

Results 2nd Quarter 2020 (IFRS, unaudited)

July 22, 2020

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AGENDA



Results 2nd Quarter 2020 (IFRS, unaudited)

Sanjay Brahmawar
CEO
July 22, 2020

Q2 AND 1H 2020 RESULTS

STRONG PERFORMANCE THROUGH A PERIOD OF UNIQUE CHALLENGE



Proud

Inspired by the passion and drive of our team in response to Covid-19



Resilient

Managing the need for prudence without compromising our ambition for growth

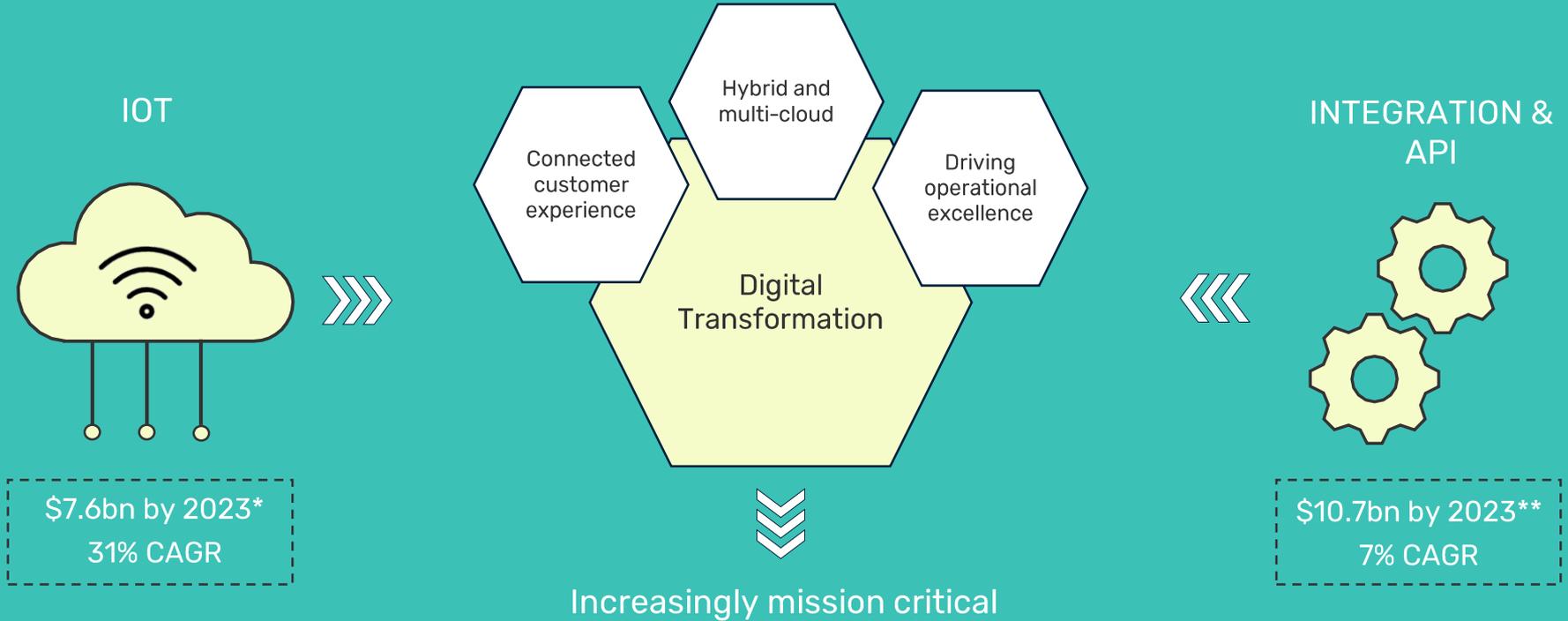


Delivering

Meeting our commitments to customers, to our people, to investors

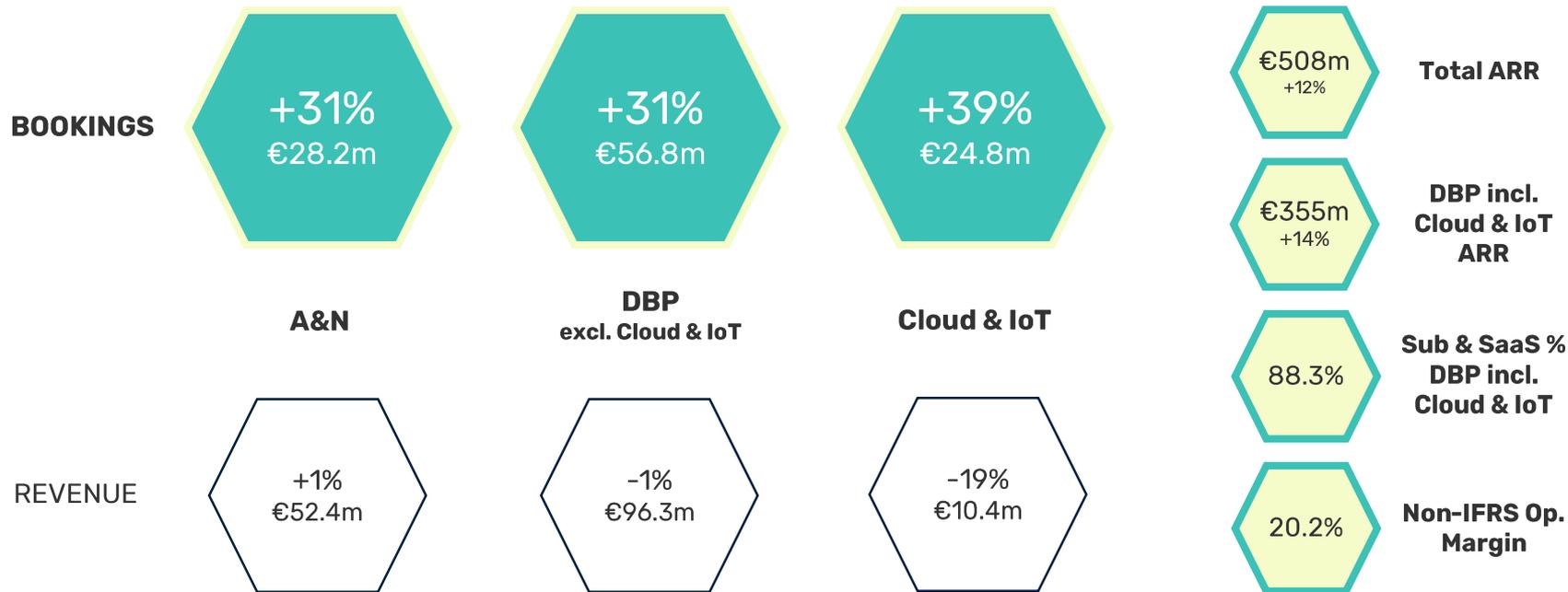
ALIGNED WITH MARKET DYNAMICS

DIGITAL TRANSFORMATION NEVER MORE RELEVANT



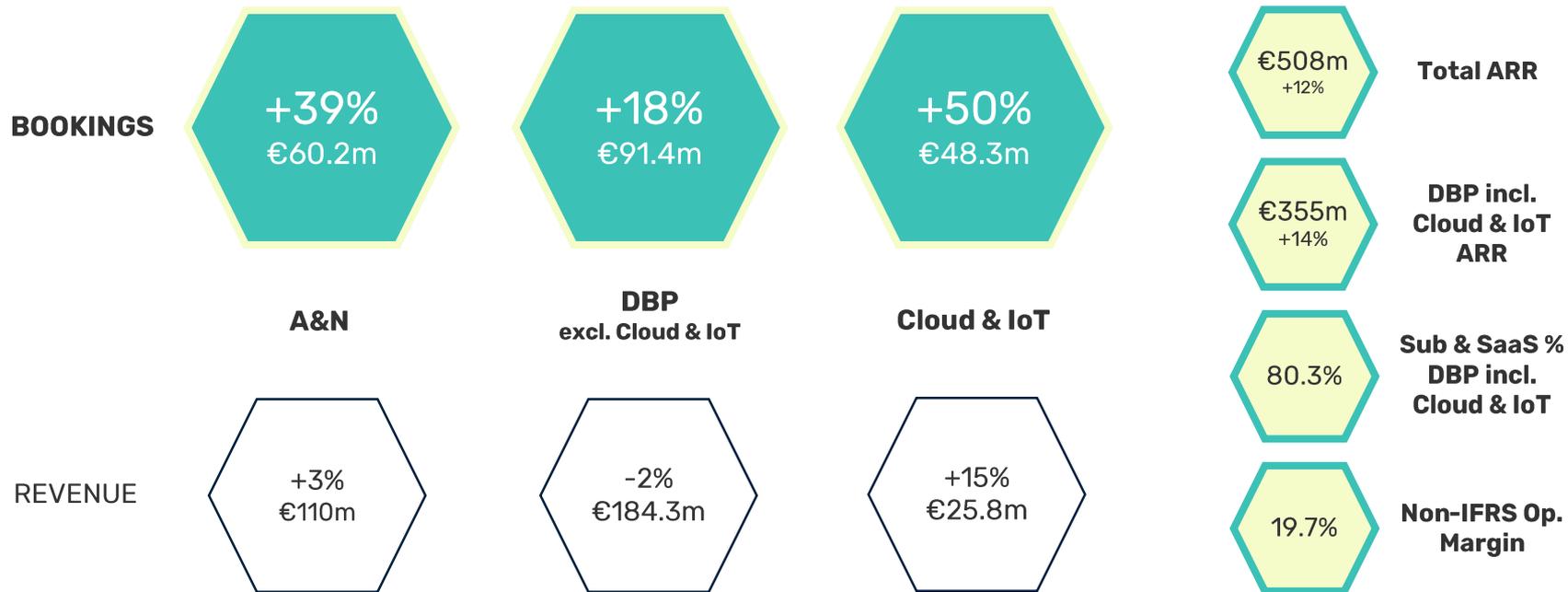
FINANCIAL HIGHLIGHTS

STRONG SECOND QUARTER



FINANCIAL HIGHLIGHTS

SOLID FIRST HALF



