



RESULTS 3rd QUARTER 2017 (IFRS, UNAUDITED)

October 20, 2017

SAFE HARBOR

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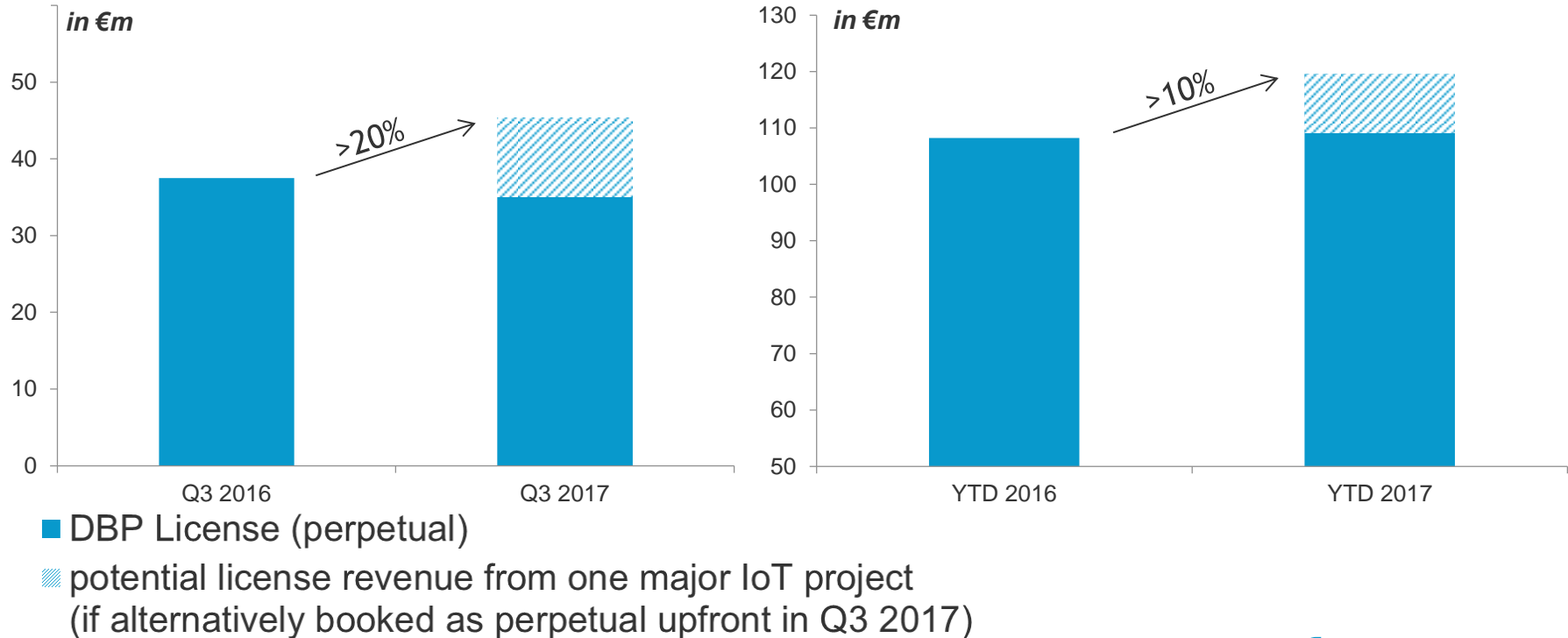
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Karl-Heinz Streibich, CEO

