

# INTERIM STATEMENT

## Q1 2023



DATA. TRANSFORMATION. EXPERIENCE.

## KEY FIGURES

in € million, unless otherwise indicated	Q1 2023	Q1 2022	Delta	Delta as %
Order entry	58.3	44.1	+14.2	+32.2
Revenue	47.1	41.0	+6.0	+14.7
EBITDA	5.1	3.8	+1.3	+34.0
EBIT	2.5	1.1	+1.3	+118.2
Result for the period	1.3	-0.6	+1.8	-
Earnings per share (in €)	0.19	-0.08	+0.27	-
Operating cash flow	-1.0	-5.2	+4.1	+80.0
Cash and cash equivalents	30.5	36.5	-6.0	-16.5
Employees as of March 31	1,332	1,310	+22	+1.7

# Business Performance of SNP Schneider-Neureither & Partner SE in the First Quarter of 2023

## ORDER BACKLOG AND ORDER ENTRY

### ORDER BACKLOG AND ORDER ENTRY BY BUSINESS SEGMENT

in € million	Q1 2023	Q1 2022	Δ
<b>Order entry</b>	<b>58.3</b>	44.1	+32%
Service	38.9	26.4	+47%
Software	15.7	12.6	+25%
EXA	3.7	5.1	-27%
<b>Order backlog</b>	<b>140.2</b>	137.0	+2%

At € 58.3 million, order entry in the first quarter of 2023 was around 32% higher than the comparable figure for the previous year (previous year: € 44.1 million); this is mainly attributable to two major SAP S/4HANA projects with renowned companies in the USA and CEU regions.

Approximately 67% of the order entry volume is attributable to the **Service business segment** (previous year: approximately 60%). The **Software business segment** accounts for around 27% of the order entry volume (previous year: around 29%). The **EXA business segment** accounts for around 6% of total order entry in the reporting period (previous year: 11%).

Order entry in connection with impending **SAP S/4HANA projects** developed very positively – not least due to the two large-scale projects mentioned above – with an increase compared to the first quarter of 2022 of around 134% to € 29.9 million (previous year: € 12.8 million). SAP S/4HANA projects thus represent around 51% of the entire order entry volume of the SNP Group (previous year: around 29%).

In the past quarter, the USA and LATAM regions recorded disproportionately high growth: the USA region thus increased its order entry by € 5.7 million, or around 112% quarter-on-quarter, to € 10.7 million (previous year: € 5.0 million), mainly due to one of these two large-scale projects. The LATAM region recorded order entry of € 10.6 million in the first quarter, compared with € 5.9 million in the previous year, representing an increase of around 78%.

The **CEU region** accounts for € 29.4 million of the order entry volume; this represents an increase of around 10% year-over-year (previous year: € 26.7 million). The CEU region's share of global order entry volume thus amounts to 50% (previous year: 61%).

The **order backlog** amounted to € 140.2 million as of March 31, 2023, compared to € 131.8 million as of December 31, 2022.

## REVENUE PERFORMANCE

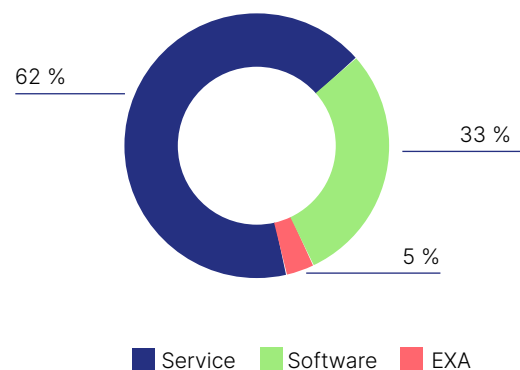
The SNP Group increased its revenue by 15% to € 47.1 million in the first quarter of 2023 (previous year: € 41.0 million). This trend is attributable to all the business segments (Software, Service and EXA): In the **Software business segment**, revenue increased well above average by 27% to € 15.4 million (previous year: € 12.1 million). With a volume of € 3.7 million, the two previously mentioned large-scale projects in particular made a major contribution in this regard.

