

NFON AG further strengthens in-house AI expertise and reports profitable growth in the first nine months of 2024

- Adjusted EBITDA posts significant improvement of 50.9% to reach EUR 9.1 million in the first nine months of 2024
- Recurring revenue up by 4.9% to EUR 60.6 million, with share of total revenue rising to 94.3%
- NFON presents further AI innovations at its Partner Day

Munich, 21 November 2024 – NFON, a leading European provider of integrated cloud business communications, reports a positive trend in both its revenue and earnings during the first three quarters of 2024, while also successfully implementing further key measures as part of its transformation.

NFON reports a positive business performance over the course of the first nine months of 2024. Thanks to the acquisition of new customers, the number of seats installed at customers' premises was up by 3.1% year-on-year to reach a total of 665,730 seats (9M 2023: 645,707). The successful sale of products from the expanded product portfolio (Premium Solutions) to both new and existing customers underscores the effectiveness of the company's growth strategy as well as customer satisfaction with NFON's integrated cloud business communication solutions. As a consequence, total revenue was up by 4.2% to reach EUR 64.3 million (9M 2023: EUR 61.7 million). Recurring revenue, which is of key importance to NFON, thereby recorded solid growth of 4.9% to a level of EUR 60.6 million (9M 2023: EUR 57.8 million), with recurring revenue expressed as a percentage of total revenue thereby rising to 94.3% (9M 2023: 93.6%). This performance reflects the high level of customer loyalty and forms a strong basis for future revenue planning.

Thanks to both the revenue growth as well as a lower level of staff and operating costs (OpEx), NFON reported significant growth of 50.9% in its adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA), from EUR 6.0 million in the previous year to EUR 9.1 million in the 2024 reporting period. Before adjustments of EUR 0.9 million, EBITDA amounted to EUR 8.2 million (9M 2023: EUR 4.7 million).

The company continued to systematically advance its transformation progress during the course of the third quarter of 2024. With the acquisition of [botario GmbH](#) in August 2024, NFON strengthened its expertise in voice processing and automation solutions that harness customised AI solutions in order to support companies in optimising their business processes. Furthermore, [Jana Richter](#), who was appointed Vice President Artificial Intelligence in October 2024, joins the AI team. Together with CTO [Andreas Wesselmann](#), she presented further AI innovations at the NFON Partner Day in November. These are due to be launched on the market during the course of 2025.

[Patrik Heider](#), CEO of NFON AG, comments: "We are well on the way to the transformation of our business. Despite a challenging market environment, we successfully reported significant year-on-year earnings growth, and we are continuing to grow on a profitable basis. We have been pressing ahead with boosting the scalability of our product portfolio and with its further technical development. The integration of botario is running to schedule, and, with Jana Richter, we now have an experienced AI and cloud solutions expert on our team. As a consequence, we are excellently positioned to respond to dynamic market requirements and to further accelerate our growth and boost our profitability over the coming years.

NFON's Management Board is aiming for double-digit revenue growth and an adjusted EBITDA margin of at least 15% by 2027. For 2024, the Management Board confirms its guidance for recurring revenue growth at the lower end of the published range (revenue growth in the mid to high single-digit percentage range), despite the challenging macroeconomic environment. As far as earnings are concerned, the Management Board continues to anticipate adjusted EBITDA of between EUR 10 million and EUR 12 million for 2024.

The complete quarterly statement is available from today in the [Investor Relations](#) area of the NFON AG website.

Overview of results for the first three months of 2024¹:

In EUR million	9M 2024	9M 2023	Change in %
Total revenue	64.3	61.7	4.2
Recurring revenue	60.6	57.8	4.9
Share of recurring revenue	94.3%	93.6%	–
Non-recurring revenue	3.7	3.9	–6.8
Share of non-recurring revenue	5.7%	6.4%	–
ARPU blended ² (in EUR)	9.88	9.73	1.5
Number of seats (total, as of 30 September)	665,730	645,707	3.1
EBITDA	8.2	4.7	73.8
Adjusted EBITDA	9.1	6.0	50.9

¹ Unless stated otherwise, all figures in the consolidated financial statements and related notes are rounded. For this reason, the tables may show rounding differences.

² Based on average number of seats per month in the periods under review.

Investor Relations contact

NFON AG
 Friederike Thyssen
 Senior Manager Investor Relations & Sustainability
 +49 89 45300-449
ir-info@nfon.com

Media contact

NFON AG
 Thorsten Wehner
 Vice President Public Relations
 +49 89 45300-121
thorsten.wehner@nfon.com

About NFON AG

Headquartered in Munich, NFON AG is a leading European provider of integrated cloud business communications. With eight branches and over 3,000 partners in 18 European countries, the listed company (Frankfurt Stock Exchange, Prime Standard) counts more than 55,000 companies among its customers. The NFON portfolio comprises four areas: Business Communications, Integration, Customer Contact and Enablement. With its core product Cloudya, the smart cloud communications platform, NFON offers hassle-free voice calls, simple video conferencing and seamless integration of CRM and collaboration tools for small and medium-sized companies.

All NFON's cloud services are operated in certified data centres in Germany, with 100% of their energy needs covered by renewable sources. NFON accompanies companies into the future of business communication by offering intuitive communication solutions.

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