

ELEVATE DIGITAL TRANSFORMATION

Analyst & Investor Call
HY1 2022 Results

SNP | The Data Transformation Company



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HY1 2022 – Key figures

Group Revenue: € 83.3m

+10%

(Like-for-like: +14%)

Partner Revenue: € 23.0m

+59%

Order Entry: € 82.6m

-10%

(Like-for-like: +4%)

Service Revenue (incl. EXA): € 59.5m

+14%

Software Revenue (incl. EXA): € 23.8m

+1%

(Considering upfront licensing revenue of € 4.5m in H1 '21: +25%)

EBIT: € 1.8m

+2.9m

(Like-for-like: +3.1m)

* As pro forma key figures, the like-for-like key figures for the first half of 2021 differ from the key figures due to the addition of the key figures for Datavard and EXA in the first half 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 half of 2021.

HY1 2022 – Highlights

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

Successful client event “Transformation World” in Heidelberg with 700 participants.

Datavard integration largely completed.

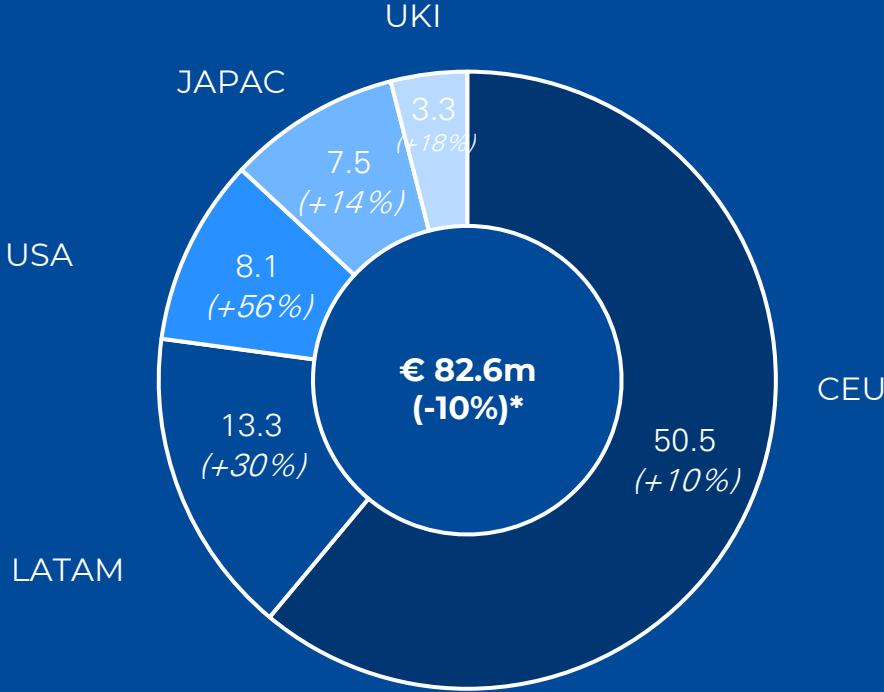
Significant increase in revenue and order entry via partners

Sound development of operational results: First positive EBIT in HY1 since year 2016.

Order Entry and Revenue by Region HY1 2022 – Book-to-bill: 0.99

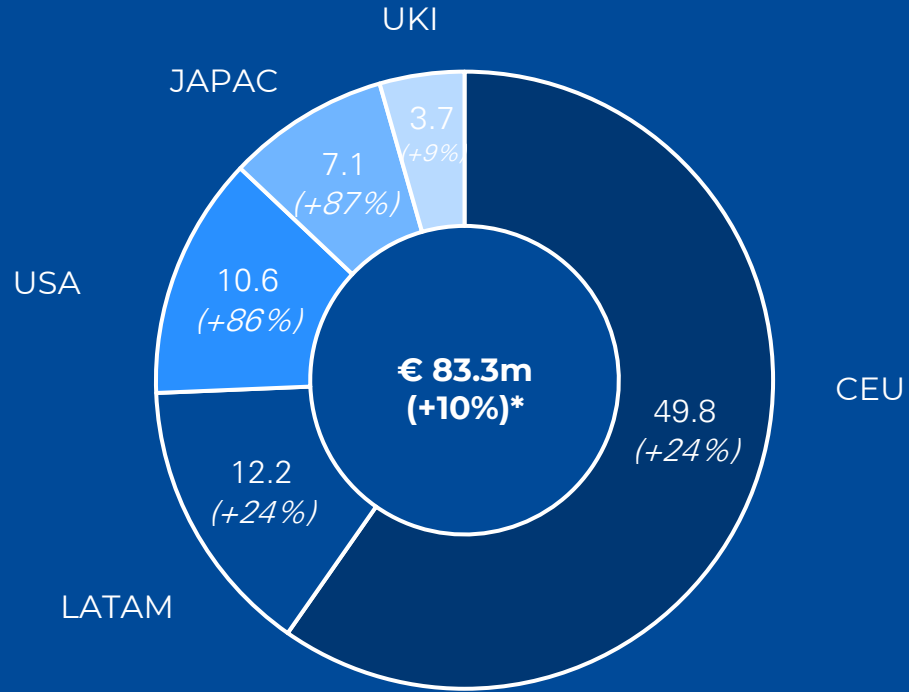
Order Entry

(in €m)



Revenue

(in €m)

