

A photograph of a modern office building interior. The scene is captured from a low angle, looking through a large glass window. The floor is made of light-colored, rectangular tiles. Several people are walking across the frame, their figures slightly blurred, suggesting movement. The background shows a bright, sunny day with green trees and a modern building with many windows. The overall atmosphere is professional and dynamic.

Agilysys...

INVESTOR PRESENTATION

May 2020

# Forward-looking Statements & Non-GAAP Financial Information

## Forward-Looking Language

This presentation contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to our current expectations, the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict, and in many cases, are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, our ability to manage the direct and indirect impact of the novel coronavirus ("COVID-19") pandemic on our business, operations, and customer demand for our products and services, and our ability to achieve operational efficiencies and meet customer demand for products and services, as well as the other risks identified in the Company's filings with the Securities and Exchange Commission, including the Company's reports on Form 10-K and Form 10-Q.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement that may be made from time to time, whether written or oral, whether as a result of new information, future developments or otherwise.

## Use of Non-GAAP Financial Information

To supplement the unaudited condensed consolidated financial statements presented in accordance with U.S. GAAP in this presentation, certain non-GAAP financial measures as defined by the SEC rules are used. These non-GAAP financial measures include adjusted EBITDA and adjusted earnings from operations. Management believes that such information can enhance investors' understanding of the company's ongoing operations. See the accompanying table below for a reconciliation of adjusted EBITDA and adjusted earnings from operations to the most closely related GAAP measure.

# Agilysys Overview



End to End Software Solutions Provider



Exclusively Hospitality



Provide Mission Critical Solutions



Products With Global Reach



**\$160.8M**

Total Revenue

**52%**

Recurring Revenue as a % of Total Revenue

**37%**

Subscription Revenue as a % of Recurring Revenue

**24%**

Subscription Revenue Growth Rate

*Note: All data is as of the twelve months ended March 31, 2020.*

# Go To Market Strategy

TECHNOLOGY | INNOVATION | SOLUTIONS

OBSESSIVELY CUSTOMER CENTRIC

IN EVERY MARKET WE SERVE

ENGINEERING DRIVEN COMPANY

>95%  
Customer  
Retention  
Annually

~5% Increase  
in YOY  
International  
Bookings

R&D Team  
Strength\*\*  
Jan 2017 – 230  
Mar 2019 – 500  
Mar 2020 – 750

\*Note: All data is as of the twelve months ended March 31, 2020.  
\*\*R&D strength numbers represent approximate headcount.

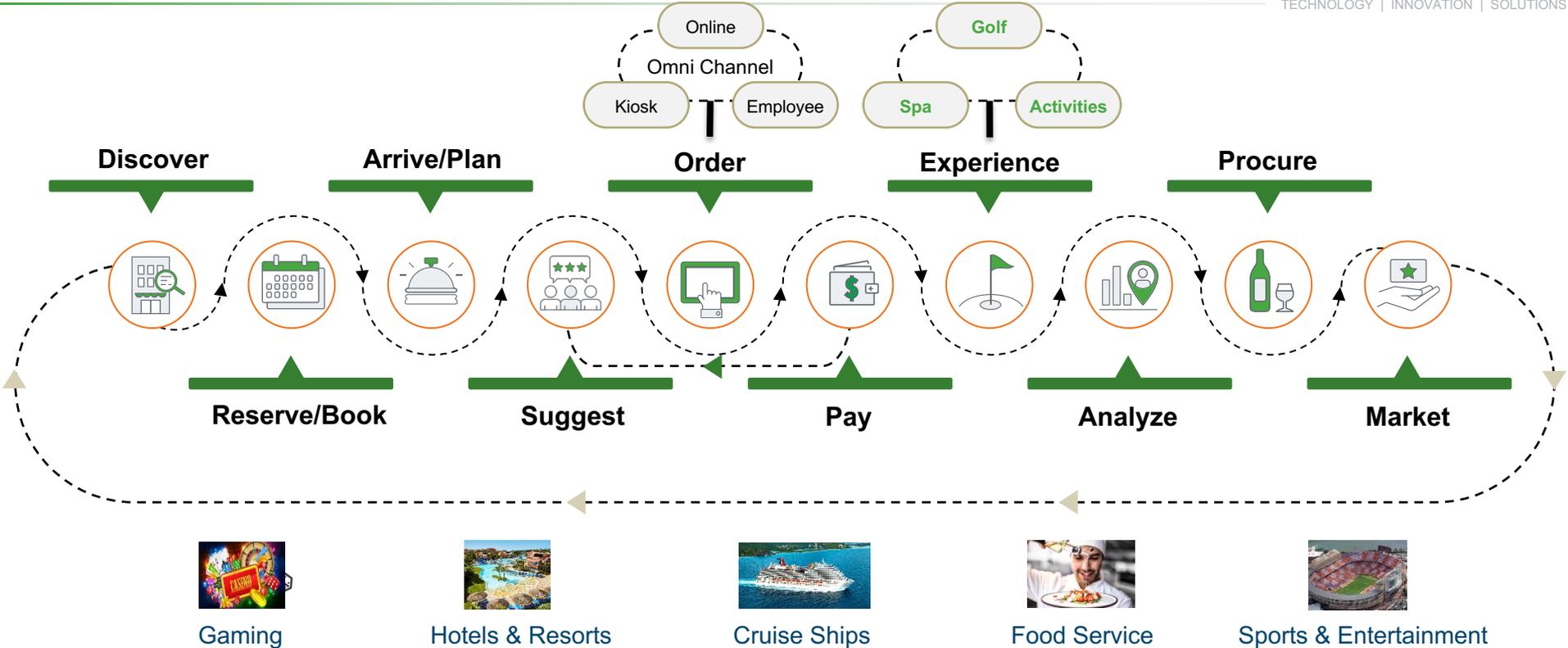
# Strategic Product Vision



***We Are in the Business of Providing A Fully Integrated Suite of Software Solutions to Enterprise Food & Beverage and Lodging Operators in the Hospitality Space that Enable Memorable Experiences Across All Channels of Guest Engagement***

# Enabling The Guest Journey

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Delivering a Comprehensive Suite of Solutions

