



Q2/H1 2021 Results

Earnings Call Presentation

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21 July 2021

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Agenda



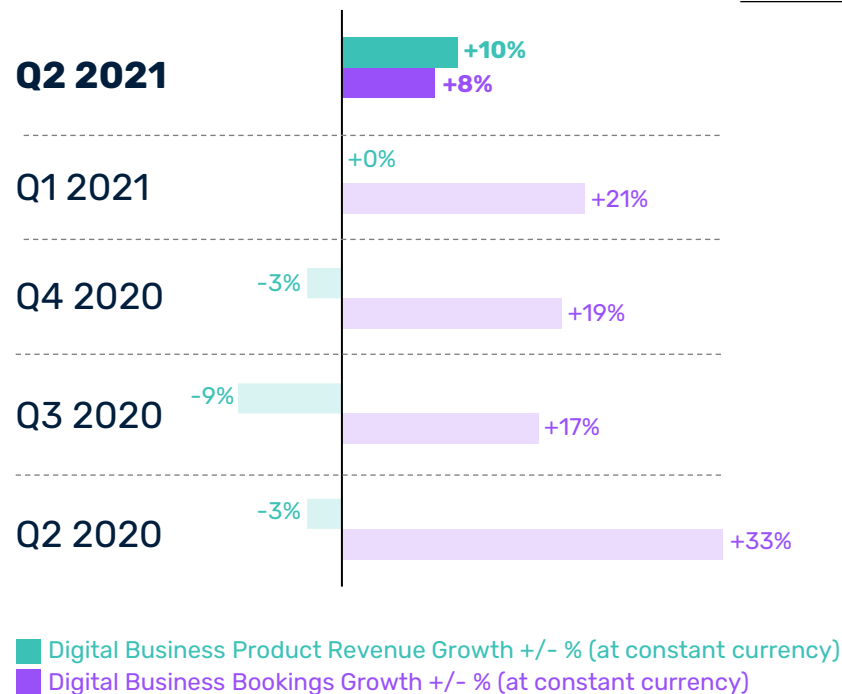
Sanjay Brahmawar

CEO

A strong quarter of execution and delivery

Green shoots of revenue momentum show through

Digital Business bookings and product revenue performance



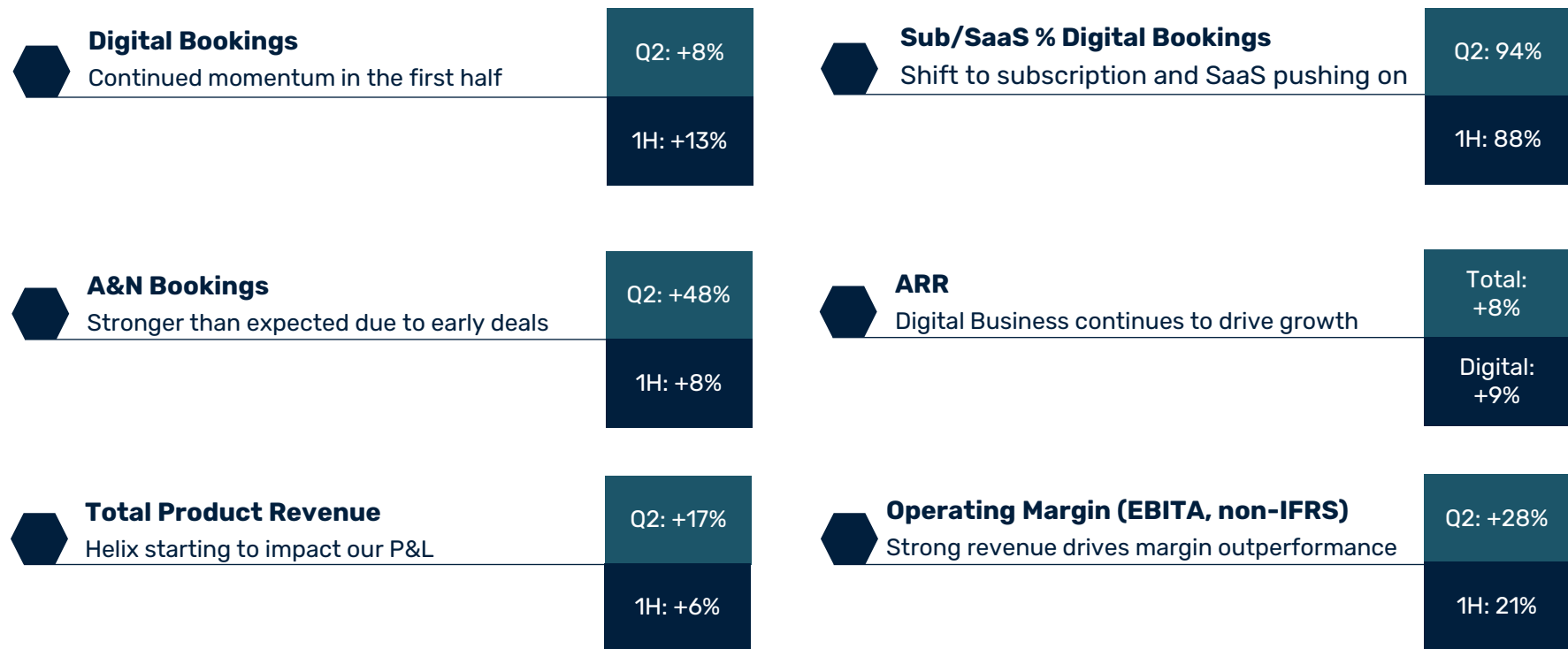
Third year of Helix: key acceleration phase

