

Deutsches Eigenkapitalforum, 25 November 2019, Jürgen Hermann, CEO

# QSC 2020<sup>plus</sup> — THE GROWTH STRATEGY

SICHER.  
INNOVATIV.  
AN IHRER SEITE.

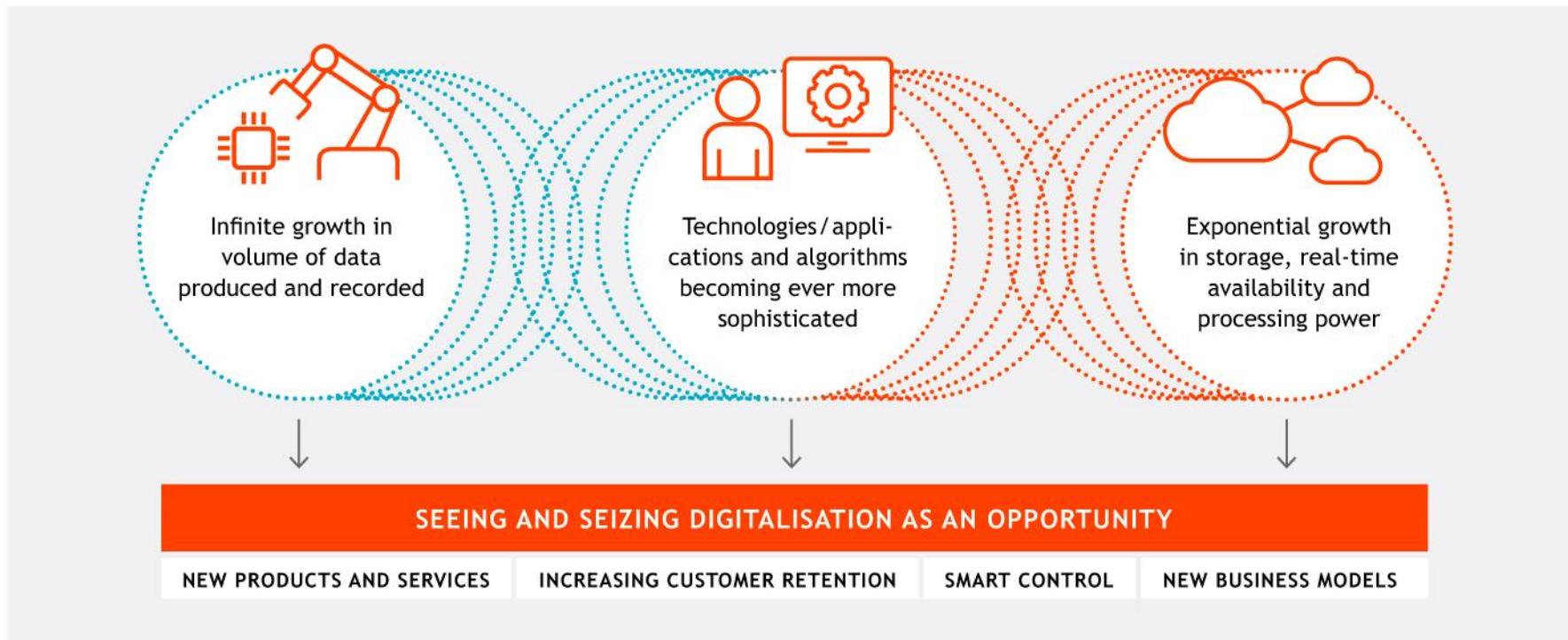
**QSC** AG

# Disclaimer

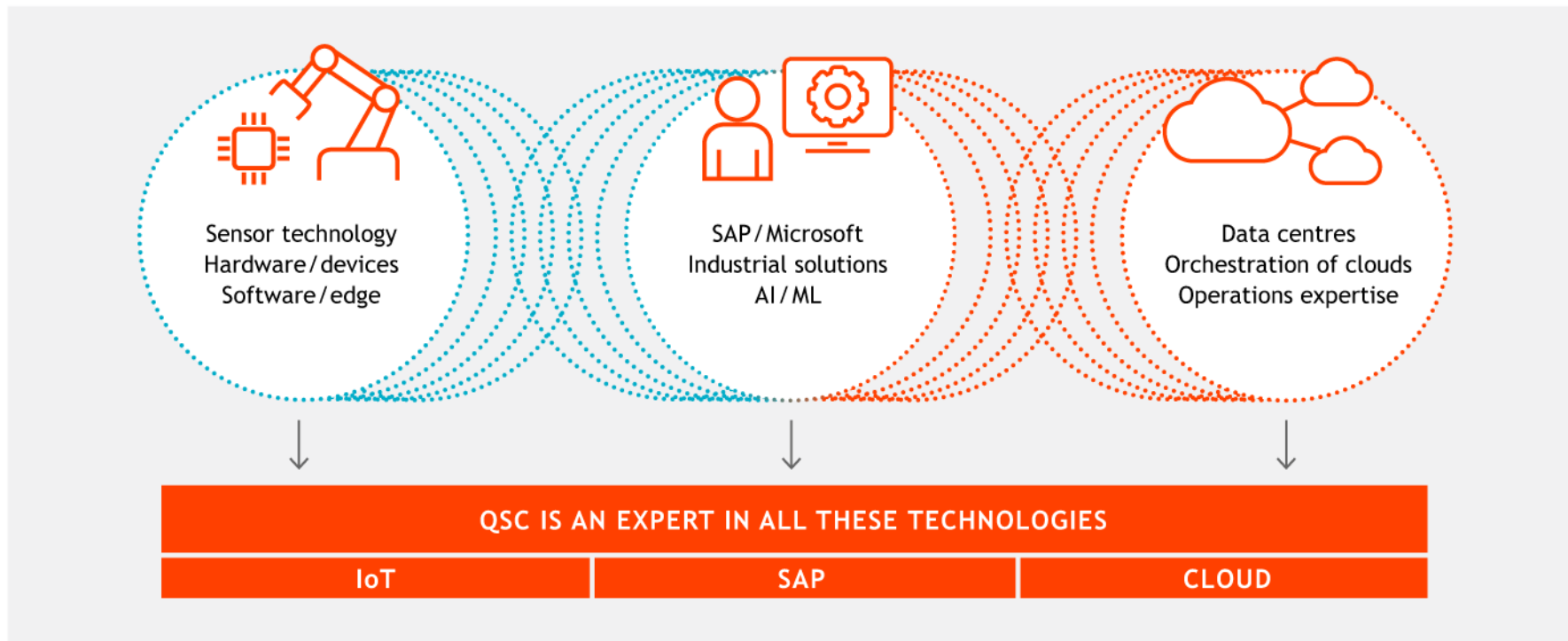
This presentation contains forward-looking statements based on management estimates and reflects the current views of QSC AG's ("QSC's") management board with respect to future events. These