



# COMPANY PRESENTATION

February 2020

1 About SNP

2 Strategy & Market

3 Financials

4 Appendix

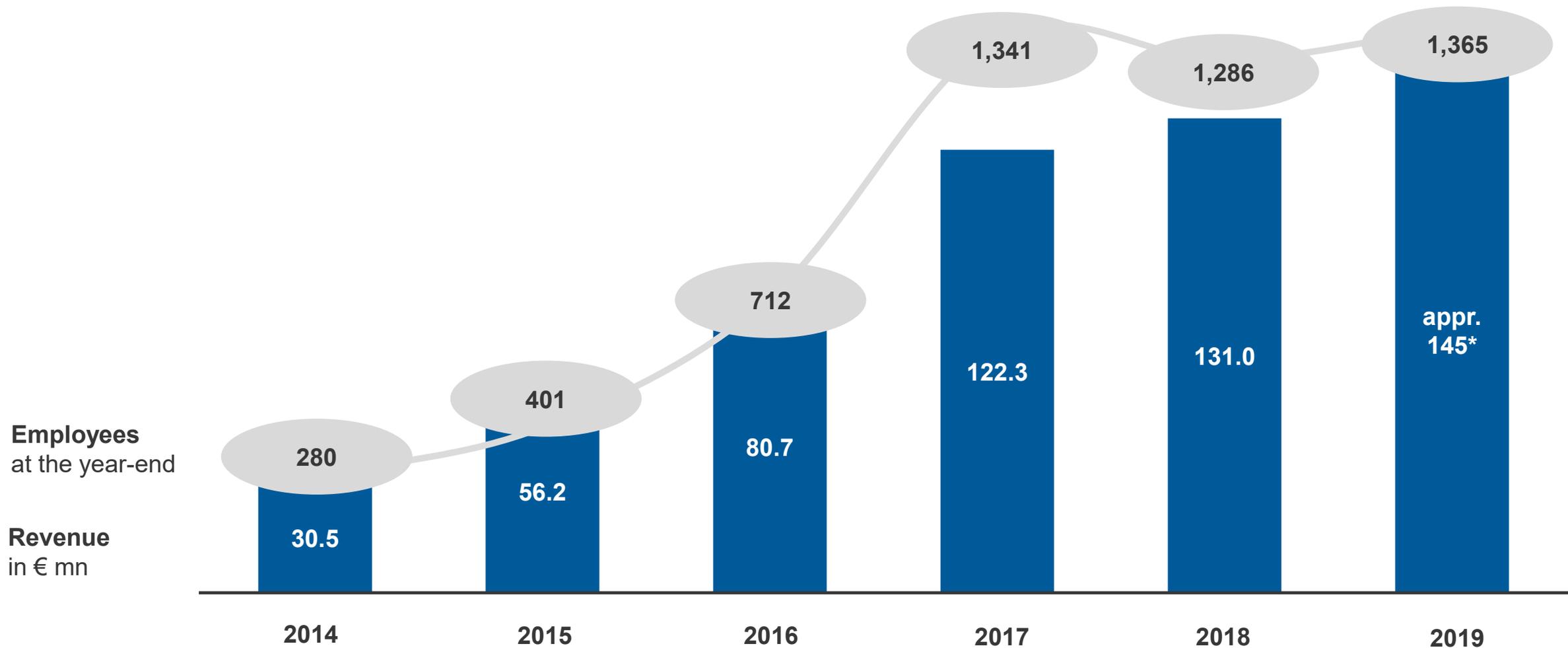
# ABOUT SNP



“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.”

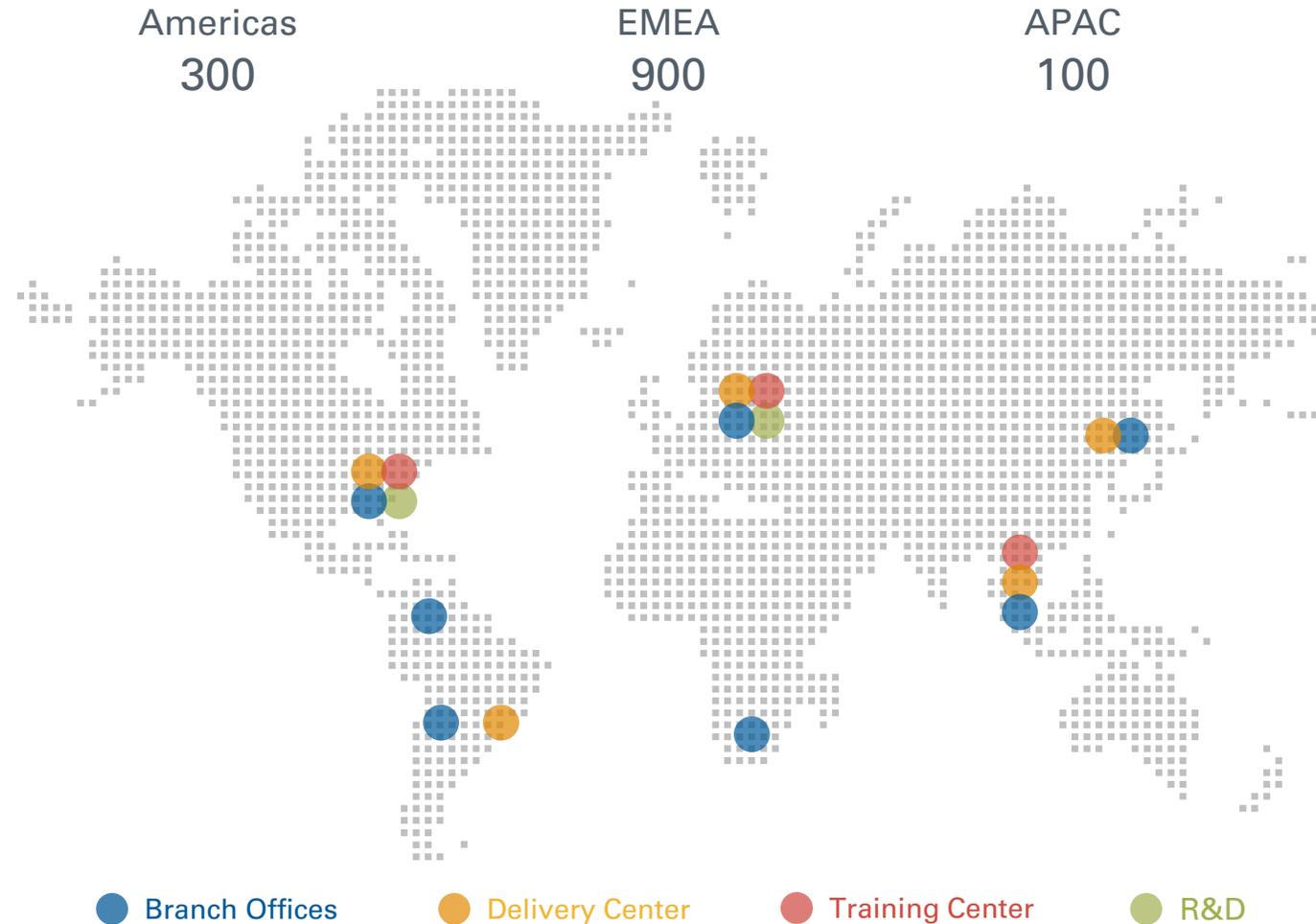
Dr. Andreas Schneider-Neureither  
**CEO**





\* 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



## PROVEN APPROACH

Our software and our consulting approach were examined by two leading auditors.



