

# Earnings Call H1 2021 Results

September 21, 2021

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## Aaron Auld, CEO

- CEO at Exasol AG since July 2013
- Responsible for the strategic direction of the company, as well as growing the business internationally



## Jan-Dirk Henrich, CFO/COO

- CFO/COO at Exasol AG since September 2021
- Responsible for finance related departments including Accounting, Controlling, Legal/Compliance and Investor Relations as well as Human Resources



# Topics for today

1. Business Performance H1 2021
2. Financial Results H1 2021
3. Outlook
4. Q&A

# Business Performance H1 2021

by Aaron Auld, CEO

# H1 2021 Overview

## FINANCIALS

- ARR growth of +27.4% YoY to 26.5m EUR
- Revenue growth of +29.7% YoY to 13.1m EUR
- Adjusted EBITDA\* of (14.1) €m vs. (1.8)m EUR in H1 2020
- Liquid funds of 46.6m EUR as of end June 2021

## IN SUMMARY

- Exasol continues to grow by every metric
- Clear progress in all areas, including ability to win large international organizations
- SaaS on AWS (Exasol Cloud Performance Data Warehouse) ready for phased market release
- Cloud elasticity for Google and Microsoft (Q1/22)
- DWH automation project on track (H1/22)
- GTM teams and processes still forming
- New experienced leadership team in place
- Focus on GTM execution

\* Adjusted by expenses from capital measures and obligations from share-based remuneration

## Recap: Strategic goals for 2021

> +45%

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ARR Outlook

> EUR 35 million

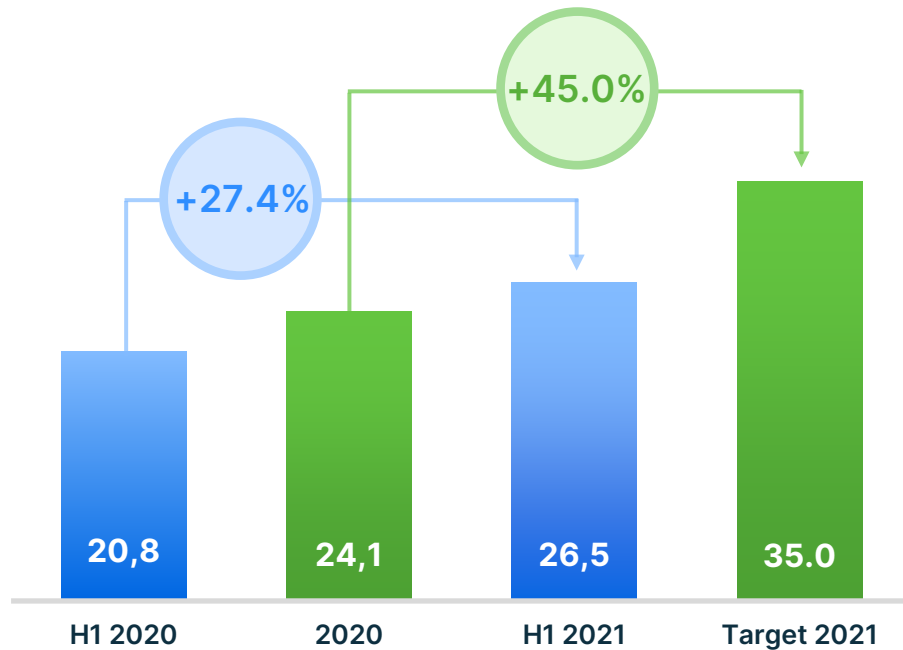
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ARR Outlook

### KEY PRIORITIES 2021

1. Build out go-to-market machine
2. Create unique performance brand
3. Phased rollout of Cloud Performance DWH
4. Prepare DWH Automation for market launch
5. Build and professionalize 300+ person organization

# ARR development lower than expected, but stable outlook for FY21



## KEY DRIVERS

- Extended time-to-close for major customer projects (partly driven by COVID)
- Delayed go-to-market ramp-up
- Data-volume based model preventing faster adoption

## OUTLOOK Q3/Q4

- Strong pipeline of possible deal closures by year-end
- Historically strong Q4 business
- Outlook of >35 €m ARR by year-end maintained



## Recent customer wins



DB Systel GmbH

Exasol delivered 100x performance increase over legacy system



Used for financial reporting, credit rating, 360° customer view.  
Replaced 20TB Oracle system with option to expand to 50-100TB

**German Company with  
International Activities**

BI Acceleration for online DWH. Performance is business critical  
with fast-growing data volumes



Exasol-based self-service reporting saves 36 hours per month  
compared to legacy system

**Multinational In  
Chemical Industry**

Exasol enables fast data discovery and “freestyle analytics” on mass  
financial data currently residing in SAP BW on HANA and Hadoop

