

# PROGRESS 3<sup>RD</sup> QUARTER 2019

November 2019

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# HELIX – EIGHT MONTHS IN

## Delivering against commitments



### Improve earnings quality

- +12% YoY** Growth in ARR for DBP incl. IoT
- 63%** DBP incl. IoT bookings as SaaS/subscription



### Enhance product strengths

- 2** New products in recent weeks
- NPS** Net Promoter Score a record high in Q3



### Improve sales execution

- 83** New logos in Q3
- 17** New logos in IoT

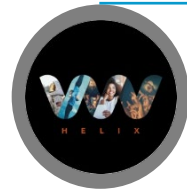


### Address issues in NAM

- Pipeline conversion rate improved
- Uplift in AE deal participation rates
- Excellent quarter for Gov Solutions



### Evolve partner ecosystem



### Invest in our team and culture

- CHRO** Dr Elke Frank appointed
- 100** IoT specialists in Consulting by year end

# HEADLINE NUMBERS

## FY19 guidance ranges unchanged

### Q3

+/- change as % acc

Group Revenue	€224.2m	+5%
Total Product Revenue	€179.2m	+5%
DBP Core	€108.7m	+1%
Cloud and IoT	€8.6m	-6%
A&N	€62m	+15%
EBIT (IFRS)	€59m	+8%*

### 9M

+/- change as % acc

Group Revenue	€635.6m	+4%
Group Product Revenue	€496.9m	+5%
EBIT (IFRS)	€148.9m	+0%*
Non-IFRS EBIT Margin	27.7%	-1.7ppt

