



Earnings call, 21 November, Munich

9M/Q3 results 2024

WHO YOU HAVE ON THE CALL TODAY

Presenting today's speaker



**PATRIK
HEIDER**
CEO/CFO



Presentation chapters

1 Business update

2 Financials and guidance

3 Q&A session

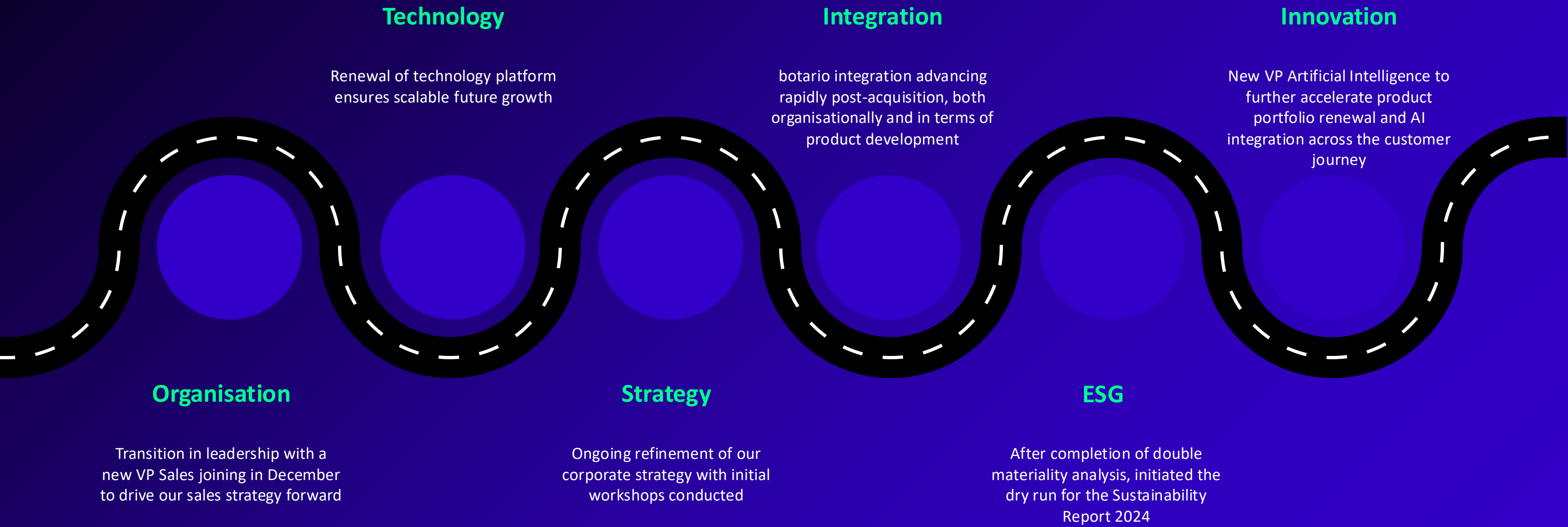
4 Appendix



Business update



Q3 2024: Driving transformation and innovation



Financials and guidance



Recent financial key figures



Key financial figures at a glance

Result 9M 2024

Recurring revenue



Revenue growth of **4.9%** compared to 9M 2023