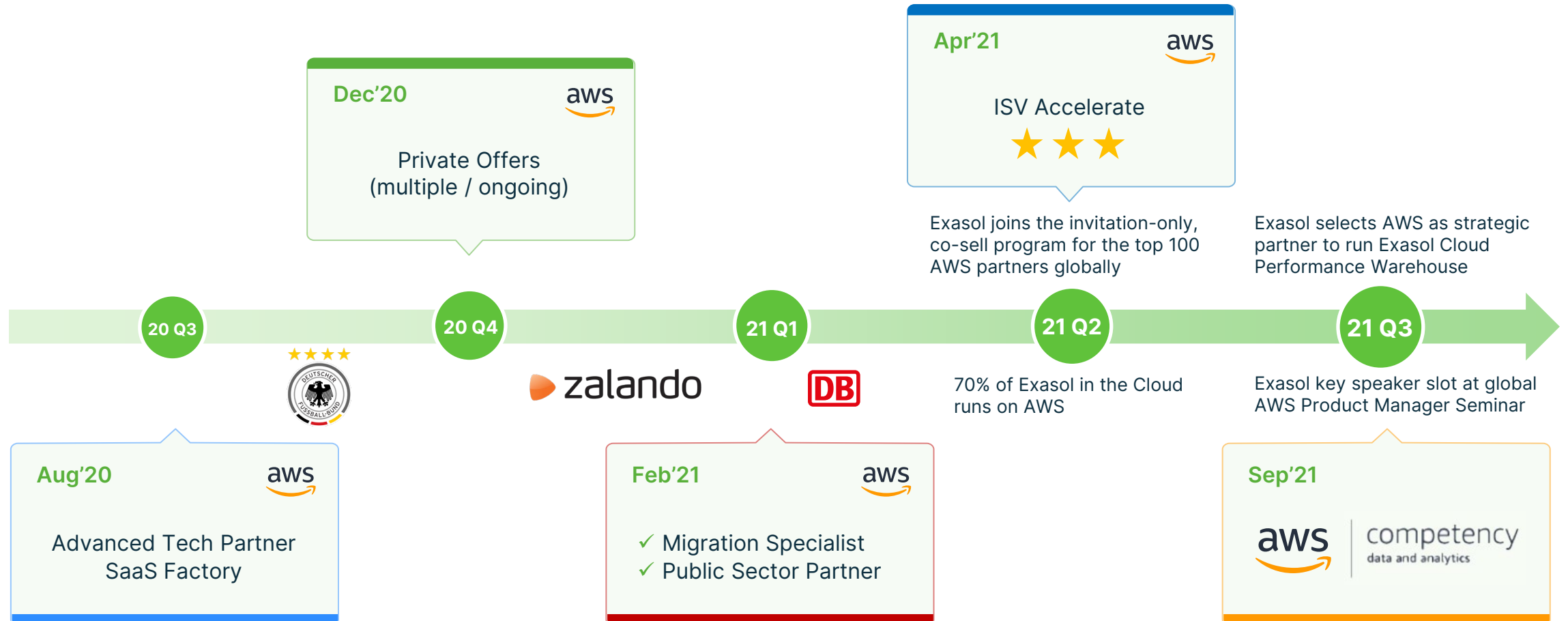
# Grow with our customers – increase the install-base

## Strong retention and growth numbers with existing customers

- Customer lifecycle retention geared towards long-term relationships and mutual trust
- Customer churn –3% ARR. 97% renewal rate exemplifying indicator in the industry
- Evolving data strategies and performance requirements drove average >19% growth YoY with existing customers



# Accelerating Amazon AWS Partnership



# Building The Global Marketing Engine in 2021



## BUILD THE GTM MACHINE

- Collaboration with leading full-service digital marketing agency to drive and deliver successful digital campaigns
- Hired specialized marketing talent to manage process and adopt know-how
- Optimizing our digital presence and SEO



## DRIVE LEADS NOW

- Digital Marketing 2.0 with first set of end-to-end campaigns, connecting across integration partner, tech partners and customer landscape
- Step-up Account Based Marketing: driving direct customer and sales engagement
- Partner with Sales and Partner teams to align on short- to long-term campaigns and offerings to drive strong Marketing Qualified Leads (MQLs)



## OPTIMIZE FOR FY2022

- Execute website optimization roadmap to further enable best site experiences, allow for more cost-efficient leads driven by digital marketing campaigns and effective top of the funnel conversions with SaaS and product trials
- Continue to sharpen focus on specific verticals and sub-verticals
- Align joint approach with key partners (AWS, System Integrators, Google Cloud, etc.)

**Continued coverage: (i) focused campaigns around BI Acceleration; ii) Industry Focus on Retail, FSI, Utilities, and Healthcare; iii) Diverse local, regional, and global Field Marketing Events**

# The making of a compelling brand

## Focused earned brand credibility

- 5 well-received industry thought leadership initiatives launched in 2021
- 77% increase in global press coverage year over year
- Increased Share of Voice in online media in one year from 3% to 9%
- Share of Voice is ahead of SAP Hana and MemSQL (SingleStore)
- 119% increase in organic social media engagement on LinkedIn

**Bloomberg****Forbes****WIRED****| Handelsblatt****DIE ZEITUNG**



# DFB Technology partnership

- In 2020 Exasol became strategic technology partner of the German Football Association (DFB)
- Exasol on Amazon AWS outperformed all competition (Google, Oracle, and Snowflake)
- Jointly DFB, business partner Areto, and Exasol have implemented the "Global Database for German Football"
- DFB & Exasol partnership provides promotional rights for building brand awareness and direct marketing