## REVENUE DISTRIBUTION BY BUSINESS SEGMENT

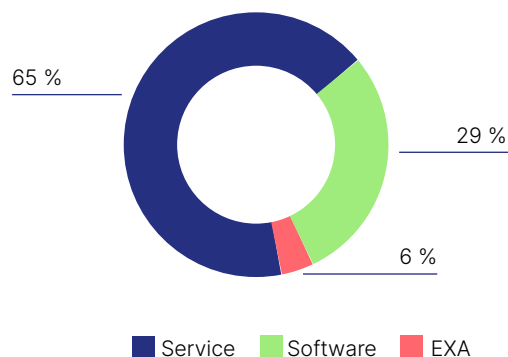
### OVERALL REVENUE BY BUSINESS SEGMENT

in € million	Q1 2023	Q1 2022	Δ
Service	29.3	26.5	+10%
Software	15.4	12.1	+27%
EXA	2.4	2.4	+1%

### SALES BY BUSINESS SEGMENT IN THE FIRST QUARTER OF 2023



### SALES BY BUSINESS SEGMENT IN THE FIRST QUARTER OF 2022



In the first quarter, the **Service business segment** provided € 29.3 million (previous year: € 26.5 million) of Group revenue. Sales were thus € 2.8 million or around 10% higher than a year earlier due to an improved order situation and higher customer prices.

The **Software business segment (including maintenance and cloud)** generated revenue of € 15.4 million (previous year: € 12.1 million). This corresponds to an increase of around 27% compared with the first quarter of 2022. This growth is mainly due to the increased sale of high-volume program licenses.

Within the Software business segment, revenue from software licenses was € 3.4 million or around 45% higher than in the previous year with a volume of € 10.9 million, which represents a significant increase (previous year: € 7.5 million). Of this amount, a volume of € 3.7 was attributable to the two previously mentioned large-scale projects in the USA and CEU regions. Software support as well as Cloud and SaaS revenue largely matched the previous year's level.

### REVENUE IN THE SOFTWARE BUSINESS SEGMENT

in € million	Q1 2023	Q1 2022	Δ
Total	15.4	12.1	+27%
Software licenses	10.9	7.5	+45%
Software support	3.4	3.5	-4%
Cloud / SaaS	1.1	1.1	-1%

The **EXA business segment** accounted for sales of € 2.4 million in the first quarter of 2023 (previous year: € 2.4 million).

## Revenue Distribution by Region

The increase in Group revenue in the reporting period is largely attributable to all of the Group's regions. The following table shows the distribution and development of external revenue by region:

### REVENUE BY REGION

in € million	Q1 2023	Q1 2022	Δ
CEU	27.2	23.9	+14%
USA	7.3	5.0	+47%
LATAM	5.9	5.3	+11%
JAPAC	3.7	4.9	-25%
UKI	3.0	2.0	+52%

### OPERATING PERFORMANCE

in € million	Q1 2023	Q1 2022	Δ
EBITDA (in € million)	5.1	3.8	+34%
EBITDA margin	10.7%	9.2%	+1.5PP
EBIT (in € million)	2.5	1.1	+118%
EBIT margin	5.2%	2.7%	+2.5PP

The increase in operating earnings is mainly attributable to the earnings contributions that are associated with the rise in revenue. Cost increases and a negative currency result in the amount of € -0.6 million (previous year: positive currency result of € +1.6 million) due to the weak US dollar were thus more than compensated for.

Costs of purchased services and the cost of materials rose disproportionately weakly by comparison with the revenue trend, by € 0.4 million, or 7.1%, to € 5.9 million (previous year: € 5.5 million). While purchased services increased by € 0.5 million to € 5.1 million in line with consulting fees, expenses for software decreased slightly by € 0.1 million to € 0.7 million (previous year: € 0.8 million) in line with revenues from third-party software.

