



# Financial Results: 4<sup>th</sup> Quarter - 2004

Mark Templeton  
President & CEO

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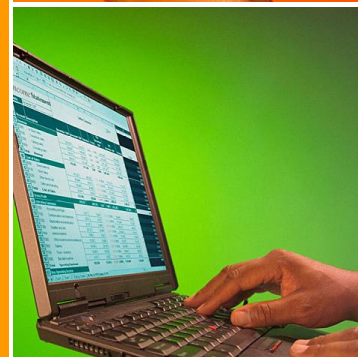
<http://www.citrix.com/site/resources/content/investorsGlossary/GAAPrecon.pdf>





# Financials

David Henshall  
Vice President, Finance & CFO



# Q4'04 Overview



- Financial Results for the 4<sup>th</sup> quarter
- Trends in our business
  - License revenue growth
  - New product contribution
  - Deferred revenue
  - Cash flow



# Q4'04 Financial Results



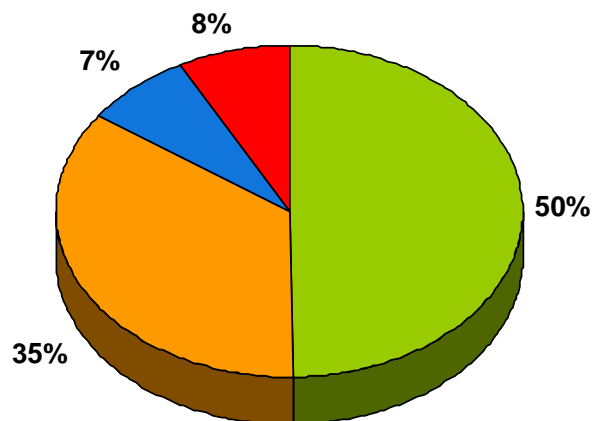
- Revenue: \$214 million; up 35.6% over Q4 2003
- Core business grew 25% over last year
- GAAP EPS of \$0.30 vs. \$0.21 last year
  - Increase of 40.8% compared to Q4 2003
- Adjusted EPS of \$0.29 vs. \$0.22 last year
  - Increase of 33.1% compared to Q4 2003
  - \$0.03 higher than mid-range of guidance
- Adjusted Operating Margin of 26.7%
- Cash Flow from Operations was >\$80 million

# Total Revenue Mix (In Millions)



	<u>Q4'04</u>	<u>Q4'03</u>	<u>Y/Y%</u>	<u>Q3'04</u>	<u>Seq.%</u>
<b>Software License</b>	\$106.2	\$95.3	11.5%	\$88.5	20.1%
<b>License Updates (Subscription Adv.)</b>	\$75.3	\$50.6	48.8%	\$70.4	6.9%
<b>Services</b>	\$15.7	\$11.9	32.1%	\$14.6	7.4%
<b>Citrix Online</b>	\$16.8	-	-	\$14.1	19.0%
<b>Total*</b>	\$214.0	\$157.7	35.6%	\$187.6	14.1%

As a % of Revenue



■ License ■ Updates ■ Services ■ Citrix Online

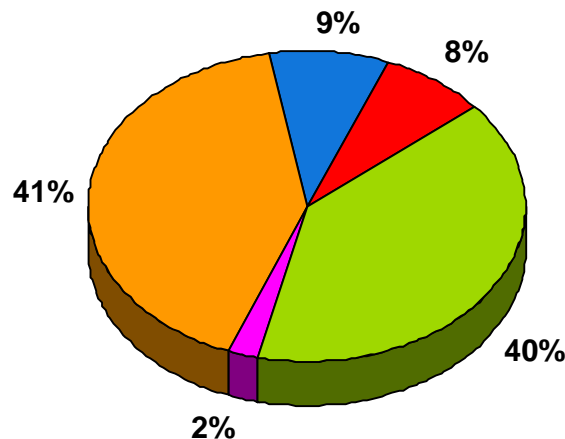
\*Amounts may not add due to rounding

# Geographic Revenue Mix (In Millions)



	<u>Q4'04</u>	<u>Q4'03</u>	<u>Y/Y%</u>	<u>Q3'04</u>	<u>Seq.%</u>
<b>North America</b>	\$84.7	\$68.9	23.0%	\$82.5	3.0%
<b>Latin America</b>	\$4.9	\$3.1	57.0%	\$4.2	16.0%
<b>EMEA</b>	\$88.9	\$72.1	23.3%	\$68.4	29.9%
<b>Pacific</b>	\$18.7	\$13.6	37.5%	\$18.3	2.2%
<b>Citrix Online</b>	\$16.7	-	-	\$14.1	19.0%

As a % of Revenue



■ North America 
 ■ Latin America 
 ■ EMEA 
 ■ Pacific 
 ■ Citrix Online



# Top Deal Metrics



- 6 deals > \$1 million
- 10 of Top 10 deals > \$500K
- By geography
  - 7 in EMEA
  - 2 in North America
  - 1 in Latin America
- 3 of Top 10 were Access Suite deals

