

3RD QUARTER 2023

QUARTERLY STATEMENT AS OF 30 SEPTEMBER 2023

Your strong IT partner.
Today and tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01- 30.09.2023	01.01- 30.09.2022	Change in %
Business volume	€k	5,613,066	5,095,231	10.2
Revenue	€k	4,527,599	4,260,627	6.3
IT System House & Managed Services	€k	2,974,725	2,639,936 ¹	12.7
IT E-Commerce	€k	1,552,874	1,620,691 ¹	-4.2
EBITDA	€k	365,289	333,718	9.5
IT System House & Managed Services	€k	252,709	215,881	17.1
IT E-Commerce	€k	112,580	117,837	-4.5
EBIT	€k	273,491	254,520	7.5
IT System House & Managed Services	€k	186,016	159,136	16.9
IT E-Commerce	€k	87,475	95,384	-8.3
EBIT margin	%	6.0	6.0	
IT System House & Managed Services	%	6.3	6.0 ¹	
IT E-Commerce	%	5.6	5.9 ¹	
EBT	€k	267,357	250,751	6.6
EBT margin	%	5.9	5.9	
Earnings after taxes	€k	189,620	179,979	5.4
Earnings per share	€	1.50	1.43	5.4
Return on equity²	%	16.8	18.2	
Cash flow from operating activities	€k	190,237	-230,710	182.5
Number of employees (as of 30.09)		14,840	13,789	7.6
IT System House & Managed Services		11,886	10,947	8.6
IT E-Commerce		2,954	2,842	3.9

		30.09.2023	31.12.2022	Change in %
Cash and cash equivalents³	€k	225,439	289,590	-22.2
Working Capital	€k	935,706	976,564	-4.2
Equity ratio	%	48.7	44.6	

¹ Prior-year figures adjusted ³ Incl. time deposits and securities
² Annualised

REVIEW BY QUARTER 2023

		1st Quarter 01.01-31.03	2nd Quarter 01.04-30.06	3rd Quarter 01.07-30.09	4th Quarter 01.10-31.12	2023 FY 01.01-30.09
Business volume	€k	1,886,004	1,815,592	1,911,470		5,613,066
Revenue	€k	1,538,499	1,509,945	1,479,155		4,527,599
EBITDA	€k	111,126	126,337	127,826		365,289
EBIT	€k	80,967	96,122	96,402		273,491
EBT	€k	79,694	93,785	93,878		267,357
EBT margin	%	5.2	6.2	6.3		5.9
Earnings after taxes	€k	56,909	65,953	66,758		189,620

EARNINGS POSITION

In the third quarter of 2023, the macroeconomic conditions remained challenging. Nevertheless, the Bechtle Group once again achieved profitable growth in the period from July to September.

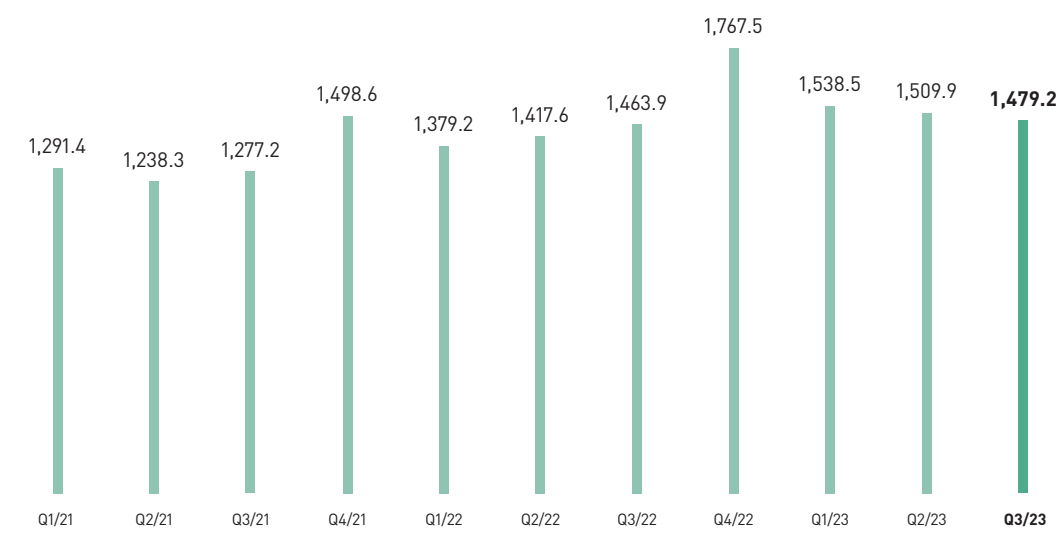
As of 30 September, the order backlog amounted to €1,421 million (prior year: €1,622 million). Of this amount, the IT System House & Managed Services segment accounted for €1,196 million (prior year: €1,281 million) and the IT E-Commerce segment for €225 million (prior year: €341 million). Compared to the prior quarter (€1,410 million), the order backlog remained almost unchanged. Incoming orders underwent a noticeable increase of 18.3 per cent in the third quarter.

