



S+ *SimulationsPlus*

Earnings Call - Q3 - FY22

July 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.

Third Quarter Highlights

17%

Revenue Growth

11%

Diluted EPS
Growth

42%

Adj. EBITDA % of
Revenue

34%

Services Backlog
Growth

- **Strong Q3 Performance**

- Continued double-digit software performance (16% growth)
- Service returns to growth (19%)

- **Demonstrated scientific leadership**

- New software releases
- Key pharma and regulatory collaborations
- 2nd annual MIDD conference

Third Quarter Software Highlights

GastroPlus®

+19%
Q3 Revenue
Growth

- 6 new commercial customers
- 14 upsells
- 16 peer reviewed journal articles published in Q3

+20%
YTD Revenue
Growth

MonolixSuite®

+8%
Q3 Revenue
Growth

- 10 new commercial customers
- Continued focus on expansion of geographic coverage

+31%
YTD Revenue
Growth

ADMET Predictor®

+7%
Q3 Revenue
Growth

- ADMET Predictor® v10.4 released
- 6 new commercial customers
- 9 upsells
- Continued progress with AIDD collaboration

+14%
YTD Revenue
Growth

Third Quarter Services Highlights

+19%

Revenue
Growth

+34%

Backlog
Growth

+50%

Projects
Growth

PKPD

- Good 1H bookings contributes to 40% increase in projects in Q3
- Rising utilization and project pricing yields

+29%

Q3 Revenue
Growth

QSP/QST

- Good Q2 bookings commenced project activity in Q3, but expected to more fully impact future quarters

+1%

Q3 Revenue
Growth

PBPK

- Accelerating demand in this market segment continues indicative of increased industry adoption of PBPK techniques

+83%

Q3 Revenue
Growth

FY22 Outlook

Growth Targets:

12% to 15%
Total Revenue Growth

55% to 60%
Software Revenue % of Total
Revenue

40% to 45%
Service Revenue % of Total
Revenue

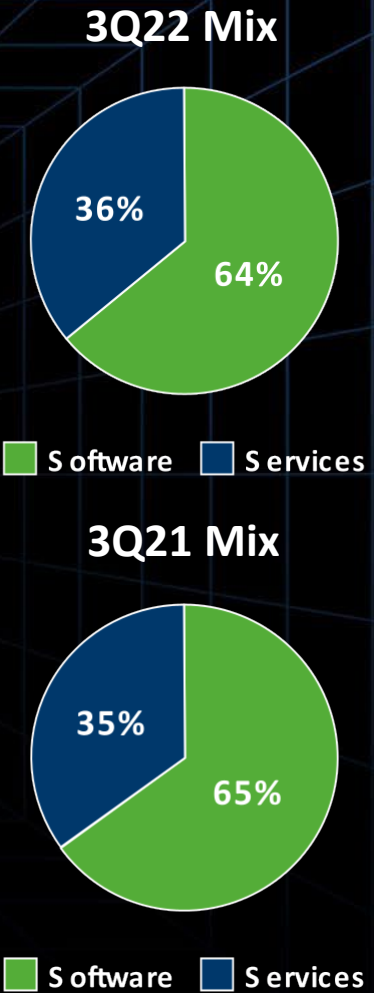
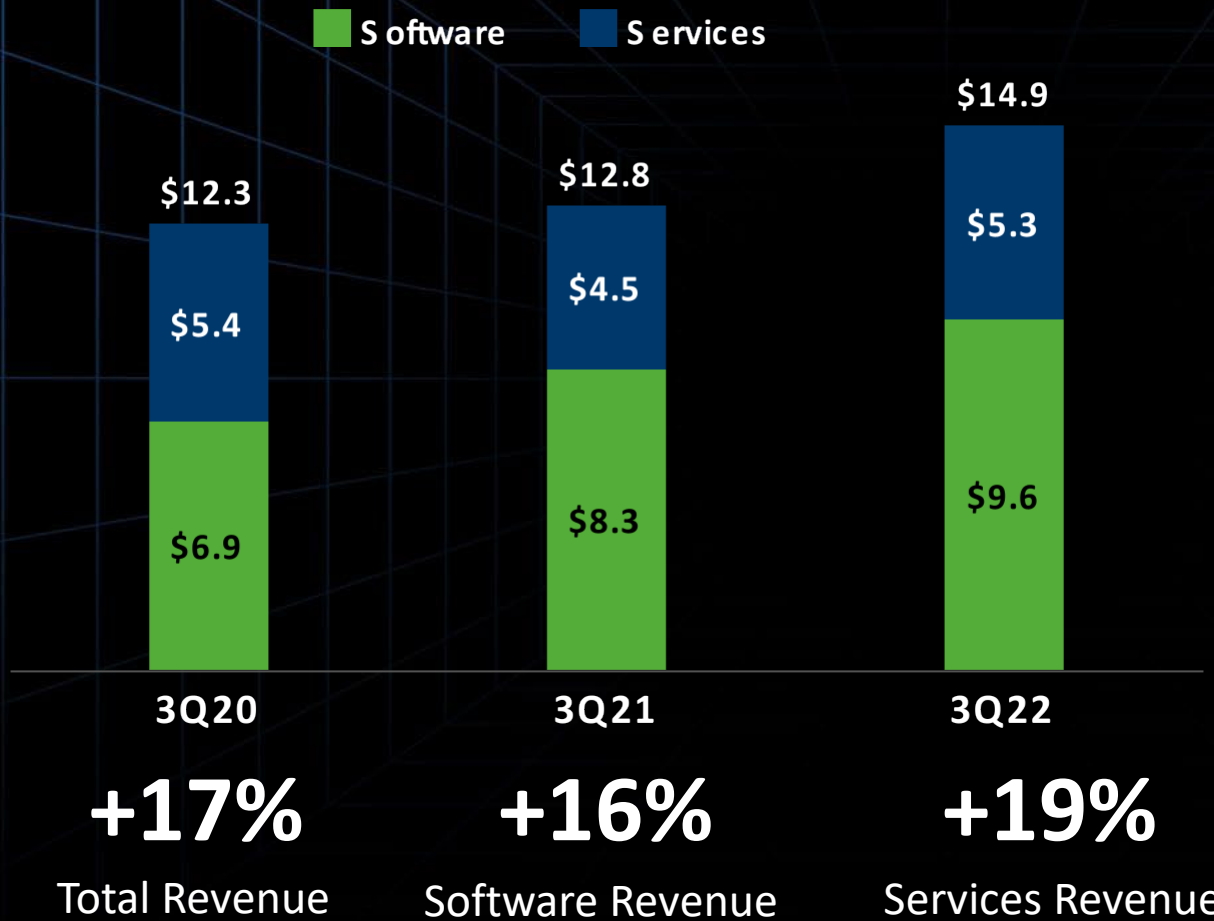
Commentary:

- Software business continues to deliver strong momentum.
- Services business normalizing and long-term outlook remains positive; strong backlog growth and robust pipeline activity
- M&A remains strategic enhancement to organic growth objectives

Financial Results

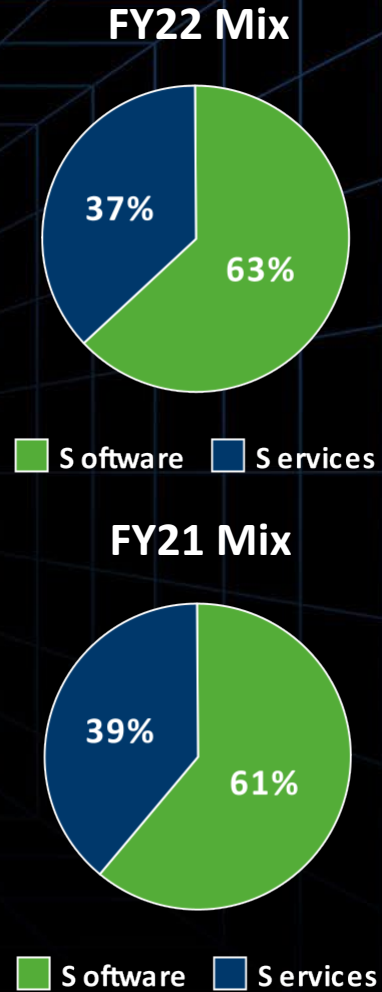
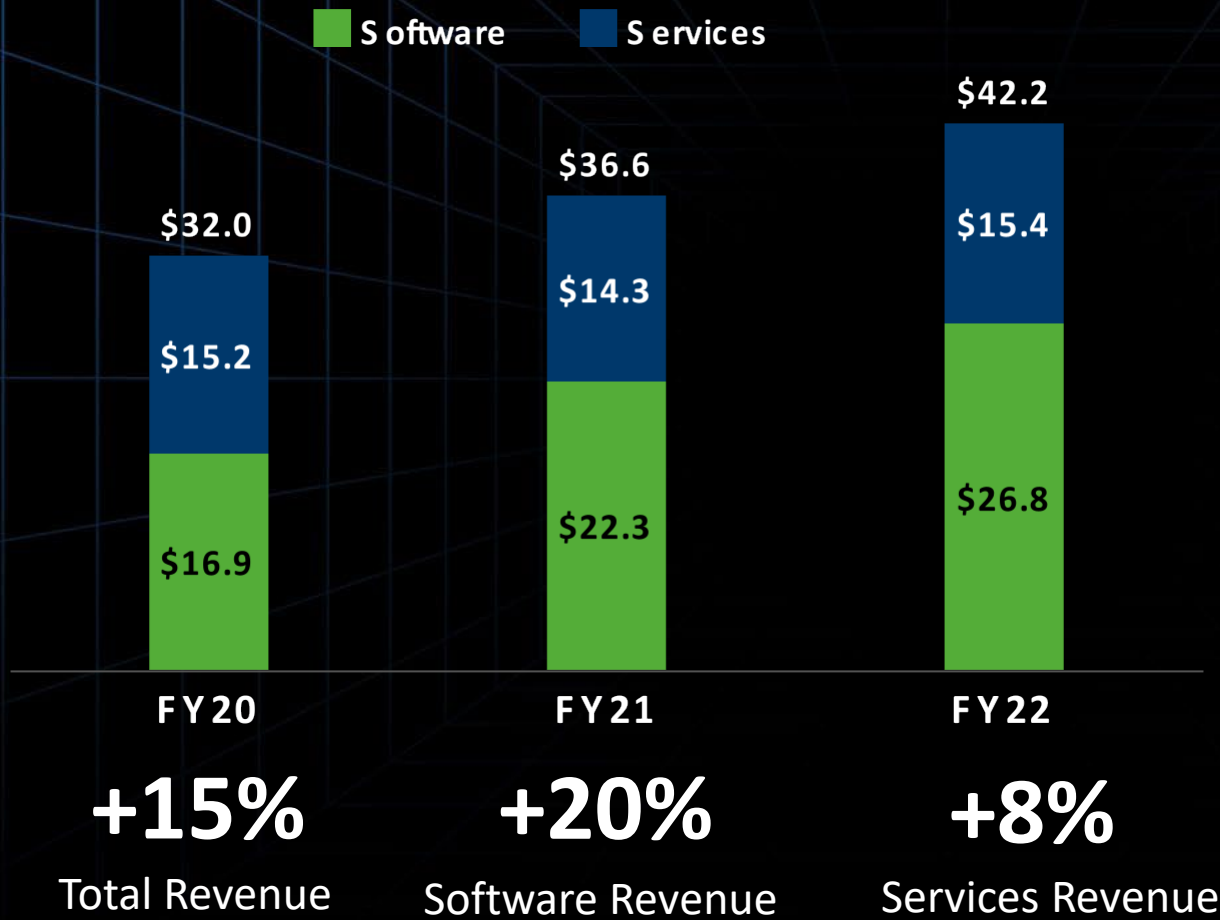
Revenue - Q3

(in millions)