# An Omni-Channel F&B Product Strategy

TECHNOLOGY | INNOVATION | SOLUTIONS

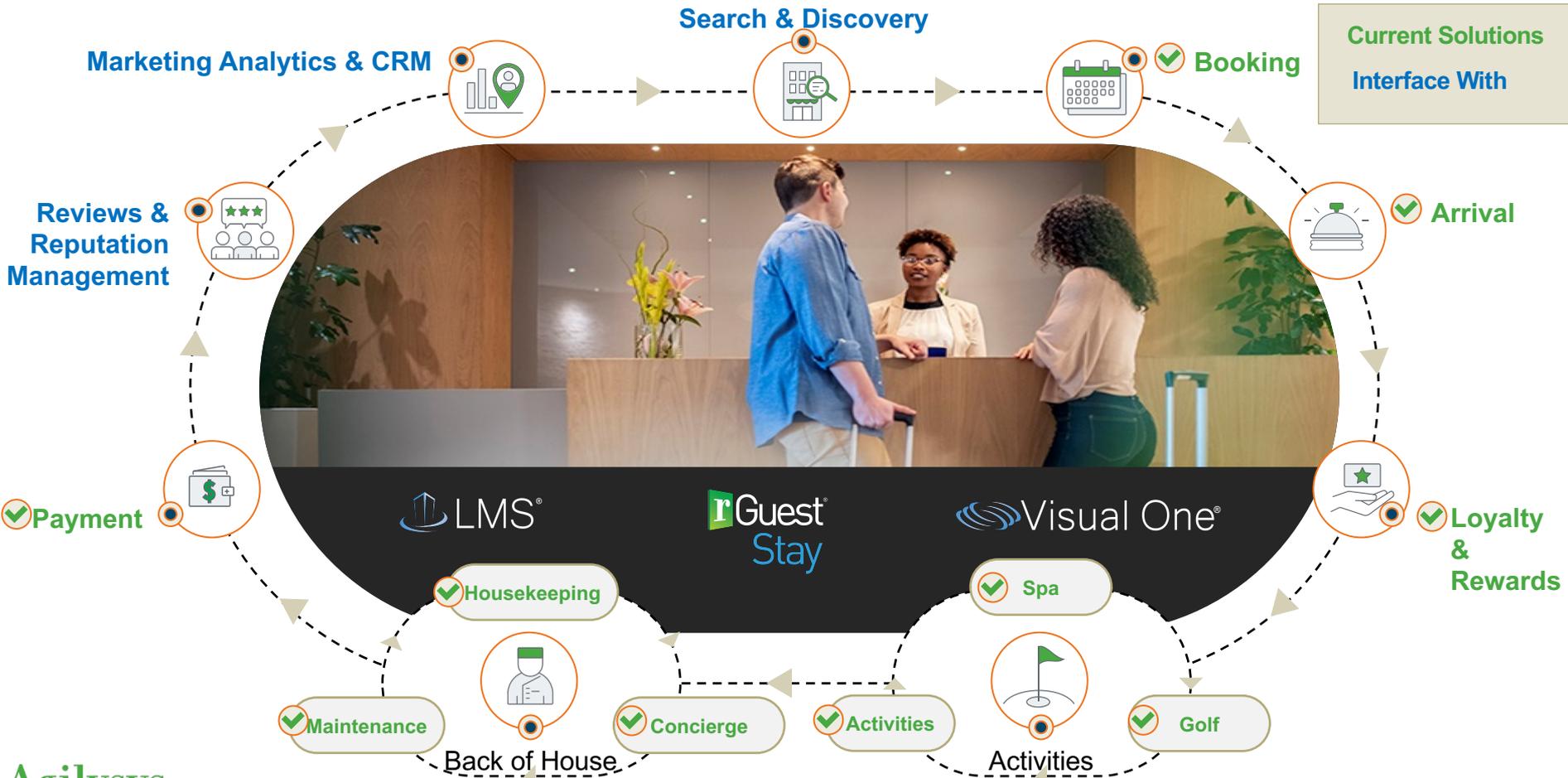
Current Solutions  
Interface With



# PMS Ecosystem

TECHNOLOGY | INNOVATION | SOLUTIONS

Current Solutions  
Interface With



# We Serve Leading Hospitality Brands

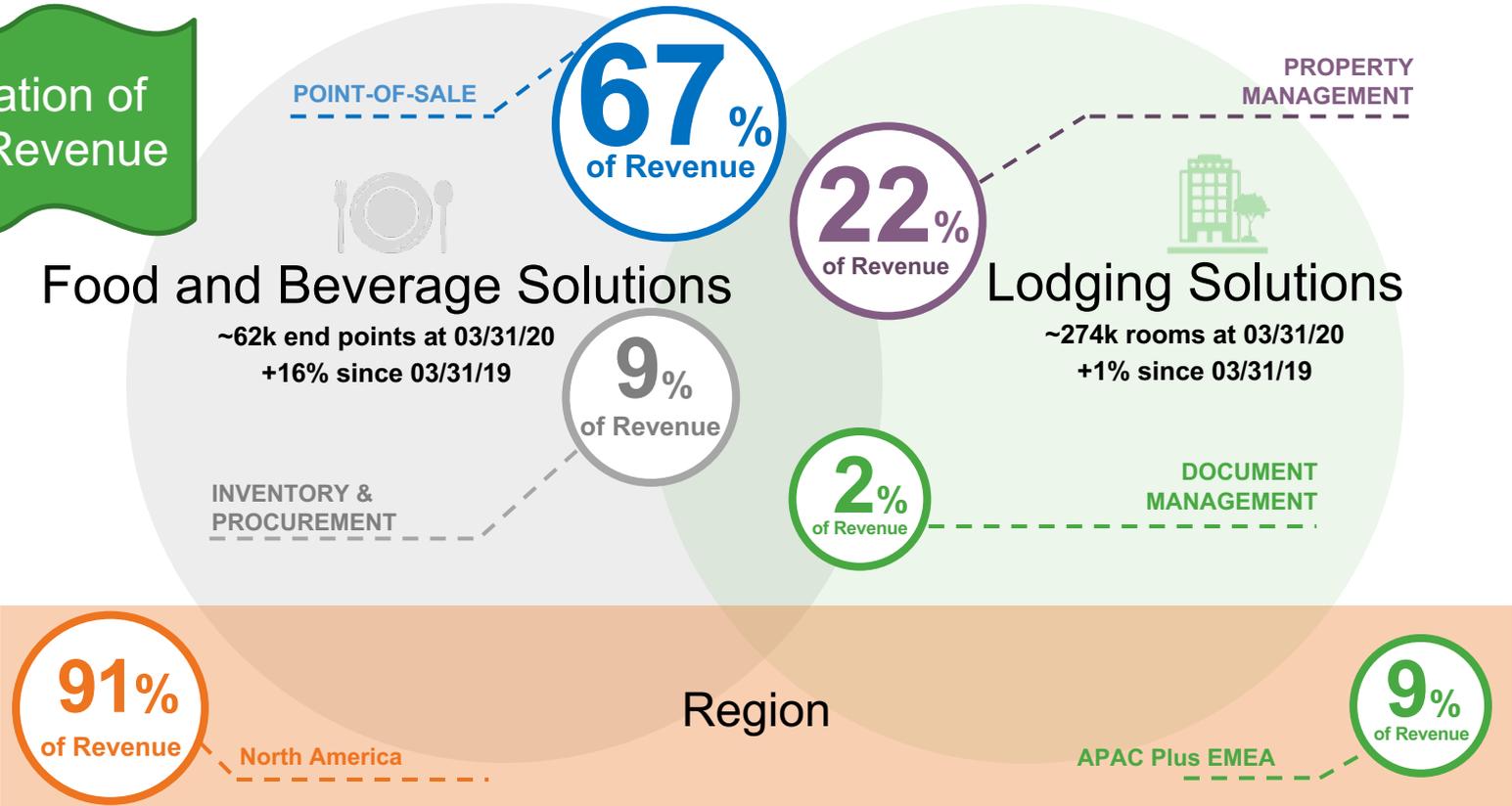
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# We Provide Industry Leading Hospitality Solutions

