

ACCELERATED DATA TRANSFORMATION

Analyst & Investor Call
Q3 2021 Results

SNP | The Data Transformation Company



AGENDA

OVERVIEW

FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS



9M 2021 - Main Topics

- > Double-digit revenue growth in 9M 2021: +15%; acquisitions of EXA AG & Datavard AG strengthen the growth momentum (organic growth at +6%)
- > Software revenue went up by slightly 3% despite high level of Q3 2020 which benefited significantly from large-volume partnership agreements
- > Service positively impacted by the acquisitions of EXA AG and Datavard AG (EXA initially allocated to the Service segment)
- > Improved EBIT by € 1.5m to € 1.8m on the back of higher topline, acquisitions and improved cost ratios
- > Group Order Entry in 9M 2021 slowed down because of the high level of the previous year and different setup of partner contracts
- > Order Backlog up by 38% indicating an accelerated growth in Q4
- > Specified guidance for 2021

Total Revenue: € 121.7m

+15%

Service Revenue: € 85.0m

+20%

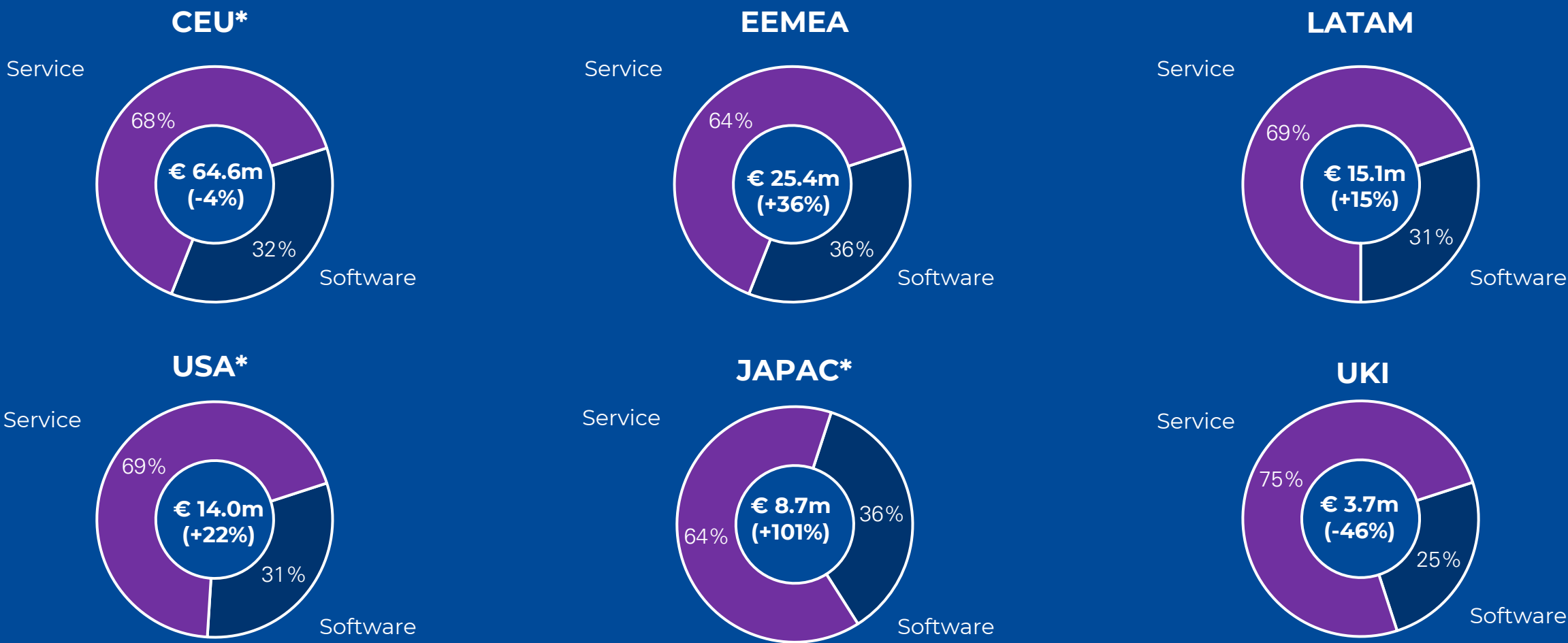
Software Revenue: € 36.7m

+3%

