



# Cloud business drives revenue growth

Quarterly results Q3 2022  
7 November 2022 | Jürgen Hermann, CEO

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# Q3 2022: continuing growth...

EBITDA and FCF for Q3 2021 affected by successful sale of colocation business

In € million	Q3 2021	Q3 2022	Δ %
Revenues	40.0	43.1	+8%
EBITDA	1.6 (+29.4*)	1.7	+6%
Free cash flow	3.6*	(1.7)	n/a

\* Including impact of colocation sale.



# ...despite weakening economic climate

## GDP growth in 2022

in percent



Spring  
Forecast

Autumn  
Forecast

## GDP growth in 2023

in percent



Spring  
Forecast

Autumn  
Forecast

Germany facing recession for second time in 2 years:

- Weaker development than most other industrialised economies
- Great uncertainty among companies: ifo index persistently low
- Inflation remains high despite rising interest rates (September 2022: +10%)



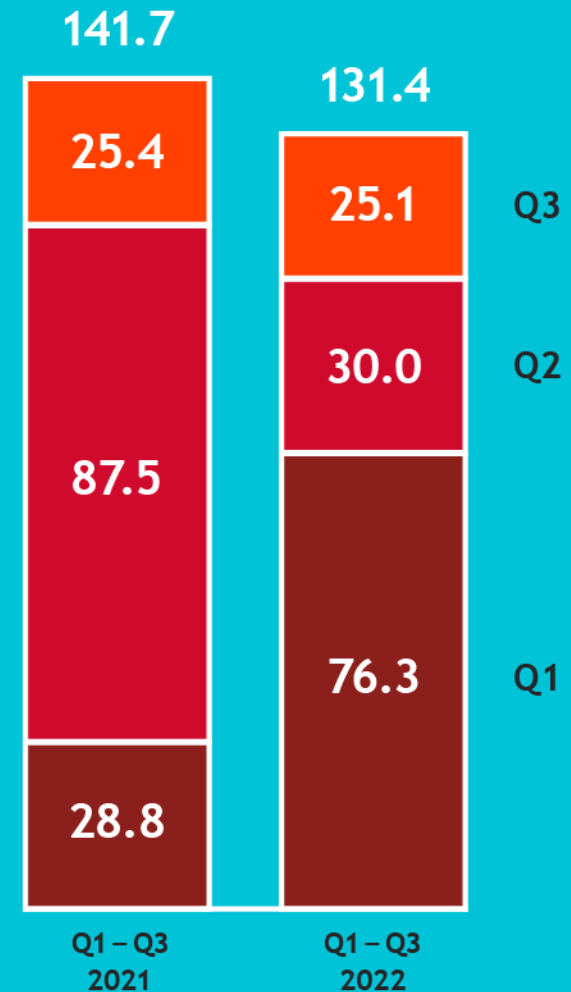
# Q3 2022: new orders at previous year's level

New orders are being affected by the uncertain market climate; in particular, we have witnessed reluctance in the SAP business.

Thanks to success in the cloud business, of the orders received in Q3 2022

- **88%** came from **new customers** or from **new projects** with existing customers
- **only 12%** involved **extensions of contracts** with terms generally amounting to **3 to 5 years**

New orders  
in € million



# Q3 2022: revenues rise by 8%

In this difficult economic climate, q.beyond benefited from

- a high share of recurring revenues (Q3 2022: 78%)
- its concentration on focus sectors – 60% of revenues came from retail, logistics and manufacturing
- targeted acquisitions (organic growth despite reduction in SAP: +6%)

