



# RESULTS 1<sup>st</sup> QUARTER 2018 (IFRS, UNAUDITED)

April 19, 2018

# SAFE HARBOR

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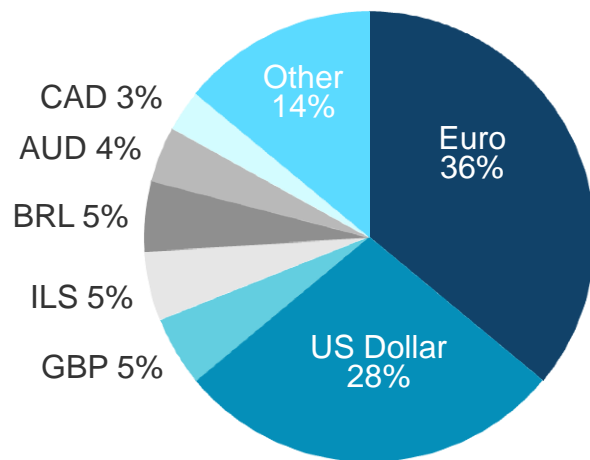
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# CURRENCY IMPACT ON REVENUE

## Q1 2018

⇒ 36% revenue in Euro

⇒ 64% revenue in foreign currency



Currency split Q1 2018

### Currency impact on revenue

<i>(in €m; yoy)</i>	<b>Q1 2018</b>	<b>Q1 in %</b>
Licenses	-3.2	-9%
Maintenance	-8.9	-8%
SaaS	-0.2	-6%
Consulting & Other	-2.1	-4%
<b>Total</b>	<b>-14.4</b>	<b>-7%</b>

# DIGITAL BUSINESS PLATFORM (INCLUDING IoT/CLOUD) SEGMENT REPORT Q1 2018

(in €m)	Q1 2018	Q1 2017	Δ%	Δ% acc
Licenses	25.2	37.1	-32%	-25%
Maintenance	66.8	66.9	0%	8%
SaaS / Usage Based	3.8	1.9	100%	113%
<b>Total revenue</b>	<b>95.8</b>	<b>105.9</b>	<b>-10%</b>	<b>-2%</b>
Cost of sales	-8.6	-7.4	16%	23%
<b>Gross profit</b>	<b>87.2</b>	<b>98.5</b>	<b>-11%</b>	<b>-4%</b>
Sales & Marketing	-37.8	-44.8	-16%	-9%
Research & Development	-22.7	-23.7	-4%	1%
<b>Segment result</b>	<b>26.7</b>	<b>30.0</b>	<b>-11%</b>	<b>1%</b>
<i>Margin in %</i>	<i>27.9%</i>	<i>28.3%</i>		
<b>ARR*</b> (Annual Recurring Revenue)	<b>276.5</b>	<b>262.0</b>	<b>6%</b>	<b>14%</b>

\* Internal Plan Rate 2018 used

# IoT / CLOUD BUSINESS

## SEGMENT REPORT Q1 2018

<i>(in €m)</i>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Δ%</b>	<b>Δ% acc</b>
Licenses	1.8	0.7	157%	178%
Maintenance	0.8	0.4	100%	95%
SaaS / Usage Based	3.8	1.9	100%	113%
<b>Total revenue</b>	<b>6.4</b>	<b>3.0</b>	<b>113%</b>	<b>125%</b>
<b>ARR*</b> (Annual Recurring Revenue)	<b>18.7</b>	<b>11.1</b>	<b>68%</b>	<b>81%</b>

