

COMPANY PRESENTATION

February 2020

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3 Financials

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ABOUT SNP

Headquarters
Heidelberg (DE)



Founded
1994



Employees
1,300



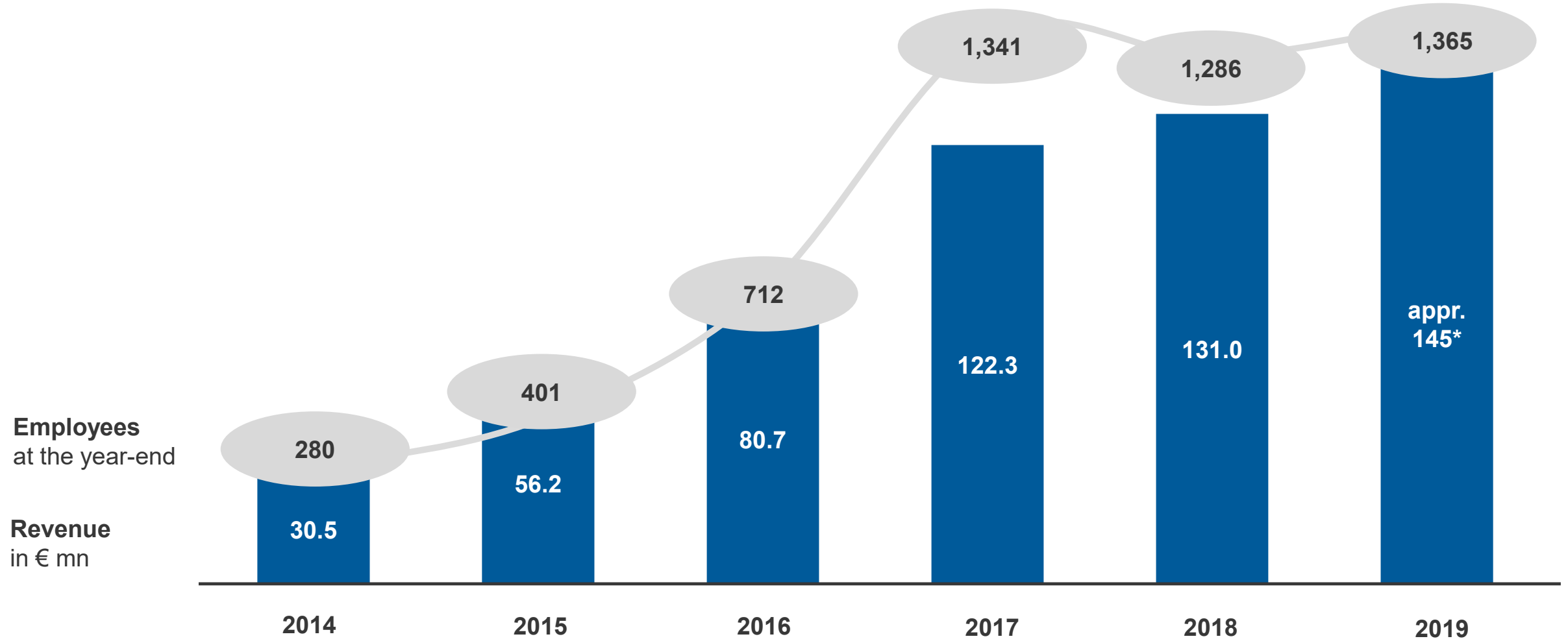
Projects
> 10,000

“The key benefit that we promise our customers is time. The ability to respond quickly to changes in the competitive landscape is a key competency in today’s global economy.”

