

Three acquisitions completed // SAP S/4HANA transformation gains pace // Guidance confirmed

REVENUE	
in EUR millions	
10/2021 – 12/2021	10/2020 – 12/2020
119.2	95.6
+25%	

EBIT	
in EUR millions	
10/2021 – 12/2021	10/2020 – 12/2020
7.6	6.0
+27%	

CLOUD AND SOFTWARE REVENUE	
in EUR millions	
10/2021 – 12/2021	10/2020 – 12/2020
71.7	57.3
+25%	

RECURRING REVENUE ¹	
in EUR millions	
10/2021 – 12/2021	10/2020 – 12/2020
59.6	48.9
+22%	

1) Prior-year figures adjusted

- Acquisitions of SNP Poland, ASC and blue-zone as further growth drivers
- Cloud sales: significant increase of 35% to EUR 27.9 million
- Ratio of recurring revenues: 50% (Oct – Dec 2020: 51%)
- License sales: up 66% to EUR 14.3 million
- CONVERSION/4 sales reported as a separate type of revenue for the first time
- EBIT margin improves: 6.4% (Oct – Dec 2020: 6.2%)
- CORE segment: SAP S/4HANA transformation continues to gain pace
- 2021/22 guidance for sales and EBIT confirmed
- Renewed recognition as »Best IT Service Provider 2022« by brand eins

STRENGTHENING AND EXPANDING OUR MARKET POSITION THROUGH ACQUISITIONS

In the 1st quarter, All for One Group SE expanded both its implementation strength and its service portfolio focusing on SAP transformation and product business as well as its customer base in Poland and Switzerland through three acquisitions. The acquisitions – which have caused the Group headcount to grow to currently more than 2,500 – are being consolidated effective 1 October 2021 with

blue-zone being consolidated effective 1 December 2021. The integration of all these companies is already in full swing.

ACQUISITIONS AT A GLANCE

All for One Poland (formerly: SNP Poland)

All for One Group SE acquired a majority stake of 51%, effective 1 October 2021, in SNP Poland Sp. z.o.o., Suchy

Las (Poznan), from SNP Schneider-Neureither & Partner SE, Heidelberg. The complete transfer of all shares is planned via reciprocal optional purchase and sale agreements from 2023 onwards. With more than 400 employees and a customer base of more than 400 companies, the leading SAP service provider, whose name has meanwhile been changed to All for One Poland Sp. z.o.o. – will drive the growth and implementation strength of the Group, especially in the areas of SAP S/4HANA transformation and major international projects. At the beginning of January, All for One Poland joined United VARs, the international partner network, where it was awarded SAP Platinum Partner status.

Digitalisation pressure has increased as a result of the pandemic and is further exacerbating the shortage of experts. With the added strength of our Polish subsidiary, we are well prepared for the huge wave of migrations to SAP S/4HANA.

ASC Group

The acquisition of the consulting companies ASC Management Consulting AG, Engelberg/Switzerland, and Advanced Solutions Consulting GmbH, Baden/Switzerland (together »ASC Group«), effective 1 October 2021, will enable All for One Group SE to further expand its business in Switzerland. The ASC Group is characterised by its expertise in the areas of business and IT/SAP consulting and especially for solutions in corporate finance and enterprise performance management such as group consolidation, controlling and the associated disciplines of business planning, BI reporting and analytics. The planned merger with All for One Group subsidiary Process Partner AG, St. Gallen/Switzerland, will create a high-performing SAP and IT services consultancy with around 100 internal and external consultants and representing an initial sales volume of around CHF 24 million (EUR 22 million), who will support both the Swiss midmarket and major key accounts.

blue-zone

Upon acquisition of all the shares by All for One Group SE effective 1 December 2021, Rosenheim-based blue-zone GmbH (formerly blue-zone AG) became a member of the Group. The acquisition will further strengthen the collaboration between the two, who have already been working together in the field of customer experience for numerous years. In addition, as an acknowledged expert in cloud-based product development, blue-zone will strengthen the product business of the Group. In the 2020 calendar year, the company generated sales of EUR 2.2 million and a profitable operating result (EBIT) with its team of around 20 experts in Microsoft Azure.