## SAP-CERTIFIED

SNP Interface Scanner  
SNP Transformation Backbone with SAP LT  
**SAP Certified**  
Powered by SAP NetWeaver



## GLOBAL ALLIANCES WITH SAP

Argentina, Chile, Germany, Poland, United Kingdom



A service partnership with SAP exists in all other countries with a branch office.



## INTERNAL PROCESSES

Our internal processes comply with DIN ISO 9001.



## PARTNERSHIP



# 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

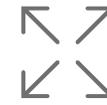


- Legal entity carve-out
- Selective carve-out of partial or complete entities and lines of business
- Share deal/asset deal support
- Data cleansing
- Archive split

#### 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

1 About SNP

2 Strategy & Market

3 Financials

4 Appendix

# 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

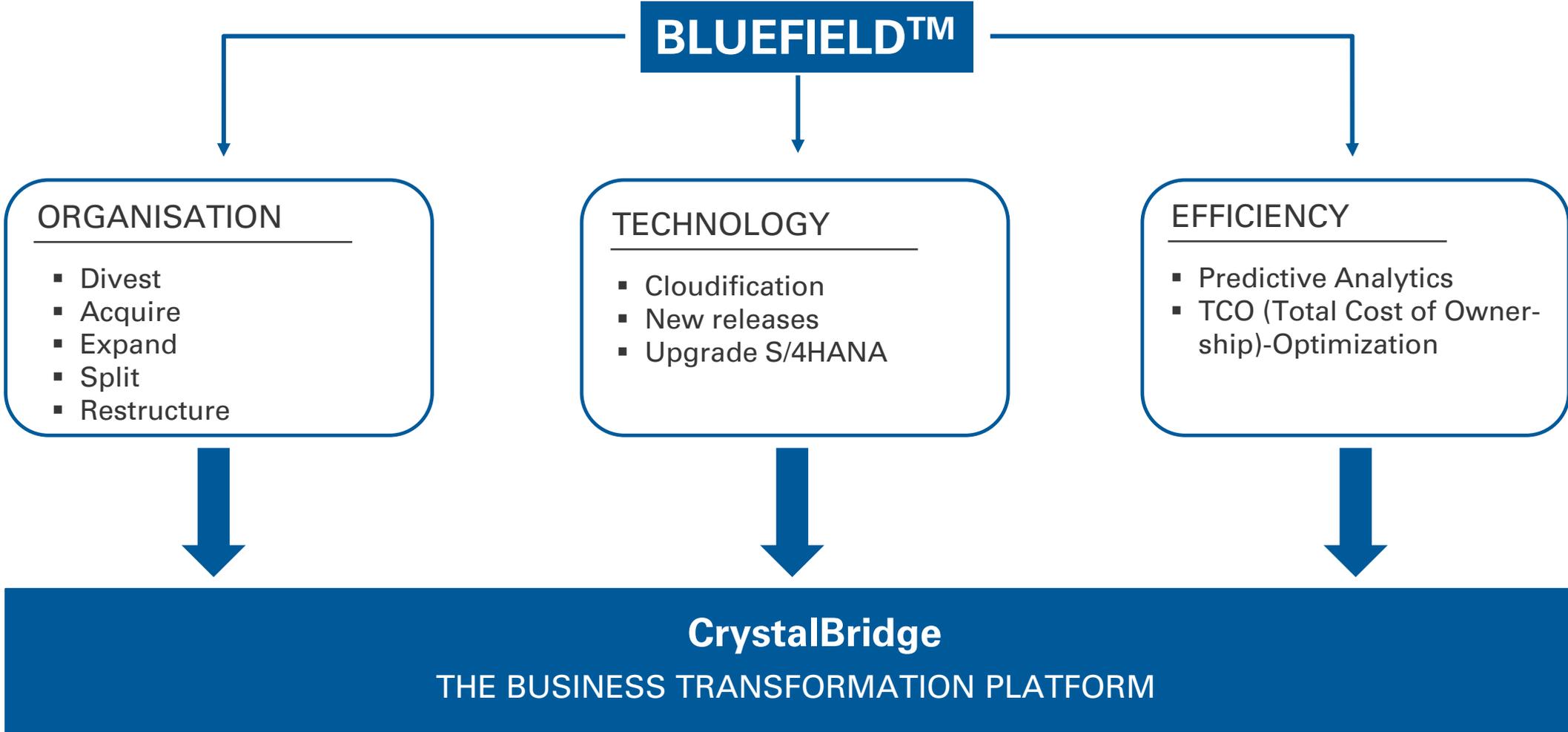
## SNP Transformation Business to leverage our experience and competencies

- **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



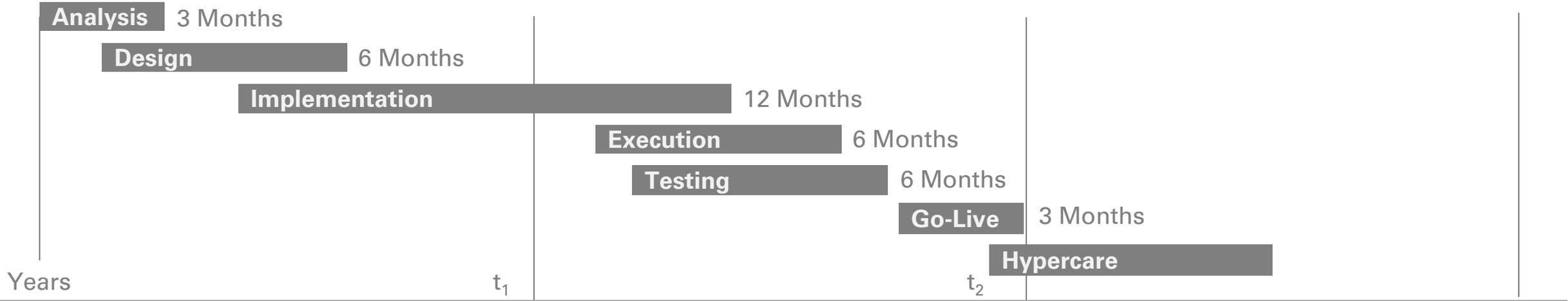
# CrystalBridge - The Business Transformation Platform



# The SNP Way: Completely streamlined processes via automation



## The Traditional Way: Massive Human Intervention



## The SNP Way: Automated / Algorithmic



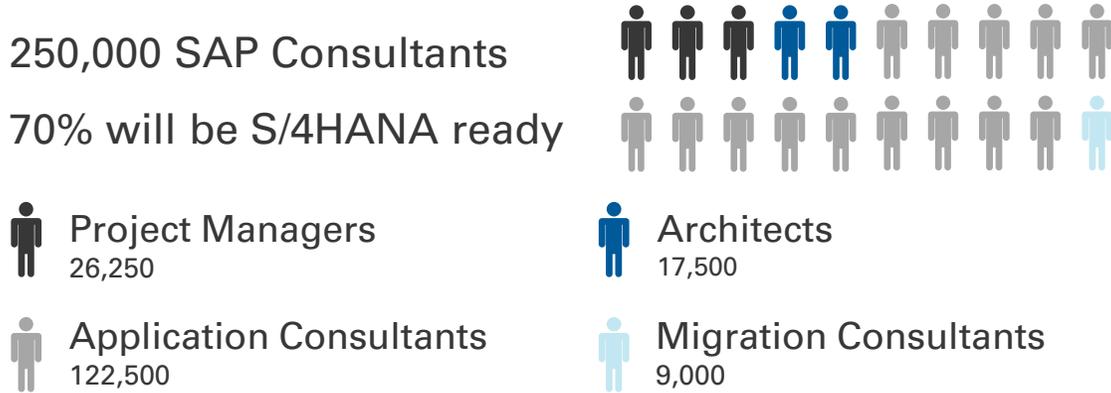
The representation is based on assumptions derived from experience gained by SNP over the years; Deviation possible in individual cases.

