

RESULTS 2ND QUARTER 2019

(IFRS, unaudited)

July 19, 2019

Outlook

FULL YEAR 2019

	FY 2018 <i>(in €m)</i>	FY 2019 Outlook <i>(as of April 11, 2019)</i>	FY 2019 Outlook <i>(as of July 19, 2019)</i>
DBP Total Revenue	464.7	N/A	N/A
- DBP (excl. Cloud & IoT)	434.4	+3% to +7%¹⁾	-6% to 0%¹⁾
- DBP Cloud & IoT	30.3	+75% to +125%¹⁾	+75% to +125%¹⁾
Adabas & Natural	218.3	-3% to +3%¹⁾	-3% to +3%¹⁾
Operating Margin Group (EBITA non-IFRS)²⁾	31.5%	28% to 30%	28% to 30%

¹⁾ At constant currency rates

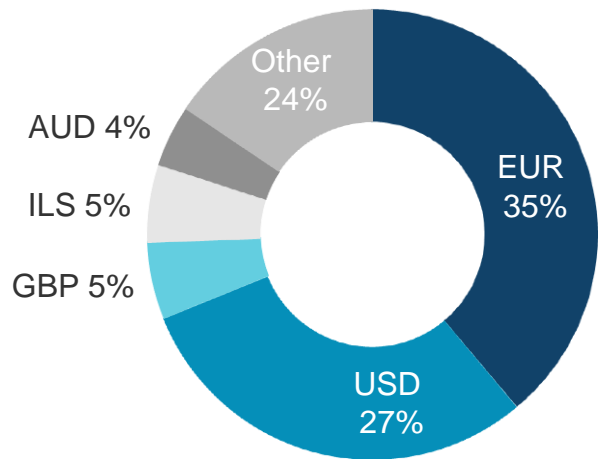
²⁾ Adjusted for non-operating items (see non-IFRS earnings results)

Currency Impact on Revenue

Q2 2019 / YTD 2019 (6 MONTHS)

⇒ 35% revenue in Euro

⇒ 65% revenue in foreign currency



Currency split YTD 2019

Currency impact on revenue

<i>(in €m; yoy)</i>	Q2 2019	Q2 in %	YTD 2019	YTD in %
Lizenses	0.4	1%	0.4	0%
Maintenance	2.0	2%	4.4	2%
SaaS	0.1	2%	0.2	2%
Professional Services & Other	0.7	2%	1.3	1%
Total	3.2	2%	6.3	2%

Digital Business Platform (including Cloud & IoT)

SEGMENT REPORT Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
DBP (excl. Cloud & IoT)	97.5	101.8	-4%	-6%	187.9	191.2	-2%	-4%
- thereof Licenses	28.3	35.7	-21%	-21%	50.0	59.1	-15%	-16%
- thereof Maintenance	69.2	66.1	5%	2%	137.9	132.1	4%	2%
DBP Cloud & IoT	12.8	5.3	144%	141%	22.3	11.6	92%	89%
Total revenue	110.3	107.1	3%	1%	210.3	202.9	4%	2%
Cost of sales	-9.6	-9.1	5%	4%	-18.9	-17.7	7%	6%
Gross profit	100.7	98.0	3%	1%	191.3	185.2	3%	1%
Sales & Marketing	-48.7	-43.1	13%	11%	-94.5	-80.8	17%	14%
Research & Development	-24.4	-24.1	1%	3%	-51.8	-46.9	11%	11%
Segment result	27.5	30.8	-11%	-14%	45.0	57.7	-22%	-25%
<i>Margin in %</i>	<i>25.0%</i>	<i>28.8%</i>			<i>21.4%</i>	<i>28.3%</i>		
Annual Recurring Revenue as of June 30, 2019	315.3	287.5	10%	9%				

DBP Cloud & IoT

SEGMENT REPORT Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
Licenses	5.7	0.2	2662%	2638%	8.7	2.0	339%	335%
Maintenance	1.8	0.8	135%	132%	3.3	1.6	112%	109%
SaaS / Usage based	5.4	4.3	25%	23%	10.3	8.1	27%	25%
Total revenue	12.8	5.3	144%	141%	22.3	11.6	92%	89%
Annual Recurring Revenue as of June 30, 2019	39.6	24.8	60%	59%				

