



Revenue growth and higher free cash flow forecast

Quarterly results Q2 2023 | 14 August 2023
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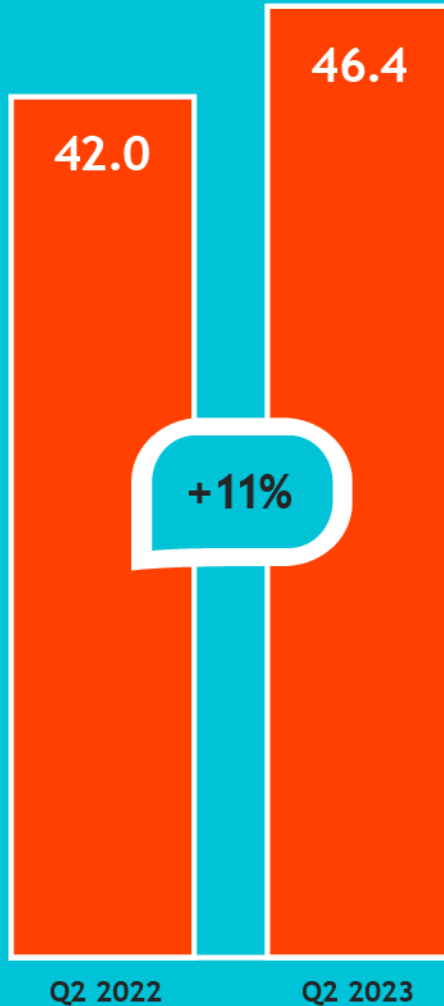
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Q2 2023: growth in Cloud and SAP businesses

