



# Growth “beyond 2022”

Analyst and Investor Conference 2022  
4 April 2022

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Although the forward-looking statements are made with great care, their correctness cannot be guaranteed. Actual results may therefore deviate from the expected results described here. q.beyond does not intend to adjust or update any forward-looking statements after publication of the presentation.

# 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

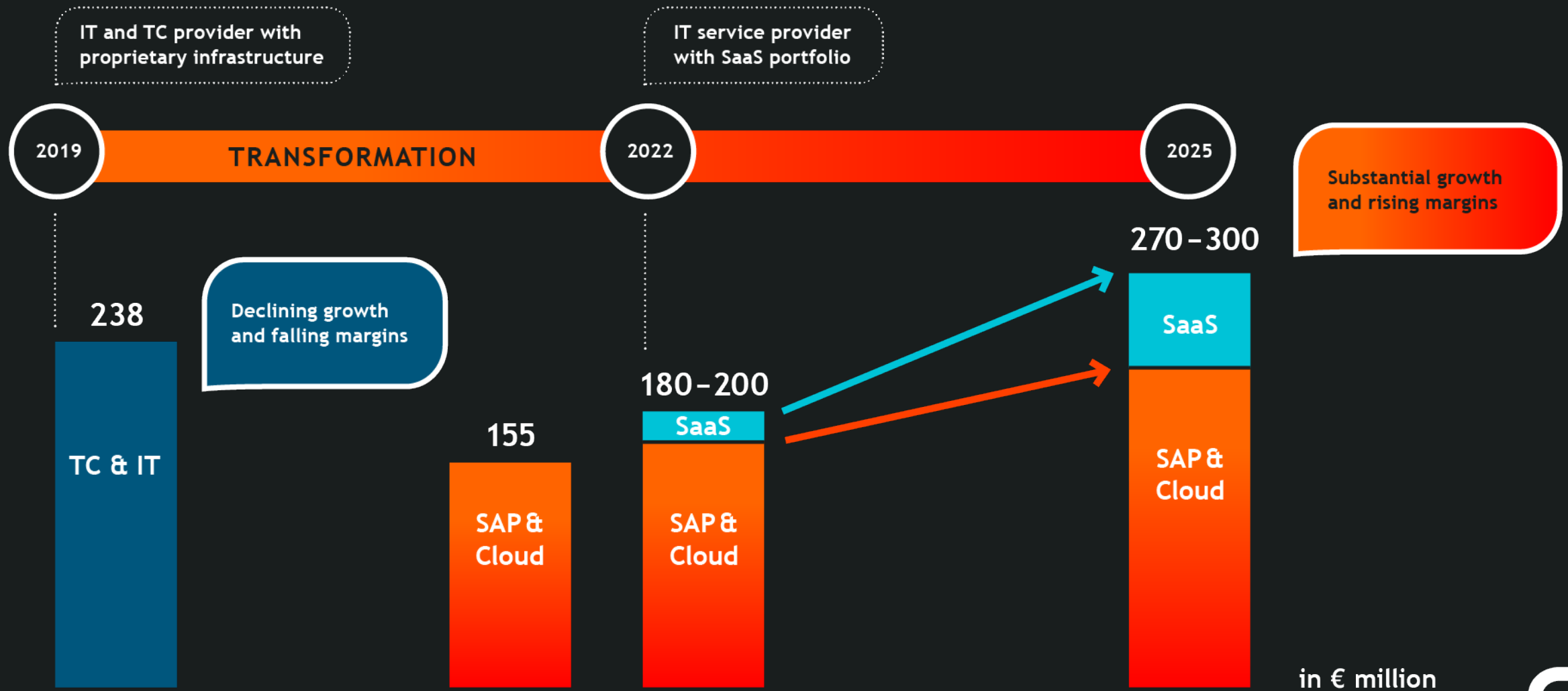
Lunch



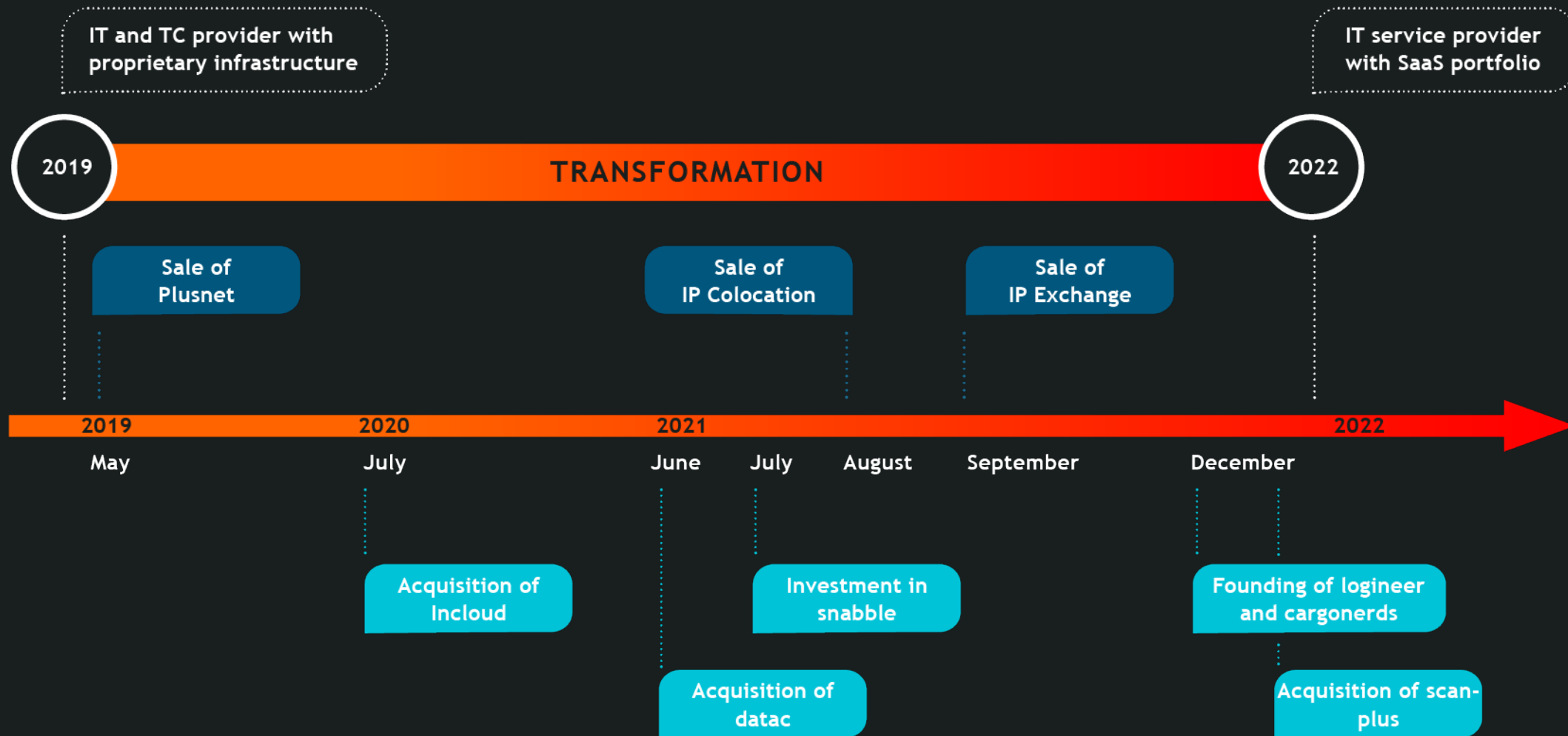
# “2020plus” strategy: successful transformation

