



# QAD Corporate Overview

June 2021

## Safe Harbor

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to significant risks and uncertainties. Actual results and events may differ materially from those set forth in these forward-looking statements. These risks and uncertainties are detailed in QAD's SEC filings, including its latest Annual Report on Form 10-K and in particular the section titled "Risk Factors" therein and other periodic reports subsequently filed by QAD with the Securities and Exchange Commission.

This presentation may contain references to certain financial measures that have been adjusted to exclude certain expenses and other specified items. These financial measures differ from comparable measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") in that they exclude unusual or non-recurring charges, losses, credits or gains. Management believes that financial measures excluding the impact of these items provide useful supplemental information that is important to a proper understanding of the Company's results. These financial measures should not be viewed as a substitute for results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial measures presented by other companies.

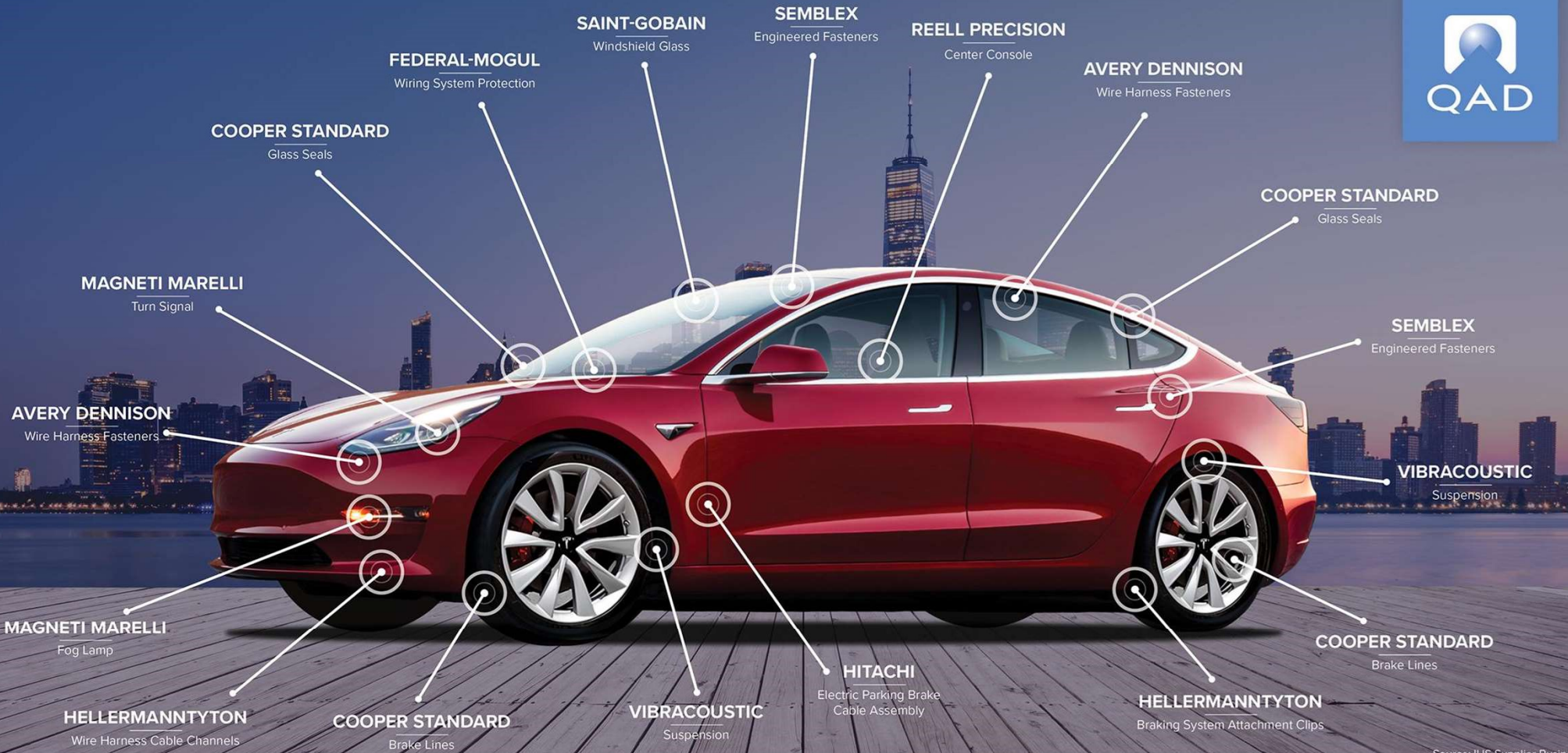
This presentation is intended to outline QAD's general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, functional capabilities, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functional capabilities described for QAD's products remains at the sole discretion of QAD.

QAD undertakes no obligation to update forward-looking statements.

**What We Do  
&  
Who We Do It For**

QAD Corporate Overview





Source: IHS Supplier Business  
Version 2020

**Building an Adaptive Manufacturing Enterprise**  
Products Manufactured by QAD Customers

**AUTOMOTIVE**



**QAD ERP ENABLES**  
**93** OF THE **100 TOP-SELLING**  
**CARS** IN THE **WORLD**



ADAPTIVE ERP  
[www.qad.com](http://www.qad.com)





