



# Earnings Call

3M results 2024 – 23 May 2024

# Who you have on the call today



**Patrik Heider**  
CEO / CFO

# Agenda for today

**01**

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Business update  
3M 2024

**02**

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Financial figures  
3M 2024

**03**

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Outlook  
2024

**04**

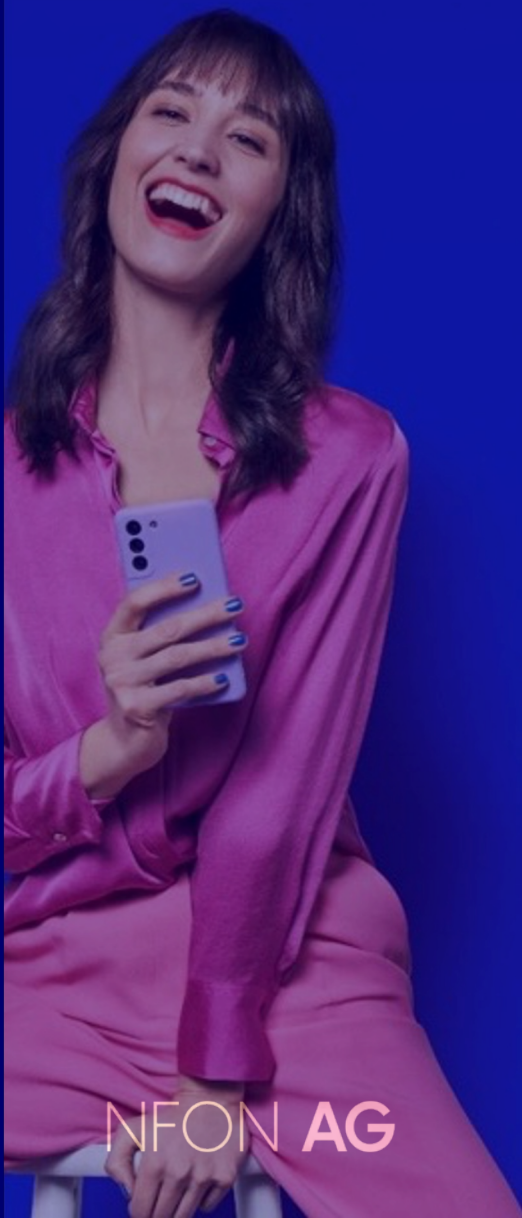
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Q&A session

**05**

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Appendix



# Business update

3M 2024

NFON AG

# Creating operational excellence

1

## Organisation and employees

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- Relevant **key positions** are staffed by **highly experienced managers**

2

## Business processes

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- Merging **DTS** with NFON AG
- Modernising the **technological basis** of our products
- Developing our **AI approach**
- Centring our **business strategy** around our customers and sales partners by reorganising our **sales structures**

3

## Internal system landscape

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- Optimise our **Business Support System (BSS)** along the customer value chain
- **Review our internal IT landscape** to create our NFON IT target image

# Transformation as the basis for innovation

The “AI revolution” – driven by large language model (LLM) innovations – is starting to impact the business communications market

## Our approach

Leverage the technology to solve business problems, improve customer experience and drive operational excellence

## Initial focus

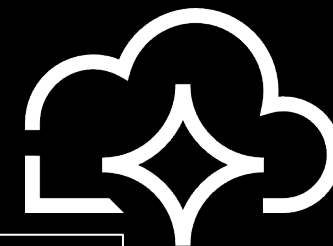


- Product: use of AI in conjunction with CC Hub
- Know-how: build up broad internal AI competence
- Processes: leverage AI to automate and improve internal processes

## Next steps



- Integrate and leverage AI with a clear focus on business value for our customers and partners



**NFON**  
**Contact Center Hub**  
Digital Clinic Assistant:  
Appointment Booking via **Voicebot** and **Chatbot**

NEW AI TECHNOLOGY  
New AI technology looks such as Chatbot, increase business, increase while also comply

**Solution**  
New Contextual Chatbot

Chatbot communicates in full sentences	High levels of customer service maintained	5-stage development completed in just 7 weeks	Cost around €4,000
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SEE CASE: ONLINE ORDER

