



**COMPANY  
PRESENTATION**

Dr. A. Schneider-Neureither (CEO)  
Dr. U. Schwellbach (CFO)

**Q1 2019 Call**  
May 2, 2019

1 Strategy,  
Technology & Market

2 Financials Q1  
& Guidance 2019

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# Strategy, Technology & Market

# Key Figures Q1 2019 vs. Q1 2018



€ mn	Q1 2019	Q1 2018
Revenue	<b>28.8</b>	31.6
EBITDA (non-IFRS, adjusted for exchange rate effects)	<b>-0.6</b>	-1.7
<i>EBITDA margin</i>	<b>-2.2%</b>	-5.4%
EBIT (non-IFRS, adjusted for exchange rate effects)	<b>-2.5</b>	-2.6
<i>EBIT margin</i>	<b>-8.7%</b>	-8.2%
Order Entry (First three-month)	<b>38.9</b>	40.9
Order Backlog (as of Mar. 31)	<b>49.0</b>	70.2
Equity	<b>67,3</b>	53.7
<i>Equity ratio</i>	<b>42.9%</b>	38.4%

- **S/4HANA is gaining momentum** with customers / possible major projects ahead of commissioning/implementation.
- Pilot project successfully completed at VW Sachsen with signal effect in the VW Group and beyond.
- **S/4HANA pipeline is very well filled with a variety of highly attractive assessments** + increasing interest of partners for cooperation. The investments in partnerships lead to common opportunities and projects.
- SNP is in close cooperation with SAP in all three strategic areas for S/4HANA ("Greenfield, Brownfield, Hybrid").
- **Assessment by SNP: the "S/4HANA wave" will hit the market in 2019 and will reach its full potential from 2020, also due to the increased product maturity.**
- In the medium term, this will also lead to resource bottlenecks in the market and further increase the need for automated procedures.

# S/4HANA Trends




**Resources** – How many are available to fill the key roles?


**250,000** SAP Consultants





**70%** Will be S/4 Ready



 **Project Managers**  
26,250

 **Architects**  
17,500

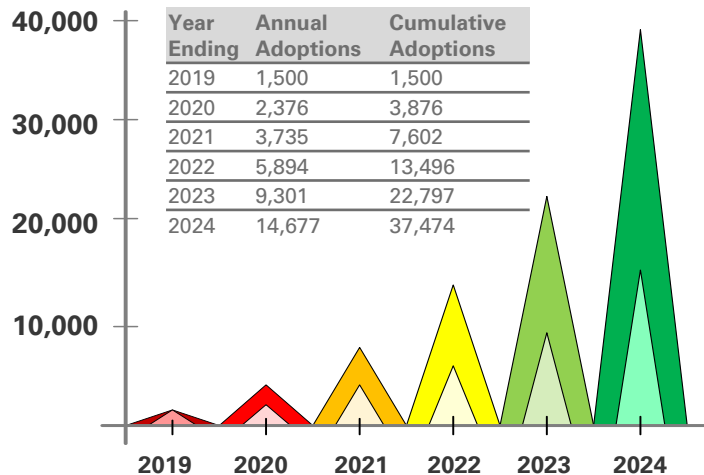
 **Application Consultants**  
122,500

 **Migration Consultants**  
9,000

**Adoption** – Cumulative and year over year adoption.

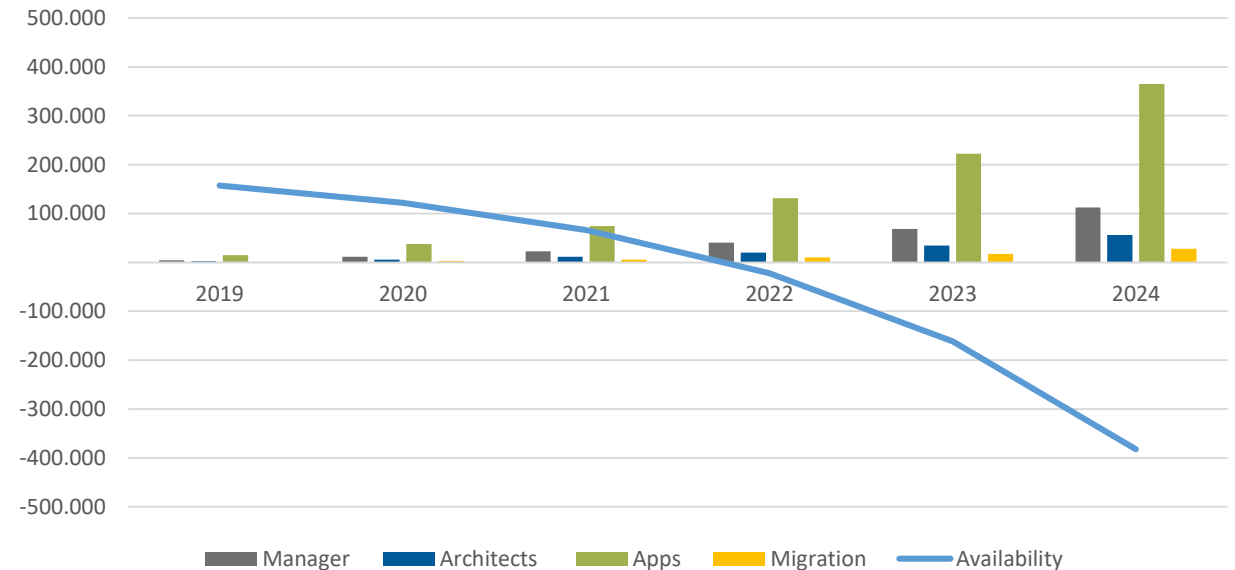
The path to 2025...

