

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

January 14, 2021
Date of Report (Date of earliest event reported)

Progress Software Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	0-19417 (Commission file number)	04-2746201 (I.R.S. Employer Identification No.)
14 Oak Park Bedford, Massachusetts 01730 (Address of principal executive offices, including zip code)		
(781) 280-4000 (Registrant's telephone number, including area code)		
Not applicable (Former name or former address, if changed since last report.)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	PRGS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On January 14, 2021, Progress Software Corporation ("Progress") issued a press release announcing its financial results for the fiscal fourth quarter ended November 30, 2020. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not deemed incorporated by reference into any other filing of the company, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

Non-GAAP Financial Information - Progress provides non-GAAP supplemental information to its financial results. We use this non-GAAP information to evaluate our period-over-period operating performance because our management believes the information helps illustrate underlying trends in our business and provides us with a more comparable measure of our continuing business, as well as a greater understanding of the results from the primary operations of our business, by excluding the effects of certain items that do not reflect the ordinary earnings of our operations. Management also uses this non-GAAP financial information to establish budgets and operational goals, which are communicated internally and externally, evaluate performance, and allocate resources. In addition, compensation of our executives and non-executive employees is based in part on the performance of our business evaluated using this same non-GAAP information. We believe this non-GAAP financial information enhances investors' overall understanding of our current financial performance and our prospects for the future by providing more transparency for certain financial measures and providing a level of disclosure that helps investors understand how we plan and measure our business. We believe that providing this non-GAAP information affords investors a view of our operating results that may be more easily compared to our peer companies and enables investors to consider our operating results on both a GAAP and non-GAAP basis during and following the integration period of our acquisitions.

However, this non-GAAP information is not in accordance with, or an alternative to, generally accepted accounting principles in the United States ("GAAP") and should be considered in conjunction with our GAAP results as the items excluded from the non-GAAP information often have a material impact on Progress' financial results. A reconciliation of non-GAAP adjustments to Progress' GAAP financial results is included in the tables in the press release and is available on the Progress website at www.progress.com within the investor relations section.

As described in more detail below, non-GAAP revenue, non-GAAP costs of sales and operating expenses, non-GAAP income from operations and operating margin, non-GAAP net income, and non-GAAP diluted earnings per share exclude the effect of purchase accounting on the fair value of acquired deferred revenue, amortization of acquired intangible assets, impairment of intangible and long-lived assets, stock-based compensation expense, restructuring charges, acquisition-related and transition expenses, and the related tax effects of the preceding items. We also provide guidance on adjusted free cash flow, which is equal to cash flows from operating activities less purchases of property and equipment, plus restructuring payments.

In the noted fiscal periods, we adjusted for the following items from our GAAP financial results to arrive at our non-GAAP financial measures:

- *Acquisition-related revenue* - In all periods presented, we include acquisition-related revenue, which constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. The acquisition-related revenue in our results relates to Chef and Ipswitch, which we acquired on October 5, 2020 and April 30, 2019, respectively. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. We believe these adjustments are useful to management and investors as a measure of the ongoing performance of the business because, although we cannot be certain that customers will renew their contracts, we have historically experienced high renewal rates on maintenance and support agreements and other customer contracts. Additionally, although acquisition-related revenue adjustments are non-recurring with respect to past acquisitions, we expect to incur these adjustments in connection with any future acquisitions.
 - *Amortization of acquired intangibles* - In all periods presented, we exclude amortization of acquired intangibles because those expenses are unrelated to our core operating performance and the intangible assets acquired vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses acquired.
 - *Impairment of intangible and long-lived assets* - In fiscal year 2019, we exclude impairment charges applicable to acquired intangible assets and long-lived assets because such expenses distort trends and are not part of our core operating results. Such impairment charges are inconsistent in amount and frequency and we believe that eliminating these amounts, when significant and not reflective of ongoing business and operating results, facilitates a more
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meaningful evaluation of our current operating performance and comparisons to our operating performance in other periods.

- *Stock-based compensation* - In all periods presented, we exclude stock-based compensation to be consistent with the way management and the financial community evaluates our performance and the methods used by analysts to calculate consensus estimates. The expense related to stock-based awards is generally not controllable in the short-term and can vary significantly based on the timing, size and nature of awards granted. As such, we do not include these charges in operating plans. Stock-based compensation will continue in future periods.
- *Restructuring expenses* - In all periods presented, we exclude restructuring expenses incurred because those expenses distort trends and are not part of our core operating results.
- *Acquisition-related and transition expenses* - In all periods presented, we exclude acquisition-related expenses because those expenses distort trends and are not part of our core operating results. In recent years, we have completed a number of acquisitions, which result in our incurring operating expenses which would not otherwise have been incurred. By excluding certain transition, integration and other acquisition-related expense items in connection with acquisitions, this provides more meaningful comparisons of the financial results to our historical operations and forward-looking guidance and the financial results of less acquisitive peer companies. We consider these types of costs and adjustments, to a great extent, to be unpredictable and dependent on a significant number of factors that are outside of our control. Furthermore, we do not consider these acquisition-related costs and adjustments to be related to the organic continuing operations of the acquired businesses and are generally not relevant to assessing or estimating the long-term performance of the acquired assets. In addition, the size, complexity and/or volume of past acquisitions, which often drives the magnitude of acquisition-related costs, may not be indicative of the size, complexity and/or volume of future acquisitions.
- *Income tax adjustment* - In all periods presented, we adjust our income tax provision by excluding the tax impact of the non-GAAP adjustments discussed above.

Constant Currency - Revenue from our international operations has historically represented a substantial portion of our total revenue. As a result, our revenue results have been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, if the local currencies of our foreign subsidiaries strengthen, our consolidated results stated in U.S. dollars are positively impacted.

As exchange rates are an important factor in understanding period to period comparisons, we present revenue growth rates on a constant currency basis, which helps improve the understanding of our revenue results and our performance in comparison to prior periods. The constant currency information presented is calculated by translating current period results using prior period weighted average foreign currency exchange rates. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP.

Item 7.01 Regulation FD Disclosure

In connection with the issuance of the press release attached hereto as Exhibit 99.1, the supplemental data attached as Exhibit 99.2 to this Current Report will be available on the Progress website within the investor relations section prior to the live conference call.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Progress Software Corporation dated January 14, 2021
99.2	Q4 2020 Supplemental Data
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 14, 2021

Progress Software Corporation

By: /s/ ANTHONY FOLGER
Anthony Folger
Chief Financial Officer

PRESS ANNOUNCEMENT

Progress Reports 2020 Fiscal Fourth Quarter and Year End Results
**Solid Execution Drove Growth and Operating Leverage
Acquisition of Chef Bolsters Position in DevOps Market and Drives Fiscal 2021 Revenue Growth**

BEDFORD, Mass, January 14, 2021 (GlobeNewswire) — Progress (NASDAQ: PRGS), the leading provider of products to develop, deploy and manage high-impact business applications, today announced results for its fiscal fourth quarter and fiscal year ended November 30, 2020.