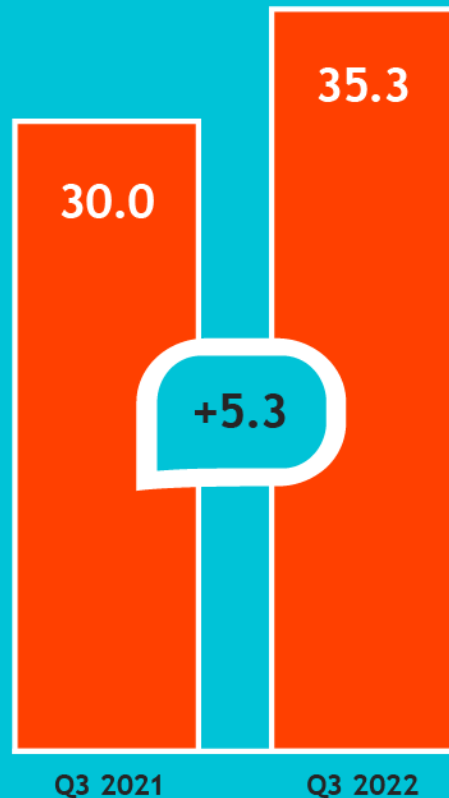
Revenues  
in € million



# Cloud business still dynamic

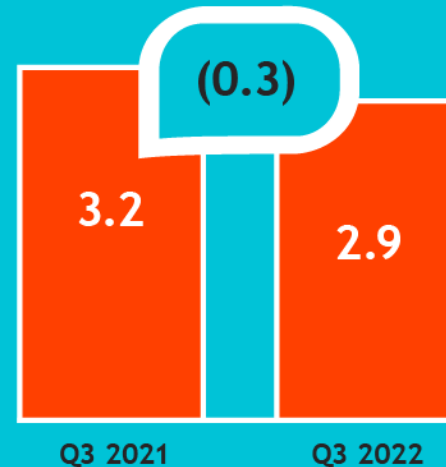
## Revenues

in € million



## Segment contribution

in € million



## Growth drivers

- consistently high demand for cloud solutions
- growing interest in hybrid cloud portfolio
- success of new subsidiaries

## Additional cost factors

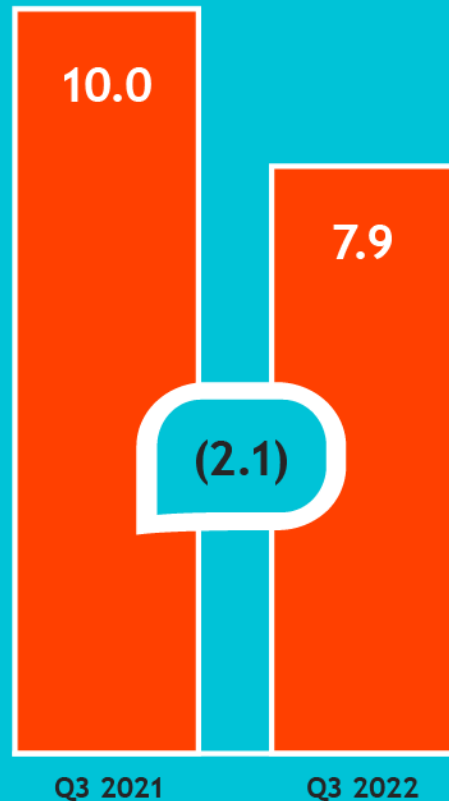
- expansion in SaaS business
- temporary change in cost structure (especially discontinuation of colocation margin)



# SAP business approaching turnaround

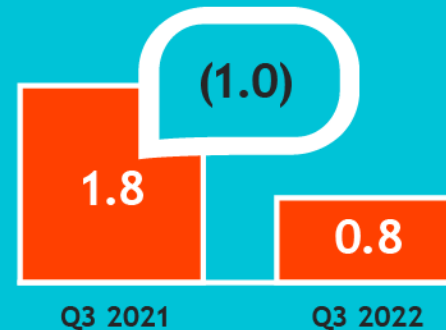
## Revenues

in € million



## Segment contribution

in € million



## Sales campaign

- SAP suffering from downstream effects of pandemic-related restrictions
- New business held back by high levels of uncertainty
- Highly targeted approach to potential customers proving effective

## Success on cost side

- COGS of € 6.4 m in Q3 2022 as against € 7.1 m in Q2 2022
- Proof of greater cost discipline