### Leading Indicators

ARR (DBP incl. IoT)	+12% YoY
SaaS/Subs as % Bookings (DBP incl. IoT)	63%

\*stated

# TRANSFORMATION MOMENTUM

Delivering on Focus, Execution and Team



# FOCUS

## Maintaining momentum & excellence in product



Cloud offering now available for each major product

webMethods.io B2B launched October 1

NPS improved Q-o-Q through 2019 to a record high in Q3

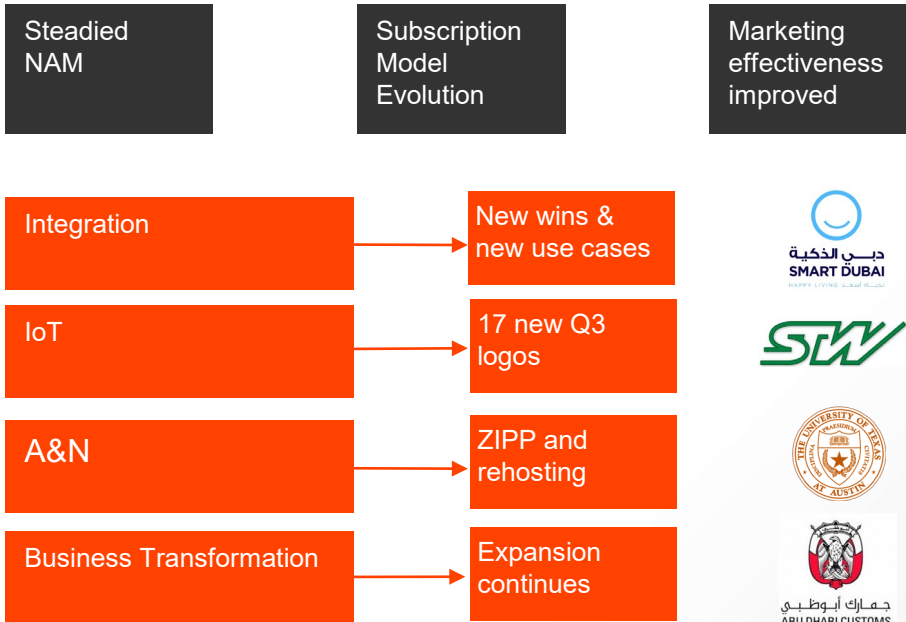
## FORRESTER®

**“Software AG sets the vision for real-time, industrial IoT”**

The Forrester Wave™ Streaming Analytics – Q3 2019

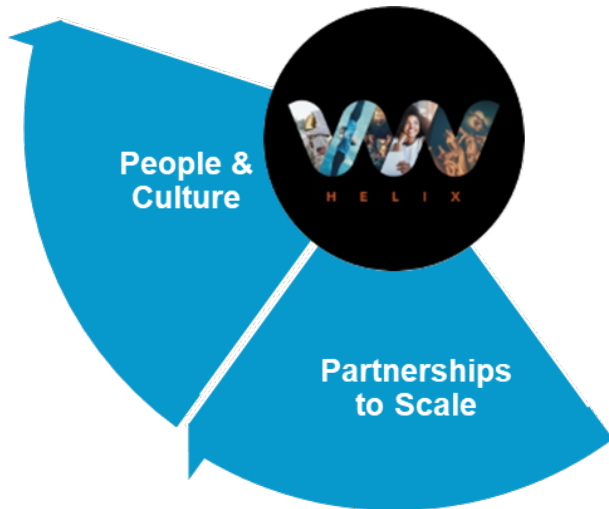
# EXECUTION

## Sharpened execution, powerful wins



# TEAM

## Investing in people and partners



Our Software AG team

30%

Increase in digital learning

CHRO

Dr Elke Frank appointed

100

IoT experts by end 2019

Our Partner Ecosystem

Expand



Maximize



Enable

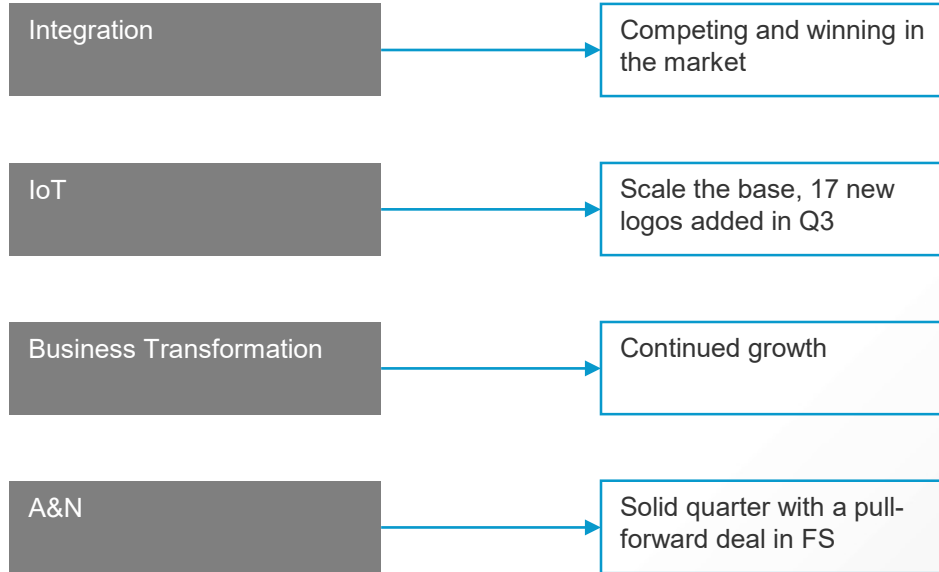
3 new enablement courses launched

# SALES

## Executing to win

83

New Logos secured in Q3





# NORTH AMERICA

## Demonstrable early signs of change

### Strengthen Pipeline

Conversion rate improved  
in Q3

Fewer slipped deals and  
better field execution

Greater AE participation in  
deal-making activity

### Driving Demand

Sales and marketing  
effectiveness improving

Campaigning around  
solution areas

### Customer Traction

Excellent quarter for  
Government Solutions

Two integration deals  
closed with US Navy

# A TURNING POINT IN OUR TRANSFORMATION

More to do – but our pathway is the right one



Tough decisions, decisive action, potential showing through

Working as one, powerful team

Focusing on planned initiatives to drive growth

Sales segmentation

Geographic focus

Subscription roll-out

Partner Ecosystem evolution

# OUTLOOK

## Full Year 2019

	<b>FY 2018</b> <i>(in €m)</i>	<b>FY 2019 Outlook</b> <i>(as of January 31, 2019)</i>	<b>FY 2019 Outlook</b> <i>(*as of April 11, 2019; **as of July 18, 2019)</i>
<b>DBP Total Revenue</b>	<b>464.7</b>	N/A	N/A
- DBP (excl. Cloud & IoT)	<b>434.4</b>	<b>+3% to +7%<sup>1)</sup></b>	<b>-6% to 0%<sup>1)</sup> **</b>
- DBP Cloud & IoT	<b>30.3</b>	<b>+75% to +125%<sup>1)</sup></b>	<b>+75% to +125%<sup>1)</sup></b>
<b>Adabas &amp; Natural</b>	<b>218.3</b>	<b>-5% to -0%<sup>1)</sup></b>	<b>-3% to +3%<sup>1)</sup> *</b>
<b>Operating Margin Group (EBITA non-IFRS)<sup>2)</sup></b>	<b>31.5%</b>	<b>28% to 30%</b>	<b>28% to 30%</b>

1) At constant currency rates

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

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