forward-looking statements correspond to the situation at the time this presentation was prepared. Such statements are subject to risks and uncertainties, which often fall outside the sphere of influence of QSC. These risks and uncertainties are covered in detail within the Risk Report section in our annual report.

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

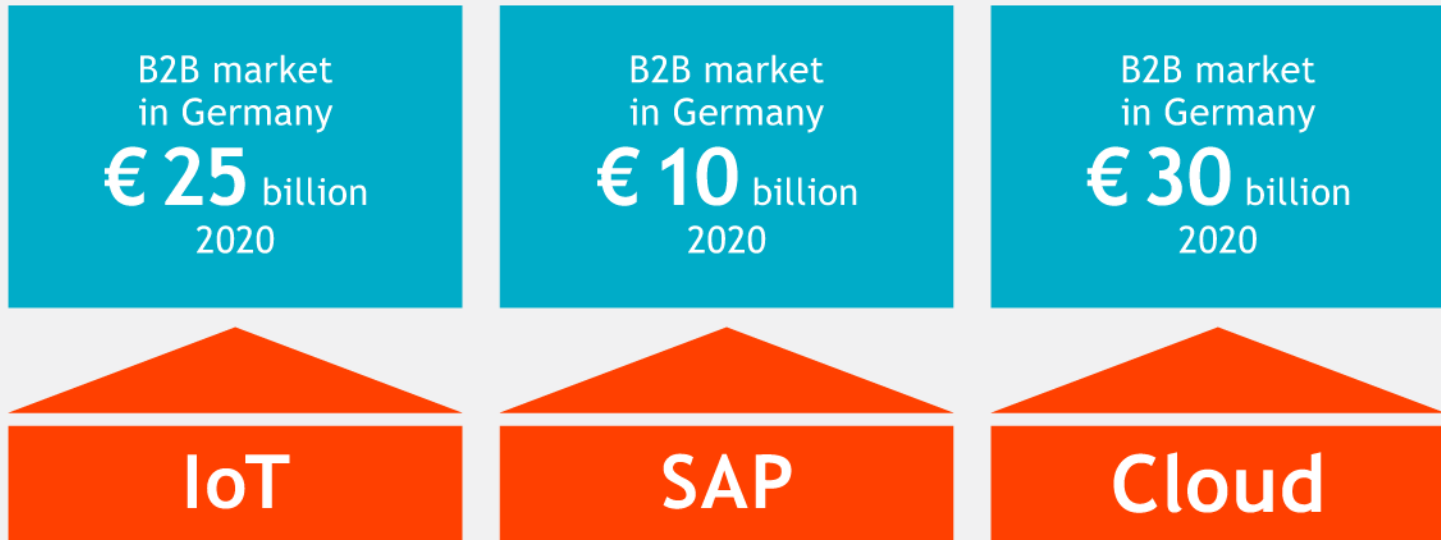
# What are we talking about?



