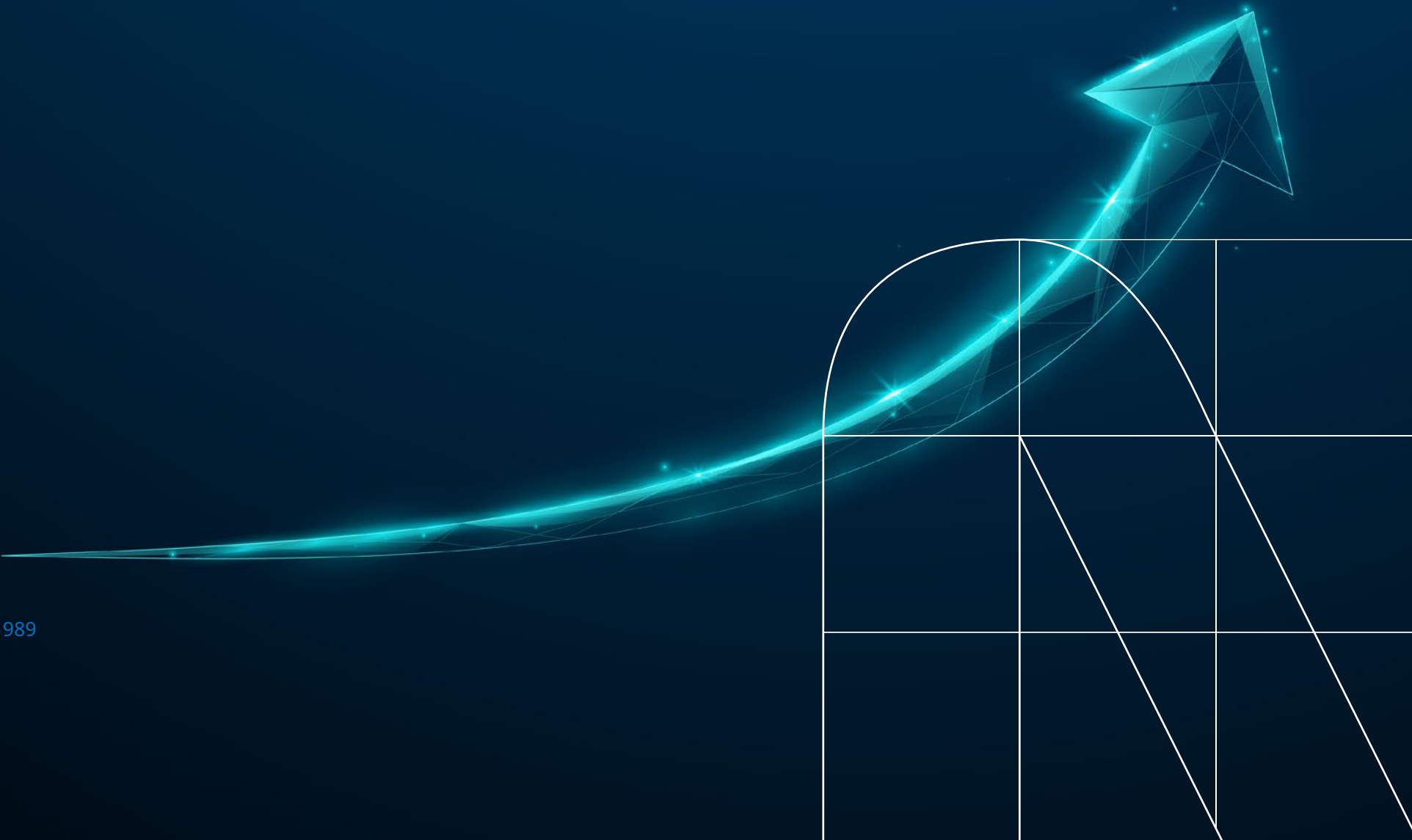


# Ignite Growth

Annual Report 2023/2024

YEARS 

Since 1989





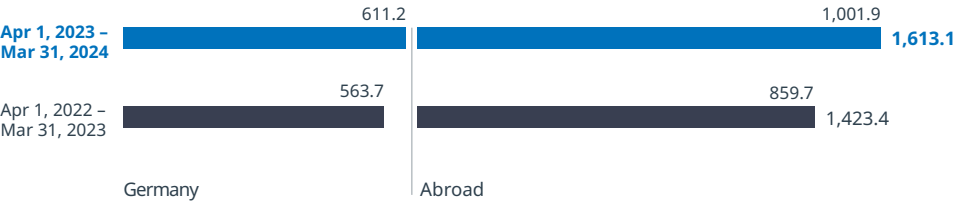
## Key Figures

MEUR	IFRS Apr 1. 2023 – Mar 31. 2024	IFRS Apr 1. 2022 – Mar 31. 2023	IFRS Apr 1. 2021 – Mar 31. 2022	IFRS Apr 1. 2020 – Mar 31. 2021
<b>Orders on hand</b>	<b>1,789.5</b>	<b>1,657.0</b>	<b>1,405.1</b>	<b>1,262.8</b>
<b>Total revenues</b>	<b>1,613.1</b>	<b>1,423.4</b>	<b>1,241.3</b>	<b>1,071.7</b>
<b>Revenues by area</b>				
Consulting	770.3	651.6	554.7	449.6
Licenses	36.7	50.3	65.4	63.8
Cloud Subscription	128.4	90.0	57.3	38.4
Managed Services	674.7	626.1	558	511.4
Other	3.0	5.4	5.9	8.5
<b>Revenues by segment</b>				
DACH (Germany/Austria/Switzerland)	684.3	621.8	541.8	482.9
Western Europe	227.9	192.5	183.9	157.8
North and Eastern Europe (NEE)	316.3	255.3	218.8	188.3
America	275.6	251.4	193.5	149.3
Asia	99.6	95.0	93.0	85.1
Other	9.4	7.4	10.3	8.3
EBIT in MEUR	80.9	85.3	48.3	17.1
EBIT margin	5.0%	6.0%	3.9%	1.6%
EBITA in MEUR	103.4	99.2	63.5	31.0
EBITA margin	6.4%	7.0%	5.1%	2.9%
EBITDA in MEUR	148.1	142.6	107.9	75.5
EBITDA margin	9.2%	10.0%	8.7%	7.0%
Earnings IFRS	38.7	64.7	27.0	2.1
Earnings per share	0.97	1.82	0.64	-0.13
Cashflow per share	-0.38	-0.12	0.67	0.65
Return to sales	2.4%	4.5%	2.2%	0.2%
Cashflow in MEUR	-9.4	-3.6	20.0	19.4
Balance sheet total in MEUR	1,441.3	1,047.9	971.5	905.5
Equity in MEUR	638.7	380.2	322.1	287.6
Equity ratio	44.3%	36.3%	33.3%	31.8%
ROE (Return on equity)	6.1%	17.0%	8.4%	0.7%
ROA (Return on assets)	2.9%	6.2%	3.3%	1.3%
ROCE (Return on capital employed)	4.3%	9.7%	5.3%	2.2%
Investments in MEUR	248.3	58.9	30.5	61.8
Employees as of March 31/December 31	15,283	13,530	12,176	10,601
Average	14,450	12,853	11,445	10,211
– Germany	4,052	3,883	3,570	3,423
– Abroad	11,231	9,647	8,606	7,178



Revenue development

in MEUR



Growth in earnings

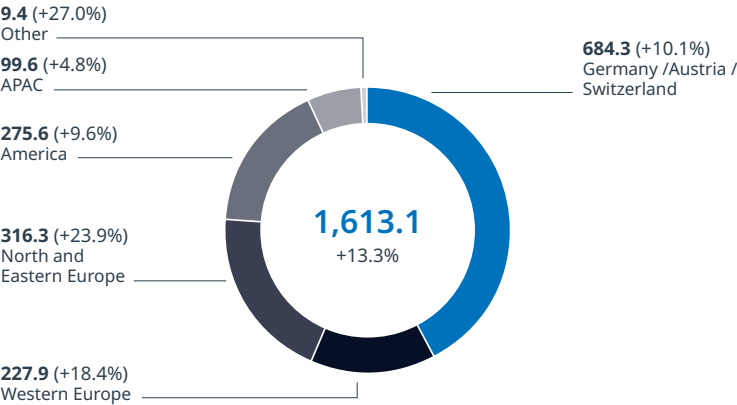
in MEUR



Revenue development by regional segment

in MEUR

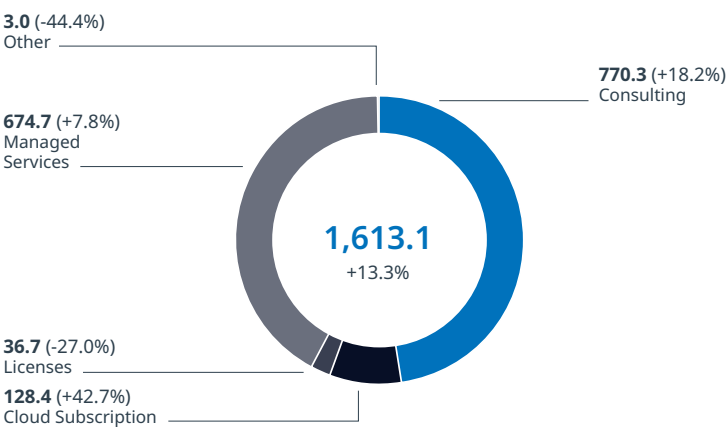
2023/2024



Revenue development by division

in MEUR

2023/2024





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# “The best is yet to come”

Dear readers,

It's been more than eight years since I became CEO of what is now NTT DATA Business Solutions – sufficient reason to take a look back. When I took on the role on July 1, 2016, the company (then known as itelligence) had already matured from a regional consulting firm into an international IT service provider and written an impressive success story.

That said, the rapid growth of the preceding years had taken its toll: Our internal structures and processes had not kept pace with developments. There were too few standards and too many stand-alone solutions. There was also plenty of scope for improvement in terms of profitability.

I was convinced that I had to tackle these challenges head-on even though our results were still ranging from solid to excellent. In an interview for the 2017 Annual Report, I therefore made the following statement: “We decided to take advantage of the good times to lay the groundwork for the future and initiate extensive measures.”

I'm more sure than ever that this was the right course to take. We've come closer together since then and made great strides in terms of standardization, not least thanks to my co-director Jürgen Pürzer (our CFO), who joined us in 2020 at the start of the Covid pandemic and immediately launched important initiatives in challenging circumstances.

“

Together with our management and employees (over 15,300 of them), we have been able to continue on our successful course – growing every year since 2017.





## Record result in time for the 35-year company anniversary

Together with our management and employees (over 15,300 of them), we have been able to continue on our successful course – growing every year since 2017. Our turnover is 1.61 billion euros, and our number of employees has more than doubled. And in time for our 35-year company anniversary this year, we achieved record results yet again (→ page 6). The entire team deserves many thanks and special recognition for this achievement.

“ This positions us well to continue on our growth course in the age of AI and offer our customers even greater added value.

One thing that enabled this success was the rebranding of intelligence as NTT DATA Business Solutions in 2021. This was a little bittersweet, especially for long-time employees like myself.

But over time, it became clear that this decision has brought great opportunities, particularly in attracting customers beyond our European core markets and in the upper mid-market. We are increasingly included in

calls for tender concerning large SAP cloud migration and transformation projects.

Another benefit of being part of the NTT DATA Group involves the field of artificial intelligence (AI): Together, we have considerably more scope for investing and testing. We will benefit from innovations that other companies within the Group have initiated and, conversely, make our AI experiences and developments available to the Group.

## Contract extension: sign of trust and incentive

This positions us well to continue on our growth course in the age of AI and offer our customers even greater added value. And I am thrilled to continue contributing at an executive level; I have been given an early extension to my contract this year.

To me, that represents a sign of trust and an incentive alike. And I realize that, just like eight years ago, we must not be satisfied with past success. Nor can we rely on the tailwind that the IT market is currently supplying. The whirlwind of change will flatten us if we start congratulating ourselves on what we have achieved and become complacent.

We must continue doing our best for every customer. The combination of consistent customer orientation, team spirit, and a strong corporate culture has been and still is the basis of our success. Our employees remain our greatest asset, since they understand com-

plex situations, take advantage of their leeway to act, and take responsibility for delivering optimal service.

Beyond our efficiency, innovation, and sustainability initiatives, this is the foundation of our success that needs to be sustained and strengthened. And that is what the management team and I stand for. Together, we will work hard on writing the next chapter of our success story. I am certain, the best is yet to come. ■

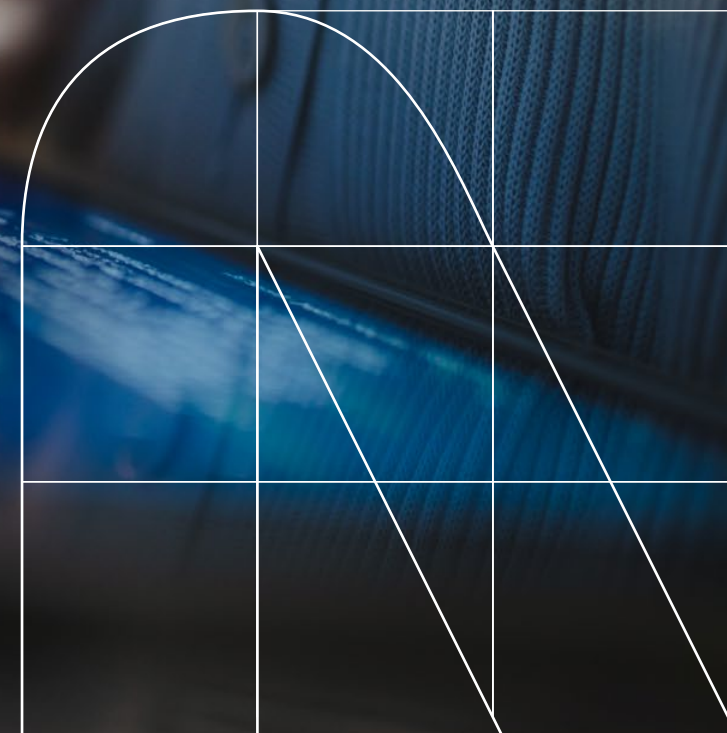
Norbert Rotter



Interview with the Management Board

# “AI raises us to a new level”

NTT DATA Business Solutions is once again looking back on a record year. What went well, what points to further growth, and what it will take to form even closer bonds: a conversation with CEO Norbert Rotter, CFO Jürgen Pürzer, and the new CEO of NTT DATA Inc., Abhijit Dubey.







**Mr. Rotter, you have been CEO for over eight years now – it's high time for an interim review. How would you describe your term in office so far?**

**Norbert Rotter (NR):** It's been intense and exciting. We've developed even closer bonds within the NTT DATA Group since 2016 and have matured into an internationally leading IT service provider – and that also applies to our structures and processes. In doing so, we've set the course for further growth. And the figures prove it: Last fiscal year, we continued the previous year's strong results, once again exceeding average market growth and achieving a record result for the company's 35-year anniversary. This shows that our customers, who now number over 5000, continue to put their faith in us in connection with the transformation.

**Turnover rose to 1.61 billion euros. Earnings before taxes, interest, and amortization (EBITA) exceeded 100 million euros for the first time. How satisfied is the CFO?**

**Jürgen Pürzer (JP):** You can see me beaming; I'm very satisfied. The last fiscal year has been the best in our company's history. We achieved a record figure not only for turnover but also in terms of EBITA: On an adjusted basis (meaning, excluding the significantly increased management fees to the parent company and exceptionally high acquisition and integration costs) it came to 118.8 million euros. This equals an adjusted EBITA margin of 7.4 percent, which means we exceeded the previous year's figure of 7.0 percent. All







**Abhijit Dubey**  
CEO NTT DATA Inc.

in all, we succeeded in overcompensating for the negative effects of high energy prices and inflation.

**Mr. Dubey, on June 6 you took on the role of CEO of NTT DATA Inc., which now combines the entire global business outside of Japan. Are you satisfied as well?**

**Abhijit Dubey (AD):** Yes. I would like to offer my congratulations to Norbert Rotter, Jürgen Pürzer, and the entire NTT DATA Business Solutions team. The growth in turnover and the improvements in profitability show that the company is well placed to catch the tailwind we are currently enjoying thanks to cloud migration and digital transformation.

#### **1,200 new customers thanks to Sapphire Systems**

**Mr. Rotter, before we take a look ahead, what were the highlights of last fiscal year for you?**

**NR:** We've seen our international business thrive: in the UK, the USA, Brazil, and Indonesia, for example. We achieved around two-thirds of our growth outside our home market. That being said, we still managed to grow by just over 10 percent in the German-speaking region – in my mind, a respectable result in an environment that was unconducive to growth. Of course, the further highlights also include our two acquisitions.

**“The company is well placed to catch the tailwind we are currently enjoying thanks to cloud migration and digital transformation.**

**Abhijit Dubey**  
CEO NTT DATA Inc.

**You bought two innovative software firms: the Brazilian company Conexos and the British company Sapphire. What do you expect from these takeovers?**

**NR:** Conexos is a leading software provider for trading companies, and purchasing it will expand our portfolio in South America: Together, we will provide software that can be integrated seamlessly with SAP and will lighten the workload of our customers in Brazil. By purchasing Sapphire, we gained around 1,200 additional SME customers in the USA and the UK at once and strengthened our position as a leading global SAP partner for the SME sector.

**JP:** That's right. Acquiring Sapphire has enabled us to strengthen our business in two key markets and build a strong foundation for establishing and developing



our new strategic growth area of ServiceNow around the world. This is because Sapphire has not only SAP know-how but also strong ServiceNow expertise.

**AD:** ServiceNow products are applications that provide useful additions to SAP solutions, giving our customers added value. So I consider the implementation of ServiceNow software a great opportunity and an important area for growth.

### Progress made in standardization and shoring

**Mr. Pürzer, since you took up your post four and a half years ago, you have been committed to standardization. How are things going in this area?**

**JP:** I'm pleased to say we've continued to make good progress. As a case in point, I would like to mention the standardization of our data center security in Germany, Poland, Malaysia, the USA, and Denmark. We now use uniform products (such as TrendMicro) for this purpose, replacing isolated solutions. We've gone live with our cloud-based ERP system in Denmark, Norway, Sweden, Finland, Bulgaria, and Serbia. And more countries will follow. We've made great strides with standardization, but we haven't reached the end by any means.

**How is the expansion of nearshoring and offshoring going?**

**JP:** We've made excellent progress in India and Bulgaria. Both locations remain in operation, with plans to increase staffing levels. And we expect our go-to-market

units in Europe to expand shoring significantly, based on defined rules and with concrete targets for the next few years.

**AD:** From the perspective of NTT DATA Inc., I would like to stress that intelligent shoring strategies are a must. IT service providers who operate internationally must have a presence in countries with a large pool of skilled IT workers and minimal costs. India is attractive due to its large talent pool.

**Let's take a look ahead. How much longer will the company be able to benefit from cloud migration as a growth driver?**

**NR:** Migration projects are transformation projects: During cloud migration, many customers scrutinize their entire IT so they can develop into an Intelligent Enterprise. To us, this means we have the chance to gain further orders. And thanks to the trust placed in us, we can use this opportunity frequently. More and more, we're finding that a successful migration prompts follow-up orders. Our integration into the NTT DATA Group yields further opportunities for growth.

**"We're in the running more and more often"**

**Can you explain briefly what you mean by that?**

**NR:** Thanks to the rebranding and the closer integration, we're now seen as what we are: a global IT consultancy that's in the same league as other major sector players. That boosts our chances, particularly in the upper

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By purchasing Sapphire, we gained around 1,200 additional SME customers in the USA and the UK at once and strengthened our position as a leading global SAP partner for the SME sector.

**Norbert Rotter**  
Chief Executive Officer  
NTT DATA Business Solutions



mid-market. We're more frequently in the running when major projects are involved. This allowed us to win a number of customers last fiscal year where before we would probably not have had much of a chance. It's clear that closer collaboration was the right decision.

**AD:** Norbert is totally right. Scale means relevance, and as NTT DATA Inc., we're among the top five of IT service providers globally. This means we're automatically among the candidates for major projects. We can also offer customers even more added value through our close collaboration. From IT consulting to cloud services to IT security: with us, they get everything from a single source (→ interview with Abhijit Dubey page 14).



### How well is the closer collaboration within the Group working?

**AD:** To be honest, we haven't exhausted the great potential there by any means. But we're on the right track. The number of joint projects rose significantly last year. We're also leveraging synergies in other areas to reduce costs and for other reasons.

**JP:** Indeed. On behalf of NTT DATA Business Solutions, I can say that we're using cost synergies proactively in the Group. For instance, we've moved into the premises of sister companies as subtenants in Paris and Prague as well. Allow me to make a comment on the subject of real estate in this context: The reality of hybrid working allows us to invest in the quality of our office premises while lowering costs due to reduced floor space. Our offices in Cologne and Munich are cases in point.

### "SAP is on the right track"

**Mr. Dubey, you mentioned the new relevance earlier. Where do you see concrete opportunities for NTT DATA Business Solutions in the Group?**

**AD:** The company is the leading SAP specialist within the Group. I see great opportunities for providing SAP services, particularly to NTT DATA customers in the Asia Pacific and MENA regions. Thanks to sister companies, NTT DATA Business Solutions will also be able to win further large companies as customers (in the upper mid-market, for example). However, in asking whether NTT DATA Business Solutions is the right partner, the





“The reality of hybrid working allows us to invest in the quality of our office premises while lowering costs due to reduced floor space. Our offices in Cologne and Munich are cases in point.

**Jürgen Pürzer**

Chief Financial Officer

NTT DATA Business Solutions

customer's size is not the only factor. Another is whether their IT is standardized or customized.

**NR:** I'm also convinced that our SAP expertise is attractive to many companies, particularly since SAP has taken steps to set a new course and improve its products in the last few years. As the only world-famous German tech company, SAP is also making strides in the area of artificial intelligence. So it's paramount that we strengthen and reinforce our position as a leading SAP service provider. And we've recently succeeded impressively in this endeavor. We've far surpassed all our sales targets with SAP products and done better than ever before in terms of the Pinnacle Awards, with which SAP honors outstanding partner performances:

We were the only SAP partner worldwide that won in four categories, and we were finalists in five others.

**You also announced that you would implement more non-SAP applications, whether your own proprietary software or the ServiceNow solutions mentioned earlier. Isn't that contradictory?**

**NR:** Not at all. Both our ServiceNow and the Microsoft-related services are complementary services that our customers value. We use them to enhance the added value offered by the SAP solutions. The SAP Business Technology Platform plays a special role here as the route for third-party providers to deliver their products.

**AD:** That's also the crucial criterion from my perspective, be it our own or third-party software. The aim should be to make SAP applications even more valuable through add-on solutions to enhance the added value for the customer. That way, third-party software or our own software solutions can act as accelerators of what we already do. I see great potential in this area.

**“Up to 30 percent increase in productivity thanks to AI”**

**How is the development of your own software solutions progressing?**

**JP:** We've made progress in strengthening our own high-margin IP business, although I wish we had gotten further.

**How important are AI technologies in this area?**

**NR:** They are highly significant. Where the transformation is concerned, our customers increasingly go for AI solutions. So we forge ahead in this area and have already made progress, including in-house: All departments are required to use AI applications. We expect this to increase productivity by 20 to 30 percent over the next two to three years. It will let us compensate for additional costs arising in connection with ESG regulations (for sustainability reporting, for example). AI will take the entire company to a new level.

**JP:** I couldn't agree more. In my area of responsibility, leveraging efficiency reserves through increased use of AI is a key topic.

**AD:** Incidentally, this is where you can see a further benefit of the NTT DATA Group: Different companies within the Group (including our parent company in Japan) are currently developing and testing promising technologies from which their sister companies and subsidiaries will be able to benefit as well. When it comes to AI, we're stronger together.

**NR:** I totally agree. Large, well-funded, international enterprises have a big advantage where AI is concerned. One more reason for us to be part of a strong Group.





## The overriding goal: one group, one team

**Let's look ahead to the coming months and years. Record-breaking results have a downside: they're hard to surpass. What goals have you announced for the current fiscal year?**

**NR:** The signs point to continued growth. We've done our homework and will capitalize on the tailwind produced by the digital transformation.

**JP:** We're expecting up to a six percent turnover growth on a comparable basis in the current business year. Regarding the EBITA margin, we're aiming for more than seven percent, based on additional increasing revenues. To realize this, we're continuing with a global cost and efficiency program, shifting our focus from numerous individual measures to fewer (but large-scale) strategic initiatives: implementing ServiceNow IT Operations Management in the Managed Services division or migrating an end-of-life data center in Europe to a co-location site, for example.

**Are you planning further acquisitions this fiscal year?**

**NR:** Of course. We've recently acquired a majority interest in the company ProvenTech in India. "In collaboration with ProvenTech, we will be able to play a leading role in the pharmaceutical industry. They have niche, industry-specific expertise, advanced technical know-how, and an innovative product portfolio. This acquisition will accelerate our growth in India. At the same time, it's in line with our strategy to continue

our successful expansion in our core industry of pharma/life science.

**Mr. Dubey, what are your expectations for the next few years?**

**AD:** Two indicators are particularly significant for us: growth in turnover and the EBITA margin. Over the medium term, we aim for the average percentage growth in turnover over the last two fiscal years plus the EBITA margin to reach a value of 25 or more. And NTT DATA Business Solutions can achieve much more.

“

If we succeed in bringing people with so many different experiences, skills, and traditions even closer together and strengthening the team spirit, we will achieve all our goals.

**Abhijit Dubey**  
CEO NTT DATA Inc.

**And what's important besides the figures?**

**AD:** We want to evolve into one group and one team. If we succeed in bringing people with so many different

experiences, skills, and traditions even closer together and strengthening the team spirit, we will achieve all our goals.

**NR:** I totally agree. We've gained important experience over the last few years and learned how to bring different companies and people closer together. One central insight: A corporate culture built on respect, esteem, and freedom of action for each individual is attractive to employees and really helps them grow together. I'm confident that we will mature as NTT DATA over the next few years and become one powerful unit and one team.

