

FIRST HALF OF 2021

**INTERIM REPORT  
AS OF 30 JUNE 2021**

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01- 30.06.2021	01.01- 30.06.2020	Change in %
<b>Revenue</b>	€k	<b>2,942,995</b>	<b>2,666,190</b>	<b>10.4</b>
IT System House & Managed Services	€k	1,875,605	1,753,059	7.0
IT E-Commerce	€k	1,067,390	913,131	16.9
<b>EBITDA</b>	€k	<b>194,498</b>	<b>160,064</b>	<b>21.5</b>
IT System House & Managed Services	€k	130,900	107,713	21.5
IT E-Commerce	€k	63,598	52,351	21.5
<b>EBIT</b>	€k	<b>144,747</b>	<b>112,167</b>	<b>29.0</b>
IT System House & Managed Services	€k	94,617	72,662	30.2
IT E-Commerce	€k	50,130	39,505	26.9
<b>EBIT margin</b>	%	<b>4.9</b>	<b>4.2</b>	
IT System House & Managed Services	%	5.0	4.1	
IT E-Commerce	%	4.7	4.3	
<b>EBT</b>	€k	<b>142,179</b>	<b>109,114</b>	<b>30.3</b>
<b>EBT margin</b>	%	<b>4.8</b>	<b>4.1</b>	
<b>Earnings after taxes</b>	€k	<b>101,057</b>	<b>77,268</b>	<b>30.8</b>
<b>Earnings per share</b>	€	<b>2.41</b>	<b>1.84</b>	<b>30.8</b>
<b>Return on equity<sup>1</sup></b>	%	<b>18.4</b>	<b>16.1</b>	
<b>Cash flow from operating activities</b>	€k	<b>47,344</b>	<b>40,526<sup>2</sup></b>	<b>16.8</b>
<b>Number of employees (as of 30.06)</b>		<b>12,421</b>	<b>11,955</b>	<b>3.9</b>
IT System House & Managed Services		9,841	9,501	3.6
IT E-Commerce		2,580	2,454	5.1

		30.06.2021	31.12.2020	Change in %
<b>Cash and cash equivalents<sup>3</sup></b>	€k	<b>286,617</b>	<b>403,173</b>	<b>-28.9</b>
<b>Working Capital</b>	€k	<b>691,261</b>	<b>652,674</b>	<b>5.9</b>
<b>Equity ratio</b>	%	<b>45.7</b>	<b>43.2</b>	

<sup>1</sup> Annualised

<sup>2</sup> Prior year adjusted

<sup>3</sup> Incl. time deposits and securities

## REVIEW BY QUARTER 2021

		1st Quarter 01.01-31.03	2nd Quarter 01.04-30.06	3rd Quarter 01.07-30.09	4th Quarter 01.10-31.12	2021 FY 01.01-30.06
Revenue	€k	1,510,202	1,432,793			<b>2,942,995</b>
EBITDA	€k	86,951	107,547			<b>194,498</b>
EBIT	€k	62,134	82,613			<b>144,747</b>
EBT	€k	60,988	81,191			<b>142,179</b>
EBT margin	%	4.0	5.7			<b>4.8</b>
Earnings after taxes	€k	43,624	57,433			<b>101,057</b>

# CONSOLIDATED INTERIM MANAGEMENT REPORT

## BUSINESS ACTIVITY

As a one-stop IT provider, Bechtle is active with about 80 system houses in Germany, Austria and Switzerland and is one of Europe's leading online IT dealers, with 24 subsidiaries in 14 countries. 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 one-stop, vendor-independent, comprehensive 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 2020,  
page 26 ff

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.



[bechtle.com/portfolio-en](https://www.bechtle.com/portfolio-en)

## FRAMEWORK CONDITIONS

■ **Macroeconomy recovers**

■ **Mood brightening up**

■ **IT industry faced with supply bottlenecks**

## MACROECONOMY

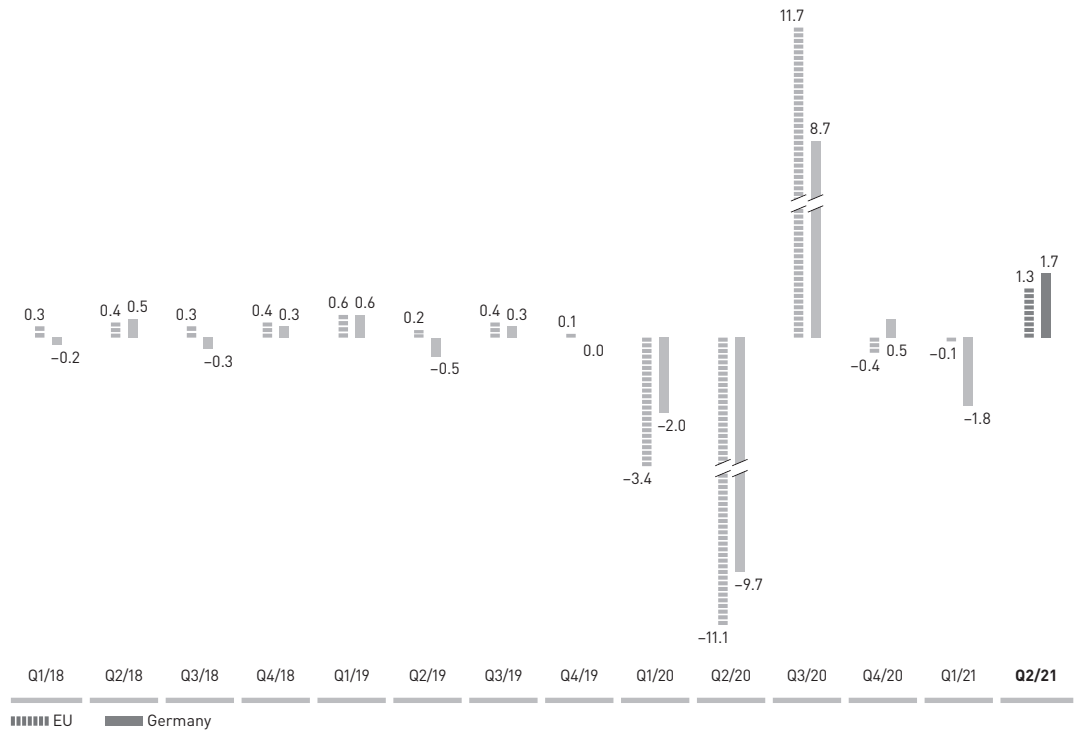
The economic performance in the EU in the first six months of 2021 had two dimensions. Whilst the first quarter was still encumbered by the second and third wave of the COVID-19 pandemic and the associated restrictions, the economic situation improved in the second quarter. According to figures of the European Commission of July 2021, the gross domestic product (GDP) receded by 0.1 per cent throughout the EU in the first quarter of 2021. In the second quarter, however, an increase of 1.3 per cent was recorded. The development in the EU countries in which Bechtle is present was highly diversified. In the first quarter, the figures ranged from growth of 7.8 per cent in Ireland to a decline of 3.2 per cent in Portugal. In the second quarter, the picture was reversed. Portugal was in the top group with growth of 3.3 per cent, with only Austria delivering higher growth of 3.5 per cent. Ireland came last, with -2.7 per cent. Apparently, the developments in the various countries started and ended at different times.



[ec.europa.eu](https://ec.europa.eu)

## GDP PERFORMANCE COMPARED TO THE PRIOR QUARTER

%



Though the decline of 1.8 per cent that Germany recorded in the first quarter was higher than in the EU, the increase of 1.7 per cent that occurred in the second quarter was also slightly higher.



In the first half of the year, the ifo mood indicators of the German economy were on the rise. From 90.6 points in January, the index went up steadily. In June, it reached a level of 101.7, the highest figure since November 2018. Both the evaluation of the current situation and the outlook for the coming months contributed to the recovery.

## INDUSTRY

In the first half of 2021, the IT market exhibited two opposite trends. On the one hand, the high demand for IT hardware was unbroken. On the other hand, due to the ongoing problems in the supply chain, the high demand could not always be duly satisfied. The global shortage of chips and semiconductors impaired the availability in the IT market and resulted in long delivery times of up to several months. Thus, it does not come as a surprise that the market research institute IDC calculates a slight decline of 0.8 per cent for PC sales in the business customer segment in Western Europe in the second quarter.

By contrast, the development of the ifo business climate index for IT service providers in the first half of the year was positive. From 21.1 points in January, the index climbed to 45.7 points in June. The month of June thus marked the highest level in the past ten years. In July, however, the index experienced a slight decline to 40.0, as the outlook for the coming months was deemed to be gloomier.

**IFO INDEX FOR IT SERVICE PROVIDERS****OVERALL ASSESSMENT**

In the first half of 2021, the economic performance in Europe continued to be overshadowed by the COVID-19 pandemic, though remarkable signs of recovery started to appear in the second quarter. Accordingly, the declines from the first quarter could be compensated for. The mood indicators have been brightening up since the start of the year.

The IT market appears to have remained unscathed by the temporary macroeconomic weakness. It is, however, suffering from the global shortage of upstream products, especially of chips and semi-conductors. Nevertheless, the mood amongst German IT service providers has also improved steadily since January.

In the market setting described, Bechtle delivered an outstanding performance. Despite the problems mentioned, the revenue growth in the six-month period was more than 10 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. Bechtle again significantly outperformed the market in general and continues to gain additional 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 in line with our expectations for 2021 as a whole. However, the growth figures for the earnings and thus also for the margin exceeded our expectations. In our notification of 26 July, we thus increased the forecast for these two indicators for the year 2021 as a whole.

## EARNINGS POSITION

- Revenue growth 10.4 per cent
- EBT margin very significantly above prior year
- Order backlog 63 per cent above prior year

### 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 2021, incoming orders amounted to approximately €3,192 million, about 21 per cent more than in the prior year (€2,649 million). Incoming orders in the IT System House & Managed Services underwent an increase of about 17 per cent to €2,012 million (prior year: €1,725 million). In the IT E-Commerce segment, incoming orders amounted to €1,180 million (prior year: €924 million), almost 28 per cent more than in the prior year.

