

ACCELERATED DATA TRANSFORMATION

Presentation on Q1 2020 Results

SNP | The Business Transformation Company



AGENDA

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QUESTIONS & ANSWERS



Q1 2020 - Main Topics

- **Good start into the year in Order Entry and Revenue**
- **Signing of additional partner contracts (MHP and Common SM)**
- **SW Revenue (+46%) and Order entry (+26%) significantly above last year's level**
- **Q1 2020 basically with no effect from COVID-19-pandemic**
- **But: First signs of reduced growth momentum in April**
- **Update on guidance to reflect increased uncertainty**
- **After corona crisis digitalization will even be more important, offering additional business opportunities**

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Key Figures



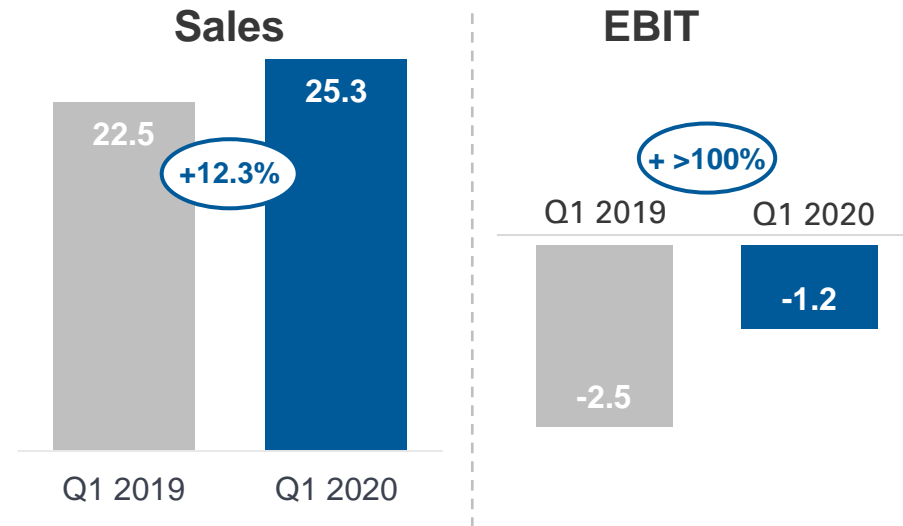
| € mn | Q1 2019 | Q1 2020 | Δ (in m€) |
|---------------------------------|---------|---------------|-----------|
| Revenue | 28.8 | 34.4 | +5.6 |
| Gross profit | 24.5 | 29.8 | +5.3 |
| Personal expenses | -20.5 | -24.9 | -4.4 |
| Other operating income/expenses | -5.2 | -6.9 | -1.7 |
| EBITDA | -1.3 | -2.0 | -0.7 |
| EBIT | -3.3 | -4.0 | -0.7 |
| EBT | -3.5 | -4.3 | -0.8 |
| Net income | -2.8 | -3.5 | -0.7 |
| Gross profit margin | 85.1% | 86.8% | |
| EBITDA Margin | -4.4% | -5.9% | |
| EBIT Margin | -11.5% | -11.6% | |

Comments

- Topline growth almost equally distributed between software and service segments
- Personal expenses increased significantly in the preparation of future growth
- FTE increased from 1,272 end of Q1 2019 to 1,411 end of Q1 2020
- Hire rate will be adopted to revenue growth
- Margin KPIs basically unchanged

