

Elevate Digital Transformation

Analyst & Investor Call
Full Year Results 2022
March 30, 2023

Dr. Jens Amail, CEO
Prof. Dr. Thorsten Grenz, CFO
Gregor Stöckler, COO



SNP DATA. TRANSFORMATION. EXPERIENCE.

Agenda

- **Introduction**
- Financials & Outlook
- Strategy Update
- Questions & Answers

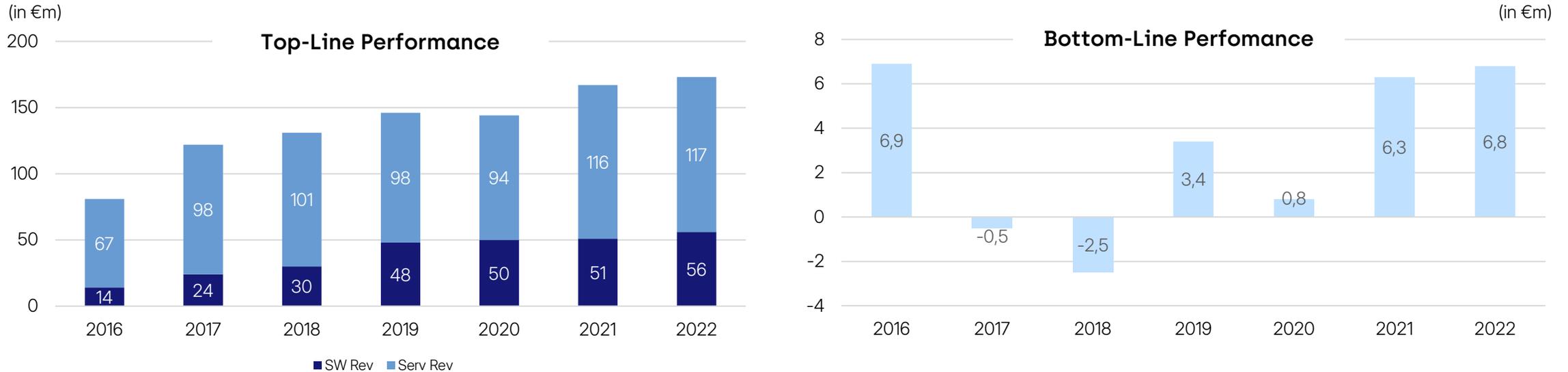


"SNP is extremely well positioned within a very resilient and growing market. Our solutions elevate the Digital Transformation journey of our clients and accelerate value creation. I am looking forward to entering SNP's next chapter together with my colleagues, our customers and partners."

Dr. Jens Amail



Trend and Ambition



Where we come from

- Category leadership in SAP 2 SAP Data Migration (esp. S/4)
- Sound top-line growth
- Strong eco-system relationships

What we want to achieve

- Predictability and Trust
- Stronger Software Growth
- Improved Profitability
- Better operational Cash Flow

How we want to do this

- Scale through Partners
- Improve reach through portfolio innovation & regional expansion
- Stronger alignment of all processes with the critical success factors of a software business

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FY 2022 – Key figures

Group Revenue: € 173.4m

+4%

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

Partner Revenue: € 54.2m

+70%

Order Entry: € 193.6m

+1%

(Like-for-like: +10%)

Service Revenue (incl. EXA): € 117.3m

+1%

Software Revenue (incl. EXA): € 56.1m

+10%

EBIT: € 6.8m

+0.5m

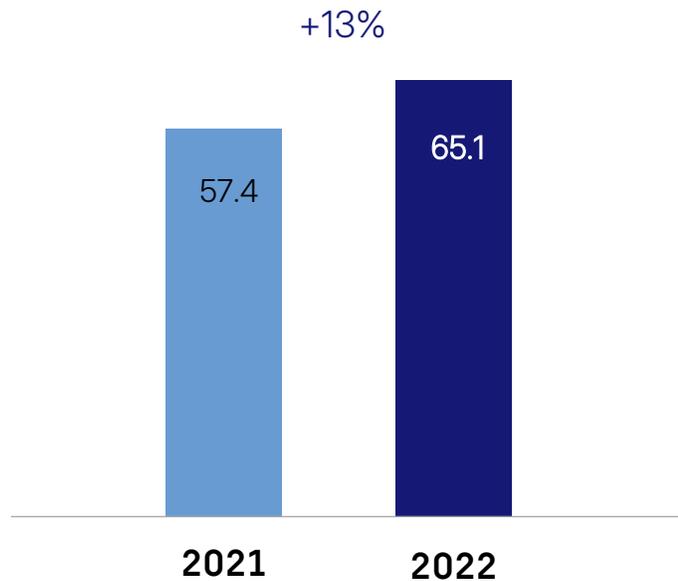
(Like-for-like: +0.9m)

*As pro forma key figures, the like-for-like key figures differ from the reported key figures for the fiscal year 2021: due to the addition of the key figures for Datavard for the period January to July 2021 as well as for EXA for January and February 2021 and the elimination of the key figures for SNP Poland for the first nine months of 2021.

Strong Development Partner Business

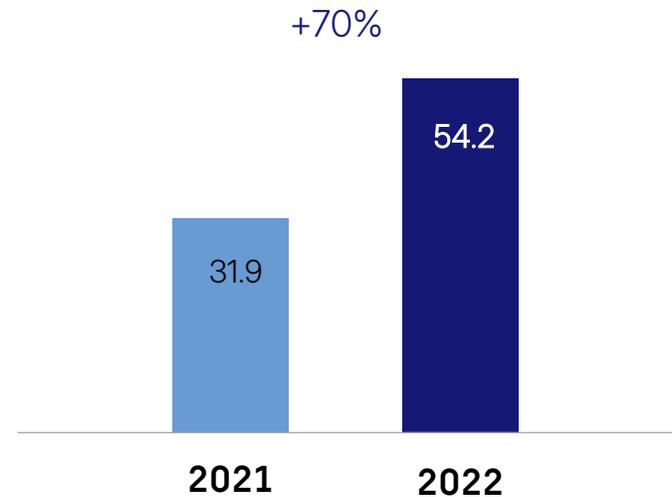
Order Entry Partner

(in €m without upfront deals)