Version 2020







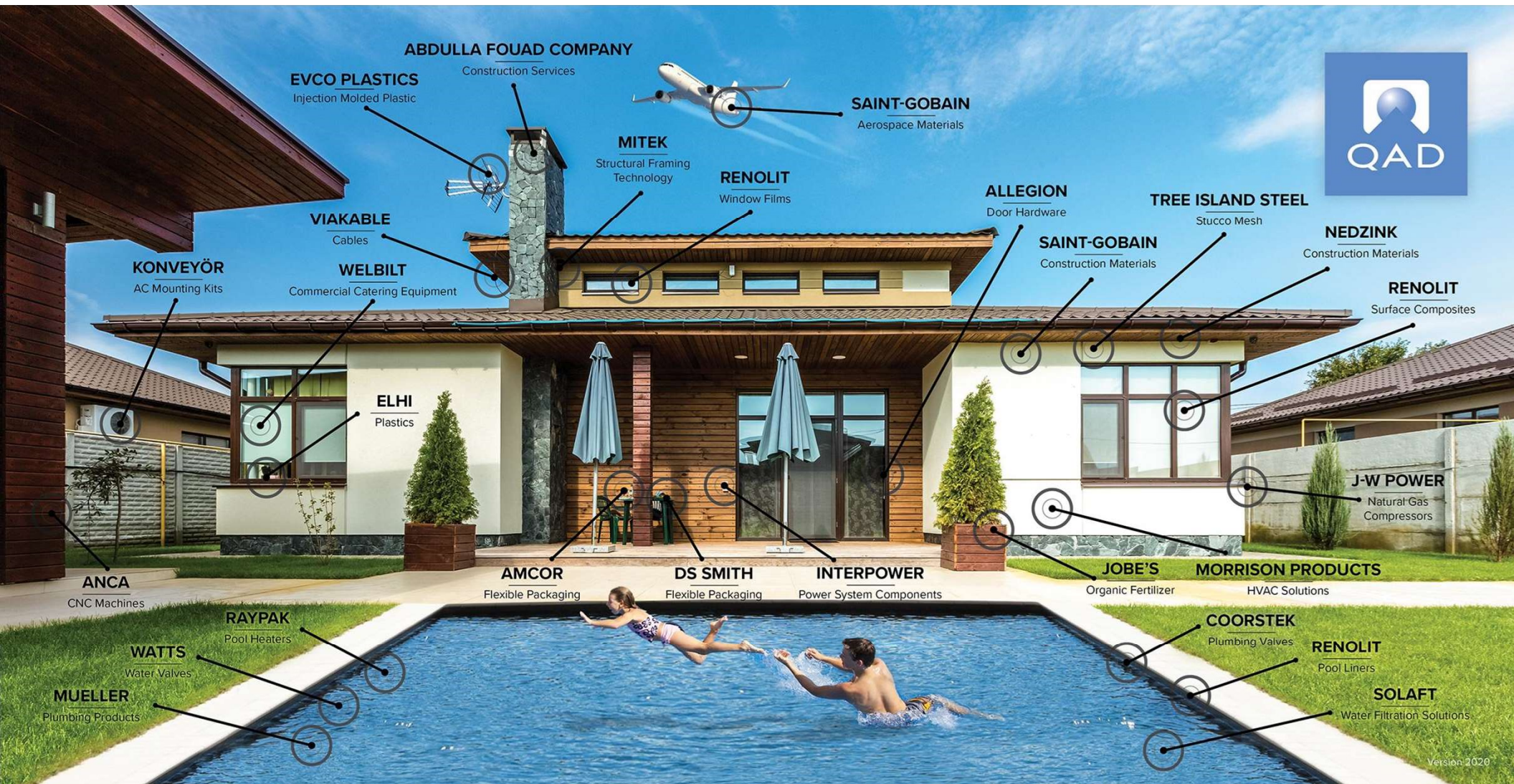


Version 2020

**Building an Adaptive Manufacturing Enterprise**  
Products Manufactured by QAD Customers

HIGH TECH 









**EVCO PLASTICS**  
Medical Equipment Housings

**SAFT**  
High Technology  
Batteries

**ARGON MEDICAL DEVICES**  
Interventional Radiology and  
Vascular Interventions

**CELLNOVO**  
Diabetes Management System

**CANON BIOMEDICAL**  
Genotyping Reagents

**MAUSER**  
Medical Waste Containers

**EVCO PLASTICS**  
Medical Equipment Housings

**MEDLINE**  
Protective Head Covers

**BIÇAKÇILAR**  
Surgical Lights

**RENOLIT**  
IV Bags

**MEDLINE**  
Protective Head Covers

**STRYKER SPINE**  
Spinal Implants

**ARGUS IMAGING**  
X-Ray Imaging

**SECOND SIGHT**  
Retinal Prosthesis System

**NN, INC.**  
Scalpels

**ATLAS  
HEALTHCARE**  
Gauze Dressings

**VIT-BEST**  
Contract Manufacturing  
Solutions

**ALTHEA**  
Antibody/Drug  
Conjugates (ADC)

**AESICA**  
Active Pharmaceutical  
Ingredient (API)

**SHARP PACKAGING**  
Vial Labelling

**X-GEN PHARMACEUTICALS**  
Injectables

