in any size of store
- ✓ Drive-to-store increasing footfall
- ✓ Build customer loyalty

- ✓ Eliminate the parcel handling burden for on-site property managers

- ✓ Eliminate the parcel handling burden for on-site university & managers



Consumers



Eco-friendly solution

- ✓ Retrieve parcels on their own terms: where they want, when they want
- ✓ Ensure consumer peace of mind by preventing parcel loss or theft

- ✓ Limit urban congestion at peak hours in urban areas
- ✓ Cut down on CO₂ emissions

Quadient's strategy is to develop large and dense open network in urban areas, creating virtuous cycle for all stakeholders



Example of Tokyo area

Beg. 2016

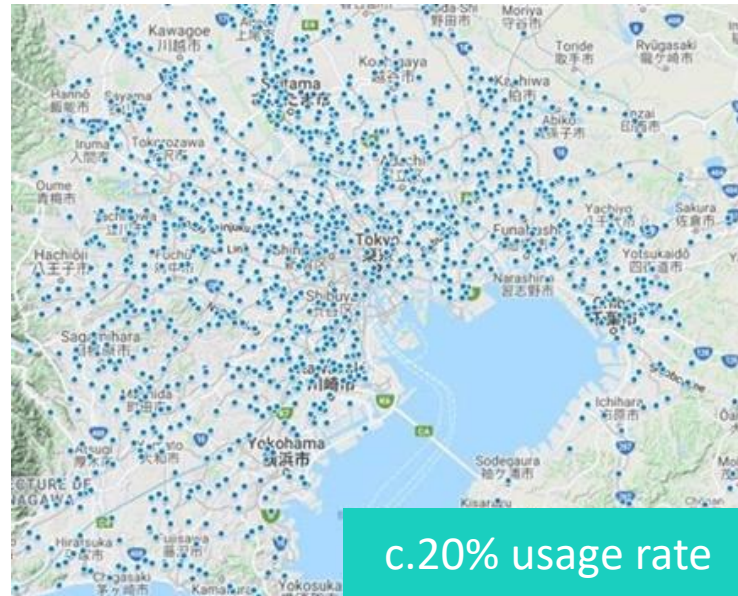


2 parcel lockers

Carriers onboarded



Beg. 2018

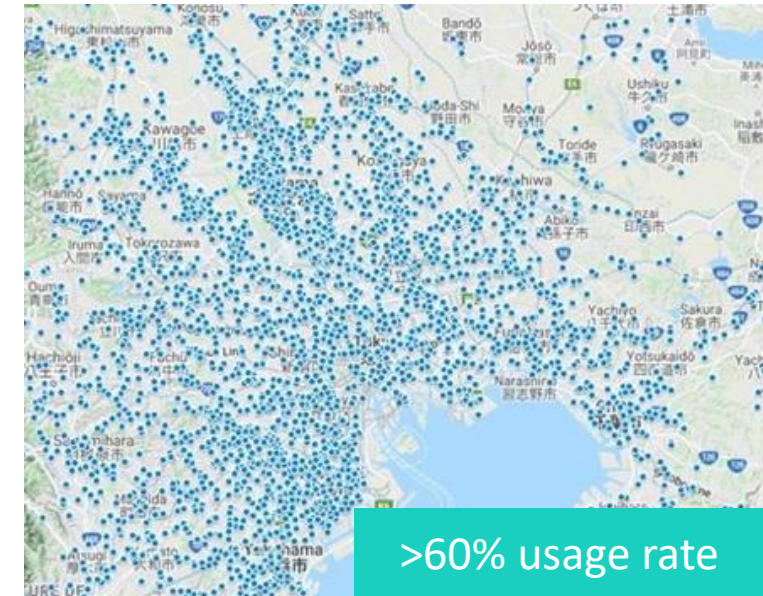


1550 parcel lockers

SAGAWA
Fee per parcel



Oct. 2020



3600 parcel lockers

SAGAWA
Fee per parcel



With density comes proximity, convenience for consumers & increased usage, driving profitability for all stakeholders

quadi⁷ent
Because connections matter.