



# RESULTS 3<sup>rd</sup> QUARTER 2016 (IFRS, UNAUDITED)

October 20, 2016

# SAFE HARBOR

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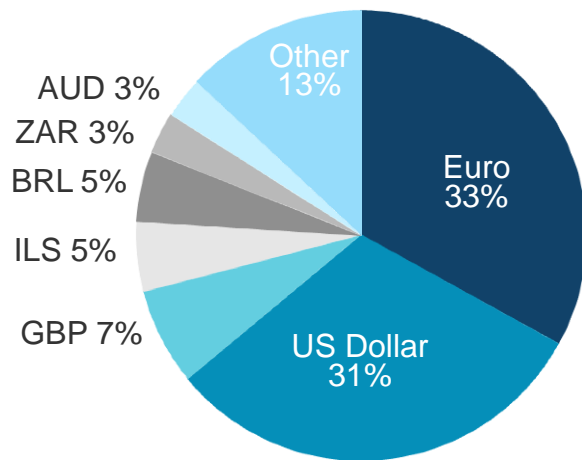
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# CURRENCY IMPACT ON REVENUE

## Q3 2016 / YTD 2016 (9 MONTHS)

⇒ 33% revenue in Euro

⇒ 67% revenue in foreign currency



Currency split YTD 2016

### Currency impact on revenue

<i>(in €m; yoy)</i>	<b>Q3 2016</b>	<b>Q3 in %</b>	<b>YTD 2016</b>	<b>YTD in %</b>
Licenses	-0.2	0%	-3.0	-2%
Maintenance	-1.1	-1%	-8.0	-3%
Consulting & Other	-1.0	-2%	-2.8	-2%
<b>Total</b>	<b>-2.3</b>	<b>-1%</b>	<b>-13.8</b>	<b>-2%</b>

# DIGITAL BUSINESS PLATFORM

## SEGMENT REPORT Q3 2016

<i>(in €m)</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>Δ%</b>	<b>Q3 2016 Sales perf.</b>	<b>Q3 2015 Sales perf.</b>	<b>Δ%</b>	<b>Δ% acc</b>
Licenses	37.5	41.4	-9%	44.7*	41.7*	7%	8%
Maintenance	64.4	61.8	4%	64.4	61.8	4%	6%
<b>Total revenue</b>	<b>101.9</b>	<b>103.2</b>	<b>-1%</b>	<b>109.1</b>	<b>103.5</b>	<b>5%</b>	<b>7%</b>
Cost of sales	-6.7	-7.5	-11%				
<b>Gross profit</b>	<b>95.2</b>	<b>95.7</b>	<b>-1%</b>				
Sales & Marketing	-36.8	-46.2	-20%				
Research & Development	-22.3	-20.5	9%				
<b>Segment result</b>	<b>36.1</b>	<b>29.0</b>	<b>24%</b>				
<i>Margin in %</i>	<i>35.4%</i>	<i>28.1%</i>					

\* Sales performance until October 11<sup>th</sup>

# DIGITAL BUSINESS PLATFORM

## SEGMENT REPORT YTD 2016 (9 MONTHS)

<i>(in €m)</i>	YTD 2016	YTD 2015	Δ%	YTD 2016 Sales perf.	YTD 2015 Sales perf.	Δ%	Δ% acc
Licenses	108.2	109.5	-1%	115.4*	109.8*	5%	7%
Maintenance	188.7	184.4	2%	188.7	184.4	2%	5%
<b>Total revenue</b>	<b>296.9</b>	<b>293.9</b>	<b>1%</b>	<b>304.1</b>	<b>294.2</b>	<b>3%</b>	<b>5%</b>
Cost of sales	-22.0	-21.0	5%				
<b>Gross profit</b>	<b>274.9</b>	<b>272.9</b>	<b>1%</b>				
Sales & Marketing	-120.3	-144.6	-17%				
Research & Development	-66.2	-64.0	3%				
<b>Segment result</b>	<b>88.4</b>	<b>64.3</b>	<b>37%</b>				
<i>Margin in %</i>	<i>29.8%</i>	<i>21.9%</i>					

