

# 40 YEARS ZUKUNFTS STARK

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## REVENUE:

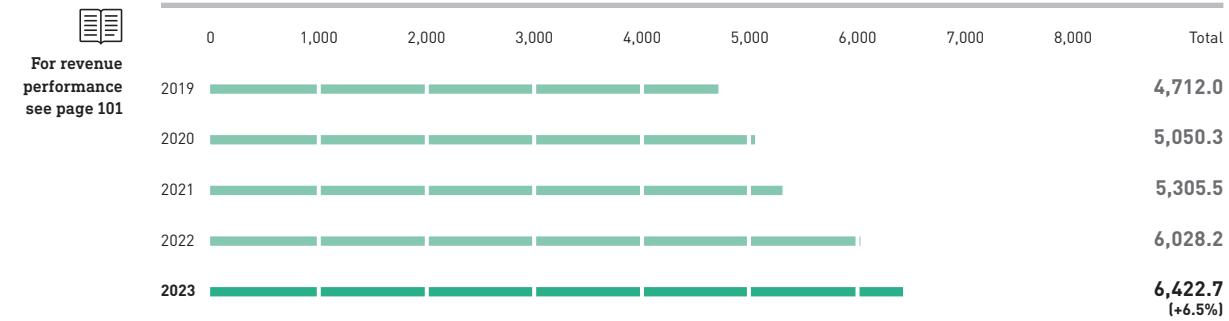
**€6.423 billion**  
(PLUS 6.5%)

## EBT:

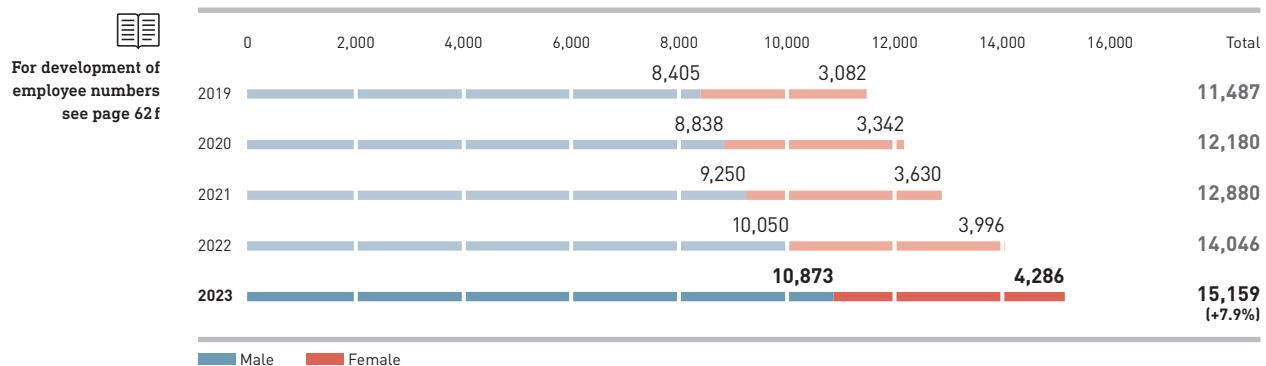
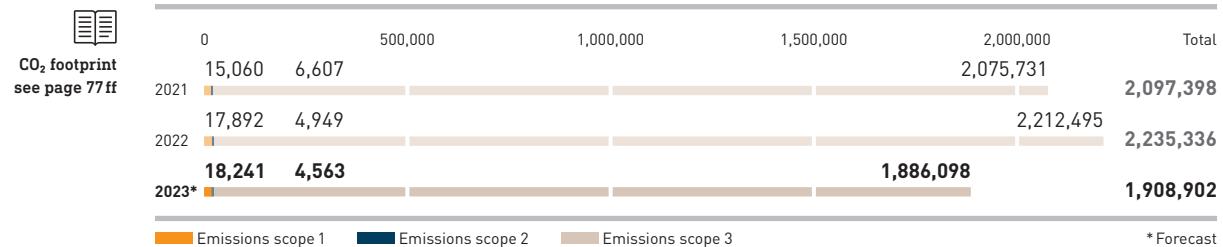
**€374.5 million**  
(5.8% MARGE)

## 5 YEARS IN BRIEF

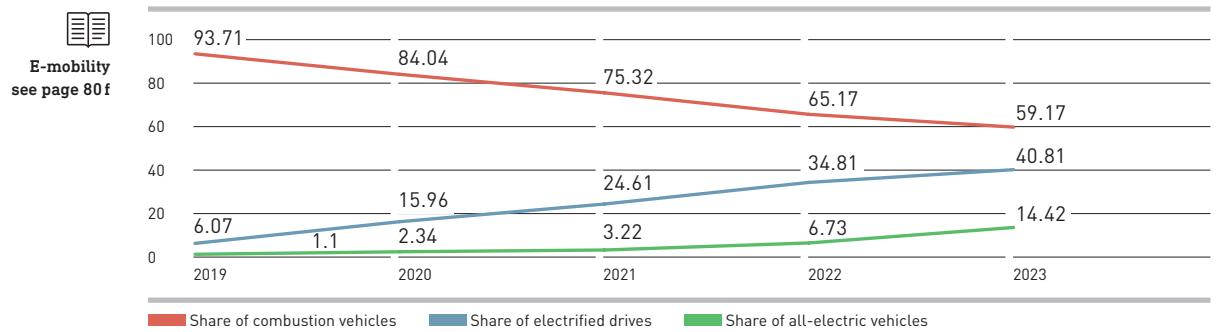
## REVENUE



## EMPLOYEES

CO<sub>2</sub> FOOTPRINT

## SHARE OF ALTERNATIVE-FUEL VEHICLES IN THE BECHTLE GROUP



EPS:

**€2.11**

(PLUS 5.7%)

DIVIDEND:

**€0.70**

(PLUS 7.7%)

**5 YEARS IN FIGURES**

	2019	2020	2021	2022	2023	Change in % 2023-2022
<b>Business volume</b>	€k 5,374,453	5,819,243	6,245,794	7,285,700	7,793,647	7.0
<b>Revenue</b>	€k 4,711,997	5,050,271	5,305,489	6,028,175	6,422,743	6.5
IT System House & Managed Services	€k 3,062,815	3,381,306	3,394,793	3,780,348 <sup>1</sup>	4,290,080	13.5
IT E-Commerce	€k 1,649,182	1,668,965	1,910,696	2,247,827 <sup>1</sup>	2,132,663	-5.1
<b>EBITDA</b>	€k 325,980	375,092	428,724	467,487	508,917	8.9
IT System House & Managed Services	€k 209,495	251,677	286,693	306,959	350,673	14.2
IT E-Commerce	€k 116,485	123,415	142,031	160,528	158,244	-1.4
<b>EBIT</b>	€k 241,370	276,955	325,721	355,425	382,296	7.6
IT System House & Managed Services	€k 149,832	179,451	212,237	227,038	259,713	14.4
IT E-Commerce	€k 91,538	97,504	113,484	128,387	122,583	-4.5
<b>EBIT margin</b>	% 5.1	5.5	6.1	5.9	6.0	
IT System House & Managed Services	% 4.9	5.3	6.3	6.0 <sup>1</sup>	6.1	
IT E-Commerce	% 5.6	5.8	5.9	5.7 <sup>1</sup>	5.7	
<b>EBT</b>	€k 236,320	270,705	320,500	350,487	374,477	6.8
<b>EBT margin</b>	% 5.0	5.4	6.0	5.8	5.8	
<b>Diluted earnings after taxes</b>	€k 170,484	192,547	231,446	251,118	265,512	5.7
<b>Earnings per share</b>	€ 1.35 <sup>2</sup>	1.53 <sup>2</sup>	1.84	1.99	2.11	5.7
<b>Dividend per share</b>	€ 0.40 <sup>2</sup>	0.45 <sup>2</sup>	0.55	0.65	0.70 <sup>3</sup>	7.7
<b>Equity ratio</b>	% 42.4	43.2	44.8	44.6	45.8	
<b>Cash and cash equivalents<sup>4</sup></b>	€k 272,197	403,173	431,751	289,590	465,756	60.8
<b>Working capital</b>	€k 647,728	652,674	733,990 <sup>1</sup>	976,564	800,131	-18.1
<b>Cash flow from operating activities</b>	€k 185,973	317,453	284,492	116,651	459,031	
<b>Number of employees (as of 31.12)</b>	11,487	12,180	12,880	14,046	15,159	7.9
IT System House & Managed Services	9,097	9,736	10,156	11,110	11,818	6.4
IT E-Commerce	2,390	2,444	2,724	2,936	3,341	13.8

<sup>1</sup> Adjustment prior year<sup>3</sup> Proposal to the Annual General Meeting<sup>2</sup> Adapted to share split<sup>4</sup> Incl. time deposits and securities

For more key figures  
see multi-year overview,  
page 282 ff

**REVIEW BY QUARTER 2023**

	1st quarter 01.01-31.03	2nd quarter 01.04-30.06	3rd quarter 01.07-30.09	4th quarter 01.10-31.12	FY 2023 01.01-31.12
<b>Business volume</b>	€k 1,886,004	1,815,592	1,911,470	2,180,581	7,793,647
<b>Revenue</b>	€k 1,538,499	1,509,945	1,479,155	1,895,144	6,422,743
<b>EBITDA</b>	€k 111,126	126,337	127,826	143,628	508,917
<b>EBIT</b>	€k 80,967	96,122	96,402	108,805	382,296
<b>EBT</b>	€k 79,694	93,785	93,878	107,120	374,477
<b>EBT margin</b>	% 5.2	6.2	6.3	5.7	5.8
<b>Earnings after taxes</b>	€k 56,909	65,953	66,758	75,892	265,512



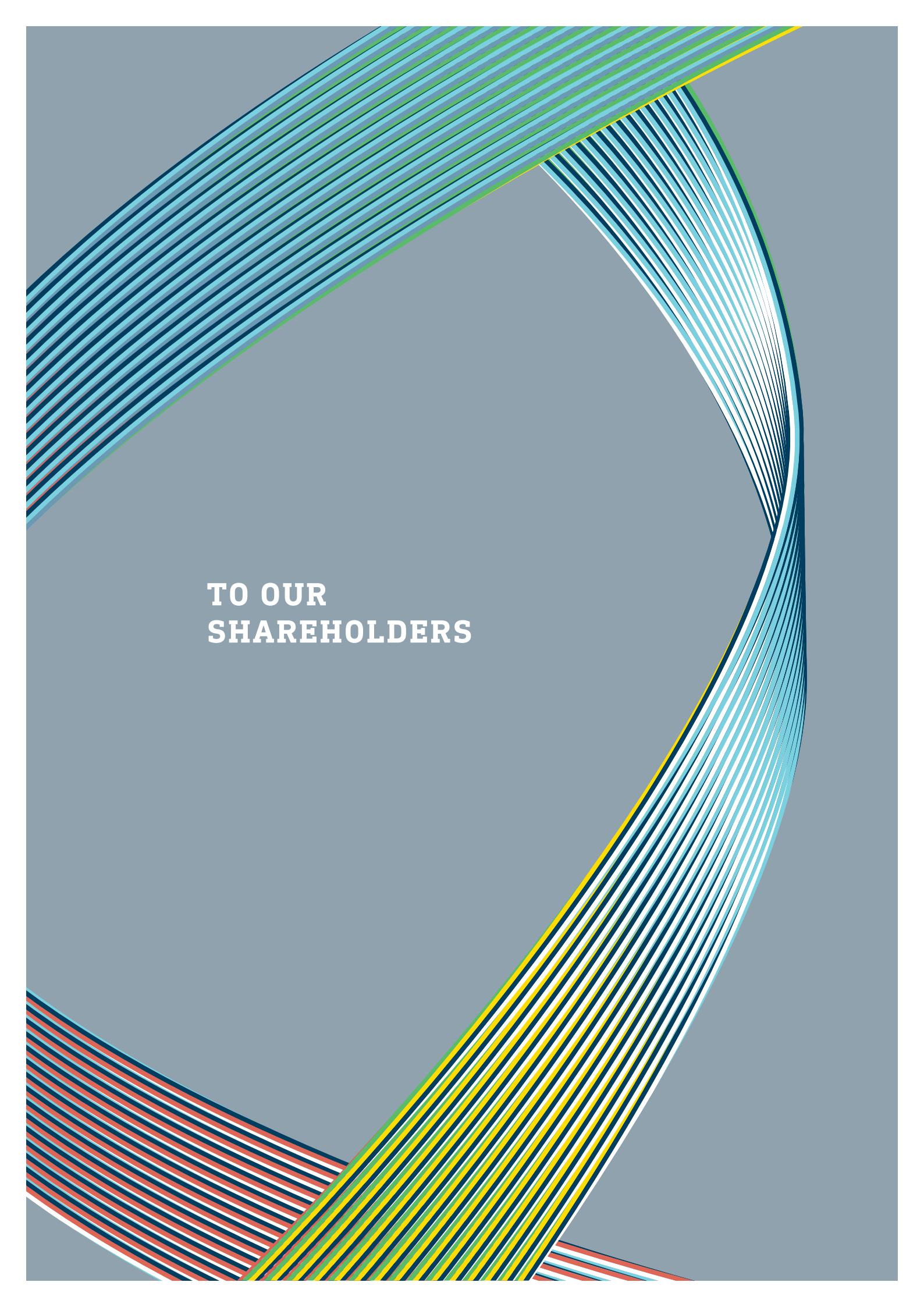
From 8 May 2024,  
you can find  
the latest figures  
for the first  
quarter of 2024  
at bechtle.com/  
reports

**Our company owes its success to all  
its employees. Together, we are ready for  
the next 40 years of "zukunftsstark".**

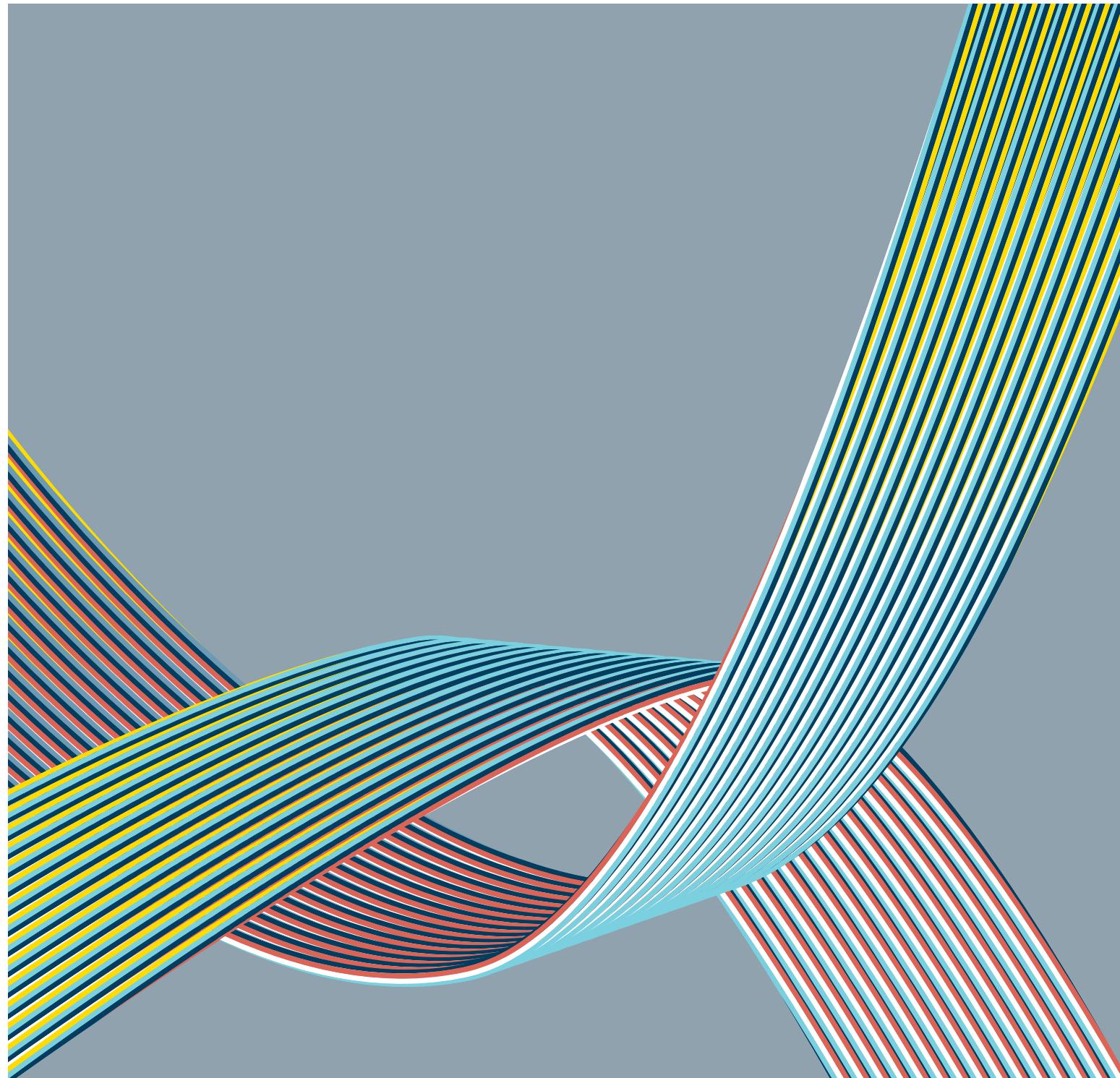


**Marc Lehmann**, Management Business Consulting Services, System House Stuttgart  
**Xuezhen Guo**, Bid-Management-Project and Service Management, System House Stuttgart  
**Ivica Marjanovic**, Technician – On-site, System House Stuttgart

from left to right



TO OUR  
SHAREHOLDERS



Cross reference  
within the Annual  
Report



Cross reference  
to other printed works  
and other literature



Cross reference  
to information on  
the Internet



Special aspects



Marking  
non-financial report

# TO OUR SHAREHOLDERS

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**JAN Bechtle bundles platform activities.** Bechtle appoints a Chief Technology Officer for the first time and fills the position internally with Dirk Müller-Niessner as of 1 January 2023. His area of responsibility includes all platform activities of the Bechtle Group. **Diversity and equal opportunity.** Bechtle is a DE&I Mover 2022, with ACI Diversity Consulting recognising the great commitment of our group-wide diversity community. The title is awarded to companies that initiate real change and boldly break new ground. An incentive for us to continue to strengthen diversity in the future. **FEB New customer spectrum.** With a dedicated shop, Bechtle addresses the customer group of companies with up to 50 employees. **Investments with a strong future.** The newly built Koryfeum office campus in Unterschleißheim, near Munich, offers state-of-the-art workplaces for five Bechtle companies with a total of around 150 employees. Bechtle is planning a new IT future hub in Neu-Ulm, which will house three Bechtle subsidiaries. **MAR Valuable brand.** Bechtle is once again one of the 50 most valuable German brands. The ranking by market research company Kantar takes into account not only the financial success of the companies but also brand perception by the target groups.

Q1



City of London and has an excellent reputation and a high profile in the industry. **Cadmes also in France.** The Bechtle PLM specialist Cadmes is expanding its international presence by entering the French market. **All action in the West.** Martin Kaloudis is the new Executive Vice President for the West Cluster. He joins Bechtle from BWI, the IT system house of the German Armed Forces and the IT service centre of the German government.

**APR Goedendag, Fondo.** Bechtle acquires the VMware and software specialist Fondo ICT Professionals, thereby strengthening its market presence in the Netherlands. **MAY Grüezi, SGSolution.** Bechtle acquires SGsolution AG, a company specialising in 3D printing with its headquarters in Wallisellen, near Zurich. Together with Solidpro, the two specialists now form the most important partner for HP 3D Printing in Europe under the Bechtle umbrella.



ANNUAL GENERAL MEETING IN HEILBRONN

Q2

**In-person Annual General Meeting.** Over 500 shareholders and around 200 other guests accept the invitation to the Annual General Meeting at the Harmonie congress centre in Heilbronn. The agenda includes the election of the new Supervisory Board and the resolution on the dividend distribution for the successful 2022 fiscal year. The Annual General Meeting approves all items on the agenda. **JUN Partnership with experimenta renewed.** Bechtle renews its sponsoring partnership with the experimenta science centre in Heilbronn. The agreement runs until the end of May 2026 and follows on from a contract first concluded in 2019. **Sustainability made by Bechtle.** Bechtle receives the Global Recycled Standard certificate and thus strengthens the sustainable product orientation of its own Articona brand. **Top Employer 2023.** Bechtle is honoured with the prestigious title "Top Employer 2023" by the Top Employers Institute, making it one of the leading employers in Germany.



**JUL 40 years with a strong future.** On 21 July, Bechtle celebrates its 40th anniversary. Our impressive company history began in 1983: the development from a small Swabian IT service provider to a European player in the digital industry. **Framework agreement in the healthcare sector.** Bechtle concludes a framework agreement with kubus IT, the IT service provider of AOK Bayern and AOK PLUS. We thus take over the network management of 450 AOK locations in Bavaria, Saxony and Thuringia. **Cooperation with open-source specialist.** Bechtle expands its solution portfolio in the area of open-source-based enterprise applications and cooperates with VNC – Virtual Network Consult AG from Switzerland. As part of this cooperation, a VNC Competence Centre will be established at the Bechtle IT system house in Munich/Regensburg.

**AUG ¡Hola, Prosol!** Bechtle acquires the system house Prosol, thereby adding IT services to its portfolio in Spain for the first time. The acquired company employs 50 people and generated a business volume of around €15 million in 2022.

**Welcome, sastema.** Bechtle gains sastema, a specialist in identity and access management, governance, risk and compliance management and information security. The company forms the new IAM Competence Centre. **Bechtle goes young.** From an action-packed Bechtle rally to an educational cinema

and a rescue service visit – there is plenty to experience for 124 adventurous children aged six to twelve as part of the Bechtle holiday care programme. And the children also have the opportunity to explore mum and dad's workplace. **SEP Training record.** With 299 trainees and students on integrated degree programmes, another record year group start their careers at Bechtle. **Sound sustainability strategy.** Bechtle signs the Commitment Letter of the Science Based Targets initiative, thereby committing itself to science-based climate targets and continuous monitoring by the globally recognised network.

## Q3

**OCT Guten Tag, PLANET AI.** Bechtle acquires a 51 per cent stake in the Rostock-based AI company PLANET AI. Customers will benefit from AI solutions in the field of intelligent document analysis. Patented AI developments complement Bechtle's portfolio. **Bienvenue, APIXIT.** Bechtle takes over the French IT system house Apixit and thus continues its Europe-wide acquisition strategy. Apixit employs around 340 people and generated business volume of €85 million in the 2021/22 fiscal year. **Welcome to BP1.** Around 250 private shareholders take the opportunity to find out more about Bechtle in Neckarsulm, either at the traditional shareholder days or at one of the "Bechtle meets" events, where we invite finfluencers and their communities to the group headquarters. **NOV Top marks in all ten categories.** For the fifth time in a row, Bechtle is among the best in its sector. This is confirmed by the market study "The best IT service providers in Germany" by brand eins and Statista. The ranking is based on a survey of experts and customers in the IT sector.

**DEC Convertible bond.** Bechtle successfully places a convertible bond with a total nominal value of €300 million and a term of seven years. The aim of the capital measure is to finance further growth of the Bechtle Group in Germany and abroad, including through acquisitions. **Bechtle becomes part of the AI ecosystem Ipai.** Bechtle signs a contract with the Innovation Park Artificial Intelligence in Heilbronn and is thus a member of the flagship European project for artificial intelligence.

## Q4



## LETTER FROM THE EXECUTIVE BOARD

*Dear Stockholders,*

The time we are living in is marked by economic and (geo)political upheaval as well as major challenges. We are looking at a long list of negative news reports, the dimensions of which are often shocking. At the same time, we are in the midst of a technological transformation on a scale not seen for a long time. These framework conditions are extremely challenging, without question also for companies operating in future-oriented industries such as IT. And thus also for your company, for Bechtle.

**However, being pessimistic will not help the situation.**

More than ever, a hands-on mentality is needed. Every day, we do our best to continue to drive the necessary digital transformation with determination and creativity in order to support our customers' competitiveness and performance. In this context, our aim is to sustainably promote the success of our customers through IT. Over the past months, we have again succeeded in doing so.

**The 2023 fiscal year can be summarised in three words: resilient, successful and future-oriented.**

We are very satisfied with the overall performance delivered by the Bechtle Group despite the challenging conditions in our key markets. In the course of the year, we managed to achieve a steady level above the prior year – a clear sign of strength in these times of turbulence and uncertainty, especially in connection with the good cash flow. What is more, Bechtle's earnings were in line with the forecast for the year as whole.

We are very pleased to report business volume growth of 7 per cent, revenue growth of 6.5 per cent and an improvement of earnings before taxes of 6.8 per cent. With its revenue increase of 13.5 per cent, the performance of our service and project-oriented system house segment was especially remarkable. Thus, we have greatly outperformed the market. Most importantly, we have achieved profitable growth despite the inflation and especially the increased personnel costs and high energy costs. This is a truly remarkable achievement by our leaders and all employees.

**As you can see, dear shareholders, your company fared remarkably well in 2023.**

In an impressive manner, the fiscal year ended as well as the new fiscal year we have just entered show that for our customers, we are THE recognised IT partner for the future. Moreover, we have further expanded our lead as Germany's largest system house. We have again demonstrated the remarkable crisis resilience of our business model in a challenging setting, balancing any imbalances in individual country markets, customer segments and business segments as well as fluctuations in, and between, the segments.

**Companies as well as public administrations are well aware that digitalisation is a key factor for future sustainable success.**

Therefore, we look at the current 2024 fiscal year with optimism, knowing that our positioning is outstanding. We benefit from our long-standing experience and the proven success of our service offerings, which help our customers to drive digitalisation and achieve success through the systematic use of IT.

In 2024, we again plan to outperform the market in addressing the high demand for projects and services related to the digital transformation of our customers and gain further market shares, both organically and inorganically. For about 30 years, acquisitions have been part of Bechtle's growth strategy. Last year, we again successfully gained a greater foothold in six European countries: Germany, France, the UK, the Netherlands, Switzerland and Spain. Thus, a total of seven highly successful companies became part of the Bechtle Group. These companies contribute to our progress in future-oriented business fields such as artificial intelligence and IT security, both in geographical terms and with regard to the subject areas covered.

**In conclusion, I would like to touch on the latest changes in the Executive Board:**

For an unusually long stretch of 14 years, Bechtle did not see any changes in the Executive Board. This continuity is also an expression of stability, reliability and great attachment. We were very pleased to smoothly restaff the position of our esteemed colleague Jürgen Schäfer with Konstantin Ebert, a colleague from our own ranks. As of 1 January 2024, Konstantin Eber took over the responsibility for the IT E-Commerce segment. Only one month later, our new colleague Antje Leminsky was placed in charge of logistics, procurement, partner management, financial services and sustainability management. Accordingly, your company is now headed by four people who represent a very balanced mix of long-standing experience and a fresh perspective.

Together, we are ready to face this year's doubtlessly formidable challenges with zest and optimism. Trusting in Bechtle and its workforce, we are convinced that we will again be able to leverage existing growth impulses for above-market growth in 2024.

**Knowing our strengths, our goal for 2024 is to again achieve significant growth, while keeping our group margin at least at the prior-year level.**

Currently, we expect the first half of the year to be rather restrained, though we anticipate more economic tailwinds for our business starting from the middle of the year. In 2024, we will continue to pursue our European acquisition strategy. Factors such as our strong cash flow and the successful placement of a convertible bond in the fiscal year ended provide us with an excellent financial basis for further organic growth as well as growth through acquisitions.

We are proud of what we have achieved so far, and we are looking forward to the great achievements that lie ahead of us. As we move forward, the commitment and skills of our outstanding team imbue us with confidence.

On behalf of the entire Executive Board, I would like to thank you, dear shareholders, for your trust. I hope that you will stay with us and continue to be part of Bechtle's success story!

Yours sincerely,



Dr. Thomas Olemotz  
Chairman of the Executive Board (CEO)

Neckarsulm, 11 March 2024



## DR. THOMAS OLEMOTZ

**Chairman of the Executive Board responsible for Digital Business Services, Finance, Financial Services, Human Resources and Staff Development, Group Controlling and Risk Management, Sustainability Management, Investor Relations, IT, Logistics & Service, Mergers & Acquisitions, Legal and Compliance and Corporate Communications.** Born in 1962, married, two children. Upon completion of his training as a banker and studies in business economics, Dr. Thomas Olemotz entered Giessen University as a scientific staff member. After obtaining his doctoral degree, he first served as assistant to the Executive Board of Westdeutsche Landesbank and then moved on to the Deutsche Bank group. At Deutsche Gesellschaft für Mittelstandsberatung, he became the division head responsible for medium-sized mergers and acquisitions. His next professional milestones were a position as head of business development at Delton AG and a position as a member of the Executive Board responsible for finance and human resources at Microlog Logistics AG, in which Delton AG holds the majority interest. In March 2007, he stepped over to Bechtle AG, where he first served as CFO and, after about two years, as Executive Board spokesman. He has been Chairman of the Executive Board of Bechtle AG since June 2010.

## JÜRGEN SCHÄFER

**Member of the Executive Board, responsible for IT E-Commerce.** Born in 1958, married, two children. After his studies in business economics and employment at a medium-sized wholesale company, Jürgen Schäfer joined Bechtle in 1988. He was first responsible for purchasing and organisation and was later appointed director of the Bechtle IT system house in Würzburg, Germany. Subsequently, he successfully established the trading business under the Bechtle direct brand and, as Executive Vice President, supervised the European expansion and the consolidation of all trading processes in Bechtle Logistics & Service. At the beginning of 2009, he was appointed as a member of the Executive Board of Bechtle AG and until 27 December 2023 he was in charge of the e-commerce activities of the Bechtle Group.

## MICHAEL GUSCHLBAUER

**Member of the Executive Board, responsible for IT System House & Managed Services, Public Sector Division, Quality & Environmental Management, Process & Project Management, Business Management Service & Solutions and Operational Excellence.** Born in 1964, three children. After finishing his training as an office and communication electronics engineer, he first worked in various technical and project management positions and later in the field of sales. In 1994, he transferred to DeTeSystem (later: T-Systems), where he first served as a sales representative and later in various management positions. Eventually, Michael Guschlauer was put in charge of the Large Enterprises division, Sales & Service management, as a member of the Board of Management of T-Systems Business Services. In January 2008, he embarked on his career at Bechtle as Executive Vice President of Managed Services. A year later, he was appointed as a member of the Executive Board of Bechtle AG and assumed strategic responsibility for the group's IT System House & Managed Services business segment.

## KLAUS WINKLER

**Chairman of the Supervisory Board.** Born in 1958, married, two children. After his vocational training as a banker at BW Bank AG in Stuttgart, Klaus Winkler completed a business administration degree through night school (also in Stuttgart). Between 1979 and 1994, he held various positions at BW Bank, eventually serving as Head of Corporate Finance. From 1987 to 1988, Klaus Winkler worked for Credit Suisse First Boston Ltd., in London. He took over the management of BWK GmbH Unternehmensbeteiligungsgesellschaft, in Stuttgart, in 1990. Between 2003 and 2021, he was employed at Heller Management SE, in Nürtingen, latterly as CEO. He has been a member of the Supervisory Board at Heller since January 2022.



DR. THOMAS  
OLEMOTZ

JÜRGEN  
SCHÄFER



MICHAEL  
GUSCHLBAUER

KLAUS  
WINKLER

The following changes were made to the composition of the Executive Board in the current year:

### ANTJE LEMINSKY

**Member of the Executive Board, responsible for Logistics, Supply Chain & Partner Management, Financial Services and Sustainability Management.** Born in 1971, married, two children. Before joining Bechtle, Antje Leminsky served as Vice Chairwoman of the Executive Board of the measuring technology manufacturer, Testo, and before that for eight years as member of the Executive Board of the listed financial service provider, Grenke AG, first as CIO and then as Chair-



woman of the Executive Board. Her career also includes roles at retail company Otto Group, publishing house Gruner + Jahr, and digital start-up Monday-Works, which she co-founded. She has been in charge of Logistics, Supply Chain & Partner Management, as well as Financial Services and Sustainability Management since 1 February 2024.

### KONSTANTIN EBERT

**Member of the Executive Board, responsible for the IT E-Commerce segment.**

Born in 1971, married, three children. Konstantin Ebert started his career in the IT industry in 1998 as a consultant at ITC Deutschland. The graduate in business administration gained further professional experience at Fujitsu Siemens Computers and T-Systems Business Services, as well as in various international management positions at NetApp.

Before joining Bechtle in 2021, he was Executive Vice President Sales at Teamviewer. At Bechtle, Konstantin Ebert was initially responsible for Benelux, France and the United Kingdom before joining the Executive Board as COO IT E-Commerce on 1 January 2024.



# REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

The year 2023 was marked by a very tense macroeconomic situation around the globe, resulting in a high degree of uncertainty. However, with regard to Bechtle AG, we are pleased to confirm that we successfully mastered this difficult year. In 2023, the business volume, revenue and EBT each experienced growth of about 7 per cent. Bechtle AG therefore continued on its growth path despite the more challenging conditions. Once again, we saw evidence of the resilience of our business model and the strength of networked decentralisation, coupled with an ever more important level of internationalism. Moreover, we have benefited from the steady expansion of our range of target customer groups over the years. IT is a future-oriented market. Although our medium-sized customers, in particular, were somewhat more hesitant to invest in 2023, these investments were merely postponed – they are sure to come. After all, every enterprise and every public institution needs to invest in IT in order to be ready for the future. As an IT partner for tomorrow, Bechtle is well prepared for successful further development. Within the scope of its duties, the Supervisory Board will continue to help shape the company's successful development responsibly and systematically.

In 2023, the Supervisory Board again meticulously performed all its audit and controlling duties pursuant to law and the Articles of Incorporation. The Supervisory Board regularly provided the Executive Board with advice concerning the administration of the group and closely monitored and supported the company's management and development. In this context, the two boards always cooperated in an open and constructive manner.

The Executive Board regularly informed the Supervisory Board about all aspects significant to the company in a prompt and comprehensive manner. This included the status of the roll-out of the Vision 2030, the Sustainability Strategy, the further development of the Executive Board and management organisation, the group's business performance, possible acquisitions (especially also in relation to the expanded acquisition strategy), the financing of acquisitions and of the daily business, the tense macroeconomic situation and its effects on the realisation of business volume and revenue, future investments, location-related issues, opportunity and risk management, the risk situation as well as basic issues related to the corporate planning and management.

The Chairman of the Executive Board, in particular, maintained close contact with individual Supervisory Board members, primarily with the Chairman of the Supervisory Board, even outside the regular meetings. Additionally, the Executive Board informed the Supervisory Board as a whole about key operational indicators, the implementation of business plans and the employment situation of the group, segments and all major subsidiaries on a monthly basis. At quarterly meetings, we also intensively elaborated on the respective past quarter and the short and medium-term perspectives.

At its meetings, the Supervisory Board regularly looked into the business performance of the group as well as the assets and financial position and the implementation of the corporate strategy. Moreover, we continually dealt with the risk situation – especially also in connection with the global hot-spots and the related, tense macroeconomic situation – and actively participated in the further development of the control and risk management system of Bechtle AG.

Thanks to the timely and detailed information received from the Executive Board and its own audits, the Supervisory Board was able to comply fully with its monitoring and consulting duties. We confirm that the Executive Board has acted lawfully, correctly and economically in every respect. The Executive Board regularly consulted the legal and compliance department as well as group controlling and actively used the risk management system.

Bechtle AG supports the members of the Supervisory Board that have been elected by the shareholders or employees in fulfilling their duties and with respect to training measures. In the reporting period, the Supervisory Board received training on sustainability, on Executive Board compensation and on the reporting obligations in these areas. In the reporting period, some members of the Supervisory Board also took part in various training measures in the fields of corporate governance, ESG (environmental, social, governance), AI (artificial intelligence), risk management and employee share ownership plans.

## MEETINGS AND CENTRAL ISSUES

In the reporting period, the Supervisory Board held eight plenary sessions in person: on 2 February, 15 March (balance sheet meeting for the annual and consolidated financial statements for 2022), 20 April, 25 May, 26 July, 27 July, 27 October and 21 December 2023. Meeting attendance was as follows:

	02.02	15.03	20.04	25.05	26.07	27.07	27.10	21.12	Meeting attendance
<b>Shareholder representatives</b>									
Kurt Dobitsch	●	●	●	●	●	●	●	●	100%
Dr. Lars Grünert	●	●		●	●	●	●	●	87.5%
Prof. Dr. Thomas Hess	●	●	●	●	●	●	●	●	100%
Elke Reichart	●	●	●	●	●	●	●	●	100%
Sandra Stegmann	●	●	●	●	●	●	●	●	100%
Klaus Straub (since 25 May 2023)				●	●	●	●	●	100%
Elmar König (since 25 May 2023)				●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	100%
<b>Employee representatives</b>									
Julia Böttcher (since 25 May 2023)				●	●	●	●	●	100%
Christian Deppisch (since 25 May 2023)				●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	●	100%
Christine Muhr (since 25 May 2023)				●	●	●	●	●	100%
Anastasia Polidoros (until 25 May 2023)	●		●	●					75%
Julia Randelshofer (since 25 May 2023)				●	●	●	●	●	100%
Anton Samija	●	●	●	●	●	●	●	●	100%
Volker Strohfeld (until 25 May 2023)	●	●	●	●	●				100%
Michael Unser	●	●			●	●	●	●	75%

Apart from the resolutions adopted at the meetings, the Supervisory Board or its committees also adopted resolutions via circular procedure where relevant, in particular in urgent cases. We discussed all measures and transactions that required the approval of the Supervisory Board or its committees in detail at Supervisory Board and committee meetings. At its balance sheet meeting on 15 March 2023, the Supervisory Board approved the annual financial statements and the consolidated financial statements of the prior year (thereby adopting the annual financial statements) and accepted the Executive Board's proposal concerning the appropriation of profits and the business planning for 2023.

In the past fiscal year, the most important subjects discussed included the following:

- The group's short-term strategy against the backdrop of the tense macroeconomic situation, its medium-to long-term strategy especially with a view to the clouds and managed services business, new business opportunities and the expansion of the M&A strategy in the course of consistent internationalisation as well as the targets achieved in relation to the strategy roll-out
- The economic development of the group, especially in the face of the challenging framework conditions
- The further development of the Executive Board organisation, the governance structure and the succession planning
- The Executive Board compensation system and the Executive Board compensation
- Progress in the reduction of the capital commitment
- Plans for specific acquisitions
- Financing matters in the group, especially the issuance of a convertible bond

- The organisation of the Supervisory Board work, especially in relation to the recommendations of the German Corporate Governance Code (DCGK)
- The implementation of the Sustainability and Climate Protection Strategy and of the non-financial group statement
- The internal audit and risk management system

Suggestions of shareholder representatives and proxy advisors were actively made use of, and extensive work was done to implement them in the compensation system. This included the introduction of a fully share-based long-term compensation component as a new feature from 2024 and increased transparency of the reporting on the variable income components of the Executive Board. Furthermore, the Supervisory Board formed a nomination committee for the first time. The Supervisory Board is planning further development steps in the future.

## STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

At the end of 2023 there was a staff change in the Executive Board of Bechtle AG. On 27 December 2023, Jürgen Schäfer stepped down from the Executive Board after more than 30 years of successful work for Bechtle. We are greatly indebted to Jürgen Schäfer for his outstanding performance and successful work. His responsibilities will be taken over by Konstantin Ebert, who previously served as Executive Vice President in the IT E-Commerce segment for France, Benelux and the United Kingdom.

As of 1 February 2024, the Supervisory Board appointed Antje Leminsky to the Executive Board. She will take over responsibility for logistics, procurement and partner management as well as financial services and sustainability management, which were previously taken care of by Dr. Thomas Olemotz. The Executive Board of Bechtle AG therefore now comprises four persons. Antje Leminsky most recently served as Vice Chairwoman of the Executive Board of the measuring technology manufacturer, Testo and previously for eight years as member of the Executive Board of the listed financial service provider, Grenke AG, first as CIO and then as Chairwoman of the Executive Board.

In 2023, Supervisory Board elections were due. As Bechtle had exceeded the threshold of 10,000 employees in Germany, the law required the Supervisory Board to be expanded from 12 to 16 members. On the shareholder side, the Annual General Meeting re-elected all six previous members. Klaus Straub, businessman and former CIO of BMW AG, and Elmar König, former Executive Vice President of Bechtle AG, were newly elected. Julia Böttcher, Christian Deppisch, Christine Muhr and Julia Randelshofer were newly elected on the employee side. Anastasia Polidoros and Volker Strohfeld departed from the Supervisory Board. The Supervisory Board thanks both of them for the good cooperation over the years.

## COMMITTEE WORK

To fulfil its duties, the Supervisory Board has formed three committees: the audit committee, the personnel committee and the arbitration committee. In its meeting on 21 December 2023, the Supervisory Board also decided to set up a nomination committee.

The audit committee came together on 1 February, 14 March, 25 July, 26 October, 30 November and 1 December 2023. Additionally, it held telephone conferences prior to the interim reports of Bechtle AG on 10 May, 10 August and 9 November 2023. Meeting attendance was as follows:

	01.02	14.03	10.05	25.07	10.08	26.10	09.11	30.11	01.12	Meeting attendance
Kurt Dobitsch	●	●		●	●	●	●	●	●	88.9%
Sandra Stegmann	●	●	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	●	●	100%

In 2023, the audit committee dealt with transactions that require approval, especially acquisition plans, location-related issues, long-term contracts and the issuance of a convertible bond for the first time. Other subjects discussed included the interim financial reports, the revenue and earnings performance under the difficult framework conditions, the development of the cash flow and of the working capital as well as their further optimisation, the preliminary audits of the annual and consolidated financial statements, the non-financial group statement and the proposal for the appropriation of profits, the review of the internal control and risk management system and the expansion with the identification and assessment of the sustainability risks according to the requirements of the German Corporate Governance Code (DCGK) within the scope of the sustainability risk management. The meetings also focused on the monitoring of the auditor's independence, the definition of the main issues to be audited, the agreement of the audit fee, the corporate governance and the selection of the auditor for the annual and consolidated financial statements for 2023 and subsequent years.

In 2023, the personnel committee came together twelve times in person: on 30 January, 9 March, 13 March, 30 March, 23 May, 13 July, 18 September, 19 October, 9 November, 15 November, 13 December and 19 December. Meeting attendance was as follows:

	30.01	09.03	13.03	30.03	23.05	13.07	18.09	19.10	09.11	15.11	13.12	19.12	Meeting attendance
Prof. Dr. Thomas Hess	●	●	●	●	●	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	●	●	●	●	100%

The meetings of the personnel committee primarily focused on proposals to the Supervisory Board regarding the revision of the compensation system of the Executive Board, the compensation report, the recommendations of the German Corporate Governance Code (DCGK), the restaffing of the Executive Board, the restaffing of some Executive Vice President and Vice President positions, the further development of the management organisation and the employment contracts with Executive Board members and Executive Vice Presidents.

The arbitration committee pursuant to Section 27 (3) of the German Co-determination Act (MitbestG) was not convened in 2023.

The Supervisory Board regularly and meticulously conducts a self-assessment of its activity with the support of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. The self-assessment was last conducted in 2022. Based on recommendations from the Supervisory Board, action recommendations are developed, presented at the plenary meeting and, after intensive review, included in the work of the Supervisory Board. We consistently monitor the implementation of these recommendations in our Supervisory Board. The basic results of past self-assessments revealed that the workflows and processes in the Supervisory Board are efficient and target-oriented.

## CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

In the reporting period, we intensively examined the set of rules of the German Corporate Governance Code (DCGK) and, in doing so, identified optimisation potential. To ensure compliance with DCGK, we checked the implementation of the recommendations. Together with the Executive Board, we issued the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in January 2023 and again on 2 February 2024. Deviations from the recommendations of the Government Commission are explained in detail in the Declaration of Conformity. All Declarations of Conformity of the last five years and other documents concerning the corporate governance have been, and continue to be, made permanently available to the shareholders on the company's website. Bechtle's Corporate Governance Statement is the central document concerning the corporate governance. In the fiscal year ended, no conflicts of interest of Executive Board or Supervisory Board members arose that, according to the code, would have had to be disclosed to the plenum without delay and about which the Annual General Meeting would have had to be informed.



See Declaration of Conformity,  
[bechtle.com/de-en/  
corporate-governance](http://bechtle.com/de-en/corporate-governance)

## AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2023

The Annual General Meeting appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor of the annual and consolidated financial statements for the 2023 fiscal year. Following the commissioning by the Supervisory Board, the auditor audited the annual financial statements of Bechtle AG, the consolidated financial statements and the consolidated management reports of Bechtle AG and of the Bechtle Group for the 2023 fiscal year, including the accounts as well as the risk management and early risk detection system, with unqualified auditor's opinions. The audit also included the implemented monitoring system for early identification of risks and the internal audit and risk management system with respect to the accounting process. The auditor has confirmed that the installed systems are suitable for identifying developments endangering the company's going concern at an early stage.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of profits and the auditor's audit reports (including the opinion on the compensation report) were duly sent to the members of the Supervisory Board and discussed in detail in the audit committee and in the board as a whole. The auditor of the annual and consolidated financial statements also participated in the meeting of the audit committee on 12 March 2024 and in the balance sheet meeting on 13 March 2024. The auditor reported in detail on the material results of the audit and answered all questions of the Supervisory Board comprehensively.

Following its own review of the annual financial statements, the consolidated financial statements and the consolidated management report, the Supervisory Board approved the results of the audit conducted by the auditor. According to the final result of its audit, there were no objections. At the balance sheet meeting on 13 March 2024, the Supervisory Board thus approved the annual financial statements and the Consolidated Financial Statements in accordance with the recommendation of the audit committee, thereby adopting the annual financial statements pursuant to Section 172 (1) of the German Stock Corporation Act (AktG). The Supervisory Board agreed to the Executive Board's proposal for the appropriation of the net profit and payment of a dividend of €0.70 per share. We approve the consolidated management report of the Executive Board and consider the proposal for the appropriation of profits to be appropriate.

The Executive Board and the Supervisory Board have prepared the compensation report in accordance with Section 162 of the German Stock Corporation Act (AktG). The auditor has audited the compensation report pursuant to Section 162 (3) sentence 2 of the German Stock Corporation Act (AktG) as to whether it contains the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG).

The Supervisory Board also audited and comprehensively discussed the non-financial group statement of Bechtle AG, which was prepared by the Executive Board, at the balance sheet meeting on 13 March 2024. The non-financial group statement was included in the management report as part of the Annual Report within the scope of the integrated reporting. The Executive Board explained the non-financial group report and answered the questions of the members of the Supervisory Board. The review conducted by the Supervisory Board did not give rise to any objections to the non-financial group report. The Supervisory Board agrees with the non-financial group report.

At the start of 2024, the basic economic conditions are still challenging. Nevertheless, we are optimistic with regard to the future, and we believe that the Bechtle Group will continue to develop well. This success is supported by our business model and, above all, by the people at Bechtle. The Supervisory Board would therefore like to express its sincere gratitude to all employees of the Bechtle Group in all 14 countries. The Supervisory Board will continue to accompany the development of Bechtle with great commitment in an advisory and controlling capacity.

On behalf of the Supervisory Board



Klaus Winkler  
Chairman

Neckarsulm, 13 March 2024

## SHARE

The 2023 stock market year was surprisingly positive despite economic and geopolitical uncertainties and the resulting high volatility. All leading German indices recorded significant gains at the end of the year. The DAX even reached a new all-time high meanwhile. For the Bechtle shares the year was unsettled as well, but ultimately pleasing. A positive start was followed by price losses in the summer. As the year progressed, however, the share price rose again and even outperformed the benchmark indices. Our share closed the year up 37.3 per cent. Market capitalisation stood at €5.7 billion at the end of the year.

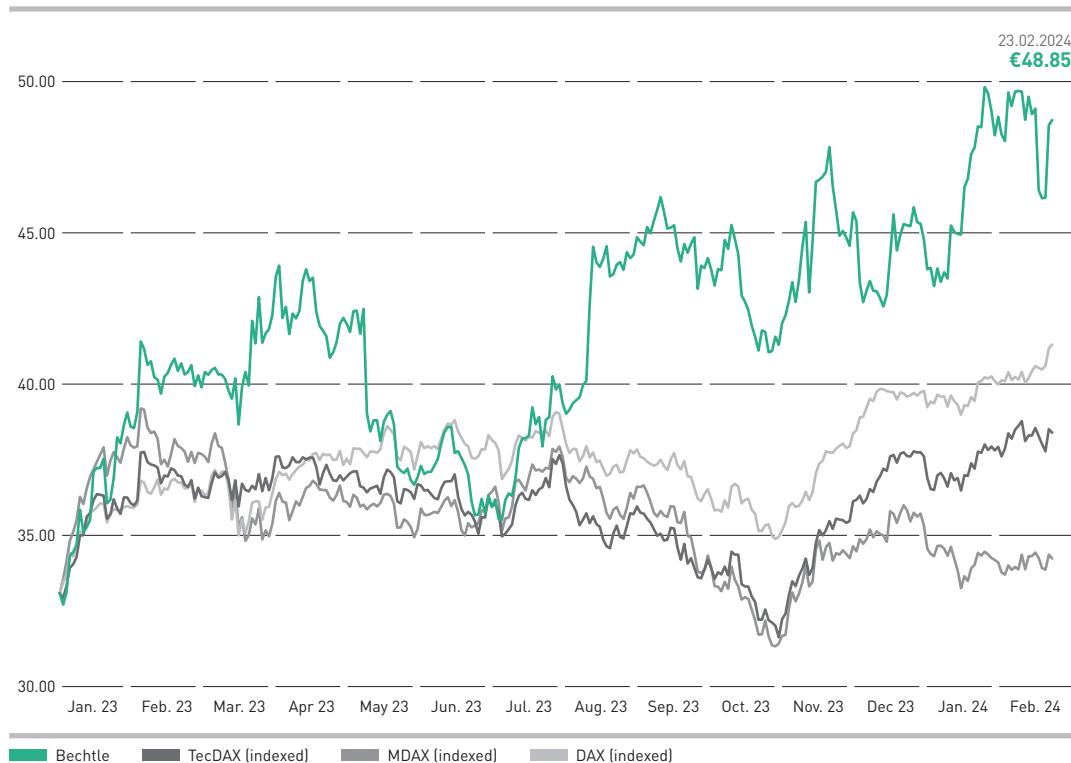
### STOCK MARKET

**Successful stock market year with highs and lows.** Economic concerns, a high inflation rate, rising interest rates and geopolitical crises characterised the 2023 financial year. After a hopeful start to the new stock market year, a banking crisis caused turbulences in the spring. The DAX fell to 14,600 points. However, the leading index subsequently recovered and, after some fluctuations, climbed above the 16,000-point mark by the summer. The stock markets experienced their weakest phase of the year between August and the end of October. Economic and interest rate concerns persisted, and the Hamas terrorist attack on Israel, and the consequences of this, put additional pressure on the market. The prospect of an interest rate reversal in the first half of 2024 brought about a turnaround from October. The leading German indices experienced a veritable year-end rally in the last two months of the reporting period. Meanwhile, the DAX reached a new all-time high and ended the year up 20.3 per cent. The TecDAX rose by 14.3 per cent over the course of the year, while the MDAX recorded an increase of 8.0 per cent.

## SHARE PERFORMANCE

**Bechtle share sees strong performance.** Despite a degree of volatility, the price of the Bechtle share developed extremely positively in the course of the reporting period. On 2 January 2023, our share started the new stock market year with a closing price of €32.68, the low for the reporting period. Like the leading indices, the share price initially climbed steadily and even outperformed its peers from February onwards. Our share price then fell in the spring, with prices returning to the level of the benchmark indices. However, the Bechtle share was able to escape the negative development on the stock markets from August onwards. Instead, the share price rose sharply, peaking at an annual high of €47.95 on 20 November 2023 in the wake of the year-end rally. The Bechtle share ended the stock market year at €45.39, up 37.3 per cent on the previous year's closing price. Our shares therefore performed significantly better than the benchmark indices. At the end of the year, market capitalisation stood at €5,719.1 million. In the MDAX ranking of Deutsche Börse, Bechtle occupied the 55th place (prior year: 61st place). In the TecDAX, our company was on the 9th place (prior year: 10th place).

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2023 TO FEBRUARY 2024



## TRADING DATA OF THE BECHTLE SHARE

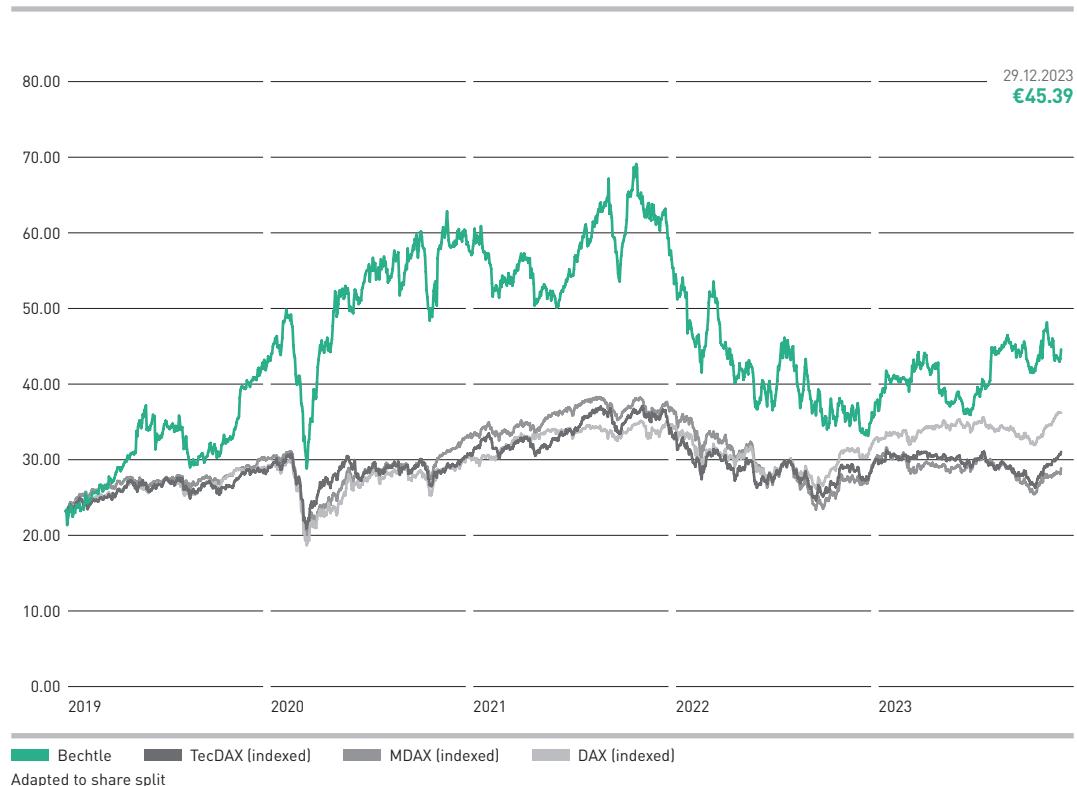
		2023	2022	2021	2020	2019
Closing price at the end of the year	€	45.39	33.06	62.94	59.47	41.73
Performance	%	+37.3	-47.5	+5.8	+42.5	+84.5
Highest price (closing price)	€	47.95	63.12	69.14	62.8	42.53
Low (closing price)	€	32.68	32.79	49.85	28.5	20.77
Market capitalisation – total <sup>1</sup>	€m	5,719.1	4,165.6	7,930.4	7,492.8	5,258.4
Average turnover/trading day <sup>2</sup>	Shares	176,306	266,062	138,224	140,482	106,634
Average turnover/trading day <sup>2</sup>	€	7,195,207	11,172,305	13,778,684	20,657,614	9,980,675

Xetra closing price data

<sup>1</sup> As of the end of the year<sup>2</sup> All German stock exchanges

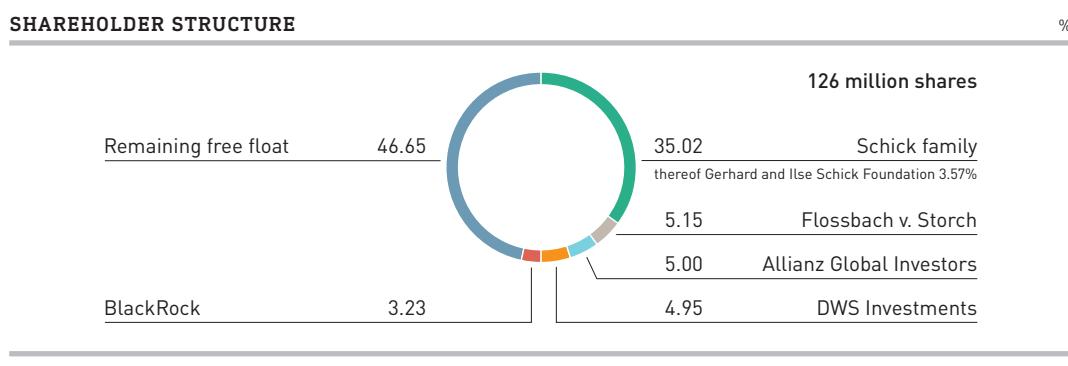
In 2023, an average of 176,306 Bechtle shares were traded. That is significantly less than in the previous year. As a result, the average stock market revenue of about €7.2 million was also below the previous year's level despite the positive share price performance.

