



# Earnings call

H1/6M results 2024 – 22 August 2024

# Who you have on the call today



**Patrik Heider**  
CEO / CFO

# Agenda

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BUSINESS UPDATE  
H1 2024

02

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FINANCIAL FIGURES  
H1 2024

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OUTLOOK  
2024

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Q&A session

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APPENDIX  
2024



# Business update

H1 2024

NFON AG

# Transformation process in progress

Creating operational excellence

1

## Organisation and employees

- Relevant **key positions** are staffed by **highly experienced managers**
- Implementation of the position of **Chief Revenue Officer**

2

## Business processes

- Merger of **DTS** with NFON AG was finalised in the second quarter 2024
- Modernising the **technological basis** of our products
- Developing our **AI approach**
- Centring our **business strategy** around our customers and sales partners by reorganising our **sales structures**

3

## Internal system landscape

- Optimise our **Business Support System (BSS)** along the customer value chain
- **Review our internal IT landscape** to create our NFON IT target image

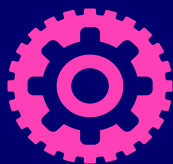
## Our objectives

- To live up to our self-image as a **pioneer of integrated cloud business communication** in the European market.
- Dynamic **growth and profitability** go hand in hand.

# Our acquisition at a glance



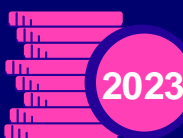
Founded in 2019



Experienced team of software developers



Well established in the insurance, telecommunications and energy sectors



Revenue: EUR 2.1 million  
EBITDA: 30%



## Mission

to automate all communication channels on one platform with the latest AI technology

- Innovative technology company specialising in the development and implementation of **advanced AI solutions for business communication**
- Transaction **strengthens innovative product development** and generates **additional business value** for customers and partners
- Existing product portfolio expanded with **new AI functions**
- Synergies and addressing **new market segments** open up further prospects for profitable growth

## Our objectives

- » **Accelerate our growth** and simultaneously **boost our profitability.**
- » **Dynamic growth and profitability** go hand in hand.



