

SNP Schneider-Neureither & Partner SE

Teleconference for investors and financial analysts
FY 2023 Results
March 27, 2024

Jens Amail, CEO
Andreas Röderer, CFO



DATA. TRANSFORMATION. EXPERIENCE.

Agenda

Overview: FY 2023 results

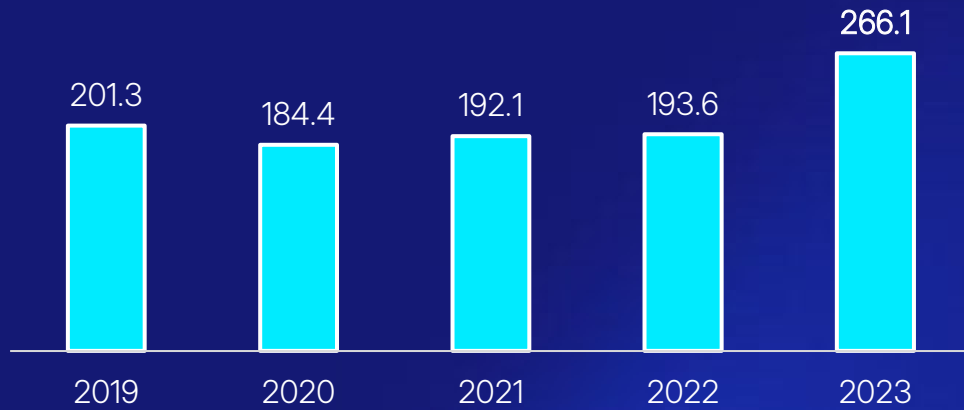
Detailed Financials

Q&A

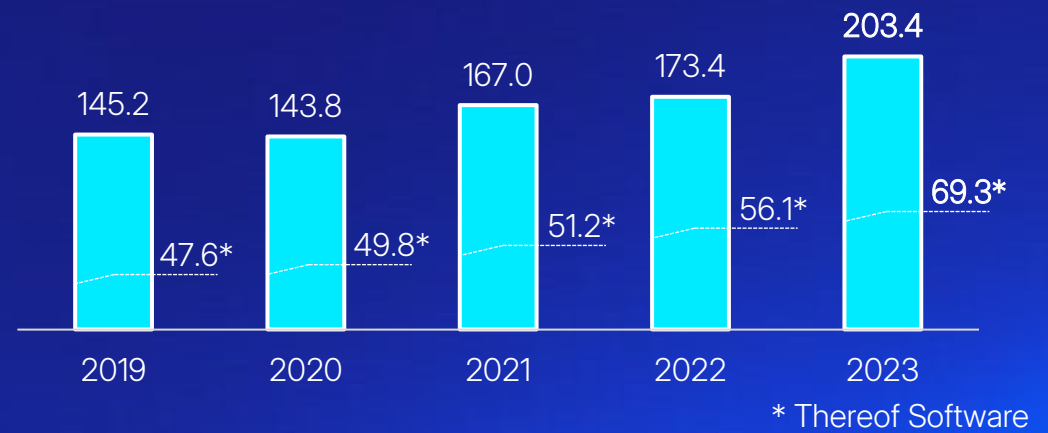


Five-year overview

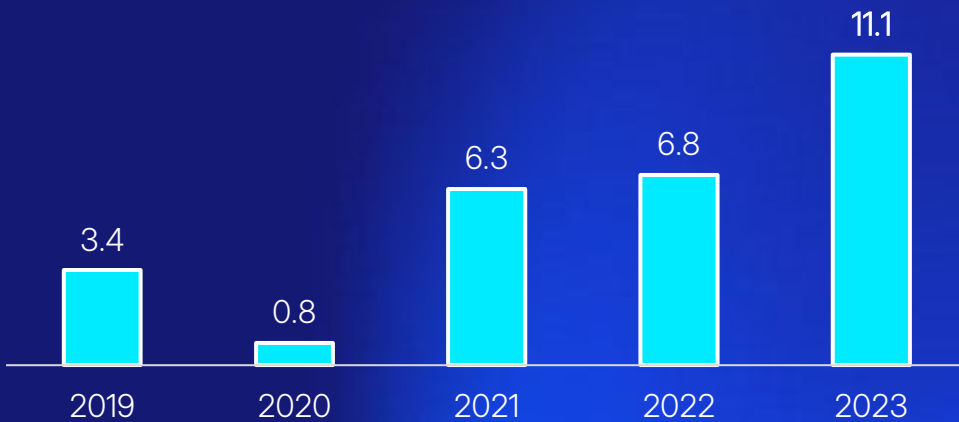
Order Entry (in €m)



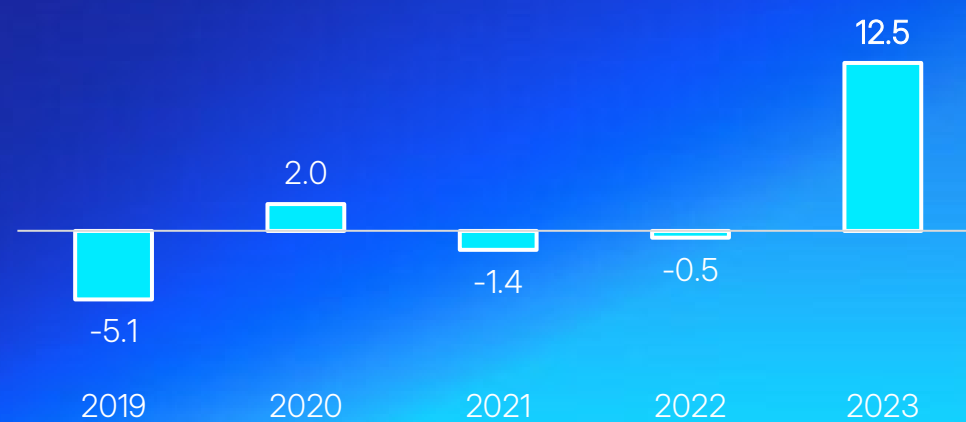
Revenue (in €m)



EBIT (in €m)



Operating Cash Flow (in €m)



Key Results – FY 2023

SNP recorded highest group revenue in company history: At € 266.1m, order entry across the Group was up roughly 37% over previous year. Group revenue rose by 17% to € 203.4m in FY 2023 YoY.