Order Entry: € 131.6m

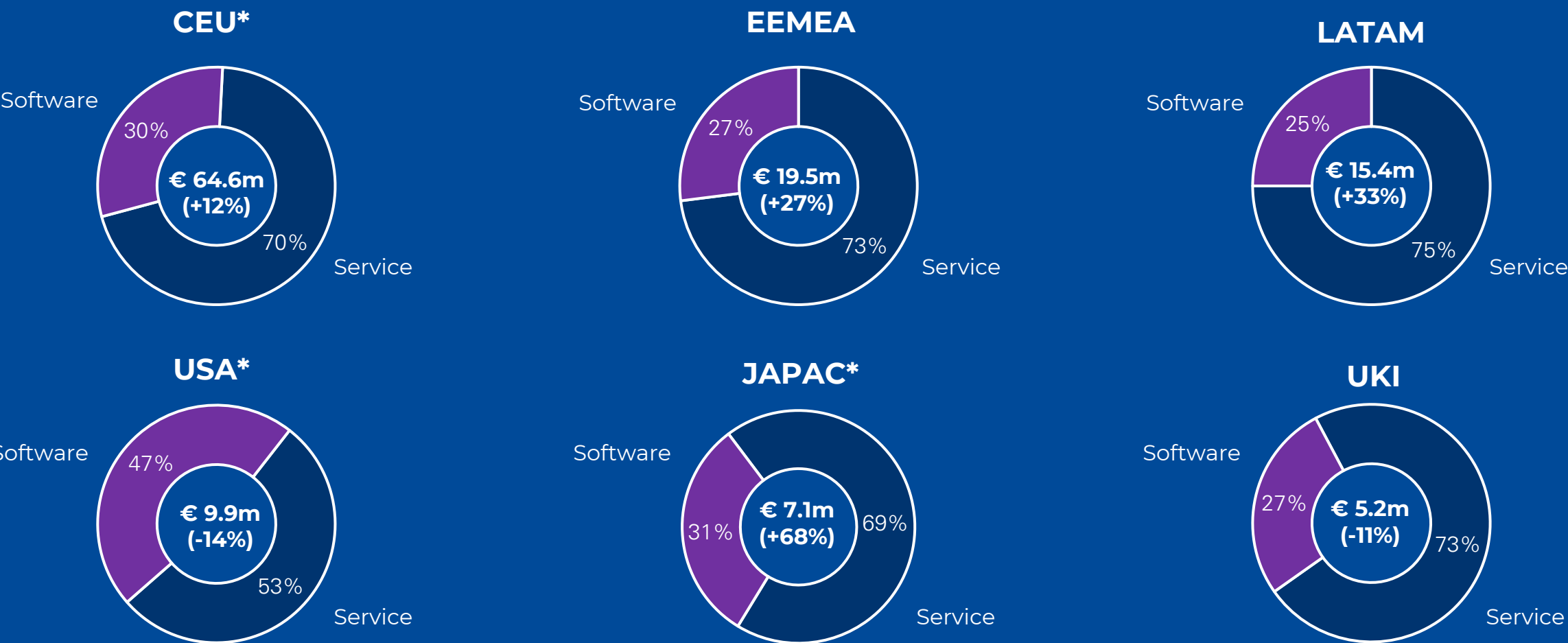
-6%

Order Entry by region 9M 2021



* incl. EXA AG & Datavard AG

Revenue 9M 2021 by region



* incl. EXA AG & Datavard AG

Overview Partner Business 9M 2021

- > Accenture & SNP are building a joint Data Transformation Factory
- > IBM gaining momentum in all regions
IBM, IBM Cloud & Kyndryl pipeline growing
- > New partners PWC and TCS
- > Shift from partner recruitment to partner enablement
- > Cross Enablement of Datavard & SNP Partners

Partner Revenue YTD: € 22.6m

19% of Group Revenue

Partner Order Entry YTD: € 34.4m

26% of Group Order Entry

Partner Network

Global alliances with leading system integrators

Closed partnerships in 2021



ADVANCED APPLICATIONS



Cognizant



nexus/ag

NTT DATA



rackspace
technology



tieto EVRY

Certifications and Memberships



expri^{ia} *
Integration with SAP S/4HANA®

SAP® Qualified
Partner - Packaged Solution



TISAX® **



Edenhouse
THE FIRST NAME FOR SAP

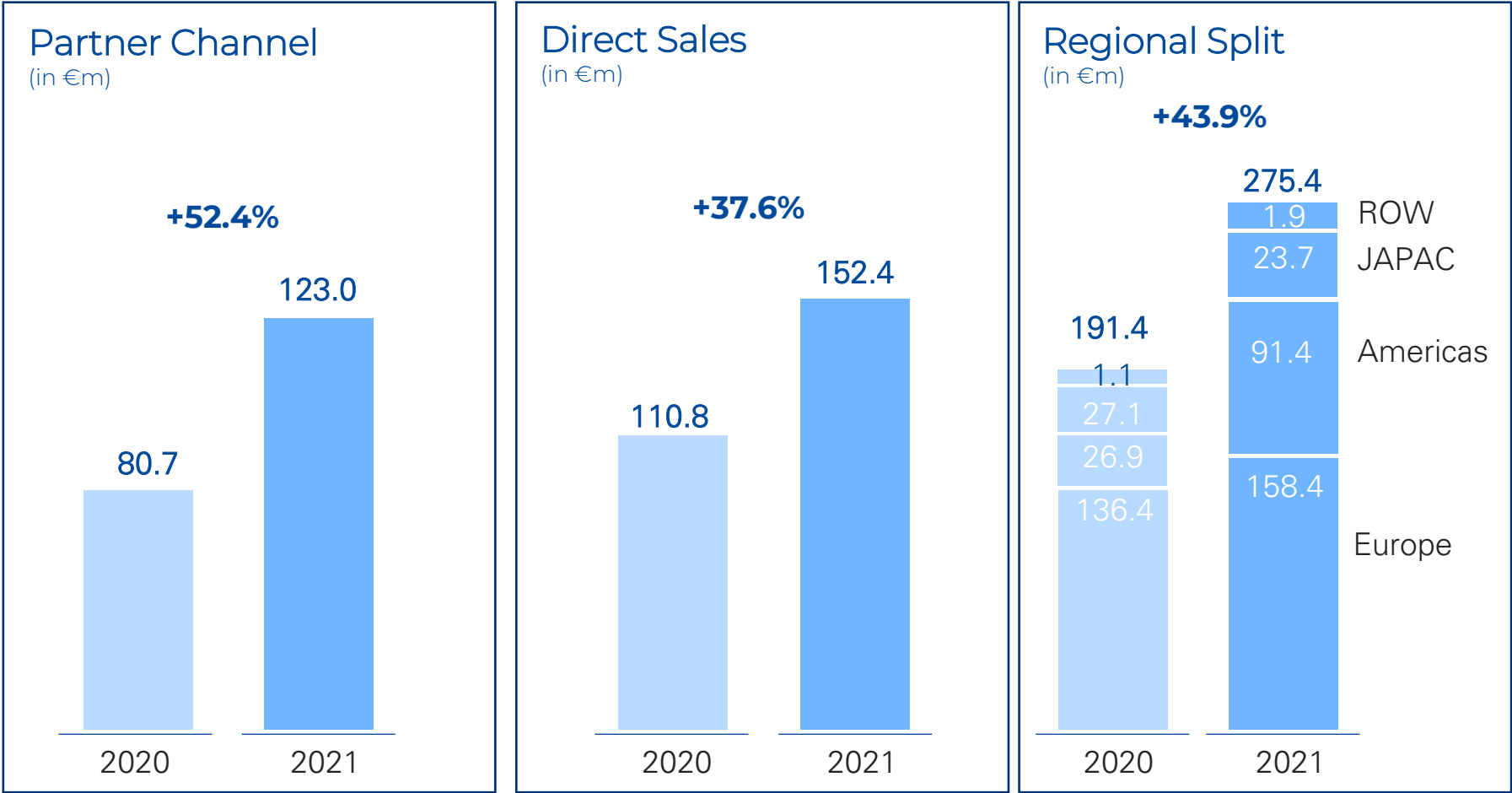
* CrystalBridge Analysis Extractor & CrystalBridge Interface Discovery (ID)