**Thank you all for taking the time to talk to us. ■**



# 35 YEARS of making a difference

1989 → Founded as S&P Consult by Herbert Vogel and Wolfgang Schmidt in Bielefeld, Germany ★

1992 → Opening of first own premises

1992 → 25 employees 👤

1997 → 165 employees 👤

1999 → Start of initial public offering

2000 → Renamed itelligence, construction of new headquarters in Bielefeld

2001 → Revenue exceeds MEUR 100 💶

2003 → Achievement of SAP Global Partner Service status

2007 → itelligence becomes part of NTT DATA Group

2008 → Norbert Rotter becomes new CFO and initiates M&A activities 👤

2015 → itelligence becomes SAP Platinum Partner Hosting of first itelligence World

2016 → Herbert Vogel, company founder, retires and Norbert Rotter becomes new CEO 👤

★ 2024 → Founding of parent company NTT DATA, Inc. NTT DATA Business Solutions wins 4 SAP Pinnacle Awards, more than any other SAP Partner

👤 2023 → 15,000 employees

2023 → First certification as a Top Employer in several countries 1 year later, certification as a Global Top Employer

2021 → Transformation from itelligence to NTT DATA Business Solutions, start of international Transformation NOW! event series

👤 2020 → 10,000 employees

👤 2020 → Jürgen Pürzer becomes CFO

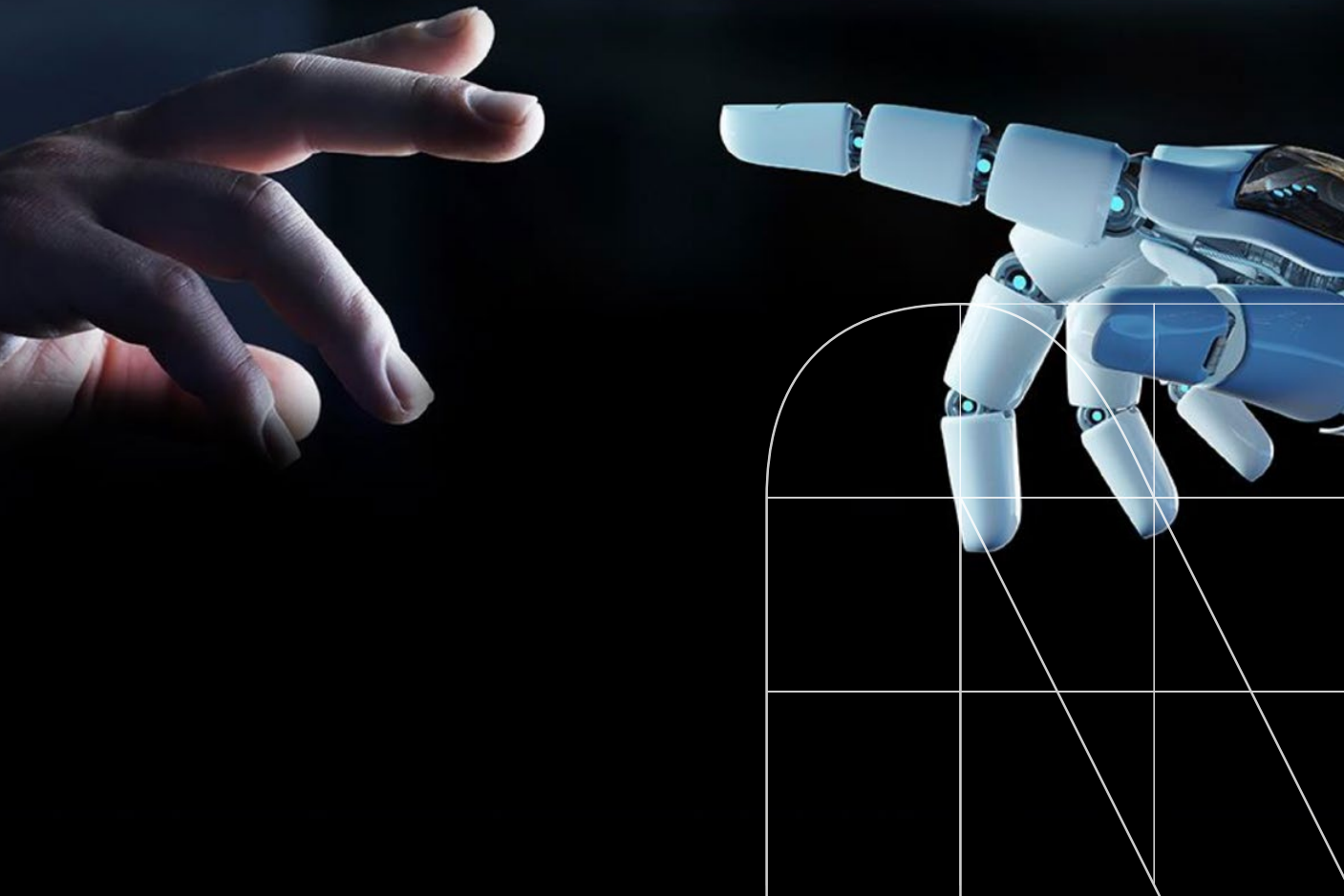
💶 2019 → Revenue exceeds BEUR 1

👤 2016 → 5,000 employees



NTT DATA Inc.

# “Scale brings relevance”



Around two years ago, NTT and NTT DATA consolidated their business outside Japan into NTT DATA Inc. We asked the new CEO, Abhijit Dubey, what opportunities the consolidation entails and what he aims to achieve over the coming years.



**Abhijit Dubey**, CEO NTT DATA Inc., joined NTT Ltd. in April 2021 as Global Chief Executive Officer. He previously worked for the global consulting firm McKinsey and Company for more than 20 years, including as Senior Partner and Head of the Global Tech, Media & Telecom (TMT) Practice. He has been the CEO of NTT DATA Inc. since June 2024.

**Mr. Abhijit, following a swift rise through the ranks at McKinsey and more than three years in charge of NTT Ltd., you were appointed as the CEO of NTT DATA Inc. on June 1. What are your plans?**

We are well positioned to catch the tailwind provided by the global digital transformation. Consequently, accelerating growth must be our shared objective. We have already begun making important changes and launching initiatives in order to achieve this. I also believe it is especially important for us to evolve into one group and one team. This is our biggest opportunity and biggest challenge at the same time.

## Why?

Within our combined network, we have employees with a wide range of different experiences, skills, and traditions. This diversity is a great strength – and the more pronounced our team spirit and sense of togetherness become, the more effectively we will be able to take advantage of it.

## What business opportunities does the consolidation offer?

First and foremost: scale brings relevance. As NTT DATA Inc., we are one of the world's top five IT service providers. This makes us an automatic candidate for many projects and orders. That is a big advantage for every company in the group. By working together, we can also offer our customers considerably more in the way of value added.

## "We can scale innovation"

## Can you explain that in more detail?

As a group, we have a broad product range, from IT infrastructure to cloud services to data security. This means we can offer everything from a single source, even when it comes to complex transformation projects. Last year, there were already considerably more projects involving several different companies from the group. That is something we intend to and will expand.





### Does closer cooperation also mean lower costs?

Yes. We can reduce redundancies in our portfolio and leverage synergies, e.g. by shared use of office space.

### Investment in artificial intelligence is a key issue for the future. What measures are you aiming to initiate in this area?

Our big advantage is that we can scale innovations. The NTT DATA Group companies are currently developing and testing various innovative AI technologies that will benefit fellow subsidiaries in the near future. Working together means we can not only invest more, but also try out more things.

### Can you find enough specialists and talented individuals to develop and implement AI solutions?

The skills shortage is an obstacle in many regions, and not just when it comes to AI, which is why shoring models are already extremely relevant. Attractiveness as an employer is another important factor, and the group offers advantages in this respect, too. Together, we can offer greater mobility and additional career opportunities for managers and top talents in particular. ■



**Taku Kawaai**  
Executive Vice President  
Global Collaboration & Sales  
NTT DATA Business Solutions

**“We are increasingly being recognized”**

### How is NTT DATA Business Solutions benefiting from being part of the group?

**Taku Kawaai:** Since the company changed name, we have noticed that we are increasingly being recognized as a global player in the upper mid-market segment and outside our European core markets as well. This means we are more frequently on the radar when it comes to large-scale orders and complex projects.

We are also benefiting from our fellow regional units introducing us to their customers. After all, our combination of SAP expertise, a consulting mindset, and industrial know-how is attractive for many NTT DATA customers – and represents our USP within the group.

**“In other words, combining our strengths is exactly the right answer to the fundamental changes affecting the market.”**

Conversely, we are increasingly involving NTT DATA Inc.'s other units with special expertise in migration and transformation projects when it comes to areas such as IT infrastructure and data security. In this way, we are strengthening each other within the same group while simultaneously offering our customers even more in the way of adding value.

In other words, combining our strengths is exactly the right answer to the fundamental changes affecting the market. As companies evolve into data-centered intelligent enterprises, they no longer need narrowly focused service providers, but broadly positioned companions who can think outside the box and see the bigger picture.



Innovation and own IP assets

# Boosters for successful consulting

**I**T consulting is definitely a people business. However, people skills alone are no longer enough to succeed in global projects. This requires innovation as well as own intellectual property (IP) assets and industry competency to be able to significantly increase the value of consulting for the customer and hold one's own value in the market. Nicolaj Vang Jessen comments on what he believes are the essential features of a good consulting strategy and its implementation.





As with everything else, the IT consulting business has been affected by the digital transformation. “20 years ago, you could usually conclude lucrative contracts when you contacted a customer as an SAP consultant,” Chief Consulting Officer Nicolaj Vang Jessen recalls about the early days of his career. But the IT consulting market has matured since then – and is highly competitive. After all, many more IT organizations now know which services they need and where to source them. “Consultants must therefore specialize to a much greater extent in terms of their know-how and keep it more up-to-date than just a few years ago.”

There have also been fundamental changes in another area: A previously regional customer base is now global. In Germany, for instance, SMEs account for 97 percent of all exporters today. “They increasingly expect us to deliver global expertise and support,” reports Vang Jessen, who is responsible for Global Innovation and Industry Consulting. NTT DATA Business Solutions has responded to the global expansion over the last few years: The company now has offices in over 30 countries, in part due to close to 40 international acquisitions.

### Innovative solutions enrich consulting

Vang Jessen also realized early on that innovative IT solutions and own IP assets not only help significantly increase consulting value for the customer, but are also increasingly sought after by customers. Companies’ requirements for their IT solutions vary and can often not be fulfilled with a standard portfolio. This particularly applies to industry-specific requirements that

cannot be met by customizing standard solutions. Added to this is the fact that these requirements are realized differently from one company to the next. This means that there is a mismatch between the solution the customer needs and the existing solutions from the major software companies.

In view of this, NTT DATA Business Solutions took the decision several years ago to create a department for streamlining its asset portfolio and scaling software



**Nicolaj Vang Jessen**, Chief Consulting Officer, is responsible for “Global Innovation & Industry Consulting” and the Nordic and Eastern European countries (NEE region). He was a co-founder and CEO of 2C change, a company that was acquired by NTT DATA Business Solutions more than a decade ago.

tools globally. Over the next few years, a global innovation approach also came to the fore. This development prompted closer collaboration between Global Innovation, Product Development and Consulting. To generate synergies, these units were amalgamated under the leadership of Vang Jessen in 2020. “Combining the functions has created a structured approach and enabled us to drive innovation in the product development team.”



“Consultants must therefore specialize to a much greater extent in terms of their know-how and keep it more up-to-date than just a few years ago.”

#### The Spare Parts Identifier

One example of the conversion of a local innovation into a global product is the Spare Parts Identifier. It may sound simple, but it is packed with artificial intelligence. “We worked with an industrial client to develop software that can identify machine parts,” reports Nicolaj Vang Jessen. How it works in practice: a broken machine component is photographed on a cellphone and identified using artificial intelligence. The system then checks whether a spare is available in the warehouse or needs to be ordered. “Our software has sped up the customer’s process from an average of four hours to just 20 minutes.”

#### Think locally, act globally

While the lean organizational unit takes a global perspective – delivering global and standardized solutions and services – it works closely with the regional and local units. This makes it possible to keep regional idiosyncrasies and the customer in view. Vang Jessen: “People buy from people they know, and a shared cultural background enhances trust.” To cut off the roots to grow is therefore one of the greatest dangers in his opinion. Regional links, and therefore proximity to the customer, help engender ideas – and that is how innovation comes about. “That’s why we must continue to speak our customer’s language.”

#### Synergies increase efficiency

Our own IP assets, which originated from initial ideas, innovations and customer cases, also include artificial intelligence (AI) – enhancing both our consultants’ productivity and our customer offerings. “With proven methods and roadmaps that lead into the future, we are relieving the consultants of the burden of having to reinvent the wheel over and over again.” One way of providing this support is through our Centers of Excellence, where the focus is on strategic industries. After all, not all national subsidiaries are able to build the necessary resources themselves. “In such cases, we integrate the local experts in a global Center of Excellence to provide customers with the best possible support.”

Asset-based consulting with customer-centric solutions is also necessary to take the new normal with regard to IT infrastructure into account: “Due to the transition into the cloud, we have to change our outlook and become more focused on outcome, rather than cling to traditional consulting and thereby expose ourselves to strong margin pressure,” Vang Jessen demands. This is where the topic of shoring, which has seen numerous different approaches being developed, influenced by the regional margins, comes into play. “We take on costs and risks, and the national subsidiaries can make use of it as and when required – with us acting as a sort of internal provider.”

“Combining the functions has created a structured approach and enabled us to drive innovation in the product development team.”





## Conversion factory for SAP S/4HANA

One example of the large scaling potential of innovations in IT consulting is the change to SAP S/4HANA. To facilitate the transition for as many companies as possible, NTT DATA Business Solutions has established a “conversion factory” in India with support from Germany and other locations. Vang Jessen: “This allows us to pave the way to SAP S/4HANA for customers and to assist them all the way to a successful outcome – at a fixed price with a clearly defined scope.” More than 200 customers have already made use of this service, and a lot more are expected between now and 2027. The particularly interesting thing is that the offer is not restricted to mid-market companies: Mitsubishi Electric, a global corporation, recently also successfully made the switch.

## Advisory services – on the path to partnership

The transition to SAP S/4HANA is changing IT organizations’ relationships with their consultants, and joint projects can lead to partnerships developing over time. The software assets are key to realizing new potential, Vang Jessen reports. “We are currently experiencing a global trend, moving from process consulting to what is known as advisory services.” The latter provide a long-term set-up and continuous support to the customer by offering solutions for constantly changing challenges. “The deeper purpose of our innovations is to support customers on their entire transformation journey, as well as during subsequent phases, and to identify their actual needs in the process.” Vang Jessen

explains that by intensively investigating the customers’ challenges and demonstrating long-term commitment, you remain a relevant partner in their eyes.

IT consulting is a business where human strengths matter. And, according to Vang Jessen, that will remain the case. “But with the appropriate innovations in the toolbox, it can become a successful global people business.” ■

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The deeper purpose of our innovations is to support customers on their entire transformation journey, as well as during subsequent phases, and to identify their actual needs in the process.

## Global Innovation & Industry Consulting (GIIC)

The GIIC organization investigates and solves a broad range of challenges through global services relating to consulting, software assets and industries. The aim is to develop solutions, offerings and conditions to support local units and further their growth. One driver is increasing customer globalization and the resulting change from a regional perspective to globally operating IT organizations.

In its work, GIIC pays attention to defining cross-regional standards and ensuring that customers receive our services and solutions, no matter which country they are in. The service packages comprise standardizable and repeatable consulting activities that achieve the same quality level more efficiently and ensure a

competitive pricing model. In addition, a globally consistent asset branding approach was implemented in fiscal year 2023. This comprises both small boosters and fully developed own IP products, enabling NTT DATA Business Solutions to achieve consistent brand positioning.

According to Nicolaj Vang Jessen, one success factor lies in the fact that local units are not patronized. “They are responsible for their own results, and we don’t pursue a classic top-down approach.” The focus is not on issuing instructions, but on collaborating on an equal footing.



More opportunities for added value

# “Customers expect innovative and holistic support”

Innovation cycles are getting shorter. At the same time, the goal is to make customer relationships more enduring. This is not a paradox: The broad selection on offer, high complexity, and accelerating speed of innovation are constantly creating new opportunities for adding value. This interview with Lars Janitz shows how innovation is changing NTT DATA Business Solutions and how additional business opportunities can be derived from this.

**NTT DATA Business Solutions has two major business areas: Consulting and Managed Services, i.e. advisory services and the enhancement of IT solutions for customers. How is innovation changing these two areas?**

**Lars Janitz:** These fields are growing closer together. It used to be that the customer would choose an IT solution, we would implement it and then run and manage it. Optimization was needed from time to time, which would mean another consulting contract, depending on the situation. But it wasn't steady business, it was more like event-driven cooperation.



**Lars Janitz** is Executive Vice President and is in charge of Global Business & Managed Services. Born in Dresden and an IT graduate, he joined NTT DATA Business Solutions in 2011 when it was still intelligence. Since the start of his career, he has worked intensively in the field of managed cloud services in the SAP landscape and on global transformation issues, predominantly in management positions.



### And how is it today?

That kind of classic approach still exists, but it's getting rarer. Greater choice, higher complexity, shorter innovation cycles, and also demand for uniform platforms in the cloud are key challenges for companies. That's where we come in. The key phrase here is advisory services, which involves working with the customer to define the best possible solution, encompassing industry requirements, platform strategy, and software solutions. This means that Managed Services and Consulting are increasingly working hand-in-hand. That way we strengthen our position as a strategic partner to companies.

### What exactly does that involve?

We start off by sitting down with the customer and discussing their current situation, their framework, and the requirements that derive from those. Then we identify the matching services we have to offer and the respective value added. Customers thus receive advice regarding the selection and planning of the IT landscape at an early stage, which then forms the basis for more intensive joint service engagements.

### Modular services and state-of-the-art payment models are making it easier for customers to change platforms and service providers. How do you handle this risk?

By leveraging the opportunities of technical development. We call it proactive customer success management:

For example, we monitor customers' systems in real time to identify, avoid, or quickly solve potential problems early on. We also offer our customers webinars, providing them with sound insights into innovations and their economic potential as well as the dedicated benefit for their sector and their specific circumstances. This is a basis for jointly making the customer's existing solution even more efficient or stable if necessary. In addition, we have long-term collaborations with technology partners enabling us to offer our customers the best-possible combination of technology and processes from a single source.

### How do companies and their IT departments feel about a closer partnership?

The technology ecosystem today is defined by agility, flexibility, and faster innovation, and the pressure on IT departments is growing all the time. That's why customers increasingly expect us to provide proactive and holistic services – and because they are often no longer able to individually manage a separate provider or supplier for every task. Thanks to our growth in recent years and the networking with our affiliates in the NTT DATA Group, we can satisfy their requirements – and not just in Germany, but on a global scale.

### Does focusing on SAP place limitations on that?

We stand by our SAP strategy in principle, and the customer's IT should be fundamentally focused on SAP as well. But there's far more potential in today's ecosystem than before: Because we're thinking and working



in a much more modular fashion, the opportunities that we can offer customers are expanding all the time. In addition, the trend towards streamlined and dynamic projects opens up far more opportunities to generate new business.

### **NTT DATA Business Solutions is increasingly relying on proprietary software and other strategic partners. Why is that?**

Until around five years ago, you could have defined our strategy as “SAP only”. We have since opened up, for example to the Microsoft Azure platform or the ServiceNow ecosystem. Once again, this is because it is what customers expect from us. But the solutions still always have to fit with the SAP world, because that’s at the core of what we do. In addition, SAP has streamlined its portfolio in connection with its clean core strategy and further honed its focus. This gives partners even more opportunity to enhance the benefit of the overall solution for customers with add-ons, which are frequently tailored to a specific industry, and value-added services. SAP’s Business Technology Platform (BTP) provides the integrative foundation. With our specialist expertise, for instance in life sciences, pharma, the manufacturing industry, or consumer products, we can offer significant added value.

### **To what extent does GenAI (generative artificial intelligence) play a role in the development and management of new solutions?**

GenAI is central for us, in both our portfolio for customers and our internal processes. Let me give you an

example: Within our managed cloud services, we receive around 100,000 alerts per month. However, only a fraction of those are really relevant and, above all, critical. GenAI helps with the automatic pre-assessment of alerts so that customer service employees can focus on the actual challenges. That has a positive effect on the quality, and also the cost efficiency, of our services.

### **And how does GenAI improve products and solutions for customers?**

Here’s another example: As you know, more and more companies are having to produce sustainability reports. Compiling all the information is a huge effort: The data tends to be put together manually. So, working with SAP, we’ve developed a GenAI tool that helps to produce sustainability reports. Data is automatically aggregated, checked, and made available – which significantly reduces the workload for sustainability managers and employees. That’s just one example of the many things that GenAI can do.

### **How do you decide which of the ideas should be taken up and developed into finished solutions?**

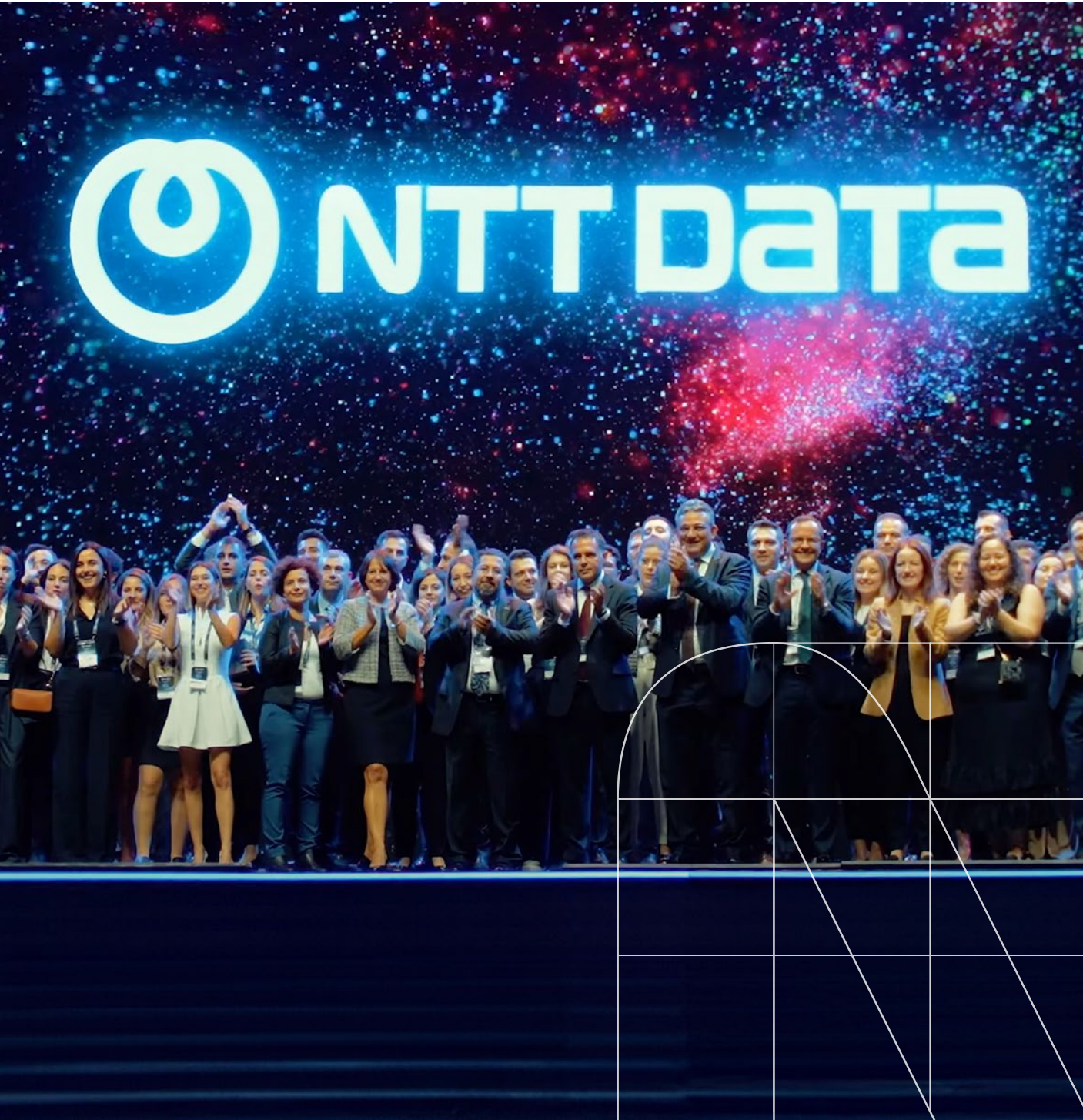
By striking a balance between top-down and bottom-up. For instance, we sound out which innovative solutions are being worked on at our local branches, which incidentally is often done in collaboration with local customers. At the same time, we monitor developments on the global stage. In addition, we’ve set up our Innovation and Portfolio Management separately to allow a creative approach to developing new innovations without pressure from hard performance

indicators as in the case of portfolio management. What’s just as important is that new developments and expertise that enter the company by way of acquisitions have to find their way to the customers of the group as a whole. And this has to happen wherever they can add value. Both aspects are part of the exciting and challenging mandate of the global divisions that Nicolaj Vang Jessen and I are in charge of.

### **How do the two of you coordinate things?**

It’s crucial to have a constant, bidirectional dialog between global and local units. For example, we provide enablement sessions on new subjects with our staff from Sales and Presales at country level, we have internal websites, and we define points of contact for the respective issues. We have also established business advisory boards for the individual service segments, in which we listen very closely to feedback from representatives from the local units. What helps us with customers is that we no longer have to turn up on site all the time, as digital meetings are becoming more common. This allows us to scale our competences far better across national borders. And it shows that the latest innovations are leading to as much progress for us as for customer organizations. ■





Turkey & MENA success story

# Why people matter to Dr. Bahri Daniş

**N**TT DATA Business Solutions is experiencing remarkable growth in Turkey, the Middle East, and North Africa. One of the key drivers behind this success is Dr. Bahri Daniş. His recipe for success: Engage with everyone.



No question about it, NTT DATA Business Solutions is a high-tech company. But that doesn't mean that sales is about reeling off technical specifications or eloquently praising the software backbone.

Dr. Bahri Daniş has perfected this insight: "The first step is always to speak with management, marketing, product and sales teams, and procurement at the customer's. Only after these discussions do we delve into the technical aspects like technologies, platforms, and applications." At this point, the IT organizations gets involved.

**“We hold in-depth debates and discussions primarily about their most important goal: making business processes better with IT.”**

Isn't that a bit surprising for a technology company? Not really, says Daniş, NTT DATA Business Solutions' CEO for the regions of Turkey, the Middle East, and North Africa. When it comes down to it, an IT service provider should always be interested in learning about and understanding the individual customer's problems and needs. "We hold in-depth debates and discussions primarily about their most important goal: making business processes better with IT." The question of

technology is the final step when it comes to deciding on how best to implement the defined goals.

### On track for growth

His approach is backed up by the success he has achieved. During his twelve years in charge, the company's workforce in Turkey has grown from 120 to more than 2,500 today – a factor of 21. Under the leadership of Dr. Bahri Daniş, this incredible growth is a testament to the hard work and dedication of the entire team. Two years ago, the manager also took over control of the business in the United Arab Emirates. "We doubled our revenue there in each of the first two years." Now he's going for third round in Qatar, where he has also recently assumed leadership. "We are also realizing projects throughout the entire MENA region, including Kuwait, Oman, and Saudi Arabia, and we recently signed our first contract in Bahrain."

The prospects for continued progress are good. "There is huge growth potential for professional IT solutions in the region," says Daniş. Not least because NTT DATA Business Solutions' business model is unique in his estimation. "Acquiring and implementing SAP or Microsoft technology is not the problem for companies in the region," the CEO explains. "The challenge lies in the need for process expertise and the ability to integrate technology effectively into business processes." NTT DATA Business Solutions excels in this area, thanks to our extensive experience with numerous customers and projects. "Our dedicated team has played a crucial role in this growth to date and will remain amongst the strongest success factors in the future as well."

#### Dr. Bahri Daniş

CEO NTT DATA Business Solutions  
Turkey and MENA





**Dr. Bahri Daniş** is the CEO responsible for the regions of Turkey, Middle East and North Africa at NTT DATA Business Solutions. Daniş joined the company following the acquisition of the Turkish SAP consultant Elsys in 2012. Appointed as itelligence MENA Sales and Professional Services General Manager in 2014, Daniş became CEO of itelligence Türkiye and MENA in September 2016. Dr. Daniş has continued in the role of CEO at NTT DATA Business Solutions Türkiye and MENA since April 1, 2021.

“

Our dedicated team has played a crucial role in this growth to date and will remain amongst the strongest success factors in the future as well.

### Process knowledge is key

Daniş firmly believes that this process expertise, and not the technology alone, is the essence of NTT DATA Business Solutions' business model. After all, technology alone is increasingly becoming a standardized commodity. He offers an example: As it stands, the process still involves going to the customer, writing down their demands, returning to the company and discussing the requirements with developers, whose work is then extensively tested. But Daniş believes that many tasks, especially simpler ones, will be handled differently in the future. "That's why we ourselves are currently developing a GenAI-supported virtual consultant to do this kind of work." But the specialist expertise, the process know-how, a deep understanding of the market, providing solutions to major challenges, "all of that will still be the domain of real consultants in the long term."

### Cultivating talent

But how can this knowledge be established and retained within the company? This is why Turkey has had the "One Talent recruitment program" since 2016. The program aims to make graduates aware of the company and to retain existing employees. And it has proven extremely successful in both respects: "Around 6,000 university graduates apply to us every year," says Daniş, "and we hire the best 200."

