



SNP Schneider-Neureither & Partner SE

ODDO BHF CONFERENCE, February 2019

Marcel Wiskow (IR)

SNP | The Transformation Company



Agenda



1 SNP | The Transformation Company

2 Strategy & Competitive Strengths

3 Financials

4 Optimization Program, Preliminary Figures 2018 & Revenue Guidance 2019

5 Appendix

Transformation Never Stops



CHANGING BUSINESS-MODELS

NEW TECHNOLOGIES

Mergers & Acquisitions

Carve-outs & Divestitures

Corporate & Process Change

Brexit & EU Data Protection

SAP S/4HANA®

New Implementations

Releases & Upgrades

Cloud Hosting

In-Memory & HANA

SNP – Global market leader in software-based data transformation



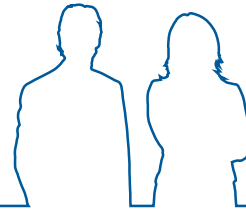
Headquarters
Heidelberg (GER)



Founded
1994



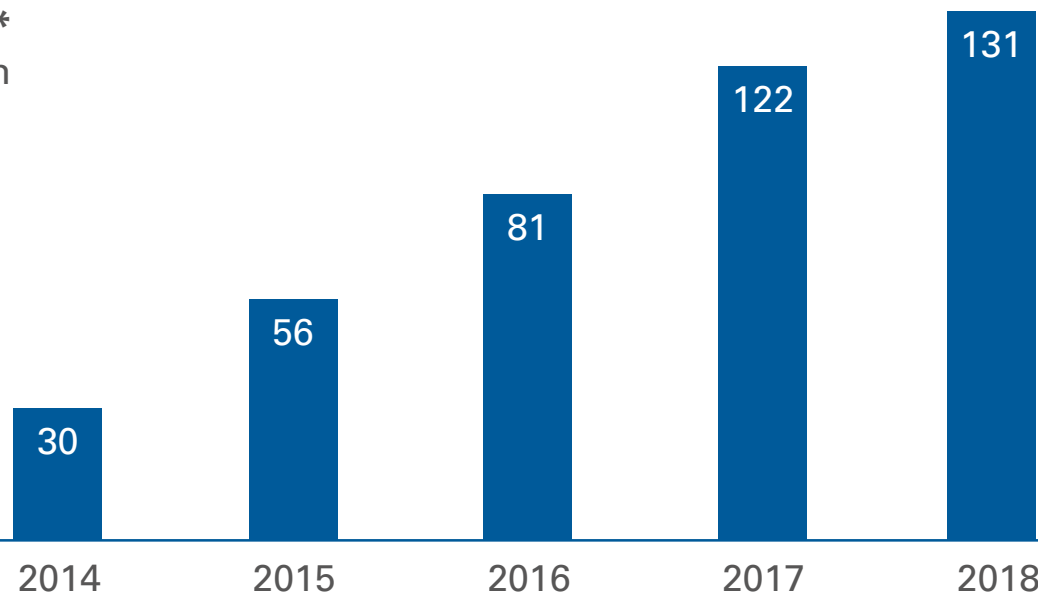
Employees
≈ 1,300



“The key benefit that we promise our customers is time. The ability to respond quickly to changes in the competitive landscape is a key competency in today’s global economy.”

Dr. Andreas Schneider-Neureither
CEO

Revenue*
in € million

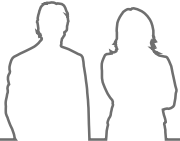


Key USP to customers:

- **Time:** cut project lead times significantly
- **Quality:** near zero downtime approach
- **Efficiency:** no blockade of customer organization by external consultants

* Revenue 2018 according to preliminary calculations.

