

Results

3rd Quarter 2023

Preliminary, unaudited

October 26, 2023



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ARR

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc
Digital Business				
Subscription	294.3	251.5	17	23
SaaS	104.4	87.7	19	25
Maintenance from Perpetual Licenses	146.4	177.1	-17	-13
Total ARR (as of quarter-end)	545.1	516.2	6	11
Adabas & Natural				
Subscription	102.4	62.8	63	74
Maintenance from Perpetual Licenses	93.5	121.8	-23	-17
Total ARR (as of quarter-end)	195.9	184.6	6	14
Group				
Subscription	396.7	314.2	26	33
SaaS	104.4	87.7	19	25
Maintenance from Perpetual Licenses	239.9	298.9	-20	-15
Total ARR (as of quarter-end)	741.0	700.8	6	12

Product Revenue (Group)

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Subscription	95.7	75.3	27	36	281.4	213.7	32	36
SaaS	24.9	21.0	19	25	71.9	53.4	35	38
Maintenance from Perpetual Licenses	62.2	75.9	-18	-13	189.9	228.1	-17	-14
Total Recurring Revenue	182.9	172.2	6	13	543.2	495.2	10	13
Perpetual Licenses	6.9	7.9	-12	-6	27.5	39.4	-30	-25
Total Product Revenue	189.8	180.0	5	12	570.7	534.6	7	10
thereof Digital Business	134.9	133.5	1	6	393.2	380.3	3	6
thereof Adabas & Natural	54.9	46.5	18	29	177.5	154.3	15	21

Results (Group)

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Digital Business	134.9	133.5	1	6	393.2	380.3	3	6
Adabas & Natural	54.9	46.5	18	29	177.5	154.3	15	21
Professional Services	38.9	41.4	-6	1	117.0	119.8	-2	1
Total Revenue	228.7	221.4	3	10	687.7	654.3	5	9
Cost of sales	-58.3	-61.0	-5	1	-178.4	-165.6	8	10
Gross profit	170.4	160.4	6	14	509.3	488.8	4	8
Margin as %	74.5	72.4	—	—	74.1	74.7	—	—
Sales & Marketing	-70.8	-82.1	-14	-9	-223.6	-235.6	-5	-3
Research & Development	-44.4	-48.3	-8	-5	-142.4	-132.8	7	8
Administration	-19.9	-23.6	-16	-13	-58.2	-68.6	-15	-13
Other income / expense	1.9	-13.0	—	—	-22.4	3.6	—	—
EBIT (before all taxes)	37.2	-6.6	-664	-769	62.7	55.3	13	39
Margin as %	16.3	-3.0	—	—	9.1	8.5	—	—

Non-IFRS Earnings

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	9M 2023	9M 2022	Δ %
EBIT (before all taxes)	37.2	-6.6	-664	62.7	55.3	13
Acquisition-related amortization of intangible assets	8.6	35.8	-76	26.1	48.9	-47
Income/expenses resulting from share-based remuneration	2.1	3.3	-35	10.0	8.8	13
Restructuring/severance/litigation	3.4	0.5	526	10.8	2.6	309
Acquisition-related deductions in product revenue due to purchase price allocations	—	0.5	-100	0.2	1.0	-77
Other non-operating expenses and acquisition-related effects on earnings	7.1	-3.7	-294	26.7	3.4	675
Operating EBITA (non-IFRS)	58.5	29.9	96	136.5	120.2	14
Operating margin (EBITA, non-IFRS) as %	25.6	13.5	—	19.8	18.4	—
Net income (non-IFRS)	26.0	26.7	-3	50.4	61.1	-17
EPS (non-IFRS) in €*	0.35	0.36	-3	0.68	0.82	-17

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

Cash Flow

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	9M 2023	9M 2022	Δ %
Operating Cash Flow	14.8	10.3	44	10.2	22.4	-54
./ CapEx* (long-term, non-operating)	4.5	-0.8		—	-5.0	
./ Repayment of lease liabilities	-2.5	-3.0		-7.4	-8.3	
Free Cash Flow	16.8	6.5	158	2.8	9.1	-69
as % of total revenue	7	3		—	1	
Free Cash Flow per share in €**	0.23	0.09	158	0.04	0.12	-69

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

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

Balance Sheet

Q3 2023

in €m	Sep 30, 2023		Dec 31, 2022		Δ	
Assets						
Current assets	738.0	29 %	769.9	29 %	-31.9	-4%
Non-current assets	1,848.3	71 %	1,908.5	71 %	-60.2	-3%
	2,586.3	100 %	2,678.4	100 %	-92.1	-3%
Equity and liabilities						
Current liabilities	670.9	26 %	454.6	17 %	216.3	48%
Non-current liabilities	400.7	15 %	712.6	27 %	-311.9	-44%
Equity	1,514.7	59 %	1,511.2	56 %	3.5	—%
	2,586.3	100 %	2,678.4	100 %	-92.1	-3%

