



q.beyond is growing Key figures Q3 2020

9 November 2020 | Jürgen Hermann, CEO

Disclaimer

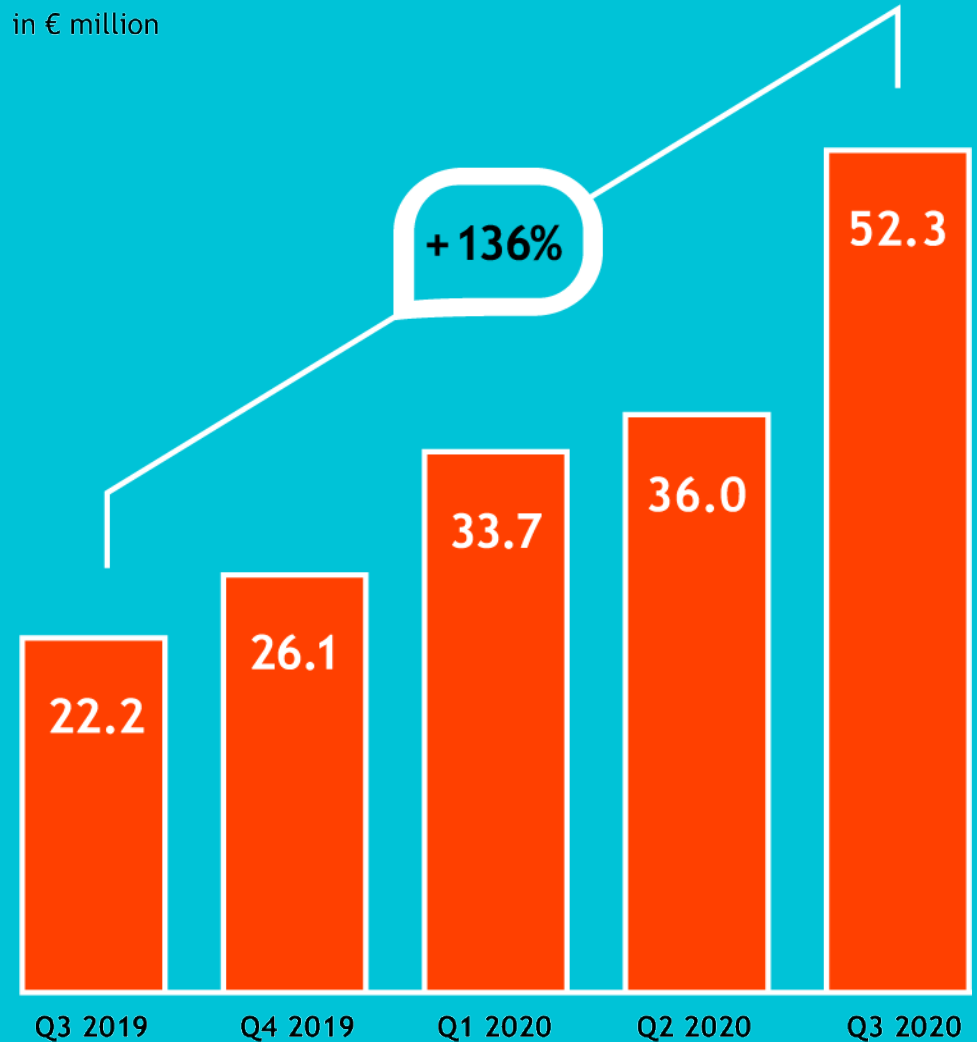
This presentation contains forward-looking statements based on management estimates and reflects the current views of q.beyond AG's ("q.beyond's") management board with respect to future events. These forward-looking statements correspond to the situation at the time this presentation was prepared. Such 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.

