

30 April 2024

Alfa Financial Software Holdings PLC
Q1 Trading update
Strong growth in TCV, full year expectations unchanged

Alfa Financial Software Holdings PLC ("Alfa" or the "Company"), a leading developer of mission-critical software for the asset finance industry provides an update on trading for the first quarter of the year ended 31 March 2024.

Strong operational performance

In the first quarter we have seen excellent delivery for our customers with seven deliveries comprising one v4 to v5 upgrade and six regular upgrades.

We have continued to progress the Alfa Systems 6 launch which covers ten new modules and is being released in six functional instalments. In the first quarter of 2024 we released the second and third instalments:

- Total Capability, which includes important additions to Originations functionality, and opens the functionality up to the US Auto market which increases our addressable market.
- Sustainability, which includes Scope 3 emissions reporting and pay per use capability.

Encouraging development of pipeline

Our pipeline has continued to develop strongly since the announcement of our FY 23 results last month.

We have converted one large US automotive prospect and one very large multi-country European equipment prospect, both on Alfa Cloud resulting in a strong boost to TCV which is up 15% to £190m from £165m at December 2023.

We have also continued the momentum in the late-stage pipeline with one new prospect bringing the current total to ten. We are working with six of these, up from five at the time of our FY23 results announcement. We remain very confident in the overall strength of the pipeline from early stage through to late stage.

Q1 trading as expected, expectations unchanged

Trading in Q1 was in line with expectations and overall we continue to expect mid to high single digit revenue for the year as a whole.

As previously highlighted 2023 revenue performance was unusually strongly first half weighted. We entered 2024 expecting revenue performance to revert to a more normal pattern of second half weighting. In line with these expectations, revenue for the first quarter of £26m was down (2)% on a constant currency basis versus a very strong quarter last year. This was due to lower services revenues as new projects ramp up and lower software revenues as we have focused on investing and delivering Alfa Systems 6 functionality. Subscription revenue has continued to show strong mid-teens percentage growth.

Andrew Denton, Chief Executive Officer of Alfa, said:

"We have had a strong start to the year, securing two exciting new customers and starting work with a number of prospective clients in the late stage pipeline. At the same time, we continue to invest in the competitive differentiation of our product with three of the six instalments of Alfa Systems 6 launched to date. Additionally, we continue to see strong sequential growth in our subscription revenue stream. As a result, we are well placed to achieve our expectations for the year."

Enquiries

Alfa Financial Software Holdings PLC +44 (0)20 7588 1800
Andrew Denton, Chief Executive Officer
Duncan Magrath, Chief Financial Officer
Andrew Page, Executive Chairman

Teneo +44 (0)20 7353 4200
James Macey White
Victoria Boxall

Barclays +44 (0)20 7623 2323
Robert Mayhew
Anusuya Gupta

Investec +44 (0)20 7597 4000
Patrick Robb
Virginia Bull

Notes to Editors

Alfa has been delivering software systems and services to the global asset and automotive finance industry since 1990. Our agile methodologies and specialised knowledge of asset and automotive finance enables the delivery of large software implementations and highly complex business change projects. With an excellent delivery track record now into its fourth decade, Alfa's experience and performance is unrivalled in the industry.

Alfa Systems, our class-leading technology platform, is at the heart of some of the world's largest asset and automotive finance companies. Alfa Systems supports both retail and corporate business for auto, equipment, wholesale and dealer finance on a multijurisdictional basis, including leases/loans, originations and servicing. A cloud-native, end-to-end solution with integrated workflow and automated processing using business rules, Alfa Systems provides compelling solutions to asset finance companies.

Alfa Systems is currently live in 37 countries. Alfa has offices in Europe, Australasia and North America. For more information, visit www.alfasystems.com.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rs@seg.com or visit www.rs.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTBUGDSLXDDGSC