



Growth “beyond 2022”

Analyst and Investor Conference 2022
4 April 2022

Disclaimer

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Agenda

1.

-
- “2020plus” strategy: successful transformation
 - Hard facts: the strategy is working

Jürgen Hermann, CEO
Christoph Reif, CFO

2.

- Expect the next: growth “beyond 2022”
- Growth in the cloud and SAP businesses
- Booster due to SaaS business
- Takeaway: q.beyond is a worthwhile investment
- Q&A

Jürgen Hermann, CEO
Thies Rixen, COO
Thorsten Raquet, CINO
Jürgen Hermann, CEO
All

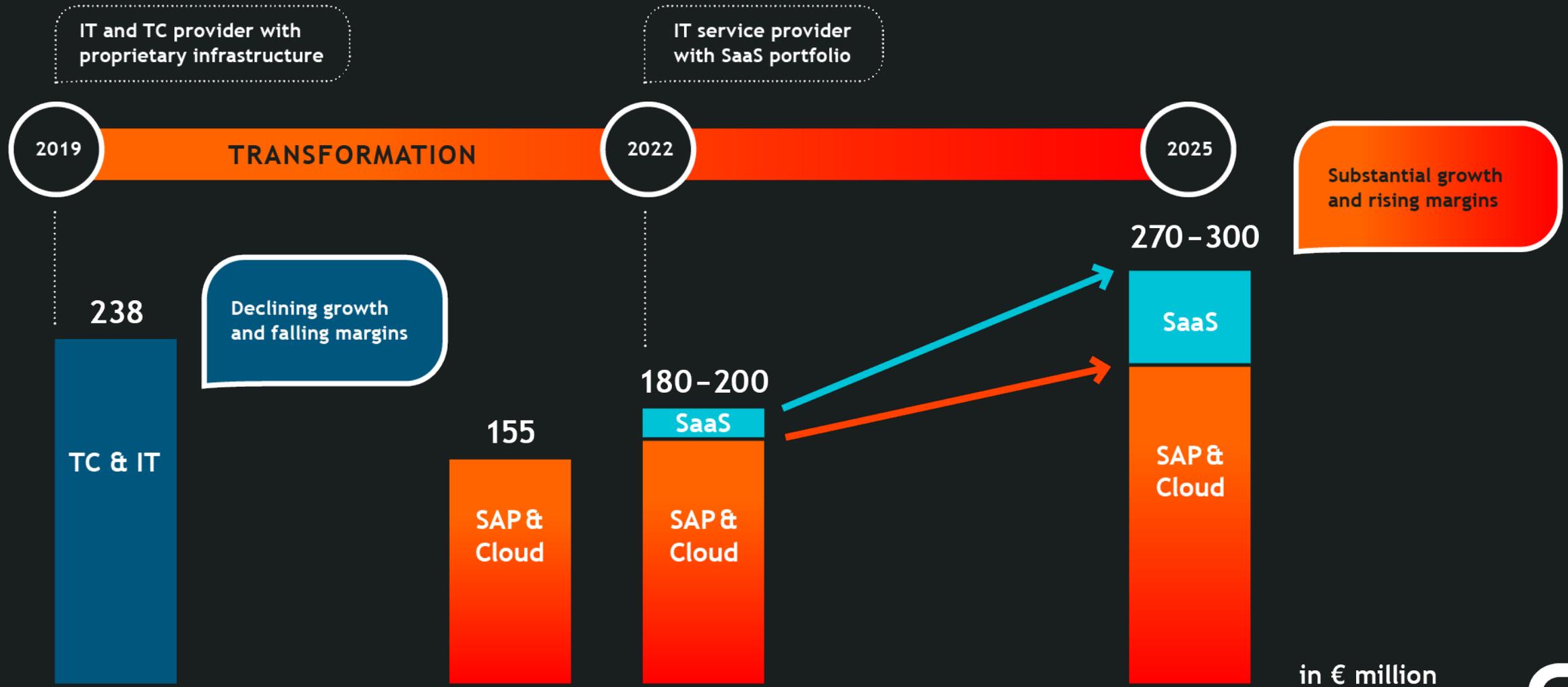
Lunch



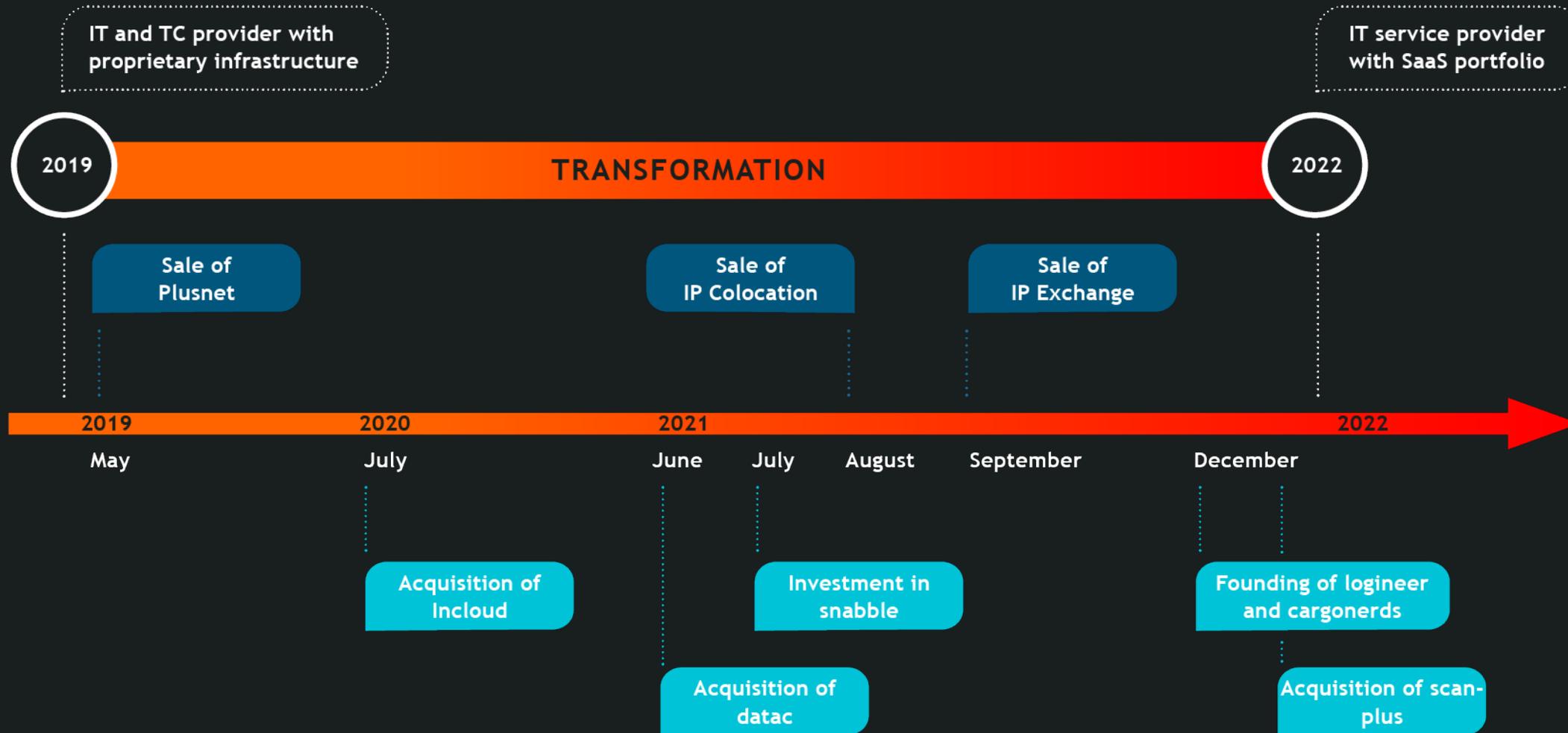
“2020plus” strategy: successful transformation

Jürgen Hermann, Chief Executive Officer

Transformation forms basis for profitable growth



M&A transactions support transformation



Portfolio aligned to customers' needs

q.beyond's portfolio

Customers' needs



Retail



Logistics



Energy



Manufacturing

SaaS

Growth driven by
new business models



Cloud



SAP

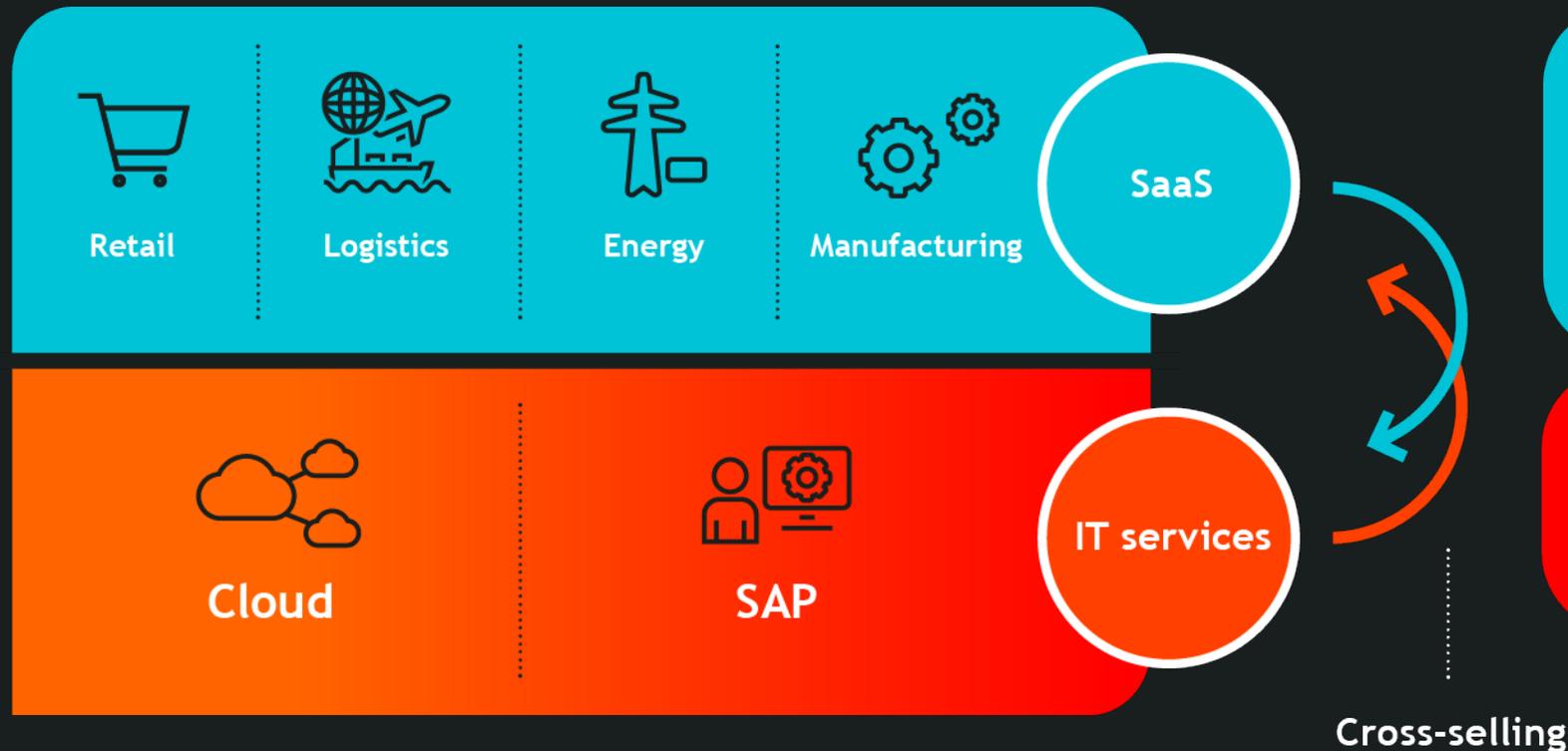
IT services

Enhanced efficiency



Portfolio offers stability and new opportunities

q.beyond's portfolio

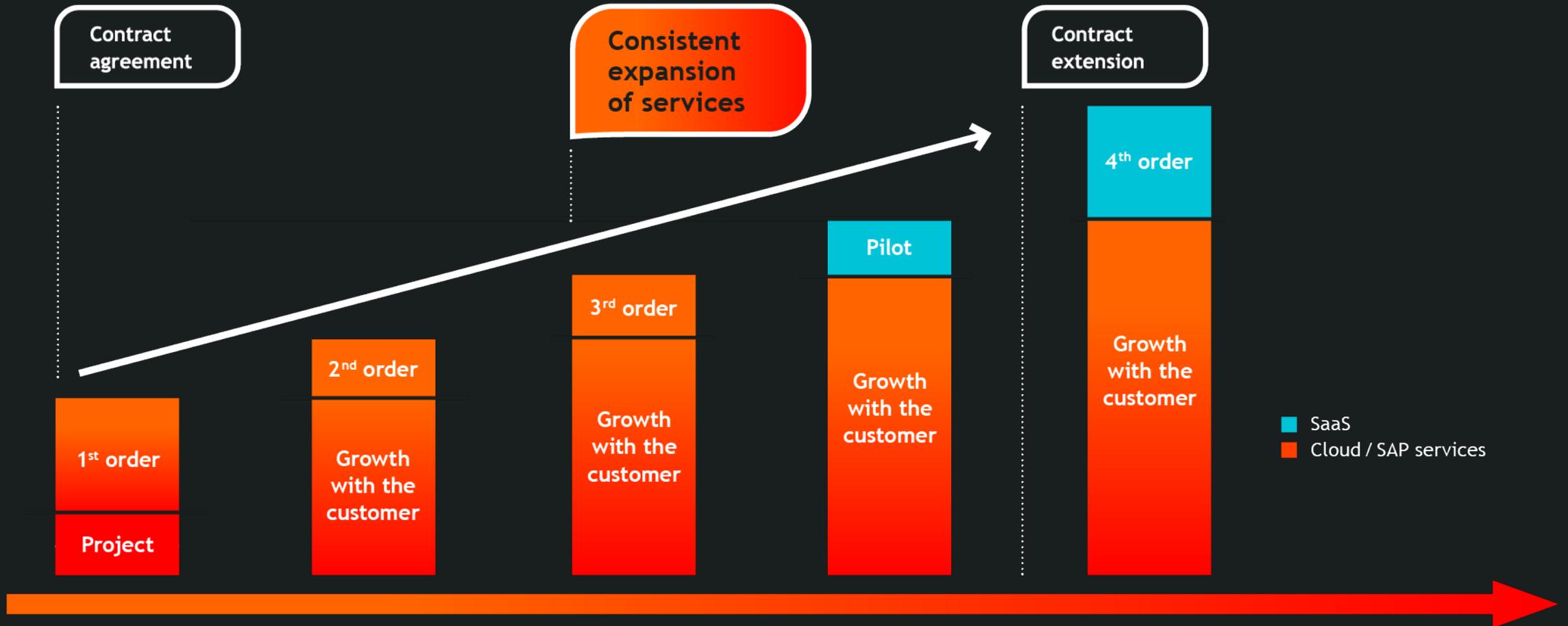


Opportunities

- Growth > 50%
- High margins
- Recurring revenues
- Advance investment needed
- Success due to sector expertise

- Growth 7-10%
- Solid margins
- Recurring revenues

Targeted and sustainable customer development





Hard facts: the strategy is working

Christoph Reif, Chief Financial Officer

2021 financial year: all targets met again

Successful colocation sale leads to high one-off profit and inflow of liquidity

	2021 targets	2021 results	
Revenues	155 – 165 m	155,2 m	✓
EBITDA	More than 31 m	31.7 m	✓
Free cash flow	At least 33 m	33.2 m	✓



Significant revenue growth in 2021 again

- 77% of 2021 revenues are recurring
- 70% of revenues attributable to focus sectors of retail, logistics, manufacturing, and energy

Revenues
in € million



Record new orders boost growth momentum

- 84% of orders come from new customers or involve new projects for existing customers
 - Contracts generally have terms of 3 to 5 years
- Reliable foundation for ongoing strong and profitable growth

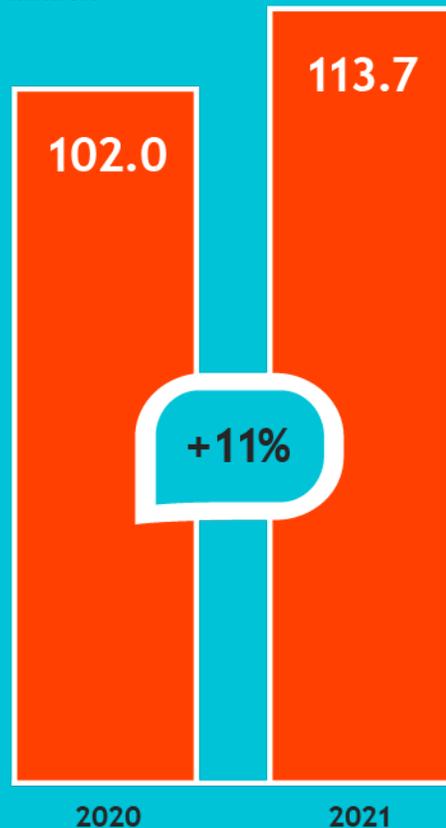
New orders
in € million



Cloud & IoT as key growth driver

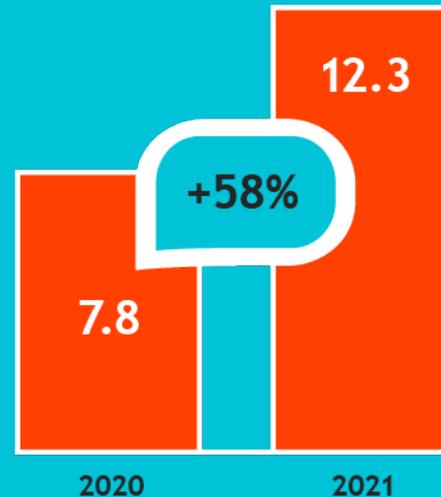
Revenues

in € million



Segment contribution

in € million



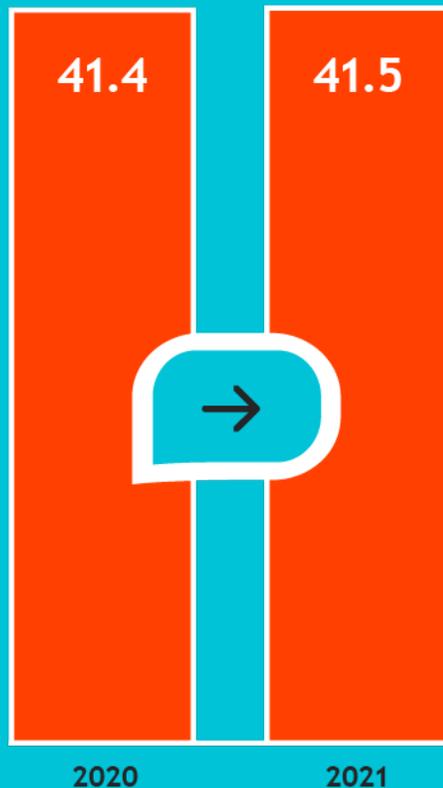
- Segment comprises Cloud & IoT and SaaS business
- **High demand** for cloud solutions and digital workplaces
- **Cloud business is highly scalable:**
 - platform-based
 - rising IP share
 - automated processes
- **Disproportionate improvement** in segment contribution
- Segment contribution would be higher without start-up costs for SaaS solutions



SAP business sustainably more profitable

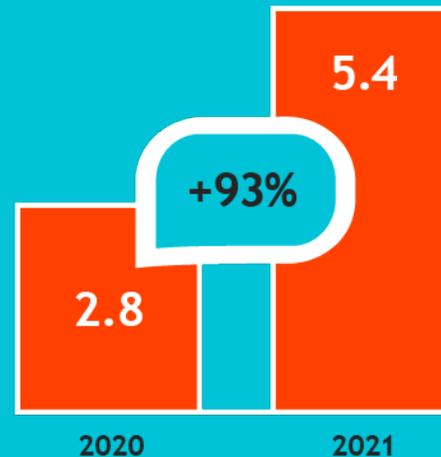
Revenues

in € million



Segment contribution

in € million



- **Recurring revenues** from operations and application management **stabilise business** during pandemic
- Restrictions on contact hold back on-site consulting
- **Segment margin rises from 7% to 13%**
 - reduction in number of external consultants
 - improved capacity utilisation



Disproportionate earnings growth

In € million	2020		2021
Revenues	143.4	↗	155.2
Cost of revenues	(120.2)		(124.9)
Gross profit	23.2	↗	30.3
Sales and marketing expenses	(12.6)		(12.6)
Segment contribution	10.6	↗	17.7
General and administrative expenses	(14.7)		(17.2)
Other operating income	2.9		36.3
Other operating expenses	(0.7)		(5.1)
EBITDA	(2.0)	↗	31.7
Depreciation and amortisation	(16.8)		(16.6)
EBIT	(18.8)	↗	15.2
Financial result	(0.5)		(0.5)
Income taxes	(0.6)		(4.8)
Consolidated net income	(19.9)	↗	9.8

- Revenues grow by 8%
- Gross profit rises by 31%
- Segment contribution increases by 67%
- Transaction costs raise administration and other operating expenses
- One-off items of € 29.5 million (net) due to colocation sale
 - + accounting gains
 - reduction in goodwill
 - transaction costs



High marginal return in 2021

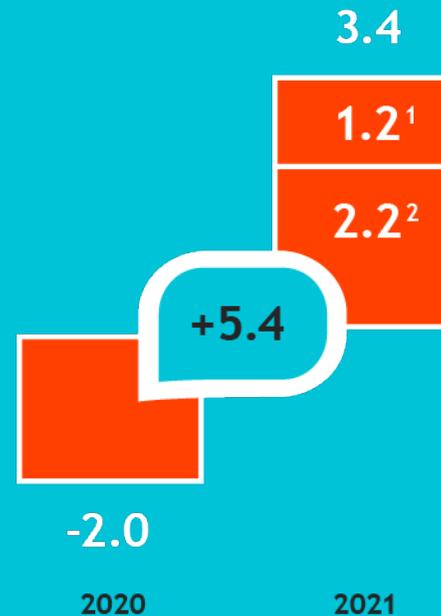
Revenues

in € million



Operating EBITDA

in € million



- 2021 again documented the scalability of the business model – the marginal return exceeded 40%

¹ M&A transaction costs

² EBITDA before deconsolidation



Free cash flow rises to € 33.2 m

Net liquidity

in € million



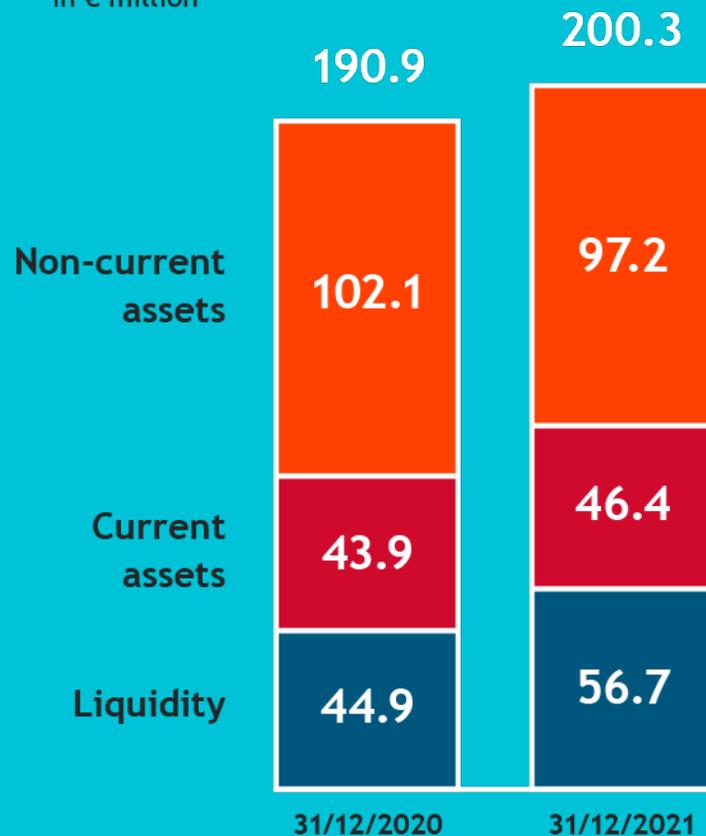
- Sale of colocation business has one-off impact on free cash flow
- Operating FCF: € -11.6 m
- Outflows of funds for
 - datac takeover
 - snabble investment
 - entry into logistics
 - scanplus takeover
- H1 2022: redemption of lease obligations at scanplus (€ 7.8 m)



q.beyond's financing is rock solid

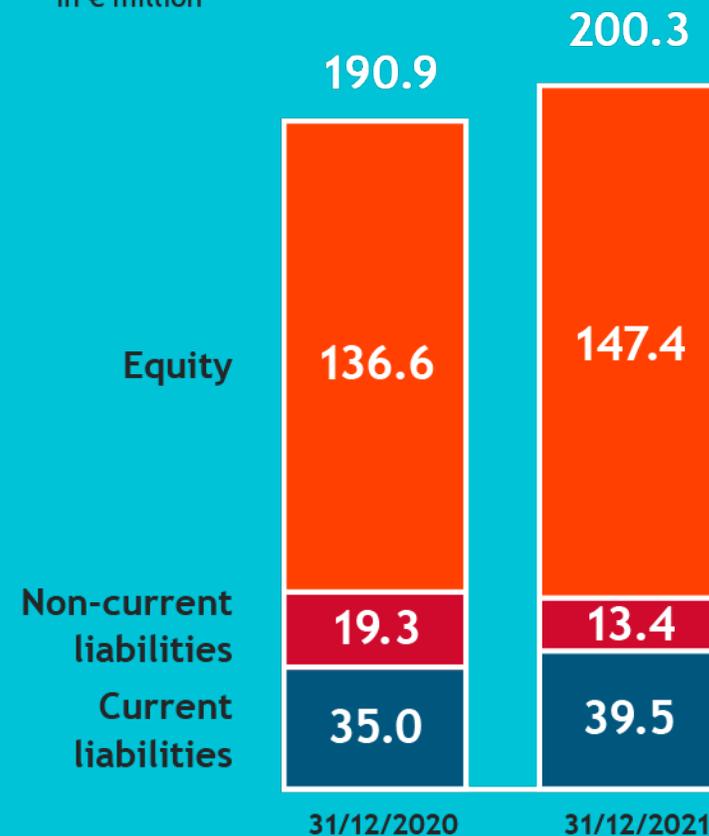
Total assets

in € million



Total equity and liabilities

in € million



High net liquidity

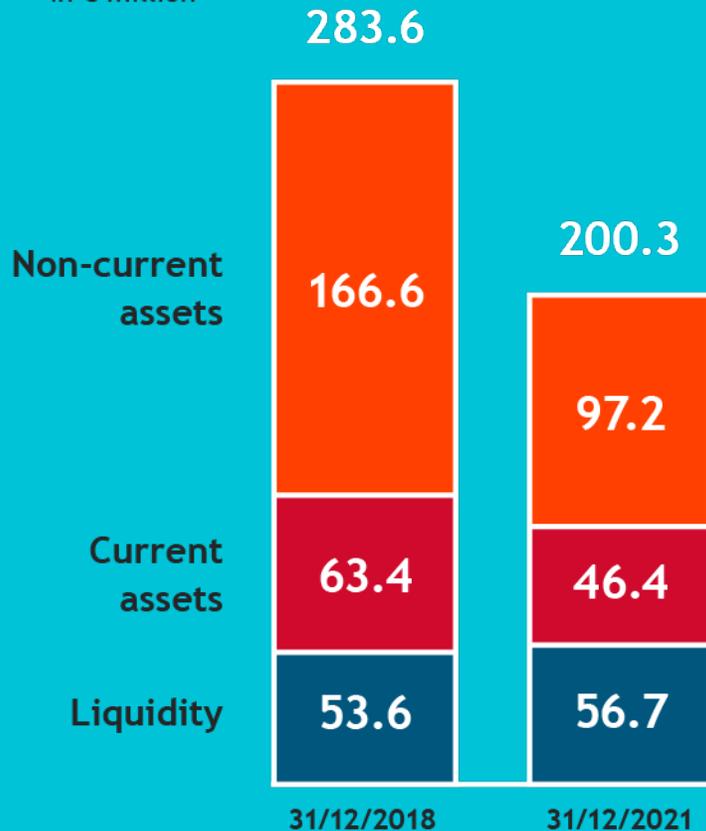
- Equity ratio of 74%
 - No bank debts
- Strong financing for the strong growth planned



Balance sheet transformed

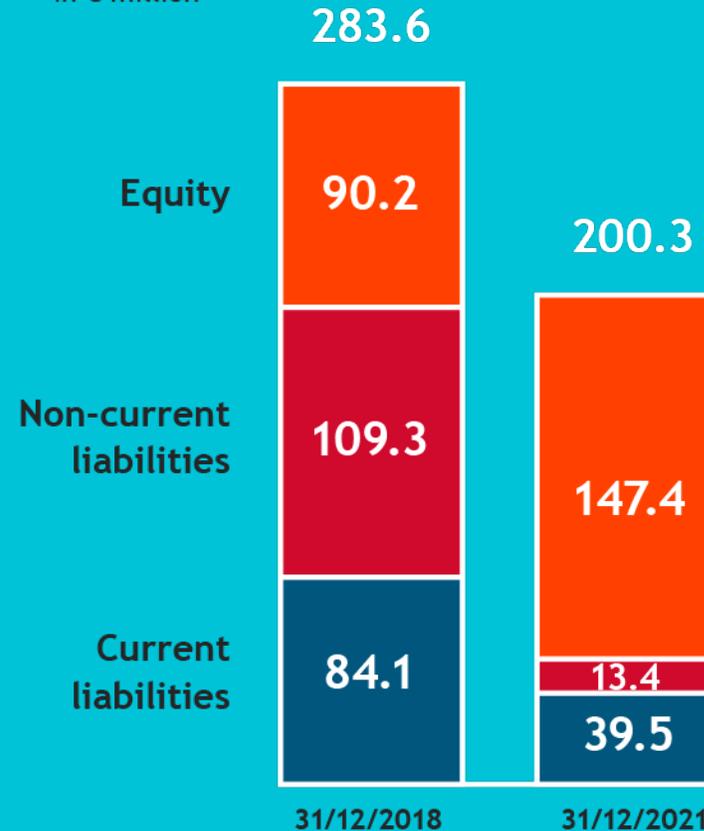
Total assets

in € million



Total equity and liabilities

in € million



Three-year comparison underlines solidity:

- Transformation to **asset-light company** due to Plusnet and colocation sales
- **Net liquidity of € 56.2 million** rather than net debt of € 66.4 million (31.12.2018)
- **Equity ratio rises to 74%** (31.12.2018: 32%)

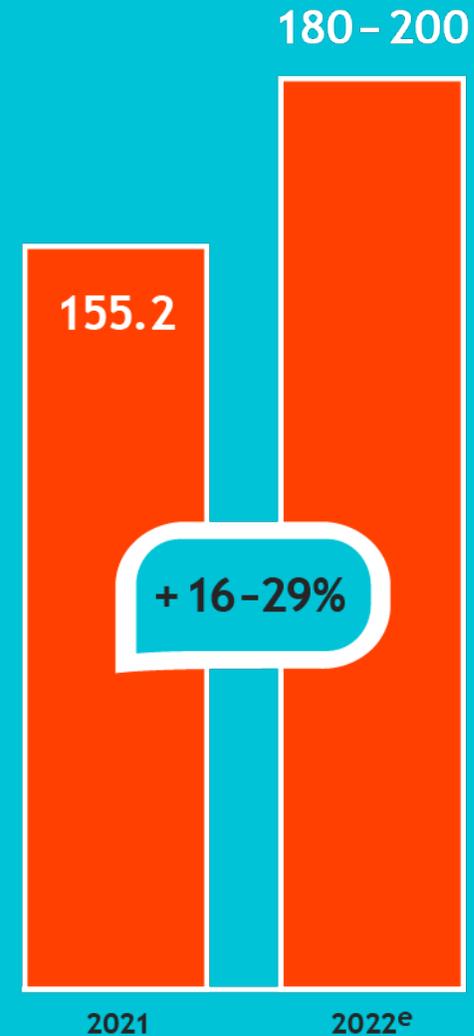


Accelerated growth in 2022

Forecast

- **Revenues** to grow to € 180 to 200 million (depending on economy and pandemic)
 - **EBITDA** to rise to € 8 to 16 million (operating EBITDA in 2021: € 3.4 million)
 - **Free cash flow** at a maximum of € -10 million
- Earnings and financial strength in 2022 influenced by expansion in SaaS business, also via acquisitions, and scanplus integration

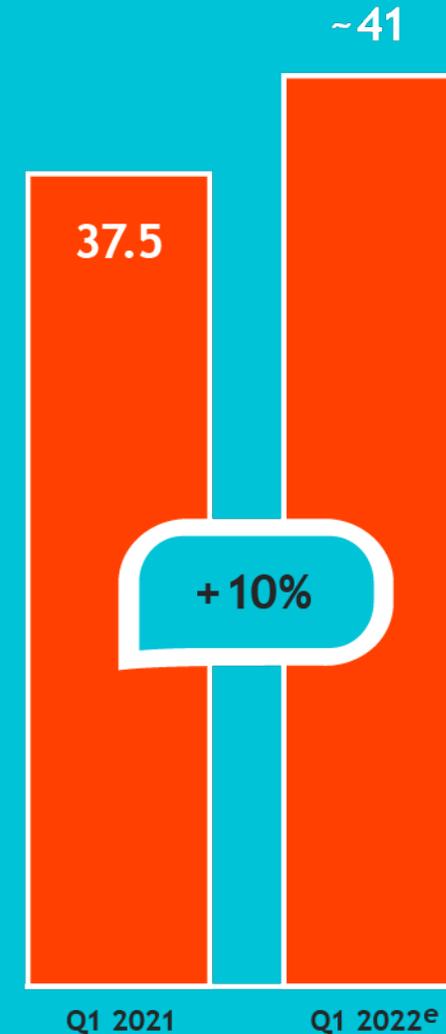
Revenues in € million



Growth set to accelerate as 2022 progresses

- **Q1 2022**
 - Revenues ~€41 million
 - New orders ~€70 million
- **Higher growth in H2 2022**
 - Stronger SAP business
 - Increasing revenues with SaaS solutions
 - Decrease in economic uncertainty
- **EBITDA grows as revenues grow**
 - Our business model is scalable (marginal return in 2021: >40%)

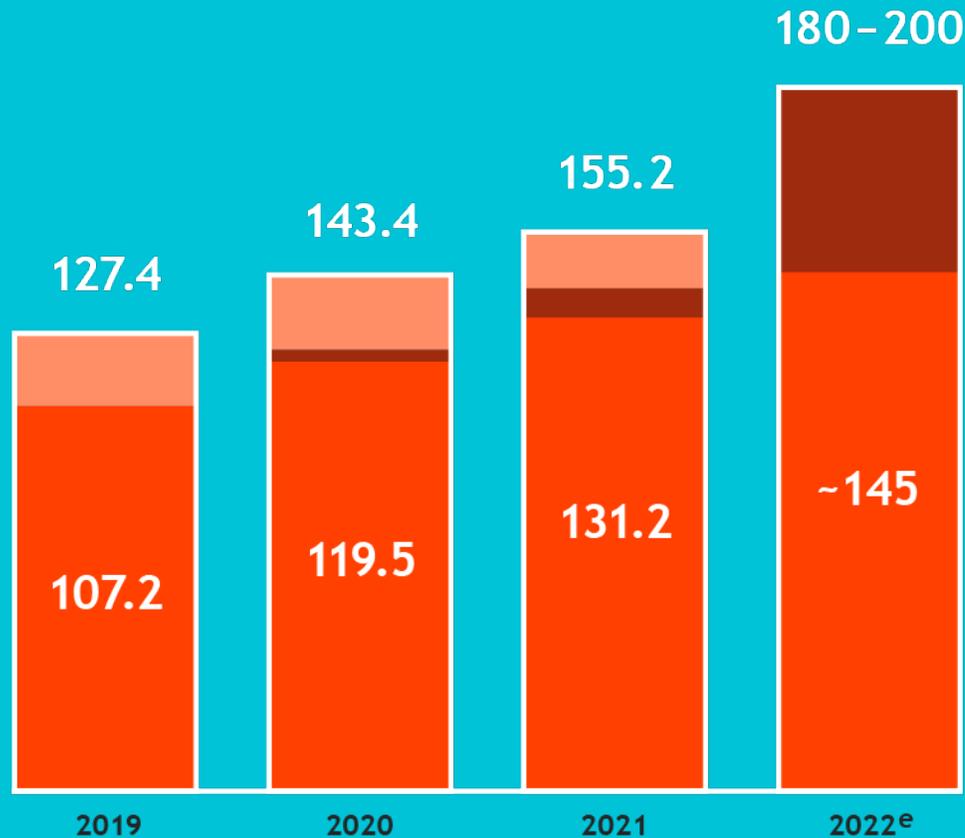
Revenues
in € million



Double-digit organic growth

Revenues

in € million



- Growth in organic cloud and SAP business (CAGR: 11%) as key revenue driver
- Growth trajectory supported by revenue contributions from companies acquired
- From 2022, scanplus revenues (> € 20 m) will replace revenues from the colocation business

■ Divestment (colocation)
■ External
■ Organic





Expect the next: growth “beyond 2022”

Jürgen Hermann, Chief Executive Officer

“beyond 2022”: key pillars of strategy unchanged

“beyond 2022”

Attractive Cloud and SAP businesses

- Recurring revenues
- High scalability

High-margin SaaS business

- Integrated solutions
- New technologies

Sector focus

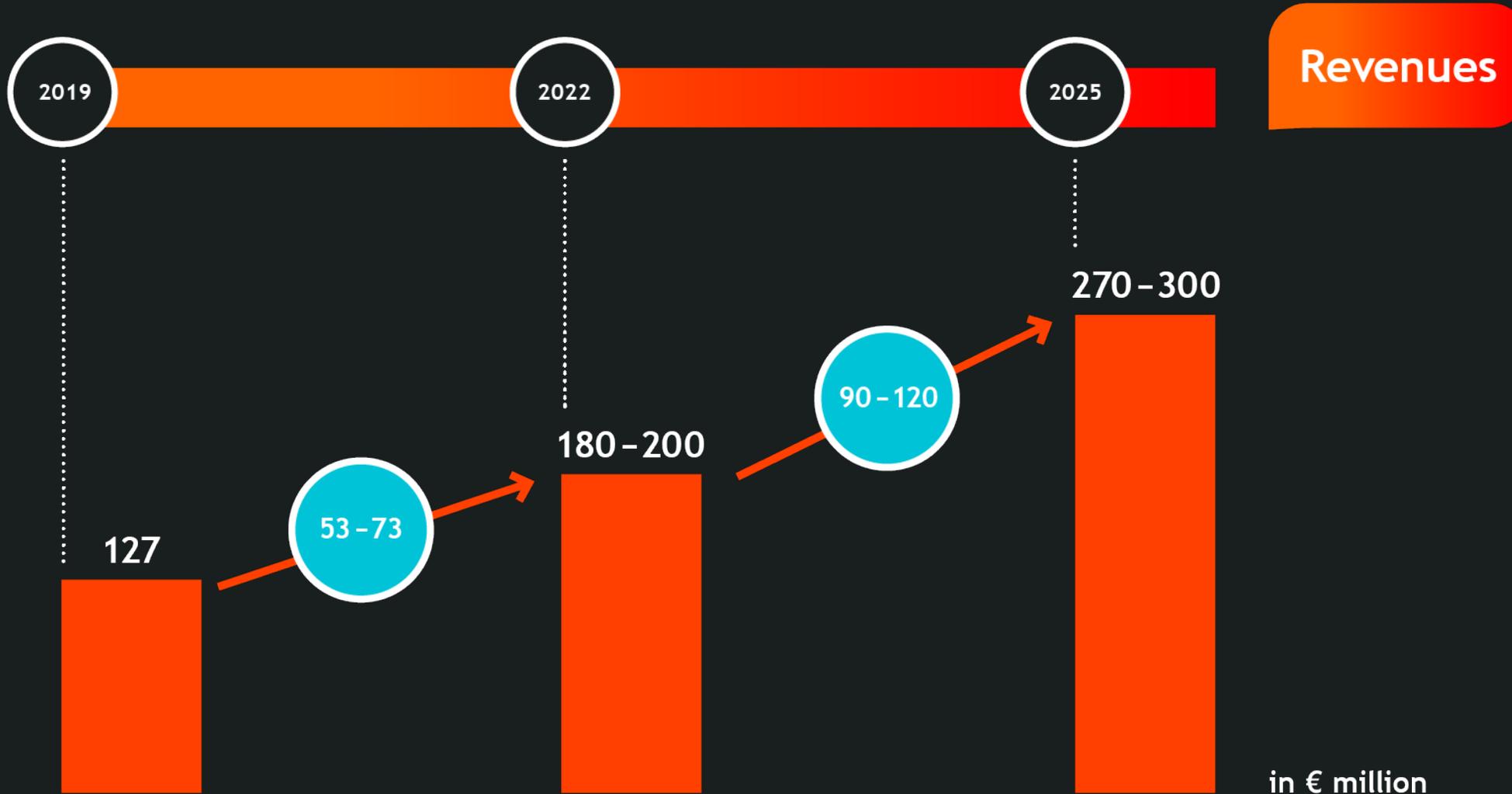
Investments in future and M&A

ESG: climate neutrality, strong team and culture of performance

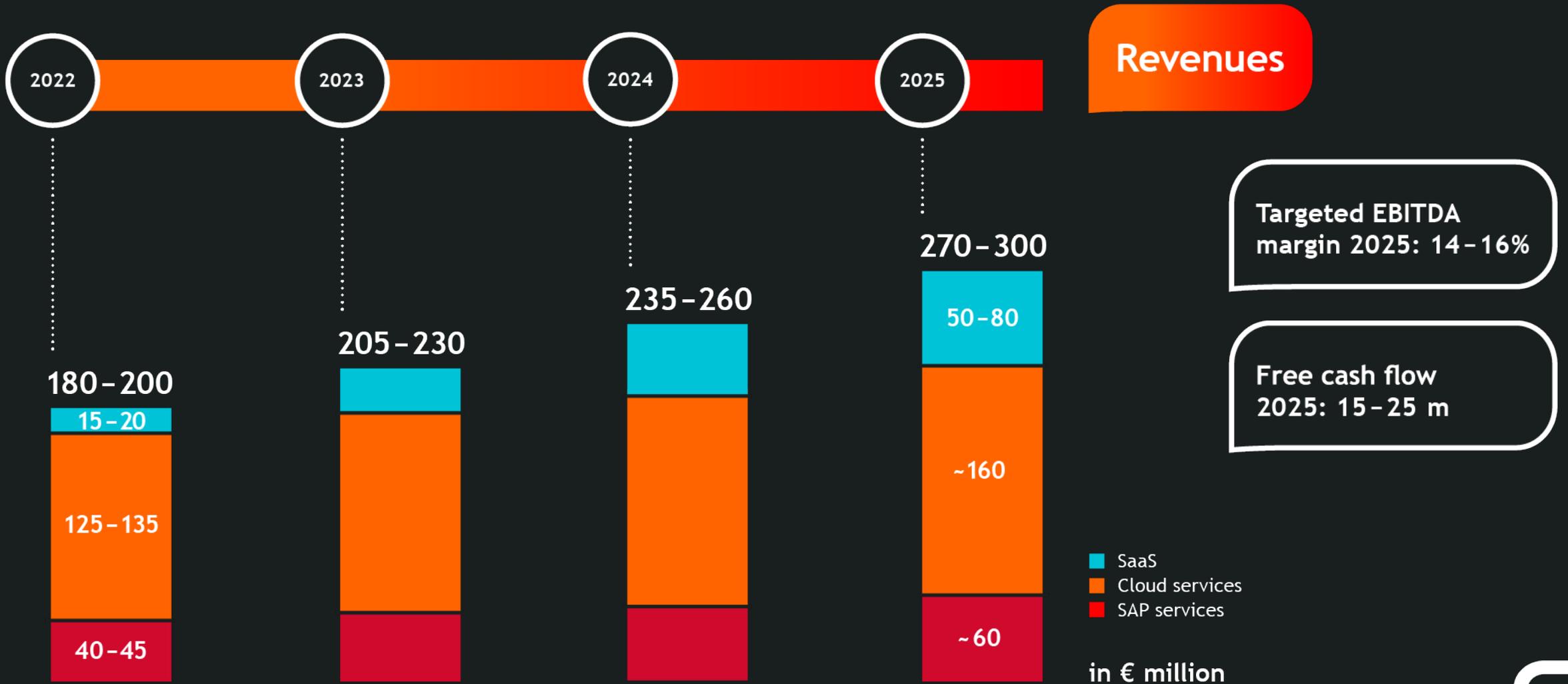
2025: Revenues 270 – 300 m | EBITDA margin 14 – 16% | Free cash flow 15 – 25 m



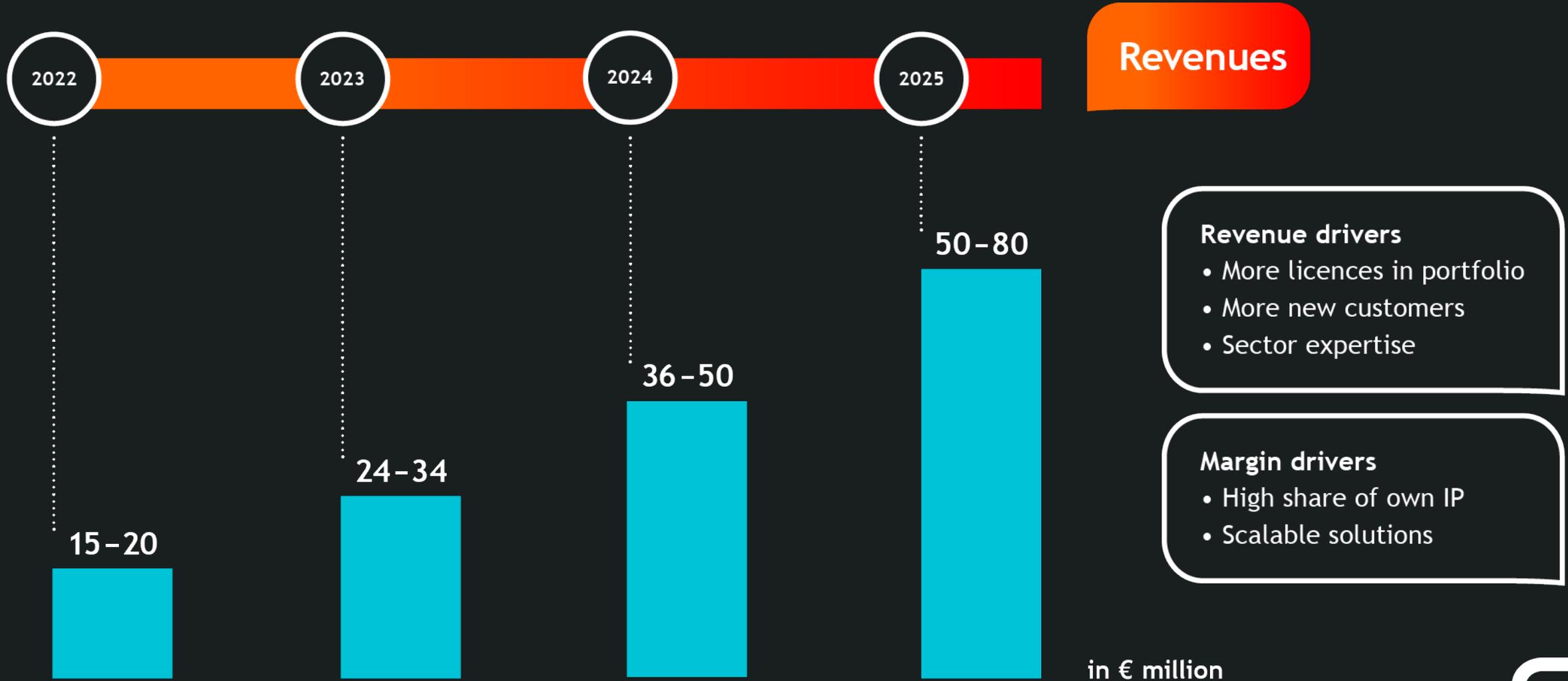
Growth gains momentum



Strong growth in all business fields



SaaS business: growth engine and margin driver



2022: revenues of up to € 20 m with SaaS products



Debt-free

**Net liquidity:
56.2 m**

**Equity ratio:
74%**

Targeted acquisitions still on agenda

Focus on acquiring technology firms that

- extend SaaS expertise
- reinforce strong position in focus sectors

Well-rehearsed post-merger integration

- freedom in customer-facing activities
- clearly defined development projects
- exploiting synergies in administration



All resources on board for the SaaS business

Development hubs in

- Hamburg: Chief Innovation Officer and team
- Cologne/Bonn: focus on IoT and retail (snabble)
- Riga: >30 IT experts, total constantly rising

