



Q1 2023 Trading update

17 May 2023

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Today's agenda

- 1 Message from the CEO
- 2 Q1 2023 highlights
- 3 Financial performance and outlook
- 4 Q&A



Brian Duffy, CEO



Rodolfo Savitzky, CFO

CEO message

- First days meeting the team
- Impressed by culture & passion
- Operational excellence
- Massive opportunity in cloud
- Focus on customer success
- Enhancing partner relationships

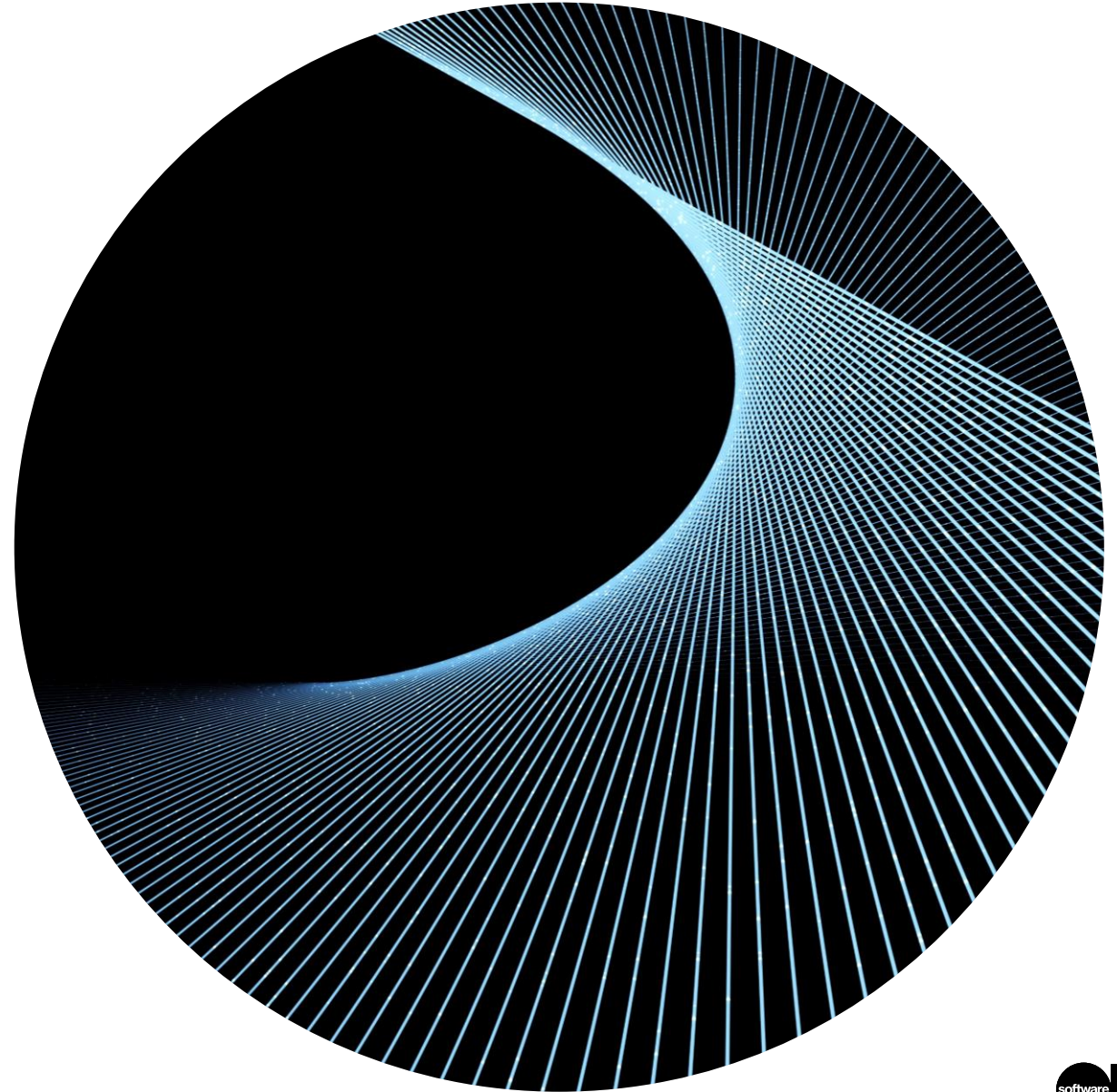


software **one
step
ahead.**



Q1 2023 highlights

Rodolfo Savitzky, CFO



Solid start to 2023 with revenue growth of 9%

CHFm, % YoY (ccy) ⁽¹⁾	Q1 2023	
Revenue	239.4	+8.7%
Adjusted EBITDA	39.6	(3.8)%
Margin (% revenue)	16.6%	(1.8)pp

(1) Compared to restated financials for Q1 2022 due to changes in revenue recognition related to IFRS 15; see slide 22 for further details