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

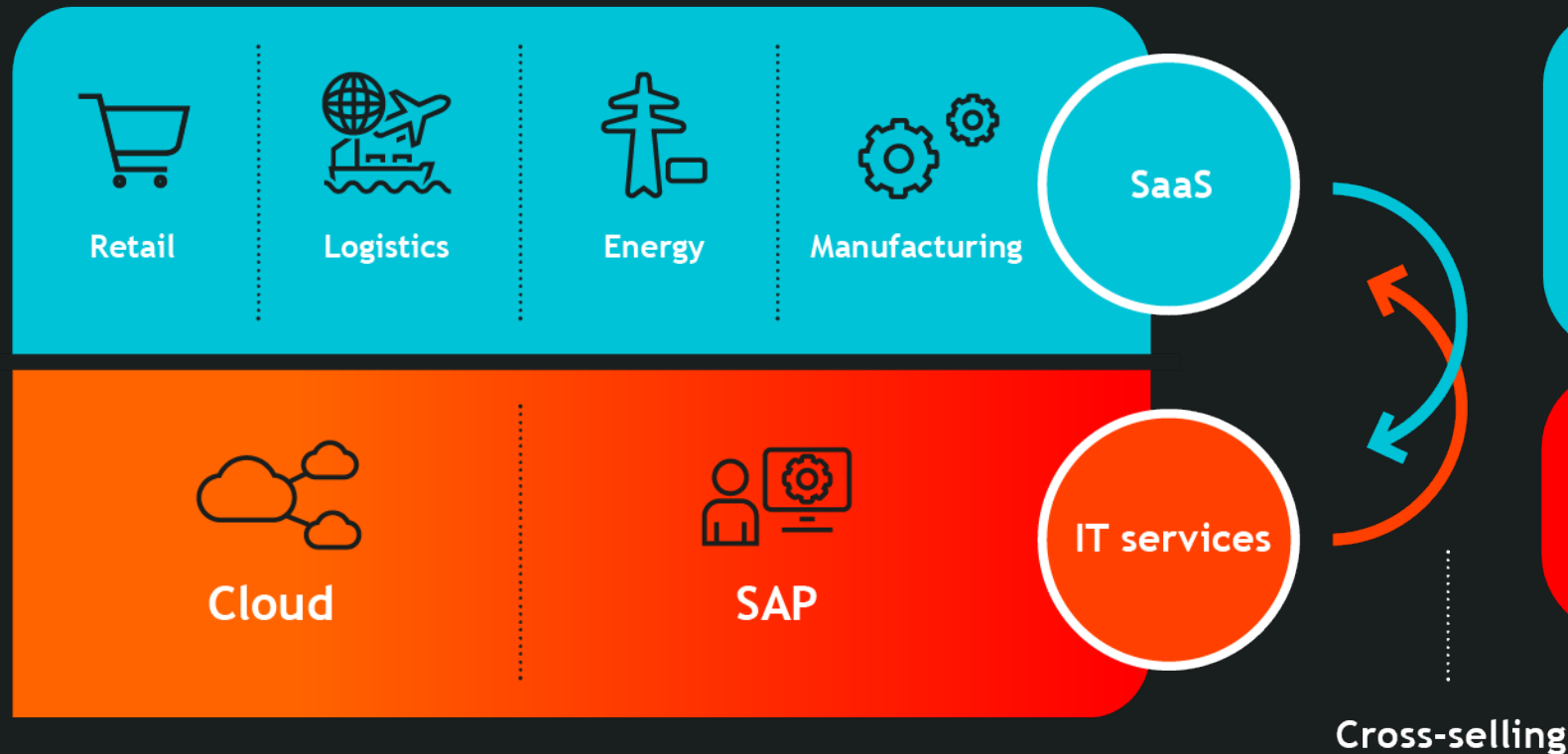


Growth driven by  
new business models

Enhanced efficiency

# Portfolio offers stability and new opportunities

## q.beyond's portfolio



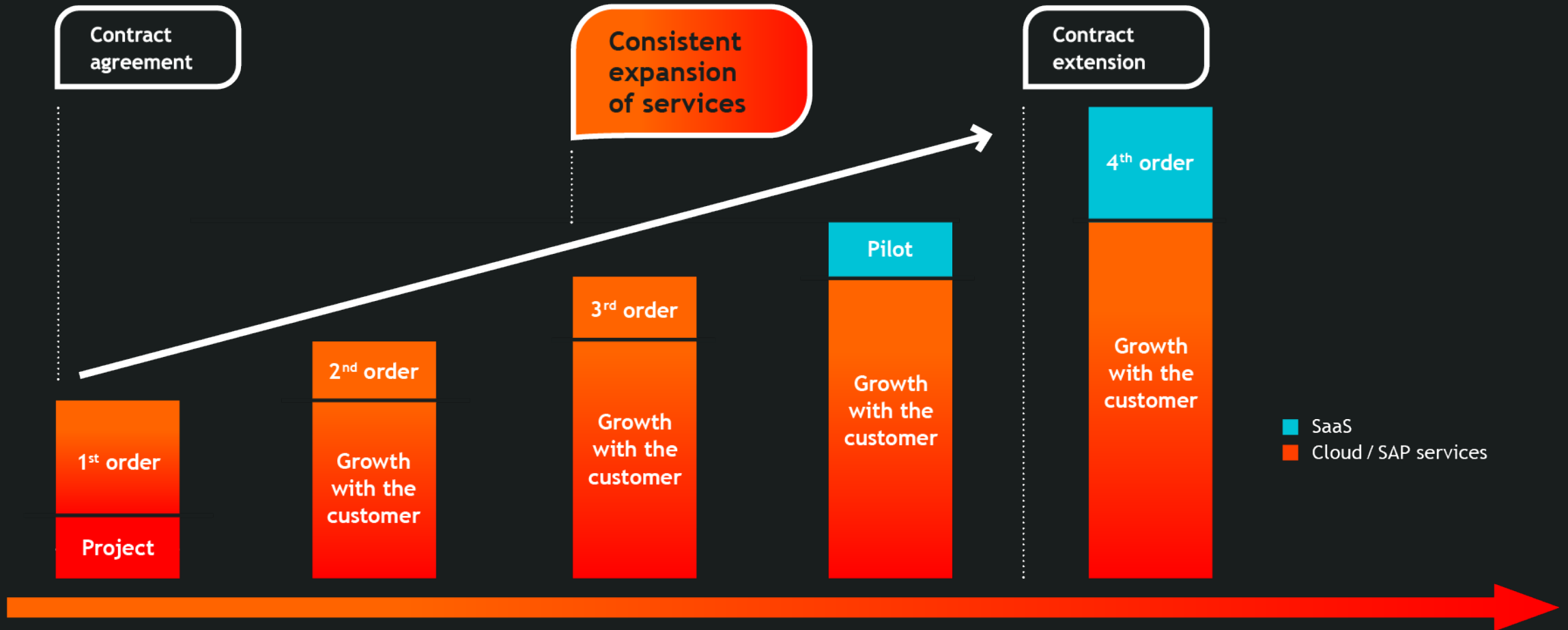
## Opportunities

- 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

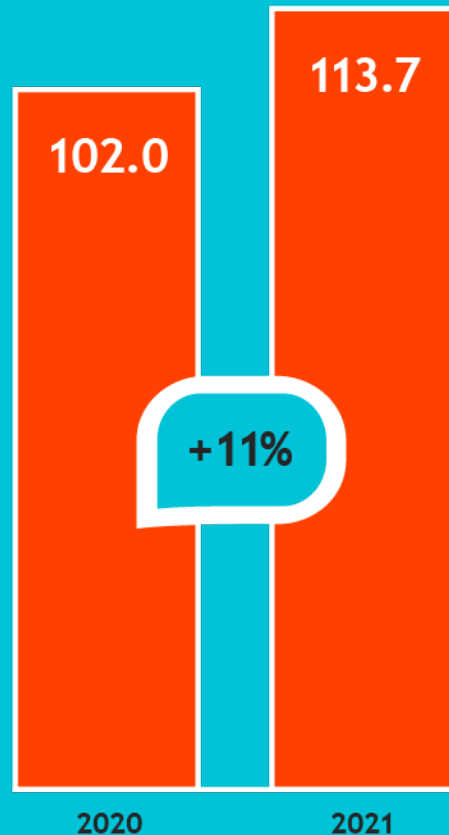
New orders  
in € million



# Cloud & IoT as key growth driver

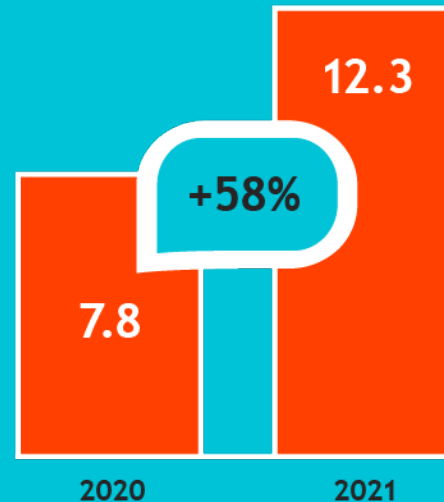
## Revenues

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

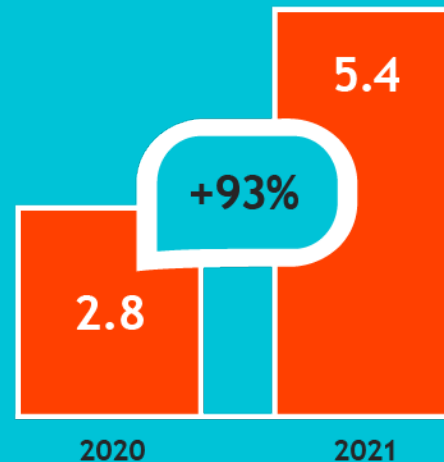
## Revenues

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
<b>Revenues</b>	143.4	↗	155.2
Cost of revenues	(120.2)		(124.9)
<b>Gross profit</b>	23.2	↗	30.3
Sales and marketing expenses	(12.6)		(12.6)
<b>Segment contribution</b>	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)
<b>EBITDA</b>	(2.0)	↗	31.7
Depreciation and amortisation	(16.8)		(16.6)
<b>EBIT</b>	(18.8)	↗	15.2
Financial result	(0.5)		(0.5)
Income taxes	(0.6)		(4.8)
<b>Consolidated net income</b>	(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

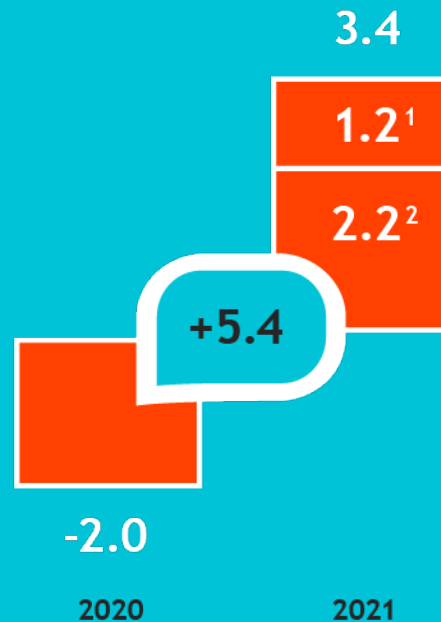
## Revenues

in € million



## Operating EBITDA

in € million



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

<sup>1</sup> M&A transaction costs

<sup>2</sup> EBITDA before deconsolidation



# Free cash flow rises to € 33.2 m

## Net liquidity

in € million

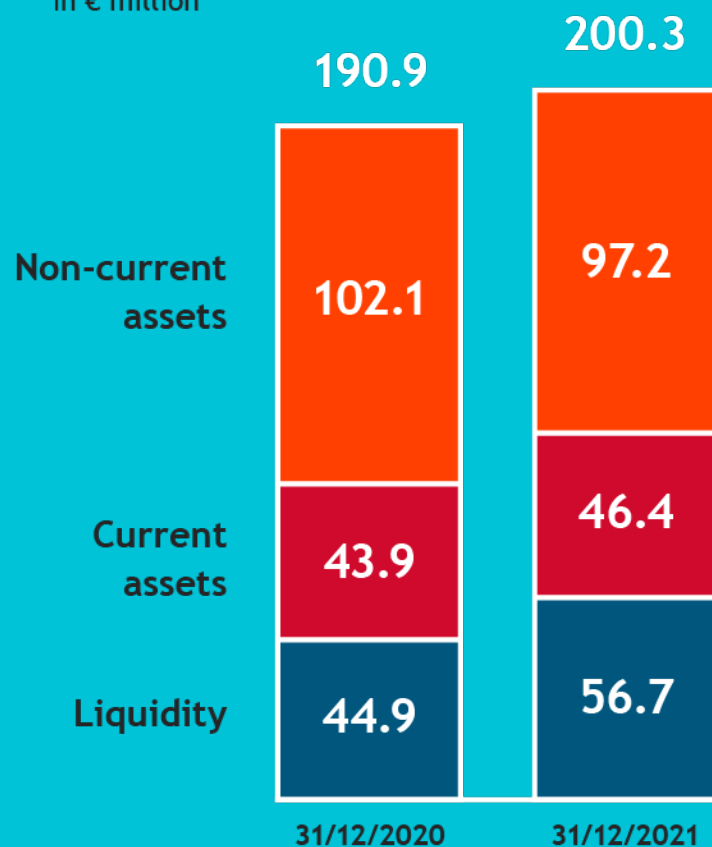


- Sale of colocation business has one-off impact on free cash flow
- Operating FCF: € -11.6 m
- Outflows of funds for
  - datac takeover
  - snabble investment
  - entry into logistics
  - scanplus takeover
- H1 2022: redemption of lease obligations at scanplus (€ 7.8 m)