Revenue Partner

(in €)

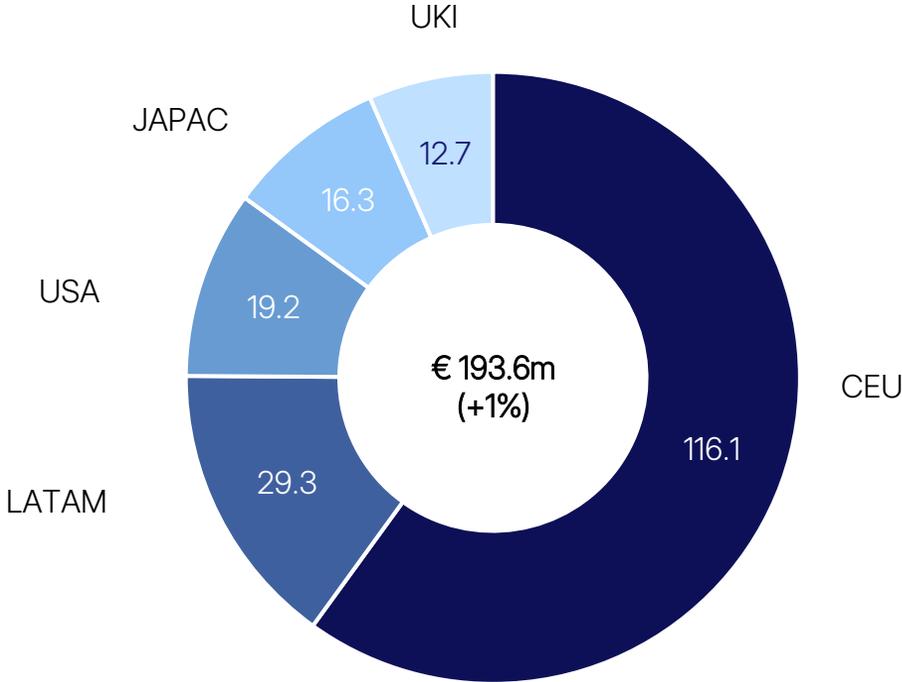


- Accenture & SNP factory up and running, 1st projects delivered by Accenture successfully.
- IBM & SNP are building a joint Data Transformation Factory.
- Strategic partnerships with 14 of the world's 20 largest IT consulting companies.
- Focus on partner enablement.
- In 2022, 159 projects delivered with partners, 100% successful.
- Currently, 130 partner projects ongoing.

Order entry and revenue by region 2022 – Book-to-bill: 1.12

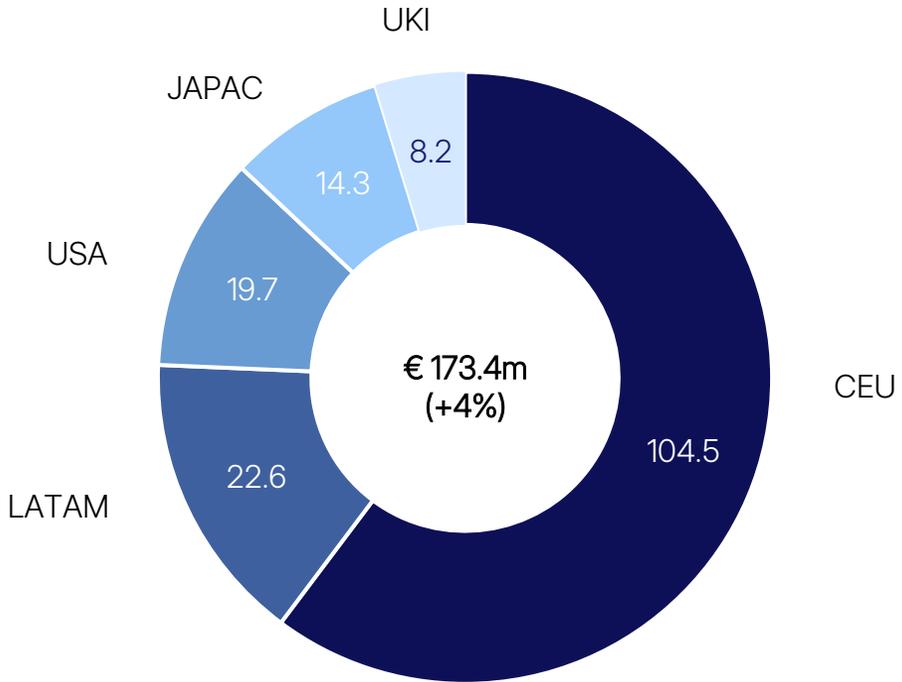
Order Entry

(in €m)



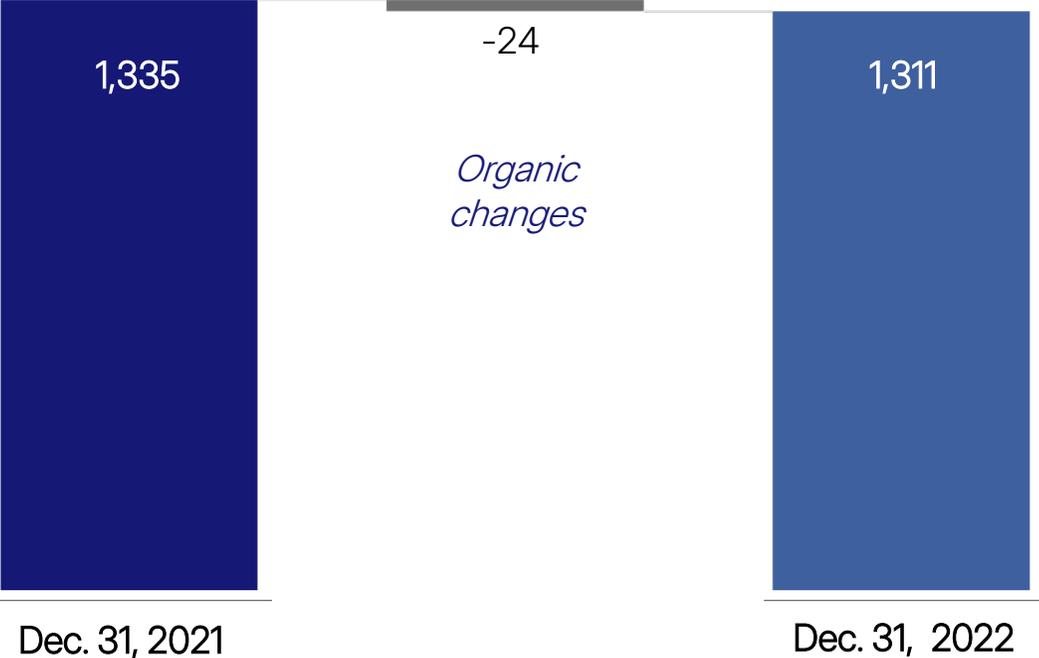
Revenue

(in €m)