**HEARTWARE**  
Ventricular Assist  
Devices (VAD)

**SAINT-GOBAIN**  
IV Tubing

**ENTELLUS MEDICAL**  
Sinus Surgical Instruments

**BIÇAKÇILAR**  
Surgical Tables

**MEDLINE**  
Hospital Beds

**MEDICA**  
Surgical Instruments

**COORSTEK MEDICAL**  
Cardio Rhythm  
Management Components

**MEDLINE**  
Surgical Instruments

**MEDICA**  
Surgical Drapes

**EXACTECH**  
Orthopedic Implants

LIFE SCIENCES



Version 2020

**Building an Adaptive Manufacturing Enterprise**  
Products Manufactured by QAD Customers



## QAD Overview: Customers



# Disruption in Manufacturing Markets

# DISRUPTION KILLS

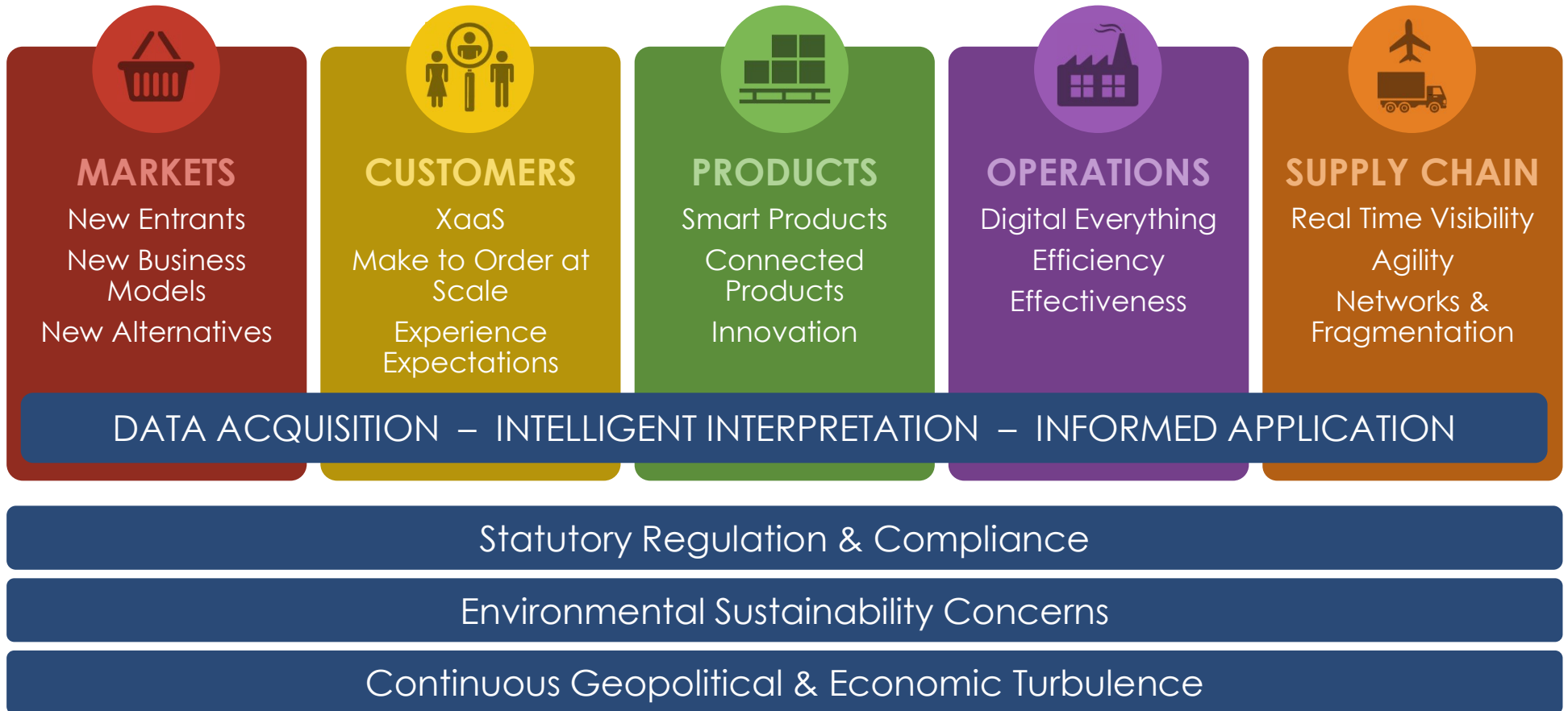
S&P COMPANY LIFESPANS



\*Projected Years



# Disruption in Manufacturing





**what got us  
to here....**



**won't get us  
to where we are going**

“In the new world, it’s not the big fish which eats the small fish, it’s the fast fish which eats the slow fish.”



Klaus Schwab – World Economic Forum



# OUR VISION

In an increasingly disruptive and turbulent world, manufacturers rapidly adapt to change and innovate for competitive advantage.