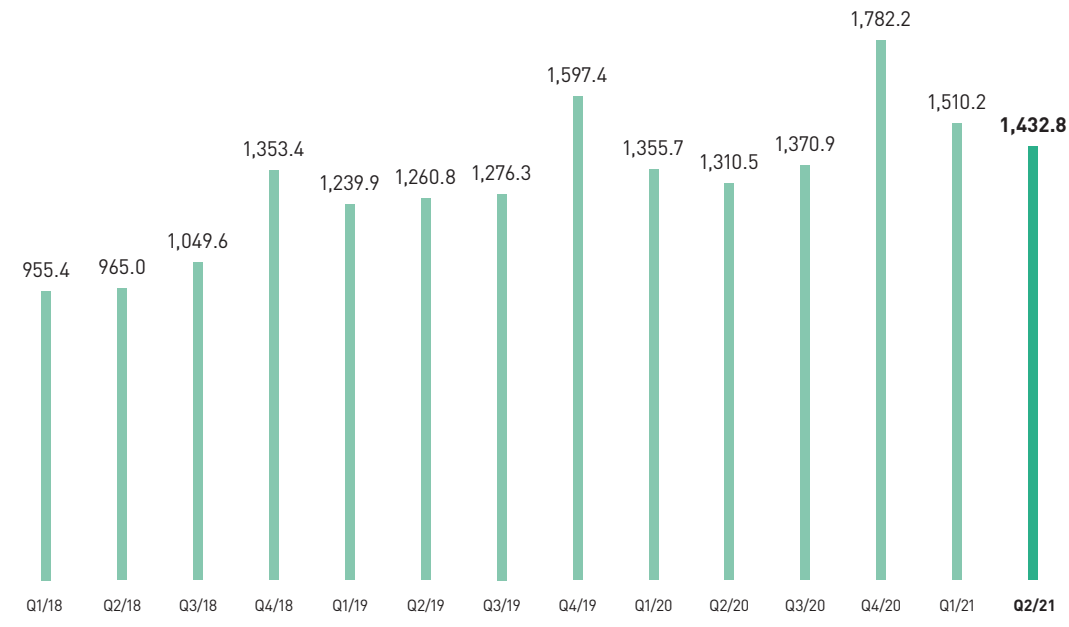
As of 30 June, the order backlog amounted to €1,298 million, a year-on-year increase of 63 per cent (prior year: €796 million). Of this amount, the IT System House & Managed Services segment accounted for €937 million (prior year: €644 million), and the IT E-Commerce segment for €361 million (prior year: €152 million). The disproportionately high growth of this indicator is directly related to the above-mentioned increasing supply shortages.

### REVENUE PERFORMANCE

Despite the COVID-19 pandemic and the supply shortages in the IT market, Bechtle managed to increase its revenue in the first half of 2021 by 10.4 per cent to €2,943.0 million. At 11.4 per cent, the revenue growth in the first quarter was higher than the growth of 9.3 per cent in the second quarter. As regards the purely organic growth, the gap between the 10.4 per cent in the first quarter and the 9.3 per cent in the second quarter was narrower. At 9.8 per cent, Bechtle's organic growth accounted for the major part of the growth in the first half of the year.

## GROUP REVENUE

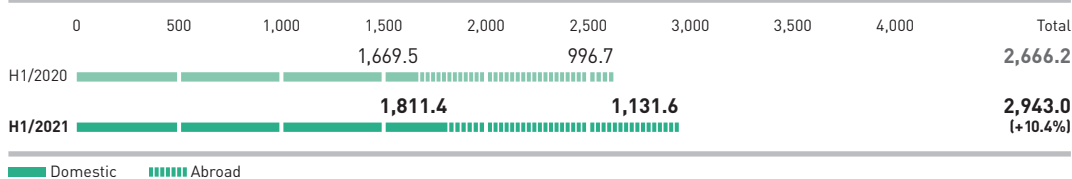
€m



In regional terms, the companies abroad grew more strongly in the first six months at 13.5 per cent than the domestic companies at 8.5 per cent. At 17.7 per cent, the growth rate of the companies abroad was especially high in the second quarter. One of the reasons for this development is the fact that the benchmark figures in the corresponding prior-year period were lower. The purely organic growth rates in the first half of the year amounted to 7.9 per cent in Germany and 13.1 per cent abroad.

## REGIONAL REVENUE DISTRIBUTION

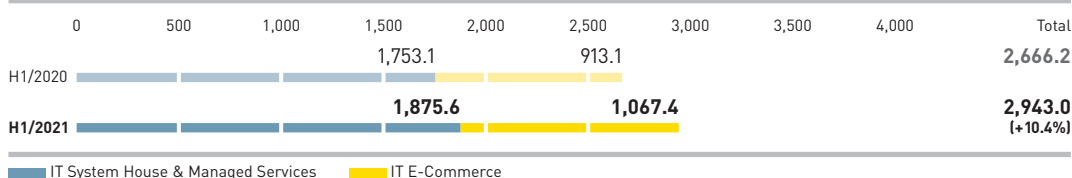
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In the first half of the year, the revenue growth in the IT System House & Managed Services stood at 7.0 per cent. At 6.1 per cent, the revenue growth was largely organic. The revenue went up 7.4 per cent in Germany and 5.0 per cent abroad. In the second quarter, the IT System House & Managed Services segment recorded growth of 1.2 per cent, a result that reflects the strong business development in the corresponding prior-year period.

## REVENUE BY SEGMENTS

€m



In the first six months, the IT E-Commerce segment increased its revenue by 16.9 per cent to €1,067.4 million (prior year: €913.1 million). Following different developments in Germany and abroad in the two quarters, the growth rates for the six-month period were rather close, with 17.3 per cent in Germany and 16.8 per cent abroad. In the second quarter, the companies abroad achieved an especially strong growth rate of 30.3 per cent.

#### REVENUE – GROUP AND SEGMENTS

	H1/2021	H1/2020	Change	Q2/2021	Q2/2020	Change
<b>Group</b>	<b>2,942,995</b>	<b>2,666,190</b>	<b>10.4%</b>	<b>1,432,793</b>	<b>1,310,516</b>	<b>9.3%</b>
Domestic	1,811,388	1,669,497	8.5%	879,846	840,749	4.7%
Abroad	1,131,607	996,693	13.5%	552,947	469,767	17.7%
<b>IT System House &amp; Managed Services</b>	<b>1,875,605</b>	<b>1,753,059</b>	<b>7.0%</b>	<b>904,302</b>	<b>893,943</b>	<b>1.2%</b>
<b>IT E-Commerce</b>	<b>1,067,390</b>	<b>913,131</b>	<b>16.9%</b>	<b>528,491</b>	<b>416,573</b>	<b>26.9%</b>

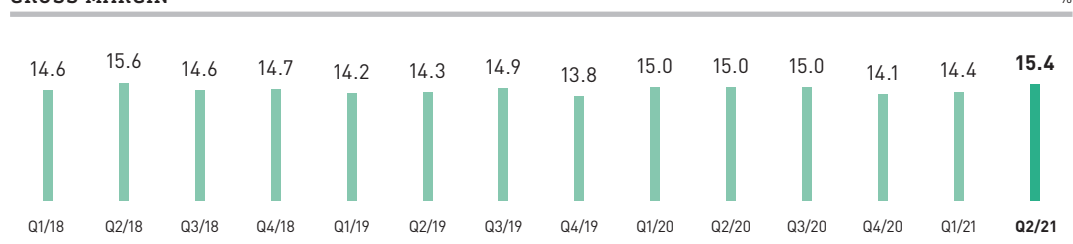
€k

Based on an average of 11,374 full-time and part-time employees, the group's revenue per employee in the first half of the year increased from €245 thousand to €259 thousand. The revenue per employee in the IT System House & Managed Services segment was €209 thousand, compared to €205 thousand in the prior year. The revenue per employee in the IT E-Commerce segment climbed from €390 thousand to €443 thousand.

#### EARNINGS PERFORMANCE

From January to June 2021, the cost of sales increased by 10.6 per cent, a rate slightly higher than that of the revenue growth. At 10.8 per cent, the materials cost posted a slightly above-average increase, as did personnel expenses within the cost of sales at 11.2 per cent. By contrast, other operating expenses underwent a decline of 11.4 per cent. This item benefited from pandemic-related cost savings in the first quarter and from the reversal of part of the impairment of trade receivables, which had been recognised in the 2020 fiscal year in anticipation of potential economic consequences of the COVID-19 pandemic. The gross margin dropped slightly from 15.0 per cent in the prior year to 14.8 per cent in the period under review. Gross earnings amounted to €436.9 million, 9.4 per cent more than in the previous year (€399.4 million). In the second quarter, the gross margin climbed from 15.0 per cent to 15.4 per cent. This was due to the below-average increase in material costs and the said effects in other operating expenses.

#### GROSS MARGIN



%



In the first half of the year, distribution costs and administrative expenses developed differently. At 8.7 per cent, distribution costs increased at a below-average rate to €168.7 million, compared to €155.2 million in the prior year. The ratio receded slightly from 5.8 per cent to 5.7 per cent. Administrative expenses declined by 4.0 per cent from €141.5 million to €135.9 million. Amongst other things, this was due to the partial reversal of the said impairment and the reversal of other minor provisions. Accordingly, the administrative expense ratio went down from 5.3 per cent to 4.6 per cent. Especially owing to higher marketing grants, other operating income totalled €12.5 million, €3.0 million more than in the prior year (€9.5 million).

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 21.5 per cent from €160.1 million to €194.5 million. Consequently, the EBITDA margin was 6.6 per cent (prior year: 6.0 per cent). In the second quarter, the margin underwent a year-on-year increase from 6.4 per cent to 7.5 per cent.

Depreciation and amortisation increased only slightly by 3.9 per cent to €49.8 million. As previously, depreciation of property, plant and equipment – which amounted to €41.8 million in the first half of the year – accounted for the bulk of this figure.

Earnings before interest and taxes (EBIT) went up 29.0 per cent to €144.7 million (prior year: €112.2 million). At 4.9 per cent, the margin was thus significantly higher than in the prior year (4.2 per cent).

Financial earnings amounted to –€2.6 million. The group thus generated earnings before taxes (EBT) of €142.2 million in the first half of 2021, a significant year-on-year increase of 30.3 per cent (prior year: €109.1 million). The EBT margin amounted to 4.8 per cent, compared to 4.1 per cent in the prior year.