Sales and EBIT by segments

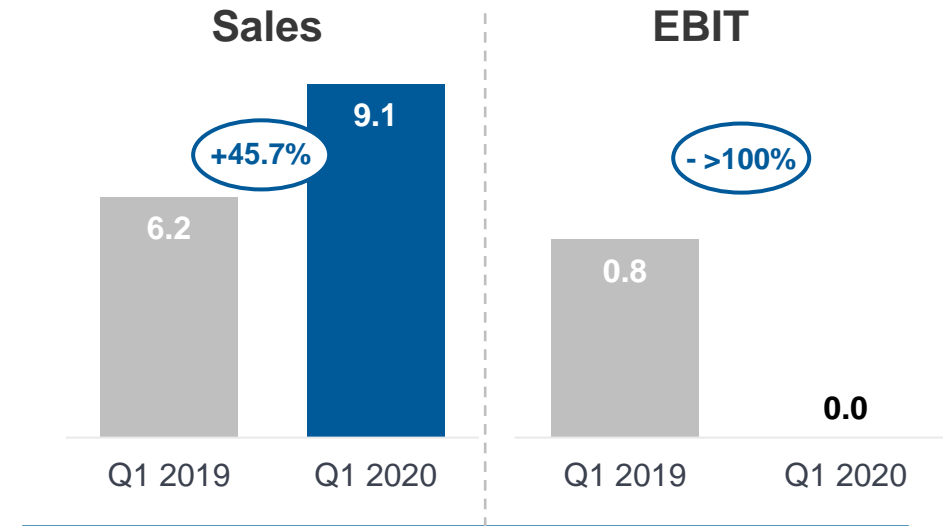
Service (in € mn)



Comments

- Increase in sales also supported by rising demand from S/4 projects
- Profitability significantly up with rising top line development
- Seasonal pattern usually show the first quarter as the weakest of the year

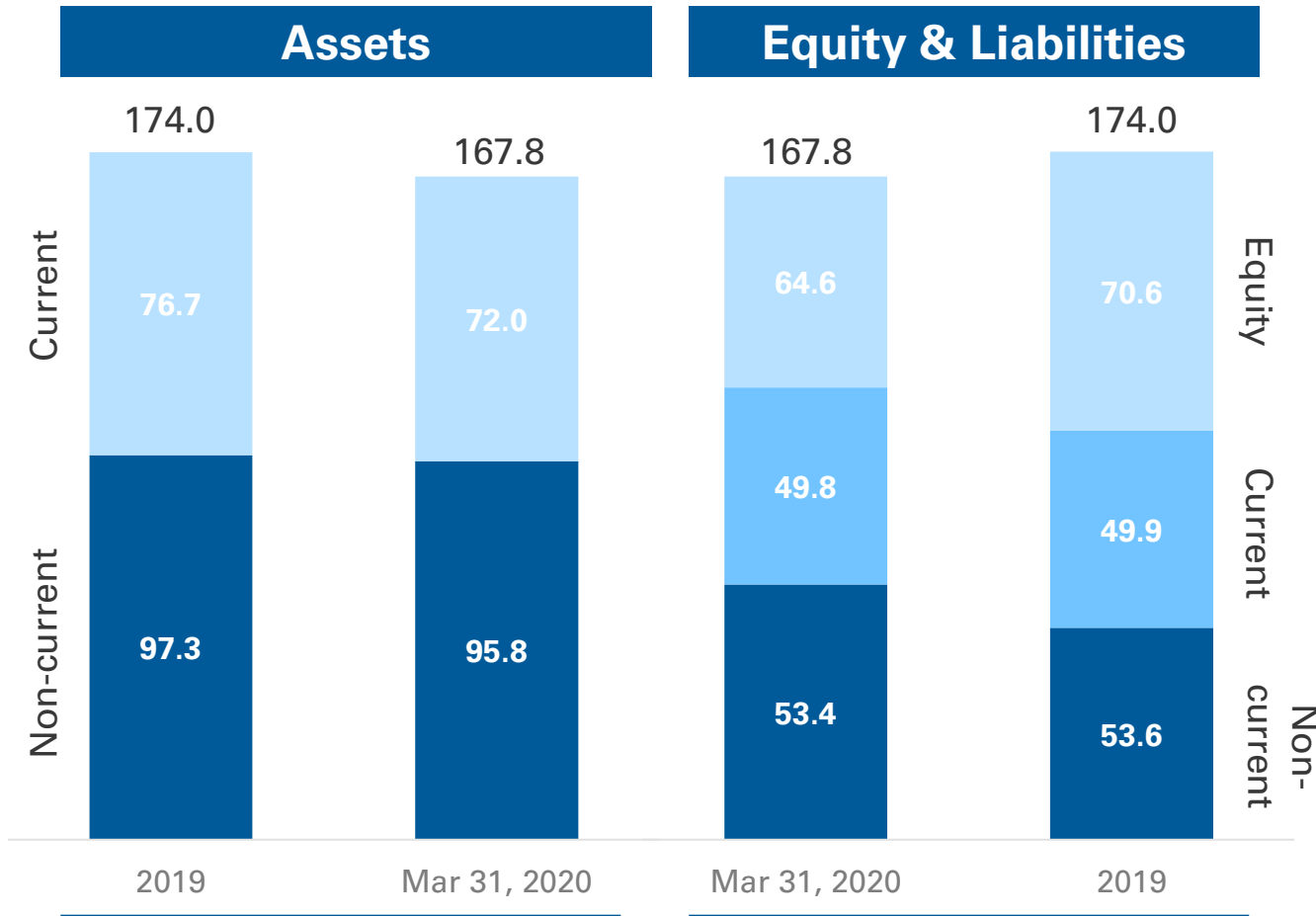
Software (in € mn)