From July to September 2023, the business volume went up by 6.0 per cent, with organic growth of 4.6 per cent. At 10.8 per cent, the IT System House & Managed Services segment once again achieved double-digit growth. Due to the lingering purchasing reluctance of a wide range of customers, especially in the field of conventional hardware, the IT E-Commerce segment recorded a decline of 3.5 per cent.

Year-on-year, the revenue went up 1.0 per cent to €1,479.2 million. At -0.7 per cent, the organic performance was slightly negative. The reason for this development and the relatively high discrepancy between the business volume and the revenue in the third quarter was the successful expansion of our software business. In the third quarter of 2023, we realised a number of high-volume software projects. However, according to IFRS 15, we are only allowed to show their margin as part of the revenue.

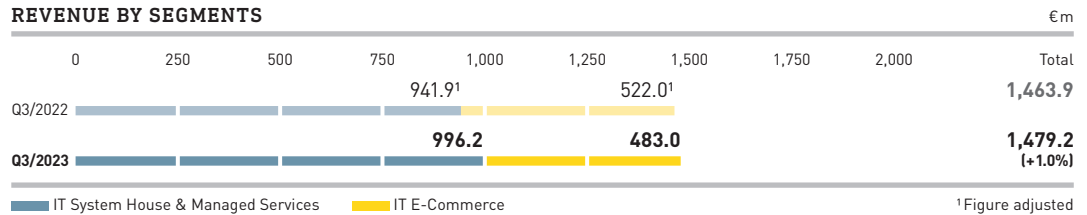
GROUP REVENUE

€m



In the IT System House & Managed Services segment, the revenue climbed by 5.8 per cent. This development was driven by the almost exclusively organic revenue increase of 22.2 per cent abroad. In the IT E-Commerce segment, the revenue dropped by 7.5 per cent. Here, the challenging economic framework conditions and the associated higher purchasing reluctance of our medium-sized customers continue to have a strong impact.

REVENUE BY SEGMENTS



From the regional perspective, the revenue of the companies abroad underwent growth of 3.4 per cent, while the domestic companies more or less stagnated at –0.3 per cent. As the software business has performed very well particularly in Germany, the application of IFRS 15 obscures the actual relative performance in terms of the segment development.

REVENUE – GROUP AND SEGMENTS

€k

	Q3/2023	Q3/2022	Change	9M/2023	9M/2022	Change
Group	1,479,155	1,463,872	+1.0%	4,527,599	4,260,627	+6.3%
Germany	914,638	917,677	–0.3%	2,770,185	2,648,842	+4.6%
International	564,517	546,195	+3.4%	1,757,414	1,611,785	+9.0%
IT System House & Managed Services	996,198	941,883¹	+5.8%	2,974,725	2,639,936¹	+12.7%
IT E-Commerce	482,957	521,989¹	–7.5%	1,552,874	1,620,691¹	–4.2%

¹ Figure adjusted

At 6.9 per cent, gross earnings increased at a higher rate than the revenue. The gross margin thus increased from 17.9 per cent to 19.0 per cent. Material costs declined by 1.9 per cent. This shows the said expansion of our software business, whose margin we are allowed to account for as revenue, and the consistently high demand for our services in connection with sustainable IT environments. Other operating expenses, which are included in the cost of sales, also underwent a decline of 2.5 per cent.

