



# RESULTS 1<sup>st</sup> QUARTER 2016 (IFRS, UNAUDITED)

April 26, 2016

# SAFE HARBOR

This presentation includes forward-looking statements based on the 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.

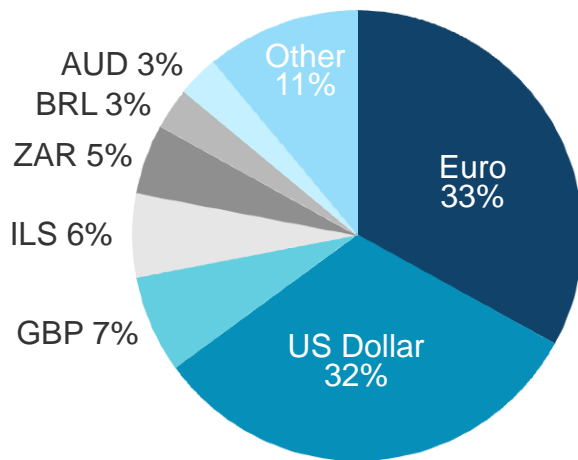
This presentation constitutes neither an offer nor recommendation to subscribe or buy in any other way securities of Software AG or any of the companies that are members of the Group at present or in the future, nor does it form part of such an offer and it should not be understood as such. This presentation does not constitute an offer of sale of securities in the United States of America. Securities may not be offered or sold in the United States of America without registration or exemption from registration in accordance with the U.S. Securities' Act of 1933 in its currently valid form.

# CURRENCY IMPACT ON REVENUE

## Q1 2016

⇒ 33% revenue in Euro

⇒ 67% revenue in foreign currency



Currency split Q1 2016

### Currency impact on revenue

<i>(in €m; yoy)</i>	<b>Q1 2016</b>	<b>Q1 in %</b>
Licenses	-2.0	-3%
Maintenance	-2.3	-2%
Consulting & Other	-0.6	-1%
<b>Total</b>	<b>-4.9</b>	<b>-2%</b>

# DIGITAL BUSINESS PLATFORM

## SEGMENT REPORT Q1 2016

<i>(in €m)</i>	Q1 2016	Q1 2015	Δ%	Δ% acc
Licenses	32.7	31.1	5%	7%
Maintenance	61.9	59.9	3%	5%
<b>Total revenue</b>	<b>94.6</b>	<b>91.0</b>	<b>4%</b>	<b>6%</b>
Cost of sales	-8.3	-7.0	19%	19%
<b>Gross profit</b>	<b>86.3</b>	<b>84.0</b>	<b>3%</b>	<b>5%</b>
Sales & Marketing	-40.4	-46.1	-12%	-11%
Research & Development	-22.1	-22.0	-	1%
<b>Segment result</b>	<b>23.8</b>	<b>15.9</b>	<b>50%</b>	<b>56%</b>
<i>Margin in %</i>	<i>25.2%</i>	<i>17.5%</i>		

# ADABAS & NATURAL

## SEGMENT REPORT Q1 2016

<i>(in €m)</i>	Q1 2016	Q1 2015	Δ%	Δ% acc
Licenses	26.4	15.5	70%	79%
Maintenance	37.0	39.7	-7%	-4%
<b>Product revenue</b>	<b>63.4</b>	<b>55.2</b>	<b>15%</b>	<b>20%</b>
Other	0.2	0.2	-	-
<b>Total revenue</b>	<b>63.6</b>	<b>55.4</b>	<b>15%</b>	<b>20%</b>
Cost of sales	-3.2	-3.4	-6%	-5%
<b>Gross profit</b>	<b>60.4</b>	<b>52.0</b>	<b>16%</b>	<b>21%</b>
Sales & Marketing	-10.3	-8.7	18%	23%
Research & Development	-5.3	-5.4	-2%	-1%
<b>Segment result</b>	<b>44.8</b>	<b>37.9</b>	<b>18%</b>	<b>24%</b>
<i>Margin in %</i>	<i>70.4%</i>	<i>68.4%</i>		

# CONSULTING

## SEGMENT REPORT Q1 2016

<i>(in €m)</i>	Q1 2016	Q1 2015	Δ%	Δ% acc
<b>Total revenue</b>	<b>48.0</b>	<b>47.7</b>	<b>1%</b>	<b>2%</b>
Cost of sales	-41.7	-39.2	6%	8%
<b>Gross profit</b>	<b>6.3</b>	<b>8.5</b>	<b>-26%</b>	<b>-24%</b>
Sales & Marketing	-4.4	-4.7	-6%	-6%
<b>Segment result</b>	<b>1.9</b>	<b>3.8</b>	<b>-50%</b>	<b>-47%</b>
<i>Margin in %</i>	<i>4.0%</i>	<i>8.0%</i>		

