



# q.beyond: the key to successful digitalisation

Preliminary results for 2020 | Outlook for 2021  
March 2021

# Disclaimer

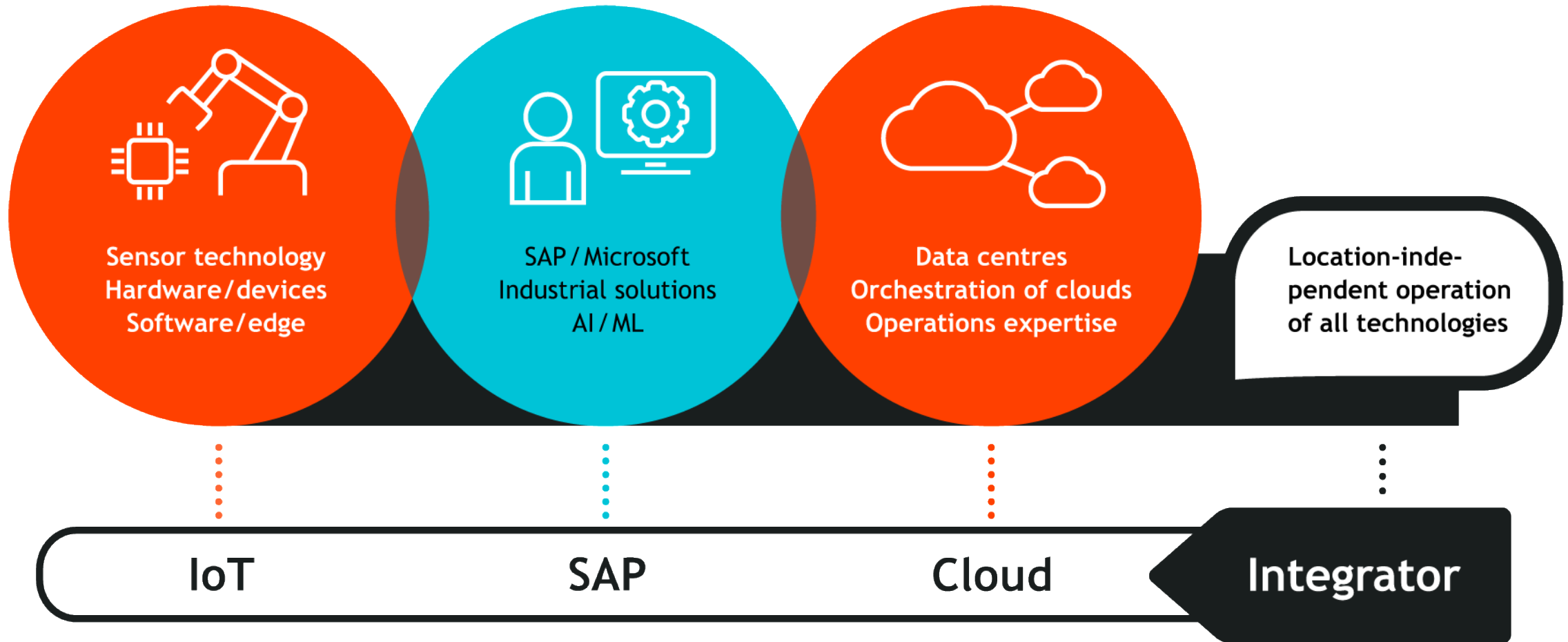
This presentation contains forward-looking statements based on management estimates and reflects the current views of q.beyond AG's ("q.beyond's") management board with respect to future events. These forward-looking statements correspond to the situation at the time this presentation was prepared. Such statements are subject to risks and uncertainties, which q.beyond is mostly unable to influence. These risks and uncertainties are covered in detail within the risk report section in our financial reporting.

Although the forward-looking statements are made with great care, their correctness cannot be guaranteed. Actual results may therefore deviate from the expected results described here. q.beyond does not intend to adjust or update any forward-looking statements after publication of the presentation.



**The growth company  
q.beyond at a glance**

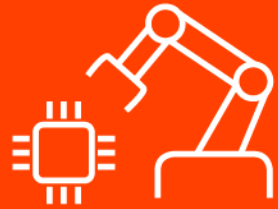
# q.beyond integrates all relevant technologies



## Digital challenges for SMEs

- Defending against cyberattacks
- Standardising software landscapes
- Optimising inventory management
  - Storing data securely
  - Introducing S/4HANA
  - Supervising goods storage
  - Managing data centrally
  - Networking machinery
  - Automating processes
  - Tracking products
- Getting to know customers better
- Intensifying customer retention

# How q.beyond solves digital challenges



- ↗ Networking machinery
- ↗ Supervising goods storage
- ↗ Automating processes
- ↗ Tracking products

IoT



- ↗ Introducing S/4HANA
- ↗ Standardising software landscapes
- ↗ Intensifying customer retention
- ↗ Optimising inventory management

SAP



- ↗ Managing data centrally
- ↗ Storing data securely
- ↗ Defending against cyberattacks