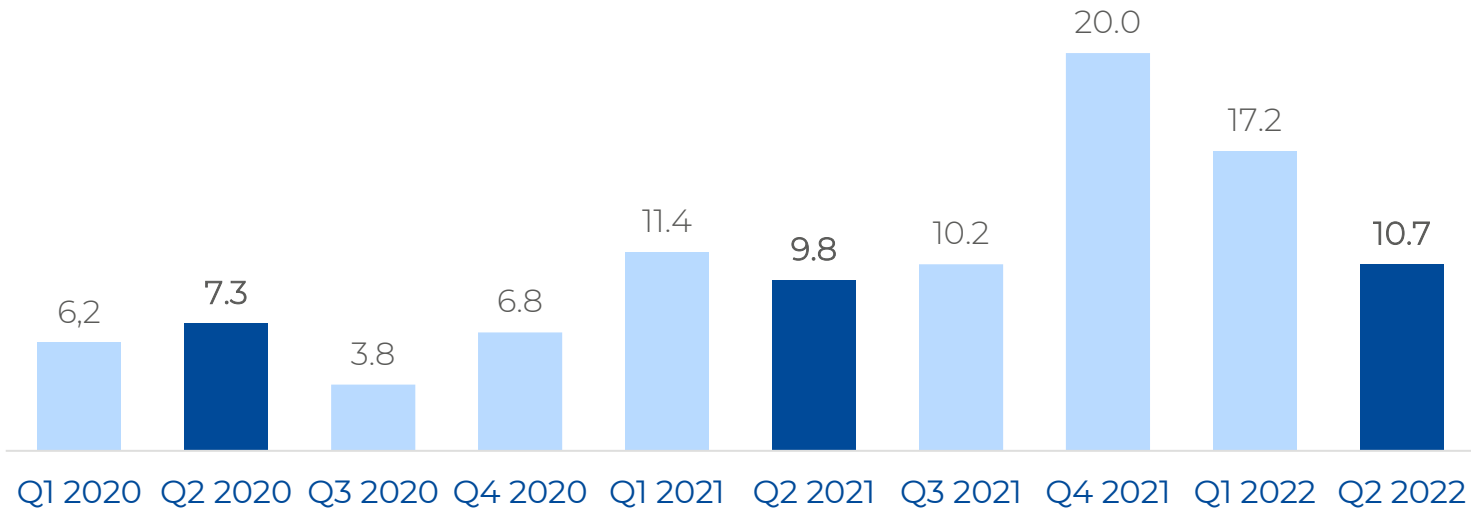


* Following the sale of 51% of the shares in SNP Poland as of October 1, 2021, the EEMEA region is no longer included in the reporting; Contribution to order entry in HY1 2021: € 21.0 m, to revenue in HY1 2021: € 12.8m.

Strong Development Partner Business

Order Entry Partner

(in €m without upfront deals)



Revenue Partner (IFRS)

Q2 2022: € 8.1m (19% of Group Revenue); Q2 2021: € 5.7m

H1 2022: € 23.0m (28% of Group Revenue); H1 2021: € 14.5m

- > Strategic partnerships with 13 of the world's 20 largest IT consulting companies.
- > Over 100 partner projects live and 100% success rate.
- > First project of Accenture & SNP joint Data Transformation Factory gone live successfully.
- > Significant increase in software licence calls against upfront payments to € 3.7m in H1 2022 (HY1 2021: € 2.1m).
- > Over 1,000 partner consultants trained.
- > Cross enablement of Datavard & SNP partners.

Partners

Technology



"SNP's solution 'Cloud Move for Azure' offers our customers a fast and secure path to the Azure Cloud. SNP has many years of experience in the implementation of complex data migrations – customers benefit from the distinctive expertise of our partner."

Dr. Christine Haupt, General Manager Microsoft

Market – Sales & Service

Global (12)



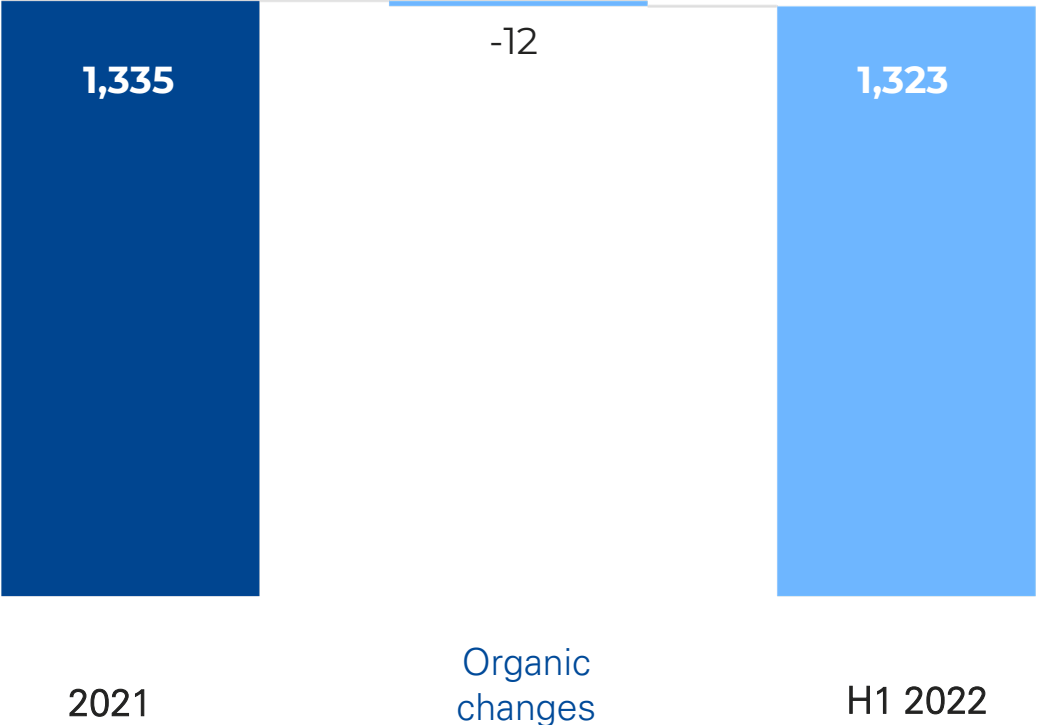
Regional (39)



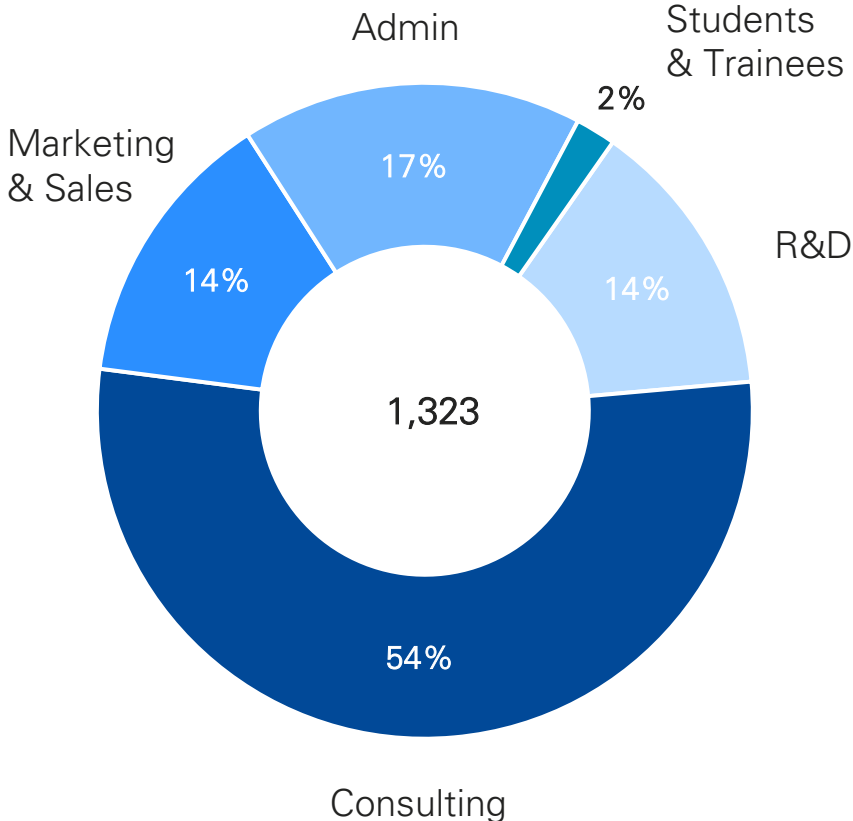
"Thanks to the cooperation with SNP, we offer our customers the perfect basis for their transformation projects - secured by the Data Transformation Platform CrystalBridge."

