

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

Date of Report (Date of earliest event reported): **June 30, 2026**

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.)
15 Wayside Road, Suite 400, Burlington, Massachusetts (Address of principal executive offices) **01803** (Zip code)

Registrant's telephone number, including area code: **(781) 280-4000**

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 June 30, 2026, Progress Software Corporation ("Progress") issued a press release announcing its financial results for the fiscal second quarter ended May 31, 2026. 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.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that Section, and shall not be incorporated by reference into any other filing by Progress under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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.

The information furnished pursuant to this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that Section, and shall not be incorporated by reference into any other filing by Progress under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Progress Software Corporation dated June 30, 2026
99.2	Q2 2026 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: June 30, 2026

Progress Software Corporation

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

P R E S S A N N O U N C E M E N T

Progress Software Announces Second Quarter 2026 Financial Results

**Revenue of \$253 million grew 7% year-over-year
Annualized Recurring Revenue ("ARR") of \$868 million grew 2% year-over-year**

BURLINGTON, Mass., June 30, 2026 — Progress Software (Nasdaq: PRGS), the trusted provider of AI-powered digital experience and infrastructure software, today announced financial results for its fiscal second quarter ended May 31, 2026.

Second Quarter 2026 Highlights:

- Revenue of \$253 million increased 7% year-over-year on an actual currency basis and 6% on a constant currency basis.
- Annualized Recurring Revenue ("ARR") of \$868 million increased 2% year-over-year on a constant currency basis.
- Operating margin was 18% and non-GAAP operating margin was 40%.
- Diluted earnings per share was \$0.50 compared to \$0.39 in the same quarter last year, an increase of 28%.
- Non-GAAP diluted earnings per share was \$1.62 compared to \$1.40 in the same quarter last year, an increase of 16%.

"Q2 was another strong quarter for Progress, highlighted by broad-based demand across our portfolio and driven meaningfully by continued momentum in our AI-powered offerings," said Yogesh Gupta, CEO of Progress Software. "Our teams are executing well against our strategy, while maintaining the operational discipline that enables us to invest in innovation, strengthen the balance sheet, and continue to create long-term value for shareholders. As we look ahead, we remain confident that our customers will leverage our products to accelerate their AI and digital transformation initiatives."

Additional financial highlights included:

<i>(in thousands, except percentages and per share amounts)</i>	Three Months Ended					
	GAAP			Non-GAAP		
	May 31, 2026	May 31, 2025	% Change	May 31, 2026	May 31, 2025	% Change
Revenue	\$ 253,465	\$ 237,355	7 %	\$ 253,465	\$ 237,355	7 %
Income from operations	\$ 45,202	\$ 38,616	17 %	\$ 102,623	\$ 95,461	8 %
Operating margin	18 %	16 %	200 bps	40 %	40 %	0 bps
Net income	\$ 21,073	\$ 17,029	24 %	\$ 68,369	\$ 61,749	11 %
Diluted earnings per share	\$ 0.50	\$ 0.39	28 %	\$ 1.62	\$ 1.40	16 %
Cash from operations (GAAP) / Adjusted free cash flow (non-GAAP) / Unlevered free cash flow (non-GAAP)	\$ 78,837	\$ 29,996	163 %	\$ 79,206	\$ 37,068	114 %
				\$ 91,935	\$ 51,579	78 %

See *Important Information Regarding Non-GAAP Financial Measures, Liquidity Measures, and Select Performance Metrics* and a reconciliation of non-GAAP adjustments to Progress' GAAP financial results at the end of this press release.

Other fiscal second quarter 2026 metrics and recent results included:

- Cash and cash equivalents were \$103 million at the end of the quarter.
- Days sales outstanding was 49 days compared to 53 days in the fiscal second quarter of 2025 and 73 days in the fiscal fourth quarter of 2025.

Anthony Folger, Progress CFO, said: "Our Q2 revenues were ahead of expectations, and the outperformance was largely driven by the success of several AI powered product offerings. ARR growth was solid at 2% and our net retention rate was 100%. On the balance sheet, we paid down debt aggressively, bringing our trailing twelve-month net leverage ratio to 2.9X, and also repurchased another \$35 million of shares during the quarter. We are currently well-positioned and our positive outlook is reflected in our increased guidance."

2026 Business Outlook

Progress provides the following guidance for the fiscal year ending November 30, 2026 and the fiscal third quarter ending August 31, 2026:

<i>(in millions, except percentages and per share amounts)</i>	Updated FY 2026 Guidance (June 30, 2026)		Prior FY 2026 Guidance (March 30, 2026)	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenue	\$990 - \$1,002	\$990 - \$1,002	\$988 - \$1,000	\$988 - \$1,000
Diluted earnings per share	\$1.60 - \$1.74	\$6.09 - \$6.21	\$1.71 - \$1.87	\$5.91 - \$6.03
Operating margin	16%	39 %	16% - 17%	39 %
Cash from operations (GAAP) / Adjusted free cash flow (non-GAAP) / Unlevered free cash flow (non-GAAP)	\$273 - \$285	\$271 - \$283	\$266 - \$278	\$263 - \$275
		\$323 - \$334		\$315 - \$326
Effective tax rate	25 %	20 %	23 %	20 %

(in millions, except per share amounts)

	Q3 2026 Guidance	
	GAAP	Non-GAAP
Revenue	\$244 - \$250	\$244 - \$250
Diluted earnings per share	\$0.35 - \$0.41	\$1.53 - \$1.59

Based on current exchange rates, the expected positive currency translation impact on our:

- Fiscal year 2026 business outlook compared to 2025 exchange rates is approximately \$8.8 million on revenue.
- GAAP and non-GAAP diluted earnings per share for fiscal year 2026 is approximately \$0.11.
- Fiscal Q3 2026 business outlook compared to 2025 exchange rates is approximately \$0.2 million on revenue.
- GAAP and non-GAAP diluted earnings per share for fiscal Q3 2026 is approximately \$0.02.