## Contact Centre Hub

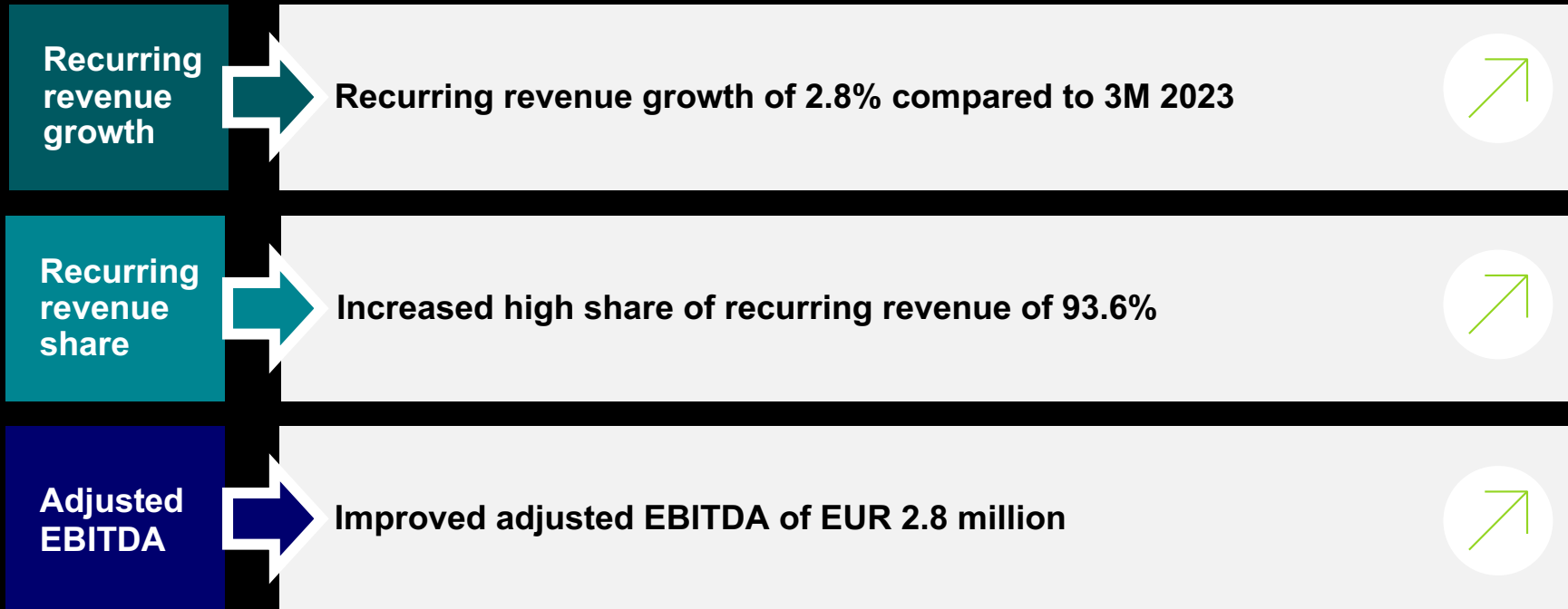
- AI Agent Chat bot
- AI Agent Voice bot
- AI Agent Email bot
- AI Agent GPT Knowledge bot
- Smart Call Transcription
- CC Hub Copilot