SNP – Global Presence



Americas
300

EMEA
900

APAC
100

● Branch Offices

● Delivery Center

● Training Center

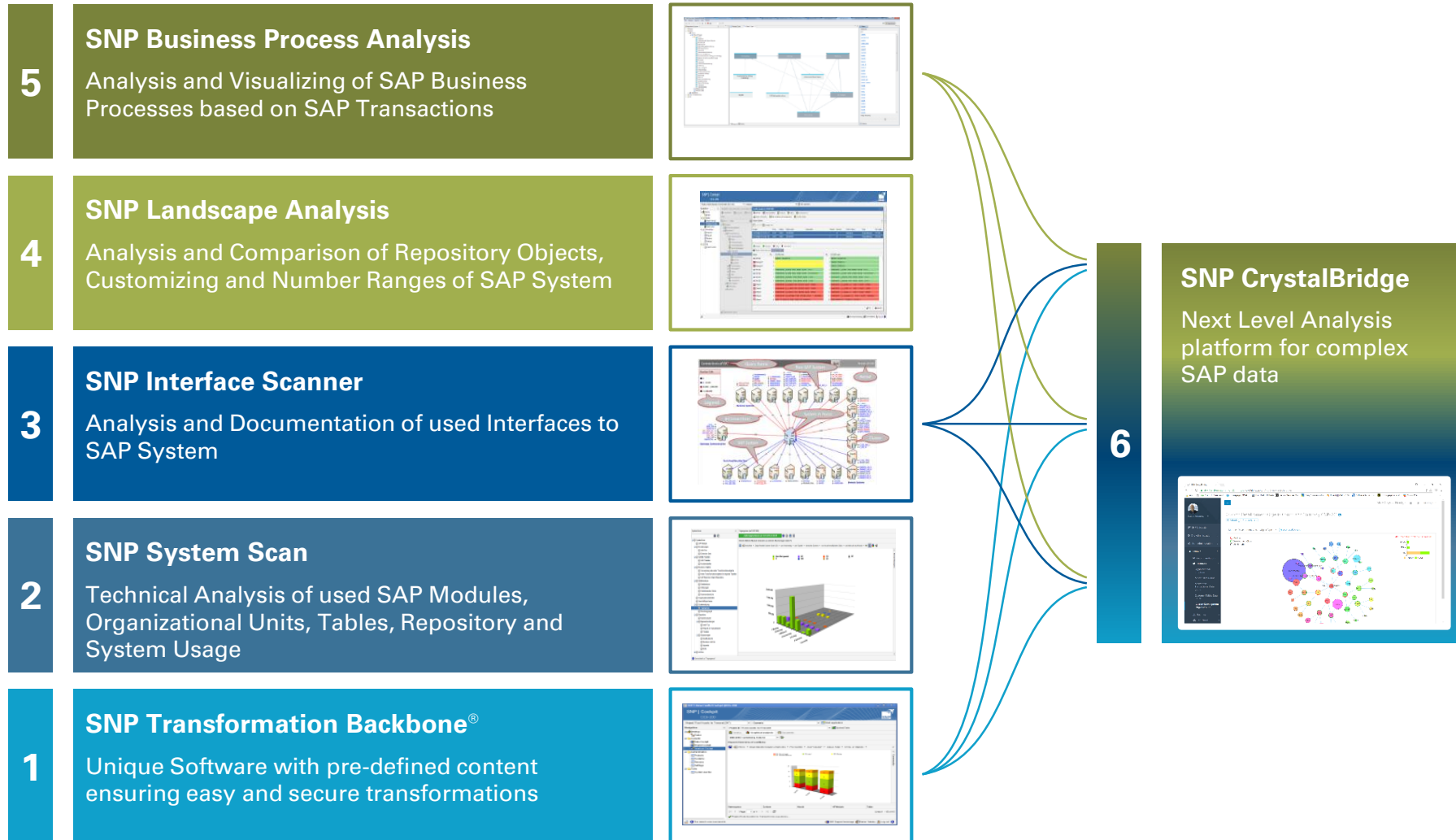
● R&D

Key Facts

- 1300+ Highly Experienced IT Experts
- Specialized Delivery Centers
- Highly Mobile Workforce



SNP Products and Services for easy and secure Transformations enable a Factory Approach for Rollout Projects



SNP - Proven Industry Standard Approach



Proven Approach

Our **software** and our **consulting approach** were examined by two leading auditors.



Our **internal processes** comply with DIN ISO 9001 to meet customer requirements and other demands of product or service performance quality.



SAP-certified

SAP® Recognized Expertise
in Landscape Transformation
SAP® Certified
Powered by SAP NetWeaver®

Global Alliances with SAP



Partnership

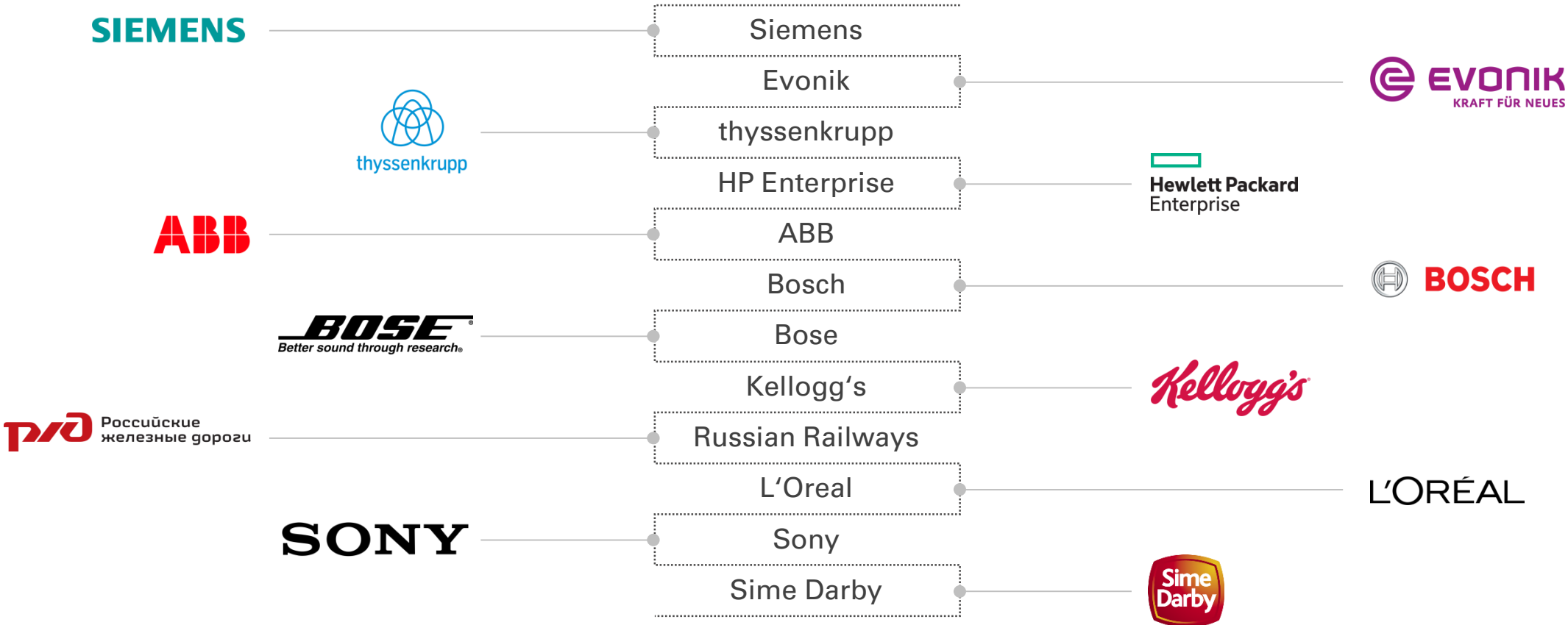


DXC.technology



NTT DATA

SNP - Global Customer Base



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Pursue further growth of our Software segment

