

Elevate Digital Transformation

Teleconference for investors and analysts
Q2/H1 2024 Results
August 8, 2024

Jens Amail, CEO
Andreas Röderer, CFO

Agenda

Overview:
Q2/H1 2024 Results

Detailed Financials

Q&A



Agenda

Overview:
Q2/H1 2024 Results

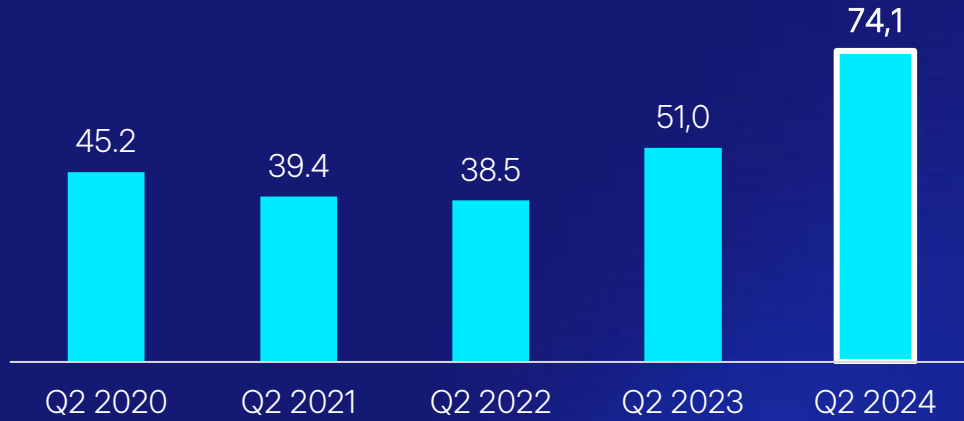
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Five-Year Overview

Order Entry (in €m)



Revenue (in €m)



* Thereof Software.

EBIT (in €m)



Operating Cash Flow (in €m)



** Bonuses were already paid out in Q1.

Key Results – H1 2024

Growth in all regions and segments leads to best Q2 ever after record results in 2023 and strong start to the year: At € 134.7m, order entry across the Group was up roughly 23% over previous year. Group revenue rose by 21% to € 116.0m in H1 2024 YoY.

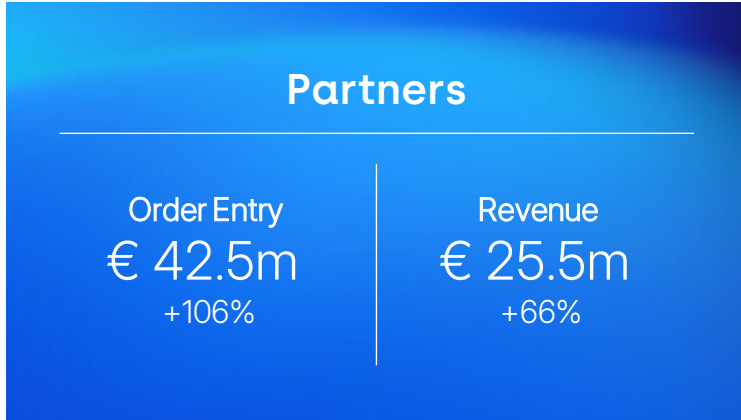
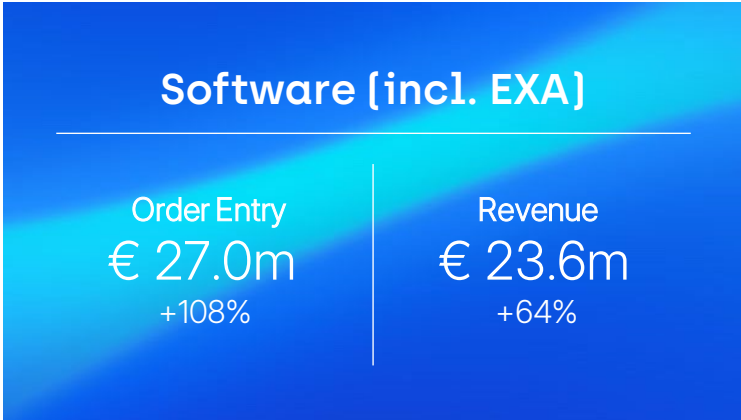
Major milestone for SNP: Settlement of the legal dispute with the community of heirs by approval of the Annual General Meeting, leading to a positive EBIT contribution of around € 3m to the half-year results.

Continued high impact of strategic growth levers: Partner business accounts for 54% of total H1 order entry, sustained strong S/4 and RISE business (56% of H1 order entry) and strong development in our strategic growth markets (order entry up by 79%).

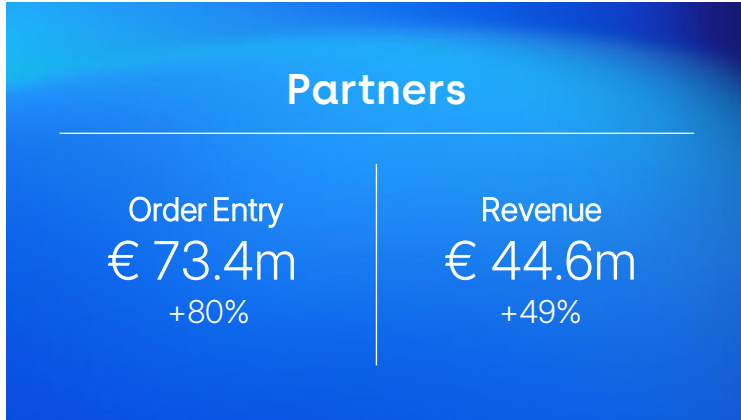
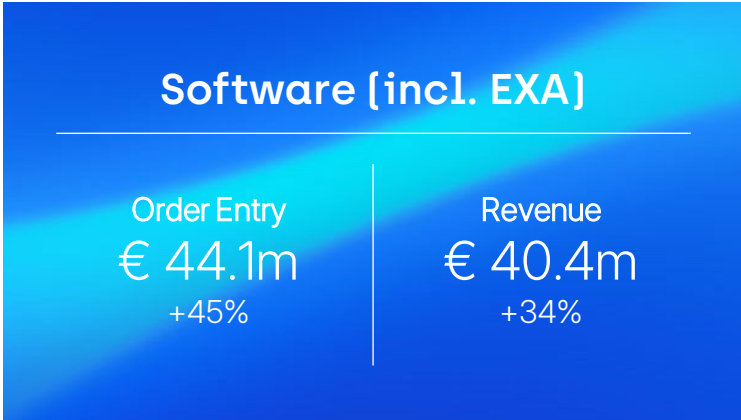
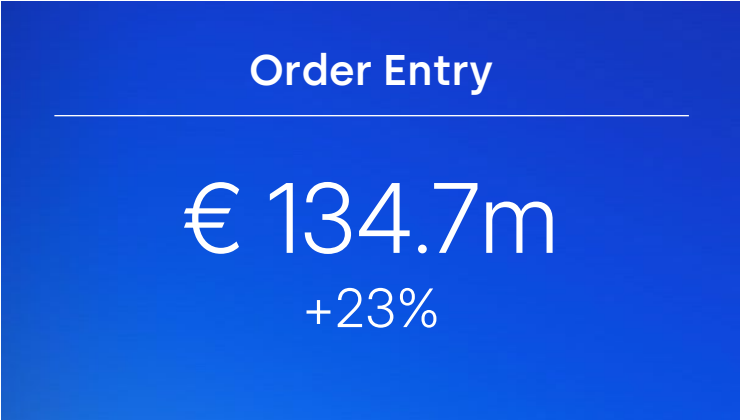
Significantly increased profitability and cashflow: EBIT marked € 12.5m with a margin of 10.7% (3.6% in H1 2023). Operating cashflow turned significantly positive, totaling to € 4.7m (€ -9.0m in H1 2023).