# Financial figures

3M 2024

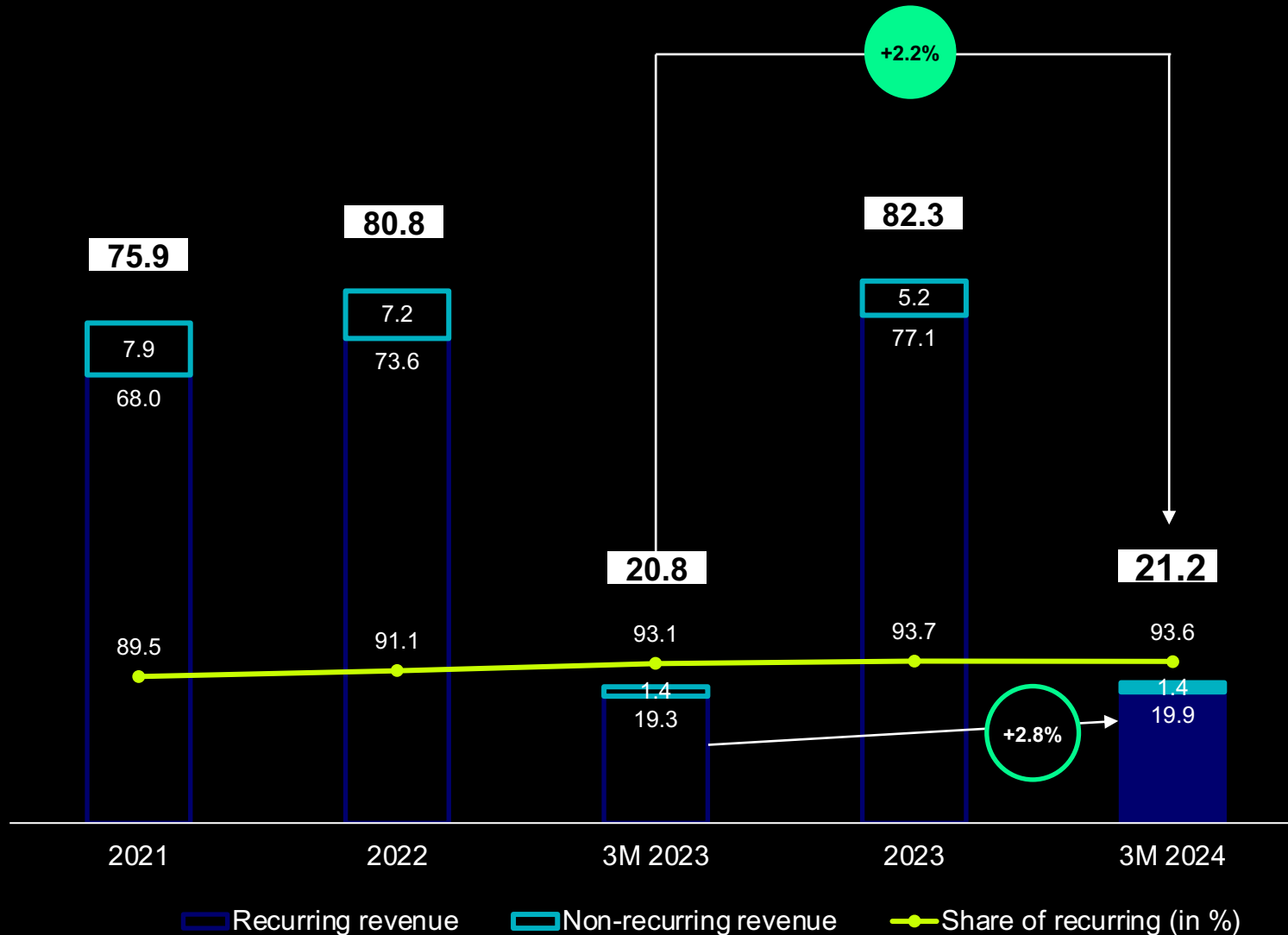
# 3M 2024 results at a glance





# Continuously growing share of recurring revenue

Development of total recurring vs. non-recurring revenue in EUR million

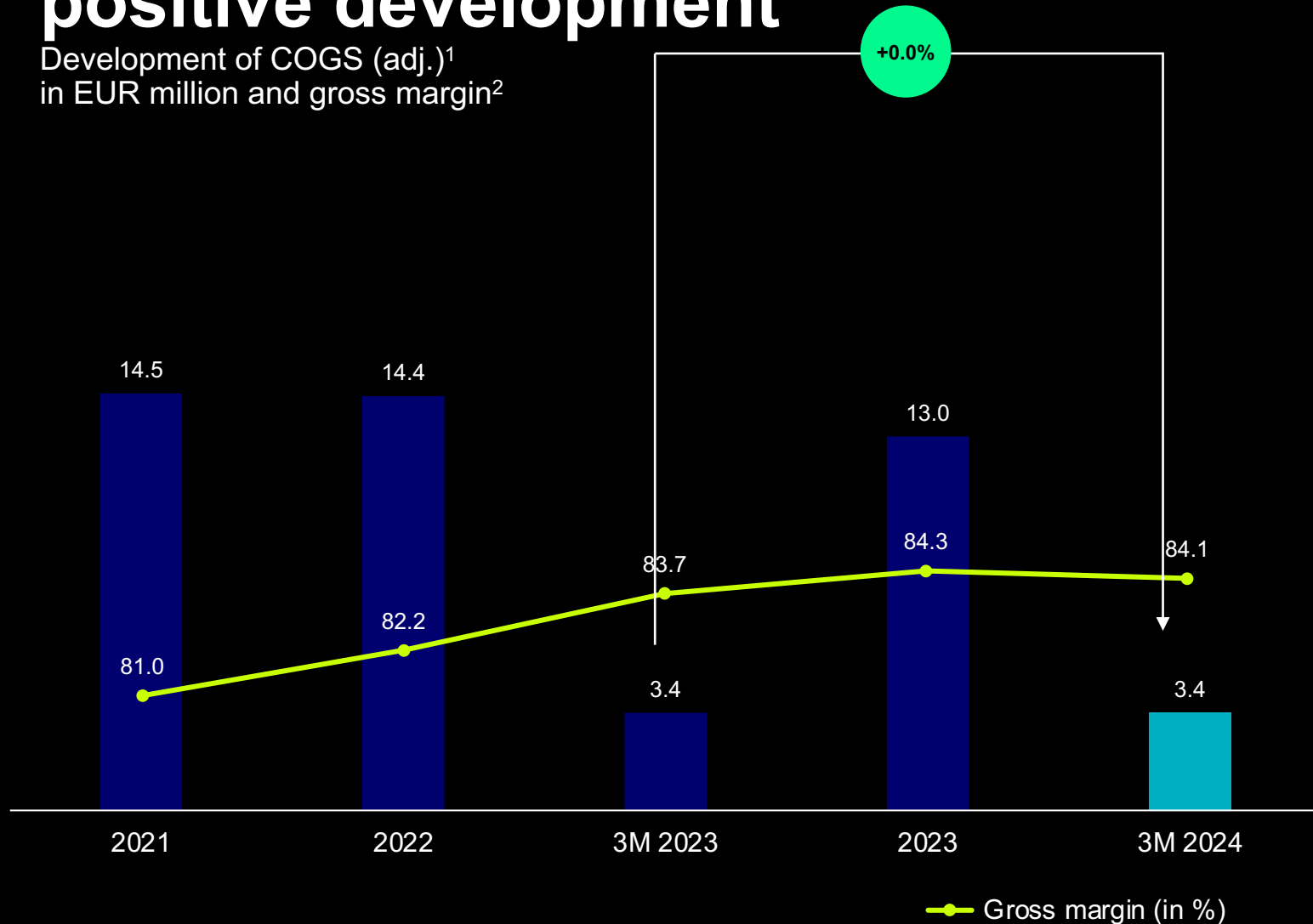


## COMMENTS

- Recurring revenue grew moderately by 2.8% compared to 3M 2023
  - Acquisition of new customers
  - Increase in installed extensions (seats) within the existing customer base particularly in Germany and Austria
  - Offering enhanced products (Premium Solutions) to existing customers
- Total revenue growth of 2.2% in comparison with 3M 2023 due to decrease of non-recurring revenue by -6.1%
- Enhanced high share of recurring revenue in total revenue of 93.6% provides predictable revenue streams

# Reliably high gross margin again with increasingly positive development

Development of COGS (adj.)<sup>1</sup>  
in EUR million and gross margin<sup>2</sup>

