



# 3U HOLDING AG

## Success in Megatrends

Marburg, September 2019

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## **ITC Segment** Information- and Telecommunication Technology



- **Cloud Computing**  
ERP for SME
- Telecommunications
- DCS
- Software-  
Licensing

## **RE Segment** Renewable Energies



- **Project**  
Acquisitions and  
Disposals
- **Power Generation**
- Project development

## **SHAC Segment** Sanitary, Heating, Air Conditioning



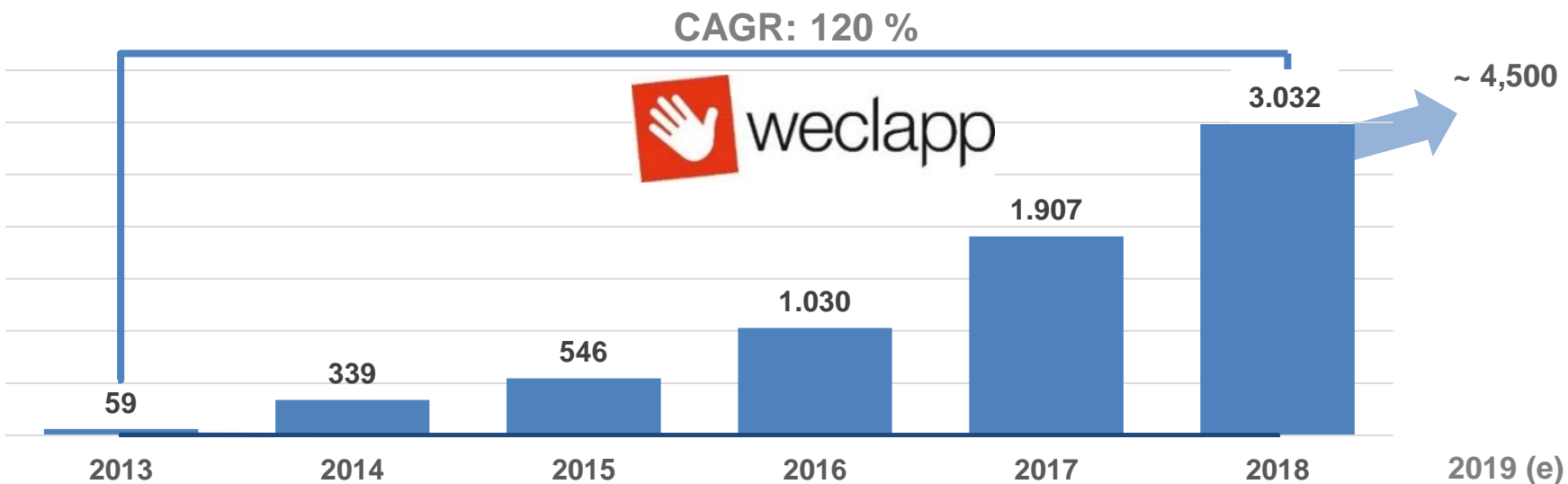
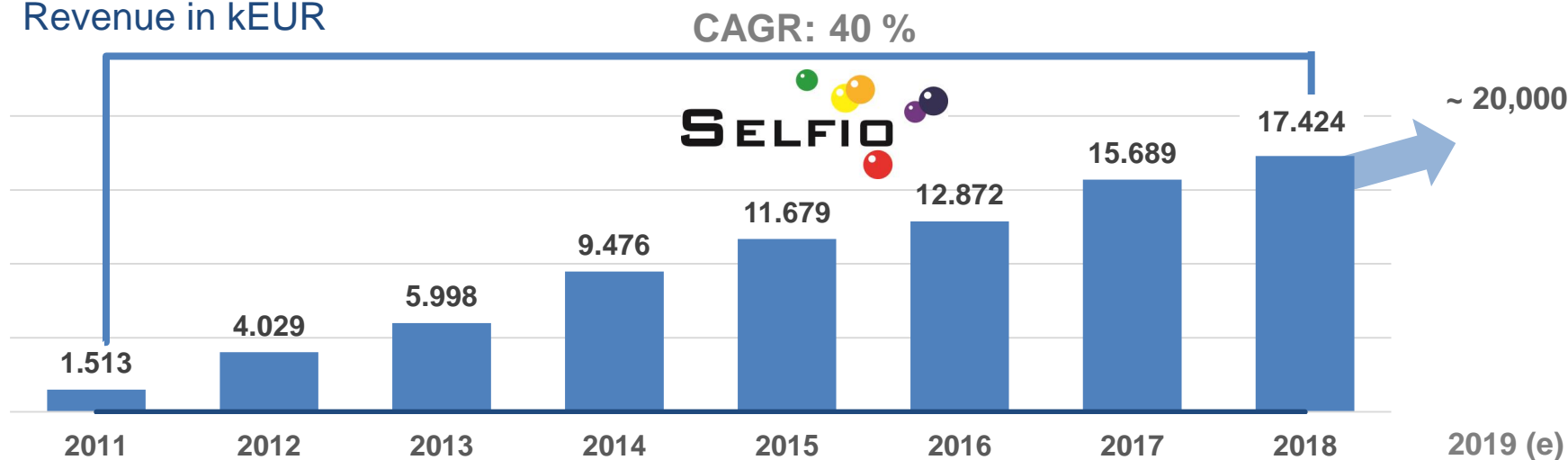
- **E-Commerce**
- Production
- Logistics
- Planning
- Construction

