



Ongoing growth in challenging times

Quarterly results Q3 2023 | 13 November 2023
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Q3 2023: Progress with 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

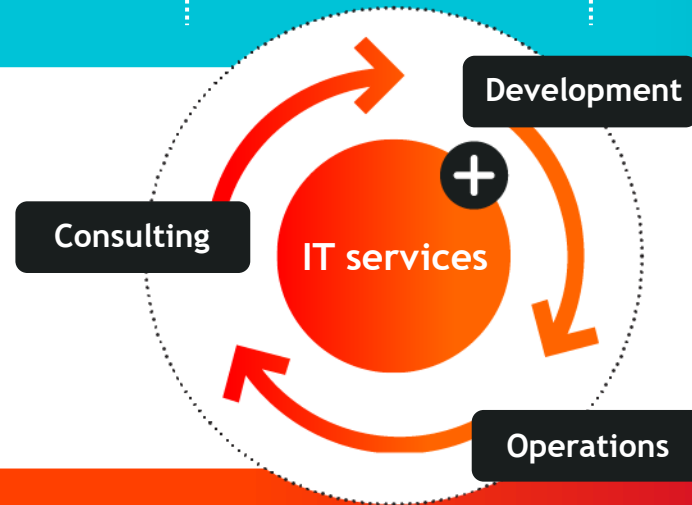
Revenues and FCF rise in Q3 2023

In € million	Q3 2022	Q3 2023
Revenues	43.1	45.4 
EBITDA	1.7	0.1 
Free cash flow	(1.7)	1.1 

Focused business model in place



FUTURE MARKETS



Focus in 2023:

- Expanding consulting and development business
- Accessing future markets

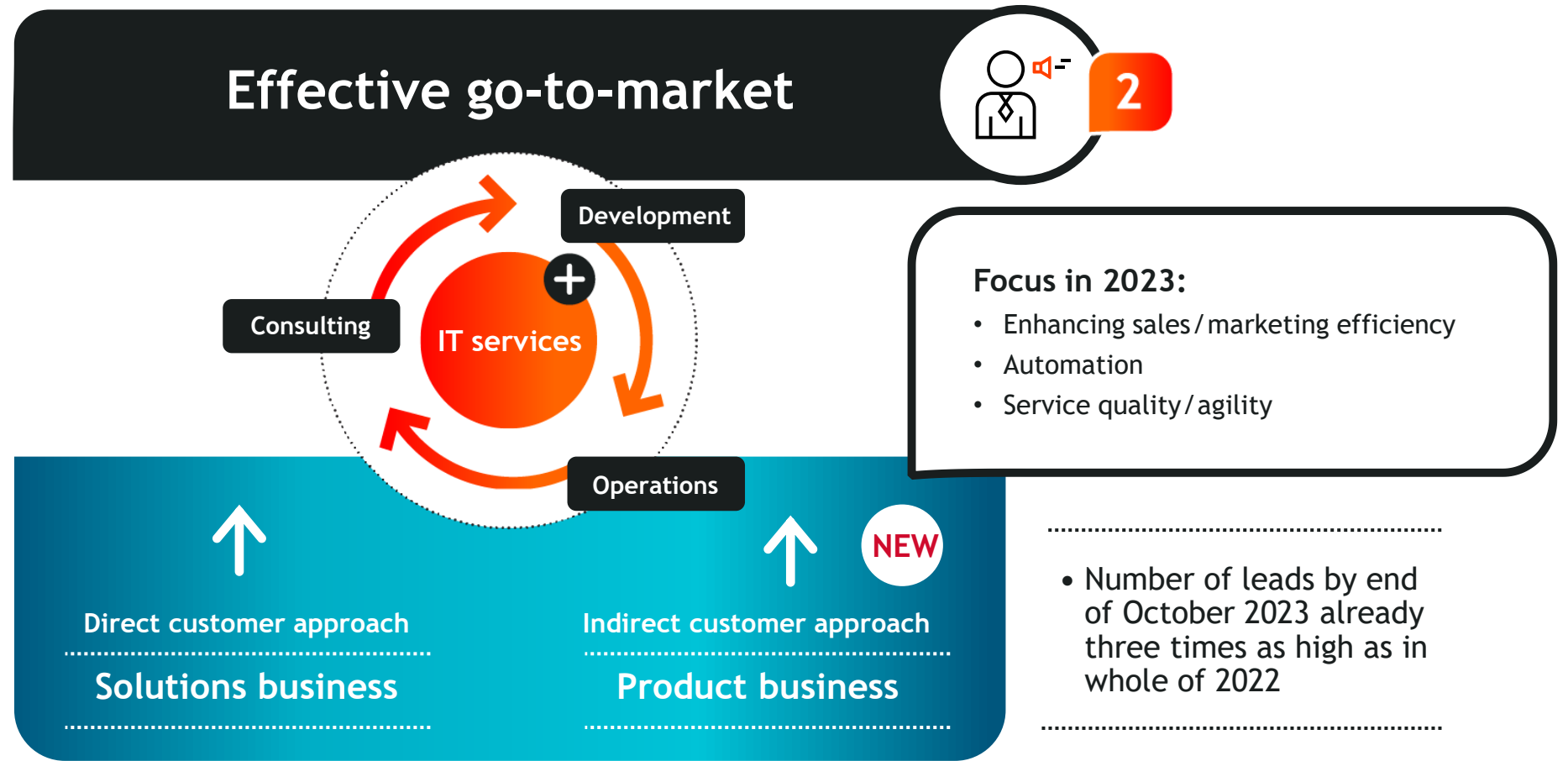


APPLICATIONS



Expansion in indirect sales proves its worth

- New orders
Q3 2023: € 27.4 million
(Q3 2022: € 25.1 million)
- New major customer gained
- 35% of orders in Q3 2023 already attributable to indirect sales



One q.beyond is progressing

3 One q.beyond

Focus in 2023:

- Streamlining processes
- Simplifying structures
- Increasing nearshoring and offshoring share

 q.beyond

DATAc

 q.beyond Cloud Solutions

 productive-data



Optimised order-to-cash process



Merger of former scanplus and datac completed



Nearshoring / offshoring share rises to 10% - target: > 20%



E2E service provision and use of AI frees up capacities



Systematically expanding share of nearshoring and offshoring activities



Foundation of q.beyond logineer India

- 50 employees from day one
- focus of activities:
 - SAP and CargoWise
 - IT infrastructure
 - 24/7 helpdesk
- initial focus on supporting growing logineer business
- looking ahead, services will also be provided for other sectors



- Data centres
- q.beyond AG locations
- q.beyond subsidiaries

Debt-free

**Net liquidity:
€ 37.3 m**

**Equity ratio:
71%**

Targeted acquisitions boost growth momentum

Focuses of potential acquisitions

- expanding consulting and development expertise in and around six business fields
- expanding consulting, development and operating expertise in focus sectors

Potential targets should each have

- revenues of at least € 10 million
- EBITDA margin of at least 10%
- positive free cash flow





**Q3 2023:
2025 Strategy is boosting
financial strength**

Revenues

in € million



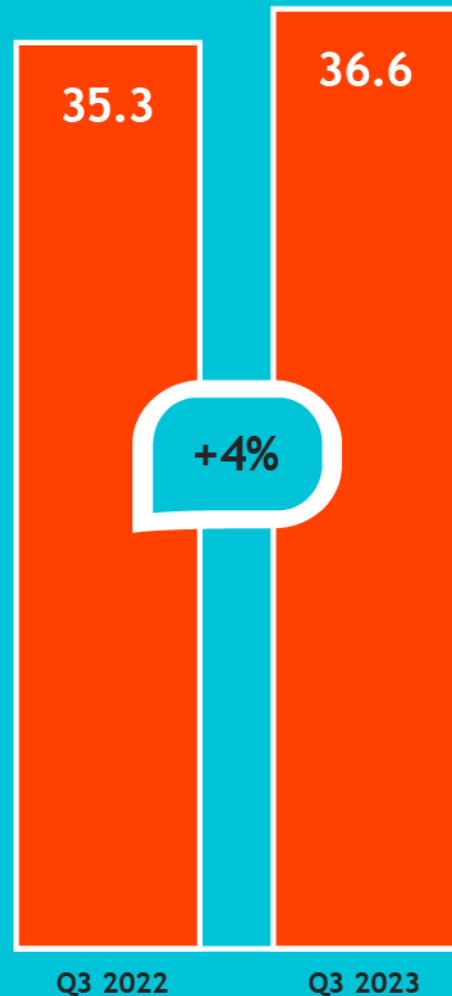
Revenues rise again in third quarter of 2023

This consistent growth is driven by

- **high share of recurring revenues** (Q3 2023: 75%)
- **concentration on focus sectors**
58% of revenues attributable to retail, logistics, and manufacturing
- **consolidation of q.beyond Data Solutions, formerly productive-data**