Current European champion with a fast **growing audience and rising followers**



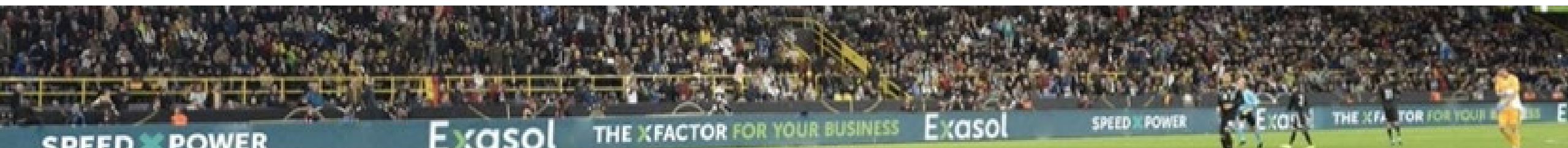
**High brand visibility with strong media impact**



**The sleeping giant awakes with Exasol by his side**

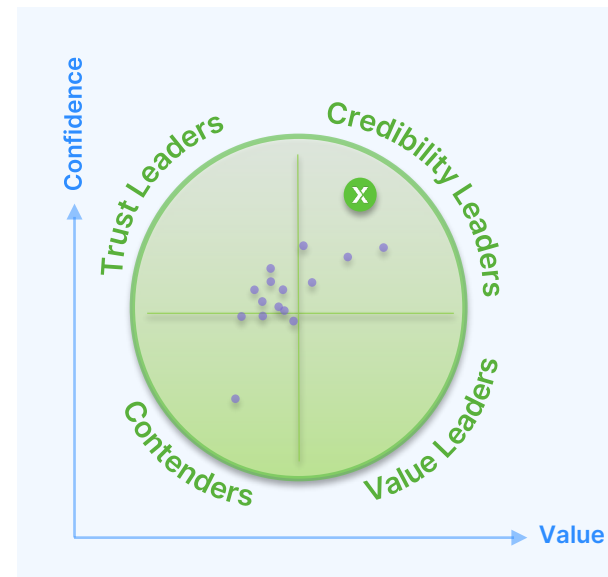


**Building THE German football database with the innovative DFB Academy**



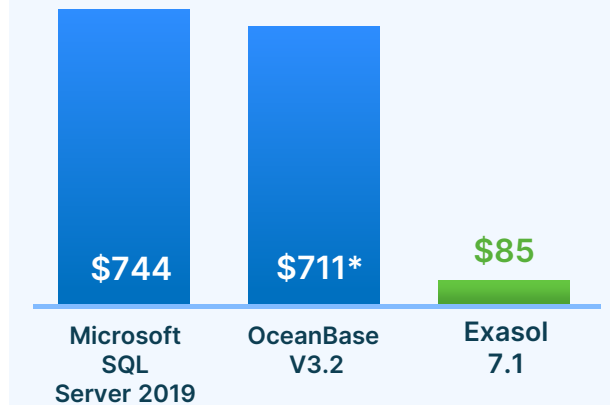
# Solidified market position via analyst validation

- Forrester moved Exasol from contender to strong **Performer** in the latest Forrester Wave™: Cloud Data Warehouse, Q1 2021
- BARC graded Exasol as top ranked on Performance and **Platform Reliability**
- Continuous favorable market position with Dresner, G2 and Gartner. With Dresner continuing to position as top-performing **Credibility Leader**
- New release Exasol 7.1 once again outperforms all competitors in latest TPC-H 2021 (V3) benchmark — reaching 22.664.825 queries per hour



Dresner positioning of Exasol against competition

Price/kQphH in USD (30 TB)  
Cost per kQphH – lower is better



\*Converted from the original currency



# Exasol Cloud Performance Data Warehouse aaS

## Phased Launch beginning end of Q3

Exasol Cloud Performance DWH provides a new strategic growth platform to extend Exasol's existing volume-based model for faster adoption. This offering will kickstart Exasol's move towards a unique and comprehensive business model for evolving data strategies

### 1 Q3 2021 – 29th of September

- Private offer for existing customers and partners only

### 2 Q4 2021

- Full public availability with fully automated onboarding and self-service

### 3 Q1 2022

- Bold competitive offers to gain net new customers
- Enhance customer experience through continuous development
- Provide bridge to AWS Cloud aaS capabilities

# Supporting growth through process and operations

- Achieved key security and quality ISO certifications with top results. Auditors found no gaps and had zero objections
- Professionalized employee onboarding, training and built new Sales Academy from ground up to accelerate know-how transfer for sales teams and ensure consistent messaging
- Launched enhanced customer support program adding new tiers for increased customer satisfaction
- U.S. support team footprint increased to enable direct coverage in U.S. time zone plus more comprehensive global support



**ISO Certifications ISO/IEC 27001 and ISO 9001 successfully completed**

*"Whenever I run into a problem their customer service is always prompt and open about discussing and acting on it if it makes sense."*