Raised guidance for 2024: Revenue range of € 225m – 240m, EBIT is predicted between € 16m – 20m; book-to-bill ratio still greater than one.

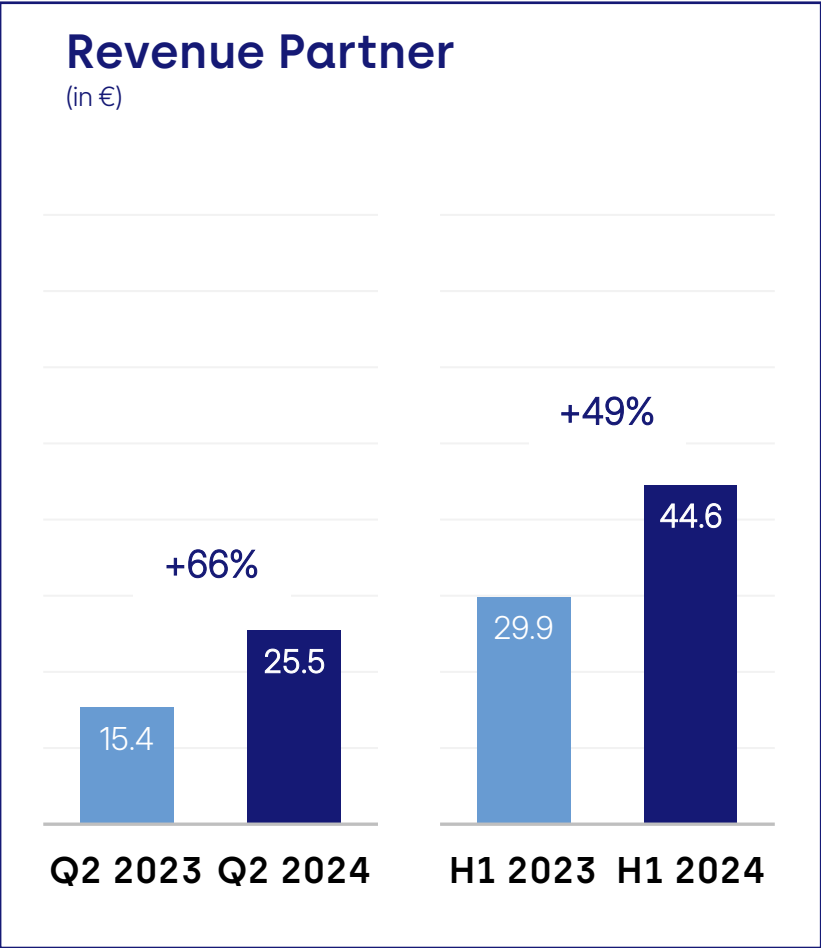
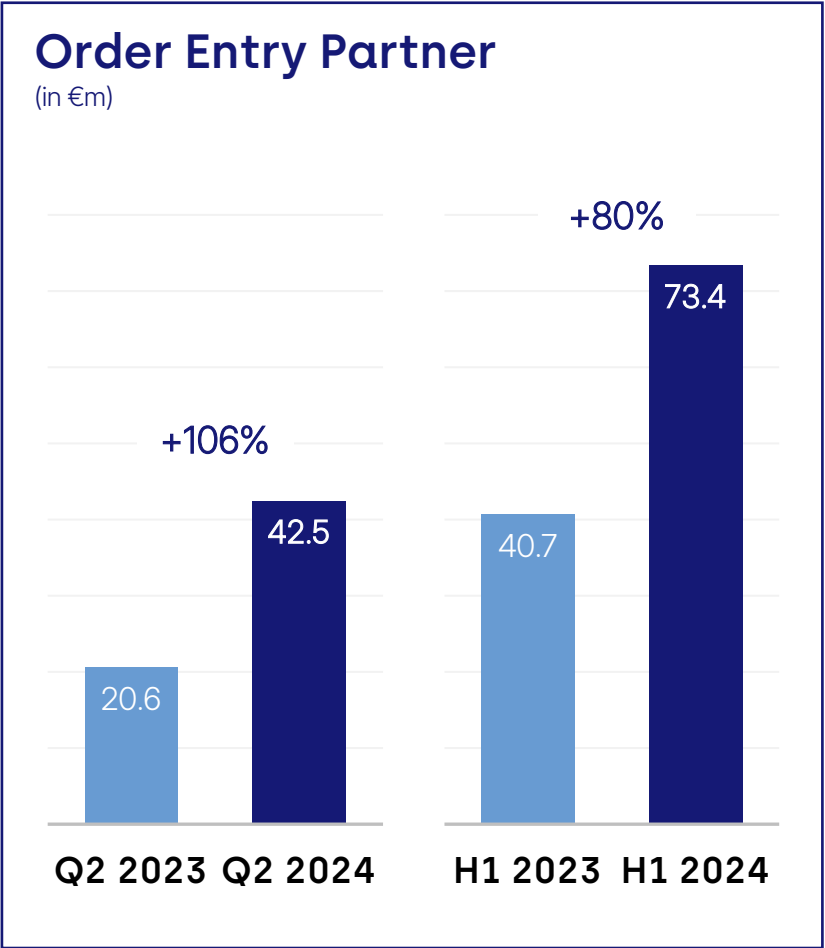
Q2 2024 – Key Figures