Transformation efforts in subscription, GTM and growth levers now directly impacting P&L

Recommitting to FY 2021 guidance ranges and 2023 ambitions

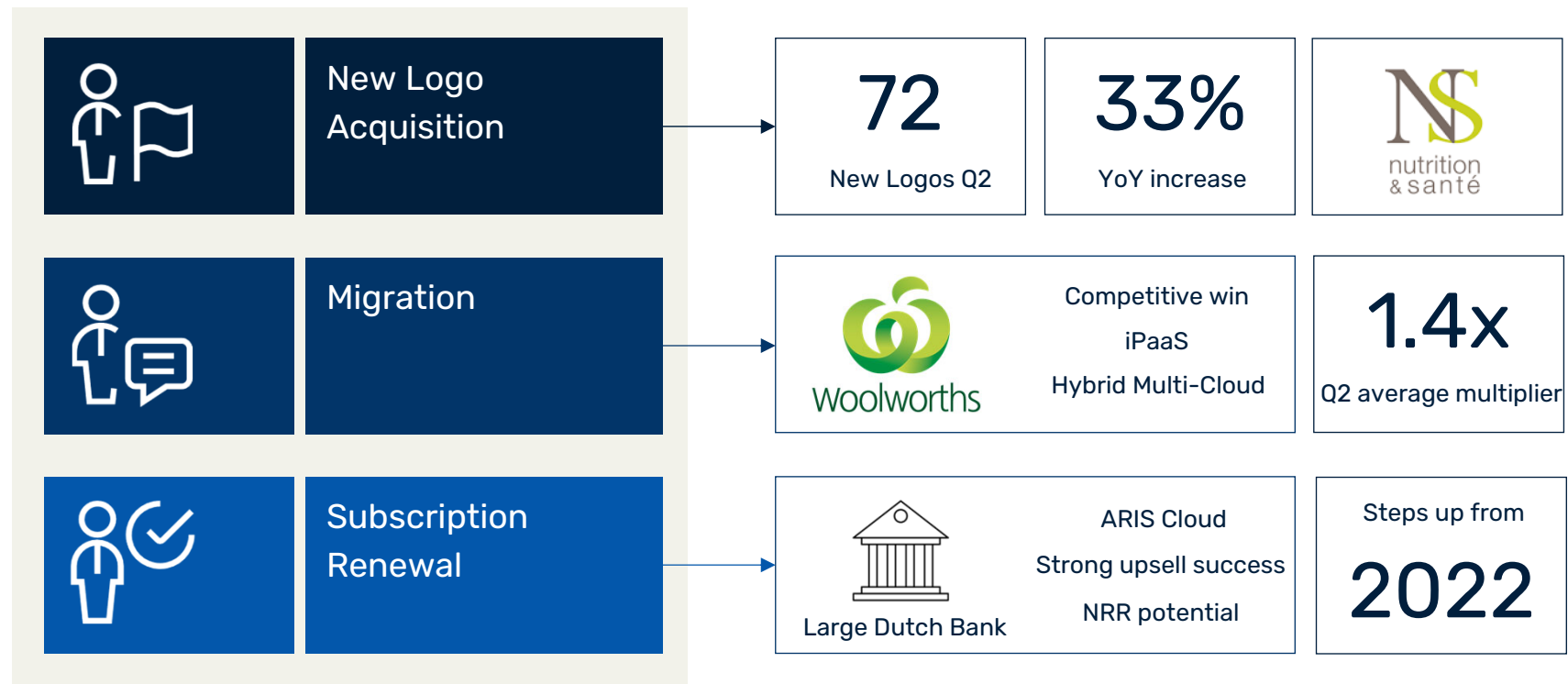
Q2 headline numbers

Positive impact of transformation showing through in our P&L



Three growth levers driving our success

GTM effectiveness continues to build momentum and impact



