



# Fourth Quarter & Full Year 2024 Financial Results

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February 26, 2025

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Numerical figures in the presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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## Non-GAAP Financial Information

This presentation contains “non-GAAP measures” that are financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”). Specifically, we make use of the non-GAAP financial measures adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted diluted earnings per share (“EPS”), and constant currency (“CC”) revenue, which are not recognized terms under GAAP and should not be considered as alternatives to net income (loss), GAAP EPS, or GAAP revenue as measures of financial performance or cash provided by operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for our results as reported under GAAP. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company.

Adjusted EBITDA represents net income (loss) excluding interest expense, provision (benefit) for income taxes, depreciation and amortization expense, intangible asset amortization, equity-based compensation expense, acquisition and integration expense and other items not indicative of our ongoing operating performance. Adjusted EBITDA margin represents adjusted EBITDA divided by revenue. Adjusted net income and adjusted diluted EPS exclude the effect of the same items noted above with respect to adjusted EBITDA from GAAP net income (loss) and GAAP EPS, respectively, as well as adjust the provision for income taxes for such charges. CC revenue excludes the effects of foreign currency exchange rate fluctuations by assuming constant foreign currency exchange rates used for translation. Current periods revenue reported in currencies other than U.S. dollars are converted into U.S. dollars at the average exchange rates in effect for the comparable prior periods. You should refer to the appendix at the end of this document for a reconciliation of these non-GAAP measures in specific periods to their most directly comparable financial measures calculated and presented in accordance with GAAP for those periods.

Management uses various financial metrics, including total revenues, income from operations, net income, CC revenue and certain non-GAAP measures, including those discussed above, to measure and assess the performance of the Company’s business, to evaluate the effectiveness of its business strategies, to make budgeting decisions, to make certain compensation decisions, and to compare the Company’s performance against that of other peer companies using similar measures. In addition, management believes these metrics provide useful measures for period-to-period comparisons of the Company’s business, as they remove the effect of certain non-cash expenses and other items not indicative of its ongoing operating performance. Management believes that these metrics are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical periods. In addition, these measures are frequently used by analysts, investors, and other interested parties to evaluate and assess performance. In addition, our business has operations outside the United States that are conducted in local currencies. As a result, the comparability of the financial results reported in U.S. dollars is affected by changes in foreign currency exchange rates. We use CC revenue to evaluate the underlying performance of the business, and we believe it is helpful for investors to present operating results on a comparable basis period over period to evaluate its underlying performance. In evaluating adjusted EBITDA, adjusted net income (loss), adjusted diluted EPS, and CC revenue, you should be aware that in the future the Company may incur expenses similar to those eliminated in this presentation and this presentation should not be construed as an inference that future results will be unaffected by unusual items.

# Certara at a Glance

## BUSINESS<sup>(1)</sup>



**20+ Year**  
History of innovation

**~1,550** Employees

**400+** with Ph.D.s,  
Pharm.D.s and M.D.s

**21 Acquisitions**  
Track record of accretive,  
complementary  
acquisitions

## END-TO-END PLATFORM



### Software

- Biosimulation
- Regulatory & compliance
- Market access

### Technology-Driven Services

- Drug discovery & development with biosimulation
- Regulatory science
- Market access

**\$14B** TAM growing at  
**8-17% CAGR<sup>(2)</sup>**

## CUSTOMERS<sup>(3)</sup>



**>2,400**  
Customers across  
70 countries

**10+ Year**  
Average tenure  
for top 30 customers

**431** customers with  
ACV > \$100,000

**67** customers with  
ACV > \$1M

## FY 2024 FINANCIALS



**\$385.1M** Revenue  
9% GAAP YoY Growth  
8% CC YoY Growth<sup>(4)</sup>

Net Income (**\$12.1M**)  
PY (\$55.4M)

**\$122.0M**  
Reported Adjusted  
EBITDA<sup>(5)</sup>  
PY \$123.1M

32% Adjusted EBITDA  
Margin<sup>(5)</sup>

(1) As of 12/31/2024

(2) Market research reports from Grand View and SpendEdge; as of 2025

(3) Customer data as of 12/31/2024

(4) See Appendix for reconciliation of GAAP revenue to constant currency (non-GAAP revenue)

(5) See Appendix for reconciliation of net income (loss) to adjusted EBITDA

# Financial Highlights

Full Year 2024

Revenue  
\$385.1M

Net Income  
(\$12.1M)

Adj. EBITDA<sup>(3)</sup>  
\$122.0M

Diluted EPS  
(\$0.08)

Adjusted  
Diluted EPS<sup>(4)</sup>  
\$0.45

9% GAAP YoY change  
8% CC YoY change<sup>(1)</sup>

PY (\$55.4M)<sup>(2)</sup>

(1%) YoY  
change

PY (\$0.35)

PY \$0.43

(1) See Appendix for reconciliation of GAAP revenue to constant currency (non-GAAP revenue)

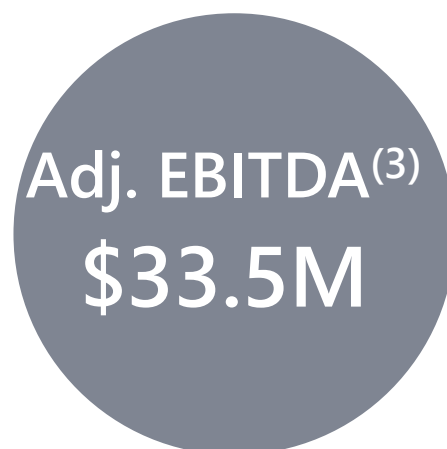
(2) YoY growth cannot be represented by a percentage, due to negative current year and prior year Net Income

(3) See Appendix for reconciliation of net income (loss) to adjusted EBITDA

(4) See Appendix for reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

# Financial Highlights

Fourth Quarter 2024



14% GAAP YoY change  
14% CC YoY change<sup>(1)</sup>

PY (\$12.5M)<sup>(2)</sup>

13% YoY change

PY (\$0.08)