Cloud



# Public cloud facilitates location-independent IT

## The three fastest-growing submarkets

> 100% Desktop-as-a-Service

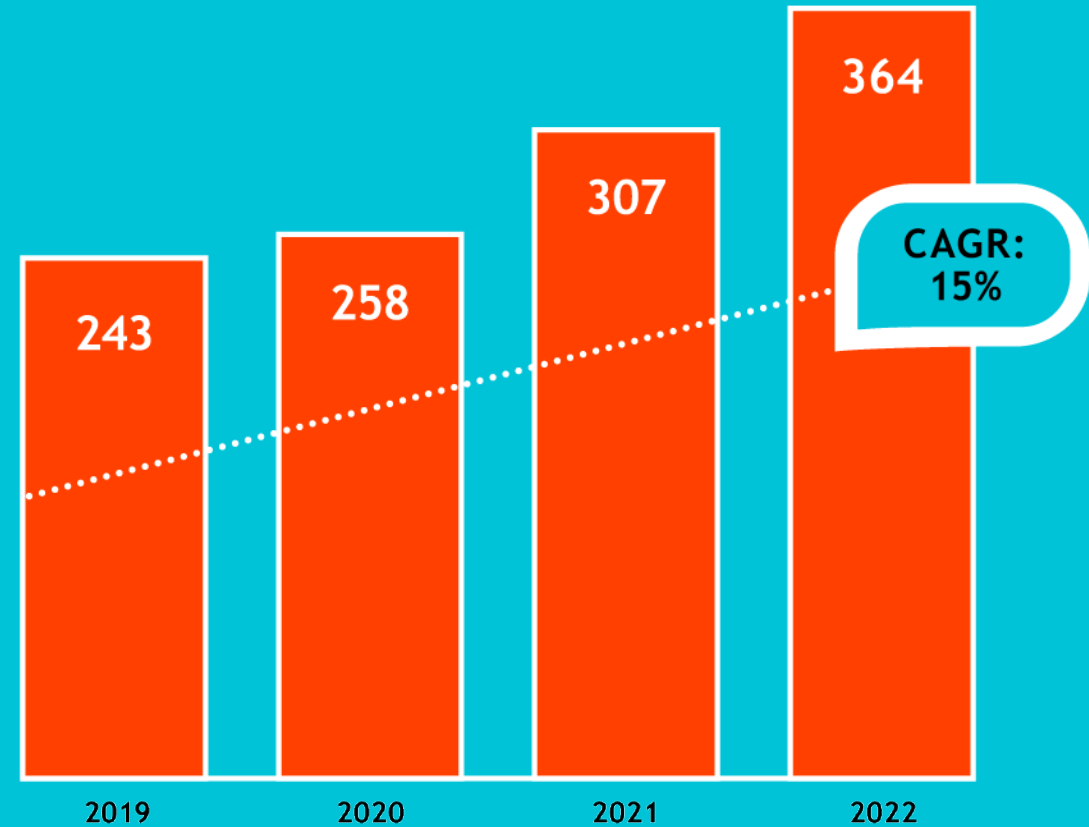
> 60% Platform-as-a-Service

> 60% Infrastructure-as-a-Service

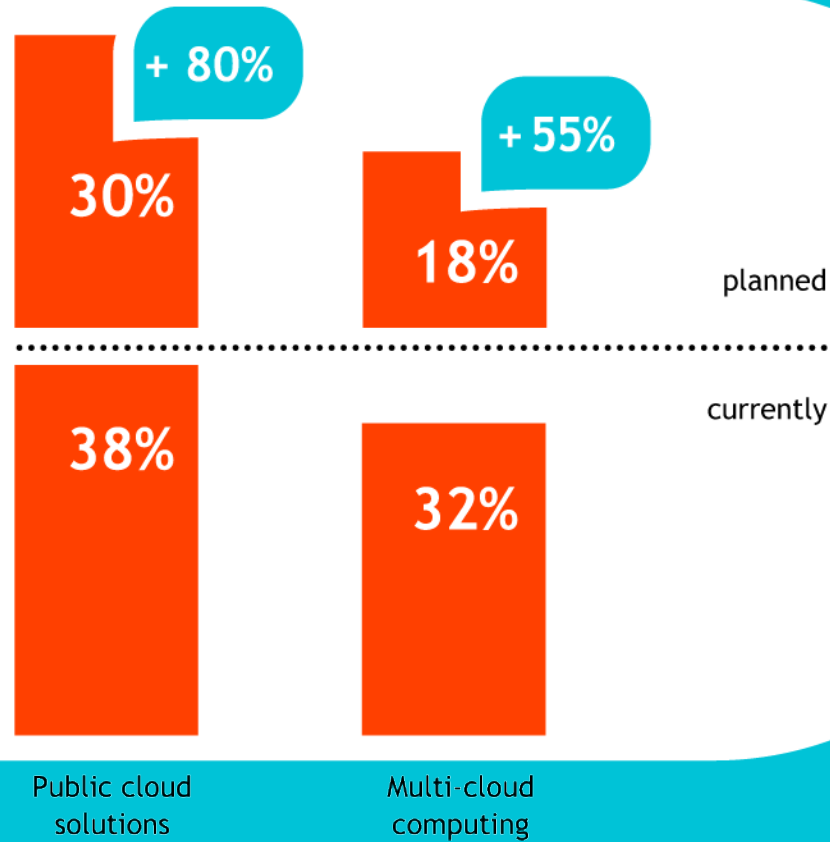
Source: Gartner, July 2020

## Global public cloud market (total)

US\$ billion



How many companies use the cloud?



# Germany builds on public and multi-cloud solutions

Enormous potential for q.beyond as cloud and IoT integrator

Source: KPMG Cloud Monitors 2020





How are SAP users reacting to the coronavirus pandemic?



**81%** expect to have greater need for digitalisation.

**50%** are continuing with or even accelerating their S/4HANA projects.

**43%** are postponing their S/4HANA projects. The transition nevertheless has to be completed by 2027.

**36%** now see the greatest need for action in developing new digital business models.

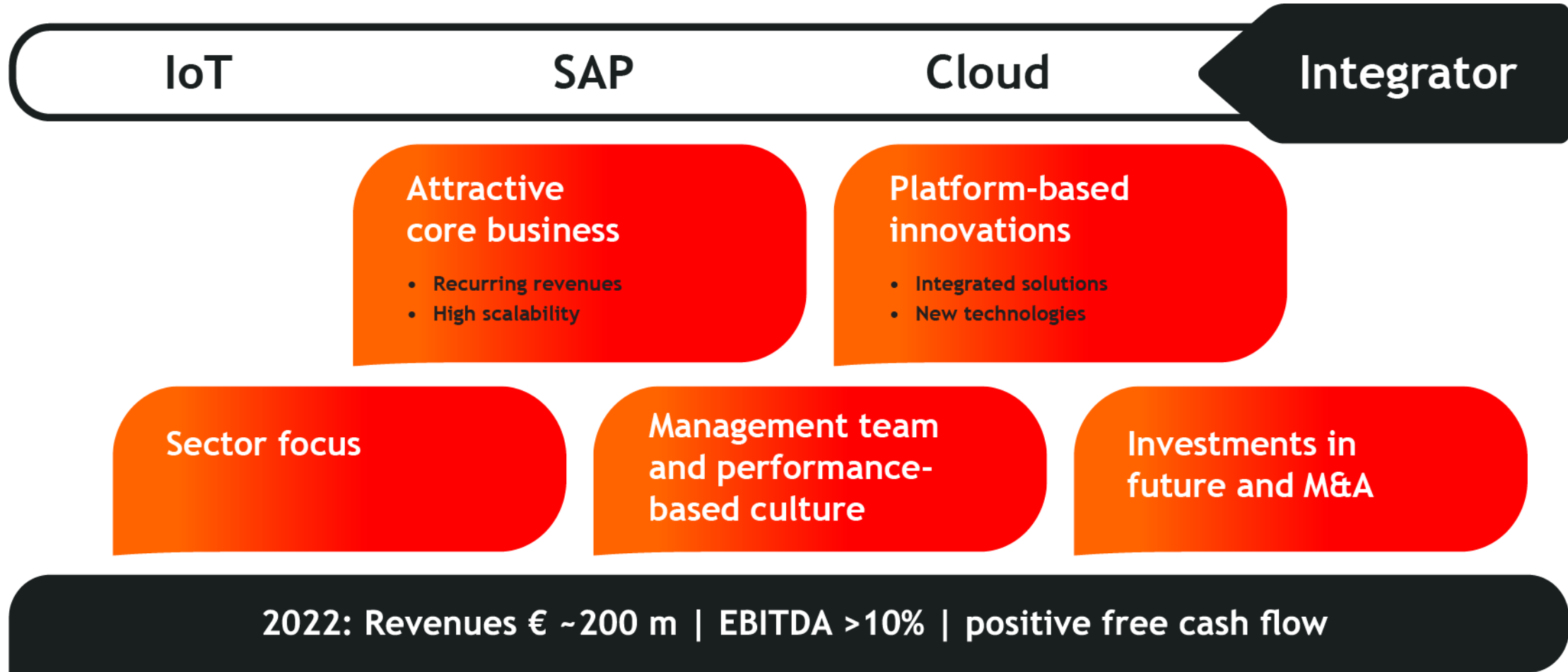
# Coronavirus crisis boosts digitalisation

Enormous potential for q.beyond as S/4HANA pioneer

Source: DSAG 2020



# A business model for ongoing strong growth





**Preliminary results for  
2020 – strong growth**

# q.beyond meets all targets despite coronavirus crisis

Crisis-resistant business model proves itself in exceptional historic circumstances

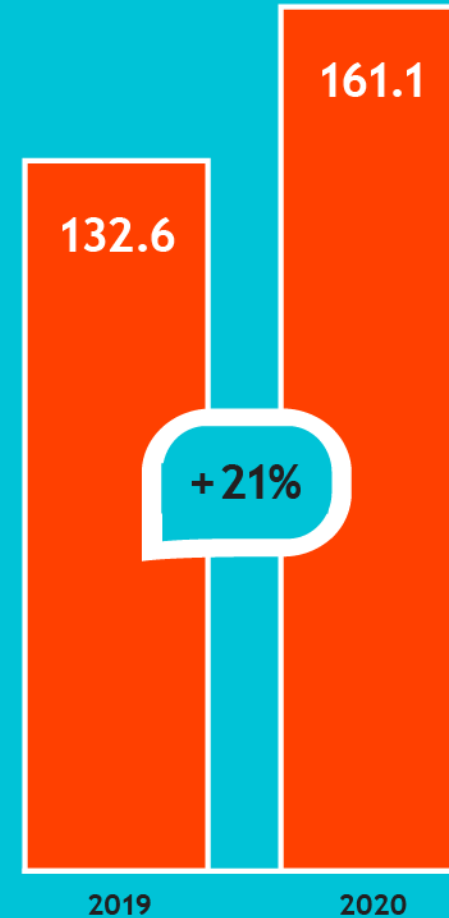
|                | 2020 targets        | 2020 results    |   |
|----------------|---------------------|-----------------|---|
| Revenues       | > € 143 million     | € 143.4 million | ✓ |
| EBITDA         | up to € -5 million  | € -2.0 million  | ✓ |
| Free cash flow | up to € -16 million | € -15.8 million | ✓ |



# New record level of new orders

- Around 70% of orders received in 2020 came from **new customers** or from **new projects** with existing customers
- **Sales success** above all in focus sectors of **retail and manufacturing**
- Around 30% of orders involve **contract extensions** with existing customers