# Financial figures

H1 2024

# Key financial figures at a glance

H1/6M 2024

## Results H1/6m 2024

Recurring  
revenue  
growth



Recurring revenue growth of **4.4%** compared to H1 2023

Recurring  
revenue  
share



High share of recurring revenue increased to **94.3%**

Adjusted  
EBITDA

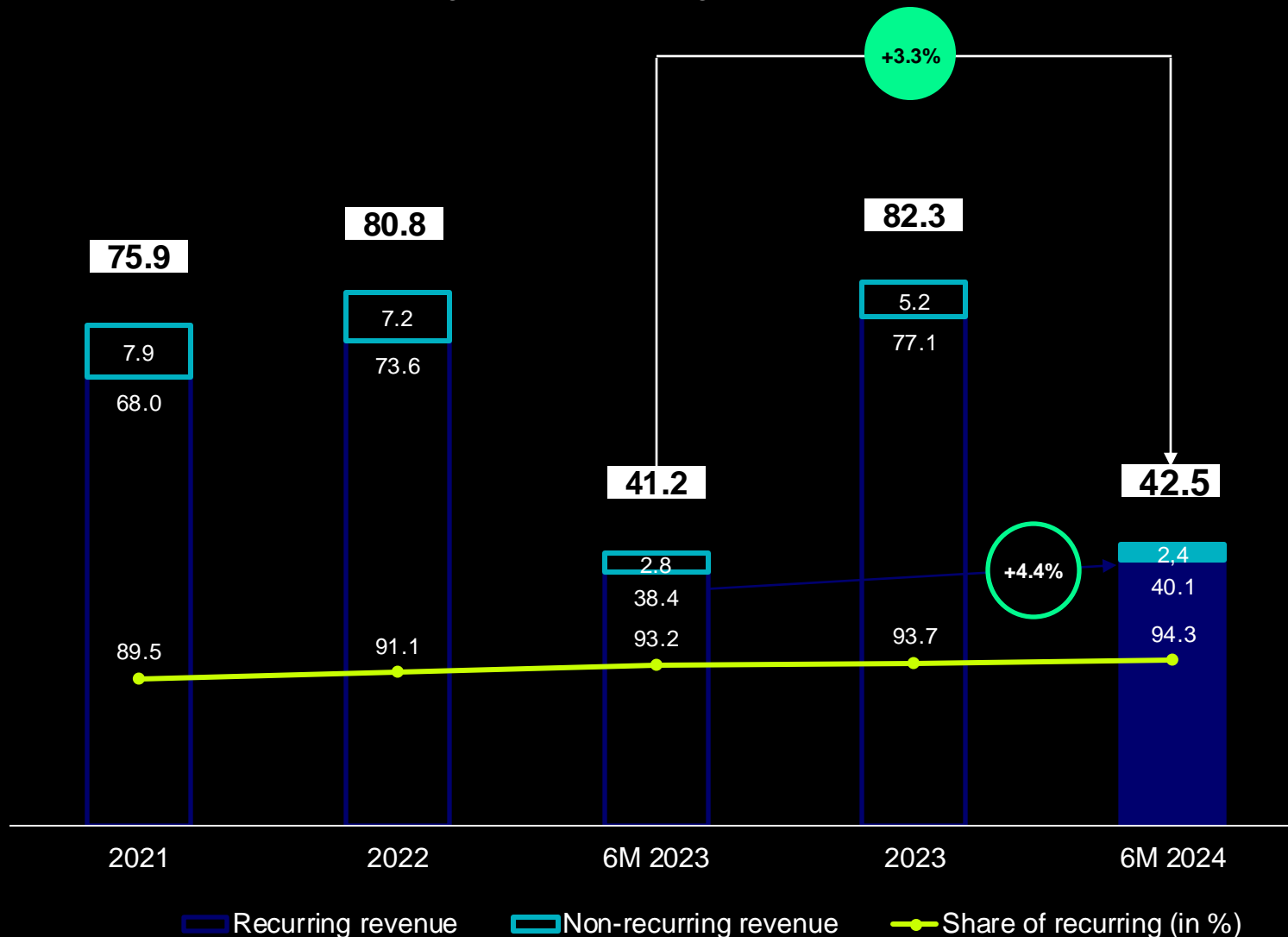


Significantly improved adjusted EBITDA of **EUR 5.5 million**



# Continuously growing share of recurring revenue

Development of total recurring vs. non-recurring revenue in EUR million

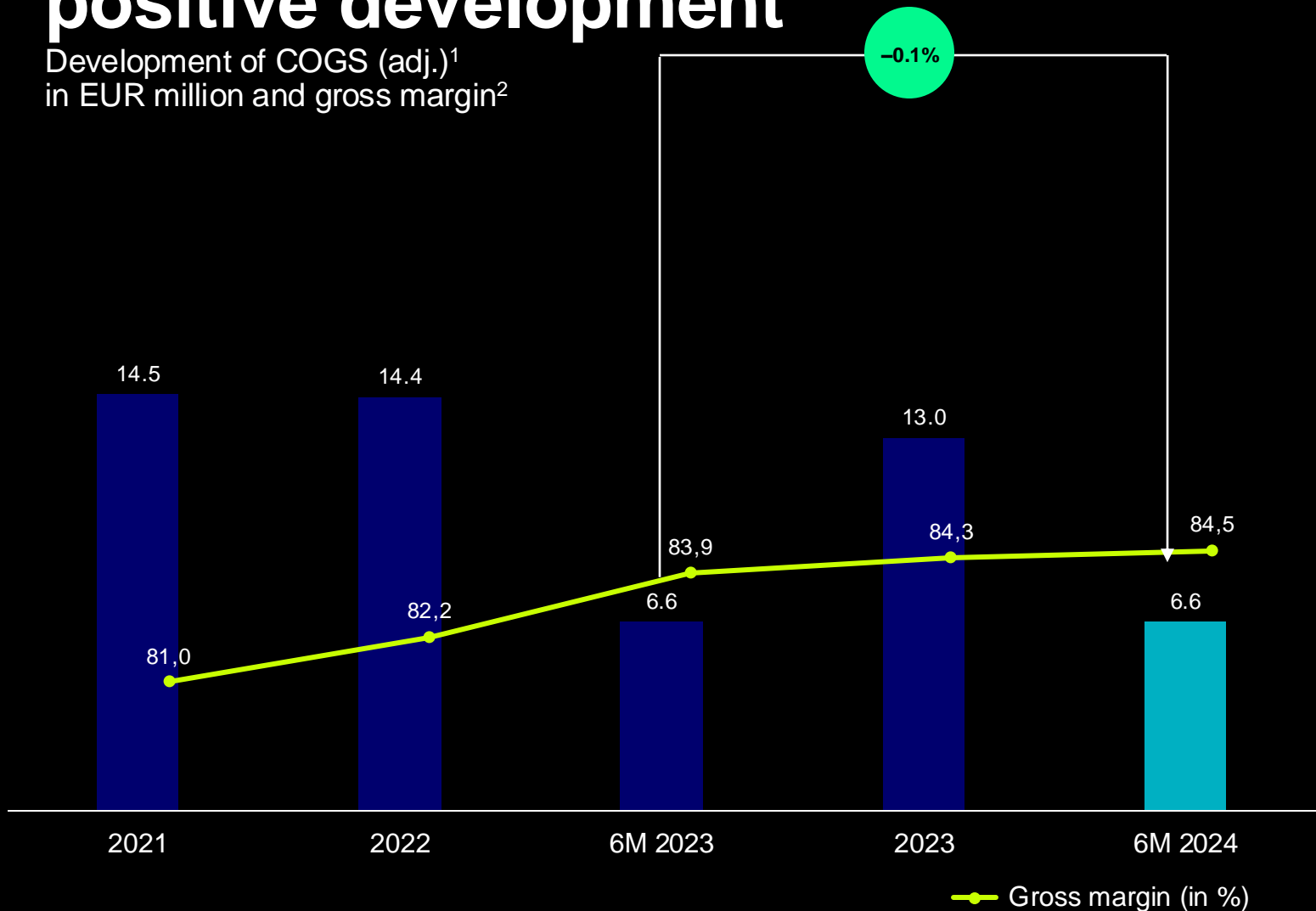


## COMMENTS

- Recurring revenue grew moderately by 4.4% compared to 6M 2023
  - Acquisition of new customers
  - Increase in installed extensions (seats) within the existing customer base particularly in Germany and Austria
  - Offering enhanced products (Premium Solutions) to existing customers
- Total revenue growth of 3.3% in comparison with 6M 2023 due to decrease of non-recurring revenue by –12.3%
- Enhanced high share of recurring revenue in total revenue of 94.3% provides predictable revenue streams

# Reliably high gross margin again with increasingly positive development

Development of COGS (adj.)<sup>1</sup>  
in EUR million and gross margin<sup>2</sup>