Product innovation delivering impact

Driving Growth

Truly Connected Enterprise

Connected Customer Experience

Self-Service Solutions

Hybrid and Multi-Cloud



Double-digit product bookings growth in IoT analytics, API management and ARIS Process Mining



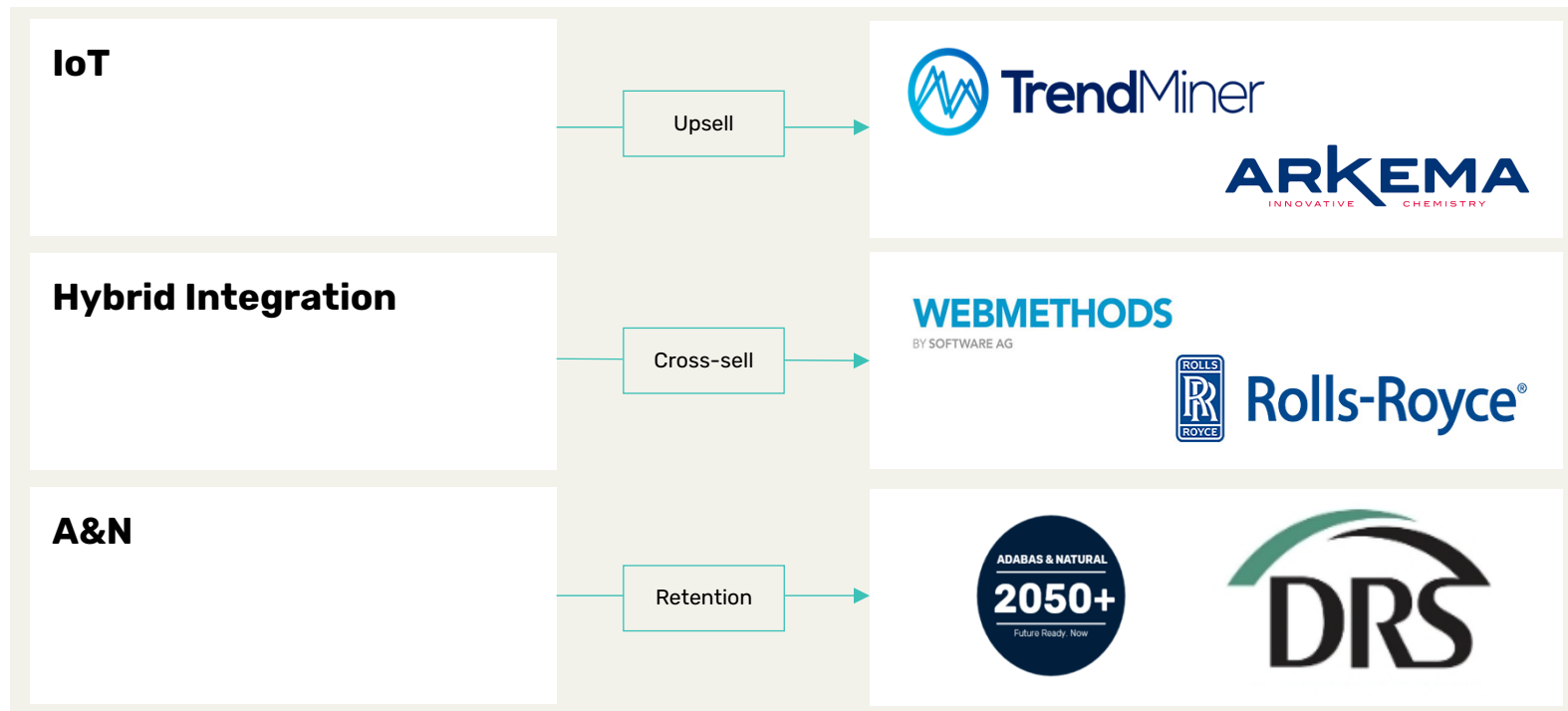
Best in class self-serve data and analytics tools, solving complex customer challenges