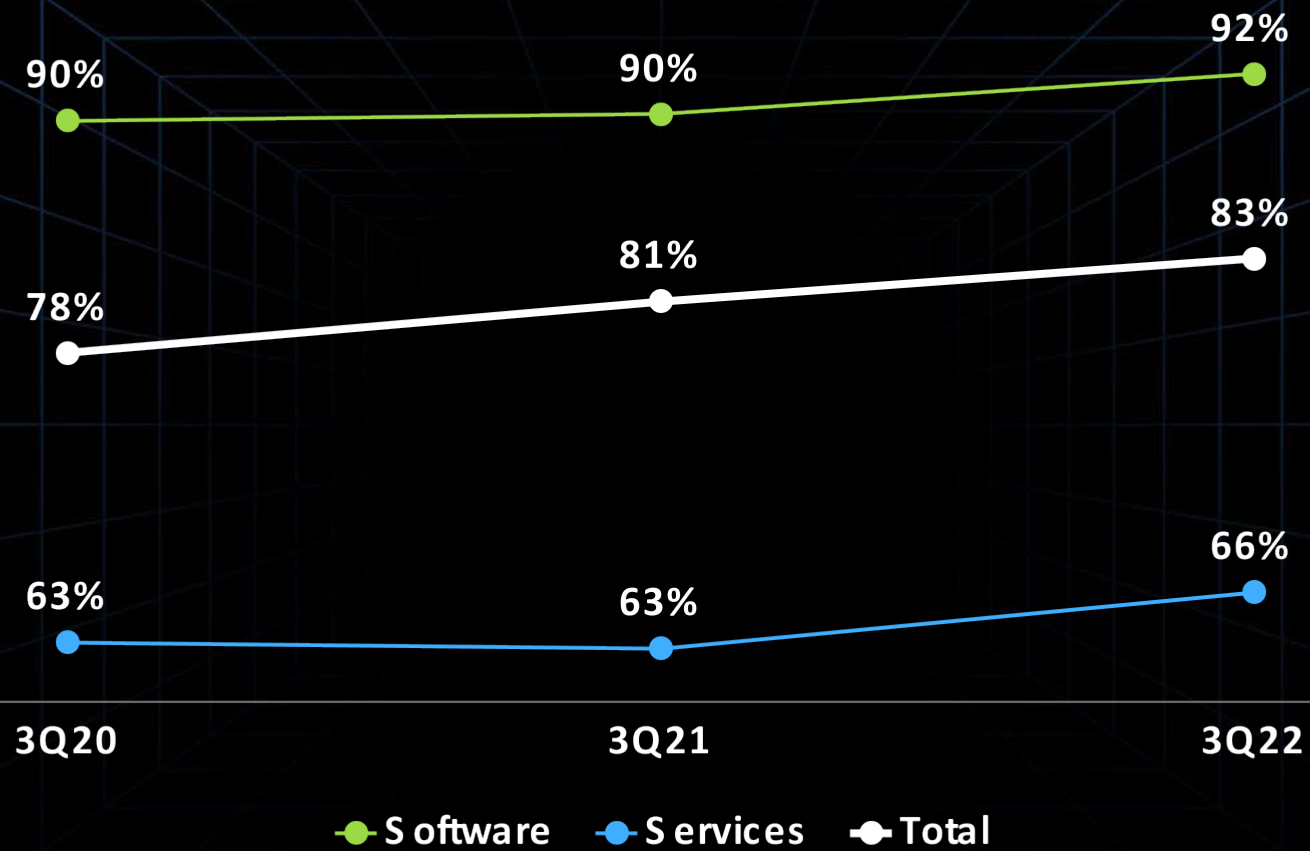


Revenue – YTD