Incloud as innovation hothouse

- focus on native cloud, IoT frontend and public cloud migration

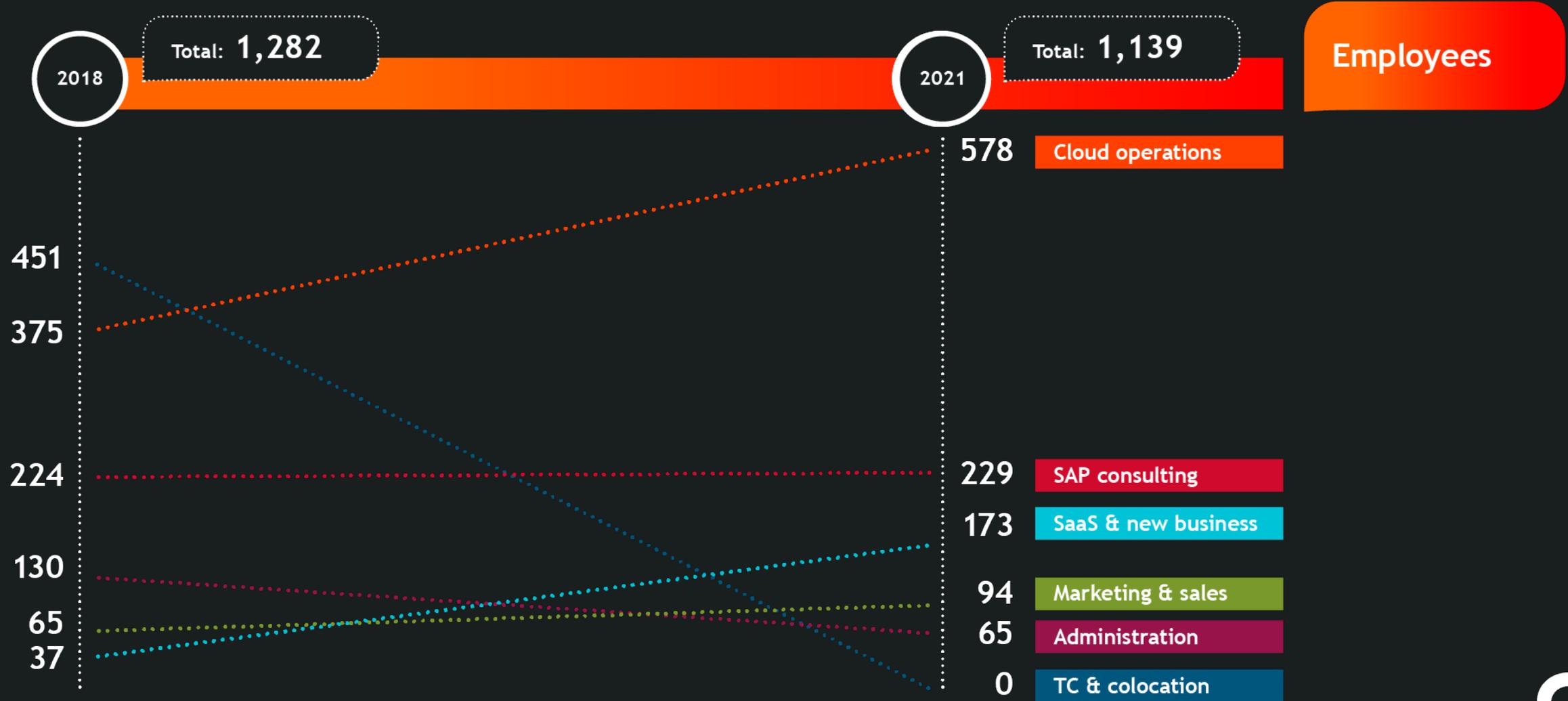
Innovation boards provide impetus

- top-class boards for focus sectors

-
- q.beyond's locations
 - Subsidiaries / shareholdings
 - Data centres



Team: more than 170 SaaS experts on board

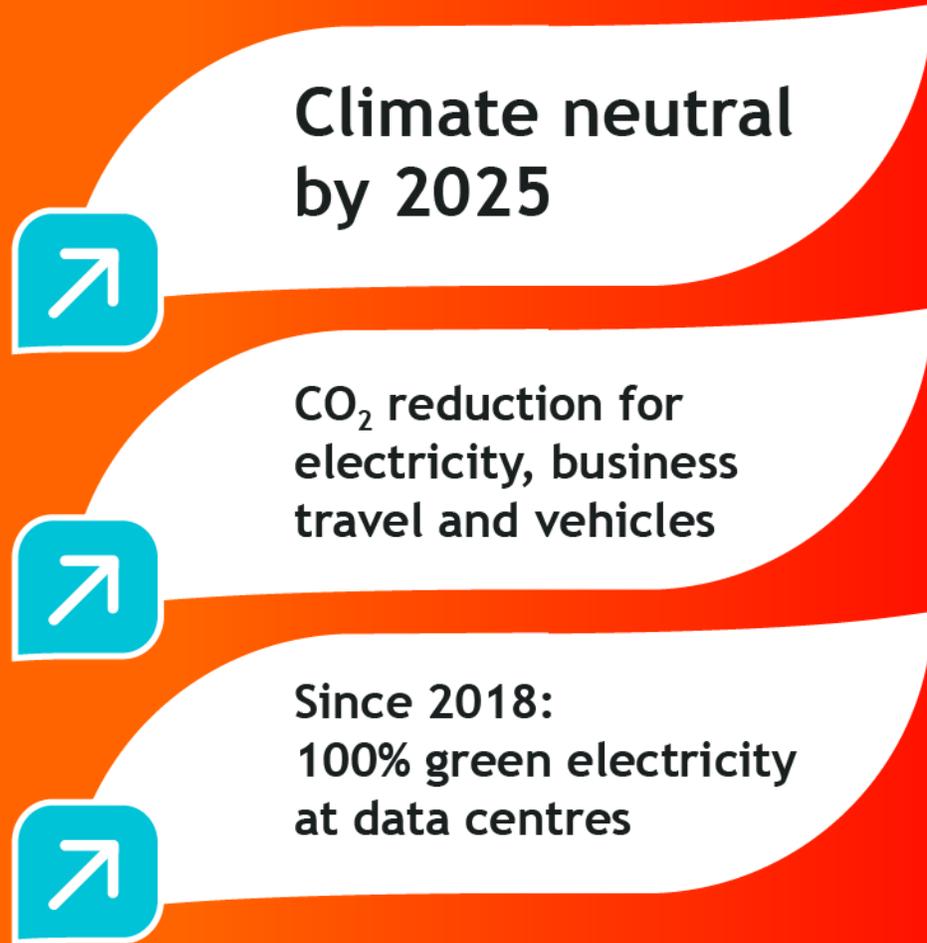


Employees



Team: right line-up for the future





ESG: additional growth opportunity

Climate neutrality lends competitive edge

- Customers expect climate-neutral IT services and a corresponding portfolio to meet their own climate targets (Scope 3)

q.beyond to be climate neutral itself by 2025

- Gradual reduction in CO₂ emissions by at least 40% compared with 2019; remaining emissions to be offset



Portfolio promotes sustainability

- Lower consumption of resources and longer lifecycles for industrial machines thanks to predictive maintenance
- Less business travel and better work-life balance due to digital workplaces
- Enhanced energy efficiency due to smart building control
- Less waste by monitoring best-before dates and automatic price adjustments
- Comprehensive protection against cybercrime with weak point scans and cybersecurity monitoring



“beyond 2022”: ambitious targets for 2025

“beyond 2022”

Attractive Cloud and SAP businesses

- Revenues ~ 220 m

High-margin SaaS business

- Revenues 50-80 m

Sector focus



Investments in future and M&A

ESG: climate neutrality, strong team and culture of performance

2025: Revenues 270 – 300 m | EBITDA margin 14 – 16% | Free cash flow 15 – 25 m



Growth in the cloud and SAP businesses

Thies Rixen, Chief Operations Officer

Impetus to digitalise boosts IT service business

German SMEs ...



... are making their IT more **flexible**, e.g. to facilitate mobile work for their employees¹

Hybrid cloud

¹ 600% rise in number of employees working from home during pandemic compared with before. Source: statista



... are increasingly looking for solutions to protect themselves against ongoing **cyberattacks**²

Cybersecurity

² € 223 billion of damage to the German economy. One in ten companies see their survival threatened by cyberattacks. Source: Bitkom



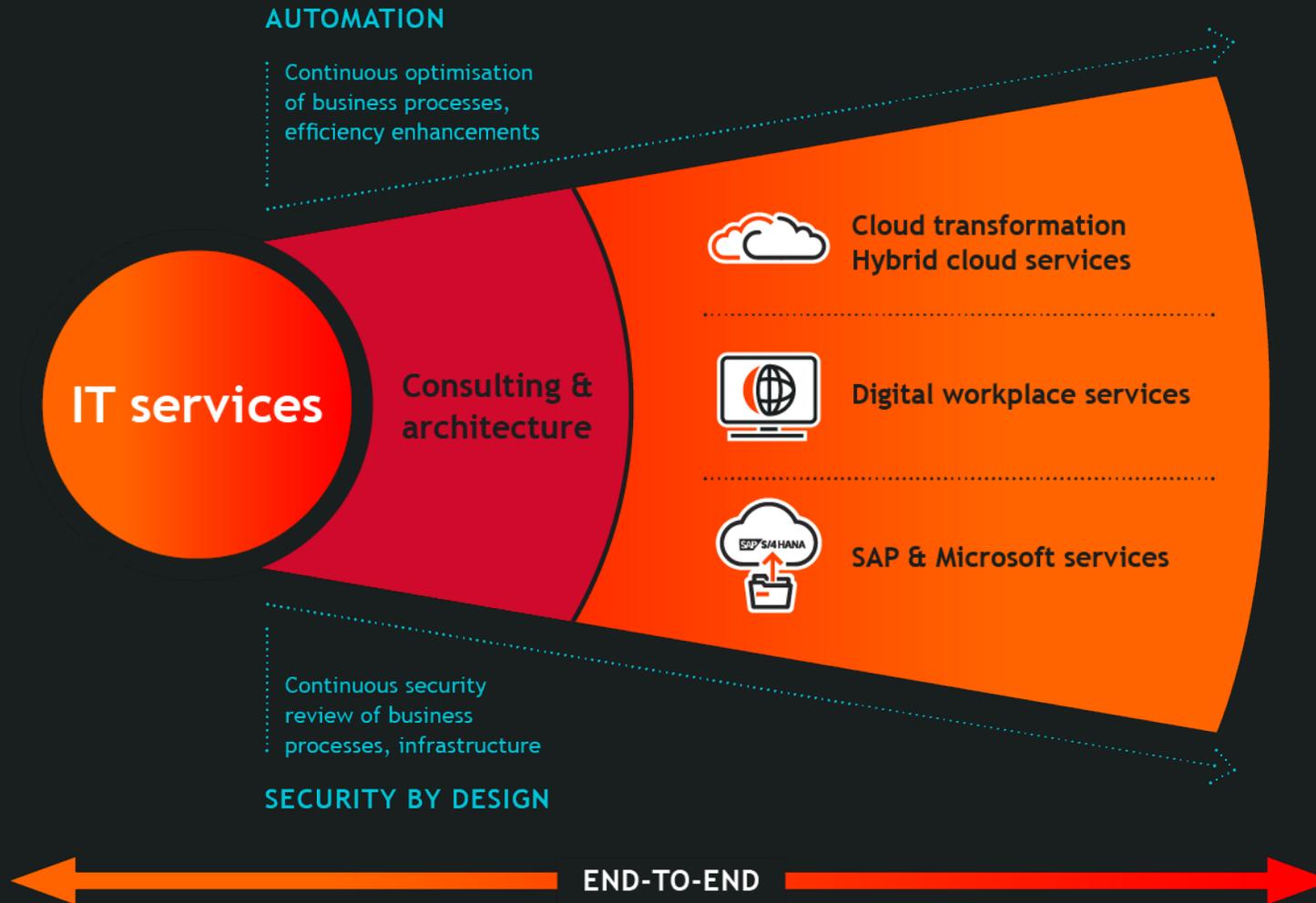
... are continuing to **digitalise and automate** their core processes³

ERP/SAP

³ KPMG Cloud Monitor 2021: companies see cloud computing as the key driver in digitalising processes and automating workflows (80%).



q.beyond's IT services for SMEs



Skills

- **Bespoke regional sales structure:**
We are where our customers are.
- **Convincing portfolio:**
Combination of technology and sector focus
- **Service delivery tailored to needs of SMEs:**
1st level from Germany
2nd level increasingly on nearshore/offshore basis

Our IT services have convinced customers for years

Customer expectations

- Service delivery: 80 : 20 approach, high standardisation / cost efficiency with simultaneous ability to individualise solutions
- Comprehensive end-to-end IT service portfolio (no cherry picking)
- Continuous technical transformation / further development



Solution

- Seamless cloud management, individualised with bespoke processes
- Coverage of full range of IT services
- Use of partner solutions, own SaaS solutions and advice on architecture

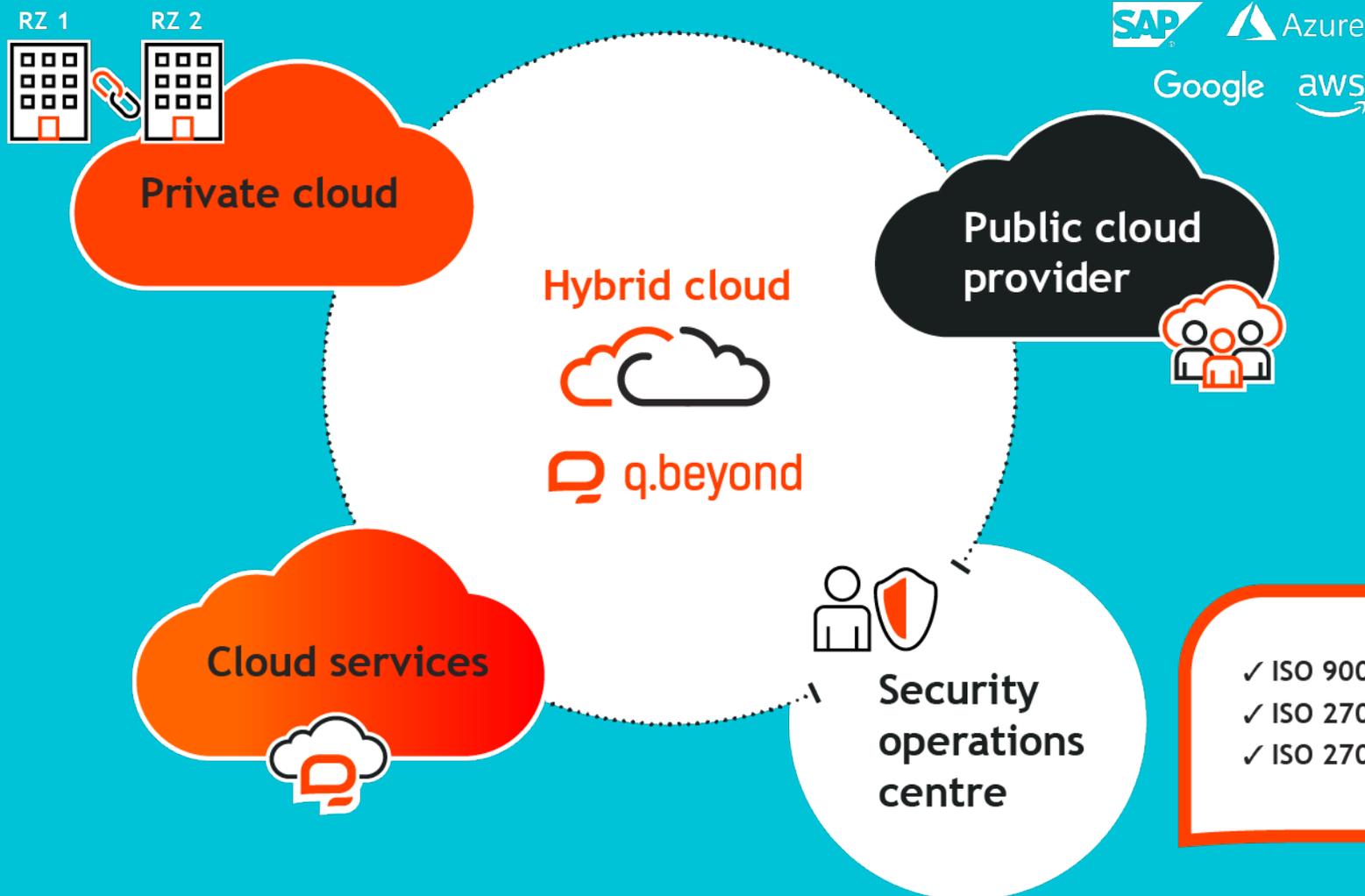
 q.beyond



WEMPE



q.beyond hybrid cloud services



q.beyond's hybrid cloud offers great added value in terms of efficiency and security:

- Dual, highly secure, certified data centres
- Maximum scalability (CAPEX light) due to hybrid cloud approach
- Security operations centre
- Near & offshore 24/7 operations

- ✓ ISO 9001 Quality Management
- ✓ ISO 27001 Information Security
- ✓ ISO 27017 Cloud Services



Great demand for cloud among SMEs in future

Market potential in Germany:

- All in all, Germany has 50,000 data centres in operation
→ of which 50% still operated by customers themselves
- “Cloudification” of infrastructure and applications



 **q.beyond**

More than 5,000 customers
with revenues of € 200 – 5,000 m



**Cloud sales partnership
with Telekom Deutschland**

Further 10,000 customers
with revenues of € 50 – 200 m

scanplus+ 



Ideally positioned for SAP-S/4HANA migration wave

40% of SAP users in Germany plan to convert to SAP S/4HANA by 2024.



Sector expertise



Retail



Logistics



Energy



Manufacturing



Consulting



S/4 transformation



Operations



Application management

End-to-end portfolio



Additional growth in SAP business

SAP-S/4HANA migration



- Approx. 8,000 SAP customers in Germany
- Well-filled pipeline due to successful preliminary studies
- Sales channels: direct + Telekom partnership

Right S/4HANA platform



- When migrating to S/4HANA, customers generally also opt for new technical platform
- q.beyond as ideal independent partner
- Far-reaching experience (e.g. S/4HANA migration at Tchibo)

Application management



- Standard SAP service portfolio does not cover customer needs
- q.beyond adapts SAP precisely to customers' process landscape
- Numerous AM customer projects (e.g. Harry Brot)



Analysts confirm q.beyond's positioning

L Ü N E N D O N K 

- q.beyond is one of Germany's ten largest IT service companies
- q.beyond is one of Germany's ten fastest-growing IT service providers
- Extensive portfolio (including IT modernisation, cybersecurity, cloud transformation) meets current needs of IT users
- User survey reveals growth opportunities for broad-based IT service providers such as q.beyond

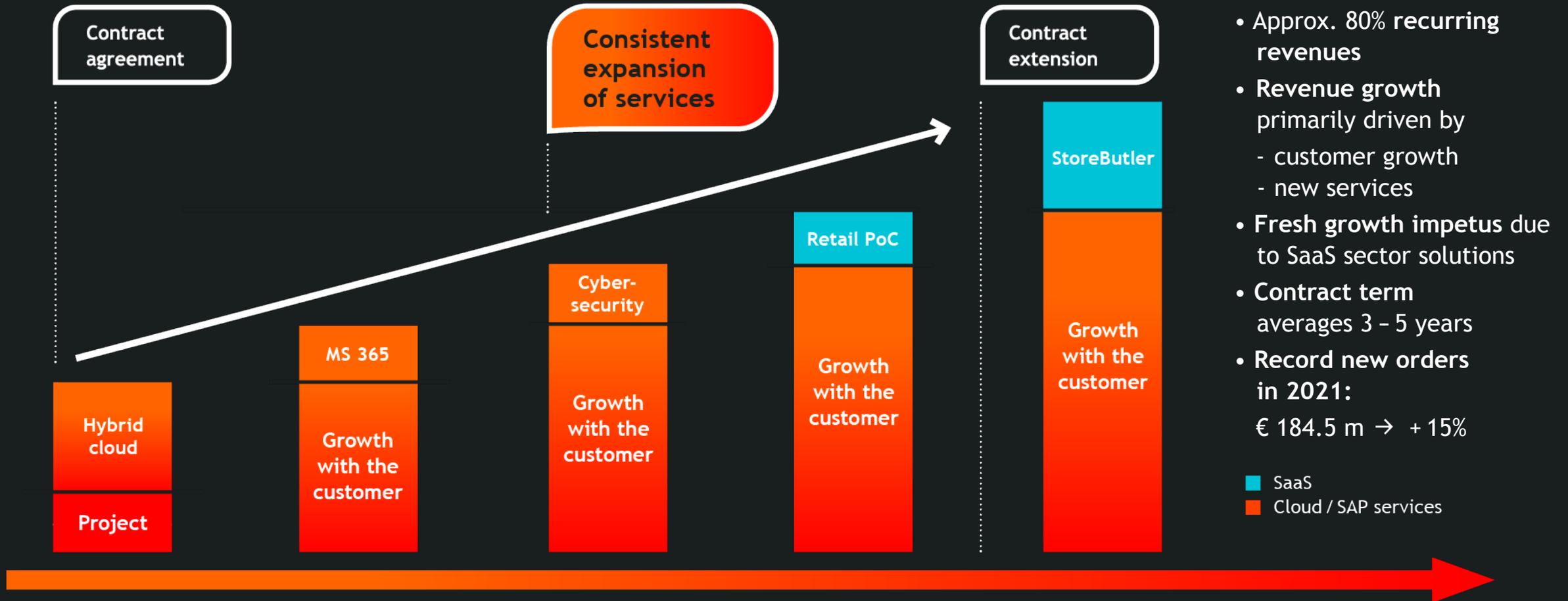


A CXP GROUP COMPANY

- q.beyond's SAP services are "Best in Class"
- Top assessment for q.beyond's SAP services for SMEs
- Comprehensive range of SAP and more far-reaching IT services
- Very good customer assessments



Example of gradual expansion in customer relationship



An abstract graphic consisting of several white, rounded, overlapping shapes on an orange background. The shapes are positioned on the left side of the slide, with one large shape at the top and another smaller one below it.

Booster due to SaaS business

Thorsten Raquet, Chief Innovation Officer

Why software as a service?

Software as a Service



→ Offers full range of software from the cloud

→ Is quickly available and highly scalable

→ Provides our customers with immediate and sustainable added value

→ Accelerates growth at our customers

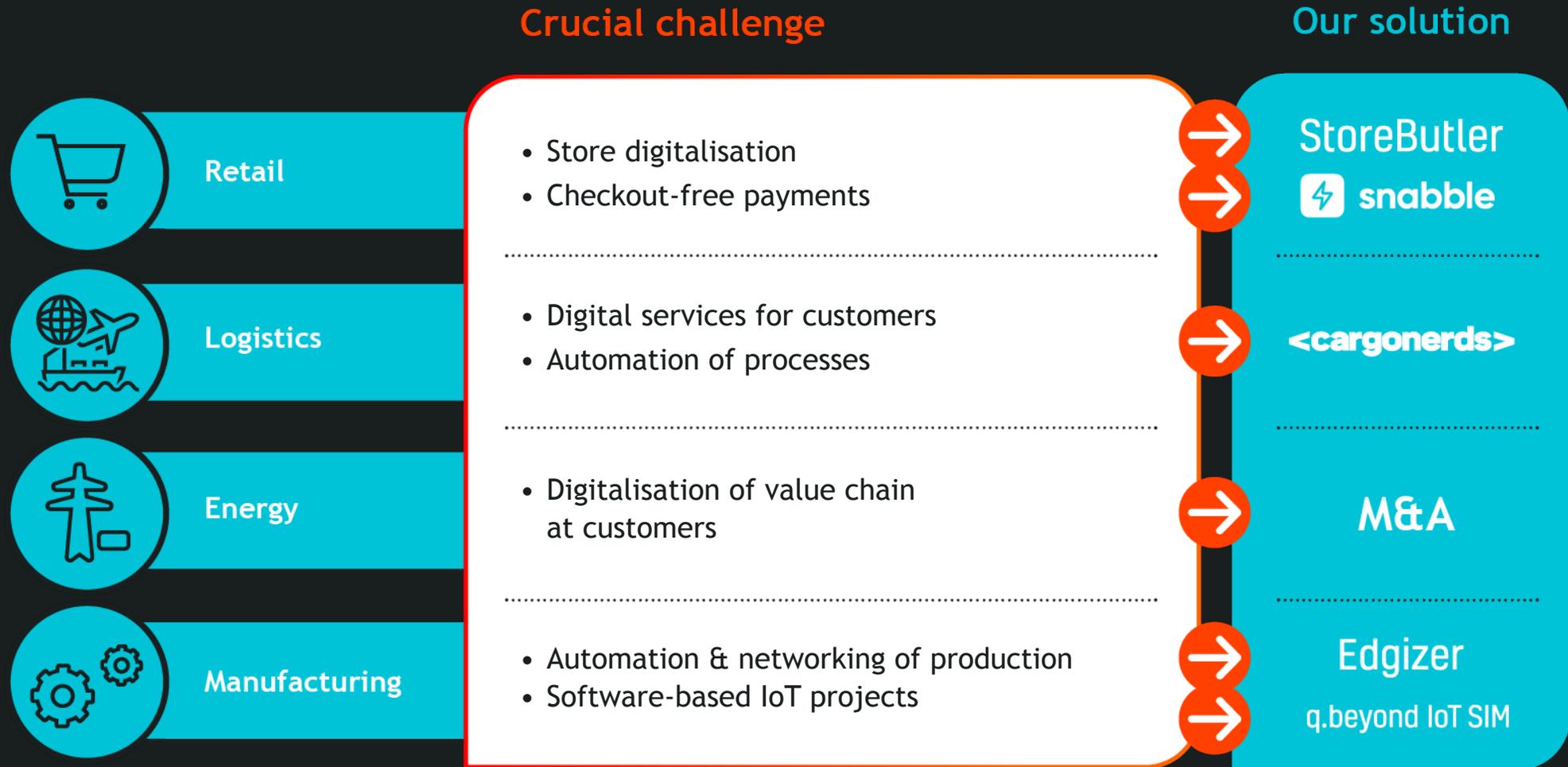
q.beyond has therefore taken the strategic decision to provide its customers with high-value and sector-specific SaaS solutions.

This will contribute to the following objectives:

- We revolutionise our customers' business
- Sustainable and long-term revenue and margin targets



SaaS portfolio solves core problems facing sectors



Challenges in retail sector

Status quo

- Increased competition from online providers
- Customers buy across all channels
- Pricing pressure remains high

Sector responds by

- Expanding online business
- Expanding omnichannel
- Upgrading stores



Next steps

- Store digitalisation
- Minute-by-minute price adjustments (electronic pricing)
- Digital signage
- Checkout-free payment



StoreButler features



- Digital price tags
- 3D customer frequency counter
- Zero waste assistant
- Instore apps

Partner features

- Self-checkout solution
- Employee communications
- Digital signage



Cloud-based operating system

StoreButler: digitalising the store

Attractive business model

- Licence-based settlement per service and store
- Attractive basic charge per store

Fressnapf opt for StoreButler

- Digitalisation of more than 1,800 stores
- q.beyond supplies licences, services, and edge devices





snabble: leading self-checkout cloud

Attractive business model

- Licence-based SaaS solution (large retailer facilitates recurring revenues of € 1.5 – 3 million p. a.)
- Commission from payment and hardware partners
- Project costs
- Service and support contracts



Tee Gschwendner

Pflanzen
Kölle

tegut...
teo

Situation in logistics

Status quo

- 67% of global trading volumes handled by small and medium-sized freight forwarders
- Great need for quick and easy digital solutions

Objectives

- Increase handling speed
 - Reduce costs and complexity
- Insufficient financial and staff resources to develop proprietary solutions