Dr. Andreas Schneider-Neureither
CEO

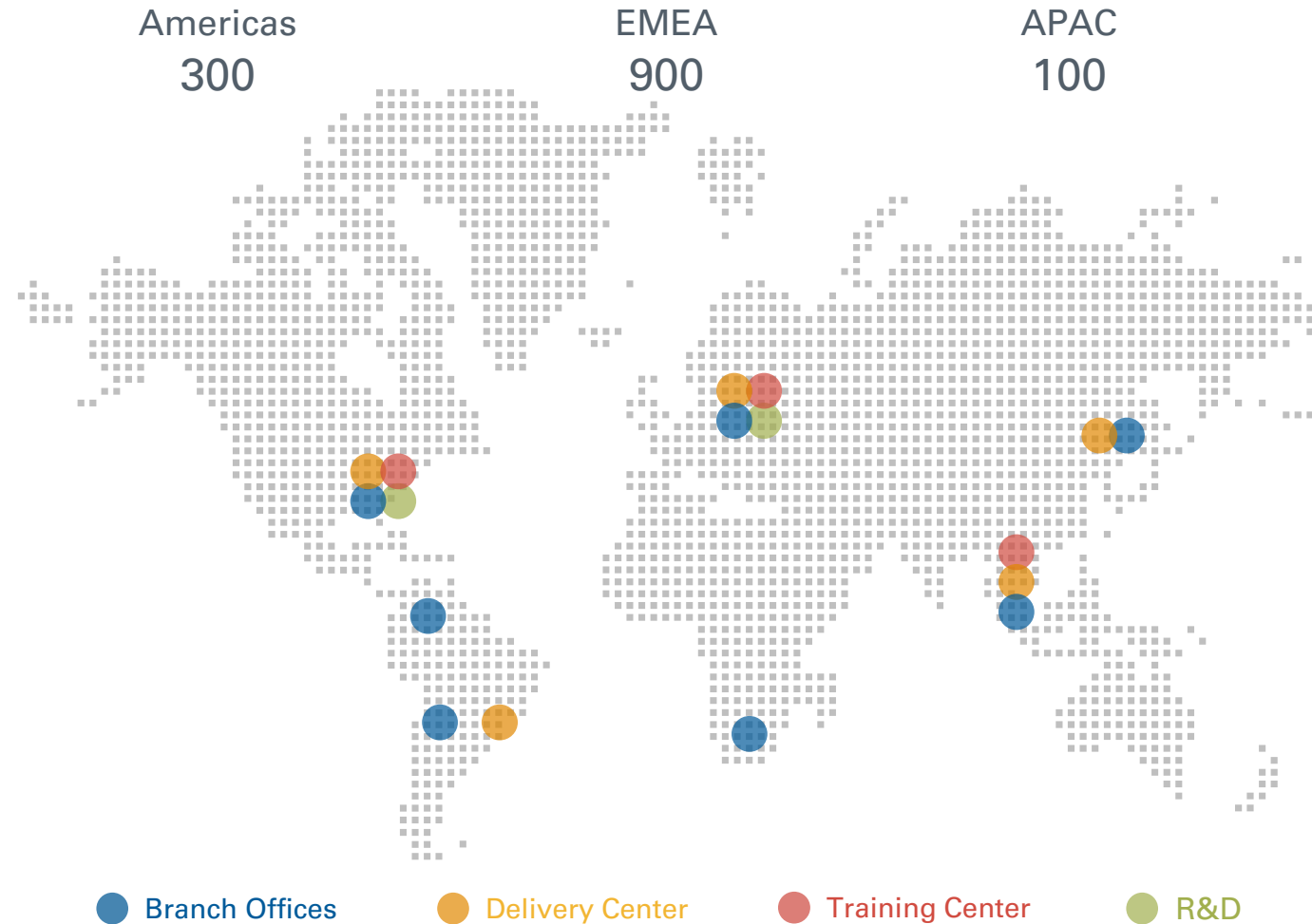
SNP | Transformation Never Ends



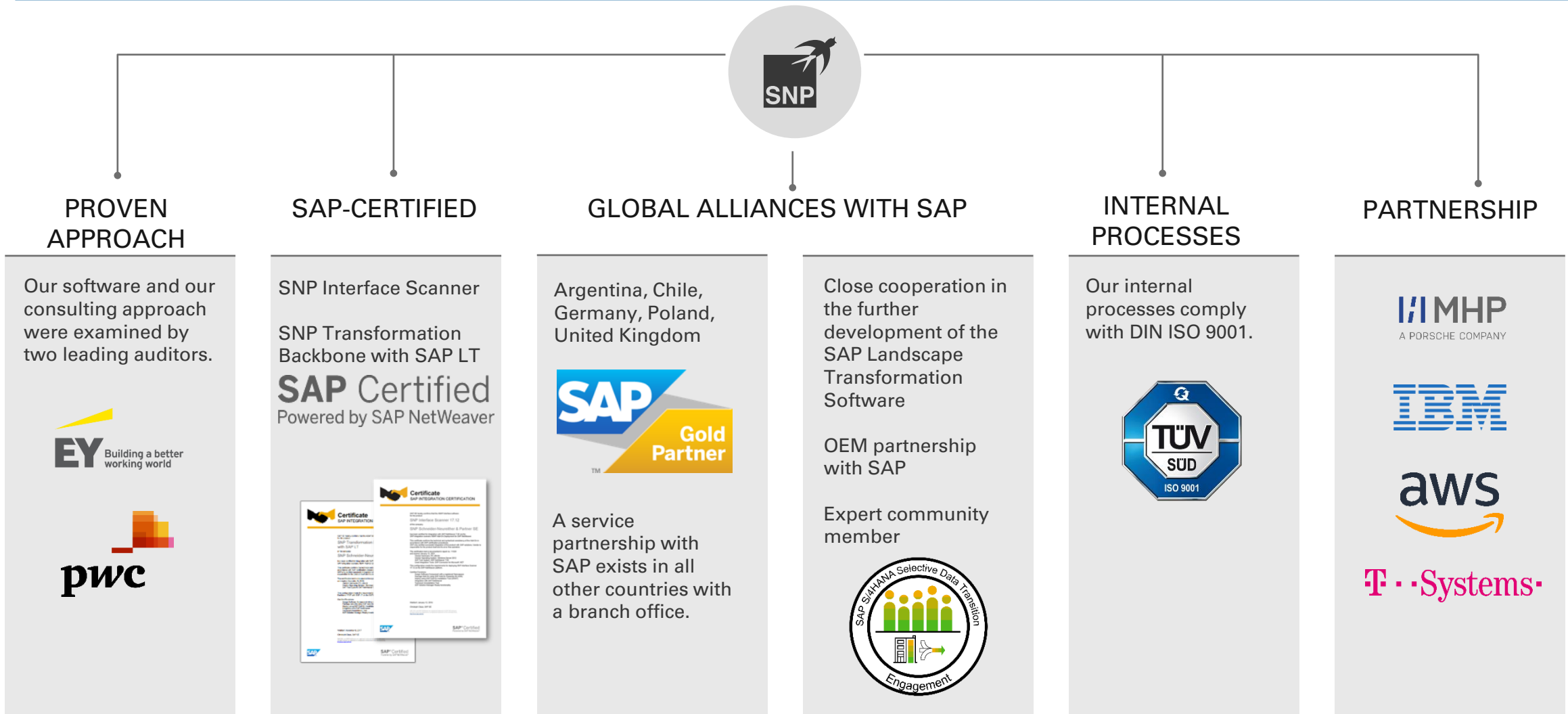


* Based on preliminary figures 2019.

- 1,300 Employees
- 1,000 experienced IT experts
- Worldwide delivery centers for your transformation projects



SNP - Proven Industry Standard Approach



SNP | Global Customer Base



SIEMENS



ABB

BOSE
Better sound through research®



SONY

L'ORÉAL



Kellogg's

SNP's Transformation Automation Platform Delivers

MERGE

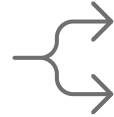


- Client merge
- HR merge
- Any-to-SAP migration
- Functional, process and organizational merge
- Technical merge
- Archive merge
- Entire or partial systems

Migration

into a combined target system

SPLIT

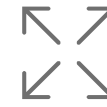


- Legal entity carve-out
- Selective carve-out of partial or complete entities and lines of business
- Share deal/asset deal support
- Data cleansing
- Archive split

Migration

into a new target system

MOVE



- Modernize, move and upgrade in near-zero downtime
- Cloudification
- OS/DB migration
- Move to HANA
- S/4HANA transformation

Migration

of an entire client

HARMONIZE



- Chart of accounts conversion
- New GL conversion
- Profit center re-organization
- Company code merge
- Plant relocation
- Harmonization of master data
- Controlling area merge

Conversion

within existing system

Multiple SAP transformation projects in one go-live with minimized downtime at cutover

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Strategy & Market

Strategy Builds on Three Pillars



1

Partner Transformation Business to scale BLUEFIELD™

- **Focus area:**
 - Select, enable and support strategic partners
 - Deliver maintenance and support via SNP Academy to offer qualified partner services
- **Business value:**
 - Leveraging BLUEFIELD™ sales
 - Full-service solution for partners
 - Positioning as trusted partner

2

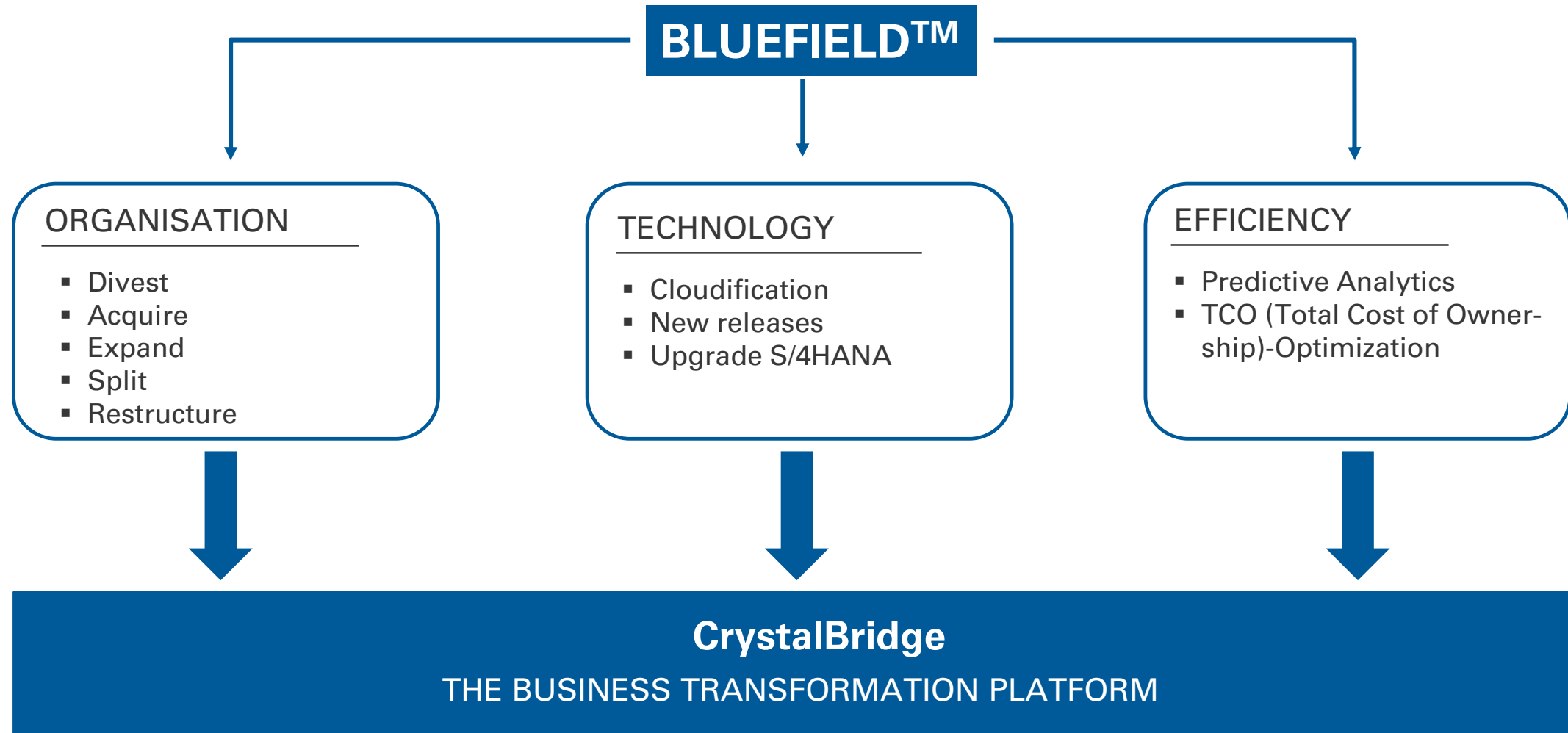
SNP Transformation Business to leverage our experience and competencies

- **Focus area:**
 - Continuous growth with focus on BLUEFIELD™ sales and consulting
 - Build specific BLUEFIELD™ solutions / approaches per use case
- **Business value:**
 - Full-service data transformation
 - Economies of scale
 - Leverage experience and competency

3

SNP Non-Transformation Business for stable and broad market positioning with cross-selling potential

- **Focus area:**
 - Operate in new business areas driven by predictive analytics and artificial intelligence
 - Up-selling of BLUEFIELD™
- **Business value:**
 - Market penetration
 - Risk diversification
 - Explore new market trends