## **3U Growth Strategy: Enhance Technologies, Overcome Barriers to Growth, Tap Potential**

- ✓ Successful business models in three megatrends:
  - cloud computing
  - e-commerce
  - renewable energies
- ✓ Goal: Market leadership in key business areas
- ✓ Profitable business models in all three segments
- ✓ Net profit and dividend increased for three years in a row
- ✓ Significant revenue growth ahead for 2019 and beyond
- ✓ Development and employment of leading edge technologies from Next Generation Networks in Telecommunications and DCS to Artificial Intelligence in Cloud Computing and E-Commerce
- ✓ Ongoing strategic focussing on the growth areas:  
Cloud Computing and E-Commerce

# KEY GROWTH DRIVERS: E-COMMERCE AND CLOUD-COMPUTING

Revenue in kEUR



Organic Growth Continues – Strategic Acquisitions Ahead



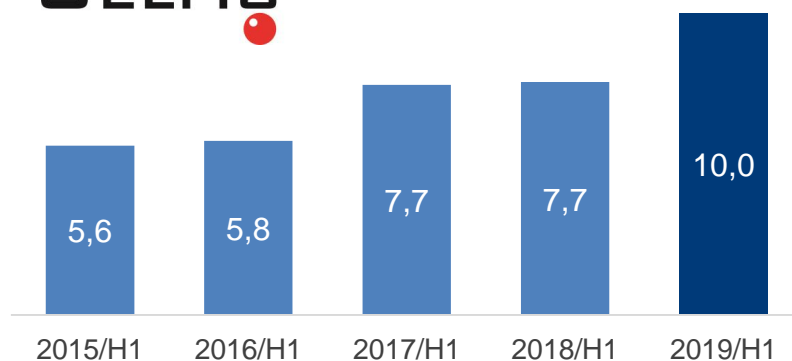
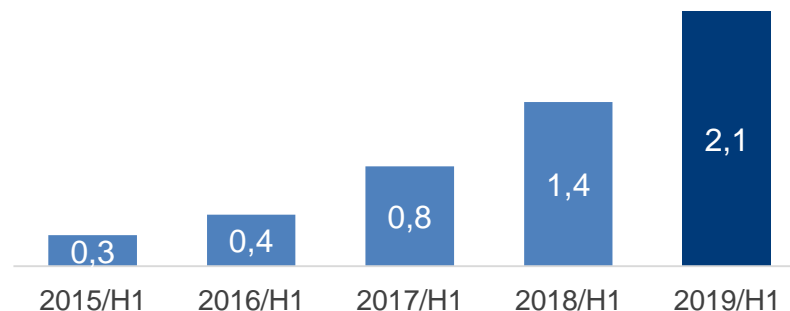
## Events and results of the first six months of FY 2019

## Revenue development in EUR mn since 2015

### Multi-award-winning cloud-based ERP-System!

Sustainable organic growth thanks to

- effective online marketing,
- technology and price leadership,
- genuinely cloud-based platform,
- leading edge user experience,
- universal usability on any mobile devices



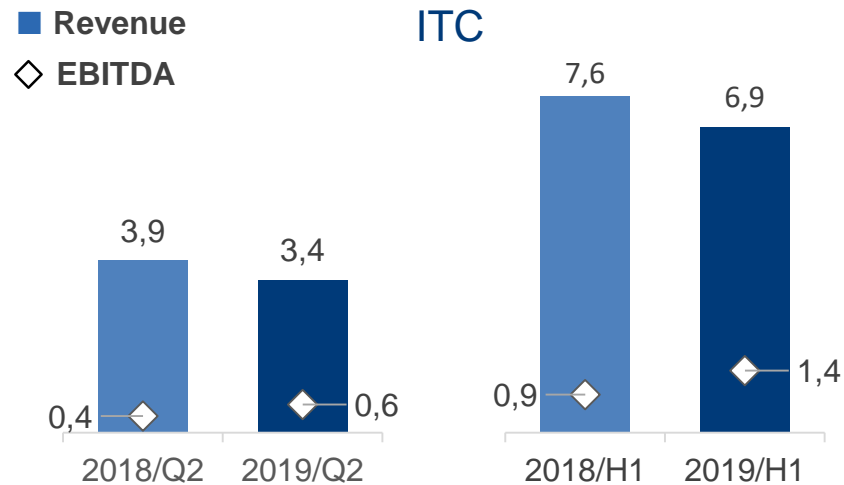
### Leading specialised online-shop for sanitary, heating and air conditioning systems

