

# ELEVATE DIGITAL TRANSFORMATION

Analyst & Investor Call  
Q3 / 9M 2022 Results

SNP | The Data Transformation Company



# AGENDA

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# 9M 2022 – Key figures

Group Revenue: € 124.9m

**+3%**

*(Like-for-like: +9%)*

Partner Revenue: € 35.2m

**+56%**

Order Entry: € 122.7m

**-7%**

*(Like-for-like: +7%)*

Service Revenue (incl. EXA): € 88.0m

**+4%**

Software Revenue (incl. EXA): € 37.0m

**+1%**

*(Considering upfront licensing revenue of appr. € 4m in 9M '21: +12%)*

EBIT: € 1.9m

**+0.1m**

*(Like-for-like: +0.5m)*

\* As pro forma key figures, the like-for-like key figures for the first nine month of 2021 differ from the key figures due to the addition of the key figures for Datavard and EXA in the first nine month of 2021 (EXA prior to their acquisition date of March 1, 2021) and the elimination of the key figures for SNP Poland in the first nine month of 2021.

# 9M 2022 – Highlights

Portfolio (1): New generation of CrystalBridge software platform launched – product portfolio strengthened in data analytics, cloud integration and connectivity, and data management.

Portfolio (2): Strong uptake on our data integration & innovation engine SNP GLUE with 12 platform deals in Q3 2022

Seven Major Orders in Q3 2022 – each with a volume of at least € 1.0m; e.g. a leading global supplier of industrial gases, the world's largest tool manufacturer, and the world's largest food company.

Datavard integration completed.

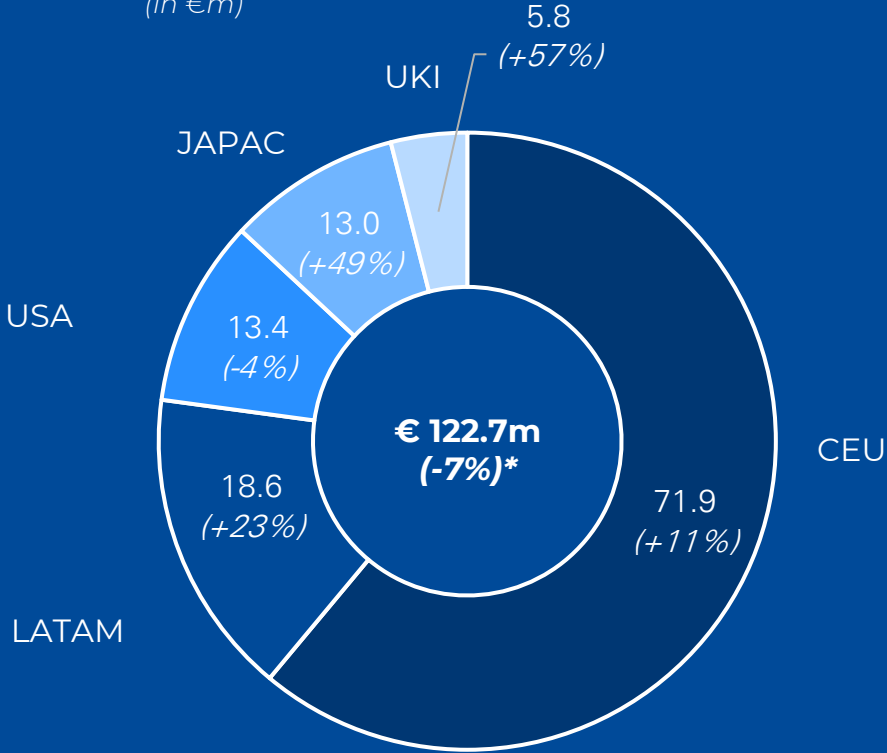
Significant increase in revenue and order entry via partners

Strong development of operational results: All quarters in 2022 with positive EBIT results

# Order Entry and Revenue by Region 9M 2022 – Book-to-bill: 0.98

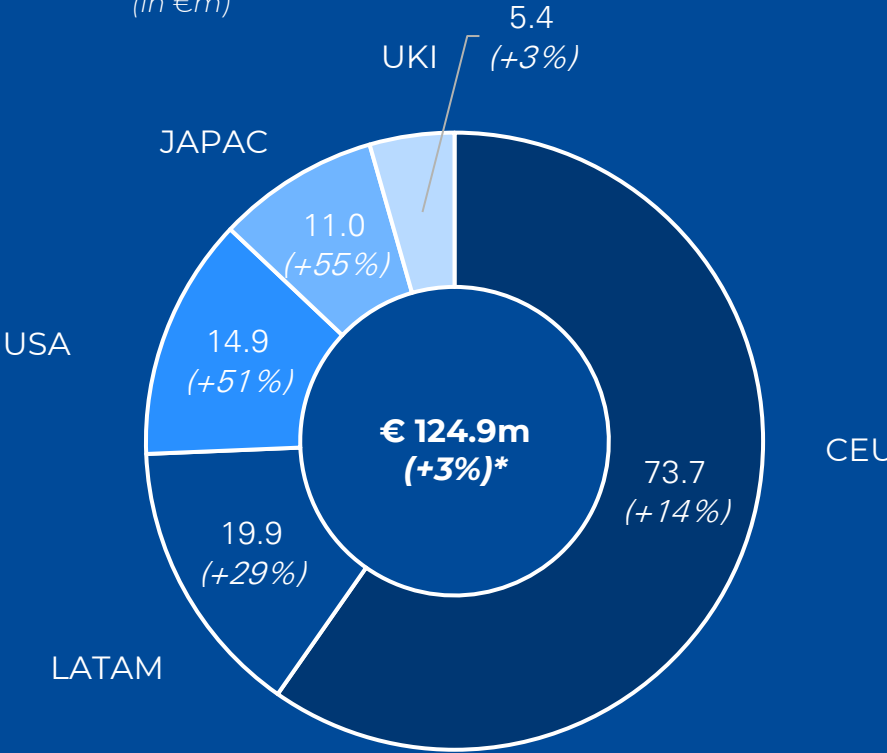
## Order Entry

(in €m)