#### EBT AND EBT MARGIN

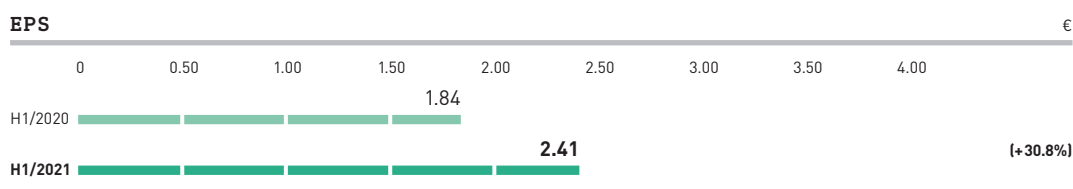
€m and %



In the second quarter, the EBT margin even went up from 4.4 per cent to 5.7 per cent. Even without the one-time effects from the reversal of provisions, the EBT margin would have amounted to an excellent 5.0 per cent.

In the reporting quarters, tax expenses increased by 29.1 per cent to €41.1 million. The tax rate thus amounted to 28.9 per cent, compared to 29.2 per cent in the prior year.

Earnings after taxes improved 30.8 per cent from €77.3 million to €101.1 million. The net margin amounted to 3.4 per cent (prior year: 2.9 per cent). On the basis of 42 million shares, earnings per share (EPS) increased to €2.41 (prior year: €1.84). In the second quarter, EPS amounted to €1.37, a year-on-year increase of 40.8 per cent (prior year: €0.97).



At segment level, the earnings situation was as follows:

In the first half of 2021, EBIT in the IT System House & Managed Services segment increased 30.2 per cent to €94.6 million (prior year: €72.7 million). The EBIT margin increased from 4.1 per cent in the prior year to 5.0 per cent in the period under review. Apart from the said one-time effects, this item was affected by a disproportionately low increase in material costs, due especially to the increased customer demand for services and the high efficiency in the performance of services.

In the six-month period, the IT E-Commerce segment generated EBIT of €50.1 million, 26.9 per cent more than in the prior year (€39.5 million). The margin thus improved from 4.3 per cent to 4.7 per cent. After the second quarter of 2020 in this segment was severely impacted by the Europe-wide pandemic-related restrictions, the companies were able to catch up significantly in the reporting period.

**EBIT – GROUP AND SEGMENTS** €k

	H1/2021	H1/2020	Change	Q2/2021	Q2/2020	Change
<b>Group</b>	<b>144,747</b>	<b>112,167</b>	<b>29.0%</b>	<b>82,613</b>	<b>59,540</b>	<b>38.8%</b>
IT System House & Managed Services	94,617	72,662	30.2%	53,551	40,173	33.3%
IT E-Commerce	50,130	39,505	26.9%	29,062	19,367	50.1%

## ASSETS AND FINANCIAL POSITION

- Balance sheet reflects financial strength
- Equity ratio at 45.9 per cent
- Improved operating and free cash flow again

As of 30 June 2021, the balance sheet total of the Bechtle Group amounted to €2,628.8 million, slightly less than as of 31 December 2020 (€2,687.1 million).

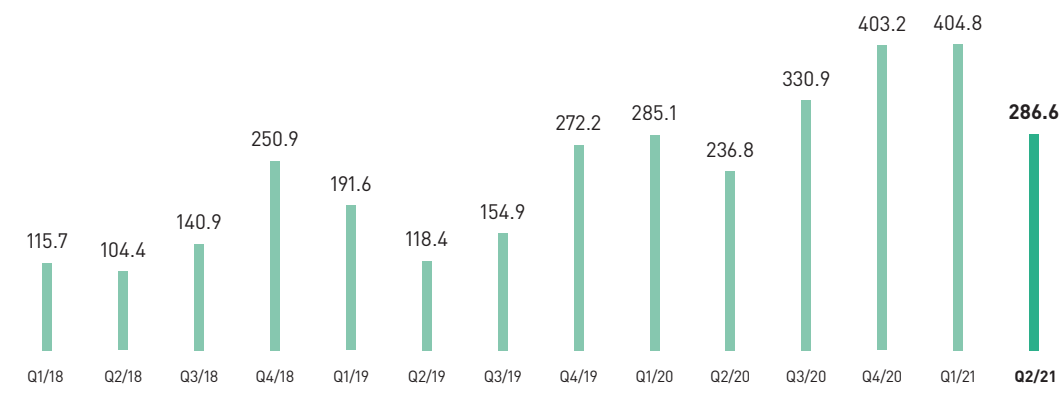
### DEVELOPMENT OF THE ASSETS

Non-current assets underwent merely a slight change and as of the reporting date amounted to €956.3 million, compared to €958.9 million as of 31 December 2020. The capitalisation ratio increased from 35.7 per cent to 36.4 per cent.

Current assets declined by a total of €55.7 million to €1,672.5 million. Inventories increased by 38.0 per cent from €301.7 million to €416.2 million. This was due to the much higher stock levels in order to be able to deliver at least certain product groups for as long as possible. In some cases, even items in stock could not be delivered, as individual products of an overall order were not yet available for delivery. However, trade receivables dropped by €77.0 million to €800.2 million. Year-on-year, our average DSO (days sales outstanding) in the first months of 2021 declined slightly from 41.9 days to 41.8 days. As a result of the dividend payment and premature repayment of non-current financial liabilities, cash and cash equivalents dropped by €136.9 million to €226.3 million. Including free credit lines, Bechtle's total liquidity reserve amounts to €431.5 million.

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

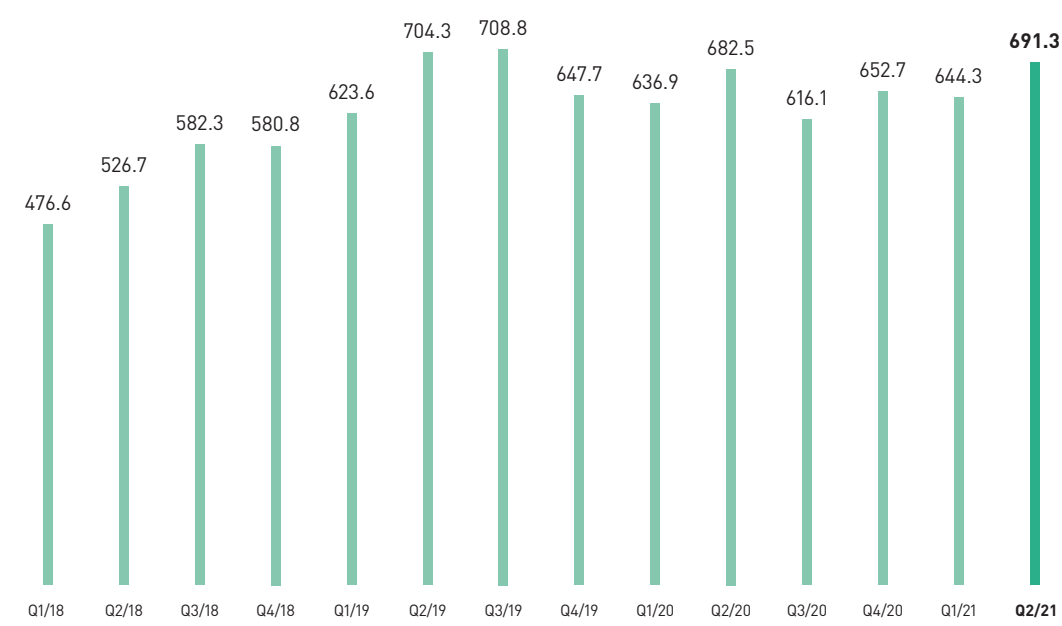
€m



Compared to the end of the year, the working capital increased by 5.9 per cent and amounted to €691.3 million as of the reporting date of 30 June 2021. This was due especially to the above-mentioned build-up of inventories. Year-on-year, the working capital only increased by 1.3 per cent. In relation to the revenue, the working capital thus dropped from 25.6 per cent in the corresponding prior-year period to 23.5 per cent as of 30 June 2021.

#### WORKING CAPITAL

€m



#### DEVELOPMENT OF THE EQUITY AND LIABILITIES

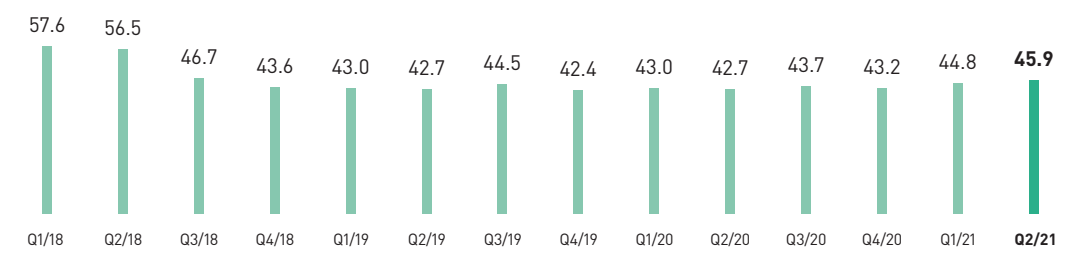
As of 30 June 2021, non-current liabilities amounted to €528.9 million, €70.9 million less than on 31 December 2020. This was due especially to the decline in non-current financial liabilities by €70.7 million to €322.9 million as a result of premature repayments.

Current liabilities dropped €31.5 million to €893.7 million. Other liabilities fell 14.1 per cent to €218.0 million. This was due to the lower liabilities to personnel as a result of the variable compensation components paid out in the first quarter and reduced VAT liabilities.

As of 30 June 2021, equity increased from €1,162.0 million to €1,206.2 million. Our equity ratio increased from 43.2 per cent as of the end of 2020 to 45.9 per cent as of the reporting date.

#### EQUITY RATIO

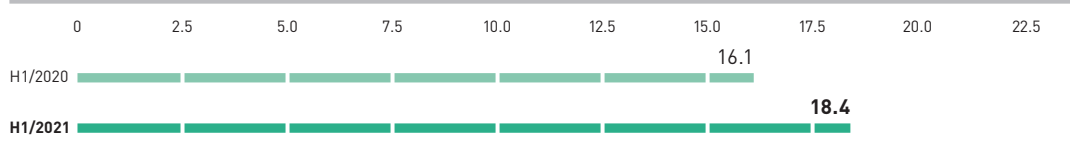
%



The extrapolated return on equity increased from 16.1 per cent as of 30 June 2020 to 18.4 per cent as of the reporting date.

#### RETURN ON EQUITY

%



The equity to non-current assets ratio climbed from 121.2 per cent as of the end of the year to 126.1 per cent. As of the reporting date of 30 June, the group's net debt amounted to €67.3 million, compared to €9.3 million as of the end of last year. The debt ratio was 117.9 per cent, less than as of the end of the 2020 fiscal year (131.2 per cent).