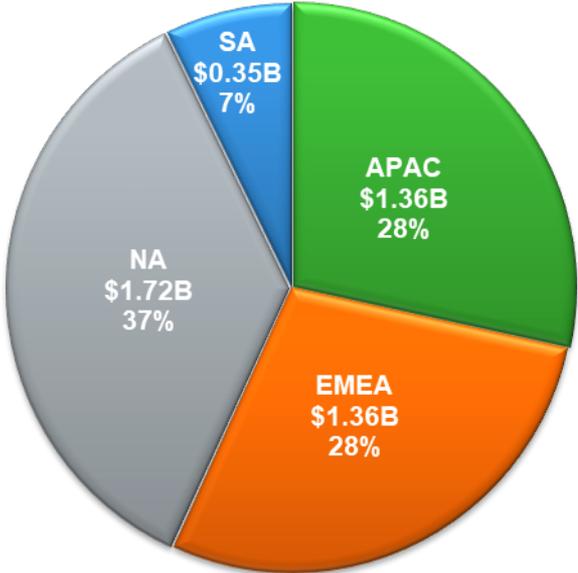
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## Allocation of Total Revenue

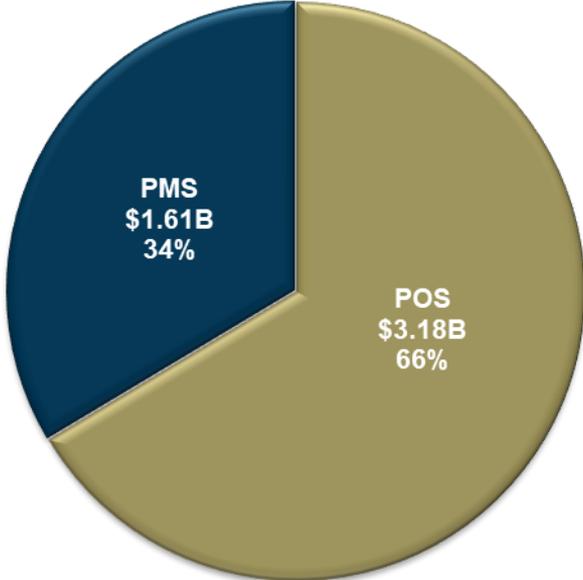


# Hospitality Market

### Annual Recurring Revenue Market Opportunity \$4.8 Billion



### Annual Recurring Revenue Product Opportunity \$4.8 Billion



**Agilysys ARR ~ \$83.7M\***

# Achievements Under New Management Team

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## Revenue Growth

**7**

Consecutive Quarters of Record Revenue From Q1 FY19 to Q3 FY20

**9**

Quarters of Sequential Revenue Growth From Q3 FY18 to Q3 FY20

**24%**

TTM Subscription Growth

## Continuous Improvement

**14%**

FY20 Revenue Growth

**27%**

YOY Increase in Full Year Adjusted EBITDA

**\$5.9M**

Improvement in Cash YOY FY20

## Profitability and Stability

**\$3.5M**

Q4 FY20 was Record Adjusted EBITDA

**\$46.7M**

Cash as of Q4 FY20

**\$35.0M**

Convertible Investment in Q1 FY21

## Expand Product Capabilities

**Tripled**

R&D Team Strength

**Captive India Development Center**

**12**

New Software Modules

# India Development Center

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- Currently Capacity:
  - 100,000 Square Feet
  - 1,000 Employees
- 680 Current Employees
- Approximately 600 of Current Employees are R&D



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FINANCIAL OVERVIEW

# Evolving Business, Evolving P&L

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## Financial Metrics and Valuation\*

<b>Share Price</b> (05/22/20)	\$19.59
<b>Diluted Shares Outstanding</b>	23.2M
<b>Diluted Market Capitalization</b>	\$455.1M
<b>Cash</b> (as of 03/31/20)	\$46.7M
<b>Debt</b> (as of 03/31/20)	\$15.4M
<b>Enterprise Value</b>	\$423.9M
<hr/>	
<b>Revenue</b>	\$160.8M
<b>Gross Profit</b>	\$90.0M
<b>Adjusted EBITDA<sup>^</sup></b>	\$13.0M
<b>Adjusted Earnings from Operations<sup>^</sup></b>	\$9.6M
<b>Earnings per Share</b>	(\$1.47)
<b>EV/Revenue</b>	2.6x
<b>EV/Gross Profit</b>	5.2x

## Business Metrics (as of 03/31/20)

<b>Direct POS End Points Managed</b>	~62k
<i>Y/Y Growth</i>	16%
<b>Direct Hotel Rooms Managed</b>	~274k
<i>Y/Y Growth</i>	1%
<b>Recurring Revenue*</b>	52%
<i>As % of Total Revenue</i>	
<b>Subscription Revenue*</b>	37%
<i>As % of Recurring Revenue</i>	
<b>Services Revenue*</b>	20%
<i>As % of Total Revenue</i>	
<b>Subscription Revenue Growth Y/Y*</b>	24%
<b>rGuest as % of Total Revenue*</b>	10%
<b>New Customer Count*</b>	64