Mario Baldi, CEO Scheer Group

Headcount Evolution



Headcount split by function HY1 2022



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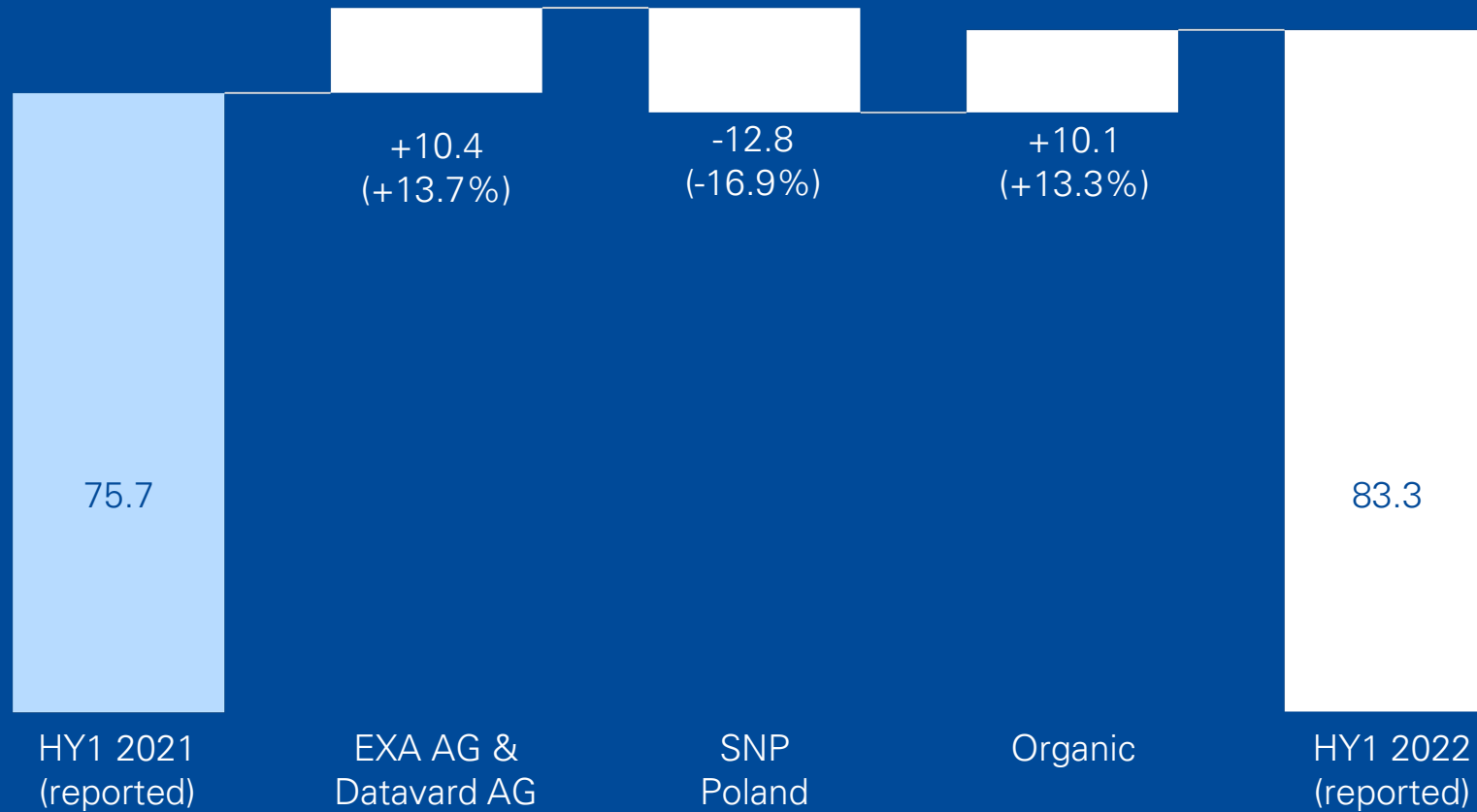
QUESTIONS & ANSWERS



