

# Interim Statement Q1 2024



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## KEY FIGURES

in € million, unless otherwise indicated	Q1 2024	Q1 2023	Delta	Delta as %
Order entry	60.5	58.3	+2.2	+4%
Revenue	54.0	47.1	+7.0	+15%
EBITDA	6.5	5.1	+1.5	+29%
EBIT	4.0	2.5	+1.6	+63%
Profit or loss for the period	2.4	1.3	+1.2	+92%
Earnings per share (in €)	0.33	0.19	+0.14	+74%
Operating cash flow	10.3	-1.0	+11.3	n/a
Cash and cash equivalents	48.1	30.5	+17.6	+58%
Employees as of March 31	1,453	1,332	+121	9%

# Business Performance of SNP Schneider-Neureither & Partner SE in the First Quarter of 2024

## ORDER BACKLOG AND ORDER ENTRY

in € million	Q1 2024	Q1 2023	Δ
<b>Order entry</b>	<b>60.5</b>	<b>58.3</b>	<b>+4%</b>
Services	39.2	38.9	+1%
Software	16.1	15.7	+3%
EXA	5.3	3.7	+44%
<b>Order backlog</b>	<b>186.7</b>	<b>140.2</b>	<b>+33%</b>

**Order entry** amounted to €60.5 million in the first quarter of 2024, up around 4% over the previous year's figure of €58.3 million. The increase is primarily due to growth in the CEU region and continued strong business with SAP S/4HANA and RISE with SAP. The EXA business segment primarily benefited from a higher order volume in the Global Value Chain (GVC) product area.

Approximately 65% of the order entry volume is attributable to the **Services business segment** (previous year: approximately 67%). The **Software business segment** accounts for around 27% of the order entry volume (previous year: around 27%). The **EXA business segment** accounts for around 8% of total order entry in the reporting period (previous year: 6%).

Order entry in connection with upcoming **SAP S/4HANA projects** continued to develop positively: This represents an increase of around 12% to €33.6 million compared to the first quarter of 2023 (previous year: €29.9 million). SAP S/4HANA projects thus represent around 56% of the entire order entry volume of the SNP Group (previous year: around 51%).

The **CEU region** accounts for €33.5 million of the order entry volume; this represents an increase of around 14% year-over-year (previous year: €29.4 million). The CEU region's share of global order entry volume thus accounts for around 55% (previous year: around 50%).

The order backlog amounted to €186.7 million as of March 31, 2024, compared to €180.4 million as of December 31, 2023.

## REVENUE PERFORMANCE

The SNP Group increased its revenue by 15% to €54.0 million in the first quarter of 2024 (previous year: €47.1 million). This development is attributable in particular to the Service business segment.

## Revenue Distribution by Business Segment

### OVERALL REVENUE BY BUSINESS SEGMENT

in € million	Q1 2024	Q1 2023	Δ
Service	35.6	29.3	+22%
Software	16.2	15.4	+5%
EXA	2.2	2.4	-7%

In the first quarter, the **Service business segment** provided €35.6 million (previous year: €29.3 million) of Group revenue. Thanks to a very good order situation, revenue was up €6.3 million or around 22% over the previous year.

The **Software business segment (including Maintenance and Cloud)** generated revenue of €16.2 million (previous year: €15.4 million). This corresponds to a moderate increase of €0.8 million or around 5% compared to the strong first quarter of 2023.

Within the Software business segment, revenue from software licenses amounted to €10.0 million, down €1.0 million or around -9% compared to the previous year.

(previous year: €10.9 million). In contrast, revenue from software support (€4.7 million; previous year: €3.4 million) and Cloud and SaaS revenue (€1.6 million; previous year: €1.1 million) increased compared to the first quarter of 2023.

