

**ALLGEIER**

Driving Technology

# ALLGEIER

Investor Update  
January 2020



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# Agenda

**Allgeier at a glance**

**Business Overview**

**Financial Performance**

**Summary & Outlook**



# Allgeier at a glance

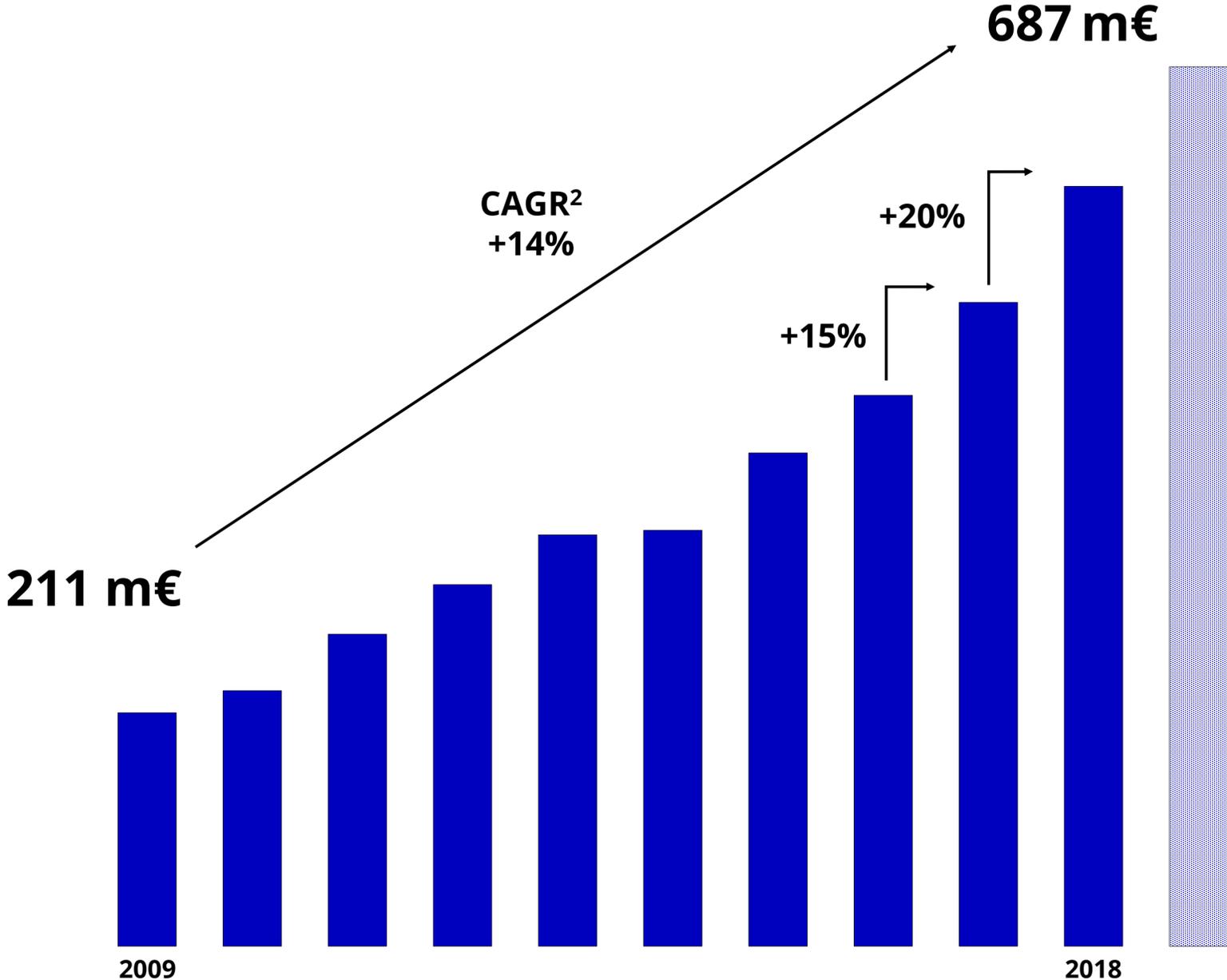
**Digitalization is questioning many things that have proven their worth in organizations of all sizes over a long period of time. Instead of predictable innovation cycles, disruptive changes take place that can devalue or even obsolete successful business strategies within only a few years.**

**Allgeier is guiding its customer through the challenges of digital transformation to ensure their future success. We are thinking breakthroughs for new digital business models, taking strategic priorities and executing fast and without fuss groundbreaking projects to create agile and intelligent enterprise for the digital era.**



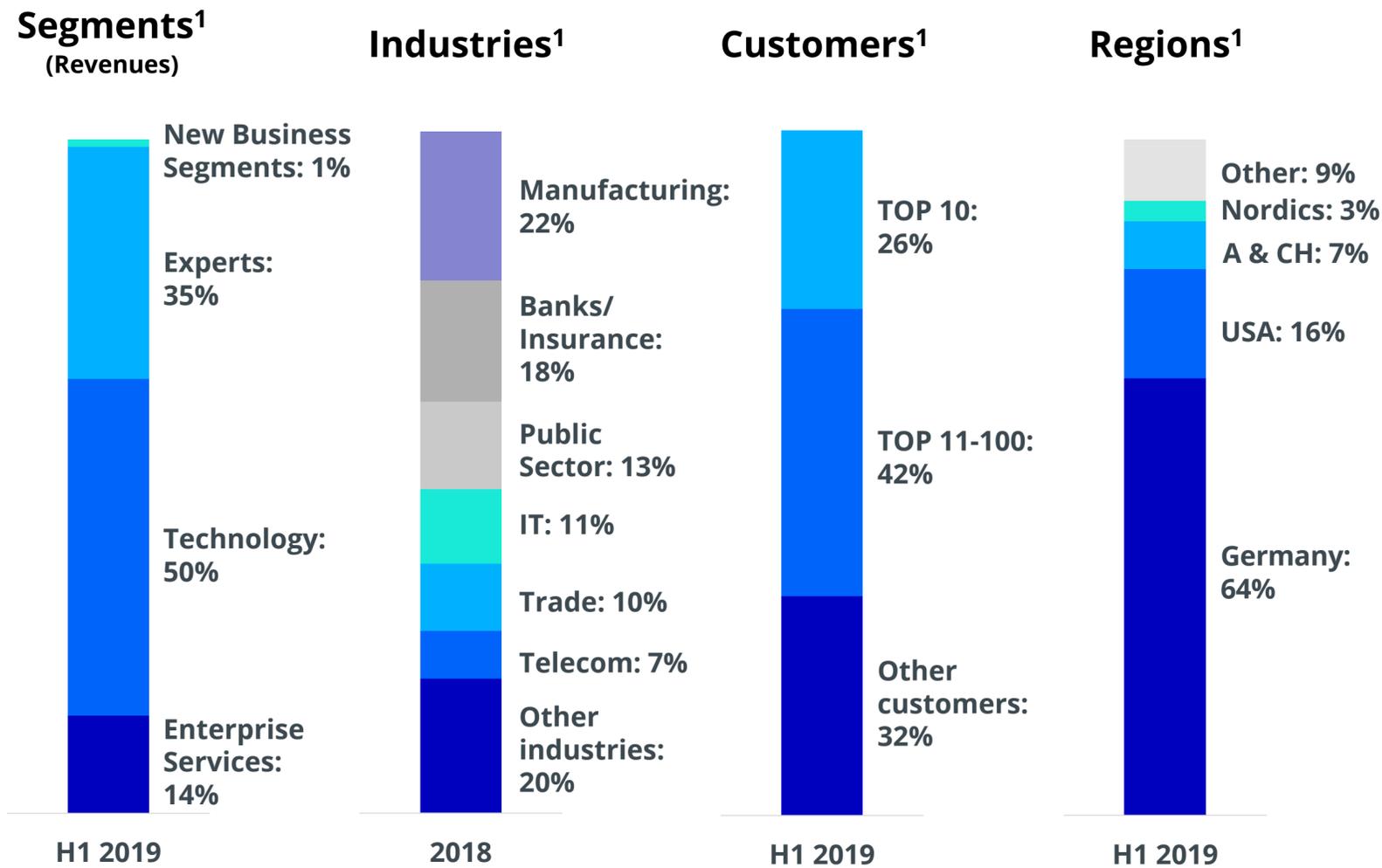
### High growth in sales<sup>1</sup>

Allgeier is expanding quickly with continuous double-digit growth rates and business spreading across 28 countries worldwide



1) Continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15  
2) Compound Annual Growth Rate

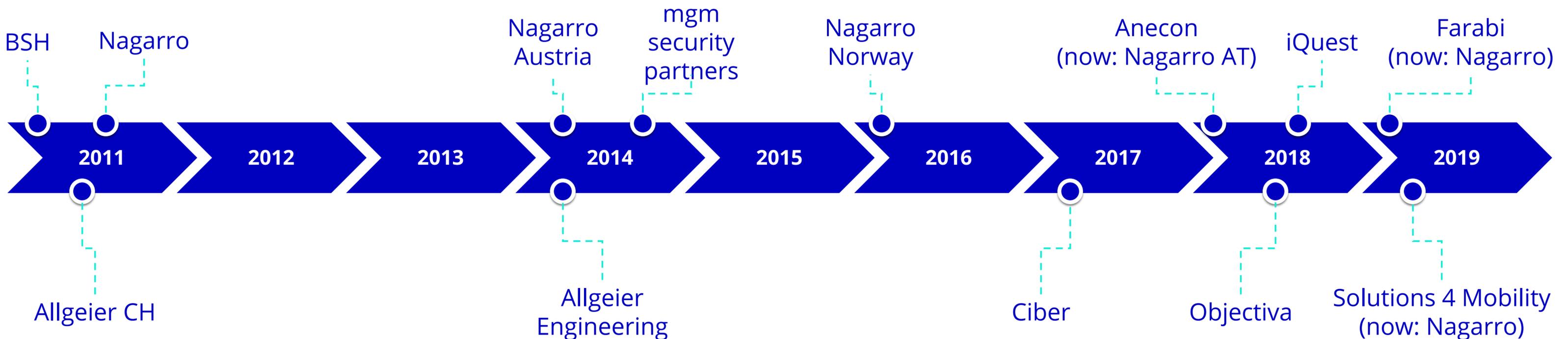
# Allgeier is broadly positioned across regions, customers and industries



**74 locations | 28 countries | 5 continents**  
**Locations<sup>1</sup>:** Europe 43, APAC & Middle East 17, Africa 2, North America 12  
**Staff<sup>1</sup>:** Europe >5,500, India ≈4,500, APAC & Middle East ≈600, Americas >200

1) Continuing operations according to IFRS, segments, staff, customers, regions (H1 2019) as of June 30, 2019, industries (FY 2018) as of December 31, 2018

# Impressive track record of more than **13 strategic acquisitions** over the recent 8 years to deepen the technology footprint



# Value Proposition



Strategically focused on **IT megatrends** such as AI, Machine Learning, Big Data, IoT, Cloud Services & Next-Gen User Experience **in attractive industries**



Portfolio of **best-in-class technology companies** that unite to adapt quickly and easily to customers digital transformation needs



**Global outreach** across 28 countries to secure customer proximity, **agility** in delivery and **leverage cost efficiencies** with regional footprint



Driving technology to further deepen **cutting-edge skills** to maintain market leadership



Partnering with and trusted by a **solid base** DAX and Fortune 500 companies as well as mid-sized industry leaders.



Proven **successful M&A track record** and further accelerating growth by value-adding acquisitions in strategic Group segments



# Business Overview



# Business Segments

Highly specialized teams providing cutting-edge technology solutions and services creating competitive advantage for clients



## TECHNOLOGY

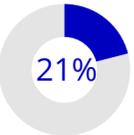
Tailor made software development and technology services for digital disruption to challengers and industry leaders. Combining design, digital solutions and data to outperform the competition.

% of gross profit<sup>1</sup>



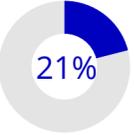
## ENTERPRISE SERVICES

Strategy and process consulting to full implementation, as well as managed services in the context of application management, hosting and cloud services. Scalable, and adaptable software solutions for all industry requirements.



## EXPERTS

Professional Workforce Solutions delivering personnel services and project solutions for digitalization. One-stop shop offering the ideal combination of flexible personnel and project services.



