

SQS – the world's
leading specialist
in software quality



sqs.com



SQS Software Quality Systems

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René Gawron – CFO

SQS is the world's leading specialist in independent software quality services.



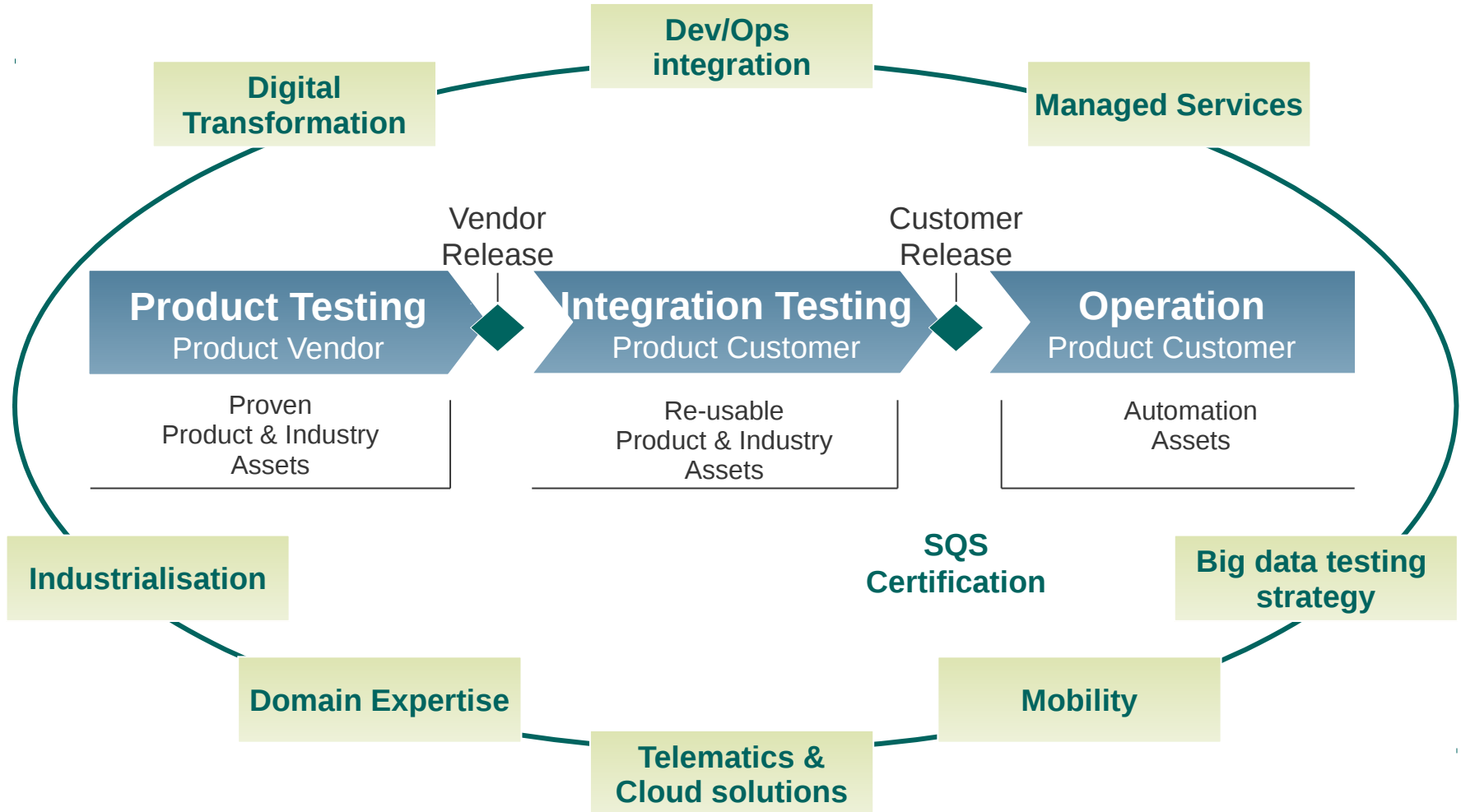
Founded more than 33 years ago, we have established ourselves as the leading specialist for **smart quality solutions**, serving **North America, EMEA and APAC**.

