



S+ *SimulationsPlus*

Earnings Call – Q1 FY22

January 6, 2022

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.

First Quarter Highlights

+16%

Revenue Growth

+25%

Diluted EPS
Growth

+31%

Backlog Growth

➤ **Strong momentum to begin year**

- Continued Strong Software Performance
- Service Business Recovery

➤ **Bus. Dev. efforts paying off**

- Demonstrated Scientific leadership
 - New software releases
 - Service achievements

First Quarter Software Highlights

GastroPlus®

+19%

Revenue
Growth

16

New \$100k+
customers

5

Multi-year
Licenses Signed

21

Upsells

19

Peer reviewed
journal articles
published in Q1

+35%

Revenue
Growth

MonolixSuite®

- First sales through Chinese distributor
- Added new distributor in Japan
- Strong renewal upsells

+24%

Revenue
Growth

ADMET Predictor®

- New release during the quarter
- Closed 2 AIDD module accounts

First Quarter Services Highlights

+13%

Revenue
Growth

+31%

Backlog
Growth

49%

Projects
Growth

PKPD

- Q1 project disruptions “normal” levels
- Good underlying bookings activity - full pipeline of opportunities

+4%

Revenue
Growth

QSP/QST

- IPFsym release
- Breakthrough NASH findings open significant potential development opportunities

+31%

Revenue
Growth

PBPK

- New FDA TCAT™ grant to enhance Gastroplus model

+37%

Revenue
Growth

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

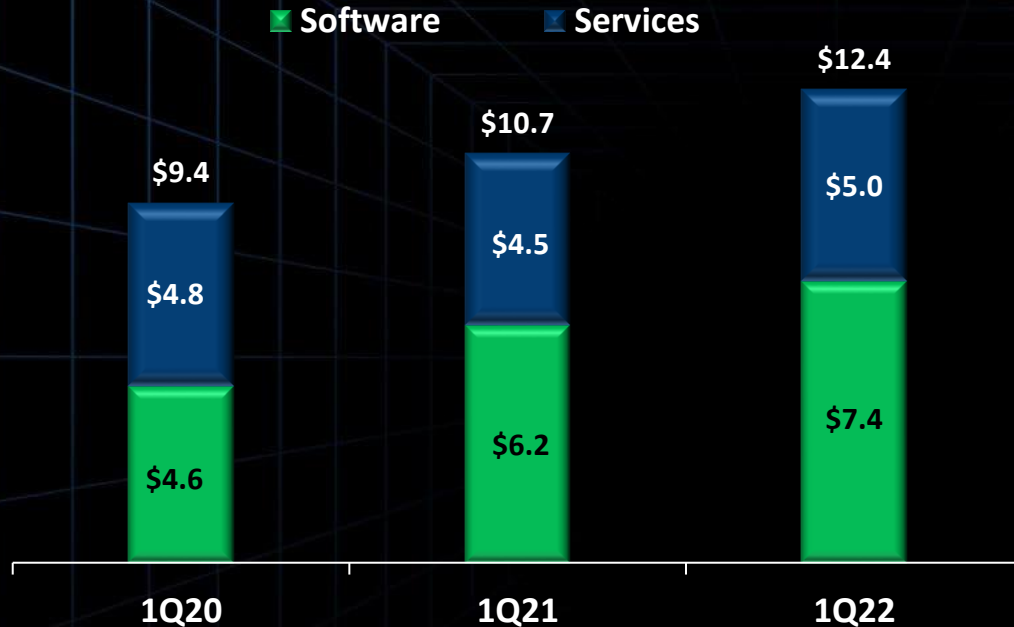
Commentary:

- Software business continues to show strong momentum.
- Services business remains volatile, but long-term outlook remains unchanged; backlog increased in the quarter and pipeline activity is strong
- M&A remains strategic enhancement to organic growth objectives

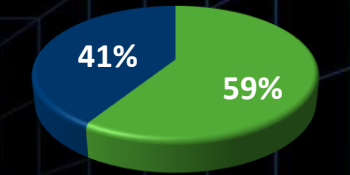
Financial Results

Revenue – Q1

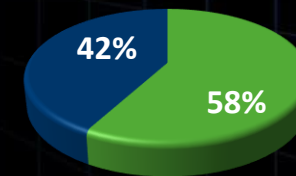
(in millions)