## THE BECHTLE SHARE – PERFORMANCE FROM 2019 TO 2023



## SHAREHOLDER STRUCTURE

**Long-term anchor shareholder.** With an interest of 35.02 per cent, the Schick family remains the largest shareholder of Bechtle AG. This figure also comprises the shares of Schick GmbH, of which Karin Schick is a partner, and shares belonging to her son. This also includes the shares of the Gerhard and Ilse Schick Foundation, which was established by Karin Schick in May 2022. We regard the Schick family as an anchor shareholder that holds its shares on a very long-term basis, thereby effectively ensuring high stability. As of the end of the reporting period, the free float amounted to 64.98 per cent. These shares are held by a wide spectrum of private and institutional investors in Germany and abroad.



## DIVIDEND

**The 14th dividend increase in a row.** Since the IPO in 2000, Bechtle has pursued a sustainable, shareholder-friendly dividend policy and has distributed profits to shareholders every year without interruption. The reliability of the profit distribution policy is also evident from the continuous dividend increase.

Despite the very challenging economic circumstances that persisted in 2023, Bechtle AG recorded pleasant results. Earnings after tax, which form the basis for the dividend distribution, increased by 5.7 per cent. The Executive Board and Supervisory Board have therefore agreed to propose a dividend of €0.70 per share to the Annual General Meeting for the 2023 fiscal year (previous year: €0.65). This would be the 14th increase in a row. Subject to approval by the Annual General Meeting, the dividend proposal corresponds to an increase in the dividend of 7.7 per cent. This means an increase in dividends that is slightly above the increase of the earnings after taxes. In this way, the Executive Board and the Supervisory Board want to continue the shareholder-friendly dividend policy of Bechtle AG. The Executive Board and Supervisory Board also regard this increase as a sign of their confidence with regard to the further economic performance of Bechtle AG, especially in uncertain times.

As of 31 December 2023, the number of shares entitled to dividends was 126,000,000. This results in a total dividend payout of €88.2 million for the 2023 fiscal year. The dividend payout ratio would therefore amount to 33.2 per cent of consolidated earnings after taxes (previous year: 32.6 per cent). The dividend yield would be 1.5 per cent based on the year-end price of our share (previous year: 2.0 per cent).

## EARNINGS PER SHARE

**Earnings per share 5.7 per cent above previous year.** The improvement of the operating earnings was accompanied by a corresponding rise in the earnings per share (EPS). With 126 million shares and earnings after tax of €265.5 million, EPS amounted to €2.11, some 5.7 per cent more than in the prior year (prior year: €1.99).

### SHARE PERFORMANCE INDICATORS

For further key figures, see Multi-year overview, page 284



		2023	2022	2021	2020	2019
Shares with dividend entitlement <sup>1</sup>	Shares	126,000,000	126,000,000	126,000,000	42,000,000	42,000,000
Basic earnings per share	€	2.11 <sup>2</sup>	1.99	1.84	4.58	4.06
Amount distributed	€m	88.2 <sup>2</sup>	81.9	69.3	56.7	50.4
Dividend payout ratio	%	33.2 <sup>2</sup>	32.6	29.9	29.4	29.6
Cash dividend per share	€	0.70	0.65	0.55	1.35	1.20
Dividend yield <sup>1</sup>	%	1.5 <sup>2</sup>	2.0	0.9	0.8	1.0
Price/earnings ratio <sup>1</sup>		21.5	16.6	34.2	38.9	30.8

<sup>1</sup> As of the end of the year

<sup>2</sup> Subject to approval of the Annual General Meeting

## CONVERTIBLE BONDS

**Attractive financing solution for further expansion.** On 1 December 2023, Bechtle successfully placed convertible bonds with a total nominal value of €300 million and a term of seven years. The aim of the capital measure was to finance further growth of the Bechtle Group in Germany and abroad, including through acquisitions. The basis for the use of this financing instrument was the authorisation granted by the Annual General Meeting on 15 June 2021 to issue convertible bonds and to exclude the subscription rights of existing shareholders. The convertible bond was offered exclusively to institutional investors outside the United States of America as part of an accelerated book-building process. UniCredit Bank and Commerzbank acted as joint global coordinators and joint bookrunners for the transaction.

## ANNUAL GENERAL MEETING

**On-site again.** The 23rd Annual General Meeting of Bechtle AG took place on 25 May 2023 at the Harmonie conference centre, in Heilbronn. It was held as an in-person event for the first time since the pandemic. Registered shareholders also had the opportunity to follow the Annual General Meeting live via an online portal and exercise their voting rights there. Around 80 per cent of the share capital participated in the voting. All agenda items were adopted with the required majority.

## CAPITAL MARKET

**Close dialogue with the capital market.** We regard Bechtle's success as the result of a joint effort and trusting cooperation with our stakeholders. This cooperation takes place in accordance with the principles of openness and transparency and is shaped by the fundamental values anchored in our corporate culture. In their capacity as owners, our shareholders are among the most important stakeholders of our company. Therefore, one of the most important tasks of the financial communication is to include the stakeholders and engage in dialogue with them.

In the reporting period, 17 institutions were reporting on Bechtle in detailed studies and ad hoc analyses: AlsterResearch, Baader Bank, Bank of America, Berenberg, BNP Paribas Exane, Deutsche Bank, DZ Bank, Hauck Aufhäuser, Jefferies, Kepler Cheuvreux, Landesbank Baden-Württemberg, Metzler, Oddo BHF, Quirin Privatbank, Stifel, UBS and Warburg Research. Bechtle pursues regular constructive dialogue with all institutions. Citi had to discontinue its coverage in July 2023 due to a lack of resources. In February 2024, Barclays initiated coverage, meaning that 18 banks are reporting on Bechtle at the time of publication of this Annual Report.



Visits to the company's headquarters and participation in numerous conferences and roadshows allow both analysts and investors as well as us to engage in intensive dialogue. This underpins our open and continuous communication with our stakeholders. At a total of 16 roadshows and investor conferences held throughout 2023, we provided information about our company's economic situation, business strategy and outlook in individual and group discussions.

Personal contact with private investors is also very important to us. In 2023, we once again welcomed around 125 shareholders to the group headquarters in Neckarsulm for the shareholder days that have been very popular for many years. The evening events in the "Bechtle Meets" series, which is aimed in particular at young people interested in finance, were also very well received. Two events were organised in cooperation with finfluencers at the Bechtle Group headquarters in the reporting period. The communities had the opportunity to get to know our company, submit questions to both the IR team and to the finfluencers, and network among themselves.



See Imprint,  
page 294

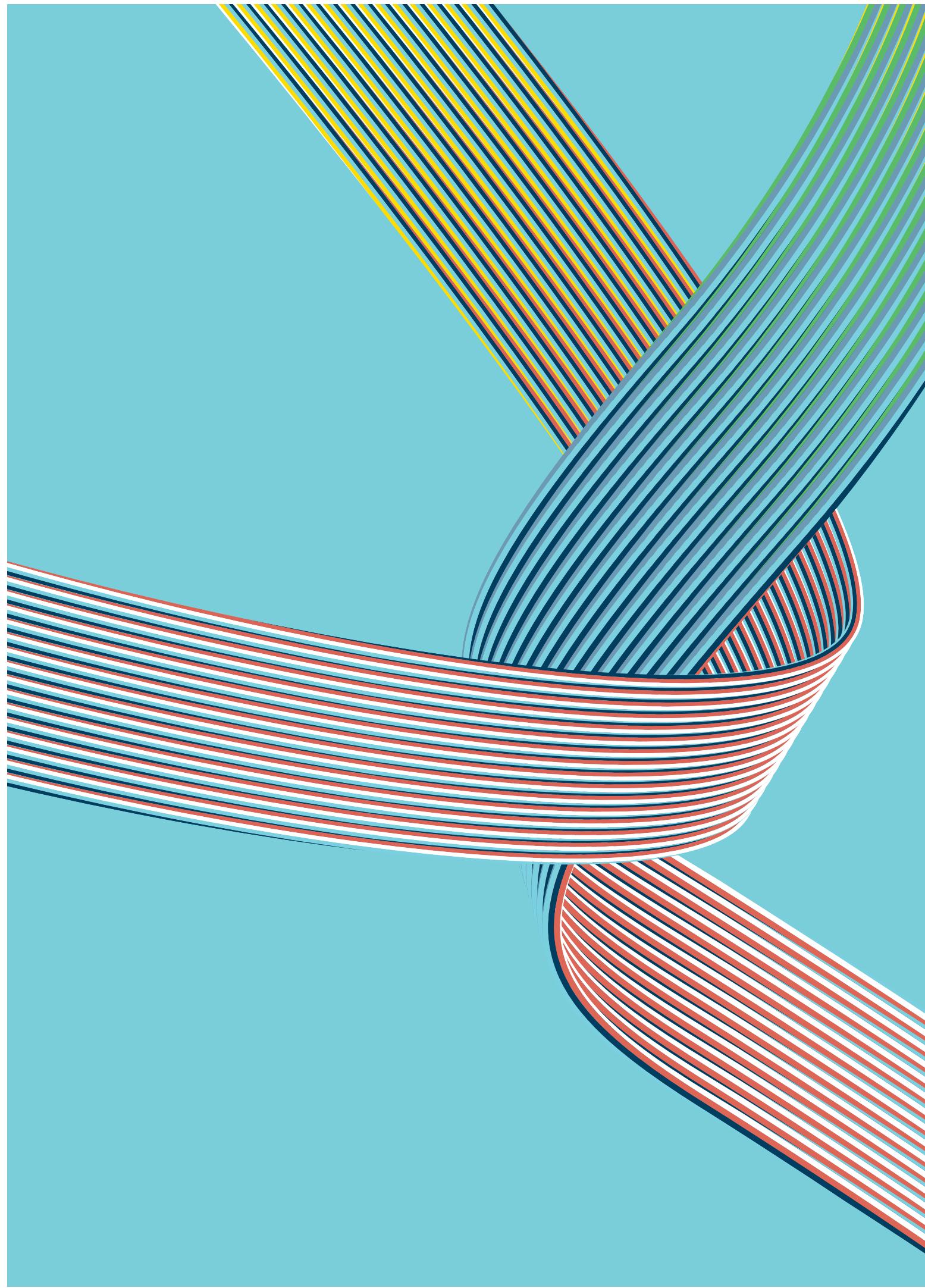
We always endeavour to inform all capital market players in a transparent, comprehensive and timely manner about all significant events that take place in our company. If you would like more information, please visit our website or contact us personally.



[bechtle.com/de-en/  
investoren-en](http://bechtle.com/de-en/investoren-en)



# COMBINED MANAGEMENT REPORT



# COMBINED MANAGEMENT REPORT

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## ABOUT THIS REPORT

This report summarises, for the first time, the management report of the Bechtle Group and the management report of Bechtle AG as an individual company. In particular, the aim here is to avoid repetitions in both reports and to increase workflow efficiency.

In this document, we also link our financial reporting with the key non-financial information. In this way, we illustrate the interrelationships between economic, ecological and social factors and their influence on our long-term corporate success. The combined management report in the Bechtle Annual Report 2023 also contains the combined non-financial statement (NFR) in accordance with Section § 315b (1) sentence 2 in conjunction with § 289 (2) of the German Commercial Code (HGB). In this way, Bechtle complies with its statutory obligation to disclose non-financial information pursuant to the German CSR Directive Implementation Act (CSR-RUG). The non-financial Group statement was not part of the assessment carried out in the context of the audit of the annual and Group financial statements by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. Passages referring exclusively to the NFR have been placed in green brackets. Passages forming part of the NFR which are also simultaneously disclosures typical for a management report have been placed in blue brackets. This is the last non-financial report in accordance with CSR-RUG; from the coming fiscal year, Bechtle will publish the legally required sustainability information in accordance with CSRD. The company is already preparing for this.

 Marking NFR

 Marking NFR/  
typical for  
a management  
report

**Use of frameworks.** In accordance with Section 289d HGB, Bechtle has been using the Global Reporting Initiative (GRI) framework, "Core" option, for sustainability reporting since the 2019 reporting period. For the 2023 fiscal year, we have been using the GRI Standards valid since 1 January 2023.

  
See Materiality,  
page 53f

**Content, reporting period and limits.** The topics reported on are aligned with the principle of materiality in accordance with the GRI standards and Section 289c of the German Commercial Code (HGB). The NFR comprises disclosures about the topics required pursuant to Section 289c (2) of the German Commercial Code (HGB), as far as this information is essential to understanding the business development, the business results, the group's position and the consequences of the business development (Section 289c (3) of the German Commercial Code (HGB)).

This report comprises the period from 1 January to 31 December 2023. Unless stated otherwise, the figures apply to the said reporting period and refer to the Bechtle Group. Information from other periods is marked accordingly. Measures and metrics related to individual subsidiaries, branches and brands are also marked accordingly.

  
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investoren-en

**Publication date.** The integrated Bechtle Annual Report 2023 is published on 15 March 2024. The integrated Bechtle Annual Report 2022 was published on 17 March 2023. The next non-financial indicators will be published in the Annual Report 2024 in the spring of 2025. The Bechtle Annual Report is available online in German and English.

## COMPANY

### BUSINESS ACTIVITY

The digitalisation of all areas of life is progressing relentlessly. IT is an integral and indispensable part of every business – whether private or commercial. This goes hand in hand with the great importance of modern and future-proof IT infrastructures – and a competent partner who supports and advises on the creation and operation of these complex infrastructures. This is precisely Bechtle's business model: As a vendor-independent solution provider with a comprehensive IT portfolio, we are the preferred IT partner for industry and the Public Sector.

### BUSINESS MODEL

**One-stop shop.** With more than 100 system houses and IT E-Commerce companies in 14 countries, Bechtle is close to its customers and is one of Europe's leading IT companies. We also have a worldwide network of partners that fulfils the requirements of globally active customers. In its 40th year of existence, the IT company with headquarters in Neckarsulm still combines the strength and resilience of a financially sound international group with the proximity, personal care and flexibility of a regional service provider. A total of about 7,150 service employees, including certified specialists, system engineers and consultants, as well as around 4,200 sales employees work together on the business success of the Bechtle Group. We support more than 70,000 customers from trade and industry, the Public Sector and the financial market on their digital transformation journey and offer a comprehensive, cross-vendor portfolio of IT infrastructure and IT operation solutions.

### BUSINESS SEGMENTS

**Combined power.** Bechtle's business activity comprises two segments: the IT System House & Managed Services segment covers a range of services from the sale of hardware and software solutions, IT strategy consulting, IT infrastructure consulting, application solutions, project planning and implementation, system integration, maintenance and training to the provision of cloud and managed services, IT security services and artificial intelligence. We also offer all "as-a-service" models or the complete operation of customer IT.

We have bundled our trading business in IT E-Commerce, the second business segment. We offer our customers hardware and standard software as well as accompanying logistics services via telephone and Internet. In total, our product portfolio in this segment comprises around 36,000 products.

## IT SYSTEM HOUSE & MANAGED SERVICES

**One-stop IT provider and system integrator.** With our service business, we are represented in Germany, France, the Netherlands, Austria, Switzerland, Spain and the United Kingdom. Bechtle's range of services in this segment covers the entire IT value chain. By individually compiling an offer comprising various interlinked services and freely configurable service levels, Bechtle is able to develop a bespoke solution for every customer. The service and solution portfolio is subject to ongoing review and adaptation to market and customer requirements.



Personal contact on-site

For our customers, most of whom have regional roots, it has always been important to have a personal contact person close by in order to overcome increasingly complex IT challenges. Our more than 100 regional system houses and their sales employees provide this personal connection. In the decentralised structure of Bechtle, proximity is a key criterion. Direct, usually long-term contact with customers helps sales staff to develop a trusting customer relationship. In this context, the ongoing training of our sales team plays a key role.

Our service employees and certified specialists, system engineers and consultants offer customers specialist knowledge, a high level of detailed expertise, many years of IT project experience and rapid implementation of individual requirements in the realisation of services. IT business architects also provide support with customised concepts and IT road maps, laying the foundations for future-proof IT architectures. Bechtle has bundled specialist know-how on complex IT solution topics in almost 90 nationwide competence centres and passes this knowledge on in training courses. Numerous certifications from all renowned vendors guarantee the premium qualification of our services. The goal of our Service Factory is to achieve economies of scale through standardised services.

Driven by ever-increasing digitalisation, the market for IT solutions and services is subject to constant change. In addition to the traditional business areas, consumption-based and cloud-based procurement models continue to gain in importance. These options for procuring IT infrastructure, platforms, software and applications as a subscription-based service are being utilised by a growing number of customers and are gradually becoming the standard. The use of these models depends on a functional multi-cloud architecture. In this domain, Bechtle offers its customers comprehensive care from the consulting and design stages to the implementation and operation. Our offering also includes additional services for the network infrastructure and security. Accordingly, we are consistently expanding our portfolio of "as-a-service" offerings, managed cloud services and multi-cloud services.

Artificial intelligence (AI) is one of the topics of the future in the entire IT industry and therefore also at Bechtle. Although the technology is still at the beginning of its development in many respects, Bechtle sees itself already well positioned here with the investment in PLANET AI and its involvement in the AI ecosystem Ipaï. Other Bechtle Group companies also already offer various services with AI components. In the medium and long term, AI will further increase the demand for IT solution partners such as Bechtle.



Partner for digitalisation



ip.ai



Many threads come together in the sales back offices of the system houses, enabling the sales employees to pull in the same direction.

**Natalie Wegner**, Internal Sales Department – Managed Delivery Service, System House Stuttgart

**Miriam Schray**, Internal Sales Department – Specialist Software Sales, System House Stuttgart

from left to right

## IT E-COMMERCE

**Intelligent processes.** In the IT E-Commerce segment, the Bechtle Group covers all common IT areas with a broad portfolio of IT products for its customers – from hardware to standard software to peripheral items. With its house brand, Bechtle is currently represented in 14 European countries and has achieved a strong competitive position in all markets. The Bechtle Group is also active with the brands Inmac Wstore and Bechtle Comsoft in France and with ARP in the Netherlands. A new addition in the reporting period was Tangible Benefit in the United Kingdom.

The business in the IT E-Commerce segment is guided by two basic principles: On the one hand, there is the direct personal contact between the sales staff and the customer, which is ensured through active contact by telephone or videoconferencing. Sales plays a key role in realising business volumes by acquiring new customers and expanding business with existing customers. Especially customers with complex requirements benefit from the personal contacts, who offer individual solutions that are tailored to customer needs.

On the other hand, the segment has established highly process-controlled, lean order processing workflows that are crucial to the success of the E-Commerce segment. To a certain extent, the underlying processes are even part of the actual service. For example, a large number of orders in IT E-Commerce are processed according to the fulfilment principle: Bechtle forwards incoming purchase orders directly to vendors or distributors, who then ship the goods to the customers on behalf of Bechtle. Bechtle ensures the quality of dispatch, which is also determined by speed, through agreements with partners and daily quality checks. The customer benefits in numerous respects: the networking of the online shops with the stocks of vendors and distributors enables high availability and up-to-date information. The delivery time, too, is aligned with customer needs: orders are usually delivered within 24 to 48 hours. Lean processes also ensure low process costs. The customer thus benefits from competitive prices, while Bechtle is still able to earn an attractive margin. We also keep stock levels low on the basis of the fulfilment principle, thereby reducing the risk of devaluations of IT products, which are characterised by very short innovation cycles. During the first half of 2023, the last remaining delivery difficulties, which had posed major challenges for the IT market in the previous two years, were finally overcome. This means that supply availability has returned to the high level seen before the outbreak of the pandemic and is therefore in line with the long-term average.



Lean processes  
Fulfilment principle

## CROSS-SEGMENT ACTIVITIES

**Growing international presence.** In the past, Bechtle was present with both its operating segments only in Germany, Austria and Switzerland. In 2022, the company crossed the borders of the DACH region for the first time with the IT System House & Managed Services segment and expanded its presence to other European countries, namely the Netherlands and the United Kingdom. France and Spain were added by acquisitions in the reporting period. In these countries, Bechtle addresses the market in both segments in order to increase the market penetration and the market share. Our extended acquisition strategy envisages a future presence with system house activities and services in other European countries in addition to the existing e-commerce companies.



See chapter  
Corporate culture,  
strategy and  
governance,  
page 49

Many customers attach great importance to homogeneous IT landscapes across their own international locations. Therefore, internal Bechtle units focus on ensuring a global roll-out that is tailored to the customer's needs and preferences. With its uniform, central processes and service levels, Bechtle is well prepared for this task. Personal contacts of Bechtle are available in all 14 European countries in which Bechtle is present. We also work with the professional IT partners of our Global IT Alliance (GITA) worldwide.



gita.com

**Public Sector clients.** For many years, Bechtle has been intensively focusing on Public Sector clients. A special characteristic of this business lies in the special requirements of the tendering procedures. To ensure professional processing of these tenders, we have established the central Public Sector division as an internal service unit. This division supports the international local units in processing public tenders. For some time now, we have observed an increasing market consolidation trend among these clients, i.e. individual clients are forming joint buying centres. As a result, the tender volumes are going up, a development that benefits Bechtle – as one of Europe's leading market players with dedicated teams for the successful processing of even larger tenders – more than many of its competitors.



Synergy effects

**#OneBechtle.** Apart from the internal promise to function as a jointly operating unit, this concept also embodies the strategic intention of intensifying cooperation between the two segments by means of a multichannel approach, thus further interlocking them for synergy effects. On 1 January 2024, the pilot project "OneBechtle AT" that started in 2022 was implemented following a successful pilot phase. The merger of the Austrian Bechtle IT system houses with the sister company Bechtle direct Austria was finalised under the name Bechtle Austria GmbH. The two specialists in the aforementioned country market were also merged, thereby pooling their expertise. The aim is to serve customers holistically, regardless of the segment, thereby realising synergy effects and increasing customer penetration. In the medium term, the idea behind this combination could also be applied in the German and Swiss national markets.

**Belgium United.** Similarly, the “Belgium United” project aims to enable closer collaboration between the existing units under a joint management. As of 31 December 2023, various departments, such as sales and marketing, were already managed centrally. This measure has made it possible to reduce complexity, make better use of resources, optimise cooperation and increase market presence vis-à-vis both customers and suppliers.



**Bechtle.com.** At this address, we present our customers with a cross-segment digital business platform that covers the entire range of our service and solution portfolio. We are now able to address every prospective and existing customer holistically and systematically offer additional solutions. Bechtle.com will be continuously expanded over the next few years in order to underpin Bechtle's multichannel approach. The digital business platform stands for the efficient procurement of IT infrastructure and IT services from a single source. In addition, bechtle.com offers customers and all other stakeholders information on all aspects of IT and thus serves as a knowledge platform. Digital Business Services – a unit that bundles business competencies and strategies – is responsible for the establishment and further development of the business. The unit's task is to connect customers and Bechtle digitally.



**Remarketing.** Product life cycles for IT products are becoming ever shorter, especially due to innovations and further developments. This is why our company established Bechtle Remarketing GmbH back in 2012 – a business unit dedicated to topics related to the end of a product life cycle. In this context, information security, data protection and the responsible use of resources are key aspects. Our specialists take care of the secure deletion of company data and the resale of old devices or environmentally friendly disposal. Bechtle thus offers complete life-cycle support for IT hardware at two of its own locations.



**Own brand ARTICONA.** The custom brand ARTICONA supplements Bechtle's product portfolio, especially with peripheral products. The product range includes IT accessories and extends from input devices such as keyboards and mice to various cables and adapters, storage devices, printer cartridges and even e-car accessories. The products are often offered as cross-selling products or as an alternative to comparable branded products.

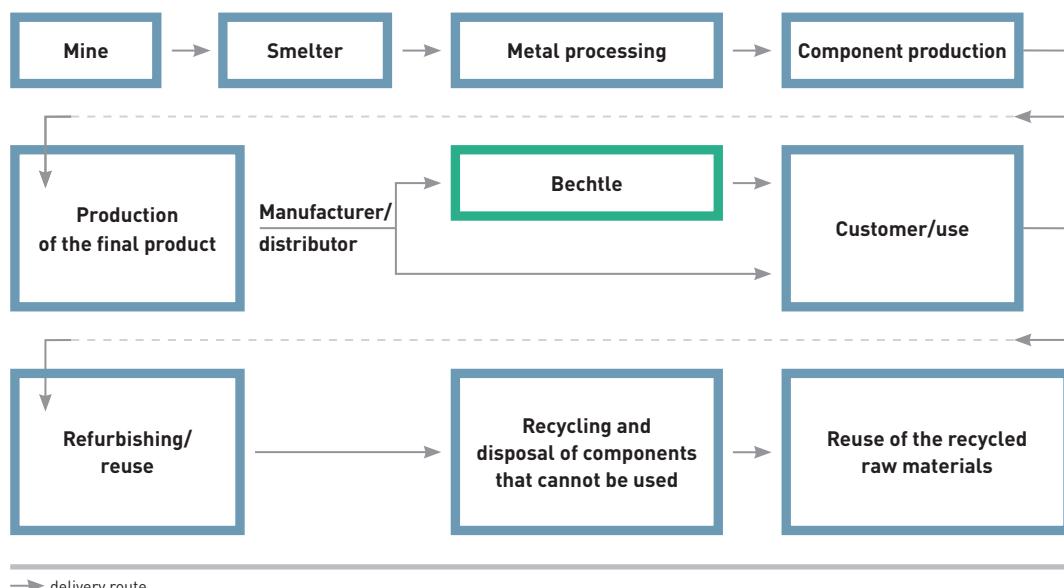
## PROCUREMENT

As a reliable and responsible IT partner, it is particularly important to us that basic labour, social and environmental standards are observed in the manufacture and transport of the IT hardware and software sold by Bechtle and in the provision of IT services. We are committed to the universal principles of the UN Global Compact and other internationally recognised environmental and human rights standards. We fulfil this responsibility at our own locations and expect the same from our business partners.



As a service provider for future-proof IT architectures, Bechtle offers its customers – in addition to traditional IT infrastructures – consulting and equipment in the future-oriented areas of Sustainable IT, digitalisation, cloud, modern workplace, IT security, artificial intelligence and IT services. Around 36,000 hardware and software products are available via IT system houses, the online shop and customised procurement platforms. We generate the largest share of our business volume through hardware, which is why we are focusing on this area when presenting the value chain.

### VALUE CHAIN IN THE HARDWARE SECTOR



→ delivery route

Raw materials such as rare-earth elements, copper, gold and lithium are mined and then processed in smelters. Raw materials and metals are processed in such a way that they can be used for the production of individual components. In production, the components are manufactured into the end product, which is delivered to Bechtle by one of our approximately 270 manufacturing partners or via distributors. In one of Bechtle's warehouses, orders are bundled according to customer requirements or devices are equipped with software ready for use. Some products are shipped directly to customers. The utilisation of products by our customers represents the longest phase of the value chain. After hardware has been used by customers, a large portion of it can be refurbished and placed back into the use cycle via Bechtle Remarketing. If hardware is no longer fit for use, useful components are recycled and any residual waste is disposed of appropriately.

**Close cooperation with our partners.** As a trading partner, our influence on the upstream and downstream supply chain is limited, but we work closely and trustfully with our direct suppliers (Tier 1) on the topic of sustainability. During the reporting period, a "Manufacturer's Sustainability Day" was held at the Group headquarters for the first time, at which ten selected manufacturing partners presented sustainable IT products – from PC mice to conference systems.

During that same reporting period, the manufacturer HP awarded 5-Star Catalyst Partner status to Bechtle Poland. Bechtle Germany, Italy and the Czech Republic have maintained their 4-Star status. Previously, the Bechtle units had successfully participated in an assessment in relation to the sustainability programme HP Amplify Impact. In subsequent workshops, the teams worked together on new project ideas. More than 100 employees took part in the sustainability training offered by HP on-site and digitally. Other Bechtle companies have also qualified for the programme.



[bechtle.com/de-en/  
corporate-governance](http://bechtle.com/de-en/corporate-governance)

**Responsible purchasing.** In 2022, we revised the key points of the international standards on the environment and human rights that are important to us and integrated them into the Bechtle Supplier Code of Conduct. We expect our suppliers to sign it. The new edition of the code also fulfils the requirements of the German Supply Chain Due Diligence Act (LkSG). We began rolling out this updated version in the reporting period. It is to be signed successively by all partners.

As of 31 December 2023, 199 suppliers and manufacturers had signed the previous version of the Bechtle Supplier Code of Conduct. A total of 40 partners have presented their own policies, which overlap with our own code in all essential respects. In total, this accounts for 94.9 per cent of the purchasing volume.

### SIGNING THE BECHTLE SUPPLIER CODE OF CONDUCT (PREVIOUS VERSION)

	2023	2022	2021	2020	2019
Number of suppliers and manufacturers	199	190	189	150	121
Number of suppliers and manufacturers that submitted comparable codes	40	59	39	51	23
Percentage of codes signed and submitted in % of purchasing volume	94.9	94	93	93.1	90.6

Since 2022, we have been working with the EcoVadis supplier assessment tool, which enables us to track our suppliers' compliance with social and environmental standards using a document-based audit. By the end of 2023, the Sustainable Procurement team in the Vendor Management department was able to include suppliers that account for over 92 per cent of our purchasing volume in the assessment.

Bechtle's own brand ARTICONA offers a broad portfolio of IT accessories such as keyboards, cables, plugs and safety protection films for monitors. Based on the previous version of the Bechtle Supplier Code of Conduct, ARTICONA also presented its suppliers with a code, which all suppliers had signed by the reporting date of 31 December 2023.

In addition, over 200 ARTICONA products, such as notebook cases, backpacks, sleeves, smartphone cases and patch cables, now bear the Global Recycled Standard (GRS) seal. Products that are GRS certified contain recycled materials that have been independently verified at every stage of the supply chain – from the source to the end product. All certified ARTICONA products are made entirely from recycled materials.

## MARKETS

**Broad positioning in terms of customer sizes and sectors.** We endeavour to identify the best possible IT solution to address the needs of each and every customer. And we have gained a very high level of expertise when it comes to servicing different customer groups. Even though our core target group is the upper SME market, we are also increasingly successful in the large company sector. Usually, we define our customers on the basis of the number of PC workspaces (or seats). And our customer group generally ranges from 50 to upwards of 10,000 PC workspaces.

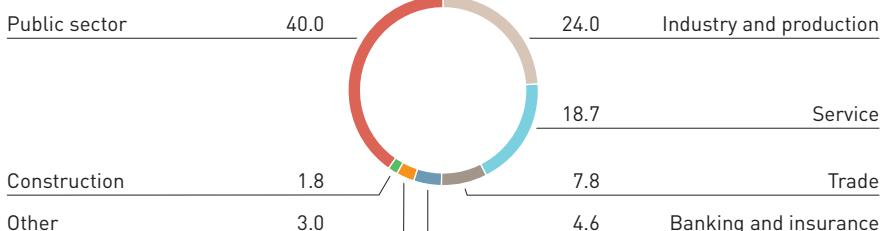


Broad customer base

Bechtle does not usually focus on individual industries. Our customers, therefore, include companies from all branches of industry, and we address each customer group in a different way. In view of the special requirements of the tendering procedures of Public Sector customers, we have introduced a more focused and hence individual approach to these customers. In this role, the central Public Sector division, as an internal service unit, supports the local entities when it comes to processing public invitations to tender.

  
Business volume,  
see Earnings position,  
page 100

### INDUSTRY SEGMENTATION OF THE BECHTLE GROUP BY BUSINESS VOLUME



As of 31 December 2023

  
See Locations,  
page 59 ff

  
See Forecast,  
page 147 ff

Geographically, Bechtle is represented in 14 European countries with its pure trading business; it also offers everything to do with information technology via professional and managed services in seven of these countries. Moreover, our extended acquisition strategy envisages a future presence with system integration activities and services in other European countries in which we are already active with our trading business. With our own central Bechtle units, and with the support of partner companies of the Global IT Alliance (GITA) launched in 2014, we also support customers outside Europe.

### COMPETITIVE POSITION

  
bitkom.org/EN

**Germany's largest system house.** The IT market in Germany is highly fragmented. According to the German Federal Statistical Office, almost 93,000 IT companies in Germany offer products and services in the areas of IT hardware, software and IT services. These IT companies vary greatly with regard to their size, service spectrum and specialisation. Just over 80,000 of these IT companies only operate locally, and they generate revenue of no more than €1 million. Almost 12,000 companies generate annual revenue of up to €50 million. According to the German Federal Statistical Office, the group of medium-sized IT companies generating annual revenues of €50 to €250 million includes less than 300 companies. Only 55 companies, including Bechtle, are on the list of the largest companies active in Germany.

  
Sustainable leadership

In Germany, Bechtle enjoys an excellent market position. In the ranking of the largest system houses, which was prepared by the professional publisher "ChannelPartner", our company was once again the number one in 2023, measured by domestic revenue.

According to the industry association bitkom, the total volume of the German IT market (IT hardware, software and IT services) in 2023 amounted to €142.9 billion (prior year: €139.8 billion). With its reported annual business volume of around €4.7 billion in Germany in 2023, Bechtle's market share amounts to more than 3 per cent. Germany's ten largest system houses, which the professional publisher "ChannelPartner" assesses every year, jointly account for a market share of about 12 per cent. These figures show how fragmented the German IT market continues to be. As a group, small and medium-sized companies still account for the largest market share by far. Despite the ongoing consolidation pressure, this situation is unlikely to change in the medium term.

## RESEARCH AND DEVELOPMENT

**Range of offers expanded with research into artificial intelligence.** As a pure service and trading company, Bechtle has previously only provided development services for software solutions and applications for its own purposes and as part of individual customer projects. The development costs incurred in the 2023 fiscal year were insignificant. The expenses for development amounted to approximately €11 million, about €4 million of which were capitalised. In the field of application solutions, we not only design, develop and implement software on behalf of customers, but also cover special industry requirements where required. Since the reporting period, Bechtle has also been active in the area of research for the first time. By acquiring a stake in PLANET AI, we are expanding our portfolio to include AI solutions in the area of intelligent document analysis. This acquisition means that more than 40 research and development specialists now complement our workforce.

**MODUS Consult.** MODUS Consult GmbH is involved in development activities that are somewhat more significant. Among other things, it develops ERP solutions based on Microsoft Dynamics 365 for the food and beverage industry, mechanical and plant engineering, the plastics and metal industry and the furniture industry, as well as for wholesale companies. In customer projects, solutions are also implemented in the areas of Customer Relationship Management (CRM), Enterprise Content Management (ECM) and Business Intelligence (BI).

In addition to individual development work in customer projects, we have also carried out development work to update various industry solutions. To safeguard our ability to supply in future, these solutions have been converted for the next generation of Microsoft's cloud ERP suites. Thanks to the expansion of our SharePoint portfolio and integration of the processes with the Microsoft Power Platform, we can now offer the entire Microsoft Platform, including Office 365 and Microsoft Teams, to medium-sized companies.

In the ECM projects, we use ELO and SharePoint products. In this area, MODUS Consult has also developed its own standard modules, which are deployed or customised in customer projects. This includes, above all, a universal document connector that ensures more interoperability.

Furthermore, MODUS Consult assists customers in pure CRM projects, which are already highly cloud-oriented. The CRM portfolio includes marketing solutions as well as sales, service, user portal and support functions. MODUS Consult covers the area of business intelligence with Power BI.

**PLANET AI.** In addition to providing other development services, PLANET AI GmbH focuses on intensive research in the area of artificial intelligence. At the core of this research is PLANETBRAIN. This is an AI platform with patented core technology, which forms the basis for the development of IDA (Intelligent Document Analysis). Another integral component of PLANETBRAIN is the perception-matrix technology, which enables the high-precision analysis of text, images and speech and, therefore, fundamentally changes data acquisition and processing. For example, handwritten and typewritten documents, receipts and texts can be processed automatically, document types classified and information extracted. Intelligent document analysis is already being used in various areas. These include logistics, traffic monitoring, banking, insurance, healthcare and archives.

PLANET AI's international research collaborations with universities and research institutions are a key element of these activities. Joint research, close collaboration and the continuous exchange of knowledge and technological advances make a significant contribution towards strengthening the research and development of artificial intelligence.

**In the future, artificial intelligence will make our operations even more efficient, leaving more time for personal exchange. Bechtle already provides plenty of opportunities in this area.**

**Sigrid Gebhardt**, HR Coordinator – Administration/Organisation, System House Stuttgart

**Steffen Kleindienst**, Global Account Manager, System House Stuttgart

**Antje Keller**, Communications & Change Office – Management Assistant, System House Stuttgart

**Emre Beydogan**, Service Owner – Service Desk, System House Stuttgart

from left to right



## CORPORATE CULTURE, STRATEGY AND MANAGEMENT

Our employees form the centrepiece of our business model and therefore are essential to Bechtle's success. As such, our corporate culture plays an important role in the performance and motivation of each individual. The applied values at Bechtle provide all employees with a high degree of freedom, along with business responsibility. The long-term orientation of the strategy, underpinned by our vision, also brings with it a high degree of reliability. This is essential for employees, but also for customers, partners and the capital market. Because of this, our business is managed in the short, medium and long term using established systems and processes.

### VISION AND STRATEGY

**Corporate culture forms the basis.** The basic values of the Bechtle Group have remained unchanged for years. They are mentioned in the corporate philosophy, which is part of every employment contract. The four defining values are:

- Integrity
- Perseverance
- Reliability
- Enthusiasm



Our fundamental values provide orientation

These basic values constitute a central element of our corporate culture. In conjunction with our internal management principles, our Code of Conduct, Vision 2030 and the Bechtle Sustainability and Climate Protection Strategy 2030, they underpin our long-term strategic objectives. They provide all employees and other stakeholders with guidance on efficient and sustainable corporate management and control. Entrepreneurial thinking and behaviour are also a fundamental part of our culture: Employees at Bechtle are given entrepreneurial responsibility at a very early stage – this is both a promise and an obligation.

**Long-term orientation ensures sustainable success.** On the basis of the firmly established corporate culture, Bechtle has formulated its long-term goals in a vision every ten years or so since the company was founded. The Vision 2030 was published in 2018 and is entitled "Bechtle: Integrate IT. Architect the future". It determines goals in the following areas:

- **customer orientation**, measured on the basis of the customer's success;
- our expertise, professionalism and **passion** in handling IT, combined with the promise to the workforce that at Bechtle, everything can be achieved;
- the quest for **market leadership**; and
- the necessity to achieve **profitable growth** in order to be able to invest in Bechtle's future.



[bechtle.com/de-en/vision2030](http://bechtle.com/de-en/vision2030)



[bechtle.com/de-en/  
sustainability](http://bechtle.com/de-en/sustainability)



Sustainability programme –  
see Development of the Group,  
page 152ff

Apart from qualitative statements, the Vision 2030 also specifies quantitative growth targets. The Group is aiming for revenue of €10 billion with a pre-tax margin (EBT margin) of at least 5 per cent by 2030.

**Sustainability and climate protection strategy 2030.** The Bechtle Sustainability Strategy 2030, published in 2021, supplements Vision 2030. The content of Vision 2030 is dealt with meaningfully in the context of sustainability. The sustainability strategy combines economic, ecological and social aspects and contains strategic goals that are underpinned by specific measures. It therefore creates orientation and transparency at the same time. The Bechtle Sustainability Strategy 2030 focuses on four strategic fields of action, each of which is associated with three key topics and long-term goals. Additionally, we have developed a sustainability programme that defines milestones and determines suitable operating measures. We are therefore able to measure our progress transparently and take any necessary corrective action.

#### FIELDS OF ACTION OF THE SUSTAINABILITY STRATEGY



##### ETHICAL BUSINESS PRACTICES are a matter of course.

We fulfil our duty to ensure human rights are respected along our supply chain.

###### FOCAL POINTS

1. Supply chain sustainability
2. Compliance and anti-corruption
3. Social commitment



##### We embrace a sustainable ENVIRONMENTAL approach in everything we do.

We operate in harmony with our environment to conserve our climate and resources into the future.

###### FOCAL POINTS

1. Climate and energy
2. Sustainable logistics
3. Circular economy



##### The PEOPLE we work with drive our success.

We embody fairness and value our business partners and employees. Our team is motivated, highly qualified and diverse.

###### FOCAL POINTS

1. Employer attractiveness
2. Diversity and equal opportunity
3. Health and safety



##### We shape a sustainable DIGITAL FUTURE.

We drive future-facing digitalisation and contribute to our customers' success through sustainable innovation.

###### FOCAL POINTS

1. Sustainable in-house digitalisation
2. Sustainable technologies, solutions and services
3. Information security and data protection

In order to concretise the sustainability strategy in the environmental field of action, Bechtle published the Climate Protection Strategy 2030 in 2022. It is another building block in our sustainability activities that contributes to the goals of the Paris Climate Protection Agreement. The avoidance and reduction of CO<sub>2</sub> emissions form the core of the climate protection strategy.

The reduction targets for the greenhouse gas CO<sub>2</sub> relate to the areas we can influence and are distributed across the various emission categories along the value chain according to the Greenhouse Gas Protocol, the so-called scopes. The aim is to reduce emissions according to Scope 1 (company facilities and vehicle fleet) and Scope 2 (purchased energy for own use) by 60 per cent by 2030. The reduction in Scope 3 emissions, which relates to the upstream and downstream value chain, should be 30 per cent (base year 2019). The ambitious road map is based on the science-based reduction targets of the Science Based Target initiative (SBTi).



For an overview  
of the Scope 1–3 emissions,  
see Environment,  
page 78 ff

**Employer branding strengthens competitiveness.** The shortage of specialists and managers throughout the IT sector and demographic trends emphasise the importance of HR work and employer branding. Training and staff development are critical success factors for the implementation of our strategy and the pursuit of our long-term growth targets. Bechtle's HR work has always focused on the training of young people and on further training measures for existing employees. Our aim is to provide innovative, solution-orientated and efficient concepts for customers' IT using highly qualified personnel. In this way, we endeavour to secure a competitive position in an environment marked by rapid change.



See People,  
page 62 ff

**Acquisitions are part of the growth strategy.** We plan to reach the goals of Vision 2030 both through organic growth and by means of acquisitions. As far as organic growth is concerned, we can build on some 40 years of experience in the IT market and our high market penetration. From the outset, takeovers have been part of Bechtle's growth strategy. Since the company was founded, Bechtle has successfully completed 113 acquisitions. In the past, growth through acquisitions was achieved mainly by acquiring small to medium-sized system integrators. However, in our search for suitable acquisition candidates, we often also look at larger businesses. From a geographical perspective, the declared aim of the expanded 2021 M&A strategy is to expand our range of services to all 14 countries in which we already have a trading presence, in the medium term. In all acquisitions, it is primarily important to us that the target company strengthens the market position of the Bechtle Group regionally and in terms of customers and/or performance. Therefore, we aim to supplement our IT-specific expertise and intensive processing of strategically important markets and customer groups in order to gain market share.

**Digital future for our customers.** Bechtle has been active in the IT market for 40 years. This market is characterised by rapid technological development, resulting in constantly changing market requirements. One of the main pillars of our success is our ability to adapt our portfolio and business model to the latest market requirements. This is also the case right now: the IT market is currently undergoing a paradigm shift. In the past, most of our customers used to operate their own IT landscape, and IT partners such as Bechtle were merely involved on a project-specific basis. Though this model will not disappear entirely, the digital transformation and the growing complexity of IT will drive the demand for subscription- and consumption-based IT service models, which will be accompanied by a higher demand for solution-oriented IT consulting. In recent years, Bechtle has focussed its strategy on actively shaping this change and expanding the share of business volume in these consumption-based IT solutions. However, we will not lose sight of our traditional business and, above all, will continue to strengthen our most important asset – customer proximity.

In addition to advising customers, our experts increasingly coach them on a long-term basis. Suitable acquisitions strengthen the skillset in order to accommodate this change even more effectively.

**Verena Boll**, Digital Service Consultant, Bechtle AG

**Dr. Karl-Heinz Kramer**, Head of Mergers & Acquisitions / Corporate Development, Bechtle AG

**Teresa Limbrunner**, Digital Business Management Consultant, Bechtle AG

from left to right



## SYSTEMS AND INSTRUMENTS

**Corporate management based on established processes.** The Executive Board of Bechtle AG is responsible for the overall planning and realisation of the Group's long-term goals. The main objective of the company development is to sustainably increase the value of the company through profitable growth.

The short- and medium-term planning for controlling the operational units and the resulting measures are derived from the long-term corporate planning. At the same time, they are geared towards the development of the competitive and market environment. The company endeavours to boost its growth and returns through successful customers and attainment of market leadership at the respective location.

Business volume, revenue, revenue growth, gross margin or contribution margin, earnings before taxes (EBT) and the EBT margin are relevant key performance indicators for the defined economic targets. Individual profit-sharing motivates the majority of employees to pursue the agreed targets with commitment.

Various reporting systems ensure that all units always have an overview of the performance indicators relevant to them and can manage the business operations accordingly. At group level, this data is then aggregated and used for the coordination of investment and financing decisions, the early identification of target/actual variances and the initiation of suitable measures. The cash flow cockpit has become increasingly important in recent years. It regularly provides all individual companies with a detailed view of their cash flows. A new controlling system is also currently being installed in order to meet the requirements of the growing size of the Bechtle Group in the future. Non-financial targets are also continuously recorded and evaluated in sustainability controlling.

Bechtle has defined important non-financial targets as part of the Sustainability Strategy 2030 and the Climate Protection Strategy published in 2022. In line with the decentralised structure of the Bechtle Group, the issue of sustainability is anchored within the Group in an agile manner via the relevant specialist departments and companies and therefore forms an integral part of the operating business.



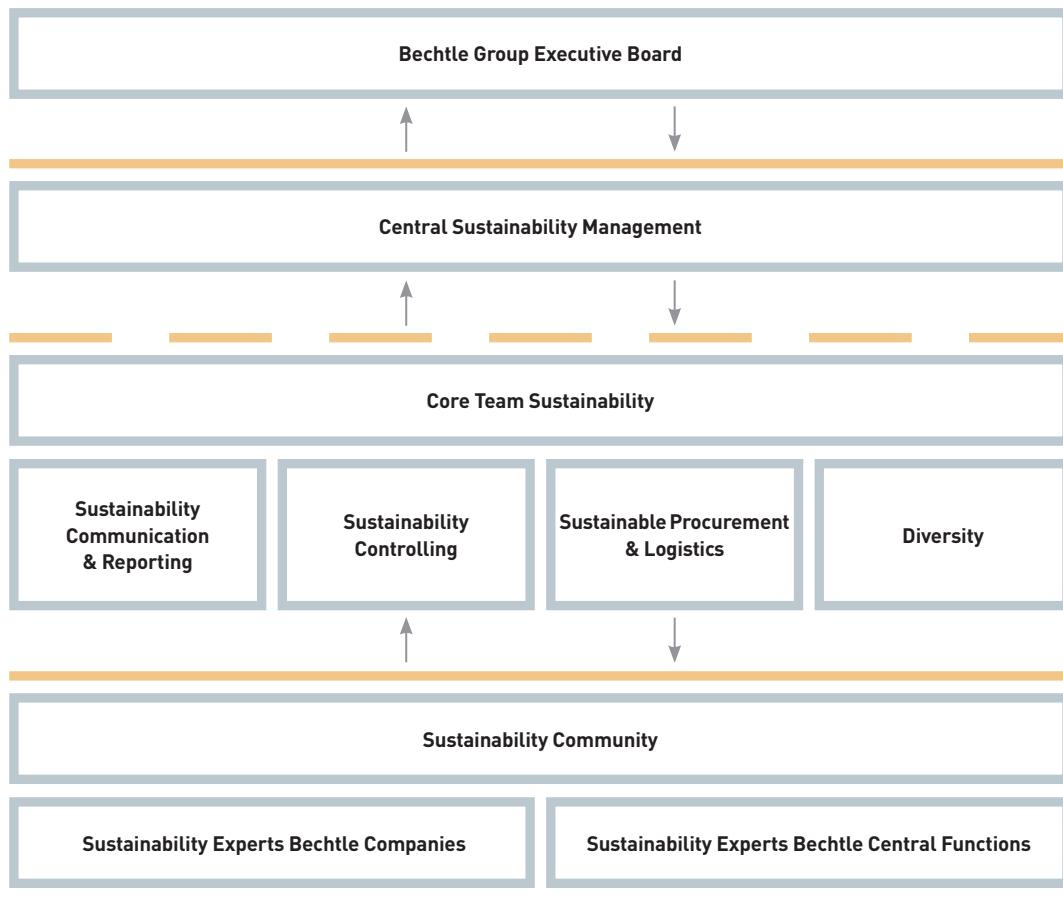
See below and in the  
Sustainability Programme,  
Development of the Group,  
page 152ff

## SUSTAINABILITY MANAGEMENT

Climate protection and environmental protection are among the greatest challenges of our age. Furthermore, topics such as the protection of human rights throughout the value chain are gaining in importance. Sustainability in all of its facets is therefore a subject area that is increasingly attracting public attention. This is accompanied by further regulatory requirements from legislators, both nationally and at European level. This, in turn, results in new requirements for sustainability reporting and governance in companies. Governance, environmental and social aspects have been a fixture of our corporate processes and structures for a long time now and are subject to ongoing adjustment.

Since June 2021, Bechtle's Sustainability Management department has been responsible for the implementation and further development of the sustainability and climate protection strategy throughout the group. In the reporting period, it reported directly to the Chairman of the Executive Board, Dr Thomas Olemotz, as a staff unit and is also the central point of contact within the Bechtle Group. This allows us to increase the transparency and controllability of our sustainability activities. From 1 February 2024, Sustainability Management will report to the Executive Board member Antje Leminsky, who will take over the department. At the operational level, a decentralised, agile "Core Team Sustainability" works on specific subjects in close coordination with Sustainability Management. The core team includes sustainability controlling, sustainable purchasing, central logistics and sustainability communication and reporting. Other central departments, such as Human Resources, Quality Management or Legal provide advice as specialised departments as and when required. In addition, there is a sustainability community in which more than 150 people from more than 100 Bechtle companies in Germany and abroad are now networked with one another. At least once a year, the entire Executive Board comes together in order to make decisions concerning further orientation, measures and investments. To assess our sustainability performance, we focus on the analyses of the sustainability rating agency EcoVadis, which are also managed by Sustainability Management. In January 2024, we received the EcoVadis gold medal for the first time with 73 out of 100 points.

## SUSTAINABILITY MANAGEMENT IN THE BECHTLE GROUP



## MATERIALITY AND STAKEHOLDER DIALOGUE

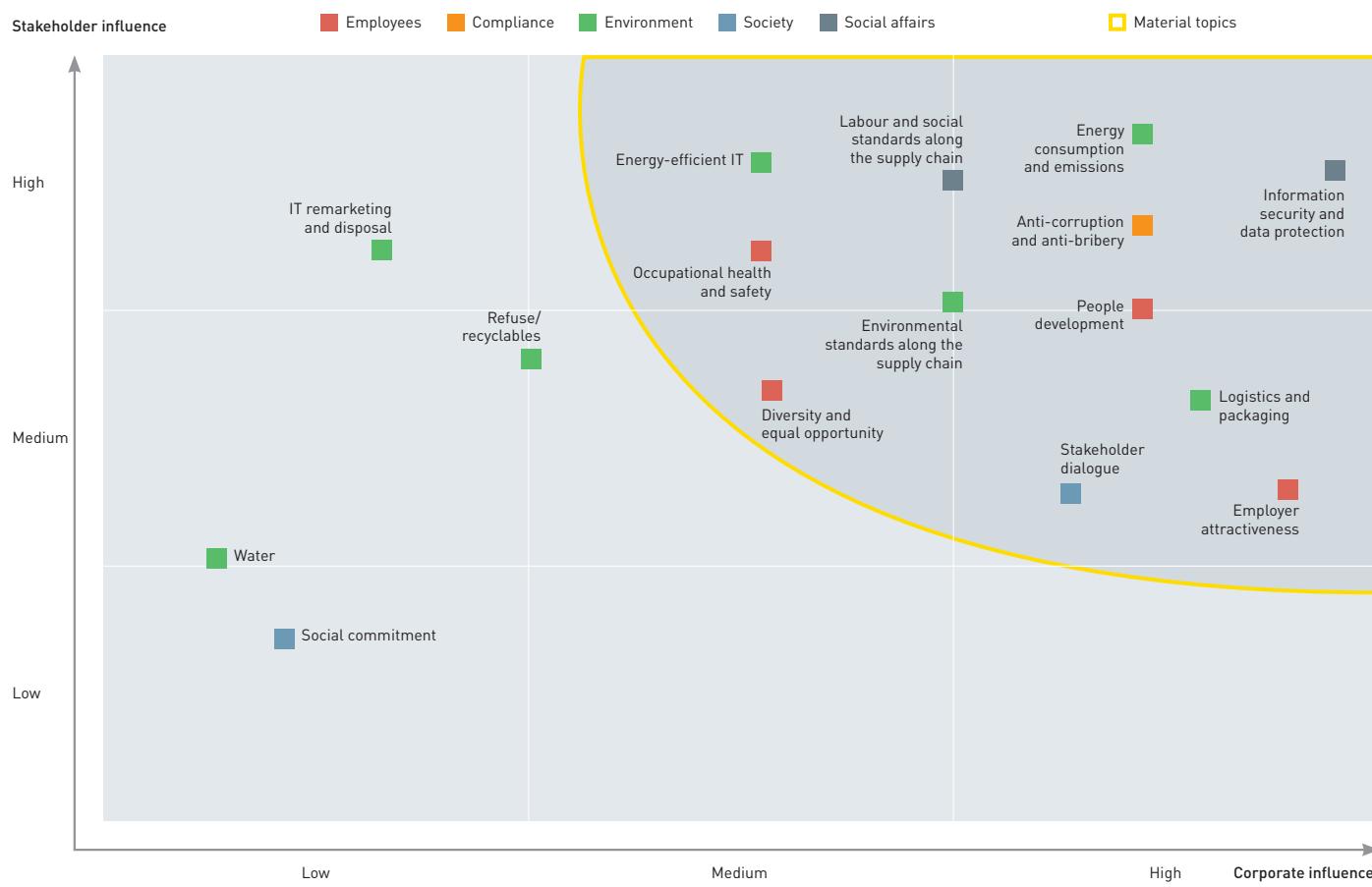
**Material non-financial topics.** To analyse the material topics, we interviewed stakeholders and took into account the reportable aspects in accordance with Section 315c in conjunction with § 289c (2) of the German Commercial Code (HGB) with regard to environmental matters, social matters, employee matters, the protection of human rights and the combating corruption and bribery. A new materiality analysis, including the requirements of the future European Corporate Sustainability Reporting Directive (CSRD), was completed at the end of 2023 and will form the basis for reporting from the 2024 fiscal year.