** SNP has passed the TISAX® audit, an assessment according to the requirements of the German Association of the Automotive Industry, which is governed by the ENX Association. The results are available for registered members via the [ENX portal](#).



Unweighted Pipeline

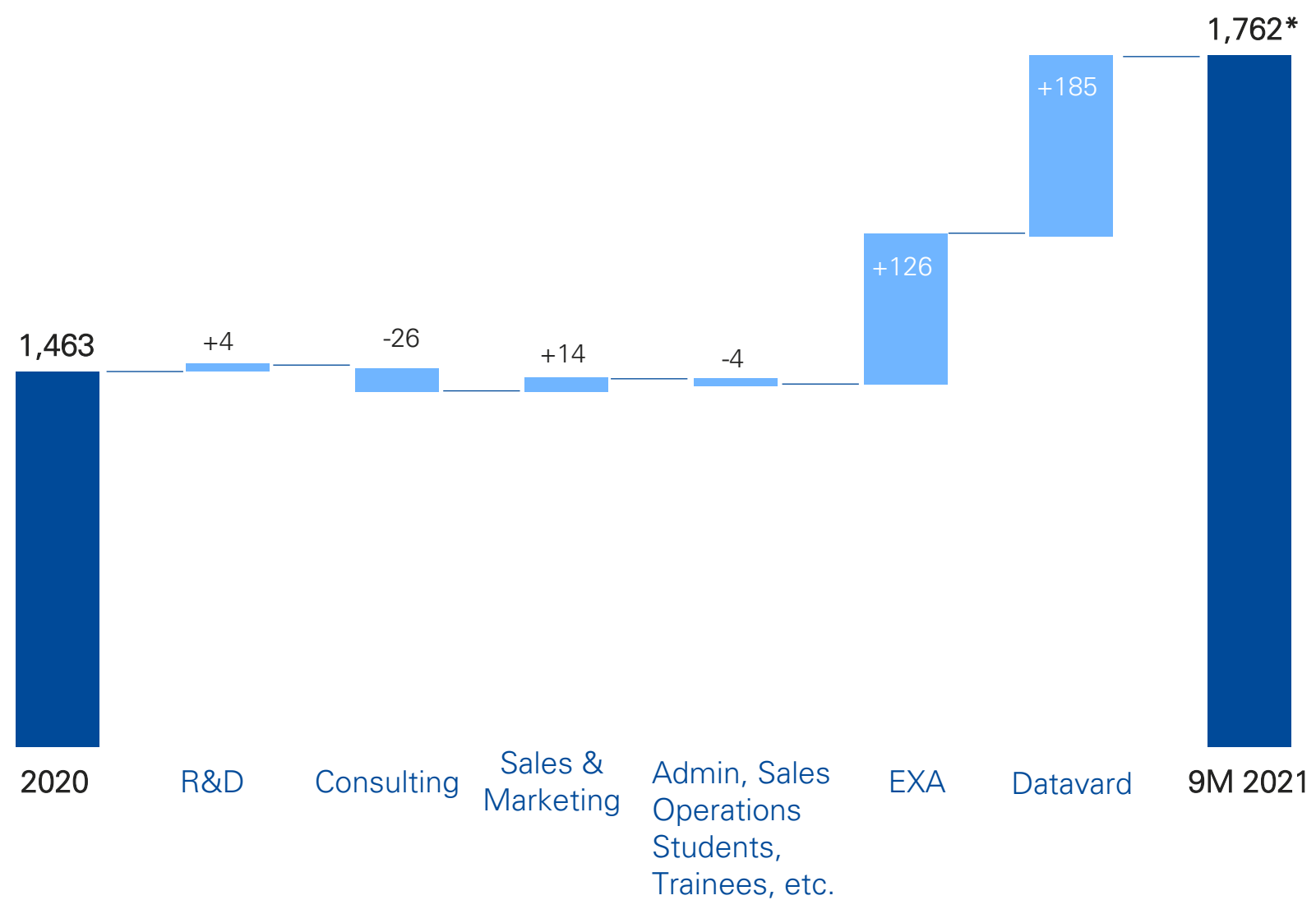
(as of September 30th)