Strong growth in high margin Software business: High market acceptance of Software Platform CrystalBridge led to Software revenue increase by 23% to € 69.3m; Service segment up 14% to € 134.2m. Software share rose to 34%.

Significantly increased earnings and stronger profitability: EBIT marked €11.1m with an EBIT margin of 5.5% (3.9% in 2022). Operating cashflow turned significantly positive, totaling to € 12.5m (€ -0.5m in 2022).

Key strategic focus areas contributed to positive corporate development: (1) **S/4 and RISE with SAP:** Order entry up by 111% to € 145.1m in 2023; (2) **partner business:** Order entry (+51%) and revenue (+18%) in 2023; (3) **internationalization:** Major projects with well-known customers in all regions; strongest percentage growth in the regions USA (+138%) and UKI (+81%).

Increased guidance for 2023 fully realized and raised revenue forecast for 2024: Further growth in revenue (€215m -225m) and EBIT (€13m – 16m) expected for 2024.

FY 2023 – Key Figures

Order Entry

€ 266.1m
+37%

Group Revenue

€ 203.4m
+17%

EBIT

€ 11.1m
+64%

Service [incl. EXA]

Order Entry
€ 188.4m
+37%

Revenue
€ 134.2m
+14%

Software [incl. EXA]

Order Entry
€ 77.7m
+39%

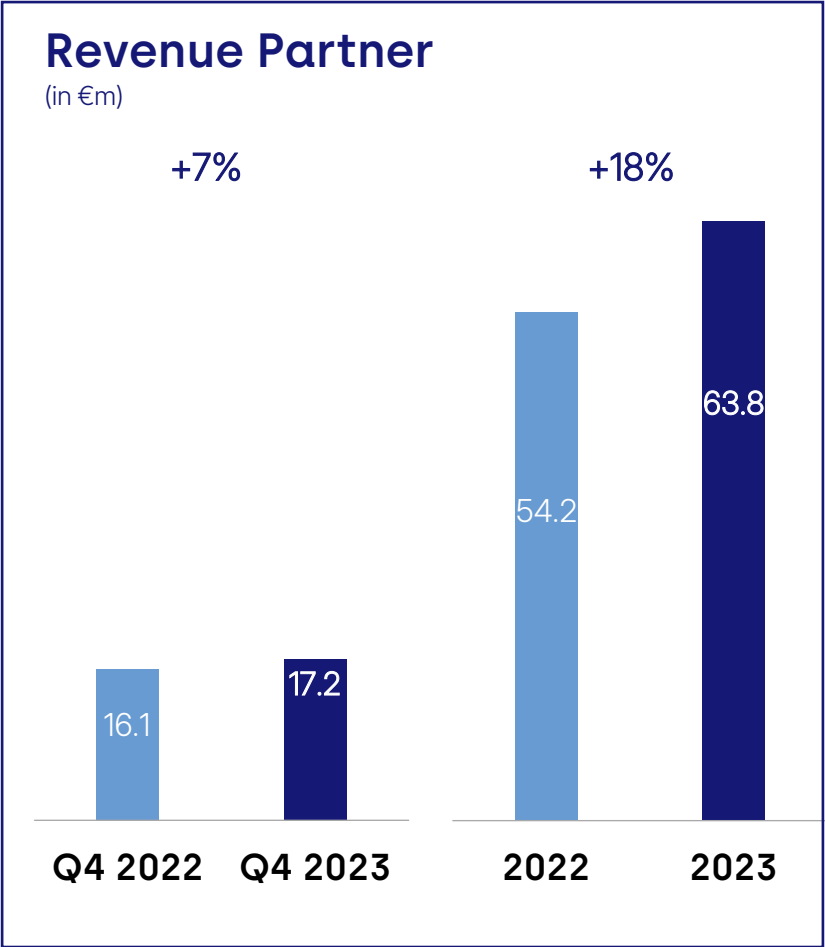
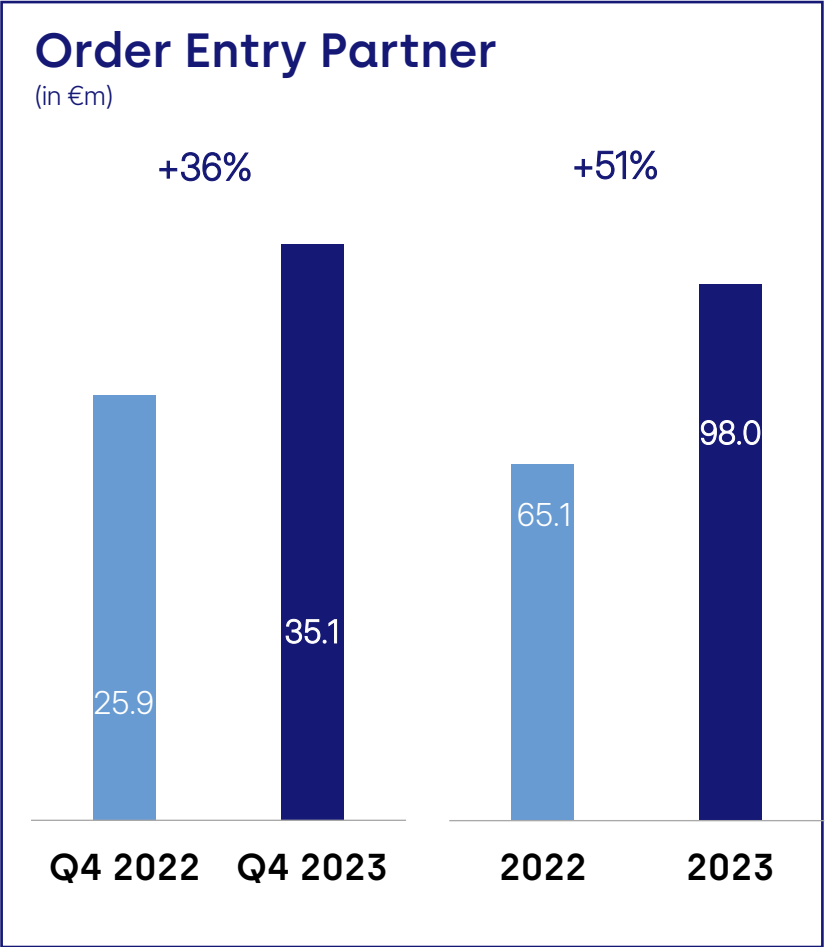
Revenue
€ 69.3m
+23%

