# H1–2025 Earnings Presentation

## *Strong commercial momentum and visibility for profitable growth*

September 24, 2025

HPS

*Feel Good about Payments*

# H1 - 2025 Highlights

**Abdeslam ALAOUI**

CEO

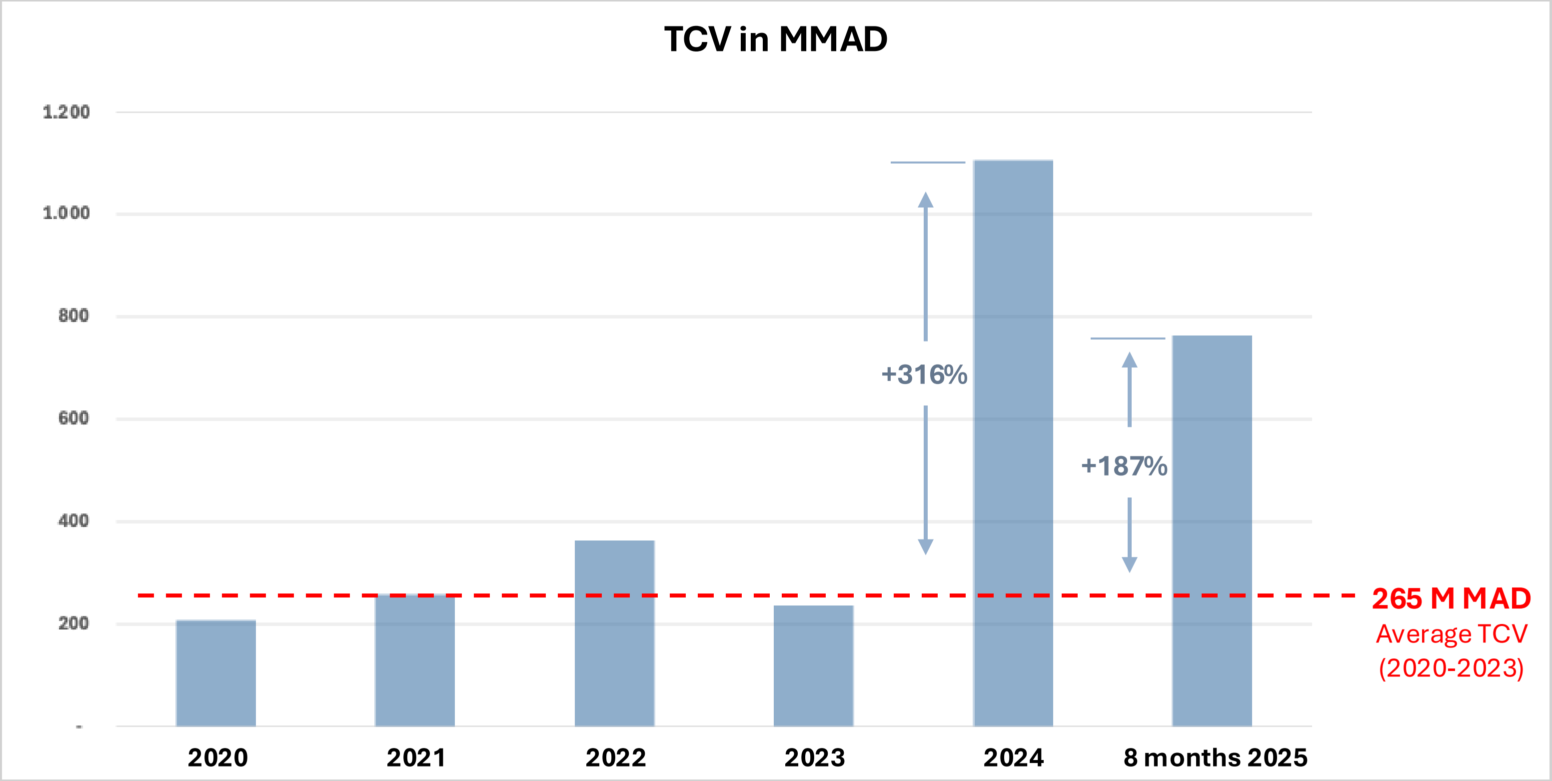
HPS

## H1 continues to demonstrate exceptional commercial momentum in the backdrop of a SaaS transition year

- HPS delivered solid results in H1 2025, with **adjusted Revenue up +25.7%** (+16.4 % due to extraordinary FX headwinds).
- The **Backlog** reached record levels, up +46.7% vs Dec. 2024 and **+83.8% at end-August 2025**, providing very strong visibility on future growth.
- **EBITDA** was fully aligned with forecasts. While the impact of the SaaS transition was anticipated, the **impact of FX of -39.1 M MAD** was strongly mitigated by strict control of costs.
- **Net profit** was negatively impacted by **63 M MAD of non-operational costs** (FX, financing of CR2 acquisition, goodwill amortization), but underlying profitability remains strong. **A substantial growth expected for 2025 full year**.
- **2025 guidance confirmed: 20%+ revenue growth and 30%+ EBITDA growth**, supported by a record backlog, SaaS ramp-up, and large On-Premise deployments.

# HPS / Commercial Performance & TCV

- **TCV** from new logo sales reached **347 M MAD at end-June 2025**, up **+180% YoY**.
- By end-August, **TCV** reached **765 M MAD, already 70% of FY 2024** (which was an all-time record).
- This reflects major wins, including **2 very large On-Premise contracts with Tier-1 worldwide banks in Asia,** each in the tens of millions of USD.
- These wins consolidate HPS's position as a **leading player in Asia**, the largest and most dynamic market for payments globally.
- **Commercial success driven by PowerCARD V4**, the new generation of HPS technology, designed to deliver next-generation performance, agility, and security.