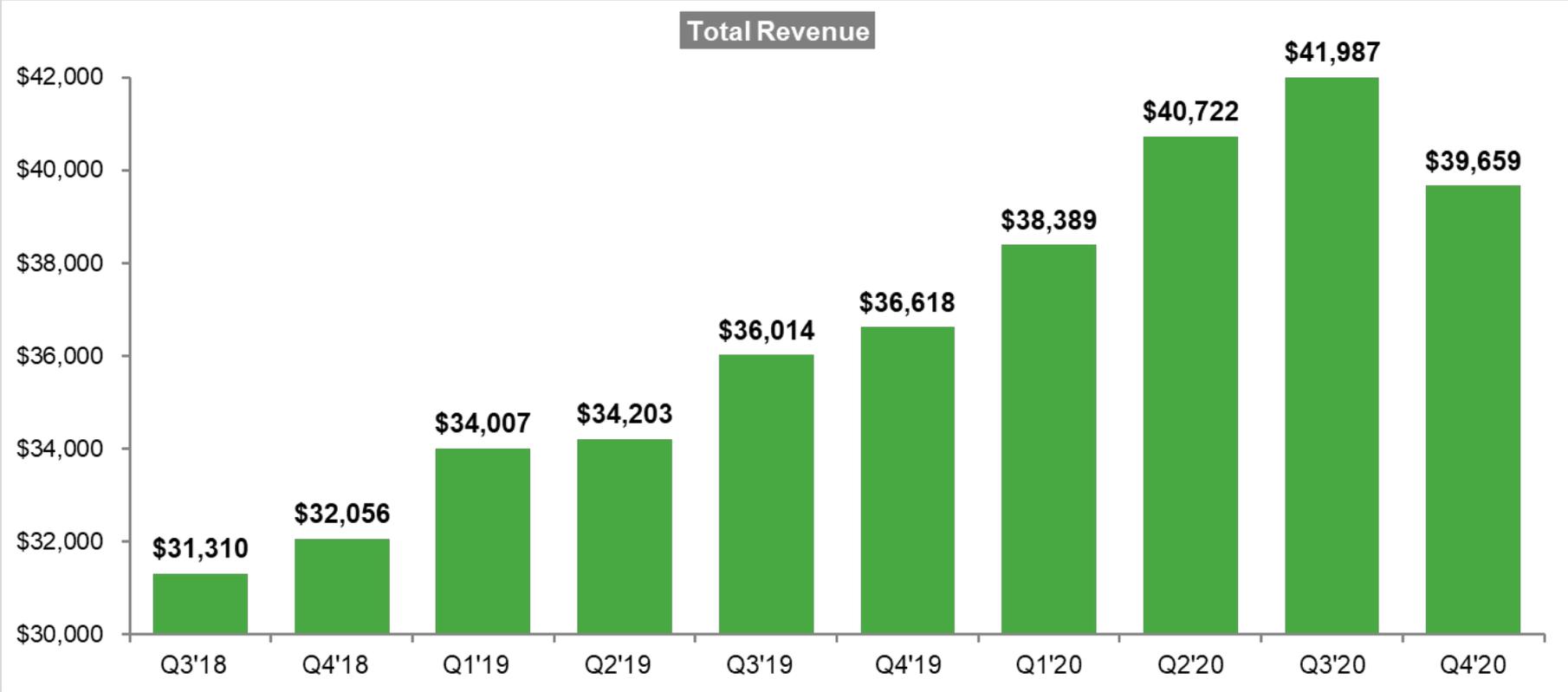
<sup>^</sup>Non-GAAP measure, see reconciliation on slide 26.

\*Twelve months ended March 31, 2020.

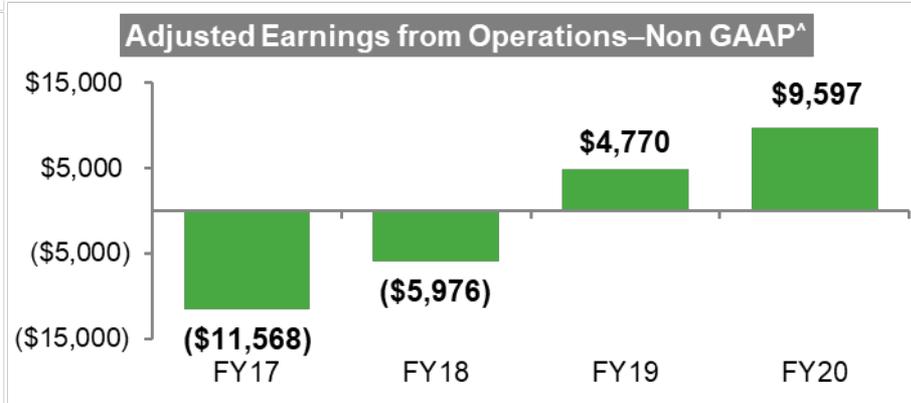
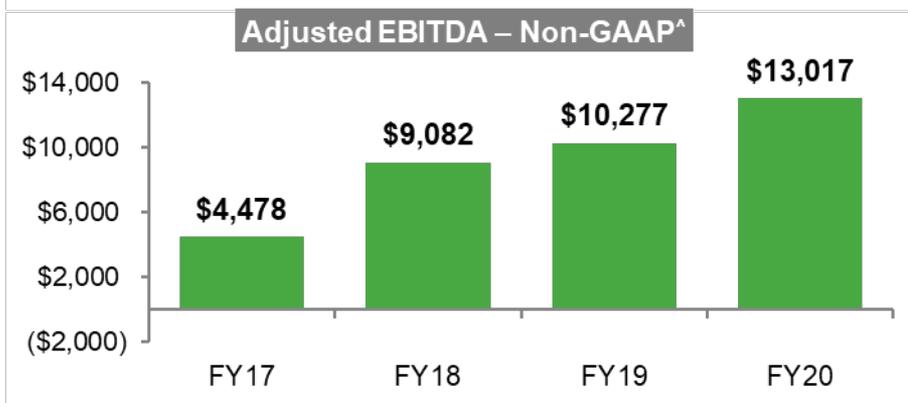
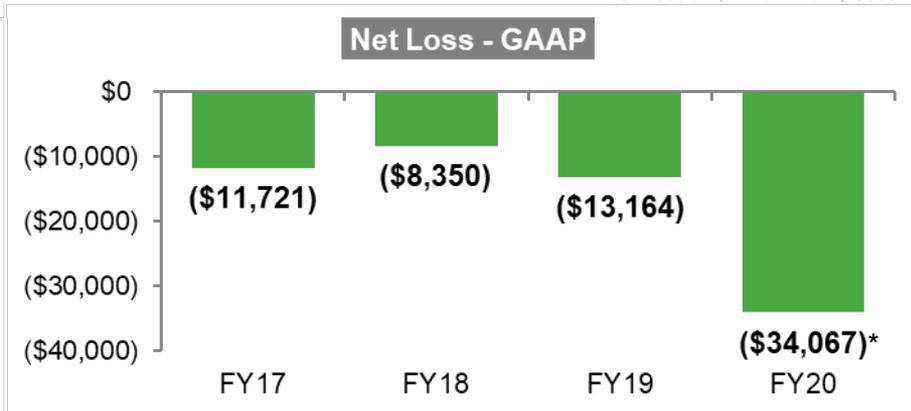
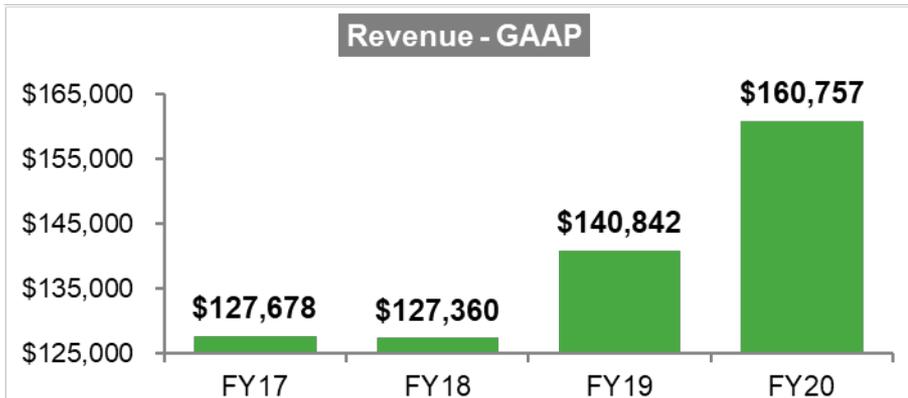
# Strong Balance Sheet