To the extent that there are changes in exchange rates versus the current environment and/or our expectations, 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 second quarter of 2026 at 5:00 p.m. ET on Tuesday, June 30, 2026. Participants must register for the conference call here: <https://register-conf.media-server.com/register/B14a8f3a3282e74ab2ada736bc5bd92ec1>. The webcast can be accessed at: <https://edge.media-server.com/mmc/p/ctm7obyp>. The conference call will include comments followed by questions and answers. Attendees must register for the webcast and 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.

About Progress

Progress Software (Nasdaq: PRGS) empowers organizations to achieve transformational success in the face of disruptive change. Our software enables our customers to develop, deploy and manage responsible AI-powered applications and personalized digital experiences with agility and ease. Businesses of all sizes get a trusted provider in Progress, with the products, expertise and vision they need to turn AI disruption into a competitive advantage. Millions of developers and technologists at hundreds of thousands of organizations depend on Progress every day. Learn more at www.progress.com.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	% Change	May 31, 2026	May 31, 2025	% Change
<i>(in thousands, except per share data)</i>						
Revenue:						
Software licenses	\$ 68,979	\$ 50,795	36 %	\$ 136,560	\$ 109,240	25 %
Maintenance, SaaS, and professional services	184,486	186,560	(1)%	364,704	366,130	— %
Total revenue	253,465	237,355	7 %	501,264	475,370	5 %
Costs of revenue:						
Cost of software licenses	3,675	2,987	23 %	6,688	5,912	13 %
Cost of maintenance, SaaS, and professional services	32,259	33,764	(4)%	64,359	66,648	(3)%
Amortization of acquired intangibles	8,938	10,537	(15)%	17,689	20,959	(16)%
Total costs of revenue	44,872	47,288	(5)%	88,736	93,519	(5)%
Gross profit	208,593	190,067	10 %	412,528	381,851	8 %
Operating expenses:						
Sales and marketing	54,341	49,677	9 %	106,338	100,973	5 %
Product development	48,840	46,570	5 %	99,314	92,945	7 %
General and administrative	32,236	25,637	26 %	58,740	51,260	15 %
Amortization of acquired intangibles	26,167	26,063	— %	51,784	51,871	— %
Cyber vulnerability response expenses, net	1,266	730	73 %	2,624	1,467	79 %
Restructuring expenses	1,480	1,043	42 %	2,186	8,072	(73)%
Acquisition-related expenses	(939)	1,731	(154)%	(125)	4,221	(103)%
Total operating expenses	163,391	151,451	8 %	320,861	310,809	3 %
Income from operations	45,202	38,616	17 %	91,667	71,042	29 %
Other expense, net	(16,362)	(18,752)	13 %	(32,535)	(37,876)	14 %
Income before income taxes	28,840	19,864	45 %	59,132	33,166	78 %
Provision for income taxes	7,767	2,835	174 %	15,246	5,191	194 %
Net income	\$ 21,073	\$ 17,029	24 %	\$ 43,886	\$ 27,975	57 %
Earnings per share:						
Basic	\$ 0.50	\$ 0.40	25 %	\$ 1.04	\$ 0.65	60 %
Diluted	\$ 0.50	\$ 0.39	28 %	\$ 1.03	\$ 0.63	63 %
Weighted average shares outstanding:						
Basic	41,901	43,053	(3)%	42,028	43,154	(3)%
Diluted	42,310	44,156	(4)%	42,519	44,522	(4)%

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

Costs of revenue	\$ 1,508	\$ 1,560	(3)%	\$ 3,126	\$ 2,755	13 %
Sales and marketing	4,059	3,663	11 %	8,142	6,695	22 %
Product development	5,847	4,984	17 %	11,442	9,394	22 %
General and administrative	9,095	6,534	39 %	16,273	12,580	29 %
Total	\$ 20,509	\$ 16,741	23 %	\$ 38,983	\$ 31,424	24 %