Revenue Bridge HY1 2022

Revenue

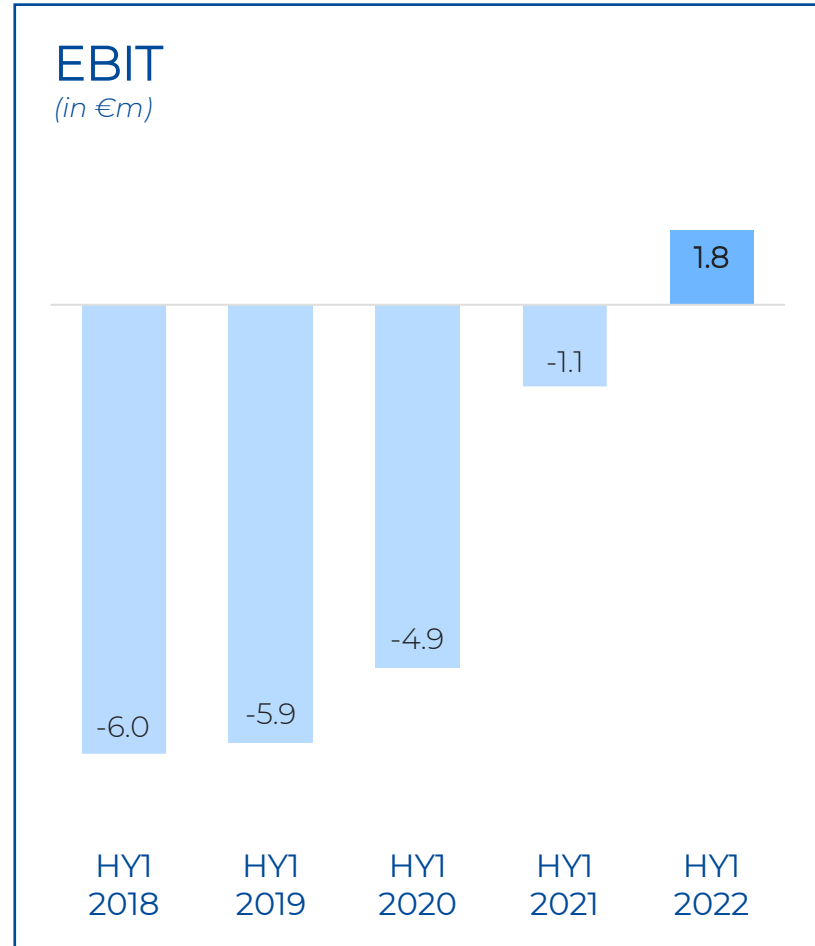
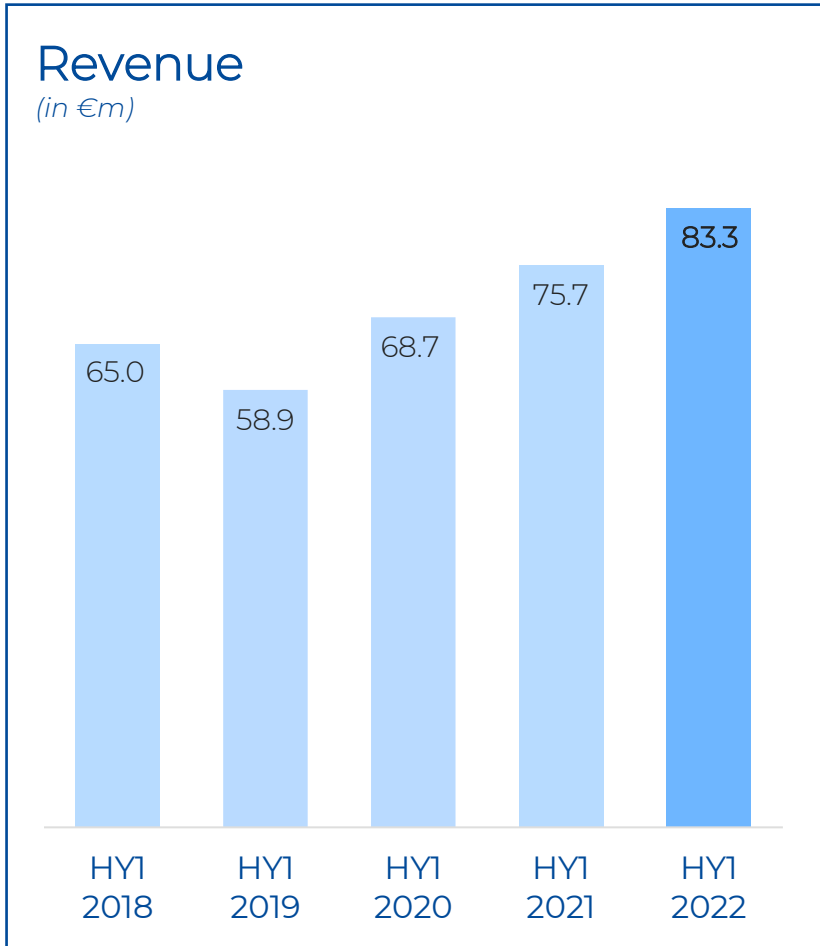
(in €m)



Comments

- > Turnover EXA only included before its acquisition date of March 1, 2021.
- > Organic revenue increase of 13.3% shows strong business development.

Revenue and EBIT since HY1 2018



Comments

- > Highest HY1-revenue in company's history.
- > First positive EBIT in HY1 since year 2016.
- > On track to reach strong results for full year 2022.

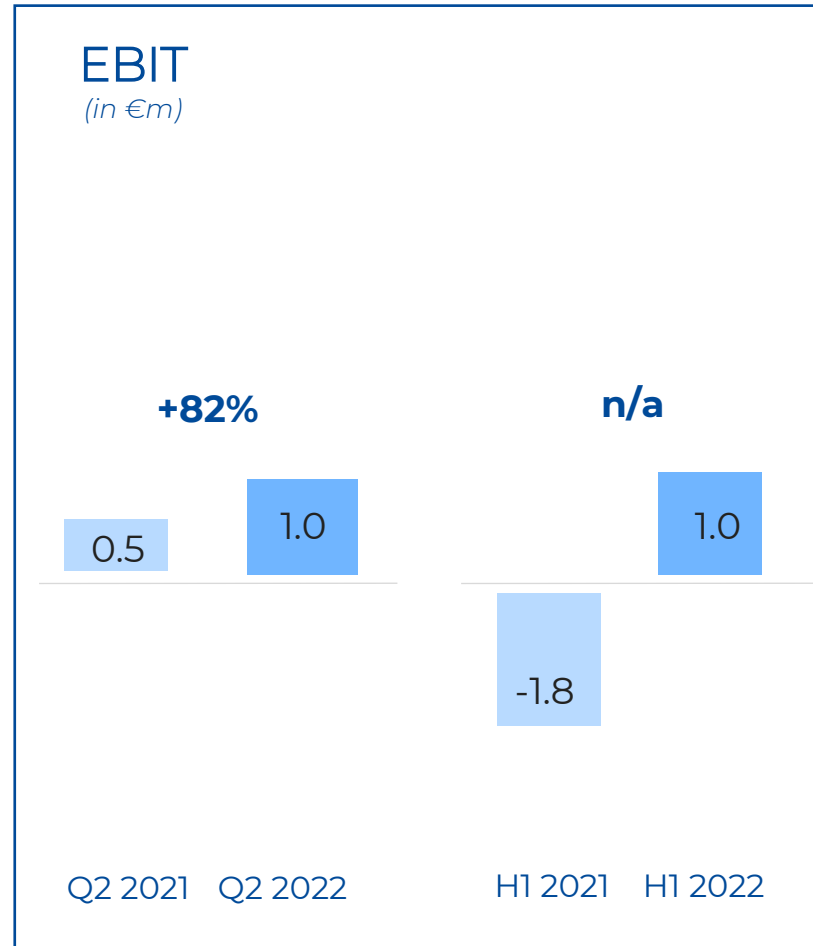
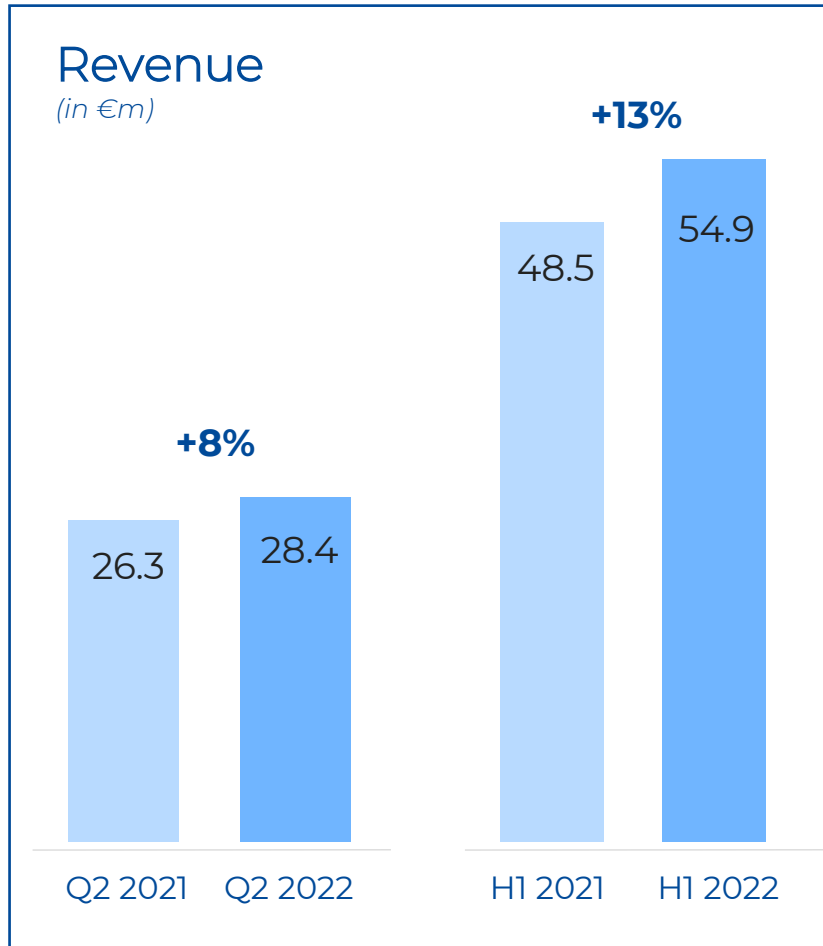
Income Statement Q2 / HY1 2022