See Bechtle  
Sustainability Report 2019,  
page 21ff

The following matrix shows the topics material to Bechtle in the top right quadrant:

#### BECHTLE MATERIALITY MATRIX



See material risks:  
Risk management,  
pages 124, 141

We present key topics and explain how we handle them in the individual chapters. The NFR Index provides an overview.

**Stakeholder integration.** By means of a detailed analysis, we have identified Bechtle's main stakeholder groups as follows:

- Owners/shareholders
- Employees
- Customers (companies and public clients)
- Suppliers/partners
- General public

Each stakeholder group has its very own interests, expectations of the company and objectives that could also be contradictory. We therefore balance stakeholder perspectives with our own interests and goals in order to find the best possible path for all parties.

The following table presents an overview of the most important sustainability topics for our stakeholders:

#### KEY TOPICS OF THE BECHTLE STAKEHOLDERS

Stakeholder group	Expectations of Bechtle / material topics
Owners/shareholders <sup>1</sup>	<ul style="list-style-type: none"> <li>■ Profitable growth</li> <li>■ Customer satisfaction</li> <li>■ Expertise in new technologies</li> </ul>
Customers (companies and public clients) <sup>1</sup>	<ul style="list-style-type: none"> <li>■ Information security and data protection/confidentiality</li> <li>■ Customer satisfaction / sustainable customer relationships</li> <li>■ Training and further education</li> </ul>
Employees <sup>1</sup>	<ul style="list-style-type: none"> <li>■ Climate and environmental protection<sup>2</sup></li> <li>■ Occupational health and safety<sup>2</sup></li> <li>■ Diversity and equal opportunities<sup>2</sup></li> <li>■ Corporate culture and values<sup>2</sup></li> </ul>
Suppliers/partners <sup>1</sup>	<ul style="list-style-type: none"> <li>■ Information security and data protection/confidentiality</li> <li>■ Fair competition</li> <li>■ Profitable growth</li> </ul>
Public <sup>3</sup>	<ul style="list-style-type: none"> <li>■ Social responsibility / social commitments in the region</li> <li>■ Transparent reporting</li> <li>■ Climate and environmental protection</li> </ul>

<sup>1</sup> The prioritisation of sustainability aspects is based on the results of the 2015 stakeholder survey and the scoring model used there. For the scoring model cf. Kühnapfel, J. B. (2014): Nutzwertanalysen (Benefit analyses); and Nöllke, M. (2015): Entscheidungen (Decisions).

<sup>2</sup> All aspects mentioned were designated as "very important".

<sup>3</sup> The topics were prioritised on the basis of a qualitative evaluation using the Sustainability Code database ([deutscher-nachhaltigkeitskodex.de](http://deutscher-nachhaltigkeitskodex.de)) and the results of the survey of specialist managers on the key non-financial topics.

The Annual Report (and the Sustainability Report between 2015 and 2021) plays an important role in communicating with our stakeholders. In it, we describe our economic, social and ecological performance and impact based on qualitative and quantitative performance indicators. By way of the reporting, we also provide insight into the processes and structures of the Bechtle Group.



See Dialogue with shareholders and financial market, chapter Shares, page 29 f



[bechtle.com/de-en/newsroom](http://bechtle.com/de-en/newsroom)

We also use other publications to keep our stakeholders up to date. These include, for example, the customer magazine Bechtle update, the Bechtle website, social media and press releases. Employees are also informed via the Bechtle intranet and e-mail. Staff enter into personal dialogue with management via internal events, feedback formats or regular discussions with line managers.



See also chapter Procurement, page 42

Personal discussions or customer trade fairs, such as the Bechtle CDays, determine the dialogue with our customers, manufacturers and partners. We also organise student workshops and university events on sustainability.

## THE BECHTLE GROUP

Bechtle is the largest German IT system house and one of the most important IT service providers in Europe. For 40 years, we have stood for IT expertise, partnership and being future-readiness. Bechtle has 100 system house locations in seven European countries and trading companies in 14 countries in Western and Central Europe. Our success is based on the principle of networked decentralisation. Each individual company in the Bechtle Group operates independently and maintains the vital direct contact with our more than 70,000 customers. The holding, in turn, performs central services for all group companies in a cost-efficient manner and coordinates cooperation between the local units.

### LEGAL STRUCTURE



Autonomous operations  
of subsidiaries

**Customer orientation even in the legal structure.** The networked decentralisation model provides the more than 120 regional and international subsidiaries with plenty of leeway to arrange their operations, thereby enabling them to focus on their core business. At the same time, they benefit from the central functions as well as the competence and organisation of a European group of companies. This is also reflected in our legal structure: The Bechtle Group has a conventional holding structure. As the parent and holding company for the entire group of companies, Bechtle AG is responsible for all overarching tasks such as digital business services, finance and taxes, human resources and personnel development, platform strategy, investor relations, group controlling, marketing, mergers & acquisitions, sustainability management, legal and compliance, risk management, corporate communications and central IT.

Bechtle Logistik & Service GmbH is also allocated to the holding. The group's competencies in the fields of address management, purchasing, logistics, warehousing and shipping, sales and partner marketing, price management, product management and software product management, as well as public and major accounts, are bundled here.

A layer of various holding companies has been implemented directly under Bechtle AG. The business segments and brands of the two segments IT System House & Managed Services and IT E-Commerce are bundled at this level, which is involved mainly in business development.

## HOLDING STRUCTURE OF THE BECHTLE GROUP



The legally independent subsidiaries are allocated to the second holding level. Almost all subsidiaries are wholly owned by Bechtle AG, either directly or via investment companies.



For an overview of the subsidiaries see Notes, page 262 ff

Objectives of this two-level holding structure:

- To relieve the decentralised subsidiaries of administrative and cross-company work, thereby ensuring focus on the core business
- To bundle competencies and resources in order to generate synergies, e.g. by achieving economies of scale in purchasing and logistics, thereby enabling more sustainable operations
- To centrally provide outsourcing and cloud services, in particular, in order to optimise the capacity utilisation throughout the group and to provide specialised services on a supra-regional basis
- To outline clearly aligned lean leadership responsibilities and competencies, which are vital in view of the size of the Bechtle Group



Resource savings

In the reporting period, the Executive Board did not significantly change the existing legal structure of the Bechtle Group.

Bechtle AG operates according to the traditional dualistic principle. The Executive Board is the statutory body that decides on the management of the company and represents it externally. Additionally, Bechtle has a Supervisory Board, half of which is elected by the shareholders at the Annual General Meeting and the other half by the German employees of the Bechtle Group. The Supervisory Board serves as a controlling body, appoints the Executive Board and monitors its work.



See Report of the Supervisory Board, page 17 ff

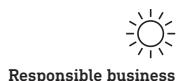
## MANAGEMENT

**Networked decentralisation stands for corporate success.** The hierarchical separation of the strategic group management, for which the Executive Board is responsible, from the leadership of the operational units and from the direct customer contact is the most prominent feature of the management structure. In this way, Bechtle underlines the principle of networked decentralisation, which is rooted in the business model. At the same time, this concept enables us to stay abreast of the extensive and continually growing management tasks as well as the highly dynamic development of the business environment.



- The Executive Vice Presidents serve as links between the group's Executive Board and the operational units:
  - Three group-wide Executive Vice Presidents: for the Public Sector division, for the Central Finance department as well as a Chief Technology Officer, who is responsible for all platform activities of the Bechtle Group,
  - Two Executive Vice Presidents in the IT E-Commerce segment: for Germany, Austria and Switzerland and for the regions of Ireland, Southern Europe and Eastern Europe,
  - Eight Executive Vice Presidents in the IT System House & Managed Services segment: for the German north/east, west, centre and south regions as well as the International Sales division, the Managed Services division, Application Solutions, PLM/Engineering & Manufacturing, the system house activities in Switzerland as well as the German south-west region and Austria.

The position of Vice President was filled for the first time at the beginning of 2024. Marijke Kasius assumed cross-segment responsibility in one country market and is responsible for all companies of the Bechtle Group in the Netherlands. Another Vice President will be responsible for all activities of the Bechtle Group in France from April 2024. As a result, the position of Executive Vice President, who was responsible for France, Benelux and the UK until 31 December 2023, was no longer filled.



At the locations of the Bechtle Group, the Managing Directors alone are responsible for the success of their companies. By way of their strictly earnings-oriented variable compensation, each Managing Director directly participates in the success of the respective company. Bechtle thus promotes and supports the entrepreneurial spirit and business responsibility at all locations in order to ensure successful business performance on a long-term basis.

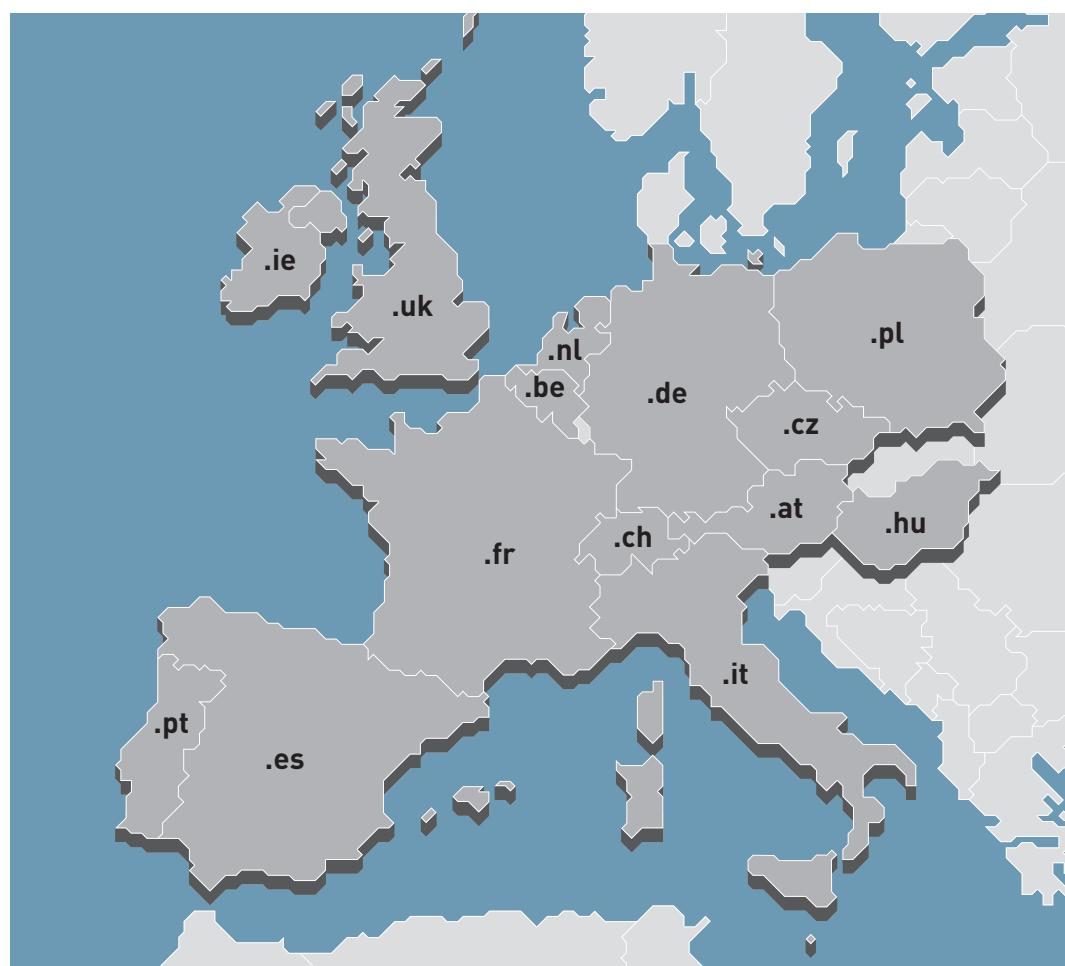
## LOCATIONS

**Largest location: Headquarters in Neckarsulm.** The Bechtle Group is headquartered in Neckarsulm, Germany. Apart from Bechtle AG and the Neckarsulm IT System House, Logistik & Service GmbH and the German intermediate holding companies are also based here. With 2,445 employees, Neckarsulm is our group's largest location. In total, the Bechtle Group has more than 100 operating companies. The majority of the IT system houses and service and trading companies are located in Germany, which is also Bechtle's most important national market. However, Bechtle generates around 39 per cent of its business volume internationally. In terms of business volume, France, the Netherlands and Switzerland are the most important markets there.



For an overview of the subsidiaries,  
see Notes,  
page 262 ff

### INTERNATIONAL PRESENCE OF BECHTLE AG





See  
Business activity,  
page 38

Under the Bechtle direct brand, we have IT E-Commerce locations in a total of 14 European countries. In France only, we are active with the Inmac Wstore and Bechtle Comsoft brands. In the Netherlands, we continue to operate the ARP brand. Since 2 October 2023, Bechtle direct and Bechtle Hoofddorp (formerly Buyitdirect) have continued to operate under the name Bechtle B.V.



[bechtle.com/de-en/  
locations](http://bechtle.com/de-en/locations)



See  
Forecast,  
page 151

**Internationalisation in service business continued.** In the consulting-intensive service business of the IT System House & Managed Services segment, local customer contacts are vital. In order to ensure the important regional presence, we have a comprehensive international network of more than 100 IT system houses. In this structure, the Managing Directors of the operating subsidiaries act in the capacity of independent entrepreneurs with a high level of personal responsibility in their local markets. In the course of the realignment of the acquisition strategy, the expansion of our service business beyond Germany, Austria and Switzerland was continued through several acquisitions in the 2023 reporting period. The network of system houses thus extends across Germany, the Netherlands, Austria, Switzerland, the United Kingdom and, since this reporting period, also France and Spain. The objective of the internationalisation strategy is to further expand system house activities outside Germany, Austria and Switzerland, in order to strengthen Bechtle's market and competitive position in the national markets already covered by the IT E-Commerce segment.

**Seven acquisitions in six European countries.** In the reporting period, Bechtle acquired seven companies in six European countries: the UK, the Netherlands, Switzerland, France, Spain and Germany. The UK-based value-added reseller Tangible Benefit Ltd. has been part of the Bechtle Group since March 2023. Founded in 1997, this IT company is based in the City of London. In the 2021/22 fiscal year, Tangible Benefit's business volume totalled around €70 million. In April, Bechtle acquired the VMware and software specialist Fondo ICT Professionals B.V., thereby strengthening its market presence in the Netherlands. With 42 employees, Fondo generated a business volume of around €41 million in the 2022 fiscal year. In the area of 3D printing, the Bechtle Group strengthened its position in May with the acquisition of SGSolution AG. Founded in 2008, the company is based in Wallisellen, near Zurich, and generated a business volume of CHF 4.1 million in the 2022 fiscal year. In August, Bechtle acquired Prosol Ingeniería S.L. and Prosol Iscat S.L., thereby supplementing its portfolio in Spain with IT services for the first time. Prosol employs 50 people and achieved a business volume of around €15 million in 2022. The company's two sites are located near Madrid and Barcelona. Prosol has been active as a system integrator for industrial enterprises in the Spanish market since 1996. The IT consulting company sastema GmbH, a specialist in identity & access management (IAM), governance, risk & compliance management and information security, also joined Bechtle in August. The company was founded in 2018, is based near Frankfurt am Main, employs 21 people and achieved a business

volume of €2.2 million in the 2022 fiscal year. With its investment in PLANET AI, Bechtle brought an AI specialist in-house in October 2023. Bechtle acquired a 51 per cent stake in this Rostock-based company. PLANET AI, which is active in the field of deep learning, is a spin-off of PLANET intelligent systems GmbH and has been developing its own technological solutions for intelligent document analysis and process automation since 2015. With effect from 5 October 2023, Bechtle completed the acquisition of the French cybersecurity and IT infrastructure service provider APIXIT, thereby expanding its existing portfolio to include IT services in an additional European country. With APIXIT, we have a well-established IT service provider that is rooted with ten locations in the French market. Around 340 employees generated a business volume of €85 million in the 2021/22 fiscal year. APIXIT has a clear portfolio focus on cybersecurity, accounting for over 45 per cent of business volume, and also has a security operations centre for all security-related IT services.



Apart from bundling services for the entire group, the Bechtle headquarters in Neckarsulm serves as a hub for employees of all locations.

**Sabine Adam**, Facility Management – Central Services, Bechtle AG

**Alexander Knoche**, Mergers & Acquisitions/Corporate Development, Bechtle AG

**Emrah Inal**, Group Controlling, Bechtle AG

from left to right

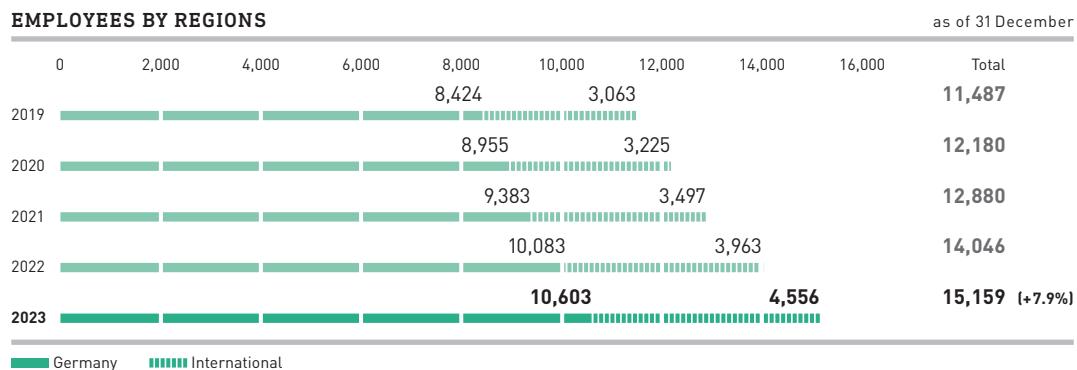
## PEOPLE AT BECHTLE

With their skills and commitment, our employees make a significant contribution to the company's success. Bechtle benefits from the great diversity of various cultures and nationalities, different genders and a wide age structure of its workforce. Bechtle offers a respectful and appreciative working environment, a wide range of training and development opportunities and plenty of scope for individual ideas and talents. Rising application figures and the positive result of a Group-wide satisfaction survey among all employees are proof of our company's attractiveness as an employer.

### DEVELOPMENT OF THE NUMBER OF EMPLOYEES

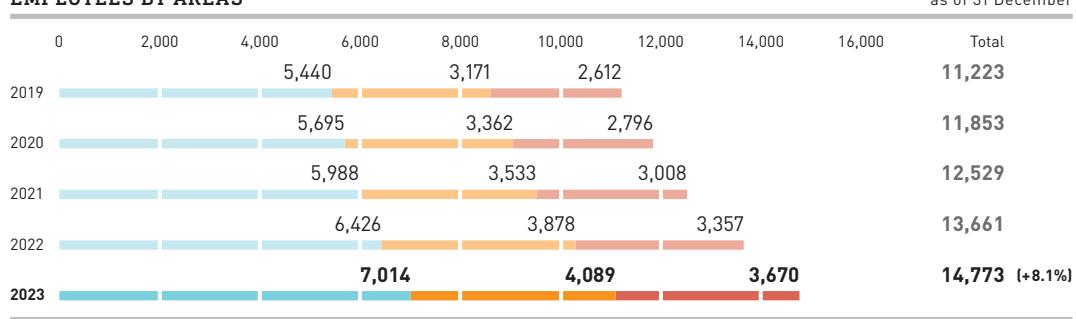
**Number of employees grows by 7.9 per cent.** As of 31 December 2023, Bechtle employed 15,159 people across the Group. Compared to the previous year (14,046 employees), the workforce grew by 1,113 people or 7.9 per cent. Around half of these, 554 people, joined Bechtle through acquisitions in the course of the reporting period. The purely organic growth amounted to 4.0 per cent, a relatively small increase compared to that of previous years. This was due to the challenging situation currently prevailing in Bechtle's main sales markets. Expressed in full-time equivalents (FTE), an average of 14,135 employees worked for Bechtle (prior year: 12,898), which represents an increase of 1,237 people or 9.6 per cent. As an internationally active IT enterprise, Bechtle's workforce is marked by a great diversity of cultures and nationalities. In 2023, our company had employees from 110 different nations (prior year: 101).

Year on year, our headcount in Germany went up by 520, an increase of 5.2 per cent. Internationally, 593 more people were employed by Bechtle, an increase of 15.0 per cent. Besides other factors, this was due to the acquisitions that took place in the year ended in France, the Netherlands, Switzerland, Spain and the UK. At 30.1 per cent, almost a third of all employees were working internationally for Bechtle at the end of 2023 (previous year 28.2 per cent).



Broken down by function, the number of employees in the service sector rose by 588 people or 9.2 per cent. In administration, 313 people, or 9.3 per cent, joined Bechtle. At the end of the year, 211 more people were working in sales than in the previous year. This is an increase of 5.4 per cent.

#### EMPLOYEES BY AREAS

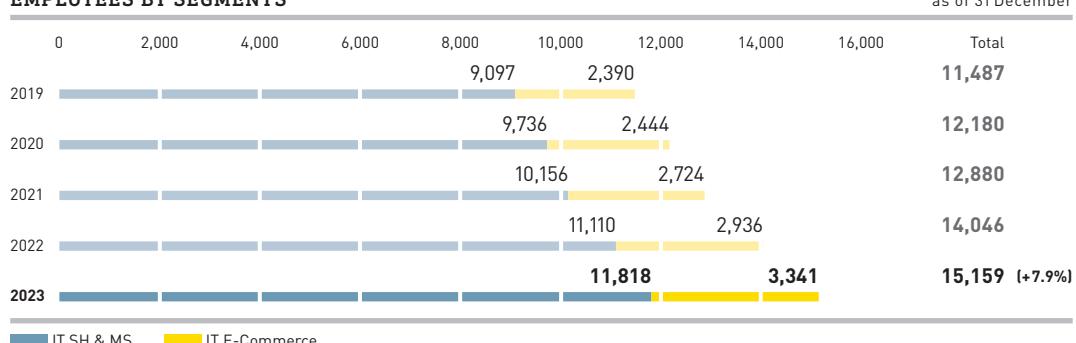


Services      Sales      Administration

For internal costing reasons, the staff information by areas does not take absentees into consideration.

As of the end of the year, the IT System House & Managed Services segment had more than 11,818 employees. A total of 708 people were added there last year, an increase of 6.4 per cent compared to the previous year. The workforce in this segment grew by 7.8 per cent in our international companies and by 6.1 per cent in the German companies. In the segment IT E-Commerce, 405 colleagues started, an increase of 13.8 per cent. Due to the acquisitions mentioned above, the increase in the international companies was very significant at 21.3 per cent, while the number of employees in the German companies fell by 5.0 per cent.

#### EMPLOYEES BY SEGMENTS



IT SH & MS      IT E-Commerce

## PERSONNEL EXPENSES AND SALARY MODEL

**Personnel expenses increase disproportionately high.** In 2023, expenses for wages and salaries including social security contributions increased by 11.0 per cent, which was disproportionately high in relation to the revenue growth. The personnel expense ratio increased from 16.3 per cent to 17.0 per cent. The personnel intensity grew slightly to 60.3 per cent (prior year: 60.0 per cent) in relation to the gross profit.

### PERSONNEL EXPENSES

		2023	2022	2021
Personnel and social expenses	€m	1,091.1	983.1	879.1
Personnel and social expenses per employee (FTE)*	€k	79.2	78.3	74.6
Personnel expense ratio	%	17.0	16.3	16.6

\* Excluding absent employees

Our compensation policy is based on market-oriented pay. We create individual performance incentives in the form of variable salary components, aligning them with business interdependencies. Whether or not a variable salary component is granted usually depends on the function and on the salary amount.

## EDUCATION AND TRAINING

**Facing the shortage of skilled workers with training.** Our goal is to increasingly meet the growing need for experts and executives from our own ranks. Therefore, Bechtle attaches great importance to training, the development of employees and executives and knowledge management. The Staff Development department designs and organises development programmes centrally for experts and executives for the companies in Germany and abroad, and accompanying programmes for apprentices and students on integrated degree programmes and the trainee programme. The Bechtle Academy supplements the offering with a broad training portfolio for the employees of all hierarchy levels.

We endeavour to attract interested, talented applicants to Bechtle. A transparent, fair and streamlined application process and fast decisions are of particular importance to us. We support young people in choosing a career and create opportunities for them to discover jobs in IT through internships and various events. In the reporting period, Bechtle was again awarded the employer label "MINT Minded Company" in recognition of its special interest in students, graduates and talents in the fields of maths, IT, science and technology.

Bechtle has always attached importance to the training of young people in order to meet the need for qualified junior staff. We view training as an investment in the future for the purpose of actively forestalling a shortage of qualified staff. We have been training apprentices for 38 years now, and have established ourselves as a sought-after training company for numerous commercial and technical professions. We also offer integrated degree programmes in various economic and technical subjects. All in all, we have training offerings in 23 professions and degree programmes.

	as of 31 December				
	2023	2022	2021	2020	2019
Administrative trainees	307	288	226	235	248
Technical trainees	426	401	371	363	370
Administrative students	69	67	53	54	50
Technical students	40	37	41	35	35
Total	842	793	691	687	703

In 2023, a total of 299 young people embarked on their training or integrated degree programme with our company. That's more than ever before. A total of 842 young people were in training at the end of the reporting period, 118 of whom were international. Year on year, the number of apprentices and students and integrated degree programmes thus went up by 6.2 per cent. At the head office in Neckarsulm, the training ratio was 8.2 per cent (previous year: 8.1 per cent). In Germany, it amounted to 6.8 per cent, also slightly more than in the prior year (6.6 per cent). We have set ourselves the goal of increasing the proportion of trainees in Germany to about 10 per cent by 2030.



	as of 31 December				
	Target	2023	2022	2021	2020
Training ratio	%	10	6.8	6.6	6.5

Upon successful completion of the training, we are able to offer almost all trainees and students on dual study programmes permanent employment contracts.

**The focus is on employee qualification.** Our goal is to continuously improve the quality of our training offers and thus the competencies of all employees. The Bechtle Academy, which was established by the company back in 1999, backs the individual training at the group locations, offering all employees a comprehensive qualification programme. From an organisational perspective, the academy's activities take place under the umbrella of the staff development department. The department's task is to support the achievement of the growth targets of the Bechtle Group by means of suitable strategic staff development measures. The academy's offering ranges from ongoing training measures to the acquisition of special skills to personal development seminars. Since 2023, the Bechtle Academy has also been responsible for the "Release your Potential" support programme for women, which was first implemented in 2022.

#### **BECHTLE ACADEMY OFFERING: ONLINE AND CLASSROOM SEMINARS**

	2023	2022	2021	2020	2019
Number of participants	9,871	9,428	7,668	4,991	7,425
Number of persons who completed courses	787	754	625	401	540

Additionally, our learning platform, Learning Campus, features numerous e-learning courses for a wide spectrum of subjects. Our target group-specific training offering addresses both newcomers and professionals. Courses are available in German and English. All Bechtle employees have access to this system. The objective of this platform is to ensure uniform, state-of-the-art knowledge at all locations, thereby further expanding our competitiveness.

Moreover, the learning platform helps us to achieve flexibility in terms of place and time and increases the satisfaction of the participants, who are able to learn at their own pace. What is more, we reduce emissions and expenses for training-related business trips.

#### **BECHTLE E-LEARNING CAMPUS OFFERING**

	2023	2022	2021	2020	2019
Number of e-learning courses*	308	264	207	246	138
Number of persons who completed courses	84,210	58,150	68,611	35,459	10,308

\* Including occupational safety, health protection and information security training

The Bechtle Academy is also responsible for the monthly introductory events for new colleagues. Moreover, all employees can take courses at the Bechtle training centres or participate in external training measures.

**Diverse development opportunities.** In 2020, we provided managers with binding guidelines by publishing the new Bechtle Leadership Principles. The Group-wide leadership initiative launched at the same time was also continued in 2023, as was the Bechtle leadership feedback programme. The objective of all measures is to further improve leadership skills in order to boost employee satisfaction and make an important contribution to the realisation of the Vision 2030.

Furthermore, we have two programmes for the development of executives from our own ranks. The Bechtle Junior Management Programme (JuMP) has the orientation “Leader”. It is aimed at employees without or with only initial management experience and prepares them for taking on more advanced executive roles. The Bechtle General Management Programme (GMP) focuses on corporate management and prepares managers to take on management tasks.

Introduced in 2022, the Bechtle JuMP Expert Programme, a development programme for proven experts who explicitly do not wish to take on disciplinary management responsibility, is now offered on a regular basis following a very positive pilot phase.

Besides leadership development, the Bechtle IT Business Architects Programme (IT BA) offers employees with outstanding professional skills attractive development options.

#### PARTICIPANTS IN BECHTLE DEVELOPMENT PROGRAMMES

	2023	2022	2021	2020
Bechtle Junior Management Programme (JuMP) Leader	106	120	85	109
Bechtle Junior Management Programme (JuMP) Expert	59	21	-	-
Bechtle General Management Programme (GMP)	13	11	11	19
Bechtle IT Business Architect Programme (IT BA)	16	17	12	12

All staff-development programmes promote intensive interchange among the participants and within the entire company, in order to share knowledge and experience and to learn from each other.

To make it easier for university graduates to start their careers, we offer them a wide range of attractive entry-level and qualification programmes. For example, this includes the Bechtle trainee programme. Over a period of nine months, the trainees are prepared for taking over a specialist position. The programme is a combination of theoretical and practical training tailored to the candidates' intended career path. Two training courses have taken place every year since 2019. In 2023, 24 people attended the trainee programme.

**Career jumpers programme successfully continued.** In September 2022, Bechtle launched a career jumpers programme in cooperation with the Provadis University of Applied Sciences in Frankfurt am Main to counter the shortage of skilled workers. In a custom-developed certificate course, we offer people without any previous IT experience access to jobs in IT sales and further specialisation in the fields of cloud, IT security, modern workplace and network solutions. In addition to the training courses at the Bechtle Academy, custom-tailored courses are offered through the private, nationally accredited Provadis School of International Management and Technology AG in Frankfurt am Main. At more than 100 national and European Bechtle locations, the participants gain hands-on skills. In the reporting period, 42 participants (previous year: 18 participants) completed this programme and started their career at Bechtle.

## EMPLOYER ATTRACTIVENESS

**Work culture – Work@Bechtle.** As a forward-looking employer, we offer entrepreneurial freedom with clear goals, appreciation and solidarity in a strong team, as well as many opportunities to adapt the work-life balance. Flat hierarchies enable all employees to take on responsibility at an early stage and develop an entrepreneurial mindset. Employee satisfaction and a secure and appreciative work environment are essential components of our work culture.

We want our employees to have sufficient room in their professional lives for their respective personal situation. This is guided by our Work@Bechtle concept introduced throughout the group in the summer of 2021. This describes the amalgamation of workplace and working time flexibility and modern communications technology to create a productive working environment. Work@Bechtle is an important strategic component of our employer branding and designed to elevate both our inbound and outbound employer communication. Modern work concepts optimally balance our employees' professional and private lives, and the guidelines help us create an attractive working environment. A great deal of flexibility allows us to conciliate specific job and project requirements.

Childcare often poses great challenges for families. For this reason, many Bechtle employees in Germany make use of the option of taking parental leave.

### PARENTAL LEAVE BECHTLE GROUP IN GERMANY

	2023	2022	2021	2020	2019
Employees on parental leave	505	518	462	391	363
Proportion of women %	55.0	51.0	48.5	50.0	52.9
Proportion of men %	45.0	49.0	51.5	50.0	47.1

### DURATION OF PARENTAL LEAVE BECHTLE GROUP IN GERMANY\*

	2023	2022	2021	2020	2019
Women	20.3	21.2	21.0	21.9	24.5
Men	1.5	1.6	1.7	1.5	1.7

\* Average number in months

Flexible working hours contribute to a good work-life balance. Of course, Bechtle also offers its employees the opportunity to work part-time. This offer is also often taken up.

**NUMBER OF FULL-TIME/PART-TIME EMPLOYEES\***

	as of 31 December				
	2023	2022	2021	2020	2019
Full-time	13,170	12,404	11,166	10,655	10,059
Male	10,066	9,372	8,509	—	—
Female	3,104	3,032	2,657	—	—
Germany	9,342	8,920	—	—	—
International	3,828	3,484	—	—	—
Part-time	1,989	1,642	1,714	1,525	1,428
Male	807	678	741	—	—
Female	1,182	964	973	—	—
Germany	1,261	1,163	—	—	—
International	728	479	—	—	—

\* The breakdown by gender and region has been available for full-time and part-time employees since the 2022 reporting period.

**Fringe benefits.** Bechtle offers its employees in Germany an extremely attractive company pension scheme by taking out direct insurance. In 2023, Bechtle increased its employer contribution by up to 100 per cent on the invested amount, depending on the years of service. This is an offer that goes far beyond the usual employer contributions and is, therefore, an important building block in our employer branding. The issue of retirement provision also plays a major role for younger applicants in particular. It is also possible to take out occupational disability insurance through the employer.

All Bechtle employees have the opportunity to lease a company bicycle on special terms. In 2023, we had 1,136 company bicycles in our fleet across the Group (previous year: 1,113).

Once again this year, many employees took advantage of the holiday programme offered at Group headquarters for their children aged between five and twelve. This enabled parents to bridge the often childcare-free period during the summer holidays for a minimum of one and a maximum of three weeks.

**High employer attractiveness.** Attracting qualified people to our company and retaining them in the long term is of great strategic and economic importance to us. In the reporting period, various recruiting measures were held at different locations. The recruitment of junior staff was a focal point. For example, Bechtle presented itself as an employer to students at strategically selected universities on a Germany-wide campus tour. Other events were organised for school pupils and, in particular, for young women. We have also taken measures to recruit professionals. Over a period of nine months, for example, a major national IT security campaign was organised on various channels. We are also increasingly focusing on social media.

The shortage of skilled labour and demographic change will make the search for new workers increasingly difficult. There is also the risk of an increasing willingness to change jobs on the part of the company's own employees. We are working hard to counteract this trend with our targeted measures.

The turnover rate, calculated on the basis of a moving average of the last twelve months, totalled 9.1 per cent in the reporting period (previous year: 10.9 per cent). This means that we have achieved our goal of keeping the ratio below 10 per cent in 2023. The average length of service rose slightly and now stands at 5.9 years (previous year: 5.8 years).

#### TURNOVER RATE\*

		as of 31 December				
		2023	2022	2021	2020	2019
Turnover rate women	%	9.1	10.1	7.5		
Turnover rate men	%	9.1	11.2	9.8		
Total turnover rate	%	9.1	10.9	9.1	7.2	9.4

\*The breakdown of the turnover rate by gender has been available since 2021.

#### AVERAGE PERIOD OF EMPLOYMENT AT BECHTLE

		as of 31 December				
		2023	2022	2021	2020	2019
Average period of employment		5.9	5.8	5.8	5.8	5.5

The “Top Employers Institute” recognised Bechtle as a Top Employer for the first time in 2023. In order to prove that we offer outstanding working conditions, we had to undergo an extensive certification process. The certificate was renewed at the beginning of 2024. New application records in 2023 can be seen as a reward for our efforts to further increase our attractiveness as an employer.

**Employee job satisfaction improved.** In October 2023, we completed the second Group-wide satisfaction survey among all employees in a total of 92 Bechtle companies and divisions. Every two years, we ask our employees about their satisfaction in these categories:

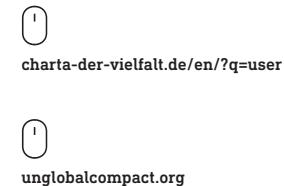
- Activity
- Working conditions
- Communication and information
- Cooperation
- Further training and development opportunities
- Employment conditions
- Leadership behaviour

Following the first survey, a large number of projects and measures to improve job satisfaction were initiated at company and division level. The positive result of the second survey shows the great success of these measures.

Especially in the categories of Further Training and Development Opportunities, and Management Behaviour, the satisfaction values have risen significantly compared to the previous survey. The broad and consistently business-oriented training programme offered by the Bechtle Academy, as well as the development programmes for managers and experts described above, have had an extremely positive effect here.

## DIVERSITY AND EQUAL OPPORTUNITY

**Diversity as an important goal.** Diversity is a key factor for successful teams, for customer and market excellence, and ultimately for the sustainability of the business going forward. Bechtle is firmly in favour of equal opportunities and against discrimination – be it on the basis of gender and gender identity, sexual orientation, age, religious affiliation and ideology, social or ethnic origin, nationality, or illness and disability. This important principle is codified in the Bechtle Code of Conduct. We have documented this self-perception externally by signing Charta der Vielfalt (Diversity Charta) and the UN Global Compact.

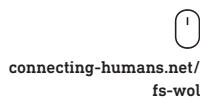


In practice, this can be seen from the various measures that have been in place for many years, especially to promote women. For example, this includes the annual Girls' Day, the Future Days and the mentor programmes. In addition, numerous strategic decisions were made and new initiatives launched back in 2022 that will bring us closer to our goal of greater diversity and equal opportunities.

In order to provide a structured framework for the important topic of diversity at Bechtle, a Head of Diversity has been in place at our company since 1 March 2024. This person's task is to build on the many activities that have been initiated in recent years and to develop a diversity strategy.

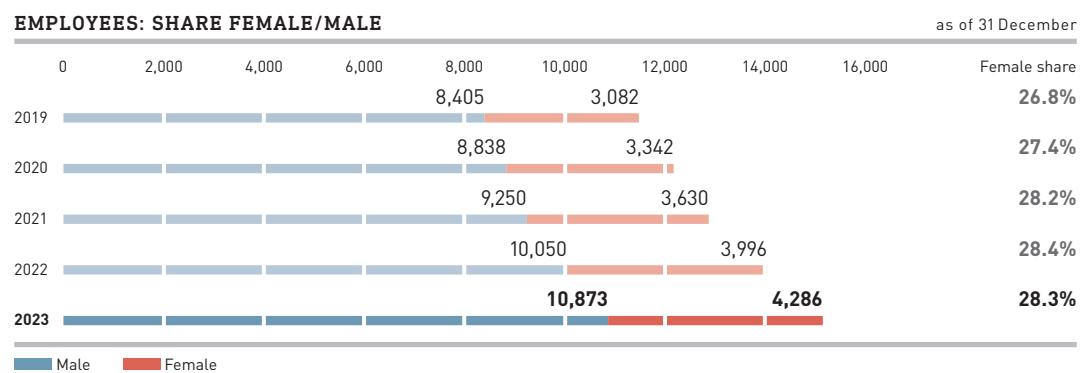
**Diversity team and diversity community.** In collaboration with the Human Resources, Staff Development and Corporate Communications departments, an interdisciplinary diversity team appointed by Bechtle assessed the current status by means of a structured analysis. The focus was on gender equality. A number of actions have already been derived on the basis of the initial insight gained: In 2022, a Women@Bechtle community and a Pride@Bechtle community were established across all locations to network employees and offer them the opportunity to share experiences and develop measures on their own initiative. Along a centrally defined road map, employees and, in particular, managers were made more aware of the issue in various fields of action. Among other things, two e-learning courses "Diversity & Inclusion" and "Unconscious Bias – Recognising and Reducing Prejudices and Stereotypes" were launched in the reporting period and are available to all employees.

**Let's connect.** In cooperation with our manufacturing partners Dell Technologies and Google, the "Let's connect" workshop series was set up and integrated into the Bechtle Academy for all employees. Interested people of all genders now have the opportunity to expand their knowledge and skills in the areas of personal branding, self-marketing, resilience and networking.



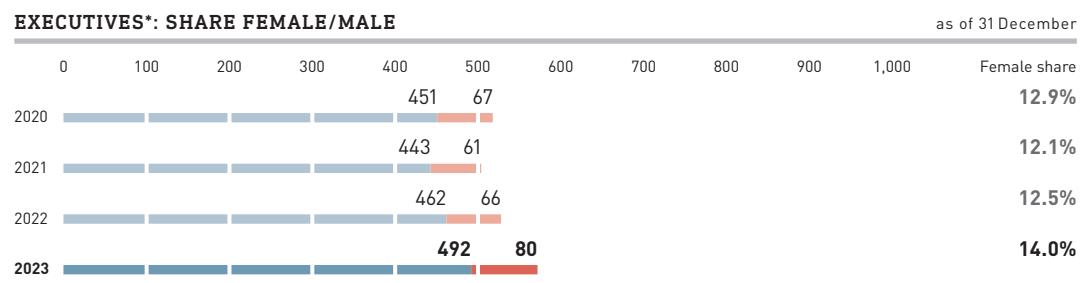
**Working Out Loud #FrauenStärken.** Working Out Loud (WOL) is a twelve-week programme that promotes the networking and knowledge exchange within the organisation. Apart from the classic variant, the #FrauenStärken programme was launched in April 2022, both for women who want to strengthen their professional and social position and for people who want to support women. We were able to offer this learning programme once again in the reporting period.

As of 31 December 2023, the Bechtle Group employed 4,286 women (previous year: 3,996), which corresponds to a share of around 28.3 per cent of the total workforce (previous year: 28.4 per cent).



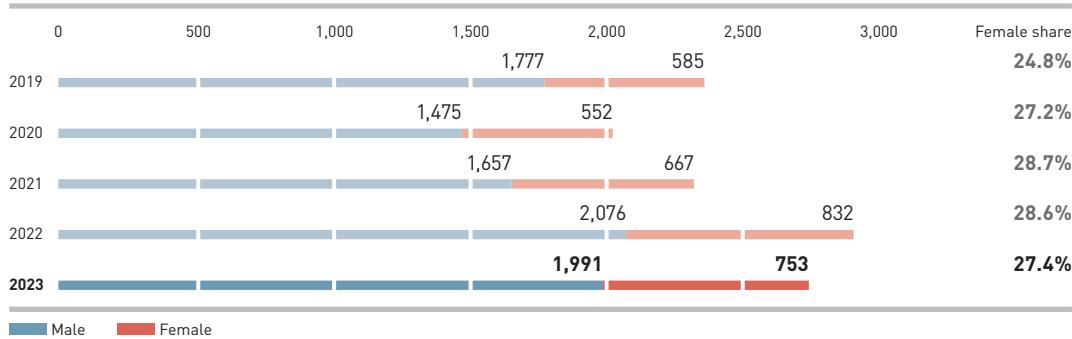
**PROPORTION OF WOMEN BY AREAS**

	2023	2022	2021	2020	2019
IT E-Commerce	%	34.6	38.0	40.2	39.8
IT System House & Managed Services	%	22.5	22.2	21.8	21.1
Central divisions	%	49.7	49.6	49.2	49.4
Trainees	%	25.8	26.7	23.2	23.6



\* Executives comprise the Group's Executive Board, Executive Vice Presidents, Managing Directors, direct reports to the Group's Executive Board and division heads.

#### NEW HIRES: SHARE FEMALE/MALE



**Proportion of women in management positions is increased.** The proportion of women on the Supervisory Board in the reporting period was 37.5 per cent. As of 31 December 2023, the Group Management Board and Executive Vice Presidents only had male representatives; women are currently under-represented at higher management levels. However, Bechtle has set itself the goal of increasing the proportion of women, particularly in management positions.

The Supervisory Board had already set a target for the proportion of women on the Executive Board in December 2020. A woman should be a member of the Group Executive Board by 30 June 2025. Bechtle met this target on 1 February 2024. With Antje Leminsky, who will be responsible for logistics, procurement and partner management, as well as financial services and sustainability management, the Executive Board has been expanded to four members.

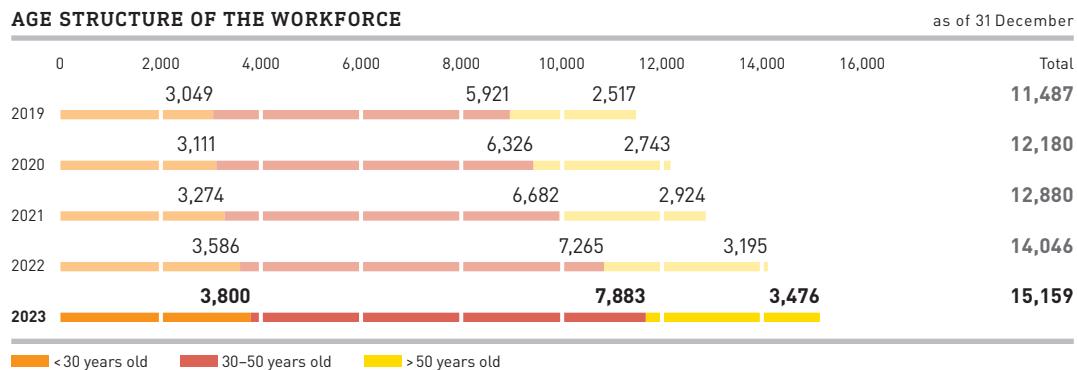
The Group Executive Board also redefined the targets for the proportion of women in supervisory bodies and management functions ahead of schedule. The target for the first management level below the Executive Board is 22 per cent or two positions with a deadline of 31 January 2025. With the appointment of a Vice President in the Netherlands on 1 January 2024 and in France from 1 April 2024, there will be two women at this management level.

The second executive level under the Executive Board comprises the decision makers in managerial positions as well as other executives throughout the group that report directly to a member of the Executive Board. For this executive level, the Executive Board has determined a target quota of 25 per cent or 31 persons. This target, too, is to be reached by 31 January 2025.

#### PROPORTION OF WOMEN IN SUPERVISORY AND EXECUTIVE FUNCTIONS

	Target	2023	2022	2021	2020	as of 31 December
Supervisory Board	30% according to law	37.5%	33.3%	33.3%	33.3%	
Executive Board	At least one person	0%	0%	0%	0%	
First management level below the Executive Board	22%	0%	0%	0%	0%	
Second management level below the Executive Board	25%	11.2%	10.7%	7.8%	8.7%	

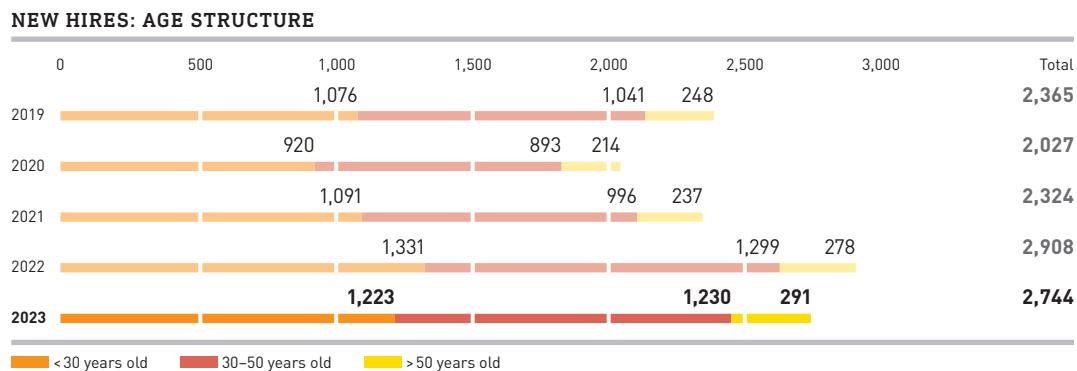
Finally, the age structure of the workforce also provides insight into the diversity in a company. All in all, Bechtle's age structure is balanced. The average age in the reporting period was 39 years (previous year: 38.8).



**AGE STRUCTURE OF THE SUPERVISORY AND EXECUTIVE FUNCTIONS**

	2023	2022	2021
<b>Supervisory Board</b>			
< 30 years	0%	8.3%	8.3%
30–50 years	25.0%	16.7%	16.7%
> 50 years	75.0%	75.0%	75.0%
<b>Executive Board</b>			
< 30 years	0%	0%	0%
30–50 years	0%	0%	0%
> 50 years	100%	100%	100%
<b>Executive Vice President</b>			
< 30 years	0%	0%	0%
30–50 years	0%	8.3%	0%
> 50 years	100%	91.7%	100%
<b>Executives*</b>			
< 30 years	0.5 %	0.2%	0.2%
30–50 years	44.6%	43.5%	44.0%
> 50 years	54.9%	56.3%	55.8%

\* Managing Directors, Direct Reports to the Executive Board, Divisional Directors.



## OCCUPATIONAL HEALTH AND SAFETY

**Focus on employee protection.** We want to offer our employees a safe, productive work environment in which they feel comfortable and in which work-related injury and illness are avoided. For this, we need to assume our responsibility as an employer towards our employees and make sure that the workplaces are designed to be safe and conducive to good health. We place great emphasis on compliance with statutory regulations and attach great importance to occupational safety and health protection. In 2021, Bechtle AG in Neckarsulm and Gaildorf achieved EN ISO 45001 certification in occupational health and safety management.

A central coordination unit for occupational safety supports all German companies of the Bechtle Group. It maintains contact with the occupational health service, instructs the managing directors throughout Germany about their duties in cooperation with the occupational health service and provides e-learning material for employees. Furthermore, the central coordination unit prepares occupational safety, health protection and fire protection guidelines. All employees in Germany regularly receive occupational safety instructions and have access to the German Occupational Safety Act (ASiG) via the Internet. The international subsidiaries organise their guidelines, training and instructions independently in accordance with the relevant national law. In 2023, Bechtle was honoured with the “Healthy Employer” award for the Neckarsulm location. The award, bestowed by the international market research institute EUPD, certifies exemplary occupational health services and helps job seekers select a suitable future employer.

### OCCUPATIONAL HEALTH AND SAFETY TRAINING COURSES BECHTLE GROUP GERMANY

	2023	2022	2021	2020
Occupational health and safety training courses	26	24*	73	29
Participants	4,434	4,828*	5,959	2,604
Training of fire prevention assistants	49	31	23	8
Participants	117	111	63	46
SARS-CoV-2 training	-	2	2	1
Participants	-	1,051	11,456	7,175

\* Number adjusted

In 2023, the group recorded 37 notifiable work accidents in Germany, while the number of work-related injuries was 41. The most common causes of injuries were tripping, slipping and sprains. Additionally, the group reported 15 accidents that occurred while travelling.

#### WORK-RELATED INJURIES BECHTLE GROUP GERMANY\*

	2023	2022	2021	2020	2019
Number of notifiable occupational accidents	37	32	27	18	27
Number of notifiable commuting accidents	15	14	11	18	13
Number of deaths due to work-related injuries	0	0	0	2	0
Number of work-related injuries with severe consequences (excluding deaths)	0	0	0	0	0
Number of documentable work-related injuries	41	39	33		
Accident rate per 1,000 employees	%	3.1	3.0	2.9	2.6
					3.3

\* The number of documentable work-related injuries has been available since 2021.

In 2013, Bechtle established a Company Health Management (CHM) unit at its Group headquarters in Neckarsulm. CHM takes a holistic approach to the subject of health and is a part of the central Human Resources department. Apart from planning and coordinating health measures at Group headquarters, Company Health Management regularly communicates with the HR managers of other Bechtle locations in Germany and internationally in order to exchange experience and roll out CHM measures there as well. Employees throughout the Group can also take part in the majority of the sports and health courses offered at the fitness centre at Group headquarters online.

For the past 38 years, we have been fulfilling our social responsibility by training people. We also gain talented people by means of our various qualification and training programmes. Since 2023, Bechtle has been a certified "Top Employer".



**Thuy Hien Cao**, Administrative Trainee, System House Stuttgart

**Jeremy Fraß**, Internal Sales Department, System House Stuttgart

from left to right

## ENVIRONMENT

**“Environment” is one of the four strategic action fields of the Bechtle Sustainability Strategy 2030.** In line with the strategy, we focus on the subject areas we have identified as being of material significance, namely climate and energy, sustainable logistics and the circular economy. By optimising our business processes and initiating systematic climate protection measures, we are able to reduce emissions, save resources and minimise our impact on the environment. Moreover, corporate digital responsibility plays a key role both for Bechtle and for our customers. We assist our customers in their digital transformation and in achieving their climate protection goals.

The Climate Protection Strategy 2030 that was published in August 2022 supplements the Sustainability Strategy and describes how we intend to reach our climate goals. Our actions are aligned with the 1.5-degree target defined at the Climate Change Conference held in Paris in 2015. The focus is on our reduction targets in the field of direct and indirect carbon dioxide equivalents emissions along the value chain on the basis of the scientifically established reduction targets of the Science Based Target initiative (SBTi). In the reporting period, Bechtle also signed the Commitment Letter of the SBTi. Upon submission of our targets, the validation by the SBTi will take place in the course of 2024.

The central sustainability management is responsible for, and coordinates the implementation of, the sustainability targets within the Bechtle Group and tracks the yearly progress. The strategic responsibility for the Climate Protection Strategy 2030 as a fixed element of the Sustainability Strategy in the action field “environment” lies with the sustainability controlling. Here, the needed indicators are collected, the corporate carbon footprint is calculated, and reduction targets are tracked. The progress of the measures is assessed and, if necessary, adjusted in close coordination with the individual units and locations. At the locations of the Bechtle Group, the Managing Directors are responsible for the achievement of the environment and climate goals.

### ENERGY CONSUMPTION AND EMISSIONS

To reach our reduction targets in the areas we can influence, we endeavour to avoid and reduce carbon emissions. In our operations, our vehicle fleet plays a major role, and we also use energy for the upkeep of office buildings, warehouses and data centres. In the upstream and downstream value chain, energy is consumed for the transport and use of the products sold by us. In our carbon dioxide equivalents emissions reporting, we follow the approaches of the Greenhouse Gas (GHG) Protocol.

**Scope 1 and 2 emissions.** A year-end overview of the power consumption, heating energy and district heating can only be provided in the form of a forecast. This is due to the different billing methods of the energy suppliers. Forecasts are designated as such. In the reporting period, the optimised processes of the data collection again resulted in a correction of the figures of prior years. Differences are indicated.