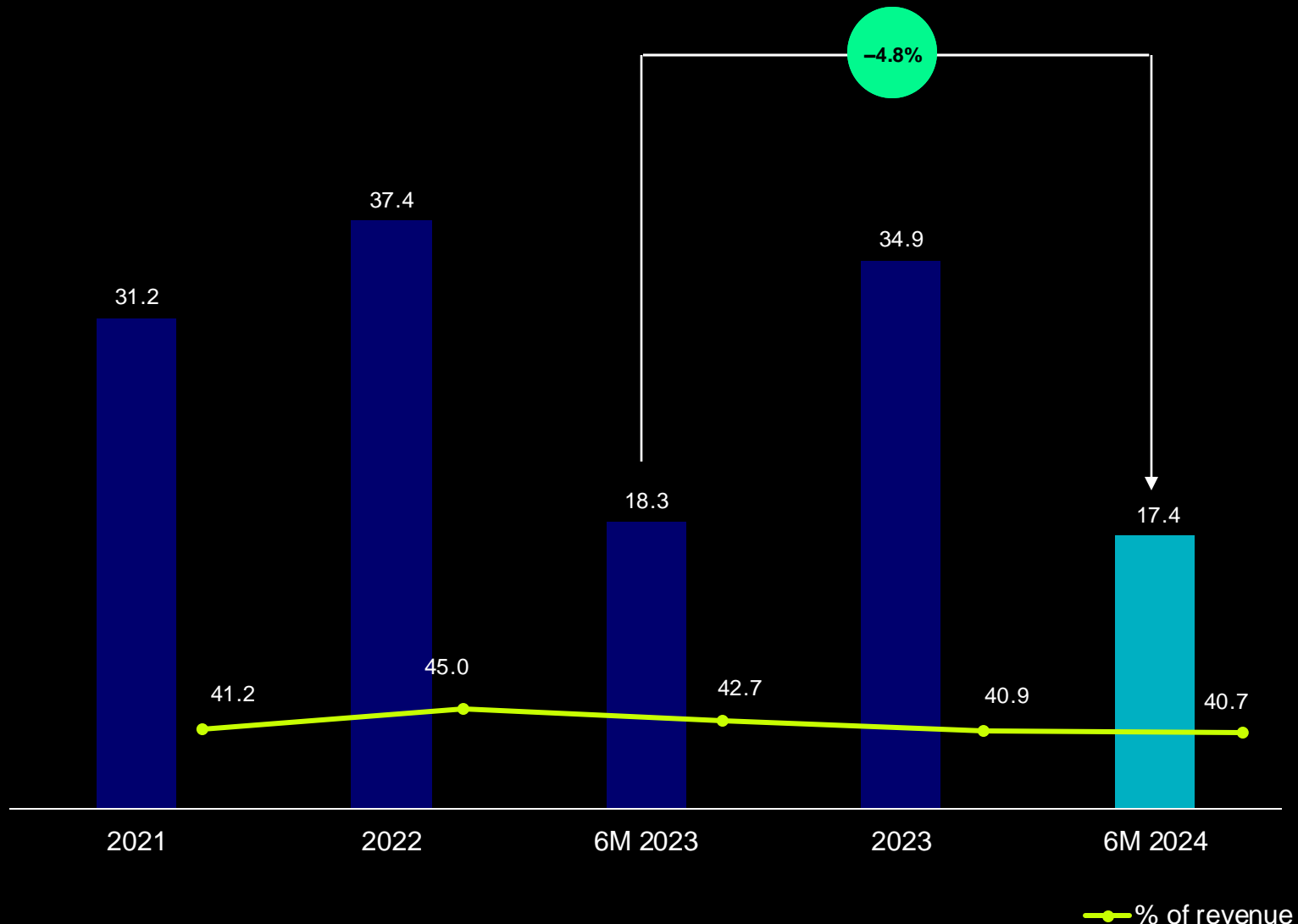


## COMMENTS

- Improved gross margin compared to the same period last year due to successfully growing share of high-margin sales
- Cost of materials is largely variable in nature and mainly comprises costs for hardware sold, costs for airtime sold and data centre housing costs
- Cost of materials was at the same level as in the same period of the previous year
- This again results in a low material cost ratio of 15.5% compared to the same period of the previous year (6M 2023: 16.0%)