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	May 31, 2026	November 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 102,978	\$ 94,807
Accounts receivable, net	125,209	195,783
Unbilled receivables, current portion	51,297	46,599
Other current assets	57,018	62,776
Total current assets	<u>336,502</u>	<u>399,965</u>
Property and equipment, net	14,938	13,694
Goodwill and intangible assets, net	1,824,329	1,893,082
Right-of-use lease assets	31,526	25,842
Unbilled receivables, non-current portion	44,139	29,950
Other assets	94,189	95,125
Total assets	<u>\$ 2,345,623</u>	<u>\$ 2,457,658</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 83,422	\$ 117,331
Convertible senior notes, current portion, net	—	359,163
Operating lease liabilities, current portion	8,144	8,490
Deferred revenue, current portion	324,469	324,750
Total current liabilities	<u>416,035</u>	<u>809,734</u>
Long-term debt	850,000	600,000
Operating lease liabilities, non-current portion	26,467	21,077
Deferred revenue, non-current portion	98,756	100,329
Convertible senior notes, non-current portion, net	442,147	441,186
Other non-current liabilities	6,135	6,983
Stockholders' equity:		
Common stock and additional paid-in capital	416,043	384,119
Retained earnings	90,040	94,230
Total stockholders' equity	<u>506,083</u>	<u>478,349</u>
Total liabilities and stockholders' equity	<u>\$ 2,345,623</u>	<u>\$ 2,457,658</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Operating activities:				
Net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975
Depreciation and amortization	38,186	39,568	75,646	78,777
Stock-based compensation	20,509	16,741	38,983	31,424
Other non-cash adjustments	3,713	(1,332)	10,961	1,738
Changes in operating assets and liabilities	(4,644)	(42,010)	7,987	(40,971)
Net cash flows from operating activities	78,837	29,996	177,463	98,943
Capital expenditures	(1,864)	(495)	(4,569)	(1,785)
Repurchases of common stock, net of issuances	(32,061)	(13,478)	(47,026)	(37,348)
Dividend equivalent payments to stockholders	—	(295)	—	(654)
Payments for acquisitions	—	—	—	(1,195)
Repurchases of convertible senior notes	(360,000)	—	(360,000)	—
Proceeds from revolving line of credit	360,000	—	360,000	—
Repayment of revolving line of credit	(50,000)	(40,000)	(110,000)	(70,000)
Other	(5,105)	2,117	(7,697)	(4,032)
Net change in cash and cash equivalents	(10,193)	(22,155)	8,171	(16,071)
Cash and cash equivalents, beginning of period	113,171	124,161	94,807	118,077
Cash and cash equivalents, end of period	\$ 102,978	\$ 102,006	\$ 102,978	\$ 102,006

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

(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
Adjusted income from operations:				
GAAP income from operations	\$ 45,202	\$ 38,616	\$ 91,667	\$ 71,042
Amortization of acquired intangibles	35,105	36,600	69,473	72,830
Stock-based compensation	20,509	16,741	38,983	31,424
Restructuring expenses	1,480	1,043	2,186	8,072
Acquisition-related expenses	(939)	1,731	(125)	4,221
Cyber vulnerability response expenses, net	1,266	730	2,624	1,467
Non-GAAP income from operations	\$ 102,623	\$ 95,461	\$ 204,808	\$ 189,056
Adjusted net income:				
GAAP net income	\$ 21,073	\$ 17,029	\$ 43,886	\$ 27,975
Amortization of acquired intangibles	35,105	36,600	69,473	72,830
Stock-based compensation	20,509	16,741	38,983	31,424
Restructuring expenses	1,480	1,043	2,186	8,072
Acquisition-related expenses	(939)	1,731	(125)	4,221
Cyber vulnerability response expenses, net	1,266	730	2,624	1,467
Provision for income taxes	(10,125)	(12,125)	(20,358)	(25,245)
Non-GAAP net income	\$ 68,369	\$ 61,749	\$ 136,669	\$ 120,744
Adjusted diluted earnings per share:				
GAAP diluted earnings per share	\$ 0.50	\$ 0.39	\$ 1.03	\$ 0.63
Amortization of acquired intangibles	0.83	0.83	1.63	1.64
Stock-based compensation	0.49	0.37	0.92	0.71
Restructuring expenses	0.03	0.02	0.05	0.18
Acquisition-related expenses	(0.02)	0.04	—	0.09
Cyber vulnerability response expenses, net	0.03	0.02	0.06	0.03
Provision for income taxes	(0.24)	(0.27)	(0.48)	(0.57)
Non-GAAP diluted earnings per share	\$ 1.62	\$ 1.40	\$ 3.21	\$ 2.71
Non-GAAP weighted avg shares outstanding - diluted	42,310	44,156	42,519	44,522

OTHER NON-GAAP FINANCIAL MEASURES
(Unaudited)

Adjusted Free Cash Flow and Unlevered Free Cash Flow

(in thousands)

	Three Months Ended			Six Months Ended		
	May 31, 2026	May 31, 2025	% Change	May 31, 2026	May 31, 2025	% Change
Cash flows from operations	\$ 78,837	\$ 29,996	163 %	\$ 177,463	\$ 98,943	79 %
Purchases of property and equipment	(1,864)	(495)	277 %	(4,569)	(1,785)	156 %
Free cash flow	76,973	29,501	161 %	172,894	97,158	78 %
Add back: restructuring payments	2,233	7,567	(70)%	5,157	13,121	(61)%
Adjusted free cash flow	\$ 79,206	\$ 37,068	114 %	\$ 178,051	\$ 110,279	61 %
Add back: tax-effected interest expense	12,729	14,511	(12)%	24,926	29,253	(15)%
Unlevered free cash flow	\$ 91,935	\$ 51,579	78 %	\$ 202,977	\$ 139,532	45 %

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2026 GUIDANCE
(Unaudited)