★★★★★ 5 stars on G2

# CSR & ESG activities significantly strengthened

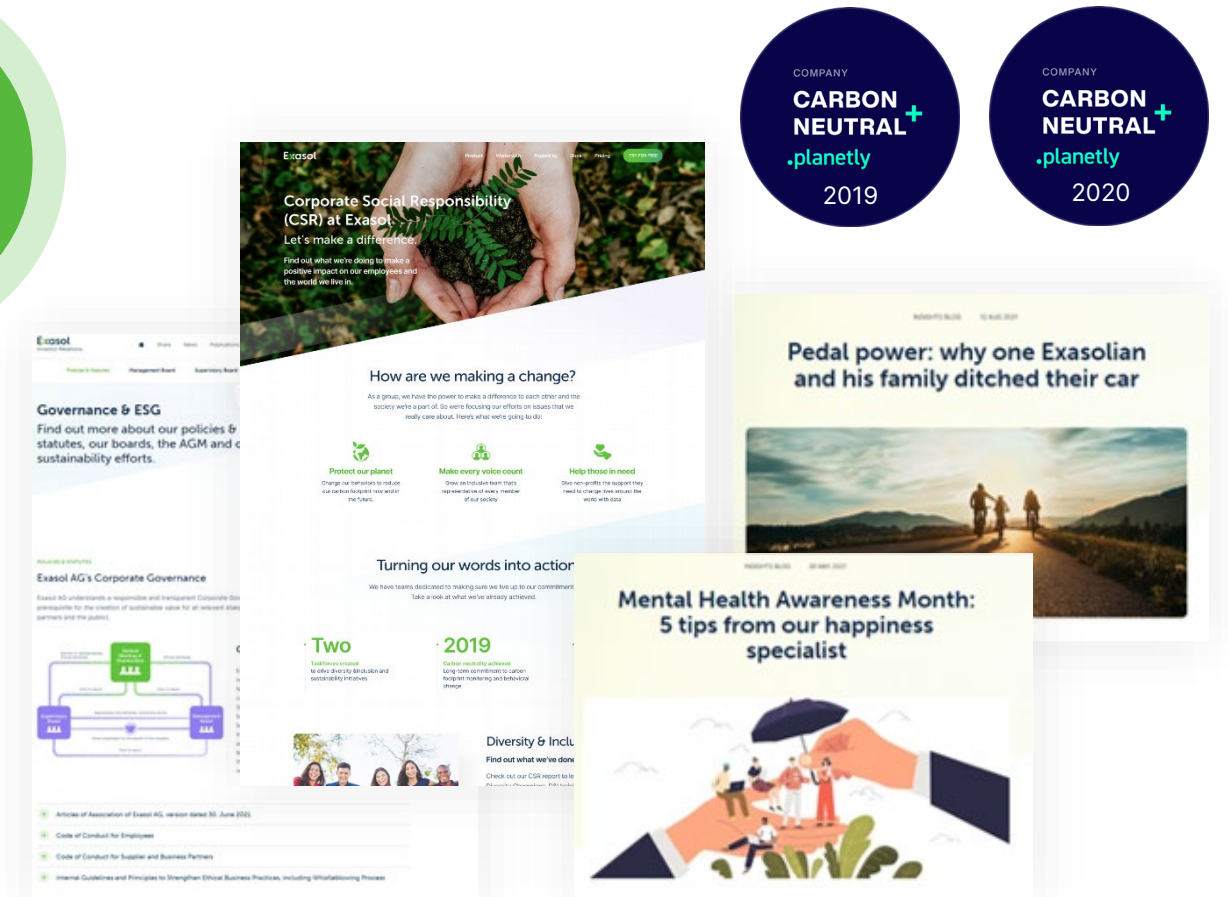
## CSR activities

- 2019 & 2020 Carbon Neutrality stamp
- Diversity & Inclusion Training & Education
- I Am Change Sustainability initiative
- Data Literacy Non-Profit Sponsorship
- UN Global Compact initiative Q4