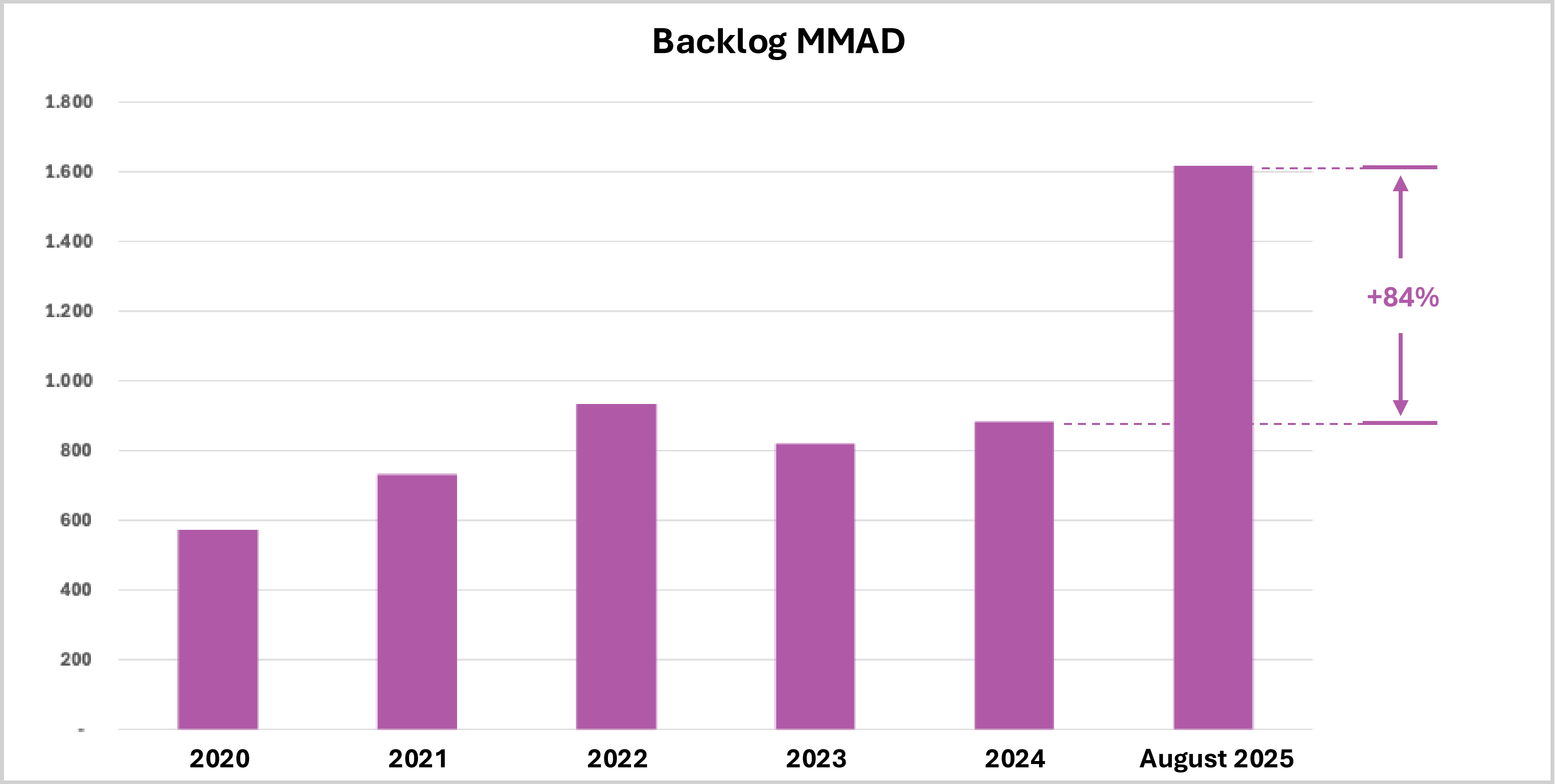
# Backlog Strength

- **Backlog** reached a **record high, up +46.7% at end-June** vs Dec. 2024 (+28% ex-CR2) and **+83.8% at end-August 2025**.

- Provides exceptional visibility on revenue and earnings for H2 and beyond.

- **Backlog** composition reflects a balanced **mix of SaaS** recurring contracts and **large On-Prem** deployments.

- This ensures both **long-term resilience** and **near-term revenue recognition**.



# Strategic context of AccelR8 Plan

## 2025 fully aligned with AccelR8 strategic objectives

### Core Payment Focus

- In line with AccelR8, HPS has fully **refocused on its Payment activities**.
- The **Testing business will be divested** by end 2025.
- This activity had been underperforming in terms of growth and profit, and its sale will have a **mechanically positive impact on revenue growth and profits** going forward

AccelR8

### SaaS Transition

- SaaS transition continues with **4 new SaaS customers**, representing a minimum of **15 M MAD of annual recurring revenue**.
- Starting in H2 2025, **SaaS projects in Canada and Australia** are turning profitable and will **start to scale margins**.

### Profitable Growth

- HPS is pursuing a dual model, combining the **long-term resilience of SaaS** recurring revenues, and the **short-term profitability of large On-Premise** projects.
- This balance allows the Group to both **mitigate** the temporary **impact of SaaS transition** and **secure strong near-term revenue and EBITDA**.

