SoftwareONE

EMPOWERING COMPANIES TO TRANSFORM

Q1 2022 Trading update
19 May 2022
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Q1 2022 SUMMARY

Dieter Schlosser, CEO
STRONG START TO 2022 WITH GROSS PROFIT GROWTH OF 14.6%  

Q1 2022, % YoY growth (ccy)  

**GROUP**  
Gross profit  
CHF 212.9m  
+14.6%* growth  

Adjusted EBITDA  
CHF 42.1m  
19.8%* margin  

**BY BUSINESS LINE**  

**Solutions & Services**  
Gross profit growth  
+39.5%  

**Software & Cloud**  
Gross profit growth  
+1.1%*  

* Impacted by exceptional vendor payment in comparative quarter (Q1 2021)
CONTINUED STRONG DEMAND ENVIRONMENT

WELL-POSITIONED TO CAPTURE MARKET OPPORTUNITY...

- Strong market momentum
- Globally diversified business with software and cloud-native focus
- High % of recurring revenue
- Pricing flexibility
- Talent attraction, retention & culture
- Russian business divested

$634\text{bn}$
Software & Cloud spend
$14\%$ CAGR

$64\text{bn}$
IaaS-related services
$32\%$ CAGR

...WHILE EFFECTIVELY NAVIGATING MACRO-ECONOMIC UNCERTAINTIES

- High inflation
- Deglobalization
- Staff attrition & wage inflation
- War in Ukraine
- COVID lock-downs in China

(1) Market data based on data from Gartner, IDC; CAGR refers to 2020-2025e
SOLUTIONS & SERVICES MAINTAINS GROWTH TRAJECTORY

SOLUTIONS & SERVICES GROSS PROFIT
CHFm, % YoY growth (ccy)

Q1 2021  |  Q1 2022
--- | ---
67.5 | 91.0

+39.5% ccy

Q1 2022 HIGHLIGHTS

- Broad-based strong performance across service lines, customers and geographies
- Excellent growth in XSimple$^{(1)}$, up >70% YoY, with 7.3 million users supported in the cloud
- Continued focus on cross-sell, with 72% of LTM$^{(2)}$ gross profit from customers purchasing both software and services, up from 66% a year ago
- Contribution from strategic acquisitions, adding talent and capabilities to provide enhanced hyperscaler services

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(1) Based on AzureSimple and 365Simple
(2) To 31 March 2022
SOFTWARE & CLOUD BILLINGS GROWTH HIGHER THAN OVERALL MICROSOFT MARKET

SOFTWARE & CLOUD GROSS PROFIT
CHFm, % YoY growth (ccy)

Q1 2021: 123.5
Q1 2022: 121.9

Q1 2022 HIGHLIGHTS

• Billings growth higher than overall Microsoft market, with market share gains; Positive performance across customer segments

• Underlying gross profit growth was higher than in H2 2021, driven by a sustained recovery in the hyperscaler practices

• Continued transition of customers from commitment buying to pay-as-you-go (XSimples)

• Strong momentum in ISV portfolio, on the back of PyraCloud/Goatpath adoption and demand for Digital Supply Chain

Exceptional vendor payment (not according to scale)
DOUBLE-DIGIT GROWTH ACROSS REGIONS

CHFm, % YoY growth (ccy)