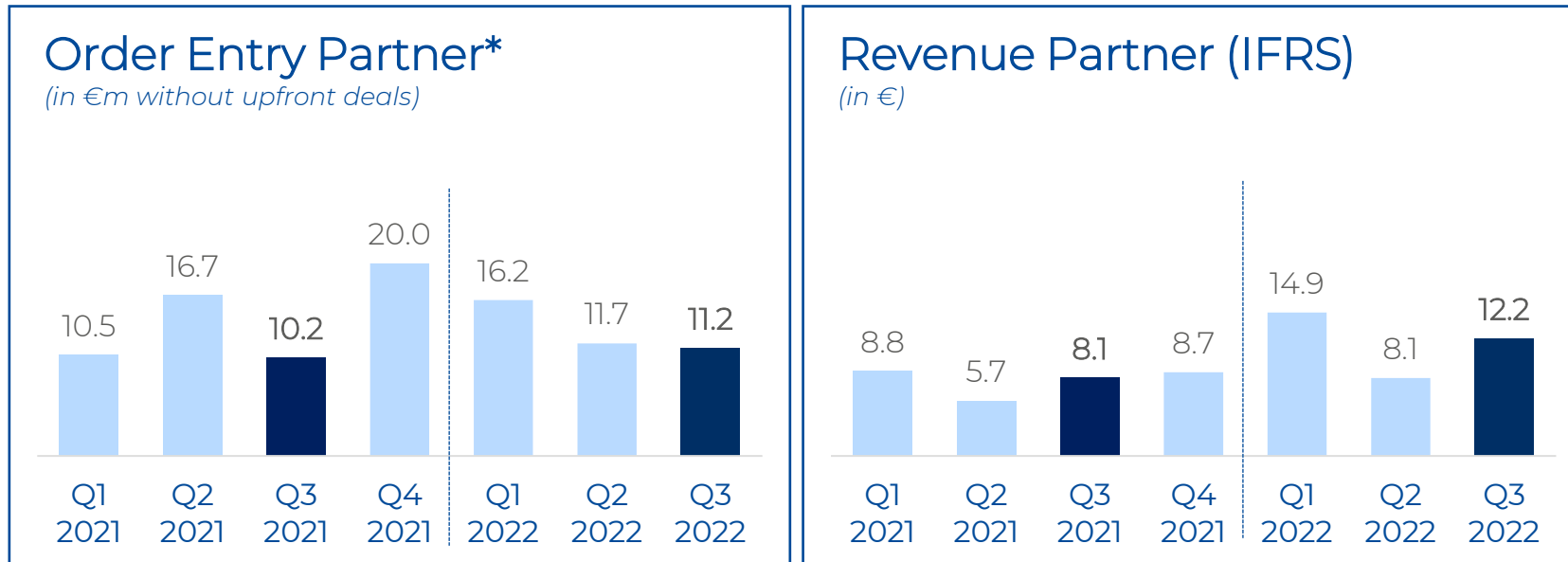
## Revenue

(in €m)



\* Following the sale of 51% of the shares in SNP Poland as of October 1, 2021, the EEMEA region is no longer included in the reporting; Contribution to order entry in 9M 2021: € 25.4m, to revenue in 9M 2021: € 19.5m.

# Strong Development Partner Business

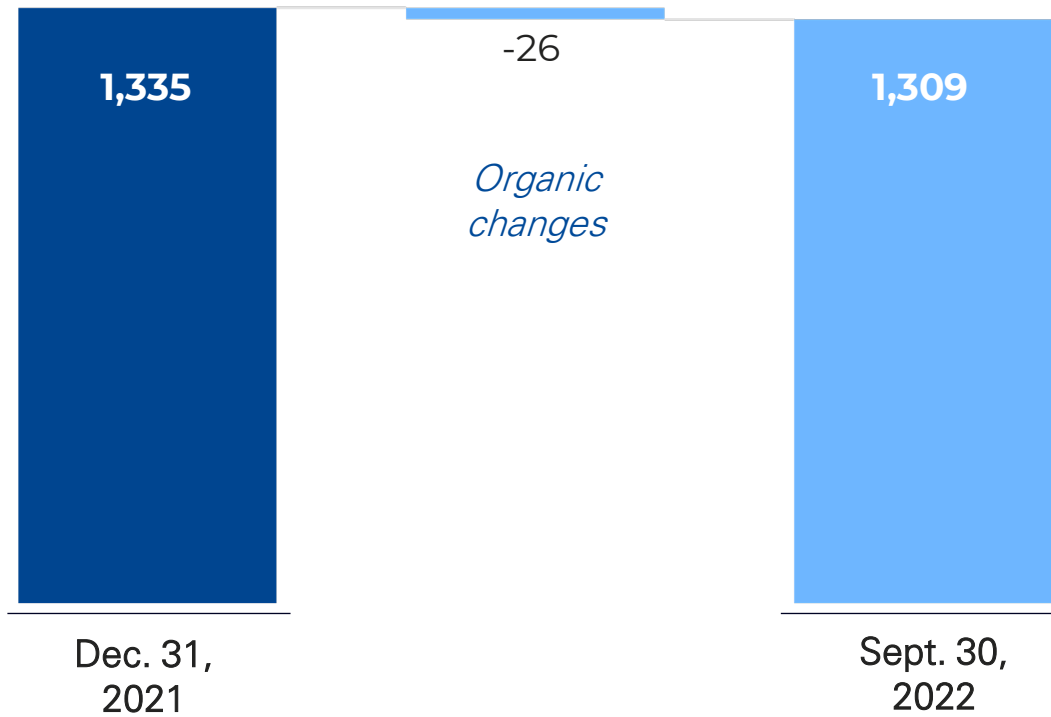


- > Strategic partnerships with 13 of the world's 20 largest IT consulting companies.
- > SNP and EY Chile Enter into Strategic Partnership
- > Of projects that started in Q3:
  - > 10 of 18 carve outs are via partners
  - > 16 of 30 S/4 deals are via partners
- > First project of Accenture & SNP joint Data Transformation Factory gone live successfully.
- > Over 1,300 partner consultants trained.
- > Cross enablement of Datavard & SNP partners.

