

**Report on the first half of 2022**

April 1, 2022 to September 30, 2022



**NTT DATA Business Solutions**

**NTT DATA**  
Trusted Global Innovator

## THE FIRST HALF OF 2022

- **Revenue** rises by 15.0% in first six months ended September 30, 2022, from MEUR 584.2 to MEUR 671.6
- Year-on-year **revenue development**: Consulting up 14.2%; Licenses down 12.8%; Cloud Subscription up 62.7%; Managed Services up 13.9%
- Year-on-year **revenue development by region**: DACH up 11.1%; Western Europe up 8.2%; Northern and Eastern Europe up 14.3%; Americas up 39.7%; APAC up 4.4%
- Significant **earnings growth** in first six months: EBITA rises 65,0% to MEUR 50.5 after MEUR 30.7 in first half of previous year
- **Orders on hand** amount to around BEUR 1.5 as of September 30, 2022, outperforming prior-year level of around BEUR 1.3 as of September 30, 2021

### KEY FIGURES

MEUR	April 1 – Sept. 30, 2022	April 1 – Sept. 30, 2021	July 1 – Sept. 30, 2022	July 1 – Sept. 30, 2021
<b>Total revenues</b>	<b>671.6</b>	584.2	<b>339.3</b>	293.5
Consulting	301.9	264.3	151.5	130.4
Licenses	20.2	23.1	10.1	11.0
Cloud Subscription	41.8	25.7	20.8	13.1
Managed Services	306.2	268.9	156.1	137.9
Other	1.5	2.2	0.8	1.1
<b>Revenues by segment</b>				
DACH (Germany/Austria/Switzerland)	280.4	252.4	143.3	127.1
Western Europe	95.1	87.9	47.7	44.7
North and Eastern Europe (NEE)	115.7	101.3	57.1	50.9
America	130.1	93.2	67.9	46.6
Asia	47.3	45.3	24.1	22.1
Other	3.0	4.1	-0.8	2.1
EBIT	43.9	24.7	25.7	15.7
EBIT margin	6.5%	4.2%	7.6%	5.3%
EBITA	50.5	30.7	28.9	18.6
EBITA margin	7.5%	5.2%	8.5%	6.3%
EBITDA	71.4	53.1	51.2	29.8
EBITDA margin	10.6%	9.1%	15.1%	10.2%
Earnings IFRS	32.8	14.5	19.3	10.9
Earnings per share in Euro/ Shareholders' interest NDBS AG	0.89	0.28	0.52	0.26
MEUR	Sept. 30, 2022	Sept. 30, 2021		
<b>Orders on hand</b>	<b>1,487.3</b>	1,268.6		

## FINANCIAL INFORMATION

### REVENUE DEVELOPMENT

NTT DATA Business Solutions AG again enjoyed a highly positive performance in the first half of 2022. Revenue climbed by 15.0% (adjusted for currency effects: 13.5%) from MEUR 584.2 to MEUR 671.6 in the first six months of the fiscal year. Revenue growth from existing companies (organic growth) amounted to 13.9%, while acquisitions in the reporting period increased revenue by 1.1%.

Consulting revenue rose by 14.2% as against the first half of the previous year from MEUR 264.3 to MEUR 301.9. Managed Services revenue increased by 13.9% from MEUR 268.9 to MEUR 306.2. At MEUR 20.2, license revenue was down by 12.8% or MEUR 2.9 on the prior-year figure of MEUR 23.1 in the reporting period. Cloud Subscription revenue rose by 62.7% year-on-year to MEUR 41.8 (previous year: MEUR 25.7). This segment includes the effect of CCP/CC Flex, the new SAP PartnerEdge Cloud Choice, SAP flex model, which performed very well as compared to the first half of the previous year, rising by MEUR 7.6 from MEUR 0.7 to MEUR 8.3.

In the regions, the DACH region's revenue grew by 11.1% to MEUR 280.4 in the first half of the year (previous year: MEUR 252.4). Western Europe segment revenue rose by 8.2% to MEUR 95.1 after MEUR 87.9 in the previous year. Revenue in the Northern and Eastern Europe segment increased by 14.3% from MEUR 101.3 to MEUR 115.7. In the Americas, revenue grew by 39.7% to MEUR 130.1 (previous year: MEUR 93.2). Revenue in the APAC segment increased by 4.4%, from MEUR 45.3 to MEUR 47.3. The Other segment generated revenue of MEUR 3.0 (previous year: MEUR 4.1).

Orders on hand improved by 15.4% year-on-year from BEUR 1.3 to BEUR 1.5 as of the end of the first half of 2022.

### FINANCIAL PERFORMANCE

EBITA once again significantly outperformed the prior-year figure of MEUR 30.7, rising by 65.0% to MEUR 50.5. The EBITA margin is 7.5% after 5.2% in the previous year. Besides the strong Consulting segment, this earnings increase is thanks to the tangible effects of the efficiency program and the earnings contributions from CCP/CC Flex.

