



# **S+** *SimulationsPlus*

## Earnings Call – Q4 FY21

**October 25, 2021**

# Safe Harbor Statement

With the exception of historical information, the matters discussed in this presentation are forward-looking statements that involve a number of risks and uncertainties. Words like “believe,” “expect” and “anticipate” mean that these are our best estimates as of this writing, but that there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain our competitive advantages, acceptance of new software and improved versions of our existing software by our customers, the general economics of the pharmaceutical industry, our ability to finance growth, our ability to continue to attract and retain highly qualified technical staff, our ability to identify and close acquisitions on terms favorable to the Company, and a sustainable market. Further information on our risk factors is contained in our quarterly and annual reports and filed with the U.S. Securities and Exchange Commission.

# Financial Highlights

## ➤ Total Revenue Growth Exceeds Revised Guidance

- 12% growth for FY21 vs. guidance of 5-10% growth

## ➤ Continued Strong Software Performance

- 28% revenue growth for FY21 vs. guidance of 20-25% growth
- Accelerated growth continues

## ➤ Service Business Continues to Build Backlog

- 6% revenue decline for FY21 vs. guidance of 7-12% decline
- Q4 performance as expected with good underlying pipeline

# Software Highlights

## GastroPlus®

- 20% growth in quarter; 16% for FY21
- 17 peer reviewed journal articles published in Q4
- 20 multi-year licenses during FY21

**3**

New \$100k+  
customers

**20**

Multi-year  
Licenses Signed

**14**

Upsells

## ADMET Predictor®

- 26% growth in quarter; 20% for FY21
- New functionality delivered in Q3 continues to support accelerated growth

**+20%**

ADMET Predictor®  
YOY Growth

## MonolixSuite®

- Q4 declined as expected; YOY decline due to early renewals during year
- 20% FY21 revenue growth (full year vs full year)
- New Monolix Suite release schedule for Q1 FY22

**+20%**

Monolix®  
YOY Growth

# Services Highlights

## PKPD

- **Q4 project disruptions returning to “normal” levels**
- **Underlying bookings activity is good**
  - 10% increase in backlog for Q4; 49% increase for FY21
- **Significant client support in Q4**
  - Critical support to multi region regulatory approval and FDA submission of new COVID therapy
- **Operational improvements achieved**
  - Increases in average contract value, yield and consultant utilization rates for FY21

## QSP/QST

- **1 new + 1 renewal DILIsym consortium members in Q4**
- **Q4 revenue down as anticipated but pipeline activity has accelerated**
  - Q1 FY22 bookings target achieved midway through quarter
  - Toxicological project opportunities picked up and multiple QSP projects in late-stage proposal status

## PBPK

- 2 significant FDA funded projects announced in Q4
- 63% increase in backlog for FY21