→ Return to growth course expected for 2023





# Slight rise in operating EBITDA

In € million	Q3 2021	Q3 2022
<b>Revenues</b>	40.0	43.1
Cost of revenues	(31.9)	(35.9)
<b>Gross profit</b>	8.1	7.3
Sales and marketing expenses	(3.1)	(3.5)
<b>Segment contribution</b>	5.0	3.7
General and administrative expenses	(4.9)	(3.6)
Other operating income	33.2	1.7
Other operating expenses	(3.8)	(0.1)
<b>EBITDA</b>	29.4	1.7
Depreciation and amortisation	(4.2)	(4.3)
<b>EBIT</b>	25.3	(2.6)
Financial result / taxes	(4.6)	(0.2)
<b>Consolidated net income</b>	20.7	(2.8)

Year-on-year comparison of quarterly earnings affected by successful sale of colocation business in Q3 2021

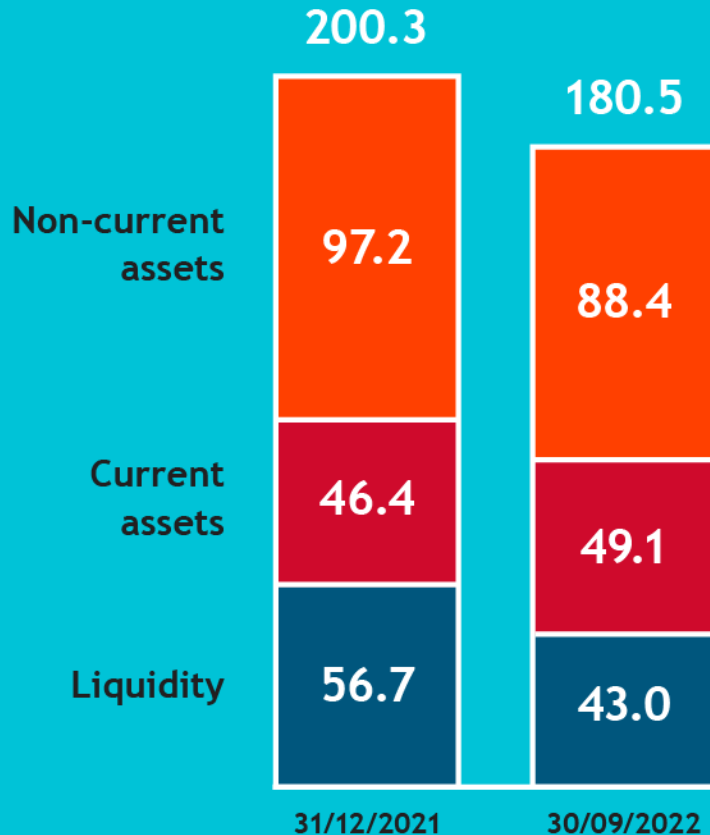
- Changed cost structure, also due to consolidation of scanplus
  - High other operating result in previous year
- Excluding colocation sale, EBITDA in Q3 2021 stood at € 1.6 million