Fourth Quarter 2020 Highlights:

- Revenue of \$122.4 million increased 5% year-over-year on an actual currency basis, and 4% on a constant currency basis.
- Non-GAAP revenue of \$129.1 million increased 5% on an actual currency basis, and 4% constant currency basis.
- Operating margin was 15% and Non-GAAP operating margin was 37%.
- Diluted earnings per share was \$0.39 compared to diluted loss per share of \$0.11 in the same quarter last year.
- Non-GAAP diluted earnings per share was \$0.91 compared to \$0.79 in the same quarter last year, an increase of 15%.
- On October 5, 2020, the company completed the acquisition of Chef Software, a global leader in the growing DevOps and DevSecOps markets.

“I am thrilled with our results both for the fourth quarter and the full year 2020 and believe they reflect the durability of our business and our success in executing our total growth strategy” said Yogesh Gupta, CEO at Progress. “Chef extends our long-standing leadership position in the developer ecosystem, we are very pleased with the customer response and the rapid pace of the integration. The investments we’ve made to bolster our M&A capabilities, combined with the large, fragmented and growing DevOps market opportunity, position us well to execute on our total growth strategy for years to come, enabling us to deliver sustained shareholder value.”

Additional financial highlights included:

	Three Months Ended					
	GAAP			Non-GAAP		
	November 30, 2020	November 30, 2019	Change	November 30, 2020	November 30, 2019	Change
<i>(In thousands, except percentages and per share amounts)</i>						
Revenue	\$ 122,385	\$ 117,038	5 %	\$ 129,063	\$ 123,416	5 %
Income (loss) from operations	\$ 18,514	\$ (6,026)	*	\$ 48,081	\$ 47,285	2 %
Operating margin	15 %	(5)%	*	37 %	38 %	(100) bps
Net income (loss)	\$ 17,661	\$ (4,740)	*	\$ 41,118	\$ 35,720	15 %
Diluted earnings (loss) per share	\$ 0.39	\$ (0.11)	*	\$ 0.91	\$ 0.79	15 %
Cash from operations (GAAP) /Adjusted free cash flow (Non-GAAP)	\$ 42,762	\$ 36,601	17 %	\$ 40,656	\$ 36,705	11 %

*Not meaningful

Other fiscal fourth quarter 2020 metrics and recent results included:

- Cash, cash equivalents and short-term investments were \$106.0 million at the end of the quarter.
- DSO was 54 days, compared to 56 days in the fiscal fourth quarter of 2019 and 49 days in the fiscal third quarter of 2020.

- Pursuant to the \$250 million share authorization by the Board of Directors, Progress repurchased 1.0 million shares for \$40 million during the fiscal fourth quarter of 2020. As of November 30, 2020, there was \$190 million remaining under this authorization.
- On January 12, 2020, Progress' Board of Directors declared a quarterly dividend of \$0.175 per share of common stock that will be paid on March 15, 2021 to shareholders of record as of the close of business on March 1, 2021.

"We're excited to deliver results that reflect a strong and durable top line, expanded operating margin and meaningful growth in earnings per share," said Anthony Folger, CFO at Progress. "As we begin to realize synergies from the acquisition of Chef, we are very well positioned to deliver strong fiscal 2021 results."

Full Year Results

	Fiscal Year Ended					
	GAAP			Non-GAAP		
	November 30, 2020	November 30, 2019	Change	November 30, 2020	November 30, 2019	Change
<i>(In thousands, except percentages and per share amounts)</i>						
Revenue	\$ 442,150	\$ 413,298	7 %	\$ 456,212	\$ 431,961	6 %
Income from operations	\$ 107,728	\$ 40,084	169 %	\$ 182,761	\$ 162,258	13 %
Operating margin	24 %	10 %	1400 bps	40 %	38 %	200 bps
Net income	\$ 79,722	\$ 26,400	202 %	\$ 140,082	\$ 121,745	15 %
Diluted earnings per share	\$ 1.76	\$ 0.58	203 %	\$ 3.09	\$ 2.69	15 %
Cash from operations (GAAP) / Adjusted free cash flow (Non-GAAP)	\$ 144,847	\$ 128,484	13 %	\$ 142,453	\$ 128,893	11 %

2021 Business Outlook

Progress provides the following guidance for the fiscal year ending November 30, 2021 and for the fiscal first quarter ending February 28, 2021, together with actual results for the same periods in the fiscal year ending November 30, 2020:

	FY 2021 Guidance		FY 2020 Actual	
	FY 2021 GAAP	FY 2021 Non-GAAP	FY 2020 GAAP	FY 2020 Non-GAAP
	<i>(In millions, except percentages and per share amounts)</i>			
Revenue	\$487 - \$495	\$513 - \$521	\$ 442	\$ 456
Diluted earnings per share	\$1.40 - \$1.46	\$3.22 - \$3.28	\$ 1.76	\$ 3.09
Operating margin	19%	37%	24%	40%
Cash from operations (GAAP) / Adjusted free cash flow (Non-GAAP)	\$151 - \$156	\$150 - \$155	\$ 145	\$ 142
Effective tax rate	21 %	20 %	18%	18%
	Q1 2021 Guidance		Q1 2020 Actual	
	Q1 2021 GAAP	Q1 2021 Non-GAAP	Q1 2020 GAAP	Q1 2020 Non-GAAP
	<i>(In millions, except per share amounts)</i>			
Revenue	\$109 - \$113	\$119 - \$123	\$ 110	\$ 114
Diluted earnings per share	\$0.21 - \$0.25	\$0.72 - \$0.76	\$ 0.46	\$ 0.76

Based on current exchange rates, the expected positive currency translation impact on Progress' fiscal year 2021 business outlook compared to 2020 exchange rates is approximately \$6.4 million on GAAP and non-GAAP revenue, and approximately \$0.02 on GAAP and non-GAAP diluted earnings per share. The expected positive currency translation impact on Progress' fiscal Q1 2021 business outlook compared to 2020 exchange rates on GAAP and non-GAAP revenue is approximately \$1.4 million. The expected currency translation impact on GAAP and non-GAAP earnings per share for fiscal Q1 2021 is not material. To the extent that there are changes in exchange rates versus the current environment, this may have an impact on Progress' business outlook.

Conference Call

Progress will hold a conference call to review its financial results for the fiscal fourth quarter of 2020 at 5:00 p.m. ET on Thursday, January 14, 2021. The call can be accessed on the investor relations section of the company's website, located at www.progress.com. Additionally, you can listen to the call by telephone by dialing 1-888-458-4121, pass code 6657134. The conference call will include comments followed by questions and answers. An archived version of the conference call and supporting materials will be available on the Progress website within the investor relations section after the live conference call.

