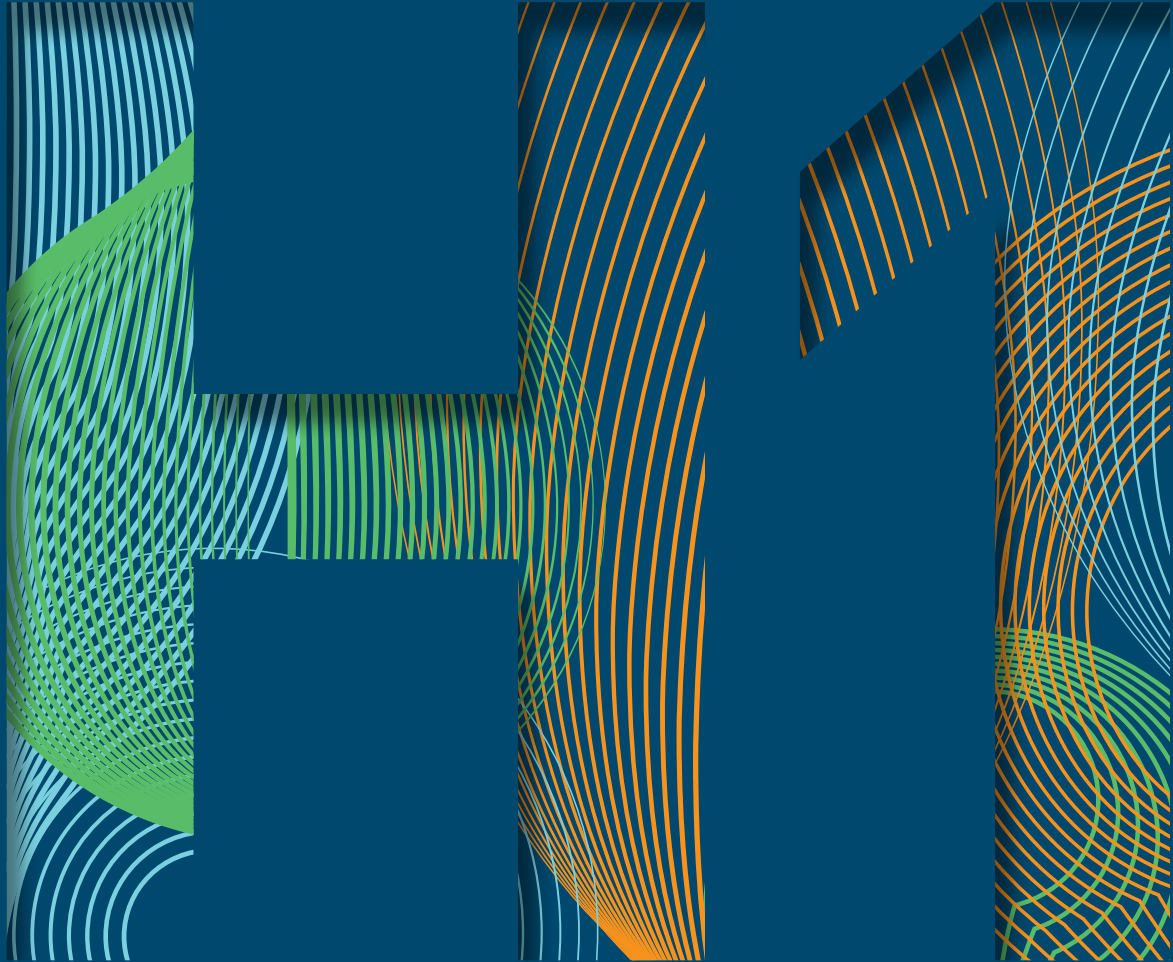


FIRST HALF OF 2022



INTERIM REPORT AS OF 30 JUNE 2022

Your strong IT partner.
Today and tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 30.06.2022	01.01– 30.06.2021	Change in %
Business volume	€k	3,291,865	2,942,995	11.9
Revenue	€k	2,796,755	2,529,656¹	10.6
IT System House & Managed Services	€k	1,724,778	1,616,500 ¹	6.7
IT E-Commerce	€k	1,071,977	913,156 ¹	17.4
EBITDA	€k	216,746	194,498	11.4
IT System House & Managed Services	€k	137,680	130,900	5.2
IT E-Commerce	€k	79,066	63,598	24.3
EBIT	€k	165,125	144,747	14.1
IT System House & Managed Services	€k	100,888	94,617	6.6
IT E-Commerce	€k	64,237	50,130	28.1
EBIT margin	%	5.9	5.7¹	
IT System House & Managed Services	%	5.8	5.9 ¹	
IT E-Commerce	%	6.0	5.5 ¹	
EBT	€k	162,558	142,179	14.3
EBT margin	%	5.8	5.6¹	
Earnings after taxes	€k	116,565	101,057	15.3
Earnings per share	€	0.93	0.80²	15.3
Return on equity³	%	18.2	18.4	
Cash flow from operating activities	€k	-202,412	47,344	
Number of employees (as of 30.06)		13,199	12,421	6.3
IT System House & Managed Services		10,410	9,841	5.8
IT E-Commerce		2,789	2,580	8.1

		30.06.2022	31.12.2021	Change in %
Cash and cash equivalents	€k	137,917	431,751	-68.1
Working Capital	€k	976,642	693,694	40.8
Equity ratio	%	45.3	44.8	

¹ Prior year adjusted

² Adjustment to share split

³ Annualised

REVIEW BY QUARTER 2022

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2022 FY 01.01–30.06
Business volume	€k	1,629,202	1,662,663			3,291,865
Revenue	€k	1,379,168	1,417,587			2,796,755
EBITDA	€k	101,725	115,021			216,746
EBIT	€k	75,325	89,800			165,125
EBT	€k	74,039	88,519			162,558
EBT margin	%	5.4	6.2			5.8
Earnings after taxes	€k	52,944	63,621			116,565

CONSOLIDATED INTERIM MANAGEMENT REPORT

BUSINESS ACTIVITY

As a one-stop IT provider with more than 80 IT system houses and IT E-commerce companies in 14 countries, Bechtle is close to its customers and is one of Europe's leading IT companies. This combination forms the basis of Bechtle's unique business model, which combines IT services with the conventional IT trading business. Established in 1983 and headquartered in Neckarsulm, Germany, the company offers a comprehensive vendor-independent IT portfolio to its more than 70,000 customers from the fields of industry and trade, the public sector and the financial market.



See
Annual Report 2021,
page 48ff

In the IT System House & Managed Services segment, the service spectrum ranges from the sale of hardware, software and application solutions to project planning and roll-out, system integration, maintenance and training, and to the provision of cloud services and the complete operation of the customer IT. We have bundled our pure trading business in IT E-Commerce, the second business segment. In this segment, we offer our customers hardware and standard software via the Internet and by telephone.

BUSINESS ENVIRONMENT

- **Macroeconomic situation increasingly tense**
- **Mood gloomier**
- **IT industry still struggling with supply bottlenecks**

MACROECONOMY

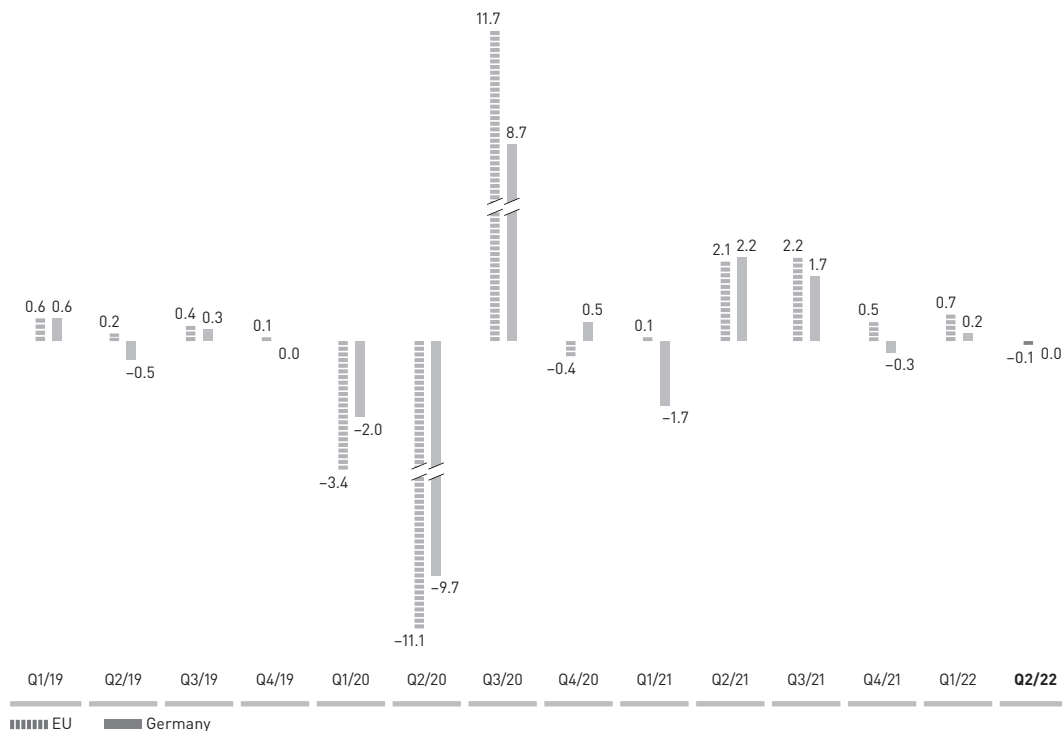
The economic performance in the EU in the first six months of 2022 had two dimensions. While the first quarter was less affected by Russia's invasion of Ukraine, the second quarter was greatly impacted by this event and its numerous economic consequences. According to figures of the European Commission of July 2022, the gross domestic product (GDP) grew by 0.7 per cent throughout the EU in the first quarter of 2022. In the second quarter, however, the GDP underwent a slight decline of 0.1 per cent. Early in the year, the development in the EU countries in which Bechtle is present was highly diversified. In the first quarter, the figures ranged from growth of 10.8 per cent in Ireland to a decline of 0.2 per cent in France. In the second quarter, however, the gap closed noticeably. The figures ranged merely from Spain at the top with growth of 0.4 per cent to the Czech Republic at the bottom with a decline of 0.6 per cent.



ec.europa.eu

GDP PERFORMANCE COMPARED TO THE PRIOR QUARTER

%



Though the growth of 0.2 per cent that Germany recorded in the first quarter was weaker than that of the EU, the figure of 0.0 per cent that was achieved in the second quarter was slightly above the EU figure.



ifo.de

In the first half of the year, the mood indicators of the German economy went up and down. Following a positive start to the year, the Russian war on Ukraine in March had a negative impact on the mood. Still, the mood brightened in spring. However, in June and especially in July, i.e. after the end of the quarter, the index went down again. Many of those surveyed expressed a gloomier outlook, especially with regard to the coming months.

INDUSTRY

In the first six months of 2022, the IT market was still marked by high demand, on the one hand, and persisting problems in the supply chain, on the other. Though the situation was not as bad as at the end of 2021, the improvement was not of a sweeping nature, but only benefited individual product groups such as PCs and monitors. The situation of other product groups, such as network components, remains very tense.