Personnel expenses increased by € 2.9 million, or 10.5%, to € 30.0 million (previous year: € 27.1 million). In addition to a higher number of employees (year-over-year increase of +22 to 1,332), the increase was mainly due to salary increases in 2022 and a special inflation adjustment payment granted to employees in Germany in January 2023.

At € 2.6 million, depreciation and amortization were largely unchanged from the previous year.

Other operating expenses rose by € 2.1 million to € 8.5 million in the reporting period (previous year: € 6.4 million). This is mainly due to exchange rate losses particularly as a result of the weak US dollar in the reporting quarter (€ 2.1 million compared with € 0.0 million in the previous year) and higher travel expenses (€ 0.5 million compared with € 0.1 million). By contrast, marketing and representation costs were reduced by € 0.3 million to € 0.7 million due to lower sponsorship costs as part of last year's cutback in sponsorship activities.

Other operating income increased by € 0.6 million to € 2.4 million in the first quarter of 2023 mainly due to the reversal of provisions in light of the settlement out of court of a legal dispute in the USA (please see page 159 of the current annual report for further information).

## EBIT IN THE SERVICE BUSINESS SEGMENT

	Q1 2023	Q1 2022	Δ
EBIT (in € million)	-0.2	0.1	-
EBIT margin	-0.7	0.3%	-1.0PP

## EBIT IN THE SOFTWARE BUSINESS SEGMENT

	Q1 2023	Q1 2022	Δ
EBIT (in € million)	6.1	3.8	+62%
EBIT margin	39.6%	31.0%	+8.6PP

## EBIT IN THE EXA BUSINESS SEGMENT

	Q1 2023	Q1 2022	Δ
EBIT (in € million)	0.3	0.2	+39%
EBIT margin	12.2%	8.8%	+3.4PP

## NET FINANCIAL RESULT AND RESULT FOR THE PERIOD

in € million	Q1 2023	Q1 2022	Δ
Net financial income	-0.7	-1.9	+65%
Earnings before taxes (EBT)	1.8	-0.8	-
Income taxes	-0.5	0.2	-
Result for the period	1.3	-0.6	-
Earnings per share (diluted and basic)	0.19	-0.08	-

The negative financial result in the first quarter of 2023 amounted to € -0.7 million (previous year: € -1.9 million) and is mainly composed of interest on borrowings. The much higher negative financial result in the previous year is attributable to a distribution to minority shareholders of EXA AG in the amount of € 1.4 million. From a Group perspective, 100% of the shares were attributable to SNP SE as of March 1, 2021, due to existing put/call options. The distribution was therefore reportable as interest expense on the consolidated income statement.

After income taxes, the profit for the period amounted to € 1.3 million (previous year: € -0.6 million). The net margin (the ratio of the result for the period to overall revenue) is 2.7% (previous year: -1.4%).

## Statement of Financial Position

The **total assets** have decreased slightly by € 2.3 million compared with December 31, 2022, and amount to € 262.6 million.

On the **assets side** of the balance sheet, **current assets** have risen by € 0.8 million to € 131.0 million compared to March 31, 2023. Trade accounts receivable and contract assets were higher as of March 31 as a result of a high sales volume in the reporting quarter and a one-time sale of receivables in December (increase of € +7.3 million to € 81.6 million). At the same time, other nonfinancial assets increased by € 2.2 million to € 5.8 million (December 31, 2022: € 3.5 million) due to seasonally higher prepaid expenses at the beginning of the year. On the other hand, cash and cash equivalents as of March 31, 2023, decreased by € 7.9 million to € 30.5 million (December 31, 2022: € 38.4 million) primarily through the repayment of loans.

**Noncurrent assets** decreased by € 3.1 million to € 131.7 million (December 31, 2022: € 134.8 million). The decrease is mainly due to lower trade receivables as a result of the reclassification to current receivables (€ 13.6 million compared with € 15.5 million as of

December 31, 2022) and to declining intangible assets (€ 18.3 million compared with € 19.1 million as of December 31, 2022) as a result of PPA amortization, which was not offset by investments.