PY \$0.09

(1) See Appendix for reconciliation of GAAP revenue to constant currency (non-GAAP revenue)

(2) YoY growth cannot be represented by a percentage, due to negative prior year Net Income

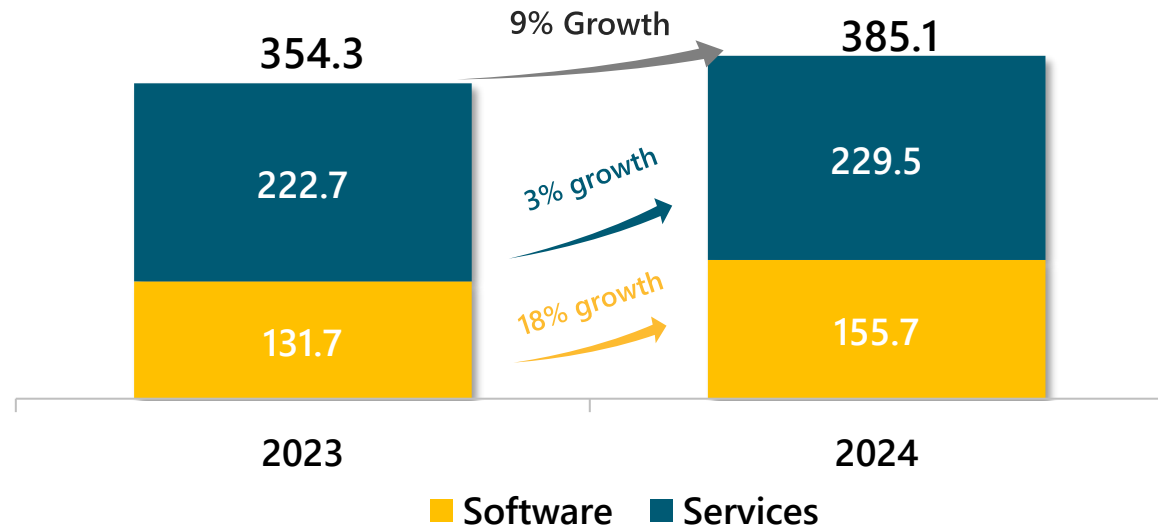
(3) See Appendix for reconciliation of net income (loss) to adjusted EBITDA

(4) See Appendix for reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

# FY 2024 Results - Revenue

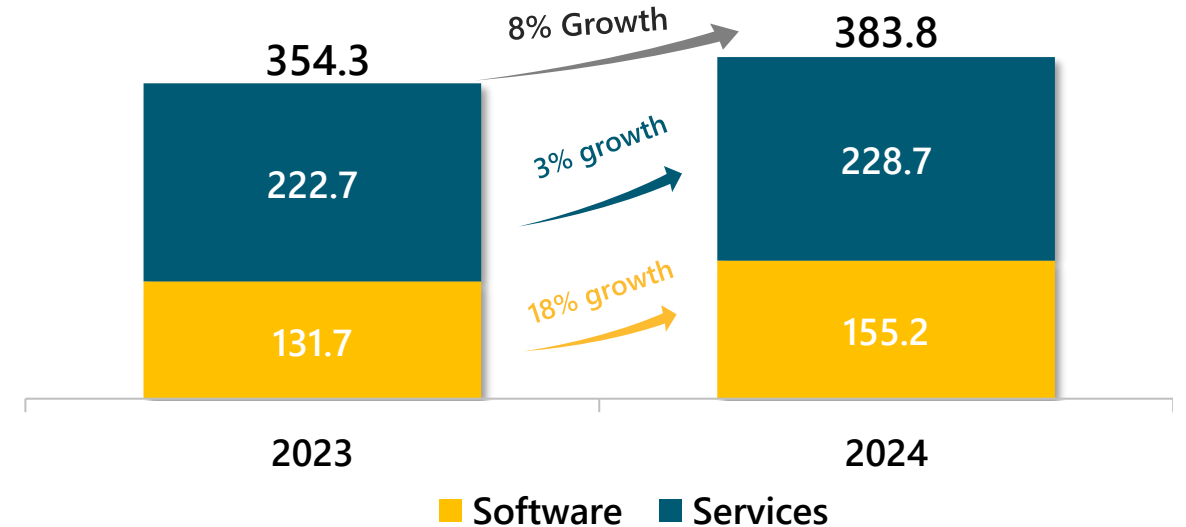
## GAAP Reported Revenue<sup>(1)</sup>

(\$Millions)



## Constant Currency Revenue<sup>(2)</sup>

(\$Millions)



Certara reported 8% constant currency<sup>(1)</sup> revenue growth

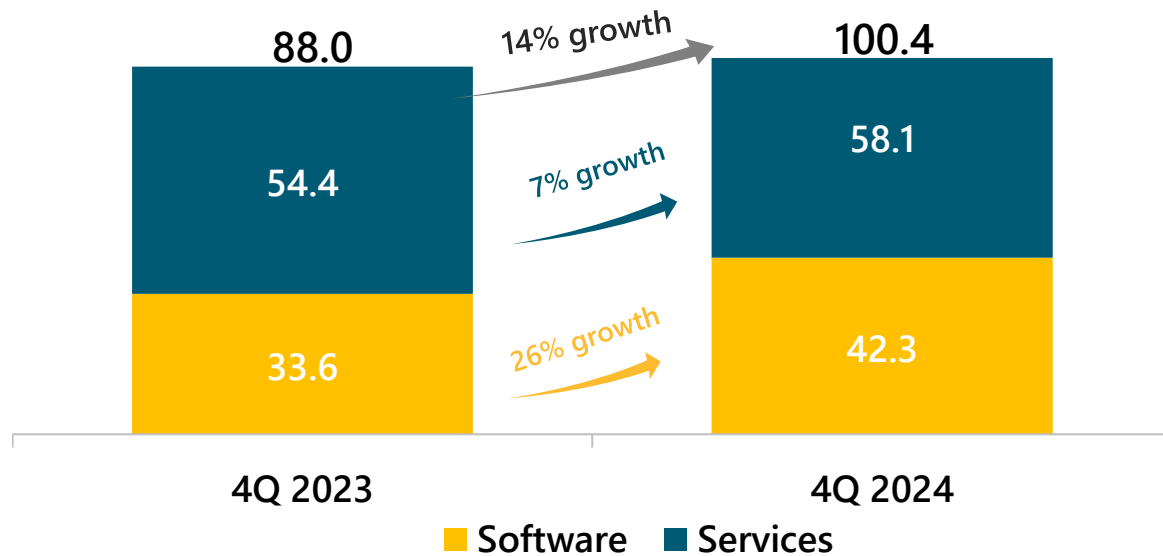
(1) Includes regulatory writing revenue of \$54.7 million, which decreased (10%) y/y