# 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.

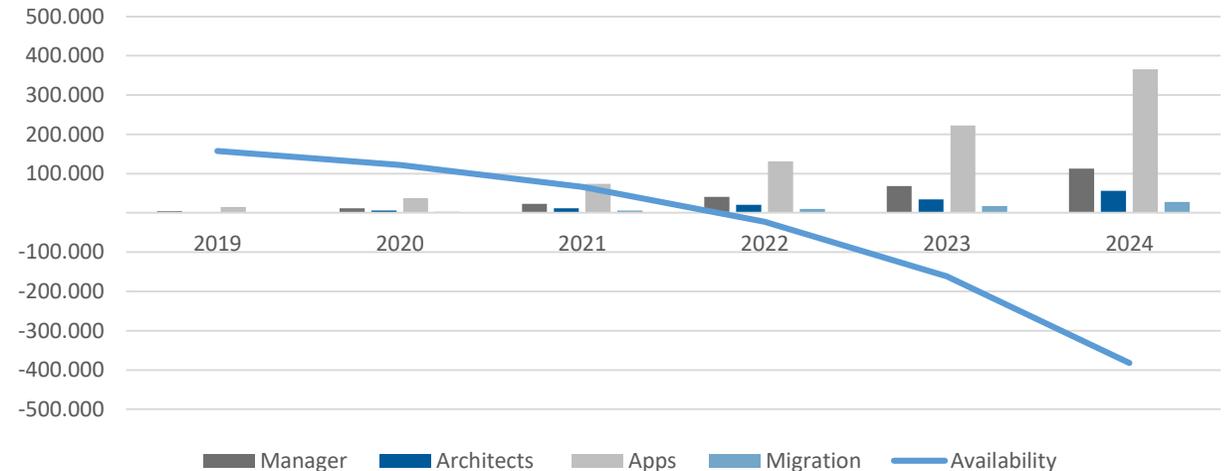
Year ending	Annual adoptions	Cumulative adoptions
2019	1,500	1,500
2020	2,376	3,876
2021	3,735	7,602
2022	5,894	13,496
2023	9,301	22,797
2024	14,677	37,474

## 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

- Contract with **World's Leading IT** and Consulting Firm based in the USA
- Minimum value of USD 30 mn until 2022
- Global Use of SNP Software

## September 2019

- Contract with **Google**
- 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

## November 2019

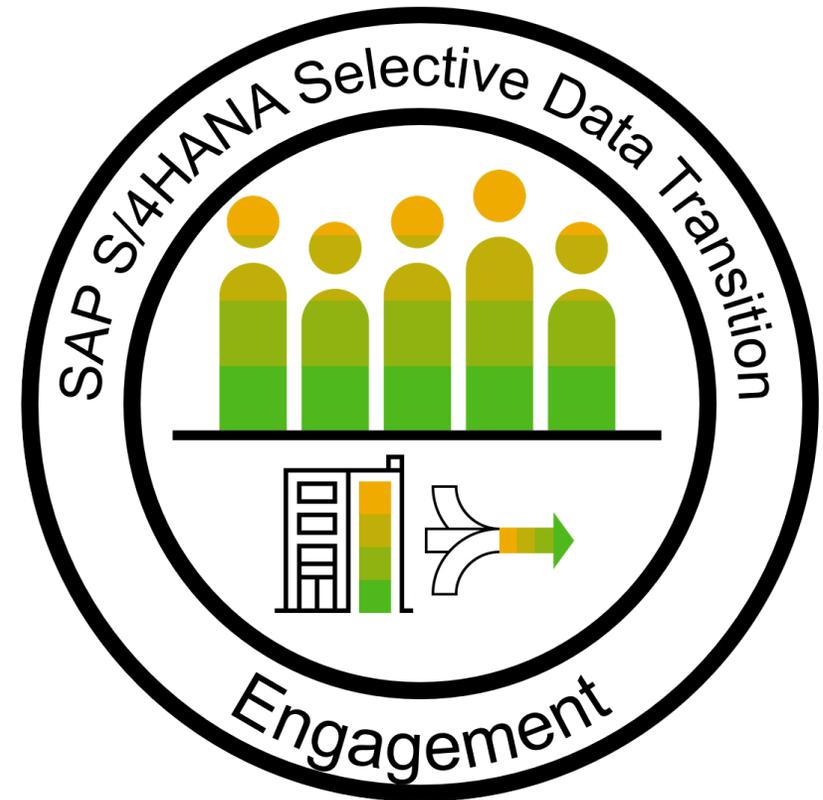
- Contract with **T-Systems**
- Signing of a three-year contract
- Goal is to plan and execute SAP 4/SHANA transformations in an automatic way for T-Systems customers
- Training of T-Systems employees

## November 2019

- Contract with **Mahle**
- Framework agreement running until end of 2025
- All SAP Systems will be transformed to one central SAP S/4HANA system
- Training 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