Partner

Order Entry
€ 98.0m
+51%

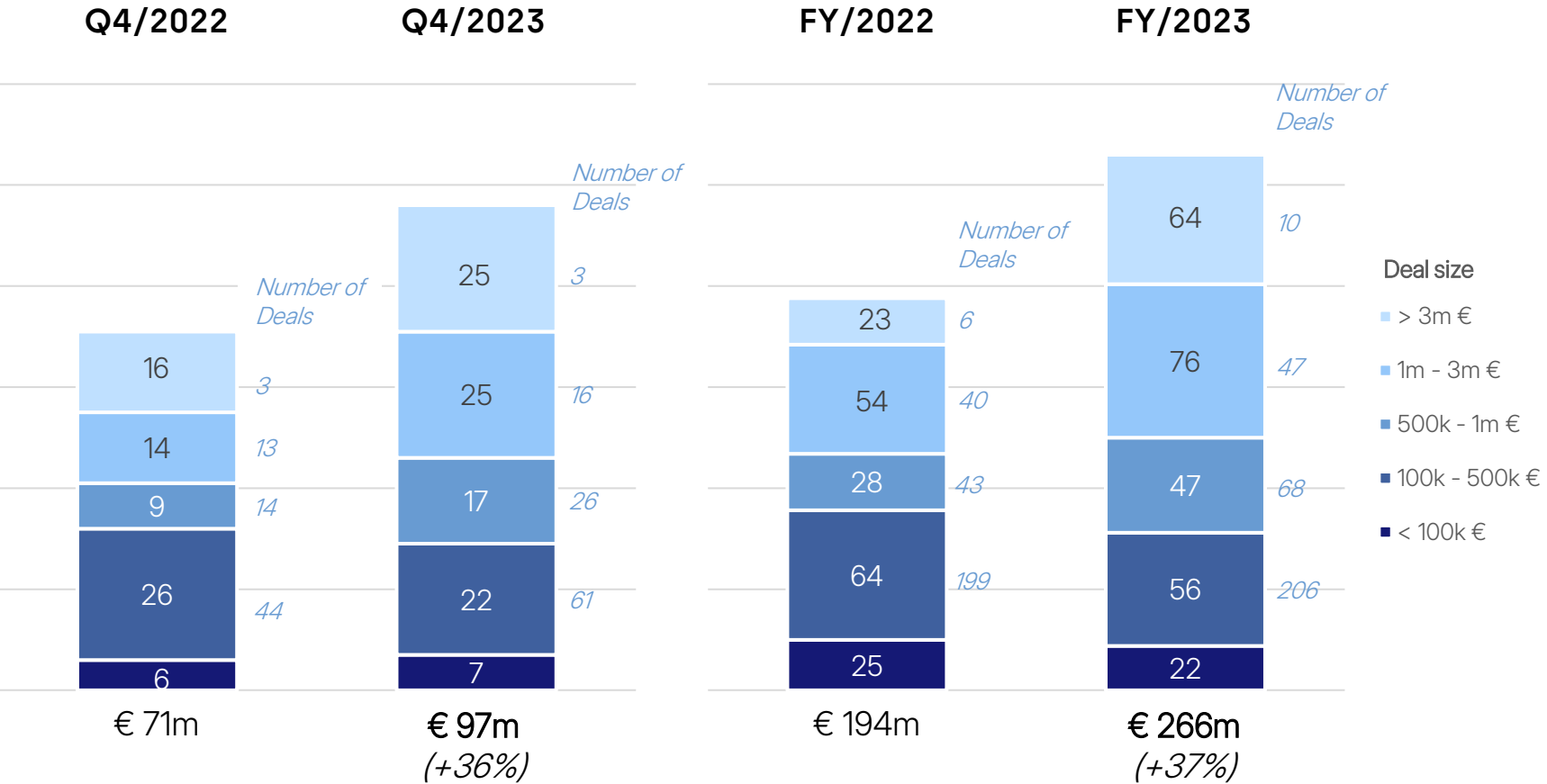
Revenue
€ 63.8m
+18%

Strong Partner Business



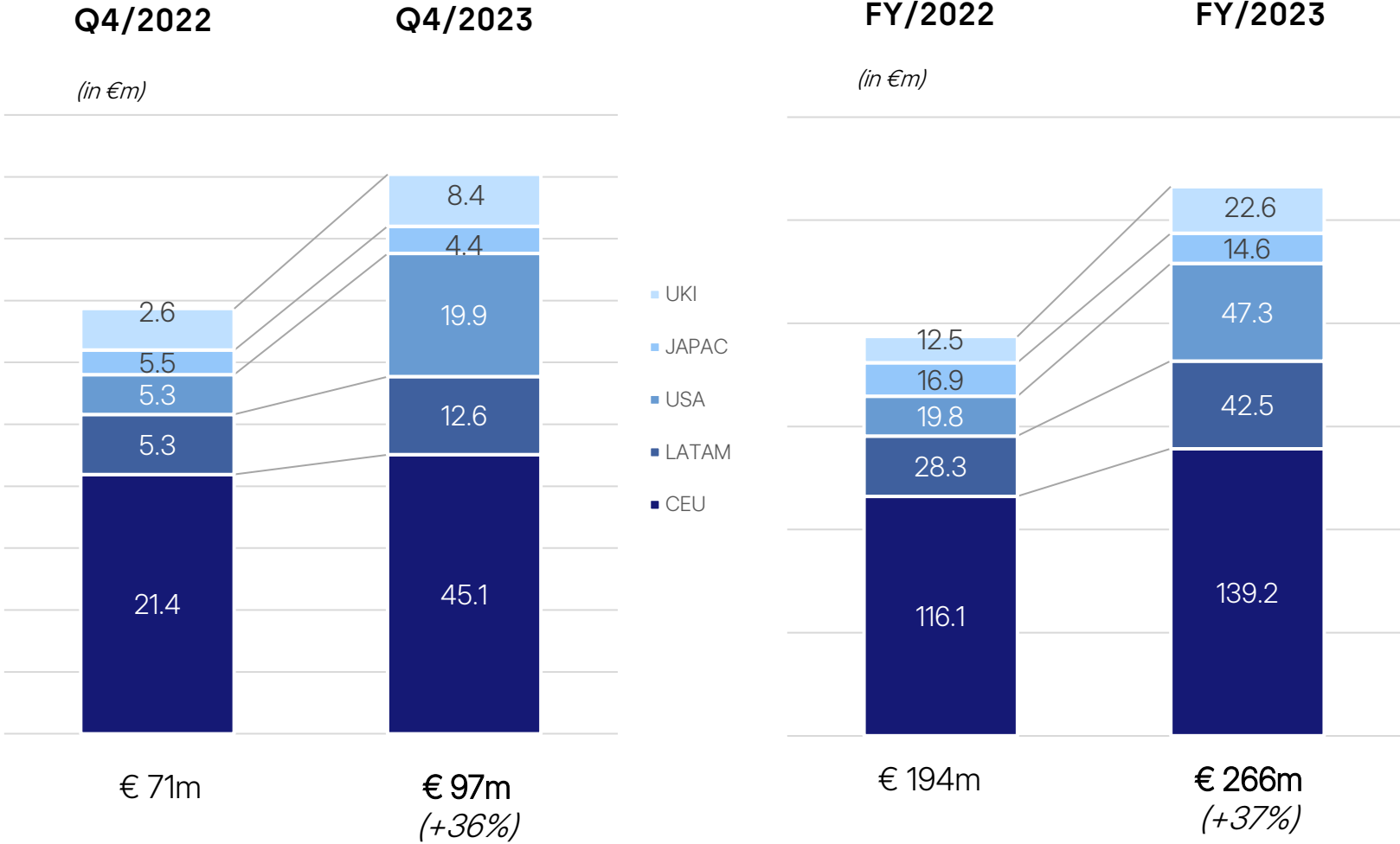
- Significantly stronger growth in order entry with partners than in 2022: +51% to € 98.0 m in 2023; +13% to € 65.1 m in 2022.
- € 98.0m or 39% of the total order entry is contributed by partners.
- Expansion of successful partnerships, including those with Accenture, IBM and the All for One Group.