Resilient performance across regions

Q1 2023 revenue by region

CHFm, % YoY growth (ccy)

NORAM

32.6

(3.2)%

LATAM

24.8

+3.8%

EMEA

149.4

+8.9%

APAC

31.3

+23.1%

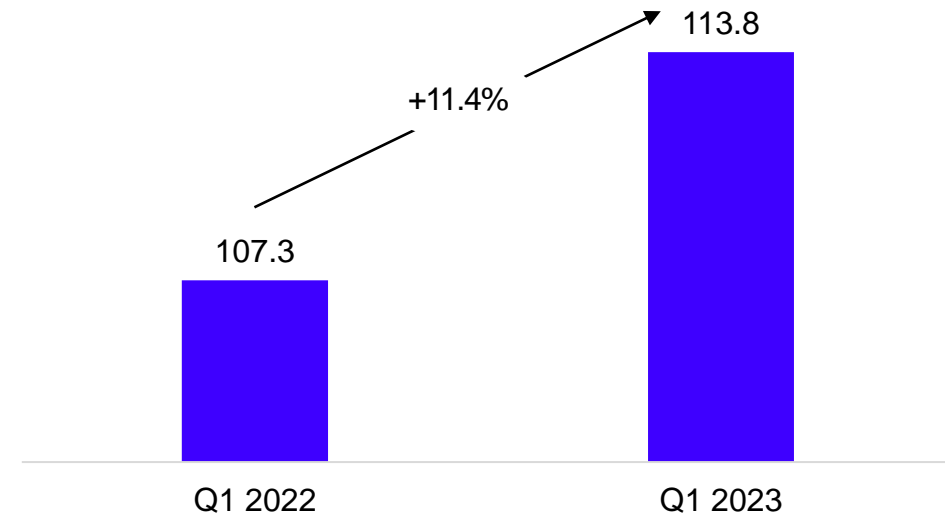
Strong growth of core service lines in S&C Services

Q1 2023 highlights

- 20%+ YoY ccy revenue growth across Cloud Services, Application Services and SAP Services; partially offset by a decline in legacy services
- Growth in xSimples⁽¹⁾ of 20% YoY ccy, with 8.7 million users supported in the cloud
- Continued focus on cross-sell, with 71% of LTM⁽²⁾ group revenue from 15.4k clients purchasing both software and services, vs. 14.6k a year ago

Revenue

CHFm, % YoY growth (ccy)



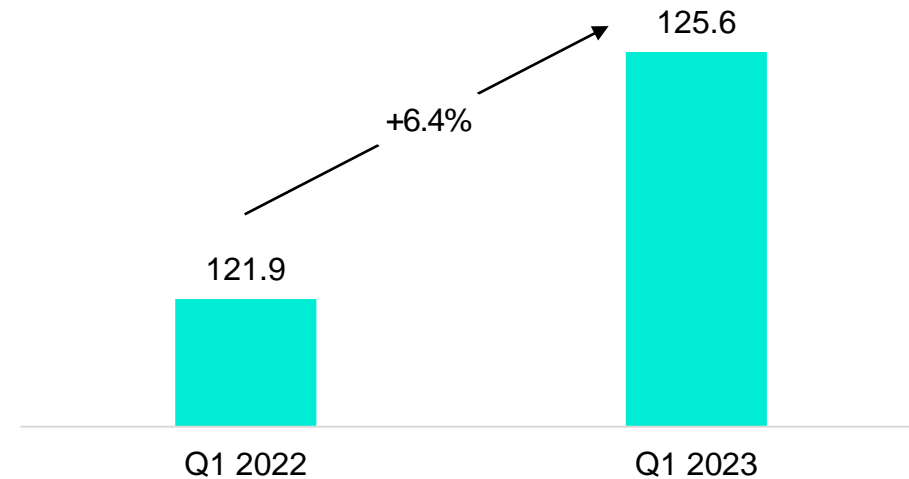
Continued momentum in S&C Marketplace ISV portfolio