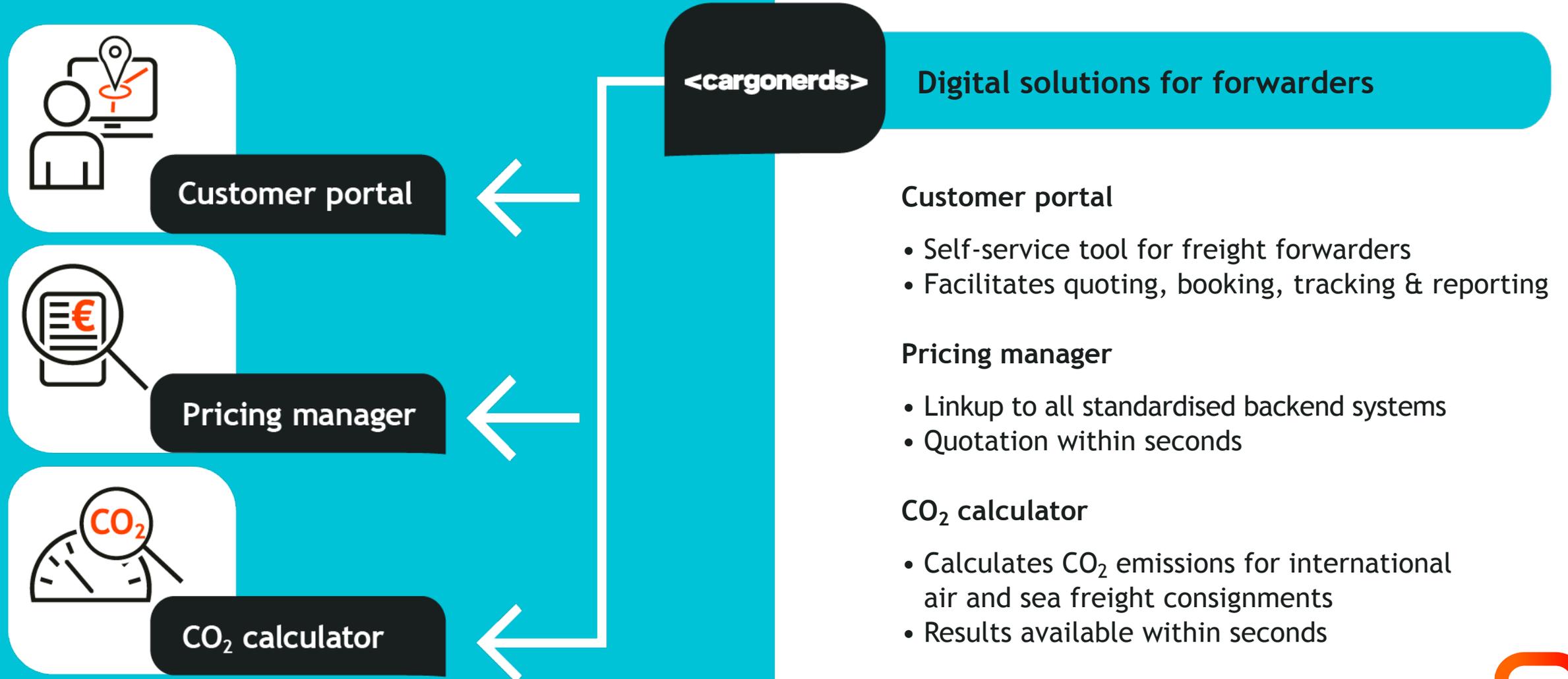
Requirements

- Quick & easy setup (no frills)
- Low maintenance input
- Implementation & operation possible without in-house IT
- Licence-based & volume-dependent invoicing
- Possibility of linkup to customary logistics tools

Smaller and medium-sized forwarders urgently need SaaS solutions.

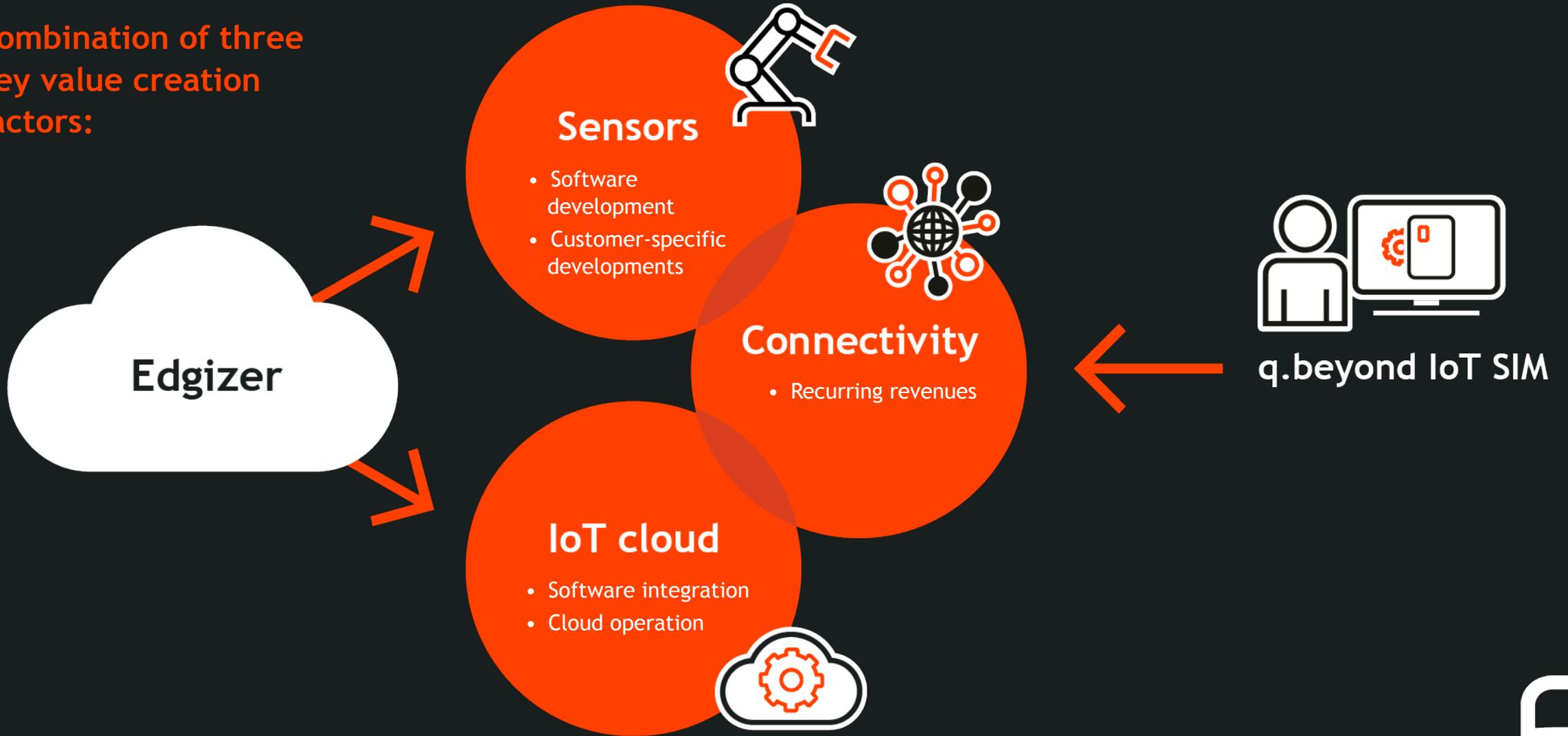


q.beyond & cargonerds



Using IoT in manufacturing

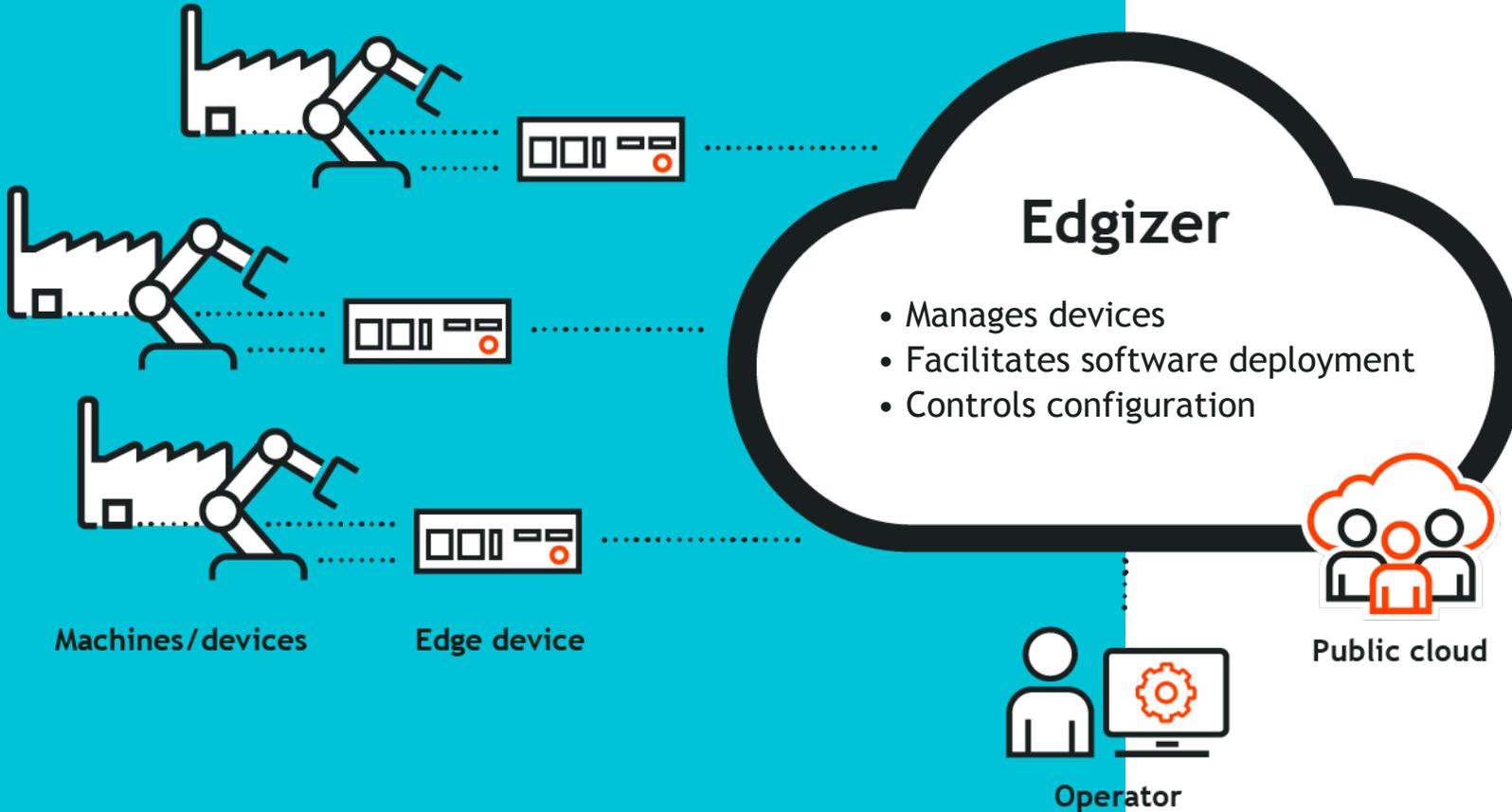
Combination of three key value creation factors:



q.beyond's advantage compared with hyperscaler solutions: customer retains data sovereignty!



Edgizer: the leading edge cloud platform



- Customer-specific deployment scenarios: project business in which standardised Edgizer functionalities are used. Currently in use at four pilot customers.
- Integration into existing offerings at industrial partners. Cooperation talks currently underway, notably with hardware manufacturers.





q.beyond IoT SIM: connectivity for IoT devices

- Easy to provide
- Includes self-service portal
- € 10 “all-inclusive” for 10 years
- Always in best network (multi-network capability)
- Direct cloud link
- Data immediately available at terminal
- Fully automated platform



Energy industry under pressure

Status quo

- Energy market undergoing transformation; new challenges every day
- Energy suppliers have rigid core systems
- Provider market highly fragmented
- Sustainability playing an ever greater role

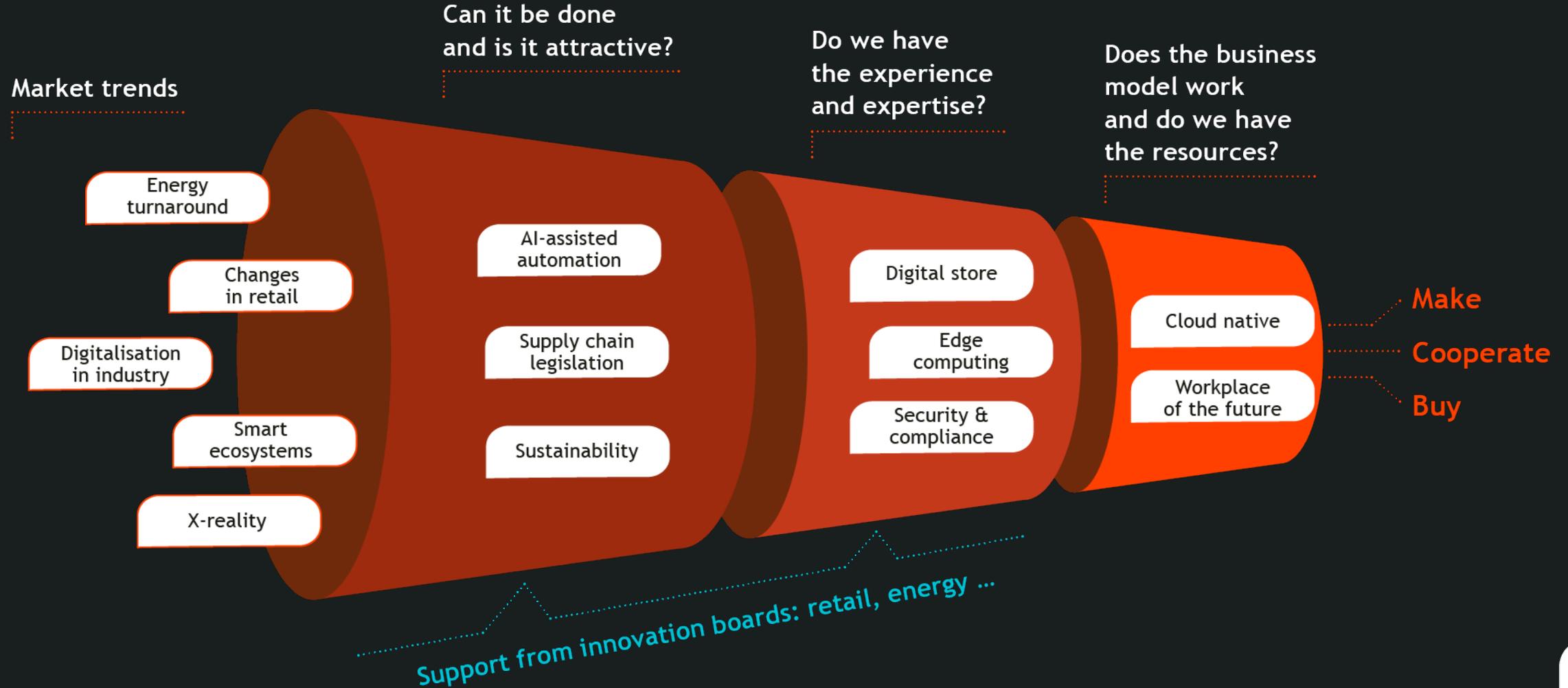
The market is changing

- Competitive pressure among energy suppliers
- Rising customer expectations regarding portfolio (e-mobility etc.)
- Regenerative (own) supply on the increase
- Further responses needed for climate change CO₂ avoidance