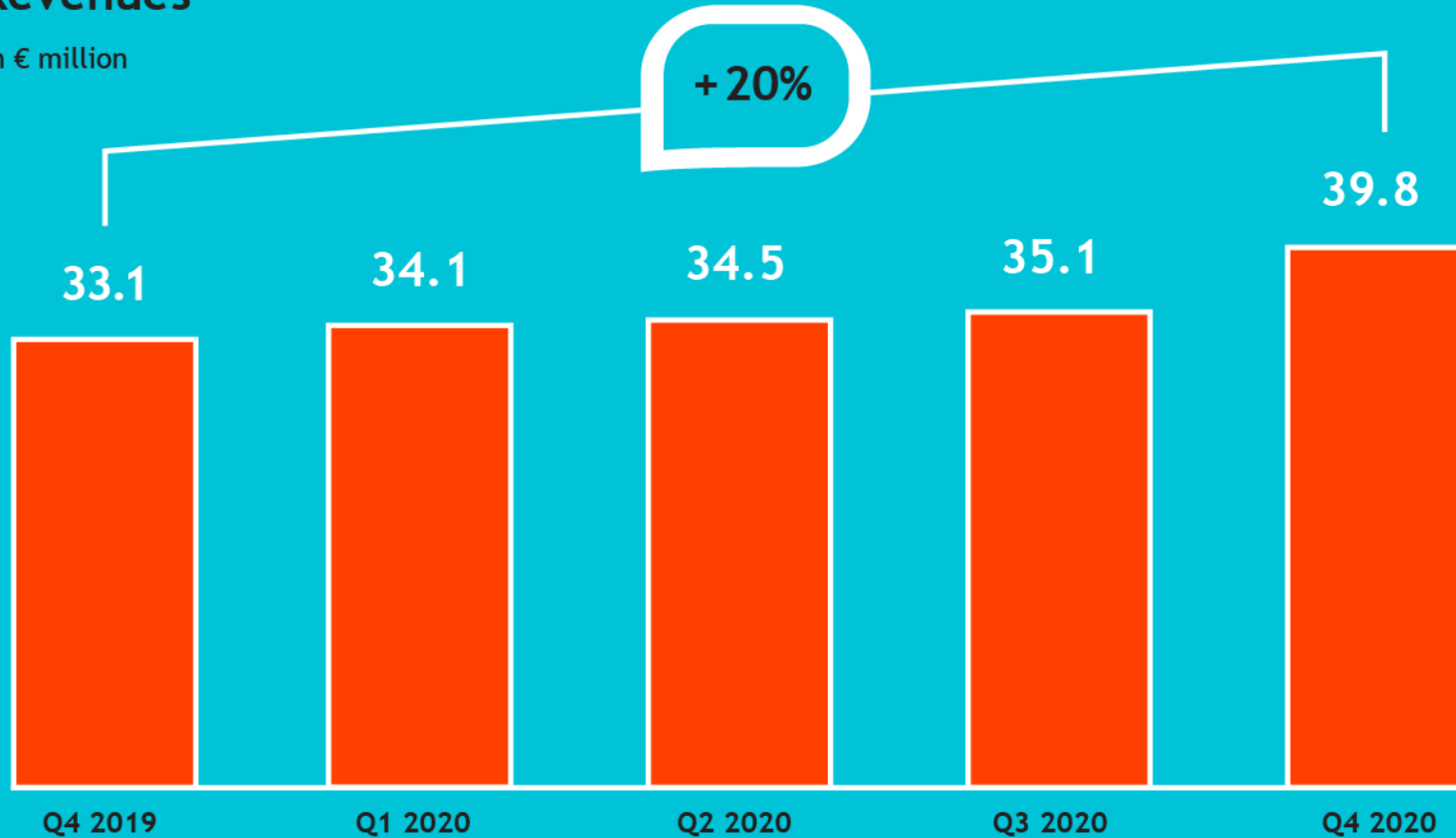
New orders  
in € million



# Consistent growth from quarter to quarter

## Revenues

in € million



## Growth drivers

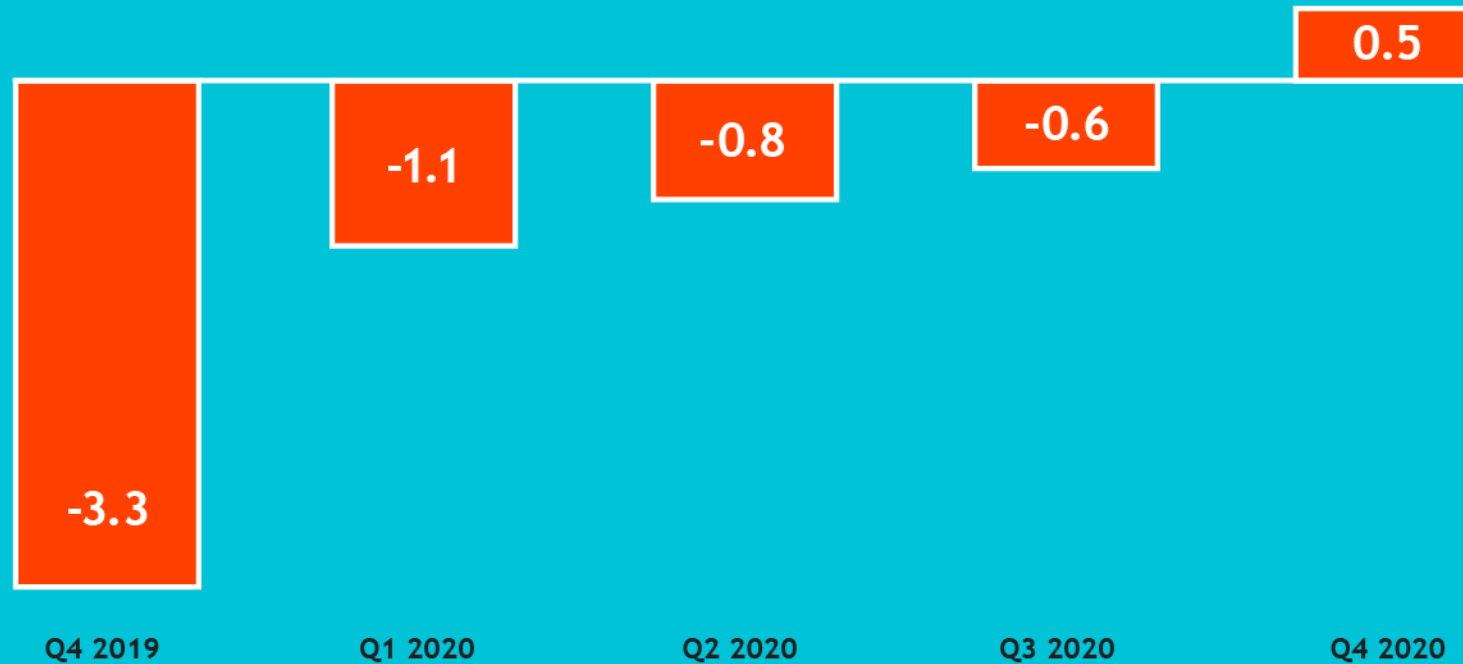
- High volume of new orders from previous quarters
- Expansion in customer relationships
- Catch-up effects boost growth in Q4 2020 - slight interruption to growth trend thus expected in Q1 2021



# Continual improvement in EBITDA from quarter to quarter

## EBITDA

in € million






## Profitability drivers

- High share of recurring revenues increases scalability
- Stable cost base in sales and administration
- Rising degree of automation of processes



# Revenue growth improves operating profitability

| In € million                        | 2019*   |   | 2020    |
|-------------------------------------|---------|---|---------|
| <b>Revenues</b>                     | 127.4   |  | 143.4   |
| Cost of revenues                    | (110.3) |   | (120.2) |
| <b>Gross profit</b>                 | 17.1    |  | 23.2    |
| Sales and marketing expenses        | (13.1)  |   | (12.6)  |
| <b>Segment contribution</b>         | 4.0     |  | 10.6    |
| General and administrative expenses |         |   | (14.7)  |
| Other operating result              |         |   | 2.1     |
| <b>EBITDA</b>                       |         |   | (2.0)   |
| Depreciation                        |         |   | (16.8)  |
| <b>EBIT</b>                         |         |   | (18.8)  |
| Financial result                    |         |   | (0.5)   |
| Income taxes                        |         |   | (0.6)   |
| <b>Consolidated net income</b>      |         |   | (19.9)  |

\*Without Plusnet.