Adabas & Natural

SEGMENT REPORT Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
Licenses	16.2	17.6	-8%	-8%	34.0	26.5	28%	29%
Maintenance	36.6	34.8	5%	4%	73.4	70.5	4%	3%
Product revenue	52.8	52.4	1%	0%	107.4	97.0	11%	10%
Other	0.1	0.2	-	-	0.3	0.3	-	-
Total revenue	53.0	52.6	1%	0%	107.7	97.3	11%	10%
Cost of sales	-1.8	-1.3	45%	43%	-4.0	-2.7	50%	49%
Gross profit	51.2	51.3	0%	-1%	103.7	94.7	10%	9%
Sales & Marketing	-8.3	-7.8	5%	4%	-15.6	-14.5	8%	8%
Research & Development	-6.3	-6.0	5%	1%	-12.2	-11.5	6%	4%
Segment result	36.6	37.5	-2%	-3%	75.9	68.7	11%	10%
<i>Margin in %</i>	<i>69.1%</i>	<i>71.3%</i>			<i>70.4%</i>	<i>70.6%</i>		

Professional Services

SEGMENT REPORT Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
Total revenue	46.7	46.0	2%	0%	93.4	92.1	1%	0%
Cost of sales	-35.7	-36.0	-1%	-2%	-71.4	-73.5	-3%	-4%
Gross profit	11.0	10.1	9%	8%	22.0	18.6	18%	17%
Sales & Marketing	-4.3	-4.3	2%	0%	-8.6	-8.6	0%	-2%
Segment result	6.7	5.8	15%	18%	13.4	10.0	34%	36%
<i>Margin in %</i>	<i>14.3%</i>	<i>12.6%</i>			<i>14.3%</i>	<i>10.8%</i>		

Results

Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
Total revenue	210.0	205.7	2%	1%	411.4	392.3	5%	3%
Cost of sales	-49.1	-48.4	2%	0%	-98.6	-97.9	1%	-1%
Gross profit	160.9	157.3	2%	1%	312.8	294.5	6%	5%
<i>Margin in %</i>	<i>76.6%</i>	<i>76.5%</i>			<i>76.0%</i>	<i>75.1%</i>		
Research & Development	-30.7	-30.0	2%	0%	-64.0	-58.4	10%	7%
Sales & Marketing	-64.7	-58.4	11%	9%	-125.6	-110.5	14%	12%
Administration	-17.6	-18.0	-2%	-3%	-35.2	-35.0	1%	0%
Other income / expense	-0.1	1.3	-	-	1.9	3.7	-	-
EBIT	47.7	52.2	-9%	-9%	89.9	94.3	-5%	-5%
<i>Margin in %</i>	<i>22.7%</i>	<i>25.4%</i>			<i>21.9%</i>	<i>24.0%</i>		

Non-IFRS Earnings

Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	YTD 2019	YTD 2018	Δ%
EBIT (before all taxes)	47.7	52.2	-9%	89.9	94.3	-5%
Amortization on acquisition related intangible assets	5.4	5.2	3%	11.0	10.5	5%
Share based payments	2.3	3.1	-27%	4.8	6.0	-21%
Restructuring / severances / legal case	0.7	0.6	9%	1.8	1.5	19%
Other impacts / impacts from M&A activities	0.0	0.3	-91%	0.2	0.4	-48%
EBITA (Non-IFRS)	56.1	61.5	-9%	107.7	112.7	-4%
<i>in % of revenue (Non-IFRS)</i>	<i>26.7%</i>	<i>29.9%</i>		<i>26.2%</i>	<i>28.7%</i>	
Net income (Non-IFRS)	39.3	42.2	-7%	75.6	78.7	-4%
EPS in € (Non-IFRS)*	0.53€	0.57€	-7%	1.02€	1.06€	-4%

* Weighted average shares outstanding (basic) Q2 2019: 74.0m / Q2 2018: 74.0m, YTD 2019: 74.0m / YTD 2018: 74.0m