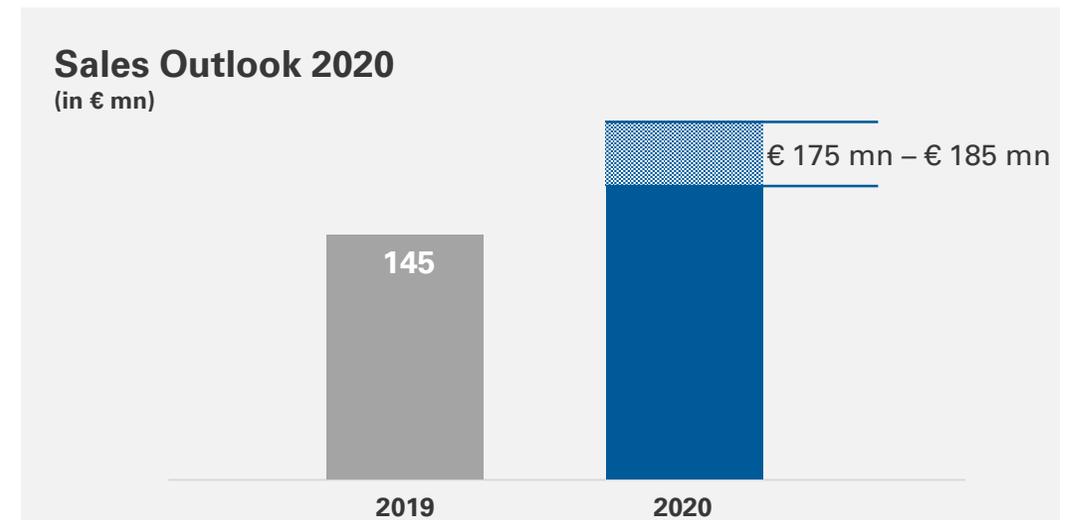
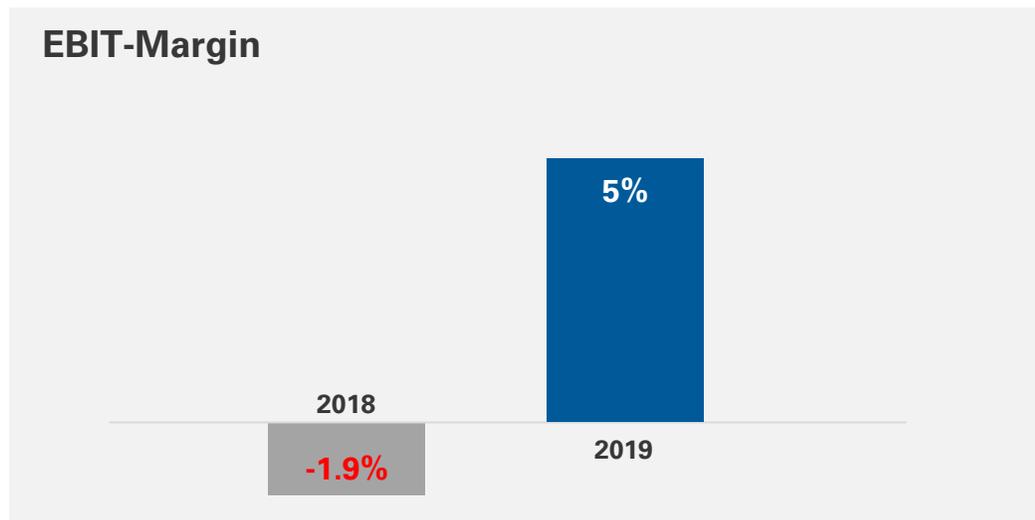
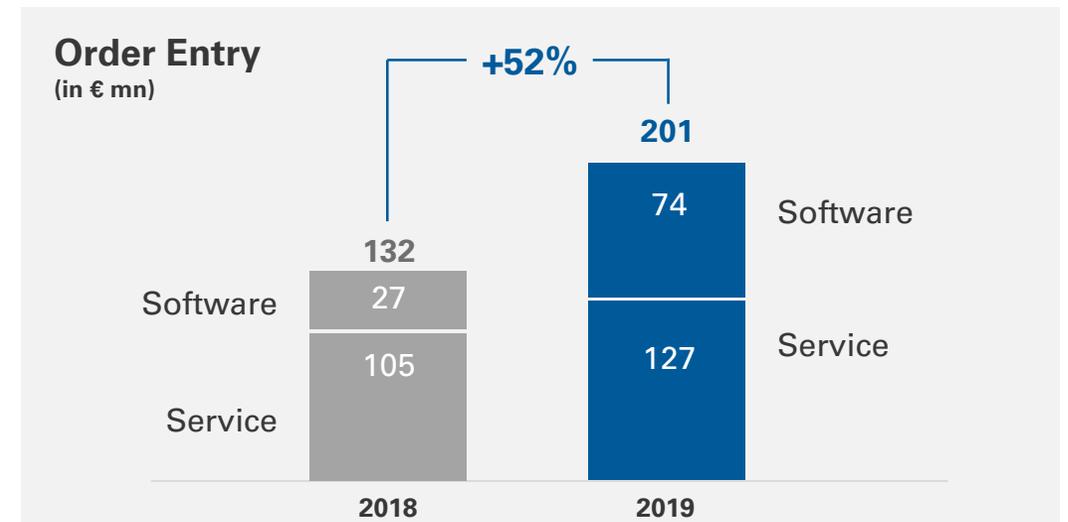
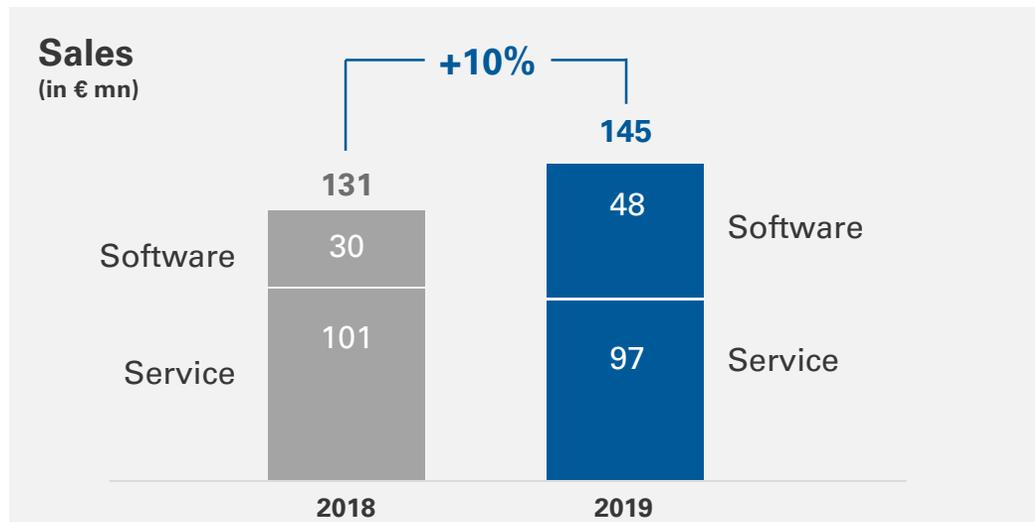
2 Strategy & Market