- Software portfolio as technological core of business model
- Through technological innovations and improvements, increase of benefits to customer while also tapping into new sources of licensing income
- Focus on increasing software licensing fees

International expansion

- Gained access to international markets through inorganic growth strategy: present in almost all relevant global markets
- Further strengthening international market position to increase revenues
- Increasing investments regarding the development and training of employees

Expansion of our partner and C-level network

- Building strong networks with customers and influencers at executive C-level
- Strengthening collaboration with complementary partners
- Building on the close relationship with SAP

Increase portfolio through acquisitions

- Additional acquisitions of software and services
- Expanding our portfolio of strategic products and solutions necessary in order to enter new sales markets, to gain new technical expertise, and to expand capacity

Competitive Strengths



Extensive track record and experience in IT transformation projects

- More than 7,000 worldwide transformation projects with high data and process complexity
- More than 20 years of supporting customers in the implementation of diverse IT transformation projects

Technical advantage of a standardized software approach

- IT transformation projects are implemented in a one-step process, with near-zero-downtime and full retention of historical data
- Clear quality advantages for clients, including reduction of the operational downtime in productive IT environments

Flexible, alternative migration approach for S/4HANA & cloud transformation

- Number of large S/4HANA implementation projects below market expectations
- SAP S/4HANA is causing many SAP customers to consider or plan a possible migration (VW Sachsen awards SNP for SAP S/4HANA Migration)
- Trademark SNP BLUEFIELD™ as flexible S/4HANA transformation program
- Global partnership with IBM

Strong consultancy base

- Increased international presence in Europe, the U.S., South America and Asia
- Excellent position to profit from an increase in digital transformation business

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Key figures 9M 2018 vs. 9M 2017 // Q3 2018 vs. Q3 2017

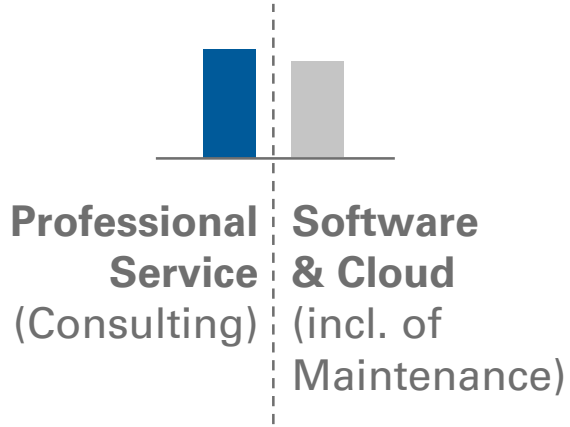
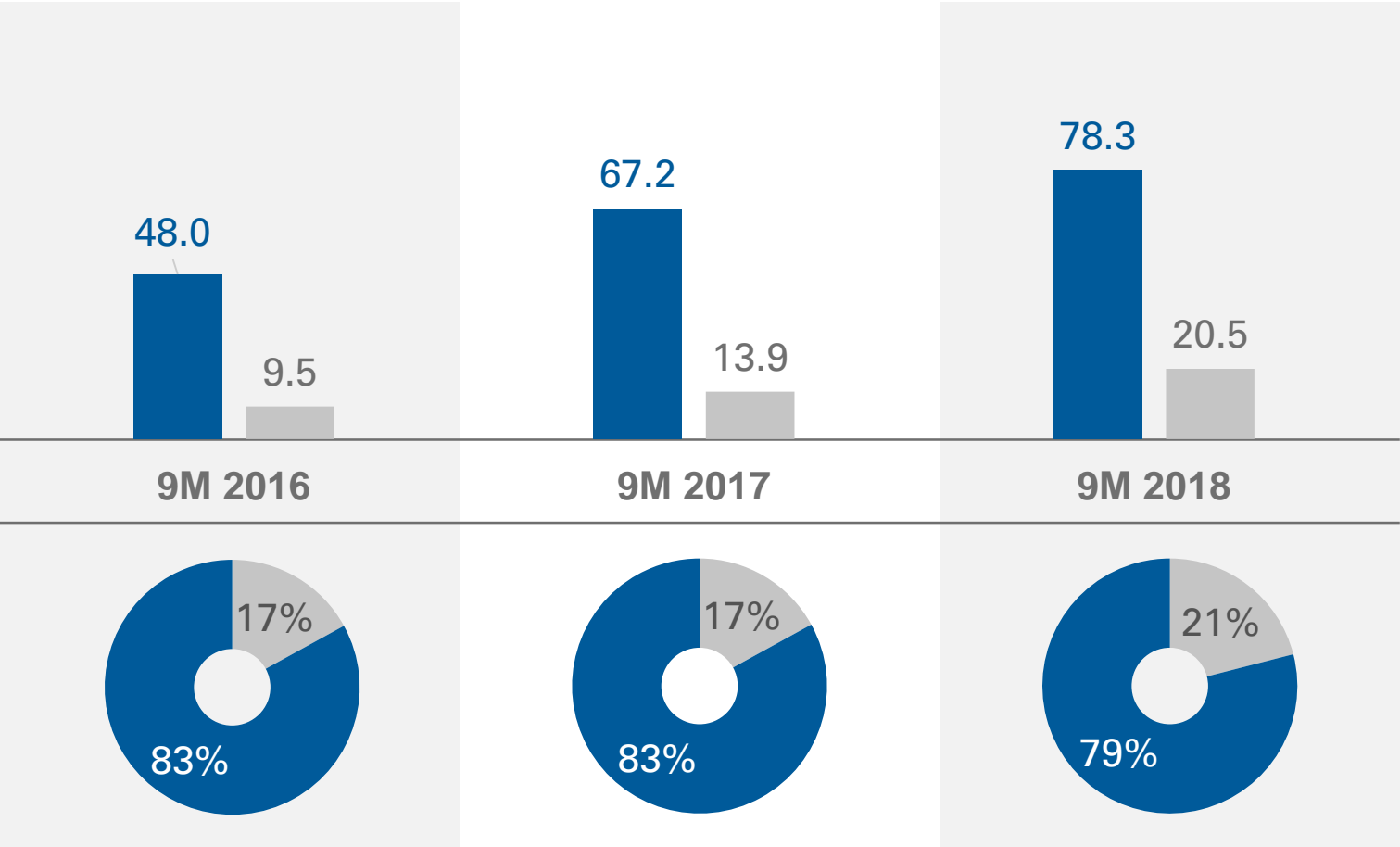