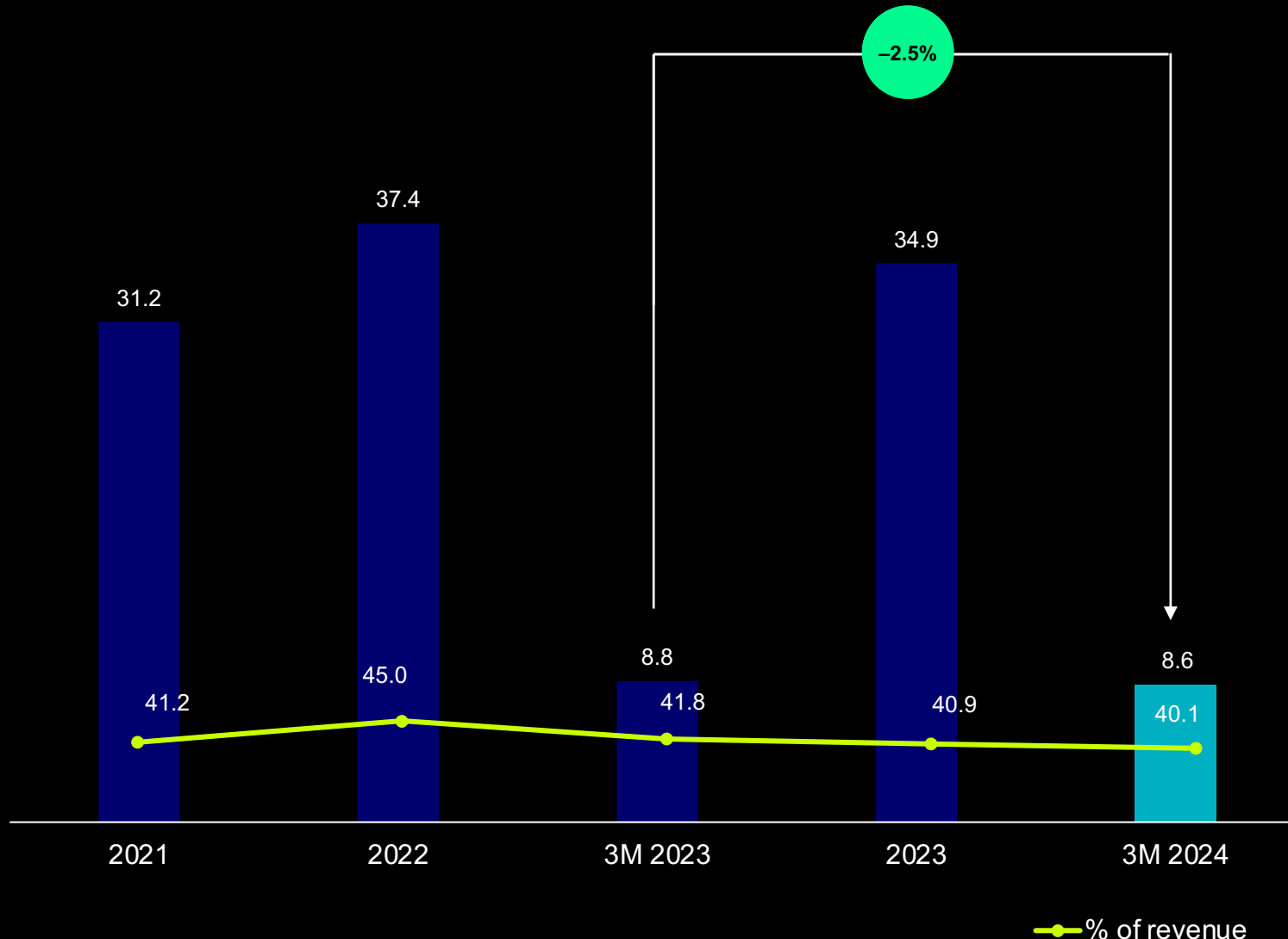


## COMMENTS

- Improved gross margin compared to the same period last year due to successfully growing share of high-margin sales
- Cost of materials is largely variable in nature and mainly comprises costs for hardware sold, costs for airtime sold and data centre housing costs
- Cost of materials was at the same level as in the same period of the previous year
- This again results in a low material cost ratio of 15.9% compared to the same period of the previous year (3M 2023: 16.2%)