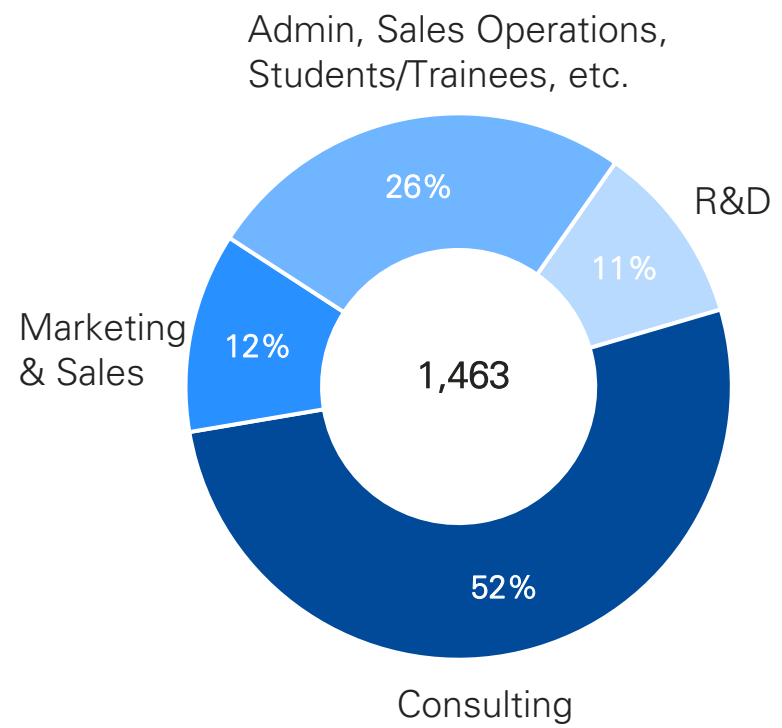
Comments

- > Group Pipeline for 2021 grew by 43.9% compared to last year´s level
- > Both partner channel and direct sales with significantly increased volumes
- > Especially Europe and Americas show positive development

Headcount Evolution 9M 2021



Headcount split by function 2020



* Due to the sale of the Group's Polish subsidiary, as of Oct. 1, 2021, the SNP Group's number of employees had decreased by 421 to 1,341.

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Income Statement Q3 / 9M 2021

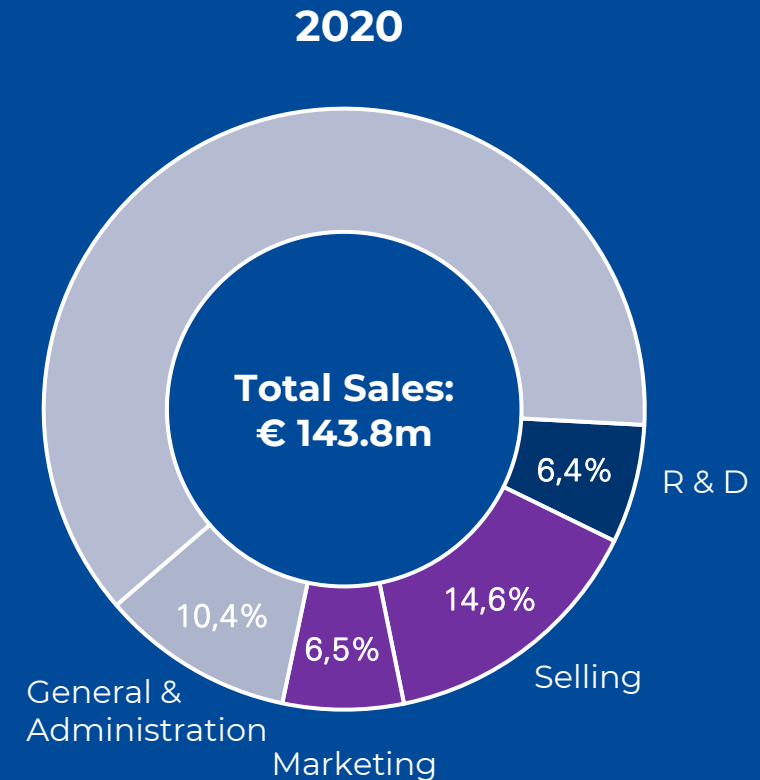
(in €m)	Q3 2021	Q3 2020	Δ (abs.)	9M 2021	9M 2020	Δ (abs.)
Revenue	46.0	37.6	+8.4	121.7	106.3	+15.4
Gross profit	38.6	33.7	+4.9	102.4	93.5	+8.9
Personal expenses	27.7	22.6	+5.1	79.8	71.0	+8.8
Other income/expenses	-5.3	-4.0	-1.3	-13.9	-15.8	+1.9
EBITDA	5.5	7.0	-1.5	8.4	6.2	+2.2
EBIT	2.9	5.0	-2.1	1.8	0.3	+1.5
EBT	2.4	4.7	-2.3	0.5	-0.8	+1.3
Net income	1.5	3.7	-2.2	-0.6	-0.6	+0.0
Gross profit margin	83.9%	89.6%	-5.7pp	84.1%	88.0%	-3.8pp
EBITDA margin	12.0%	18.6%	-6.7pp	6.9%	5.7%	+1.2pp
EBIT margin	6.1%	13.3%	-7.2pp	1.5%	0.3%	+1.2pp

