

# Software AG

## 1<sup>st</sup> Quarter 2013 Results (IFRS, unaudited)

April 25, 2013

# Safe harbor

This presentation contains forward-looking statements based on beliefs of Software AG management. Such statements reflect current views of Software AG with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies and changes in business strategy. Software AG does not intend or assume any obligation to update these forward-looking statements.

# Software AG

## 1<sup>st</sup> Quarter 2013 Results (IFRS, unaudited)

Karl-Heinz Streibich  
CEO

April 25, 2013

# Software AG

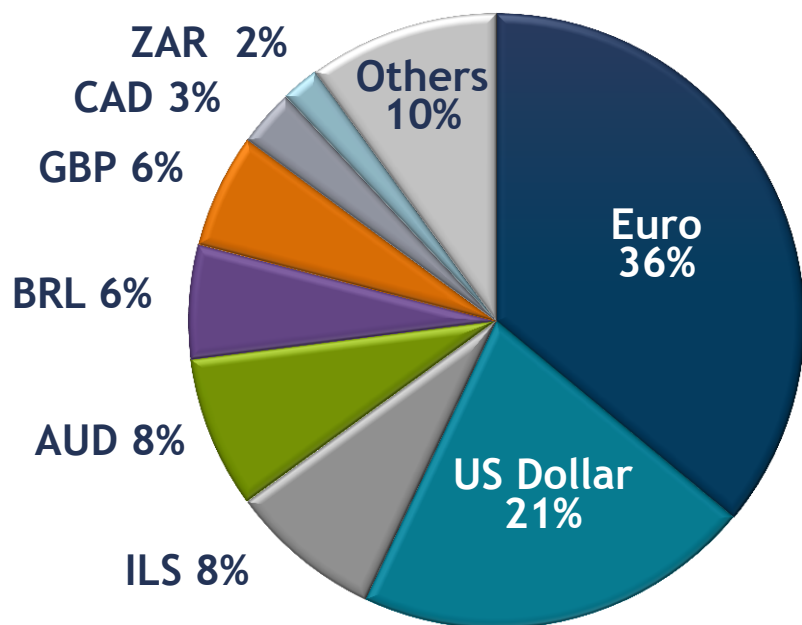
## 1<sup>st</sup> Quarter 2013 Results (IFRS, unaudited)

Arnd Zinnhardt  
CFO

April 25, 2013

# Currency impact on revenue Q1 2013

- 36% revenue in Euro
- 64% revenue in foreign currency



## Currency impact on revenue

<i>(in €m; yoy)</i>	Q1 2013	Q1 in %
Licenses	-0.7	-1%
Maintenance	-2.4	-2%
Consulting & other	-0.7	-1%
<b>Total</b>	<b>-3.8</b>	<b>-2%</b>

# Segment report Q1 2013

## Business Process Excellence

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%	Δ% acc
Licenses	41.9	35.7	+17%	+19%
Maintenance	48.4	44.9	+8%	+10%
<b>Product Revenue</b>	<b>90.3</b>	<b>80.6</b>	<b>+12%</b>	<b>+14%</b>
Other	-	-	-	-
<b>Total revenue</b>	<b>90.3</b>	<b>80.6</b>	<b>+12%</b>	<b>+14%</b>
Cost of sales	-5.8	-4.9	+18%	
<b>Gross profit</b>	<b>84.5</b>	<b>75.7</b>	<b>+12%</b>	
Sales & marketing	-46.0	-30.9	+49%	
R & D	-19.7	-17.5	+13%	
<b>Segment result</b>	<b>18.8</b>	<b>27.3</b>	<b>-31%</b>	

# Segment report Q1 2013

## Enterprise Transaction Systems

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%	Δ% acc
Licenses	21.1	28.7	-26%	-26%
Maintenance	43.2	47.6	-9%	-6%
<b>Product Revenue</b>	<b>64.3</b>	<b>76.3</b>	<b>-16%</b>	<b>-14%</b>
Other	0.2	0.3	-	-
<b>Total revenue</b>	<b>64.5</b>	<b>76.6</b>	<b>-16%</b>	<b>-14%</b>
Cost of sales	-3.8	-3.6	+6%	
<b>Gross profit</b>	<b>60.7</b>	<b>73.0</b>	<b>-17%</b>	
Sales & marketing	-13.8	-15.3	-10%	
R & D	-6.5	-6.7	-3%	
<b>Segment result</b>	<b>40.4</b>	<b>51.0</b>	<b>-21%</b>	