Record level of new orders

- 70% of orders in Q3 2020 received from new customers
- Marketing success above all in focus sectors of retail and manufacturing
- 30% of extensions in scope and term of contracts due to existing customers

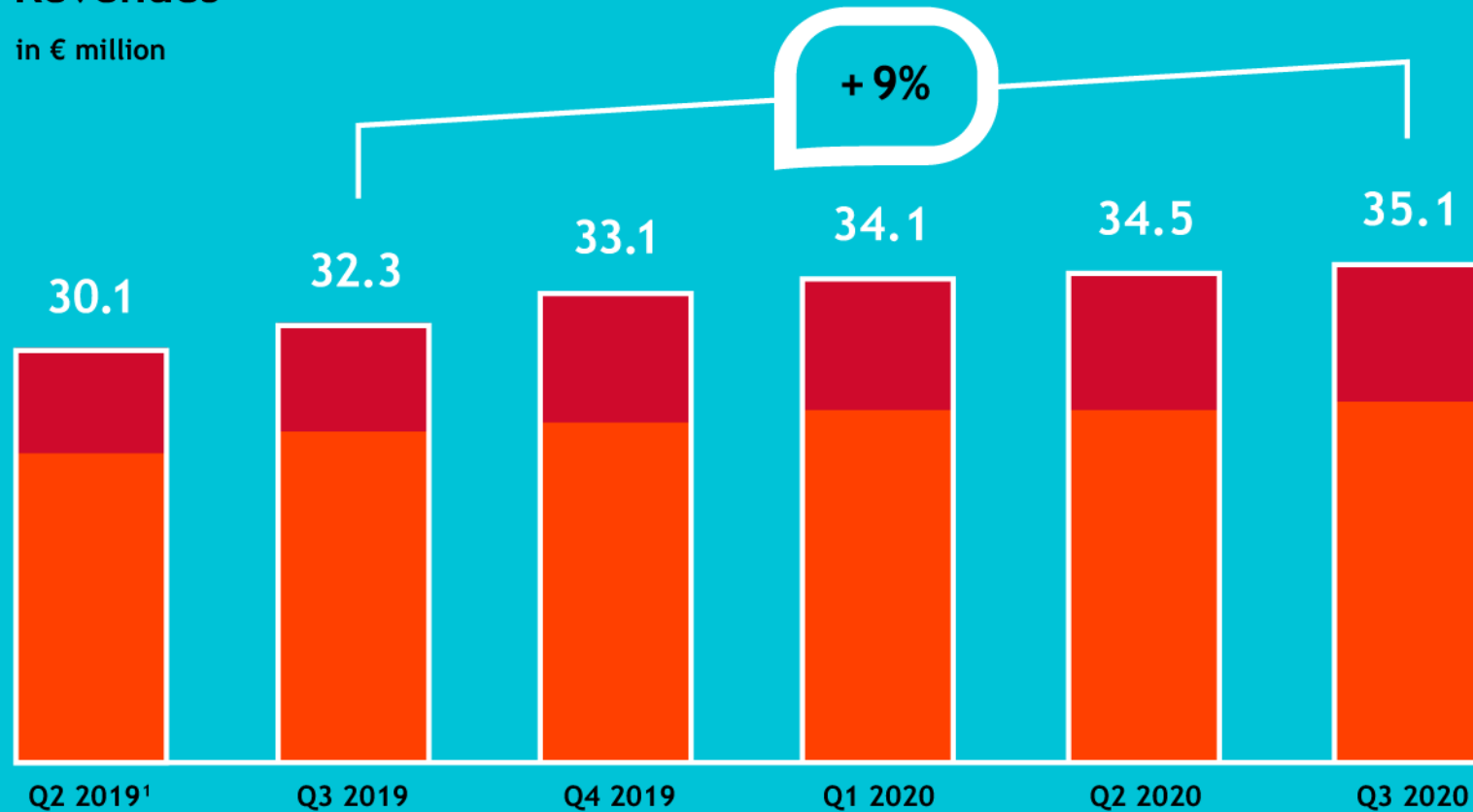
Total contract value
in € million



Fifth consecutive quarter of revenue growth

Revenues

in € million



Covid-19 crisis prevents even higher growth:

1. Restrictions on contact impede on-site consulting
2. Rising case numbers lead to deferral of projects that are not urgently necessary