H1 2024 – Key Figures

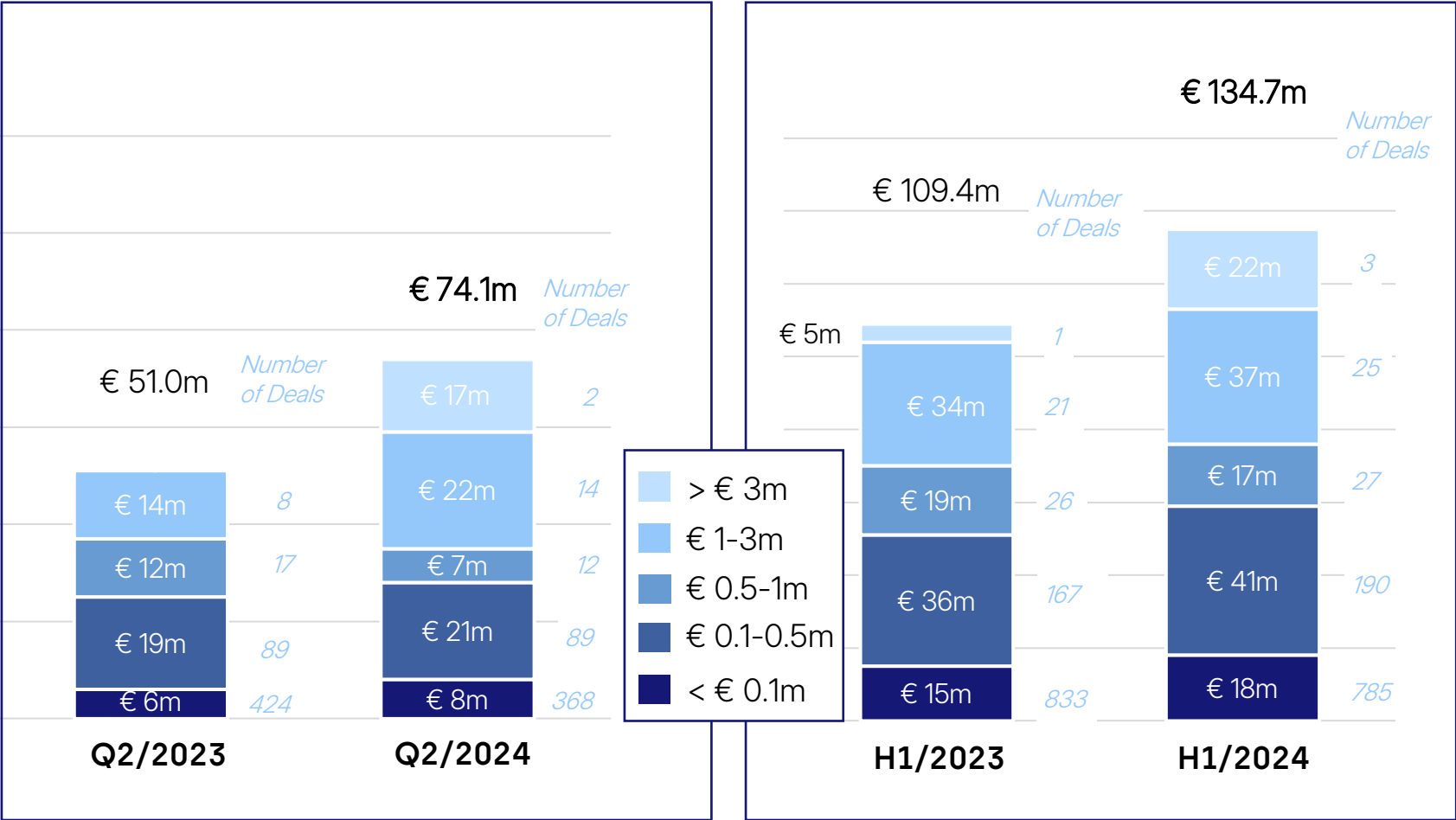


Continued Strong Partner Business



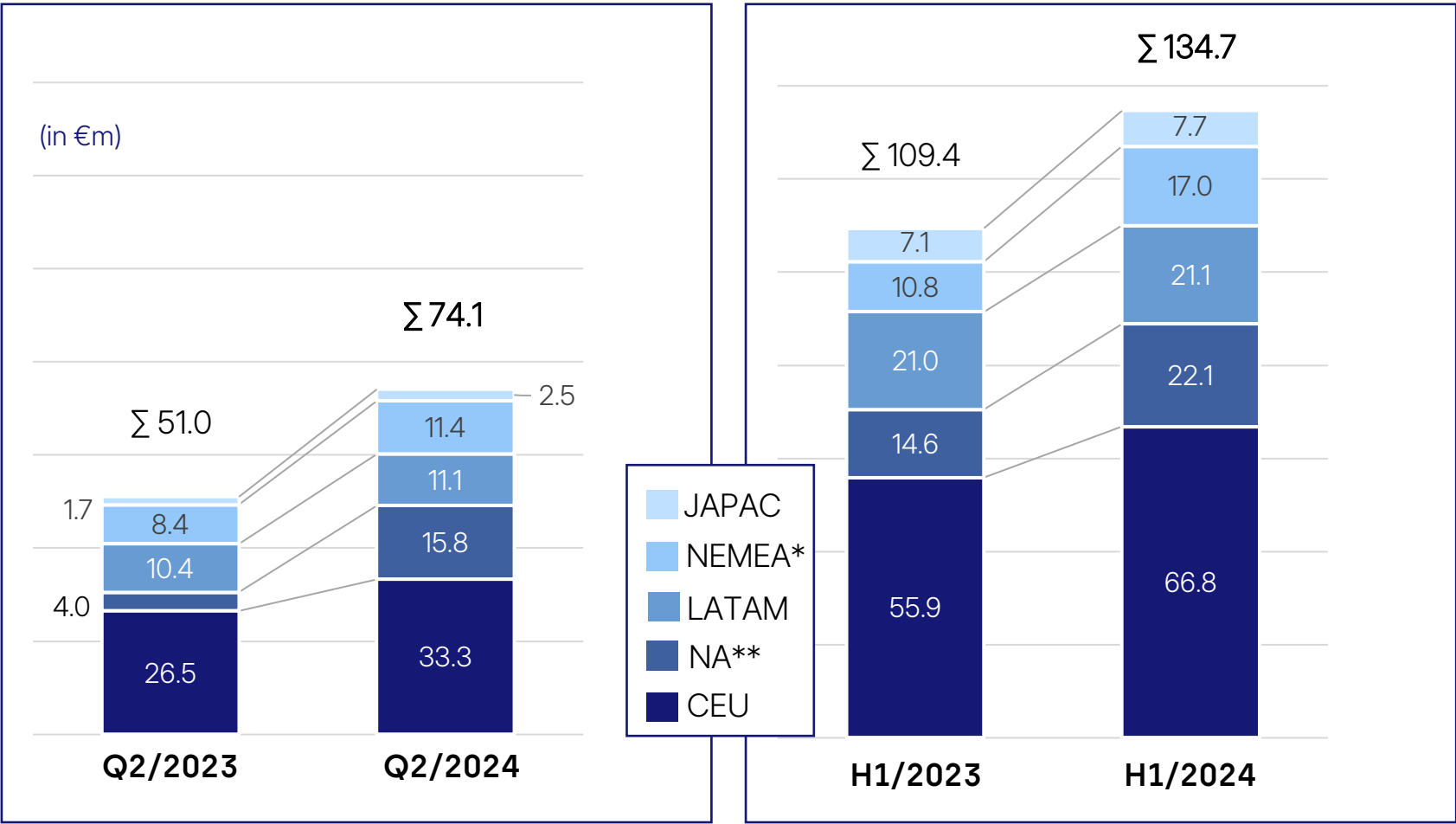
- Successful **Partner Day** with 250 participants and more than 700 partner participants at **Transformation World**.
- Partner business is **developing much more strongly than the direct business** and accounts for more than half of the total order entry volume (**54% vs. 37% in H1 2023**).

Order Entry by Deal Bands



- Decreasing deal number by around 2% to 1,030 projects in total (H1 2023: 1,048), but **higher value deal sizes**.
- Deals in the band of € 1-3m remain the key driver of growth in order entry.
- 45% growth in Q2 achieved boosted by **two mega deals > € 3m**.

