

# ACCELERATED DATA TRANSFORMATION

Analyst & Investor Call  
Q2 2020 Results

SNP | The Data Transformation Company



# AGENDA

**INTRODUCTION**

FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS



SNP Q2 2020, Earnings



Our results for the first six months of the year demonstrate that, in spite of the coronavirus pandemic and the immense challenges for the world economy, we are still very promisingly positioned from a strategic point of view. What is more: The drivers of our business model remain intact.

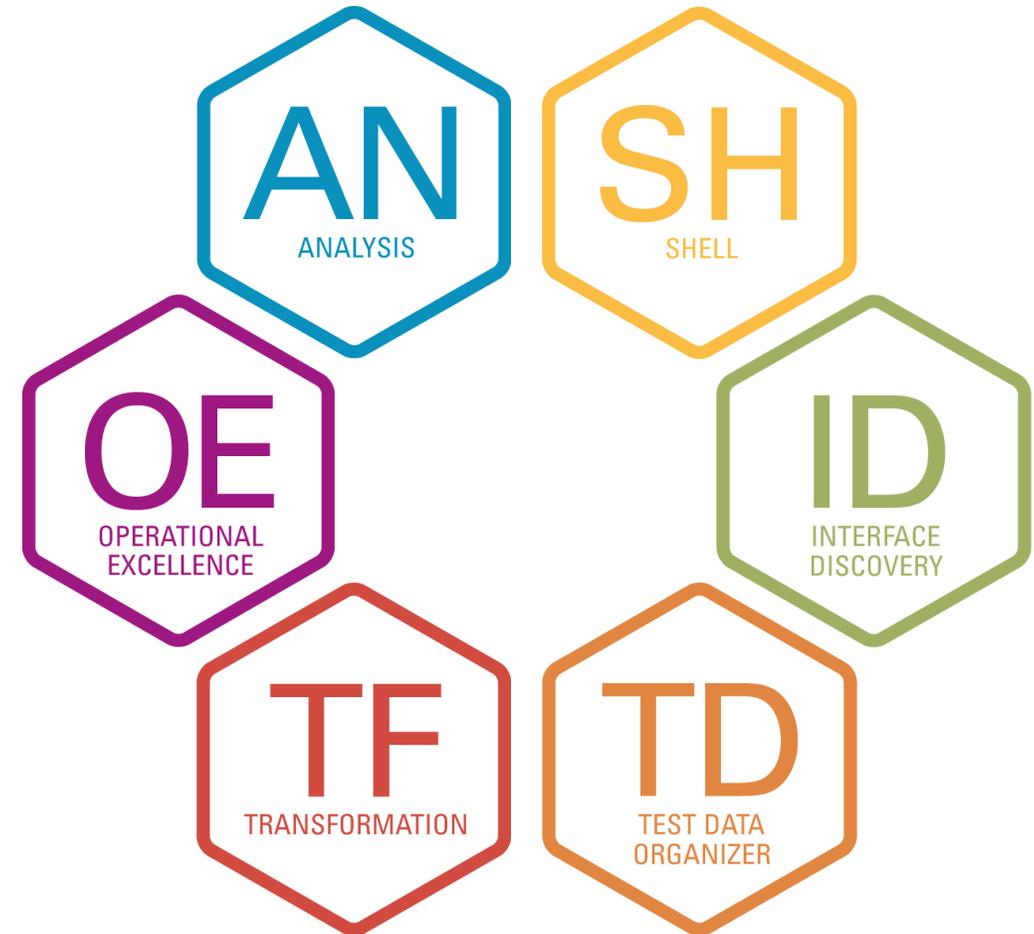
Particularly during the current crisis with the stringent restrictions which this has imposed, we have impressively demonstrated our strength! Our goal is to fundamentally change the entire IT consulting market and to achieve a continuous increase in the proportion of software-supported transformations.