The **SQS mission** is to shape and drive the most critical and challenging software change initiatives. We support our clients through our **deep industry know how** and **global delivery capability**.

Driven by our **standardised methodology PractiQ®**, **industrialisation & automation processes**.



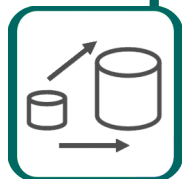
Meeting market trends through offering the leading services portfolio in software quality.



Substantial progress in profitability and Managed Services.



Full year revenues expected to be c. €268m



Growth

+ 20.0% revenue growth with increased market share /

Managed Services revenues up by **36%**



adj. PBT

+ 86.7% driven by Managed Services and Global Delivery



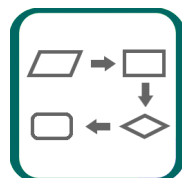
Net Debt

Net debt YoY reduced by 13.6% to **€(8.9)m**



**Order Intake
Managed
Services**

€ 70.0m further improving visibility and up **43%** on prior year period



**Transition of
business model**

Managed Services now largest segment at **44%** of total revenues

Strongest growth and highest EBIT contribution from Managed Services



Revenue (€k)

44% of total
(H1 13: 39%)

56958

MS incl. Coops

10% of total
(H1 13: 16%)

13099

Regular Testing Services

37% of total
(H1 13: 37%)

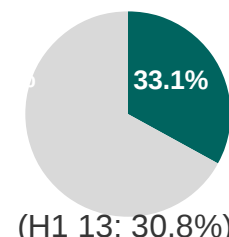
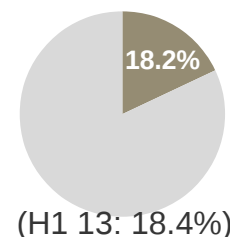
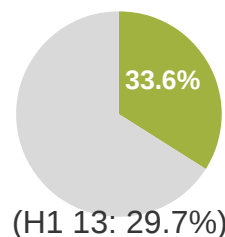
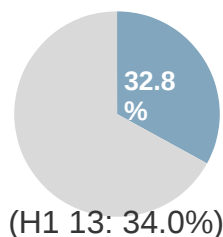
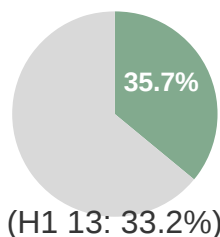
47852

9% of total
(H1 13: 8%)