Comments

- Sales development with ongoing positive trend
- Lower earnings attributable to growth investments mainly in partner strategy
- Software accounted for 26% of total sales

Balance Sheet (€ mn)



Comments

- Healthy balance sheet structure where non-current liabilities are well covered by non-current assets
- Current and noncurrent liabilities basically unchanged
- Equity slightly decreased compared to year end's level
- Equity ratio now at 38.5% (2019: 40.6 %)

Cash Flow Statement (€ mn)



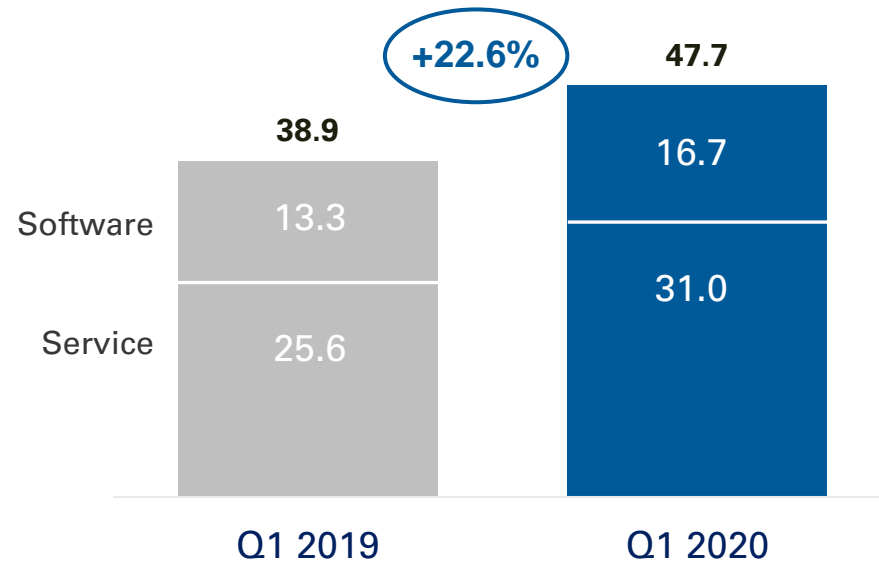
| | Q1 2019 | Q1 2020 |
|----------------------------|-------------|-------------|
| Net income | -2.8 | -3.5 |
| Depreciation | 2.1 | 1.9 |
| Change in W/C | -2.9 | -1.1 |
| Change in other items | -0.8 | -1.1 |
| Operating cash flow | -4.4 | -3.7 |
| Investing cash flow | -3.2 | -1.8 |
| Financing cash flow | 0.0 | -0.9 |
| Change in cash | -7.7 | -6.6 |

Comments

- Cash out from the change in working capital noticeable below last year's figure
- Operating cash flow in Q1 2020 therefore slightly improved
- As a result the change in cash also slightly better than previous year's quarter

