



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	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%

- **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



Ressources –

How many are available to fill key roles?

250,000 SAP Consultants



70% will be S/4HANA 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.

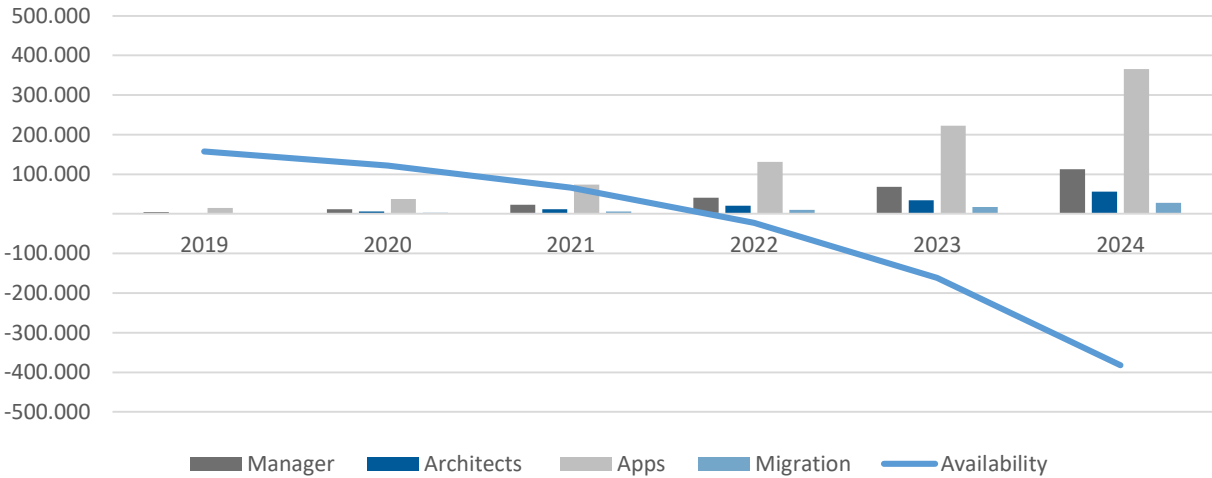
Year ending	Annual adoptions	Cumulative adoptions
2019	1,500	1,500
2020	2,376	3,876
2021	3,735	7,602
2022	5,894	13,496
2023	9,301	22,797
2024	14,677	37,474

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

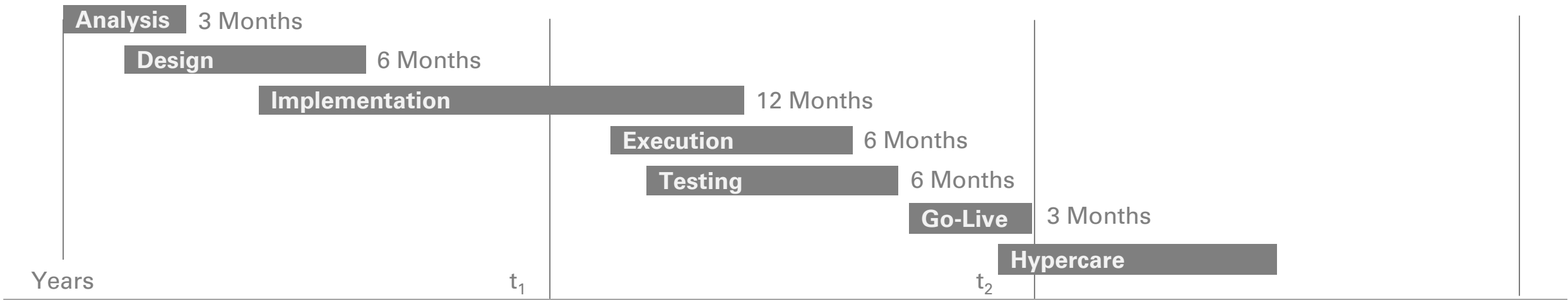
BLUEFIELD™

ENCOMPASSES BOTH GREENFIELD AND BROWNFIELD

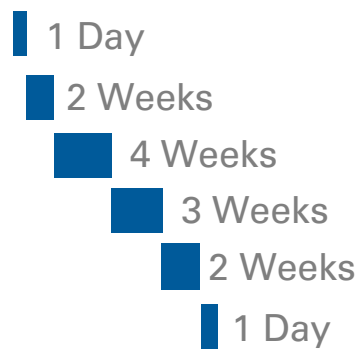
The SNP Way: Completely streamlined processes via automation