## ESG reporting

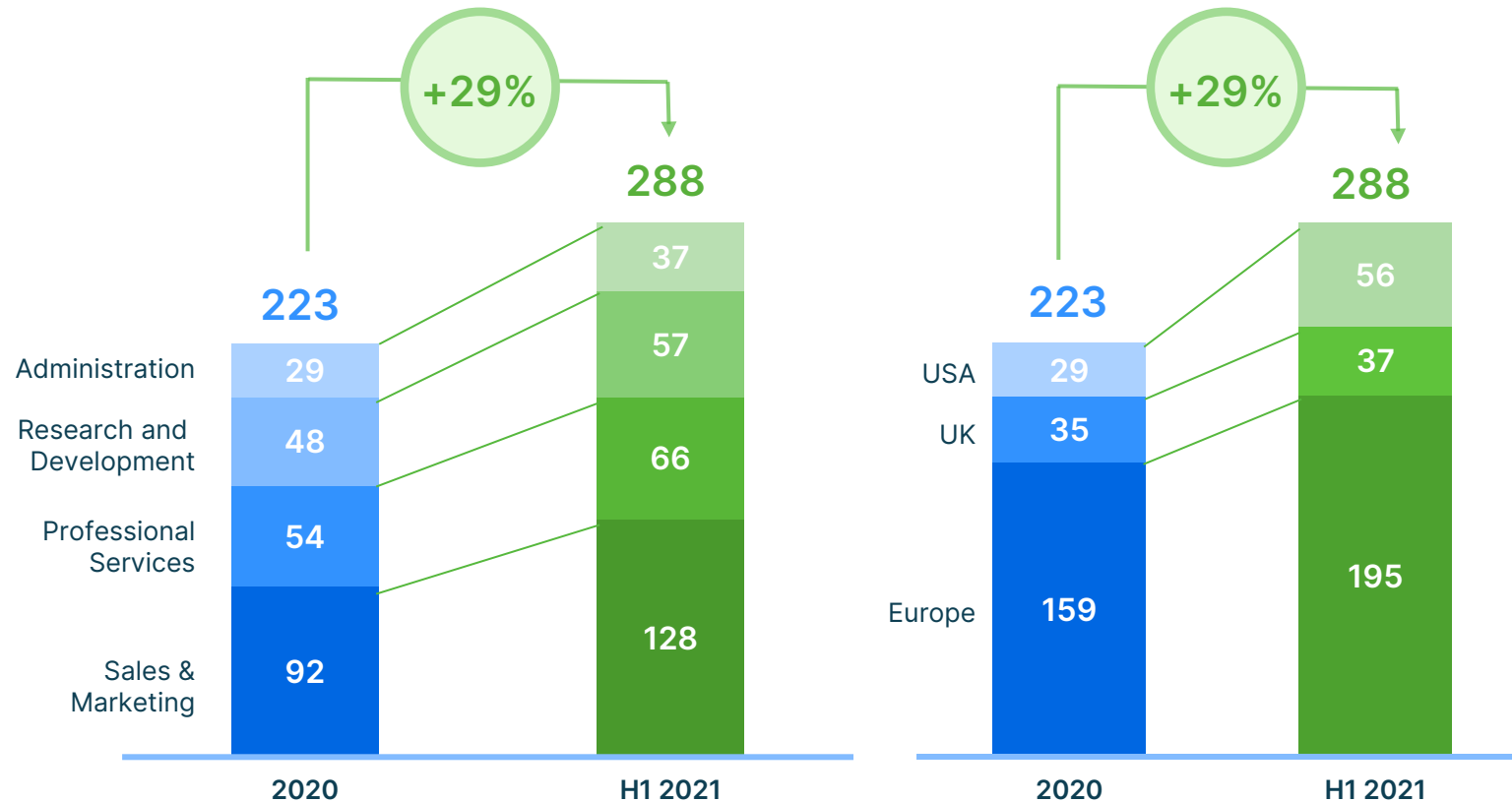
- New Investor Relations Webpage
- Expanded ESG scope in financial reports
- Ongoing dialogue with Rating Agencies

Internal CSR  
& ESG  
Working  
Group





# Headcount up 29%, driven by sales & marketing



## KEY OBJECTIVES

- Continued focus on shaping an organization for sustainable growth
- Recruiting in 2021 highly focused on required key skills
- Further ramp-up will be based on progress on ARR