Revenues

in € million



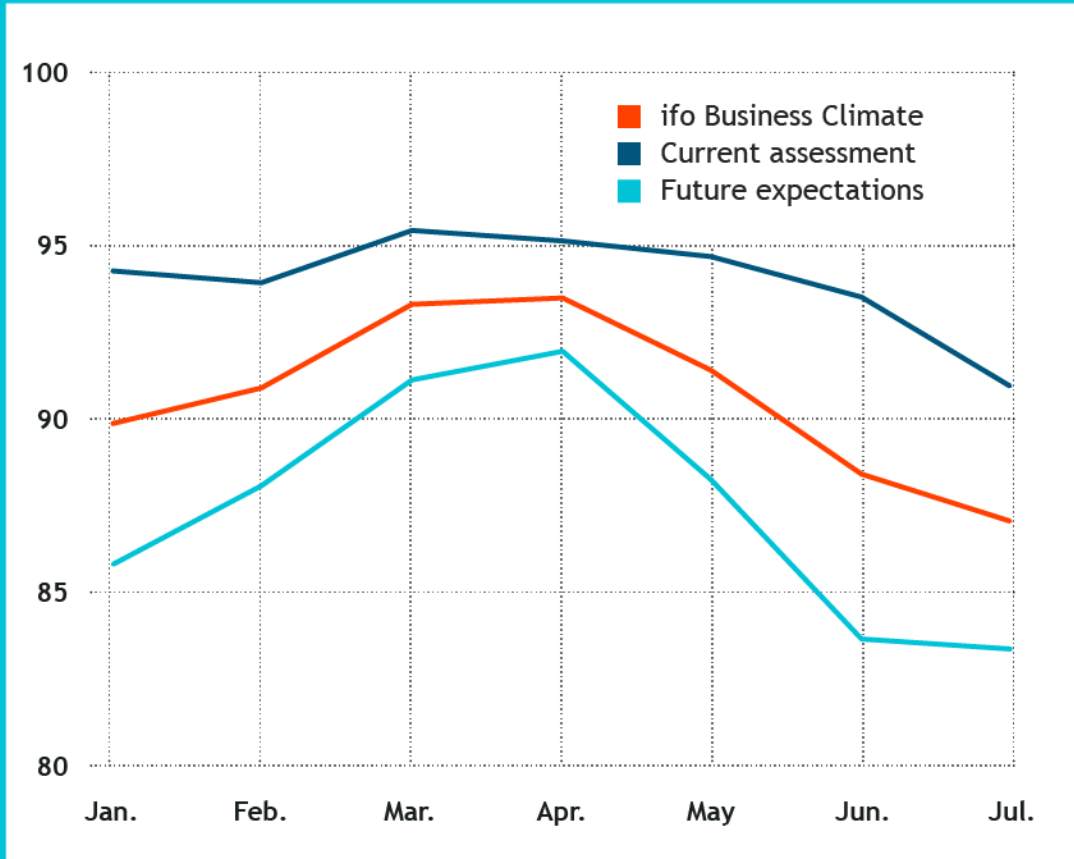
Continued double-digit revenue growth

The continued high rate of growth is due to

- organic rise in revenues in both segments
- consolidation of productive-data
- high share of recurring revenues (Q2 2023: 74%)
- concentration on focus sectors - 58% of revenues generated in retail, logistics and manufacturing sectors

ifo Business Climate Index Germany

Index values, 2015 = 100



Source: ifo Economic Surveys, July 2023.

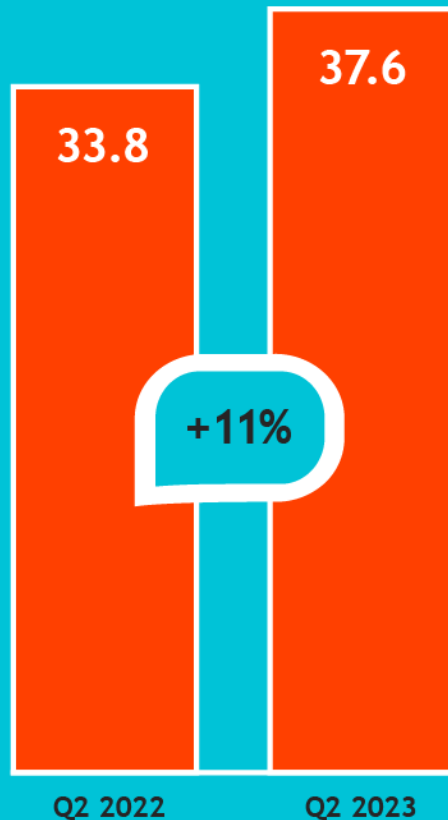
Growth despite weak economic backdrop

- Economy weakens further, defying expectations at beginning of year - ifo index falls
 - Economic researchers (IfW, RWI) now expect GDP to contract in 2023
 - Economic slowdown holds back IT sector - Bitkom halves IT revenue growth forecast (January 2023: +6.3%, July 2023: +3.0%)
- q.beyond will grow faster than market once again in 2023

Cloud: double-digit segment margin

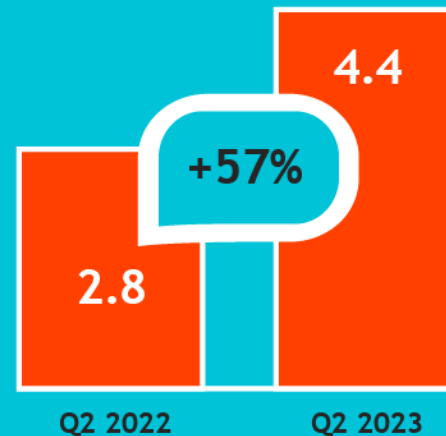
Revenues

in € million



Segment contribution

in € million



Key revenue drivers

- cloud transformation at existing and new customers
- consolidation of productive-data

Cost factors

- Higher electricity, personnel and licence expenses with ongoing adverse impact
- First measures in “2025 Strategy” taking effect

→ Segment margin rises to 12% (Q2 2022: 8%)



SAP business recovers

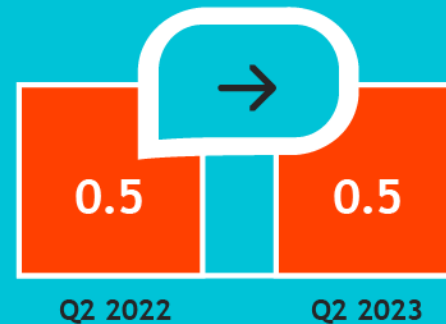
Revenues

in € million



Segment contribution

in € million



Key revenue drivers

- sales campaign taking effect
- S/4HANA transformation

Cost factors

- individual projects require temporary increase in deployment of external specialists

