



# RESULTS 2<sup>nd</sup> QUARTER 2018 (IFRS, UNAUDITED)

July 18, 2018

# SAFE HARBOR

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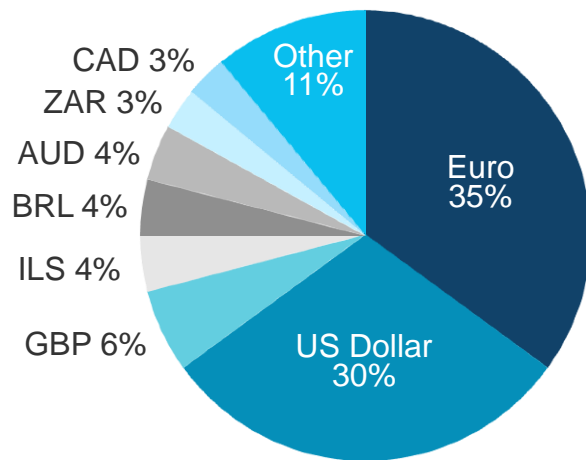
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# CURRENCY IMPACT ON REVENUE

## Q2 2018 / YTD 2018 (6 MONTHS)

⇒ 35% revenue in Euro

⇒ 65% revenue in foreign currency



Currency split YTD 2018

### Currency impact on revenue

<i>(in €m; yoy)</i>	Q2 2018	Q2 in %	YTD 2018	YTD in %
Licenses	-1.9	-3%	-5.1	-6%
Maintenance	-6.0	-6%	-14.9	-7%
SaaS	-0.1	-3%	-0.4	-4%
Consulting & Other	-1.6	-3%	-3.6	-4%
<b>Total</b>	<b>-9.5</b>	<b>-4%</b>	<b>-23.9</b>	<b>-6%</b>

# DIGITAL BUSINESS PLATFORM (INCLUDING DBP CLOUD & IoT) SEGMENT REPORT Q2 2018 / YTD 2018 (6 MONTHS)

<i>(in €m)</i>	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
<b>DBP (excl. Cloud &amp; IoT)</b>	<b>101.8</b>	<b>100.9</b>	<b>1%</b>	<b>6%</b>	<b>191.2</b>	<b>203.9</b>	<b>-6%</b>	<b>0%</b>
- thereof Licenses	35.7	33.4	7%	11%	59.1	69.9	-15%	-10%
- thereof Maintenance	66.1	67.5	-2%	3%	132.1	134.0	-1%	5%
<b>DBP Cloud &amp; IoT</b>	<b>5.3</b>	<b>3.5</b>	<b>52%</b>	<b>56%</b>	<b>11.6</b>	<b>6.4</b>	<b>81%</b>	<b>88%</b>
<b>Total revenue</b>	<b>107.1</b>	<b>104.4</b>	<b>3%</b>	<b>7%</b>	<b>202.9</b>	<b>210.3</b>	<b>-4%</b>	<b>3%</b>
Cost of sales	-9.1	-7.0	31%	35%	-17.7	-14.4	23%	29%
<b>Gross profit</b>	<b>98.0</b>	<b>97.4</b>	<b>1%</b>	<b>5%</b>	<b>185.2</b>	<b>195.9</b>	<b>-5%</b>	<b>1%</b>
Sales & Marketing	-43.1	-41.8	3%	8%	-80.8	-86.7	-7%	-1%
Research & Development	-24.1	-25.0	-3%	0%	-46.9	-48.6	-4%	0%
<b>Segment result</b>	<b>30.8</b>	<b>30.6</b>	<b>1%</b>	<b>6%</b>	<b>57.5</b>	<b>60.6</b>	<b>-5%</b>	<b>4%</b>
<i>Margin in %</i>	<b>28.8%</b>	<b>29.3%</b>			<b>28.3%</b>	<b>28.8%</b>		