Sustainable organic growth thanks to

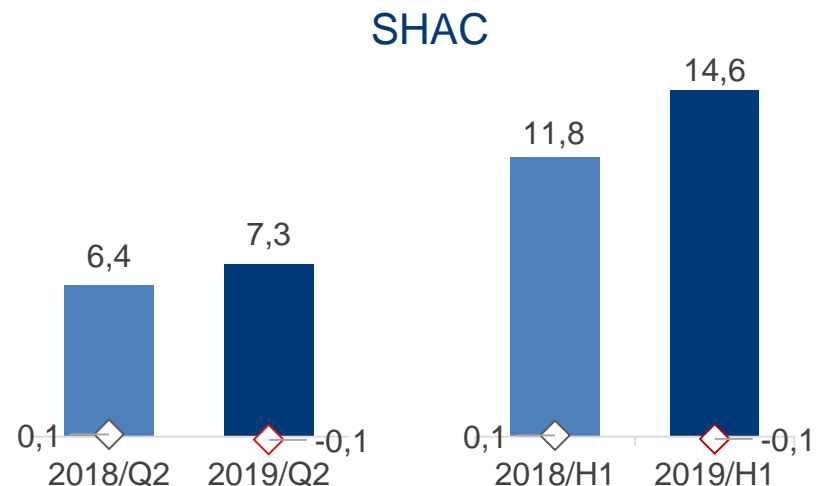
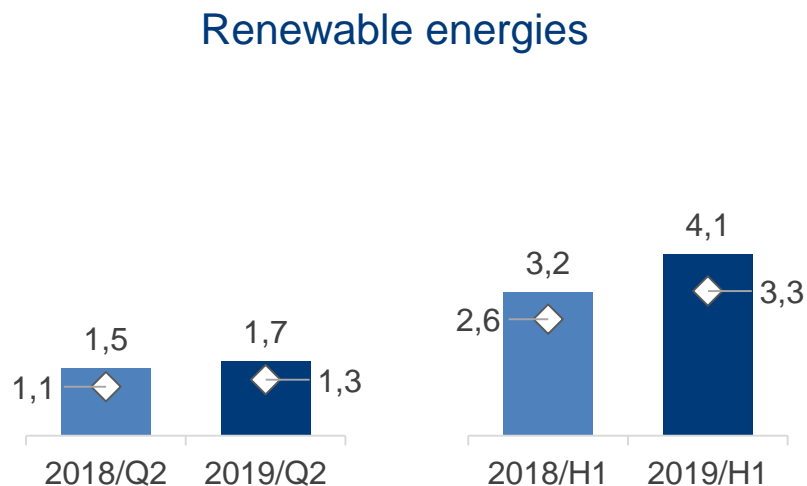
- effective online marketing,,
- leading edge expert advice for customers,
- elaborated market intelligence and leading software-based price determining,
- comprehensive product range,
- manifold, reliable supplier relationships

# FIRST HALF OF 2019: POSITIVE DEVELOPMENT IN ALL SEGMENTS

Revenue and EBITDA in EUR mn: Q2/2018 vs. Q2/2019 and H1/2018 vs. H1/2019



- ITC: Voice retail slow as expected, cloud computing with high growth and earnings contribution
- Renewable Energies: lower wind yield than in Q1
- SHAC: Online trading grows further, higher expense for optimisation, expansion of supply chain management

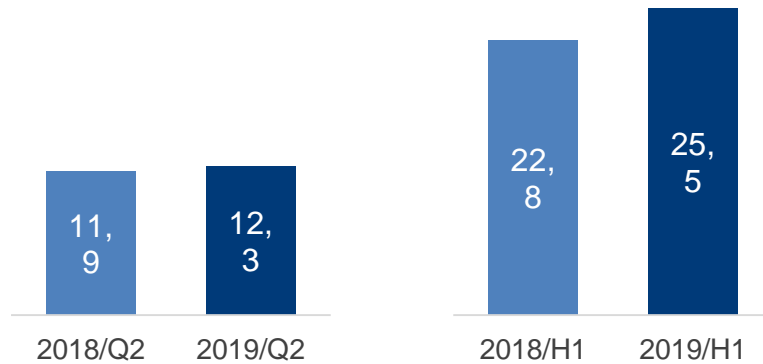




# REVENUE GROWTH IN FIRST HALF OF 2019 ADDITIONAL INCOME FROM PROPERTY SALE

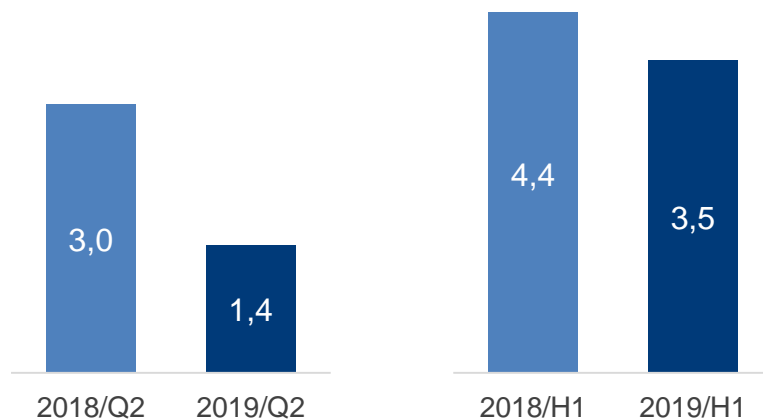
Development in EUR mn (consolidated): Q2/2018 vs. Q2/2019 and H1/2018 vs. H1/2019