In the first half of the year, the development of the ifo business climate index for IT service providers was similar to that of the general ifo index. Starting from 39.0 points in January, the index dropped to 23.7 points in March. Following a temporary spike to 27.6 points in June, the index underwent a major drop to 19.3 in July, due especially to the poorer outlook on the future development.

IFO INDEX FOR IT SERVICE PROVIDERS



OVERALL ASSESSMENT

In the first half of 2022, Europe's economic performance was overshadowed by the Russian war on Ukraine and its many effects. Moreover, the problems in the global supply chain constrain the economic development of numerous industries.

The IT market in particular is being affected severely by the situation in the supply chain. No major signs of relaxation were evident in the first six months of 2022. On the contrary, it appears that the problems will persist into 2023. Additionally, fears of recession in Germany are depressing sentiment.

Despite the extremely challenging market setting, Bechtle's performance was outstanding. The revenue growth in the first six months amounted to 10.6 per cent. As one of Europe's largest IT system houses, Bechtle is in a better position to cope with the current situation than many of its competitors. Moreover, as of the preparation of this report, customer willingness to invest remained high. Bechtle again significantly outperformed the overall market. Thus, we continue to gain market shares.

As Bechtle AG does not publish any forecasts for individual quarters, it is not possible to compare the actual figures with target figures. Nevertheless, we can say that the revenue growth rates of the first six months were at the top of the range of our expectations for 2022 as a whole. The growth figures for the earnings and thus also for the margin even exceeded our expectations. Therefore, we confirm our forecast – despite the expected challenging framework conditions in the course of the year – as published on page 142 of the Annual Report 2021. We intend to significantly increase revenue and earnings for the year as a whole and maintain the margin at the prior-year level.

EARNINGS POSITION

- Revenue growth at 10.6 per cent
- Strong earnings growth compared to previous year
- EBT margin amounts to 5.8 per cent

ORDER DEVELOPMENT

For the sale of IT products and the provision of services, Bechtle concludes both short-term and long-term contractual relationships. The IT E-Commerce segment is characterised almost entirely by the conclusion of pure trading deals, usually with short order and delivery times. In the IT System House & Managed Services segment, project deals can take anywhere from several weeks to one year. Especially in the fields of managed services and cloud computing, most of the framework and operating agreements that Bechtle concludes with customers have terms of several years.

In the first half of 2022, incoming orders were at around €3,295 million and thus roughly 3 per cent above the previous year (€3,192 million). The increase to €2,067 million (previous year: €2,012 million) in the IT System House & Managed Services segment amounted to 2.7 per cent. In the IT E-Commerce segment, incoming orders of €1,228 million were around 4 per cent above the previous year (€1,180 million).

The orders on hand as of 30 June were €1,815 million and thus around 40 per cent higher than in the previous year (€1,298 million). Of this amount, €1,311 million (previous year: €937 million) is attributable to the IT System House & Managed Services segment and €504 million (previous year: €361 million) to the IT E-Commerce segment.

BUSINESS VOLUME

Business volume in the first six months of 2022 was €3,291.9 million, up 11.9 per cent from €2,943.0 million in the same period last year.

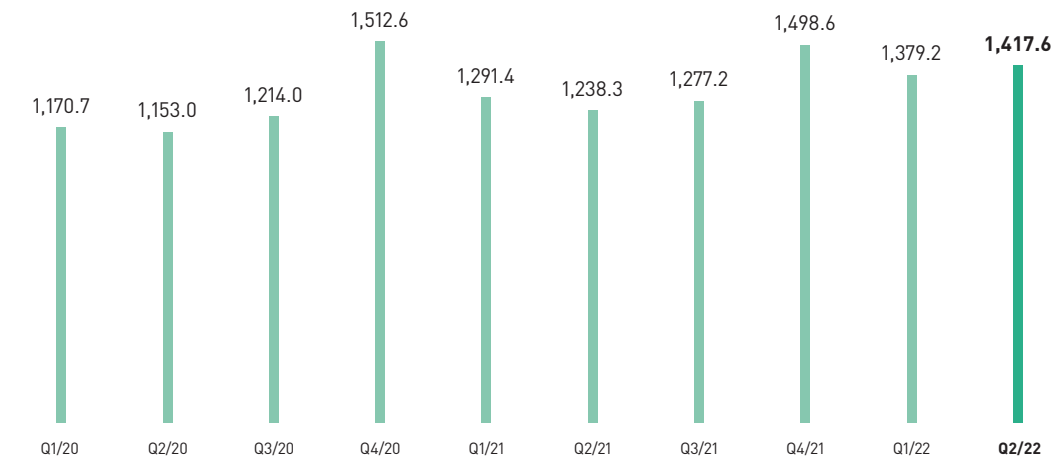
Business volume is an alternative performance measure that Bechtle introduced as part of the changes to accounting methods (IFRS 15). It describes the proceeds according to the former accounting logic, primarily including software licences.

REVENUE

In the first half of 2022, Bechtle was able to increase its revenue by 10.6 per cent to €2,796.8 million, despite difficult general conditions and supply bottlenecks in the IT market. Revenue growth in the second quarter was 14.5 per cent, significantly higher than the 6.8 per cent growth in the first quarter. The purely organic growth figures showed a similar picture with 6.4 per cent in the first quarter and 13.7 per cent in the second quarter. At 10.0 per cent, Bechtle has, therefore, generated the majority of its growth in the first half of the year organically.

GROUP REVENUE

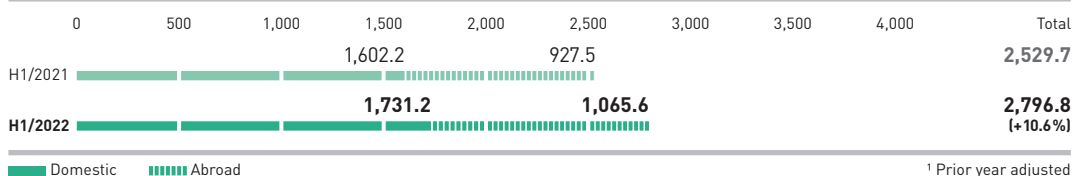
€m



From a regional perspective, international companies grew more strongly in the first half of the year (14.9 per cent) than the domestic companies (8.0 per cent). In the second quarter, however, both domestic and international companies showed similar, double-digit growth rates. Our international companies grew by 16.3 per cent while domestic growth was 13.4 per cent. In purely organic terms, revenue in the first half of the year rose by 8.1 per cent in Germany and by 13.2 per cent abroad.

REGIONAL REVENUE DISTRIBUTION¹

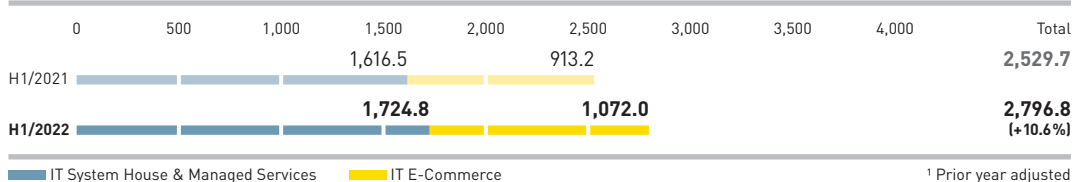
€m



The IT System House & Managed Services segment increased its revenue by 6.7 per cent in the first half of the year. With a revenue growth of 5.8 per cent, this was largely organic. Domestic revenue increased by 5.3 per cent and international revenue increased by 15.7 per cent. In the second quarter, revenue development was much more dynamic than in the first quarter. Overall, revenue increased by 12.4 per cent in the second quarter. Due to the acquisitions abroad, international revenue growth in the second quarter was 34.7 per cent, while organic revenue also increased by an outstanding 24.7 per cent. Domestic growth in the second quarter was 9.1 per cent.

REVENUE BY SEGMENTS¹

€m



In the IT E-Commerce segment, revenue in the first six months amounted to €1,072.0 million, 17.4 per cent above the previous year's figure of €913.2 million. The growth rate was 14.6 per cent abroad and 26.6 per cent domestically. The domestic companies developed particularly strongly in the second quarter with revenue growth of 43.5 per cent.

REVENUE – GROUP AND SEGMENTS¹

€k

	H1/2022	H1/2021	Change	Q2/2022	Q2/2021	Change
Group	2,796,755	2,529,656	10.6%	1,417,587	1,238,289	14.5%
Domestic	1,731,165	1,602,193	8.0%	886,189	781,438	13.4%
Abroad	1,065,590	927,463	14.9%	531,398	456,851	16.3%
IT System House & Managed Services	1,724,778	1,616,500	6.7%	881,761	784,595	12.4%
IT E-Commerce	1,071,977	913,156	17.4%	535,826	453,694	18.1%

¹ Prior year adjusted

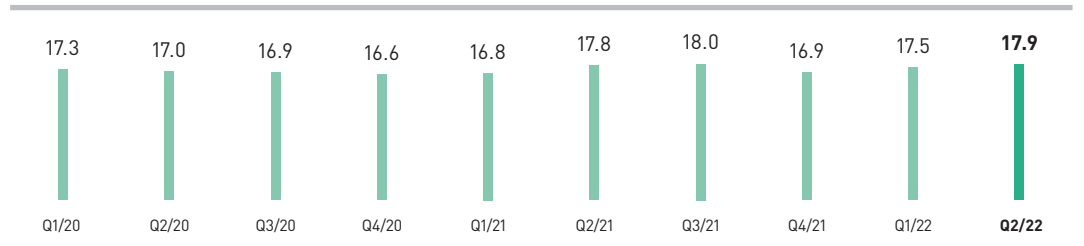
With an average of 11,559 full-time equivalents (FTE; excluding absentees and apprentices), revenue per employee in the Group increased from €230 thousand to €242 thousand in the first half of the year. In the IT System House & Managed Services segment, revenue per employee was €190 thousand, compared to €187 thousand in the previous year. In the IT E-Commerce segment, revenue per employee climbed from €390 thousand to €434 thousand.

EARNINGS

The cost of sales increased by 10.0 per cent from January to June 2022, slightly less than the increase in revenue. While material costs developed proportionally at 10.6 per cent, personnel expenses within the cost of sales rose only disproportionately at 4.3 per cent. Other operating expenses increased significantly by 25.8 per cent. In the previous year, cost savings due to the coronavirus had an impact. Within the last few months, the pandemic has become increasingly normalised, which led in particular to a return of high vehicle and travel costs. The gross margin increased from 17.3 per cent to 17.7 per cent. At €494.6 million, gross earnings were 13.2 per cent above the previous year (€436.9 million). In the second quarter as well, the cost of sales developed disproportionately low compared to revenue, driven by only a slight increase in depreciation and personnel costs. The gross margin increased accordingly from 17.8 per cent to 17.9 per cent.

