

Report on the first half of 2024

April 1, 2024 to September 30, 2024





Key Figures

MEUR	First half year April 1 – Sept. 30, 2024	April 1 – Sept. 30, 2023	2nd quarter July 1 – Sept. 30, 2024	July 1 – Sept. 30, 2023
Total revenues	887.6	743.9	440.7	375.9
Revenues by division				
Consulting	420.2	346.4	209.0	175.7
Licenses	12.9	14.3	5.4	6.7
Cloud Subscription	86.8	57.4	42.5	29.1
Managed Services	366.0	321.9	182.9	161.6
Other	1.7	3.9	0.9	2.8
Revenues by segment				
DACH (Germany/Austria/Switzerland)	354.9	327.9	176.9	165.2
Western Europe	142.7	97.1	71.9	48.4
North and Eastern Europe (NEE)	84.3	90.5	39.0	45.6
Americas	154.2	122.5	76.2	62.4
APAC	61.7	43.4	31.1	22.4
META	86.6	57.9	44.8	30.0
Other	3.2	4.6	0.8	1.9
EBIT	57.4	35.1	31.7	20.8
EBIT margin	6.5%	4.7%	7.2%	5.5%
EBITA	70.7	42.1	38.3	24.3
EBITA margin	8.0%	5.7%	8.7%	6.5%
EBITDA	93.4	64.0	49.7	35.5
EBITDA margin	10.5%	8.6%	11.3%	9.4%
Earnings IFRS	33.5	21.3	16.9	12.3
Earnings per share in Euro/Shareholders' interest NTT DATA Business Solutions AG	0.89	0.55	0.45	0.31
Orders on hand				
MEUR	Sept. 30, 2024	Sept. 30, 2023		
Orders on hand	1,922.1	1,682.2		



Financial information for the first half of 2024

→ Revenue rises by 19.3% in the first six months of the fiscal year ended September 30, 2024, from MEUR 743.9 to MEUR 887.6

→ Year-on-year revenue development:

- Consulting up by +21.3%
 - Licenses down by -9.8%
 - Cloud Subscription up by +51.2%
 - Managed Services up by +13.7%
-

→ Year-on-year revenue development by region:

- DACH up by +8.2%
 - Western Europe up by +47.0%
 - Northern and Eastern Europe down by -6.9%
 - META (Turkey, Qatar, United Arab Emirates) up by +49.6%
 - Americas up by +25.9%, APAC up by +42.2%
-

→ EBITA amounts to MEUR 70.7 after MEUR 42.1 in first half of previous year

→ Orders on hand amount to around BEUR 1.9 as of September 30, 2024, outperforming prior-year level of around BEUR 1.6 as of September 30, 2023

Revenue development

NTT DATA Business Solutions AG again saw highly positive performance in the first half of 2024. Revenue climbed by +19.3% (adjusted for currency effects: +22.1%) from MEUR 743.9 to MEUR 887.6 in the first six months of the fiscal year. Revenue growth from existing companies (organic growth) amounted to +12.1%, while acquisitions in the reporting period increased revenue by +7.2%.

Consulting revenue rose by +21.3% (adjusted for currency effects: +24.2%) as against the first half of the previous year, from MEUR 346.4 to MEUR 420.2. Managed Services revenue increased by +13.7% (adjusted for currency effects: +16.0%) from MEUR 321.9 to MEUR 365.9. At MEUR 12.9, license revenue in the reporting period was down by -9.9% (adjusted for currency effects: -6.8%) or MEUR -1.4 on the prior-year figure of MEUR 14.3. Cloud Subscription revenue rose by +51.2% (adjusted for currency effects: +98.5%) year-on-year to MEUR 86.8 (previous year: MEUR 57.4). This segment includes the effect of CCP/CC Flex – SAP PartnerEdge Cloud Choice, flex model – which again performed well as compared to the first half of the previous year, increasing by MEUR +13.0 from MEUR 12.9 to MEUR 25.9.

In the regions, the DACH region's revenue grew by +8.2% (adjusted for currency effects: +7.2%) to MEUR 354.9 in the first half of the year (previous year: MEUR 327.9). Western Europe segment revenue rose by +47.0% (adjusted for currency effects: +45.4%) to MEUR 142.7 after MEUR 97.1 in the previous year. Revenue in the Northern and Eastern Europe segment decreased by -6.8% (adjusted for currency effects: -6.4%), from MEUR 90.5 to MEUR 84.3. META saw revenue growth of +49.6% (adjusted for currency effects: +98.1%) to MEUR 86.6 (previous year: MEUR 57.9). In the Americas, revenue increased by +25.9% (adjusted for currency effects: +28.3%) to MEUR 154.2 (previous year: MEUR 122.5). Revenue in the APAC segment rose by +42.2%, from MEUR 43.4 to MEUR 61.7. After adjustment for currency effects, revenue rose by +44.3%. The Other segment generated revenue of MEUR 3.2 (previous year: MEUR 4.6).