Share of recurring revenue



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

Adjusted EBITDA



Significantly improved adjusted EBITDA of **EUR 9.1 million**



Continuously growing share of recurring revenue

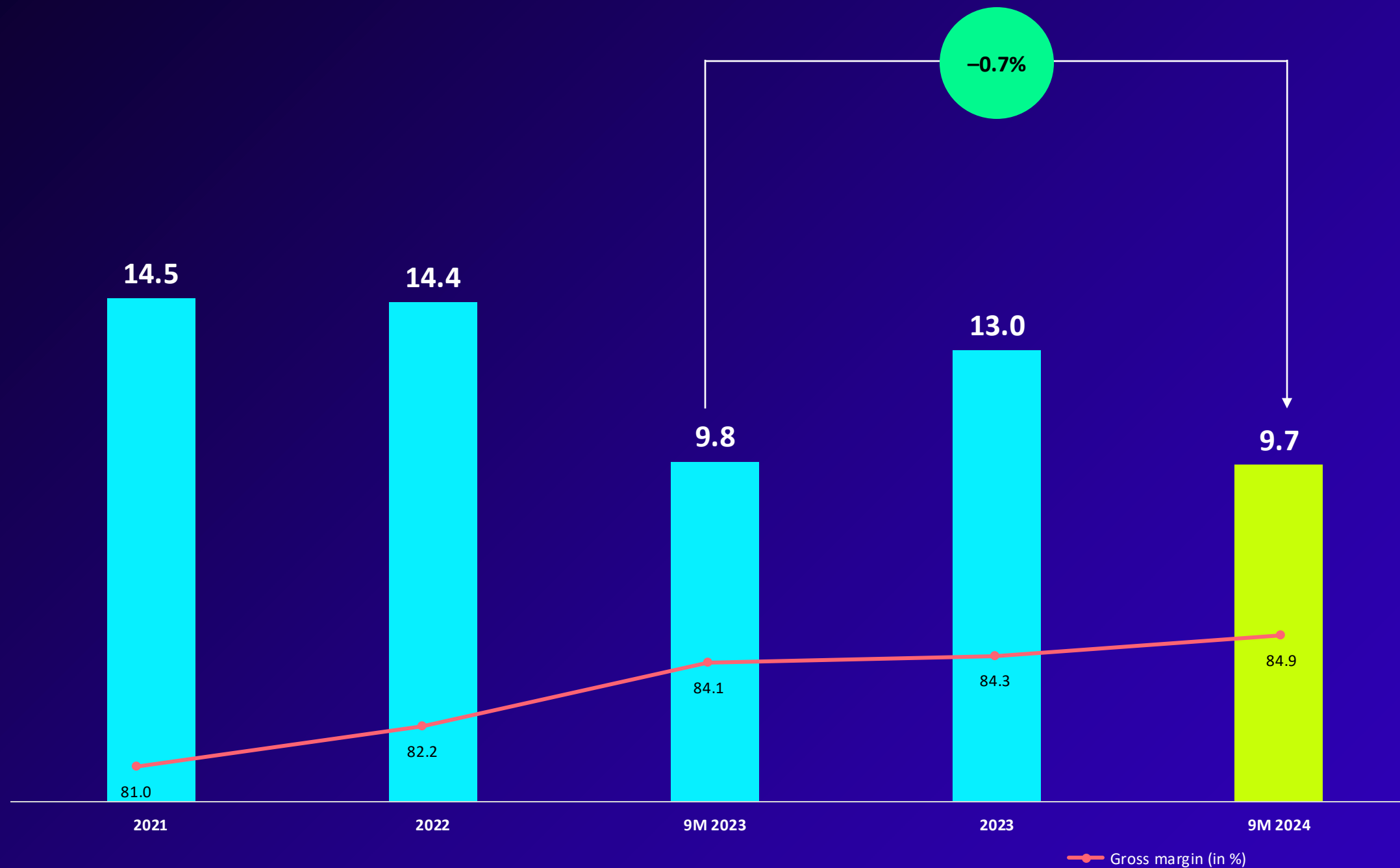


Comments

- Recurring revenue grew moderately by 4.9% compared to 9M 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 4.2% in comparison with 9M 2023 due to decrease of non-recurring revenue by -6.8%
- 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