GROSS MARGIN¹

%



¹ Prior year adjusted

Distribution costs and administrative expenses developed differently in the first half of the year. Distribution costs rose at a disproportionately low rate of 9.8 per cent to €185.3 million, compared to €168.7 million in the same period of the previous year. The rate decreased slightly from 6.7 per cent to 6.6 per cent. Administrative expenses developed overproportionately at 17.1 per cent and amounted to €159.2 million (previous year: €135.9 million). This was due especially to a significant increase in personnel expenses due to the overproportionate increase in the number of employees in this area. The administrative expense ratio rose accordingly from 5.4 per cent to 5.7 per cent. Other operating income increased to €15.0 million, due especially to higher marketing grants, and was thus €2.5 million above the previous year (€12.5 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased strongly by 11.4 per cent to €216.7 million. The EBITDA margin in the reporting period was unchanged from the previous year at 7.7 per cent. In the second quarter, the EBITDA margin declined from 8.7 per cent to 8.1 per cent due to the positive special effects in the same quarter of the previous year.

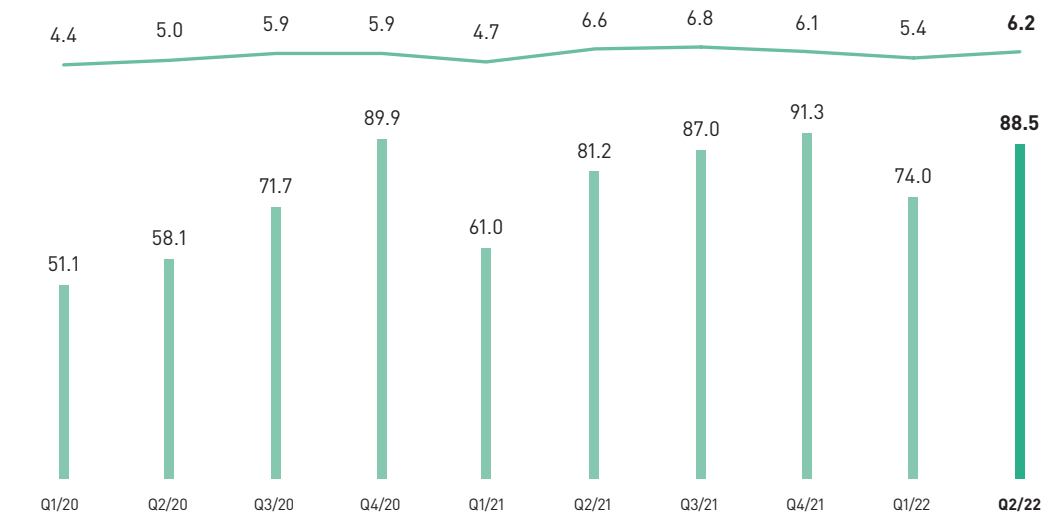
Depreciation and amortisation increased only slightly by 3.8 per cent to €51.6 million. Depreciation of property, plant and equipment, which amounted to €43.8 million in the first half of the year, continued to account for the largest share of this.

Earnings before interest and taxes (EBIT) climbed by 14.1 per cent to €165.1 million (previous year: €144.7 million). At 5.9 per cent, the margin was greater than the previous year (5.7 per cent).

The Group, therefore, achieved earnings before taxes (EBT) of €162.6 million in the first half of 2022. This corresponds to a very significant increase of 14.3 per cent compared to the previous year (€142.2 million). As a result, the EBT margin increased to 5.8 per cent, compared with 5.6 per cent in the previous year. In the second quarter, the EBT margin was 6.2 per cent (previous year: 6.6 per cent).

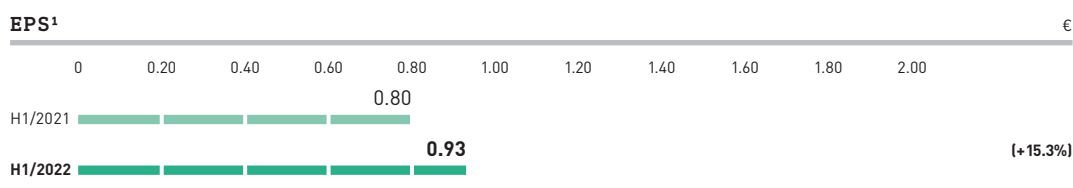
EBT AND EBT MARGIN

€m and %



Tax expenses rose by 11.8 per cent to €46.0 million in the reporting period. The tax rate was 28.3 per cent, compared to 28.9 per cent in the previous year.

Earnings after taxes improved by 15.3 per cent from €101.1 million to €116.6 million. Based on 126 million shares, earnings per share (EPS) rose to €0.93 (previous year: €0.80). In the second quarter, EPS was €0.50, representing an increase of 10.8 per cent compared to the previous year (€0.46).



¹ Prior year adjusted

Earnings according to segments are as follows:

In the IT System House & Managed Services segment, EBIT grew by 6.6 per cent to €100.9 million in the first half of 2022 (previous year: €94.6 m). The EBIT margin was thus 5.8 per cent, after 5.9 per cent in the previous year. In addition to better efficiency in service provision, positive effects from the manufacturers' pricing policies have also had an impact.

The IT E-Commerce segment generated EBIT of €64.2 million in the first six months, an increase of 28.1 per cent compared to the previous year (€50.1 million). The margin thus rose from 5.5 per cent to 6.0 per cent. In addition to the extremely dynamic sales development, positive effects from the high stock levels and better availability were also evident here.

EBIT – GROUP AND SEGMENTS €k

	H1/2022	H1/2021	Change	Q2/2022	Q2/2021	Change
Group	165,125	144,747	14.1%	89,800	82,613	8.7%
IT System House & Managed Services	100,888	94,617	6.6%	53,903	53,551	0.7%
IT E-Commerce	64,237	50,130	28.1%	35,897	29,062	23.5%

ASSETS AND FINANCIAL POSITION

- Balance sheet demonstrates great strength
- Equity ratio at 45.3 per cent
- Operating cash flow under pressure due to supply issues

As of 30 June 2022, the balance sheet total of the Bechtle Group amounted to €3,081.3 million, slightly more than as of 31 December 2021 (€3,019.8 million).

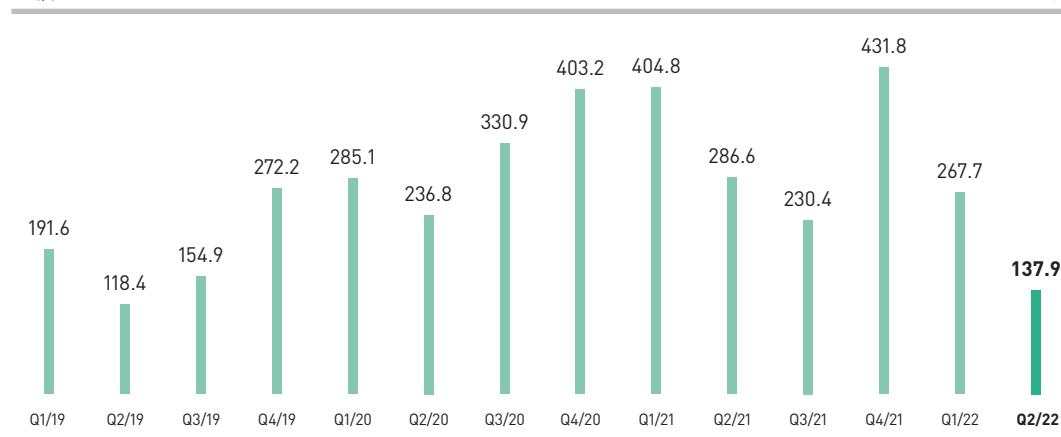
DEVELOPMENT OF THE ASSETS

Non-current assets went up from €984.2 million to €1,068.1 million. Goodwill, in particular, increased by €75.9 million as a result of acquisitions. The capitalisation ratio increased from 32.6 per cent to 34.7 per cent.

Current assets decreased slightly by €22.4 million to €2,013.2 million. Compared to the end of the year 2021, inventories surged by €161.5 million or 31.4 per cent. Compared to 31 March 2022, however, the increase was much lower, showing that growth is plateauing – although at a high level. Global supply difficulties remain the primary reason for the high level of inventories. As previously, most of the inventories are project-specific goods that have not yet been shipped because of missing components of overall orders. On the other hand, incoming goods are picking up due to the slightly improved situation in the supply chain. Trade receivables went up by €58.2 million to €986.9 million. This reflects the good business performance recorded, especially in June. Year-on-year, our average DSO (days sales outstanding) in the first six months of 2022 increased slightly from 41.8 days to 42.0 days. As a result of the dividend payment, the purchase price payment of acquisitions and other factors, cash and cash equivalents dropped by €293.8 million to €137.9 million. Including free credit lines, Bechtle's total liquidity reserve amounted to €263.7 million.

LIQUIDITY

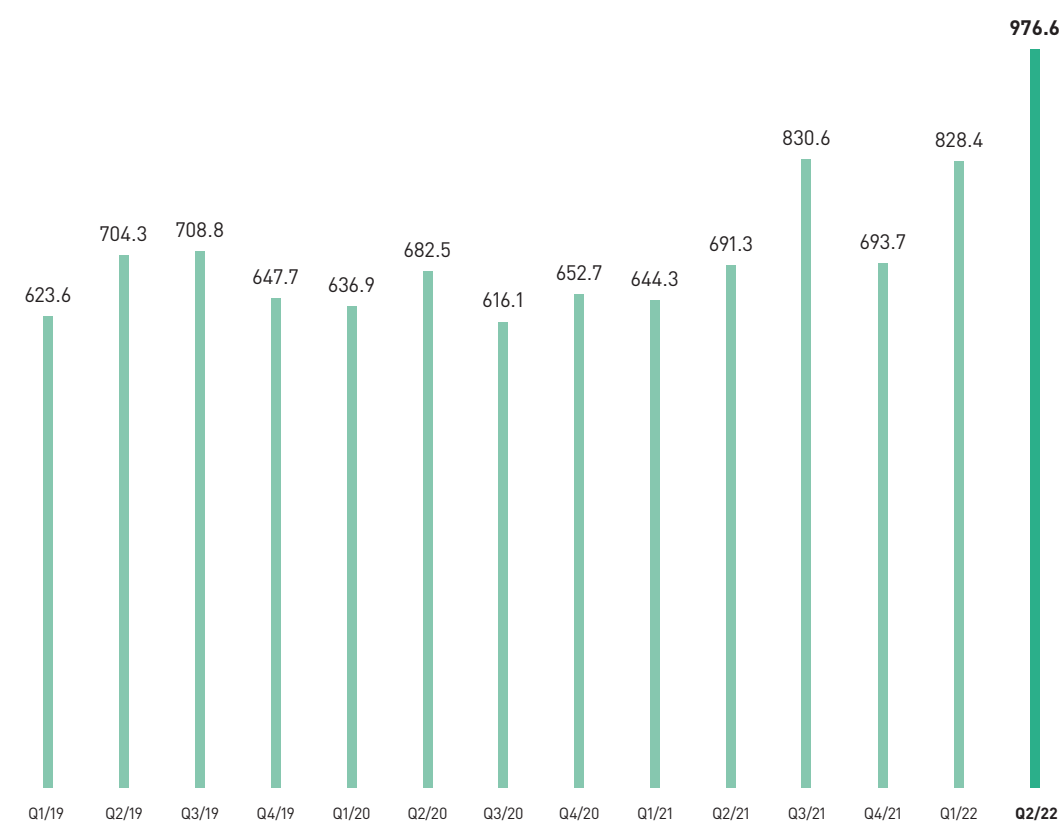
€m



Compared to the end of the year, the working capital went up by 40.8 per cent and amounted to €976.6 million as at the reporting date of 30 June 2022. This development was caused by the above-mentioned increase in inventories, a significant increase in trade receivables and lower trade payables. As a result, working capital as percentage of revenue increased from 27.3 per cent for the same period of the prior year to 34.9 per cent as at 30 June 2022.