# RESULTS

## Q1 2016

<i>(in €m)</i>	Q1 2016	Q1 2015	Δ%	Δ% acc
<b>Total revenue</b>	<b>206.2</b>	<b>194.1</b>	<b>6%</b>	<b>9%</b>
Cost of sales	-56.0	-54.8	2%	3%
<b>Gross profit</b>	<b>150.2</b>	<b>139.3</b>	<b>8%</b>	<b>11%</b>
<i>Margin in %</i>	<i>72.8%</i>	<i>71.8%</i>		
Research & Development	-27.5	-27.4	-	-
Sales & Marketing	-59.6	-64.1	-7%	-6%
Administration	-19.2	-20.1	-4%	-3%
Other income / expense	1.4	1.6	-13%	-13%
<b>EBIT</b>	<b>45.3</b>	<b>29.3</b>	<b>55%</b>	<b>67%</b>
<i>Margin in %</i>	<i>22.0%</i>	<i>15.1%</i>		

# NON-IFRS EARNINGS

## Q1 2016

<i>(in €m)</i>	Q1 2016	Q1 2015
<b>EBIT (before all taxes)</b>	<b>45.3</b>	<b>29.3</b>
Amortization on acquisition related intangible assets	7.3	9.8
Other impacts from M&A activities	0.1	2.5
Share based payments	2.4	4.7
Restructuring / severances	4.0	1.8
<b>EBITA (Non-IFRS)</b>	<b>59.1</b>	<b>48.1</b>
<i>in % of revenue (Non-IFRS)</i>	<i>28.7%</i>	<i>24.8%</i>
<b>Net income (Non-IFRS)</b>	<b>38.7*</b>	<b>31.9</b>
<b>EPS (Non-IFRS)**</b>	<b>0.51*</b>	<b>0.40</b>

\* Corrected on July 20, 2016 from previously €41.6m and €0.55 respectively

\*\* Weighted average shares outstanding (basic) Q1 2016 76.2m / Q1 2015: 78.9m



# CASH FLOW

## Q1 2016

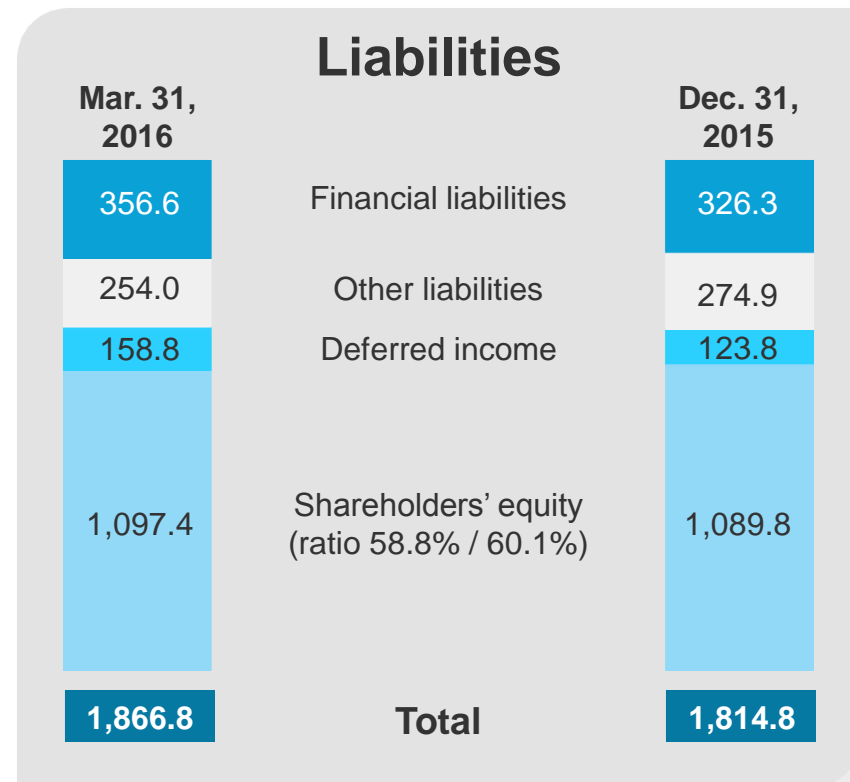
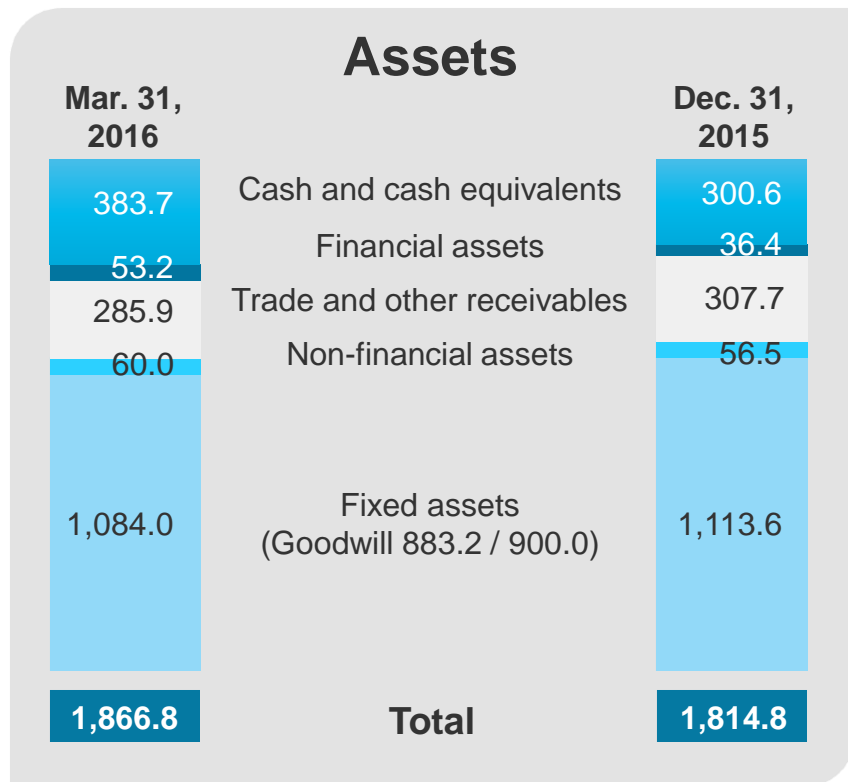
<i>(in €m)</i>	Q1 2016	Q1 2015	Δ%
<b>Operating cash flow</b>	<b>61.9</b>	<b>61.5</b>	<b>1%</b>
<i>./. CapEx*</i>	<i>-1.4</i>	<i>-1.2</i>	
<b>Free cash flow</b>	<b>60.5</b>	<b>60.3</b>	<b>0%</b>
<i>in % of revenue</i>	<i>29.3%</i>	<i>31.1%</i>	
<b>Free cash flow per share**</b>	<b>0.79</b>	<b>0.76</b>	<b>4%</b>