\* Internal Plan Rate 2018 used

# ADABAS & NATURAL

## SEGMENT REPORT Q1 2018

<i>(in €m)</i>	Q1 2018	Q1 2017	Δ%	Δ% acc
Licenses	9.0	7.8	15%	23%
Maintenance	35.6	40.1	-11%	-2%
<b>Product revenue</b>	<b>44.6</b>	<b>47.9</b>	<b>-7%</b>	<b>2%</b>
Other	0.2	0.1	-	-
<b>Total revenue</b>	<b>44.8</b>	<b>48.0</b>	<b>-7%</b>	<b>2%</b>
Cost of sales	-1.4	-2.8	-50%	-45%
<b>Gross profit</b>	<b>43.4</b>	<b>45.2</b>	<b>-4%</b>	<b>5%</b>
Sales & Marketing	-6.6	-8.1	-19%	-17%
Research & Development	-5.6	-6.1	-8%	-7%
<b>Segment result</b>	<b>31.2</b>	<b>31.0</b>	<b>1%</b>	<b>13%</b>
<i>Margin in %</i>	<i>69.6%</i>	<i>64.6%</i>		

# CONSULTING

## SEGMENT REPORT Q1 2018

<i>(in €m)</i>	Q1 2018	Q1 2017	Δ%	Δ% acc
<b>Total revenue</b>	<b>46.1</b>	<b>52.1</b>	<b>-12%</b>	<b>-8%</b>
Cost of sales	-37.5	-41.7	-10%	-6%
<b>Gross profit</b>	<b>8.6</b>	<b>10.4</b>	<b>-17%</b>	<b>-14%</b>
Sales & Marketing	-4.4	-4.9	-10%	-7%
<b>Segment result</b>	<b>4.2</b>	<b>5.5</b>	<b>-24%</b>	<b>-22%</b>
<i>Margin in %</i>	<i>9.1%</i>	<i>10.6%</i>		

# RESULTS

## Q1 2018

<i>(in €m)</i>	Q1 2018	Q1 2017	Δ%	Δ% acc
<b>Total revenue</b>	<b>186.6</b>	<b>205.9</b>	<b>-9%</b>	<b>-2%</b>
Cost of sales	-49.5	-55.0	-10%	-6%
<b>Gross profit</b>	<b>137.1</b>	<b>150.9</b>	<b>-9%</b>	<b>-1%</b>
<i>Margin in %</i>	<i>73.5%</i>	<i>73.3%</i>		
Research & Development	-28.3	-29.8	-5%	0%
Sales & Marketing	-52.0	-62.4	-17%	-11%
Administration	-17.1	-18.5	-8%	-3%
Other income / expense	2.4	1.3	-	-
<b>EBIT</b>	<b>42.1</b>	<b>41.5</b>	<b>1%</b>	<b>-</b>
<i>Margin in %</i>	<i>22.6%</i>	<i>20.2%</i>		



# NON-IFRS EARNINGS

## Q1 2018

<i>(in €m)</i>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Δ%</b>
<b>EBIT (before all taxes)</b>	<b>42.1</b>	<b>41.5</b>	<b>1%</b>
Amortization on acquisition related intangible assets	5.3	7.8	-
Share based payments	2.9	0.4	-
Restructuring / severances / legal case	0.8	1.6	-
Other impacts / impacts from M&A activities	0.1	5.0	-
<b>EBITA (non-IFRS)</b>	<b>51.2</b>	<b>56.3</b>	<b>-9%</b>
<i>in % of revenue (Non-IFRS)</i>	<i>27.4%</i>	<i>27.3%</i>	
<b>Net income (non-IFRS)</b>	<b>36.5</b>	<b>37.3</b>	<b>-2%</b>
<b>EPS in € (non-IFRS)*</b>	<b>0.49</b>	<b>0.49</b>	<b>0%</b>

\* Weighted average shares outstanding (basic) Q1 2018: 74.0m / Q1 2017: 75.9m

# CASH FLOW

## Q1 2018

<i>(in €m)</i>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Δ%</b>
<b>Operating cash flow</b>	<b>61.6</b>	<b>61.7</b>	<b>0%</b>
<i>./. CapEx*</i>	-1.5	-18.4**	
<b>Free cash flow</b>	<b>60.1</b>	<b>43.3</b>	<b>39%</b>
<i>in % of revenue</i>	<i>32.2%</i>	<i>21.0%</i>	
<b>Free cash flow per share***</b>	<b>0.81</b>	<b>0.57</b>	<b>42%</b>