WORKING CAPITAL

€m



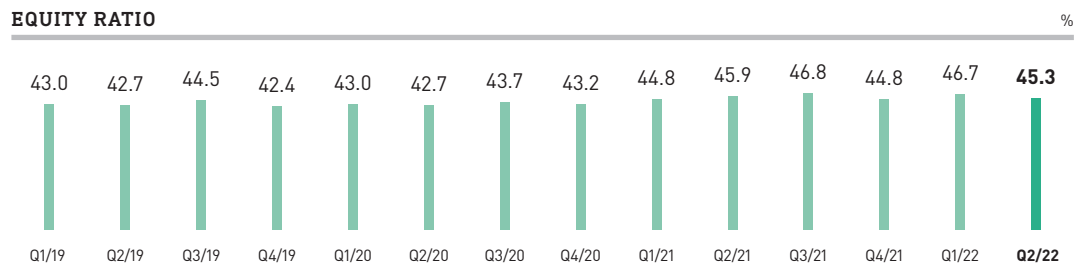
DEVELOPMENT OF THE EQUITY AND LIABILITIES

As at 30 June 2022, non-current liabilities totalled €513.4 million, €13.9 million more than as at 31 December 2021. This was due mainly to the increase in contract liabilities.

Current liabilities amounted to €1,170.7 million, a level similar to that of 31 December 2021 (€1,167.1 million). While financial liabilities rose sharply by €92.2 million, trade payables and income tax liabilities decreased.

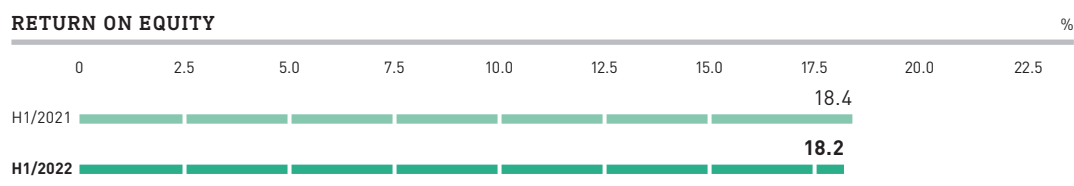
Equity increased from €1,353.1 million to €1,397.1 million as at 30 June 2022. Our equity ratio increased from 44.8 per cent as of the end of 2021 to 45.3 per cent as at the reporting date.

EQUITY RATIO



The extrapolated return on equity declined from 18.4 per cent as at 30 June 2021 to 18.2 per cent as at the reporting date.

RETURN ON EQUITY



BALANCE SHEET KPI OF THE BECHTLE GROUP

		30.06.2022	31.12.2021
Balance sheet total	€m	3,081.3	3,019.8
Cash and cash equivalents	€m	137.9	431.8
Equity	€m	1,397.1	1,353.1
Equity ratio	%	45.3	44.8
Net debt	€m	298.5	-86.3
Debt ratio	%	120.6	123.2
Working capital	€m	976.6	693.7

DEVELOPMENT OF THE CASH FLOW

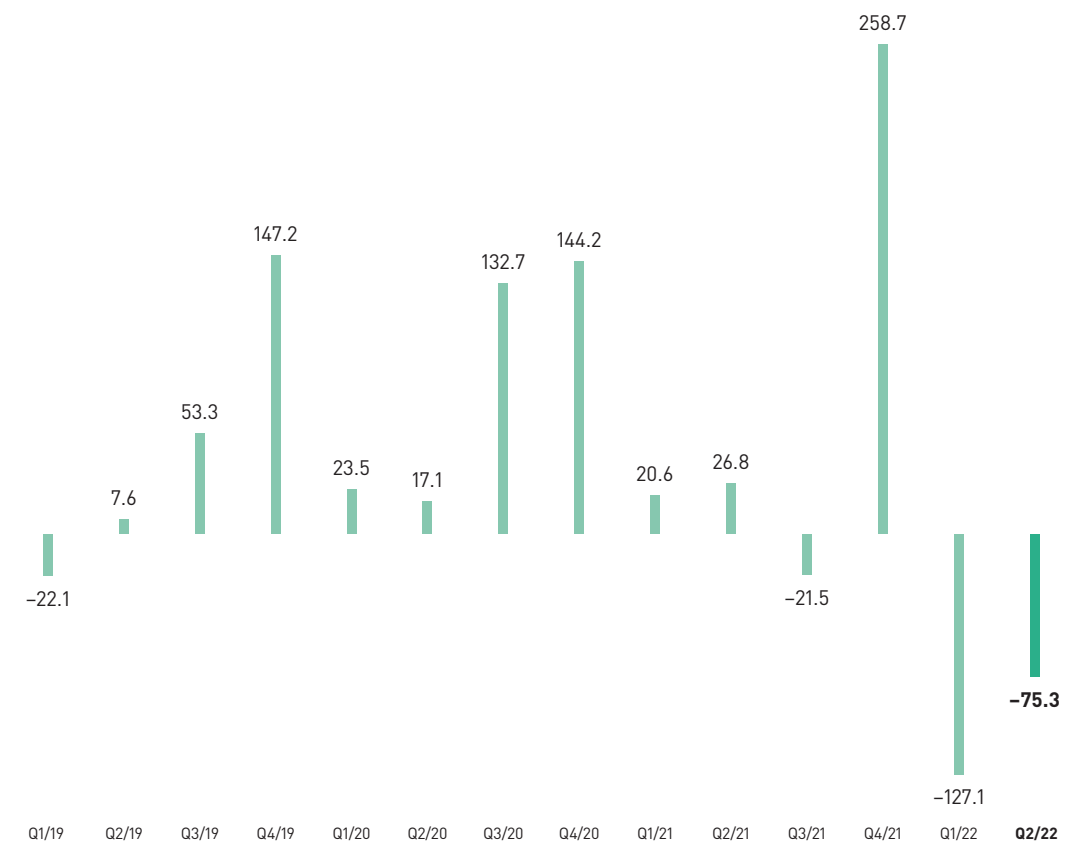
In the first six months of 2022, cash flow from operating activities fell sharply to -€202.4 million, compared to +€47.3 million in the same period last year. The three main factors that gave rise to this development were

- the planned substantial reduction in trade payables,
- the inevitable increase in trade receivables in view of the highly positive business performance especially towards the end of the quarter and
- the high outflow from the stockpiling of inventories related to the supply issues.

In the second quarter, the cash flow from operating activities amounted to –€75.3 million (prior year: €26.8 million). As a result, the decline in the second quarter was not as great as it had been in the first quarter. Especially the outflow from the increase in inventories could be reduced, as the inventories did not increase at the same level as in the first quarter. However, the reduction in trade payables was more noticeable in the second quarter.

CASH FLOW FROM OPERATING ACTIVITIES

€m



The cash flow from investing activities amounted to –€92.0 million (prior year: –€43.8 million). Especially the outflow for acquisitions was higher. On the other hand, inflow and outflow from the purchase and sale of time deposits and securities, which affected the prior year, did not take place in the period under review.

The cash flow from financing activities amounted to –€4.5 million, compared to –€140.8 million in the same period of the prior year. This was due mainly to the new financial liabilities raised in the prior year.

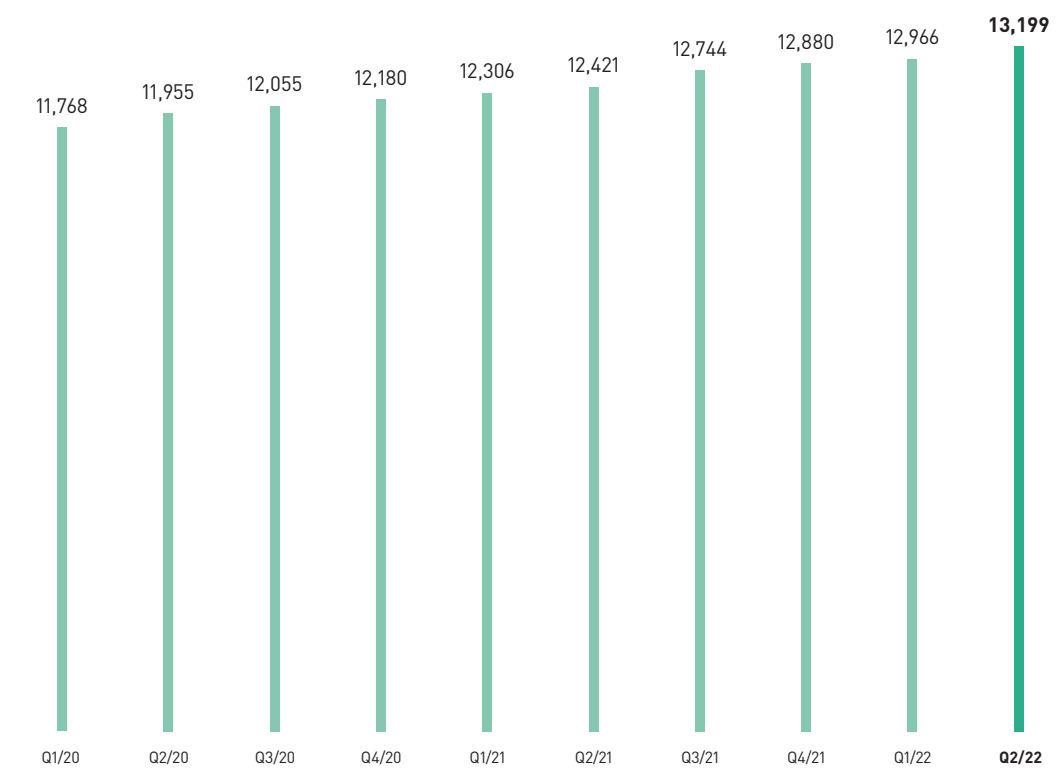
From January to June 2022, the free cash flow dropped significantly to –€294.8 million (prior year: €23.3 million).

PEOPLE AT BECHTLE

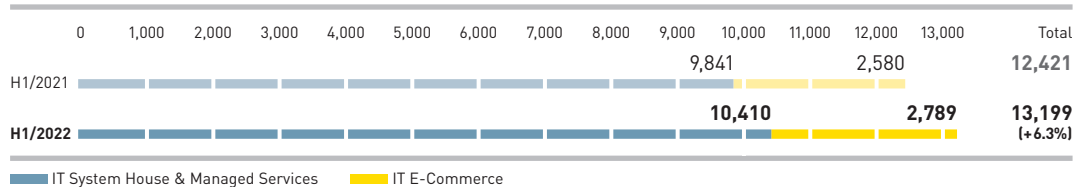
- Headcount continues to grow moderately
- Education and training as investment towards the future

As of the reporting date of 30 June 2022, the Bechtle Group had a total of 13,199 employees, including 604 trainees. Compared to 30 June 2021, the headcount thus went up by 778, an increase of 6.3 per cent. A large portion of this increase is attributable to acquisitions in the IT System House and Managed Services segment. A total of 310 new colleagues joined Bechtle in this way. Compared to 31 December 2021, the headcount increased by 319.