## Revenue

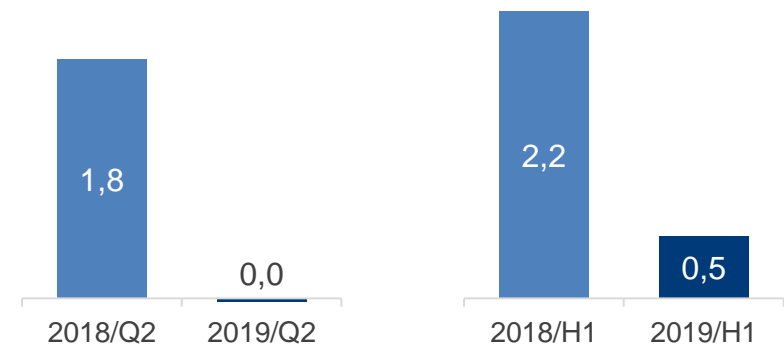


- Operating profitability slightly improved
- In previous year period EBITDA and net earnings came in higher thanks to M&A activities

## EBITDA



## Net income

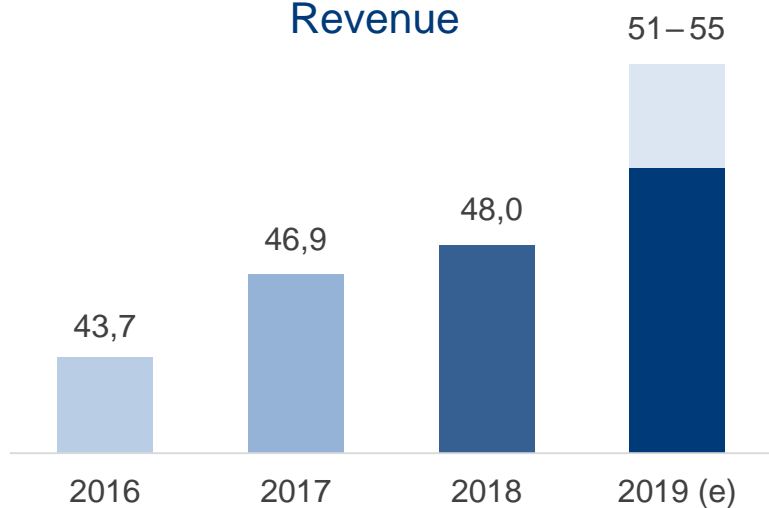


# 3U GROUP: STRONG BALANCE SHEET AND SOLID CASH FLOW

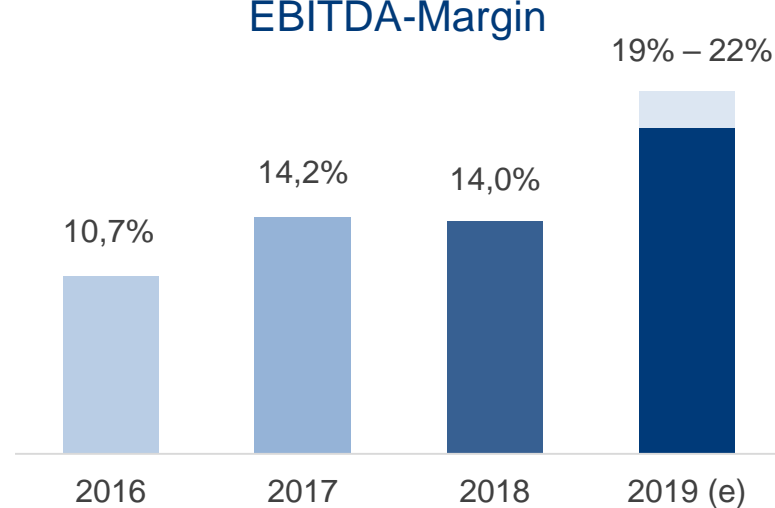
in EUR mn	30.06.2019	31.12.2018
Total asstes	75.3	74.5
Inventory	7.9	7.0
Cash and cash equivalents	12,0	12.3
Shareholders' equity	41,9	42.4
Equity quota	54.5 %	55.6 %
Debt ratio (Liabilities/Equity)	83.6 %	79.7 %
Free cash flow (Op. CF + Inv. CF)	2.78 (6 months)	8.7 (FY)

Development in EUR mn: 2016 – 2019 (e)