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

\*\* Based on average shares outstanding (basic) Q1 2016: 76.2m / Q1 2015: 78.9m

# BALANCE SHEET

(in €m)



# OUTLOOK

## FULL YEAR 2016

	<b>FY 2015</b> <i>(in €m)</i>	<b>Outlook FY 2016</b> <i>(as of January 27, 2016)</i>
<b>Product Revenue Digital Business Platform</b>	<b>431.5</b>	<b>+5% to +10%<sup>1)</sup></b>
<b>Product Revenue Adabas &amp; Natural</b>	<b>247.3</b>	<b>-4% to -8%<sup>1)</sup></b>
<b>Operating Margin (Non-IFRS)<sup>2)</sup></b>	<b>29.7%</b>	<b>30.0% to 31.0%</b>

1) At constant currency rates

2) Adjusted for non-operating items (see non-IFRS earnings results)

# APPENDIX



# EARNINGS

## Q1 2016

(in €m)	Q1 2016	Q1 2015	Δ%
<b>EBIT (before all taxes)</b>	<b>45.3</b>	<b>29.3</b>	<b>55%</b>
Financial result	-0.4	-1.3	-69%
<b>Profit before taxes</b>	<b>44.9</b>	<b>28.0</b>	<b>60%</b>
Other taxes	-1.3	-1.6	-19%
Income taxes	-14.1	-7.7	83%
<i>Tax rate in %</i>	<i>34.3%</i>	<i>33.2%</i>	
<b>Net income</b>	<b>29.5</b>	<b>18.7</b>	<b>58%</b>
<b>EPS in €*</b>	<b>0.39</b>	<b>0.24</b>	<b>63%</b>

\* Weighted average shares outstanding (basic): Q1 2016: 76.2m / Q1 2015: 78.9m

# AMORTIZATION / DEPRECIATION IMPACT (PRELIMINARY)

*(in €m)*

Amortization

Depreciation

**Q1  
2016**

7.3

2.7

**FY  
2015**

35.0

14.3

**FY  
2016\***

29.2

10.8

**FY  
2017\***

26.1

10.8

\* Estimated

# HEADCOUNT

## BY FUNCTIONAL AREAS\* AND GEOGRAPHY

<i>(in FTE)</i>	Mar. 31, 2016	Dec. 31, 2015	Δ%	Mar. 31, 2015	Δ% yoy
<b>Total</b>	<b>4,299</b>	<b>4,337</b>	<b>-1%</b>	<b>4,367</b>	<b>-2%</b>
Consulting & Services	1,853	1,866	-1%	1,816	2%
Research & Development	1,011	992	2%	962	5%
Sales & Marketing	833	862	-3%	967	-14%
Administration	602	617	-2%	622	-3%
Germany	1,144	1,178	-3%	1,188	-4%
USA	558	561	1%	632	-12%
India	646	611	6%	497	30%
Rest of world	1,951	1,987	-2%	2,050	-5%

\* According to P+L structure