Fiscal Year 2026 Updated Non-GAAP Operating Margin Guidance

	Fiscal Year Ending November 30, 2026			
	Low		High	
<i>(in millions)</i>				
GAAP income from operations	\$	157.2	\$	164.1
GAAP operating margin		16 %		16 %
Restructuring expense		2.6		2.6
Stock-based compensation		73.5		73.5
Acquisition-related expenses		5.0		5.0
Amortization of acquired intangibles		137.3		137.3
Cyber vulnerability response expenses, net		12.4		12.4
Total adjustments ⁽¹⁾		230.8		230.8
Non-GAAP income from operations	\$	388.0	\$	394.9
Non-GAAP operating margin		39 %		39 %

Fiscal Year 2026 Updated Non-GAAP Earnings per Share and Effective Tax Rate Guidance

	Fiscal Year Ending November 30, 2026			
	Low		High	
<i>(in millions, except per share data)</i>				
GAAP net income	\$	67.7	\$	73.6
Adjustments (from previous table)		230.8		230.8
Income tax adjustment ⁽²⁾		(41.7)		(41.3)
Non-GAAP net income	\$	256.8	\$	263.1
GAAP diluted earnings per share	\$	1.60	\$	1.74
Non-GAAP diluted earnings per share	\$	6.09	\$	6.21
Diluted weighted average shares outstanding		42.2		42.4

¹ Total adjustments include preliminary estimates relating to the valuation of intangible assets acquired from Nuclia and restructuring expenses. The final amounts will not be available until the Company's internal procedures and reviews are completed.

² Tax adjustment is based on a non-GAAP effective tax rate of approximately 20%, calculated as follows:

	Fiscal Year Ending November 30, 2026			
	Low		High	
Non-GAAP income from operations	\$	388.0	\$	394.9
Other (expense) income, net		(67.0)		(66.0)
Non-GAAP income from continuing operations before income taxes		321.0		328.9
Non-GAAP net income		256.8		263.1
Tax provision	\$	64.2	\$	65.8
Non-GAAP tax rate		20 %		20 %

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR FISCAL YEAR 2026 GUIDANCE
(Unaudited)

Fiscal Year 2026 Updated Adjusted Free Cash Flow and Unlevered Free Cash Flow Guidance

<i>(in millions)</i>	Fiscal Year Ending November 30, 2026	
	Low	High
Cash flows from operations (GAAP)	\$ 273	\$ 285
Purchases of property and equipment	(8)	(8)
Add back: restructuring payments	6	6
Adjusted free cash flow (non-GAAP)	271	283
Add back: tax-effected interest expense	52	51
Unlevered free cash flow (non-GAAP)	\$ 323	\$ 334

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES FOR Q3 2026 GUIDANCE
(Unaudited)

Q3 2026 Non-GAAP Earnings per Share Guidance

	Three Months Ending August 31, 2026	
	Low	High
GAAP diluted earnings per share	\$ 0.35	\$ 0.41
Acquisition-related expense	0.07	0.07
Stock-based compensation	0.41	0.41
Amortization of acquired intangibles	0.85	0.85
Cyber vulnerability response expenses, net	0.13	0.13
Total adjustments ⁽³⁾	1.46	1.46
Income tax adjustment	(0.28)	(0.28)
Non-GAAP diluted earnings per share	\$ 1.53	\$ 1.59

³Total adjustments include preliminary estimates relating to the valuation of intangible assets acquired from Nuclia and restructuring expenses. The final amounts will not be available until the Company's internal procedures and reviews are completed.

Important Information Regarding Non-GAAP Financial Measures, Liquidity Measures, and Select Performance Metrics

Progress furnishes certain non-GAAP supplemental information to our financial results. We use such non-GAAP financial measures to evaluate our period-over-period operating performance because our management team believes that excluding the effects of certain GAAP-related items helps to illustrate underlying trends in our business and provides us with a more comparable measure of our continuing business, as well as greater understanding of the results from the primary operations of our business. Management also uses such non-GAAP financial measures to establish budgets and operational goals, evaluate performance, and allocate resources. In addition, the compensation of our executives and non-executive employees is based in part on the performance of our business as evaluated by such non-GAAP financial measures. We believe these non-GAAP financial measures enhance investors' overall understanding of our current financial performance and our prospects for the future by: (i) providing more transparency for certain financial measures, (ii) presenting disclosure that helps investors understand how we plan and measure the performance of our business, (iii) affording a view of our operating results that may be more easily compared to our peer companies, and (iv) enabling investors to consider our operating results on both a GAAP and non-GAAP basis (including following the integration period of our prior 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 may have a material impact on Progress' financial results. A reconciliation of non-GAAP adjustments to Progress' GAAP financial results is included in the tables above.

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

- *Amortization of acquired intangibles* - 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. Adjustments include preliminary estimates relating to the valuation of intangible assets from Nuclia. The final amounts will not be available until the Company's internal procedures and reviews are completed.
- *Stock-based compensation* - We exclude stock-based compensation to be consistent with the way management and, in our view, the overall 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.
- *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 expenses* - We exclude acquisition-related expenses in order to provide a more meaningful comparison 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.
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- *Provision for income taxes* - 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. 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.

In the noted fiscal periods, we also present the following liquidity measures:

- *Adjusted free cash flow ("AFCF")* and *unlevered free cash flow ("Unlevered FCF")* - AFCF is equal to cash flows from operating activities less purchases of property and equipment, plus restructuring payments. Unlevered FCF is AFCF plus tax-effected interest expense on outstanding debt.