The Traditional Way: Massive Human Intervention

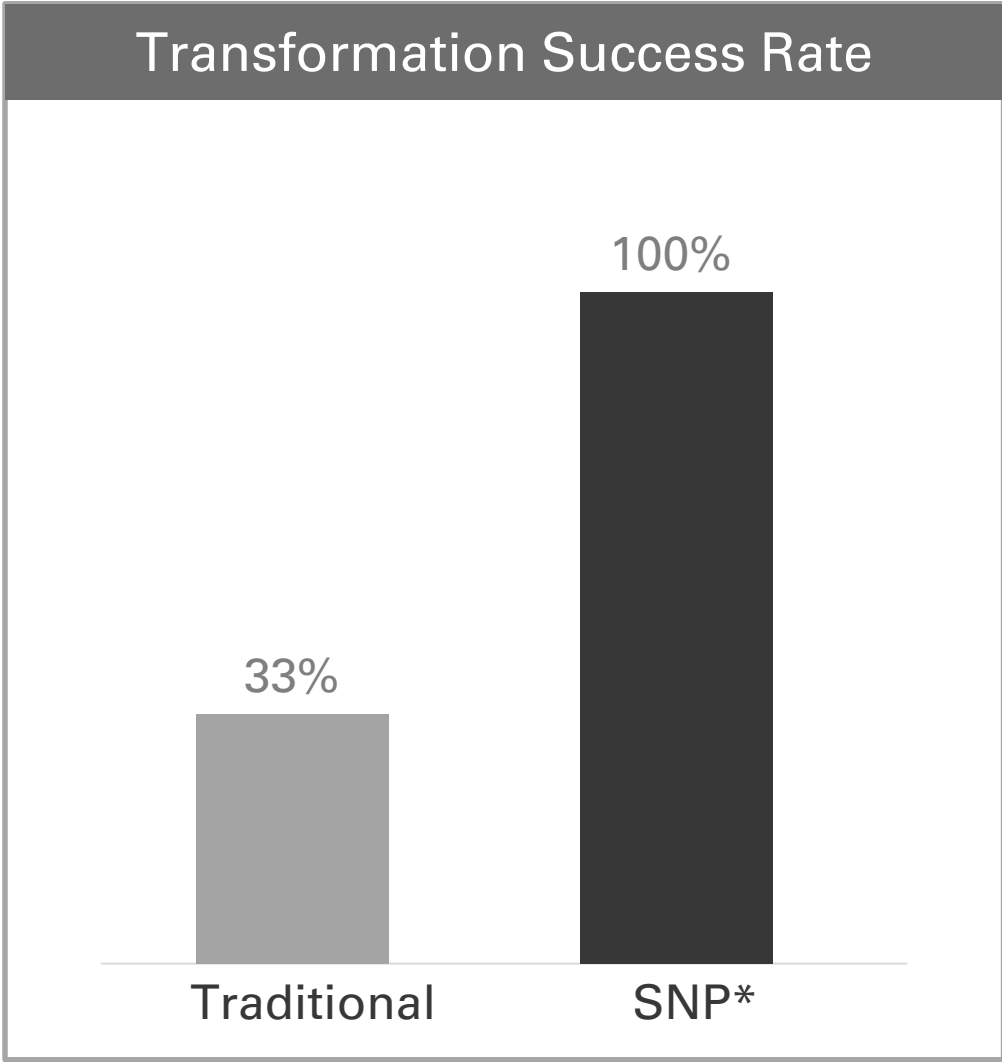
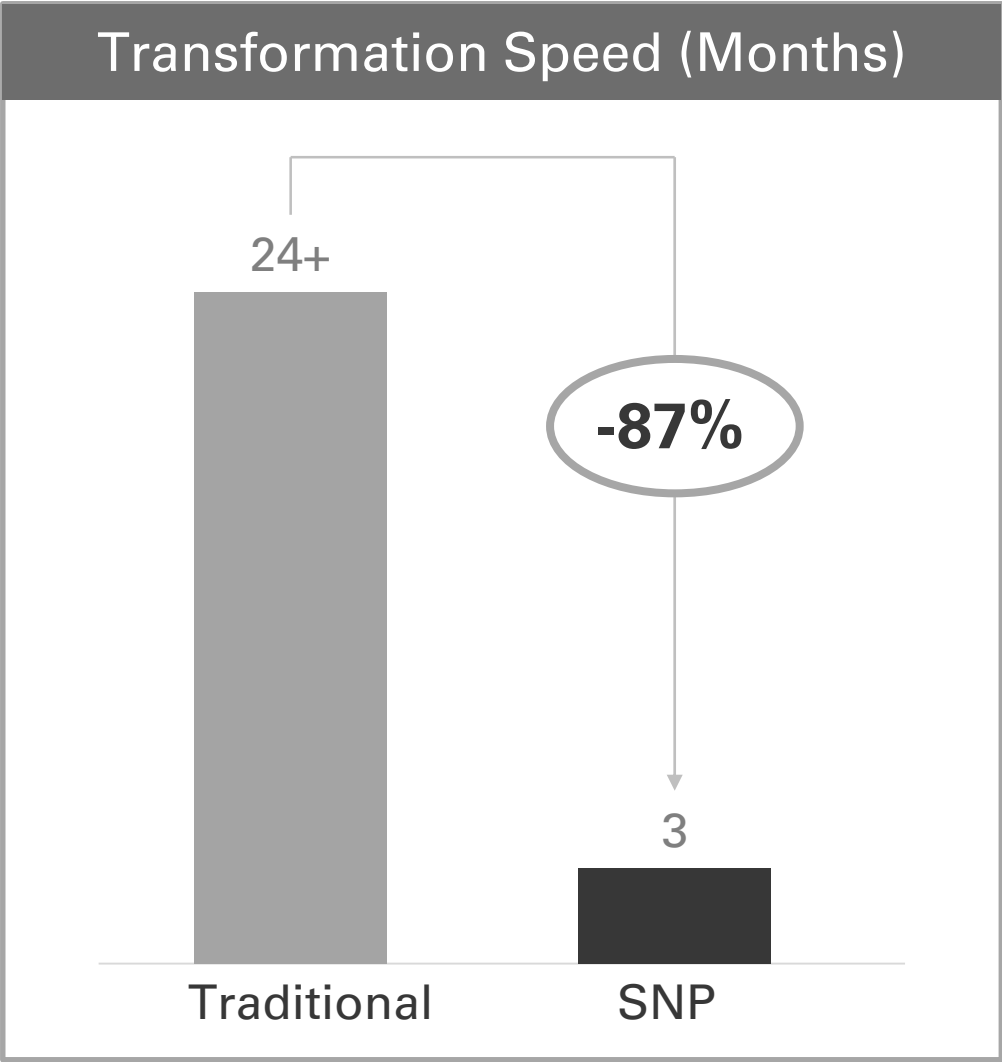