€ mn	9M 2018	9M 2017	Q3 2018	Q3 2017
Revenue	98.8	81.0	33.7	33.0
EBITDA (non-IFRS, adjusted for exchange rate effects)	0.8	1.8	2.5	0.6
<i>EBITDA margin</i>	0.8%	2.3%	7.5%	1.9%
EBIT (non-IFRS, adjusted for exchange rate effects)	-1.7	0.0	1.9	0.0
<i>EBIT margin</i>	-1,7%	0,0%	5.6%	0.0%
Order Entry (First nine month)	98.7	95.0	31.5	37.4
Order Backlog (as of Sept. 30)	61.4	62.2	61.4	62.2
Equity	45.7	60.4	-	-
<i>Equity ratio</i>	37.1%	40.8%	-	-

Overview Revenues by Segment



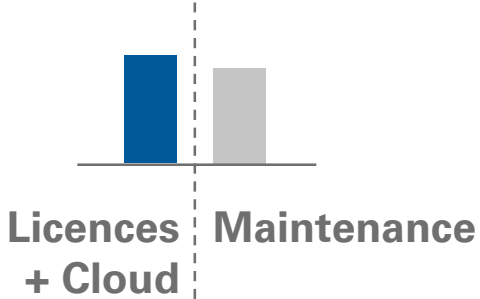
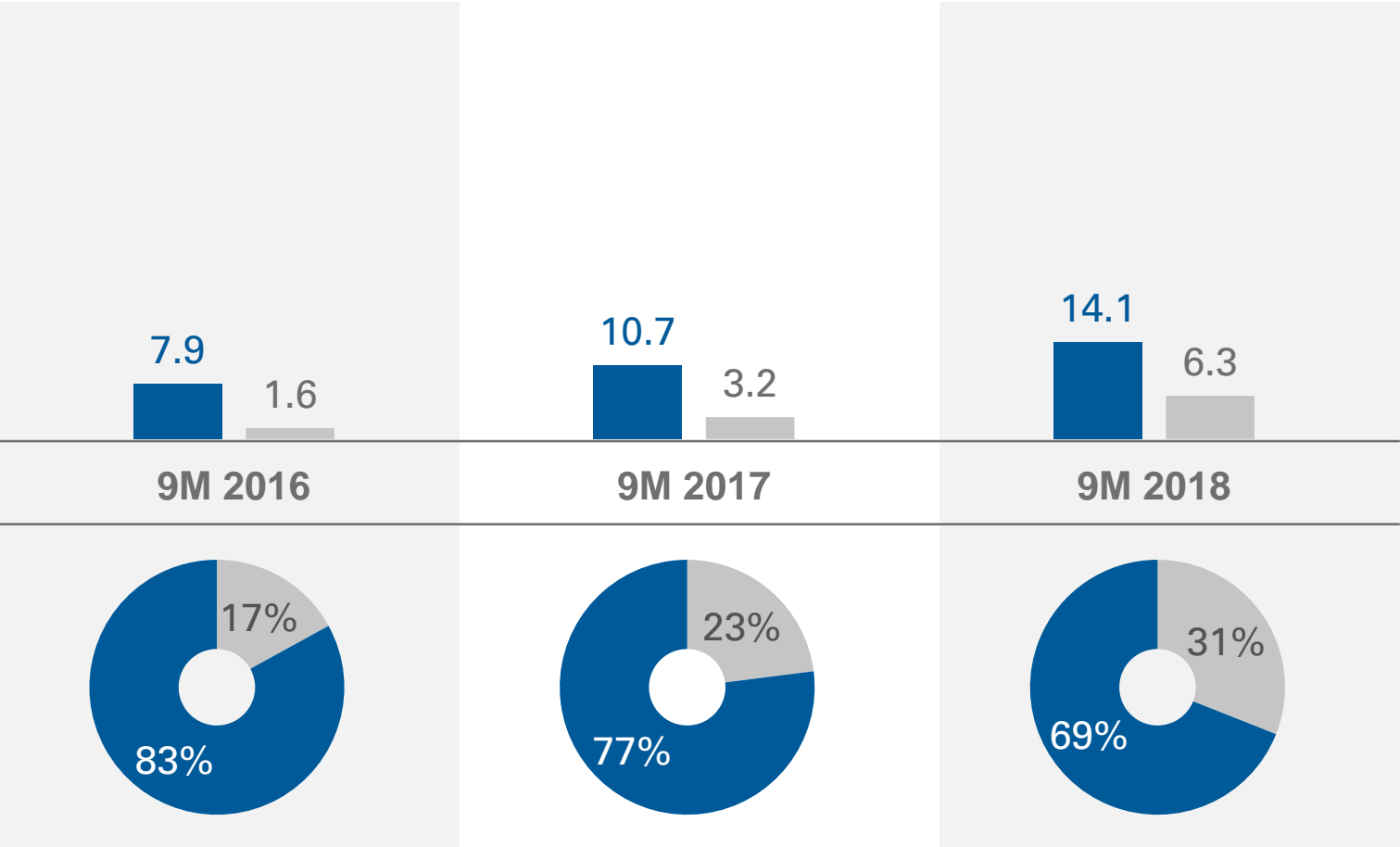
Revenues by Segments (€ mn)



