

3RD QUARTER 2020

QUARTERLY STATEMENT AS OF 30 SEPTEMBER 2020

Your strong IT partner.
Today and tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 30.09.2020	01.01– 30.09.2019	Change in %
Revenue	€k	4,037,046	3,777,057	6.9
IT System House & Managed Services	€k	2,670,956	2,434,122	9.7
IT E-Commerce	€k	1,366,090	1,342,935	1.7
EBITDA	€k	257,611	221,273	16.4
IT System House & Managed Services	€k	175,681	142,321	23.4
IT E-Commerce	€k	81,930	78,952	3.8
EBIT	€k	185,509	161,700	14.7
IT System House & Managed Services	€k	122,698	100,691	21.9
IT E-Commerce	€k	62,811	61,009	3.0
EBIT margin	%	4.6	4.3	
IT System House & Managed Services	%	4.6	4.1	
IT E-Commerce	%	4.6	4.5	
EBT	€k	180,787	157,741	14.6
EBT margin	%	4.5	4.2	
Earnings after taxes	€k	128,025	111,087	15.2
Earnings per share	€	3.05	2.64	15.2
Return on equity¹	%	17.6	17.6	
Cash flow from operating activities	€k	172,058	38,745	
Number of employees (as of 30.09)		12,055	11,246	7.2
IT System House & Managed Services		9,571	8,834	8.3
IT E-Commerce		2,484	2,412	3.0

		30.09.2020	31.12.2019	Change in %
Cash and cash equivalents²	€k	330,856	272,197	21.6
Working Capital	€k	616,057	647,728	-4.9
Equity ratio	%	43.7	42.4	

¹ Annualised

² Incl. time deposits and securities

REVIEW BY QUARTER 2020

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2020 FY 01.01–30.09
Revenue	€k	1,355,674	1,310,516	1,370,856		4,037,046
EBITDA	€k	76,185	83,879	97,547		257,611
EBIT	€k	52,627	59,540	73,342		185,509
EBT	€k	51,055	58,059	71,673		180,787
EBT margin	%	3.8	4.4	5.2		4.5
Earnings after taxes	€k	36,468	40,800	50,757		128,025

EARNINGS POSITION

In the third quarter of 2020, the Bechtle Group again recorded high growth despite the ongoing COVID-19 pandemic and the great uncertainty it has caused.

As of 30 September, the order backlog amounted to €854 million (prior year: €689 million). Of this amount, the IT System House & Managed Services segment accounted for €690 million (prior year: €570 million), and the IT E-Commerce segment for €164 million (prior year: €119 million).

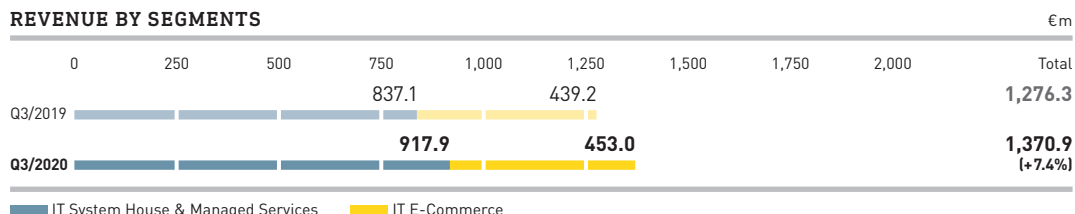
Year on year, the revenue went up 7.4 per cent to €1,370.9 million. The organic revenue growth amounted to 6.3 per cent.

GROUP REVENUE

€m



The IT System House & Managed Services segment increased revenue by 9.7 per cent, thus maintaining the high growth rate of the prior two quarters. In the third quarter, the companies in Austria and Switzerland again posted particularly strong growth of 24.3 per cent, with an organic increase of 19.6 per cent. In the IT E-Commerce segment, the increase amounted to 3.1 per cent. This represents a major improvement over the prior quarter, in which the segment had suffered a decline of 6.6 per cent. In this segment, Germany was the growth driver, with an increase of 23.0 per cent.