Also, around 97 percent of all new hires are still with the company years later. And cooperation programs with partners such as universities ensure that students

become aware of NTT DATA Business Solutions as an attractive employer at an early stage. "People will always be the crucial factor," Dr. Daniş concludes. "Firstly because of the customers' requirements, and secondly because of the expertise that we possess." ■

“ People will always be the crucial factor. Firstly because of the customers' requirements, and secondly because of the expertise that we possess.





## IGNITE 2034

# An encouraging look into the future



**T**hought leaders from different fields investigate the question as to what the world will look like in 2034. Among these are SAP founder Dietmar Hopp and Abhijit Dubey, Global CEO of NTT DATA Inc.

Tech entrepreneur, polar explorer, Nobel Prize winner: In the book "Ignite 2034," published by our CEO Norbert Rotter this year, 32 top experts have their say, focusing on highly diverse areas of interest. They all consider the question of what changes the world will undergo in the next ten years. The result is a look into the future without resorting to a crystal ball. While elsewhere opinions are based on conjecture, premonitions, or pure guesswork, the Ignite 2034 prognoses rely on the latest scientific findings, years of entrepreneurial experience, and deep insights into future technologies.





Click here to order the book →  
<https://nttdata-solutions.com/de/ignite-2034/>

The book gives readers first-hand accounts of how the climate crisis, artificial intelligence, and other mega trends will change our cities, our jobs, and our lives. A particularly welcome aspect: Instead of fueling pessimism or disseminating apocalyptic scenarios, the authors have encouraging messages. This applies especially to Abhijit Dubey and Dietmar Hopp.

“Is electronics as we know it finished?”

In his contribution, Dubey, the new Global CEO of NTT DATA Inc. (→ Interviews page 6 and page 14), examines one of the most exciting technological developments of this millennium. “We believe,” Dubey writes, “that electronics will be replaced by a new approach: photonics.”

He explains that if data were transmitted by light instead of electrons it would provide a huge boost to

digitalization and climate protection. The reason is that photons are “much faster and their propagation requires less energy.” That makes the technology “the ideal solution for high-speed transmissions with low power consumption.”

Dubey goes on to say that photonics reduces energy demand “drastically” and is therefore “a crucial sustainability factor.” The NTT Group is consequently driving an initiative called IOWN (Innovative Optical and Wireless Network), a communication and computer infrastructure based on photonic technology.

Dubey forecasts that this will enable “data processing in volumes 125 times larger than those in current networks. Added to this is a virtually instantaneous transmission with a latency reduced by a factor of 200 combined with extremely low power consumption, boosting efficiency 100-fold when compared to today.”

“Maybe change even needs some audacity”

The chapter contributed by Dietmar Hopp makes you look forward to the future. “I know from experience that change needs courage, maybe even audacity,” writes the SAP founder. “My own life story gives me cause for hope that we will be able to win the fight against the impending climate catastrophe.” He goes on to say that his professional experience has “taught him to believe in the transformative power of technology.” Hopp forecasts that technological progress will make it possible “to use renewable energies more efficiently and to drastically reduce CO<sub>2</sub> emissions.”

“Solar energy will no longer be a peripheral phenomenon, but become a key source for the energy supply in many countries. Wind farms will stretch across oceans and landscapes, and innovative battery technologies will store excess electricity for times of low yield.”

In addition, Hopp appeals to readers to assume social responsibility. “For private individuals, this starts with careful use of resources, from water to heating energy; for companies, it means thinking and acting sustainably at all levels. I sense that we’re making great strides in this segment.”

In a democratically constituted society, says Hopp, we are very lucky to have a say in what this country of Germany, what the world will look like in 2034. We should seize this great opportunity, become involved, turn into ambassadors and actors for the climate and for the future of the generations to come.” ■





Teamspirit

# “Be humble to listen and brave enough to discuss”

They say that success has many fathers, and it's an adage that holds true not only in top-tier sports, but also at NTT DATA Business Solutions. With more than 15,000 people shaping and driving the company with their own unique personalities, Executive Vice President Global People **Dieter Schoon** highlights some of the strategies used to bring it all together.



From soccer to handball, basketball to curling, winning a title always calls for a real celebration. And no sooner has the applause died down than the analysis begins: What propelled this team to victory? What pivotal moment sealed the win? Who were the stand-out players?

The athletes of today benefit from comprehensive digital evaluation and support, for example through the use of SAP software for the RPE (ratings of perceived exertion) to gauge their overall condition or tools like SAP Penalty Insights. In this way, many success analyses begin with what appears to be objective data, with individual stats, training performance, movement patterns, tackling, and lactic acid levels all strategically woven into a game plan designed to beat the opponent.

### Searching for the perfect season

But can we really explain the perfect seasons of Arsenal (2003/04), Juventus (2011/12), or Bayer Leverkusen (2023/24) – without a single defeat between them? Because beyond the hard facts, there must be another explanation that, while not quantifiable, was clearly evident on the pitch. People talk about how it was down to the chemistry between the players or the fantastic team spirit, and, not least, how everyone pulled together. In the end, the general consensus is that these impressive sporting victories would never have been possible without such a strong sense of cohesion within the team.

Team spirit is also aspired to within companies – an intangible essence that not everyone picks up on. It is meant to help the organization to rise to new heights and exceed its objectives. Managing this spirit in a soccer team of eleven players is challenging enough, but it's manageable with the right coaching team. How does this translate to a company with 15,000 or more employees? In this context, it's crucial to align individual strengths, different personalities, and various motivators to ensure everyone is always working toward a common goal.

### Motivation and friendliness

Employees from NTT DATA Business Solutions around the world have varying responses when asked what it is that sets the company apart, yet the most common explanation for its success is the motivating and friendly cooperation that transcends hierarchical structures. Executive Vice President Global People Dieter Schoon drives this point home with an unconventional explanation: "Our employees have concern for the

“It's important to me that we attract individuals who not only listen, but can also express their opinions – and act on them as well.

#### Dieter Schoon

Executive Vice President Global People  
NTT DATA Business Solutions







“When pragmatic, process-oriented, creative individuals work together as they do at NTT DATA Business Solutions, interesting things often happen.

**Hristiyan Tsvetanov**

Service Delivery Manager, Bulgaria

work they do.” And people who are concerned generally strive to make things better – sometimes by going above and beyond what’s expected of their role. “When others start to follow suit,” explains Schoon, “it creates a company culture where people are there for each other, approachable, helpful, and prepared to listen before giving advice or instructions.”

### Walk the talk

Authenticity is one of the cornerstones of our culture; people being “genuine” and true to themselves, underlines Schoon. “It’s important to me that we attract individuals who not only listen, but can also express their opinions – and act on them as well.” And why is that important? “Because our customers appreciate this about us, and because it leads to solutions that truly make a difference,” reveals the HR director. This is why the company never attempts to shield clients from hard truths in favor of simply pushing the next product. “We don’t ever leave customers alone in tough situations either; instead, we work together to find solutions and ensure they feel supported every step of the way.”

People with this type of personality, who are capable of inspiring their teams as future leaders, are few and far between. Essentially, there are only two ways to find them: By seeking them out in the job market or by supporting existing employees on their personal development journey. NTT DATA Business Solutions is committed to both of these options. Whenever new employees come on board, for example, Schoon says,

“The most important reason why I like working here is my line manager who supports me fully.

**Nadia Mazlan**

Global Service Area Manager, Malaysia

“I like NTT DATA Business Solutions’ commitment to supporting women – particularly young women – in the workplace.

**Addie Roth**

Associate Project Manager, USA







“NTT DATA Business Solutions offers many initiatives for recognizing its employees’ accomplishments. That really motivates me.

**Julia Malcharczyk-Kusto**  
Project Manager, Poland



“What I value most in our company is the culture and how approachable the employees are.

**Ariel Hernández**  
Legal Leader, Brazil

“I always tell them how delighted I am that they can now play a part in improving our corporate culture.” This approach by the HR director is meant to make it clear to new hires “that they can and should make a meaningful impact on our company’s future through their unique personalities.”

#### Clarity and respect

This attitude also involves calling a spade a spade. If Schoon expects one thing from old and new employees alike, it’s this: “If you spot an elephant in the room, call it out and don’t skirt around the issue.” Only those who are willing to discuss problems actually contribute to fixing them. Nevertheless, a candid approach like this needs a counterbalance, or else words could hurt or cause offense. This counterbalance is having respect for others. It’s essential to learn how to see people as a whole – not just as employees.

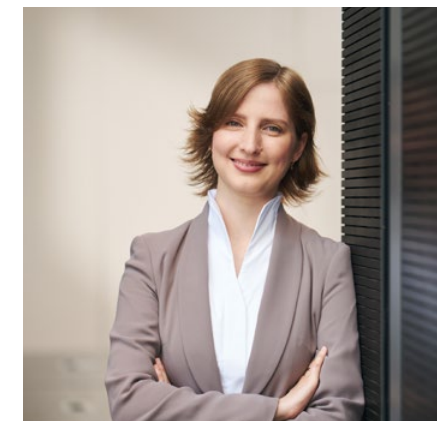
#### Responsibility and appreciation

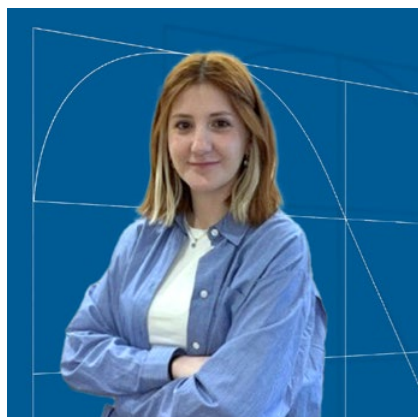
As a good company culture takes root, this process tends to happen organically. Those who have been supported in their work tend to pay it forward, regard-

less of whether there are five or 15,000 team members. Yet respecting your teammates and passing the ball in front of the opponent’s goal isn’t enough. An effective corporate culture also involves taking responsibility: Taking the ball yourself, positioning yourself strategically, daring to take risks – and ultimately being rewarded for success. This includes acknowledging mistakes and celebrating achievements when they come.

“As team leader of an enterprise integration team, I now pass on to others what was imparted to me during the early years. This includes helping people, whether I know them or not.

**Sarah Niemeyer**  
Head of Enterprise Integration, Germany





“It was a great recognition for me to have been involved in the founding of the Microsoft Power Platform team and I appreciate the experience.

**Beril Evliyaoglu**  
Software Developer, Turkey

“I have brilliant team colleagues who are always there when I need their support.

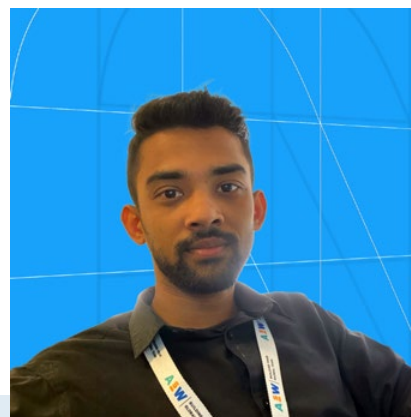
**Darvisan Kumaran**  
Cloud Infrastructure Services Engineer, Malaysia

All employees are employed by  
NTT DATA Business Solutions

Prestigious awards like the Top Employer seal represent a powerful tool for communicating the diverse facets of corporate culture both objectively and effectively. In 2024, NTT DATA Business Solutions achieved global Gold status for the first time, complemented by regional accolades as Top Employer 2024 in 29 countries spanning Europe, Asia-Pacific, Latin America, Middle East & Africa, and North America.

### Is there chemistry?

There's nothing like a face-to-face meeting to truly determine if the chemistry is right for both parties. "That's the whole point of the application process," notes Schoon. It's about identifying people who will be a good match for the company. With Schoon pointing out that the number of applications rose by 42 percent from 2022 to 2023, the appeal of NTT DATA Business Solutions as an employer is undeniable.



And who gets hired in the end? "Naturally, the decision largely comes down to how qualified a person is for the role, and we typically have an expert involved in the interview to judge that," explains Schoon. Beyond that, though, it takes someone who understands the corporate culture – people who can listen and also express their opinions. "Be humble enough to listen and brave enough to discuss," says Schoon, describing a trait he likes to see in applicants. "I'm always pleased when we find people like this, because we know how much our customers appreciate them – and that has been key to our success over the years." ■

“People are at the center here – to me, that's the big difference compared to other companies.

**Kavitha Deshini**  
Senior Consultant, India





**Aileen Rakow**

Head of Global People  
Development, Germany  
NTT DATA Business Solutions

## Quality drives business

Responsibility, appreciation, authenticity, and mutual respect – when an organization cultivates these and other qualities, word gets around both within the company and beyond. It's no surprise that many new employees join NTT DATA Business Solutions through recommendations from current staff.

As Aileen Rakow, Head of Global People Development, says, "I learned about the company through a personal contact who couldn't stop telling me about the fantastic working environment." Despite having little exposure to the IT consulting sector and the SAP ecosystem specifically, Rakow adds, "I was so fascinated by the unique culture and hands-on mentality from the very first moment that I knew I just had to be a part of this company." Today, Rakow leads "a dynamic team of globally active and dedicated talents in Germany, focusing on lifelong learning and the targeted personal and professional development of employees."

So, how do you find people who are open to this kind of personal development? One approach is to turn to headhunters and influencers – for instance, more than half (53 percent) of new hires are specifically targeted beforehand, with additional recruitment through social media platforms such as LinkedIn, TikTok, and Instagram. Alternatively, over 25 percent of new hires come from recommendations by relatives, friends, and even neighbors. It also helps that, in 2024, NTT DATA Business Solutions was the proud

recipient of an award that only 17 organizations worldwide have achieved this year: the Gold Seal of Approval as a Global Top Employer.

**I learned about the company through a personal contact who couldn't stop telling me about the fantastic working environment.**

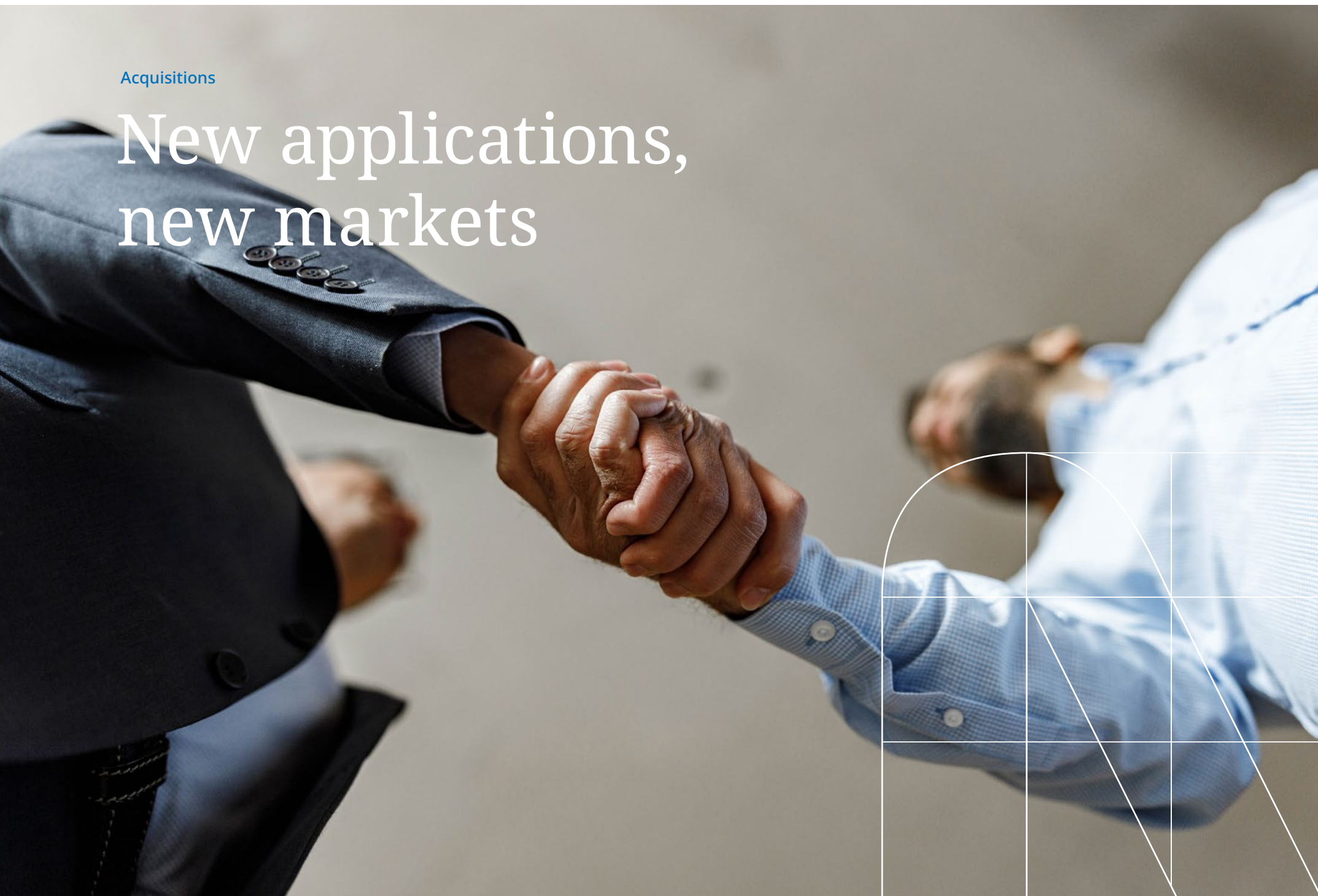
This badge is awarded to companies that offer excellent working conditions, which include structures and processes that allow employees to develop in line with their needs. In four of the six overarching HR categories – Steer, Shape, Attract, Develop, Engage, Unite – NTT DATA Business Solutions outperformed the benchmark from 2,300 companies evaluated worldwide. "There's no denying the sheer amount of effort that went into achieving this award, but it certainly paid off twofold," sums up Dieter Schoon, Chief HR Officer at NTT DATA Business Solutions. "Not only does it give us an effective way to demonstrate to the public that we are a good employer, the evaluation process itself gave us the opportunity to scrutinize our own structures and optimize them where required and possible."





## Acquisitions

# New applications, new markets







"The World is My Oyster"

# Unlocking the Software Markets of the Future

**B**usiness in the United Kingdom and Ireland (UK&I) is changing. The acquisition of Sapphire Systems in late 2023 strengthened two business areas: mid-market business with SAP solutions and the ServiceNow market. In this interview, Justin Brading, Executive Vice President Western Europe and Managing Director UK&I, explains what strategy he is pursuing.





### **Justin Brading**

Executive Vice President Western Europe &  
Managing Director UK&I at NTT DATA  
Business Solutions

**Mr. Brading, Europe is currently experiencing economic uncertainty and various challenges. How did the 2023 fiscal year go in the UK&I region?**

**Justin Brading:** For me personally, the highlight of 2023 was our attractiveness to employees and applicants. Our staff turnover rate was just 6.9 percent, which is remarkably low in relation to the overall organization

and our region. This also boosts our attractiveness to new talent. That's important because the market for ERP skills remains very difficult. We also won an SAP Pinnacle Award in the UK for customer management and were recognized as Cloud Partner of the Year by SAP, and we won a Quality Award for implementation for a customer.

### **How were things financially in 2023?**

Despite the prevailing conditions, we had a record year not only in terms of sales but also the bottom line. Both key figures increased organically by ten percent compared with the previous year, which meant we achieved the "double-digit/double-digit" goal. For me, this is a magical reference value because it forms the basis for sustainable success. In summary, 2023 was a great year for us.

**In fall 2023, you made a major acquisition by buying Sapphire Systems – with many new employees and another market segment, ServiceNow. What was the background to this?**

In the SAP world, there are two big business opportunities for us. Firstly, moving the mid-market to the public cloud, based on Business One and Business ByDesign, for example. This is where Sapphire's roots are, which is why the merger helps us pick up momentum. Secondly, our existing SAP business is based on large organizations and the private cloud. We aren't greedy, but we are pretty ambitious: I'm aiming for us to become number one in both segments.

### **How does ServiceNow fit into the plan?**

It's no secret that SAP's growth dynamic, at around five percent per year, is not as high as it used to be. And there are applications that are complementary to SAP and growing much faster. One of the software standards in the market is ServiceNow, whose average growth has been over 20 percent in the past five years. The platforms complement each other very well, and many of our customers in the enterprise sector use both tools. We therefore see great sales opportunities in the ServiceNow environment, as standalone software and also in combination with SAP.

### **Justin Brading – Executive Vice President for Western Europe and Managing Director for the UK & Ireland**

After various professional positions in the IT industry, Justin Brading entered the SAP world in 1999 as Sales and Marketing Director for Catalyst. In 2008, he was appointed Managing Director of the company, which was renamed Chelford SAP Solutions Ltd. In 2010, NTT DATA Business Solutions AG (then itelligence AG) acquired the company and Brading became Managing Director of the combined business in the UK. Since January 1, 2023, Justin Brading has been part of the global leadership team of NTT DATA Business Solutions and has been responsible for the Western Europe region.



**It brings to mind the saying from Shakespeare: “The world is my oyster.” You just have to open it to find a pearl. How do you plan to go about that?**

Our clear focus is on quickly transferring ServiceNow capabilities from the UK to the entire Group. This involves specialists from the ServiceNow ecosystem joining existing teams for fast scaling. Our attractiveness as an employer helps bring external talent into the organization. We currently have over 700 employees in UK&I and are aiming to expand.

“For our customers, we aim to be a partner who supports them in the strategic part of their application portfolio.”



**Where do you see the first points of contact between the software platforms?**

The background for ServiceNow has been in IT Service and Operation management which automatically complements SAP. These are evolving into business workflows. Here, we see possible opportunities to combine our SAP expertise with ServiceNow, such as in the field of human experience management. In the SAP world, SuccessFactors is a great system of record in the back office for people management. ServiceNow can do user-friendly workflows better, for example in the employee center or the mobile app. They complement each other very well when you can integrate them with each other.

**In addition to ServiceNow, NTT DATA Business Solutions is increasingly focusing on the Micro-soft world. What is your vision for the years ahead?**

For our customers, we aim to be a partner who supports them in the strategic part of their application portfolio. As the ERP platform, SAP is beyond question, but there are also supplementary applications around the core. You have to be proficient in these as well if you want to implement a holistic approach as a partner. And in addition to ServiceNow, this includes Microsoft Stack, from the hyperscale platform to Teams. Many customers use Microsoft Azure so here we want to be able to support for instance in the area of analytics. The portfolio from the three software companies forms the sweet spot in the enterprise customer market, as there are now two escort ships sailing alongside the ERP supertanker.

### About Sapphire

Sapphire was founded in 1992 and is headquartered in London and employs around 420 specialists. The company's offices in the UK and USA are supported by teams in countries including India, the Philippines, South Africa, Argentina, and Lebanon. Sapphire specializes in business solutions relating to SAP, ServiceNow, Infor, Hexagon, and Automation Anywhere. Following its acquisition in fall 2023, more than 1,200 existing customers and 400 employees were transferred to the NTT DATA Group.

**That brings us finally to SAP – what are you expecting from your core business?**

There are political and economic concerns, of course, such as those around economic growth. But our value proposition is still very strong: We have an extremely solid position in the SAP world, and our approach of leading companies to S/4 and Rise with a packaged service conversion factory is vital. That also applies to our own IP tool for data transfer from Natuvion. We help organizations take a major step forward on their SAP journey and expect organic growth because we are gaining market share. A recent example is a British challenger bank that has become our customer. In the ERP field, things don't change overnight, but we are continuing to sense the enormous momentum in the market. ■



“The ITOM Guy”

# Why ServiceNow is a Perfect Fit for SAP Expertise

In fall 2023, NTT DATA Business Solutions acquired British company Sapphire, with Philip Taphouse right in the thick of it as an expert in IT service management and the ServiceNow platform. Here, he explains what makes the merger a smart strategic move in this field in particular.





Philip Taphouse was Chief Technical Officer (CTO) at Sapphire when he found out about NTT DATA Business Solutions' acquisition in the fall. "The first thing that crossed my mind was that I'd never worked for such a big company before." So, he did some research, talked to a few people, and started looking into the new owners' background and plans. "Justin and his team were keen to speed up mutual growth and were always very clear about pitching the move as a merger rather than a takeover." Once the vision and goals of the merged company had been formally presented, Taphouse found the new opportunities incredibly exciting. "Even though I sort of considered Sapphire my baby."

Philip Taphouse has, in fact, been a key player in the incorporation of Sapphire, having dedicated his entire career to IT service management and IT operations management. After working in 20 various positions at small firms, public institutions, as an entrepreneur, and in global corporations, he has acquired the nickname of "The ITOM Guy". Having amassed over 5,000 followers on LinkedIn and even launched his own blog on the subject, he definitely qualifies as a business influencer. "And ServiceNow was the native platform where it all happened."

### A Trifecta in the software stack

Today, Taphouse is the ServiceNow Vice President and Head of the Centre of Excellence at NTT DATA Business Solutions, roles that involve spearheading a business known for its high economic potential. After all, the platform has been established as a standard in many IT

organizations for years – much like SAP in the business world. It's an ideal combination, given that ServiceNow and SAP integrate very well. Together with the Microsoft stack, this creates a system of record, a system of workflow, and a system of communications. As Taphouse points out, "Bringing it all together takes you on a pleasant journey from the SAP interface of the 90s to the ability to request vacation time via an MS Teams message." This business opportunity is at least as large as the market for service operation workflows.

### ServiceNow in the SME market

But isn't ServiceNow primarily for large corporations? That's a common misconception about the platform, according to the expert. Even small and medium-sized enterprises often have stringent requirements for trouble-free IT organization, particularly in sectors like challenger banks, retail, and tourism. "ServiceNow can be effectively utilized in the mid-market as well by leveraging only the most pertinent features and functionalities of the platform rather than every available option." Taphouse also suggests that tried and tested approaches and best practices from enterprise-level operations can be adapted for use in the mid-market. The aim here is to establish a standardized methodology in the service operations sphere, enabling repeatable scalability of installations. This includes offerings such as "ITOM as a Service".



ServiceNow can be effectively utilized in the mid-market too, by leveraging only the most pertinent features and functionalities of the platform rather than every available option.

#### Philip Taphouse

Vice President and Centre of Excellence Head – ServiceNow  
Executive UK&I, NTT DATA Business Solutions





“ This opens up many new opportunities for partners to bring their expertise to the table and influence the market with valuable, customer-centric AI innovations.

### New business and back to basics

This all holds true not only for new business, but also for existing ServiceNow implementations. Many companies have customized these extensively to meet their specific requirements, which was relatively easy to implement at the time, but now presents challenges with regular upgrades and updates. “They were victims of their own success,” explains Taphouse. As a result, there is a growing market for consulting that steers implementations back toward the standard and allows customers to adopt off-the-shelf features.

### AIOps – paving the way forward

Another consideration to factor in is the inescapable trend toward artificial intelligence (AI), which is also pushing its way into IT organizations. While Taphouse anticipates “little immediate impact” from software vendors beyond standard tasks like ticket summarization, he notes that extensive customization makes it difficult to integrate AI functions that meet specific customer requirements. The learning curve is very steep, too. “But this is opening up many new opportunities for partners to bring their expertise to the table and influence the market with valuable, customer-centric AI innovations.”

The NTT Data Group, with its considerable size and experience, is ideally equipped to leverage AI effectively within the ServiceNow platform. “We see ourselves as partners to our customers and strive to provide comprehensive support to maximize their return on investment. This is all part of why the merger with NTT DATA Business Solutions and their extensive IT expertise represents an ideal step.” ■

### ITSM vs ITOM

ITSM (IT Service Management) and ITOM (IT Operations Management) are two important disciplines within IT management, each with distinct areas of focus:

**ITSM** focuses on the provision of and support for IT services from the end user’s perspective. It aims to ensure that IT services are delivered reliably and efficiently to meet user requirements. The most essential tasks in ITSM include:

- incident management (resolving IT faults and problems)
- change management (implementation of changes to the IT infrastructure)
- problem management (identification and elimination of the root cause of IT problems)
- service request management (fulfilment of service requests from users)

**ITOM**, on the other hand, focuses on monitoring, optimizing, and troubleshooting the IT infrastructure. The aim of ITOM is to ensure the IT infrastructure runs efficiently and reliably, optimizing the performance of IT services.

