

QUARTERLY STATEMENT AS OF 31 DECEMBER 2023

Significant growth in sales and margins in Q1 2023/24 // Disproportionate cloud growth // First in class for SAP cloud business // First in class for migrations to SAP S/4HANA around the globe // Management board confirms guidance for 2023/24

REVENUE	
in EUR millions	
10/2023 – 12/2023	10/2022 – 12/2022
133.8	120.4
+11%	

EBIT BEFORE M&A EFFECTS (NON-IFRS)	
in EUR millions	
10/2023 – 12/2023	10/2022 – 12/2022
11.0	6.3
+76%	

RECURRING REVENUE	
in EUR millions	
10/2023 – 12/2023	10/2022 – 12/2022
70.1	63.4
+11%	

RESULT FOR THE PERIOD	
in EUR millions	
10/2023 – 12/2023	10/2022 – 12/2022
6.7	6.0
+10%	

- Sales increase organically by 11% to EUR 133.8 million (Oct 2022 – Dec 2022: EUR 120.4 million; Share of recurring revenues is 52% (Oct 2022 – Dec 2022: 53%))
- Recurring revenues increase by 11%
- Strong growth (plus 23%) driven by S/4HANA migrations using CONVERSION/4
- Licence sales (incl. commission) significantly up year on year
- EBIT before M&A effects (non-IFRS) up 76% to EUR 11.0 million; EBIT margin before M&A effects (non-IFRS) increased to 8.2% (Oct 2022 – Dec 2022: 5.2%)
- Pole position: Ranked 1st in 2023 for SAP conversions around the globe and for SAP cloud business in Central Europe
- 2023/24 outlook confirmed

POLE POSITION IN THE SAP ENVIRONMENT AND IN THE CLOUD

In the quarter just ended, All for One Group was able to record gratifying sales performance that has further strengthened its leading position as a provider of SAP services in the DACH region. Particularly noteworthy is the excellent standing of the Group in the SAP environment, where it is the leading SAP cloud partner in Central Europe. In 2023, All for One Group was acknowledged to be the strongest selling partner for all SAP cloud solutions in Central Europe. With the aid of its CONVERSION/4 model powered by Bluefield™ developed by SNP (Schneider-Neureither & Partner SE, Heidelberg), the company also ranks first among conversion partners around the globe and has successfully migrated more businesses to SAP S/4HANA than any other.

All of which provides a solid foundation for the growth strategy over the coming years. The timely realignment of the business model to the changing market environment – and especially to the shift of the SAP portfolio to the cloud – and the successful restructuring of the CORE segment have proven to be forward looking. The Group is increasingly reaping the benefits of its Cloud First approach, the expansion of its portfolio of products and services and its »CONVERSION/4« migration model. These strategic decisions are making it possible to successfully satisfy growing customer requirements.

ALL FOR ONE RECEIVES GROW WITH SAP CERTIFICATION

All for One Group has received »GROW with SAP« certification, documenting its ability to support midmarket businesses when rolling out cloud ERP. The offering encompasses products, best practice support, accelerating services, a community and training options to support a customer's smooth transition to SAP S/4HANA Cloud, Public Edition. The certification is awarded subject to compliance with strict market maturity and competence criteria defined by SAP. As one of SAP's most successful partners worldwide, All for One Group spotlights its years of experience and believes the GROW with SAP certification guarantees success when rolling out Cloud ERP solutions. It emphasises the predictable, cost-efficient and rapid implementation, and the scalability of the model for the future.

EXPANSION OF TOP MANAGEMENT

Effective 1 November 2023, All for One Group expanded its top management by appointing Ursula Porth as Chief Human Resources Officer (CHRO) and Christian Hopfner as Chief Strategy Officer (CSO). Group Executives Carsten Lange and Ralf Linha assumed additional responsibilities at the same time. Carsten Lange was appointed Chief Commercial Officer (CCO) and Ralf Linha Chief Operating Officer (COO). The strategic expansion of top management aims to help sustainably achieve the Group's objectives with regard to customer orientation, appealing to employees and attracting investor interest. The goal always being to position the Group as an international provider of IT, consulting and services.

INTERNATIONALISATION OF SERVICES AND THE TEAM

Working with the global United VARs network, All for One Group offers its customers global SAP services and support. The »think global, act local« strategy drives an integrated service model that unites global awareness with local engagement. Customers can access SAP application services around the globe through a central point of contact and a single contract and service model. Internationally operating corporations benefit from 24/7 support no matter what time zone they are in and from local adaptations by local partners with local knowledge of the law, customs duties, taxes and culture. This solution is particularly suitable for internationally operating midmarket businesses that use harmonised SAP systems the world over and want to centralise the servicing of the same.