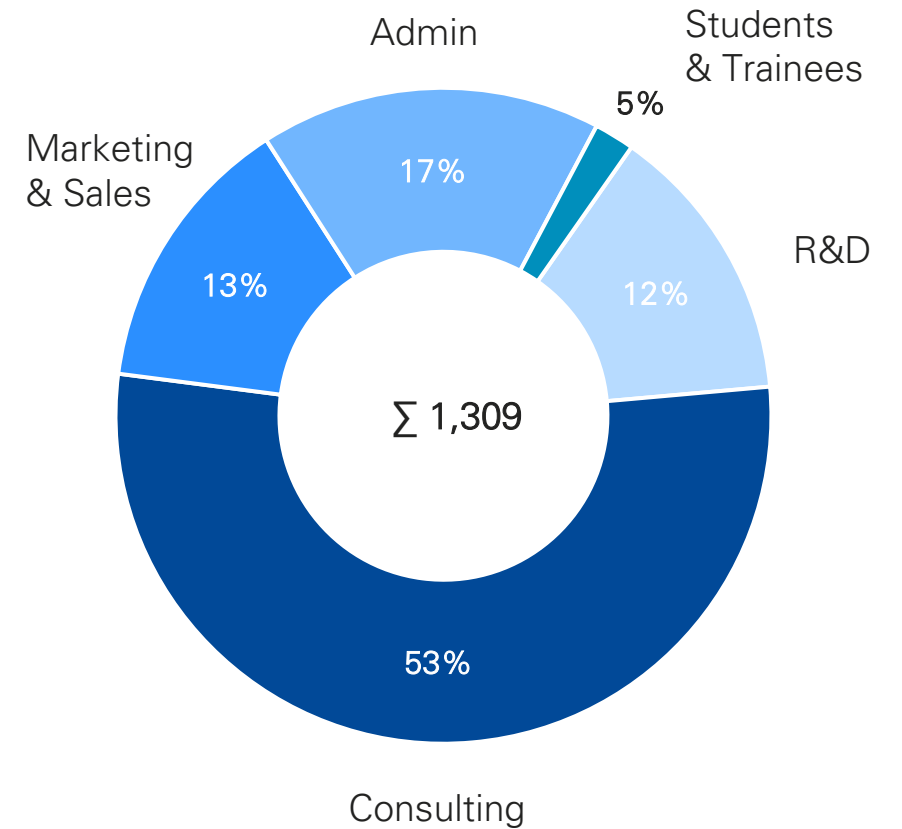
\* Adjusted values compared to the presentation version used in the call on October 27, 2022.

# Headcount

## Headcount evolution



## Headcount split by function 9M 2022





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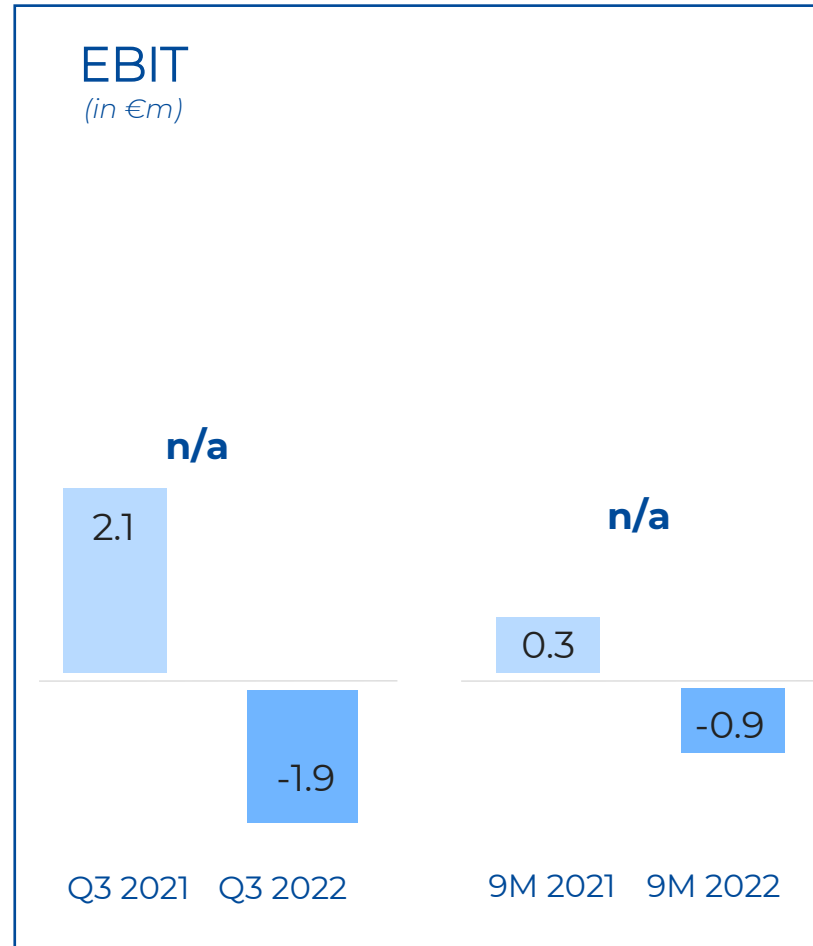
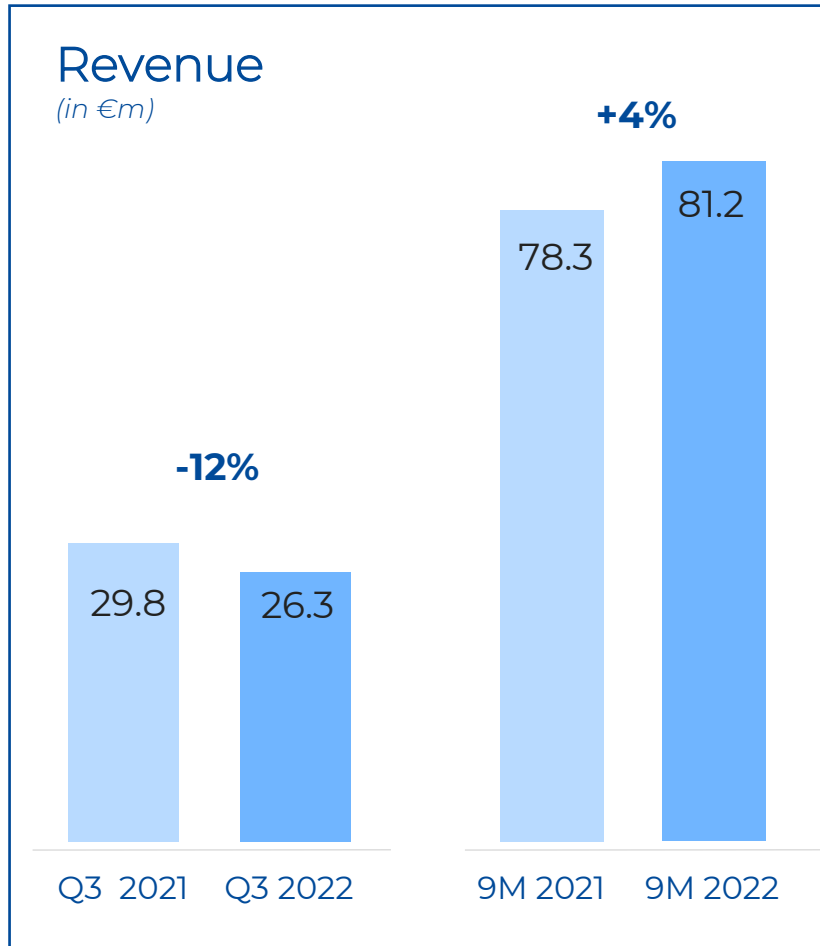
# Income Statement Q3 / 9M 2022