Triple-digit growth in iPaaS product bookings

Product innovation delivering impact

Unlocking value



Product innovation delivering impact

Gaining recognition



CUMULOCITY IoT	4.6
WEBMETHODS API Gateway	4.8
WEBMETHODS.io Integration	4.8



Product NPS
+57

...which drives our innovation cycle onwards



Thin Edge.io



Data Scientist
in the Loop



In-product
Customer
onboarding

Ensuring a strong, resilient team

Investing in talent, prioritizing wellbeing

- External leadership hires have brought fresh energy and impact
- Investment in people and talent enables internal leadership succession
- Scott Little appointed CRO; Dr. Benno Quade appointed CCO
- Both join extended Management Team

Talent



Wellbeing

Physical and mental resilience a key workforce priority

Augmenting vaccination efforts in India & Germany

>850 employees in India & Germany vaccinated in recent weeks

Quarterly Wellness Wednesday to promote and encourage balance

Scott Little

CRO

Helix Sales & GTM progress report

Demand generation and sales execution

SALES EXECUTION

Digital Business bookings

Conversion rate

Ahead of 2021 average

Deal volumes

€250k – €1m+

Growth in all deal-size bands

Regional growth

Hitting plan

In all geographies

DEMAND GENERATION

Mittelstand

18 deals

Delivered in the first few months

North America awareness

50%

Early engagement with target accounts

2H Pipeline

Solid Coverage

Supporting FY guidance

Progress in our partner ecosystem

Steadily increasing contribution to incremental sales and growth

**Offers us an opportunity
for a lower cost of sale**

Demand Generation

€45m

Net new pipeline in 1H

Incremental bookings

13%

From partners

OEM roster

6

New partners added

**Provides additional route
to market increasing
access our TAM**

Cloud Partners

Key wins

With co-sell model

New Partner Program

75%

Already transitioned

Dr. Matthias Heiden

CFO

Session outline

A strong quarter of transformation progress



Group bookings performance

Sustained momentum in Group bookings

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	94.5	73.8	28%	32%	141.5	106.9	32%	37%
SaaS	18.1	18.3	-2%	0%	31.8	26.8	19%	21%
Perpetual	14.0	17.7	-21%	-19%	42.1	66.3	-36%	-34%
Total Bookings	126.6	109.8	15%	18%	215.4	200.0	8%	12%
<i>thereof Renewals</i>	<i>20.0</i>	<i>13.9</i>	<i>44%</i>	<i>48%</i>	<i>34.4</i>	<i>20.6</i>	<i>67%</i>	<i>74%</i>

Digital bookings

Reaching the half year in line with our plan

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	63.0	53.7	17%	20%	103.8	85.4	22%	25%
SaaS	18.1	18.3	-2%	0%	31.8	26.7	19%	22%
Perpetual Licenses	5.0	9.5	-48%	-45%	17.8	27.6	-35%	-32%
Total Bookings	86.1	81.6	5%	8%	153.5	139.6	10%	13%
<i>thereof Renewals</i>	<i>18.9</i>	<i>13.8</i>	<i>37%</i>	<i>41%</i>	<i>32.0</i>	<i>20.5</i>	<i>56%</i>	<i>61%</i>

A&N bookings performance

Better than expected performance driven by large deals signed early

(in €m)	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	31.5	20.0	57%	63%	37.6	21.5	75%	86%
Perpetual	9.1	8.2	11%	10%	24.3	38.8	-37%	-35%
Total Bookings	40.6	28.2	44%	48%	61.9	60.2	3%	8%

Digital Business product revenue

Key driver of future growth delivering strong product revenue

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	44.9	27.0	66%	70%	75.1	46.2	63%	66%
SaaS	10.5	7.3	44%	48%	20.0	14.2	41%	45%
Maintenance from Perpetual Licenses	53.2	65.8	-19%	-16%	106.5	131.7	-19%	-16%
Total Recurring Revenue	108.6	100.0	9%	12%	201.6	192.1	5%	9%
Perpetual Licenses	5.1	6.6	-22%	-20%	11.0	18.0	-39%	-35%
Total Product Revenue	113.7	106.6	7%	10%	212.7	210.1	1%	5%