On the **liabilities side** of the balance sheet, **current liabilities** increased by € 5.7 million to € 70.3 million compared to March 31, 2023. By contrast, **noncurrent liabilities** decreased by € 9.4 million to € 83.8 million. Both changes are mainly due to a reclassification of promissory note loans due in March 2024 in the amount of approx. € 9 million from noncurrent to current. At the same time, short-term loans of € 5.1 million were repaid in the reporting quarter, which is why the overall change in current liabilities was lower.

**Group equity** increased from € 107.2 million to € 108.6 million in the reporting period. The change is primarily attributable to the result for the period in the first quarter of 2023. The equity ratio thus amounts to 41.3% (as of December 31, 2021: 40.5%).

### DEVELOPMENT OF CASH FLOW AND THE LIQUIDITY POSITION

In the first three months of 2023, operating cash flow was € -1.0 million; there was a significant improvement compared with the comparable prior-year figure of € -5.2 million, mainly due to increased profit for the period in the quarter under review.

The negative cash flow from investing activities of € -0.3 million (previous year: € -3.3 million) resulted primarily from payments for investments in property, plant and equipment and intangible assets. In the previous year, payments for the acquisition of the majority of shares in Datavard AG amounting to €3.0 million resulted in a significantly higher negative cash flow from investing activities.

Financing activities result in a negative cash flow in the amount of € 6.4 million (previous year: positive cash flow in the amount of € 4.5 million). The cash outflow resulted from the repayment of short-term loans in the amount of € 5.1 million and the repayment of lease liabilities in the amount of € 1.2 million. The positive cash flow in the previous year was primarily the result of proceeds from the raising of promissory note loans in

the amount of € 32.5 million, which contrasts with loan repayments in the amount of € 26.9 million.

Overall cash flow during the reporting period came to € -7.9 million (previous year: € -3.9 million).

Taking into account the changes presented here, the level of cash and cash equivalents declined to € 30.5 million, as of March 31, 2023. As of December 31, 2022, cash and cash equivalents amounted to € 38.4 million. Overall, the SNP Group remains solidly positioned financially.

### SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2023

With effect from January 16, 2023, the Board of Directors appointed Dr. Jens Amail as Managing Director and new CEO of SNP SE. His predecessor as CEO, Michael Eberhardt, left the company at the end of March following an orderly handover.

SNP announced in March 2023 that the Board of Directors had decided to appoint Andreas Röderer as Chief Financial Officer (CFO) and as a Managing Director. He will take up this role no later than September 1, 2023.

The current interim CFO, Prof. Dr. Thorsten Grenz, will continue to serve the company until an orderly handover is completed.

## EMPLOYEES

As of March 31, 2023, the number of employees of the SNP Group increased slightly to 1,332; as of December 31, 2022, they totaled 1,311 employees.

In the first quarter of 2023, the average number of employees was 1,323 (previous year: 1,316).

## OUTLOOK

SNP continues to assume a positive business trend for fiscal year 2023 and confirms the outlook communicated in March 2023; for the full year 2023, the following is expected in the SNP Group:

- The order entry and revenue volumes will be driven, in particular, by the Group's software and partner strategy (which will gain further market acceptance), and growth rates will be significantly above those of the previous year (2022 order entry: € 193.6 million; 2022 revenue: € 173.4 million). However, they will not

match the level of the first quarter, which was characterized by the two large-scale projects.

- EBITDA and the operating result (EBIT) will grow slightly more strongly than revenue in percentage terms (EBITDA 2022: € 17.6 million, EBIT 2022: € 6.8 million).

In line with the forecast development of Group revenue, SNP expects growth rates in the Service and Software business segments to be significantly above those of the previous year; at EXA, a growth rate close to the previous year's level is expected.