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- *Net Retention Rate ("NRR")* - We calculate net retention rate as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period end ("Prior Period ARR"). We then calculate the ARR from these same customers as of the current period end ("Current Period ARR"). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months but excludes ARR from new customers in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the net retention rate. Net retention rate is not calculated in accordance with GAAP and is not derived from a GAAP measure.

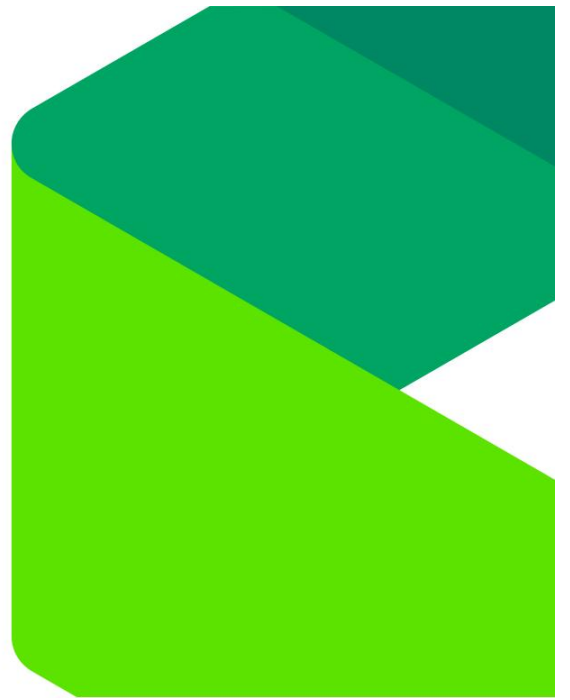
Note Regarding Forward-Looking Statements

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 (including future acquisition activity) 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: (i) 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; (ii) 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; (iii) 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; (iv) 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 or zero-day vulnerabilities, we may experience reputational harm, legal claims and financial exposure; and the results of inquiries, investigations and legal claims regarding the MOVEit Vulnerability remain uncertain, while the ultimate resolution of these matters could result in losses that may be material to our financial results for a particular period; and (v) future acquisitions may not be successful or may involve unanticipated costs or other integration issues that could disrupt our existing operations. For further information regarding risks and uncertainties associated with Progress' business, please refer to our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended November 30, 2025. Progress undertakes no obligation to update any forward-looking statements, which speak only as of the date of this press release.



Progress
Financial Results
Q2 2026
Supplemental Information

June 30, 2026



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Non-GAAP Financial Measures

We refer to certain non-GAAP financial measures in this presentation, including but not limited to, non-GAAP revenue, non-GAAP income from operations and operating margin, adjusted free cash flow, annualized recurring revenue ("ARR"), Net Retention Rate ("NRR"), and non-GAAP diluted earnings per share. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles ("GAAP"). Please see "Important Information Regarding Non-GAAP Financial Information" below for additional information. A reconciliation between non-GAAP measures and the most directly comparable GAAP measures appears in our earnings press release for the fiscal second quarter ended May 31, 2026, and fiscal full year ended November 30, 2025, which is furnished on a Form 8-K concurrently with this presentation and is available in the Investor Relations section of our website.



Conference Call Details

What: Progress Fiscal Q2 '26 Financial Results

When: Tuesday, June 30, 2026

Time: 5:00 p.m. ET

Register for the Live Call: Use [this link](#).

Access the Webcast: [here](#).

Please note: Webcast is listen-only.

Summary Highlights Q2 2026

Rev growth of 7%, ARR growth of 2% underlines strong quarter

- Revenues of \$253M vs. prior guidance of \$240M - \$246M, up 7% year-over-year as reported, or 6% in constant currency
- ARR: \$868M, up 2% year-over-year
- NRR: 100%
- Operating margin: 40%
- EPS: \$1.62, above high-end of prior guidance of \$1.47 - \$1.53
- Adjusted Free Cash Flow: \$79M

Q3 '26 Guidance:

Revenue: \$244M - \$250M
EPS: \$1.53 - \$1.59

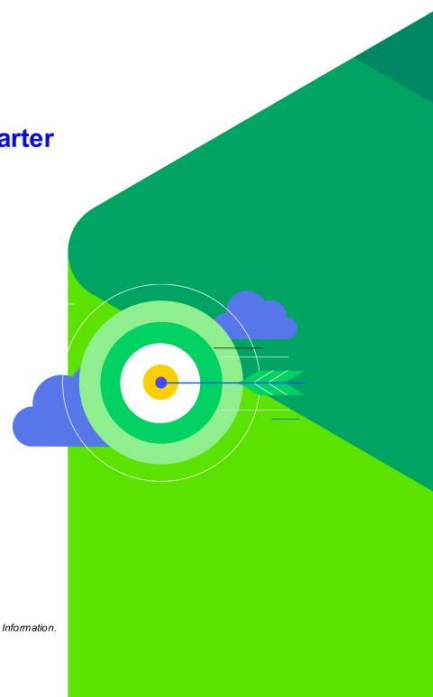
Updated FY '26 Guidance:

Revenue: \$990M - \$1,002M
EPS: \$6.09 - \$6.21

All figures are non-GAAP. Definitions of non-GAAP financial measures (including ARR and NRR) are found in *Important Information Regarding Non-GAAP Financial Information*.



