



COMPANY PRESENTATION

Dr. Uwe Schwellbach (CFO)
Stockholm / Helsinki
April 30, 2019

1 About SNP

2 Corporate Development

3 Financials Q1 2019

4 Financials 2018
& Guidance 2019

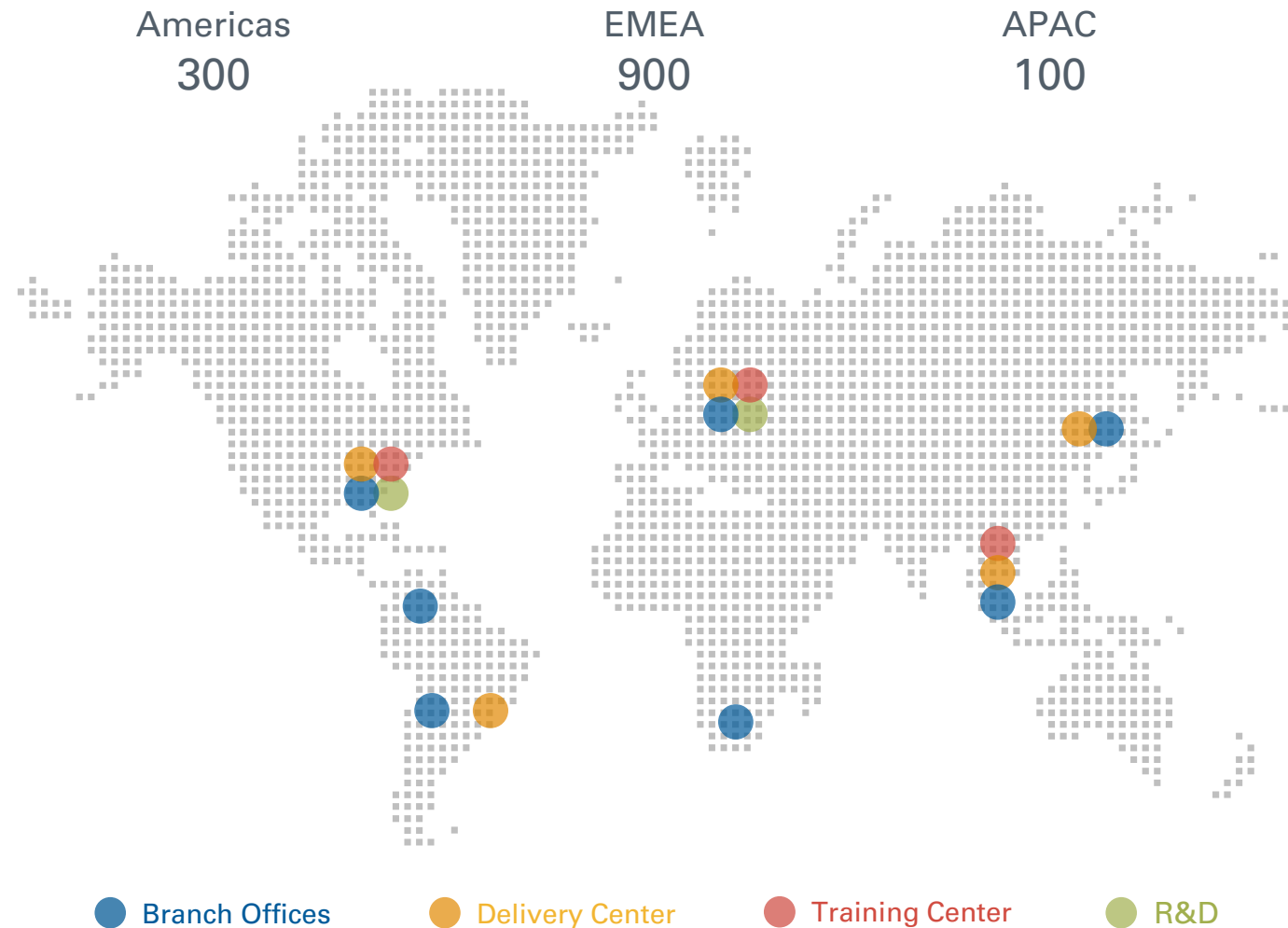
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ABOUT SNP

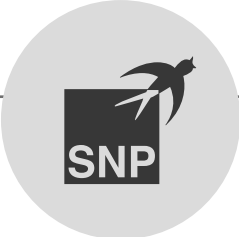
SNP I Global Presence



- 1,300 Employees
- 1,000 experienced IT experts
- Worldwide delivery centers for your transformation projects



SNP I Proven Industry Standard Approach



PROVEN APPROACH

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



SAP-CERTIFIED

SNP Interface Scanner
SNP Transformation Backbone with SAP LT
SAP Certified
Powered by SAP NetWeaver



GLOBAL ALLIANCES WITH SAP

Argentina, Chile, Germany, Poland, United Kingdom



A service partnership with SAP exists in all other countries with a branch office.

ISO CERTIFIED

Our internal processes comply with DIN ISO 9001.



PARTNERSHIP



DXC.technology

SNP | Global Customer Base



SIEMENS



ABB

BOSE
Better sound through research®



SONY

L'ORÉAL







Kellogg's

SNP I Transformation Never Ends



SNP's Transformation Automation Platform Delivers

<p>MERGE </p> <ul style="list-style-type: none"> ■ Client merge ■ HR merge ■ Any-to-SAP migration ■ Functional, process and organizational merge ■ Technical merge ■ Archive merge ■ Entire or partial systems <p style="text-align: center;">Migration into a combined target system</p>	<p>SPLIT </p> <ul style="list-style-type: none"> ■ Legal entity carve-out ■ Selective carve-out of partial or complete entities and lines of business ■ Share deal/asset deal support ■ Data cleansing ■ Archive split <p style="text-align: center;">Migration into a new target system</p>	<p>MOVE </p> <ul style="list-style-type: none"> ■ Modernize, move and upgrade in near-zero downtime ■ Cloudification ■ OS/DB migration ■ Move to HANA ■ S/4HANA transformation <p style="text-align: center;">Migration of entire an client</p>	<p>HARMONIZE </p> <ul style="list-style-type: none"> ■ Chart of accounts conversion ■ New GL conversion ■ Profit center re-organization ■ Company code merge ■ Plant relocation ■ Harmonization of master data ■ Controlling area merge <p style="text-align: center;">Conversion within existing system</p>
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Multiple SAP transformation projects in one go-live with minimized downtime at cutover

