



# q.beyond: strong and profitable growth

Deutsches Eigenkapitalforum 2021  
22 - 24 November 2021 | Jürgen Hermann, CEO

# Disclaimer

This presentation contains forward-looking statements based on management estimates and reflects the current views of q.beyond AG's ("q.beyond's") management board with respect to future events. These forward-looking statements correspond to the situation at the time this presentation was prepared. Such statements are subject to risks and uncertainties, which q.beyond is mostly unable to influence. These risks and uncertainties are covered in detail within the risk report section in our financial reporting.

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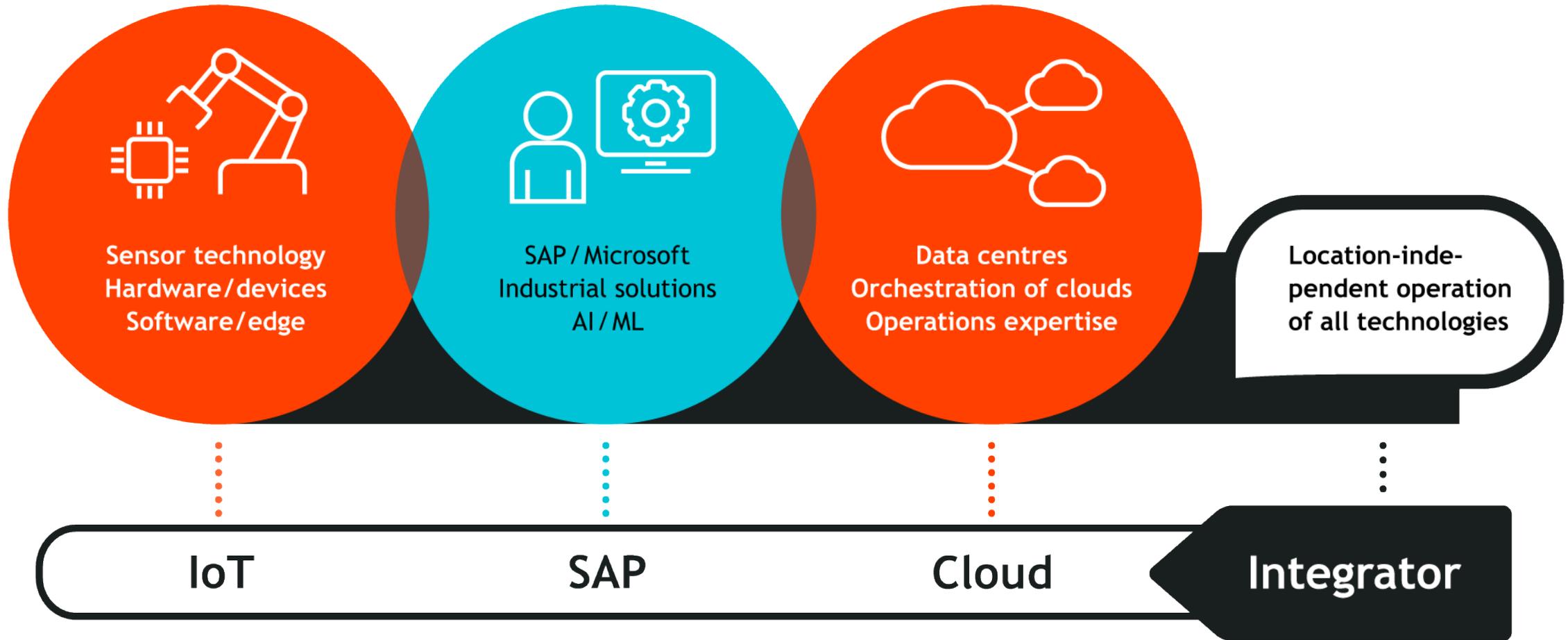
The growth company  
q.beyond

# Expect the next!

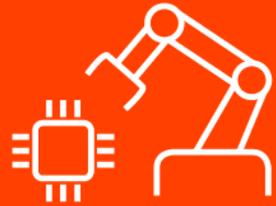
We are reimagining SME digitalisation – with innovative end-to-end solutions to revolutionise any business model



# q.beyond integrates all relevant technologies ...



# ... to help German SMEs solve their digital challenges



- ↗ Networking machinery
- ↗ Supervising goods storage
- ↗ Automating processes
- ↗ Tracking products

IoT



- ↗ Introducing S/4HANA
- ↗ Standardising software landscapes
- ↗ Intensifying customer retention
- ↗ Optimising inventory management