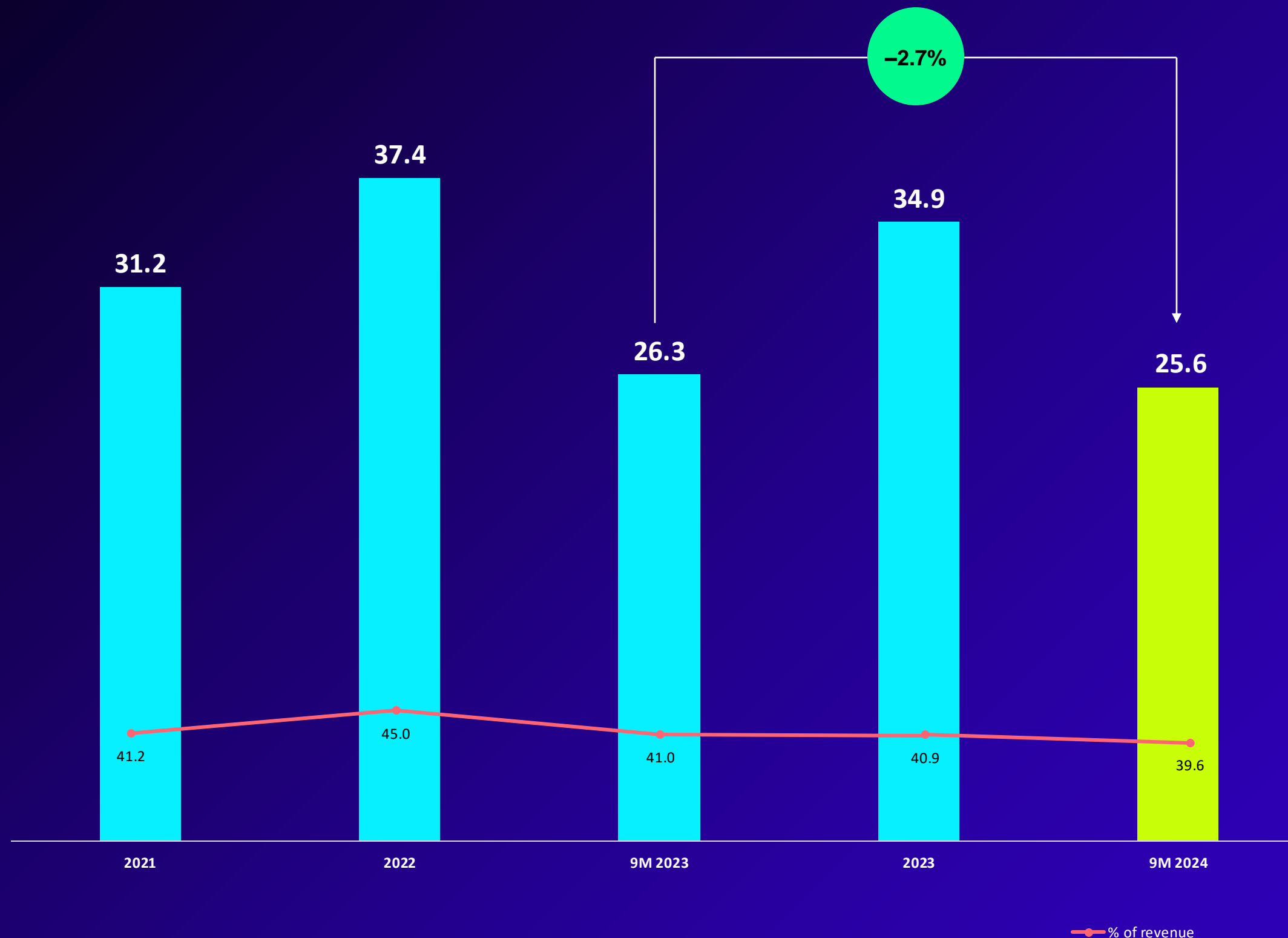


Comments

- Slightly increased gross margin compared to the same period last year due to stable cost of goods sold (COGS), benefiting from scaling effects with rising revenues
- 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 15.1% compared to the same period of the previous year (9M 2023: 15.9%)



