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CTO Software AG
Safe-Harbor-Statement

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Software AG - At a Glance

Technology leader in systems integration, process automation and data management

> € 1bn revenue
28% operating margin (non GAAP)

> € 2.5 B market cap,
Net cash € 50m

> 5,000 Employees worldwide

71% Free float,
29% Software AG Foundation

Global customer base:
80% of Fortune 10,000

Product Platforms

WEBMETHODS
Middleware to integrate data applications and digital workflows

ARIS
Process Planning, monitoring and analysis

ADABAS·NATURAL
High performance database (pre-relational)

TERRACOTTA®
Big-data and In-memory technology
Software AG - Product Portfolio

**Terracotta**
- *High Growth Star*  
  - Growth 50-100% p.a.  
  - Acquired in 2011  
  - Disruptive Technology  
  - In-Memory / Big Data

**BPE**  
- Business Process Excellence  
  - "Bread & Butter"  
  - Growth Star  
  - Growth 10-20% p.a.  
  - Started in 2004  
  - Integration & Process Automation / SOA / Cloud  
  - Market growth: 10-15%  
  - Market share: ca. 10%

**ETS**  
- Enterprise Transaction Systems  
  - *Cash Cow*  
  - Revenue attrition: single digit % p.a.  
  - Started in 1970  
  - Data Management, Application Modernization  
  - High operating margin > 50%  
  - Strong Cash Flow

* FY 2012
**Mid-term Target - Product Revenue**

*Group revenue split by product revenue (BPE, ETS)*

- **BPE Product Revenue**
  - Organic Growth
  - Integration Technology
  - Business Process Mgt.
  - Cloud
  - Terracotta / Big Data
  - Partner / OEM
  - M&A / Innovative Technologies

- **ETS Product Revenue**

*Year*  | *BPE Revenue* | *ETS Revenue* | *Total Revenue*
--- | --- | --- | ---
2006  | 20% | 80% | 1 Billion
2012  | 55% | 45% | ~2 Billion
2018  | ~80% | ~20% | ~2 Billion
Growth Strategy

Growth based on three pillars

Organic Growth...
...leverage technology leadership in enterprise infrastructure software
- Fast integration middleware
- High speed process automation
- High performance data management

Selective M&A...
...in three strategic areas:
- Integration / SOA & Cloud
- Business Processes
- Big Data

Innovation...
...addressing Mega Trends for enterprise IT
- Cloud
- Big Data
- Mobile
- Collaboration
Organic Growth - World Wide & Across All Industries

**Product Revenue by Region***
- **Asia Pacific**: 48%
- **Americas**: 31%
- **EMEA (ex Germany)**: 13%
- **Brics**: 13%
- **PIIGS (< 4%)**: 8%
- **Germany**: 13%

**Product Revenue by Industry***
- **Financial Sector**: 20%
- **Public Sector**: 20%
- **Services**: 13%
- **Associations**: 8%
- **Logistics**: 7%
- **Telcos**: 6%
- **Manufacturing**: 5%
- **Retail**: 3%
- **Other**: 3%

*Based on product revenue FY 2012*
Selective M&A Strategy

Strategic Acquisitions

- webMethods (2007)
- IDS Scheer (2008)
- TERRACOTTA (2009)
- iT Campus (2010)
- METISMO (2011)
- my-Channels (2012)

Technology Tuck Ins

Data Foundations
Innovation Strategy
Main Technology Drivers - 4 Forces

Cloud

Mobile

4 Forces

Social/Collaboration

Information/Big Data

NoSQL

Hadoop

Social Computing

Internet of Things
Digitization Layer for the Digital Enterprise

Business Models

IT Silos

Processes
Integration/SOA
IN-MEMORY BIG DATA

Digitalization Layer
Enterprise Digital Platform

- Middleware products providing all IT-related capabilities to design, develop, deploy, run and operate End-to-End-Process Applications

Enterprise Digital Platform

- Enterprise Process Platform
- Integration/ SOA Platform
- Data Management Platform
Innovations 2013

ARIS Connect

Process Discovery/Visualization
**ARIS Connect**

**Go-to market**

- Business users/Lines of business owners
  - Departmental level
  - High level capturing
  - For the masses

- Reduced ARIS Scope (M2E, EA, SAP, etc.)
  - Full support
  - Perpetual revenues

**Architecture**

- Collaboration Environment
- ARIS Connect
- Business Stakeholder
- Employees
- Business User
webMethods CloudStreams - Highlights

1. Out of the box SaaS Connectors & Cloud Connector Framework
2. Advanced Security & Traffic Analytics
3. SaaS Integration + Governance
4. SaaS to SaaS, SaaS to on premise and on premise to SaaS integration
Innovations 2013

- **ARIS Connect**
  - Process Discovery/Visualization

- **Cloud Streams**
  - Cloud Integration

- **InGenius**
  - Real-Time Analytics/In-Memory
Terracotta In-Genius

**In-Memory Big Data Platform**

- Providing real time insights (intelligence) into high velocity and high volume data for faster and better decisions (actionable intelligence).
- Preparing established business applications for faster performance and greater scalability.
- Foundation platform for building unthinkable application.
- Fostered by the four forces: cloud, mobile, social and big data.
In-Genius Architecture

Mobile- and Web-Scale Applications

New Analytics
- Social Media
- Big Data
- Real-time dashboards

Business Analytics

In-Memory Platform

Data Store
LL Messaging
Event Processing

OLTP DBMS

Big Data
- Hadoop
- Social Computing
- Internet of Things

Data Warehouse
Innovations 2013

ARIS Connect
- Process Discovery/Visualization

Cloud Streams
- Cloud Integration

Mobile Suite
- Mobile Application Management

InGenius
- Real-Time Analytics/In-Memory
Top-ranked Technology Leader in All Major Segments

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**ETS Product Revenue**
Thank you.

Questions?