\* Sales performance until October 11<sup>th</sup>

# ADABAS & NATURAL

## SEGMENT REPORT Q3 2016 / YTD 2016 (9 MONTHS)

(in €m)	Q3 2016	Q3 2015	Δ%	Δ% acc	YTD 2016	YTD 2015	Δ%	Δ% acc
Licenses	9.3	27.5	-66%	-66%	47.4	59.5	-20%	-18%
Maintenance	39.6	39.2	1%	1%	117.2	119.8	-2%	1%
<b>Product revenue</b>	<b>48.9</b>	<b>66.7</b>	<b>-27%</b>	<b>-26%</b>	<b>164.6</b>	<b>179.3</b>	<b>-8%</b>	<b>-5%</b>
Other	0.2	0.2	0%	12%	0.5	0.5	0%	17%
<b>Total revenue</b>	<b>49.1</b>	<b>66.9</b>	<b>-27%</b>	<b>-26%</b>	<b>165.1</b>	<b>179.8</b>	<b>-8%</b>	<b>-5%</b>
Cost of sales	-2.4	-3.4	-29%	-30%	-8.6	-10.0	-14%	-14%
<b>Gross profit</b>	<b>46.7</b>	<b>63.5</b>	<b>-26%</b>	<b>-26%</b>	<b>156.5</b>	<b>169.8</b>	<b>-8%</b>	<b>-5%</b>
Sales & Marketing	-5.2	-7.9	-34%	-34%	-24.1	-25.0	-4%	1%
Research & Development	-5.3	-4.6	15%	15%	-16.5	-15.4	7%	6%
<b>Segment result</b>	<b>36.2</b>	<b>51.0</b>	<b>-29%</b>	<b>-29%</b>	<b>115.9</b>	<b>129.4</b>	<b>-10%</b>	<b>-7%</b>
<i>Margin in %</i>	<i>73.7%</i>	<i>76.2%</i>			<i>70.2%</i>	<i>72.0%</i>		

# CONSULTING

## SEGMENT REPORT Q3 2016 / YTD 2016 (9 MONTHS)

<i>(in €m)</i>	Q3 2016	Q3 2015	Δ%	Δ% acc	YTD 2016	YTD 2015	Δ%	Δ% acc
<b>Total revenue</b>	<b>47.3</b>	<b>45.8</b>	<b>3%</b>	<b>5%</b>	<b>145.8</b>	<b>141.8</b>	<b>3%</b>	<b>5%</b>
Cost of sales	-35.1	-34.3	2%	4%	-118.4	-112.9	5%	7%
<b>Gross profit</b>	<b>12.2</b>	<b>11.5</b>	<b>6%</b>	<b>9%</b>	<b>27.4</b>	<b>28.9</b>	<b>-5%</b>	<b>-2%</b>
Sales & Marketing	-4.2	-4.4	-5%	-1%	-12.8	-14.2	-10%	-7%
<b>Segment result</b>	<b>8.0</b>	<b>7.1</b>	<b>13%</b>	<b>16%</b>	<b>14.6</b>	<b>14.7</b>	<b>-1%</b>	<b>3%</b>
<i>Margin in %</i>	<i>16.9%</i>	<i>15.5%</i>			<i>10.0%</i>	<i>10.4%</i>		