# Reduced personnel expenses in line with strategic focus

Adjusted<sup>1</sup> personnel expenses in EUR million

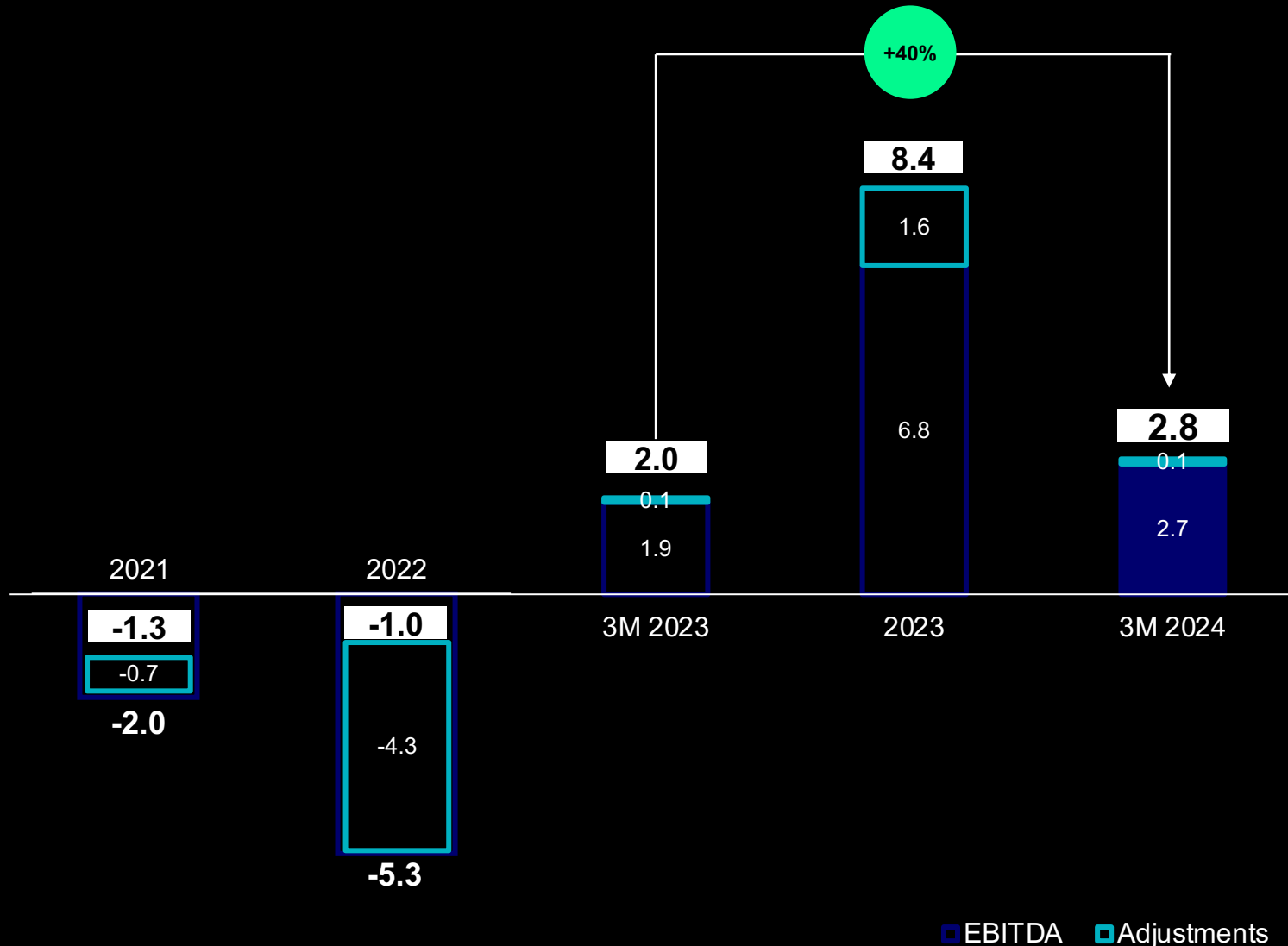


## COMMENTS

- Average number of employees decreased from about 482 to 419 (-13.0%)
- Personnel expenses as reported amount to EUR 8.6 million (3M 2023: EUR 8.8 million)
- Adjustments:
  - EUR 0.1 million for stock options (3M 2023: EUR 0.0 million)
- Adjusted personnel expense ratio of 40.1% (3M 2023: 41.8%) expected to decrease further in the course of 2024 due to scaling effects