Dr. Andreas Schneider-Neureither  
Chairman of the Board and CEO, SNP

# H1 2020 - Main Topics

- | Good start into the year
- | Signing of additional partner contracts (MHP, Common MS and All for One Group)
- | Order entry higher than the previous year after six months; in Q2 2020 nearly at the previous year's level despite worldwide economic crisis
- | Positive operating earnings (EBIT) development: year-over-year and over the course of the current year
- | Updated forecast confirmed
- | After corona crisis digitalization will even be more important, offering additional business opportunities
- | Successful capital increase in July 2020 to fund future growth



# AGENDA

INTRODUCTION

**FINANCIALS**

OUTLOOK

QUESTIONS & ANSWERS



# Key Figures show significant improvements

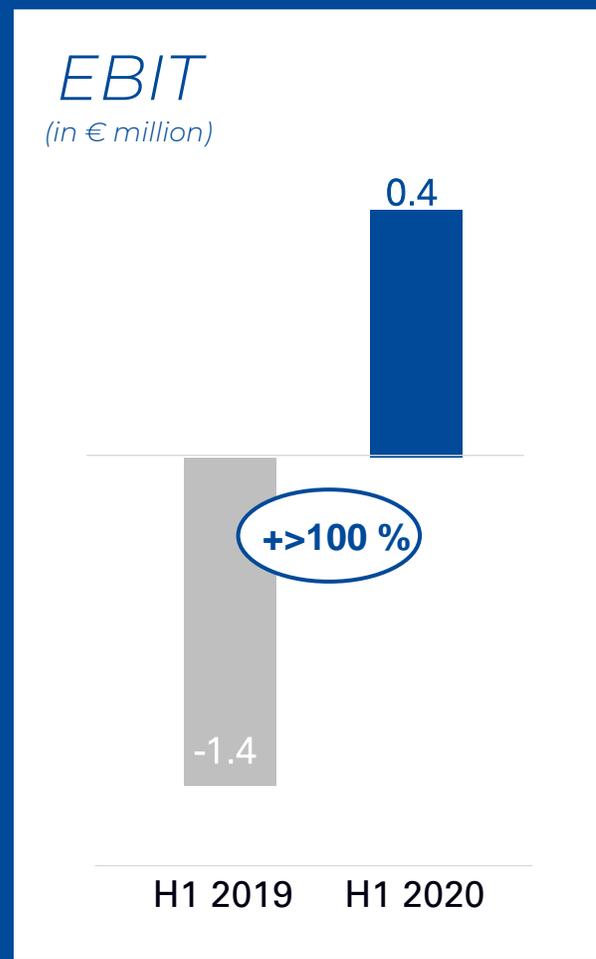
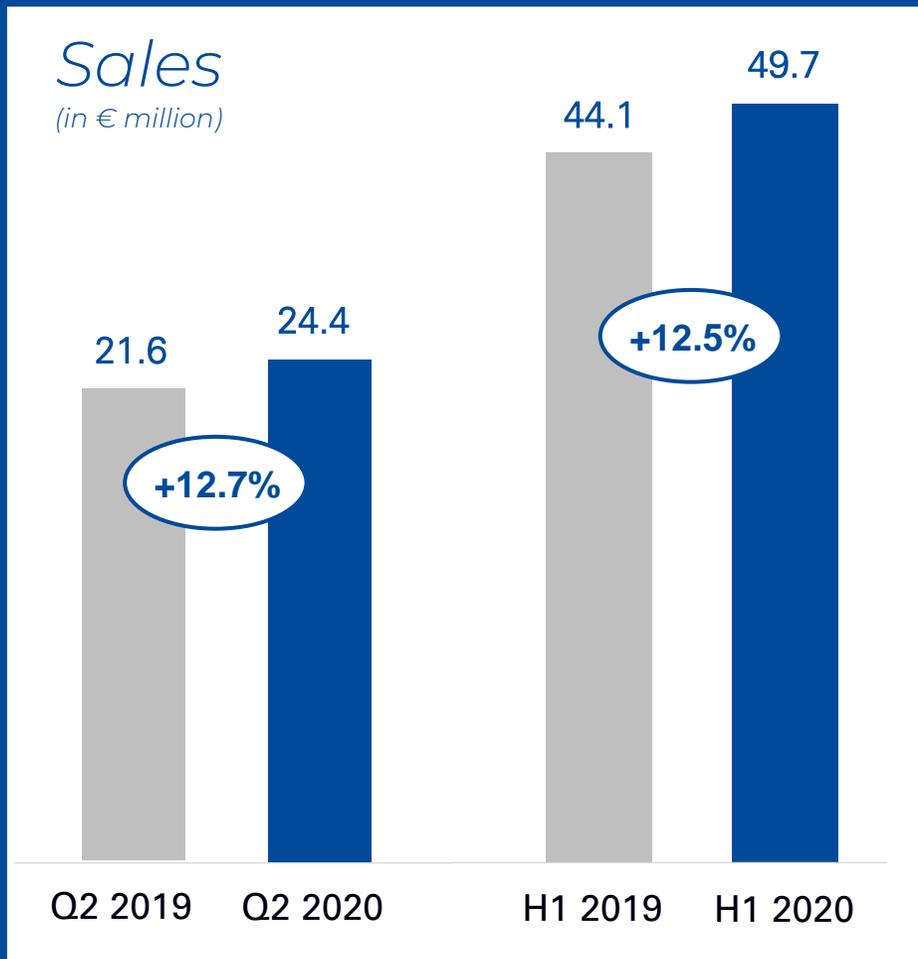