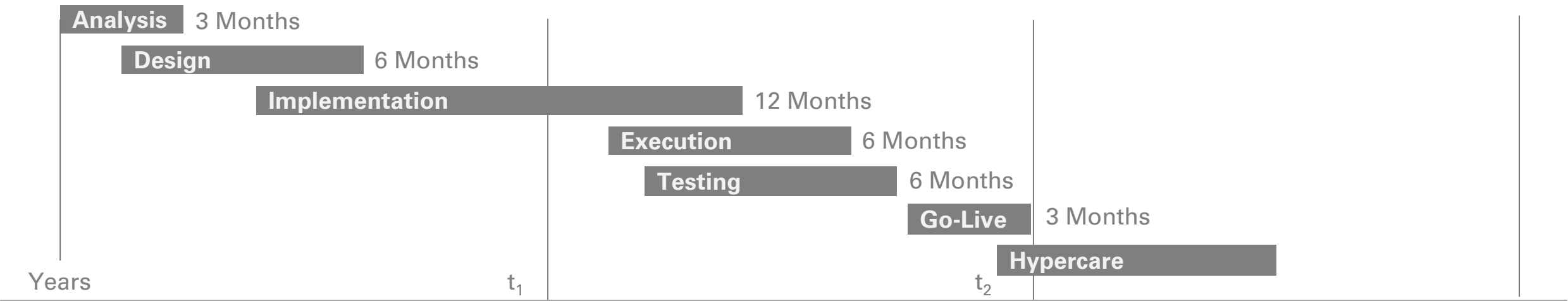
CrystalBridge - The Business Transformation Platform



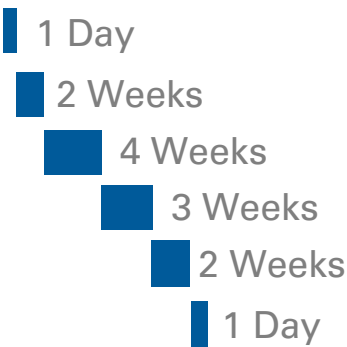
The SNP Way: Completely streamlined processes via automation



The Traditional Way: Massive Human Intervention



The SNP Way: Automated / Algorithmic



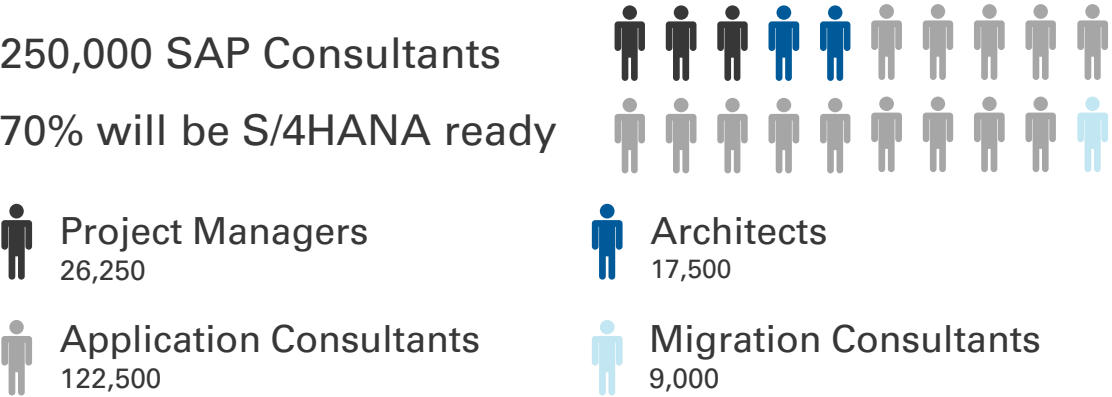
The representation is based on assumptions derived from experience gained by SNP over the years; Deviation possible in individual cases.

S/4HANA Trends



Ressources –

How many are available to fill key roles?



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.

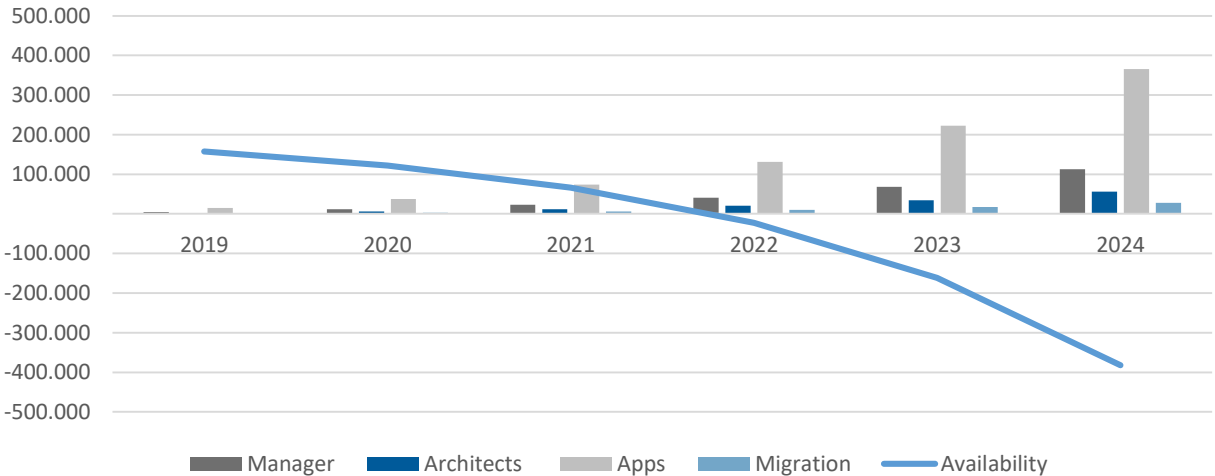
Year ending	Annual adoptions	Cumulative adoptions
2019	1,500	1,500
2020	2,376	3,876
2021	3,735	7,602
2022	5,894	13,496
2023	9,301	22,797
2024	14,677	37,474

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.



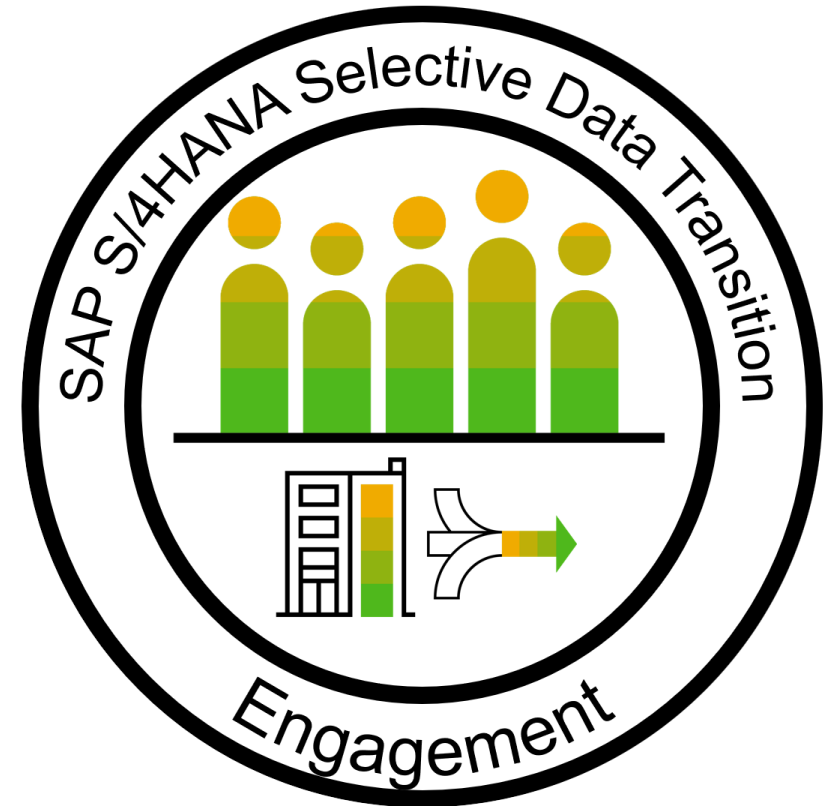
Recent Major Software Deals



August 2019	September 2019	November 2019	November 2019
<ul style="list-style-type: none">Contract with <u>World's Leading IT</u> and Consulting Firm based in the USAMinimum value of USD 30 mn until 2022Global Use of SNP Software	<ul style="list-style-type: none">Contract with <u>Google</u>Google Cloud licenses CrystalBridge® analysis suite software for streamlining SAP workload migrations and SAP S/4HANA® upgrades, minimizing business disruption.Google Cloud's customers will be able to benefit from SNP's BLUEFIELD™ approach for migrations	<ul style="list-style-type: none">Contract with <u>T-Systems</u>Signing of a three-year contractGoal is to plan and execute SAP 4/SHANA transformations in an automatic way for T-Systems customersTraining of T-Systems employees	<ul style="list-style-type: none">Contract with <u>Mahle</u>Framework agreement running until end of 2025All SAP Systems will be transformed to one central SAP S/4HANA systemTraining of Mahle employees

SAP and Partner Collaboration for Selective Data Transition Engagement

- SNP is a founding partner of the working group **"SAP S/4HANA Selective Data Transition Engagement"** launched by SAP.
- The group helps companies **transition to SAP S/4HANA** if neither a pure new implementation nor a system conversion makes sense.
- **Assessment by SNP:**
 - **"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.