#### KEY BALANCE SHEET FIGURES OF THE BECHTLE GROUP

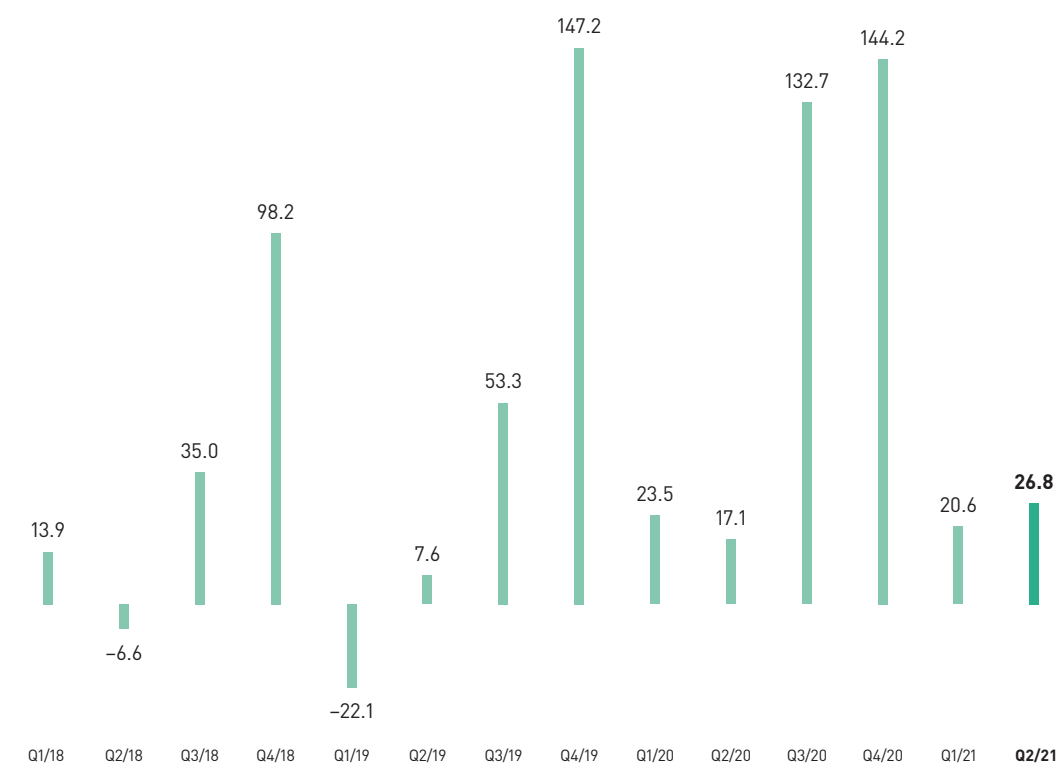
		30.06.2021	31.12.2020
Balance sheet total	€m	2,628.8	2,687.1
Cash and cash equivalents including time deposits and securities	€m	286.6	403.2
Equity	€m	1,206.2	1,162.0
Equity ratio	%	45.9	43.2
Equity to non-current assets ratio	%	126.1	121.2
Net debt	€m	67.3	9.3
Debt ratio	%	117.9	131.2
Working capital	€m	691.3	652.7

## DEVELOPMENT OF THE CASH FLOW

The net cash generated from operating activities in the period from January to June 2021 increased to €47.3 million, from €40.5 million in the corresponding prior-year period. The cash outflow from the build-up of inventories went up by €10.1 million to €115.3 million (prior year: €105.2 million). The cash outflow for the payment of income taxes also increased from €36.3 million to €58.1 million. However, the outflow for trade payables dropped to €0.5 million, compared to €52.1 million in the prior year. In the second quarter, the cash flow from operating activities amounted to €26.8 million, compared to €17.1 million in the prior year.

### CASH FLOW FROM OPERATING ACTIVITIES

€m



The cash flow from investing activities amounted to –€43.8 million, compared to –€111.7 million in the prior year. In the corresponding prior-year period, the outflow had been high, due especially to acquisitions. By contrast, the outflow for the purchase of time deposits and securities went up.

The cash flow from financing activities amounted to –€140.8 million, compared to –€4.8 million in the corresponding prior-year period. The main reasons for this development were the repayment of financial liabilities in the reporting period and the new financial liabilities raised in the prior year.

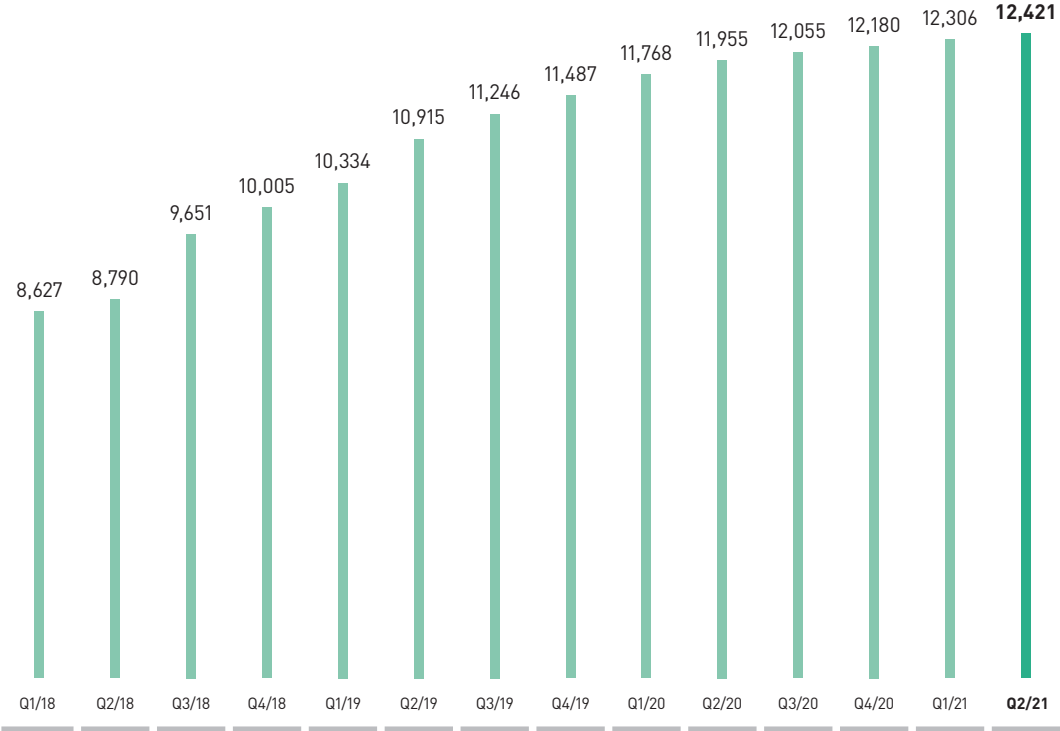
From January to June 2021, the free cash flow improved sharply to €23.3 million, compared to –€31.6 million in the prior year.

# EMPLOYEES

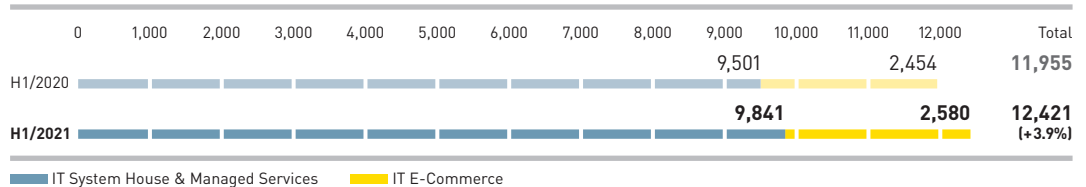
- Headcount up, due especially to new recruitment
- Continued focus on training

As of the reporting date of 30 June 2021, the Bechtle Group had a total of 12,421 employees, including 575 trainees. Compared to 30 June 2020, the headcount thus went up by 466, an increase of 3.9 per cent. The increase in the number of employees is largely the result of new recruitment.

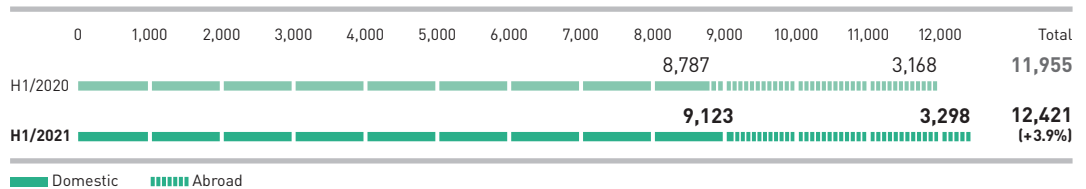
**EMPLOYEES IN THE GROUP**



Year-on-year, the number of employees in the IT System House & Managed Services segment went up by 3.6 per cent. With an increase of 7.4 per cent, the headcount growth abroad was higher than in Germany. The IT E-Commerce segment recorded an overall headcount increase of 5.1 per cent, with a higher increase of 14.6 per cent in Germany than abroad.

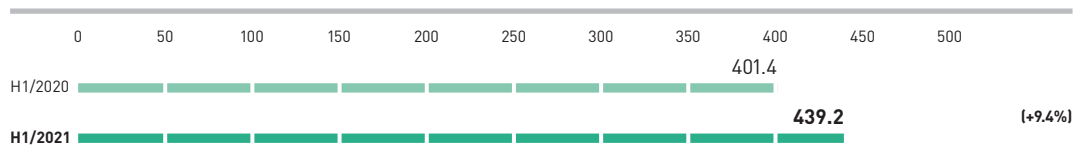
**EMPLOYEES BY SEGMENTS**

As of 30 June 2021, a total of 3,298 persons – more than one quarter of the workforce – were employed abroad.

**EMPLOYEES BY REGIONS**

From January to June 2021, the average number of employees in the group amounted to 12,321, some 496 employees more than in the corresponding prior-year period, an increase of 4.2 per cent.

In the period from January to June 2021, personnel and social expenses totalled €439.2 million, 9.4 per cent more than in the corresponding prior-year period (€401.4 million). The expense ratio declined slightly from 15.1 per cent to 14.9 per cent. In the first six months of the year, the personnel and social expenses per full-time and part-time employee amounted to €38.6 thousand (prior year: €36.9 thousand), based on an average of 11,374 employees (prior year: 10,886 employees).