SAP

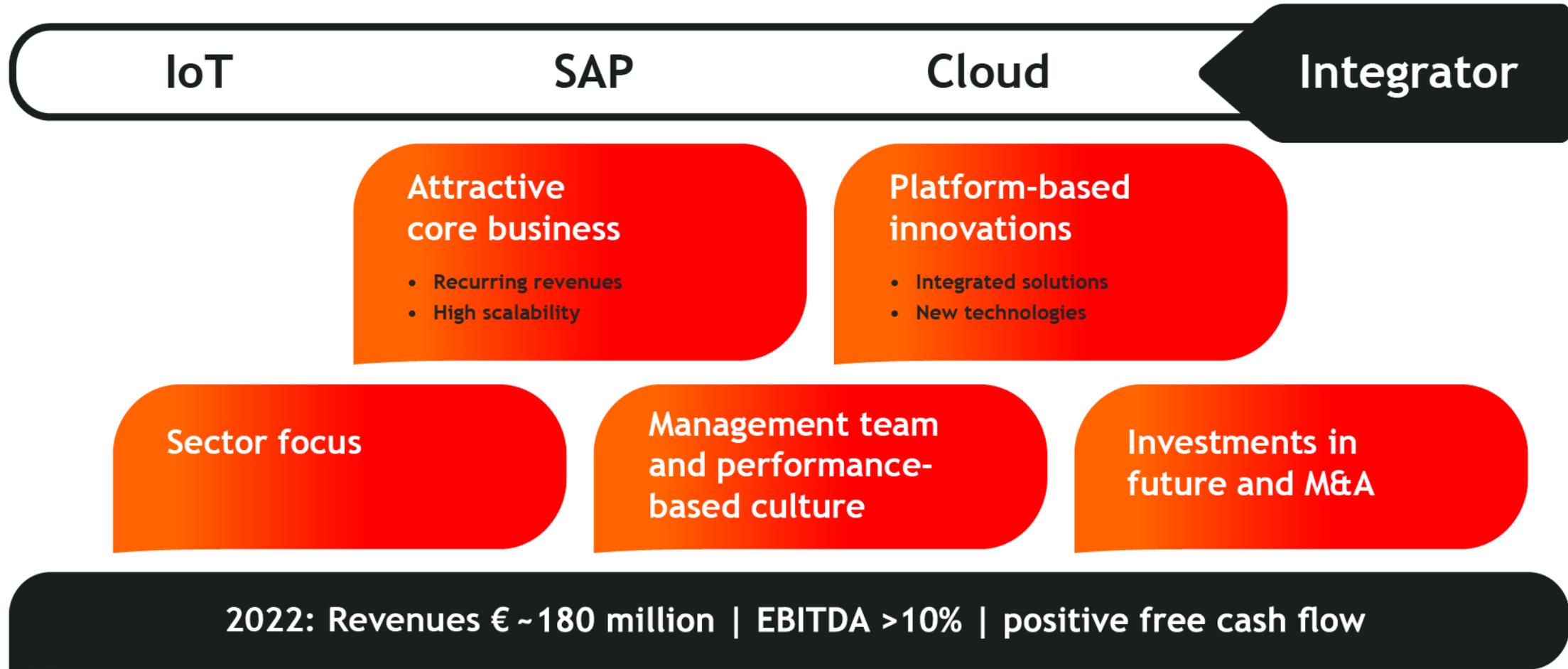


- ↗ Managing data centrally
- ↗ Storing data securely
- ↗ Defending against cyberattacks

Cloud



# A business model for sustainable growth





**Q3 2021:  
growth accelerates**

# Q3 2021: High profitability following colocation sale

	Q3 2020		Q3 2021
Revenues	€ 35.1 million	↗	€ 40.0 million
EBITDA	€ -0.6 million	↗	€ 29.4 million
Operating EBITDA	€ -0.6 million	↗	€ 1.6 million
Consolidated net income	€ -5.0 million	↗	€ 20.7 million
Free cash flow	€ -3.9 million	↗	€ +3.6 million



# Colocation sale at a glance

- 28 July 2021: The existing customer **DATEV** acquires **IP Colocation** and thus the data centre it uses in Nuremberg (inflow of funds in Q3 2021: € 9.6 million)
  - 17 September 2021: **NorthC Group** acquires the significantly larger **IP Exchange** with two data centres in Munich and Nuremberg (purchase price: € 44.0 million enterprise value)
  - Both transactions lead to **one-off accounting gains** and **high inflows of funds**
- 2021 forecast raised three times



# Dynamic revenue growth in 2021

## Revenues

in € million



- **79%** of revenues in Q3 2021 were **recurring**
- **65%** of revenues came from the **focus sectors** of retail, logistics, manufacturing and energy



# Record new orders boost growth momentum

- **85%** of orders in year to date come from **new customers** or involve **new projects** with existing customers
  - Contracts generally have **terms of 3 to 5 years**
  - **New orders** expected to reach new record level of **more than € 180 million**
- Firm foundation for consistently strong and profitable growth

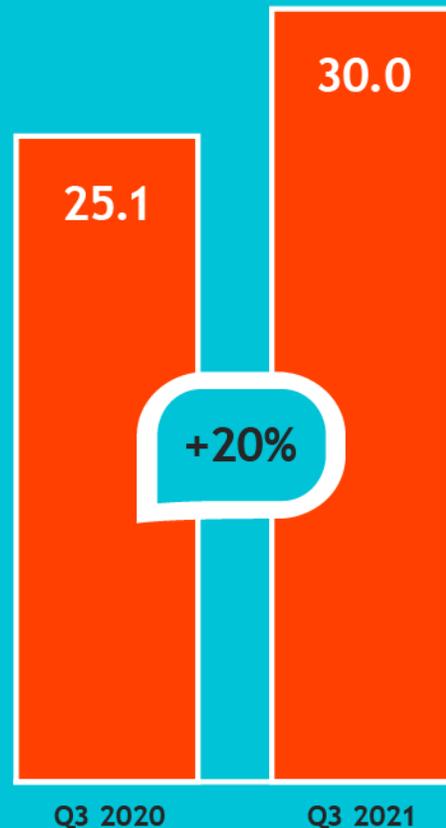
New orders  
in € million



# Cloud & IoT as key growth driver

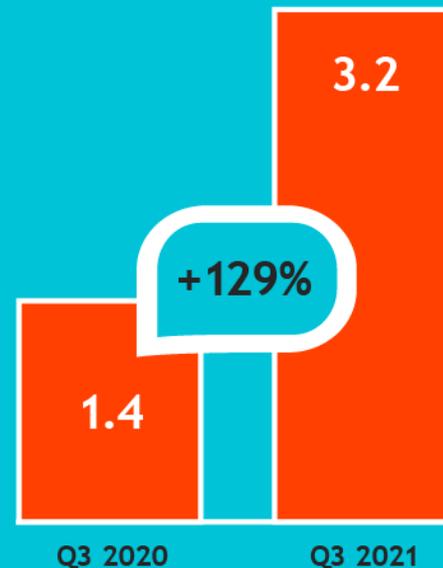
## Revenues

in € million



## Segment contribution

in € million



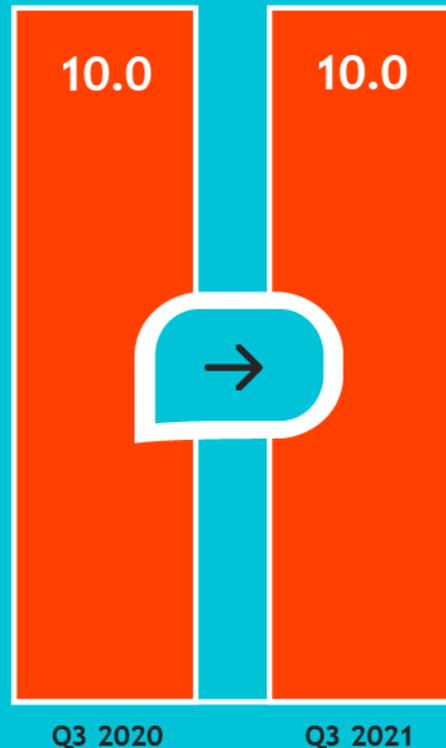
- **Great demand** for cloud solutions and digital workplaces
- **Cloud & IoT business is highly scalable:**
  - platform-based
  - growing share of IP
  - automated processes
- **Profitable growth in nine-month comparison:**
  - Revenues: € 84.9 million (+17%)
  - Segment contribution: € 9.9 million (+120%)



