



# Robust growth in a challenging environment

Quarterly results Q2 2022  
8 August 2022 | 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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# Q2 2022: robust growth ...

Revenues continue to rise, but fall short of original expectations

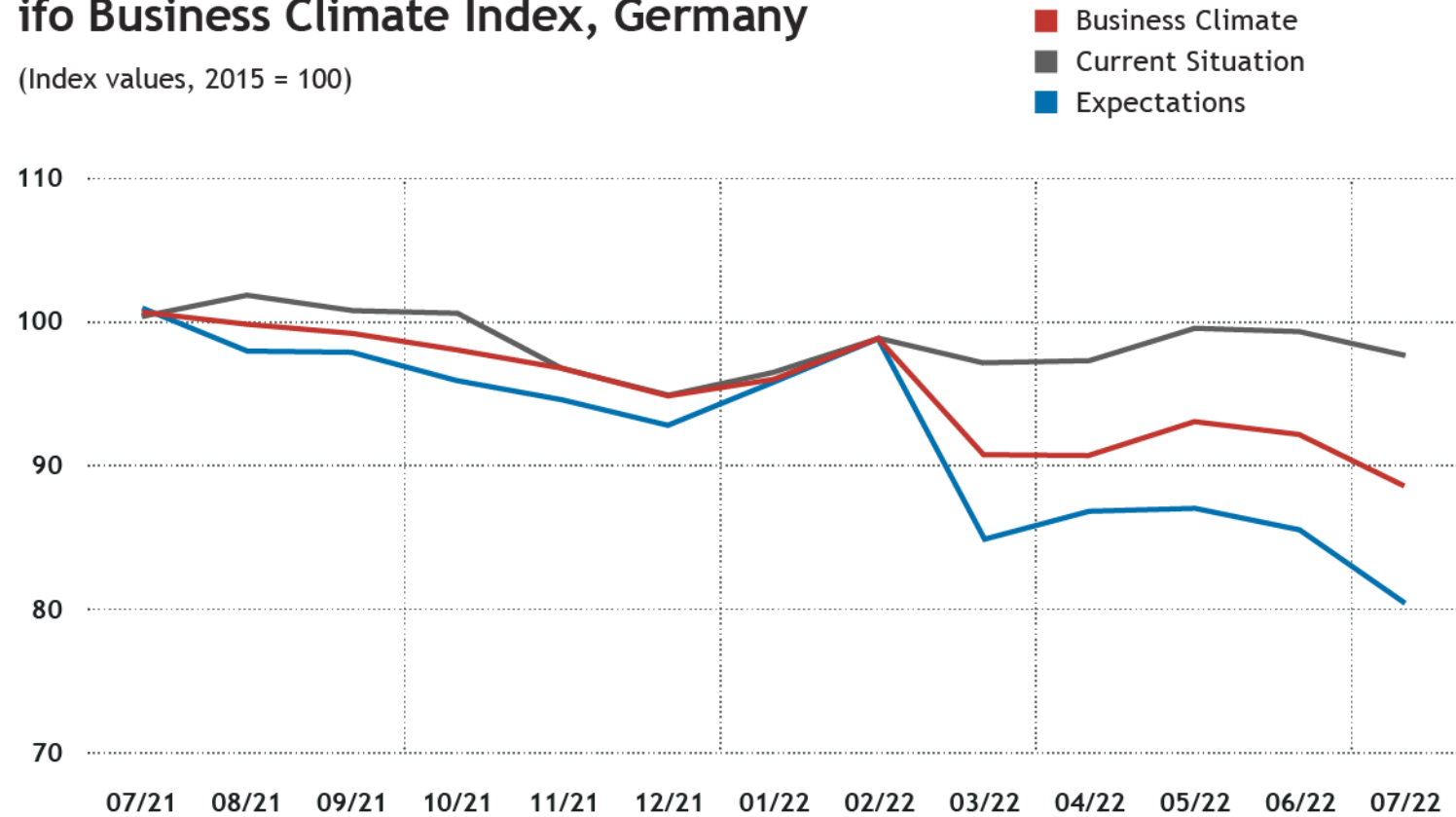
In € million	Q2 2021	Q2 2022	Δ %
Revenues	38.8	42.0	+8%
EBITDA	1.2	1.4	+17%
Free cash flow	(3.6)	(1.9)	+47%