1) Split among the three core segments, state as of June 30, 2019 (H1 2019)

# Technology

Tailor-made software development and technology services for digital disruption to challengers and industry leaders



## Global specialist for digitalization of mission-critical business processes and disruptive technology services

### Solution Portfolio

- Application Development & Management
- Big Data Analytics/DevOps
- Blockchain
- Digital Commerce/Portals
- Digital Transformation, Improvement
- UX/Experience Design
- Software Engineering & Lifecycle
- Quality Engineering/Testing
- IoT/Wearables & Mobility
- Application Services
- Cloud
- Customer Communication Management
- Security & Compliance
- Innovation Toolkit



**Revenue<sup>1</sup> ≈ EUR 300m**  
**Adj. EBITDA<sup>1</sup> (margin) ≈ EUR 34m (11.5%)**  
**61 % of revenues outside of Germany**



**More than 5,500 software developers & UX designers<sup>1</sup>**



**57 locations in 27 countries<sup>1</sup>**



**Flexible blended shoring at development sites in EU, India, China & Vietnam**

1) In FY 2018, unconsolidated figures, continuing operations according to IFRS, offices/staff as of June 30, 2019

# Enterprise Services

Strategy and process consulting to full implementation, as well as managed services in the context of application management, hosting and cloud services



## Sophisticated SAP & Microsoft consulting and services

### Consulting Services

- ERP
- BPM & ECM
- Security & Compliance
- Infrastructure, Cloud Migration
- Team Efficiency, Communication
- Extended Relationship Management

### Managed Services

- Application Services
- Cloud
- Infrastructure
- Governance & Orchestration
- Cruise IT

### Data Warehouse

- Product Solutions
- Housekeeping Cockpit, ComplianceNow®, Metasonic® Suite, TMaxSoft Suite, Julia MailOffice®, iTrade®, Syntona logic®



**Revenue<sup>1</sup> ≈ EUR 120m**  
**Adj. EBITDA<sup>1</sup> (margin) ≈ EUR 11m (9.8%)**  
**40% recurring revenues**

**SAP® Cloud Focus Partner**

**Global SAP Partner**



**Microsoft Gold Partner**



**≈ 1,000 consultants in EU<sup>1</sup>**

1) In FY 2018, unconsolidated figures, continuing operations according to IFRS, offices/staff as of June 30, 2019

# Experts

Professional Workforce Solutions delivering personnel services and project solutions for digitalization



## Market leading one-stop-shop business for professional workforce solutions and personnel services for digitalization

### Workforce Solutions

#### Contracting

Placement of freelance experts under a service contract

#### Project Services

Managed services, fixed price projects and consulting services

#### Temporary Placement

Placement of permanent experts in the context of temporary employment

#### Permanent Placement

Professional search in the context of recruitment



**Revenue<sup>1</sup> ≈ EUR 280m**  
**Adj. EBITDA<sup>1</sup> (margin) ≈ EUR 5m (1.7%)**



**12 locations<sup>1</sup> for just in time expert services**



**3,000+ IT & Engineering experts<sup>1</sup>**



**100,000+ professionals<sup>1</sup> in IT experts pool**

1) In FY 2018, unconsolidated figures, continuing operations according to IFRS, offices/staff as of June 30, 2019



**Allgeier has a broad customer base:  
68% of sales in FY 2018 months with 100 clients<sup>1</sup>**

<b>Percentage of sales</b>	<b>2018</b>
<b>Biggest single client</b>	<b>3.7%</b>
<b>Three biggest clients</b>	<b>10.4%</b>
<b>25 biggest clients</b>	<b>40.5%</b>
<b>100 biggest clients</b>	<b>68.5%</b>

1) Continuing operations according to IFRS as of December 31, 2018

## Allgeier Group Management Board Members



**Carl Georg Duerschmidt**  
**CEO, Management Board**

Munich, Germany

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With Allgeier since 2001  
Board Member since 2003



**Dr. Marcus Goedsche**  
**Management Board**

Munich, Germany

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With Allgeier since 2007  
Board Member since 2008



**Manas Fuloria, PhD**  
**Management Board**

Delhi, India

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With Allgeier since 2011  
Board Member since 2014