The expenses increased at a disproportionately high rate in both functional areas, Sales and Administration. Distribution costs went up by 10.7 per cent. The respective expense rate increased from 6.8 per cent to 7.4 per cent. Administrative expenses went up by 7.8 per cent. Accordingly, the expense rate increased from 5.6 per cent to 6.0 per cent. While the increase in distribution costs was attributable mainly to the higher personnel expenses, the main factor that drove up the administrative expenses was the disproportionately high increase in other operating income. This was associated with central journal entries in this item. Other operating income increased by €5.9 million. As in the prior quarters, this item was affected by factors such as the higher marketing contributions from vendors.

Owing to the favourable trend of the cost of sales, EBITDA went up by 9.3 per cent. The EBITDA margin increased from 8.0 per cent to 8.6 per cent.

Due to acquisitions and other factors, depreciation and amortisation increased by 14.0 per cent and amounted to €31.4 million as of the end of the quarter. As previously, the depreciation of property, plant and equipment accounted for the greatest share of the depreciation and amortisation. This item went up by €2.6 million to €26.3 million.

EBIT went up 7.8 per cent to €96.4 million. In the reporting quarter, the margin amounted to 6.5 per cent, compared to 6.1 per cent in the prior year.

The EBT performance was similar. This item increased by 6.4 per cent to €93.9 million, resulting in an EBT margin increase from 6.0 per cent to 6.3 per cent. The stable margin of 5.9 per cent achieved in the nine-month period is comfortably in line with our forecast for the year as a whole, which projects a margin at about the same level as in the prior year (5.9 per cent).

EBT AND EBT MARGIN

€m and %



The tax rate went up from 28.1 per cent to 28.9 per cent. Earnings after taxes went up by 5.3 per cent to €66.8 million. Earnings per share amounted to €0.53, compared to €0.50 in the corresponding prior-year quarter.

The earnings situation in the segments was as follows:

EBIT in the IT System House & Managed Services segment increased by 13.8 per cent to €66.3 million. This item was affected by the above-mentioned higher demand for software and services and the increase in marketing contributions. The EBIT margin thus increased from 6.2 per cent to 6.7 per cent.

In the IT E-Commerce segment, EBIT declined by 3.3 per cent to €30.1 million. The EBIT margin increased slightly from 6.0 per cent to 6.2 per cent. Despite the restrained operational performance, the material costs developed at a lower rate than the revenue, due especially to the higher software share. This had a positive effect on the margin.

EBIT – GROUP AND SEGMENTS						€k
	Q3/2023	Q3/2022	Change	9M/2023	9M/2022	Change
Group	96,402	89,395	+7.8%	273,491	254,520	+7.5%
IT System House & Managed Services	66,279	58,248	+13.8%	186,016	159,136	+16.9%
IT E-Commerce	30,123	31,147	-3.3%	87,475	95,384	-8.3%

ASSETS AND FINANCIAL POSITION

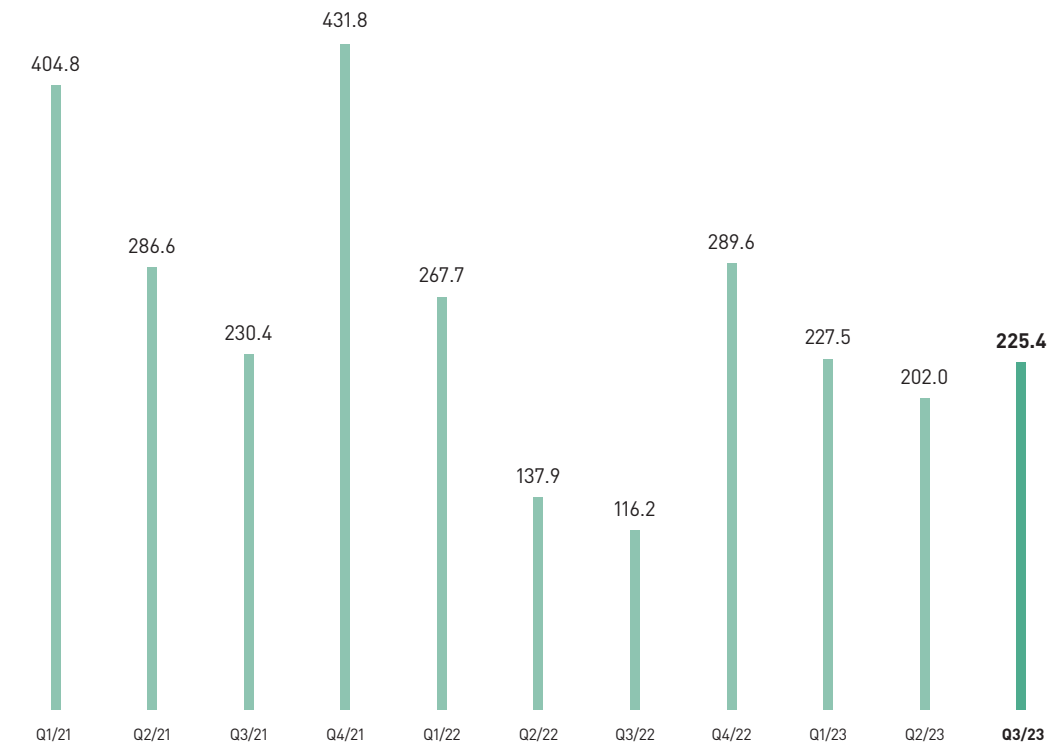
As of the reporting date of 30 September 2023, the balance sheet total of the Bechtle Group amounted to €3,382.6 million, slightly less than as of 31 December 2022 (€3,447.9 million).