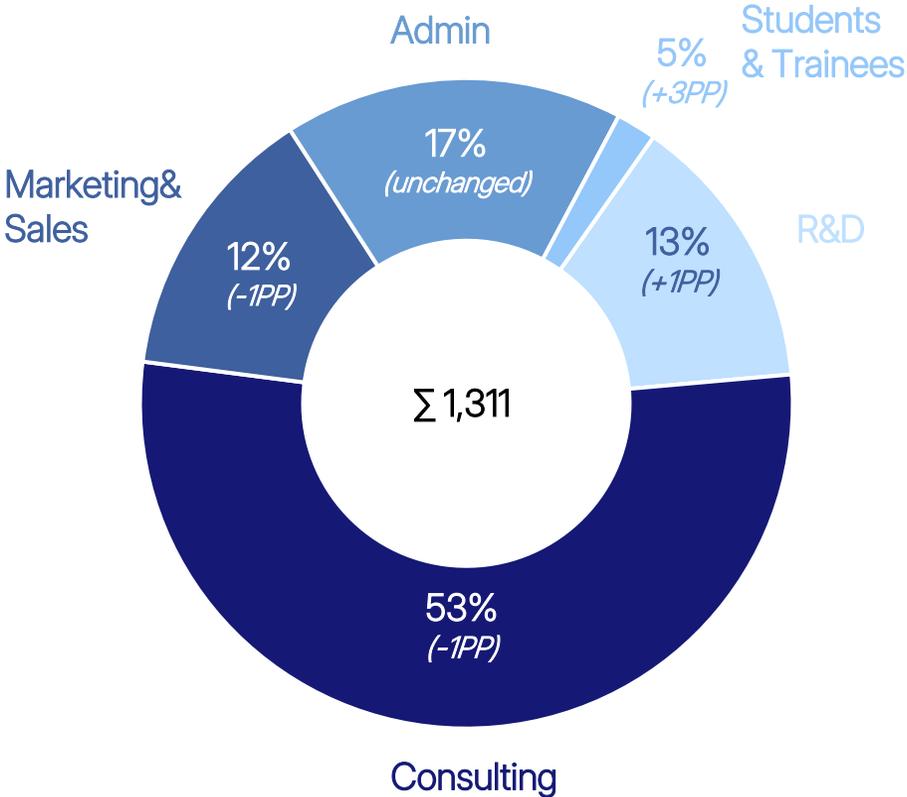


Headcount

Headcount evolution



Headcount split by function 2022



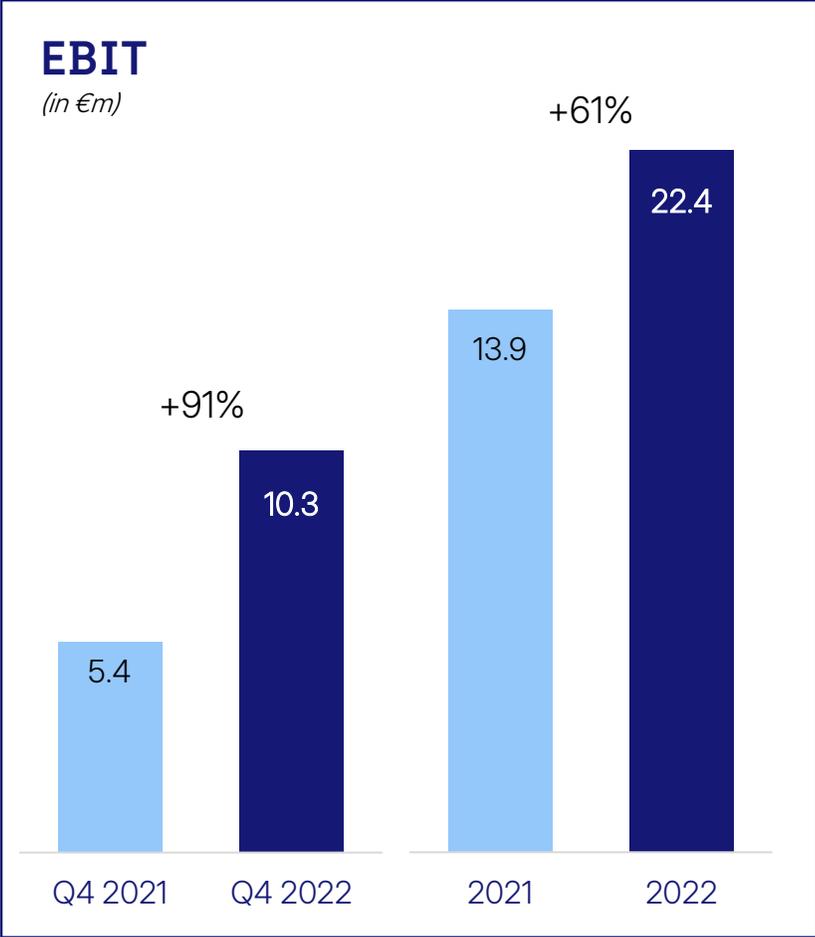
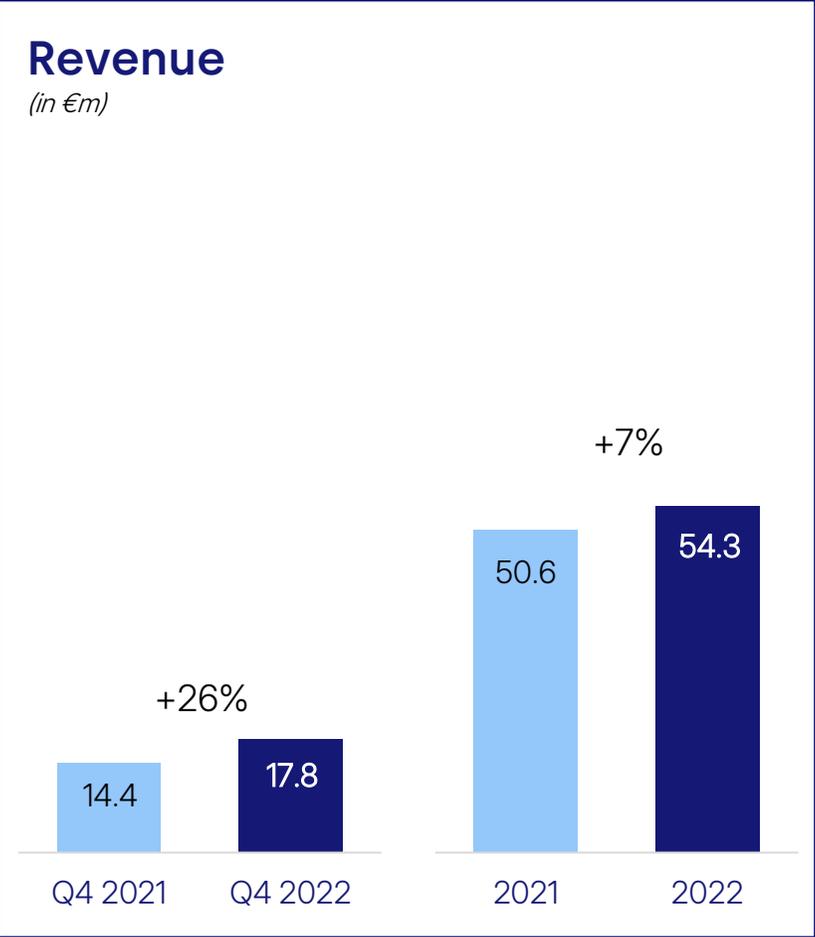
Income Statement Q4 / FY 2022