(2) See Appendix for reconciliation of GAAP revenue to constant currency (non-GAAP revenue)

# 4Q 2024 Results - Revenue

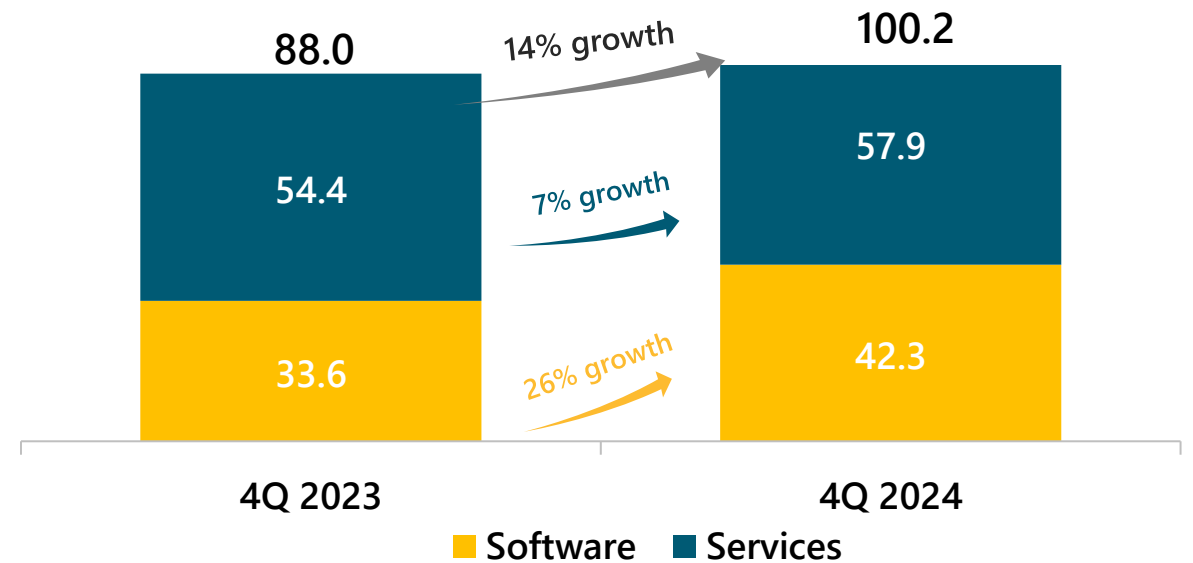
## GAAP Reported Revenue

(\$Millions)