The SNP Way: Automated / Algorithmic



The representation is based on assumptions derived from experience gained by SNP over the years; Deviation possible in individual cases.

The SNP Way: 80+% Faster – Success Guaranteed



The representation is based on assumptions derived from experience gained by SNP over the years; Deviation possible in individual cases.
*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

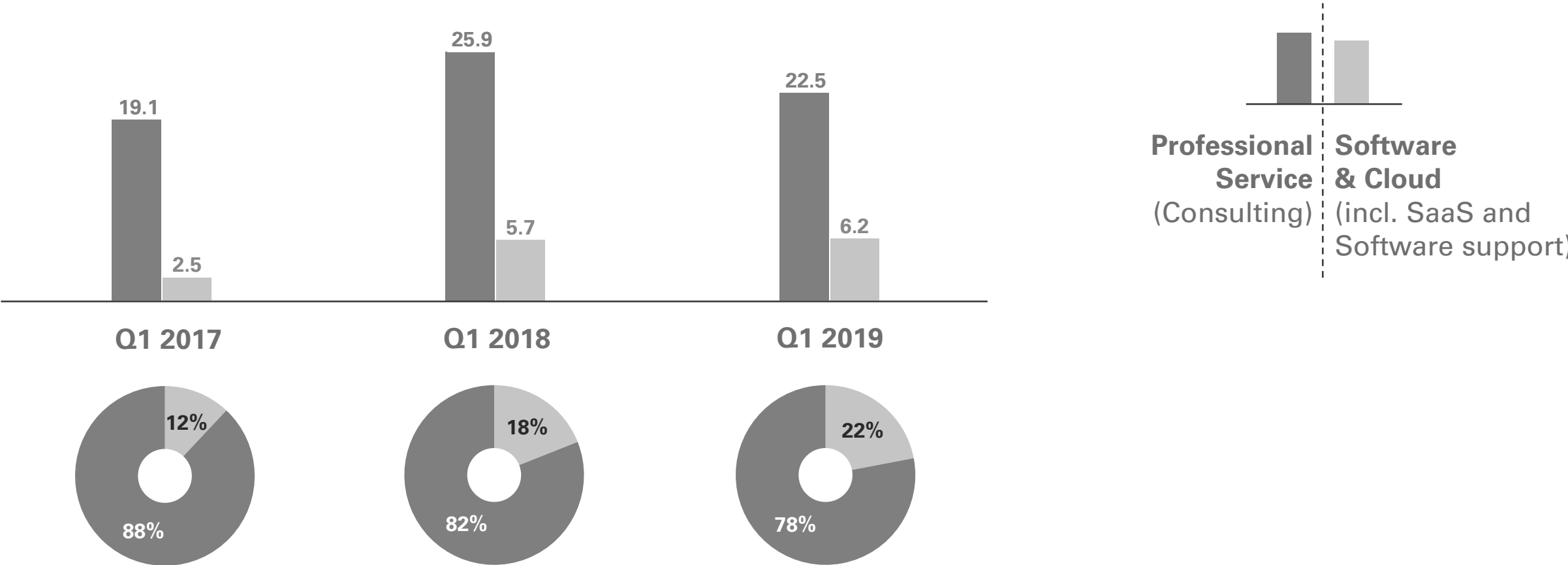


- January and February saw a decline in sales of € 2.7 mn, the sales development restabilized in March thanks to a **significant improvement in order entry**.
- **In the core DACH-region, order entry developed positively:** € 18.2 mn in the first quarter of 2019 represented an increase of around 21% 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



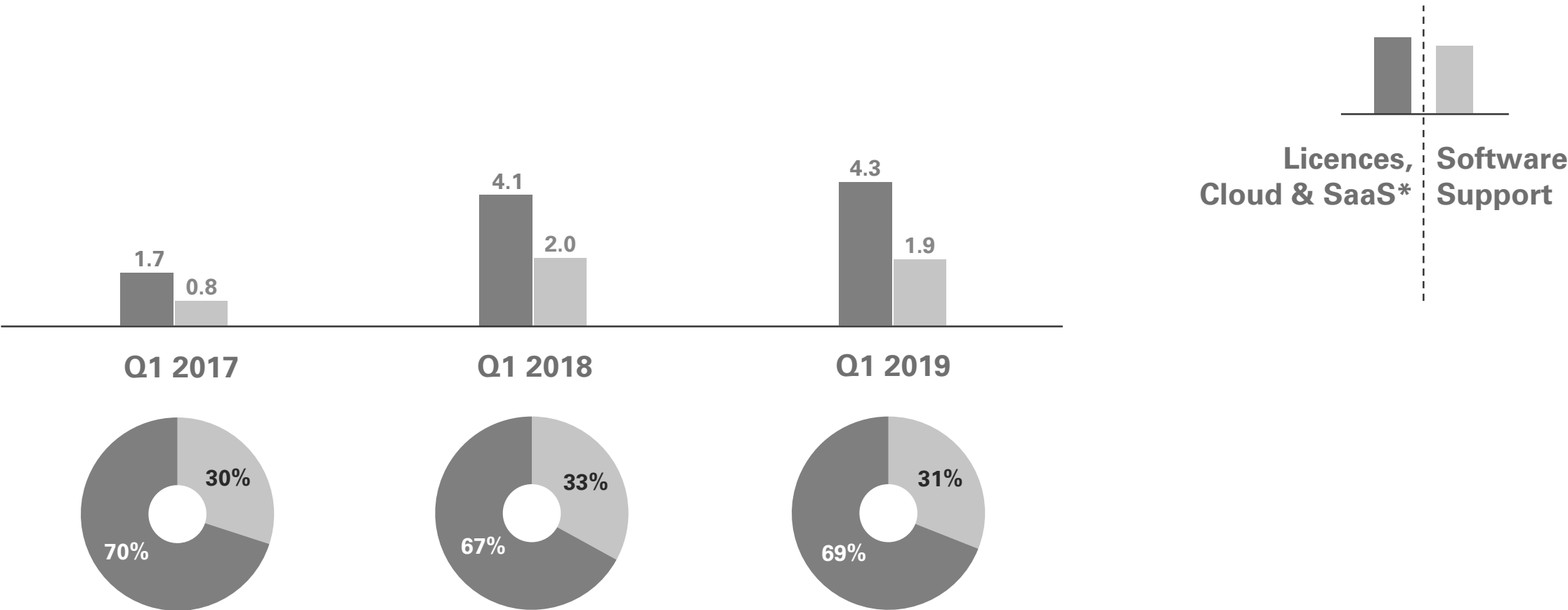
Revenues by Segments (€ mn)