Cash Flow

Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	YTD 2019	YTD 2018	Δ%
Operating cash flow	30.6	33.5	-9%	90.6	95.1	-5%
./. CapEx* (long-term, non-current)	-3.7	-5.0		-6.0	-6.5	
./. Repayment of lease liabilities**	-4.5	-		-7.7	-	
Free cash flow	22.4	28.5	-21%	76.9	88.6	-13%
Payment adjustments for						
- Share based compensation	3.9	2.9		7.8	18.4	
- Restructuring/ severances/ legal cases	0.7	0.8		7.9	3.0	
Adjusted operational Free Cash flow	27.0	32.2	-16%	92.6	110.0	-16%
<i>in % of revenue</i>	<i>12.9%</i>	<i>15.7%</i>		<i>22.5%</i>	<i>28.0%</i>	
Adjusted operational Free Cash flow per share***	0.36€	0.44€	-16%	1.25€	1.49€	-16%

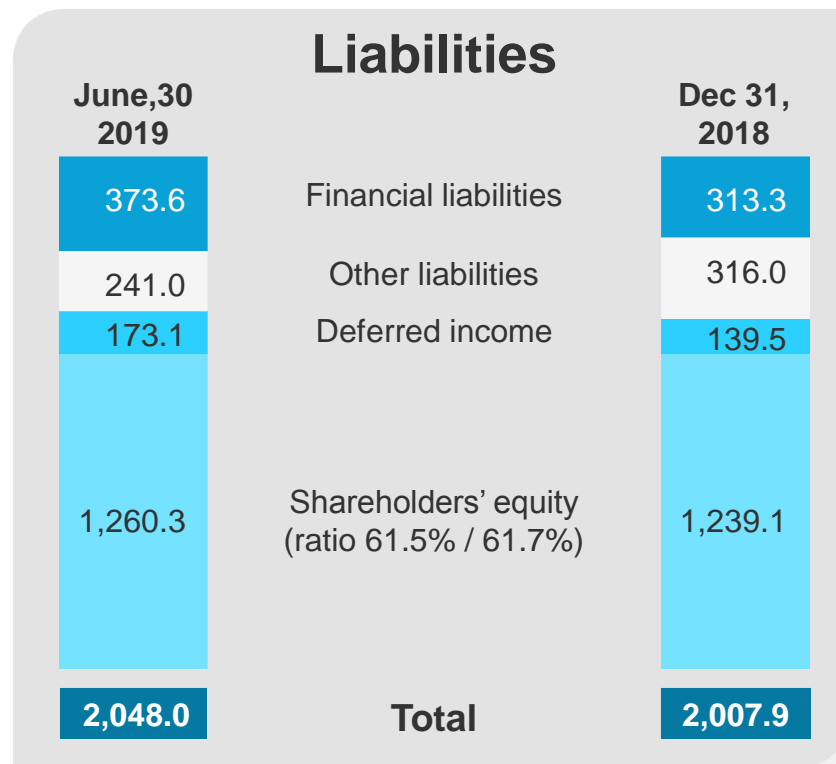
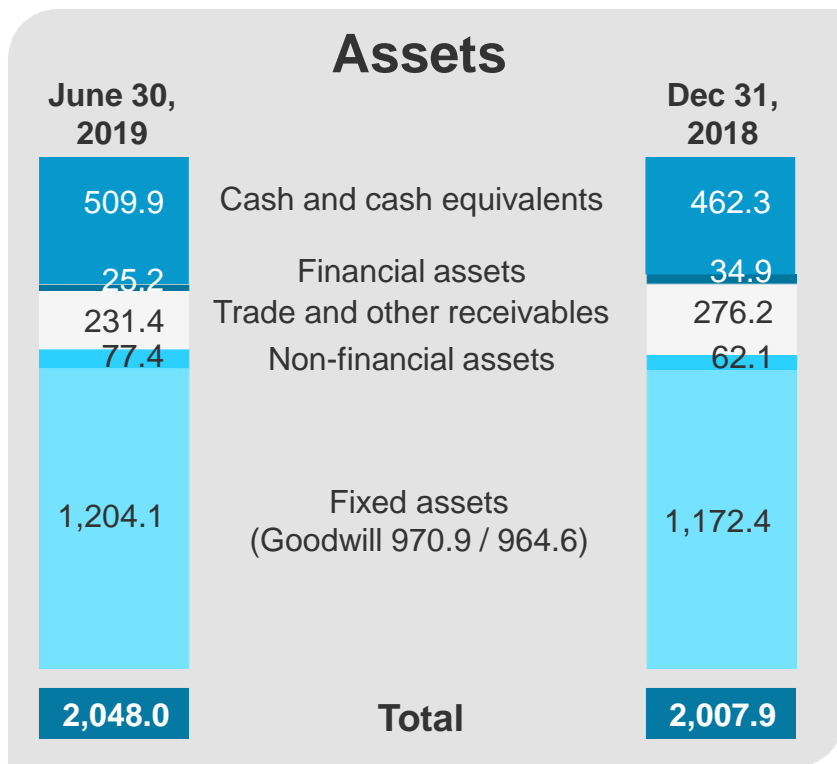
* Cash flow from investing activities except acquisitions and except investments in debt instruments