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Annualized Recurring Revenue Trend (Pro Forma)

ARR growth of 2% year-over-year

ShareFile included in all periods

Consistent Annual Growth

All periods reported in constant currency, using current year budgeted exchange rates



Net Retention % - TTM	Q2 '24	Q3 '24	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26	Q2 '26
	101%	100%	100%	100%	99%	100%	99%	99%	100%



Total Growth Strategy

Invest & Innovate

Invest in our products and incorporate the latest technologies and capabilities to sustain relevance well into the future.

Acquire & Integrate

Disciplined M&A: pay a reasonable multiple for high-quality technology with strong recurring revenue; integrate quickly to reach 40% operating margins.

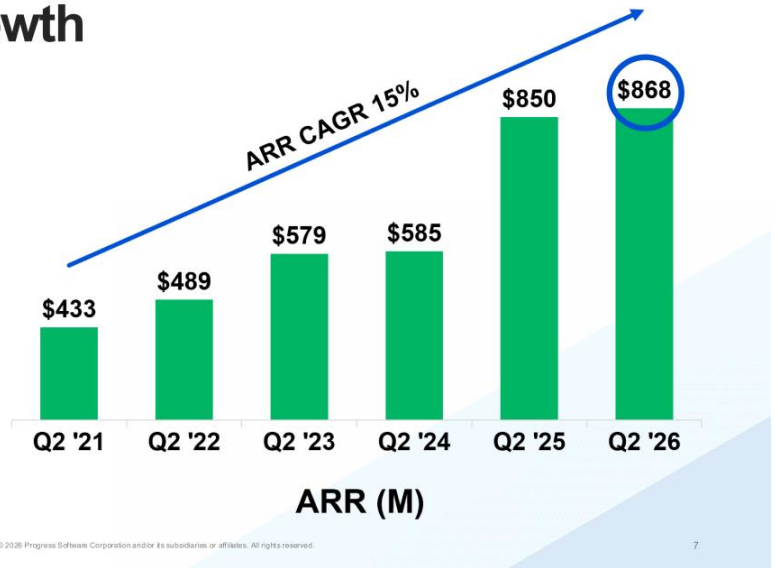
Focus on Customer Success

Ensure our customers continue to realize greater value from our products, leading to higher retention rates.

Total Growth Strategy: Driving ARR Growth

ARR CAGR of 15%
Q2 2021 – Q2 2026

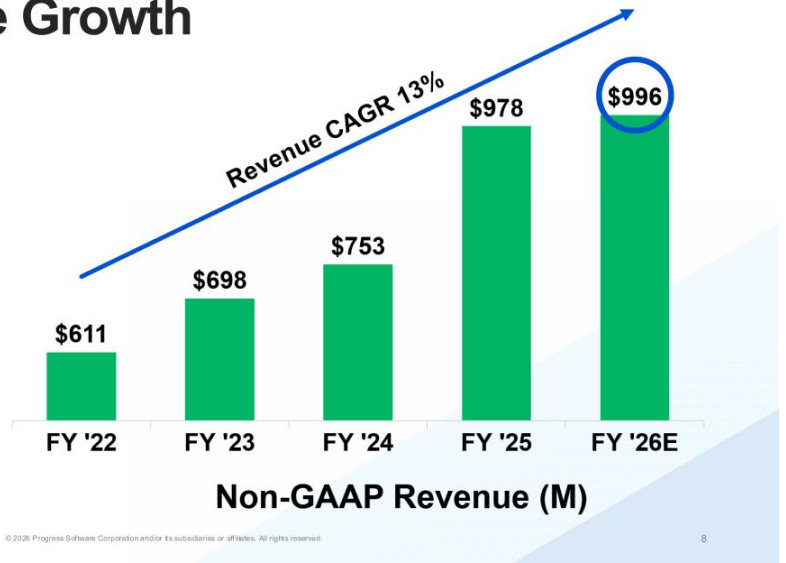
All periods reported in constant currency, using current year budgeted exchange rates
Excludes ARR values from acquisitions prior to purchase date