**+23%**

Backlog  
YOY  
Growth

**36%**

Projects  
YOY  
Growth

**5**

New PKPD  
Clients

# FY22 Outlook

## Growth Targets:

**10% to 15%**

Total Revenue Growth

**55% to 60%**

Software Revenue % of  
Total Revenue

**40% to 45%**

Service Revenue % of Total  
Revenue

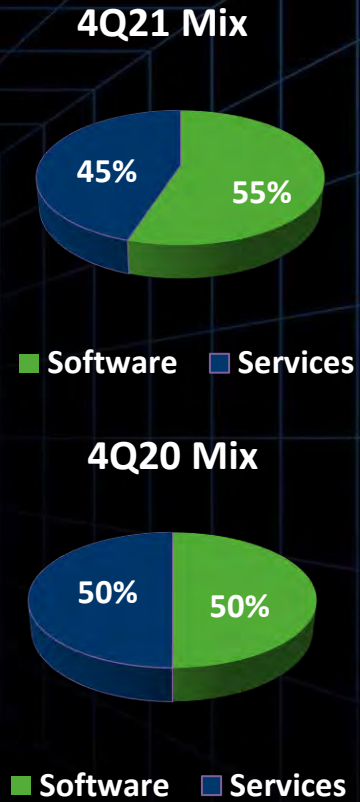
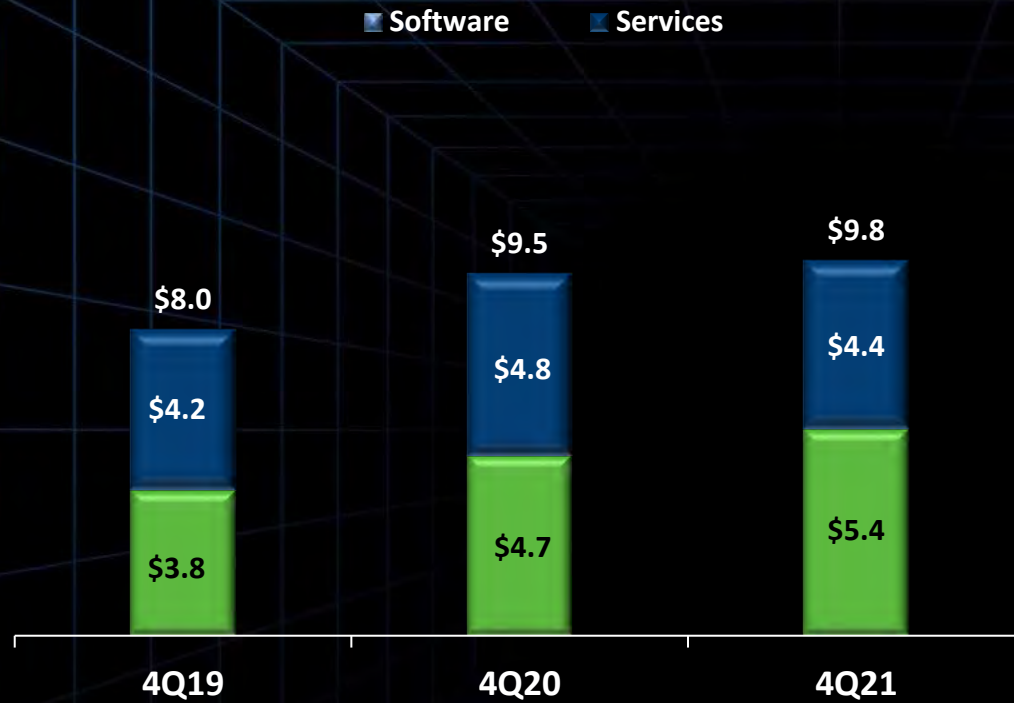
## Commentary:

- Software business carries strong momentum; incremental releases planned for FY22.