The most essential tasks in ITOM include:

- event management (monitoring and correlation of IT events)
- performance management (monitoring and optimization of system performance)
- capacity management (ensuring that the IT infrastructure has the required capacity)
- fault management (resolving IT faults)

The key is to not consider ITSM and ITOM in isolation; they are two sides of the same coin and need to work together to achieve the best outcomes.



From Brazil to the World

# New Modules for the Software Product Portfolio

**I**n fall 2023, NTT DATA Business Solutions acquired software company Conexos in Brazil. The specialist in foreign trade management is an important addition to the global own IP portfolio – proprietary software applications for specific tasks. Ricardo Fachin and Claudenir Scalzer explain the reasons for the acquisition and outline the potential of proprietary programs.





NTT DATA Business Solutions began operating in Brazil around 25 years ago – an excellent decision, as it turned out. “Relationships with the other parts of the Group have developed phenomenally, even during the pandemic,” says Ricardo Fachin, CEO of NTT DATA Business Solutions in Brazil. That allowed all our business objectives to be achieved, he says, including growth, profitability, and business development. The focus now is on nearshoring services for the Americas and offshore services for some units in Europe.

In the course of its success story, the national subsidiary has grown to over 1,450 employees, partly due to the acquisition strategy. The most recent M&A deal was Conexos in fall 2023, which added around 150 employees to the team. “We also gained around 300 client companies as well as established software programs,” says CEO Fachin.

### Bringing more proprietary software to market

The acquisition illustrates why the proportion of proprietary business applications is being systematically expanded. “One goal in Brazil was always to develop in other key areas in addition to SAP,” explains the CEO. In 2010, development work began on the first proprietary software product called GUEPARDO Tax. It was a real challenge for the organization at first, admits Fachin, but in return, revenue from software also increased significantly – with higher margins at the same time. “We regard ourselves not only as a provider but as a real tech company. I’m also convinced that proprietary software acts like a certificate in the market for our quality as a developer.”

### Identifying and occupying unknown territory

Fachin’s approach in Brazil is pragmatic: “When the decision was made to expand the software portfolio, we first identified all unknown territory.” One of these areas was Global Trade Management (GTM). In Brazil, there are strict regulatory requirements and trading risks, but also strong import and export business and few software providers, says the CEO. “So there is a lot of room for technology and automation because even SAP does not cover all our customers’ needs.”

### New objectives, new challenges

Conexos, a market leader in GTM in Brazil, has landed on the M&A shortlist. “During the coronavirus pandemic, we asked ourselves whether we should bring a strategic partner into the company who would enable higher growth rates and take our products to a global level,” recalls Claudenir Scalzer, co-founder and CEO of Conexos. His verdict on the outcome is correspondingly positive: Happily, the two companies teamed up in 2023 and decided to pursue new goals together. “We were welcomed with open arms, and working with Ricardo and his team on integrating the companies was fantastic,” says Scalzer.

The timing was also perfect. Especially in global logistics, technology was becoming increasingly important for closing gaps in supply chains and solving problems. “Companies are very open to new solutions that help them control and optimize the flow of goods.” The integration of the software itself went smoothly, which was all down to intensive coordination and planning.

#### Ricardo Fachin

Chief Executive Officer Brasilien  
NTT DATA Business Solutions



#### Claudenir Scalzer

CEO and Founder of Conexos





The existing 300 customers of Conexos – who were mostly outside the SAP ecosystem – now had the advantage of being supported by a global tech group, says Scalzer. “We can lead the digital transformation process of our customers with the backing of the NTT DATA Group.” Technical and financial capacity strengthens credibility and trust where large projects are concerned.

### Develop locally, sell globally

One specific advantage of the GTM segment is that it is more homogeneous than the ERP market in terms of local and legal requirements, which means less localization is required. “The major effort is in go-to-market,” says Claudenir Scalzer. “The biggest challenges are in pre-sales, sales, pricing, local delivery, and the competitive environment.” The Conexos tool is already in operation for customers in Switzerland, Hong Kong, Chile, and the USA. It shows potential for synergies: NTT DATA in Japan has developed proprietary global trade software for major companies. “We worked intensively with our colleagues on ways to combine the two solutions,” says Ricardo Fachin. “This will enable us to use Conexos in Asia, where many trading companies are based, in coming years.”



The CEO in Brazil is pleased that NTT DATA Business Solutions has begun “a new cycle” in which solutions from other software companies such as ServiceNow, Microsoft, and Salesforce are also being added to the portfolio. Software will strengthen the company’s identity, he

says and adds that they are not interested in competing with SAP. “That wouldn’t make any sense,” says Fachin. “We need tools that do not exist elsewhere with the same functional depth, and we would be ill-advised to develop something that SAP is already marketing.”

The CEO is therefore looking for functional gaps in the SAP portfolio: “If the niche is big for us and tiny for SAP, we’ll decide to invest there specifically.” This enables NTT DATA Business Solutions to speak to customers who do not necessarily have to be interested in an

SAP solution. This freedom opens up the opportunity to do other business in addition to the core business. “After all, NTT DATA Business Solutions has enough strong points of its own for us to talk about.” And with Conexos, a further asset has been added to the own IP portfolio. ■

### International trade – a broad field

Global foreign trade is a complex system. The variety of actors, legal framework conditions, customs duties, and non-tariff trade barriers such as quotas, embargoes, technical standards, and customs procedures lead to various interdependencies. In addition, the logistics of importing and exporting goods and raw materials is strictly regulated in Brazil. The calculation of taxes and communication with Siscomex, the government’s foreign trade system, are very different compared to other countries.

Conexos Cloud, Brazilian software for Global Trade Management (GTM), is a modular SaaS program that automates import and export processes for customers. Its aims are to overcome bureaucratic barriers and facilitate the efficient processing of customs clearance procedures.

Using 65 integrated software bots, the platform can take on repetitive routine tasks, free up staff, and eliminate potential human error. In addition, more than 4,000 reports provide support for strategic decisions.

The primary focus is on the Brazilian market, says Claudenir Scalzer, co-founder and CEO of Conexos. “We will strengthen our base here first before we expand internationally on a large scale.” Brazil is the biggest market in Latin America after all; only Mexico comes close. And domestic trading companies have grown strongly, even during the pandemic. After this phase, the way forward is clear, adds Ricardo Fachin, CEO of NTT DATA Business Solutions in Brazil: “The solution will then be ready to be developed and marketed on a global scale.”



Greater Retention, Loyalty, Profitability

# CX Plus AI – the Dream Team for Customer Management

Customer experience and its management have been hot topics in the business world for many years. After all, the aim is to make it easier for people to interact with brands and machines. Artificial intelligence (AI) is becoming more and more involved in this field, with natural language, fast analysis, and promises of efficiency. Thomas Regele, CEO of Sybit, explains how AI is taking the customer experience (CX) to the next level.





**Thomas Regele**  
CEO Sybit

## Find machine



“We recently demonstrated modern AI use cases for SAP programs on our stand at the OMR Festival,” recounts Thomas Regele. Two AI-supported functions in the new SAP Sales Cloud V2 were particularly popular: the Lead Booster, which provides customized information about a lead, and automated email drafting. Lots of visitors were interested and wanted a closer look, says Regele. The question most people asked first of all was: “Is that real or fake?”

Thomas Regele is CEO of Sybit, which has been part of NTT DATA Business Solutions since 2018. At the company, 350 experts work on optimizing the interface between people and processes, primarily with SAP software. Within NTT DATA Business Solutions, Sybit acts as a “focus unit” that prioritizes the development of CX-related processes in collaboration with other CX teams in the USA, South America, Asia-Pacific, Turkey, the Nordics, and the UK. “That’s why we didn’t have any fake applications at the trade fair, but genuine use cases in the SAP Sales and Service Cloud,” clarifies Regele.

## The speedboat from Lake Constance

Despite Sybit’s distinct separate identity, it does collaborate with other entities within the Group. In the DACH region in particular, interaction with the other units of NTT DATA Business Solutions has continuously improved since 2018, reports the CEO. And a large part of the company’s success is based on this, he says: “Our plan to jointly expand our customers, synergies, and interfaces with the Group has worked very well.” Co-founder Regele is proud that the company is still sailing under its own flag six years after the takeover: “We see ourselves as a speedboat, which can respond immediately to new trends and opportunities and quickly adapt to changing market situations.”

Nowadays, artificial intelligence tops the priority list, and the CX software segment aims to take its potential to a new level. “For us, it is an amazing development, and most customers now understand that AI has immense potential.” AI is not only changing daily tasks through automation and boosting efficiency, he says, but also opening companies’ eyes to previously unrecognized customer needs. “And if people are able to control complex processes in a natural dialog with a machine as a matter of routine in the foreseeable future, that will be a massive game changer for the customer experience.”

“We see ourselves as a speedboat, which can respond immediately to new trends and opportunities and quickly adapt to changing market situations.”



## CX in the SAP ecosystem

With its comprehensive range of consulting services, Sybit covers all customer-oriented processes across all touchpoints. The company develops strategies and plans, creates, designs, and implements CX solutions based on the SAP portfolio. The latest cloud systems in the sales and service field, for example, have a variety of firmly integrated AI functions:

“It is crucial for the different tools to be able to communicate seamlessly with each other and for everything to result in an integrated overall system, from design through to processes.”

In SAP Sales Cloud V2, AI ensures that strong progress is being made in business text intelligence, in intelligent lead scoring, and in automated opportunity scoring. The appointment summary, for example, is an innovation that automatically summarizes meetings and captures key terms and moods – like a digital assistant who helps to maintain an overview so that no sales opportunities are missed.

In SAP Service Cloud V2, there is an opportunity to redefine customer service. This makes processes run faster and more intuitively: Tickets are automatically assigned to the correct expert team, priorities are set intelligently, and the entire history of an issue can be seen at a glance. AI support enables problems to be solved much more quickly and highly personalized customer service experiences can be offered across channels.

Sybit fulfills further requests using the SAP Business Technology Platform (BTP). “We cover company-specific requirements that can be met through AI functions with lightweight own developments via the BTP,” says

Regele. For example, for complex analyses in order to process data more intelligently than the standard system. This makes tailored solutions possible based on standardized technologies. “It is crucial for the different tools to be able to communicate seamlessly with each other and for everything to result in an integrated overall system, from design through to processes.” Through their deep integration, the SAP CX solutions provide a smooth and comprehensive data flow that ultimately enables trouble-free transitions between the applications used and a seamless customer journey across all channels. The pay-off is greater retention, loyalty, and profitability.

## AI and S/4HANA

Regele also sees great transformation potential through AI in the S/4 environment and the corresponding synergy effects in relation to customer-oriented processes. In future, a wide range of AI requirements and solutions will be bundled in the SAP Joule copilot. The bridge to CX: Vectorized and, if required, anonymized customer data can be made available from

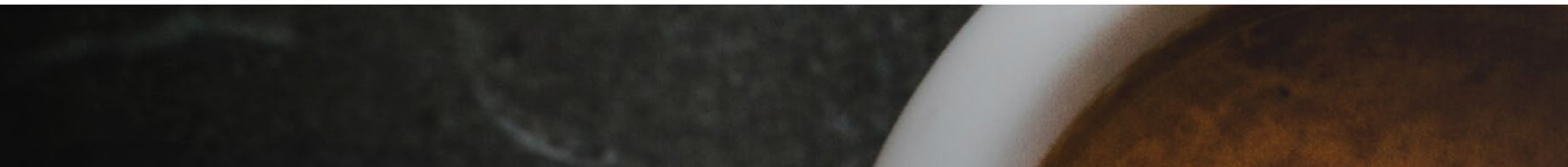


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the S/4HANA DB, for example. This is analyzed by the AI and the results are made available on the CX platform. Regele says: "Sybit's vision as part of NTT DATA Business Solutions is that we can provide end-to-end support for our customers with AI."

**“Sybit's vision as part of NTT DATA Business Solutions is that we can provide end-to-end support for our customers with AI.”**

He also expects greater momentum in the e-commerce sector, where a new version of SAP Commerce Cloud is due to come out in 2025, with AI functionalities as standard. Regele says SAP Commerce Cloud is "a very extensive framework in which a lot can and must be adapted individually." This includes design and UX – with AI, the diverse and creative wishes of customers can be implemented even more effectively. As a result, this will significantly strengthen the individual character in e-commerce. ■

### SyGusto – AI for coffee machines

"When we say that AI will significantly drive the CX, most customers prick up their ears," says Sybit CEO Thomas Regele. The company has therefore developed a comprehensive customer service portal based on SAP CX as a use case. It includes an online store in which virtual, high-quality SyGusto coffee machines are on sale. Linked to the store are sales, service, and marketing, which together ensure a comprehensive customer journey.

The medium-term objective: "In the future, we want to incorporate more and more AI-supported functions into systems like these, which, for example, enable precise identification of spare parts even from amateurish photos. These and other functions are currently being developed by NTT DATA Business Solutions." Also included are voice interfaces that allow the search for a suitable heating coil, brewing unit, or drip tray to be taken to a new level. Regele says: "Imagine simply talking to the AI based on an image, and it auto-

matically plans the right orders and interactions." This benefits both the user and the service technician.

Regele is pleased that highly promising innovation meetings on collaboration in the context of the AI-driven customer journey are taking place more frequently with the outstanding team, led by Thomas Nørmark, Director and Global Head of innovation at NTT DATA Business Solutions. There is still some convincing to be done, as many people equate AI with another level of complexity. "In the medium term, however, we will reach a new level of customer experience with AI when requests and problems can be easily solved in a natural dialog."

Sign In

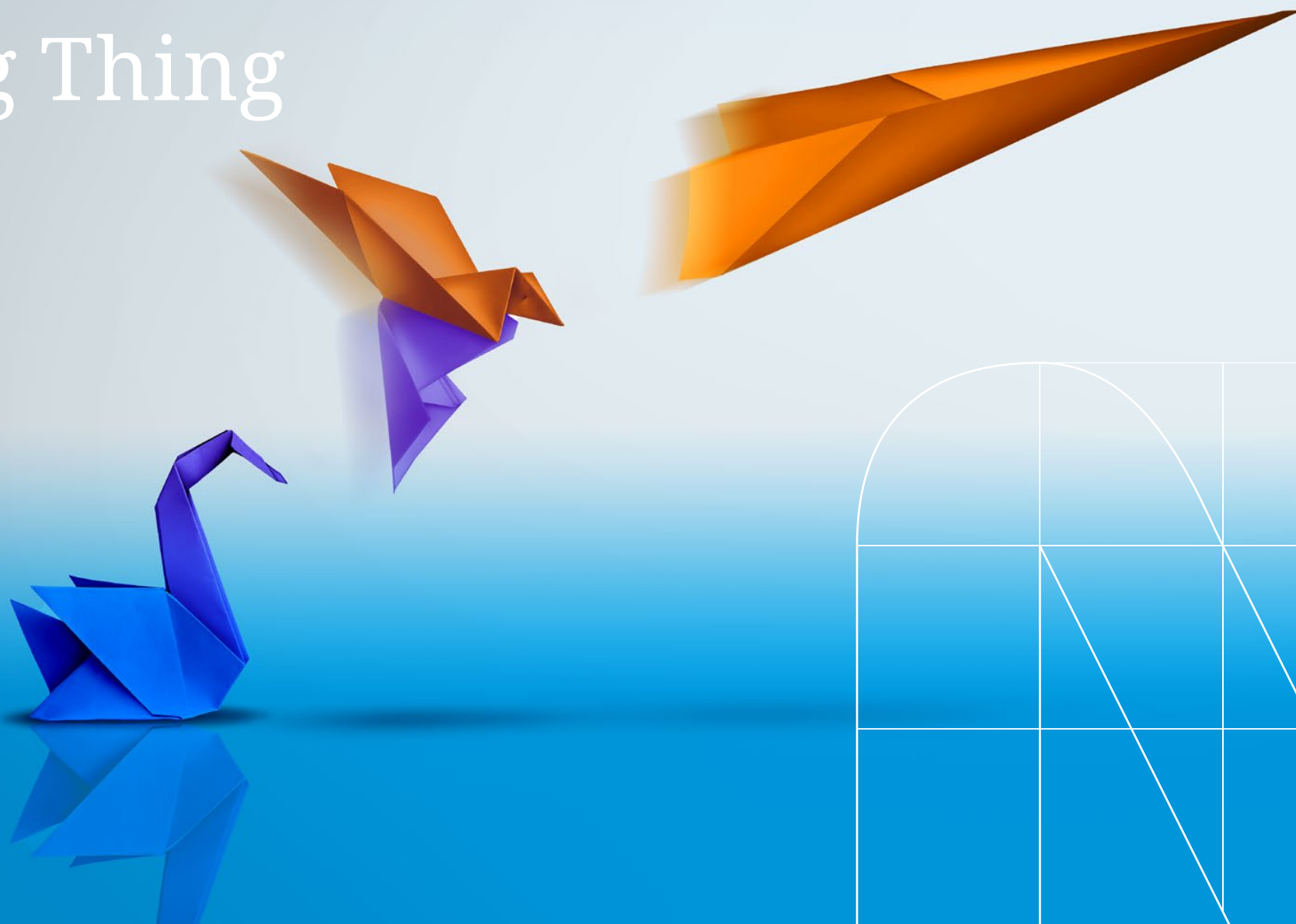






Innovations

# GenAI – The Next Big Thing





The Game Changer for AI Avatars

# Digital Humans: Out of the Box!



Thomas Nørmark has been refining the capabilities of avatars for many years. The next generation of digital humans is now coming onto the market: They perform better, look more human, and manage to perfect the illusion of a personality more effectively than in the past. Driving this trend are two technical game changers in the frontend and backend: metahumans and AI agents. Both are set to revolutionize the AI segment over the next few years.



As it gradually became apparent in early 2023 that generative AI (GenAI) by OpenAI had achieved a major breakthrough, people were amazed: Systems could suddenly communicate with people in natural language. And everyone suddenly sensed the huge changes that lay ahead for all, from the economy to society to individuals themselves. A disruption like the World Wide Web had once been: In fall 1993, there were just 500 web servers worldwide, and now, 30 years later, GenAI is the next big thing.

The next big thing for Thomas Nørmark is called Pearl – a young female avatar that shared lots of useful information with visitors to the FIBA Basketball World Cup. This included information on the tournament in the Philippines, on the teams and statistics, the venues, and on nearby restaurants and popular tourist sights. Looking for a Japanese restaurant near the sports center? Pearl limits the selection in the dialog, shows alternatives, and issues a barcode that, for example, leads to Ninyo Fusion Cuisine in Quezon City, Manila (4.7 stars on Google).

### From avatar to metahuman

Pearl is a metahuman, which is currently the highest level of a development that started years ago with relatively simple activities. “At that time, among other things, we used a drone and AI support to determine the area affected by toxic giant hogweed in Denmark,” recalls Nørmark, now Global Head of Innovation at NTT DATA Business Solutions. This was later followed by various tools including a robotic gardening system

called FarmBot, communication AIs for a child protection association and for people with dementia, a home school helper for the coronavirus period, and an AI nose for industry.

### “Welcome, how can I help you?”

Alongside these tools, Thomas Nørmark’s team continued to develop the innovation department’s flagship concept: the digital human. This avatar was and is being used in countless versions, from the front desk in a Danish car dealership (“Kia Mia”) to government authorities and works canteens (“Aiko”) to a digital guide on stages of the Tour de France (“Marianne”). Always with the aim of welcoming people personally and providing them with the information they seek. For a number of years now, it has also been equipped with a GPT language model. “Today, more than 20 of these avatars are in operation worldwide,” says Nørmark.

Pearl, who worked at the Basketball World Cup, belongs to the next generation of digital humans whose appearance differs significantly from that of their predecessors. “For over a year, we’ve been able to develop high-fidelity avatars much faster and at a significantly lower cost,” says Nørmark. In the past, you had to go to a photo studio, but nowadays smartphones can be used as 3D scanners. “Among other things, that’s how we created an avatar of our Group CEO Kaz Nishihata.” The scan is placed as a kind of mesh over prefabricated characters and the digital human is ready.

### Unreal metahumans

The 3D tool Unreal Engine, a leading platform for video games, made it possible. The manufacturer developed the MetaHuman framework that people and businesses can use to create their own avatars. “It was an absolute game changer,” recalls Nørmark, “and an optimum concept for us because we can use everything on one platform out of the box.” Visually, everything is possible: You just need an idea of appearance, suitable images, and a little fine-tuning to turn Pearl into her sibling Edo – also a metahuman,

#### Thomas Nørmark

Director

Global Head of Innovation

NTT DATA Business Solutions







but very different from Pearl. He works in a job center and looks professional, not sporty. Nørmark says: “Be it hair, skin color, looks, or freckles – external appearance can be adjusted quickly and efficiently depending on the application scenario.”

“We are now in a very good position to shape AI development and the competition from the front.”

### Intelligent AI agents

The avatars’ intelligence is based on the concept of AI agents, which Nørmark considers the best strategy for optimal output. AI agents can autonomously complete tasks, process data, make decisions, learn from the results, adapt, and interact with their environment, all without programmed rules. The agent selects the necessary resources based on the context and user requirements, says Nørmark. “Because it knows which tools are most suitable for solving a task.”

For example, to calculate the distance from a hotel to the train station, a location tool such as a Google API is required. The result is then provided using a large language model (LLM) such as ChatGPT-4o. If further information on sustainability or guidance on pets is

needed, the AI agent generates an SQL command to search the hotel’s database. “There was also a game changer in these areas in 2023.”

### From research to delivery

As development progressed, the innovation team at NTT DATA Business Solutions also changed significantly, says Nørmark. “We’re switching from a technically-oriented approach for research and development to scaling and to the roll-out of avatars.” This requires a large, professional product team and global delivery – in Europe plus in the Philippines and Japan, as well as in the USA in the future. One reason is, says Nørmark, that the GenAI revolution has made customers much more open to avatars and the technology as such. Demand for their integration into websites is growing “as AI avatars are much better than annoying chat-bots” (→ page 53).

### AI market is moving forward

Meanwhile, Pearl has found a new job at the New Zealand Campus of Innovation and Sport. “We are now in a very good position to shape AI development and the competition from the front,” says Nørmark. Four crucial factors converged at NTT DATA Business Solutions, he says: an early start, financial resources, technical expertise, and the global strength required to implement projects quickly and efficiently. In addition to the metahuman core team, there are currently an extended team for delivery in Denmark and centers of excellence in Manila and Tokyo, plus a

number of experts who can provide support world-wide – around 50 AI specialists in total.

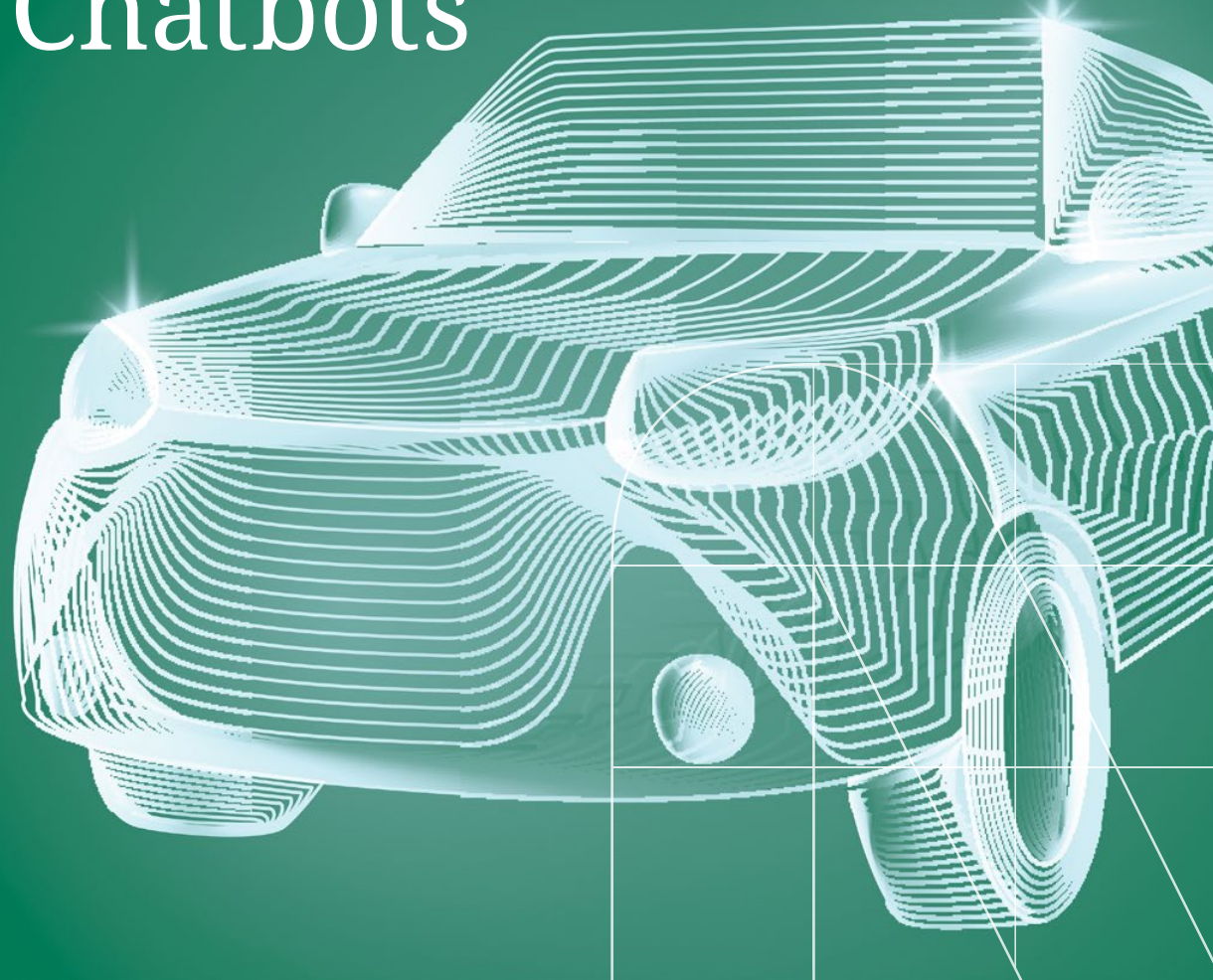
The goal is far from being achieved – after all, every new technology creates more challenges. However, Nørmark is in no doubt that metahumans are the future of interaction between people and machines. He is now working on the features of the next generation: “Imagine the person being reflected in the eyes of the avatar in real time – that’s how a deep emotional connection can be formed.” It is a tough challenge that requires a lot of computing power, admits Nørmark. “However, given technological progress, we should be able to manage it within a few years.” ■





Better Results, Less Effort

# The GenAI Upgrade for Commerce Chatbots



Chatbots are certainly commonplace now, but that doesn't stop them from being a real pain at times. This is where generative AI offers a great solution to expand their cognitive capabilities, as it not only shortens development cycles, but also improves output. AI expert Eşref Türkok explains how his customer VavaCars and its users benefit from the latest generation of chatbot models.



Not many people think of buying and selling used cars as an enjoyable activity: The lack of time, experience, and market transparency often makes people fear they won't get a good deal. This is precisely what prompted Turkish used car platform VavaCars to update its website to make information more accessible to customers – featuring a chatbot powered by NTT DATA Business Solutions. But what really sets it apart is its use of generative AI (GenAI).

Standard questions on retail sites can already be answered by traditional chatbots, whose intelligence follows predefined rules. And when the classic bot reaches its limits, the task is escalated to a human:



Can I take the car for a test drive before buying it?

4:39 PM

If I don't like a vehicle for some reason after I've bought it, can I return it?

4:40 PM

What are my options if I'm looking for an SUV?

4:40 PM

Powered by GenAI – in this case, ChatGPT 3.5 – the new VavaBot is in a different league. “We know there are many different chatbots on the market, but our VavaBot significantly reduces the repetitive questions directed at customer service representatives,” explains

Eşref Türkök, AI Team Lead for NTT DATA Business Solutions in Turkey. This increases service efficiency while reducing response times, which our customers definitely appreciate. VavaBot provides quick, accurate, and human-like responses to customer inquiries, such as:



Which SUVs do you recommend for a budget of €27,000?