On the assets side, non-current assets went up by 15.4 per cent to €1,287.3 million. Due to acquisitions, the goodwill, in particular, increased by €86.1 million. Property, plant and equipment went up as well, namely by €71.3 million. The capitalisation ratio climbed to 38.1 per cent, from 32.3 per cent as of 31 December 2022.

Current assets dropped by €237.4 million to €2,095.3 million as of the reporting date. Inventories decreased by €40.9 million or 6.7 per cent and amounted to €566.8 million as of 30 September 2023. Trade receivables declined even more, namely by €182.1 million or 15.1 per cent. This positive development was also reflected in our average DSO (days sales outstanding), which came down from 41.9 days in the prior year to 41.2 days in the first nine months of 2023. At €225.4 million, cash and cash equivalents remained almost unchanged at a very comfortable level.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



Due to the said declines in inventories and trade receivables, the working capital dropped from €1,112.4 million to €935.7 million as of 30 September 2023. In relation to the business volume, the working capital dropped from 21.8 per cent as of 30 September 2022 to 16.7 per cent.

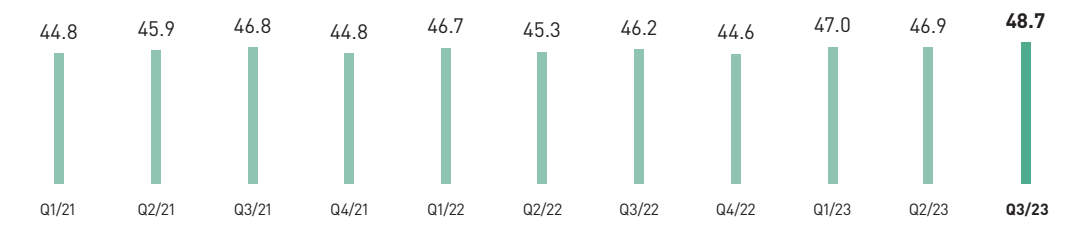
On the equity and liabilities side, non-current liabilities underwent merely a slight change and amounted to €497.6 million as of the reporting date.

Current liabilities declined by €208.3 million to €1,236.3 million as of 30 September 2023. As a result of the substantial reduction early in the year, trade payables dropped by €161.3 million. Other liabilities also declined, namely by €69.6 million or 18.3 per cent. This was due to the lower liabilities to personnel and lower VAT liabilities.

The equity increased by €110.4 million. Our equity ratio went up from 44.6 per cent as of 31 December 2022 to 48.7 per cent as of the reporting date. The annualised return on equity amounted to 16.8 per cent, after 18.2 per cent in the corresponding prior-year period.