REVENUE BY SEGMENTS

The revenue of the companies abroad increased by 4.8 per cent. This item was still affected by the COVID-19 restrictions, some of which were stricter and longer. The German companies recorded strong growth of 8.9 per cent.

REVENUE – GROUP AND SEGMENTS

€k

	Q3/2020	Q3/2019	Change
Group	1,370,856	1,276,305	+7.4%
Domestic	876,538	804,664	+8.9%
Abroad	494,318	471,641	+4.8%
IT System House & Managed Services	917,897	837,069	+9.7%
IT E-Commerce	452,959	439,236	+3.1%

Gross earnings increased 8.3 per cent, and the gross margin went up slightly from 14.9 per cent to 15.0 per cent. While personnel expenses and depreciation and amortisation – which are included in the cost of sales – underwent a disproportionately high increase, the other operating expenses dropped by 19.3 per cent. This was due to savings made as a result of the coronavirus pandemic, especially with regard to travel expenses. At 7.0 per cent, material costs rose slightly less than proportionately, thus also contributing to the positive development of the gross margin.

Costs in the functional areas sales and administration both underwent a below-average increase. Administrative expenses increased 2.1 per cent, and the corresponding ratio dropped slightly from 4.9 per cent to 4.7 per cent. Due to the savings as mentioned above, distribution costs even fell by 0.4 per cent, and the expense ratio went down from 5.9 per cent to 5.4 per cent. Other operating income climbed 4.6 per cent to €6.2 million.

Year on year, EBITDA grew 22.4 per cent, and the EBITDA margin went up from 6.2 per cent to 7.1 per cent.

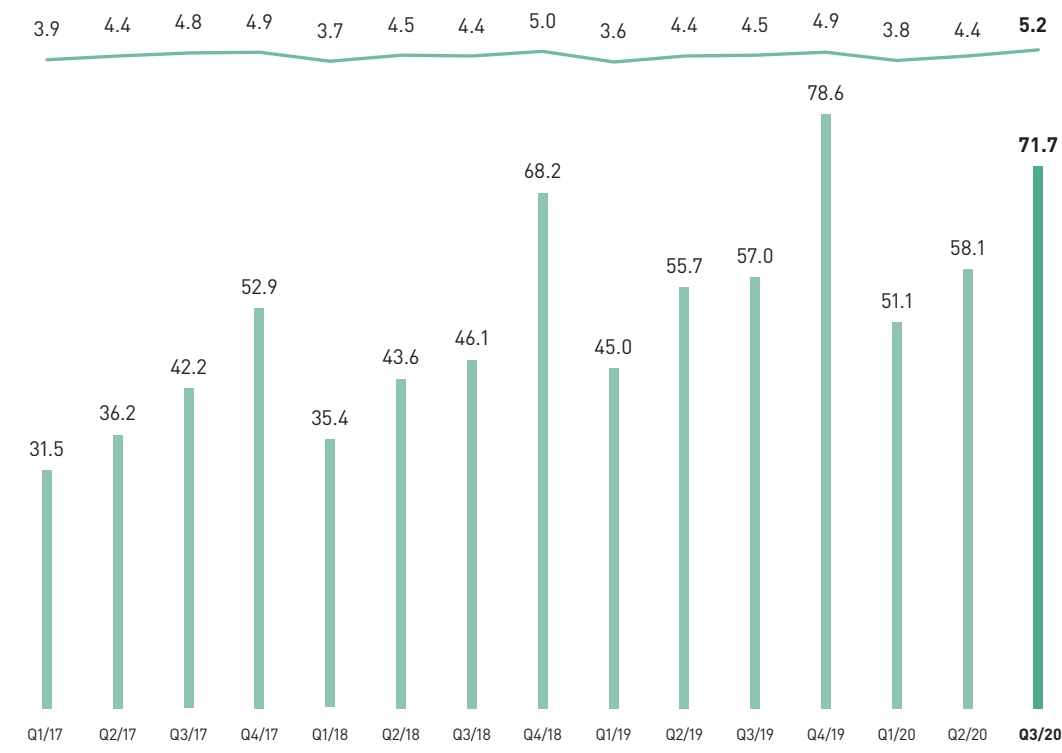
Depreciation and amortisation increased by 13.4 per cent to €24.2 million. As previously, depreciation of property, plant and equipment accounted for the largest share of the depreciation and amortisation, rising from €17.9 million to €20.1 million.