(in €m)	Q2 2022	Q2 2021	Δ (abs.)	HY1 2022	HY1 2021	Δ (abs.)
Revenue	42.3	42.6	-0.3	83.3	75.7	+7.6
Gross profit	37.0	36.0	+1.0	72.5	63.8	+8.7
Personal expenses	-27.3	-26.6	-0.7	-54.4	-52.0	-2.4
Other income/expenses	-6.2	-5.5	-0.7	-10.8	-8.7	-2.1
EBITDA	3.4	3.8	-0.4	7.2	2.9	+4.3
EBIT	0.7	1.7	-1.0	1.8	-1.1	n/a
EBT	0.9	1.3	-0.3	0.2	-1.9	+2.1
Net income	0.7	0.4	+0.3	0.1	-2.1	+2.2
Gross profit margin	87.5%	84.5%	+3.0pp	87.0%	84.3%	+2.7pp
EBITDA margin	8.1%	8.9%	-0.8pp	8.6%	3.8%	+4.8pp
EBIT margin	1.7%	3.9%	-2.2pp	2.2%	-1.4%	+3.6pp

Comments

- > Group revenue increase of 10% mainly driven by growing service sales due to higher utilization.
- > With the Software revenues below last years' level in Q2 2022 group revenue flat q/q.
- > Improved product mix results in increased gross margin.
- > Higher personal expenses due to compensation payments (€ 0.6m) and general salary adjustments.
- > Positive FX effects of € 2.6m mainly by strong dollar.
- > Operating profit improved in line with higher revenues.

Segment Service* – Revenue & EBIT Q2 / HY1 2022

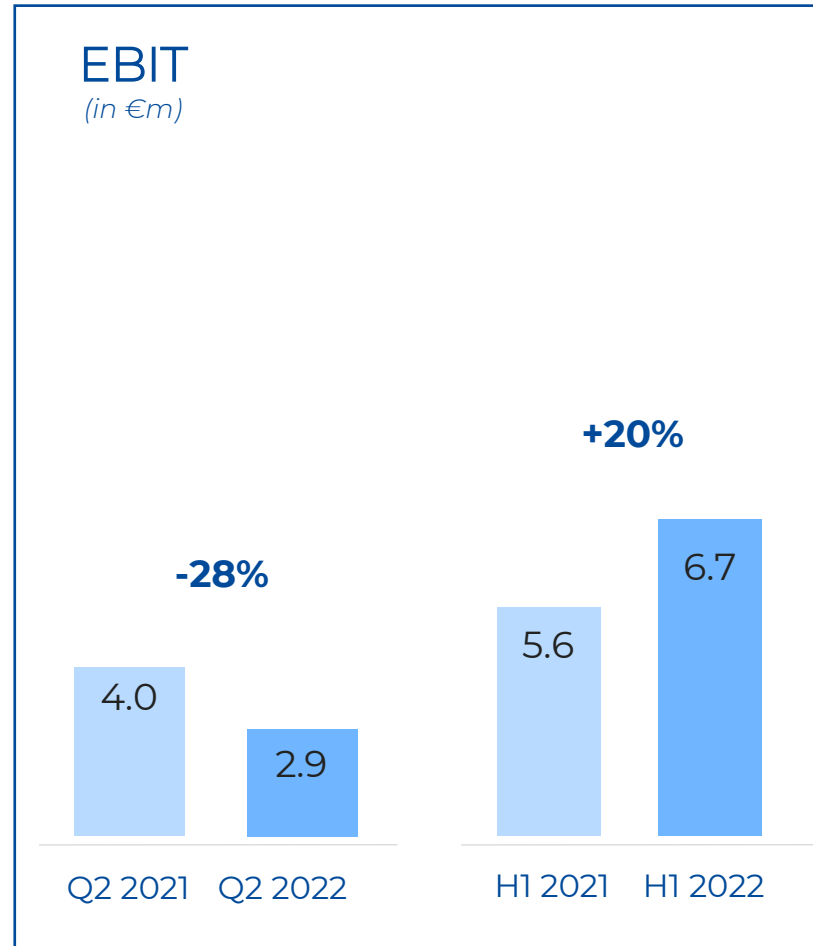
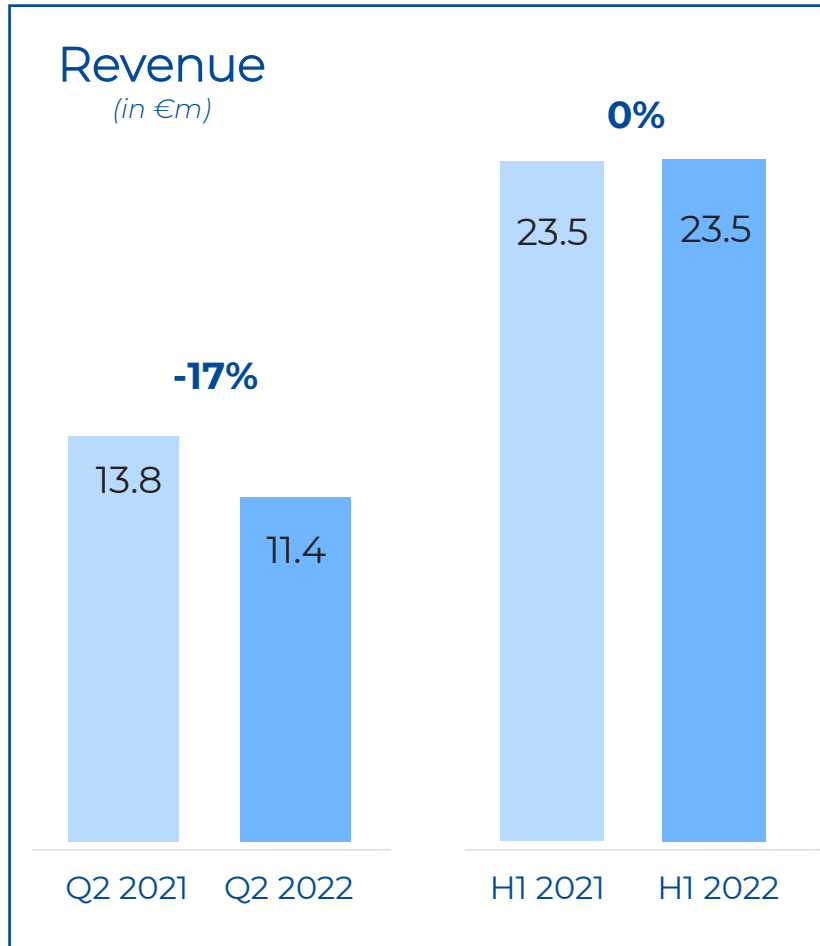


