



Implementation of 2025 Strategy now underway

Quarterly results Q1 2023

8 May 2023 | Thies Rixen, CEO | Nora Wolters, CFO

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2025 Strategy sets clear priorities




Revenues rise by 13%

Implementation of 2025 Strategy impacts on EBITDA and free cash flow in Q1 2023

In € million	Q1 2022	Q1 2023
Revenues	41.2	46.6
EBITDA	+0.8	(1.3)
Free cash flow	(1.6)	+1.1

2025 Strategy boosts earnings and financial strength

Our priorities

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



Targets:

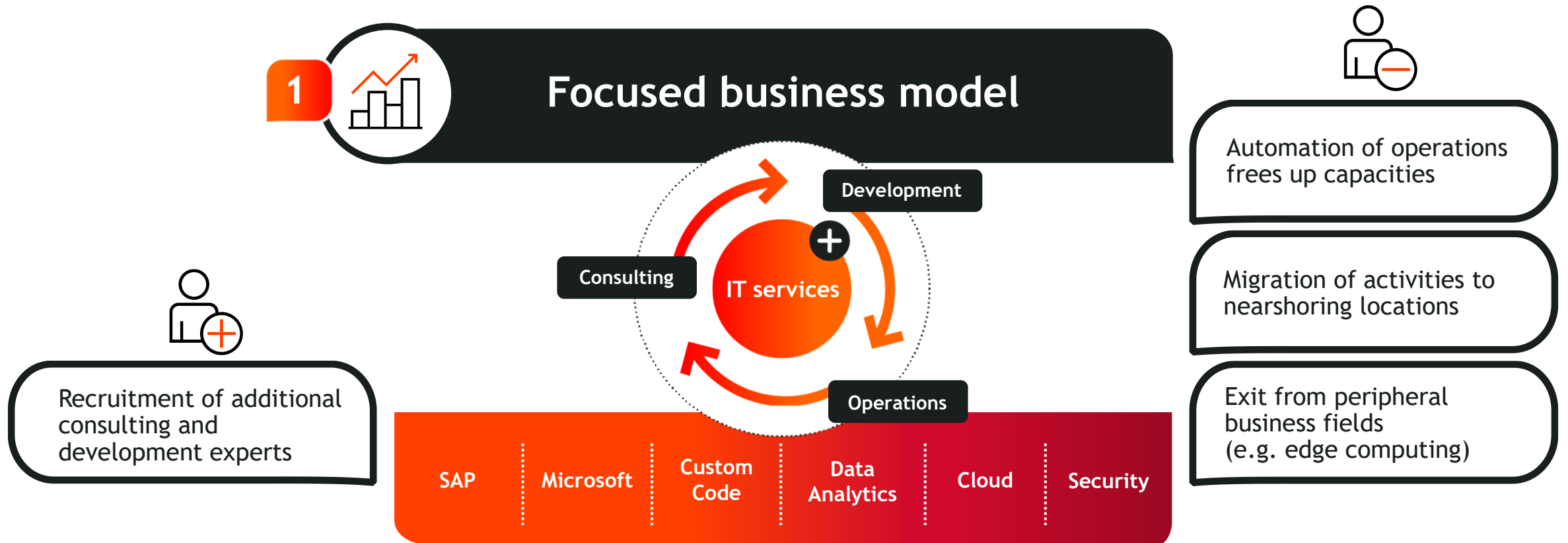
Revenue growth of
7% – 8% a year

EBITDA margin of 7% – 8%

Positive consolidated net
income from 2025 and
sustainably positive free
cash flow from 2024



2025 Strategy requires changes to personnel structure



- **Short-term:** recruitment costs and personnel cuts (provisions) increase expenses
- **Medium-term:** new personnel structure boosts growth and earnings strength



New order mix: “high value, lower volume”