4:40 PM

Which city car models with low fuel consumption are suitable for a budget of €35,000?

4:41 PM

Show me the models with a gas engine and manual transmission in the colors black and white.

4:41 PM

We are a family of two but we are going to have a baby. For this reason, I'm looking for a safe SUV vehicle.

4:41 PM

### Quick projects, lasting impact

How did NTT DATA Business Solutions secure the contract? “Because we are the first company to use OpenAI technologies and customer-centric solutions in our own IP projects in Turkey,” explains Türkök. The terms

of the proposal were also particularly favorable, recalls the team leader. “Two of our AI consultants developed VavaBot in the space of around two months and then worked with the VavaCars IT team to integrate it with their systems.” This use of AI makes it possible to achieve greater output with fewer resources. “The costs for consultant work in these projects are on a downward trend as GenAI solutions can shorten the development cycle.”

In contrast, their overall IT architecture is fairly ordinary, featuring a frontend interface for the website, a backend system managing business logic and integration, and a Microsoft Azure AI component analyzing questions and formulating responses. Türkök explains that the chatbot functions within a serverless environment to ensure scalability and reliability. “We also use RESTful APIs to retrieve vehicle data and FAQ responses from the VavaCars databases,” he notes, emphasizing the flexibility afforded by this setup with various potential data sources.

### VavaBot uses the latest data

One crucial advantage over the previous chatbot generation is its ability to retrieve current information rather than relying on day-old data. “We've implemented automated processes for data synchronization to ensure vehicle listings and FAQs are always kept up to date,” explains Türkök, adding that these updates are carried out at regular intervals. There is also an admin interface allowing content managers to manually update information as needed.





**Eşref Türk**

AI Team Lead, Turkey

NTT DATA Business Solutions

For complex questions or those beyond the chatbot's purview (such as, "Is Ronaldo better than Messi?"), VavaBot offers users the option of being passed on to a customer service representative. It can also refer people to relevant FAQ pages or resources on the VavaCars website that could help answer their questions. "The solution we developed is highly scalable to handle growing traffic as VavaCars continues to expand," adds Türk. What's more, the flexibility of the OpenAI platform allows for modifying and expanding VavaBot's capabilities to ensure it is fit for the future.

### Full scope of responses

Türk reports that a key challenge involved making sure the chatbot would deliver accurate and relevant answers with the help of ChatGPT. "We achieved this by fine-tuning the chatbot's responses with a comprehensive set of training data tailored specifically to the context in which VavaCars operates." While there were various challenges along the way, data privacy was not one of them. "The chatbot doesn't require any kind of user authentication, so it handles general inquiries without storing personal data," clarifies the manager, who heads up a team of around 20 AI experts in Turkey. All interactions remain anonymous, and the collected data is non-identifiable, used solely to improve the chatbot's responses and performance.

### A good deal all round

The benefits of VavaBot for customers are clear, not least thanks to the instant 24/7 support and prompt responses to their questions. What's more, the AI enhances the customer experience by making it easier to access vehicle listings and reviews. Even the buying and selling processes become more straightforward, aligning with the VavaCars values of transparency, simplicity, trust, and convenience.

Unsurprisingly, customer satisfaction is one of the key success metrics for the chatbot, as are the number of successfully processed inquiries, response times, and resolution rates. "We also track engagement metrics such as the number of interactions, repeat users, and feedback to continuously enhance the chatbot's perfor-

mance," shares AI expert Türk. The interactions processed by the chatbot also provide valuable insights into customer preferences and behavior. Through targeted data analysis, VavaCars can refine its services, improve marketing strategies, and even make informed business decisions.

### GenAI – Here to stay

For AI expert Türk, VavaBot is a good deal all round: "Utilizing GenAI like ChatGPT gives us and our clients a clear competitive edge in the market." Development costs decrease, response accuracy improves, and NTT DATA Business Solutions can strategically position itself to harness generative AI technology for future growth – particularly in areas such as own IP and innovation. "The development of VavaBot was a real collaborative effort," emphasizes Türk, "calling for teamwork across departments and strong commitment from everyone involved." The project has not only fostered a culture of learning and innovation within the company, but also "prepared us for the challenges and opportunities ahead in the field of GenAI – for us and our customers alike." ■



# Group Financial Report







## Report of the Supervisory Board

Ladies and gentlemen,  
dear friends of the Company,

In the last fiscal year, NTT DATA Business Solutions AG successfully continued the course set in preceding years and improved further, most notably in terms of turnover. We are delighted that our 35th anniversary year marked a seamless link with the outstanding results of the preceding fiscal year. Our company continues to experience significant sales growth and has increased its earnings at a considerably above-average level. During the fiscal year from April 1, 2023 to March 31, 2024, NTT DATA Business Solutions AG increased its turnover by 13.3%, to BEUR 1.61 (previous year: BEUR 1.42). Earnings Before Interest, Taxes and Amortization (EBITA) again surpassed the record set in the preceding year (MEUR 99.2) by 4.2%, taking it to MEUR 103.4. The EBITA margin was 6.4% (previous year: 7.0%).

This outstanding result is a testament to our 15,300 employees around the world who play a pivotal role in our success. Overall, our Group is positive and confident about the new fiscal year. We aim to continue expanding the solid market position reflected in these figures over the coming fiscal year.

In fiscal 2023/2024, the Supervisory Board diligently performed the duties assigned to it by law, the articles of association, and procedural rules. The Executive Board was continually advised and supervised regarding its management of the company. The Supervisory Board was included early on in all decisions that were considered crucial to the company. The Supervisory Board also reviewed the reports and proposed resolutions made by the Executive Board, which were discussed in detail and voted on.

Throughout, the Executive Board fully complied with the reporting requirements and provided comprehensive and timely information on the Group's situation, both verbally and in writing. The reports focused on presenting the development of the



**Friedrich Fleischmann**

Chairman of the Supervisory Board

assets, financial position and earnings situation, fundamental questions of corporate planning and strategy, the financing and liquidity situation, the risk situation and risk management, compliance management, and important business transactions. Besides these aspects, the Supervisory Board Chair also received regular updates concerning ongoing business developments, the outlook, the strategy, and other key topics. Discussions were also held on potential future scenarios and the future alignment of the Group's business divisions. No conflicts of interest arose during the fiscal year in either the Executive Board or Supervisory Boards.

The Supervisory Board met four times during fiscal 2023/2024, passing several resolutions by circulation. All Supervisory Board members attended most of the meetings. Members sometimes participated by video or phone. Members who could not attend participated in resolutions by casting a written vote.





The Supervisory Board's deliberations regularly included the company's economic situation and development, its financial and liquidity situation, investment projects, the risk position and risk management, as well as corporate planning and strategy.

The following topics and resolutions were also major focal points during the past fiscal year:

- Audit, approval, and adoption of the annual and consolidated financial statements for fiscal 2023/2024
- Appointment of KPMG AG Wirtschaftsprüfungsgesellschaft (Berlin) as auditor for fiscal 2023/2024
- Determining and reviewing the budget for fiscal 2023/2024
- Annual planning for fiscal 2024/2025
- Investments and planned acquisitions, as well as subsequent integration projects
- Monitoring of the early risk detection system established by the Executive Board
- Executive Board matters
- Support for financial projects and escalation projects
- Developing and expanding the internal audit

The Supervisory Board's Audit Committee thoroughly examined the annual and consolidated financial statements in fiscal 2023/2024, particularly dealing with new developments in accounting and their future consideration in the annual and consolidated financial statements, and issues related to the planning process. It also looked at the planning and progress of risk management and the compliance management system, as well as the internal audit.

In fiscal 2023/2024, the Supervisory Board also examined compliance and further development of corporate governance for proper and appropriate company management. Furthermore, the Executive and Supervisory Boards jointly examined the recommendations and suggestions of the German Corporate Governance Code. The Executive and Supervisory Boards of NTT DATA Business Solutions AG identify

fully with the objectives of the German Corporate Governance Code. They wish to promote good, trustworthy company management that benefits shareholders, employees, and customers. The Executive and Supervisory Boards report on this in detail in the Corporate Governance Report, which is published alongside the company report.

The Personnel Committee dealt in particular with Executive Board matters, questions of employee development, the integration process at acquired companies from a personnel perspective, developments in management and the management structure, and the objectives and programs of the People Organization.

The Strategy Committee chiefly dealt with the orientation of the company within the NTT DATA Group, the company's own strategies and objectives, investments, acquisitions, and the global cost and efficiency program initiated by the company.

At the Annual General Meeting on July 16, 2024, resolutions were passed on appropriating the retained profit from fiscal 2022/2023, former Executive and Supervisory Board members were discharged, and the auditor and consolidated auditor for fiscal 2023/2024 appointed.

The Annual General Meeting appointed KPMG AG Wirtschaftsprüfungsgesellschaft (Berlin) as auditor and consolidated auditor for fiscal 2024/2025. KPMG had previously informed the Supervisory Board Chair that there were no circumstances that could compromise its independence as auditor. Finally, KPMG thoroughly reviewed the annual financial statements of NTT DATA Business Solutions AG and the consolidated financial statements as well as the management reports of NTT DATA Business Solutions AG and the NTT DATA Business Solutions Group. No objections were raised, and this was confirmed in unqualified audit remarks. The auditor also examined the report on relationships with affiliated companies (Dependency Report) prepared by the Executive Board and issued its unqualified audit remarks.



The latter reads as follows:

“Following our professional review and assessment, we can confirm that

- a) the factual information in the report is accurate,
- b) the performance of the company in the legal transactions referred to in the report was not unreasonably high,
- c) for the measures listed in the report, there are no circumstances that would indicate a significantly altered assessment than that offered by the Executive Board.”

At its meeting on July 15, 2024, the Audit Committee discussed the consolidated financial statements and the annual financial statements for fiscal 2023/2024, as well as the situation reports together with the Executive Board and the auditors. The documents containing the audit reports were given promptly to all the Audit Committee members beforehand. On request, all Supervisory Board members could review these documents too. The auditors in charge informed the Audit Committee members of the key findings of the audit and answered additional questions. The Committee ultimately recommended endorsement by the Supervisory Board.

At the Supervisory Board meeting convened on July 16, 2024 to approve the annual accounts, the Supervisory Board thoroughly discussed the following in the presence of the Executive Board and auditors: the consolidated financial statements and group situation report prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), the annual financial statements and situation report prepared in accordance with the provisions of the German Commercial Code (HGB), the audit reports, and the Dependency Report. The auditors reported on the main findings of the audits and were available to the Supervisory Board to provide further information and answer questions.

After carefully examining the financial statements and audit reports, the Supervisory Board raised no objections, and endorsed the result of the audit by KPMG. The Supervisory Board endorsed the annual financial statements of NTT DATA Business Solutions AG prepared by the Executive Board, which are thereby adopted. The

Supervisory Board also endorsed the consolidated financial statements as at March 31, 2024, and reviewed and endorsed the Executive Board's proposal for the appropriation of profits. After carefully examining the dependency report and the audit report, the Supervisory Board raised no objections to the statement made by the Executive Board at the end of the dependency report and endorsed the result of the audit by KPMG.

As the Supervisory Board, we will continue to actively support the course and strategic orientation of NTT DATA Business Solutions AG in the future. We aim to work with the Executive Board to contribute to the continued positive development of the company, which has persisted for 35 years. Our special thanks go to the ever-growing group of employees around the world as well as to the members of the Executive Board for their great personal commitment and accomplishments in a dynamic and challenging market environment.

Bielefeld, July 16, 2024  
For the Supervisory Board

Friedrich Fleischmann  
Chairman



## Corporate Governance Report 2023/2024

The Management Board and the Supervisory Board of NTT DATA Business Solutions AG attach great importance to corporate governance. In our view, only responsible corporate governance can sustainably increase the value of the company in the long term. The governing bodies of the company are therefore committed to the principles of the German Corporate Governance Code (DCGK). The implementation of these principles is intended to stabilize the trust of customers, employees, and the public in the company at a high level.

The Management Board and the Supervisory Board addressed corporate governance topics on several occasions in the past fiscal year. NTT DATA Business Solutions AG's Management Board and Supervisory Board are guided by the recommendations and suggestions of the current version of the GCGC, dated April 28, 2022. Although the DCGK is primarily aimed at listed companies and companies with access to the capital market, the Management Board and Supervisory Board believe that the internationally and nationally recognized standards of good and responsible corporate governance set out in the DCGK also ensure the quality of corporate governance at NTT DATA Business Solutions AG. The structure of NTT DATA Business Solutions AG as a group company of the NTT DATA Group differs from a capital market-oriented company in terms of shareholder structure and access to the capital market, among other things. The Management Board and Supervisory Board of NTT DATA Business Solutions AG consider the DCGK to be a useful guideline for ensuring the quality of corporate governance. Significant deviations from the principles of the DCGK only arise in justified cases due to the size, structure, lack of capital market orientation, or company-specific characteristics of NTT DATA Business Solutions AG.

As an NTT DATA Group company, NTT DATA Business Solutions AG also complies with the corporate governance principles of the NTT DATA Group and the NTT Group.

### Management Board and Supervisory Board

As a German stock corporation, NTT DATA Business Solutions AG has a two-tier management and supervisory structure in the form of its Management Board and Supervisory Board. The Management Board is responsible for managing the company. The Supervisory Board advises and monitors the Management Board in its management of the company and is of the opinion that it has a sufficient number of independent members. It is responsible for appointing and dismissing Management Board members. Both governing bodies of NTT DATA Business Solutions AG have been working together efficiently and in a spirit of trust for many years.

In fiscal 2023/2024, the Management Board reported to the Supervisory Board regularly, promptly, and comprehensively on all material aspects of planning, business development, and the position of the Group by way of written and verbal reports. These reports focused in particular on the risk situation, risk management, and compliance. Transactions of material importance require the approval of the Supervisory Board.

The Supervisory Board also meets regularly without the Management Board.

The Management Board of NTT DATA Business Solutions AG had two members in fiscal 2023/2024: Norbert Rotter (CEO) and Jürgen Pürzer (CFO). There were no conflicts of interest within the Management Board in fiscal 2023/2024.

Together with the Management Board, the Supervisory Board ensures long-term succession planning. Typically, members of the Management Board are initially appointed for not more than three years. As a general rule, members are then subsequently appointed for not more than five years.

As required by the German Corporate Governance Code, the members of the Supervisory Board possess the knowledge, skills and professional expertise required to properly perform their duties. The composition of the Supervisory Board takes into





account the principles of diversity and appropriateness with regard to the geographical, industry-specific and other material requirements of the company. The six-person Supervisory Board of NTT DATA Business Solutions AG has two members – Mr. Friedrich Fleischmann and Prof. Heiner Schumacher – who are independent of the company, its Management Board and NTT DATA as the controlling shareholder. The Supervisory Board considers Mr. Friedrich Fleischmann and Prof. Heiner Schumacher to be independent of the company, even though they have been members of the Supervisory Board for more than twelve years. The Supervisory Board of NTT DATA Business Solutions AG also has two shareholder representatives from NTT DATA and two employee representatives. In accordance with the recommendations of the DCGK, the Supervisory Board of NTT DATA Business Solutions AG is thus composed of two shareholder representatives who are independent of the company, its Management Board and NTT DATA as the controlling shareholder, although there are no minority shareholders of NTT DATA Business Solutions AG other than NTT DATA.

The members of the Management Board and the Supervisory Board do not perform any material functions outside the Group or hold material supervisory board mandates at other external companies.

As in previous years, the Supervisory Board formed an Audit Committee, a Personnel Committee and a Strategy Committee from among its members in fiscal 2023/2024. There were no conflicts of interest within the Supervisory Board in fiscal 2023/2024.

In accordance with the recommendations of the GCGC, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, and the Chairman of the Personnel Committee that handles Management Board remuneration are independent of the company and its Management Board. The Chairman of the Audit Committee is independent of the controlling shareholder.

Details of the remuneration paid to the members of the Management Board and Supervisory Board can be found in the notes to the annual financial statements and in the management report.

Further information on the cooperation between the Management Board and the Supervisory Board and the work of the Supervisory Board and its committees can be found in the report of the Supervisory Board.

## **Shareholder structure and Annual General Meeting**

NTT DATA EUROPE GmbH & Co. KG is the sole shareholder of NTT DATA Business Solutions AG.

NTT DATA Business Solutions AG is incorporated into the NTT DATA Group's corporate strategy. NTT DATA Business Solutions AG operates independently on the market and reports independently and transparently on its development. NTT DATA Business Solutions AG is managed by the Management Board and Supervisory Board of NTT DATA Business Solutions AG on their own responsibility.

## **Accounting and auditing**

The Management Board prepares consolidated financial statements as at the end of a fiscal year. The financial year begins on April 1 and ends on March 31 of the following year. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS). This ensures a high level of transparency and international comparability.

The audit for fiscal 2023/2024 was performed by the auditor elected by the Annual General Meeting at the proposal of the Supervisory Board and the recommendation of the Audit Committee, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. The Audit Committee has agreed with the auditor that the latter will inform it immediately of all significant findings and events relevant to its duties. The Audit Committee regularly assesses the quality of the audit of financial statements.



## Transparency

NTT DATA Business Solutions AG has been providing timely, comprehensive and detailed information for many years. The company's website – <https://nttdata-solutions.com> – is the central communication instrument and is available in various languages, reflecting the company's international activities. NTT DATA Business Solutions AG uses press releases to provide information on current events. The annual report, together with key content from the consolidated financial statements, is published on the company's website. The consolidated financial statements are also published in the Federal Gazette.

## Corporate governance reporting

The Management Board and the Supervisory Board report annually on corporate governance at the company. This corporate governance report is included in the annual report. Since the 2022/2023 financial year, NTT DATA Business Solutions AG has voluntarily published an annual sustainability report.

Since 2020, the Management Board and the Supervisory Board of NTT DATA Business Solutions AG have dispensed with a separate corporate governance statement in accordance with section 161 AktG, which is only a legal requirement for listed stock corporations. NTT DATA Business Solutions is guided by the recommendations and suggestions of the DCGK. In the view of the Management Board and Supervisory Board of NTT DATA Business Solutions AG, comprehensive reporting in the Corporate Governance Report now makes more sense than a formal Corporate Governance Declaration, as the form and content of this declaration are specifically tailored to listed companies.



## Key Figures for Fiscal 2023/2024

→ **Another record year for NTT DATA Business Solutions AG: Consolidated revenue rises by 13.3% to BEUR 1.61, EBITA of MEUR 102.4 after MEUR 99.2 in previous year**

- Organic growth of 9.6%
- Revenue up by 3.7% as a result of acquisitions
- Revenue distribution: 62.1% outside Germany, 37.9% within Germany

→ **In fiscal 2023/2024 as a whole, NTT DATA Business Solutions AG generated EBITA of MEUR 102.4 after MEUR 99.2 in the previous year, an increase of 4.2%. On an adjusted basis, EBITA was MEUR 118.8, meaning that an adjusted EBITA margin of 7.4% was achieved, a further increase on the previous year's record level of 7.0%. The adjustments in the order of MEUR 15.4 are based on the parent company's management fees, which are substantially higher than in the previous year, and on significant acquisition and integration costs for Sapphire. Due to higher acquisition and integration costs, EBIT decreased by 5.1% to MEUR 80.9 after MEUR 85.3 in the previous year. Adjusted EBIT was MEUR 96.3, meaning that an adjusted EBIT margin of 6.0%, at the same level as the previous year, was achieved.**

- The EBITA margin was 6.4% in fiscal 2023/2024 (previous year: 7.0%).
- The EBIT margin was 5.0% in the past fiscal year after 6.0% in the previous year.

→ **Cashflow from operating activities fell by MEUR 17.8 to MEUR 82.5 in the year under review.**

- Working capital was MEUR 20.2 higher than the previous year as a result of revenue growth.
- Despite the increased working capital, DSO (days sales outstanding) improved by 2 days to 44 days compared to the previous year (46).

→ **Orders on hand improved:**

- NTT DATA Business Solutions AG's orders on hand amounted to BEUR 1.789 as of March 31, 2024, up by 8.0% on the prior-year figure of BEUR 1.657 as of March 31, 2023.
- Non-current orders on hand amounted to MEUR 846.3, a slight increase on the previous year (MEUR 842.8).

→ **The number of employees rose by 13% to 15,283 as on the end of the reporting period (previous year: 13,530).**

- Acquisitions accounted for 611 of the total headcount increase of 1,753 employees.
- The share of women within the Group climbed to 32.1% in contrast to 31.1% in the previous year.

→ **Forecast for fiscal 2024/2025 as a whole:**

- Further growth in revenue of 4% to 6% is anticipated on a like-for-like basis.
- NTT DATA Business Solutions is still aiming for organic growth and growth through acquisitions.
- The EBITA margin is forecast to improve further to around 7%.





## Profile of the NTT DATA Business Solutions Group

### Business activities

NTT DATA Business Solutions AG was formed in 1989 as an SAP consulting company (itelligence AG). Today, it is a leading international full-service IT provider and partner of SAP SE.

NTT DATA Business Solutions AG's main target group is customers in the traditional and upper mid-market with a strong international presence. Today, the company operates at over 90 locations in 33 countries, working on behalf of over 6,000 active customers. The company is focused on the sale of rights of use to SAP software solutions for the mid-market, SAP Managed Services consulting business, and solution and product business.

Extensive industry and IT expertise are used to develop and preconfigure various industry solutions for the more efficient implementation of SAP in Germany and abroad. Key sectors addressed by the Group include manufacturing and the automotive supply industry, mechanical and plant engineering, steel and non-ferrous metal companies, the wood and furniture industry, food processing, the chemistry and pharmaceutical sector, the life science sector, the service industry, retail, and expertise in the area of educational institutions. NTT DATA Business Solutions is also driving ahead digitalization and the industry-specific integration of mobile and analytical solutions.

### Organization

NTT DATA Business Solutions AG is represented by subsidiaries with local sales and consulting teams in the following regions: DACH (Germany, Austria, Switzerland), Western Europe (Spain, France, Belgium, Netherlands, UK, Ireland), Northern and Eastern Europe (Denmark, Norway, Sweden, Finland, Poland, Czech Republic, Slovakia, Hungary, Bulgaria, Turkey, UAE), the Americas (USA, Canada, Brazil), APAC (China, Indonesia, Singapore, Malaysia, Thailand, Australia, India, Qatar), and Other.

Today, the Group comprises 77 subsidiaries worldwide. The largest subsidiaries are located in Germany, the USA, India, Brazil, Switzerland, the UK, Denmark, and Turkey. The head office and company headquarters of NTT DATA Business Solutions AG are located in Bielefeld, Germany. NTT DATA Business Solutions AG is a wholly owned subsidiary of NTT DATA EUROPE GmbH & Co. KG.

The company provides innovative managed cloud and application management services for more than 3,500 customers from seven global hubs, including offshore and near-shore centers with local front-ends in over 30 countries. As one of the leading managed cloud service providers focusing on SAP, NTT DATA Business Solutions operates state-of-the-art data centers in Germany, Poland, Malaysia, Denmark, and the USA and works closely with the leading hyperscalers. This geographical and portfolio positioning is rounded off by intensive cooperation with affiliates within the NTT Group and operations as a global strategic supplier for SAP and its consumers.

### Management system

To manage its operating business, the Group uses selected financial and non-financial key figures that are consolidated into key performance indicators at Group level. These are presented under II.5.

### Annual and multi-year planning for all regions and divisions

All management and controlling processes at NTT DATA Business Solutions are based on an established planning process. Building on strategic multi-year planning, the Management Board manages the Group's long-term focus and derives annual operating targets applying a top-down approach. The annual plans developed at the level of the national subsidiaries are then coordinated with the overall targets. Planning data is then compared against rolling forecasts to identify deviations each quarter. In addition, target and actual figures are compared each month and reported as a management tool so that deviations from the agreed targets are identified at an early stage and corresponding measures for ensuring target achievement can be initiated in good time.



## Acquisitions

NTT DATA Business Solutions conducted further acquisitions in fiscal 2023/2024. The Management Board of NTT DATA Business Solutions also held talks with potential future acquisition candidates. Going forward, NTT DATA Business Solutions AG will continue to grow through acquisitions. It intends to press ahead with the expansion strategy of recent years in order to expand its service portfolio in a targeted manner. With its acquisitions, NTT DATA Business Solutions is pursuing the strategic objective of being one of the leading SAP partners in each of its key sales markets and further expanding this position.

### NTT DATA acquires Conexos and expands its software product portfolio

NTT DATA Business Solutions AG acquired Conexos in September 2023. Conexos is a Brazilian market leader of solutions for trading companies. Founded in 1998 in Brazil, Conexos supports customers in the retail, trading, logistics, industrial, and commodity exchange sectors. Its flagship product, the “Conexos Cloud” software for global trade management (GTM), is focused on the comprehensive management of foreign trade, from transparency in international logistics to the most complex control processes relating to customs clearance, special regimes, currency exchange, and taxation.

The logistics of importing and exporting goods and commodities are complex and strictly regulated in Brazil. In addition, the calculation of taxes and communication with Siscomex, the Brazilian government’s foreign trade system, is unique compared with other countries. With the acquisition, Conexos and FH Brazil are combining their expertise to create an exclusive offering: NTT DATA Business Solutions enables the transformation to SAP S/4HANA and has numerous tax solutions in its portfolio, while Conexos’s GTM software facilitates the efficient and agile control of imports and exports and ensures targeted process optimization in order to make foreign trade transactions more transparent, more manageable, and more compliant with the relevant regulations.

### NTT DATA announces the acquisition of Sapphire

In November 2023, NTT DATA Business Solutions announced the acquisition of Sapphire (Muscovite Topco Limited, UK). Through partnerships with SAP, ServiceNow, Infor SunSystems, HxGN, and AWS, the British company provides digital operations software and services primarily for SME customers in the USA and UK. The acquisition underscores NTT DATA Business Solutions’ efforts to reinforce its position as a leading SAP partner for the SME sector and to distinguish itself both as a principal provider in the SAP SI market for large customers and for advanced digitalization solutions for SME customers.

Sapphire’s core markets are the UK and the USA. The acquisition makes it possible for NTT DATA Business Solutions to expand its business effectively in these countries.

## Employees

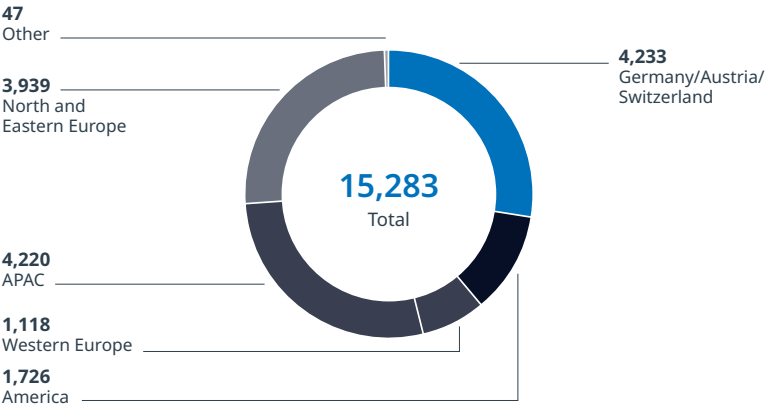
NTT DATA Business Solutions’ headcount surpassed 15,000 in fiscal 2023/2024. Of our 15,283 employees as of March 31, 2024 (previous year: 13,530), only 27% worked in Germany (4,052; previous year: 3,883) while 73% worked outside Germany (11,231; previous year: 9,647). The number of employees therefore increased by 13% year-on-year. Acquisitions accounted for 611 of the total headcount increase of 1,753 employees.

The share of women at NTT DATA Business Solutions rose to 32.1% in 2023/2024 (previous year: 31.0%). Globally, the average age rose to 37.3 years (previous year: 36.7 years).