It is not expected for the full 50,000 customers to adopt S/4HANA. Current forecasts predict a 75% (37,474) adoption rate. Others will straggle, seek support elsewhere or move off of SAP.



**Availability** – Resource consumption is a function of the adoption rate.

- Existing and new resources will sustainably transition into S/4HANA projects up to 2021.
- Shortages begin in 2021 and increase dramatically through 2025 for **all** resource types.



SAP and S/4HANA are trademarks of SAP SE. Data sourced from Gartner, IBM, SAP and SNP.

Figures are projections based on current trends and are for informational purposes only.



## GREENFIELD

- START WITH AN EMPTY SYSTEM
- START FROM SCRATCH AND RE-INVENT EVERYTHING
- ADAPT ALL PROCESSES TO THE NEW SYSTEM

## BROWNFIELD

- IN PLACE TECHNICAL UPGRADE OF YOUR EXISTING SYSTEM
- GIVES YOU YOUR SAME R/3 SYSTEM RUNNING ON S/4HANA
- SAME BROKEN PROCESSES, SAME UNUSED CUSTOMIZATION

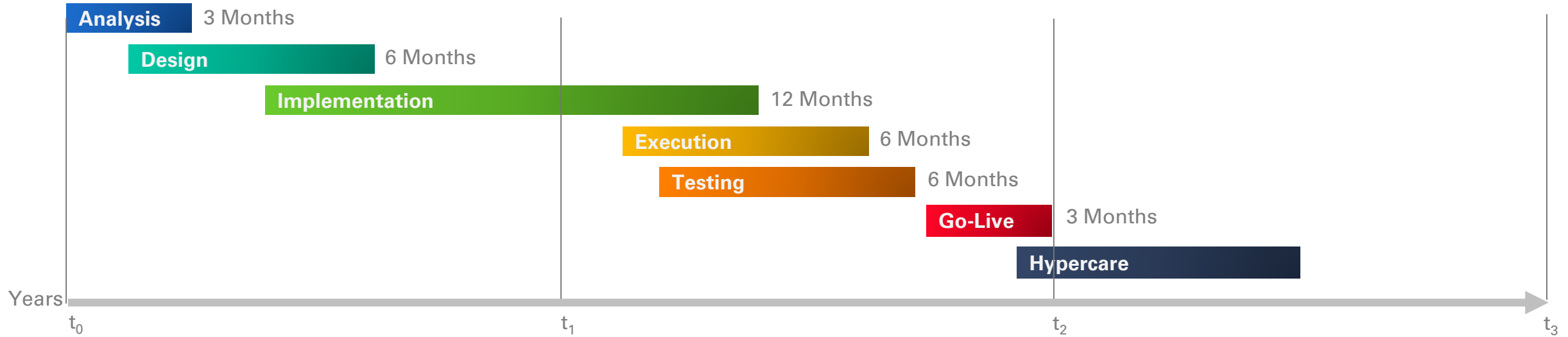
BLUEFIELD™

ENCOMPASSES BOTH GREENFIELD AND BROWNFIELD

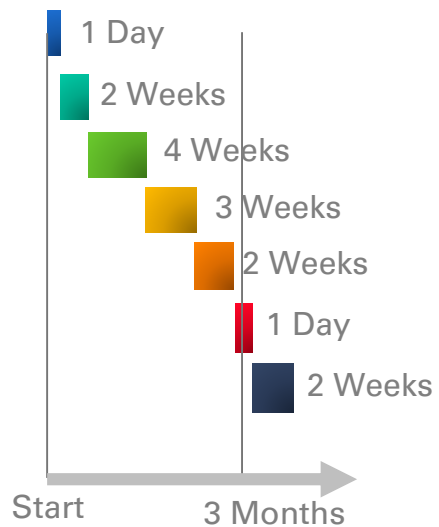
# The SNP Way: Completely streamlined processes via automation