Order Entry and Backlog

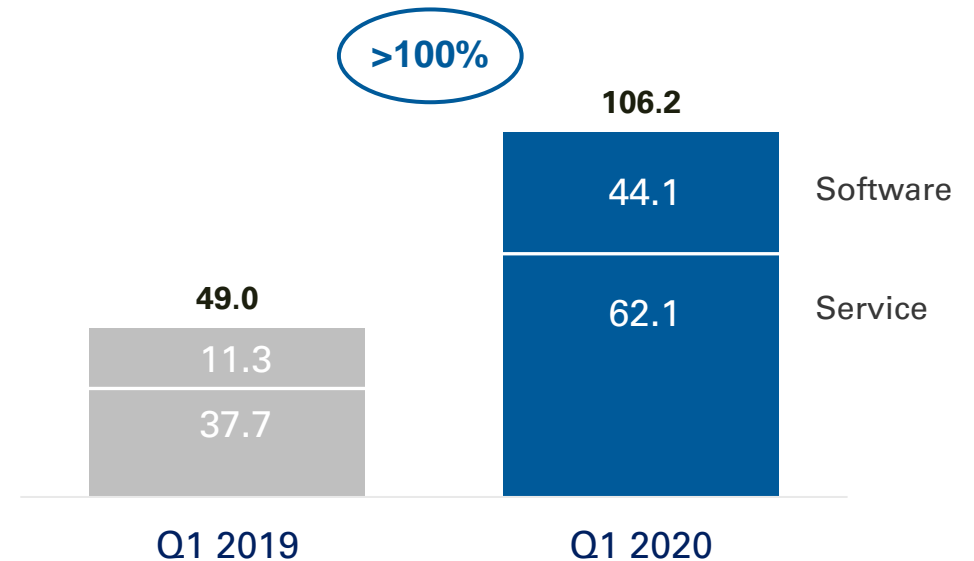
Order Entry (in € mn)



Comments

- Strong increase of order entry due to raising demand of software
- Especially additional partner contracts in the software segment led to a disproportionate increase

Order Backlog (in € mn)



Comments

- Order backlog more than doubled compared to previous year's period
- It was again the software segment which contributed largely to this development

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SNP I Transformation Never Ends

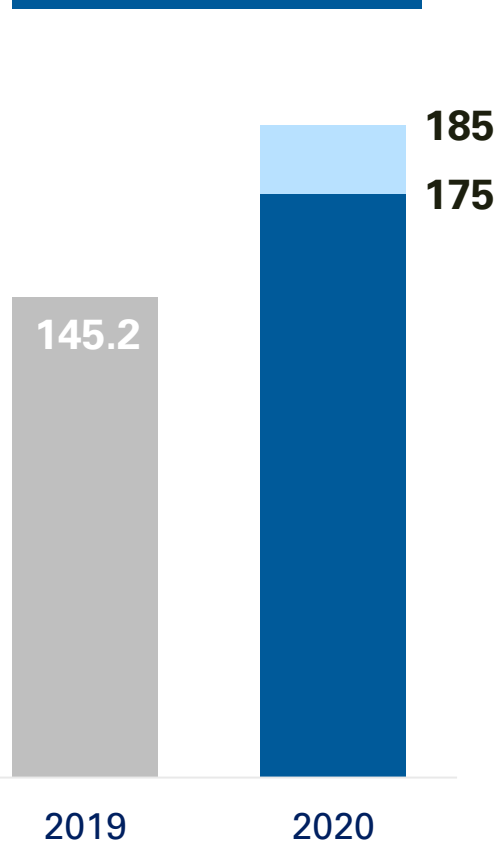


Update Outlook 2020

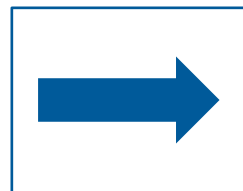
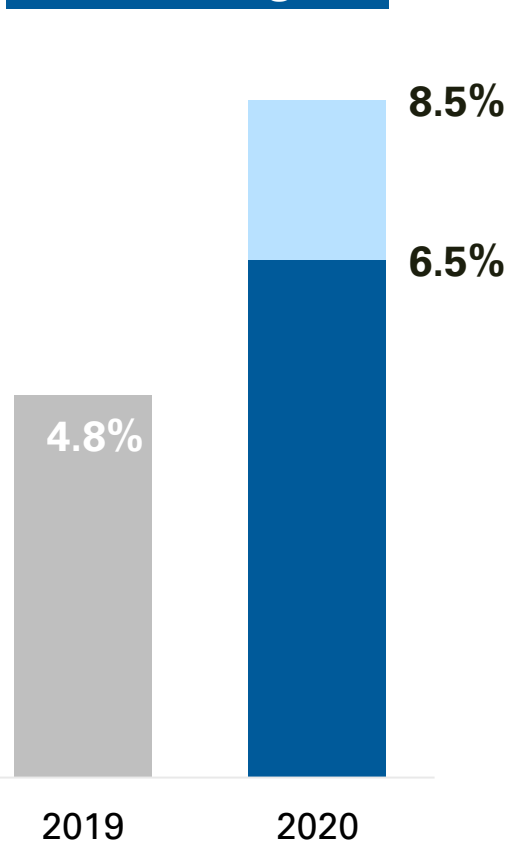


