

Earnings Call, 17 April 2025, online

FY 2024 results



WHO YOU HAVE ON THE CALL TODAY

Presenting today's speaker



PATRIK HEIDER

CEO/CFO



Presentation chapters

- 1 Financial and business highlights
- 2 Financials
- 3 Business update
- 4 Guidance
- 5 Q&A
- 6 Appendix



2024 performance powered by transformation and AI

Total revenue up by 6.1%

High share of recurring revenue, almost 93%

Adjusted EBITDA posts significant growth of 48%

Marked increase in free cash flow to EUR 6.4 million



Andreas Wesselmann
Chief Technology Officer



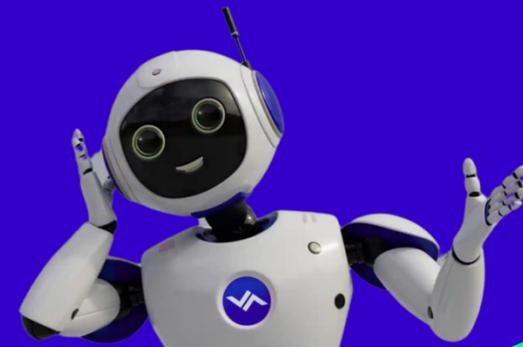
Jana Richter
Executive Vice President
AI & Innovation



Alexander Wettjen
Executive Vice President
Sales & Partner Management

In line with our transformation, we reinforced our team by bringing in proven experts to drive innovation and operational excellence.

Established the **AI & Innovation organisation**, further strengthening our capabilities in AI-driven product development.



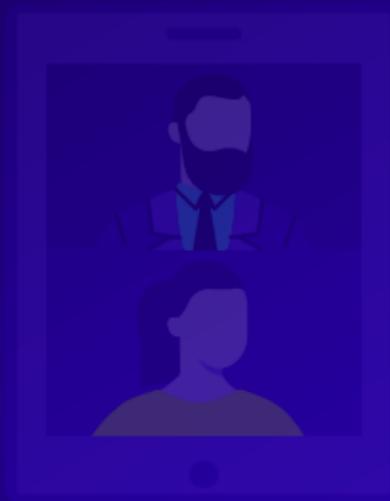
Strategy update **NFON Next 2027** is the stepstone for further **sustainable profitable growth** and technological leadership.

Successfully advanced the integration of **DTS** with the legal merger completed in July 2024.

Closed the **acquisition of AI specialist botario** – a strategic step that already contributes to our innovation roadmap and long-term growth agenda.



Financials



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

	Result 2023	Outlook	Results 2024
Recurring revenue	EUR 77.1 million	In the mid to upper single-digit percentage range	Revenue growth of 5.2% compared to FY 2023
Share of recurring revenue	93.7%	> 90%	Stable high share of recurring revenue of 92.9%
Adjusted EBITDA	EUR 8.4 million	EUR 10–12 million	Significantly improved adjusted EBITDA of EUR 12.3 million



Stable share of recurring revenue

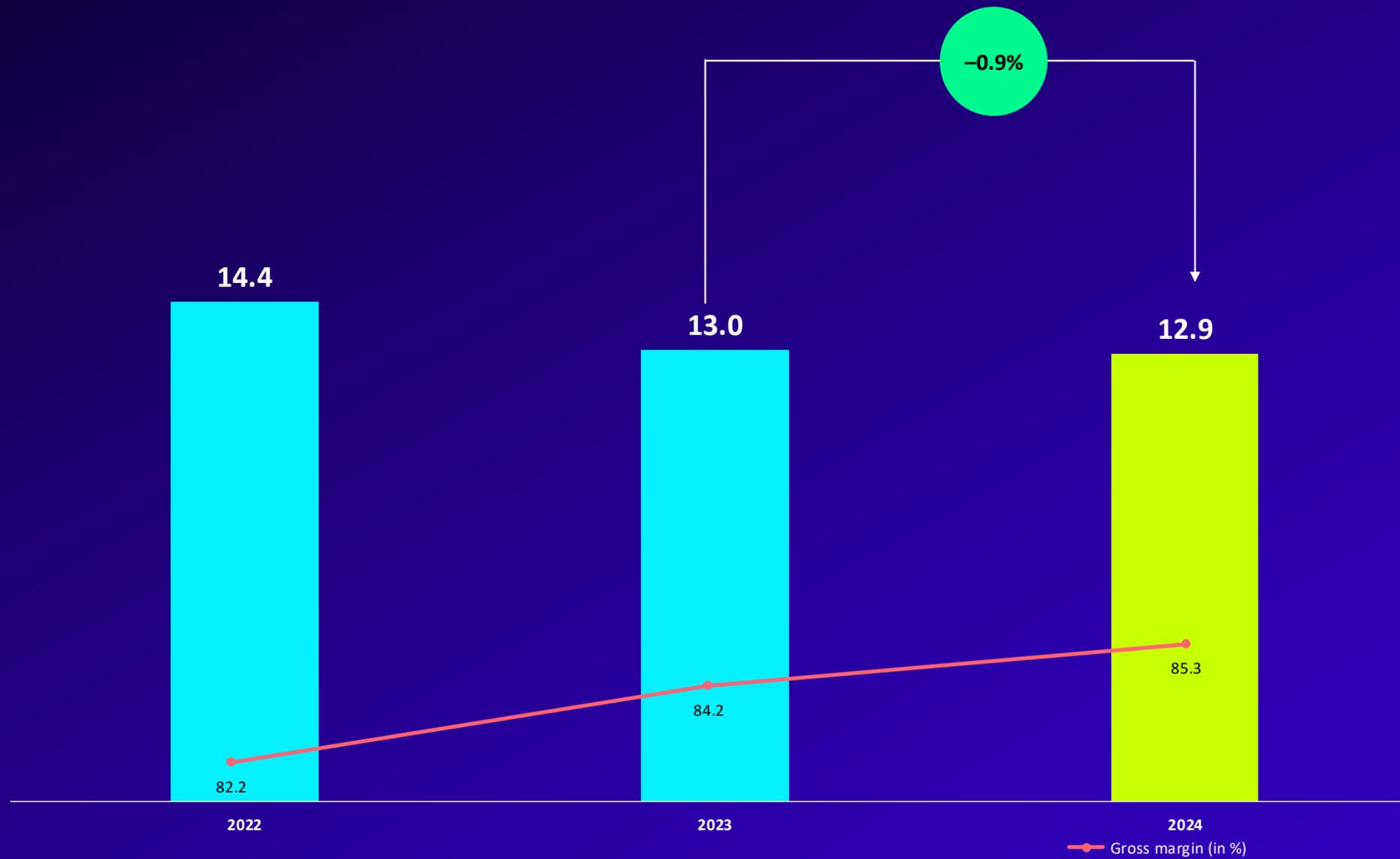


Comments

- Total revenue grew by 6.1%, driven by strong growth in non-recurring revenue (+19.2%).
- botario, acquired in August, contributed EUR 1.9 million to revenue and therefore accounted for approx. 38% of total revenue growth and strengthened NFON’s AI-based solution offering.
- Recurring revenue increased moderately by 5.2% in 2024. Key drivers were new customers, more installed seats – especially in Germany and Austria – and the expansion of Premium Solutions.
- The high share of recurring revenue – 92.9% of total revenue – continues to underpin the scalable and predictable nature of our business model.