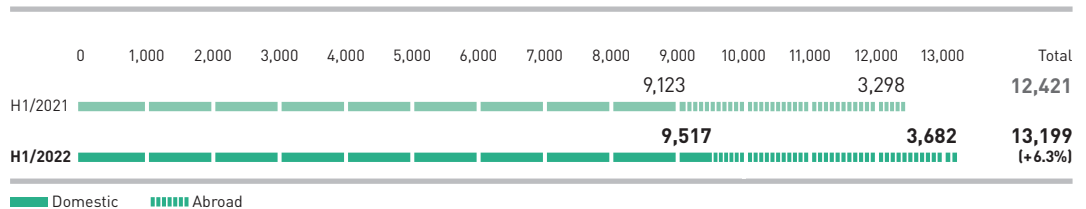
EMPLOYEES IN THE GROUP



Year-on-year, the number of employees in the IT System House & Managed Services segment went up by 5.8 per cent. Owing to the acquisitions, the headcount increase abroad (18.6 per cent) was much higher than in Germany. The IT E-Commerce segment recorded an overall headcount increase of 8.1 per cent, with an increase of 13.2 per cent in the companies in Germany and a lower increase in the companies abroad.

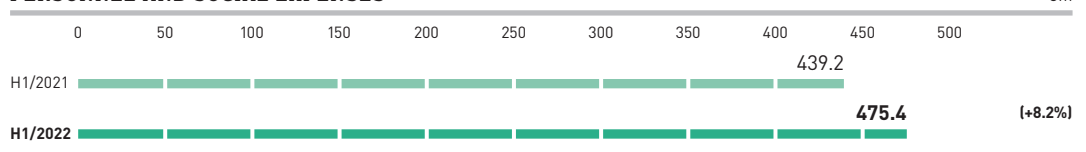
EMPLOYEES BY SEGMENTS

As of 30 June 2022, a total of 3,682 people – more than one quarter of the workforce – were employed abroad.

EMPLOYEES BY REGIONS

Expressed in full-time equivalents (FTE), an average of 12,526 employees worked for Bechtle from January to June 2022 (prior year: 11,908), an increase of 618 people or 5.2 per cent.

In the period from January to June 2022, personnel and social expenses totalled €475.4 million, 8.2 per cent more than in the corresponding prior-year period (€439.2 million). The expense ratio dropped from 17.4 per cent (figure adjusted) to 17.0 per cent. After €37.9 thousand in the prior year, personnel and social expenses per FTE (without absentees) amounted to €39.0 thousand in the first six months, based on an average of 12,202 employees (prior year: 11,604).

PERSONNEL AND SOCIAL EXPENSES

 bechtle.com/de-en/career

A particular focus in the first half of 2022 was on recruiting new employees. In the past two years, we had been forced to shift most of our recruiting events to the virtual space, but in the period under review, it was again possible to hold many events in person, e.g. many educational fairs, various university partnerships as well as internships for high-school students at our locations.

As a result, we largely filled the advertised vacancies by the vocational training and university start dates in the autumn and took on a total of 226 new trainees and students on integrated degree programmes. As of 30 June 2022, Bechtle had 604 young trainees and students on integrated degree programmes, a year-on-year increase of 29.

With the broad offering of our academy and the Learning Campus platform, we have a wide range of target-specific training options for both newcomers and professionals. In the first half of 2022, a total of 3,876 people attended in-person events, and our employees made use of our e-learning courses more than 17,000 times.

One of the objectives of the junior management programme and of the general management programme is to convey and expand leadership skills in order to make sure that strategically important executive positions can continue to be staffed from the company's own ranks. In the first half of 2022, the junior management programme was successfully completed by 49 participants, and the general management programme by eleven participants.

RESEARCH AND DEVELOPMENT

As a pure service and trading company, Bechtle does not engage in any research. However, software and application development activities are conducted both for internal purposes and individual customer projects. Additionally, software to cover special industry needs is developed and offered in modular form. The application solutions division also offers customers the design, development and implementation of software, e.g. in SharePoint or ERP projects. In the reporting period, the scope of development services was insignificant in relation to the consolidated revenue.

OPPORTUNITIES AND RISKS

In line with the long-term focus of the strategy and business management of the Bechtle Group, the opportunities and risks for the coming months are basically the same as those presented in the Annual Report 2021. Though the risks with regard to the COVID-19 pandemic have eased, at least to a certain extent, the risks in other areas associated with the war in Ukraine have intensified. The high energy costs, the spike in inflation as a whole as well as the concerns about a potential recession in Germany could make our customers more reluctant with regard to their investments in IT infrastructure. Though no specific impacts on the business development are visible at present, the uncertainties are very high regarding the course of the year.

In the first half of the year, the problems in the global supply chain eased to a certain degree. Thus, the availability has improved especially in the field of PCs and monitors. However, these improvements have not benefited all products segments. In some areas, such as network components or certain peripherals such as docking stations, delivery times are still very long – in some cases up to twelve months or even longer. For the time being, no major easing is expected for the market in general.



See
Annual Report 2021,
page 114ff

SHARE

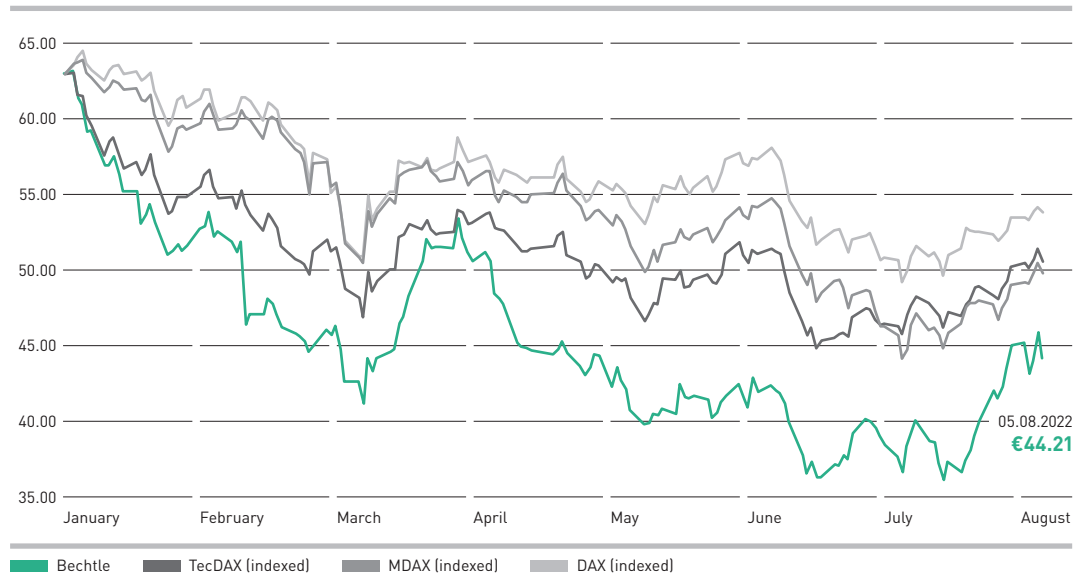
Technology stocks remain under pressure

Dividend climbs to €0.55

In the first half of 2022, the capital market was confronted with several crises. Firstly, the COVID-19 pandemic and its consequences had not yet been overcome. Moreover, the Russian war on Ukraine resulted in intensified supply bottlenecks, rising energy prices, high inflation and a looming recession. In addition, the European Central Bank raised its key interest rate by 0.5 percentage points in July, putting an end to its long-standing low interest rate policy. A glance at the performance of key indices shows the impact on the stock market. In the course of the year, the DAX lost 19.5 per cent, the MDAX lost 26.5 per cent and the TecDAX closed with a minus of 26.4 per cent.

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY TO AUGUST 2022

€



In the first half of the year, technology stocks especially remained under pressure. This also affected the Bechtle share, which entered the year with a price of €63.12, the highest level reached in the reporting period. Apart from a brief recovery in spring, our share price spiralled downwards, closing at €39.01 on 30 June. With this development, the Bechtle share followed the general trend suffering a total price loss of 38.0 per cent in the first half of 2022.

Due to the price development, the market cap as of 30 June amounted to €4,915.3 million, a figure significantly below that of the prior year. However, this development had almost no effect on the stock market ranking. The company ranked 58th in the MDAX (prior year: 57th), and 10th in the TecDAX, as in the prior year.

TRADING DATA OF THE BECHTLE SHARE

		H1/2022	H1/2021	H1/2020	H1/2019	H1/2018
Closing price on 30 June ¹	€	39.01	52.22	52.33	33.67	22.03
Performance	%	-38.0	-12.2	+25.4	+48.9	-4.9
High (closing price) ¹	€	63.12	60.83	52.83	36.87	25.92
Low (closing price) ¹	€	36.29	49.85	28.35	20.77	21.28
Market cap – total ²	€m	4,915.3	6,579.3	6,594.0	4,242.0	2,776.2
Avg. turnover/trading day ³	shares	222,024	84,534	156,811	115,453	76,370
Avg. turnover/trading day ³	€	12,675,626	13,789,353	20,172,898	10,002,420	5,443,012

Xetra price data

¹ Prior-year figures adapted to share split

² As of 30 June 2022

³ All German stock exchanges

The Annual General Meeting of Bechtle took place on 2 June 2022. Due to the COVID-19 pandemic, it was again held in a virtual setting at the company headquarters in Neckarsulm. Via an online portal, our shareholders and their proxies were able to watch the Annual General Meeting live and exercise their shareholder rights. About 80 per cent of the share capital participated in the voting rounds in the context of the virtual Annual General Meeting. This figure is about the same as when the meeting is held in person. All agenda items were adopted with an overwhelming majority.

The Annual General Meeting also approved the dividend of €0.55 per share, which had been proposed by the Executive Board and Supervisory Board for the 2021 fiscal year. In the prior year, Bechtle paid out a dividend of €0.45 per share (adapted to the share split). Compared to the prior year, the payment per share certificate has thus grown by €0.10, an increase of 22.2 per cent. This was the 16th increase of the normal dividend overall and the twelfth in a row. This year too, Bechtle has thus held fast to its shareholder-friendly dividend policy that it has pursued since its IPO in 2000. In relation to the closing price as of the end of the six-month period, the dividend yield amounted to 1.4 per cent.

DIVIDEND

		2022	2021	2020
Dividend ¹	€	0.55	0.45	0.40
Dividend payout ratio	%	29.9	29.4	29.6
Dividend yield ²	%	1.4	0.9	0.8

¹ Prior-year figures adapted to share split

² As of 30 June 2022

FORECAST



Events after the reporting period, see Notes, page 41

- Expectations for economic performance throttled
- Supply situation in IT market remains tense
- Bechtle confirms forecast for 2022

MACROECONOMY



ec.europa.eu

According to the forecast of the European Commission of July 2022, the economic performance in the EU will remain positive in the coming months, though at a lower level than originally expected. Growth is expected to amount to 0.2 per cent both in the third quarter and in the fourth quarter. Among the EU countries in which Bechtle is present, growth expectations for the third quarter range from -0.6 per cent in Poland to +0.5 per cent in Spain. For the fourth quarter, the figures range from 0.0 per cent in Poland to 0.4 per cent in Austria and Portugal. For the EU as a whole, GDP growth of 2.7 per cent is forecast for the full year 2022. Next year, however, the GDP growth in the EU is expected to drop to 1.5 per cent.

