

ACCELERATED DATA TRANSFORMATION

Analyst & Investor Call
H1 2021 Results

SNP | The Data Transformation Company



AGENDA

OVERVIEW

FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS



H1 2021 - Main Topics

- > Group revenue in H1 2021 +10% - partially due to the acquisition of EXA AG (organic growth at +5%)
- > Software revenue went up significantly by 24% - Service revenue also improved but still sees low dynamics with regard to large scale S/4-Projects
- > EBIT loss reduced to € -1.1m on the back of higher topline and improved cost ratios
- > Group Order Entry in H1 2021 slowed down slightly because of some US and UKI market weakness – good performance Eastern Europe and JAPAC
- > Order Backlog up by 29% indicating an accelerated growth in H2
- > Original guidance for 2021 confirmed and updated after effects from M&A activities became more visible

Software Revenue: € 23.6m

+24%

Service Revenue: € 52.1m

+5%

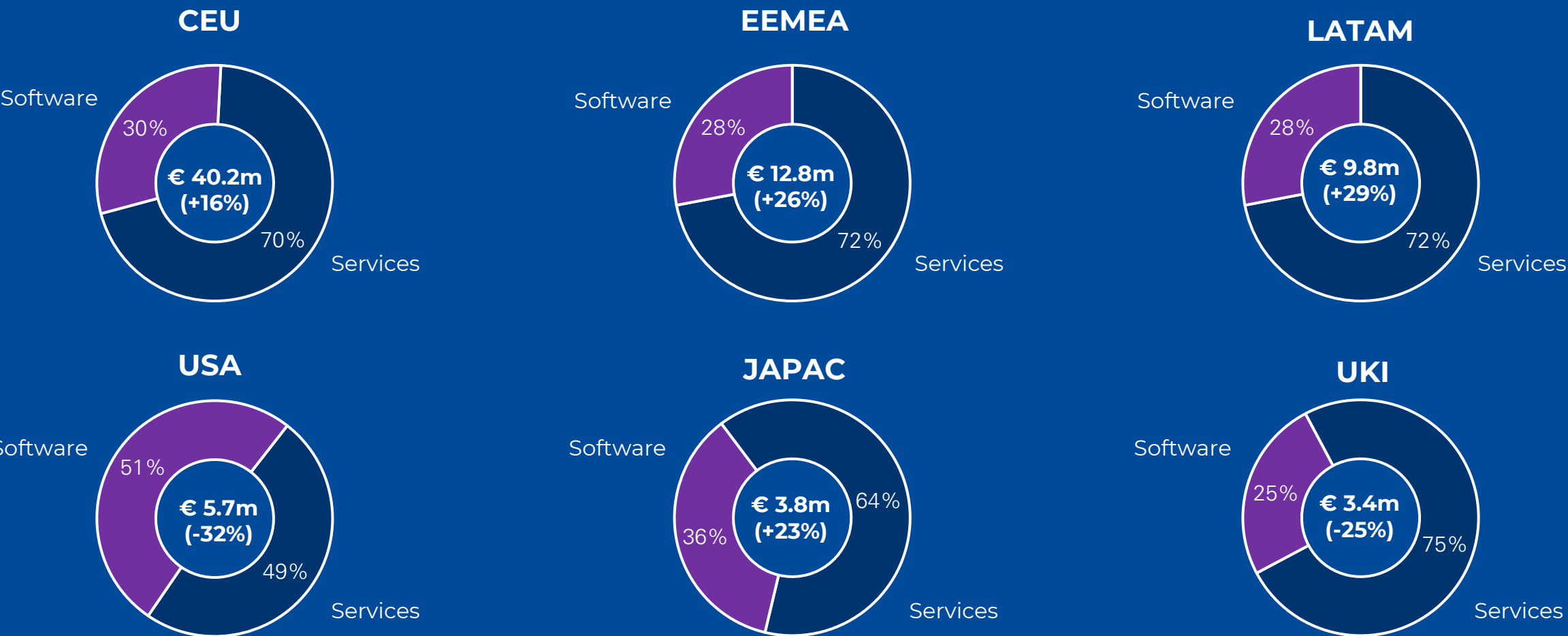
Total Revenue: € 75.7m

+10%

Order Entry: € 91.9m

-1%

Revenue H1 2021 by region



Overview Partner Business H1 2021

- > Accenture joined partner network
- > Cooperation with PwC started
- > Partnership with All for One gains momentum with S/4: extended cooperation after a successful start last year
- > First “Rise” projects in LATAM (with SAP)
- > First partnerships in China (Thinkway) and Indonesia (Soltius)