**NORAM**
Q1 2022 Gross profit
CHF 32.4m
+25.1%

**EMEA**
Q1 2022 Gross profit
CHF 132.4m
+11.6%

**LATAM**
Q1 2022 Gross profit
CHF 23.1m
+16.2%

**APAC**
Q1 2022 Gross profit
CHF 24.7m
+16.3%
FINANCIAL PERFORMANCE

Rodolfo J. Savitzky, CFO
## STRONG GROWTH MOMENTUM WITH COST CONTROL MEASURES IN PLACE

### PROFIT & LOSS SUMMARY

<table>
<thead>
<tr>
<th>CHFm</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>% Δ CCY(3)</th>
<th>% Δ Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Solutions &amp; Services</td>
<td>115.7</td>
<td>90.3</td>
<td>32.7%</td>
<td>28.2%</td>
</tr>
<tr>
<td>Revenue from Software &amp; Cloud(1)</td>
<td>121.9</td>
<td>123.5</td>
<td>1.1%</td>
<td>(1.3)%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>237.6</td>
<td>213.7</td>
<td>14.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Total gross profit</td>
<td>212.9</td>
<td>190.9</td>
<td>14.6%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Adjusted operating expenses(2)</td>
<td>(170.9)</td>
<td>(149.6)</td>
<td>17.7%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>42.1</td>
<td>41.3</td>
<td>3.1%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin (%)</td>
<td>19.8%</td>
<td>21.6%</td>
<td></td>
<td>(1.9)pp</td>
</tr>
</tbody>
</table>

- Strong growth momentum in Solutions & Services
- Underlying gross profit growth for Software & Cloud in Q1 2022 higher than in H2 2021
- Growth in Adj. operating expenses driven by high level of inorganic and organic investments
- Cost control measures implemented, with opex broadly flat vs. Q4 2021
- Negative FX impact on gross profit; Natural hedge on EBITDA

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(1) Revenue from Software & Cloud presented net of cost of software purchases in line with tentative decision by IFRS IC with regards to revenue recognition under IFRS 15
(2) Includes adjustments for share-based compensation, IPO, integration and M&A and earn-out expenses and Transformersance
(3) In constant currency; Current period translated at average exchange rate of prior-year period, based on management accounts
LEVERAGING BUSINESS SEASONALITY

QUARTERLY GROSS PROFIT

CHFm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Profit CHFm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>164.4</td>
</tr>
<tr>
<td>Q2 20</td>
<td>206.4</td>
</tr>
<tr>
<td>Q3 20</td>
<td>158.6</td>
</tr>
<tr>
<td>Q4 20</td>
<td>200.2</td>
</tr>
<tr>
<td>Q1 21</td>
<td>190.9</td>
</tr>
<tr>
<td>Q2 21</td>
<td>223.4</td>
</tr>
<tr>
<td>Q3 21</td>
<td>193.6</td>
</tr>
<tr>
<td>Q4 21</td>
<td>247.2</td>
</tr>
<tr>
<td>Q1 22</td>
<td>212.9</td>
</tr>
</tbody>
</table>

Adj. EBITDA (CHFm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adj. EBITDA CHFm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>31.5</td>
</tr>
<tr>
<td>Q2 20</td>
<td>88.5</td>
</tr>
<tr>
<td>Q3 20</td>
<td>31.8</td>
</tr>
<tr>
<td>Q4 20</td>
<td>71.2</td>
</tr>
<tr>
<td>Q1 21</td>
<td>41.3</td>
</tr>
<tr>
<td>Q2 21</td>
<td>67.8</td>
</tr>
<tr>
<td>Q3 21</td>
<td>35.1</td>
</tr>
<tr>
<td>Q4 21</td>
<td>75.2</td>
</tr>
<tr>
<td>Q1 22</td>
<td>42.1</td>
</tr>
</tbody>
</table>

Margin(%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 20</td>
<td>19.2</td>
</tr>
<tr>
<td>Q2 20</td>
<td>42.9</td>
</tr>
<tr>
<td>Q3 20</td>
<td>20.1</td>
</tr>
<tr>
<td>Q4 20</td>
<td>35.6</td>
</tr>
<tr>
<td>Q1 21</td>
<td>21.6</td>
</tr>
<tr>
<td>Q2 21</td>
<td>30.4</td>
</tr>
<tr>
<td>Q3 21</td>
<td>18.2</td>
</tr>
<tr>
<td>Q4 21</td>
<td>30.4</td>
</tr>
<tr>
<td>Q1 22</td>
<td>19.8</td>
</tr>
</tbody>
</table>

- Capturing growth with Microsoft’s June financial year-end and budget flush in December
- EBITDA margin follows gross profit seasonality due to stable opex base
OPERATIONAL EXCELLENCE TO DRIVE PROFITABLE GROWTH