In Germany, too, economic growth is expected to remain at a low level in the second half of the year. As in the EU, growth rates of 0.2 per cent are expected for both remaining quarters. For 2022 as a whole, GDP growth is expected to amount to 1.4 per cent. For 2023, it is expected to total 1.3 per cent.

INDUSTRY



bitkom.de

According to figures published by the industry association bitkom in July 2022, the German IT market is expected to grow by 6.7 per cent in 2022. The highest growth of 8.8 per cent is expected in the software segment. Hardware is expected to grow by 6.7 per cent, and service revenue by 3.7 per cent.

PERFORMANCE OF THE BECHTLE GROUP

The first half of 2022 was overshadowed by the Russian attack on Ukraine and its many economic effects, such as inflation and potential energy supply issues. Furthermore, the IT market and many other sectors are still struggling with the difficulties in the global supply chain. Nevertheless, Bechtle AG achieved strong revenue and earnings growth and was able to increase the EBT margin in the first half of the year. Thus, we are currently above the target corridor of our expectations for the year as a whole. On the other hand, there are major uncertainties with regard to the further development of the macroeconomy. Apart from positive scenarios that project only slightly weakened growth, there are forecasts that assume a noticeable economic slowdown. Should such rather pessimistic scenarios materialise, impairments of the business performance of the Bechtle Group cannot be excluded. In particular against the backdrop of the very positive performance of the Bechtle Group in the first six months, the Executive Board confirms the forecast presented in the Annual Report 2021. We intend to significantly increase revenue and earnings for the year as a whole and maintain the margin at the prior-year level.

Neckarsulm, 11 August 2022

Bechtle AG
The Executive Board

CONSOLIDATED INCOME STATEMENT

	€k			
	01.04– 30.06.2022	01.04– 30.06.2021	01.01– 30.06.2022	01.01– 30.06.2021
Revenue	1,417,587	1,238,289 ¹	2,796,755	2,529,656 ¹
Cost of sales	1,163,843	1,018,293 ¹	2,302,139	2,092,790 ¹
Gross profit	253,744	219,996	494,616	436,866
Distribution costs	97,527	82,597	185,290	168,733
Administrative expenses	74,728	61,947	159,155	135,882
Other operating income	8,311	7,161	14,954	12,496
Earnings before interest and taxes	89,800	82,613	165,125	144,747
Financial income	300	268	558	844
Financial expenses	1,581	1,690	3,125	3,412
Earnings before taxes	88,519	81,191	162,558	142,179
Income taxes	24,898	23,758	45,993	41,122
Earnings after taxes (attributable to shareholders of Bechtle AG)	63,621	57,433	116,565	101,057
Net earnings per share (basic and diluted) in €	0.50	0.46²	0.93	0.80²
Weighted average shares outstanding (basic and diluted) in thousands	126,000	126,000²	126,000	126,000²



See
further comments
in the Notes,
in particular IV.,
page 29ff

¹ Adjustment prior year

² Adapted to share split

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.04– 30.06.2022	01.04– 30.06.2021	01.01– 30.06.2022	01.01– 30.06.2021
Earnings after taxes	63,621	57,433	116,565	101,057
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses on pension provisions	293	-68	351	117
Income tax effects	-78	14	-78	-24
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses on financial derivatives	924	-12	1,012	234
Income tax effects	-288	-12	-332	-102
Hedging of net investments in foreign operations	-9,615	-2,994	-14,413	3,033
Income tax effects	2,896	902	4,341	-914
Currency translation differences	4,488	1,988	5,834	-2,561
Other comprehensive income	-1,380	-182	-3,285	-217
of which income tax effects	2,530	904	3,931	-1,040
Total comprehensive income (attributable to shareholders of Bechtle AG)	62,241	57,251	113,280	100,840



See further comments in the Notes, in particular IV. and V., page 29ff and page 32f

CONSOLIDATED BALANCE SHEET

ASSETS	€k		
	30.06.2022	31.12.2021	30.06.2021
Non-current assets			
Goodwill	545,549	469,650	446,648
Other intangible assets	99,116	98,858	104,321
Property, plant and equipment	346,266	342,902	331,150
Trade receivables	51,962	57,839	55,359
Deferred taxes	9,674	8,924	11,365
Other assets	15,519	6,026	7,424
Total non-current assets	1,068,086	984,199	956,267
Current assets			
Inventories	675,350	513,824	416,160
Trade receivables	986,924	928,724	800,213
Income tax receivables	6,937	7,572	3,362
Other assets	206,049	153,698	166,167
Time deposits and securities	0	0	60,311
Cash and cash equivalents	137,917	431,751	226,306
Total current assets	2,013,177	2,035,569	1,672,519
Total assets	3,081,263	3,019,768	2,628,786



See
further comments
in the Notes,
in particular V.,
page 32f

EQUITY AND LIABILITIES			
	€k		
	30.06.2022	31.12.2021	30.06.2021
Equity			
Issued capital	126,000	126,000	42,000
Capital reserves	40,228	40,228	124,228
Retained earnings	1,230,866	1,186,886	1,039,941
Total equity	1,397,094	1,353,114	1,206,169
Non-current liabilities			
Pension provisions	14,087	12,994	32,762
Other provisions	11,734	11,379	11,222
Financial liabilities	309,663	310,941	322,864
Trade payables	538	747	6,744
Deferred taxes	36,906	37,271	26,703
Other liabilities	97,951	103,830	103,327
Contract liabilities	40,954	19,790	24,278
Deferred income	1,596	2,581	1,047
Total non-current liabilities	513,429	499,533	528,947
Current liabilities			
Other provisions	33,296	27,318	25,856
Financial liabilities	126,736	34,537	31,093
Trade payables	528,964	613,228	424,839
Income tax payables	14,597	30,525	35,106
Other liabilities	259,513	266,638	218,033
Contract liabilities	161,516	161,643	123,497
Deferred income	46,118	33,232	35,246
Total current liabilities	1,170,740	1,167,121	893,670
Total equity and liabilities	3,081,263	3,019,768	2,628,786

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 2021	42,000	124,228	982,214	13,587	995,801	1,162,029
Distribution of profits for 2020			-56,700		-56,700	-56,700
Earnings after taxes			101,057		101,057	101,057
Other comprehensive income				-217	-217	-217
Total comprehensive income	0	0	101,057	-217	100,840	100,840
Equity as of 30 June 2021	42,000	124,228	1,026,571	13,370	1,039,941	1,206,169
Equity as of 1 January 2022	126,000	40,228	1,156,960	29,926	1,186,886	1,353,114
Distribution of profits for 2021			-69,300		-69,300	-69,300
Earnings after taxes			116,565		116,565	116,565
Other comprehensive income				-3,285	-3,285	-3,285
Total comprehensive income	0	0	116,565	-3,285	113,280	113,280
Equity as of 30 June 2022	126,000	40,228	1,204,225	26,641	1,230,866	1,397,094



See further comments in the Notes, in particular V., page 32f

CONSOLIDATED CASH FLOW STATEMENT

	€k			
	01.04- 30.06.2022	01.04- 30.06.2021	01.01- 30.06.2022	01.01- 30.06.2021
Operating activities				
Earnings before taxes	88,519	81,191	162,558	142,179
Adjustment for non-cash expenses and income				
Financial earnings	1,281	1,422	2,567	2,568
Depreciation and amortisation of intangible assets and property, plant and equipment	25,221	24,934	51,621	49,751
Gains and losses on disposal of intangible assets and property, plant and equipment	-723	-21	-521	-57
Other non-cash expenses and income	6,018	-7,284	8,930	4,420
Changes in net assets				
Changes in inventories	-43,131	-61,009	-157,872	-115,252
Changes in trade receivables	-24,420	2,731	-20,655	79,173
Changes in trade payables	-80,776	24,311	-115,571	-456
Changes in deferred income	-606	-13,828	29,364	3,264
Changes in other net assets	-17,861	-4,151	-96,546	-60,109
Income taxes paid	-28,846	-21,525	-66,287	-58,137
Cash flow from operating activities	-75,324	26,771	-202,412	47,344
Investing activity				
Cash paid for acquisitions less cash acquired	-71,530	6	-71,721	-285
Cash paid for investments in intangible assets and property, plant and equipment	-16,821	-16,410	-35,458	-26,154
Cash received from the sale of intangible assets and property, plant and equipment	9,590	1,088	14,778	2,396
Cash paid for acquisitions of time deposits and securities	0	0	0	-50,309
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	0	30,000	0	30,000
Interest payments received	196	101	394	584
Cash flow from investing activities	-78,565	14,785	-92,007	-43,768
Financing activities				
Cash paid for the repayment of financial liabilities	-2,319	-60,397	-21,178	-64,609
Cash received from the assumption of financial liabilities	105,243	308	112,099	6,111
Dividends paid	-69,300	-56,700	-69,300	-56,700
Interest paid	-425	-786	-1,045	-1,522
Outflow for the repayment of finance leases	-12,733	-12,010	-25,036	-24,082
Cash flow from financing activities	20,466	-129,585	-4,460	-140,802
Exchange-rate-related changes in cash and cash equivalents	3,613	-111	5,045	361
Changes in cash and cash equivalents	-129,810	-88,140	-293,834	-136,865
Cash and cash equivalents at beginning of the period	267,727	314,446	431,751	363,171
Cash and cash equivalents at the end of the period	137,917	226,306	137,917	226,306



See further comments in the Notes, in particular VI., page 33

NOTES

I. GENERAL DISCLOSURES

Bechtle AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and, as such, required under Section 315e of the German Commercial Code (HGB) to prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. Accordingly, this interim financial report as of 30 June 2022 has been prepared in accordance with the IFRS.

In accordance with IAS 34, the scope of the presentation used in this interim financial report as of 30 June 2022 is significantly reduced compared to the consolidated financial statements as of the end of the fiscal year.

Our business activity is subject to certain seasonal fluctuations during the year. In the past, the revenue and earnings contributions tended to be at their lowest in the first quarter and at their highest in the fourth quarter, due to the traditionally strong year-end business. Therefore, the interim results only qualify as indicators for the results of the fiscal year as a whole to a limited extent.

II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION



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For existing and unchanged IFRS, the accounting policies and consolidation methods applied in the preparation of the condensed interim consolidated financial statements are in line with those applied in the preparation of the consolidated financial statements for the fiscal year 2021.

In accordance with IAS 34, the determination of the tax expense in the interim period takes place on the basis of the effective tax rate expected for the full fiscal year. Taxes related to extraordinary events are taken into consideration in the quarter in which the underlying event occurs.

As it is still impossible to ascertain what the global consequences of the COVID-19 pandemic will be, estimates and discretionary decisions are subject to increased uncertainty. The actual amounts can differ from the estimates and discretionary decisions. Any available information about the prospective economic development was taken into consideration in the update of the estimates and discretionary decisions. Moreover, this information was taken into consideration in the impairment testing of the financial assets, especially of the trade receivables.