# What is needed to use the opportunities?

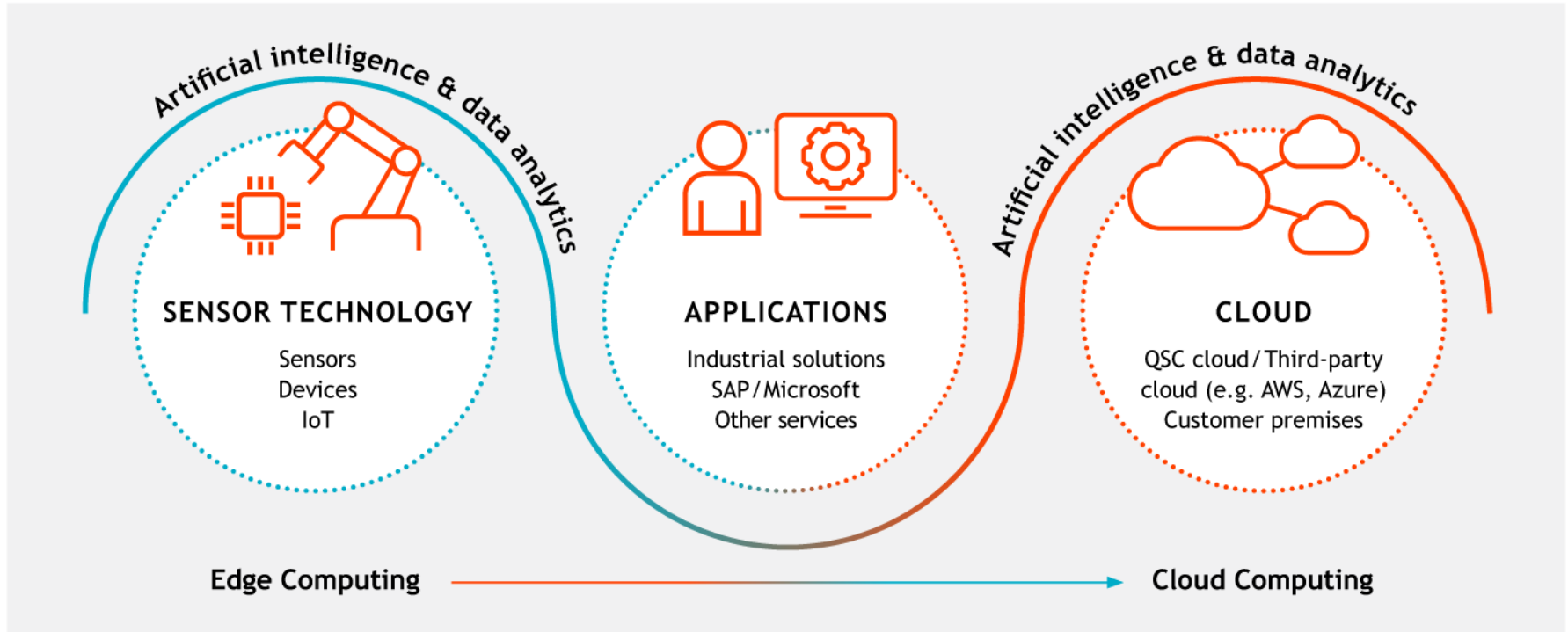


# The three growth markets of IoT, SAP and Cloud



Sources: Experton; PAC/own research; Deloitte, IoT study

# Intelligent integration of technologies



# Go-to-market: Focus on three sectors

■ Share of revenues



Retail

~40%



Manufacturing

~20%



Energy

~10%

SportScheck

porta!



