Q3 2021

INTERIM ANNOUNCEMENT AS OF 30 SEPTEMBER 2021

CANCOM

Key figures

CANCOM GRUPPE

in € million	9M 2021*	9M 2020*	Δ
Revenue	947.9	839.3	+ 12.9 %
Gross profit	314.5	278.2	+ 13.0%
EBITDA	84.6	60.5	+ 39.7 %
EBITDA margin	8.9 %	7.2 %	+ 1.7 Pp
EBITA	56.9	35.9	+ 58.4%
EBIT	52.1	30.5	+ 71.1 %

	30.09.2021*	30.09.2020*	Δ
Balance sheet total	1,343,4	1,078.5	+24.6 %
Equity	850.0	592.9	+ 43.4 %
Equity ratio	63.3 %	55.0 %	+ 8.3 pp
Cash and cash equivalents	582.5	226.2	+ 157.5 %
Employees	3,569	3,363	+ 6.1 %

CLOUD SOLUTIONS

in € million	9M 2021*	9M 2020*	Δ
Revenue	176.9	170.4	+ 3.8 %
EBITDA	55.4	46.0	+ 20.3 %
EBITDA margin	31.3 %	27.0 %	+ 4.3 pp
ARR	170.4	137.9	+ 23.6 %

IT SOLUTIONS

in € million	9M 2021*	9M 2020*	Δ
Revenue	770.8	668.9	+ 15.2 %
EBITDA	41.8	30.8	+ 35.7 %
EBITDA margin	5.4 %	4.6 %	+ 0.8 pp

* All key financial figures for the financial year 2021 and all comparative figures from the financial year 2020 include the effects of the sale and deconsolidation of the business activities in the United Kingdom and Ireland (CANCOM LTD). Explanations are provided in section D.4. of the consolidated financial statements for the first half of 2021.

The figures for the 2020 reporting period have also been adjusted due to changes in accounting policy from the 2021 financial year onwards. Explanations are provided in the section on the results of operations, financial position and net assets in the quarterly statement for the first quarter of 2021.

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Group interim report

for the period 1 January to 30 September 2021

BASICS OF THE GROUP

The CANCOM Group (hereinafter referred to as „CANCOM“ or „CANCOM Group“) is one of the leading providers of IT services and IT infrastructure in Germany. In addition to its activities in its home market of Germany, the Group has subsidiaries or branches in Austria, Switzerland, Belgium, Slovakia and the USA.

Structure of the CANCOM Group

The parent company of the CANCOM Group is CANCOM SE, based in Munich, Germany. It performs central financing and management functions for the Group companies, i.e. the investments it holds. In addition to the parent company‘s central management and financing activities, the operating units are also supported in their day-to-day business operations by centralised departments for purchasing, internal IT, warehousing/logistics, finance, vehicle and travel management, repair/service, and human resources („Central Services“), as well as marketing/communications and product management. In addition, the operating units have access to an internal specialist sales department („Competence Center“) across the organization.

In addition to these centralised functions, CANCOM‘s operating units are primarily decentralised and operate in units structured primarily by region. The organisation comprises the regional units South, Southwest, Central, East, North and West, as well as locations in Belgium and the USA. In addition, there are the trans-regional business units Managed Services, Public, eCom and Remarketing.

In its financial reporting, the CANCOM Group reports on the development of its operating business by means of two segments in addition to the Group as a whole: Cloud Solutions and IT Solutions.

Cloud solutions

The Cloud Solutions group segment includes the (shared) managed services business as well as product and service businesses that can be directly allocated to managed services contracts. In addition, there are all business activities in connection with the company‘s own software product - the IT multicloud management software ‘AHP Enterprise Cloud‘.

IT solutions

The group segment IT Solutions comprises business relating to comprehensive strategic and technical consulting and services for projects in the field of IT infrastructure, IT applications and system integration, as well as their planning and turnkey implementation. The segment also includes activities in the area of IT procurement and eProcurement services.

Other companies

In addition to the two operating segments, the CANCOM Group‘s segment reporting also includes the Other Companies segment. This reflects the staff and management functions for central Group management, including the parent company CANCOM SE. Intra-Group investments and expenses for company acquisitions or disposals are also included in this segment.

Changes in the reporting period

In January 2021, CANCOM SE acquired 100 percent of the shares and 100 percent of the voting rights in Anders & Rodewyk Das Systemhaus für Computertechnologien GmbH, Hanover. The date of initial consolidation was 1 January 2021. For further information, please refer to section A.2.2. of the consolidated financial statements for the first half of 2021.

In August 2021, CANCOM SE completed the sale of CANCOM LTD, which bundled the CANCOM Group‘s business activities in the United Kingdom and Ireland. The proceeds of the transaction were recognised in the CANCOM Group‘s net profit for the period in the third quarter of 2021. As a result of the transaction, CANCOM LTD was reclassified as a discontinued operation in the CANCOM Group‘s financial reporting. Accordingly, the earnings figures were adjusted for the earnings contributions of CANCOM LTD for the current year and the 2020 financial year. For further information, please refer to section D.4. of the consolidated financial statements for the first half of 2021.

Business model and sales markets

CANCOM‘s product and service portfolio is geared towards advising and supporting enterprise customers in adapting IT infrastructures and business processes to the requirements of digitalisation. CANCOM acts as a provider of complete solutions and sees itself as a „Leading Digital Transformation Partner“ for its customers.

The range of services extends from strategic consulting for digital business processes to the partial or complete operation of IT systems (primarily by means of managed services as well as standardized as-a-service offerings), to system design and integration, IT support, delivery and turnkey implementation of hardware and software, e-procurement, logistics services and the remarketing of used IT.

This broad-based product and service offering enables the CANCOM Group to generate revenue both on the basis of the Company‘s own skills and services (services business) and from remuneration and commissions for the sale of third-party IT products (sale of goods). Management is pursuing a medium-term course of strategic transformation of the CANCOM Group into a system house 4.0, in which an increasing proportion of business activity is the provision of IT services, specifically shared managed services.

A key external factor influencing CANCOM‘s business development is the development of the IT market in the largest sales markets of Germany, Austria, Belgium and the USA. For these markets as a whole - and therefore also for CANCOM - the general trend towards digitalisation is a key driver. The importance of IT processes in business, administration, the education sector and healthcare is increasing and the further development of devices, technologies and applications is leading to an expansion of the areas of application for digital solutions. In addition, data protection regulations, the general threat situation in the area of cyber security and the quality certifications required by customers, as well as environmental and social standards, are important external factors that CANCOM cannot influence and that can have a positive or negative effect on business development. As a provider of IT services and products, however, the CANCOM Group‘s business model is not subject to any special industry-specific legal provisions, licensing requirements or official supervision, i.e. external regulatory or politically influenced factors that go beyond the legal framework generally applicable to all companies.

The CANCOM Group‘s customer base primarily comprises commercial end users, ranging from small and medium-sized enterprises to large corporations and groups, as well as public institutions. Geographically, the CANCOM Group is primarily active in Germany, but also in Austria, Belgium, Switzerland and the USA.