Order Entry by Region

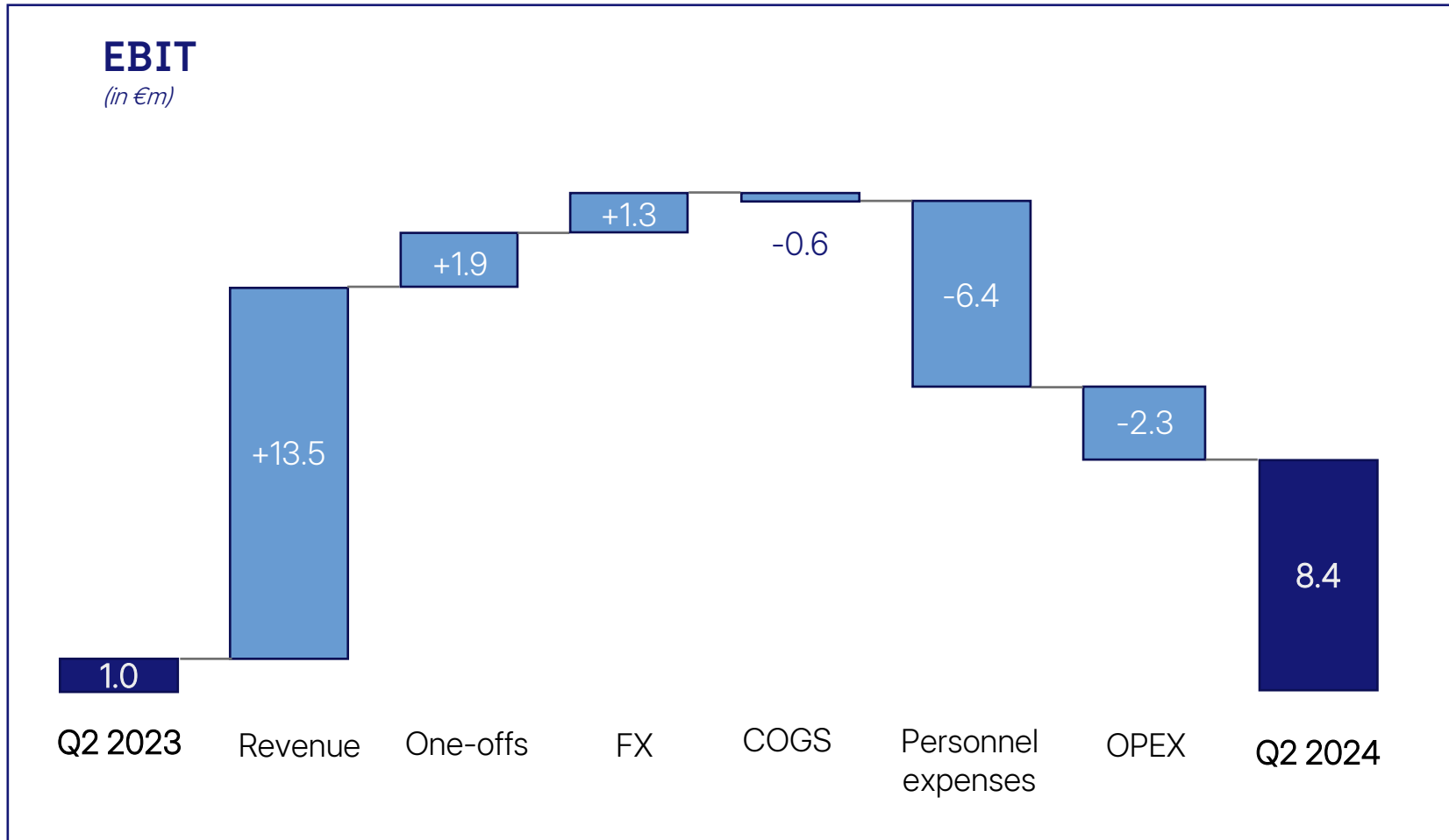


* Since the beginning of 2024, NEMEA has also included the Nordics and Middle East regions in addition to the United Kingdom and Ireland.

** North America; previously USA.

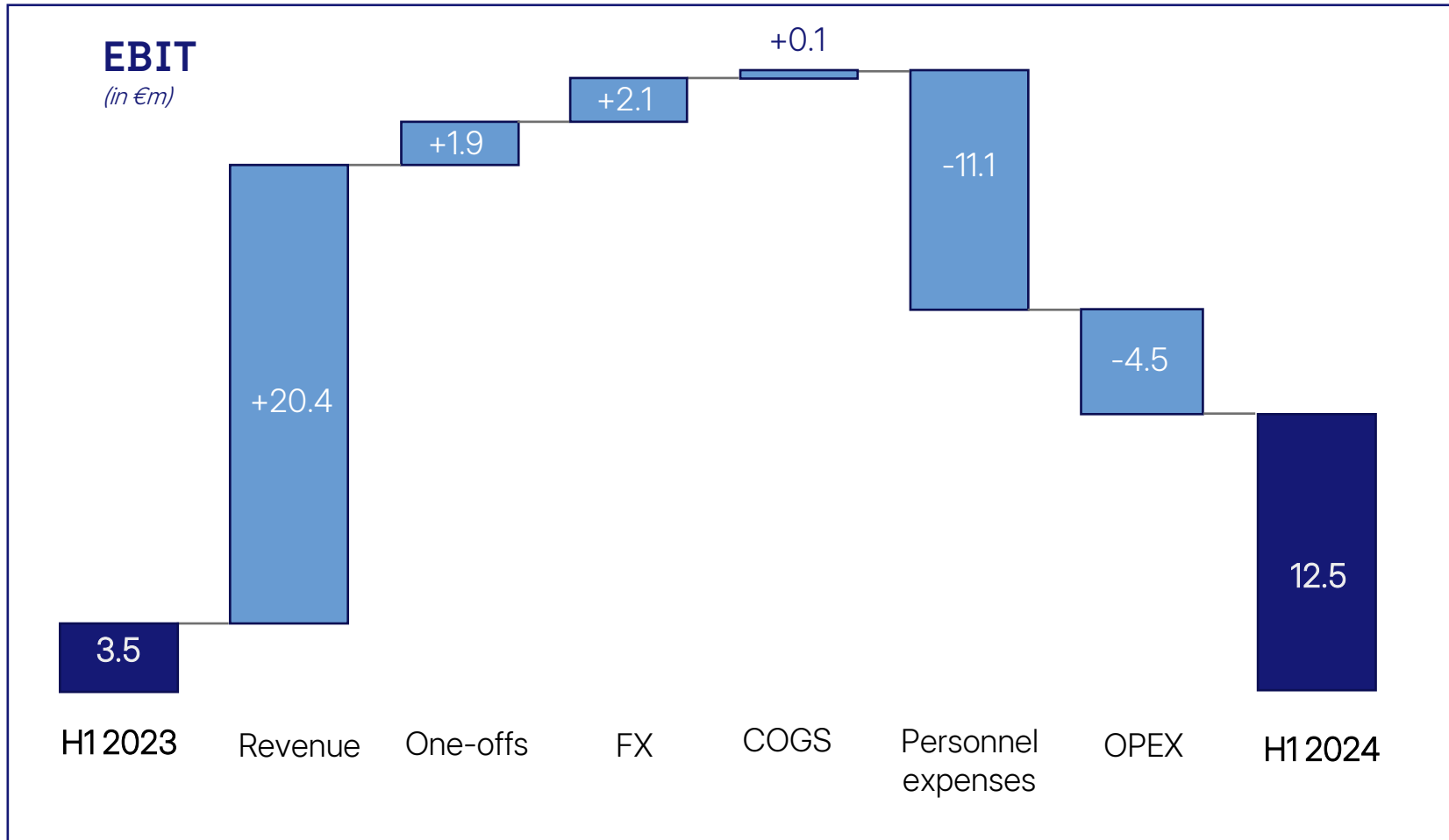
- **Growth across all regions** from quarterly and half-yearly perspective.
- Strongest increases in **NEMEA** (+57% to € 17.0m) and **NA** (+51% to € 22.1m).
- **CEU** up by 20% to € 66.8m with slightly decreasing share of total order entry (-1pp to 50%).
- Still strong order entry in relation to **S/4 and RISE**: +36% to € 75.2m (H1 2023: € 55.1m).
- **S/4 and RISE projects** account for 56% of the total order entry (H1 2023: 50%).