1Q22 Mix



1Q21 Mix



+16%

Total Revenue

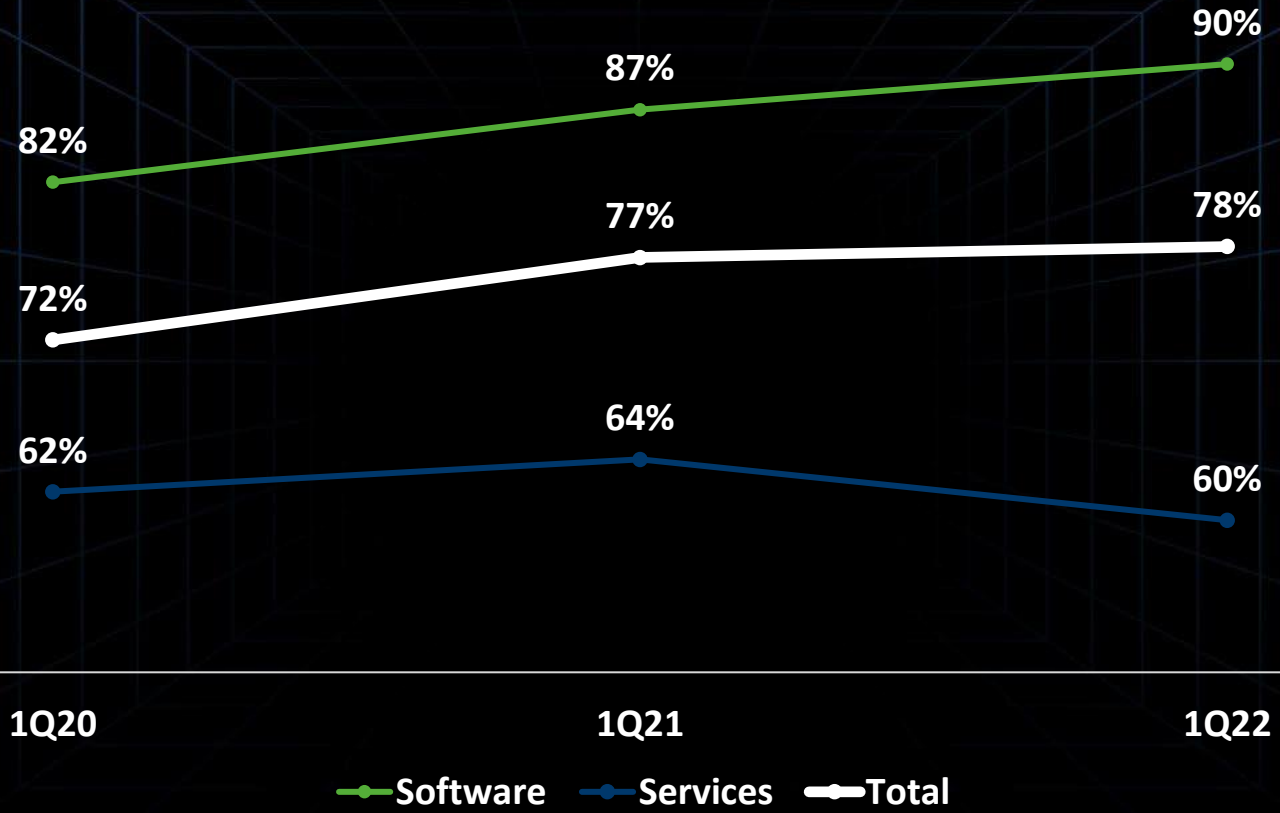
+19%

Software Revenue

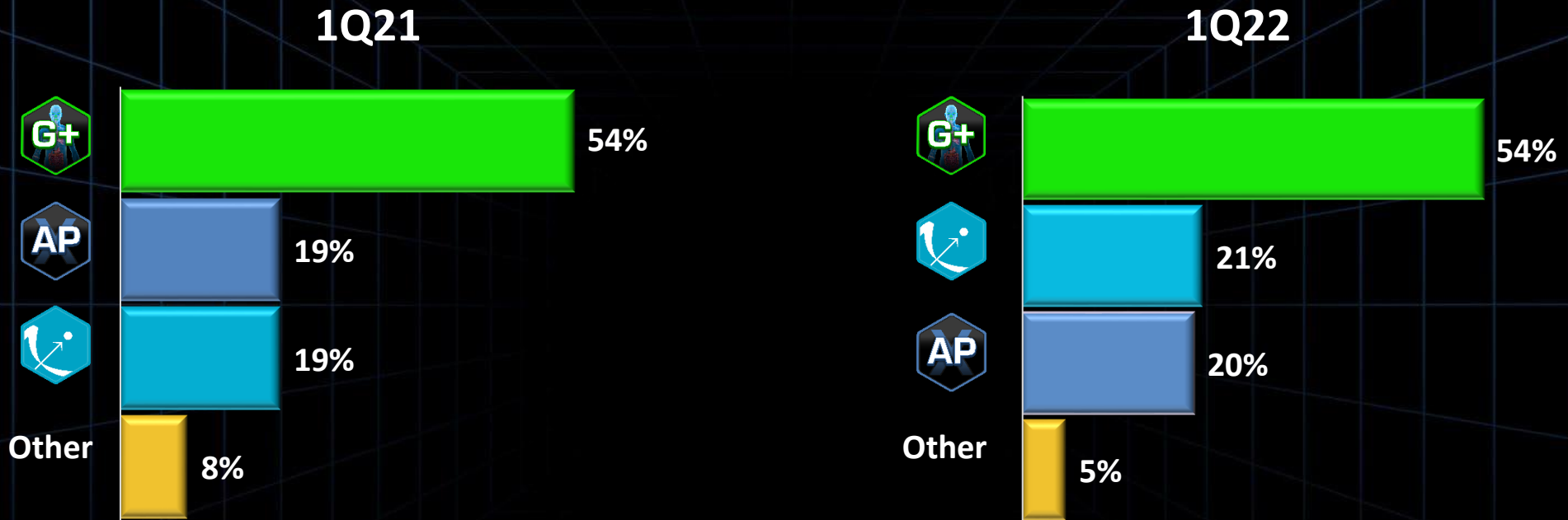
+13%

Services Revenue

Gross Margin Trends – Q1



Software Revenue by Product