Income statement shows first full financial year since Plusnet sale

- Revenues grow by 13%
- Gross margin improves from 13% to 16%
- Segment margin rises from 3% to 7%
- Revenues rise but sales expenses remain stable

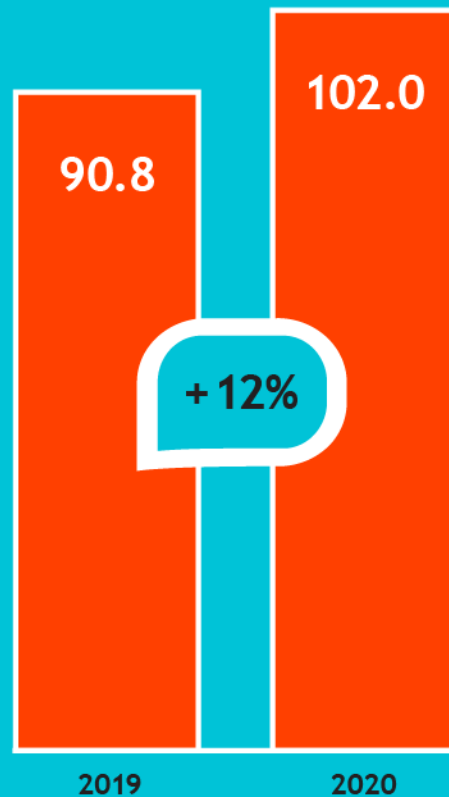




# Cloud & IoT: double-digit growth

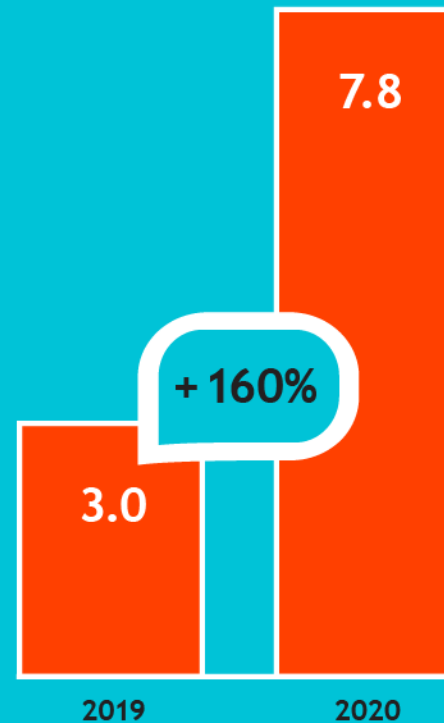
## Revenues

in € million



## Segment contribution

in € million



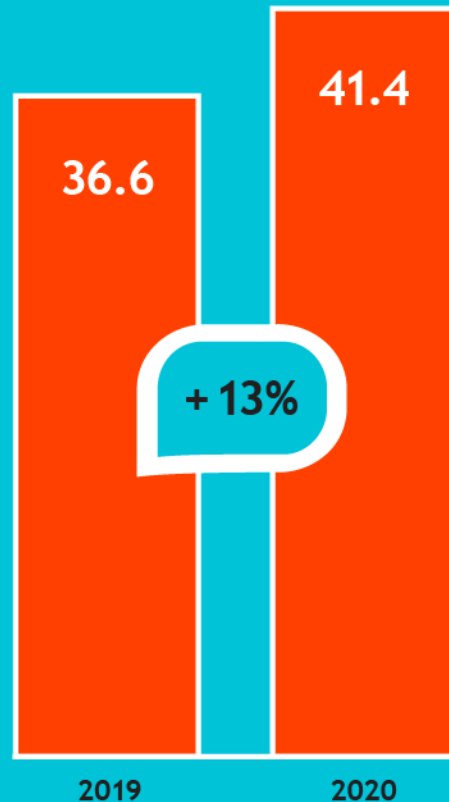
- Revenue drivers: Cloud solutions and digital workplaces
- Disproportionate improvement in segment contribution
- Segment margin rises to 8%
- Excluding up-front costs for new Cloud and IoT solutions, segment contribution would be higher



# SAP: strong growth despite pandemic

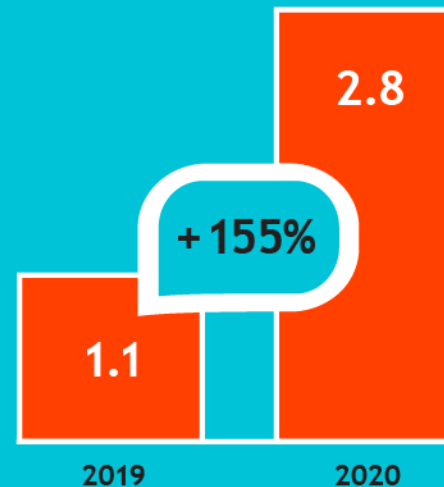
## Revenues

in € million



## Segment contribution

in € million



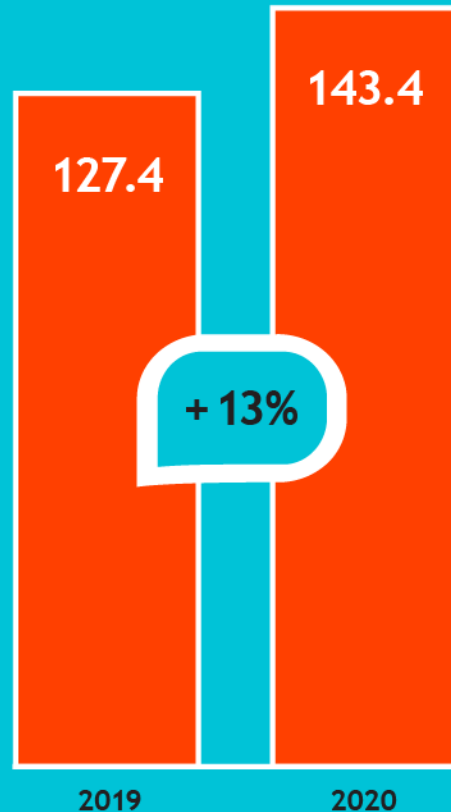
- Broad position proves its worth: SAP operations and application management continue throughout Covid-19 crisis
- Restrictions on contact hold back on-site consulting
- Disproportionate improvement in segment contribution
- Segment margin rises to 7%



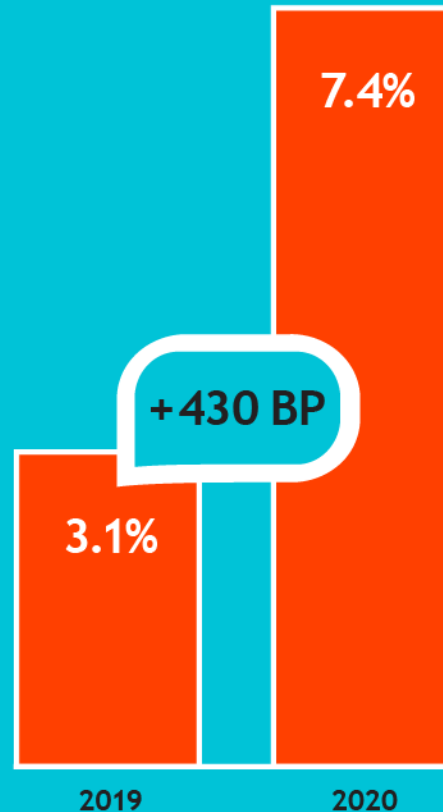
# Segment margin documents scalability

## Revenues

in € million



## Segment margin



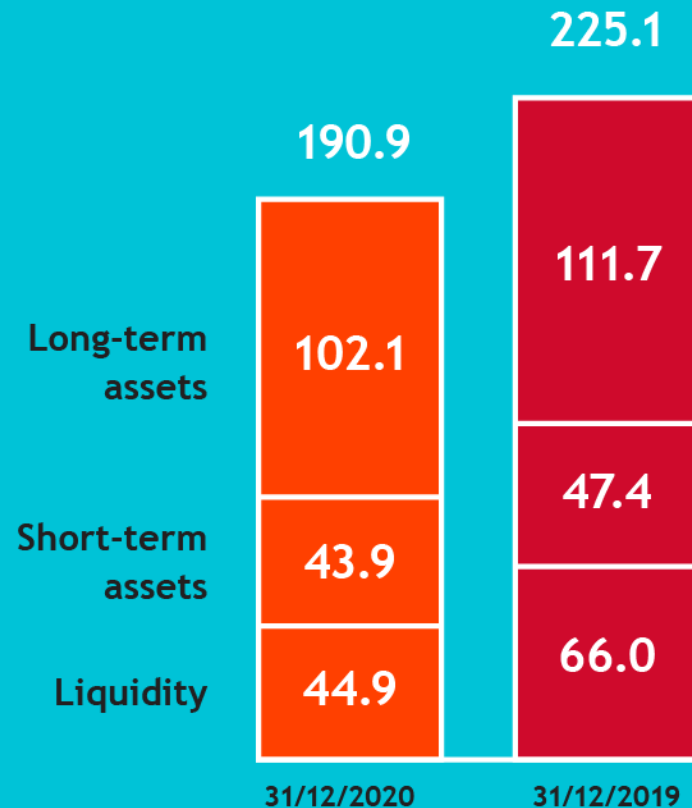
- Despite ongoing investments in the future, q.beyond more than doubled its segment margin in 2020
- Revenue growth not matched by corresponding cost growth
  - Business model is scalable