Continuous Increase of Licence Revenues



Revenue Split within Software Segment (€ mn)

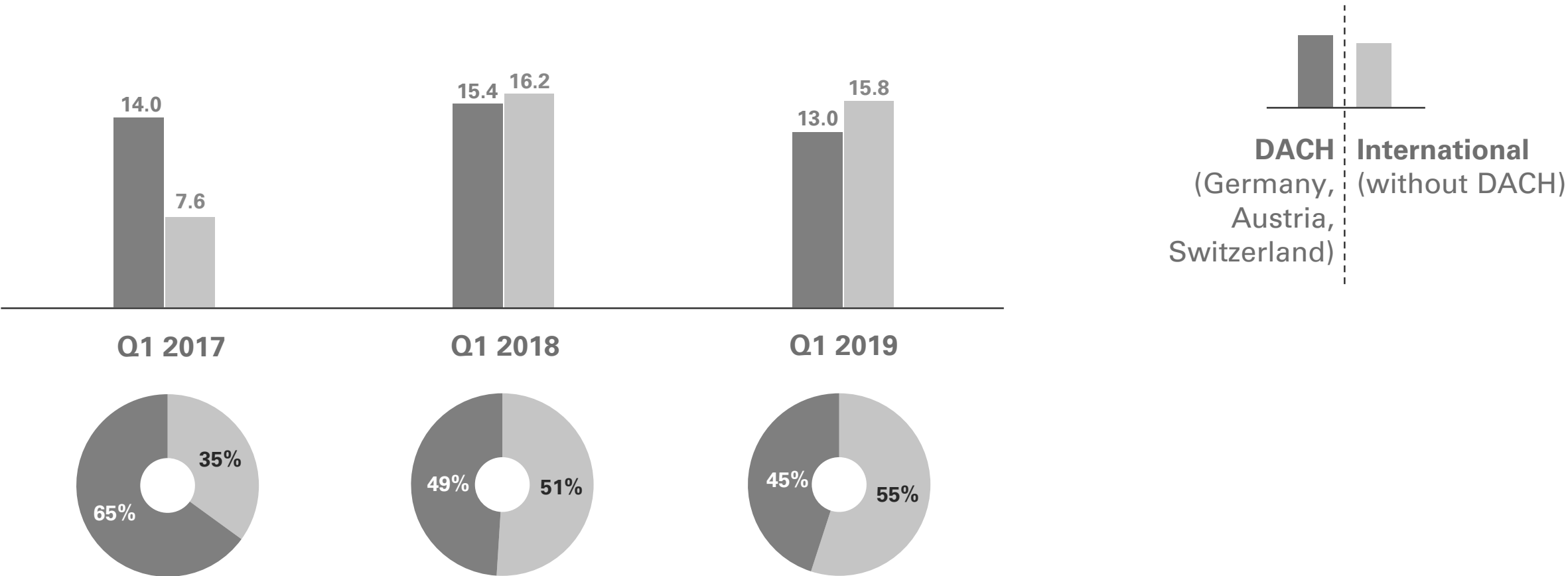


* For the first time in 2019, SNP also reported revenue from software-as-a-service (SaaS). 13