Partner Revenue: € 14.5m

20% of Group Revenue

Partner Order Entry: € 28.6m

31% of Group Order Entry

Partner Network

Global alliances with leading system integrators

Global software partners – CrystalBridge®



Certifications and Memberships



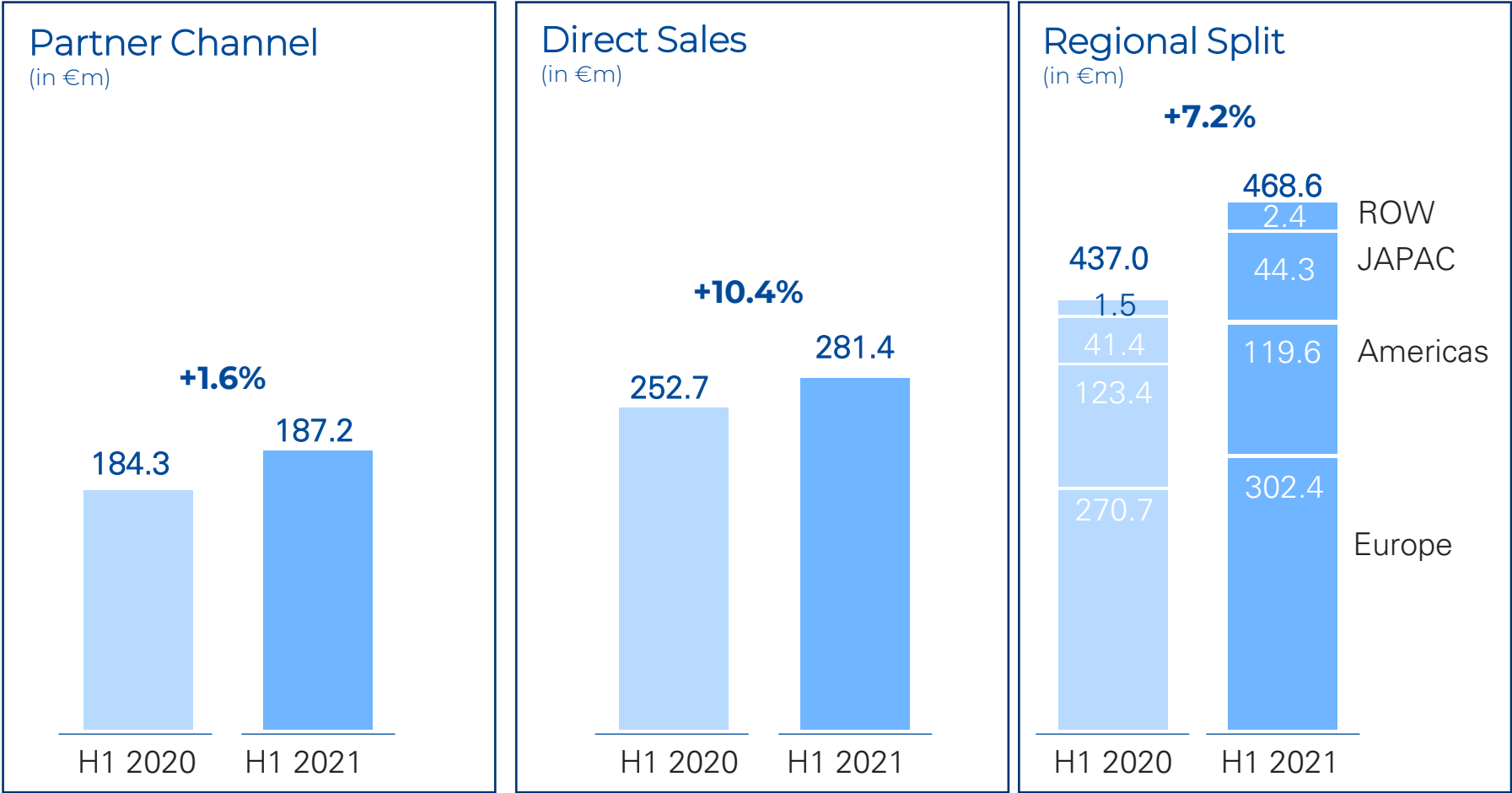
* CrystalBridge Analysis Extractor & CrystalBridge Interface Discovery (ID)

** 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

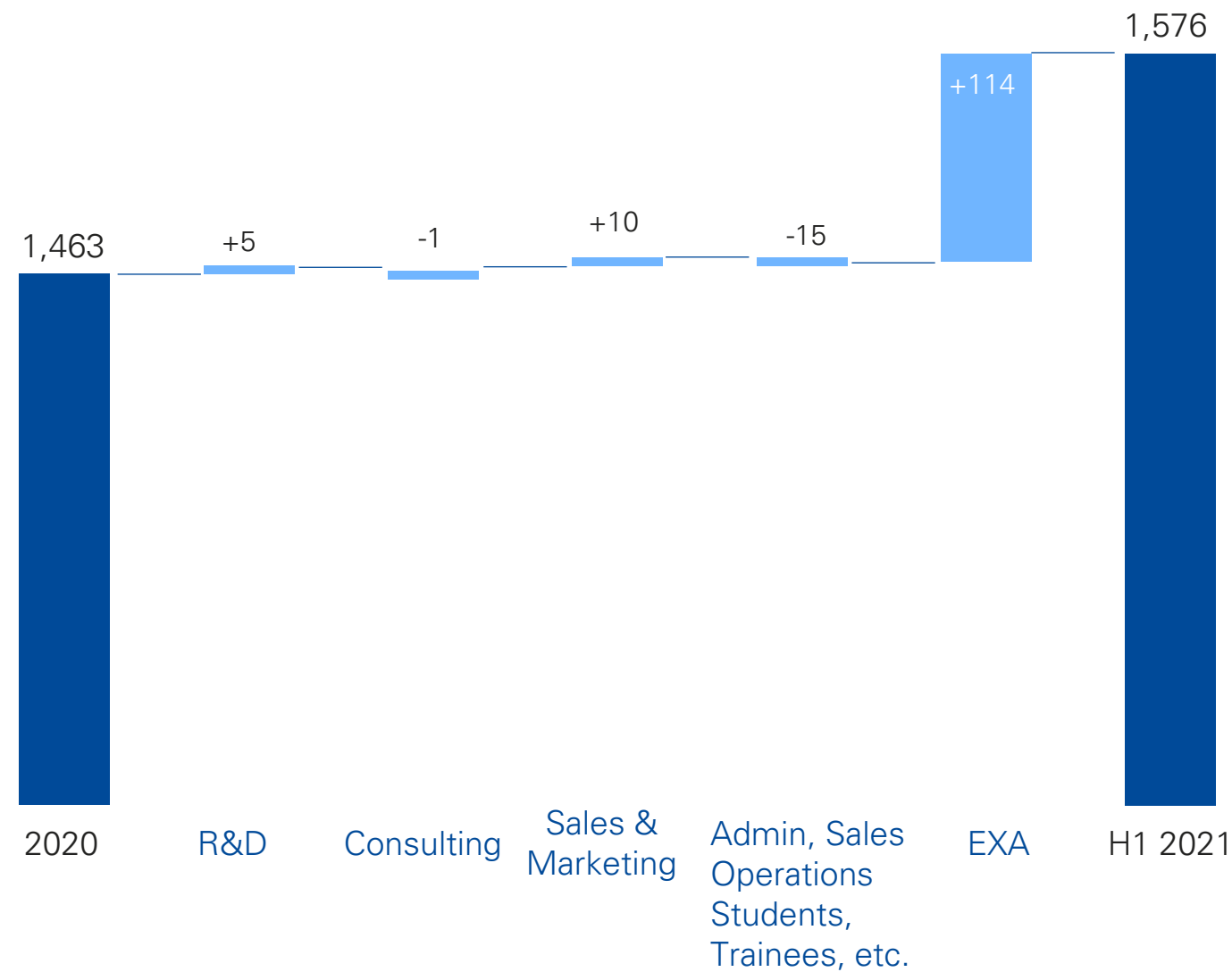
(as of June 30th)



