



# Results

## Q2 / HY1 2019

Dr. Andreas Schneider-Neureither  
(CEO)

Dr. Uwe Schwellbach (CFO)

Michael Eberhardt (COO)

Frank Hohenadel (CHRO)

August 5, 2019



## **Changes in Management Personnel:**

SNP strengthened its management team with two experienced senior executives.

## **By-elections to the Board of Directors:**

Annual General Meeting elected Dr. Klaus Kleinfeld and Dr. Karl Biesinger as new members of the board.

## **IBM Services teamed up with SNP to create a highly automated migration:**

IBM introduced IBM Rapid Move for SAP S/4HANA, a new approach designed to provide a smarter and faster way to digital transformations.

## **Major Order for Global SAP® Project from Swiss Energy and High-Tech Company:**

The order volume for software and services is in the lower end of the double-digit million range.

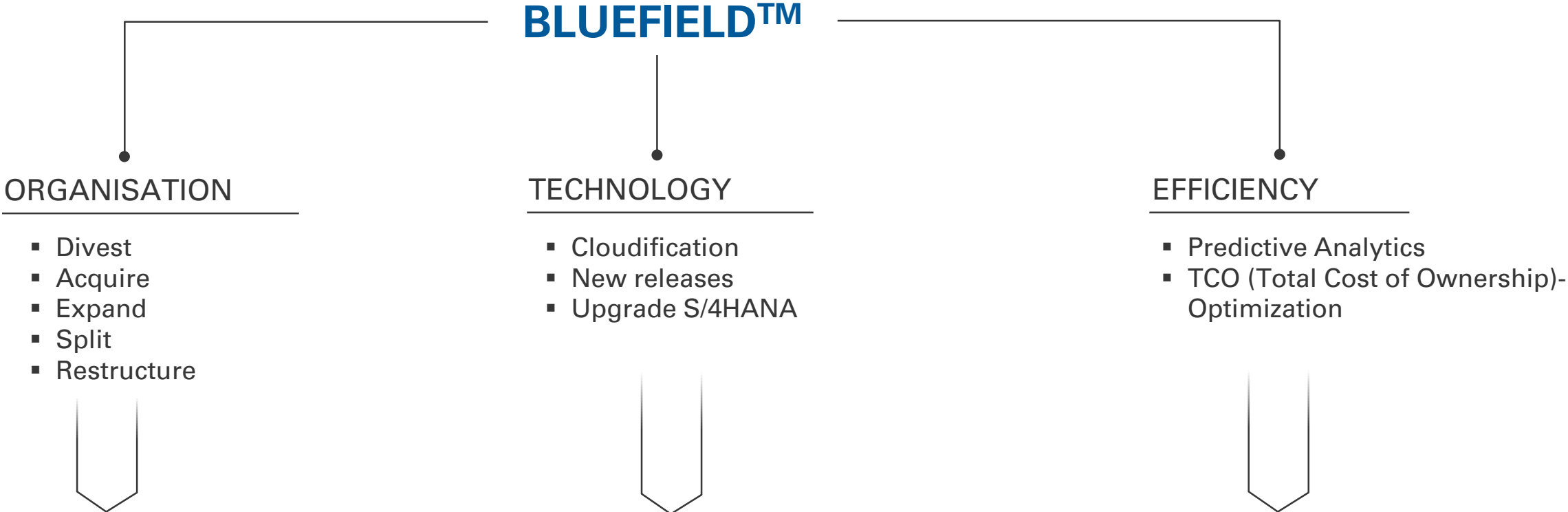
## **Partnership with SAP in case for the SAP S/4HANA Movement program:**

SNP is an active founding partner of the “SAP S/4HANA Selective Data Transition Engagement” working group established by SAP SE.

## **Very strong Order Entry and Backlog at a record level:**

The strong order situation will have a positive impact on revenue and earnings growth in the second half of 2019 and will make up for the first half of the year.

# BLUEFIELD™ – ONE BRAND – MODULE LEVEL



**CrystalBridge**  
THE BUSINESS TRANSFORMATION PLATFORM

A large, dark grey arrow-shaped graphic pointing to the right, with a rounded tail and a pointed head, positioned on the left side of the slide.