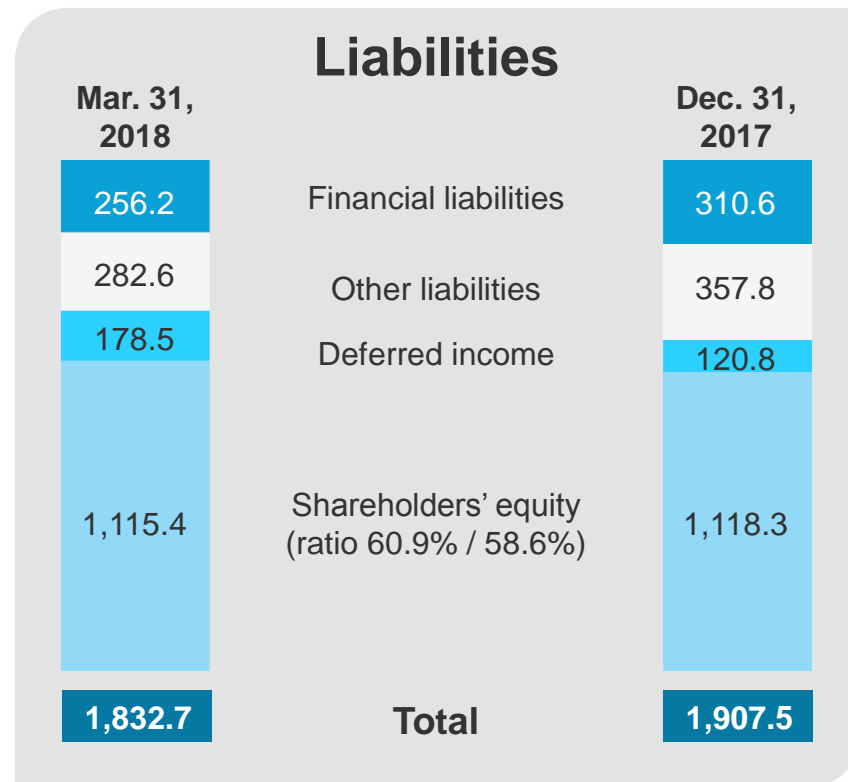
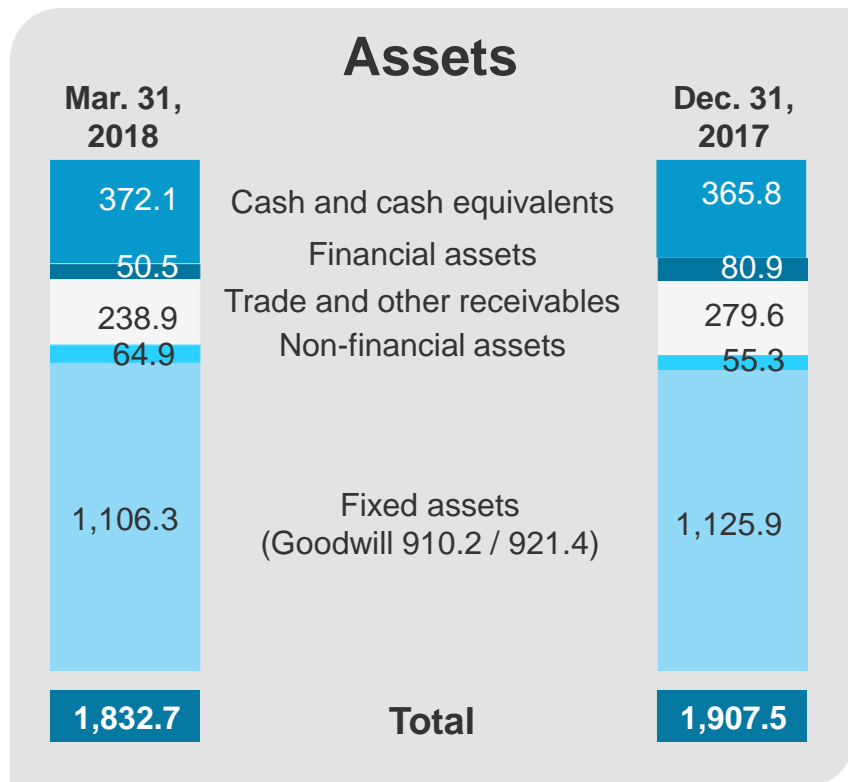
\* Cash flow from investing activities except acquisitions and except investments in debt instruments