# Adjusted EBITDA continues to develop positively

Adjusted EBITDA in EUR million

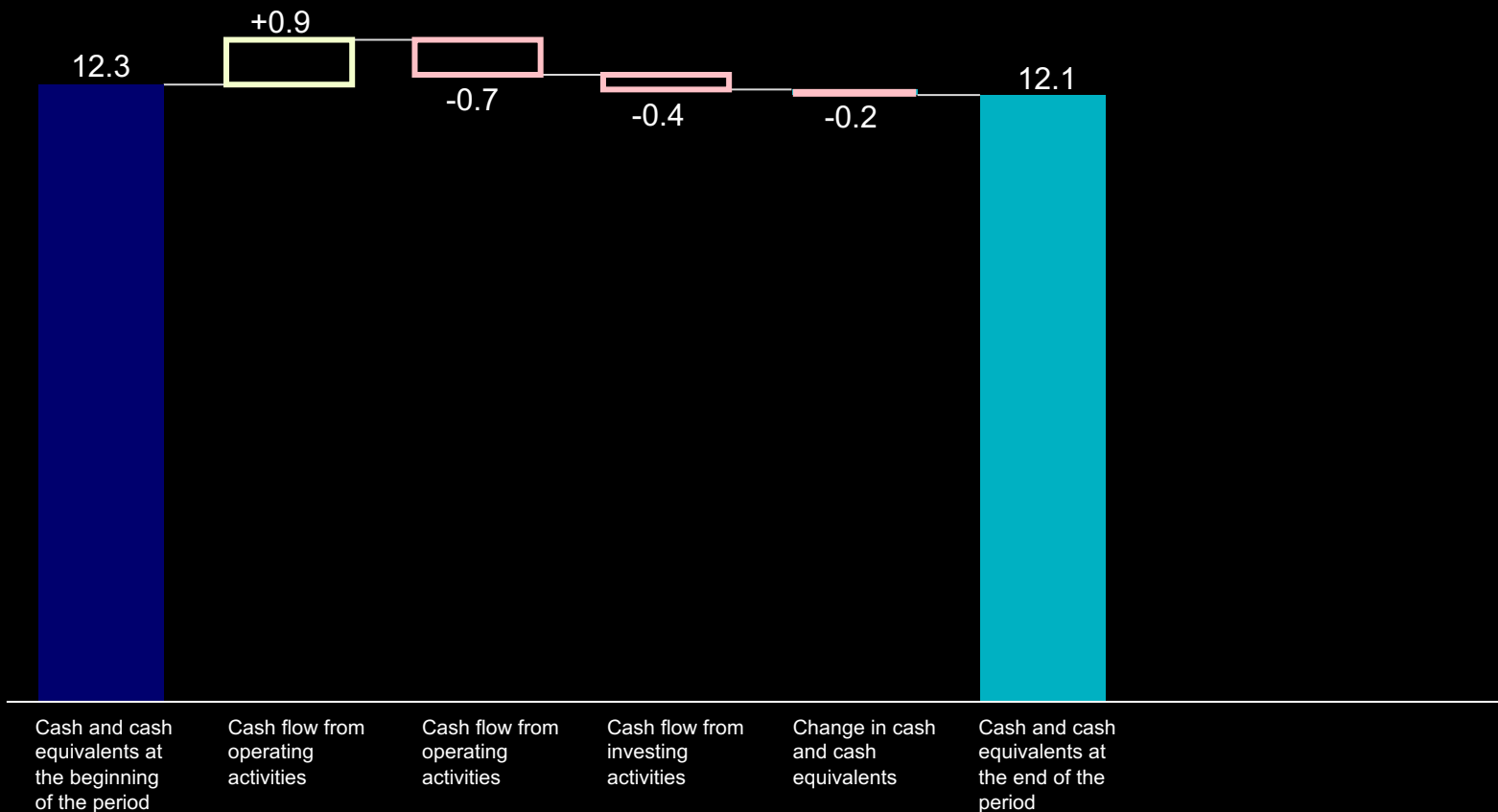


## COMMENTS

- Increased revenues, a higher gross profit and measures to increase profitability taking effect
- Cost reductions in the area of personnel expenses and other operating expenses
- EBIT improved to EUR 0.7 million for the reasons mentioned above
- We expect further positive development of the adjusted EBITDA key figures

# Achieving positive free cash flow: paving the way for future success

in EUR million



## COMMENTS

- Operating cash flow after 3M 2024 declined compared to 3M 2023 from EUR 1.5 million to EUR 0.9 million mainly caused by:
  - increase in net profit
  - decrease in trade payables
  - payments due to the reorganisation of the top management as well as
  - increased tax payments and advanced tax payments mainly due to the termination of the profit and loss share agreement with DTS
- Cash flow from investing activities improved by EUR 1.1 million
- FCF substantially improved from about EUR –0.3 million 3M 2023 to EUR 0.2 million in 3M 2024



# Outlook

2024

NFON AG

# 2024: a year of transformation and further sustainable profitable growth

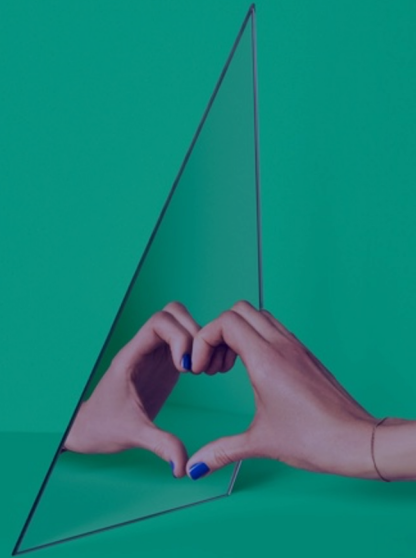
	Starting point	Guidance 2024
Recurring revenue growth	EUR 77.1 million	We expect recurring revenue growth in the <b>mid- to upper-single-digit percentage range</b>
Recurring revenue share	93.7%	We expect a resulting recurring revenue ratio of <b>&gt;90%</b>
Adjusted EBITDA	EUR 8.4 million	We expect adjusted EBITDA to be in the range of <b>EUR 10 million to EUR 12 million</b>