Reduced personnel expenses in line with strategic focus

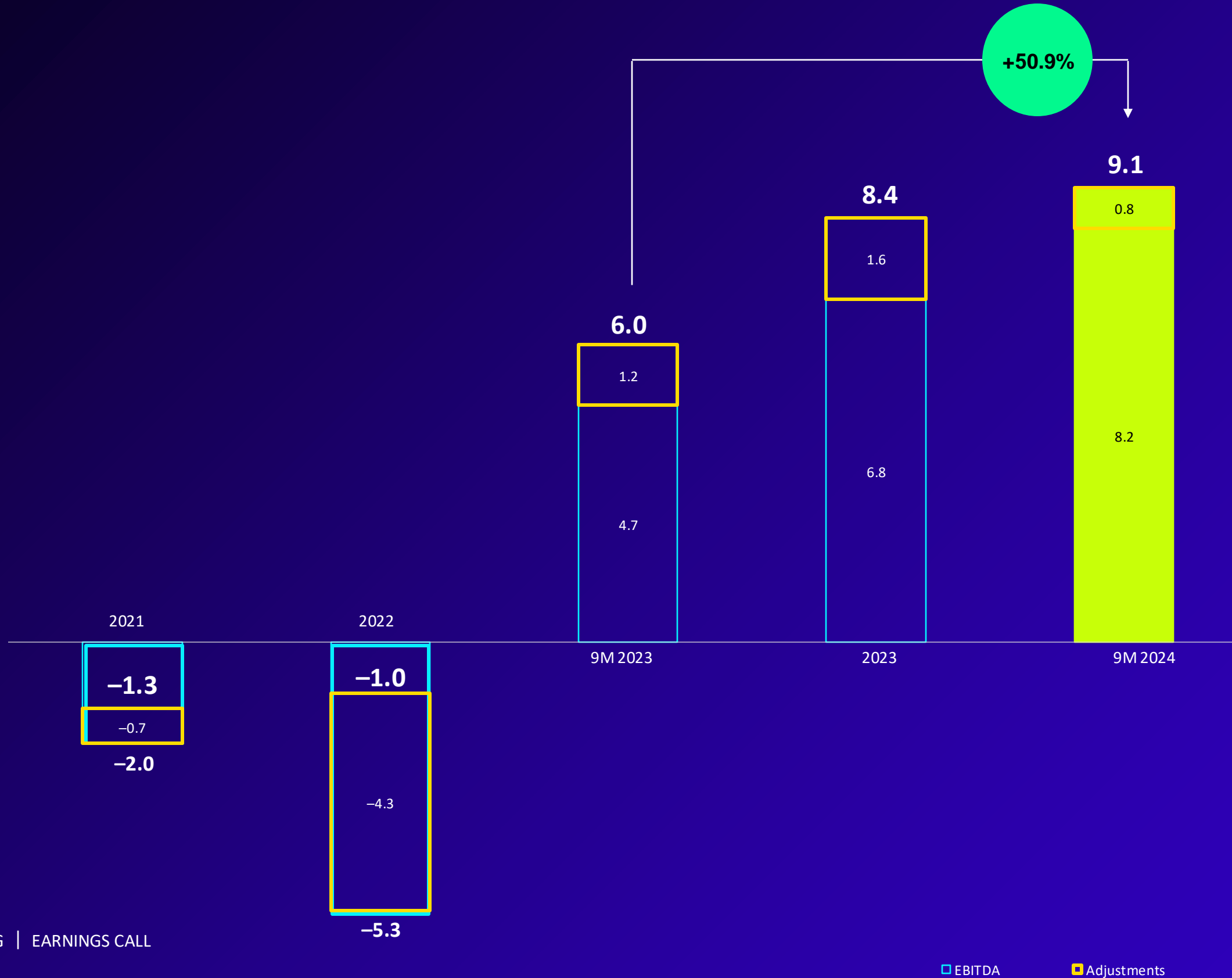


Comments

- Average number of employees decreased from 454 to 414 (-8.8%)
- Personnel expenses as reported amount to EUR 25.6 million (9M 2023: 26.3 EUR million)
- Adjustments:
 - EUR 0.1 million due to merger and integration of Deutsche Telefon Standard GmbH (9M 2023: EUR – million)
 - EUR 0.1 million for stock options (9M 2023: EUR 19 thousand)
- Adjusted personnel expense ratio of 39.6% (9M 2023: 41.0%) expected to decrease further in the course of 2024 due to scaling effects



