

Unifiedpost Group's Q1 2024 update

La Hulpe, Belgium—20 May 2024, 7:00 a.m. CET – Regulated Information – Unifiedpost Group SA (Euronext Brussels: UPG) (Unifiedpost, Group), a leading provider of integrated business communications, publishes its results for the first quarter of 2024.

Key Highlights

- Recurring digital services revenue (core business) excluding the planned divestments (FitekIn/Onea and 21 Grams) shows an organic growth of 13,2% YoY
- Recurring digital services revenue reported organic growth of 6,0% YoY (5,7% as reported)
- Digital services subscription revenue up 8,9% YoY as reported
- Subscription paying customers increased to 484.7 thousand, up 13,9% YoY and up 3,1% versus Q4 2023
- Continued investment in R&D to adapt our platform to regulatory changes in European markets
- Reiterating FY 2024 objectives communicated at the strategic investor day on 30 April 2024 - Digital Service revenue growth in the low teens, attaining free cash flow¹ (FCF) breakeven under the current group structure (i.e. pre divestments)
- Continued strategic focus on growing core digital services, divesting non-core businesses, and strengthening the balance sheet
- Divestment of FitekIN / Onea and 21 Grams is on track, while the Group continues to progress with the divestment of other non-core businesses

Hans Leybaert, Chief Executive Officer and founder commented: *"The company continues to focus on its strategic goals and diligently monitors progress as the digitalisation of e-invoice processes presents growth opportunities within the sector. During the quarter, we received multiple new requests for price quotations. Additionally, we will continue to evaluate divestment opportunities in traditional communication services to enhance our cash and financial position. We remain confident in achieving higher organic growth within our core digital service activities."*

Consolidated revenue

Revenue (EUR million)	Q1 2024	Q1 2023 (*)	Change (%)
Digital Services Revenue	21,8	21,0	4,1%
Recurring	20,8	19,7	5,7%
Non-recurring	1,0	1,3	-22,0%
Traditional Communication Services	24,0	27,2	-11,6%
Recurring	24,0	27,1	-11,4%
Non-recurring	0,0	0,1	-65,6%
Total Revenue	45,8	48,2	-4,8%

(*) Q1 2023 figures have been restated to reflect the split between Digital services and Traditional communication services.

Digital services revenue

Revenue (EUR million)	Q1 2024	Q1 2023 (*)	Change (%)
Digital Services Revenue	21,8	21,0	4,1%
Subscription revenue	7,9	7,3	8,9%
Transaction revenue	12,2	12,2	0,5%
Other	1,7	1,5	8,8%

(*) Q1 2023 figures have been restated to reflect the split between Digital services and Traditional communication services.

Revenue growth Q1 2024 vs Q1 2023	Organic growth (*)	FX impact	Total Growth
Recurring Digital Services Revenue	6,0%	-0,3%	5,7%
Recurring Traditional Communication Services	-11,3%	-0,3%	-11,6%

(*) Organic growth excludes any effect of foreign exchange rates on currencies.

Growing our network

Business KPIs (*)	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Subscription paying customers	484,7	470,0	456,5	442,7	425,4
Customers paid by 3 rd parties	760,2	714,0	706,9	681,2	660,0
Other paying customers	51,6	50,1	49,1	48,3	48,3
Customers	1.296,5	1.234,1	1.212,5	1.172,2	1.133,7
Banqup customers	168.047	161.936	156.450	151.931	143.902
ARPU ² on subscriptions	€5,5	€6,1	€6,1	€6,1	€5,9

(*) in thousands and at the end of the quarter

Changes in reporting structure

At the strategic investor day on 30 April 2024, the company presented its financial figures under the new structure, separating the business between core digital and traditional communication services.

Within the digital service business, we identify the following product lines: (i) e-identity, (ii) e-invoicing, (iii) e-payments and (iv) e-reporting. Furthermore, the activities are split by type: (i) subscription revenue, (ii) transaction revenue, (iii) license sales and (iv) project revenue.

The traditional communication services are nearly exclusively volume-based and split into (i) hybrid digital activities and (ii) paper business.

Digital service revenue

- Revenue growth is mostly in line with expectations for all regions with a low teens growth rate across geographies, except for the Nordic region, where divestment plans are currently ongoing, and the Balkan region due to government delays in activating new features on the eFaktura platform
- Transaction revenue growth was mostly flat year-on-year, reflecting subdued demand due to the macroeconomic environment
- Subscription revenue growth was mainly driven by the increase in e-identity subscriptions.
- The number of subscription customers continued to grow in the quarter, while the ARPU² on subscription revenue decreased as this quarters increase in subscriptions was weighted towards e-identity services, which have a lower subscription revenue per user
- Project-related services such as implementations and follow-ups on change requests continued to decrease as the Group focused on onboarding new and existing clients to the centralised Banqup platform.

(1) ARPU on subscription revenue = Monthly generated subscription revenue divided by the average number of paying subscription customers.

Traditional communication services

- Postage and Parcel activities, developed only in the Nordics, continues to face declining volumes as we experience an increasing transition towards digital products. Meanwhile, pricing was adjusted upwards to compensate for the rising cost structure driven by inflation.

Strengthening financial position

- Unifiedpost continues to streamline its business model towards a complete digital landscape. Through our divestments, we aim to create partnerships to accelerate our digital growth and use the proceeds to reduce our debt and strengthen our cash position.
- The divestment of FitekIN / Onea and the ongoing negotiation on the sale of 21 Grams are on track, while the Group is considering other non-core divestments to focus on its digital growth.
- In May 2024, Unifiedpost converted 130.750 subscription rights into newly issued capital. As a result, 1.307.500 ordinary shares were issued for EUR 2.432.360.

FY 2024 objectives

- Digital Service revenue growth: low teens
- Attaining FCF breakeven under the current group structure (i.e. Pre divestments)

Calendar

- 21 May 2024: Annual General Meeting
- 27 August 2024: H1 2024 Results
- 14 November 2024: Q3 2024 Business Update

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About Unifiedpost Group

Unifiedpost is a leading cloud-based platform for SME business services built on “Documents”, “Identity” and “Payments”. Unifiedpost operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Unifiedpost’s customers, their suppliers, their customers, and other parties along the financial value chain. With its one-stop-shop solutions, Unifiedpost’s mission is to make administrative and financial processes simple and smart for its customers.

Noteworthy facts and figures:

- Established in 2001, with a proven track record
- 2023 Group revenue €191 million
- 1.200+ employees
- Offices in 33 countries
- Diverse portfolio of clients across a wide variety of industries (banking, leasing, utilities, media, telecommunications, travel, social security service providers, public organisations, etc.) ranging from large internationals to SMEs
- Unifiedpost Payments, a fully owned subsidiary, is recognised as a payment institution by the National Bank of Belgium
- Certified Swift partner
- International M&A track record
- Listed on the regulated market of Euronext Brussels, symbol: UPG

() Cautionary note regarding forward-looking statements: The statements contained herein may include prospects, statements of future expectations, opinions, and other forward-looking statements in relation to the expected future performance of Unifiedpost Group and the markets in which it is active. Such forward-looking statements are based on management's current views and assumptions regarding future events. By nature, they involve known and unknown risks, uncertainties, and other factors that appear justified at the time at which they are made but may not turn out to be accurate. Actual results, performance or events may, therefore, differ materially from those expressed or implied in such forward-looking statements. Except as required by applicable law, Unifiedpost Group does not undertake any obligation to update, clarify or correct any forward-looking statements contained in this press release in light of new information, future events or otherwise and disclaims any liability in respect hereto. The reader is cautioned not to place undue reliance on forward-looking statements.*