(in €m)	<b>Q3 2022</b>	Q3 2021	$\Delta$ (abs.)	<b>9M 2022</b>	9M 2021	$\Delta$ (abs.)
Revenue	<b>41.6</b>	46.0	-4.4	<b>124.9</b>	121.7	+3.2
Gross profit	<b>35.5</b>	38.6	-3.1	<b>108.1</b>	102.4	+5.7
Personal expenses	<b>-27.9</b>	-27.7	-0.2	<b>-82.3</b>	-79.8	-2.5
Other income/expenses	<b>-4.8</b>	-5.3	+0.5	<b>-15.6</b>	-13.9	-1.7
EBITDA	<b>2.7</b>	5.5	-2.8	<b>9.9</b>	8.4	+1.5
EBIT	<b>0.1</b>	2.9	-2.8	<b>1.9</b>	1.8	0.1
EBT	<b>-0.4</b>	2.4	-2.8	<b>-0.2</b>	0.5	-0.7
Net income	<b>-0.2</b>	1.5	-1.7	<b>-0.1</b>	-0.6	+0.5
Gross profit margin	<b>85.3%</b>	83.9%	+1.4pp	<b>86.5%</b>	84.1%	+2.4pp
EBITDA margin	<b>6.6%</b>	11.9%	-5.3pp	<b>7.9%</b>	6.9%	+1.0pp
EBIT margin	<b>0.2%</b>	6.3%	-6.1pp	<b>1.5%</b>	1.5%	0.0pp

## Comments

- > Group revenue slightly increased by 3% mainly driven by growing service sales due to higher utilization.
- > Declined Q3 revenue primarily due to the sale of the majority shareholding in SNP Poland in October 2021 (Q3 '21: € 6.6m).
- > Improved product mix results in increased gross margin.
- > Higher personal expenses due to compensation payments and general salary adjustments.
- > Positive FX effects of € 4.0m mainly by strong dollar (9M/9M); . € 1.6m (Q3/Q3)

# Segment Service\* – Revenue & EBIT Q3 / 9M 2022

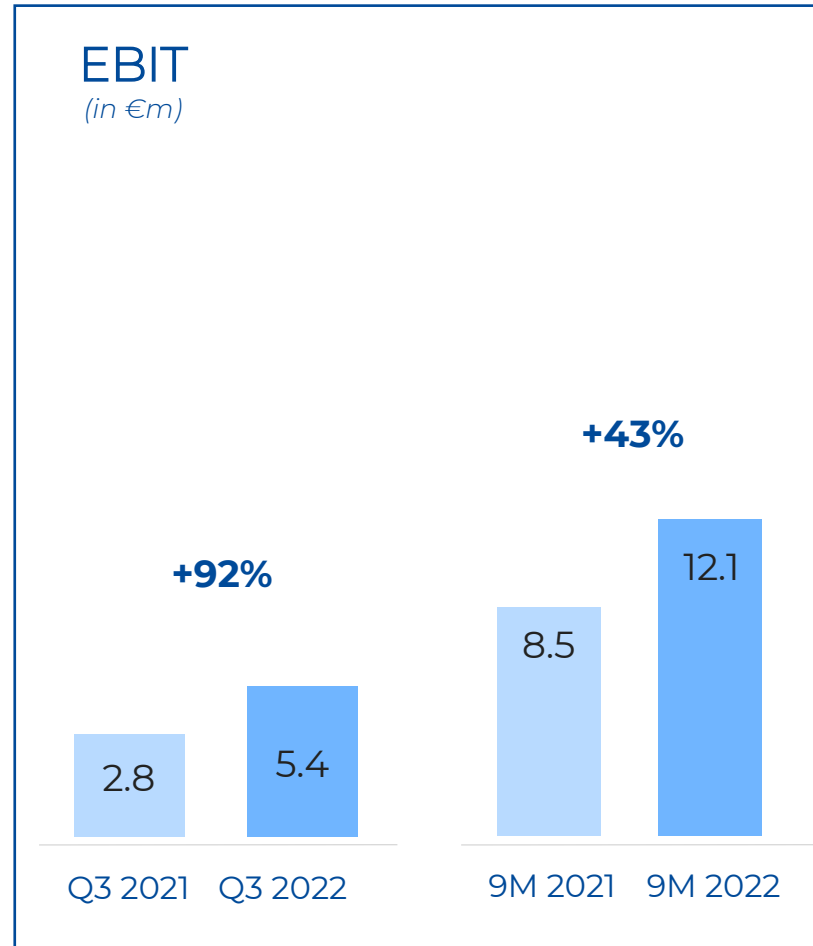
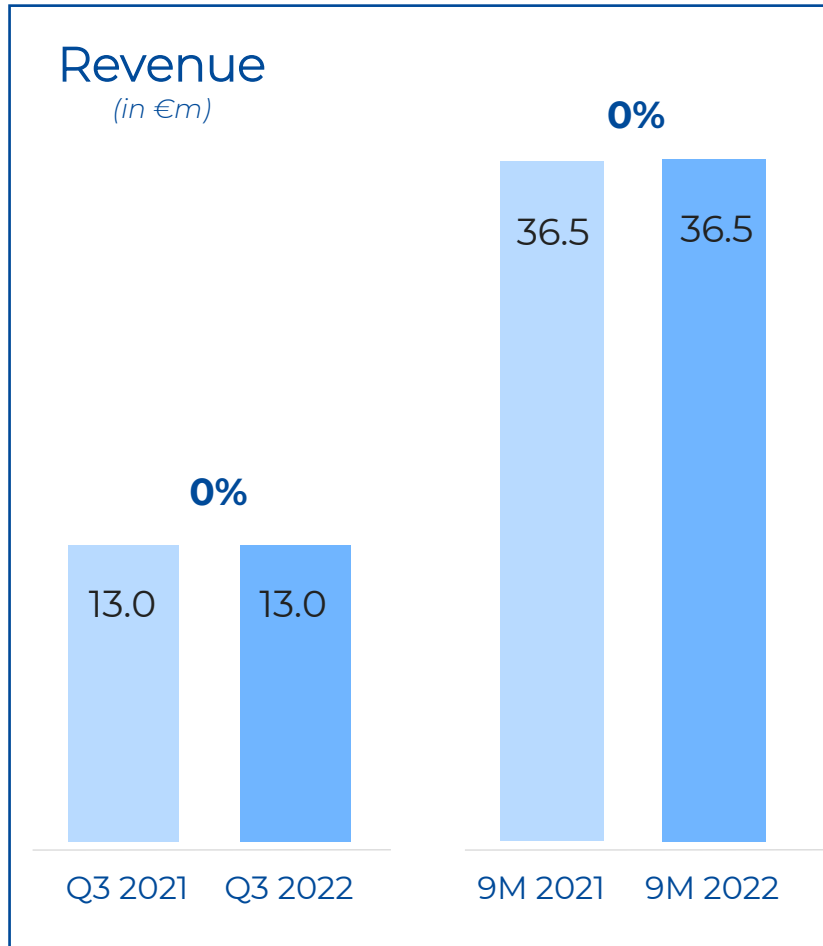