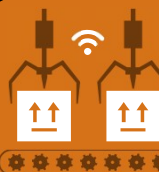
# The Adaptive Manufacturing Enterprise



**CONNECTED**  
Supply Chain  
Management



**EFFECTIVE**  
Enterprise  
Management



**DIGITAL**  
Manufacturing



**INTEGRATED**  
Supplier  
Management

**INTELLIGENT**  
Connected  
Data-Driven  
Optimized

**AGILE**  
Performance Oriented  
Process Mobility  
Systems Flexibility

**INNOVATIVE**  
Aware  
Dynamic  
Customer Experience  
Focused

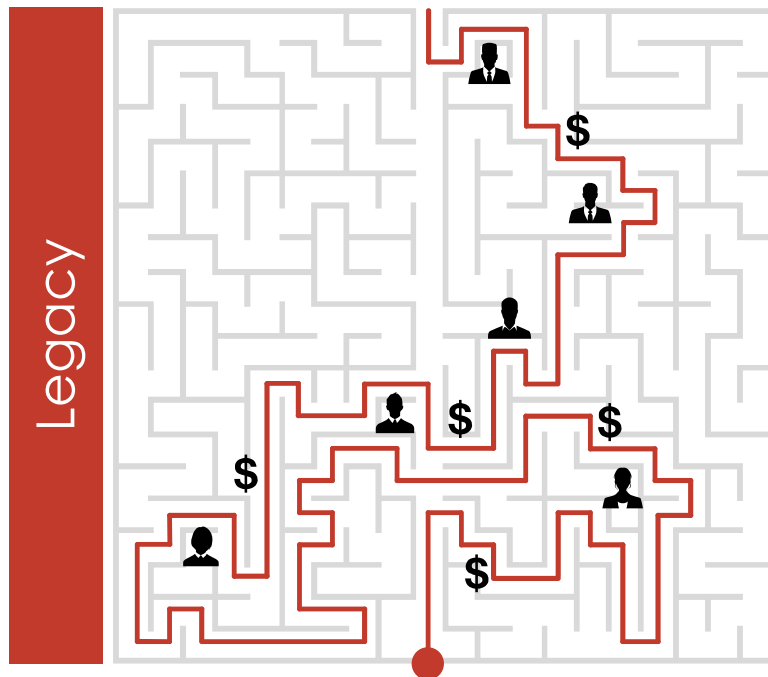


**COMPLETE**  
Customer  
Management

# Next Generation ERP

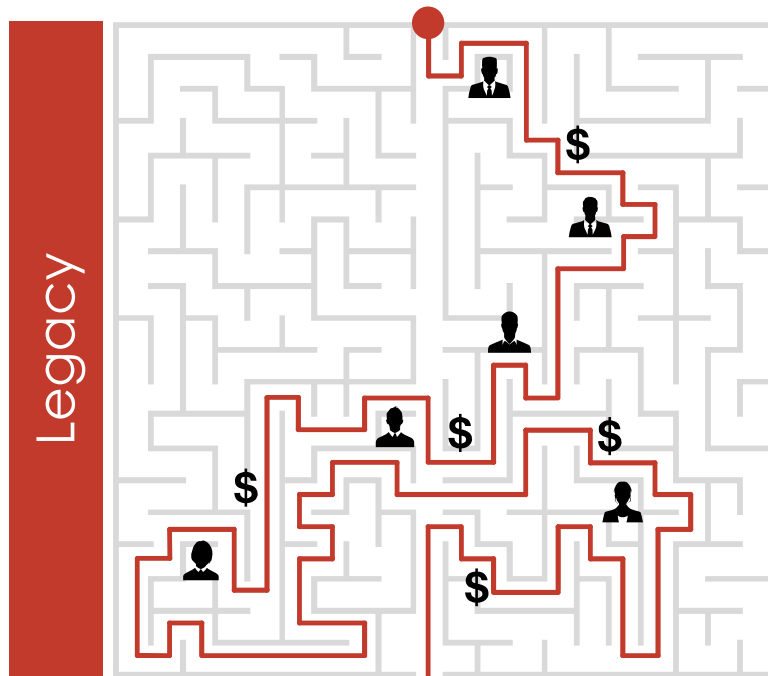


## Changing ERP Landscape

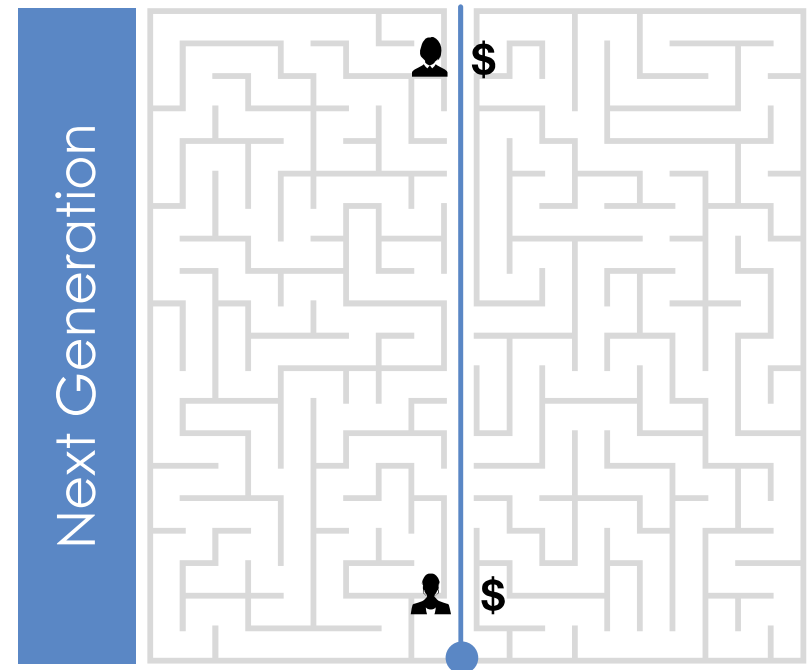
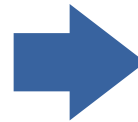