(in €m)	Q4 2022	Q4 2021	Δ (%)	2022	2021	Δ (%)
Revenue	48.5	45.3	+7.1	173.4	167.0	+3.9
Gross profit	41.4	39.3	+5.2	149.4	141.7	+5.5
Personal expenses	-26.8	-26.7	+0.4	-109.1	-106.5	+2.5
Other income/expenses	-6.8	-4.7	-45.6	-22.7	-19.1	-18.8
EBITDA	7.7	7.9	-2.5	17.6	16.3	+8.3
EBIT	4.9	4.5	+9.1	6.8	6.3	+7.7
EBT	4.0	4.1	-3.2	3.8	4.6	-18,2
Net income	1.5	1.2	+23.8	1.4	0.6	+133,6
Gross profit margin	85.3%	86.8%	+1.5pp	86.2%	84.9%	+1.3pp
EBITDA margin	15.8%	17.4%	-1.6pp	10.2%	9.7%	+0.5pp
EBIT margin	10,0%	9,8%	+0.2pp	3.9%	3.8%	+0.1pp

Comments

- All of the Group's regions registered revenue growth in the 2022 fiscal year.
- Increase in personnel expenses due to wage and salary increases and higher expenses for severance pay.
- Slightly improved operating results and margin in 2022.

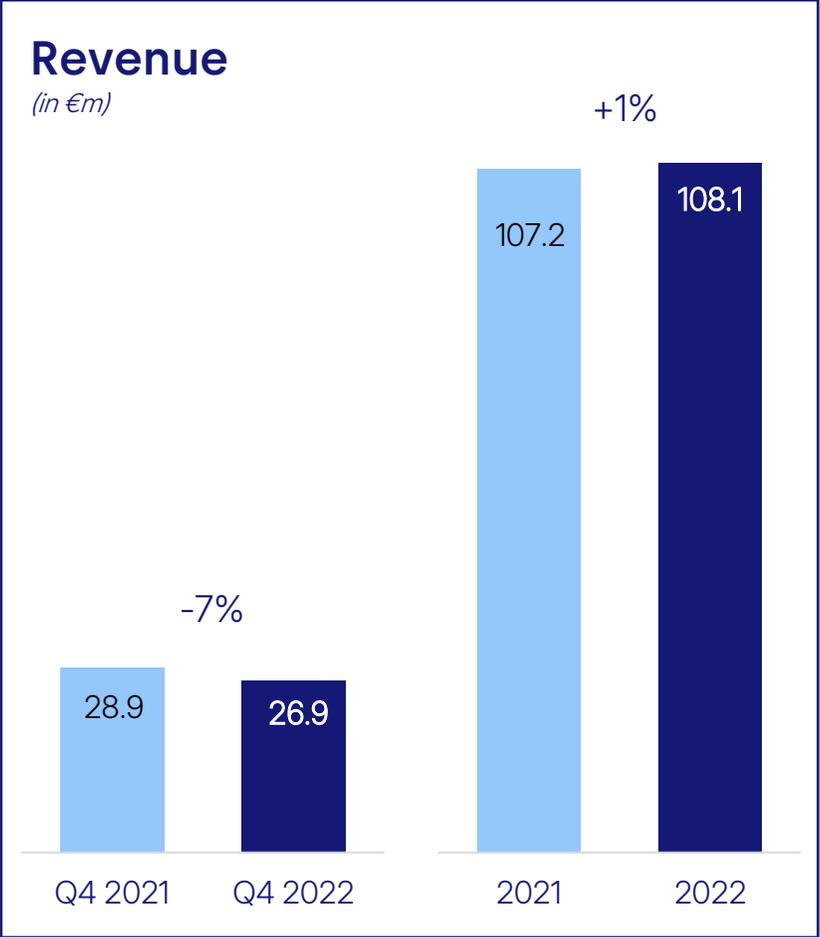
Segment Software – Revenue and EBIT Q4 / FY 2022



Comments

- Moderate software revenue growth, driven by Central Europe, UKI, and JAPAC; include 2022 upfront licenses as well (€ 6.8m).
- Higher share of revenues from software licenses.