# ... in a challenging environment

## ifo Business Climate Index, Germany

(Index values, 2015 = 100)



Source: ifo Business Surveys, July 2022

Macroeconomic conditions have deteriorated significantly

- **Increased uncertainty among companies**  
“ifo Business Climate” at lowest level in two years
- **Drastically reduced growth forecasts**  
(IMF July 2022: +1.2%)
- **High inflation**  
(June 2022: +7.6%)



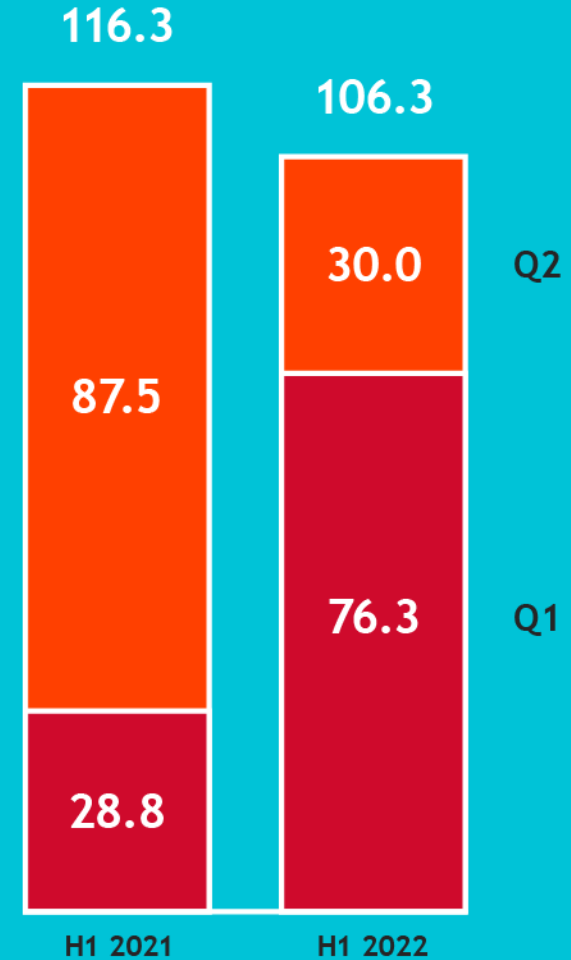
# New orders of more than € 100 million in H1 2022

New orders in 2022 still expected to exceed € 200 million

In Q2 2022

- **72%** of orders came from **new customers** or **involved new projects** with existing customers
- **28%** involved **extensions of contracts** with terms generally amounting to **3 to 5 years**

New orders  
in € million



# Q2 2022: revenues rise by 8%

In a challenging environment, q.beyond is benefiting from

- **its high share of recurring revenues**  
(Q2 2022: 78%)
- **its concentration on focus sectors**
  - 64% of revenues attributable to retail, logistics and manufacturing
  - energy sector currently no longer in focus due to change in underlying conditions
- **its targeted acquisitions**  
(organic growth despite SAP reduction: +3%)