# Reduced personnel expenses in line with strategic focus

Adjusted<sup>1</sup> personnel expenses in EUR million

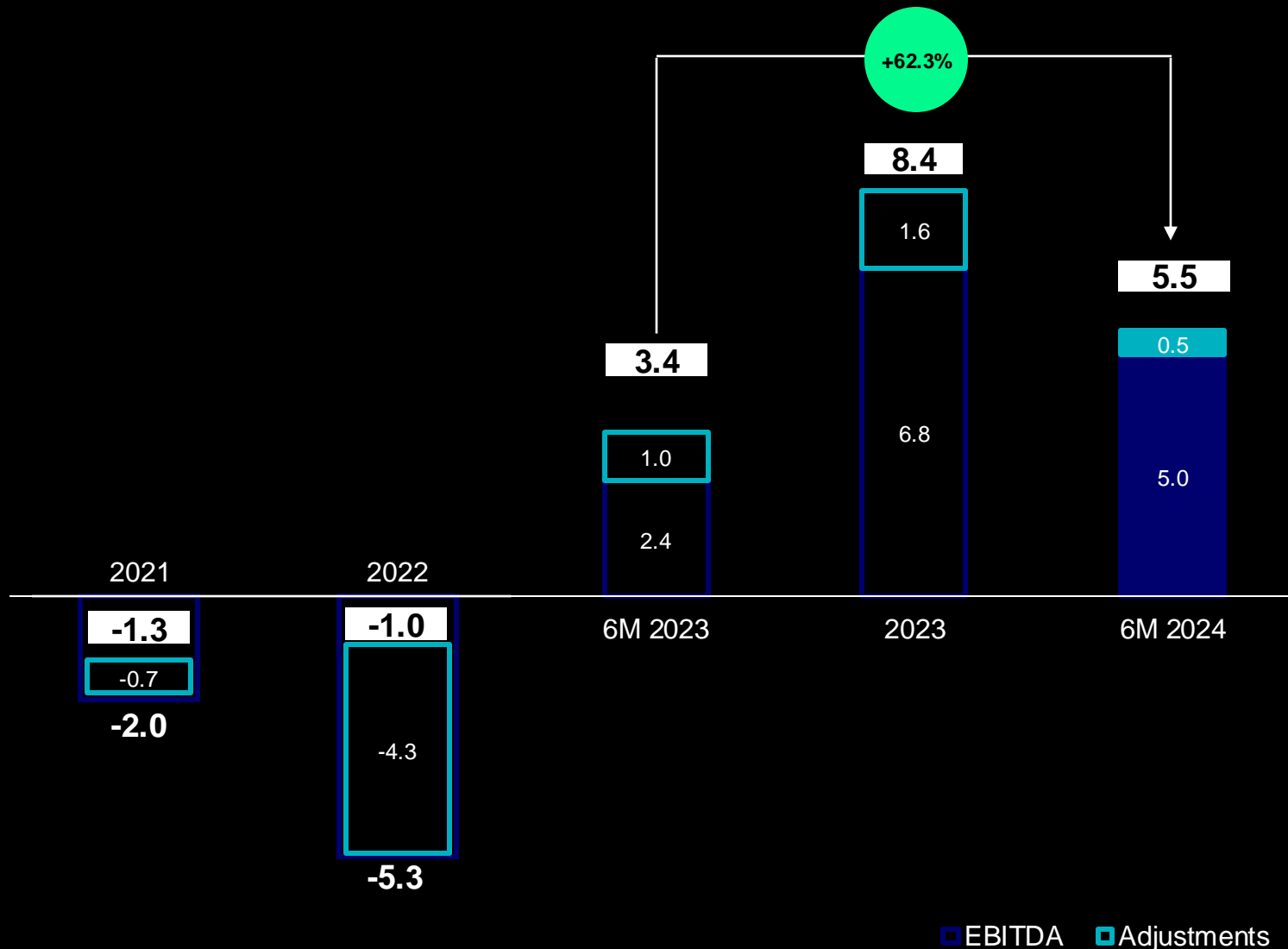


## COMMENTS

- Average number of employees decreased from 451 to 412 (–8.7%)
- Personnel expenses as reported amount to EUR 17.4 million (6M 2023: EUR 18.3 million)
- Adjustments:
  - EUR 0.1 million due to merger and integration of Deutsche Telefon Standard GmbH (6M 2023: EUR – million)
  - EUR 40 thousand for stock options (6M 2023: EUR 13 thousand)
- Adjusted personnel expense ratio of 40.7% (6M 2023: 42.7%) expected to decrease further in the course of 2024 due to scaling effects