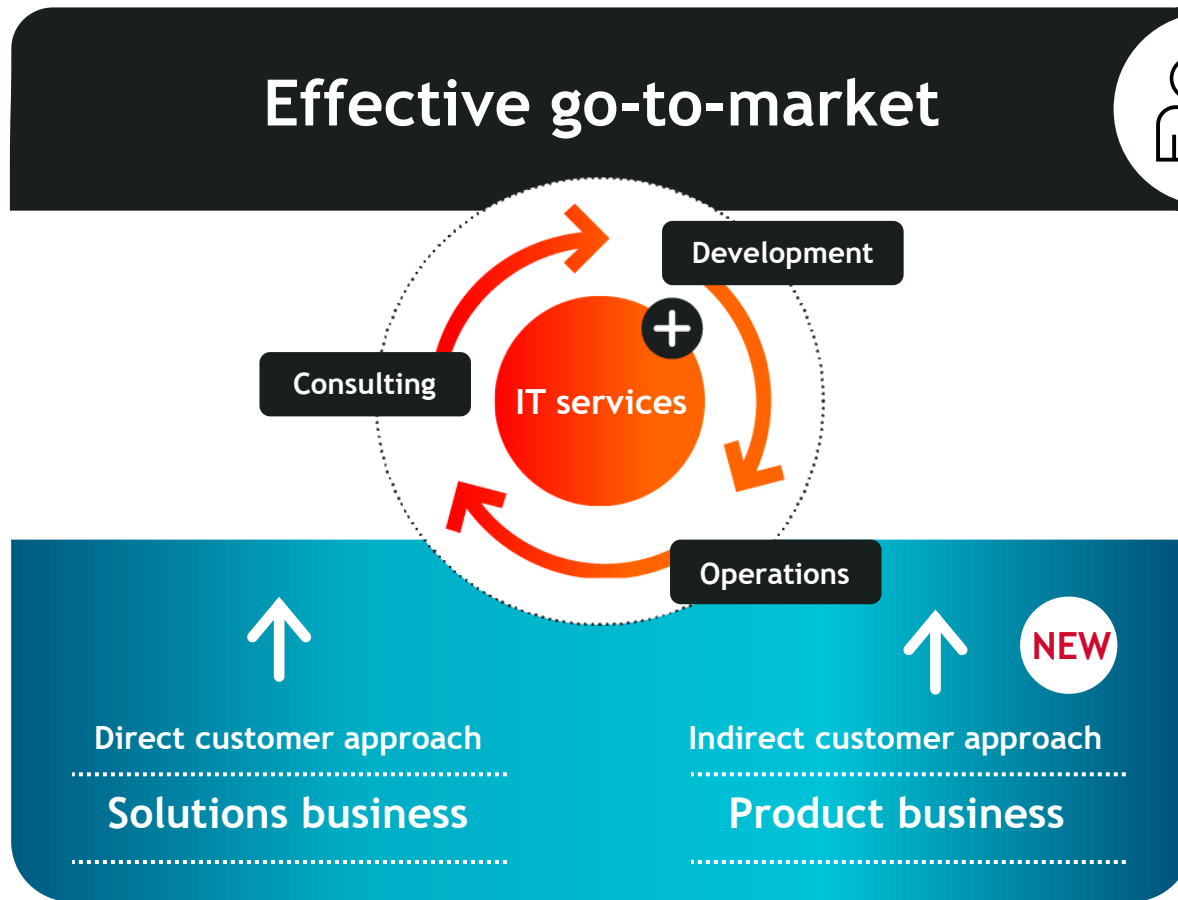
New orders
Q1 2023: € 21.4 million
(Q1 2022: € 76.3 million)

Effective go-to-market



Focus now on consulting and development orders

80% of new orders in Q1 2023 came from new customers or involved new projects with existing customers



Initial success in indirect sales: number of leads by end of April 2023 already as high as in whole of 2022



Numerous advances made with integration in Q1 already

3 One q.beyond

- ✓ One Sales & Portfolio
- ✓ New market presence: scanplus now “q.beyond Cloud Solutions”
- ✓ Preparations for merger of q.beyond Cloud Solutions and datac
- ✓ Second nearshoring location: operations start at q.beyond ibérica
- ✓ Strict receivables management to improve free cash flow