Overview Revenue Split within Software Segment



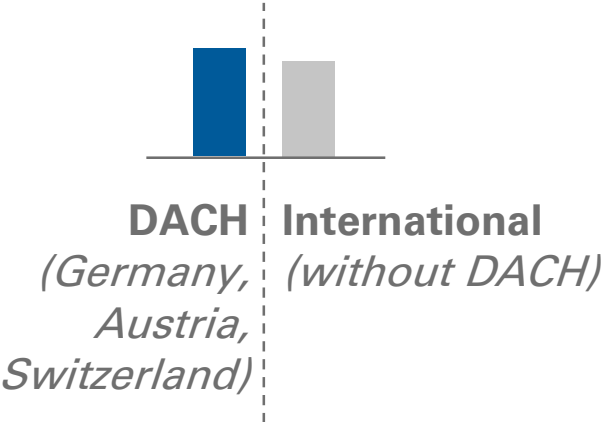
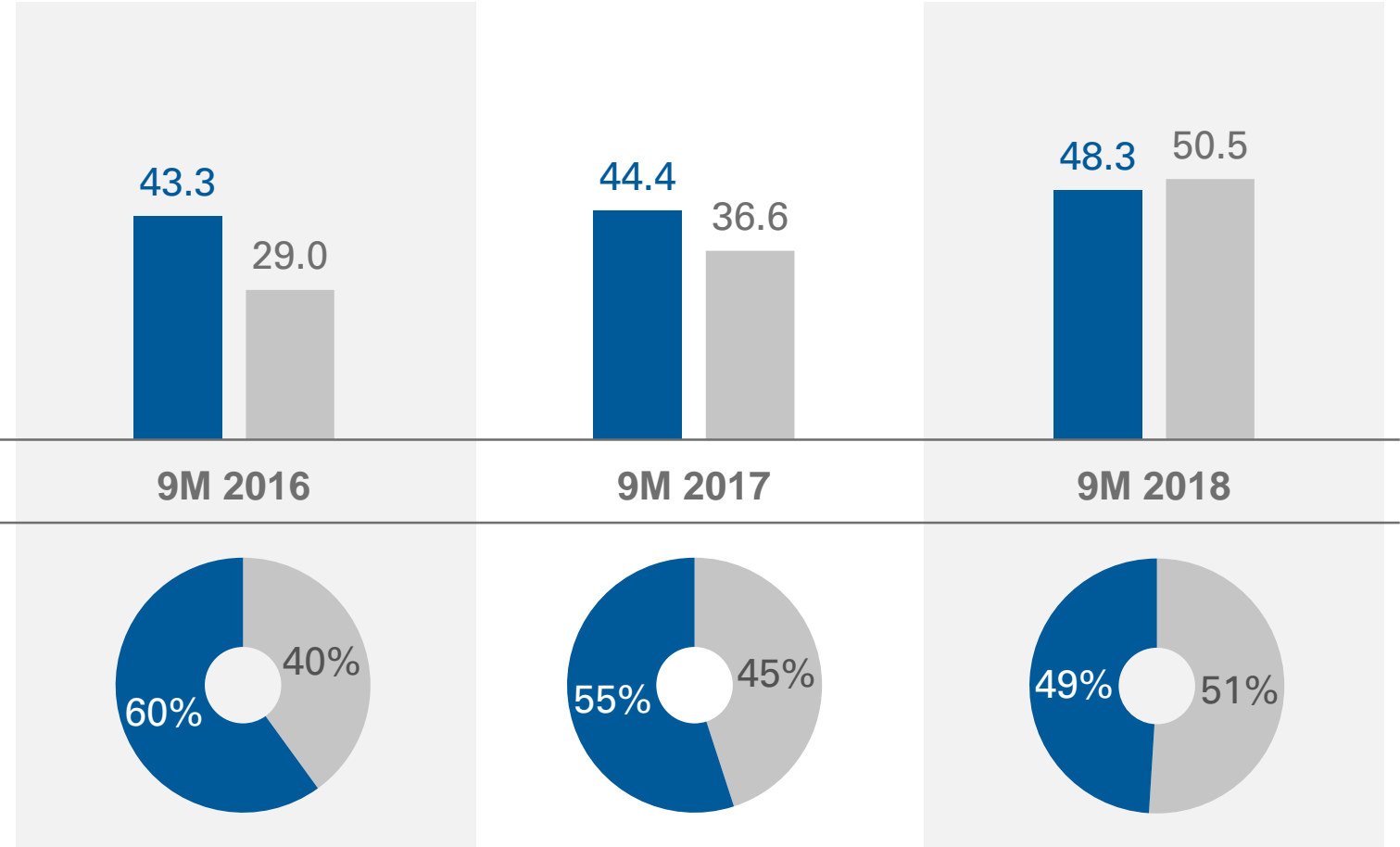
Revenue Split within Software Division: Licences & Maintenance (€ mn)