**Hubert Rohrer**  
**Management Board**

Bremen, Germany

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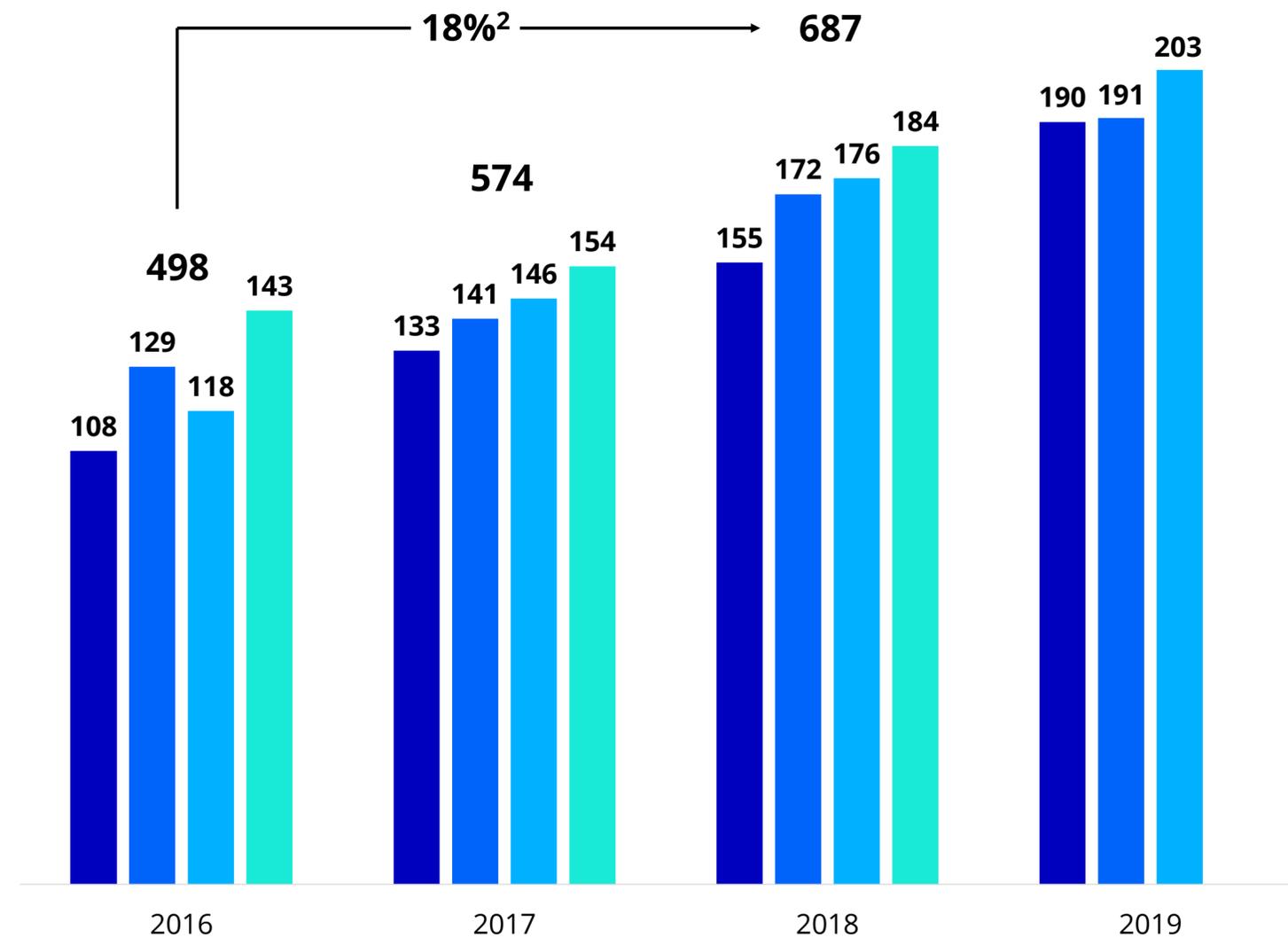
With Allgeier since 1986  
Board Member since 2013



# Financial Performance

## Allgeier is growing at double-digit rates

Sales<sup>1</sup> (on quarterly basis) in EUR m



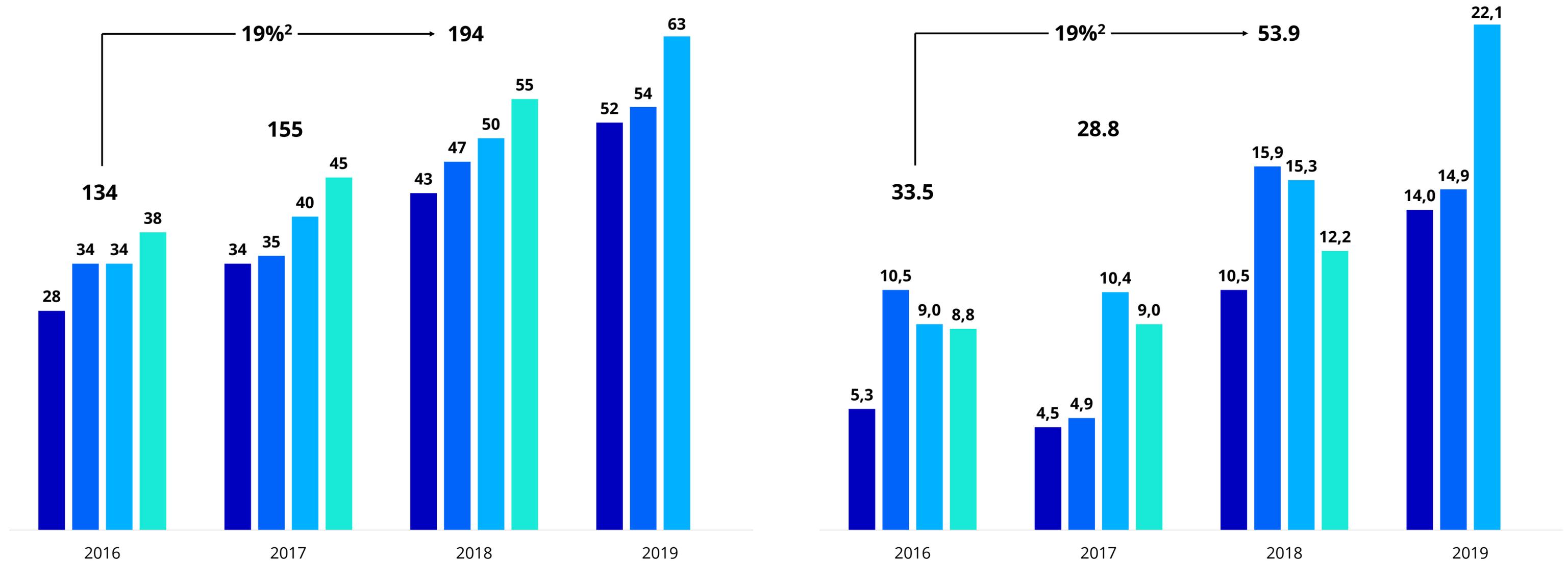
1) Continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15  
 2) Compound Annual Growth Rate

- **Ongoing sales growth** in FY 2018 and FY 2019
- **CAGR<sup>2</sup> 2015 – 2018:** 16%
- Planning for FY 2019:
  - **Sales growth** 15 – 20 %
  - **EBITDA margin** 6.5 – 7 %