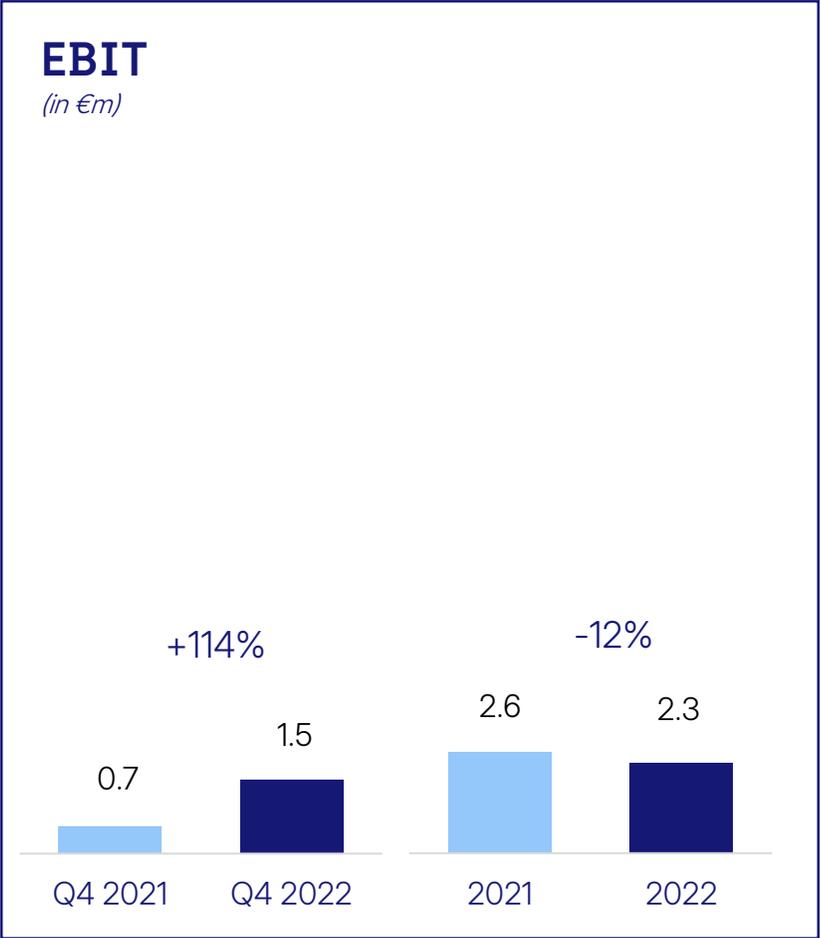
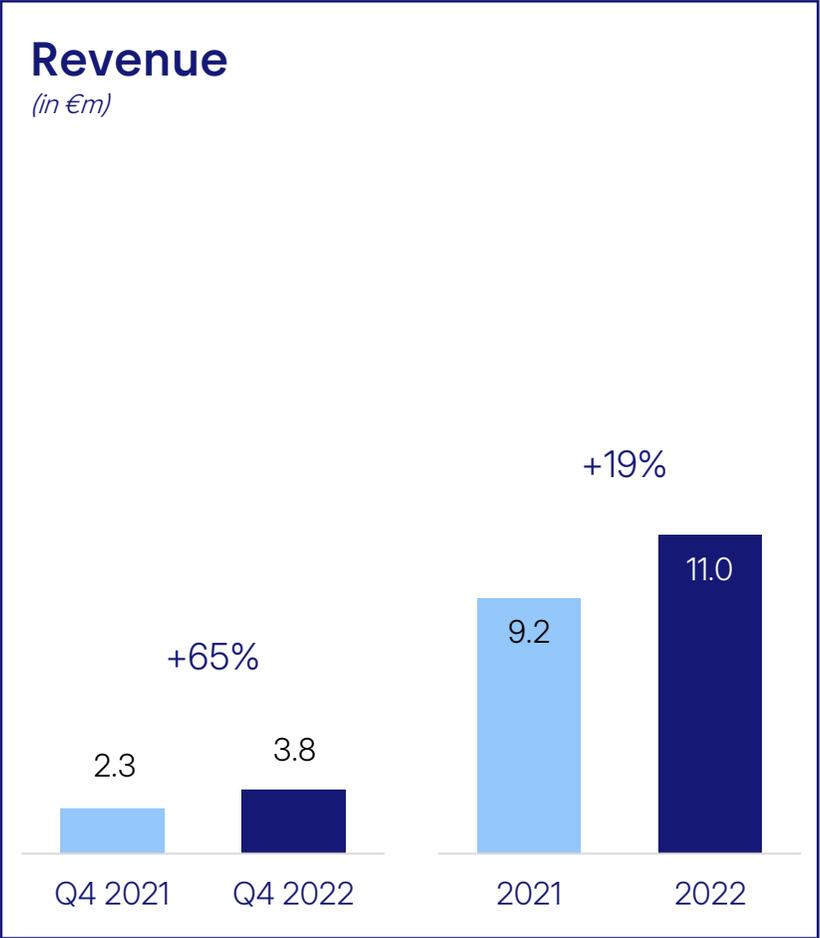
Segment Service – Revenue and EBIT Q4 / FY 2022



Comments

- Small service revenue growth, driven by US, JAPAC, and LATAM.
- Revenue achieved in the Service business segment corresponds to a share of around 62% (previous year: around 64%).