# Sustainable rise in profitability in SAP business

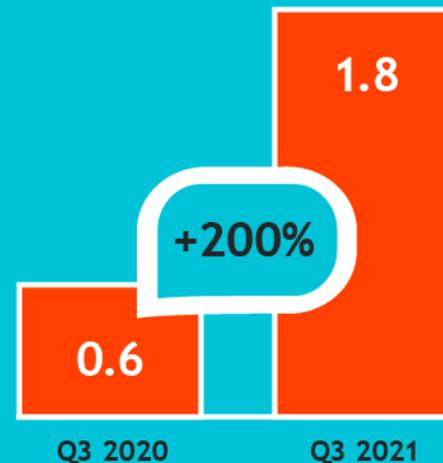
## Revenues

in € million



## Segment contribution

in € million



- **Recurring revenues** from operations and application management **stabilise business** during pandemic
- **Double-digit segment margin** (Q3 2021: 18%) in personnel-intensive business
- **Nine-month comparison underlines stability and profitability:**
  - Revenues: € 31.4 million (+1%)
  - Segment contribution: € 4.3 million (+95%)



# Disproportionate earnings growth

In € million	Q3 2020		Q3 2021
<b>Revenues</b>	35.1	↗	40.0
Cost of revenues	(29.6)		(31.9)
<b>Gross profit</b>	5.5	↗	8.1
Sales and marketing expenses	(3.4)		(3.1)
<b>Segment contribution</b>	2.0	↗	5.0
General and administrative expenses	(3.2)		(4.9)
Other operating income	0.6		33.2
Other operating expenses	(0.1)		(3.8)
<b>EBITDA</b>	(0.6)	↗	29.4
Depreciation	(4.3)		(4.2)
<b>EBIT</b>	(4.9)	↗	25.3
Financial result / Income taxes	(0,1)		(4.6)
<b>Consolidated net income</b>	(5.0)	↗	20.7

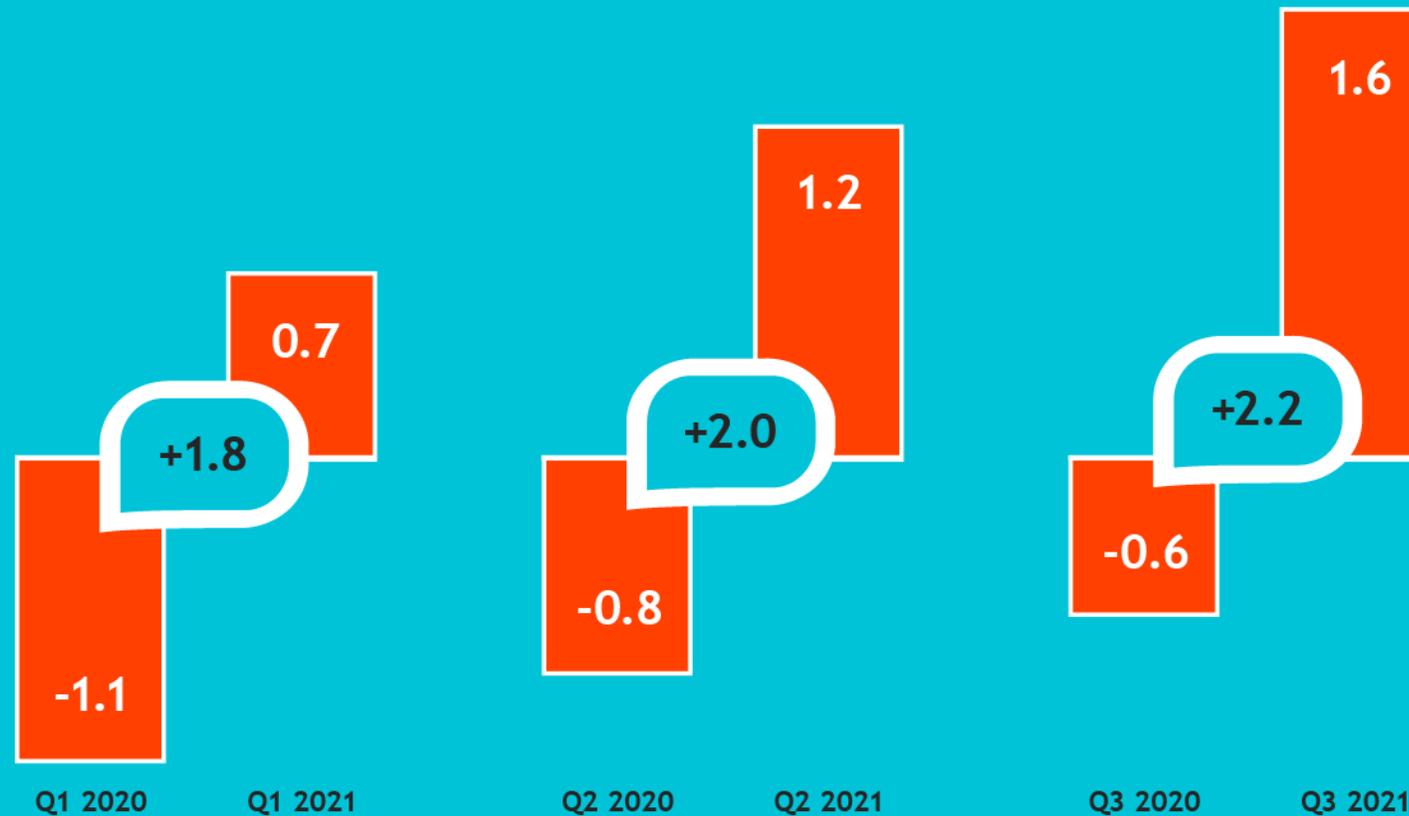
- Revenues grow by 14%
- Gross profit rises by 47%
- Segment contribution increases by 150%
- One-off: Transaction costs increase administrative expenses and other operating expenses
- Net one-off items of € 27.8 million in Q3 2021
  - + Accounting gains
  - Reduction in goodwill
  - Transaction costs