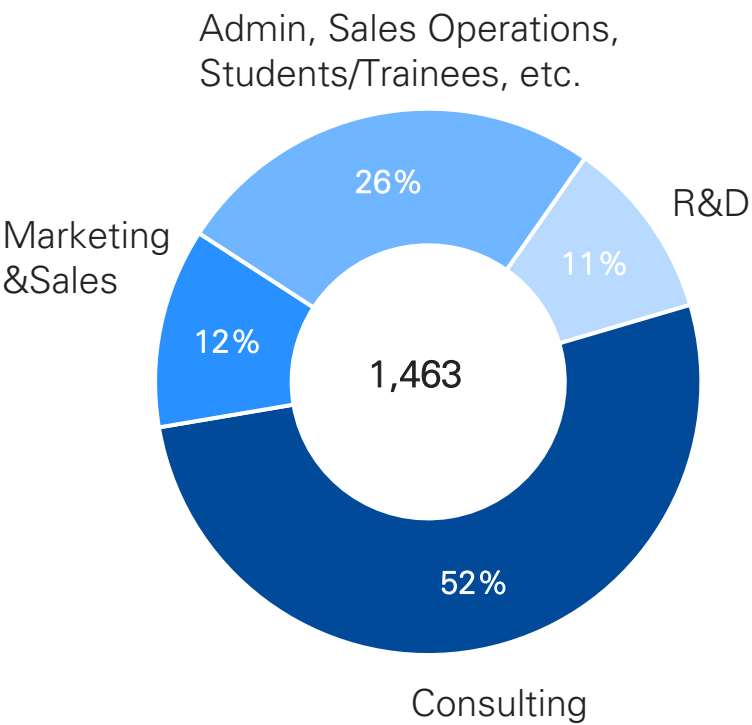
Comments

- > Group Pipeline for 2021 grew by 7.2% compared to last year´s level
- > Both partner channel and direct sales with increased volumes
- > Especially Europe and JAPAC show positive development
- > US market witnessing some weakness but still on a high level

Headcount Evolution H1 2021



Headcount split by function 2020



AGENDA

OVERVIEW

FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS



Income Statement Q2 / H1 2021

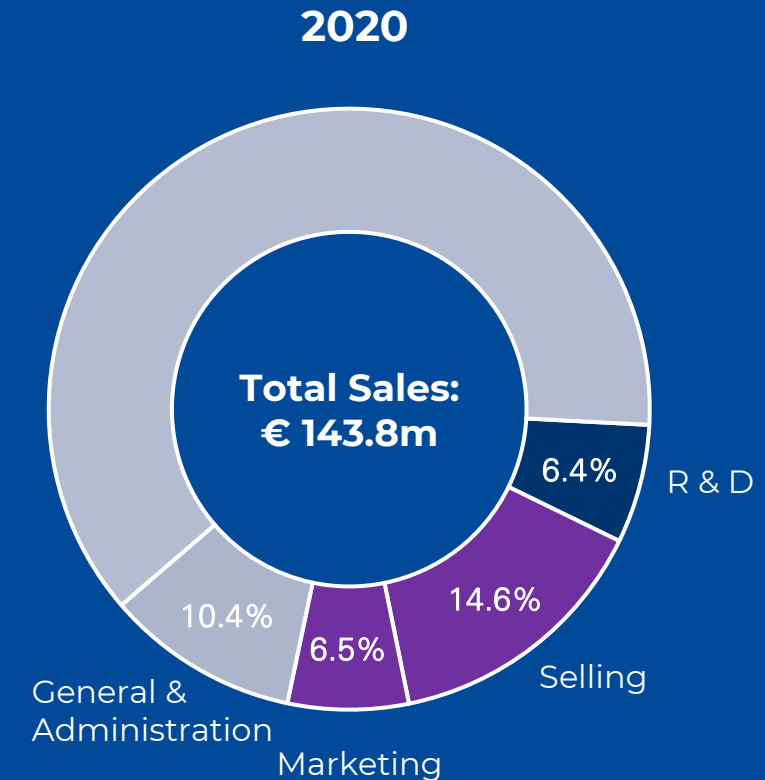
(in €m)	Q2 2021	Q2 2020	Δ (abs.)	H1 2021	H1 2020	Δ (abs.)
Revenue	42.6	34.3	+8.3	75.7	68.7	+7.0
Gross profit	36.0	29.9	+6.1	63.8	59.7	+4.1
Personal expenses	-26.6	-23.5	-3.1	-52.0	-48.4	-3.6
Other income/expenses	-5.5	-5.0	-0.5	-8.7	-11.8	+3.1
EBITDA	3.8	1.2	+2.6	2.9	-0.8	+3.7
EBIT	1.7	-0.8	+2.5	-1.1	-4.7	+3.6
EBT	1.3	-1.2	+2.5	-1.9	-5.4	+3.5
Net income	0.4	-0.9	+1.3	-2.1	-4.2	+2.1
Gross profit margin	84.5%	87.2%	-2.7pp	84.3%	86.9%	-2.6pp
EBITDA margin	8.9%	3.5%	+5.4pp	3.8%	-1.2%	+5.0pp
EBIT margin	4.0%	-2.3%	+6.3pp	-1.5%	-6.8%	+5.4pp