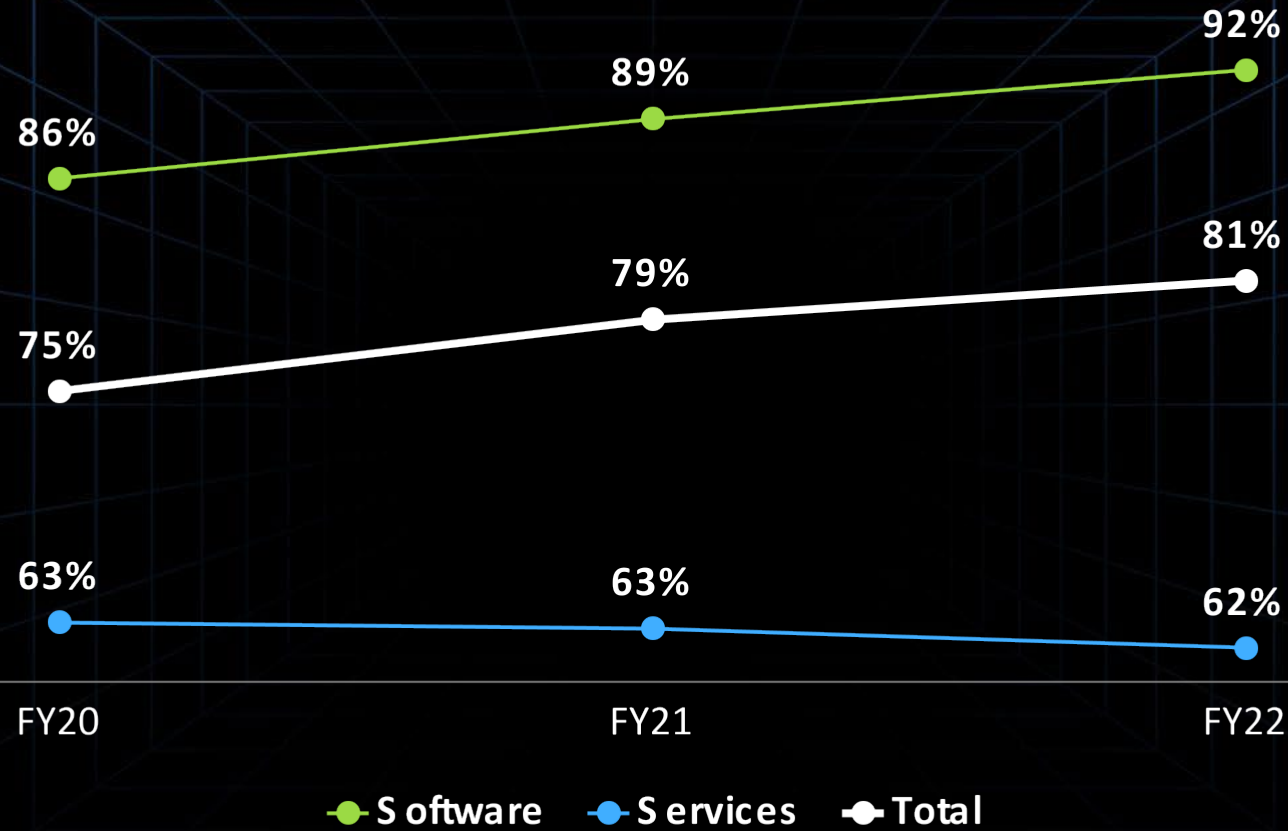
(in millions)