# q.beyond's financing is rock solid

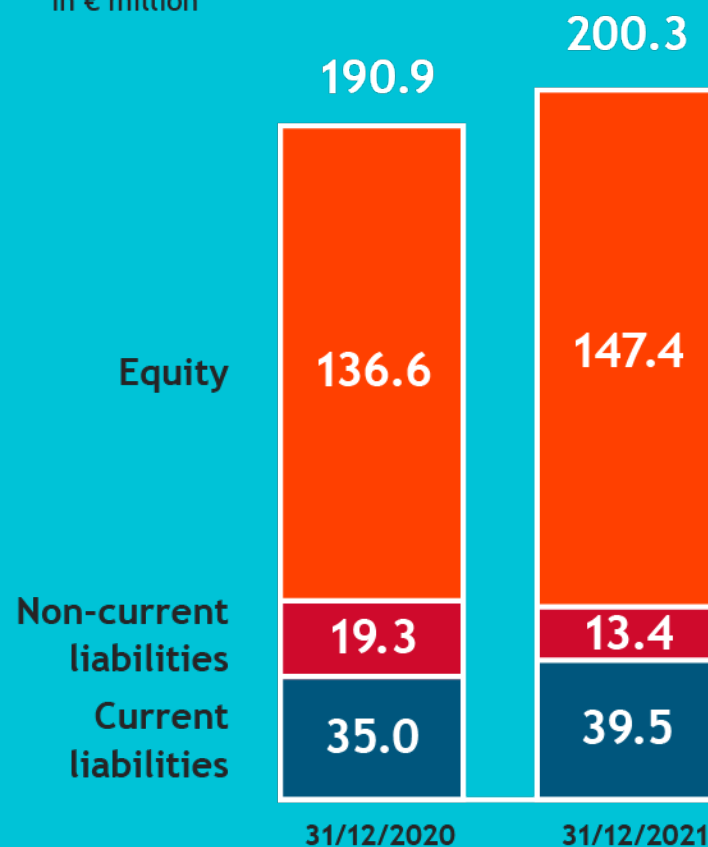
## Total assets

in € million



## Total equity and liabilities

in € million



## High net liquidity

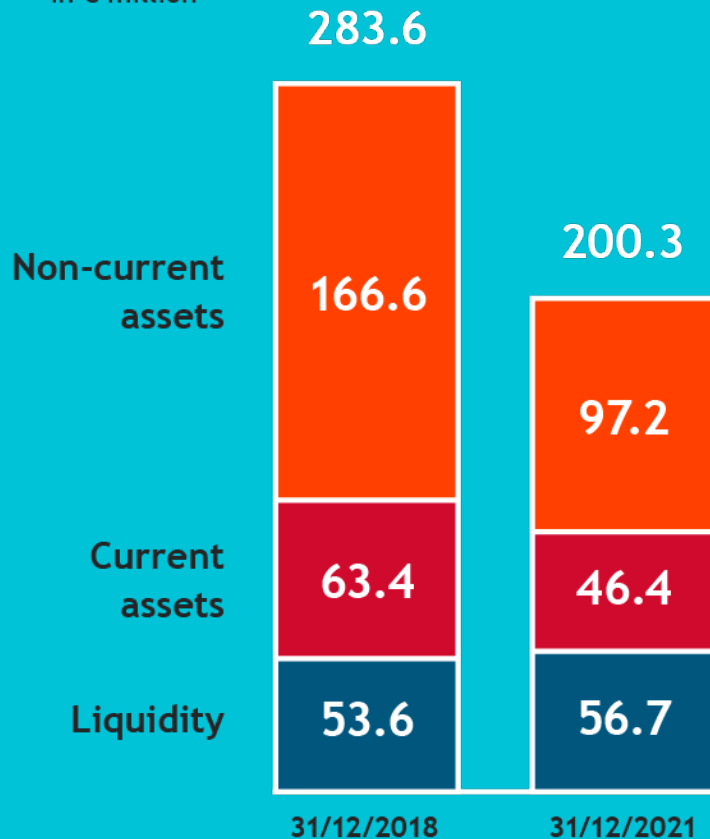
- Equity ratio of 74%
  - No bank debts
- Strong financing for the strong growth planned



# Balance sheet transformed

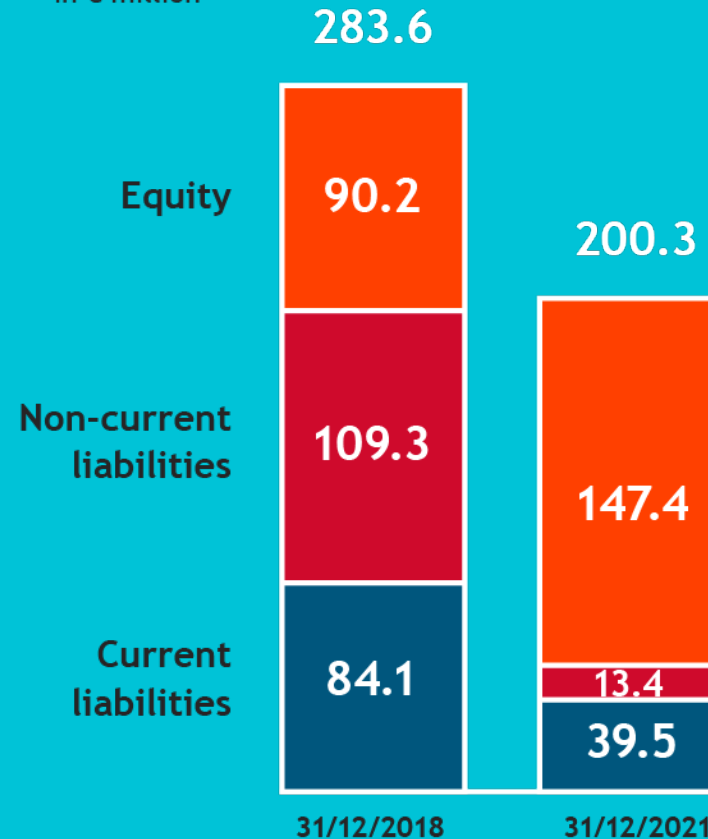
## Total assets

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%)