## HPS expects a sharp rebound in EBITDA for H2-2025 and strong growth beyond

- Company reiterates 2025 guidance of **20%+ Revenues** and **30%+ EBITDA** growth, implying **25%+ Revenue growth** vs H1 and **EBITDA expected to triple** compared to H1.
- **Drivers:**
  - Deployment of record Backlog with mix between SaaS and On-Prem impacting favourably short-term EBITDA margin
  - SaaS contracts in Canada & Australia ramping to profitability.
  - Contribution of large On-Premise contracts signed in H1 accelerating Revenue and EBITDA growth during H2-2025.
  - Continued cost discipline.
  - Stable FX conditions going forward.
- **Confirming Acceler8 targets** with 2026 revenue growth expected to meet **12-17% organic** and for **EBITDA margins to expand**.

# H1-2025 Financial review

**Brahim BERRADA**

Corporate Services Managing Director

HPS

# HPS Revenue & Business Analysis

# HPS / H1-2025 Key reported figures

## REVENUE

**672.5** MMAD

+16.4% Growth

-7.4% Proforma

## EBITDA / MARGIN

**69.8** MMAD

-34.0% Growth

-35.6% Proforma

10.4%

## BACKLOG

**1,298** MMAD

+46.7% Growth

+28.1% Proforma

## SEGMENT PERFOMANCE

### PAYMENT ACTIVITY

**554.4** MMAD

87%

+19.9% Growth

### SWITCHING ACTIVITY

**48.5** MMAD

8%

+11.9% Growth

### TESTING ACTIVITY

**33.6** MMAD

5%

-19.1% Growth

## HPS delivered stable revenue at constant FX, supported by resilient growth in its core activities

| Segments | H1-2025 | H1-2024 | | FX impacts | | Business Performance | |
|---|---|---|---|---|---|---|---|
| **Payment** | **432.966** | **462.235** | **(6,3%)** | **(48.279)** | **(10,4%)** | **19.010** | **4,1%** |
| Projects delivery | 57.969 | 89.574 | (35,3%) | (21.488) | (24,0%) | (10.116) | (11,3%) |
| Upselling | 98.986 | 138.852 | (28,7%) | (19.092) | (13,8%) | (20.774) | (15,0%) |
| Maintenance | 116.969 | 116.650 | 0,3% | (1.775) | (1,5%) | 2.095 | 1,8% |
| Licence Upgrade | 29.523 | 4.197 | 603,4% | - | 0,0% | 25.326 | 603,4% |
| SaaS fees | 129.519 | 112.962 | 14,7% | (5.923) | (5,2%) | 22.480 | 19,9% |
| **CR2** | **121.398** | **148.949** | **(18,5%)** | **(5.164)** | **(3,5%)** | **(22.388)** | **(15,0%)** |
| **Switching** | **48.468** | **43.320** | **11,9%** | **-** | **0,0%** | **5.148** | **11,9%** |
| **Testing** | **33.575** | **41.517** | **(19,1%)** | **-** | **0,0%** | **(7.942)** | **(19,1%)** |
| **Other** | **36.091** | **30.547** | **18,1%** | **-** | **0,0%** | **5.544** | **18,1%** |
| **TOTAL** | **672.499** | **726.570** | **(7,4%)** | **(53.442)** | **(7,4%)** | **(628)** | **(0,1%)** |

- Reported revenue reached **672 M MAD, up +16.4% YoY**.
- On a pro-forma basis, Group revenue **decreased by -7.4%**, strongly impacted by **FX (USD depreciation of -10.7%)**.
- On a constant FX basis, Group revenue was stable overall, **aligned with HPS H1 forecasts**. The resilient growth in core activities has been offset by declines in Testing and CR2.

**Projects Delivery: revenue declined -11%, reflecting the almost exclusive delivery of large SaaS contracts signed in 2023–2024**

- SaaS projects generate lower revenue recognition in the build phase, due to the absence of license revenue.
- Strong On-Premise sales in Asia were signed at the end of H1 and early H2, with no impact yet on H1 delivery, but they contributed to the **Backlog increase of +47% at end-June and +85% at end-August 2025**.
- This record backlog provides strong visibility and will drive a **strong rebound in Projects Delivery revenue in H2**.

**SaaS Revenue: increased +20%, supported by the gradual launch into production of contracts signed in 2023–2024**

- Growth will continue in H2 and beyond, as existing large SaaS customers progressively migrate more of their transaction volumes from legacy systems to the HPS platform.

**Upselling: revenue decreased -15%, compared to an exceptional level recorded in H1 2024**

**CR2’s performance in H1 reflects timing effects, not structural weakness.**

- **Revenue down -15% YoY (constant FX), mainly due to delays in closing new contracts**
  - Unlike HPS, CR2 applies upfront license recognition: contract signature timing has a direct impact on reported revenue.
  - H1 2024 benefited from strong new sales, creating an unfavourable comparison base in H1 2025.
- **EBITDA impacted, moving from +1 M MAD in H1 2024 to -2.7 M MAD in H1 2025**
  - Despite strict cost control (-16.1%), the lack of new contract signatures weighed on profitability.
- **Recovery expected in H2 2025**
  - Several opportunities postponed from H1 are now in the final stages of negotiation and expected to close in H2.
  - Ramp-up of ongoing projects will contribute to revenue and margin recovery.
  - CR2 expected to be aligned with previously communicated guidance by year-end.

## Sustained double-digit growth driven by volume expansion and market liberalization

- **H1-2025 Performance**
  - Revenue up **+12% YoY**, reaching **48.5 M MAD**.
  - Growth driven by strong volume expansion : ATM withdrawals: +15% and Payment transactions: +25%.

- **Market dynamics**
  - Morocco remains under-penetrated in payments infrastructure with low number of payment cards per capita and limited number of equipped merchants compared to international benchmarks.
  - Dismantling of CMI monopoly and opening of the acquiring market to new players are accelerating competition and innovation.
  - This provides significant long-term growth potential as financial inclusion deepens.

- **Future prospects**
  - Switching segment positioned as a structural growth engine for HPS.
  - Rising transaction volumes and new entrants will continue to support double-digit growth rates.