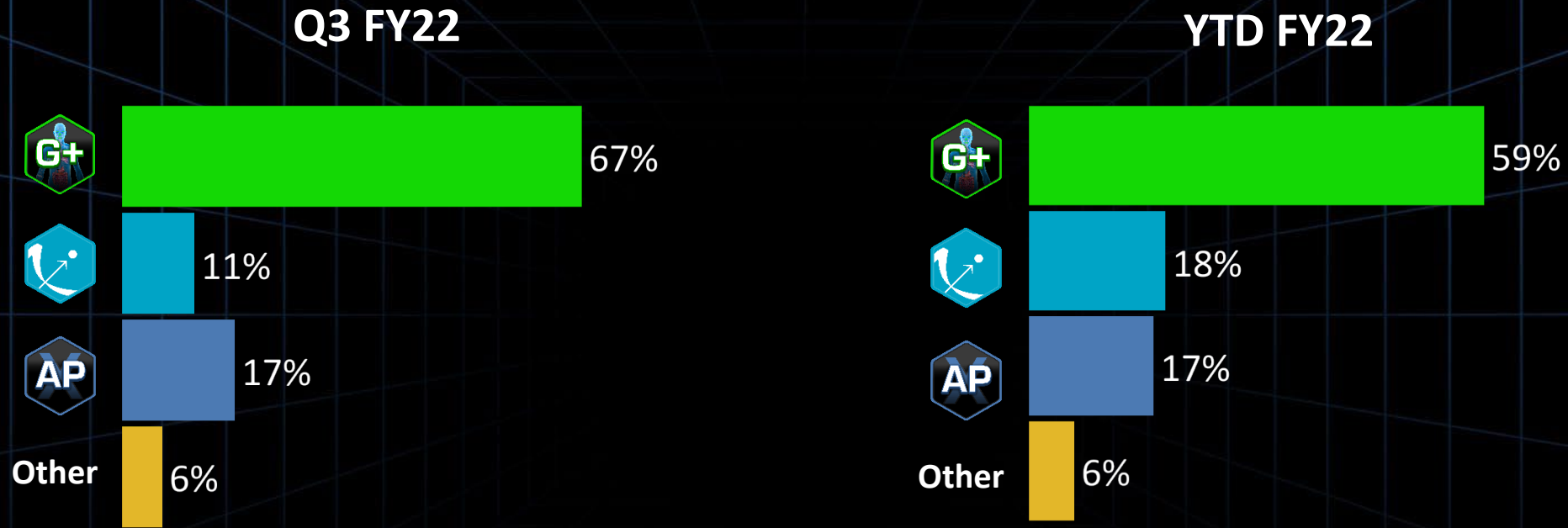
Gross Margin Trends - Q3



Gross Margin Trends – YTD



Software Revenue by Product

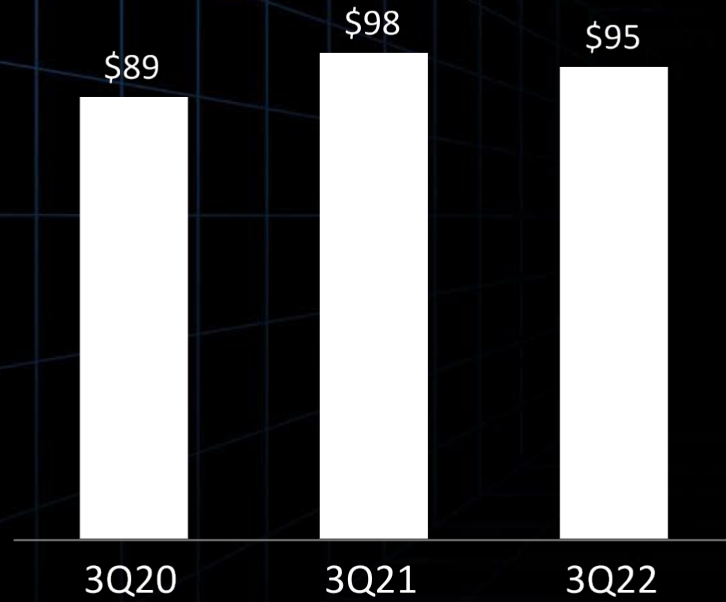


Software Product as % of Software Revenue

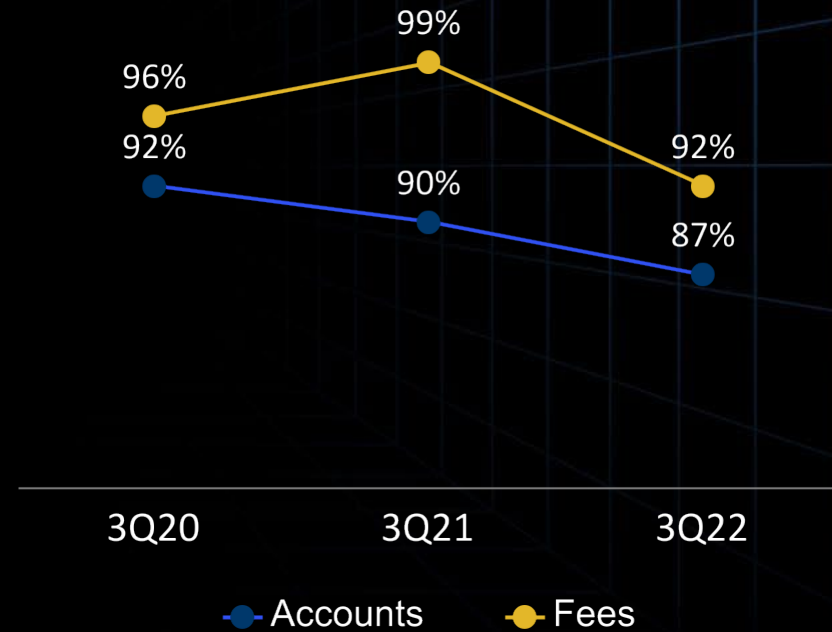
Software Performance Metrics - Q3