# Allgeier continuously improves added value and shows continuous growth in earnings

Gross Profit<sup>1</sup> (on quarterly basis) in EUR m

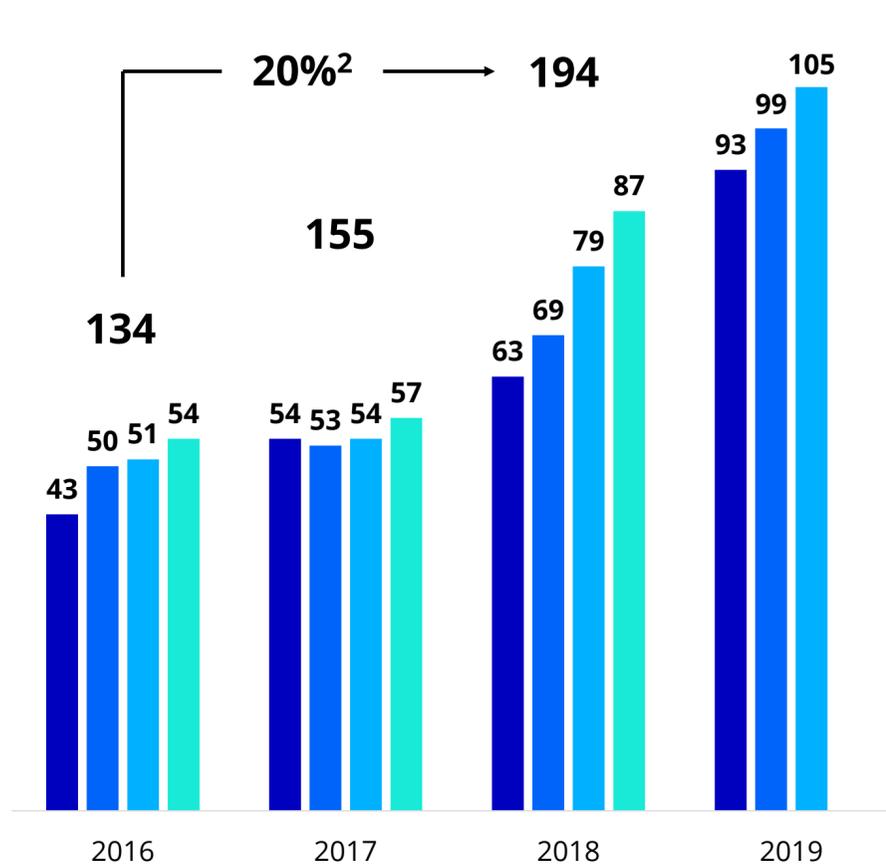
Adjusted EBITDA<sup>1</sup> (on quarterly basis) in EUR m



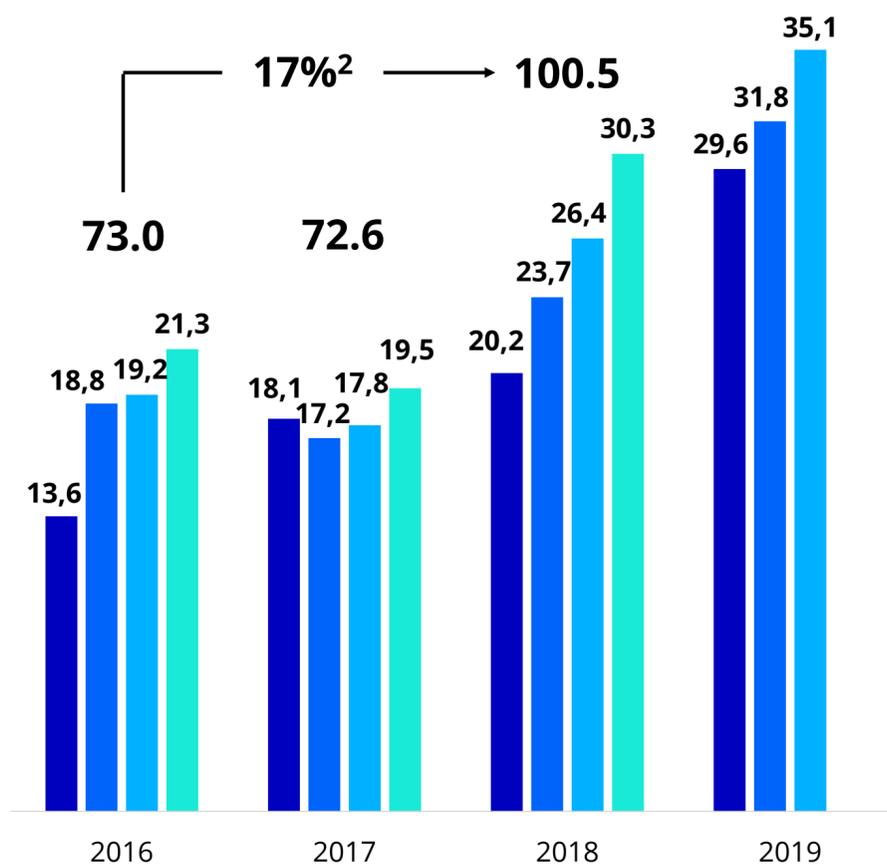
1) EBITDA before effects that are classified as extraordinary or relating to other periods in accounting terms, continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15; FY 2018/2019: according to IFRS 16  
 2) Compound Annual Growth Rate

# Segment Technology sustains significant growth in sales and earnings

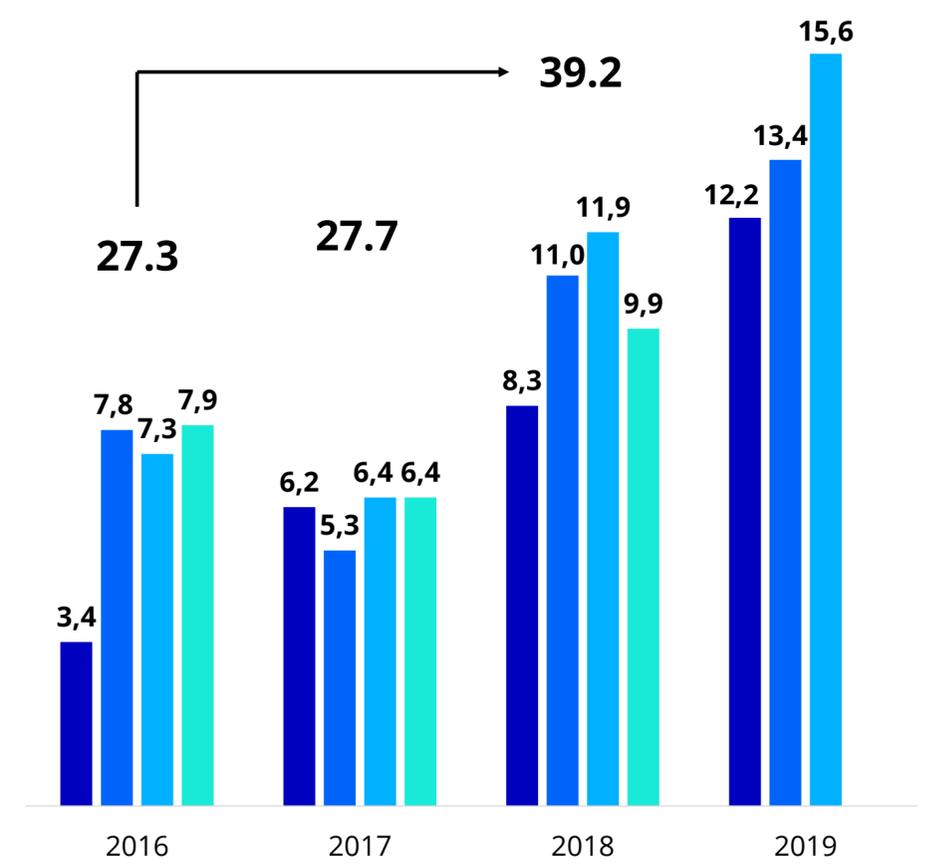
Sales<sup>1</sup> (on quarterly basis) in EUR m



