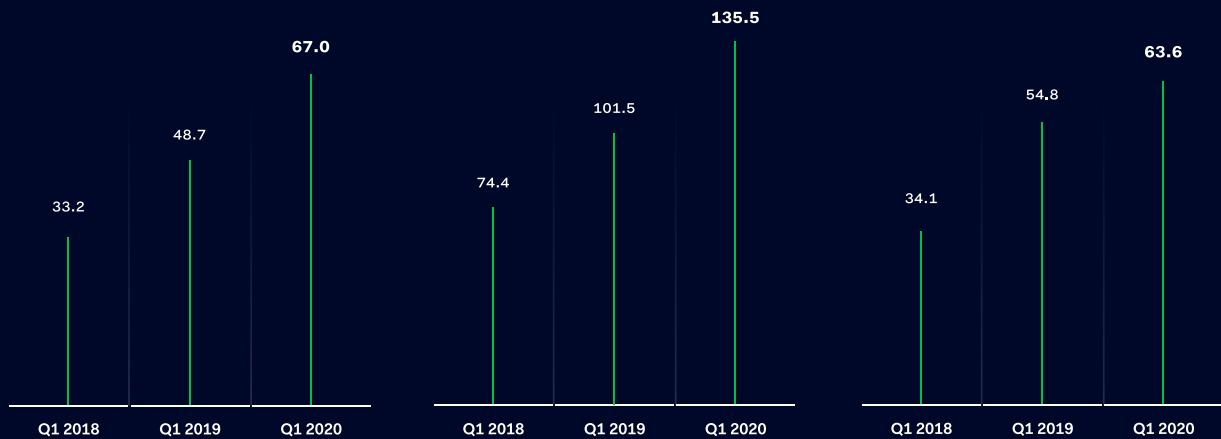


# Q1 2020 and COVID-19 Trading Update

## Q1 2020



### Processed volume

€67.0 BN

↗ 38% YOY

### Net revenue

€135.5 MN

↗ 34% YOY

### EBITDA

€63.6 MN

↗ 16% YOY

EBITDA MARGIN 47%

“At Adyen, we build everything for the long-term. The COVID-19 pandemic does not change that. Notwithstanding, where we have traditionally shied away from providing short-term updates, we felt it sensible to provide additional transparency to our shareholders during these unprecedented times. For us, we continue to focus on our merchants to help them navigate this new environment, albeit from a distance.”

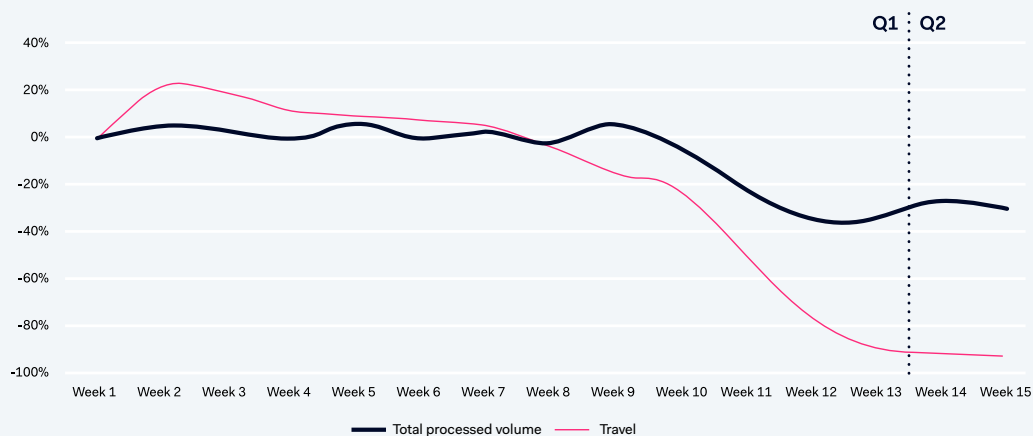


**Ingo Uytdehaage**

CFO

Figure 1

Weekly total processed volume and weekly travel volume indexed to the first week of January.



## Summary

- A continuation of historical growth trends during January and February, with Q1 2020 processed volume up 38% year-on-year.
- The impact on volume we saw from mid-March through mid-April is a reflection of the impact of COVID-19. We registered negative impact mostly in the travel (i.e. airlines, OTAs and accommodation) and in-store retail verticals, and positive impact in digital goods and online retail. As is reflected in Figure 1 above, we see stabilization in the first two weeks of the second quarter.
- Net revenue was up 34% year-on-year for the quarter. Due to the strong growth in January and February, mostly from the enterprise segment, the take rate was down for Q1, totaling 20.2 bps. We continue to focus on onboarding volume at scale, and on absolute margin.
- EBITDA margin declined as we continue to invest in long-term growth, both in the form of headcount and in marketing campaigns, combined with a net revenue that was impacted by COVID-19 in March.
- Free cash flow conversion ratio was 93% in Q1 2020, with CapEx remaining <5% of net revenues.