**The sale of the Testing activity removes a structurally low-margin business, reinforces the Payments focus, and strengthens HPS's trajectory of profitable growth**

- **H1-2025 Performance**
  - Revenue down -19% YoY, reflecting the continued decline in new opportunities and reduced customer demand in this segment.
  - Activity remained structurally low in profitability, weighing on Group growth and profits.

- **Strategic decision**
  - The business had been in structural decline for several years and no longer aligned with Group's growth and margin ambitions.
  - In line with the AccelR8 Plan, HPS has decided to exit the Testing activity. Transaction expected to close by year-end 2025.

- **Positive impact**
  - Divestment will mechanically improve HPS's growth rate, EBITDA margins and profits going forward.
  - Enables full strategic focus on Payments with stronger growth and margin.

# H1-2025 Adjusted Key figures (excl. FX impact)

## REVENUE

**725.9** MMAD

+25.7% Growth

-0.1% Proforma

## EBITDA / MARGIN

**108.9** MMAD

15.0%

+1.3% Growth

+0.1% Proforma

## BACKLOG

**1,322** MMAD

+49.4% Growth

+30.3% Proforma

## SEGMENT PERFOMANCE

### PAYMENT ACTIVITY

**607.8** MMAD

88%

+31.5% Growth

### SWITCHING ACTIVITY

**48.5** MMAD

7%

+11.9% Growth

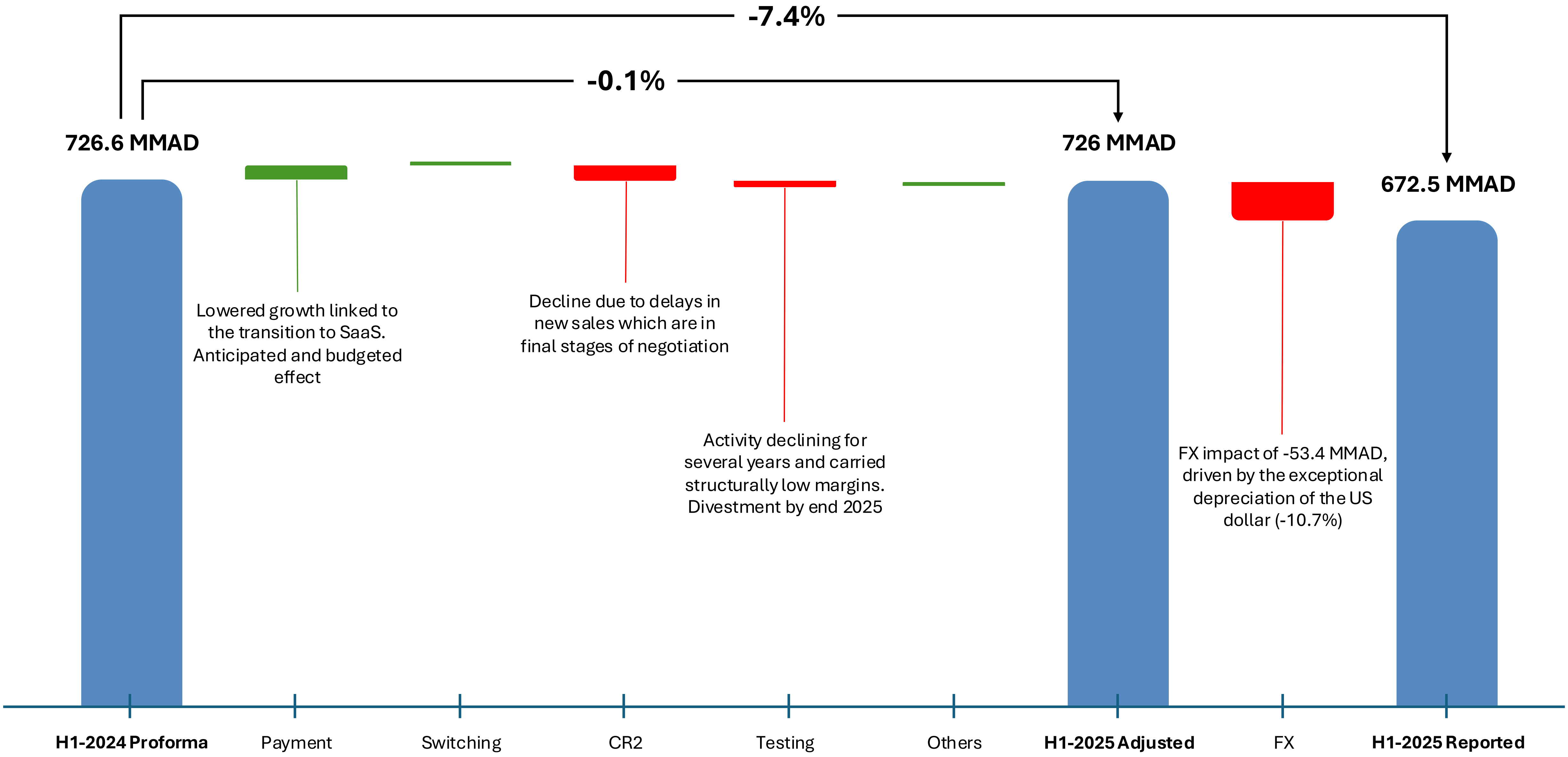
### TESTING ACTIVITY

**33.6** MMAD

5%

-19.1% Growth

# Revenue Bridge



# HPS EBITDA Analysis & Cash flow

HPS

## H1 EBITDA aligned with forecasts: SaaS transition impact was anticipated, and the exceptional FX headwind was fully offset by strict costs control