A&N product revenue

2H expected to bring A&N in line with full year guidance range

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	28.1	11.4	146%	156%	33.0	12.7	159%	171%
Maintenance from Perpetual Licenses	32.4	34.9	-7%	-4%	64.2	70.1	-8%	-4%
Total Recurring Revenue	60.5	46.3	30%	35%	97.2	82.9	17%	23%
Perpetual Licenses	6.7	6.0	11%	11%	17.5	26.9	-35%	-33%
Total Product Revenue	67.2	52.4	28%	32%	114.7	109.8	4%	9%

Group product revenue performance

Growth indicates growing impact of transformation on P&L

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Subscription	73.0	38.4	90%	95%	108.0	58.9	83%	89%
SaaS	10.5	7.3	44%	47%	20.0	14.2	41%	44%
Maintenance from Perpetual Licenses	85.6	100.7	-15%	-12%	170.7	201.9	-15%	-11%
Total Recurring Revenue	169.1	146.4	16%	19%	298.8	275.0	9%	13%
Perpetual Licenses	11.8	12.6	-6%	-5%	28.6	44.8	-36%	-34%
Total Product Revenue	180.9	158.9	14%	17%	327.4	319.9	2%	6%

Professional Services

Solid professional services performance

<i>(in €m)</i>	Q2* 2021	Q2 2020	Δ%	Δ% acc	YTD* 2021	YTD 2020	Δ%	Δ% acc
Total revenue	37.3	45.5	-18%	-16%	73.9	91.5	-19%	-17%
Cost of sales	-26.6	-35.1	-24%	-23%	-53.7	-74.4	-28%	-26%
Gross profit	10.7	10.4	3%	7%	20.2	17.1	18%	22%
Sales & Marketing	-3.2	-4.1	-21%	-19%	-6.3	-8.5	-25%	-23%
Segment result	7.5	6.3	19%	24%	13.9	8.7	60%	67%
<i>Margin in %</i>	<i>20.2%</i>	<i>13.9%</i>			<i>18.8%</i>	<i>9.5%</i>		

* Q1 2021 and YTD 2021 results affected by disposal of the Spanish unit at June 30, 2020