SAP S/4HANA TRANSFORMATIONS ON THE RISE

Omicron strain, pandemic progress, supply chain bottlenecks, chip shortages – these are just some of the uncertainties that continue to influence the business performance of both the Group and its customers. Nevertheless, the wave of migrations from SAP ERP to SAP S/4HANA is picking up pace considerably. Against this background, All for One Group has developed a customised technology-based service offering (»CONVERSION/4«), to support our customers over the long term on their digitalisation journey. The service offering encompasses recurring lifecycle services that include transformation, process and optimisation support and is based on the »Bluefield« approach that draws on SNP software products. In the 1st quarter alone, eleven contracts were signed, representing a significant increase compared to the prior-year period.

Our model not only assures our customers a particularly safe and fast conversion to the new digital core with »zero downtime«. CONVERSION/4, which is based on SNP's Bluefield method, also includes a unique support regime for the decisive phase following migration. It gives our customers particularly efficient access to innovations and enables them to continuously improve their own ability to compete. At the same time, our subscription model brings together the enormous innovation potential of both SAP and Microsoft. Which is why CONVERSION/4 is also increasingly attracting interest outside our base of more than 1,000 customers. This is enabling us to acquire totally new customers from the larger midmarket and to expand our market share in the SAP ecosystem.

THE SUCCESS OF OUR CUSTOMERS IS OUR SUCCESS, TOO

The appreciation of our customers for our broad portfolio of products and services and for our expertise was confirmed by the renewed recognition by brand eins as »Best IT Service Provider 2022«, where All for One Group received awards in eight categories and achieved the highest overall score (4 out of 4) for performance capability. The selections were made by around 5,000 interviewees, all IT experts and IT managers at user companies. But our customers also benefit from collaborating with us. For example, in recognition of its successful CRM rollout, our customer Saatzbau Linz was named »Grand Winner« of the »SAP Quality Award« for exemplary rollout of the SAP Sales Cloud in the category Rapid Time to Value.

EARNINGS SITUATION

Sales development

in KEUR	10/2021 – 12/2021	10/2020 – 12/2020 ¹
Cloud services and support (1)	27,947	20,778
Software licenses and support (2)	43,777	36,500
Software licenses	14,251	8,610
Software support (3)	29,526	27,890
Consulting and services	45,291	38,063
CONVERSION/4 (4)	2,146	222
Total	119,161	95,563
Cloud and software revenue (1)+(2)	71,724	57,278
Recurring revenue (1)+(3)+(4)	59,619	48,890

1) Prior-year figures adjusted

The market is increasingly rewarding both the business model aligned to comprehensive customer support and extended customers relationships and the cloud first strategy adopted by All for One Group. Added to which, the growing demand for transformation projects and the first-time consolidation of the acquisitions is providing additional tailwind.

Sales revenues, including acquisitions, are significantly higher, at EUR 119.2 million, an increase of 25% versus the prior-year figure of EUR 95.6 million. Organic sales growth in the 1st quarter was 10%. Recurring revenues increased further, both from cloud services and support (plus 35% to EUR 27.9 million) and from software support (plus 6% to EUR 29.5 million). Together, these recurring revenues of EUR 59.6 million (plus 22%) account for 50% of total sales. The percentage share is slightly lower than the prior-year level of 51% due to significantly higher license sales in the 1st quarter.

There is no stopping the trend towards the cloud, so we expect license revenues to decline in the future while cloud revenues will increase. Nevertheless, the existing licensing models will still play a key role for many of our core customers, even when migrating from SAP ERP to SAP S/4HANA. In the 1st quarter, license revenues increased by 66% to EUR 14.3 million compared to the prior-year quarter and benefited from unexpectedly strong year-end demand. Consulting and services revenues increased by 19% compared to the prior-year level (Oct – Dec 2020: EUR 38.1 million).

With the wave of migrations from SAP ERP to SAP S/4HANA gaining in strength, we are reporting CONVERSION/4 as a separate type of revenue, starting in financial year 2021/22. Prior-year figures have been adjusted accordingly to improve comparability.

CONVERSION/4 sales totalled EUR 2.1 million, representing a significant increase compared to the prior-year quarter (EUR 0.2 million).

Earnings performance

in KEUR	10/2021 – 12/2021	10/2020 – 12/2020
Sales revenue	119,161	95,563
Cost of materials and purchased services	-48,446	-37,477
Personnel expenses	-48,896	-42,312
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-7,155	-5,355
Impairment losses on financial assets	-41	119
Other operating expenses/income	-7,051	-4,586
EBIT	7,572	5,952
Financial result	-274	-335
EBT	7,298	5,617
Income tax	-2,063	-1,763
Result for the period	5,235	3,854

The higher cost of materials and purchased services (plus 29% to EUR 48.4 million) is a result of the growth in sales and the increased use of external consulting resources («freelancers») from our partner network. The significant increase in license sales and the higher procurement expense relating to cloud subscriptions resulted in a cost of materials ratio of 41%, which is thus slightly higher year on year (39%).