Gross Profit<sup>1</sup> (on quarterly basis) in EUR m



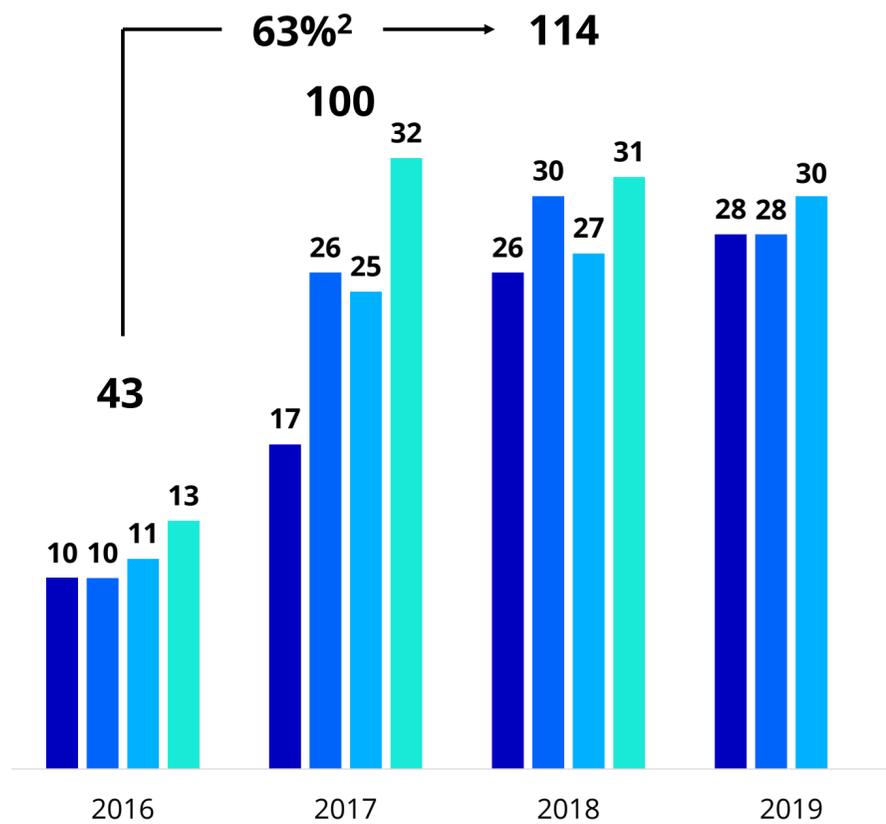
Adj. EBITDA<sup>1</sup> (on quarterly basis) in EUR m



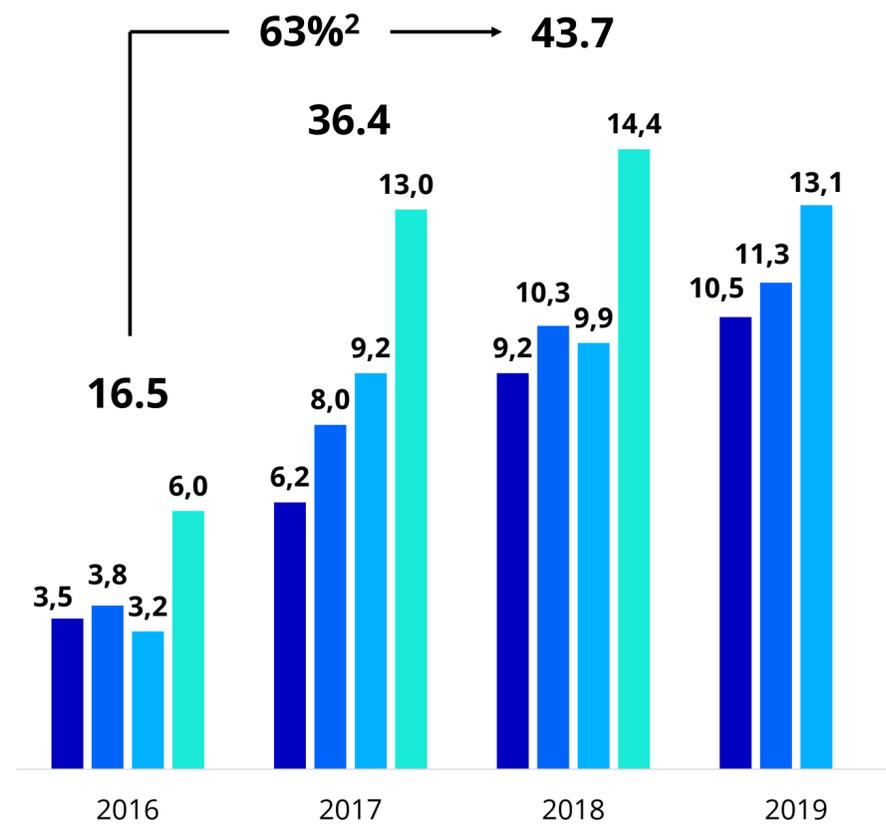
1) EBITDA before effects that are classified as extraordinary or relating to other periods in accounting terms, continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15; FY 2018/2019: according to IFRS 16  
 2) Compound Annual Growth Rate