As in previous years, it is assumed that revenue will not be evenly distributed over the quarters in 2023. However, due to the exceptionally strong first quarter, we currently do not necessarily expect that the second half of the year will be stronger.

The management will provide a quantitative update of its forecast for the 2023 fiscal year with the half-year financial report. The management will also comment on the mid-term outlook when it presents the figures for the first six months of the year.



**CONSOLIDATED BALANCE SHEET**

to March 31, 2023

**ASSETS**

in € thousand	March 31, 2023	Dec. 31, 2022	March 31, 2022
<b>Current assets</b>			
Cash and cash equivalents	30,463	38,367	36,486
Other financial assets	10,451	11,505	1,146
Trade receivables and other receivables	68,059	64,730	51,694
Contract asset values	13,563	9,642	17,490
Other non-financial assets	5,762	3,543	5,728
Tax receivables	2,669	2,368	1,136
	<b>130,967</b>	<b>130,155</b>	<b>113,680</b>
<b>Non-current assets</b>			
Goodwill	72,696	72,597	71,334
Other intangible assets	18,269	19,123	22,270
Property, plant and equipment	4,925	5,188	5,145
Rights of use	14,941	15,023	15,750
Other financial assets	1,105	1,112	20,147
Investments accounted for under the equity method	225	225	225
Contract values	13,605	15,525	15,045
Other non-financial assets	435	251	110
Deferred taxes	5,468	5,771	6,552
	<b>131,669</b>	<b>134,815</b>	<b>156,578</b>
	<b>262,636</b>	<b>264,970</b>	<b>270,258</b>

## EQUITY AND LIABILITIES

in € thousand	March 31, 2023	Dec. 31, 2022	March 31, 2022
<b>Current liabilities</b>			
Trade payables and other liabilities	6,003	10,759	6,691
Contract liabilities	13,089	10,856	13,812
Tax liabilities	1,315	1,372	1,597
Financial liabilities	16,723	12,247	11,819
Other non-financial liabilities	32,749	28,598	27,943
Provisions	425	804	1,002
	<b>70,304</b>	<b>64,636</b>	<b>62,864</b>
<b>Non-current liabilities</b>			
Contract liabilities	578	174	1,035
Financial liabilities	75,183	84,800	94,668
Other nonfinancial liabilities	329	347	107
Provisions for pensions	1,567	1,563	3,178
Other provisions	457	382	119
Deferred taxes	5,661	5,885	5,703
	<b>83,775</b>	<b>93,151</b>	<b>104,810</b>
<b>Equity</b>			
Subscribed capital	7,386	7,386	7,386
Capital reserve	97,171	97,124	96,939
Retained earnings	8,674	7,320	5,144
Other components of the equity	971	915	-1,334
Treasury shares	-4,669	-4,669	-4,892
<b>Equity attributable to shareholders</b>	<b>109,533</b>	<b>108,076</b>	<b>103,243</b>
Non-controlling interests	-976	-893	-659
	<b>108,557</b>	<b>107,183</b>	<b>102,584</b>
	<b>262,636</b>	<b>264,970</b>	<b>270,258</b>

**CONSOLIDATED INCOME STATEMENT**

for the period from January 1 to March 31, 2023

in € thousand	Q1 2023	Q1 2022
<b>Revenue</b>	<b>47,075</b>	<b>41,036</b>
Service	31,274	28,738
Software	15,801	12,298
Other operating income	2,438	1,838
Cost of material	-5,858	-5,467
Personnel costs	-29,971	-27,114
Other operating expenses	-8,488	-6,396
Impairments on receivables and contract assets	-1	-2
Other taxes	-139	-122
<b>EBITDA</b>	<b>5,056</b>	<b>3,773</b>
Depreciation and impairments on intangible assets and property, plant and equipment	-2,600	-2,647
<b>EBIT</b>	<b>2,456</b>	<b>1,126</b>
Other financial income	12	18
Other financial expenses	-666	-1,901
<b>Net financial income</b>	<b>-654</b>	<b>-1,883</b>
<b>EBT</b>	<b>1,802</b>	<b>-757</b>
Income taxes	-540	189
<b>Consolidated income/net loss</b>	<b>1,262</b>	<b>-568</b>
Thereof:		
Profit attributable to non-controlling shareholders	-92	3
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE	1,354	-571
<b>Earnings per share (€)</b>	<b>€</b>	<b>€</b>
- Undiluted	0.19	-0.08
- Diluted	0.19	-0.08
<b>Weighted average number of shares</b>	<b>in thousand</b>	<b>in thousand</b>
- Undiluted	7,278	7,273
- Diluted	7,278	7,273