# Michael Eberhardt / Frank Hohenadel

A large, dark grey arrow-shaped graphic on the left side of the slide, pointing towards the right. It has a rounded top-left corner and a pointed right side.

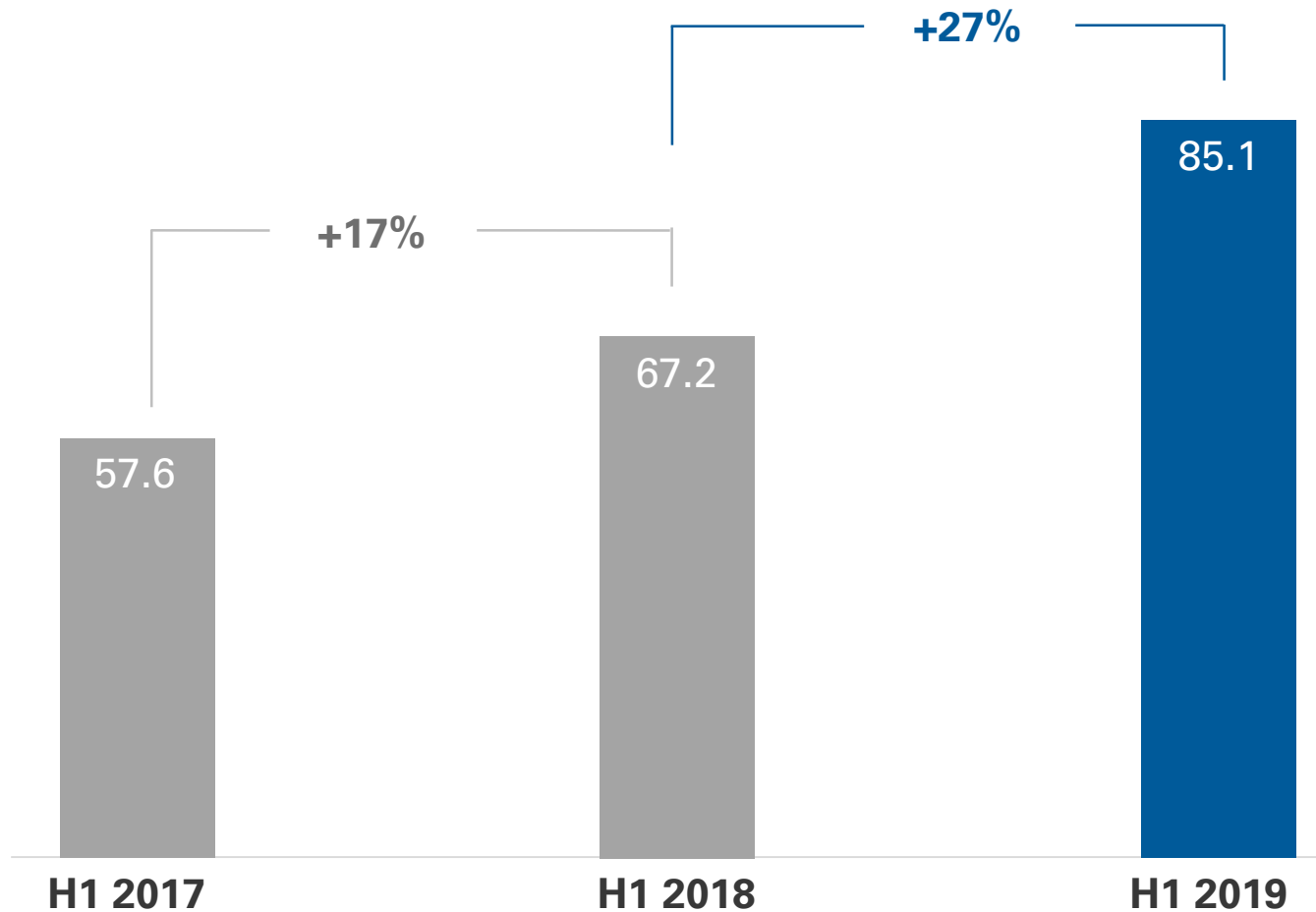
# Financials H1 2019

# Key Figures



€ mn	H1 2019	H1 2018	Δ	Q2 2019	Q2 2018	Δ
Order Entry	<b>85.1</b>	67.2	+27%	<b>46.2</b>	26.3	+76%
Order Backlog (as of June 30)	<b>71.2</b>	63.3	+12%	<b>71.2</b>	63.3	+12%
Revenue	<b>58.9</b>	65.0	-9%	<b>30.1</b>	33.5	-10%
EBITDA (IFRS)	<b>-2.0</b>	-3.5	+42%	<b>-0.8</b>	-2.1	+62%
EBIT (IFRS)	<b>-5.9</b>	-6.0	+2%	<b>-2.6</b>	-3.4	+24%