Q1 2023 highlights

- Microsoft gross billings at USD 4.2 billion in Q1 2023, up 13% compared to prior year, driven by solid momentum across customer segments
- Microsoft revenue impacted by shift from legacy CSP to NCE model⁽¹⁾
- Strong revenue growth of c. 30% YoY ccy in ISV portfolio reflecting market share gains with key vendors, particularly in hyperscalers, cybersecurity and visualisation software

Revenue

CHFm, % YoY growth (ccy)



Expansion into IT Service Management via acquisition of Beniva Consulting

Company overview



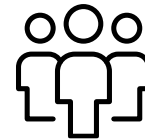
- Elite ServiceNow Partner headquartered in Calgary, Canada
- Provider of professional services for implementation of ServiceNow platform
- Additional portfolio capabilities include automation, data & analytics and advisory

Transaction rationale

- Expansion into ITSM and broader ITOM market⁽¹⁾
- Enhanced client advisory on IT operations improvement
- Synergies with FinOps, Cloud Advisory and Application Services

Financial impact

- Margin accretive to Services at adjusted EBITDA level



75

Professionals



From **\$2 bn** ITAM to

>\$7 bn

ITSM market



60%

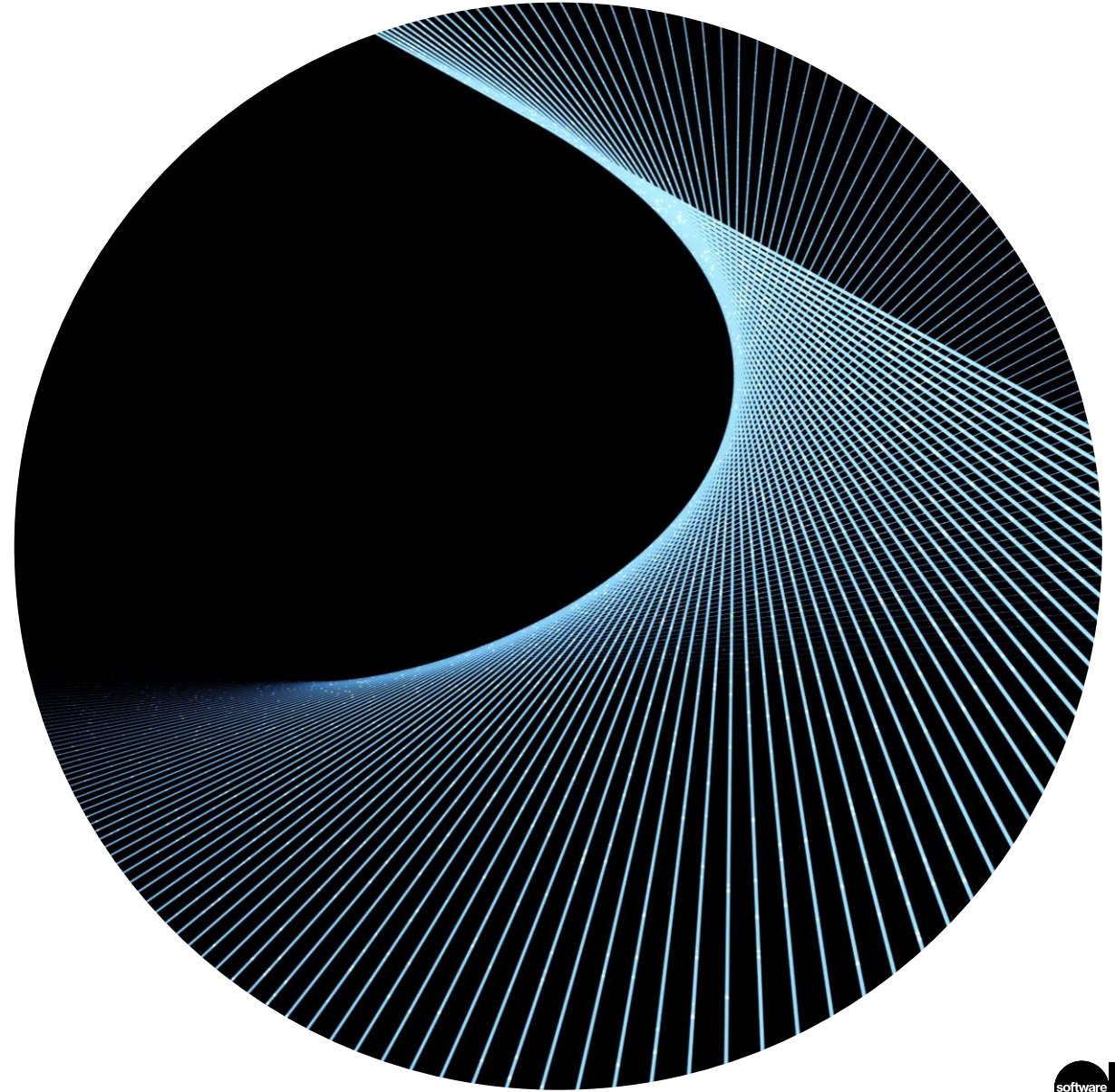
ServiceNow revenue



100%

US & Canada

Financial performance



Solid revenue and margin performance

P&L summary

CHFm	Q1 2023	Q1 2022	% Δ Rep ⁽¹⁾	% Δ CCY ⁽¹⁾⁽²⁾
Revenue	239.4	229.2	4.5%	8.7%
Delivery costs	(91.4)	(92.7)	(1.4)%	3.9%
Contribution margin	148.0	136.5	8.4%	12.1%
<i>Contribution margin (% revenue)</i>	<i>61.8%</i>	<i>59.6%</i>	<i>+2.3pp</i>	-
SG&A	(108.4)	(94.4)	14.8%	19.1%
Adj. EBITDA	39.6	42.1	(5.8)%	(3.8)%
<i>Adj. EBITDA margin (% revenue)</i>	<i>16.6%</i>	<i>18.4%</i>	<i>(1.8)pp</i>	-

- Improvement in contribution margin compensating for mix
- Increase in SG&A due to ~5% wage inflation and post-Covid normalisation of marketing activities
- FX partially mitigated by natural hedge between revenue and costs