Previous outlook

Sales (in € mn)

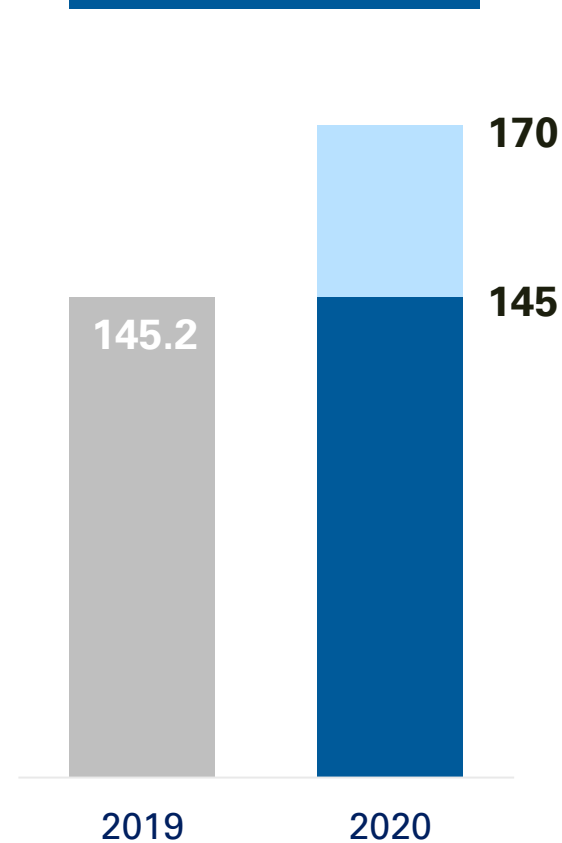


EBIT margin



Updated outlook

Sales (in € mn)



EBIT margin

Mid single digit range

SNP is well prepared to act in the Corona crisis



- 1 Top priority is the health and safety of our employees
- 2 We have secured the delivery towards our customers and partners
- 3 Our industry is already digitalized
 - Employees are able to work from home – even on ongoing projects
 - Even in pre-crisis times many projects were done remotely
 - Digital customer engagements are ramping up.
- 4 Strong balance sheet and focus on working capital management
- 5 Preparing for a more flexible cost structure

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**WE WILL BE HAPPY TO
TAKE YOUR QUESTIONS!**



Financial Calendar



Mar 30, 2020

Publication of the Annual Report 2019

Apr 30, 2020

Publication of the Interim Statement Q1 2020

June 30, 2020

Annual General Meeting 2020

Aug 7, 2020

Publication of the Half-Year Financial Report 2020

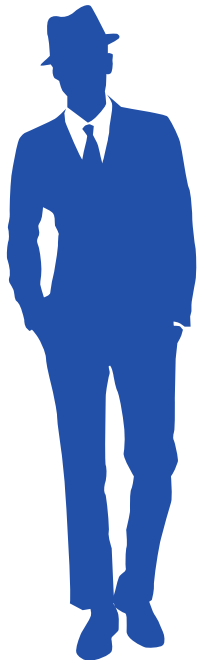
Oct 30, 2020

Publication of the Interim Statement Q3 2020

Thank you for your time

SNP Schneider-Neureither & Partner SE

Dossenheimer Landstraße 100
69121 Heidelberg
Germany



Christoph Marx, Global Head of IR
+49 6221 64 25 – 172

Marcel Wiskow, Director IR
+49 6221 64 25 – 637

Investor.relations@snpgroup.com



+49 6221 64 25 - 0



+49 6221 64 25 - 20



info@snpgroup.com



www.snpgroup.com



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