Equity (as of June 30)	<b>66.1</b>	45.9	+44%			
Cash (as of June 30)	<b>23.0</b>	18.5	+25%			
Employees (as of June 30)	<b>1,237</b>	1,350	-8%			

# Strong Order Entry (€ mn)

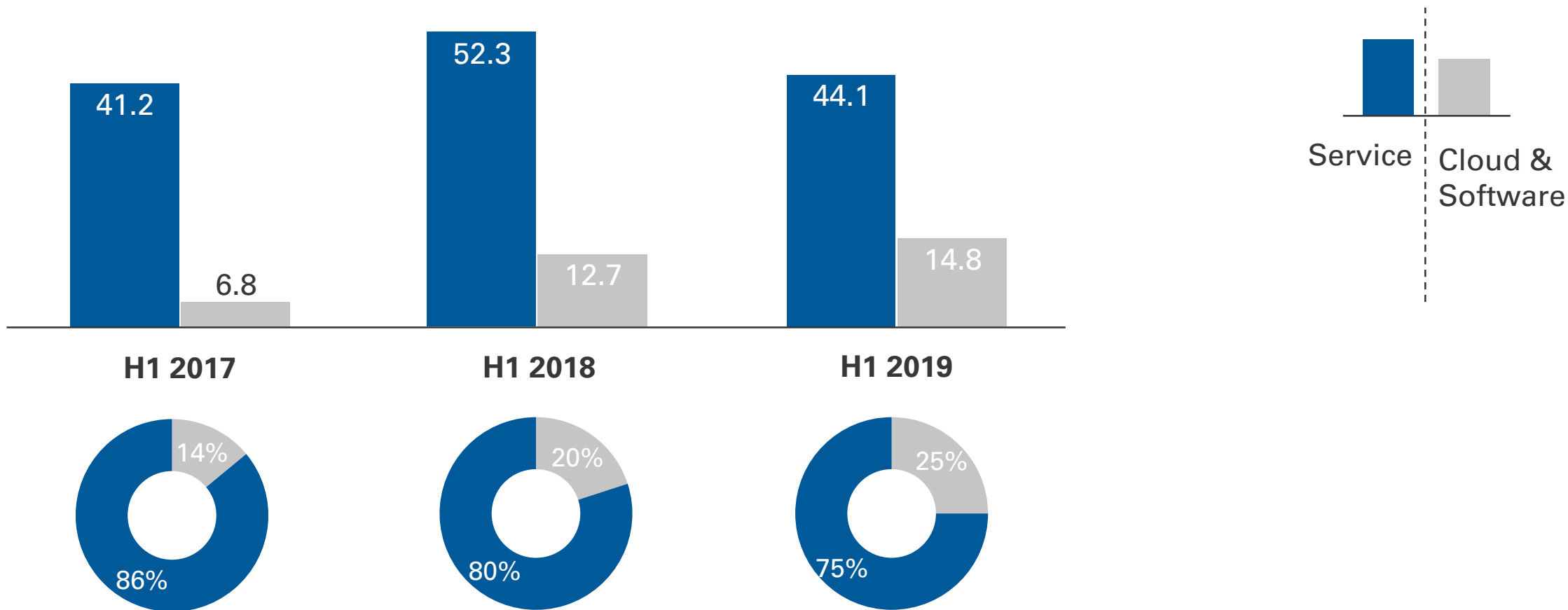


- **Q2 2019 Order Entry:**  
€ 46.2 mn; +76% relative to the previous year.
- **Strong mid-year performance in the German-speaking (DACH) region:**  
Around € 41 mn; +60% in comparison with the previous year.
- **Significant pickup in the SAP S/4HANA environment:**
  - Order entry amounted to around € 10 mn.
  - Upcoming S/4HANA projects thus already account for around 11% of the overall volume.