At the same time, the expansion of the Regional Delivery Centers in Egypt, Poland and Turkey is progressing on schedule. Focus is on consolidation, integration and margin improvement. The team of meanwhile around 680 employees is increasingly being involved in projects and support structures and their incorporation into the organisational structures is progressing.

SHARE BUYBACK PROGRAMME EXTENDED

On 12 October 2022, All for One Group SE resolved to implement a share buyback programme via the stock exchange valid for the period from 13 October 2022 to 12 October 2023 to repurchase up to 100,000 treasury shares, representing a volume of EUR 5.5 million (excl. transaction-related costs). On 12 October 2023, it was decided to extend the current share buyback programme until 11 October 2024. Under this programme, a total of 55,094 shares with a value of EUR 2.3 million were repurchased up to 31 December 2023.

RESULTS OF OPERATIONS

Sales development		
in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Cloud services and support (1)	34,588	29,852
Software licences and support (2)	46,017	38,042
Software licences	15,518	8,587
Software support (3)	30,499	29,455
Consulting and services	48,147	48,464
CONVERSION/4 (4)	5,001	4,075
Total	133,753	120,433
Cloud and software revenue (1)+(2)	80,605	67,894
Recurring revenue (1)+(3)+(4)	70,088	63,382

The trend surrounding digitalisation, cloud transformation and the need for customers to migrate to SAP S/4HANA is steadily increasing. Given its outstanding position in the SAP environment and the optimisations and improvements that were put in place last year, the Group is expected to reap above-average benefits from a growing market for IT consulting and services.

In the first three months of 2023/24, Group sales revenues of EUR 133.8 million were 11% higher than the prior-year figure of EUR 120.4 million. Recurring revenues, which are easier to budget, increased by 11%. The trend towards the cloud is particularly visible in the Cloud Services and Support revenues (plus 16% to EUR 34.6 million), whereas Software Support sales only increased slightly, to EUR 30.5 million (plus 4%). Sales associated with the CONVERSION/4 service model increased by 23% to EUR 5.0 million (Oct 2022 – Dec 2022: EUR 4.1 million). Together, these recurring revenues of EUR 70.1 million account for 52% (Oct 2022 – Dec 2022: 53%) of total sales.

Licensing revenues (incl. commission) exceeded expectations, increasing to EUR 15.5 million (plus 81%) in Q1 2023/24, and reflect in particular the growing demand from new and existing customers for cloud-based SAP S/4HANA solutions (RISE). Due to a slightly weaker capacity utilisation in the LOB segment, consulting and services revenues declined by 1% (Oct 2022 – Dec 2022: EUR 48.5 million).

Earnings performance

in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Sales revenue	133,753	120,433
Cost of materials and purchased services	-49,755	-44,228
Personnel expenses	-58,000	-55,464
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-6,839	-7,133
Impairment losses on financial assets	-59	-81
Other operating expenses/income	-9,552	-5,824
EBIT	9,548	7,702
Financial result	-263	-575
EBT	9,285	7,127
Income tax	-2,629	-1,101
Result for the period	6,656	6,026

The cost of materials and purchased services rose by 12% to EUR 49.8 million in line with sales. In addition, the higher cost of materials is a result of the increased use of external consulting resources («freelancers») from our partner network. The cost of materials ratio remains unchanged at 37%.

Personnel expenses increased overall by 5% to EUR 58.0 million, while the ratio of personnel expenses to sales improved from 46% to 43%. In Q1 2023/24, personnel expenses per full-time equivalent increased slightly from KEUR 22 to KEUR 23. The increase in other operating expenses and income to EUR 9.6 million (plus 64%) was mainly attributable to the absence of other acquisition-related income following the premature increase of the stake in All for One Poland in the prior year.

Reconciliation to EBIT before M&A effects (non-IFRS)

in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Earnings before interest and taxes (EBIT)	9,548	7,702
+ impairment of goodwill	0	0
+ acquisition-related depreciation, amortisation and impairment on other intangible assets	1,468	1,589
+/- other acquisition-related expenses (and income)	0	-3,039
EBIT before M&A effects (non-IFRS)	11,016	6,252

In the first three months of 2023/24, EBIT before M&A effects (non-IFRS) increased significantly by 76% to EUR 11.0 million (Oct 2022 – Dec 2022: EUR 6.3 million). The corresponding EBIT margin before M&A effects (non-IFRS) was 8.2% (Oct 2022 – Dec 2022: 5.2%). In the same period, EBIT increased by 24% and totalled EUR 9.5 million. At 7.1%, the EBIT margin is above the prior year level (Oct 2022 – Dec 2022: 6.4%).