1 About SNP

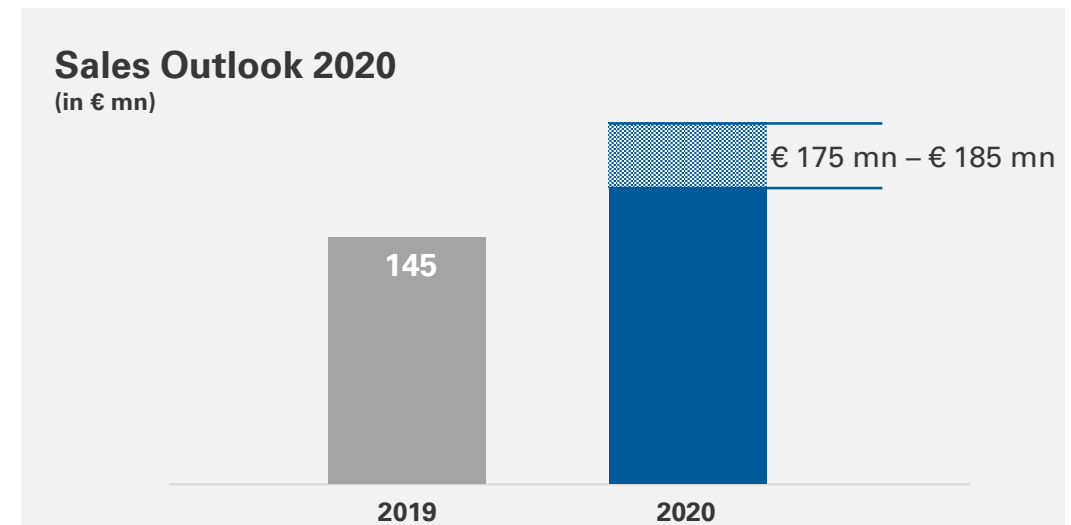
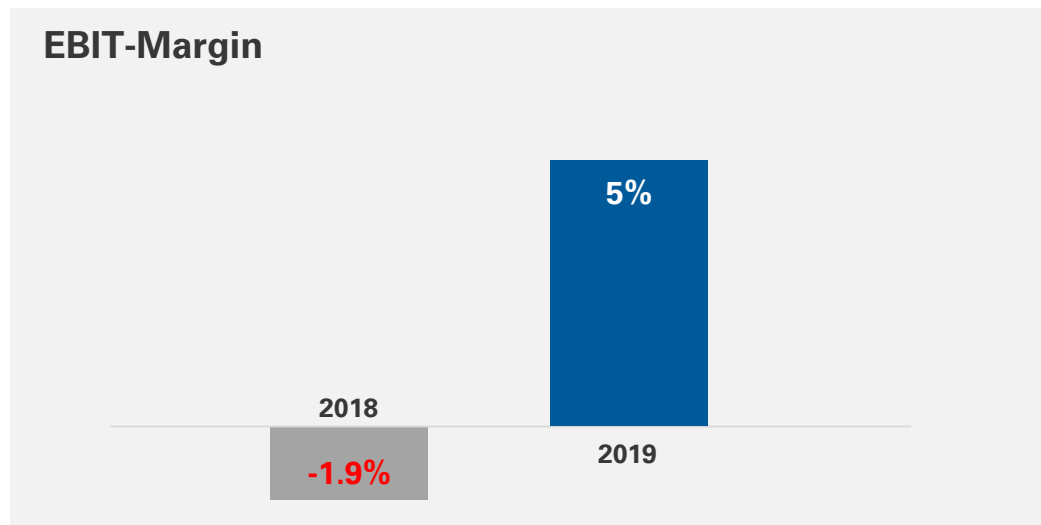
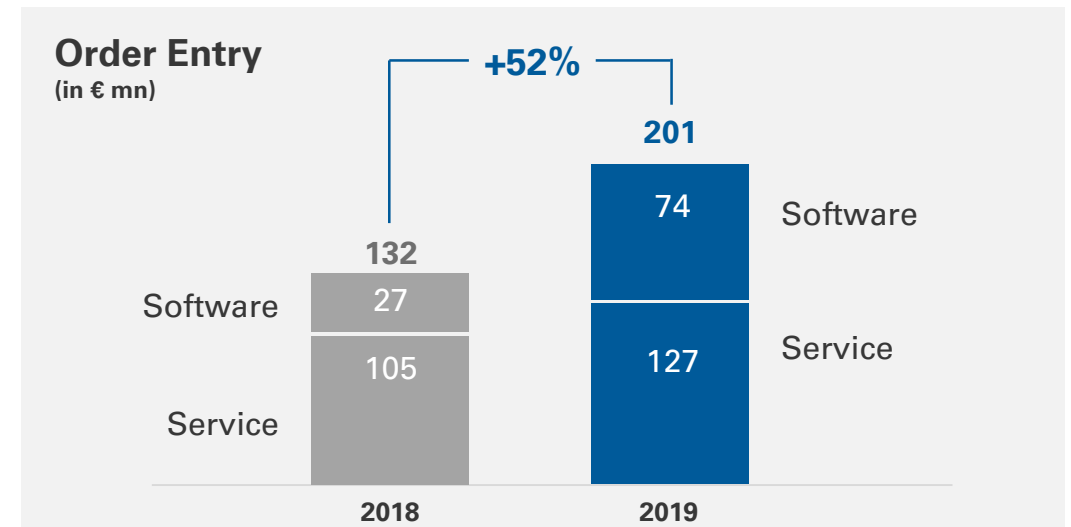
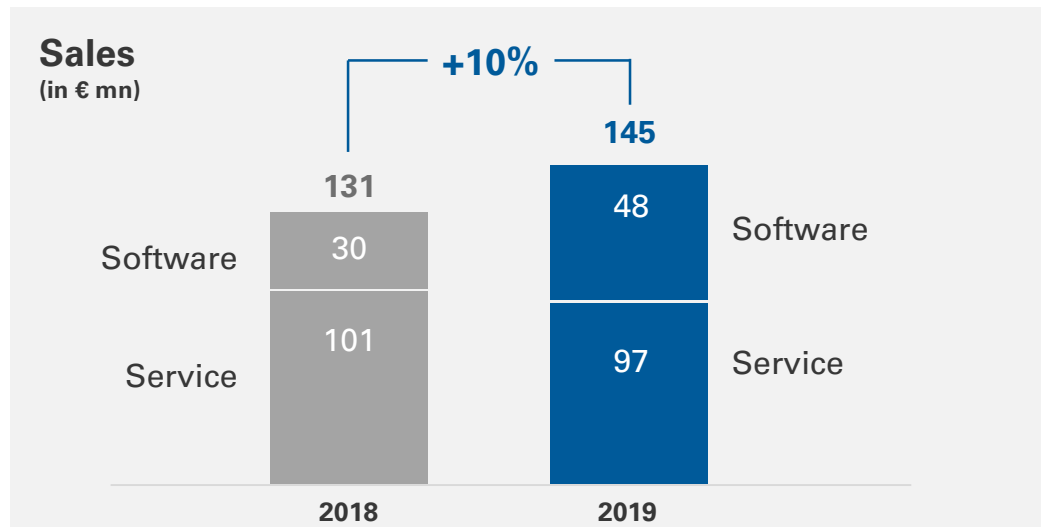
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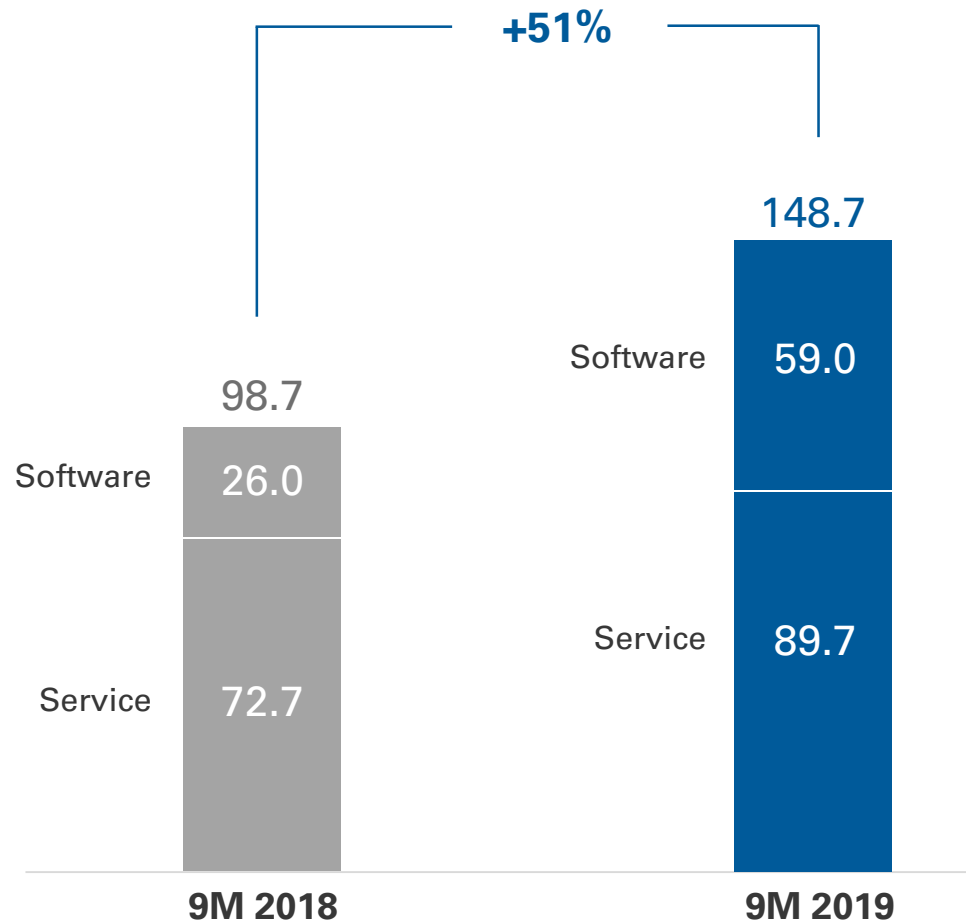
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Financials