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

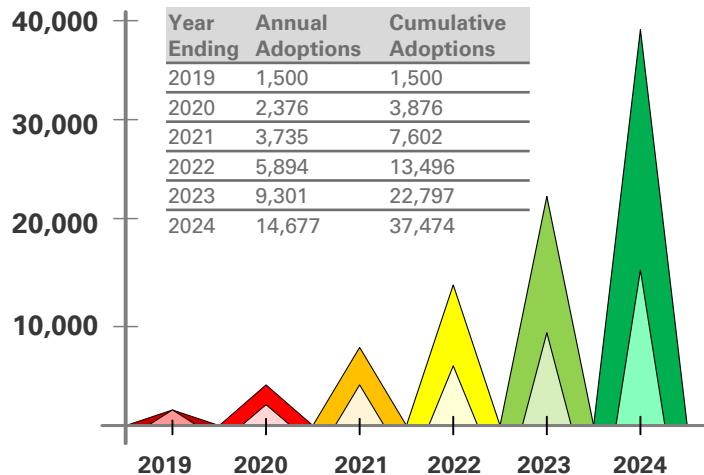
 **Application Consultants**
122,500

 **Migration Consultants**
9,000

Adoption – Cumulative and year over year adoption.

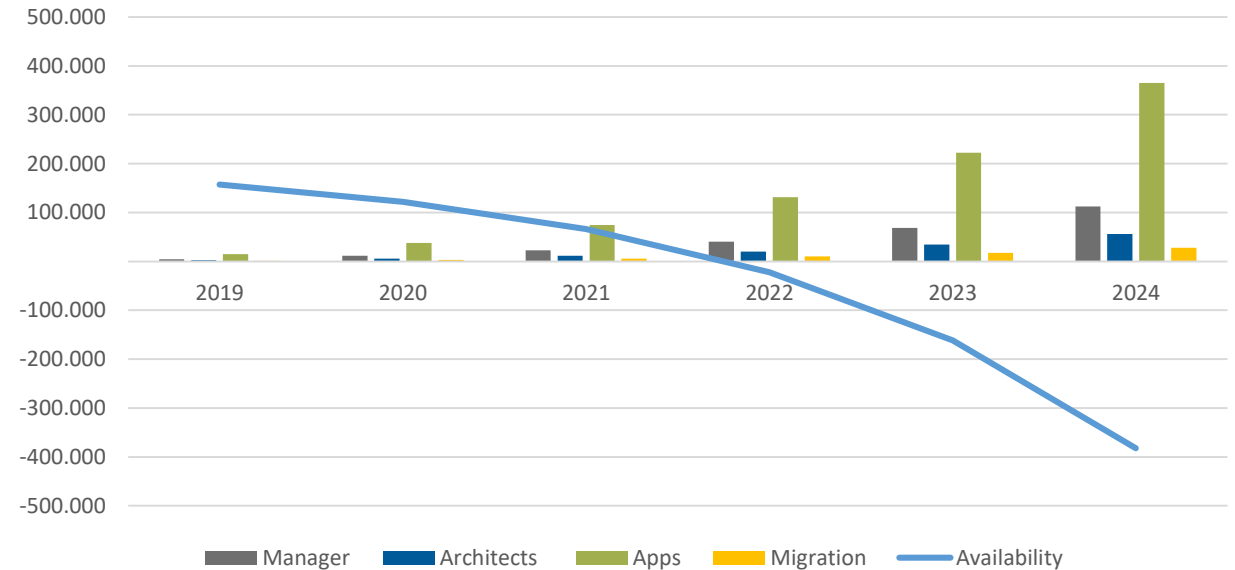
The path to 2025...

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.

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Corporate Development

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

Internationalization Strategy

- 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

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

Enlargement of the Management Board and 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

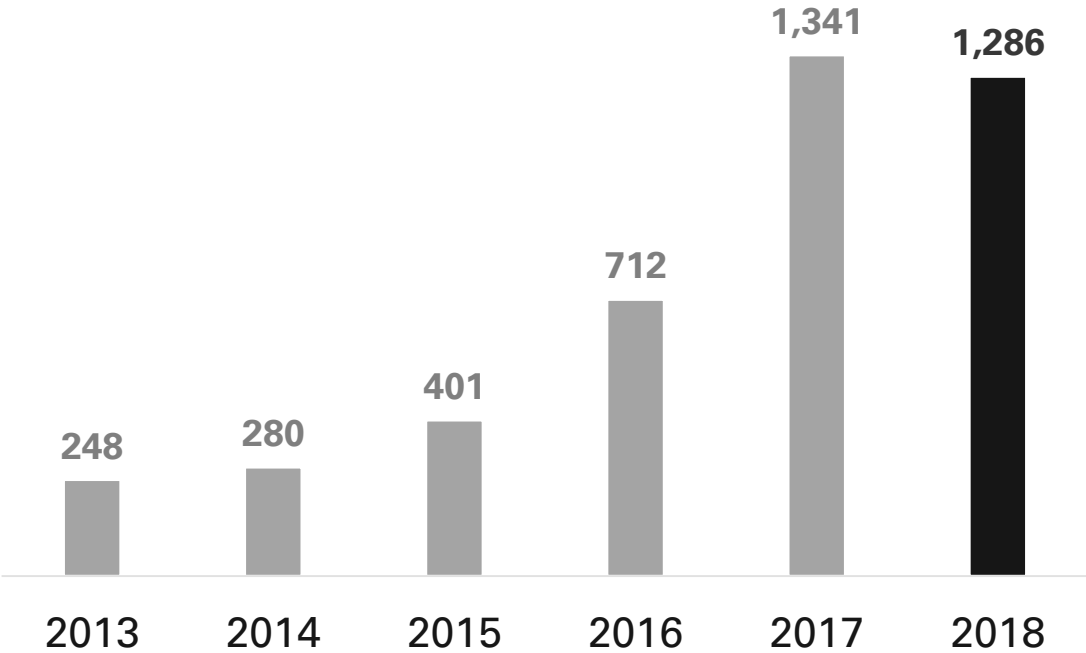
Dr. Klaus Christian Kleinfeld
submitted to AGM (Jun 6, 2019)