Total Growth Strategy: Driving Revenue Growth

**Revenue CAGR of 13%
2022 – 2026(E)***

* Represents the mid-point of our FY'26 guidance range

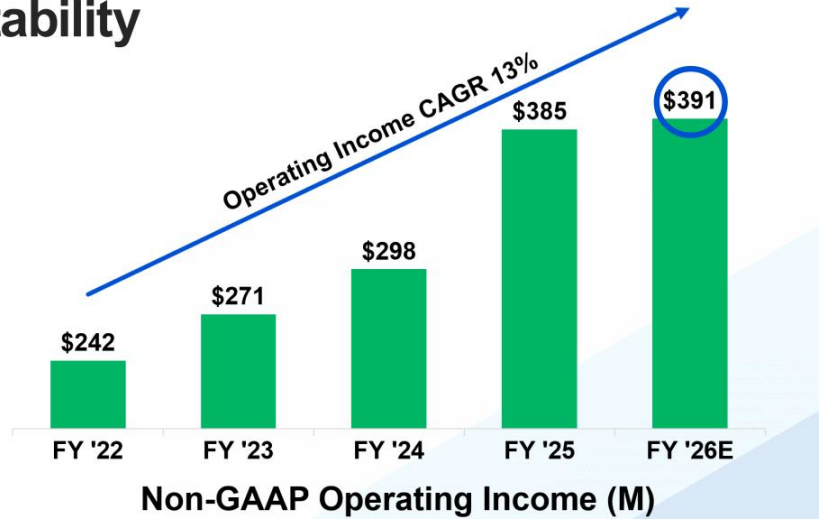


Total Growth Strategy: Growing Profitability

Operating Income
CAGR of 13%
2022 – 2026(E)*

Best-in-class non-GAAP operating
margins consistently
above 35%

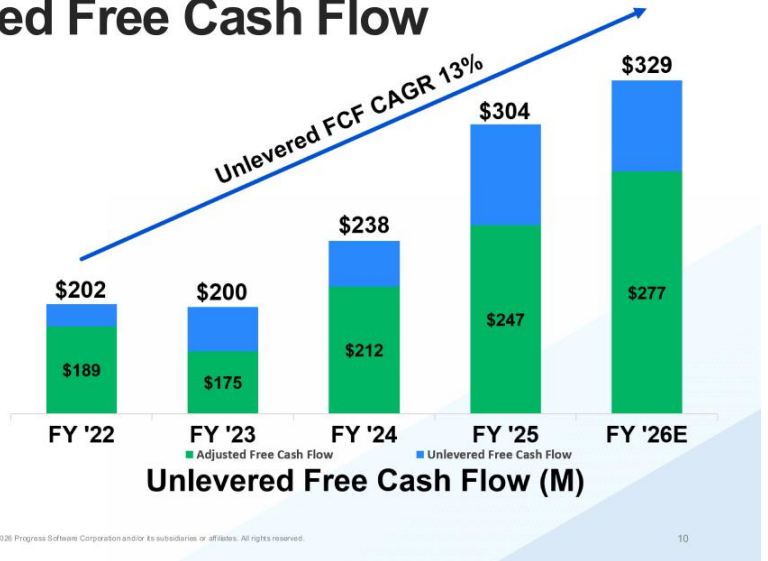
* Represents the mid-point of our FY'26 guidance range



Total Growth Strategy: Growing Unlevered Free Cash Flow

**Unlevered FCF CAGR
of 13%
2022 – 2026(E)***

* Represents the mid-point of our FY'26 guidance range



Capital Allocation Strategy

PRIMARY
FOCUS



Continue to prioritize accretive M&A opportunities that meet our disciplined criteria to create the strongest returns.



Use our significant free cash flow to aggressively pay down debt and reload for the next acquisition.

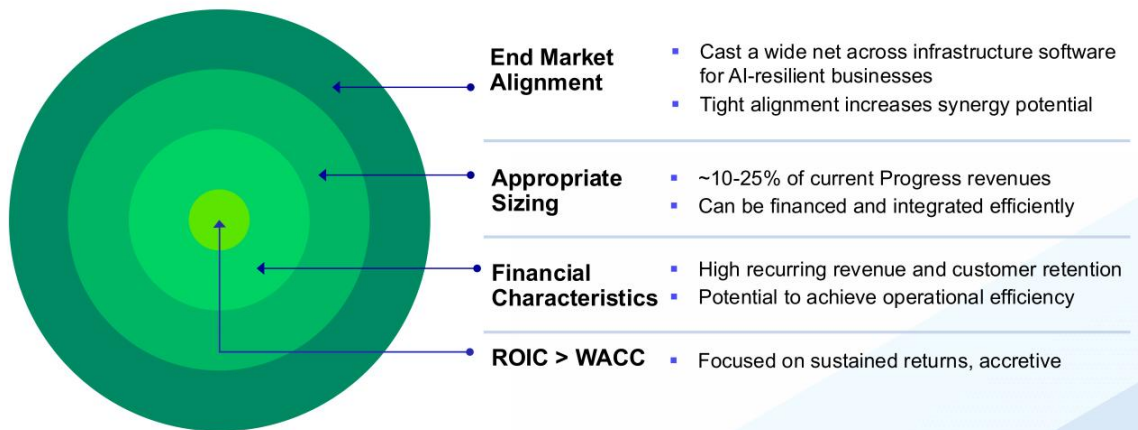
- \$50M repaid in Q2 '26; \$110M YTD
- Currently modeling \$220M in debt repayment for FY '26



Repurchase shares to offset dilution from our equity programs.