Overview Revenue Split by Region



Revenues by Regions (€ mn)



Balance Sheet – Assets (€ mn)



■ Current assets

■ Non-current assets

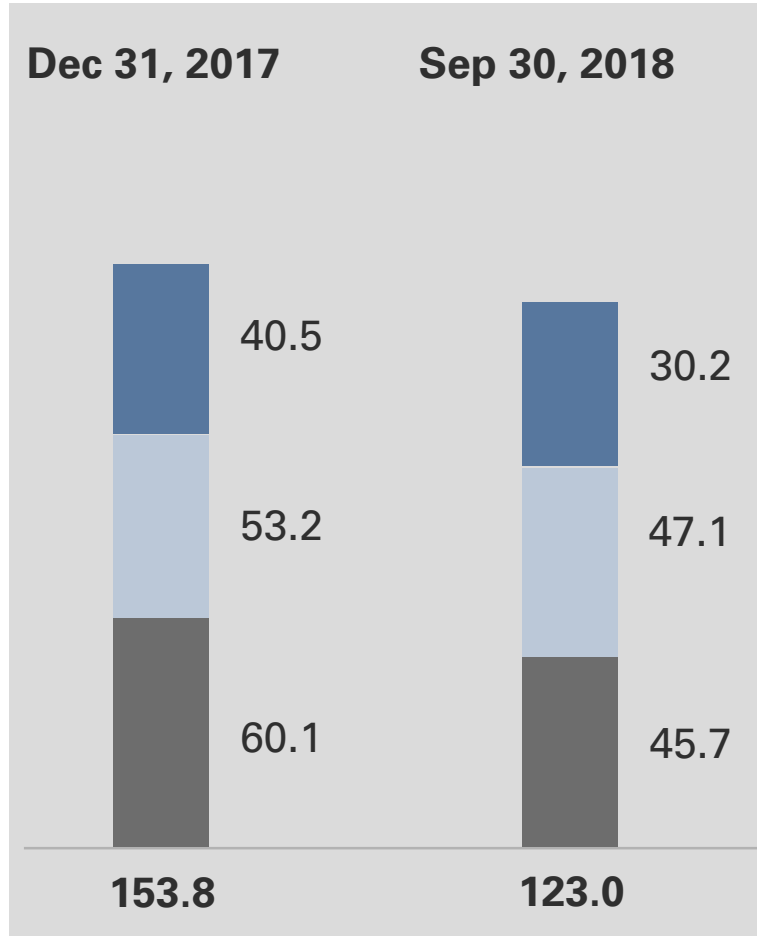
Current assets:

- Decreased *Trade receivables* and *Other receivables* to € 34.2 mn (€ -7.7 mn).
- *Cash and cash equivalents* decreased to € 16.6 mn (€ -17.3 mn).

Non-current assets:

- *Goodwill* accounts for € 49.8 mn; decline by € -6.3 mn mainly due to exchange rate-related effects (Adepcon, Argentine Peso).

Balance Sheet – Equity & Liabilities (€ mn)



Current liabilities
 Equity
 Noncurrent liabilities

Current liabilities:

- Decline in *financial liabilities* by € 6.1 million, *trade payables* and *other liabilities*, including POC-related liabilities, by € 2.6 million and in other nonfinancial liabilities by € 1.8 million.
- *Financial liabilities* decreased due to payments of purchase price installments.

Non-current liabilities:

- Largest part: *Financial liabilities* (€ 44.3 mn); thereof € 39.7 mn *borrower's note loans* and € 4.0 mn *purchase price liabilities*

Equity:

- *Retained earnings* decreased by € 7.1 mn to € -4.9 mn as a result of the *net loss for the period* (€ -3.3 mn) & from the first-time application of IFRS 15 € -2.8 mn
- *Other reserves* decreased by € 7.2 million to € -8.9 million due to the adjustment item for foreign currency translation.