<b>Consolidated Balance Sheet (in thousands)</b>		
	<b>March 31, 2019</b>	<b>March 31, 2020</b>
Cash, Cash Equivalents and Marketable Securities	\$40,771	\$46,653
Other Current Assets	38,237	46,755
Long-Term Assets	84,583	61,154
<b>Total Assets</b>	<b>\$163,591</b>	<b>\$154,562</b>
Current Liabilities	\$58,301	\$69,423
Other Liabilities	4,668	13,382
<b>Total Liabilities</b>	<b>62,969</b>	<b>82,805</b>
Shareholders' Equity	100,622	71,757
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$163,591</b>	<b>\$154,562</b>

# Revenue - Quarterly



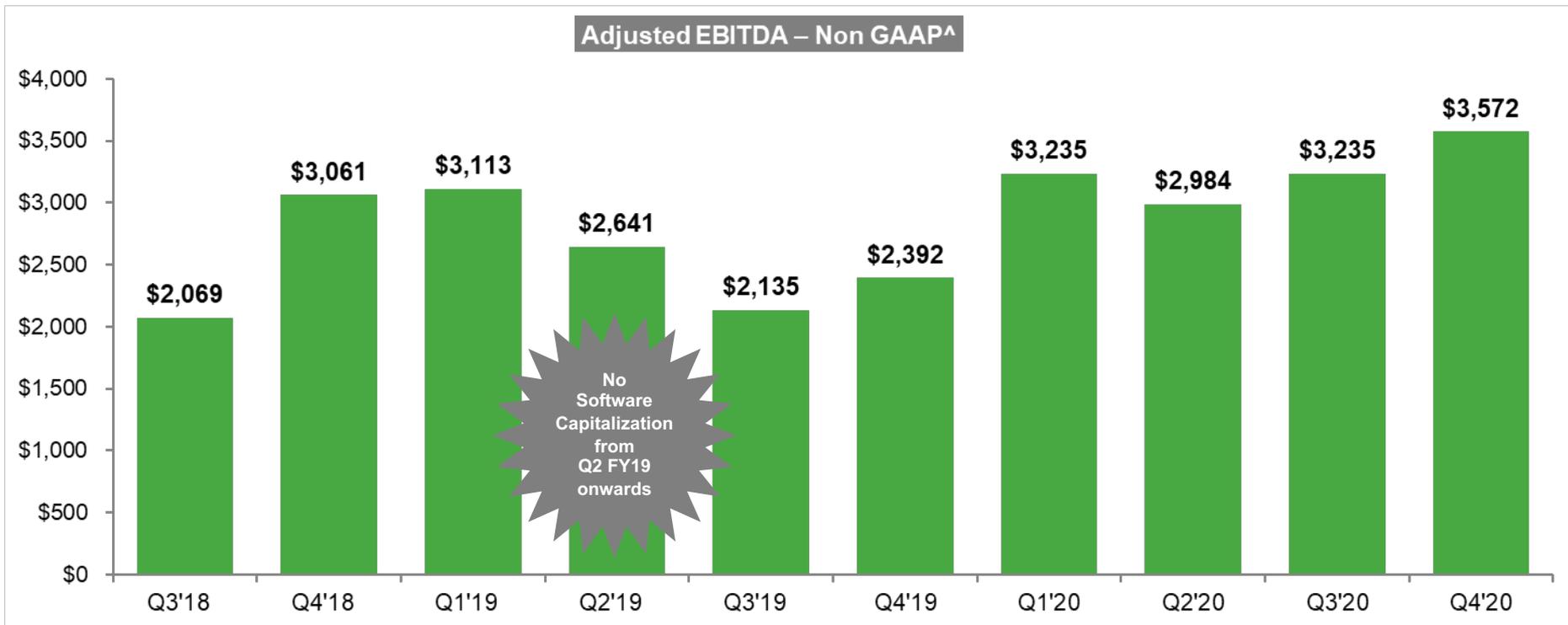
# Historical Financial Results



\*FY20 Net Loss Includes \$23.7M Impairment of Capitalized Software Development Costs

All numbers in thousands.  
<sup>^</sup> Non-GAAP measure, see reconciliation on slide 26.