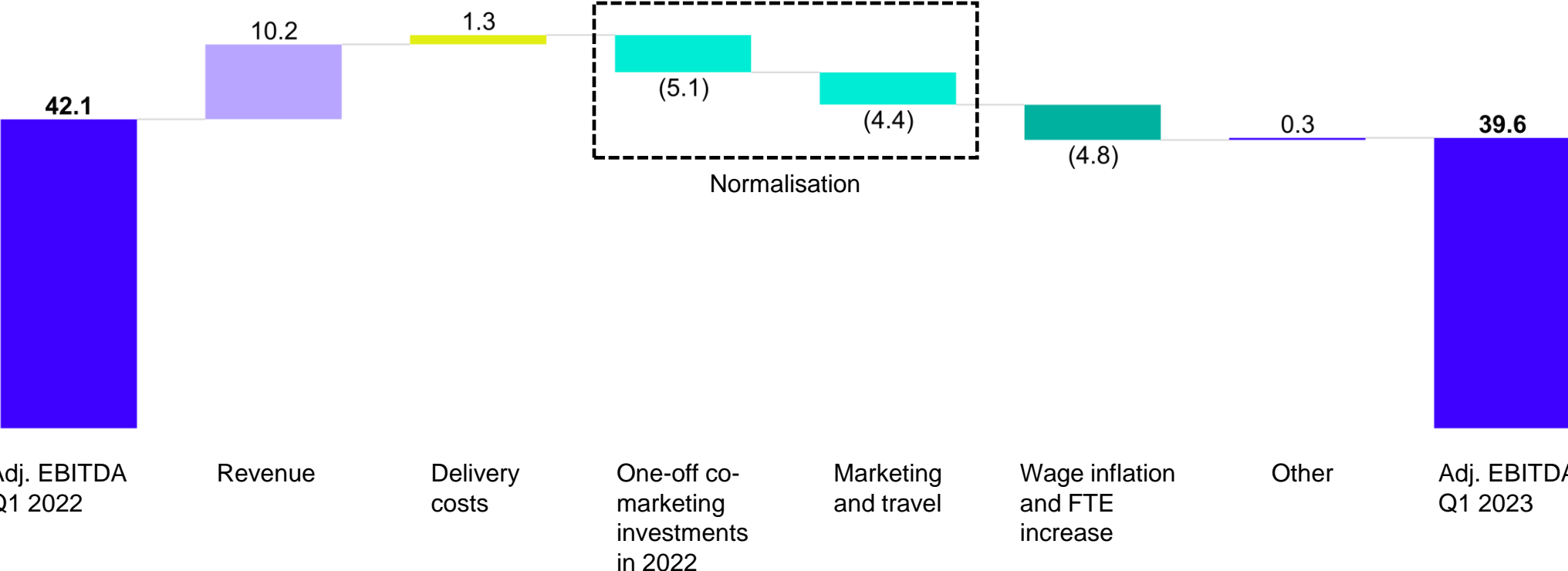
(1) Compared to restated financials for Q1 2022 due to changes in revenue recognition related to IFRS 15; see slide 22 for further details

(2) In constant currency; current period translated at average exchange rate of prior-year period based on management accounts

Adj. EBITDA impacted by wage inflation and normalisation of commercial activities

Adjusted EBITDA bridge

CHFm



Improved contribution margin across both business lines

Business line P&L⁽¹⁾

CHFm	Software & Cloud Services		Software & Cloud Marketplace	
	Q1 2023	% Δ CCY ⁽²⁾	Q1 2023	% Δ CCY ⁽²⁾
Revenue	113.8	11.4%	125.6	6.4%
Delivery costs	(72.5)	5.2%	(19.0)	(1.2)%
Contribution margin	41.4	24.4%	106.6	7.9%
<i>Contribution margin (% revenue)</i>	<i>36.4%</i>	<i>4.1pp</i>	<i>84.9%</i>	<i>1.3pp</i>
SG&A	(39.1)	6.7%	(53.3)	27.8%
Adj. EBITDA	2.3	NM	53.3	(7.3)%
<i>Adj. EBITDA margin (% revenue)</i>	<i>2.0%</i>	<i>5.4pp</i>	<i>42.5%</i>	<i>(5.7)pp</i>

- Services delivery costs optimised as part of operational excellence programme
- Adj. EBITDA margin by business line impacted by redefinition of sales roles
- Business development and solutions specialists assigned to business lines
- Key account managers allocated based on contribution margin

Operational excellence programme fully on track



Progress

Commercial effectiveness



- Optimised customer-facing and sales support teams to maximise cross-sell and new leads
- Value-based customer segmentation and targeting
- Improved lead generation by leveraging customer data
- Sales roles and organisational model defined; implementation started
- Launched AI-driven cross-sell pilot in NORAM

Efficient service delivery model



- Streamlined delivery organisation
- 'Glocal' delivery model for optimal utilisation rate
- Standardised offerings to scale profitably
- Spans and layers review completed
- 70-80% of personnel transitions executed

Right-sized support functions

- Expanded shared services
- Increased process standardisation and automation
- Country finance transitions to shared service centres started
- Launched HR shared service centre pilot in DACH
- Roll-out of Finance standard processes initiated