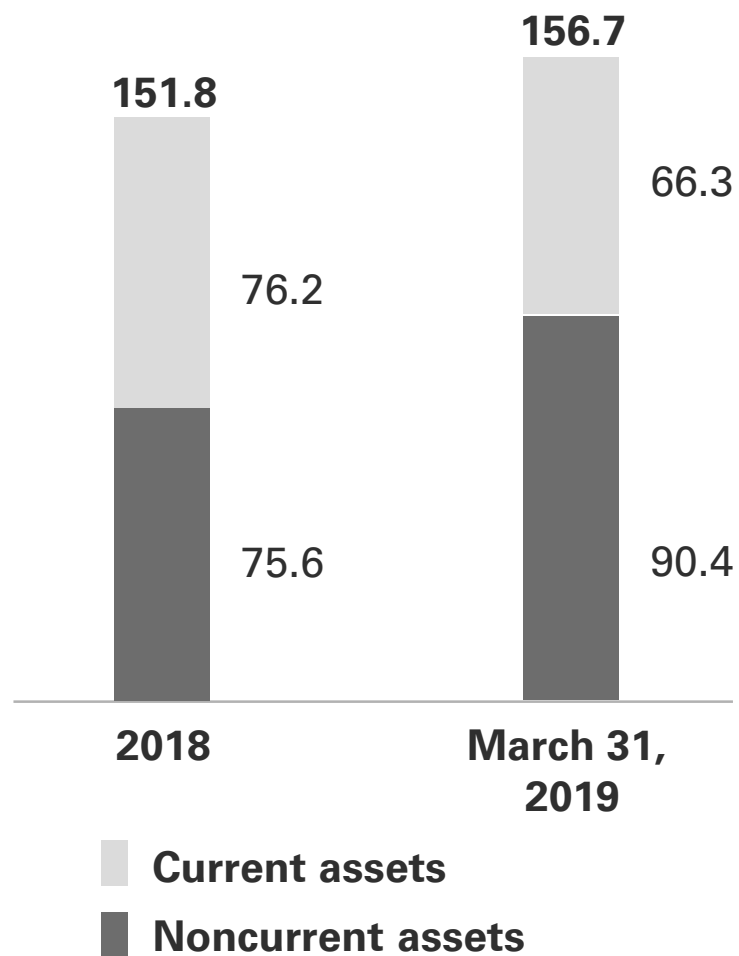
Reaping the Fruits of the Internationalization Strategy



Revenues by Regions (€ mn)



Balance Sheet – Assets (€ mn)