Comments

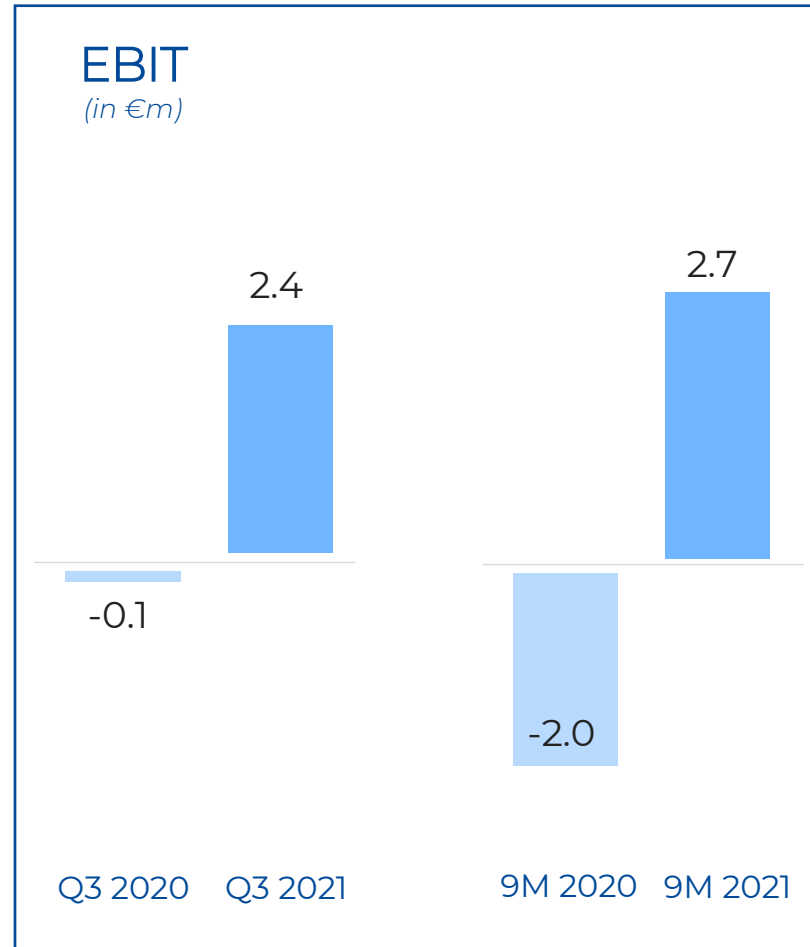
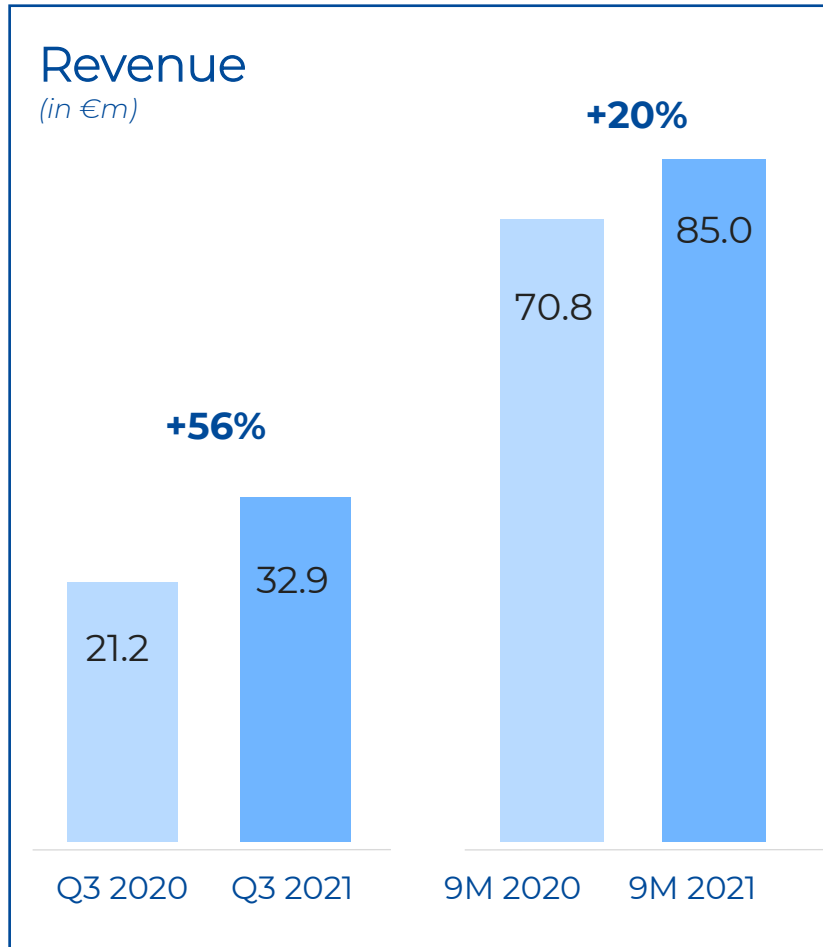
- > Revenue both in 9M and Q3 2021 above last year`s level; EXA and Datavard contributed € 9.4m (9M)
- > Increase of personal expenses related to the acquisitions of EXA AG and Datavard AG
- > Improved operating results in 9M; Q3 margin burdened by declining software segment
- > Q3 2020 largely affected by the conclusion of a partner contract with high software contingent

Cost ratios Q3 / 9M 2021

(In €m)	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	46.0	37.6	121.7	106.3
Research & Development	2.0	2.0	6.8	7.0
Selling	5.9	5.1	16.6	15.1
Marketing	2.0	1.7	5.7	6.5
General & Administration	3.6	3.9	9.3	11.4
EBITDA	5.5	7.0	8.4	6.4
EBITDA margin	12.0%	18.6%	6.9%	6.0%