Comments

- > Service segment with steady topline due to good order backlog and increased utilization.
- > Operating profit with positive development especially in Q2.
- > EBIT margin went up to 1.9% after -3.6% the year before (HY1/HY1).

* Without EXA.

Segment Software* – Revenue & EBIT Q2 / HY1 2022

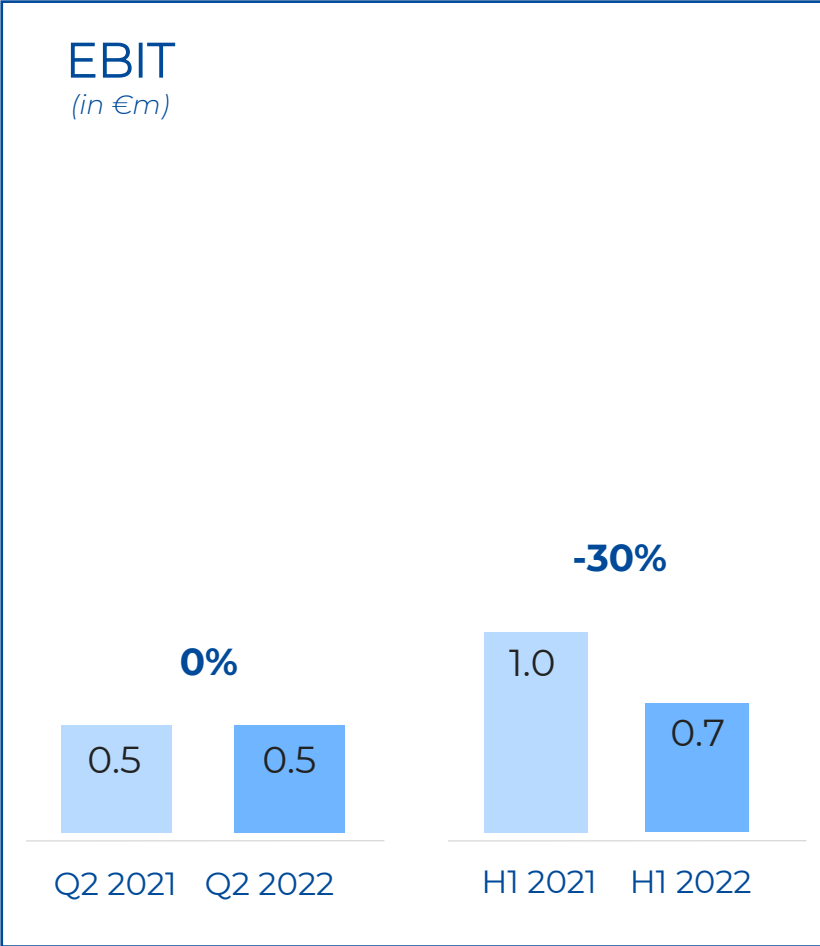
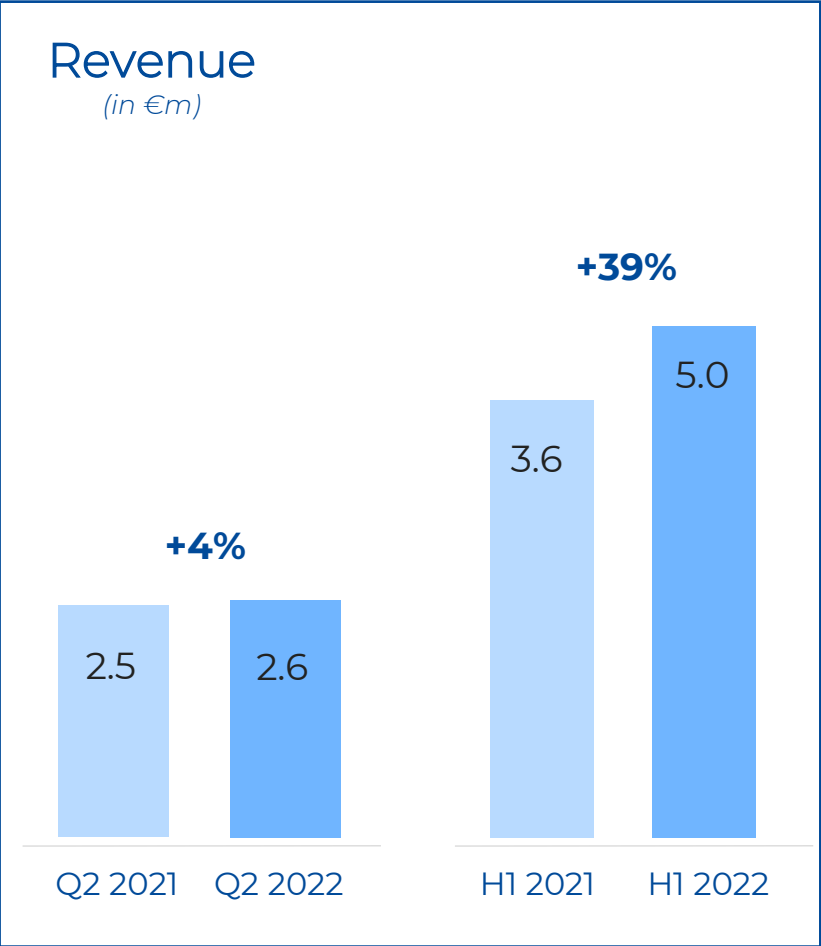


Comments

- > Software segment revenue at previous year's level with improved operating margins (28.5% to 23.9% HY1/HY1).
- > Q2-on-Q2 Software revenue down as a result of adapted partner contract policy (effect of € 4.5m on revenue and EBIT in HY1 2021).
- > Consequently, EBIT margin went down to 25.7% (Q2 2021: 29.1%).
- > Revenues with software licenses increased by € 0.5m to € 14.3m.