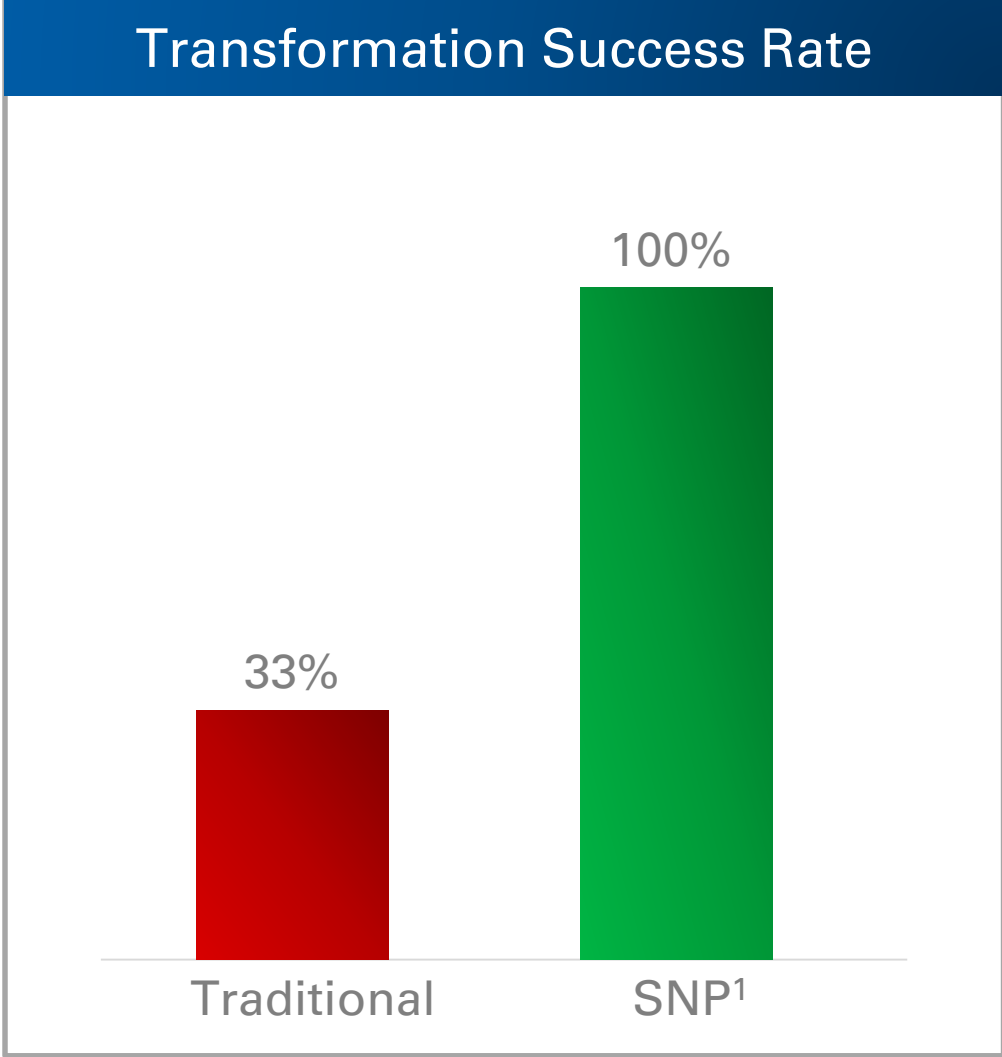
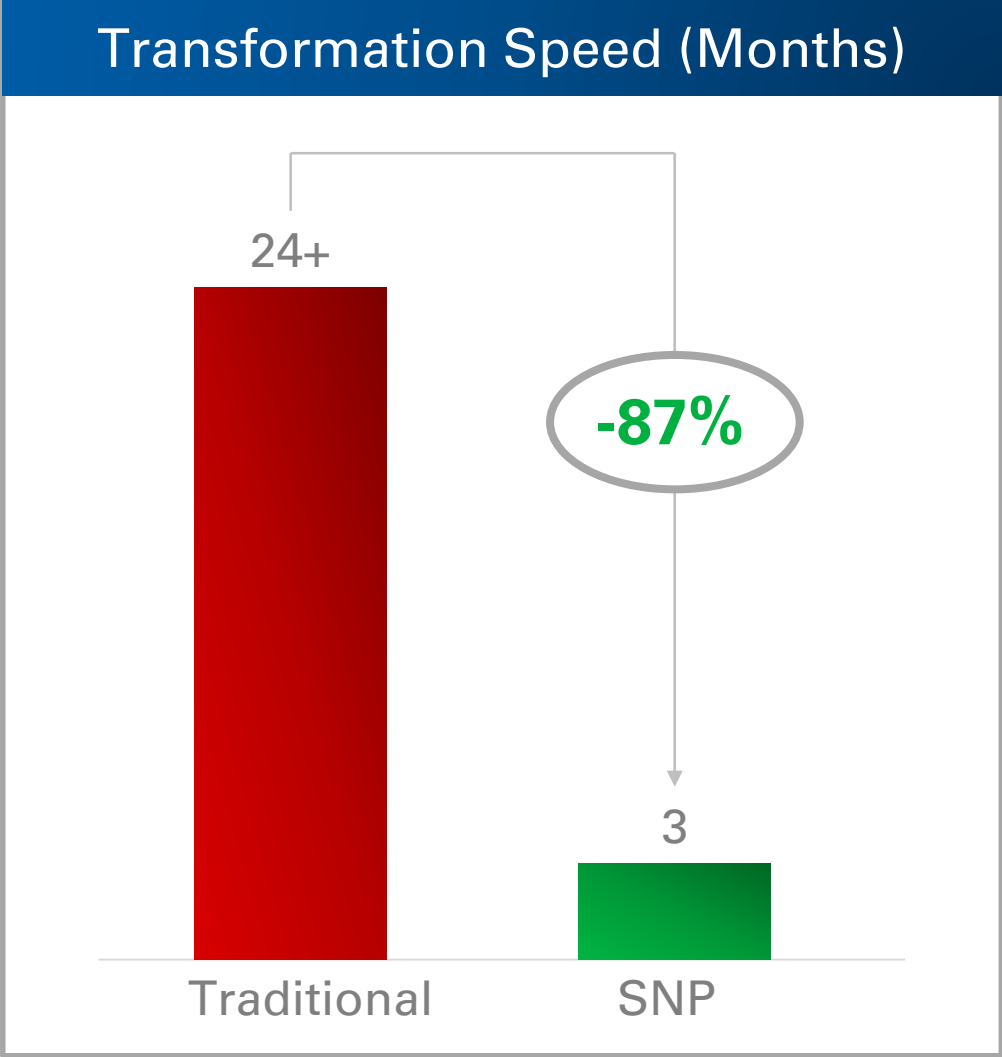
## The Traditional Way = Massive Human Intervention



## The SNP Way = Heavily Automated / Algorithmic



# The SNP Way: 80+% Faster – Success Guaranteed



1) Based on 10,000+ projects over 25 years.