** New reporting line due to IFRS 16

*** Based on weighted average shares outstanding (basic) Q2 2019: 74.0m / Q2 2018: 74.0m; YTD 2019: 74.0m / YTD 2018: 74.0m

Balance Sheet

(in €m)



Appendix

Headcount

BY FUNCTIONAL AREAS* AND GEOGRAPHY

<i>(in FTE)</i>	June 30, 2019	Dec 31, 2018	Δ%	June 30, 2018	Δ% yoy
Total	4,740	4,763	0%	4,655	2%
Professional Services	1,828	1,901	-4%	1,910	-4%
Research & Development	1,348	1,310	3%	1,205	12%
Sales & Marketing	943	926	2%	936	1%
Administration	620	626	-1%	604	3%
Germany	1,248	1,243	0%	1,218	2%
USA	571	580	-2%	574	0%
India	894	895	0%	803	11%
Rest of world	2,027	2,044	-1%	2,060	-2%

* According to P+L structure

Earnings

Q2 2019 / YTD 2019 (6 MONTHS)

<i>(in €m)</i>	Q2 2019	Q2 2018	Δ%	YTD 2019	YTD 2018	Δ%
EBIT (before all taxes)	47.7	52.2	-9%	89.9	94.3	-5%
Financial result	1.5	0.7	-	2.9	2.1	-
Profit before taxes	49.2	52.9	-7%	92.8	96.4	-4%
Other taxes	-1.5	-1.4	2%	-2.9	-3.2	-9%
Income taxes	-14.3	-15.7	-9%	-26.8	-27.4	-2%
<i>Tax rate in %</i>	<i>32.1%</i>	<i>32.3%</i>		<i>32.0%</i>	<i>31.7%</i>	
Net income	33.4	35.8	-7%	63.1	65.8	-4%
EPS in €*	0.45€	0.48€	-7%	0.85€	0.89€	-4%

* Weighted average shares outstanding (basic) Q2 2019: 74.0m / Q2 2018: 74.0m; YTD 2019: 74.0m / YTD 2018: 74.0m

Amortization / Depreciation Impact (PRELIMINARY)

(in €m)

	Q1 2019	Q2 2019	Q3 2019*	Q4 2019*	FY 2019*	FY 2020*	FY 2021*
Amortization	-5.6	-5.4	-5.4	-5.4	-21.8	-14.1	-13.7
Depreciation	-6.0	-4.7	-4.7	-4.7	-20.1	-18.8	-18.8

* Estimated

Revenue

Q2 2019 / YTD 2019 (6 MONTHS)

(in €m)	Q2 2019	Q2 2018	Δ%	Δ% acc	YTD 2019	YTD 2018	Δ%	Δ% acc
Product revenue	163.1	159.5	2%	1%	317.7	299.9	6%	4%
Licenses	50.2	53.5	-6%	-7%	92.8	87.6	6%	5%
Maintenance	107.6	101.7	6%	4%	214.7	204.2	5%	3%
SaaS / Usage based	5.4	4.3	25%	23%	10.3	8.1	27%	25%
Services	46.7	46.0	2%	0%	93.4	92.1	1%	0%
Other	0.1	0.2	-	-	0.3	0.4	-	-
Total	210.0	205.7	2%	1%	411.4	392.3	5%	3%



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Freedom as a Service

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