Adjusted EBITDA continues to develop positively



Comments

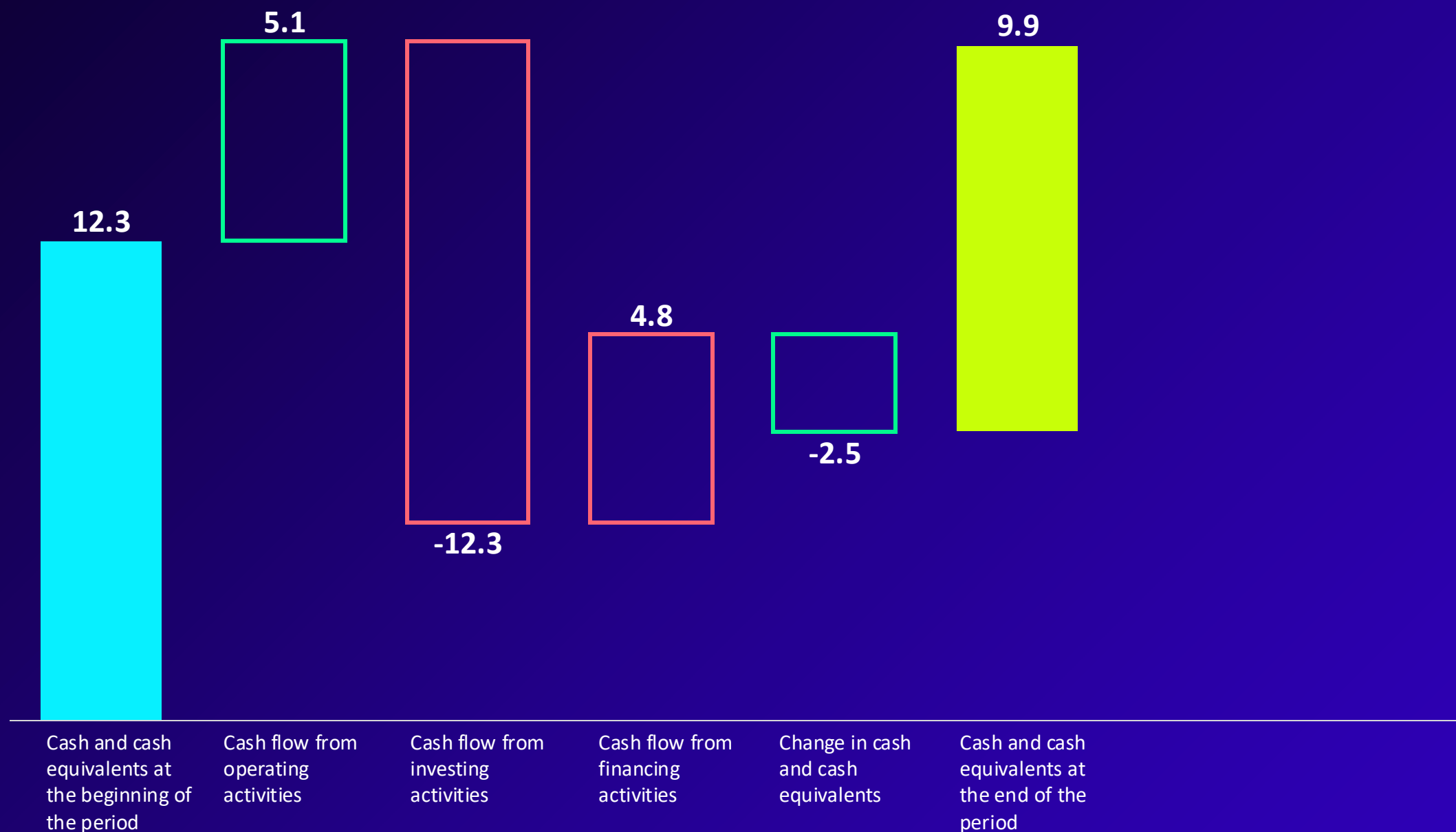
- Increased revenues, a higher gross profit and measures to increase profitability taking effect
- Cost reductions in the area of personnel expenses and other operating expenses
- EBIT improved to EUR 2.3 million for the reasons mentioned above
- We expect further positive development of the adjusted EBITDA key figures



Continued stable improvements in cash flow – way for future success

paving the

in EUR million



Comments

- Operating** cash flow after 9M 2024 decreased slightly compared to 9M 2023, from EUR 5.4 million to EUR 5.1 million:

 - After-tax profit improved from EUR –0.8 million to EUR 1.4 million
 - Higher depreciation and amortisation of EUR 0.6 million
 - Increased receivables as well as decreased liabilities led to negative cash impact of EUR –2.6 million. Both effects are related to the timing of incoming and outgoing payments compared to prior period
 - Decrease in provisions by EUR –0.8 million
- Cash flow from **investing** activities increased by EUR –7.7 million to EUR –12.3 million mainly due to payments in the amount of EUR –9.9 million for the acquisition of botario
- Cash flow from **financing** activities rose to EUR 4.8 million due to a EUR 5.0 million loan and EUR 1.0 million credit line for acquiring botario
- FCF* substantially improved from about EUR 0.8 million 9M 2023 to EUR 2.7 million in 9M 2024



Outlook



2024 – a year of transformation and further sustainable growth in profitability

	Result 2023	Outlook 2024
Recurring revenue	EUR 77.1 million	We expect recurring revenue to grow in the mid to high single-digit percentage range
Share of recurring revenue	93.7%	We expect recurring revenues to be > 90%
Adjusted EBITDA	EUR 8.4 million	We expect adjusted EBITDA in the range of EUR 10 to 12 million