ENERGY CONSUMPTION BECHTLE GROUP		in gigajoule [GJ]				
		2023 <sup>1</sup>	2022 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>3</sup>	2019 <sup>3</sup>
<b>Direct energy consumption (Scope 1)</b>						
Heating energy (fossil energy sources)	41,265	44,344	43,091	39,503	38,120	
Fuel consumption	216,324	220,852	182,541	196,947	264,570	
<b>Indirect energy consumption (Scope 2)</b>						
Power	77,753	79,057	78,401	77,907	75,648	
District heating	15,732	15,518	19,025	16,309	12,077	
<b>Total energy consumption within the organisation</b>	<b>351,074</b>	<b>359,770</b>	<b>323,058</b>	<b>330,667</b>	<b>390,416</b>	

<sup>1</sup> Provisional figures: Forecast based on actual data from 2019 to 2021 (except for fuel consumption)

<sup>2</sup> This is actual data that differs from the forecast data from the Annual Report 2022.

<sup>3</sup> Due to corrections of the data basis, the figures differ from those reported in the prior year.

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BECHTLE GROUP		in tCO <sub>2</sub> e				
		2023 <sup>1</sup>	2022 <sup>2</sup>	2021 <sup>3</sup>	2020 <sup>3</sup>	2019 <sup>3</sup>
Heating energy emissions	2,444	2,414	2,376	2,175	2,104	
Fuel emissions	15,797	15,478	12,684	13,895	18,984	
<b>Total Scope 1 emissions</b>	<b>18,241</b>	<b>17,892</b>	<b>15,060</b>	<b>16,070</b>	<b>21,089</b>	
Power emissions	4,200	4,575	6,250	7,680	9,019	
District heating emissions	363	374	357	279	302	
<b>Total Scope 2 emissions</b>	<b>4,563</b>	<b>4,949</b>	<b>6,607</b>	<b>7,959</b>	<b>9,321</b>	
<b>Emissions grand total</b>	<b>22,804</b>	<b>22,841</b>	<b>21,667</b>	<b>24,029</b>	<b>30,410</b>	

<sup>1</sup> Provisional figures: Forecast based on actual data from 2019 to 2021 (except for vehicle fleet)

<sup>2</sup> This is actual data that differs from the forecast data from the Annual Report 2022.

<sup>3</sup> Due to corrections of the data basis, the figures differ from those reported in the prior year.

In the future, we will continue to improve power emissions by switching further locations to eco-power. By the end of 2022, some 35 per cent of the units (addresses) had already been switched to eco-power (prior year: 26 per cent). The data for 2023 is not yet complete.

**Scope 3 emissions.** In 2021, we conducted a materiality analysis of all 15 Scope 3 categories according to the GHG Protocol as described in detail in the Bechtle Sustainability Report 2021, in order to determine the Scope 3 emissions. Based on the results of the annual materiality check, we have added and retroactively calculated point 3.12 "End-of-life treatment of sold products".



See Bechtle Sustainability Report 2021, page 49f,  
bechtle.com/  
sustainability

The table presents an overview of the Scope 3 emissions identified as being relevant to Bechtle. Further information on the calculation is provided in the GRI index.

#### SCOPE 3 EMISSIONS BECHTLE GROUP

	2023	2022	2021	2020	2019
Scope 3.1: Purchased goods and services	1,471,961	1,662,519	1,592,619	1,481,399	1,364,198
Scope 3.3: Fuel and energy-related emissions (not in Scope 1, 2) <sup>2</sup>	4,832 <sup>1</sup>	5,946	5,512	5,132	6,396
Scope 3.4: Upstream transportation and distribution <sup>2</sup>	45,128	43,720	37,896	35,393	32,836
Scope 3.5: Waste <sup>2</sup>	56 <sup>1</sup>	57	50	47	52
Scope 3.5: Water <sup>3</sup>	20 <sup>1</sup>	20	20 <sup>3</sup>	47	48
Scope 3.6: Business travel (central data) <sup>2</sup>	8,214	5,657	2,905	3,406	7,667
Scope 3.7: Employee commuting <sup>2</sup>	8,212 <sup>1</sup>	8,022	5,201	4,665	7,595
Scope 3.9: Downstream transportation and distribution <sup>2</sup>	2,830	3,167	3,367	3,191	3,474
Scope 3.11: Use of sold products <sup>2</sup>	344,070	482,463	427,257	403,384	419,052
Scope 3.12: End-of-life treatment of sold products	764	924	905	874	885
<b>Total Scope 3 emissions<sup>3</sup></b>	<b>1,886,098</b>	<b>2,212,495</b>	<b>2,075,731</b>	<b>1,937,539</b>	<b>1,842,202</b>



GRI index,  
see page 286 ff

<sup>1</sup> Provisional figures: Forecast based on actual data from 2019 to 2021

<sup>2</sup> Due to corrections of the data basis, the figures differ from those reported in prior years. Furthermore, the total now also includes 3.12 for the first time.

<sup>3</sup> Water emissions were halved in 2021, as the emission factor was halved. Changes are in accordance with the GHG Protocol.

For better comparability, common frameworks for reporting non-financial indicators also provide for calculation of the greenhouse gas (GHG) emissions by intensity. These are shown in the following table:

#### INTENSITY FIGURES ENERGY AND GHG EMISSIONS BECHTLE GROUP

	2023 <sup>1</sup>	2022	2021	2020	2019
CO <sub>2</sub> e/revenue tCO <sub>2</sub> e/€k	0.30 <sup>3</sup>	0.37 <sup>3</sup>	0.40 <sup>3</sup>	0.37 <sup>3</sup>	0.35 <sup>3</sup>
CO <sub>2</sub> e/employees (HC) <sup>2</sup> tCO <sub>2</sub> e	126	159	163	161	163
Energy consumption/employees (HC) <sup>2</sup> GJ	23.2	25.4	25.1	27.1	34.0

<sup>1</sup> Forecast figures on the basis of actual data from 2019 to 2021

<sup>2</sup> HC = headcount; the figures differ from those of prior years, as we previously calculated on the basis of FTE.

In this table, they have been adjusted retroactively to HC-based calculation until 2019.

<sup>3</sup> Due to corrections, the figures differ from those of prior years. See also Scope 1 and 2 calculation further up.

## OUR MEASURES IN 2023

**E-mobility.** Customer proximity is part of our business model. The Bechtle account managers, consultants and IT service engineers therefore need to be mobile in order to take care of the customers on-site. For this reason, the vehicle fleet of the Bechtle Group, which currently comprises 5,249 cars, accounts for a major share of the carbon emissions caused by Bechtle. Accordingly, making more use of e-mobility could help us to reduce our emissions greatly.

As expected, the number of business trips increased after the COVID-19 measures were lifted. Moreover, the increasing number of employees in the group resulted in an expansion of the fleet. Despite these two factors, however, the number of business trips in 2023 remained under that of 2019. We attribute this to the increased use of virtual meetings, whose number again went up considerably.

### NUMBER OF VIDEO MEETINGS BECHTLE GROUP

	2023	2022	2021	2020	2019
Number of video meetings	2,162,808	1,621,699	1,112,768	605,834	177,118

### KILOMETRES DRIVEN BECHTLE GROUP

	2023	2022 <sup>1</sup>	2021 <sup>1</sup>	2020 <sup>1</sup>	2019 <sup>1</sup>
Kilometres/year	96,451,986	84,785,140	66,081,352	69,532,076	98,721,551
Total number of vehicles	5,249	4,846	4,197	4,183	3,924
Kilometres/year per vehicle	18,375	17,496	15,745	16,623	25,158

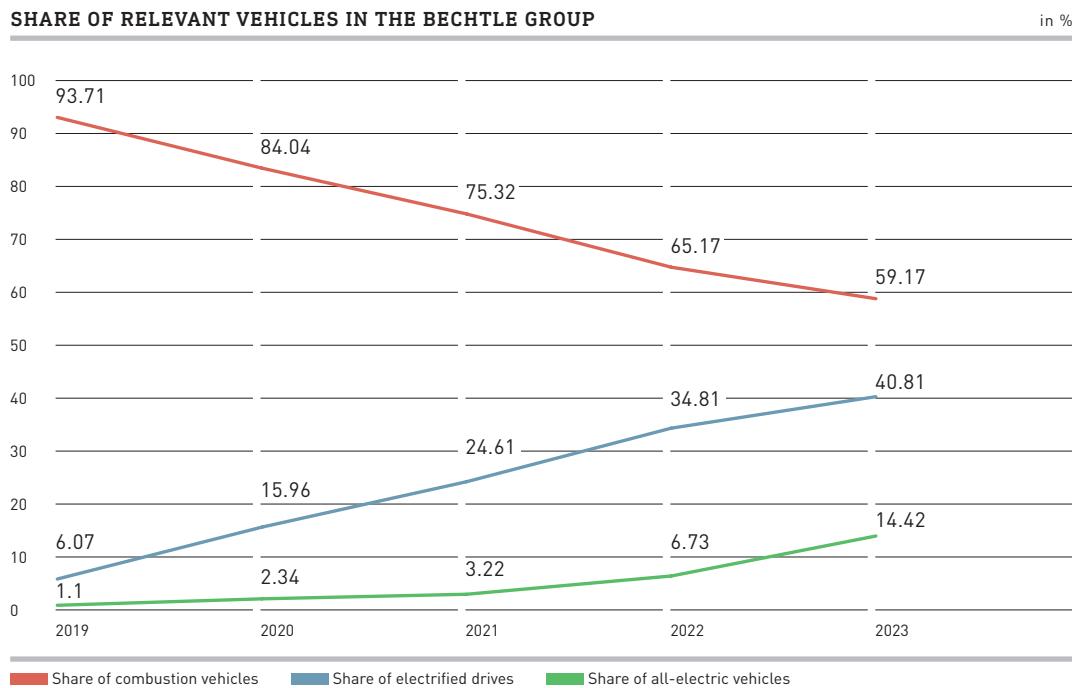
<sup>1</sup> Due to the correction of the data of prior years within the Swiss vehicle fleet, the retroactive figures from 2022 differ.

### ENERGY CONSUMPTION BECHTLE GROUP FLEET BY SOURCES (SCOPE 1)

	2023	2022	2021	2020	2019
Diesel <sup>1</sup>	4,383,955	4,678,100	4,219,874	4,843,667	6,465,121
Biodiesel	881	813	0	0	0
Petrol <sup>1</sup>	2,280,251	1,624,027	948,302	720,327	1,000,824
LPG	0	0	0	324	1,450
Natural gas	952	606	1,490	187	70
<b>Total fuels</b>	<b>6,666,039<sup>2</sup></b>	<b>6,303,546</b>	<b>5,169,665</b>	<b>5,564,505</b>	<b>7,467,466</b>

<sup>1</sup> Due to the correction of the data of prior years within the Swiss vehicle fleet, the retroactive figures from 2022 differ.

<sup>2</sup> Without hydrogen consumption in the Netherlands



In the reporting period, the group's fleet comprised 5,249 vehicles (prior year: 4,846), including 4,284 vehicles in Germany alone (prior year: 3,998). In the reporting period, 40.8 per cent of all company vehicles in the Bechtle Group were either plug-in hybrids or all-electric. Year on year, the share of e-cars throughout the group more than doubled to 14.4 per cent (prior year: 6.7 per cent).

**Expansion of e-mobility in Germany.** Currently, 29.9 per cent of the Bechtle company cars in Germany are hybrid vehicles, and 11.5 per cent are all-electric. According to the latest KfW Climate Barometer, Bechtle is therefore significantly above the German average, which is 5 per cent for all-electric company vehicles in large companies and 14 per cent including hybrid vehicles. At Bechtle, the share in Germany totals 41.4 per cent.

As of 31 December 2023, 492 employees in Germany drove e-cars. In 2023 alone, 327 all-electric vehicles joined the fleet in Germany. Additional vehicles will be needed as the number of employees grows – another reason to promote e-mobility.

**Charging infrastructure.** The charging infrastructure at the Bechtle locations needs to be expanded on a large scale in order to enable employees to charge their vehicles, thereby increasing the acceptance of the measures taken. By the end of 2023, a total of 733 charging points were available at 51 Bechtle locations throughout Germany, Austria and Switzerland, a year-on-year increase of 222. The Group headquarters in Neckarsulm alone offers 166 charging points that are fed from the PV system on the roof of the car park.

**Use of regenerative energy.** Bechtle intends to increase the share of regenerative energy in the total consumption and, where possible, to generate energy. In recent years, for example, photovoltaic and geothermal systems were installed in newly constructed buildings at various locations of the Bechtle Group. The largest installations are located at group headquarters in Neckarsulm, where all available roof areas have been covered with modules. In the reporting period, two further geothermal plants were commissioned, one in Mägenwil (Switzerland) and the other in Ettlingen (Germany).

#### PHOTOVOLTAIC SYSTEMS BECHTLE GROUP

	kWp	2023		2022		2021		2020	
		Group head-quarters <sup>1</sup>	Bechtle Group						
Power	kWp	1,392	2,305	1,391	1,977	1,348	1,960	1,348	1,736
Number of modules		7,121	9,950	5,495	7,316	5,377	7,074	5,377	6,592
Area	m <sup>2</sup>	11,634	17,252	8,985	12,527	8,770	12,328	8,770	10,769
Number of locations		2	17	2	13	1	12	1	8

<sup>1</sup> Group headquarters including the Gaildorf location from 2022; before that date, the system in Gaildorf was not yet operational.

#### GEOOTHERMAL SYSTEMS BECHTLE GROUP

	kWp	2023		2022		2021		2020	
		Group head-quarters <sup>1</sup>	Bechtle Group	Group head-quarters <sup>1</sup>	Bechtle Group	Group head-quarters <sup>1</sup>	Bechtle Group	Group head-quarters <sup>1</sup>	Bechtle Group
Power	kWp	680	1,282 <sup>2</sup>	680	1,080	680	995	680	710
Number of downhole heat exchangers		257	351 <sup>3</sup>	257	341	257	333	257	333
Number of locations		2	7 <sup>4</sup>	2	6	2	5	2	5

<sup>1</sup> Group headquarters including the Gaildorf location

<sup>2</sup> Data for the Bechtle location Ettlingen without downhole heat exchangers due to use of streaming water, suction wells and absorption wells; water volume: 21 m<sup>3</sup>/h

<sup>3</sup> Includes expansion in Mägenwil (Switzerland)

<sup>4</sup> Neckarsulm, Gaildorf, Freiburg i. Br., Karlsruhe, Ettlingen, Solingen (Germany); Mägenwil (Switzerland)

## LOGISTICS AND PACKAGING

Owing to our trading activities, logistics and packaging are topics of great importance to us. The Bechtle logistics hubs in Neckarsulm and Hamburg serve as the central hubs for the flow of goods. Products that are not sent directly to the customer by the vendor or distributor largely arrive there, are consolidated by project, stored for later fulfilment or configured according to customer specifications. Apart from the logistics hub in Neckarsulm, the Bechtle Group operates a second logistics hub in Hamburg and additional warehouses in Bielefeld, Wesel (Bechtle Remarketing GmbH), Rotkreuz (Switzerland), Paris (France) as well as smaller satellite warehouses. In the reporting period, a total of 3,083,123 parcels and 68,850 pallets were sent out from the warehouses in Neckarsulm, Hamburg and Bielefeld.

**Optimised packaging solutions.** Both the original product packaging and the outer packaging or transport packaging generate waste and therefore contribute to the consumption of raw materials. Moreover, the transportation of goods causes further carbon emissions. We are only able to influence the transportation of goods indirectly. Products are ordered via the central Purchasing department and shipped to our warehouses or directly to the customers by distributors or vendors. Usually, the distributors and vendors decide how the products are packaged and shipped.

On a project-specific basis, we implement individual transport solutions in collaboration with partners and customers, e.g. low-emission delivery throughout Europe by train or ship as well as so-called “last green mile” solutions. For example, the Bechtle IT system house in Hamburg delivers goods with electric cargo bikes to about 29 customer locations within a radius of 15 km within the framework of a customer project. Other sustainability measures include the consolidation of shipments.

All questions related to packaging are handled by the logistics hub in Neckarsulm, including the procurement of packaging material, the optimisation of the packaging, the reduction of transport volumes and the leveraging of new, innovative concepts.

Following extensive application tests, only stretch films made from 30 per cent recycled material have been used to enclose pallets since 2023. The test results showed that stretch films with a higher share of recycled material lack the required tear resistance. To secure the load and to prevent theft, use of stretch film is essential. All purchased cardboard comes from FSC®-certified sources.



In 2023, customers used the Bechtle Box® – an innovative shipping solution – much more often. The number of uses increased from 418 to 1,098 in the reporting period.

#### CONSUMPTION OF PACKAGING MATERIAL<sup>1</sup>

	2023	2022	2021	2020	2019
<b>Cardboard</b>					
Total in kg	255,020	270,426	255,227	206,404	185,835
Share in %	51.31	55.39	49.21	50.17	50.46
CO <sub>2</sub> e in kg	205,546	217,963	205,713	166,362	149,783
<b>Paper</b>					
Total in kg	47,090	40,280	82,267	80,641	72,783
Share in %	9.47	8.25	15.86	19.60	19.76
CO <sub>2</sub> e in kg	1,648	1,410	2,879	2,822	2,547
<b>Plastic except film</b>					
Total in kg	936	3,808	1,540	931	827
Share in %	0.19	0.78	0.30	0.23	0.22
CO <sub>2</sub> e in kg	2,696	10,966	4,435	2,681	2,382
<b>Film</b>					
Total in kg	21,064	28,781	25,862	16,215	16,666
Share in %	4.24	5.90	4.99	3.94	4.52
CO <sub>2</sub> e in kg	54,976	75,120	67,499	42,321	43,498
<b>Wood</b>					
Total in kg	172,914	144,911	153,740	107,192	92,204
Share in %	34.79	29.68	29.64	26.06	25.03
CO <sub>2</sub> e in kg	2,075	1,739	1,845	1,286	1,106
<b>Total</b>					
Total in kg	497,024	488,206	518,636	411,382	368,315
Share in %	100	100	100	100	100
CO <sub>2</sub> e in kg	266,942	307,491	282,371	215,473	199,317

<sup>1</sup> Purchased packaging by material in kg and carbon equivalent at Bechtle's logistics hub in Neckarsulm.  
This includes purchased packaging for the warehouses in Bielefeld and Hamburg.  
Valid figures for the other warehouses are not yet available, but are under preparation.

#### RENEWABLE/NON-RENEWABLE MATERIALS<sup>1</sup>

	2023	2022	2021	2020	2019
Utilised non-renewable materials	22,757	32,588	28,574	17,100	17,500
Utilised renewable materials	464,053	455,616	490,061	394,282	350,815

<sup>1</sup> Total weight of the packaging materials used in the warehouses Neckarsulm, Bielefeld and Hamburg.  
Valid figures for the other warehouses are not yet available, but are under preparation.

**Returns management at Bechtle.** Effective delivery and minimising complaint rates not only translate to satisfied customers, they also help avoid additional transportation and packaging. The returns management at the logistics hub is responsible for key tasks relating to returns logistics for group headquarters and for the warehouses in Bielefeld and Hamburg. OneTrack – a shipment tracking program of EURO-LOG – enables the complaints management to take the initiative to reduce the kilometres travelled by carriers and improve the customer service. This is made possible through continuous transparency in the logistics chain. In 2023, the number of return orders was slightly lower than in the prior year.

#### RETURNS<sup>1</sup>

		2023	2022	2021	2020	2019
Return rate	in %	0.76	0.72	0.65	0.77	0.68
Number of return orders		43,989	45,084	42,742	39,232	38,491
Return value	in €	577	492	393	476	392

<sup>1</sup> Returns of the German warehouses in Neckarsulm, Bielefeld and Hamburg that are processed via the returns management of group headquarters

#### WASTE AND RECYCLABLES

In addition to the warehouses, the Bechtle Group has administration buildings where municipal and paper waste, electronic scrap and spent toner cartridges accumulate. When disposing of waste, we are required to respect both EU law and local law. Data about the accumulated waste is collected by the locations owned by Bechtle and recorded in their accounts. Most of the office facilities are located in rental properties whose waste concept is managed by the landlords. Due to the local differences in the relevance and regulation of waste management, these topics are handled by the individual companies.

The topic of waste and recyclables at group headquarters in Neckarsulm is based on a disposal concept created in the context of Bechtle AG's DIN EN ISO 14001 certification which encompasses the entire location including logistics. In 2024, a new recycling centre will be established at group headquarters.

Due to the different billing periods of the waste disposal providers and landlords, not all waste figures were available as at the end of 2023.

## WASTE BY TYPE AND DISPOSAL METHOD

	2022	2021	2020	2019	in t
<b>Total waste Bechtle Group<sup>1</sup></b>	<b>2,864</b>	<b>2,485</b>	<b>2,354</b>	<b>2,606</b>	
<b>Total waste group headquarters Neckarsulm</b>	<b>708</b>	<b>694</b>	<b>579</b>	<b>657</b>	
of which actual activity data broken down by category:					
Hazardous waste (recycled) <sup>2</sup>	50	7	49	6	
Hazardous waste (disposed of)	0	0	0	0	
Non-hazardous waste (recycled)	659	688	530	651	
Non-hazardous waste (disposed of)	0	0	0	0	

<sup>1</sup> Calculation of the accumulated waste: data according to the waste invoice or, if not available, auxiliary calculation based on the area in square metres

<sup>2</sup> The great difference between recycled hazardous waste in 2019 and 2020 and between 2021 and 2022 reflects the extensive building and renovation work done at group headquarters in 2020 und 2022.

**Circular economy.** As an IT company, we are always looking for ways to extend the value-added of hardware, in particular. Bechtle Remarketing GmbH, headquartered in Wesel, Germany, is the Bechtle Group's specialist in sustainable IT life-cycle management. Apart from the purchase and sale of IT hardware, Bechtle Remarketing calculates a residual value for returned hardware, ensures secure erasure of the data, and recycles or disposes of unusable parts in cooperation with a local waste management company. Devices that are still operable are given a new lease of life so they can either be resold or leased. Through the sale of used IT hardware alone, 93,150 devices were reintroduced into the cycle in the reporting period, compared to 59,719 in 2022. If requested by the customer, Bechtle Remarketing coordinates the related logistics, the rollback of retired devices plus the roll-out of new equipment in cooperation with other Bechtle units. The DIN EN ISO 9001, 14001 and 27001 audits at Bechtle Remarketing regularly re-evaluate security levels as well as the quality requirements, processes and environmental standards within the company.

## DIGITAL FUTURE

From the outset, we identified green IT, i.e. energy-efficient IT, as a relevant sustainability aspect of our business operations. In recent years, the social, ecological and economic factors associated with sustainable development have increasingly found an umbrella in the term corporate digital responsibility (CDR). Though digital transformation affects all industries, CDR is particularly important for an IT company such as Bechtle. On the one hand, this directly impacts our own business operations; on the other, we also play an active, responsible role in the digital transformation of our customers. Our aim is to support them to the best of our abilities in implementing their CDR and achieving their climate protection goals.

**Internal digitisation.** Within the scope of our IT strategy, we pursue the goal of making our own enterprise architecture resource-saving, efficient and user-friendly. We do so under consideration of criteria such as consumer behaviour, modularity, reusability, redundancy and scalability. The management takes place via a matrix organisation: Bechtle's centralised Sustainability Management coordinates and monitors the implementation of the Bechtle Sustainability Strategy 2030, collaborating closely with Bechtle IT.

Internally, Bechtle IT has developed sustainability criteria to evaluate processes and applications under economic, social and ecological considerations. The strategy integrates process optimisation and changes as well as matters pertaining to the retirement and rollback of applications and IT infrastructure. Apart from increasing employee satisfaction, the rollback saves carbon emissions.

**Sustainable technologies, solutions and services.** Across all industries, digitisation is transforming the way we live and work and is the key to a successful future. This entails new expectations placed on companies and public bodies as well as on their employees. From the economic perspective as well, it is vital that we take an active and responsible role in our customers' digital transformation, to help them optimally implement their digitalisation strategy, their CDR and their climate targets. For Bechtle as an IT organisation, sustainable technologies, solutions and services are the very essence of the business model and a topic that permeates the entire Bechtle Group.

We engage closely with our vendor partners, who in turn advance the production of sustainable IT hardware, and we continue to develop our portfolio and integrate new products that meet a variety of sustainability criteria. For instance, certification labels such as TCO Certified or Blue Angel represent an important instrument to evaluate the energy consumption of hardware.

The data centre in Mutterstadt, Germany, where we cooperate with the co-location provider Pfalzkom, has already implemented key criteria of the Climate Neutral Data Centre Pact. Our data centres at NTT in the Frankfurt am Main region have also joined the Climate Neutral Data Centre Pact and intend to achieve net-zero emissions by 2030. In 2023, we were able to switch some of the units to eco-power via NTT. The PUE value at NTT was at 1.6, the same level as in the prior year (referring to the locations Fra1 and Fra2).

Smart digital solutions play a key role in enabling the achievement of upcoming climate protection goals.

Bechtle supports numerous companies and public-sector divisions on this path.

Günter Job, member of the management/Head of Services, System House Stuttgart

Nicolas Fröhlich, Manager Smart City Solutions, System House Stuttgart

from left to right



## CORPORATE GOVERNANCE

Corporate responsibility and financial stability are two cornerstones of our strategic approach. At the same time, these are also indispensable prerequisites for sustainable corporate management. It therefore goes without saying that at Bechtle, the associated maxims have always formed the basis of our entrepreneurial activities. We want to fulfil the interests of the various stakeholder groups, such as shareholders, employees, customers and suppliers, as well as our responsibility to society as a whole, in the best possible way.

In its reporting on corporate governance, Bechtle generally follows the recommendations and suggestions of the German Corporate Governance Code (GCGC) and, in the context of integrated reporting, the GRI standards.

Responsibility for corporate governance at Bechtle lies primarily with the Supervisory Board as the highest body within the stock corporation together with the Executive Board of Bechtle AG. The central document of the corporate governance report at Bechtle is the Corporate Governance Statement, which we publish on our website. All key information on corporate governance, such as the declaration of compliance in accordance with Section 161 AktG, is available there.



[bechtle.com/investors/  
corporate-governance](http://bechtle.com/investors/corporate-governance)

Within the scope of the integrated reporting, the following sections explicitly touch on topics of relevance to us and provide takeover-related disclosures.

## COMPLIANCE AND ANTI-CORRUPTION

Bechtle pays great attention to ethically correct and lawful behaviour. In addition to the loss of business and the heavy fines that the respective Bechtle company could incur due to deficiencies and violations in this area, the reputation of the entire Bechtle Group could suffer severe damage. Special attention is therefore paid to prevention in order to raise awareness of the issue among all employees. The processes and measures integrated in the compliance system are of material significance to the measures taken to prevent corruption and mitigate related risks. Bechtle is determined to comply fully with the Bechtle Code of Conduct, the defined guidelines and compliance instruments as well as all relevant laws and regulations. All Managing Directors are obliged to report potential risks and suspected incidents to the central Risk Management, which is part of the Group Controlling of Bechtle AG.

The compliance system is based on the Bechtle Code of Conduct, which entered into force in 2010 and was comprehensively revised in 2021. It sets out a binding commitment to integrity for all employees of the Bechtle Group. The general compliance requirements are continually concretised on a case- and department-specific basis. For example, guidelines on how to handle gifts from business partners have been in force throughout the group since 2011. Additionally, easy-to-apply instructions are available to help employees decide how to handle any benefits to be received or granted, especially in the Public Sector, where stricter rules apply in many cases. The guidelines are to be revised in 2024.

The current 2021 version of the Bechtle Code of Conduct has been made available to all employees of the Bechtle Group and is also brought to the attention of all new employees as part of the onboarding process. In addition, since 2022 all employees have been required to take part in an annual online training course with two modules: compliance and anti-corruption. In 2023, 12,719 people – almost all Bechtle employees – successfully completed the course.

There is a special procedure for whistleblowers. Bechtle employees can contact the Compliance Board – consisting of the Executive Board of Bechtle AG and a permanent representative of the central legal department – confidentially to report relevant compliance violations via a telephone hotline or alternatively via a separate e-mail account. The processes for the internal reporting procedure were modified in 2022/23 on the occasion of the Whistleblower Protection Act; this is intended to make it more user-friendly for third parties, in particular. Since the reporting period, violations of applicable human rights along the supply chain can also be reported via the central address published on the company's website. To ensure the effectiveness of the Bechtle compliance system, all Managing Directors of the Group companies and all heads of the 18 central departments act as compliance officers on-site and in their areas. They are obliged to report any violations of the Bechtle Code of Conduct or applicable law to the Compliance Board in the form of an annual compliance report. Compliance reporting [submitted in 2023 for the year 2022] covered all operational and legally independent companies of the Bechtle Group as well as all central divisions, totalling 128 units.

Furthermore, a background check is conducted for all Bechtle business partners, including the employees, via our central SAP system in accordance with relevant EU directives, to prevent the use of the financial system for money laundering and terrorism financing purposes. The compliance handbook is currently being revised; its planned completion had to be postponed by one year to the end of 2024 due to internal processes. The compliance management system is based on DIN EN ISO 37301.

## INFORMATION SECURITY AND DATA PROTECTION

Information security, data protection and confidentiality are of utmost importance in Bechtle's business operations. As these subject areas intersect, we consider them as a whole. Compliance with statutory requirements (EU General Data Protection Regulation, EU GDPR) is a matter of course to Bechtle. Since information security and data protection concern the core of Bechtle's business model, security incidents involve a high reputation risk. Therefore, we attach great importance to preventive measures.

Documents accessible throughout the group help sensitise all Bechtle employees to the principles of data protection, information security, protection of confidentiality and other important requirements, and ensure compliance with statutory requirements. This includes the Bechtle Code of Conduct, the globally applicable training material for the EU GDPR and the Privacy Policy. Documents relevant to information security include, in particular, the central Information Security Guidelines, the central "IT Compliance" Policy and the "Information Security" Policy for employees. As part of the certification of the information security management system (ISMS) in accordance with DIN EN ISO 27001 (certified companies, see GRI Index), the annual preparation and updating of the ISMS Management Review required by the standard guarantees that the topic is always on the agenda of the company's management. Bechtle has also implemented an incident reporting process. In the field of security, governance, risk & compliance, we concentrate on the data processing, information flow, communication channels, customer data and Bechtle data in our data centres. Furthermore, we keep track of important new laws in order to be able to prepare for them at an early stage.



See GRI index,  
page 286 ff

Additionally, we have adapted our protective systems to changing cyberattack scenarios and thus to the current risk situation. In the field of data protection, we mainly concentrate on the requirements of the EU GDPR. To ensure compliance, our Data Protection Officer conducts data protection audits in all Bechtle companies. Any open items are identified and suitable actions are derived. Moreover, mandatory e-learning formats on the topic of data protection are available in German and English. In 2023, 15,973 course completions for "Data protection in the workplace" training and 11,340 course completions for information security training were recorded across the Group in Germany.

## SOCIAL COMMITMENT

With donations and social sponsoring, Bechtle supports projects that benefit society in a variety of ways. Decisions are based on the donation guidelines updated in the reporting period, which also underlines the fact that Bechtle regards social commitment as part of its corporate responsibility and is particularly committed to projects that fit in with the company's values and corporate culture.

The Bechtle Group supports selected projects as a reliable partner over a longer period of at least three years. Since 2014, this commitment has focused on three areas of activity: education, children/youth and popular sports. This triad translates the framework of Bechtle's corporate culture, values, Vision for 2030 and brand understanding into specific areas of potential involvement: Education and youth development are the basis for "bright minds" and sport is the dynamic, team-orientated component that represents our corporate goals well. In addition, popular sport fits in very well with the internal measures of the company's health management programme and suits the wide range of sporting events involving Bechtle employees.

We are also involved in major humanitarian disasters in addition to firmly agreed cooperation programmes. Whenever people are affected and comprehensive solidarity and a willingness to help are required to alleviate hardship and suffering, we examine in detail how, and to what extent, we can contribute. In so doing, we also ask ourselves whether we should donate exclusively as a company or organise additional employee donation campaigns so that colleagues of the Bechtle Group can participate quickly and without excessive bureaucracy. Our largest single commitment in the reporting period was a donation of €200,000 to Aktion Deutschland Hilft e.V. for earthquake relief in Turkey and Syria.

In light of the flood disaster in the Ahr valley, Bechtle set up its own relief fund in 2021 and provided a one-off sum of €500,000. We intend to increase these funds whenever necessary, in order to be able to act quickly whenever social responsibility is particularly in demand and rapid assistance is required. Recipients are employees and their immediate families.

The decentralised nature of our business model is also reflected in our social commitment. With its more than 100 individual companies, Bechtle interacts with the respective local communities in various ways, both as an employer and contracting entity and as a business partner. An important principle is therefore to fulfil our social responsibility locally. In this way, the above-mentioned triad and the regional responsibility complement each other. The respective local managing directors are responsible for the local commitments.

Group-wide, Bechtle raised donations totalling €599,132 in 2023 (previous year: €693,817) and €716,060 (previous year: €454,448) for social sponsorships.

Many of our employees are also personally involved in voluntary work for the common good. Wherever possible, Bechtle endeavours to support these efforts beyond the leave granted for charitable work pursuant to law.

## TAKEOVER-RELATED DISCLOSURES

The disclosures required pursuant to Section 289a, 315a of the German Commercial Code (HGB) are presented below:

As of 31 December 2023, the issued capital of Bechtle AG amounted to €126 million, divided into 126,000,000 no-par bearer shares (ordinary shares). The pro-rata amount of the issued capital that is allocated to each share is €1.00. All shares have voting rights and are entitled to dividends. The rights and obligations associated with the ordinary shares are as specified in the German Stock Corporation Act (AktG).

The Executive Board is not aware of any restrictions relating to voting rights or the transfer of shares.

The company is aware of the following direct or indirect capital interests exceeding 10 per cent of the voting rights as of the balance sheet date:



[bechtle.com/  
shareholder-structure](http://bechtle.com/shareholder-structure)

Karin Schick, Gaildorf, Germany: 33.40 per cent, of which 25.25 per cent was direct and 8.14 per cent indirect. No changes occurred up to 11 March 2024, the reporting date.

There are no shares with special rights granting powers of control.

There are no share ownership plans or similar schemes under which employees hold interests in the capital without directly exercising their control rights.

The appointment and dismissal of members of the Executive Board is governed by Sections 84 et seq. of the German Stock Corporation Act (AktG) and Section 31 of the German Co-determination Act (MitbestG). The regulations of the Articles of Incorporation do not deviate from these statutory provisions. In accordance with Article 6.1 of the Articles of Incorporation, the Executive Board consists of one or several persons. The number of Executive Board members is determined by the Supervisory Board. According to Article 6.4 of the Articles of Incorporation, the Supervisory Board may appoint a member of the Executive Board as Chairperson or Spokesperson of the Executive Board.



[bechtle.com/  
satzung](http://bechtle.com/satzung)

The conditions for amendments to the Articles of Incorporation are outlined in Sections 179 to 181 of the German Stock Corporation Act (AktG). The Annual General Meeting of Bechtle AG has delegated the authority to make amendments that merely concern the wording of the Articles of Incorporation to the Supervisory Board (see Article 10.4 of the Articles of Incorporation).

Pursuant to Sections 202 et seq. of the German Stock Corporation Act (AktG), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's issued capital by a total of up to €18.9 million by issuing new bearer shares against cash contributions and/or contributions in kind until 14 June 2026 (authorised capital according to Article 4.3 of the Articles of Incorporation). Further details can be found in the notes to the consolidated financial statements.



See Notes,  
Issued capital,  
page 214 f



See Notes,  
Convertible bond,  
page 232

The company's share capital was conditionally increased by up to €6.3 million in accordance with Sections 192 et seq. AktG. The Executive Board was authorised, with the approval of the Supervisory Board, to issue bearer convertible bonds, bonds with warrants, profit participation rights, income bonds or combinations of these instruments with or without a fixed term to maturity in a total nominal amount of up to €350 million by 14 June 2026 and to grant the holders or creditors of convertible bonds or bonds with warrants conversion or option rights to new no-par value bearer shares in the company with a proportionate amount of the share capital totalling up to €6.3 million (contingent capital in accordance with Article 4.4 of the Articles of Incorporation). On 1 December 2023, Bechtle made use of this authorisation and announced the successful placement of unsecured and non-subordinated bonds with a total nominal value of €300 million (convertible bonds) with conversion rights into new and/or existing no-par value shares of Bechtle AG. The Executive Board of Bechtle AG has decided, with the approval of the Supervisory Board, to exclude the subscription rights of the existing shareholders of Bechtle AG. The term of the convertible bonds is seven years. Further details can be found in the notes to the consolidated financial statements.

The purchase of treasury shares is only permissible according to the provisions of Section 71 (1) of the German Stock Corporation Act (AktG). Based on the resolution of the Annual General Meeting of 27 May 2020, the Executive Board is authorised to purchase treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). This authorisation is valid until 26 May 2025. Treasury shares must be purchased via the stock exchange or within the framework of a public purchase bid sent to all shareholders or via a public invitation to the shareholders to submit offers for sale. The price the company pays per share shall, in the case of purchase via the stock exchange, not exceed or fall below the price of the company's share on the Xetra trading of the Frankfurt Stock Exchange (or a similar successor system), which is determined by the opening auction, or, in the case a public purchase bid sent to all shareholders or a public invitation to the shareholders to submit offers for sale, shall not exceed or fall below the average closing prices of the company's share on the three stock exchange trading days prior to the publication of the public purchase bid or the publication of the invitation to submit offers for sale by more than 10 per cent (in each case without transaction costs). The scope of the authorisation is limited to a maximum of 10 per cent of the issued capital. Other shares of the company that it has already purchased and still possesses or that are attributable to it pursuant to Sections 71 et seq. of the German Stock Corporation Act (AktG) shall be taken into consideration. The buy-back authorisation has been granted for any purpose permitted by law.

The company has no significant agreements that would apply in the event of a change of control due to a takeover bid.

In the service contract with the Chairman of the Management Board, the upper limit of the severance payment to be granted in the event of premature termination of the employment relationship due to a change of control was set at three times the total annual remuneration. The agreement was amended in February 2024 and the previous severance payment in the event of a change of control was cancelled with effect from 1 January 2024. The company has not concluded any other compensation agreements with members of the Executive Board or employees in the event of a takeover bid.



**The corporate governance is backed by the Bechtle values and carried by the employees who share these values and autonomously meet their responsibilities at all levels and in all areas of the company.**

**Laura Harsch**, Assistant to the Chairman of the Executive Board, Bechtle AG

**Dimitri Léon**, Technical Consultant Public Sector, Bechtle Systemhaus Holding

**Detlef Tröber**, Team Leader Facility Management BP1, Bechtle AG

from left to right

## ECONOMIC REPORT

### FRAMEWORK CONDITIONS

Economic and political framework conditions remained extremely tense throughout 2023. Russia's war of aggression on Ukraine went on, and the conflict in the Middle East flared up again. Domestic political tensions further aggravated the situation, especially in Germany, but also in other countries such as France. In Germany, this resulted in a declining gross domestic product and, therefore, in the second recession in the last five years. Most national economies in the EU nevertheless achieved positive growth rates, although at a low level. The IT market delivered a more positive performance, but was unable to reach the high growth rates of recent years. In these once again challenging conditions, Bechtle performed well. The company grew at a higher rate than the macroeconomy and IT industry and gained further market shares.

### MACROECONOMY



[commission.europa.eu/index\\_en](http://commission.europa.eu/index_en)

**Macroeconomic growth considerably slower.** The year 2023 continued to be overshadowed by the war in Ukraine and the conflict in the Middle East, which flared up again. The continued high inflation and the higher interest rates also had an effect. According to the latest figures published by the European Commission, the gross domestic product (GDP) in the EU achieved minimal growth of 0.5 per cent in 2023. The first two quarters each closed with a marginal growth rate of 0.1 per cent over the prior quarter. In the third quarter, the rate dropped by 0.1 per cent. In the final quarter, economic performance stagnated at 0.0 per cent. The performance differed in the various Bechtle markets in the EU. In the reporting period, Spain reported the best performance of them all, with growth of 2.5 per cent, followed by Portugal with 2.3 per cent. Ireland came in last, with a significant decline in economic performance of 1.9 per cent.



[destatis.de/EN/Home](http://destatis.de/EN/Home)

In 2023, the German economy fell into recession. As reported by the German Federal Statistical Office, GDP underwent a slight decline of 0.3 per cent (prior year: +1.8 per cent). The performance in the individual quarters followed an even more pronounced downward trend than in the EU as a whole. In the first quarter, GDP managed to achieve a marginal increase of 0.1 per cent over the prior quarter, but growth stagnated at 0.0 per cent in the second and third quarters. In the fourth quarter, GDP dropped by 0.3 per cent. On the other hand, investments in equipment performed well, achieving growth of 3.8 per cent in the year as a whole. In contrast, government investments went down by 2.5 per cent.

The ifo Business Climate Index for Germany also declined in 2023, from 90.1 points in January to 86.3 points at the end of the year. In the first four months of the year, the index went up, reaching its high of the year of 93.1 points in April. From then on, however, the index continually dropped, falling to 85.9 points in August and September. From this low, the index only recovered slightly towards the end of the year.



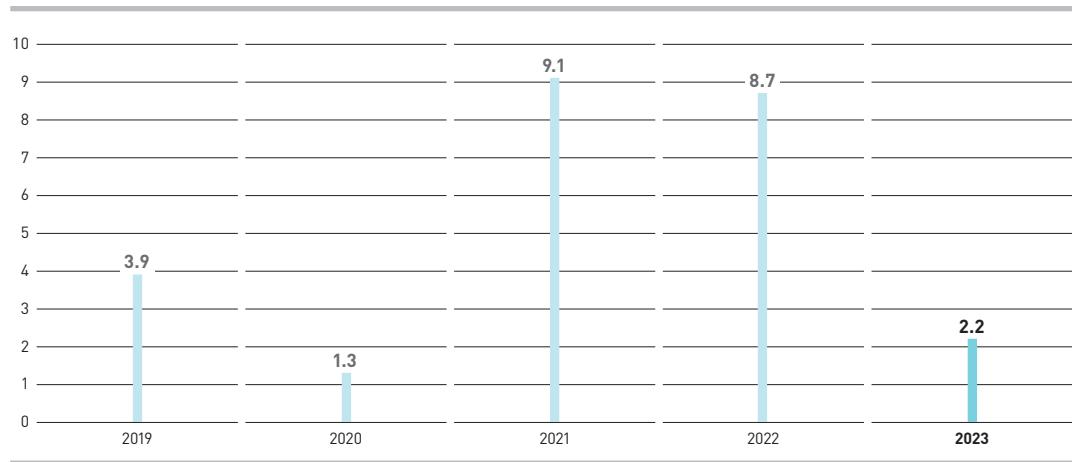
## INDUSTRY

**German IT market picks up.** According to figures presented by the industry association bitkom, the IT market in Germany achieved growth of 2.2 per cent despite the difficult framework conditions. Although the growth rate was much lower than in previous years, the IT industry once again stood out with its remarkable resilience. Due to the weakness of the PC market and many customers' reluctance to buy, the hardware business volume fell by 5.4 per cent. However, service revenue increased by 5.1 per cent. In the year ended, the software revenue once again served as the growth driver, with significant growth of 9.6 per cent. According to the French industry association numeum, much higher growth of 6.5 per cent was achieved in France, our largest international market, than in Germany.



The ifo index for IT service providers reflects the macroeconomic mood. In the course of 2023, the balance value of the index declined from 25.9 to 16.3 points. The annual low of 12.9 points was reached in November. Although the assessment of the current business situation remained at a low level, the outlook for the coming months at least improved in December.

IT MARKET GROWTH IN GERMANY



## OVERALL ASSESSMENT AND EFFECTS OF THE ECONOMIC ENVIRONMENT

**Successful year despite challenging framework conditions.** In the reporting period, the tense development of the macroeconomy remained under the influence of the war in Ukraine. However, the impact of the war was no longer being felt to its full extent. Energy prices as well as inflation receded. Nevertheless, the mood in the economy as well as the actual economic data remained at a low level. The situation in the IT market was better, with high demand for services and software. The situation in the supply chains improved as well in the course of the year. However, noticeable reluctance to purchase was evident in the hardware segment, especially with regard to PC sales, particularly among medium-sized customers.

Against this backdrop, the Bechtle Group performed well. In line with our forecast for the 2023 fiscal year, we recorded growth in the upper single-digit range. All in all, our company once again outperformed the IT market in the reporting period in terms of business volume and revenue growth. We were therefore also able to further expand our market share.

Apart from the challenges indicated, the Bechtle markets did not witness any significant events outside the company that had a noteworthy impact on the business performance.

## EARNINGS POSITION

The economic framework conditions continued to be challenging in 2023. Especially in Germany, the mood and economic performance were encumbered. As a result, the willingness to invest – especially in larger and complex IT infrastructure projects – lagged behind expectations. Nevertheless, Bechtle was able to increase its business volume and revenue significantly. Particularly in our service business, we saw continually high demand. At the same time, the cost base went up in 2023 due to inflation. As well as in personnel expenses, there were also increases in energy expenses, vehicle expenses and travel expenses. We are proud to report that, despite these factors, we were able to improve our earnings significantly and keep the EBT margin at exactly the same level as in the prior year.

## ORDER POSITION

**New basis for calculating the order backlog.** In the reporting period, Bechtle changed the way it calculates the order backlog. This change is associated with the introduction of a new group-wide standard input portal for incoming orders. This portal enables us to enter more comprehensive and more detailed data for the various transaction types, especially also for contracts with longer terms, some of which extend over several years. As a result, the order backlog is significantly higher than in prior years. Since the change to the new portal was within the course of the year, we are only going to publish the new incoming orders in our report for the first quarter of 2025. The new calculated order backlog will be reported starting with this annual report.

**High order backlog.** For the sale of IT products and the provision of services, Bechtle concludes both short-term and long-term contractual relationships. The IT E-Commerce segment is characterised almost entirely by the conclusion of pure trading deals, usually with short order and delivery times. In the IT System House & Managed Services segment, project deals can take anywhere from several weeks to one year. Especially in the fields of managed services and cloud computing, the master and operating agreements that Bechtle concludes with customers often have terms of several years. Contract terms for as-a-service models, e.g. for the procurement of software, can also be longer than one year.

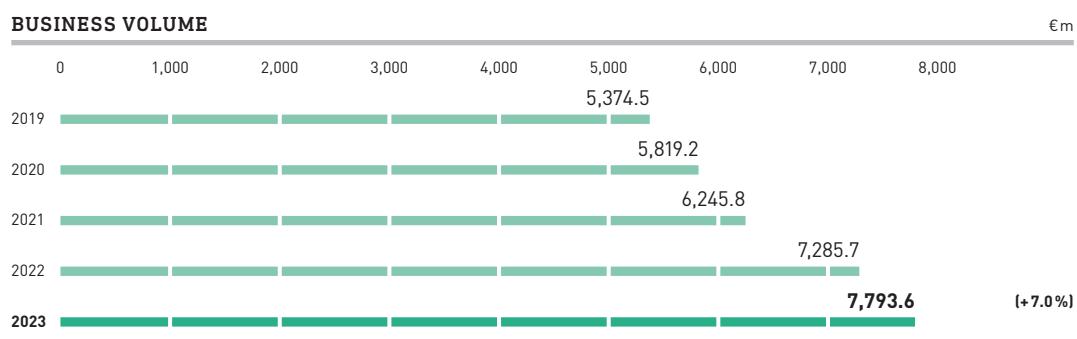
In the reporting period, incoming orders amounted to €7,488 million, about 6.7 per cent more than the prior-year figure of €7,017 million. This figure comprises an increase in incoming orders by 9.6 per cent from €4,587 million to €5,027 million in the IT System House & Managed Services segment and by 1.3 per cent from €2,430 million to €2,460 million in the IT E-Commerce segment.

The order backlog was reduced substantially in the reporting period. Based on the new calculation, it amounted to €2,146 million as of the end of the year, after €2,452 million in the prior year. Of this amount, the IT System House & Managed Services segment accounted for €1,913 million (prior year: €2,117 million), and the IT E-Commerce segment for €305 million (prior year: €407 million). The order backlog is about four and a half months in the IT System House & Managed Services segment and less than two months in the E-Commerce segment.

## BUSINESS VOLUME

**Higher business volume.** The business volume is an alternative performance indicator which Bechtle introduced in the context of the change in the presentation of the revenue pursuant to IFRS 15. This indicator describes the recorded revenue on a gross basis, i.e. without a reduction for software revenues as an agent in accordance with IFRS 15.

In the fiscal year, the business volume amounted to €7,793.6 million, 7.0 per cent more than in the prior year (€7,285.7 million).

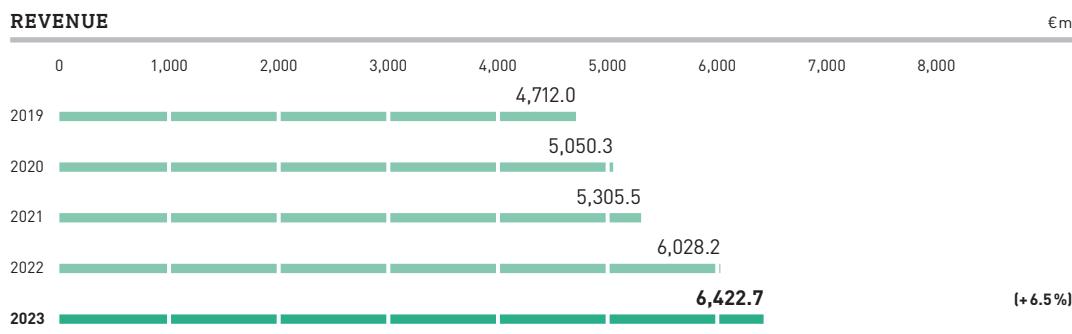


## REVENUE PERFORMANCE

**Significant revenue growth.** Despite the very challenging framework conditions, revenue increased by 6.5 per cent from €6,028.2 million to €6,422.7 million in the 2023 reporting period. The organic revenue growth amounted to 3.7 per cent.



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Revenues,  
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**Segment allocation of acquisitions abroad.** In the last two fiscal years, Bechtle has acquired system-integration service providers outside Germany, Austria and Switzerland in accordance with its expanded M&A strategy. In line with the new regional leadership responsibilities, most of these companies are allocated to the IT E-Commerce segment. In particular, this affects the company ACS Systems UK Ltd. in the UK, acquired in 2022, as well as the companies Tangible Benefit Ltd. in the UK, Prosol Ingeniería S.L. and Prosol Iscat S.L. in Spain, and Apixit S.A.S. in France, which were acquired in 2023.

The two segments developed differently. While the revenue growth in the IT System House & Managed Services segment amounted to 13.5 per cent<sup>1</sup>, revenue in the IT E-Commerce segment receded by 5.1 per cent<sup>1</sup>. The growth rates of the German companies and of the international companies were closer to each other, at 7.1 per cent and 5.7 per cent, respectively, with Germany achieving slightly stronger growth.

In line with our acquisition strategy that is more focused on other European countries, we acquired five companies outside of Germany in the reporting period. Therefore, the organic revenue growth abroad amounted to -1.8 per cent. In Germany, we achieved organic growth of 7.1 per cent. In relation to the total revenue, the international companies accounted for a share of 37.8 per cent (prior year: 38.1 per cent). Accordingly, the domestic share amounted to 62.2 per cent (prior year: 61.9 per cent). Germany thus remains Bechtle's largest market.

The average number of full-time equivalents (FTE; without absentees and trainees) increased by 9.7 per cent, a rate higher than that of the revenue growth. Based on 13,026 full-time equivalents (prior year: 11,878), the revenue per employee thus amounted to €493 thousand, after €508 thousand in the prior year.

<sup>1</sup> Prior year adjusted

## COST AND EARNINGS PERFORMANCE



See Notes,  
Expense structure,  
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### Significant EBT increase.

**Cost of sales.** In 2023, gross earnings went up by 6.5 per cent from €1,053.4 million in the prior year to €1,121.9 million in the year under review, growth similar to that of revenue. Compared to revenue, the cost of sales went up at a slightly higher rate of 6.6 per cent. Material costs increased by 5.4 per cent, a rate significantly lower than that of the revenue growth. This disproportionately low increase was able to largely compensate for the significantly disproportionately large increases of the other expense positions. Personnel expenses, which are included in the cost of sales, increased by 15.4 per cent. Other operating expenses also underwent an increase of 12.8 per cent. In the reporting period, the gross margin thus amounted to 17.5 per cent, a level that corresponds to that of the prior year.

### COST OF SALES/GROSS EARNINGS

		2023	2022	2021	2020	2019
Cost of sales	€m	5,300.8	4,974.8	4,385.5	4,193.8	3,944.2
Gross earnings	€m	1,121.9	1,053.4	920.0	856.6	767.8
Gross margin	%	17.5	17.5	17.3	17.0	16.3



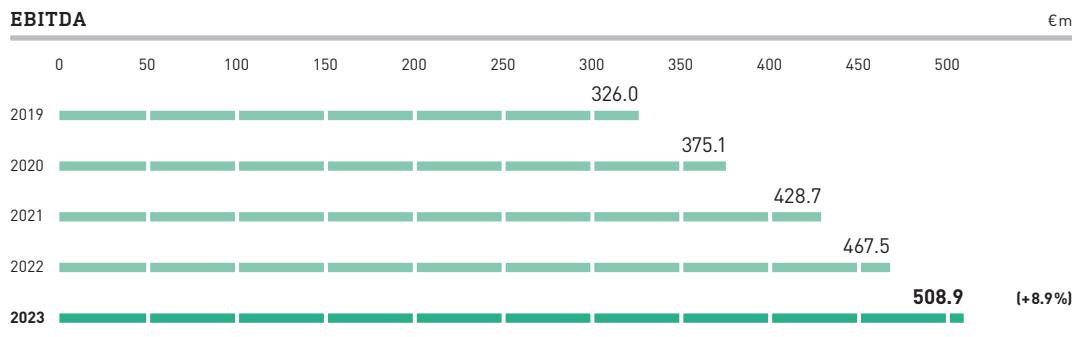
See People at Bechtle,  
page 64

**Distribution costs and administrative expenses.** The expenses in the two functional areas of sales and administration developed differently. In the fiscal year, distribution costs underwent above-average growth of 11.1 per cent to €436.7 million, after €393.0 million in the prior year. The distribution cost ratio was 6.8 per cent, after 6.5 per cent in the prior year. Administrative expenses increased at a disproportionately low rate of 4.7 per cent from €340.8 million to €356.8 million, especially as a result of the disproportionately low increase in personnel expenses. The administrative expense ratio was 5.6 per cent, after 5.7 per cent in the prior year. Other operating expenses underwent a very substantial increase in both functional areas. This was due especially to the higher travel expenses, vehicle expenses, higher building expenses due to the rise in energy costs, as well as marketing expenses. In the reporting period, other operating income went up by 50.3 per cent from €35.9 million to €53.9 million. The almost exclusive reason for this surge was the increase in additional vendor grants for marketing measures for the roll-out of the digital transformation in the context of new IT infrastructures and technologies. However, we do not expect payments in the same amount in this fiscal year.

### DISTRIBUTION COSTS/ADMINISTRATIVE EXPENSES

		2023	2022	2021	2020	2019
Distribution costs	€m	436.7	393.0	345.2	319.2	306.6
Distribution cost ratio	%	6.8	6.5	6.5	6.3	6.5
Administrative expenses	€m	356.8	340.8	282.6	286.5	249.6
Administrative expense ratio	%	5.6	5.7	5.3	5.7	5.3

**Earnings.** EBITDA stands for earnings before interest, taxes, depreciation and amortisation. In the reporting period, EBITDA improved by 8.9 per cent from €467.5 million to €508.9 million. The EBITDA margin increased slightly from 7.8 per cent to 7.9 per cent.