# Annual General Meeting (AGM): Enlargement the Board of Directors



## Managing Directors

**Dr. Andreas Schneider-Neureither**  
CEO, Founder and Main Shareholder (22%)

– Corporate Strategy, Corporate Development,  
Corporate Marketing, Products and IT divisions

**Dr. Uwe Schwellbach**  
CFO since August 2018

– Finance, Controlling, Compliance/Legal, IR, HR  
and Shared Services divisions

**Michael Eberhardt**  
COO from July 2019

– Field Marketing, Sales, Delivery  
and Quality Assurance divisions

## Board of Directors

**Dr. Andreas Schneider-Neureither**  
Chairman

**Dr. Michael Drill**  
Deputy Chairman

**Gerhard Burkhardt**

**Rainer Zinow**

**Dr. Klaus Christian Kleinfeld**  
submitted to AGM (Jun 6, 2019)

**Dr. Karl Benedikt Biesinger**  
submitted to AGM (Jun 6, 2019)

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# Financials Q1 & Guidance 2019

# Key Facts Q1 2019

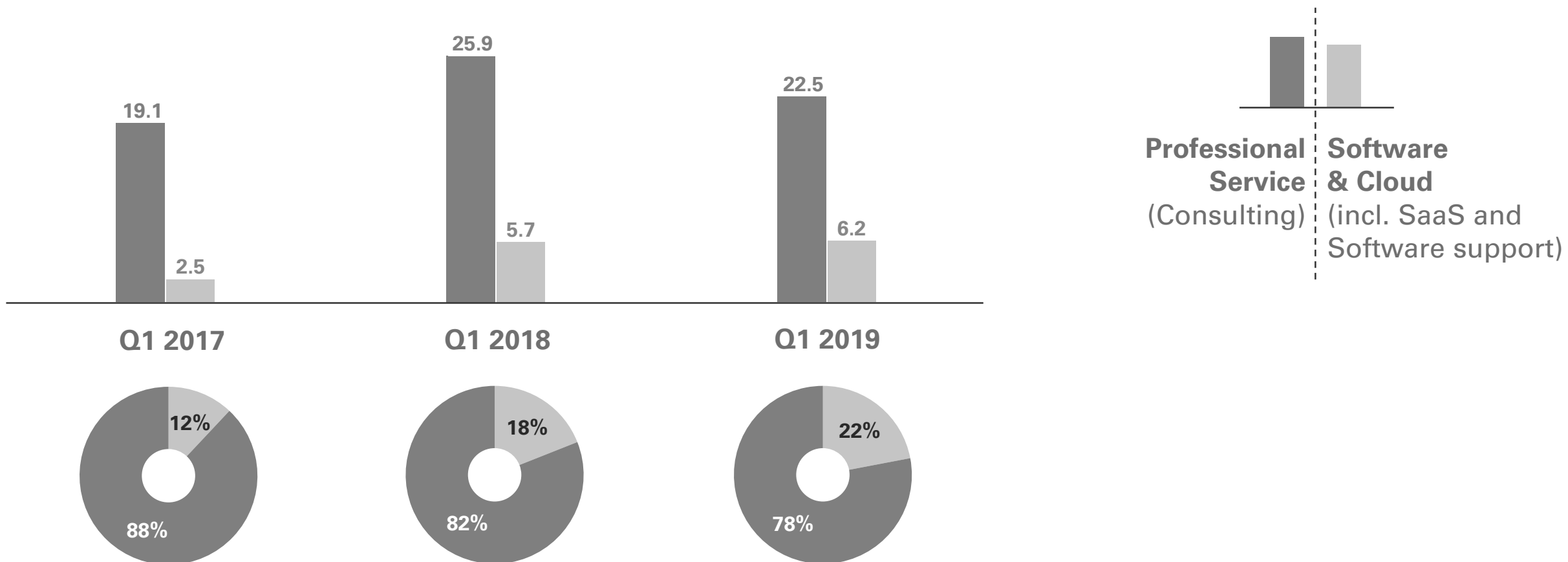


- January and February saw a decline in sales of € 2.7 mn, the sales development restabilized in March thanks to a **significant improvement in order entry**.
- **In the core DACH-region, order entry developed positively:** € 18.2 mn in the first quarter of 2019 represented an increase of around 21% compared to Q1 2018.
- SNP only expects to see the **most significant effects** of this increase in order entry, in addition to a healthy pipeline, **later on in the financial year**.
- In the strategically significant **North America region, the external sales increased significantly** by 24% to € 4.4 mn.
- **The sales performance was due entirely to organic growth**, since SNP did not affect any business acquisitions in 2018.
- **The revenue from SNP's own products**, which have higher margins, amounted to € 4.7 mn in the first quarter of 2019 (Q1 2018: € 3.9 mn). This corresponds to **growth of about 20%**.
- Number of employees was at 1,272 (previous year: 1,363). This corresponds to a decrease of around 7% **due to selective restructuring measures of the last twelve months. Personnel costs were consequently reduced** by € 0.9 mn to € 20.5 mn. SNP realized EBITDA (IFRS) in the sum of € -1.3 mn (Q1 2018: € -1.4 mn) despite sales decline.