ECONOMIC REPORT

Development of the overall economy and the IT market

With a revenue share of around 90 percent, Germany is by far the most important sales market for the CANCOM Group. Other important sales markets in terms of revenue volume are Austria, Belgium, Switzerland and the USA. In addition to the general economic development in these national markets, the overall market for information and communication technology - especially in Germany - is an important framework and basis of comparison for assessing CANCOM‘s economic development.

Germany
The CANCOM Group generates the vast majority of its revenue in Germany. The shortage of input and output products that has existed since the beginning of the year and the persistently high utilisation of supply chains continued in the third quarter of 2021. While industry in particular had to deal with bottlenecks, the service sector was able to work almost without restrictions due to the measures taken to contain the coronavirus pandemic. Rising energy and raw material costs in the third quarter recently clouded the overall economic outlook. Accordingly, in its monthly report of October, the Bundesbank assumes a slowdown in the recovery of the first half of the year in the third quarter. Accordingly, a slight cooling of business development above the level of the overall economy is also expected for the digital industry.

ICT market
The expectations of the industry association Bitkom for the development of the most important ICT market for CANCOM, Germany, had improved significantly in the course of the first half of 2021. For the entire information technology market segment, the association raised its growth forecast by 2.4 percentage points to 6.6 percent compared to the beginning of 2021. In its July 2021 forecast, Bitkom expected higher growth rates of 10.9 percent, 6.0 percent and 3.7 percent in the IT hardware, software and IT services market segments, respectively.

Business performance in the first nine months of 2021

In the reporting period from 1 January to 30 September 2021, the CANCOM Group generated revenue of € 947.9 million. This means that in the first nine months of the current financial year, the CANCOM Group achieved a very significant increase in revenue of 12.9 percent compared with the same period of the previous year. EBITDA for the CANCOM Group in the first three quarters was € 84.6 million, 39.7 percent higher than in the same period last year. In addition to the business developments in the first half of the year already described in the half-yearly financial report, an above-average profitable trading business with hardware and software products had a significant influence on the operating result in the third quarter. In addition, there was an improvement in revenue and margin in the service business. At the same time, however, supply bottlenecks for IT hardware continued to hamper business activity. However, the positive factors dominated and led to the disproportionately strong increase in EBITDA compared to revenue growth in the third quarter and thus also influenced the revenue and EBITDA growth in the nine-month period.

A third decisive influence on the business result was the sale of the business activities in the United Kingdom and Ireland in the third quarter of 2021, which not only resulted in extraordinary one-off special income from the deconsolidation of the associated Group companies, which was fully included in the CANCOM Group‘s profit for the period for the third quarter and thus also for the nine-month period. The sale also resulted in the reclassification of the results of operations of the Group companies sold as „Result from discontinued operations“ in the income statement. The reclassification will be made for the entire fiscal year 2021 and the previous year and reported accordingly in the consolidated financial statements.

Overall, the CANCOM Group achieved a very significant increase in revenue and EBITDA in a challenging environment in the first nine months of 2021.

Order situation - Annual Recurring Revenue

Within the Group‘s Cloud Solutions segment, CANCOM‘s business includes managed services. Managed services contracts result in recurring revenue over a fixed multi-year contract term. Plannable recurring revenue enables a projection of expected future revenue over the next twelve months, starting from the last month of the respective reporting period. This Annual Recurring Revenue (ARR)[1] amounted to € 170.4 million at the end of the first nine months, an increase of 23.6% year-on-year (September 2020: € 137.9 million). The organic share of ARR[2] growth was 20.7 percent.

In the IT Solutions segment, information on the order situation as of the reporting date is not meaningful. This is due to the way in which contracts for orders are often structured. They often cover longer periods, but their volume can change within these periods (framework agreements). However, there can also be very short periods between order and revenue recognition. Reporting on the volume of orders is therefore not meaningful and for this reason is not included in the CANCOM Group‘s financial reports.

Employees

As at 30 September 2021, the CANCOM Group had 3,569 employees (30 September 2020: 3,363). This represents an increase of 6.1 percent compared with the same period of the previous year. The main driver of personnel development in 2021 was the need for personnel due to the increased volume of business.

The employees were active in the following areas:

CANCOM Group: Employees

	30.9.2021	30.9.2020
Professional services	2,106	1,993
Distribution	824	737
Central Services	639	633
Total	**3,569**	**3,363**

Results of operations, financial position and net assets of the CANCOM Group

Note:
As a result of the sale of the business activities in the United Kingdom and Ireland, the business results of the associated Group companies are summarised in full in the CANCOM Group‘s income statement under the item „Result from discontinued operations“. The key financial figures of the profit and loss account presented below are therefore presented for both the current financial year and the prior-year period without the contributions from the business activities in the United Kingdom and Ireland - with the exception of the result for the period.

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

1) ARR = Revenue from service contracts with a multi-year term and service level agreement as well as from AHP Enterprise Cloud in the base month (Monthly Recurring Revenue) x 12 months.
2) Organic share of financial ratios = respective financial ratio (GAAP or non-GAAP) - contributions from companies that have been part of the scope of consolidation for less than 12 months.

Earnings

CANCOM Group: Revenue
(in € million)

In the first nine months of the year, the CANCOM Group achieved growth in consolidated revenue of 12.9 percent to € 947.9 million (previous year: € 839.3 million). The organic share of this growth was 10.9 percent. At Group level, CANCOM generated € 683.6 million (previous year: € 597.9 million) from the sale of goods, i.e. in particular hardware and software, and € 264.3 million (previous year: € 241.4 million) from the provision of services.

In geographical terms, CANCOM achieved a 15.9 percent increase in revenue in Germany in the reporting period, to € 888.7 million (previous year: € 766.9 million). In its international business, CANCOM generated revenue of € 59.1 million, a decline of 18.4 percent (previous year: € 72.4 million).

In the Cloud Solutions Group segment, CANCOM achieved year-on-year revenue growth of 3.8 percent to € 176.9 million in the first nine months of 2021 (previous year: € 170.4 million). The organic share of revenue growth was 2.6 percent.

In the IT Solutions Group segment, CANCOM increased revenue between January and September 2021 by 15.2 percent year-on-year to € 770.8 million (previous year: € 668.9 million). Organic growth amounted to 13.0 percent.

In the third quarter of 2021, the CANCOM Group's revenue performance showed a year-on-year increase of 5.6 percent to € 302.6 million (previous year: € 286.6 million). In organic terms, revenue growth was 3.0 percent.

In the Cloud Solutions segment, revenue in the third quarter amounted to € 63.0 million, an increase of 4.2 percent (previous year: € 60.4 million). In organic terms, revenue increased by 0.6 percent.

The IT Solutions segment recorded revenues of € 239.7 million in the third quarter, representing growth of 6.0 percent compared with the same period of the previous year (previous year: € 226.1 million). In organic terms, revenue growth was 3.6 percent.

Other operating income amounted to € 6.3 million in the first nine months (previous year: € 1.0 million). It increased in the reporting period from the sale of a property in the amount of € 2.2 million.

In the third quarter of the reporting year, other operating income amounted to € 1.4 million (previous year: € 0.1 million).

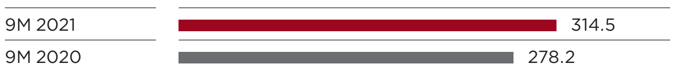
In the first nine months of the current financial year, the CANCOM Group's total operating revenue was € 958.6 million, up 13.4 percent on the same period last year (previous year: € 845.5 million). For the third quarter, total operating revenue was € 305.3 million, up 5.8 percent on the same period last year (previous year: € 288.5 million).