# q.beyond's financing is rock solid

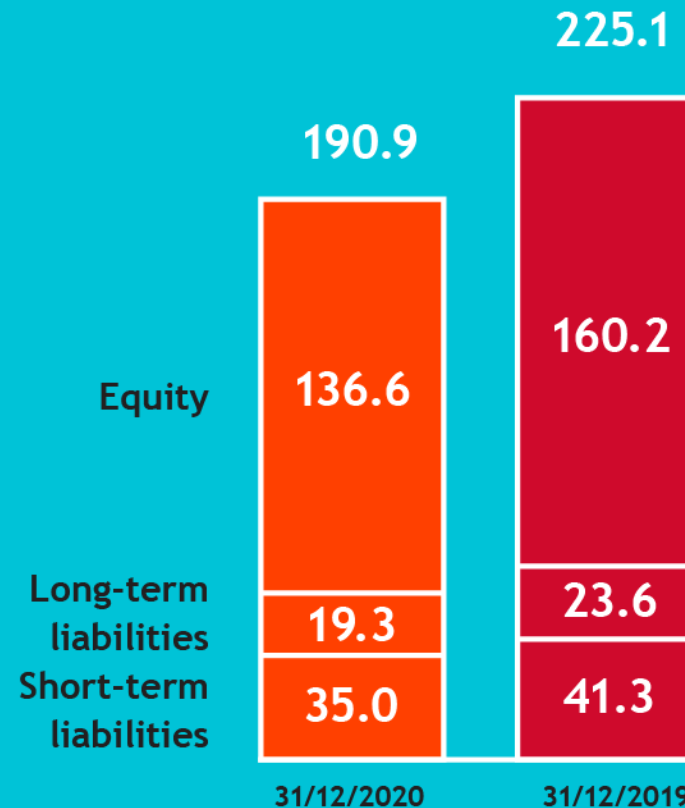
## Total assets

in € million



## Total equity and liabilities

in € million



- Net liquidity of € 44.9 million as against € 66.0 million in previous year  
→ Free cash flow of € -15.8 million (excluding Incloud purchase price and dividend)
- Equity ratio of 72%



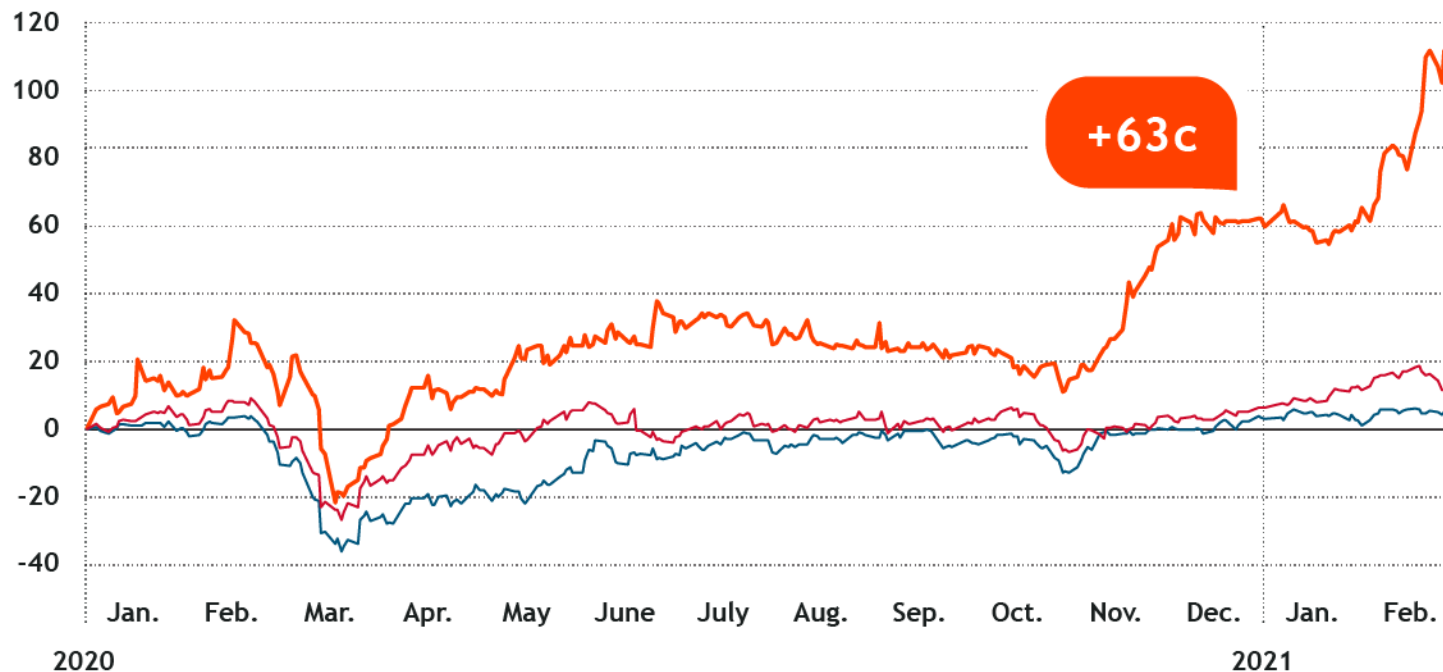
# Capital market views

## q.beyond shares as growth stock

### q.beyond's share price performance

(indexed basis)

q.beyond TecDAX DAX



+44c

+63c

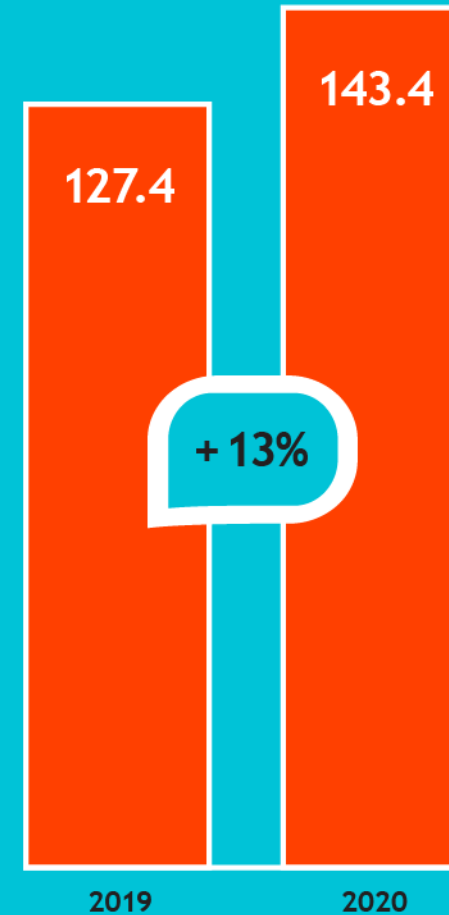
- q.beyond shares gain 60% in value, or 63 cents per share, in 2020
- Value growth is key measure of success for growth strategy
- Shareholders participate in company's performance via share price growth; no dividend for 2020
- Dividend (2019: 3 cents per share) to be invested in future growth



# Growth in exceptional historic circumstances

- q.beyond met all targets for 2020, which were set in advance of the first lockdown
- **Strong revenue growth and record new orders** despite recession
- As planned, **EBITDA sustainably positive** for fourth quarter of 2020
- **Financed with internal resources:** ongoing high level of net liquidity
- **Shareholders benefit from company value growth**

Revenues  
in € million





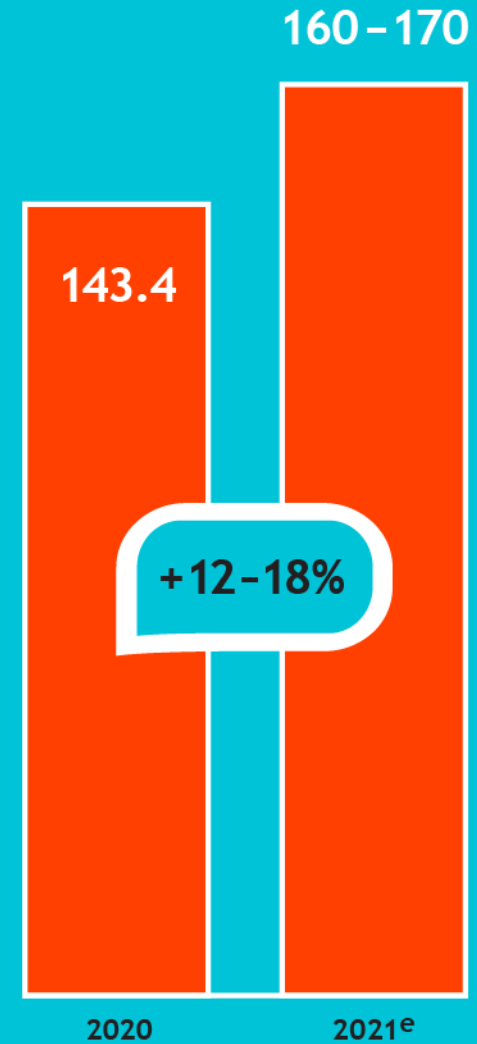
**Outlook for 2021  
– further strong growth**

# Further double-digit growth planned

## Ambitious targets for 2021

- Revenues to rise to € 160 to € 170 million
- EBITDA to increase to € 5 to € 10 million
- Free cash flow of € -5 to € -10 million
- Sustainably positive free cash flow from Q4 2021

Revenues  
in € million







# Innovation-driven growth

- Innovation is driven by all areas of company
- Focus on process and quality innovations
- R&D budget grew by 86% to € 6.7 million in 2020
- Focus on forward-looking sector solutions and cross-sector platforms:

StoreButler → retail

Edgizer → edge computing platform



# What is the StoreButler?

The **StoreButler** combines the best **digital solutions** in a framework able to transform each **outlet** into a desirable digital **flagship store**.