# Increasing Importance of Software Revenues



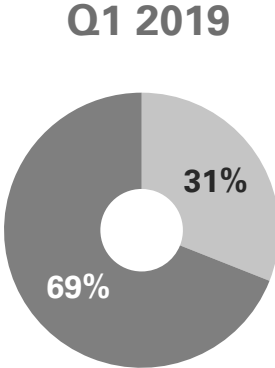
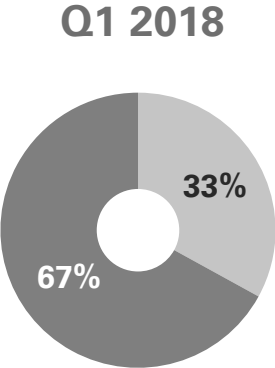
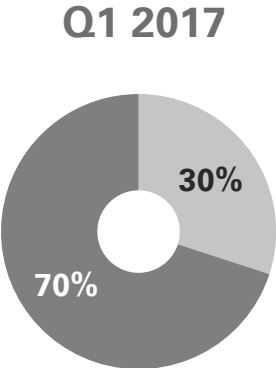
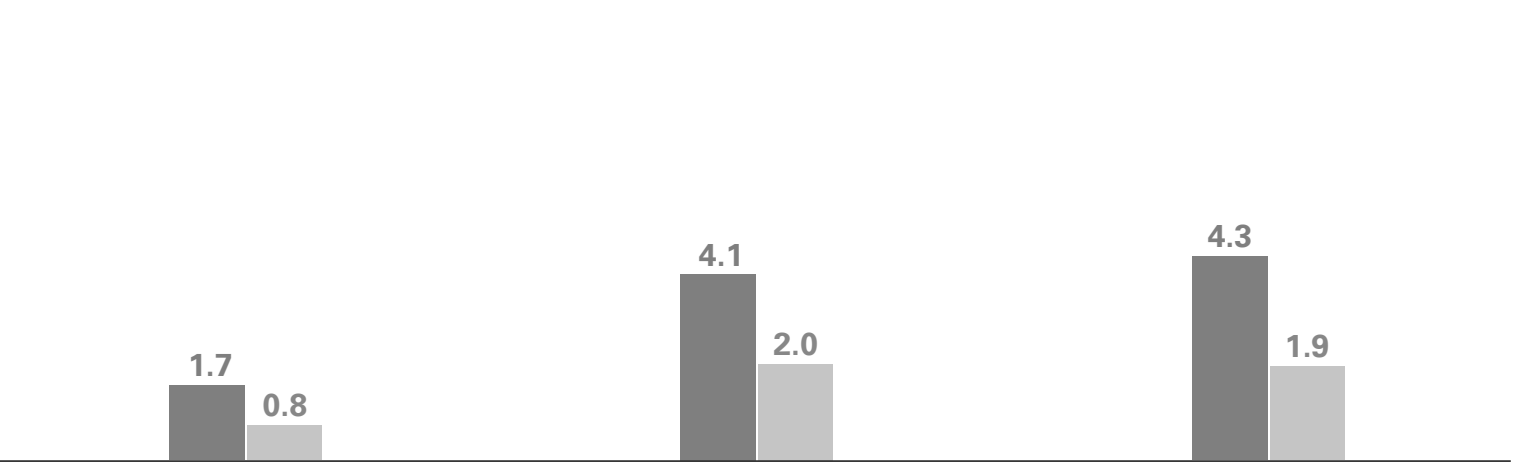
Revenues by Segments (€ mn)



# Continuous Increase of Licence Revenues



## Revenue Split within Software Segment (€ mn)

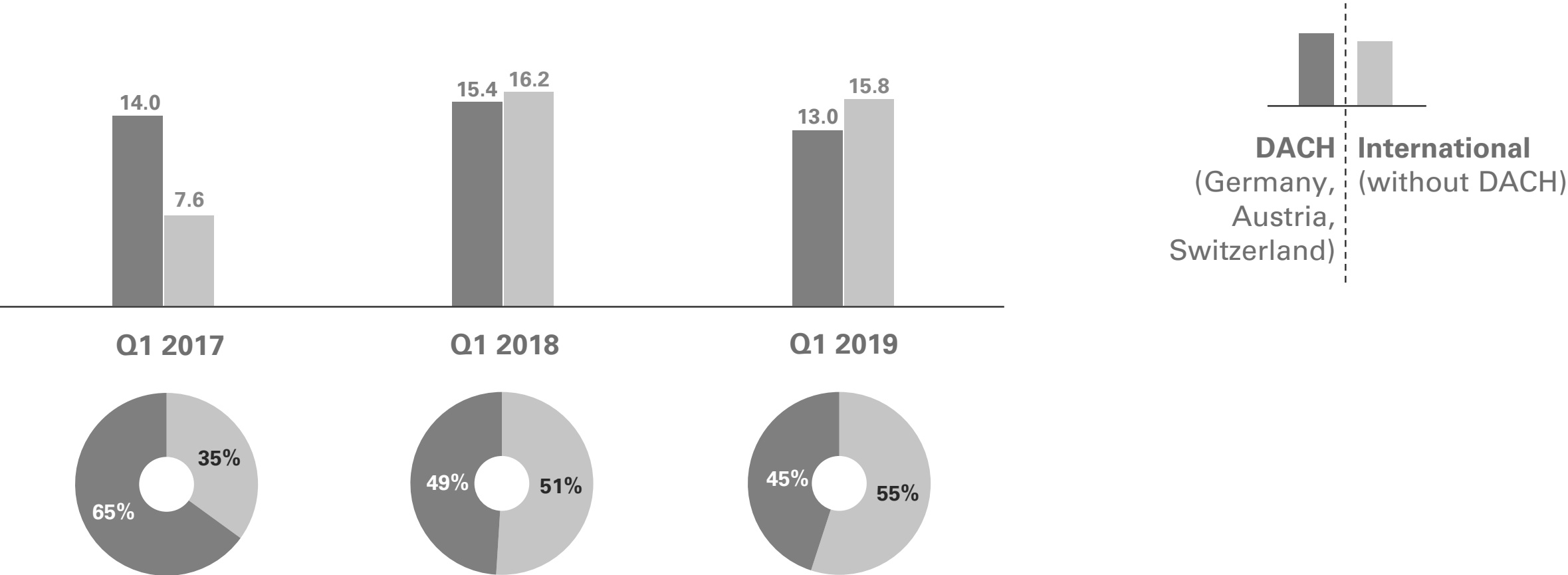


\* For the first time in 2019, SNP also reported revenue from software-as-a-service (SaaS).