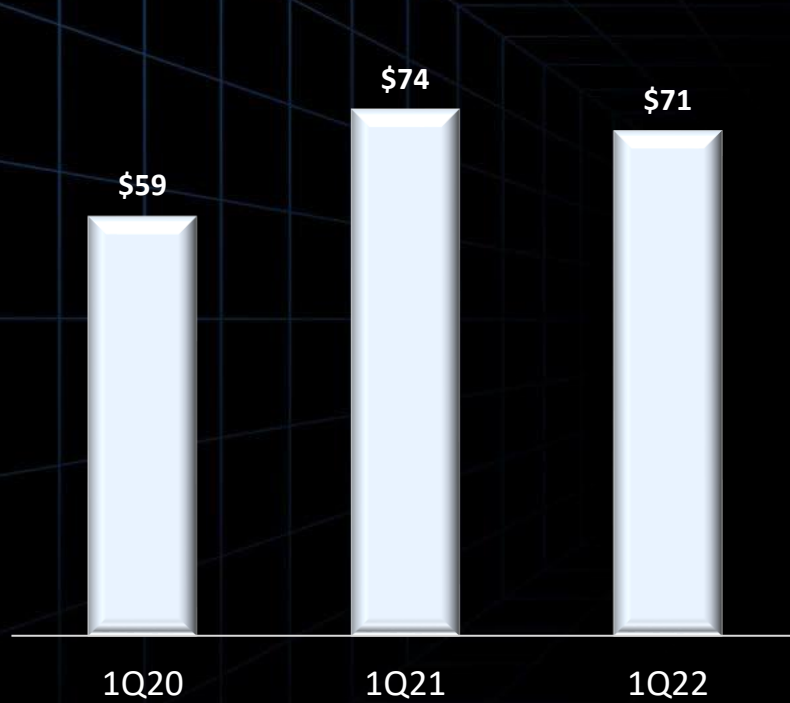


Software Product as % of Software Revenue

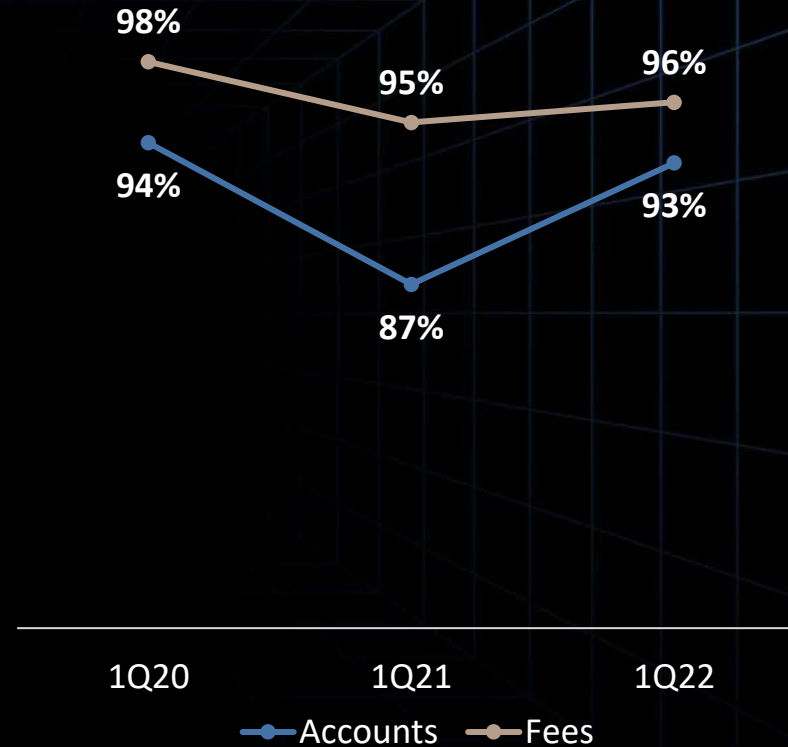
Software Performance Metrics – Q1

Commercial Customers

Avg. Revenue per Customer (in thousands)