# DBP CLOUD & IoT

## SEGMENT REPORT Q2 2018 / YTD 2018 (6 MONTHS)

<i>(in €m)</i>	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
Licenses	0.2	0.7	-70%	-69%	2.0	1.3	50%	53%
Maintenance	0.8	0.6	24%	27%	1.6	1.0	52%	55%
SaaS / Usage Based	4.3	2.2	97%	103%	8.1	4.1	98%	108%
<b>Total revenue</b>	<b>5.3</b>	<b>3.5</b>	<b>52%</b>	<b>56%</b>	<b>11.6</b>	<b>6.4</b>	<b>81%</b>	<b>88%</b>

### Annual Recurring Revenue – June 30, 2018

<i>(in €m)</i>	2018	2017	Δ%	Δ% acc
DBP Cloud & IoT	24.8	12.2	103%	106%
Digital Business Platform (incl. DBP Cloud & IoT)	287.5	262.8	9%	13%

# ADABAS & NATURAL

## SEGMENT REPORT Q2 2018 / YTD 2018 (6 MONTHS)

<i>(in €m)</i>	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
Licenses	17.6	13.2	33%	38%	26.5	21.1	26%	32%
Maintenance	34.8	39.0	-11%	-4%	70.5	78.9	-11%	-3%
<b>Product revenue</b>	<b>52.4</b>	<b>52.2</b>	<b>0%</b>	<b>7%</b>	<b>97.0</b>	<b>100.0</b>	<b>-3%</b>	<b>4%</b>
Other	0.2	0.1	-	-	0.3	0.3	-	-
<b>Total revenue</b>	<b>52.6</b>	<b>52.3</b>	<b>0%</b>	<b>7%</b>	<b>97.3</b>	<b>100.3</b>	<b>-3%</b>	<b>4%</b>
Cost of sales	-1.3	-1.9	-37%	-31%	-2.7	-4.8	-44%	-39%
<b>Gross profit</b>	<b>51.3</b>	<b>50.4</b>	<b>2%</b>	<b>8%</b>	<b>94.7</b>	<b>95.5</b>	<b>-1%</b>	<b>6%</b>
Sales & Marketing	-7.8	-8.0	-2%	2%	-14.5	-16.1	-10%	-7%
Research & Development	-6.0	-6.0	1%	1%	-11.5	-12.0	-4%	-3%
<b>Segment result</b>	<b>37.5</b>	<b>36.4</b>	<b>3%</b>	<b>10%</b>	<b>68.7</b>	<b>67.4</b>	<b>2%</b>	<b>11%</b>
<i>Margin in %</i>	<i>71.3%</i>	<i>69.6%</i>			<i>70.6%</i>	<i>67.2%</i>		

# CONSULTING

## SEGMENT REPORT Q2 2018 / YTD 2018 (6 MONTHS)

<i>(in €m)</i>	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
<b>Total revenue</b>	<b>46.0</b>	<b>50.7</b>	<b>-9%</b>	<b>-6%</b>	<b>92.1</b>	<b>102.7</b>	<b>-10%</b>	<b>-7%</b>
Cost of sales	-36.0	-38.7	-7%	-4%	-73.5	-80.3	-8%	-5%
<b>Gross profit</b>	<b>10.1</b>	<b>12.0</b>	<b>-16%</b>	<b>-13%</b>	<b>18.6</b>	<b>22.4</b>	<b>-17%</b>	<b>-14%</b>
Sales & Marketing	-4.3	-4.9	-13%	-9%	-8.6	-9.9	-13%	-8%
<b>Segment result</b>	<b>5.8</b>	<b>7.1</b>	<b>-18%</b>	<b>-15%</b>	<b>10.0</b>	<b>12.5</b>	<b>-21%</b>	<b>-18%</b>
<i>Margin in %</i>	<i>12.6%</i>	<i>14.0%</i>			<i>10.8%</i>	<i>12.2%</i>		