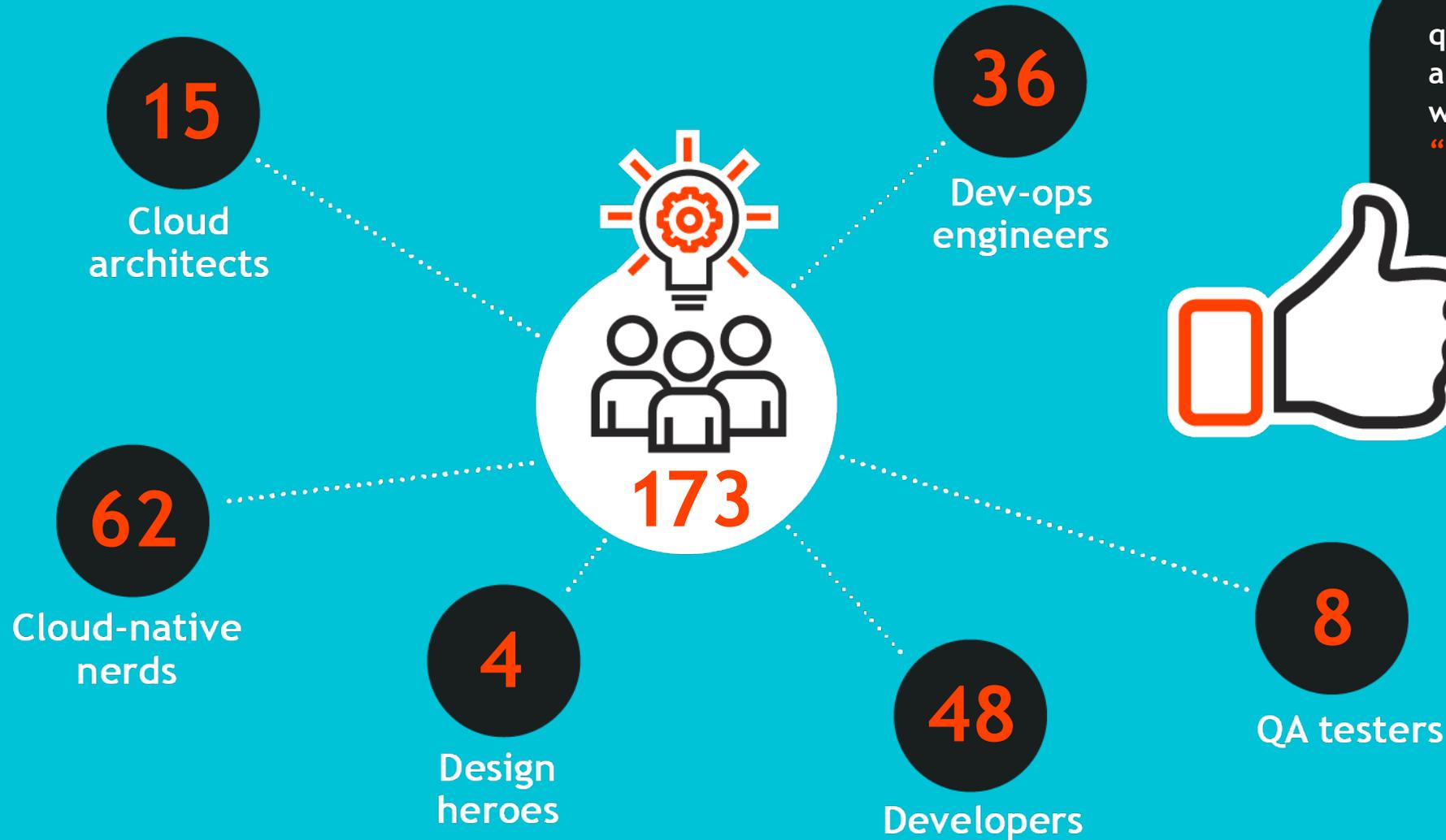


Turning point
Requirements are rising and system is no longer manageable. Need for: revolution not evolution.

Sights set on new SaaS solutions: the innovation radar



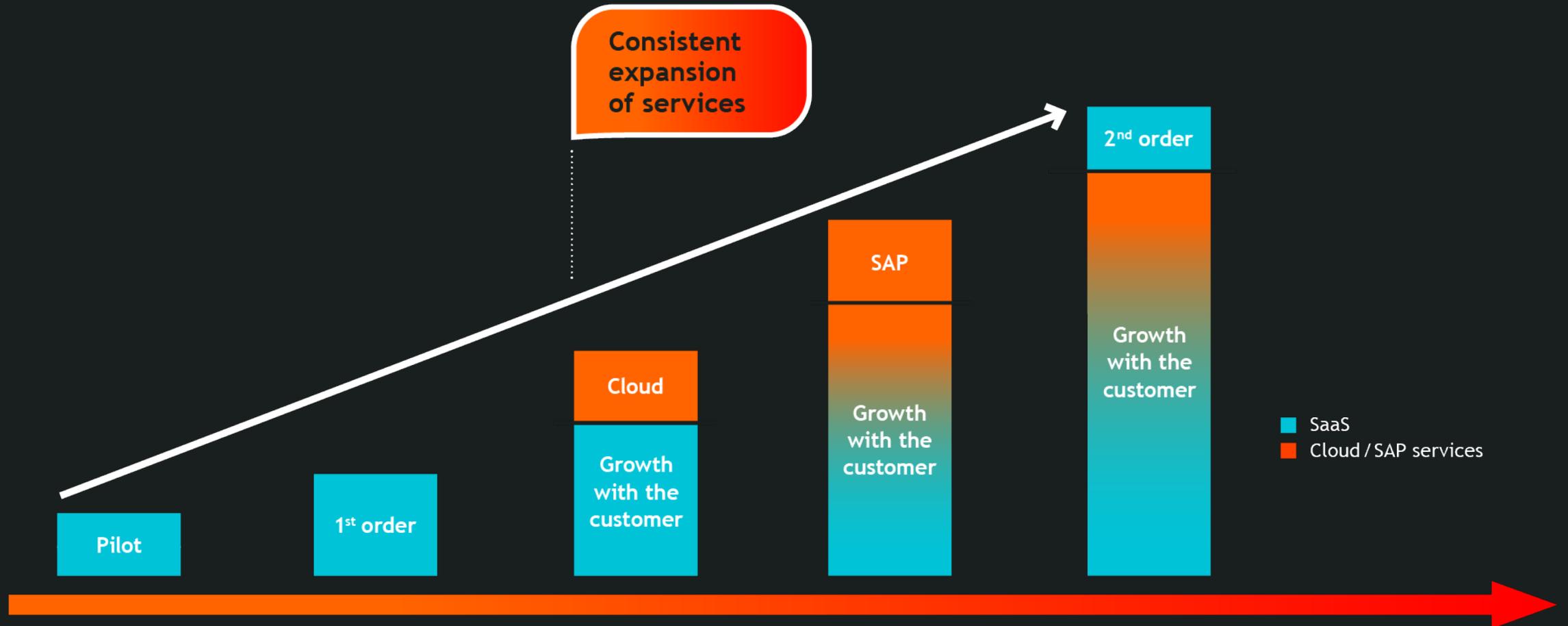
A strong team for our SaaS business



q.beyond has established a high-performance team with a new name: **“New Business Solutions”**



SaaS customers harbour great growth potential



SaaS booster opens up new opportunities



- **High-growth market**
SaaS solutions form basis for new business models at customers
- **Attractive business case**
 - Revenues: > 50% p. a.
 - Target margin: > 30%
- **High cross-selling potential**
SaaS business as door opener for cloud and SAP

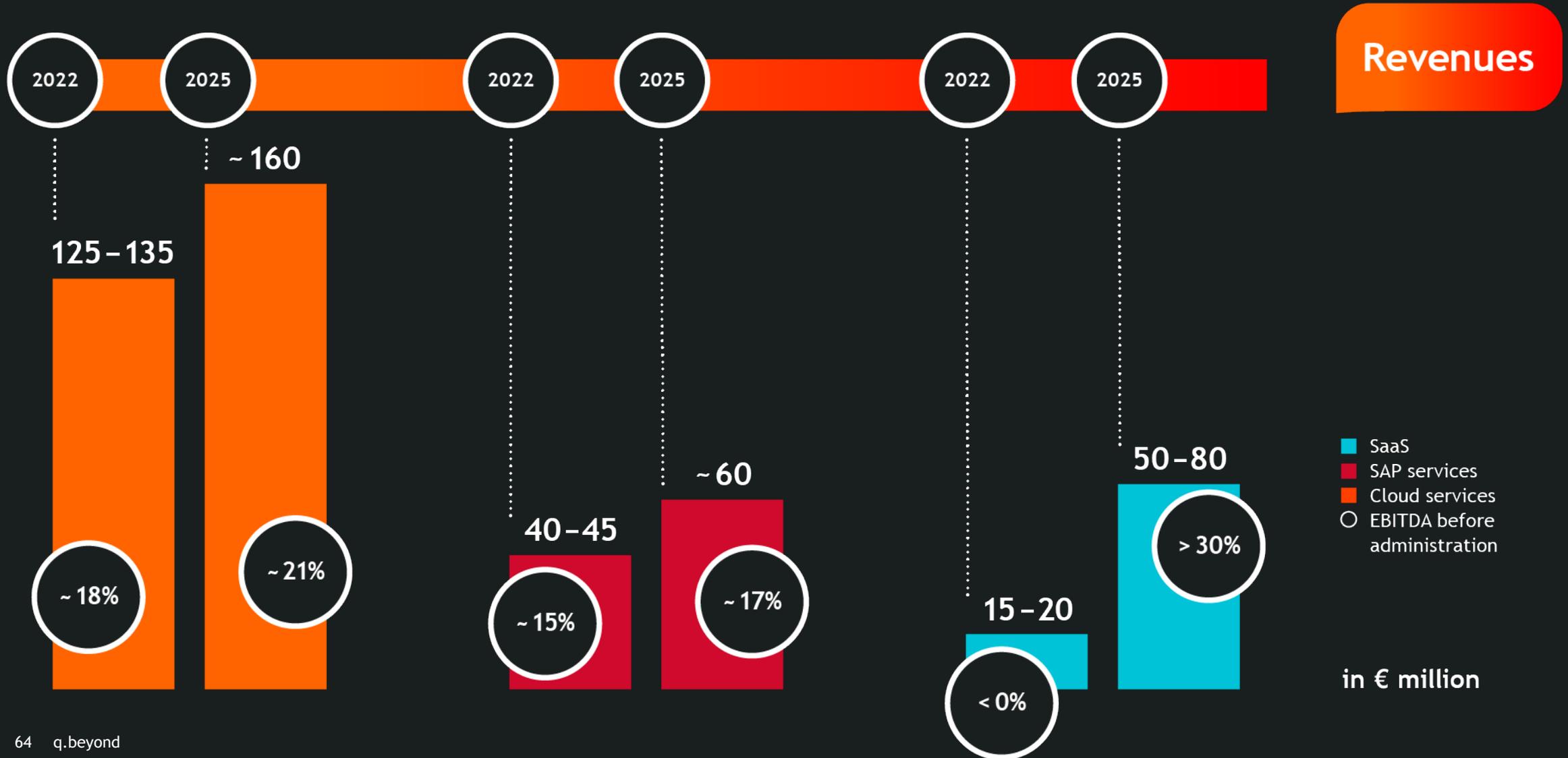




Takeaway: q.beyond is a worthwhile investment

Jürgen Hermann, Chief Executive Officer

High-margin growth to 2025



“beyond 2022”: key success factors at a glance



Cloud and SAP
businesses guarantee
solid foundation



SaaS business
harbours enor-
mous potential



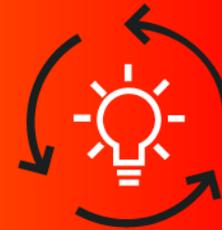
Acquisitions boost
growth trajectory
in both areas



Our portfolio meets
the needs of our SME cus-
tomers



In-depth sector
expertise generates
competitive edge



Innovation motor up
and running:
all resources on board



Financing in place:
solid balance sheet eases
investments, especially
in SaaS portfolio



Questions & Answers

Contact

q.beyond AG

Arne Thull

Head of Investor Relations/M&A

T +49 221 669-8724

M +49 163 669-8425

invest@qbeyond.de

www.qbeyond.de

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expect the next