#### REVENUE IN THE SOFTWARE BUSINESS SEGMENT

in € million	Q1 2024	Q1 2023	Δ
Total	16.2	15.4	+5%
Software licenses	10.0	10.9	-9%
Software support	4.7	3.4	+38%
Cloud/SaaS	1.6	1.1	+45%

The **EXA business segment** accounted for revenue of €2.2 million in the first quarter of 2024 (previous year: €2.4 million).

#### Revenue Distribution by Region

The increase in Group revenue in the reporting period is attributable to all of the Group's regions. Revenue in the LATAM and NEMEA regions rose disproportionately for several reasons, including additional revenue from the newly established companies in Brazil and Dubai. The following tables show the distribution and development of external revenue by region:

#### REVENUE BY REGION

in € million	Q1 2024	Q1 2023	Δ
CEU	29.0	27.2	+7%
NA*	8.0	7.3	+9%
LATAM	8.1	5.9	+38%
JAPAC	4.1	3.7	+11%
NEMEA**	4.9	3.0	+64%

\* North America, previously USA.

\*\* Since the beginning of 2024, the NEMEA region consists of the Nordics and Middle East regions in addition to the United Kingdom and Ireland.

#### OPERATING PERFORMANCE

	Q1 2024	Q1 2023	Δ
EBITDA (in € million)	6.5	5.1	+29%
EBITDA margin	12.1%	10.7%	+1.4PP
EBIT (in € million)	4.0	2.5	+63%
EBIT margin	7.4%	5.2%	+2.2PP

The increase in operating earnings is mainly attributable to the earnings contributions associated with the rise in revenue. Cost increases in the area of personnel expenses and other operating expenses were compensated for.

The cost of purchased services and the cost of material fell by €0.7 million or 11.2% to €5.2 million (previous year: €5.9 million) despite an increase in revenue. While purchased services fell by €-0.9 million to €4.2 million (previous year: €5.1 million) in contrast to service revenue, software expenses increased slightly by €0.3 million to €1.0 million (previous year: €0.7 million), in line with software revenue from third-party software.

Personnel expenses increased by €4.7 million, or 15.6%, to €34.7 million (previous year: €30.0 million). In addition to a higher number of employees (increase of +121 to 1,453 compared to the previous year), the increase was mainly due to salary increases in 2023.

At €2.5 million, depreciation and amortization were largely unchanged from the previous year.

Other operating expenses rose by €2.1 million to €10.6 million in the reporting period (previous year: €8.5 million). The increase is mainly due to other personnel costs (€0.8 million after €0.4 million in the previous year), which rose due to higher recruiting expenses. Advertising and representation costs (€1.1 million compared to €0.7 million in the previous year) and travel

expenses (€0.8 million compared to €0.5 million in the previous year) rose by a notable amount as well. Realized and unrealized exchange rate losses also increased by €0.4 million to €2.5 million after amounting to €2.1 million in the previous year.

Other operating income increased by €0.8 million to €3.2 million in the first quarter of 2024 (previous year: €2.4 million). This is mainly due to positive currency effects (€2.7 million, previous year: €1.5 million), while income from the reversal of provisions developed in the opposite direction (€0.0 million, previous year: €0.4 million).

#### EBIT IN THE SERVICE BUSINESS SEGMENT

	Q1 2024*	Q1 2023 (adjusted)	Q1 2023 (as reported)	Δ
EBIT (in € million)	3.8	1.8	-0.2	+111%
EBIT margin	10.7%	6.1%	-0.7%	+4.6 PP

#### EBIT IN THE SOFTWARE BUSINESS SEGMENT

	Q1 2024*	Q1 2023 (adjusted)	Q1 2023 (as reported)	Δ
EBIT (in € million)	3.7	4.1	6.1	-10%
EBIT margin	22.9%	26.7%	39.6%	-3.8 PP

#### EBIT IN THE EXA BUSINESS SEGMENT

	Q1 2024	Q1 2023	Δ
EBIT (in € million)	-0.2	0.3	n/a
EBIT margin	-8.7%	12.2%	-20.9 PP

\* The calculation of the segment results was adjusted with the consolidated financial statements as of December 31, 2023. The cost allocation using a key based on personnel figures and segment revenue was converted to a controlling-based cost allocation. Only the Service and Software business segments are affected by the change. The comparative information for the previous year has also been adjusted and presented separately. The adjustment has no effect on the total business segment results.