IOT ACCELERATES TRANSITION TO RECURRING REVENUE

DBP LICENSE REVENUE + POTENTIAL UPFRONT LICENSE REVENUE FROM IOT PROJECT



SOFTWARE AG'S CORE DIFFERENTIATION AND SUCCESS FACTORS IN THE IOT SPACE



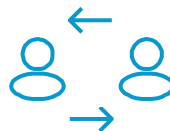
Technology
leadership



Heritage of being a
software platform
company



Neutrality



G2M model of direct
customer ownership



Mid-size company
culture



Home base in highly
industrialized
Germany



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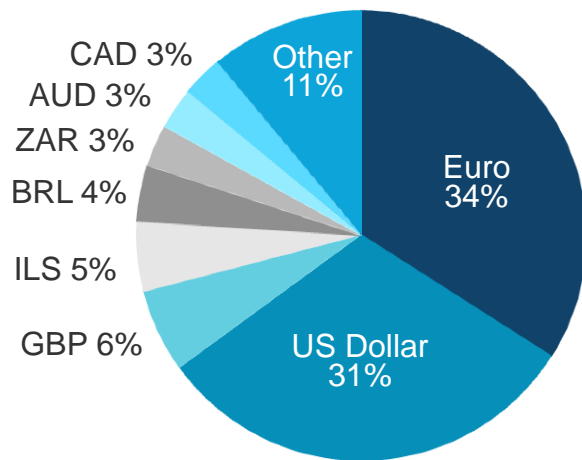
Arnd Zinnhardt, CFO

CURRENCY IMPACT ON REVENUE

Q3 2017 / YTD 2017 (9 MONTHS)

⇒ 34% revenue in Euro

⇒ 66% revenue in foreign currency



Currency split YTD 2017

Currency impact on revenue

<i>(in €m; yoy)</i>	Q3 2017	Q3 in %	YTD 2017	YTD in %
Licenses	-1.7	-4%	0.2	0%
Maintenance	-2.9	-3%	3.0	1%
Consulting & Other	-0.7	-1%	0.6	0%
Total	-5.3	-3%	3.8	1%

DIGITAL BUSINESS PLATFORM

SEGMENT REPORT Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	Δ% acc	YTD 2017	YTD 2016	Δ%	Δ% acc
Licenses	35.0	37.5	-7%	-3%	109.1	108.2	1%	1%
Maintenance	65.9	64.4	2%	5%	201.6	188.7	7%	7%
Total revenue	100.9	101.9	-1%	2%	310.7	296.9	5%	5%
Cost of sales	-7.4	-6.7	10%	14%	-21.3	-22.0	-3%	-3%
Gross profit	93.5	95.2	-2%	1%	289.4	274.9	5%	5%
Sales & Marketing	-38.0	-36.8	3%	6%	-124.7	-120.3	4%	3%
Research & Development	-22.6	-22.3	1%	1%	-71.2	-66.2	8%	5%
Segment result	32.9	36.1	-9%	-4%	93.5	88.4	6%	7%
<i>Margin in %</i>	<i>32.6%</i>	<i>35.4%</i>			<i>30.1%</i>	<i>29.8%</i>		

ADABAS & NATURAL

SEGMENT REPORT Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	Δ% acc	YTD 2017	YTD 2016	Δ%	Δ% acc
Licenses	11.3	9.3	22%	26%	32.3	47.4	-32%	-32%
Maintenance	37.4	39.6	-6%	-3%	116.4	117.2	-1%	-3%
Product revenue	48.7	48.9	0%	2%	148.7	164.6	-10%	-11%
Other	0.2	0.2	0%	0%	0.5	0.5	0%	-3%
Total revenue	48.9	49.1	0%	2%	149.2	165.1	-10%	-11%
Cost of sales	-2.6	-2.4	8%	7%	-7.4	-8.6	-14%	-14%
Gross profit	46.3	46.7	-1%	2%	141.8	156.5	-9%	-11%
Sales & Marketing	-7.3	-5.2	40%	43%	-23.4	-24.1	-3%	-4%
Research & Development	-5.6	-5.3	6%	6%	-17.6	-16.5	7%	7%
Segment result	33.4	36.2	-8%	-4%	100.8	115.9	-13%	-15%
<i>Margin in %</i>	<i>68.3%</i>	<i>73.7%</i>			<i>67.6%</i>	<i>70.2%</i>		