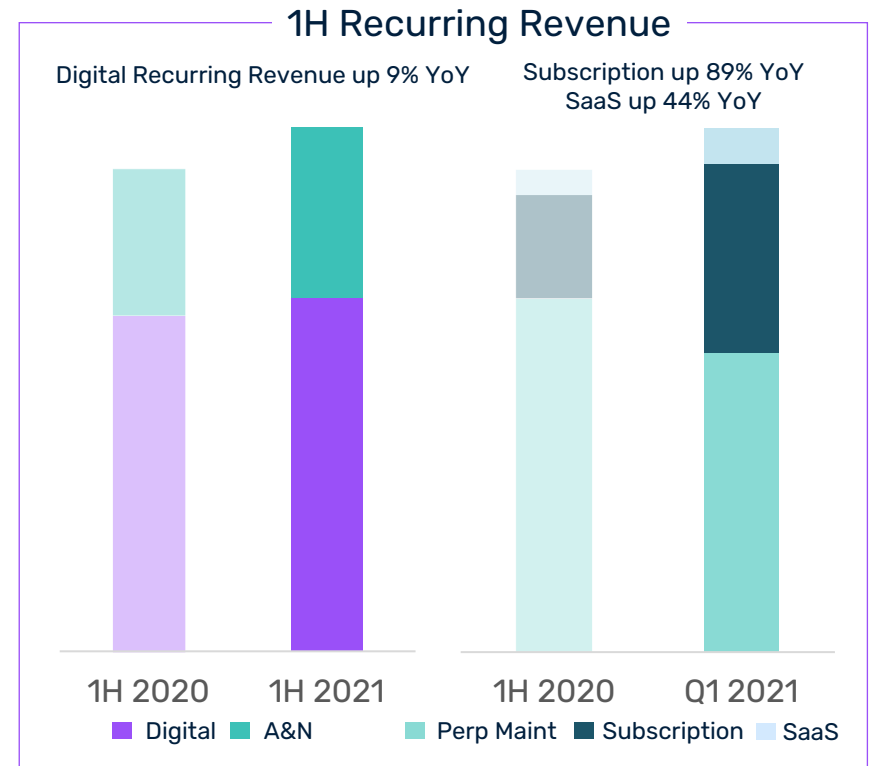
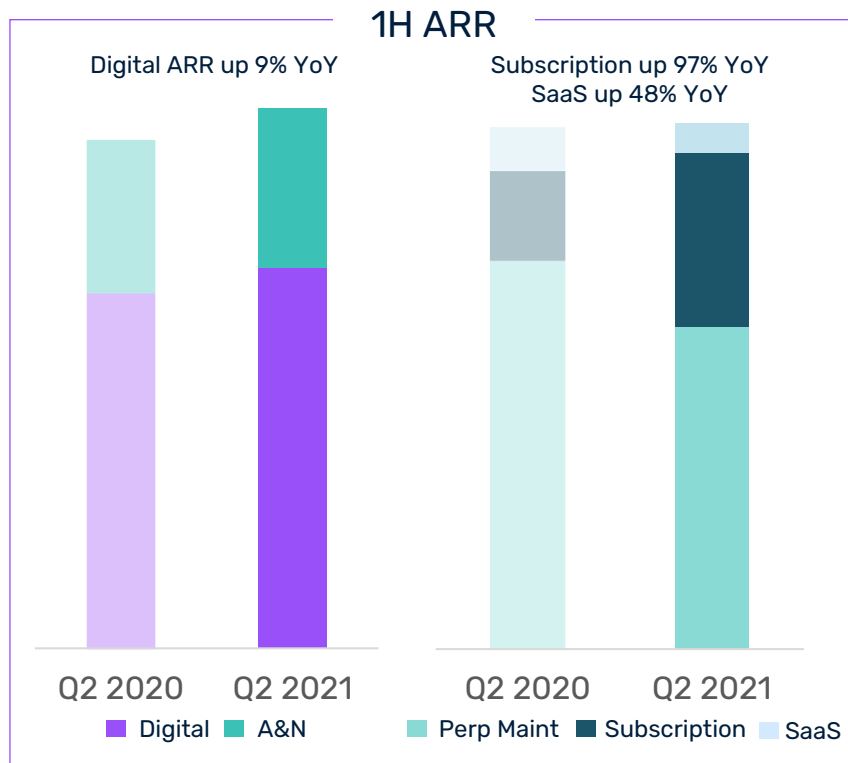
Group revenue

Total revenue growth as we continue our path towards and beyond our mid-term ambitions

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Total Product Revenue	180.9	158.9	14%	17%	327.4	319.9	2%	6%
Services Revenue	37.3	45.5	-18%	-16%	73.9	91.5	-19%	-17%
Total revenue (group)	218.2	204.6	7%	10%	401.3	411.7	-3%	1%

Recurring revenue and ARR*

Continued progress in building higher quality, more predictable revenue stream



*All at constant currency

Cost base & margin

Margin ahead of expectations due to strong revenue performance and lower than expected costs

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	Δ% acc	H1 2021	H1 2020	Δ%	Δ% acc
Total revenue (group)	218.2	204.6	7%	10%	401.3	411.7	-3%	1%
Cost of sales	-45.5	-51.5	-12%	-10%	-91.7	-106.8	-14%	-12%
Gross profit	172.7	153.1	13%	16%	309.6	304.8	2%	6%
<i>Margin in %</i>	<i>79.2%</i>	<i>74.8%</i>			<i>77.1%</i>	<i>74.1%</i>		
Research & Development	-35.5	-37.3	-5%	-3%	-74.0	-73.8	0%	2%
Sales & Marketing	-65.1	-64.5	1%	4%	-127.3	-130.5	-2%	1%
Administration	-19.7	-17.4	13%	15%	-40.2	-38.8	4%	6%
Other income / expense	-2.4	-2.0			-2.7	-1.1		
EBIT	50.1	31.9	57%	65%	65.4	60.7	8%	18%
<i>Margin in %</i>	<i>23.0%</i>	<i>15.6%</i>			<i>16.3%</i>	<i>14.7%</i>		
EBITA (non-IFRS)	60.8	41.4	47%		85.3	81.1	5%	
<i>Margin in %</i>	<i>27.8%</i>	<i>20.2%</i>			<i>21.3%</i>	<i>19.7%</i>		

