



Media Release – ad hoc announcement pursuant to Art. 53 LR

SoftwareOne appoints Raphael Erb as CEO; revises financial guidance

Stans, Switzerland | 31 October 2024 – **SoftwareOne Holding AG, a leading global software and cloud solutions provider, today announced the appointment of Raphael Erb as new CEO, together with an update on current trading and revised financial guidance.**

- Raphael Erb appointed by the Board of Directors as CEO effective 1 November 2024, succeeding Brian Duffy, who has decided to take on a new opportunity in the US
- Q3 2024 results below expectations driven by vendor incentive changes, sales execution issues following implementation of go-to-market transformation and a more cautious spending environment
- Full-year 2024 guidance revised to revenue growth of 2-5% YoY ccy (*previously 7-9%*) and adj. EBITDA margin of 21-23% (*previously 24.5-25.5%*); 2026 targets revised to double-digit (*previously mid-teens*) revenue growth in constant currency and adj. EBITDA margin approaching 27% (*previously 28%*)
- Discussions with interested parties regarding a potential going-private transaction are ongoing
- Webcast with incoming CEO Raphael Erb and CFO Rodolfo Savitzky held today at 9 CET

Raphael Erb appointed new CEO

Raphael Erb has had a long and successful career at SoftwareOne spanning more than 25 years. Most recently, he was named Chief Revenue Officer and member of the Executive Board as of 1 July 2024. Prior to his current role, he was President Asia Pacific – SoftwareOne’s fastest growing region – since 2019. Before that, Raphael Erb was the Head of the Services business in the German-speaking markets, as well as serving as the country lead for Switzerland and Singapore, among other leadership roles. He is a Swiss national (born 1980) and lives in Singapore.

Raphael Erb will start his new role on 1 November 2024, succeeding Brian Duffy, who joined SoftwareOne as CEO in May 2023. Their close cooperation on the Executive Board will ensure a seamless transition.

Daniel von Stockar, Chairman of the Board of Directors of SoftwareOne, said “We are fortunate to have Raphael as an excellent successor for the CEO position from within our ranks. With his many years of experience at SoftwareOne and his deep understanding of our clients and the industry, he is well-suited to lead the company and restore double-digit growth. We look forward to working even more closely with him in the future. On behalf of the Board of Directors, I would also like to thank Brian for his time as CEO and wish him all the best for the future.”

“It has been an honour to lead the organization and begin the company’s go-to-market transformation journey, while fostering our deep relationships with employees, channel and hyperscaler partners, and customers,” said **Brian Duffy, outgoing CEO of SoftwareOne**.

“I would like to thank the Board of Directors for the trust they have placed in me and very much look forward to my new role as CEO, said **Raphael Erb, incoming CEO of SoftwareOne**. “I am absolutely convinced about SoftwareOne’s strengths and capabilities, and I see a large market opportunity as organizations continue to embrace the cloud and AI. But as our recent disappointing performance clearly shows, there are areas we need to address – which we will do swiftly and decisively. I have no doubt that we can get SoftwareOne back on its growth trajectory by enhancing our focus on customers, empowering our people on the front line and improving our commercial model.”

Update on current trading and financial guidance

SoftwareOne's overall performance in Q3 2024 was below its own and market expectations. Revenue grew 3.1% YoY in constant currency (ccy) and 1.4% YoY in reported currency to CHF 236.7 million. Adjusted EBITDA was CHF 39.2 million with a margin of 16.6%, down 4 pts YoY, primarily reflecting lower-than-expected growth.

APAC delivered another strong quarter with revenue growth of 24.3% YoY ccy in Q3 2024. Revenue in the company's largest market DACH was up 11.3% YoY ccy, supported by a number of large customer wins. Revenue declined in Rest of EMEA, NORAM and LATAM. This underperformance was driven by a number of factors: a reduction in certain vendor incentives was not compensated for by new incentives in Q3 2024, as was the case in the first half of the year. In addition, the transformation of the go-to-market model implemented in mid-2024 under an accelerated timeline caused some disruption and sales execution issues, particularly in NORAM. Finally, a more cautious spending environment was evident in certain key markets, which is expected to persist through Q4 2024.

In response to these adverse developments, decisive action is being taken to ensure that the affected regions quickly adapt to the new coverage model. Roll-out plans for the remaining markets have also been adjusted to take a phased approach.

Cost saving measures are being introduced since Q3 2024, with the intention of increasing efficiency and aligning costs with the current environment, with a target of more than CHF 50 million savings including the reduction of corporate overheads.

As a result of the company's performance in Q3 2024 and outlook for Q4, SoftwareOne's 2024 full-year guidance was revised as follows:

- Revenue growth of 2-5% (*previously 7-9%*) for the group in constant currency;
- Adjusted EBITDA margin of 21-23% of revenue (*previously 24.5-25.5%*);
- Dividend pay-out ratio of 30-50% of adjusted profit for the year (*unchanged*).

Given recent developments, the 2026 targets were revised to double-digit (*previously mid-teens*) revenue growth in constant currency with an adjusted EBITDA margin approaching 27% (*previously 28%*).

SoftwareOne will publish its full Q3 2024 trading update on 13 November 2024 as planned.

Ongoing discussions regarding a potential going-private

The Board of Directors reiterates that discussions regarding a potential going-private transaction are progressing, but remain challenging given the general business environment.

CALL FOR INVESTORS, ANALYSTS AND THE MEDIA

A webcast for investors, analysts and the media with Raphael Erb, incoming CEO and Rodolfo Savitzky, CFO will be held today at 9.00 CET and may be joined via the link [Audio webcast](#).

If you wish to actively participate in the Q&A session or are unable to join via the webcast, you may call the following numbers, 10 – 15 minutes before the conference start

Switzerland / Europe: +41 (0) 58 310 50 00

United Kingdom: +44 (0) 207 107 06 13

United States: +1 (1) 631 570 56 13

Other international numbers available [here](#).

The webcast will be archived and a digital playback will be available approximately two hours after the event in the [Results centre](#).

CONTACT

Anna Engvall, Investor Relations

Tel. +41 44 832 41 37, anna.engvall@softwareone.com

Jodi Sorensen, Corporate Communications

Tel. +1 201 294 5358, jodi.sorensen@softwareone.com

FGS Global, Media Relations

Tel. +41 44 562 14 99, press.softwareone@fgsglobal.com

ABOUT SOFTWAREONE

SoftwareOne is a leading global software and cloud solutions provider that is redefining how organizations build, buy and manage everything in the cloud. By helping clients to migrate and modernize their workloads and applications – and in parallel, to navigate and optimise the resulting software and cloud changes – SoftwareOne unlocks the value of technology. The company's ~9,300 employees are driven to deliver a portfolio of 7,500 software brands with a presence in over 60 countries. Headquartered in Switzerland, SoftwareOne is listed on the SIX Swiss Exchange under the ticker symbol SWON. Visit us at www.softwareone.com

SoftwareOne Holding AG, Riedenmatt 4, CH-6370 Stans

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