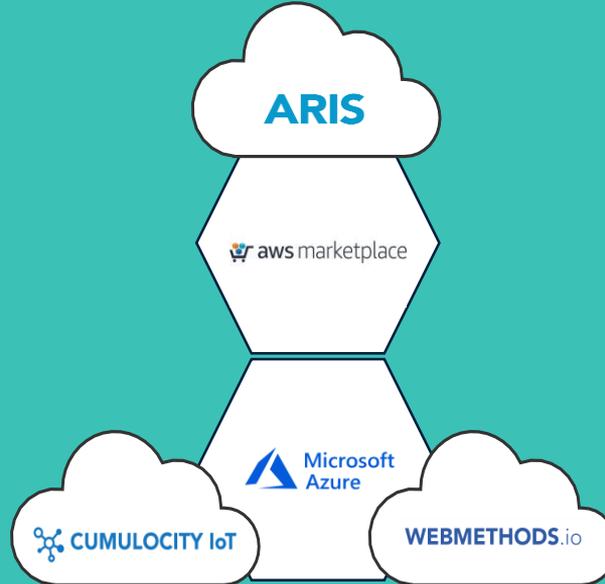
MOMENTUM IN OUR TRANSFORMATION

FOCUS DELIVERING RESULTS



87%

2020 Helix milestones
delivered to plan



NPS

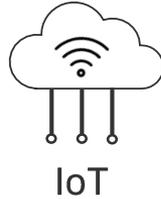


MOMENTUM IN OUR TRANSFORMATION

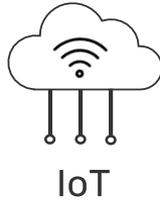
EXECUTING TO WIN



Hillrom™



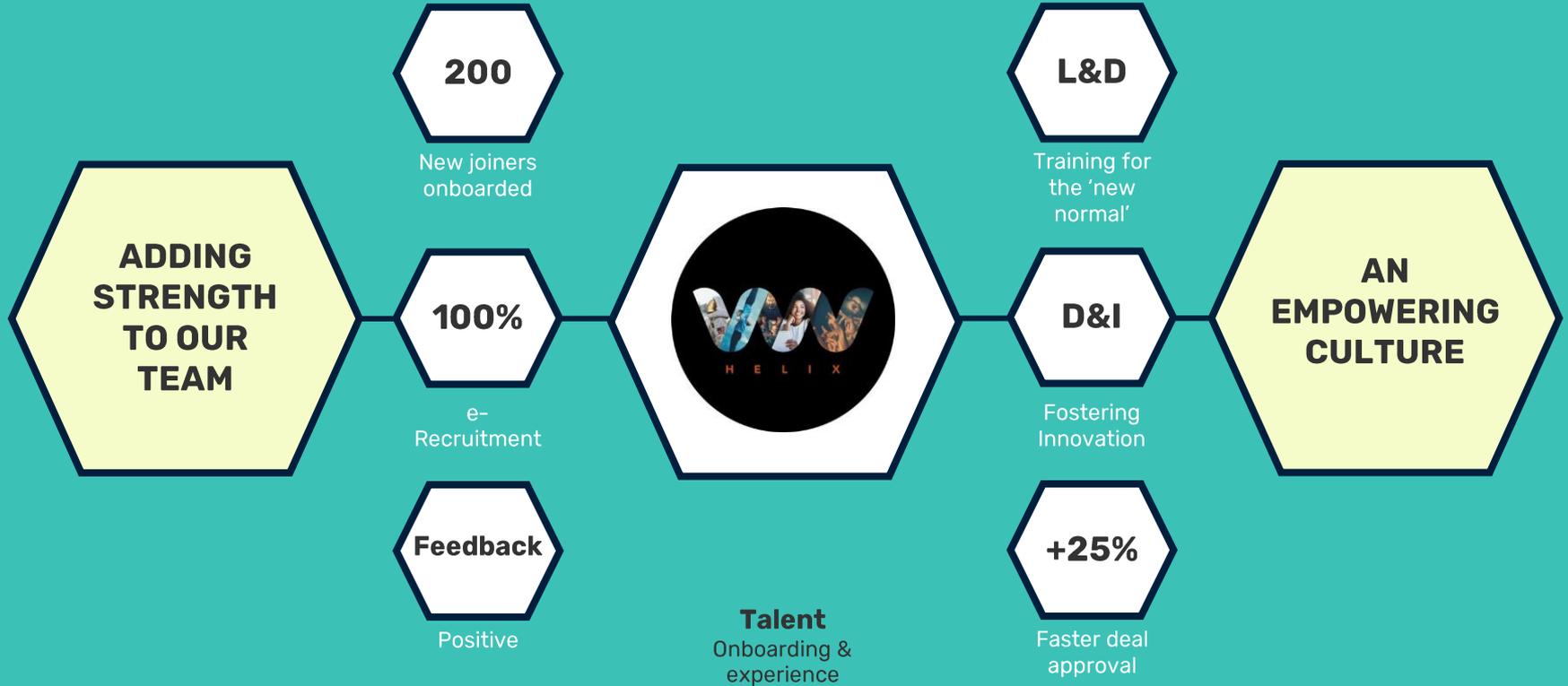
- 7 figure deal
- Microsoft partnership
- Digital conversion