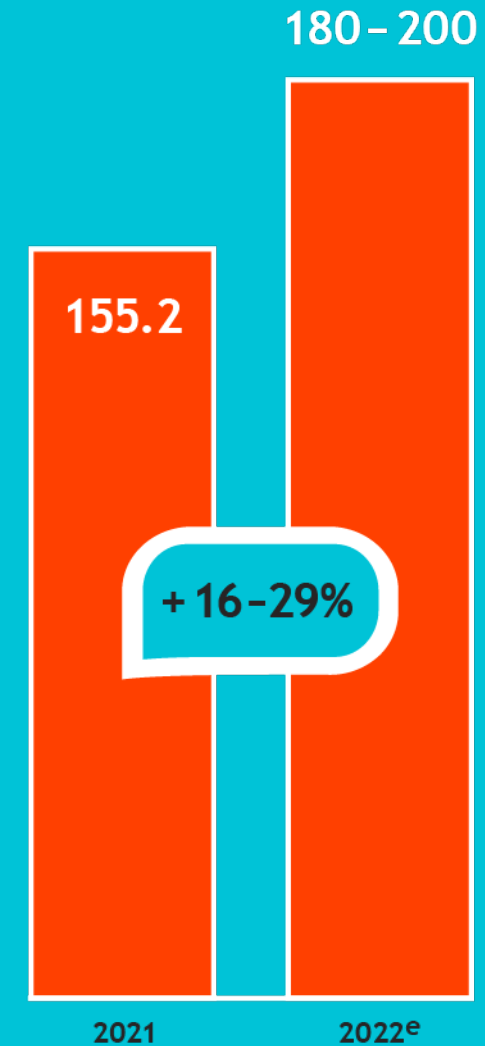


# Accelerated growth in 2022

## 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

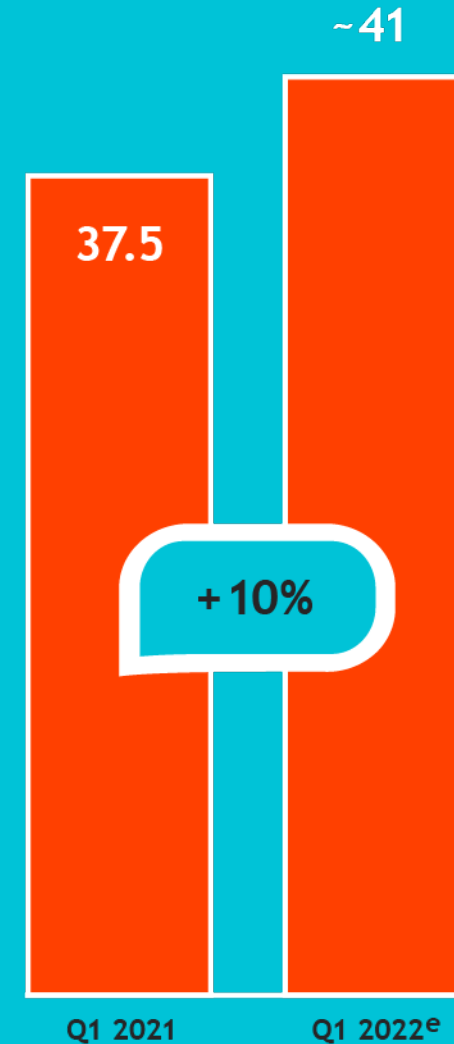
**Revenues**  
in € million



# 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%)

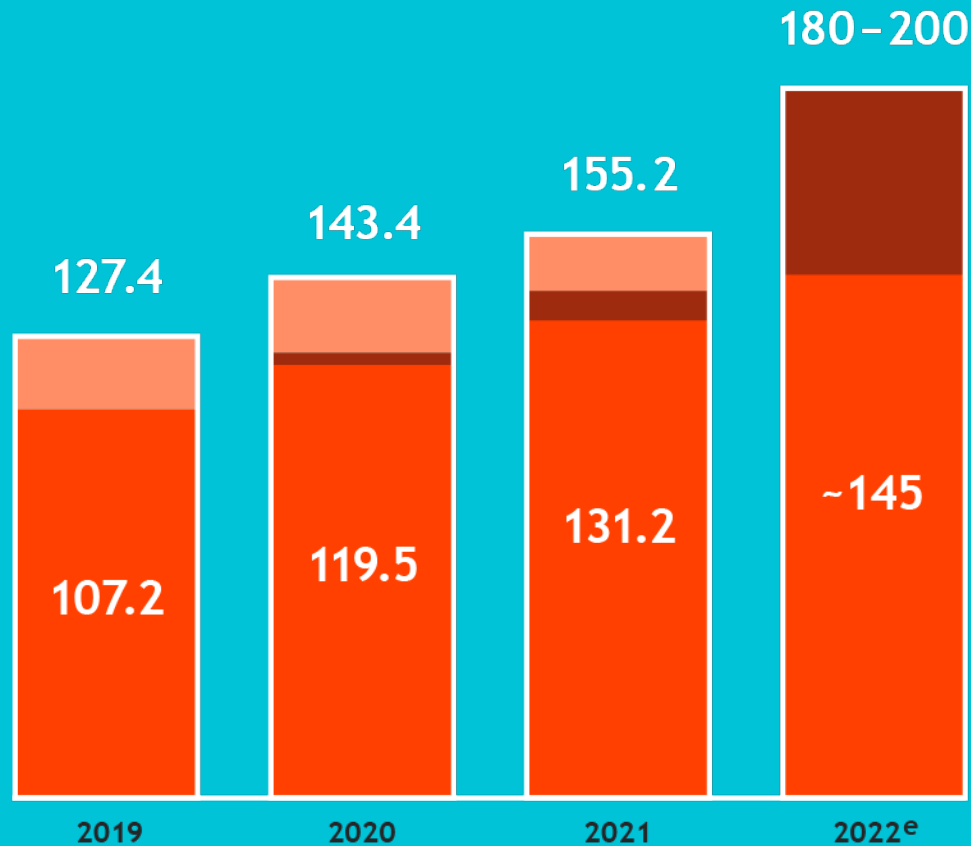
Revenues  
in € million



# 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

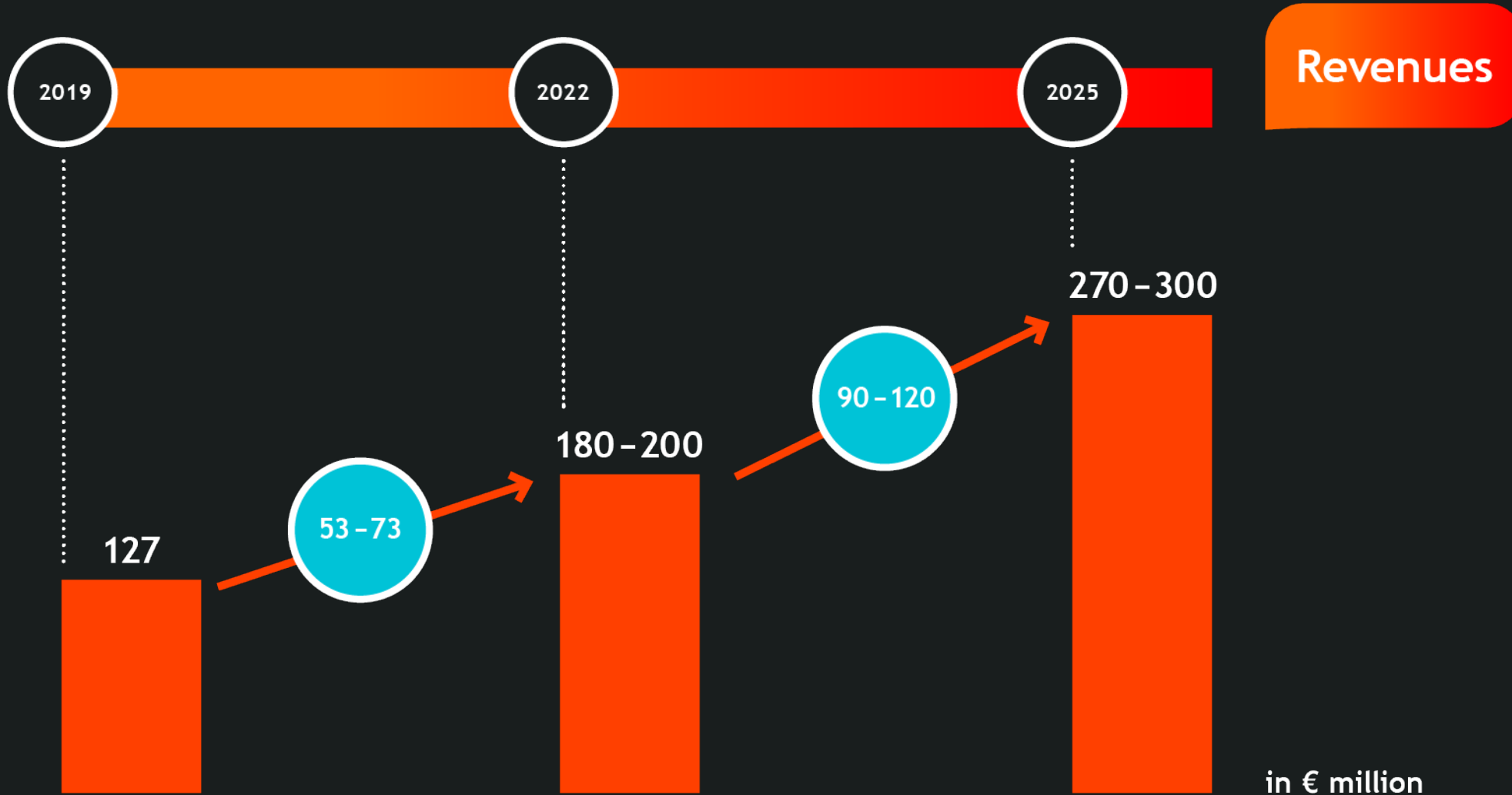
Investments in future and M&A

ESG: climate neutrality, strong team and culture of performance

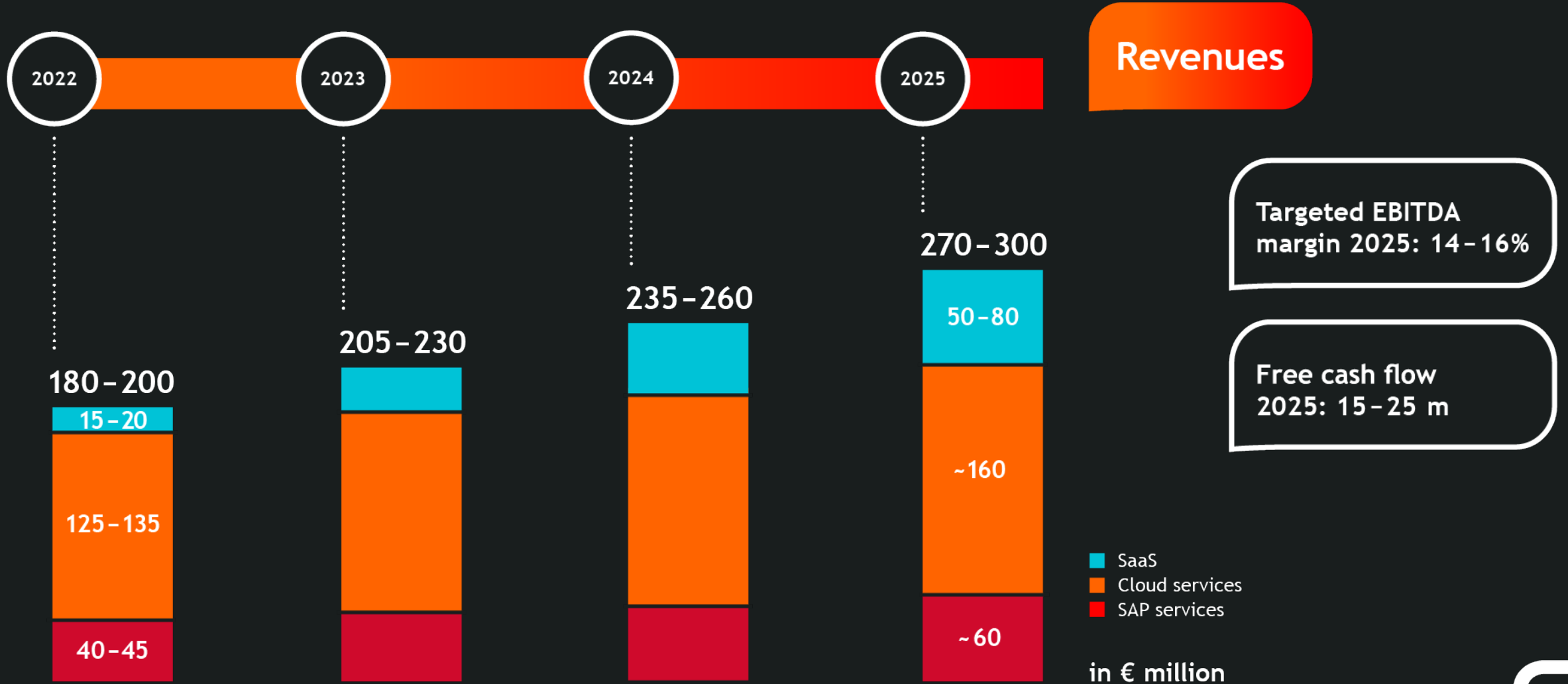
2025: Revenues 270 – 300 m | EBITDA margin 14 – 16% | Free cash flow 15 – 25 m