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

\*\*\* Based on weighted average shares outstanding (basic) Q1 2018: 74.0m / Q1 2017: 75.9m

# BALANCE SHEET

(in €m)



# OUTLOOK

## FULL YEAR 2018

	<b>FY 2017</b> <i>(in €m)</i>	<b>FY 2018 Outlook</b> <i>(as of April 13, 2018)</i>
<b>DBP Total Revenue</b>	<b>456.4</b>	<b>N/A</b>
- DBP excl. IoT / Cloud	<b>441.5</b>	<b>+3% to +7%<sup>1)</sup></b>
- IoT / Cloud	<b>14.9</b>	<b>+100% to +135%<sup>1)</sup></b>
<b>Adabas &amp; Natural</b>	<b>223.7</b>	<b>-6% to -2%<sup>1)</sup></b>
<b>Operating Margin Group (EBITA non-IFRS)<sup>2)</sup></b>	<b>31.8%</b>	<b>30% to 32%</b>
<b>EPS non-IFRS<sup>3)</sup></b>	<b>€2.38</b>	<b>+5% to +15%</b>

1) At constant currency rates

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

3) Weighted average shares outstanding (basic/IAS 33.19) FY 2017: 74.6m / FY 2018: 74.0m; based on new US-Federal-Tax and Euro/US-Dollar exchange rate of 1/1.18

# APPENDIX



# HEADCOUNT

## BY FUNCTIONAL AREAS\* AND GEOGRAPHY

<i>(in FTE)</i>	Mar. 31, 2018	Dec. 31, 2017	Δ%	Mar. 31, 2017	Δ% yoy
<b>Total</b>	<b>4,610</b>	<b>4,596</b>	<b>0%</b>	<b>4,486</b>	<b>3%</b>
Consulting & Services	1,938	1,935	0%	1,891	2%
Research & Development	1,197	1,176	2%	1,122	7%
Sales & Marketing	868	862	1%	863	1%
Administration	607	623	-3%	610	0%
Germany	1,210	1,201	1%	1,141	6%
USA	575	575	-	599	-4%
India	813	823	-1%	764	6%
Rest of world	2,012	1,997	1%	1,982	2%

\* According to P+L structure

# EARNINGS

## Q1 2018

(in €m)	Q1 2018	Q1 2017	Δ%
<b>EBIT (before all taxes)</b>	<b>42.1</b>	<b>41.5</b>	<b>1%</b>
Financial result	1.3	-0.2	-
<b>Profit before taxes</b>	<b>43.4</b>	<b>41.3</b>	<b>5%</b>
Other taxes	-1.8	-2.0	-10%
Income taxes	-11.7	-12.0	-3%
<i>Tax rate in %</i>	<i>31.1%</i>	<i>33.9%</i>	
<b>Net income</b>	<b>29.9</b>	<b>27.3</b>	<b>10%</b>
<b>EPS in €*</b>	<b>0.40</b>	<b>0.36</b>	<b>11%</b>

\* Weighted average shares outstanding (basic) Q1 2018: 74.0m / Q1 2017: 75.9m

# AMORTIZATION / DEPRECIATION IMPACT (PRELIMINARY)

<i>(in €m)</i>	<b>Q1 2018</b>	<b>FY 2018*</b>	<b>FY 2019*</b>	<b>FY 2020*</b>
Amortization	-5.3	-19.3	17.7	10.7
Depreciation	-2.7	-10.9	12.0	12.0