Personnel expenses increased to EUR 48.9 million (plus 16%). Because of the change in sales mix and the integration of the newly acquired companies in the 1st quarter, the ratio of personnel expenses to sales declined from 44% to 41% and the personnel expenses per full-time employee (plus 34% to an average of 2,234 FTEs) from KEUR 25 to KEUR 22. The marked increase in other operating expenses and income to EUR 7.1 million (plus 54%) was due to the integration of the newly acquired companies, more travel and increased conference participation. Depreciation, amortisation and impairment of intangible, fixed and right-of-use assets increased to EUR 7.2 million (plus 34%) in connection with the consolidation of the newly acquired companies.

EBITDA totalled EUR 14.7 million (Oct – Dec 2020: EUR 11.3 million), up 30%; while EBITA amounted to EUR 9.8 million (plus 39%). The EBITDA margin relative to sales was 12.4% (Oct – Dec 2020: 11.8%). EBIT also increased disproportionately to sales performance, by 27% to EUR 7.6 million, resulting in an improvement in the EBIT margin to 6.4% (Oct – Dec 2020: 6.2%).

The financial result for the 3-month period was at the prior-year level of minus EUR 0.3 million. EBT totalled EUR 7.3 million (plus 30%). Income taxes amounted to minus EUR 2.1 million (Oct – Dec 2020: minus EUR 1.8 million), equivalent to an income tax rate of 28%, which is 3 percentage points below the prior-year level of 31%. The result for the period rose by 36% to EUR 5.2 million and earnings per share by 39% to EUR 1.04.

Revenue and earning performance by segment

	CORE		LOB	
in KEUR	10/2021 – 12/2021	10/2020 – 12/2020 ¹	10/2021 – 12/2021	10/2020 – 12/2020 ¹
Statement of profit and loss				
External sales revenue	103,063	80,121	16,098	15,442
Intersegment revenue	1,374	1,112	2,323	2,273
Sales revenue	104,437	81,233	18,421	17,715
Segment EBIT	6,994	4,636	576	1,314
Segment EBIT margin (in %)	6.7	5.7	3.1	7.4

1) Prior-year figures adjusted

Analysis of the segments clarifies the effects discussed above. Sales in the **CORE** segment (ERP and collaboration solutions) increased by 29% to EUR 104.4 million following the acquisitions in Poland and Switzerland. The segment EBIT improved by 51% to EUR 7.0 million. The strong growth in CONVERSION/4 business will continue to have a positive impact on the sales of this segment. Since the segment also covers areas such as IoT & Machine Learning and New Work & Collaboration, Strategy & Management Consulting were classified as part of the CORE segment at the start of the financial year. Prior-year figures have been adjusted accordingly to improve comparability.

The **LOB** segment (lines of business solutions) offers additional growth and margin potential through recurring cloud subscriptions and our own add-on solutions. Capacity utilisation was, in some areas, below budget as a result of the uncertainty among our customers with regard to the pandemic and economic development. LOB segment sales increased by 4% to EUR 18.4 million and EBIT declined by minus 56% to EUR 0.6 million. The segment's EBIT margin is therefore 3.1% (Oct – Dec 2020: 7.4%) and thus below the Group's EBIT margin. The situation should continue to stabilise as long as our customers do not postpone further in the face of supply chain problems, pandemic progress, or the like.

EMPLOYEES

	10/2021 – 12/2021	10/2020 – 12/2020
Employees		
Number of employees (period end)	2,504	1,877
Number of full-time equivalents (Ø)	2,234	1,671
Non-financial performance indicators		
Employee retention (in %)	93.6	93.6
Health index (in %)	96.7	97.3

Keeping our staff healthy at work and in their personal environments is our top priority. The health index declined slightly, whereas employee retention remained stable and is, we believe, still above the industry average.

ASSETS AND FINANCIAL SITUATION

Assets situation

The balance sheet total as of 31 December 2021 increased by 17% to EUR 309.0 million (30 Sep 2021: EUR 264.9 million). Accordingly, **assets** increased in value by EUR 44.0 million. The decline in cash and cash equivalents of EUR 17.0 million was largely due to the outflows relating to the payment of fixed purchase prices for the acquisition of new subsidiaries. Trade receivables (plus EUR 20.1 million) increased due to the consolidation of the new subsidiaries and to higher sales towards the end of the quarter.