# Q&A session



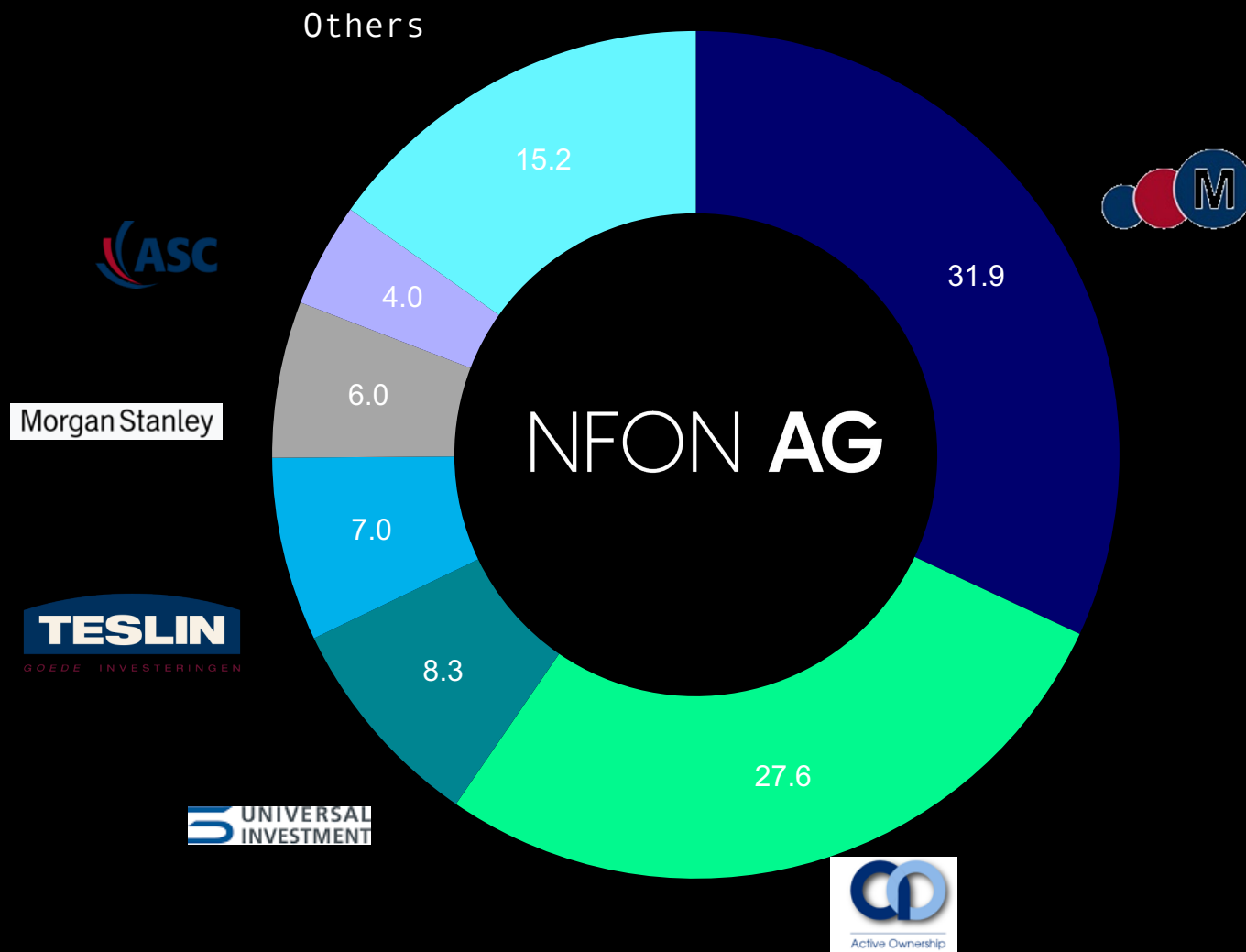
# Appendix



# Share at a glance

ISIN	DE000A0N4N52
Segment	Prime Standard/ Telecommunication
Shares	<b>16.6 million</b> (29 March 2021)
Designated sponsors	Baader Bank, ODDO Seydler Bank
First day of trading	11 May 2018
Coverage	Berenberg Bank, Baader Bank, NuWays, ODDO BHF

Shareholder structure\*  
in %, as of 17 April 2024



\*Based on the voting rights notifications submitted to NFON AG.

# C-level team

**Patrik Heider**  
CEO / CFO

- At NFON since 2023
- ~20 years of C-level experience and in the IT industry
- Previous experience includes
  - Nemetschek SE
  - Thinkproject
  - riskmethods



**Andreas Wesselmann**  
CTO

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



**Merano Mettbach**  
CSO

- At NFON since 1 September 2023
- > 20 years of senior executive experience within the telco industry
- Previous experience includes
  - Cisco Systems
  - BroadSoft
  - Vodafone



**Markus Krammer**  
CPO

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



# Financial calendar

# 20 24

07/03 ✓

- Preliminary Group financial results FY 2023

25/04 ✓

- Group annual report FY 2023

23/05 ✓

- Financial results 3M/Q1 2024

28/06

- Annual General Meeting 2024

22/08

- Group half-year report 2024

21/11

- Financial results 9M/Q3 2024



# Contact



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**Thank you**