## StoreButler features



- Digital price tags
- 3D customer frequency counter
- Zero waste assistant
- Pick management
- Say-hello feature

## Partner features

- Self-checkout
- Staff communications
- Low code integration



# The benefits of the StoreButler



Optimise store processes

Allocate tasks  
**92%**  
more efficiently  
with mobile  
devices

**60%**  
faster checkout  
processes thanks  
to self-scanning  
solutions

**30%**  
faster pick  
processes

Increase sales  
per visit by up to  
**25%**  
thanks to  
self-checkout



Cross-channel  
integration

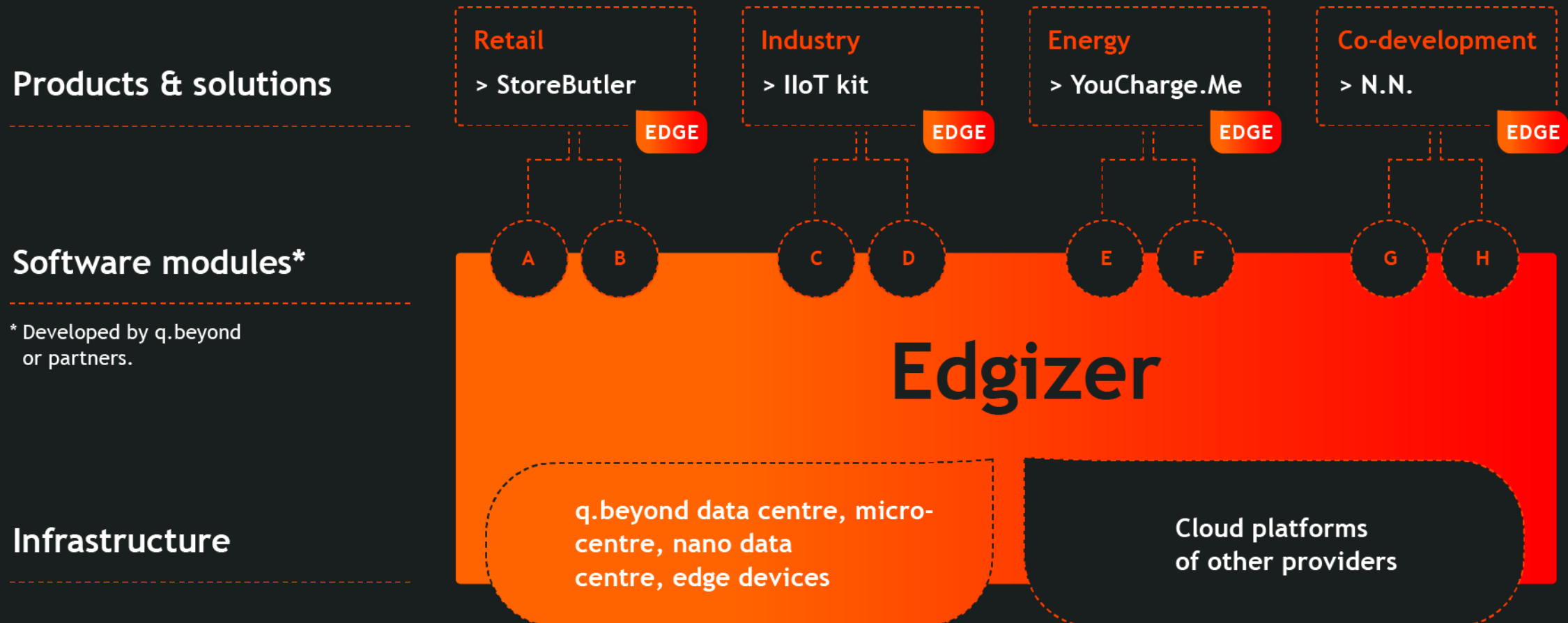
**98%**  
faster price  
changes across  
all channels

Reduce distances  
walked by up to  
**75%**

Enhance customer  
experience



# Expect the next: a platform for edge computing



\* Developed by q.beyond or partners.




# Growth above all in focus sectors



# Growth driven by highly motivated employees

q.beyond follows up executive share-matching programme (SMP) with SMP programme for its employees


- In autumn 2020, executives invested their own funds and acquired 1,000,000 shares via the stock market
- Employees are also acquiring shares via the stock market and will be rewarded with extra shares if they hold their shares until the end of 2022
- Programmes run until 31 December 2022



Programmes align interests of shareholders and q.beyond team



Clear commitment to growth strategy



SMP for executives: minimum share price target of € 2.80





# Investments in future boost growth

q.beyond is consistently investing in its future growth, developing new products and services and making targeted additions to its team

- Takeover of software engineering specialist Incloud has sustainably boosted development and software expertise
- Additional developer capacities have been built up in Riga/Latvia since 2020
- Despite these investments, profitability is set to grow significantly in 2021 as well

- 
- Data centres
  - Locations of q.beyond AG





# Spin-off of colocation business

- Since 1 January 2021, the housing business in Nuremberg and Munich has been pooled at IP Exchange GmbH
- IP Exchange operates 3 data centres and generated revenues of around € 20 million in 2020
- Spin-off broadens range of strategic options for this business, which is comparatively investment-intensive
- Strategic decision expected in spring 2021





**No debt**

**Net liquidity:  
€45 million**

**Equity ratio:  
72%**

## Growth also driven by targeted acquisitions

q.beyond plans to acquire further suitable technology companies in 2021, with a focus on three core aspects:

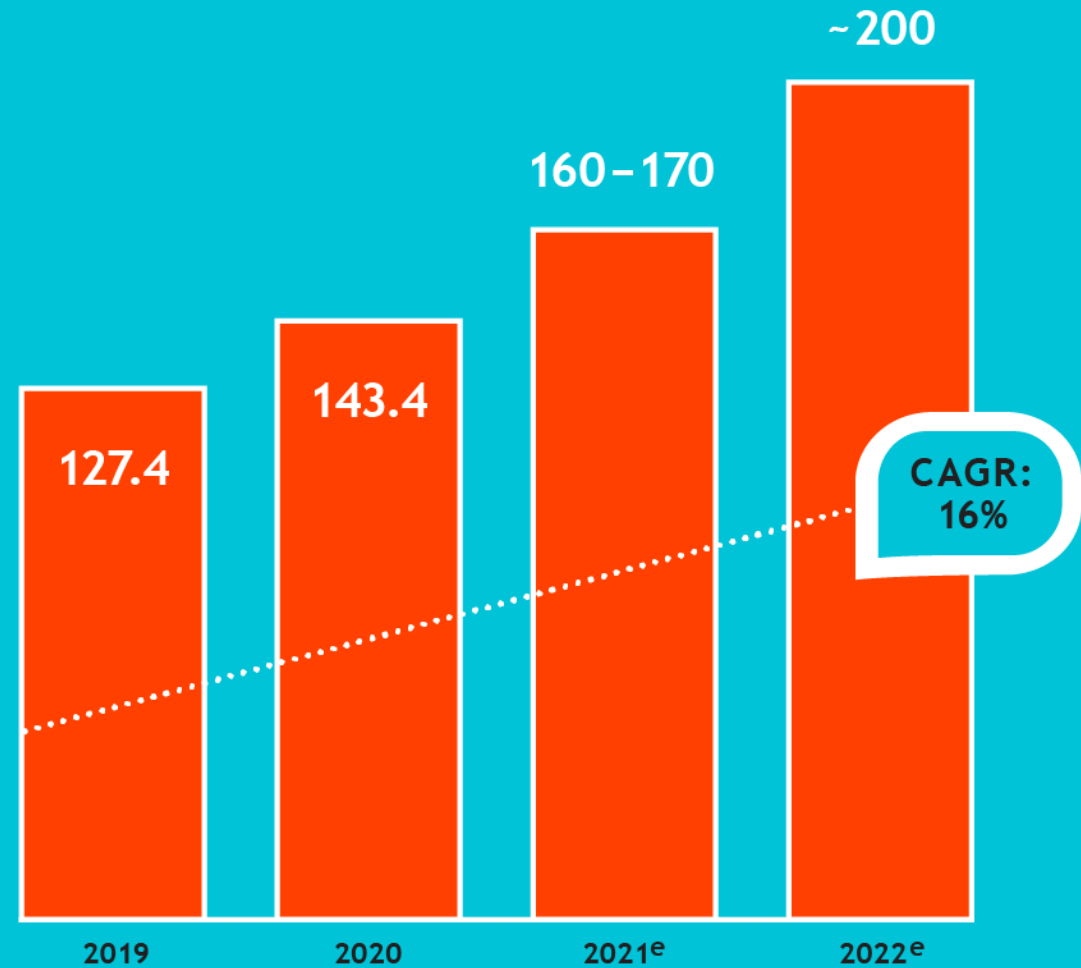
- Expanding strong position in focus sectors of retail, manufacturing and energy
- Extending product portfolio, for example towards further enterprise software
- Unique technology in fields of cloud services, data analytics, embedded software, IoT, AI