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

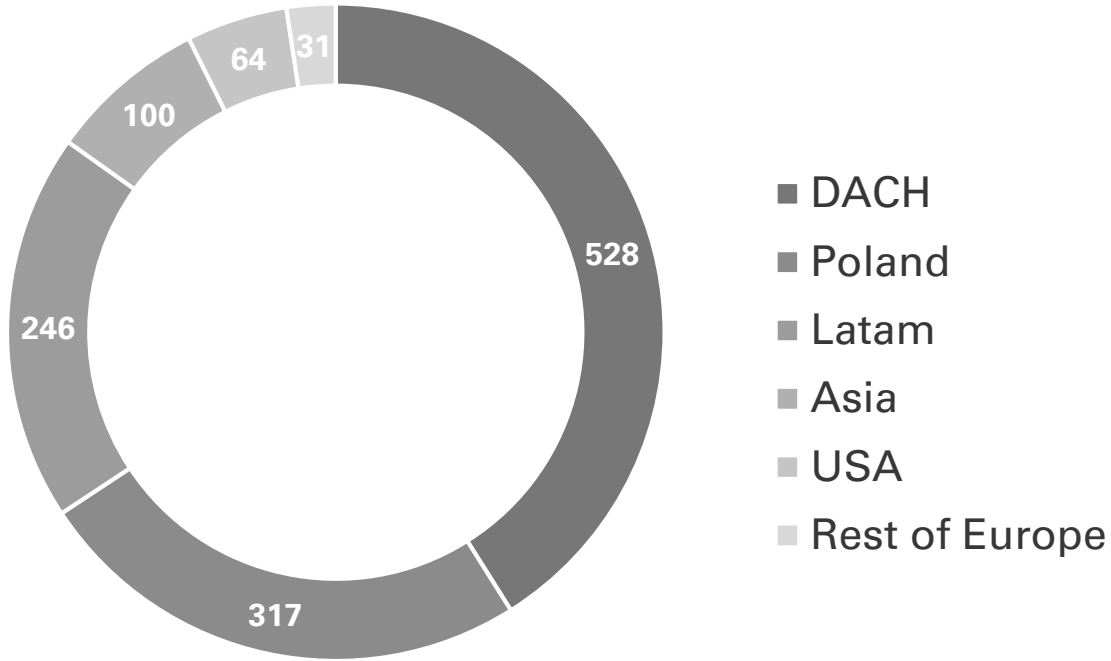
Increased International Presence



Development of Employees (at year end)



Worldwide Distribution (Dec. 31, 2018)



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Financials Q1 2019

Key Figures Q1 2019 vs. Q1 2018



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

Key Facts Q1 2019

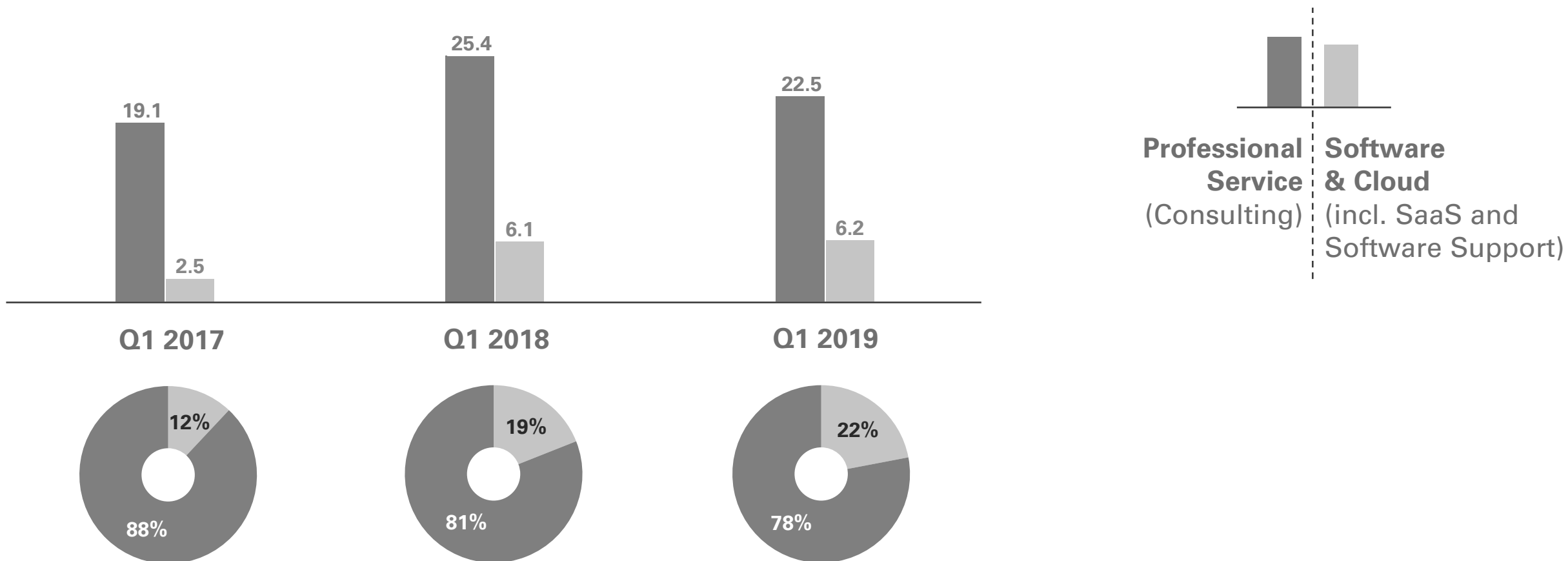


- January and February saw a decline in sales of € 2.7 mn, the sales development restabilized in March thanks to a **significant improvement in incoming orders**.
- **In the core DACH-region, incoming orders developed positively:** € 18.2 mn in the first quarter of 2019 represented an increase of around 21% compared to Q1 2018.
- SNP only expects to see the **most significant effects** of this increase in incoming orders, 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