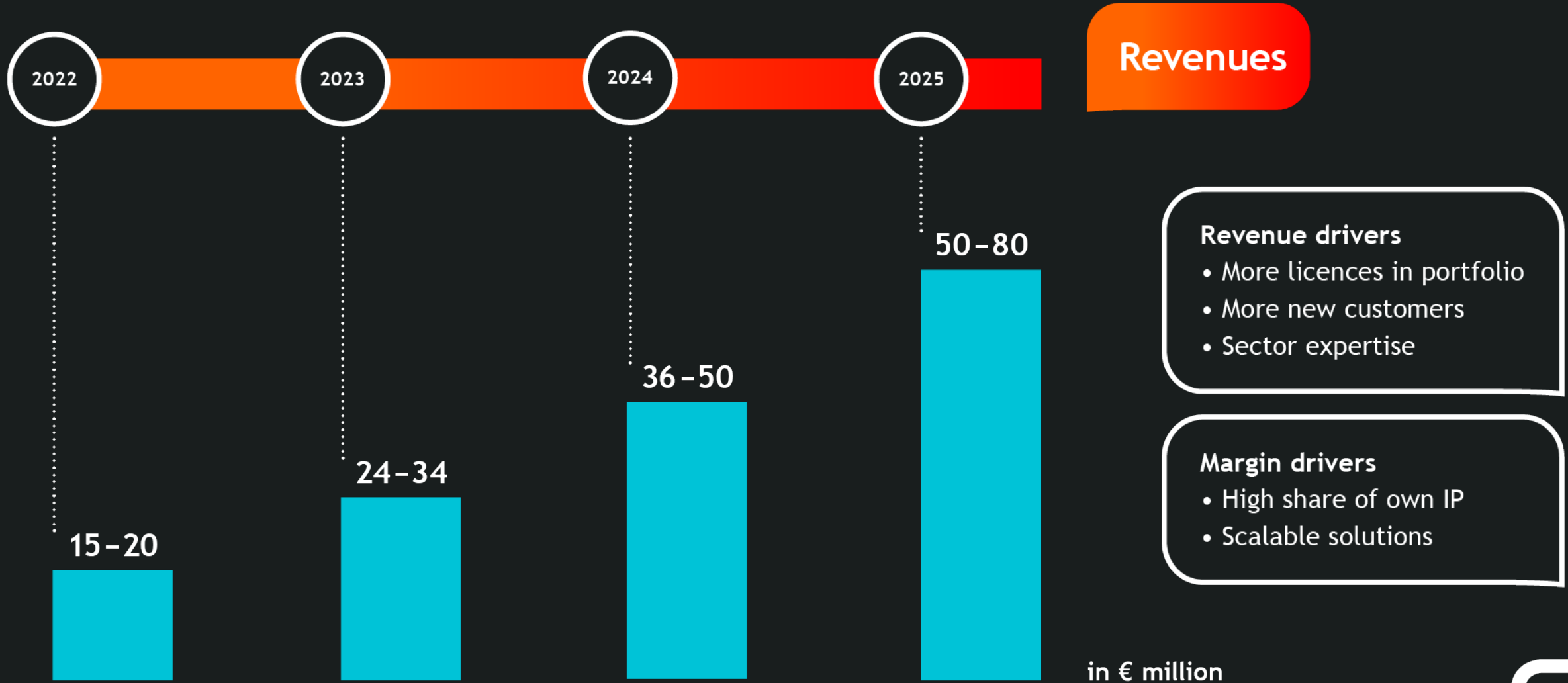
# Growth gains momentum



# 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

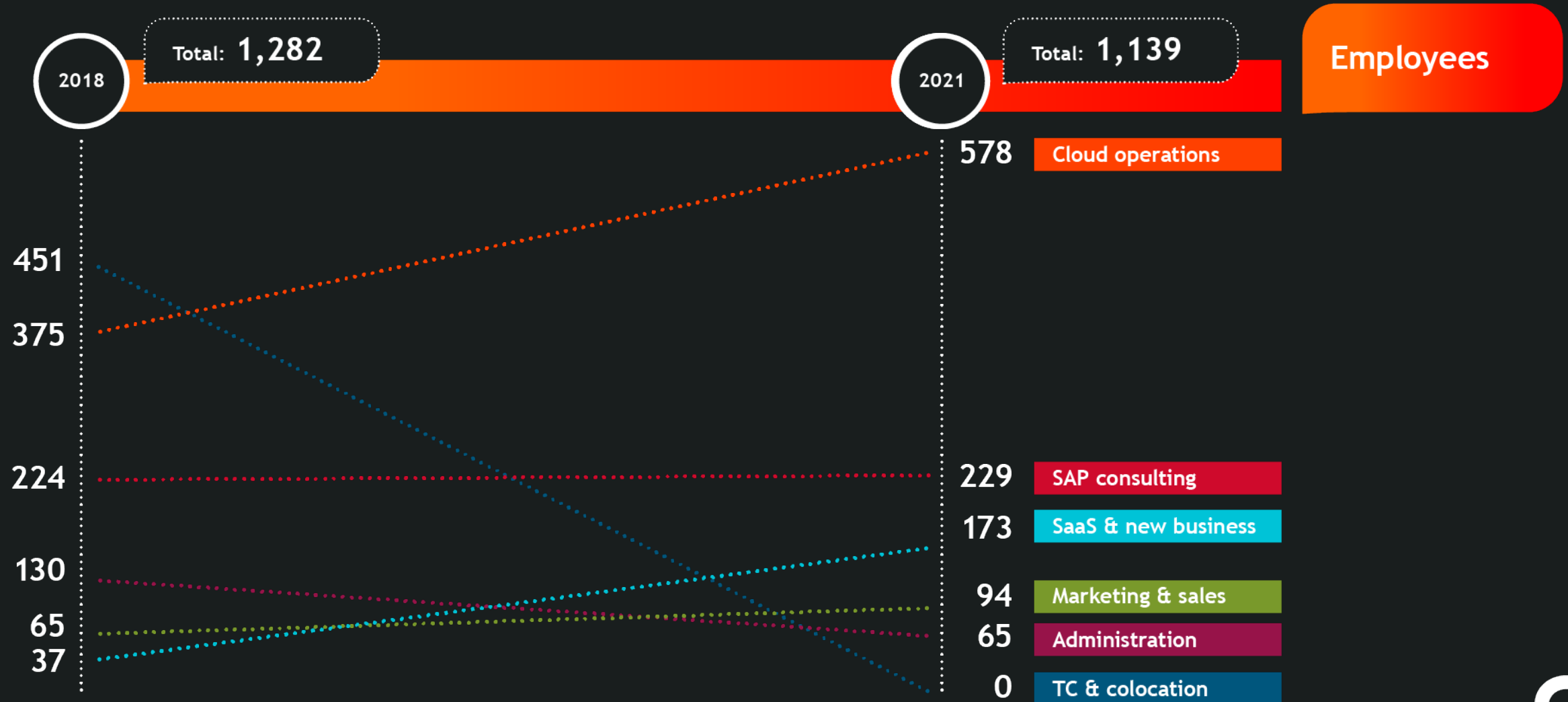
## Innovation boards provide impetus

- top-class boards for focus sectors

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



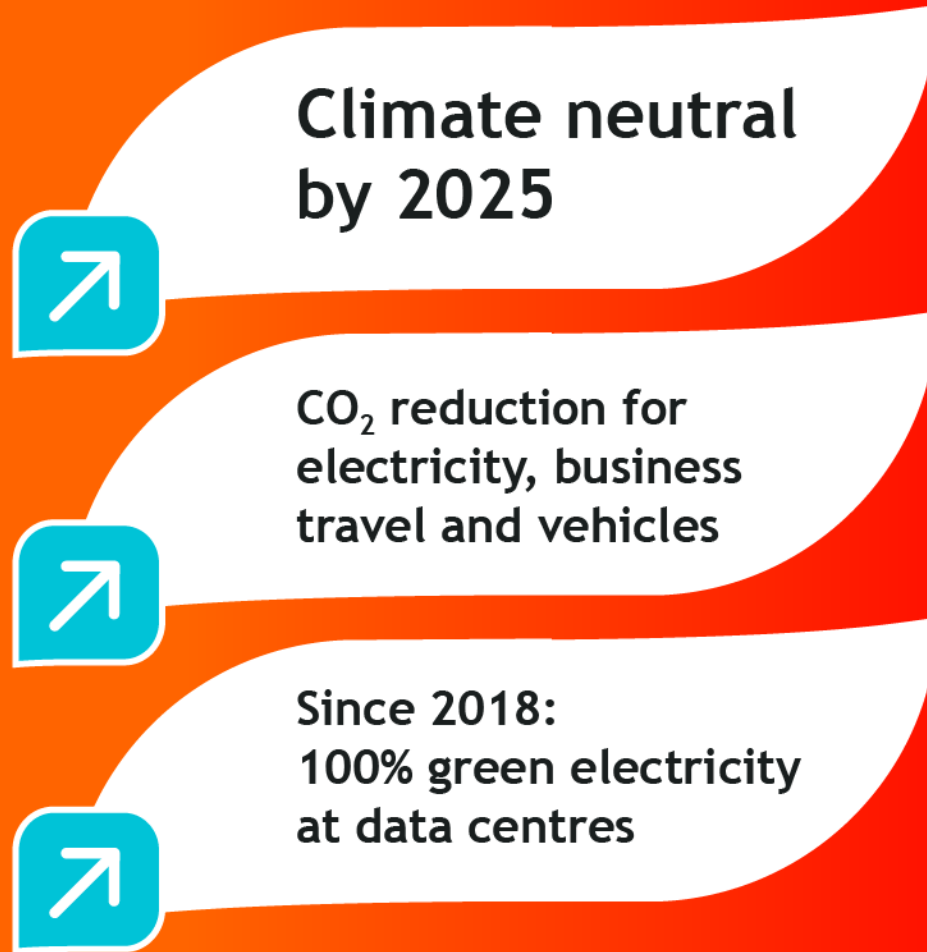
# Team: more than 170 SaaS experts on board





# 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 CO<sub>2</sub> 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 employees<sup>1</sup>

Hybrid cloud

<sup>1</sup> 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**<sup>2</sup>

Cybersecurity

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



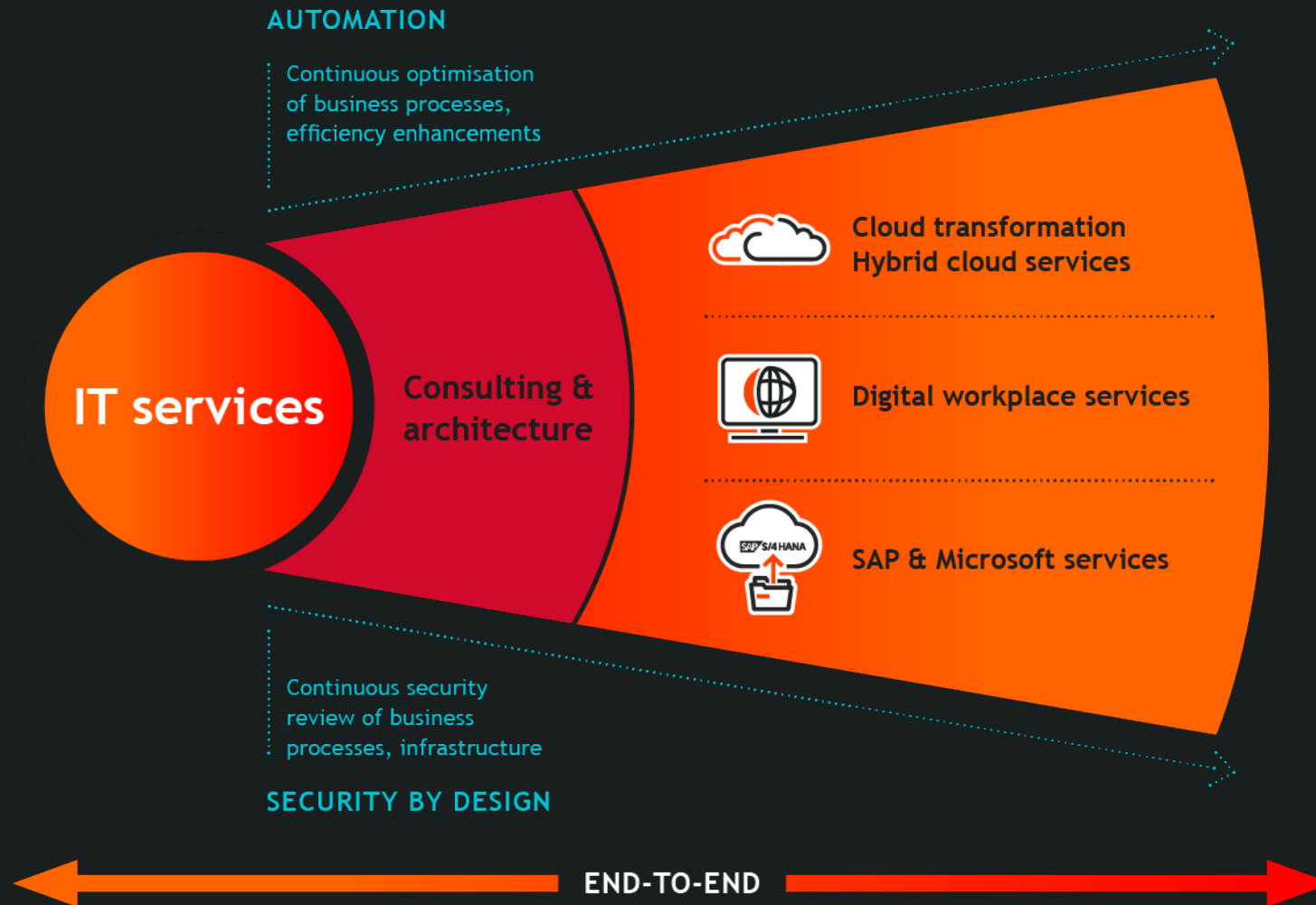
... are continuing to **digitalise and automate** their core processes<sup>3</sup>

ERP/SAP

<sup>3</sup> 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:**  
1<sup>st</sup> level from Germany  
2<sup>nd</sup> 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



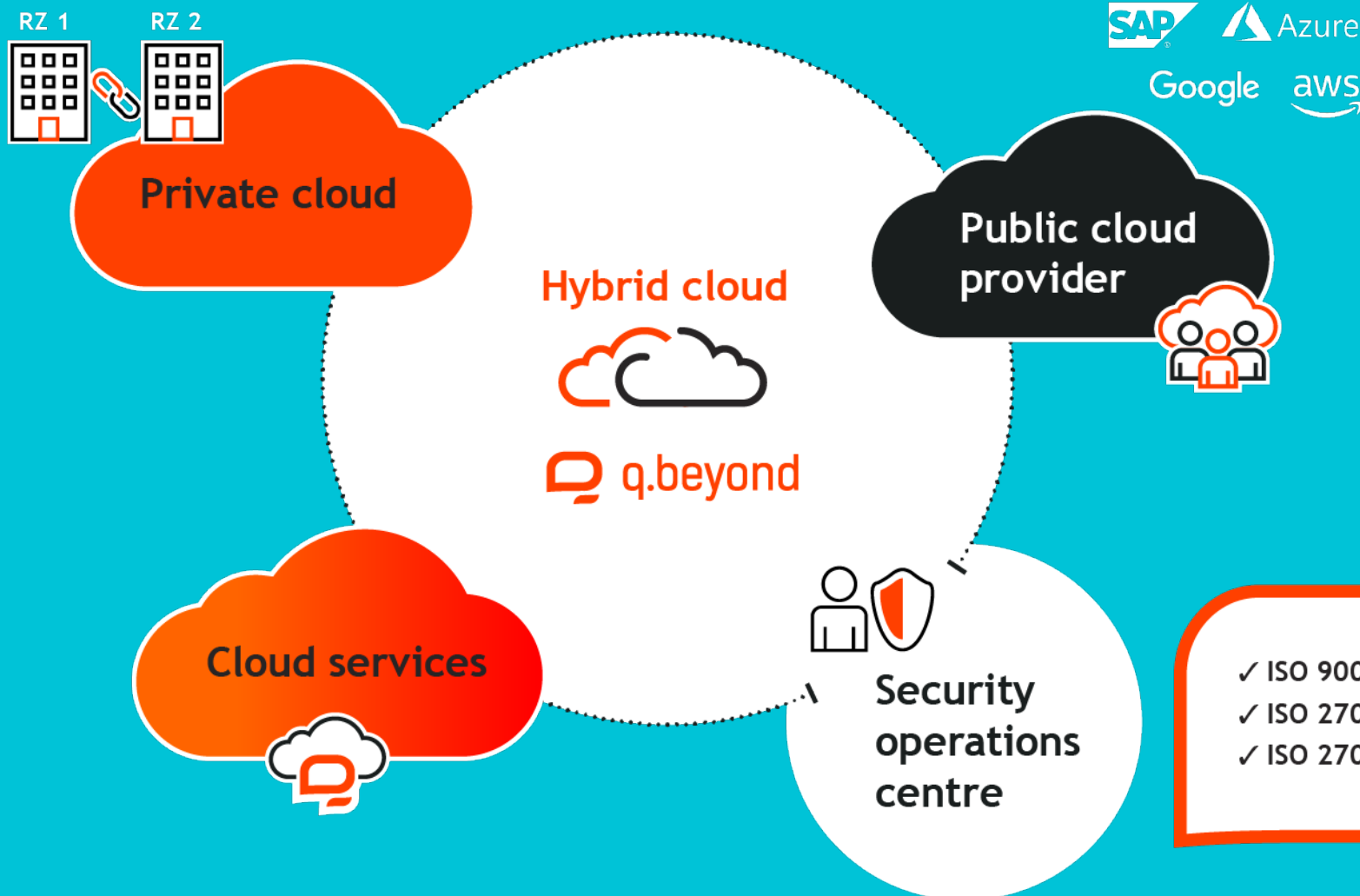
## Solution

- 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 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