Further improvement in gross margin through scaling effects

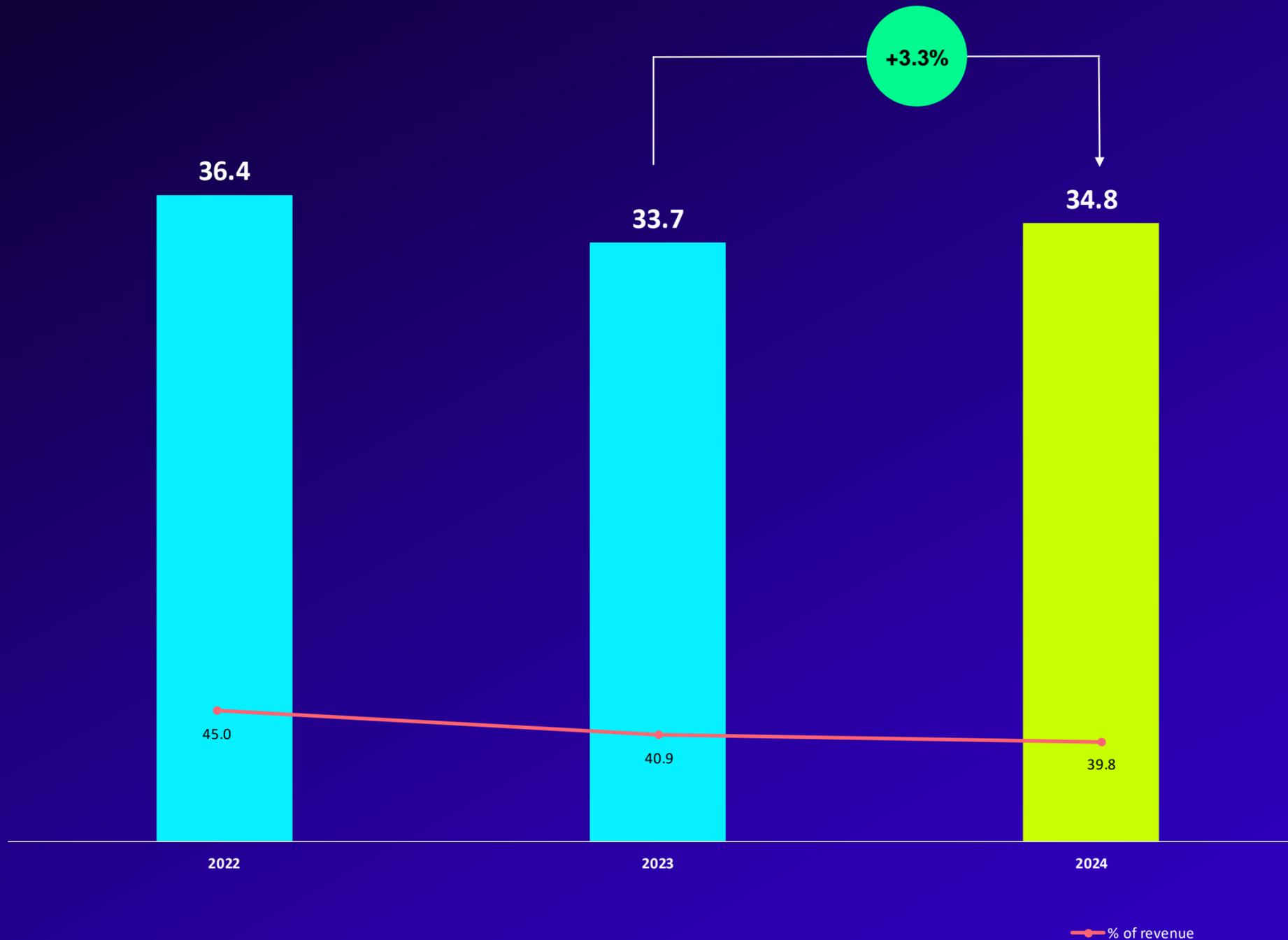


Comments

- Gross profit grew disproportionately to revenue, driven by high-margin recurring revenues and botario's project business
- Gross margin increased to 85.3% (2023: 84.3%)
- Cost of materials slightly decreased to EUR 12.9 million (2023: EUR 13.0 million)
- Material cost ratio reduced to 14.7% (2023: 15.8%), reflecting scaling effects despite revenue growth
- Cost of materials is largely variable and mainly comprises hardware sold, airtime costs and data centre housing
- botario contributed with low material usage due to reliance on internal resources