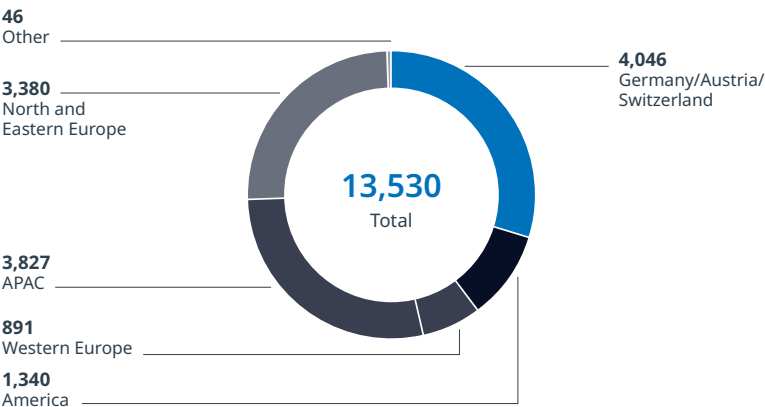


Employees by segment

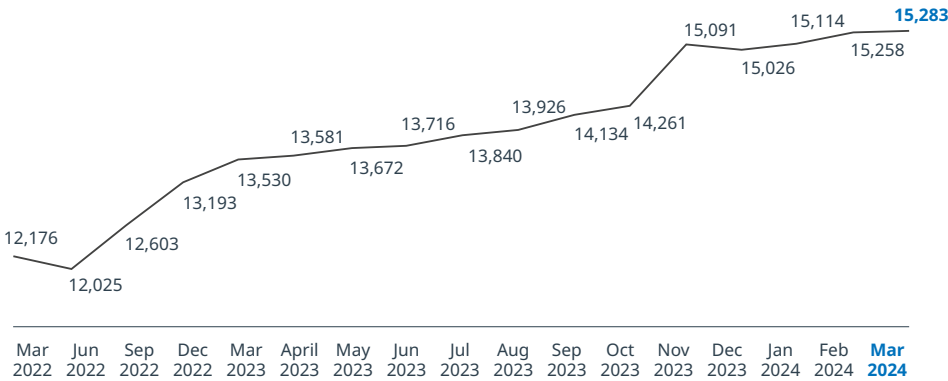
March 31, 2024



March 31, 2023



Employee development



Matrix organization

In fiscal 2022/2023, a program was launched with the objective of enhancing the global matrix organization and making the cooperation between the global and local units even more effective. This project was conducted with the active participation of the global teams, regions, and countries involved. It resulted in the establishment of two expanded global areas with their own leadership teams: Global Innovation & Industry Consulting (GIIC) and Global Business & Managed Services (GBMS). These leadership teams are now adapting decisions and defining them in greater detail in close cooperation with the core countries.

With the Global Innovation & Industry Consulting business area (GIIC), NTT DATA Business Solutions has created a future-oriented, globally active unit. The primary goal of this organization is to develop existing customer relationships and build new ones with a global reach. It develops innovative business ideas, software assets, and products, rolls them out and coordinates them both globally and locally. It is also tasked with the further development of a powerful global consulting unit. In addition, a newly created business area is responsible for coordinating and driving





forward the central centers of excellence (CoEs) and lines of business (LoBs), which handle promising projects and work to enhance them, e.g., in the life science, consumer packaged goods (CPG), and service industries, and in LoBs such as human experience, master data, and supply chain management. In this way, local centers of excellence and lines of business are bundled virtually and consolidated in order to establish global expertise.

The Global Managed Services business unit also operates globally via a matrix organization in order to optimally serve the requirements of local and international customers with regard to a scalable, cost-efficient, and innovative range of services in hybrid cloud scenarios.

The two global business areas GIIC and GBMS are supplemented by an offshore unit in India. This allows shortages of specialist personnel in established markets to be addressed in a flexible and agile manner by appointing highly qualified specialists from India. Speed and the direct connection between India and the respective countries is an important factor for success. All of these global units work in close cooperation to enable a future-oriented approach to the digital challenges of global markets and their customers. The connectivity between the units ensures that the business challenges facing NTT DATA Business Solutions are covered and addressed efficiently.

## Economic Report

### General economic situation in fiscal 2023/2024

As a wholly owned subsidiary of NTT DATA Europe GmbH & Co. KG, which in turn is a wholly owned subsidiary of NTT DATA Inc., NTT DATA Business Solutions AG is positioned globally. It supports more than 6,000 active customers at more than 90 locations in 33 countries around the world. Thanks to this international orientation, global economic developments and the resulting investment decisions of customers have a significant impact on the performance of NTT DATA Business Solutions AG.

According to the International Monetary Fund (IMF), the global economy grew by around 3.1% in the 2023 calendar year. The global economy is currently growing at a moderate pace only. At the same time, there are clear regional differences. While the USA has so far recorded strong growth in economic output, the economy in Europe is weak.

The euro area saw economic growth of 0.5% in 2023. However, GDP in Germany fell by 0.3%.

NTT DATA Business Solutions generated 43.1% of its consolidated revenue in euro area countries in 2023/2024 (previous year: 44.2%).

The USA economy expanded by 2.5% across the year as a whole. Among other things, the growth rate was driven by positive export performance and increasing consumer demand.

NTT DATA Business Solutions generated 14.0% of its consolidated revenue in the USA and Canada (previous year: 14.7%).



Brazil saw an economic upturn that was driven in particular by high world market prices for food and infrastructure expansion funded by private investors, with GDP rising by 2.9%.

NTT DATA Business Solutions generated 3.5% (previous year: 3.3%) of its consolidated revenue in Brazil in 2023/2024.

The Japanese economy is highly important to NTT DATA Business Solutions as a member of the NTT DATA Group, even though it does not generate revenue directly in Japan. However, the company has customer relationships with Japanese corporations both directly and through affiliates. The Japanese economy was impacted by a sharp decline in the value of the local currency, the yen, in 2023. Nevertheless, a growth rate of 1.9% was achieved.

Against this backdrop, exchange rates were highly volatile.

The US dollar/euro exchange rate fluctuated between 1.05 and 1.12 over the year, with the euro around 3.6% stronger at the end of 2023 than at the end of 2022.

## Sector development in fiscal 2023/2024

According to the Gartner study from January 2024, global IT spending increased by 3.3% in the 2023 calendar year. The sub-markets relevant to NTT DATA Business Solutions – software and IT services – expanded by 12.4% and 5.8%, thereby significantly outpacing the IT market as a whole.

## Business development and economic position

The following table shows the changes in revenue in the segments and divisions compared with the corresponding prior-year figures and the Group's earnings development in MEUR:

in MEUR	Apr 1, 2023 – Mar 31, 2024	Apr 1, 2022 – Mar 31, 2023
<b>Total revenues</b>	<b>1,613.1</b>	<b>1,423.4</b>
<b>Revenue division</b>		
Consulting	770.3	651.6
Licenses	36.7	50.3
Cloud Subscription	128.4	90.0
Managed Services	674.7	626.1
Other	3.0	5.4
<b>Revenue segment</b>		
Germany/Austria/Switzerland (DACH)	684.3	621.8
Western Europe	227.9	192.5
North and Eastern Europe (NEE)	316.3	255.3
America	275.6	251.4
APAC	99.6	95.0
Other	9.4	7.4
<b>EBIT</b>	<b>80.9</b>	<b>85.3</b>
EBIT margin	5.0%	6.0%
<b>EBITA</b>	<b>103.4</b>	<b>99.2</b>
EBITA margin	6.4%	7.0%
<b>EBITDA</b>	<b>148.1</b>	<b>142.6</b>
EBITDA margin	9.2%	10.0%
<b>IFRS net profit</b>	<b>38.7</b>	<b>64.7</b>
<b>IFRS earnings per share in EUR/ Share of shareholders NTT DATA Business Solutions AG</b>	<b>0.97</b>	<b>1.82</b>

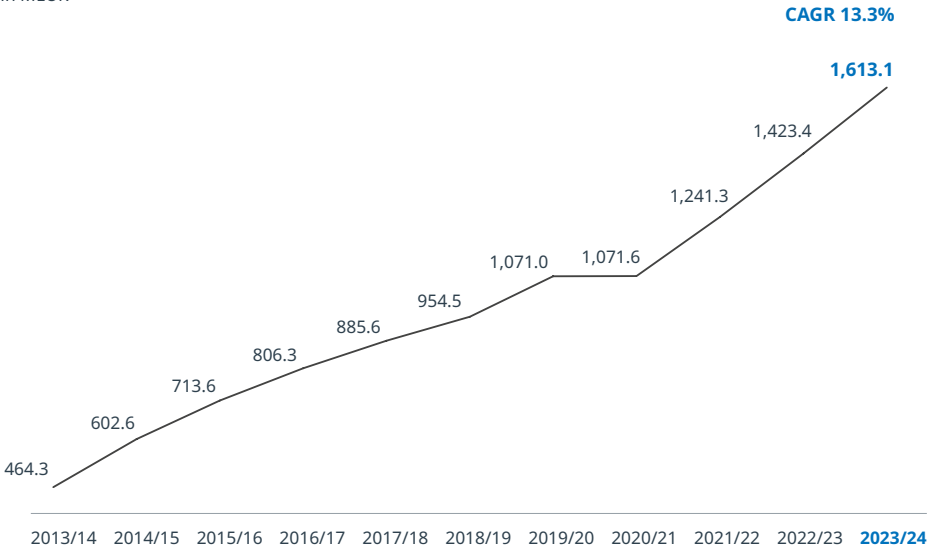


Revenue development

NTT DATA Business Solutions continued its positive revenue performance in fiscal 2023/2024. Revenue climbed by +13.3% from MEUR 1,423.4 to MEUR 1,613.1 (adjusted for currency effects: +9.6%). Growth was positively impacted by a hyperinflation adjustment of MEUR 8.3 (+0.6%) in Turkey. Average revenue growth (CAGR) for the past ten years amounts to 13.3%.

Revenue development fiscal 2013/2014 – 2023/2024

in MEUR

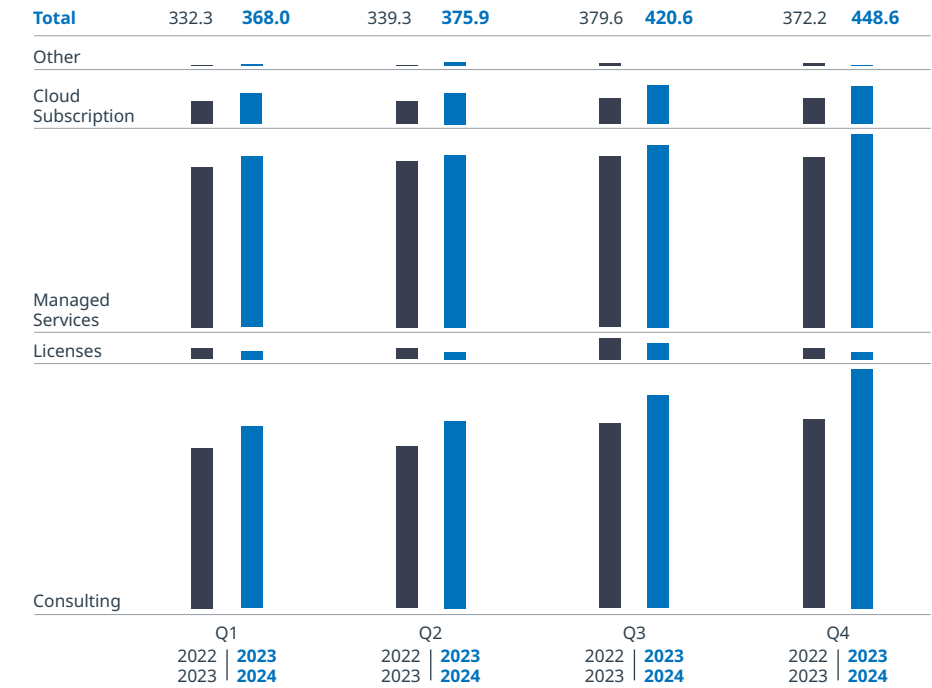


A look at the quarter-on-quarter performance shows that NTT DATA Business Solutions significantly outperformed its prior-year revenue in every quarter of fiscal 2023/2024. The increase in revenue was +10.7% in the first quarter, while in the sec-

ond and third quarters this was +10.8%. The biggest percentage rise was achieved in the fourth quarter at +20.5%. This strong increase is mainly attributable to the acquired companies in the UK, the USA, India, and Brazil. These contributed a total of +3.8% to revenue growth. Exchange rate developments negatively impacted revenue development to the tune of -2.8%.

Revenues by quarter

in MEUR



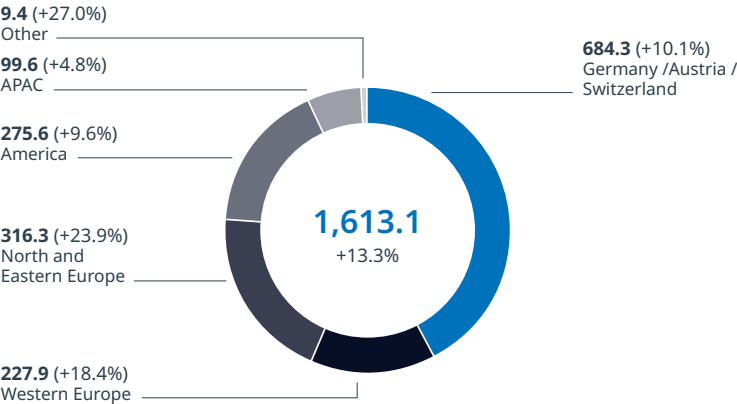


NTT DATA Business Solutions breaks down revenue by both regional segment and division. The corresponding changes are shown in the following diagrams:

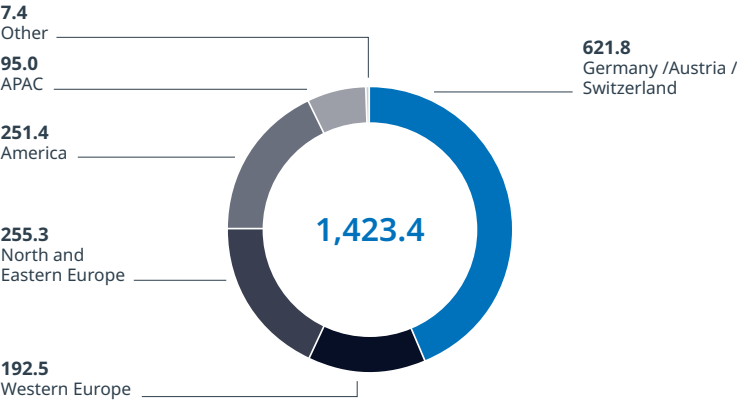
Revenue development by regional segment

in MEUR

2023/2024



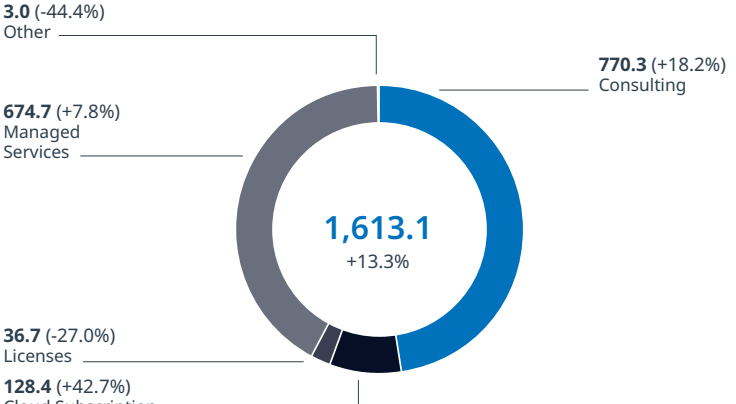
2022/2023



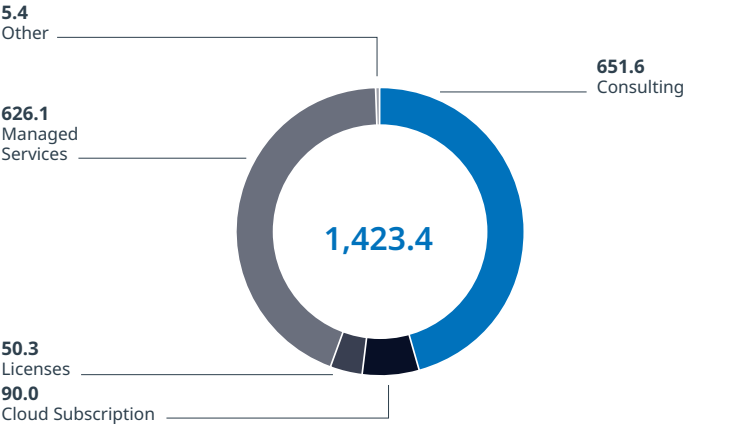
Revenue development by division

in MEUR

2023/2024



2022/2023





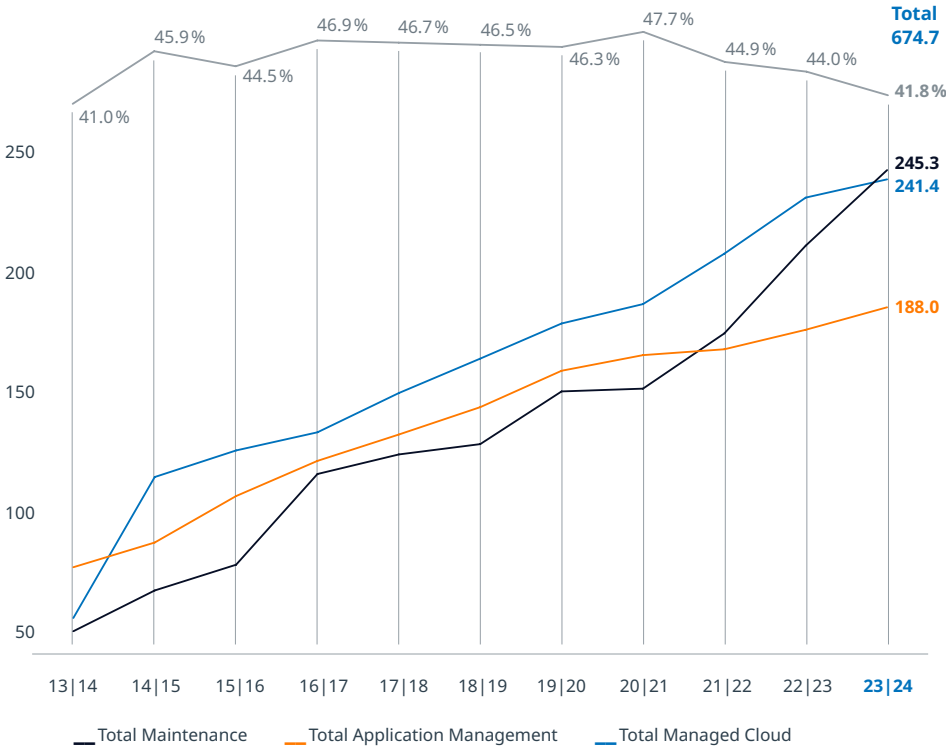
The breakdown of revenue by segment in fiscal 2023/2024 was as follows: DACH 42.4% (previous year: 43.7%), Western Europe 14.1% (previous year: 13.5%), Northern and Eastern Europe 19.6% (previous year: 17.9%), the Americas 17.1% (previous year: 17.7%), APAC 6.2% (previous year: 6.7%), Other 0.6% (previous year: 0.5%).

The individual units generated the following revenue shares: Consulting 47.8% (previous year: 45.8%), Licenses 2.3% (previous year: 3.5%), Cloud Subscription 8.0% (previous year: 6.3%), Managed Services 41.8% (previous year: 44.0%), Other 0.2% (previous year: 0.4%). SAP SE's change in focus from selling traditional on-premise licenses to cloud subscriptions led to a notable shift in revenues between the Licenses and Cloud Subscription segments. Revenues in the Cloud Subscription segment were also boosted by commission income in connection with SAP SE's new CCP & CC Flex business model.

The development of recurring business in the individual units of Maintenance, Application Management, Managed Cloud, and Cloud Subscription from fiscal years 2013/2014 to 2023/2024 is shown in the following overview.

Recurring business

as a proportion of total revenues, in MEUR



Revenue development in the regions

The NTT DATA Business Solutions segment with the highest revenue is DACH, which comprises Germany, Austria, and Switzerland. Revenues increased by +10.0% from MEUR 621.8 to MEUR 684.3 (adjusted for currency effects: 8.7%). MEUR 18.9 of the growth is attributable to the acquisition of Natuvion. In addition, growth of MEUR +40.1 was achieved by the units in Germany and MEUR +9.9 by the units in Switzerland.



The highest absolute increase in revenue in the DACH segment was achieved in Consulting, which grew by MEUR +48.8 (+17.9%) from MEUR 272.7 to MEUR 321.5. License revenue declined by -26.5% (MEUR -6.3) year-on-year, from MEUR 23.4 to MEUR 17.2. Contrastingly, Cloud Subscription revenue rose sharply by MEUR 11.6 (+54.3%), from MEUR 21.4 to MEUR 33.0. Of this figure, MEUR 9.3 (28.1%) is attributable to the new CCP & CC Flex business model. Managed Services revenue increased by MEUR +9.2, from MEUR 300.9 to MEUR 310.1.

Revenue in the **Western Europe segment** rose by +18.4% (adjusted for currency effects: 18.3%), from MEUR 192.5 to MEUR 227.9. Downturns in revenue in France (MEUR -0.4) and Benelux (MEUR -2.6) were more than offset by the substantial rises of MEUR +14.2 (+10.7%) in the UK and MEUR +0.7 (+9.5%) in Spain, as well as by the additional revenue (MEUR +23.5) of the British part of the new acquisition Sapphire.

Consulting business in the Western Europe segment increased from MEUR 82.2 in the previous year to MEUR 92.4. This corresponds to growth of MEUR +10.1 or +12.3% (adjusted for currency effects: +12.3%).

Licenses revenue fell by MEUR -2.7, from MEUR 6.6 to MEUR 3.9. Cloud Subscription business reported strong growth of MEUR +11.5 (or 54.7%), to MEUR 32.5 as a result of the good performance in the UK, France, and Benelux. Of this figure, MEUR 3.5 (10.7%) is attributable to CCP & CC Flex. Managed Services also achieved revenue growth of MEUR +16.4, from MEUR 82.7 to MEUR 99.1. This increase related mainly to the UK and the new acquisition of Sapphire.

The **Northern and Eastern Europe segment** generated revenue of MEUR 316.3 in the past fiscal year, outperforming the previous year by MEUR +61.0 (or +23.9%). Adjusted for currency effects, revenue increased by +34.2%. This highly positive development is essentially thanks to Turkey at MEUR +32.6, the United Arab Emirates at MEUR +5.1, and Poland at MEUR +4.2. Growth in Turkey resulted from organic growth and increased sales revenue, which in turn were impacted by the high inflation rate.

In the **Northern and Eastern Europe segment**, Consulting business grew by MEUR +27.0 (or +21.0%), from MEUR 128.5 in the previous year to MEUR 155.5 (adjusted for currency effects: +32.4%). The figure for Managed Services was MEUR 122.0, an increase of MEUR +27.8 on the prior-year figure of MEUR 94.2. At MEUR 6.5, License revenue was down MEUR -1.1 on the prior-year figure of MEUR 7.6. Adjusted for currency effects, revenue would have been just MEUR -0.5 lower year-on-year. By contrast, Cloud Subscription business reported a strong increase of MEUR +8.8 or 37.3% to MEUR 32.3. Of this figure, MEUR 4.0 (12.4%) is attributable to the new CCP & CC Flex business model.

In the **Americas segment**, revenue climbed by +9.7% from MEUR 251.4 in the previous year to MEUR 275.6. Adjusted for currency effects, this represents an increase of +11.8%. Downturns in revenue in the MSCG Group (MEUR -10.0) and Canada (MEUR -0.2) offset the revenue increases in the USA (MEUR +11.1) and Brazil (MEUR +8.7, including Conexus inorganic growth of MEUR +2.3) plus revenue of MEUR +10.6 through the American part of the newly acquired Sapphire Group.

Consulting business in the Americas segment rose sharply by MEUR +24.3 year-on-year, from MEUR 117.4 to MEUR 141.6. This effect is attributable mainly to excellent revenue performance in Brazil and the USA, and to the effect of the newly acquired Sapphire in the USA. In Managed Services business, revenue remained unchanged at MEUR 105.0. Licenses revenue fell as expected by MEUR -4.3 to MEUR 5.0, while the Cloud Subscription alternative product grew by MEUR +4.4 from MEUR 19.1 to MEUR 23.6. Of this figure, MEUR 9.9 (41.9%) is attributable to the new CCP & CC Flex business model. The slight reduction in License revenue and the sharp rise in Cloud Subscription business serve to illustrate the shift from traditional license sales to cloud subscriptions.

Revenue also outperformed the prior-year's level in the **APAC segment**, rising by MEUR +4.6 from MEUR 95.0 to MEUR 99.6. This corresponds to an increase in revenue of +4.9% (adjusted for currency effects: +25.0%).



Managed Services generated revenue of MEUR 36.2, which was MEUR -6.2 down from the previous year's level of MEUR 42.4. However, after adjustment for currency effects, an increase of MEUR +4.9% was achieved. Consulting business revenue increased in all countries, boosting revenue by MEUR +8.4 from MEUR 45.0 to MEUR 53.4. The Cloud Subscription segment expanded by MEUR +2.1 (or +50.0%), from MEUR 4.2 to MEUR 6.3. License business went against the trend, climbing by MEUR +0.7 from MEUR 3.0 to MEUR 3.7.

The **Other segment** contains the revenue of ITC GmbH, XEGO-it, and Recruit GmbH. At MEUR 9.4, the revenue generated by these companies was higher than the prior-year level of MEUR 7.4.

Revenue development by division

**Consulting** revenue rose by +18.2% year-on-year from MEUR 651.6 to MEUR 770.3. All regions increased Consulting revenue by more than 10%. In addition, inorganic growth of MEUR +12.8 (April – July) from the acquisition of Natuvion and MEUR +14.1 from the acquisition of the Sapphire Group contributed to this revenue increase.

**License** revenue declined as expected by MEUR -13.6 (-27.1%), from MEUR 50.3 in the previous year to MEUR 36.7 currently. The reduction in License revenue was more than offset by strong growth in the Cloud Subscription segment.

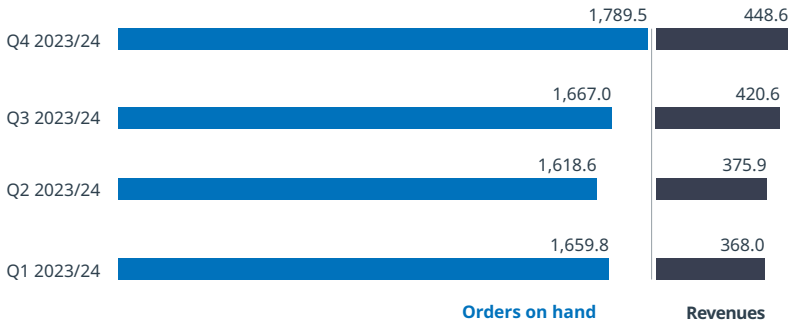
Accordingly, the highest percentage increase (+42.7%) was also achieved in **Cloud Subscription**, which further illustrates the pronounced shift from on-premise License to Cloud Subscription business. This segment increased by MEUR +38.4, from MEUR 90.0 in the previous year to MEUR 128.3, becoming a significant part of overall revenues. Of this figure, MEUR 28.1 (21.9%) is attributable to the new CCP & CC Flex business model. All regions increased revenue by double-digit percentages here.

**Managed Services** achieved significant growth of MEUR +48.6 from MEUR 626.2 to MEUR 674.7. This increase of 7.8% was primarily due to growth in DACH (MEUR +9.2), Northern and Eastern Europe (MEUR +27.8), and Western Europe (MEUR +16.4). A drop of MEUR -6.2 was recorded only in the APAC region. At MEUR 105.0, business in the Americas remained at the level of the prior-year period.