**PERSONNEL AND SOCIAL EXPENSES**

The COVID-19 pandemic continued to create major challenges for the HR work. Due to the introduction of mandatory home office work in April, about 90 per cent of Bechtle's workforce again worked from their homes. Work on-site was only possible in strict compliance with the statutory SARS-COV-2 occupational safety regulations. The logistics personnel who were unable to work from their homes were subject to special protective measures.



[bechtle.com/de-en/career](https://bechtle.com/de-en/career)

As previously, all recruiting events were held in a virtual setting. Bechtle made use of this method in various ways, e.g. in the form of regular live talks in which people were able to get more information about Bechtle as a training company. As in the previous year, the Girls' Day was also held as a virtual event. Bechtle also participated in externally organised trade shows and events such as the nationwide career coaching event meet.ME for female university students and graduates from the field of MINT.



Since the training and semester start in autumn, we have hired 227 new trainees and students on integrated degree programmes. As of 30 June 2021, Bechtle had 575 young trainees and students on integrated degree programmes, 79 fewer than at the same time in the prior year. The reason for the decline was the extension of the training contracts into the third quarter of 2020 due to the pandemic.

In May, Bechtle received the “Best Recruiter” label for the seventh year in a row, reaching the first place in the sector. In the overall ranking, Bechtle achieved 10th place, an excellent result. The rising number of applicants demonstrates that Bechtle is perceived as an attractive employer.

With its extensive portfolio of seminars, webinars and e-learning courses, Bechtle regularly invests in the ongoing training of its employees. The subjects range from presentation methods and project management to product training. In the first six months of the current fiscal year, the Bechtle Academy did not hold any classroom events. Instead, 301 webinars were offered and attended by a total of 3,830 colleagues. Throughout the COVID-19 pandemic, e-learning courses have proved to be very successful. In the first half of 2021, this internal training offering was made use of 38,667 times. The regularly offered trainee programme for graduates and career changers was successfully completed by 20 participants, and 20 new trainees started in the first half of 2021.

The Junior Management Programme and the General Management Programme are an integral part of Bechtle’s overall training programme. One of the objectives of both programmes 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 2021, the Junior Management Programme welcomed 40 participants, and the General Management Programme 11.

## 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 for 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 revenue.

## OPPORTUNITIES AND RISKS

  
See  
Annual Report 2020,  
page 82 ff

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 2020. The COVID-19 pandemic is still omnipresent. It remains to be seen how it will continue to develop and affect people's life and business. As there is still a lot of uncertainty with regard to the short and medium-term business performance, especially medium-sized companies – which represent Bechtle's core customer segment – might hold back from some investment decisions. However, the revenue generated and the orders received by Bechtle indicate that at least IT investments remain at the top of customers' to-do lists.

In the first half of the year, the problems in the supply chain became more obvious and severe. On the global IT market, there is currently a shortage of vital upstream products. The supply shortages of semiconductors, chips and displays is set to continue in the coming months and into 2022. This impacts virtually all IT products. Accordingly, Bechtle is faced with the risk of not being able to promptly translate incoming orders into revenue as usual. In most cases, however, this merely shifts the revenue to subsequent quarters. Thus, we assume that this risk will only impact the company's earnings position to a limited extent.

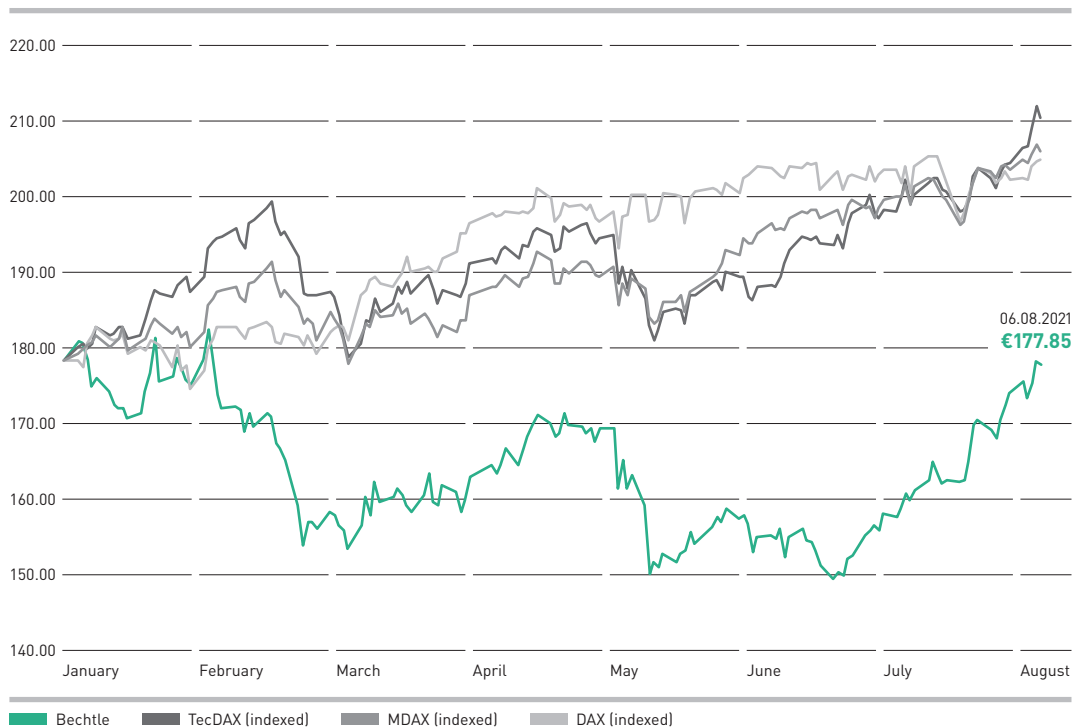
On the other hand, this situation also results in opportunities for Bechtle. In times of shortages, availability is the key criterion for a purchase decision. Bechtle maintains excellent relationships with all major IT vendors. Due to these relationships, as well as its size and market power in the European IT market, Bechtle enjoys more privileged access to available products than many of its competitors. Bechtle's financial strength also enables the company to increase its stock levels even at short notice, thereby maintaining the availability of products for customers longer than some competitors. We have done so in the first six months, and we will continue to do so. As a result of this, we see an opportunity to gain new customers and further expand our market share.

## SHARE

- Sector rotation puts technology securities under pressure
- Share split broadly approved
- Dividend climbs to €1.35

In the first half of 2021, the capital market continued to be overshadowed by the COVID-19 pandemic. However, the sinking number of new coronavirus infections, the progress made in the field of vaccinations as well as the first signs of an economic recovery and the continued low interest rate policy of the central banks contributed to a positive start into the new stock market year. The mood was recently tarnished only slightly by some inflation concerns. Unlike in the prior year, the trend in the period under review mainly benefited cyclical stocks, e.g. of vehicle, plant and mechanical engineering companies and of the chemical and logistics industries. By contrast, many of last year’s winners – especially from the technology industry – suffered price losses. The DAX experienced several record highs and gained some 13.2 per cent in the period from January to the end of June. The MDAX and the TecDAX also performed well, with gains of 10.6 and 10.9 per cent, respectively.

**THE BECHTLE SHARE – PERFORMANCE FROM JANUARY TO AUGUST 2021**



Starting from a high price of €178.40 at the end of 2020, the Bechtle share reached €182.50 – the highest level in the reporting period – in the month of January. In February, the sector rotation put our share under pressure, causing a loss of about 10 per cent. Though the price rebounded and, with just a few minor setbacks, climbed to levels around €170.00 in early May, the share remained volatile and again lost some ground in May. However, a positive trend has become visible since the Annual General Meeting in mid-June. On 30 June 2021, the Bechtle share closed at €156.65, which means a loss of 12.2 per cent in the first half of the year.

On average, 84,534 shares were traded on every trading day from January to June 2021, compared to 156,811 in the corresponding prior-year period. At €13.8 million, the daily turnover was thus significantly lower than in the prior year. Nevertheless, in terms of the stock exchange turnover, Bechtle improved in the June ranking of Deutsche Börse, advancing to 57th place in the MDAX (prior year: 66th) and to 11th place in TecDAX (prior year: 15th). On 30 June, the market cap amounted to €6,579.3 million, a level similar to that of the prior year. With this figure, the company ranked 57th in the MDAX (prior year: 48th) and 10th in the TecDAX (prior year: 8th).

#### TRADING DATA OF THE BECHTLE SHARE

		H1/2021	H1/2020	H1/2019	H1/2018	H1/2017
Closing price on 30 June	€	156.65	157.00	101.00	66.10	56.30
Performance	%	-12.2	+25.4	+48.9	-4.9	+13.8
High (closing price)	€	182.50	158.50	110.60	77.75	58.10
Low (closing price)	€	149.55	85.05	62.30	63.85	46.50
Market cap – total <sup>1</sup>	€m	6,579.3	6,594.0	4,242.0	2,776.2	2,362.5
Avg. turnover/trading day <sup>2</sup>	shares	84,534	156,811	115,453	76,370	28,971
Avg. turnover/trading day <sup>2</sup>	€	13,789,353	20,172,898	10,002,420	5,443,012	2,989,478

Xetra price data

<sup>1</sup> As of 30 June

<sup>2</sup> All German stock exchanges

The Annual General Meeting of Bechtle AG was held on 15 June 2021. Due to the COVID-19 pandemic, the meeting took place in a virtual setting at the headquarters in Neckarsulm, as in the previous year. The shareholders or their proxies were able to watch the Annual General Meeting live via an online portal and exercise their shareholder rights. About 77 per cent of the share capital participated in the voting during the virtual Annual General Meeting. This figure is about the same as when a meeting is held in person. All agenda items were adopted with an overwhelming majority.

For the second time since 2017, the agenda to be voted on included a capital increase from company funds and the issue of free shares, a so-called share split. This means two new no-par shares are issued to the shareholders for every existing no-par share. In this way, both the share capital and the number of shares issued are tripled. At the same time, the stock market price level of the individual Bechtle share drops mathematically, without affecting the real value of the shareholders' investment. The objective is to improve the liquidity of the trading in Bechtle shares, thereby making them more attractive for a wider range of investors. The capital measure approved by the General Meeting was entered in the commercial register as of 29 July and is scheduled to take place on 13 and 16 August 2021.