■ Non-recurring revenues

■ Recurring revenues

¹ Excluding Plusnet subgroup



Rising revenues improve operating profitability

in € million	Q3 2019		Q3 2020
Revenues	32.3		35.1
Cost of revenues	(27.9)		(29.6)
Gross profit	4.4		5.5
Sales and marketing expenses	(3.0)		(3.4)
General and admin expenses	(4.9)		(3.2)
Other operating income	1.5		0.6
Other operating expenses	(0.3)		(0.1)
EBITDA	(2.2)		(0.6)
Depreciation	(4.1)		(4.3)
EBIT	(6.3)		(4.9)
Financial result	(0.2)		(0.1)
Income taxes	3.9		-
Net income	(2.6)		(5.0)

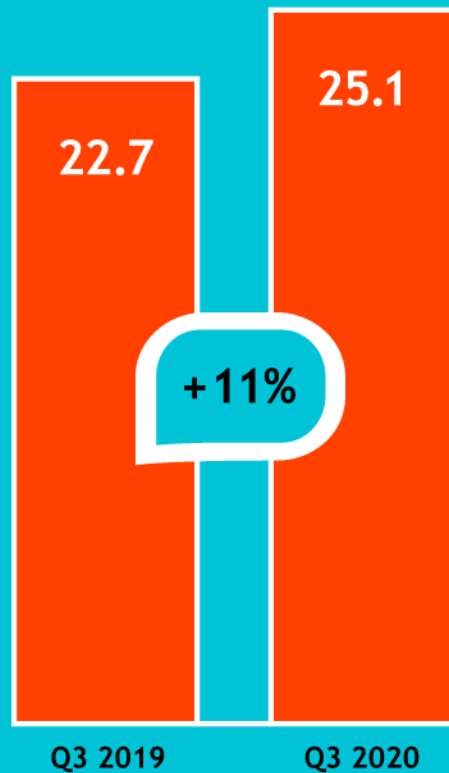
- Revenues grow by 9%
- Gross profit rises by 25%
- Administrative expenses adapted to company's new size
- EBITDA improves by more than 70%



Cloud & IoT: Double-digit growth

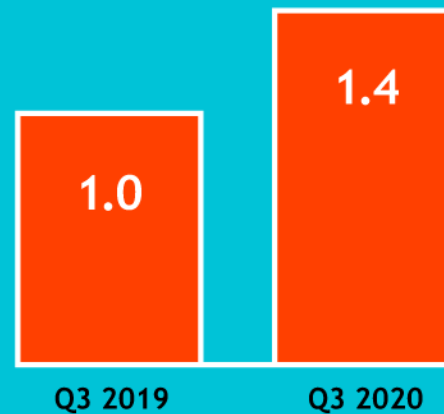
Revenues

in € million



Segment contribution

in € million



- Revenue drivers: Cloud solutions and digital workplaces
- Segment contribution improves to € 1.4 million
- Segment contribution would be higher without upfront costs for new Cloud solutions