CANCOM Group: Cost of materials
(in € million)

	9M 2021	9M 2020
Cost of materials/cost of purchased services	644.1	567.3

The cost of materials at Group level rose by 13.5 percent to € 644.1 million in the first three quarters of 2021 and thus more strongly than revenue (previous year: € 567.3 million). In the third quarter, the cost of materials rose by 2.4 percent to € 201.0 million (previous year: € 196.2 million) and thus much less than revenue in the same period.

CANCOM Group: Gross profit
(in € million)



In the first nine months of 2021, the gross profit[3] of the CANCOM Group increased by 13.0 percent year-on-year to € 314.5 million (previous year: € 278.2 million). Gross profit thus developed more or less in line with revenue. The gross profit margin in relation to revenue was 33.2 percent (prior year: 33.1 percent).

Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

3) Gross profit: Gross profit = total operating performance (sales revenue + other operating income + other own work capitalized + capitalized contract costs) less cost of materials/cost of purchased services

In the Cloud Solutions group segment, gross profit rose by 3.0 percent to € 95.1 million in the first three quarters of the year (previous year: € 92.4 million).

In the IT Solutions Group segment, CANCOM recorded an increase in gross profit compared with the same period last year. It rose by 13.3 percent to € 201.7 million (previous year: € 178.1 million).

The figures for the third quarter of 2021 showed an increase in consolidated gross profit of 13.1 percent to € 104.2 million (previous year: € 92.2 million). In the Cloud Solutions segment, gross profit increased by 7.3 percent to € 33.8 million in the third quarter (previous year: € 31.5 million) and in the IT Solutions segment by 11.4 percent to € 65.2 million (previous year: € 58.5 million).

CANCOM Group: Personnel expenses
(in € million)

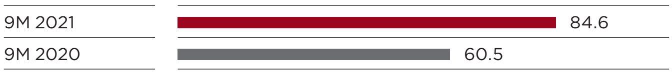
	9M 2021	9M 2020
Wages and salaries	165.0	153.3
Social security contributions	29.2	25.3
Equity-settled share-based payment transactions	1.0	0.9
Expenses for retirement benefits	0.2	0.2
Share-based payments with cash settlement	0	0
Total	**195.4**	**179.7**

Personnel expenses amounted to € 195.4 million in the first nine months of 2021, up 8.7 percent on the same period last year (previous year: € 179.7 million). The higher personnel expenses resulted in particular from the increase in the number of employees and the rise in salaries. The personnel expense ratio fell by 0.8 percentage points to 20.6 per cent (prior year: 21.4 percent). In the third quarter, personnel expenses amounted to € 60.8 million, an increase of 8.2 percent (previous year: € 56.2 million).

Other operating expenses amounted to € 34.0 million in the first three quarters of 2021. They were thus 9.3 percent below the level of the previous year (previous year: € 37.5 million). At € 1.6 million, they were 46.6 percent below the previous year's figure (previous year: € 2.9 million). External services amounted to € 3.5 million in the first nine months and were thus 31.0 percent lower than in the previous year (previous year: € 5.1 million).

For the third quarter, other operating expenses amounted to € 11.0 million (previous year: € 11.2 million).

CANCOM Group: EBITDA
(in € million)



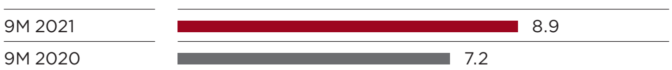
In the first nine months of the current financial year, the CANCOM Group's EBITDA[4] amounted to € 84.6 million, an increase of 39.7 percent on the previous year's figure (previous year: € 60.5 million). Organic growth amounted to 35.0 percent. In the Cloud Solutions segment, EBITDA amounted to € 55.4 million in the same period (previous year: € 46.0 million), an increase of 20.3 percent. Organic EBITDA growth amounted to 18.4 percent. In the IT Solutions segment, EBITDA rose by 35.7 percent to € 41.8 million (same period in the previous year: € 30.8 million); 29.3 percent of this growth was generated organically.

EBITDA for the CANCOM Group in the third quarter was € 32.3 million, up 30.4 percent on the previous year (Previous year: € 24.8 million). In organic terms, EBITDA rose by 24.7 percent in the third quarter.

In the Cloud Solutions segment, EBITDA rose by 18.7 percent year-on-year in the third quarter to € 20.1 million (previous year: € 16.9 million). The organic share of growth amounted to 13.5 percent. In the IT Solutions segment, EBITDA in the third quarter of 2021 increased by 36.8 percent year-on-year to € 16.1 million (previous year: € 11.7 million). Organic growth amounted to 32.1 percent.

The EBITDA for the first three quarters includes a positive special effect from the sale of a property in the amount of € 2.2 million in the second quarter, which is fully attributable to the IT Solutions segment.

CANCOM Group: EBITDA margin
(in %)



Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

4) EBITDA = profit for the period + income taxes + foreign exchange gains/losses + write-downs of financial assets + income from investments + other financial result + interest result + depreciation of property, plant and equipment, intangible assets and rights of use

In the reporting period from January to September 2021, the EBITDA margin of the CANCOM Group was 8.9 percent (previous year: 7.2 percent). The EBITDA margin in the Cloud Solutions segment was 31.3 percent (previous year: 27.0 percent). The EBITDA margin in the IT Solutions segment was 5.4 percent (previous year: 4.6 percent).

The EBITDA margin for the CANCOM Group in the third quarter of 2021 was 10.7 percent (previous year: 8.6 percent). In the Cloud Solutions segment, the EBITDA margin for the third quarter was 31,9 percent (previous year: 28.0 percent) and in the IT Solutions segment it was 6.7 percent (previous year: 5.2 percent).

CANCOM Group: Depreciation and amortisation
(in € million)

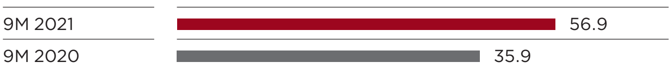
	9M 2021	9M 2020
Scheduled depreciation of property, plant and equipment as well as software	- 18,0	- 16,4
Amortization of rights of use	- 9,7	- 8,2
Amortization of intangible assets	- 4,7	- 5,4
Total	**-32,4**	**-30,1**

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use for the first nine months of financial year 2021 amounted to € 32.4 million at CANCOM Group level (previous year: € 30.1 million). This corresponds to an increase of 7.6 percent.

For the third quarter, depreciation and amortisation totalled € 11.6 million (previous year: € 10.4 million).

In the first nine months of the current financial year, the CANCOM Group achieved EBITA[5] of € 56.9 million, a very significant increase of 58.4 percent compared to the previous year's figure (previous year: € 35.9 million).

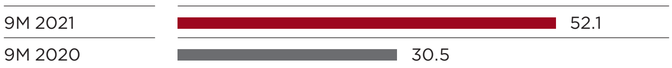
CANCOM Group: EBITA
(in € million) (in Mio. €)



In the Cloud Solutions group segment, EBITA in the reporting period was € 46.2 million, an increase of 24.0 percent (previous year: € 37.3 million). At € 24.1 million, EBITA in the IT Solutions segment was 56.6 percent higher than in the previous year (previous year: € 15.4 million).