Legal Notice Regarding Non-GAAP Financial Information

Progress provides non-GAAP financial information as additional information for investors. These non-GAAP measures are not in accordance with, or an alternative to, generally accepted accounting principles in the United States ("GAAP"). Progress believes that the non-GAAP results described in this release are useful for an understanding of its ongoing operations and provide additional detail and an alternative method of assessing its operating results. A reconciliation of non-GAAP adjustments to the company's GAAP financial results is included in the tables below and is available on the Progress website at www.progress.com within the investor relations section. Additional information regarding the company's non-GAAP financial information is contained in the company's Current Report on Form 8-K furnished to the Securities and Exchange Commission in connection with this press release, which is also available on the Progress website within the investor relations section.

Note Regarding Forward-Looking Statements

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Progress has identified some of these forward-looking statements with words like "believe," "may," "could," "would," "might," "should," "expect," "intend," "plan," "target," "anticipate" and "continue," the negative of these words, other terms of similar meaning or the use of future dates.

Forward-looking statements in this press release include, but are not limited to, statements regarding Progress' business outlook and financial guidance. There are a number of factors that could cause actual results or future events to differ materially from those anticipated by the forward-looking statements, including, without limitation:

(1) Economic, geopolitical and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. (2) We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, fluctuations in currency exchange rates, or a decline in our renewal rates for contracts. (3) Our ability to successfully manage transitions to new business models and markets, including an increased emphasis on a cloud and subscription strategy, may not be successful. (4) If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our existing products and services in a timely manner to meet market demand, partners and customers may not purchase new software licenses or subscriptions or purchase or renew support contracts. (5) We depend upon our extensive partner channel and we may not be successful in retaining or expanding our relationships with channel partners. (6) Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses. (7) If the security measures for our software, services, other offerings or our internal information technology infrastructure are compromised or subject to a successful cyber-attack, or if our software offerings contain significant coding or configuration errors, we may experience reputational harm, legal claims and financial exposure. (8) We have made acquisitions, and may make acquisitions in the future, and those acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations. (9) Delay or failure to realize the expected synergies and benefits of the Chef acquisition could negatively impact our future results of operations and financial condition. (10) The continuing impact of the coronavirus disease (COVID-19) outbreak on our employees, customers, partners, and the global financial markets could adversely affect our business, results of operations and financial condition.

For further information regarding risks and uncertainties associated with Progress' business, please refer to Progress' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended November 30, 2019 and its Quarterly Reports on Form 10-Q for the fiscal quarters ended February 29, 2020, May 31, 2020 and August 31, 2020. Progress undertakes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

About Progress

[Progress](#) (NASDAQ: PRGS) provides the best products to develop, deploy and manage high-impact business applications. Our comprehensive product stack is designed to make technology teams more productive and we have a deep commitment to the developer community, both open source and commercial alike. With Progress, organizations can accelerate the creation and delivery of strategic business applications, automate the process by which apps are configured, deployed and scaled, and make critical data and content more accessible and secure—leading to competitive differentiation and business success. Over 1,700 independent software vendors, 100,000 enterprise customers, and three million developers rely on Progress to power their applications. Learn about Progress at www.progress.com or +1-800-477-6473.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)	Three Months Ended			Fiscal Year Ended		
	November 30, 2020	November 30, 2019	% Change	November 30, 2020	November 30, 2019	% Change
Revenue:						
Software licenses	\$ 37,443	\$ 39,336	(5)%	\$ 115,249	\$ 122,552	(6)%
Maintenance and services	84,942	77,702	9%	326,901	290,746	12%
Total revenue	122,385	117,038	5%	442,150	413,298	7%
Costs of revenue:						
Cost of software licenses	1,171	1,598	(27)%	4,473	4,894	(9)%
Cost of maintenance and services	14,137	12,281	15%	49,744	44,463	12%
Amortization of acquired intangibles	2,923	6,887	(58)%	7,897	25,884	(69)%
Total costs of revenue	18,231	20,766	(12)%	62,114	75,241	(17)%
Gross profit	104,154	96,272	8%	380,036	338,057	12%
Operating expenses:						
Sales and marketing	32,013	29,369	9%	100,113	101,701	(2)%
Product development	24,482	23,868	3%	88,599	88,572	—%
General and administrative	15,302	14,915	3%	54,004	53,360	1%
Amortization of acquired intangibles	7,565	7,414	2%	20,049	22,255	(10)%
Impairment of intangible & long-lived assets ⁽¹⁾	—	24,096	(100)%	—	24,096	(100)%
Restructuring expenses	4,080	2,338	75%	5,906	6,331	(7)%
Acquisition-related expenses	2,198	298	638%	3,637	1,658	119%
Total operating expenses	85,640	102,298	(16)%	272,308	297,973	(9)%
Income (loss) from operations	18,514	(6,026)	*	107,728	40,084	169%
Other expense, net	(1,887)	(3,551)	47%	(11,093)	(11,589)	4%
Income (loss) before income taxes	16,627	(9,577)	*	96,635	28,495	239%
(Benefit) provision for income taxes	(1,034)	(4,837)	(79)%	16,913	2,095	(707)%
Net income (loss)	\$ 17,661	\$ (4,740)	*	\$ 79,722	\$ 26,400	202%
Earnings (loss) per share:						
Basic	\$ 0.39	\$ (0.11)	*	\$ 1.78	\$ 0.59	202%
Diluted	\$ 0.39	\$ (0.11)	*	\$ 1.76	\$ 0.58	203%
Weighted average shares outstanding:						
Basic	44,723	44,882	—%	44,886	44,791	—%
Diluted	45,140	44,882	1%	45,321	45,340	—%
Cash dividends declared per common share	\$ 0.175	\$ 0.165	6%	\$ 0.670	\$ 0.630	6%

⁽¹⁾Primarily represents a reduction in the carrying values of the intangible assets associated with Kinvey and DataRPM.