CONSULTING

SEGMENT REPORT Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	Δ% acc	YTD 2017	YTD 2016	Δ%	Δ% acc
Total revenue	47.5	47.3	0%	2%	150.7	145.8	3%	3%
Cost of sales	-35.9	-35.1	2%	4%	-116.7	-118.4	-1%	-2%
Gross profit	11.6	12.2	-5%	-3%	34.0	27.4	24%	25%
Sales & Marketing	-4.4	-4.2	5%	7%	-14.2	-12.8	11%	11%
Segment result	7.2	8.0	-10%	-8%	19.8	14.6	36%	37%
<i>Margin in %</i>	<i>15.2%</i>	<i>16.9%</i>			<i>13.1%</i>	<i>10.0%</i>		

RESULTS

Q3 2017 / YTD 2017 (9 MONTHS)

(in €m)	Q3 2017	Q3 2016	Δ%	Δ% acc	YTD 2017	YTD 2016	Δ%	Δ% acc
Total revenue	197.3	198.3	-1%	2%	610.6	607.9	0%	0%
Cost of sales	-48.7	-47.0	4%	5%	-155.3	-157.5	-1%	-2%
Gross profit	148.6	151.3	-2%	1%	455.3	450.4	1%	0%
<i>Margin in %</i>	<i>75.3%</i>	<i>76.3%</i>			<i>74.6%</i>	<i>74.1%</i>		
Research & Development	-28.2	-27.7	2%	4%	-88.8	-82.6	8%	8%
Sales & Marketing	-53.6	-50.7	6%	9%	-175.3	-170.6	3%	2%
Administration	-17.0	-18.1	-6%	-5%	-55.0	-56.4	-2%	-3%
Other income / expense	0.6	-4.7	-	-	3.8	-2.0	-	-
EBIT	50.4	50.1	1%	-	140.0	138.8	1%	-
<i>Margin in %</i>	<i>25.5%</i>	<i>25.3%</i>			<i>22.9%</i>	<i>22.8%</i>		

NON-IFRS EARNINGS

Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	YTD 2017	YTD 2016	Δ%
EBIT (before all taxes)	50.4	50.1	1%	140.0	138.8	1%
Amortization on acquisition related intangible assets	6.7	7.3	-8%	23.0	21.8	6%
Share based payments	5.9	3.9	51%	14.6	11.0	33%
Restructuring / severances / legal case	0.4	4.7	-91%	2.7	8.9	-70%
Other impacts / impacts from M&A activities	0.2	0.8	-75%	0.9	1.3	-31%
EBITA (Non-IFRS)	63.6	66.8	-5%	181.2	181.8	-
<i>in % of revenue (Non-IFRS)</i>	<i>32.2%</i>	<i>33.7%</i>		<i>29.7%</i>	<i>29.9%</i>	
Net income (Non-IFRS)	43.1	43.9	-2%	120.6	119.4	1%
EPS in € (Non-IFRS)*	€0.58	€0.58	0%	€1.61	€1.57	3%

* Weighted average shares outstanding (basic) Q3 2017: 74.0m / Q3 2016: 76.2m / 9m 2017: 74.9m / 9m 2016: 76.2m

CASH FLOW

Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	YTD 2017	YTD 2016	Δ%
Operating cash flow	37.6	37.0	2%	146.0	157.2	-7%
<i>./. CapEx*</i>	-2.1	-5.9		-24.7**	-11.9	
Free cash flow	35.5	31.1	14%	121.3	145.3	-17%
<i>in % of revenue</i>	<i>18.0%</i>	<i>15.7%</i>		<i>19.9%</i>	<i>23.9%</i>	
Free cash flow per share***	€0.48	€0.41	17%	€1.62	€1.91	-15%