- Partner win
- Industrial automation
- Cloud strength

MOMENTUM IN OUR TRANSFORMATION

THE TRANSFORMATIONAL POWER OF TEAM



Results 2nd Quarter 2020 (IFRS, unaudited)

Dr. Matthias Heiden
CFO
July 22, 2020

Bookings and Revenue (Group)

Q2 2020/6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Bookings	109.8	83.6	31%	32%	200.0	153.9	30%	30%
Licenses	44.4	50.2	-11%	-10%	91.1	92.8	-2%	-1%
Maintenance	107.2	107.6	0%	1%	214.5	214.7	0%	0%
SaaS / Usage based	7.3	5.4	36%	36%	14.2	10.3	39%	39%
Product revenue	158.9	163.1	-3%	-1%	319.9	317.7	1%	1%
Services	45.6	46.7	-2%	-3%	91.6	93.4	-2%	-3%
Other	0.1	0.1			0.2	0.3		
Total revenue	204.6	210.0	-3%	-2%	411.7	411.4	0%	0%
Annual Recurring Revenue as of June 30, 2020	508.4	461.0	10%	12%				

DIGITAL BUSINESS PLATFORM (excl. „DBP CLOUD & IoT“)

SEGMENT REPORT Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Bookings	56.8	43.7	30%	31%	91.4	78.6	16%	18%
Licenses	26.6	28.3	-6%	-5%	45.2	50.0	-10%	-9%
Maintenance	69.7	69.2	1%	1%	139.1	137.9	1%	1%
Total revenue	96.3	97.5	-1%	-1%	184.3	187.9	-2%	-2%
Annual Recurring Revenue as of June 30, 2020	306.1	275.7	11%	12%				

DBP CLOUD & IoT

SEGMENT REPORT Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Bookings	24.8	18.0	38%	39%	48.3	32.0	51%	50%
Licenses	1.1	5.7	-81%	-81%	7.6	8.7	-13%	-15%
Maintenance	2.0	1.8	11%	10%	4.0	3.3	19%	18%
SaaS / Usage based	7.3	5.4	36%	36%	14.2	10.3	39%	39%
Total revenue	10.4	12.8	-19%	-19%	25.8	22.3	15%	15%
Annual Recurring Revenue as of June 30, 2020	49.2	39.7	24%	24%				

DIGITAL BUSINESS PLATFORM (incl. „DBP Cloud & IoT“)

SEGMENT REPORT Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Bookings	81.6	61.7	32%	33%	139.7	110.6	26%	27%
Licenses	27.7	34.0	-19%	-18%	52.8	58.8	-10%	-10%
Maintenance	71.6	70.9	1%	2%	143.1	141.2	1%	1%
SaaS	7.3	5.4	36%	36%	14.2	10.3	39%	39%
Total revenue	106.7	110.3	-3%	-3%	210.2	210.3	0%	0%
Cost of sales	-12.2	-9.6	27%	28%	-23.7	-18.9	25%	25%
Gross profit	94.5	100.7	-6%	-6%	186.5	191.3	-3%	-2%
Sales & Marketing	-49.9	-48.7	2%	3%	-100.6	-94.5	6%	7%
Research & Development	-29.6	-24.4	21%	20%	-57.5	-51.8	11%	9%
Segment result	15.0	27.5	-46%	-44%	28.4	45.0	-37%	-35%
<i>Margin in %</i>	<i>14.0%</i>	<i>25.0%</i>			<i>13.5%</i>	<i>21.4%</i>		
Annual Recurring Revenue as of June 30, 2020	355.2	315.3	13%	14%				

ADABAS & NATURAL

SEGMENT REPORT Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Bookings	28.2	21.9	29%	31%	60.2	43.3	39%	39%
Licenses	16.7	16.2	3%	5%	38.3	34.0	13%	13%
Maintenance	35.6	36.6	-3%	0%	71.5	73.4	-3%	-1%
Other	0.1	0.1			0.2	0.3		
Total revenue	52.4	53.0	-1%	1%	110.0	107.7	2%	3%
Cost of sales	-2.2	-1.8	19%	21%	-4.7	-4.0	18%	19%
Gross profit	50.2	51.2	-2%	1%	105.2	103.7	1%	3%
Sales & Marketing	-8.9	-8.3	8%	10%	-18.2	-15.6	16%	18%
Research & Development	-7.7	-6.3	23%	21%	-16.2	-12.2	33%	32%
Segment result	33.6	36.6	-8%	-5%	70.8	75.9	-7%	-5%
<i>Margin in %</i>	<i>64.2%</i>	<i>69.1%</i>			<i>64.4%</i>	<i>70.4%</i>		
Annual Recurring Revenue as of June 30, 2020	153.2	145.7	5%	8%				

Professional Services

SEGMENT REPORT Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Total revenue	45.5	46.7	-3%	-3%	91.5	93.4	-2%	-3%
Cost of sales	-35.1	-35.7	-2%	-2%	-74.4	-71.4	4%	3%
Gross profit	10.4	11.0	-6%	-5%	17.1	22.0	-22%	-22%
Sales & Marketing	-4.1	-4.3	-6%	-5%	-8.5	-8.6	-2%	-2%
Segment result	6.3	6.7	-5%	-5%	8.7	13.4	-35%	-35%
<i>Margin in %</i>	<i>13.9%</i>	<i>14.3%</i>			<i>9.5%</i>	<i>14.3%</i>		