Liabilities were affected primarily by the increase in trade payables (plus EUR 11.3 million) and other liabilities (plus EUR 30.4 million). The increase is a result of the consolidation of the new companies and also the high level of sales towards the end of the quarter. Other liabilities include purchase price obligations relating to variable purchase price components for the shares in All for One Poland, ASC Group and blue-zone among others.

Equity increased by EUR 5.5 million to EUR 96.9 million, whereas the equity ratio declined to 31% (30 Sep 2021: 35%) due to the expanded balance sheet. Net debt now amounts to EUR 30.4 million (30 Sep 2021: EUR 13.8 million).

Financial situation

Cash flow from operating activities totalled EUR 1.0 million (Oct – Dec 2020: EUR 0.4 million), due primarily to the higher EBIT (plus EUR 1.6 million) compared to the prior-year quarter. In reconciling the result for the period to the cash flow from operating activities, the higher trade payables and receivables are particularly noticeable and were due mainly to high license sales in December 2021.

Cash flow from investing activities totalled minus EUR 13.9 million (Oct – Dec 2020: minus EUR 0.5 million) and therefore increased significantly. The cash outflows were primarily due to the payment of purchase prices to acquire the new subsidiaries.

Cash flow from financing activities amounted to minus EUR 4.2 million (Oct – Dec 2020: minus EUR 3.3 million), mainly due to outflows to redeem lease liabilities. As a result, cash funds totalled EUR 58.0 million as of 31 December 2021 (31 Dec 2020: EUR 65.7 million).

OUTLOOK

The inorganic growth from the acquired companies and the expected continued high demand from customers will have a positive impact on Group sales growth. Our sales pipeline is well filled, and our CONVERSION/4 subscription model for transformation and innovation with SAP S/4HANA is gaining considerable pace. On this basis, we are confirming our guidance for financial year 2021/22. We expect sales of between EUR 430 million and EUR 450 million and EBIT in a range from EUR 24 million to EUR 26 million.

Uncertainty still surrounds the progress of further decreasing pandemic waves and the question of how long the optimistic mood will prevail, however. The biggest risk facing delivery of this guidance is therefore posed by renewed setbacks in economic development. We are driving the integration of our acquisitions and, building on this, have developed new mid-term targets that also reflect CONVERSION/4 sales moving forwards.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2021 TO 31 DECEMBER 2021

in KEUR	10/2021 – 12/2021	10/2020 – 12/2020
Sales revenue	119,161	95,563
Other operating income	1,191	1,024
Cost of materials and purchased services	-48,446	-37,477
Personnel expenses	-48,896	-42,312
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-7,155	-5,355
Impairment losses on financial assets	-41	119
Other operating expenses	-8,242	-5,610
EBIT	7,572	5,952
Financial income	1	6
Financial expense	-275	-341
Financial result	-274	-335
EBT	7,298	5,617
Income tax	-2,063	-1,763
Result for the period	5,235	3,854
attributable to owners of the parent	5,201	3,745
attributable to non-controlling interests	34	109
Earnings per share		
Undiluted and diluted earnings per share (in EUR)	1.04	0.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2021 TO 31 DECEMBER 2021

in KEUR	10/2021 – 12/2021	10/2020 – 12/2020
Result for the period	5,235	3,854
Items that will not be reclassified to profit or loss in subsequent periods		
Unrealised profits (+) / losses (-) from currency translation	285	3
Other comprehensive income	285	3
Total comprehensive income	5,520	3,857
attributable to owners of the parent	5,486	3,748
attributable to non-controlling interests	34	109

