



**ACTUATE**®

*The **BIRT** Company*™

## **Q1 FY2013 Earnings Call**

# Safe Harbor Statement



The statements contained in this presentation that are not purely historical are forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These include statements regarding Actuate's expectations, beliefs, hopes, intentions or strategies regarding the future.

All such forward looking statements in this presentation are based upon information available to Actuate as of the date hereof, and Actuate disclaims any obligation to update or revise any such forward looking statements based on changes in expectations or the circumstances or conditions on which such expectations may be based. Actual results could differ materially from Actuate's current expectations.

Factors that could cause or contribute to such differences include, but are not limited to, the general spending environment for information technology products and services in general and Business Intelligence, Performance Management, Rich Internet Application and Enterprise Output Management software in particular, quarterly fluctuations in our revenues and other operating results, our ability to expand our international operations, our ability to successfully compete against current and future competitors, the impact of acquisitions on the Company's financial and/or operating condition including the acquisition of Quiterian S.L. in October 2012, the ability to increase revenues through our indirect channels, general economic and geopolitical uncertainties and other risk factors that are discussed in Actuate's Securities and Exchange Commission filings, specifically Actuate's 2012 Annual Report on Form 10-K filed on March 8, 2013 as well as its quarterly reports on Form 10-Q.

## Use of Non-GAAP Financial Measures

The non-GAAP financial measures are included in this presentation to provide an additional analytical tool for understanding the Company's financial and operating performance, and to facilitate comparability of financial results between historical financial reporting periods, among other reasons. Non-GAAP financial measures discussed in this presentation were calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired Quiterian revenue contracts and by excluding the amortization of purchased technology and other intangible assets related to Actuate's acquisition transactions, restructuring and impairment charges, stock-based compensation expense, acquisition related expenses, foreign currency exchange gains and losses and an adjustment to the tax provision. It is management's belief that these items are not indicative of ongoing operations and as a result, non-GAAP financial measures that exclude such items provide additional insight for investors in evaluating the Company's financial and operational performance. However, these non-GAAP financial measures should not be considered in isolation or as a substitute for the Company's GAAP results. Pursuant to the requirements of SEC Regulation G, a detailed reconciliation between the Company's GAAP and non-GAAP financial results is provided in today's press release, as well as in the investor relations section of Actuate's website at [www.actuate.com](http://www.actuate.com). Investors are advised to carefully review and consider this information strictly as a supplement to the GAAP financial results that are disclosed in the Company's SEC filings.



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**Pete Cittadini**

*President and CEO*

# First Quarter FY2013 Summary

## Q1 FY2013

- Revenue of \$34.9 million
- License revenue of \$15.5 million
- Non-GAAP fully diluted EPS of \$0.08
- Cash flow from operations of \$9.6 million

Non-GAAP financial results were calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired Quiterian revenue contracts and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, acquisition related costs, restructuring charges, foreign currency exchange gains and losses, and an adjustment to the income tax provision. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results was 30% for Q1'13.



# First Quarter Transactions



# BIRT iHub Fills the Gap between Big Data and Mobile Touch Devices



*Divide between big data and touch devices  
creates a necessity for a technology that can...*

***Access*** all data sources securely ***without preprocessing***  
***NO NEW DATA WAREHOUSE COSTS***

Support *touch devices* spreading across the enterprise

Deliver appropriate information for each *individual*

*Scale* to any size community

Support people *reliably* anywhere and anytime

*Secure* sensitive applications and data

Maintain high *performance* at all times



# 2013: The Year of BIRT iHub

*One Big Data Hub for All Future ActuateOne Solutions*



Big Data  
Business Analytics

Customer-Facing  
Applications

Customer Communications  
Management

BIRT Application Services and Experiences

**BIRT iHub - The Big Data Hub**

*BIRT Engine · Xenos Enterprise Server · Calc Engine · BIRT Analytics Engine*

**The World of BIG DATA**

***BIRT iHub business consists of BIRT, Xenos Customer Communications, BIRT Analytics engines, etc. which will fuel growth in 2013 and beyond as new customers come on board and existing customers start new projects using BIRT iHub***