## Constant Currency Revenue<sup>(1)</sup>

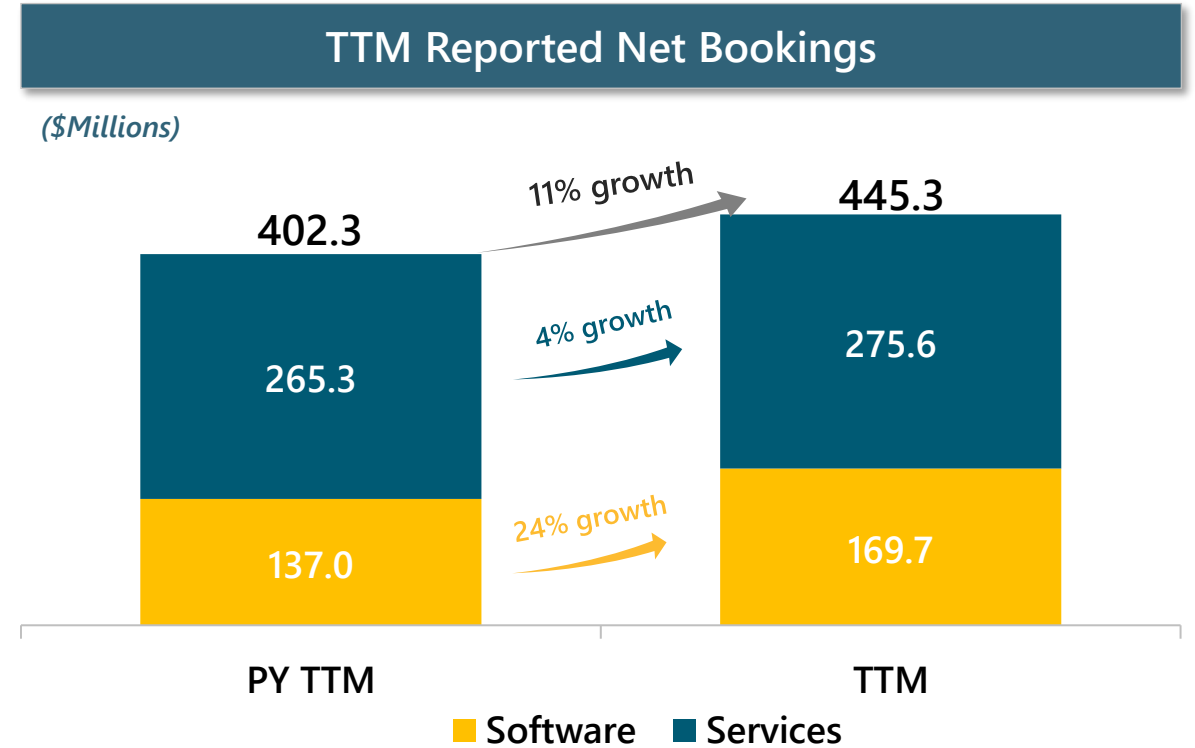
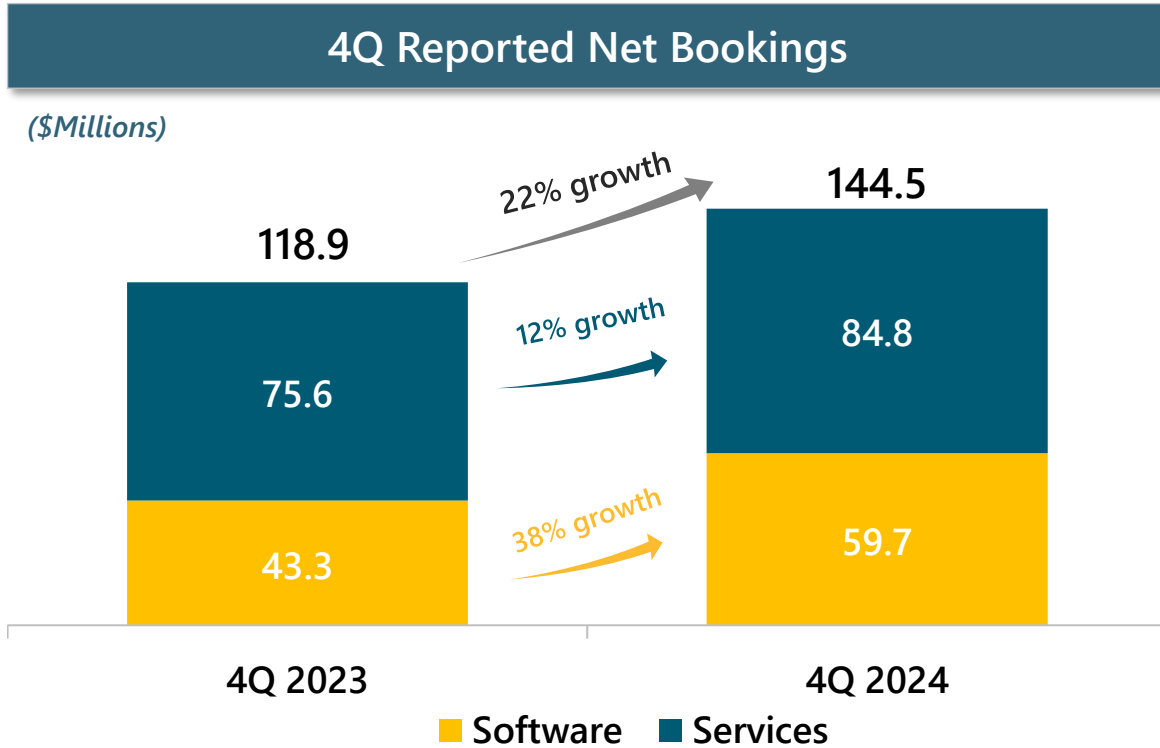
(\$Millions)



Certara reported 14% constant currency<sup>(1)</sup> revenue growth

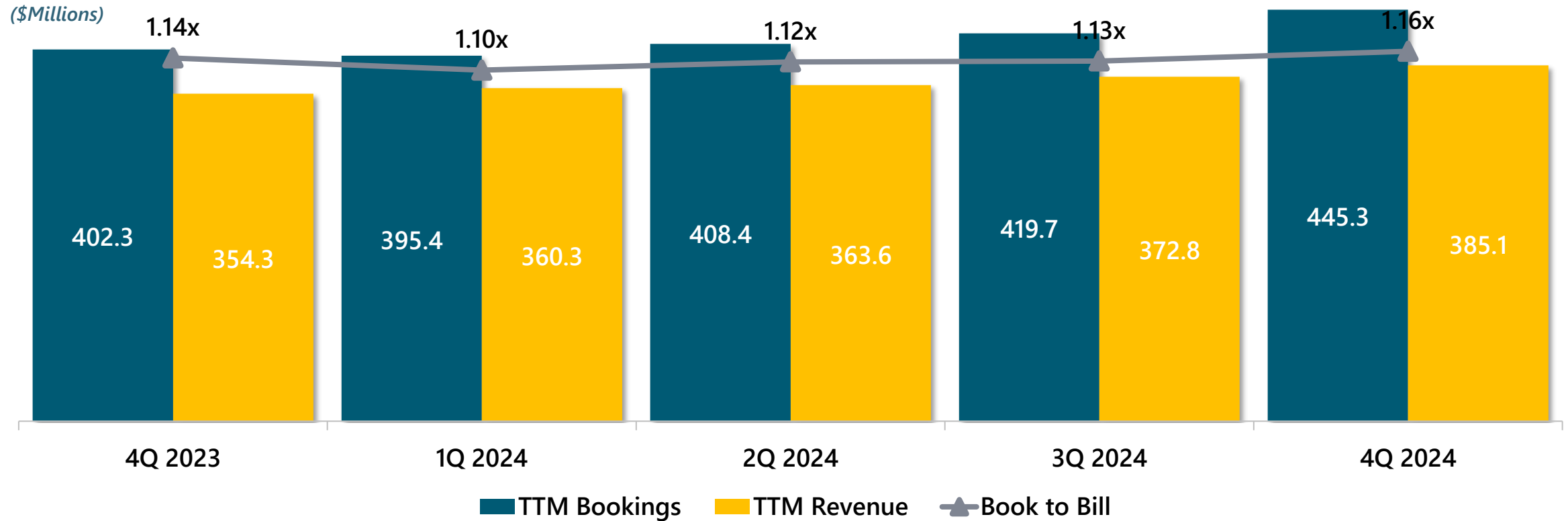
(1) See Appendix for reconciliation of GAAP revenue to constant currency (non-GAAP revenue)