→ optimal use of internal resources remains top priority in 2023



Operating business becoming more profitable

In € million	Q2 2022	Q2 2023
Revenues	42.0	46.4
Cost of revenues	(35.1)	(38.2)
Gross profit	6.9	8.3
Sales and marketing expenses	(3.6)	(3.4)
Segment contribution	3.4	4.8
General and administrative expenses	(3.2)	(3.9)
Other operating income	1.4	0.2
Other operating expenses	(0.1)	-
EBITDA	1.4	1.0
Depreciation and amortisation	(4.0)	(3.4)
EBIT	(2.6)	(2.3)
Financial result / taxes	(0.5)	(0.4)
Consolidated net income	(3.1)	(2.7)

Marked year-on-year increase in quarterly gross profit and segment contribution:

- gross profit: +20%
- segment contribution: +41%

EBITDA influenced by lower level of operating income (expected to increase in H2 2023)

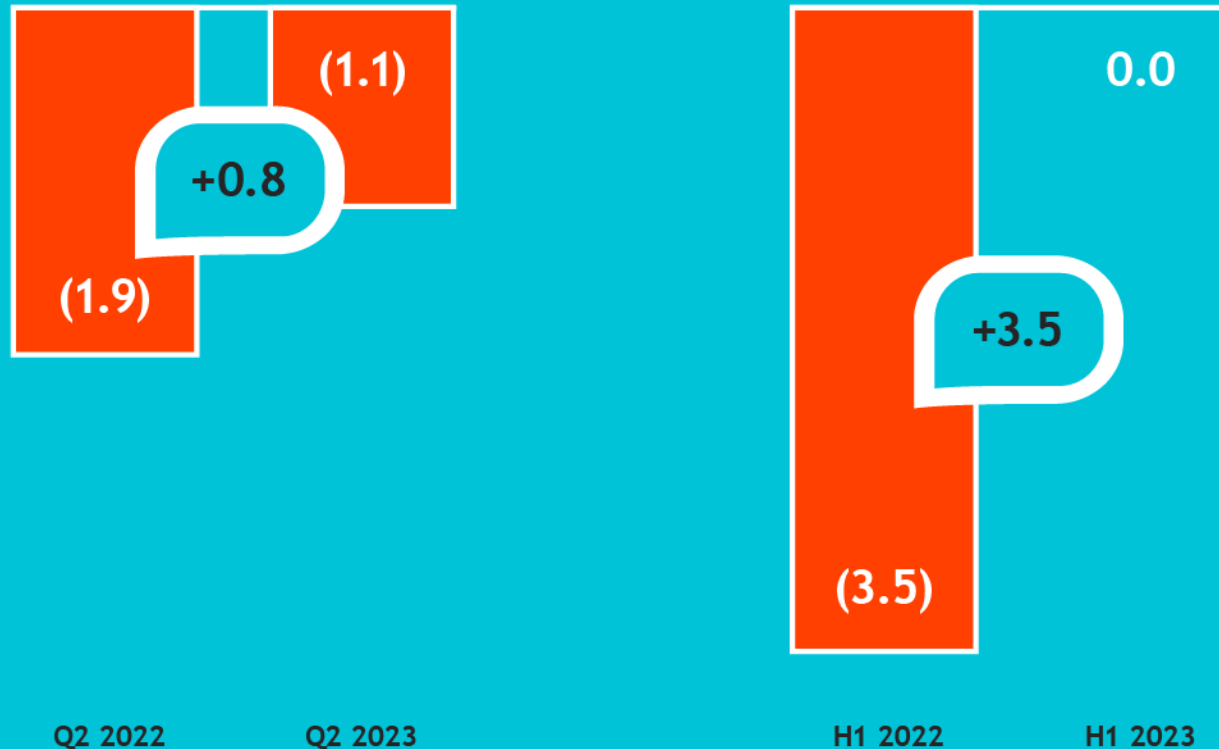
Lower depreciation and amortisation benefit EBIT and consolidated net income