- Many partners are fully enabled to deliver data migration projects in a self-contained way, leveraging our Bluefield Methodology and SNP CrystalBridge.

Order Entry by Deal Bands



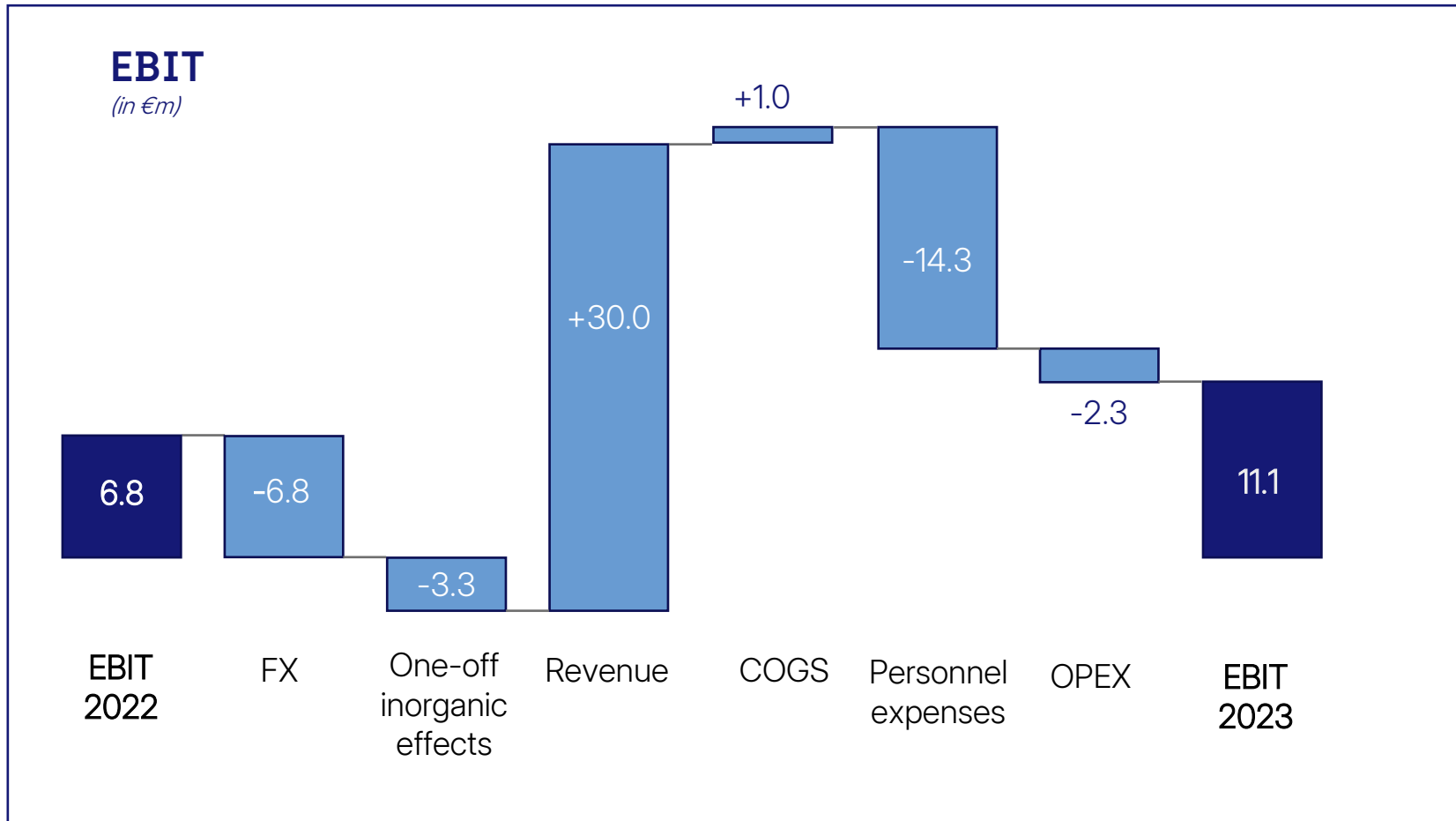
- Ongoing trend towards strategic and long-term agreements with clients.
- Deals in the band of € >1m are the key driver of growth in order entry (57 deals >€ 1m).