In € million	H1 2019	H1 2020	Δ	Q2 2019	Q2 2020	Δ
Revenue	58.9	68.7	+9.8	30.1	34.3	+4.2
Gross profit	49.9	59.7	+9.8	25.4	29.9	+4.5
Personal expenses	41.3	48.4	+7.1	20.8	23.5	+2.7
Other operating income/expenses	-11.0	-11.8	-0.8	-5.8	-5.0	+0.8
EBITDA	-2.0	-0.8	+1.2	-0.8	1.2	+2.0
EBIT	-5.9	-4.9	+1.0	-2.6	-0.9	+1.7
EBT	-6.4	-5.6	+0.8	-2.9	-1.3	+1.6
Net income	-4.8	-4.4	+0.4	-2.0	-0.9	+1.1
Gross profit margin	84.6%	87.0%	+2.4PP	84.2%	87.1%	+2.9PP
EBITDA margin	-3.5%	-1.2%	+2.3PP	-2.6%	3.5%	+6.1PP
EBIT margin	-10.0%	-7.1%	+2.9PP	-8.6%	-2.6%	+6.0PP

## Comments

- Despite Corona-Crisis revenue in Q2 2020 increased by 14% compared to last year
- Growth related increase of personal expenses in H12020 by 17% slowed down significantly in Q2 2020
- EBITDA increased in Q2 2020 and turned positive despite the challenging business environment
- As a result EBIT margin both in Q2 and H1 2020 went up compared to the same period last year