EQUITY RATIO

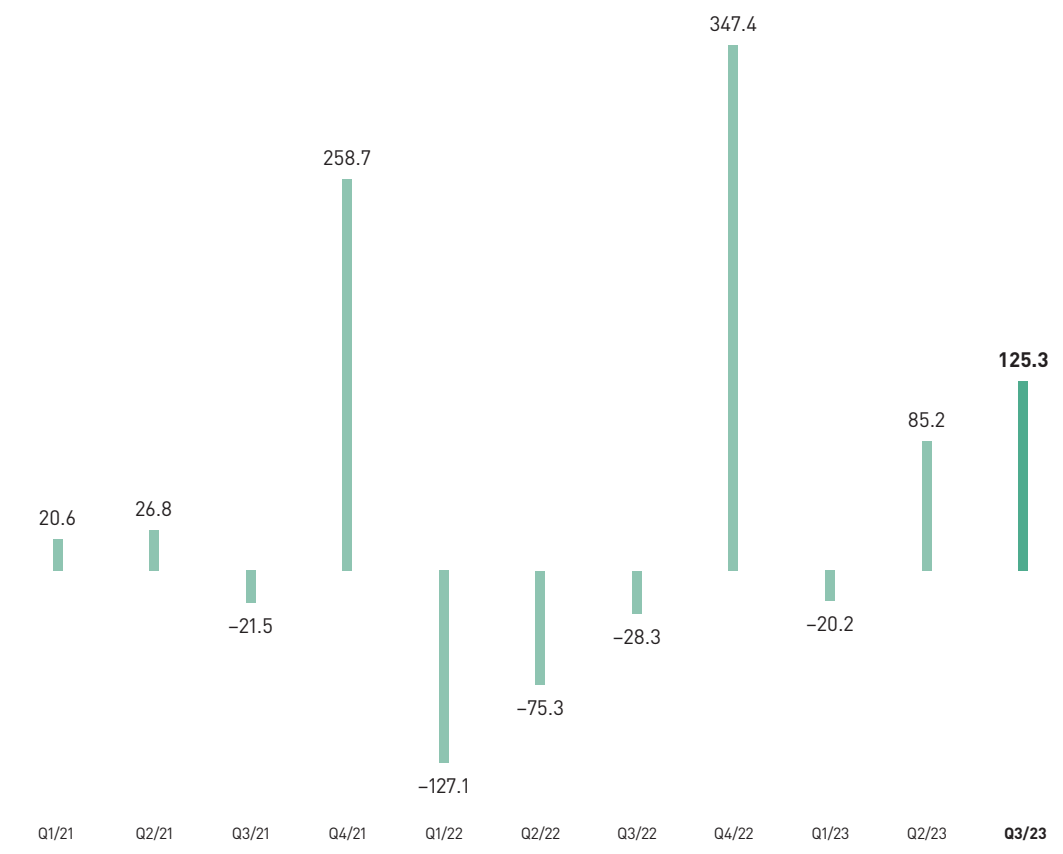
%



In the period from January to September 2023, the cash flow from operating activities amounted to €190.2 million, compared to –€230.7 million in the corresponding prior-year period. The ongoing reduction of inventories and the reduction of trade receivables resulted in a total cash inflow of almost €250 million (prior year: cash outflow of €228 million). The slight increase in the cash outflow from the reduction of trade payables did nothing to change this positive development. The cash outflow from trade payables even declined somewhat in the third quarter. Overall, the cash flow from operating activities was €125.3 million in the third quarter, compared to –€28.3 million in the corresponding prior-year period.