# Revenues: € 200 million in 2022

- Growing core business provides a good basis for 2022
- High volume of new orders in 2020 has extended revenue base
- Scalable business model leads to rising EBITDA margin (2022: >10%)
- Sustainably positive free cash flow from Q4 2021
- Platform-based innovations offer growth opportunities for 2022 and beyond

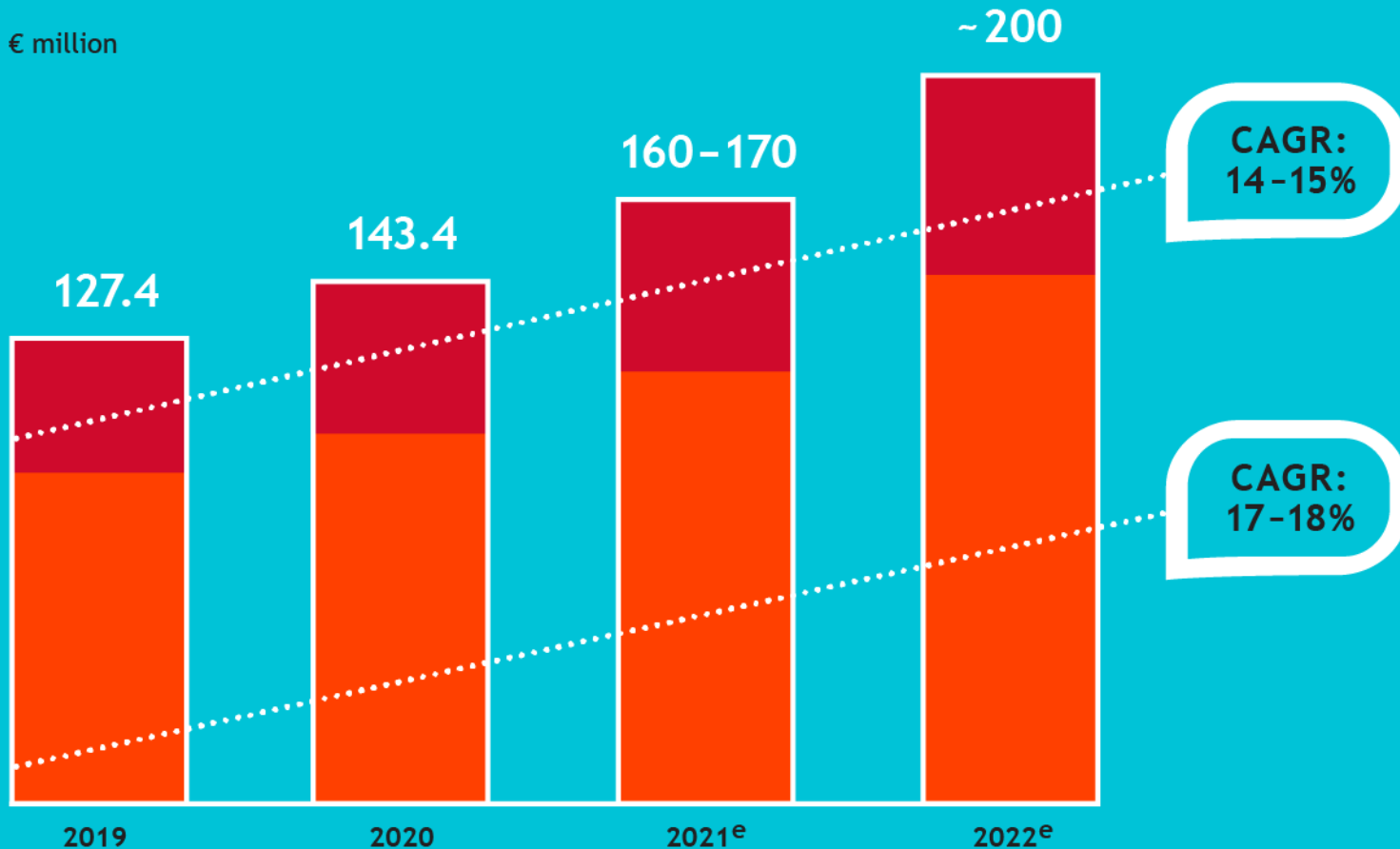
Revenues  
in € million



# Double-digit growth in two segments

## Revenues

in € million



- “Cloud & IoT” and “SAP” both driving growth
- Revenues highly plannable thanks to long contract terms
- Continuous expansion in relationships with existing customers
- New business benefits from rising demand for integrated solutions