Personnel expenses in line with strategic focus

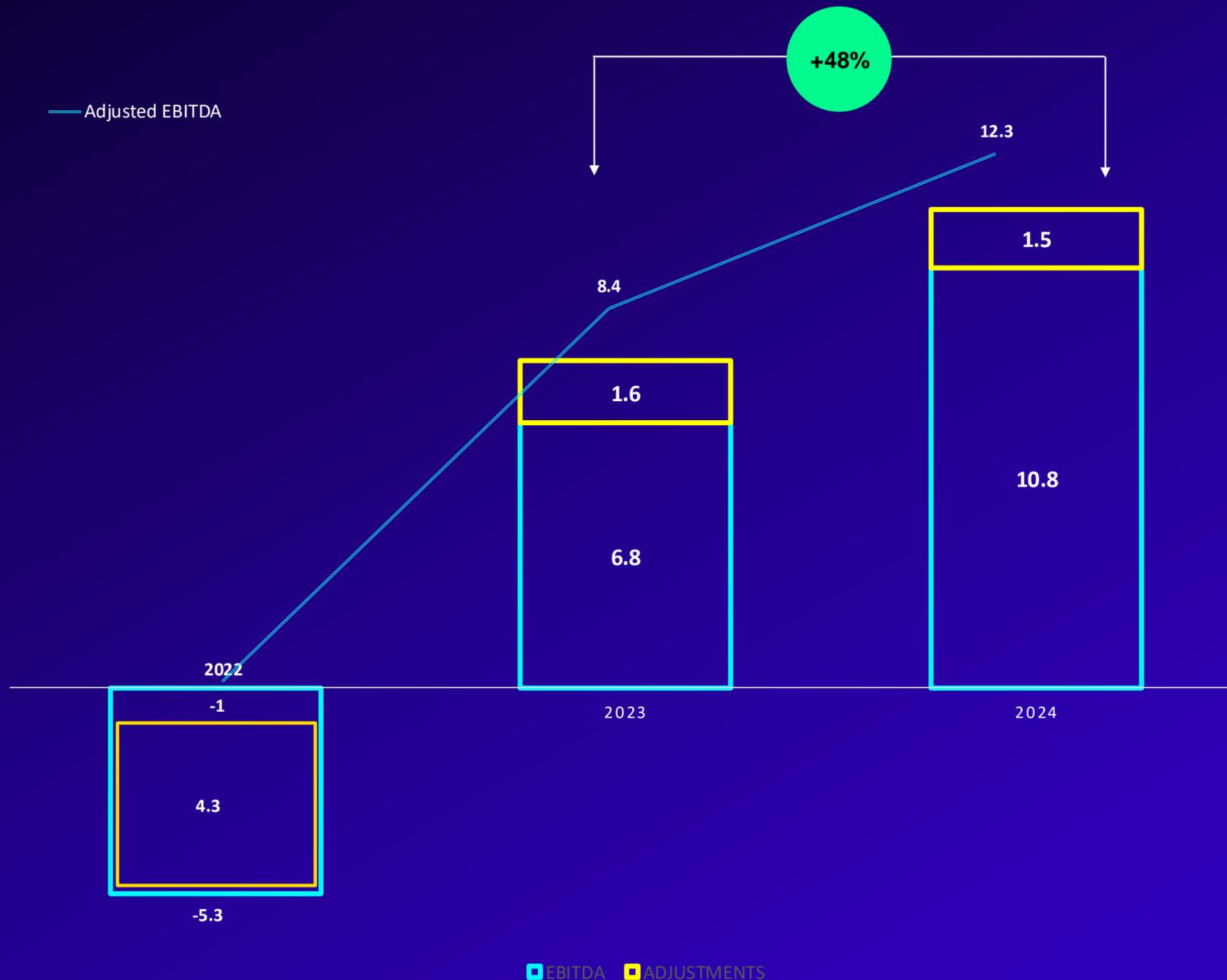


Comments

- Average number of employees decreased by 6.8% to 422 (2023: 453), reflecting structural optimisation and efficiency gains
- Wages and salaries (gross) decreased to EUR 27.8 million (2023: EUR 29.3 million)
- Total personnel expenses increased slightly to EUR 35.3 million (2023: EUR 34.9 million), due to lower capitalised internal services
 - One-off effects:
 - EUR 0.1 million for top management reorganisation
 - EUR 0.1 million for integration of Deutsche Telefon Standard GmbH
 - EUR 0.1 million for employee stock option programme
 - EUR 0.2 million in prior-period expenses
- Adjusted personnel expenses totalled EUR 34.8 million (2023: EUR 33.7 million), resulting in an adjusted personnel expense ratio of 39.8% (2023: 40.9%)



Adjusted EBITDA continues to develop positively



Comments

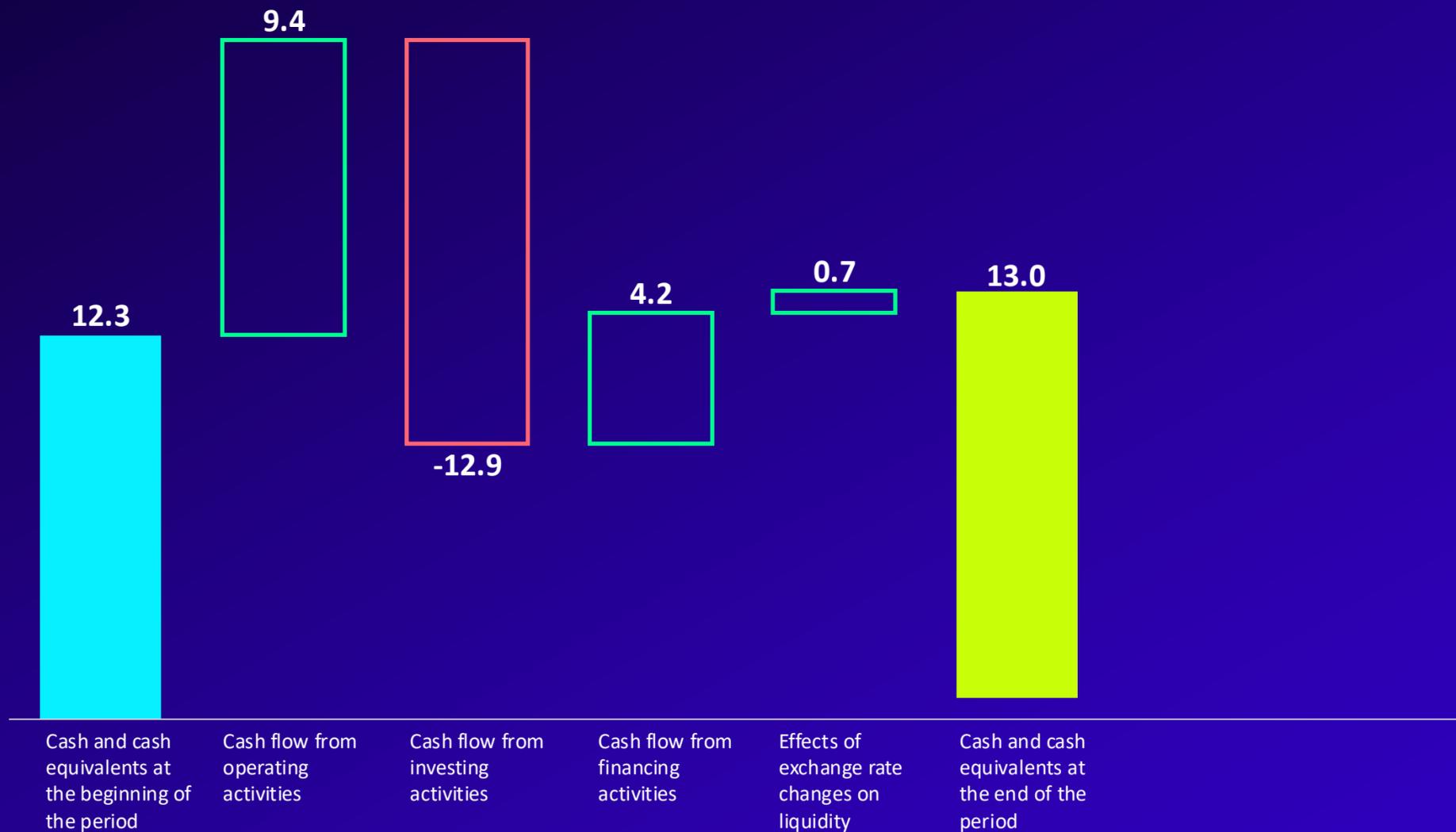
- Stable customer demand and growth in Premium Solutions contributed to a 6.1% increase in total revenue.
- Gross profit rose by 7.4% to EUR 74.5 million. Cost reductions in staff and other operating expenses led to improved earnings.
- EBIT improved significantly to EUR 2.7 million (2023: EUR -0.5 million), while adjusted EBITDA increased by 47.6% to EUR 12.3 million.
- We expect the positive development of adjusted EBITDA to continue in 2025.
- NFON Next 2027 is having a tangible impact, with efficiency gains and strategic growth levers beginning to take effect.