# Increasing Software Revenues



Revenues by Segments (€ mn)

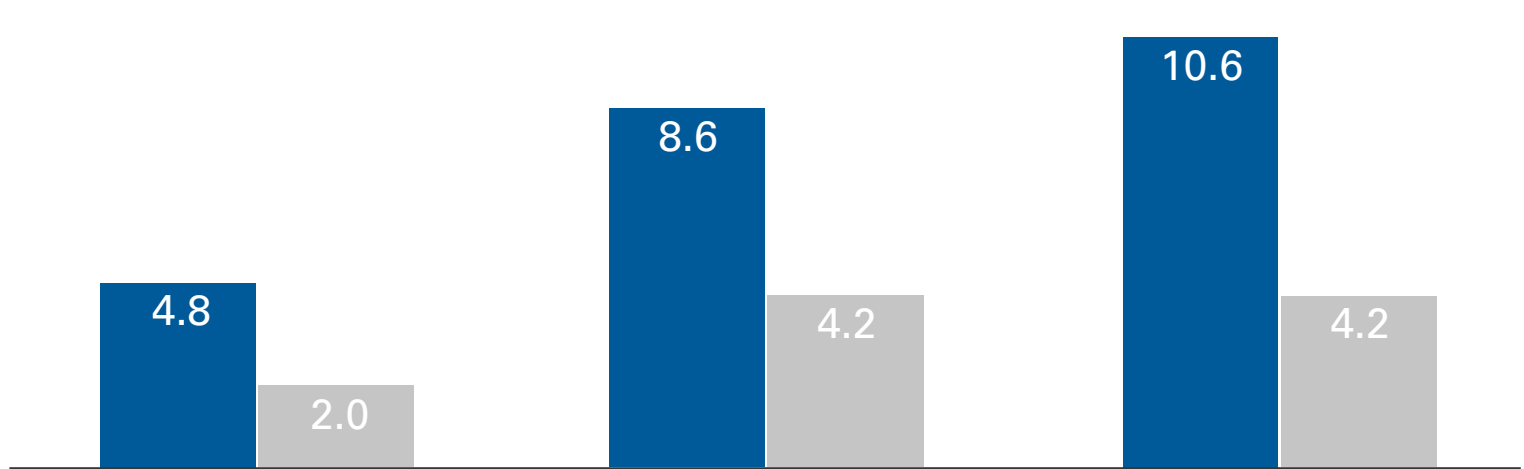




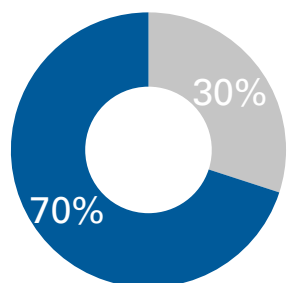
# Increasing Software Licences Revenues



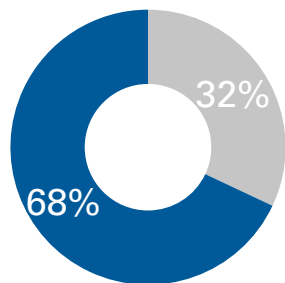
Revenue Split within Cloud and Software Segment (€ mn)