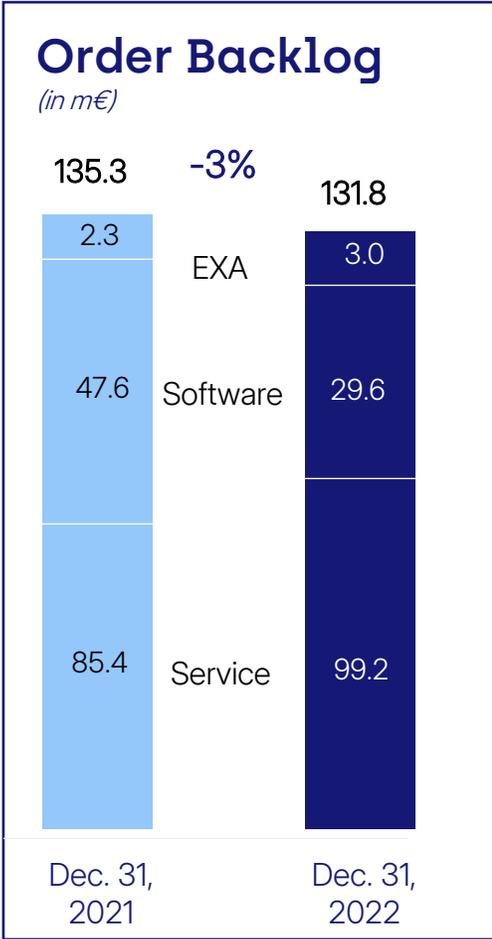
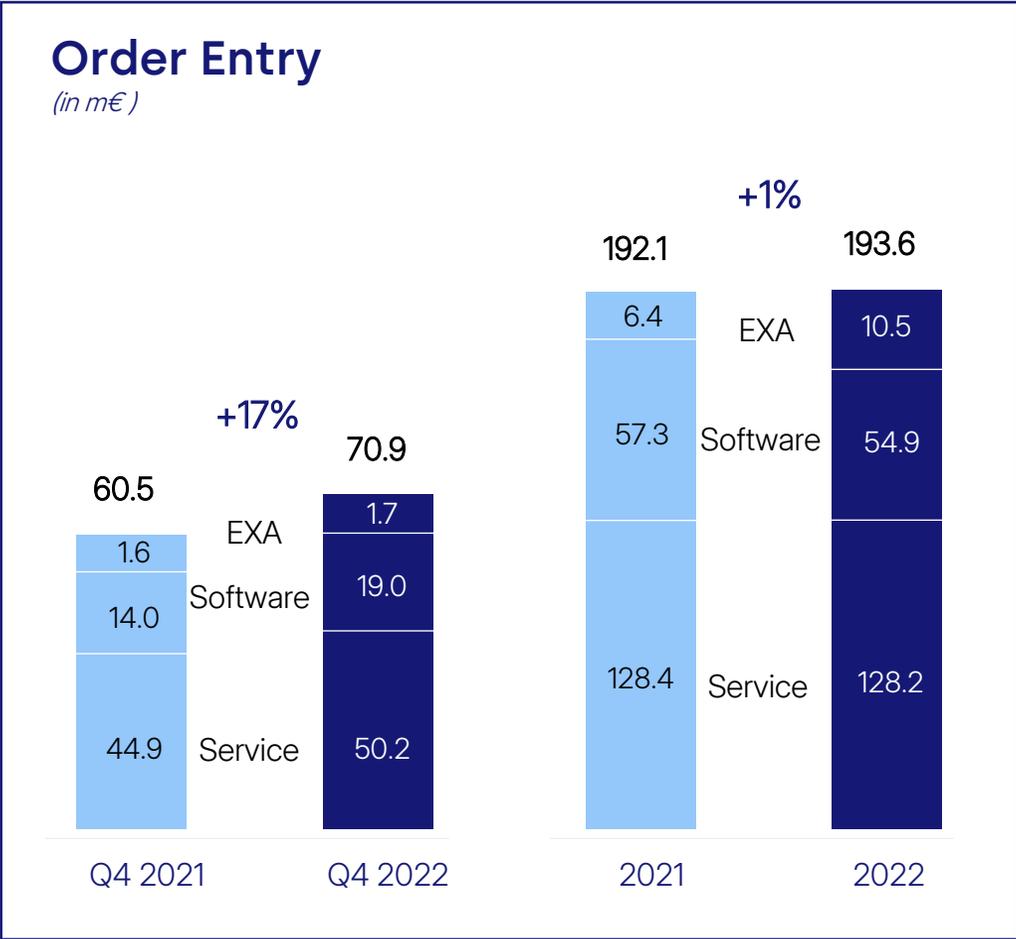
Segment EXA – Revenue and EBIT FY 2022



Comments

- Revenue is significantly higher than in the previous year, in line with expectations.
- The higher revenue volume year-over-year is largely attributable to higher license and maintenance fees.