# Segment Enterprise Services shows strong revenue and earnings growth driven by SAP business

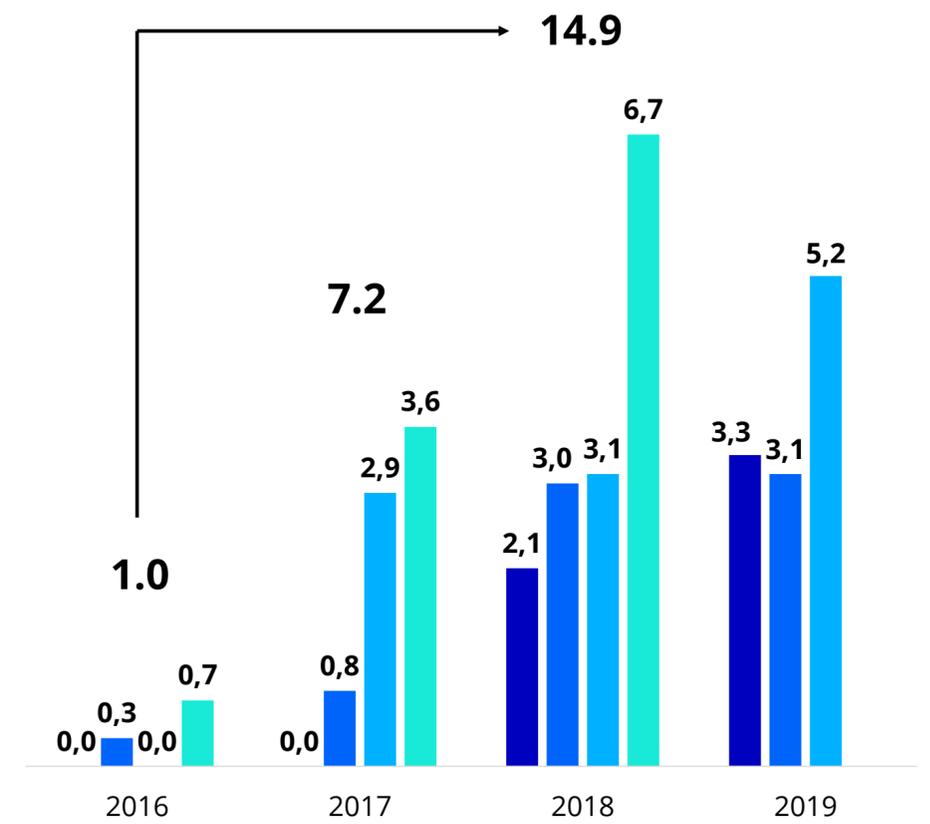
Sales<sup>1</sup> (on quarterly basis) in EUR m



Gross Profit<sup>1</sup> (on quarterly basis) in EUR m



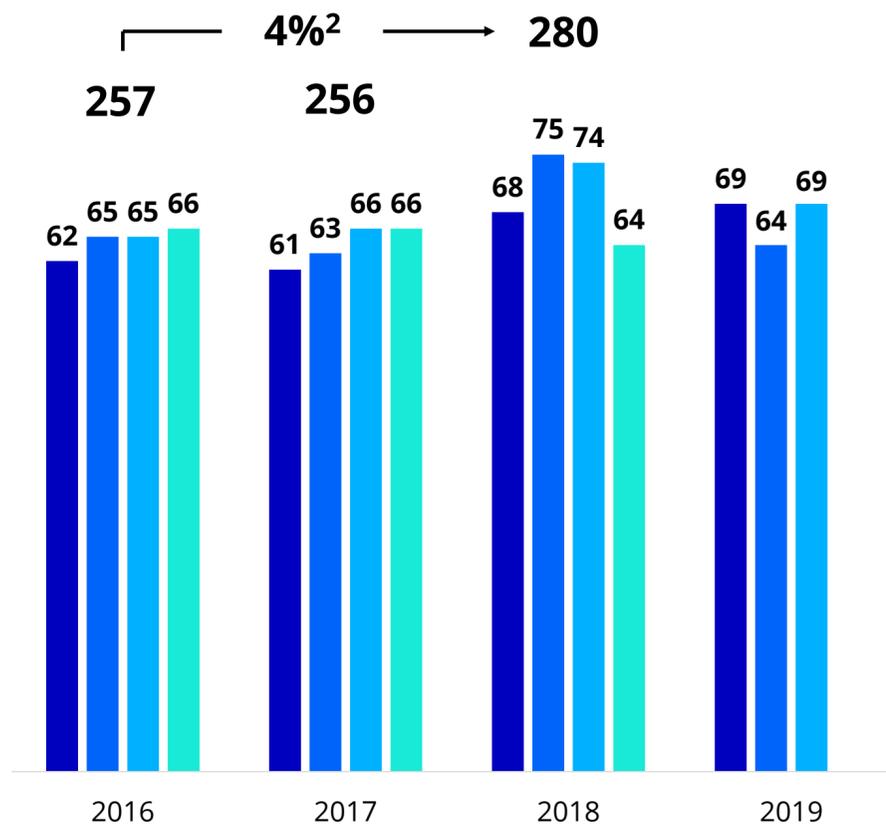
Adj. EBITDA<sup>1</sup> (on quarterly basis) in EUR m