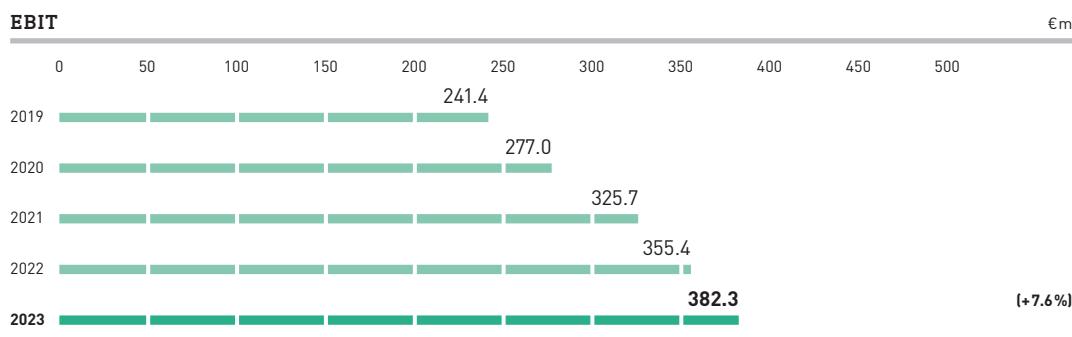


Depreciation and amortisation increased by 13.0 per cent from €112.1 million in the prior year to €126.6 million in the year under review. This was due to factors such as the seven acquisitions that took place in the reporting period, which resulted in an increase of 41.7 per cent in amortisation of customer bases. However, the depreciation of property, plant and equipment again accounted for the bulk of the depreciation and amortisation figure, amounting to €93.4 million, after €80.7 million<sup>1</sup> in the prior year.

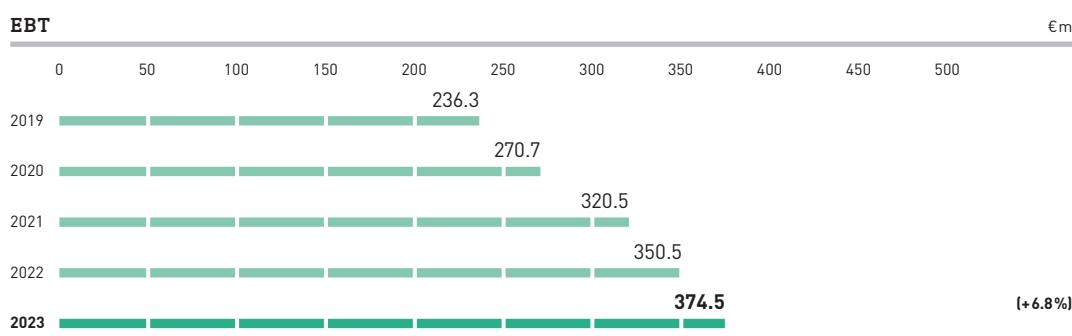


See Value information,  
page 110

Earnings before interest and taxes (EBIT) improved by 7.6 per cent to €382.3 million, after €355.4 million in the prior year. In the reporting period, the EBIT margin underwent a slight increase to 6.0 per cent (prior year: 5.9 per cent).

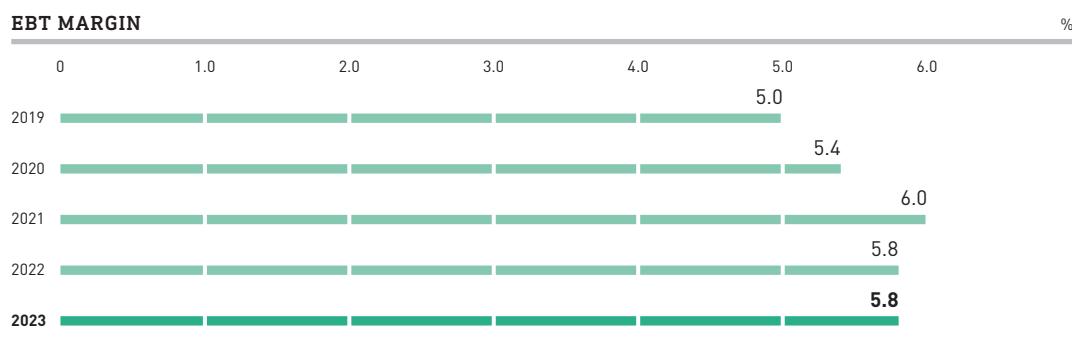


Earnings before taxes (EBT) increased 6.8 per cent to €374.5 million, after €350.5 million in the prior year.



<sup>1</sup> Figure adjusted

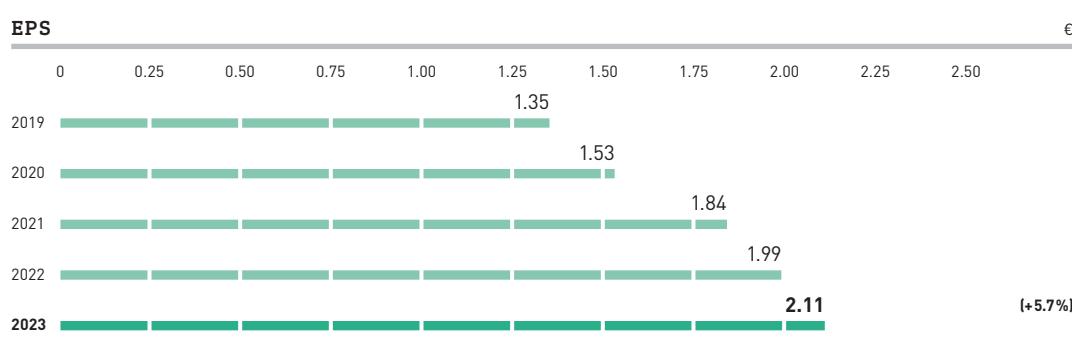
The EBT margin was 5.8 per cent, as in the prior year.



  
See Notes,  
Income taxes,  
page 203 f

In the reporting period, income tax expenses increased 9.7 per cent to €109.0 million (prior year: €99.4 million). The tax rate went up from 28.4 per cent to 29.1 per cent.

Earnings after taxes amounted to €265.5 million, 5.7 per cent more than the prior-year figure of €251.1 million. Basic earnings per share amounted to €2.11, compared to €1.99 in the prior year.



  
See Dividend,  
page 27 f

In view of the performance, the Executive Board and the Supervisory Board propose to pay out a dividend per share of €0.70 (prior year: €0.65) to the Bechtle shareholders for the 2023 fiscal year. Compared to the prior year, the dividend would thus be 7.7 per cent higher, and the dividend payout ratio would amount to 33.2 per cent.

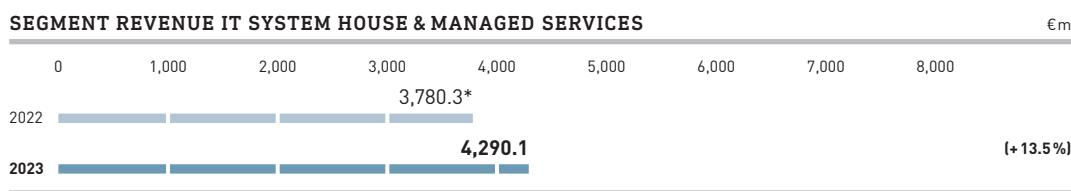
## SEGMENT REPORT

### IT System House & Managed Services segment as growth driver.

**IT System House & Managed Services.** The revenue generated by the IT System House & Managed Services segment in the reporting period amounted to €4,290.1 million, after €3,780.4 million<sup>1</sup> in the prior year, a substantial growth of 13.5 per cent<sup>1</sup>. Organic growth amounted to 11.7 per cent<sup>1</sup>.

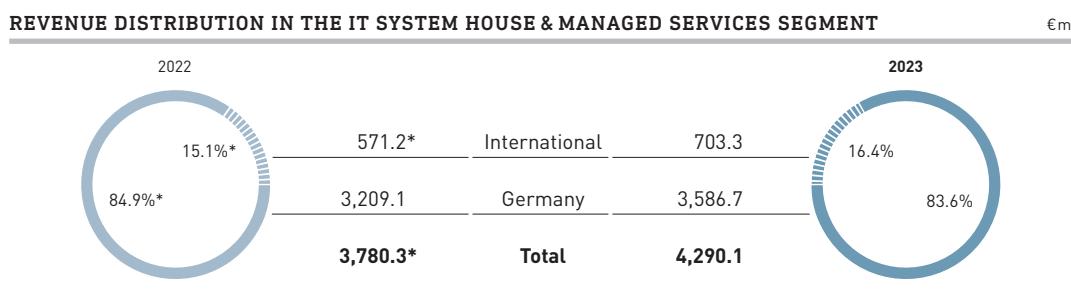


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Segment information,  
page 240 ff



\* Figure adjusted

The companies in Germany increased their revenue by 11.8 per cent from €3,209.1 million to €3,586.7 million. The organic growth rate was almost at the same level at 11.7 per cent. The international companies recorded even higher revenue growth of 23.1 per cent<sup>1</sup>. Thus, the revenue generated abroad totalled €703.3 million, after €571.2 million<sup>1</sup> in the prior year. The organic revenue growth, i.e. without the acquisition especially of PQR in the Netherlands, amounted to a very good 11.3 per cent<sup>1</sup>.



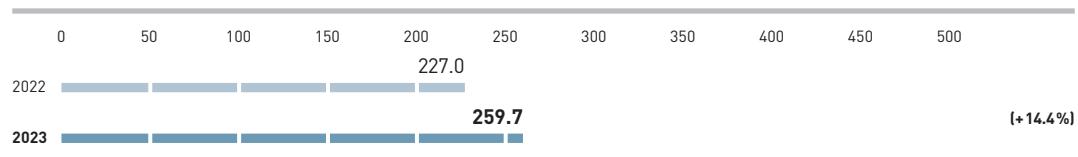
\* Figure adjusted

Based on an average of 10,218 (prior year: 9,401) full-time equivalents (FTE), the revenue per employee (without absentees and trainees) in the reporting period increased to €420 thousand, after €402 thousand in the prior year.

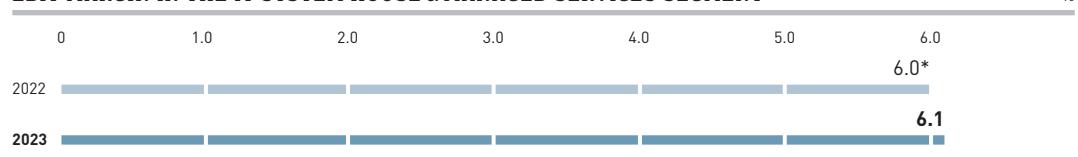
In 2023, EBIT in the IT System House & Managed Services segment climbed by 14.4 per cent to €259.7 million (prior year: €227.0 million). Among other things, the segment benefited from a higher share of complex digitisation projects for the cloud transformation of IT architectures. The EBIT margin thus increased from 6.0 per cent<sup>1</sup> in the prior year to 6.1 per cent in the period under review.

<sup>1</sup> Figure adjusted

## EBIT IN THE IT SYSTEM HOUSE &amp; MANAGED SERVICES SEGMENT



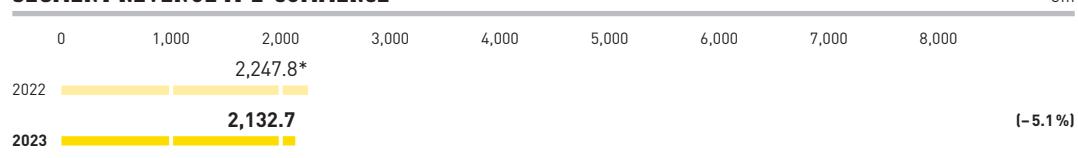
## EBIT MARGIN IN THE IT SYSTEM HOUSE &amp; MANAGED SERVICES SEGMENT



\* Figure adjusted

**IT E-Commerce.** In 2023, the IT E-Commerce segment generated revenue of €2,132.7 million, after €2,247.8 million<sup>1</sup> in the prior year, a decline of 5.1 per cent. Organically, the decline in this segment amounted to 9.7 per cent<sup>1</sup>.

## SEGMENT REVENUE IT E-COMMERCE



\* Figure adjusted

The revenue performance in Germany was the main reason for the decline. Here, revenue totalled €409.5 million, after €522.6 million in the prior year. The revenue generated by the international companies in the reporting period amounted to €1,723.2 million, a figure very close to the prior-year figure of €1,725.2 million<sup>1</sup>. In Germany, our medium-sized customers' reluctance to purchase was especially evident with regard to infrastructure projects. A number of customers decided to postpone major projects in the client field in view of the tense macroeconomic situation and the great uncertainties it causes.

<sup>1</sup> Figure adjusted

## REVENUE DISTRIBUTION IN THE IT E-COMMERCE SEGMENT

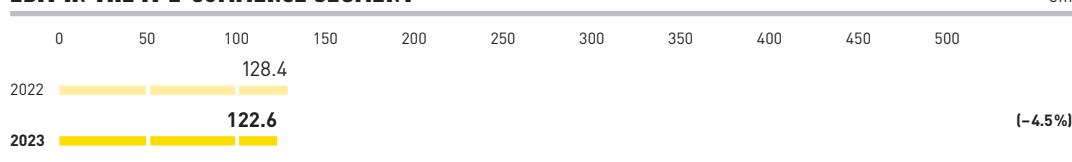


\* Figure adjusted

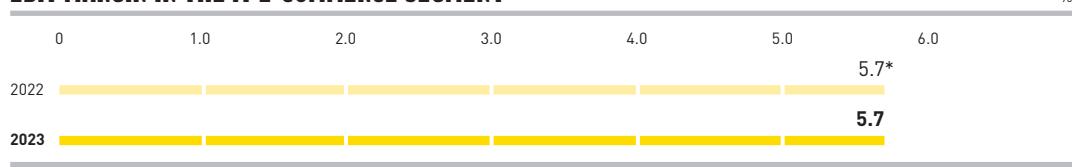
Based on an average of 2,808 (prior year: 2,477) full-time equivalents (FTE), the revenue per employee (without absentees and trainees) in 2023 amounted to €760 thousand, after €908 thousand<sup>1</sup> in the prior year.

In the reporting period, EBIT in the IT E-Commerce segment amounted to €122.6 million, a year-on-year decline of 4.5 per cent (prior year: €128.4 million). Due to the almost proportional development of revenue and EBIT, the EBIT margin remained at 5.7 per cent, as in the prior year.

## EBIT IN THE IT E-COMMERCE SEGMENT



## EBIT MARGIN IN THE IT E-COMMERCE SEGMENT



\* Figure adjusted

<sup>1</sup> Figure adjusted

## ASSETS POSITION

**Bechtle's balance sheet has always been an expression of economic strength and reliability.** In the reporting period, seven acquisitions and the first-time issue of a convertible bond caused some significant shifts in individual positions. Overall, however, the structure of the balance sheet and the key indicators remain largely unchanged. Bechtle shows financial strength and is a rock-solid partner for customers and for the financial market, especially in these times of uncertainty. This is also underlined by our strong equity ratio and our extremely comfortable liquidity situation.

Where we provide structural indicators in connection with the assets position or the working capital, we do so on the basis of the business volume.



For the assets position  
of the segments,  
see Notes,  
page 243 f

**Strong, sound balance sheet.** In the reporting period, the balance sheet total of the Bechtle Group climbed to €3,803.2 million, an increase of 10.3 per cent.

CONDENSED BALANCE SHEET

	2023	2022	2021	2020	2019
<b>Assets</b>					
Non-current assets	1,427.3	1,115.2	984.2	958.9	846.4
Current assets	2,375.9	2,332.7	2,035.6	1,728.2	1,548.3
<b>Equity and liabilities</b>					
Equity	1,742.6	1,538.3	1,353.1	1,162.0	1,014.8
Non-current liabilities	784.9	464.9	499.5	599.9	566.7
Current liabilities	1,275.7	1,444.6	1,167.1	925.2	813.1
<b>Balance sheet total</b>	<b>3,803.2</b>	<b>3,447.9</b>	<b>3,019.8</b>	<b>2,687.1</b>	<b>2,394.7</b>

On the assets side, non-current assets increased by 28.0 per cent to €1,427.3 million as of the reporting date. Goodwill accounted for the bulk of non-current assets. Also due to acquisitions, this item underwent an increase of 32.1 per cent or €178.1 million to €732.3 million in the reporting period. As a result of acquisitions and investments, property, plant and equipment climbed by €76.3 million or 20.9 per cent to €441.8 million. Other intangible assets, too, went up by 17.8 per cent to €117.5 million, largely as a result of acquisitions. The item "investments accounted for using the equity method" in the amount of €32.5 million was newly added as of the investment in PLANET AI.

At €95.2 million, the amount spent on investments was higher than the prior-year figure of €82.0 million. The investment ratio increased from 26.0 per cent to 27.0 per cent. However, conventional investments merely amounted to approximately €75 million, i.e. the bottom end of our forecast (€75 million to €85 million). About €20 million accounted for capitalised leasing items that we had to include in our balance sheet in accordance with IFRS for sales financing.

As of the reporting date of 31 December 2023, the capitalisation ratio increased to 37.5 per cent (prior year: 32.3 per cent). The coverage of the non-current assets by the equity amounted to 122.1 per cent, after 137.9 per cent in the prior year.

**Liquidity for further growth.** Current assets increased slightly by 1.9 per cent to €2,375.9 million. As expected, inventories were reduced considerably, namely 27.6 per cent to €439.8 million (prior year: €607.7 million). Accordingly, the share of the inventories in the balance sheet total went down from 17.6 per cent to 11.6 per cent. Due to the implementation of central receivables management, but also due to the weaker year-end business, trade receivables declined by 4.0 per cent to €1,157.6 million. In the reporting period, receivables (DSO – days sales outstanding) decreased slightly from 41.1 to 40.9 days. Other assets increased by 40.3 per cent or €83.7 million. This development reflects the higher bonus payments from suppliers. Due to, amongst other things, the issue of convertible bonds, cash and cash equivalents surged by €206.2 million.

Bechtle's liquidity including time deposits and securities is at a very comfortable level of €465.8 million. Bechtle thus has sufficient funds to finance both organic growth and growth through acquisitions.

The working capital underwent a significant decline of 18.1 per cent to €800.1 million. In relation to the business volume, the figure went down by 13.4 per cent to 10.3 per cent. This item was affected positively especially by the reduction of inventories as well as the decline in trade receivables.

#### WORKING CAPITAL

	€m	2023	2022	2021	2020	2019
Working capital		800.1	976.6	725.9	652.5	647.7
% of business volume		10.3	13.4	11.6	11.2	12.1

On the liabilities side, non-current liabilities increased from €464.9 million in the prior year to €784.9 million as of the reporting date. This change is attributable especially to the financial liabilities, which underwent a surge from €261.9 million to €524.1 million as a result of the issue of convertible bonds. The share of non-current liabilities in the balance sheet total thus increased from 13.5 per cent to 20.6 per cent.

Current liabilities went down by 11.7 per cent from €1,444.6 million to €1,275.7 million. This development reflects the slump in current financial liabilities from €111.4 million to €16.4 million, due to the repayment of short-term loans as well as the decline in trade payables by €69.8 million to €629.2 million.

**Equity ratio at high level.** In the reporting period, the equity grew by 13.3 per cent to €1,742.6 million. This was due to the increase of €177.6 million in retained earnings. The equity ratio underwent a year-on-year increase from 44.6 per cent to 45.8 per cent. In the reporting period, the equity ratio amounted to 17.2 per cent, after 18.6 per cent in the prior year.

#### RETURN ON EQUITY AND RETURN ON ASSETS

	2023	2022	2021	2020	2019
Return on equity	17.2	18.6	20.4	19.5	19.8
Return on assets	8.4	8.5	9.0	8.3	8.5

As of 31 December 2023, the debt ratio dropped from 124.1 per cent to 118.3 per cent. The net debt also improved to €74.8 million, after €83.7 million in the prior year. Thus, it remained on a very comfortable level.

In the reporting period, the return on assets, which indicates the return on the entire capital employed, decreased slightly from 8.5 per cent to 8.4 per cent.

In the business of Bechtle, which does not involve a great deal of property, plant and equipment, the ROCE (return on capital employed) is affected by the development of current assets and liabilities, on the one hand, and the earnings performance, on the other. In the reporting period, the ROCE thus amounted to 18.9 per cent, after 20.1 per cent in the prior year.

#### ROCE/CAPITAL EMPLOYED

	2023	2022	2021	2020	2019
ROCE	%	18.9	20.1	22.2	19.8
Capital employed	€m	2,017.7	1,767.0	1,469.6	1,395.4

#### VALUE INFORMATION



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page 231 ff

In almost all cases, the fair value of the current assets and liabilities corresponds to the carrying amount. Within the scope of the non-current assets, intangible assets with a limited useful life, property, plant and equipment as well as trade receivables, income tax receivables, other assets as well as time deposits and deferred taxes are measured at amortised cost. The carrying amounts of the goodwill and of the brands presented under other intangible assets (except for Inmac Wstore and ARP, which are subject to scheduled amortisation) are reviewed for impairment by means of annual impairment tests on the basis of the value in use. As the values in use significantly exceeded the carrying amounts, no impairment was applied to these assets. Non-current liabilities are carried at amortised cost.



For value in use of  
the goodwill, see Notes,  
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## EU TAXONOMY DISCLOSURES FOR THE 2023 FISCAL YEAR

In accordance with Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the European Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 and the delegated acts adopted thereunder (below: EU Taxonomy), companies subject to non-financial reporting obligations have been required to make disclosures on environmentally sustainable revenues, capital expenditures (CapEx) and operational expenditures (OpEx) since the 2021 financial year. Business activities are “environmentally sustainable” in the meaning of the Taxonomy Regulation if they meet the following criteria: An activity is only considered to be sustainable if it contributes substantially to at least one of the following six objectives of the EU Taxonomy:

- Climate change mitigation,
- climate change adaptation,
- sustainable use and protection of water resources,
- transition to a circular economy,
- pollution prevention and
- protection of ecosystems and biodiversity.

At the same time, the activity must not harm any of the other environmental objectives (“do no significant harm” – DNSH). Moreover, minimum social safeguards (MSS) must be implemented to comply with basic social, labour and human rights standards.

The regulation distinguishes between “taxonomy-eligible” and “taxonomy-aligned” activities. Activities are considered to be eligible if they can be mapped to the technical assessment criteria. If they actually meet these criteria, they are considered to be aligned.

Bechtle's core activities comprise IT services and the trading business with IT products, which account for the lion's share of our business volume. However, as the regulations do not consider the trading-only business, the business activities relevant in the context of the EU taxonomy only concern secondary activities, not Bechtle's core business. For 2023, we therefore do not report any business volume, but only capital expenditure (CapEx), as we do not have any EU taxonomy-relevant activities.

Moreover, we do not present the operating expenditure (OpEx), as only operating expenses for maintenance and short-term leases would be relevant, but are insignificant and, according to the FAQ on Art. 8 of the Taxonomy Regulation, do not need to be reported. We consider all six environmental objectives, especially climate protection and climate change adaptation. For the full application of the taxonomy, the technical audit and DNSH criteria were taken into consideration.

**Description of the activities.** The first step was the identification of the business activities relevant for Bechtle. In an initial phase, this meant identifying those that fulfil the preconditions for taxonomy eligibility and alignment. In a second phase, the figures for the CapEx were determined. At Bechtle, taxonomy-related activities can be found in the areas of mobility and property.

In the second step, we conducted a qualitative climate risk analysis of the activities and our business activity by assessing the probability of occurrence and the damage impact of previously identified climate risks and classifying them in a three-stage scale. In the 2024 fiscal year, we are going to conduct a comprehensive climate risk analysis in line with the requirements of the ESRS standards and under consideration of the requirements of the EU Taxonomy Regulation.

**Process description of the data collection.** The data collection for the report according to the EU taxonomy was performed in the system on the basis of the financial reporting. The plausibility check then took place with a bottom-up approach in which we listed all CapEx on the basis of the relevant company codes. We will automate the internal systems in the medium run in order to reduce the workload for collecting the needed data.

Unlike in the report for 2021 financial year, we have reported CapEx since the 2022 fiscal year without construction in progress (CIP), as CIP and down payments made are only taken into consideration once a building is completed. This is vital in order to be able to duly assess the alignment. Rent increases and contract extensions were not checked for alignment. For the 2024 reporting period, we also plan to check rent increases and contract extensions for alignment. Originally, we had set this goal for 2023.

#### TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ACTIVITIES

in €k

Activity <sup>4</sup>	2023 <sup>1</sup>		2022 <sup>1</sup>		2021 <sup>2,3</sup>
	Taxonomy-eligible CapEx	thereof aligned	Taxonomy-eligible CapEx	thereof aligned	
6.5 Automobiles and lorries	37,477	14,619	26,455	10,517	20,900
7.2 Renovation of existing buildings	-	-	-	-	-
7.3 Energy-efficient equipment	476	476	280	280	250
7.4 Charging stations	1,923	1,923	590	590	606
7.5 Total energy efficiency of buildings	-	-	-	-	-
7.6 Renewable energies	-	-	86	86	-
7.7 Buildings	80,572	35,390	36,853	8,929	35,120
Taxonomy CapEx	120,448	52,408	64,264	20,402	56,876
Total CapEx <sup>5</sup>	250,400	250,400	147,700	147,700	104,400
Taxonomy share	48.1%	20.9%	43.5%	13.8%	54.5%

<sup>1</sup> In 2022 and 2023, rent increases and contract extensions were not checked for alignment.

<sup>2</sup> Prior-year figures adjusted, as construction in progress and down payments made are not included.

<sup>3</sup> Taxonomy alignment was not checked in 2021, as this was not required.

<sup>4</sup> We do not report OpEx of the activities 5.1, 7.2, to 7.7, and 8.1, as they are below the threshold of 1 per cent.

<sup>5</sup> Without construction in progress and planned down payments

As a result of different methods of calculating RoU assets, there is a deviation in the total capital expenditure disclosed in this chapter. The capital expenditure presented elsewhere in the Annual Report 2023 excludes capitalised rights of use pursuant to IFRS. As Bechtle does not obtain property or comparable rights here, rights of use are not – in the strictest sense of the term – considered capital expenditure. In the calculation of the EU taxonomy, we include capitalised rights of use pursuant to IFRS in the total capital expenditure, as activities pertaining to property and the vehicle fleet greatly influence our sustainability efforts and impact. This explains the deviation in total capital expenditure.



The attachment among the employees is of great value to Bechtle. This quality is characteristic not only of the individual companies, but also of the interaction of the entire decentralised group organisation. Working together makes us fit for the future.

**Fabienne Zuddas**, Account Manager – Public Sector clients,  
System House Stuttgart

**Andreas Müller**, Team Leader – Project and Service Management,  
System House Stuttgart

**Carsten Kunze**, Controlling,  
System House Stuttgart

from left to right

## FINANCIAL POSITION

The cash flow performed very well in the 2023 fiscal year, a development attributable to the relaxation of the situation in the supply chains and, in connection with this, the ongoing reduction of stock levels. Additionally, numerous measures to optimise the working capital and cash flow quickly yielded noticeable effects. Alongside this operational development, the first-time issue of a convertible bond has also meant that the liquidity situation in the group is very comfortable. All of this represents the basis for the further profitable growth of the Bechtle Group.

### CASH FLOW STATEMENT



See Assets position,  
page 108 ff

**Operating cash flow reaches new record.** In 2023, the cash flow from operating activities amounted to €459.0 million. This was not only significantly above the prior-year figure of €116.7 million, it also represented a new record. This development is attributable mainly to the changes in net assets. In the reporting period, Bechtle recorded positive changes in trade receivables, in particular. The reduction of trade receivables in the reporting period amounted to €102.7 million. In the prior year, this figure had amounted to –€248.5 million. This clearly shows the positive effect of our measures to optimise receivables management. The stock levels that had gone up due to the problems in the supply chains in 2021 and 2022 were gradually reduced in the reporting period. The change in inventories amounted to €175.7 million in the reporting period, resulting in a positive effect on the cash flow from operating activities (prior year: –€93.7 million). The item of trade payables amounted to –€97.6 million, after €56.7 million in the prior year.



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The cash flow from investing activities amounted to –€282.6 million, after –€224.3 million in the prior year. One of the main reasons for this was the much higher outflow for acquisitions, which climbed by €131.3 million to €223.4 million. On the other hand, we recorded an inflow of €60 million for the purchase of time deposits and securities (prior year: €0).

The cash flow from financing activities as well was positive and amounted to €28.2 million, after –€100.2 million in the prior year. This was due especially to the issue of convertible bonds, which impacted the cash received from the assumption of financial liabilities in the amount of €298.0 million. The cash paid for the repayment of financial liabilities amounted to –€108.1 million. Furthermore, the dividend payment resulted in a change of –€81.9 million.

The development of the free cash flow in the reporting period was very positive resulting in €151.2 million after –€29.8 million in the prior year. Although the payments for acquisitions as well as for investments in intangible assets and property, plant and equipment increased, this development was more than offset by the impressive progress of the operating cash flow.

**CASH FLOW**

	€m				
	2023	2022	2021	2020	2019
Cash flow from					
operating activities	459.0	116.7	284.5	317.5	186.0
investing activities	-282.6	-224.3	-42.9	-146.5	-72.1
financing activities	28.2	-100.2	-179.4	-78.7	-89.7
Cash and cash equivalents	435.8	229.6	431.8	363.2	272.2
Free cash flow	151.2	-29.8	218.6	204.1	109.5

The main conditions of the financial liabilities are explained in the Notes to the Consolidated Financial Statements. Due to the secondary importance of financial earnings to the Bechtle Group, a change in interest rates would not have any major impact on the financial position.



See Notes,  
page 226

At Bechtle group, off-balance-sheet financing instruments primarily concern operating leases. Details are presented in the Notes to the Consolidated Financial Statements.



See Notes,  
Operating leases,  
page 254

Currently, the Executive Board of Bechtle AG does not see any signs of liquidity bottlenecks for the group. There are sufficient financial resources for further organic growth and growth through acquisitions.

**FINANCIAL MANAGEMENT PRINCIPLES AND OBJECTIVES**

**Financial independence.** The objective of Bechtle's financial policy is to keep the group's financial power at a high level, thereby retaining the company's financial independence by ensuring adequate liquidity. At the same time, risks are to be avoided as far as possible or hedged effectively. For example, the Rules of Procedure of the Executive Board prohibit any kind of speculative forward transactions. This applies especially to currencies, goods and securities as well as forward transactions associated with these, unless they serve the hedging of ongoing business operations.



See Notes,  
page 193 ff and  
page 231 ff

As a matter of principle, Bechtle uses derivative financial instruments exclusively for hedging its operating activities. In the reporting period, the company mainly made use of currency futures. Through the hedging of purchase and sale transactions in non-group currencies, the exchange rate risk from the cash flows is minimised in the income statement. One of the main areas the finance management concentrates on is the hedging of net investments in foreign operations. The hedging compensates for exchange rate fluctuations against the Swiss franc, the British pound, the Polish złoty, the Czech koruna and the Hungarian forint from the translation of the equity of the foreign subsidiaries in the group equity.

In the investment of excess liquidity, quick availability is more important than maximum yield, e.g. in order to be able to access available cash and cash equivalents in the event of acquisitions or major project pre-financing measures. Thus, purely financial goals – such as the optimisation of the financial income – are subordinate to the acquisition strategy and the company growth. This financial flexibility forms the basis for Bechtle's success in a highly consolidating market. The liquidity situation is centrally managed and monitored by the treasury.

Investment business is only conducted with investment-grade debtors. For time deposits within the European Union, investments with a deposit guarantee are preferred. As such a guarantee only exists to a limited extent in Switzerland, we only make investments in this country with banks with an excellent credit rating.

## STRATEGIC FINANCING MEASURES

**High equity ratio.** In 2023, the current business and necessary replacement investments were financed with cash and cash equivalents and the operating cash flow. The funds required for the acquisitions in the fiscal year ended were covered partly by cash and cash equivalents and partly debt-financed. The acquisitions made as well as future acquisitions were financed successfully by means of the issue of a convertible bond in the amount of €300 million.

At 45.8 per cent, the equity ratio remained at a very high level (prior year: 44.6 per cent). It forms the basis for our financial flexibility and independence. For instance, it enables us to make use of any acquisition opportunities that arise at short notice. Moreover, it enables us to respond to current circumstances in a timely and flexible manner. Apart from time deposits and securities worth €30.0 million, Bechtle therefore holds funds in the amount of €435.8 million in cash and cash equivalents.

Moreover, there are confirmed bilateral credit lines with eight banks totalling about €400 million. Thus, Bechtle has secured adequate liquidity by means of various financing sources.

## OVERALL ASSESSMENT

**Forecast fulfilled.** As previously, the Executive Board of Bechtle AG considers the company's economic position as of the reporting date to be good. Despite the known challenging framework conditions and the difficult mood especially in Germany, the figures of the 2023 reporting period underline the vigour and crisis resilience of Bechtle's business model. Once again, this proves the company's economic strength and reliability. In 2023, Bechtle fulfilled all forecasts made on the basis of the 2022 fiscal year, although macroeconomic development was deteriorating in the course of the year.

### COMPARISON OF THE ACTUAL AND PROJECTED BUSINESS PERFORMANCE

	Forecast AR 2022	Actual 2023	Comparison
Business volume	Significant increase over 2022	Growth: 7.0%	Fulfilled
Revenue	Significant increase over 2022	Growth: 6.5%	Fulfilled
Cost of sales	Increase more or less in line with revenue increase	Growth: 6.6%	Fulfilled
Gross margin	> 17%	17.5%	Fulfilled
Distribution cost ratio	< 7%	6.8%	Fulfilled
Administrative expense ratio	< 6%	5.6%	Fulfilled
EBT	Increase more or less in line with revenue increase	Growth: 6.8%	Fulfilled
EBT margin	More or less at prior-year level	5.8%	Fulfilled
Dividend	Dividend payout ratio of about one third of the earnings after taxes	Dividend payout ratio: 33.2%*	Fulfilled

\* Subject to the approval of the Annual General Meeting

## OPPORTUNITY AND RISK REPORT

Opportunities and risks are inextricably linked in entrepreneurial activity. The courageous seizing of opportunities is inevitably accompanied by risks, while missing or overlooking opportunities also represents a risk. Opportunity and risk management at Bechtle forms the basis for identifying and utilising the opportunities for profitable growth that present themselves to us, while at the same time, recognising and appropriately assessing the associated risks at an early stage. We are not currently aware of any risks that could jeopardise the continued existence of the company, either alone or in combination.

## OPPORTUNITY AND RISK MANAGEMENT

More than ever, our industry is in a phase of drastic change. Accordingly, to engage in business operations and make use of opportunities, it is necessary to take risks. To ensure Bechtle's success, we have taken the needed precautions by establishing efficient opportunity and risk management. We already record and assess many opportunities in the context of the risk management system. Thus, all statements made below concerning risk management largely apply to opportunity management as well. However, opportunities that are not linked to any risk are also identified. The leaner opportunity management of Bechtle that has been established for this purpose is derived mainly from the strategy of the business segments, from their goals and from the Vision 2030. Direct responsibility for the early and continuous identification, measurement and management of opportunities lies primarily with the Group Executive Board and the operational management level in the respective business segments and holding companies with the Executive Vice Presidents, Vice Presidents and Managing Directors. Like the risk management, these tasks are an integral part of the corporate planning and control system. The management of the Bechtle Group puts a lot of emphasis on detailed evaluations and comprehensive scenarios concerning the market and competitive position as well as critical success factors for the company's performance. From this information, it derives the potential for specific opportunities for the individual business segments. These are discussed in planning meetings between the Executive Board and the executives with operating responsibility, and suitable measures and targets are agreed in order to make use of this potential.



See Vision, strategy  
and governance,  
page 47 ff

Bechtle defines risk management as the entirety of all organisational arrangements and measures to identify risks and manage them. The main objective of risk management is to effectively and proactively ensure the company's going concern on a long-term basis. This is achieved by means of the timely identification of risks, their measurement and the initiation of suitable risk control measures. In this way, the company endeavours to avoid risks or to avert or minimise harmful consequences of the occurrence of a particular risk for the company. The measurements range from minor risks to material and existential risks.

## ORGANISATION

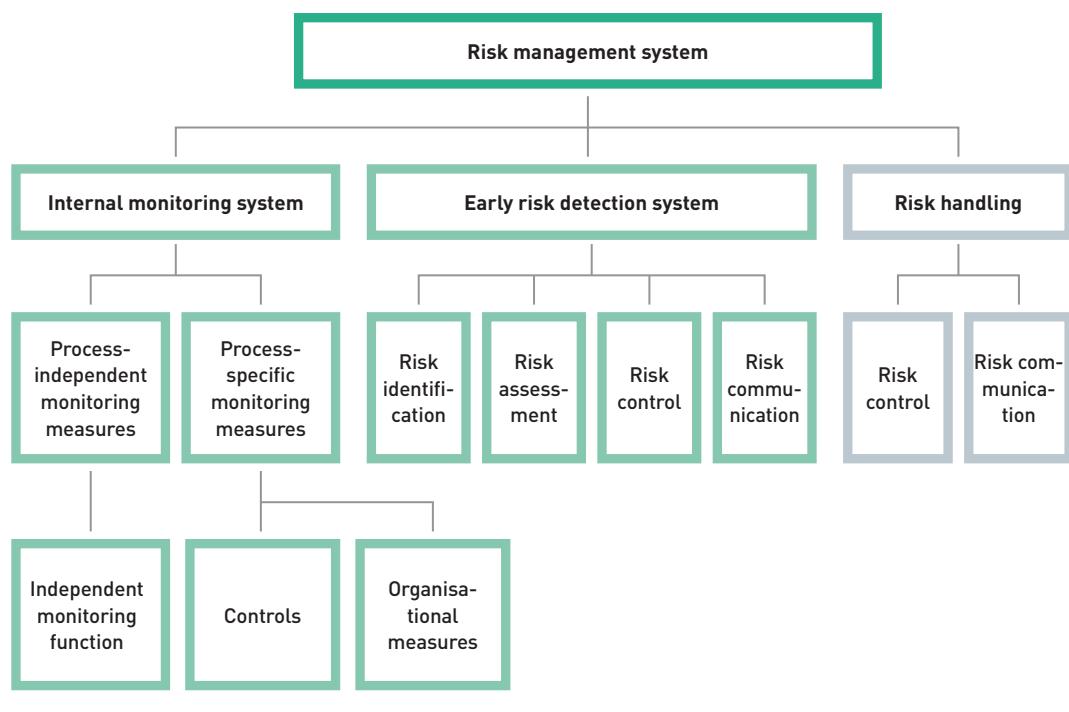
In line with the organisational structure of the Bechtle Group, risk management clearly distinguishes between duties and responsibilities of the group holding/intermediate holdings and of the operational subsidiaries and individual management areas. Group controlling has established a reporting system that enables early identification of developments that threaten the company's success. Apart from the provision of various analysis tools for the operational units, the insights gained from periodic analyses and statistics support effective risk management in the individual areas. The Managing Directors and Business Unit Leaders thus bear a substantial part of the responsibility for the active risk management. This basic principle also corresponds with the decentralised business model and the management philosophy of Bechtle. Compared to the prior year, the risk management organisation did not undergo any material changes.

The risk management organisation of the Bechtle Group primarily performs two functions:

**I The early detection system:** Early detection systems are instruments that identify risks and opportunities of an enterprise early enough to enable reactions to ward off the risks and make use of opportunities. Early detection indicators enable the detection and analysis of latent risks over time. This requires systematic risk identification, risk measurement and risk communication. In this area, Bechtle benefits from the robust interaction of various supporting systems and instruments. The auditor within the context of the annual financial statements also assesses whether the Executive Board has, in a suitable manner, taken the steps required in accordance with Section 91 (2) AktG and whether the monitoring system to be established thereunder can fulfil the tasks for which it was created.

**The monitoring system:** At Bechtle, the internal monitoring system is responsible for monitoring the risk management system. It consists of process-independent and process-specific monitoring measures. Process-independent means that the respective monitoring entity is not integrated in the risk management process and is not responsible for its outcome. On the other hand, there are process-specific monitoring entities that are integrated in the risk management process. The process-independent monitoring entity audits the risk management system, is informed about significant changes, plans and regulations and may, if necessary, request additional information. The system audit takes place once a year. The risk management system is audited for correctness, appropriateness and efficiency on the basis of samples. At Bechtle, the process-dependent monitoring measures are subdivided into organisational security measures, such as the separation of functions and access restrictions as well as controls. The latter are taken care of by the individual operational areas and the person responsible for risk management.

#### RISK MANAGEMENT SYSTEM OF THE BECHTLE GROUP



Within the context of risk management, effective continuous communication across all hierarchical levels is crucial for the systemic connection with the operating business. Important instruments for organising and controlling the necessary flow of information are therefore the committees and the various teamwork formats at different management levels. At the top level of the Bechtle Group, this comprises the Supervisory Board, Executive Board and risk management meetings. At management level, these are primarily the meetings of the Executive Vice Presidents, Vice Presidents and management and strategy meetings, planning and individual discussions as well as more informal management meetings with the Executive Board.

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In accordance with Section 315 (4) of the German Commercial Code (HGB), capital market-oriented companies must address the key features of the internal control and risk management system (ICS) with regard to the Group accounting process in the Group management report. In this regard, Bechtle uses the definition of the Institute of Public Auditors in Germany (IDW). According to this definition, an ICS consists of the principles, procedures and measures that management introduces in the company for the organisational implementation of the decisions of the management. The tasks and goals of the ICS are as follows:

- To ensure the effectiveness and efficiency of the business activity. This also includes the protection of tangible and intangible assets as well as the prevention and/or detection of financial losses that may be caused by own employees or third parties;
- To ensure the correctness and reliability of the internal and external accounting;
- To comply with the legal regulations applicable to the company.



[idw.de/the-idw/](http://idw.de/the-idw/)

The principles, the structural and process organisation and the processes of the accounting-related ICS are outlined in policies and organisational instructions that are continually adjusted in line with the latest external and internal developments. The controls defined throughout the group are outlined in a group accounting manual. The requirements in the guidelines and organisational instructions are based on statutory standards as well as on voluntarily defined corporate standards.

With respect to the financial accounting, this ensures that business transactions and facts are fully and duly identified, processed and reflected in the accounts, thereby ensuring correct accounting.

## EFFECTIVENESS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM\*

The internal control system and the risk management system are dynamic systems that are continuously adapted to changes in the business model, the type and scope of business transactions or responsibilities. As a result, internal and external audits can reveal potential for improvement in individual cases with regard to the appropriateness and effectiveness of controls, e.g. in the reporting year in the field of general IT controls. With regard to the measurement of these management systems, the Executive Board has no evidence that they are inadequate or ineffective in their entirety.

## RISK IDENTIFICATION AND MEASUREMENT

To pinpoint all risks relevant to Bechtle as comprehensively as possible, the company uses a risk pool. The risk pool describes all potential risks that the Bechtle Group is able to identify. Within the scope of a CSR risk assessment, this also includes any non-financial risks identified. To identify risks correctly, Bechtle makes use of risk measurement forms. These are used to structure various risk types in the form of a checklist. The content of this list can be adapted and supplemented by the stakeholders involved in risk identification and measurement, in order to take any peculiarities of individual business areas into consideration.

The risk measurement form, which contains risks from the risk pool and whose purpose is to map possible risks as comprehensively as possible, serves as the basis for the risk assessment: each risk is assessed for probability of occurrence and expected damage amount (risk potential) and, within the risk analysis, is positioned in a risk matrix indicating the significance (A, B and C risks). The result is an additive presentation of all identified risks in the form of qualified overviews, both for Bechtle as a group and for each of its business segments. Within the context of the risk assessment, the Bechtle Group performs a net measurement of certain risks (risk measurement after initiation of specific measures). For this process, lump-sum figures are used for main and individual risks. The gross measurement serves as the basis for calculating the risk-bearing capacity. The risk capacity describes the financial potential of the Bechtle Group to absorb any losses that may result from the occurrence of the identified business risks. The result of this calculation for the query from the fourth quarter of 2023 was that the share of the total risk position in the risk-bearing capacity is a comfortable 43.3 per cent.

\* Section not audited, as the disclosure does not belong to the Management Report.

## RISK CONTROL

As a matter of principle, the individual operational units are responsible for the risk control. The company responds to identified risks on a case-by-case basis and with different strategies.

- **Risk avoidance:** refraining from activities involving risks may mean that opportunities cannot be used either
- **Risk reduction:** reduction of the average probability of occurrence and/or of the amount of the loss
- **Risk transfer:** transfer of the risk to another (insurance) company
- **Risk acceptance:** acceptance of the risk without taking countermeasures

## RISK REPORTING AND DOCUMENTATION

The management of the Bechtle Group holds risk management meetings at least once a year, the formal requirements of which are constantly reviewed and supplemented by the risk situation of new subject areas. In addition to the risk management meetings of the Bechtle Group, separate meetings at which the risks are explicitly discussed and continuously reassessed with the responsible individuals are held for each segment and executive division. The members of the Executive Board attend the meetings of the essential operative units as well as the group's meeting completely. The Executive Vice Presidents, Vice Presidents and individual employees entrusted with controlling and risk management tasks also take part in the meetings. Thus, all areas and responsibilities that are important for the company's success are involved in the risk management process. At quarterly intervals, this group receives a status query in which the previous measurement of risks is reviewed and any new risks are queried. In addition to the standard reporting and measurement of risks at these meetings, there is an arrangement for ad hoc reporting. This ensures that critical issues are communicated immediately to the Executive Board and subsequently to the responsible committees (Audit Committee, Supervisory Board) and the other persons involved in the risk management process.

## SUSTAINABILITY RISK MANAGEMENT

In the 2022 fiscal year, Bechtle expanded the processes for identifying and measuring sustainability risks. Compliance with new legal obligations and other requirements, such as the German Corporate Governance Code (GCGC), played a central role here.

Bechtle defines sustainability risks as risks for the company associated with social and environmental factors (outside-in perspective) as well as possible ecological and social effects of the company's own business activities that have a negative impact on the environment (inside-out perspective). The company defines sustainability opportunities as the potentially positive ecological and social effects of its own business activities on the outside.

The survey for sustainability risk management is carried out in a separate questionnaire, but on a quarterly basis, analogous to the classic risk surveys. For the identification of sustainability risks, Bechtle makes use of a separate sustainability risk pool that consists of two parts:

- Outside-in perspective of sustainability risks;
- Inside-out perspective of sustainability risks – these result from the four thematic areas of our Sustainability Strategy 2030: ethical business, environment, people and digital future.

For the two perspectives shown, the sustainability risks are measured differently. While the measurement of sustainability risks from the outside-in perspective is based on the measurement of traditional risk management, the measurement of sustainability risks from the inside-out perspective only follows this in part. From an inside-out perspective, sustainability risks are generally assessed according to the two known dimensions: the probability of occurrence and the risk impact ("loss amount"). The definition of the classes of probability of occurrence takes place in the same way as in the conventional risk management system. However, a separate measurement logic referred to as the "severity" of the risk is employed for assessing the risk impact ("loss amount"). This severity is made up of measurements of the extent, scope and irreversibility of a potential risk materialising. All identified sustainability risks are summarised in a risk matrix.

The individual units are responsible for monitoring the sustainability risks and controlling any actions to address these risks. The sustainability risk reporting is presented in a separate section under "Risks".

# OPPORTUNITIES

## MARKET AND COMPETITION

Like every company, Bechtle is subject to developments in the industry and the economy as a whole. Obviously, a positive economic development presents opportunities for further successful company growth. But even if the overall economy or the industry stagnates or declines, Bechtle has the opportunity to grow faster than the market and thus expand its relative market share. Bechtle once again proved to be very resilient in the reporting period, particularly in view of the weak macroeconomic development. Although the reluctance of medium-sized customers, in particular, also had an impact on us, Bechtle was able to develop positively overall in an extremely difficult environment. The general demand for IT driven by the digital transformation, our international presence in 14 European country markets, our broad solution expertise and the diversity of customer groups and sizes were the basis for this. Demand for IT solutions was high across Europe, driven in particular by the Public Sector division in the reporting period and, in terms of technology, by strong demand for network solutions.



See  
Competitive position,  
page 44 f

The IT market is characterised by rapid technological innovation and relatively short product cycles. Due to the digitisation, information technology is becoming increasingly important. IT is therefore an integral part of operational value creation and a decisive success factor for all companies and public institutions. This has been shown, in particular, by the experiences of the COVID-19 pandemic. At the same time, due to the complexity of IT, many enterprises need competent partners for the successful and secure operation of their IT infrastructures, increasingly also in the field of high-quality services such as managed or cloud services. Most customers also rely on the expertise of an experienced partner for questions relating to the use of artificial intelligence (AI), the implications of which are not yet fully foreseeable. Therefore, the markets addressed by Bechtle in Western and Central Europe still offer significant, increasing growth potential. Our product and service portfolio covers almost all major current and foreseeable needs of industrial customers and Public Sector clients. With this comprehensive offer, Bechtle distinguishes itself from most direct competitors. In terms of strategic and structural positioning, our company is well prepared to make use of any newly emerging growth potential.

IT markets in the individual European countries – especially in German-speaking regions – have been in a phase of intensive consolidation for several years, which Bechtle is making good use of. Thanks to our robust financial resources and good reputation, we have been able to complete 113 acquisitions since our company was founded, continuously strengthening our market position. In view of the progressive consolidation of the industry and the Bechtle Group's persistently excellent financial situation and funding, the company will have further opportunities to fortify its competitive position, e.g. by



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and management,  
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means of acquisitions or by expanding the product and service spectrum. Against this background, Bechtle made seven acquisitions in six countries in the reporting period. We have further improved our funding by means of the successful issue of a convertible bond, opening the way for further growth through acquisitions throughout Europe. By linking the existing trading business in the respective countries with system-integration services, we are improving our market position and increasing our growth potential.

The Bechtle Group occupies a leading competitive position in Germany and Europe. This size creates opportunities on the customer side, as Bechtle can set itself apart from many of its competitors with a comprehensive portfolio of solutions and a holistic view of the customer's IT. High availabilities and therefore fast delivery times are also of great importance when selecting an IT partner. The very good and intensive relationships with our suppliers are of paramount importance here. Bechtle is one of the preferred partners of all well-known IT manufacturers and distributors in Europe. Despite its size, Bechtle's decentralised structure enables it to quickly and flexibly leverage any weaknesses of its competitors for the purpose of increasing the regional market penetration. The group has the size and financial strength of an international business combined with the agility and customer proximity of a local mid-sized enterprise.

## CUSTOMERS



See chart  
Industry segmentation,  
page 44

Bechtle has a broadly diversified customer structure – from smaller customers to large corporations – which we serve via various channels. We have historically developed a particularly high level of expertise in business with SME customers. Due to this broad diversification, industry-specific economic trends and special investment-related framework conditions are only of a high relevance for the company from a location perspective. The success of the Bechtle Group as a whole is not endangered, as Bechtle has the opportunity to balance and compensate for the weaknesses of individual sectors or regions. This is another reason why Bechtle plans to offer the entire portfolio, including services, in all 14 European countries where Bechtle has a presence in the medium term. Apart from the unique aspect of regional customer proximity, the ability to serve customers on an international scale is thus growing in importance. As Bechtle is the only system house in Europe with a presence throughout Western and Central Europe, this unique selling point in turn creates opportunities for us.



See Business Activity,  
Public sector clients,  
page 39

Public Sector clients are an important customer segment for Bechtle. In the past, we used to generate about a third of the business volume with these customers, and the share has become even higher over the last four years. Bechtle has always considered the specialisation with regard to the requirements of Public Sector clients and the focus on special aspects of the contract-awarding practice in this customer segment to be a great opportunity. The developments in recent years have confirmed the notion that the investment behaviour of this customer group is less susceptible to the influence of economic trends and is often even anti-cyclical.

It is therefore conceivable that clients from the Public Sector may even increase their demand in times of crisis. The digitisation trend – which was only triggered or which was heightened by the pandemic in many areas – is associated with further opportunities for further successful business in this customer segment. Moreover, the need for digitisation is also driven by the corresponding legal requirements, which could trigger further demand on the part of these customers.

Bechtle's long-standing presence in the IT market, and in particular in the customer group of small to medium-sized companies, represents a high barrier to market entry for potential competitors. A strong competitive position in the SME segment thus enables our company to expand its market leadership in this area. At the same time, we also want to further intensify our business with large customers.

In the trading business, we are active in 14 European countries. We want to further expand our market share in all 14 countries, irrespective of acquisitions. This is to be promoted by means of marketing measures that address a wider spectrum of customers and by further internationalising the business. For cross-border transactions in particular, Bechtle offers a comprehensive range of services with its own group units, which is supported by global delivery capability via the Global IT Alliance (GITA) established in 2014.



See Business activity,  
IT E-Commerce,  
page 38

At [bechtle.com](http://bechtle.com), Bechtle merges the trading business of its online shops with the service offering of the system houses on a single digital platform. Driven by our Digital Business Services, this holistic online platform is to be further expanded in the coming years. This provides the opportunity to offer customers Bechtle's entire portfolio, to better utilise existing potential and to exploit synergies. Additionally, [bechtle.com](http://bechtle.com) will be further expanded in order to increasingly advance digitisation in customer contact and order behaviour. This will also help us to increase our productivity and improve our efficiency.



See Business activity,  
page 40



[bechtle.com](http://bechtle.com)

## MANUFACTURERS AND DISTRIBUTORS

The Bechtle Group maintains close partnerships with all major vendors and distributors in the IT industry, and the majority of the certifications have the highest partner status. In line with our sustainability strategy and the Bechtle Code of Conduct, we treat our suppliers and vendors in a respectful and cooperative manner. We maintain close contact with our strategic partners, coordinate our alignment with them on a regular basis and continue to develop our business model. Intensive co-operation with partner companies enables us to offer technology solutions that meet our customers' growing demands at all times. Thus, we are expanding our growth opportunities especially by means of an extensive range of individual service solutions for corporate customers and Public Sector clients.

Bechtle has very close and trusting relationships with its suppliers. Cooperation with Bechtle is extremely important for suppliers, as we are one of the largest providers in the European IT market and can therefore reach many potential customers. Due to the close integration and the high relevance of Bechtle for its partners, we have the opportunity to benefit more than many competitors from the bonus programmes of vendors and distributors.

To promote the strategic collaboration with key vendors, Bechtle employs Vendor Integrated Product Managers (VIPM), who know and promote the interests of the vendors as well as those of Bechtle. The advantage of VIPMs is that vendor information is forwarded to procurement, sales and service staff without delay in a centralised and target-oriented manner. This enables Bechtle to offer its customers a portfolio of services that always reflects the state of the art. At the same time, this increases the quality of sales activities, and customers benefit immediately from innovative products from the respective vendors. In return, the vendors promptly receive largely unfiltered user feedbacks about existing products and requirements for future products.

Additional synergies are achieved through the standardisation of logistics processes and synchronisation of the ERP systems between Bechtle and its partners. This expands the product offer, increases the availability of the goods and enhances the attractiveness of Bechtle among other distributors and vendors. In addition, it gives our company the opportunity to further increase its efficiency and optimise its costs. Furthermore, improvements in logistical processes, and thus the avoidance of unnecessary transport, also offer opportunities to reduce CO<sub>2</sub> emissions.