* Without EXA.

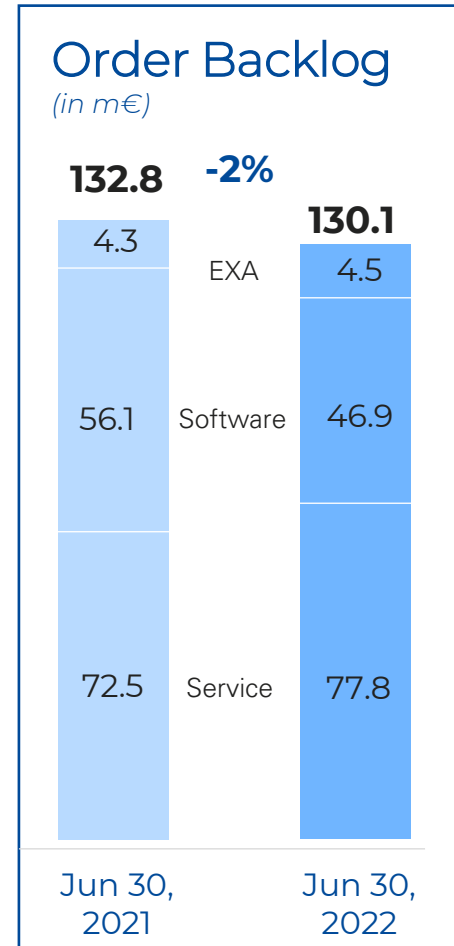
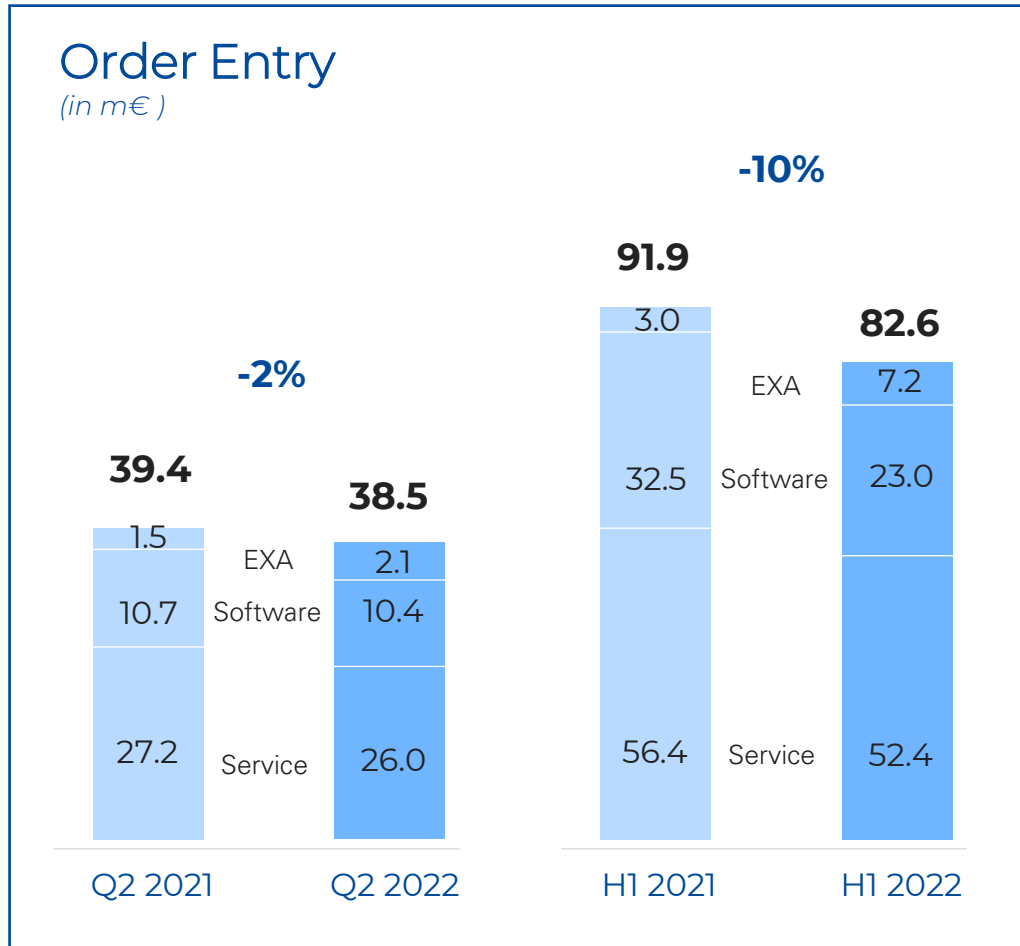
Segment EXA – Revenue & EBIT Q2 / HY1 2022



Comments

- > EXA was consolidated for the first time in March 2021. Therefore, the half-year comparison not meaningful.
- > Q2-on-Q2 EXA revenue and profit stable.