# RESULTS

## Q3 2016 / YTD 2016 (9 MONTHS)

(in €m)	Q3 2016	Q3 2015	Δ%	Δ% acc	YTD 2016	YTD 2015	Δ%	Δ% acc
<b>Total revenue</b>	<b>198.3</b>	<b>215.9</b>	<b>-8%</b>	<b>-7%</b>	<b>607.9</b>	<b>615.6</b>	<b>-1%</b>	<b>1%</b>
Cost of sales	-47.0	-49.1	-4%	-3%	-157.5	-157.9	-	1%
<b>Gross profit</b>	<b>151.3</b>	<b>166.8</b>	<b>-9%</b>	<b>-8%</b>	<b>450.4</b>	<b>457.7</b>	<b>-2%</b>	<b>1%</b>
<i>Margin in %</i>	<i>76.3%</i>	<i>77.3%</i>			<i>74.1%</i>	<i>74.4%</i>		
Research & Development	-27.7	-25.1	10%	11%	-82.6	-79.4	4%	4%
Sales & Marketing	-50.7	-63.1	-20%	-18%	-170.6	-197.5	-14%	-12%
Administration	-18.1	-11.1	63%	65%	-56.4	-50.1	13%	14%
Other income / expense	-4.7	-0.7	-	-	-2.0	-1.4	-	-
<b>EBIT</b>	<b>50.1</b>	<b>66.8*</b>	<b>-25%</b>	<b>-25%</b>	<b>138.8</b>	<b>129.3</b>	<b>7%</b>	<b>11%</b>
<i>Margin in %</i>	<i>25.3%</i>	<i>30.9%*</i>			<i>22.8%</i>	<i>21.0%</i>		

\* Adjusted for one-time effects Q3 2015: EBIT 59.6 m€ / EBIT margin 27.6% (refer to slide 19)



# NON-IFRS EARNINGS

## Q3 2016 / YTD 2016 (9 MONTHS)

(in €m)

	Q3 2016	Q3 2015	YTD 2016	YTD 2015
<b>EBIT (before all taxes)</b>	<b>50.1</b>	<b>66.8</b>	<b>138.8</b>	<b>129.3</b>
Amortization on acquisition related intangible assets	7.3	8.4	21.8	27.6
Share based payments	3.9	-13.3	11.0	-5.9
Restructuring / severances / legal case	4.7	8.3	8.9	13.4
Other impacts / impacts from M&A activities	0.8	-	1.3	2.5
<b>EBITA (Non-IFRS)</b>	<b>66.8</b>	<b>70.2</b>	<b>181.8</b>	<b>166.9</b>
<i>in % of revenue (Non-IFRS)</i>	<i>33.7%</i>	<i>32.5%</i>	<i>29.9%</i>	<i>27.1%</i>
<b>Net income (Non-IFRS)</b>	<b>43.9</b>	<b>47.2</b>	<b>119.4</b>	<b>109.1</b>
<b>EPS (Non-IFRS)*</b>	<b>€0.58</b>	<b>€0.60</b>	<b>€1.57</b>	<b>€1.39</b>

\* Weighted average shares outstanding (basic) Q3 2016: 76.2m / Q3 2015: 78.6m / 9m 2016: 76.2m / 9m 2015: 78.8m