The General Meeting also accepted the proposal of the Executive Board and Supervisory Board of Bechtle AG to pay out a dividend of €1.35 per share for the 2020 fiscal year. In the prior year, Bechtle AG had paid out a dividend of €1.20. Compared to the prior year, the payment per share certificate thus increased by €0.15. Based on the dividend payment of €56.7 million, 29.4 per cent of the consolidated earnings after taxes were paid out to the shareholders. This was the 15th increase of the normal dividend overall and the 11th in a row. This year too, Bechtle AG has thus held fast to its shareholder-friendly dividend policy, which 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 0.9 per cent.

#### DIVIDEND

		2021	2020	2019
Dividend	€	1.35	1.20	1.00
Dividend payout ratio	%	29.4	29.6	30.6
Dividend yield <sup>1</sup>	%	0.9	0.8	1.0

<sup>1</sup> As of 30 June

## FORECAST



Events after the reporting period, see Notes, page 43

- **Economy picks up**
- **Supply situation in IT market remains tense**
- **Bechtel steps up earnings forecast for 2021**

### MACROECONOMY



ec.europa.eu

According to the forecast of the European Commission of July 2021, the economic performance in the EU will continue to be positive in the coming months. Growth of 2.7 per cent is forecast for the third quarter, and 1.2 per cent for the fourth quarter. Amongst the EU countries in which Bechtel is present, the growth expectations for the third quarter range from 0.1 per cent in Ireland to 3.6 per cent in Germany, the Netherlands and Austria. In the fourth quarter, the growth is to range from 0.1 per cent in Ireland to 2.7 per cent in Spain. Throughout the EU, GDP growth of 4.8 per cent is forecast for the year 2021 as a whole. Next year, the GDP growth in the EU is again expected to achieve a high growth rate of 4.5 per cent.

In Germany, too, the economic growth is expected to recover further in the second half of the year. According to the European Commission, the GDP is expected to grow by 3.6 per cent in the third quarter and by 1.4 per cent in the fourth quarter. The GDP growth is projected to reach 3.6 per cent for 2021 as a whole and an even more dynamic figure of 4.6 per cent in 2022.

### INDUSTRY



eito.com

According to figures of the market research institute EITO of January 2021, the German IT market is expected to grow by 2.8 per cent in the current year. The highest growth of 4.3 per cent is expected in the hardware segment. In this segment, especially demand for mobile devices such as tablets and laptops and for data centre equipment such as servers and storage systems is expected to propel the growth. Service revenue is expected to grow by 1.1 per cent, and software by 4.1 per cent.

In 2021, growth of 2.3 per cent is expected for the French IT market. Hardware sales are projected to grow 3.8 per cent, also driven by a high demand for DC-related infrastructure and a high demand for peripherals. Throughout the EU, 2021 is expected to see IT market growth of 2.0 per cent. Hardware sales are projected to grow by 1.3 per cent, services by 1.4 per cent and software by 3.8 per cent.

## PERFORMANCE OF THE BECHTLE GROUP

The first half of 2021 was still overshadowed by the COVID-19 pandemic. At the same time, the supply chain experienced considerable problems. Due to the high demand for IT products around the globe, shortages arose especially in the field of chips and semiconductors. Many products have become subject to much longer delivery periods. The volume of Bechtle's incoming orders, which normally more or less corresponds to the revenue, is much higher this year. The order backlog, too, has gone up considerably. However, Bechtle AG was able to record very significant revenue growth and even substantial earnings growth. Nevertheless, due to the said problems in the supply chain and the expected shift of revenue to next periods, the company is sticking to its forecast of significant revenue growth in the year as a whole. Against the backdrop of the supply situation, the revenue growth in the reporting quarters and the realisation of further growth in the high one-digit range are, or would be, remarkable achievements. At the operational level, our earnings and margin situation as of the end of the first six months is already above the target corridor of our expectations for 2021 as a whole. The reversal of impairments and provisions in the second quarter has further amplified this development. We are confident that the performance will remain positive in the remaining part of the year. Therefore, the Executive Board has decided to step up the forecast. We now expect a very significant earnings increase of more than 10 per cent and a higher EBT margin than in the prior year.

Overview of the forecast for key indicators of Bechtle AG for the 2021 fiscal year:

	Forecast March 2021	Forecast July 2021
Revenue	Significant growth (5–10%)	Significant growth (high single-digit range)
EBT	Significant growth (5–10%)	Very significant growth (> 10%)
EBT margin	At prior-year level (= 4.7%)	Above prior-year level (> 4.7%)

Apart from this, the forecast for the 2021 fiscal year, as presented in the Annual Report 2020, has not undergone any changes or further specification.

Neckarsulm, 12 August 2021

Bechtle AG  
The Executive Board



See  
Annual Report 2020,  
page 108 ff

## CONSOLIDATED INCOME STATEMENT

€k

	01.04– 30.06.2021	01.04– 30.06.2020	01.01– 30.06.2021	01.01– 30.06.2020
Revenue	1,432,793	1,310,516	2,942,995	2,666,190
Cost of sales	1,212,797	1,114,095	2,506,129	2,266,775
<b>Gross profit</b>	<b>219,996</b>	<b>196,421</b>	<b>436,866</b>	<b>399,415</b>
Distribution costs	82,597	77,525	168,733	155,237
Administrative expenses	61,947	64,105	135,882	141,530
Other operating income	7,161	4,749	12,496	9,519
<b>Earnings before interest and taxes</b>	<b>82,613</b>	<b>59,540</b>	<b>144,747</b>	<b>112,167</b>
Financial income	268	283	844	507
Financial expenses	1,690	1,764	3,412	3,560
<b>Earnings before taxes</b>	<b>81,191</b>	<b>58,059</b>	<b>142,179</b>	<b>109,114</b>
Income taxes	23,758	17,259	41,122	31,846
<b>Earnings after taxes (attributable to shareholders of Bechtle AG)</b>	<b>57,433</b>	<b>40,800</b>	<b>101,057</b>	<b>77,268</b>
<b>Net earnings per share (basic and diluted)</b> in €	<b>1.37</b>	<b>0.97</b>	<b>2.41</b>	<b>1.84</b>
<b>Weighted average shares outstanding (basic and diluted)</b> in thousands	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>



See  
further comments  
in the Notes,  
in particular IV.,  
page 33 ff



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.04– 30.06.2021	01.04– 30.06.2020	01.01– 30.06.2021	01.01– 30.06.2020
<b>Earnings after taxes</b>	<b>57,433</b>	<b>40,800</b>	<b>101,057</b>	<b>77,268</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>				
Actuarial gains and losses on pension provisions	-68	77	117	-1,639
Income tax effects	14	-14	-24	315
<b>Items that will be reclassified to profit or loss in subsequent periods</b>				
Unrealised gains and losses on financial derivatives	-12	-77	234	-123
Income tax effects	-12	7	-102	4
Hedging of net investments in foreign operations	-2,994	1,119	3,033	2,446
Income tax effects	902	-333	-914	-727
Currency translation differences	1,998	-2,093	-2,561	3,189
<b>Other comprehensive income</b>	<b>-182</b>	<b>-1,314</b>	<b>-217</b>	<b>3,465</b>
of which income tax effects	904	-340	-1,040	-408
<b>Total comprehensive income</b> (attributable to shareholders of Bechtle AG)	<b>57,251</b>	<b>39,486</b>	<b>100,840</b>	<b>80,733</b>



See further comments in the Notes, in particular IV. and V., page 33 ff and page 35 f

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	€k		
	30.06.2021	31.12.2020	30.06.2020
<b>Non-current assets</b>			
Goodwill	446,648	448,313	443,671
Other intangible assets	104,321	113,241	120,249
Property, plant and equipment	331,150	327,215	307,697
Trade receivables	55,359	55,903	55,298
Deferred taxes	11,365	6,770	3,640
Other assets	7,424	7,448	7,413
<b>Total non-current assets</b>	<b>956,267</b>	<b>958,890</b>	<b>937,968</b>
<b>Current assets</b>			
Inventories	416,160	301,663	390,224
Trade receivables	800,213	877,173	742,214
Income tax receivables	3,362	2,289	2,237
Other assets	166,167	143,928	139,033
Time deposits and securities	60,311	40,002	40,001
Cash and cash equivalents	226,306	363,171	196,834
<b>Total current assets</b>	<b>1,672,519</b>	<b>1,728,226</b>	<b>1,510,543</b>
<b>Total assets</b>	<b>2,628,786</b>	<b>2,687,116</b>	<b>2,448,511</b>



See  
further comments  
in the Notes,  
in particular V.,  
page 35 ff

<b>EQUITY AND LIABILITIES</b>	€k		
	30.06.2021	31.12.2020	30.06.2020
<b>Equity</b>			
Issued capital	42,000	42,000	42,000
Capital reserves	124,228	124,228	124,228
Retained earnings	1,039,941	995,801	878,947
<b>Total equity</b>	<b>1,206,169</b>	<b>1,162,029</b>	<b>1,045,175</b>
<b>Non-current liabilities</b>			
Pension provisions	32,762	31,022	31,335
Other provisions	11,222	11,055	10,168
Financial liabilities	322,864	393,541	431,290
Trade payables	6,744	6,262	262
Deferred taxes	26,703	26,140	34,199
Other liabilities	103,327	108,590	104,434
Contract liabilities	24,278	20,884	18,690
Deferred income	1,047	2,393	1,326
<b>Total non-current liabilities</b>	<b>528,947</b>	<b>599,887</b>	<b>631,704</b>
<b>Current liabilities</b>			
Other provisions	25,856	22,831	13,513
Financial liabilities	31,093	18,913	25,029
Trade payables	424,839	425,875	356,275
Income tax payables	35,106	45,964	17,979
Other liabilities	218,033	253,921	203,376
Contract liabilities	123,497	130,594	122,076
Deferred income	35,246	27,102	33,384
<b>Total current liabilities</b>	<b>893,670</b>	<b>925,200</b>	<b>771,632</b>
<b>Total equity and liabilities</b>	<b>2,628,786</b>	<b>2,687,116</b>	<b>2,448,511</b>

## 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 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			77,268		77,268	77,268
Other comprehensive income				3,465	3,465	3,465
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>77,268</b>	<b>3,465</b>	<b>80,733</b>	<b>80,733</b>
Equity as of 30 June 2020	42,000	124,228	866,935	12,012	878,947	1,045,175
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
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>101,057</b>	<b>-217</b>	<b>100,840</b>	<b>100,840</b>
Equity as of 30 June 2021	42,000	124,228	1,026,571	13,370	1,039,941	1,206,169