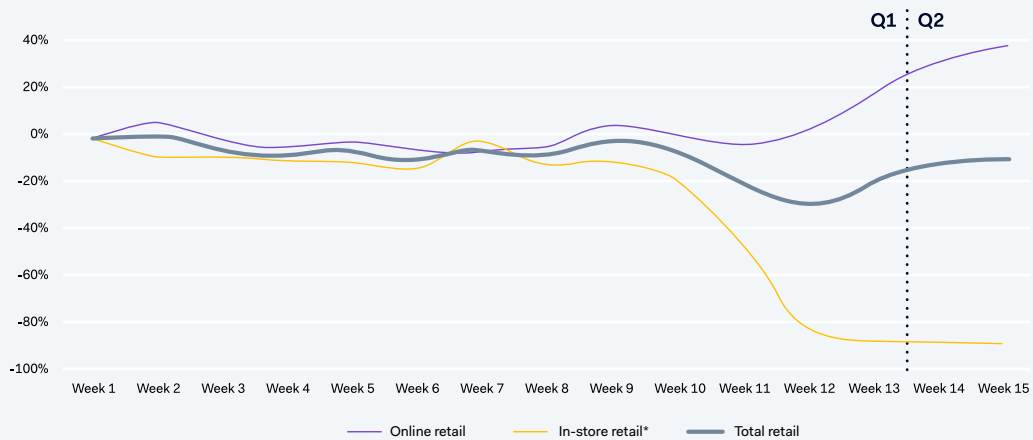
## Retail

The decline in in-store retail volume due to lockdown measures is very visible, with large numbers of stores closed. Online retail volume largely compensates for the decline in in-store volume, and is steadily rising as shown in Figure 2. This underscores the robustness of unified commerce strategies – these merchants are able to seamlessly move volume from in-store to online sales channels.

Due to the shutdown of physical stores and other sales channels (e.g. call centers), we've seen a notable uptick in certain types of integrations, including in the use of our Pay by Link product – allowing merchants to take their activities online quickly.

Figure 2

Weekly retail processed volumes indexed to the first week of January.



\* In-store retail volume is not a proxy for total point-of-sale volume.

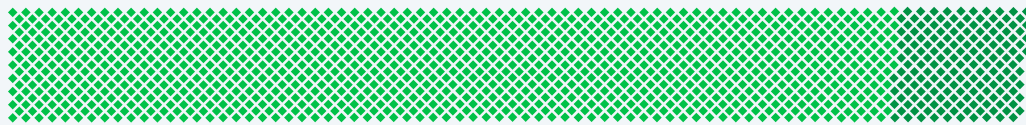
## People

We added 169 FTE in Q1 2020, totaling 1,351, compared to 1,182 at the end of FY 2019. We have not ceased hiring as we continue to invest in long-term growth. Of the new hires, 49% were in tech and 38% in commercial roles.

Absorbing new hires into the Adyen culture is naturally more difficult during these times, therefore we have chosen to limit hiring to critical roles for the time being. Senior management continues to see every new hire before they join the Adyen team, now via video conferencing software, as keeping the Adyen culture remains as crucial as ever.

Figure 3

Adyen's Q1 2020 FTE growth.



1,182 1,351

As of December 31, 2019 As of March 31, 2020

## Business Continuity

We have business continuity protocols in place that allow us to continue our day-to-day activities while adjusting to this new normal. Adyen staff are fully equipped to work remotely, and have been doing so without impact to our payment processing ability.

We choose to invest in the longevity of the relationships with our merchants by working with them to ensure the sustainability of their business, in lieu of imposing stricter measures on a wide scale.

Our merchant portfolio is mostly made up of enterprise merchants and has been built with a long-term perspective in mind. We've historically been averse to onboarding high-risk volume as a part of this philosophy, which gives us added comfort in the current environment.

## Pipeline

We continue to be able to connect merchants to the platform at our regular speed. However, some onboarding timelines have somewhat slowed due to merchants' challenges in the current environment. We expect that these projects are merely delayed, and that onboarding timelines will return to normal once the situation stabilizes.

## Guidance

We have not altered our medium- to long-term guidance. In line with our long-term focus, we have not issued short-term guidance for this year.

## Annual General Meeting

An emergency bill allowing companies to organize virtual annual general meetings is likely to take effect in the Netherlands shortly. Adyen's AGM, scheduled for May 26, will be converted from a hybrid AGM – for which a convening notice was sent out on April 10 – to a virtual AGM as soon as this bill has taken effect.

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