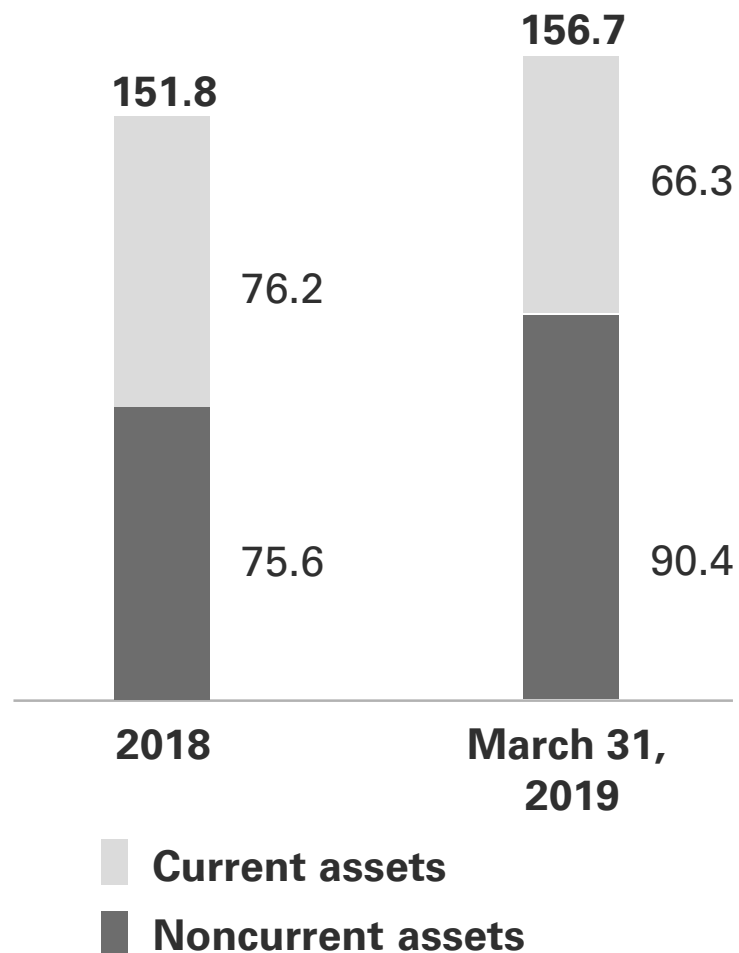
# Reaping the Fruits of the Internationalization Strategy



## Revenues by Regions (€ mn)



# Balance Sheet – Assets (€ mn)



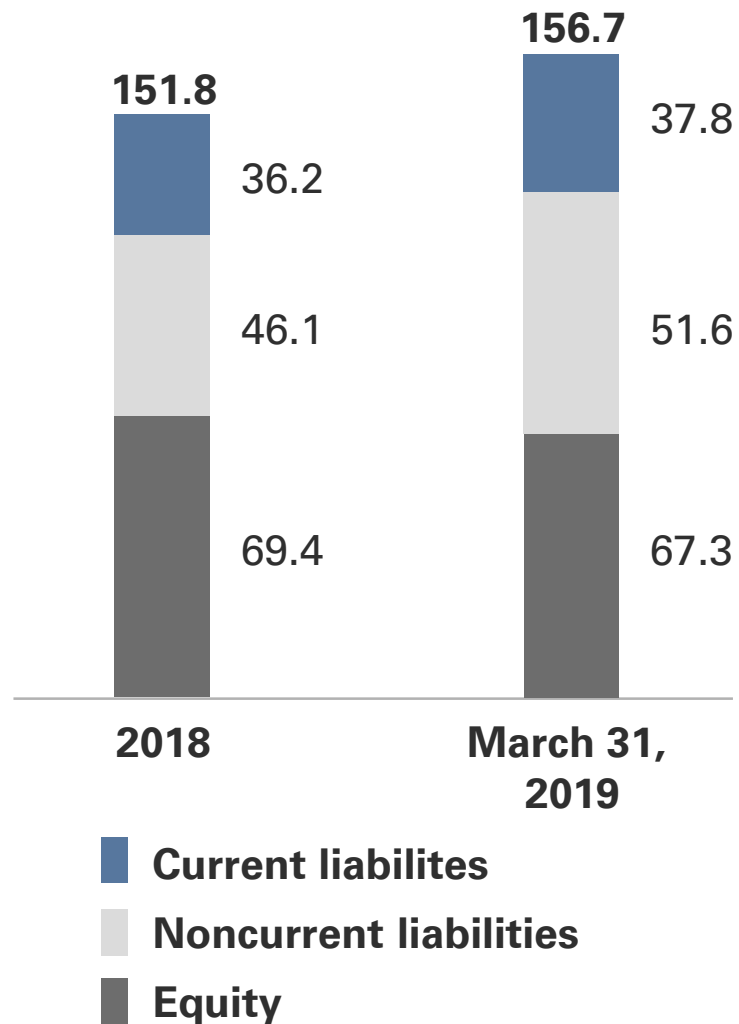
## Current assets:

- The decrease in *current assets* is largely attributable to the reduction in *cash and cash equivalents* by € 7.7 mn in addition to the reduction in *trade receivables and other receivables* by € 3.0 mn.
- The decrease in *cash* in addition to the negative earnings can primarily be attributed to the payment of *current liabilities* to employees and the repayment of purchase price liabilities.