The carrying amounts of the goodwill and of the brands presented under other intangible assets (except for Inmac WStore) are tested annually for impairment based on the value in use. Based on the assumptions and sensitivity analyses made as of 31 December 2021 as well as the business performance in the first half of 2022, there are no indications for any need for impairment. The next yearly impairment test to be conducted pursuant to IAS 36 will be conducted on the basis of the information available as of 30 September 2022.

III. SCOPE OF CONSOLIDATION

The scope of consolidation comprises Bechtle AG in Neckarsulm and all subsidiaries in which it holds a controlling interest. As in the prior year, Bechtle AG directly or indirectly holds all interests and voting rights in all consolidated companies.

The following companies were included in the scope of consolidation for the first time in this reporting period:

Company	Headquarters	Time of initial consolidation	Acquisition
CORSEN ENGINEERING GmbH	Seligenstadt, Germany	1 May 2022	Acquisition
PQR B.V.	Utrecht, Netherlands	1 June 2022	Acquisition

IV. NOTES TO THE INCOME STATEMENT AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

REVENUE

The revenue amounting to €2,796,755 thousand (prior year: €2,529,656 thousand¹) includes the considerations charged to customers for goods and services less rebates and discounts.

The following table shows the breakdown of the revenue:

	01.01–30.06.2022			01.01–30.06.2021		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
	IT trading revenue	1,208,304	1,054,377	2,262,681	1,139,807 ¹	900,627 ¹
IT service revenue	516,474	17,600	534,074	476,693	12,529	489,222
Total revenue	1,724,778	1,071,977	2,796,755	1,616,500¹	913,156¹	2,529,656¹

¹ Adjustment prior year

¹ Adjustment prior year

In this context, the IT E-Commerce segment mainly generates IT trading revenue that is recognised at a point in time. The revenue in the IT System House & Managed Services segment consists primarily of IT trading revenue that is also recognised at a point in time and an IT service revenue portion that is recognised either at a point in time or over time.

As a matter of principle and irrespective of the industry, all customers are commercial end customers and public-sector clients. In the six-month period ended, the product groups that achieved the highest revenue were mobile computing, IT services, peripherals and network components. With these product groups, Bechtle generated about 69 per cent of the total revenue (prior year: 64 per cent¹).

The following table shows the breakdown of the revenue by public-sector clients and commercial end customers:

	01.01–30.06.2022			01.01–30.06.2021		
	IT System House & Managed Services	IT E-Commerce		IT System House & Managed Services	IT E-Commerce	
			Group			Group
Public-sector clients	672,425	276,943	949,368	678,272 ¹	267,480 ¹	945,752 ¹
Commercial buyers	1,052,353	795,034	1,847,387	938,228 ¹	645,676 ¹	1,583,904 ¹
Total revenue	1,724,778	1,071,977	2,796,755	1,616,500¹	913,156¹	2,529,656¹

¹ Adjustment prior year



See page 36f

A breakdown of the revenue by business segments and regions is presented in the segment information.

EXPENSE STRUCTURE

	Cost of sales		Distribution costs		Administrative expenses	
	01.01–30.06.2022	01.01–30.06.2021	01.01–30.06.2022	01.01–30.06.2021	01.01–30.06.2022	01.01–30.06.2021
	Material costs	2,037,872	1,842,299 ¹	0	0	0
Personnel and social expenses	220,627	211,490	148,951	137,978	105,864	89,745
Depreciation/amortisation	21,906	21,730	12,507	13,057	17,208	14,964
Other operating expenses	21,734	17,271	23,832	17,698	36,083	31,173
Total expenses	2,302,139	2,092,790	185,290	168,733	159,155	135,882

¹ Adjustment prior year

The year-on-year increase in material costs mainly resulted from the higher business volume. Personnel and social expenses went up due to the higher number of employees. Other operating expenses were much higher than in the corresponding prior-year period, especially due to higher vehicle and travel expenses as well as increased marketing expenses.

¹ Adjustment prior year

The material costs include net income of €2,983 thousand from exchange rate fluctuations (prior year: €1,630 thousand).

OTHER OPERATING INCOME

The main reason for the increase in other operating income was the year-on-year increase in marketing grants and other compensation from suppliers. In the first half of 2022, these amounted to €10,966 thousand (prior year: €9,158 thousand) and thus account for the bulk of the other operating income.

FINANCIAL INCOME AND FINANCIAL EXPENSES

The financial income comprises income from call money, time deposits and financial receivables.

The financial expenses mainly included interest paid for the financial liabilities.

EARNINGS PER SHARE

The table below shows the calculation of the earnings after taxes per share that are due to the shareholders of Bechtle AG:

		01.01- 30.06.2022	01.01- 30.06.2021
Earnings after taxes	€k	116,565	101,057
Average number of outstanding shares		126,000,000	126,000,000 ¹
Earnings per share	€	0.93	0.80 ¹

¹ Adjustment to share split

According to IAS 33, the earnings per share are determined on the basis of the earnings after taxes (due to the shareholders of Bechtle AG) and the average number of shares in circulation in the year. Treasury shares would reduce the number of outstanding shares accordingly. The basic earnings per share are identical to the diluted earnings per share.

OTHER COMPREHENSIVE INCOME

Other comprehensive income was mainly affected by the development of the euro/Swiss franc exchange rate. Unlike the corresponding prior-year period, in which the Swiss franc had slightly lost value against the euro, the Swiss currency gained value in the first half of 2022.

Details on the composition of the other comprehensive income, which is recognised outside profit or loss, with respect to the change that this item underwent and its accumulated balance are presented in section V. "Notes to the Statement of Financial Position and Statement of Changes in Equity".



See page 23



See Annual Report 2021,
page 184ff

V. NOTES TO THE BALANCE SHEET AND TO THE STATEMENT OF CHANGES IN EQUITY

ASSETS

The acquisitions in the first six months resulted in an increase in goodwill and other intangible assets. These investments along with the dividend payout that was higher than in the fiscal year 2021 and the significant build-up of inventories in order to ensure Bechtle's ability to supply resulted in a reduction of cash and cash equivalents. As of 30 June 2022, other current assets included contract assets worth €52,712 thousand (31 December 2021: €28,663 thousand).

EQUITY

Issued Capital

As was the case on 31 December 2021, the company's share capital as of 30 June 2022 was divided into 126,000,000 fully paid-up ordinary shares of a calculated nominal value of €1.00 each. Each share has one vote.

Retained Earnings



Dividend payment

At the Annual General Meeting on 2 June 2022, a resolution was adopted to pay a dividend of €0.55 per no-par share with dividend entitlement for the fiscal year 2021. The dividend was paid out on 8 June 2022.

In terms of its accumulated balance as of the balance sheet date and its change during the period under review, the other comprehensive income to be recognised outside profit or loss was composed as follows:

	30.06.2022			31.12.2021		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
	Actuarial gains and losses on pension provisions	11,205	-2,174	9,031	10,854	-2,096
Unrealised gains and losses on hedges	2,383	-434	1,949	1,371	-102	1,269
Hedging of net investments in foreign operations	-41,032	12,244	-28,788	-26,619	7,903	-18,716
Currency translation differences	44,449	0	44,449	38,615	0	38,615
Other comprehensive income	17,005	9,636	26,641	24,221	5,705	29,926

€k

€k

	01.01–30.06.2022			01.01–30.06.2021		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains and losses on pension provisions	351	-78	273	117	-24	93
Items that will be reclassified to profit or loss in subsequent periods						
Unrealised gains and losses on hedges	1,012	-332	680	234	-102	132
Gains and losses that arose in the current period	1,124	-332	792	346	-102	244
Reclassifications to profit and loss	-112	0	-112	-112	0	-112
Hedging of net investments in foreign operations	-14,413	4,341	-10,072	3,033	-914	2,119
Gains and losses that arose in the current period	-14,413	4,341	-10,072	3,033	-914	2,119
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	5,834	0	5,834	-2,561	0	-2,561
Other comprehensive income	-7,216	3,931	-3,285	823	-1,040	-217

LIABILITIES

The slight decline in trade payables was mainly caused by the usual seasonal fluctuations during the year, with a high-revenue final quarter.



For further details of the loans, see Annual Report 2021 page 195

VI. NOTES TO THE CASH FLOW STATEMENT

The year-on-year decline in the cash flow from operating activities resulted from the increased reduction of liabilities and the greater increase in inventories. Furthermore, trade receivables went up, while in the corresponding prior-year period, they had gone down. This was offset by the earnings increase and the change in other net assets.

The cash flow from investing activities was marked by higher outflows for acquisitions and for intangible assets and property, plant and equipment in the reporting period.

The cash flow from financing activities was mainly marked by the repayment of financial liabilities raised in the reporting period. Moreover, the dividend of €69,300 thousand that was paid out for the fiscal year 2021 resulted in an outflow of cash and cash equivalents. The dividend for the fiscal year 2020, which had been paid out in the prior year, had amounted to €56,700 thousand.

VII. LEASES

As of the closing date, the trade receivables contained finance leasing receivables amounting to €62,107 thousand (31 December 2021: €71,150 thousand). The undiscounted lease payments that are due on a yearly basis are as follows:

	€k	
	30.06.2022	31.12.2021
Due within one year	24,722	27,137
Due in one to two years	17,221	20,217
Due in two to three years	12,058	14,552
Due in three to four years	7,573	7,768
Due in four to five years	595	2,738
Due after five years	77	0
Minimum lease payments	62,246	72,412

The interest share of the lease payments corresponds to the not yet realised financial income.

VIII. FAIR VALUE OF FINANCIAL INSTRUMENTS



See
Annual Report 2021,
page 176ff and page 200ff

Financial assets and liabilities (financial instruments) are classified according to IFRS 7. The allocation of the financial instruments contained in the individual balance sheet items in this interim financial report corresponds to the allocation in the Annual Report 2021.

According to IFRS 13, the measurement methods are divided into the following three levels, depending on the key parameters on which the measurement is based:

Level 1: Measurement at prices (not adjusted) quoted on active markets for identical assets and liabilities.

Level 2: Measurement of the asset or liability takes place either directly or indirectly on the basis of observable input data, which do not represent quoted prices as stated in Level 1.

Level 3: Measurement is based on models using input parameters not observable on the market.

The following table presents the carrying amounts and fair value of the financial instruments for the classes of financial instruments according to IFRS 7, their measurement level according to IFRS 13 and the measurement category according to IFRS 9.