Preliminary figures 2019



Strong Order Entry (€ mn)



- **Q3 2019 Order Entry:**
€ 63.7 mn; +102% relative to the previous year.
- **Strong performance in the German-speaking (DACH) region:**
Around € 90 mn corresponds to an improvement of approx. 118% compared with the first nine months of the previous year.
- **Significant pickup in the SAP S/4HANA environment:**
 - Order entry amounted to around € 17 mn.

Key Figures

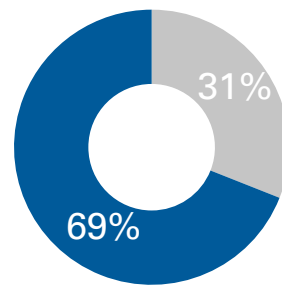
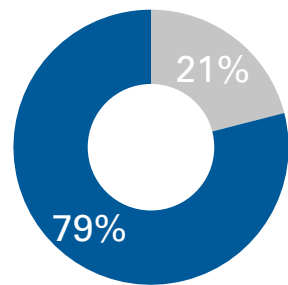
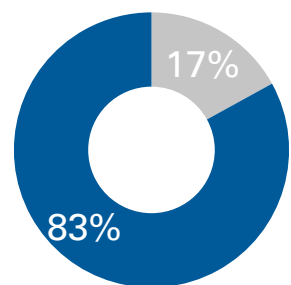
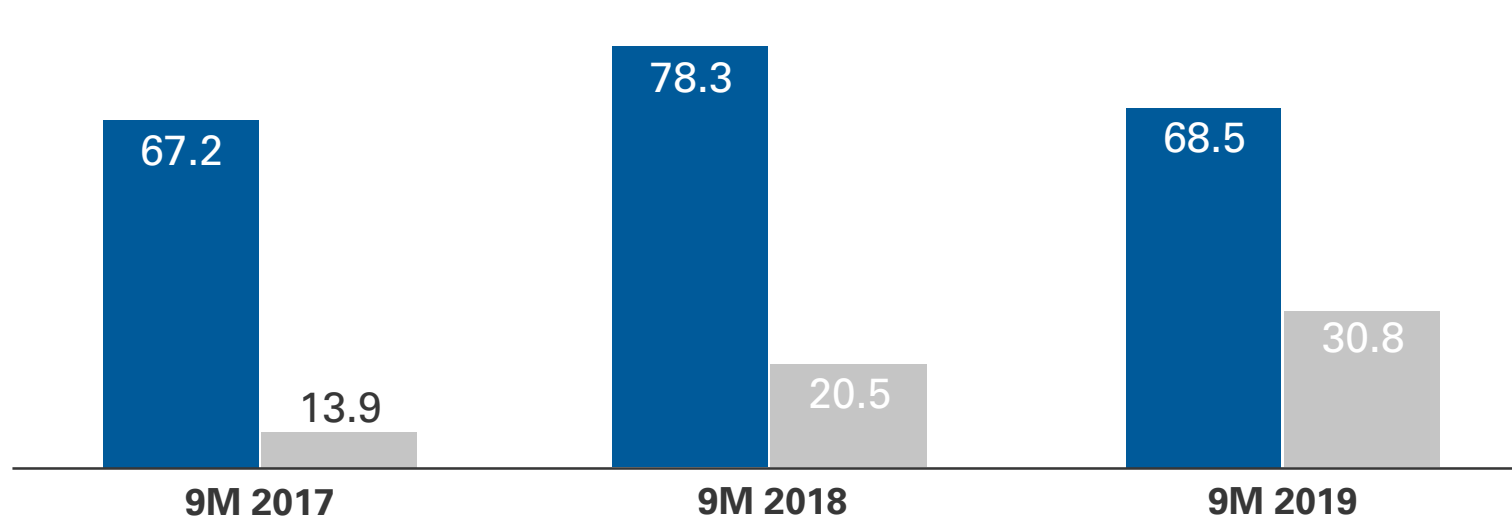


€ mn	9M 2019	9M 2018	Δ	Q3 2019	Q3 2018	Δ
Order Entry	148.7	98.7	+51%	63.7	31.5	+102%
Order Backlog (as of Sept. 30)	91.3	61.4	+49%	91.3	61.4	+49%
Revenue	99.3	98.8	+1%	40.4	33.7	+20%
EBITDA (IFRS)	7.0	0.5	+1,201%*	9.1	4.0	+124%*
EBITDA (Non IFRS, FX adjusted)	8.0	0.8	+935%*	9.4	2.5	+268%*
EBIT (IFRS)	1.2	-3.2	n/a	7.1	2.9	+148%
EBIT (Non IFRS, FX adjusted)	3.0	-1.7	n/a	7.8	1.9	+316%
Equity (as of Sept. 30)	69.0	45.7	+51%			
Cash (as of Sept. 30)	17.7	16.6	+7%			
Employees (as of Sept. 30)	1,291	1,324	-2%			

* EBITDA includes € 3.1 mn from first time application of IFRS 16 in 9M 2019 and € 1.0 mn in Q3 2019.

Increasing Software Revenues ...

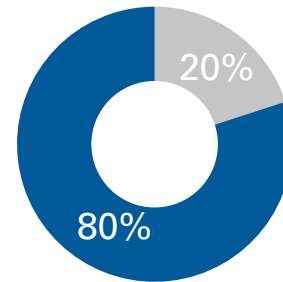
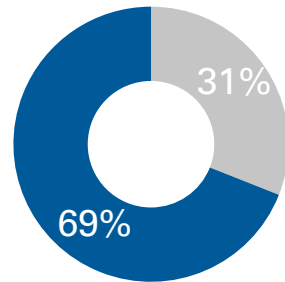
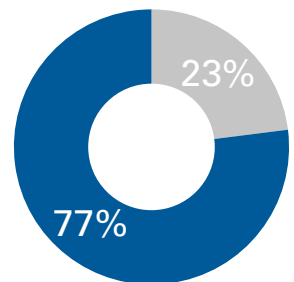
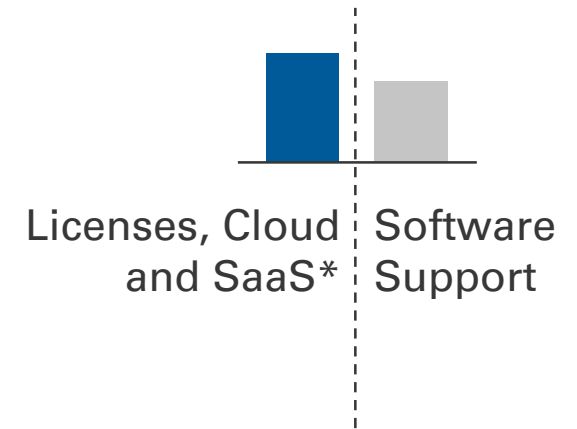
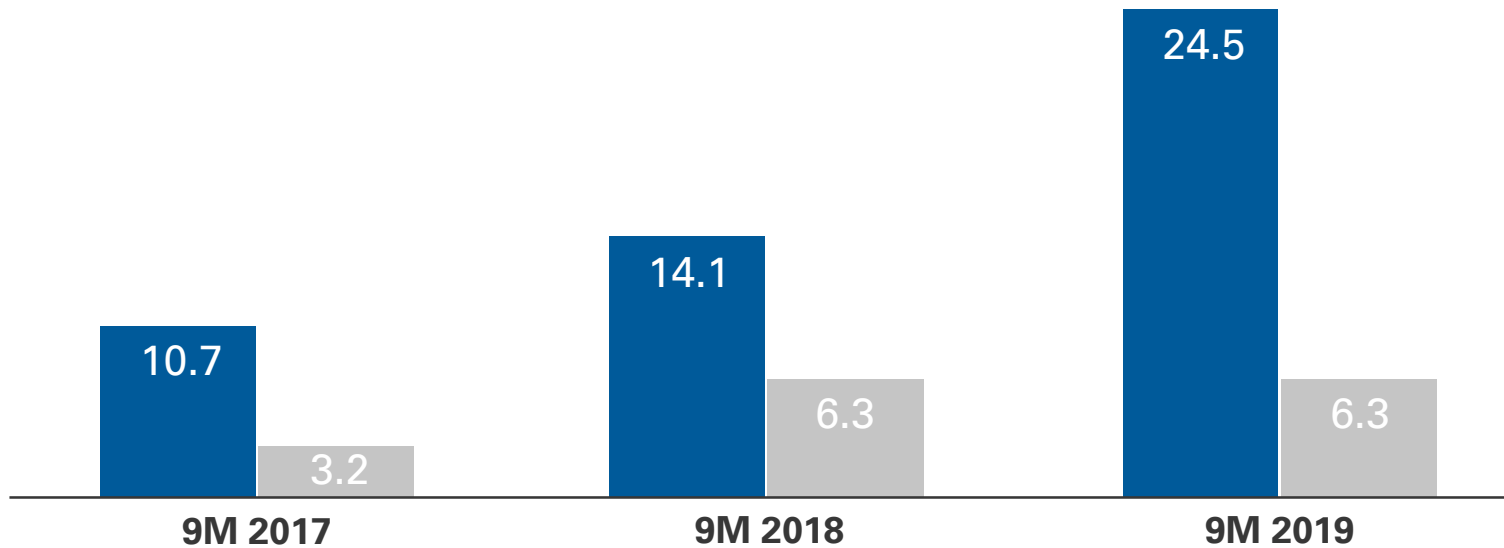
Revenues by Segments (€ mn)