### FINANCIAL POSITION

Net cash used in operating activities amounted to MEUR 10.7 in the first half of the current fiscal year (previous year: net cash generated of MEUR 50.3). The difference compared to the previous year is largely on account of the change in other liabilities and provisions as a result of the payment of variable remuneration components following the successful previous fiscal year. The clear growth has led to an increase in working capital requirements, in particular as a result of the rise in contract assets. Days sales outstanding (DSO) were 58.9 days in the first half of the year after 56.7 in the same period of the previous year.

The cashflow used in investing activities amounted to MEUR 40.4 (previous year: MEUR 20.0). Investments in intangible assets and property, plant and equipment (less investment subsidies and grants) amounted to MEUR 13.3 in the reporting period, remaining at a similarly strong level to the previous year (MEUR 14.9). An amount of MEUR 25.6 was also used for acquisitions.

The cashflow from financing activities amounted to MEUR -10.9 in total (previous year: outflow of MEUR 48.9). The cash outflow for finance leases is slightly lower than the previous year's MEUR 15.6 at MEUR 14.4. While the exercise of further purchase options utilized cash of MEUR 15.7 (previous year: MEUR -1.5), cash flows benefited from capital increases in the amount of MEUR 20.1 in the reporting period. Other financial liabilities were reduced by MEUR 7.4.

Cash funds amounted to MEUR 70.7 as of the end of the first half of 2022 after MEUR 93.0 in the same period of the previous year.

## ACQUISITIONS

### NTT DATA acquires interest in the Natuvion Group and expands SAP S/4HANA transformation expertise

NTT DATA Business Solutions AG acquired a majority in the Natuvion Group, Walldorf, in August 2022. Natuvion is an internationally recognized SAP Data Transformation Partner. Using automated processes based on proprietary software tools, the global Natuvion Group assists companies in relocating business-critical data and processes to state-of-the-art IT platforms and systems. This enables Natuvion's clients to utilize advanced, innovative IT platforms as quickly as possible. Natuvion's typical "relocation services" include data migration, transformation and integration as well as data quality enhancement, data retirement and data protection.

The Natuvion Group and NTT DATA Business Solutions have already been working together as partners for several years. Since 2020, the two companies have been bundling the knowledge and expertise necessary to implement sophisticated SAP S/4HANA transformation projects.

The majority interest in Natuvion allows NTT DATA Business Solutions to further expand its leading position on the world's cloud migration market. In particular, Natuvion's data transformation products and its industry expertise, especially in the energy and utility sector, will open up new growth potential for NTT DATA Business Solutions.

## EMPLOYEES

NTT DATA Business Solutions AG had 12,603 employees in total as of September 30, 2022 (September 30, 2021: 11,707), 3,727 of whom in Germany (September 30, 2021: 3,512) and 8,876 outside Germany (September 30, 2021: 8,195). At 12,176, headcount is up by 3.5% as against the end of the fiscal year in March 2022 (March 31, 2021: 10,601), and by 7.7% as against September 30, 2021.

We launched our "People First Strategy 2022 and beyond" in fiscal 2022 to secure a professional positioning for the people

challenges in the years ahead and to come out on top in the win-the-talent challenge. Specifically, this involves the following five imperatives that will drive our people goals for the coming years.



Our People First Strategy is being implemented by eight global projects that focus on employer branding, diversity, equity & inclusion, talent development/review and digital HR. The goal is to be the employer of choice for our current and future employees alike. This has had a very successful start with our newly developed Global Career Starter Program. Another highlight is the new opportunity we have created for our employees based in Germany to work elsewhere in Europe, thereby combining travel and work.

To make sure that we keep up with the times, we will also be conducting regular surveys using our employee eXperience tool Qualtrics. Since our last package of measures in spring 2022 (as part of the Group-wide OneVoice survey), we have seen many improvements in our polling results. In August 2022, the share of satisfied employees around the world increased by 2% compared to June of last year to 84%.

## OUTLOOK

For the fiscal year from April 1, 2022 to March 31, 2023, the Management Board of NTT DATA Business Solutions AG is forecasting further increases in revenue and earnings figures with revenue set to grow to between BEUR 1.330 and BEUR 1.350 (including the acquisition of BST and Natuvion) and an operating EBITA margin of between 6.8% and 7.3%.