| HPS STANDALONE | H1-2025 | H1-2024 | Change | FX impact | Change | Adjusted change | Change |
|---|---|---|---|---|---|---|---|
| REVENUES | 672.499 | 726.570 | -7,4% | - 53.442 | -7,4% | - 628 | -0,1% |
| COSTS | 602.611 | 618.024 | -2,5% | - 14.046 | -2,3% | - 1.367 | -0,2% |
| HR costs | 309.149 | 332.069 | -6,9% | - 6.137 | -1,8% | - 16.783 | -5,1% |
| Sales & Marketing costs | 8.208 | 10.770 | -23,8% | - 148 | -1,4% | - 2.413 | -22,4% |
| External costs | 141.138 | 117.453 | 20,2% | - 2.528 | -2,2% | 26.212 | 22,3% |
| Taxes | 20.035 | 9.834 | 103,7% | - 172 | -1,8% | 10.373 | 105,5% |
| CR2 Costs | 124.081 | 147.897 | -16,1% | - 5.061 | -3,4% | - 18.755 | -12,7% |
| EBITDA | 69.889 | 108.546 | -35,6% | - 39.396 | -36,3% | 739 | 0,7% |
| *EBITDA margin* | *10,4%* | *14,9%* | | | | | |

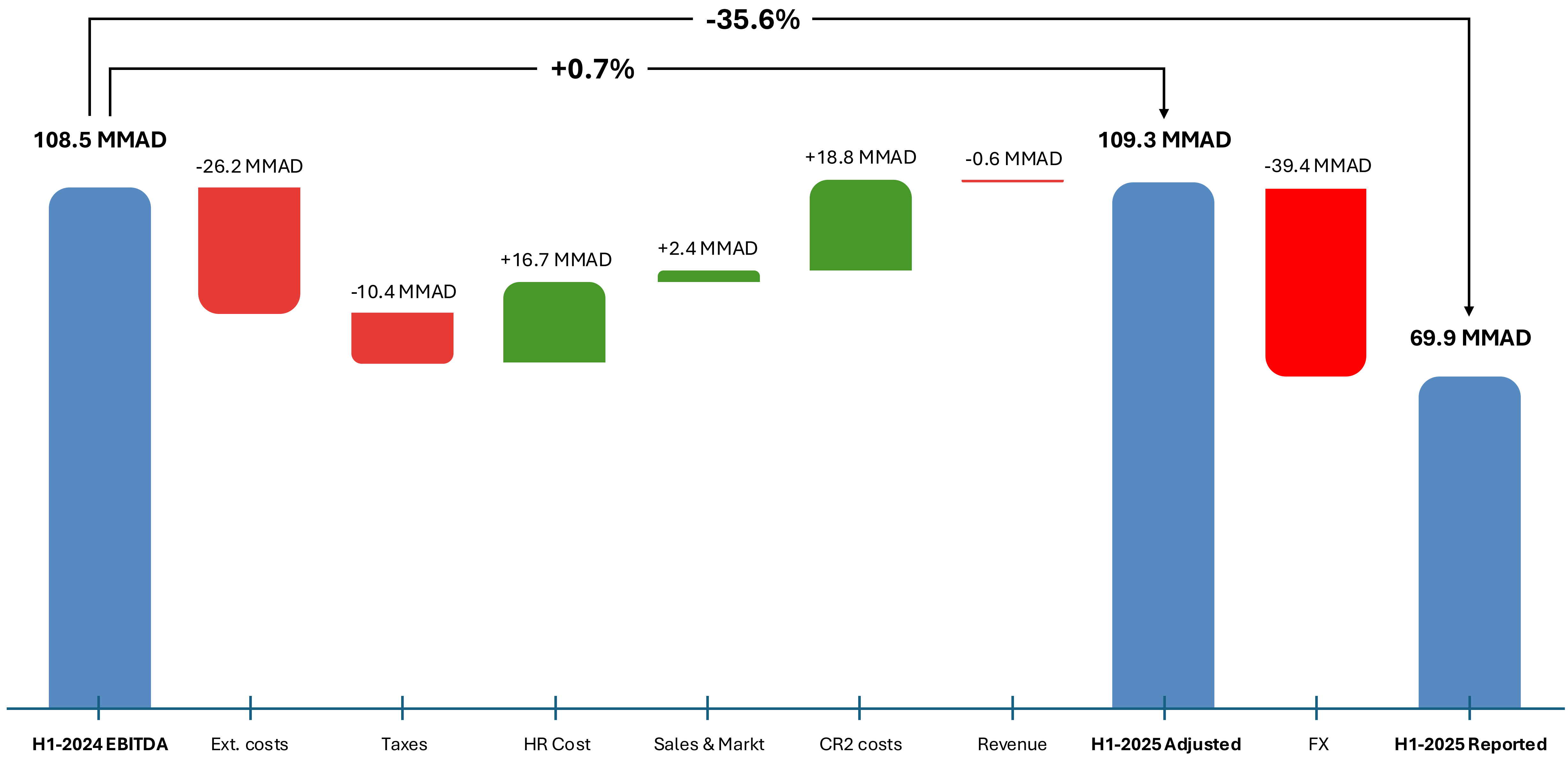
# EBITDA analysis

- **Costs Evolution (H1-2025 vs H1-2024)**
  - HR Costs reduced by 5% thanks to the replacement of expensive external resources by new hires, improving long-term efficiency.
  - External Costs: Increase mainly explained by strategic growth factors:
    - Cloud hosting costs linked to SaaS platforms deployment to support large Tier-1 project.
    - Travel & Expenses higher due to international deployment of large projects (Canada, Australia, etc.).
    - New offices opened in Canada, India, and Australia, with associated setup and operating costs.