Stock-based compensation is included in the condensed consolidated statements of operations, as follows:

	2020	2019	% Change	2020	2019	% Change
Cost of revenue	\$ 357	\$ 323	11%	\$ 1,336	\$ 1,134	18%
Sales and marketing	1,267	950	33%	4,462	4,155	7%
Product development	1,768	1,812	(2)%	7,286	7,205	1%
General and administrative	2,731	2,815	(3)%	10,398	10,817	(4)%
Total	\$ 6,123	\$ 5,900	4%	\$ 23,482	\$ 23,311	1%

*Not meaningful

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(In thousands)</i>	November 30, 2020	November 30, 2019
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 105,995	\$ 173,685
Accounts receivable, net	84,040	72,820
Unbilled receivables and contract assets	24,917	10,880
Other current assets	23,983	27,280
Total current assets	238,935	284,665
Property and equipment, net	29,817	29,765
Goodwill and intangible assets, net	704,473	532,216
Right-of-use lease assets	30,635	—
Long-term unbilled receivables and contract assets	17,133	12,492
Other assets	20,789	22,133
Total assets	\$ 1,041,782	\$ 881,271
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 70,899	\$ 72,674
Current portion of long-term debt, net	18,242	10,717
Short-term operating lease liabilities	7,015	—
Short-term deferred revenue	166,387	157,494
Total current liabilities	262,543	240,885
Long-term debt, net	364,260	284,002
Long-term operating lease liabilities	26,966	—
Long-term deferred revenue	26,908	19,752
Other long-term liabilities	15,092	6,350
Shareholders' equity:		
Common stock and additional paid-in capital	306,244	295,953
Retained earnings	39,769	34,329
Total shareholders' equity	346,013	330,282
Total liabilities and shareholders' equity	\$ 1,041,782	\$ 881,271

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Three Months Ended		Fiscal Year Ended	
	November 30, 2020	November 30, 2019	November 30, 2020	November 30, 2019
Cash flows from operating activities:				
Net income (loss)	\$ 17,661	\$ (4,740)	\$ 79,722	\$ 26,400
Depreciation and amortization	12,044	16,519	34,765	56,679
Stock-based compensation	6,123	5,900	23,482	23,311
Impairment of intangible and long-lived assets ⁽¹⁾	—	24,096	—	24,096
Other non-cash adjustments	(2,024)	(8,252)	6,287	(13,947)
Changes in operating assets and liabilities	8,958	3,078	591	11,945
Net cash flows from operating activities	42,762	36,601	144,847	128,484
Capital expenditures	(3,098)	(2,168)	(6,517)	(3,998)
Repurchases of common stock, net of issuances	(37,927)	2,918	(48,901)	(15,735)
Dividend payments to shareholders	(7,542)	(6,941)	(29,900)	(27,760)
Payments for acquisitions, net of cash acquired	(213,057)	—	(213,057)	(225,298)
Proceeds from the issuance of debt, net of payment of issuance costs	98,500	—	98,500	183,374
Proceeds from sale of long-lived assets, net	889	—	889	6,146
Payments of principal on long-term debt	(3,763)	(1,882)	(11,288)	(5,309)
Other	(888)	(240)	(2,263)	(5,732)
Net change in cash, cash equivalents and short-term investments	(124,124)	28,288	(67,690)	34,172
Cash, cash equivalents and short-term investments, beginning of period	230,119	145,397	173,685	139,513
Cash, cash equivalents and short-term investments, end of period	\$ 105,995	\$ 173,685	\$ 105,995	\$ 173,685

⁽¹⁾Primarily represents a reduction in the carrying values of the intangible assets associated with Kinvey and DataRPM.

RECONCILIATIONS OF GAAP TO NON-GAAP SELECTED FINANCIAL MEASURES - FOURTH QUARTER
(Unaudited)

	Three Months Ended				% Change Non-GAAP	
	November 30, 2020		November 30, 2019			
<i>(In thousands, except per share data)</i>						
Adjusted revenue:						
GAAP revenue	\$	122,385		\$	117,038	
Acquisition-related revenue ⁽¹⁾		6,678			6,378	
Non-GAAP revenue	\$	129,063	100 %	\$	123,416	100 %
Adjusted income from operations:						
GAAP income (loss) from operations	\$	18,514	15 %	\$	(6,026)	(5)%
Amortization of acquired intangibles		10,488	8 %		14,301	12 %
Stock-based compensation		6,123	4 %		5,900	4 %
Impairment of intangible and long-lived assets ⁽²⁾		—	— %		24,096	20 %
Restructuring expenses and other		4,080	3 %		2,338	2 %
Acquisition-related revenue ⁽¹⁾ and expenses		8,876	7 %		6,676	5 %
Non-GAAP income from operations	\$	48,081	37 %	\$	47,285	38 %
Adjusted net income:						
GAAP net income (loss)	\$	17,661	14 %	\$	(4,740)	(4)%
Amortization of acquired intangibles		10,488	8 %		14,301	12 %
Stock-based compensation		6,123	5 %		5,900	4 %
Impairment of intangible and long-lived assets ⁽²⁾		—	— %		24,096	20 %
Restructuring expenses and other		4,080	3 %		2,338	2 %
Acquisition-related revenue ⁽¹⁾ and expenses		8,876	7 %		6,676	5 %
Provision for income taxes		(6,110)	(5)%		(12,851)	(10)%
Non-GAAP net income	\$	41,118	32 %	\$	35,720	29 %
Adjusted diluted earnings per share:						
GAAP diluted earnings (loss) per share	\$	0.39		\$	(0.11)	
Amortization of acquired intangibles		0.23			0.32	
Stock-based compensation		0.14			0.13	
Impairment of intangible and long-lived assets ⁽²⁾		—			0.53	
Restructuring expenses and other		0.09			0.05	
Acquisition-related revenue ⁽¹⁾ and expenses		0.20			0.15	
Provision for income taxes		(0.14)			(0.28)	
Non-GAAP diluted earnings per share	\$	0.91		\$	0.79	15 %
Non-GAAP weighted avg shares outstanding - diluted		45,140			45,484	(1)%

⁽¹⁾Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Progress' Application Development and Deployment business segment for Chef in fiscal year 2020 and Progress' OpenEdge business segment for Ipswitch in fiscal year 2019.

⁽²⁾Primarily represents a reduction in the carrying values of the intangible assets associated with Kinvey and DataRPM.