✓ Transformation completed with reduction of around 600 FTEs
✓ New program initiated to evaluate further efficiencies:
  • Portfolio optimization
  • Optimization of local, regional and global delivery
  • Process standardization and automation
  • Optimization of geographical footprint
INCREASED TRANSPARENCY

✓ Reporting of Adjusted EBITDA by business line from H1 2022

✓ Revised definitions for COGS and operating expenses to better reflect performance by business line
  • Some costs reclassified from operating expenses to COGS
  • No impact at revenue or EBITDA levels

✓ Re-stated financials by business line available in due course to facilitate the transition
## GUIDANCE REITERATED

<table>
<thead>
<tr>
<th>FY2022 OUTLOOK</th>
<th>MID-TERM GUIDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS PROFIT GROWTH</strong>&lt;sup&gt;(m)&lt;/sup&gt;</td>
<td>• ‘Mid-teens’</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA MARGIN</strong></td>
<td>• Above 25%</td>
</tr>
<tr>
<td><strong>DIVIDEND POLICY</strong></td>
<td>• 30-50% adjusted profit for the year</td>
</tr>
</tbody>
</table>

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<sup>(1)</sup> In constant currency
CLOSING REMARKS

Dieter Schlosser, CEO
KEY TAKE-AWAYS

STRONG GROWTH MOMENTUM
✓ Q1 2022 results on track to meet full-year guidance

FOCUS ON OPERATIONAL EFFICIENCIES TO DRIVE PROFITABILITY
✓ Transformance completed, with further efficiencies being evaluated

INCREASED TRANSPARENCY
✓ Reporting by business line from H1 2022
THANK YOU!
## ADJUSTED EBITDA BRIDGE

<table>
<thead>
<tr>
<th>CHFm (unless otherwise indicated)</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBITDA</td>
<td>33.3</td>
<td>25.5</td>
</tr>
<tr>
<td>Share-based compensation(^{(1)})</td>
<td>3.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Integration and M&amp;A and earn-out expenses</td>
<td>4.2</td>
<td>8.4</td>
</tr>
<tr>
<td>Transformation-related expenses</td>
<td>-</td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>41.3</strong></td>
<td><strong>42.1</strong></td>
</tr>
</tbody>
</table>

- Adjustments:
  - Share-based compensation\(^{(1)}\)
  - Integration, M&A and earn-out expenses
  - Transformation-related expenses

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\(^{(1)}\) Refers to Management Equity Plan (MEP), which was fully funded pre-IPO by major shareholders with no cash or equity impact, and the employee free share grant.
# Quarterly Financial Overview

<table>
<thead>
<tr>
<th>CHFm (unless otherwise indicated)</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>FY2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>FY2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit Software &amp; Cloud</td>
<td>116.9</td>
<td>157.7</td>
<td>109.7</td>
<td>135.1</td>
<td>519.5</td>
<td>123.5</td>
<td>144.2</td>
<td>112.3</td>
<td>153.7</td>
<td>533.6</td>
<td>121.9</td>
</tr>
<tr>
<td>Gross profit Solutions &amp; Services</td>
<td>47.5</td>
<td>48.6</td>
<td>48.9</td>
<td>65.0</td>
<td>210.1</td>
<td>67.5</td>
<td>79.3</td>
<td>81.3</td>
<td>93.5</td>
<td>321.4</td>
<td>91.0</td>
</tr>
<tr>
<td>Total gross profit</td>
<td>164.4</td>
<td>206.4</td>
<td>158.6</td>
<td>200.2</td>
<td>729.6</td>
<td>190.9</td>
<td>223.4</td>
<td>193.6</td>
<td>247.2</td>
<td>855.1</td>
<td>212.9</td>
</tr>
<tr>
<td>Total adjusted operating costs</td>
<td>(132.9)</td>
<td>(117.9)</td>
<td>(126.8)</td>
<td>(129.0)</td>
<td>(506.5)</td>
<td>(149.6)</td>
<td>(155.6)</td>
<td>(158.4)</td>
<td>(172.0)</td>
<td>(635.7)</td>
<td>(170.9)</td>
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<td>Adjusted EBITDA</td>
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<td>21.6%</td>
<td>30.4%</td>
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