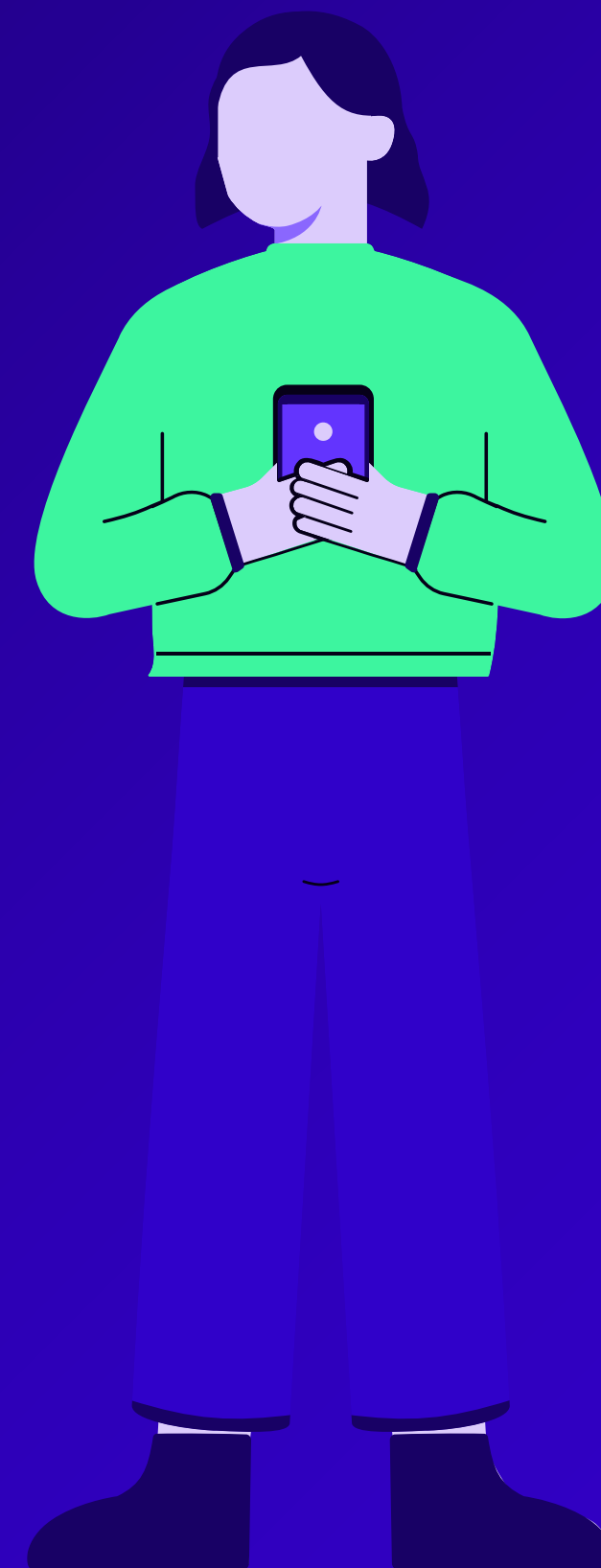




THANK YOU
for your time and attention

 Corporate.nfon.com

 ir-info@nfon.com



Appendix



Seat growth in line with strategic focus



Comments

- Increase in total number of seats by 3.1%
- Continued low gross churn rate in 9M 2024 of ~0.5% per month underlines quality of product and service and guarantees continuous recurring revenue
- Blended ARPU development: 9M 2024 increased by 1.5% due to indexation measures, which were implemented to stabilise it



Decrease in marketing expenses as planned



Comments

- Marketing expenses decreased by more than 25% yoy
- Focused and efficient marketing where we see market potential. Channel marketing moves to the fore
- In 2023, certain events took place earlier and at a higher cost. In 2024, we adjusted the timing and managed these events more cost-effectively, achieving greater efficiency and optimising our budget



Selling costs slightly higher compared to 9M 2023



Comments

- Selling expenses mainly include sales commissions to dealers and distributors (excluding wholesale partners)
 - Dealers and distributors only receive a percentage share of revenue per seat
- Increase in sales commissions by 3.7% yoy
- Slight increase resulted, among other things, from higher revenues
- No further significant changes are expected



Our C-level team at NFON

Patrik Heider
CEO/CFO



- At NFON since 2023
- ~ 20 years of C-level experience 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 and in senior executive positions within the software industry
- Previous experience includes SAP