SAP: Broad-based positioning pays off

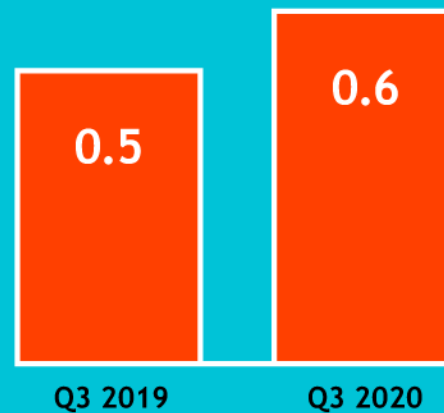
Revenues

in € million



Segment contribution

in € million



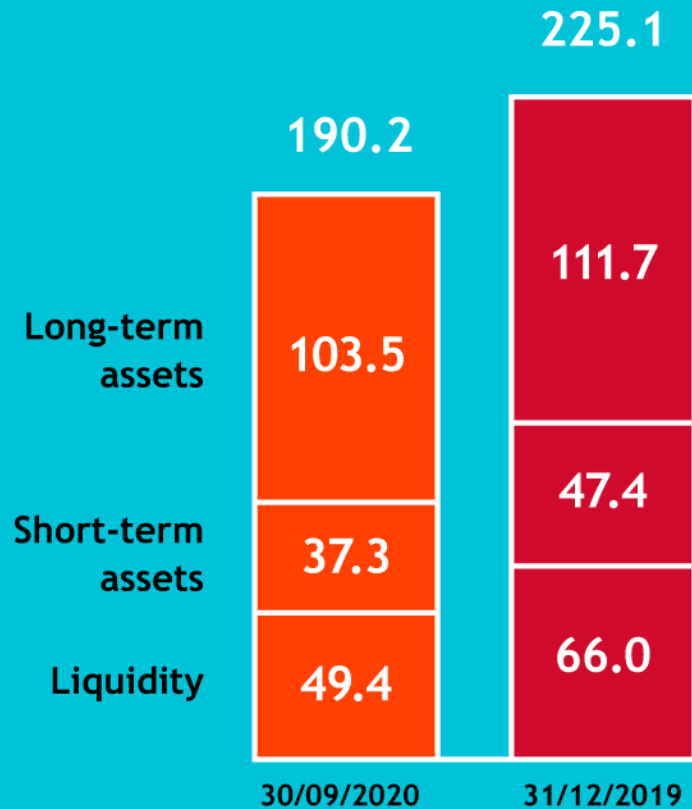
- SAP operation and application management continue to work during Covid-19 crisis
- Restrictions on contact hold back on-site consulting



Rock-solid financing

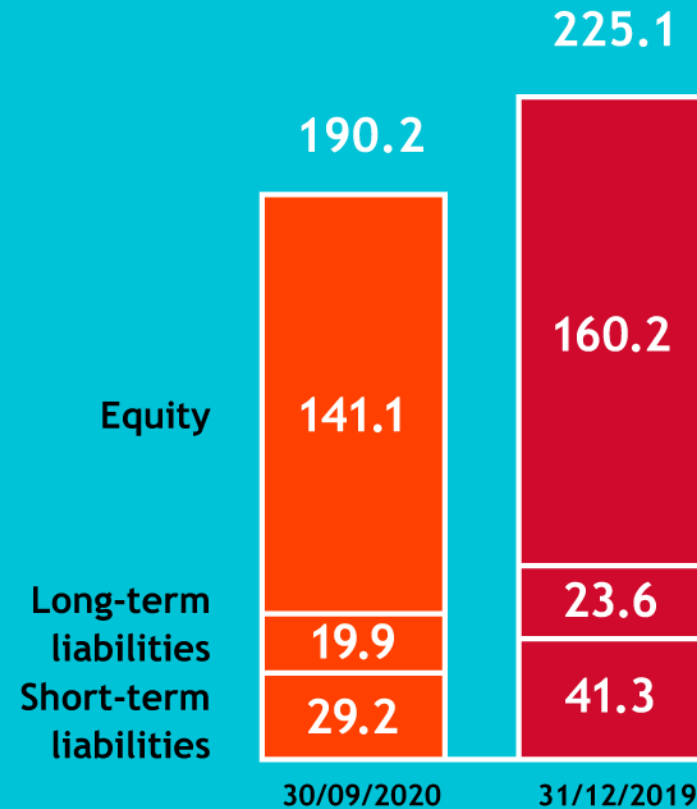
Total Assets

in € million



Total Equity and Liabilities

in € million



- Net liquidity of € 49.4 million at 30 September 2020 as against € 54.7 million at 30 June

→ Free cash flow of € -3.9 million (excluding Incloud purchase price)