Segment Service – Revenue and EBIT Q3 / 9M 2021



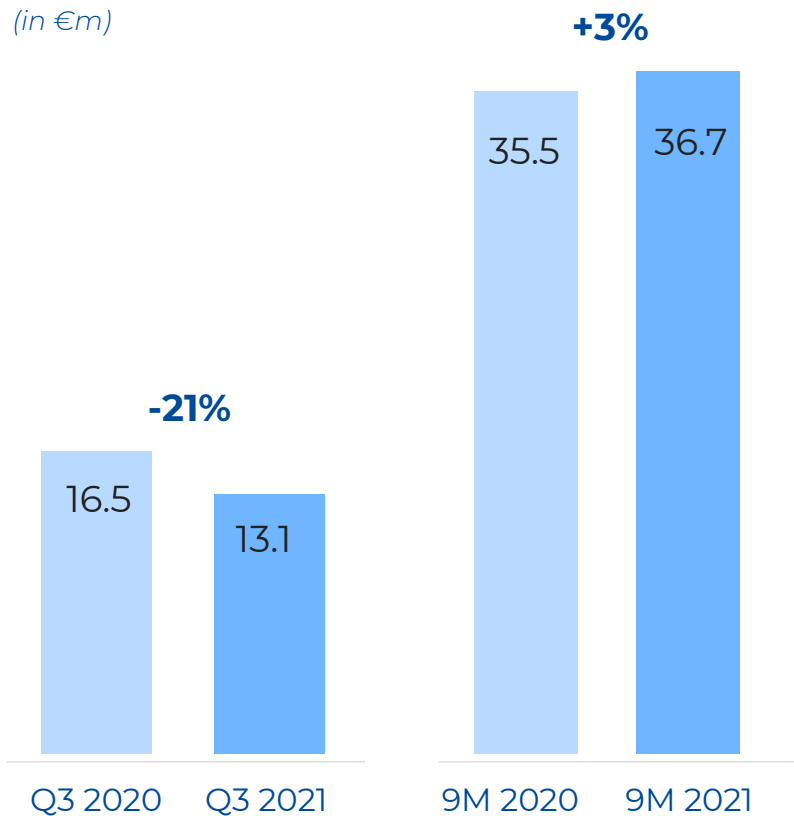
Comments

- > Service segment with strong topline in q3 mainly due to the acquisitions of EXA and Datavard – contribution in total of € 8.2 mn
- > Operating profit with strong positive development due to increased utilization, reclassified segment cost and strong EBIT margin EXA (9M: 28.4%)
- > Service-intensive software portfolio of EXA is assigned to the service segment for the time being (9M EXA: € 6.7m)

Segment Software – Revenue and EBIT Q3 / 9M 2021

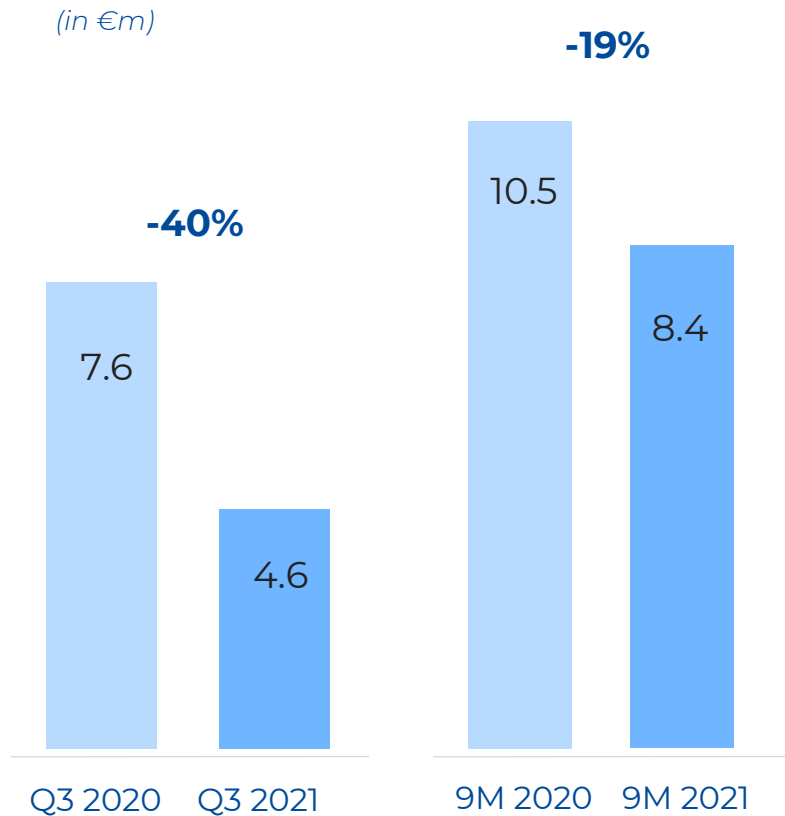
Revenue

(in €m)



EBIT

(in €m)



