

Press Release

ServiceWare increases sales revenues and profit during Q1 2020/2021 and exceeds its own expectations

- Growth pace significantly expedited despite pandemic
- Sales revenues plus 12.1% to EUR 19.4 million
- EBITDA plus 270.9% to EUR 0.8 million
- SaaS/Service sales revenues plus 26.3% to EUR 9.2 million – licence business likewise strong
- Ongoing high demand for the ServiceWare ESM platform with the modules ServiceWare Financial and Performance – Demand for other modules picking up again
- Annual forecast confirmed after a very successful first quarter

Bad Camberg, 23 April 2021 ServiceWare SE (“ServiceWare”, ISIN DE000A2G8X31) started into fiscal 2020/2021 with a strong first quarter and has even exceeded its own expectations in terms of growth pace. Despite the Covid-19 pandemic, sales revenues rose significantly from EUR 17.3 million to EUR 19.4 million. With 12.1% the growth rate was significantly above the corresponding prior year quarter (5.2%) which was not yet marked by the corona pandemic and also versus prior year as a whole (8.8%). The growth expectation for the full current fiscal year (around 10%) was already exceeded by ServiceWare during the first quarter.

The first quarter was marked by a high customer demand for the Enterprise Service Management (ESM) platform of ServiceWare. The modules ServiceWare Financial and ServiceWare Performance for the optimisation of service costs continued to record high growth rates. Moreover, the demand for the other modules of the ESM platform picked up again.

The SaaS/Service sales revenues continued to act as a strong growth driver of ServiceWare and recorded yet another clearly disproportionately high growth during the first quarter. However, licence revenues likewise rose stronger than total revenues and hence contributed to the dynamic development. For SaaS/Service sales revenues the plus totalled 26.3% to reach EUR 9.2 million after previously EUR 7.3 million. Licence sales revenues went up by 17.6% to EUR 5.2 million after EUR 4.4 million. The positive development of the two segments is based on the extensive winning of new customers on the level of international groups. ServiceWare was able to report successful customer acquisitions in Europe and other regions in the world. Major transactions were, for instance, completed with companies from the sectors airlines, finance and healthcare.

The positive sales revenue development of ServiceWare went along with significantly increasing results. During the first quarter the EBITDA of EUR 0.8 million was 270.9% ahead of the prior year value of EUR 0.2 million. In this way around 45% of the EBITDA of the entire previous year were achieved already during the first three months of the fiscal year. As far as the EBIT in Q1 2020/2021 is concerned, the best value in seven quarters was reached with break-even, after the EBIT still amounted to EUR -0.6 million during the prior year period. As opposed to many other technology companies, ServiceWare does not capitalize any research and development expenses in the balance sheet increasing the profit for the period. The adjustments for the programme for the acceleration of growth launched with funds from the IPO in April 2018 lose in significance with a growing lapse of time since the IPO and consequently were much lower during the period with EUR 0.8 million versus EUR 1.4 million a year before. The correspondingly adjusted EBITDA of EUR 1.6 million was hence only slightly above the prior year value.

The financial statements as at 28 February 2021 with an equity ratio of 47.7% and cash and cash equivalents of EUR 36.9 million were likewise very robust.

Harald Popp, CFO of Serviceware: “We had an even better start into the fiscal year than expected. Our growth pace has continued to gain in dynamics. We are particularly pleased that this has not been at the expense of our result but that we were rather able to grow our EBITDA and EBIT in a clearly disproportionate manner. The very good start of the year was of course also supported by some major transactions with large international companies. This shows that with our strategy we are very successfully implementing the addressing of large groups. We are correspondingly optimistic for the further course of the fiscal year, although we continue to remain prudent with a view to the Covid-19 pandemic.”

After the positive commencement of the fiscal year, Serviceware confirms the forecast for the full year. Sales revenues are to rise by around 10% versus prior year and the EBITDA is to be further improved.

About Serviceware

Serviceware is a leading provider of software solutions for the digitalisation and automation of service processes (Enterprise Service Management) with which companies can increase their service quality and manage their service costs efficiently.

The Serviceware Platform includes the software solutions Serviceware Processes, Serviceware Financial, Serviceware Resources, Serviceware Knowledge and Serviceware Performance. All solutions can be used in an integrated manner, but also independently from one another.

Serviceware partners with customers from strategic consulting through the definition of the service strategy to the implementation of the Enterprise Service Platform. Further components of the portfolio are safe and reliable infrastructure solutions as well as managed services.

Serviceware has more than 1,000 customers worldwide from various business sectors, including twelve DAX companies and four of the seven largest German companies. The headquarters of Serviceware are in Bad Camberg, Germany. Serviceware employs more than 500 employees at 14 international sites.

For more information visit www.serviceware-se.com.

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