Continued stable improvements in cash flow – way for future success

paving the

in EUR million



Comments

- Operating cash flow increased to EUR 9.4 million (2023: EUR 6.8 million), driven by improved earnings and efficiency
- Free cash flow¹ rose to EUR 6.4 million (2023: EUR 1.0 million), reflecting strong operational performance
- Higher receivables (EUR +1.3 million) and lower provisions (EUR –0.3 million) had a minor negative effect
- Investments totalled EUR –12.9 million: EUR –9.9 million for botario, EUR –2.6 million for development, EUR –0.4 million for IT
- Financing cash flow at EUR 4.2 million, mainly from loan to fund acquisition
- EUR 2.0 million credit facility available, EUR 1.0 million drawn; liquidity remains solid



Business update



Our impact statement



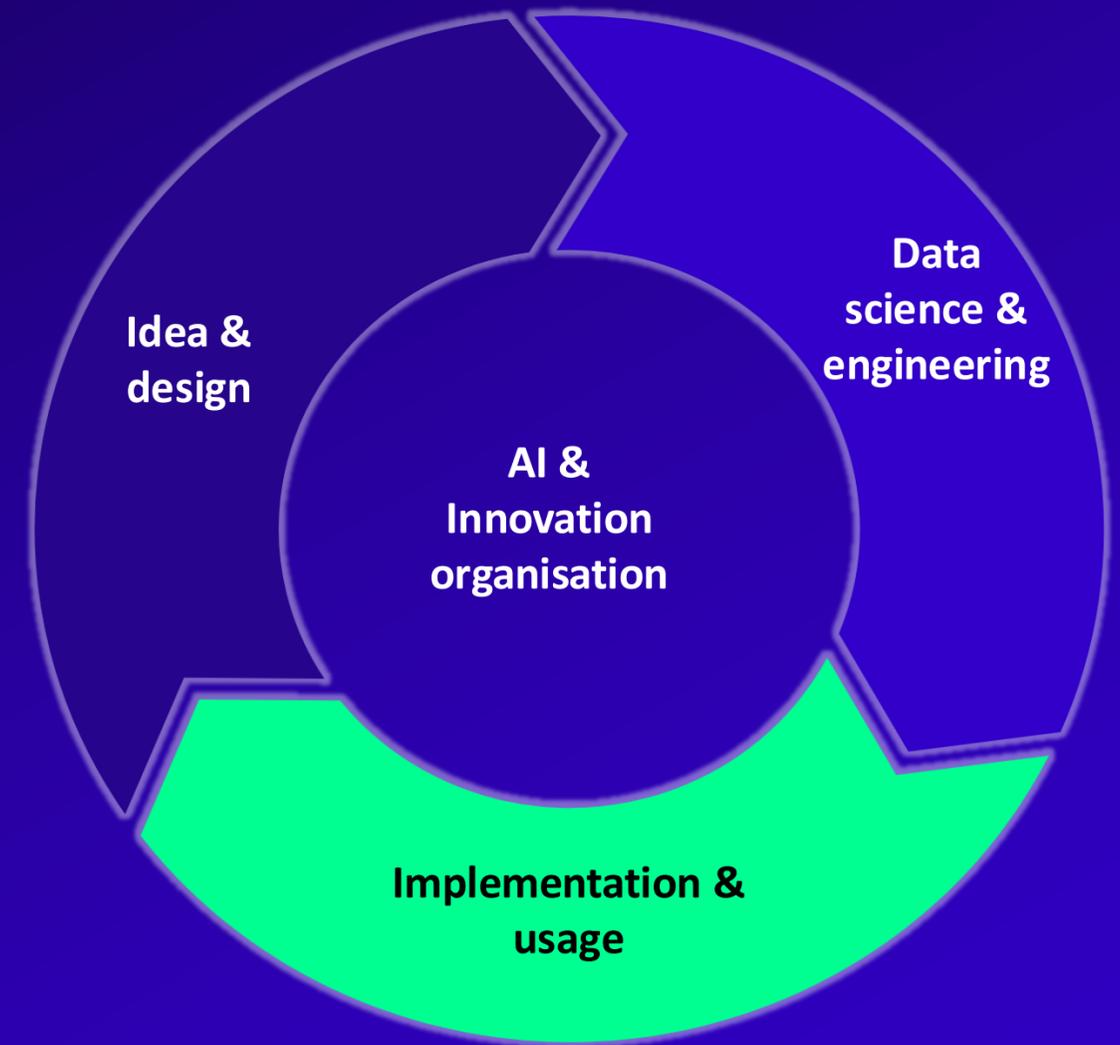
**We rethink business
communication, inspiring and
connecting people to grow
together sustainably.**



Strengthen today and create tomorrow



Our AI & Innovation organisation



Mission:

Lead the market in AI-driven business communication by driving adoption, satisfaction and scalable growth.



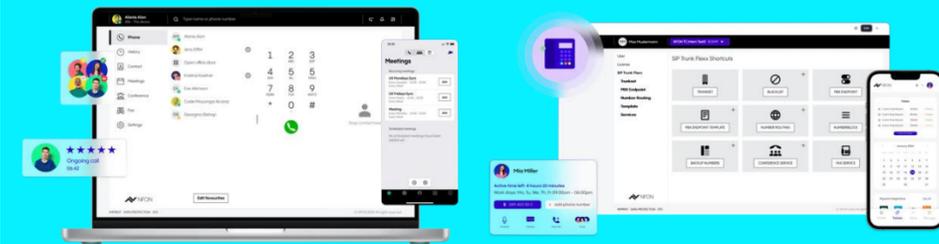
AI-driven business communication meeting market needs