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 

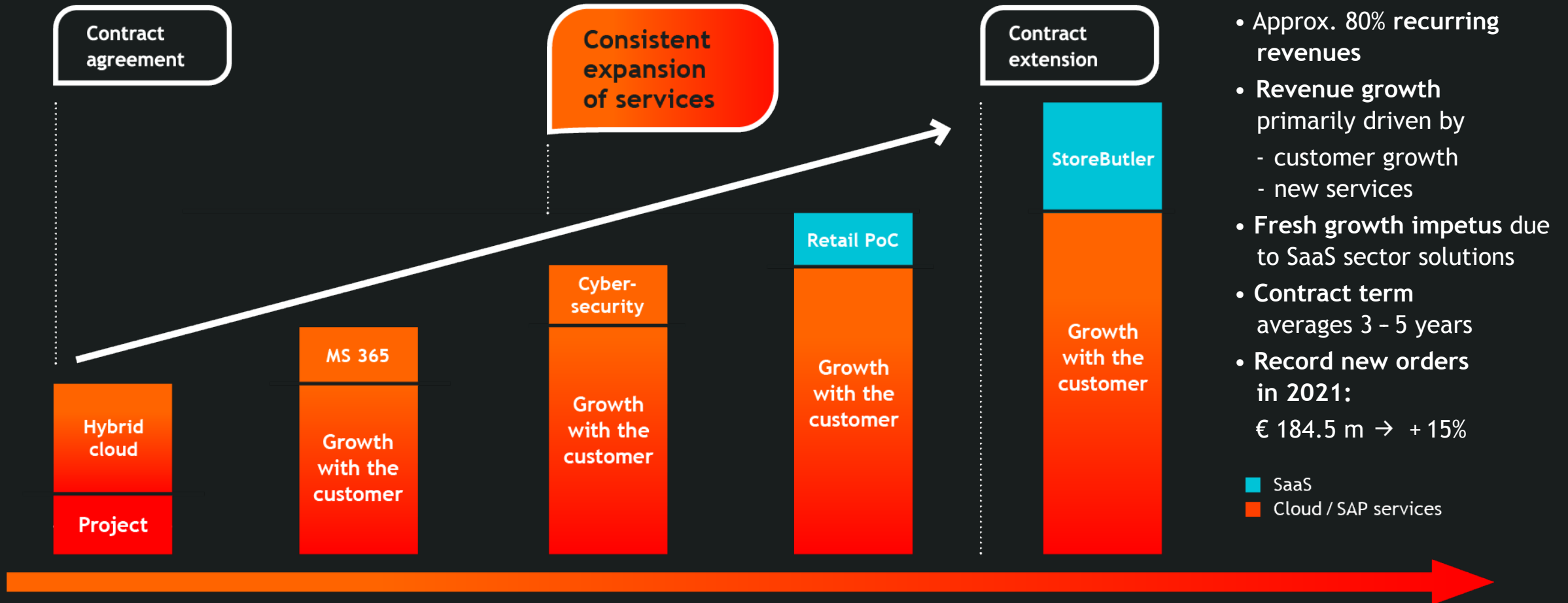
- q.beyond is one of Germany's ten largest IT service companies
- q.beyond is one of Germany's ten fastest-growing IT service providers
- Extensive portfolio (including IT modernisation, cybersecurity, cloud transformation) meets current needs of IT users
- User survey reveals growth opportunities for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





# 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.

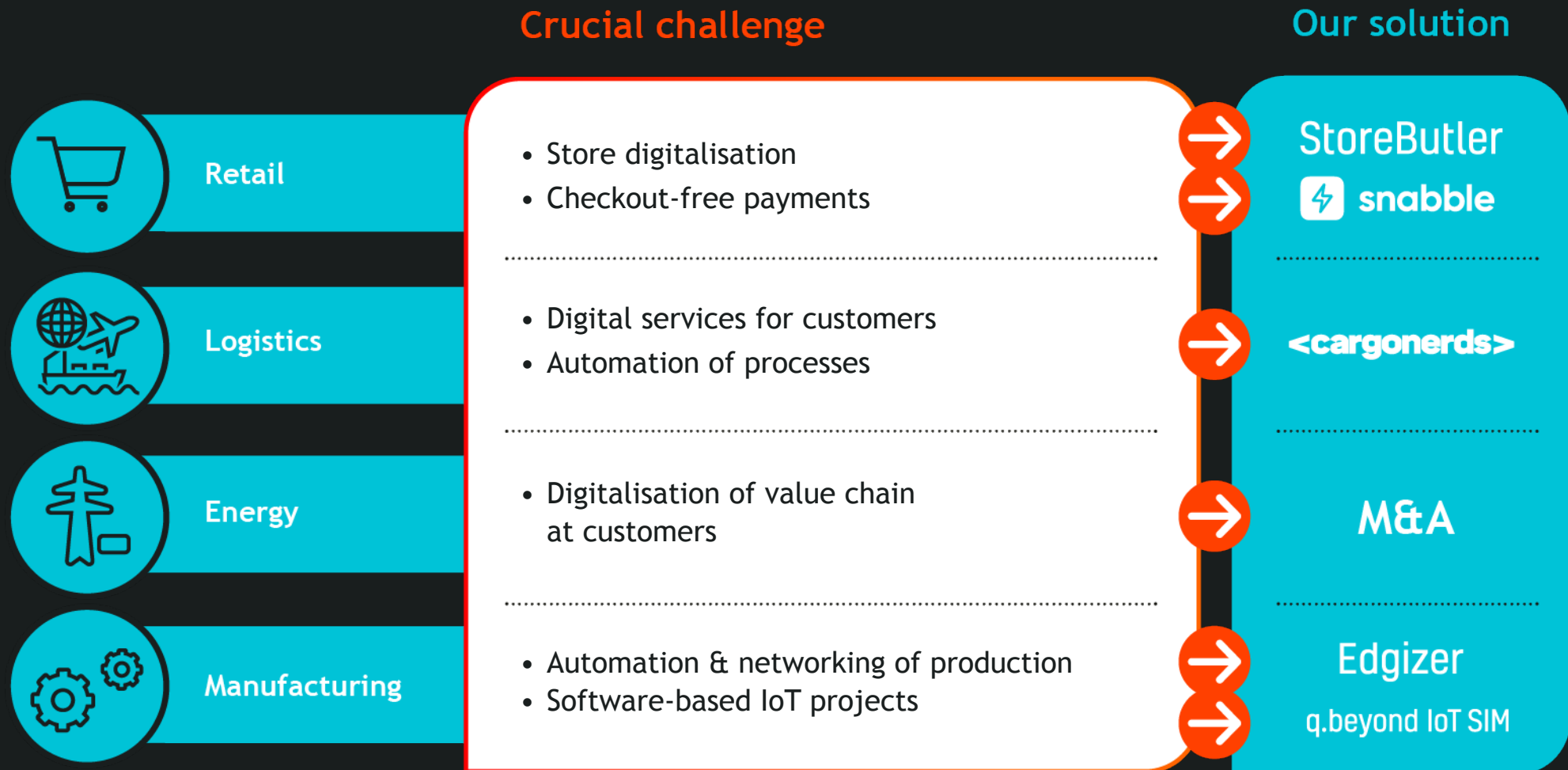
**This will contribute to the following objectives:**

- 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

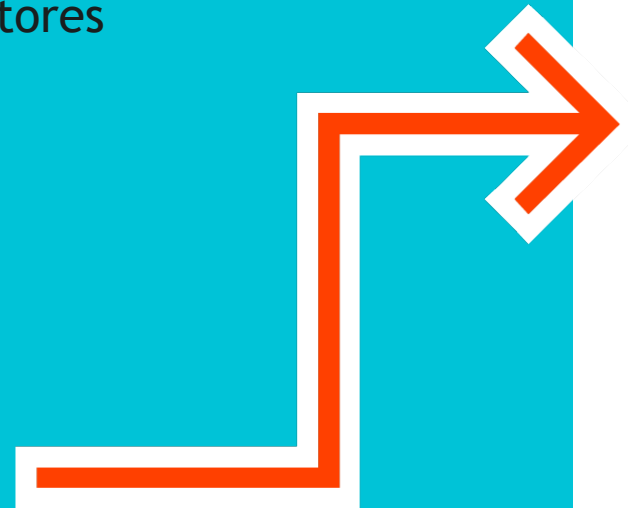
## Sector responds by

- 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  
**Köller**

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

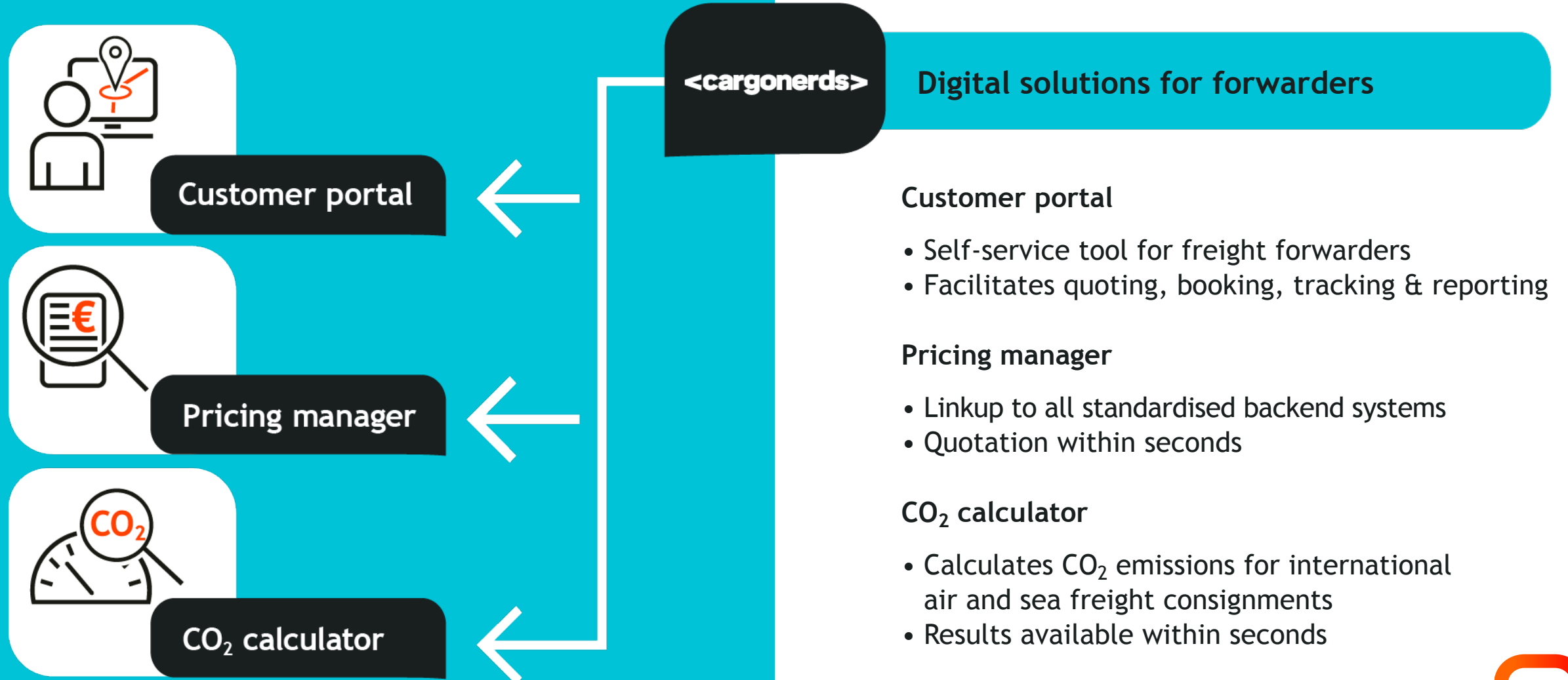
## Requirements

- 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.