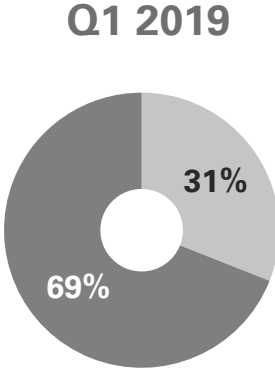
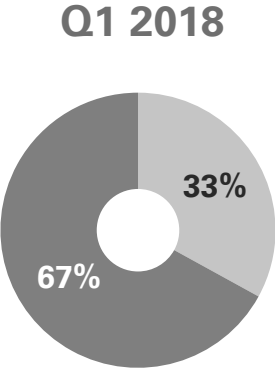
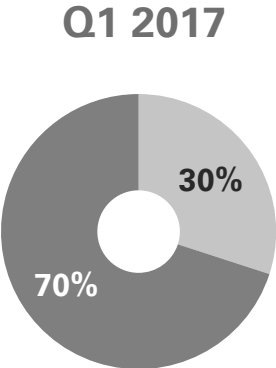
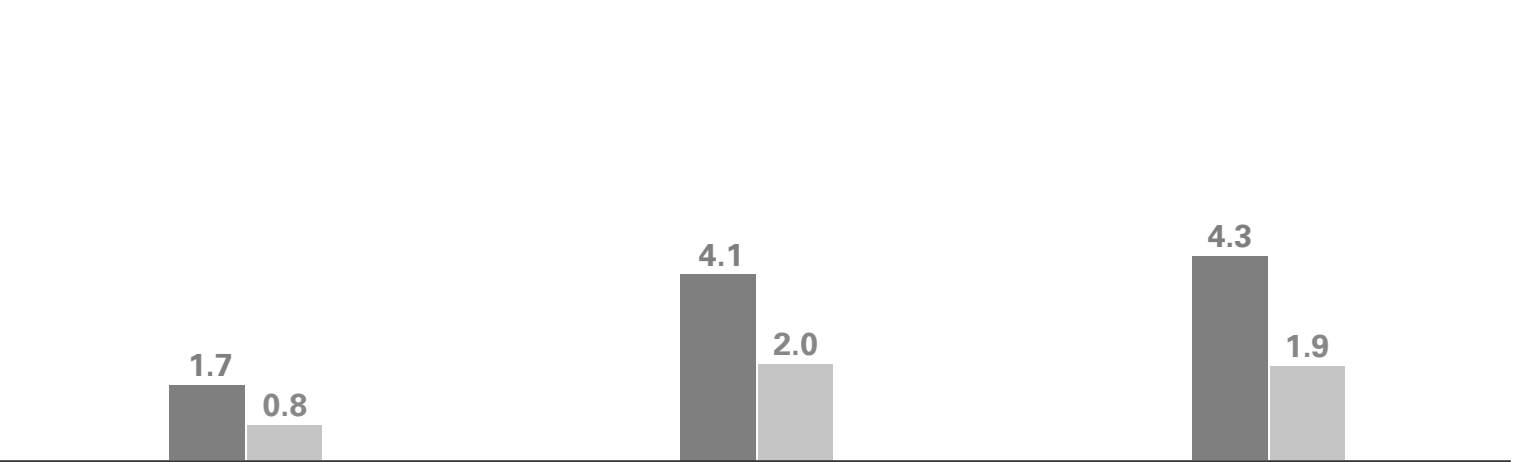
Revenues by Segments (€ mn)



Continuous Increase of Licence Revenues



Revenue Split within Software Segment (€ mn)