Orders on hand improved by +18.75% year-on-year from BEUR 1.6 to BEUR 1.9 as of the end of the first half of 2024.

Growth in earnings

EBITA increased by +67.9% year-on-year, from MEUR 42.1 to MEUR 70.7. The EBITA margin amounted to 8.0% after 5.7% in the previous year.

Financial position

Cash flow from operating activities amounted to MEUR 20.5 in the first half of the current fiscal year (previous year: outflow of MEUR 16.9). The main driver for the change compared with the previous year is the repeated increase in contract assets in connection with the continued growth path. Days sales outstanding (DSO) were unchanged at 58.4 days in the first half of the year (previous year: 58.4 days).

The cash flow used in investing activities was MEUR 26.9 in the reporting period (previous year: MEUR 11.2). Outflow for intangible assets and property, plant and equipment (less investment subsidies and grants) increased to MEUR 16.0 following investment in data centers, thus significantly exceeding the previous year's figure of MEUR 10.8. In addition, MEUR 10.2 was used for acquisitions, while revenue of MEUR 1.6 was generated from the sale of assets.

Cash flow from financing activities amounted to MEUR 15.4 in total (previous year: outflow of MEUR 14.6). At MEUR 12.9, the cash outflow for finance leases was similar to the previous year's level of MEUR 13.1. Purchase options amounting to MEUR 17.0 were exercised in the reporting period (previous year: MEUR -11.0). The termination of a loan extended to the Group parent (MEUR 25) and the use of a loan provided by the Group parent amounting to MEUR 15.0 positively impacted the cash flow from financing activities, in addition to the MEUR 7.5 increase in other financial liabilities. Dividend payments for minority interests amounted to MEUR 4.2, while restricted liquid funds were reduced by MEUR 2.3.

Liquid funds amounted to MEUR 78.9 at the end of the first six months of the fiscal year, after MEUR 80.0 in the same period of the previous year.

Acquisitions

[NTT DATA acquires majority stake in Indian company ProvenTech](#)

In June 2024, NTT DATA Business Solutions announced the acquisition of a majority stake in ProvenTech Pvt Ltd based in Hyderabad, Telangana, India. ProvenTech specializes in providing cutting edge AI-driven quality management and production solutions for the pharmaceutical, health and food industries. It uses its own products, SAP S/4HANA and other business software. The company, which was founded in 2020, offers a unique and comprehensive portfolio of proprietary SaaS solutions along with automation, integration and consultancy services to meet the diverse requirements of the pharmaceutical industry. To enable customers to take advantage of new opportunities and innovations more quickly, ProvenTech supports the transformation of their business processes with advanced technologies such as SAP BTP and DataSphere.

The Indian subsidiary of NTT DATA Business Solutions and ProvenTech have worked together for a number of years. The acquisition combines ProvenTech's specialist skills with NTT DATA's global presence and will boost the market reach and innovative capacity of both companies in the life sciences sector.

[NTT DATA signs agreement to acquire Aoop in Brazil](#)

In October 2024, NTT DATA Business Solutions announced it had signed an agreement to acquire Aoop, a leading ServiceNow implementation company in Brazil. The acquisition contracts have been signed and will be implemented following approval from competition regulator CADE in Brazil. Closing is expected at the end of November 2024. Founded in 2017, Aoop supports customers across various industries and specializes in successfully driving forward their automated digital strategies. With Aoop, NTT DATA will expand its activities in the Latin American market for ServiceNow solu-



tions and build on the recent acquisition of UK-based company Sapphire, which is intended to strengthen the ServiceNow offering in Europe and the United States.

The acquisition of Aoop will enable NTT DATA Business Solutions to significantly boost its competitiveness in Brazil by offering both SAP and ServiceNow solutions, positioning the company alongside market leaders.

Employees

As of September 30, 2024, NTT DATA Business Solutions AG had 16,105 employees (September 30, 2023: 14,134), of whom 4,103 worked in Germany (September 30, 2023: 4,009) and 12,002 outside Germany (September 30, 2023: 10,125). Headcount increased by 5.38% compared with the figure of 15,283 employees at end of the fiscal year in March 2024 (March 31, 2023: 13,530) and by 13.95% compared with September 30, 2023.

NTT DATA Business Solutions has been recognized for the first time as a global Top Employer for 2024 by Top Employers Institute. It is one of 17 companies worldwide to receive the accolade. NTT DATA Business Solutions is currently going through the certification process for 2025 which also includes Switzerland for the first time. The company is aiming to further expand its leading position as a global Top Employer on an international level. NTT DATA Business Solutions' commitment to excellent working conditions and supporting employees worldwide is derived from the five pillars of its People Strategy: "Hunting & engaging the best talent", "Design an unforgettable desire to perform", "Initiate the passion for digitalization", "Orchestrate sustainable agility" and "Establish an entrepreneurial & digital leadership style".