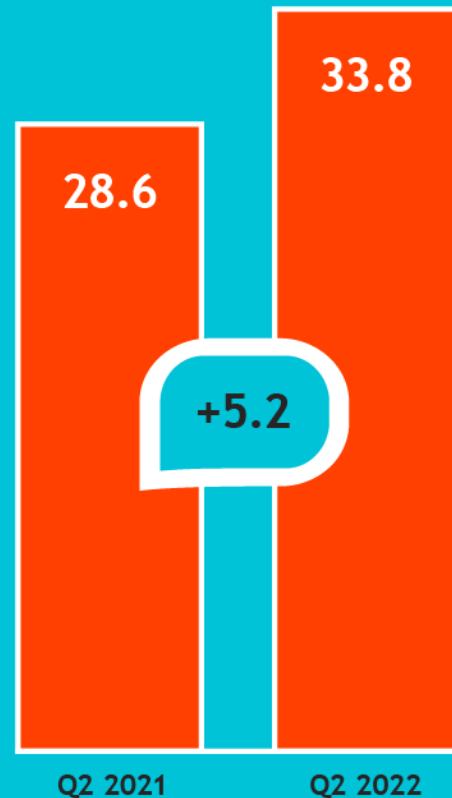
**Revenues**  
in € million



# Cloud business is crisis-resistant

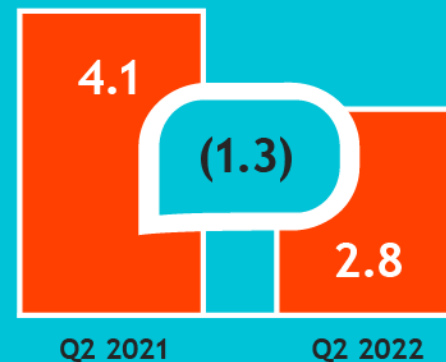
## Revenues

in € million



## Segment contribution

in € million



## Growth drivers

- Rising demand for cloud and SaaS solutions
- Success at new subsidiaries

## Additional cost factors

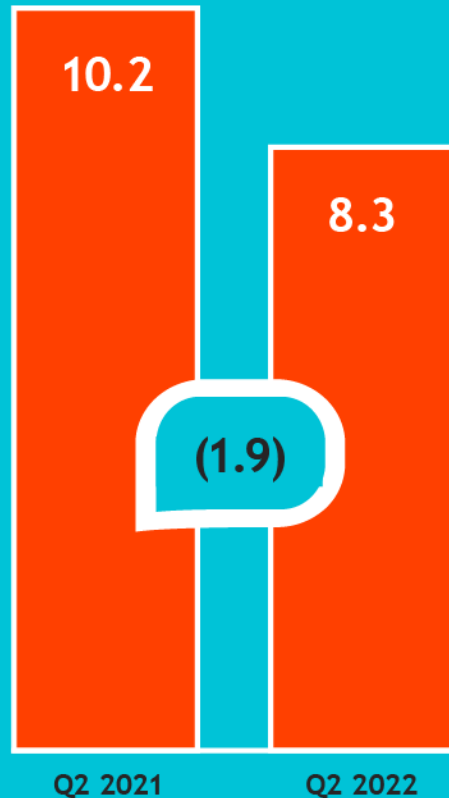
- Expansion in SaaS business
- Temporary change in cost structures (particularly given discontinued colocation margin)



# SAP business below expectations

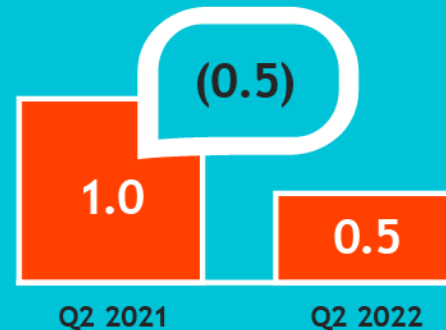
## Revenues

in € million



## Segment contribution

in € million



## Growth inhibitors

- Projects delayed due to pandemic-related restrictions
- High level of uncertainty holds back new business

## Cost-cutting measures

- Optimisation of internal resources/freelancers no longer commissioned
- Increased cost discipline





# Slight improvement in earnings

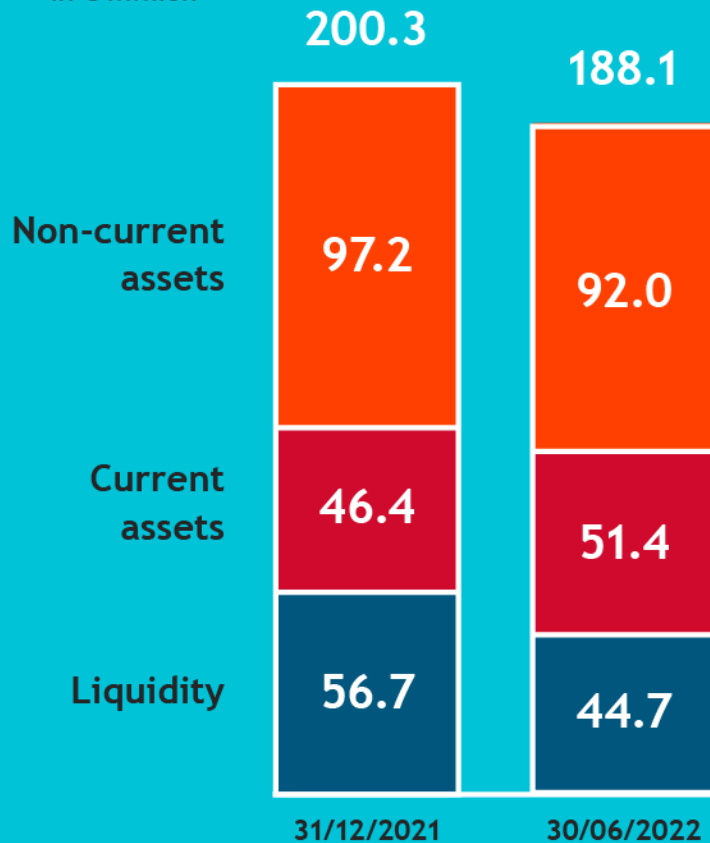
In € million	Q2 2021	Q2 2022
<b>Revenues</b>	<b>38.8</b>	<b>42.0</b>
Cost of revenues	(30.7)	(35.1)
<b>Gross profit</b>	<b>8.1</b>	<b>6.9</b>
Sales and marketing expenses	(3.0)	(3.6)
<b>Segment contribution</b>	<b>5.1</b>	<b>3.4</b>
General and administrative expenses	(3.8)	(3.2)
Other operating income and expenses	(0.1)	1.3
<b>EBITDA</b>	<b>1.2</b>	<b>1.4</b>
Depreciation and amortisation	(4.1)	(4.0)
<b>EBIT</b>	<b>(2.9)</b>	<b>(2.6)</b>
Financial result	(0.1)	(0.3)
Income taxes	(0.4)	(0.3)
<b>Consolidated net income</b>	<b>(3.4)</b>	<b>(3.1)</b>