- Long projects
- Expensive & resource heavy
- Version locked

## Changing ERP Landscape

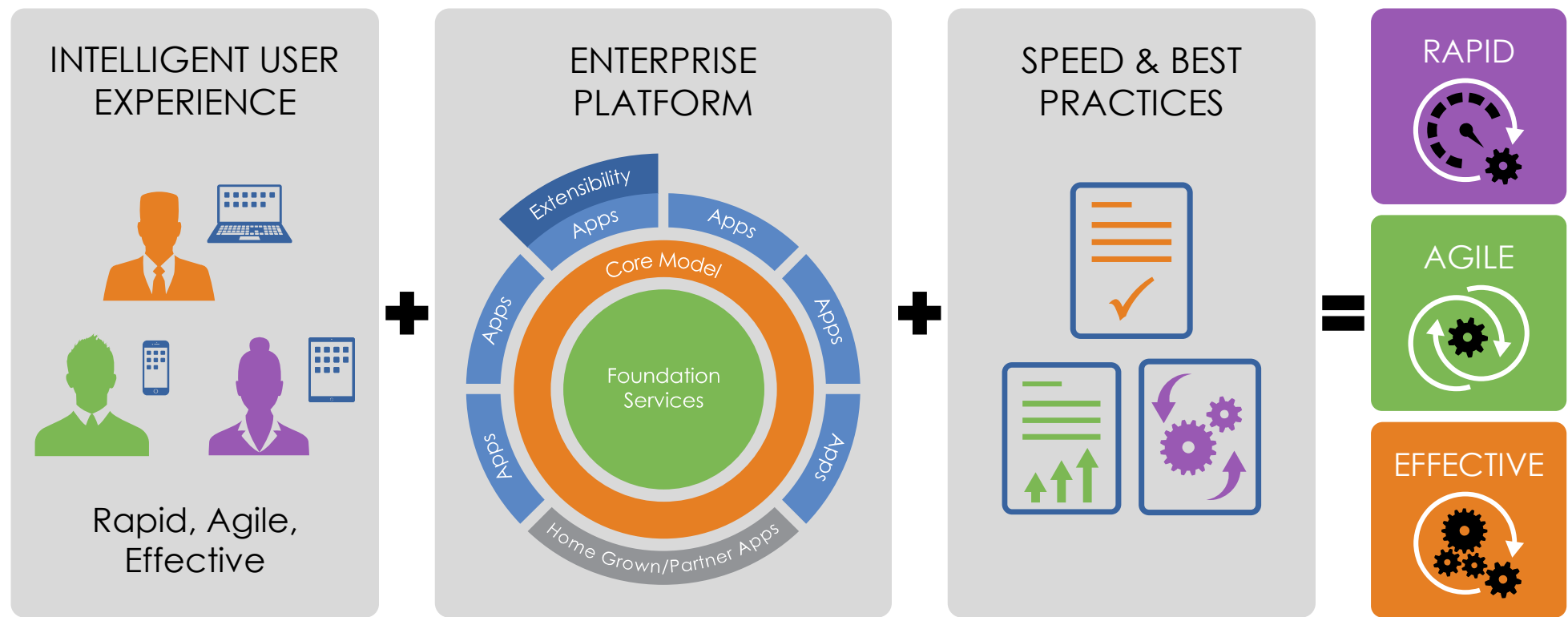


- Long projects
- Expensive & resource heavy
- Version locked



- Rapid deployment
- Independence
- Agile

# Competitive Advantage



# QAD Digital Transformation



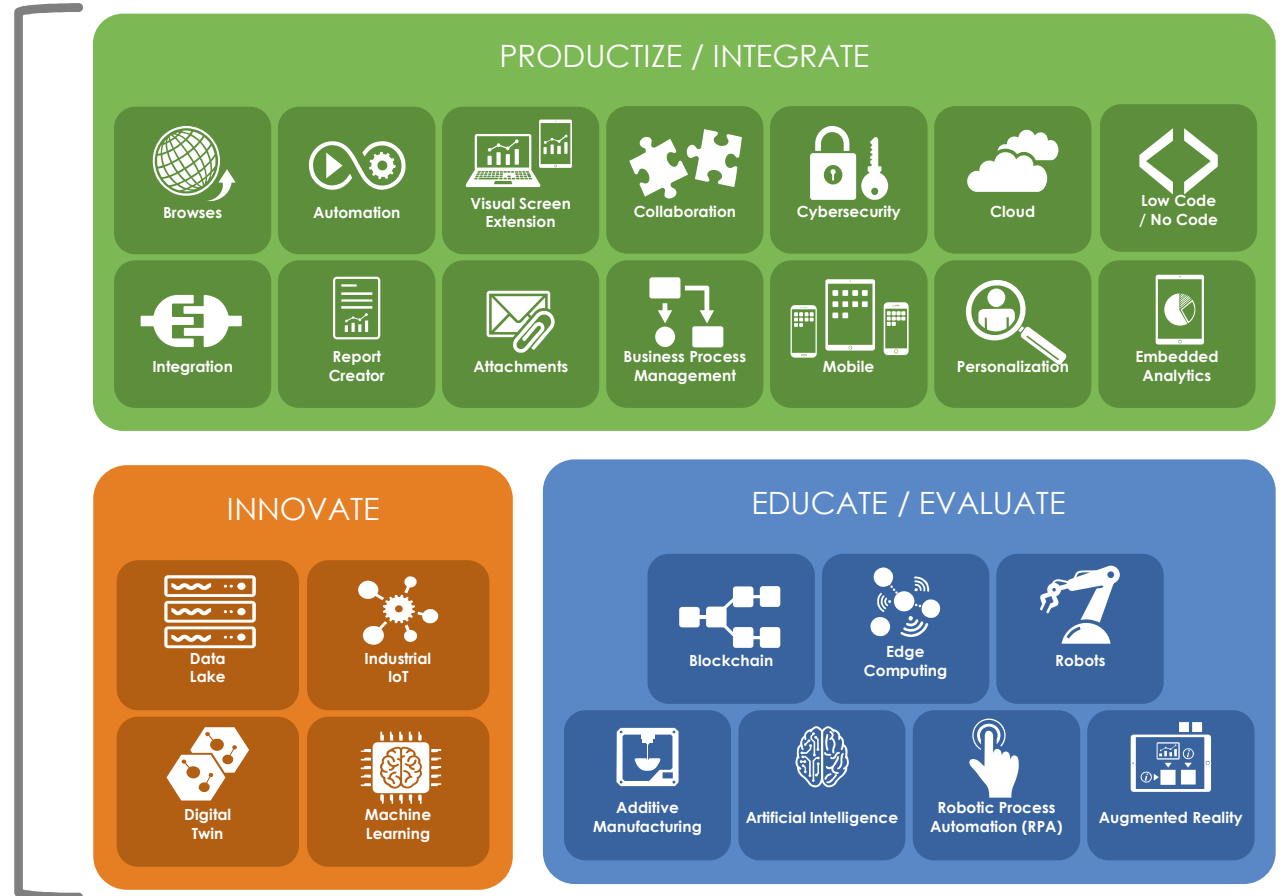
Technology Evaluation



Use Case Analysis



Solution Innovation





QAD Corporate Overview

# Financial Summary

QAD Corporate Overview



**Offices**  
19 Countries



**Revenue**  
\$308m (FY21)



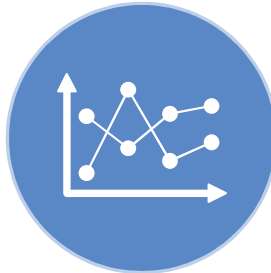
**Employees**  
1,930



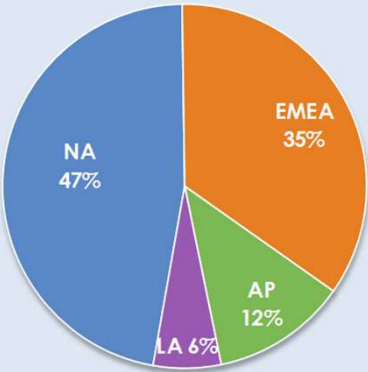
**Customers**  
100+ Countries



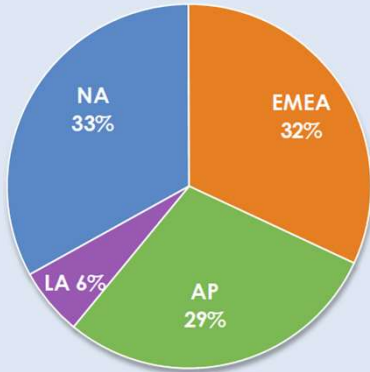
**Customer Sites**  
7000+