Outlook 2023

Organic guidance remains in place

	FY 2022 in €m	FY 2023 organic guidance in %
Digital Business ARR	516.4	+10 to +15 ¹
A&N ARR	183.8	-2 to +2 ¹
Product revenue	795.6	+6 to +10 ¹
Operating margin (EBITA, non-IFRS) ² as %	18.6	16 to 18

¹ At constant currency

² Adjusted for non-operating factors

Appendix

Digital Business: Segment Result

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Subscription	67.6	63.2	7	13	193.5	167.6	15	19
SaaS	24.9	21.0	19	25	71.9	53.4	35	38
Maintenance from Perpetual Licenses	37.6	46.0	-18	-14	113.9	137.2	-17	-15
Total Recurring Revenue	130.1	130.2	—	5	379.2	358.2	6	8
Perpetual Licenses	4.7	3.3	45	53	14.0	22.1	-36	-33
Total Product Revenue	134.9	133.5	1	6	393.2	380.3	3	6
Cost of sales	-18.5	-19.8	-7	-4	-55.9	-53.8	4	5
Gross profit	116.4	113.7	2	8	337.3	326.4	3	6
Sales & Marketing	-60.3	-69.9	-14	-9	-190.8	-196.1	-3	-1
Research & Development	-36.9	-40.6	-9	-6	-121.6	-109.0	12	13
Segment Result	19.2	3.2	493	560	25.0	21.3	18	38
Margin as %	14.2	2.4	—	—	6.4	5.6	—	—

Adabas & Natural: Segment Result

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Subscription	28.1	12.0	133	157	87.9	46.1	91	100
Maintenance from Perpetual Licenses	24.6	29.9	-18	-11	76.0	90.9	-16	-13
Total Recurring Revenue	52.7	41.9	26	37	164.0	137.0	20	25
Perpetual Licenses	2.2	4.6	-52	-47	13.5	17.3	-22	-14
Total Product Revenue	54.9	46.5	18	29	177.5	154.3	15	21
Cost of sales	-1.8	-1.9	-3	2	-5.0	-5.7	-13	-10
Gross profit	53.1	44.6	19	30	172.5	148.6	16	22
Sales & Marketing	-6.0	-7.4	-19	-14	-18.5	-23.5	-21	-18
Research & Development	-7.5	-7.6	-2	-2	-20.8	-23.8	-13	-13
Segment Result	39.6	29.6	34	48	133.1	101.3	31	39
Margin as %	72.1	63.6	—	—	75.0	65.6	—	—

Professional Services: Segment Result

Q3 2023

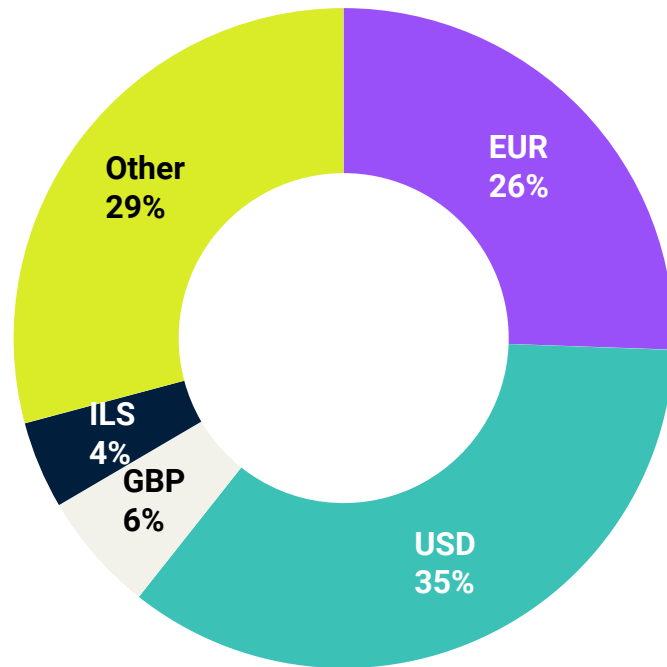
in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Total Revenue	38.9	41.4	-6	1	117.0	119.7	-2	1
Cost of sales	-31.1	-30.3	3	11	-96.8	-88.5	9	13
Gross profit	7.8	11.1	-30	-26	20.1	31.2	-36	-33
Sales & Marketing	-2.7	-3.4	-22	-17	-8.9	-9.9	-10	-7
Segment Result	5.1	7.7	-34	-30	11.2	21.3	-48	-44
Margin as %	13.1	18.6	—	—	9.6	17.8	—	—