EBIT gained 25.7 per cent to €73.3 million. The margin was 5.4 per cent, compared to 4.6 per cent in the prior year.

The EBT performance was similar, increasing 25.7 per cent to €71.7 million. As a result, the EBT margin improved from 4.5 per cent to 5.2 per cent.

EBT AND EBT MARGIN

€m and %



The tax rate declined slightly from 29.5 per cent to 29.2 per cent. Earnings after taxes went up 26.2 per cent to €50.8 million. EPS amounted to €1.21 (prior year: €0.96).

In the segments, the earnings situation was as follows: In the IT System House & Managed Services segment, EBIT increased 24.9 per cent to €50.0 million. On the one hand, there was an increased share of higher-margin services. On the other hand, corona-related cost savings led to a decline in other operating expenses. The EBIT margin went up from 4.8 per cent to 5.5 per cent.

EBIT in the IT E-Commerce segment climbed 27.3 per cent to €23.3 million. Firstly, this item was affected by savings in distribution costs. Secondly, the product mix in the third quarter had a positive effect on the margin. Year on year, the EBIT margin thus underwent a significant increase from 4.2 per cent to 5.1 per cent.

EBIT – GROUP AND SEGMENTS

€k

	Q3/2020	Q3/2019	Change
Group	73,342	58,363	+25.7%
IT System House & Managed Services	50,036	40,050	+24.9%
IT E-Commerce	23,306	18,313	+27.3%

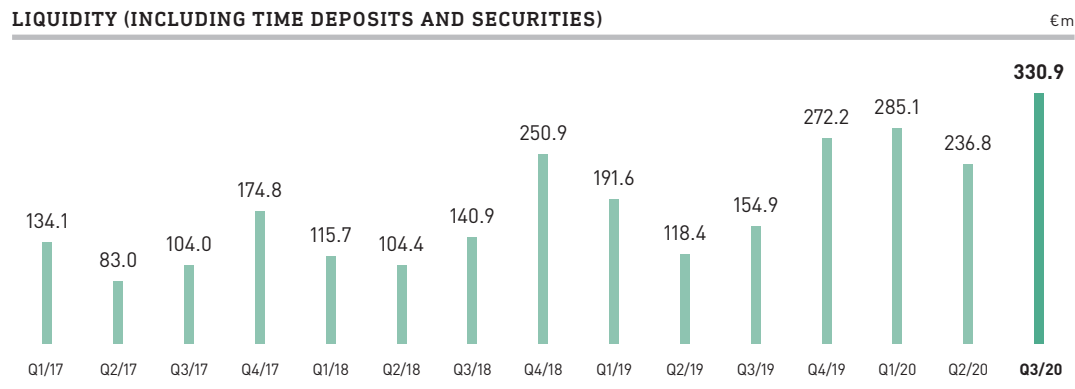
ASSETS AND FINANCIAL POSITION

The balance sheet total of the Bechtle Group as of 30 September 2020 stood at €2,504.2 million, 4.6 per cent more than as of 31 December 2019.

On the non-current assets side, goodwill and property, plant and equipment went up by €45.5 million and €26.9 million, respectively, due especially to acquisitions. The increase of €19.2 million in trade receivables reflects the higher number of large projects. The capitalisation ratio climbed from 35.3 per cent to 37.5 per cent.