# RESULTS

## Q2 2018 / YTD 2018 (6 MONTHS)

(in €m)	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
<b>Total revenue</b>	<b>205.7</b>	<b>207.4</b>	<b>-1%</b>	<b>4%</b>	<b>392.3</b>	<b>413.3</b>	<b>-5%</b>	<b>1%</b>
Cost of sales	-48.4	-51.6	-6%	-3%	-97.9	-106.6	-8%	-5%
<b>Gross profit</b>	<b>157.3</b>	<b>155.8</b>	<b>1%</b>	<b>6%</b>	<b>294.5</b>	<b>306.7</b>	<b>-4%</b>	<b>3%</b>
<i>Margin in %</i>	<i>76.5%</i>	<i>75.1%</i>			<i>75.1%</i>	<i>74.2%</i>		
Research & Development	-30.0	-30.9	-3%	0%	-58.4	-60.7	-4%	0%
Sales & Marketing	-58.4	-59.3	-1%	3%	-110.5	-121.7	-9%	-4%
Administration	-18.0	-19.5	-8%	-4%	-35.0	-38.0	-8%	-4%
Other income / expense	1.3	2.0	-34%	-	3.7	3.3	11%	-
<b>EBIT</b>	<b>52.2</b>	<b>48.1</b>	<b>9%</b>		<b>94.3</b>	<b>89.6</b>	<b>5%</b>	
<i>Margin in %</i>	<i>25.4%</i>	<i>23.2%</i>			<i>24.0%</i>	<i>21.7%</i>		



# NON-IFRS EARNINGS

## Q2 2018 / YTD 2018 (6 MONTHS)

(in €m)	Q2 2018	Q2 2017	Δ%	YTD 2018	YTD 2017	Δ%
<b>EBIT (before all taxes)</b>	<b>52.2</b>	<b>48.1</b>	<b>9%</b>	<b>94.3</b>	<b>89.6</b>	<b>5%</b>
Amortization on acquisition related intangible assets	5.2	8.5	-38%	10.5	16.3	-35%
Share based payments	3.1	3.7	-16%	6.0	8.7	-31%
Restructuring / severances / legal case	0.6	0.7	-14%	1.5	2.3	-35%
Other impacts / impacts from M&A activities	0.3	0.3	-	0.4	0.7	-
<b>EBITA (Non-IFRS)</b>	<b>61.5</b>	<b>61.3</b>	<b>-</b>	<b>112.7</b>	<b>117.6</b>	<b>-4%</b>
<i>in % of revenue (Non-IFRS)</i>	<i>29.9%</i>	<i>29.5%</i>		<i>28.7%</i>	<i>28.4%</i>	
<b>Net income (Non-IFRS)</b>	<b>42.2</b>	<b>40.2</b>	<b>5%</b>	<b>78.7</b>	<b>77.5</b>	<b>1%</b>
<b>EPS in € (Non-IFRS)*</b>	<b>0.57</b>	<b>0.54</b>	<b>6%</b>	<b>1.06</b>	<b>1.03</b>	<b>3%</b>

\* Weighted average shares outstanding (basic) Q2 2018: 74.0m / Q2 2017: 74.8m / H1 2018: 74.0m / H1 2017: 75.3m

# CASH FLOW

## Q2 2018 / YTD 2018 (6 MONTHS)

<i>(in €m)</i>	Q2 2018	Q2 2017	Δ%	YTD 2018	YTD 2017	Δ%
<b>Operating cash flow</b>	<b>33.5</b>	<b>46.6</b>	<b>-28%</b>	<b>95.1</b>	<b>108.4</b>	<b>-12%</b>
<i>./. CapEx*</i>	-5.0	-4.1		-6.5	-22.6**	
<b>Free cash flow</b>	<b>28.5</b>	<b>42.5</b>	<b>-33%</b>	<b>88.6</b>	<b>85.8</b>	<b>3%</b>
<i>in % of revenue</i>	<i>13.9%</i>	<i>20.5%</i>		<i>22.6%</i>	<i>20.8%</i>	
<b>Free cash flow per share***</b>	<b>0.39€</b>	<b>0.57€</b>	<b>-32%</b>	<b>1.20€</b>	<b>1.14€</b>	<b>5%</b>