CASH FLOW FROM OPERATING ACTIVITIES

€m



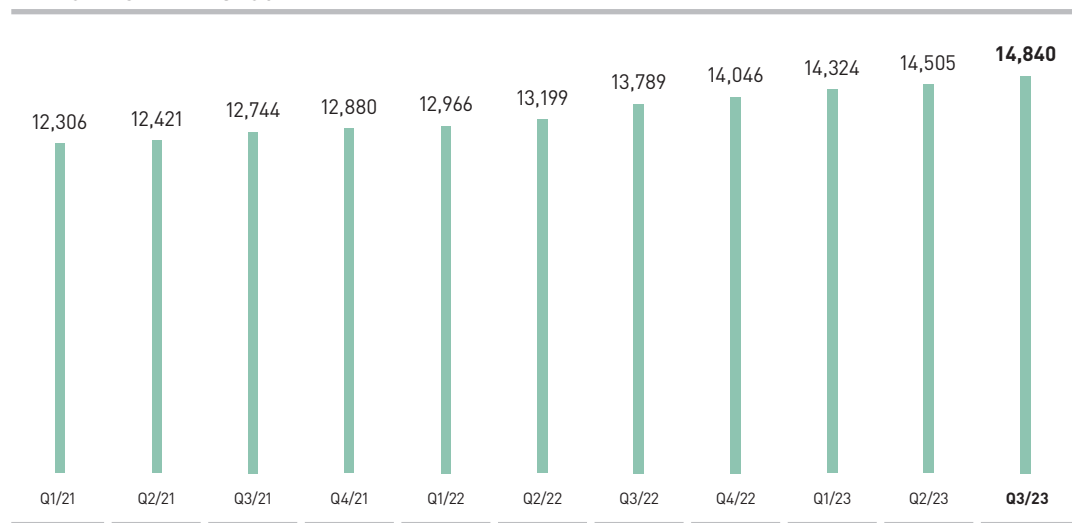
At –€98.5 million, the cash flow from investing activities was only slightly below the prior-year figure of –€108.3 million. The outflows for acquisitions and investments were higher than in the prior year, which was balanced by an inflow from the sale of time deposits and securities. The cash flow from financing activities amounted to –€96.9 million, after +€16.2 million in the corresponding prior-year period. Above all, the cash paid for the repayment of financial liabilities was higher than in the prior year.

Despite the higher outflow for acquisitions, the free cash flow from January to September 2023 amounted to a positive figure of €28.9 million. This represents a substantial improvement over the prior-year figure of –€339.6 million.

PEOPLE AT BECHTLE

As of the reporting date of 30 September 2023, the Bechtle Group had a total of 14,840 employees, This represents an increase of 1,051 people or 7.6 per cent compared to 30 September 2022. A large portion of this increase is attributable to acquisitions in both segments. A total of 518 people joined Bechtle in this way. Without taking the acquisitions into account, the headcount increase amounted to 3.9 per cent.

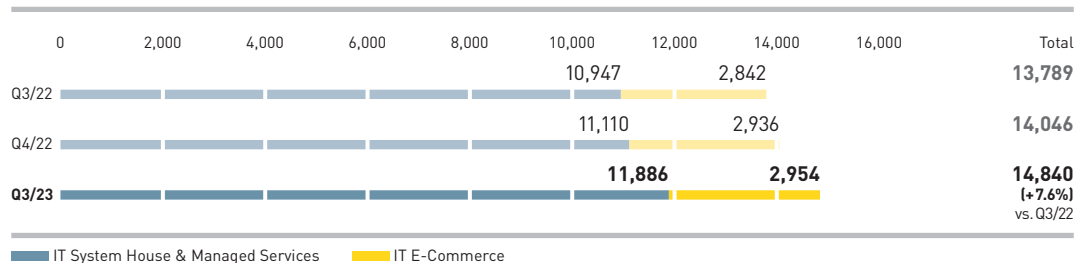
EMPLOYEES IN THE GROUP



In the IT System House & Managed Services segment, the number of employees went up by 939 compared to 30 September 2022, an increase of 8.6 per cent. The rate increase in per cent in the German companies was almost the same as in the international companies.

In the IT E-Commerce segment, the number of employees went up by 112 compared to 30 September 2022, an increase of 3.9 per cent.

EMPLOYEES BY SEGMENTS



Expressed in full-time equivalents (FTE), an average of 13,959 employees worked for Bechtle from January to September 2023, an increase of 1,265 people or 10.0 per cent over the corresponding prior-year period.

As of 30 September 2023, Bechtle had 865 young trainees, an increase of 50 apprentices and students on integrated degree programme compared to the previous year.

At the beginning of the new training year on 1 September, 299 young colleagues embarked on their career with Bechtle, another record figure.

FORECAST

So far, the year 2023 has been marked by strained economic framework conditions and major uncertainties with regard to further macroeconomic development. Moreover, the mood indicators for the economy are only recovering slowly, however they remain at a low level. Noticeable improvements in these framework conditions are unlikely to occur over the rest of the year. Bechtle has performed very well against this challenging backdrop. Therefore, we are confirming the forecast we published in March 2023, according to which we intend to increase the revenue and earnings considerably (5 to 10 per cent) and keep the margin at more or less the same level as in the prior year. Despite the persistently challenging economic situation, we remain confident regarding our year-end business.