Reconciliation EBIT – Q2



- Revenue:** € +8.4m in Software business segment (+59%); Service business segment: € +4.4m (+14%); EXA segment: € -0.5m (-26%).
- One-offs:** Settlement with community of heirs € +3.5m partly offset by write-downs of €-1.4m and € -0.2m due to PPA-depreciation (Trigon).
- FX:** Strong US dollar boosts earnings compared to weaker US dollar effect in Q2 2023.
- Personnel expenses,** external consultant **COGS,** and **OPEX** partially off-setting the positive impact of revenue growth.

Reconciliation EBIT – H1



- Revenue:** € +9.1m in Software business segment (+31%); Service business segment: € +10.7m (+17%); EXA segment: € 0.6m (+14%).
- Personnel expenses:** (1) higher number of employees, (2) salary increases in 2023 and (3) inflation adjustment payment (in January 2024).
- FX:** Strong US dollar boosts earnings compared to weak US dollar effect in H1 2023.

Guidance for 2024 Raised

	New Guidance 2024	Initial Guidance 2024
Order entry	Book-to-Bill-Ratio >1	Book-to-Bill-Ratio >1
Revenue	€225m – 240m	€215m – 225m
EBIT	€16m – 20m	€13m – 16m

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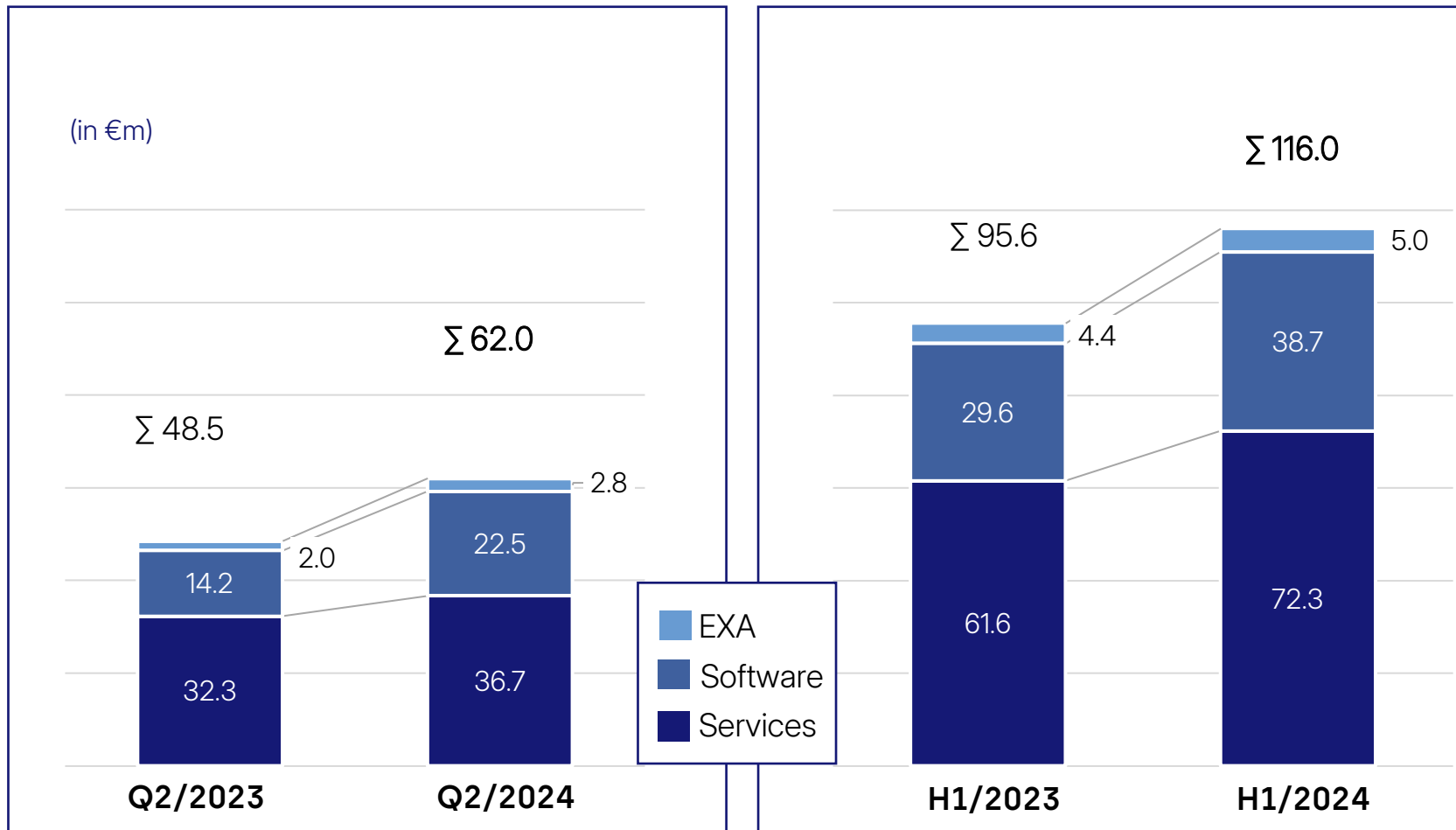


Income Statement Q2/H1 2024

(in €m)	Q2 2024	Q2 2023	Δ	H1 2024	H1 2023	Δ
Revenue	62.0	48.5	+28%	116.0	95.6	+21%
Gross profit	55.6	42.7	+30%	104.4	83.9	+24%
Personal expenses	-37.6	-30.6	-23%	-72.3	-60.6	-19%
Other income/expenses	-4.8	-8.3	+42%	-12.2	-14.4	+15%
EBITDA	11.1	3.6	+212%	17.7	8.6	+105%
EBIT	8.4	1.0	+719%	12.5	3.5	+257%
EBT	7.8	0.5	+1,587%	11.3	2.3	+398%
Net income	5.5	0.3	+1,587%	7.9	1.6	+397%
Gross profit margin	89.7%	87.9%	+1.8pp	90.0%	87.8%	+2.2pp
EBITDA margin	18.0%	7.4%	+10.6pp	15.2%	9.0%	+6.2pp
EBIT margin	13.6%	2.1%	+11.5pp	10.7%	3.6%	+7.1pp