Comments

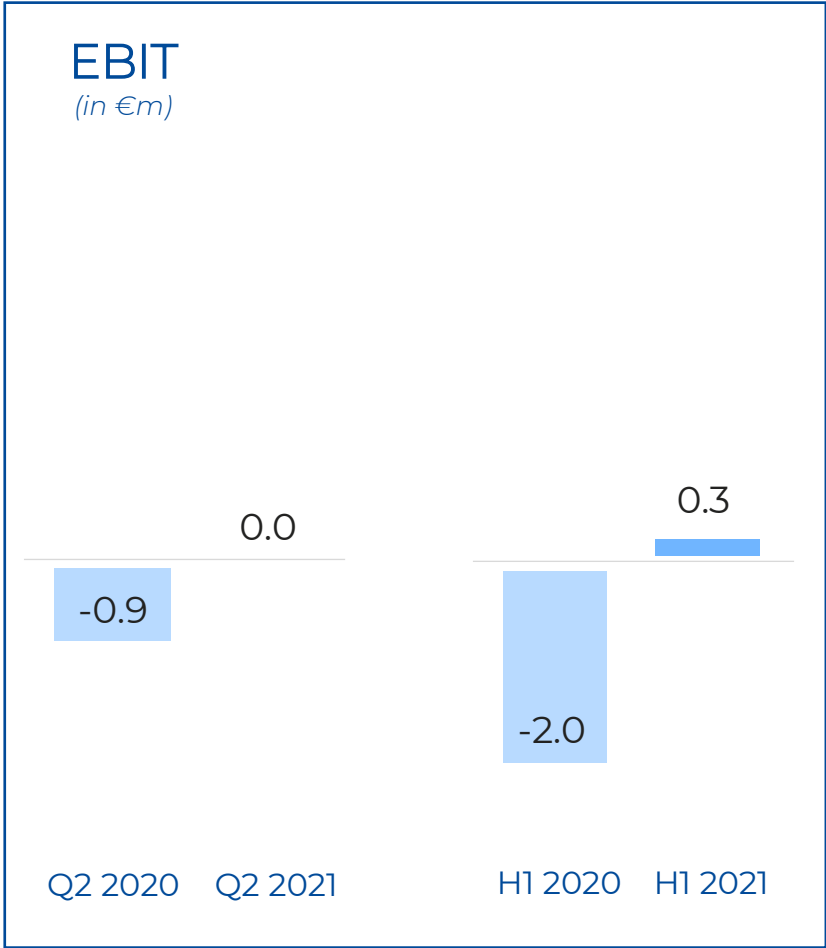
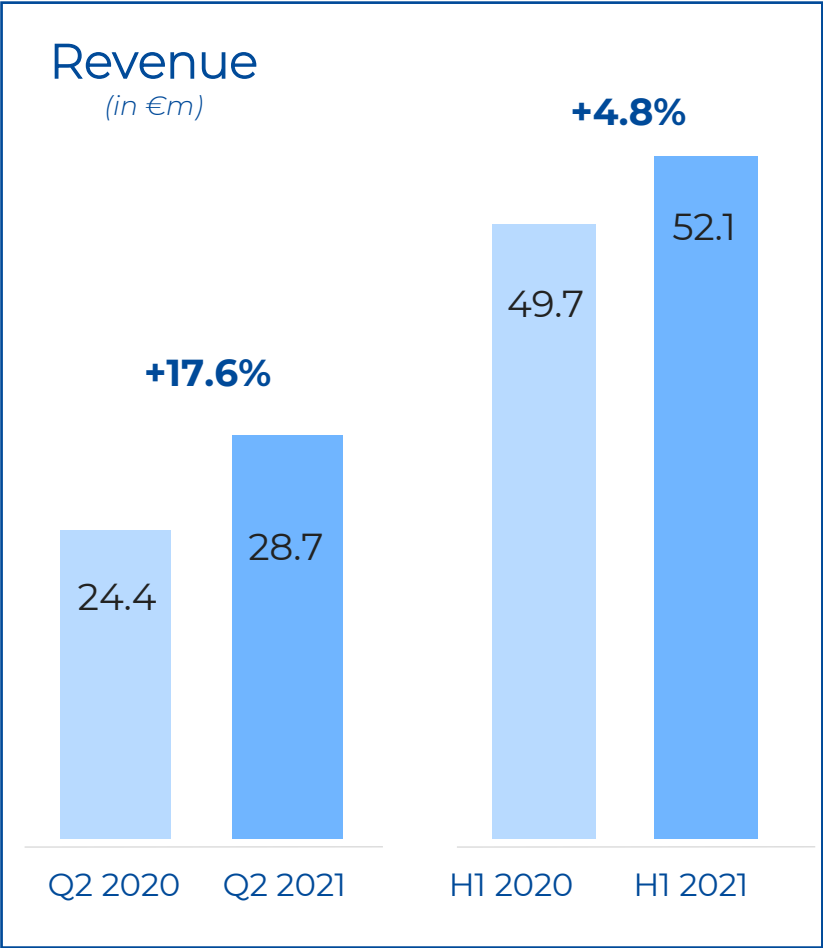
- > Revenue both in H1 and Q2 2021 above last year`s level
- > Increase of personal expenses related to the acquisition of EXA AG
- > Operating results all with large improvements
- > Net income positive in Q2 2021
- > Operating margins improved significantly as a result of continued cost discipline

Cost ratios Q2 / H1 2021

(In €m)	Q2 2021	Q2 2020	H1 2021	H1 2020
Revenue	42.6	34.3	75.7	68.7
Research & Development	2.2	2.3	4.7	5.0
Selling	5.4	5.0	10.7	10.0
Marketing	1.9	2.2	3.8	4.8
General & Administration	3.6	4.1	5.6	7.5
EBITDA	3.8	1.2	2.9	-0.8
EBITDA margin	8.9%	3.5%	3.8%	-1.2%