# Rock-solid financing ...

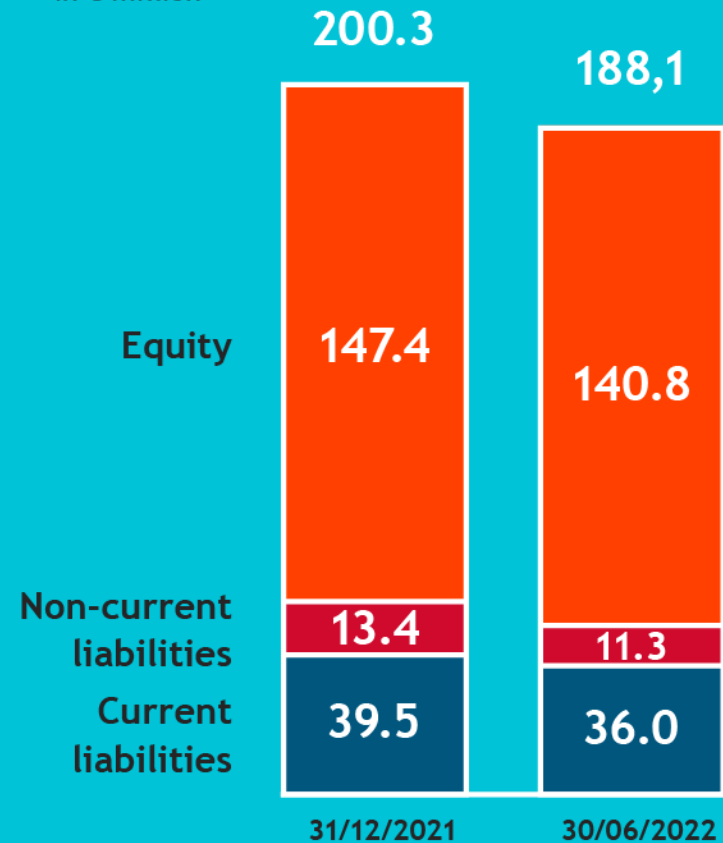
## Total assets

in € million



## Total equity and liabilities

in € million



q.beyond finances its growth from its own resources

- equity ratio of 75%
- no bank liabilities



**Debt-free**

**Net liquidity:  
€ 44.2 m**

**Equity ratio:  
75%**

## **... permits further targeted acquisitions**

More sharply focused M&A strategy given macroeconomic uncertainty

**Focus still on**

- cloud and SaaS providers capable of strengthening q.beyond's portfolio

**Greater priority accorded to**

- market maturity of respective products
- positive earnings contributions from outset

Against this backdrop, decision not to pursue planned acquisition in energy sector (which formed part of the 2022 forecast)



# Package of measures to boost organic growth

Business performance in H1 2022 did not fully conform to expectations

**Package of measures to remedy situation with 4 key focuses:**

- 1. SAP:** adapted market alignment; resource use to be further optimised
- 2. SaaS:** greater focus on developing marketable products and services and launching these swiftly onto the market
- 3. Sales:** focus on cross-selling and upselling
- 4. Optimised cost and liquidity management**