Mid-teens revenue growth with CHF **50** million annual cost savings, with up to **50%** re-invested in strategic growth areas

2023 guidance reiterated

Key takeaways

- 1 Solid start to the year in Q1 2023
- 2 Positive momentum in Microsoft billings, ISV portfolio and core services
- 3 Operational excellence programme on track to deliver planned savings
- 4 Expansion into IT Service Management via acquisition of Beniva Consulting
- 5 Launch of share buy-back programme

2023 outlook and mid-term guidance

	FY 2023	Mid-term
Revenue growth ⁽¹⁾	Double-digit	Mid-teens
Adj. EBITDA margin (% revenue)	24-25%	>25%
Dividend policy	30-50% adj. profit	30-50% adj. profit

Q&A



Appendix

Definitions of key alternative performance measures

Gross profit from Software & Cloud Marketplace equals revenue from the sale of software and cloud⁽¹⁾. **Gross profit from Software & Cloud Services** is calculated as revenue from solutions and services less third-party service delivery costs.

Adjusted EBITDA is defined as the underlying earnings before net financial items, tax, depreciation and amortisation, adjusted for items affecting comparability in operating expenses.

Adjusted EBITDA margin is defined as adjusted EBITDA divided by gross profit (old reporting methodology) or revenue (new reporting methodology)

Adjusted profit for the period is defined as the (loss)/profit for the period, adjusted for items impacting comparability in operating expenses and net finance income/(expenses) as well as the related tax impact.

Contribution margin is defined as total revenue net of third-party service delivery costs and directly attributable internal delivery costs.

Free cash flow is defined as the group net cash generated from/(used in) operating activities, plus net cash from/(used in) investing activities, minus net cash from acquisition of businesses (net of cash acquired), sale of subsidiary (net of cash disposed) and proceeds from sale of financial assets.

Growth at constant currencies is defined as the change between two periods presented on a constant currency basis for comparability purposes and to assess the group's underlying performance. Period profit and loss figures are translated from the subsidiaries' respective local currencies into Swiss francs at the applicable average exchange rate of the prior year period. This calculation is based on the underlying management accounts.

Net debt / cash comprises the group's cash and cash equivalents, current financial assets and other non-current receivables less bank overdrafts, contingent consideration liabilities, lease liabilities, other current and non-current financial liabilities.

Net working capital is defined as the group's trade receivables, current other receivables, prepayments and contract assets minus trade payables, current other payables and accrued expenses and contract liabilities.

Adjusted net profit bridge

CHFm	Q1 2023	Q1 2022
Reported EBITDA	29.9	25.0
Impact of change in revenue recognition of Microsoft Enterprise Agreements	1.4	0.5
Share-based compensation ⁽¹⁾	-	1.8
Integration, M&A and earn-out expenses	3.9	8.4
Restructuring expenses	4.4	6.4
Russia-related loss	0.1	-
Adjusted EBITDA	39.6	42.1

- Adjustments:
 - Change in revenue recognition of Microsoft Enterprise Agreements
 - Share-based compensation⁽¹⁾
 - Integration, M&A and earn-out expenses
 - Restructuring expenses
 - Loss relating to sale of Russian operations

Business line profit & loss summary

CHFm	Software & Cloud Services			Software & Cloud Marketplace			Corporate	
	Q1 2023	% Δ CCY ⁽¹⁾	% Δ Rep	Q1 2023	% Δ CCY ⁽¹⁾	% Δ Rep	Q1 2023	Q1 2022
Revenue	113.8	11.4%	6.1%	125.6	6.4%	3.0%	-	-
Delivery costs	(72.5)	5.2%	(0.3)%	(19.0)	(1.2)%	(5.0)%	-	-
Contribution margin	41.4	24.4%	19.8%	106.6	7.9%	4.6%	-	-
<i>Contribution margin (% revenue)</i>	36.4%	4.1pp	-	84.9%	1.3pp	-	-	-
SG&A	(39.1)	6.7%	2.3%	(53.3)	27.8%	23.4%	(16.0)	(13.1)
Adjusted EBITDA⁽²⁾	2.3	NM	NM	53.3	(7.3)%	(9.2)%	(16.0)	(13.1)
<i>Adjusted EBITDA margin (% revenue)</i>	2.0%	5.4pp	-	42.5%	(5.7)pp	-	-	-