- Services business remains volatile but long-term outlook remains unchanged; backlog rebuilt and pipeline activity is strong
- Focus on business development through strategic investment in sales and marketing & cross selling efforts
- M&A remains strategic enhancement to organic growth objectives

# Financial Results

# Q4 Revenue

(in millions)

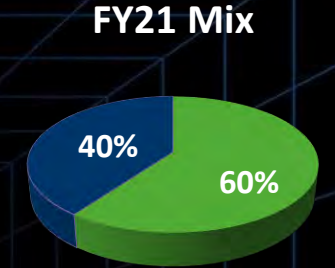
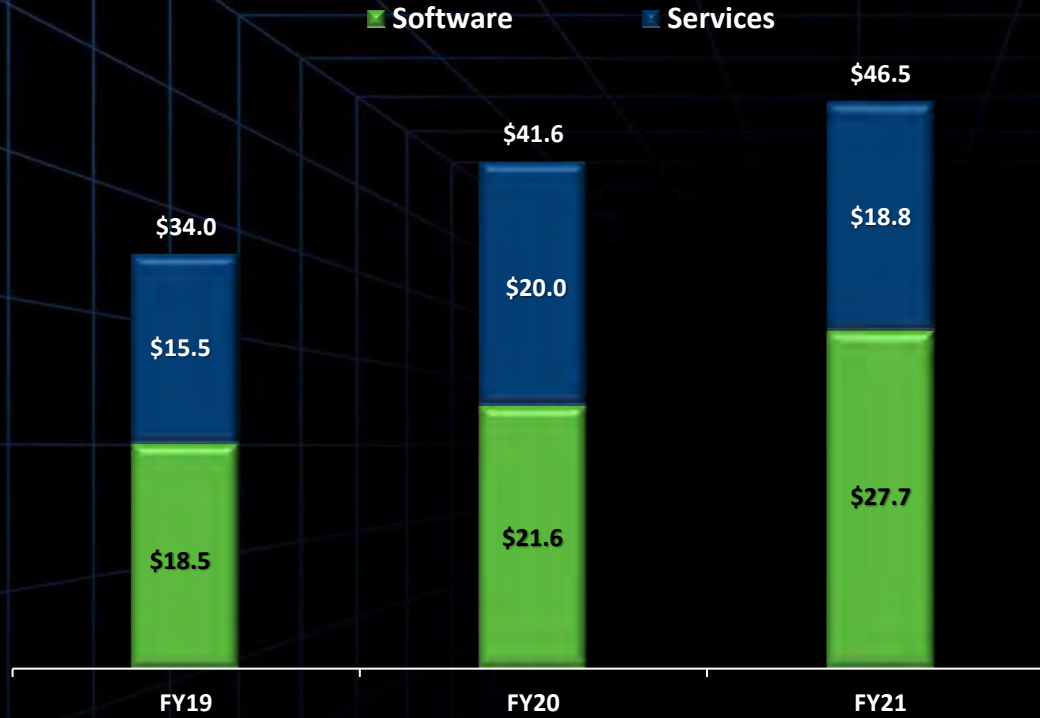