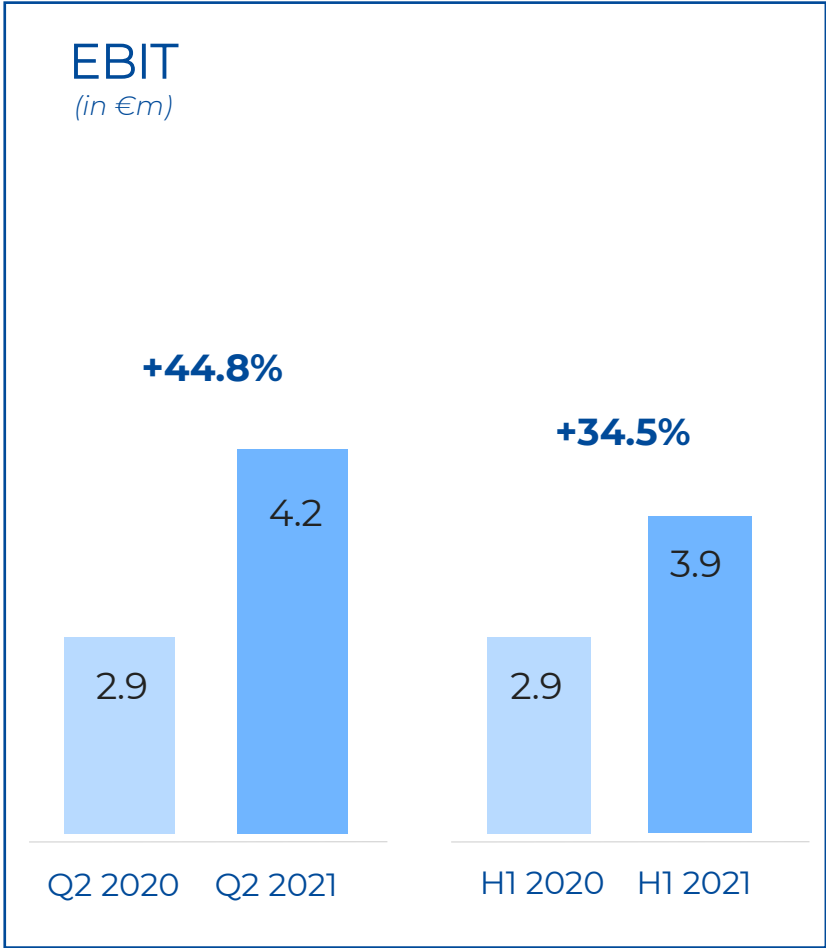
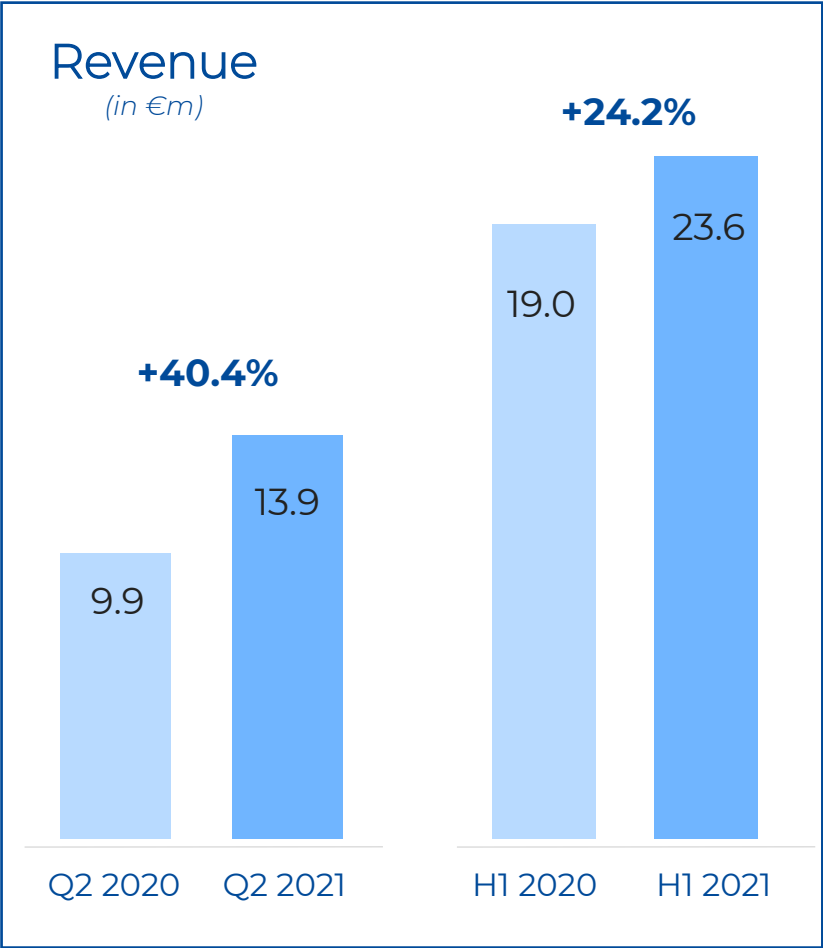
Segment Service – Revenue and EBIT Q2 / H1 2021



Comments

- > After a slow start to the year service segment improved topline
- > In Q2 increase is partially attributable to the acquisition of EXA AG (Q2 2021: € +2.5m)
- > Operating profit with positive development despite some PPA effects holding back full benefit of EXA acquisition (PPA: € -0.7m)