## Comments

- > Service segment with steady topline through growth compensation by regions LATAM, USA and JAPAC.
- > With the Service revenues below last years´ level group revenue down Q3/Q3
- > Negative earnings development due to growth in turnover lagging behind cost increase (personal expenses)

\* Without EXA.

# Segment Software\* – Revenue & EBIT Q3 / 9M 2022

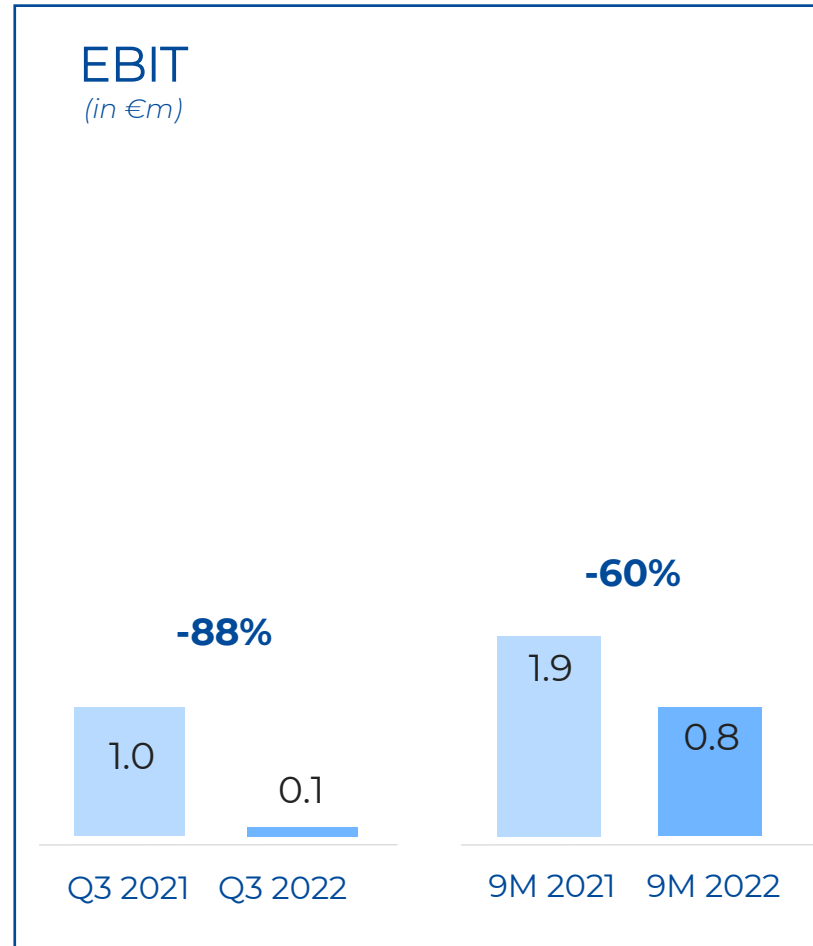
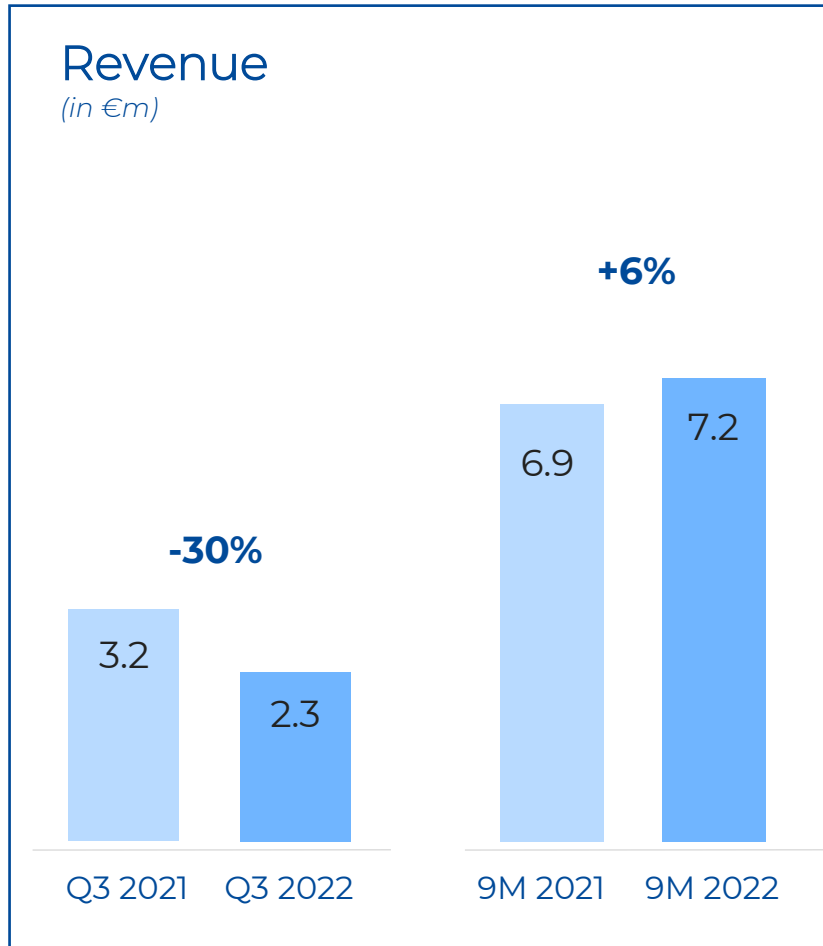


## Comments

- > Software segment revenue at previous year's level with improved operating margins (33.2% to 23.2% 9M/9M).
- > Increased sales of software licences and reduced reseller business contributed to margin improvement

\* Without EXA.