**+3%** Total Revenue  
**+14%** Software Revenue  
**-7%** Services Revenue

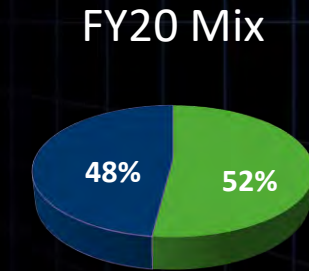


# Fiscal Year Revenue

(in millions)



■ Software ■ Services



■ Software ■ Services

**+12%**

Total Revenue

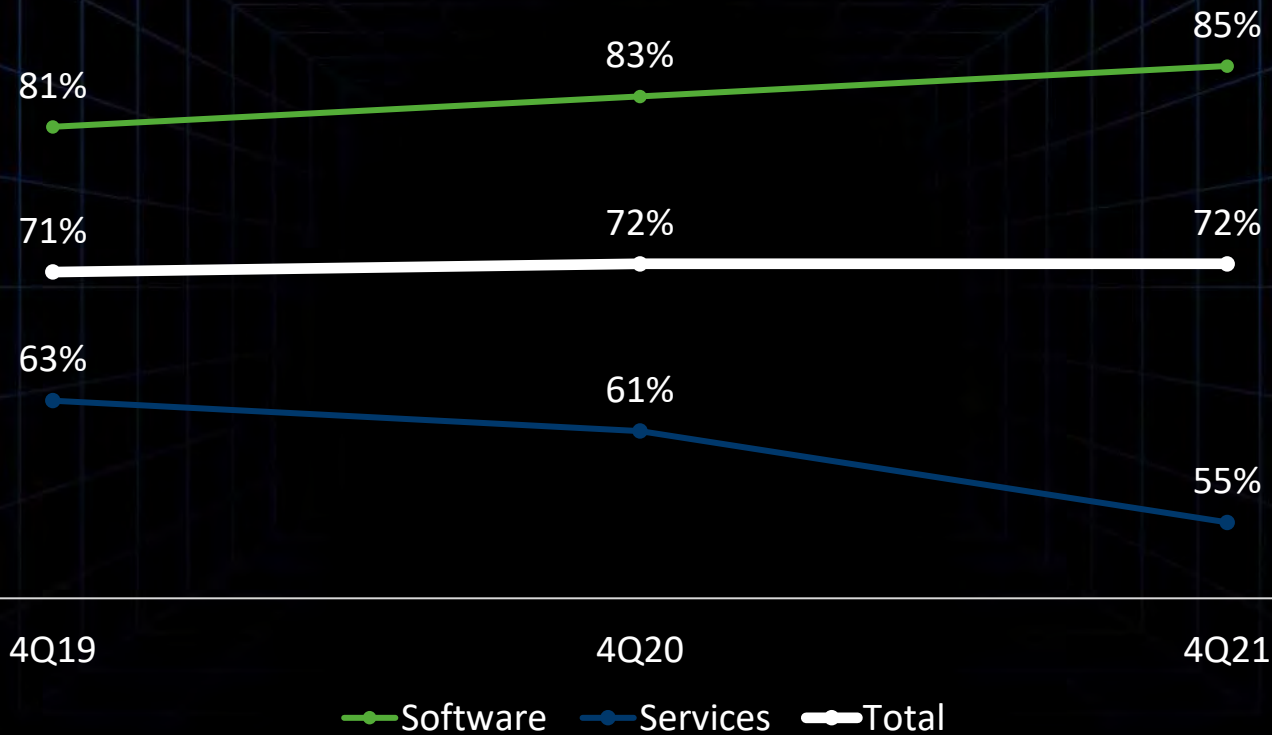