# Profitability Metrics - Quarterly

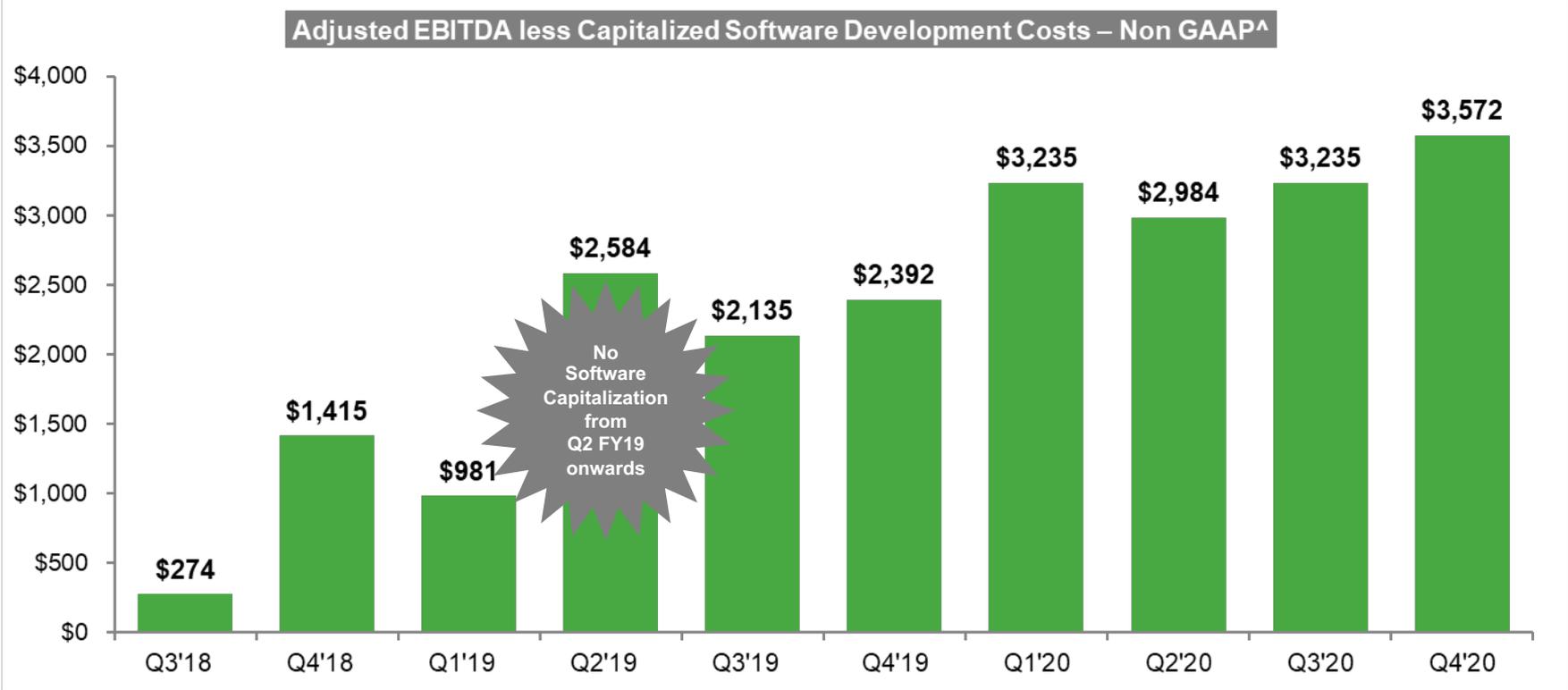


- Average of \$2.5M in capitalized software development costs per quarter from Q1'17 to Q1'19.
- Fiscal Year = April 1 Through March 31

All numbers in thousands.

<sup>^</sup> Non-GAAP measure, see reconciliation on slide 27.

# Profitability Metrics - Quarterly



Fiscal Year = April 1 Through March 31

All numbers in thousands.  
<sup>^</sup> Non-GAAP measure, see reconciliation on slide 27.



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APPENDIX

# Senior Management Leading New Growth Vision

TECHNOLOGY | INNOVATION | SOLUTIONS



## **RAMESH SRINIVASAN - President and Chief Executive Officer**

Ramesh is an accomplished CEO with leadership and turnaround success across multiple industries resulting in rapid and sustainable long-term growth and significant increases in shareholder value.



## **TONY PRITCHETT - Chief Financial Officer**

Tony is a certified public accountant who joined Agilysys in 2012 as controller of the Retail Solutions Group, bringing with him prior financial experience with software and SaaS companies.



## **DON DEMARINIS - Senior Vice President Sales, Americas**

Don brings extensive industry experience and success at Oracle and Micros selling hospitality technology and services to global clients across markets where he led sales increases of up to 30% per annum.



## **Dave Wood- Vice President - Corporate Strategy and Investor Relations**

Dave joined Agilysys in 2011 as controller of the Hospitality Solutions Group, bringing with him prior financial experience with technology companies.

# Senior Management Leading New Growth Vision

TECHNOLOGY | INNOVATION | SOLUTIONS



## **KYLE BADGER** - *Senior Vice President, General Counsel and Secretary*

Kyle leads the global legal and human resources teams and brings over 22 years of legal experience representing public and private companies in general corporate matters.



## **PRABUDDHA BISWAS** - *Chief Technology Officer*

Prabuddha brings over 30 years of successful software development and innovative technology leadership to Agilysys, where his responsibilities include leadership and oversight of the Company's technology vision.



## **SRIDHAR LAVETI** - *Vice President - Established Products and Customer Support*

Sridhar leads the product engineering and management teams for established Agilysys products and oversees customer support. He brings 25+ years of technology and management leadership across multiple industries.



## **PRAKASH BHAT** - *Vice President and Managing Director - India Development Center*

Prakash brings 30+ years of experience in technology and management with an impressive track record of building new companies to create a strong market presence for established organizations in new locations.

# Senior Management Leading New Growth Vision

TECHNOLOGY | INNOVATION | SOLUTIONS



## **ROB JACKS** – *Chief Information Officer*

Rob was promoted to CIO in December 2018 and is responsible for advancing Agilysys' internal systems and information technology processes. Rob has a reputation as a transformational executive who can deploy complex solutions with a measurable ROI.