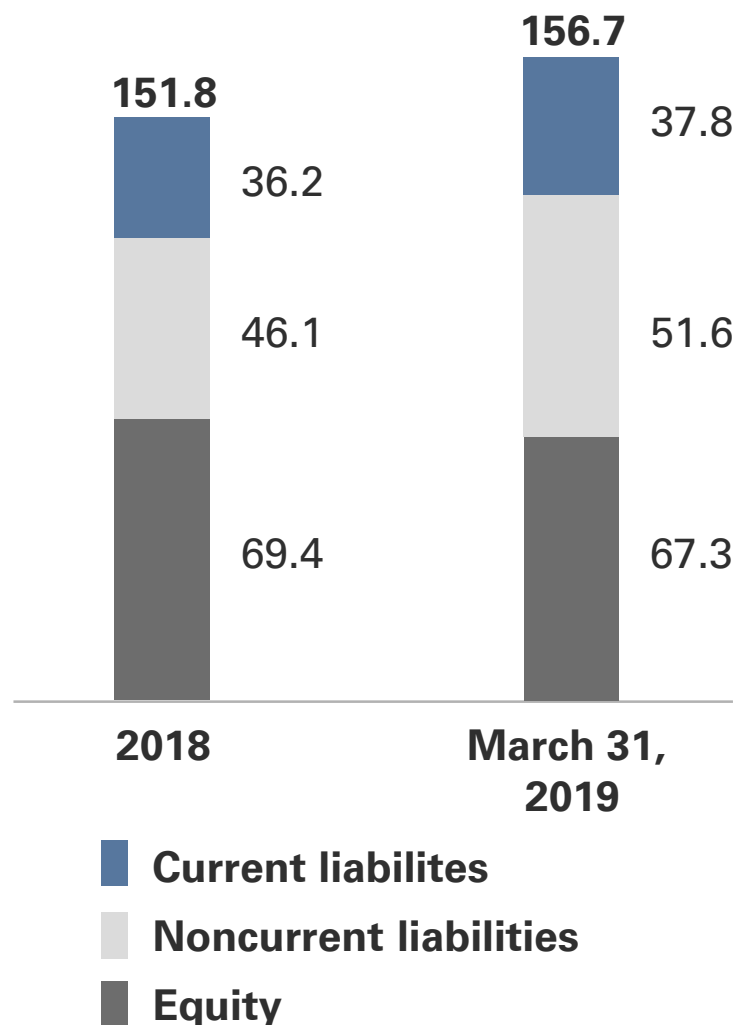
Current assets:

- 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.

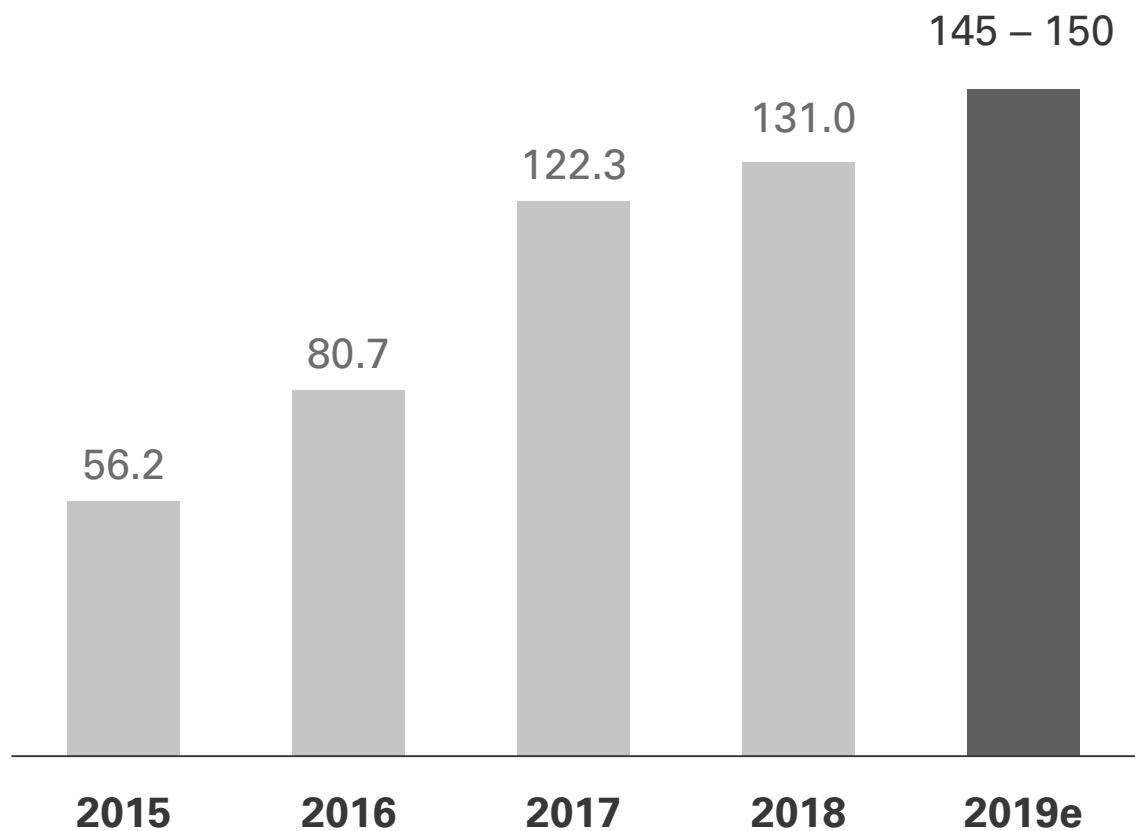
Equity:

- *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
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%

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

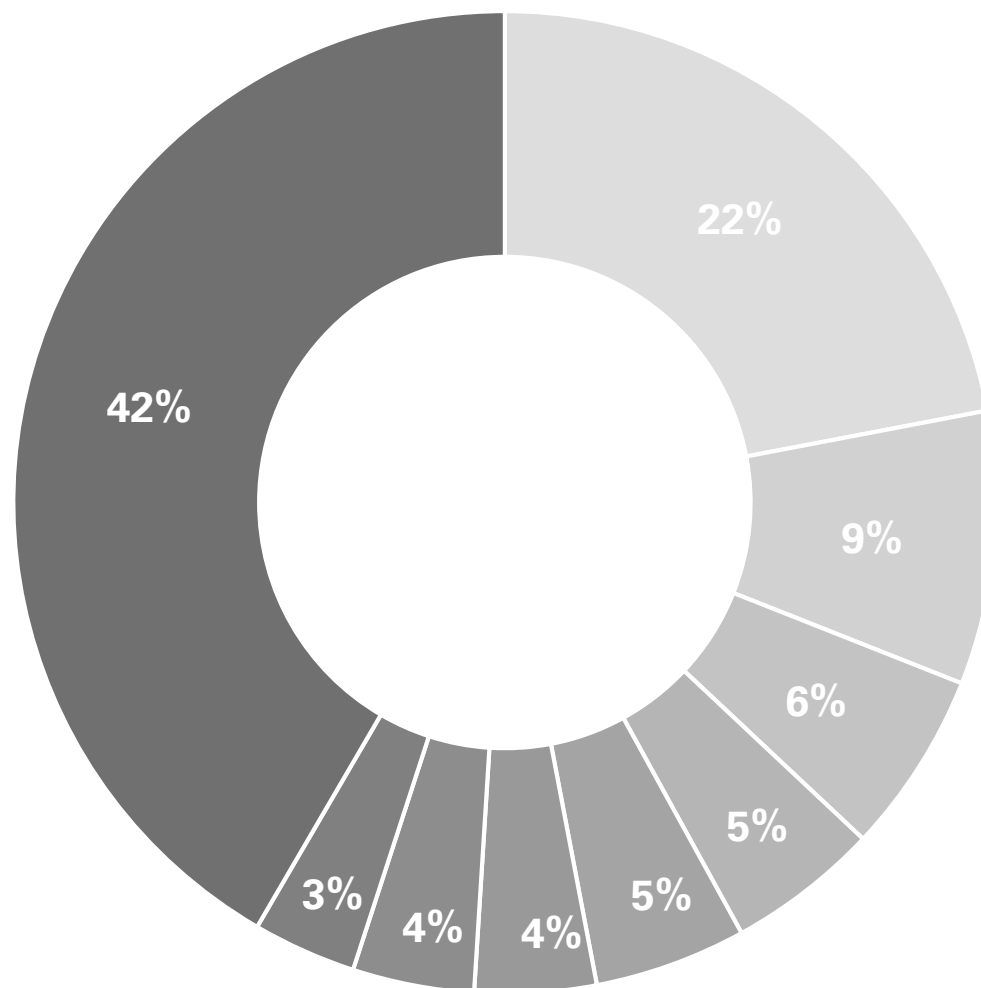


ISIN	720 370 / DE0007203705 / SHF
Segment	Prime Standard
Stock Exchanges	Xetra, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Dusseldorf
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index
Designated Sponsor	Oddo Seydler
Research Coverage	Bankhaus 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
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

SNP Schneider-Neureither & Partner SE

Dossenheimer Landstr. 100

69121 Heidelberg

 Marcel Wiskow, Director Investor Relations

 +49 6221 64 25 - 637

 +49 6221 64 25 - 20

 Investor.relations@snpgroup.com

www.snpgroup.com

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