# Operating EBITDA continues to rise

## EBITDA

in € million



- EBITDA (excluding deconsolidation items) with sequential growth of 33% to € 1.6 million



# High marginal return once more in Q3 2021

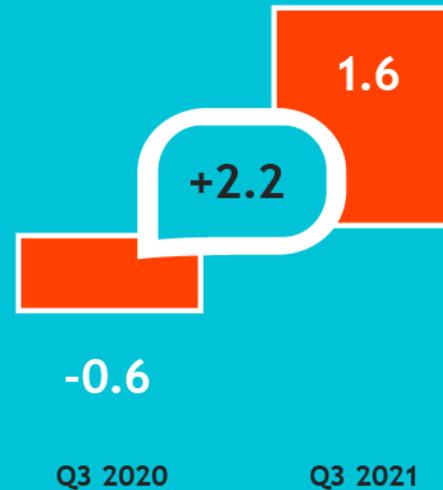
## Revenues

in € million



## Operating EBITDA

in € million



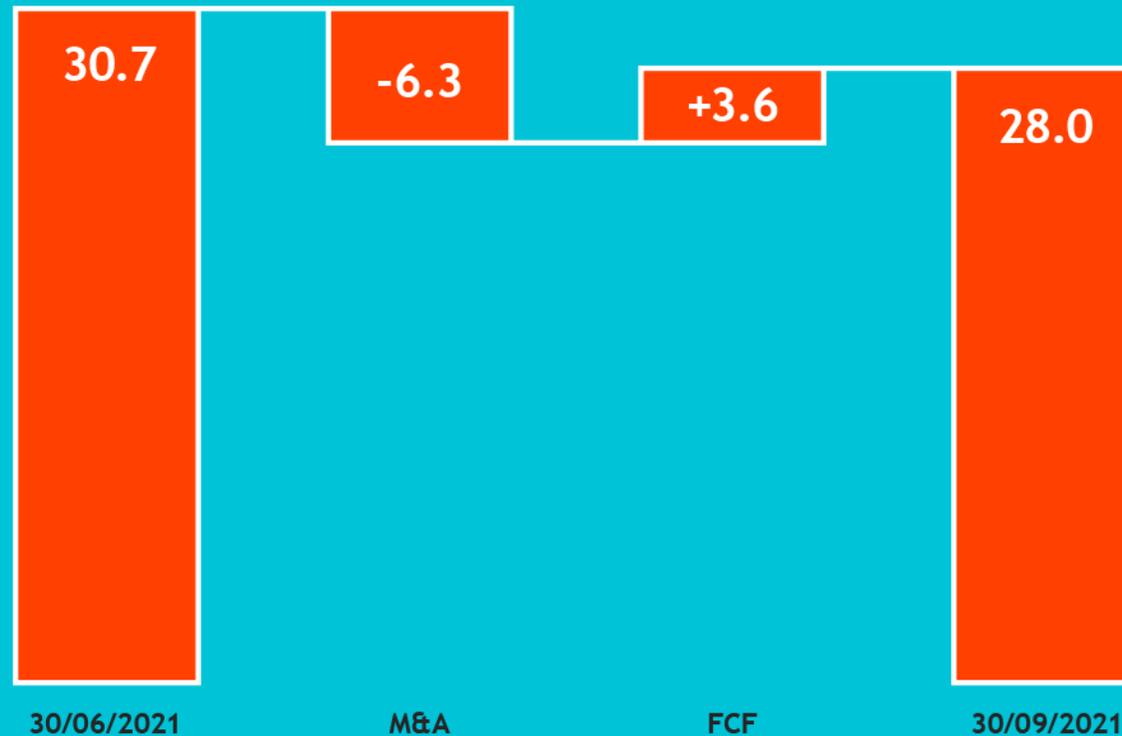
- Q3 2021 again documents the **scalability of the business model** - the marginal return stands at more than 40%



# Q3 2021: Positive free cash flow

## Net liquidity

in € million



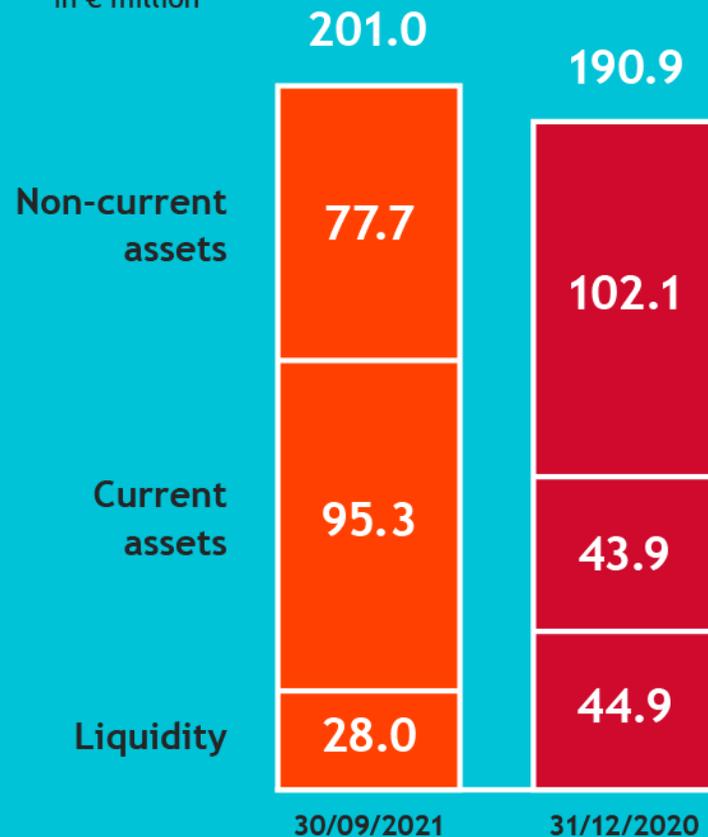
- Significant increase in net liquidity in Q4 2021 due to payment of purchase price for IP Exchange  
→ High free cash flow in Q4 2021 and in 2021 as a whole