SCHMOLZ + BICKENBACH  
Group



dalli  
group

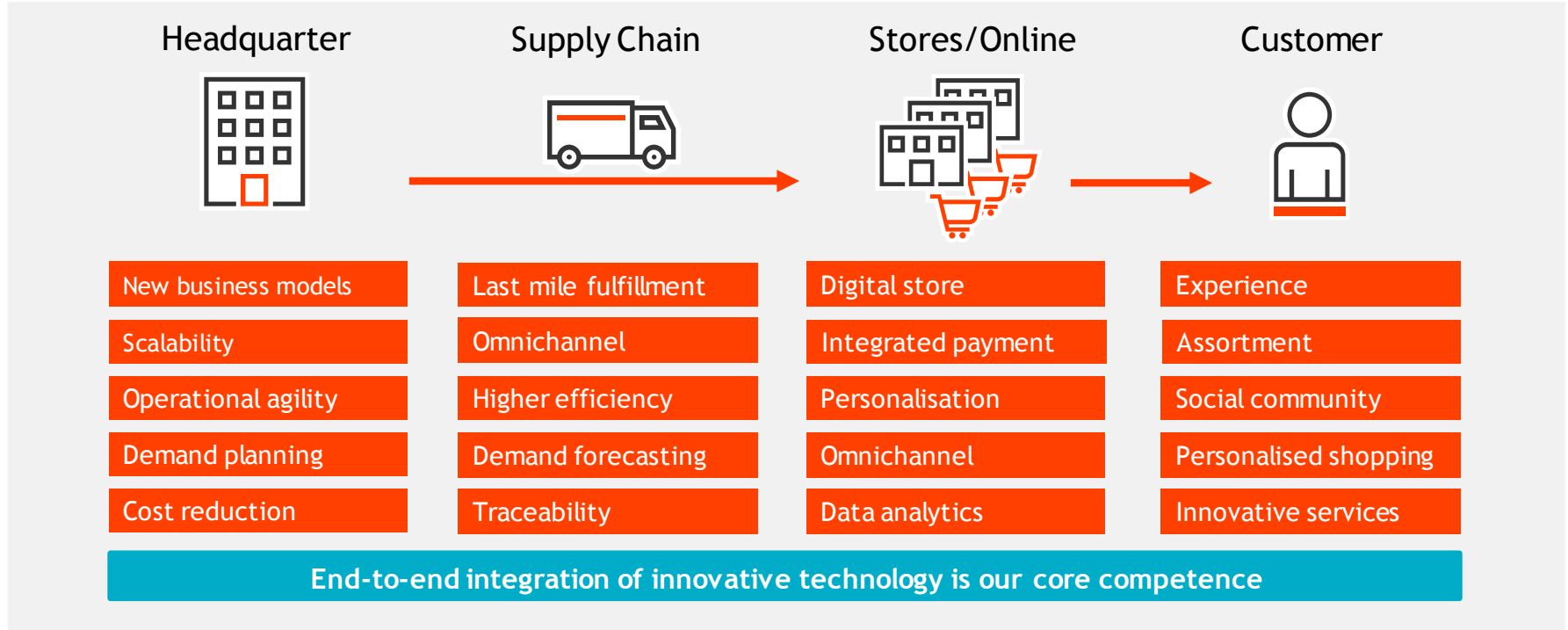


Einfach. Mehr. Qualität.