**+28%**

Software Revenue

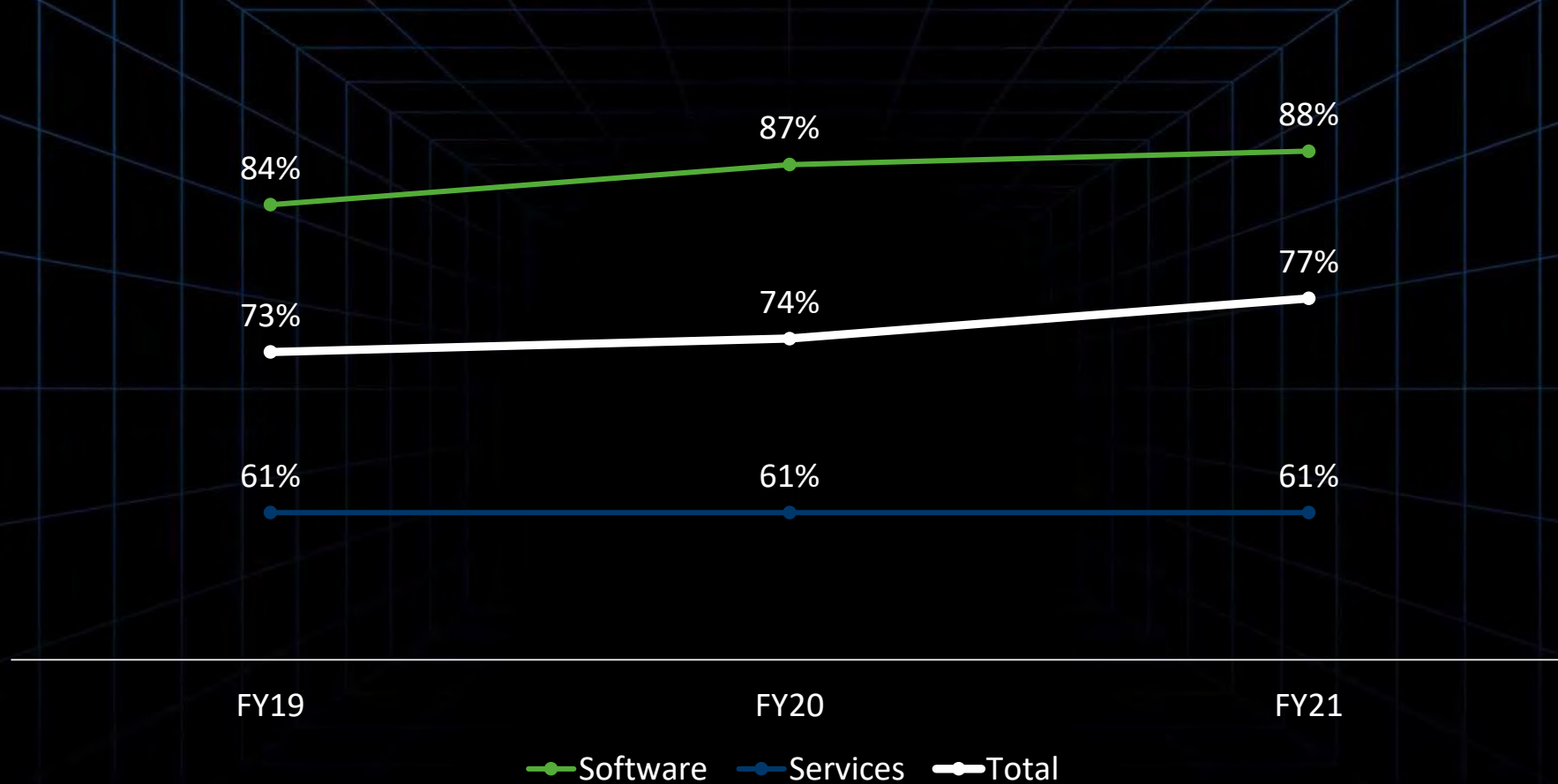
**-6%**

Services Revenue

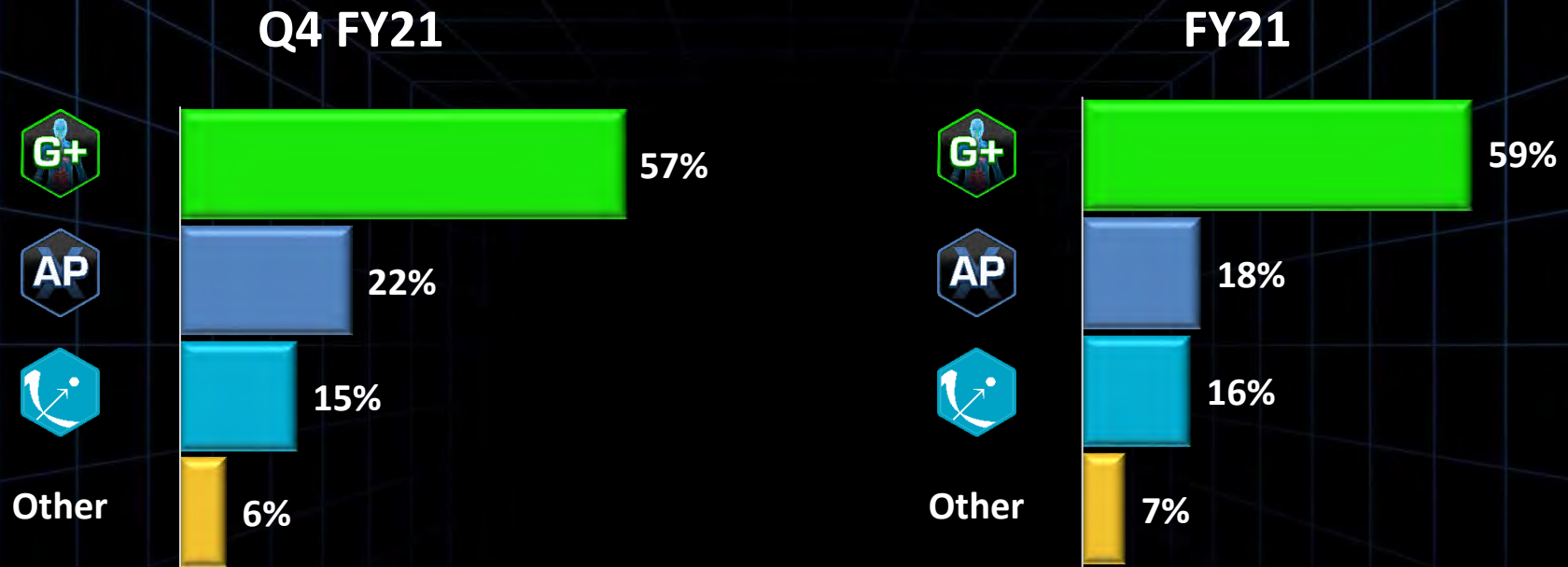
# Gross Margin Trends – Q4



# Gross Margin Trends – Fiscal Year



# Software Revenue by Product



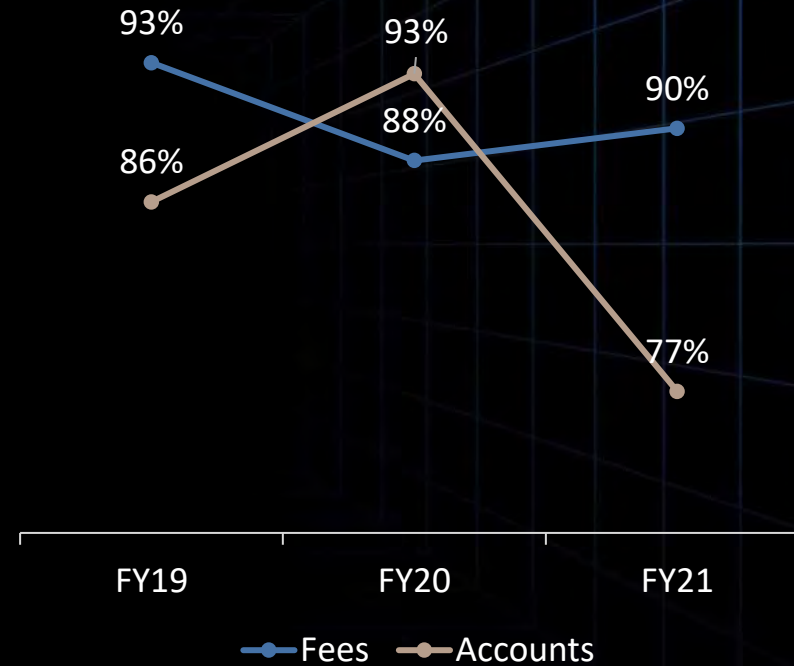