- Management has flexibility to increase, reduce, or suspend repurchases depending on market conditions and other considerations including size and timing of proposed M&A.
- \$35M of shares repurchased in Q2 '26; \$55M YTD

Well Defined M&A Framework



Summary Q2 2026 Financial Results

	Q2 2026 Results	Prior Q2 2026 Outlook <small>(provided on March 30, 2026)</small>
Revenue	\$253M	\$240M - \$246M
GAAP earnings per share (Diluted)	\$0.50	\$0.35 - \$0.41
Non-GAAP earnings per share (Diluted)	\$1.62	\$1.47 - \$1.53
GAAP Operating Margin	18%	Not guided
Non-GAAP Operating Margin	40%	Not guided
Cash from Operations (GAAP)	\$79M	Not guided
Adjusted Free Cash Flow (Non-GAAP)	\$79M	Not guided
Unlevered Free Cash Flow (Non-GAAP)	\$92M	Not guided

Business Outlook (as of June 30, 2026)

	Q3 2026 Current Outlook	FY 2026 Prior Outlook <small>(provided on March 30, 2026)</small>	FY 2026 Updated Outlook
Revenue	\$244M - \$250M	\$988M - \$1,000M	\$990M - \$1,002M
GAAP EPS	\$0.35 - \$0.41	\$1.71 - \$1.87	\$1.60 - \$1.74
Non-GAAP EPS	\$1.53 - \$1.59	\$5.91 - \$6.03	\$6.09 - \$6.21
GAAP Operating Margin	Not guided	16% - 17%	16%
Non-GAAP Operating Margin	Not guided	39%	Unchanged
Cash from Operations (GAAP)	Not guided	\$266M - \$278M	\$273M - \$285M
Adjusted Free Cash Flow (Non-GAAP)	Not guided	\$263M - \$275M	\$271M - \$283M
Unlevered Free Cash Flow (Non-GAAP)	Not guided	\$315M - \$326M	\$323M - \$334M
GAAP Effective Tax Rate	Not guided	23%	25%
Non-GAAP Effective Tax Rate	Not guided	20%	Unchanged

Outstanding Debt and Potential Impact on Share Count

Convertible

Balance: \$450M
 Interest Rate: 3.50%
 Conversion Price: \$67.74
 Expiration: March 1, 2030
 Capped Call Coverage: up to \$92.98*
 * Subject to downward adjustment for dividend policy

Revolver (as of 5/31/26)

Balance: \$850M drawn out of \$1.5B
 Interest Rate: 1.25% to 2.5% above benchmark
 Current interest rate ~ 5.4% as of May 31, 2026
 Unused revolver fee: 0.15% - 0.35%
 Expiration: July 21, 2030

Approximately \$5.0M of additional interest expense in FY 2026 for amortization of debt issuance costs

	Future Share Price						
	\$50	\$55	\$60	\$65	\$70	\$75	\$80
Impact of convertible notes on diluted weighted average share count (M)*	0.0	0.0	0.0	0.0	0.2	0.6	1.0

* Does not contemplate the impact on diluted weighted average share count from other events such as repurchases, issuance under equity plans, etc.

Supplemental Financial Information

Supplemental Revenue Information (Unaudited)

Quarterly Revenue by Region and by Type (GAAP)						
(in thousands)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Revenue by Type						
License	58,445	50,795	63,437	65,210	67,581	68,979
Maintenance	99,535	103,491	104,849	102,299	100,339	101,222
SaaS	69,410	72,105	71,512	74,901	70,461	73,005
Professional Services	10,625	10,964	9,997	10,256	9,418	10,259
Total Revenue	<u>\$ 238,015</u>	<u>\$ 237,355</u>	<u>\$ 249,795</u>	<u>\$ 252,666</u>	<u>\$ 247,799</u>	<u>\$ 253,465</u>
Revenue by Region						
North America	154,646	147,326	163,404	158,390	152,689	162,529
EMEA	66,943	73,039	68,339	72,587	78,380	70,608
Latin America	5,052	4,853	6,221	5,541	5,526	5,790
Asia Pacific	11,374	12,137	11,831	16,148	11,204	14,538
Total Revenue	<u>\$ 238,015</u>	<u>\$ 237,355</u>	<u>\$ 249,795</u>	<u>\$ 252,666</u>	<u>\$ 247,799</u>	<u>\$ 253,465</u>

Important Information Regarding Non-GAAP Financial Information

Progress furnishes certain non-GAAP supplemental information to our financial results. We use such non-GAAP financial measures to evaluate our period-over-period operating performance because our management team believes that excluding the effects of certain GAAP-related items helps to illustrate underlying trends in our business and provides us with a more comparable measure of our continuing business, as well as greater understanding of the results from the primary operations of our business. Management also uses such non-GAAP financial measures to establish budgets and operational goals, evaluate performance, and allocate resources. In addition, the compensation of our executives and non-executive employees is based in part on the performance of our business as evaluated by such non-GAAP financial measures. We believe these non-GAAP financial measures enhance investors' overall understanding of our current financial performance and our prospects for the future by: (i) providing more transparency for certain financial measures, (ii) presenting disclosure that helps investors understand how we plan and measure the performance of our business, (iii) affording a view of our operating results that may be more easily compared to our peer companies, and (iv) enabling investors to consider our operating results on both a GAAP and non-GAAP basis (including following the integration period of our prior 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 may have a material impact on Progress' financial results. A reconciliation between non-GAAP measures and the most directly comparable GAAP measures appears in our earnings press release for the fiscal quarter ended May 31, 2026, which is furnished on a Form 8-K concurrently with this presentation and is available on the Progress website at www.progress.com within the investor relations section.

In this presentation, we may reference the following non-GAAP financial measures:

- **Amortization of acquired intangibles** - 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. Adjustments include preliminary estimates relating to the valuation of intangible assets from Nuclia. The final amounts will not be available until the Company's internal procedures and reviews are completed.
- **Stock-based compensation** - We exclude stock-based compensation to be consistent with the way management and, in our view, the overall 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.
- **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.
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