**Events establish strong bridges between the employees and to customers. Bechtle has numerous events on its calendar. The events are held online, in person or hybrid, and are highly specialised or of general interest. All events attract a broad audience.**

**Melanie Dollmann,**  
Event Management,  
Bechtle AG

**Fabian Grau,**  
Event Management,  
Bechtle AG

**Marie Durst,**  
Event Management,  
Bechtle AG

from left to right



## SERVICE SPECTRUM

IT is becoming increasingly complex. Enterprise customers are therefore dependent on IT consulting and often expect their service provider to provide holistic solutions for their IT requirements from a single source. Bechtle offers its customers an extremely broad portfolio that covers all IT-related requirements. We are therefore ideally placed to benefit from this trend. Moreover, Bechtle has duly positioned itself through acquisitions, strategic alliances and competence centres especially tuned to market demand and trends, and by hiring and retaining qualified staff. We intend to continue to develop along these lines in future.



See Business segments,  
page 35 ff

In connection with the procurement and operation of IT, many companies usually focus on several features, such as competitiveness, efficiency gain and modernisation. To meet these diverse demands, Bechtle analyses the customer's existing corporate processes in order to systematically offer solutions and IT management models, such as outsourcing or cloud computing. Our broad portfolio enables us to devise optimal solutions that are tailored to each customer's specific needs. As a one-stop provider, we have great advantages over smaller and niche providers. Furthermore, due to the high and increasing relevance of IT to all business processes and increased security concerns, customers attach great importance to the reliability of their service provider when selecting their IT partner. In addition to its 40 years of experience and advanced solution expertise, Bechtle also enjoys a strong, solid financial position. These factors directly influence the choice of service provider, prices, and how and from whom external services are procured. As a financially robust and reliable partner with an excellent reputation, Bechtle will continue to enjoy attractive growth opportunities. Especially customer relationships in the so-called "as-a-service" business can benefit from this. These relationships are usually of a long-term nature, which facilitates business development planning. Also, this area generally enables higher margins than the conventional trading or project business. While, during the pandemic, our customers ordered mainly conventional hardware, especially home office equipment, they are now investing more heavily in comprehensive infrastructures once again. At this point, Bechtle has the opportunity to provide customers with suitable as-a-service models, thereby benefiting from this longer-term, projectable higher-margin business.

For many years, we have been selling own-brand peripheral products under the name ARTICONA. For this purpose, the Bechtle Group has its own purchasing company in Taiwan. The portfolio comprises IT accessories and connectivity products. ARTICONA is available to all companies of the Bechtle Group. In this way, all our customers benefit from the excellent value for money of the ARTICONA products, which also results in higher profitability.

Cloud computing is still an area with great growth potential. Cloud computing is widely used in large corporations, and the demand for cloud solutions is on the rise among small and medium-sized customers as well. In cloud computing, processing performance, storage, applications and IT services are obtained in real time via data networks. The fees for the individual services are based on actual usage. Bechtle is active in the cloud computing market, both in cooperation with renowned partners and with a proprietary solution portfolio. Bechtle has a broad portfolio of virtualisation and server technologies, infrastructure solutions and security-relevant applications. Accordingly, we are able to

meet specific customer needs relating to the provision and operation of cloud IT services. The offer is supplemented with consulting and integration services for cloud computing, as the specific services often need to be integrated and networked with existing systems.

Bechtle Clouds represents another key aspect of our cloud offering. Under this name, Bechtle bundles public and business cloud services. As a multi-cloud service provider, Bechtle Clouds offers custom-produced cloud services as well as numerous public cloud solutions. This allows us to benefit from the growing demand for cloud services. Overall, Bechtle wants to strengthen the platform business. Our CTO, who holds the position of Executive Vice President, is responsible for all platform activities at Bechtle: the Bechtle Service Factory with its managed service offerings, the further development of the central web platform [bechtle.com](http://bechtle.com), the Bechtle Clouds platform and the operation of the Bechtle data centres in Frankfurt am Main, Rüsselsheim and Mutterstadt.

Digitalisation and the trending topic of artificial intelligence (AI) also offer opportunities for the Bechtle Group. The complexity of the industrial IT landscape as well as the relevance of IT to corporate workflows and production processes will continue to grow. The integration of IT in production processes and the incorporation of AI, in particular, requires holistic thinking and competencies, both in the field of IT and in the field of engineering. In recent years, Bechtle has prepared for these challenges through systematic training measures as well as acquisitions and is thus able to address the demand in this area.

## COMPANY ORGANISATION



See Management structure, page 58

With more than 100 system houses, Bechtle has a strong presence in Germany, Austria and Switzerland, as well as in France, the Netherlands, Spain and the United Kingdom. The decentralised structure of the Bechtle Group is of great significance, as every location is a separate legal entity with a Managing Director responsible for the business performance in their respective territory. The decentralisation principle creates opportunities by promoting a sense of responsibility and entrepreneurial drive at the individual locations. Moreover, locally and regionally positioned system houses enable Bechtle to address the often small and medium-sized customers at eye level and at the same time – at the aggregate group level and via the e-commerce companies that operate on a nationwide basis – supra-regional companies and groups that need a large IT service provider as a trusted partner. The Bechtle Group thus benefits from decentralised responsibility and decision-making structures, on the one hand and, due to its size, from economies of scale with respect to centralised administrative tasks as well as the purchasing and logistics processes that are combined under Bechtle AG, on the other hand. Additionally, competence centres, specialised product management teams and segment heads bundle expertise that is made available centrally to all locations and segments.

With the expansion of the system integration activities to all 14 European countries in which Bechtle is already represented by trading companies, the same opportunities also arise in the respective countries as well as additional growth potential for the Bechtle Group.

The organised interaction between central support and a decentralised market approach by the units on location yields improved opportunities for growth in the respective market, e.g. in the Public Sector division, in the application solutions segment as well as in the fields of managed services and cloud services. Bechtle recognises clear opportunities in supporting the provision of services centrally, where possible, or in taking them over completely in order to achieve efficiency gains and economies of scale.

## HUMAN RESOURCES

Employees are a key part of the Bechtle business model. Retaining employees on a long-term basis, maintaining high motivation and fostering a positive corporate culture are therefore essential to our business success. Further increasing the attractiveness of Bechtle as an employer represents both a challenge and an opportunity. Bechtle conducts systematic employer branding to position itself as an attractive employer and uses its strong employer brand to recruit new staff to the company and to retain existing staff in the long term. We want to further expand our employer branding in order to remain successful in this area in future.

When it comes to recruiting new employees, the shortage of qualified staff poses a challenge for Bechtle. However, the limited availability of qualified people could also create opportunities, e.g. if the company manages to train a sufficient number of skilled employees and thus meet its needs by means of its own initiatives. Apprenticeships are therefore a key focus of Bechtle's HR work. We plan on stepping up our training ratio in Germany to about 10 per cent by 2030. Furthermore, we also invest intensively in the further training of our staff. This active career-development offering enhances the satisfaction of our employees, which translates into long-term loyalty. Our headcount is constantly growing, and our turnover rate of 9.1 per cent is below the industry average, indicating that Bechtle is successfully taking advantage of opportunities to recruit and retain employees.

In 2022, Bechtle introduced a special programme for career shifters in order to address even people who do not have any IT experience. In this way, Bechtle not only addresses the shortage of skilled workers – the participants in the programme often bring diverse cultural backgrounds, different specialist knowledge and a wealth of experience from a wide range of industries. This, in turn, increases Bechtle's diversity.

In the reporting period, Bechtle completed a group-wide satisfaction survey among all employees. Compared to the previous study, employee satisfaction at Bechtle has increased. The results are to be taken into consideration in future HR work and in the further development of the employer branding. The survey is to be conducted every two years.



See People at Bechtle,  
page 62 ff



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



See Forecast report,  
page 147 ff

## SUSTAINABILITY

Sustainable business is a must in order to face the great challenges of our age, from environmental and climate protection to IT security, resilient supply chains and the protection of human rights along the value chain. As a responsible company, we want to tackle these challenges in close cooperation with the business world, civil society and politics, and we regard our sustainable operations as an opportunity to make a contribution to general welfare.

Around the globe, the digital and ecological transformation of society and the economy is resulting in changing business models. This trend benefits companies that offer technologies and services for the successful design of these transformation processes. Digitisation and investments in sustainability are making companies more innovative and crisis-proof.

We are seeing a rapid rise in demand, both on the part of our customers and on the part of the financial market, not only for a sustainable product portfolio, but also with regard to our company's corporate governance. We are convinced that the establishment of the sustainability management structure, the Bechtle Sustainability Strategy 2030 and the associated goals and actions will open up great opportunities for positioning Bechtle as an innovative IT company on a long-term basis.

In the area in which we operate, there is great potential in the fields of resource efficiency, recycling and IT security. With our portfolio of sustainable technologies, solutions and services, we are actively supporting our customers in the digital transformation and the fulfilment of their corporate digital responsibility.

Sustainable management is also an important criterion for attracting and retaining staff. Young people especially want to work for an employer who does sustainable business. We clearly sense this in interviews with applicants, apprentices and students.

## RISKS

The management believes that the risks described below could have a detrimental effect on the company's earnings, assets and financial position, its reputation and its valuation on the capital market. This does not apply to the sustainability risks described in the inside-out perspective. Nevertheless, this list does not include all risks the Bechtle Group might be exposed to. Risks that are not yet known or risks that are currently considered to be of little significance could also impair the company's performance.



See  
Sustainability risks,  
page 124

The 2023 reporting period was characterised by major uncertainties. The very tense macroeconomic situation that took centre stage was, in turn, influenced by various geopolitical events: the ongoing war in Ukraine, the crisis in the Middle East exacerbated by Hamas' attack on Israel, inflationary tendencies and the associated uncertainty in large parts of the economy. Due to these general conditions, risks have materialised in some cases and new risk scenarios have also emerged. However, Bechtle has obviously not suffered any direct effects, and the indirect effects have only affected the company to a limited extent. Nevertheless, the high level of uncertainty associated with the aforementioned general environment has caused some of our customers to postpone planned investments in IT. Overall, however, the IT market and Bechtle are showing strong resilience to the overall economic situation. In this respect, we can state that some of the macroeconomic risks at Bechtle have materialised only in mitigated form or not at all. Accordingly, this risk report merely describes any remaining direct risks that the Bechtle Group was exposed to as of the reporting date.

## RISK ASSESSMENT

To introduce suitable risk control measures, identified risks are assessed on the basis of their estimated probability of materialising and the loss amount expected upon materialisation with respect to the earnings, assets and financial position of the Bechtle Group, and subsequently classified as "high", "medium" or "low" in a matrix. To ensure uniform understanding, the definitions used for the measurement are described below.



See Risk identification  
and assessment,  
page 122

### RISK POTENTIAL PROBABILITY OF OCCURRENCE

Probability of occurrence	Description	Per cent
High	The risk is very likely to occur. The average probability of occurrence is 80 per cent, possibly once a year.	60–100%
Medium	The risk is likely to occur. The average probability of occurrence is 35 per cent, possibly once every five years.	10–60%
Low	The risk is unlikely to occur. The probability of occurrence is once every ten years, at the most.	0–10%

The value limits for the Group were raised in the 2023 reporting period. The background to this is the constant growth of the Bechtle Group, as a result of which the value limits of the operating units and those of the Group can no longer be equated.

**RISK POTENTIAL LOSS AMOUNT**

Expected loss amount in the event of occurrence of the risk	Definition of the loss amount	Value limits for the Group
High	Substantial detrimental effects on earnings, assets and the financial position	€1 to €5 million
Medium	Some detrimental effects on earnings, assets and the financial position	€500 thousand to €1 million
Low	Low detrimental effects on earnings, assets and the financial position	€50 to €500 thousand

**RISK MATRIX**

		Expected loss amount		
		Low	Medium	High
Probability of occurrence	High	Medium risk	High risk	High risk
	Medium	Low risk	Medium risk	High risk
	Low	Low risk	Low risk	Medium risk

Below, we have described, in particular, those risks which, according to the risk matrix, are classified as high risks.

**MACROECONOMY AND INDUSTRY**

Among other things, our customers' willingness to invest depends on the macroeconomic development in the individual national markets, especially in Europe, but also around the globe. Additionally, the trust that companies put in a positive economic development plays a major role. The Bechtle Group generates over 60 per cent of its business volume in Germany and just under 40 per cent in the international markets. Thus, the development of the European economy as a whole and of the German economy in particular has a key impact on our company's growth. Weaker, or worse, decreasing economic activity involves risks to the earnings, assets and financial position of the Bechtle Group.

In the reporting period, the macroeconomic environment continued to be influenced by the global crises and their direct and indirect effects. High inflation, discussions about energy supply and the associated uncertainties had a negative impact on the economy as a whole. As a result, gross domestic product shrank in the 2023 reporting period. The IT market also experienced weaker growth due to the general conditions described above, but still showed positive rates compared to other sectors. IT is now an essential factor in value creation for all companies and Public Sector clients. IT expenditure therefore tends to remain stable or even increase, even in times of high uncertainty. In this respect, it is also a positive sign that incoming orders rose more strongly again in the second half of 2023. We must continue to monitor both the effects of the global crises and the uncertainties affecting society as a whole, as an unexpectedly long continuation of the current situation could lead to a further overall economic slowdown, which could also have a greater impact on the IT market and consequently also on Bechtle.

We consider the probability of occurrence of macroeconomic and industry performance risks to be high. This could involve substantial detrimental effects on our earnings, assets and financial position. We consider this risk to be high.

## BUSINESS ACTIVITY

**Cost structure.** The cost structure of the Bechtle Group is characterised by a high proportion of personnel expenses, which can only be adjusted with some delay in case of changes in capacity utilisation. In phases of a weaker economy or curbed investment affinity of customers, the company can only reduce functional costs to a certain extent in the medium run without significantly modifying the employment situation, e.g. by means of short-time work or by making use of the natural fluctuation. All measures affecting the personnel expenses must always take the existing or possible future personnel risk (lack of qualified staff) into consideration. Therefore, Bechtle endeavours to retain employees on a long-term basis and wants the labour market to perceive the company as a highly attractive, reliable employer. The often rather short-term risk of lower earnings is countered by the long-term opportunity of successful employer branding and bonding of qualified staff. In the reporting period, Bechtle's organic headcount increase was not as dynamic as in other years. On the one hand, this was a deliberate strategic decision in order to keep the cost pressure in check in the face of the extremely challenging framework conditions. On the other hand, however, Bechtle is also becoming increasingly successful in achieving growth in business volume with a disproportionately low increase in personnel. One reason for this is that we are digitalising an increasing number of processes internally. Secondly, we can make our work more efficient and productive. In this way, we counteract the risk of a disproportionately high increase in personnel expenses to a certain extent.



See  
Personnel expenses,  
page 64



See  
Opportunities,  
Personnel,  
page 131

For the Bechtle Group to retain its earning power, the salary level of all employees as a whole should not rise excessively. However, in view of the shortage of skilled personnel and the demographic change, it will become increasingly difficult to staff all vacancies with qualified people. To attract applicants, Bechtle could be forced to raise the salary level. Bechtle endeavours to counteract this risk by strengthening the employer branding, by perpetuating its long-standing emphasis on training measures and by focusing more intensively on the employees and their qualifications in the context of acquisitions. The risk of a disproportionate increase in salary levels has gained additional weight in the past two years due to inflation. In the 2023 reporting period, Bechtle was able to keep the increase in organic personnel costs at a moderate level. The inflation adjustment payment made to the majority of employees also had a positive effect on the development of personnel costs. Although the employees received this payment in the first half of 2023, the relevant provision was recognised in the

income statement in the fourth quarter of 2022. As salary negotiations with employees are generally conducted at the beginning of the year, the risk did not increase specifically during the course of the reporting period. The risk described above cannot be seen without the associated risk of an increasing fluctuation rate. As in the previous year, the focus of salary negotiations should therefore be on lower salary levels. At higher salary levels, Bechtle endeavours to respond by increasing the focus on variable salary components.

Despite the aforesaid, we consider the occurrence of the risks associated with the development of personnel expenses and salaries to be highly probable. This could result in substantial detrimental effects on the earnings, assets and financial position of the Bechtle Group. We consider this risks to be high.

  
See  
Opportunities, Manufacturers  
and distributors  
page 127 f

**Procurement.** Bechtle buys its products from all renowned IT vendors and distributors. Across Europe, there are around 270 vendors and over 2,000 distributors. In every national market in which Bechtle is represented, the company has established a close network with vendors and distributors. As the Bechtle Group continues to grow, vendors could increasingly start supplying directly without going through distributors. As a result, the bonus payments received from distributors could be discontinued or reduced. This, in turn, could impair the earnings and margin of Bechtle.

We consider the occurrence of risks from the direct supply by vendors to be highly probable. This could result in some detrimental effects on the earnings, assets and financial position. We consider this risk to be high.

Traditionally, the vendors on the IT market have always cooperated with partner companies such as Bechtle in order to boost their market share. This cooperation involves the yearly determination of individual targets for the business with the respective vendor's products and services. The vendor incentivises the achievement of targets by means of bonus payments, refunds or marketing grants. These programmes can be modified by the vendors, e.g. to realign the incentives with the vendors' new business segments. A weaker positioning of Bechtle in these fields could result in a reduction of the funds provided by the vendors. Bechtle counters this risk by closely collaborating with all major vendors. In this way, Bechtle learns of the vendors' new developments at an early stage and is able duly to respond.

We classify the risks from the vendors' terms of sale as a high risk. We consider the occurrence of this risk to be probable. In the event of the occurrence of these risks, we would expect substantial detrimental effects on the earnings, assets and financial position.

Difficulties in the global supply chains led to a significant increase in inventories at Bechtle in 2021 and 2022. This was necessary especially with regard to the project business, in which a solution often includes various different products. Where individual components of an overall project are unavailable or difficult to obtain, Bechtle is forced to store the components already procured. Thus, there is a risk in connection with the costs for additional storage capacities, higher logistics management expenses or an increased capital commitment. There is also the risk of possible write-downs on inventories. As a result, the Group has already taken measures to reduce inventories again in 2022. These measures have had a positive effect – in addition to the easing of supply chains – so that inventories and the associated capital commitment could already be reduced in the reporting period. In general, availability continues to be an important criterion in customers' purchasing decisions. In this respect, this risk is always accompanied by the opportunity of benefiting from the market situation.

Due to the positive development described above, we were able to downgrade the probability of occurrence. We estimate that the risks from the increase in inventories are likely to materialise and would have a substantial detrimental impact on earnings, assets and financial position. We consider this risk to be high.

The dynamic IT market inherently displays a strong focus on certain vendors, which entails the risk of an excessive dependence on these. This dependence can lead to cost increases and put the margin aspired to at risk. To counter this challenge, we cooperate with a broad spectrum of around 270 vendors.

We nevertheless consider the risks arising from dependencies on individual vendors as high. We consider the occurrence of this risk as highly probable and would expect substantial effects on our earnings, assets and financial position.



See  
Competitive position,  
page 44 f

**Service range.** On the IT market, Bechtle competes with numerous providers. Besides other conventional system houses and e-commerce providers, some vendors also engage in direct sales, thus becoming competitors. Large customers, in particular, are already cared for directly by some vendors. Some distributors also endeavour to do direct business with end customers, thereby becoming competitors of Bechtle. Especially in the cloud business, but also in the field of managed services, some large multinationals offer their services and try to sell their offerings directly to customers. Moreover, providers who used to operate exclusively in the private customer business are increasingly making efforts to gain a foothold in the business customer segment. Therefore, competition might intensify in future. We therefore see a risk that individual sales units cannot achieve the expected business volume due to the increased competition. However, due to its strong presence in many European regions and its international presence in 14 European countries, Bechtle has an advantage in terms of customer approach and loyalty, as well as with respect to delivery and the provision of services. No other competitor has such a strong presence in such a widespread area. Moreover, vendors cannot offer independent consulting services, and distributors have a more limited portfolio bandwidth. Through its consistent focus on efficient sales teams, Bechtle intends to maintain its competitive edge, thereby reducing the risk of entry of new competitors in Bechtle's customer base.

We consider the occurrence of general competitive risks to be probable and would expect substantial detrimental effects on our earnings, assets and financial position. These risks are classified as high.

**Customers.** Bechtle's range of customers includes companies and public institutions of all sizes, with a certain focus on larger medium-sized enterprises. In total, Bechtle has over 70,000 customers. Therefore, the company does not depend on any individual customers. Nevertheless, loss of a larger customer could affect not only the individual local Bechtle company, but also the Bechtle Group as a whole. Bechtle counteracts this risk by applying the principle of close personal customer care and optimum performance in all customer relationships. In the segment of Public Sector clients, we see a consolidation trend in the form of bundling of the purchase volume of multiple clients (in so-called buying centres). Should a larger tender that comes about in this way be lost, Bechtle could lose market shares in this segment. In recent years, Bechtle has also been more successful in the large customer business and with regard to the conclusion of framework agreements. However, the loss of such a major order also harbours commensurate risks.

As a result, we have increased the risk assessment and rate the probability of occurrence as highly probable. If risks materialise, we expect substantial detrimental effects on our earnings, assets and financial position. The risks are therefore classified as high.

Despite our efforts to maintain a secure business operation, the danger of falling victim to fraudulent activities is real. To effectively counter this threat, we have implemented robust internal security measures to protect our system from fraudulent transactions. In addition, we have taken intensive measures to raise our employees' awareness towards potential fraud.

We nevertheless consider these risks to be high. We consider the probability of their occurrence to be high, and they could result in some detrimental effects on our earnings, assets and financial position.

**IT.** Nowadays, all companies depend on information technology. Due to the advanced digitalisation, all material business processes at Bechtle are closely linked to IT systems and applications. The use of IT involves various risks in areas such as e-commerce shop systems, order processing, ERP, controlling, financial accounting as well as collaboration and telephony applications. For example, a smooth process ranging from the enquiry and order placement to the delivery and invoicing could face an availability risk if the operability of the required IT systems and applications were to be endangered. Potential causes include the malfunction of infrastructure components, energy or telecommunications outages, disruptions or faults at partners or software providers and operating errors.

Within the internal IT, Bechtle continually endeavours to establish the preconditions to curb the risks associated with the operation of IT. Apart from measures such as the continued recruitment of personnel, this includes ongoing investments to make sure the platforms are secure and up to date.

Nevertheless, we consider it highly probable that these risks will materialise and that they would have a substantial detrimental impact on our earnings, assets and financial position. These risks are classified as high risks.

The increase in cybercrime is another risk. The probability and extent of damage from external attacks is very difficult to estimate. Attackers could exploit potential vulnerabilities of software products used. The intrusion of unauthorised parties into the IT system could result in a confidentiality risk, or the systems could lose their smooth operability after an attack. Furthermore, there is a risk of falling victim to a ransom attack.

To be prepared for potential emergency scenarios, the company's existing crisis plans need to be continually updated, and new ones need to be created, e.g. for new scenarios. For this purpose, Bechtle has appointed an interdisciplinary workgroup. Nevertheless, a new scenario could arise before a new emergency plan is elaborated.

Despite advanced protective mechanisms and security standards, we consider the occurrence of IT security risks to be highly probable. This could result in substantial detrimental effects on our earnings, assets and financial position. These risks are classified as high risks.



See Training and further education,  
page 64 ff

**Personnel.** As a trading service provider, the employees as well as their training and education, motivation and commitment are key success factors for Bechtle. For the company's ongoing growth path, it is also important to be able to attract new personnel to Bechtle and retain them on a long-term basis. Therefore – also in view of the demographic change – the inability to recruit the required number of qualified people is one of the greatest HR risks. Moreover, risks exist in connection with the retention of employees in the company. This could result in a loss of expertise due to an above-average fluctuation in qualified personnel or customer satisfaction could suffer due to a lack of qualifications and a lack of performance orientation on the part of employees. Apart from further developing Bechtle's employer branding, the HR work therefore focuses on creating a positive work environment, providing operational training and promoting junior executives by means of internal development programmes. The second Group-wide employee satisfaction survey was completed in the reporting period. Overall satisfaction has increased compared to the previous survey. Investments in employer branding also had a positive effect. Both aspects are ultimately reflected in the lower fluctuation rate. As part of the growing international presence of the Bechtle Group, one of the objectives of HR work is to reduce the workload of the operating companies in Germany and abroad and leverage the efficiency potential by means of a uniform alignment.

The risk assessment was downgraded due to the positive developments resulting from higher employee satisfaction, the positive effects of employer branding and the resulting reduction in the fluctuation rate. The occurrence of fluctuation risks is considered probable. This could cause some detrimental effects on the earnings, assets and financial position. We categorise the risk as medium risk. We classify the recruitment risk as high, as it is very likely to occur and some detrimental effects on the earnings, assets and financial position cannot be ruled out.

**Sustainability.** In 2022, the processes relating to sustainability were expanded to identify and assess the associated risks. We differentiate between the outside-in perspective and the inside-out perspective. All in all, thanks to the early approach to the subject of sustainability, the risks of the Bechtle Group in this area are rather limited. Nevertheless, we have identified a number of risks that are relevant to a certain extent.



For the measurement logic,  
see Opportunity and  
risk management,  
page 124 ff

**Outside-in perspective.** Sustainability topics are also gaining relevance on the financial markets. ESG ratings therefore increasingly serve as an instrument that investors or analysts consult with respect to the subject area of sustainability when deciding to buy or sell the Bechtle share. The various ESG ratings of the different rating agencies are often not comparable and are not adapted to sector-specific circumstances. Bechtle maintains ongoing dialogue with the rating agencies. Nevertheless, there is a risk that a poor assessment of individual criteria could lead to a poorer ESG rating overall. This could, in turn, lead to sell recommendations by analysts and sell decisions by investors. The recommendations resulting from the ESG ratings to be voted on in the Annual General Meeting may also be worse than in the past, which could result in lower approval rates.

The risk is therefore classified as high. The probability of occurrence of the risk is high and if it materialises, it could have some detrimental effects on earnings, assets and financial position.

**Inside-out perspective.** Bechtle considers the greatest risk in the area of sustainability to be the risk of a lack of information security, which has already been described partially in the IT risks section. Bechtle has established the highest standards and is subject to the highest qualifications. At the same time, the risk of loss of company-relevant data cannot be ruled out completely when working with highly sensitive information on a daily basis.

The risk presented is to be classified as high. The probability of occurrence is high and the level of damage, i.e. the severity, is classified as high.

One of the key competitive advantages is proximity to the customer, which also requires a local presence. Our increasing internationality and the maintenance of the existing networked decentralised structure also leads to increased employee travel between locations. As a trading company, we are also dependent on the transport of goods, which also causes a certain amount of CO<sub>2</sub> emissions.

We consider the risk in relation to CO<sub>2</sub> emissions and the associated impact on climate change to be a medium risk. We consider the risk to be highly probable to occur. The level of damage of the risk, i.e. the severity, is to be regarded as medium.

## FINANCIAL INSTRUMENTS



For quantification  
of the risks, see Notes,  
page 235 ff

**Risk management.** Currency, interest rate and liquidity risks are subject to active management on the basis of guidelines that apply to the entire group. In this context, the specific requirements for the organisational separation of the operations and auditing of the functional divisions are observed.

Derivative financial instruments are used exclusively for the purpose of hedging operational underlying transactions and mission-critical financial transactions in the form of currency futures, currency options and currency and interest swaps.

The financial risk management is characterised by clear allocation of responsibilities, central rules for the fundamental limitation of financial risks, purposeful alignment of the employed instruments to the requirements of the business activity and separate monitoring by a centrally controlled treasury.

**Receivables.** The solvency of our business customers plays an important role in the assessment of the future risk situation. Bechtle could be exposed to bad-debt risks if customers can no longer meet their payment obligations in due time or in full due to inadequate financial means or unfavourable economic developments. However, this risk is manageable in most fiscal years, as detailed monitoring of customer relationships including ongoing solvency checks and proactive receivables management help counteract this risk and eliminate the need for taking out trade credit insurance. Nevertheless, the situation of some industrial enterprises remained tense in the reporting period even after the COVID-19 pandemic, due especially to the inflationary framework conditions and the associated uncertain economic situation. Thus, this risk has also become clearer for Bechtle. However, the stable development of the DSO and the consistently low level of bad debts in the reporting period gave no cause for concern. Nevertheless, we regard the occurrence of bad-debt risks as highly probable and would expect substantial detrimental effects on our earnings, assets and financial position. These risks are classified as high risks.

Potential risks in connection with the investment of cash equivalents are limited by exclusively executing investments with banks with an excellent rating and within the scope of defined limits. Payment transactions, too, are largely handled via banks with a top rating.



See  
Assets position,  
page 108 ff, and  
Notes, Interest rate risk,  
page 237 f

**Interest rates.** Financial assets and liabilities with maturities of more than one year generally involve an interest rate risk. The ongoing inflationary conditions in the reporting period led to increases in the key interest rate by the European Central Bank. To counteract persistently high inflation rates, the key interest rate could be further raised. This, in turn, would trigger adjustments of the interest rates charged by banks and thus significantly higher interest expenses, resulting in a higher risk for Bechtle. The interest rate risks of the Bechtle Group are centrally analysed, and the resulting measures are actively managed by the central finance department. The approach to this area is subject to regular review as determined by management.

Nevertheless, the occurrence of risks from changes in interest rates is considered to be highly probable. We would expect some detrimental effects on our earnings, assets and financial position. These risks are classified as high risks.

**Foreign currencies.** Currency risks are incurred in particular in areas where receivables, liabilities, cash and planned transactions exist or will accrue in currencies other than the local currency of the parent company. The foreign currency risk is mainly limited to Swiss francs, as a considerable portion of the international business is generated in Switzerland. Except for Switzerland, the United Kingdom, Poland, the Czech Republic and Hungary, transactions take place mainly in euro countries and in euros. In some cases, goods are purchased in US dollars or other currencies in order to take advantage of better prices. The Bechtle Group hedges the currency risk with currency futures. Since the 2018 fiscal year, the hedging of net assets held by international subsidiaries in foreign currencies has comprised all non-euro countries. Currency futures are used in individual cases to hedge the currency risk associated with other currencies when purchasing goods or when customers pay in foreign currency. In the case of one-time amounts with terms to maturity that are usually short, these economic hedges are not accounted for as hedges. For projects that run over a longer period and generally have several associated hedges, the hedge accounting regulations of IFRS 9 are applied. Open currency transactions and the respective receivables and liabilities are analysed on a monthly basis and tested for effectiveness. There are neither any significant individual risks in this area, nor has an assessment been conducted.



See Notes,  
currency risk,  
page 236 ff



See Financial position,  
page 114 ff

**Liquidity.** To ensure unlimited solvency, the company must have sufficient liquidity at all times. The liquidity situation is managed and monitored by the treasury. The financial position of the Bechtle Group as at the end of 2023 is very sound and extremely comfortable, with cash and cash equivalents and time deposits and securities totalling €465.8 million (previous year: €289.6 million) as well as a positive cash flow from operating activities of €459.0 million (previous year: €116.7 million). The probability of a liquidity risk materialising is limited.

The treasury department of the Bechtle Group ensures the liquidity supply for the group divisions and subsidiaries by means of cash pooling or inter-company loans. Furthermore, it controls the interest rate risk and is responsible for the assessment, analysis and monitoring of positions subject to market risks. The materialisation of liquidity risks is considered to be improbable. Weak detrimental effects on our earnings, assets and financial position cannot be fully excluded. The risk is classified as a low risk.

## OTHERS



See Locations,  
page 59 ff

**Acquisitions.** Since its foundation, the Bechtle Group has acquired 113 companies. Takeovers are an essential part of the corporate strategy, which is designed with long-term profitable growth in mind. Bechtle intends to continue to strengthen and expand its market position by means of systematic acquisitions. At the same time, however, the decision to purchase a company and integrate it in the group always involves an entrepreneurial risk. It is always possible that the expectations placed on the acquired company may not fully materialise. Bechtle addresses this risk by conducting extensive due diligence audits in advance. The preparation, implementation and audit of acquisitions take place in line with defined competence arrangements and approval processes. Moreover, Bechtle has many years of experience in integrating companies. We have established the structures and processes that are necessary for this and pursue a post-merger concept that meets the group's needs in connection with the integration of newly acquired companies in the best way possible. For Bechtle, the opportunities that acquisitions offer therefore clearly outweigh the risks.

We believe that risks from acquisitions are likely to occur and would expect some detrimental effects on our earnings, assets and financial position. The risk is classified as a medium risk.

**Legal environment.** Being active at an international level, the Bechtle Group is subject to various national laws. This may involve legal transaction risks – e.g. in connection with the wording of contracts – which Bechtle counters by engaging the internal legal department or an external legal consultancy at an early stage whenever necessary.

At present, the company is not involved in any legal disputes that we would expect to result in a noticeable detrimental effect on the consolidated earnings. Bechtle will create provisions for any future legal disputes in connection with the group's business if liabilities are likely to result and the amount of the liabilities can be determined with reasonable certainty.

In principle, however, there are always potential risks in the legal environment. The increase in general regulation and in legal requirements could result in such rules being overlooked. As the company placing such products on the market, Bechtle could also be subjected to product liability risks. We therefore consider the risks in the legal environment to be high. Their probability of occurrence is high, and we would expect significant effects on our earnings, assets and financial position.

**Insurances.** Bechtle endeavours to cover risks that cannot be avoided by taking out insurance. For certain risks, it has become more difficult to find suitable insurances. Especially for IT risks, many insurance companies are no longer willing to provide coverage. Accordingly, there is a risk that Bechtle could be unable to duly insure material risks.

Due to their specifics and character, we consider these risks to be high. The probability of occurrence is medium, and we consider the impact on our earnings, assets and financial position to be substantial.

## OVERALL EXAMINATION OF OPPORTUNITIES AND RISKS

The evaluation of the group's overall opportunity and risk situation by the Executive Board is based on an examination of all major compound and individual risks under consideration of any opportunities that may arise. Compared to the previous year, there were few changes in the overall risk position and the risks described. The management is of the opinion that the presented risks are limited and manageable. The company has a very robust financial basis. At 45.8 per cent, the equity ratio remains solid and the liquidity situation is comfortable.

Third-party ratings are important indicators for the overall risk assessment. Apart from the company's own internal risk assessment, Bechtle's credit rating and aggregate credit risk are regularly appraised and monitored by banks and rating agencies. Due to the sound capital structure and first-class funding of the company, Bechtle has received excellent ratings for many years. There is no reason why this should change in the future.



Excellent credit rating

### CREDIT RATINGS OF THE BECHTLE GROUP



■ CRIF (formerly Bürgel) [Scale 1.0 to 6.0] ■ Creditreform [Scale 100 to 600] ■ Creditsafe [Scale 1.0 to 6.0]



crif.de/en/

creditreform.de

creditsafe.com/us/en

To date, the creditworthiness of the Bechtle Group has not been assessed by the rating agencies S&P Global Ratings, Moody's Investors Service, Fitch Ratings and DBRS Morningstar.

The Bechtle Group is aware of its own risk and opportunity profile for its business activities. In connection with daily updated analyses of the business performance based on operational indicators, the presented measures play a significant role in enabling Bechtle to use the opportunities for further development of the company without losing sight of the risks involved.

Except for the risks described above, the Executive Board does not expect any further significant negative impact on the company's business volume, sales or profitability arising from other risks. All in all, the Bechtle Group is not aware of any risks that – either alone or in combination with other risks – could endanger the going concern. The Executive Board is convinced that it will be able to make use of future challenges and opportunities without taking undue risks.

**Bechtle's outlook continues to offer opportunities. The ongoing internationalisation and the associated acquisitions provide plenty of leeway for further growth. In this process, our employees represent an important integrating force.**

**Doreen Gerstenlauer**, Team Leader  
Accounting – Business Services,  
Bechtle International Sales Division

**Edgardo Cáceres**, Installation  
Technician, Bechtle Installation  
Centre

**Vanessa-Laura Niemczyk**,  
Human Resources Business Partner,  
Bechtle AG

from left to right



## FORECAST REPORT

The economic and geopolitical environment remained challenging at the beginning of 2024. At the beginning of the year, some of the economic growth forecasts for 2024 have been reduced considerably, and the uncertainties with regard to the coming months remain very high. Nevertheless, the IT market is expected to recover in the course of the year, again escaping certain developments that affect the economy in general. We at Bechtle are convinced that the outlook for the further development of the Bechtle Group continues to be bright in the 2024 fiscal year. We expect that the demand might pick up gradually, especially in the second half of the year.

## FRAMEWORK CONDITIONS

**Slight economic upturn anticipated.** According to its forecast of February 2024, the European Commission expects a slight increase in economic growth in the EU. In 2024, the gross domestic product (GDP) is to grow 0.9 per cent, after only moderate growth of 0.5 per cent in the reporting period. Further into the year, growth rates are expected to increase in small steps from quarter to quarter. At 0.2 per cent, the first quarter is already projected to see higher growth than the quarters of the reporting period. Further slightly higher economic growth of 0.3 per cent is predicted for the second quarter. The growth rate is expected to amount to 0.4 per cent both in the third quarter and in the fourth quarter. The generally positive growth expectation for the entire EU is also reflected in some of Bechtle's markets. Germany with an expected growth rate of 0.3 per cent, the Netherlands with 0.4 per cent and Austria with 0.6 per cent are at the bottom of the scale. The highest growth rates are projected in Poland with 2.7 per cent and in Hungary with 2.4 per cent. Higher dynamics are expected for 2025, with economic growth of 1.7 per cent in the EU.

In contrast to the reporting period, the economic performance in Germany is expected to return to slightly positive figures in 2024. The European Commission predicts GDP growth of 0.3 per cent for the current year, after -0.3 per cent in the reporting period. However, this estimate is below the figure published in autumn. In 2024, investments in equipment are expected to grow by 2.7 per cent, a lower rate than in the reporting period (3.8 per cent). Following the decline of 2.5 per cent recorded in 2023, government investments are predicted to grow by 1.0 per cent. For 2025, the European Commission

expects GDP growth of 1.2 per cent, which means an increase over 2024. Investments in equipment are to increase by 2.7 per cent in 2025, a rate higher than that of the GDP growth.

**Stronger growth predicted for global IT market.** The market research institute Gartner predicts 6.8 per cent growth in global IT expenditure in 2024. Even higher growth of 9.3 per cent is expected in Europe. Software sales are even predicted to grow by 14.5 per cent, due especially to the ongoing increase in the demand for cloud services. In 2024, the demand for IT services, too, is to undergo a disproportionately high increase of 11.8 per cent, says Gartner.



Bitkom predicts stronger growth in the German IT market in 2024 again. The expected growth rate is 6.1 per cent, a rate much higher than that of the reporting period (2.2 per cent). Hardware sales are projected to recover and undergo growth of 4.6 per cent (reporting period: -5.4 per cent). Growth in the field of services is to amount to 4.8 per cent, slightly less than in the reporting period (5.1 per cent). Thus the software segment is again expected to record the highest increase of 9.4 per cent. Though this figure is marginally smaller than that of the reporting period (9.6 per cent), the segment is expected to be the growth driver in the German IT market.

In France – a national market that is important for Bechtle – IT revenue is to increase significantly in 2024. The industry association numeum again projects a significant increase of 5.8 per cent.



See Risks,  
page 133 ff

**Macroeconomic challenges.** With respect to the predicted future economic situation in the relevant national markets, the Bechtle Group does not expect any major impact on demand due to changes in legal framework conditions or the implementation of policy measures. However, the macroeconomic situation in Europe is marked by great tension. The war in Ukraine, but also the conflict in the Middle East and associated potential macroeconomic effects burden the macroeconomic development. All these factors can indirectly influence the business performance of the Bechtle Group. However, it is impossible to reliably ascertain and assess the probability of occurrence, the extent and the duration of these events. The exchange rate development does not play a major role in most countries in which Bechtle is present, as these belong to the euro area and therefore, purchases and billing mostly take place in euros.

## GROUP PERFORMANCE

### PRODUCTS AND MARKETS

**Digitalisation drives demand for sustainable IT solutions.** Digitalisation remains the predominant trend in IT. This development has further intensified due to the experience gained during the COVID-19 pandemic, which made it necessary for many to work from their homes. A high degree of digitalisation is required for high availabilities, access by the employees who work remotely or flexibility in the use of IT. The subject area of security will also increase in significance. An EU directive (NIS 2) that entered into force in the reporting period requires numerous companies in the EU to ensure certain IT security standards. In 2024, this directive is to be adopted in national law. This might result in even higher awareness of IT security aspects and a higher demand in this area. With a team of more than 400 employees, Bechtle is already very strong in the business field of security. In the reporting period, some of our customers also started looking into the trending topic of artificial intelligence (AI). AI-related requirements will make the operation of IT infrastructures even more complex, pushing the demand for competent partners. In this area, we see clear impulses for our business in the medium term. In the reporting period, we noticed a reluctance to invest in conventional PC projects, especially among our medium-sized customers. This was due to the macroeconomic situation and the substantial uncertainties caused by this situation. The macroeconomic situation was largely unchanged in early 2024. Therefore, we believe that at least the first half of 2024 will continue to be marked by the said reluctance. Nevertheless, it is obvious that there is no going back as far as the need for digitalisation is concerned. Thus, Bechtle expects the high demand for sustainable IT solutions to continue in the coming years.

In the coming years, Bechtle will expand the range of special IT solutions in the IT System House & Managed Services segment. In this context, we regard subjects such as cloud solutions, as-a-service models, security, network solutions, mobility, storage, modern workplace and AI as market drivers. Bechtle boasts an excellent position in all these areas and is always able to offer customers state-of-the-art solutions. In general, we plan to continually expand the share of higher-margin services and the share of recurring revenue.

Bechtle is confident that the demand for individual solutions as well as for standardised processes will grow. With our multi-cloud portal Bechtle Clouds and our website [bechtle.com](http://bechtle.com), we offer all our customers, whatever their size, the opportunity to procure IT solutions quickly and easily. We intend to continue to expand in this area. Our efforts also included the expansion of our Service Factory with

its managed service offerings for the standardised performance of services, which will help us to leverage additional synergies and economies of scale within our company. Our platform strategy is supplemented by the operation of our three Bechtle data centres.

**Digitalisation also an internal lever.** The continued digitalisation at Bechtle itself is a key element of the said platform strategy. Since 2017, Bechtle has been systematically developing [bechtle.com](#) into a digital marketplace. On this website, our customers can see the entire bandwidth of Bechtle's service and solution portfolio at a glance. Regardless of a customer's original concern and the segment in which the respective customer's contact is based, Bechtle is able to address their needs comprehensively and offer them further solutions. At the same time, this approach helps us to boost the customer satisfaction and penetration. Additionally, it is possible to address smaller customers that Bechtle has not focused on so far without any personal sales activities. Moreover, cooperation between the segments and across national borders is being further promoted under the "One Bechtle" motto. This would be hardly possible without virtual collaboration platforms. By increasing the degree of digitalisation, we will also be able to make our own processes more productive and efficient. Apart from having a positive effect on the profitability, this will help us to achieve significant growth in the future without increasing the headcount to the same extent. In view of the demographic factor, this is an invaluable advantage. For the future successful positioning of Bechtle, we therefore believe that digitising many of our (internal) processes is vital.

**Bechtle takes profit from consolidation.** The consolidation of the German and European IT markets, which has been ongoing for several years, will continue in the years to come. Smaller providers, in particular, will find it increasingly difficult to offer their customers services in the needed breadth and depth and ensure competitive availabilities for the products offered. After the coronavirus years, which were full of economic hardships for many providers, and the subsequent shortage of many products due to the issues in the supply chain, it is generally assumed that the consolidation pace has picked up slightly. However, the high degree of fragmentation of the European IT market and especially of the German-speaking IT market has not changed fundamentally. This structure is likely to remain unchanged even if, in the coming years, the consolidation were to intensify as expected. The Bechtle Group can benefit from this development thanks to its financial strength, its leading competitive position, its decentralised positioning as well as its outstanding reputation in the M&A market and among all relevant customer groups. Therefore, we are confident that we will be able to continue to expand our market share at a disproportionately high rate.

The Bechtle Group will carry on with its efforts to reinforce its market position by expanding existing companies and business fields and through acquisitions. We have already expanded our M&A strategy accordingly in 2021. Previously, we had focused on acquisitions in the service segment in Germany, Austria and Switzerland, as our system houses were located only in these countries. Our expanded acquisition strategy now also provides for acquisitions outside German-speaking countries. Thus, we are going to expand our presence and extend our range of system-integration services to countries in which we had previously only engaged in trading. With the acquisitions realised in the reporting period, we are now also represented with our service portfolio in seven European countries. In this way, we not only increase the growth potential in the respective countries by expanding our portfolio, we also step up our existing activities in the individual markets and increase the customer bonding. The expanded M&A strategy continues to concentrate on the national markets in Benelux, France, Spain and the United Kingdom, as well as on Italy and Poland starting from this year. Of course, we will also continue to consider acquisitions in Germany, Austria and Switzerland.

## HUMAN RESOURCES

**Focus on training.** Staff development, training as well as further education will continue to play an extremely important role in our company. With an established range of training measures and consistent continuation of the internal management programmes, Bechtle intends to continue to invest in the development of junior and executive staff. As in the reporting period, the Executive Board plans to continue to raise the headcount in 2024, regardless of whether or not acquisitions are going to take place, though at a lower rate than the business volume growth. As already mentioned, the advancing internal digitalisation enables us to keep the headcount increase below the growth of the business volume.

Bechtle's HR policy has always focused on training young people. To safeguard its future, Bechtle's goal is to increase the training ratio in Germany to approximately 10 per cent by 2030.

Another central goal of our HR strategy is to further upgrade Bechtle as an employer brand. Bechtle has not lost its ability to attract attention and stimulate enthusiasm. The further development of the employer branding is not an entirely cost-neutral process. However, the investments made in this area are future-oriented and effectively secure Bechtle's success in the coming years.

## SUSTAINABILITY GOALS AND ACTIONS

**Sustainability programme defines actions and goals.** The sustainability programme comprises specific actions and goals for all key topics from the four strategic action fields of the Sustainability Strategy 2030. It documents measures that serve the achievement of our goals. In this way, we are able to observe and measure our progress in a structured, transparent manner and make any needed adjustments. Below, you can find an overview of the sustainability programme, starting from the 2023 fiscal year. Measures already implemented in the fiscal year are reported on in the respective chapters.

### SUSTAINABILITY PROGRAMME – ETHICAL BUSINESS PRACTICES

Key topic	Action plan	Time horizon	Status
Sustainability in the supply chain	Professionalise the CSR risk management according to the criteria of the National Action Plan on Business and Human Rights (NAP)	2023	Finished
	Develop a list of measures for prevention and remedy purposes based on the results of the CSR risk analysis	2025	Started
	Conduct supplier development meetings (new measure)	2026	Started
	Increase exchange and expand joint projects involving ecological and social aspects along the supply chain with strategic vendor partners	2030	Ongoing
Compliance and anti-corruption	Introduce compliance training for all employees (ended earlier than planned in 2022)	2023	Finished
	Prepare a new compliance manual (original goal 2023)	2024	Started
	Restructure the complaints procedure (compliance hotline)	2023	Finished
	Professionalise the due diligence processes, e.g. by means of certification according to DIN EN ISO 37301	2023	Abandoned
Social commitment	Revise the donation and sponsoring policy, e.g. add the topic of digital learning (original goal 2022)	2023	Finished
	Support our employees' social commitment	2030	Ongoing
	Initiate own sustainable projects	2030	Ongoing
	Successively expand the social commitment	2030	Ongoing

## SUSTAINABILITY PROGRAMME – ENVIRONMENT

Key topic	Action plan	Time horizon	Status
Climate and energy	Develop a comprehensive climate protection strategy (ended earlier than planned in 2022)	2023	Finished
	Develop a comprehensive mobility concept	2025	Started
	Successively switch further locations of the Bechtle Group to 100 per cent green power	2030	Started
	Successively expand the fleet with hybrid and all-electric vehicles	2030	Ongoing
	Continue to expand the already very highly developed charging infrastructure	2030	Ongoing
Sustainable logistics	<b>Intralogistics:</b> Cooperate with vendors to promote shipments with the Bechtle Box®	2025	Started
	Increase the proportion of recycled plastic in plastic packaging and film	2025	Started
	Bundle orders and increase the use of the Bechtle Box® for shipments to the customer	2030	Ongoing
	<b>Distribution:</b> Optimise the space utilisation	2025	Started
	Open a second central logistics hub in north Germany (ended earlier than planned in 2023)	2025	Finished
	Expand the logistics partner network with service providers who offer transportation services with lower emissions, e.g. "last green mile" delivery with e-vehicles	2030	Ongoing
	Implement the sustainable logistics concept in further warehouses of the Bechtle Group (multi-warehouse strategy)	2030	Started
	Implement a group-wide IT hardware recycling concept (new measure 2023)	2025	Started
Circular economy			

## SUSTAINABILITY PROGRAMME – PEOPLE

Key topic	Action plan	Time horizon	Status
Employer attractiveness	Implement internal career paths, such as expert career, development of leaders, programme for career shifters, etc.	2025	Started
	Continue the decentralised employee satisfaction survey at intervals of two years and derive measures on the basis of the results	2030	Ongoing
	Continue the leadership initiative through training and other measures	2030	Ongoing
	Continue to expand the offering of the Bechtle Academy, e.g. by expanding virtual and foreign-language offerings	2030	Ongoing
	Address young people in a target group-specific manner, expand high-school and university partnerships	2030	Ongoing
	Increase the training ratio in Germany to approx. 10 per cent	2030	Started
Diversity and equal opportunity	Establish a diversity management position that reports to the HR management (new measure 2023)	2024	Finished
	Analyse the diversity categories defined by the Diversity Charta with respect to Bechtle and derive measures that need to be taken (original goal 2023)	2024	Started
	Analyse the status quo of diversity within the Bechtle Group and define indicators to facilitate measurability (original goal 2022)	2024	Started
	Implement the measures derived from the Gender Diversity Road map 2022 and develop new goals. (new measure 2023) Measure changed to: Develop a comprehensive DE&I strategy	2025	Started
Health and safety	Develop a strategic group-wide corporate health management approach	2023	Finished
	Continue to expand the groupwide corporate health management offering (new measure 2022)	2030	Ongoing
	Further standardise the processes in the field of health protection and occupational safety, ensure cross-location exchange on health-related topics	2030	Ongoing

## SUSTAINABILITY PROGRAMME – DIGITAL FUTURE

Key topic	Action plan	Time horizon	Status
Sustainable internal digitalisation	Plan 30 per cent of the internal IT projects under consideration of sustainability criteria	2023	Finished
	Application and IT retirement: Identify and disassemble systems that cause process overlaps and unnecessary redundancies	2030	Ongoing
	Use 100 per cent renewable energy in our data centres (new measure 2022)	2030	Started
	PUE value of less than 1.3 in our data centres (new measure 2022)	2030	Started
Sustainable technologies, solutions and services	Internal employee training with respect to the sustainable product portfolio	2023	Finished
	Develop an internal training programme for digital sustainability consultants (DSC)	2023	Abandoned
	Develop and implement a three-stage learning path for the topic of sustainability (new measure)	2024	Started
	Further develop and position a sustainable IT portfolio of hardware, software, IT solutions and cloud solutions as well as services for our customers by including or positioning new, sustainable products and vendors in the product offering	2030	Ongoing
Information security and data protection	Expand the high level in the field of IT security and data protection, obtain further certifications according to DIN EN ISO 27001 or TISAX in the Bechtle Group	2030	Started
	Analyse security-critical components within the context of our service life-cycle management	2030	Ongoing

## RELEVANT CONTROL PARAMETERS AND PERFORMANCE INDICATORS

**Business volume.** For many years, Bechtle has grown faster than the market. Since 2013, we have increased our business volume greatly at a compound annual growth rate (CAGR) of about 13 per cent, thereby outperforming the IT market. Over the years, the strong growth has been driven mainly organically. As a result of the intensive M&A activities in the reporting period (seven acquisitions in total), the share of the acquired companies in the growth of the business volume amounted to 2.7 percentage points. We believe that in the future, the group's growth rates will continue to be largely organic. In the reporting period, we achieved good overall growth of 7.0 per cent. The macroeconomic framework conditions for 2024 are not much better than for the reporting period, but not worse either. Because of that, we again project significant growth of five to ten per cent for 2024 (including acquisitions), although we suspect that it might be at the lower end of the range of the guidance.

**Revenue.** In principle, the development of revenue follows the same framework parameters as the development of business volume. As a result of solid growth in our software business in recent years, it typically remained somewhat below the growth rates of the business volume. In the reporting period, however, the values of these two indicators had converged again. At 6.5 per cent, the revenue growth was only slightly below the growth rate of the business volume. This was also due to the high reference figures of the software business from the prior year. In view of the continued dynamic development of our software business, we expect the revenue growth in 2024 to remain further below the business volume growth. Nevertheless, we again expect significant revenue growth in 2024.

Minor differences can often be observed between the segments and regions. Overall, the revenue split is expected to remain more or less the same in the 2024 fiscal year, with Germany accounting for about 60 per cent of the revenue and the companies abroad for about 40 per cent. In the medium term, however, the pursuit of the M&A strategy and the further internationalisation of our business might result in an increased revenue share of the international companies. We do not expect any major shifts between the segments.

**Costs.** In recent years, the cost of sales increased largely in line with revenue. In years marked by significant growth rates – which are usually associated with a higher proportion of hardware – we often see a disproportionately high increase in material costs, resulting in pressure on gross margins. We can mitigate this in years with high single-digit growth rates and an often higher share of service revenue and solution business. We again witnessed such a development in the reporting period. Due to the high demand for services and the curbed demand for hardware, especially for PCs, material costs did not grow as much as the revenue. As a result of inflation and other reasons, personnel expenses – which are included in the cost of sales – underwent a stronger increase. All in all, the cost of sales thus developed at almost the same rate as the revenue. Bechtle thus succeeded in keeping the gross margin stable at 17.5 per cent. An increased demand for higher-volume client projects in the course of 2024 should result in a disproportionately high growth in material costs, causing pressure on the gross margin. Our bottom-line goal is to keep the gross margin over 17 per cent. Therefore, we intend to keep the increase in cost of sales in 2024 largely in line with revenue growth.

Being a service provider, personnel expenses play a prominent role at the Bechtle Group. These expenses represent the bulk of the costs, accounting for approximately 80 per cent of the distribution costs and more than 60 per cent of the administrative expenses. Due to Bechtle's increasingly consulting-intensive business model, the decentralised broad positioning of the system houses and the shortage of qualified staff in some areas, flexible adjustment of personnel expenses is not feasible. Moreover, especially in view of the shortage of experts, Bechtle considers employee bonding and a reputation as a reliable employer to be far more important than short-term cost-optimisation measures. Often, the expenses are also directly linked to the revenue performance, since the growth should also be reflected in the headcount. However, this connection is no longer as strong as in prior years. Due to the advancing digitalisation and automation of internal processes, on the one hand, and the fact that we make work processes more efficient and productive, on the other hand, we are getting better at handling the high revenue growth with a disproportionately lower increase in the number of employees. In the 2024 fiscal year, we expect personnel expenses to experience an organic increase that will remain below the inflation-driven high level of the reporting period. However, we also need to accommodate employee interests, thereby keeping their satisfaction high and the employee turnover rate low. All in all, the Executive Board expects the absolute expenses for the two functional areas sales and administration to further increase in 2024. However, as we endeavour to prevent above-average growth of personnel expenses, the ratios of these two items will remain at least at the levels of the reporting period, i.e. at below 7 per cent and below 6 per cent of the revenue, respectively.