Software Product as % of Software Revenue

# Software Performance Metrics – Q4

## Avg. Revenue per Customer (in thousands)



## Renewal Rates



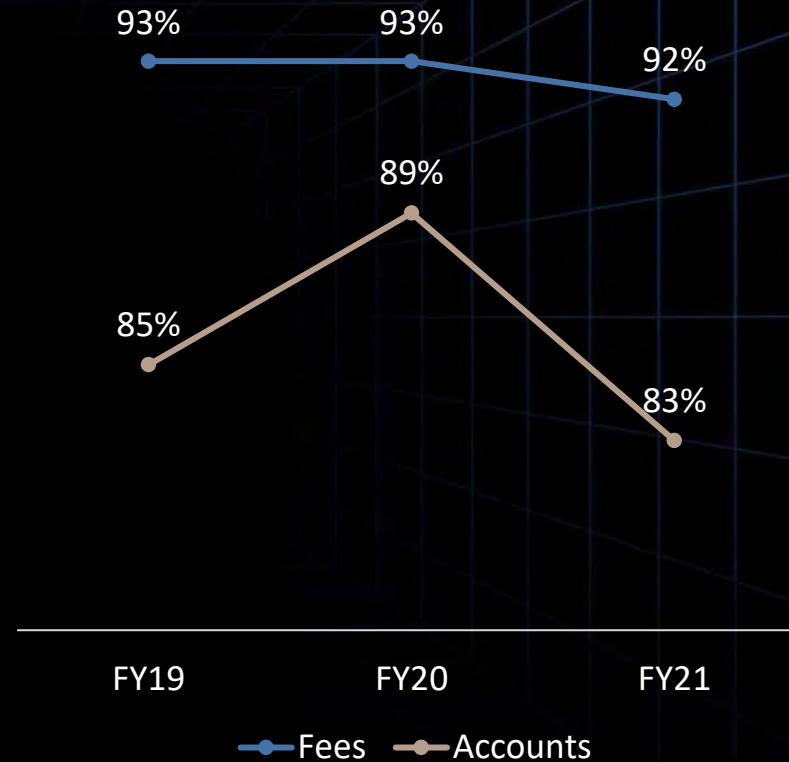
50%+ of FY21 non-renewals are nonprofit accounts