RECONCILIATIONS OF GAAP TO NON-GAAP SELECTED FINANCIAL MEASURES - FISCAL YEAR

(Unaudited)

	Fiscal Year Ended				% Change Non-GAAP
	November 30, 2020		November 30, 2019		
<i>(In thousands, except per share data)</i>					
Adjusted revenue:					
GAAP revenue	\$	442,150		\$	413,298
Acquisition-related revenue ⁽¹⁾		14,062			18,663
Non-GAAP revenue	\$	456,212	100 %	\$	431,961
					100 %
					6 %
Adjusted income from operations:					
GAAP income from operations	\$	107,728	24 %	\$	40,084
Amortization of acquired intangibles		27,946	6 %		48,139
Stock-based compensation		23,482	5 %		23,311
Impairment of intangible and long-lived assets ⁽²⁾		—	— %		24,096
Restructuring expenses and other		5,906	1 %		6,307
Acquisition-related revenue ⁽¹⁾ and expenses		17,699	4 %		20,321
Non-GAAP income from operations	\$	182,761	40 %	\$	162,258
					38 %
					13 %
Adjusted net income:					
GAAP net income	\$	79,722	18 %	\$	26,400
Amortization of acquired intangibles		27,946	6 %		48,139
Stock-based compensation		23,482	5 %		23,311
Impairment of intangible and long-lived assets ⁽²⁾		—	— %		24,096
Restructuring expenses and other		5,906	1 %		6,307
Acquisition-related revenue ⁽¹⁾ and expenses		17,699	4 %		20,321
Provision for income taxes		(14,673)	(3)%		(26,829)
Non-GAAP net income	\$	140,082	31 %	\$	121,745
					28 %
					15 %
Adjusted diluted earnings per share:					
GAAP diluted earnings per share	\$	1.76		\$	0.58
Amortization of acquired intangibles		0.62			1.07
Stock-based compensation		0.51			0.51
Impairment of intangible and long-lived assets ⁽²⁾		—			0.53
Restructuring expenses and other		0.13			0.14
Acquisition-related revenue ⁽¹⁾ and expenses		0.39			0.45
Provision for income taxes		(0.32)			(0.59)
Non-GAAP diluted earnings per share	\$	3.09		\$	2.69
					15 %
Non-GAAP weighted avg shares outstanding - diluted					
		45,321			45,340
					— %

⁽¹⁾ Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Progress' Application Development and Deployment business segment for Chef in fiscal year 2020 and Progress' OpenEdge business segment for Ipswitch in fiscal year 2019.

⁽²⁾ Primarily represents a reduction in the carrying values of the intangible assets associated with Kinvey and DataRPM.

OTHER NON-GAAP FINANCIAL MEASURES
(Unaudited)

Quarter to Date Adjusted Free Cash Flow

<i>(In thousands)</i>	Q4 2020	Q4 2019	% Change
Cash flows from operations	\$ 42,762	\$ 36,601	17 %
Purchases of property and equipment	(3,098)	(2,168)	43 %
Free cash flow	39,664	34,433	15 %
Add back: restructuring payments	92	2,272	(56)%
Adjusted free cash flow	\$ 40,656	\$ 36,705	11 %

Year to Date Adjusted Free Cash Flow

<i>(In thousands)</i>	FY 2020	FY 2019	% Change
Cash flows from operations	\$ 144,847	\$ 128,484	13 %
Purchases of property and equipment	(6,517)	(3,998)	63 %
Free cash flow	138,330	124,486	11 %
Add back: restructuring payments	4,123	4,407	(6)%
Adjusted free cash flow	\$ 142,453	\$ 128,893	11 %

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2021 GUIDANCE

(Unaudited)

Fiscal Year 2021 Revenue Guidance

	Fiscal Year Ended		Fiscal Year Ending			
	November 30, 2020		November 30, 2021			
(In millions)			Low	% Change	High	% Change
GAAP revenue	\$	442.1	\$ 487.3	10 %	\$ 495.3	12 %
Acquisition-related adjustments - revenue ⁽¹⁾		14.1	25.7	82 %	25.7	82 %
Non-GAAP revenue	\$	456.2	\$ 513.0	12 %	\$ 521.0	14 %

⁽¹⁾Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Progress' Application Development and Deployment business segment for Chef and Progress' OpenEdge business segment for Ipswitch.

Fiscal Year 2021 Non-GAAP Operating Margin Guidance

	Fiscal Year Ending November 30, 2021			
	Low		High	
(In millions)				
GAAP income from operations	\$	91.2	\$	94.6
GAAP operating margin		19 %		19 %
Acquisition-related revenue		25.7		25.7
Restructuring expense		1.9		1.9
Stock-based compensation		27.3		27.3
Acquisition-related expenses		0.3		0.3
Amortization of intangibles		44.9		44.9
Total adjustments		100.1		100.1
Non-GAAP income from operations	\$	191.3	\$	194.7
Non-GAAP operating margin		37 %		37 %

Fiscal Year 2021 Non-GAAP Earnings per Share and Effective Tax Rate Guidance

	Fiscal Year Ending November 30, 2021			
	Low		High	
(In millions, except per share data)				
GAAP net income	\$	62.4	\$	65.1
Adjustments (from previous table)		100.1		100.1
Income tax adjustment ⁽²⁾		(19.2)		(19.2)
Non-GAAP net income	\$	143.3	\$	146.0
GAAP diluted earnings per share	\$	1.40	\$	1.46
Non-GAAP diluted earnings per share	\$	3.22	\$	3.28
Diluted weighted average shares outstanding		44.5		44.5

⁽²⁾Tax adjustment is based on a non-GAAP effective tax rate of approximately 20% for Low and High, calculated as follows:

Non-GAAP income from operations	\$	191.3	\$	194.7
Other (expense) income		(12.2)		(12.2)
Non-GAAP income from continuing operations before income taxes		179.1		182.5
Non-GAAP net income		143.3		146.0
Tax provision	\$	35.8	\$	36.5
Non-GAAP tax rate		20 %		20 %

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2021 GUIDANCE
(Unaudited)

Fiscal Year 2021 Adjusted Free Cash Flow Guidance

<i>(In millions)</i>	Fiscal Year Ending November 30, 2021	
	Low	High
Cash flows from operations (GAAP)	\$ 151	\$ 156
Purchases of property and equipment	(7)	(7)
Add back: restructuring payments	6	6
Adjusted free cash flow (non-GAAP)	<u>\$ 150</u>	<u>\$ 155</u>

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR Q1 2021 GUIDANCE

(Unaudited)

Q1 2021 Revenue Guidance

	Three Months Ended		Three Months Ending					
	February 29, 2020		February 28, 2021					
			Low	% Change	High	% Change		
<i>(In millions)</i>								
GAAP revenue	\$	109.7	\$	108.8	(1)%	\$	112.8	3 %
Acquisition-related adjustments - revenue ⁽¹⁾		4.1		10.2	149 %		10.2	149 %
Non-GAAP revenue	\$	113.8	\$	119.0	5 %	\$	123.0	8 %

⁽¹⁾Acquisition-related revenue constitutes revenue reflected as pre-acquisition deferred revenue that would otherwise have been recognized but for the purchase accounting treatment of acquisitions. Since GAAP accounting requires the elimination of this revenue, GAAP results alone do not fully capture all of our economic activities. Acquisition-related revenue adjustments relate to Progress; Application Development and Deployment business segment for Chef and Progress' OpenEdge business segment for Ipswitch.