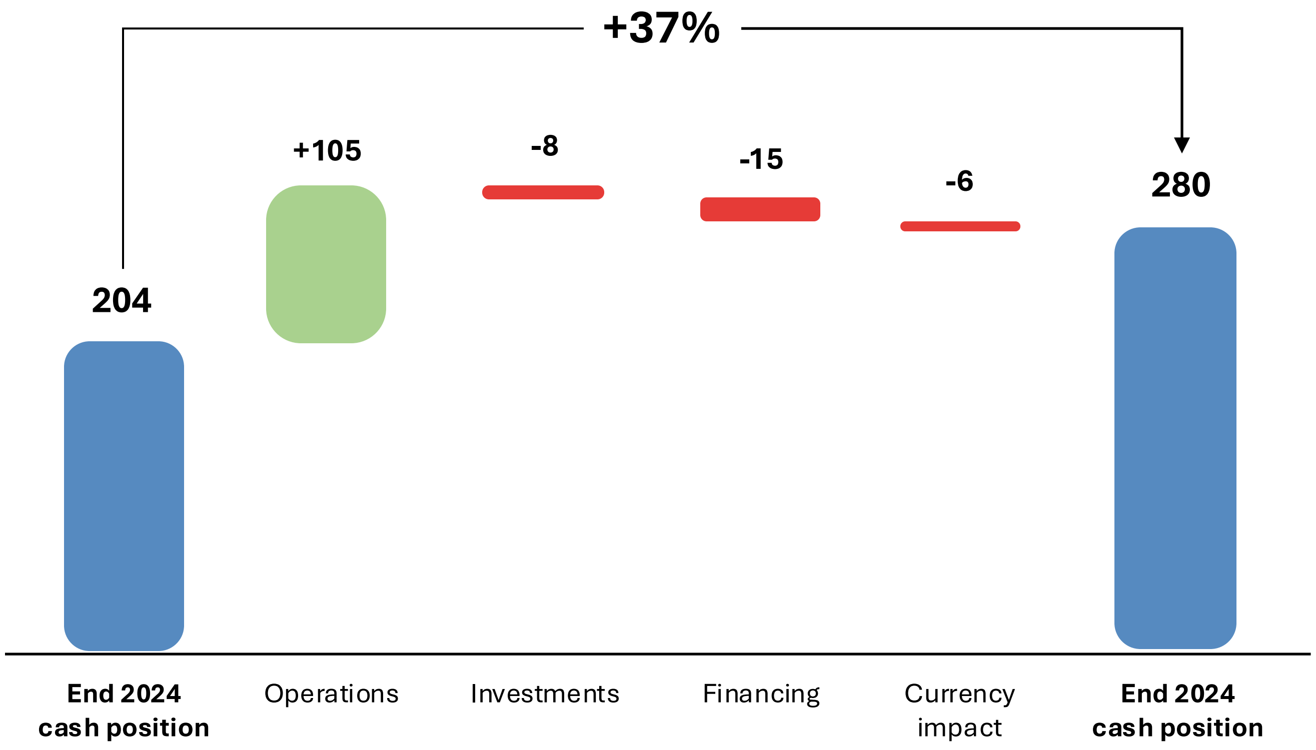
  Overall cost structure reflects investment in global expansion and SaaS scale-up, while remaining under strict control.

- **EBITDA Performance**
  - Reported EBITDA at 69.9 M MAD (-35.6% YoY), with margin down to 10.4%, aligned with internal forecasts.
  - SaaS transition margin pressure was anticipated and budgeted, confirming no deviation from plan.
  - Exceptional FX impact of -39.4 M MAD but cost discipline offset much of the FX shock, demonstrating strong operational resilience.

# EBITDA Bridge



# Cash-Flow analysis




**Operational cash flow: +105 M MAD**

Optimal management of operating cash flow in an environment of strong business growth.
SaaS ramp-up start to generate positive cash flow

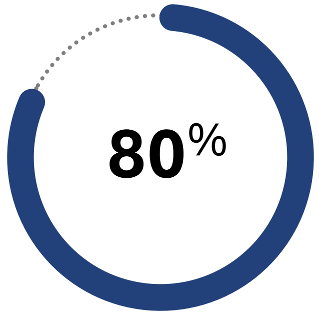
**Financing cash flow: -15 M MAD**

Cash flow for LT debt reimbursements

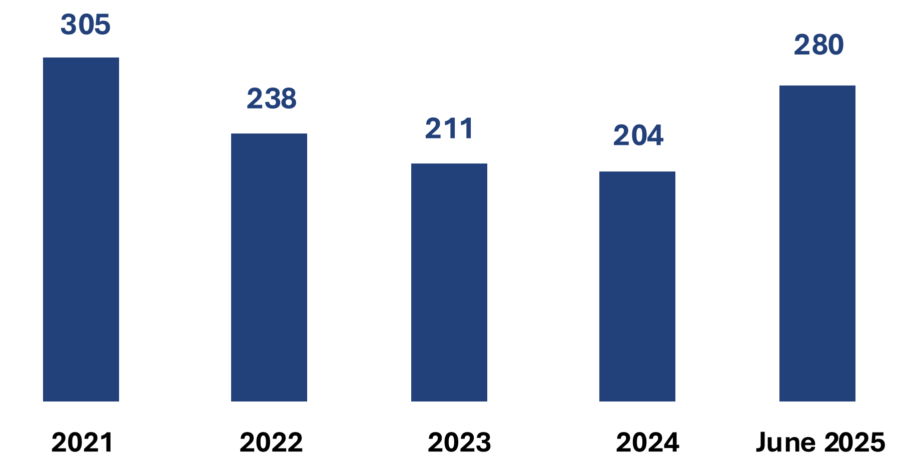
## LT Debt compared to equity

**529** MMAD

**-2.8%** growth




## Cash position in MMAD



# 2025 outlook

# H2-2025 Outlook main drivers

## Strong Backlog deployment

- Record backlog (+85.2% at end-August 2025 vs Dec. 2024) provides high visibility.
- Large On-Premise projects signed in H1 now entering deployment phase, with strong revenue and EBITDA impact.