Results

Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	Δ% acc	YTD 2020	YTD 2019	Δ%	Δ% acc
Total revenue	204.6	210.0	-3%	-2%	411.7	411.4	0%	0%
Cost of sales	-51.5	-49.1	5%	5%	-106.8	-98.6	8%	8%
Gross profit	153.1	160.9	-5%	-4%	304.8	312.8	-3%	-2%
<i>Margin in %</i>	<i>74.8%</i>	<i>76.6%</i>			<i>74.1%</i>	<i>76.0%</i>		
Research & Development	-37.3	-30.7	21%	21%	-73.8	-64.0	15%	15%
Sales & Marketing	-64.5	-64.7	0%	1%	-130.5	-125.6	4%	4%
Administration	-17.4	-17.6	-1%	0%	-38.8	-35.2	10%	10%
Other income / expense	-2.0	-0.1			-1.1	1.9		
EBIT	31.9	47.7	-33%	-30%	60.7	89.9	-33%	-30%
<i>Margin in %</i>	<i>15.6%</i>	<i>22.7%</i>			<i>14.7%</i>	<i>21.9%</i>		

Non-IFRS Earnings

Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	YTD 2020	YTD 2019	Δ%
EBIT (before all taxes)	31.9	47.7	-33%	60.7	89.9	-33%
Amortization on acquisition related intangible assets	3.6	5.4	-33%	7.3	11.0	-34%
Share based payments	2.1	2.3	-8%	5.3	4.8	11%
Restructuring / severances / legal case	1.2	0.7	82%	5.0	1.8	178%
Other impacts / impacts from M&A activities	2.6	0.0	-	2.9	0.2	-
EBITA (Non-IFRS)	41.4	56.1	-26%	81.1	107.7	-25%
<i>in % of revenue (Non-IFRS)</i>	<i>20.2%</i>	<i>26.7%</i>		<i>19.7%</i>	<i>26.2%</i>	
Net income (Non-IFRS)	28.2	39.3	-28%	56.1	75.6	-26%
EPS in € (Non-IFRS)*	€0.38	€0.53	-28%	€0.76	€1.02	-26%

* Weighted average shares outstanding (basic) : 74.0m

Cash Flow

Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	YTD 2020	YTD 2019	Δ%
Operating Cash Flow	26.2	30.6	-14%	87.7	90.6	-3%
./. CapEx* (long-term, non-current)	-2.9	-3.7		-8.4	-6.0	
./. Repayment of lease liabilities**	-3.9	-4.5		-7.9	-7.7	
Free Cash Flow	19.4	22.4	-13%	71.4	76.9	-7%
<i>in % of revenue</i>	<i>9.5%</i>	<i>10.7%</i>		<i>17.3%</i>	<i>18.7%</i>	
Free Cash Flow per share***	€0.26	€0.30	-13%	€0.96	€1.04	-7%