NTT DATA Business Solutions also intensively developed its global learning and development offerings in the first half of the fiscal year. Established training programs such as the Female Empowerment Program were further expanded in order to provide career planning support to even more female employees. New, innovative programs were also launched, including the Game Changer program for young

employees with high potential and the Executive Readiness Program for succession development at senior management level. NTT DATA Business Solutions has also implemented GoFluent worldwide as a global language platform to improve the languages skills of all employees. In addition, NTT DATA Business Solutions has significantly expanded its internal training opportunities – particularly those covering SAP, Microsoft, AWS and Google – with a strong focus on the groundbreaking technology of artificial intelligence (AI). These measures confirm the company's commitment to creating a diverse and inspiring learning environment for all target groups.

Outlook

The Management Board of NTT DATA Business Solutions AG is once again forecasting increased revenue and earnings in the fiscal year from April 1, 2024, to March 31, 2025, and is expecting revenue growth of between BEUR 1.700 and BEUR 1.750 and an operating EBITA margin of 7.0% to 7.5%.

Consolidated income statement

as of 1 April to 30 September 2024 and as of 1 July 2022 to 30 September 2024

KEUR	First half year April 1 – Sept. 30, 2024	April 1 – Sept. 30, 2023	2nd quarter July 1 – Sept. 30, 2024	July 1 – Sept. 30, 2023
Revenues	887,566	743,907	440,659	375,919
Cost of sales	-688,704	-582,861	-339,890	-287,876
Gross profit	198,862	161,046	100,769	88,043
Marketing and distribution expenses	-61,744	-51,640	-29,454	-25,098
Administrative expenses	-75,848	-70,590	-37,001	-41,178
Other operating income	2,893	4,815	1,905	1,156
Other operating expenses	-5,083	-6,343	-2,905	-251
Impairment of trade receivables	-1,691	-2,147	-1,661	-1,855
Total operating expenses	-141,473	-125,905	-69,116	-67,226
Operating earnings	57,389	35,141	31,653	20,817
Investment income	-551	673	0	673
Measurement of derivatives and exercise of options	-1,195	0	-1,720	0
Exchange rate differences from financing activities	-4	-24	-3	-19
Financial income	3,333	2,455	1,394	1,208
Finance costs	-7,204	-4,792	-4,359	-2,384
Net finance costs	-5,621	-1,688	-4,688	-522
Earnings before tax	51,768	33,453	26,965	20,295
Tax expenses	-18,314	-12,107	-10,038	-7,989
Consolidated net profit	33,454	21,346	16,927	12,306
of which attributable to the shareholders of NTT DATA Business Solutions AG	26,859	16,366	13,527	9,079
of which attributable to non-controlling interests	6,595	4,980	3,400	3,227
Earnings per share (EUR)	0.89	0.55	0.45	0.31
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, 2024 and March 31, 2024 (IFRS)

Assets	Sept. 30, 2024	March 31, 2024	Equity and liabilities	Sept. 30, 2024	March 31, 2024
KEUR			KEUR		
Non-current assets			Equity		
Goodwill	514,919	507,223	Share capital	30,015	30,015
Intangible assets	121,088	132,690	Capital reserves	439,687	439,687
Property, plant and equipment	167,364	165,179	Net accumulated profit	253,367	226,509
Other financial assets	3,230	3,031	Other comprehensive income	-146,526	-124,439
Other non-financial assets	6,963	6,730		576,543	571,772
Trade receivables	644	940	Non-controlling interests	68,594	69,617
Income tax receivables	368	58		645,137	641,389
Prepaid expenses	1,889	1,411	Non-current liabilities		
Deferred tax assets	4,470	6,021	Financial liabilities	187,304	230,350
	820,935	823,283	Deferred tax liabilities	27,500	30,450
Current assets			Other non-current provisions	3,092	4,073
Inventories	394	1,601	Pension provisions	7,522	6,472
Trade receivables	272,549	280,677	Government grants	2,567	2,660
Contract assets	114,944	92,265	Other non-financial liabilities	3,103	3,615
Income tax receivables	11,106	15,531		231,088	277,620
Other financial assets	8,763	32,763	Current liabilities		
Other non-financial assets	16,194	10,912	Trade payables	98,708	112,538
Assets held for sale	2,105	2,381	Contract liabilities	101,815	152,288
Cash and cash equivalents	78,865	110,878	Financial liabilities	116,271	45,297
Prepaid expenses	60,274	69,856	Other current provisions	37,630	40,333
	565,194	616,864	Liabilities associated with assets held for sale	0	0
			Tax liabilities	20,630	16,769
			Income tax liabilities	4,554	10,113
			Other financial liabilities	3,508	2,840
			Other non-financial liabilities	126,788	140,960
				509,904	521,138
				1,386,129	1,440,147
	1,386,129	1,440,147			



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