**Stock**  
NASDAQ:  
QADA, QADB



**Customers**



**People**

QAD is a leading provider of flexible, cloud-based enterprise software for global manufacturing companies.

## Sources of Revenue

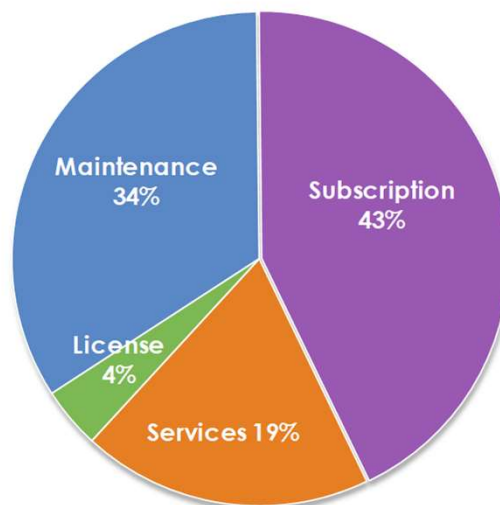
### Maintenance

- High Retention

### Licenses

- Source
  - New Divisions
  - New Modules
  - New Users
  - New Customers

TTM Revenue at  
4/30/2021



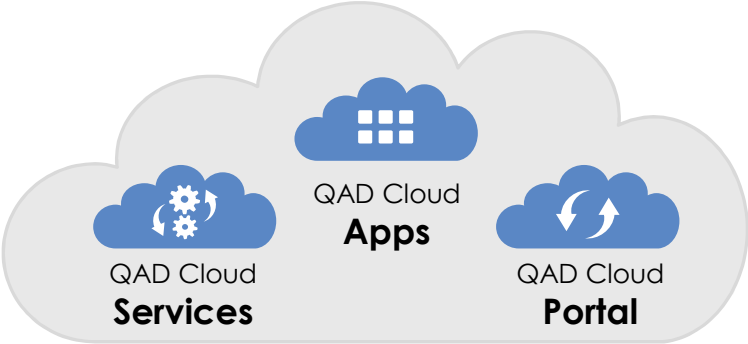
### Subscription

- Source
  - Conversions
  - New Divisions
  - New Customers
  - New Users
- Very sticky

### Services

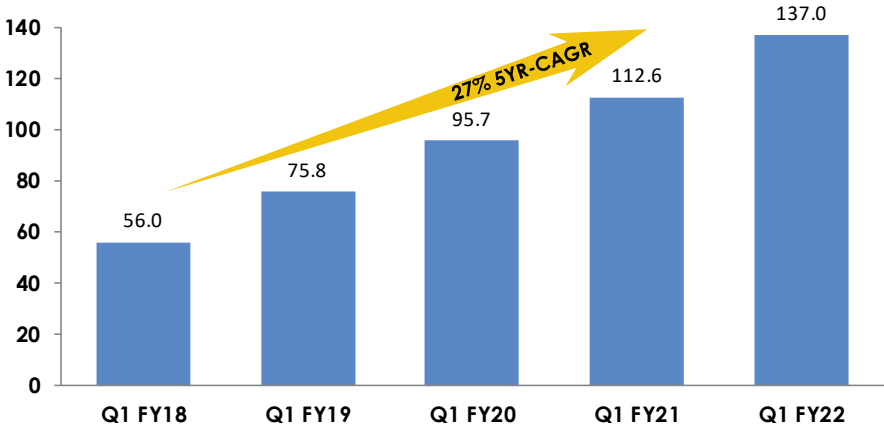
- New Implementations
- Upgrades

# QAD Cloud



**We are leaders in the Cloud**  
delivering full-strength cloud ERP available globally

TTM Subscription Revenue (\$m)