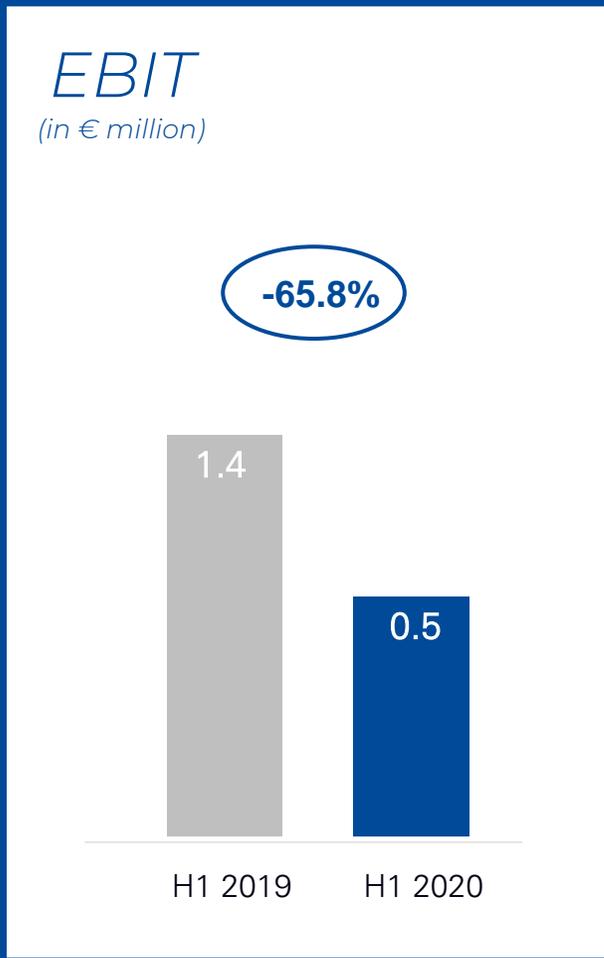
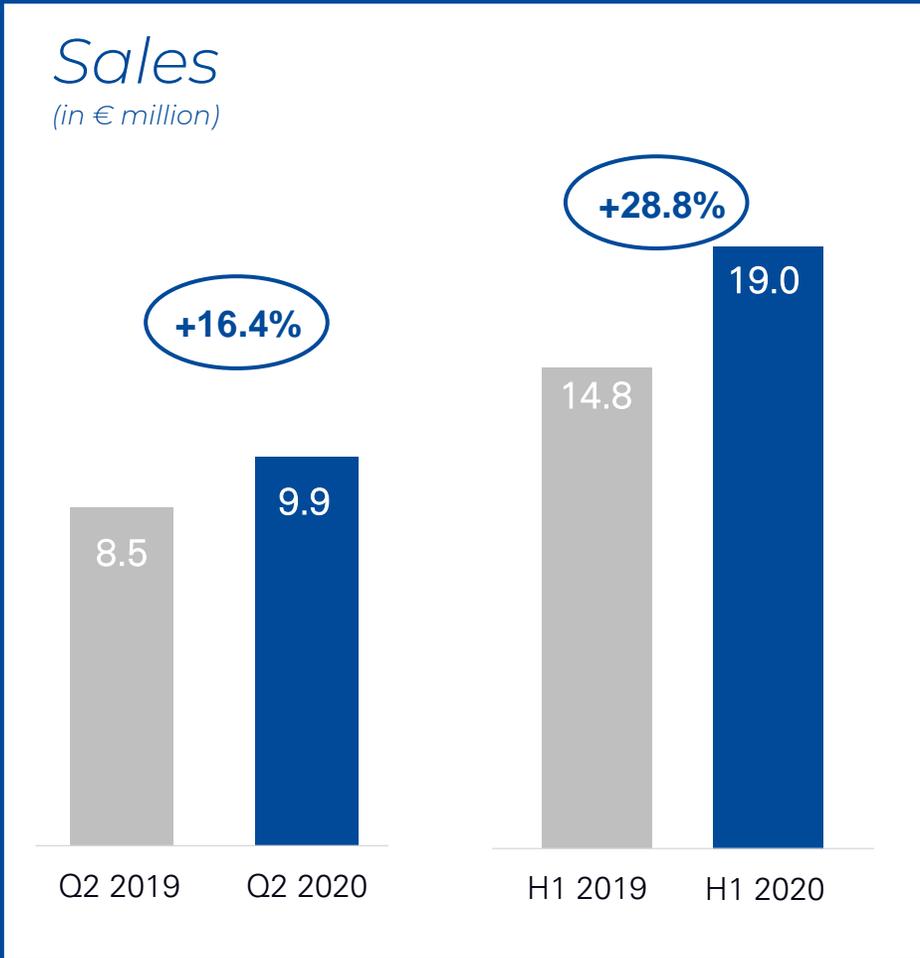
# Segment Service