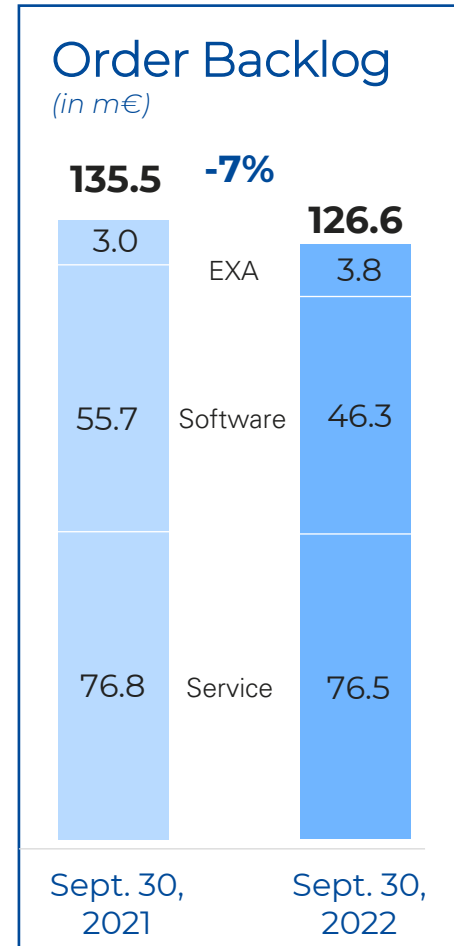
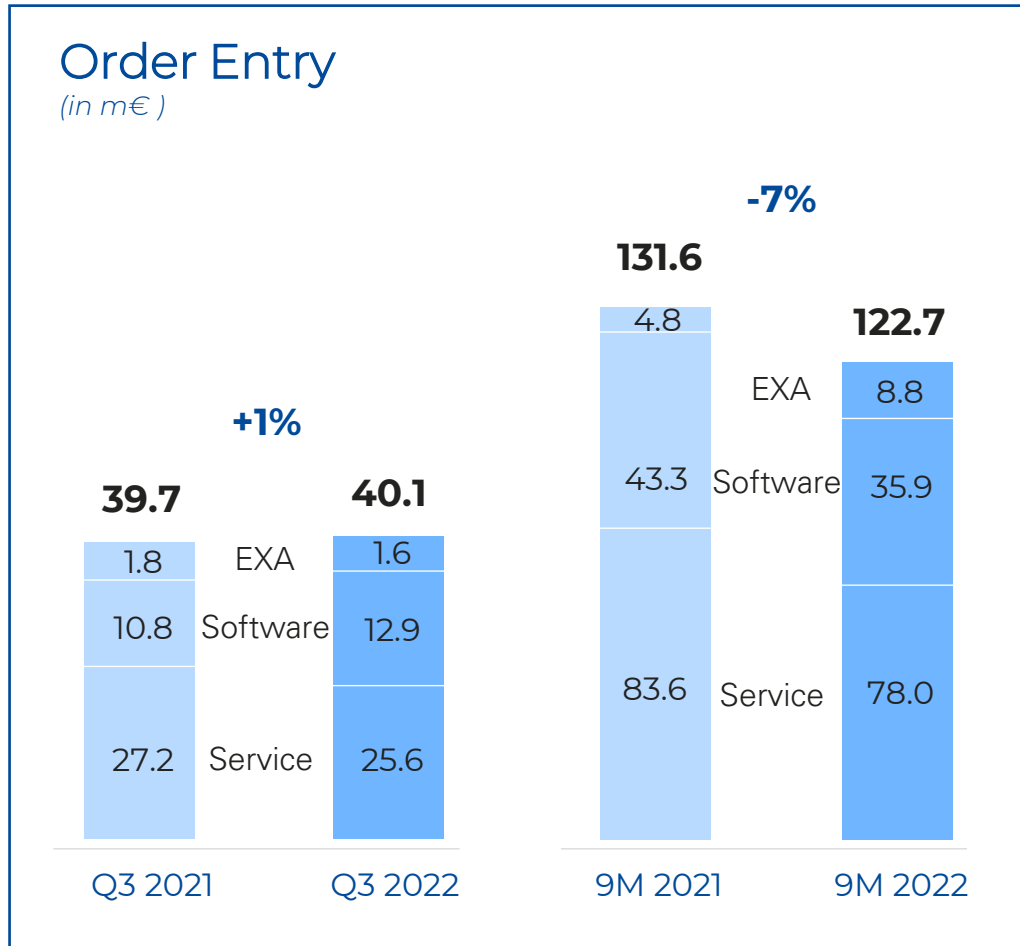
# Segment EXA – Revenue & EBIT Q3 / 9M 2022



## Comments

- > EXA was consolidated for the first time in March 2021.
- > Q3-on-Q3 revenue down as a result of delayed project activities.