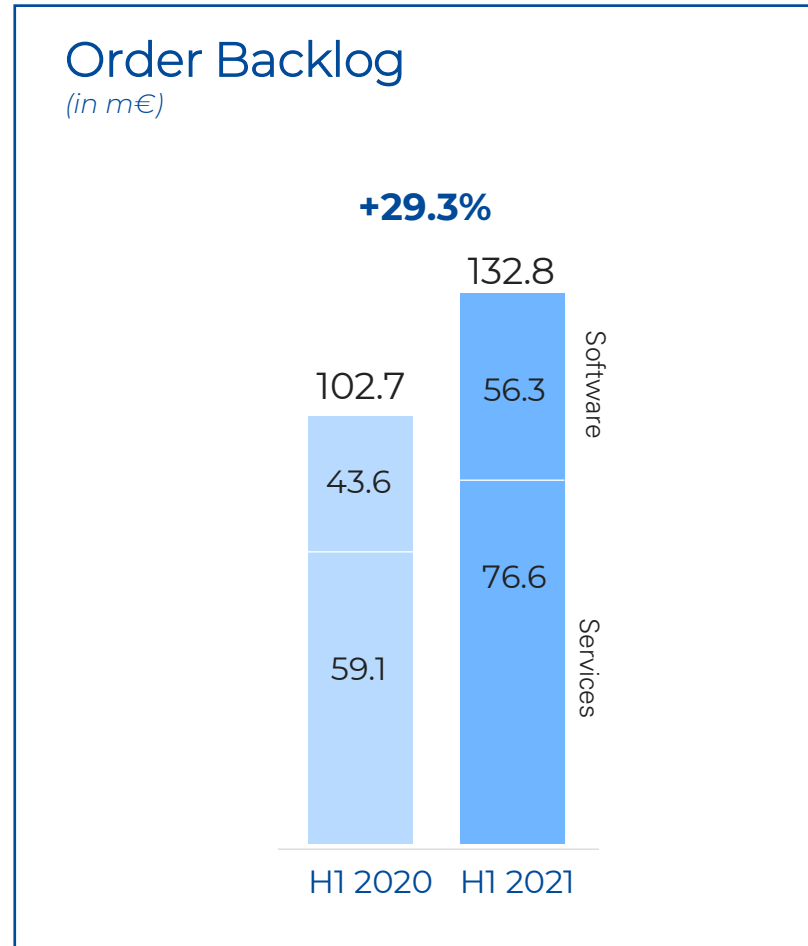
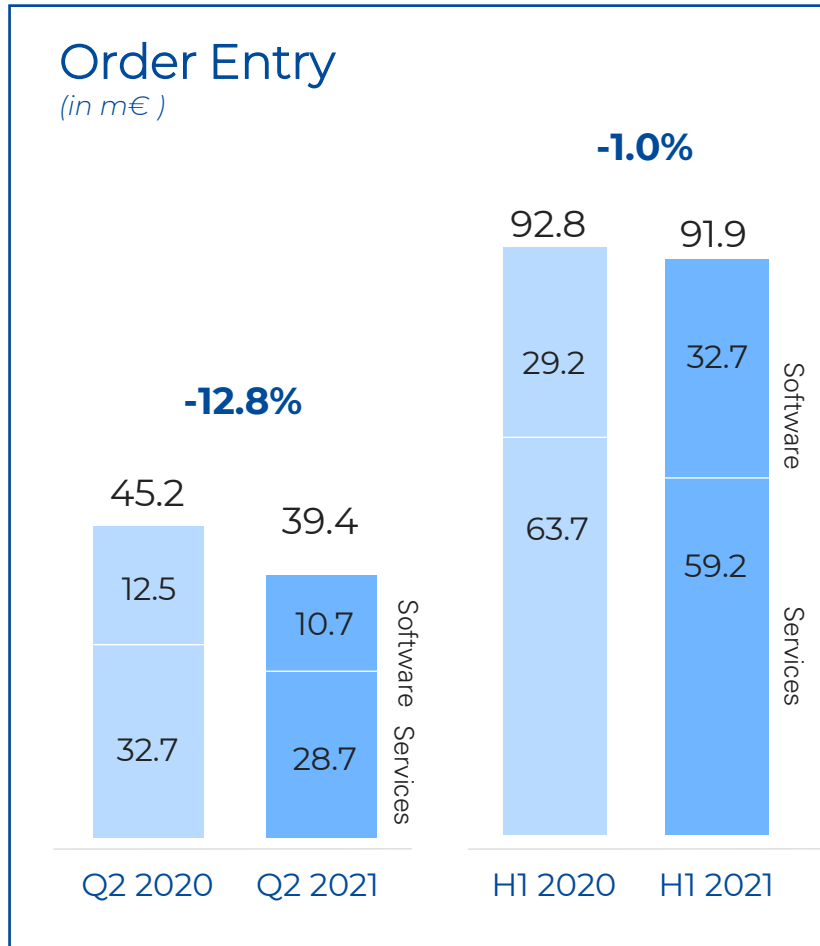
Segment Software – Revenue and EBIT Q2 / H1 2021



Comments

- > All KPIs in the software segment grew double digit
- > Very positive momentum in Q2 especially with contract enlargement of All for One SE
- > Operating margins slightly improved as a result of higher topline

Order Entry Q2 / H1 2021 and Order Backlog

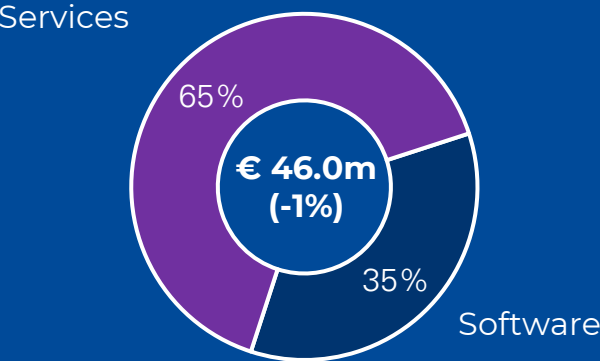


Comments

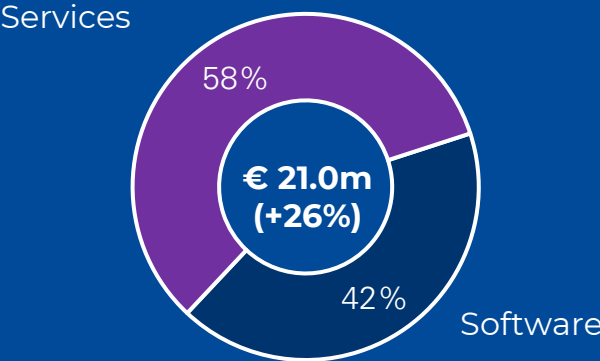
- > Order entry down slightly H1/H1 with some weakness in the US and UKI but positive performance in EEMEA and JAPAC
- > Service segment with a decreasing order entry as large corporations are still hesitant to start S/4HANA transformations
- > Order Backlog up some 30% giving a good starting point for accelerated growth in H2 2021