In the third quarter, the CANCOM Group achieved EBITA of € 22.2 million, an increase of 37.2 percent (previous year: € 16.2 million). In the Cloud Solutions Group segment, EBITA rose by 22.0 percent in the third quarter to € 16.9 million (previous year: € 13.8 million). In the IT Solutions segment, EBITA rose by 46.8 percent to € 9.5 million (previous year: € 6.5 million).

CANCOM Group: EBIT
(in € million)

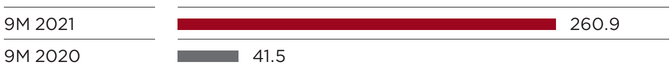


In the first nine months of the current financial year, the CANCOM Group's EBIT[6] amounted to € 52.1 million, showing an extraordinarily significant growth of 71.1 percent (previous year: € 30.5 million).

In the Cloud Solutions segment, EBIT in the reporting period amounted to € 43.0 million and was thus 28.6 percent above the previous year's figure (previous year: € 33.4 million). In the IT Solutions segment, EBIT amounted to € 22.9 million and was thus 59.1 percent higher than in the previous year (previous year: € 14.4 million).

In the third quarter of 2021, the CANCOM Group's EBIT amounted to € 20.7 million. This represents a 44.6 percent increase in EBIT compared with the third quarter of 2020 (previous year: € 14.3 million). In the Cloud Solutions Group segment, EBIT in the third quarter rose by 24.3 percent year-on-year to € 15.6 million (previous year: € 12.6 million). In the IT Solutions segment, EBIT rose by 50.4 percent to € 9.3 million (previous year: € 6.2 million).

CANCOM Group: Profit for the period
(in € million)



Explanation of the Alternative Performance Measures (APM) used in accordance with the APM guidelines of the European Securities and Markets Authority (ESMA):

5) EBITA = profit for the period + income taxes + foreign exchange gains/losses + write-downs of financial assets + income from investments + other financial result + net interest + amortization of established clientele, orders on hand, brands and impairment of goodwill

6) EBIT = profit for the period + income taxes + foreign exchange gains/losses + write-downs of financial assets + income from investments + other financial result + interest result

As a result of the activities in the first nine months of 2021, the CANCOM Group‘s profit for the period amounted to € 260.9 million (previous year: € 41.5 million). The main factor influencing this enormous increase was the result from discontinued operations, i.e. primarily the profit recorded from the sale of the business activities in the United Kingdom and Ireland.

In the third quarter of 2021, the CANCOM Group‘s profit for the period was € 238.9 million (previous year: € 25.2 million). Due to the aforementioned effect of the sale of the business in the United Kingdom and Ireland, it was thus very significantly higher than the previous year‘s figure.

Financial and asset position

Principles and objectives of financial management

The core objective of CANCOM‘s financial management is to ensure liquidity at all times in order to guarantee day-to-day business operations. In addition, the aim is to optimise profitability and, associated with this, to achieve the highest possible credit rating in order to secure favourable refinancing. The financing structure is primarily geared towards long-term stability and maintaining financial room for manoeuvre to take advantage of business and investment opportunities.

Capital structure of the Group

The total assets of the CANCOM Group as at the reporting date of 30 September 2021 amounted to € 1,343.4 million (31 December 2020: € 1,249.9 million). On the liabilities side, € 850.0 million of this was attributable to equity and € 493.5 million to debt. The CANCOM Group‘s equity ratio was therefore 63.3 percent at the end of September, 14.2 percentage points higher than at the end of the 2020 financial year (31 December 2020: 49.1 percent). The debt ratio fell accordingly to 36.7 percent (31 December 2020: 50.9 percent). The primary reason for this shift in the balance sheet structure towards a significantly higher equity ratio is the gain on the disposal of the business in the United Kingdom and Ireland in the third quarter.

Both non-current and current financial liabilities to banks have a very low volume of less than € 0.1 million compared to total liabilities. The amount of cash and cash equivalents as of the reporting date of 30 September 2021 covers this amount of interest-bearing financial liabilities. Thus, there is no net financial debt of the Group or this key figure is negative („net cash“ situation).

Debt and equity

Current liabilities, i.e. liabilities with a remaining term of less than one year, amounted to € 379.2 million as of the balance sheet date of the third quarter of 2021 (31 December 2020: € 522.0 million). The very significant decrease compared to December 2020 can be explained by the decrease in trade payables, which amounted to € 267.7 million as of 30 September 2021 (31 December 2020: € 371.6 million). In addition, other current liabilities decreased to € 40.9 million (31 December 2020: € 50.7 million). Current contract liabilities also decreased and stood at € 20.1 million as of 30 September 2021 (previous year: € 37.8 million).

Non-current liabilities were at previous year‘s level at € 114.2 million as of the reporting date compared with the figure as of 31 December 2020 (31 December 2020: € 113.2 million). At € 91.5 million, other non-current financial liabilities were higher than in 2020 (previous year: € 87.2 million) while other current liabilities decreased to € 34.3 million (31 December 2020: € 49.9 million).

Equity increased to € 850.0 million as at the balance sheet date (31 December 2020: € 614.7 million). This development was largely due to retained earnings, which rose significantly to € 433.5 million (31 December 2020: € 201.5 million), partly as a result of the proceeds from the sale of CANCOM LTD.

Main financing measures

Current business and necessary replacement investments were financed from cash and cash equivalents and operating cash flow in the reporting period. The same applies to all other investments.

Assets

The assets side of the balance sheet showed current assets of € 1,014.1 million as at 30 September 2021 (31 December 2020: € 792.4 million). Cash and cash equivalents increased by 72.1 percent in the first nine months of 2021 to € 582.5 million as at 30 September 2021 (31 December 2020: € 338.4 million) and were the main factor behind the increase. An increase in inventories from € 61.4 million at the end of the 2020 financial year to € 95.4 million at the end of the third quarter of 2021 continued to have a positive effect on the asset side of the balance sheet.

Non-current assets amounted to € 329.3 million as at 30 September 2021 (31 December 2020: € 457.4 million). The significant change in non-current assets was caused by the disposal of property, plant and equipment, intangible assets and goodwill in connection with the sale of the business activities in the United Kingdom and Ireland. Property, plant and equipment decreased to € 42.6 million at 30 September 2021 (31 December 2020: € 60.3 million). Intangible assets decreased to € 63.5 million from € 81.4 million at 31 December 2020. Goodwill stood at € 113.5 million at the end of the third quarter 2021 (31 December 2020: € 208.1 million).

Cash flow and liquidity

Based on a significantly higher result for the period of € 260.9 million at the end of the third quarter due to the proceeds from the sale of the business activities in the United Kingdom and Ireland, the cash flow from operating activities in the reporting period from January to September 2021 shows a value of € -48.8 million (previous year: € -42.6 million). In addition to the effects caused by the transaction, the main operational causes for the development in the reporting period from January to September 2021 were, on the one hand, the increase in inventories, which strongly burdened the operating cash flow. The item changes in inventories amounted to € -35.0 million (previous year: € -7.8 million). As, on the other hand, the change in trade payables and the other debts also reduced the operating cash flow in the reporting period with a value of € -110.1 million (previous year: € -74.2 million).