3 Financials

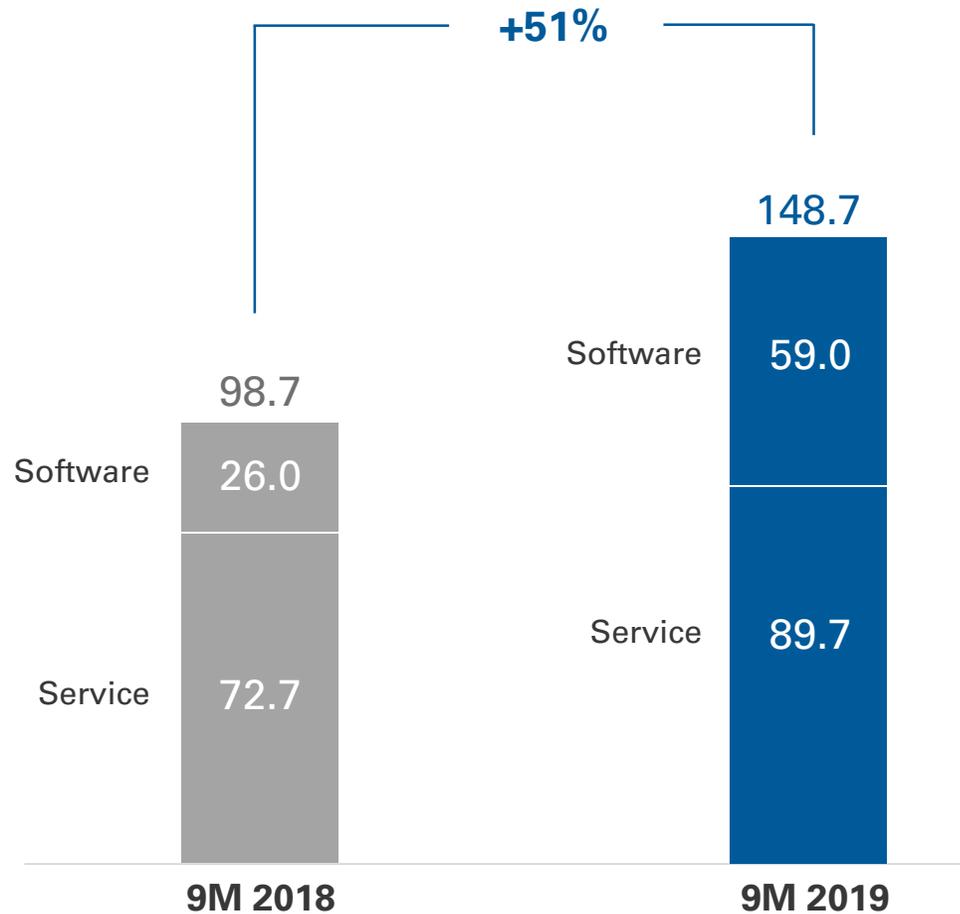
4 Appendix

# 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

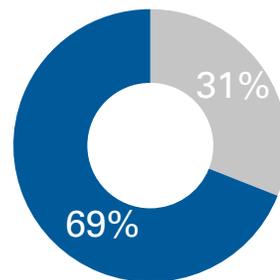
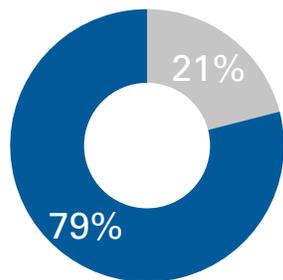
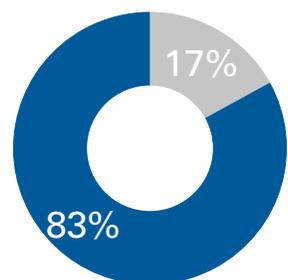
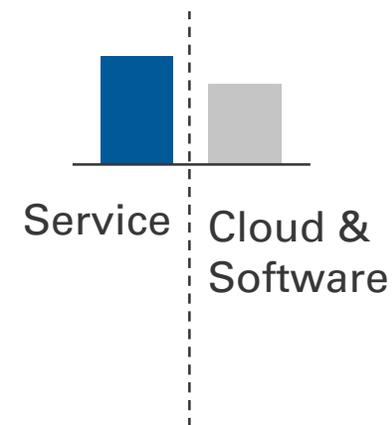
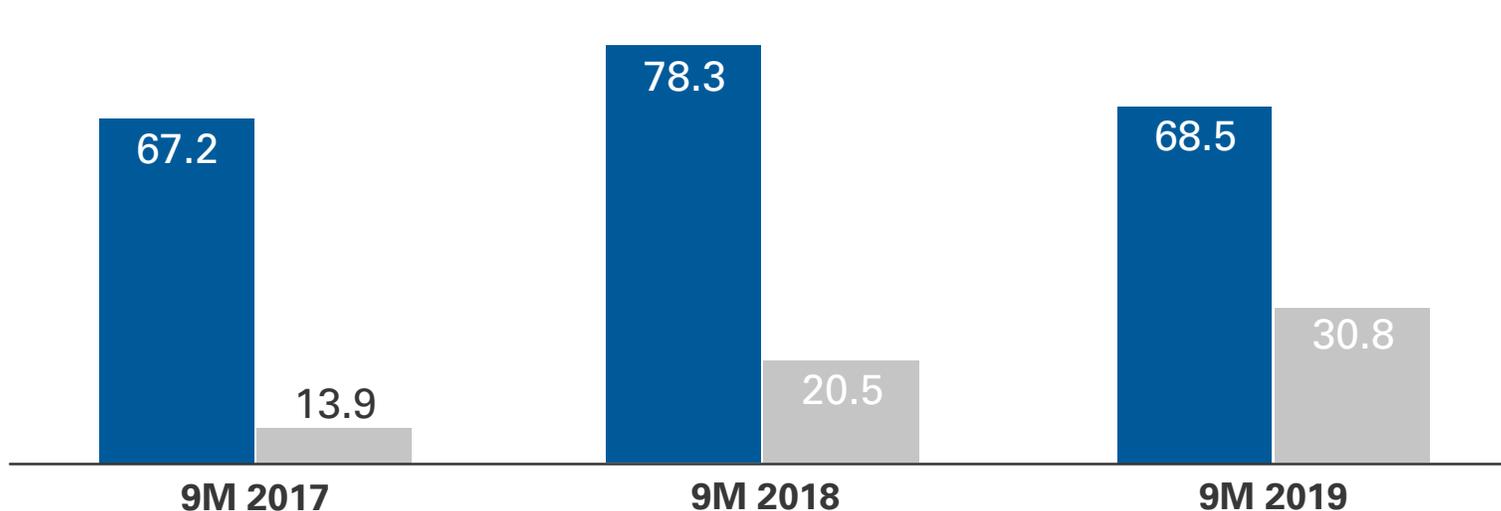


€ mn	9M 2019	9M 2018	Δ	Q3 2019	Q3 2018	Δ
Order Entry	<b>148.7</b>	98.7	+51%	<b>63.7</b>	31.5	+102%
Order Backlog (as of Sept. 30)	<b>91.3</b>	61.4	+49%	<b>91.3</b>	61.4	+49%
Revenue	<b>99.3</b>	98.8	+1%	<b>40.4</b>	33.7	+20%
EBITDA (IFRS)	<b>7.0</b>	0.5	+1,201%*	<b>9.1</b>	4.0	+124%*
EBITDA (Non IFRS,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

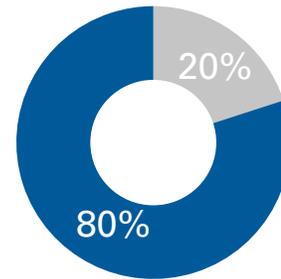
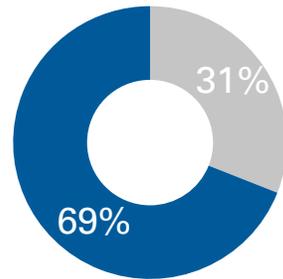
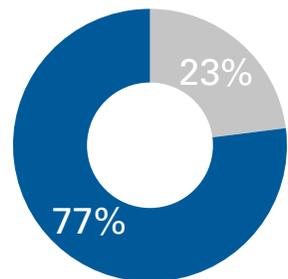
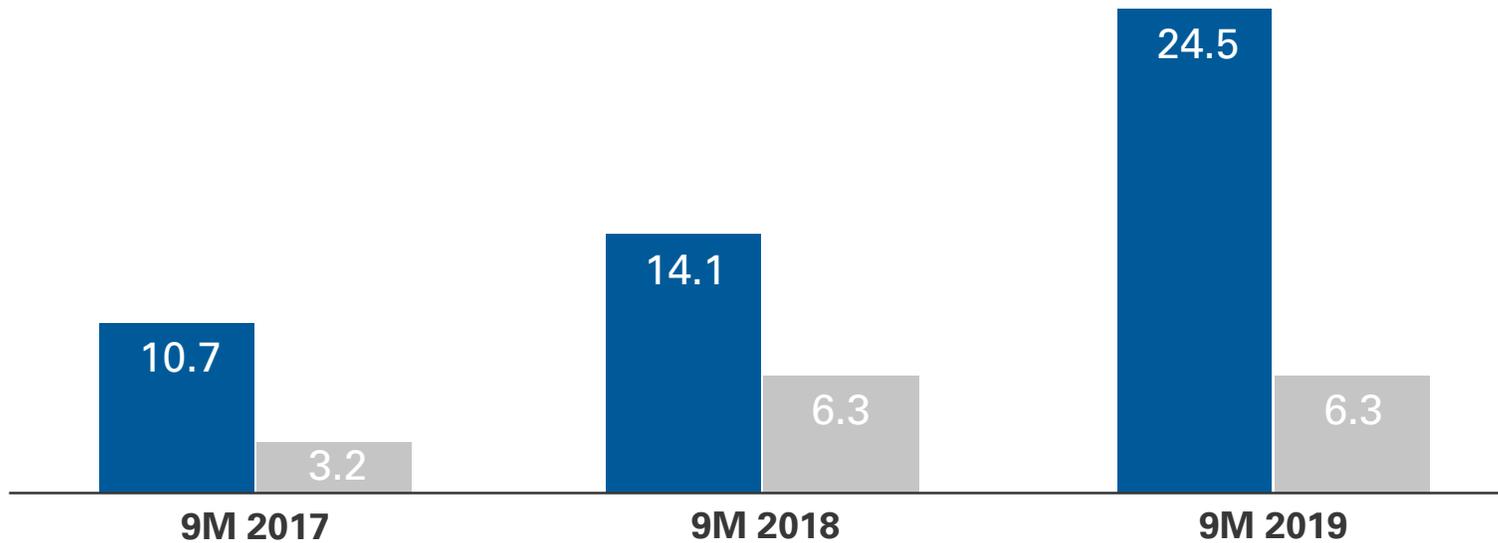
Revenues by Segments (€ mn)