At minus EUR 0.3 million, the financial result for the 3-month period 2023/24 was better than the prior-year quarter (Oct 2022 – Dec 2022: minus EUR 0.6 million), despite a higher volume of promissory notes issued at higher financing interest rates due to rising interest income. EBT totalled EUR 9.3 million (plus 30%). At EUR 2.6 million (Oct 2022 – Dec 2022: EUR 1.1 million), income taxes were significantly higher than the previous year, which was influenced by tax differences relating to the acquisition of the shares in All for One Poland. The result for the period increased by 10% to EUR 6.7 million and earnings per share by 11% to EUR 1.33.

Sales revenue and earnings performance by segment

	CORE		LOB	
in KEUR	10/2023 – 12/2023	10/2022 – 12/2022 ¹	10/2023 – 12/2023	10/2022 – 12/2022 ¹
Statement of profit and loss				
External sales revenue	117,835	104,307	15,918	16,126
Intersegment revenue	1,691	1,924	2,582	3,105
Sales revenue	119,526	106,231	18,500	19,231
Segment EBIT (EBIT before M&A effects (non-IFRS))	9,511	4,639	1,504	1,615
Segment EBIT margin before M&A effects (non-IFRS) (in %)	8.0	4.4	8.1	8.4

1) Prior-year figures adjusted

Backed by a solid order pipeline, sales in the **CORE** (ERP and collaboration solutions) increased significantly at the start of the financial year by 13% to EUR 119.5 million over the 3-month period 2023/24. The continuing strong growth in CONVERSION/4 business and in cloud business made a major contribution to this increase. EBIT before M&A effects (non-IFRS) in the CORE segment more than doubled to EUR 9.5 million following the successful completion of a restructuring programme. Extraordinarily strong licensing business (incl. commission) also contributed to this increase. The EBIT margin before M&A effects (non-IFRS) was 8.0%.

The **LOB** (Lines of Business) segment offers additional growth and margin potential through recurring cloud subscriptions and the Group's own add-on solutions. Capacity utilisation in the LOB (lines of business) segment fell slightly short of expectations due to the current economic environment. LOB segment sales decreased by 4% to EUR 18.5 million. EBIT before M&A effects (non-IFRS) was EUR 1.5 million. The segment's EBIT margin before M&A effects (non-IFRS) of 8.1% (Oct 2022 – Dec 2022: 8.4%) is slightly lower than the prior-year level.

ASSETS AND FINANCIAL POSITION

Assets position

The balance sheet total as of 31 December 2023 increased by 1% to EUR 345.4 million (30 Sep 2023: EUR 341.7 million). Accordingly, **assets** increased in value by EUR 3.7 million. Trade receivables, in particular, together with contract assets increased by EUR 12.1 million in total whereas cash and cash equivalents fell by minus EUR 5.0 million to EUR 57.5 million.

Liabilities amounted to EUR 236.9 million (30 Sep 2023: EUR 241.6 million) as of 31 December 2023, down by 2%. Liabilities to employees decreased by EUR 12.1 million to EUR 21.6 million mainly as a result of bonus and severance payments. Higher wage tax liabilities at calendar year-end, in particular, caused other liabilities to increase by plus 42% to EUR 26.8 million.

Equity increased by 8% to EUR 108.5 million, while the equity ratio increased to 31% (30 Sep 2023: 29%). Net debt now amounts to EUR 61.8 million (30 Sep 2023: EUR 58.6 million).

Financial position

Cash flow from operating activities decreased to EUR 0.8 million (Oct 2022 – Dec 2022: EUR 5.4 million). This was predominantly due to higher cash outflows for trade payables (minus EUR 12.0 million) compared to the prior-year period.

Cash flow from investing activities totalled minus EUR 0.7 million (Oct 2022 – Dec 2022: minus EUR 11.6 million), as the cash outflows in the prior year resulted largely from the purchase of the outstanding stake in All for One Poland.

Cash flow from financing activities amounted to minus EUR 5.0 million (Oct 2022 – Dec 2022: minus EUR 5.5 million). This was primarily attributable to the repayment of lease liabilities (EUR 3.8 million) and to payments relating to the share buyback programme

Cash funds totalled EUR 57.3 million as of 31 December 2023 (31 Dec 2022: EUR 65.5 million).