See further comments in the Notes, in particular V., page 35 ff

# CONSOLIDATED CASH FLOW STATEMENT

	€k			
	01.04- 30.06.2021	01.04- 30.06.2020	01.01- 30.06.2021	01.01- 30.06.2020
<b>Operating activities</b>				
<b>Earnings before taxes</b>	<b>81,191</b>	<b>58,059</b>	<b>142,179</b>	<b>109,114</b>
Adjustment for non-cash expenses and income				
Financial earnings	1,422	1,481	2,568	3,053
Depreciation and amortisation of intangible assets and property, plant and equipment	24,934	24,339	49,751	47,897
Gains and losses on disposal of intangible assets and property, plant and equipment	-21	-1	-57	15
Other non-cash expenses and income	-7,284	1,739	4,420	8,114
Changes in net assets				
Changes in inventories	-61,009	-15,320	-115,252	-105,190
Changes in trade receivables	2,731	24,588	79,173	98,408
Changes in trade payables	24,311	-64,973	-456	-52,127
Changes in deferred income	-13,828	-11,092	3,264	8,706
Changes in other net assets	-4,151	17,403 <sup>1</sup>	-60,109	-41,183 <sup>1</sup>
Income taxes paid	-21,525	-19,153	-58,137	-36,281
<b>Cash flow from operating activities</b>	<b>26,771</b>	<b>17,070<sup>1</sup></b>	<b>47,344</b>	<b>40,526<sup>1</sup></b>
<b>Investing activity</b>				
Cash paid for acquisitions less cash acquired	6	-47,224	-285	-49,784
Cash paid for investments in intangible assets and property, plant and equipment	-16,410	-11,307	-26,154	-26,653
Cash received from the sale of intangible assets and property, plant and equipment	1,088	2,099	2,396	4,323
Cash paid for acquisitions of time deposits and securities	0	0	-50,309	-40,001
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	30,000	0	30,000	0
Interest payments received	101	247	584	446
<b>Cash flow from investing activities</b>	<b>14,785</b>	<b>-56,185</b>	<b>-43,768</b>	<b>-111,669</b>
<b>Financing activities</b>				
Cash paid for the repayment of financial liabilities	-60,397	-3,192	-64,609	-6,516
Cash received from the assumption of financial liabilities	308	57,031	6,111	75,160
Dividends paid	-56,700	-50,400	-56,700	-50,400
Interest paid	-786	-777 <sup>1</sup>	-1,522	-1,457 <sup>1</sup>
Outflow for the repayment of finance leases	-12,010	-10,786	-24,082	-21,563
<b>Cash flow from financing activities</b>	<b>-129,585</b>	<b>-8,124<sup>1</sup></b>	<b>-140,802</b>	<b>-4,776<sup>1</sup></b>
Exchange-rate-related changes in cash and cash equivalents	-111	-986	361	556
<b>Changes in cash and cash equivalents</b>	<b>-88,140</b>	<b>-48,225</b>	<b>-136,865</b>	<b>-75,363</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>314,446</b>	<b>245,059</b>	<b>363,171</b>	<b>272,197</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>226,306</b>	<b>196,834</b>	<b>226,306</b>	<b>196,834</b>

<sup>1</sup> Prior year adjusted



See further comments in the Notes, in particular VI., page 37 f

## 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 2021 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 2021 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



efrag.org

For existing and unchanged IFRS, the key principles of accounting and consolidation 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 2020.

In the reporting period, Bechtle adopted the following new and revised standards, which had been published by the IASB/IFRS IC and endorsed by the EU:

Pronouncement	Publication by IASB/IFRS IC
Amendments to IFRS 4 "Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9"	25 June 2020
Amendments IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases – Interest Rate Benchmark Reform – Phase II"	27 August 2020

These amendments have not resulted in any material effects on the consolidated financial statements. The condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the Bechtle Group for the fiscal year 2020.

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. Available information about the prospective economic development have been taken into consideration in the update of the estimates and discretionary decisions. 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 reviewed for impairment by means of annual impairment tests on the basis of the value in use. Based on the assumptions and sensitivity analyses made as of 31 December 2020 as well as the business performance in the first half of 2021, 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 2021.

In the context of the **revenue recognition and the assessment as to whether Bechtle is the principal or agent** when selling standard software licences without customising in the indirect business, the procedure applied as of 31 December 2020 was again applied.

To verify the interpretation of IFRS 15 by Bechtle (and by the entire software reseller industry), Bechtle submitted a request for clarification of the above-mentioned issue to the International Financial Reporting Interpretations Committee (IFRS IC) on 10 May 2021. In particular, it was asked whether in this context, pre-sales consulting is to be regarded as a significant integration service for the customer-specific licensing.

If the IFRS IC were to come to the conclusion that Bechtle acts as an agent in these scenarios, Bechtle would reduce the revenue from the sale of standard software without customising in the indirect business by the cost of the standard software without customising in the indirect business. As the revenue and the cost of sales would be reduced by the same amount, the gross earnings would not change in the consolidated income statement. However, in the event of accounting as an agent, the reduction of the revenue in combination with the same gross earnings would result in a higher EBT margin.

The following table shows the possible result in the case of accounting as an agent:

	€k	
	01.01– 30.06.2021	01.01– 30.06.2020
Revenue from the sale of standard software without customising in indirect business	276,715	246,541
Cost of standard software without customising in indirect business	257,868	228,178
<b>Revenue from the sale of standard software without customising in indirect business less cost of purchased software</b>	<b>18,847</b>	<b>18,363</b>
Revenue according to previous consolidated income statement	2,942,995	2,666,190
Adjusted revenue in the case of accounting as agent	2,685,127	2,438,012
EBT margin according to previous consolidated income statement	4.8 %	4.1 %
Adjusted EBT margin in the case of accounting as agent	5.3 %	4.5 %

The breakdown of the total revenue from the sale of software licences is as follows:

	€k	
	01.01– 30.06.2021	01.01– 30.06.2020
Software including customising	158,688	145,521
Standard software without customising – indirect business	276,715	246,541
Standard software without customising – direct business	2,446	2,605
<b>Total revenue from the sale of software licences</b>	<b>437,849</b>	<b>394,667</b>

### 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.



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

### REVENUE

The revenue amounting to €2,942,995 thousand (prior year: €2,666,190 thousand) includes the considerations charged to customers for goods and services less rebates and discounts.

The following table shows the breakdown of the revenue:

	01.01–30.06.2021			01.01–30.06.2020		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
IT trading revenue	1,398,912	1,054,861	2,453,773	1,330,954	901,435	2,232,389
thereof software	310,229	127,620	437,849	291,979	102,688	394,667
IT service revenue	476,693	12,529	489,222	422,105	11,696	433,801
<b>Total revenue</b>	<b>1,875,605</b>	<b>1,067,390</b>	<b>2,942,995</b>	<b>1,753,059</b>	<b>913,131</b>	<b>2,666,190</b>

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, software, IT services and peripherals. With these product groups, Bechtle generated about 60 per cent of the total revenue (prior year: 58 per cent).

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

	01.01–30.06.2021			01.01–30.06.2020		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
Public-sector clients	786,990	312,658	1,099,649	730,056	254,393	984,449
Commercial buyers	1,088,615	754,732	1,843,346	1,023,003	658,738	1,681,741
<b>Total revenue</b>	<b>1,875,605</b>	<b>1,067,390</b>	<b>2,942,995</b>	<b>1,753,059</b>	<b>913,131</b>	<b>2,666,190</b>

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



See page 40 f

**EXPENSE STRUCTURE**

	€k					
	Cost of sales		Distribution costs		Administrative expenses	
	01.01– 30.06.2021	01.01– 30.06.2020	01.01– 30.06.2021	01.01– 30.06.2020	01.01– 30.06.2021	01.01– 30.06.2020
Material costs	2,255,638	2,036,618	0	0	0	0
Personnel and social expenses	211,490	190,185	137,978	124,866	89,745	86,356
Depreciation/amortisation	21,730	20,481	13,057	10,977	14,964	16,439
Other operating expenses	17,271	19,490	17,698	19,394	31,173	38,736
<b>Total expenses</b>	<b>2,506,129</b>	<b>2,266,774</b>	<b>168,733</b>	<b>155,237</b>	<b>135,882</b>	<b>141,531</b>

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 went down especially due to the lower motor vehicle and travel expenses as a result of the COVID-19 pandemic. Moreover, the corona-related risk provision for the trade receivables was reduced by €1,500 thousand.

The material costs include net income of €1,630 thousand from exchange rate fluctuations (prior year: net expense of €266 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 2021, these amounted to €9,158 thousand (prior year: €6,337 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 include 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- 30.06.2021	01.01- 30.06.2020
Earnings after taxes	€k	101,057	77,268
Average number of outstanding shares		42,000,000	42,000,000
Earnings per share	€	2.41	1.84

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. While the Swiss franc had gained value against the euro in the corresponding prior-year period, the Swiss currency slightly lost value in the first half of 2021.



See page 25

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 Balance Sheet and to the Statement of Changes in Equity".



See Annual Report 2020,  
page 156 ff

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

### ASSETS

The decline in goodwill and other intangible assets is the result of currency translation differences and scheduled amortisation applied in the first half of the year. Cash and cash equivalents declined due to the dividend payout, which was higher than in the fiscal year 2020, and the premature repayment of loans. Moreover, the significant build-up of inventories in order to ensure Bechtle's ability to supply resulted in a reduction of cash and cash equivalents. In the reporting period, further investments were made in current time deposits and securities. As of 30 June 2021, other current assets included contract assets worth €44,565 thousand (31 December 2020: €28,029 thousand).

## EQUITY

### Issued Capital

At the Annual General Meeting on 15 June 2021, a resolution was adopted to increase the capital from the company's own funds. By means of the issue of free shares to the existing shareholders, the share capital will be increased from €42,000,000 to €126,000,000. The pro-rata amount of the individual shares in the share capital is €1.00, as previously. The shareholders are entitled to the new shares at a ratio of 1:2, i.e. two new shares are granted for every existing share. The new shares are entitled to profit from 1 January 2021. On 29 July 2021, the capital increase was entered in the register of companies and became effective.

As was the case on 31 December 2020, the company's share capital as of 30 June 2021 was divided into 42,000,000 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 15 June 2021, a resolution was adopted to pay a dividend of €1.35 per no-par share with dividend entitlement for the fiscal year 2020. The dividend was paid out on 18 June 2021.