Order Entry by region H1 2021

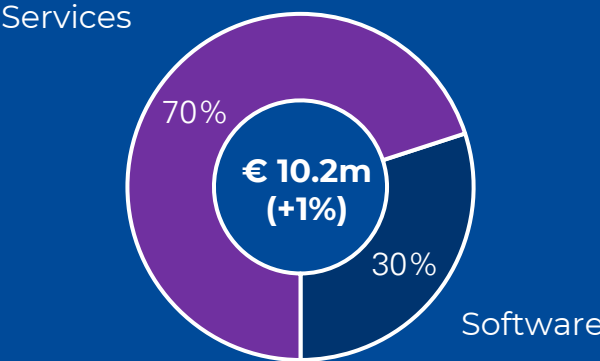
CEU*



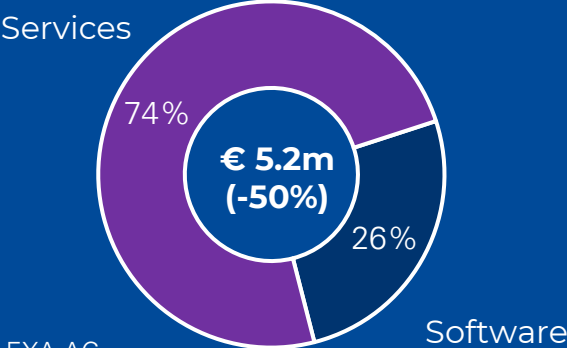
EEMEA



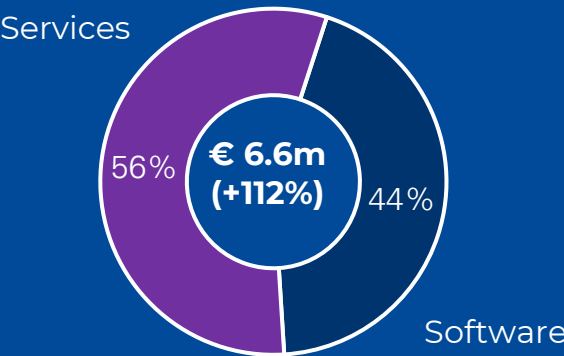
LATAM



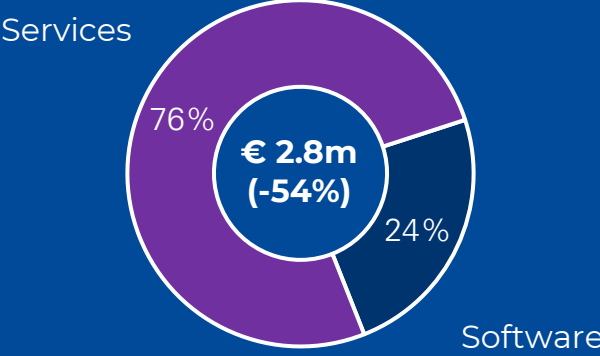
USA*



JAPAC*



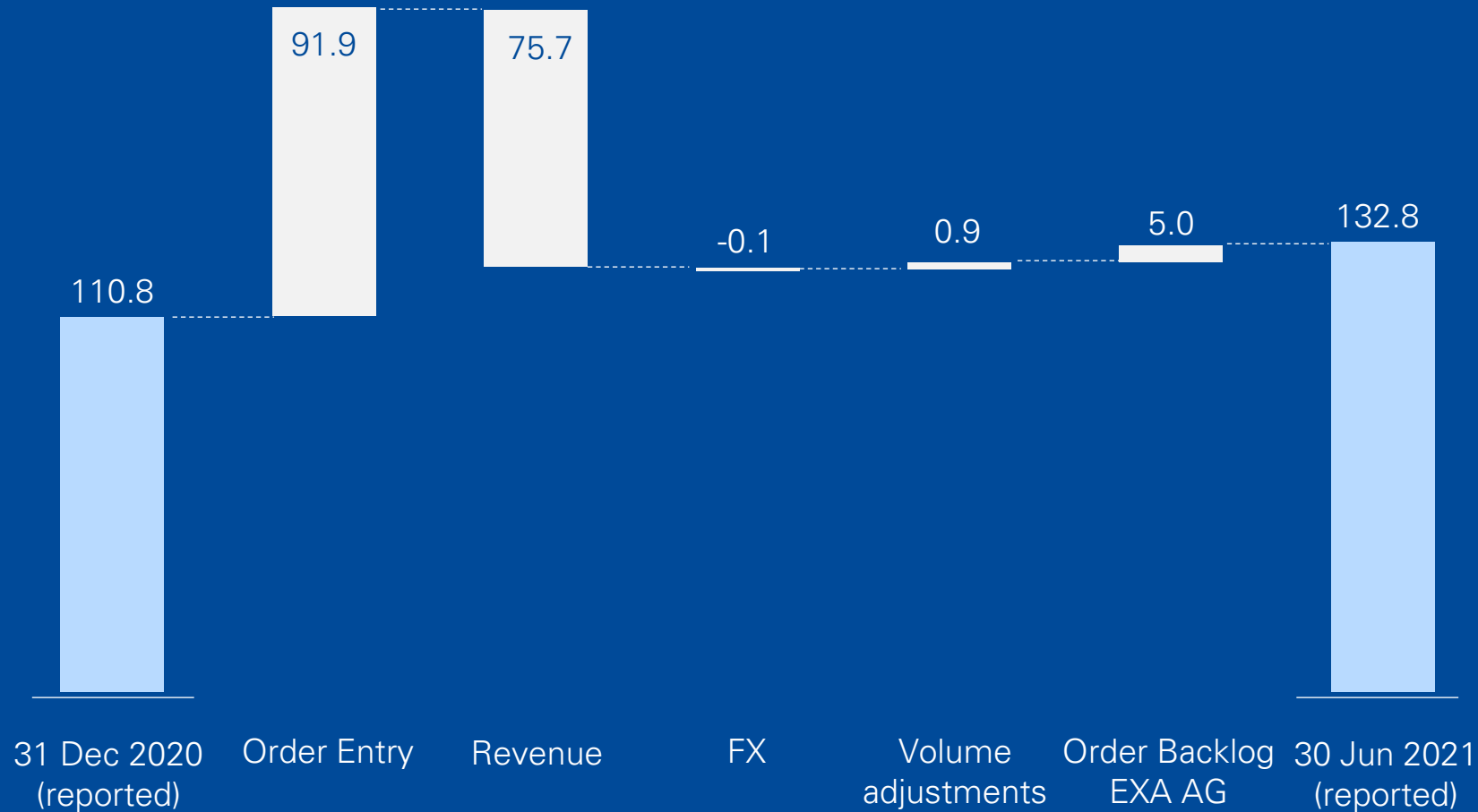
UKI



* incl. EXA AG

Reconciliation Order Backlog H1 2021

(in €m)