EMPLOYEES

	10/2023 – 12/2023	10/2022 – 12/2022
Employees		
Number of employees (period end)	2,807	2,787
Number of full-time equivalents (Ø)	2,521	2,494
Non-financial performance indicators		
Employee retention (in %)	90.2	90.7
Health index (in %)	95.4	96.0

The IT sector continues to suffer from a shortage of specialists. For the Group, sustained business success is closely linked to highly qualified employees, which is why it is continuing to invest more in recruiting, developing and retaining staff. The Regional Delivery Centers in Poland, Turkey and Egypt provide key support for upholding and further enhancing the quality and speed of customer support.

Employee retention at 90.2%, is down year on year, due to competition and acquisition-related influences, although All for One Group still believes it to be in line with the industry average. The impacts of the wave of illnesses, including flu and Covid-19, are reflected in a higher rate of sick leave and thus a slightly reduced health index of 95.4% compared to 96.0% in the prior year.

OUTLOOK

The management board is holding firm to its guidance for financial year 2023/24. As things stand at present, and presuming a continued robust and steady stream of incoming orders and a stable and broad customer base, the excellent position of the Group in the SAP environment, and based on the growth rates predicted for the IT consulting and services market, the management board of All for One Group expects sales to be between EUR 505 million and EUR 525 million in financial year 2023/24 (2022/23: EUR 488 million). EBIT before M&A effects (non-IFRS) is predicted to be in a range between EUR 32 million and EUR 36 million (2022/23: EUR 17.7 million).

In light of the global uncertainty prevailing in the markets, it is again difficult at present to offer a medium-term outlook. All for One Group is budgeting for robust organic sales growth over the coming years in the mid-single-digit percentage range (depending on future inflation levels, among other things) that will be supplemented by inorganic growth in areas of the portfolio offering future promise. The Group expects EBIT before M&A effects (non-IFRS) to range between 7% and 8% of sales revenues in financial year 2024/25.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2023 TO 31 DECEMBER 2023

in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Sales revenue	133,753	120,433
Other operating income	1,587	4,971
Cost of materials and purchased services	-49,755	-44,228
Personnel expenses	-58,000	-55,464
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-6,839	-7,133
Impairment losses on financial assets	-59	-81
Other operating expenses	-11,139	-10,795
EBIT	9,548	7,702
Financial income	372	50
Financial expense	-635	-625
Financial result	-263	-575
EBT	9,285	7,127
Income tax	-2,629	-1,101
Result for the period	6,656	6,026
attributable to owners of the parent	6,622	5,965
attributable to non-controlling interests	34	61
Earnings per share		
Undiluted and diluted earnings per share (in EUR)	1.33	1.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2023 TO 31 DECEMBER 2023

in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Result for the period	6,656	6,026
Items that might be reclassified to profit or loss in subsequent periods		
Unrealised profits (+) / losses (-) from currency translation	2,727	540
Other comprehensive income	2,727	540
Total comprehensive income	9,383	6,566
attributable to owners of the parent	9,351	6,504
attributable to non-controlling interests	32	62

CONSOLIDATED BALANCE SHEET OF ALL FOR ONE GROUP

AS OF 31 DECEMBER 2023

Assets		
in KEUR	31.12.2023	30.09.2023
Current assets		
Cash and cash equivalents	57,549	62,587
Finance lease receivables	4,640	4,205
Trade receivables	69,204	61,658
Contract assets	15,590	11,030
Income tax assets	2,296	2,910
Other assets	17,370	19,937
	166,649	162,327
Non-current assets		
Goodwill	68,604	66,784
Other intangible assets	31,604	32,836
Fixed assets	17,469	17,322
Right-of-use assets	41,600	44,487
Finance lease receivables	8,843	7,167
Deferred tax assets	630	645
Other assets	9,993	10,084
	178,743	179,325
Total assets	345,392	341,652
Equity and liabilities		
in KEUR	31.12.2023	30.09.2023
Current liabilities		
Other provisions	3,318	4,068
Liabilities to financial institutions	4,035	4,034
Lease liabilities	13,164	13,316
Trade payables	30,751	30,369
Contract liabilities	12,858	12,083
Liabilities to employees	21,586	33,715
Income tax liabilities	4,065	3,776
Other liabilities	26,229	17,173
	116,006	118,534
Non-current liabilities		
Pension provisions	1,297	1,287
Other provisions	760	757
Liabilities to financial institutions	73,365	73,360
Lease liabilities	28,828	30,451
Deferred tax liabilities	15,998	15,463
Other liabilities	616	1,755
	120,864	123,073
Equity		
Issued capital	14,946	14,946
Reserves	95,522	86,170
Treasury shares	-2,280	-1,373
Share of equity attributable to owners of the parent	108,188	99,743
Non-controlling interests	334	302
	108,522	100,045
Total liabilities and equity	345,392	341,652