# Income Statement (In Millions)



	<u>Q4 2004</u>	<u>Q4 2003</u>	<u>Δ</u>
Operating Expenses*	\$151.1	\$107.8	40.2%
Research & Development	\$23.3	\$17.4	33.9%
Sales, Marketing & Support	\$100.0	\$69.2	44.6%
General & Administrative	\$27.8	\$21.2	31.0%
Amortization	<\$2.2>	\$2.8	<177.7%>
Operating Margin*	26.7%	28.6%	
Other Income	\$4.3	\$2.2	
Net Income*	\$51.9	\$38.1	
EPS*	\$0.29	\$0.22	

\*Results exclude amortization of intangibles

# Balance Sheet & Other



**December 31, 2004**

Deferred Revenue (Total) \$225 million

Total Cash & Investments \$566 million

Accounts receivable, net \$108 million

Days Sales Outstanding 46 days

Cash Flow from Operations \$80 million

## Stock Buyback

- ~ 0.45M shares at an average price of \$21.21
- Over \$50M in outstanding commitments
- Over \$40M remaining in authorization



# Forward-looking Guidance



## Q1 2005 Guidance

- Revenues: \$190M - \$200M
- GAAP EPS: \$0.19 - \$0.21
- Adjusted EPS\*: \$0.21 - \$0.23

\* Excludes amortization of intangibles

- Pleased with Expertcity acquisition
  - Citrix Online integration going extremely well
- Generated \$16.8 million in revenue for Q404
- Product line performance
  - GoToMyPC ~ Grew over XX% y-o-y
  - GoToAssist ~ Grew XXX% y-o-y
  - GoToMeeting ~ Over XXX corporate accounts
- Performance in Q4 2004
  - Accretive to adjusted EPS, profitable on cash flow basis



- **Solid Q4 financial results, particularly**
  - License revenue growth
  - New product mix
  - Subscription services
  - Deferred revenue
  - Cash flow from operations



# Q3 Operations & Q4 Objectives

Mark Templeton  
President & Chief Executive Officer



# Meeting Our Q3'04 Commitments



- Growth – Top & Bottom Line
  - Revenue \$188M – up 30%; Adjusted net income up 29%; Adjusted EPS of \$0.24 – up 28%
- Stimulate 1<sup>st</sup> Adoptions & Small Projects
  - Q3'04 launch of programs & promotions impacting pipeline & shrink wrap revenue
- Grow License Update & Services Revenues
  - License update revenue – increased 62%
  - Services revenue (consulting, education & support) – increased 35%
- Cross-Selling Synergies With Citrix Online
  - Increased Online revenue from co-selling & Citrix partner engagement
- Exciting Secure Access Manager Enhancements
  - Citrix iForum demonstration & availability of Secure Access Manager Feature Pack



- Excellent Geographic & Vertical Market “Spread”
  - Top 5 sales – North American, EMEA & Latin America
  - Top 10 sales – dispersed across financial services, healthcare, telecommunications, retail, manufacturing, education & government
  - Largest China sale to-date: HuaWei Technologies
- Strong Q3 in Government Sector – Worldwide
  - Largest Q3 sale: US Army – over 20,000 licenses
- GoToAssist Drives Two “Top 10” Sales
  - Computer Associates
  - France Telecom’s ISP – Wanadoo

- Q3'04: Second full quarter since merger
  - Revenue of \$14M – up 35%
  - 7% of total revenue
- Continued Product Momentum
  - GoToMyPC – over 150,000 subscribers
  - GoToAssist – over 100% growth in customer accounts
  - GoToMeeting – fastest subscriber uptake

## The Strategic Power of Access

Reduce the Cost of **Running** Your Business  
While Investing in **Growing** Your Business

- 2300 registrants—up approx. 5% from 2003
- 72 sponsors—up 44% from 2003
- 34 customers speaking in breakouts—record
- Keynotes from IBM & Deutsche Bank
- Introduced Access Infrastructure Capabilities

**Oct.  
2004**

Citrix iForum



# Access Infrastructure Capabilities



## SmoothRoaming™

Deliver continuous access across devices, locations & networks




## Secure by Design

Protect information through a multi-dimensional secure architecture



## SmartAccess™

Sense & respond to any access scenario for tailored secure access control



## Integrated Identity & Provisioning Services

Activate and manage the complete access lifecycle



## Instant Collaboration

Share workspaces, applications & devices anywhere-to-anywhere



## End-to-End Visibility

Observe, monitor & measure access infrastructure resources



## On-Demand Assistance

Cut downtime and boost productivity with remote support and training



## Robust & Resilient Foundation

Built for scalability & continuous availability for any business scenario



# Conference Call Takeaways



- Revenue Growth: Record quarter & YTD performance
  - Enterprise business continues strong
  - Subscription businesses up 95% - customer value & visibility
    - \$14M from Citrix Online – GoToAssist & GoToMeeting
    - 62% growth in subscriptions to license updates
  - New products gaining traction – achieving 5 – 10% run rate
- Adoption: Launched new customer & small business programs
  - Good early indications in revenue & pipeline
- Building: Staying aggressive in Access franchise
  - Branding On-Demand Access Infrastructure
  - Citrix iForum: Access infrastructure capabilities





INFRASTRUCTURE FOR  
THE ON-DEMAND ENTERPRISE

# Summary & Questions

