

HPS continues its growth with strong recurring revenue momentum and successful integration of CR2

HPS recorded a consolidated revenue growth in Q4 2024 in line with forecasts, driven by strong momentum of the SaaS model and significant geographic expansion. The acquisition of CR2, integrated in September 2024, also contributed to this positive trend.

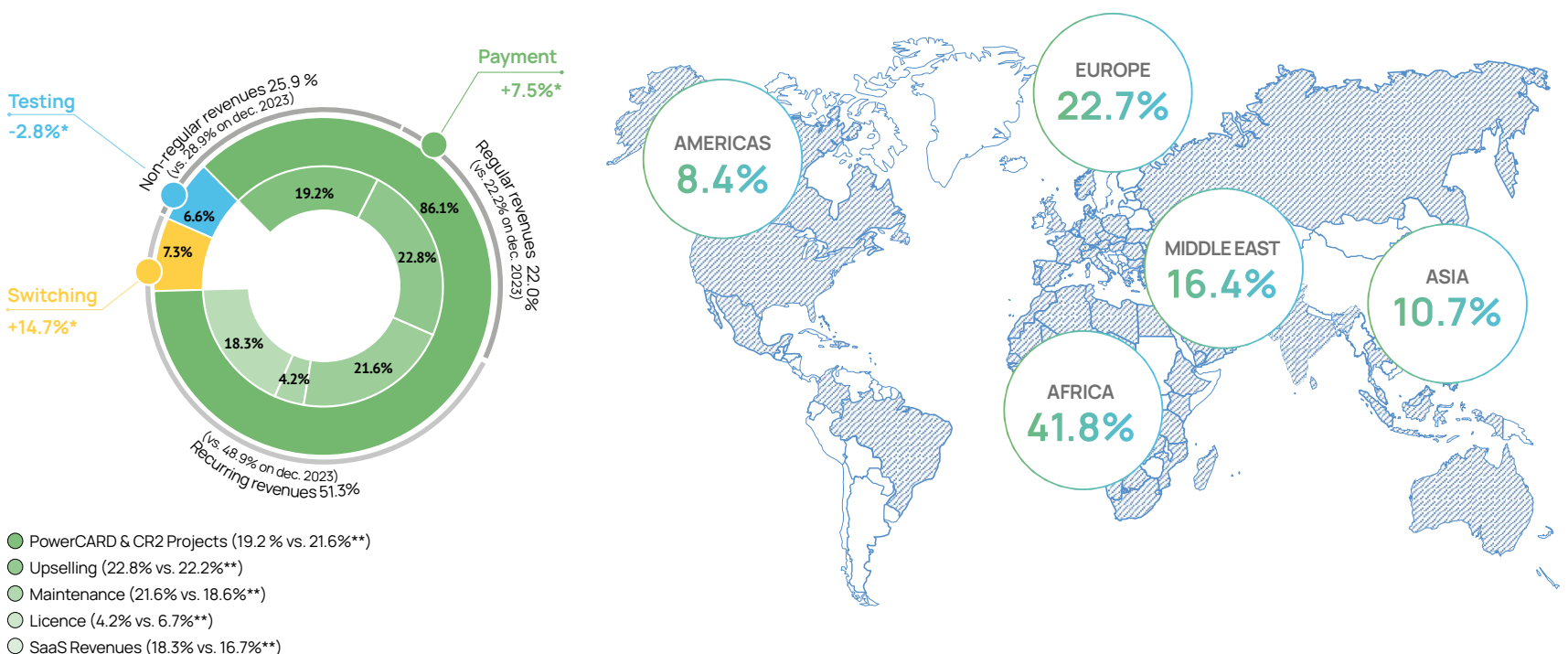
- ▶ Growth in consolidated revenue: +9.8% in Q4 and +5.4% for the year.
- ▶ Strong increase in recurring and stable revenues: +7.4% in Q4 and +11.9% for the year, driven by SaaS expansion.
- ▶ Successful integration of CR2: contribution of 76 M MAD over four months in 2024, up 4.1% compared to 2023.
- ▶ Geographic expansion: strengthening presence in North America and Asia-Pacific.
- ▶ Controlled debt: cash position increased 11.3% despite the CR2 investment.

Key figures

		PUBLISHED		PROFORMA	
CONSOLIDATED QUARTERLY INDICATORS IN M MAD ¹	Q4 2024	Q4 2023 ²	CHANGE	Q4 2023 ³	CHANGE
Revenues	383	349	9.8%	411	-6.6%
Of which recurring and regular revenues	255	237	7.4%	237	-2.3%
Research & Development	51	49	4.0%	49	4.0%
CONSOLIDATED CUMULATIVE INDICATORS IN M MAD ¹	DEC. 2024	DEC. 2023 ²	CHANGE	DEC. 2023 ³	CHANGE
Revenues	1,256	1,191	5.4%	1,265	-0.7%
Of which recurring and regular revenues	905	809	11.9%	809	8.3%
Research & Development	156	146	7.3%	146	7.3%
CUMULATIVE BALANCE SHEET INDICATORS IN M MAD	DEC. 2024	DEC. 2023 ²	CHANGE	DEC. 2023 ³	CHANGE
Debt ⁴	551	116	> 100%	130	> 100%
Cash & cash equivalents	246	221	11.3%	NA	NA
CUMULATIVE STATUTORY INDICATORS IN M MAD ¹	DEC. 2024	DEC. 2023 ²	CHANGE		
Revenues	885	918	-3.7%		
	DEC. 2024	DEC. 2023 ²	CHANGE		
Debt ⁴	545	87	> 100%		