11457

129866

Gross Margin in % of revenue



Overhead in % of revenue

21.5%

25.1%

31.0%

28.6%

26.0%

Adj. EBIT in % of revenue

14.2%

7.7%

2.7%

-10.4%

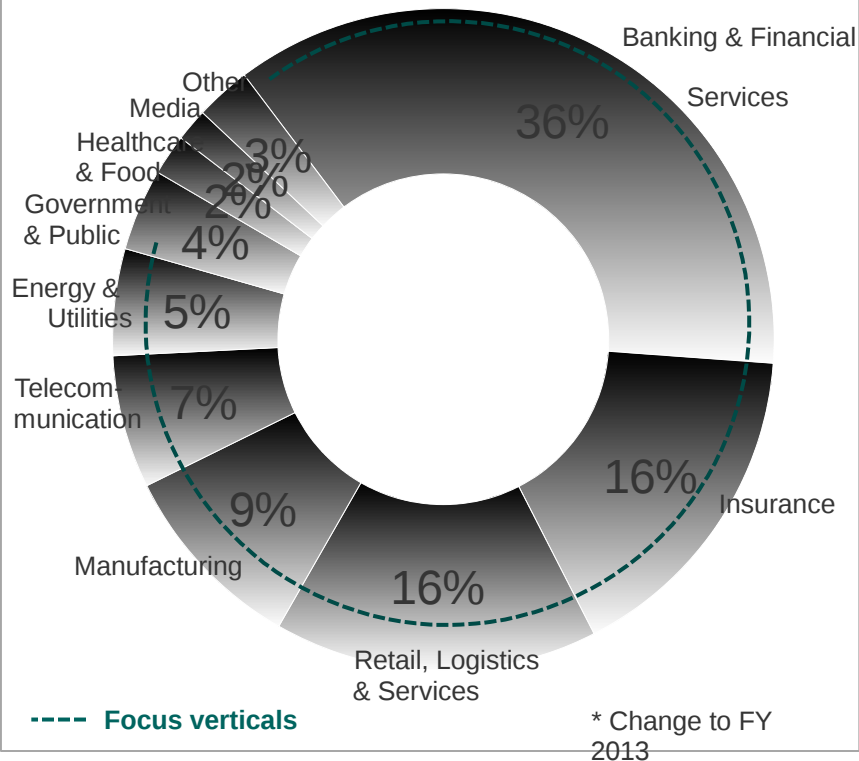
7.1%

Strongest growth in the Banking & Financial Services vertical.

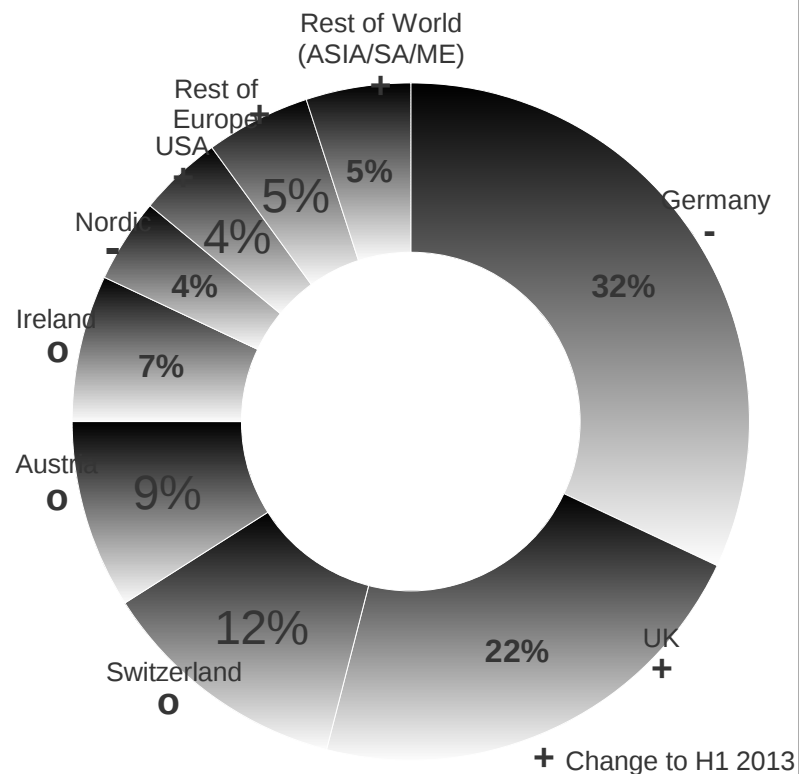


HY 1/2014 Revenue: € 129.4 m (+20% YoY)