# q.beyond's financing is rock solid

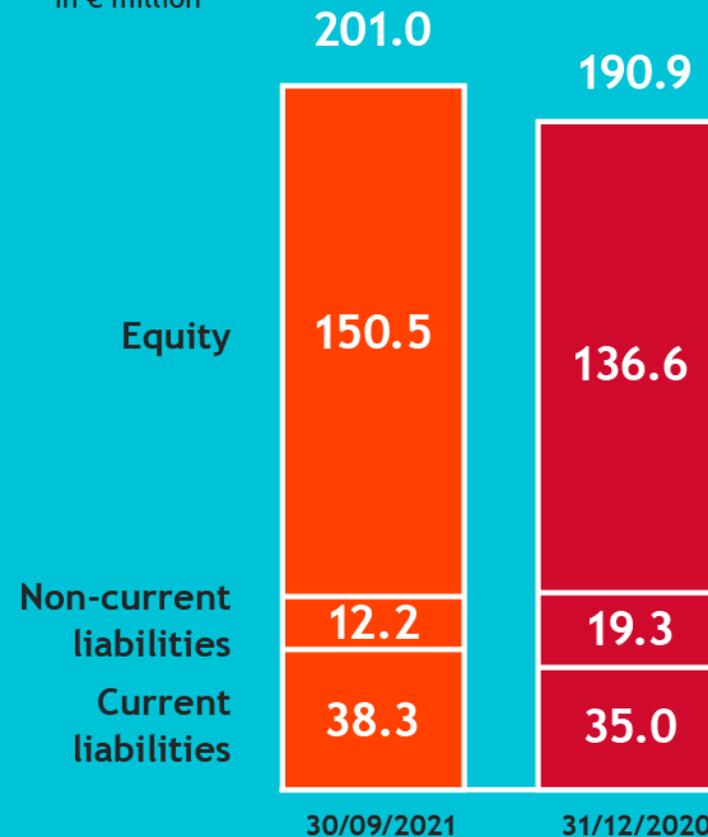
## Total assets

in € million



## Total equity and liabilities

in € million



- Non-current assets no longer include asset-intensive colocation business
- Current assets include purchase price receivable for IP Exchange
- Equity ratio rises to 75%





**Outlook for 2021/2022:  
double-digit growth**

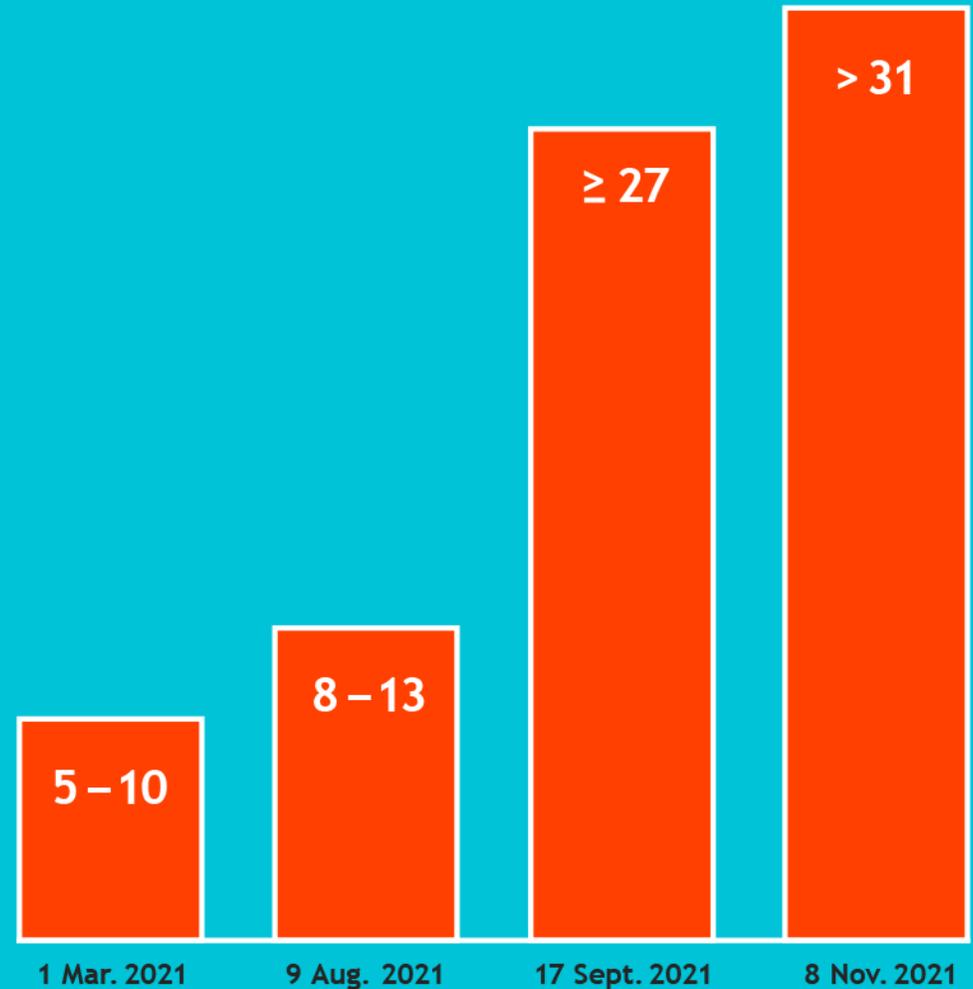
# Outlook for 2021: higher EBITDA forecast