## Comments

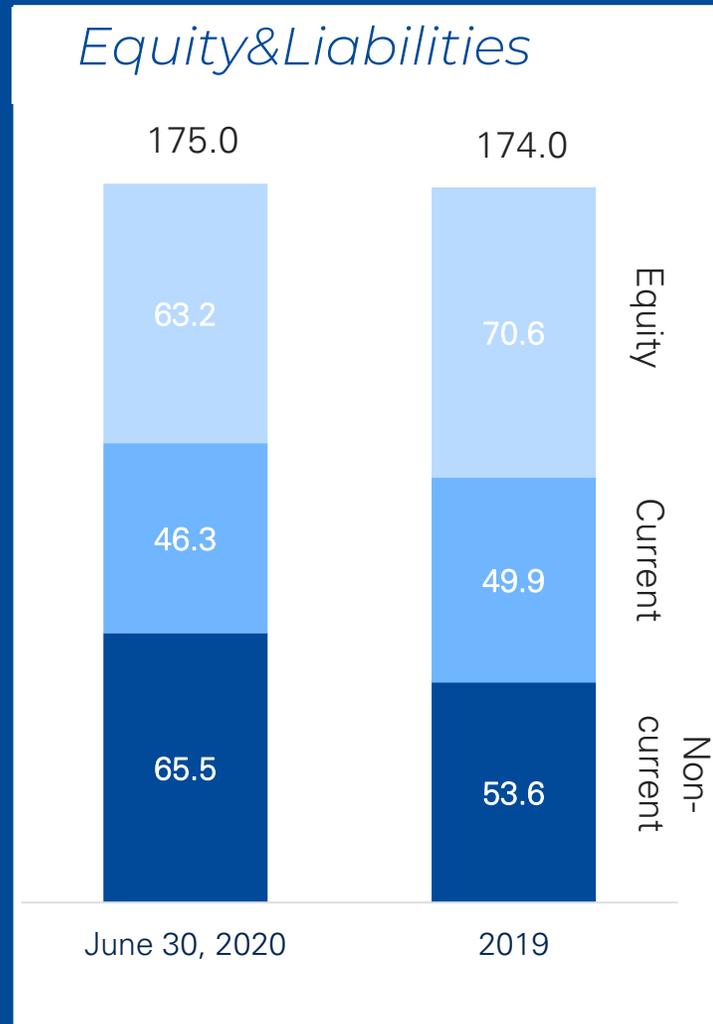
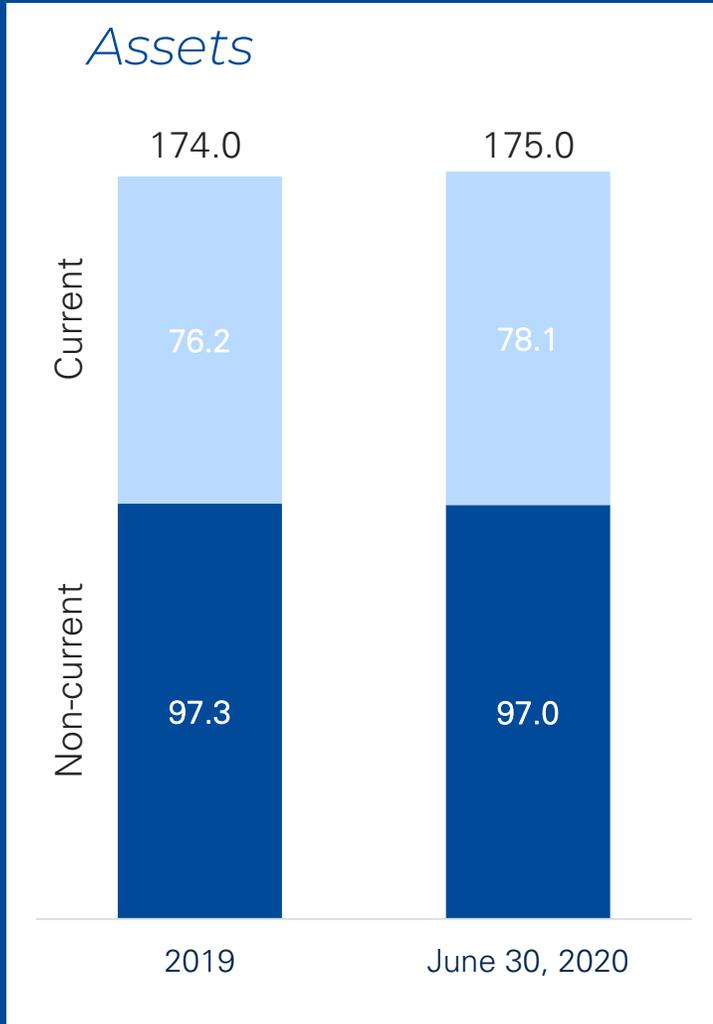
- | Sales development with positive trend both in Q2 and H1
- | Sales growth even during corona crisis due to a strong ability to deliver projects remotely
- | Increased utilization and improved cost structure led to positive earnings after six months 2020
- | Positive trend also on a quarter on quarter basis