AI-powered

BUSINESS TELEPHONY

Cloud Telephony

SIP Trunk



AI-powered

INTELLIGENT ASSISTANT

Nia

botario



AI-powered

CUSTOMER ENGAGEMENT

Contact Center

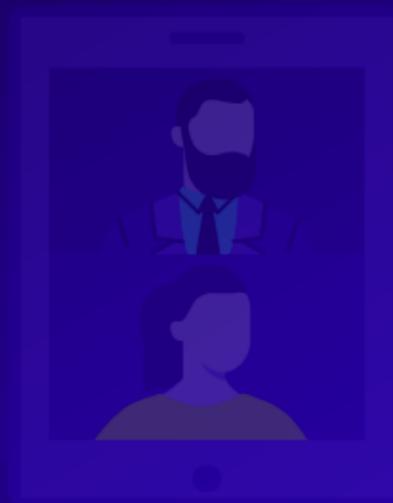


MARKETPLACE

Connect what belongs together – Integration & APIs



Guidance



Accelerating our NFON Next 2027 strategy

Secure long-term profitability

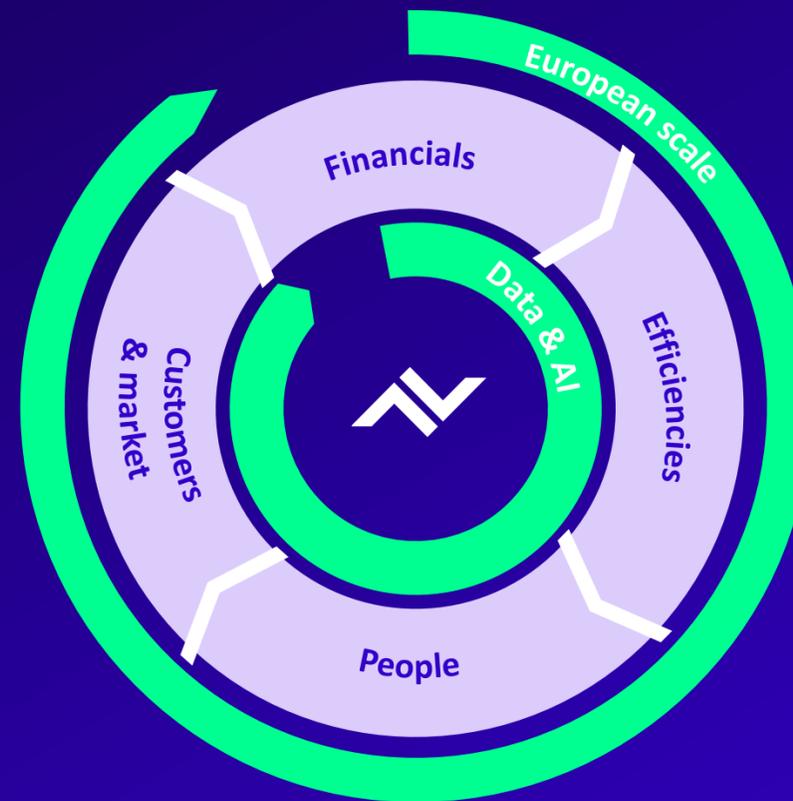
Deliver on margin ambition and lay the foundation for sustainable value creation.

Focus on core markets

Leverage our strong position in Germany, Austria and the UK to drive profitable growth.

Deepen customer & partner relationships

Drive loyalty and satisfaction through better service, integration and value creation.



Harness the full potential of AI

Drive dual transformation by combining core business optimisation with intelligent automation – strengthening our position in AI-powered business communications.

Sharpen operational focus

Simplify structures, increase agility and strengthen cross-functional collaboration.

Drive commercial excellence

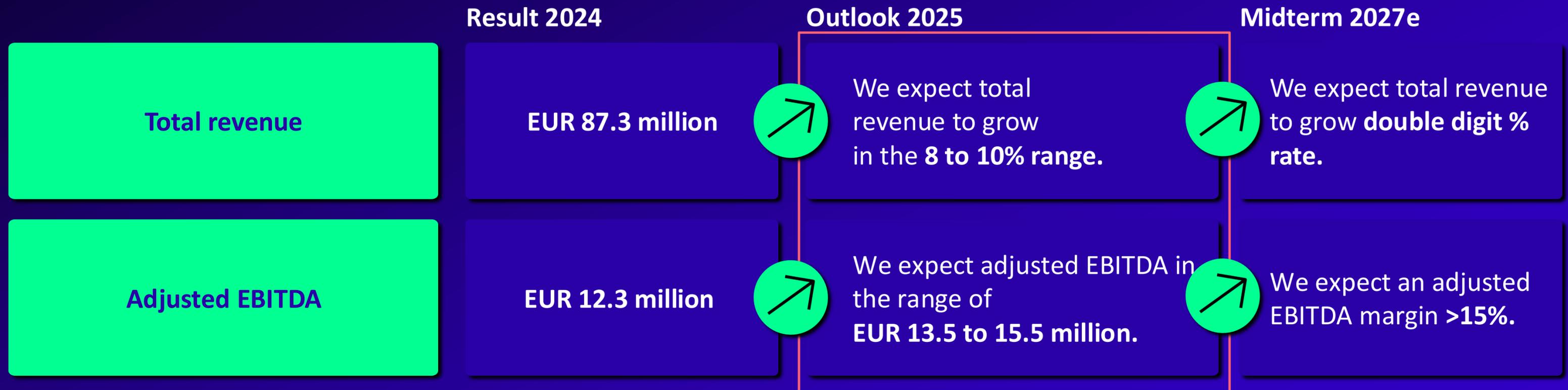
Strengthen go-to-market execution and unlock revenue in core and growth segments.

Build a future-ready organisation

Empower our leadership team, simplify structures and increase agility.



2025: accelerating further growth and profitability



Q&A

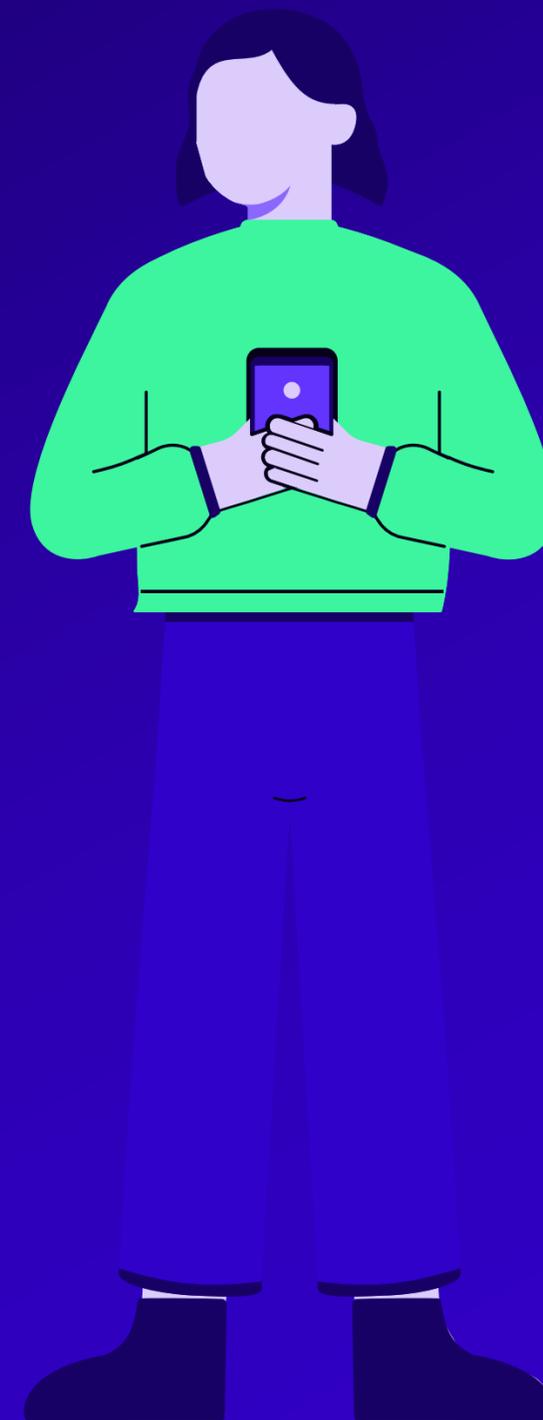




THANK YOU
for your time and attention.

 Corporate.nfon.com

 ir-info@nfon.com



Appendix



Momentum – innovation – value

Investment highlights

Leading market position in Europe

We combine strong market positioning with a resilient business model that remains stable amid geopolitical volatility.