Order Entry Q4 / FY 2022 and Order Backlog

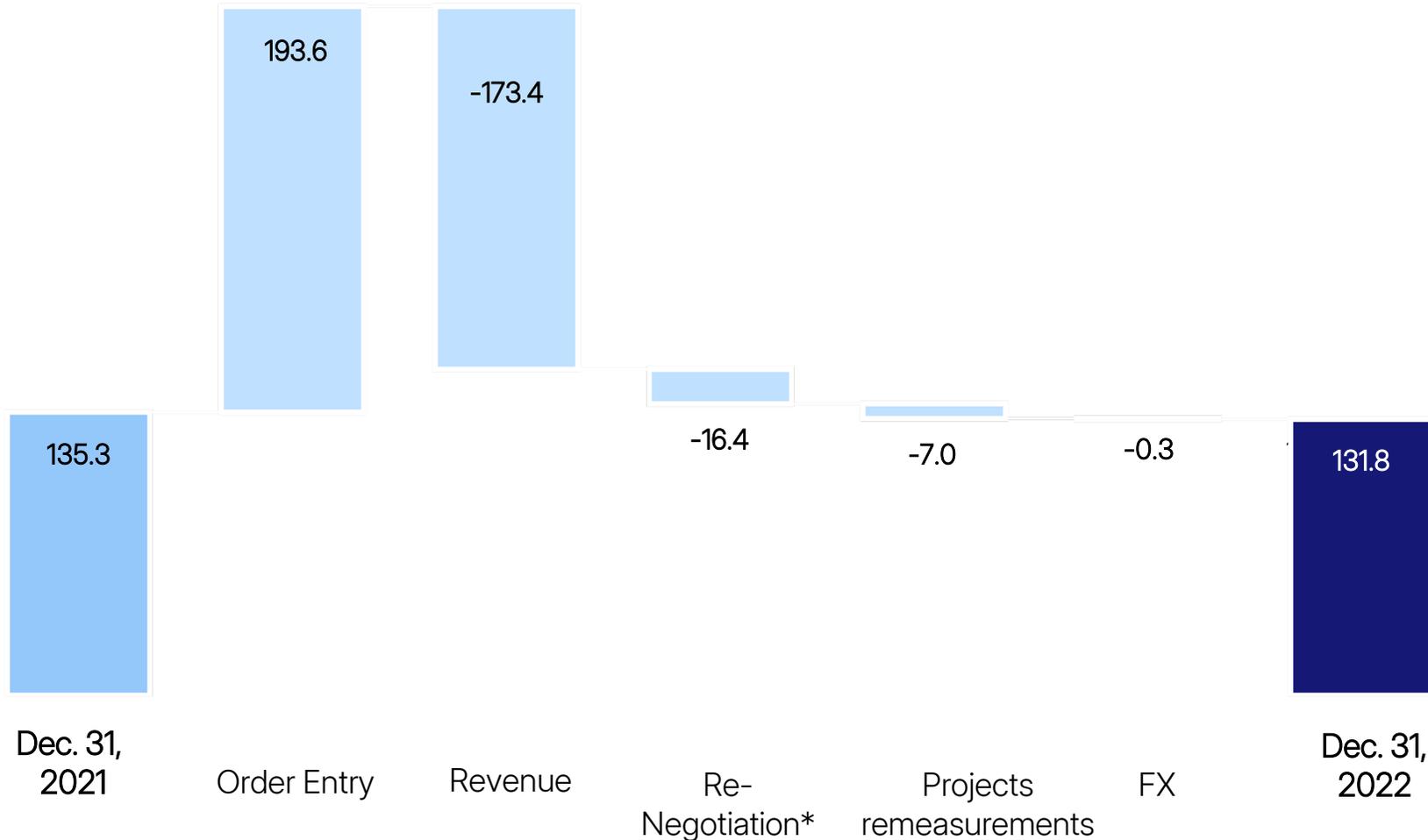


Comments

- Order entry flat; +10% growth rate on a like-for-like basis.
- Managed to grow order entry in a challenging market environment with customers hesitant to commit larger and long-term orders.
- SAP S/4HANA projects represent around 36% of the entire order entry volume of the SNP Group (previous year: around 33%).
- Order Backlog down mainly in the Software section due to renegotiated partner contract.

Reconciliation Order Backlog 2022

(in €m)



Comments

- Negative effect from volume adjustments; mainly due to renegotiated partner contract and further projects remeasurements (e. g., faster project completion).
- Order Entry includes EXA.
- Order backlog adjusted for exchange rate fluctuations and projects remeasurements.

* Restructuring of a partner contract and corresponding correction of the already booked order backlog.

Balance Sheet Structure

Assets* (in €m)	Dec. 31, 2022	Dec. 31, 2021
Cash & cash equivalents	38.4	40.3
Other financial assets	11.5	1.2
Receivables & contract assets	74.4	63.7
Other currents assets	5.9	4.9
Total current assets	130.2	110.1
Total non-currents assets	134.8	156.0
Total assets	265.0	266.1
Equity & Liabilities (in €m)		
Total current liabilities	64.6	89.5
Total non-current liabilities	93.2	74.3
Equity	107.2	102.2
Total Equity & Liabilities	265.0	266.1

* Restructuring of a partner contract and corresponding correction of the already booked order backlog. Since the 2022 fiscal year, all services for which a contractual right to payment applies are reported as trade receivables. In the previous years, services not yet invoiced were reported under contract assets. This correction has only affected the presentation of the relevant items in the statement of financial position.

Comments

- Increased other financial assets due to purchase price receivables in connection with the sale of the minority shares in All for One Poland Sp. z o.o.
- Reduction in non-current purchase price receivables through early sale of minority interests in All for One Poland Sp. z o.o.
- Changes on the liabilities side are mainly attributable to the raising of five-year promissory note loans with a total volume of € 32.5 m.

Cash flow Statement Q4 / 2022

(in €m)	Q4 2022	Q4 2021	Δ (abs.)	2022	2021	Δ (abs.)
Net income	1.5	1.2	+0.3	1.4	0.6	+0.8
Depreciation	2.8	3.5	-0.7	10.8	10.0	+0.8
Change in W/C	-3.3	-5.2	+1.9	7.4	5.4	+2.0
Change in other items	11.4	8.6	+2.8	-20.1	-17.4	-2.7
Operating Cash flow	12.4	8.1	+4.3	-0.5	-1.4	+0.9
Investing Cash flow	9.1	4.2	+4.9	0.0	7.1	-7.1
Repayment of lease liabilities	-1.1	-1.1	0.0	-4.6	-4.3	-0.3
Free cash flow	20.4	11.2	+9.2	-5.1	1.4	-6.5
W/C ratio (LTM)	-	-		22.8%	19.3%	

Comments

- Increased depreciation and amortization due to additional PPAs as a result of the latest acquisitions.
- Improvement quarter by quarter with positive operating cash flow in Q4.
- W/C ratio increased by 3.5 PP.

Outlook

We expect positive business performance in the 2023 fiscal year. For 2023 as a whole, it is expected that within the SNP Group:

- the **order entry** and **revenue** volumes will be driven, in particular, by the Group's software and partner strategy that continues to gain market acceptance, and growth rates will be significantly above those of the previous year (2022 order entry: € 193.6 million; 2022 revenue: € 173.4 million).
- **EBITDA** and the operating result (**EBIT**) will grow more strongly on a moderate basis in percentage than revenue (EBITDA 2022: EUR 17.6 million, EBIT 2022: EUR 6.8 million).
- In accordance with the predicted trend for Group revenue, SNP expects growth rates in the **Service and Software segments** to be significantly above those of the previous year; at **EXA**, a growth rate close to the previous year is expected.
- As in previous years, it is assumed that, in 2023, revenue will not be evenly distributed over the quarters and that the second half of the year will be stronger.