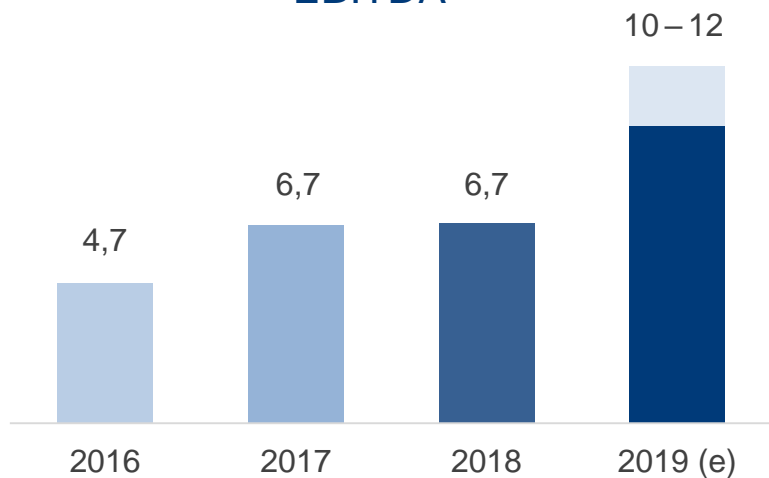
## Revenue



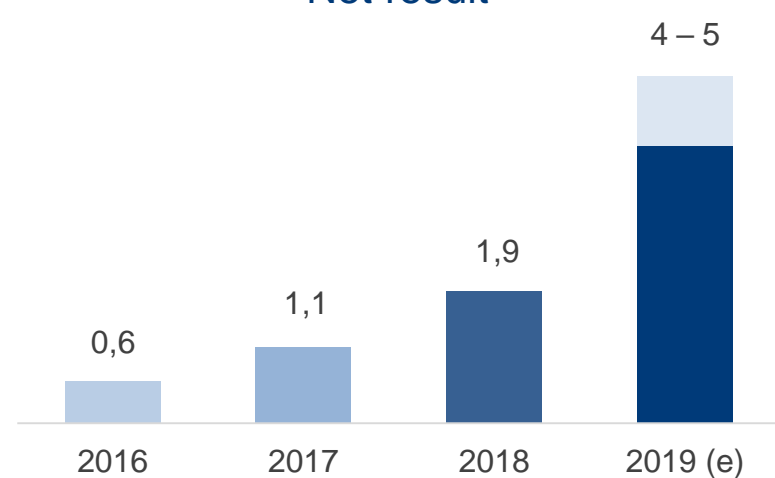
## EBITDA-Margin



## EBITDA



## Net result





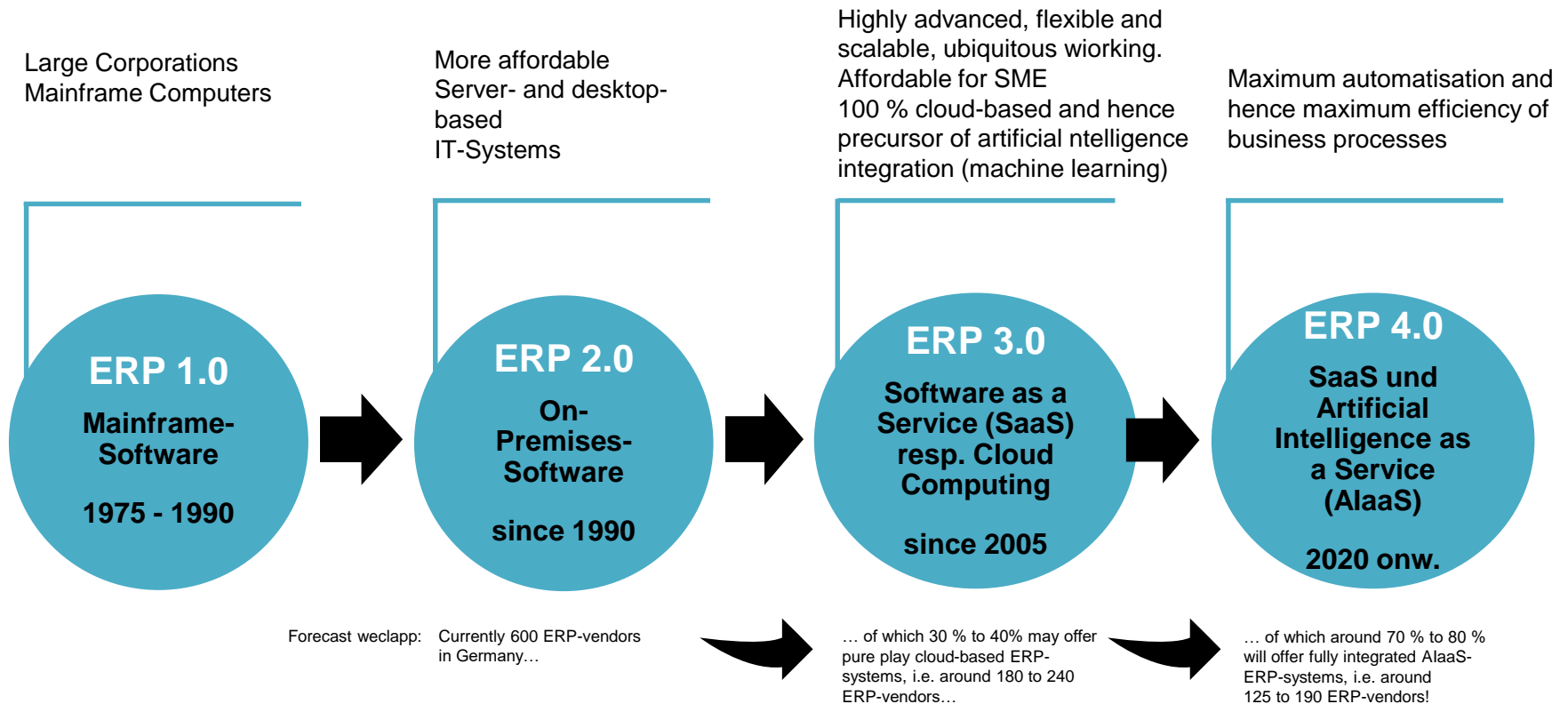
weclapp:

- ✓ Technology leader
- ✓ Price leader
- ⇒ Goal: Market leader!