Attractive market environment

We operate in a high-growth market with strong momentum – especially in Germany, where digitalisation is accelerating.

Scalable business model

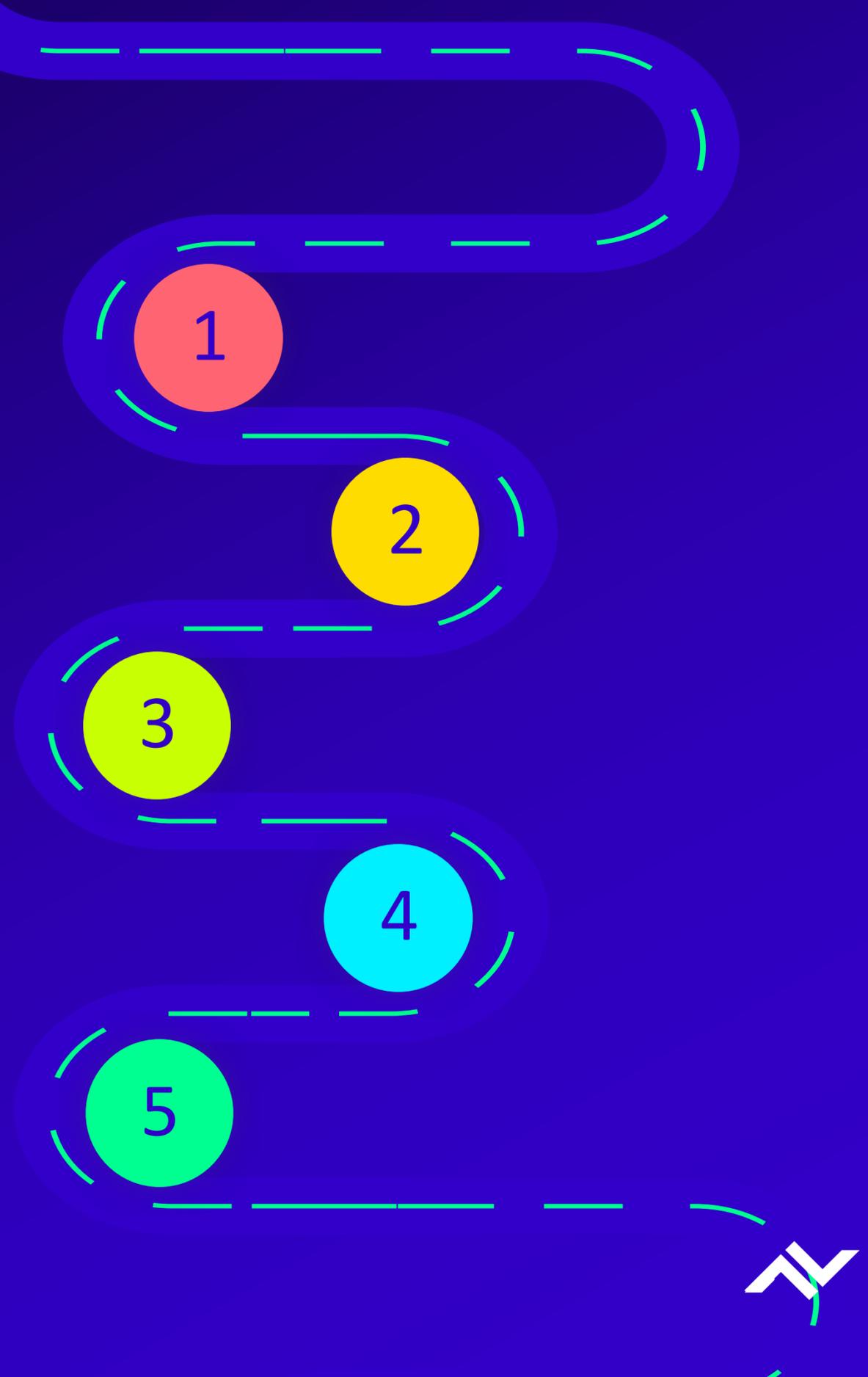
Our solutions are designed for growth – with a high share of recurring revenues and strong customer loyalty across Europe.

Growth acceleration through AI

Advanced AI features enhance user experience, automate communication flows and increase productivity – unlocking new business value for customers and partners.

Sustainable value creation

We are aiming for double-digit revenue growth and an EBITDA margin above 15% by 2027 – driven by operational excellence and >90% recurring revenues.



Expertise that powers innovation and growth

Andreas Wesselmann
CTO



- 20+ years in international experience in software development
- Combines entrepreneurial mindset with tech passion
- Former Senior Vice President & SAP Global Leadership Team member (10+ years)

Jana Richter
EVP AI & Innovation



- 20+ years in cloud & AI leadership at SAP
- Most recently VP SAP Business AI Experiences
- Strong track record in implementing AI solutions
- Frequent speaker at tech conferences and keynotes