**Earnings.** The earnings performance in recent years was also very good. Since the 2013 fiscal year, the CAGR for the EBT has been above 15 per cent. On a long-term average, EBT has thus performed better than the revenue. This was also the case in the reporting period, driven by factors such as the highly positive performance of the other operating income. The cost base will continue to go up in 2024, though we expect its growth to remain at the level of the revenue growth. But most probably, we will not be able to perpetuate the high level of other operating income. However, we believe that we will be able to compensate this effect with productivity and efficiency gains. Therefore, our overall goal for 2024 is to keep earnings growth largely in line with revenue growth. The EBT margin is expected to reach approximately the same level as in the prior year (5.8 per cent).

In the medium to long term, we want to further increase the share of higher-margin services and recurring revenue in the IT System House & Managed Services segment. This growth is to be accompanied by a sustainable increase in the EBT margin. In E-Commerce, the main objective is to maintain the high margin level, which has been achieved especially through efficient processes and modern logistics.

Bechtle AG plans to continue to share its entrepreneurial success with its shareholders in the form of an attractive dividend. The dividend policy is mainly aligned with the group's earnings and liquidity position and provides for a dividend payout ratio of about one third of the earnings after taxes. The current dividend proposal for the 2023 fiscal year of €0.70 per share represents a ratio of 33.2 per cent. This is in line with our long-standing dividend strategy and also higher than in the prior year (32.6 per cent). There are no plans for any fundamental changes to the company's dividend policy.



Apart from the accredited experts in the IT core business, the employees from various departments such as Purchasing, Marketing, Logistics & Service, HR, Digital Business Services and Controlling contribute to the result.

Laura Weiß, Integrated-degree student, People & Culture, Logistics & Service

Joachim Knorpp, Head of Marketing Campaigns, Bechtle direct

Lena Freund, Digital Service Consultant, Bechtle AG

from left to right

## ASSETS AND FINANCIAL POSITION

**Liquidity.** The balance sheet structure of the Bechtle Group did not undergo any fundamental changes in the reporting period. As previously, Bechtle boasted an excellent liquidity situation and a very sound equity ratio. Thanks to the first-time issue of convertible bonds, the liquidity situation has even improved, at least in the short term. Financial strength is a vital precondition that enables Bechtle to continuously grow under its own steam and respond flexibly to the requirements of the markets. The high liquidity represents a competitive advantage. The financial position and stability of the IT partner is a key decision-making criterion from the customer perspective, especially in connection with the award of long-term projects. Therefore, Bechtle will continue to attach special importance to cash management. In view of the good balance sheet ratios, Bechtle AG has substantial “rating-neutral” borrowing potential, in addition to free liquidity of €465.8 million. Combined with the continued positive development of the operating cash flow, Bechtle thus has the leeway needed for attaining its goals and financing the targeted above-average growth – even under its own steam. Also in view of the internal cash flow optimisation measures successfully implemented in the reporting period, we are confident that we will be able to continue to generate positive cash flows in 2024 and beyond.

**Financing.** Traditionally, Bechtle’s financial liabilities have always remained at manageable levels. Though the issue of convertible bonds has doubled financial liabilities, a considerable increase was seen in cash and cash equivalents and, due to acquisitions, in goodwill. At the bottom line, therefore, the balance sheet structure of Bechtle remains largely unchanged. This is also evident from the net debt position. In the reporting period, this position amounted to €74.8 million, even less than in the prior year (€83.7 million), a small amount compared to the balance sheet total. The basic positions will not undergo any material changes in 2024, unless major acquisitions take place. In 2024, smaller acquisitions could be financed from the existing liquidity and the current cash flow, as previously. Owing to its good creditworthiness, Bechtle could also raise debt capital whenever necessary. The takeover of larger companies could result in a more drastic cash outflow, though in such a case, financing with further debt capital or other external financing options would be more likely, at least to a certain extent. The company could also resort to the equity financing options according to the adopted Annual General Meeting resolutions. Until June 2026, the Executive Board is authorised to increase the share capital by issuing up to 18.9 million shares against cash or in-kind contributions. Bechtle already used the option to issue convertible bonds (conditional capital) in 2023.

Provided that no major takeovers occur in 2024, the balance sheet structure will most likely not undergo any significant changes compared to the reporting date of 31 December 2023.

**Investments.** The business of Bechtle AG, which comprises IT product trading and IT services, does not involve any major investments. The investment ratio in 2023 was about 27 per cent, a figure higher than the long-term average. The total amount of investments in 2023 was €95.2 million, more than we had planned. However, conventional investments merely amounted to approximately €75 million, i.e. the bottom end of our forecast (€75 million to €85 million). Capitalised leasing items that we had to include in our balance sheet for sales financing in accordance with IFRS accounted for about €20 million. This year, Bechtle will continue to invest in the company's future. Though we do not plan any major individual investments, we will continue to invest in the buildings at our locations and in our digitalisation, our own IT systems and our Clouds Platform as well as the adaptation of a new ERP system. We expect conventional investments in 2024 to total €80 million to €90 million.

Acquisitions will remain an integral element of our growth strategy in all business fields.



Bechtle looks to the future with confidence. The company is fit for the future, even in these challenging times.

Ana Ostojic, Contract Management,  
System House Stuttgart

Denisan Sivapalu, Technician –  
On-site, System House Stuttgart  
from left to right

## OVERALL ASSESSMENT



**Positive outlook in difficult times.** As of early 2024, the macroeconomic situation remains gloomy. The initially more optimistic forecasts for the current year have already been withdrawn. While gross domestic product (GDP) is projected to edge up slightly after the decline in the reporting period, substantial uncertainties remain in terms of the economic outlook for Germany and Europe. Still, the forecasts anticipate an improvement of the macroeconomic situation further into the year. However, the sentiment in Germany was still very gloomy at the beginning of the year. In January 2024, the ifo Business Climate Index dropped to 85.2 points, from 86.3 points in the preceding month. This is the lowest value since the outbreak of the COVID-19 pandemic in spring 2020.

**IFO BUSINESS CLIMATE GERMANY**



The mood in the IT industry was slightly better at the beginning of the year. In January 2024, the ifo index for IT service providers climbed to 17.9 points, after 16.3 points in the preceding month. Here, the expectations for the next six months improved considerably and thus propelled the rise.

Despite the uncertainties, the Executive Board is confident that the company will deliver positive business performance above the industry average. Bechtle has already furnished evidence of its ability to achieve profitable growth with its competitive business model even in times of economic hardship.

### OVERVIEW OF FORECASTS ON THE EARNINGS POSITION FOR 2024

	Group	IT System House & Managed Services	IT E-Commerce
Business volume	Significant increase over 2023		
Revenue	Significant increase over 2023	Significant increase	Significant increase
Cost of sales	Increase more or less parallels revenue increase		
Gross margin	>17%		
Distribution cost ratio	<7%		
Administrative expense ratio	<6%		
EBT	Increase more or less parallels revenue increase	Increase more or less parallels revenue increase	Increase more or less parallels revenue increase
EBT margin	More or less at prior-year level	More or less at prior-year level	More or less at prior-year level
Dividend	Dividend payout ratio of about one third of earnings after taxes		

# INFORMATION ON BECHTLE AG (ANNUAL FINANCIAL STATEMENTS ACCORDING TO THE GERMAN COMMERCIAL CODE [HGB])

Within the conventional holding structure of the Bechtle Group, Bechtle AG as an individual company is responsible, as the parent company, for all overarching tasks for the whole group. In addition to the operating business, the result of Bechtle AG is shaped, to a significant extent, by the investment earnings which are influenced by the performance of the Bechtle Group companies. The economic framework conditions of Bechtle AG are essentially identical with those of the Bechtle Group. The explanations below refer to the annual financial statements in accordance with the German Commercial Code (HGB) of Bechtle AG for the 2023 financial year.



See Forecast report,  
page 147 ff and see  
Opportunity and risk report,  
page 118 ff

# EARNINGS, ASSETS AND FINANCIAL POSITION

## EARNINGS POSITION

All percentages are calculated on the basis of figures in € thousand. This can result in rounding differences.

Owing to its function as a financial holding, the earnings position of Bechtle AG largely depends on the financial performance of its operating subsidiaries. Apart from a few exceptions, the earnings of all major domestic subsidiaries are synchronised taken over by Bechtle AG as the top parent company on the basis of existing profit transfer agreements or regulations in their charters.

The investment earnings (incl. income from profit transfer agreements and expenses from the assumption of losses) increased by €27.6 million to €222.8 million in comparison to the prior year.

All in all, revenue climbed from €284.4 million to €447.2 million. The increase was due to higher income from merchandise and third-party services.

	2023	2022	2021	2020	2019
Revenue	447.2	284.4	245.4	259.2	209.6

In 2023, other operating income dropped by 2.95 per cent to €7.1 million, after €7.3 million in the prior year. This item mainly comprises income from the reversal of provisions in the amount of €3.4 million (prior year: €1.7 million), income from brand licences in the amount of €1.8 million (prior year: €0 million) and extraordinary income in the amount of €0.6 million (prior year: €0.7 million).

	2023	2022	2021	2020	2019
Other operating income	7.1	7.3	5.1	10.4	3.5

The cost of materials increased by €138.3 million in comparison to the prior year to €334.1 million (prior year: €195.8 million), which is largely the result of the increase in costs of goods purchased for resale, in particular merchandise, in the amount of €225.6 million (prior year: €114.7 million).

Due especially to new recruitment, personnel expenses increased by 10.1 per cent from €50.4 million to €55.5 million.

	€m	2023	2022	2021	2020	2019
Personnel expenses		55.5	50.4	43.8	42.8	36.6

Other operating expenses included mainly software licences amounting to €15.6 million (prior year: €11.6 million), legal and consulting costs amounting to €11.1 million (prior year: €15.6 million), extraordinary expenses amounting to €10.8 million (prior year: €19.6 million), maintenance fees amounting to €5.4 million (prior year: €5.9 million) and building expenses amounting to €5.2 million (prior year: €5.3 million).

	€m	2023	2022	2021	2020	2019
Other operating expenses		67.4	65.5	58.1	36.6	35.6

The investment earnings presented below comprises the income from profit transfer agreements and investments as well as expenses from the assumption of losses. In total, investment earnings increased by 14.1 per cent from €195.2 million to €222.8 million. Interest expenses and income vis-à-vis affiliated companies increased in comparison to the prior year and resulted essentially from interest increases from cash pooling with the affiliated companies. The increase in interest expenses vis-à-vis third parties is a result of the commitment interest and interest expenses which arose in connection with the convertible bond.

	€m	2023	2022	2021	2020	2019
Investment earnings		222.8	195.2	178.7	180.0	145.6

Income tax expenses went up from €30.7 million to €34.8 million.

	€m	2023	2022	2021	2020	2019
Annual profit		171.2	131.0	110.8	132.3	98.2

The annual profit went up by €40.2 million to €171.2 million. After allocation to provisions pursuant to Section 58 (2) of the German Stock Corporation Act (AktG) in the amount of €83 million, the net profit was €88.2 million. An amount of €88.2 million is to be paid out. The planned dividend per share amounts to €0.70 (prior year: €0.65). As a matter of principle, Bechtle AG pursues a shareholder-friendly dividend policy which is geared towards continuity. A dividend payout ratio of about one third of group earnings as well as continual dividend increases are manifestations of a reliable dividend policy.

## ASSETS POSITION

The structure of the assets reflects the field of activity of Bechtle AG as a financial holding: Financial assets accounted for 41.6 per cent or €802.7 million and receivables from affiliated companies – which are largely related to the financing of the subsidiaries – accounted for 38.4 per cent or €739.8 million of the balance sheet total.

Year on year, the balance sheet total underwent an increase of €293.1 million or 17.8 per cent. On the assets side, the increase is largely the result of the increase in financial investment assets due to capital increases at subsidiaries and the acquisition of PLANET AI GmbH. The increase in current assets is largely attributable to an increase in bank balances, due primarily to the issue of the convertible bond. On the equity and liabilities side, the increase is due largely to the increase in equity. The increase in liabilities, analogous to the increase in bank balances, results from the placement of the convertible bond. This was offset, to some extent, by the repayment of existing loans.

As of the balance sheet date, Bechtle AG held cash and cash equivalents worth €235.0 million (prior year: €99.0 million). Together with unused credit lines amounting to €523.4 million (prior year: €453.2 million), the company thus has sufficient liquidity for future expansions and acquisitions.

	2023	2022	2021	2020	2019
<b>Assets</b>					
Fixed assets	836,268	664,828	590,086	578,440	517,090
Inventories	34,295	9,511	19,036	8,652	4,797
Receivables	798,084	849,552	522,662	451,279	463,617
Cash and cash equivalents	234,978	98,956	205,889	242,644	156,441
Other assets	23,715	12,659	6,719	14,974	7,718
<b>Equity and liabilities</b>					
Equity	826,504	737,243	675,569	621,537	539,655
Non-current liabilities and deferred income	531,175	234,086	316,928	441,376	318,750
Current liabilities, provisions and deferred income	569,661	664,177	351,580	233,076	295,628
Deferred tax liabilities	0	0	315	0	0
<b>Balance sheet total</b>	<b>1,927,340</b>	<b>1,635,506</b>	<b>1,344,392</b>	<b>1,295,989</b>	<b>1,154,033</b>

## FINANCIAL POSITION

### FINANCIAL MANAGEMENT PRINCIPLES AND OBJECTIVES

The objective of Bechtle's financial policy is to keep the group's financial power at a high level, thereby retaining the company's financial independence by ensuring adequate liquidity. At the same time, risks are to be avoided as far as possible or hedged effectively. For example, the Rules of Procedure of the Executive Board prohibit all kinds of speculative forward transactions. This applies especially to currencies, goods and securities, as well as the respective forward transactions, unless they serve the hedging of the business operations.

As a matter of principle, Bechtle uses derivative financial instruments exclusively for hedging its operating activities. With regard to the investment of excess liquidity, quick availability is more important than maximum yield. Investment business was only conducted with investment-grade debtors. Moreover, investments in the banking sector are only made in the form of protected deposits.

### CASH FLOW STATEMENT

Cash and cash equivalents amounted to €99.0 million at the start of the period and to €235.0 million at the end of the period, with a resulting change in cash and cash equivalents of €136 million.

The net cash outflow from operating activities was €9.5 million (prior year: €195.0 million). The cash flow from operating activities increased significantly in comparison to the prior year, due to an improved working capital management.

In the reporting period, there were investments in intangible assets in the amount of €10.7 million (prior year: €12.7 million) and in property, plant and equipment in the amount of €4.3 million (prior year: €6.3 million). The main investments concern the capital increases of subsidiaries and the acquisition of PLANET AI GmbH. The cash inflow from investment activities was €40.1 million (prior year: €107.3 million) and also resulted from increased investment earnings.

The dividend payment of €81.9 million, the cash inflow from borrowing in the amount of €1,190 million, the cash outflow from the repayment of financial loans in the amount of €1,291.7 million and interest payments of €11.0 million, as well as a cash inflow from the issue of a convertible bond (issue proceeds: €300 million), together led to cash inflows from financing activities in the amount €105.4 million (prior year: cash outflows of €19.3 million).

## OPPORTUNITY AND RISK REPORT

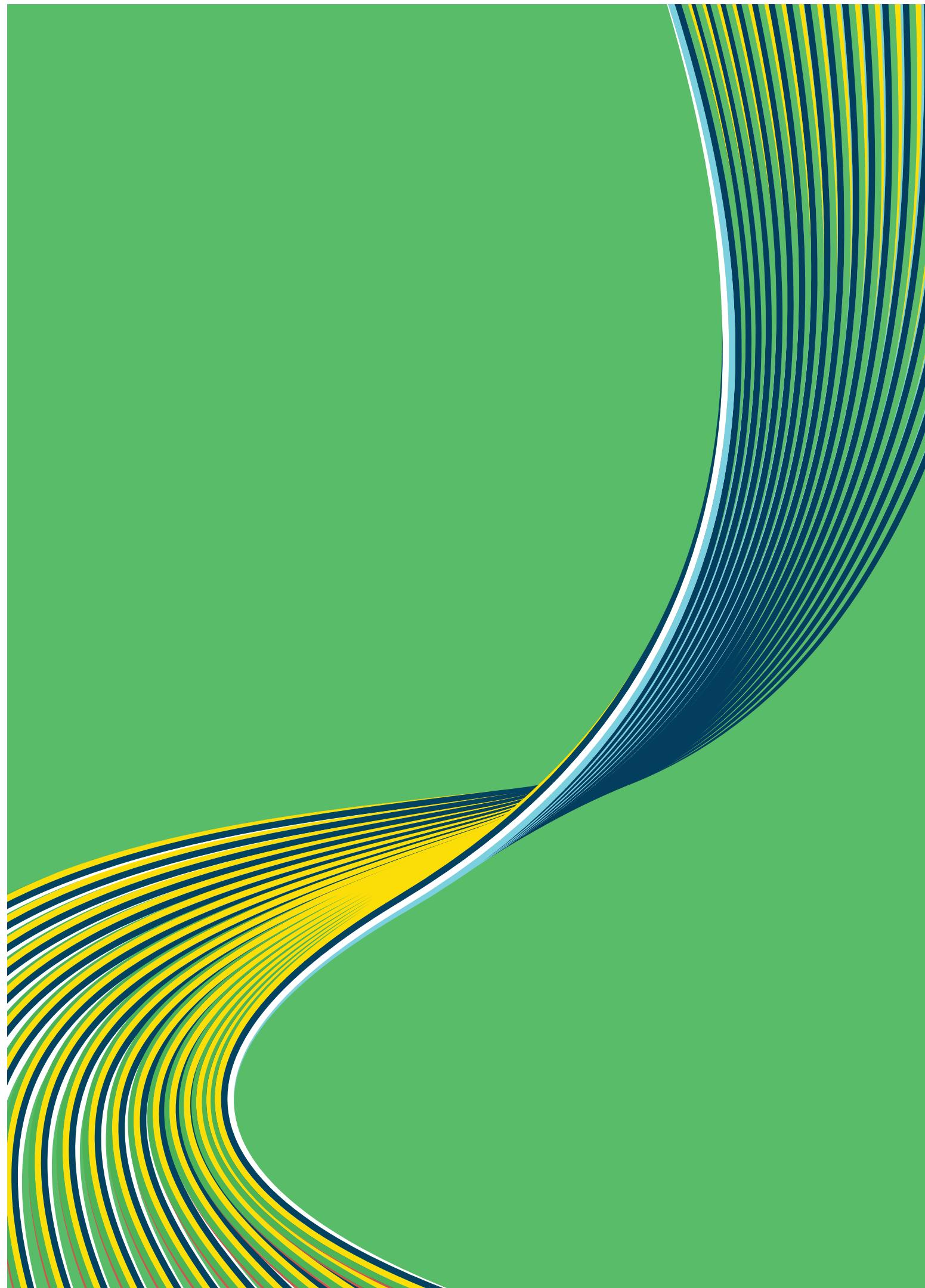
Because of its function as the holding company for the group, the performance of Bechtle AG, in principle, is subject to the same opportunities and risks as that of the Bechtle Group. Bechtle AG participates in the opportunities and risks of the indirect and direct subsidiaries. In this respect, the opportunities and risks and the risk management as described in the opportunity and risk report of the group also apply to Bechtle AG.

## FORECAST REPORT

The future performance of Bechtle AG is closely linked to the operating performance of the group. Due to its ties with the group companies and their importance for the group, the expectations here are largely reflected in the forecast report of the group. In light of the planned earnings position of the group companies, we expect a small increase in investment earnings and thus also in the annual profit of Bechtle AG.



# **CONSOLIDATED FINANCIAL STATEMENTS**





# **CONSOLIDATED FINANCIAL STATEMENTS**

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## **FURTHER INFORMATION**

## CONSOLIDATED INCOME STATEMENT

	Notes	2023	€k 2022
Revenue	1	6,422,743	6,028,175
Cost of sales	2	5,300,840	4,974,795
<b>Gross profit</b>		<b>1,121,903</b>	<b>1,053,380</b>
Distribution costs	2	436,737	392,988
Administrative expenses	2	356,806	340,848
Other operating income	3	53,936	35,881
<b>Earnings before financial earnings and taxes</b>		<b>382,296</b>	<b>355,425</b>
Financial income	4	6,905	1,512
Financial expenses	4	14,959	6,450
Share of result of investments accounted for using the equity method	5	235	0
<b>Earnings before taxes</b>		<b>374,477</b>	<b>350,487</b>
Income taxes	6	108,965	99,369
<b>Earnings after taxes (attributable to shareholders of Bechtle AG)</b>		<b>265,512</b>	<b>251,118</b>
<b>Net earnings per share (basic)</b>	€ 7	<b>2.11</b>	<b>1.99</b>
<b>Weighted average shares outstanding (basic)</b>	in thousands	<b>126,000</b>	<b>126,000</b>

  
 See  
 further comments  
 in the Notes,  
 in particular III.,  
 page 199 ff

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2023	2022	€k
<b>Earnings after taxes</b>		<b>265,512</b>	<b>251,118</b>	
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>				
Actuarial gains and losses on pension provisions	18	-9,792	6,894	
Income tax effects		1,398	-1,430	
<b>Items that will be reclassified to profit or loss in subsequent periods</b>				
Unrealised gains and losses on hedges		-531	-514	
Income tax effects		94	84	
Hedging of net investments in foreign operations		-10,821	-18,877	
Income tax effects		3,306	5,918	
Currency translation differences		10,342	11,312	
<b>Other comprehensive income</b>	17	<b>-6,004</b>	<b>3,387</b>	
of which income tax effects		4,798	4,572	
<b>Total comprehensive income (attributable to shareholders of Bechtle AG)</b>		<b>259,508</b>	<b>254,505</b>	



See  
further comments  
in the Notes,  
in particular IV. no. 17,  
page 214 ff

## CONSOLIDATED BALANCE SHEET

ASSETS		Notes	31.12.2023	31.12.2022	€k
<b>Non-current assets</b>					
Goodwill	8	732,330	554,197		
Other intangible assets	9	117,468	99,701		
Property, plant and equipment	10	441,825	365,512		
Investments in joint ventures	5	32,497	0		
Trade receivables	13	67,551	67,126		
Deferred taxes	11	10,638	9,451		
Other assets	15	25,006	19,191		
<b>Total non-current assets</b>			<b>1,427,315</b>	<b>1,115,178</b>	
<b>Current assets</b>					
Inventories	12	439,805	607,696		
Trade receivables	13	1,157,573	1,206,399		
Income tax receivables			21,604	21,559	
Other assets	15	291,136	207,450		
Time deposits and securities	14	30,000	60,000		
Cash and cash equivalents	16	435,756	229,590		
<b>Total current assets</b>			<b>2,375,874</b>	<b>2,332,694</b>	
<b>Total assets</b>			<b>3,803,189</b>	<b>3,447,872</b>	

  
 See  
 further comments  
 in the Notes,  
 in particular IV.,  
 page 206 ff

**EQUITY AND LIABILITIES**

	Notes	31.12.2023	31.12.2022	€k
<b>Equity</b>				
Issued capital		126,000	126,000	
Capital reserves		66,913	40,228	
Retained earnings		1,549,699	1,372,091	
<b>Total equity</b>	<b>17</b>	<b>1,742,612</b>	<b>1,538,319</b>	
<b>Non-current liabilities</b>				
Pension provisions	<b>18</b>	17,282	7,927	
Other provisions	<b>19</b>	10,883	10,371	
Financial liabilities	<b>20</b>	524,116	261,895	
Trade payables	<b>21</b>	516	522	
Deferred taxes	<b>11</b>	38,997	33,452	
Other liabilities	<b>22</b>	138,435	100,328	
Contract liabilities	<b>23</b>	54,533	49,628	
Deferred income	<b>24</b>	114	796	
<b>Total non-current liabilities</b>		<b>784,876</b>	<b>464,919</b>	
<b>Current liabilities</b>				
Other provisions	<b>19</b>	19,020	30,767	
Financial liabilities	<b>20</b>	16,398	111,380	
Trade payables	<b>21</b>	629,206	699,030	
Income tax payables		24,968	27,851	
Other liabilities	<b>22</b>	356,209	379,242	
Contract liabilities	<b>23</b>	226,074	193,392	
Deferred income	<b>24</b>	3,826	2,972	
<b>Total current liabilities</b>		<b>1,275,701</b>	<b>1,444,634</b>	
<b>Total equity and liabilities</b>		<b>3,803,189</b>	<b>3,447,872</b>	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Retained earnings					€k
	Issued capital	Capital reserves	Accrued profits	Changes in equity outside profit or loss	Total	Total equity (attributable to shareholders of Bechtle AG)
<b>Equity as of 1 January 2022</b>	<b>126,000</b>	<b>40,228</b>	<b>1,156,960</b>	<b>29,926</b>	<b>1,186,886</b>	<b>1,353,114</b>
Distribution of profits for 2021			-69,300		-69,300	-69,300
Earnings after taxes			251,118		251,118	251,118
Other comprehensive income				3,387	3,387	3,387
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>251,118</b>	<b>3,387</b>	<b>254,505</b>	<b>254,505</b>
<b>Equity as of 31 December 2022</b>	<b>126,000</b>	<b>40,228</b>	<b>1,338,778</b>	<b>33,313</b>	<b>1,372,091</b>	<b>1,538,319</b>
<b>Equity as of 1 January 2023</b>	<b>126,000</b>	<b>40,228</b>	<b>1,338,778</b>	<b>33,313</b>	<b>1,372,091</b>	<b>1,538,319</b>
Distribution of profits for 2022			-81,900		-81,900	-81,900
Earnings after taxes			265,512		265,512	265,512
Other comprehensive income				-6,004	-6,004	-6,004
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>265,512</b>	<b>-6,004</b>	<b>259,508</b>	<b>259,508</b>
Issue of convertible bonds			26,685			26,685
<b>Equity as of 31 December 2023</b>	<b>126,000</b>	<b>66,913</b>	<b>1,522,390</b>	<b>27,309</b>	<b>1,549,699</b>	<b>1,742,612</b>

 See further comments in the Notes, in particular IV. no. 17, page 214 ff

## CONSOLIDATED CASH FLOW STATEMENT

	Notes	2023	2022	€k
<b>Operating activities</b>				
Earnings before taxes		374,477	350,487	
Adjustment for non-cash expenses and income				
Financial earnings		8,054	4,938	
Depreciation and amortisation of intangible assets and property, plant and equipment		126,621	112,062	
Gains and losses on disposal of intangible assets and property, plant and equipment		-189	-124	
Other non-cash expenses and income		-8,374	9,172	
Changes in net assets				
Changes in inventories		175,706	-93,723	
Changes in trade receivables		102,721	-248,487	
Changes in trade payables		-97,565	56,745	
Changes in deferred income		24,800	56,366	
Changes in other net assets		-133,680	-12,973	
Income taxes paid		-113,540	-117,812	
<b>Cash flow from operating activities</b>	<b>25</b>	<b>459,031</b>	<b>116,651</b>	
<b>Investing activity</b>				
Cash paid for acquisitions less cash acquired		-223,448	-92,165	
Cash paid for investments in intangible assets and property, plant and equipment		-101,178	-81,698	
Cash received from the sale of intangible assets and property, plant and equipment		16,810	27,396	
Cash paid for acquisitions of time deposits and securities		-30,000	-60,000	
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets		60,000	0	
Settlement of net investment hedges		-10,821	-18,877	
Interest payments received		6,084	1,021	
<b>Cash flow from investing activities</b>	<b>26</b>	<b>-282,553</b>	<b>-224,323</b>	
<b>Financing activities</b>				
Cash paid for the repayment of financial liabilities		-108,083	-32,146	
Cash received from the assumption of financial liabilities		298,019	59,943	
Dividends paid		-81,900	-69,300	
Interest paid		-14,925	-5,522	
Cash paid for the repayment of leases		-64,865	-53,185	
<b>Cash flow from financing activities</b>	<b>27</b>	<b>28,246</b>	<b>-100,210</b>	
Exchange-rate-related changes in cash and cash equivalents		1,442	5,721	
<b>Changes in cash and cash equivalents</b>		<b>206,166</b>	<b>-202,161</b>	
Cash and cash equivalents at the beginning of the period		229,590	431,751	
<b>Cash and cash equivalents at the end of the period</b>		<b>435,756</b>	<b>229,590</b>	

See further comments in the Notes, in particular V., page 229 f

## NOTES

### I. GENERAL DISCLOSURES

Bechtle AG (Stuttgart District Court, HRB 108581), Bechtle Platz 1, 74172 Neckarsulm, Germany, is a joint stock corporation under German law. Through its subsidiaries, Bechtle AG operates IT system houses in Germany, Austria, Belgium, France, the Netherlands and Switzerland, and is active in the IT trading business as an IT e-commerce provider in 14 European countries. In this way, the group offers its customers a comprehensive portfolio of IT infrastructure and IT operation solutions from one source.

Bechtle has been listed on the Frankfurt Stock Exchange (Prime Standard) since 2000. Moreover, it has been listed in the TecDAX technology index since 2004 and in the MDAX stock exchange index for medium-sized companies since 2018. The company's shares are traded on all German stock exchanges.

On 11 March 2024, the Executive Board released the Consolidated Financial Statements of Bechtle AG for the 2023 fiscal year for submission to the Supervisory Board.



[bechtle.com/de-en/  
corporate-governance](http://bechtle.com/de-en/corporate-governance)

Bechtle AG has issued a declaration of conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). An up-to-date version of the declaration has been published on the company's website ([www.bechtle.com/ueber-bechtle/investoren/corporate-governance](http://www.bechtle.com/ueber-bechtle/investoren/corporate-governance)).

### II. SUMMARY OF KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATIONS

#### BASIS OF PREPARATION

The parent company Bechtle AG is a listed company and as such required under Section 315e of the German Commercial Code (HGB) to prepare its Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union. All International Financial Reporting Standards mandatory for the 2023 fiscal year have been applied.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value. The presentation in the balance sheet distinguishes between current and non-current assets and liabilities. Assets and liabilities with a maturity of up to one year are considered as current items. Deferred tax assets and liabilities and provisions for defined benefit plans are presented as non-current items. The income statement is prepared according to the function of expense method. The Consolidated Financial Statements are presented in euros and rounded to the nearest thousand (€ thousand). Any deviations are explicitly indicated.

## NEW ACCOUNTING PRONOUNCEMENTS

**New/amended standards and interpretations applied for the first time.** In the reporting period, Bechtle applied the following new and revised standards and interpretations of the following new accounting pronouncements, which had been published by the IFRS IC and adopted by the EU.



Pronouncement	Publication by IASB/IFRS IC
Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules	23 May 2023
Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	7 May 2021
Amendments to IAS 1 Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants	23 January 2020 and 31 October 2022
Amendments to IAS 1 and IFRS practice statement 2 Disclosure of Accounting Policies	12 February 2021
Amendments to IAS 8 Definitions of Accounting Estimates	12 February 2021

Bechtle is subject to the regulations on Global Minimum Tax (GloBE/Pillar II), which is generally applicable from 2024 and has already been adopted in the national law of some jurisdictions in which Bechtle is represented. According to the law, if no local minimum tax is charged, the parent company in Germany is required to pay an additional tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The jurisdictions relevant to Bechtle, in which this tax can be charged, include Switzerland, Ireland and Hungary. Based on analyses conducted, we do not expect Bechtle to suffer major increases of the current taxes in connection with Pillar II.

**New/amended standards and interpretations not yet applied.** IASB and IFRS IC have adopted further standards and interpretations, which are not yet mandatory (“effective date”) or have not yet been endorsed by the EU. Where the endorsement has yet to take place, the date for the mandatory adoption is derived from the respective pronouncements of IASB/IFRS IC. If endorsed later on, the EU directive may specify a different date for mandatory application.

Pronouncement	Publication by IASB/IFRS IC	Endorsement	Effective date <sup>1</sup>
<b>Published pronouncements not yet adopted</b>			
Amendments to IFRS 10 and IAS 28 Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	11 September 2014	open	open
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22 September 2022	20 November 2023	1 January 2024
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	25 May 2023	open	1 January 2024
Amendments to IAS 21 Lack of Exchangeability	15 August 2023	open	1 January 2025

<sup>1</sup> Must be adopted at the latest at the beginning of the first fiscal year commencing on or after the said date.

Currently, we do not expect these standards to have any significant impact on the financial statements of the Bechtle Group.

## CONSOLIDATION PRINCIPLES

The Consolidated Financial Statements are based on the financial statements of Bechtle AG and its direct and indirect subsidiaries prepared using uniform group accounting policies. Subsidiaries are companies directly or indirectly controlled by Bechtle AG. Capital consolidation is carried out by offsetting the carrying amount of the shareholding against the pro-rata re-measured equity of the subsidiaries at the time of acquisition. Any positive differences are recognised as goodwill pursuant to IFRS 3.32. Any negative differences are to be recognised in the income statement through profit or loss pursuant to IFRS 3.34 ff. The consolidated income statement takes into account the earnings of the acquired companies from the acquisition date, i.e. from the date the group attains control. Inclusion in the Consolidated Financial Statements ends as soon as the parent company relinquishes control.

If the investment company is not controlled and the investment company is an associate, it is included in the Consolidated Financial Statements using the equity method.

All intra-group gains and losses, revenue, expenses, income, receivables and liabilities are eliminated. The required tax deferrals are applied to the consolidation processes.

## SCOPE OF CONSOLIDATION

The scope of consolidation comprises Bechtle AG in Neckarsulm and all subsidiaries in which it holds a controlling interest. Bechtle AG directly or indirectly holds all interests and voting rights in all consolidated companies (except for Planet AI GmbH).



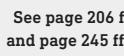
**See Appendix A,  
Subsidiaries and  
joint ventures  
page 262 ff**

The following companies were included in the scope of consolidation for the first time in this reporting period:

Company	Headquarters	Time of initial acquisition/ consolidation	Acquisition/ founding
Tangible Benefit Ltd.	London, United Kingdom	15 March 2023	Acquisition
Fondo ICT Professionals B.V.	Utrecht, Netherlands	5 April 2023	Acquisition
SGSolution AG	Wallisellen, Switzerland	4 May 2023	Acquisition
Bechtle Managed Services ApS	Copenhagen, Denmark	10 May 2023	Founding
Bechtle Management s.r.o.	Prague, Czech Republic	19 June 2023	Founding
Prosol Ingenieria S.L.	Madrid, Spain	2 August 2023	Acquisition
Prosol Iscat S.L.	Terrassa, Spain	2 August 2023	Acquisition
sistema GmbH	Hünfelden, Germany	3 August 2023	Acquisition
Executive IT SAS and the following subsidiaries:	Les Ulis, France	5 October 2023	Acquisition
Apixit SAS	Les Ulis, France	5 October 2023	Acquisition
NMS Distribution SAS	Les Ulis, France	5 October 2023	Acquisition
Orsenna SAS	Les Ulis, France	5 October 2023	Acquisition
Ortello SAS	Les Ulis, France	5 October 2023	Acquisition
SCI Cartier	Les Ulis, France	5 October 2023	Acquisition
STCI SAS	Les Ulis, France	5 October 2023	Acquisition

Balancing of business combinations takes place according to the purchase method.

On 2 October, 51 per cent of the interests in Planet AI GmbH, Raben Steinfeld, were purchased. The company is included in the Consolidated Financial Statements as a joint venture using the equity method, since the parties involved hold the rights in the net assets and decisions on important activities require the parties' unanimous approval. The joint venture is based on the agreement between the partners (Bechtle AG and the company's continued management and founding team) to combine application-oriented AI research with the sales competencies of the largest German IT system house. Another objective of the agreement is to strengthen the AI ecosystem in Europe and to assume a leading role in future innovation.



See page 206 ff  
and page 245 ff

Further disclosures concerning the companies acquired are presented in section VIII. "Acquisitions and purchase price allocation" and section IV. "Further explanatory notes on the balance sheet", (8) "Goodwill".

## CURRENCY TRANSLATION

The subsidiaries of Bechtle keep their books in local currency. Transactions in foreign currencies are converted at the closing rate on the date of the transaction. On the closing date, monetary assets and liabilities are measured at the closing rate, while non-monetary balance sheet items are translated at the rate on the day of the transaction. Gains and losses resulting from exchange rate fluctuations in foreign currency transactions are recognised through profit or loss. By contrast, currency translation differences based on net investments in foreign operations of a subsidiary are recognised in equity through other comprehensive income.

Within the framework of the consolidation, assets and liabilities are translated into euros, the group's presentation currency, at the closing rate. The revenue and expense accounts are translated at the average rate during the reporting period. Equity is determined on the basis of historical rates. Any resulting translation differences are recognised in a separate item in the equity.

Changes in exchange rates of currencies important to the Bechtle Group in relation to the euro:

	Currency	Closing rate		Average exchange rate	
		2023	2022	2023	2022
Switzerland	CHF	0.93	0.99	0.97	1.00
UK	GBP	0.87	0.89	0.87	0.85
USA	USD	1.11	1.07	1.08	1.05
Poland	PLN	4.35	4.69	4.54	4.69
Hungary	HUF	382.78	400.25	381.95	391.33
Czech Republic	CZK	24.73	24.12	24.01	24.57

For our subsidiary in Argentina, we apply the accounting for high-inflation countries by adjusting the financial statements of this subsidiary for the current period under consideration of the change in the general purchasing power of the local currency on the basis of the relevant price indices as of the reporting date. The effects on the consolidated earnings are of minor importance and are not significant.

## ACCOUNTING POLICIES

**Revenue recognition.** The gross revenue comprises all income resulting from Bechtle's ordinary business operations from contracts with customers. Gross revenue is presented without value-added tax and other taxes collected from the customers and paid to the tax authorities.

Bechtle does not reduce its promised consideration by a financing component if the term of the receivable is no more than one year. Where the term of the receivable is more than one year, the revenue is discounted to the fair value.

Bechtle recognises revenue as follows: When selling hardware and software, the revenue is recognised when the performance obligation is satisfied. The performance obligation is satisfied when the customer obtains control of the good or service. In Bechtle's business environment, the most significant indicators for the transfer of control are the purchase by the customer and the transfer of the ownership-related opportunities and risks of the asset. Depending on the underlying business transaction, the recognition of the revenue takes place in the amount of the consideration that Bechtle expects to receive for these goods (accounting as principal) or in the amount of the gross margin (accounting as agent).

**Principal/agent.** In its **hardware selling** business, Bechtle recognises the revenue as principal. Bechtle acts as the principal as it has the control over the determined claim to transfer of the goods before they are transferred to the customer. Bechtle obtains the control over the claim to transfer of the goods after concluding the contract with the customer but before the goods are transferred to the customer. The terms and conditions of the contract with the customer permit Bechtle to decide whether to ship directly from its own warehouse or via the vendor or distributor. If the shipment takes place directly via the manufacturer or distributor, the manufacturer or distributor acts on behalf of and for the account of Bechtle (drop shipping).

With regard to the **sale of software licences**, Bechtle distinguishes several types of software licences. These types reflect Bechtle's business model and thus help to clarify this issue:

■ Standard software without customising

In the field of sales of standard software without customising, Bechtle makes distinction between two types:

■ Direct business: as an authorised sales partner, Bechtle places standard software products that are delivered by software vendors to end customers. Bechtle's only obligation from these agreements consists of asking another company to grant the standard software licence to the end customer. Bechtle thus acts as an agent and recognises the income at the net amount it receives from the agency services.



See page 197 f

- Indirect business: within the scope of the sale of customer-specific solutions on the basis of standard software licences, Bechtle acts as a value-added software reseller and performs pre-sales consulting services in connection with the sale. This especially includes aspects of strategic and operational software procurement and consulting services with respect to the contract and compliance. Under consideration of all relevant factors (see Discretionary Decisions, Estimates and Assumptions), Bechtle is of the opinion that in the context of the pure sale of standard software, Bechtle acts as an agent. In the indirect business, Bechtle thus records the revenue in the amount of the gross margin. This assessment also applies to the sale of standard software licences with basic installation services. These installation services are generally not very extensive or complex, so that the standard software or the interfaces do not need to be customised (no customisation of the existing interfaces and no new development). Based on this analysis, Bechtle is of the opinion that it transfers two separately specified goods or services to the customer. Under consideration of all factors, Bechtle is thus of the opinion that when selling standard software licences with basic installation services, it acts as an agent. The classification as principal or agent does not depend on the provisioning model, i.e. it applies both to on-premise models and to SaaS models from the cloud, which are sold in the context of the indirect business model.
- Standard software including customising and/or customer-specific integration of the standard software: on the one hand, Bechtle performs basic adjustments to the function scope of the standard software in order to meet the individual requirements of an end customer in connection with the sale of the standard software. In this connection, Bechtle has noticed that the customising for customer-specific requirements is so extensive that the standard software is changed or adapted significantly by means of this customising. On the other hand, Bechtle also performs integration services that are aligned with the needs of the end customer in order to integrate the standard software licence in the existing system of the end customer. Bechtle thus uses the standard software licence and the customer-specific integration service for the purpose of achieving the combined end result (= functional and integrated software system) as defined in the contract with the end customer. Accordingly, Bechtle comes to the conclusion that the services cannot be separated from each other, and a single performance obligation is owed to the customer. As Bechtle is responsible for fulfilling this promise, Bechtle acts as the principal in these agreements. This is backed by the fact that Bechtle can freely determine its selling prices. In this business, Bechtle thus recognises the revenue in the amount of the consideration that Bechtle expects to receive for these goods and services.

At Bechtle, **warranty obligations** usually do not meet the requirements for a separate performance obligation, as they do not exceed the statutory scope. They are presented as provisions.

However, if third-party warranty obligations are sold, Bechtle sees itself as an agent and recognises the resulting revenue in the amount of the gross margin.

Revenue from the **performance of IT services** is recognised over time, as the units rendered by Bechtle cannot be used otherwise and Bechtle is entitled to payment for the services already performed. The revenue is recognised on the basis of input-based methods to measure the progress of the performance. Until the invoice is issued to the customer, the revenue is presented in the contract assets.

Bechtle recognises the revenue from the performance of IT services as principal, as the group transfers the control over the service directly to its customers or makes it available directly to its customers.

**Multiple-element contracts** for the shipment of several products or the performance of several services need to be separated into individual performance obligations for each of which a separate income is to be determined and recognised upon fulfilment of the obligation towards the customer. In addition to the combination of various hardware and software products, this especially concerns Bechtle's managed service contracts. The total transaction price of the combined contract is divided to the individual performance obligations on the basis of the pro-rata individual selling prices, i.e. the individual selling price of each element is put in relation to the total of the individual selling prices of the contractual performance obligations.

The evaluation whether the revenue needs to be recognised over time or on a point-in-time basis is performed separately for each performance obligation.

Pursuant to IFRS 15, **contract costs** that arise in connection with the fulfilment of managed service contracts need to be capitalised and amortised over the contract term, provided they are directly connected to the contract, result in enhanced use of resources and are recoverable. As in the previous year, these costs played only a minor role in the reporting period.

Pursuant to IFRS 15.91, **sales commissions** in connection with long-term managed service contracts needs to be capitalised if the time of accrual does not coincide with recognition of the revenue. This would be the case if the sales commission were to be due upon conclusion of the contract. Bechtle recognises sales commission on trading business and services as expenses at the time of delivery or performance, i.e. at the same time as the revenue recognition.

**Research and development costs.** Apart from the development costs incurred in connection with the production of software designated for internal use or for sale, no significant research and development costs were incurred. Please refer to our statement on internally developed software.



See Company,  
page 45 f

**Leases. Bechtle as lessee.** Accordingly, all contracts in the Bechtle Group that constitute a lease or leases that are included in another contract must be measured as a lease liability at the present value of the lease payments when they are first recognised at the time of provision. This includes variable lease payments that are linked to an index or (interest) rate and whose initial measurement is made using the index or (interest) rate valid on the provision date. The discounting takes place on the basis of Bechtle's incremental borrowing rate of interest at the same time and in the same currency. On the assets side, a right-of-use asset is recognised for the underlying asset under property, plant and equipment as of the time of initial accounting. This right-of-use asset is depreciated according to schedule over the lease term. If no term is determined in an agreement or the agreement can be terminated on a monthly basis, a term of five years is used. Furthermore, extension and termination options contained in rental agreements and leases are taken into consideration in the measurement of the lease liability and thus included in the evaluation of the right-of-use asset, provided that the exercise of these options is reasonably certain. Bechtle does not account for a right-of-use asset and the corresponding lease liability for leases that are classified as short-term leases with a term of up to twelve months or as leases for low-value assets (up to €5 thousand).

At Bechtle, the application of IFRS 16 resulted in the capitalisation of right-of-use assets, especially for rental property and leased company vehicles. Additionally, there are leases for office equipment, furniture, fixtures and fittings, job bicycles and customer equipment, which, however, are of minor significance.

With the application of IFRS 16, the expenses for leases do not affect EBIT in the full amount in the income statement. Rather, only the expense from the depreciation of the capitalised right-of-use asset is recognised in EBIT; the interest costs for the lease liability are posted to the financial earnings.

In the cash flow statement, the lease payments in the amount of the interest and repayment share are included in the cash flow from financing activities.

**Leases. Bechtle as lessor.** Bechtle also acts as a lessor. From this perspective, leases are classified as operating leases and finance leases. Payments from operating leases are recognised as income over the lease term through profit and loss. Assets in operating leases are carried at amortised cost in property, plant and equipment.

If all material opportunities and risks associated with the ownership have passed to the lessee, the lease shall be recognised as a finance lease. In this context, a receivable is accounted for from the finance lease in the amount of the net investment value from the lease. In this connection, Bechtle regularly engages in vendor leasing on the market and recognises revenue in the amount of the present value of future lease payments. On the other hand, expenses associated with the lease are recognised in the income statement, and the amount of the present value of future payments is accounted for as a lease liability.

**Goodwill** from a business combination is initially recognised at cost of purchase in the form of the surplus of the cost of purchase of the business combination over the share of net fair value of the identifiable assets, liabilities and contingent liabilities recognised by the buyer pursuant to IFRS 3. The goodwill identified in the context of a business combination corresponds to the expectation of future economic benefit from assets that cannot be individually identified or presented separately.

Pursuant to IFRS 3, goodwill is not amortised. Instead, it is tested for impairment at least once a year pursuant to IAS 36.

**Other intangible assets** in the Bechtle Group include brands, customer bases, purchased software, internally developed software and customer service agreements. Depreciation and amortisation of other intangible assets is allocated to the respective functional areas.

Brands acquired in the context of company acquisitions are measured at the fair value of the brand right. Except for the Inmac Wstore brand purchased in the 2018 fiscal year, the useful life used to be assumed to be unlimited, as an analysis of all relevant factors does not reveal any foreseeable limitation of the period in which these brand rights can prospectively generate net cash flows for the Bechtle Group. Consequently, in accordance with IAS 38, brand rights may not be amortised, but shall be tested for impairment at least once a year pursuant to IAS 36.

Customer relationships acquired in the context of company acquisitions are measured in accordance with the economic benefit resulting from the customer relationships. Customer relationships are amortised on a straight-line basis over a period that depends on the expected benefit for the company. As a matter of principle, it is assumed that customer relationships are of a long-term nature. The expected useful life is five to ten years.

Purchased software is measured at cost of purchase and amortised on a straight-line basis over a useful life of one to ten years.

Internally developed software is capitalised under the conditions of IAS 38 provided that both the technical feasibility and the marketability of the newly developed products are ensured, the group derives an economic benefit, and internal use or sale is planned. Capitalisation takes place at cost, including all attributable costs. Costs incurred in the period prior to the technical feasibility are immediately recognised as research costs. Straight-line depreciation of the capitalised costs takes place from the date of commercial use of the asset over a useful life of three to five years.

For goodwill and other intangible assets with an unlimited useful life, an impairment test is performed at least once a year for the cash-generating unit that these assets are allocated to. In the case of intangible assets with limited useful lives and property, plant and equipment, an impairment test is performed if events or changes occur that suggest impairment. In the Bechtle Group, impairment tests are always conducted on the basis of the value in use determined by means of the discounted cash flow method. The basis for this is the current plan drawn up by the management for the next three fiscal years. The planning assumptions are duly adjusted to the current state of knowledge based on internal and external information available. In the process, appropriate assumptions on macroeconomic trends and historical developments are taken into account. As a matter of principle, the expected growth rates in the relevant markets are used as the basis for the calculation of cash flows.

The need for depreciation and amortisation corresponds to the amount by which the carrying amount of the cash-generating unit exceeds the value in use. For the goodwill impairment test, the goodwill is allocated to its corresponding cash-generating units. Assets that are no longer intended for use in business operations are classified as available for sale and are measured at the lower of the carrying amount and the fair value less costs to sell.

**Property, plant and equipment.** Property, plant and equipment are measured at cost of purchase less scheduled amortisation. Most of the property, plant and equipment consists of land and buildings. These assets are held by a limited number of companies. Within the scope of the preparation of the annual financial statements of these companies, the existence of any indications or changed circumstances which might render it impossible to recover the carrying amount of an asset is checked. Scheduled amortisation takes place on a pro rata temporis basis, and mainly on a straight-line basis according to the expected useful life. Scheduled amortisation is based on the following useful lives:

Office equipment	3–10 years
Furniture, fixtures and fittings	3–20 years
Vehicle fleet	3–6 years
Buildings	5–33 years

Low-value assets of property, plant and equipment are measured at cost of purchase and depreciated on a straight-line basis over a useful life of three to eight years. Maintenance costs are recognised through profit or loss when incurred.

A **joint venture** is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement that exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

According to the equity method, interests in joint ventures are to be included in the consolidated balance sheet at cost of purchase and subsequently adjusted by changes in the group's interest in the profit or loss and in the other comprehensive income of the joint venture after the date of acquisition. Losses of a joint venture that exceed the group's share in the joint venture are not recorded. They are recorded only if the group has assumed legal or constructive obligations to take over the loss or makes payments on behalf of the joint venture.

An investment in a joint venture is accounted for as of the date on which the conditions for joint ventures are on hand. Any excess of the cost of purchase of the purchased interest over the interest gained in the fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. According to the equity method, the goodwill is part of the carrying amount of the investment and is not separately tested for impairment.

At re-measurement, any excess interest of the group in the carrying fair value of the identifiable assets, liabilities, and contingent liabilities over the cost of purchase of the acquired interest (negative difference) is immediately recognised through profit or loss.

To determine whether the interests in joint ventures are subject to any impairment, the regulations of IAS 36 are applied. If an impairment test needs to be conducted, this is done for the carrying amount of the investment (including goodwill) according to the regulations of IAS 36. For this, the recoverable amount – i.e. the higher of the value in use and the fair value less costs of disposal of the investment – is compared with its carrying amount. The determined impairment loss on the assets included in the carrying amount of the interest including goodwill is not performed. If the recoverable amount increases in subsequent years, the impairment loss is reversed in accordance with IAS 36.

The group stops using the equity method from the date on which its investment no longer represents a joint venture.

In accordance with IAS 12, **deferred taxes** are recognised for all temporary differences between the carrying amounts in the group's consolidated balance sheet and the tax base of assets and liabilities (liability method) as well as for unused tax losses.

Deferred tax assets for accounting and valuation differences and for unused tax losses are only recognised to the extent that it is probable that these differences will lead to taxable profit in future. As of the balance sheet date, the value of the deferred tax assets recognised in previous periods is reviewed as to whether it is still sufficiently probable that a future benefit can be realised. Deferred tax assets are offset against deferred tax liabilities provided that a legally enforceable right of offsetting exists and the deferred tax assets and liabilities are raised by the same tax authority for the same taxable entity. The assessment is based on the tax rates applicable in the year of reversal. Changes in tax rates are taken into consideration if these have been adopted. Pursuant to the temporary exception to the requirements regarding deferred taxes in IAS 12 as published by the IASB in May 2023, tax effects that could result from the future application of the regulations on global minimum taxation (Pillar II) are not taken into consideration when determining deferred tax assets and liabilities.

**Inventories.** Commodities are measured at average cost of purchase pursuant to IAS 2 (weighted average cost method). If necessary, the commodities are written down to the net realisable value. Besides the loss-free measurement, these write-downs take all other inventory risks into consideration. If the reasons that led to a write-down of inventories no longer exist, the impairment loss is reversed.

**Contract assets** are claims to consideration for goods or services that Bechtle transferred to a customer before he made a payment or before the conditions for issuing an invoice and recognising a receivable are on hand. With respect to possible impairment, contract assets – like trade receivables – are subject to the expected credit loss (ECL) model introduced according to IFRS 9.

A **contract liability** is the obligation to transfer goods or services to a customer for which the group has already received consideration from the customer (or an amount of the consideration is due). A contract liability is recognised when a customer pays the consideration before Bechtle fulfils its performance obligation by transferring goods or services to the customer. Contract liabilities are recognised as revenue when the performance is rendered under the contract. This especially applies to services invoiced in advance, maintenance agreements, warranty extensions and expansions and advance payments received from third parties.

**Trade receivables and other assets** are measured at amortised cost taking into consideration due write-down for all identifiable individual risks pursuant to IFRS 9 Appendix A. Non-current receivables with a residual term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date. The general credit risk is, where verifiable, also taken into consideration by means of appropriate impairments. By way of exception, the derivative financial instruments contained in the other assets are accounted for at fair value.

As a matter of principle, impairments of trade receivables are performed by means of allowance accounts. The decision whether to take a credit risk into consideration through an allowance account or through direct impairment of the receivable depends on the degree of reliability of the assessment of the risk situation. The individual portfolio managers are responsible for this assessment. Moreover, the general credit risk is accommodated under consideration of Euler Hermes ratings and corresponding probabilities of default in the scope of the ECL model introduced pursuant to IFRS 9. For trade receivables, receivables from finance leases and contract assets, the simplified model of IFRS 9 is applied to assess impairment on the basis of lifetime expected losses. The group determines the expected losses from these items using an impairment matrix, which is calculated on the basis of the historical losses per overdue status of the debtors and, if necessary, adjusted to current conditions and expectations of future economic developments.

In the Bechtle Group, trade receivables exclusively comprise financial instruments. The other assets also include non-financial assets. For these, no measurement at amortised cost is performed pursuant to IFRS 9.

**Time deposits and securities.** Time deposits are measured as financial assets at amortised cost. They comprise time deposits and similar investments with banks and other financial service institutions, as well as investments in insurance policies with original maturities of more than three months from the date of purchase.

**Cash and cash equivalents.** Cash and cash equivalents are measured as financial assets at amortised cost. They include current bank balances and cash on hand as well as short-term time deposits with initial maturities of less than three months from the acquisition date.

**Pension provisions.** Pension liabilities are accounted for and measured pursuant to IAS 19. In this context, a distinction is made between defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the employer has no obligations apart from the regular payment of defined contributions. As no actuarial assumptions are required to measure the liabilities or expenses, actuarial gains or losses cannot arise. Bechtle does not have any significant number of defined contribution plans.

In contrast, the obligations arising from defined benefit plans are to be measured on the basis of actuarial assumptions and calculations taking into account biometric assumptions. In this connection, actuarial gains or losses may occur, which must be recognised directly in equity, taking into account deferred taxes.