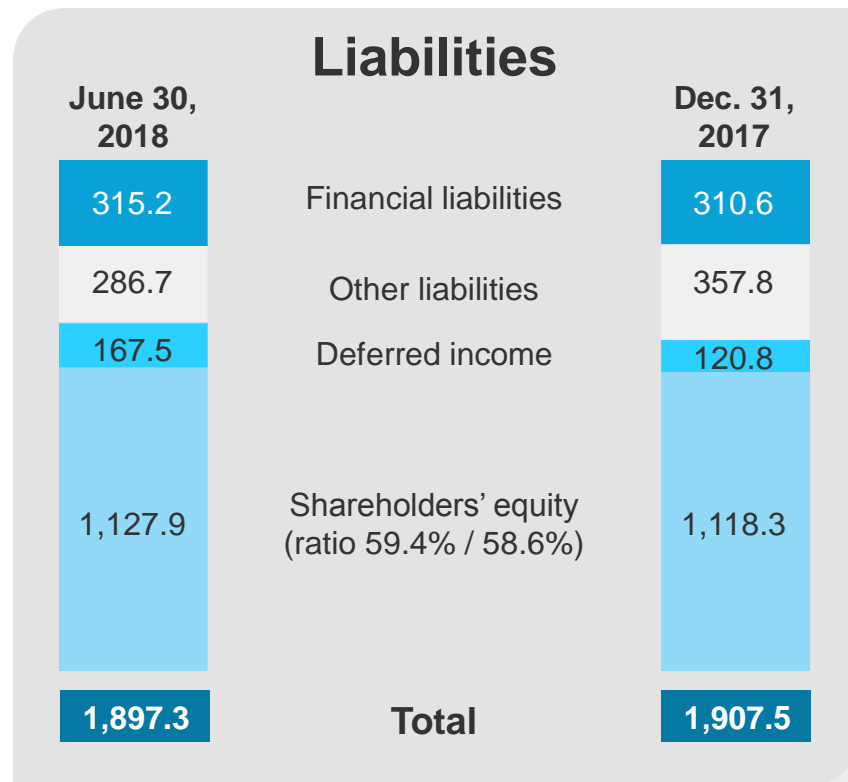
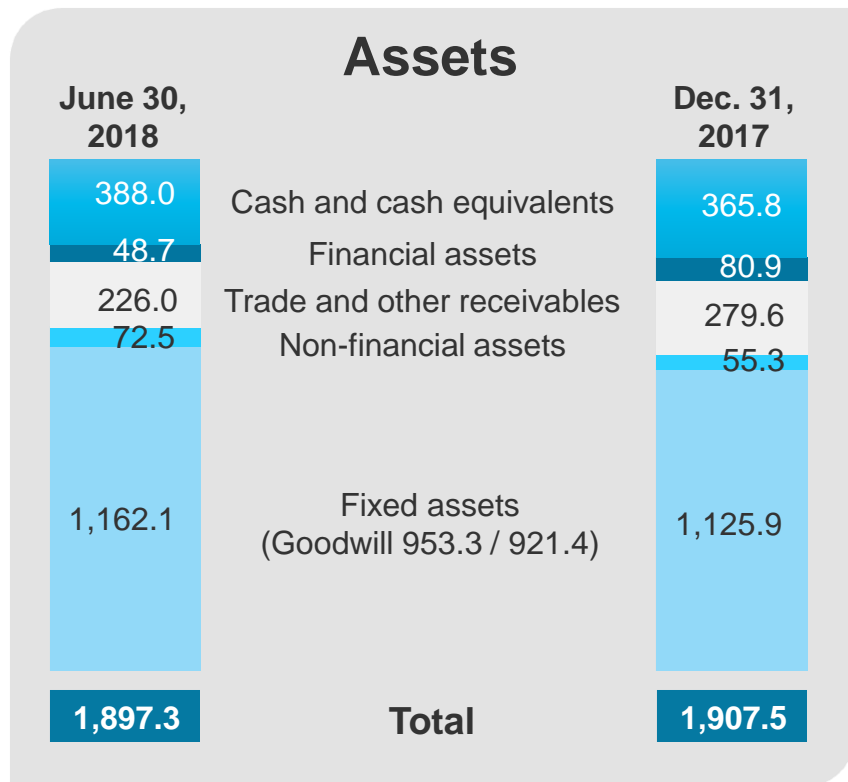
\* Cash flow from investing activities except acquisitions and except investments in debt instruments