# CASH FLOW

## Q3 2016 / YTD 2016 (9 MONTHS)

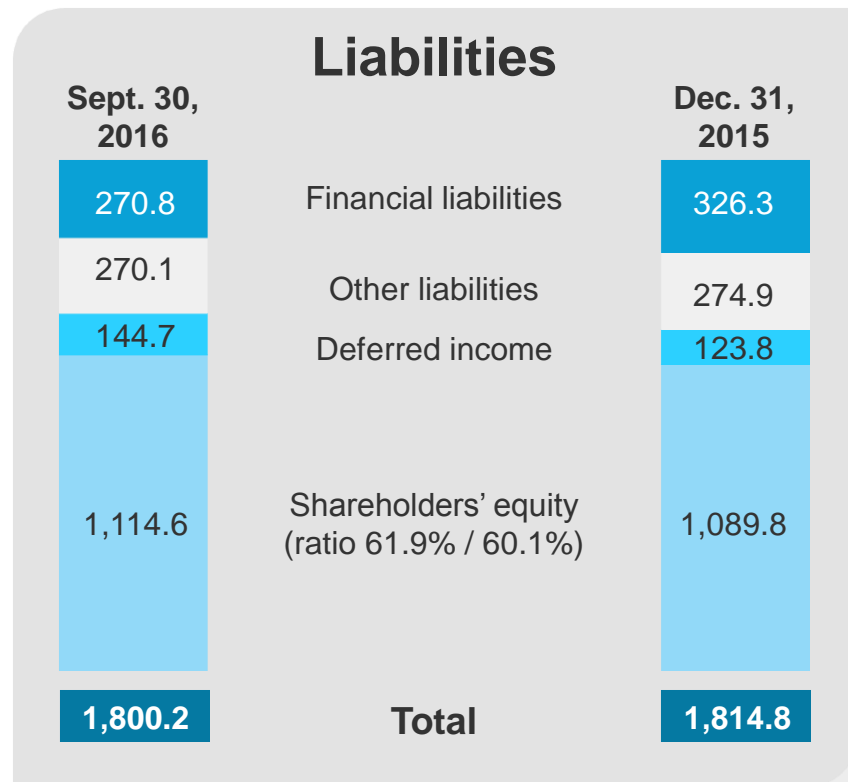
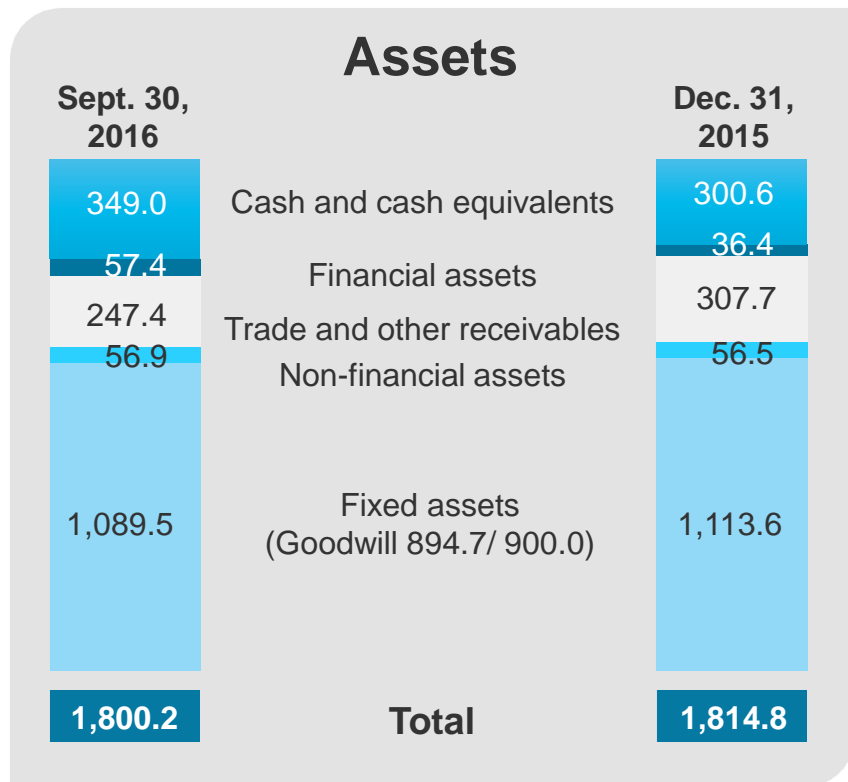
<i>(in €m)</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	<b>Δ%</b>	<b>YTD 2016</b>	<b>YTD 2015</b>	<b>Δ%</b>
<b>Operating cash flow</b>	<b>37.0</b>	<b>28.2</b>	<b>31%</b>	<b>157.2</b>	<b>139.9</b>	<b>12%</b>
<i>./. CapEx*</i>	-5.9	-5.6		-11.9	-11.1	
<b>Free cash flow</b>	<b>31.1</b>	<b>22.6</b>	<b>38%</b>	<b>145.4</b>	<b>128.8</b>	<b>13%</b>
<i>in % of revenue</i>	<i>15.7%</i>	<i>10.5%</i>		<i>23.9%</i>	<i>20.9%</i>	
<b>Free cash flow per share**</b>	<b>€0.41</b>	<b>€0.29</b>	<b>41%</b>	<b>€1.91</b>	<b>€1.63</b>	<b>17%</b>