Under the current assets, inventories increased by €71.3 million due to stock reserved for large projects and other reasons. However, compared to the level as of 30 June 2020, the inventories went down. As of 30 September 2020, trade receivables underwent a significant decline of €147.7 million. In the first nine months of 2020, our average DSO (days sales outstanding) dropped from 42.2 days to 41.2 days year on year. Especially in view of the tense macroeconomic situation, this notable achievement underlines the effectiveness of our receivables management. Owing to a higher number of maintenance agreements and other factors, other assets increased by €35.0 million. As of 30 September 2020, cash and cash equivalents went up to €290.9 million. The total liquidity of the Bechtle Group thus amounts to a comfortable €330.9 million.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)



The working capital dropped from €647.7 million to €616.1 million as of 30 September 2020. Even though inventories were further built up, this was more than compensated for by a substantial reduction of trade receivables and a lower reduction of the trade payables. In relation to the revenue, the working capital declined from 18.8 per cent as of 30 September 2019 to 15.3 per cent as of the reporting date.

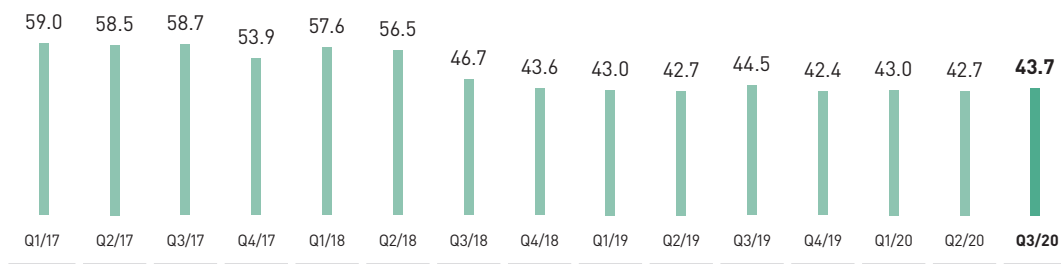
On the equity and liabilities side, non-current liabilities experienced the greatest change. Due to a loan raised to finance acquisitions, financial liabilities went up €49.9 million.

Under the current liabilities, especially the trade payables dropped by €49.2 million in relation to the reporting date. Owing to factors such as the lower liabilities to personnel and VAT tax liabilities, other liabilities declined by €24.4 million.

The equity increased by €80.3 million. Our equity ratio went up from 42.4 per cent as of 31 December 2019 to 43.7 per cent as of the reporting date. The extrapolated return on equity remained at the high prior-year level of 17.6 per cent.