# Rock-solid financing ...

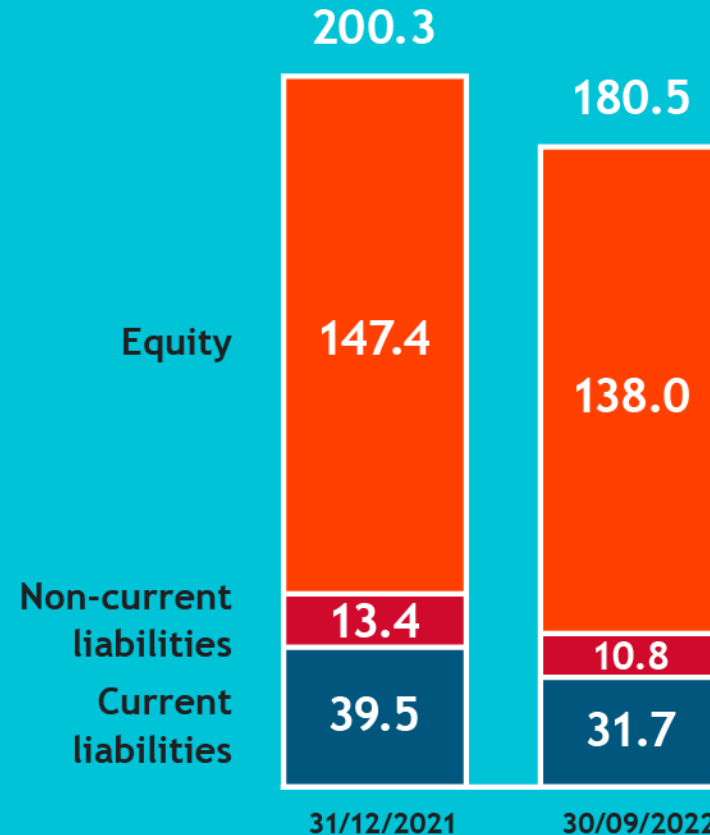
## Total assets

in € million



## Total equity and liabilities

in € million



q.beyond finances its growth from its own resources:

- equity ratio of 76%
- no bank liabilities

Great substance:

- high net liquidity
- proprietary land in Hamburg (market value > € 20 m)
- Attractive subsidiaries and shareholdings (including datac, scanplus)

Low volume of capital expenditure:

€ ~3 million in 2022



**Debt-free**

**Net liquidity:  
€ 42.5 m**

**Equity ratio:  
76%**

## ... permits further targeted acquisitions

M&A strategy focuses on

- companies able to strengthen q.beyond's cloud-related portfolio

Potential targets must have

- marketable products
- revenues of at least € 5 million
- positive earnings



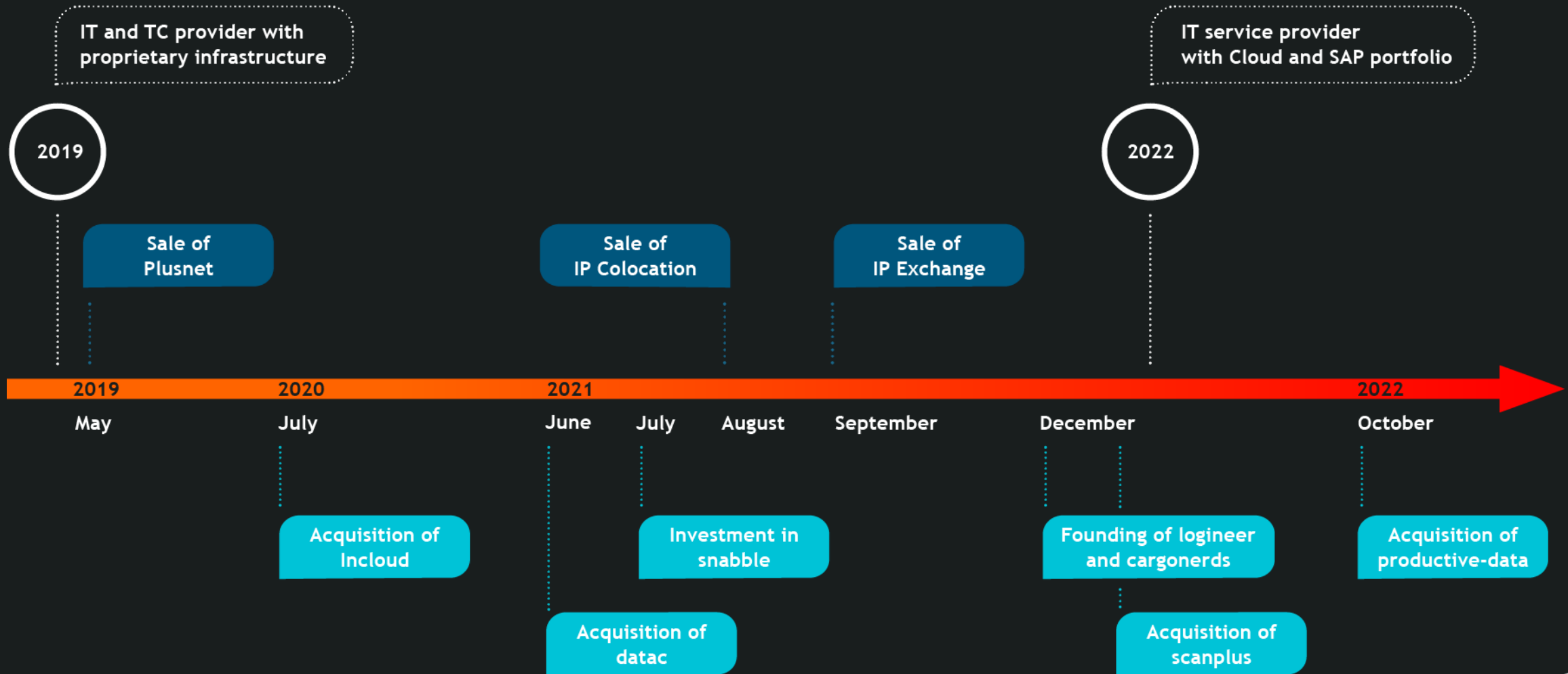
# q.beyond takes over productive-data

Data analytics specialist productive-data an ideal match for q.beyond's sharpened M&A focus

- **New module for cloud customers:** introduction, enhancement and operation of **data warehousing solutions**
  - **Dovetailing with hybrid cloud solutions** for secure data storage and processing
  - **Proven business model:** annual revenues of more than € 10 million with positive net income
  - **Strong team:** more than 40 internal and external experts
- 51% stake acquired / option of complete takeover by 2026



# Acquisitions are a firm component of the strategy



# Strategy adapted to change in underlying conditions

## q.beyond's portfolio



## Customers' needs

Customising standard software  
in line with individual needs

Enhanced efficiency

# SaaS: focus now on customer projects

## To date:

High volume of upfront investments in SaaS products offering opportunities for attractive revenues

## Challenges:

- risk of low market acceptance
- marketing new products in difficult conditions

## In future:

- halt on development of SaaS products
- development resources will be used in customer-specific projects
- commercial use planned for investments to date





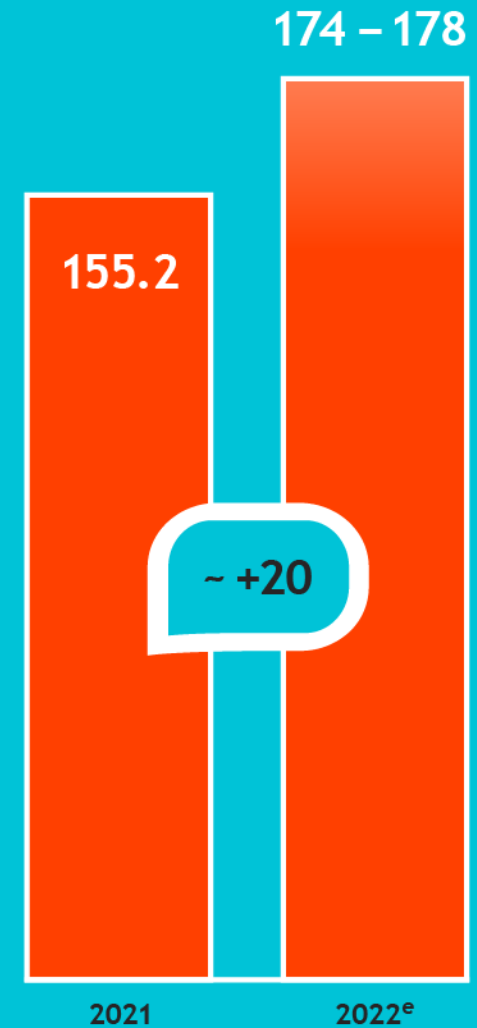
# Revenue growth of around € 20m budgeted

2022 forecast adjusted to account for weaker economic conditions:

- **Revenues** to grow to € 174 – 178 million (previously: around € 180 million)
- **EBITDA** to rise to € 6 – 8 million (previously: around € 8 million)
- **Free cash flow** at a maximum of € -10 million (unchanged)

→ **Strong revenues expected in Q4 2022:**  
Organic growth + first revenues with productive-data + realisation of projects

Revenues  
in € million







# Questions & Answers

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