Markus Krammer
CPO



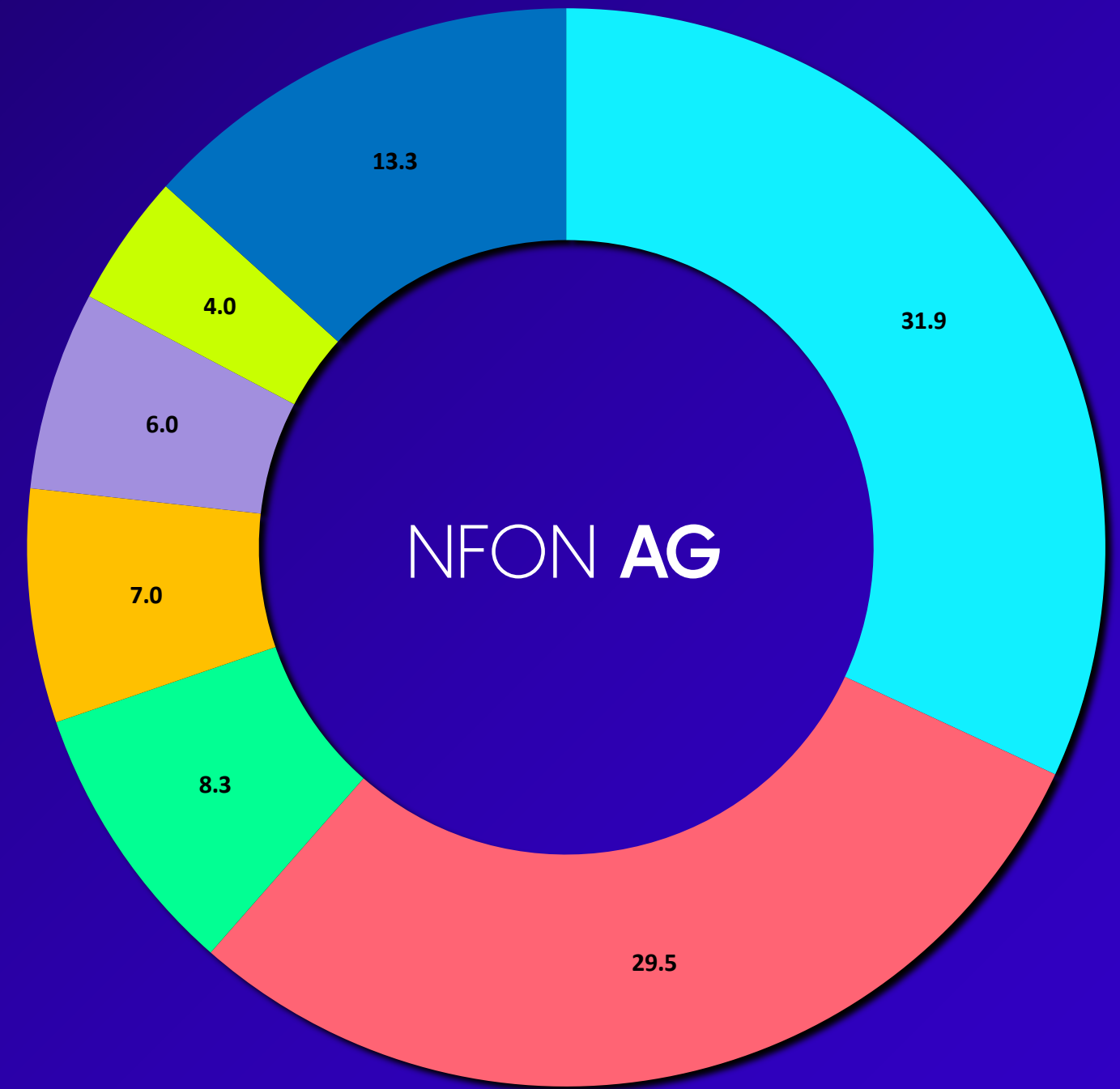
- At NFON since 2015
- Previous position:
Managing Director for NFON Developments Lda.
- > 20 years of experience in senior executive positions within the telco industry



Share at a glance

Share information

ISIN	DE000A0N4N52
WKN	A0N4N5
Segment	Prime Standard/Telecommunication
Shares	16.6 million (29 March 2021)
Type of shares	No-par-value bearer shares
Voting rights	Each share entitles the holder to one vote
Trading segment	Official Market/Prime Standard
Stock exchanges	Frankfurt Stock Exchange/Xetra
Stock exchange symbol	NF
Reuter symbol	NFN.DE
Bloomberg symbol	NFN.GY
Sector	Telecommunications
Designated sponsors	Baader Bank, ODDO Seydler
First day of trading	11 May 2018
Coverage	Berenberg Bank, Baader Bank, NuWays, ODDO BHF
Paying agent	Baader Bank