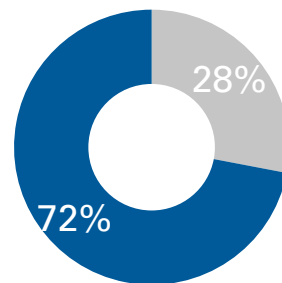
H1 2017



H1 2018



H1 2019

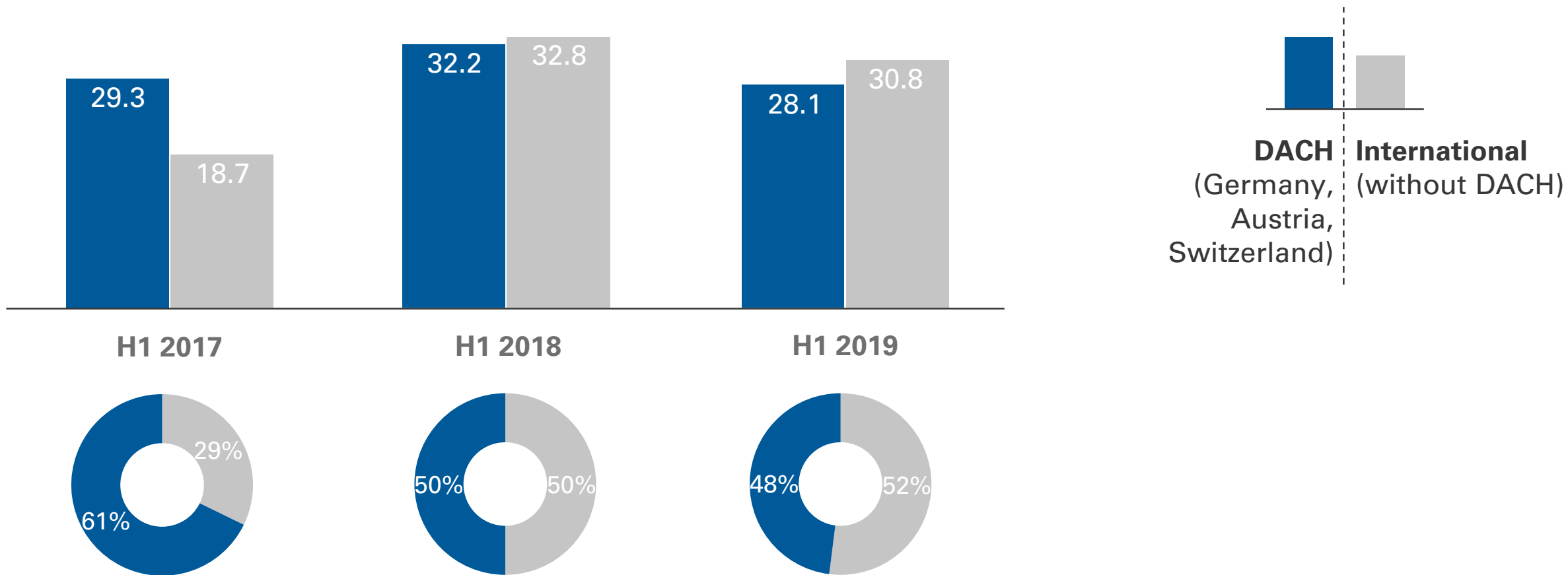


- **H1 2019 revenue with SNP in-house products:**  
€ 11.0 mn (H1 2018: € 8.6 mn; +28%)
- **H1 2019 revenue with third-party products:**  
€ 3.8 mn (H1 2018: € 4.2 mn; -10%)

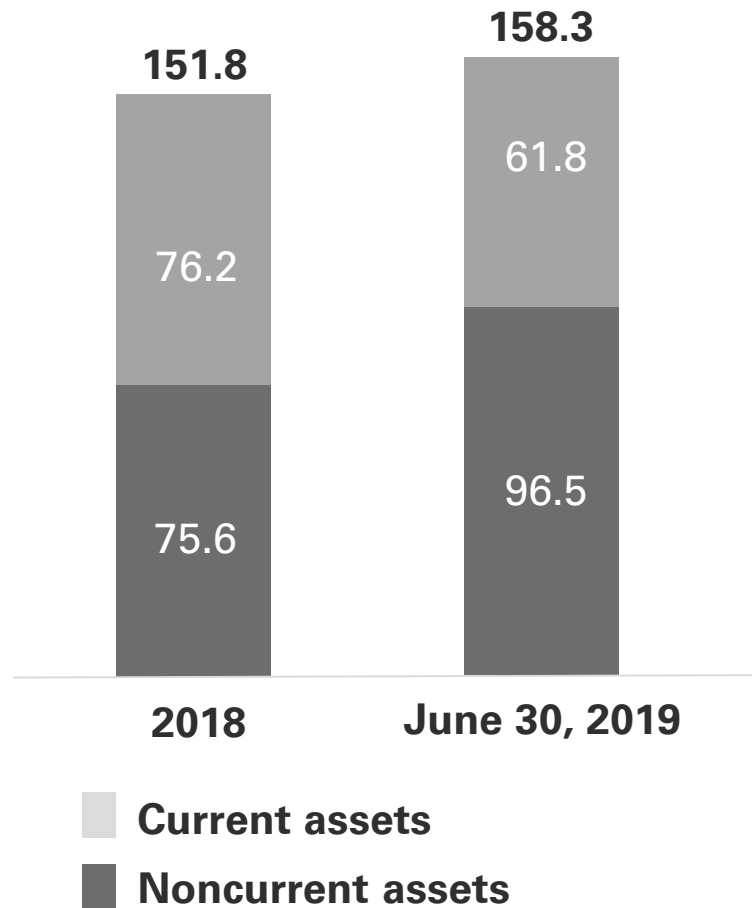
# Increasing Importance of Non-DACH Revenues