Cash flow from investing activities was exceptionally high in the first nine months, amounting to € 339.5 million (previous year: € -70.3 million). Significantly lower payments for the acquisition of subsidiaries in the reporting period of € -14.3 million compared to the previous year (previous year: € -47.4 million), together with the dominant effect of the sale of the business activities in the United Kingdom and Ireland, which resulted in cash inflows from the disposal of a discontinued operation in the amount of € 392.9 million less cash and cash equivalents given up of € -19.2 million, were the main drivers of the development of this key figure.

At € -47.1 million, cash flow from financing activities in the reporting period was below the figure for the same period of the previous year (previous year: € -24.0 million). It changed primarily in connection with leasing transactions. Payments for the redemption of lease liabilities rose to € -15.8 million (previous year: € -10.1 million). On the other hand, the item cash inflows/outflows from financial liabilities and from lease liabilities to leasing companies was significantly below the previous year's figure at € 2.9 million (previous year: € 12.7 million). Dividend payments increased to € -28.9 million in the reporting period (previous year: € -19.3 million). Cash flow is not affected by reclassifications to discontinued operations in the income statement.

In the reporting period, there was thus an increase in cash and cash equivalents of € 243.5 million compared with cash and cash equivalents at the beginning of the fiscal year. Cash and cash equivalents amounted to € 582.5 million as of 30 September 2021 (31 December 2020: € 338.4 million).

As a result, the CANCOM Group had a positive balance of cash and cash equivalents at the balance sheet date and was able to draw on unused credit lines with financial institutions at the balance sheet date for this interim report. As a result, the CANCOM Group is in an exceptionally strong position to meet its payment obligations at all times.

General statement on the results of operations, financial position and net assets of the CANCOM Group

In the first nine months of 2021, the CANCOM Group achieved an increase in revenue of 12.9 percent, EBITDA rose to € 84.6 million and thus an EBITDA margin of 8.9 percent was generated. Recurring revenue from managed services contracts (Annual Recurring Revenue) increased by 23.6 percent compared to 30 September 2020. This increase in revenue and earnings compared with the same period of the previous year was primarily achieved through organic growth. At the same time, both Group segments - IT Solutions and Cloud Solutions - contributed to the positive revenue and earnings performance of the CANCOM Group.

Based on these developments, the Executive Board considers the performance of the CANCOM Group in the first nine months of 2021 to be very satisfactory.

Risks and opportunities of future development

In the period under review, there were significant changes to the assessment of opportunities and risks relating to the future development of the CANCOM Group published in the Annual Report 2020 and last confirmed in the Half-Yearly Financial Report 2021. The changes relate to the assessment of the risks listed in the following table: „Exchange rate, inflation and interest rate risk“ and „Risk from the introduction of SAP“.

OVERALL ASSESSMENT

Risk	Overall assessment	
	2020	trend*
Economic, regulatory, market and industry risks		
Economic and (geo-)political risks	**high**	0
Regulatory risks	medium	+
Risks from competition and technological change	medium	0
Direct sales risks	medium	0
Project and business-related risks		
Liability, warranty and compensation risks	low	-
Project risks	medium	0
Subcontractor risks	medium	0
Bad debt risks	medium	0
Supplier dependency risks	**high**	0
Internal risks	low	0
Business disruption risks, especially IT systems	medium	-
Cyber Security Risks	**high**	**new**
Risk from introduction of SAP	low	-
Financial risks		
Financing, liquidity and credit risks	low	+
Exchange rate, inflation and interest rate risks	medium	+
Personnel risks		
Key personnel and know-how risks	medium	0
Information risks		
Secrecy risks	medium	-
Legal risks		
Compliance and legal risks	low	**new**
Data protection regulations risks	medium	0
Infringement risks	low	0
Strategic risks		
Risks from misjudgements in acquisitions and integrations	**high**	0
Risks from the acquisition/disposal of companies or shares in companies	medium	0

*) + = increasing risk, 0 = unchanged risk, - = decreasing risk, new = new risk compared to the previous year.

The changed risk assessments of the two risks mentioned lead to the following reformulation of the risk description:

Risks in connection with the introduction of the ERP system SAP

The CANCOM Group is currently implementing the SAP ERP system throughout the Group. The non-fulfilment or partial fulfilment of various project tasks or the failure to meet deadlines could potentially delay the introduction of SAP. If implementation is delayed, the CANCOM Group may incur additional expenses, for example for external consultancy. This could have a lasting and sometimes significant negative impact on the CANCOM Group's business activities and competitiveness. Furthermore, if the ERP system is introduced incorrectly or unsuccessfully, or even fails completely, the availability of the web shop or customer connections, for example, and the entire e-commerce process chain could be impaired, and operational activities could not be carried out in full or in part. Among other things, this could have a negative impact on the processing of customer projects and orders, such as deliveries and invoices. Due to technical downtimes, internal processes such as time recording, invoicing or accounting processes could also no longer be maintained and carried out, or only partially, with all the subsequent consequences.

To counter this risk, CANCOM uses various measures such as experienced employees, project managers for the successful implementation of internal projects, tried-and-tested management and control systems, and ensures the highest possible level of control here. Project managers are appointed and project goals and their sub-goals are clearly defined in the form of milestones. The project manager monitors the individual steps and drives a rapid implementation of the SAP implementation.

A training concept and a corresponding test phase are intended to reduce additional risks.

Regardless of all preventive and countermeasures, it must be noted that a changeover of the ERP system is in any case a significant step for any company, the effects and impact of which on the company cannot be conclusively assessed. Despite all measures, disruptions in operations could occur in the course of a changeover. Due to the complexity and scope of the SAP conversion, increased expenses with effects on Group profitability cannot be ruled out.

The SAP implementation project is well advanced in fiscal year 2021. Based on this progress, some milestones, the achievement of which was part of the existing implementation risk, have been successfully reached and the Executive Board has changed its assessment of the risk situation as a result.

The occurrence of risks from the introduction of the ERP system SAP cannot be ruled out. Following the implementation of countermeasures, the Executive Board estimates the probability of occurrence to be low. The damage potential is assessed as medium. Overall, the risk is therefore considered to be low.

The overall assessment has changed compared to the assessment as at 30 June 2021.

There are risks from changes in exchange rates, inflation and interest rates.

The CANCOM Group's international business activities result in cash flows in different currencies. The majority of business is conducted in the euro zone, which is why the currency risk is limited. Nevertheless, a significant devaluation of the euro against other currencies can lead to exchange rate losses. This foreign currency risk has fallen significantly as a result of the sale of the business activities in the United Kingdom and Ireland, as the CANCOM Group now transacts a much smaller volume of business in foreign currencies. Other potential risks with potentially negative financial effects could arise from changes in inflation and interest rates. For example, a change in inflation could result in a loss of purchasing power, which could cause liquid funds to lose value. The current rise in the inflation rate in Germany and the euro zone, coupled with a sharp increase in cash and cash equivalents in the CANCOM Group's balance sheet, has increased the risk of inflation. In the event of a change in interest rates, variable-rate loans or other activities that are dependent on interest rates could be negatively affected.

