

Q1 2024

Business Update

Key Metrics

Processed Volume

At the end of the first three months of 2024, processed volume was €297.8 billion, up 46% YOY. We continued to benefit from processed volume growth with an existing Digital customer that expanded in H2 2023, while also seeing volume acceleration with other large enterprise merchants.

As a testament to our long-standing approach of landing and then expanding our partnerships, over 80% of this period's growth came from existing customers, and we achieved less than 1% of volume churn yet again.

Net Revenue

Net revenue was €438.0 million in Q1 2024, up 21% YOY. Notably, we saw continued momentum in North America, which remained our fastest-growing region. As we further expanded with our largest volume customers, a natural outcome was processed volume growth outpacing net revenue growth. On a constant currency basis, net revenue growth would have been unchanged.

Business Updates

Digital

Digital processed volume was up 51% YOY, as we continued to benefit from an existing Digital customer that expanded in H2 2023, while also seeing volume acceleration with other large enterprise merchants. While this customer demographic drove a volume push, it is important to note that volume and net revenue growth do not always move in parallel. This variance is a natural outcome of merchant mix as well as growth within our established customer base, which we have always embraced and encouraged. Underscoring the domain's appeal, over 90% of our top 100 Digital customers utilized our Local Payment Methods (LPM) capabilities.

Unified Commerce

Unified Commerce processed volume was up 30% YOY, and the pillar's trends remained broadly in line with those seen in the second half of 2023. Within this pillar, our point-of-sale (POS) volumes continued to grow at a faster rate than eCommerce volumes, as consumer expectations increasingly turned towards hybrid physical and digital experiences. The resilience of POS as core to consumer journeys was seen in the number of transacting Unified Commerce terminals increasing to 279 thousand, up 70 thousand YOY. Similarly, 515 Unified Commerce customers processed in multiple regions compared to 445 at this time last year, while 333 processed across channels at scale* compared to 272 in Q1 2023.

* Defined as the number of merchants processing at least €10 million on both POS and eCommerce, with over €50 million in total processed volume in the last 12 months.

Platforms

Platforms processed volume was up 55% YOY. Excluding eBay, our Platforms volume grew by 116% YOY. This growth underpins the momentum we continue to see in this dynamic sector, and is exemplified by the number of platform business customers we served, which rose to 96 thousand, up 58 thousand YOY. The growing appetite for Platforms from both enterprises and SMBs was further seen in the domain's transacting terminals, which now stands at 139 thousand, up 73 thousand YOY. We were also pleased to have 19 platforms processing over €1 billion in volume over the last 12 months, demonstrating the value of our single platform.

People & Culture

In the first three months of 2024, we onboarded 26 net-new joiners. Consistent with our previously shared hiring strategy, over half of these team members were in commercial roles, while the rest joined our tech domain. Within tech, we prioritized hiring a few critical senior leadership positions, who will play a pivotal role in building our Tech Hubs throughout 2024. This approach reinforces our high talent standards and thorough recruitment process. All of the period's net-new hires were made in offices outside of Amsterdam, with the majority joining our North American team. We remain committed to bringing on a couple of hundred net-new joiners in the year as planned.

Financial Objectives

We did not see any business developments in Q1 2024 that would lead us to update our financial objectives. Our standing financial objectives therefore remain unchanged.

Net revenue growth: We aim to continue to grow net revenue annually between the low-twenties and high-twenties percent, up to and including 2026.

EBITDA margin: We aim to improve EBITDA margin to levels above 50% in 2026, as we expect to benefit from operating leverage inherent to our business model.

Capital expenditure: We aim to maintain a sustainable capital expenditure level of up to 5% of our net revenue.

We will be broadcasting a live audio call hosted by Adyen CFO, Ethan Tandowsky, to discuss these results at 3PM CEST today, April 25th, 2024. You can tune into the livestream at investors.adyen.com. A recording of the conversation will be made available on our Investor Relations website following the call.

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