# Segment report Q1 2013

## Consulting

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%	Δ% acc
Licenses	0.6	0.8	-25%	-30%
Maintenance	1.9	3.8	-50%	-50%
<b>Product Revenue</b>	<b>2.5</b>	<b>4.6</b>	<b>-46%</b>	<b>-47%</b>
Services & Other	67.6	92.8	-27%	-26%
<b>Total revenue</b>	<b>70.1</b>	<b>97.4</b>	<b>-28%</b>	<b>-27%</b>
Cost of sales	-60.2	-87.4	-31%	
<b>Gross profit</b>	<b>9.9</b>	<b>10.0</b>	<b>-1%</b>	
Sales & marketing	-9.6	-9.7	-1%	
<b>Segment result</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>	



# Result Q1 2013

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%
<b>Total revenue</b>	<b>224.9</b>	<b>254.6</b>	<b>-12%</b>
Cost of sales	-75.8	-101.7	-25%
<b>Gross profit</b>	<b>149.1</b>	<b>152.9</b>	<b>-2%</b>
<i>Margin in %</i>	<i>66.3%</i>	<i>60.1%</i>	
R & D	-26.2	-24.2	+8%
Sales & marketing	-72.8	-59.3	+23%
Administration	-17.8	-15.5	+15%
Other income/expense	+9.3	0.9	-
<b>EBIT</b>	<b>41.6</b>	<b>54.8</b>	<b>-24%</b>
<i>Margin in %</i>	<i>18.5%</i>	<i>21.5%</i>	

# Net income Q1 2013

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%
<b>EBIT</b>	<b>41.6</b>	<b>54.8</b>	<b>-24%</b>
Financial income	-1.3	-2.0	-35%
Profit before taxes	40.3	52.8	-24%
Other taxes	-1.8	-1.3	+38%
Income taxes	-11.3	-15.6	-28%
<i>Tax rate in %</i>	32.5%	32.0%	
<b>Net Income</b>	<b>27.2</b>	<b>35.9</b>	<b>-24%</b>
<b>EPS in €*</b>	<b>€0.32</b>	<b>€0.41</b>	<b>-22%</b>

\* Weighted average shares outstanding (basic) Q1 2013: 85.8m / Q1 2012: 86.8m

# Cash flow Q1 2013

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%
Operating cash flow	65.4	61.0	+7%
./. CapEx*	-2.7	-1.9	
<b>Free cash flow</b>	<b>62.7</b>	<b>59.1</b>	<b>+6%</b>
<i>as % of revenue</i>	27.9%	23.2%	
<b>Free cash flow per share</b>	<b>€0.73</b>	<b>€0.68</b>	<b>+7%</b>

\* Cash flow from investing activities except acquisitions

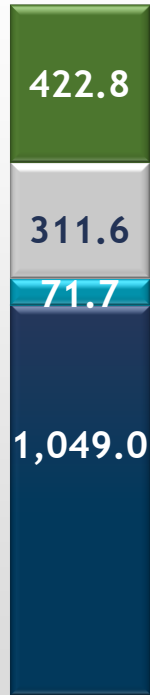
Weighted average shares outstanding (basic) Q1 2013: 85.8m / Q1 2012: 86.8m

# Balance sheet

(in €m)

## Assets

March 31,  
2013



Cash and cash equivalents

Trade receivables

Inventory, other assets

Fixed assets  
(goodwill 769.1/756.4)