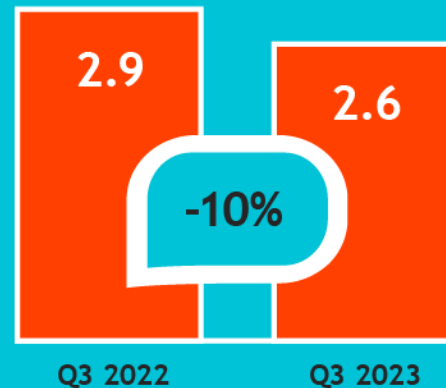
Revenues

in € million



Segment contribution

in € million



Cloud business feels short-term impact of recession and inflation

Revenue effects

- delays in new business
- price pressure upon contract extensions

Cost effects

- year-on-year increases, particularly in personnel expenses

Nine-month comparison shows resilience of business model

in € million	9M 2022	9M 2023	Change
Revenues	101.0	111.1	+10%
Segment contribution	7.7	8.5	+10%

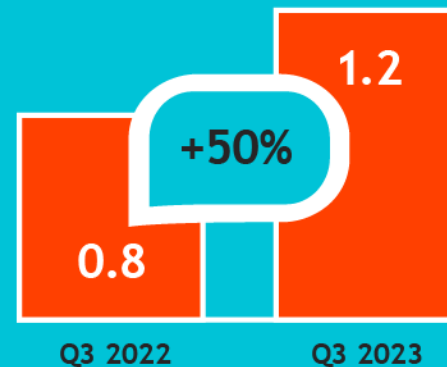
Revenues

in € million



Segment contribution

in € million



SAP business reports significant growth

Sales effects

- sales campaign taking effect
- S/4HANA transformation

Cost effects

- increased personnel expenses
- individual projects require temporary deployment of external specialists

Cost pressure impacts on nine-month comparison

in € million	9M 2022	9M 2023	Change
Revenues	25.4	27.3	+7%
Segment contribution	2.7	2.5	(7)%

Inflation holds back profitability

In € million	Q3 2022	Q3 2023
Revenues	43.1	45.4
Cost of revenues	(35.9)	(38.5)
Gross profit	7.3	6.9
Sales and marketing expenses	(3.5)	(3.2)
Segment contribution	3.7	3.8
General and administrative expenses	(3.6)	(3.9)
Other operating income	1.7	0.2
Other operating expenses	(0.1)	-
EBITDA	1.7	0.1
Depreciation and amortisation	(4.3)	(3.7)
EBIT	(2.6)	(3.6)
Financial result / taxes	(0.2)	(0.4)
Consolidated net income	(2.8)	(4.0)

Q3 2023: Due above all to inflation, cost of revenues rise more rapidly than revenues
 → temporary reduction in profitability