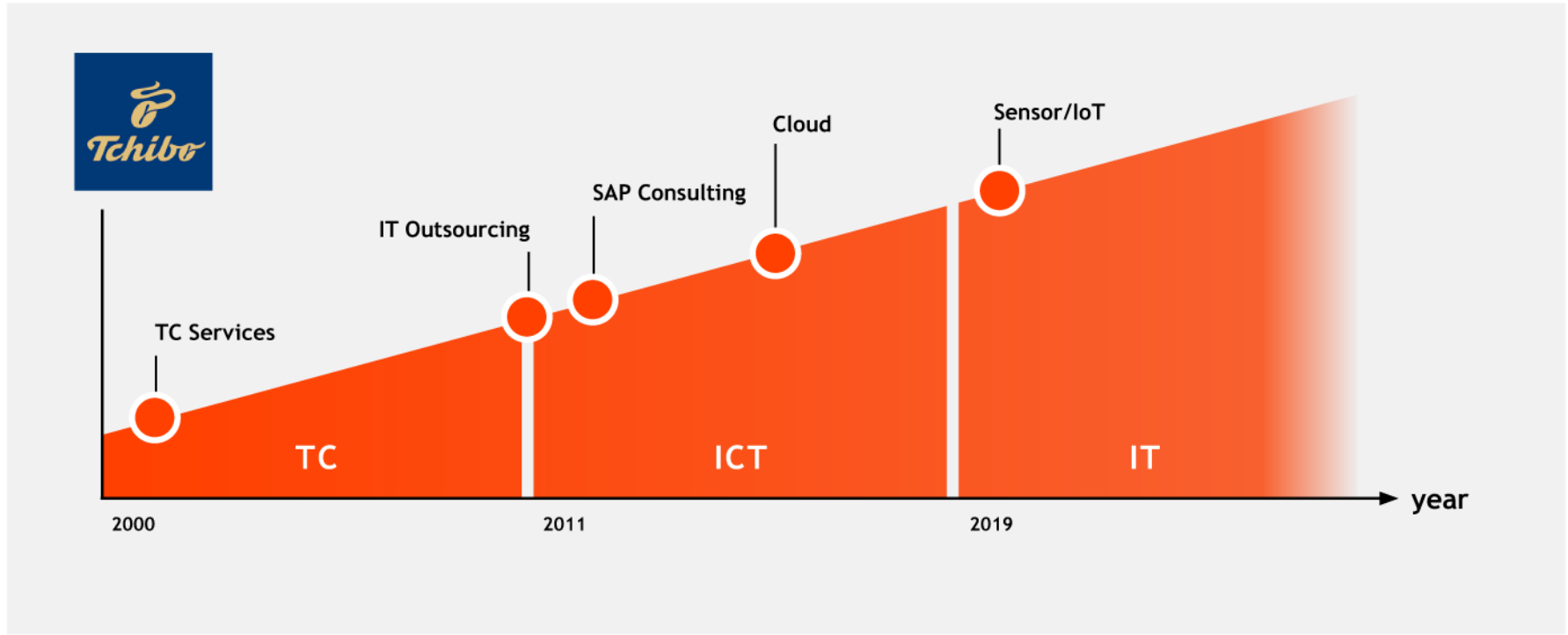
techem

# Retail: Digital intelligent enterprise





# It all begins with trust: Long-term customer relationships



# Intellectual Property (IP) drives profitability

Software-based customer solutions with:

**>70** Outstanding cloud architects

**>60** Software experts

**>200** SAP specialists trained in S/4HANA

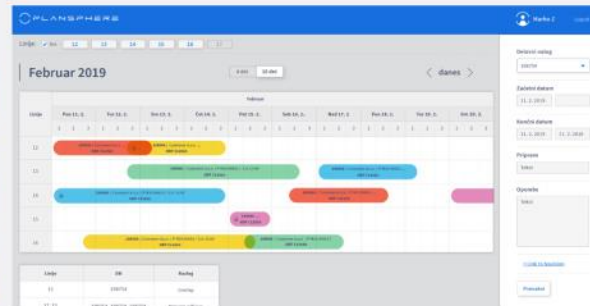
**>15** Creative business developers



Winner of the SAP CONNECT 2019 Hackathon



Electronic Shelf Labels (ESL) for retailers



AI-based Industrial Solutions „Planning-as-a-service“

# Solid finances enable for M&A deals

No debts

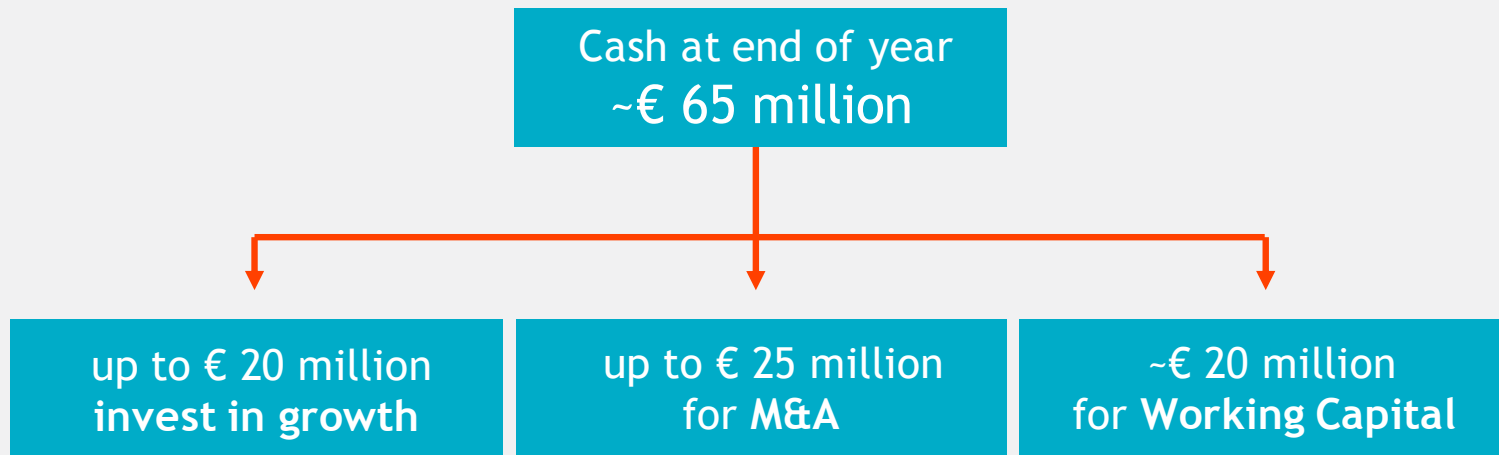
Cash at end of year  
~€ 65 million

Equity ratio  
> 70%

## QSC intends to acquire small tech specialists

- Unique technology in the field of AI, Cloud Services, Data Analytics, Embedded Software, IoT
- Proof of concept done
- First customers or projects on board
- Revenue generation has started
- Majority participation possible
- Manageable investments

# Using cash to generate growth



**Sustainably positive free cash flow from Q4 2021**

# QSC: The growth company at a glance

“Digitizer to the SME sector”