Q1 2021 Non-GAAP Earnings per Share Guidance

	Three Months Ending February 28, 2021			
	Low		High	
GAAP diluted earnings per share	\$	0.21	\$	0.25
Acquisition-related revenue		0.23		0.23
Stock-based compensation		0.15		0.15
Amortization of intangibles		0.23		0.23
Restructuring expense		0.03		0.03
Total adjustments		0.64		0.64
Income tax adjustment		(0.13)		(0.13)
Non-GAAP diluted earnings per share	\$	0.72	\$	0.76



Progress Financial Results

Q4 2020 Supplemental Data



Legal Notice

This presentation contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Progress has identified some of these forward-looking statements with words like "believe," "may," "could," "would," "might," "should," "expect," "intend," "plan," "target," "anticipate" and "continue." The use of these words, or other terms of similar meaning or the use of future dates. Forward-looking statements in this presentation include, but are not limited to, statements regarding Progress's strategy; acquisitions; future revenue growth, operating margin and cost savings; strategic partnering and marketing initiatives; and other statements regarding the future operation, direction, prospects and success of Progress's business.

There are a number of factors that could cause actual results or future events to differ materially from those anticipated by the forward-looking statements, including, without limitation:

- Economic, geopolitical and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price.
- We may fail to achieve our financial forecasts due to such factors as delays or size reductions in transactions, fewer large transactions in a particular quarter, fluctuations in currency exchange rates, or decline in our renewal rates for contracts.
- Our ability to successfully manage transitions to new business models and markets, including an increased emphasis on a cloud and subscription strategy, may not be successful.
- If we are unable to develop new or sufficiently differentiated products and services, or to enhance and improve our existing products and services in a timely manner to meet market demand, partners and customers may not purchase new software licenses or subscriptions or purchase or renew support contracts.
- We depend upon our extensive partner channel and we may not be successful in retaining or expanding our relationships with channel partners.
- Our international sales and operations subject us to additional risks that can adversely affect our operating results, including risks relating to foreign currency gains and losses.
- If the security measures for our software, services, other offerings or our internal information technology infrastructure are compromised or subject to a successful cyber-attack, or if our software offerings contain significant coding or configuration errors, we may experience reputational harm, legal claims and financial exposure.
- We have made acquisitions, and may make acquisitions in the future, and those acquisitions may not be successful, may involve unanticipated costs or other integration issues or may disrupt our existing operations.
- Delay or failure to realize the expected synergies and benefits of the Chef acquisition could adversely impact our future results of operations and financial condition.
- The continuing impact of the coronavirus disease (COVID-19) outbreak on our employees, customers, partners, and the global financial markets could adversely affect our business, results of operations and financial condition.

For further information regarding risks and uncertainties associated with our business, please refer to our filings with the Securities and Exchange Commission. Progress undertakes no obligation to update its forward-looking statements, which speak only as of the date of this presentation, except for statements relating to Progress' projected results for the quarter ended February 28, 2021 and fiscal year ended November 30, 2021, which speak only as of January 14, 2021.

Finally, during this presentation we will be referring to non-GAAP financial measures such as non-GAAP revenue, non-GAAP income from operations and operating margin, adjusted free cash flow and non-diluted earnings per share. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation between non-GAAP and the most directly comparable financial measures appears in our earnings press release for the fiscal quarter ended November 30, 2020 and is available in the Investor Relations section of our Web site.



Conference Call Details

What:	Progress Q4 2020 Financial Results Conference Call
When:	Thursday, January 14 th , 2021
Time:	5:00 p.m. ET
Live Call:	1-888-458-4121, pass code 6657134
Live / Recorded Webcast:	http://investors.progress.com



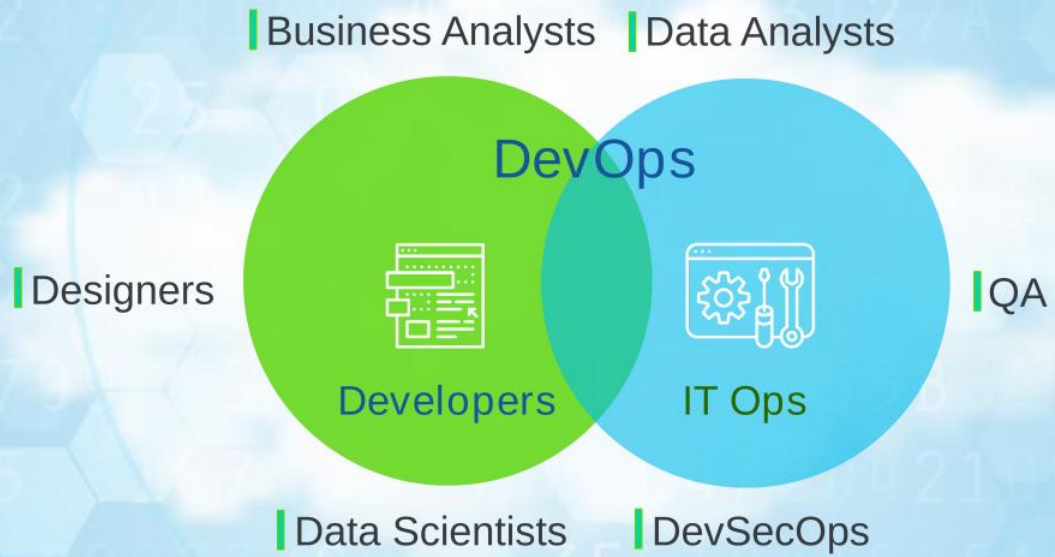
Summary Highlights

- Strong financial results
 - Non-GAAP **Revenue**, non-GAAP **EPS** and **Free Cash Flow** all above high end of guidance range
 - Results driven by stronger than expected performance by OpenEdge and DCI products
 - Continued to improve the mix of recurring revenue; ended 2020 with 80% recurring mix
 - Delivered operating margin above 40% driven by top line strength and continued cost management
- Chef acquisition **closed** on October 5, 2020
 - DevOps pioneer and leader providing a continuous delivery automation platform for IT operations and security teams to securely build, deploy and manage any application in modern multi-cloud and hybrid environments, as well as on premises
 - Integration and financial results both tracking to plan
 - Integration to continue throughout 2021 resulting in more accretion later in the year
- Enhanced **M&A capabilities** aimed at sourcing, executing and integrating acquisitions efficiently to take advantage of **large and growing DevOps market opportunity**

Progress is a **trusted provider** of the best products to **develop, deploy and manage high-impact** business applications



The Evolving Application / Technology Team



M&A Framework

--- Goal is to double the size of the company in 5 years ---

Accretive M&A enables us to add scale and cash flows, and generate strong shareholder returns

- Target acquisition profile:
 - Complementary to our business (product, audience & growth profile)
 - Significant recurring revenue and excellent retention rates
 - Cost synergistic and accretive
 - Operating margins after synergies that are consistent with our overall margin
 - ROIC above our weighted average cost of capital