\* Estimated



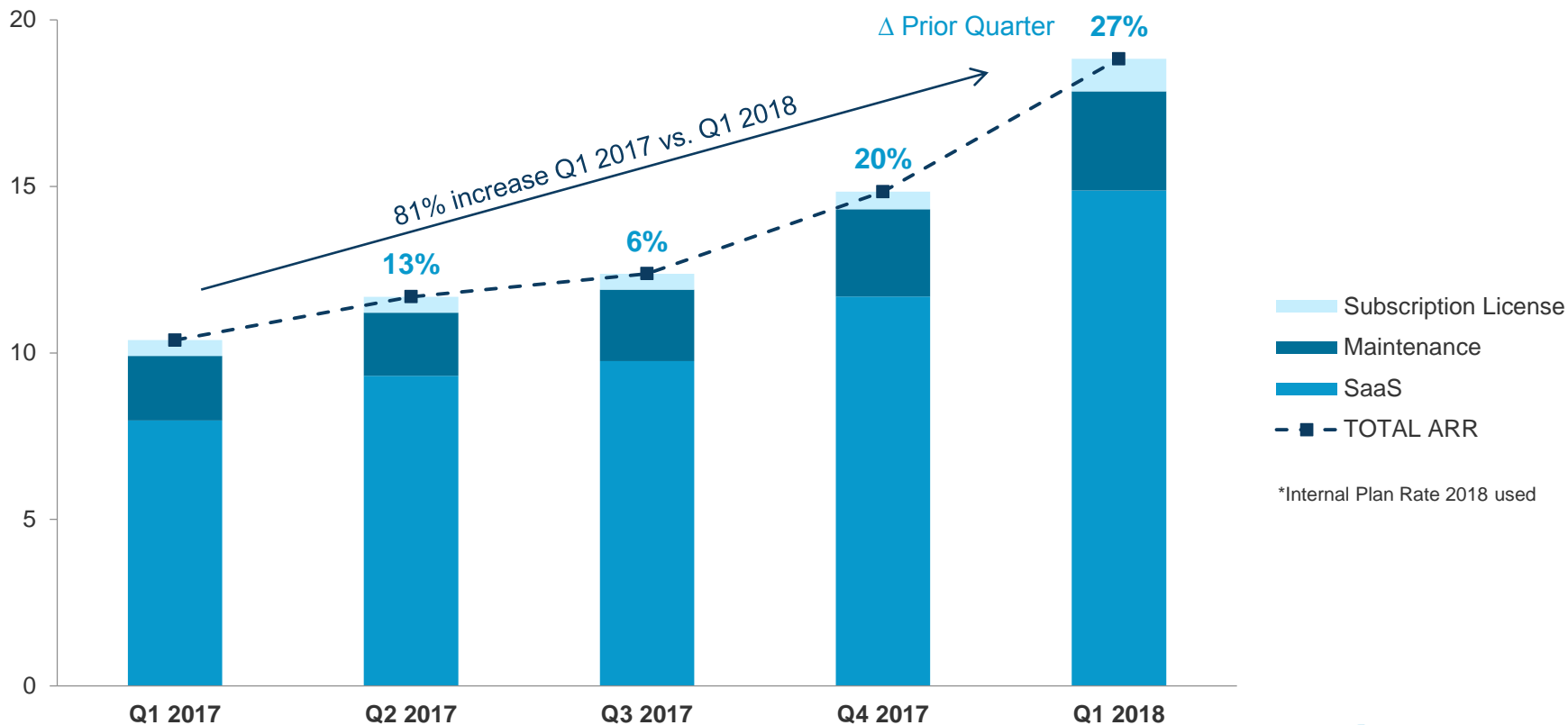
# REVENUE

## Q1 2018

(in €m)	Q1 2018	Q1 2017	Δ%	Δ% acc
<b>Product revenue</b>	<b>140.4</b>	<b>153.7</b>	<b>-9%</b>	<b>-1%</b>
Licenses	34.1	44.9	-24%	-17%
Maintenance	102.5	106.9	-4%	4%
SaaS / Usage Based	3.8	1.9	100%	113%
Consulting	46.0	52.1	-12%	-8%
Other	0.2	0.1	-	-
<b>Total</b>	<b>186.6</b>	<b>205.9</b>	<b>-9%</b>	<b>-2%</b>