# Order Entry Q3 / 9M 2022 and Order Backlog

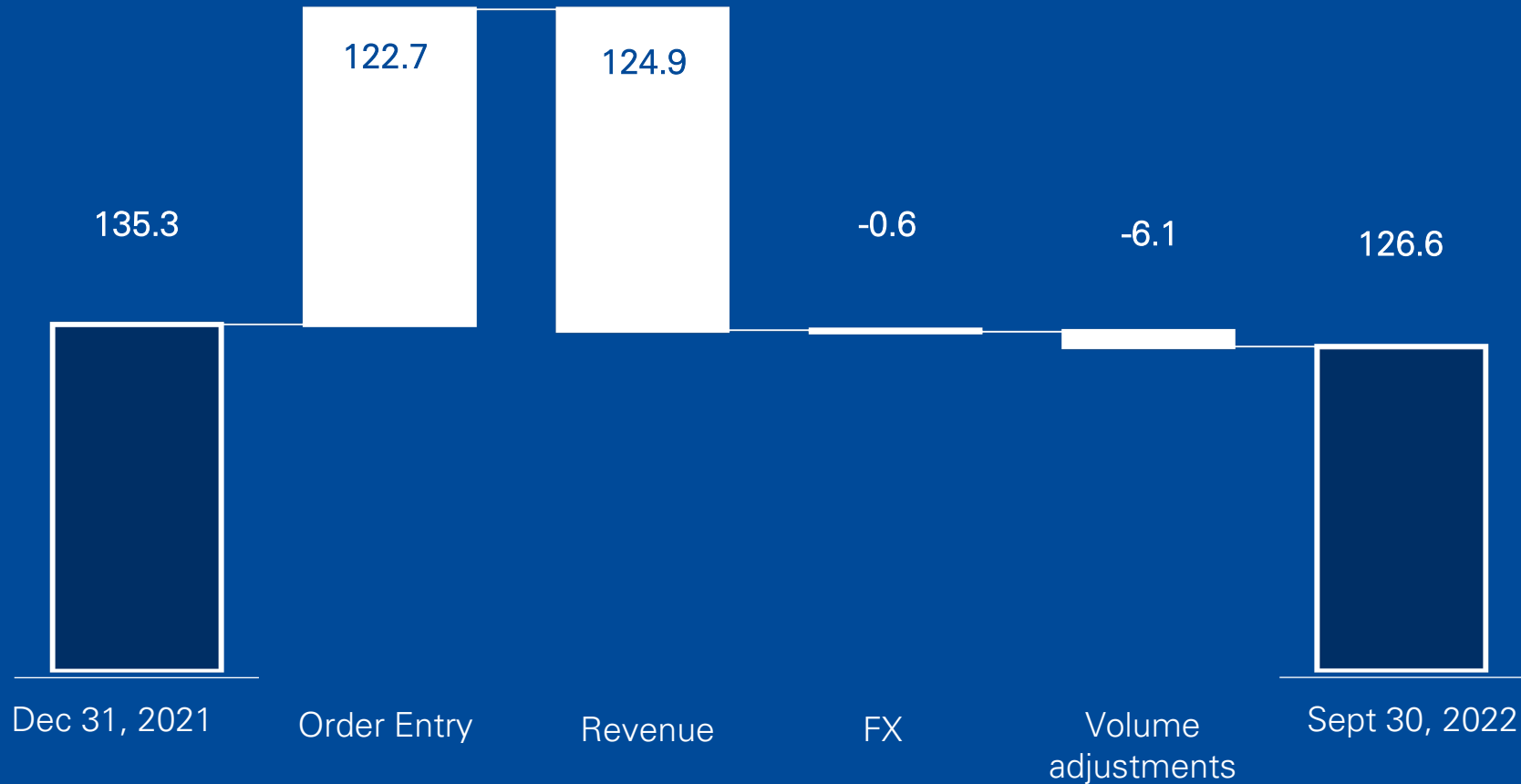


## Comments

- > Despite difficult economic environment stable Q3 order entry
- > Explanations for declined order entry (9M/9M):
  - (1) scope of consolidation; the like-for-like order entry volume increased by € 8.0m or 7%.
  - (2) customers switching over from a strategic, program-based contract approach and instead increasingly placing orders for individual projects.
  - (3) Lower maintenance due to the sale of the Polish subsidiary with negative effect on order entry software.
- > Order Backlog down as a result of lower order entry.

# Reconciliation Order Backlog 9M 2022

(in €m)



## Comments

- > Lower order backlog as of Sept 30, 2022, resulting mainly from Book-to-bill-Ratio slightly below 1 (0.98).
- > Negative effects from volume and currency adjustments.
- > Order Entry includes € 8.8 from EXA.

# Balance sheet structure I/II

Assets (in €m)	Sept. 30, 2022	Dec. 31, 2021
Cash, cash equivalents and other financial assets	19.6	40.3
Receivables	35.7	33.8
Contract assets	40.1	29.9
Other currents assets	5.7	6.1
<b>Total current assets</b>	<b>101.1</b>	<b>110.1</b>
Goodwill	74.5	70.4
Intangible Assets	20.1	23.3
Rights of use	15.3	16.4
Other financial assets	20.7	20.1
Contract assets	8.6	15.1
Other non-current assets	14.9	10.7
<b>Total non-currents assets</b>	<b>154.1</b>	<b>156.0</b>
<b>Total assets</b>	<b>255.2</b>	<b>266.1</b>

## Comments

- > Decreased liquidity due to purchase price payments for Datavard AG and EXA AG (totaling around € 9 m) and the increase in working capital.
- > Within the current assets item, contract assets and trade and other receivables went up.
- > Declined non-current assets mainly attributable to the decrease in non-current contract assets.



# Balance sheet structure II/II

Equity & Liabilities (in €m)	Sept. 30, 2022	Dec. 31, 2021
Payables	5.4	8.3
Contract liabilities	10.2	10.7
Current financial liabilities	12.5	41.0
Other non-financial liabilities	25.7	26.6
Other current liabilities	1.3	2.9
<b>Total current liabilities</b>	<b>55.1</b>	<b>89.5</b>
Non-current financial liabilities	86.5	63.9
Pensions	3.3	3.2
Other non-current liabilities	5.7	7.2
<b>Total non-current liabilities</b>	<b>95.5</b>	<b>74.3</b>
<b>Equity</b>	<b>104.6</b>	<b>102.2</b>
<b>Total Equity &amp; Liabilities</b>	<b>255.2</b>	<b>266.1</b>

## Comments

- > Decreased current liabilities and increased non-current liabilities.
- > Both of these changes mainly reflect the raising of a promissory note loan with an overall volume of € 32.5 m and a related reclassification of around € 26 m in financial liabilities from the current segment to the non-current segment.
- > Due to the increase in equity and the decrease in total assets equity ratio improved from 38.4% to 41.0%.