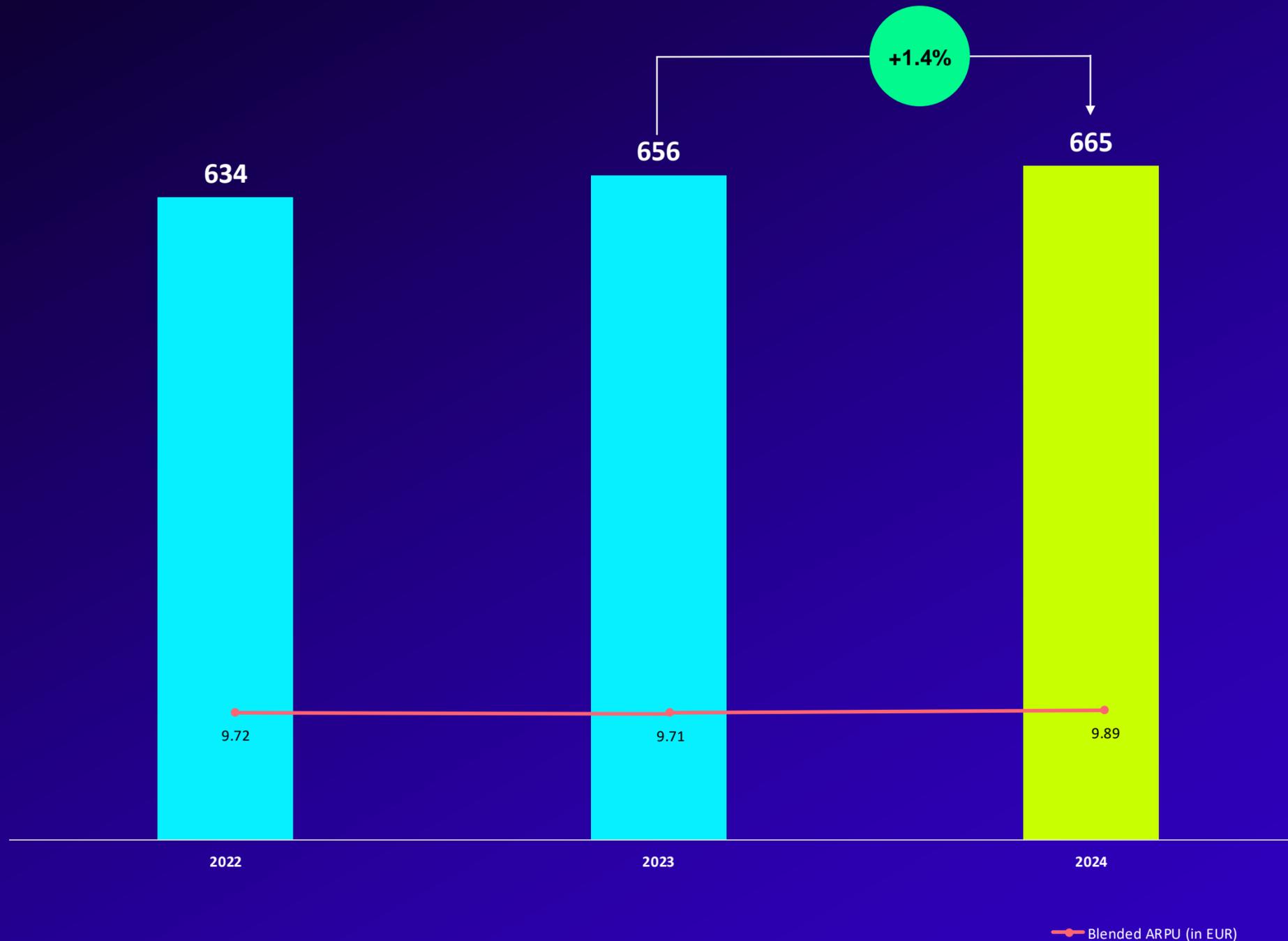
Alexander Wettjen
EVP Group Sales



- Sales leader with B2B experience (Telefónica, Sixt)
- Focused on partner centricity and sustainable growth
- Driving alignment between product, market and sales



Seat growth in line with strategic focus



Comments

- Total number of seats increased by 1.4% to 665,449 (2023: 655,967); adjusted for the merger, growth was 0.6%
- Growth remained below expectations and below the previous year's level of 2.3%
- Stable gross churn rate of ~0.5% per month confirms high product and service quality and supports recurring revenue
- Blended ARPU, which reflects recurring revenue per seat across all services, channels and countries, rose to EUR 9.89 (2023: EUR 9.71)
- The increase was driven by targeted price adjustments, compensating for declining voice minute usage

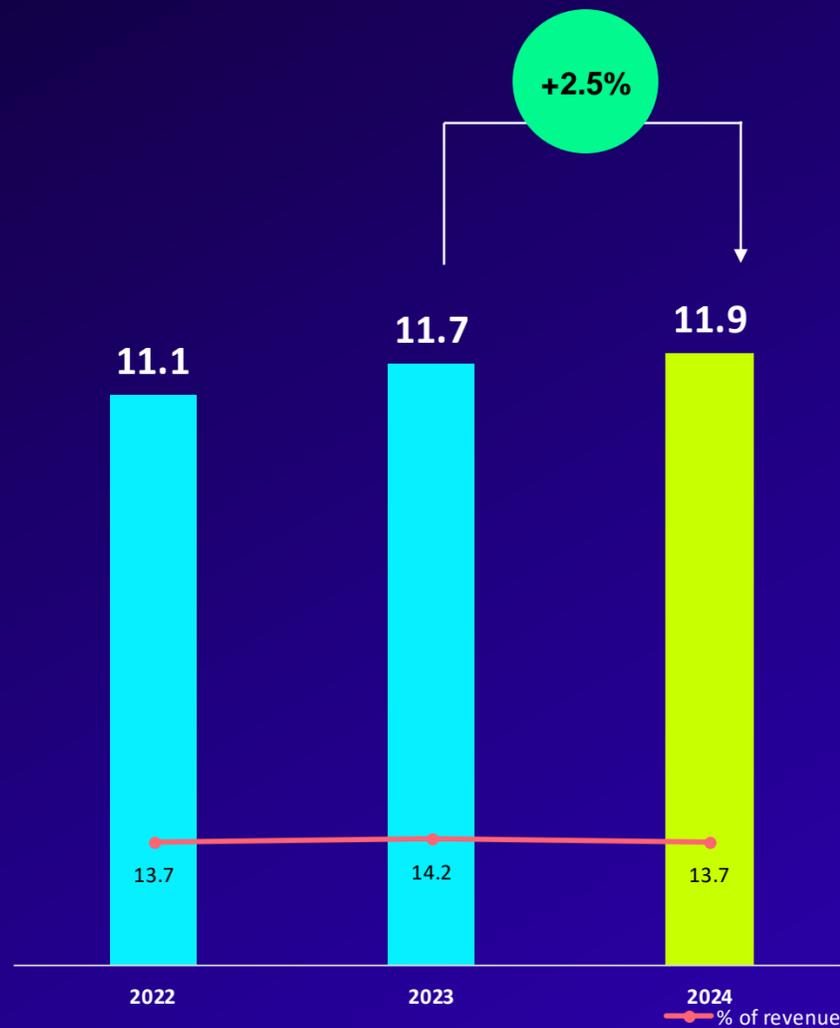


Stable commissions with higher partner input and lower marketing spend

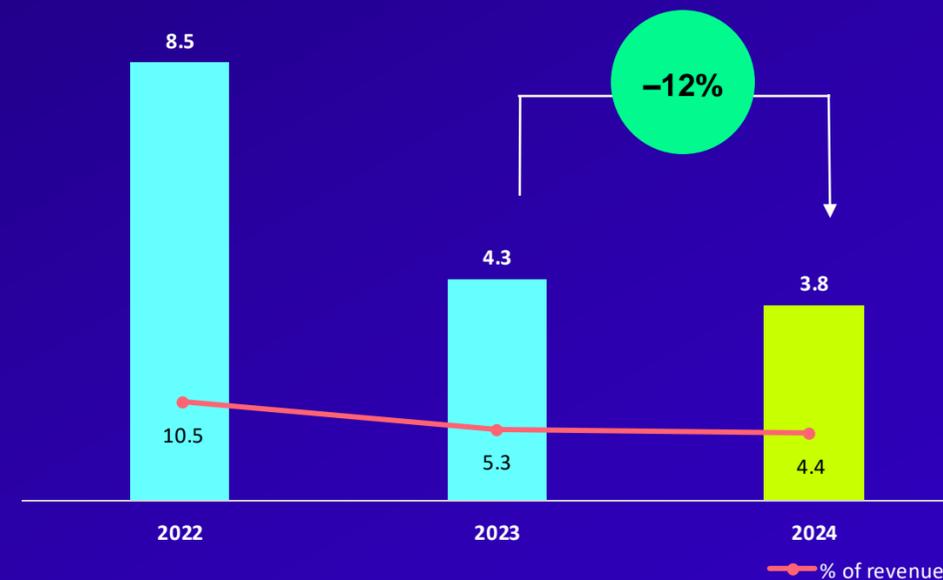
Comments

- Selling expenses increased slightly by 2.5% to EUR 11.98 million (2023: EUR 11.69 million)
- This was mainly due to overall revenue growth and a higher share of revenue generated via partner channels
- A significant portion relates to variable commissions paid to dealers and distributors, based on revenue per seat
- No material changes in selling expenses are expected in the upcoming reporting periods
- Marketing expenses declined by approx. 12% to EUR 3.86 million (2023: EUR 4.37 million)
- The reduction reflects the strategic realignment of marketing, with a clear focus on partnership-based channel marketing
- Events were more cost-effectively managed and rescheduled, leading to greater efficiency and improved budget discipline