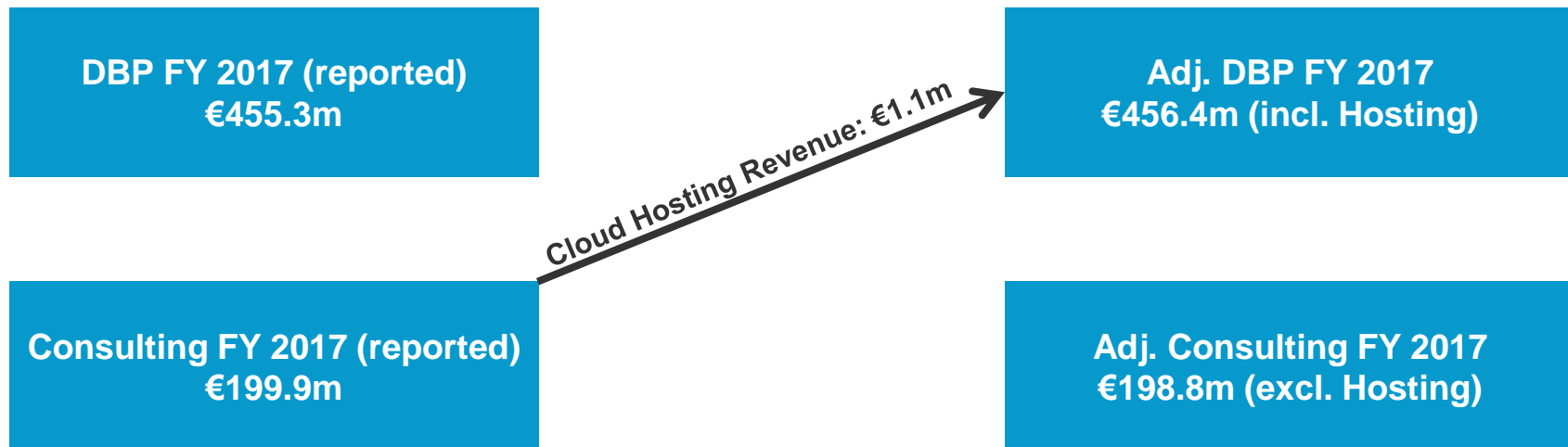
# ARR – IOT / CLOUD DEVELOPMENT (NET OF CURRENCY\*)

## STATUS Q1 2018



# ALLOCATION OF CLOUD HOSTING REVENUE

NEW: WITHIN IoT/CLOUD REVENUE LINE (ADJ. FY 2017)



Cloud Hosting Revenue	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
(€m)	0.216	0.248	0.294	0.303	1.061