CONSOLIDATED CASH FLOW STATEMENT

OF ALL FOR ONE GROUP

FROM 1 OCTOBER 2023 TO 31 DECEMBER 2023

in KEUR	10/2023 – 12/2023	10/2022 – 12/2022
Result for the period	6,656	6,026
Income tax	2,629	1,101
Financial result	263	575
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	6,839	7,133
Increase (+) / decrease (-) in value adjustments and provisions	-742	249
Gains (-) / losses (+) from the disposal of non-current assets	-12	-416
Increase (-) / decrease (+) in trade receivables	-6,921	-5,618
Increase (+) / decrease (-) in trade payables	70	12,035
Increase / decrease in other assets and liabilities	-7,147	-11,228
Interest received	399	21
Income tax refunds (+) / payments (-)	-1,193	-4,442
Cash flow from operating activities	841	5,436
Payments for purchase of intangible and fixed assets	-300	-910
Proceeds from sale of intangible assets and fixed assets	12	605
Purchase of subsidiary, net of cash and cash equivalents acquired	-438	-11,279
Cash flow from investing activities	-726	-11,584
Repayment of lease liabilities	-3,777	-3,881
Repayment of liabilities to financial institutions	-6	-9
Payments for share buyback programme	-600	-1,000
Interest paid	-626	-603
Cash flow from financing activities	-5,009	-5,493
Increase (+) / decrease (-) in cash and cash equivalents	-4,894	-11,641
Effect of exchange rate fluctuations on cash funds	392	-79
Cash funds at start of period	61,797	77,201
Cash funds at end of period	57,295	65,481

ADDITIONAL INFORMATION

Basis of preparation

All for One Group SE, Filderstadt, («All for One Group SE» or «Company»), is a European company (Societas Europaea, SE). The company is listed in the commercial register of the District Court of Stuttgart under registration number HRB 774576. Its registered office is Rita-Maiburg-Strasse 40 in 70794 Filderstadt, Germany. All for One Group SE shares are listed in the Prime Standard of the Frankfurt stock exchange (ISIN: DE0005110001). All for One Group SE and the subsidiaries it controls («All for One Group» or «Group») unite strategic and management consulting, process consulting, industry insight and technology expertise, and IT consulting and services under one roof. This quarterly statement of All for One Group SE has been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with Section 53 of the regulations issued by the Frankfurt Stock Exchange (FWB). The quarterly statement does not comply with the requirements of IAS 34 Interim Financial Reporting and has not been audited or reviewed.

This quarterly statement was prepared in accordance with the accounting and measurement methods applying as of 30 September 2023. The figures include all ongoing business transactions and accruals that the company deems necessary to ensure correct presentation of the interim results. The company believes that the information and explanations presented in this report present a true and fair view of its net assets, financial position and results of operations. In light of the business model and the associated volatilities, the interim results of the Group are not necessarily indicative of business performance over the further course of time.

The quarterly statement contains forecasts, estimates and expectations that involve risks and uncertainties. Actual results and developments may differ considerably from expectations and assumptions made. Such deviations may be the result of changes in the general economic situation and competitive environment, especially in the core business areas and markets, or amendments to laws, especially those governing taxation.

The reporting currency and functional currency of the quarterly statement of All for One Group SE is the euro (EUR). Unless otherwise indicated, all amounts are reported in thousands of euros (KEUR). For technical reasons, the information provided in these financial statements may contain rounding differences of +/- one unit (KEUR, %, etc.).

The quarterly statement for the reporting period ending 31 December 2023 was approved for publication by the management board of All for One Group SE on 9 February 2024.

Subsequent events

No events occurred after the reporting date that have a significant impact on the net assets, financial position and results of operations of the All for One Group.

IR SERVICE

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

ALL FOR ONE GROUP SE

All for One Group is an international IT, consulting and service provider with a strong SAP focus. Determined to translate technology into a clear business advantage, the Group specialises in specific sectors of industry, accompanying and supporting the sustainable transformation of its more than 3,500 midmarket customers in Germany, Austria, Poland and Switzerland on their journey to the cloud. Focus is on SAP S/4HANA, which forms the digital core for the industry-specific processes throughout a business. All for One Group is the leading SAP partner in Central and Eastern Europe, both for transformations to SAP S/4HANA using its innovative CONVERSION/4 model, and for SAP cloud business.

In financial year 2022/23, All for One Group SE generated sales of EUR 488 million with its team of almost 3,000 employees. The Group is based in Filderstadt near Stuttgart, in Germany, and is listed in the Prime Standard on the Frankfurt Stock Exchange.

All for One Group SE

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