# 4Q and TTM Results - Net Bookings



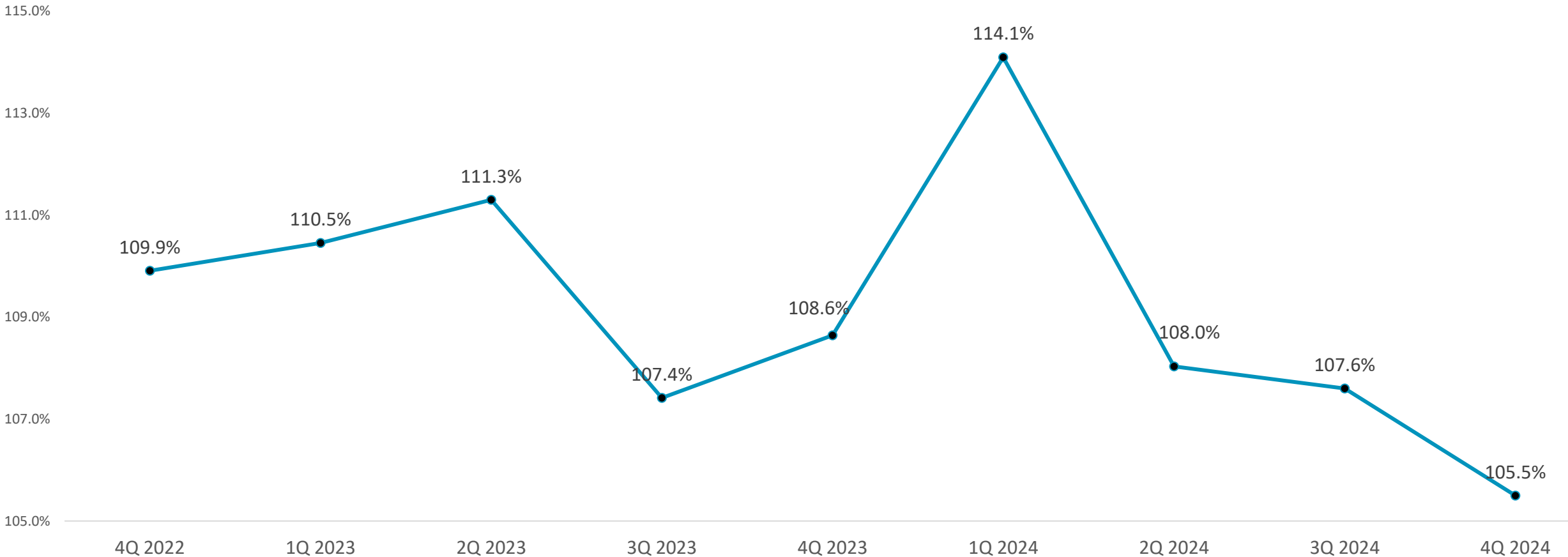
Trailing twelve months bookings are highly correlated with revenue and drive strong visibility

# Historical TTM Book to Bill



Book to bill provides forward visibility into revenue growth

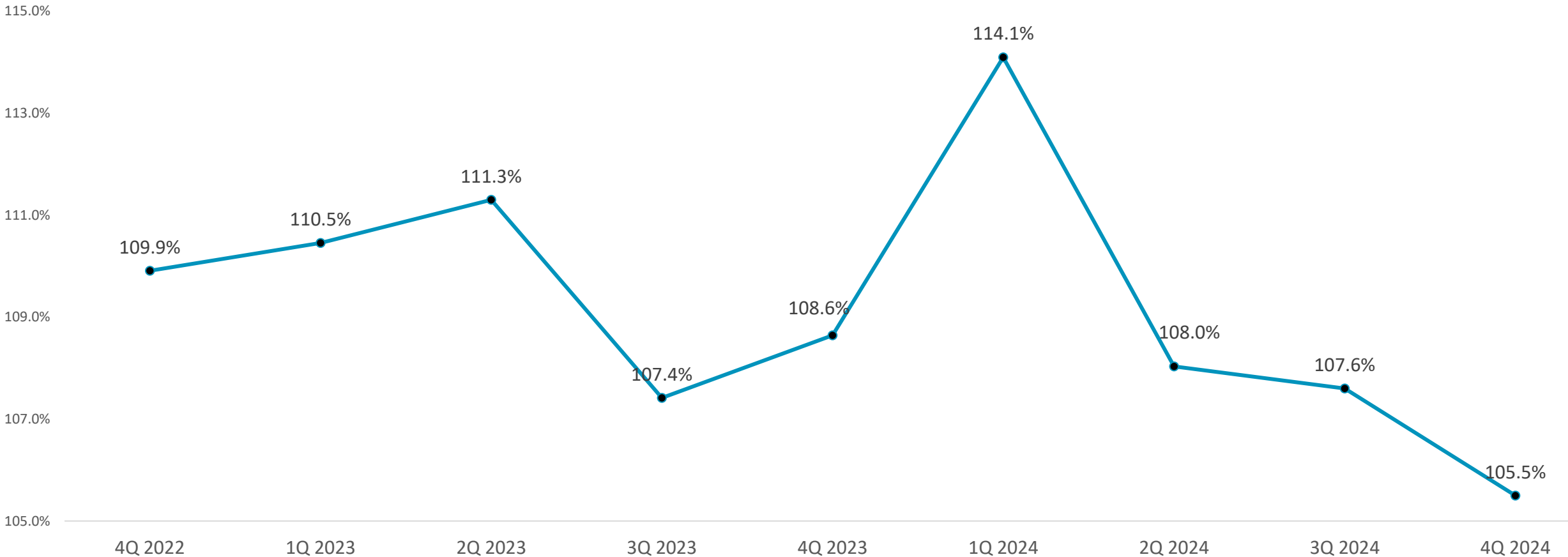
# Historical Software Net Retention Rate (NRR)<sup>(1)</sup>



**NRR<sup>(1)</sup> provides insight into growth and retention among existing software customers**

(1) Our net retention rates measure the percentage of recurring revenue that is retained from existing software customers over a specific time period, inclusive of price increases and expansion, excluding revenue from acquisitions occurred within the past 12 months.