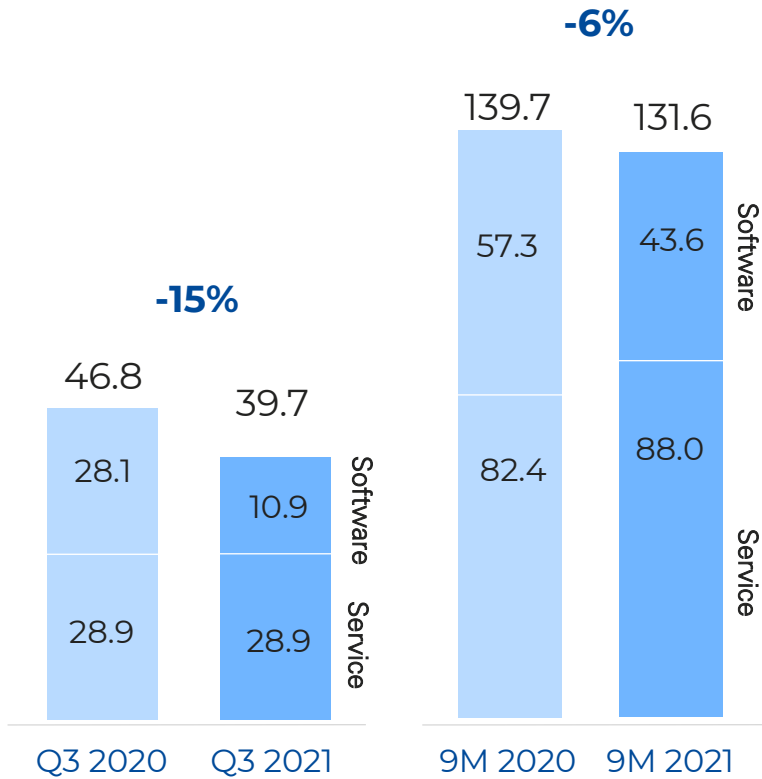
Comments

- > Software segment grew slightly 9M/9M
- > Decline Q3/Q3 mainly due to a particularly strong Q3 20, which was largely affected by a multi-year partner contract with high software commitment
- > Declining sales in Q3 and a change in product mix towards third-party licences weigh on EBIT segment margin

Order Entry Q3 / 9M 2021 and Order Backlog

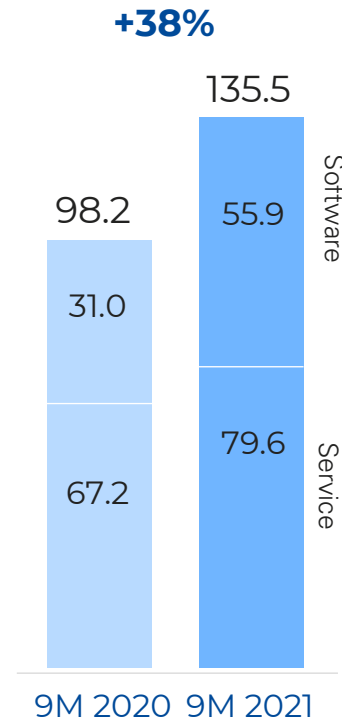
Order Entry

(in m€)



Order Backlog

(in m€)

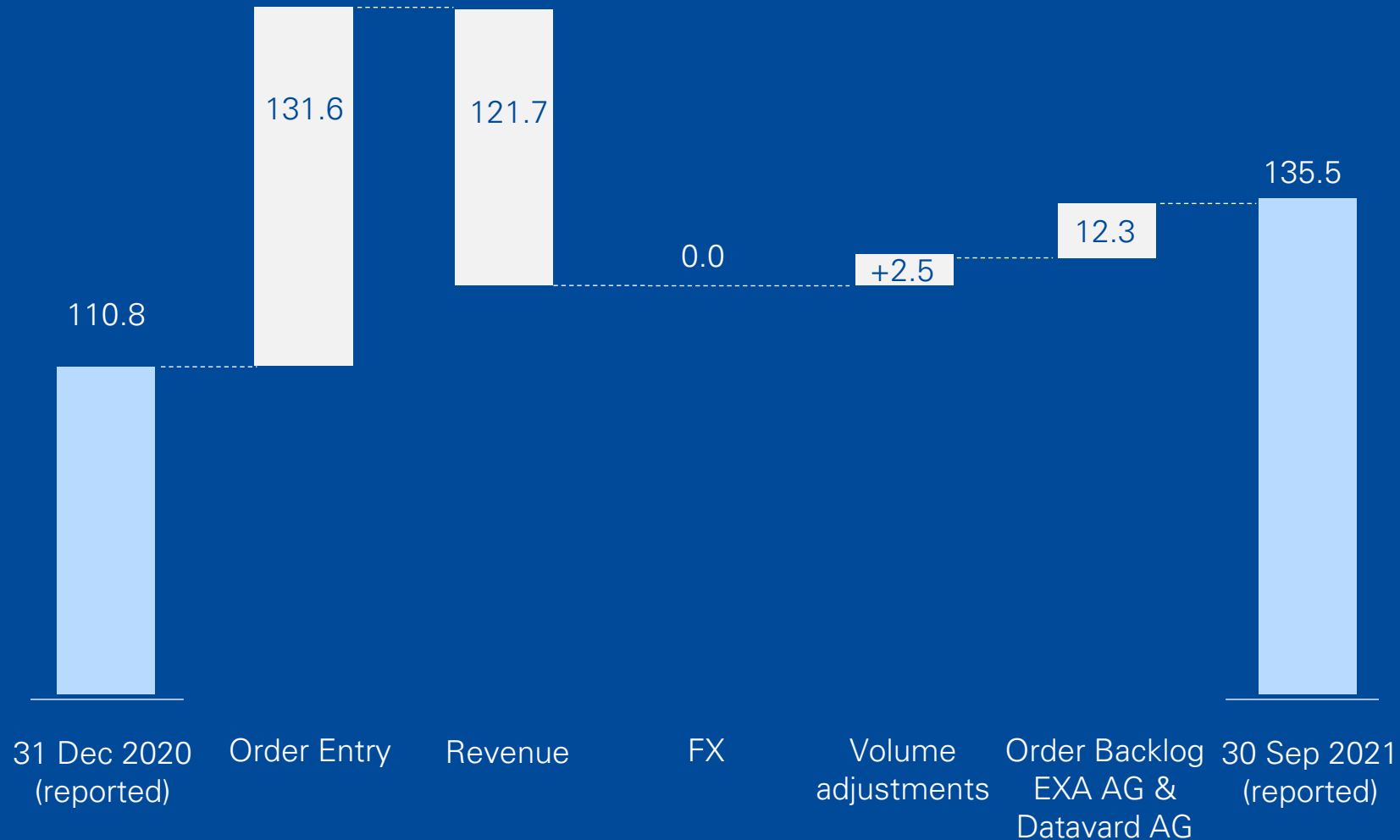


Comments

- > Order entry down 9M/9M due to a partnership agreement concluded last year
- > Shift in timing of order entry due to the decision to close partner agreements mostly without committed volumes
- > € 7.7 mn of order entry are attributable to the acquisitions of EXA and Datavard mostly included in the service segment
- > Order Backlog up some 40% giving a good starting point for accelerated growth in Q4 2021