Starting in 2024: measures set out in the 2025 Strategy increase profitability

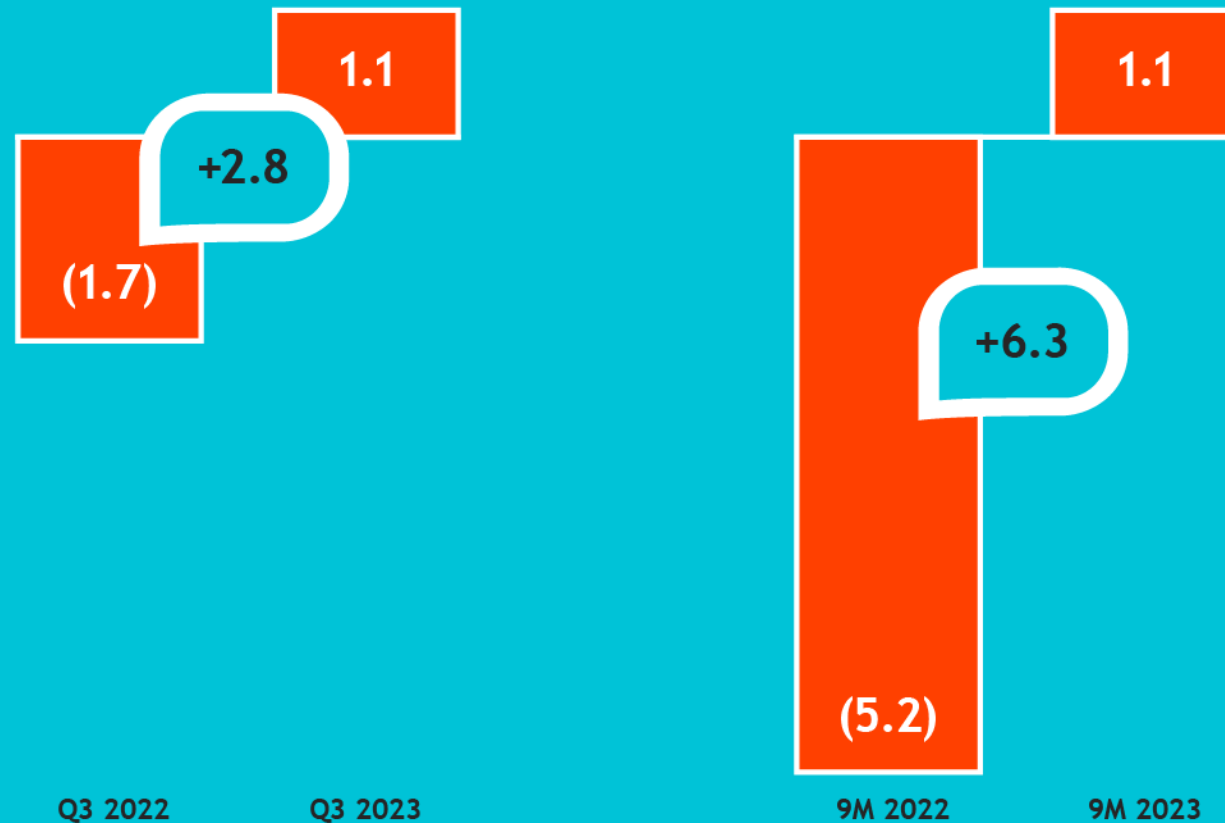
EBITDA also affected by lower other operating income



Free cash flow improves markedly

Free cash flow

in € million



2025 Strategy already boosting free cash flow in short term

Increase chiefly driven by optimised receivables management

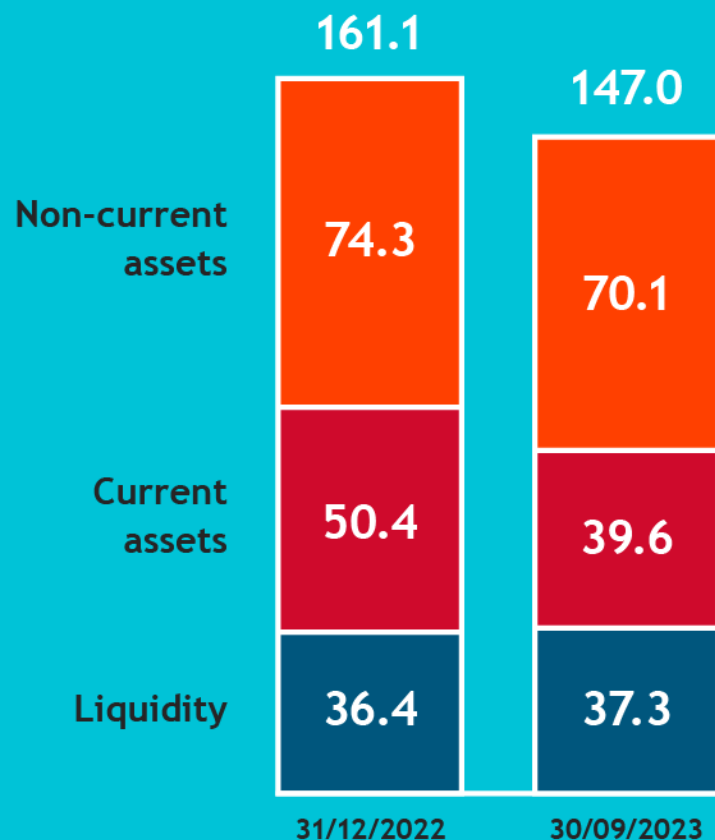
Sustainably positive free cash flow budgeted from 2024 onwards