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

\*\*Based on weighted average shares outstanding (basic) Q3 2016: 76.2m / Q3 2015: 78.6m / 9m 2016: 76.2m / 9m 2015: 78.8m

# BALANCE SHEET

(in €m)



# OUTLOOK – CONFIRMED

## FULL YEAR 2016

	<b>FY 2015</b> <i>(in €m)</i>	<b>Outlook FY 2016</b> <i>confirmed</i> <i>(as of July 13, 2016)</i>
<b>Product Revenue</b> <b>Digital Business Platform</b>	<b>431.5</b>	<b>+5% to +10%<sup>1)</sup></b>
<b>Product Revenue</b> <b>Adabas &amp; Natural</b>	<b>247.3</b>	<b>-2% to -6%<sup>1)</sup></b>
<b>Operating Margin</b> <b>(EBITA Non-IFRS)<sup>2)</sup></b>	<b>29.7%</b>	<b>30.5% to 31.5%</b>

1) At constant currency rates

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

# APPENDIX



# REVENUE

## Q3 2016 / YTD 2016 (9 MONTHS)

<i>(in €m)</i>	<b>Q3 2016</b>	<b>Q3 2015</b>	$\Delta\%$	$\Delta\%$ acc	<b>YTD 2016</b>	<b>YTD 2015</b>	$\Delta\%$	$\Delta\%$ acc
<b>Product revenue</b>	<b>150.9</b>	<b>169.9</b>	<b>-11%</b>	<b>-10%</b>	<b>461.5</b>	<b>473.3</b>	<b>-2%</b>	<b>-</b>
Licenses	46.9	68.9	-32%	-32%	155.5	169.0	-8%	-6%
Maintenance	104.0	101.0	3%	4%	306.0	304.3	1%	3%
Consulting	47.1	45.7	3%	5%	145.3	141.7	3%	5%
Other	0.3	0.3	-	-	1.1	0.6	-	-
<b>Total</b>	<b>198.3</b>	<b>215.9</b>	<b>-8%</b>	<b>-7%</b>	<b>607.9</b>	<b>615.6</b>	<b>-1%</b>	<b>1%</b>

# EARNINGS

## Q3 2016 / YTD 2016 (9 MONTHS)

(in €m)	Q3 2016	Q3 2015	Δ%	YTD 2016	YTD 2015	Δ%
<b>EBIT (before all taxes)</b>	<b>50.1</b>	<b>66.8</b>	<b>-25%</b>	<b>138.8</b>	<b>129.3</b>	<b>7%</b>
Financial result	-2.0	-0.3	-	-2.6	-2.8	-7%
Profit before taxes	48.1	66.5	-28%	136.2	126.5	8%
Other taxes	-1.1	-1.5	-27%	-3.9	-4.4	-11%
Income taxes	-14.5	-20.2	-28%	-42.2	-38.7	9%
<i>Tax rate in %</i>	<i>32.4%</i>	<i>32.6%</i>		<i>33.8%</i>	<i>34.1%</i>	
<b>Net income</b>	<b>32.5</b>	<b>44.8</b>	<b>-27%</b>	<b>90.1</b>	<b>83.4</b>	<b>8%</b>
<b>EPS in €* </b>	<b>€0.43</b>	<b>€0.57</b>	<b>-25%</b>	<b>€1.18</b>	<b>€1.06</b>	<b>11%</b>

\* Weighted average shares outstanding (basic) Q3 2016: 76.2m / Q3 2015: 78.6m / 9m 2016: 76.2m / 9m 2015: 78.8m