**Global**  
47 Countries



**Users**  
68,000+



**Support**  
24x7 & Monitoring



**Secure**  
SSAE-18 (ISO-27001)



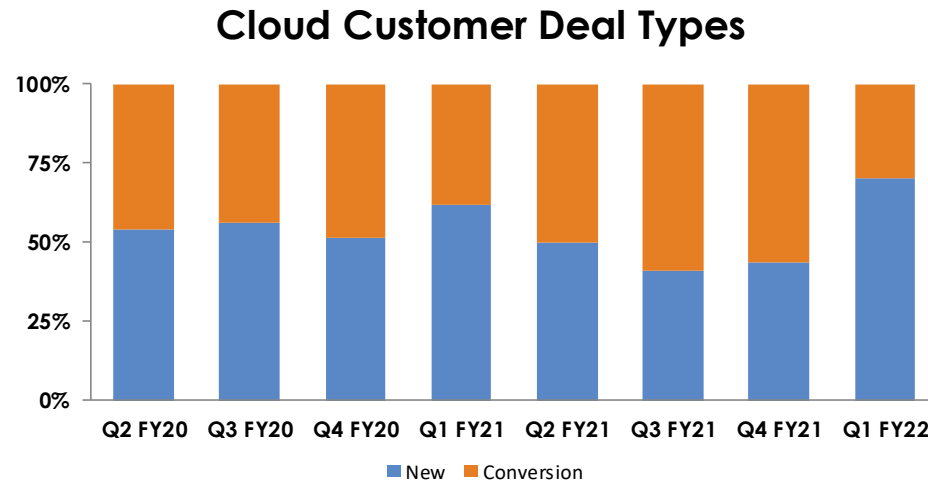
**Available**  
> 99.5%



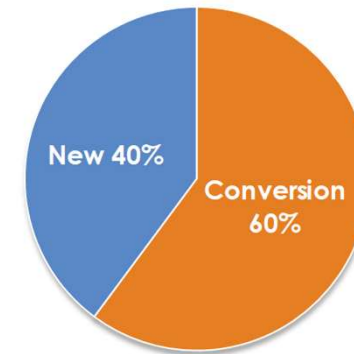
**Blended**  
Cloud / On Premise



## Cloud Customer Types: New vs Conversion



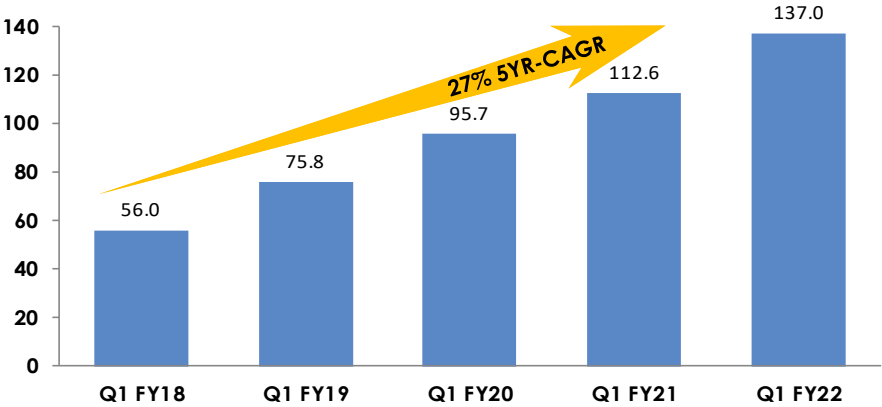
**TTM Cloud Revenue**



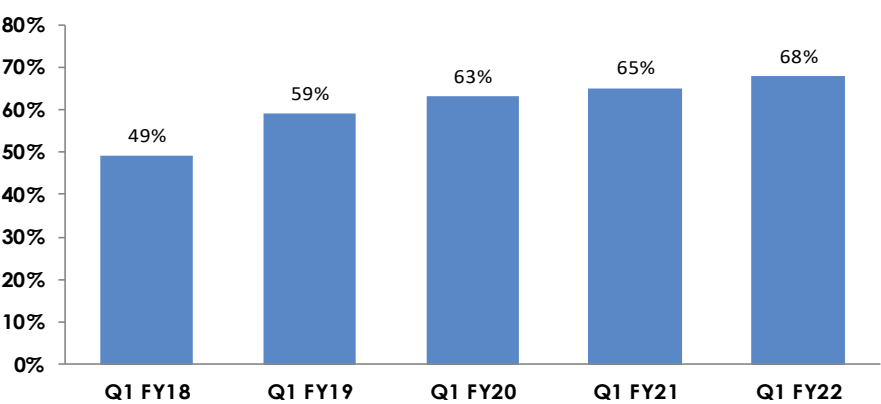
- ✓ On average, half of our new quarterly deals are new and half are existing on-premises customers converting to the cloud
- ✓ Conversions result in more upfront revenue since these customers are already using QAD
- ✓ About 25% of our on-premises customers have converted to the cloud

# Subscription Financial Statistics

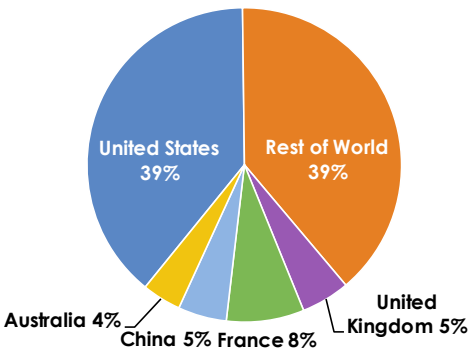
TTM Subscription Revenue (\$m)