## Revenues by Regions (€ mn)



# Balance Sheet – Assets (€ mn)



**Current and noncurrent assets have moved in opposite directions.**

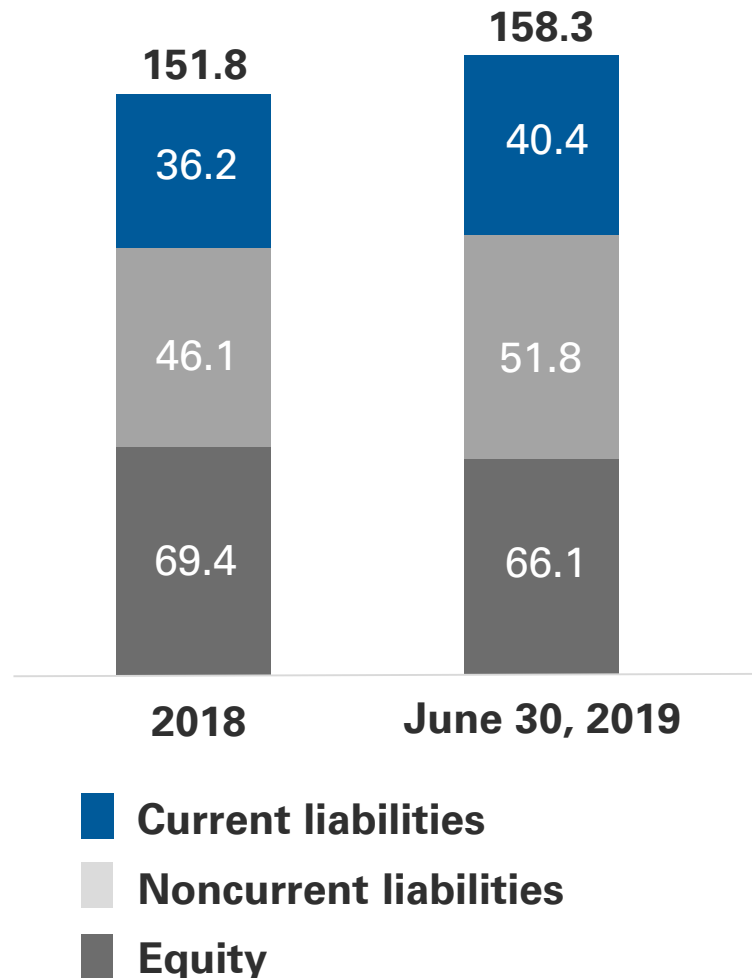
**Current assets decreased by € 14.4 mn to € 61.8 mn:**

- € 16.9 mn reduction in cash and cash equivalents: payment of current employee liabilities and the settlement of purchase price liabilities + the negative result.
- Increased trade receivables and other receivables as well as contract assets in the amount of € 2.2 mn.

**Noncurrent assets increased by € 20.9 mn to € 96.5 mn:**

First-time application of IFRS 16: Leases and rental agreements were capitalized in the form of rights of use for the first time, in the amount of € 15.9 mn.

# Balance Sheet – Equity & Liabilities (€ mn)



## Current liabilities increased from € 36.2 mn to € 40.4 mn:

- € 6.9 mn increase in financial liabilities to € 12.3 mn: promissory note loans have increased by € 5.0 mn due to a reclassification from noncurrent to current liabilities.
- First-time application of IFRS 16: current leasing liabilities have risen by € 4.6 mn + purchase price liabilities for acquisitions were reduced by € -2.4 mn.