Revenue by industries



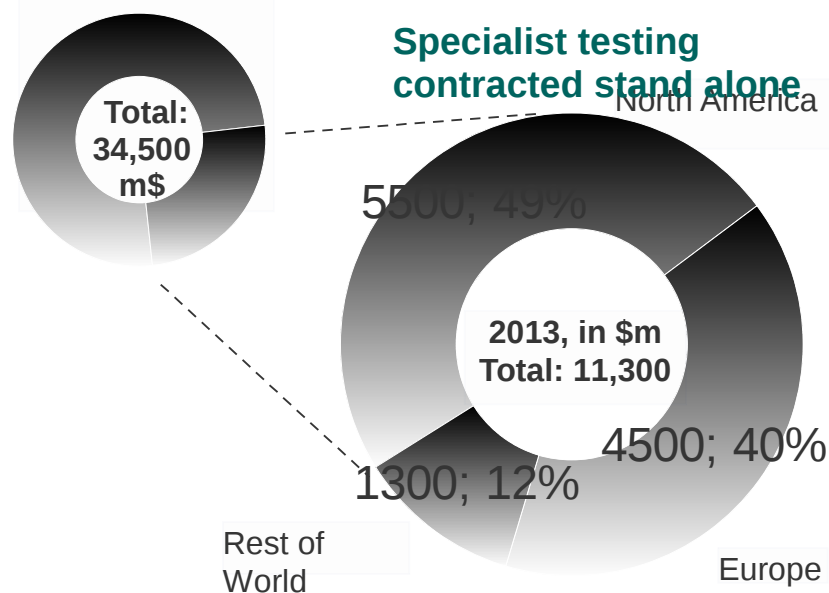
Revenue by geographies



Testing Services market growth rates at c. 10% in SQS's largest regional markets.

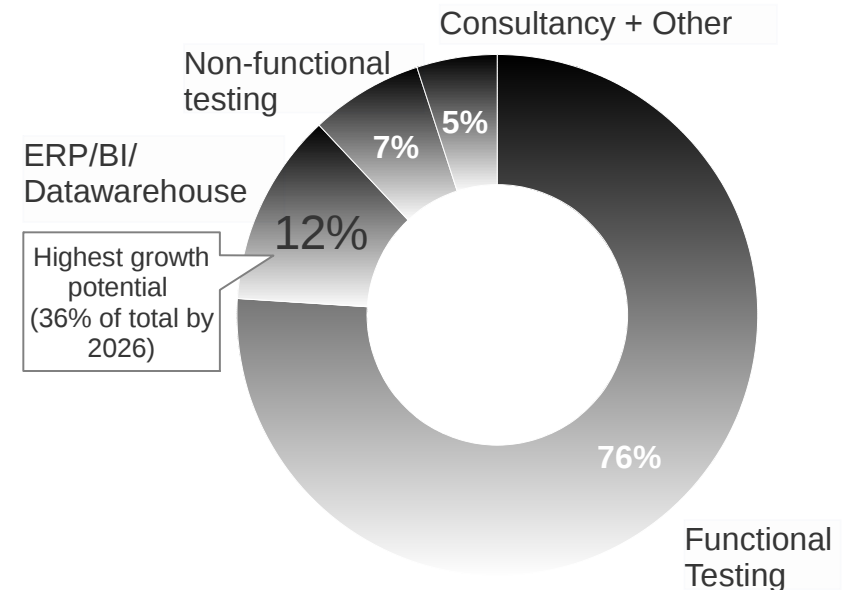


World market testing services



Change per year	2014	2015	2016
North America	+ 14%	+ 14%	+ 14%
Europe	+ 10%	+ 12%	+ 12%
Rest of World	+ 10%	+ 12%	+ 12%

Market split by services



Highest growth rates expected in Financial Services, Energy & Utilities, Retail & Logistics

Strong first half 2014 performance gives us confidence in meeting our expectations for the full year.



Continue to focus on higher margin business and increased visibility

- Managed Services is to account for up to 50% of total revenues within two years
- Focus on larger clients with revenue per client continuing to grow

Extend new businesses and strengthen market position

- Further build out our domain and technology expertise
- Continue to pursue acquisitive growth in line with strategy

Target core industries

- Focus on BFSI, Retail & Logistics and Manufacturing verticals

We are confident in meeting our expectations for the full year.





Thank you for your attention