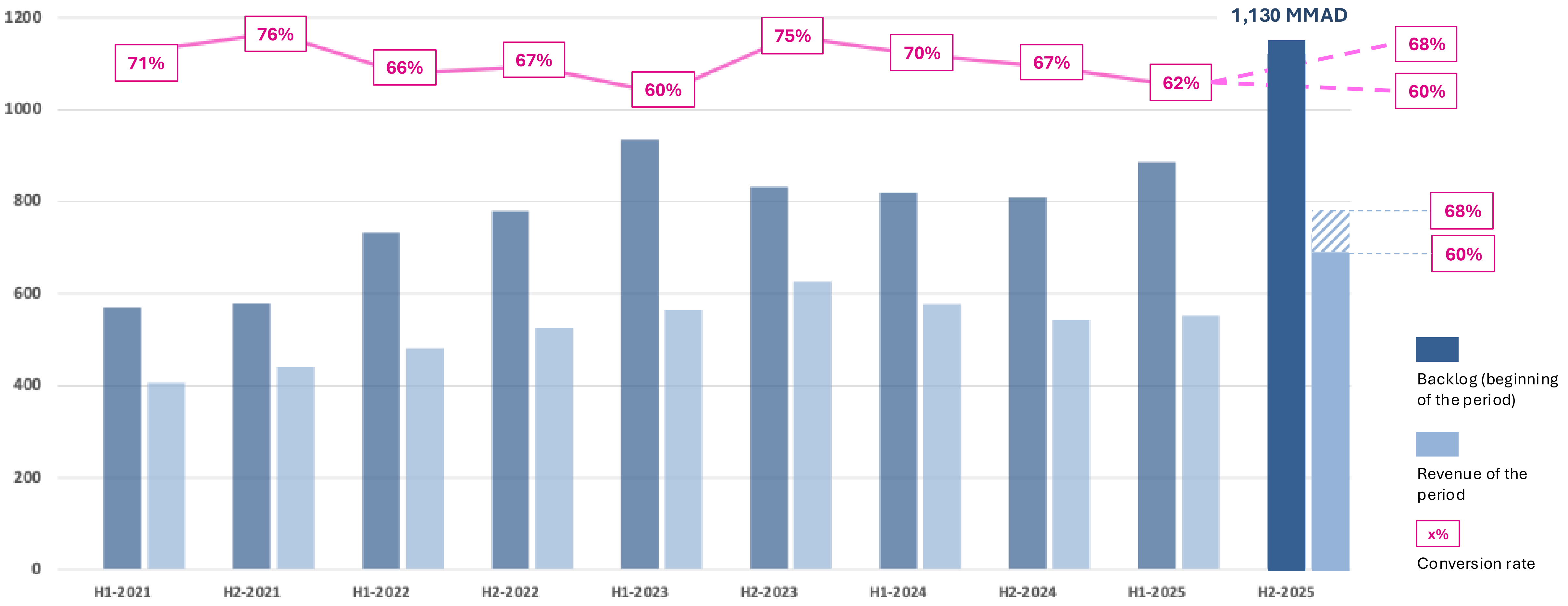
## SaaS ramp-up to profitability

- SaaS projects signed in 2023–2024 (Canada, Australia) moving from build to run phase.
- Margins expected to exceed current Group level as scale effects materialize.
- Additional 4 new SaaS customers signed in 2025 will start contributing recurring revenue.

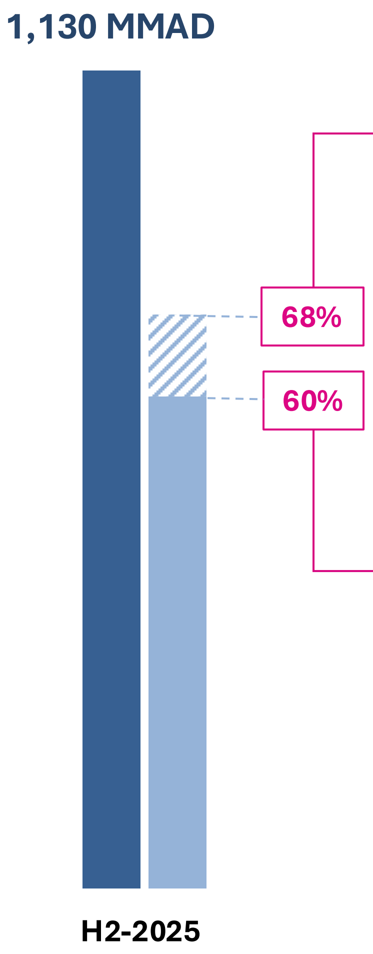
## CR2 Recovery

- Several deals postponed from H1 are expected to close in H2.
- Return to profitability anticipated, in line with guidance.