Order Entry by Region



- Strongest percentage growth in the regions USA (+138%) and UKI (+81%)
- Largest share of order entry still from the CEU region with € 139.2m (FY 2022 € 116.1m)
- Order entry in relation to SAP S/4HANA and RISE with SAP projects: +111% to € 145.1m (FY 2022: € 68.9m).
- SAP S/4HANA and RISE with SAP projects account for approx. 55% of the total order entry (FY 2022: 36%).

FY 2023 – Reconciliation EBIT



- FX: Weak US dollar weighs on earnings compared to strong US dollar effect in 2022.
- EBIT (Like-for-like) is calculated taking into account FX and inorganic one-offs.
- Personnel expenses and OPEX partially off-setting the positive impact of revenue growth.
- Increase in personnel expenses, among other things, due to higher number of employees, higher salary payments and an increase in variable performance-related, variable income.

Increased forecast for 2023 fulfilled – Ongoing growth in 2024

FY 2023

€266.1m

€203.4m

€11.1m

Increased Guidance (Dec 2023)

Order entry

✓ €230m – 250m

Revenue

✓ €200m – 205m

EBIT

✓ €5m – 10m
At the upper end of the
range or even slightly better

Guidance 2024

Book-to-Bill-Ratio >1

€215m – 225m

€13m – 16m

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Income Statement Q4/FY 2023

(in €m)	Q4 2023	Q4 2022	Δ (%)	FY 2023	FY 2022	Δ (%)
Revenue	53.8	48.5	+11	203.4	173.4	+17
Gross profit	48.4	41.4	+17	180.4	149.4	+21
Personal expenses	-30.4	-26.8	+13	-123.4	-109.1	+13
Other income/expenses	-12.5	-6.8	+83	-35.5	-22.7	+56
EBITDA	5.5	7.7	-29	21.5	17.6	+22
EBIT	2.8	4.9	-42	11.1	6.8	+64
EBT	2.4	4.0	-40	8.8	3.8	+134
Net income	1.3	1.5	-12	5.9	1.4	+317
Gross profit margin	90.0%	85.3%	+4.7pp	88.7%	86.2%	+2.5pp
EBITDA margin	10.2%	15.8%	-5.6pp	10.6%	10.2%	+0.4pp
EBIT margin	5.2%	10.0%	-4.8pp	5.5%	3.9%	+1.6pp

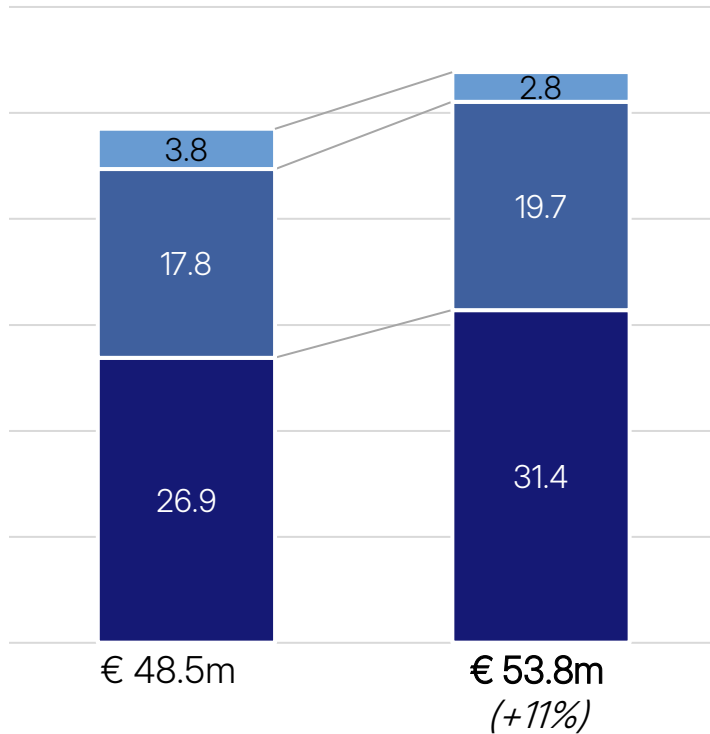
- Increased **personnel expenses** mainly due to: (1) higher number of employees, (2) higher salary payments and (3) an increase in variable performance-related remuneration.
- Other income / expenses: Change mainly attributable to negative FX effect of € -4.5m compared to a positive FX effect of € 2.3 m in the previous year.
- One time M&A costs of € 0.3m.
- Significantly improved **earnings per share** (undiluted) to € 0.81 (2022: €0.22).