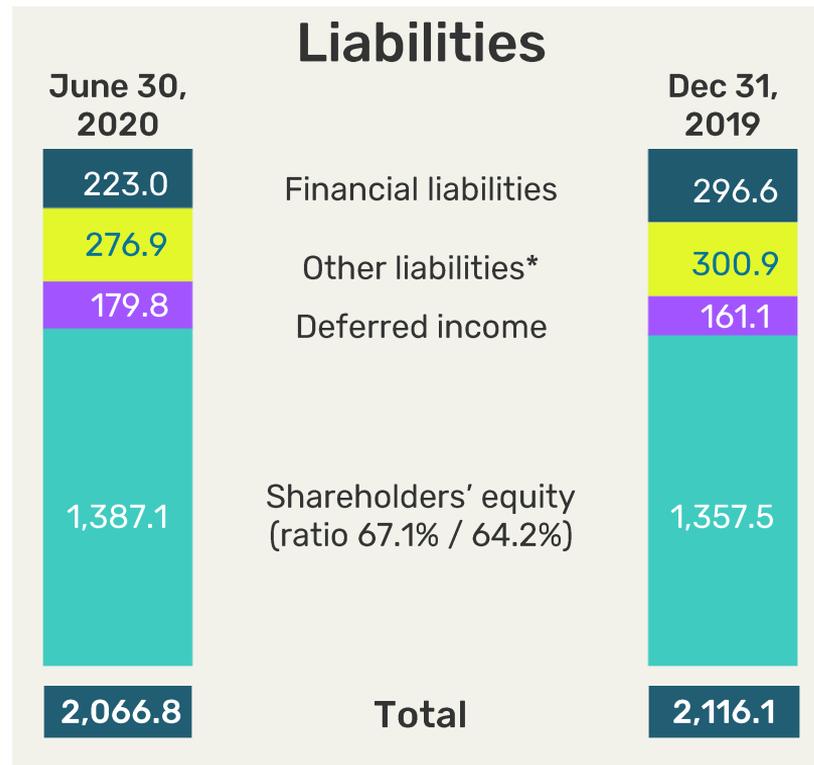
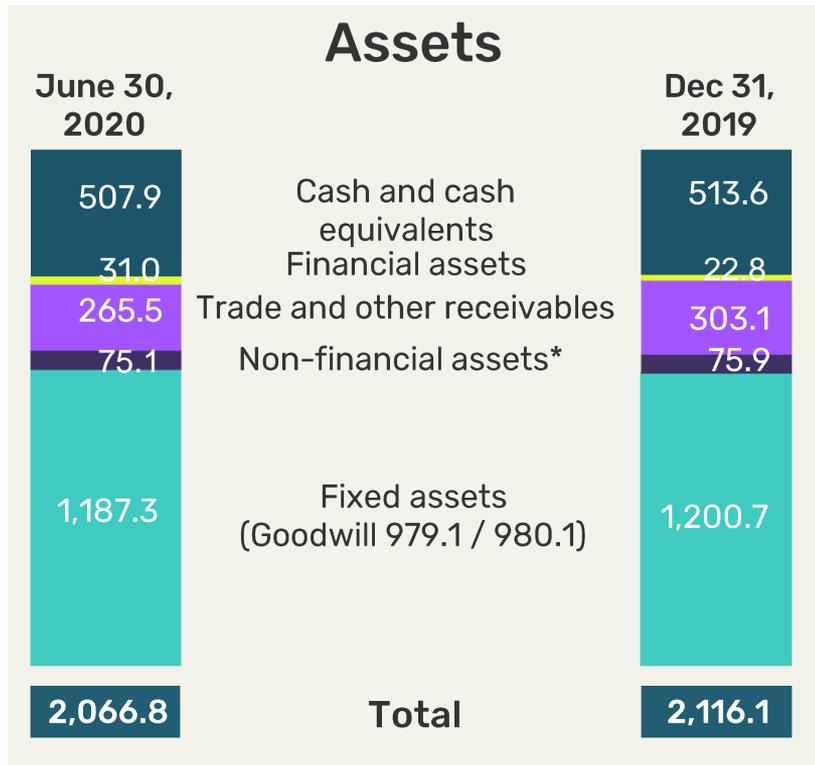
* Cash flow from investing activities except acquisitions and except investments in debt instruments

** New reporting line due to IFRS 16

*** Based on weighted average shares outstanding (basic): 74.0m

Balance Sheet

(in €m)



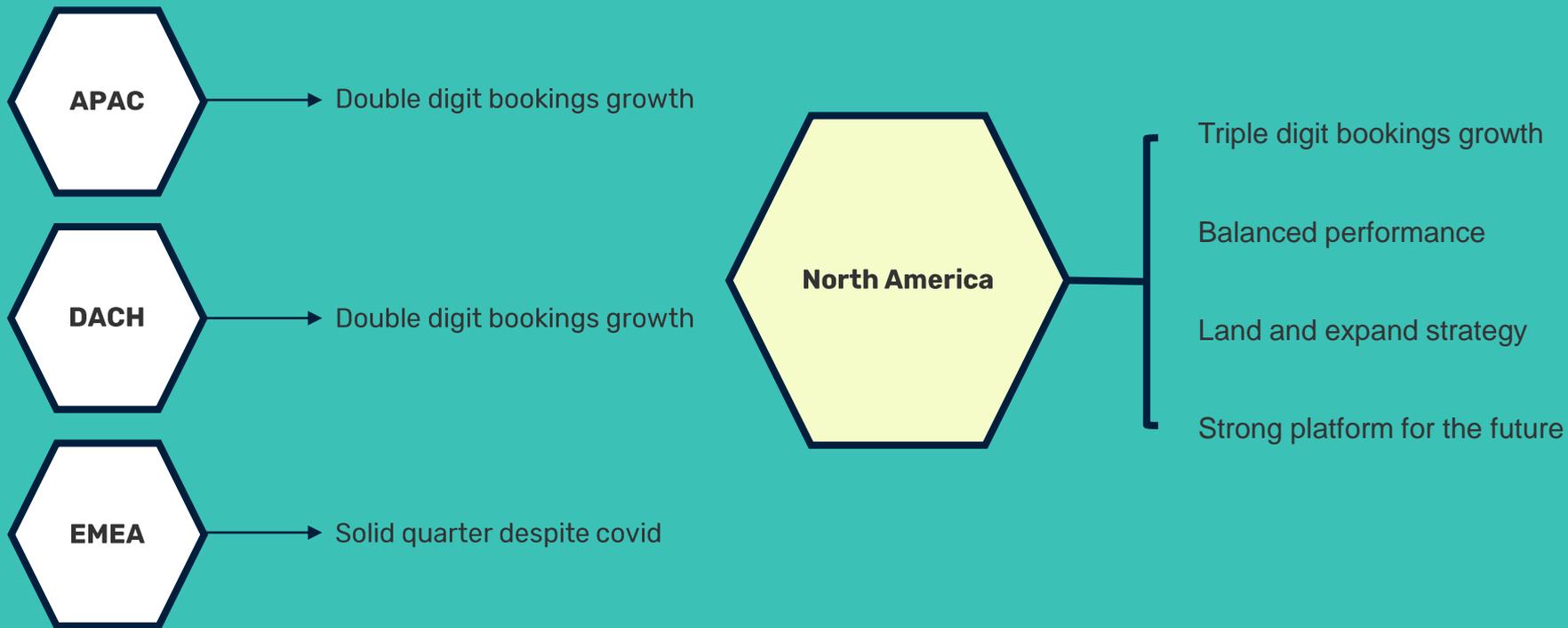
* Incl. assets/liabilities held for disposal