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:

	30.06.2021			31.12.2020		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Actuarial gains and losses on pension provisions	-10,339	2,139	-8,200	-10,456	2,163	-8,293
Unrealised gains and losses on hedges	770	111	881	536	213	749
Hedging of net investments in foreign operations	-5,474	1,533	-3,941	-8,507	2,447	-6,060
Currency translation differences	24,630	0	24,630	27,191	0	27,191
<b>Other comprehensive income</b>	<b>9,587</b>	<b>3,783</b>	<b>13,370</b>	<b>8,764</b>	<b>4,823</b>	<b>13,587</b>

€k

€k

	01.01–30.06.2021			01.01–30.06.2020		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>						
Actuarial gains and losses on pension provisions	117	-24	93	-1,639	315	-1,324
<b>Items that will be reclassified to profit or loss in subsequent periods</b>						
Unrealised gains and losses on hedges	234	-102	132	-123	4	-119
Gains and losses that arose in the current period	346	-102	244	-11	4	-7
Reclassifications to profit and loss	-112	0	-112	-112	0	-112
Hedging of net investments in foreign operations	3,033	-914	2,119	2,446	-727	1,719
Gains and losses that arose in the current period	3,033	-914	2,119	2,446	-727	1,719
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	-2,561	0	-2,561	3,189	0	3,189
Other comprehensive income	823	-1,040	-217	3,873	-408	3,465

## LIABILITIES

The slight decline in trade payables was mainly caused by the usual seasonal fluctuations during the year, with a high-revenue final quarter. The main reason for the decline in financial liabilities was the early repayment of two loans. In the reporting period, the restructuring provisions of €2,500 thousand, which is classified as other current provision, was reversed.



For further details of the loans, see Annual Report 2020 page 167

## VI. NOTES TO THE CASH FLOW STATEMENT

The year-on-year increase in the cash flow from operating activities was mainly caused by the earnings increase and the lower cash outflow for the payment of liabilities. This was offset by the increase in inventories and receivables and the change in other net assets.

The cash flow from investing activities was marked by lower outflows for acquisitions and fixed-term deposits in the reporting period.

The cash flow from financing activities was mainly marked by the repayment of financial liabilities in the reporting period. Moreover, the dividend of €57,600 thousand that was paid out for the fiscal year 2020 resulted in an outflow of cash and cash equivalents. The dividend for the fiscal year 2019, which had been paid out in the prior year, had amounted to €50,400 thousand.

## VII. LEASES

As of the closing date, the trade receivables contained finance leasing receivables amounting to €63,846 thousand (31 December 2020: €62,504 thousand). The undiscounted lease payments that are due on a yearly basis are as follows:

	€k	
	30.06.2021	31.12.2020
Due within one year	23,589	22,118
Due in one to two years	20,916	19,330
Due in two to three years	12,877	14,359
Due in three to four years	6,420	6,821
Due in four to five years	1,092	1,022
Due after five years	0	19
<b>Minimum lease payments</b>	<b>64,894</b>	<b>63,669</b>

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

## VIII. FAIR VALUE OF FINANCIAL INSTRUMENTS



See  
Annual Report 2020,  
page 148 ff and page 172 ff

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 2020.

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 30.06.2021	Fair value 30.06.2021	Carrying amount 31.12.2020	Fair value 31.12.2020	Level
<b>Assets</b>						
Non-current trade receivables	AC	14,566	13,621	14,968	14,030	3
Current trade receivables	AC	777,160	777,160	855,604	855,604	2
Non-current lease receivables	n/a	40,793	38,180	40,935	38,398	3
Current lease receivables	n/a	23,053	23,053	21,569	21,569	2
Securities	FVTPL	309	309	0	0	1
Time deposits						
Fixed-term deposits	AC	60,002	60,002	40,002	40,002	2
Other financial assets	AC	100,269	100,269	91,137	91,137	3
Financial derivatives						
Derivatives accounted for as hedges	n/a	218	218	99	99	2
Derivatives not accounted for as hedges	FVTPL	4,593	4,593	630	630	2
Cash and cash equivalents	AC	226,306	226,306	363,171	363,171	1
<b>Equity and liabilities</b>						
Loans	AC	353,957	383,806	412,454	447,205	2
Non-current trade payables	AC	6,744	6,773	6,262	6,469	3
Current trade payables	AC	424,839	424,839	425,875	425,875	2
Non-current lease liabilities	n/a	100,667	101,454	105,551	106,853	3
Current lease liabilities	n/a	41,453	41,453	40,190	40,190	2
Other financial liabilities	AC	124,214	124,214	139,996	139,996	3
Liabilities resulting from acquisitions	FVTPL	3,575	3,575	3,822	3,822	3
Financial derivatives						
Derivatives accounted for as hedges	n/a	624	624	0	0	2
Derivatives not accounted for as hedges	FVTPL	525	525	1,641	1,641	2
<b>Thereof aggregated according to measurement category pursuant to IFRS 9</b>						
	AC	2,088,057	2,116,990	2,349,469	2,383,489	
	FVTPL	9,002	9,002	6,093	6,093	

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.

**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 2020,  
page 173

Liabilities from acquisitions developed as follows:

Financial assets and liabilities in Level 3	Total gains and losses							30.06.2021
	01.01.2021	Included in financial earnings	Included in other comprehen- sive income outside profit or loss	Included in other oper- ating income	Additions	Compen- sation/ settlement	Reclasi- fication	
Liabilities resulting from acquisitions	3,822	39	-11	0	0	-275	0	3,575

The €39 thousand posted as expense under financial earnings were fully attributable to future payments accounted for as of 30 June 2021.

## IX. SEGMENT INFORMATION

The segment information is presented on the basis of the same principles as in the consolidated financial statements for fiscal year 2020.

By segments	01.01-30.06.2021			01.01-30.06.2020		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
	Total segment revenue	1,897,939	1,069,639		1,772,764	916,584
Less intersegment revenue	-22,334	-2,249		-19,705	-3,453	
<b>Revenue</b>	<b>1,875,605</b>	<b>1,067,390</b>	<b>2,942,995</b>	<b>1,753,059</b>	<b>913,131</b>	<b>2,666,190</b>
Depreciation/amortisation	-31,818	-9,998	-41,816	-30,781	-9,376	-40,157
<b>Segment earnings</b>	<b>99,082</b>	<b>53,600</b>	<b>152,682</b>	<b>76,932</b>	<b>42,975</b>	<b>119,907</b>
Depreciation/amortisation from acquisitions	-4,465	-3,470	-7,935	-4,270	-3,470	-7,740
<b>Earnings before interest and taxes</b>	<b>94,617</b>	<b>50,130</b>	<b>144,747</b>	<b>72,662</b>	<b>39,505</b>	<b>112,167</b>
Financial earnings			-2,568			-3,053
<b>Earnings before taxes</b>			<b>142,179</b>			<b>109,114</b>
Income taxes			-41,122			-31,846
<b>Earnings after taxes</b>			<b>101,057</b>			<b>77,268</b>
Investments	36,067	11,267	47,334	53,821	12,153	65,974
Investments through acquisitions	0	0	0	56,975	625	57,600



Segment information  
on employees,  
see page 42



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 25 per cent of the revenue (prior year: 24 per cent).



See chart  
IT service revenue,  
page 33

By regions	01.01-30.06.2021			01.01-30.06.2020		
	Domestic	Abroad	Group	Domestic	Abroad	Group
	Revenue	1,811,388	1,131,607	2,942,995	1,669,497	996,693
Investments	38,912	8,422	47,334	50,775	15,199	65,974
Investments through acquisitions	0	0	0	56,560	1,040	57,600

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

## X. ACQUISITION AND DIVESTMENT

**Acquisition after the reporting date.** The purchase contract for the acquisition of all interests in Cadmes B.V., Netherlands, and Cadmes Systems B.V., Belgium, was signed in August 2021. Founded in 1991 with a focus on Dassault Systèmes SOLIDWORKS 3D CAD software, the specialist reseller currently employs around 100 staff. Cadmes will continue to operate using its established name and brand in its traditional Benelux markets. The purchase price for both companies is €9,450 thousand including net liquidity taken over. The purchase agreement does not provide for any conditional purchase price payments. The closing is still subject to the approval of the manufacturer Dassault Systèmes.

Under the contract dated 1 June 2021, PSB IT-Service GmbH, headquartered in Ober-Mörlen, Germany, was sold effective as of 1 July 2021. The company, which had 84 employees, had belonged to the IT System House & Managed Services segment (cash-generating unit IT System House & Managed Services). The effects on the interim reporting are of minor importance and are not significant.

## XI. PEOPLE AT BECHTLE

The employee numbers were as follows:

	30.06.2021	31.12.2020	01.01- 30.06.2021	01.01- 30.06.2020
Full and part-time staff without absentees	11,517	11,170	11,374	10,886
Trainees without absentees	570	683	619	656
Absent employees	334	327	328	283
Temporary staff	394	371	378	338
<b>Total</b>	<b>12,815</b>	<b>12,551</b>	<b>12,699</b>	<b>12,163</b>

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

	30.06.2021	31.12.2020	01.01- 30.06.2021	01.01- 30.06.2020
<b>IT System House &amp; Managed Services</b>	<b>9,841</b>	<b>9,736</b>	<b>9,781</b>	<b>9,353</b>
Domestic	8,356	8,281	8,315	7,986
Abroad	1,485	1,455	1,466	1,367
<b>IT E-Commerce</b>	<b>2,580</b>	<b>2,444</b>	<b>2,540</b>	<b>2,472</b>
Domestic	767	674	751	678
Abroad	1,813	1,770	1,789	1,794

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

	30.06.2021	31.12.2020	01.01- 30.06.2021	01.01- 30.06.2020
Services	5,860	5,695	5,779	5,617
Sales	3,447	3,362	3,436	3,268
Administration	2,780	2,796	2,778	2,657
<b>Total</b>	<b>12,087</b>	<b>11,853</b>	<b>11,993</b>	<b>11,542</b>

## XII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

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

Neckarsulm, 12 August 2021

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, 12 August 2021

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 2021 (30 JUNE)**

Thursday, 12 August 2021

### **QUARTERLY STATEMENT 3RD QUARTER 2021 (30 SEPTEMBER)**

Thursday, 11 November 2021

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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