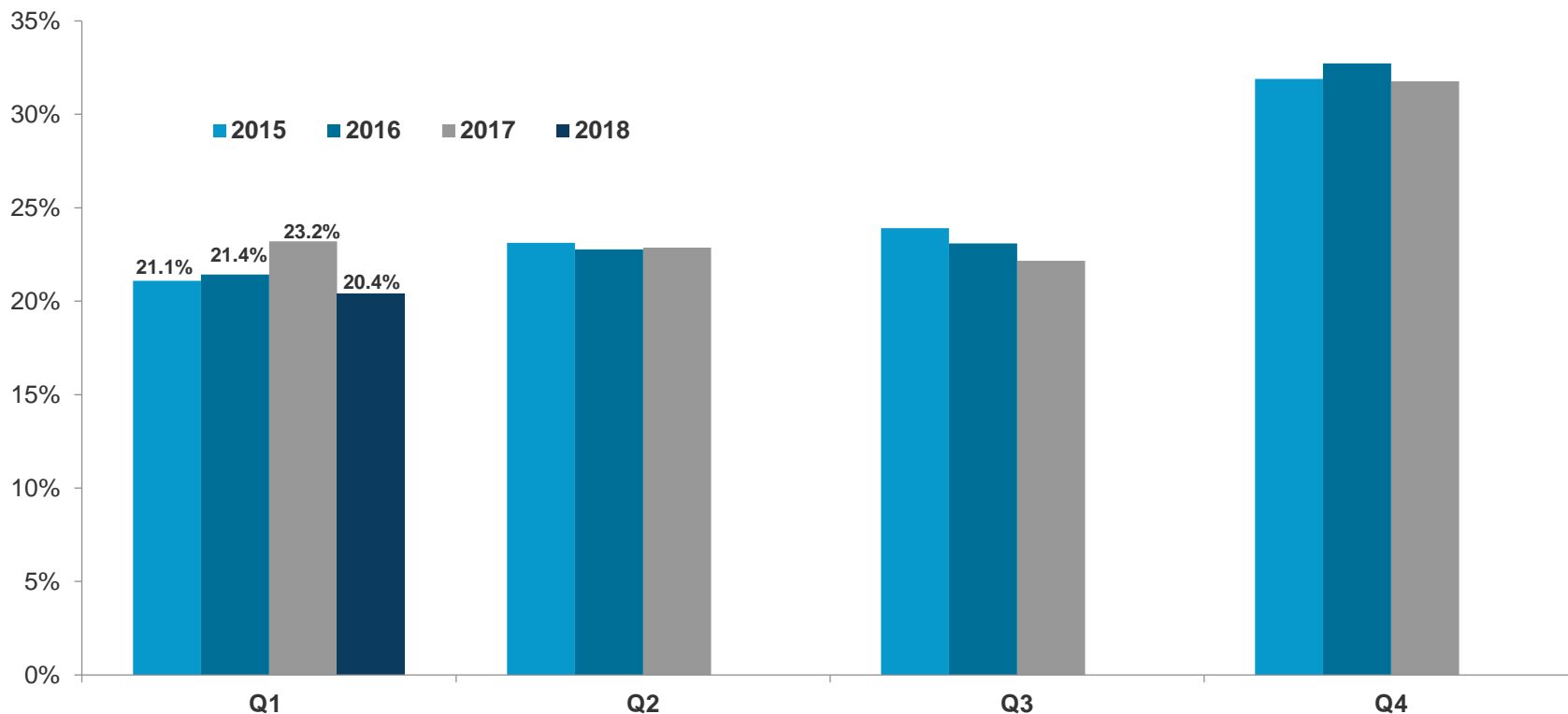
# IoT / CLOUD REVENUE SPLIT FOR 2017

In €m	Q1	Q2	Q3	Q4	FY 2017
License	0.7	0.7	0.7	1.5	3.5
Maintenance	0.4	0.6	0.7	0.7	2.4
SaaS*	1.9	2.2	2.4	2.6	9.1
<b>IoT / Cloud Revenue</b>	<b>3.0</b>	<b>3.5</b>	<b>3.7</b>	<b>4.8</b>	<b>14.9</b>

\* Incl. Cloud Hosting Revenue

# DBP PRODUCT REVENUE SEASONALITY

## SHARE OF ANNUAL REVENUE IN THE QUARTERS



## Investor Relations

Uhlandstrasse 12  
64297 Darmstadt  
Germany

T: +49 (0) 6151 / 92 1900

F: +49 (0) 6151 / 9234 1900

W: [softwareag.com](https://www.softwareag.com)

E: [investor.relations@softwareag.com](mailto:investor.relations@softwareag.com)