- Current run rate in Software sales even higher
- US with up to 40% Software sales

... driven by strong increase in Licenses and Cloud

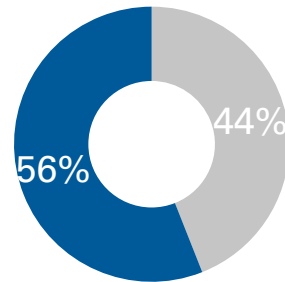
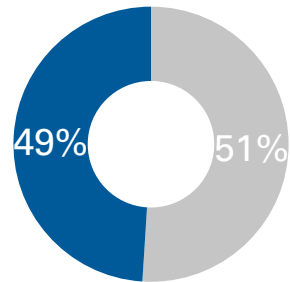
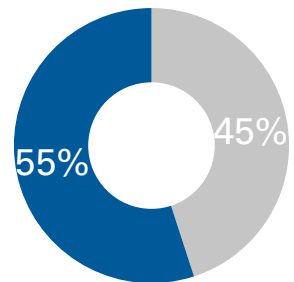
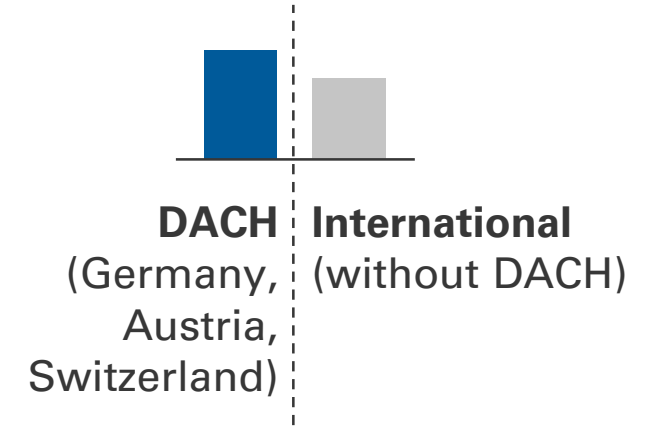
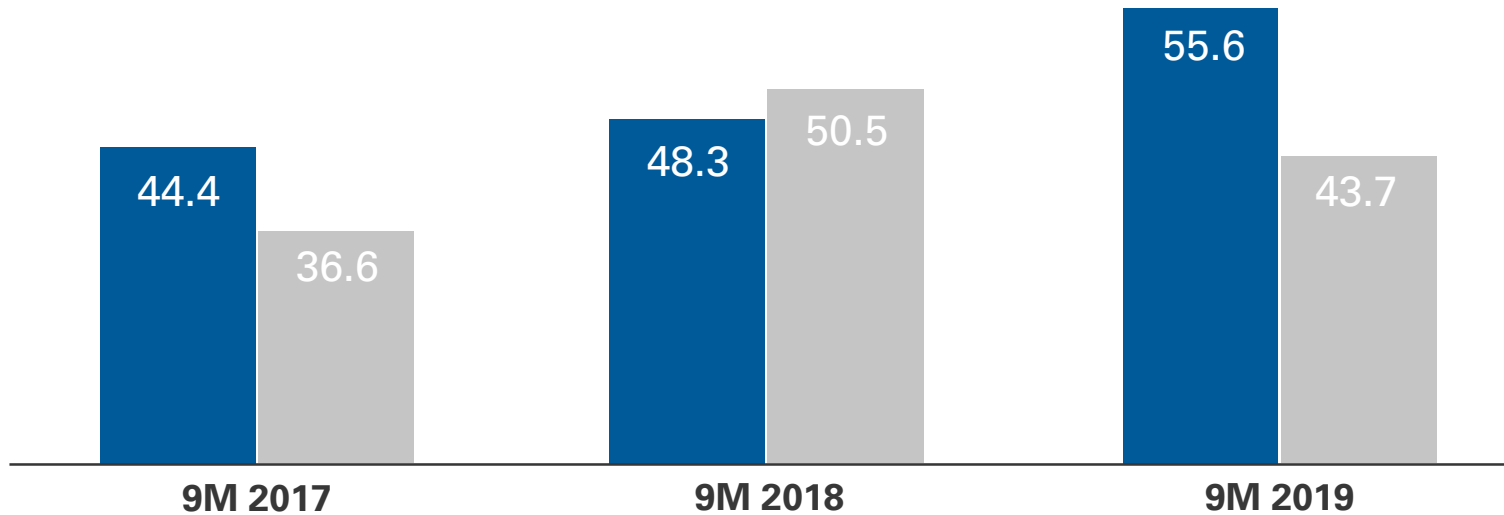
Revenue Split within Cloud and Software Segment (€ mn)



- **9M 2019 revenue with SNP in-house products:**
€ 25.4 mn (9M 2018: € 13.2 mn; +92%)
- **9M 2019 revenue with third-party products:**
€ 5.4 mn (9M 2018: € 7.3 mn; -26%)

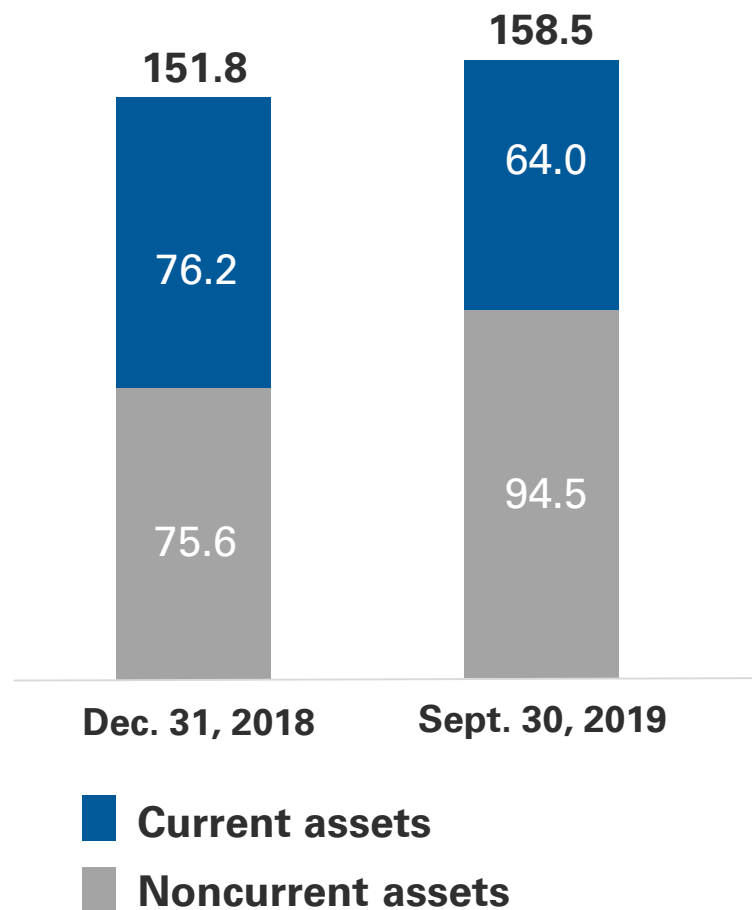
Strong Business in the DACH Region

Revenues by Regions (€ mn)



- Very strong Order Entry in previous quarters resulting in Q3 revenue growth
- Strong pipeline for coming quarters

Balance Sheet – Assets (€ mn)



Current and noncurrent assets have moved in opposite directions.