- 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)



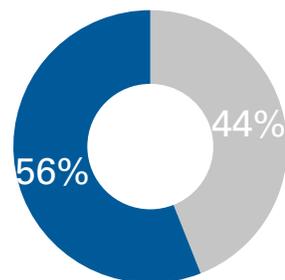
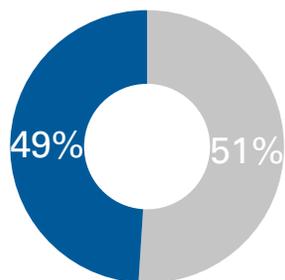
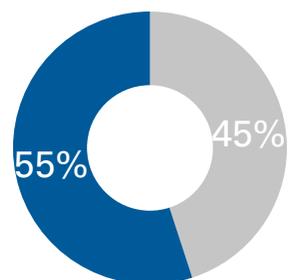
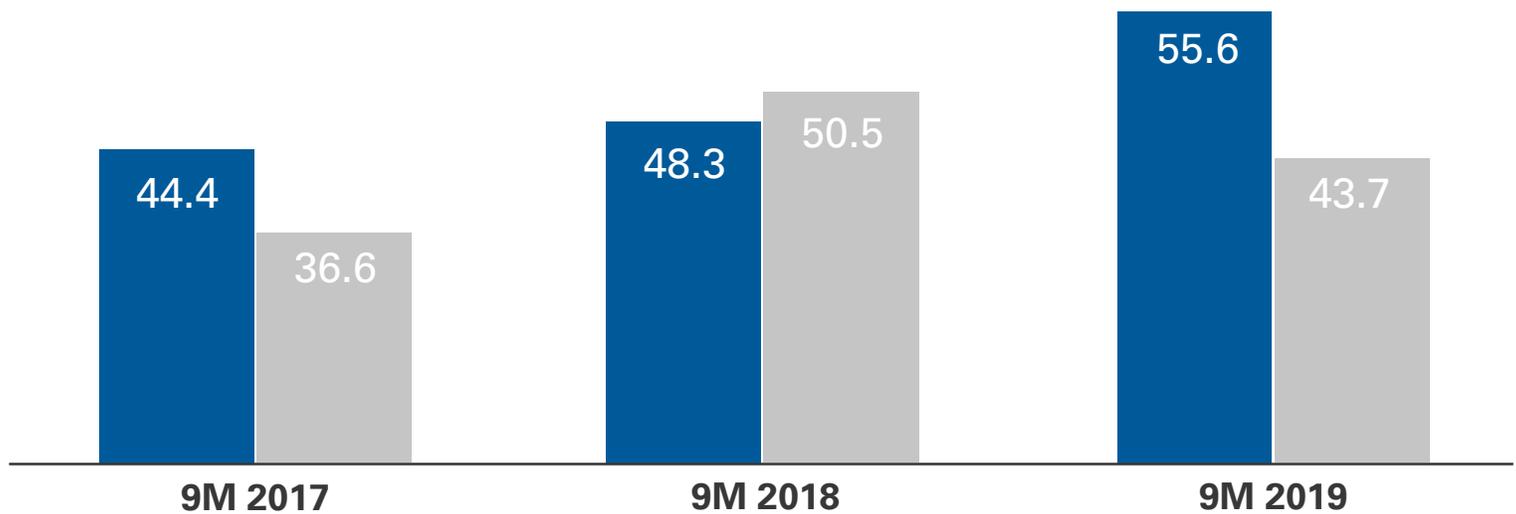
- **9M 2019 revenue with SNP in-house products:**  
€ 25.4 mn (9M 2018: € 13.2 mn; +92%)
- **9M 2019 revenue with third-party products:**  
€ 5.4 mn (9M 2018: € 7.3 mn; -26%)

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

# Strong Business in the DACH Region

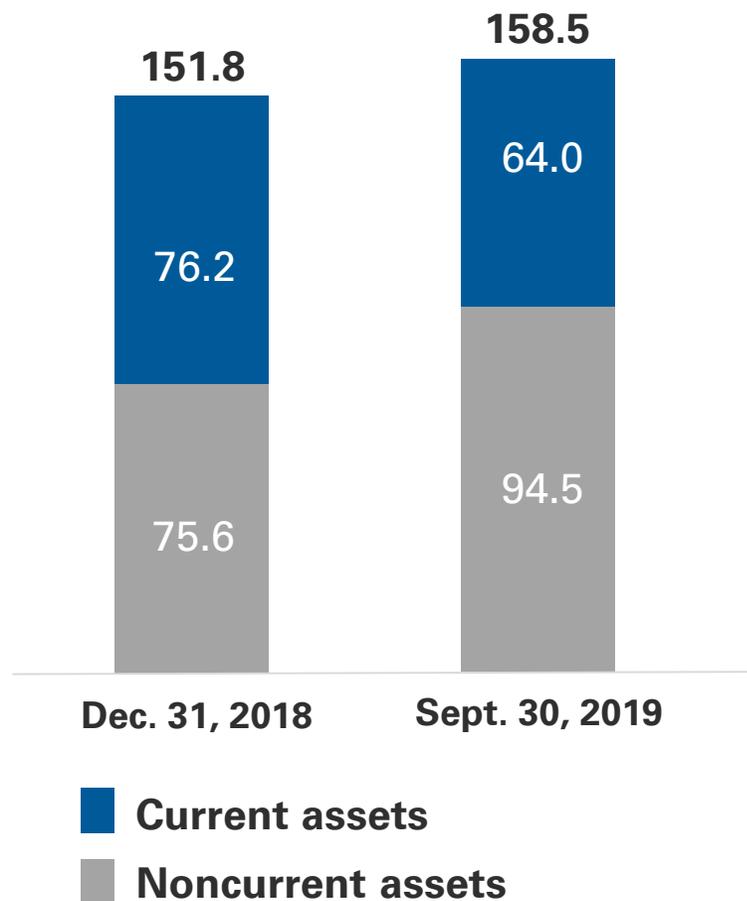


Revenues by Regions (€ mn)