# Segment Software



## Comments

- | Software sales increased significantly in line with the successful partner strategy
- | 28% of total sales are attributable to the software segment (up 3pp from last year)
  
- | Higher investments to support partner strategy burdened H1 2020 earnings
- | Significant increase in headcount (+ 40 people both in software development and partner business)



## Comments

- | Healthy balance sheet structure where non-current liabilities are well covered by non-current assets
- | Noncurrent liabilities increased mainly due to a € 10 million loan taken out in May 2020 which is refinanced by KfW
- | Equity decreased compared to year end's level mainly due to the loss for the period
- | Equity ratio stood at 36.1% end of the reporting period (Dec 31, 2019: 40.6 %) – excluding the capital increase from July 2020
- | With all other items unchanged, equity ratio would stand at appr. 47% (including capital increase)

# Cash Flow Statement (in € million)



	H1 2019	H1 2020
<b>Net income</b>	<b>-4.8</b>	<b>-4.4</b>
Depreciation	3.9	4.1
Change in W/C	-5.3	-0.1
Change in other items	-1.8	-1.4
<b>Operating cash flow</b>	<b>-8.0</b>	<b>-1.8</b>
Investing cash flow	-4.5	-2.1
Financing cash flow	-4.4	7.8
<b>Change in cash</b>	<b>-16.9</b>	<b>3.5</b>

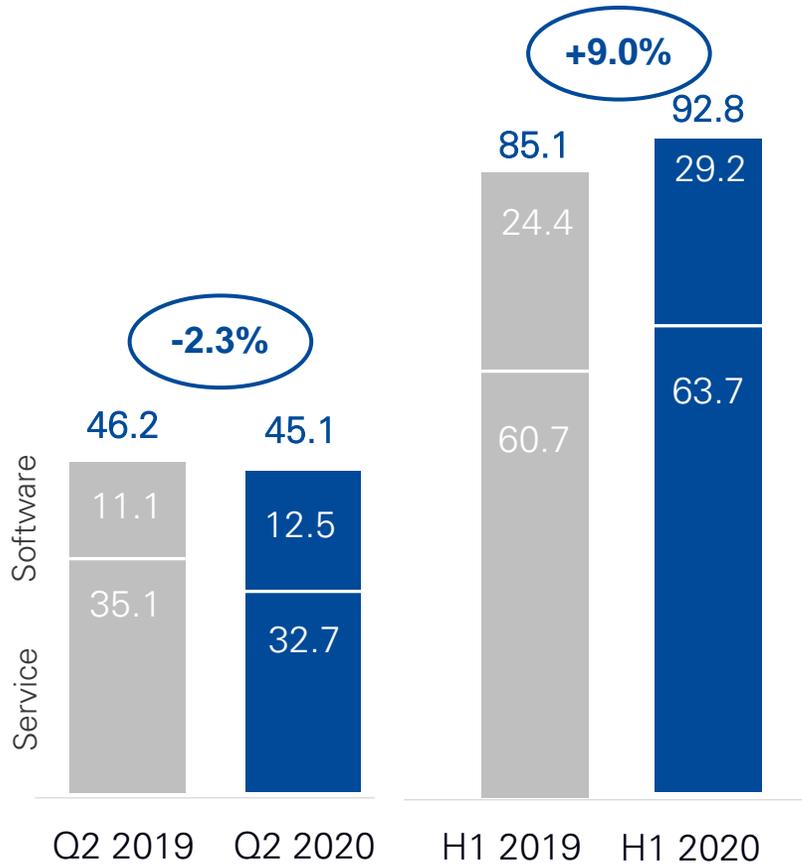
## Comments

- | Working capital management: Almost no additional cash requirements despite growing topline
- | Operating cash flow in H1 2020 significantly improved
- | Positive financing cash flow as a result of additional loans taken from KfW
- | Change in cash also significantly better than previous year