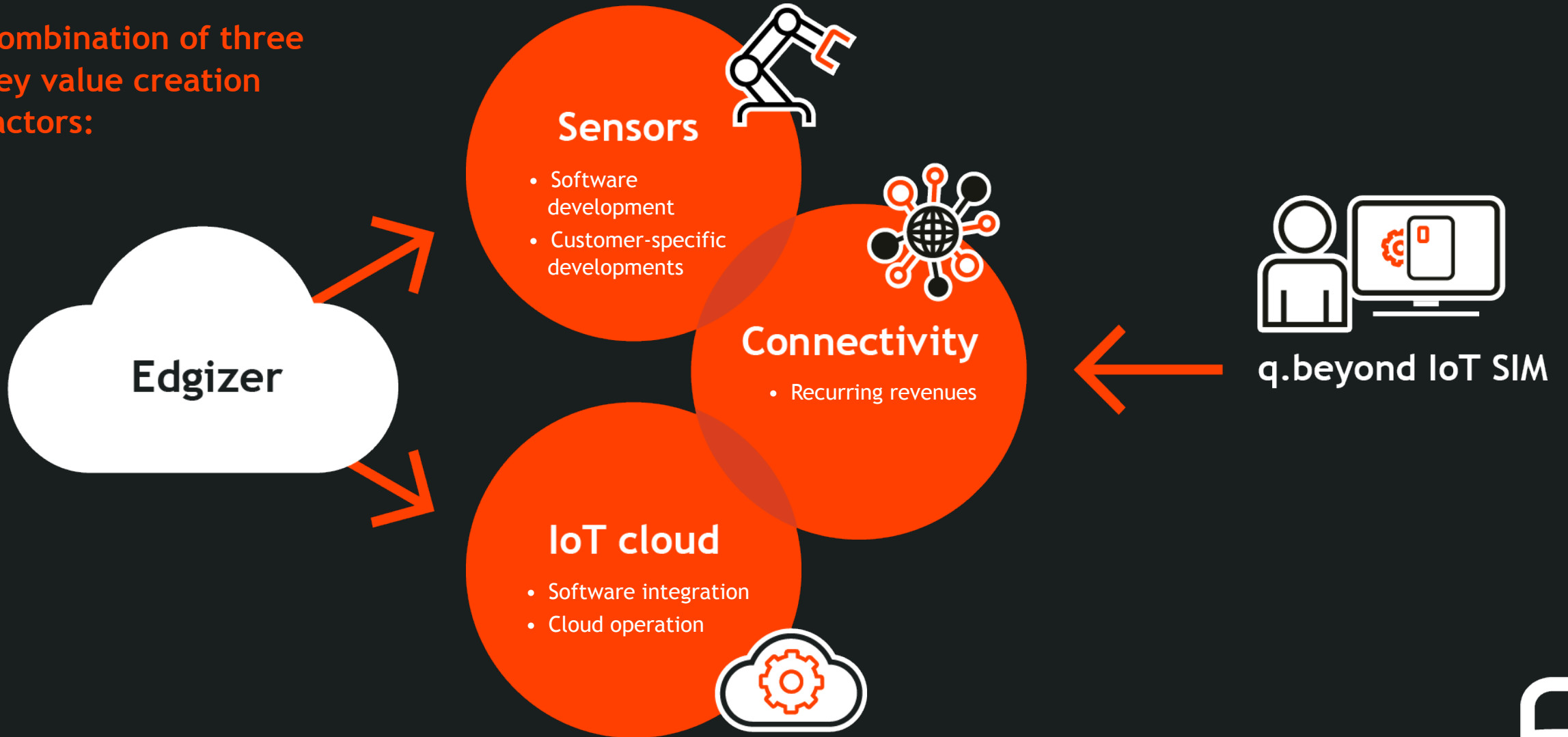


# q.beyond & cargonerds



# Using IoT in manufacturing

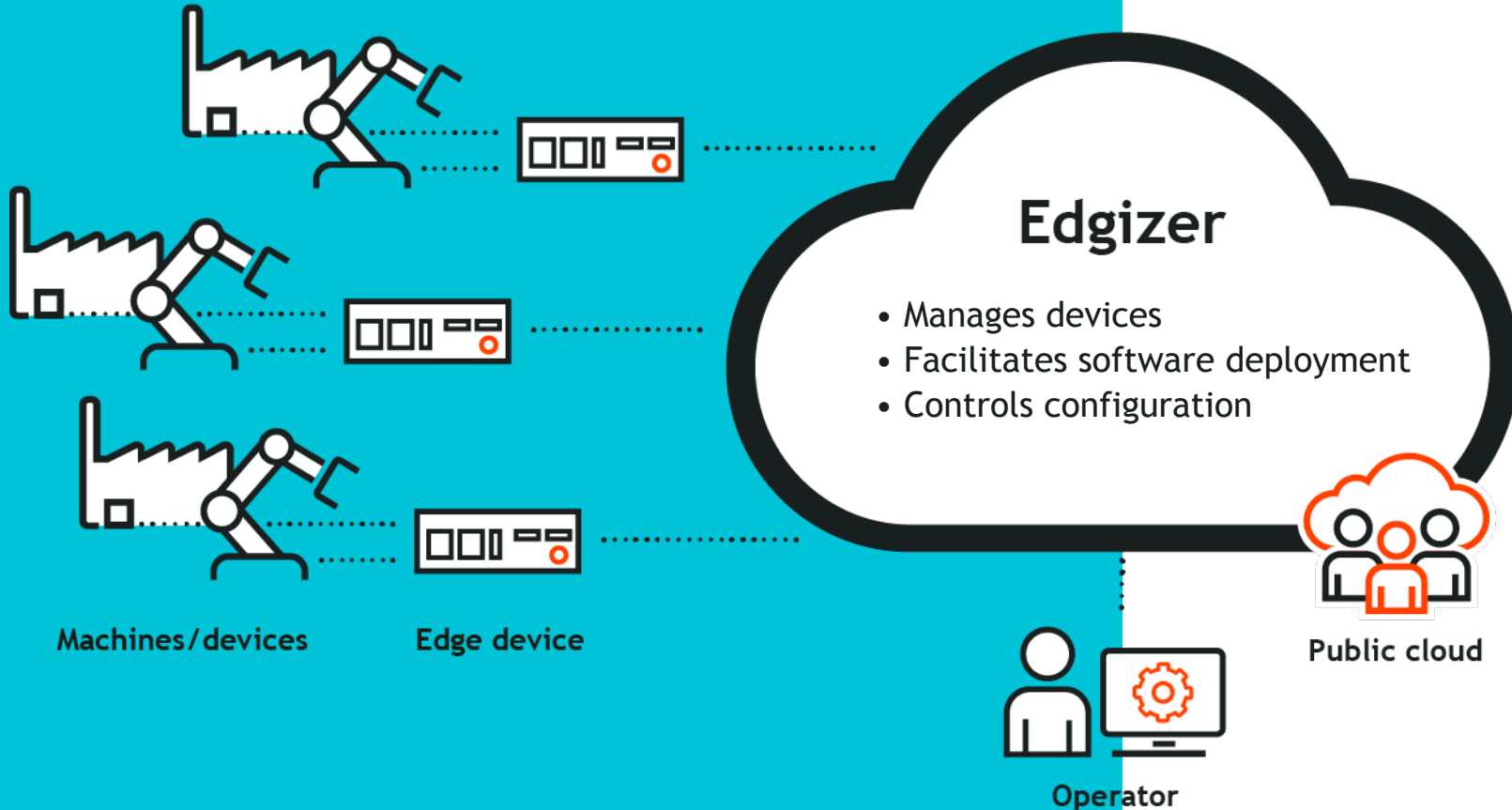
Combination of three  
key value creation  
factors:



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

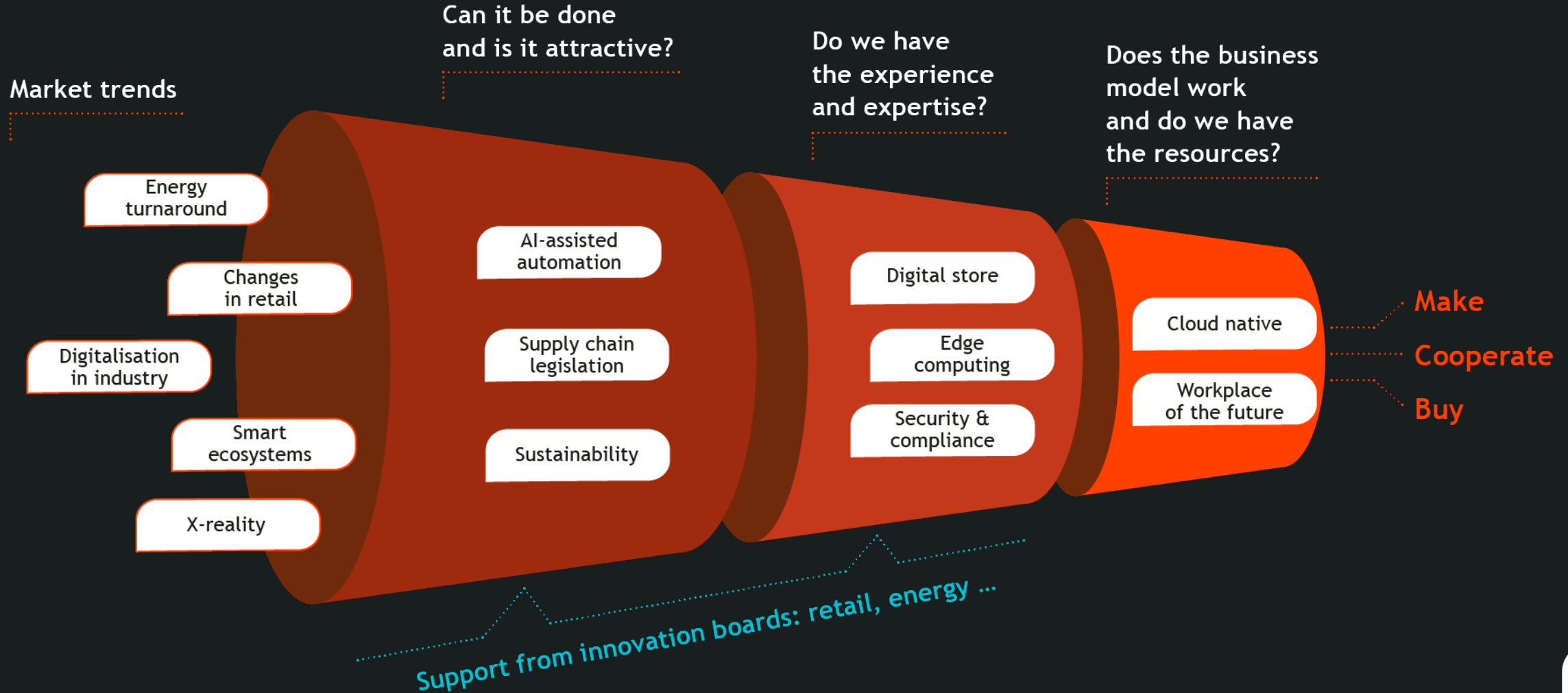
## The market is changing

- 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 CO<sub>2</sub> avoidance

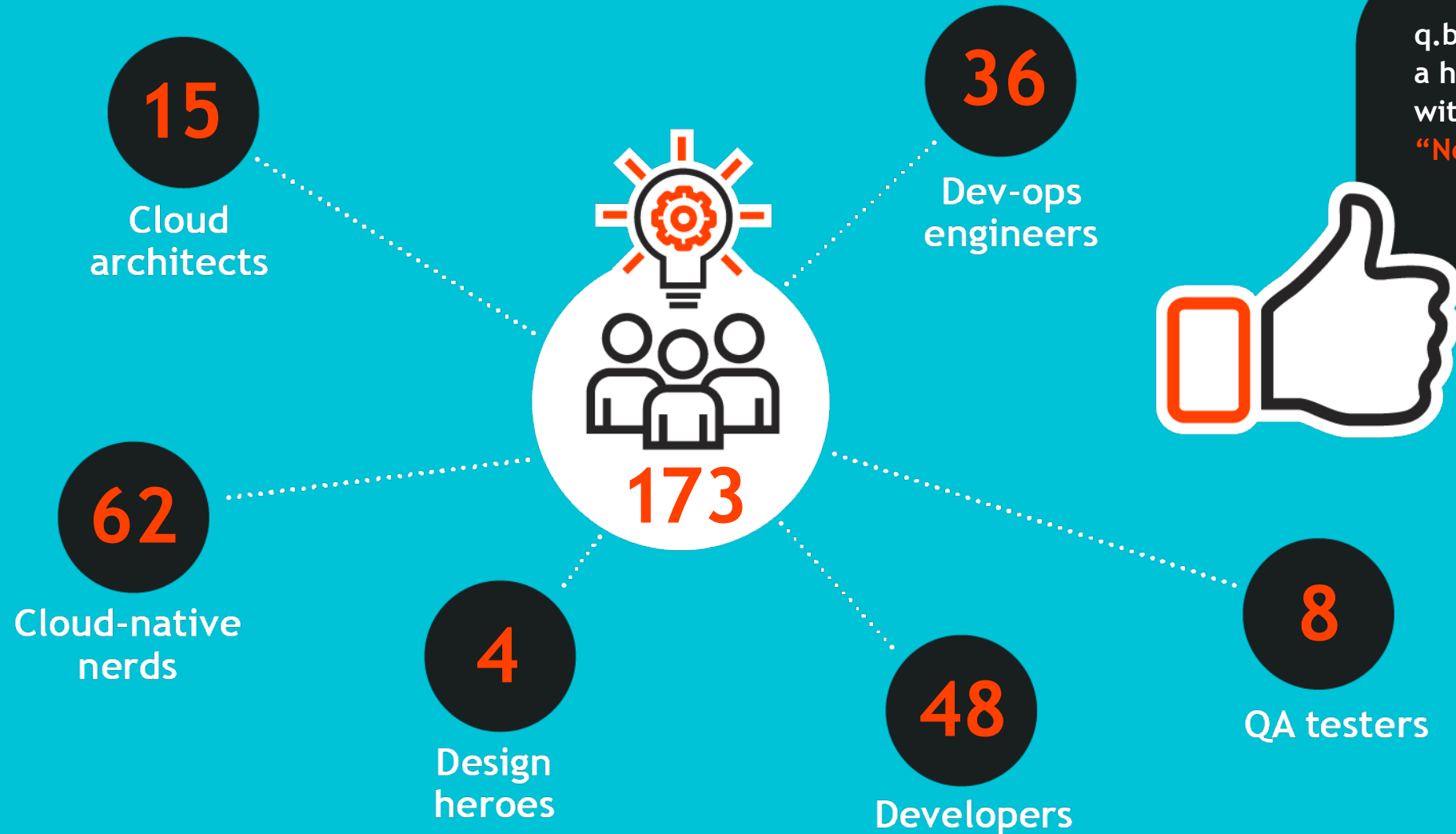


**Turning point**  
Requirements are rising and system is no longer manageable. Need for: revolution not evolution.

# Sights set on new SaaS solutions: the innovation radar



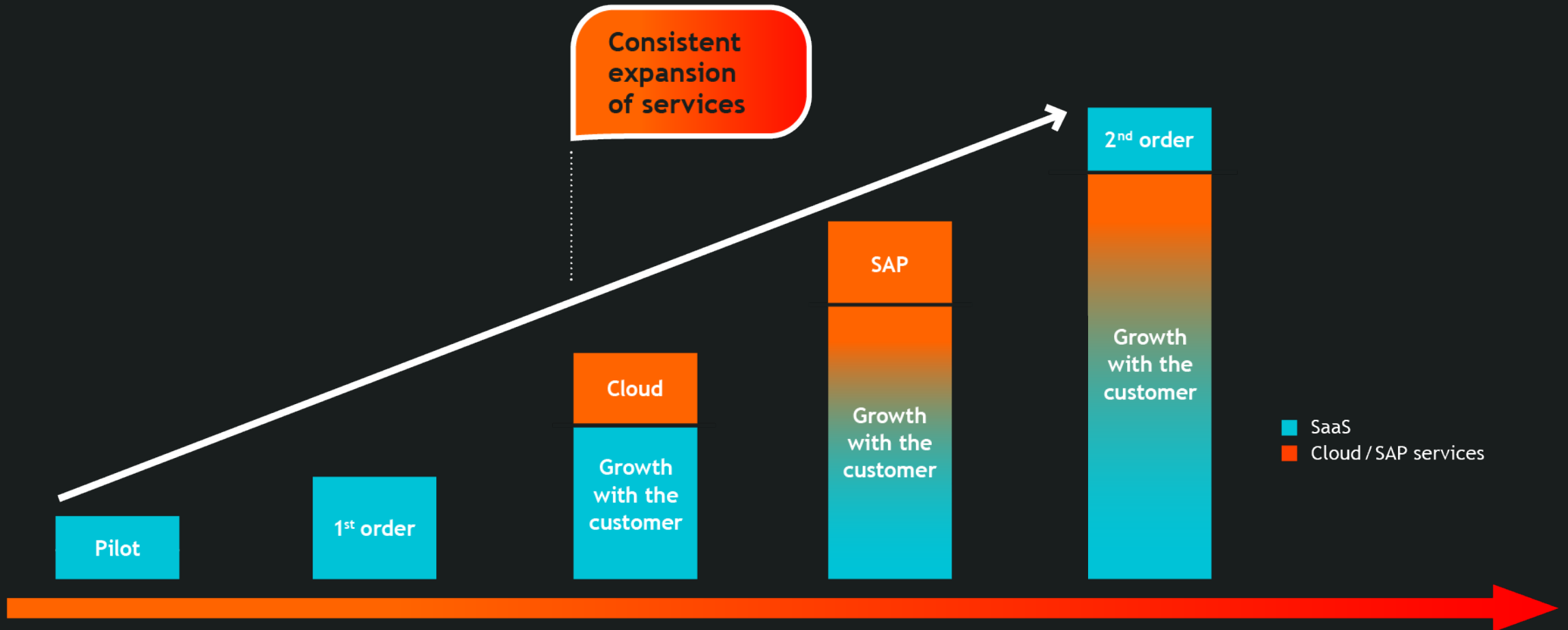
# A strong team for our SaaS business



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

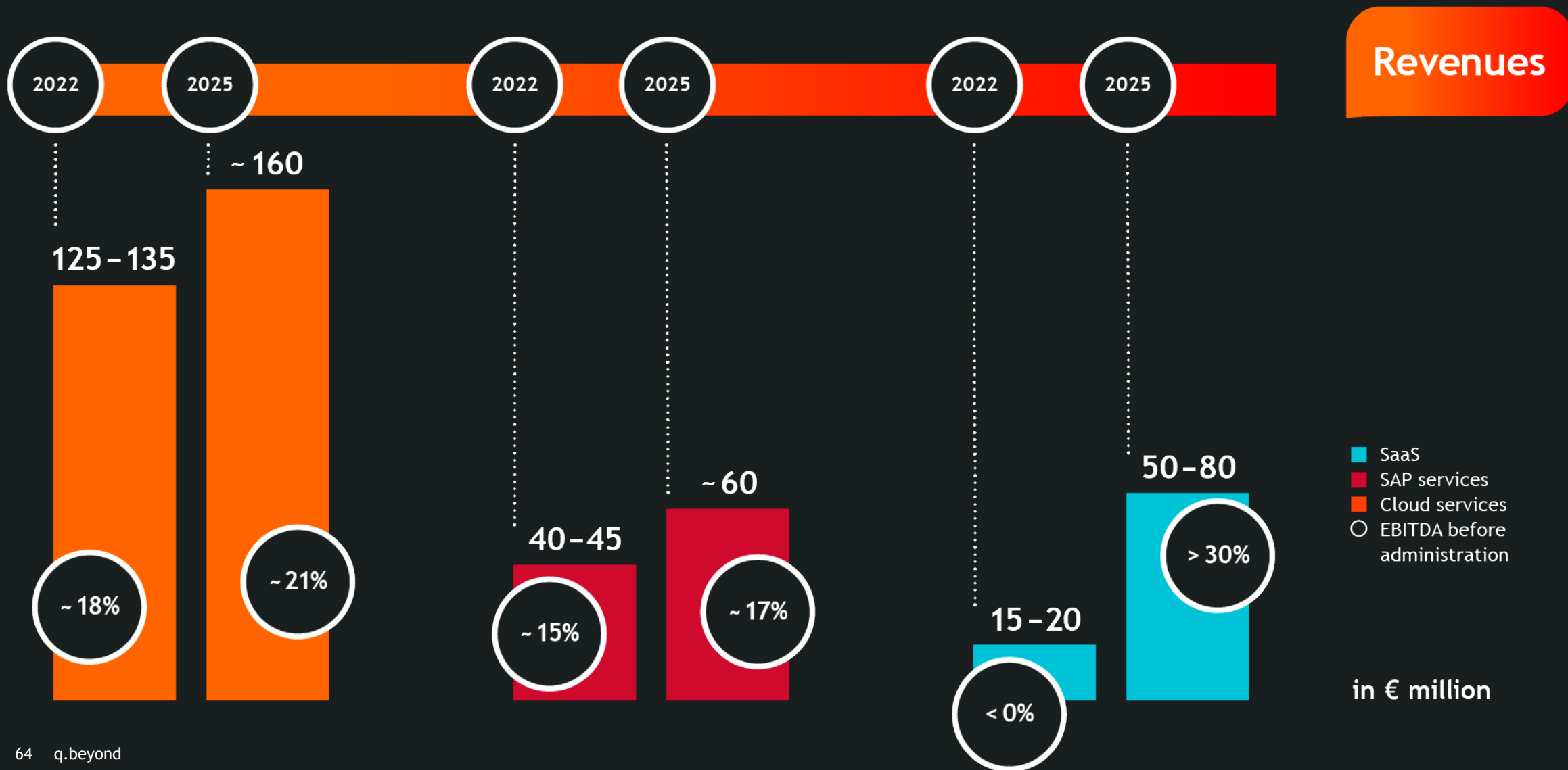




# Takeaway: q.beyond is a worthwhile investment

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

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expect the next