EQUITY RATIO

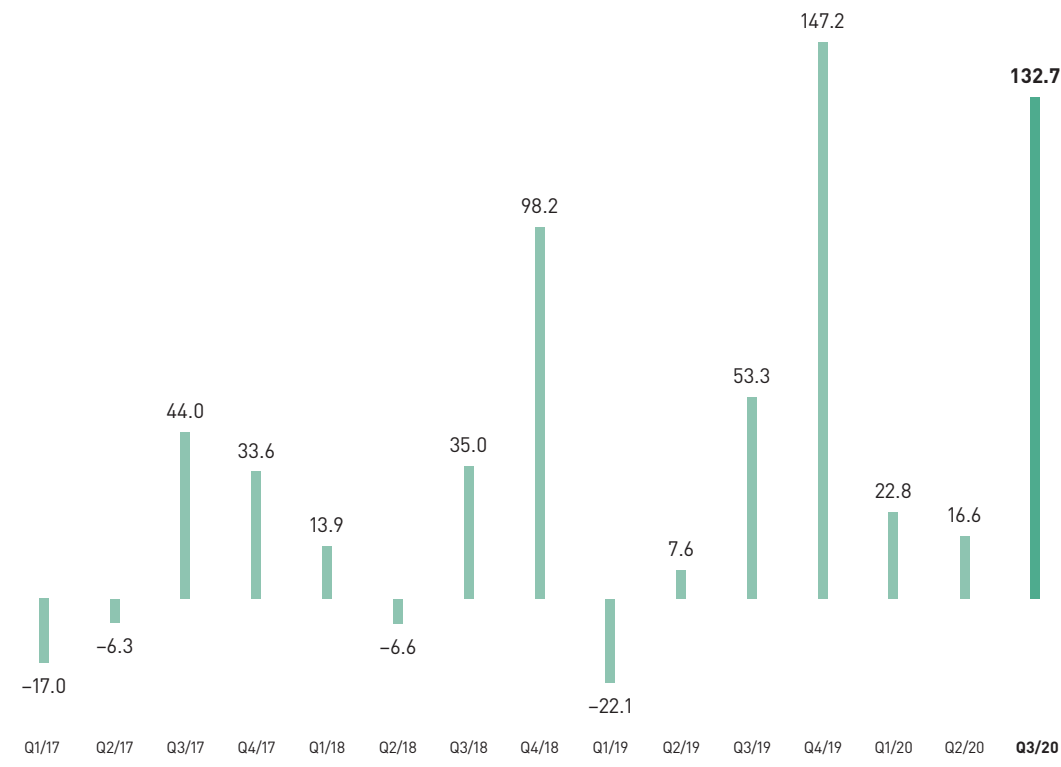
%



In the period from January to September 2020, the cash flow from operating activities totalled €172.1 million (prior year: €38.7 million). This was due especially to the significant reduction of trade receivables, a lower build-up of inventories and a lower reduction of trade payables.

CASH FLOW FROM OPERATING ACTIVITIES

€m



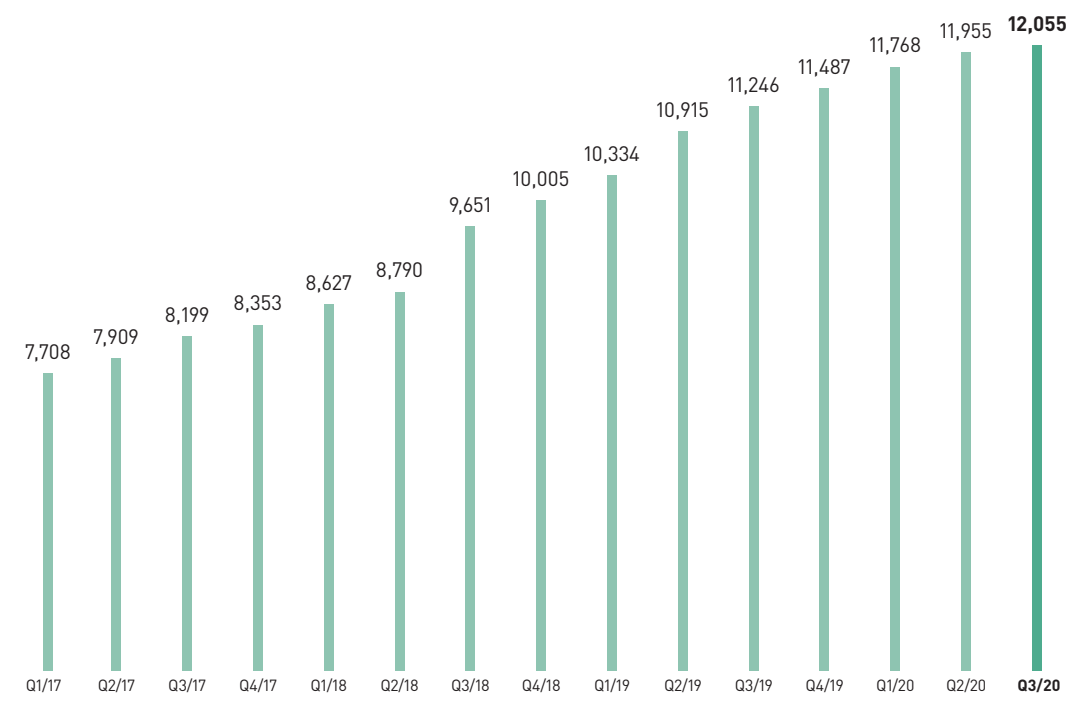
The cash flow from investing activities amounted to –€125.1 million (prior year: –€60.0 million). This was caused especially by the higher outflow for acquisitions as well as the outflow for the purchase of time deposits and securities. The cash flow from financing activities was at –€27.1 million compared to –€71.7 million in the prior year due to the assumption of new financial activities.

In the period from January to September, the free cash flow reached an excellent figure of €87.2 million (prior year: –€27.0 million).