 <b>CRM</b> Easily manageable customer and contact management tool	 <b>Sales</b> Smooth order processing to boost your sales	 <b>Purchase</b> Smart supplier administration and control over incoming goods	 <b>Logistics</b> Useful administration with interfaces to shipping service providers
 <b>Production</b> Powerful features to optimize the production cycle of an article	 <b>Projects</b> Coordinate projects with transparent task and team management	 <b>Accounting</b> Efficient online finance management with valuable evaluations	 <b>Warehouse</b> Convenient stock monitoring through inventory postings and evaluations
 <b>Invoices</b> Create professional invoices in your company's own design	 <b>weclappPOS</b> Flexible, intuitive and web-based POS system for retailers	 <b>Helpdesk</b> Professional and time-saving handling of customer inquiries	 <b>Shop Interfaces</b> Bidirectional interfaces keep all your e-commerce data in sync

## Unique selling proposition:

- Joy of use
- Genuinely cloud-based: consistent, scalable, expendable, universal, low price
- International:
  - focus on materials management (not accounting!)
  - multi-lingual, multi-currency, multi-location
- Platform: Java EE kernel, many extensions, partly open source
- Active community of developers , users and technology partners



**Bottom Line: With a mature, viable, 100 % cloud-based, comprehensive ERP-system and the potential of a fully fledged Artificial Intelligence enhancement now in development, the growth opportunities for weclapp are brilliant – in Germany and abroad!**

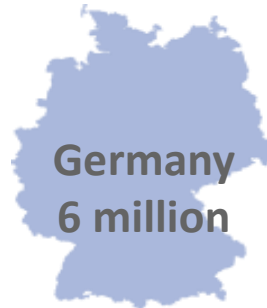
## Market potential

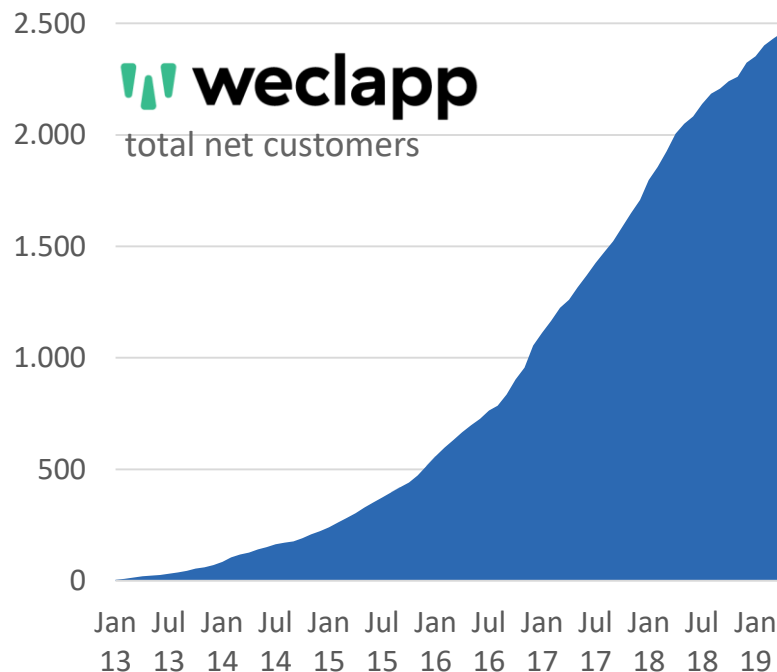
Number of SMB

Cloud software spending  
(2015, 18 % CAGR)



- Cloud computing as a megatrend: growth of 25% p.a. in Germany
- Above-average potential at small and medium-sized companies
- Trend away from on-premises solutions towards cloud solutions for CRM and ERP
- Market still highly fragmented at present, with a multitude of providers





- Sales growth of over 100% p.a. in the past 3 years
- Now more than 2,500 corporate customers and more than 12,000 users per day in 35 countries, 7 languages with a focus on Germany

➤ **Medium and long-term goals:**

- Grow faster than the market: CAGR > + 100% (organic and through acquisitions)
- weclapp to become one of the leading cloud CRM and ERP providers in Germany (in Europe, and worldwide)





**GOALS**

Market leadership

International expansion

IPO

**GROWTH DRIVERS**

Enhance functionalities

New sales concepts

M&A: acquisition of customers/competitors

**CONTINUOUS IMPROVEMENT**

Ensure profitability, invest in the future

Increase pace and developer capacity (internal and external)



Selfio:

Successful in online trading thanks to  
high quality of advice and sales

- Founded in 2011, Selfio is an online trader ([www.selfio.de](http://www.selfio.de)) of professional DIY products, including well-known brands such as Buderus, Wilo, Grundfos, Biral, Junkers, Viessmann and Wolf.
- Approx. 200,000 customers, currently with approx. 6,000 new customers each month
- USP: high quality of advice – online and personal
- Over 5,000,000 video clicks on our YouTube channel SelfioTV – more than 70 videos with installation instructions and tips – over 4,700 YouTube subscribers
- 120,000–140,000 visitors to the website each month
- 90% end customers, 10% business customers