Revenue by Segments

Q4/2022

Q4/2023

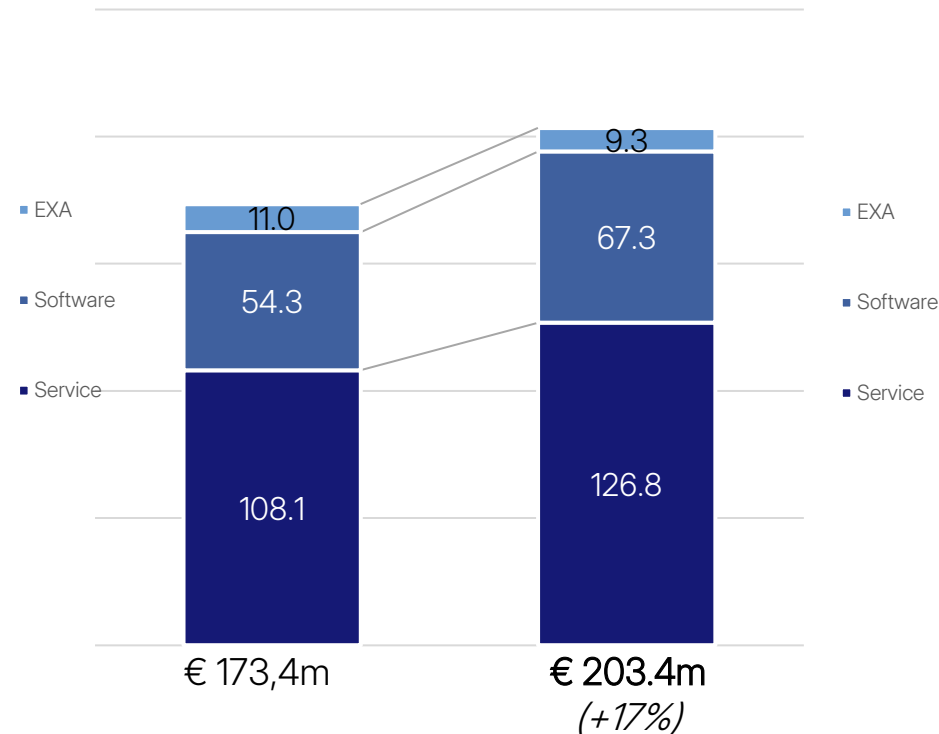
(in €m)



FY 2022

FY 2023

(in €m)



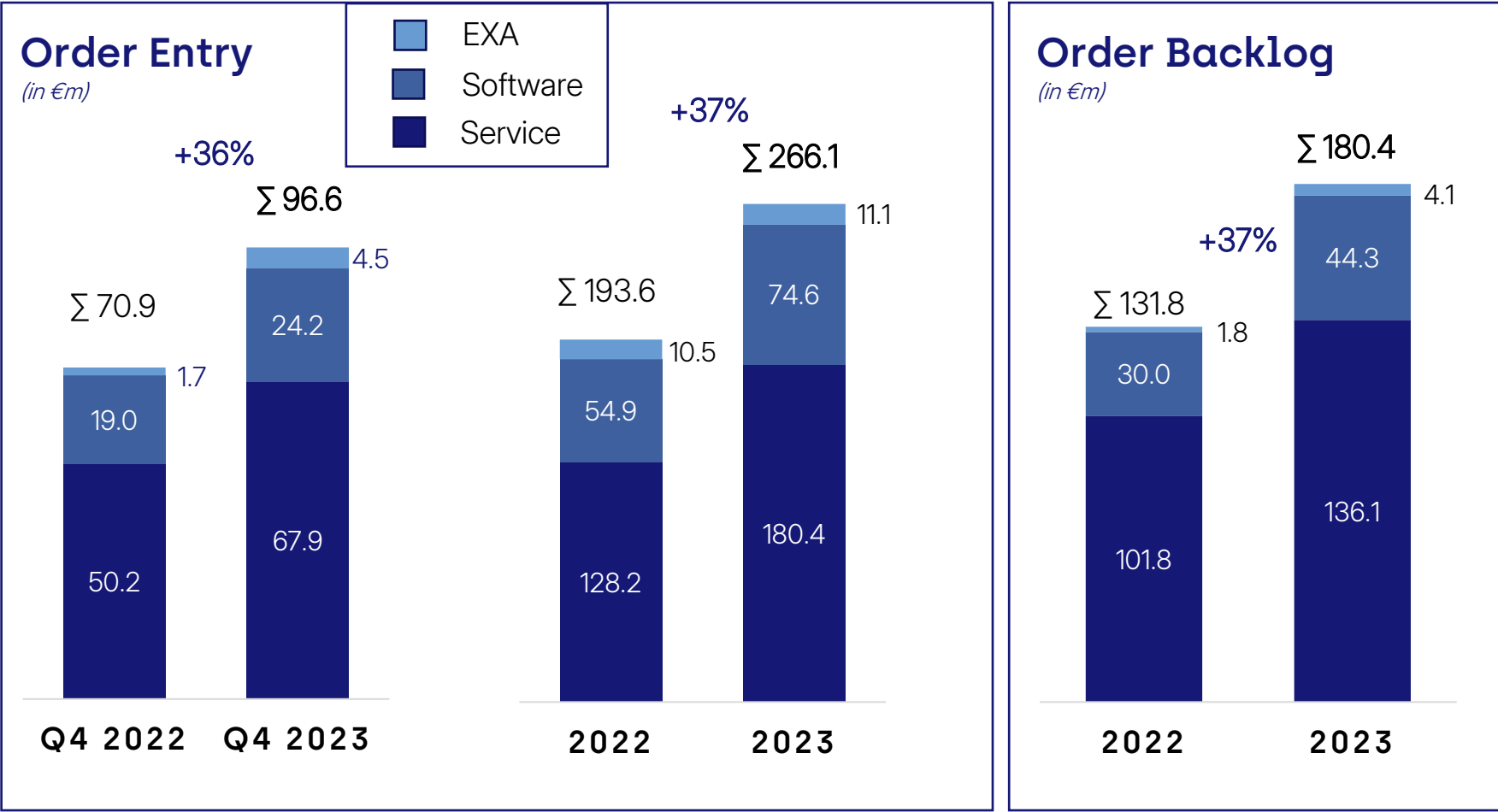
- Increase in revenue attributable to Service and Software business segments.
- In the Software business segment, revenue increased 24%.
- Revenue in the Software segment in the reporting period corresponds to a share of 33% of total revenue (previous year: 31%).
- Book-to-bill: 1.11