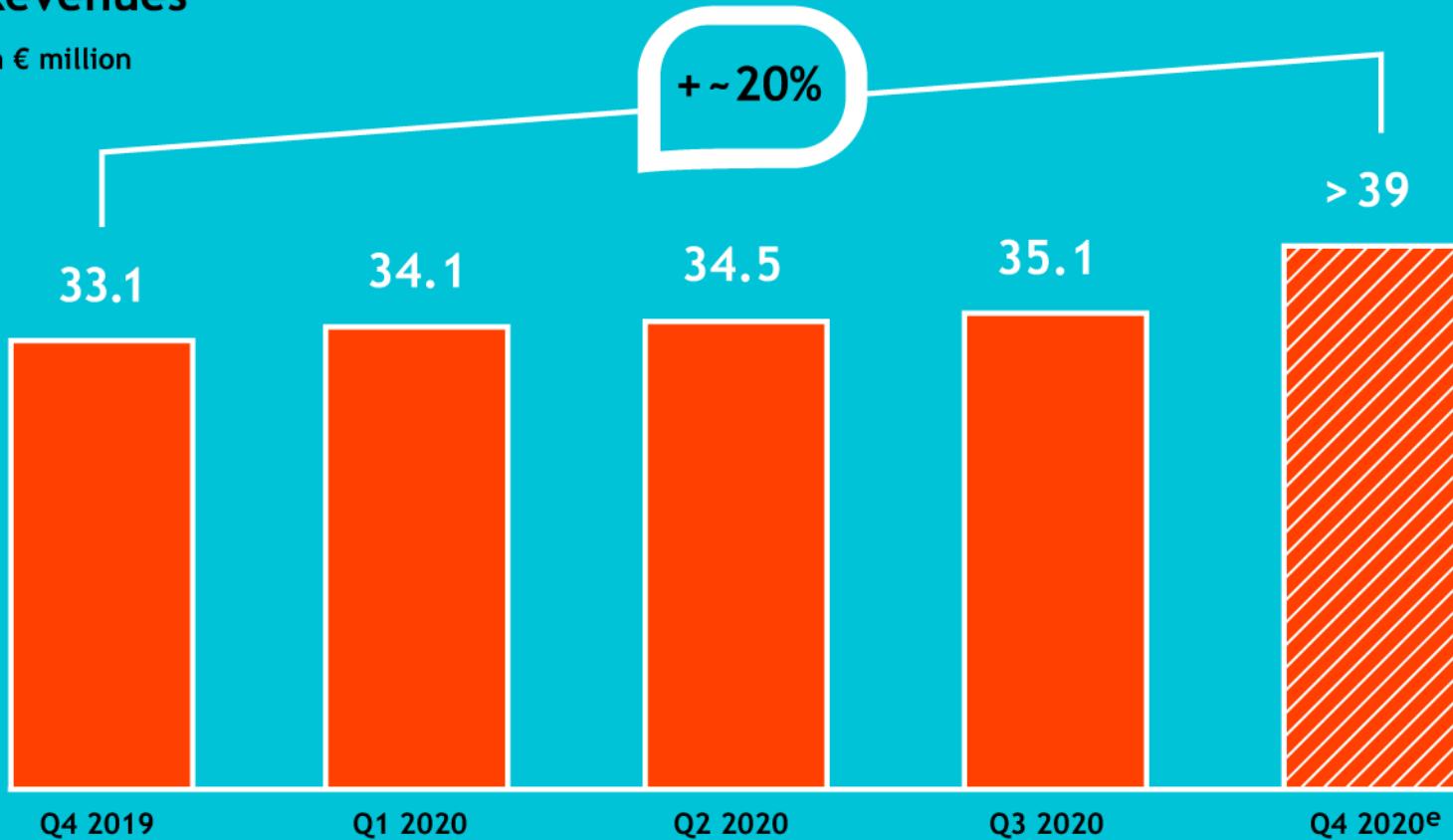
- Equity ratio at 74%



q.beyond expects strong fourth quarter of 2020

Revenues

in € million



Growth drivers

1. High volume of new orders from previous quarters
2. Completion of migration of new Cloud customers from Q2 and Q3 2020
3. Ongoing high demand for Cloud solutions