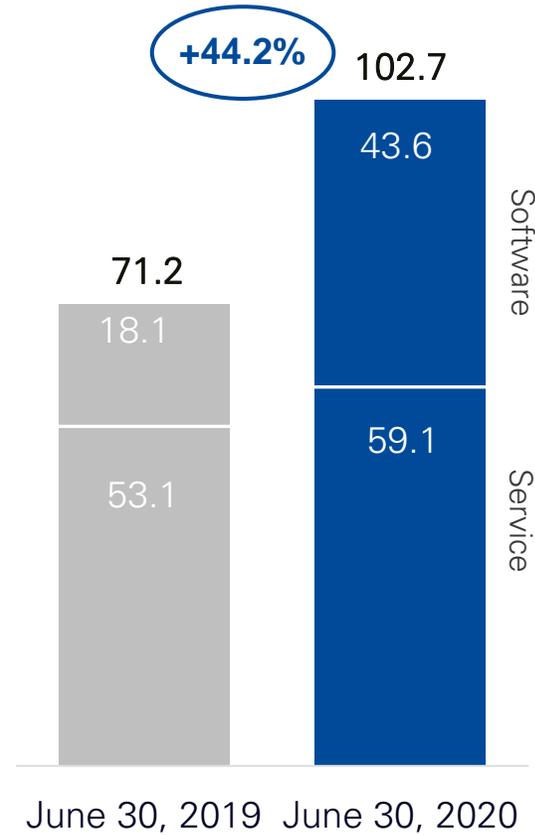
# Order Entry and Backlog



Order Entry (in € million)



Order Backlog (in € million)