## **ANDREW COX** - *Managing Director - Asia Pacific*

Andrew has 20+ years of experience, including significant experience with hospitality software companies, working in the Asia Pacific region bringing an extensive background in developing and executing go-to-market strategies which deliver profitable and sustainable growth.



## **JAMES SLATTER** - *Managing Director - EMEA*

Based in the UK for 16 years, James has extensive experience working in the hospitality industry, satisfying the software needs of enterprise clients, and helping US based companies expand their international footprint.



## **JEBA KINGSLEY** - *Vice President - Professional Services*

Jeba was hired as Vice President of Professional Services in December 2018. Jeba has more than 20 years of experience leading revenue-generating global client services organizations.

# Non-GAAP Reconciliation

## RECONCILIATION OF NET LOSS TO ADJUSTED EARNINGS FROM OPERATIONS (UNAUDITED)

<i>(In thousands)</i>	Twelve Months Ended			
	March 31			
	2020	2019	2018	2017
<b>Net loss</b>	\$ (34,067)	\$ (13,164)	\$ (8,350)	\$ (11,721)
Income tax expense (benefit)	201	221	(3,251)	236
<b>Loss before taxes</b>	<b>(33,866)</b>	<b>(12,943)</b>	<b>(11,601)</b>	<b>(11,485)</b>
Depreciation of fixed assets	2,574	2,504	2,631	2,409
Amortization of intangibles	2,541	2,567	1,879	1,392
Amortization of developed technology	12,561	12,602	10,016	8,012
Interest income	(371)	(329)	(88)	(147)
<b>EBITDA (a)</b>	<b>(16,561)</b>	<b>4,401</b>	<b>2,837</b>	<b>181</b>
Share-based compensation	5,205	4,376	4,688	2,427
Restructuring, severance and other charges	582	1,168	1,798	1,561
Impairments	23,740	-	-	-
Other non-operating (income) expense	176	191	(391)	224
Legal settlements	(125)	141	150	85
<b>Adjusted EBITDA (b)</b>	<b>13,017</b>	<b>10,277</b>	<b>9,082</b>	<b>4,478</b>
Capitalized software development costs	-	(2,189)	(8,918)	(11,888)
<b>Adjusted EBITDA less capitalized software development costs (c)</b>	<b>13,017</b>	<b>8,088</b>	<b>164</b>	<b>(7,410)</b>
Capital expenditures	(3,420)	(3,318)	(6,140)	(4,158)
<b>Adjusted Earnings from Operations (d)</b>	<b>\$ 9,597</b>	<b>\$ 4,770</b>	<b>\$ (5,976)</b>	<b>\$ (11,568)</b>
Product development (operating expenses)	\$ 41,463	\$ 37,817	\$ 27,936	\$ 29,048
Capitalized software development costs	-	2,189	8,918	11,888
<b>Product development plus capitalized software development costs (e)</b>	<b>\$ 41,463</b>	<b>\$ 40,006</b>	<b>\$ 36,854</b>	<b>\$ 40,936</b>

(a) EBITDA is defined as net income before income taxes, interest expense, depreciation and amortization

(b) Adjusted EBITDA, a non-GAAP financial measure, is defined as income before income taxes, interest expense (net of interest income), depreciation and amortization (including amortization of developed technology), and excluding charges relating to i) legal settlements, ii) restructuring, severance, and other charges, iii) asset write-offs and other fair value adjustments, iv) share-based compensation, and v) other non-operating (income) expense

(c) Adjusted EBITDA less capitalized software development costs, a non-GAAP financial measure, is defined as Adjusted EBITDA, less capitalized software development costs

(d) Adjusted Earnings from Operations, a non-GAAP financial measure, is defined as Adjusted EBITDA less capitalized software development costs, less capital expenditures

(e) Product development plus capitalized software development costs, a non-GAAP financial measure, is defined as total product development expense plus capitalized software development costs

# Non-GAAP Reconciliation

## RECONCILIATION OF NET LOSS TO ADJUSTED EARNINGS FROM OPERATIONS (UNAUDITED)

(In thousands)	Three Months Ended							
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<b>Net loss</b>	\$ (26,992)	\$ (2,582)	\$ (2,918)	\$ (1,575)	\$ (3,589)	\$ (4,048)	\$ (3,791)	\$ (1,736)
Income tax expense (benefit)	40	95	41	25	35	182	53	(49)
<b>Loss before taxes</b>	(26,952)	(2,487)	(2,877)	(1,550)	(3,554)	(3,866)	(3,738)	(1,785)
Depreciation of fixed assets	801	854	707	213	571	651	676	606
Amortization of intangibles	641	608	614	678	675	675	674	543
Amortization of developed technology	3,129	3,129	3,128	3,175	3,245	3,347	3,347	2,663
Interest income	(88)	(67)	(112)	(79)	(102)	(80)	(94)	(52)
<b>EBITDA (a)</b>	(22,469)	2,037	1,460	2,437	835	727	865	1,975
Share-based compensation	2,049	1,329	1,345	482	1,420	1,282	1,265	409
Restructuring, severance and other charges	150	11	190	231	222	58	448	440
Impairments	23,740	-	-	-	-	-	-	-
Other non-operating (income) expense	102	(142)	108	85	(100)	68	28	198
Legal settlements	-	-	(119)	-	15	-	35	91
<b>Adjusted EBITDA (b)</b>	3,572	3,235	2,984	3,235	2,392	2,135	2,641	3,113
Capitalized software development costs	-	-	-	-	-	-	(57)	(2,132)
<b>Adjusted EBITDA less capitalized software development costs (c)</b>	3,572	3,235	2,984	3,235	2,392	2,135	2,584	981
Capital expenditures	(411)	(1,069)	(1,369)	(571)	(1,708)	(277)	(589)	(744)
<b>Adjusted Earnings from Operations (d)</b>	\$ 3,161	\$ 2,166	\$ 1,615	\$ 2,664	\$ 684	\$ 1,858	\$ 1,995	\$ 237
Product development (operating expenses)	\$ 9,332	\$ 11,285	\$ 10,778	\$ 10,064	\$ 10,525	\$ 10,059	\$ 10,151	\$ 7,089
Capitalized software development costs	-	-	-	-	-	-	57	2,132
<b>Product development plus capitalized software development costs (e)</b>	\$ 9,332	\$ 11,285	\$ 10,778	\$ 10,064	\$ 10,525	\$ 10,059	\$ 10,208	\$ 9,221

(a) EBITDA is defined as net income before income taxes, interest expense, depreciation and amortization