Adjusted Segment Reporting in FY 2023

<i>in €m</i>	Service	Software	EXA	Total
Revenue 2023	126.8	67.3	9.3	203.4
Segment earnings (EBIT) 2023	5.3	19.5	1.3	26.1
<i>Margin</i>	<i>4.2%</i>	<i>28.9%</i>	<i>14.2%</i>	<i>12.8%</i>
2022 (adjusted)	1.1	17.6	2.3	21.0
<i>Margin</i>	<i>1.0%</i>	<i>32.5%</i>	<i>20.7%</i>	<i>12.1%</i>
2022 (as reported)	-3.7	22.4	2.3	21.0
<i>Margin</i>	<i>-3.4%</i>	<i>41.3%</i>	<i>20.7%</i>	<i>12.1%</i>

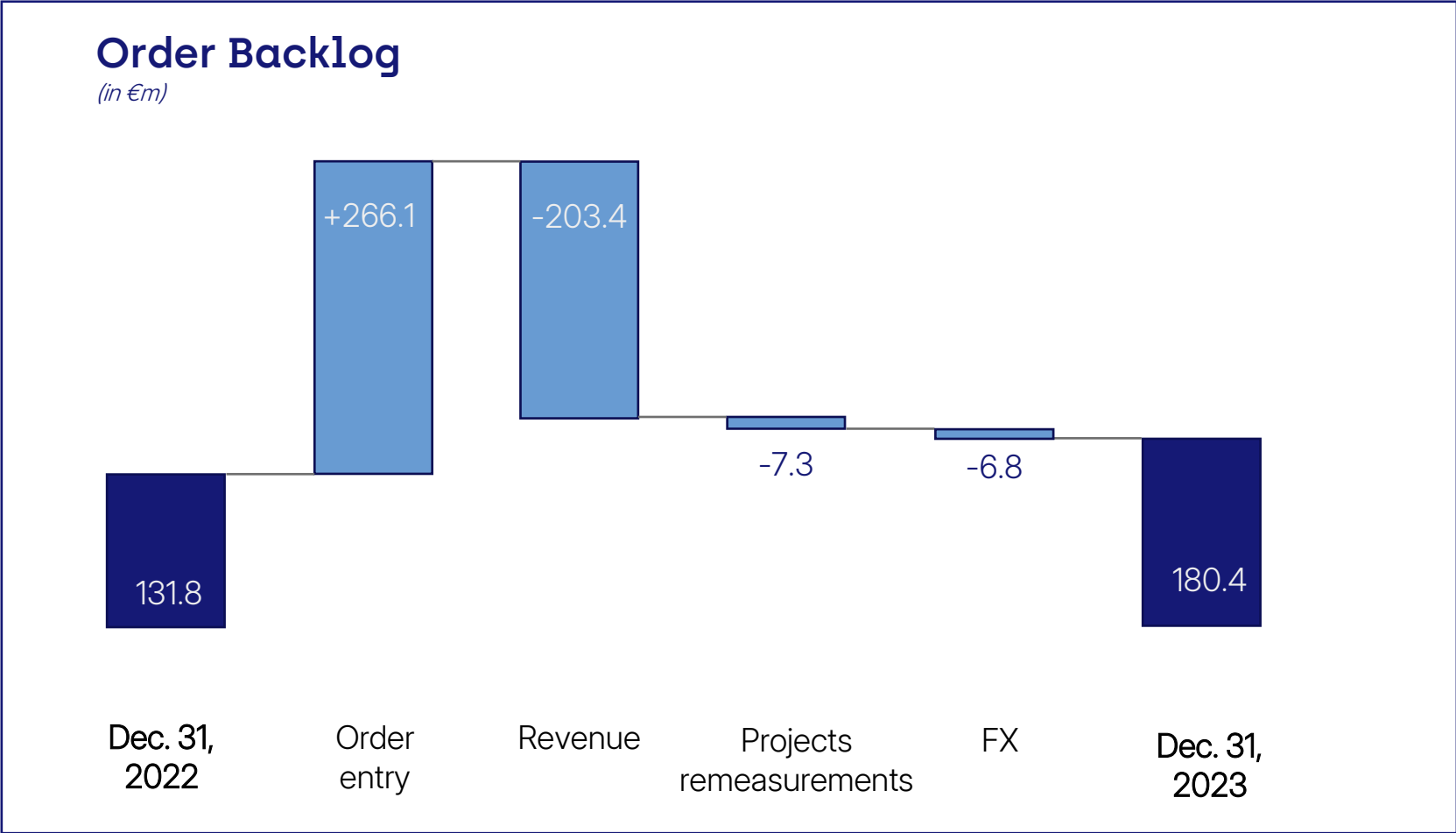
- The cost allocation using a key based on personnel figures and segment revenue was converted to a controlling-based cost allocation.
- Only the Service and Software business segments are affected by the change. The comparative information for the previous year has also been adjusted and presented separately.
- The adjustment has no effect on the total business segment results.