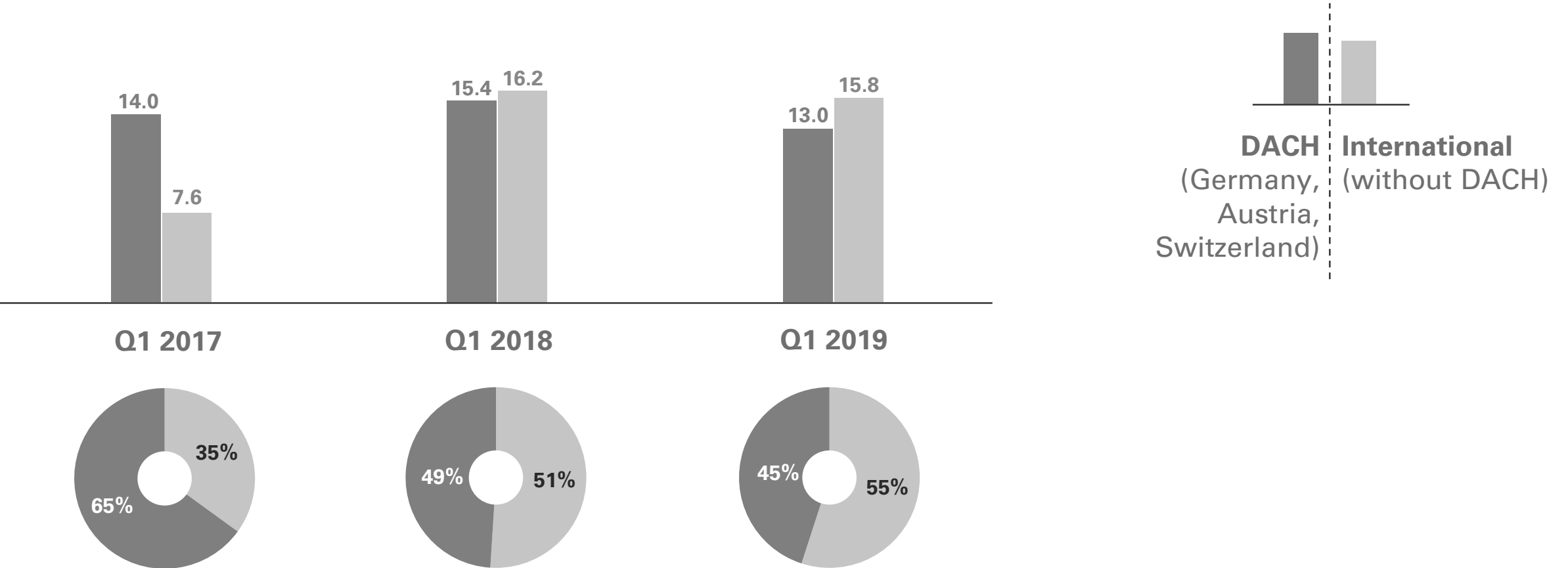


* For the first time in 2019, SNP also reported revenue from software-as-a-service (SaaS).

Reaping the Fruits of the Internationalization Strategy



Revenues by Regions (€ mn)



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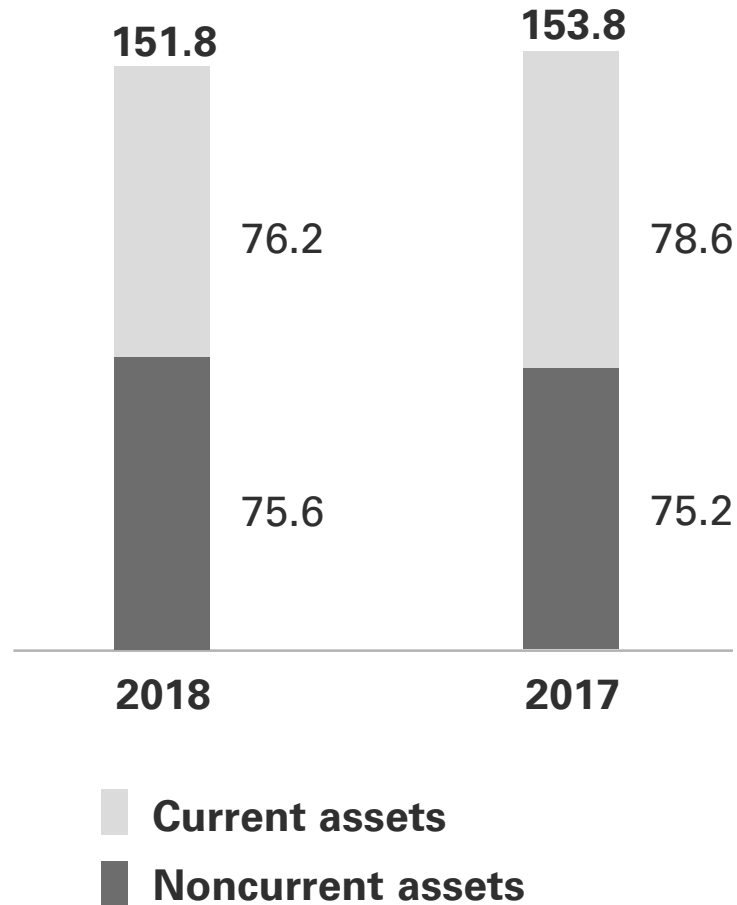
Financials 2018 & Guidance 2019

Key Figures 2018 vs. 2017



€ mn	2018	2017
Revenue	131.0	122.3
EBITDA (non-IFRS, adjusted for exchange rate effects)	1.7	6.9
<i>EBITDA margin</i>	1.3%	5.7%
EBIT (non-IFRS, adjusted for exchange rate effects)	-1.6	4.7
<i>EBIT margin</i>	-1.2%	3.8%
Order Entry	132.3	130.7
Order Backlog (as of Dec. 31)	56.3	61.3
Equity	69,4	60.1
<i>Equity ratio</i>	45.7%	39.1%

Balance Sheet – Assets (€ mn)



The decline on the asset side of the balance sheet is attributable to developments in current assets in particular.

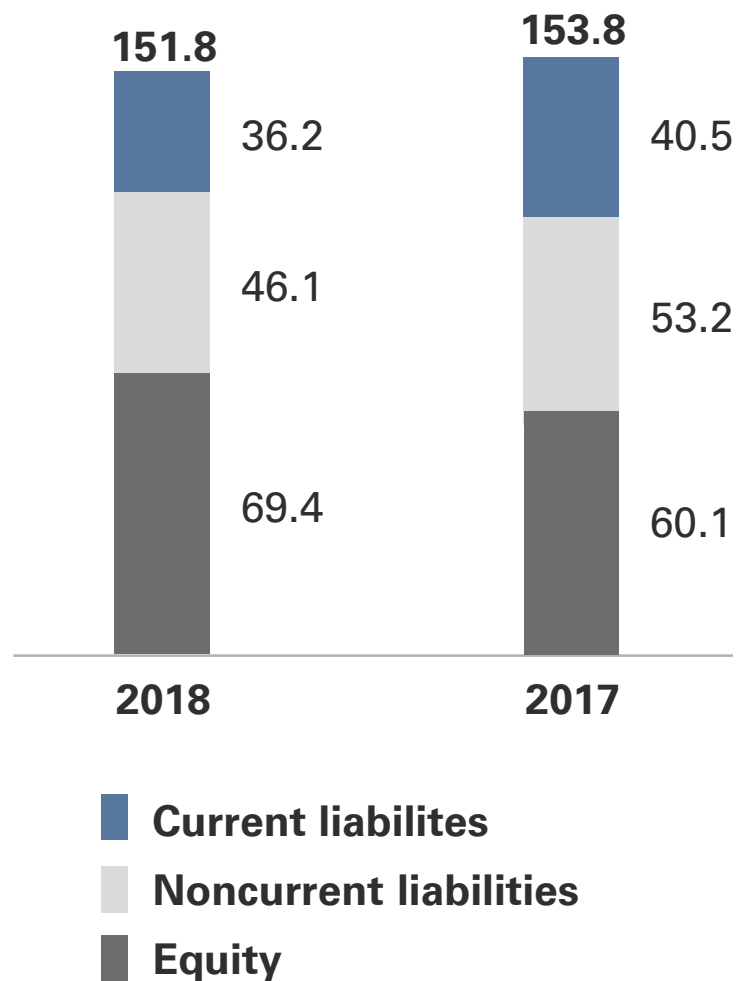
Current assets:

- Capital increase (Q4 2018) produced an inflow of net liquidity totaling € 17.0 mn.
- *Cash and cash equivalents* increased to € 40.0 mn (€ +6.1 mn).
- *Trade receivables and other receivables + contract assets*, were reduced considerably (in total by € -10.1 mn to € 31.8 mn).

Non-current assets:

- *Deferred taxes* increased, due in particular to higher deferred tax assets for loss carryforwards in the USA, by € 4.8 mn to € 6.6 mn.
- *Goodwill* accounts for € 53.7 mn, decline by € -2.4 mn.
- *Intangible assets* amounted to € 8.0 mn as against € 10.9 mn in 2018.

Balance Sheet – Equity & Liabilities (€ mn)



Current liabilities:

- Change in total by € 4.3 mn is mainly attributable to the decline in financial liabilities (€ 5.9 mn)

Non-current liabilities:

- *Noncurrent liabilities* fell by € 7.0 mn to € 46.2 mn – due to the dissolution of noncurrent variable purchase price liabilities (€ 3.5 mn) and to further reclassifications of noncurrent purchase price liabilities to current purchase price liabilities.
- *Financial liabilities* continue to account for the lion's share of € 42.8 mn.

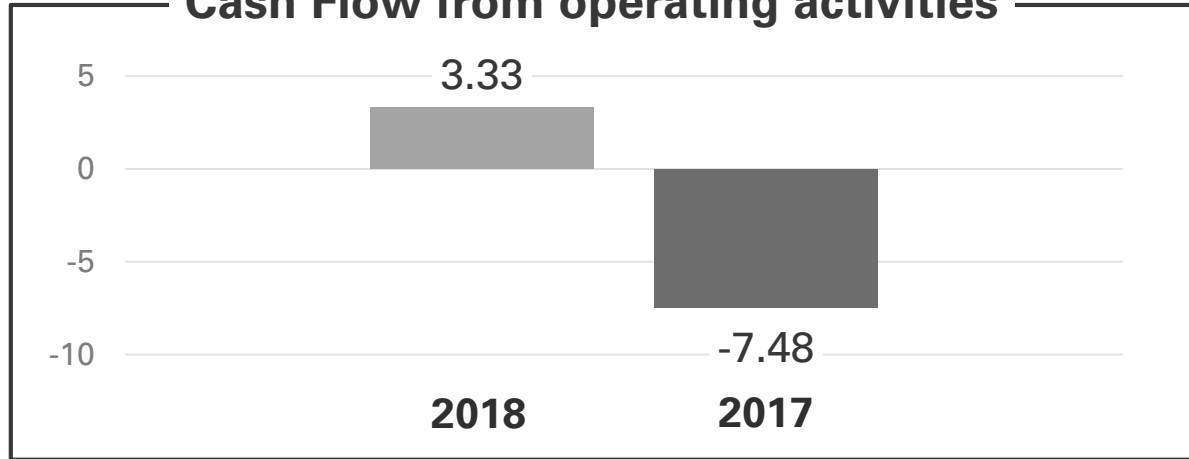
Equity:

- *Subscribed capital* increased to € 6.6 mn + *capital reserve* increased from € 54.3 mn to € 70.8 mn as a result of the capital increase.
- The *net loss* incurred by the Group parent company SNP SE was offset by way of a withdrawal from capital reserves in the amount of € 10.7 mn. After these changes, capital reserves amounted to € 60.0 mn.

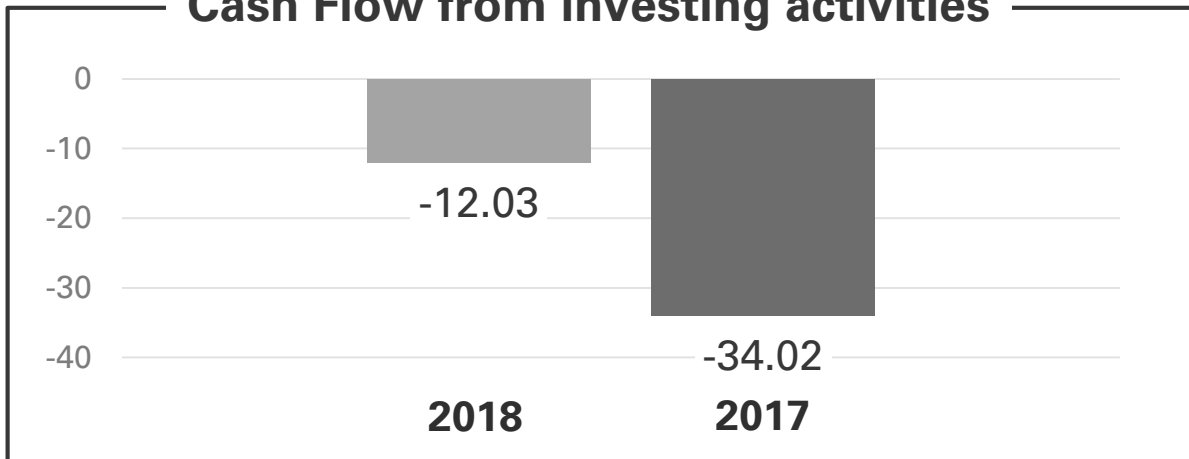
Cash Flow Statement (€ mn) (1/2)



Cash Flow from operating activities



Cash Flow from investing activities



Cash Flow from operating activities:

- Loss for the year of € -1.6 mn + *Other non-cash income/expenses* had a negative impact of € -7.0 mn.
- Offset by the positive effects resulting from depreciation and amortization of € 4.9 mn, the reduction in trade receivables, other current assets and other noncurrent assets of € 3.7 mn, the increase in trade payables and other liabilities of € 2.8 mn and the increase in pension provisions of € 0.5 mn.