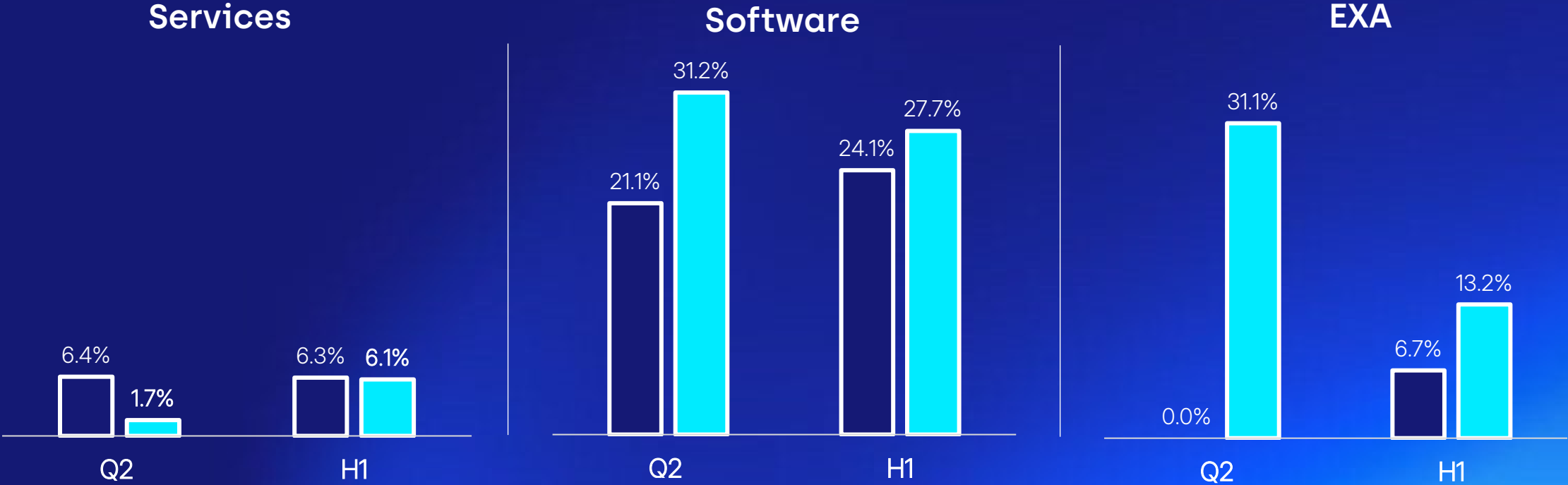
- Increased **personnel expenses** mainly due to (1) higher number of employees and (2) salary increases in 2024.
- Other operating expenses** unchanged; mainly due to reduced FX losses to € 2.5 m (H1 2023: € 5.6 m), driven primarily by positive effects in the LATAM region, and increased expenses for marketing and travel.
- Other operating income** rose by € 2.1 m to € 7.9 m; mainly due to the **receivables purchase and assignment agreement** in June 2024 (€ 3.5 m).
- Significantly improved **EPS (undiluted)** by € 0.86 to € 1.09.

Revenue Growth in all three Segments

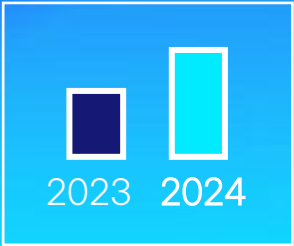


- **Services business segment** up by 17%, compared with H1 2023, due to an improved order situation and higher customer prices.
- Revenue in the **Software business segment** increased well above average by 31%; primarily due to the increased sales of program licenses mainly for the implementation of numerous SAP S/4HANA projects.
- Improved order situation with **EXA**.
- **Book-to-bill: 1.16**

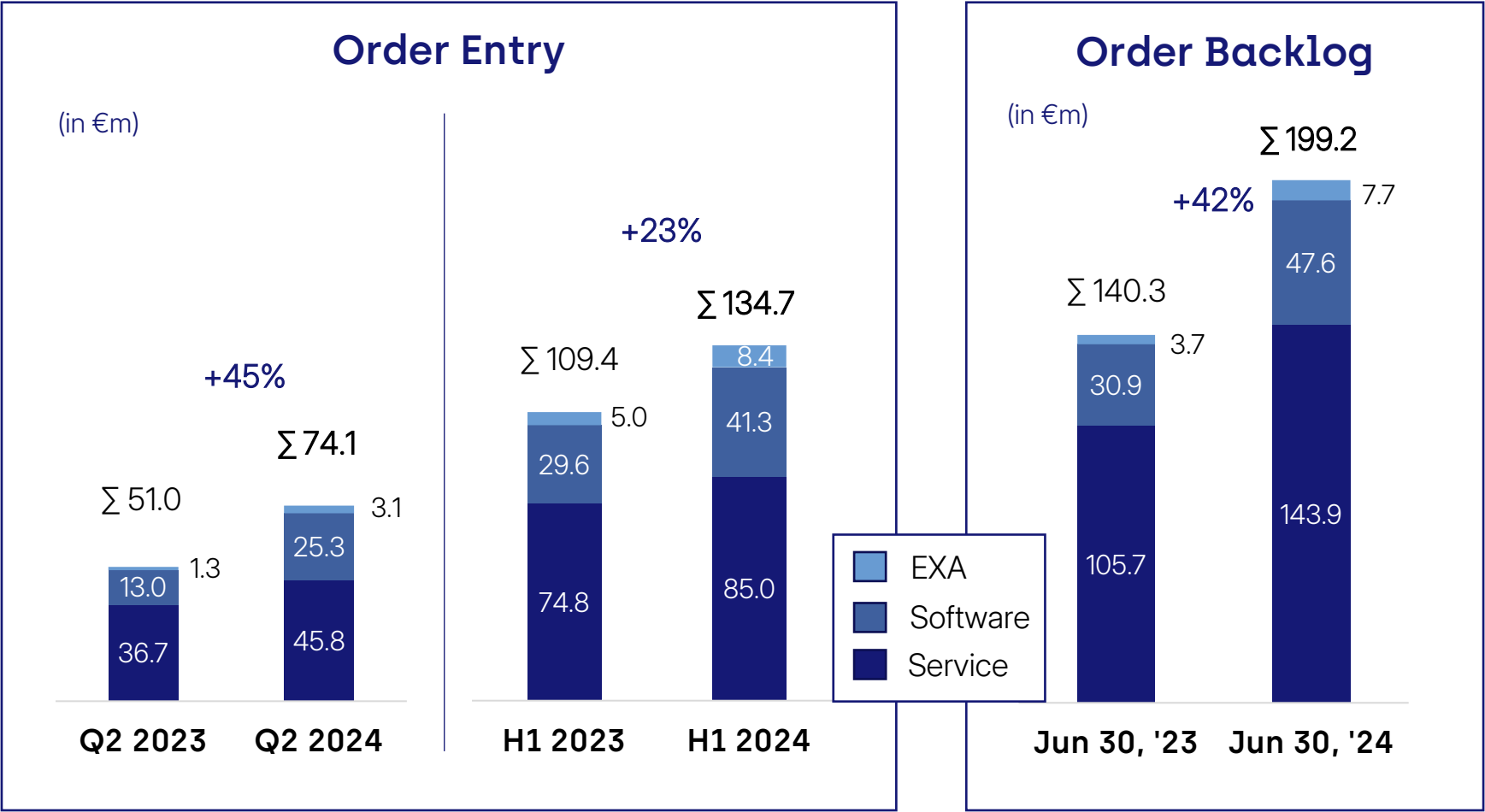
Strongly Improved Segment Margins



- Significant increase in the **software margin** due to attractive major projects with a high proportion of software; impairments from earlier partner deals with negative impact.
- **Services margin** burdened by (1.) training and further education costs for employees and (2.) intensive partner enablement.
- **EXA** with positive development in the course of an improving order situation.