Total

December 31,  
2012



315.7

341.3

75.9

1,039.0

1,771.9

## Liabilities

March 31,  
2013



Financial liabilities

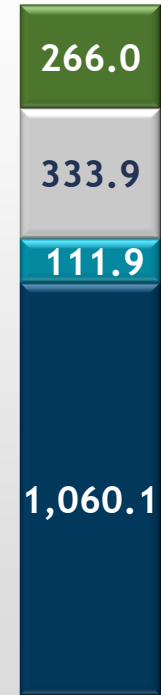
Other liabilities

Deferred income

Shareholders equity  
(ratio 56.4%/59.8%)

Total

December 31,  
2012



266.0

333.9

111.9

1,060.1

1,771.9

# Outlook FY 2013 - confirmed

	FY 2012 (in €m)	Outlook FY 2013 (as of Jan. 29, 2013)
Product Revenue BPE	384	+16% to +22%*
Product Revenue ETS	310	-9% to -4%*
EPS**	€ 1.90	€ 1.70 to € 1.80

\* Net of currency, delta

\*\* before share -buyback

Thank you!

# Appendix



# Net income / EBIT Q1 2013

<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%
<b>Net Income</b>	<b>27.2</b>	<b>35.9</b>	<b>-24%</b>
Income taxes	11.3	15.6	-28%
Other taxes	1.8	1.3	+38%
Financial income	1.3	2.0	-35%
<b>EBIT</b>	<b>41.6</b>	<b>54.8</b>	<b>-24%</b>
<i>Margin in %</i>	<i>18.5%</i>	<i>21.5%</i>	
Amortization	9.4	9.2	+2%
<b>EBITA</b>	<b>51.0</b>	<b>64.0</b>	<b>-20%</b>
<i>Margin in %</i>	<i>22.7%</i>	<i>25.1%</i>	
Depreciation	3.3	3.3	-
<b>EBITDA</b>	<b>54.3</b>	<b>67.3</b>	<b>-19%</b>
<i>Margin in %</i>	<i>24.1%</i>	<i>26.4%</i>	



# Non GAAP Figures Q1 2013

<i>(in €m)</i>	Q1 2013	Q1 2012
<b>EBIT as stated (IFRS)</b>	<b>41.6</b>	<b>54.8</b>
<i>in % of revenue</i>	<i>18.5%</i>	<i>21.5%</i>
PPA* impact on acquired revenue	-	0.6
Share based payment	-0.6	0.7
Amortization on acquisition related intangible assets	9.4	9.2
<b>EBIT non GAAP</b>	<b>50.4</b>	<b>65.3</b>
<i>in % of revenue (non GAAP)</i>	<i>22.4%</i>	<i>25.6%</i>

\* PPA = Purchase Price Allocation

# Amortization / depreciation impact 2013ff (preliminary)

<i>(in €m)</i>	Q1 2013	FY 2013	FY 2014ff*
Amortization IDS	2.7	10.6	10.6
Amortization other	6.7	27.2	22.9
Depreciation	3.3	13.3	13.3

\* Estimated

# Headcount by functional areas\* and geography

<i>(in FTE)</i>	Mar 31, 2013	Dec 31, 2012	Δ% qoq	Mar 31, 2012	Δ% yoy
<b>Total</b>	<b>5,300</b>	<b>5,419</b>	<b>-2%</b>	<b>5,498</b>	<b>-4%</b>
Consulting & services	2,456	2,658	-8%	2,864	-14%
R & D	901	887	+2%	884	+2%
Sales & marketing	1,213	1,131	+7%	1,019	+19%
Administration	730	743	-2%	731	-
USA	729	758	-4%	715	+2%
Germany	1,727	1,768	-2%	1,835	-6%
Rest of world	2,844	2,893	-2%	2,948	-4%

\* According to P+L structure

# Revenue Q1 2013


<i>(in €m)</i>	Q1 2013	Q1 2012	Δ%	Δ% acc
<b>Product</b>	<b>157.1</b>	<b>161.5</b>	<b>-3%</b>	<b>-1%</b>
Licenses	63.6	65.2	-2%	-1%
Maintenance	93.5	96.3	-3%	-
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Consulting & services	67.5	92.7	-27%	
Other	0.3	0.4	-25%	
<b>Total</b>	<b>224.9</b>	<b>254.6</b>	<b>-12%</b>	



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