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Optimization Program

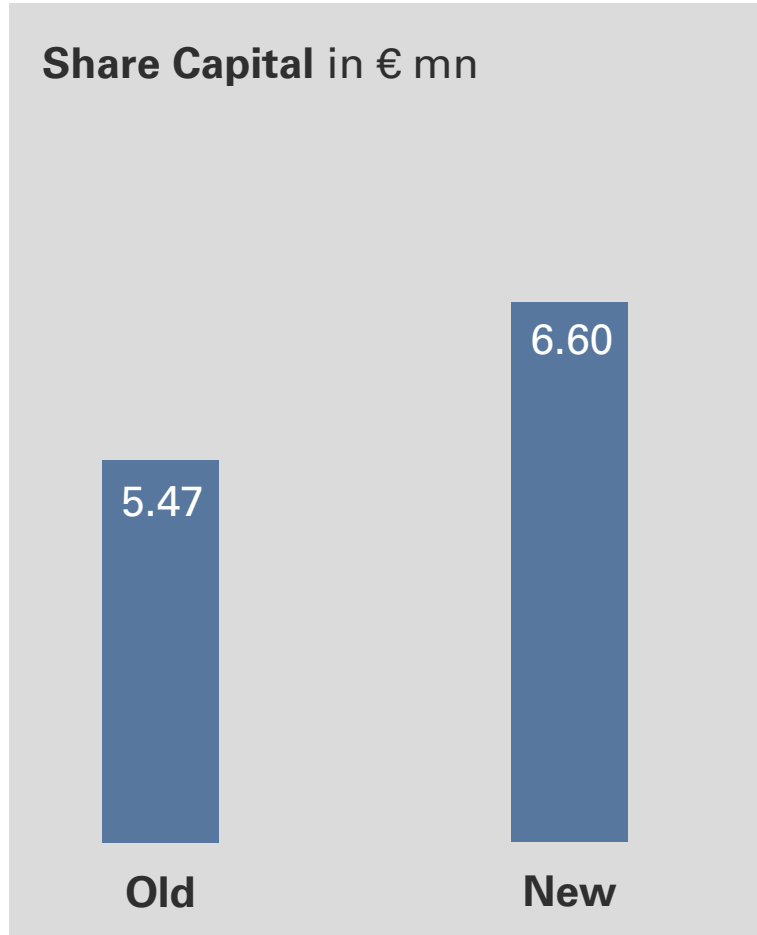


Capital Increase
from Authorized
Capital with
Subscription Rights
for Shareholders

LICO Project:
Liquidity Increase &
Cost Optimization

Constructive Talks
with
Financing Banks

Successful Capital Increase



- Significant increase of the share capital by € 1,127,984 to a total of € 6,602,447 as of Dec 18, 2018
- The new shares were issued at a price of € 16.60 per share and completely placed.
- The company has seen a gross inflow of new funds of around € 18.7 mn.
- The company has increased its financial flexibility and secured the financial conditions for realizing its international growth strategy and inorganic development.

LICO Project - Liquidity Increase & Cost Optimization

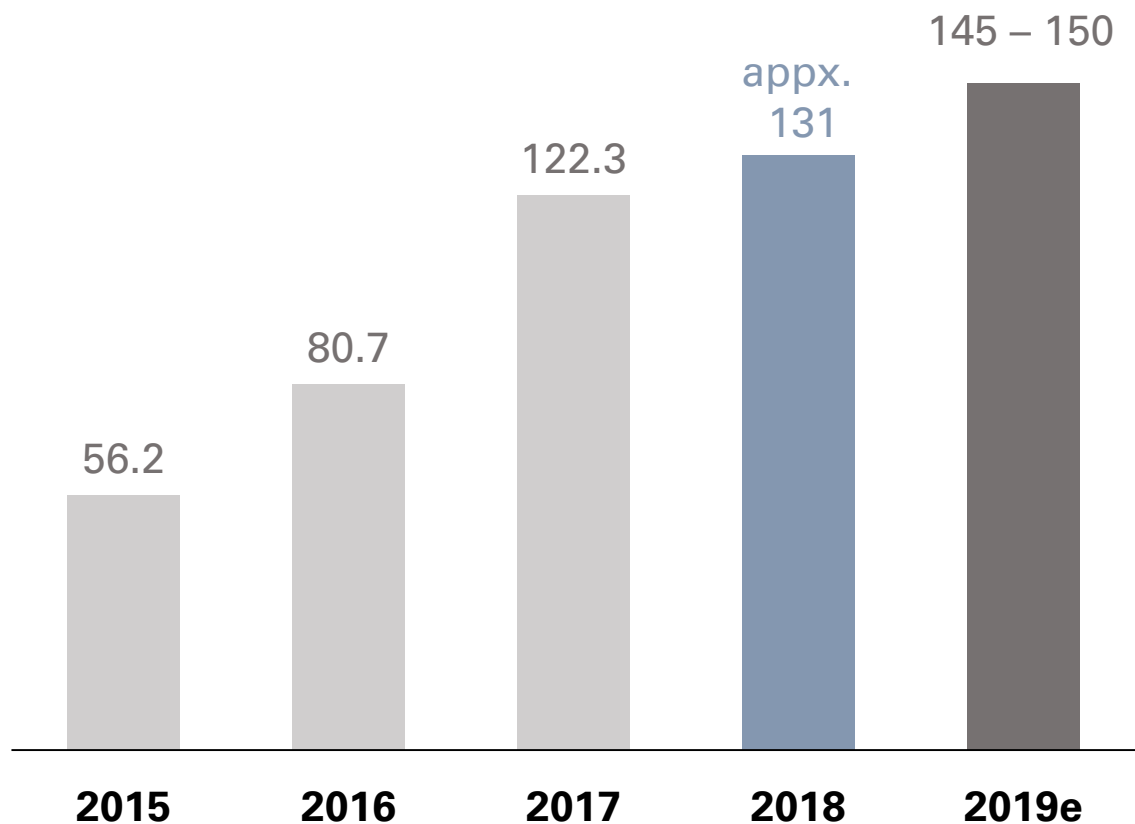


- Optimization of liquidity and improvement of cost structures by increasingly concentrating on free cash flow.
- Significant reduction of working capital, e.g. the extension of the payment terms for SNP Group and shortening of the payment terms of our customers.
- SNP Group implemented selected measures to improve liquidity as well as cost-cutting measures in the areas of marketing and administration.