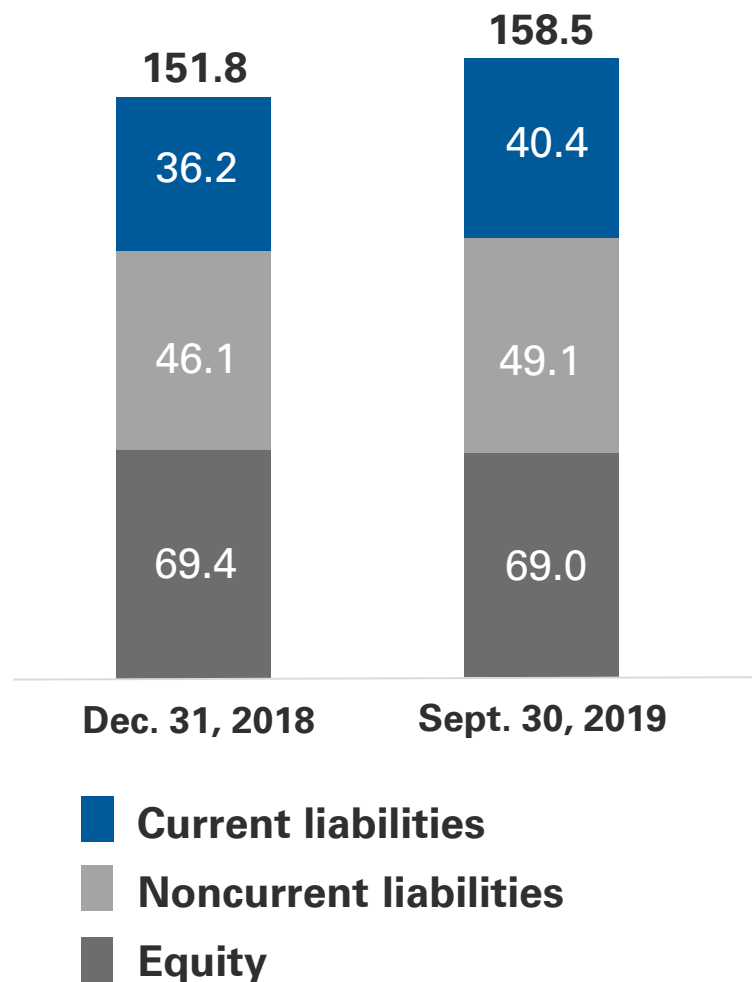
Current assets decreased by € 12.2 mn to € 64.0 mn:

- € 22.3 mn reduction in cash and cash equivalents:
In addition to the increased capital commitment in relation to trade receivables and contract assets, the decline in cash and cash equivalents is mainly attributable to the settlement of purchase price liabilities as well as advance payments for rental rights of use.
- Increased trade and other receivables as well as contract assets in the amount of € 10.6 mn.

Noncurrent assets increased by € 18.9 mn to € 94.5 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:

- Attributable to the € 7.7 mn increase in financial liabilities to € 13.1 mn – mostly characterized by countervailing effects:
 - Liabilities due to promissory note loans have increased by € 5.0 mn due to a reclassification + IFRS 16
 - € -1.7 mn decrease in purchase price liabilities for acquisitions consists of purchase price payments and reclassifications.

Noncurrent liabilities increased by € 2.9 mn to € 49.1 mn:

- Mainly attributable to increase by € 3.0 mn in financial liabilities to € 45.8 mn.
- Higher noncurrent leasing liabilities of € 10.6 mn (IFRS 16)
- Noncurrent liabilities resulting from promissory note loans amount to € 34.8 mn (Dec 31, 2018: € 39.7 mn).

The Group's equity declined slightly from € 69.4 mn to € 69.0 mn:

- Retained earnings increased by € +0.3 mn to € 7.9 mn.
- Equity ratio declined from 45.7% to 43.5%.

Cash Flow Statement (€ mn) (1/2)

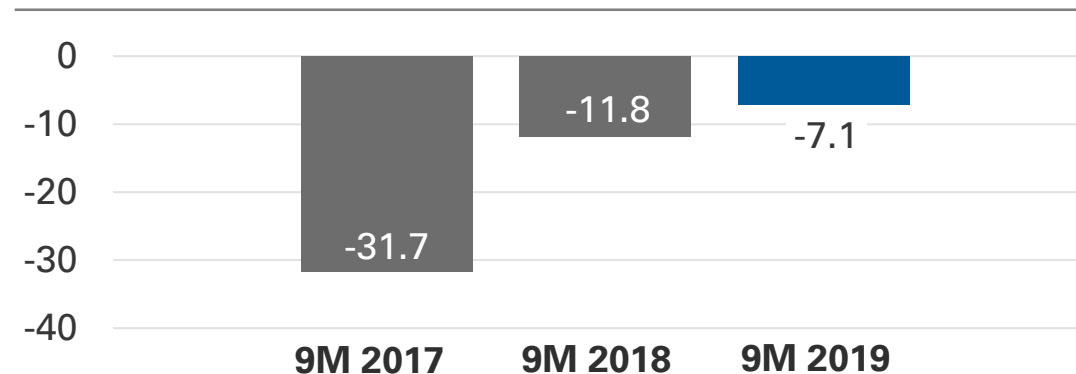
Cash Flow from operating activities



The negative operating cash flow is attributable to ...

- ... the increase in trade receivables, inventories and other assets (€ +12.8 mn).
- The increased trade receivables and other contract assets are mainly associated with a very high revenue volume in Q3 2019.
- The balance sheet items also included, as a one-time effect, accrued license receivables at the high end of the single-digit million range for which payments will only be forthcoming over the next 12 months.

Cash Flow from investing activities

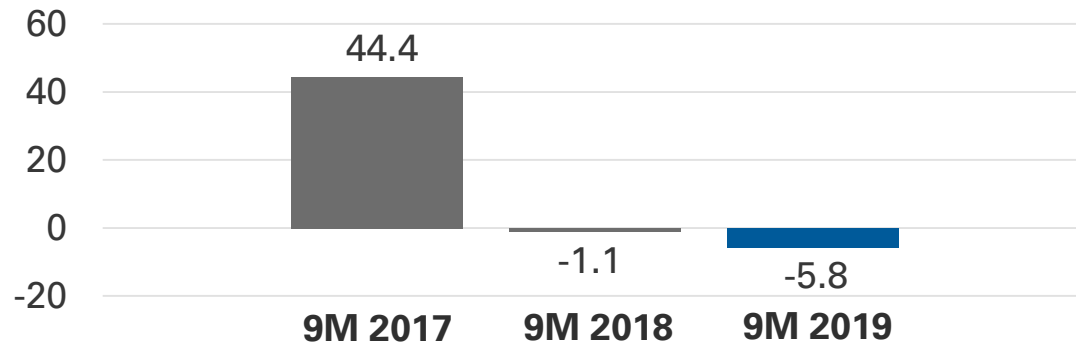


The negative cash flow from investing activities is attributable to ...

- ... payments for purchase price installments in connection with company acquisitions in previous years (€ 4.5 mn) and to investments in property, plant and equipment and intangible assets (€ 2.8 mn).

Cash Flow Statement (€ mn) (2/2)

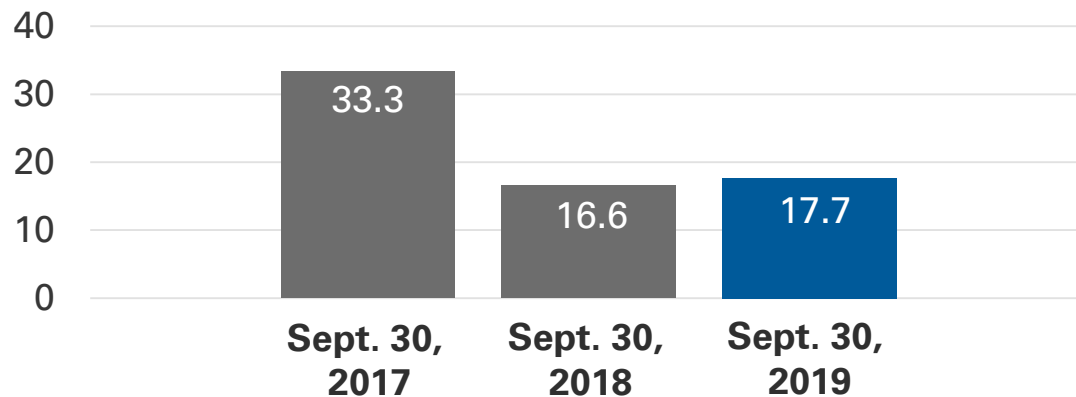
Cash Flow from financing activities



The negative cash flow from financing activities has mainly arisen ...