## HPS Backlog (excluding CR2) conversion historically strong, between 60% and 76%



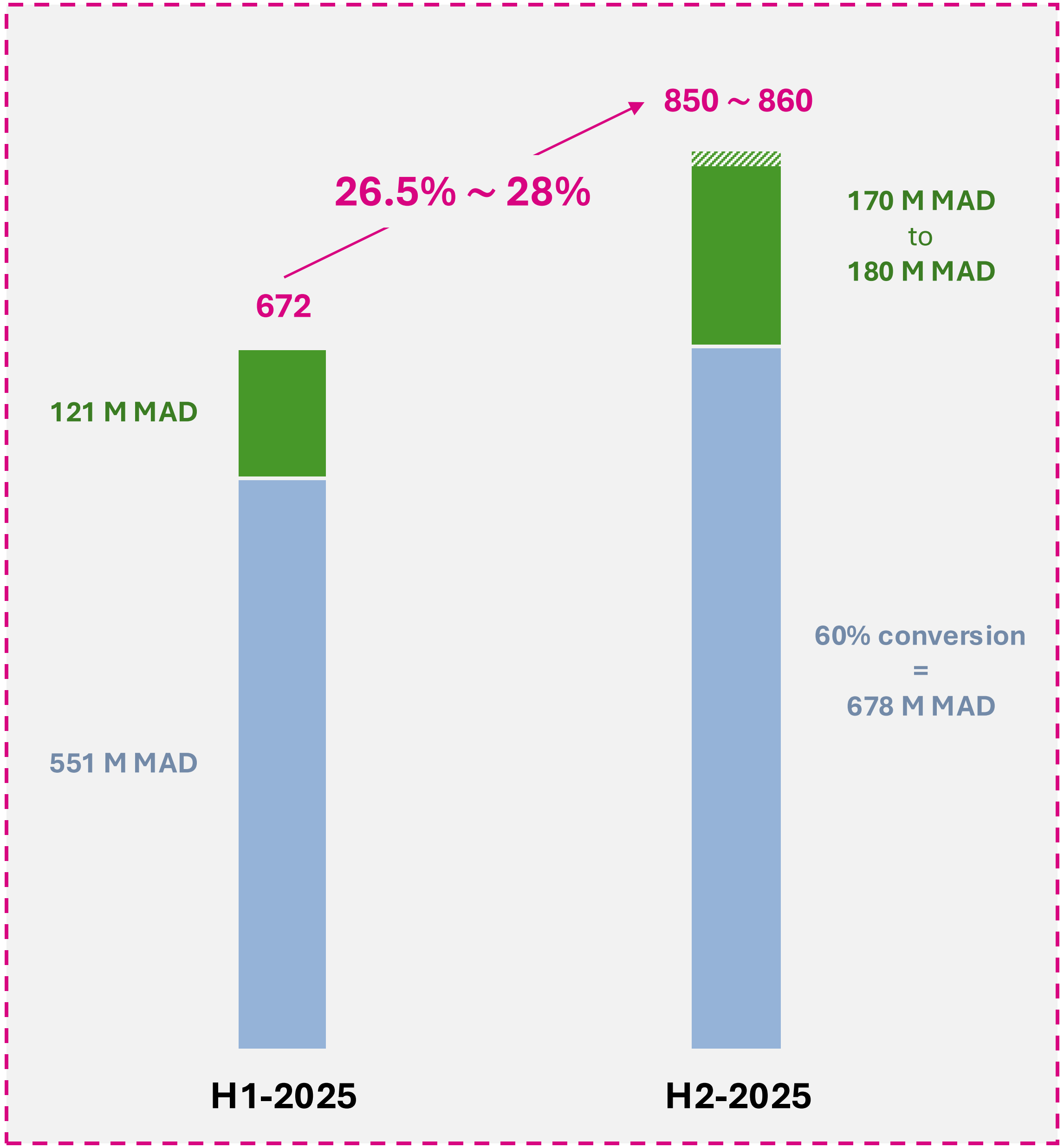
# 60% Backlog conversion rate for H2 implies 20%+ for 2025 Revenue growth vs 2024




- Average conversion rate over the selected period of last 10 half
- Reasonable assumption considering the mix of the Backlog with large On-Prem projects

**60%**

- Lowest conversion rate over the selected period of last 10 half
- Very conservative assumption given the additional Backlog growth recorded at the end of August 2025 (+29%)



# H2 2025 EBITDA Guidance Rationale

**EBITDA expected to reach 25% in H2, driven by backlog profile, On-Premise wins and SaaS ramp-up**

**Backlog mix evolution**

- H2 backlog includes more large On-Premise projects, compared to the SaaS-only mix in H.
- These projects carry significant license revenues, generating higher incremental EBITDA 1.

**Additional backlog secured during summer**

- Between end-June and end-August, HPS signed very large On-Premise deal (Asia Tier-1 bank).
- This contract will start contributing materially to H2 revenue and profitability.

**SaaS Ramp-up effect**

- Large SaaS projects signed in 2023–2024 (Canada & Australia) are transitioning from build to run phase.
- This shift progressively transforms SaaS into a positive EBITDA contributor, with accelerating impact in H2.

**Historical margin benchmark**

- Historically, with almost exclusively On-Prem projects, EBITDA margin was consistently between 22% and 25%.
- With the H2 mix (SaaS ramping + On-Prem licenses), a 25% margin is fully in line with past profitability levels.

## Solid foundations to support revenue and profit growth through year-end and beyond

### Record commercial momentum

**HPS continues to win Tier-1 banks and secure a record backlog**

- Backlog up +85% at end-August 2025, providing exceptional foundation for growth.
- TCV momentum with Tier-1 wins consolidates global leadership.

### SaaS transition turning the corner

**SaaS profitability is now ramping up in Canada and Australia**

- Short-term pressure fully anticipated and impacts nearly behind us.
- SaaS platforms in Canada & Australia moving into profitability, with clients progressively migrate existing volumes

### Portfolio optimization

**Focus on payments with the sale of the Testing Activity**

- Divestment of Testing activity reinforces Payments focus, aligned with AccelR8 strategy.
- The divestment will mechanically improve HPS's growth and margins.

### 2025 Full-year guidance confirmed

- **20%+ revenue growth and 30%+ EBITDA growth in 2025.**
- **EBITDA expected to triple in H2 vs H1, supported by backlog deployment, SaaS ramp-up, and CR2 recovery**

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