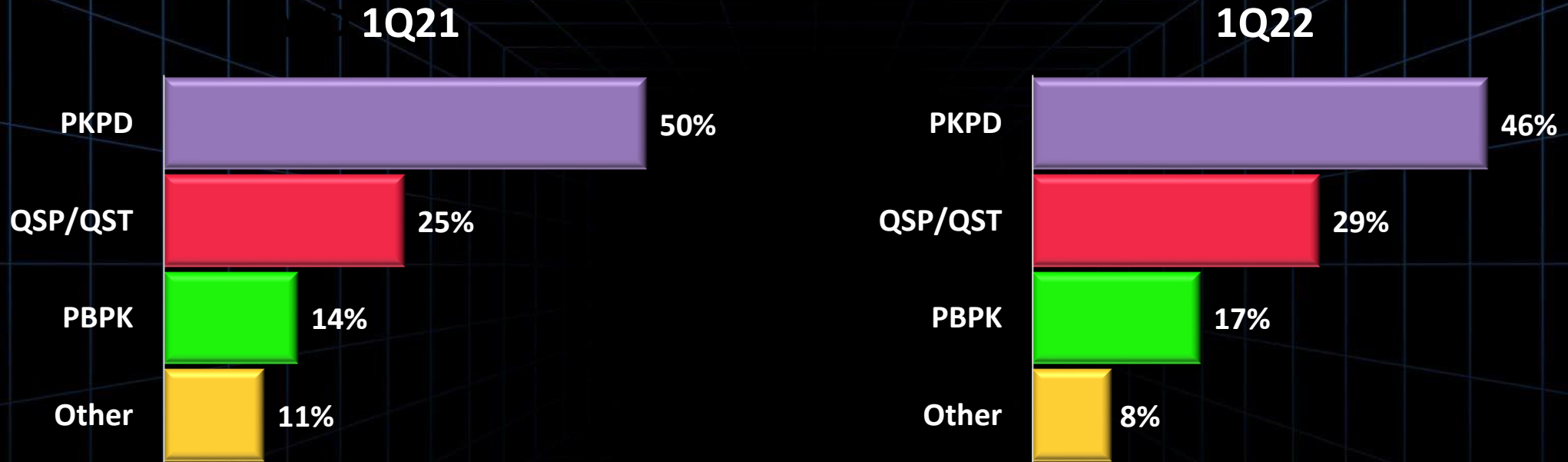


Renewal Rates



University+ Licenses: 92 customers in 26 countries

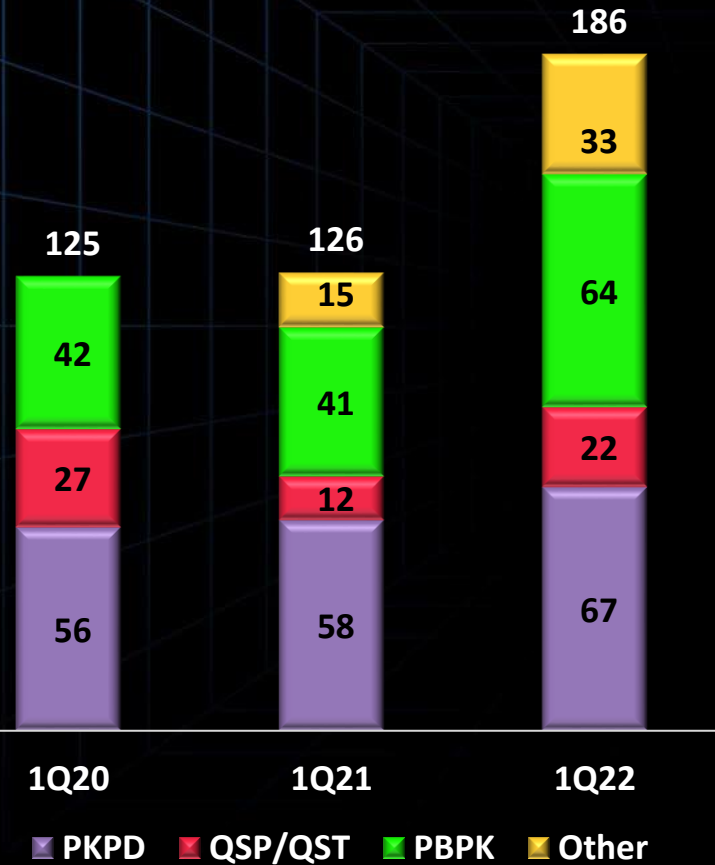
Services Revenue by Type



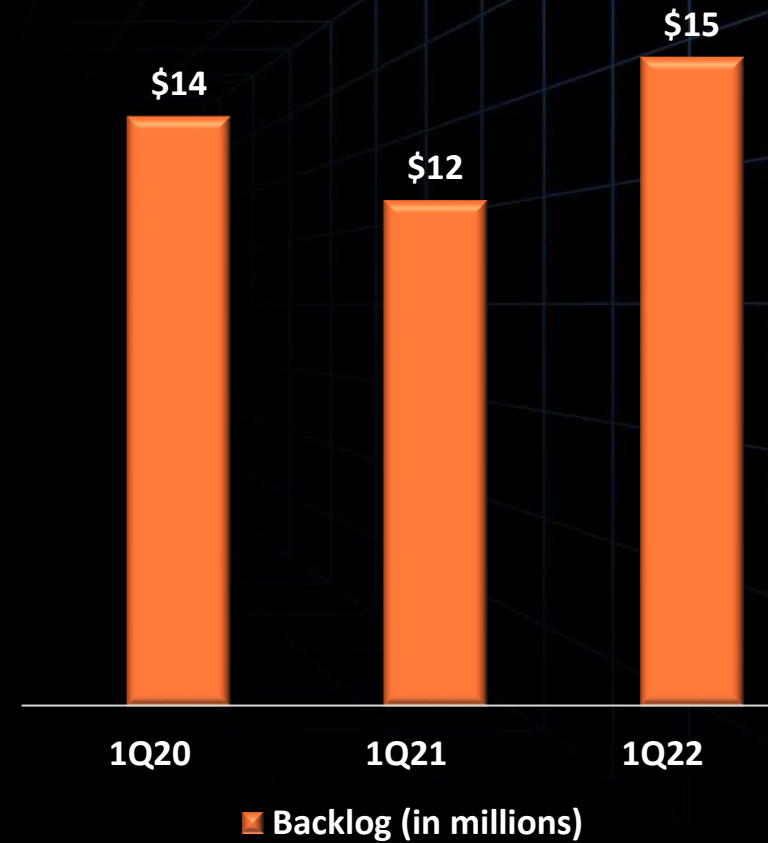
Services Types as % of Service Revenue

Services Performance Metrics

Total Projects



Backlog



Income Statement Summary – Q1

(in millions, except EPS)

	1Q22	% of Rev	1Q21	% of Rev
Revenue	\$12.4	100%	\$10.7	100%
Revenue Growth	16%		14%	
Gross profit	9.7	78%	8.3	77%
R&D	0.9	7%	0.8	8%
SG&A	5.0	40%	4.4	41%
Total operating exp	5.9	47%	5.2	49%
Income from operations	3.8	31%	3.1	29%
Income before income taxes	3.9	31%	3.0	28%
Income taxes	(0.8)	7%	(0.5)	5%
Effective tax rate	22%		17%	
Net income	\$3.0	24%	\$2.5	23%
Diluted earnings per share	\$0.15		\$0.12	
Adjusted EBITDA	\$5.3	42%	\$4.3	40%

Balance Sheet Summary

(in millions)

	Nov. 30, 2021	Aug. 31, 2021
Cash and short-term investments	\$124.3	\$123.6
Total current assets	139.9	139.3
Total assets	181.0	180.0
Current liabilities	9.6	11.6
Long-term liabilities	2.9	2.6
Total liabilities	12.5	14.2
Shareholders' equity	168.5	165.8
Total liabilities and shareholders' equity	181.0	180.0

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