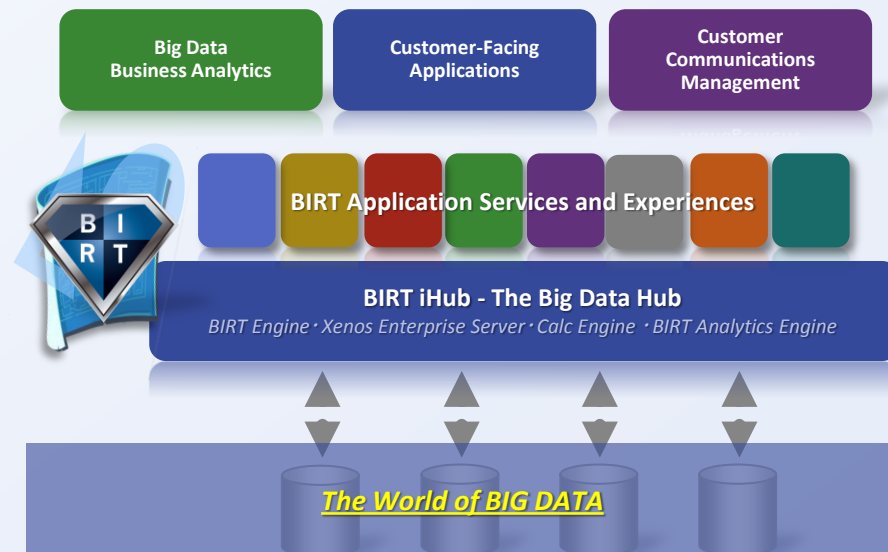
# Actuate's Unique Enterprise / Open Source BIRT Model is Working

## *iHub Business*

- Total BIRT iHub-based business increased 33% from Q1 FY2012
- BIRT iHub-based license business increased 44% from Q1 FY2012

## *BIRT Metrics*

- Over 2.5 million developers using BIRT worldwide
- BIRT license business from Open Source BIRT users continues strong growth
- Significantly higher average license order size from Open Source BIRT users
- Over 103,000 total registrations on BIRT Exchange up from 85,000 year ago