Shareholder structure

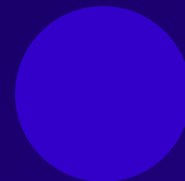
In %, as of 31 October 2024

- Milestone Venture Capital GmbH
- Morgan Stanley
- Active Ownership Advisors GmbH
- ASC Technology AG
- Universal-Investment-Gesellschaft mbH
- Others
- Teslin Capital Management BV



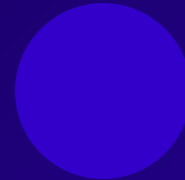
Financial calendar

2025



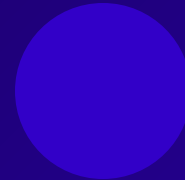
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Preliminary Group financial results FY 2024



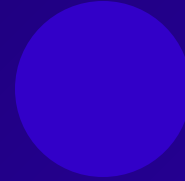
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Group annual report FY 2024



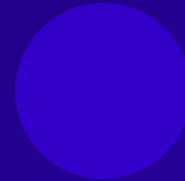
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Financial results 3M/Q1 2025



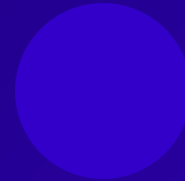
26/06

Annual General Meeting 2025



21/08

Group half-year report 2024



20/11

Financial results 9M/Q3 2025



STAY IN TOUCH

INVESTOR RELATIONS CONTACT AND MORE...



- At NFON since 2023
- > 15 years of experience in investor relations and sustainability reporting and project management
- Previous experience includes: Deutsche Bahn, Kirchhoff Consult



Friederike Thyssen
VP Investor Relations &
Sustainability

NFON AG

Zielstattstrasse 36
81379 Munich, Germany

 +49 89 453 00-449  ir-info@nfon.com

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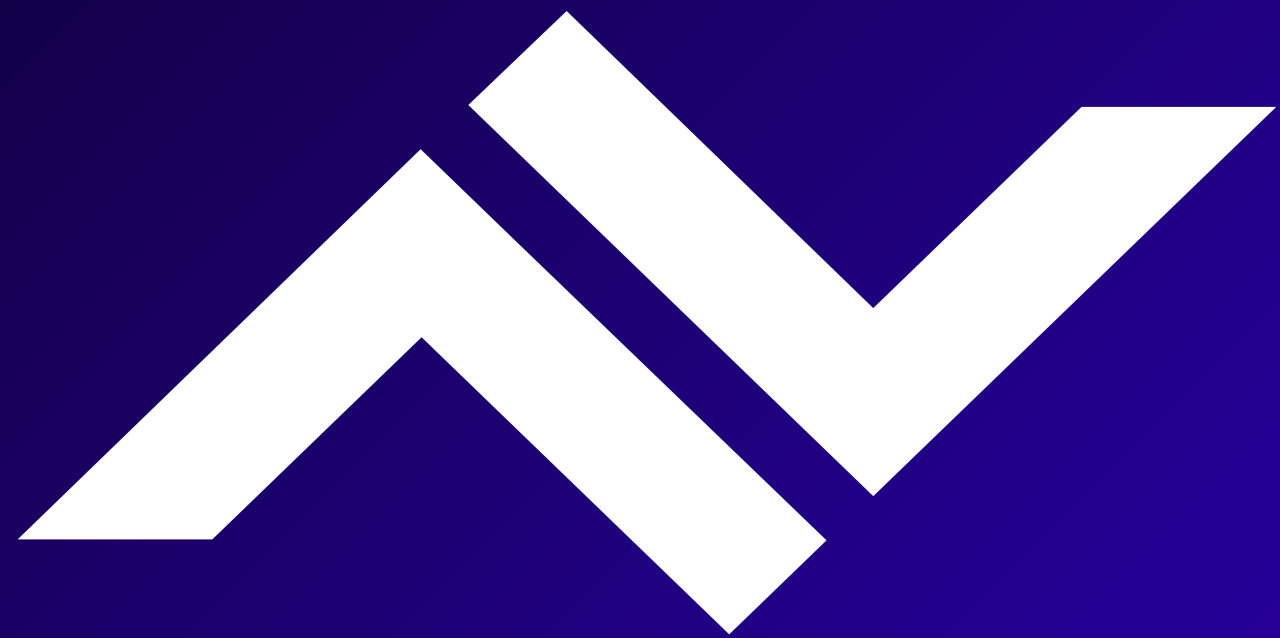


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