Provisional Financial Figures for the 2018 Fiscal Year + Revenue Guidance for 2019



Revenue (€ mn)



Earnings

	EBITDA (IFRS)	EBITDA (non-IFRS)
2016	€ 8.5 mn	€ 8.1 mn
2017	€ 3.3 mn	€ 6.9 mn
2018	appx. € 2.8 mn	

	EBIT margin (IFRS)	EBIT margin (non-IFRS)
2016	8.5%	8.5%
2017	-0.4%	3.8%
2018	appx. -1.5%	

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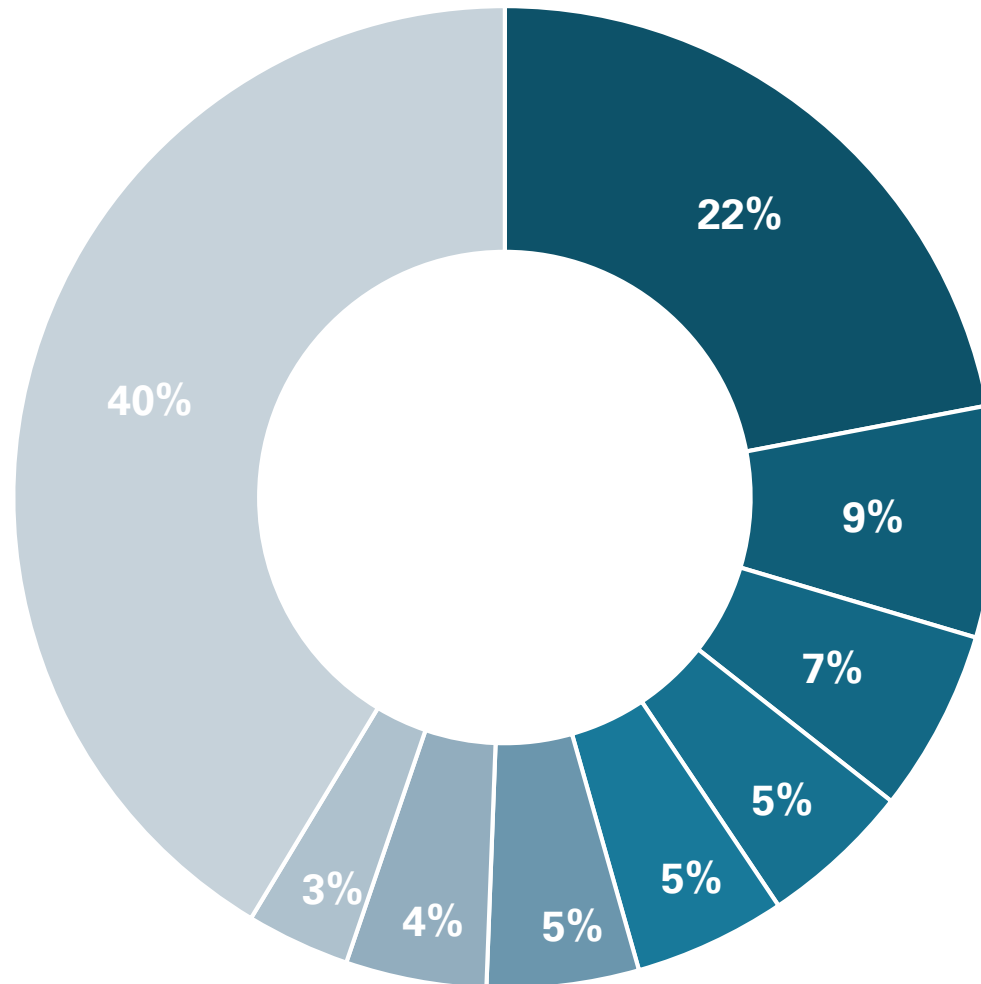
Key Share Data

ISIN	720 370 / DE0007203705 / SHF
Segment	Prime Standard
Stock Exchanges	Xetra, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Dusseldorf
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index
Designated Sponsor	Oddo Seydler
Research Coverage	Bankhaus Metzler, Berenberg, Edison, H&A, NordLB, Mainfirst, Oddo Seydler, Warburg Research
Number of Shares	6,602,447
Share Price (Feb 18, 2019)	€ 17.44
Market Capitalization	~ € 110 mn

Coverage

Institute	Date	Rating	Price Target
ODDO Seydler	Jan 30, 2019	Buy	€ 23.80
Warburg Research	Nov 16, 2018	Buy	€ 21.40
Berenberg	Oct 31, 2018	Hold	€ 19.40
NORD/LB // Alsterresearch	Aug 30, 2018	Hold	€ 26.00
Mainfirst	Aug 3, 2018	Outperform	€ 27.00
Hauck & Aufhäuser	Jul 27, 2018	Hold	€ 18.00
Bankhaus Metzler	Jul 26, 2018	Buy	€ 24.00
Edison	Feb 7, 2019	<i>"The stock trades on c 32x our earnings in FY19e, falling to c 16x in FY20e. Our discounted cash flow valuation (based on c 5.8% organic revenue CAGR over 10 years, 10% WACC, 14.0% long-term operating margin and 2% terminal growth) is €27/share, c 60% above the current share price."</i>	

Shareholder Structure



- Dr. Andreas Schneider-Neureither
- AkrosA Private Equity
- Swedbank
- Kabouter
- Danske Bank
- Oswin Hartung
- Ingrid Weispfenning
- Paladin
- Free Float

Share Development (2015 up to now)



Financial Calendar

Mar 29, 2019

Publication of the Annual Report 2018

Apr 30, 2019

Publication of the Interim Statement Q1 2019

Jun 6, 2019

Annual General Meeting 2019

Aug 2, 2019

Publication of the Half-Year Financial Report 2019

Oct 31, 2019

Publication of the Interim Statement Q3 2019

Nov 2019

German Equity Forum 2019

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