Free cash flow shows significant improvement

Free cash flow

in € million



Success of “order-to-cash” project, a measure in the 2025 Strategy

→ volume of receivables fell by € 7.3 million compared with end of 2022

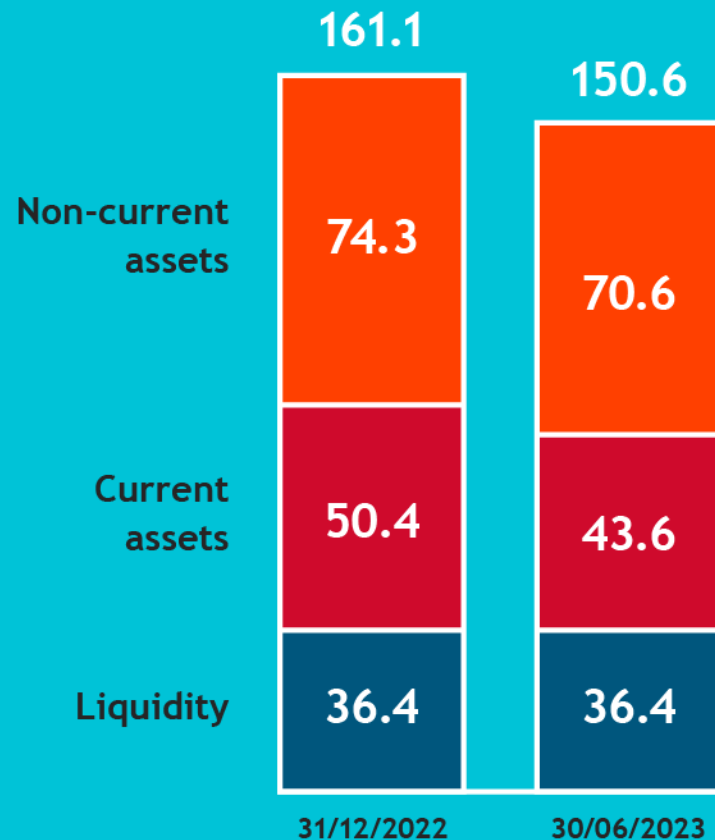
Year-on-year increase in half-year free cash flow despite **capital expenditure rising by € 1.3 million to € 1.6 million**