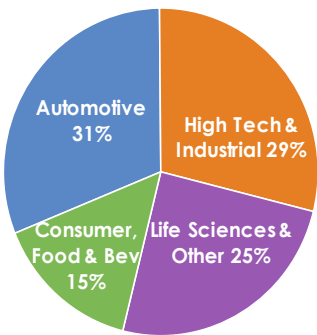
TTM Subscription Gross Margin



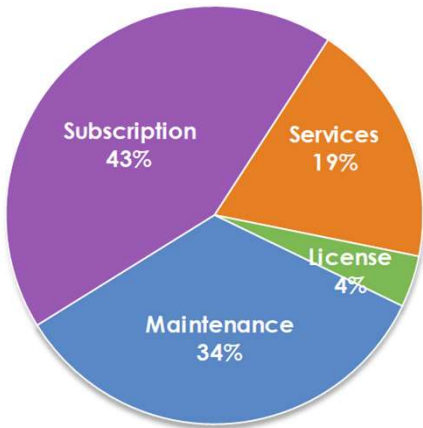
Cloud Sites by Country



Cloud Sites by Vertical



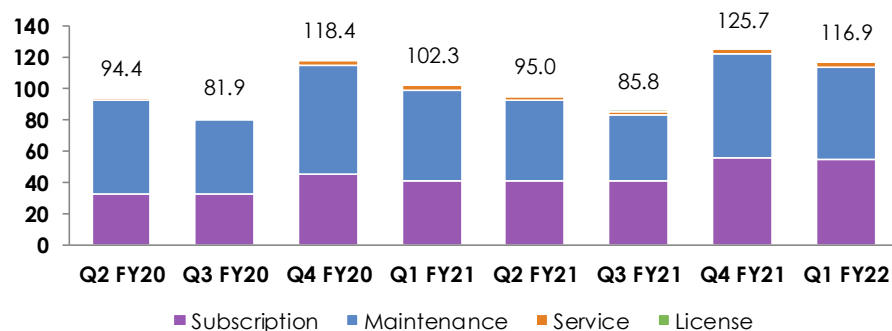
TTM Revenue at 4/30/21



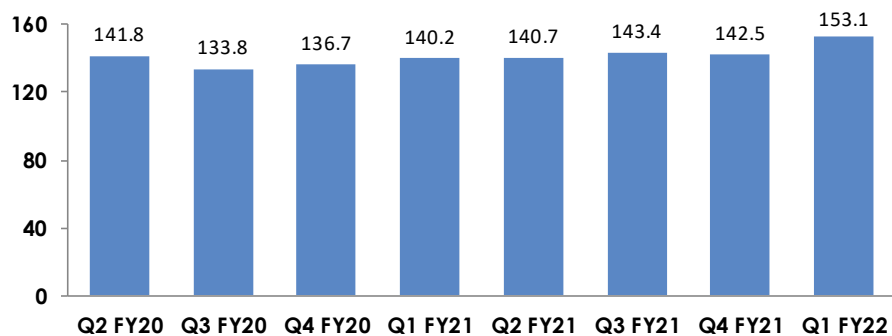
Conversion Opportunity  
**3X Maintenance**

## Balance Sheet

Deferred Revenue (\$m)

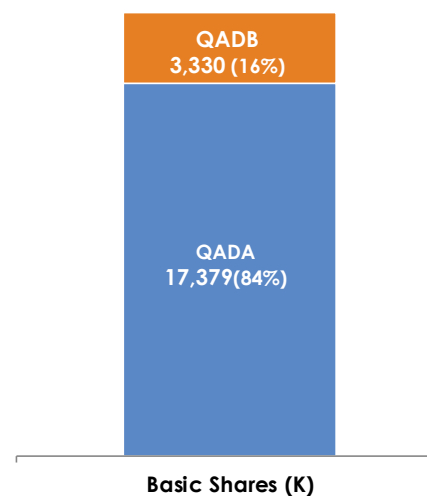


Cash & Equivalents (\$m)



## Equity Structure

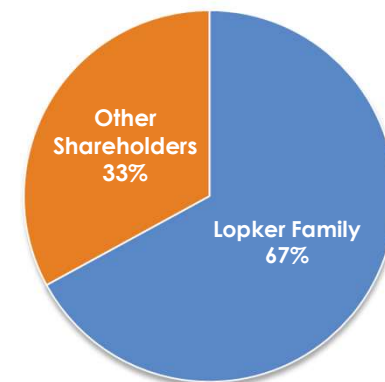
Share Classes



### QADB

- 1 Vote/Share
- 100% Dividends
  - \$0.06/share per quarter

Voting Structure



### QADA

- 1/20<sup>th</sup> Vote/Share
- 120% Dividends
  - \$0.072/share per quarter



## Long-Term Model

	FY21
Subscription Revenue – 3 year CAGR	\$ 131M
Subscription Revenue Gross Margin	68%
Total Gross Margin	59%
Sales & Marketing as % Total Revenue	23%
R&D as % Total Revenue	18%
G&A as % of Total Revenue	14%
Adjusted EBITDA * as a % of Total Revenue	10%
Tax Rate	

Target Model	
Low	High
27%	30%
70%	72%
61%	63%
20%	18%
15%	14%
10%	9%
20%	22%
25%	

\* Adjusted EBITDA is EBITDA without equity expense



Driving Disruptive  
**INNOVATION**



QAD, the only choice for  
manufacturers who want to  
thrive in a disruptive world.