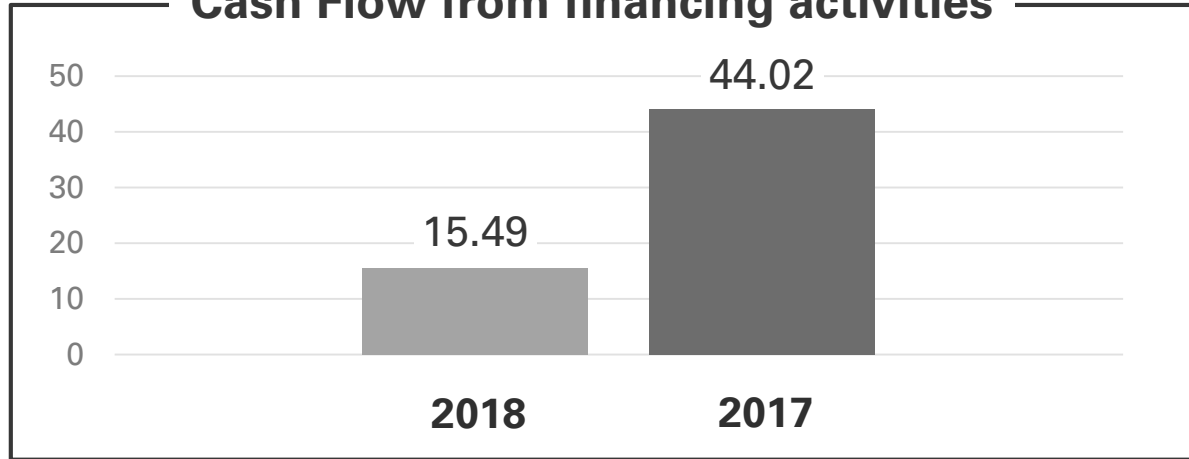
The negative cash flow from investing activities ...

- ... is primarily due to the cash outflow relating to purchase price installments for companies acquired in the previous years (€ 9.5 mn in total).
- + to payments for investments in property, plant and equipment of € 2.8 mn.

Cash Flow Statement (€ mn) (2/2)



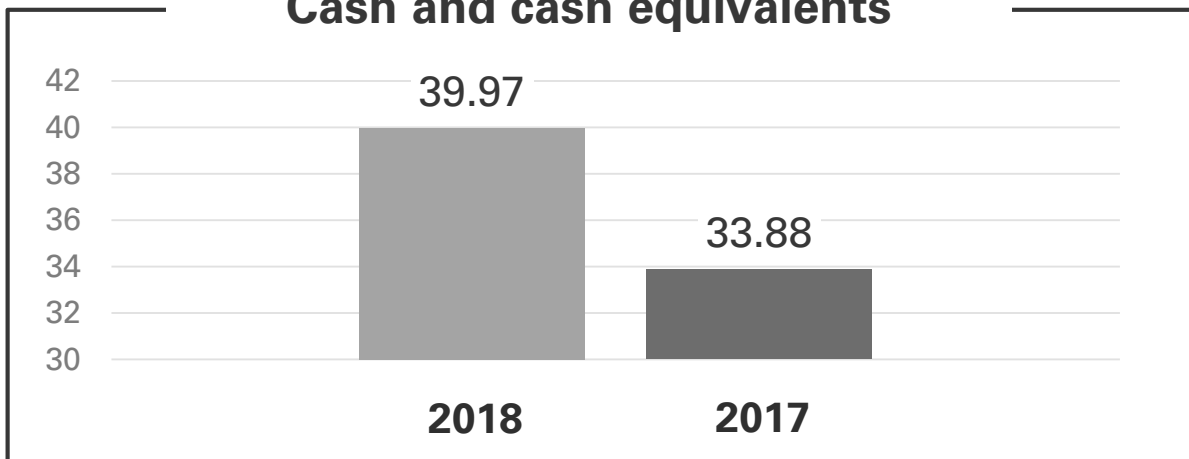
Cash Flow from financing activities



Cash Flow from financing activities:

- ... is mainly due to the capital increase (€ 17.0 mn).
- This is offset by a net outflow of liquidity resulting from loan repayments and loans taken out in the amount of € 1.5 mn.