Positive FCF increases liquidity

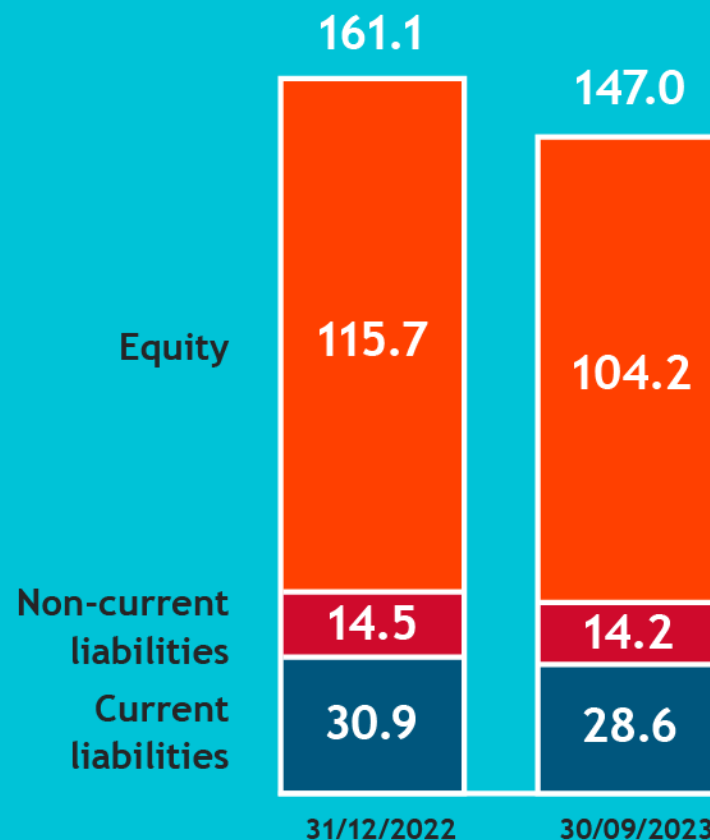
Total assets

in € million



Total equity and liabilities

in € million



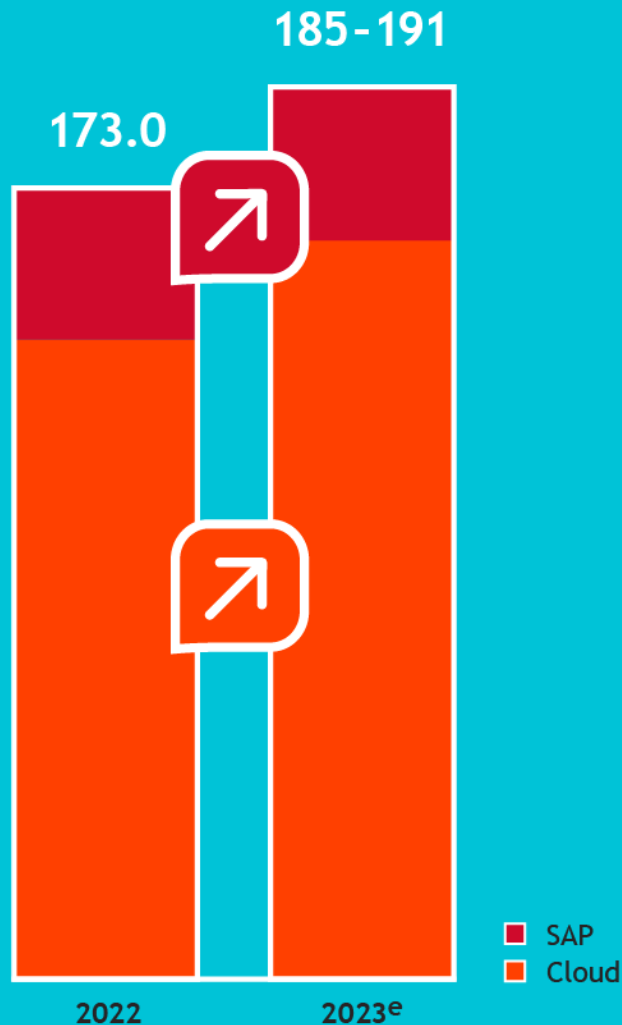
Balance sheet as solid as ever:

- equity ratio of 71%
- no liabilities to banks



Revenues

in € million



Higher revenues and improved FCF planned

For 2023, q.beyond still expects to generate

- revenues of € 185 million to € 191 million (2022: € 173.0 million)
- EBITDA of € 5 million to € 7 million (2022: € 5.4 million)
- free cash flow of up to € -4 million (2022: € -9.7 million)

Other operating income resulting from decision on tax treatment of Plusnet sale will have a positive one-off impact on EBITDA in Q4 2023.



Increased financial and earnings strength starting in 2024

2025 Strategy requires reorganisation of company

- focused business model in place (new segmentation starting in 2024)
- new double-track sales model up and running
- One q.beyond progressing

Profitability drivers from 2024 onwards

- changed revenue mix
- higher share of nearshoring and offshoring activities
- uniform processes and structures



Questions & Answers

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