### NET FINANCIAL INCOME AND RESULT FOR THE PERIOD

in € million	Q1 2024	Q1 2023	Δ
Net financial income	-0.6	-0.7	+16%
Earnings before taxes (EBT)	3.5	1.8	+92%
Income taxes	-1.0	-0.5	-92%
Profit or loss for the period	2.4	1.3	+92%
Earnings per share (diluted and basic)	0.33	0.19	+74%

The negative net financial income improved in the first quarter of 2024 by €0.1 million to €-0.6 million (previous year: €-0.7 million) compared to the first quarter of the previous year, which is attributable to increased interest income from the short-term investment of surplus funds.

After income taxes, the profit for the period amounted to €2.4 million (previous year: €1.3 million). The net margin (i.e. the ratio of the result for the period to overall revenue) is 4.5% (previous year: 2.7%).

### STATEMENT OF FINANCIAL POSITION

**Total assets** increased by €6.4 million to €268.2 million compared to December 31, 2023.

**Current assets** increased by €10.5 million to €149.4 million as of March 31, 2024 (December 31, 2023: €138.8 million). While trade receivables decreased by €1.0 million to €77.3 million as of March 31, 2024 (December 31, 2023: €78.3 million) despite the reclassification from non-current to current receivables totaling around €7 million, contract assets increased by €6.3 million to €16.9 million as of March 31, 2024 (December 31, 2023: €10.6 million), due to higher contract assets in the Service business segment. At the same time, other nonfinancial assets increased by €2.9 million to €6.0 million (December 31, 2023: €3.1 million) due to seasonally higher prepaid expenses at the beginning of the year. Due to the settlement of the remaining purchase price receivable from the sale of SNP Poland Sp. z o.o., other financial assets developed in the opposite direction and fell by €4.9 million

to €0.2 million (December 31, 2023: €5.0 million). Cash and cash equivalents increased by €7.8 million to €48.1 million as of March 31, 2024 (December 31, 2023: €40.3 million), in particular due to a reduction in working capital and the settlement of the purchase price receivable described above.

**Non-current assets** decreased by €4.1 million to €118.8 million as of March 31, 2024 (December 31, 2023: €123.0 million). The decrease is mainly due to lower non-current trade receivables as a result of reclassifications to the current item (€6.9 million after €13.8 million as of December 31, 2023). Intangible assets continued to decrease as a result of scheduled PPA amortization, which was not offset by any investments (€14.5 million after €15.3 million as of December 31, 2023). In contrast, goodwill increased by €4.5 million to €72.5 million as of March 31, 2024 (December 31, 2023: €68.0 million). This increase resulted exclusively from currency and inflation effects (IAS 29), of which €4.4 million was due to exchange rate and inflation effects in Argentina.



On the **liabilities side, current liabilities** decreased by €4.6 million to €65.0 million as of March 31, 2024 (December 31, 2023: €69.6 million). The decrease is mainly due to the repayment of a short-term promissory note loan in the amount of €9.0 million in the first quarter of 2024 and correspondingly lower financial liabilities in the amount of €7.4 million (December 31, 2023: €16.3 million). This was offset by current contract liabilities as of March 31, 2024, which increased by €6.1 million to €14.3 million (December 31, 2023: €8.2 million) due to higher prepayments for fixed-price projects.

In contrast, **non-current liabilities** increased by €4.4 million to €88.0 million as of March 31, 2024 (December 31, 2023: €83.6 million). The increase is mainly due to higher financial liabilities, which increased by €3.3 million to €75.8 million (December 31, 2023: €72.6 million), in particular due to the drawdown of a long-term loan in the amount of €4.0 million in the first quarter of 2024. Non-current contract liabilities also increased by €1.5 million to €3.9 million (December 31, 2023: €2.5 million).