- 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.**

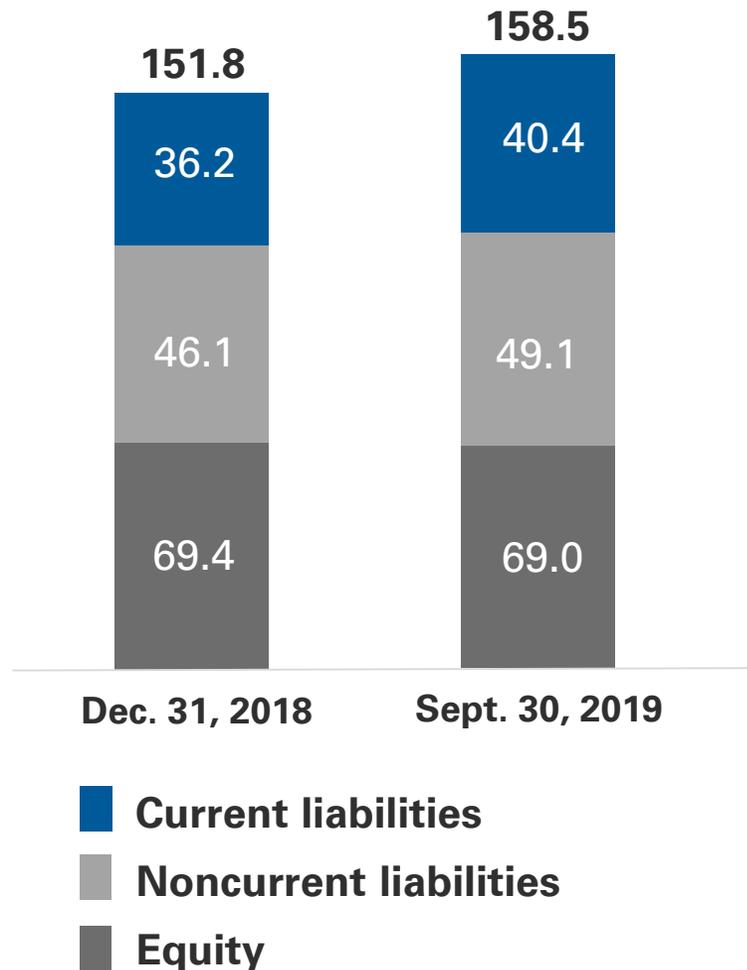
**Current assets decreased by € 12.2 mn to € 64.0 mn:**

- € 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:

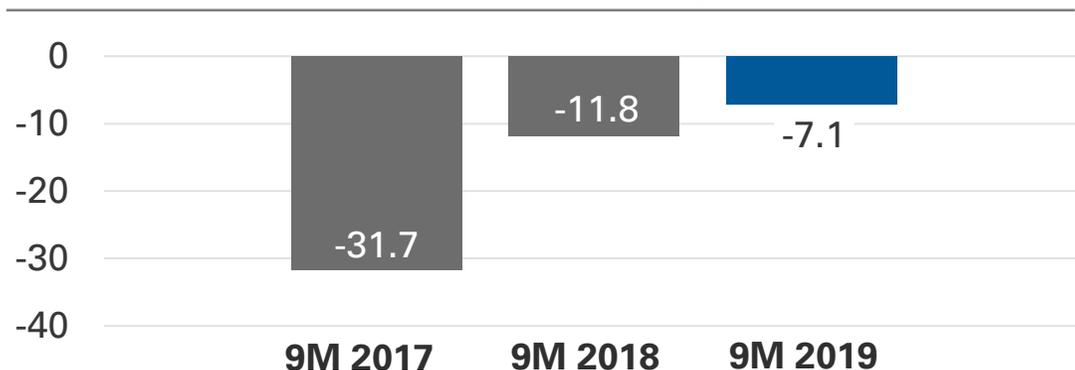
- Retained earnings increased by € +0.3 mn to € 7.9 mn.
- Equity ratio declined from 45.7% to 43.5%.

# Cash Flow Statement (€ mn) (1/2)

## Cash Flow from operating activities



## Cash Flow from investing activities



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

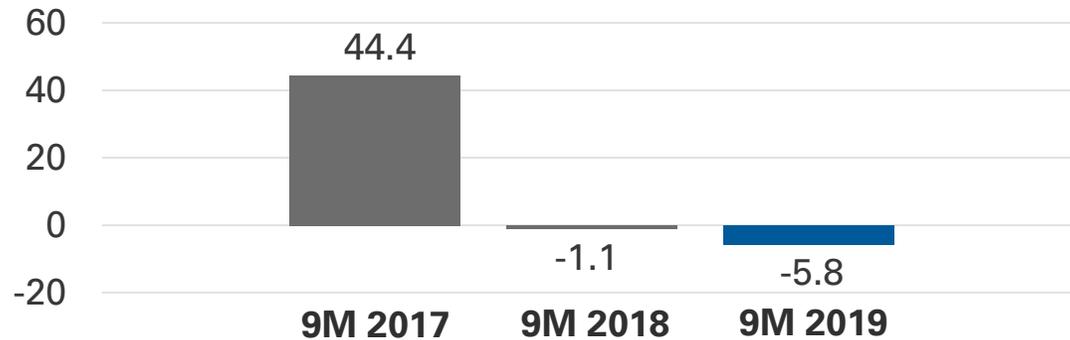
- ... the increase in trade receivables, inventories and other assets (€ +12.8 mn).
- The increased trade receivables and other contract assets are mainly associated with a very high revenue volume in Q3 2019.
- The balance sheet items also included, as a one-time effect, accrued license receivables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