EMPLOYEES

As of the reporting date 30 September 2020, the Bechtle Group had a total of 12,055 employees, 809 persons or 7.2 per cent more than on 30 September 2019. Compared to 31 December 2019, the headcount went up by 568. The increase of 4.9 per cent was the result of new recruitment as well as acquisitions.

EMPLOYEES IN THE GROUP

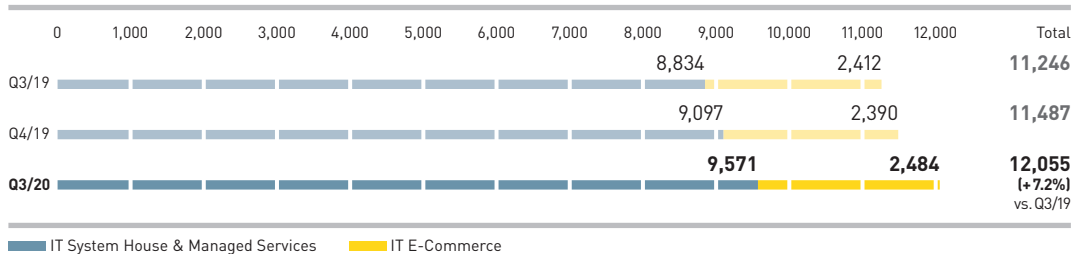


In the IT System House & Managed Services segment, the number of employees went up by 737 compared to 30 September 2019, an increase of 8.3 per cent. At 19.2 per cent, the headcount increase in the system houses abroad was significantly higher than in Germany, an effect that was also acquisition-related. In Germany, the number of employees grew by 6.7 per cent. Compared to

30 September 2019, the headcount in the IT E-Commerce segment went up by 72. At 3.5 and 2.8 per cent, respectively, both the companies in Germany and those abroad merely underwent growth regarding the employee figures.

The average headcount in the group in the period from January to September 2020 amounted to 11,876, some 1,153 employees more than in the corresponding prior-year period, an increase of 10.8 per cent.

EMPLOYEES BY SEGMENTS



As of 30 September 2020, Bechtle had 699 young trainees and students on integrated degree programmes, 15 fewer than in the prior year. At the start of the new training year on 1 September 2020, a total of 216 young people embarked on their career with Bechtle.

FORECAST

The 2020 fiscal year is overshadowed by the numerous effects of the COVID-19 pandemic. Since March – and now again to an increased extent – the macroeconomic framework conditions and their development are subject to great uncertainty. So far, Bechtle has done extremely well despite these difficulties. In the first nine months, the revenue went up 6.9 per cent, and EBT even increased 14.6 per cent. In view of this positive development, we are confident that we will reach our goals for 2020 despite the high uncertainty and the risks that still exist in the supply chain. However, this greatly depends on the further course of the pandemic in the fourth quarter. Due to the seasonality that the business of Bechtle AG is typically subject to, the months of November and December are critical to the success of a fiscal year. Provided that the restrictions due to the coronavirus pandemic are not drastically intensified throughout Europe in the coming weeks, and especially the business landscape does not suffer another total lockdown, we concretise and raise our forecast of March 2020. As previously, we are aiming for significant revenue growth of 5 to 10 per cent. However, against the backdrop of the positive earnings and margin performance in the year to date, we are increasing our forecast with regard to these indicators. We now expect very significant EBT growth (previously: significant). Our original projection in respect of the EBT margin performance was that we intend to keep it at least at the prior-year level. We now expect the EBT margin for 2020 to be above that of the prior year. Apart from this, the forecast as presented on pages 111 to 118 of the Annual Report 2019 has not seen any changes and has not been further concretised.