Revenue and FCF forecast dated  
17 September 2021 confirmed

- Revenues to rise to € 155 to € 165 million  
(previously: € 160 to € 170 million; loss of colocation revenues of € 5 million in Q4 2021)
- Free cash flow to rise to at least € 33 million  
(previously: € -2 to € +3 million)
- EBITDA to improve to more than € 31 million  
(previously: at least € 27 million)

## EBITDA forecast

in € million





# Platform innovations for future growth

- Development focuses on **forward-looking sector solutions and cross-sector platforms** such as StoreButler for retailers
- **Pooling development expertise:**
  - Augsburg (Microsoft competence centre)
  - Darmstadt (software engineering)
  - Hamburg (Cloud and SAP competence centre)
  - Cologne (IoT)
  - Riga (software development support)
- **R&D budget of € 4.2 million in H1 2021** already corresponds to 2/3 of total R&D spending in 2020



# StoreButler at a glance

## StoreButler features

- Digital price tags
- 3D customer frequency counter
- Zero waste assistant
- Pick management
- Say-hello feature



## Partner features

- Self-checkout
- Staff communications
- Low code integration



**98%**

faster price changes across all channels

Reduce distances walked by up to

**75%**

**60%**

faster checkout processes thanks to self-scanning solutions



Enhance customer experience

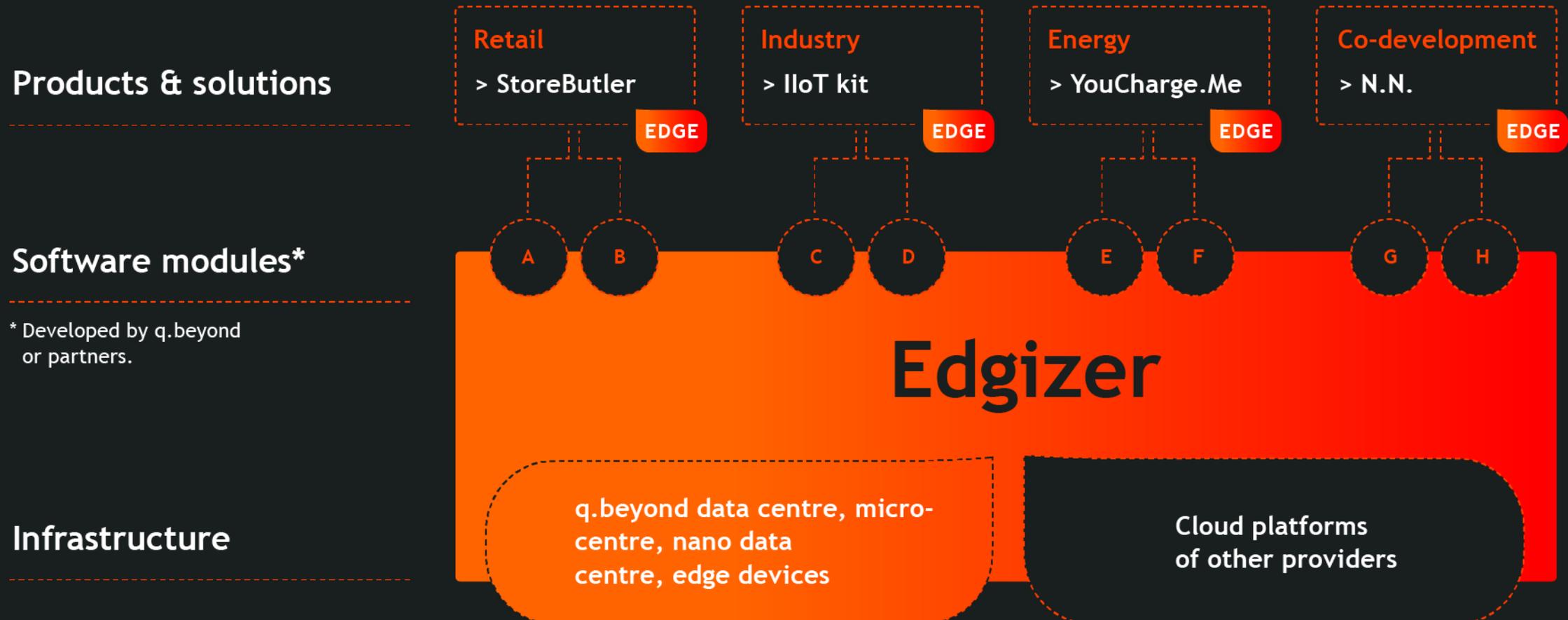


# Retailers use Snabble's self-checkout solution

- Takeover of 25.4% stake in Snabble in July 2021 - option of majority takeover from 2023
- Snabble's tried-and-tested self-checkout solution is already in use at retailers including:
  - Aldi Suisse (17 stores)
  - Pflanzen Kölle (13 stores)
  - tegut... teo (9 fully automated stores)
- Further competitive advantages
  - Short amortisation period
  - Covers the entire shopping experience
  - Future-proof (integration of Grab&Go)



# Expect the next: a platform for edge computing



**No debt**

**Net liquidity:  
€ 28 million**

**Equity ratio:  
75%**

## Growth also driven by targeted acquisitions

q.beyond plans to take over further technology companies with annual revenues of up to € 30 million and has set three key focuses:

- Unique technologies in fields of cloud services, data analytics, IoT, AI  
→ July 2021: Snabble
- Extending product portfolio, e.g. towards enterprise software  
→ June 2021: datac
- Expanding strong position in focus sectors  
→ May 2021: Röhlig Logistics





# More growth with “modern workplaces”

- Takeover of 100% of shares in modern workplace and collaboration specialist datac in June 2021
  - datac develops and supervises end-to-end solutions for the digital world of work and relies above all on Microsoft products:
    - more than 700 SME customers
    - revenues: around € 6.5 million
    - sustainably profitable
    - 50 IT specialists in Augsburg and Düsseldorf
- Acquisition of new expertise in growth market of “digital workplaces”