To counteract this risk, derivative financial instruments are used to hedge underlying transactions of value, such as currency hedges. Any transactions in different currencies are hedged on a daily basis; in principle, there are underlying transactions that are hedged. Economic hedging relationships were not shown as hedging relationships in the balance sheet in the year under review. Dedicated persons are permitted to enter into hedging transactions in amounts requiring approval; approvals for overruns are granted by the CFO/Management Board. Treasury activities to optimize purchasing conditions could have negative effects and worsen purchasing conditions in the case of unfavorable hedges. Through intra-Group financial equalisation, CANCOM continues to achieve a reduction in the volume of external financing and thus an optimisation of the CANCOM Group's interest rate management with positive effects on net interest income. The basis for the benefits from intra-Group cash investment and borrowing are the liquidity surpluses of individual Group companies used as part of the cash management system, which can be used to finance the cash requirements of other Group companies internally. In addition to overdraft facilities in Germany, CANCOM only has fixed-interest loans. A share buy-back programme launched in October 2021 with a maximum volume of around € 230 million will also reduce cash holdings again and thus the risk of purchasing power losses due to inflation.

The occurrence of risks from changes in exchange rates, inflation and interest rates cannot be ruled out. Following the implementation of countermeasures, the Management Board estimates the probability of occurrence as medium. The damage potential is assessed as medium. Overall, the risk is therefore assessed as medium.

The overall assessment has changed compared to the assessment as at 30 June 2021.

Events after the end of the reporting period

After the end of the reporting period, the Executive Board of CANCOM SE, with the approval of the Supervisory Board and on the basis of the authorisation granted by the Annual General Meeting of CANCOM SE on 26 June 2019, resolved a share buy-back programme. The buy-back programme started on 20 October 2021 and will end no later than 19 October 2022. A total of up to 3,504,363 shares in CANCOM SE can be acquired under the buy-back programme. The total purchase price for the treasury shares acquired under the buy-back programme is at the same time limited to the sum of € 230 million (excluding incidental acquisition costs). The interim announcements on the progress of the buy-back programme are regularly published by CANCOM SE on the Internet at www.cancom.de in the Investors section, among other places.

FORECAST REPORT

On 27 October 2021, the Executive Board raised the CANCOM Group's forecast for the financial year 2021 in an ad hoc announcement. The preliminary figures available at that time for the third quarter and the first nine months of 2021 showed a significantly stronger business performance than had been expected at the time the forecast was prepared in spring 2021.

Premises of the forecast

The updated forecast for the CANCOM Group and CANCOM SE includes all information known to the Executive Board at the time of preparing this interim report that could have an impact on business development. The outlook is based, among other things, on the expectations described above with regard to economic development and the development of the IT market.

With regard to the CANCOM Group as a whole and the individual Group segments IT Solutions and Cloud Solutions, unforeseeable events could influence the development of the Company or individual Group segments expected from today‘s perspective. Such events include, for example, the consequences of short-term legal or regulatory changes. Such events are not taken into account in the forecast.

In this context, the Management Board again points out the uncertainty factors of the forecast. The strained supply chains and bottlenecks in product availability could delay onboarding and the start of transition and transformation projects. The Management Board does not currently expect that a renewed tightening of measures to contain the coronavirus pandemic will result in a restriction of access to customers and thus restrictions in the provision of services.

The forecast developments in the key performance indicators relate exclusively to the development of the CANCOM Group in its Group structure as at the reporting date of 31 December 2020 (consolidated group). Any acquisitions in the current financial year 2021 are not taken into account. Due to the sale of CANCOM LTD in the third quarter, however, the effects of this transaction on the key financial figures for 2020 and 2021 have already been taken into account in the following forecast, as the sale of a subsidiary no longer makes the above-mentioned reference to the scope of consolidation possible as at 31 December 2020.

Outlook for the CANCOM Group

The Executive Board of CANCOM SE considers the CANCOM Group to be very well positioned after the first three quarters of the year and anticipates very significant growth for the Group in 2021. The ongoing trend towards digitisation in all markets relevant to CANCOM with high demand for IT hardware is continuing. The Executive Board continues to anticipate rising demand in the area of IT services and (shared) managed services resulting from the need to integrate solutions procured in the short term and the establishment of IT infrastructures for high-performance hybrid working models.

Based on the development of the CANCOM Group in the first nine months and on the basis of the information available to date on the development in the fourth quarter of 2021, the Executive Board of CANCOM SE raised the forecast for the development of the CANCOM Group in the financial year 2021 in the ad hoc announcement dated 27 October 2021.

The Executive Board of CANCOM SE is now forecasting a very significant increase in revenue for the CANCOM Group in financial year 2021; previously, the Executive Board had only assumed a significant increase. Following the increase in the forecast, a very significant increase is also expected for the Group‘s gross profit. A significant increase had also previously been expected for gross profit. A very significant increase is also expected for Group EBITDA; a significant increase had previously been expected. For Group EBITA, the Executive Board continues to expect a very significant increase for fiscal year 2021.

In the IT Solutions group segment, the Management Board expects a very significant increase in revenue and a very significant increase in EBITDA. The Management Board had previously assumed significant growth in revenue and EBITDA.

The forecast for the Cloud Solutions group segment remains unchanged; the Management Board continues to expect a very significant increase in revenue and EBITDA. In addition, a very significant increase in annual recurring revenue (ARR) is expected compared to the value as of 31 December 2020.

The above forecast relates to the 2020 and 2021 key financial figures adjusted for the sale of CANCOM LTD.

Munich, November 2021
The Executive Board of CANCOM SE

Rudolf Hotter	Thomas Stark	Rüdiger Rath
CEO	CFO	COO

Note on the audit review

This document was neither subject to an audit pursuant to Section 317 of the German Commercial Code (HGB) nor to a review by an auditor.

Note rounding

Due to rounding, individual figures in this document may not add up precisely to the totals provided and percentages presented may not precisely reflect the absolute figures to which they relate.

Disclaimer future-oriented statements

This document contains statements which may relate to the future course of business and future financial performance, as well as to future events or developments affecting CANCOM, and may constitute forward-looking statements. These are based on current expectations, assumptions and estimates by the Executive Board, and on other information currently available to management, many of which are outside CANCOM‘s sphere of influence. These statements can be recognized by formulations and words such as „expect“, „want“, „assume“, „believe“, „aim“, „estimate“, „assume“, „expect“, „intend“, „could“, „plan“, „should“, „will“, „predict“ or similar terms. All statements, other than statements of historical fact, are forward-looking statements. Such forward-looking statements include, but are not limited to expectations regarding the availability of products and services, the financial and earnings position, business strategy and management‘s plans for future operating activities, economic developments and all statements regarding assumptions. Although these statements are made with great care, CANCOM, represented by the Executive Board, cannot guarantee the accuracy of the expectations, especially in the forecast report. Various known and unknown risks, uncertainties and other factors may cause the actual results to differ significantly from those contained in the forward-looking statements. The following factors, among others, are of significance in this context: external political influences, changes in the general economic and business situation, changes in the competitive position and situation, e.g. due to the appearance of new competitors, new products and services, new technologies, changes in the investment behavior of customer target groups, etc., as well as changes in business strategy. Should one or more of these risks or uncertainties materialize, or should it turn out that the underlying expectations do not materialize or that the assumptions made were incorrect, CANCOM‘s actual results, performance and achievements (both negative and positive) may differ substantially from those explicitly or implicitly stated in the forward-looking statement. No guarantee can be given for the appropriateness, accuracy, completeness or correctness of the information or opinions in this document. Furthermore, CANCOM does not assume any obligation and does not intend to update these forward-looking statements or to correct them in the event of developments other than those expected.