- ... due to the settlement of leasing liabilities in the amount of € -5.3 mn; exchange rate changes have had an impact of € -0.3 mn on cash and bank balances.

Cash and cash equivalents



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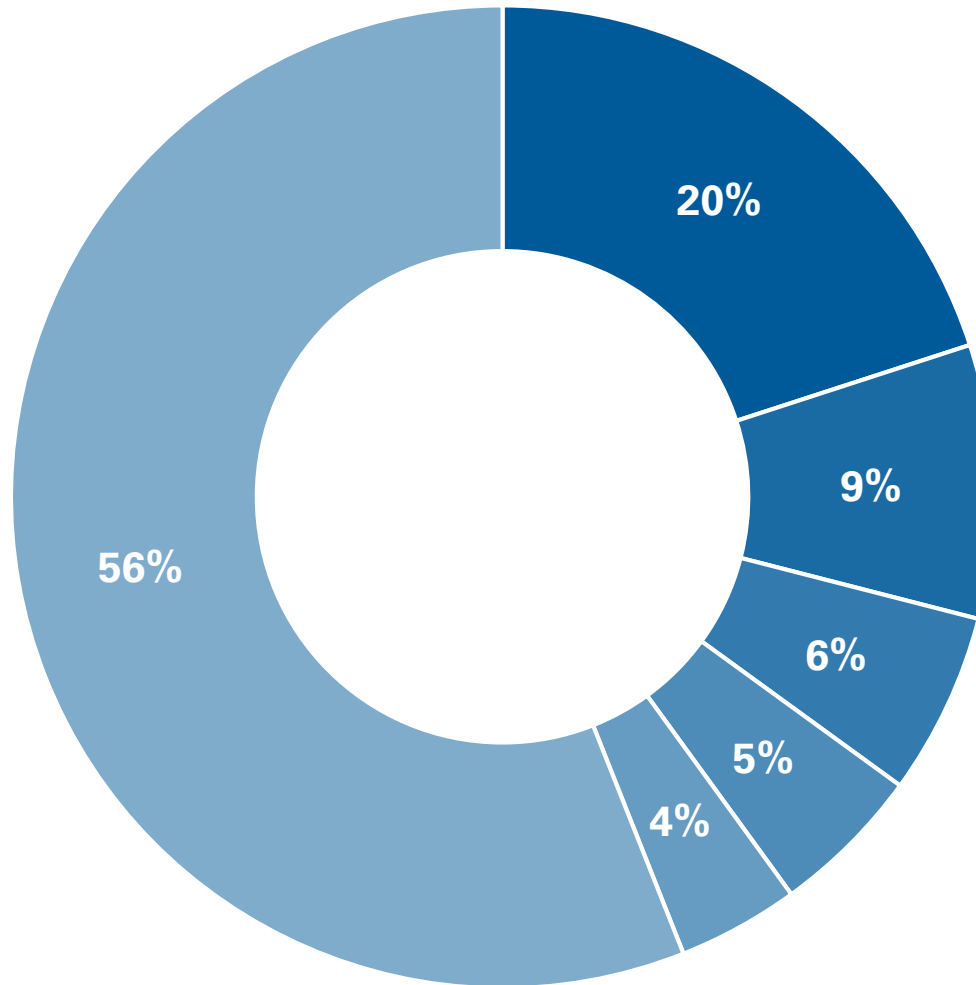
Key Share Data



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, NordLB, Mainfirst, Warburg Research
Number of Shares	6,602,447
Share Price (Feb. 3rd, 2020)	€ 61.50
Market Capitalization	≈ € 400 mn

Broker	Date	Rating	Price Target
Bankhaus Metzler	Feb. 4, 2020	Buy	€ 74.00
Nord/LB // AsterResearch	Feb. 3, 2020	Buy	€ 70.00
Warburg Research	Feb. 3, 2020	Buy	€ 69.00
Mainfirst	Jan. 31, 2020	Buy	€ 70.00
Berenberg	Nov. 11, 2019	Hold	€ 43.00

Shareholder Structure

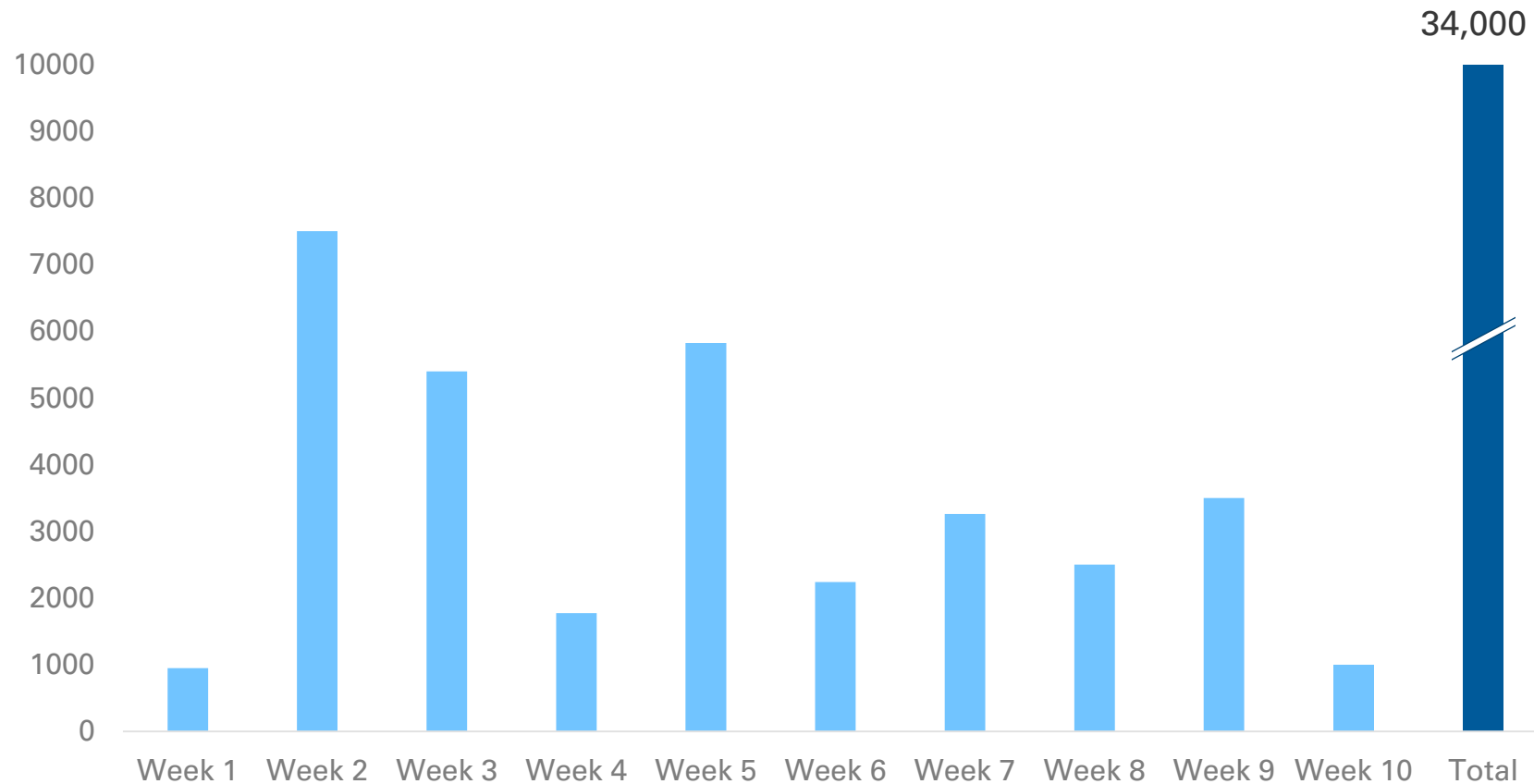


- Dr. Andreas Schneider-Neureither
- AkrosA Private Equity
- Swedbank
- Oswin Hartung
- Kabouter
- Free Float

Share Price Development



Share Buyback* (Sept 9 – Nov 15, 2019)



* The commencement of the share buyback was announced on Aug. 13, 2019 in accordance with Article 5 of Regulation (EU) No. 596/2014 and Art. 2(1) of the Delegated Regulation (EU) 2016/1052.

Mar 30, 2020	Publication of the Annual Report 2019
Apr 30, 2020	Publication of the Interim Statement Q1 2020
May 28, 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

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