Reconciliation Order Backlog 9M 2021

(in €m)



Comments

- > Slightly negative effect from volume adjustments
- > Order backlog contributions from EXA and Datavard gave some tailwind to overall backlog development
- > Order Entry includes € 7.7m from EXA & Datavard

Balance sheet structure I/II

Assets (in €m)	30/09/2021	31/12/2020
Cash, cash equivalents and other financial assets	27.8	46.3
Receivables	30.2	25.6
Contract assets	32.0	19.7
Assets held for sale	32.6	31.4
Other currents assets	3.8	2.9
Total current assets	126.9	126.0
Goodwill	67.6	33.6
Intangible Assets	24.5	5.4
Rights of use	16.6	17.5
Contract assets	14.1	12.6
Other non-current assets	13.3	11.6
Total non-currents assets	136.1	80.7
Total assets	263.0	206.7

Comments

- > Decreased liquidity after closing of Datavard acquisition
- > Contract assets went up especially with a new software commitment made by All for One SE
- > Total assets increased by 27% with the majority coming from goodwill and intangible assets as a result of EXA & Datavard acquisition
- > Assets held for sale are related to Polish subsidiary (closing completed Oct. 1, 2021)

Balance sheet structure II/II

Equity & Liabilities (in €m)	30/09/2021	31/12/2020
Payables	4.5	4.6
Contract liabilities	10.7	6.2
Current financial liabilities	41.8	12.8
Other non-financial liabilities	22.7	18.2
Liabilities held for sale	9.3	8.8
Other current liabilities	1.3	3.4
Total current liabilities	90.3	54.0
Non-current financial liabilities	64.5	59.5
Pensions	4.2	2.8
Other non-current liabilities	8.0	2.7
Total non-current liabilities	76.7	65.0
Equity	96.2	87.7
Total Equity & Liabilities	263.2	206.7

Comments

- > Increased contract liabilities mainly due to acquisitions
- > Current financial liabilities increased due reclassification in liabilities from promissory note loans (€ 26 m) from non-current to current liabilities
- > Increased equity primarily due to capital increase through contributions in kind for the Datavard acquisition
- > Equity went down to 36.6% (from 42.4% end of 2020) following the increased balance sheet total

Cash flow Statement Q3 / 9M 2021

(in €m)	Q3 2021	Q3 2020	Δ (abs.)	9M 2021	9M 2020	Δ (abs.)
Net income	1.5	3.7	-2.2	-0.6	-0.6	+0.0
Depreciation	2.6	1.9	+0.7	6.5	5.8	+0.7
Change in W/C	-2.4	-3.3	+0.9	-10.6	-2.7	-7.9
Change in other items	1.8	0.5	+1.3	-4.8	-1.6	-3.2
Operating Cash flow	3.5	2.8	-0.7	-9.5	0.9	-10.4
Investing Cash flow	-14.2	-0.6	-13.6	-18.9	-2.7	-16.2
Repayment of lease liabilities	-1.1	-1.3	+0.2	-3.2	-4.5	+1.3
Free cash flow	-11.8	0.9	-12.7	-31.6	-6.3	-25.3
W/C ratio (LTM)	-	-		23.4%	15.3%	

Comments

- > After a good Q3 2021 operating cash flow positive again
- > Cash out from investing activities are related to acquisition of EXA and Datavard
- > Working capital increased partially due to the acquisitions of EXA & Datavard

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Specified Outlook 2021

	2020 Actuals	Specified 2021 Outlook
Group Revenue	€ 143.8m	€ 170m to 180m (previously € 170m to 190m)
Software Revenue	€ 49.9m	
Service Revenue	€ 93.9m	
Group EBITDA	€ 9.2m	€ 18m to 22m (previously € 18m to 24m)
Group EBIT	€ 0.8m	
Group EBIT-margin	0.6%	5% to 7% (previously 5% to 8%)
Group Order Entry	€184.4m	

Financial Calendar 2021

Oct 28, 2021

Publication of the Interim Statement Q3 2021

Mar 30, 2022

Publication of the Annual Report 2021

Apr 28, 2022

Publication of the Interim Statement Q1 2022

Jun 2, 2022

Annual General Meeting 2022

Aug 10, 2022

Publication of the Half-Year Financial Report 2022

Oct 27, 2022

Publication of the Interim Statement Q3 2022

WE ARE HAPPY TO TAKE
YOUR QUESTIONS!



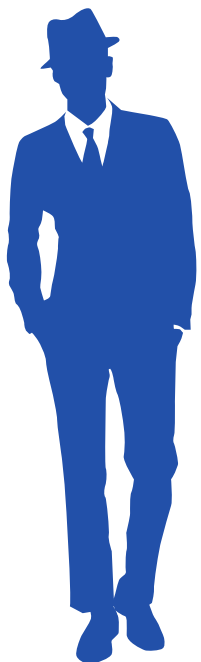
Thank you for your time

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