## Noncurrent liabilities increased by € 5.6 mn to € 51.8 mn:

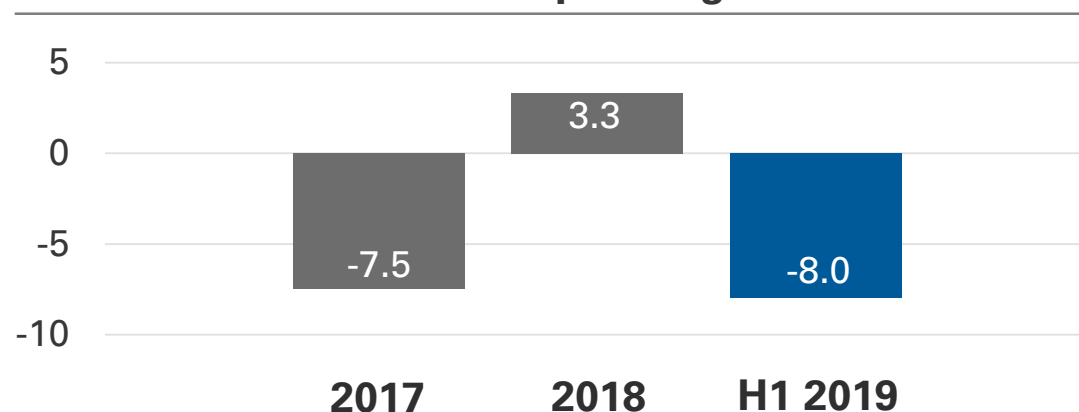
- € 5.7 mn increase in financial liabilities to € 48.5 mn.
- IFRS 16: Noncurrent leasing liabilities increased by € 11.2 mn.
- The remaining noncurrent liabilities in connection with promissory note loans amount to € 34.7 mn.

## The Group's equity declined from € 69.4 mn to € 66.1 mn:

- Due to the net loss for the period, retained earnings decreased by € 4.8 mn to € 2.8 mn.
- Equity ratio declined from 45.7% to 41.7%.

# Cash Flow Statement (€ mn) (1/2)

## Cash Flow from operating activities



## Cash Flow from investing activities



### The negative operating cash flow is mainly attributable to ...

- ... the loss for the period (€ -4.8 mn) as well as the € 2.5 mn reduction in trade payables and other liabilities + a € 2.8 mn increase in inventories, trade receivables and other assets.
- The adjustment for depreciation and amortization (€ 3.9 mn) was an offsetting factor.

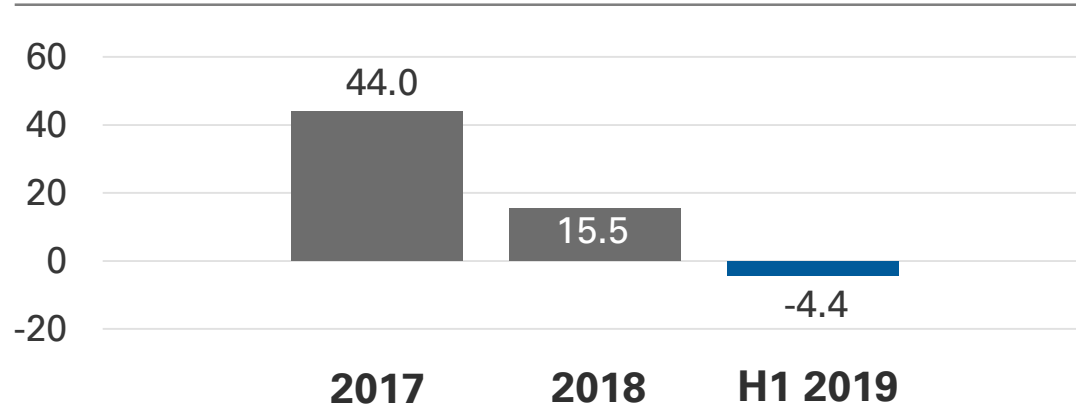
### The negative cash flow from investing activities is mainly attributable to ...

... payments for purchase price installments in connection with company acquisitions in previous years (€ 3.0 mn) and to investments in property, plant and equipment and intangible assets (€ 1.7 mn).