# Adjusted EBITDA continues to develop positively

Adjusted EBITDA in EUR million

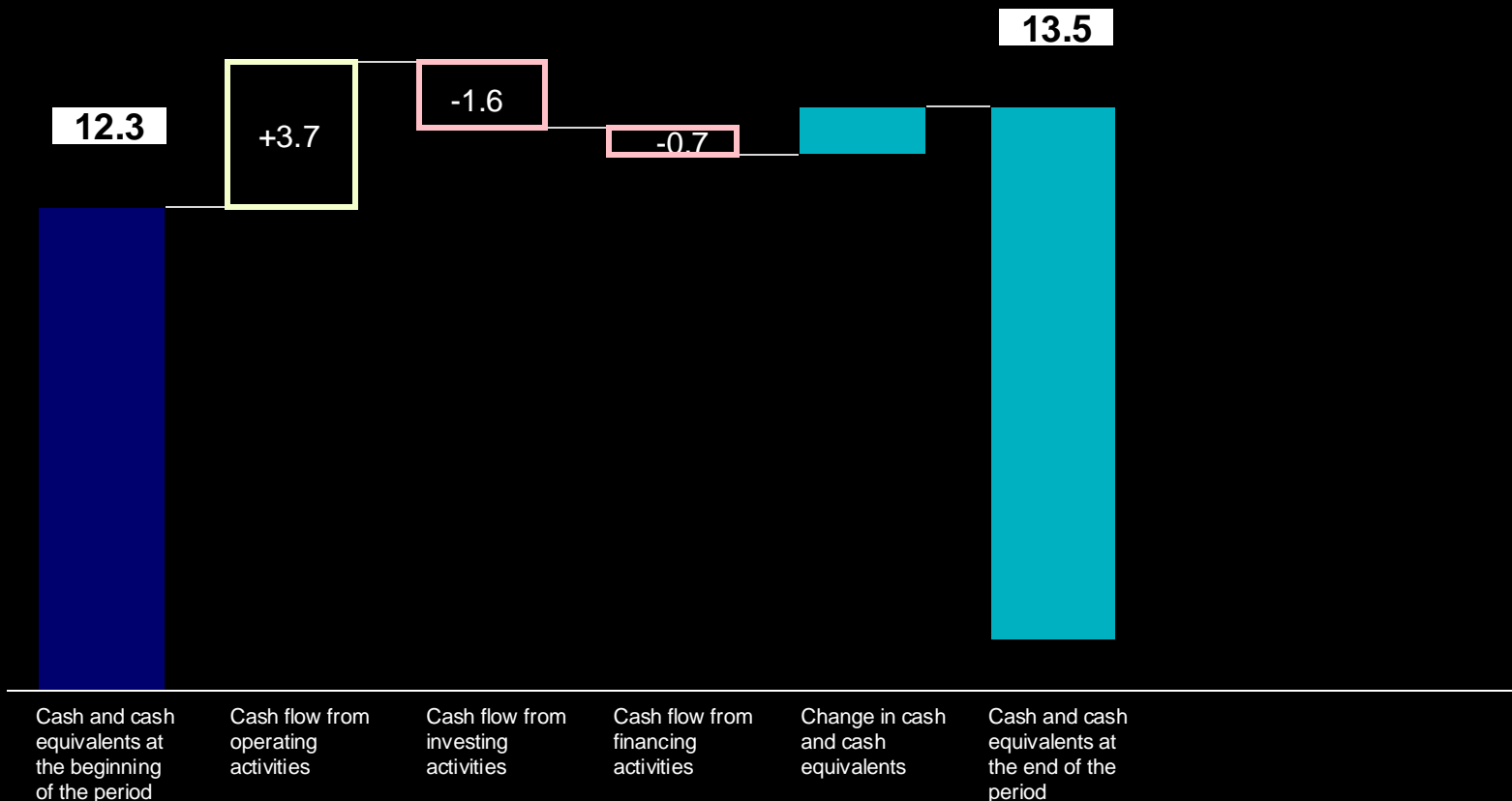


## COMMENTS

- Increased revenues, a higher gross profit and measures to increase profitability taking effect
- Cost reductions in the area of personnel expenses and other operating expenses
- EBIT improved to EUR 1.1 million for the reasons mentioned above
- We expect further positive development of the adjusted EBITDA key figures

# Achieving positive free cash flow: paving the way for future success

in EUR million



## COMMENTS

- Operating cash flow after 6M 2024 increased compared to 6M 2023 from EUR 2.3 million to EUR 3.7 million, driven by positive net profit development as well as
  - Pre-tax profit improved from EUR –1.3 million to EUR +0.5 million
  - Increase in receivables and assets reduced cash flow by EUR 0.8 million
  - Decrease in provisions by EUR 0.3 million negatively impacted operating cash flow
  - Foreign exchange gains of EUR 0.2 million from GBP–EUR conversion in the UK subsidiary, mainly from intercompany valuations
- Cash flow from investing activities improved by EUR 1.8 million
- FCF substantially improved from about EUR –1.1 million 6M 2023 to EUR 2.0 million in 6M 2024






# Outlook

2024

NFON AG

# 2024: a year of transformation and further sustainable profitable growth

	Results 2023	Outlook 2024
Recurring revenue growth	EUR 77.1 million 	We expect recurring revenue growth in the <b>mid to upper single-digit percentage range</b>
Recurring revenue share	93.7% 	We expect a resulting recurring revenue ratio of <b>&gt;90%</b>
Adjusted EBITDA	EUR 8.4 million 	We expect adjusted EBITDA to be in the range of <b>EUR 10 million to EUR 12 million</b>