# Software Performance Metrics – Fiscal Year

## Avg. Revenue per Customer (in thousands)

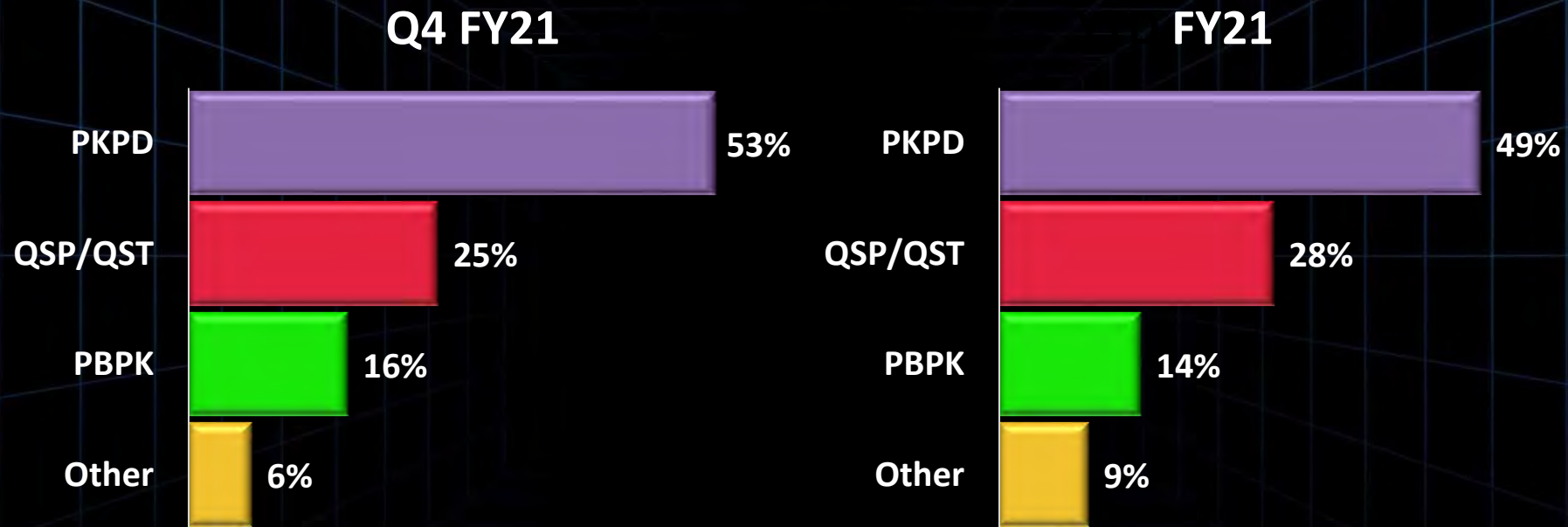


## Renewal Rates



50%+ of FY21 non-renewals are nonprofit accounts

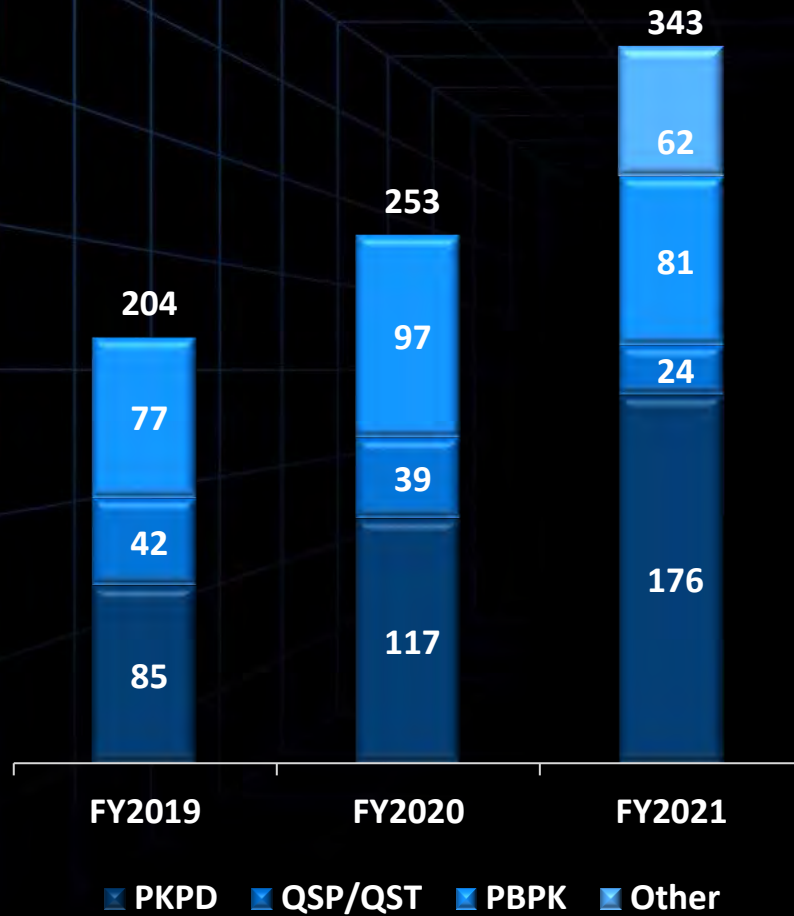
# Services Revenue by Type



Services Types as % of Service Revenue

# Services Performance Metrics

## Total Projects



## Backlog





# Income Statement Summary – Q4

(in millions, except EPS)

	FY21	% of Rev	FY20	% of Rev
<b>Revenues</b>	<b>\$9.8</b>	<b>100%</b>	<b>\$9.5</b>	<b>100%</b>
<b>Revenue Growth</b>	<b>3%</b>		<b>19%</b>	
<b>Gross profit</b>	<b>7.1</b>	<b>72%</b>	<b>6.9</b>	<b>72%</b>
<b>R&amp;D</b>	<b>1.3</b>	<b>13%</b>	<b>0.9</b>	<b>9%</b>
<b>SG&amp;A</b>	<b>5.6</b>	<b>57%</b>	<b>3.7</b>	<b>39%</b>
<b>Total operating exp</b>	<b>6.9</b>	<b>70%</b>	<b>4.7</b>	<b>49%</b>
<b>Income from operations</b>	<b>0.2</b>	<b>2%</b>	<b>2.2</b>	<b>23%</b>
<b>Other income (expense)</b>	<b>0.0</b>	<b>0%</b>	<b>(0.2)</b>	<b>-2%</b>
<b>Income before income taxes</b>	<b>0.2</b>	<b>2%</b>	<b>2.0</b>	<b>21%</b>
<b>Income taxes</b>	<b>(0.1)</b>	<b>-1%</b>	<b>(0.2)</b>	<b>-2%</b>
<b>Effective tax rate</b>	<b>-73%</b>		<b>-7%</b>	
<b>Net income</b>	<b>\$0.3</b>	<b>3%</b>	<b>\$2.2</b>	<b>23%</b>
<b>Diluted earnings per share</b>	<b>\$0.01</b>		<b>\$0.11</b>	
<b>EBITDA</b>	<b>\$1.1</b>	<b>11%</b>	<b>\$2.9</b>	<b>31%</b>