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

\*\*\* Based on weighted average shares outstanding (basic) Q2 2018: 74.0m / Q2 2017: 74.8m / H1 2018: 74.0m / H1 2017: 75.3m

# 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. Cloud & IoT)	<b>441.5</b>	<b>+3% to +7%<sup>1)</sup></b>
- DBP Cloud & IoT	<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 / H1 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>	June 30, 2018	Dec. 31, 2017	Δ%	June 30, 2017	Δ% yoy
<b>Total</b>	<b>4,655</b>	<b>4,596</b>	<b>1%</b>	<b>4,570</b>	<b>2%</b>
Consulting & Services	1,910	1,935	-1%	1,920	-1%
Research & Development	1,205	1,176	2%	1,158	4%
Sales & Marketing	936	862	9%	888	5%
Administration	604	623	-3%	604	0%
Germany	1,218	1,201	1%	1,183	3%
USA	574	575	0%	597	-4%
India	803	823	-2%	785	2%
Rest of world	2,060	1,997	3%	2,005	3%

\* According to P+L structure

# EARNINGS

## Q2 2018 / YTD 2018 (6 MONTHS)

(in €m)	Q2 2018	Q2 2017	Δ%	YTD 2018	YTD 2017	Δ%
<b>EBIT (before all taxes)</b>	<b>52.2</b>	<b>48.1</b>	<b>9%</b>	<b>94.3</b>	<b>89.6</b>	<b>5%</b>
Financial result	0.7	0.2	-	2.1	0.0	-
Profit before taxes	52.9	48.3	10%	96.4	89.6	8%
Other taxes	-1.4	-1.8	-20%	-3.2	-3.7	-14%
Income taxes	-15.7	-15.2	3%	-27.4	-27.3	-
<i>Tax rate in %</i>	<i>-32.3%</i>	<i>35.2%</i>		<i>-31.7%</i>	<i>34.6%</i>	
<b>Net income</b>	<b>35.8</b>	<b>31.3</b>	<b>14%</b>	<b>65.8</b>	<b>58.6</b>	<b>12%</b>
<b>EPS in €*</b>	<b>0.48€</b>	<b>0.42€</b>	<b>14%</b>	<b>0.89€</b>	<b>0.78€</b>	<b>14%</b>

\* Weighted average shares outstanding (basic) Q2 2018: 74.0m / Q2 2017: 74.8m / H1 2018: 74.0m / H1 2017: 75.3m

# AMORTIZATION / DEPRECIATION IMPACT (PRELIMINARY)

<i>(in €m)</i>	<b>Q1 2018</b>	<b>Q2 2018</b>	<b>FY 2018*</b>	<b>FY 2019*</b>	<b>FY 2020*</b>
Amortization	5.3	5.2	21.0	20.0	13.0
Depreciation	2.7	2.7	11.1	11.2	11.2