Orders on hand at NTT DATA Business Solutions increased by +8.0%, from BEUR 1.657 to BEUR 1.789 as of March 31, 2024. The book-to-bill ratio for fiscal 2023/2024 was 1.08. Non-current orders on hand amounted to MEUR 846.3, a slight increase on the previous year (MEUR 842.8).

Orders on hand and revenues per quarter

in MEUR





## Net Assets, Financial Position, and Results of Operations

### Results of operations

NTT DATA Business Solutions AG experienced moderate growth in earnings in fiscal 2023/2024. EBITA amounted to MEUR 102.4 after MEUR 99.2 in the previous year, an increase of +4.2%. The EBITA margin decreased to 6.4% in the year under review after 7.0% in the previous year. However, on an adjusted basis EBITA was MEUR 118.8, meaning that an adjusted EBITA margin of 7.4% was achieved. The adjustments of MEUR 15.4 are based on the parent company's management fees, which are substantially higher than in the previous year, and on significant acquisition and integration costs for the acquisition of Sapphire.

The global cost and efficiency program aimed at long-term profitability enhancement continued successfully in fiscal 2023/2024. While strategic investments of MEUR 17.3 were made in the previous year, a total of MEUR 17.0 was invested in the year under review in coordination with the shareholders. Operating EBITA (EBITA before non-recurring costs) rose by MEUR +3.9 year-on-year, from MEUR 116.5 to MEUR 120.4.

EBIT amounted to MEUR 80.9 in the fiscal year, down MEUR -4.4 on the prior-year figure of MEUR 85.3. The EBIT margin was 5.0% (previous year: 6.0%). However, the adjusted EBIT was MEUR 96.3, meaning that an adjusted EBIT margin of 6%, at the same level as the previous year, was achieved.

The difference of -1.4 percentage points between the EBIT margin and the EBITA margin is due to amortization of intangible assets amounting to MEUR 22.5 (previous year: MEUR 13.9). The sharp increase in amortization was mainly due to the acquisition of the Sapphire Group. In addition, capitalized customer relationships and orders on hand are amortized over periods that reflect the respective contractual terms.

EBITA in the **DACH segment (including headquarters)** amounted to MEUR 0.9 in 2023/2024, while operating EBITA amounted to MEUR 13.8 (prior-year operating EBITA: MEUR 23.4). This development was mainly due to significantly increased expenditure for services and the integration costs incurred at headquarters in connection with the acquisition of Sapphire.

EBITA in the **Western Europe segment** amounted to MEUR 26.2 in the past fiscal year, while operating EBITA amounted to MEUR 28.6 (prior-year operating EBITA: MEUR 18.4). A weak fiscal year in Spain and the Benelux countries was offset by positive performance in the UK and France, as well as the additional earnings contribution from the British division of the newly acquired company Sapphire.

The **Northern and Eastern Europe segment** generated EBITA of MEUR 17.4, while operating EBITA amounted to MEUR 18.1 (prior-year operating EBITA: MEUR 22.1). Declining earnings in the Nordics and Bulgaria led to the negative deviation, which could not be fully offset by positive increases in earnings in Turkey and the Czech Republic.

EBITA in the **Americas segment** amounted to MEUR 41.5, while operating EBITA totaled MEUR 41.6 (prior-year operating EBITA: MEUR 38.0). A significant improvement in earnings in Brazil led to this positive development in the Americas. In Canada and the USA, earnings remained at a consistently high level.

The **APAC segment** generated EBITA of MEUR 16.5 and operating EBITA of MEUR 17.2 (prior-year EBITA: MEUR +16.7). A negative change in earnings in India was offset by significantly increased earnings in Australia and Thailand.

The **Other segment** made an EBITA contribution of MEUR 0.8, up MEUR 0.5 on the prior-year figure of MEUR 0.3.





Net finance costs

Net finance costs declined to MEUR -3.2 in the past fiscal year after MEUR -0.1 in the previous year. This figure includes an increase in finance income to MEUR 5.6 (previous year: MEUR 4.6) due to a higher market interest rate, which contributed to an increase in finance costs. Overall, finance costs increased to MEUR 12.7 (previous year: MEUR 6.7). Finance costs essentially include interest expenditure and compounding effects from liabilities. Net finance costs also include income and expenses from the remeasurement of derivatives and the exercise of options. In total, the past fiscal year saw income of MEUR 2.9 (previous year: MEUR 1.7). Overall, this resulted in earnings before taxes (EBT) of MEUR 77.6 after MEUR 85.2 in the previous year, a reduction of 8.8%.

Tax expense

The tax expense amounted to MEUR 39.0 in fiscal 2023/2024 after MEUR 20.5 in the previous year. At 50.2%, the consolidated tax rate was up significantly on the prior-year figure of 24.1%. The year-on-year increase in the tax rate essentially resulted from changes in the valuation allowance on deferred tax assets from loss carryforwards. Further information on income taxes can be found in note (9) of the notes to the consolidated financial statements.

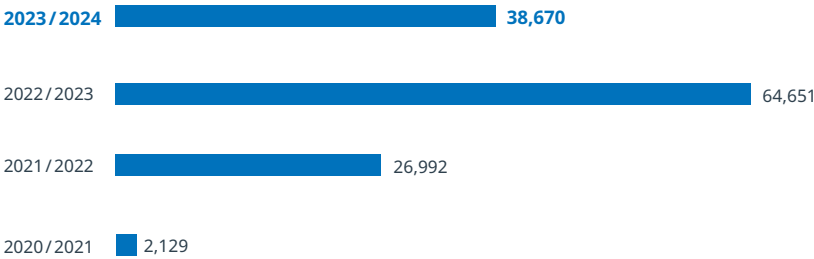
Consolidated net profit and earnings per share

NTT DATA Business Solutions AG’s consolidated net profit reduced to MEUR 38.7 in the year under review, down MEUR 26.0 or 40.2% on the prior-year figure of MEUR 64.7.

The share of consolidated net profit attributable to the shareholders of NTT DATA Business Solutions AG reduced from MEUR 54.5 in the previous year to MEUR 29.0 in the past fiscal year. Accordingly, earnings per share declined by EUR 0.85 year-on-year, from EUR 1.82 to EUR 0.97. Earnings per share were calculated on the basis of 30,014,838 shares.

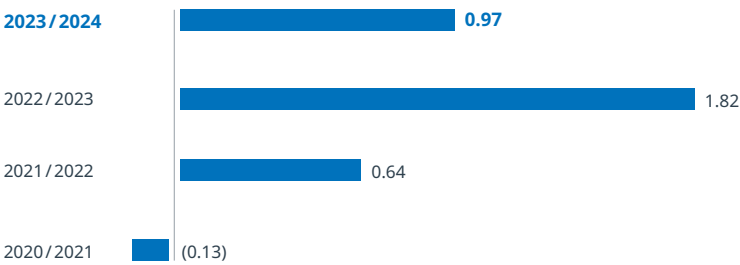
Consolidated net profit

KEUR



Earnings per share

EUR





## Net assets

Reflecting the Group's growth, total consolidated assets rose by MEUR 391.2 or around 37.3% in the past fiscal year.

<b>ASSETS</b> in MEUR	<b>Mar 31, 2024</b>	<b>Mar 31, 2023</b>	<b>Change</b>
Intangible assets	639.9	359.7	280.2
Property, plant, and equipment	165.2	154.9	10.3
Non-current receivables and other assets	18.2	21.8	-3.6
<b>Non-current assets</b>	<b>823.3</b>	<b>536.4</b>	<b>286.9</b>
Current receivables and other assets	505.0	388.9	116.1
Cash and cash equivalents	110.9	122.7	-11.8
<b>Current assets</b>	<b>615.9</b>	<b>511.6</b>	<b>104.3</b>
<b>Total assets</b>	<b>1,439.2</b>	<b>1,048.0</b>	<b>391.2</b>
<b>EQUITY AND LIABILITIES</b> in MEUR	<b>Mar 31, 2024</b>	<b>Mar 31, 2023</b>	<b>Change</b>
<b>Equity (including non-controlling interests)</b>	<b>636.6</b>	<b>380.2</b>	<b>256.4</b>
Financial liabilities	234.2	227.5	6.7
Provisions for pensions and other provisions	10.5	10.6	-0.1
Other non-current liabilities	36.8	21.1	15.7
<b>Non-current liabilities</b>	<b>281.5</b>	<b>259.2</b>	<b>22.3</b>
Trade payables	264.8	176.0	88.8
Financial liabilities	45.3	44.0	1.3
Other current liabilities and provisions	211.0	188.6	22.4
<b>Current liabilities</b>	<b>521.1</b>	<b>408.6</b>	<b>112.5</b>
<b>Total equity and liabilities</b>	<b>1,439.2</b>	<b>1,048.0</b>	<b>391.2</b>

At MEUR 823.3 in the year under review, non-current assets increased by 53.5% on the prior-year figure of MEUR 536.4. Non-current assets accounted for 57.2% of total assets as of the end of the reporting period (previous year: 51.2%). The main items under non-current assets are goodwill amounting to MEUR 507.2 (previous year: MEUR 287.0) and property, plant, and equipment of MEUR 165.2 (previous year: MEUR 154.9). The acquisition of a 100% stake in the Sapphire Group in the UK increased goodwill by MEUR 214.1. Currency translation effects led to an increase in goodwill of MEUR 4.0. The remeasurement of goodwill in Turkey in accordance with IAS 29 resulted in an increase of MEUR 2.1.

Current assets rose to MEUR 615.9 as of the end of the reporting period compared with MEUR 511.6 in the previous year. They thus accounted for 42.8% of total assets (previous year: 48.8%). The most significant increase related to other financial assets, particularly as a result of international cash pooling accounts with the NTT DATA Corporation. Trade receivables increased year-on-year from MEUR 229.4 to MEUR 280.7 as a result of higher growth in revenue. The average days sales outstanding (defined as the average number of days from the start of performance to receipt of payment from the customer) improved to 44 days (previous year: 46 days). Cash and cash equivalents declined to MEUR 110.9 after MEUR 122.7 in the previous year. Assets held for sale amounted to MEUR 1.5 (previous year: MEUR 9.0). These are assets that can be sold in their current state and whose disposal is highly likely. A property in Singapore was reported as held for sale in the past fiscal year. The intention is to sell the building, including the land, in the coming months. The prior-period figure included the property in the US. Further information on assets and liabilities held for sale can be found in note (29) of the notes to the consolidated financial statements.

On the liabilities side of the consolidated statement of financial position, equity increased mainly as a result of capital increases of MEUR 224.1 and consolidated net profit of MEUR 38.7. The MEUR 4.5 increase in other equity was due to positive exchange rate effects of MEUR 5.4 and the effects of put and call options in conjunction with acquisitions in the amount of MEUR 1.1, which were partially offset by the effects of actuarial losses amounting to MEUR -0.6. The reported amount of non-con-



trolling interests declined to MEUR 69.6 from MEUR 70.8 in the previous year. Overall, equity increased by MEUR 256.4 to MEUR 636.6 (previous year: MEUR 380.2). The equity ratio, which describes equity as a share of total assets, climbed from 36.3% in the previous year to 44.3%.

Non-current liabilities accounted for 19.5% of the Group's total equity and liabilities as of March 31, 2024, lower than the prior-year level of 24.7%. Generally, the non-current financial liabilities predominantly relate to the financing of the data centers in Germany and abroad and to the Group's acquisition activities.

NTT DATA Business Solutions' current liabilities were up on the previous year at MEUR 521.1. In the fiscal year, the funds utilized served to finance short-term working capital requirements in Germany and abroad. Further information on financial liabilities can be found in note (23) of the notes to the consolidated financial statements.

The increase in other non-financial liabilities is linked mainly to the rise in provisions. This mostly results from higher warranty provisions for work still to be performed under maintenance contracts and additional work performed free of charge in customer projects.

At 36.2%, the ratio of current liabilities to total assets was down from the prior-year figure of 39.0%.

## Financial position

in MEUR	Mar 31, 2024	Mar 31, 2023	Change
Cashflow from operating activities	82.5	100.4	-17.8
Cashflow from investing activities	-248.3	-58.9	-189.4
Cashflow from financing activities	156.4	-45.0	201.4
<b>Change in liquidity</b>	<b>-9.4</b>	<b>-3.6</b>	<b>-5.8</b>

In the past fiscal year, cashflow from operating activities fell by MEUR 17.8 to MEUR 82.5. Working capital rose by MEUR 20.2 as a result of revenue growth. Although trade receivables and contract assets increased significantly, DSO (days sales outstanding) improved by 2 days to 44 days compared to the previous year (46 days).

The cashflow from investing activities was MEUR 248.3, a significant increase on the prior-year figure of MEUR 58.9. This includes purchase price payments for the acquisition of new companies and additional shares in existing equity investments (less cash and cash equivalents acquired) in the amount of MEUR 232.4 (previous year: MEUR 27.1) and investments in intangible assets and property, plant, and equipment less investment subsidies and grants in the amount of MEUR 24.6 in the reporting period (previous year: MEUR 32.4). As in previous years, investments in property, plant, and equipment focused on the expansion of data center capacity in Germany and abroad.

Investments including finance leases amounted to MEUR 24.6 (previous year: MEUR 32.4), of which MEUR 12.0 was attributable to the DACH segment (previous year: MEUR 13.7), MEUR 3.9 to Northern and Eastern Europe (previous year: MEUR 11.6), MEUR 3.5 to Western Europe (previous year: MEUR 0.7), MEUR 3.2 to the Americas (previous year: MEUR 4.0), and MEUR 1.9 to APAC (previous year: MEUR 2.3).

The cashflow from financing activities amounted to MEUR 156.4 in total (previous year: outflow of MEUR 45.0). The Group raised financial liabilities of MEUR 5.3 in fiscal 2023/2024 and generated funds of MEUR 224.1 from a capital increase. This was



offset by repayments of financial liabilities of MEUR 11.1, payments for put and call options of MEUR 11, MEUR 7.9 in dividend payments to non-controlling interests, and repayments of finance lease agreements in the amount of MEUR 26.5.

The interest rates for non-current financial liabilities range from 1-month Euribor at +0.25% to 3-month Euribor at +2.25%. With regard to future growth finance, a change in interest rates would affect the Group's financial position and net interest income. Details on the nature, maturity, and interest rate structure of the liabilities can be found in note (23) "Financial liabilities" in the notes to the consolidated financial statements.

Cash funds declined by MEUR 11.9 to MEUR 110.9 as of the end of the reporting period (previous year: MEUR 122.7). Cash of MEUR 27.0 was held in the euro area and was not subject to exchange rate effects. Cash funds held outside the euro area were invested and recognized in the currencies of the appropriate countries. They were translated at the closing rate as of the end of the year. The consolidated financial statements will continue to be subject to currency translation effects in the future. The Group's liquidity reserves were invested solely in short-term investments, meaning that NTT DATA Business Solutions' net interest income is affected by interest rate fluctuations for such investments on the money and capital markets.

In order to increase financial flexibility, additional credit facilities of MEUR 27.0 were agreed in Germany. In the year under review, these were utilized for guarantees and loans in the amount of MEUR 2.1. In addition to credit facilities in Germany, subsidiaries also utilized credit facilities abroad. These credit facilities with a total volume of MEUR 15.2 were agreed in the respective local currencies and were partially guaranteed by NTT DATA Business Solutions AG. The utilization of these credit facilities by subsidiaries amounted to MEUR 2.2 as of the end of the reporting period.

The Management Board of NTT DATA Business Solutions AG expects the cash funds of MEUR 110.9, in conjunction with financial reserves in the form of unutilized credit facilities, to be sufficient to cover its operating capital requirements and – together with the expected cashflow from operating activities – the scheduled debt repayments and other planned short-term and medium-term investments.

The partnership with NTT DATA also ensures the Group's financial flexibility.

## Overall assessment of the economic position

NTT DATA Business Solutions significantly outperformed its growth targets in fiscal 2023/2024. Having aimed for revenue of BEUR 1.475 to BEUR 1.50 (+4.0% to +6.0%), it actually achieved growth of 13.3% to BEUR 1.613. Organic revenue increased by a strong 9.6%, while revenue growth of +3.7% was achieved through acquisitions.

The biggest increases in revenue were achieved in the Consulting, Cloud Subscription, and Managed Services segments and in our European core markets and the US.

The equity ratio rose significantly by 8.0 percentage points to 44.3% in the reporting year (previous year: 36.3%). While equity increased by MEUR 258.5, total assets rose by MEUR 393.4 to MEUR 1,441.3. Cash funds declined by MEUR 11.8 to MEUR 110.9. Cashflow from operating activities fell by MEUR 17.8 to MEUR 82.5 in the year under review. The main driver compared with the previous year was the increase in working capital as a result of significant revenue growth.

Payments for investments increased significantly from MEUR 58.9 to MEUR 248.3, with the result that the total cashflow from investing activities declined by MEUR 189.4. This was mainly due to the acquisition of the Sapphire Group. The cashflow from financing activities amounted to MEUR 156.4 in total (previous year: MEUR -45.0). Here, too, the capital increase was mainly due to the acquisition of the Sapphire Group.

Subject to global authorization processes, having NTT DATA as a parent company means that loans, financing, and capital increases for major investment and acquisition projects can be provided at all times. The Management Board rates NTT DATA Business Solutions' financial headroom as sufficiently stable to finance the planned organic growth in Germany and abroad. The Management Board still regards the company's economic position as good.





## Financial and Non-financial Performance Indicators

### Financial performance indicators

The most important financial performance indicators used by NTT DATA Business Solutions AG are revenue, earnings before interest, taxes, and amortization (EBITA), and the EBITA margin.

In light of the ongoing cost efficiency program, a distinction is made between operating EBITA and EBIT before the cost efficiency program, and EBITA and EBIT including the effects of the cost efficiency program. These performance indicators are presented to and discussed with the Management Board on a monthly basis as part of internal reporting, thus allowing measures to be initiated in a timely manner as required.

In addition to the above key financial performance indicators, NTT DATA Business Solutions AG uses a wide range of operational key figures to measure strategic objectives in terms of growth and efficiency improvements. This includes utilization levels, the development of daily rates and project budget compliance in the Consulting business, and the number of new customers in the Licenses and Maintenance business. Sales activities in all divisions are monitored and managed centrally through the regular monitoring of the sales pipeline and the development of orders on hand. The following financial performance indicators are also used:

- Net finance costs: This performance indicator provides information regarding interest on cash funds and interest payable on borrowed funds. The measurement of derivatives and the exercise of options also features prominently.
- Days sales outstanding (DSO): Another important aspect is working capital management through monitoring of the days sales outstanding of operating receivables. Days sales outstanding (DSO) of receivables is defined as the average number of days from the start of performance to receipt of payment from the customer.
- Tax rate: The tax rate corresponds to the ratio of income tax expense to earnings before income taxes in percent.
- Cashflows from operating activities, investing activities, and financing activities: NTT DATA Business Solutions' statement of cashflows describes how the Group generated and used cash and cash equivalents in the respective reporting period.

### Non-financial performance indicators

#### Employees

NTT DATA Business Solutions AG's business success and leadership claim as a strategic SAP full-service provider is primarily based on highly qualified and motivated employees who identify with the company. The performance indicator in this context is employee satisfaction, which is measured by way of regular surveys.

#### Customers and quality

Customer satisfaction is of central importance to the NTT DATA Business Solutions Group's business success. It forms the basis for trust-based partnership and long-term cooperation.

The success of extensive, complex projects depends to a large extent on high-quality implementation in line with the agreed budgets and deadlines. To prevent deviations from planning that could have a negative impact on its earnings situation, NTT DATA Business Solutions has established detailed, binding requirements for the tender process and for project and quality management.



The quality of NTT DATA Business Solutions' work is indicated by the number of SAP awards received.

A further non-financial performance indicator in this context is customer satisfaction. This is measured by customer surveys following the completion of projects.

#### Research and development

As NTT DATA Business Solutions AG does not perform any research and development in the narrower sense, it depends in particular on the many innovations in the area of industry solutions for more efficient implementation of SAP to maintain and expand its international competitiveness.

#### **Composition of the Management Board and Supervisory Board and assignment of other management roles (unaudited management report content)**

Gender equality and diversity are issues of major importance to the NTT DATA Business Solutions Group. Staff diversity is promoted at all levels by a number of measures and activities around the world. The Group takes part in various programs to support young women in the workplace and advocates work-life balance activities. Companies of the NTT DATA Business Solutions Group in several countries have earned external awards for being family-friendly. Tolerance, openness, and respect are core corporate values, which is why the NTT DATA Business Solutions Group supports the LGBTQ+ community through campaigns and activities, among other things.

In accordance with the German Act on Equal Participation of Women and Men Regarding Leadership Positions within the Sectors of Private Economy and Public Service, the following targets for the composition of the Management Board and Supervisory Board and for the assignment of other management roles are stated pursuant to sections 76(4) and 111(5) of the German Stock Corporation Act:

In 2023, the targets for the share of women on the Management Board and Supervisory Board of NTT DATA Business Solutions AG were set at 0% for the next five years. This corresponds to the status quo. The Supervisory Board based its decision on the fact that there are currently no female members of the Management Board or Supervisory Board of NTT DATA Business Solutions AG and no changes are planned. In reaching its decision, the Supervisory Board also took account of the conditions specific to the industry in which NTT DATA Business Solutions AG operates. NTT DATA Business Solutions AG is active mainly in IT consulting, an industry in which women are substantially underrepresented. The Supervisory Board has opted not to set higher targets in light of these industry-specific conditions, which the Supervisory Board expects to continue to pose difficulties in terms of recruiting female employees, and because no changes are currently planned in either of the executive bodies. The Supervisory Board also took account of the fact that women are substantially underrepresented among the candidates applying to NTT DATA Business Solutions AG due to industry-specific conditions. Nevertheless, NTT DATA Business Solutions AG hopes to increase the share of women on the Management Board and Supervisory Board in the future by enshrining gender equality and diversity within its strategy.

In 2023, the target for the share of women at the first management level below the Management Board was set at 20% for the next five years. The first management level below the Management Board of NTT DATA Business Solutions AG comprises the global leadership team. The Management Board based its decision on the fact that there are currently no women in the first management level below the Management Board of NTT DATA Business Solutions AG and the company has been unsuccessful in increasing the share of women in the past due to the conditions specific to the industry in which it operates. As the number of female candidates remains comparatively low due to these industry-specific conditions, increasing the share of women represents a challenge. NTT DATA Business Solutions AG plans to increase the share of women at the first management level below the Management Board by emphasizing gender equality and diversity within its strategy in the future.



In 2023, the target for the share of women at the second management level below the Management Board was set at 25% for the next five years. The second management level below the Management Board of NTT DATA Business Solutions AG comprises the global finance team and the managing directors. The share of women at this level is currently 17.1% (as at March 31, 2024). The stated target would represent an increase of 7.9 percentage points compared with the current status quo.

In 2023, the target for the share of women at the NTT DATA Business Solutions Group as a whole was set at 33.33% for the next five years. This represents an increase of 1.18 percentage points compared with the current status quo of 32.15% (as at March 31, 2024). The industry-specific conditions mentioned above are the reason why NTT DATA Business Solutions AG has been unable to further increase the share of women in the past. Despite industry-specific conditions, NTT DATA Business Solutions has succeeded in increasing the share of women worldwide by 7.4% over the last 5 years. We continue to work actively on gradually increasing the proportion of women further.

## Dependent Company Report

All of the shares in NTT DATA Business Solutions AG are held by NTT DATA EUROPE GmbH & Co. KG, Bielefeld. NTT DATA EUROPE GmbH & Co. KG is a Group company of NTT DATA, Inc., the shares in which are held by the Japanese companies NTT CORPORATION (45%) and NTT DATA CORPORATION (55%). As there is no control or profit transfer agreement in place with NTT DATA EUROPE GmbH & Co. KG and no incorporation is planned, the Management Board of NTT DATA Business Solutions AG is required to prepare a dependent company report in accordance with section 312 AktG.

In accordance with section 312(3) AktG the Management Board hereby declares that, in the case of the transactions and measures contained in the dependent company report that were conducted on the basis of the circumstances known to the Management Board at the time the transactions were executed or measures were implemented or omitted, NTT DATA Business Solutions AG received appropriate consideration for each transaction and has not been disadvantaged by the implementation or omission of any measures.



## Report on Risks and Opportunities

### Report on risks and opportunities

The NTT DATA Business Solutions Group (hereinafter NTT DATA Business Solutions) has implemented an internal control system (ICS) in the company to ensure the effectiveness and economic efficiency of business activities, in particular regarding the admissibility of financial reporting. NTT DATA Business Solutions AG's internal control system essentially consists of three pillars and is based on the three lines of defense model, covering risk ownership (operational management), risk control (Group-wide controlling, compliance system, and risk management), and risk assurance (via internal audit). Financial reporting is based on IFRS. In its management of risk, the company identifies and assesses the main risks that could jeopardize the achievement of its objectives. These include financial, operational, compliance-related and reputational risks. Based on this assessment, appropriate controls and measures are implemented to monitor, manage, and minimize these risks. These controls can be both preventive and downstream in nature and include, for example, authorization processes, inspections, and adjustments, as well as physical safeguards. Mechanisms have been put in place to ensure that relevant information is communicated internally and externally. This includes clear guidelines and procedures, training for employees, regular reporting to management and the Supervisory Board, and the exchange of information with external stakeholders. The effectiveness of the ICS is regularly monitored by management to make sure that the controls are working properly and potential weak points are identified and rectified. This can be done by means of internal and external checks, management reviews, self-assessments, and feedback mechanisms.

Through close coordination within the NTT DATA Group, the corporate internal audit and reporting system continued and was expanded in 2023/2024. Due to the continuously evolving external environment, particularly regarding legal and regulatory requirements for the company, changes in the general perceived risk situation, market conditions, and changes within the product portfolio, the opportunities, targets, risks, and controls at the relevant business process levels are reviewed and expanded to include new risks and controls, if necessary.

The risk inventory is reviewed once a year and updated where required. In addition, the company manages the significant risks determined by the NTT DATA Group.

### Opportunity management

Customer relationships and links with partners: NTT DATA Business Solutions is a long-term partner to its customers and assumes responsibility for the enhancement of IT initiatives and IT challenges to provide added value for its customers. In close cooperation with SAP, NTT DATA Business Solutions' strategic partner, NTT DATA Business Solutions provides Consulting, Software (SAP, own software products, other third-party software), Maintenance Services, and comprehensive Managed Services for its customers. SAP technology leadership and NTT DATA Business Solutions' own software products and industry solutions continue to form the basis for successful cooperation. Extensive project and service experience and process expertise in common business processes round off the success of the company. The innovative SAP SE business model is opening up new opportunities, for example through the transition to and increased focus on cloud subscriptions and the CCP & CC Flex business model.

Digital transformation: Global demand for digital solutions and technology remains strong. As an IT group, the company is well positioned to support customers in their digital transformation. This gives NTT DATA Business Solutions a wide range of opportunities to further boost its sales and market share.

NTT DATA Business Solutions' successful business model is based on a full-service provider approach with the above functions. Based on existing expertise, NTT DATA Business Solutions is working to improve its customers' value chains through innovative solutions. Management particularly anticipates opportunities in new markets with corresponding growth potential. New technologies such as AI, IoT and blockchain, cloud computing, Industry 4.0 solutions, S/4HANA, and mobility also open up huge sustainable growth opportunities for NTT DATA Business Solutions and offer great possibilities for differentiation.





## Opportunities for future business development

As a result of customers' technological requirements, NTT DATA Business Solutions has diverse growth opportunities at its disposal. These chiefly result from process innovation and the possibilities it opens up for the further automation of customer procedures. This position is supplemented by the international cooperation with SAP SE. Further growth opportunities arise from the focus on development services for proprietary products, which are another component in the optimization of customer processes. NTT DATA Business Solutions' global partnerships and international orientation allow it to provide intensive and successful support to small and medium-sized enterprises and, in particular, upper mid-market companies with a strong international focus in Germany and abroad.

