

Unifiedpost's onboarding of new customers accelerates further in Q3

November 10, 2022

Press release - Regulated information

Growth momentum for digitising SMEs enhances – double digit top line growth

La Hulpe, Belgium – November 10, 2022, 7:00 a.m. CET - Unifiedpost Group (Euronext: UPG) (Unifiedpost, the Group or the Company) is pleased to announce a continued double-digit digital revenue growth over nine month Interim (9M) 2022 (+16.4%). The recurring digital processing revenue grew by 20% y/y to €83.4 million, while total revenue grew by 13.6% y/y to €135.7 million over the same period. Since the beginning of the year, Unifiedpost grew its customer base by 24.5% to 986,971 SMEs. The onboarding of new customers keeps on accelerating. While in the first six months of the year an average of 19.708 new customers were onboarded per month, this figure has increased to 25.375 on average per month in Q3 2022

Highlights

- 9M 2022 Group revenue grew by 13.6% y/y to €135.7 million
- Digital processing revenue grew by more than 16.4% y/y to €88.6 million, with recurring digital processing revenue up 20% The organic growth of digital processing revenue for 9M 2022 was 13.8%
- Strong customer growth of 24.5% compared since the start of the FY 2022
- Growth rates in digital business increasingly supported by European governments' decisions

Commenting on the business update, Hans Leybaert, CEO and founder stated: "We are pleased that the roll-out of our platform is leading to an increased adoption by local entrepreneurs and business owners throughout Europe. During the summer period we saw an increased demand for our solutions resulting in an accelerated customer growth, even though in many markets the digital B2B invoicing is not mandatory today. We put a lot of effort in the geographical expansion of our services throughout Europe, and I'm happy we are succeeding. Our team and solutions prove daily that we are highly scalable: the platform is available in 32 countries, adapted to local needs. During last summer our team for government licence business delivered to the high expectations with the go-live in Serbia. I am proud of the results and the achievements of our Unifiedpost team. We look forward to duplicating this together with our partners for all major licensing deals we have in the pipeline."

Key financial figures

(EUR million)	Q3 2022	YTD Q3 2022	YTD Q3 2021	Change (%)
Digital processing revenue	29.3	88.6	76.1	+16.4%
<i>Recurring digital processing revenue</i>	<i>27.1</i>	<i>83.4</i>	<i>69.5</i>	<i>+20.0%</i>
<i>Non-recurring digital revenue</i>	<i>2.2</i>	<i>5.2</i>	<i>6.6</i>	<i>-21.2%</i>
Postage & parcel optimisation revenue	14.7	47.1	43.4	+8.5%
Group revenue	44.0	135.7	119.5	+13.6%

Key business KPI's

(#)	End Q3 2022	End Q2 2022	End Q1 2022	End Q4 2021
Customers	986,971	910,845	857,313	792,594
<i>Paying customers</i>	<i>453,417</i>	<i>430,524</i>	<i>402,494</i>	<i>368,277</i>
<i>Customers paid by 3rd parties</i>	<i>533,554</i>	<i>480,321</i>	<i>454,819</i>	<i>424.317</i>
Companies in business network	2,023,460	1,745,401	1,615,062	1,504,895
Banqup customers	80,420	68,546	56,000	35,408
<i>Organic growth (new subscriptions)</i>	<i>3,928</i>	<i>5,529</i>	<i>5,197</i>	<i>4,855</i>
<i>Migrated</i>	<i>7,847</i>	<i>7,116</i>	<i>15,395</i>	<i>-</i>
Banqup customers Belgium (BilltoBox)	37,459	35,382	31,884	28,864
Banqup customers France (JeFacture)	4,087	3,591	2,844	2,072

Double-digit growth rates in digital processing business

Unifiedpost grew its revenue in the first nine months of 2022 by 13.6% y/y to €135.7 million, driven by strong growth of the recurring digital processing revenue combined with a sound growth in postage and parcel optimisation services.