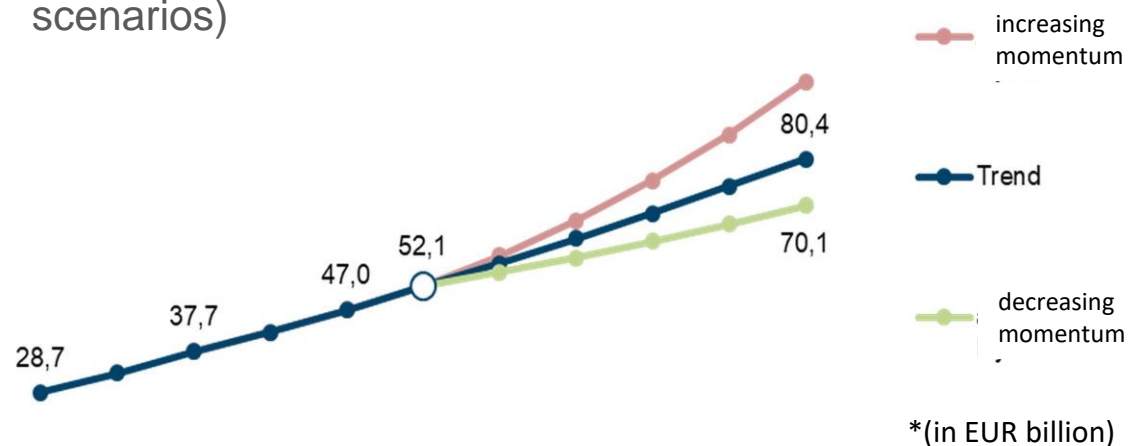


## ➤ Strategy:

- Expansion of 3U's online trading activities into a leading, profitable trading platform for sanitary, heating and air conditioning technology (SHAC) by means of internal and external growth
- Improvement in profitability



**Online sales in Germany\***  
(Forecast for 2017–2021 in three scenarios)



- E-commerce demand in the SHAC sector set to rise at an above-average rate of over 14% p.a. up to 2030
- Shift in demand for SHAC towards online trading has only just begun
- 3U playing an active role in consolidation of the market



**GOALS**

Gain market share  
⇒ Top 100 Online Vendors

International expansion

Profitability

**GROWTH DRIVERS**

Content, Visibility, Traffic

Wider scope of products and services

Enhanced value creation through cooperations

**CONTINUOUS IMPROVEMENT**

Logistics optimisation and enhancement

Optimisation data usage/algorithms/software



Renewable energy:  
Wind and solar power

## ➤ Successful project manager in the field of renewable energy

- Cash flow is generated from income from power generation
- 3U Group as buyer and seller of already constructed wind farms
- Power generation capacity currently at around 45 MWp





# Summary





By strengthening and expanding our R&D activities in a forward-thinking way, our customers will benefit as much as most of our subsidiaries.

- 2018 was a successful year, and 2019 will be considerably better.
- We see strong potential for further sales growth and increased earnings in 2019 and the following years.
- We create value
  - thanks to the rapid growth story in cloud computing
  - thanks to the dynamic expansion of our online trading activities in the SHAC segment to achieve a market-leading position
  - thanks to the power generation from renewable energy with strong earnings and cash contributions





Option:

IPO of weclapp

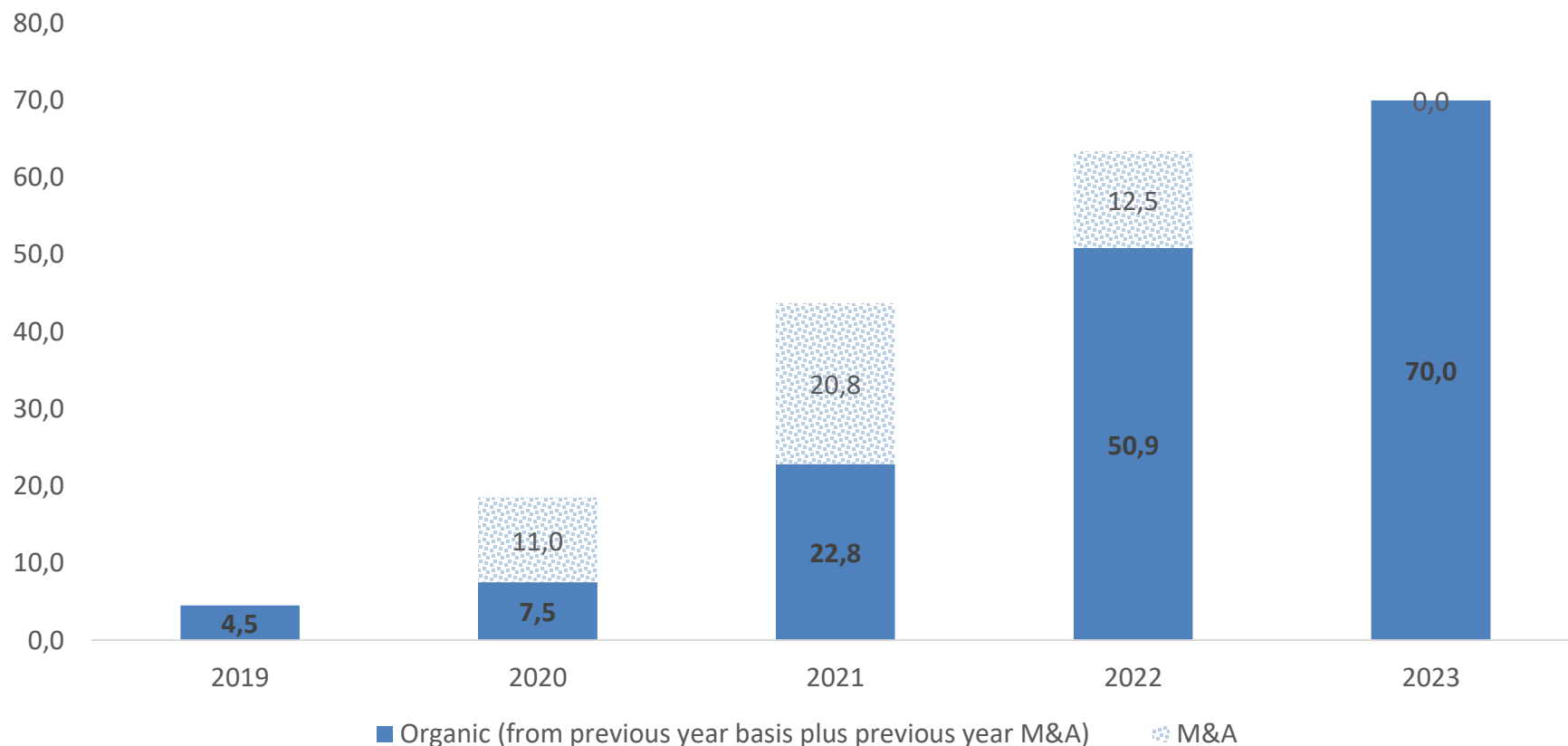
## Medium and long-term strategy

- Accelerated growth, partly by means of increasing focus on bigger customers
- Internationalisation of the online marketing strategy, gradual expansion of the online marketing strategy that we have applied very successfully so far in the D-A-CH region
- Establishment and expansion of internationally positioned partner sales, organic and non-organic
- Establishment and expansion of an internationally broadened organisational and IT infrastructure
- Stepping up research & development activities: artificial intelligence (AI) with focus on machine learning
- Repeated acquisition of competitors' customer bases, i.e. acquisitions of ERP producers and full-service IT service providers/IT systems companies as suitable sales partners, initially within the D-A-CH region and then internationally

## weclapp potential: ambitious goals for 2019–2023

- Organic revenue growth CAGR 2019 – 2023: approx. 50 % (planning assumptions)
- revenue growth M&A: strategic assumptions depend on financing an opportunities
- EBITDA-margin: sustainably 20 – 30 %

Mio. EUR



## Investment criteria for cloud computing

- ERP on-premises software
- “Functional fit” as high as possible
- Degree of standardisation as high as possible (customisation for each customer as low as possible)
- Number of customers as high as possible
- Number of employees as low as possible
- Number of sales partners as high as possible
- Goal: full migration of customers to the weclapp SaaS in the short to medium term; no inefficient parallel operation of multiple ERP systems in the long term!

## Approach and measures

- Consultancy mandate with renowned institution, partly for the purpose of creating a qualified target list, exposés, approach, etc.
- Collaboration with sector-specific M&A consultants/boutiques
- Ongoing review of offers received

## Option: IPO of weclapp SE in 2020

- In view of weclapp's excellent international growth prospects, with significant investments required
  - in internationally effective online and offline marketing
  - in establishing and expanding internationally positioned partner sales
  - in establishing and expanding an internationally broadened organisational and IT infrastructure
  - in stepping up R&D and artificial intelligence activities in the future
  - and particularly in acquiring competitors' customer bases

we are continuously seeking support from the capital market and aiming for high issue proceeds of > EUR 100 million



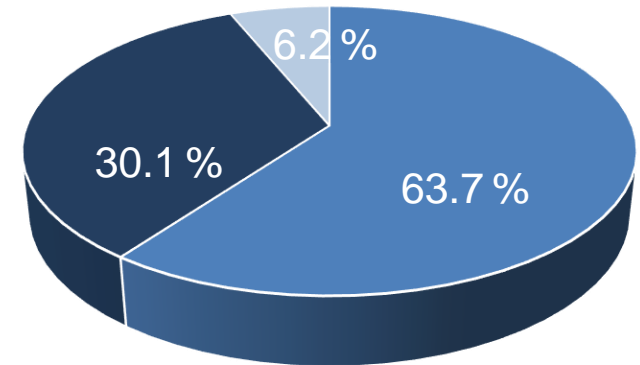
# Annex



### Share price performance (12 months)



### Shareholder structure



- Free float
- Management and Supervisory Board
- Treasury shares

### Information on the share

Market segment	Prime Standard
Number of shares outstanding	35.31 million
ISIN	DE0005167902
Bloomberg ticker	UUU

### Dividend policy:

- Roughly half of the consolidated net profit is distributed in the form of dividends
- For the 2018 financial year, a dividend of EUR 0.03 was paid out
- The dividend was paid without deducting capital gains tax (payment out of the tax deposit account)

Date	Event
27 September 2019	Participation in Baader Investment Conference (Munich)
7 November 2019	Publication of quarterly communication on Q3 2019
25–27 November 2019	Participation in Equity Forum (Frankfurt)
20 May 2020	Annual General Meeting of Shareholders

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