 q.beyond

DATAc

 q.beyond Cloud Solutions

 productive-data





Financial statements for Q1 2023: substantial revenue growth

Revenues

in € million



Q1 2023: double-digit growth

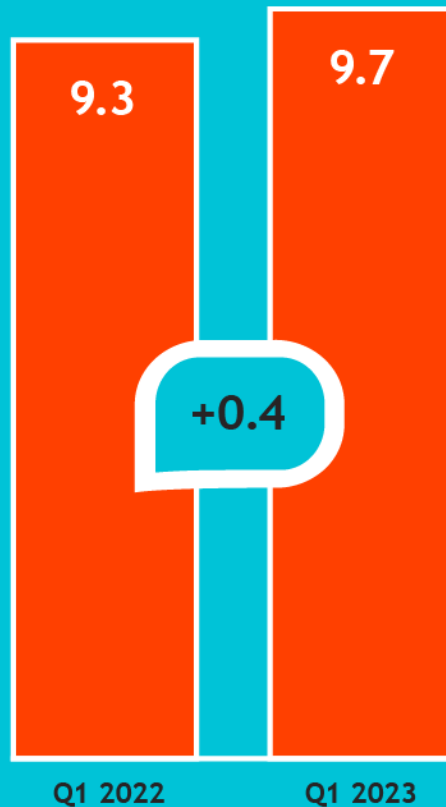
Strong year-on-year growth driven by

- organic growth in both segments
- consolidation of productive-data
- high share of recurring revenues (Q1 2023: 73%)
- concentration on focus sectors – 60% of revenues attributable to retail, logistics and manufacturing

SAP returns to growth

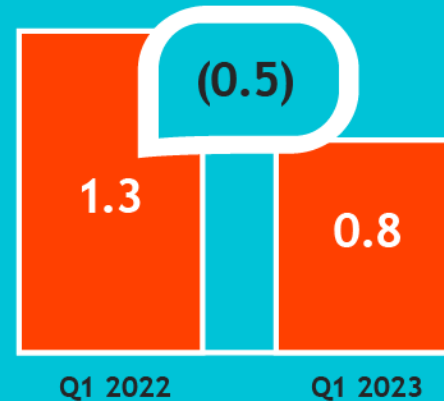
Revenues

in € million



Segment contribution

in € million



Success in new business

- sales campaign (launched in H2 2022) beginning to pay off

Challenges on cost side

- higher personnel expenses with adverse impact on earnings
- new orders require increased use of external specialists on a temporary basis

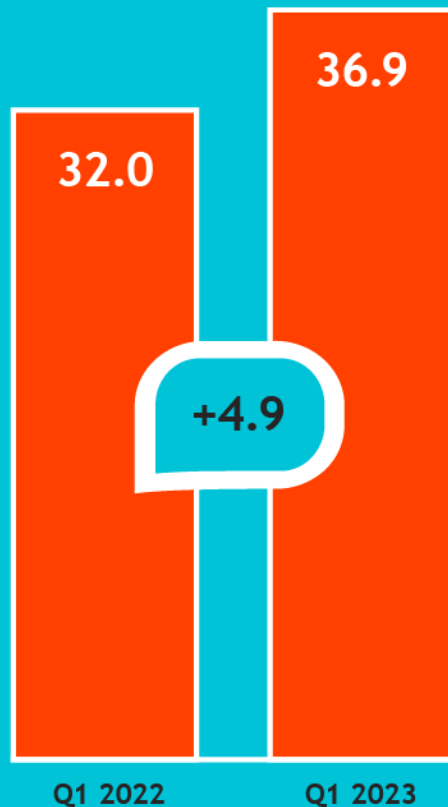
→ optimal use of internal resources has top priority in 2023



Cloud continues to grow strongly

Revenues

in € million



Segment contribution

in € million



Success in new and existing business

- consistently high demand, particularly for hybrid cloud solutions
- consolidation of productive-data

Challenges on cost side

- higher electricity, licence and personnel costs in 2023
- conversion in personnel structures requires one-off expenses



Higher expenses impact on earnings

In € million	Q1 2022	Q1 2023
Revenues	41.2	46.6
Cost of revenues	(35.4)	(40.6)
Gross profit	5.8	6.0
Sales and marketing expenses	(2.6)	(3.6)
Segment contribution	3.3	2.4
General and administrative expenses	(3.7)	(3.8)
Other operating income	1.6	0.2
Other operating expenses	(0.3)	(0.1)
EBITDA	0.8	(1.3)
Depreciation and amortisation	(4.1)	(3.3)
EBIT	(3.3)	(4.6)
Financial result / taxes	(0.2)	(0.4)
Consolidated net income	(3.5)	(5.0)