Progress Investment Highlights



Durable, predictable financial model



High quality revenue base and highly recurring revenue model



Accretive M&A and operational efficiencies driving margin improvement



Track record of successful acquisition integration and synergy achievement



Delivering meaningful earnings per share and free cash flow growth



Disciplined and shareholder friendly capital allocation strategy

Summary Q4 2020 Financial Results

	Q4 2020 Outlook (9/29/2020)	Q4 2020 Results
GAAP Revenue	\$119 M - \$123 M	\$122.4 M (+5% YoY)
Non-GAAP Revenue	\$125 M - \$129 M	\$129.1 M (+5% YoY)
GAAP earnings per share (Diluted)	\$0.26 - \$0.29	\$0.39
Non-GAAP earnings per share (Diluted)	\$0.76 - \$0.79	\$0.91 (+15%)
GAAP Operating Margin	Not guided	15%
Non-GAAP Operating Margin	Not guided	37% (-100 Bps YoY)
Adjusted Free Cash Flow	Not guided	\$40.7 M (+11% YoY)

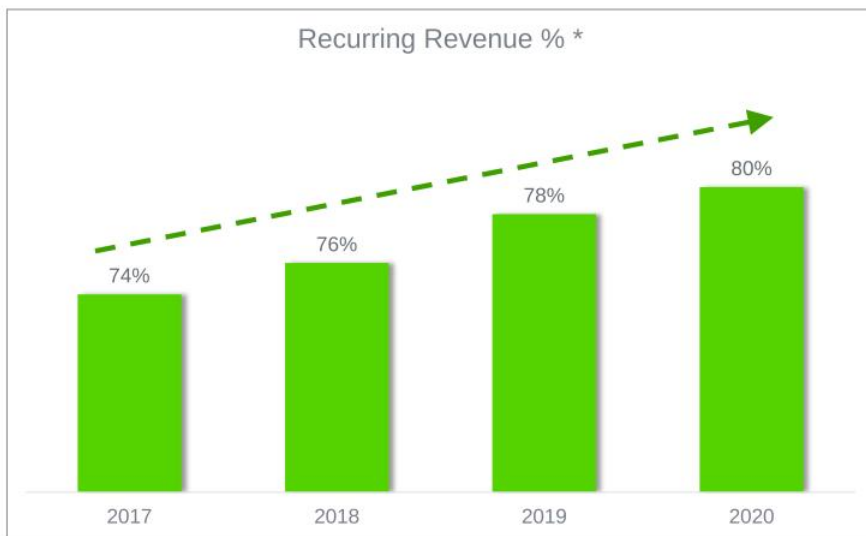


Summary 2020 Financial Results

	FY 2020 Outlook (9/29/2020)	FY 2020 Results
GAAP Revenue	\$438 M - \$442 M	\$442.2 M (+7% YoY)
Non-GAAP Revenue	\$452 M - \$456 M	\$456.2 M (+6% YoY)
GAAP earnings per share (Diluted)	\$1.63 - \$1.66	\$1.76 (+203%)
Non-GAAP earnings per share (Diluted)	\$2.94 - \$2.97	\$3.09 (+15%)
GAAP Operating Margin	24%	24% (+1400 Bps YoY)
Non-GAAP Operating Margin	40%	40% (+200 Bps YoY)
Adjusted Free Cash Flow	\$135 M - \$140 M	\$142.5 M (+11% YoY)



Recurring Revenue Contributing to Stability



Mission critical nature of the application power

+

Net revenue retention rate on maintenance well over 90%

=

High percentage of recurring revenue durability during uncertain times

Recurring Revenue includes: Maintenance Revenue, Revenue derived from hosted/SaaS solutions and subscription revenue derived from subscription or term license arrangements

* Excludes impact of FX by using constant exchange rates for all years.



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DCI Revenue vs. ACV -- the impact of ASC 606



- Variability in revenue primarily caused by year term licenses
- Annual Contract Value shows consistent performance

Driving Operating Leverage

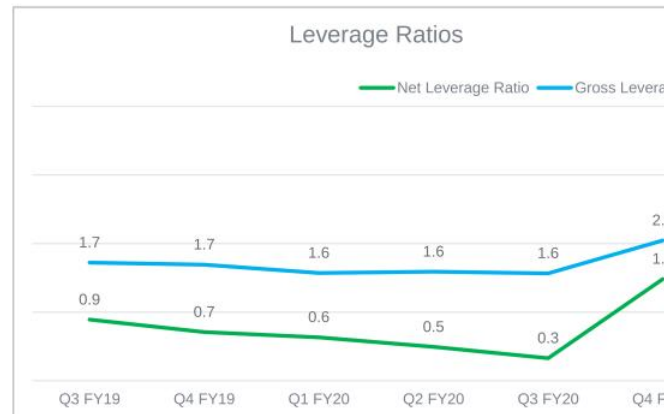
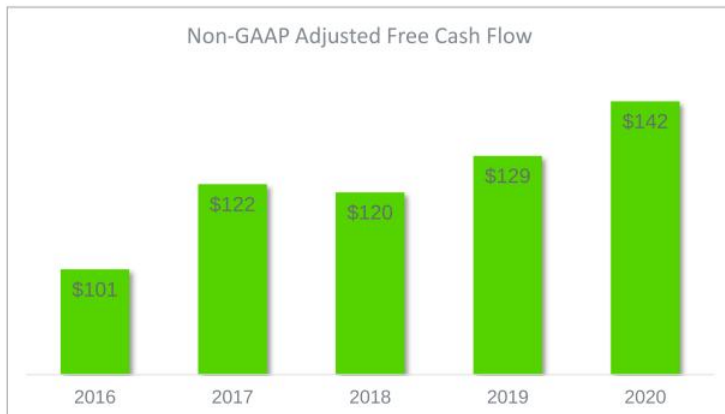
(% of non-GAAP revenue)



Focus on cost management and running a lean, profitable business

Integrating acquisitions into our operating model drives more scale in operating margin (Ipswitch in May 2019 and Chef in October 2020)

Strong Liquidity/Debt Capacity



Strong free cash flow and low leverage ratios allow for greater financing flexibility to execute total growth strategy

Capital Allocation



- Continue to return capital to shareholders in the form of dividends



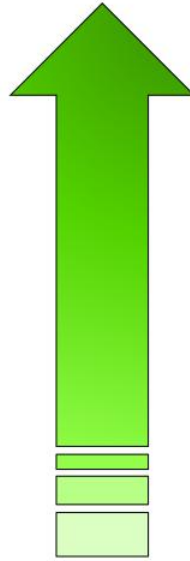
- Accretive M&A that meets our disciplined criteria