Currency Impact on Revenue

Q3 2023

Currency split Q3 2023

- 26% of revenue in Euro
- 74% of revenue in foreign currency



Currency impact on revenue

in €m	Q3 2023	%	9M 2023	%
Subscription	-6.5	-6	-9.4	-3
SaaS	-1.3	-5	-1.6	-2
Perpetual	-4.4	-6	-7.7	-3
Services	-3.0	-7	-4.5	-4
Total	-15.2	-6	-23.2	-3

IFRS Product Revenue (Group) Reporting

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Digital Business								
Licenses	46.4	44.7	4	10	130.8	129.9	1	4
Maintenance	63.5	67.8	-6	-1	190.6	196.9	-3	-1
SaaS	24.9	21.0	19	25	71.9	53.4	35	38
Total Product Revenue	134.9	133.5	1	6	393.2	380.3	3	6
Adabas & Natural								
Licenses	22.8	11.6	96	118	80.5	49.3	63	73
Maintenance	32.1	34.9	-8	-1	96.9	105.0	-8	-4
Total Product Revenue	54.9	46.5	18	29	177.5	154.3	15	21
Group								
Licenses	69.2	56.4	23	32	211.3	179.3	18	23
Maintenance	95.6	102.7	-7	-1	287.5	301.9	-5	-2
SaaS	24.9	21.0	19	25	71.9	53.4	35	38
Total Product Revenue	189.8	180.0	5	12	570.7	534.6	7	10

Earnings (IFRS)

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	9M 2023	9M 2022	Δ %
EBIT (before all taxes)	37.2	-6.6	-664	62.7	55.3	13
Financial result	-0.4	-2.8	-86	—	-8.2	-100
Profit before taxes	36.8	-9.4	-492	62.7	47.2	33
Other taxes	-0.5	-1.1	-59	-3.2	-3.4	-7
Income taxes	-20.0	-0.3	6590	-36.9	-19.1	93
Tax rate as %	-55.5	15.0	—	-64.1	-47.8	—
Net income	16.4	-10.8	-252	22.5	24.6	-9
EPS in €*	0.22	-0.15	-252	0.30	0.33	-8

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

Headcount

By functional areas* and geography

in FTE	Sep 30, 2023	Dec 31, 2022	Δ %	Sep 30, 2022	Δ %
Total	4,699	4,996	-6	5,052	-7
Support and Services**	1,379	1,477	-7	1,565	-12
Research & Development	1,510	1,584	-5	1,565	-4
Sales & Marketing	1,084	1,159	-6	1,157	-6
Administration	725	775	-6	765	-5
Germany	1,179	1,306	-10	1,304	-10
USA	680	796	-15	779	-13
India	1,078	1,103	-2	1,156	-7
Rest of World	1,761	1,790	-2	1,813	-3

* According to P&L structure

** Incl. Professional Services, Support and Cloud Operations

Amortization / Depreciation Impact

Preliminary

in €m	9M 2023	FY 2022	FY 2023E	FY 2024E	FY 2025E
Amortization	-26.1	-59.6	-34.7	-30.6	-25.3
Depreciation	-16.0	-23.5	-21.4	-21.4	-22.0

Bookings*

Q3 2023

in €m	Q3 2023	Q3 2022	Δ %	Δ % acc	9M 2023	9M 2022	Δ %	Δ % acc
Digital Business								
Subscription	75.3	88.8	-15	-10	233.2	216.7	8	11
SaaS	34.6	37.6	-8	-3	112.6	87.1	29	33
Perpetual	9.1	5.3	71	80	25.2	31.9	-21	-17
Total Bookings	119.0	131.7	-10	-4	371.0	335.7	11	14
thereof renewals	65.4	28.8	127	141	211.3	89.9	135	142
Adabas & Natural								
Subscription	33.0	13.4	147	179	95.1	46.6	104	117
Perpetual	2.8	7.1	-60	-56	18.3	24.7	-26	-19
Total Bookings	35.8	20.5	75	97	113.5	71.3	59	70
thereof renewals	6.3	2.0	209	337	22.2	2.8	705	826
Group								
Subscription	108.3	102.2	6	14	328.4	263.2	25	30
SaaS	34.6	37.6	-8	-3	112.6	87.1	29	33
Perpetual	12.0	12.5	-4	2	43.5	56.6	-23	-18
Total Bookings	154.8	152.2	2	9	484.5	407.0	19	24
thereof renewals	71.7	30.9	132	154	233.5	92.6	152	163

* Bookings has been replaced internally with Annual Contract Value (ACV) as Order-Entry KPI from 2023 onwards. Therefore the numbers shown for the respective period in 2023 is derived from ACV multiplied by 3.

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