Order Entry Q4/FY 2023 and Order Backlog



- Order entry volume increased year-over-year in 2023 to a new record level of € 266.1m.
- In addition to stable growth in the CEU region, the increase is primarily due to the disproportionately high growth in the USA and UKI.
- SAP S/4HANA and RISE with SAP projects represent ≈55% of the entire order entry volume (FY 2023: ≈36%).
- Order backlog growth at the same level as order entry

FY 2023 – Reconciliation Order Backlog



- Increase in order backlog by 37% compared to year 2022.
- Projects remeasurements in 2023 by € 7.3m.
- Backlog includes €4.1m from EXA.

Balance Sheet Structure

Assets (in €m)	Dec. 31, 2023	Dec. 31, 2022
Cash & cash equivalents	40.3	38.4
Other financial assets	5.0	11.5
Receivables & contract assets	88.9	74.4
Other currents assets	4.6	5.9
Total current assets	138.8	130.2
Total non-currents assets	123.0	134.8
Total assets	261.8	265.0
Equity & Liabilities (in €m)		
Total current liabilities	69.6	64.6
Total non-current liabilities	83.6	93.2
Equity	108.6	107.2
Total Equity & Liabilities	261.8	265.0

- Higher **trade receivables and contract assets** as a result of higher revenue in Q4, no sale of receivables was carried out at the end of 2023.
- Increased **Cash and cash equivalents** by €1.9m due to increased operative cashflow
- **Liabilities:** Change mainly due to higher current liabilities to banks as a result of the reclassification from non-current to current financial liabilities.
- Improved **equity ratio** of 41.5% (+1.0pp).

FY 2023 – Cash flow Statement

(in €m)	2023	2022	Δ (abs.)
Net income	5.9	1.4	+4.5
Depreciation	10.4	10.8	-0.4
Change in W/C	-7.7	-9.7	+2.0
Change in other items	3.9	-3.0	+6.9
Operating Cash flow	12.5	-0.5	+13.1
Investing Cash flow	3.7	-0.1	+3.8
Repayment of lease liabilities	-5.1	-4.6	-0.5
Free Cash flow	11.2	-5.2	+16.4
W/C ratio (LTM)	23.6%	22.8%	

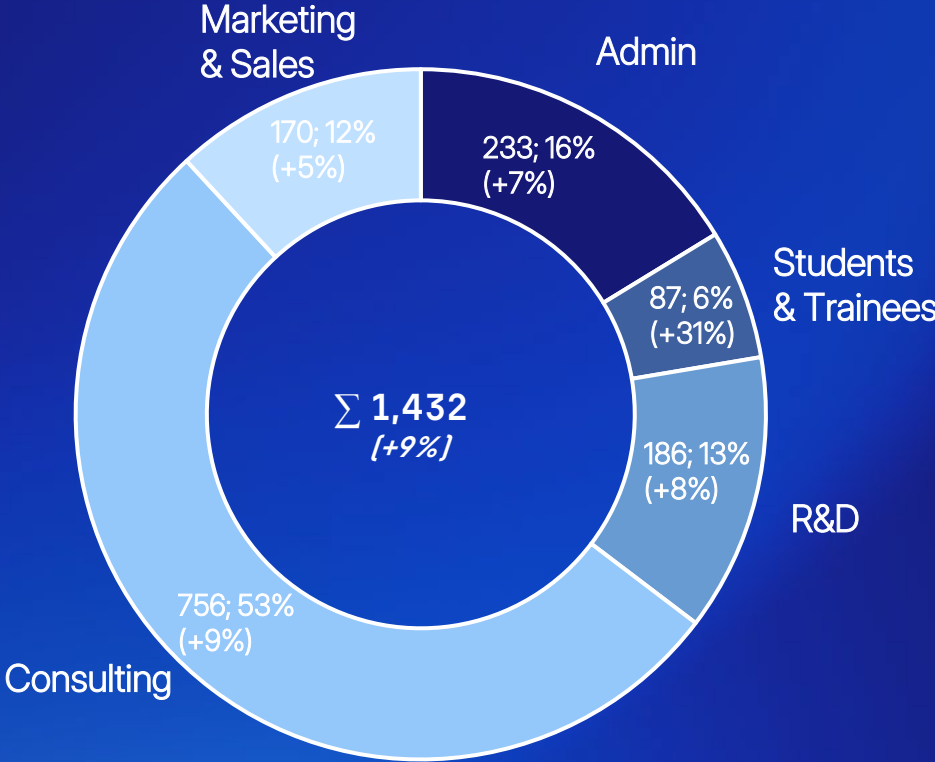
- Significant increase in **operating cash flow** mainly due the increase in net income (+€ 4.5m), positive effects in other noncash expenses and income (+€ 6.4m) and improved internal workflows and processes.
- **Investing cash flow** positive due to a purchase price payment for the sale of shares in All for One Poland Sp. z.o.o.
- **Free cash flow** at 11.2m compared to -5.2m in the previous year (improved by € 16.4m).

Headcount

Headcount evolution



Headcount split by function Dec. 31, 2023



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Q&A



We are happy to take your questions!

Financial Calendar 2024

Annual Report
2023

Interim Statement Q1
2024

Annual General
Meeting 2024

Half-Year Financial
Report 2024

Interim Statement
Q3 2024

Mar 27, 2024

Apr 25, 2024

Jun 27, 2024

Aug 8, 2024

Nov 7, 2024

Thank you

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Appendix



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