# Cash Flow Statement (€ mn) (2/2)



## Cash Flow from financing activities

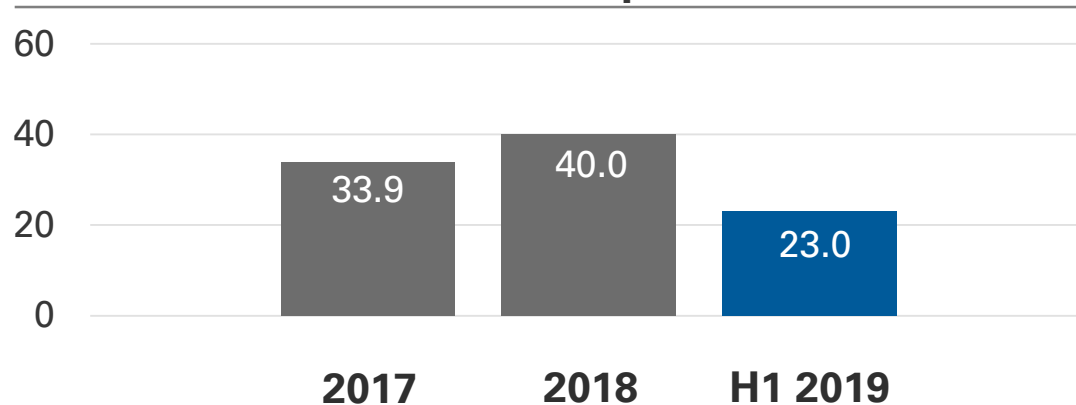


**The negative cash flow from financing activities has mainly resulted from ...**

... the settlement of leasing liabilities in the amount of € 4.4 mn.

**Overall cash flow during H1 2019 came to € -16.9 mn (previous year: € -15.4 mn).**

## Cash and cash equivalents



### H2 2019 expectations:

- Improved earnings situation
- Further working capital measures
- As planned less purchase price installments
- Improvement of capitalization



## Revenue and Earnings Forecast Confirmed for the 2019 Fiscal Year

---

### **FY 2019 Revenue: between € 145 mn and € 150 mn**

- Strategic focus on revenue growth in the Cloud and Software business segment
- Shift to a revenue ratio of around 30% software revenue and 70% service revenue in the second half of 2019 (old: 26%/74%).

### **FY 2019 Order Entry: between € 158 mn and € 163 mn**

- The very strong order situation will have a positive impact on revenue and earnings growth in the second half of 2019

### **FY 2019 Backlog: between € 71 mn and € 76 mn**

- Growing order backlog and a clear increase in the weighted project pipeline, the management envisages a significant increase in Group-wide capacity utilization for the third quarter and thus a clearly positive revenue trend in the second half of the year.

### **FY 2019 EBIT margin (IFRS): in the lower- to mid-single- digit percentage range**

- EBIT margin (IFRS) in the low double-digit percentage range is expected in the second half of 2019.

---


The SNP Group is sticking to the prioritized mid-term goal of a structural increase in its profitability.

**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](mailto:Investor.relations@snpgroup.com)

[www.snpgroup.com](http://www.snpgroup.com)

Thank you.

Follow us



# Disclaimer



© 2019 SNP SE or an SNP affiliate company. All rights reserved. No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SNP SE or an SNP affiliate company.

The information contained herein may be changed at any time without notice. Some software products marketed by SNP SE and its distributors contain proprietary software components of other software vendors.

This document is a preliminary version and not subject to your license agreement or any other agreement with SNP. This document contains only intended strategies, developments, and functionalities of the SNP product and is not intended to be binding upon SNP to any particular course of business, product strategy, and/or development.

SNP assumes no responsibility for errors or omissions in this document. SNP does not warrant the accuracy or completeness of the information, text, graphics, links, or other items contained within this material. This document is provided without a warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.

SNP shall have no liability for damages of any kind including without limitation direct, special, indirect, or consequential damages that may result from the use of these materials. This limitation shall not apply in cases of intent or gross negligence.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and in several other countries.

All other product and service names mentioned are the trademarks of their respective companies.

Heidelberg, Germany 2019