CONSOLIDATED INCOME STATEMENT

	€k			
	01.07- 30.09.2023	01.07- 30.09.2022	01.01- 30.09.2023	01.01- 30.09.2022
Revenue	1,479,155	1,463,872	4,527,599	4,260,627
Cost of sales	1,198,833	1,201,614	3,710,950	3,503,753
Gross profit	280,322	262,258	816,649	756,874
Distribution costs	110,089	99,463	318,598	284,753
Administrative expenses	88,014	81,654	263,735	240,809
Other operating income	14,183	8,254	39,175	23,208
Earnings before interest and taxes	96,402	89,395	273,491	254,520
Financial income	1,705	383	4,237	941
Financial expenses	4,229	1,585	10,371	4,710
Earnings before taxes	93,878	88,193	267,357	250,751
Income taxes	27,120	24,779	77,737	70,772
Earnings after taxes (attributable to shareholders of Bechtle AG)	66,758	63,414	189,620	179,979
Net earnings per share (basic and diluted)	€ 0.53	0.50	1.50	1.43
Weighted average shares outstanding (basic and diluted)	126,000	126,000	126,000	126,000
		in thousands		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ k

	01.07- 30.09.2023	01.07- 30.09.2022	01.01- 30.09.2023	01.01- 30.09.2022
Earnings after taxes	66,758	63,414	189,620	179,979
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses on pension provisions	222	476	370	827
Income tax effects	-46	-100	-77	-178
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses on securities	285	249	255	1,261
Income tax effects	-102	-87	-112	-419
Currency translation differences of net investments in foreign operations	-1,031	-17,070	-4,112	-31,483
Income tax effects	311	5,142	1,241	9,483
Currency translation differences	887	7,943	5,077	13,777
Other comprehensive income	526	-3,447	2,642	-6,732
of which income tax effects	163	4,955	1,052	8,886
Total comprehensive income (attributable to shareholders of Bechtle AG)	67,284	59,967	192,262	173,247

CONSOLIDATED BALANCE SHEET

ASSETS	€ k		
	30.09.2023	31.12.2022	30.09.2022
Non-current assets			
Goodwill	640,261	554,197	555,849
Other intangible assets	105,052	99,701	95,781
Property, plant and equipment	436,828	365,512	345,575
Trade receivables	70,195	67,126	66,978
Deferred taxes	9,494	9,451	9,537
Other assets	25,474	19,191	17,589
Total non-current assets	1,287,304	1,115,178	1,091,309
Current assets			
Inventories	566,815	607,696	719,069
Trade receivables	1,024,289	1,206,399	980,723
Income tax receivables	14,994	21,559	6,685
Other assets	263,761	207,450	241,374
Time deposits and securities	0	60,000	0
Cash and cash equivalents	225,439	229,590	116,213
Total current assets	2,095,298	2,332,694	2,064,064
Total assets	3,382,602	3,447,872	3,155,373

EQUITY AND LIABILITIES

€ k

	30.09.2023	31.12.2022	30.09.2022
Equity			
Issued capital	126,000	126,000	126,000
Capital reserves	40,228	40,228	40,228
Retained earnings	1,482,453	1,372,091	1,290,833
Total equity	1,648,681	1,538,319	1,457,061
Non-current liabilities			
Pension provisions	9,043	7,927	14,617
Other provisions	10,115	10,371	10,666
Financial liabilities	255,472	261,895	306,847
Trade payables	321	522	498
Deferred taxes	30,439	33,452	34,881
Other liabilities	137,844	100,328	93,747
Contract liabilities	54,232	49,628	40,924
Deferred income	147	796	1,243
Total non-current liabilities	497,613	464,919	503,423
Current liabilities			
Other provisions	23,673	30,767	23,523
Financial liabilities	158,380	111,380	164,697
Trade payables	537,704	699,030	484,627 ¹
Income tax payables	15,986	27,851	9,558
Other liabilities	309,655	379,242	349,130 ¹
Contract liabilities	185,905	193,392	156,417
Deferred income	5,005	2,972	6,937 ¹
Total current liabilities	1,236,308	1,444,634	1,194,889
Total equity and liabilities	3,382,602	3,447,872	3,155,373