# Continued double-digit growth

Forecast issued at end of March 2022:

- **Revenues** to grow to between € 180 million and € 200 million
- **EBITDA** to rise to between € 8 million and € 16 million
- **Free cash flow** at a maximum of € -10 million

Excluding the acquisition in the energy sector and given the challenging environment, we expect **revenues and EBITDA at the lower end of the forecast ranges.**

Revenues  
in € million



# Like in 2021, strong second half expected

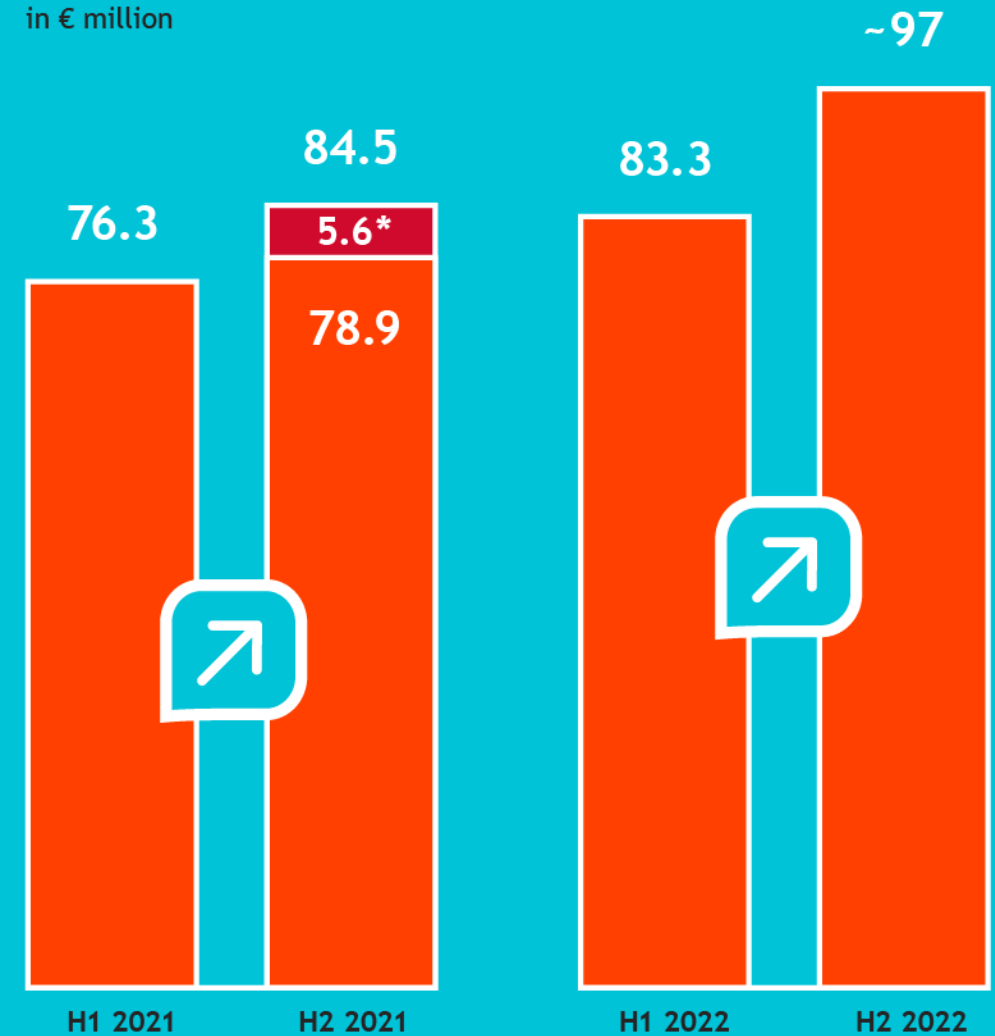
## Three drivers:

- Recovery in SAP business
- Ongoing double-digit cloud growth
- Strong growth in SaaS revenues  
(2022: around € 10 million secured revenues  
+€ ~5 million new projects in H2 2022)

Package of measures supports growth in all business fields

Forecast assumes that German economy does not enter recession

Revenues  
in € million



\* Revenues at colocation business sold in Q3



# Questions & Answers

# Contact

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