CONSOLIDATED INCOME STATEMENT

	€k			
	01.07- 30.09.2020	01.07- 30.09.2019	01.01- 30.09.2020	01.01- 30.09.2019
Revenue	1,370,856	1,276,305	4,037,046	3,777,057
Cost of sales	1,165,136	1,086,326	3,431,911	3,229,853
Gross profit	205,720	189,979	605,135	547,204
Distribution costs	74,425	74,718	229,662	221,650
Administrative expenses	64,189	62,858	205,719	186,190
Other operating income	6,236	5,960	15,755	22,336
Earnings before interest and taxes	73,342	58,363	185,509	161,700
Financial income	230	249	737	828
Financial expenses	1,899	1,585	5,459	4,787
Earnings before taxes	71,673	57,027	180,787	157,741
Income taxes	20,916	16,810	52,762	46,654
Earnings after taxes (attributable to shareholders of Bechtle AG)	50,757	40,217	128,025	111,087
Net earnings per share (basic and diluted)	€ 1.21	0.96	3.05	2.64
Weighted average shares outstanding (basic and diluted)	42,000	42,000	42,000	42,000
	in thousands			

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07- 30.09.2020	01.07- 30.09.2019	01.01- 30.09.2020	01.01- 30.09.2019
Earnings after taxes	50,757	40,217	128,025	111,087
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses on pension provisions	192	-214	-1,447	200
Income tax effects	-25	41	290	-38
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses on financial derivatives	-48	-58	-171	-174
Income tax effects	-3	1	1	2
Currency translation differences of net investments in foreign operations	2,491	-1,334	4,937	-2,090
Income tax effects	-739	397	-1,466	621
Currency translation differences	-2,609	2,746	580	4,505 ¹
Other comprehensive income	-741	1,579	2,724	3,026¹
of which income tax effects	-767	439	-1,175	585
Total comprehensive income (attributable to shareholders of Bechtle AG)	50,016	41,796	130,749	114,113¹

¹ Prior year adjusted

CONSOLIDATED BALANCE SHEET

ASSETS	€k		
	30.09.2020	31.12.2019	30.09.2019
Non-current assets			
Goodwill	443,046	397,592	373,643
Other intangible assets	116,239	119,303	121,435
Property, plant and equipment	307,589	280,685	259,553
Trade receivables	57,351	38,148	29,997
Deferred taxes	7,047	3,914	4,589
Other assets	7,270	6,729	6,469
Total non-current assets	938,542	846,371	795,686
Current assets			
Inventories	356,848	285,574	367,995
Trade receivables	714,621	862,323	735,117
Income tax receivables	2,210	2,022	860
Other assets	161,131	126,180	94,603
Time deposits and securities	40,001	0	0
Cash and cash equivalents	290,855	272,197	154,858
Total current assets	1,565,666	1,548,296	1,353,433
Total assets	2,504,208	2,394,667	2,149,119

EQUITY AND LIABILITIES

€k

	30.09.2020	31.12.2019	30.09.2019
Equity			
Issued capital	42,000	42,000	42,000
Capital reserves	124,228	124,228	124,228
Retained earnings	928,963	848,614	789,089
Total equity	1,095,191	1,014,842	955,317
Non-current liabilities			
Pension provisions	32,086	30,702	19,579
Other provisions	10,547	10,081	11,848
Financial liabilities	423,740	373,874	376,923
Trade payables	11,406	13	17
Deferred taxes	37,676	33,180	40,571
Other liabilities	103,021	98,025	82,176
Contract liabilities	21,786	19,353	14,034
Deferred income	3,313	1,481	1,486
Total non-current liabilities	643,575	566,709	546,634
Current liabilities			
Other provisions	15,465	12,805	15,286
Financial liabilities	22,582	13,801	13,219
Trade payables	357,566	406,807	312,826
Income tax payables	21,286	19,859	11,460
Other liabilities	207,335	231,776	177,363
Contract liabilities	108,869	105,369	90,171
Deferred income	32,339	22,699	26,843
Total current liabilities	765,442	813,116	647,168
Total equity and liabilities	2,504,208	2,394,667	2,149,119