Comments

- > Small negative currency effects related to LATAM region
- > Slightly positive effect from volume adjustments
- > Order backlog contributions from EXA AG gave some tailwind to overall backlog development
- > Order Entry includes € 3.0m from EXA AG

Balance sheet structure I/II

Assets (in €m)	30/06/2021	31/12/2020
Cash, cash equivalents and other financial assets	42.5	46.3
Receivables	25.2	25.6
Contract assets	27.7	19.7
Assets held for sale	29.5	31.4
Other currents assets	4.1	2.9
Total current assets	129.0	126.0
Goodwill	46.0	33.6
Intangible Assets	14.9	5.4
Rights of use	16.1	17.5
Contract assets	13.8	12.6
Other non-current assets	13.5	11.6
Total non-currents assets	104.3	80.7
Total assets	233.3	206.7

Comments

- > Liquidity remains on a high level but will decrease 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 13% with the majority coming from goodwill and intangible assets as a result of EXA acquisition
- > Assets held for sale are related to Polish subsidiary (closing expected in Q3 2021)

Balance sheet structure II/II

Equity & Liabilities (in €m)	30/06/2021	31/12/2020
Payables	4.9	4.6
Contract liabilities	8.5	6.2
Current financial liabilities	33.9	12.8
Other non-financial liabilities	17.0	18.2
Liabilities held for sale	7.9	8.8
Other current liabilities	2.5	3.4
Total current liabilities	74.6	54.0
Non-current financial liabilities	65.0	59.5
Pensions	3.2	2.8
Other non-current liabilities	4.8	2.7
Total non-current liabilities	73.0	65.0
Equity	85.7	87.7
Total Equity & Liabilities	233.3	206.7

Comments

- > Current financial liabilities increased due to an additional credit facility arranged with EIB (European Investment Bank) in the amount of € 20m
- > Non-current financial liabilities went up as a result of first-time EXA consolidation
- > Equity ratio went down to 36.7% (from 42.4% end of 2020) as with EXA total equity & liabilities increased by 16%

Cash flow Statement Q2 / H1 2021

(in €m)	Q2 2021	Q2 2020	Δ (abs.)	H1 2021	H1 2020	Δ (abs.)
Net income	0.4	-0.8	+1.8	-2.1	-4.2	+2.7
Depreciation	2.2	2.1	+0.1	4.0	3.9	+0.1
Change in W/C	-12.4	-3.0	-9.4	-8.2	-0.6	-7.6
Change in other items	-0.1	3.6	-4.3	-6.6	-0.9	-6.3
Operating Cash flow	-9.9	1.9	-11.8	-12.9	-1.8	-11.1
Investing Cash flow	-2.6	-0.3	-2.3	-4.7	-2.1	-2.6
Repayment of lease liabilities	-1.1	-1.0	-0.1	-2.1	-3.2	+1.1
Free cash flow	-13.6	0.6	-14.2	-19.7	-7.1	-12.6
W/C ratio (LTM)	-	-		23.2%	13.4%	

Comments

- > Additional software commitments from partner business lead to an increase in working capital especially in Q2 2021
- > Operating cash flow therefore negative
- > Cash out from investing activities related to acquisition of EXA
- > With additional upfront commitments in the software area W/C ratio increased

AGENDA

OVERVIEW









FINANCIALS

OUTLOOK

QUESTIONS & ANSWERS



Original Outlook 2021 confirmed und updated

	2021 Outlook (original)	2021 Outlook (update)
Group Revenue	€ 160m – 180m	€ 170m – 190m
Software Revenue		
Service Revenue		
Group EBIT margin	5% – 8%	5% – 8%
EBITDA (NEW)	€ 16m – 22m	€ 18m – 24m
Group EBIT		
Group Order Entry		

Comments

- > Original Outlook unchanged and confirmed
- > Update now includes M&A activities which were excluded originally (EXA AG, Datavard AG, divestiture Polish subsidiary)
- > Guided EBIT margin unchanged for the time being as effects from PPA are not visible enough
- > Additional guidance on EBITDA to fully show the effects from M&A

Financial Calendar 2021

Apr 21, 2021

Publication of the Annual Report 2020

Apr 29, 2021

Publication of the Interim Statement Q1 2021

Jun 17, 2021

Annual General Meeting 2021

Aug 10, 2021

Publication of the Half-Year Financial Report 2021

Oct 28, 2021

Publication of the Interim Statement Q3 2021

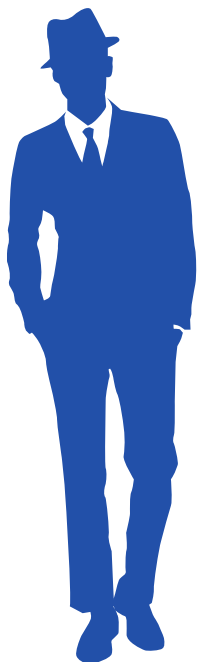
WE ARE HAPPY TO TAKE
YOUR QUESTIONS!



Thank you for your time

SNP Schneider-Neureither & Partner SE

Speyerer Str. 4
69121 Heidelberg
Germany



Christoph Marx, Global Head of IR
+49 6221 64 25 – 172

Marcel Wiskow, Director IR
+49 6221 64 25 – 637

Investor.relations@snpgroup.com