# Income Statement Summary – Fiscal Year

(in millions, except EPS)

	FY21	% of Rev	FY20	% of Rev
Revenues	\$46.5	100%	\$41.6	100%
Revenue Growth	12%		22%	
Gross profit	35.9	77%	30.9	74%
R&D	4.0	9%	3.0	7%
SG&A	20.6	44%	16.4	39%
Total operating exp	24.6	53%	19.3	46%
Income from operations	11.3	24%	11.6	28%
Other income (expense)	(0.2)	0%	(0.2)	-1%
Income before income taxes	11.1	24%	11.4	27%
Income taxes	1.3	3%	2.1	5%
Effective tax rate	12%		18%	
Net income	\$ 9.8	21%	\$9.3	22%
Diluted earnings per share	\$0.47		\$0.50	
EBITDA	\$14.5	31%	\$14.3	34%

# Balance Sheet Summary

(in millions)

	Aug. 31, 2021	Aug. 31, 2020
<b>Cash and short-term investments</b>	<b>\$123.6</b>	<b>\$116.0</b>
Total current assets	139.3	129.1
<b>Total assets</b>	<b>180.0</b>	<b>168.4</b>
Current liabilities	11.6	5.5
Long-term liabilities	2.6	6.9
Total liabilities	14.2	12.4
Shareholders' equity	165.8	156.0
<b>Total liabilities and shareholders' equity</b>	<b>180.0</b>	<b>168.4</b>

# Conclusion

## SECURE LEADERSHIP POSITION IN BIOSIMULATION MARKET

- Industry adoption of model informed drug development tools and techniques continues to expand
- Scientific credibility with academia and regulatory agencies
- Software business with accelerated revenue growth rates and expanded product functionality
- Services business steadily normalizing with improved backlog and strong bookings