Cash flow

Cash flow trough in 2021; growth to re-start growth in 2022

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	H1 2021	H1 2020	Δ%
Operating Cash Flow	23.5	26.2	-10%	70.5	87.7	-20%
./. CapEx* (long-term. non-current)	-1.6	-2.9		-5.6	-8.4	
./. Repayment of lease liabilities**	-3.4	-3.9		-6.7	-7.9	
Free Cash Flow	18.5	19.4	-5%	58.2	71.4	-18%
<i>in % of revenue</i>	8.5%	9.5%		14.5%	17.3%	
Free Cash Flow per share***	€0.25	€0.26	-5%	€0.79	€0.96	-18%

* 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): 74.0m

Summary

Confident our plan is working as we start the second half

1

Strong first half of transformation impact



2

Digital revenue indicates future success



3

Full-year guidance and 2023 ambition reiterated

Guidance

FY 2021 expectations maintained

	FY 2020 (in €m)	FY2021 Outlook (in %)
Digital Business bookings	€360.7m	+15% to +25% ¹
A&N bookings	€129.0m	-30% to -20% ¹
Total Product Revenue	€671.1m	0% to +5% ¹
Operating Margin (EBITA, non-IFRS) ²	21.2%	16% to 18%

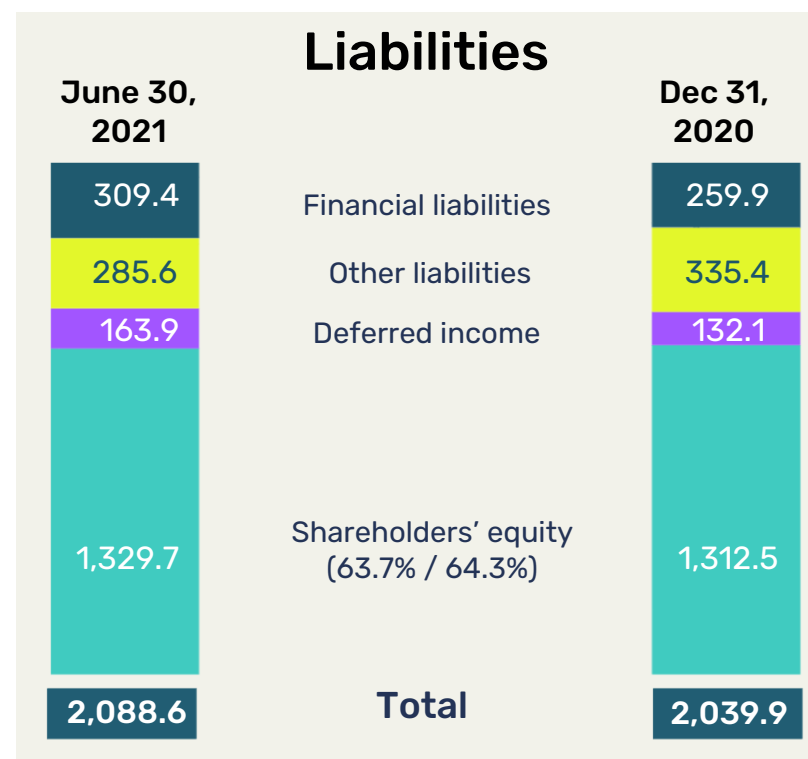
¹ at constant currency

² adjusted for non-operating factors (see non-IFRS earnings definition)

Q&A

Balance Sheet

(in €m)



Non-IFRS Earnings

Q2 2021 / 6 months

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	YTD 2021	YTD 2020	Δ%
EBIT (before all taxes)	50.1	31.9	57%	65.4	60.7	8%
Amortization on acquisition-related intangible assets	3.9	3.6	9%	7.9	7.3	9%
Share based payments	2.1	2.1	2%	3.8	5.3	-28%
Restructuring / severances / legal case	1.5	1.2	22%	2.1	5.0	-57%
Other impacts / impacts from M&A activities	3.1	2.6	21%	6.1	2.9	107%
EBITA (Non-IFRS)	60.8	41.4	47%	85.3	81.1	5%
<i>in % of revenue (Non-IFRS)</i>	<i>27.8%</i>	<i>20.2%</i>		<i>21.3%</i>	<i>19.7%</i>	
Net income (Non-IFRS)	40.4	28.2	43%	57.2	56.1	2%
EPS in € (Non-IFRS)*	€0.55	€0.38	43%	€0.77	€0.76	2%