Consolidated balance sheet

ASSETS

(in T€)	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2020
Current assets			
Cash and cash equivalents	582,509	338,371	226,189
Non-current assets and disposal groups held for sale	0	1,196	1,171
Trade accounts receivable	287,689	331,368	287,411
Current contract assets	2,063	2,541	2,237
Capitalized short-term contract costs	937	5,589	5,255
Inventories	95,441	61,428	53,237
Other current financial assets	29,598	31,812	28,888
Other current assets	15,857	20,111	19,359
Total current assets	**1,014,094**	**792,416**	**623,747**
Non-current assets			
Property, plant and equipment	42,604	60,328	58,775
Intangible assets (excluding goodwill)	63,514	81,393	82,331
Goodwill and other intangible assets	113,451	208,072	206,989
Assets from right of use	76,522	67,947	68,950
Financial assets and loans	5	5	4,005
Capitalized long-term contract costs	1,406	2,108	1,708
Deferred tax assets	7,837	7,747	8,423
Other non-current financial assets	20,230	27,111	21,219
Other non-current assets	3,766	2,732	2,398
Total non-current assets	**329,335**	**457,443**	**454,798**
Assets, total	**1,343,429**	**1,249,859**	**1,078,545**

Consolidated balance sheet

EQITY AND LIABILITIES

(in T€)	Sep. 30, 2021	Dec. 31, 2020	Sep. 30, 2020
Current liabilities			
Current liabilities to bank	5	2,275	528
Trade accounts payable	267,711	371,623	257,822
Other current financial liabilities	40,939	50,976	43,243
Short-term provisions	1,324	1,098	1,096
Current contract liabilities	20,065	37,794	26,661
Liabilities from income taxes	14,862	8,387	8,936
Other current liabilities	34,312	49,635	38,198
Liabilities in connection with non-current assets and disposal groups held for sale	0	241	242
Total current liabilities	**379,218**	**522,029**	**376,726**
Non-current liabilities			
Long-term liabilities to banks	13	113	129
Other non-current financial liabilities	91,498	87,213	84,089
Long-term pension provisions	1,858	1,932	1,802
Non-current other provisions	1,575	1,587	1,199
Non-current contractual liabilities	9,123	7,864	6,323
Deferred tax liabilities	10,178	14,458	15,353
Non-current liabilities, total	**114,245**	**113,167**	**108,895**
Equity			
Capital stock	38,548	38,548	38,548
Additional paid-in capital	376,493	375,474	374,960
Retained earnings including profit carried forward and profit for the period	433,470	201,470	181,399
Other reserves	1,190	-1,186	-2,321
Non-controlling interests	265	357	338
Total equity	**849,966**	**614,663**	**592,924**
Liabilities, total	**1,343,429**	**1,249,859**	**1,078,545**

Consolidated statement of comprehensive income

	Q3		9 month	
(in T€)	**Jul. 1 - Sep. 30, 2021**	**Jul. 1 - Sep. 30, 2020** (adjusted*)	**Jan. 1 - Sep. 30, 2021**	**Jan. 1 - Sep. 30, 2020** (adjusted*)
Revenue	302,649	286,566	947,858	839,305
Other operating income	1,351	137	6,293	988
Other own work capitalized	1,514	1,754	5,241	5,486
Capitalized contract costs	-234	-38	-786	-288
Total output	**305,280**	**288,419**	**958,606**	**845,491**
Cost of materials/expenses for purchased services	-201,035	-196,230	-644,123	-567,260
Gross profit	**104,245**	**92,189**	**314,483**	**278,231**
Personnel expenses	-60,814	-56,216	-195,408	-179,714
Depreciation of property, plant and equipment, intangible assets and rights of use	-11,550	-10,424	-32,432	-30,056
Impairment losses on financial assets including reversals of impairment losses	-95	-2	-497	-488
Other operating expenses	-11,040	-11,203	-33,999	-37,493
Operating result (EBIT)	**20,746**	**14,344**	**52,147**	**30,480**
Interest and similar income	346	166	1,834	673
Interest and similar expenses	-1,165	-635	-2,844	-2,778
Other financial result income	0	0	2	0
Other financial result expenses	-224	0	-224	-163
Currency gains/losses	-5	-524	20	-349
Income before income taxes	**19,698**	**13,351**	**50,935**	**27,863**
Income taxes	-8,641	-4,713	-19,671	-9,644
Profit after tax from continuing operations	**11,057**	**8,638**	**31,264**	**18,219**
Profit from discontinued operations	227,805	16,542	229,604	23,319
Profit for the period	**238,862**	**25,180**	**260,868**	**41,538**
thereof attributable to shareholders of the parent company	238,834	25,124	260,923	41,481
thereof attributable to non-controlling shareholders	28	57	-55	57
Weighted average shares outstanding (units) undiluted	38,548,001	38,548,001	38,548,001	38,548,001
Weighted average shares outstanding (units) diluted	38,548,001	38,548,001	38,548,001	38,548,001

*) Previous year‘s figures adjusted. Explanations in section A.6.2. and D.4. of the consolidated half-year financial statements in the half-year report 2021.

Consolidated statement of comprehensive income

(in T€)	Q3: Jul. 1 - Sep. 30, 2021	Q3: Jul. 1 - Sep. 30, 2020 (adjusted*)	9 month: Jan. 1 - Sep. 30, 2021	9 month: Jan. 1 - Sep. 30, 2020 (adjusted*)
Earnings per share from continuing operations (basic) in €	**0.29**	**0.22**	**0.81**	**0.47**
Earnings per share from continuing operations (diluted) in €	**0.29**	**0.22**	**0.81**	**0.47**
Earnings per share from discontinued operations (basic) in €	**5.91**	**0.43**	**5.96**	**0.60**
Earnings per share from discontinued operations (diluted) in €	**5.91**	**0.43**	**5.96**	**0.60**
Earnings per share for profit for the period attributable to equity holders of the parent (basic) in €	**6.20**	**0.65**	**6.77**	**1.08**
Diluted earnings per share for profit for the period attributable to equity holders of the parent in €	**6.20**	**0.65**	**6.77**	**1.08**

*) Previous year's figures adjusted. Explanations in section A.6.2. and D.4. of the consolidated half-year financial statements in the half-year report 2021.