## Non-current assets:

- The significant increase in *non-current assets* can predominantly be attributed to the first-time application of IFRS 16.
- Following this, leasing and rental agreements in the form of usage rights in the sum of € 14.7 mn were capitalized on January 1, 2019, for the first time.

# Balance Sheet – Equity & Liabilities (€ mn)



## Current liabilities:

- Increase in *financial liabilities* by € 5.2 mn to € 10.5 mn.
- Contrary effects within the *financial liabilities*:
  - Increase of *liabilities from promissory notes* by € 5.0 mn
  - *Current leasing liabilities* increased by € 3.3 mn (IFRS 16)
  - Decrease in *purchase price liabilities* for acquisitions (€ 2.9 mn).

## Non-current liabilities:

- Increase in *financial liabilities* by € 5.6 mn to € 48.3 mn.
- Contrary effects within the *financial liabilities*:
  - Increase of *non-current leasing liabilities* of € 10.5 mn (IFRS 16) + reclassification of liabilities for promissory notes (€ 5.0 mn) to *current financial liabilities*
  - Remaining *non-current assets* in connection with promissory notes amount to € 34.7 mn.

## Equity:

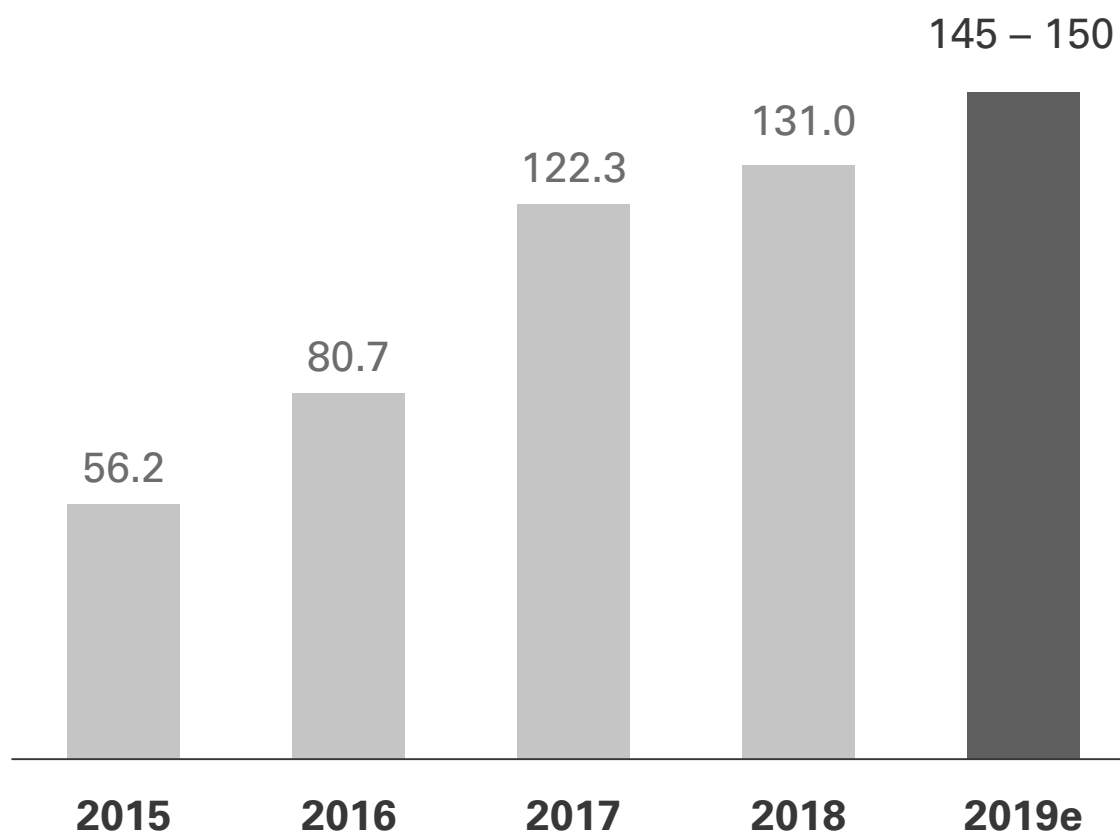
- *Subscribed capital, capital reserves and treasury stock* unchanged.
- *Retained earnings* decreased to € 4.8 mn due to a net loss.



# Guidance 2019 (1/2)



## Revenue (€ mn)



## Order Entry and Backlog

### Order Entry

2016	€ 95.5 mn
2017	€ 130.7 mn
2018	€ 132.3 mn
<b>2019e</b>	<b>€ 158 – 163 mn</b>

### Order Backlog

2016	€ 39.3 mn
2017	€ 61.3 mn
2018	€ 56.3 mn
<b>2019e</b>	<b>€ 71 – 76 mn</b>

# Guidance 2019 (2/2)



Earnings		
	<b>EBITDA (IFRS)</b>	<b>EBITDA (non-IFRS)</b>
2016	€ 8.5 mn	€ 8.1 mn
2017	€ 3.3 mn	€ 6.9 mn
2018	€ 2.3 mn	€ 1.7 mn
<b>2019e</b>	<b>Mid to upper-single-digit percentage range</b>	

	<b>EBIT margin (IFRS)</b>	<b>EBIT margin (non-IFRS)</b>
2016	8.5%	8.5%
2017	-0.4%	3.8%
2018	-1.9%	-1.2%
<b>2019e</b>	<b>Lower- to mid-single-digit percentage range</b>	<b>Expected IFRS and non-IFRS EBIT margins differ by around 1%</b>