Results 2nd Quarter 2020 (IFRS, unaudited)

John Schweitzer
CRO
July 22, 2020

CRO PERSPECTIVE

STRONG PLATFORM FOR H2 DELIVERY



CRO PERSPECTIVE

MARKET SUCCESS REFLECTING GTM MOMENTUM

**54 NEW
LOGOS**



**Stanley
Black &
Decker**

alicorp

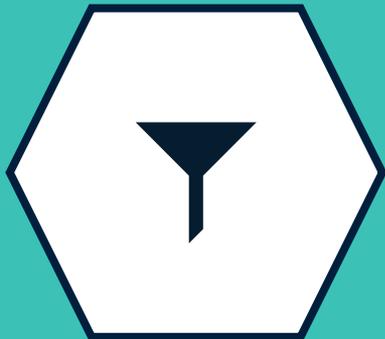
**NEW
PARTNER
SUCCESS**



JABIL

CRO PERSPECTIVE

STRONG PERFORMANCE ACROSS GEOGRAPHIES



Confident

Pipeline strength provides strong platform for H2 delivery. Pipeline expansion over last 90 days.



Adaptable

Digital marketing capability significant in context of Covid-19. New website and virtual events making an impact.



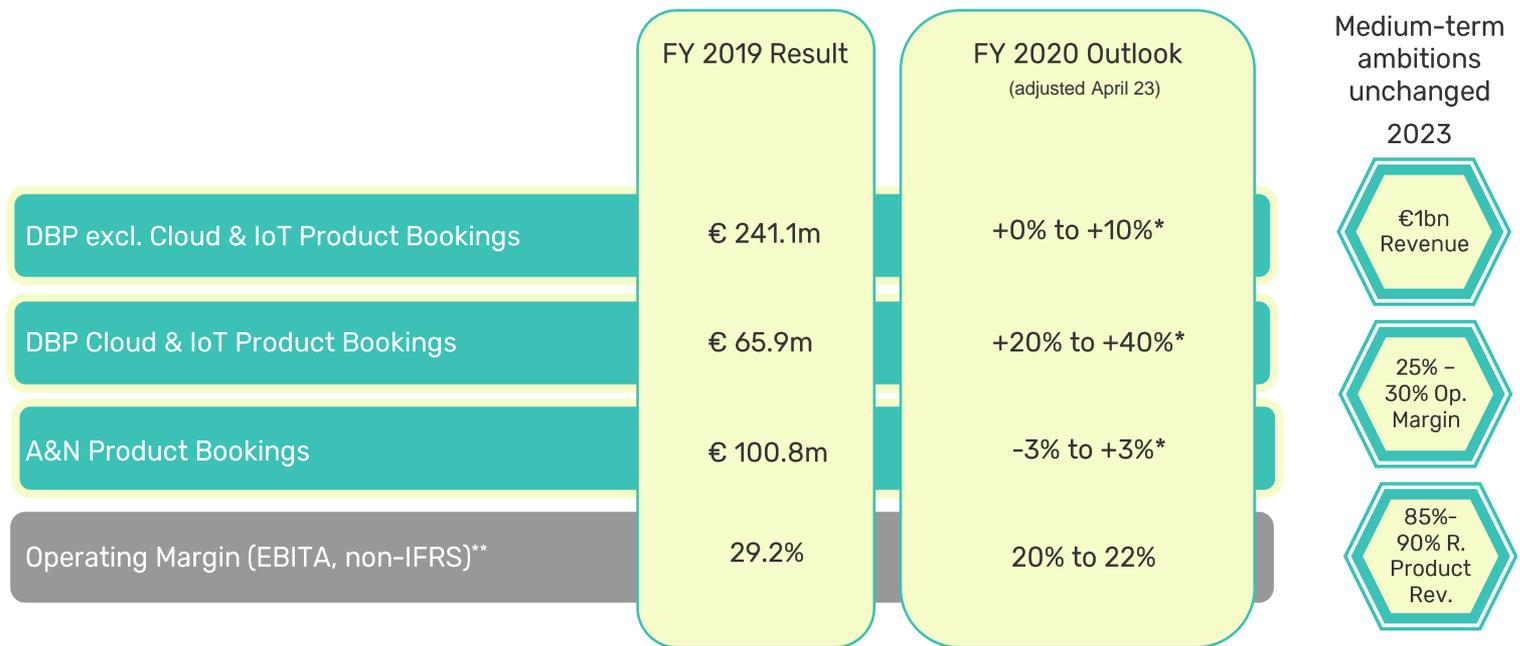
Realistic

Strongly positioned to deliver provided business reopen and shelter-in-place measures continue to ease.