Consolidated statement of comprehensive income

	Q3		9 month	
(in T€)	**Jul. 1 - Sep. 30, 2021**	**Jul. 1 - Sep. 30, 2020**	**Jan. 1 - Sep. 30, 2021**	**Jan. 1 - Sep. 30, 2020**
Result for the period	**238,862**	**25,181**	**260,868**	**41,538**
Other comprehensive income				
Items that are subsequently reclassified to profit or loss for the period				
Gains/losses from the currency translation of foreign operations	-3,160	165	2,375	-7,495
Items that are not subsequently reclassified into profit or loss				
Gains/losses from the revaluation of defined benefit plans	0	-1	0	0
Deferred taxes on items that are not reclassified to the result for the period	0	0	0	0
Other comprehensive income for the period	**-3,160**	**165**	**2,374**	**-7,495**
Total comprehensive income for the period	**235,702**	**25,346**	**263,242**	**34,043**
thereof attributable to shareholders of the parent company	235,674	25,289	263,297	33,986
thereof attributable to non-controlling shareholders	28	57	-55	57

Consolidated cash flow statement

(in T€)	Jan. 1, 2021 to Sep. 30, 2021	Jan. 1, 2020 to Jun. 30, 2020 (adjusted*)
Cash flow from operating activities		
Net income for the period	260,868	41,538
Corrections		
+ Depreciation and amortization of property, plant and equipment intangible assets and rights of use	42,773	44,086
+ Net interest and other financial results	1,233	-16,712
+ Income taxes	23,152	10,981
+/- Changes in long-term provisions	-121	-1,366
+/- Changes in short-term provisions	290	-29
+/- Results from the sale of property, plant, intangible assets and equipment and financial assets	-471	-319
+/- Changes in inventories	-35,046	-7,764
+/- Changes in trade receivables, contract assets, capitalized contract costs and other assets	26,529	-20,839
+/- Changes in trade payables and other liabilities	-110,115	-74,154
- Payments from interest paid	-1,610	-1,955
+/- Income taxes paid and refunded	-17,738	-14,279
+/- Non-cash expenses and income	72	-2,697
+ Equity-settled share-based payment transactions	1,019	881
- Profit from the sale of a discontinued operation	-239,663	0
Total cash flow from operating activities	**-48,828**	**-42,628**
Cash flow from investment activities		
- Auszahlungen aus dem Erwerb von Tochterunternehmen	-14,283	-47,357
+ Einzahlungen durch beim Erwerb von Tochterunternehmen übernommene Zahlungsmittel	732	0
+ Proceeds from the disposal of a discontinued operation	392,906	0
- Cash outflow from the disposal of a discontinued operation	-19,188	0
- Payments made for investments in property, plant and equipment, intangible assets and rights of use	-25,584	-25,141
+ Proceeds from disposals of property, plant and equipment, intangible assets and rights of use	4,745	1,226
+ Proceeds from interest and dividends received	168	926
Total cash flow from investing activities	**339,496**	**-70,346**
Cash flow from financing activities		
- Payments for capital increase costs	0	-7
+ Proceeds from non-current financial liabilities	20	0
- Payments for the repayment of non-current financial liabilities (including the portion reported as current)	-1,759	-3,247
- Payments from the repayment of leasing liabilities (lessee view)	-15,828	-10,072
+/- Cash inflow/outflow from borrowing/repayment of current financial liabilities	-2,308	-3,391
+/- Cash inflows/outflows from financial liabilities to leasing companies	2,935	12,678
- Cash outflows from interest paid for long-term financial liabilities and leasing liabilities	-1,248	-876
- Dividends paid	-28,947	-19,274
+ Proceeds from the sale of non-controlling interests	0	280
- Payments for the acquisition of non-controlling interests	-10	-90
Total cash flow from financing activities	**-47,145**	**-23,999**
Net increase/decrease in cash and cash equivalents	**243,523**	**-136,973**
+/- Effect of exchange rate changes on cash and cash equivalents	615	-1,691
+/- Cash and cash equivalents at the beginning of the period	338,371	364,853
Cash and cash equivalents at the end of the period	**582,509**	**226,189**

Segment information

Segment information	Cloud Solutions		IT Solutions	
(in T€)	Jan. 1, 2021 to Sep. 30, 2021	Jan. 1, 2020 to Sep. 30, 2020 (adjusted*)	Jan. 1, 2021 to Sep. 30, 2021	Jan. 1, 2020 to Sep. 30, 2020 (adjusted*)
Revenue				
Revenue from external customers	176,905	170,401	770,809	668,895
Inter-segment sales	13,331	6,730	8,379	5,435
Total income	190,236	177,131	779,188	674,330
Cost of materials/expenses for purchased services	-86,147	-81,778	-578,320	-496,150
Personnel expenses	-42,759	-41,829	-142,198	-127,566
Other income and expenses	-5,944	-7,488	-16,897	-19,833
EBITDA	55,386	46,036	41,773	30,781
Scheduled depreciation and amortization	-9,160	-8,750	-17,684	-15,396
Scheduled amortization and impairment losses	-3,244	-3,872	-1,199	-999
Operating result (EBIT)	42,982	33,414	22,890	14,386
Interest income	820	219	970	442
Interest expenses	-59	-100	-3,828	-3,782
Other financial result Income	0	0	2	0
Other financial result Expenses	0	0	0	-163
Currency gains/losses				
Income before income taxes	43,743	33,533	20,034	10,883
Income taxes				
Result from discontinued operations	3,696	1,641	-2,815	647
Result for the period				
thereof attributable to shareholders of the parent company				
thereof attributable to non-controlling shareholders				

*) Previous year‘s figures adjusted. Explanations in section A.6.2. and D.4. of the consolidated half-year financial statements in the half-year report 2021.

Total operating segments		Other companies		Reconciliation statement		Consolidated	
Jan. 1, 2021 to Sep. 30, 2021	**Jan. 1, 2020 to Sep. 30, 2020** (adjusted*)	**Jan. 1, 2021 to Sep. 30, 2021**	**Jan. 1, 2020 to Sep. 30, 2020** (adjusted*)	**Jan. 1, 2021 to Sep. 30, 2021**	**Jan. 1, 2020 to Sep. 30, 2020** (adjusted*)	**Jan. 1, 2021 to Sep. 30, 2021**	**Jan. 1, 2020 to Sep. 30, 2020** (adjusted*)
947,714	839,296	144	9				
21,710	12,165	325	183	-22,035	-12,348		
969,424	851,461	469	192	-22,035	-12,348	947,858	839,305
-664,467	-577,928	-135	-48	20,479	10,716	-644,123	-567,260
-184,957	-169,395	-10,451	-10,319	0	0	-195,408	-179,714
-22,841	-27,321	-2,463	-6,106	1,556	1,632	-23,748	-31,795
97,159	76,817	-12,580	-16,281	0	0	84,579	60,536
-26,844	-24,146	-870	-489	0	0	-27,714	-24,635
-4,443	-4,871	-275	-550	0	0	-4,718	-5,421
65,872	47,800	-13,725	-17,320	0	0	52,147	30,480
1,790	661	4,172	5,226	-4,128	-5,214	1,834	673
-3,887	-3,882	-3,085	-4,110	4,128	5,214	-2,844	-2,778
2	0	0	0	0	0	2	0
0	-163	-224	0	0	0	-224	-163
				20	-349	20	-349
63,777	44,416	-12,862	-16,204	20	-349	50,935	27,863
				-19,671	-9,644	-19,671	-9,644
881	2,288	229,024	22,451	-301	-1,420	229,604	23,319
						260,868	41,538
						260,923	41,481
						-55	57

*) Previous year's figures adjusted. Explanations in section A.6.2. and D.4. of the consolidated half-year financial statements in the half-year report 2021.

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