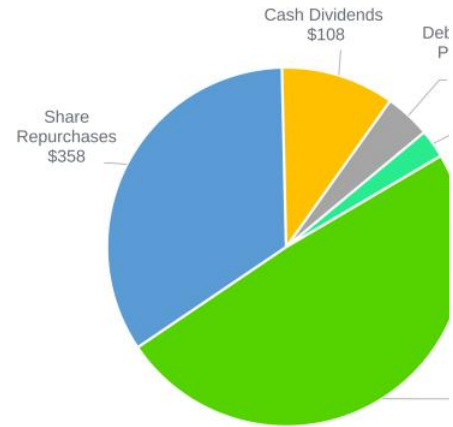
- Repurchase shares to offset dilution from our equity programs

- Existing authorization \$250M; \$190M remaining
- Flexibility to increase, reduce or suspend repurchases, depending on market conditions and size and timing of M&A

Primary focus



Capital Allocation 2016 – 2020



Share repurchase authorization

- Current total: \$250M
- Remaining: \$190M

Business Outlook (as of January 14, 2021)

	Q1 2021 (1/14/2021)	FY 2021 (1/14/2021)
Non-GAAP Revenue	\$119 M - \$123 M	\$513 M – \$521 M
Non-GAAP EPS	\$0.70 - \$0.73	\$3.22 – \$3.28
Non-GAAP Operating Margin	Not guided	37%
Non-GAAP Adjusted Free Cash Flow	Not guided	\$150 M – \$155 M
Non-GAAP Effective Tax Rate	Not guided	20%



Supplemental Financial Information

Results of Operations by Segment (Presented on a GAAP basis)

(Unaudited)

(In thousands)	Three Months Ended			Twelve Months Ended		
	November 30,	November 30,	%	November 30,	November 30,	%
	2020	2019	Change	2020	2019	Change
Segment revenue:						
OpenEdge	85,836	85,250	1%	326,444	296,929	10%
Data Connectivity and Intergration	12,372	12,217	1%	34,187	39,903	(14%)
Application Development and Deployment	24,177	19,571	24%	81,519	76,466	7%
Total revenue	122,385	117,038	5%	442,150	413,298	7%
Segment costs of revenue and operating expenses:						
OpenEdge	20,368	25,086	(19%)	76,352	85,209	(10%)
Data Connectivity and Integration	2,157	2,724	(21%)	8,397	7,973	5%
Application Development and Deployment	15,177	6,926	119%	36,749	23,993	53%
Total costs of revenue and operating expense	37,702	34,736	9%	121,498	117,175	4%
Segment contribution:						
OpenEdge	65,468	60,164	9%	250,092	211,720	18%
Data Connectivity and Intergration	10,215	9,493	8%	25,790	31,930	(19%)
Application Development and Deployment	9,000	12,645	(29%)	44,770	52,473	(15%)
Total contribution	84,683	82,302	3%	320,652	296,123	8%
Other unallocated expenses	66,169	88,328	(25%)	212,924	256,039	(17%)
Income from operations	18,514	(6,026)	407%	107,728	40,084	169%
Other (expense) income, net	(1,887)	(3,551)	47%	(11,093)	(11,589)	4%
Income before provision for income taxes	16,627	(9,577)	274%	96,635	28,495	239%

⁽¹⁾The following expenses are not allocated to our segments as we manage and report our business in these functional areas on a consolidated basis only: certain product development and corporate sales and marketing expenses, customer support, administration, amortization of acquired intangibles, stock-based compensation, restructuring, and acquisition-related expenses.



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Supplemental Revenue Information (Presented on a GAAP basis)

(Unaudited)

(in thousands)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Revenue by Type					
License	39,336	30,629	19,663	27,514	37,443
Maintenance	68,868	70,056	71,686	72,764	74,381
Services	8,834	8,998	9,034	9,421	10,561
Total Revenue	<u>\$ 117,038</u>	<u>\$ 109,683</u>	<u>\$ 100,383</u>	<u>\$ 109,699</u>	<u>\$ 122,385</u>
Revenue by Region					
North America	70,145	65,413	56,564	62,927	76,094
EMEA	35,187	34,988	34,157	37,447	37,162
Latin America	5,626	4,000	3,346	3,547	3,681
Asia Pacific	6,080	5,282	6,316	5,778	5,448
Total Revenue	<u>\$ 117,038</u>	<u>\$ 109,683</u>	<u>\$ 100,383</u>	<u>\$ 109,699</u>	<u>\$ 122,385</u>
Revenue by Segment					
OpenEdge	85,250	77,079	77,735	85,794	85,836
Data Connectivity and Integration	12,217	13,685	3,662	4,468	12,372
Application Development and Deployment	19,571	18,919	18,986	19,437	24,177
Total Revenue	<u>\$ 117,038</u>	<u>\$ 109,683</u>	<u>\$ 100,383</u>	<u>\$ 109,699</u>	<u>\$ 122,385</u>



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Other NON-GAAP Financial Measures

(Unaudited)

(in thousands)	Q4 2020	Non-GAAP Adjustment	Non-GAAP Revenue
Revenue by Type			
License	37,443	265	37,708
Maintenance	74,381	6,301	80,682
Services	10,561	112	10,673
Total Revenue	<u>\$ 122,385</u>	<u>\$ 6,678</u>	<u>\$ 129,063</u>
Revenue by Region			
North America	76,094	3,383	79,477
EMEA	37,162	2,518	39,680
Latin America	3,681	57	3,738
Asia Pacific	5,448	720	6,168
Total Revenue	<u>\$ 122,385</u>	<u>\$ 6,678</u>	<u>\$ 129,063</u>
Revenue by Segment			
OpenEdge	85,836	919	86,755
Data Connectivity and Integration	12,372	0	12,372
Application Development and Deployment	24,177	5,759	29,936
Total Revenue	<u>\$ 122,385</u>	<u>\$ 6,678</u>	<u>\$ 129,063</u>



Other NON-GAAP Financial Measures

(Unaudited)

(in thousands)	YTD	YTD	YTD
	GAAP Basis Q4 2020	Non-GAAP Adjustment	Non-GAAP Q4 2020
Revenue by Type			
License	115,249	369	115,618
Maintenance	288,887	13,167	302,054
Services	38,014	526	38,540
Total Revenue	\$ 442,150	\$ 14,062	\$ 456,212
Revenue by Region			
North America	260,998	8,639	269,637
EMEA	143,754	3,975	147,729
Latin America	14,574	171	14,745
Asia Pacific	22,824	1,277	24,101
Total Revenue	\$ 442,150	\$ 14,062	\$ 456,212
Revenue by Segment			
OpenEdge	326,444	8,303	334,747
Data Connectivity and Integration	34,187	0	34,187
Application Development and Deployment	81,519	5,759	87,278
Total Revenue	\$ 442,150	\$ 14,062	\$ 456,212



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