Selling commissions



Marketing expenses



Sustainability: Our path to impact and compliance



- **Environmental policy:** Framework for sustainable decision-making embedded in operations.
- **CCF & Decarbonisation strategy:** Near-term and net-zero targets aligned with **SBTi** are defined and embedded into strategic planning. Extended reporting coverage for Scope 1, 2 and 3 emissions.
- **Energy management (ISO 50001):** Preparation in 2024; roll-out planned for 2025 to optimise energy use and emissions.
- **Renewable energy in offices:** Increased share of renewable electricity across European office locations.
- **Data centre sustainability:** Cloud services run on 100% renewable energy in certified data centres.



- **Diversity, Equity & Inclusion (DEI) policy:** Framework to foster an inclusive and equitable workplace. Committed to the “Charta der Vielfalt” (Diversity Charter).



- **Workforce diversity:** Employees from over 40 nationalities; diverse and international team culture. In 2024, the company also nearly reached its gender diversity target: women accounted for 33% of the workforce.
- **Employee training:** High participation rate in all mandatory training strengthens awareness and supports NFON’s compliance processes.



- **ESG governance:** Sustainability integrated at board level with clear oversight and accountability.
- **Double Materiality Assessment:** DMA process completed and validated in accordance with CSRD.
- **Compliance policies:** Anti-corruption, supply chain responsibility and whistle-blower systems in place.
- **CDP climate rating:** In 2024, upgraded from D to SME B – among the highest for small/mid-sized companies.



Our Management Board

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



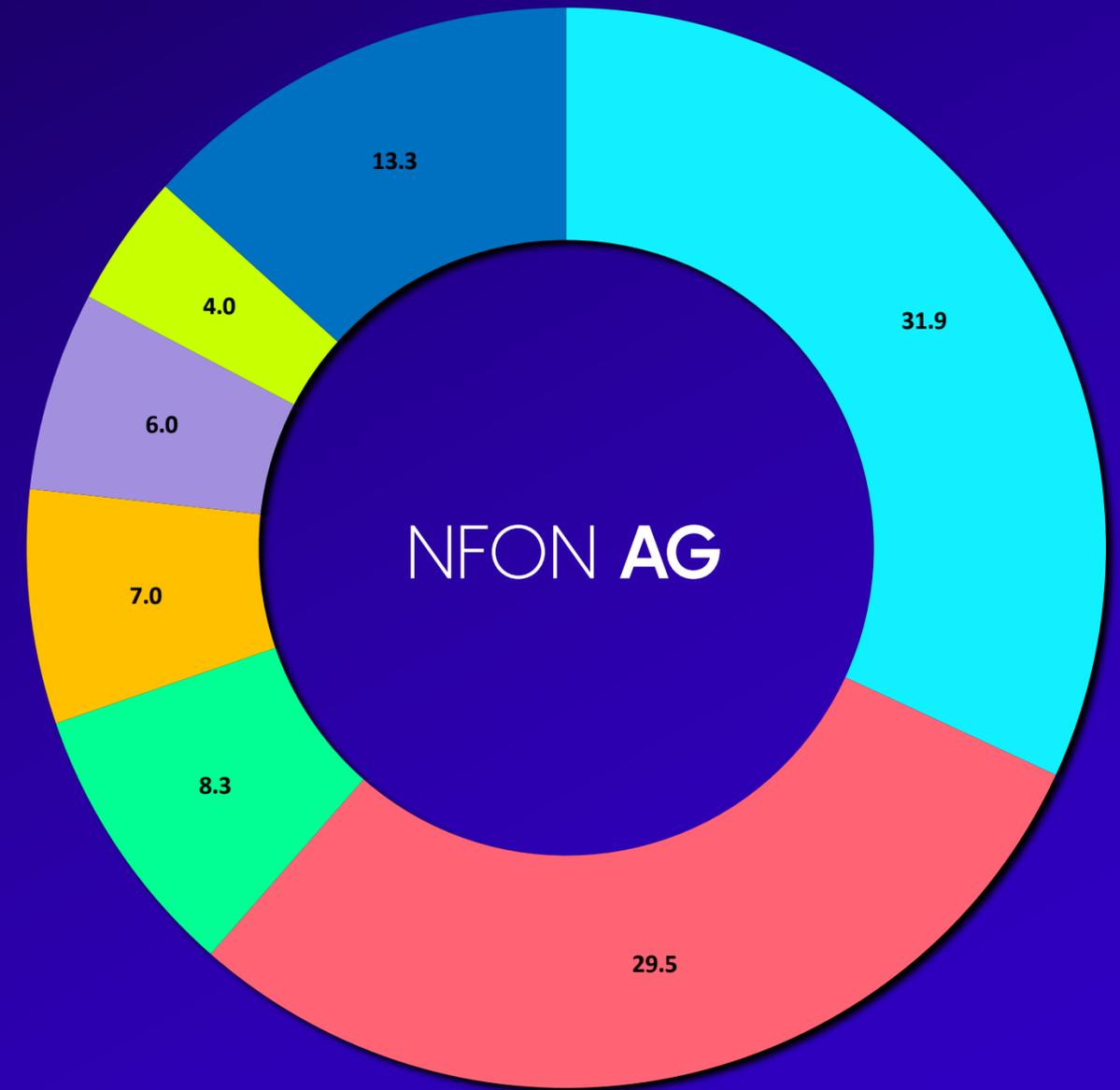
- At NFON since 2024
- > 20 years of experience in an international working environment and in senior executive positions within the software industry
- Previous experience includes SAP



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	Baader Bank, Barclays, Berenberg Bank, NuWays, ODDO BHF
Paying agent	Baader Bank



Shareholder structure

In %, as of 31 March 2025

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



Financial calendar

2025

	27/02	Preliminary Group financial results FY 2024
	17/04	Group Annual Report FY 2024
	22/05	Quarterly statement January–March 2025
	26/06	Annual General Meeting 2025
	21/08	Half-year financial report 2025
	20/11	Quarterly statement January–September 2025



STAY IN TOUCH

INVESTOR RELATIONS CONTACT AND MORE...



Friederike Thyssen
VP Investor Relations &
Sustainability

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

N FON AG

Zielstattstrasse 36
81379 Munich, Germany

+49 89 45300-449

ir.info@nfon.com

<https://www.linkedin.com/company/nfon>

<https://facebook.com/NFONcom>

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