1. Indicators based on management reporting - 2. Published Indicators - 3. Proforma indicators (including CR2 Figures in 2023) - 4. Debt includes medium-term loans and leasing contracts (figures as of 12/31/2024 vs. 12/31/2023)

Revenues breakdown by activity and geographic area as of december 31st, 2024



* Change vs. december 2023 (published figures)
** Share as of december, 31st, 2023

Business analysis

Transition to a sustainable SaaS model

HPS continues to evolve its business model towards SaaS, strengthening revenue predictability and stability. Unlike the On-Premise model, which recognizes both implementation service fees and non-recurring license revenues, during the deployment phase, the SaaS model only accounts for service fees incurred during the development of the client's SaaS platform. However, during the operational phase, the SaaS model generates significantly higher recurring annual fees, while the On-Premise model, at that stage, only generates maintenance revenue.

As a result, SaaS projects currently being deployed in 2024 are expected to generate an additional 160 M MAD in recurring annual revenue by 2027. Had these projects been executed under the On-Premise model, they would have generated 80 M MAD in additional non-recurring revenue in 2024, corresponding to license fees generated during the implementation phase.

Growth in payment activity driven by CR2 Integration and SaaS expansion

Payments activity grew by 7.5% for the full year, supported by the integration of CR2, which contributed 76 M MAD over four months, reinforcing its strategic role in the Group's expansion. On a comparable basis, HPS's activity remained stable compared to 2023, as the shift to SaaS impacted short-term revenues but was offset by strong recurring revenue growth (SaaS revenues up 17.5% and maintenance revenue up 10.5% compared to 2023 pro forma).

Recurring and regular revenues continued their upward trend, reaching 255 M MAD in Q4 2024, a 7.4% increase compared to 2023. For the full year, they grew 11.9% to 905 M MAD, accounting for 74.1% of total business revenue.

Continued development of the switching activity driven by digital payments and interoperability

The switching activity grew by 14.7%, fueled by an increase in electronic transactions and the integration of new partners. The development of added-value services and the strengthening of payment infrastructure contributed to this positive momentum. The rise of interoperable payments further supported this growth, driven by the increase in adoption of digital transactions and the emergence of new electronic payment players at the national level.

Decline in the testing activity revenue

The testing business saw a slight 2.8% decline, impacted by an unfavorable economic environment and the postponement of several projects. Despite this decrease, HPS remains committed to strengthening its client portfolio and consolidating its presence with major industry players.

Geographic expansion

- ▶ Americas: increased revenue contribution (+3.4 pts), driven by strong performance in North America.
- ▶ Australia & Asia: major new contracts, including a SaaS deal in Australia with one of the world's largest banking groups.
- ▶ Africa: maintaining market leadership, representing 41.8% of consolidated revenue.

Increased investment in Research & Development

R&D investments continued to grow, reaching 156 M MAD by the end of 2024, up 7.3% compared to the previous year. These efforts enable continuous improvement of PowerCARD solutions, incorporating regulatory changes and new market demands across regions. A key strategic focus is the development of innovative features, particularly to strengthen the SaaS activity, supporting the Group's transition towards a business model based on recurring revenue.

Change in consolidation scope

Compared to 2023, the consolidation scope for the financial statements as of December 31st, 2024, includes:

- The integration of two newly created entities in Q2 2024: HPS Montréal and HPS India.
- The 100% acquisition of CR2 in Q3 2024.

Investments

Q4 investments primarily focused on equipment acquisitions and office setup related to the launch of new entities in India and Canada. For the full year, investments also included the acquisition of CR2.

Debt

The increase in debt is linked to the acquisition of CR2. However, the cash position grew by 11.3%, reflecting disciplined investment management and strong profitability.

Outlook

- Continuation of the AccelR8 plan, focusing on innovation and profitability.
- Further transition to the SaaS model, with major contracts signed in 2024.
- Expected contribution of CR2 to 2025 revenue: €30 million.
- Strengthening international presence, with strategic initiatives in India, Australia, and North America.

HPS remains committed to sustainable growth, leveraging its technological leadership and global expansion strategy.

Disclaimer

This press release contains forward-looking statements, such as predictions, estimates, and assumptions about future financial results, plans and objectives, future events, and performance metrics. Actual results and events may differ significantly from those projected herein. These assertions do not guarantee future performance and should be evaluated accordingly.

About HPS

HPS is a worldwide leading provider of payment solutions and services for issuers, acquirers, card processors, independent sales organisations (ISOs), retailers, mobile network operators (MNOs), and national & regional switches around the world. PowerCARD is HPS' comprehensive suite of solutions that covers the entire payment value chain by enabling innovative payments through its open platform that allows the processing of any transaction coming from any channel initiated by any means-of-payment. PowerCARD is used by more than 500 institutions in over 95 countries. HPS has been listed on the Casablanca Stock Exchange since 2006 and has offices located in major business centres (Africa, Europe, Asia, Middle East). For more information: www.hps-worldwide.com. Plus d'informations sur : www.hps-worldwide.com

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