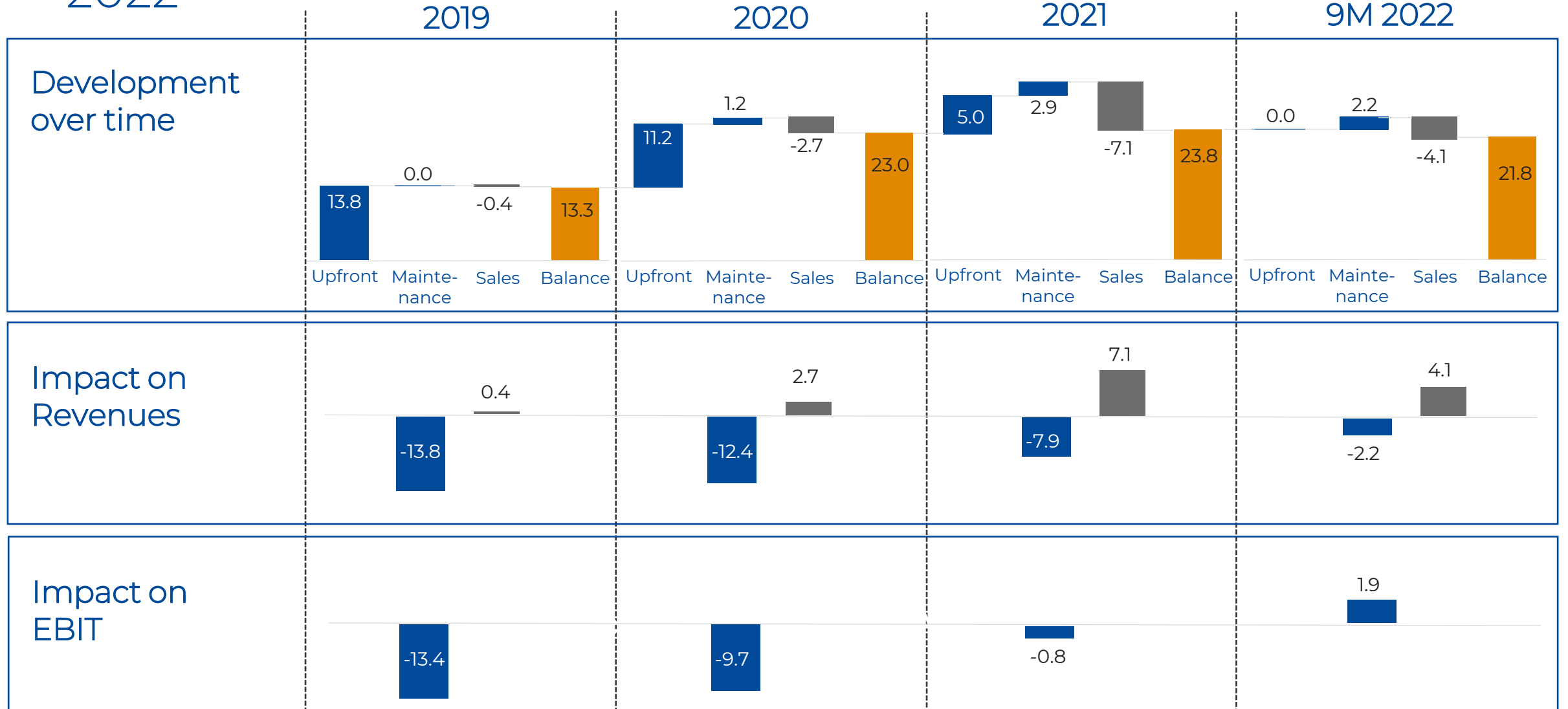
# Cash flow Statement Q3 / 9M 2022

(in €m)	Q3 2022	Q3 2021	$\Delta$ (abs.)	9M 2022	9M 2021	$\Delta$ (abs.)
<b>Net income</b>	-0.2	1.5	-1.7	-0.1	-0.6	+0.5
Depreciation	2.7	2.6	+0.1	8.0	6.5	+1.5
Change in W/C	1.2	-2.4	+3.6	-10.7	-10.6	-0.1
Change in other items	-4.1	1.8	-5.9	-10.1	-4.8	-5.3
<b>Operating Cash flow</b>	-0.3	3.4	-3.7	-12.9	-9.5	-3.4
Investing Cash flow	-3.1	2.6	-5.6	-9.1	2.9	-12.0
Repayment of lease liabilities	-1.2	-1.1	-0.1	-3.5	-3.2	-0.2
<b>Free cash flow</b>	-4.7	4.9	-9.6	-25.5	-9.8	-15.7
<b>W/C ratio (LTM)</b>	-	-		25.2%	23.4%	

## Comments

- > Despite growing topline working capital requirements at the level of the previous nine-month period.
- > Significant reduction of working capital Q3/Q3.
- > Operating cash flow close to break-even in Q3 2022.
- > Cash out from investing activities are related to acquisition of EXA and Datavard.

# Revenue Impact of Partner Software Upfront Accounting 2019 – 2022



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# 2022 outlook updated & 2024 mid-term goals

2021

- > **Group Order Entry:** € 192.1m / € 176m (like-for-like)<sup>1</sup>
- > **Group Revenue:** € 167.0m / € 160.0m (like-for-like)
- > **Group EBITDA:** € 16.3m
- > **Group EBIT:** € 6.3m

2022

- > **Group Order Entry:** Growth in the mid-single-digit percentage range compared to the previous year's like-for-like-value of around € 176m (previous forecast: significantly above the unadjusted previous year's value of € 192m).
- > **Group Revenue** of around € 175m and **Group EBIT** of around € 10.5m (previous revenue forecast: EUR 170 million to EUR 190 million; previous EBIT forecast: EUR 10.5 million to EUR 13 million).
- > **Group EBITDA:** Stronger growth than EBIT due to higher PPA<sup>2</sup> (unchanged)

2024

- > **Group Revenue** > € 230m
- > **Revenue share:**  
Segment Software expected to grow above group level
- > **Group EBIT margin:**  
10 percentage points above 2021

<sup>1</sup> "like-for-like": Including the full-year sales of the acquired companies Datavard AG and EXA AG and excluding the sold company SNP Poland Sp. z.o.o.

<sup>2</sup> As a result of 2021 acquisitions.

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QUESTIONS!





# Financial Calendar 2022

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

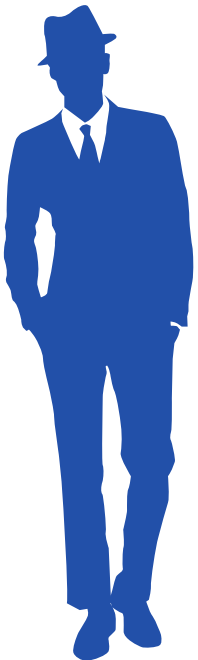
# Thank you for your time

SNP Schneider-Neureither & Partner SE

Speyerer Str. 4

69121 Heidelberg

Germany



Marcel Wiskow, Director IR

+49 6221 64 25 – 637

[Investor.relations@snpgroup.com](mailto:Investor.relations@snpgroup.com)