(1) In constant currency; Current period translated at average exchange rate of prior-year period based on management accounts

(2) Includes adjustments for impact of change in revenue recognition of Microsoft Enterprise Agreements, share-based compensation, integration, M&A and earn-out expenses, restructuring and Russia-related loss

Quarterly summary by business line

CHFm	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
Revenue Solutions & Cloud Marketplace	123.5	144.2	112.3	153.7	533.6	121.9	152.8	119.4	151.2	545.3	125.6
Revenue Software & Cloud Services	80.5	97.6	91.3	114.7	384.1	107.3	121.5	110.8	126.2	465.7	113.8
Total revenue	203.9	241.8	203.6	268.4	917.7	229.2	274.2	230.2	277.4	1,011.0	239.4
Delivery costs	(70.2)	(83.1)	(75.4)	(93.9)	(322.6)	(92.7)	(95.8)	(88.0)	(98.1)	(374.6)	(91.4)
Contribution margin Solutions & Cloud Marketplace	105.2	125.6	94.5	135.6	460.9	101.9	135.3	102.0	132.0	471.3	106.6
Contribution margin Solutions & Cloud Services	28.6	33.1	33.6	38.9	134.2	34.6	43.1	40.2	47.3	165.1	41.4
Total contribution margin⁽¹⁾	133.8	158.7	128.1	174.5	595.1	136.5	178.4	142.2	179.3	636.4	148.0
<i>Contribution margin (% of revenue)</i>	<i>65.6%</i>	<i>65.6%</i>	<i>62.9%</i>	<i>65.0%</i>	<i>64.8%</i>	<i>59.6%</i>	<i>65.1%</i>	<i>61.8%</i>	<i>64.6%</i>	<i>62.9%</i>	<i>61.8%</i>
SG&A	(92.5)	(90.9)	(93.0)	(99.4)	(375.7)	(94.4)	(102.6)	(97.3)	(101.6)	(396.0)	(108.4)
Adjusted EBITDA Solutions & Cloud Marketplace	60.1	80.5	51.4	89.3	281.4	58.8	87.4	58.1	84.7	289.1	53.3
Adjusted EBITDA Software & Cloud Services	(4.2)	(2.0)	(2.8)	3.1	(5.8)	(3.6)	5.9	1.4	9.9	13.6	2.3
Corporate costs	(14.6)	(10.7)	(13.5)	(17.3)	(56.2)	(13.1)	(17.5)	(14.7)	(17.0)	(62.2)	(16.0)
Adjusted EBITDA⁽²⁾	41.3	67.8	35.1	75.2	219.4	42.1	75.8	44.9	77.7	240.4	39.6
<i>Adjusted EBITDA margin (% of revenue)</i>	<i>20.2%</i>	<i>28.1%</i>	<i>17.3%</i>	<i>28.0%</i>	<i>23.9%</i>	<i>18.4%</i>	<i>27.7%</i>	<i>19.5%</i>	<i>28.0%</i>	<i>23.8%</i>	<i>16.6%</i>
Gross profit Solutions & Cloud Marketplace	123.5	144.2	112.3	153.7	533.6	121.9	152.8	119.4	151.2	545.3	125.6
Gross profit Software & Cloud Services	67.5	79.3	81.3	93.5	321.4	91.0	104.2	96.2	102.7	394.2	101.2
Total gross profit	190.9	223.4	193.6	247.2	855.1	212.9	257.0	215.6	254.0	939.5	226.7

(1) Total revenue net of third-party service delivery costs and directly attributable internal delivery costs

(2) Includes adjustments for impact of change in revenue recognition of Microsoft Enterprise Agreements, share-based compensation, integration, M&A and earn-out expenses, restructuring and Russia-related loss