



“Amid a challenging macro environment, FY21 turned out to be a remarkable year for SUSE. We made two acquisitions and went public on the Frankfurt Stock Exchange – all while delivering strong financial results, giving back to the community and adding immeasurable value to our customers. None of this would have been possible without the trust and partnership of our stakeholders.”

Melissa Di Donato  
Chief Executive Officer

# Chief Executive Officer's letter

## A pivotal year for SUSE with big milestones

Dear shareholders,

FY21 has been a pivotal year for SUSE. Amid a challenging macro environment, FY21 turned out to be one of the most remarkable 12 months in SUSE's 29-year history. We made solid progress and celebrated new milestones, all while staying true to our purpose of empowering our customers to innovate everywhere with open source.

To name a few highlights:

In November 2020, we consolidated our position in the Enterprise Container Management industry with our acquisition of Rancher Group – a leader in Kubernetes management. Rancher is also one of the industry's most widely adopted solutions for managing any Kubernetes distribution across all environments. With this strategic addition to the SUSE solution stack, we are advancing our vision of powering open source innovation everywhere.

In April 2021, we extended our expertise into the U.S. federal sector and made our mark in this highly regulated industry with the launch of our new business, SUSE Rancher Government Solutions.

In May 2021, we listed on the Frankfurt Stock Exchange – becoming the largest enterprise software IPO in Europe of 2021. With this milestone, we reaffirmed SUSE's credibility and increased the visibility of our company as an important mission-critical technology partner for enterprises. We also broadened our access to additional funding which will accelerate our growth and enable greater employee engagement and retention, strengthening our unique and vibrant culture.

In October 2021, we capped the year with our acquisition of NeuVector, a leader in full lifecycle container security. NeuVector will enable customers to excel in end-to-end container security, delivering on an outstanding value proposition as a stand-alone offering, or as part of our SUSE Rancher solutions.

### High growth, high margins

SUSE delivers exceptional performance as it achieves strong growth and high cash generation.

Guided by our values, in FY21 we experienced an increase in revenue aided by a 26% rise in ACV (compared to the 12 months ended October 2020). We recorded over 36% year-on-year growth in Cloud ACV. We also saw a 27% increase in End user customer deals worth \$1 million or more.

During the last year, our adjusted revenue at SUSE was \$575.9 million, representing growth of 15% (on a pro-forma basis including Rancher in both years) and our adjusted EBITDA margin was 37%.

Our growth is powered by the increasing preference for digitalization among our customers, who rely on us for their mission-critical workloads and their ability to innovate everywhere.

Our success is grounded in our innovative product portfolio and strong execution capabilities, coupled with a sizable market and accelerated growth through our M&A strategy. I am confident SUSE will continue to expand well beyond the boundaries of today's addressable market, reaching even more customers around the world.

---

**“As we look ahead to our fourth decade, I have never been more confident about sustaining our trajectory and the positive outcomes we will continue to deliver together.”**

---

In FY22, we will continue to focus on expanding our Business-critical Linux, Enterprise Container Management and Edge technology offerings. As SUSE assesses new opportunities in all three markets, we see huge potential to confidently and competently execute our growth strategy.

### **Open source for good**

The SUSE team sits at the very heart of our success. It is my conviction that our success as a business is intrinsically linked to our ability to meet some of the world's most pressing needs. It is a privilege to lead a team that is empowered by open source and guided by our strong open source ethos.

At the onset of the pandemic, we offered free operating systems and container management technologies to organizations that were producing medical devices to fight the virus. Inspired by this movement, Microsoft decided to join us in this good work.

We also worked with organizations of all shapes and sizes to tackle the threat of the virus and to better understand the disease.

The Wellcome Sanger Institute, for example, works with SUSE to track the spread of Covid-19 and help understand the emergence of variants. Likewise, alongside some of the largest laboratories in the world, companies like Ruvos have chosen to work with us to track testing data across the USA.

In addition, we partnered with academic institutions such as Haifa University – home to over 18,000 students across the globe – to ensure that not a single hour of lectures was missed during the pandemic.

Climate change, too, has been on all our minds in the last 12 months.

Hypergiant, for example, is working with us to create the reusable satellite fleet of the future – tackling the growing concern around space junk.

Similarly, ZAMG is partnering with us to model weather patterns and earthquake activity, using data science to better understand the effects of climate change.

The UK-based Science and Technology Facilities Council's JASMIN supercomputer, in collaboration with SUSE, is being used to model inner city temperature changes in a bid to help plan the sustainable cities of the future.

We have continually demonstrated value to our customers, partners, employees and open source communities – the “SUSE Diamond” – to address the wider needs of the world. This included being flexible with payment terms for customers who have been adversely affected by the pandemic, providing free software and training to help our customers fast track their digital transformation, and equipping our employees with unprecedented support and flexibility as they made the smooth transition to remote working.

SUSE has been and will continue to be a pillar of enduring support and collaboration with and for our Diamond.

## Innovating sustainably

To broaden SUSE's positive impact on society and the environment, we are committed to seeking better and more efficient solutions that will lead to sustainable outcomes for our customers and stakeholders.

Our new ESG (Environmental, Social and Governance) vision is a pledge of our continued commitment to our customers, partners, employees and communities.



**Please read more in the section:  
Managing responsibly on page 58**

Finally, I am enormously pleased that we have continued to give back to the community and deliver strong outcomes for our customers.

None of our progress would have been possible if not for the trust and partnership with all our stakeholders, including you. Thank you for your continued support.

As we look ahead to our fourth decade, I have never been more confident about our trajectory and the positive outcomes we will continue to deliver together for our customers, partners, employees, communities and the wider global community.

**Melissa Di Donato**  
Chief Executive Officer