Balance sheet remains rock solid

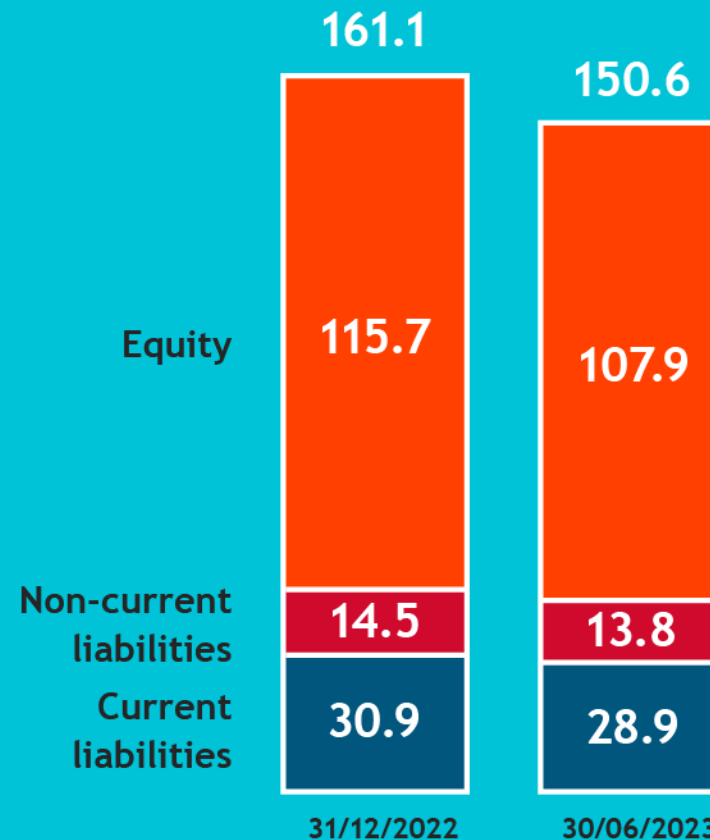
Total assets

in € million



Total equity and liabilities

in € million



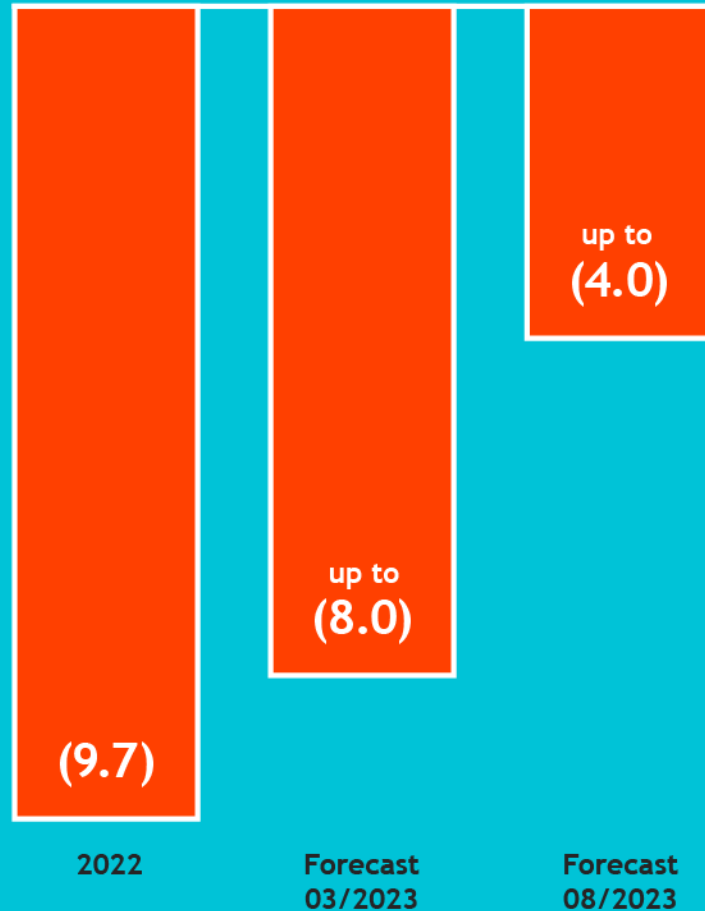
q.beyond is financing the implementation of its 2025 Strategy with its own resources

- equity ratio of 72%
- no liabilities to banks



Free cash flow

in € million



Improved FCF forecast thanks to 2025 Strategy

Optimised receivables management improves working capital and reduces outflow of liquidity

- Free cash flow of up to € -4 million now expected rather than up to € -8 million (2022: € -9.7 million)

Revenue and EBITDA forecasts unchanged

- Revenues of € 185 million to € 191 million (2022: € 173.0 million)
- EBITDA of € 5 million to € 7 million (2022: € 5.4 million)


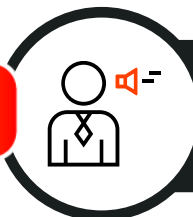

One q.beyond will further boost earnings strength in H2 2023



Progress in implementing 2025 Strategy

Core objective of 2025 Strategy: sustainably higher earnings and financial strength

Our priorities

-  **1** Focused business model
-  **2** Effective go-to-market
-  **3** One q.beyond



Targets:

Revenue growth of
7% – 8% a year

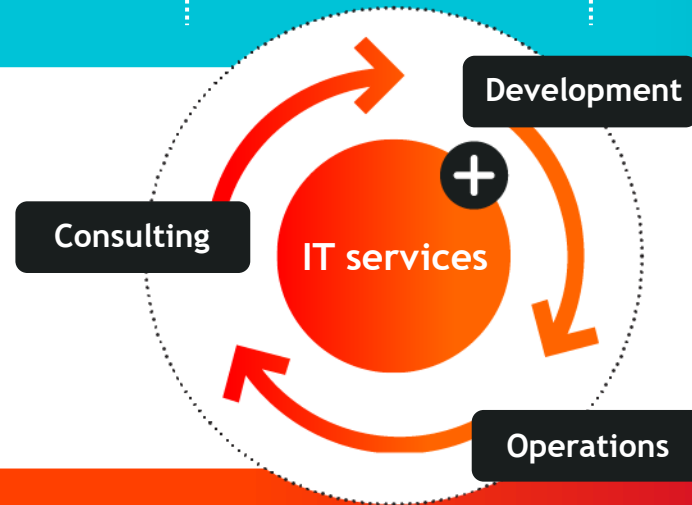
EBITDA margin of 7% – 8%

Positive consolidated net
income starting in 2025 &
sustainably positive free
cash flow starting in 2024

Focused business model in place



FUTURE MARKETS



Focus in remainder of 2023:

- Expanding consulting and development business
- Accessing future markets

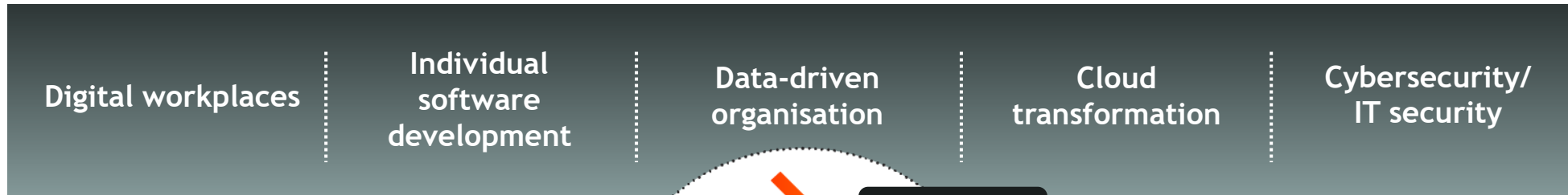


APPLICATIONS

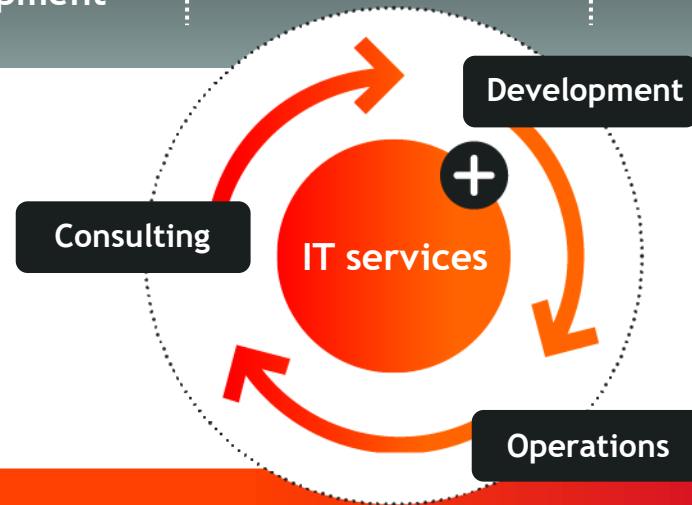


Portfolio consistent with customers' needs

Investment focuses of German companies*



* Lünendonk study 2023

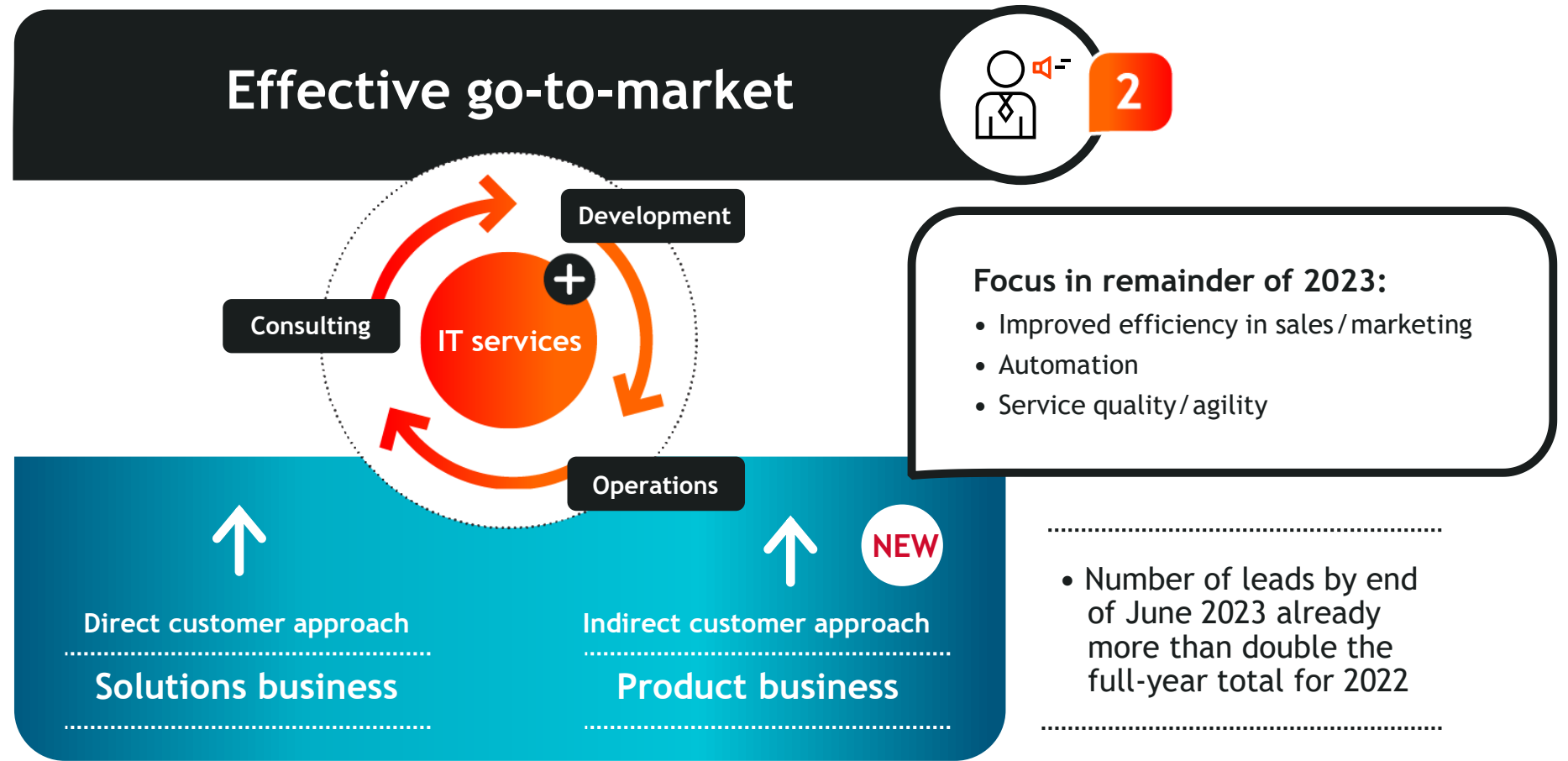


APPLICATIONS



Expansion in indirect sales proves its worth

- **New orders**
Q2 2023: € 39.8 million
(Q2 2022: € 30.0 million)
- **Contract extension:**
Tchibo establishes digital partnership
- **50% of orders in Q2 2023 placed by existing customers**
- **q.beyond is SAP's third-largest cloud partner in Germany in H1 2023**



One q.beyond is progressing

3 One q.beyond

Focus in remainder of 2023:

- Making processes leaner
- Simplifying structures
- Increasing nearshoring share

 q.beyond

DATAAC

 q.beyond Cloud Solutions

 productive-data

- ✓ Optimised receivables and billing management
- ✓ Merger of former scanplus completed; dataac set to follow
- ✓ Nearshoring share increasing (30 June 2023: 7%) - target: 20%
- ✓ Provisioning of E2E services / “Swarm Project” releases energy



2025 strategy on course

- 2025 Strategy taking planned effect
 - Current implementation reveals the **remaining challenges** and defines the focus for the remainder of 2023
 - Intensity of measures will be increased in Q3/Q4 when necessary
- **Clear targets and schedules** ensure consistent implementation of strategy



Questions & Answers

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