€k

Class pursuant to IFRS 7	Measurement category IFRS 9	Carrying amount 30.06.2022	Fair value 30.06.2022	Carrying amount 31.12.2021	Fair value 31.12.2021	Level
Assets						
Non-current trade receivables	AC	14,505	13,764	13,273	12,919	3
Current trade receivables	AC	962,274	962,274	902,140	902,140	2
Non-current lease receivables	n/a	37,457	35,238	44,566	43,329	3
Current lease receivables	n/a	24,650	24,650	26,584	26,584	2
Other financial assets	AC	114,860	114,860	95,601	95,601	3
Financial derivatives						
Derivatives accounted for as hedges	n/a	1,674	1,674	464	464	2
Derivatives not accounted for as hedges	FVTPL	4,874	4,874	3,653	3,653	2
Cash and cash equivalents	AC	137,917	137,917	431,751	431,751	1
Equity and liabilities						
Loans	AC	436,399	435,722	345,478	366,574	2
Non-current trade payables	AC	538	516	747	747	3
Current trade payables	AC	528,964	528,964	613,228	613,228	2
Non-current lease liabilities	n/a	96,171	91,068	100,124	100,145	3
Current lease liabilities	n/a	45,655	45,655	43,626	43,626	2
Other financial liabilities	AC	136,808	136,808	154,268	154,268	3
Liabilities resulting from acquisitions	FVTPL	2,833	2,833	2,991	2,991	3
Financial derivatives						
Derivatives accounted for as hedges	n/a	186	186	104	104	2
Derivatives not accounted for as hedges	FVTPL	17,718	17,718	1,367	1,367	2
Thereof aggregated according to measurement category pursuant to IFRS 9						
	AC	2,332,265	2,330,825	2,556,486	2,577,228	
	FVTPL	25,425	25,425	8,011	8,011	

Abbreviations used for the measurement categories of IFRS 9:

AC = Amortised cost

FVTPL = Fair value through profit or loss

During the reporting period, there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications to or from measurements at fair value of Level 3.

The **liabilities resulting from acquisitions** are conditional, additional purchase price payments (earn-outs) for acquisitions. During the reporting period, the calculation methodology and sensitivities did not undergo any material changes.



See
Annual Report 2021,
page 201

Liabilities from acquisitions developed as follows:

Financial assets and liabilities in Level 3	Total gains and losses					Reclassification	30.06.2022
	01.01.2022	recognised in financial earnings	recognised in profit or loss in income statement	Additions	Compensation/settlement		
Liabilities resulting from acquisitions	2,991	29	8	0	-195	0	2,833

The €29 thousand posted as expense under financial earnings were fully attributable to future payments accounted for as of 30 June 2022.

IX. SEGMENT INFORMATION



Segment information on employees, see page 40

The segment information is presented on the basis of the same principles as in the consolidated financial statements for fiscal year 2021.

By segments	01.01–30.06.2022					01.01–30.06.2021				
	IT System House & Managed Services	IT E-Commerce	Total group before PvA ¹	Reconciliation PvA	Total group after PvA	IT System House & Managed Services	IT E-Commerce	Total group before PvA ¹	Reconciliation PvA	Total group after PvA
Total segment business volume	2,075,949	1,245,728				1,897,939	1,069,639			
less intersegment business volume	-26,632	-3,180				-22,334	-2,249			
Business volume (gross revenue)	2,049,317	1,242,548	3,291,865	-495,110	2,796,755	1,875,605	1,067,390	2,942,995	-413,339	2,529,656
Depreciation/amortisation	-32,482	-11,359	-43,841		-43,841	-31,818	-9,998	-41,816		-41,816
Segment earnings	105,198	67,707	172,905		172,905	99,082	53,600	152,682		152,682
Depreciation/amortisation from acquisitions	-4,310	-3,470	-7,780		-7,780	-4,465	-3,470	-7,935		-7,935
Earnings before financial earnings and taxes	100,888	64,237	165,125		165,125	94,617	50,130	144,747		144,747
Financial earnings			-2,567		-2,567			-2,568		-2,568
Earnings before taxes			162,558		162,558			142,179		142,179
Income taxes			-45,993		-45,993			-41,122		-41,122
Earnings after taxes			116,565		116,565			101,057		101,057
Investments	43,492	16,143	59,635		59,635	36,067	11,267	47,334		47,334
Investments through acquisitions	80,581	0	80,581		80,581	0	0	0		0

¹ Principal versus agent (PvA) accounting

In the IT E-Commerce segment, the trading revenue is mostly recognised at the point in time when Bechtle's performance obligation is fulfilled through transfer of the goods to the customer. The trade revenue of the business segment IT System House & Managed Services is also recognised at a point in time in the case of delivery of goods. Where combinations of goods and services are provided, the recognition takes place upon acceptance by the customer. Only IT service revenue can be recognised over time. In this segment, pure service revenue accounted for 30 per cent of the revenue (prior year: 29 per cent¹).



See chart
IT service revenue,
page 29

By regions	01.01-30.06.2022			01.01-30.06.2021		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
	Revenue	1,731,165	1,065,590	2,796,755	1,602,193 ¹	927,463 ¹
Investments	42,693	16,942	59,635	38,912	8,422	47,334
Investments through acquisitions	1,601	78,980	80,581	0	0	0

¹ Adjustment prior year

As the total segment assets are not part of the internal reporting, this information is not disclosed in the interim financial report.

X. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

As of the acquisition date 1 May 2022, Bechtle acquired all interests in CORDSEN ENGINEERING GmbH in Seligenstadt, Germany. Moreover, as of the acquisition date 1 June 2022, Bechtle took over PQR B.V. in Utrecht, Netherlands.

All company acquisitions were recognised in the balance sheet according to the purchase method and must still be considered as provisional with regard to the identification and measurement of newly identified assets.

¹ Adjustment prior year

The following table presents the fair value of the assets and liabilities as of the date of initial consolidation as they appear in the balance sheet:

	CORDESEN ENGINEERING GmbH	PQR B.V.	Total
€k			
Non-current assets			
Goodwill	1,101	70,599	71,700
Other intangible assets	298	4,200	4,498
Property, plant and equipment	202	4,181	4,383
Other assets	5	1	6
Total non-current assets	1,606	78,981	80,587
Current assets			
Inventories	218	5,810	6,029
Trade receivables	225	30,396	30,622
Other assets	28	4,987	5,015
Cash and cash equivalents	9	21	30
Total current assets	481	41,215	41,696
Total assets	2,087	120,196	122,283
Non-current liabilities			
Deferred taxes	51	6,300	6,351
Other liabilities	221	0	221
Total non-current liabilities	272	6,300	6,572
Current liabilities			
Trade payables	162	31,228	31,389
Income tax payables	62	922	984
Other provisions and liabilities	236	10,130	10,366
Deferred income	0	3,554	3,554
Total current liabilities	460	45,834	46,294
Total liabilities	732	52,134	52,865
Total assets			
- Total liabilities			
= Total acquisition costs	1,355	68,063	69,418

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships in the amount of €4,380 thousand were newly recognised as identifiable assets and measured at fair value as of the acquisition date.

In connection with the capitalisation of the customer relationships, deferred tax liabilities (€1,101 thousand) were recognised.

Under consideration of the acquired total net assets in the amount of €27,667 thousand, the capital consolidation resulted in a total preliminary difference of €41,751 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes. The goodwill is based mainly on synergies in the field of revenue which result from the expansion of the portfolio and new potential in the field of contracts for managed services.

Under consideration of the cash and cash equivalents taken over, the cost of purchase of the companies acquired in the first half of 2022 (€69,418 thousand) resulted in an outflow of €71,721 thousand.

The receivables taken over were not subject to any major impairment.

The acquisition of CORDSEN ENGINEERING GmbH strengthens the IT System House & Managed Services segments with additional specialists and expands the portfolio with tempering competencies. The company, which was founded in 1996 and is headquartered in Seligenstadt, Germany, is a specialist in the field of radiation security of IT hardware (referred to as “tempering”) and the development, production and sale of custom-hardened IT hardware.

Moreover, with the acquisition of PQR B.V., Bechtle will further expand its market presence in the Netherlands. The company was founded in 1990. For the past 32 years, the IT system house has gained a foothold in the market with its strong focus on public-sector clients and its specialisation in the field of hybrid cloud environments. Bechtle thus consistently rolls out its acquisition strategy, which, since 2021, also provides for locations outside Germany, Austria and Switzerland for the IT System House & Managed Services segment. The system house business comprises the sale of hardware and software, IT consulting and managed services and thus supplements the ongoing e-commerce activities of the Bechtle Group in the Netherlands, which focus on modern workplace solutions.

Since their acquisition, the companies have contributed a total of €3.5 million to the revenue and –€0.1 million to the earnings after taxes. Had the companies been acquired at the beginning of the reporting period, the revenue of the Bechtle Group for the reporting period would have amounted to €2,838 million, and earnings after taxes would have amounted to €116.6 million.

Acquisition after the Reporting Date. At the end of July 2022, Bechtle signed a purchase agreement for the acquisition of all interests in Axex ICT Solutions B.V. in the Netherlands. The IT service provider, which was founded in 2009, is headquartered in Rijswijk near The Hague and primarily serves as a certified Platinum Partner of Hewlett Packard Enterprise and Aruba. For the past 13 years, Axex has been well established in the Dutch market with a wide customer base. The company has 22 employees and generated €17 million in the last fiscal year. With this acquisition, Bechtle follows up on its internationalisation strategy and strengthens the market position in the Netherlands with another IT system house. The purchase price of the company is €7,369 thousand. Axex is to be fully integrated in PQR. The previous management will continue to serve in executive functions in the company.

XI. PEOPLE AT BECHTLE

The employee numbers were as follows:

	30.06.2022	31.12.2021	01.01- 30.06.2022	01.01- 30.06.2021
Full and part-time staff without absentees	12,238	11,843	12,008	11,374
Trainees without absentees	599	686	647	619
Absent employees	362	351	350	328
Temporary staff	396	360	363	378
Total	13,595	13,240	13,368	12,699

The employee numbers (without temporary staff) break down by segments and regions as follows:

	30.06.2022	31.12.2021	01.01- 30.06.2022	01.01- 30.06.2021
IT System House & Managed Services	10,410	10,156	10,246	9,781
Domestic	8,649	8,548	8,629	8,315
Abroad	1,761	1,608	1,617	1,466
IT E-Commerce	2,789	2,724	2,759	2,540
Domestic	868	835	859	751
Abroad	1,921	1,889	1,900	1,789

The employee numbers (without absent employees and without temporary staff) break down by functional areas as follows:

	30.06.2022	31.12.2021	01.01- 30.06.2022	01.01- 30.06.2021
Services	6,121	5,988	6,049	5,779
Sales	3,684	3,533	3,590	3,436
Administration	3,032	3,008	3,016	2,778
Total	12,837	12,529	12,655	11,993

XII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

No noteworthy events occurred at Bechtle after the end of the reporting period.

Neckarsulm, 11 August 2022

Bechtle AG
The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Neckarsulm, 10 August 2022

Bechtle AG
The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

AUDITING INFORMATION

The present interim financial report was neither audited, according to Article 317 of the HGB, nor revised by the auditor.

Forward-looking Statements

This interim financial report contains statements that relate to the future performance of Bechtle AG. Such statements are based on assumptions and estimates. Though the Executive Board believes that these forward-looking statements are realistic, this cannot be guaranteed. The assumptions are subject to risks and uncertainties that may result in consequences that differ substantially from those anticipated.

Bechtle's financial accounting and reporting policies comply with the International Financial Reporting Standards (IFRS) as endorsed by the EU. Due to rounding differences, percentages stated in the report may differ slightly from the corresponding amounts in € million. Similarly, totals may differ from the individual values.

FINANCIAL CALENDAR

INTERIM REPORT 2022 (30 JUNE)

Thursday, 11 August 2022

QUARTERLY STATEMENT 3RD QUARTER 2022 (30 SEPTEMBER)

Thursday, 10 November 2022

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

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