Expansion into emerging markets and strengthening the company's presence in established markets provide the opportunity to diversify the company's sales and gain new customers. The company can expand its global reach through targeted marketing and sales strategies.

The parent company NTT DATA, Inc. supports NTT DATA Business Solutions AG's growth. The cooperation with NTT DATA, Inc. helps with international projects and tapping into new markets. Moreover, NTT DATA Business Solutions works with its NTT DATA, Inc. affiliates and is able to use resources efficiently. NTT DATA Business Solutions uses the capital resources provided by the partnership with NTT DATA, Inc. to grow its market share through targeted acquisitions.

## Risk management

In accordance with section 91(2) AktG, the Management Board of NTT DATA Business Solutions AG has established a risk management system for the Group in order to identify at an early stage risks that endanger the continued existence of the company. The risk management system is implemented on a Group-wide basis as one of the integral components of the business and decision-making processes. A permanent and systematic approach is derived on the basis of a defined risk strategy. This procedure comprises the integrated planning process, which is implemented using

both a top-down and a bottom-up approach, and the monitoring and controlling of business processes as well as the IFRS-compliant consolidated financial statements. In Group-wide guidelines – such as the Accounting and Account Assignment Manual, various compliance policies, authorization matrices, the Risk Management Guideline, the Internal Audit Manual, and the Information Security Guideline – the standards and requirements for the organization are defined and communicated to the relevant target groups. They are based partly on the requirements of the NTT DATA Group.

In close cooperation with NTT DATA, Inc., the requirements are examined and assessed annually in order to continuously improve processes. Continuous communication on the business position and on opportunities and risks also takes place in the following management meetings: monthly management meetings at which the operating divisions report on business developments, opportunities, and risks in their areas of responsibility; and monthly organized sales meetings at which new sales opportunities, orders on hand, and customer and market developments are discussed. There are also joint audit and compliance meetings and international business review meetings.

NTT DATA, Inc. is also striving to ensure a global and uniform audit and reporting system for all Group members with the aim of bundling and analyzing the information required for efficient risk and opportunity management as quickly as possible and making the findings available to all Group members in good time.

In the following section, the risks are listed in descending order of relative importance to NTT DATA Business Solutions AG under business environment risks, risks of future business development, performance risks, financial risks, and other risks.



## Business environment risks

### The pandemic

The past fiscal year saw a continued operating risk due to the impact of the pandemic, in particular its effects on the economy, customers' ability to pay, and changes in customer behavior. While the cost efficiency programs that were again implemented in the past fiscal year made a demonstrable contribution to profitability, this may only be enough to partially offset future negative revenue development. As previously, the industry-wide risk is estimated through the monthly management of incoming orders and orders on hand.

### War in Ukraine

The war in Ukraine continues to have a considerable impact on NTT DATA Business Solutions, particularly in terms of geopolitical uncertainties, disruption to supply chains, and cybersecurity. The conflict in Ukraine has led to geopolitical tensions that may impact international and trade relations. NTT DATA Business Solutions has faced political risks such as sanctions, trade restrictions, and political instability. These have influenced its business activities to some extent, albeit not adversely affected them. Another threat was reputational risk associated with maintaining business relations with countries or organizations involved in the conflict. Through structured measures to determine and deal with restrictions, NTT DATA Business Solutions was able to create a secure basis for the company's continued market activity.

Conflicts and geopolitical tensions are often accompanied by an increase in cyberattacks and cyber espionage. The company feared that it might increasingly become the target of hacker attacks and state-sponsored cyber operations. To counteract this, the company stepped up its cybersecurity measures in order to protect networks, systems, and data from potential threats.

Further risks were market volatility and inflation developments. The company did its best to manage and minimize these risks.

### Competition

The IT market is highly competitive – new rivals may appear at any time. To remain competitive, NTT DATA Business Solutions invests continuously in innovations and in its products and services so that it can adapt to changing market requirements.

### Industry risks

Technical progress entails risks as well as opportunities. These risks affect NTT DATA Business Solutions' net assets and results of operations. The company focuses on the following risk areas:

#### a) Customer-oriented market risks

Market influences on customers, such as economic cycles, liquidity shortages or changes in customers' investment habits, possible company concentration, and so on.

#### b) Supplier-oriented market risks

Supplier services requested by NTT DATA Business Solutions, in particular from external service providers, including service quality, etc.

#### c) Increased customer compliance requirements

Companies are required to use more and more resources to deal with these increased customer compliance requirements.

These developments are monitored through the monthly analysis of incoming orders and orders on hand. Furthermore, a weekly cash cockpit and weekly meetings help to keep the risk of bad debts as low as possible. Despite intensive customer and supplier care, it cannot be fully ensured that all developments will be identified at an early stage or that measures will be initiated in a timely manner.



### Regulatory risk

Stricter data protection regulations, trade sanctions, and other regulatory requirements may negatively impact NTT DATA Business Solutions' business and involve additional compliance requirements. NTT DATA Business Solutions therefore monitors each development and defines measures to adapt the affected business processes accordingly.

## Risks of future business development

### SAP partnership

As NTT DATA Business Solutions is focused on SAP as a full-service IT provider for the traditional and upper midsize market, it is largely dependent on the market success of SAP's products. This dependence affects every function of the company, and hence its net assets, financial position, and results of operations as a whole. As long as SAP continues to develop high-performance products for customers, NTT DATA Business Solutions can implement these products for its customers, thus reducing the economic risk for NTT DATA Business Solutions.

### Human resources risks and opportunities

Qualified employees and managers are the key factor in NTT DATA Business Solutions AG's success. Long-term employee retention combined with the need to keep employees motivated and train them in order to keep pace with technological change is a challenge. This is also true for the recruitment of suitable employees and managers.

Online training that communicates the necessary technological expertise ensures timely and diversified employee training at a high level. An international development program at all levels also fosters the skills of employees, from managers to project members.

Despite the measures described, it is not possible to rule out the possibility that qualified employees will leave the company earlier than expected or that an insufficient number of new employees will be found and successfully recruited.

## Performance risks

### Project risk

As all of the company's services are organized in project structures, projects constitute the biggest risk to NTT DATA Business Solutions. Projects can therefore have a negative impact on net assets and results of operations. This risk is countered by the ongoing revision of project methodology and the continuous development of project managers. Starting with monitoring by the project manager, projects are accompanied through to rollout and project controlling ensures project transparency. NTT DATA Business Solutions actively works to reduce product risks by using qualified employees and early warning systems embedded in the system. This enables everyone involved to identify risks at an early stage and take appropriate countermeasures.

### Risks in the Managed Services division

One risk in the Managed Services division lies in the contractually agreed high availability and reliability of data center services and protection against cyberattacks or similar external risks. Contractual and statutory provisions form the basis for the planning of internal resources and processes. Clearly defined responsibilities, interfaces, and workflows across different topics and locations ensure compliance with these requirements, which are regularly monitored by Internal Audit. Each new customer is integrated into the new or modified technology and the service process structure following a defined testing and acceptance procedure. The same applies to existing customers if changes are requested and/or required. The anticipated risks and opportunities are carefully weighed up against each other.

As in the previous year, corresponding audits were successfully completed in fiscal 2023/2024. The services and processes were certified in accordance with ISO/IEC 20000 – 1:2011 and ISO/IEC 27001:2013. In addition, data center services in Switzerland and the UK underwent 9001 certification. NTT DATA Business Solutions Global Managed Services GmbH's internal control system has also been successfully tested and audited in accordance with ISAE3402. These certifications are supplemented by the SAP Global Partner Hosting certificate. Comprehensive security measures – from building access authorization through to the internal authorization concept for the



responsible employees – and regular security audits with subsequent recertification are being and have been implemented in data center operations. The change in European data protection legislation will pose further challenges for processes and technical measures in data center operations. These have been and will be adhered to and implemented accordingly.

There is a commercial risk in the other service level agreements with customers in connection with MCS and AMS. These are reduced to a minimum through professional product and service management, intensive offer approval processes and state-of-the-art monitoring, quality assurance, and de-escalation processes.

#### IT security

Increasing digitalization poses the risk of cyberattacks and data loss, as well as threats to confidentiality, data integrity, and data availability. A successful cyberattack could result in significant financial losses and damage customers' trust in NTT DATA Business Solutions. NTT DATA Business Solutions therefore invests continuously in improving security measures. NTT DATA Business Solutions uses a risk management system with a view to reducing the probability of occurrence of damage and the resulting losses.

Continuous monitoring of IT systems, particularly incoming emails, by means of enhanced firewalls, virus protection, and controlled access to internal systems using OKTA authorization serves to lower the risk that exists here. Corresponding risk targets are defined as part of the continuous revision of the risk analysis and the assessment of the company's specific IT systems. IT security procedures are then chosen for the respective business processes at NTT DATA Business Solutions on the basis of IT standards. Furthermore, substantial investments were made once again in improving IT security in the past fiscal year.

Corresponding IT security standards are selected and implemented in conjunction with IT security management. Applying ISO/IEC 27001 and the IT-Grundschutz (IT baseline security) standards, accepted rules are used to attempt to reduce the complexity of socio-technical systems for IT security management and to achieve a suitable level of information security.

## Financial risks

#### Liquidity risk

NTT DATA Business Solutions' central Financial Management team monitors and controls global liquidity. The Management Board receives information on liquidity, including a cash forecast, on a weekly basis. These issues are addressed with the corporate departments concerned in monthly calls and the development of key performance indicators is discussed. Analysis focuses mainly on the Group-wide monitoring of cash funds, which enables measures to be initiated at short notice as required. Weekly transparency with regard to receivables helps to ensure that payment reminders are issued in good time. A constant level of cash funds and credit facilities in Germany and abroad serves to increase security and independence. Changes in inflation are also observed.

Interest rate fluctuations on the money and capital markets affect NTT DATA Business Solutions' net interest income to a limited extent only.

#### Price risk

Despite the company's internationalization, NTT DATA Business Solutions' value-added process is performed almost entirely in the same currency or on a euro basis. This means that while currency risk exists, its impact on earnings is limited.

Goodwill is tested for impairment each year using the DCF method. The average cost of capital is used to discount cashflows. Capital costs may change due to current developments in interest rate levels. Significant changes arising from goodwill impairment testing would have a substantial impact on earnings.

#### Exchange rate risk

NTT DATA Business Solutions monitors exchange rate risks on the basis of items in the statement of financial position. Exchange rate fluctuations affecting intragroup receivables and liabilities and the resulting risk are monitored and documented continuously. Exchange rate fluctuations also have a significant impact on the company's revenue and cost situation. Their development is monitored on a monthly basis.





### Inflation risk

NTT DATA Business Solutions is fundamentally exposed to inflation risk. The Group's earnings are substantially impacted by rising energy costs, rising salaries, and increased costs for external employees and other cost blocks. These developments can be partially offset through cost efficiency programs and increased utilization of productive employees and by charging customers higher daily rates.

### Default risk

To determine default risk, NTT DATA Business Solutions examines its customers' insolvency risk at each of its national subsidiaries. Credit checks are carried out for all new customers. Existing customers are subject to ongoing monitoring. However, this risk cannot be ruled out entirely. Accordingly, all receivables within the Group are monitored each month and, depending on the maturity profile, payment reminders are issued and bad debts are ultimately written off. This measure is supplemented by ongoing credit checks, which also include risk provisions in the form of specific valuation allowances.

### Other risks

#### Political risk

As an international service provider, NTT DATA Business Solutions is also exposed to international political influences and their consequences. Political risk is therefore taken into account and weighed up in all investment decisions, especially acquisitions.

#### General management risk

NTT DATA Business Solutions is also exposed to general management risk. The company continuously improves its management, controlling, and steering systems and extends them at all levels with a view to preventing errors.

### Overall risk situation

The Management Board does not consider any individual risks that could endanger the continued existence of the NTT DATA Business Solutions Group at the date of preparation of this annual report or in the foreseeable future. Similarly, the Management Board does not consider the aggregate risk at the date of preparation of this annual report as endangering the continued existence of the NTT DATA Business Solutions Group.



Risk Reporting in Connection with the Use of Financial Instruments

The risks relating to financial instruments are discussed in detail in notes (30) and (34g) of the notes to the consolidated financial statements.

Forecast

Economic forecasts for fiscal 2024/2025

The world economy was dominated by geopolitical conflicts and high global inflation in the 2023 calendar year, with the result that gross domestic product increased by just +3.1% compared with 2022.

For the current 2024 calendar year, the IMF is assuming growth in the global economy of 3.2%.

This muted forecast is due to ongoing geopolitical conflicts and the high level of inflation around the world. The IMF assumes that the forecast growth in the individual countries and regions will vary considerably.

Growth of 0.8% is anticipated for the euro area. For Germany, the IMF is assuming only low growth of 0.2%. A growth rate of 0.7% is forecast for France and Italy, while Spain is expected to see growth of 1.9%.

The growth forecast is 2.7% for the USA, 1.2% for Canada, and 1.7% for Brazil.

The IMF is forecasting much stronger growth momentum for India (+6.8%).

Outlook for the software and IT services market

Gartner expects spending on the global IT market to increase by 6.8% in the current calendar year. This is up significantly from the previous year, in which spending rose by just 3.3%.

in USD million	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data center systems	227	19.7	243	7.1	261	7.5
Enterprise software	813	10.9	913	12.4	1,029	12.7
Devices	766	-6.3	700	-8.7	732	4.6
IT services	1,306	7.5	1,382	5.8	1,501	8.7
Communication services	1,419	-1.7	1,441	1.5	1,473	2.3
Overall IT market	4,531	3.0	4,679	3.3	4,996	6.8

Source: Gartner (March 2024)



In 2023, the software and IT services market, the sub-market relevant to NTT DATA Business Solutions, grew far faster than the IT market as a whole (12.4% vs. 5.8%). Gartner is forecasting growth rates of 12.7% and 8.7% for the 2024 calendar year, which represents further strong growth in these two areas and an improvement compared with 2023.

According to Gartner, the anticipated upturn in IT services is attributable in particular to the infrastructure-as-a-service market.

The growth in the software segment is due to rising demand for automation and other software-driven transformation initiatives on the part of companies. Significant effects due to the introduction of software in the context of generative AI will not be noticeable until 2025.

The critical shortage of qualified IT specialists is considered to be a key issue for the entire technology industry.

**Forecast business performance of NTT DATA Business Solutions**

The high level of orders on hand as of March 31, 2024, totaling BEUR 1.789 and BEUR 1.657 in the previous year (+8.0%), gives NTT DATA Business Solutions AG a solid starting position for fiscal 2024/2025. As in the previous year, the Management Board is assuming slightly higher daily rates in consulting business, not least as a result of the above-mentioned critical shortage of qualified IT specialists and the associated pressure on staff costs on the back of salary increases.

NTT DATA Business Solutions AG will continue to benefit from rising demand for cloud-based solutions and digital transformation in fiscal 2024/2025. Market opportunities in enterprise software and IT services are set to remain very strong, with NTT DATA Business Solutions benefiting here from SAP’s attractive product portfolio, and also from ServiceNow and Microsoft. As previously, NTT DATA Business Solutions AG anticipates particular growth and earnings potential in the development and sale

of proprietary products. With the NTT DATA Group having consolidated its non-Japanese business in NTT DATA, Inc. in 2022, NTT DATA Business Solutions AG is continuing to benefit from cooperation with the relevant affiliates. The Management Board anticipates and unreservedly supports the continued expansion of this collaboration in all of the relevant regions.

In particular, business with customers in the BEUR 1 to BEUR 10 revenue bracket is becoming increasingly important to NTT DATA Business Solutions AG. NTT DATA Business Solutions AG intends to provide these customers with an attractive range of consulting services relating to S/4HANA transformation and innovative solutions from the wider SAP portfolio. In fiscal 2024/25 and beyond, the S/4HANA transformation of the existing customer base in particular will offer good opportunities for the Group.

Given NTT DATA Business Solutions AG’s strong market position and attractive product portfolio, the Management Board expects revenue to increase to between BEUR 1.675 and BEUR 1.705 in fiscal 2024/2025 (+4.0% to +6.0%). With earnings continuing to rise, an EBITA margin of around 7.0% is anticipated. The company aims to make another one or two mid-sized acquisitions in the coming year.

Bielefeld, July 16, 2024  
NTT DATA Business Solutions AG

Norbert Rotter  
CEO

Jürgen Pürzer  
CFO

## Consolidated Income Statement

for the period from April 1, 2023 to March 31, 2024 and from April 1, 2022 to March 31, 2023 (IFRS)

KEUR	Apr 1, 2023 – Mar 31, 2024	Apr 1, 2022 – Mar 31, 2023
Revenues	1,613,118	1,423,390
Cost of sales	-1,261,794	-1,107,634
<b>Gross profit</b>	<b>351,324</b>	<b>315,756</b>
Marketing and distribution expenses	-112,276	-97,143
Administrative expenses	-150,061	-128,242
Other operating income	14,399	6,526
Other operating expenses	-21,286	-7,277
Impairment of trade receivables	-1,211	-4,319
Total operating expenses	-270,435	-230,455
<b>Operating earnings</b>	<b>80,889</b>	<b>85,301</b>
Investment income	1,034	596
Measurement of derivatives and exercise of options	2,870	1,650
Exchange rate differences from financing activities	-47	-213
Financial income	5,572	4,574
Finance costs	-12,669	-6,729
Net finance costs	-3,240	-122
<b>Earnings before taxes</b>	<b>77,649</b>	<b>85,179</b>
Tax expenses	-38,979	-20,528
<b>Consolidated net profit</b>	<b>38,670</b>	<b>64,651</b>
<b>of which attributable to the shareholders of NTT DATA Business Solutions AG</b>	<b>28,999</b>	<b>54,502</b>
<b>of which attributable to non-controlling interests</b>	<b>9,671</b>	<b>10,149</b>
Earnings per share (EUR)	0.97	1.82
Number of shares on the basis of which earnings per share were calculated: – basic/diluted	30,014,838	30,014,838

## Consolidated Statement of Comprehensive Income

for the period from April 1, 2023 to March 31, 2024 and from April 1, 2022 to March 31, 2023 (IFRS)

KEUR	Apr 1, 2023 – Mar 31, 2024	Apr 1, 2022 – Mar 31, 2023
<b>Consolidated net profit</b>	<b>38,670</b>	<b>64,651</b>
Actuarial losses IAS 19 <sup>1</sup>	-711	1,606
Currency translation differences <sup>2</sup>	5,330	-5,725
Tax effects <sup>3</sup>	97	-219
<b>Other comprehensive income</b>	<b>4,716</b>	<b>-4,338</b>
<b>Total comprehensive income</b>	<b>43,386</b>	<b>60,313</b>
<b>of which attributable to the shareholders of NTTD Business Solutions AG</b>	<b>33,741</b>	<b>50,469</b>
<b>of which attributable to non-controlling interests</b>	<b>9,645</b>	<b>9,844</b>

1 Item not to be reclassified to profit or loss.

2 Item that can be reclassified to profit or loss.

3 No reclassification to the income statement in the current fiscal year.



## Consolidated Balance Sheet

as at March 31, 2024 and March 31, 2023 (IFRS)

Assets		
KEUR	Mar 31, 2024	Mar 31, 2023
<b>Non-current assets</b>		
Goodwill	507,223	286,955
Intangible assets	132,690	72,757
Property, plant, and equipment	165,179	154,856
Other financial assets	3,031	2,779
Other non-financial assets	6,730	6,535
Trade receivables	940	1,405
Income tax receivables	58	43
Prepaid expenses	1,411	0
Deferred tax assets	6,021	9,653
	<b>823,283</b>	<b>534,983</b>
<b>Current assets</b>		
Inventories	1,601	1,757
Trade receivables	280,677	229,353
Contract assets	92,265	58,745
Income tax receivables	15,531	14,153
Other financial assets	32,763	19,691
Other non-financial assets	10,912	5,771
Assets held for sale	1,466	9,011
Cash and cash equivalents	110,878	122,741
Prepaid expenses	69,856	51,718
	<b>615,949</b>	<b>512,940</b>
	<b>1,439,232</b>	<b>1,047,923</b>

Equity and liabilities		
KEUR	Mar 31, 2024	Mar 31, 2023
<b>Equity</b>		
Share capital	30,015	30,015
Capital reserves	439,687	215,549
Net accumulated profit	227,474	198,475
Other comprehensive income	-130,179	-134,703
	<b>566,997</b>	<b>309,336</b>
Non-controlling interests	69,617	70,847
	<b>636,614</b>	<b>380,183</b>
<b>Non-current liabilities</b>		
Financial liabilities	234,210	227,489
Deferred tax assets	30,450	14,896
Other non-current provisions	4,073	4,376
Provisions for pensions	6,472	6,232
Government grants	2,660	2,849
Other non-financial liabilities	3,615	3,324
	<b>281,480</b>	<b>259,166</b>
<b>Current liabilities</b>		
Trade payables	112,538	79,337
Contract liabilities	152,288	96,668
Financial liabilities	45,297	43,999
Other current provisions	40,333	35,580
Tax liabilities	16,769	14,935
Income tax liabilities	10,113	8,461
Other financial liabilities	2,840	3,010
Other non-financial liabilities	140,960	126,584
	<b>521,138</b>	<b>408,574</b>
	<b>1,439,232</b>	<b>1,047,923</b>

## Consolidated Cashflow Statement

from April 1, 2023 to March 31, 2024 and from April 1, 2022 to March 31, 2023 (IFRS)

KEUR	Apr 1, 2023 – Mar 31, 2024	Apr 1, 2022 – Mar 31, 2023
Consolidated net profit	38,670	64,650
Amortization of intangible assets and depreciation of property, plant, and equipment	67,178	57,310
Impairment of intangible assets	0	3,336
Impairment due to remeasurement of disposal group	0	3,080
Other non-cash expenses and income	-16,545	6,133
Net finance costs	5,967	122
Tax expenses	38,979	20,528
	<b>134,249</b>	<b>155,159</b>
Change in inventories	156	272
Change in trade receivables	-54,644	-17,394
Change in other non-current assets	-207	4,561
Change in other current assets	-3,425	-7,152
Change in prepaid expenses	4,930	751
Change in trade payables	19,753	-6,560
Change in provisions for pensions	-1,298	-1,560
Change in other liabilities and provisions	14,484	-3,559
	<b>113,998</b>	<b>124,518</b>
Interest received	5,572	3,546
Interest paid	-8,193	-5,103
Taxes paid	-27,873	-22,576
<b>Cashflows from operating activities</b>	<b>83,504</b>	<b>100,385</b>
Capital expenditure for intangible assets and property, plant, and equipment	-24,606	-32,416
Cash received from the disposal of property, plant, and equipment and intangible assets	2,089	614
Cash received from the sale of shares	6,635	0
Subsequent purchase price payments for acquisitions	0	-3,190
Payments for acquisitions (less cash and cash equivalents acquired)	-232,385	-23,922
<b>Cashflows from investing activities</b>	<b>-248,267</b>	<b>-58,914</b>
Dividends paid to non-controlling interests	-7,890	-7,501
Capital increase	224,138	21,268
Cash received from restricted cash	-16,532	-7,067
Payment for the acquisition of non-controlling interests	-11,029	-19,006
Borrowing of financial liabilities	5,254	14,432
Repayment of financial liabilities	-37,573	-47,160
<b>Cashflows from financing activities</b>	<b>156,368</b>	<b>-45,034</b>
Increase in cash funds	-8,395	-3,563
Effects from exchange rate differences	-2,502	-2,582
Cash and cash equivalents as of January 1	122,741	128,886
<b>Cash and cash equivalents as of December 31</b>	<b>111,844</b>	<b>122,741</b>

Cash and cash equivalents are explained in note (17) of the notes.

## Consolidated Statement of Changes in Equity

(IFRS)

KEUR	Other comprehensive income										
	Number of shares	Share capital	Capital reserves	Net accumulated profit	Foreign exchange differences	Other equity IAS 19	Other equity	Other comprehensive income	Equity attributable to the shareholders of the parent company	Non-controlling interests	Consolidated equity capital
<b>March 31, 2022</b>	<b>30,014,838</b>	<b>30,015</b>	<b>194,281</b>	<b>143,974</b>	<b>-17,888</b>	<b>-2,386</b>	<b>-87,232</b>	<b>-107,506</b>	<b>260,764</b>	<b>61,297</b>	<b>322,061</b>
<b>Consolidated net profit</b>				<b>54,501</b>				<b>0</b>	<b>54,501</b>	<b>10,149</b>	<b>64,650</b>
Actuarial losses IAS 19						1,387		1,387	1,387		1,387
Foreign exchange differences					-2,518			-2,518	2,518	-305	-2,823
<b>Total comprehensive income</b>				<b>54,501</b>	<b>-2,518</b>	<b>1,387</b>	<b>0</b>	<b>-1,131</b>	<b>50,469</b>	<b>9,844</b>	<b>63,214</b>
Dividend payments								0		-6,450	-6,450
Capital increase			21,268					0	21,268		21,268
Disposal of a subsidiary with non-controlling interests								0		-686	-686
Acquisition of a subsidiary with non-controlling interests							-44,543	-44,543	-44,543	29,435	-15,108
Acquisition of a subsidiary with controlling interests							-1,259	-1,259	-1,259	45	-1,214
Exercise of options (without change of control)							19,736	19,736	22,637	-22,638	-2,902
<b>Shareholder transactions</b>			<b>21,268</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-26,066</b>	<b>-26,066</b>	<b>-1,897</b>	<b>-294</b>	<b>-5,092</b>
<b>March 31, 2023</b>	<b>30,014,838</b>	<b>30,015</b>	<b>215,549</b>	<b>198,475</b>	<b>-20,406</b>	<b>-999</b>	<b>-113,298</b>	<b>-134,703</b>	<b>309,336</b>	<b>70,847</b>	<b>380,183</b>
<b>Consolidated net profit</b>				<b>28,999</b>				<b>0</b>	<b>28,999</b>	<b>9,671</b>	<b>38,670</b>
Actuarial losses IAS 19						-614		-614	-614		-614
Foreign exchange differences					5,356			5,356	5,356	-26	5,330
<b>Total comprehensive income</b>				<b>28,999</b>	<b>5,356</b>	<b>-614</b>	<b>0</b>	<b>4,742</b>	<b>33,741</b>	<b>9,645</b>	<b>43,386</b>
Dividend payments								0		-7,890	-7,890
Capital increase			224,138					0	224,138		224,138
Disposal of a subsidiary with non-controlling interests							-4,826	-4,826	-4,826	-1,581	-6,407
Acquisition of a subsidiary with non-controlling interests							-9,371	-9,371	-9,371	5,860	-3,511
Acquisition of a subsidiary with controlling interests							-607	-607	-607	-220	-827
Exercise of options (without change of control)							14,586	14,586	14,586	-7,044	7,542
<b>Shareholder transactions</b>			<b>224,138</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-218</b>	<b>-218</b>	<b>223,920</b>	<b>-10,875</b>	<b>213,045</b>
<b>March 31, 2024</b>	<b>30,014,838</b>	<b>30,015</b>	<b>439,687</b>	<b>227,474</b>	<b>-15,050</b>	<b>-1,613</b>	<b>-113,516</b>	<b>-130,179</b>	<b>566,997</b>	<b>69,617</b>	<b>636,614</b>



## Audit Result

The statutory auditor has issued the full consolidated financial statements and Group management report with an unqualified audit opinion.

The full consolidated financial statements and Group management report have been submitted to the operator of the Bundesanzeiger (Federal Gazette).





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## **We Transform. SAP® Solutions into Value**

We understand the business of our clients and know what it takes to transform it into the future. At NTT DATA Business Solutions, we drive innovation – from advisory and implementation, to managed services and beyond, we continuously improve SAP solutions and technology to make them work for companies – and for their people.

Aiming to transform, grow and become more successful? We provide you with more than in-depth expertise for SAP solutions: As your passionate partner, we connect your business opportunities with the latest technologies – and offer you a unique approach to get

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With operations in more than 30 countries, we have enabled thousands of companies become more efficient and effective during the last three decades. Our more than 13,500 experts around the world will also accompany you on your journey toward a truly intelligent enterprise – wherever you want to start!

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