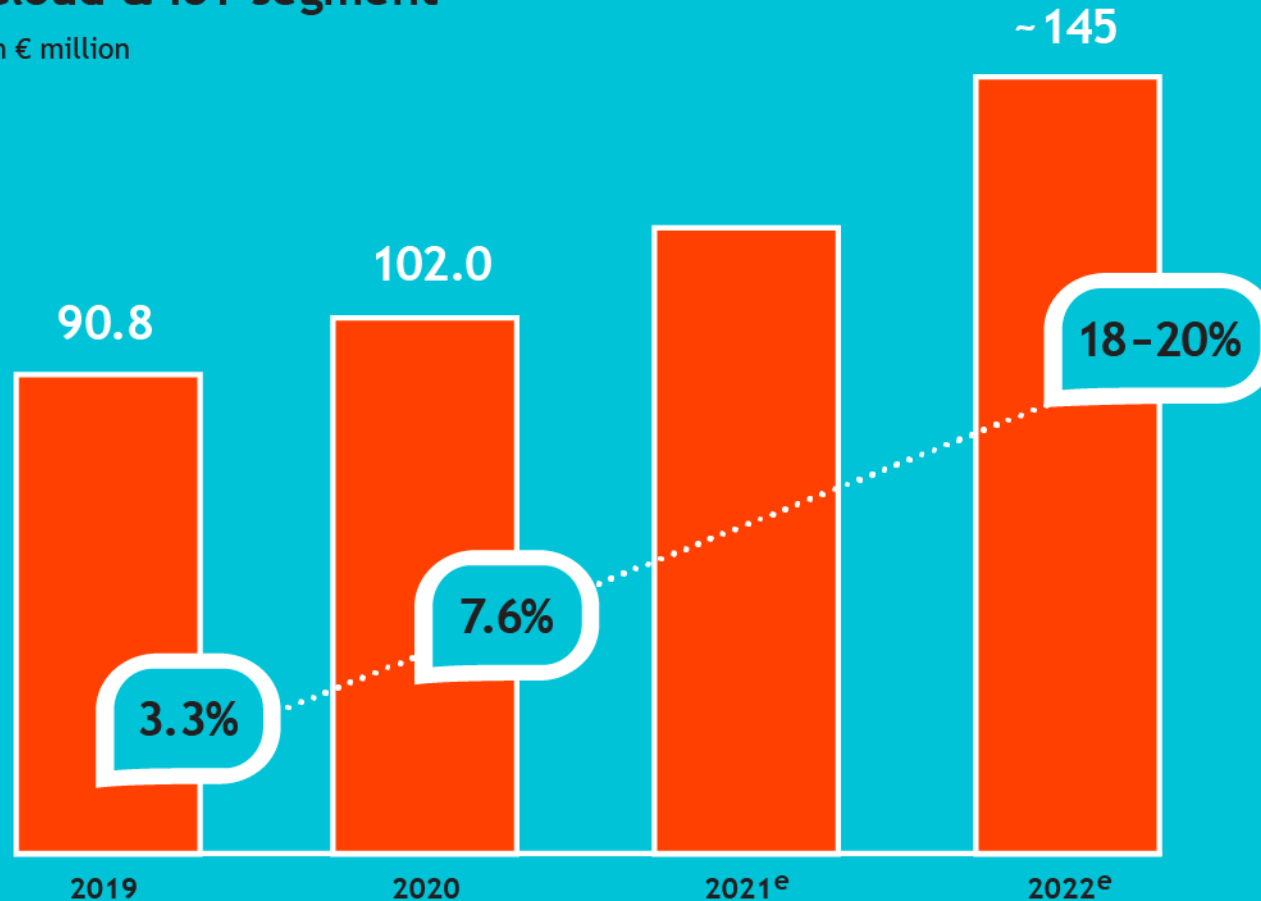
■ SAP segment  
■ Cloud & IoT segment



# Cloud & IoT heading for segment margin of up to 20%

## Cloud & IoT segment

in € million



## Growth drivers

- Growing demand for public and multi-cloud solutions
- Growing need for IoT/IoT integration

## Margin drivers

- Scalability of Cloud & IoT solutions
- Rising share of IP

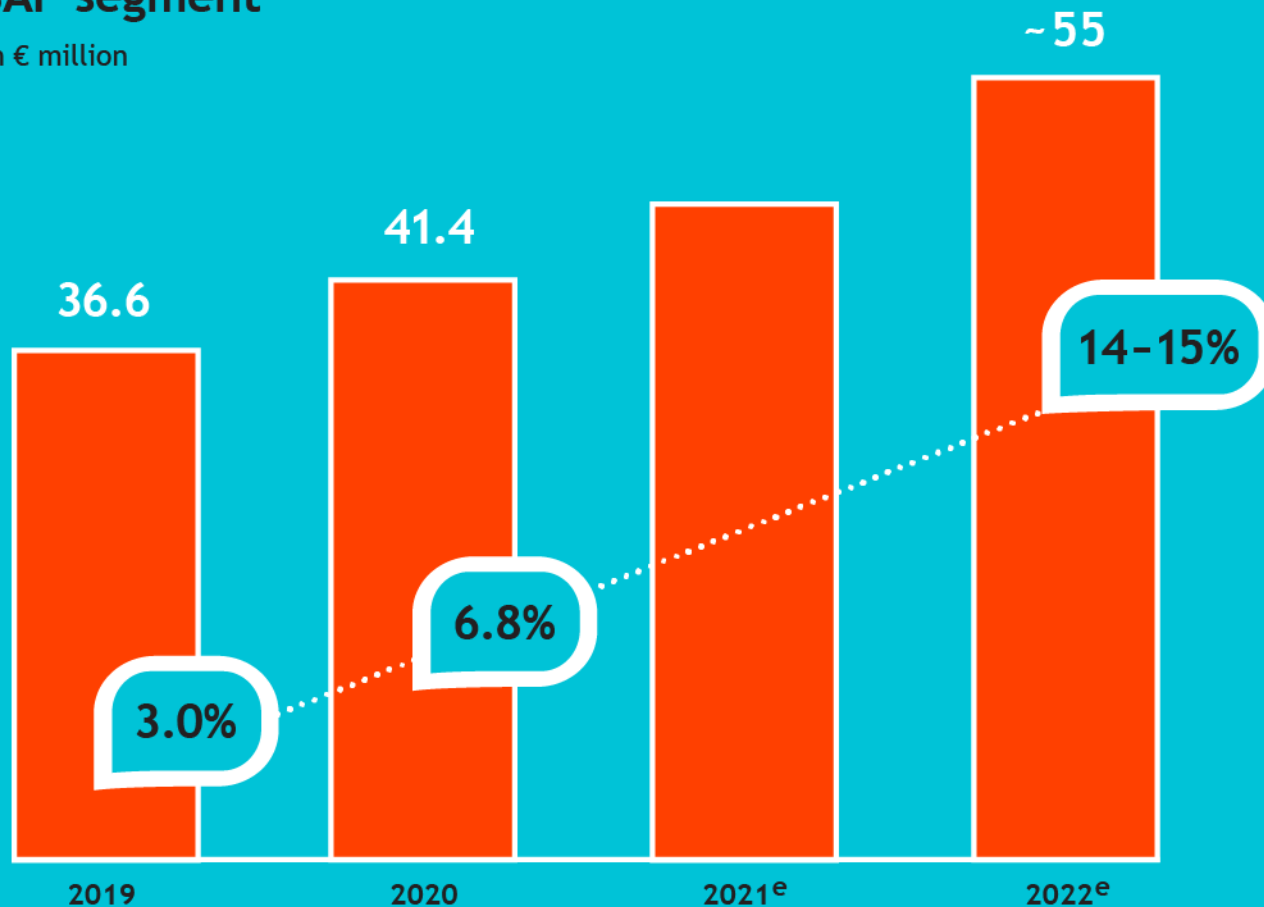
■ Segment margin in %



# SAP business growing and generating double-digit margins

## SAP segment

in € million



## Growth drivers

- S/4HANA migration
- Integration of Cloud, SAP and IoT solutions
- Sector expertise

## Margin drivers

- Automation in SAP operations and application management
- Decreasing share of personnel expenses

■ Segment margin in %



# Contact

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[xing.com/companies/qbeyondag](https://www.xing.com/companies/qbeyondag)



# Management and Supervisory Boards heavily invested

CEO Jürgen Hermann already acquired 330,000 further q.beyond shares in March '20. His shareholding is now 1,000,000 shares.

Management Team bought 1,000,000 shares in autumn 2020 to take part in the new SMP.

Neither founder has yet sold any shares — share ownership is structured as follows:

**12.67%** Gerd Eickers<sup>1</sup>

**12.67%** Dr. Bernd Schlobohm<sup>2</sup>

**74.66%** Free float

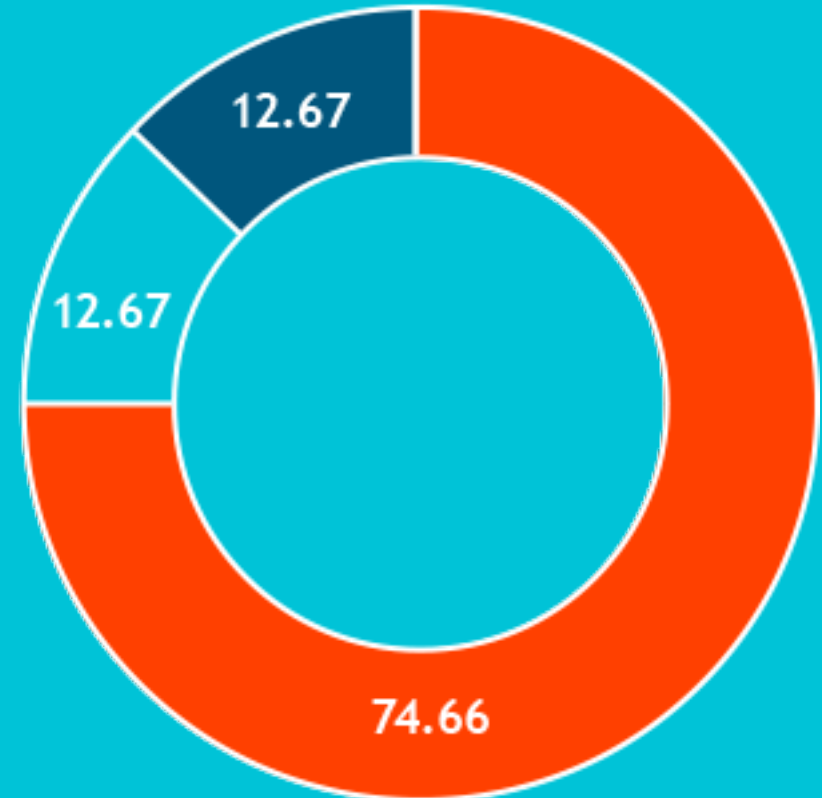
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<sup>1</sup> Founder and member of Supervisory Board

<sup>2</sup> Founder and Chairman of Supervisory Board

## Shareholder structure

in %



Status: 26 February 2021



expect the next