## Excellent business portfolio

- Recurring revenues
- Highly scalable

## Top innovations

- Integrated solutions
- New technologies

## Effective “go-to-market” approach

- Sector focus
- Strategic partners

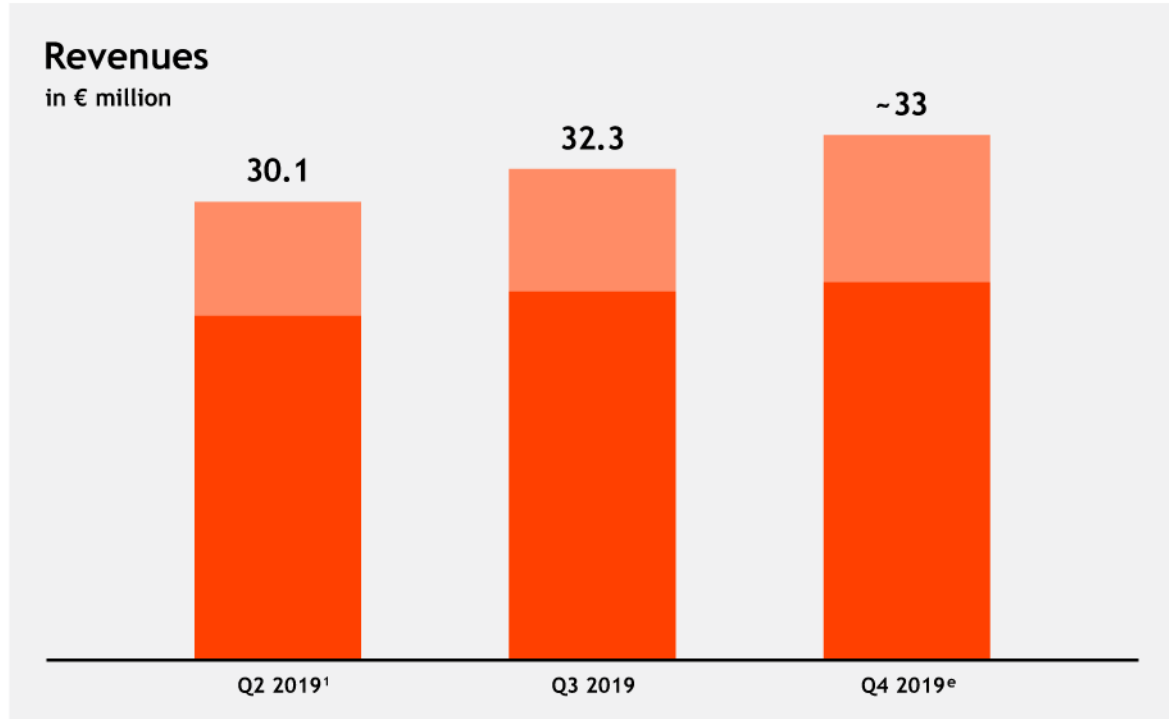
## Experienced management team

- Top expertise
- Entrepreneurial approach

Investments in future and M&A

2022: Revenues of € ~ 200 million, EBITDA > 10%, positive free cash flow

# Promising starting point: QSC is back on growth track



## Main growth drivers (Q2/Q3)

- Cloud +24%
- Consulting +5%

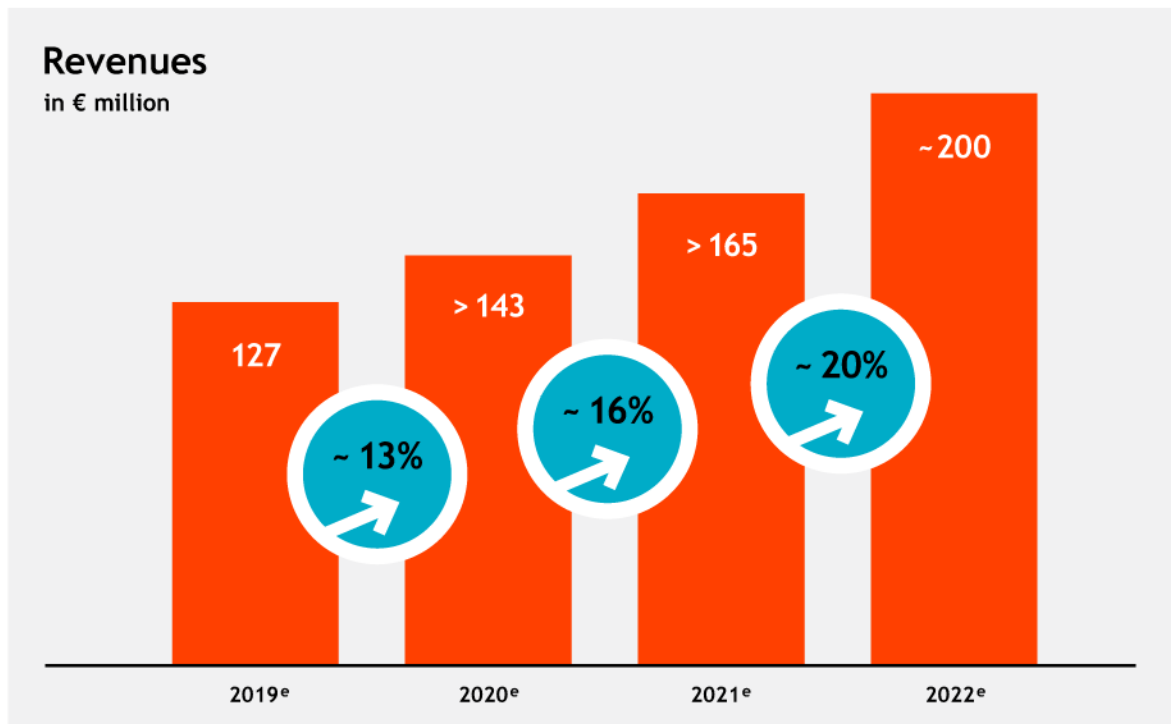
## Growth highly predictable

- ~75% recurring revenues

■ Recurring revenues

<sup>1</sup> QSC (excluding Plusnet subgroup)

# Heading for revenues of € 200 million



- Accelerating revenue growth
- Crucial growth enabler: High percentage of recurring revenues
- Sustainably positive EBITDA from Q4 2020
- Sustainably positive free cash flow from Q4 2021

**Questions & answers**



# Contact



**QSC AG**  
**Arne Thull**  
Head of Investor Relations

T +49 221 669-8724

F +49 221 669-8009

invest@qsc.de

www.qsc.de

Twitter.com/QSCIRde

Twitter.com/QSCIRen

blog.qsc.de

xing.com/companies/QSC AG

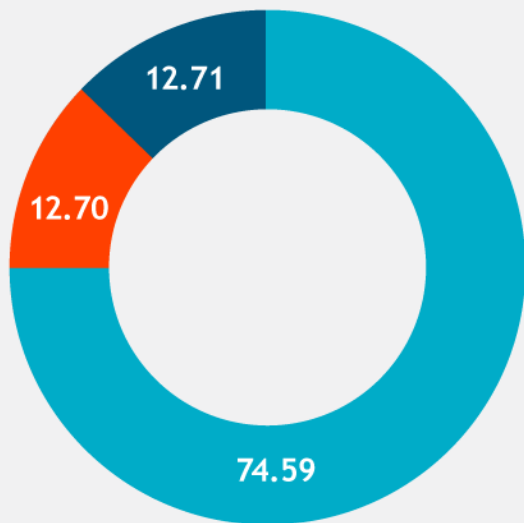
slideshare.net/QSCAG

# Appendix

# Founders increase shareholding in June 2019

## Shareholder structure

in %



In June 2019, QSC's two founders acquired shares as follows:

Gerd Eickers<sup>1</sup>      **200,000 shares**  
Dr. Bernd Schlobohm<sup>2</sup>      **250,000 shares**

Neither founder has yet sold any QSC shares – share ownership is now structured as follows:

**12.71%** Gerd Eickers<sup>1</sup>  
**12.70%** Dr. Bernd Schlobohm<sup>2</sup>  
**74.59%** Free float

- 
- <sup>1</sup> Founder and member of Supervisory Board  
<sup>2</sup> Founder and Chairman of Supervisory Board

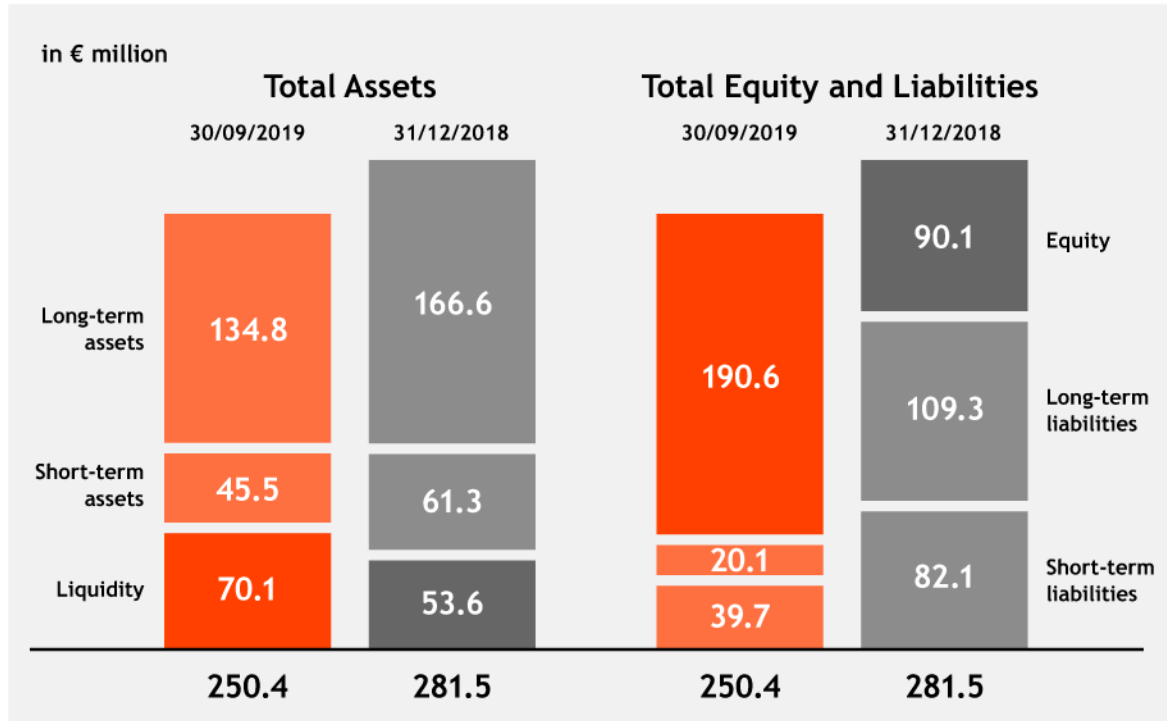
Status: 30 October 2019

# First P&L after Plusnet sale

in € million	Q3 2019
<b>Revenues</b>	<b>32.3</b>
Cost of revenues	27.9
<b>Gross profit</b>	<b>4.4</b>
Sales and marketing expenses	3.0
General and admin expenses	4.9
Other operating income	1.5
Other operating expenses	(0.3)
<b>EBITDA</b>	<b>(2.2)</b>
Depreciation	4.1
<b>EBIT</b>	<b>(6.3)</b>
Financial result	(0.2)
Income taxes	3.9
<b>Net income</b>	<b>(2.6)</b>

- Q3 2019 developed as expected
- Current cost base allows future growth without increased costs => **high scalability of QSC's business model**
- IFRS 16 depreciation now at € 1.2 million
- One-off tax effect because of Plusnet transaction

# Strong balance sheet after Plusnet sale



- As of 30 June 2019, QSC fully repaid its external debt
- Net liquidity of € 70.1 million
- Equity ratio now at 76%

# On track to reaching the updated forecast



**Revenues of more than € 235 million**

(9M 2019: € 204.9 million)



**EBITDA of more than € 140 million**

(9M 2019: € 143.6 million)



**Free cash flow of more than € 130 million**

(9M 2019: € 140.2 million)