\* Estimated



# REVENUE

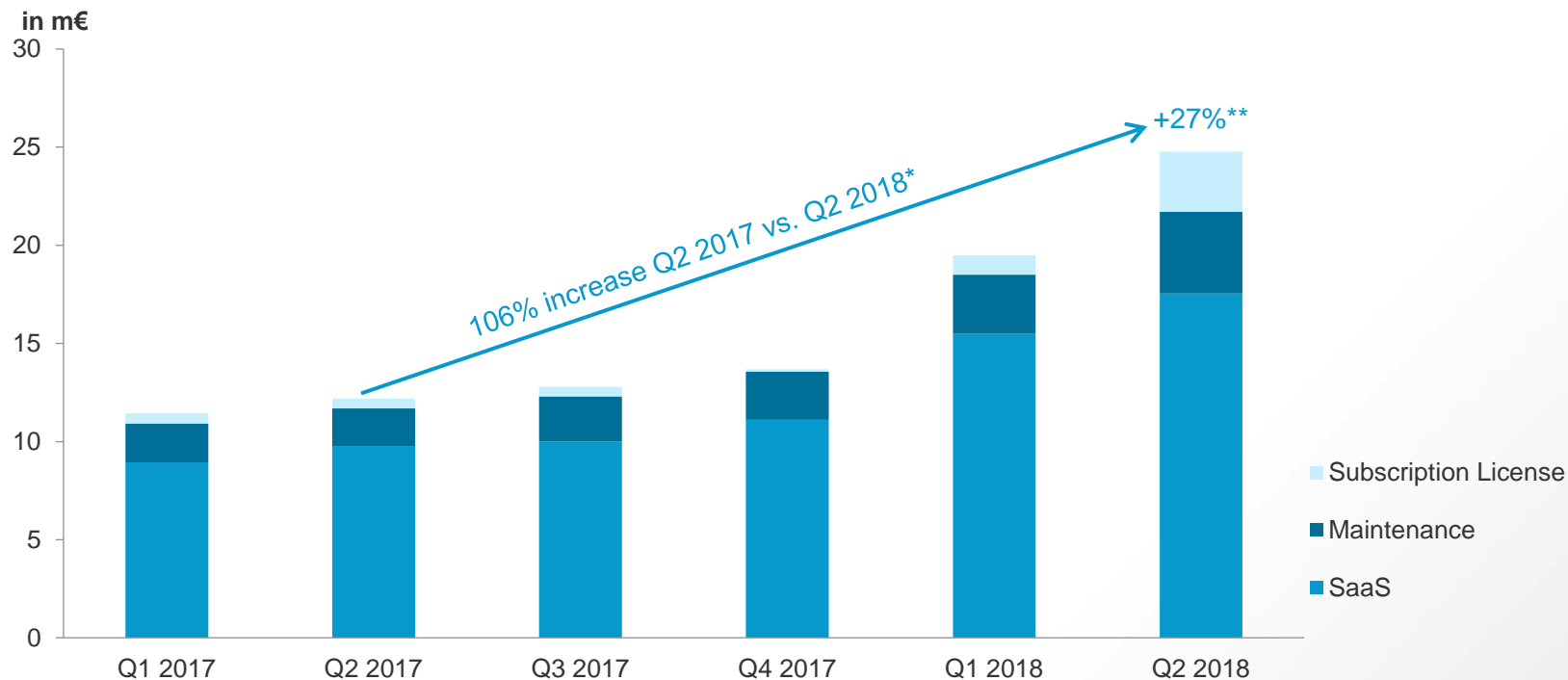
## Q2 2018 / FY 2018 (6 MONTHS)

(in €m)

	Q2 2018	Q2 2017	Δ%	Δ% acc	YTD 2018	YTD 2017	Δ%	Δ% acc
<b>Product revenue</b>	<b>159.5</b>	<b>156.5</b>	<b>2%</b>	<b>7%</b>	<b>299.9</b>	<b>310.2</b>	<b>-3%</b>	<b>3%</b>
Licenses	53.5	47.3	13%	17%	87.6	92.2	-5%	1%
Maintenance	101.7	107.0	-5%	1%	204.2	214.0	-5%	2%
SaaS / Usage Based	4.3	2.2	97%	103%	8.1	4.1	98%	107%
<b>Services</b>	<b>46.0</b>	<b>50.6</b>	<b>-9%</b>	<b>-6%</b>	<b>92.1</b>	<b>102.7</b>	<b>-10%</b>	<b>-7%</b>
Other	0.2	0.2	-	-	0.4	0.4	-	-
<b>Total</b>	<b>205.7</b>	<b>207.4</b>	<b>-1%</b>	<b>4%</b>	<b>392.3</b>	<b>413.3</b>	<b>-5%</b>	<b>1%</b>

# ARR – DBP CLOUD & IoT DEVELOPMENT

## STATUS Q2 2018



\* Net of currency (based on prior year rates)

\*\* vs. previous quarter

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