**CONSOLIDATED INCOME STATEMENT**

IFRS

KEUR	April 1 – Sept. 30, 2022	April 1 – Sept. 30, 2021	July 1 – Sept. 30, 2022	July 1 – Sept. 30, 2021
Revenues	671,585	584,207	339,314	293,472
Cost of sales	-531,107	-458,153	-266,359	-227,750
<b>Gross profit</b>	<b>140,478</b>	<b>126,054</b>	<b>72,955</b>	<b>65,722</b>
Marketing and distribution expenses	-46,092	-48,739	-22,530	-24,027
Administrative expenses	-48,858	-50,326	-24,149	-24,784
Other operating income	4,486	1,364	1,466	479
Other operating expenses	-4,457	-856	-1,268	-120
Impairment of trade receivables	-1,636	-2,751	-809	-1,531
Total operating expenses	-96,557	-101,308	-47,290	-49,983
<b>Operating earnings</b>	<b>43,921</b>	<b>24,746</b>	<b>25,665</b>	<b>15,739</b>
Investment income	997	0	0	0
Measurement of derivatives and exercise of options	0	-375	0	-107
Exchange rate differences from financing activities	218	-7	106	4
Financial income	2,041	317	963	197
Finance costs	-2,060	-3,178	-786	-1,697
Net finance costs	1,196	-3,243	283	-1,603
<b>Earnings before tax</b>	<b>45,117</b>	<b>21,503</b>	<b>25,948</b>	<b>14,136</b>
Tax expenses	-12,275	-7,026	-6,651	-3,227
<b>Consolidated net profit</b>	<b>32,842</b>	<b>14,477</b>	<b>19,297</b>	<b>10,909</b>
of which attributable to the shareholders of NTT DATA Business Solutions AG	26,740	8,400	15,586	7,712
of which attributable to non-controlling interests	6,102	6,077	3,711	3,197
Earnings per share (EUR)	0.89	0.28	0.52	0.26
Number of shares on the basis of which earnings per share were calculated:	30,014,838	30,014,838	30,014,838	30,014,838

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS OF SEPTEMBER 30, 2022 AND MARCH 31, 2022 (IFRS)

ASSETS KEUR	Sept. 30, 2022	March 31, 2022
<b>Non-current assets</b>		
Goodwill	297,719	245,235
Intangible assets	69,813	72,000
Property, plant and equipment	160,653	157,928
Other financial assets	11,075	10,517
Trade receivables	1,792	3,654
Income tax receivables	46	42
Prepaid expenses	0	1,323
Deferred tax assets	10,496	8,533
	<b>551,594</b>	<b>499,232</b>
<b>Current assets</b>		
Inventories	1,463	2,028
Trade receivables	212,090	203,936
Contract assets	66,797	48,213
Income tax receivables	13,473	9,429
Other financial assets	12,022	12,226
Other non-financial assets	4,886	5,186
Assets held for sale	11,626	19,281
Cash and cash equivalents	70,700	128,886
Prepaid expenses	37,839	43,057
	<b>430,896</b>	<b>472,242</b>
	<b>982,490</b>	<b>971,474</b>

EQUITY AND LIABILITIES KEUR	Sept. 30, 2022	March 31, 2022
<b>Equity</b>		
Share capital	30,015	30,015
Capital reserves	214,374	194,281
Net accumulated profit	170,714	143,974
Other comprehensive income	-131,500	-107,506
	<b>283,603</b>	<b>260,764</b>
Non-controlling interests	74,065	61,297
	<b>357,668</b>	<b>322,061</b>
<b>Non-current liabilities</b>		
Financial liabilities	237,616	203,448
Deferred tax liabilities	17,260	17,016
Other non-current provisions	4,717	5,746
Pension provisions	9,194	8,884
Government grants	2,904	3,265
Other non-financial liabilities	2,735	2,401
	<b>274,426</b>	<b>240,760</b>
<b>Current liabilities</b>		
Trade payables	78,686	79,355
Contract liabilities	56,561	88,007
Financial liabilities	48,312	55,376
Other current provisions	39,328	33,140
Liabilities associated with assets held for sale	0	4,200
Tax liabilities	15,632	6,280
Income tax liabilities	6,203	8,135
Other non-financial liabilities	105,674	134,160
	<b>350,396</b>	<b>408,653</b>
	<b>982,490</b>	<b>971,474</b>

**CONSOLIDATED CASHFLOW STATEMENT**

IFRS

KEUR	April 1 – Sept. 30, 2022	April 1 – Sept. 30, 2021
Cashflows from operating activities	-10,664	50,323
Cashflows from investing activities	-40,367	-20,032
Cashflows from financing activities	-10,858	-48,883
Increase / decrease in cash and cash equivalents	-61,889	-18,592
Cash and cash equivalents as of Sep 30	<b>70,700</b>	<b>92,991</b>

## 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 the job done as smoothly as possible. Our close ties to SAP and other partners give you access to innovative solutions and developments. Being part of the global NTT DATA group enables us to master any scope of project.

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 12,000 experts working around the world will guide you on your way to becoming an intelligent enterprise.

As NTT DATA Business Solutions, we are a part of NTT DATA, Inc., an IT service company that, with around 140,000 employees, is driving the digital transformation of its customers in more than 80 countries worldwide.

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