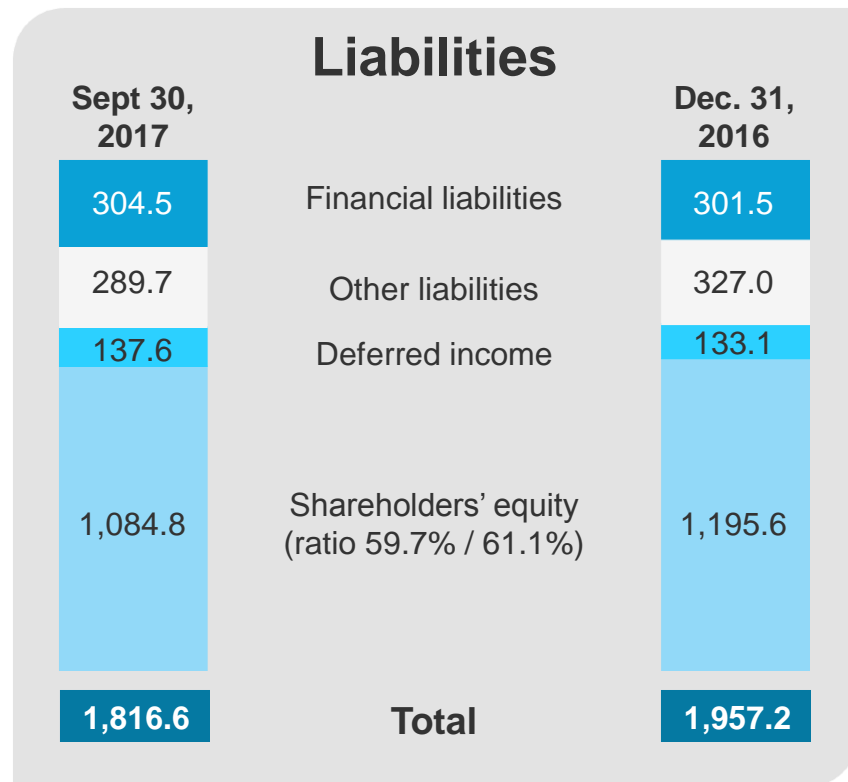
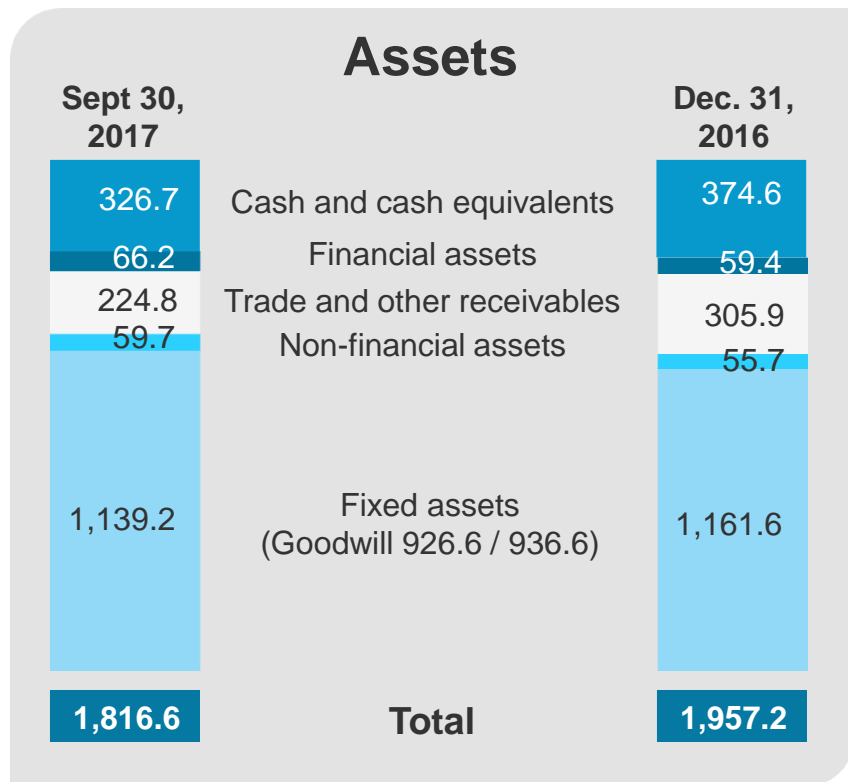
* Cash flow from investing activities except acquisitions and except investments in debt instruments