**Group equity** increased by €6.6 million from €108.6 million to €115.2 million in the reporting period. Of that, €2.4 million is due to the positive result for the period in the quarter under review. The remaining increase is mainly due to other reserves, which rose by €4.1 million to €-0.6 million (December 31, 2023: €-4.7 million) due to positive inflation (IAS 29) and currency effects. This results in an equity ratio of 43.0% (December 31, 2023: 41.5%).

#### Development of Cash Flow and the Liquidity Position

In the first quarter of the 2024 fiscal year, **operating cash flow** amounted to €10.3 million compared to €-1.0 million for the first quarter of 2023. The substantial increase of €+11.3 million is mainly due to the €1.1 million increase in net profit for the period and a significant improvement in working capital, which had a positive effect on operating cash flow of €+4.8 million compared to the previous year (previous year: €-5.4 million).

The positive **cash flow from investing activities** of €4.6 million (previous year: €-0.3 million) is mainly due to the settlement of the purchase price receivable from the sale of SNP Poland Sp. z o.o. in the amount of €4.9 million in the quarter under review.

**Financing activities** resulted in a cash outflow of €7.0 million (previous year: cash outflow of €6.4 million). The cash outflow resulted primarily from the repayment of short-term loans in the amount of €9.0 million and the repayment of lease liabilities in the amount of €1.4 million (previous year: €-1.2 million). At the same time, the drawdown of a long-term loan led to a cash inflow of €4.0 million in the first quarter of 2024.

The effects of changes in foreign exchange rates on cash and bank balances have resulted in a negative impact of €-0.1 million (previous year: €-0.2 million).

Accordingly, total cash flow amounted to €7.8 million in the first quarter of 2024 (previous year: €-7.9 million).

Taking into account the changes presented here, cash and cash equivalents increased to €48.1 million as of March 31, 2024, compared to €40.3 million as of December 31, 2023. Overall, the SNP Group maintains a very solid financial position.

#### **SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2024**

In March 2024, promissory note loans with a total amount of €9 million were repaid on maturity. In December 2023, SNP SE concluded an amortizing loan of €7 million for refinancing with a drawdown period lasting until October 2024. A partial amount of €4 million was called up in the first quarter of 2024.

#### **EMPLOYEES**

As of March 31, 2024, the number of employees of the SNP Group increased to 1,453; as of December 31, 2023, they totaled 1,432 employees.

In the first quarter of 2024, the average number of employees was 1,444 (previous year: 1,323).

#### **OUTLOOK**

The company confirms the outlook for the full year 2024 communicated in its Annual Report 2023 published in March 2024, according to which a positive business trend is expected, assuming an unchanged positive industry development and a strong market position. Revenue is forecast to range between €215 million and €225 million (revenue 2023: €203.4 million); the operating result (EBIT) is forecast to range between €13 million and €16 million (EBIT 2023: €11.1 million). The book-to-bill ratio (order entry over sales revenue) is expected to be greater than one.

As in previous years, it is assumed that in 2024, revenue will not be evenly distributed over the quarters and that the second half of the year will be stronger.



**CONSOLIDATED BALANCE SHEET**

per March 31, 2024

**ASSETS**

in € thousand	March 31, 2024	Dec. 31, 2023	March 31, 2023
<b>Current assets</b>			
Cash and cash equivalents	48,080	40,313	30,463
Other financial assets	155	5,020	10,451
Trade receivables	77,306	78,297	68,059
Contract asset values	16,932	10,598	13,563
Other non-financial assets	6,026	3,102	5,762
Tax receivables	855	1,506	2,669
	<b>149,354</b>	<b>138,836</b>	<b>130,967</b>
<b>Non-current assets</b>			
Goodwill	72,530	68,031	72,696
Other intangible assets	14,495	15,286	18,269
Property, plant, and equipment	4,214	4,242	4,925
Rights-of-use-assets	13,968	14,166	14,941
Other financial assets	1,139	1,119	1,105
Investments accounted for under the equity method	225	225	225
Trade receivables	6,866	13,776	13,605
Other non-financial assets	143	176	435
Deferred taxes	5,265	5,930	5,468
	<b>118,845</b>	<b>122,951</b>	<b>131,669</b>
	<b>268,199</b>	<b>261,787</b>	<b>262,636</b>