# Historical Software Net Retention Rate (NRR)<sup>(1)</sup>



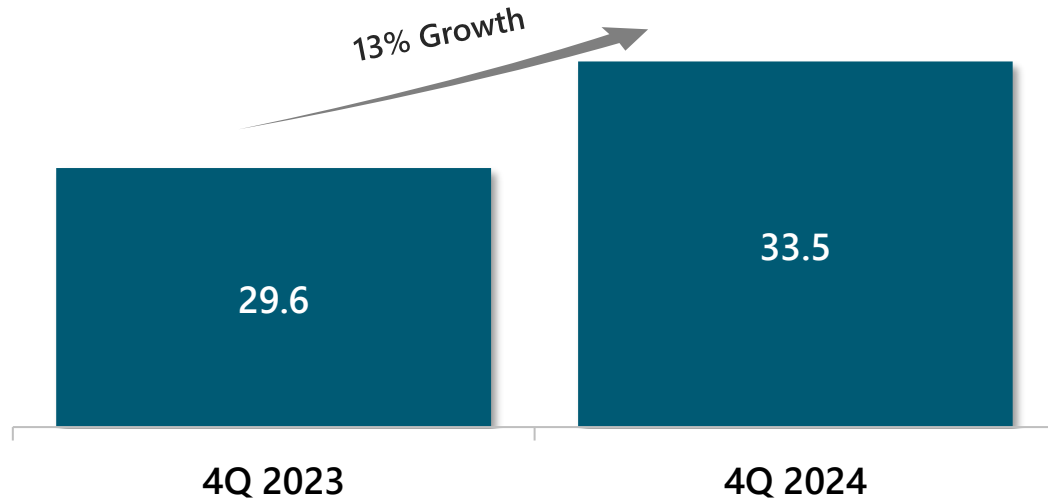
**NRR<sup>(1)</sup> provides insight into growth and retention among existing software customers**

(1) Our net retention rates measure the percentage of recurring revenue that is retained from existing software customers over a specific time period, inclusive of price increases and expansion, excluding revenue from acquisitions occurred within the past 12 months.

# 4Q and FY 2024 Results – Adjusted EBITDA

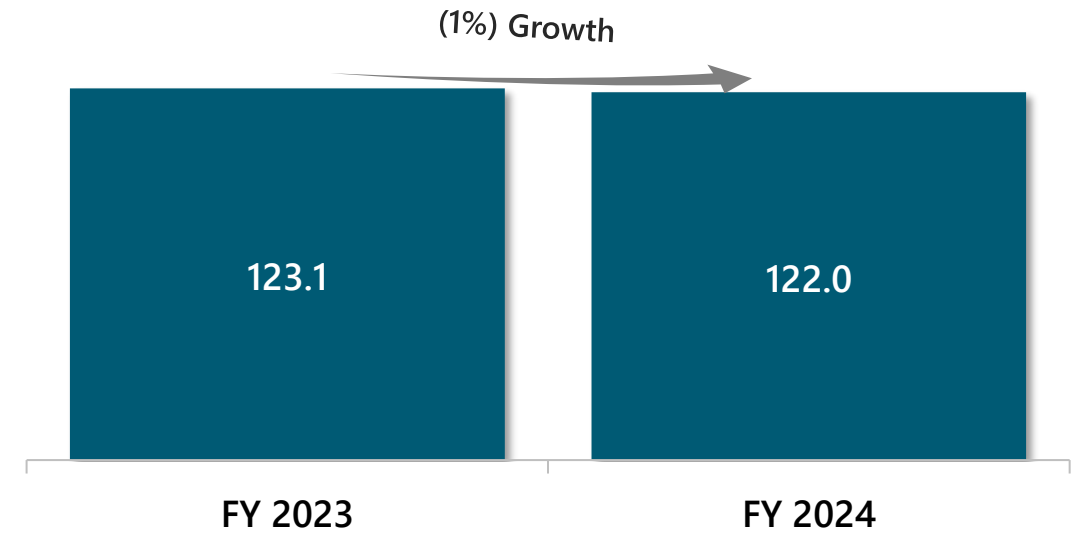
## 4Q Adjusted EBITDA<sup>(1)</sup>

(\$Millions)



## FY Adjusted EBITDA<sup>(1)</sup>

(\$Millions)



34% Adjusted EBITDA Margin<sup>(1)</sup> 33%

35% Adjusted EBITDA Margin<sup>(1)</sup> 32%

(1) See Appendix for a reconciliation net income (loss) to adjusted EBITDA

# 4Q and FY 2024 Results - Reconciliation of Revenue Growth

4Q 2024	
Item	Growth Contribution
<b>Organic Software<sup>(1)</sup></b>	<b>+7%</b>
+ Other Acquisitions <sup>(2)</sup>	~40 bps
+ Chemaxon	~1820 bps
<b>Reported Software</b>	<b>+26%</b>

FY 2024 <sup>(3)</sup>	
Item	Growth Contribution
<b>Organic Software<sup>(1)</sup></b>	<b>+10%</b>
+ Other Acquisitions <sup>(2)</sup>	~395 bps
+ Chemaxon	+460 bps
<b>Reported Software</b>	<b>+18%</b>