# Financial Results H1 2021

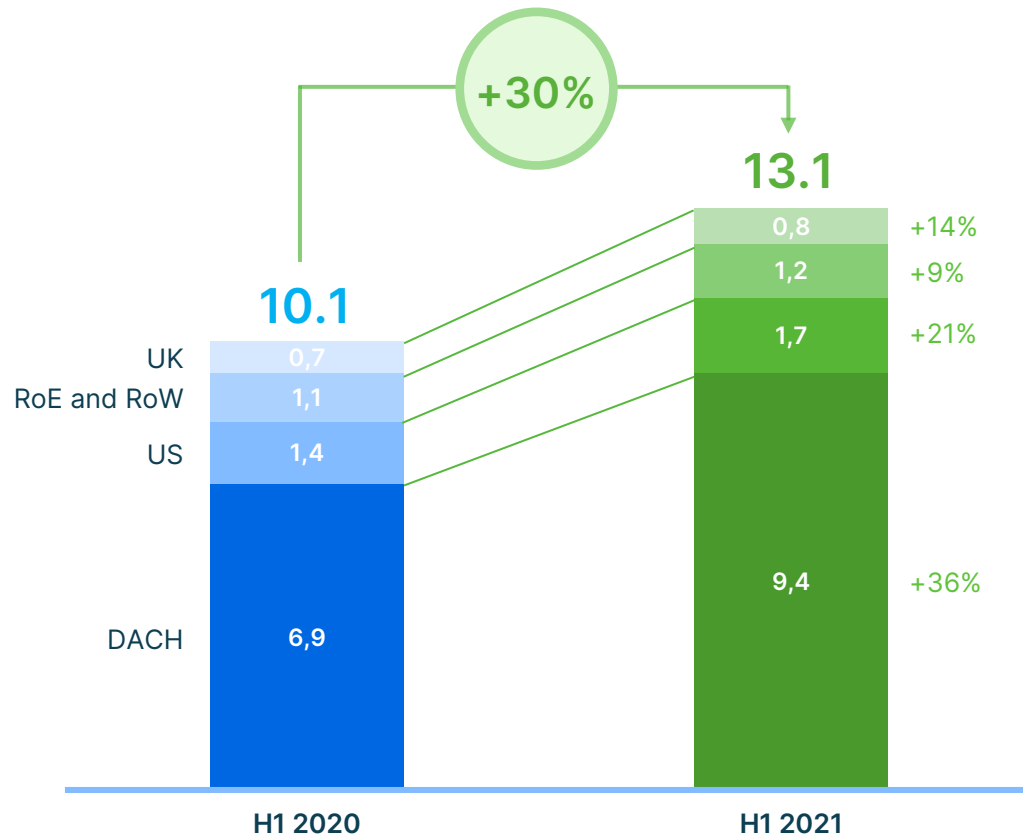
by Jan-Dirk Henrich, CFO/COO

# H1 2021 Financial Highlights

- **Revenue growth** of 30% YoY
- **Adjusted EBITDA\*** of (14.1)m EUR vs. (1.8)m EUR in H1 2020
- **Adjusted Operating Cashflow\*** of (11.5)m EUR vs. (1.7)m EUR in H1 2020
- **Available liquid funds** of 46.6m EUR at end H1 2021
- **Equity ratio** stays at >50%

\* Adjusted by expenses from capital measures and obligations from share-based remuneration

## Revenue by Region in €m



### COMMENTS

- Stable revenue growth of 30% YoY
- Continued strong performance in core market DACH
- Delayed growth acceleration in strategic target markets US and UK

# Adjusted EBITDA of (14.1) €m in H1 2021

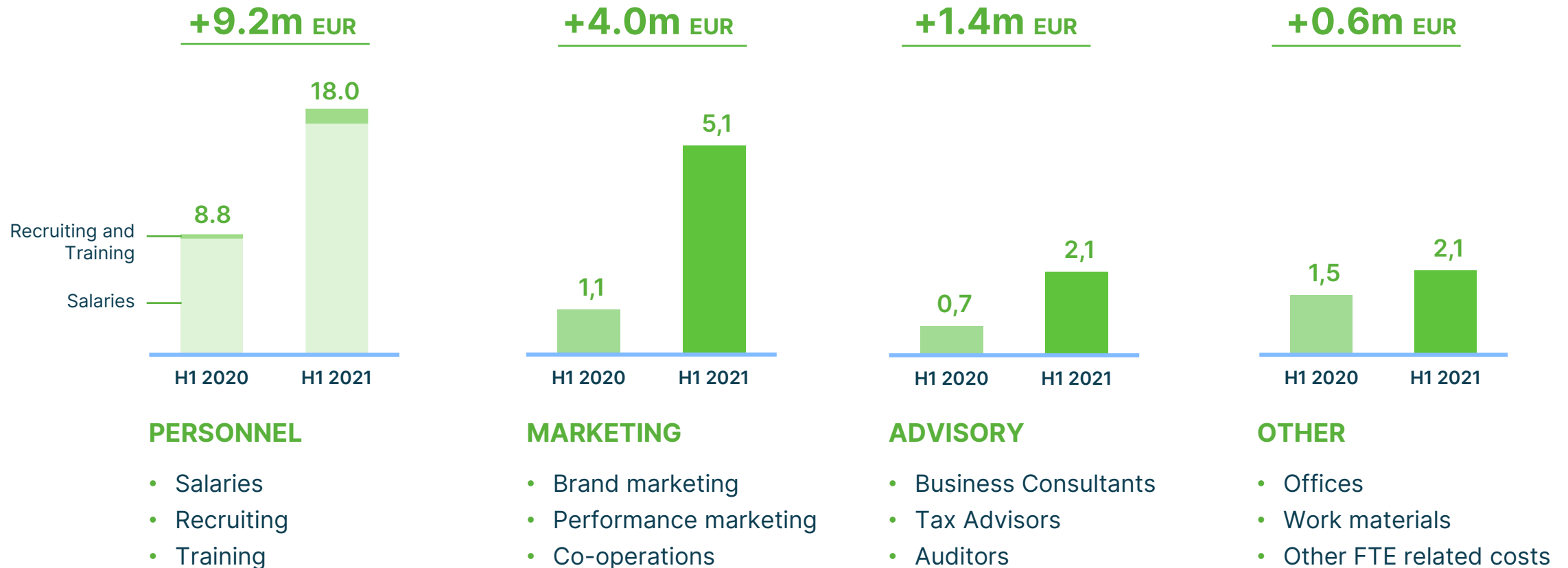
Profit and loss	H1 2021	H1 2020	▲
Revenue	13.1	10.1	2.0
thereof recurring revenue in %	92%	91%	1%pt
Other operating income	0.5	0.2	0.3
COGS	(1.7)	(1.0)	(0.7)
Operating gross profit	11.9	9.3	2.6
Margin	91%	92%	(1%pt)
Capitalized own work	1.2	0.9	0.3
OPEX	(27.7)	(25.3)	(2.4)
<b>EBITDA</b>	<b>(14.6)</b>	<b>(15.0)</b>	<b>0.4</b>
Margin	(112%)	(148%)	36%pt
Depreciation	(1.3)	(1.0)	(0.3)
Financial result	(0.1)	(0.2)	0.1
Taxes	(0.2)	(0.0)	(0.2)
<b>Net loss</b>	<b>(16.2)</b>	<b>(16.2)</b>	<b>0.0</b>

Adjustments

Adjusted EBITDA	H1 2021	H1 2020	
<b>EBITDA</b>	<b>(14.6)</b>	<b>(15.0)</b>	<b>0.4</b>
+ share-based remunerations	0.5	10.1	-
+ expenses for capital measures	0.0	3.1	-
<b>Adjusted EBITDA</b>	<b>(14.1)</b>	<b>(1.8)</b>	<b>(12.3)</b>
Margin	(108%)	(18%)	(90%pt)