### 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)

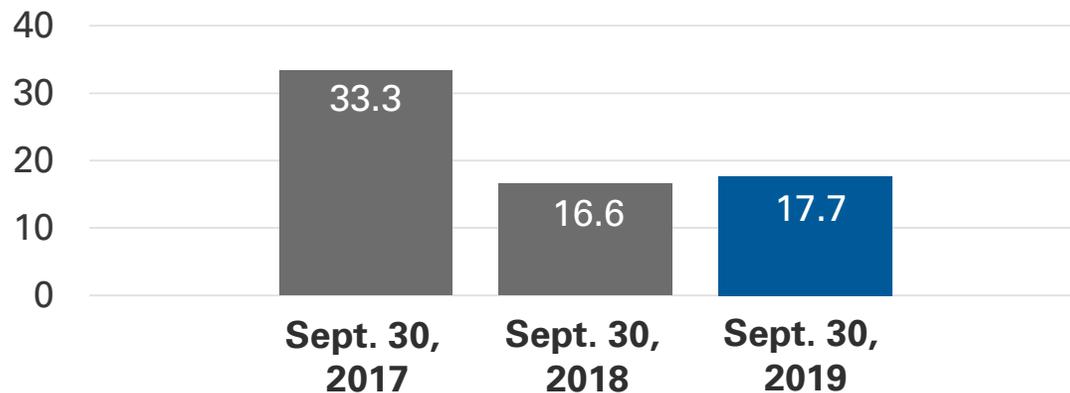
## Cash Flow from financing activities



**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



1 About SNP

2 Strategy & Market

3 Financials

4 Appendix

# Appendix

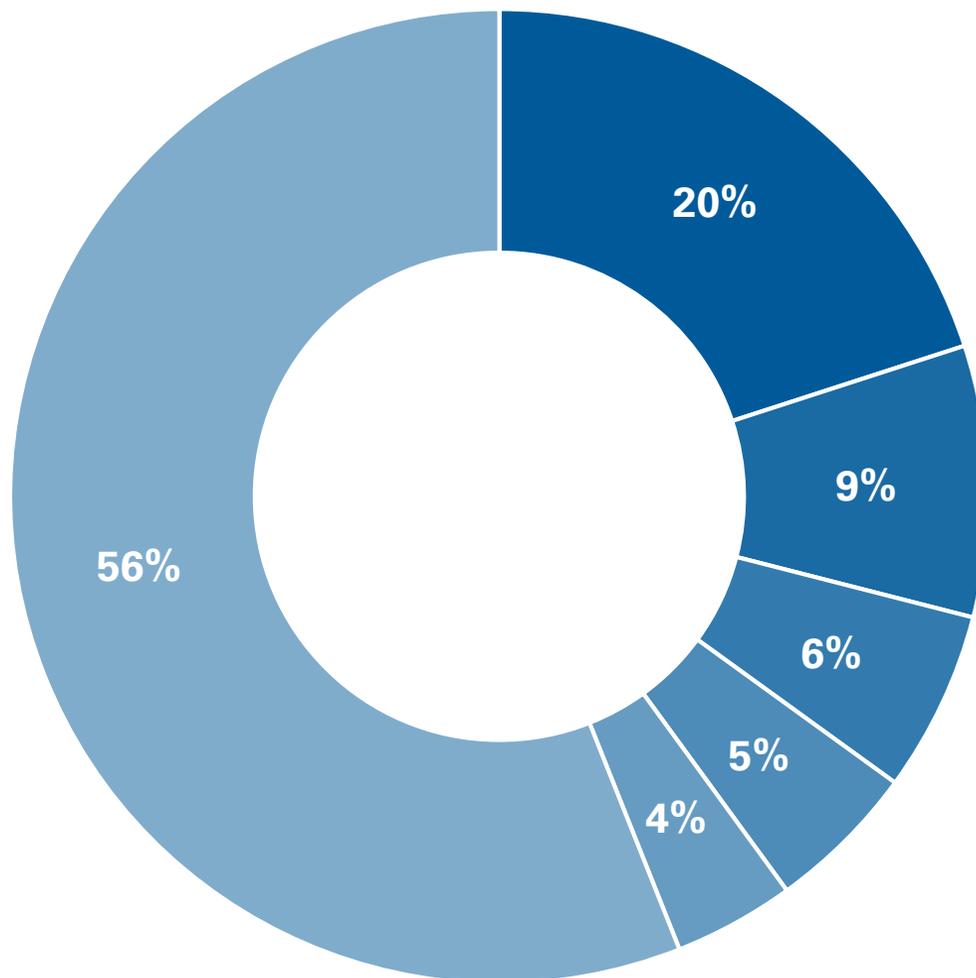
# Key Share Data



<b>ISIN</b>	720 370 / DE0007203705 / SHF
<b>Segment</b>	Prime Standard
<b>Stock Exchanges</b>	Xetra, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Dusseldorf
<b>Indices</b>	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index
<b>Designated Sponsor</b>	Oddo Seydler
<b>Research Coverage</b>	Bankhaus Metzler, Berenberg, NordLB, Mainfirst, Warburg Research
<b>Number of Shares</b>	6,602,447
<b>Share Price (Feb. 3rd, 2020)</b>	€ 61.50
<b>Market Capitalization</b>	≈ € 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

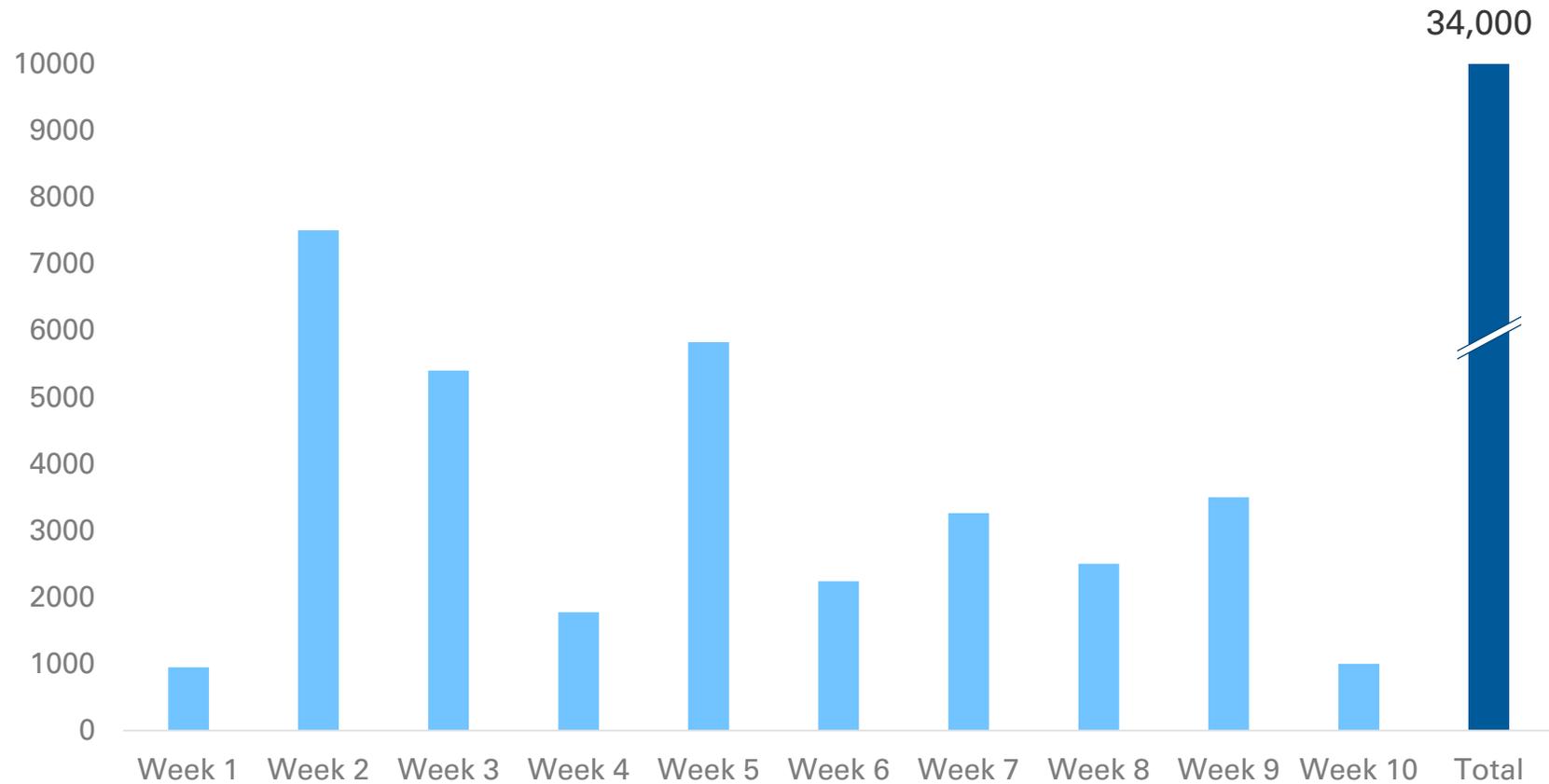


- Dr. Andreas Schneider-Neureither
- AkrosA Private Equity
- Swedbank
- Oswin Hartung
- Kabouter
- Free Float

# 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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