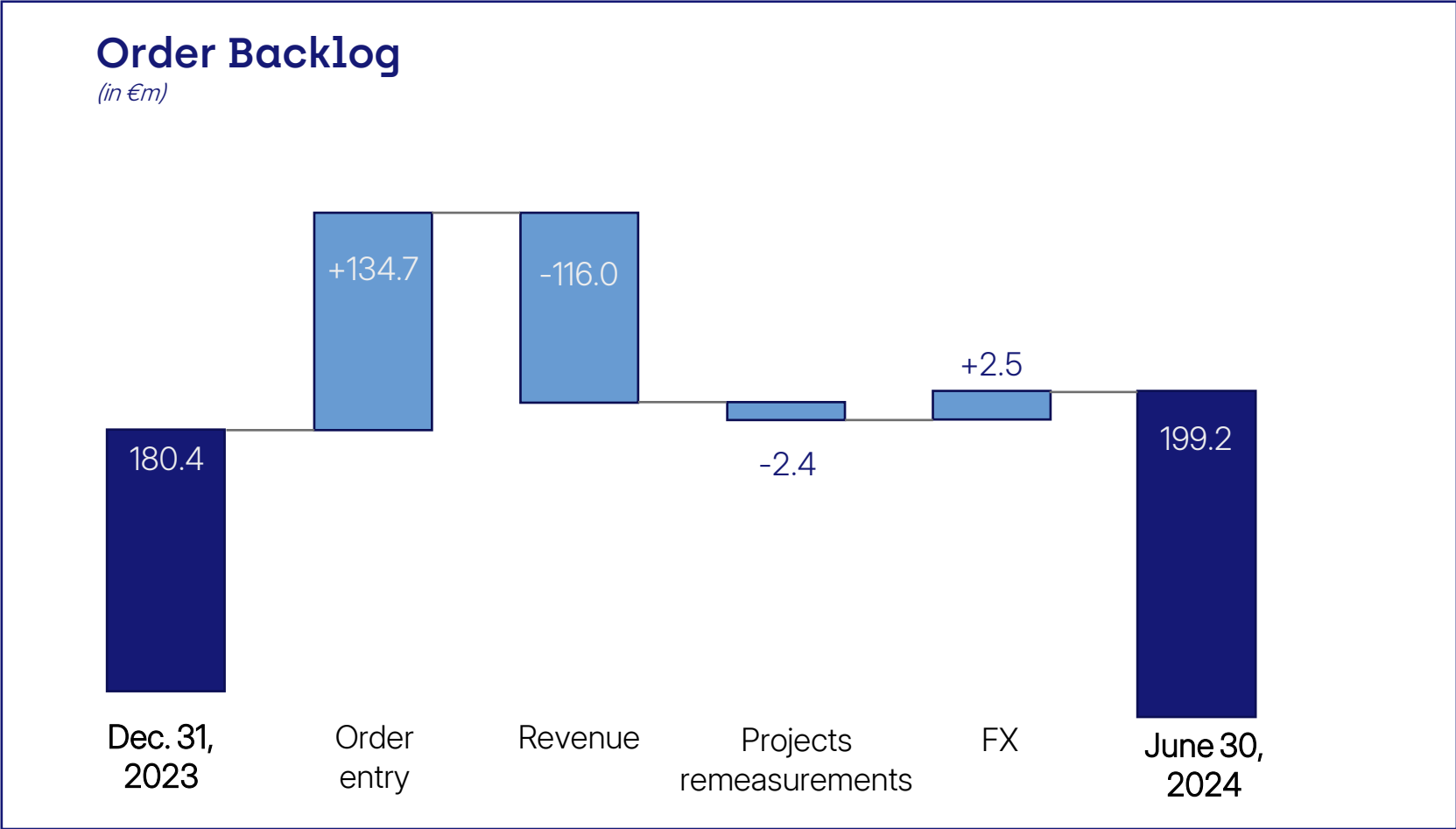


Order Entry Q2/H1 2024 and Order Backlog



- **Order entry** volume increased year-over-year in 2024 to a new record level of € 134.7m.
- Strong development in our **strategic growth markets** (Brazil, Nordics, France, Middle East and Mexico); order entry up by 79% to around € 12m in H1 2024).
- 42% increase in **order backlog** compared to H1 2023.

Reconciliation Order Backlog H1 2024



- Increase in order backlog by 10% compared to year end 2023.
- Projects remeasurements in H1 2024 by € -2.4m.
- Order backlog includes €7.7 m from EXA.

Balance Sheet Structure

Assets (in €m)	June 30, 2024	Dec. 31, 2023
Cash & cash equivalents	43.0	40.3
Other financial assets	0.2	5.0
Receivables & contract assets	99.3	88.9
Other currents assets	8.3	4.6
Total current assets	150.7	138.8
Total non-currents assets	127.3	123.0
Total assets	278.0	261.8
Equity & Liabilities (in €m)		
Total current liabilities	64.3	69.6
Total non-current liabilities	91.2	83.6
Equity	122.5	108.6
Total Equity & Liabilities	278.0	261.8

- Increased **Cash and cash equivalents** resulting from positive operating cash flow and positive investing cash flow due to the payment of a purchase price installment in connection with the sale of All for One Poland.
- **Other financial assets** decreased due to the settlement of the purchase price receivable from the sale of minority shares in All for One Poland.
- **Contract assets** increased by € 11.2m to € 21.8m (Dec. 31, 2023: € 10.6m) due to higher POC (Percentage of Completion) receivables, while trade receivables decreased slightly by € 0.8m to € 77.5m.
- Increase in **Non-current liabilities** due to increased financial liabilities as a result of taking out bank loans (€ 7.0m).
- Slightly improved **Equity ratio** of 44.1% (+0.6pp).