# AGM: Resolution on the creation of a new authorized capital



- **The previous authorized capital** (2015 Authorized Capital and 2017 Authorized Capital) has been **fully utilized**.
- In order to ensure that the company will continue to be able to adjust its equity base flexibly and sustainably at any time in the future in accordance with the resulting requirements and opportunities, **it is proposed that authorized capital again be made available to the company.**
- The Board of Directors proposes that the following resolution be adopted:

*“The Board of Directors is authorized to increase the share capital of the company by June 5, 2024, once or several times in partial amounts, **by up to a total of € 3,301,223.00, equivalent to 50%** of the existing share capital of the company against cash or in-kind contributions through the issuance of new no-par value bearer shares **(2019 Authorized Capital)**.”*

- **Exclusion of the subscription rights to the extent legally possible** (e.g. to exclude fractional amounts from the shareholders' subscription right or and the number of shares issued does not exceed 10% of the share capital at the time the authorization).

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# Key Share Data



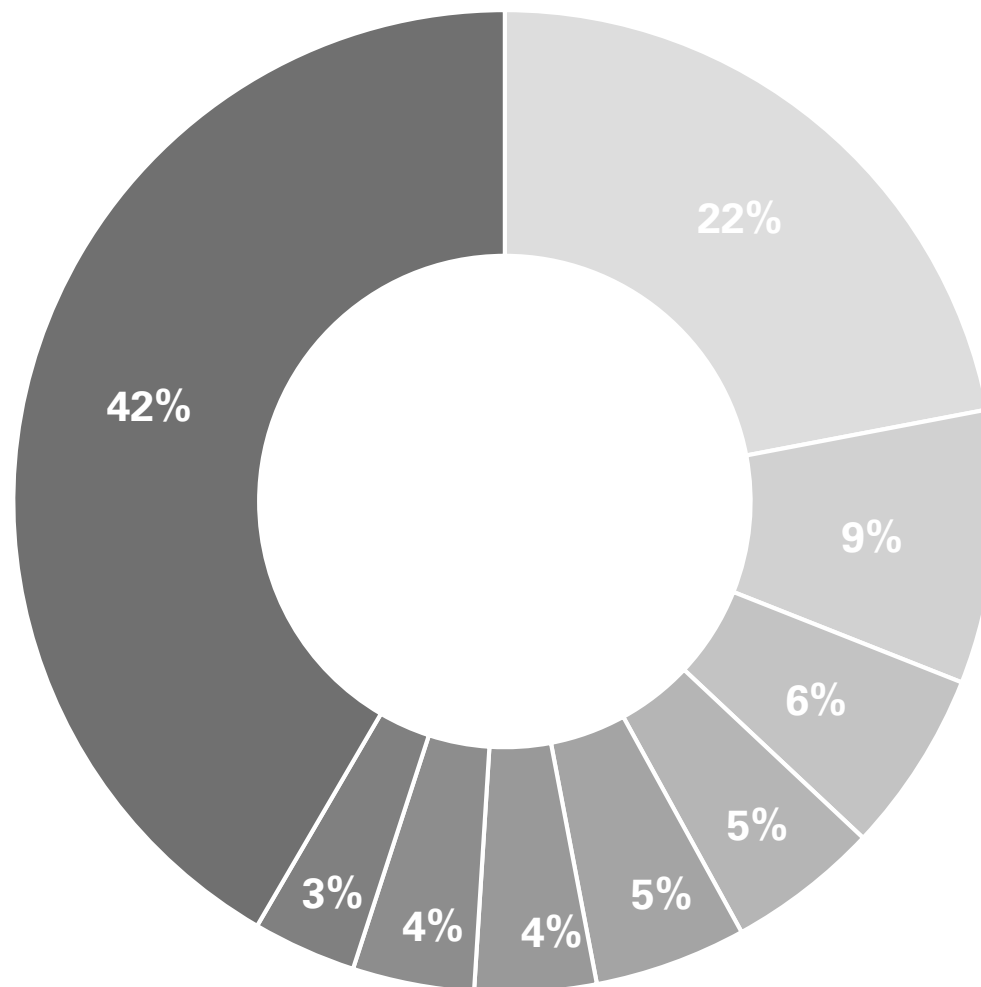
<b>ISIN</b>	720 370 / DE0007203705 / SHF
<b>Segment</b>	Prime Standard
<b>Stock Exchanges</b>	Xetra, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Dusseldorf
<b>Indices</b>	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index
<b>Designated Sponsor</b>	Oddo Seydler
<b>Research Coverage</b>	Bankhaus Metzler, Berenberg, Edison, H&A, NordLB, Mainfirst, Oddo Seydler, Warburg Research
<b>Number of Shares</b>	6,602,447
<b>Share Price (Apr 24, 2019)</b>	€ 25.45
<b>Market Capitalization</b>	~ € 168 mn

# Coverage



Institute	Date	Rating	Price Target
NORD/LB // Alsterresearch	Apr 24, 2019	Hold	€ 24.50
Bankhaus Metzler	Apr 18, 2019	Buy	€ 28.00
ODDO Seydler	Jan 30, 2019	Buy	€ 23.80
Warburg Research	Nov 16, 2018	Buy	€ 21.40
Berenberg	Oct 31, 2018	Hold	€ 19.40
Mainfirst	Aug 3, 2018	Outperform	€ 27.00
Hauck & Aufhäuser	Jul 27, 2018	Hold	€ 18.00
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
- Oswin Hartung
- Danske Bank
- Kabouter
- Ingrid Weispfenning
- Paladin
- Free Float

# Long-term Share Development





# Financial Calendar



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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