## EQUITY AND LIABILITIES

in € thousand	March 31, 2024	Dec. 31, 2023	March 31, 2023
<b>Current liabilities</b>			
Trade payables	9,565	10,108	6,003
Contract liabilities	14,290	8,222	13,089
Tax liabilities	919	1,064	1,315
Financial liabilities	7,424	16,258	16,723
Other non-financial liabilities	32,726	33,839	32,749
Provisions	62	62	425
	<b>64,986</b>	<b>69,553</b>	<b>70,304</b>
<b>Non-current liabilities</b>			
Contract liabilities	3,920	2,454	578
Financial liabilities	75,828	72,569	75,183
Other non-financial liabilities	639	775	329
Provisions for pensions	1,923	1,957	1,567
Other provisions	546	471	457
Deferred taxes	5,148	5,369	5,661
	<b>88,004</b>	<b>83,595</b>	<b>83,775</b>
<b>Equity</b>			
Subscribed capital	7,386	7,386	7,386
Capital reserve	98,147	98,098	97,171
Retained earnings	15,593	13,191	8,674
Other components of the equity	-585	-4,688	971
Treasury shares	-4,456	-4,456	-4,669
<b>Equity attributable to shareholders</b>	<b>116,085</b>	<b>109,531</b>	<b>109,533</b>
Non-controlling interests	-876	-892	-976
	<b>115,209</b>	<b>108,639</b>	<b>108,557</b>
	<b>268,199</b>	<b>261,787</b>	<b>262,636</b>

**CONSOLIDATED INCOME STATEMENT**

for the period from January 1 to March 31, 2024

in € thousand	Q1 2024	Q1 2023
<b>Revenue</b>	<b>54,030</b>	<b>47,075</b>
Service	37,270	31,274
Software	16,760	15,801
Other operating income	3,231	2,438
Cost of material	-5,204	-5,858
Personnel costs	-34,654	-29,971
Other operating expenses	-10,602	-8,488
Impairments on receivables and contract assets	-90	-1
Other taxes	-189	-139
<b>EBITDA</b>	<b>6,522</b>	<b>5,056</b>
Depreciation and impairments on intangible assets and property, plant, and equipment	-2,513	-2,600
<b>EBIT</b>	<b>4,009</b>	<b>2,456</b>
Other financial income	229	12
Other financial expenses	-781	-666
<b>Net financial income</b>	<b>-552</b>	<b>-654</b>
<b>EBT</b>	<b>3,457</b>	<b>1,802</b>
Income taxes	-1,037	-540
<b>Consolidated income/net loss</b>	<b>2,420</b>	<b>1,262</b>
Thereof:		
Profit attributable to non-controlling shareholders	18	-92
Profit attributable to shareholders of SNP Schneider-Neureither & Partner SE	2,402	1,354
<b>Earnings per share (€)</b>	<b>€</b>	<b>€</b>
- Undiluted	0.33	0.19
- Diluted	0.33	0.19
<b>Weighted average number of shares</b>	<b>in thousand</b>	<b>in thousand</b>
- Undiluted	7,283	7,278
- Diluted	7,320	7,278