Cash and cash equivalents

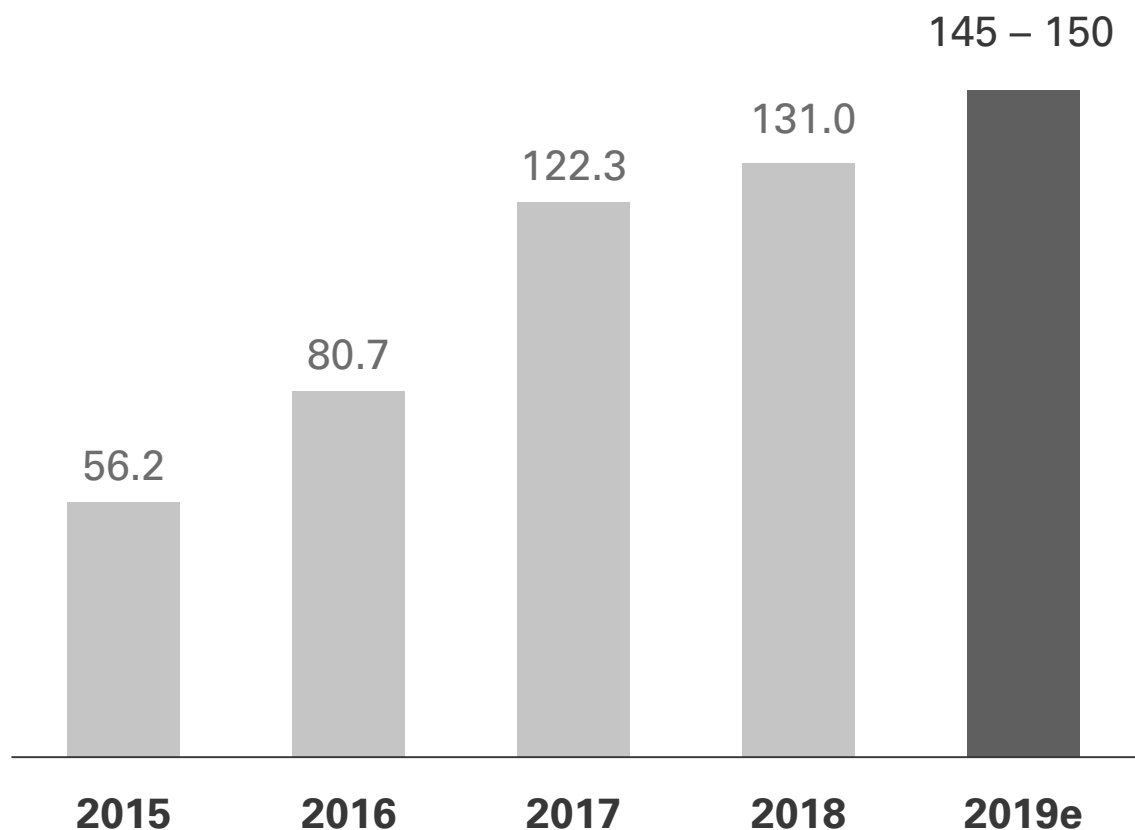


Overall cash flow came to € 6.1 mn (Q1 2017: € 2.0 mn).

Guidance 2019 (1/2)



Revenue (€ mn)



Order Entry and Backlog

Order Entry

2016	€ 95.5 mn
2017	€ 130.7 mn
2018	€ 132.3 mn
2019e	€ 158 – 163 mn

Order Backlog

2016	€ 39.3 mn
2017	€ 61.3 mn
2018	€ 56.3 mn
2019e	€ 71 – 76 mn

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

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

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Key Share Data



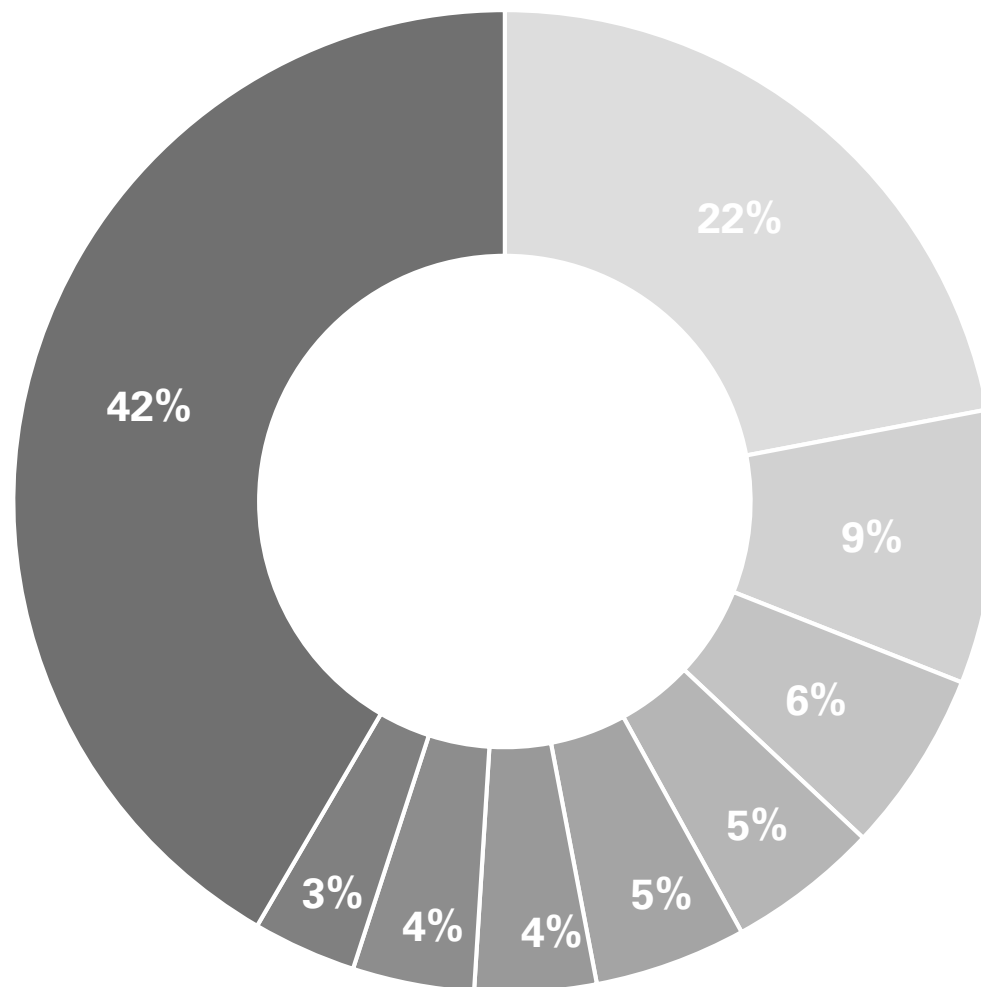
ISIN	720 370 / DE0007203705 / SHF
Segment	Prime Standard
Stock Exchanges	Xetra, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Dusseldorf
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index
Designated Sponsor	Oddo Seydler
Research Coverage	Bankhaus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

Coverage



Institute	Date	Rating	Price Target
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
NORD/LB // Alsterresearch	Aug 30, 2018	Hold	€ 26.00
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



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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