# Increase in adj. Opex driven by personnel & marketing



# Adjusted Operating Cash flow of (11.5) €m

	H1 2021	H1 2020	▲
Net loss	(16.2)	(16.2)	0.0
Operating cash flow	(20.2)	(4.8)	(14.4)
Investing cash flow	19.0	(1.2)	20.2
- thereof operational assets	(2.6)	(1.2)	(1.4)
- thereof financial assets	21.6	0.0	21.6
Financing cash flow	(0.1)	47.9	(48.0)
Net increase/decrease in cash	(1.3)	41.9	43.2

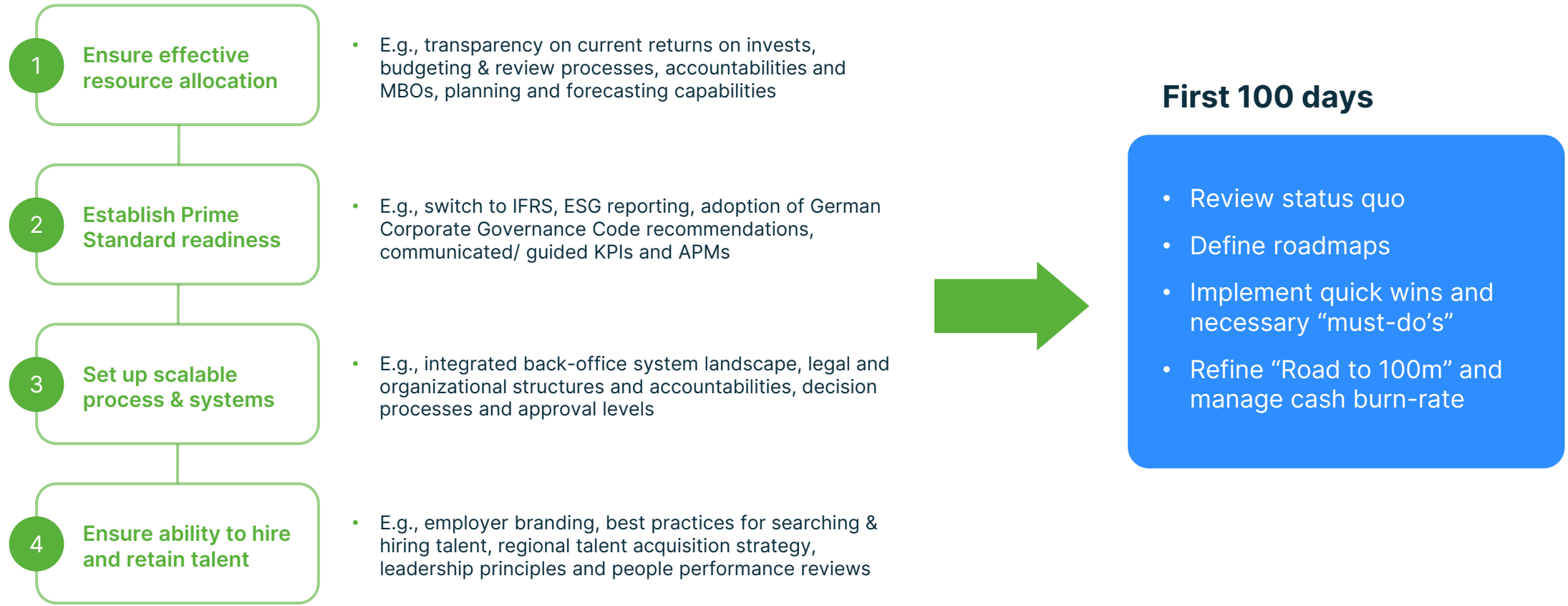
Adjustments

Adjusted operating cash flow	H1 2021	H1 2020	▲
Operating cash flow	(20.2)	(4.8)	(14.4)
+ cash flow from share based remunerations	7.2	0.0	
+ cash flow for expenses from capital measures	1.5	3.1	
Adj. Operating cash flow	(11.5)	(1.7)	(9.8)

## Liquid funds of 46.6 €m and Equity ratio of 52%

In €m	H1 2021	2020	▲
Fixed assets	9.0	7.7	1.3
Current assets and prepaid expenses	52.1	74.4	(22.3)
Liquid funds	46.6	69.5	(22.9)
<i>In % of total assets</i>	<i>76%</i>	<i>85%</i>	<i>(9%pt)</i>
Equity	32.0	48.3	(16.3)
<i>In % of total assets</i>	<i>52%</i>	<i>59%</i>	<i>(7%pt)</i>
Provisions	17.8	27.2	(9.4)
Liabilities and deferred taxes	3.1	2.3	0.8
Deferred income	8.1	4.4	3.7
<b>Total assets and liabilities</b>	<b>61.0</b>	<b>82.1</b>	<b>(21.1)</b>

# Overall CFO/COO priorities and focus of first 100 days



# Internal IR capabilities strengthened with new Head of IR



**Head of Investor Relations signed last week, will join Jan. 1, 2022**

15 years of IR experience in SDAX and TecDAX listed companies, including:

... 9 years in corporates with growth-driven equity stories

... 2 years in B2B software environment

## Remaining financial calendar 2021

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### Trading Statement

9M 2021

4 Nov 2021

### Deutsche Börse

### Eigenkapitalforum

Analyst Conference

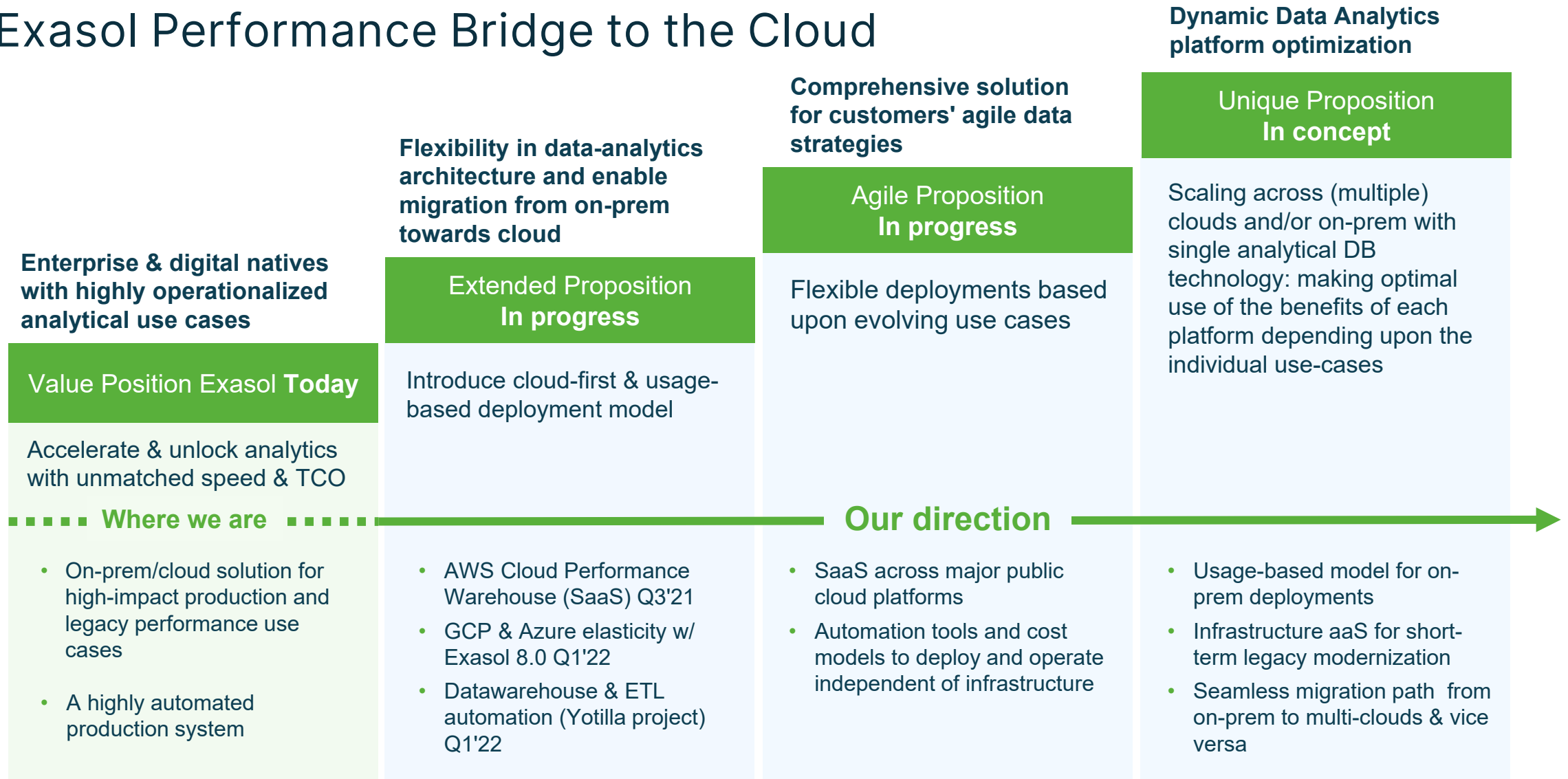
24 Nov 2021 | Frankfurt am Main



# Outlook

by Aaron Auld, CEO

# Exasol Performance Bridge to the Cloud



## Exasol outlook for 2022

- Create lean and business-oriented organization geared towards 3-year plan, including effective reporting systems for reliable performance management, continuous change and value-driven improvements (Sep.-Dec. 2021).
- 2022 business objectives defined and all systems, metrics and reporting, including budget sign-off and commission plans in place by end of 2021.
- Total focus on execution and continue to build and refine GTM machine in line with strategic objectives and target markets.
- Continue to extend value proposition, including Cloud elasticity (GCP & Azure Q1/22) and multi-Cloud Performance DWH aaS (2022), automation tools and features.
- Work with partners, e.g. HPE, AWS, and SIs to build out ecosystem for cross-platform deployment and operations & bring "Exasol Performance Bridge to the Cloud aaS" business model to market.

**Q&A**





# Exasol

Thank you



**Faster. Wins.**