**CONSOLIDATED CASH FLOW STATEMENT**

for the period from January 1 to March 31, 2024

in € thousand	Q1 2024	Q1 2023
<b>Profit after tax</b>	<b>2,420</b>	<b>1,262</b>
Depreciation	2,513	2,600
Change in provisions for pensions	-34	4
Other non-cash income/expenses	597	442
Changes in trade receivables, contract assets, other current assets, other non-current assets	-1,133	-7,705
Changes in trade payables, contract liabilities, other provisions, tax liabilities, other current liabilities	5,916	2,354
<b>Cash flow from operating activities (1)</b>	<b>10,279</b>	<b>-1,043</b>
Payments for investments in property, plant, and equipment	-311	-200
Payments for investments in intangible assets	0	-134
Proceeds from the disposal of items of intangible assets and property, plant and equipment	3	75
Proceeds from the sale of consolidated companies and other business units	4,859	0
<b>Cash flow from investing activities (2)</b>	<b>4,551</b>	<b>-259</b>
Proceeds from loans taken out	4,049	0
Payments for the settlement of loans and other financial liabilities	-9,684	-5,136
Payments resulting from the settlement of lease liabilities	-1,351	-1,219
<b>Cash flow from financing activities (3)</b>	<b>-6,986</b>	<b>-6,355</b>
Changes in cash and cash equivalents due to foreign exchange rates (4)	-77	-247
<b>Cash change in cash and cash equivalents (1) + (2) + (3) + (4)</b>	<b>7,767</b>	<b>-7,904</b>
Cash and cash equivalents at the beginning of the fiscal year	40,313	38,367
<b>Cash and cash equivalents as of March 31</b>	<b>48,080</b>	<b>30,463</b>
<b>Composition of cash and cash equivalents:</b>		
Cash and cash equivalents	48,080	30,463
<b>Cash and cash equivalents as of March 31</b>	<b>48,080</b>	<b>30,463</b>

**CONSOLIDATED SEGMENT REPORTING**

for the period from January 1 to March 31, 2024

in € thousand	Service	Software	EXA	Total
<b>External segment sales</b>				
Jan – March 2024	35,609	16,176	2,245	54,030
Jan – March 2023 (adjusted)*	29,269	15,400	2,406	47,075
Jan – March 2023 (as reported)	29,269	15,400	2,406	47,075
<b>Revenues with other segments</b>				
Jan – March 2024	0	0	328	328
Jan – March 2023 (adjusted)*	0	0	302	302
Jan – March 2023 (as reported)	0	0	302	302
<b>Segment result (EBIT)</b>				
Jan – March 2024	3,822	3,700	-194	7,328
Margin	10.7%	22.9%	-8.7%	13.6%
Jan – March 2023 (adjusted)*	1,789	4,117	293	6,199
Margin	6.1%	26.7%	12.2%	13.2%
Jan – March 2023 (as reported)	-192	6,098	293	6,199
Margin	-0.7%	39.6%	12.2%	13.2%
<b>Depreciation included in the segment result</b>				
Jan – March 2024	1,355	392	54	1,801
Jan – March 2023 (adjusted)*	1,310	415	62	1,788
Jan – March 2023 (as reported)	1,162	564	62	1,788

Reconciliation in € thousand	Jan. – March 2024	Jan. – March 2023 (adjusted)*	Jan. – March 2023 (as reported)
<b>Result</b>			
Total reportable segment	7,328	6,199	6,199
Expenses not allocated to the segments	-3,319	-3,743	-3,743
of which depreciation	-713	-812	-812
<b>EBIT</b>	<b>4,009</b>	<b>2,456</b>	<b>2,456</b>
Financial result	-551	-654	-654
<b>Earnings before taxes (EBT)</b>	<b>3,457</b>	<b>1,802</b>	<b>1,802</b>

\* The calculation of the segment results was adjusted with the consolidated financial statements as of December 31, 2023. The cost allocation using a key based on personnel figures and segment revenue was converted to a controlling-based cost allocation. Only the Service and Software business segments are affected by the change. The comparative information for the previous year has also been adjusted and presented separately. The adjustment has no effect on the total business segment results.

All dates are provisional only. The current financial calendar can be consulted at: <https://investor-relations.snpgroup.com/en/>.

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