Commercial Customers

Avg. Revenue per Customer (in thousands)



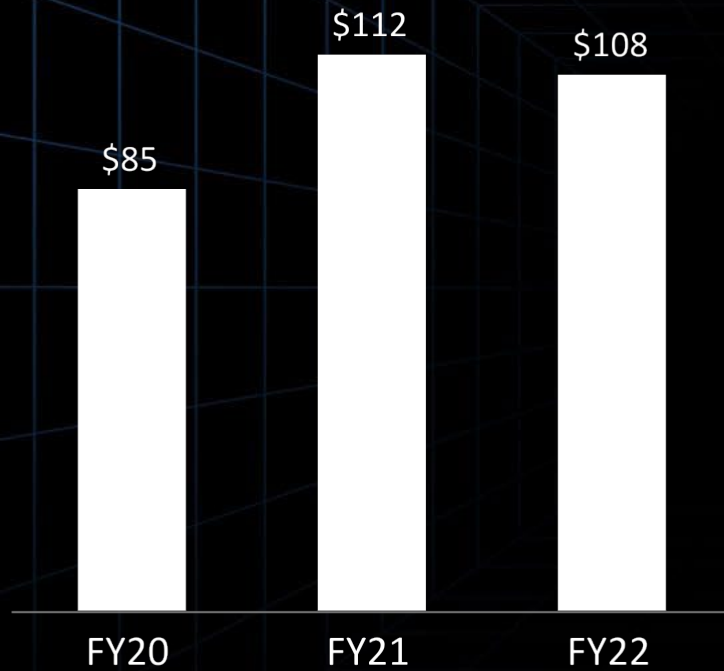
Renewal Rates



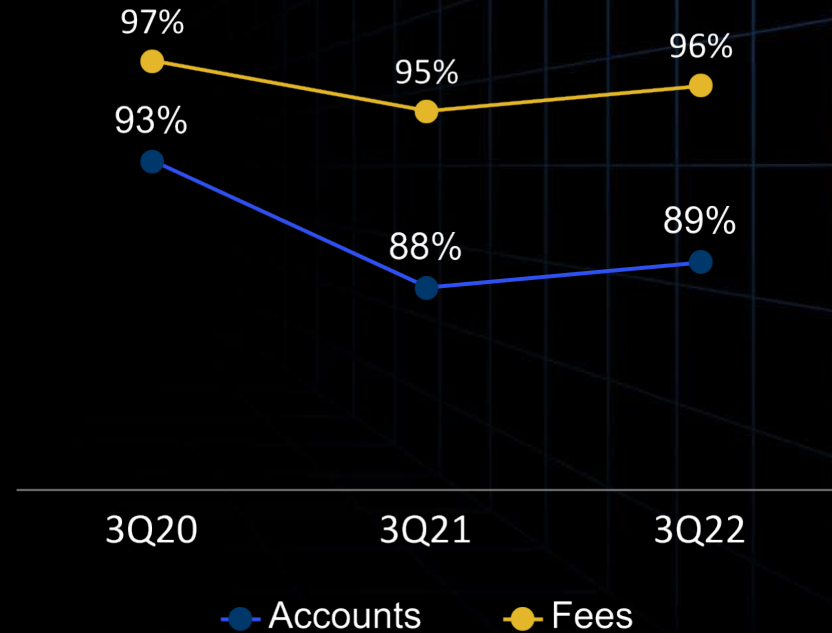
Software Performance Metrics – YTD

Commercial Customers

Avg. Revenue per Customer (in thousands)