Increased cost of revenues in Q1 2023 due to

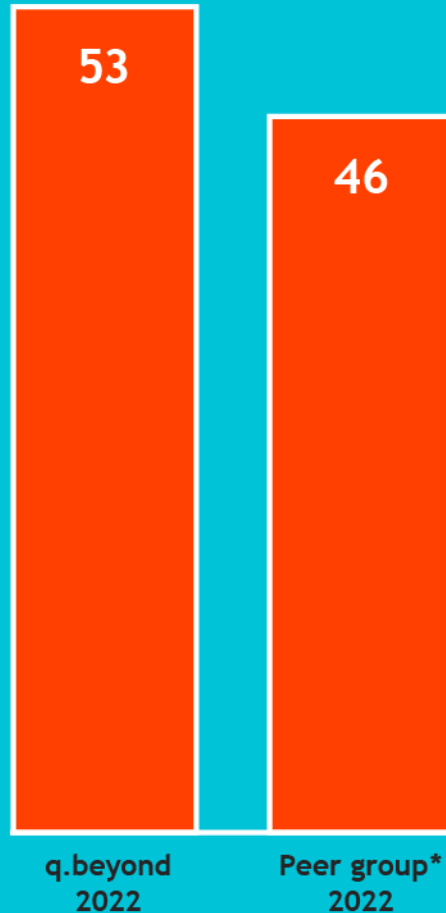
- higher electricity, licence and personnel expenses
- conversion in personnel structures (provisions of € 1.3 million in Q1 2023)

EBITDA also influenced by reduction in other operating income



Personnel expense ratio

in %



2025 Strategy reduces personnel expenses

Measures to align personnel expense ratio to competitors

- eliminate duplicate structures (One q.beyond)
- migration to nearshoring locations (One q.beyond)
- automation

→ Provisions in Q1 2023 create basis for personnel expenses to fall during rest of 2023 already

* Peer group companies with comparable business models (All for One, Allgeier and Datagroup)

Free cash flow

in € million



Significant improvement in free cash flow

Order-to-cash project within “One q.beyond”
has proved successful

- receivables fell by € 8.6 million
- free cash flow increased by € 2.7 million
- net liquidity rose by € 1.1 million

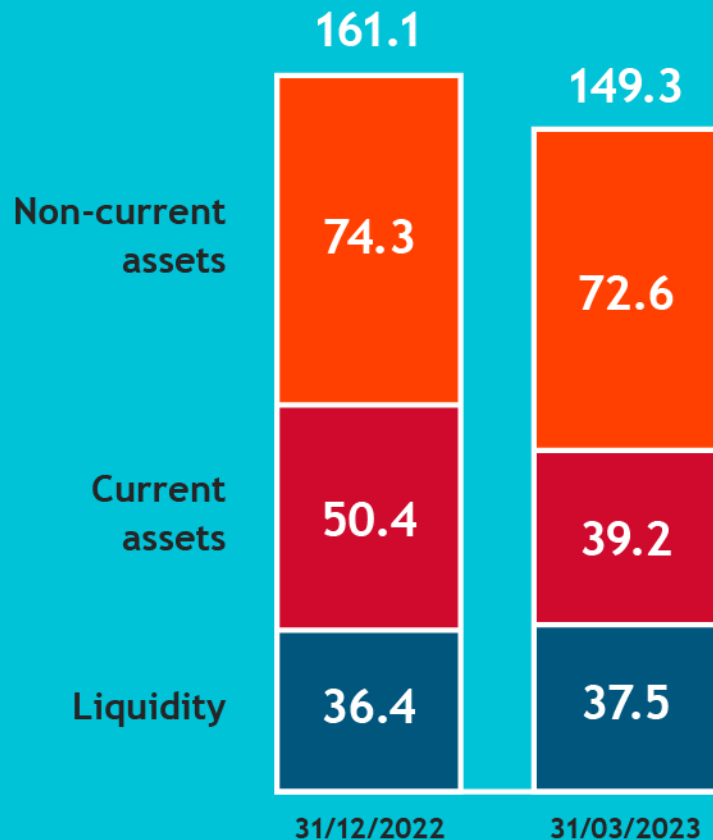
Two main reasons mean that FCF will decrease
again in the coming quarters