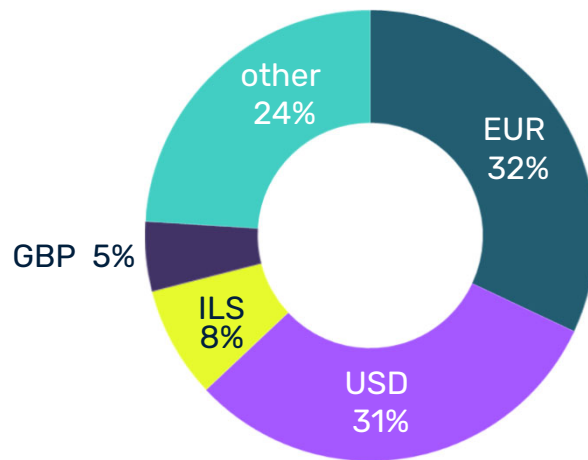
* Weighted average shares outstanding (basic): 74.0m

Currency Impact on Revenue

Q2 2021 / 6 months

⇒ 32 % revenue in Euro

⇒ 68 % revenue in foreign currency



Currency split Q2 2021

Currency impact on revenue

<i>(in €m; yoy)</i>	Q2 2021	in %	YTD 2021	in %
Subscription	-2.0	-3%	-3.3	-3%
SaaS	-0.2	-2%	-0.5	-3%
Perpetual	-3.1	-3%	-9.1	-4%
Professional Services & other	-1.0	-3%	-2.3	-3%
Total	-6.4	-3%	-15.2	-4%

IFRS Standard Business Line Revenue Reporting

Q2 2021 / 6 months

(in €m)	Q2 2021	Q2 2020	Δ%	Δ% acc	YTD 2021	YTD 2020	Δ%	Δ% acc
Digital Business								
Licenses	38.1	27.7	38%	40%	63.0	52.8	19%	22%
Maintenance	65.1	71.6	-9%	-6%	129.6	143.1	-9%	-6%
SaaS / Usage-based	10.5	7.3	44%	48%	20.0	14.2	41%	45%
Product revenue	113.7	106.7	7%	10%	212.7	210.2	1%	5%

(in €m)

Adabas & Natural								
Licenses	32.5	16.7	94%	100%	46.1	38.3	20%	25%
Maintenance	34.7	35.6	-3%	1%	68.6	71.5	-4%	1%
Product revenue	67.2	52.4	28%	32%	114.7	109.8	4%	9%

Earnings (IFRS)

Q2 2021 / 6 months

<i>(in €m)</i>	Q2 2021	Q2 2020	Δ%	YTD 2021	YTD 2020	Δ%
EBIT (before all taxes)	50.1	31.9	57%	65.4	60.7	8%
Financial result	-0.4	1.0		-0.7	2.2	
Profit before taxes	49.7	33.0	51%	64.7	62.8	3%
Other taxes	-1.0	-1.3	-26%	-2.1	-2.5	-18%
Income taxes	-15.5	-9.9	57%	-19.3	-18.4	5%
<i>Tax rate in %</i>	<i>-33.3%</i>	<i>-34.1%</i>		<i>-33.0%</i>	<i>-33.3%</i>	
Net income	33.2	21.7	53%	43.4	41.9	4%
EPS in €*	€0.45	€0.29	53%	€0.58	€0.56	3%

* Weighted average shares outstanding (basic): 74.0m

Headcount

By functional areas* and geography

<i>(in FTE)</i>	June 30, 2021	Dec 31, 2020	Δ%	June 30, 2020	Δ% yoy
Total	4,696	4,700	0%	4,642	1%
Professional Services**	1,500	1,490	1%	1,515	-1%
Research & Development	1,481	1,494	-1%	1,463	1%
Sales & Marketing	1,034	1,027	1%	1,002	3%
Administration	681	689	-1%	663	3%
Germany	1,327	1,314	1%	1,271	4%
USA	607	629	-3%	627	-3%
India	1,048	1,043	0%	1,034	1%
Rest of World	1,714	1,714	0%	1,710	0%

* According to P&L structure

** incl. Professional Services, Support and Cloud Operations

Amortisation / Depreciation Impact

(Preliminary)

(in €m)

	Q1 2021	Q2 2021		FY 2020	FY 2021*	FY 2022*	FY 2023*
Amortisation	-3.9	-3.9		-14.2	-16.0**	-15.6**	-10.8
Depreciation	-6.0	-6.5		-25.7	-25.0	-24.0	-24.0

* Estimated

** incl. 2.2 €m amortisation for IDS trademark