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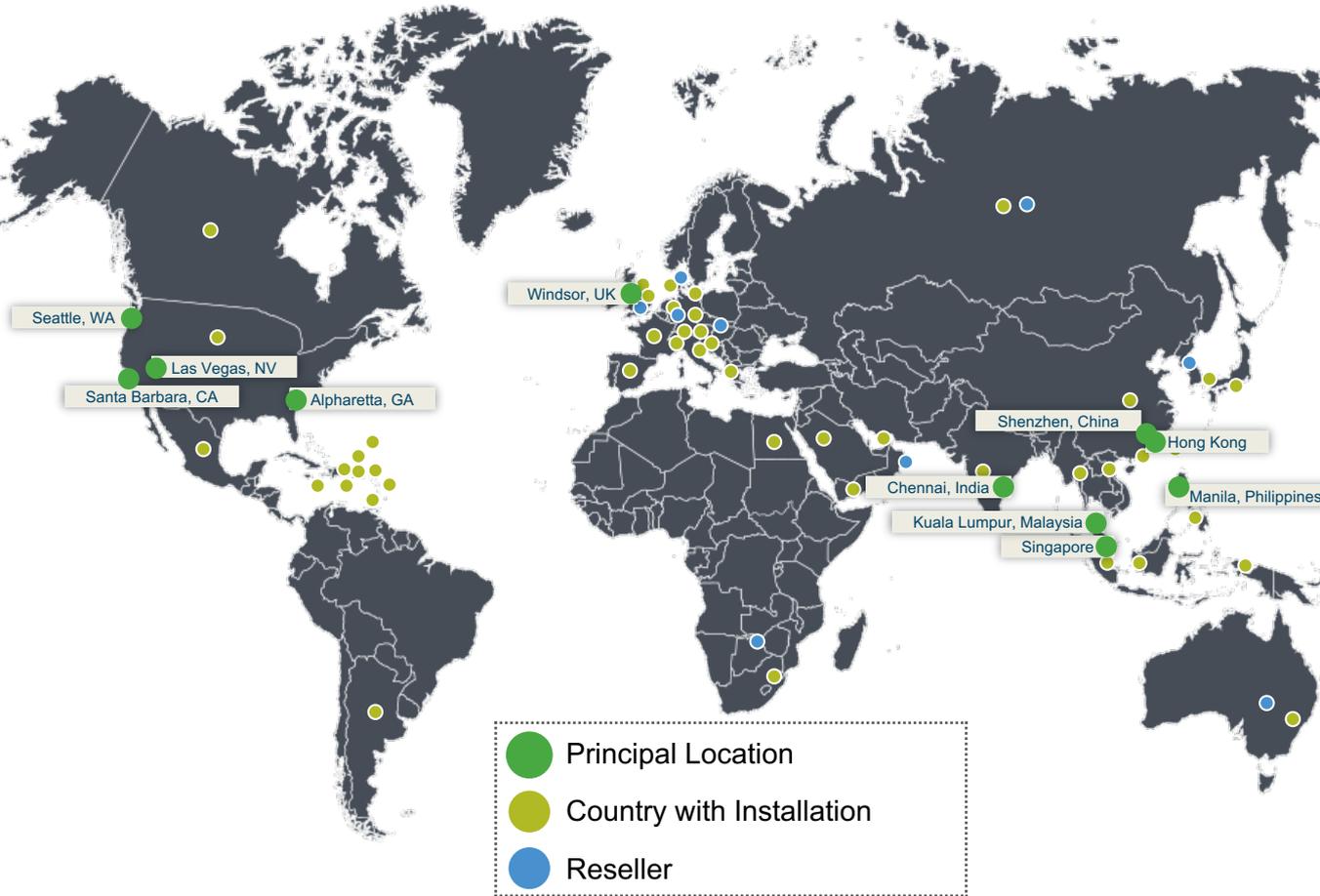
(d) Adjusted Earnings from Operations, a non-GAAP financial measure, is defined as Adjusted EBITDA less capitalized software development costs, less capital expenditures

(e) Product development plus capitalized software development costs, a non-GAAP financial measure, is defined as total product development expense plus capitalized software development costs

# Cash Flow

	<b>FY20</b>	<b>FY19</b>	<b>FY18</b>	<b>FY17</b>
<b>Operating activities</b>				
Loss from continuing operations	\$ (34,067)	\$ (13,164)	\$ (8,350)	\$ (11,721)
Non cash adjustments, restructuring, legal settlements	46,260	22,219	16,586	14,110
Changes in assets & liabilities	(1,618)	(1,814)	(1,362)	1,044
<b>Net cash provided by operating activities</b>	<b>10,575</b>	<b>7,241</b>	<b>6,874</b>	<b>3,433</b>
<b>Investing activities</b>				
Capital expenditures	(3,420)	(3,318)	(6,140)	(4,158)
Capitalized developed software	-	(2,189)	(8,918)	(11,888)
Investments	(27)	(27)	(27)	2,181
<b>Net cash used in investing activities</b>	<b>(3,447)</b>	<b>(5,534)</b>	<b>(15,085)</b>	<b>(13,865)</b>
<b>Net cash used in financing activities</b>	<b>(1,116)</b>	<b>(767)</b>	<b>(1,295)</b>	<b>(847)</b>
<b>Effect of exchange rate</b>	<b>(130)</b>	<b>(112)</b>	<b>194</b>	<b>(74)</b>
<b>Decrease in cash &amp; cash equivalents</b>	<b>5,882</b>	<b>828</b>	<b>(9,312)</b>	<b>(11,353)</b>
<b>Cash &amp; cash equivalents - beginning of period</b>	<b>40,771</b>	<b>39,943</b>	<b>49,255</b>	<b>60,608</b>
<b>Cash &amp; cash equivalents - end of period</b>	<b>\$ 46,653</b>	<b>\$ 40,771</b>	<b>\$ 39,943</b>	<b>\$ 49,255</b>

# Agilysys Global Footprint



## Agilysys Corporate Headquarters

- Alpharetta, Georgia

## Agilysys US Offices

- Las Vegas, Nevada
- Santa Barbara, California
- Bellevue, Washington

## Agilysys EMEA Office

- United Kingdom

## Agilysys APAC Offices

- Hong Kong
- Malaysia
- Philippines
- Singapore
- China

## Agilysys Demonstration Centers

- Las Vegas, Nevada

## India Development Center

- Chennai, India

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