** yoy change because of one time property investment at Darmstadt

*** Based on weighted average shares outstanding (basic) Q3 2017: 74.0m / Q3 2016: 76.2m / 9m 2017: 74.9m / 9m 2016: 76.2m

BALANCE SHEET

(in €m)



OUTLOOK

FULL YEAR 2017 - CONFIRMED

	FY 2016 <i>(in €m)</i>	FY 2017 Outlook <i>(as of July 17, 2017)</i>
Product Revenue Digital Business Platform	441.4	+5% to +10%¹⁾
Product Revenue Adabas & Natural	233.9	-2% to -6%¹⁾
Operating Margin Group (non-IFRS)²⁾	31.2%	31.0% to 32.0%

1) At constant currency rates

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



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Eric Duffaut, COO

APPENDIX



HEADCOUNT

BY FUNCTIONAL AREAS* AND GEOGRAPHY

<i>(in FTE)</i>	Sept. 30, 2017	Dec. 31, 2016	Δ%	Sept 30, 2016	Δ% yoy
Total	4,600	4,471	3%	4,435	4%
Consulting & Services	1,945	1,914	2%	1,891	3%
Research & Development	1,179	1,110	6%	1,076	10%
Sales & Marketing	865	842	3%	872	-1%
Administration	611	605	1%	596	3%
Germany	1,200	1,148	5%	1,144	5%
USA	591	601	-2%	595	-1%
India	816	766	7%	738	11%
Rest of world	1,993	1,956	2%	1,958	2%

* According to P+L structure

EARNINGS

Q3 2017 / YTD 2017 (9 MONTHS)

(in €m)	Q3 2017	Q3 2016	Δ%	YTD 2017	YTD 2016	Δ%
EBIT (before all taxes)	50.4	50.1	1%	140.0	138.8	1%
Financial result	-0.3	-2.0	-85%	-0.3	-2.6	-88%
Profit before taxes	50.1	48.1	4%	139.7	136.2	3%
Other taxes	-1.6	-1.1	45%	-5.3	-3.9	36%
Income taxes	-14.7	-14.5	1%	-42.0	-42.2	-
<i>Tax rate in %</i>	<i>32.5%</i>	<i>32.4%</i>		<i>33.9%</i>	<i>33.8%</i>	
Net income	33.8	32.5	4%	92.4	90.1	3%
EPS in €*	€0.46	€0.43		€1.23	€1.18	

* Weighted average shares outstanding (basic) Q3 2017: 74.0m / Q3 2016: 76.2m / 9m 2017: 74.9m / 9m 2016: 76.2m

AMORTIZATION / DEPRECIATION IMPACT (PRELIMINARY)

<i>(in €m)</i>	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017*	FY 2018*	FY 2019*
Amortization	7.8	8.5	6.7	6.9	29.9	20.0	17.8
Depreciation	2.9	2.9	2.8	2.8	11.4	11.1	11.6

* Estimated

REVENUE

Q3 2017 / YTD 2017 (9 MONTHS)

<i>(in €m)</i>	Q3 2017	Q3 2016	Δ%	Δ% acc	YTD 2017	YTD 2016	Δ%	Δ% acc
Product revenue	149.6	150.9	-1%	2%	459.3	461.5	0%	-1%
Licenses	46.2	46.9	-1%	2%	141.4	155.5	-9%	-9%
Maintenance	103.4	104.0	-1%	2%	317.9	306.0	4%	3%
Consulting	47.2	47.1	0%	2%	149.9	145.3	3%	3%
Other	0.5	0.3	33%	36%	1.4	1.1	27%	26%
Total	197.3	198.3	-1%	2%	610.6	607.9	0%	0%

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