# AMORTIZATION / DEPRECIATION IMPACT

<i>(in €m)</i>	<b>Q3 2016</b>	<b>FY 2015</b>	<b>FY 2016*</b>	<b>FY 2017*</b>
Amortization	7.3	35.0	29.2	26.9
Depreciation	2.8	14.3	11.0	11.2

\* Estimated



# HEADCOUNT

## BY FUNCTIONAL AREAS\* AND GEOGRAPHY

<i>(in FTE)</i>	Sept. 30, 2016	Dec. 31, 2015	Δ%	Sept. 30, 2015	Δ% yoy
<b>Total</b>	<b>4,435</b>	<b>4,337</b>	<b>2%</b>	<b>4,384</b>	<b>1%</b>
Consulting & Services	1,891	1,866	1%	1,853	2%
Research & Development	1,076	992	8%	992	8%
Sales & Marketing	872	862	1%	919	-5%
Administration	596	617	-3%	620	-4%
Germany	1,144	1,178	-3%	1,176	-3%
USA	595	561	6%	602	-1%
India	738	611	21%	599	23%
Rest of world	1,958	1,987	-1%	2,007	-2%

\* According to P+L structure

# DIGITAL BUSINESS PLATFORM

## SEGMENT REPORT Q3 2016 / YTD 2016 (9 MONTHS)

<i>(in €m)</i>	Q3 2016	Q3 2015	Δ%	Δ% acc	YTD 2016	YTD 2015	Δ%	Δ% acc
Licenses	37.5	41.4	-9%	-9%	108.2	109.5	-1%	-
Maintenance	64.4	61.8	4%	6%	188.7	184.4	2%	5%
<b>Total revenue</b>	<b>101.9</b>	<b>103.2</b>	<b>-1%</b>	<b>-</b>	<b>296.9</b>	<b>293.9</b>	<b>1%</b>	<b>3%</b>
Cost of sales	-6.7	-7.5	-11%	-9%	-22.0	-21.0	5%	7%
<b>Gross profit</b>	<b>95.2</b>	<b>95.7</b>	<b>-1%</b>	<b>1%</b>	<b>274.9</b>	<b>272.9</b>	<b>1%</b>	<b>3%</b>
Sales & Marketing	-36.8	-46.2	-20%	-19%	-120.3	-144.6	-17%	-15%
Research & Development	-22.3	-20.5	9%	9%	-66.2	-64.0	3%	4%
<b>Segment result</b>	<b>36.1</b>	<b>29.0</b>	<b>24%</b>	<b>26%</b>	<b>88.4</b>	<b>64.3</b>	<b>37%</b>	<b>42%</b>
<i>Margin in %</i>	<i>35.4%</i>	<i>28.1%</i>			<i>29.8%</i>	<i>21.9%</i>		

# OPERATING COST ADJUSTED FOR ONE-TIME EFFECTS

## Q3 2015 VS. Q3 2016

(in €m)

	Q3 2015 rep.	Netted one-time effects	Q3 2015 adj.	Q3 2016 rep.	Δ%
<b>DBP</b>					
Research & Development	20.5	+1.2	21.7	22.3	+2.8
Sales & Marketing	46.2	-3.8	42.4	36.8	-13.2
<b>A&amp;N</b>					
Research & Development	4.6	+0.7	5.3	5.3	0
Sales & Marketing	7.9	+1.4	9.4	5.2	-44.7
<b>Consulting</b>					
Cost of sales	34.3	+0.8	35.1	35.1	0
Sales & Marketing	4.4	-0.2	4.2	4.2	0
<b>Group*</b>					
Cost of sales	49.0	+0.8	49.8	47.0	-5.6
Research & Development	25.1	+1.8	26.9	27.7	+3.0
Sales & Marketing	63.1	-2.9	60.2	50.7	-15.8
Administration	11.1	+7.5	18.6	18.1	-2.7

### One-time effects Q3 2015:

MIP IV release    € +15.5m

Restructuring        € -8.3m

**EBIT impact net    € +7.2m**

\* Group incl. amortization

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