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2019	42,000	124,228	711,583	5,393	716,976	883,204
Distribution of profits for 2018			-42,000		-42,000	-42,000
Earnings after taxes			111,087		111,087	111,087
Other comprehensive income				3,026 ¹	3,026 ¹	3,026 ¹
Total comprehensive income	0	0	111,087	3,026¹	114,113¹	114,113¹
Equity as of 30 September 2019	42,000	124,228	780,670	8,419	789,089	955,317
Equity as of 1 January 2020	42,000	124,228	840,067	8,547	848,614	1,014,842
Distribution of profits for 2019			-50,400		-50,400	-50,400
Earnings after taxes			128,025		128,025	128,025
Other comprehensive income				2,724	2,724	2,724
Total comprehensive income	0	0	128,025	2,724	130,749	130,749
Equity as of 30 September 2020	42,000	124,228	917,692	11,271	928,963	1,095,191

¹ Prior year adjusted

CONSOLIDATED CASH FLOW STATEMENT

	€k			
	01.07- 30.09.2020	01.07- 30.09.2019	01.01- 30.09.2020	01.01- 30.09.2019
Operating activities				
Earnings before taxes	71,673	57,027	180,787	157,741
Adjustment for non-cash expenses and income				
Financial earnings	1,669	1,336	4,722	3,959
Depreciation and amortisation of intangible assets and property, plant and equipment	24,205	21,339	72,102	59,573
Gains and losses on disposal of intangible assets and property, plant and equipment	-846	-8	-831	-38
Other non-cash expenses and income	2,808	4,710	10,922	6,323
Changes in net assets				
Changes in inventories	33,266	-6,583	-71,924	-85,850
Changes in trade receivables	26,330	38,761	124,738	28,194
Changes in trade payables	12,760	-37,710	-39,367	-63,471
Changes in deferred income	-9,107	-3,038	-401	526
Changes in other net assets	-11,818	-7,784	-54,200	-18,521
Income taxes paid	-18,209	-14,777	-54,490	-49,691
Cash flow from operating activities	132,731	53,273	172,058	38,745
Investing activity				
Cash paid for acquisitions less cash acquired	-5,514	-4,784	-55,298	-23,697
Cash paid for investments in intangible assets and property, plant and equipment	-12,365	-4,626	-39,018	-44,714
Cash received from the sale of intangible assets and property, plant and equipment	5,144	1,813	9,467	2,654
Cash paid for acquisitions of time deposits and securities	0	0	-40,001	0
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	0	0	0	5,542
Interest payments received	-713	340	-267	659
Cash flow from investing activities	-13,448	-7,257	-125,117	-59,556
Financing activities				
Cash paid for the repayment of financial liabilities	-3,182	-3,321	-9,698	-9,922
Cash received from the assumption of financial liabilities	-6,815	5	68,345	5,917
Dividend paid	0	0	-50,400	-42,000
Interest paid	-619	-622	-877	-2,147
Outflow for the repayment of finance leases	-12,872	-6,914	-34,435	-23,498
Cash flow from financing activities	-23,488	-10,852	-27,065	-71,650
Exchange-rate-related changes in cash and cash equivalents	-1,774	1,316	-1,218	1,940
Changes in cash and cash equivalents	94,021	36,480	18,658	-90,521
Cash and cash equivalents at beginning of the period	196,834	118,378	272,197	245,379
Cash and cash equivalents at the end of the period	290,855	154,858	290,855	154,858

FINANCIAL CALENDAR

QUARTERLY STATEMENT 3RD QUARTER 2020 (30 SEPTEMBER)

Wednesday, 11 November 2020

ANNUAL REPORT 2020

Friday, 19 March 2021

ACCOUNTS PRESS CONFERENCE

Friday, 19 March 2021

ANALYSTS' CONFERENCE

Friday, 19 March 2021

QUARTERLY STATEMENT 1ST QUARTER 2021 (31 MARCH)

Tuesday, 11 May 2021

ANNUAL GENERAL MEETING

Tuesday, 15 June 2021

HALF-YEAR FINANCIAL REPORT 2021 (30 JUNE)

Thursday, 12 August 2021

QUARTERLY STATEMENT 3RD QUARTER 2021 (30 SEPTEMBER)

Thursday, 11 November 2021

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

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Today and tomorrow.