# Launch of a fourth focus sector: logistics

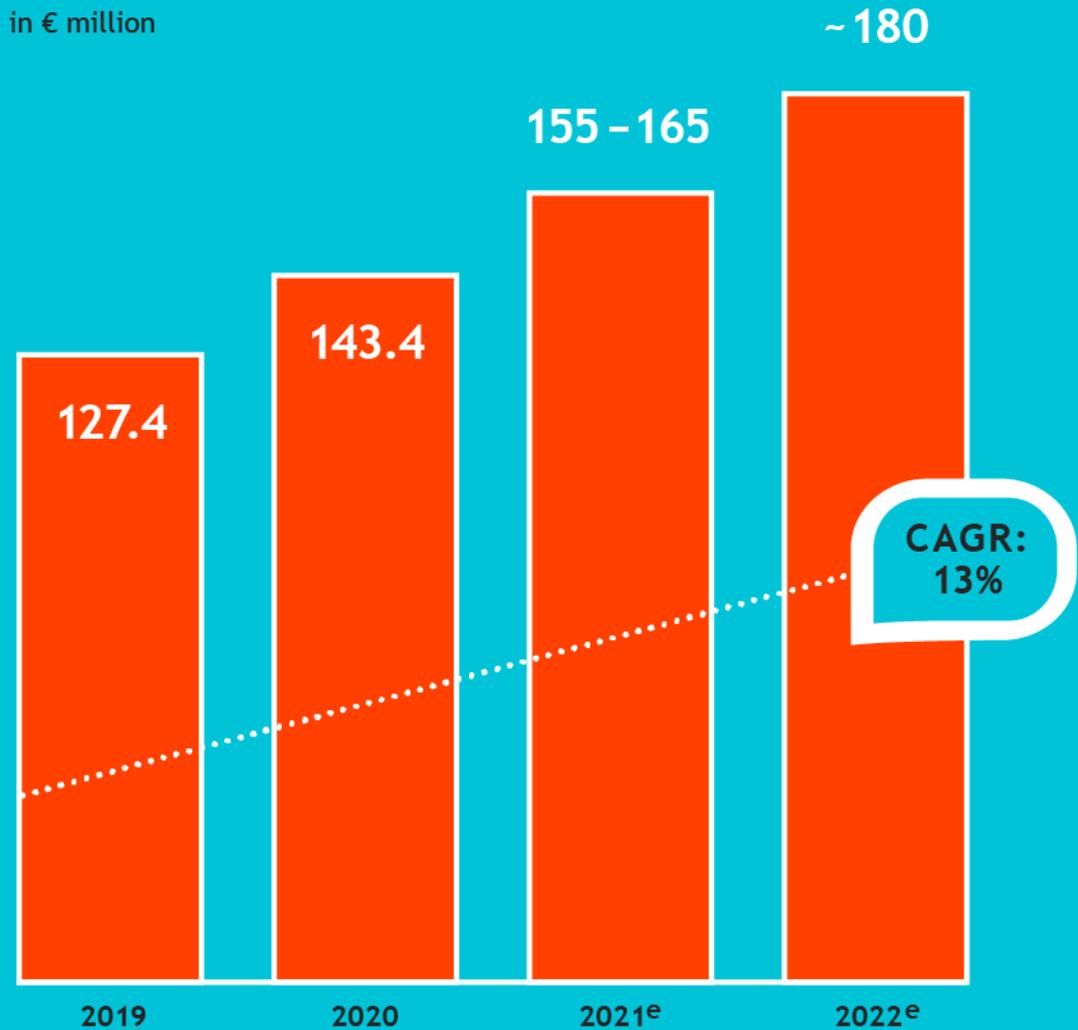
- New subsidiary to offer all-round IT services for small and medium-sized logistics companies:
  - Consulting (CargoWise, SAP)
  - Cloud services
  - Data integration services
  - 24/7 helpdesk
- Plus: turnkey solution for digital workplaces anywhere in the world
- q.beyond also to invest in a **logistics software specialist** with the aim of developing sector-specific platform-based innovations



# Consistently strong growth in 2022

- Revenue target accounts for discontinuation of colocation revenues of € 20 million in 2022
- Scalable business model will continue to raise EBITDA margin (2022: >10%)
- Sustainably positive free cash flow in 2022

Revenues  
in € million



# On course to success: milestones in 2021/2022

1 New record level of new orders: > € 180 million

2 Anchor customer gained for StoreButler

3 Anchor customer gained for Edgizer

4 “beyond 2022” growth strategy to be unveiled in first week of April



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[xing.com/companies/qbeyondag](https://www.xing.com/companies/qbeyondag)



# Supervisory Board and management heavily invested

CEO Jürgen Hermann has so far acquired 1,000,000 shares with own funds

Management Team bought 1,000,000 shares in autumn 2020 to take part in the new SMP

Neither founder has yet sold any shares — share ownership is structured as follows:

**12.67%** Gerd Eickers<sup>1</sup>

**12.66%** Dr. Bernd Schlobohm<sup>2</sup>

**74.67%** Free float

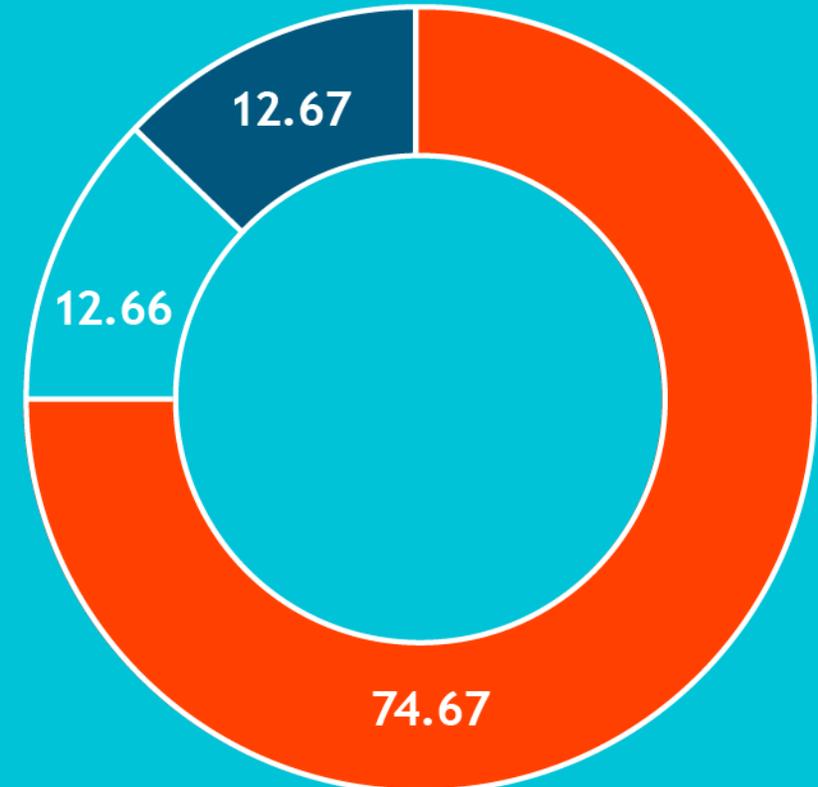
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<sup>1</sup> Founder and member of Supervisory Board