Order Entry Q2 / HY1 2021 and Order Backlog

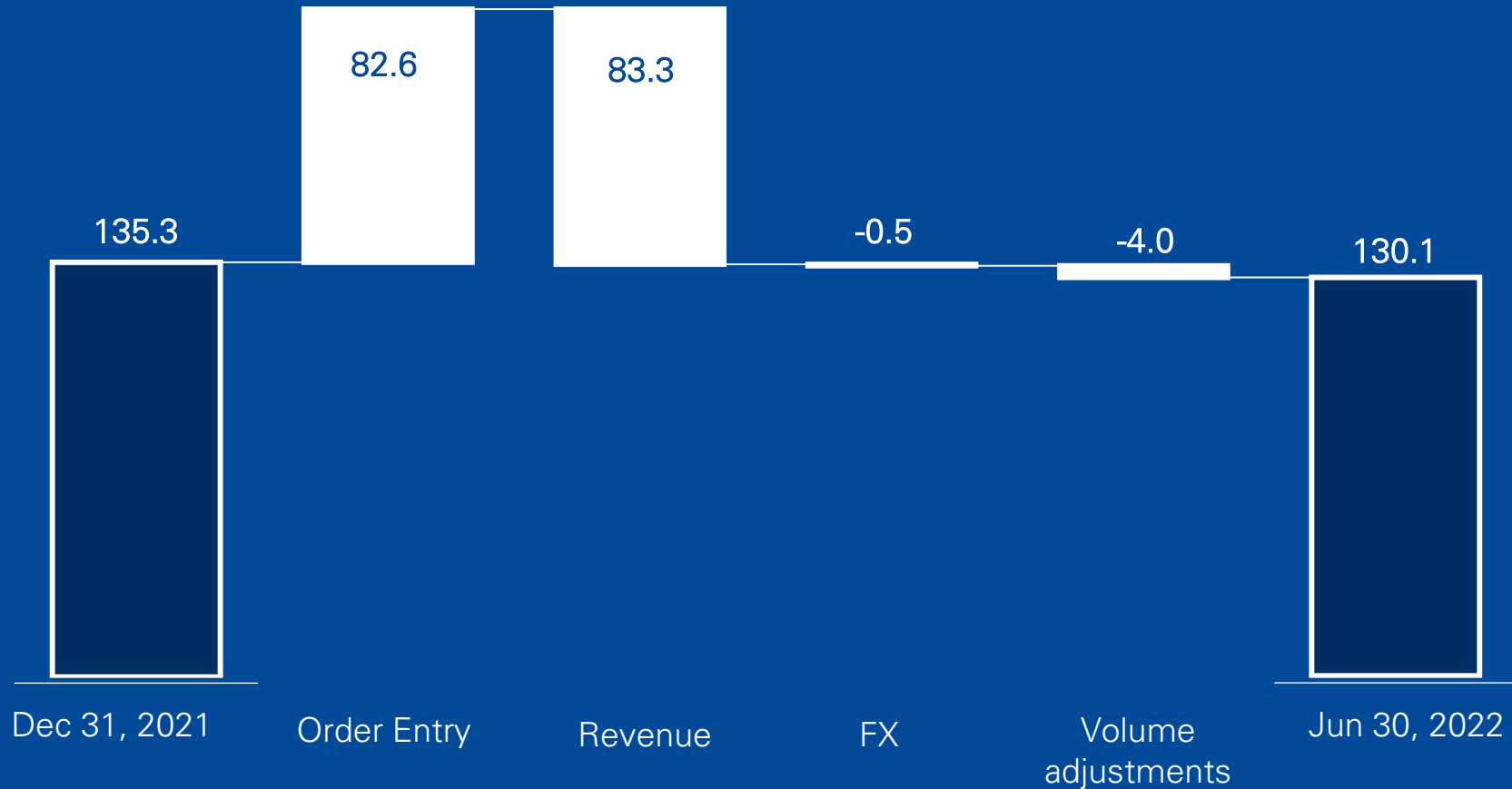


Comments

- > With relatively stable q2 order entry down 10% (HY1/HY1) – explanations:
 - (1) scope of consolidation; the like-for-like order entry volume increased by 3.3 m € or 4%.
 - (2) customers switching over from a strategic, program-based contract approach and instead increasingly placing orders for individual projects.
 - (3) some weakness in the US and JAPAC region.
 - (4) Lower maintenance due to the sale of the Polish subsidiary with negative effect on order entry software.
- > Order Backlog slightly down as a result of lower order entry.

Reconciliation Order Backlog HY1 2022

(in €m)



Comments

- > Lower order backlog as of June 30, 2022, resulting mainly from Book-to-bill-Ratio slightly below 1 (0.99).
- > Slightly negative effect from volume adjustments.
- > Small negative currency effects.
- > Order Entry includes € 7.2 from EXA.

Balance sheet structure I/II

Assets (in €m)	Jun 30, 2022	Dec 31, 2021
Cash, cash equivalents and other financial assets	24.6	40.3
Receivables	36.8	33.8
Contract assets	38.4	29.9
Other currents assets	6.6	6.1
Total current assets	106.4	110.1
Goodwill	72.9	70.4
Intangible Assets	21.1	23.3
Rights of use	16.0	16.4
Other financial assets	20.7	20.1
Contract assets	9.1	15.1
Other non-current assets	12.0	10.7
Total non-currents assets	154.0	156.0
Total assets	260.4	266.1

Comments

- > Decreased liquidity due to purchase price payments for Datavard AG and EXA AG (totaling around € 5 m) and the increase in working capital – focus on liquidity-preserving measures in HY2.
- > Within the current assets item, contract assets and trade and other receivables went up.
- > Declined noncurrent assets mainly attributable to the decrease in noncurrent contract assets.

Balance sheet structure II/II

Equity & Liabilities (in €m)	Jun 30, 2022	Dec 31, 2021
Payables	7.0	8.3
Contract liabilities	12.0	10.7
Current financial liabilities	14.5	41.0
Other non-financial liabilities	23.1	26.6
Other current liabilities	2.2	2.9
Total current liabilities	58.8	89.5
Non-current financial liabilities	88.2	63.9
Pensions	3.2	3.2
Other non-current liabilities	6.2	7.2
Total non-current liabilities	98.0	74.3
Equity	104.0	102.2
Total Equity & Liabilities	260.4	266.1

Comments

- > Decreased current liabilities and increased noncurrent 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 noncurrent segment.
- > Due to the increase in equity and the decrease in total assets equity ratio improved from 38.4% to 39.9%.

Cash flow Statement Q2 / HY1 2022

(in €m)	Q2 2022	Q2 2021	Δ (abs.)	HY1 2022	HY1 2021	Δ (abs.)
Net income	0.7	0.4	+0.3	0.1	-2.1	+2.2
Depreciation	2.7	2.2	+0.5	5.3	4.0	+1.3
Change in W/C	-9.3	-12.4	+3.1	-11.9	-8.2	-3.7
Change in other items	-1.4	-0.1	-1.3	-6.0	-6.6	+0.6
Operating Cash flow	-7.3	-9.9	+2.6	-12.5	-12.9	+0.4
Investing Cash flow	-2.7	2.4	-5.1	-6.0	0.3	-6.3
Repayment of lease liabilities	-1.2	-1.1	-0.1	-2.3	-2.1	-0.2
Free cash flow	-11.2	-8.6	-2.6	-19.8	-14.7	-5.1
W/C ratio (LTM)				23.9%	23.2%	

Comments

- > Higher trade receivables and contract assets lead to an increase in working capital.
- > Therefore, operating cash flow negative but improved compared to previous year's first half.
- > Due to adapted partner contract policy working capital requirements decreased Q2/Q2.
- > Cash out from investing activities are related to acquisition of EXA and Datavard.

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2022 outlook & 2024 mid-term goals



¹ "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.

² As a result of 2021 acquisitions.

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WE ARE HAPPY TO TAKE YOUR
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

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