# Q&A session



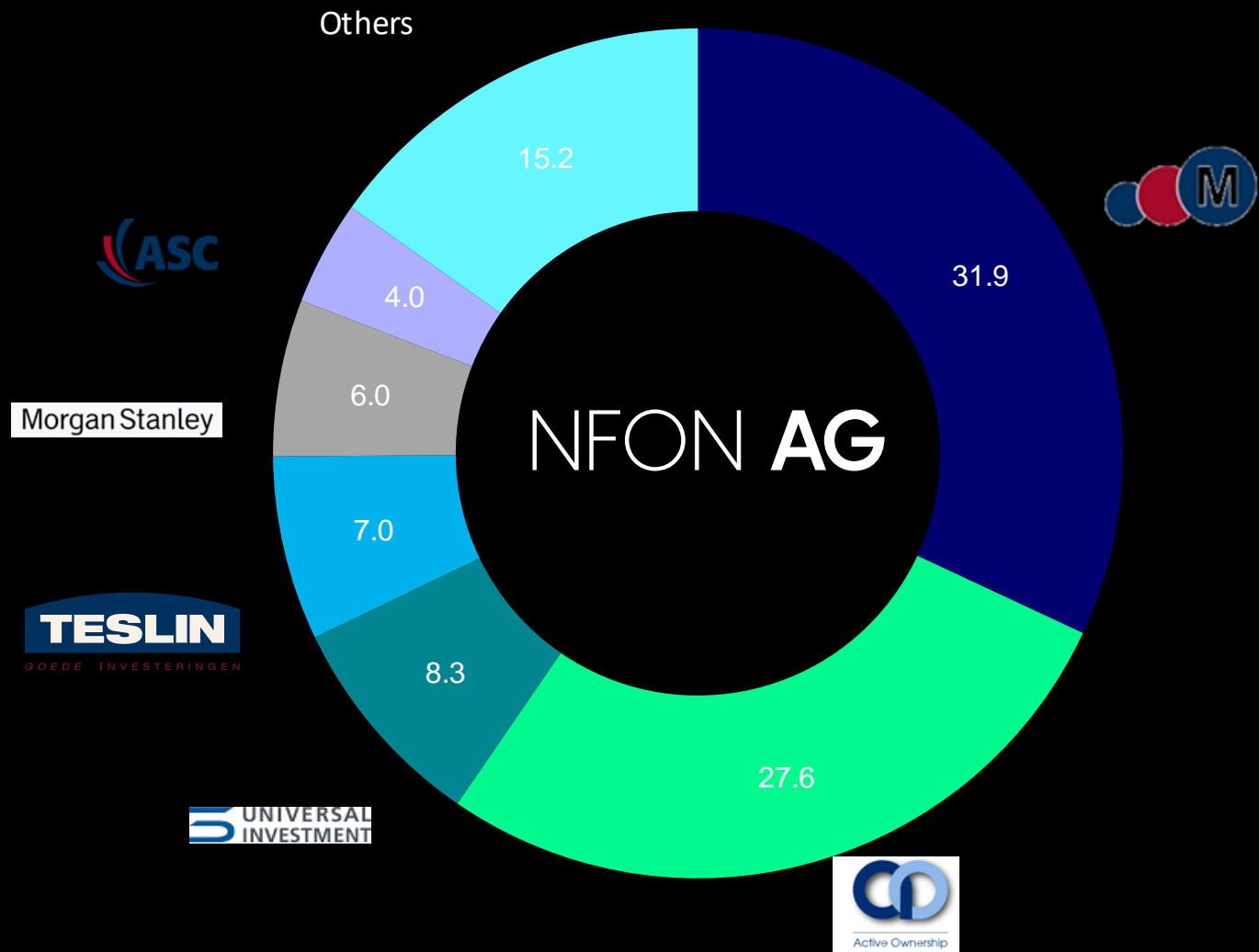
# Appendix



# Share at a glance

<b>ISIN</b>	DE000A0N4N52
<b>Segment</b>	Prime Standard/ Telecommunication
<b>Shares</b>	<b>16.6 million</b> (29 March 2021)
<b>Designated sponsors</b>	Baader Bank, ODDO Seydler Bank
<b>First day of trading</b>	11 May 2018
<b>Coverage</b>	Berenberg Bank, Baader Bank, NuWays, ODDO BHF

Shareholder structure\*  
in %, as of 17 April 2024



# C-level team

**Patrik Heider**  
CEO / CFO

- At NFON since 2023
- ~20 years of C-level experience and in the IT industry
- Previous experience includes
  - Nemetschek SE
  - Thinkproject
  - riskmethods



**Andreas Wesselmann**  
CTO

- At NFON since 2024
- > 20 years of experience in an international working environment as well as in senior executive positions within the software industry
- Previous experience includes
  - SAP



**Merano Mettbach**  
CRO

- At NFON since 1 September 2023
- > 20 years of senior executive experience within the telco industry
- Previous experience includes
  - Cisco Systems
  - BroadSoft
  - Vodafone



**Markus Krammer**  
CPO

- At NFON since 2015
- Previous position:
  - Managing Director for NFON Developments Lda.
- > 20 years of experience in senior executive positions within the telco industry



# Financial calendar

# 20 24

07/03 

- Preliminary Group financial results FY 2023

25/04 

- Group annual report FY 2023

23/05 

- Financial results 3M/Q1 2024

28/06 

- Annual General Meeting 2024

22/08 

- Group half-year report 2024

21/11

- Financial results 9M/Q3 2024



# Contact



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**Thank you**