¹ Prior-year figures adjusted

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2022	126,000	40,228	1,156,960	29,926	1,186,886	1,353,114
Distribution of profits for 2021			-69,300		-69,300	-69,300
Earnings after taxes			179,979		179,979	179,979
Other comprehensive income				-6,732	-6,732	-6,732
Total comprehensive income	0	0	179,979	-6,732	173,247	173,247
Capital increase from company funds	84,000	-84,000			0	0
Equity as of 30 September 2022	210,000	-43,772	1,267,639	23,194	1,290,833	1,457,061
Equity as of 1 January 2023	126,000	40,228	1,338,778	33,313	1,372,091	1,538,319
Distribution of profits for 2022			-81,900		-81,900	-81,900
Earnings after taxes			189,620		189,620	189,620
Other comprehensive income				2,642	2,642	2,642
Total comprehensive income	0	0	189,620	2,642	192,262	192,262
Equity as of 30 September 2023	126,000	40,228	1,446,498	35,955	1,482,453	1,648,681

CONSOLIDATED CASH FLOW STATEMENT

€k

	01.07- 30.09.2023	01.07- 30.09.2022	01.01- 30.09.2023	01.01- 30.09.2022
Operating activities				
Earnings before taxes	93,878	88,193	267,357	250,751
Adjustment for non-cash expenses and income				
Financial earnings	2,524	1,202	6,134	3,769
Depreciation and amortisation of intangible assets and property, plant and equipment	31,424	27,577	91,798	79,198
Gains and losses on disposal of intangible assets and property, plant and equipment	-78	-21	-371	-542
Other non-cash expenses and income	-1,299	-6,771	-12,052	2,159
Changes in net assets				
Changes in inventories	-1,090	-42,318	49,978	-200,190
Changes in trade receivables	26,992	-7,406	198,264	-28,061
Changes in trade payables	-10,825	-38,222	-178,046	-153,793
Changes in deferred income	-1,690	-1,022	-3,357	28,342
Changes in other net assets	10,234	-22,312	-140,187	-118,858
Income taxes paid	-24,812	-27,198	-89,281	-93,485
Cash flow from operating activities	125,258	-28,298	190,237	-230,710
Investing activity				
Cash paid for acquisitions less cash acquired	-6,111	-4,576	-96,117	-76,297
Cash paid for investments in intangible assets and property, plant and equipment	-24,619	-19,493	-70,861	-54,951
Cash received from the sale of intangible assets and property, plant and equipment	78	7,539	5,596	22,317
Cash received from the sale of time deposits and securities	35,000	0	60,000	0
Interest payments received	1,273	203	2,899	597
Cash flow from investing activities	5,621	-16,327	-98,483	-108,334
Financing activities				
Cash paid for the repayment of financial liabilities	-122	-3,412	-67,119	-24,590
Cash received from the assumption of financial liabilities	-53,771	38,558	107,918	150,657
Dividends paid	0	0	-81,900	-69,300
Interest paid	-3,543	-688	-8,562	-1,733
Cash paid for the repayment of leases	-15,296	-13,793	-47,258	-38,829
Cash flow from financing activities	-72,732	20,665	-96,921	16,205
Exchange-rate-related changes in cash and cash equivalents	856	2,256	1,016	7,301
Changes in cash and cash equivalents	59,003	-21,704	-4,151	-315,538
Cash and cash equivalents at beginning of the period	166,436	137,917	229,590	431,751
Cash and cash equivalents at the end of the period	225,439	116,213	225,439	116,213

FINANCIAL CALENDAR

QUARTERLY STATEMENT 3RD QUARTER 2023 (30 SEPTEMBER)

Friday, 10 November 2023

ANNUAL REPORT 2023

Friday, 15 March 2024

ACCOUNTS PRESS CONFERENCE

Friday, 15 March 2024

ANALYSTS' CONFERENCE

Friday, 15 March 2024

QUARTERLY STATEMENT 1ST QUARTER 2024 (31 MARCH)

Wednesday, 8 May 2024

ANNUAL GENERAL MEETING

Tuesday, 11 June 2024

HALF-YEAR FINANCIAL REPORT 2024 (30 JUNE)

Friday, 9 August 2024

QUARTERLY STATEMENT 3RD QUARTER 2024 (30 SEPTEMBER)

Friday, 8 November 2024

See [bechtle.com/financial-calendar](https://www.bechtle.com/financial-calendar) for further dates and changes.

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