Growth digital processing mainly driven by organic growth

The Group saw its revenue from digital processing increasing by 16.4% y/y to €88.6 in the first three quarters. 13.8% of the growth was organic. This was mainly driven by the **strong growth rate of 20.0% y/y in recurring digital revenue**, i.e. digital platform revenue excluding the project and licence business. The growth is spread over different countries and markets, with the Nordic countries, Serbia, Romania, the Baltics, and the Benelux showing growth rates accelerating.

The project and licence business, which is non-recurring, contributed **€5.2 million** (9M 2021: €6.6m). Because of the guidelines around digital invoicing that are being introduced in more and more European countries, there is an increasing demand from governments for a portal that enables the continuous real-time monitoring of each invoice. This will have a positive impact on the growth that Unifiedpost is pursuing. As indicated with our H1 2022 results, Unifiedpost expects to generate more project and licence revenue by the end of the year as the Company is expected to benefit from significant projects billed in Q4 2022.

96.2% of the total group revenue results from **recurring services**, in line with Q2 2022.

Sound growth in postage & parcel optimisation business

Group revenue was also supported by **robust growth in postage and parcel optimisation services**, + 8.5% y/y in 9M 2022 to €47.1 million. Unifiedpost sees its postage and parcel optimisation business having an excellent 9M 2022. The increase in the top-line was caused by the onboarding of large new customers in combination with general price increases.

Customer base grew strongly with improved momentum

Unifiedpost grew its **customer base further reaching a new record of 986,971 customers** at the end of September (+24.5% compared to YE 2021). The consolidated **business network** expanded to just above **2 million companies** by the end of Q3 2022, representing an estimated 8% of businesses in Europe.

The total number of **Banqup customers** more than doubled since the beginning of FY 2021: from 35,408 YE 2021 to 80,420 at the end of Q3 2022. Banqup is Unifiedpost's core SME-product allowing customers to create and send sales invoices, keep an overview of all (financial) documents and manage administration. The platform also offers a unique, inhouse developed payment functionality. The customer growth over the last three months includes migration effects from legacy platforms. Adjusting for such migrated users, the number of Banqup users increased by 14,654 in the first nine months of 2022.

Within the French market, Unifiedpost sees the number of **JeFacture** customers increase steadily. The Unifiedpost management expects the growth rate of its customers in the French market to accelerate in the coming periods.

The overall average revenue per unit (**ARPU**) in digital processing business (1) reached €21.7. The decline in ARPU compared to FY2021 (€27.9) is predominantly due to two effects. The first one is a negative effect from the last quarter as that includes the licence revenue resulting from the project with the Serbian Government. The second one results from the significantly higher and increasing revenue contribution from Unifiedpost's SME business with a structurally lower ARPU.

Positive cash flow expected for H2 2023

Due to the changed economic circumstances and business conditions, the Company has made the target to become cash flow positive its predominant priority. The target remains to be cash flow positive for H2 2023.

(1) Revenue in digital processing revenue divided by number of paying customers at the end of the relevant period.

<End>

Investors & Media webcast

Management will host a live video webcast for analysts, investors and media today at 10:00 a.m. CET.

A recording will be available shortly after the event. To attend, please register at <https://onlinexperiences.com/Launch/QReg/ShowUUID=9B0FAE98-BFBC-42EE-87D6-60C47EAD9555>. Participants can also join via telephone. They can obtain their personal dial-in details by registering with this link: <https://registrations.events/direct/NTE60150>.

A full replay will be available after the webcast at: <https://www.unifiedpost.com/en/investor-relations>

Financial Calendar 2022

- 30 November 2022: Investor Day

Investor Relations & Media

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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. Since its founding in 2001, Unifiedpost has grown significantly, expanding to offices in 32 countries, with more than 500 million documents processed in 2021, reaching over 1,600,000 SMEs and more than 2,500 Corporates across its platform today.

Noteworthy facts and figures:

- Established in 2001, with a proven track record
- 2021 turnover €171 million
- 1400+ employees
- 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

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