<b>Organic Services<sup>(1)</sup></b>	<b>+1%</b>
+ Other Acquisitions <sup>(2)</sup>	~525 bps
+ Chemaxon	~80 bps
<b>Reported Services</b>	<b>+7%</b>

<b>Organic Services<sup>(1)</sup></b>	<b>(3%)</b>
+ Other Acquisitions <sup>(2)</sup>	~550 bps
+ Chemaxon	~20 bps
<b>Reported Services</b>	<b>+3%</b>

<b>Organic Revenue<sup>(1)</sup></b>	<b>+3%</b>
+ Other Acquisitions <sup>(2)</sup>	~340 bps
+ Chemaxon	~745 bps
<b>Reported Revenue</b>	<b>+14%</b>

<b>Organic Revenue<sup>(1)</sup></b>	<b>+2%</b>
+ Other Acquisitions <sup>(2)</sup>	~495 bps
+ Chemaxon	~185 bps
<b>Reported Revenue</b>	<b>+9%</b>

(1) Organic Growth does not include M&A contribution from businesses that were not owned for the entirety of the prior year period

(2) Contribution from Other Acquisitions reflects net revenue contribution vs. the prior year period

(3) Includes regulatory writing revenue of \$54.7 million, which decreased (10%) y/y

# 4Q24 Business Updates

## Key Takeaways from Fourth Quarter:



### Strong 4Q Bookings Performance

- Commercial execution drove strong bookings performance across software and services, with modest M&A impact
- Growth led by biosimulation software and services, while regulatory services bookings returned to growth



### Expecting Similar End Markets in 2025

- Anticipating customers will continue to display cautious spending patterns, which has lengthened sales cycles and protracted conversion of backlog
- Expect continued strength in software, led by core biosimulation and Chemaxon, stable performance in Biosim services



### Investing in Software Platform Expansion


- R&D investment to accelerate product development, integrate generative AI, and build out Certara Cloud as the backbone of Certara's software platform
- Product development priorities include integrated D360/Chemaxon platform for discovery, updated versions of Simcyp, Phoenix and P21

# 4Q24 Bookings YoY Trends – Pharma/Biotech Customers

Tier<sup>(1)</sup>


Software Bookings | +38%

Services Bookings | +12%


I  Strong growth driven by biosimulation adoption, and cross-selling

 Growth in-line with historical company averages led by a recovery in regulatory services

II  Growth slightly below historical company averages, driven by renewal timing

 Declined as strong growth in biosimulation services was offset by regulatory services

III  Growth in-line with historical company averages, driven by expansion to new customers

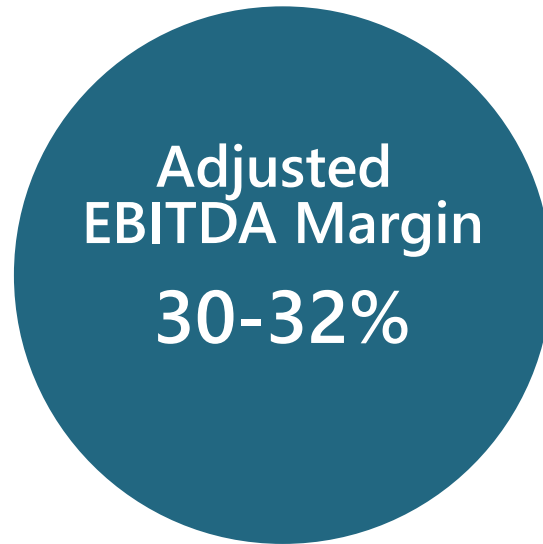
 Strongest area of services growth driven by strength in biosimulation services

Software bookings driven by expansion of biosimulation to new customers  
Services bookings driven by improving commercial execution

(1) Certara's Pharma Customer tiering is defined as follows: Tier 1 represents Biopharma customers with more than \$5B USD in Revenue, Tier 2 represents companies with revenue between \$100M and \$4.99B USD in revenue, Tier 3 represents customers with revenues less than 100M, including non-revenue generating companies.

# 2025 Outlook

## Initiated 2025 Guidance



## Key Assumptions 2025 Guidance

- Reported revenue growth of **8-10%**
- Chemaxon Revenue expected to be **\$23-\$25M**
- Fully diluted shares expected to be in the range of **162-164**
- Tax rate expected to be **25-30%**

*This financial guidance is provided as of February 26, 2025, and its inclusion in this presentation should not be construed as continued affirmation of such guidance beyond that date.*

(1) We have not reconciled the adjusted EBITDA and adjusted diluted EPS forward-looking guidance above to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to costs related to acquisitions, financings, and employee stock compensation programs, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.



# Appendix

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# Reconciliation of Net Income (Loss) to Adjusted EBITDA

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2024	2023	2024	2023
	( in thousands)			
Net income (loss)(a)	\$ 6,577	\$ (12,456)	\$ (12,051)	\$ (55,357)
Interest expense(a)	5,004	5,870	21,520	22,916
Interest income(a)	(1,365)	(2,889)	(9,034)	(9,317)
(Benefit from) Provision for income taxes(a)	(4,397)	72	(5,133)	214
Depreciation and amortization expense(a)	672	413	1,994	1,552
Intangible asset amortization(a)	17,544	14,420	66,039	54,519
Currency (gain) loss(a)	(182)	803	2,344	638
Equity-based compensation expense(b)	7,731	7,502	34,774	28,300
Change in fair value of contingent consideration(d)	(3)	12,802	8,089	24,118
Goodwill impairment expense(e)	—	—	—	46,984
Acquisition-related expenses(f)	1,275	2,788	5,426	6,064
Integration expense(g)	—	(69)	—	121
Transaction-related expenses(h)	—	—	2,625	—
Severance expenses(i)	—	—	183	—
Reorganization expense(j)	279	58	4,223	1,660
Loss on disposal of fixed assets(k)	388	36	401	65
Executive recruiting expense(l)	1	235	646	631
Adjusted EBITDA	<u>\$ 33,524</u>	<u>\$ 29,585</u>	<u>\$ 122,046</u>	<u>\$ 123,108</u>

# Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
	( in thousands)			
Net income (loss) (a)	\$ 6,577	\$ (12,456)	\$ (12,051)	\$ (55,357)
Currency (gain) loss(a)	(182)	803	2,344	638
Equity-based compensation expense(b)	7,731	7,502	34,774	28,300
Amortization of acquisition-related intangible assets(c)	14,390	11,946	54,431	45,838
Change in fair value of contingent consideration(d)	(3)	12,802	8,089	24,118
Goodwill impairment expense(e)	—	—	—	46,984
Acquisition-related expenses(f)	1,275	2,788	5,426	6,064
Integration expense(g)	—	(69)	—	121
Transaction - related expenses (h)	—	—	2,625	—
Severance expense(i)	—	—	183	—
Reorganization expense(j)	279	58	4,223	1,660
Loss on disposal of fixed assets(k)	388	36	401	65
Executive recruiting expense(l)	1	235	646	631
Income tax expense impact of adjustments(m)	(5,778)	(9,372)	(28,220)	(30,041)
Adjusted net income	\$ 24,678	\$ 14,273	\$ 72,871	\$ 69,021

# Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
	(In thousands except share and per share data)			
Diluted earnings per share(a)	\$ 0.04	\$ (0.08)	\$ (0.08)	\$ (0.35)
Currency (gain) loss(a)	—	0.01	0.02	—
Equity-based compensation expense(b)	0.05	0.05	0.22	0.18
Amortization of acquisition-related intangible assets(c)	0.09	0.07	0.34	0.29
Change in fair value of contingent consideration(d)	—	0.08	0.05	0.15
Goodwill impairment expense(e)	—	—	—	0.30
Acquisition-related expenses(f)	0.01	0.02	0.03	0.04
Integration expense(g)	—	—	—	—
Transaction - related expenses (h)	—	—	0.02	—
Severance expense(i)	—	—	—	—
Reorganization expense(j)	—	—	0.03	0.01
Loss on disposal of fixed assets(k)	—	—	—	—
Executive recruiting expense(l)	—	—	—	—
Income tax expense impact of adjustments(m)	(0.04)	(0.06)	(0.18)	(0.19)
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$ 0.15</b>	<b>\$ 0.09</b>	<b>\$ 0.45</b>	<b>\$ 0.43</b>
Basic weighted average common shares outstanding	160,891,458	159,430,660	160,392,805	158,936,251
Effect of potentially dilutive shares outstanding (n)	374,192	544,784	635,547	943,886
<b>Adjusted diluted weighted average common shares outstanding</b>	<b>161,265,650</b>	<b>159,975,444</b>	<b>161,028,352</b>	<b>159,880,137</b>

# Reconciliation of Revenues to the Revenues Adjusted for Constant Currency

	THREE MONTHS ENDED DECEMBER 31,			Change			
	204	2024	2023	\$	%	\$	%
	Actual (GAAP)	CC (non-GAAP)	Actual (GAAP)	Actual (GAAP)	Actual (GAAP)	CC Impact (non-GAAP)	Adjust for CC (non-GAAP)
(in thousands except percentage)							
Revenue							
Software	\$ 42,270	\$ 42,278	\$ 33,619	\$ 8,651	26 %	\$ 8	26 %
Services	58,091	57,940	54,391	3,700	7 %	(151)	7 %
<b>Total Revenue</b>	<b>\$ 100,361</b>	<b>\$ 100,218</b>	<b>\$ 88,010</b>	<b>\$ 12,351</b>	<b>14%</b>	<b>\$ (143)</b>	<b>14%</b>

	TWELVE MONTHS ENDED DECEMBER 31,			Change			
	2024	2024	2023	\$	%	\$	%
	Actual (GAAP)	CC (non-GAAP)	Actual (GAAP)	Actual (GAAP)	Actual (GAAP)	CC Impact (non-GAAP)	Adjust for CC (non-GAAP)
(in thousands except percentage)							
Revenue							
Software	\$ 155,696	\$ 155,192	\$ 131,677	\$ 24,019	18 %	\$ (504)	18 %
Services	229,452	228,651	222,660	6,792	3 %	(801)	3 %
<b>Total Revenue</b>	<b>\$ 385,148</b>	<b>\$ 383,843</b>	<b>\$ 354,337</b>	<b>\$ 30,811</b>	<b>9%</b>	<b>\$ (1,305)</b>	<b>8%</b>

# Notes to Reconciliations

- (a.) All measures are amounts determined under GAAP.
- (b.) Represents expense related to equity-based compensation. Equity-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy.
- (c.) Represents amortization costs associated with acquired intangible assets in connection with business acquisitions.
- (d.) Represents expense associated with remeasuring fair value of contingent consideration of business acquisition.
- (e.) Represents expense associated with goodwill impairment charge.
- (f.) Represents costs associated with mergers and acquisitions and any retention bonuses pursuant to the acquisitions.
- (g.) Represents integration costs related to post - acquisition integration activities.
- (h.) Represents costs associated with our public offerings that are not capitalized, as well as debt issuance costs that are not deferred or treated as a contra-liability directly deducted from the carrying value of the associated debt liability.
- (i.) Represents charges for severance provided to former executives.
- (j.) Represents expense related to reorganization, including legal entity reorganization and lease abandonment cost associated with the evaluation of our office space footprint.
- (k.) Represents the gain/loss related to disposal of fixed assets.
- (l.) Represents recruiting and relocation expenses related to hiring senior executives.
- (m.) Represents the income tax effect of the non-GAAP adjustments calculated using the applicable statutory rate by jurisdiction.
- (n.) Represents dilutive shares or potentially dilutive shares that were excluded from our GAAP diluted weighted average common shares outstanding.



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