Forecast confirmed - positive EBITDA from Q4

- Revenue growth of at least 13% budgeted
- Assumption: Further normalisation in economic activity
- Investments in future growth:
Therefore EBITDA of up to € -5 million and free cash flow of up to € -16 million budgeted
- Sustainably positive EBITDA from Q4 2020
- Sustainably positive free cash flow from Q4 2021

Revenues

in € million



Prepared for prolonged Covid-19 crisis

q.beyond is in a privileged position:

- 1 Stable and robust business model
- 2 Around 75% of revenues are recurring and platform-based
- 3 Net liquidity of € 49.4 million / equity ratio of 74%
- 4 Shutdown has triggered a wave of digitalisation among SME companies
- 5 Shutdown will cause a further growth push in our core markets Cloud, IoT and SAP

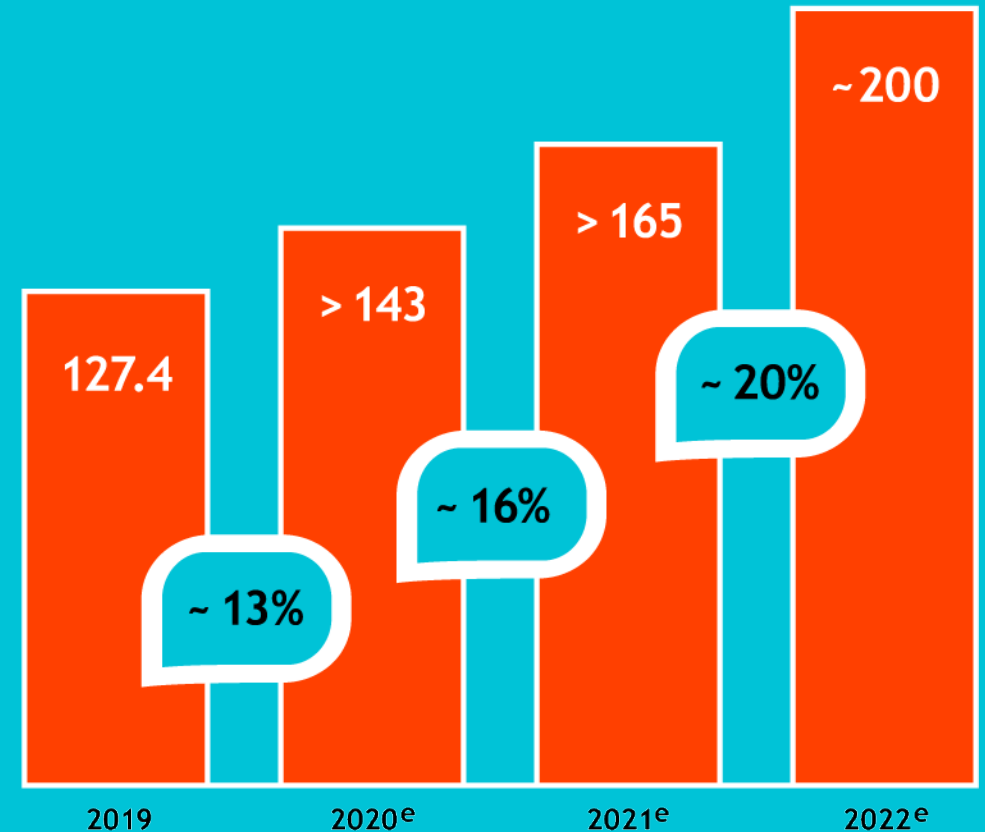


q.beyond maintains its growth course

- Consistent implementation of “2020plus” growth strategy
- High share of recurring revenues and high volume of new orders create very strong foundation for 2021/2022
- Scalable business model leads to rising EBITDA margin (2022: >10%)
- Sustainably positive free cash flow from Q4 2021

Revenues

in € million



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Annex

Executives acquire 1 million shares

Executives acquire **1,000,000 shares** in September/October 2020

CEO already acquired 330,000 further q.beyond shares in March 2020:

Jürgen Hermann **1,000,000 shares**

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

12.68% Gerd Eickers¹

12.68% Dr. Bernd Schlobohm²

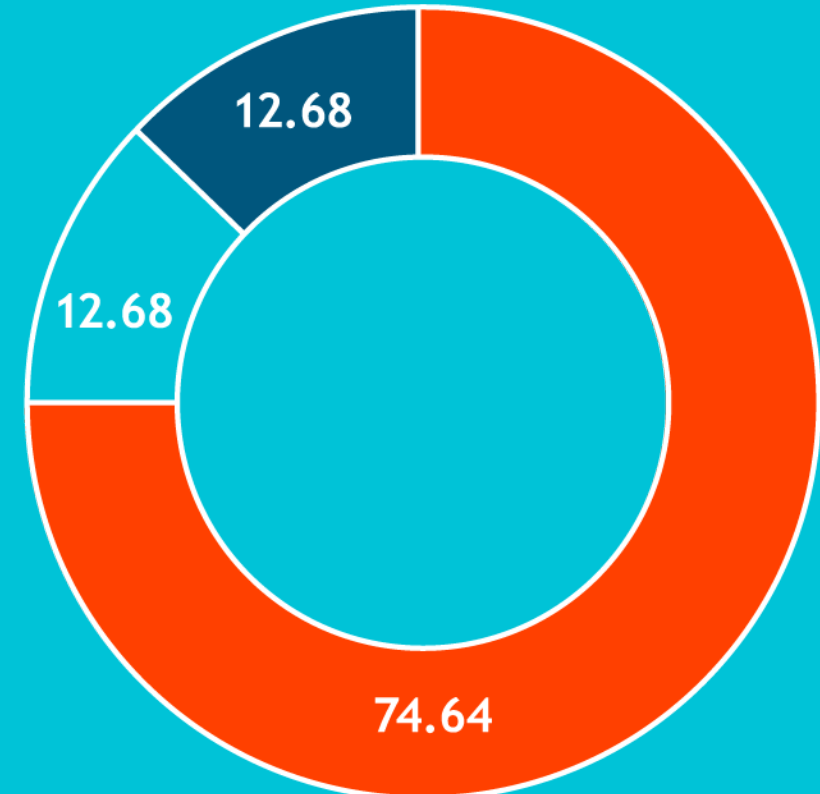
74.64% Free float

¹ Founder and member of Supervisory Board

² Founder and Chairman of Supervisory Board

Shareholder structure

in %



Status: 31 October 2020

Buy recommendations for q.beyond shares

MAINFIRST
A Stifel Company

q.beyond
IT Services
27 May 2020 INITIATION

Buy
PT: €2.25

Initiation of coverage
path

Summary

- We initiate coverage providing ~72% upside with a focus on Germany
- With the sale of the IoT unit, we are exclusively active in SaaS & IoT, ~30% from SAP strong financial foundation
- We forecast QSC rising from breakeven to 10% growth in 2020

QSC GY
€1.31
72.0
162
7

COMMERZBANK

q.beyond

2 March 2020

We raise our rating to Buy. Early history and hence success of the company per share of hidden value from SAP, in our view. With additional upside at current levels despite

Buy (from Hold)
TP €2.00 (from €1.70)
CP €1.12^
(Closing 28 February 2020)

Key information

Expected performance
1M / 3M performance:
Market Cap (m)
Bloomberg:
Shares outstanding (m)
Equity Free Float
Consensus rec (F)
Sources

Bankhaus Lampe

q.beyond
Recurring revenues support the re

06/05/2020

Buy
1.80 EUR

Close 04/05/2020
Bloomberg: QSC GR

Bank	Recommendation	Target price
Mainfirst	“Buy”	€ 2.25
Commerzbank	“Buy”	€ 2.00
Bankhaus Lampe	“Buy”	€ 1.80
Warburg Research	“Hold”	€ 1.40
Independent Research	“Hold”	€ 1.40





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