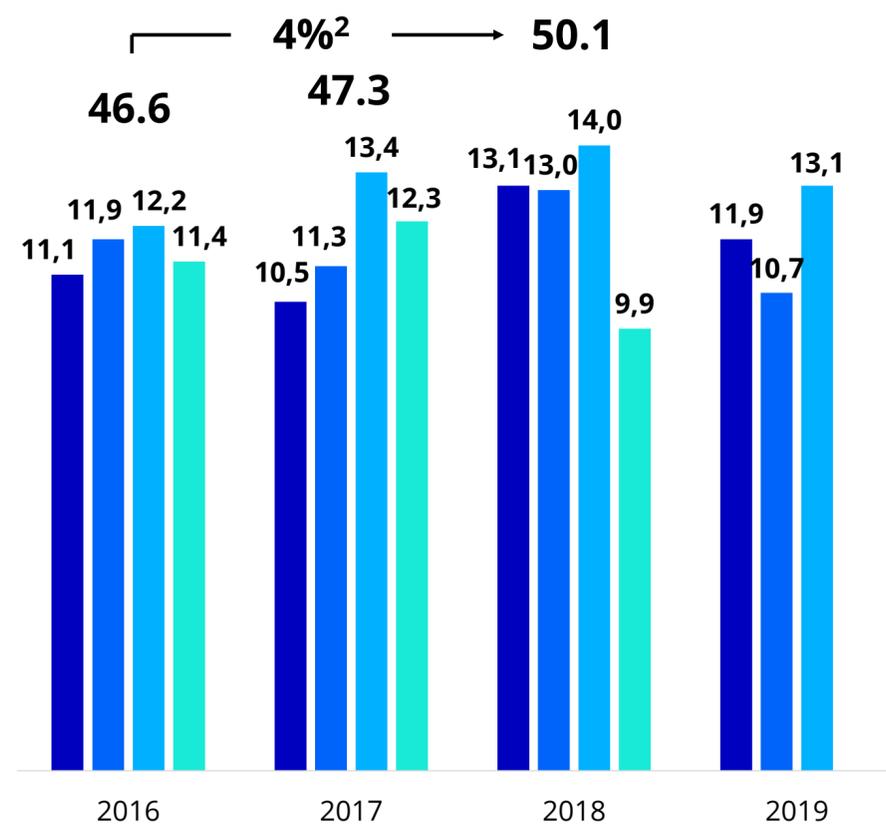
1) EBITDA before effects that are classified as extraordinary or relating to other periods in accounting terms, continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15; FY 2018/2019: according to IFRS 16  
 2) Compound Annual Growth Rate

# Segment Experts has achieved a positive turnaround and is back on track for further growth

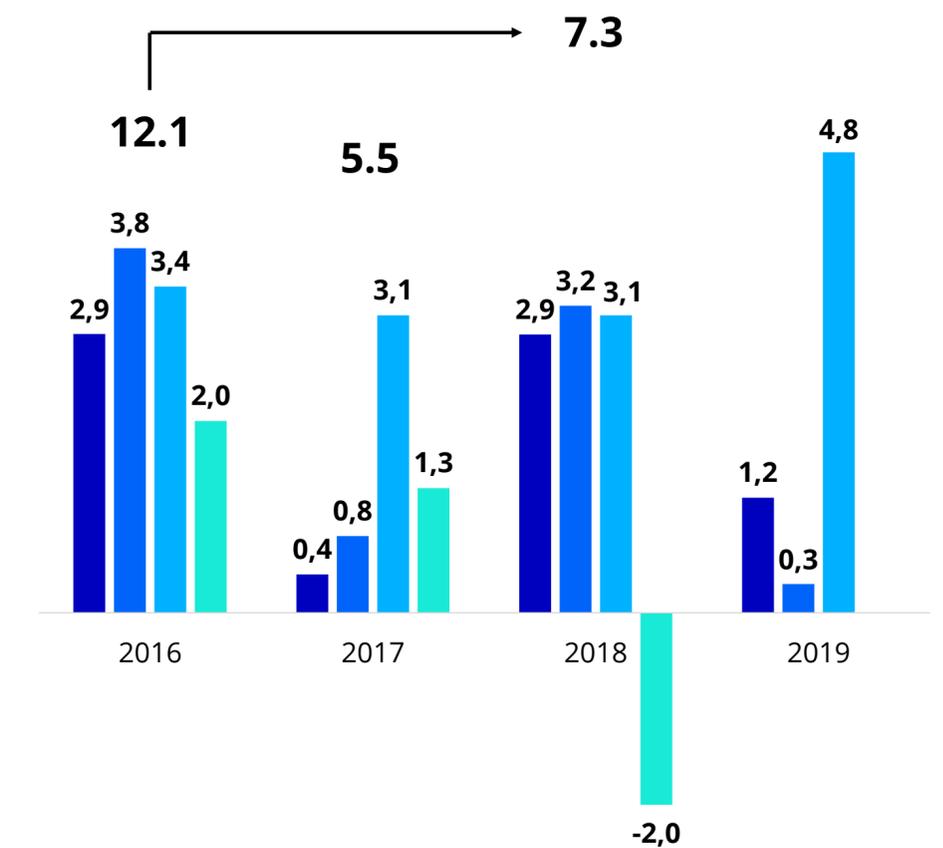
Sales<sup>1</sup> (on quarterly basis) in EUR m



Gross Profit<sup>1</sup> (on quarterly basis) in EUR m



Adj. EBITDA<sup>1</sup> (on quarterly basis) in EUR m



1) EBITDA before effects that are classified as extraordinary or relating to other periods in accounting terms, continuing operations according to IFRS, FY 2017: adjusted figures according to IFRS 15; FY 2018/2019: according to IFRS 16  
 2) Compound Annual Growth Rate



# Summary & Outlook

## **Outlook: Allgeier is on track for further growth**

- ▲ Allgeier Group is overall performing well, core segments show continuous growth and sustained good performance**
- ▲ Restructuring and efficiency enhancement of Experts segment will be completed successfully, positive turnaround in Q3/2019 achieved, further positive contributions in 2020**
- ▲ New value-adding acquisition opportunities to bolster growth are constantly under review**
- ▲ Announced strategic split into two corporate units can unleash additional shareholder value**

## Spin-off and independent listing of global technology and software development business

- ▲ Allgeier's management intends to reorganize its company portfolio with a subsequent spin-off and listing of the software engineering and consulting business (Nagarro, iQuest, Objectiva, SAP)
- ▲ Such step allows more focus and specialization of each unit with a consistent and attractive story
- ▲ It helps to focus on well-defined, consistent corporate cultures and to create a higher attractiveness in employer branding
- ▲ Listed shares can be used as currency for equity-based incentives and to achieve a clear alignment of incentive systems to exploit synergies
- ▲ Increased management focus for both parts of Allgeier after split
- ▲ Financial performance will appear more clearly without dilution by Allgeier's current portfolio mix
- ▲ Investor base can develop over time due to different business models and equity stories
- ▲ Management believes that spin-off will unlock significant shareholder value in the future as the new unit will have a clearly defined global peer group
- ▲ Adequate share price of the technology unit will be supportive for further acquisitions

# Let's talk.

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