**CONSOLIDATED CASH FLOW STATEMENT**

for the period from January 1 to March 31, 2023

in € thousand	Q1 2023	Q1 2022
<b>Profit after tax</b>	<b>1,262</b>	<b>-568</b>
Depreciation	2,600	2,647
Change in provisions for pensions	4	27
Other non-cash income/expenses	442	-1,810
Changes in trade receivables, contract assets, other current assets, other non-current assets	-7,705	-6,798
Changes in trade payables, contract liabilities, other provisions, tax liabilities, other current liabilities	2,354	1,323
<b>Cash flow from operating activities (1)</b>	<b>-1,043</b>	<b>-5,179</b>
Payments for investments in property, plant and equipment	-200	-277
Payments for investments in intangible assets	-134	-40
Proceeds from the disposal of items of intangible assets and property, plant and equipment	75	50
Payments resulting from the acquisition of consolidated companies and other business units	0	-3,033
<b>Cash flow from investing activities (2)</b>	<b>-259</b>	<b>-3,300</b>
Payments for the purchase of treasury shares	0	32,500
Proceeds from loans taken out	-5,136	-26,886
Payments resulting from the settlement of lease liabilities	-1,219	-1,122
<b>Cash flow from financing activities (3)</b>	<b>-6,355</b>	<b>4,492</b>
Changes in cash and cash equivalents due to foreign exchange rates (4)	-247	136
<b>Cash change in cash and cash equivalents (1) + (2) + (3) + (4)</b>	<b>-7,904</b>	<b>-3,851</b>
Cash and cash equivalents at the beginning of the fiscal year	38,367	40,337
<b>Cash and cash equivalents as of March 31</b>	<b>30,463</b>	<b>36,486</b>
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents	30,463	36,486
<b>Cash and cash equivalents as of March 31</b>	<b>30,463</b>	<b>36,486</b>

**CONSOLIDATED SEGMENT REPORTING**

for the period from January 1 to March 31, 2023

in € thousand	Service	Software	EXA	Total
<b>External segment sales</b>				
Jan. – March 2023	29,269	15,400	2,406	47,075
Jan. – March 2022	26,511	12,134	2,391	41,036
<b>Revenues with other segments</b>				
Jan. – March 2023	0	0	302	302
Jan. – March 2022	0	0	0	0
<b>Segment result (EBIT)</b>				
Jan. – March 2023	-192	6,098	293	6,199
Margin	-0.7%	39.6%	12.2%	13.2%
Jan. – March 2022	71	3,761	211	4,043
Margin	0.3%	31.0%	8.8%	9.9%
<b>Depreciation included in the segment result</b>				
Jan. – March 2023	1,162	564	62	1,788
Jan. – March 2022	1,103	537	55	1,695

<b>RECONCILIATION</b>	Jan. – March 2023	Jan. – March 2022
in € thousand		
<b>Result</b>		
Total reportable segment	6,199	4,043
Expenses not allocated to the segments	-3,743	-2,917
of which depreciation	-812	-950
<b>EBIT</b>	<b>2,456</b>	<b>1,126</b>
Financial result	-654	-1,883
<b>Earnings before taxes (EBT)</b>	<b>1,802</b>	<b>-757</b>

## CONTACT

Do you have questions or need more information? We are at your disposal:

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