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**Dan Gaudreau**

*SVP Operations & CFO*

# 1Q13 Non-GAAP P&L

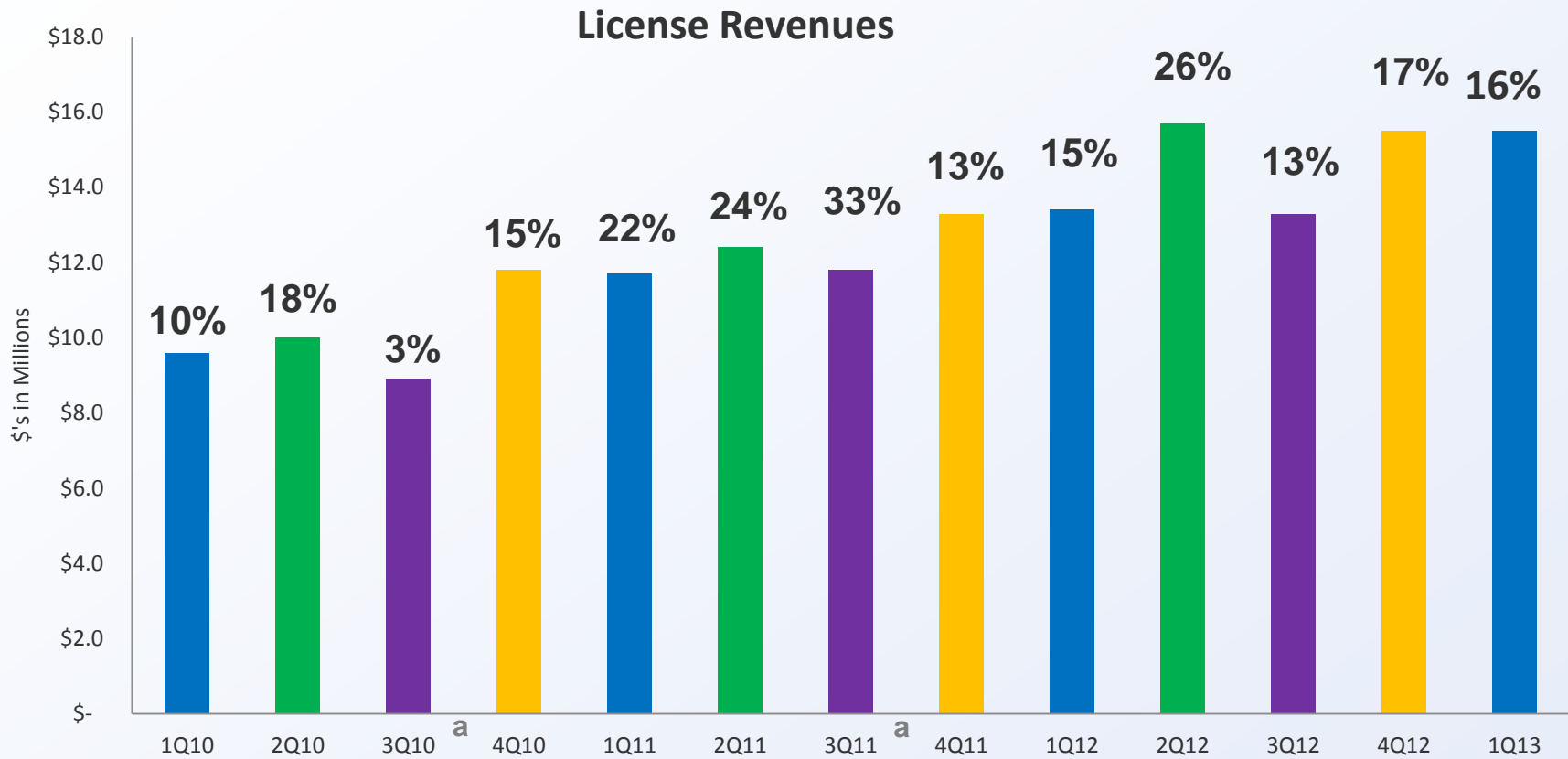


<i>\$ Millions</i>	<i>Q1'13</i>	<i>% rev.</i>	<i>Q1'12</i>	<i>% rev.</i>	<i>V%</i>
License Revenues	\$15.5	44%	\$ 13.4	38%	16%
Services Revenues	<u>19.4</u>	<u>56 %</u>	<u>21.4</u>	<u>62%</u>	<u>(9)%</u>
Total Revenues	34.9	100%	34.8	100%	0%
Operating Expenses	<u>29.4</u>	84%	<u>26.3</u>	76%	12%
Operating Income	5.5		8.5		(35)%
<i>Operating Margin</i>	<i>16.0%</i>		<i>24.4%</i>		
Net Income	\$4.2	12%	\$5.9	17%	(29)%
Diluted EPS	\$ 0.08		\$ 0.11		(26)%

Non-GAAP financial results were calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired Quiterian revenue contracts and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, acquisition related costs, restructuring charges, asset impairment charges, foreign currency exchange gains and losses, and an adjustment to the income tax provision. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results was 30%.

# Quarterly License Performance

## Year-over-Year Growth



a)- Excludes \$8.9 million settlement in 3Q10

# Product Line Non-GAAP Revenue Split

<i>\$ Millions</i>		<i>Legacy</i>	<i>BIRT iHub</i>	<i>Total</i>
License	1Q13	\$6.9	\$8.6	\$15.5
	1Q12	7.4	6.0	13.4
	V%	(7)%	44%	16%
Services (N.G.)	1Q13	10.1	9.3	19.4
	1Q12	13.9	7.5	21.4
	V%	(27)%	23%	(9)%
Total	1Q13	17.0	17.9	34.9
	1Q12	21.3	13.5	34.8
	V%	(20)%	33%	0%

Non-GAAP revenue was calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired revenue contracts

# Other Operating Comments

## Q1 13 Revenue Related

- Q1 13 Geographic revenue split
  - *80% North America*
  - *20% International*
- Orders over \$100K with 66 customers
- Booked 4 transactions with license revenues greater than \$1 million

## Q1 13 Income Related

- Non-GAAP operating margin of 16%
- Non-GAAP diluted EPS of \$0.08

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# Balance Sheet



<i>\$ Millions</i>	<i>3/31/12</i>	<i>12/31/12</i>	<i>3/31/13</i>
Cash & Investments	\$67.7	\$66.5	\$68.2
Accounts Receivable	27.6	33.1	24.9
Goodwill & Purch. Intangibles	57.3	62.9	62.1
Other Assets	27.4	30.0	30.7
<b><i>Total Assets</i></b>	<b><i>\$180.0</i></b>	<b><i>\$192.5</i></b>	<b><i>\$185.9</i></b>
Accrued Liabilities	\$12.7	\$20.7	\$18.9
Deferred Revenue	44.4	46.4	45.4
Equity	122.9	125.4	121.6
<b><i>Total Liabilities/Equity</i></b>	<b><i>\$180.0</i></b>	<b><i>\$192.5</i></b>	<b><i>\$185.9</i></b>
DSO's	<b><i>72</i></b>	<b><i>85</i></b>	<b><i>64</i></b>
CFFO	<b><i>\$1.7</i></b>	<b><i>\$3.8</i></b>	<b><i>\$9.6</i></b>



# Comments Regarding 2013

- Investing in Sales Reps and R&D to drive growth
- Double digit percentage license revenue growth
- Maintain best in class annual operating margins (Non-GAAP) of 20%
- Continued legacy business declines

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring and impairment charges, facilities adjustments, acquisition related costs, foreign currency exchange gains and losses, and an adjustment to the income tax provision. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30% for FY2013.



# Upcoming Conferences

## 12<sup>th</sup> Annual JMP Securities Conference

May 14

*The Ritz-Carlton San Francisco*



## B. Riley's 14<sup>th</sup> Annual Investor Conference

May 20-22

Lowes Santa Monica

Q & A



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