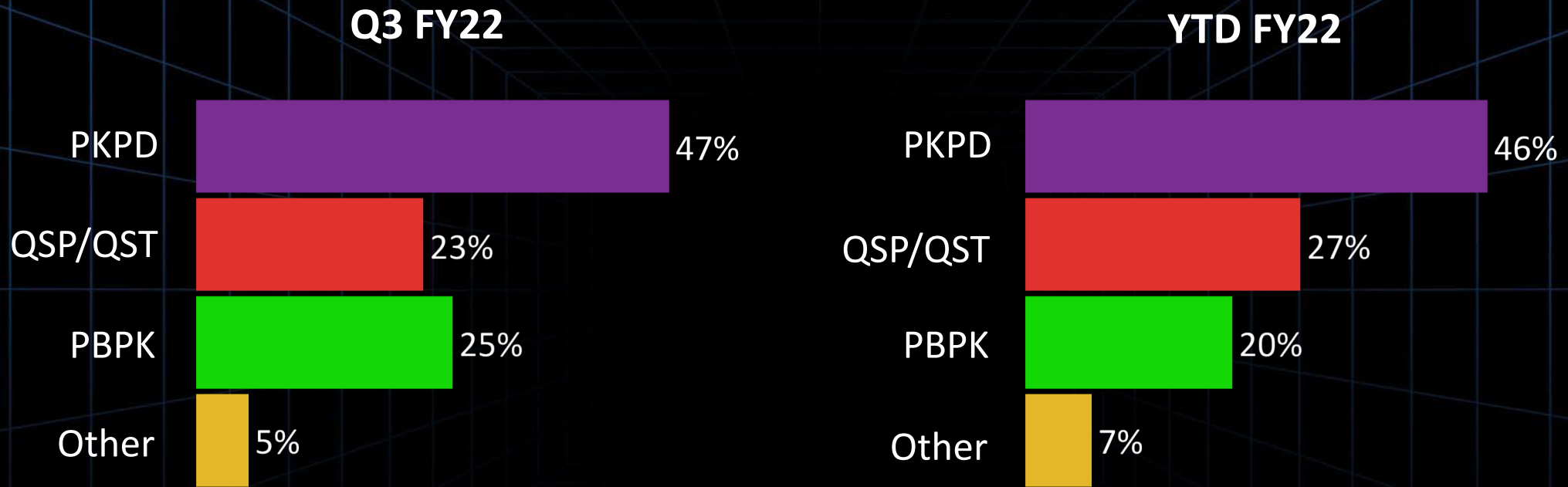


Renewal Rates



University+ Customers: 190 in 49 countries

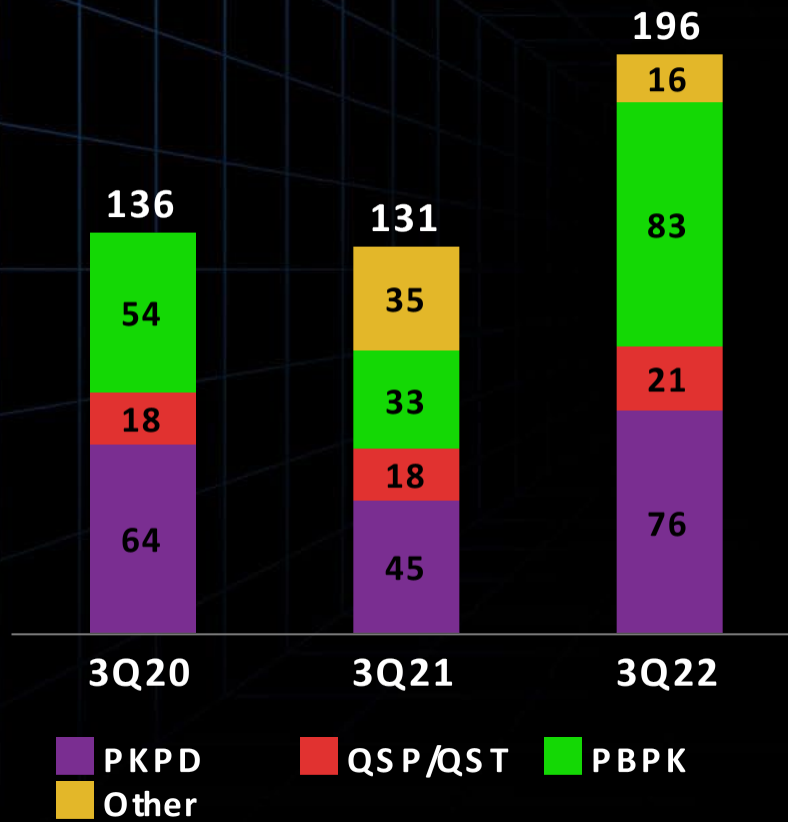
Services Revenue by Type



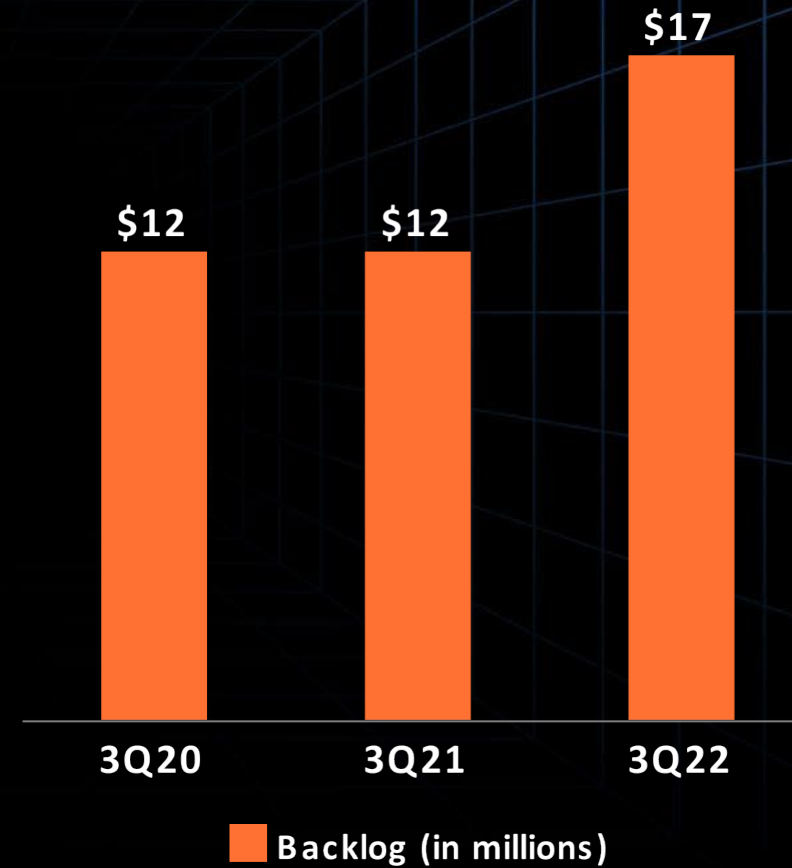
Software Product as % of Software Revenue

Services Performance Metrics

Total Projects



Backlog



Income Statement Summary - Q3

(in millions, except EPS)

	3Q22	% of Rev	3Q21	% of Rev
Revenue	\$15.0	100%	\$12.8	100%
Revenue Growth	17%		4%	
Gross profit	12.4	83%	10.3	81%
R&D	0.7	4%	0.7	5%
SG&A	6.8	45%	5.1	40%
Total operating expense	7.5	50%	5.8	45%
Income from operations	4.9	33%	4.5	36%
Income before income taxes	4.8	32%	4.5	35%
Income taxes	(0.7)	5%	(0.7)	6%
Effective tax rate	15%		16%	
Net income	\$4.1	27%	\$3.8	30%
Diluted earnings per share	\$0.20		\$0.18	
Adjusted EBITDA	\$6.3	42%	\$5.9	46%

Income Statement Summary – YTD

(in millions, except EPS)

	3Q22	% of Rev	3Q21	% of Rev
Revenue	\$42.2	100%	\$36.6	100%
Revenue Growth	15%		14%	
Gross profit	34.0	81%	28.8	79%
R&D	2.4	6%	2.8	8%
SG&A	17.4	41%	15.0	41%
Total operating expense	19.8	47%	17.7	48%
Income from operations	14.2	34%	11.1	30%
Income before income taxes	14.2	34%	10.9	30%
Income taxes	(2.7)	6%	(1.4)	4%
Effective tax rate	19%		13%	
Net income	\$11.5	27%	\$9.5	26%
Diluted earnings per share	\$0.56		\$0.46	
Adjusted EBITDA	\$18.7	44%	\$15.2	42%

Balance Sheet Summary

(in millions)

	May 31, 2022	August 31, 2021
Cash and short-term investments	\$122.5	\$123.6
Total current assets	144.9	139.3
Total assets	186.2	180.0
Current liabilities	5.9	11.6
Long-term liabilities	2.7	2.6
Total liabilities	8.7	14.2
Shareholders' equity	177.6	165.8
Total liabilities and shareholders' equity	186.2	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 normalizing with improved backlog and strong bookings