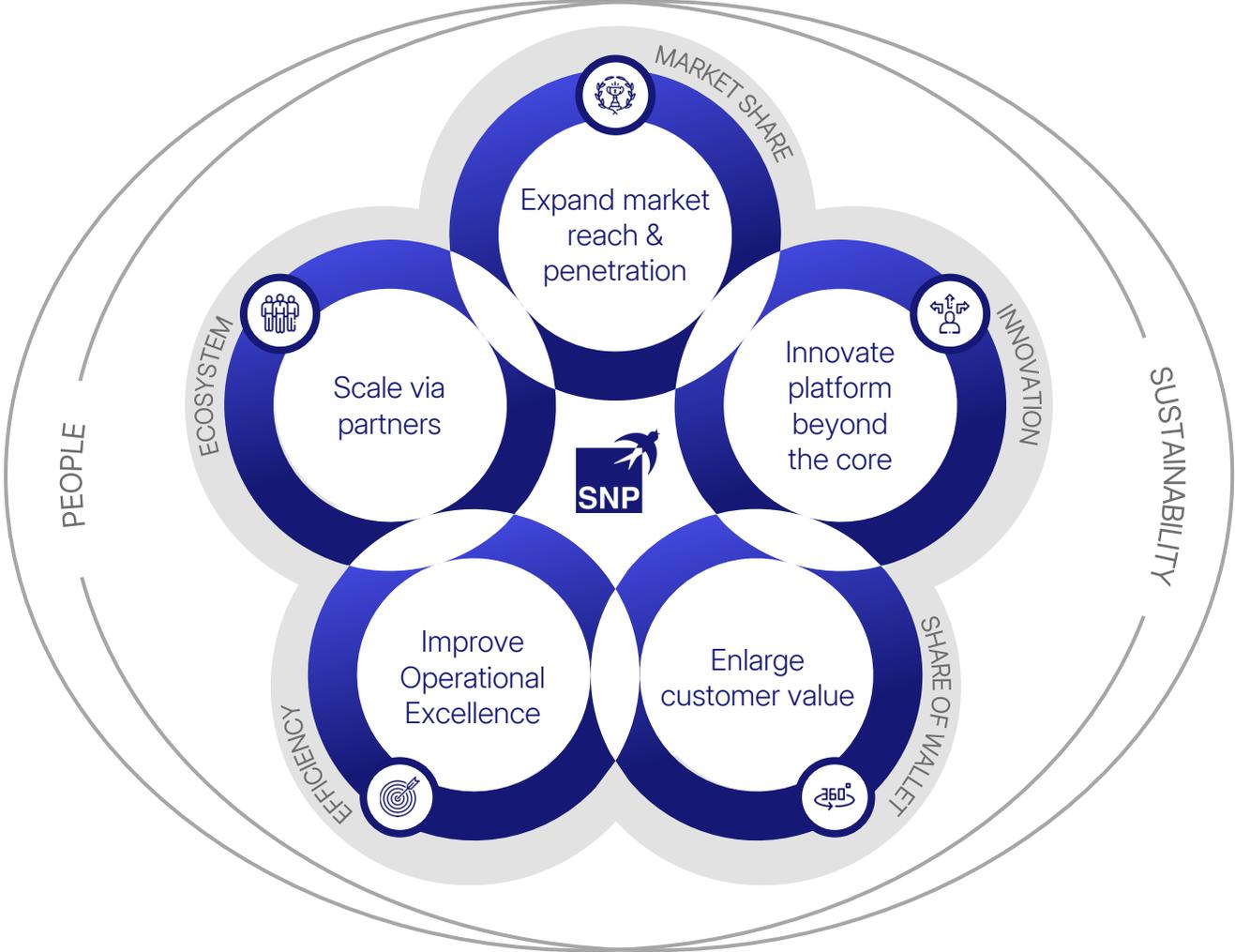
The management will provide a quantitative update of its forecast for the 2023 fiscal year with the half-year financial report. The management will also comment on the mid-term outlook when it presents the figures for the first six months of the year.

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ELEVATE – Our framework to elevate ...



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What has been achieved:

- Established ecosystem with System Integrators and Technology Partners
- More than 50 joint projects with All for One

- Improved focus on portfolio management and innovation
- Simplification of group structure



- Regional expansion in France and other markets
- Improved market share in Germany

- One Platform for all use cases in place
- First successes in the Cloud Data Integration space

- Cross-selling wins at Aldi, BHP, etc.
- Extended value creation at VW, E.ON, etc.

ELEVATE – Our framework to elevate ...

Our plans:

- Technology partnerships with Snowflake, AppDynamics, AWS, etc.
- Implement scalable delivery 'factories' with key System Integration partners

- Strong focus on growth in USA and JAPAC
- New framework for Demand Generation and Sales Operations will improve market penetration



- Innovation focus on Cloud Data Warehouse migrations, AI and customer-specific apps
- Portfolio expansion beyond SAP

- Stronger alignment of all functions and key processes with critical success factors of a software business (Services, Operations, Pricing, etc.)
- Realization of group-wide synergies and efficiencies

- Strategic Account Planning and Value Engineering to be rolled out
- Focus on long-term partnerships

Key Takeaways

1) SNP is at its core a company with strong and substantial assets, playing in a robust and growing market

- Clear Category leader in SAP 2 SAP data migration
- Strong leadership team in all core functions

2) We see strong potential to accelerate growth and improve profitability, both in existing markets and new regions.

3) Critical success factors include

- Scale through eco system
- Align processes with the critical success factors of a software company
- Expand portfolio beyond SAP
- Elevate Branding
- Selectively recruit software expertise for supporting functions



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We are happy to take your questions!

Financial Calendar 2023

Publication of the
Annual Report
2022

Mar 30, 2023

Publication of the
Interim Statement
Q1 2023

Apr 27, 2023

Annual General
Meeting 2023

May 23, 2023

Publication of the
Half-Year Financial
Report 2023

Aug 4, 2023

Publication of the
Interim Statement
Q3 2023

Oct 26, 2023

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