CONSOLIDATED BALANCE SHEET OF ALL FOR ONE GROUP

AS AT 31 DECEMBER 2021

Assets		
in KEUR	31.12.2021	30.09.2021
Current assets		
Cash and cash equivalents	57,994	75,005
Finance lease receivables	4,311	4,348
Trade receivables	60,592	40,499
Contract assets	7,573	4,671
Income tax assets	815	510
Other assets	10,652	9,329
	141,937	134,362
Non-current assets		
Goodwill	49,082	30,730
Other intangible assets	47,523	29,856
Fixed assets	15,463	15,240
Right-of-use assets	40,081	39,958
Finance lease receivables	7,088	6,898
Deferred tax assets	394	327
Other assets	7,415	7,576
	167,046	130,585
Total assets	308,983	264,947
Equity and liabilities		
in KEUR	31.12.2021	30.09.2021
Current liabilities		
Other provisions	816	824
Liabilities to financial institutions	10,991	10,983
Lease liabilities	12,749	12,075
Trade payables	30,232	18,951
Contract liabilities	10,980	10,245
Liabilities to employees	16,261	25,943
Income tax liabilities	3,938	2,762
Other liabilities	21,456	7,787
	107,423	89,570
Non-current liabilities		
Pension provisions	4,334	2,492
Other provisions	937	937
Liabilities to financial institutions	37,418	37,413
Lease liabilities	27,225	28,359
Deferred tax liabilities	16,897	13,690
Other liabilities	17,801	1,058
	104,612	83,949
Equity		
Issued capital	14,946	14,946
Reserves	81,759	76,273
Share of equity attributable to owners of the parent	96,705	91,219
Non-controlling interests	243	209
	96,948	91,428
Total liabilities and equity	308,983	264,947

CONSOLIDATED CASH FLOW STATEMENT

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2021 TO 31 DECEMBER 2021

in KEUR	10/2021 – 12/2021	10/2020 – 12/2020
Result for the period	5,235	3,854
Income tax	2,063	1,763
Financial result	274	335
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	7,155	5,355
Increase (+) / decrease (-) in value adjustments and provisions	6	-173
Gains (-) / Losses (+) from the disposal of non-current assets	-18	-25
Increase (-) / decrease (+) in trade receivables	-12,987	-4,994
Increase (+) / decrease (-) in trade payables	6,689	4,286
Other changes	-6,125	-8,881
Income tax refunds (+) / payments (-)	-1,293	-1,073
Cash flow from operating activities	999	447
Payments for purchase of intangible and fixed assets	-795	-628
Proceeds from sale of intangible assets and fixed assets	21	94
Purchase of subsidiary, net of cash and cash equivalents acquired	-13,118	0
Interest received	12	7
Cash flow from investing activities	-13,880	-527
Repayment of lease liabilities	-3,638	-2,819
Interest paid	-521	-472
Cash flow from financing activities	-4,159	-3,291
Increase (+) / decrease (-) in cash and cash equivalents	-17,040	-3,371
Effect of exchange rate fluctuations on cash funds	29	-1
Cash funds at start of period	74,973	69,089
Cash funds at end of period	57,962	65,717

ADDITIONAL INFORMATION

General principles

This quarterly statement has been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with Section 51a of the regulations issued by the Frankfurt Stock Exchange (FWB). The quarterly statement has not been audited. Unless otherwise indicated, »All for One Group«, »company« or »Group« in this quarterly statement all refer to All for One Group SE including its subsidiaries. The quarterly statement was prepared in accordance with the accounting and measurement methods applying as at 30 September 2021. The figures include all ongoing business transactions and deferrals that we deem necessary to ensure correct presentation of the interim results. We believe that the information and explanations presented in this report present a fair and true picture of our net assets, financial position and results of operations. Our business is subject to various seasonal fluctuations, while major contract acquisitions and the execution of large contracts can significantly change sales and earnings results.

Our quarterly statement contains forecasts, estimates and expectations that involve risks and uncertainties. Actual results and developments may differ considerably from our expectations and assumptions. Such deviations may be the result of changes in the general economic situation and competitive environment, especially in our core business areas and markets, or amendments to laws, especially those governing taxation. We are under no obligation to update the statements in this quarterly statement.

Subsequent events

No events subject to disclosure occurred since 31 December 2021.

All for One Group SE

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IR SERVICE

Our website offers extensive investor relations services. Apart from finding company reports, analyst reports, financial presentations and information about our annual general meeting, you can also add your name to the mailing list to receive press releases and financial announcements.

www.all-for-one.com/ir-english

ALL FOR ONE GROUP SE

All for One Group increases the competitiveness of companies in a digital world. The Group unites strategic and management consulting, process consulting, industry insight and technology expertise in combination with IT consulting and services under one roof. With market leading business software solutions based on SAP, Microsoft and IBM together with more than 2,500 experts, All for One Group SE orchestrates all aspects of competitive strength: strategy, business model, customer & employee experience, new work, big data & analytics, but also IoT, artificial intelligence or cybersecurity & compliance and intelligent ERP as the digital core. The leading consulting and IT group supports more than 3,000 clients from Germany, Austria, Poland and Switzerland in their business transformation. All for One Group SE achieved Group sales of EUR 373 million in financial year 2020/21 and is listed in the Prime Standard on the Frankfurt Stock Exchange.