<sup>2</sup> Founder and Chairman of Supervisory Board

## Shareholder structure

in %



Status: 31 October 2021



**Climate neutral  
by 2025**



**CO<sub>2</sub> reductions in elec-  
tricity, business travel  
and vehicle pool**



**Since 2018: 100%  
green electricity  
at data centres**

# Climate neutrality as new growth opportunity

q.beyond to become climate neutral by 2025

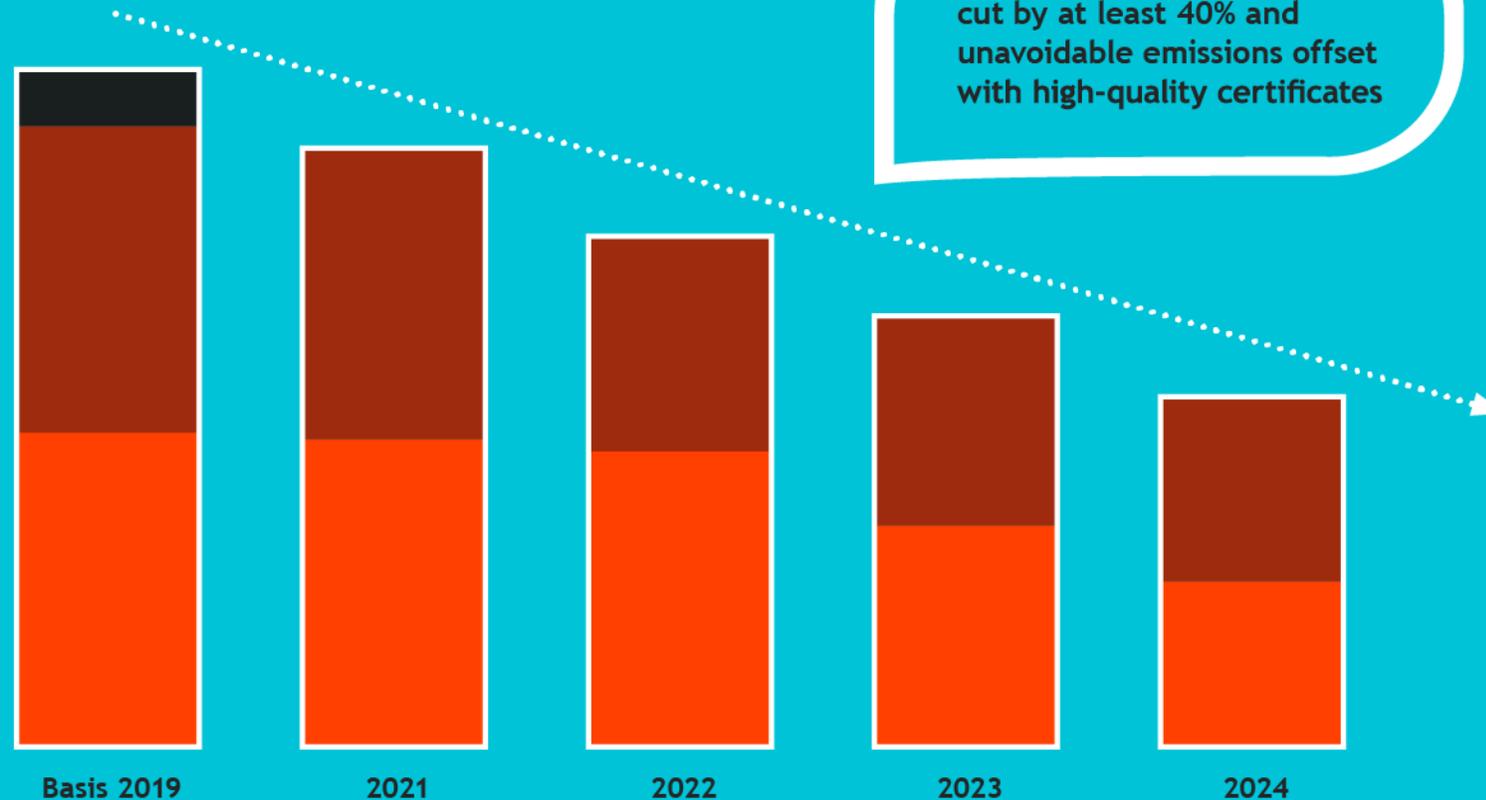
- Gradual reduction in CO<sub>2</sub> emissions by at least 40% compared with 2019; other emissions to be offset
- CO<sub>2</sub> balance sheet already strong, as data centres are 100% powered by green electricity
- Climate neutrality as competitive advantage: customers increasingly expect climate-neutral IT services and corresponding portfolio



# Gradually heading for climate neutrality

## CO<sub>2</sub> emitters

in tonnes



- **2021:** Conversion of all office locations to green electricity
- **From 2022:** Gradual conversion of vehicle pool to e-cars
- **Ongoing:** Reduction in emissions from business travel (train not plane; virtual cooperation)

■ Electricity  
■ Business travel  
■ Fuels





expect the next