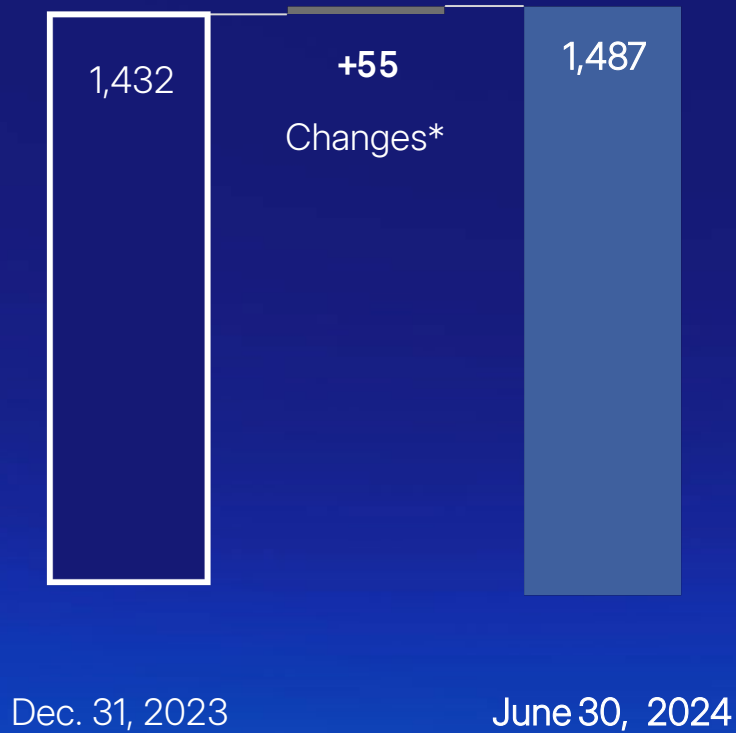
Cash flow Statement Q2/H1 2024

(in €m)	Q2 2024	Q2 2023	Δ (abs.)	H1 2024	H1 2023	Δ (abs.)
Net income	5.5	0.3	-5.1	7.9	1.6	+6.3
Depreciation	2.7	2.5	+0.2	5.2	5.1	+0.1
Change in W/C	-15.0	-11.5	-3.5	-10.2	-16.8	+6.6
Change in other items	1.2	0.7	+0.5	1.7	1.1	+0.6
Operating Cash flow	-5.6	-7.9	+2.3	4.7	-8.9	+13.6
Investing Cash flow	-0.5	4.4	-4.9	4.1	4.2	-0.1
Repayment of lease liabilities	-1.4	-1.2	-0.2	-2.7	-2.5	-0.3
Free Cash flow	-7.5	-4.7	-2.8	6.0	-7.3	+13.2
W/C ratio (LTM)				25.7%	29.7%	

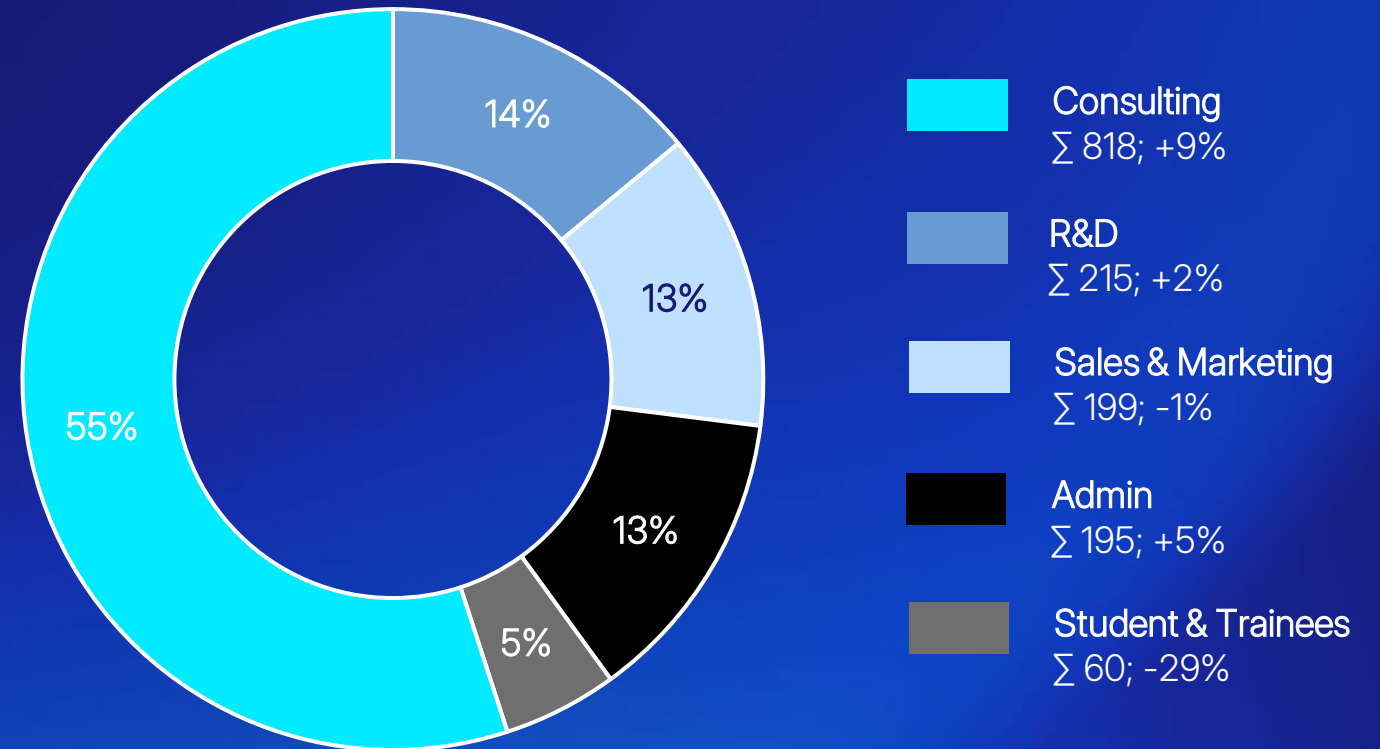
- Further improvement in **W/C management** in the first half of 2024.
- **Positive overall Operating Cash flow** development despite negative Q2 burdened by bonus payments and variable compensation for 2023.
- **Positive Investing Cash flow** mainly due to proceeds from the sale of shares in All for One Poland.
- **Free Cash flow** turns significantly positive.

Headcount

Headcount evolution



Percentage headcount split by function per June 30, 2024



* 43 of the 55 additional employees are attributable to the Trigon Group; thereof 38 Consultants und 5 Admin.

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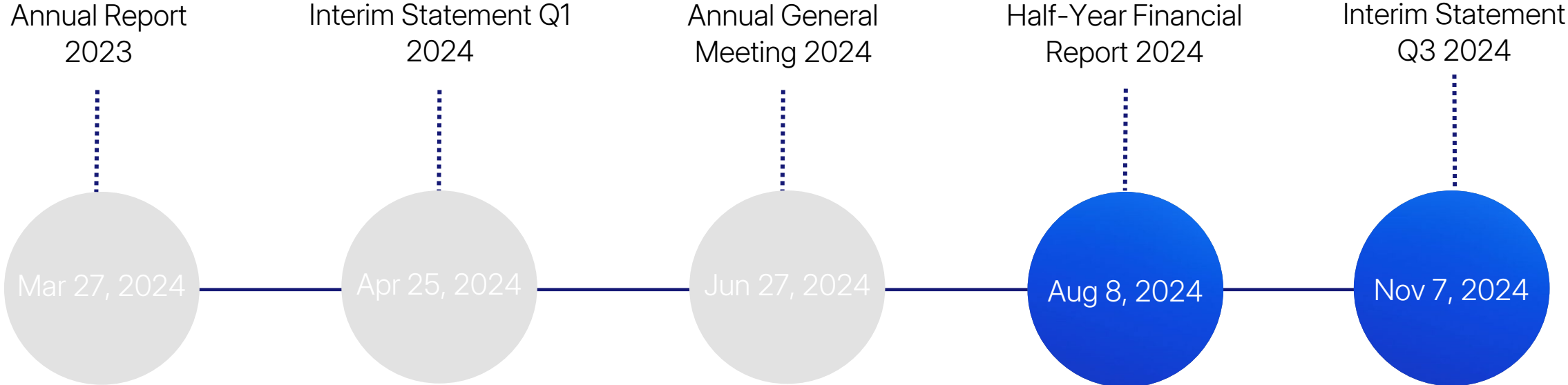
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Q&A



We are happy to take your questions!

Financial Calendar 2024



Thank you

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Heidelberg, Germany 2024