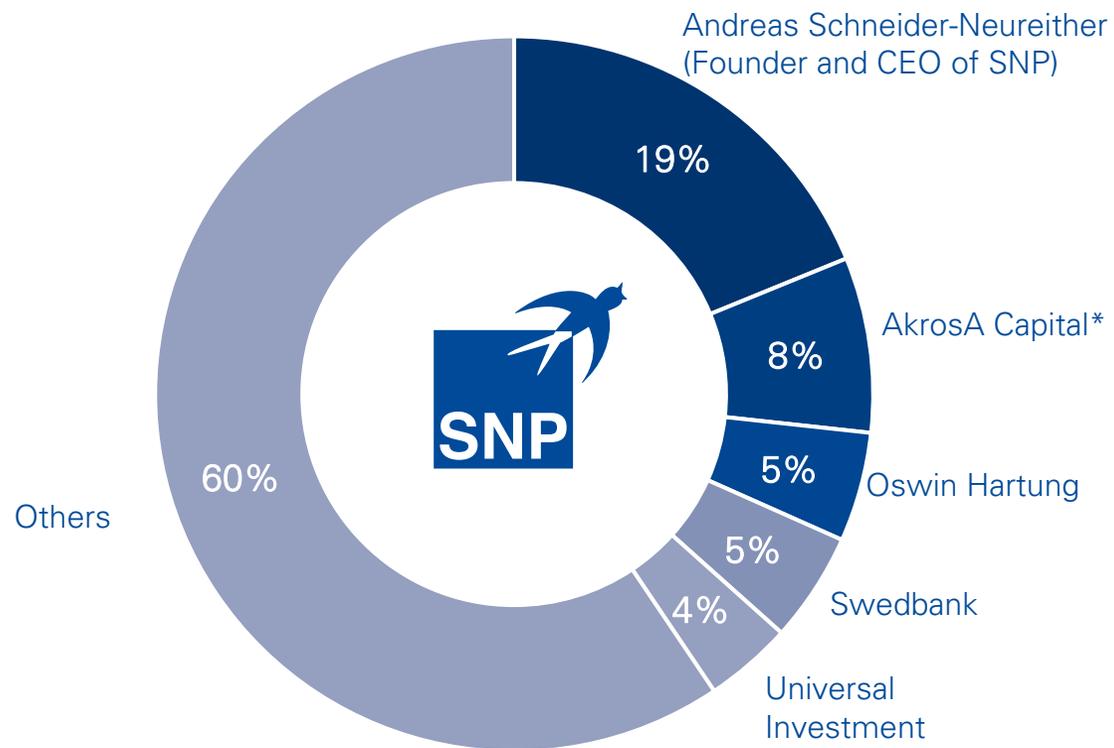


## Comments

- Order entry in Q2 2020 nearly on previous year's level – software even increased despite worldwide economic crisis
- S/4HANA projects represent almost a third of the entire order entry volume
- Order backlog improved in both segments
- Software segment more than doubled

# Capital increase showed strong investor interest

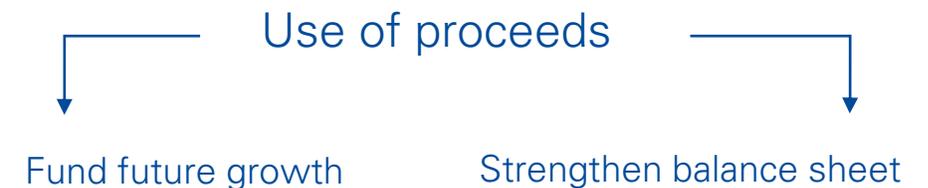
Shareholder structure (as of July 16, 2020)



\* according to latest company information

## Key facts

- | Increase of share capital by 9.2% on July 15, 2020 (Number of shares outstanding: 7,212,447)
- | New shares were placed in an accelerated bookbuilding among institutional investors
- | Positive effect on stock market liquidity expected since most of the new shares are counted for as free float
- | Issue price: 46.00 € per share
- | Strong interest: Book was filled within an hour and oversubscribed by 2.5x
- | Gross proceeds of around € 28 million
- | First trading day of the new shares was July 21, 2020



# Relative Performance of SNP shares in 2020



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INTRODUCTION

FINANCIALS

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# Outlook 2020 unchanged



Group sales: € 145 million - € 170 million  
Group EBIT-margin: mid single digit

## 1 Growth

- | Strong Pipeline for H2 2020
- | Very strong Partner Pipeline
- | >40% of the total pipeline is Software related

## 3 Innovation

- | Setup a unique Cloud Logistic Program to support Move to the Cloud
- | First great success with Microsoft and AWS

## 2 Cost and Cash

- | Strong Cash position generated in Q2 2020
- | Cost Saving Program started in Q2 2020 to optimize our SG&A Structure
- | Optimized our Order to Cash process

## 4 Save pair of hands

- | >25 go lives in Q2 2020 - at 100% success rate
- | Very critical projects finalized with NZD
- | High customer Satisfaction
- | Increased number of co-delivery projects together with partners

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INTRODUCTION

FINANCIALS

OUTLOOK

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**WE WILL BE HAPPY TO  
TAKE YOUR QUESTIONS!**



# Financial Calendar



Mar 30, 2020	Publication of the Annual Report 2019
Apr 30, 2020	Publication of the Interim Statement Q1 2020
Jun 30, 2020	Annual General Meeting 2020
Aug 7, 2020	Publication of the Half-Year Financial Report 2020
<b>Oct 30, 2020</b>	<b>Publication of the Interim Statement Q3 2020</b>

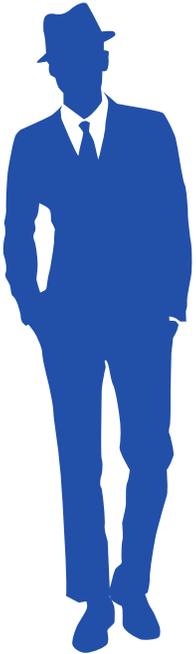
# Thank you for your time

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