Results 2nd Quarter 2020 (IFRS, unaudited)

Sanjay Brahmawar
CEO
July 22, 2020

OUTLOOK



SUMMARY

RESILIENCE AND PRECISION



APPENDIX

DEFINITION BOOKINGS AND ARR

BOOKINGS

Normalized over 3 years and calculated as follows:	
Unlimited Licenses	Total Contract Value
Maintenance Services on new unlimited Licenses	3-year Maintenance Service Contracts
Subscription Contracts*	Contract volumes divided by the contract term multiplied by 3 years
Software as a Service (SaaS)*	Contract volumes divided by the contract term multiplied by 3 years
Usage-based license models incl. Maintenance	The contract value is equivalent to the booked revenue based on the measured usage in the individual quarter

*Contracts with a term of less than 360 days are included in the calculation of bookings using their contract volume

ARR

Annual Recurring Revenue (ARR)
This metric shows the annualized contract value of active contracts with recurring revenue streams at the end of the reporting period
Calculated as follows:
$\frac{\text{Value of all active contracts at period end (without one-time effects)}}{\text{The contract term in months multiplied by 12}}$
ARR is thus, an indicator of expected annual recurring cash flows with continuation of the active contracts of the following contract types:
<ul style="list-style-type: none">▪ Limited licenses / subscription licenses▪ Maintenance from limited and unlimited licenses▪ SaaS licenses▪ Usage-based licenses**

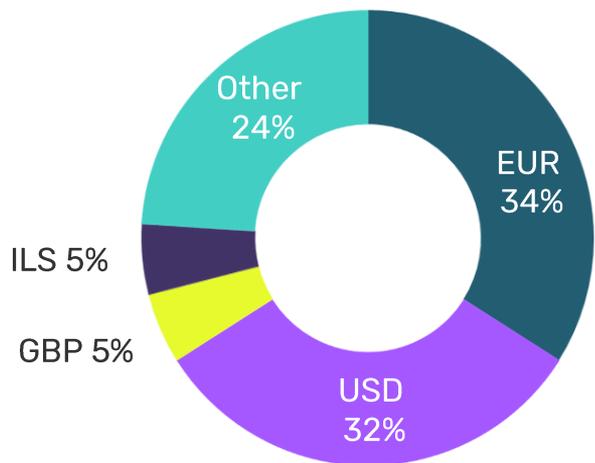
**Realized monthly revenue of usage-based license agreements at period end multiplied by 12

Currency Impact on Revenue

Q2 2020 / 6 MONTHS

⇒ 34% revenue in Euro

⇒ 66% revenue in foreign currency



Currency split YTD

Currency impact on revenue

<i>(in €m; yoy)</i>	Q2 2020	Q2 in %	YTD 2020	YTD in %
Licenses	-0.5	-1%	-0.4	0%
Maintenance	-1.5	-1%	-0.9	0%
SaaS	0.0	0%	0.0	0%
Professional Services & Other	0.0	0%	0.6	1%
Total	-2.0	-1%	-0.7	0%

Headcount

BY FUNCTIONAL AREAS* AND GEOGRAPHY

<i>(in FTE)</i>	Jun 30, 2020	Dec 31, 2019	Δ%	June 30, 2019	Δ% yoy
Total	4,642 **	4,948	-6%	4,740	-2%
Professional Services	1,515	1,915	-21%	1,828	-17%
Research & Development	1,463	1,419	3%	1,348	8%
Sales & Marketing	1,002	961	4%	943	6%
Administration	663	653	2%	620	7%
Germany	1,271	1,278	-1%	1,248	2%
USA	627	584	7%	571	10%
India	1,034	1,004	3%	894	16%
Rest of world	1,710	2,082	-18%	2,027	-16%

* According to P+L structure

** Excl.438 FTE for sold Spanish Prof. Services unit

Earnings

Q2 2020 / 6 MONTHS

<i>(in €m)</i>	Q2 2020	Q2 2019	Δ%	YTD 2020	YTD 2019	Δ%
EBIT (before all taxes)	31.9	47.7	-33%	60.7	89.9	-33%
Financial result	1.0	1.5		2.2	2.9	
Profit before taxes	33.0	49.2	-33%	62.8	92.8	-32%
Other taxes	-1.3	-1.5	-8%	-2.5	-2.9	-14%
Income taxes	-9.9	-14.3	-31%	-18.4	-26.8	-31%
<i>Tax rate in %</i>	<i>-34.1%</i>	<i>-32.1%</i>		<i>-33.3%</i>	<i>-32.0%</i>	
Net income	21.7	33.4	-35%	41.9	63.1	-34%
EPS in €*	€0.29	€0.45	-35%	€0.57	€0.85	-34%

* Weighted average shares outstanding (basic): 74.0m

Amortization / Depreciation Impact (PRELIMINARY)

(in €m)

	Q1 2020	Q2 2020	FY 2019	FY 2020*	FY 2021*	FY 2022*
Amortization	-3.6	-3.6	-21.9	-14.4	-14.0	-13.4
Depreciation	-6.7	-6.4	-25.6	-25.9	-25.6	-25.6

* Estimated



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