- rising capital expenditure (Q1 2023: € 0.5 million)
- implementation of 2025 Strategy

q.beyond still virtually free of debt

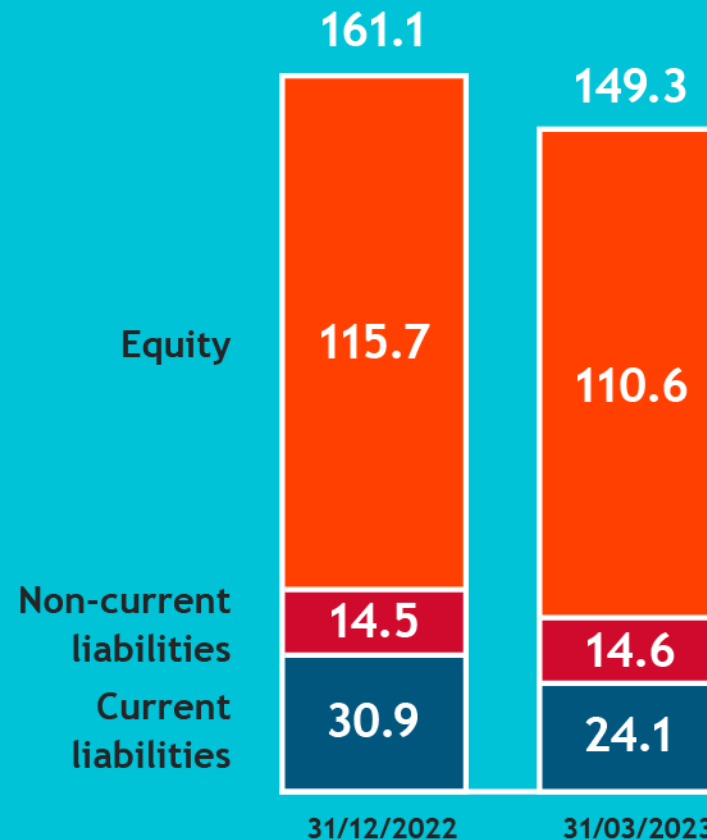
Total assets

in € million



Total equity and liabilities

in € million



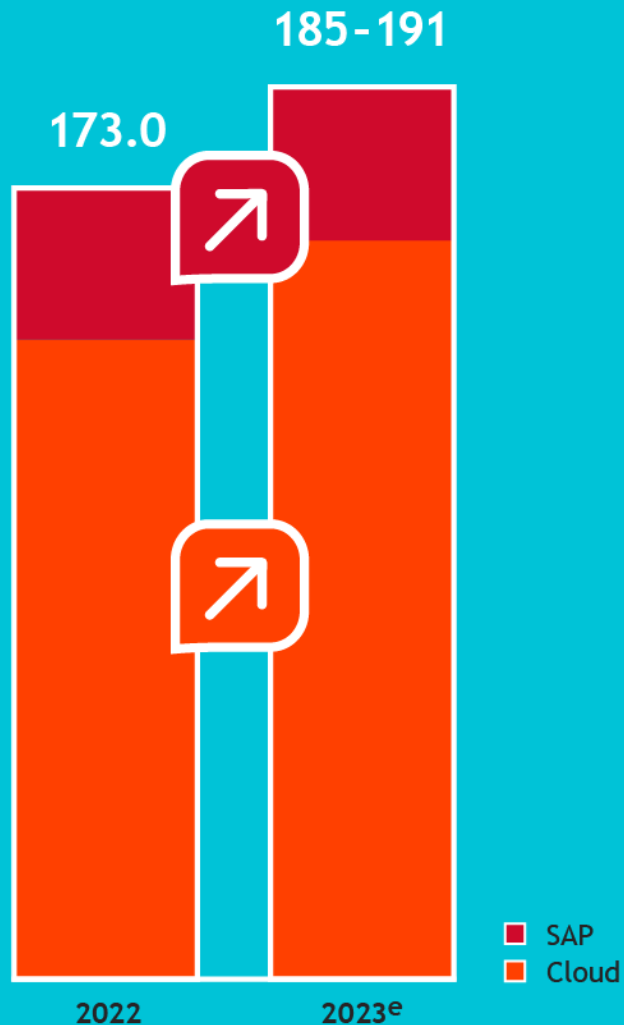
q.beyond is financing the implementation of its 2025 strategy with its own resources

- equity ratio of 74%
- no liabilities to banks



Revenues

in € million



2023 forecast: growth in both segments

Full-year forecast confirmed

- Revenues of € 185 million to € 191 million (2022: € 173.0 million)
 - EBITDA of € 5 to € 7 million (2022: € 5.4 million)
 - Free cash flow of up to € -8 million (2022: € -9.7 million)
- “One q.beyond” will increase earnings strength above all in H2 2023



Questions & Answers

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