**Other provisions** are formed where there is a current obligation to third parties arising from a past event. It must be possible to estimate the amount reliably, and it must be more likely than unlikely that an outflow of future resources will take place. Provisions are only formed for legal and constructive obligations to third parties. Provisions are recognised at the amount that, on the balance sheet date, represents the best possible estimate of the expense that will probably be necessary to fulfil the current obligation.

Other provisions for warranties are formed for prospective claims on the basis of company-specific experience and the revenue. Non-current provisions with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date, provided that the interest effect is material.

**Deferred income** includes all deferred other operating earnings, as in the prior year. This especially affected marketing grants from suppliers as well as rent income.

**Financial liabilities** are recognised as expenses at amortised cost. In the Bechtle Group, financial liabilities exclusively comprise financial instruments. According to its substance, the convertible bond issued in the fiscal year is recognised as a financial liability and an equity instrument. The fair value of the liability component is determined as of the date of issue on the basis of the market interest applicable to comparable non-convertible instruments. This amount is accounted for as financial liability at amortised acquisition cost, applying the effective interest method until the fulfilment or maturity of the instrument. The conversion right classified as equity is determined by deducting the liability component from the fair value of the entire instrument. The resulting value – less income tax effects and associated transaction costs – is recognised as part of the equity and is thus not subject to measurement. The conversion right classified as equity remains in the equity until the conversion right is exercised.

**Other liabilities** contain both financial and non-financial liabilities and are recognised as expenses at amortised cost. Non-current liabilities with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date.

By way of exception, liabilities from acquisitions are measured at fair value (IFRS 3.39). Liabilities from acquisitions always represent debt capital, as these liabilities always entail, or could entail, a payment obligation.

**Trade payables** are recognised as expenses at amortised cost. This item exclusively contains financial instruments. Non-current liabilities with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date.

**Financial instruments** are contracts that result simultaneously in a financial asset for one company and in a financial liability or equity instrument for another. This includes both primary financial instruments (e.g. trade receivables or payables) and derivative financial instruments (transactions to hedge risks of change in value). Pursuant to IAS 32.11, an equity instrument is a contract that substantiates a residual interest in the assets of a company after deducting all of its liabilities. If the financial instrument results in payment obligations (even if only conditional), this represents debt capital, not equity.

The initial recognition of financial instruments takes place at fair value, if necessary adjusted by transaction costs that are directly attributable to the purchase or issue of the financial instrument. This does not apply to trade receivables without significant financing components; these are measured at the transaction price. The subsequent measurement takes place according to their measurement category pursuant to IFRS 9:

Subsequent measurement of financial assets:

- According to IFRS 9, financial assets are allocated to the classification categories at amortised cost or fair value and measured accordingly. Where financial assets are measured at fair value, the expenses and income can either be recognised through profit or loss or through other comprehensive income.

Subsequent measurement of financial liabilities:

- Pursuant to IFRS 9, financial liabilities are measured either at amortised cost or at the fair value. The change in value is recognised at fair value through profit or loss.

### Equity instruments:

All equity instruments pursuant to IFRS 9 are to be measured at fair value in the balance sheet. Value changes are to be recognised in profit or loss. In the case of an equity instrument not held for trading, the company may at initial recognition irrevocably decide to measure it at fair value through other comprehensive income. In this case, reclassification of the amounts in other comprehensive income, e.g. upon sale of the instrument, is no longer possible.

For financial assets that are measured at amortised cost as well as for assets that are measured at fair value and whose change in value is recognised in other comprehensive income, it is checked as of every balance sheet date whether impairment is on hand. Pursuant to IFRS 9, a risk provision is recognised for this purpose on the basis of the expected credit losses (ECL model). The assessment whether future losses are expected is performed on the basis of a creditworthiness analysis of the accounts receivable with the help of Euler Hermes ratings. Accordingly, expected valuation losses will henceforth be taken into consideration in addition to the losses that have already occurred. Once the reasons for the posted impairments no longer exist, the respective write-ups are applied. Due to the very short terms and the creditworthiness of our contract partners, no impairment is determined according to the ECL model for financial assets in the form of cash and cash equivalents.



See page 231 ff

The categorisation of the individual financial instruments within the balance sheet items is presented in chapter VI. "Further disclosures on financial instruments in accordance with IFRS 7".

**Derivative financial instruments** are accounted for as assets or liabilities. All derivative financial instruments are recognised at fair value according to the accounting policy on the settlement date. Fair values are determined with the aid of standardised mathematical models (mark-to-model method). The fair value is determined taking into account future cash flows over the residual term of the contract on the basis of current market data (interest rates, yield curve, forward prices). The creditworthiness of the debtor is determined with the help of an overhead percentage method taking into account the amount, the probability of default and the recovery rate in the event of inability to pay.

The Bechtle Group uses forward exchange contracts and currency options to mitigate the currency risk resulting from future exchange rate fluctuations for receivables and liabilities. For transactions to be classified as effective cash flow hedges, the changes of fair value are posted outside profit or loss, taking into account the applicable deferred taxes. Changes of the fair value that are attributable to the ineffective hedging instrument are recognised through profit or loss.

Hedges of net investments in group companies abroad hedge the foreign currency risk from subsidiaries using functional currencies other than the group currency euro. Gains or losses from the hedging transaction that are attributable to the effective part of the hedging transactions are recognised outside profit or loss. Gains or losses attributable to the ineffective part of the hedging instrument are recognised in the income statement.

Gains and losses from the change of the fair value of derivative financial instruments that are not accounted for within the scope of the hedge accounting pursuant to IAS 39 are immediately recognised at their fair value in the income statement.

## DISCRETIONARY DECISIONS, ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements requires estimates and assumptions on the part of the Executive Board that affect the reported amount of assets, liabilities, income and expenses in the Consolidated Financial Statements, as well as the disclosure of other financial liabilities and contingent liabilities. The uncertainty associated with these assumptions and estimates may yield results that necessitate substantial adjustments of the carrying amount of the affected assets and liabilities in future periods. All estimates and assumptions are based on the current knowledge and are made in good faith in order to provide a true and fair picture of the group's earnings, assets and financial position.

Due to Russia's ongoing war of aggression on Ukraine, the conflict that has again flared up in the Middle East and the high inflation, estimates and discretionary decision remain subject to greater uncertainty. The actual amounts can differ from the estimates and discretionary decisions. Any available information about the prospective economic development was taken into consideration in the update of the estimates and discretionary decisions.

The most important issues that are affected are as follows:

**The impairment test for goodwill, other intangible assets and property, plant and equipment** requires estimates of future cash flows from assets or from the cash-generating unit to determine its value in use as well as the selection of an appropriate discount rate to determine the present value of these cash flows. For estimates of future cash flows, long-term revenue forecasts have to be made in the context of the economic setting and the development of the industry.



See page 206 ff

The measurement for the initial recognition of **customer relationships, customer service contracts, order backlogs and brands** acquired within the scope of acquisitions also involves estimates for the determination of the fair value.



See page 207 f



See page 207 ff

The scheduled amortisation of **intangible assets** and the scheduled depreciation of **property, plant and equipment** require estimates and assumptions when determining the standardised useful life of assets for the group as a whole.



See page 231 ff

The **financial instruments** recognised at fair value are allocated to a fair value hierarchy per IFRS 13. Allocation to the various levels is based on the market proximity of the valuation parameters used to determine the fair values. To the greatest extent possible, the relevant market data observable on the reporting date (e.g. exchange rates or interest rates) as obtained from recognised external market data providers (Level 2) were used as valuation parameters. Additionally, an internally determined credit value adjustment was used for receivables and liabilities (Level 3). For the convertible bond issued in the reporting period, the fair value is determined as the present value of future cash flows under consideration of yield curves and the respective rating-dependent credit risk premium (credit spread).



See page 209 ff

Major measurements are required to measure the **deferred tax** assets and liabilities of the group. In particular, the deferred tax assets on unused tax losses require estimates of the amount and dates of future taxable income as well as the future tax planning strategies. Uncertainties also exist with respect to future changes in tax law. If there is doubt that it will be possible to realise the unused tax losses, these are not recognised or impaired.



See page 211

The **inventories** contain impairments to the lower net realisable value. The amount of the impairments requires estimates and assumptions concerning the prospective realisable sales revenue.



See page 211 ff

Provisions are formed for **debts** in order to account for expected losses resulting from customers' inability to pay. The structure of the maturity of receivables, experience in connection with the probability of default of external customer ratings, an estimate of the customer's creditworthiness and changes in payment performance form the basis for the assessment of the appropriateness of the provisions for bad debts.



See page 218 ff

The measurement of **pension provisions** is based on assumptions about the future development of certain factors. These factors include, among other things, actuarial assumptions such as the discount rate, expected increases in the value of plan assets, expected salary and pension increases, mortality rates and the earliest retirement age. Due to the long-term nature of such plans, such estimates are subject to considerable uncertainties.



See page 225

The recognition and measurement of **provisions** rely heavily on estimates. The assessment of the quantification of the possible amount of payment obligations is based on the respective situation and circumstances. Provisions are recognised for obligations where there is a risk of losses, these losses are probable and their amount can be reliably estimated.

The inclusion of **hedging instruments** in the hedge accounting requires assumptions and estimates with respect to the underlying probability of occurrence of future transactions with hedged currencies and interest rates.



[See page 235 ff](#)

To determine whether an agreement constitutes a **lease**, it is necessary to assess whether the fulfilment of the contractual agreement depends on the use of a certain asset or certain assets and on whether the agreement grants the right to use the asset. Bechtle determines the lease term under consideration of the basic lease term that cannot be terminated as well as extension and termination options, provided it is reasonably certain that these options will be exercised in the future. In the case of an unlimited lease term in real-estate rental agreements, a useful life of five years is assumed.



[See page 252 ff](#)

The assessment of leases on the lessor side largely takes place on the basis of the criteria of the useful life as specified in the standard as well as the present value of the lease payments at the beginning of the lease.

In the context of the **revenue recognition and the assessment whether Bechtle is the principal or agent** when selling standard software licences without customising in the indirect business, Bechtle has applied the following accounting methods.

**Pre-Sales consulting services.** In keeping with the agenda decision of the IFRS IC, Bechtle is of the opinion that pre-sales consulting is more in the nature of a sales service and therefore, no separate performance obligation can be identified. This is justified for various reasons, including by the fact that at the time of conclusion of the contract, the value-added reseller has already performed the consulting services. Though the consulting could have influenced the customer's decision to order a certain type and number of software licences, no effective contract between the value-added reseller and the customer is on hand prior to an order. If no software licences are purchased, Bechtle will, therefore, not be entitled to any compensation for the consulting services.

Moreover, this estimation is supported by the following aspects:

- Compared to the value of the standard software licence, the pre-sales consulting overhead usually accounts for a minor share.
- A customer who knows which contract model would be suitable and exactly how many standard software licences he or she needs would not gain any added value from the pre-sales consulting.

**Differentiation between installation and integration services.** With the sale of standard software, including customising and/or customer-specific integration of standard software, substantial discretionary leeway remains especially with regard to the question whether the mere installation of a software or complex customising and/or a customer-specific integration is on hand.

Following an evaluation under consideration of the additional insight derived from the agenda decision of the IFRS IC, Bechtle came to the conclusion that stricter criteria must be applied for customising and integration services. Substantial customising and/or customer-specific integration must thus either

- contain a significant customisation of the software (modification of the source code) or
- the function scope of the standard software licence must have been modified significantly, e.g. through
- creation of new interfaces or
- expansion/customisation of the existing interfaces.

If the installation or integration service does not include this scope, it is classified as (basic) installation and does not meet the criteria for qualification as principal.

**Estimates and assumptions. Gross versus net presentation.** The evaluation as to whether Bechtle should recognise revenue either in the amount of the consideration that Bechtle expects to receive for these goods and services (accounting as principal) or in the amount of the gross margin (accounting as agent) requires an analysis both of the legal form and of the economic content of contracts. After considering all relevant facts and circumstances of the individual case, the decision often involves a certain measure of discretion even if a uniform review pattern is applied throughout the group.

Revenue from standard software licences without customising and/or customer-specific integration of the standard software continue to be generally accounted for as an agent and is presented in the amount of the gross margin. On the other hand, the evaluation of a significant integration service in connection with the sale of software licences is a complex issue for which the above-mentioned criteria need to be used in order to establish a qualification as principal. Basically, Bechtle assumes a qualification as agent. If however, proof of customising and/or customer-specific integration is on hand or the performance took place by specialised Bechtle system houses, Bechtle will account for this sale as principal, presenting the gross revenue.

Depending on the evaluation, significant differences may arise with regard to the amount of the revenue and expenses of the respective periods. However, operating income is not affected.



See Management Report,  
Company, Environment,  
page 77 ff

**Effects of the climate change.** In the fields of climate change and shortage of resources, Bechtle has not identified any risks to its business model. Therefore, Bechtle currently does not expect any significant effects of such risks on its business model or on the presentation of its earnings, assets and financial position. Further information on the fields of climate change and sustainability is available in the Group Management Report in the chapter "Environment".

### III. FURTHER EXPLANATORY NOTES ON THE INCOME STATEMENT

#### 1 REVENUE

The revenue amounting to €6,422,743 thousand (prior year: €6,028,175 thousand) includes the considerations charged to customers for goods and services less rebates and discounts.

Based on the business volume as of the end of the year, the transaction price of unfulfilled performance obligations amounted to €2,146 million, just slightly below the prior-year figure of €2,452 million<sup>1</sup>. Of this amount, the IT System House & Managed Services segment accounted for €1,913 million (prior year: €2,117 million<sup>1</sup>), and the IT E-Commerce segment for €305 million (prior year: €407 million<sup>1</sup>). The IT E-Commerce segment is characterised almost entirely by the conclusion of pure trading deals, usually with short order and delivery times. In the IT System House & Managed Services segment, project deals can take anywhere from several weeks to one year. Especially in the field of Managed Services, which accounts for about one third of the order backlog, Bechtle often concludes framework and operating agreements with terms of several years. About half of these agreements are recognised as revenue in the 2024 fiscal year, and the rest in subsequent years. Contract terms for as-a-service models, e.g. for the procurement of software, can also be longer than one year.

The company grants the periods of payment that are customary in the respective industry and country (usually 10 to 60 days).

The following table shows the breakdown of the revenue:

	01.01 – 31.12.2023			01.01 – 31.12.2022			€k
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group	
IT trading revenue	3,007,318	2,056,049	5,063,367	2,666,341 <sup>2</sup>	2,204,094 <sup>2</sup>	4,870,435	
IT service revenue	1,282,762	76,614	1,359,376	1,114,007	43,733	1,157,740	
<b>Total revenue</b>	<b>4,290,080</b>	<b>2,132,663</b>	<b>6,422,743</b>	<b>3,780,348<sup>2</sup></b>	<b>2,247,827<sup>2</sup></b>	<b>6,028,175</b>	

<sup>2</sup> Adjustment prior year, due to adjustment of PvA netting €97,820 thousand

In this context, the IT E-Commerce business segment mainly generates IT trading revenue that is recognised at a point in time. The revenue in the IT System House & Managed Services segment consists primarily of IT trading revenue that is also recognised on a point-in-time basis and IT service revenue that is recognised either on a point-in-time basis or over time. The service share in the IT System House & Managed Services segment was at the same level as in the prior year.

<sup>1</sup> Adjustment prior year due to change in recognition of long-term contracts

As a matter of principle and irrespective of the industry, all customers are commercial end customers and public-sector clients. In the fiscal year ended, the product groups that achieved the highest revenue were mobile computing, IT services, peripherals and network components. With these product groups, Bechtle generated about 62 per cent of the total revenue (prior year: 64 per cent).



See Management Report,  
Company, Markets,  
page 43 ff

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

	01.01 – 31.12.2023			01.01 – 31.12.2022		
	IT System House & Managed Services	E-Commerce	IT Group	IT System House & Managed Services	E-Commerce	IT Group
Public-sector clients	1,837,012	776,289	2,613,302	1,367,730 <sup>1</sup>	724,250 <sup>1</sup>	2,091,980 <sup>1</sup>
Commercial buyers	2,453,068	1,356,374	3,809,441	2,412,618 <sup>1</sup>	1,523,577 <sup>1</sup>	3,936,195 <sup>1</sup>
<b>Total revenue</b>	<b>4,290,080</b>	<b>2,132,663</b>	<b>6,422,743</b>	<b>3,780,348<sup>1</sup></b>	<b>2,247,827<sup>1</sup></b>	<b>6,028,175</b>

<sup>1</sup> Adjustment prior year, see table breakdown of the revenue page 199



See page 240 ff

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

In the 2023 fiscal year, income amounting to €196,364 thousand (prior year: €162,664 thousand) was recognised for payments from previous periods.

Contract assets are claims to consideration for goods or services that Bechtle transferred to a customer before he made a payment or before the conditions for issuing an invoice and recognising a receivable are on hand. In the 2023 fiscal year, income amounting to €100,777 thousand was generated from the contract assets (prior year: €49,944 thousand).

## 2 EXPENSE STRUCTURE

	Cost of sales		Distribution costs		Administrative expenses	
	2023	2022	2023	2022	2023	2022
Material costs	4,667,216	4,426,903	0	0	0	0
Personnel and social expenses	519,465	450,083	341,773	311,150	229,845	221,818
Depreciation and amortisation	57,216	47,334	30,166	24,473	39,239	40,255
Other operating expenses	56,943	50,475	64,798	57,365	87,722	78,775
<b>Total expenses</b>	<b>5,300,840</b>	<b>4,974,795</b>	<b>436,737</b>	<b>392,988</b>	<b>356,806</b>	<b>340,848</b>

The predominant portion of the material costs corresponds to the costs for commodities. The material costs include net expenses of €1,563 thousand from exchange rate fluctuations (prior year: income of €513 thousand). Amortisation of intangible assets amounted to €33,212 thousand (prior year: €31,400 thousand).

Other operating expenses include the following:

- Vehicle costs amounting to €26,813 thousand (prior year: €23,720 thousand)
- Expenses for office and building rent amounting to €20,928 thousand (prior year: €18,521 thousand)
- Communication costs amounting to €8,107 thousand (prior year: €8,054 thousand)
- Marketing costs amounting to €31,684 thousand (prior year: €27,484 thousand)
- Legal and consulting costs amounting to €27,767 thousand (prior year: €29,721 thousand)
- Travel and entertainment costs amounting to €22,536 thousand (prior year: 15,822 thousand)
- Expenses from the immediate write-off of trade receivables amounting to €1,929 thousand (prior year: €750 thousand)

### 3 OTHER OPERATING INCOME

	€k	
	2023	2022
Marketing grants and other compensation from suppliers	42,634	26,592
Income from operating a photovoltaic system	200	269
Rental income	872	991
Others	10,230	8,029
<b>Other operating income</b>	<b>53,936</b>	<b>35,881</b>

Other operating income increased to €53,936 thousand (prior year: €35,881 thousand). Marketing grants and other compensation from suppliers were once again successfully increased in comparison to the prior year. As in the prior years, the other operating income consists primarily of damages and insurance reimbursements.

### 4 FINANCIAL INCOME AND FINANCIAL EXPENSES

The financial income in the total amount of €6,905 thousand (prior year: €1,512 thousand) consists of interest income from call money and time deposits.

The financial expenses of €14,959 thousand (prior year: €6,450 thousand) mainly included interest expenses for loans amounting to €11,472 thousand (prior year: €5,718 thousand) and for leasing liabilities amounting to €3,475 thousand (prior year: €732 thousand). The increase in financial expenses is the result of the higher interest rates and additional loans raised.

## 5 EARNINGS FROM INVESTMENTS MEASURED AT EQUITY

Investments accounted for using the equity method comprise interests in a joint venture. As of 31 December 2023, the carrying amount of this joint venture amounted to €32,497 thousand (prior year: €0 thousand). The pro-rata earnings after taxes attributable to Bechtle AG for the 2023 fiscal year amount to €235 thousand. The contribution of the joint venture to other comprehensive income after taxes is €0 thousand.

The aggregated financial information for the group's material joint venture is presented below. The aggregated financial information corresponds to the amounts in accordance with the IFRS-compliant financial statements of the joint venture (dually adjusted by the group for the purposes of accounting according to the equity method under consideration of the disclosure and development of hidden reserves).

The below-mentioned assets and liabilities include the following amounts: cash and cash equivalents €1,065 thousand (prior year: €0 thousand), non-current financial liabilities €871 thousand (prior year: €0 thousand).

	€k	2023	2022
Current assets		2,648	0
Non-current assets		22,652	0
Current liabilities		1,477	0
Non-current liabilities		7,215	0

	€k	2023	2022
Revenues		4,573	0
Annual profit		1,252	0
Other comprehensive income		0	0
<b>Total comprehensive income</b>		<b>1,252</b>	<b>0</b>
Earnings from investments measured at equity		235	0
Thereof attributable to:			
IT System House & Managed Services		235	0

The above-mentioned net profit includes the following amounts: scheduled amortisation (€147 thousand; prior year: €0 thousand), income tax expenses (€40 thousand; prior year: €0 thousand).

The following table shows the reconciliation from the presented aggregated financial information with the carrying amount of the investment in the joint venture in the Consolidated Financial Statements:

	€k	2023	2022
Net assets of the joint venture		16,644	0
Shareholding ratio of the group	%	51	0
Share of net assets in the joint venture		8,489	0
Goodwill		24,009	0
<b>Carrying amount of the group investment in the joint venture</b>		<b>32,497</b>	<b>0</b>

## 6 INCOME TAXES

The taxes paid and due on earnings and income as well as the tax deferrals are presented as income taxes.

The tax expenses are composed as follows:

	€k	2023	2022
Taxes paid or due			
Germany		83,257	68,820
Other countries		31,629	31,200
Deferred taxes			
from valuation differences in terms of time		-6,655	-358
from unused losses		734	-293
<b>Income taxes</b>		<b>108,965</b>	<b>99,369</b>

In Germany, the statutory corporation tax rate for the assessment period 2023 was 15.0 per cent. Including the trade tax and solidarity surcharge, the tax encumbrance amounted to 30.1 per cent (prior year: 29.7 per cent) on average. The current taxes of subsidiaries abroad are determined on the basis of the respective national tax law and at the tax rate applicable in the country of domicile. Deferred tax assets and liabilities are measured at the tax rates that are expected to be valid at the time of realisation of the asset or fulfilment of the liability.

The deferred tax expense from valuation differences in terms of time decreased due mainly to the different depreciation of leased assets. As a matter of principle, they are depreciated on the basis of the term of the leasing agreements. For tax purposes, the useful life is determined on the basis of the official tables describing allowances for depreciation. The shorter useful life of computer hardware and software applied in 2021 amplify this effect.

For the reporting period, the reconciliation between the actual tax expenses and the amount that arises taking into account a weighted domestic and foreign tax rate of approximately 27.9 per cent (prior year: 27.6 per cent) on the profit before income taxes was as follows:

	€k	
	2023	2022
Earnings before taxes	374,477	350,487
<b>Expected tax expense</b>	<b>104,642</b>	<b>96,588</b>
Tax expense of earlier years	7,255	22
Non-deductible expenses	5,236	2,693
Tax increase due to controlled foreign corporation rules	29	7
Unrecognised deferred taxes on unused losses for the current year	21	637
Deconsolidation and other consolidation effects	10	238
Earn-out components	0	182
Devaluation of previously recognised deferred taxes on loss carryforwards	0	80
Allocation/addition deferred tax assets to valuation differences in terms of time	0	-53
Devaluation of previously recognised deferred taxes on valuation differences in terms of time	-23	469
Tax rate change for deferred taxes	-43	15
Tax-free income	-810	-721
Allocation/addition deferred tax assets to loss carryforwards	-1,181	-626
Use of previously unrecorded loss carryforwards	-1,199	-36
Tax income of earlier years	-4,593	-105
Others	-379	-21
<b>Actual tax expense</b>	<b>108,965</b>	<b>99,369</b>

## 7 EARNINGS PER SHARE

The following tables the calculation of the earnings after taxes that are due to the shareholders of Bechtle AG:

The following table shows the basic earnings per share:

		2023	2022
Earnings after taxes	€k	265,512	251,118
Average number of outstanding shares	shares	126,000,000	126,000,000
<b>Basic earnings per share</b>	€	<b>2.11</b>	<b>1.99</b>

According to IAS 33, the earnings per share are determined on the basis of the earnings after taxes (attributable to shareholders of Bechtle AG) and the average number of shares in circulation in the year. Treasury shares reduce the number of outstanding shares accordingly.

So far, the convertible bond issued in the reporting period has not affected the earnings per share, as the exercise price for the conversion in the reporting period was above the average price of the shares of Bechtle AG. Therefore, the diluted earnings per share corresponded to the basic earnings per share.

## IV. FURTHER EXPLANATORY NOTES ON THE BALANCE SHEET

### 8 GOODWILL



See page 245 ff,  
for information  
on newly  
accrued goodwill

The following table shows the individual changes to goodwill in the reporting period and their allocation to the two cash-generating units.

Cash-Generating Unit	IT System House & Managed Services	IT- E-Commerce	in Tsd. € Group
<b>As of 01.01.2022</b>	<b>316,483</b>	<b>153,167</b>	<b>469,650</b>
<b>Acquisitions in the reporting period</b>	<b>68,506</b>	<b>10,523</b>	<b>79,029</b>
CORDSEN ENGINEERING GmbH	1,164	0	1,164
PQR B.V.	63,436	0	63,436
Axez ICT Solutions B.V.	3,906	0	3,906
ACS Systems UK Limited	0	1,427	1,427
Bizzy25 Holdings Limited	0	8,439	8,439
Data Store 365 Limited	0	657	657
<b>Currency translation</b>	<b>5,138</b>	<b>380</b>	<b>5,518</b>
<b>As of 31.12.2022</b>	<b>390,127</b>	<b>164,070</b>	<b>554,197</b>
<b>As of 01.01.2023</b>	<b>390,127</b>	<b>164,070</b>	<b>554,197</b>
<b>Adjustment acquisitions prior year</b>	<b>0</b>	<b>706</b>	<b>706</b>
<b>Acquisitions in the reporting period</b>	<b>26,209</b>	<b>142,118</b>	<b>168,327</b>
Tangible Benefit Ltd.	0	55,600	55,600
Fondo ICT Professionals B.V.	23,092	0	23,092
SGSolution AG	1,638	0	1,638
Prosol Ingenieria S.L.	0	1,665	1,665
Prosol Iscat S.L.	0	2,463	2,463
sistema GmbH	1,479	0	1,479
Executive IT SAS Gruppe	0	82,390	82,390
<b>Currency translation</b>	<b>7,066</b>	<b>2,034</b>	<b>9,100</b>
<b>As of 31.12.2023</b>	<b>423,402</b>	<b>308,928</b>	<b>732,330</b>



For information on  
the assets and liabilities  
of the cash-generating units,  
see page 240 ff

Like the previous impairment tests, the annual impairment test of the goodwill as of 30 September 2023 in accordance with IAS 36 did not reveal any need for impairment of the value in use, neither for the cash-generating unit IT System House & Managed Services nor for the cash-generating unit IT E-Commerce. Within the framework of the preparation of the annual financial statements as of 31 December 2023, the assumptions with regard to the impairment test did not undergo any changes.

Bechtle determines the recoverable amounts of its cash-generating units with the help of the discounted cash flow method. The risk-adjusted discount rates are determined on the basis of peer group information for beta factors, borrowing costs and the debt ratio. As of 30 September 2023, the cash-generating units had a weighted average cost of capital (WACC) of 8.9 per cent (prior year: 8.1 per cent) after taxes (WACC before taxes 12.9 per cent, prior year: 11.3 per cent). The cash flow forecasts used are based on individual revenue and cost plans for the coming year as approved by the management, which are thus also taken into consideration in the variable compensation systems for the executives and are in line with external information sources and experience gained. For the planning, both the expected growth and the profitability of the products and services are made use of. The cash flows for 2024 and 2025 have been derived on the basis of the as-is data and the target data in accordance with the above-mentioned factors, and the cash flow for 2026 has been extrapolated with assumptions based on long-term growth rates of 1 per cent. Sensitivity analyses have revealed that even in the case of substantially divergent key assumptions within a realistic framework, there would be no need for impairment of the goodwill. For example, there would be no need for impairment in the event of a reduction of the yearly free cash flow of the cash-generating units by more than 10.0 per cent each or an increase of the WACC to 12.0 per cent if the other input parameters remained unchanged.



For information on the planning process and expectations, see Management Report, page 47 ff and Forecast Report, page 147 ff

The development of the goodwill is presented in Appendices B and C to the Notes.



See Notes,  
Appendices B and C,  
page 266 f

## 9 OTHER INTANGIBLE ASSETS

	€k	
	31.12.2023	31.12.2022
Brands/licences	9,448	11,837
Customer bases	63,305	47,687
Purchased software	28,508	18,985
Internally developed software	11,714	11,085
Customer service agreements	4,493	10,107
<b>Other intangible assets</b>	<b>117,468</b>	<b>99,701</b>

The Modus brand (carrying amount €1,900 thousand) has an unlimited useful life. This unlimited useful life is due to the fact that Modus Consult GmbH will continue to constitute a key element of the Bechtle Group along with its respective brands and the legal protection of the brand can easily be perpetuated over an extended period. In the prior year, the ARP brand (carrying amount €1,542 thousand) was reduced from a previously unlimited useful life to three years due to the reorganisation in the IT E-Commerce segment. The Inmac WStore brand (carrying amount €4,807 thousand) has a useful life of ten years. The ARP and Inmac WStore brands are allocated to the cash-generating unit IT E-Commerce and the Modus brand to the cash-generating unit IT System House & Managed Services.

<sup>1</sup> Adjustment prior year

The discount rate used to determine the value in use for the brands within the scope of the yearly impairment tests is based on input parameters derived from the market and was set at 8.9 per cent (prior year: 8.1 per cent). The cash flow forecasts used are based on the revenue and cost plans approved by the management. Further growth rates are only assumed in the amount necessary to compensate for inflation. In the reporting period, as in prior years, the value in use that was determined for the brand surpassed the value in the balance sheet. Sensitivity analyses revealed that even in the case of divergent key assumptions within a realistic framework, there would be no need for impairment of the brand. The change in the carrying amount compared to the prior year is attributable to the scheduled amortisation of the Inmac WStore and ARP brands and currency translation differences.

	€k	
	2023	2022
<b>Customer bases</b>		
Carrying amount (31.12)	63,305	47,687
Remaining useful life (weighted average) (years)	4.6	5.3
Accumulated scheduled amortisation	41,711	32,802
Scheduled amortisation	12,946	9,136
Currency translation differences of accumulated amortisation	51	26

Inmac WStore SAS, which had been acquired in 2018, accounted for the greatest share of capitalised customer bases, totalling €27,113 thousand (prior year: €32,923 thousand). The remaining useful life of these is about five years. The depreciation of customer bases is mainly allocated to the cost of sales and distribution costs. Only capitalised development costs are presented under internally developed software, which amounted to €11,714 thousand (prior year: €11,085 thousand). In the reporting period, €3,797 thousand were capitalised (prior year: €3,931 thousand).



The development of the other intangible assets is presented in Appendices B and C to the Notes.

See Notes,  
Appendices B and C,  
page 266 f

## 10 PROPERTY, PLANT AND EQUIPMENT

	€k	
	31.12.2023	31.12.2022
Property and buildings	163,659	135,103
Other equipment, furniture, fixtures and fittings	90,118	70,665
Advance payments and construction in progress	9,068	20,819
Right-of-use assets from leasing	178,980	138,925
<b>Property, plant and equipment</b>	<b>441,825</b>	<b>365,512</b>

As of 31 December 2023, there were no contractual obligations for the purchase of property, plant and equipment.

In the fiscal year, there were no indications that would have necessitated unscheduled depreciation of property, plant and equipment.

The development of the property, plant and equipment is presented in Appendices B and C to the Notes.



See Notes,  
Appendices B and C,  
page 266 f

## 11 DEFERRED TAXES

The amounts of deferred tax assets and liabilities are shown below. Apart from changes in the current year, these also include deferred taxes to be recognised in the context of the initial consolidation of acquired companies and tax effects from equity changes outside profit or loss.

	€k	31.12.2023	31.12.2022
Property, plant and equipment		58,101	41,322
Liabilities		57,581	45,230
Other provisions		5,810	7,248
Pension provisions		5,124	3,688
Receivables		2,169	3,587
Inventories		1,989	8,743
Loss carryforwards		1,360	626
Other intangible assets		519	501
Others		3,943	1,846
	<b>136,596</b>	<b>112,791</b>	
Netting		-125,958	-103,340
<b>Deferred tax assets (net)</b>	<b>10,638</b>	<b>9,451</b>	

	€k	31.12.2023	31.12.2022
Property, plant and equipment		53,533	41,355
Deferred income		39,539	22,242
Receivables		30,374	27,012
Other intangible assets		23,079	20,911
Goodwill		13,893	13,724
Inventories		1,375	8,796
Other provisions		1,364	1,415
Others		1,798	1,337
	<b>164,955</b>	<b>136,792</b>	
Netting		-125,958	-103,340
<b>Deferred tax liabilities (net)</b>	<b>38,997</b>	<b>33,452</b>	

The assessment of the impairment of deferred tax assets depends on the management's view of how likely it is that the deferred tax assets will be realised. This depends on the generation of future taxable profits in connection with which the tax valuation differences are reversed and unused tax losses can be asserted.

Under current tax provisions, unused domestic tax losses are regarded as unlimited. The restricted use of loss offsetting possibilities (minimum taxation) under German tax law and time limits of foreign tax losses were taken into consideration in the assessment of the impairment of deferred tax assets on loss carryforwards.

If a tax entity has a loss history in the recent past, deferred tax assets from loss carryforwards of this entity will be recognised only if there are sufficient taxable temporary differences or substantial indications of the realisation of such.

For the determination of the amount of deferred tax assets that can be capitalised, material assumptions and estimates of the management are required concerning the expected time of occurrence and amount of income subject to future taxation, as well as the future tax planning strategies. The capitalised deferred taxes on loss carryforwards at various companies that recorded losses in 2022 and/or 2023 and that were not offset by netted deferred tax liabilities amounted to €0 thousand (prior year: €0 thousand). There were no netted deferred tax liabilities at these companies. Based on the planning of the companies and their current earnings performance, we believe that the deferred tax assets will be realised by means of adequate taxable profits.

Unused tax losses for which no deferred tax assets have been recognised in the balance sheet amounted to €291 thousand (prior year: €4,848 thousand) for corporation tax, €746 thousand (prior year: €8,248 thousand) for trade tax and €142 thousand (prior year: €3,505 thousand<sup>1</sup>) for losses of companies abroad.

As of 31 December 2023, deferred tax liabilities on profits of Bechtle subsidiaries not transferred were recognised in the amount of €336 thousand (prior year: €248 thousand).

The temporary differences in connection with interests in subsidiaries for which no tax liabilities were recognised amounted to a total of €50,670 thousand (prior year: €44,556 thousand).

Of the deferred taxes recognised in the balance sheet, a total of €7,169 thousand were added to the goodwill and €1,492 thousand were deducted from the equity (prior year: €3,360 thousand were added to the goodwill and €7,210 thousand were deducted from the equity) outside profit and loss. For details concerning the deferred taxes accounted for outside profit or loss, refer to chapter 17 Equity.



See page 216 f

<sup>1</sup> Adjustment prior year

## 12 INVENTORIES

	€k	31.12.2023	31.12.2022
Commodities		463,342	631,352
Advance payments on inventories		258	396
Impairments		-23,795	-24,052
<b>Inventories</b>		<b>439,805</b>	<b>607,696</b>

The drop in inventories occurred especially due to the significant relaxation in the procurement market. In the prior year, bottlenecks in the procurement market for some of the components of large projects had resulted in inability to deliver entire projects, as a single complete shipment had been agreed with the customer.

As of 31 December 2023, the carrying amount of the impaired inventories amounted to €29,984 thousand (prior year: €33,127 thousand). Year on year, the impairment dropped by €257 thousand (prior year: increase of €4,967 thousand).

The expenses recorded in connection with the use of inventories in the amount of €4,214,976 thousand (prior year: €4,074,195 thousand) are included in the material costs.

## 13 TRADE RECEIVABLES

	€k			
	31.12.2023		31.12.2022	
	Current	Non-current	Current	Non-current
Trade receivables, gross	1,179,842	67,772	1,230,099	67,126
Impairments	-22,269	-221	-23,700	0
<b>Trade receivables</b>	<b>1,157,573</b>	<b>67,551</b>	<b>1,206,399</b>	<b>67,126</b>

As of the balance sheet date, the maturity structure of the current trade receivables was as follows:

	Carrying amount	Individually impaired in full or in part	Impairment IFRS 9	Neither overdue nor impaired (gross)	Overdue and not impaired (gross)				
					less than 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
31.12.2023									
Trade receivables	1,157,573	4,510	-22,269	885,260	185,622	63,692	16,196	11,516	13,046
31.12.2022									
Trade receivables	1,206,399	4,192	-23,700	1,002,018	172,061	27,467	8,301	9,342	6,718

Except for the common lien on receivables from the delivery of goods, the company's receivables are not collateralised. In accordance with the revenue structure, most of the presented receivables are receivables from the delivery of goods. The company is thus exposed to the risk of default up to the carrying amount. In the past, Bechtle suffered minor defaults of individual customers and customer groups. To hedge the general credit risk, reasonable provisions for bad debts are made on the basis of probabilities of default of a rating agency in the context of the ECL model. So far, the difficult political and economic circumstances have not resulted in any increased defaults. However, it remains to be seen how the default rate will continue to develop against the backdrop of the ongoing difficult economic situation. For this reason, the assumptions regarding the allocation of rating classes in order to accommodate the deteriorated economic forecasts in connection with the interest rate increases, the energy price crisis and new credit risks, which were the main reasons for the high impairment level, were the same as in the prior year. Compared to the prior year, the rating classes did not undergo any changes. The decline in impairment was due to the improved rating of our customers in rating classes with a lower probability of default. Due to the very low probability of default and the very high creditworthiness, no impairment is applied to receivables from public-sector clients. The probabilities of default and the gross carrying amounts per rating class are listed in the following table:

Euler-Hermes rating classes	Probability of default	Gross carrying amount 2023	Impairment 2023	Gross carrying amount 2022	Impairment 2022
01–05: Very high to medium creditworthiness	0.8%	712,183	5,370	795,808	7,002
06: Increased risk	4.0%	165,365	5,553	164,854	5,991
07: High risk	6.5%	63,963	3,490	98,785	5,834
08: Very high risk	10.0%	31,210	2,620	22,533	2,047
09: Not creditworthy	18.0%	5,823	880	6,274	1,026
10: Insolvent	100.0%	4,577	4,577	1,800	1,800
Public-sector clients	0.0%	264,493	0	207,171	0
<b>Total</b>		<b>1,247,614</b>	<b>22,490</b>	<b>1,297,225</b>	<b>23,700</b>

The impairment of trade receivables developed as follows:

	2023	2022
<b>Impairment situation as of 1 January</b>	<b>23,700</b>	<b>25,382</b>
Exchange rate differences/consolidation	1,127	46
Use	205	1,229
Reversal	5,281	4,913
Allocations (impairment expenses)	3,149	4,414
<b>Impairment situation as of 31 December</b>	<b>22,490</b>	<b>23,700</b>

Expenses from the immediate write-off of trade receivables amounted to €1,929 thousand (prior year: €750 thousand). As of the end of the year, income from payments received on written-off receivables amounted to €149 thousand (prior year: €203 thousand).

For the disclosures according to IFRS 7, the trade receivables are, depending on their maturity, allocated to the classes "current trade receivables" (€1,123,282 thousand; prior year: €1,177,393 thousand) and "non-current trade receivables" (€17,645 thousand; prior year: €19,111 thousand) and to the classes "current leasing receivables" (€34,291 thousand; prior year: €29,006 thousand) and "non-current leasing receivables" (€49,906 thousand; prior year: €48,015 thousand).

#### 14 TIME DEPOSITS AND SECURITIES

	€k			
	31.12.2023		31.12.2022	
	Current	Non-current	Current	Non-current
Time deposits	30,000	0	60,000	0
Securities	0	0	0	0
<b>Time deposits and securities</b>	<b>30,000</b>	<b>0</b>	<b>60,000</b>	<b>0</b>

In the reporting period, investments were made in short-term time deposits. For the disclosures in accordance with IFRS 7, they are fully allocated to "fixed-term deposits".

#### 15 OTHER ASSETS

	€k			
	31.12.2023		31.12.2022	
	Current	Non-current	Current	Non-current
Contract assets	100,777	0	49,944	0
Refunds and other receivables from suppliers	91,133	0	76,769	0
VAT receivable	8,246	0	6,814	0
Rental deposits	2,905	3,794	450	3,209
Financial derivatives	3,089	0	1,824	0
Loans to joint ventures	0	871	0	0
Due from staff	413	80	318	85
Insurance refunds	55	74	80	374
Others	2,911	306	2,035	4
<b>Total financial assets</b>	<b>209,529</b>	<b>5,125</b>	<b>138,234</b>	<b>3,672</b>
Accrued income	46,664	3,025	37,082	3,706
Accrued income for customer maintenance agreements	32,615	16,856	29,870	11,813
Social security claims	1,692	0	2,255	0
Receivables from other taxes	636	0	9	0
<b>Total non-financial assets</b>	<b>81,607</b>	<b>19,881</b>	<b>69,216</b>	<b>15,519</b>
<b>Other assets</b>	<b>291,136</b>	<b>25,006</b>	<b>207,450</b>	<b>19,191</b>

Other assets are not collateralised. The company is thus exposed to the risk of default up to the carrying amount. Rental deposits have been furnished for rented business premises as collateral for the landlord. Furthermore, increased due to strong year-end business, contract assets, which belong to other assets, increased from €49,944 thousand in 2022 to €100,777 thousand in 2023. In accordance with IFRS 9, a risk provision in the amount of €506 thousand (prior year: €250 thousand) was recognised for expected credit risks under consideration of the probabilities of default as calculated by a rating agency.

As of the reporting date, there were no indications that the debtors of assets overdue would not meet their payment obligations.

For the disclosures according to IFRS 7, financial instruments included in other assets are allocated to  
 ┌ “other financial assets” in the amount of €211,565 thousand (prior year: €140,082 thousand) and  
 ┌ “financial derivatives” in the amount of €3,089 thousand (prior year: €1,824 thousand).

## 16 CASH AND CASH EQUIVALENTS

The cash and cash equivalents in the amount of €435,756 thousand (prior year: €229,590 thousand) include current balances with banks and cash on hand amounting to €349,171 thousand and time deposits (with a term to maturity of less than three months) amounting to €86,585 thousand and are fully allocated to “cash and cash equivalents” for the disclosures pursuant to IFRS 7. Due to the very short terms and the creditworthiness of our contracting partners, no impairment was performed on the basis of expected credit losses.

## 17 EQUITY



See Consolidated Statement of Changes in Equity, page 176

The development of the group equity is presented in the consolidated statement of changes in equity as an explicit component of the financial statements before the Notes to the Consolidated Financial Statements.

### ISSUED CAPITAL

As in the prior year, the company's share capital as of 31 December 2023 amounted to €126,000 thousand, divided into 126,000,000 (prior year: 126,000,000) ordinary shares of a calculated nominal value of €1.00 each. Each share has one vote. As of the balance sheet date, no shares had been utilised to service the convertible bond.

**Authorised and contingent capital.** Pursuant to Article 4 (3) of the Articles of Incorporation of Bechtle AG, the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's issued capital by up to €18,900 thousand by issuing new bearer shares (author-

ised capital according to the resolution of the General Meeting of 15 June 2021 until 14 June 2026. In addition, the Executive Board is authorised in accordance with No. 4 (4) of the Articles of Incorporation of Bechtle AG to conditionally increase the company's issued capital by up to €6,300 thousand in order to issue convertible bonds in the amount of up to €350,000 thousand.

Capital increases may occur against cash contributions and/or in-kind contributions. Subject to the approval of the Supervisory Board, the Executive Board is authorised to exclude fractional amounts from the shareholders' subscription rights. Moreover, the Executive Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right if:

- Case 1: the capital increase is performed against cash contributions, does not exceed €12,600 thousand at the time of the issue and the issue price is not significantly below the listed price or
- Case 2: the capital increase is performed for the acquisition of companies or interests in companies.

Subject to the approval of the Supervisory Board, the Executive Board is authorised to determine further details of the capital increases from the authorised capital.

## CAPITAL RESERVES

Capital reserves mainly comprise the offering premium (agio) from capital increases and amounted to €66,913 thousand (prior year: €40,228 thousand). The change compared to the prior year reflects the equity component from the convertible bond.

## RETAINED EARNINGS

**Accrued profits.** At the General Meeting on 25 May 2023, a resolution was adopted to pay a dividend of €0.65 per no-par share with dividend entitlement for the 2022 fiscal year (dividend total: €81,900 thousand). The dividend was paid out on 31 May 2023. In the prior year, a dividend total of €69,300 thousand had been paid out on 8 June 2022.

Dividends may only be paid from the net profit and the retained earnings of the company, as recognised in the Annual Financial Statements of Bechtle AG prepared in accordance with German commercial law. These amounts deviate from the total equity as presented in the Consolidated Financial Statements in accordance with IFRS. The resolution for the payment of future dividends is jointly proposed by the Executive Board and Supervisory Board of the company and adopted by the General Meeting. The decisive factors are in particular profitability, the financial position, capital requirements, business prospects and the general economic framework conditions of the company. Since Bechtle's strategy is geared towards internal and external growth, investments will be necessary for this purpose, which should – where possible – be equity-financed. The Executive Board has decided to propose to the Supervisory Board and to the General Meeting to appropriate the net profit of €88,200 thousand for the 2023 fiscal year for the payment of a normal dividend of €0.70 per no-par share with dividend entitlement.

Apart from the dividend paid out for the 2022 fiscal year, the retained earnings in the reporting period also changed by the comprehensive income of €259,508 thousand, consisting of earnings after taxes (€265,512 thousand) and other comprehensive income (minus €6,004 thousand). Accordingly, the retained earnings as of 31 December 2023 amounted to €1,549,699 thousand (prior year: €1,372,091 thousand). Apart from the dividend payment, a change from the comprehensive income amounting to €254,505 thousand had taken place in the prior year.

**Accumulated other comprehensive income.** In terms of its accumulated balance as of the balance sheet date and its change during the reporting period, the other comprehensive income that is to be recognised in equity outside profit or loss is composed as follows:

	31.12.2023			31.12.2022		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Actuarial gains and losses on pension provisions	7,956	-2,128	5,828	17,748	-3,526	14,222
Unrealised gains and losses on hedges	326	76	402	857	-18	839
Hedging of net investments in foreign operations	-56,317	17,127	-39,190	-45,496	13,821	-31,675
Currency translation differences	60,269	0	60,269	49,927	0	49,927
<b>Other comprehensive income</b>	<b>12,234</b>	<b>15,075</b>	<b>27,309</b>	<b>23,036</b>	<b>10,277</b>	<b>33,313</b>

	01.01 – 31.12.2023			01.01 – 31.12.2022		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>						
<b>Actuarial gains and losses on pension provisions</b>	<b>-9,792</b>	<b>1,398</b>	<b>-8,394</b>	<b>6,894</b>	<b>-1,430</b>	<b>5,464</b>
<b>Items that will be reclassified to profit or loss in subsequent periods</b>						
<b>Unrealised gains and losses on hedges</b>	<b>-531</b>	<b>94</b>	<b>-437</b>	<b>-514</b>	<b>84</b>	<b>-430</b>
Gains and losses that arose in the current period	-307	94	-213	-290	84	-206
Reclassifications to profit	-224	0	-224	-224	0	-224
<b>Hedging of net investments in foreign operations</b>	<b>-10,821</b>	<b>3,306</b>	<b>-7,515</b>	<b>-18,877</b>	<b>5,918</b>	<b>-12,959</b>
Gains and losses that arose in the current period	-10,821	3,306	-7,515	-18,877	5,918	-12,959
Reclassifications to profit and loss	0	0	0	0	0	0
<b>Currency translation differences</b>	<b>10,342</b>	<b>0</b>	<b>10,342</b>	<b>11,312</b>	<b>0</b>	<b>11,312</b>
<b>Other comprehensive income</b>	<b>-10,802</b>	<b>4,798</b>	<b>-6,004</b>	<b>-1,185</b>	<b>4,572</b>	<b>3,387</b>

Thus, the other comprehensive income amounted to minus €6,004 thousand (prior year: €3,387 thousand) of the comprehensive income in the reporting period. As in the prior year, the amount reclassified to the consolidated income statement (minus €224 thousand) was reclassified to financial expenses. The other comprehensive income as well as the comprehensive income is due in full to the shareholders of Bechtle AG.

## TREASURY SHARES

By resolution of the General Meeting on 27 May 2020, the Executive Board had been authorised, subject to the approval of the Supervisory Board, to purchase treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The purchase of treasury shares must comply with the content of the resolution of the General Meeting. This authorisation is valid until 26 May 2025.

In the reporting period, there were no transactions in treasury shares. Thus, as was the case on 31 December 2022, the company did not hold any treasury shares as of 31 December 2023.

## CAPITAL MANAGEMENT

Within the scope of the capital management (IAS 1.134 f), Bechtle focuses on a sound capital structure with a high equity ratio, a high return on assets and a comfortable liquidity situation, and, in this connection, on cash flow-based indicators such as working capital.

At €1,742,612 thousand, Bechtle's equity as of 31 December 2023 reached a high value that represented a year-on-year improvement (€1,538,319 thousand). In the reporting period, the equity (+13.3 per cent) grew at a higher rate than the debt capital (+7.9 per cent), which is reflected in a higher equity ratio of 45.8 per cent (prior year: 44.6 per cent). The increase in debt capital resulted especially from higher financial liabilities due to the convertible bond, higher contract liabilities well as other liabilities, which include liabilities to employees. In the reporting period, the existing loans were repaid according to schedule. The higher dividend payout in the reporting period resulted in a lower return on equity of 17.24 per cent (prior year: 18.56 per cent). The return on assets dropped slightly to 8.4 per cent (prior year: 8.5 per cent).

The unchanged goal of Bechtle's capital management is to retain a strong equity base in order to maintain the trust of investors, lenders and the market, and to facilitate future internal and external growth. To maintain or adjust the capital structure, the group may also adjust the dividend payments to shareholders, issue new shares or buy back treasury shares, and even retire shares if necessary.

The group's sound capital structure also forms the basis for financial flexibility and extensive independence from outside creditors, which is very important for Bechtle. The objective is to have a comfortable liquidity situation to ensure full solvency at all times. As of 31 December 2023, Bechtle had cash and cash equivalents as well as time deposits and securities amounting to €465,756 thousand (prior year: €289,590 thousand). With respect to the structure of these assets, quick availability is more important than maximum yield, e.g. in order to have access to cash and cash equivalents whenever necessary for acquisitions or large project pre-financing measures, thereby being able to benefit from such opportunities. The liquidity situation is managed and monitored by the central treasury.

Against this background, cash flow-based key indicators such as the working capital, DSO and other capital tie-up periods are highly significant. Bechtle controls these indicators in order to tie up as little capital and liquidity as possible in its operational service creation process. The revenue growth and the relaxation in the procurement market resulted in a slightly lower working capital of €800,131 thousand (prior year: €976,564 thousand) as of 31 December 2023. Bechtle defines working capital as the balance of certain balance sheet items (inventories, trade receivables and accrued income for customer maintenance agreements) on the assets side and certain balance sheet items (trade payables, contract liabilities and deferred income) on the equity and liabilities side.

As of 31 December 2023 and 31 December 2022, respectively, no fundamental changes had been made to the capital management goals, guidelines and procedures.

## 18 PENSION PROVISIONS

Except for the pension plans in Switzerland, in France and of Bechtle Managed Services GmbH in Germany, the Bechtle Group has no defined benefit plans. As a matter of principle, these benefit commitments are presented under consideration of country-specific regulations (e.g. local law). The amount of the provision presented in the Annual Report of Bechtle AG represents the value of the pension obligation less the respective plan assets.

The main obligations from benefits plans exist in Switzerland. They account for 94.4 per cent (prior year: 93.6 per cent) of the group-wide pension obligation and 98.1 per cent (prior year: 97.6 per cent) of the corresponding plan assets.

Defined contribution obligations primarily derive exclusively from the statutory pension obligation. In the reporting period, employer contributions to the statutory pension fund in Germany totalled €44,466 thousand (prior year: €40,788 thousand). In France, the contributions to the statutory pension fund totalled €3,362 thousand (prior year: €3,516 thousand).

**Pension plans Switzerland.** Although the pension plans of Bechtle Holding Schweiz AG and its subsidiaries are contractually agreed as defined contribution plans, they must, however, be accounted for as defined benefit plans pursuant to IAS 19, as a financial participation by the companies in the event of a shortfall in cover cannot be excluded.

Since 1 January 2006, the Bechtle Holding Schweiz AG companies headquartered in Switzerland have made use of the semi-autonomous "Bechtle Pension Fund" ("Bechtle Pensionskasse") in Rotkreuz, a foundation as defined in Art. 80 ff of the Swiss Civil Code that is independent from the group. The pension fund fulfils the regulations of the Swiss Code of Obligations and of Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (OPA). The transparency required for accounting for the pension plans as defined benefit plans, pursuant to IAS 19, has, therefore, existed since then. For this reason, actuarial opinions have been regularly prepared since 1 January 2006. Subsidiaries of Bechtle Holding Schweiz AG that are not headquartered in Switzerland are covered by defined contribution plans of external state pension funds of the respective countries. According to the financing agreement of the pension fund, 40 per cent of the contributions are paid by the employees and 60 per cent by the employer.

As a result of the acquisitions performed in Switzerland in the 2019 fiscal year, the pension obligations have also been transferred to Bechtle. According to the financing agreement of the joint foundation, 50 per cent of the contributions are paid by the employees and 50 per cent by the employer.

In the event of a recapitalisation, Bechtle must pay at least 50 per cent of the deficit for both plans. Upon retirement, the insured can choose between a monthly pension whose amount largely depends on the capital paid in plus interest, or a one-time payment of the capital. The minimum interest is prescribed by the government.

During the reporting period, actuarial losses of €9,230 thousand accrued. Taking exchange rate differences amounting to plus €137 thousand into consideration, the actuarial gains recognised as retained earnings as of 31 December 2023 amounted to €6,077 thousand (prior year: gain of €15,171 thousand), less deferred tax assets amounting to €1,260 thousand (prior year: €2,494 thousand).

In the reporting period, employer contributions exceeded the net pension expenses to be recognised by €1,559 thousand. This amount was posted to personnel expenses through profit or loss.

After factoring in the other exchange rate differences amounting to plus €295 thousand, the total net obligation and thus the pension provisions to be accounted for as of 31 December 2023 amounted to €7,575 thousand.

With respect to the pension obligation, poor capital market performance and a change in legislation by the government represent potential risks for Bechtle. Moreover, longevity of the insured persons and an imbalance of beneficiaries versus actively insured persons could have a negative financial effect for Bechtle. To minimise these risks, attention is paid to broad diversification of the asset classes. The risk management of the Bechtle pension fund also involves the equal distribution of employee and employer representatives on the foundation board and a separate management.

**Pension plans Germany.** The pension obligations of Bechtle Managed Services GmbH, Neckarsulm, are a result of the takeover of a partial business unit as of 1 October 2005 and, based on an actuarial opinion, were accounted for in the Bechtle Group for the first time as of 31 December 2005. In prior years, further obligations were taken over within the scope of takeovers of partial business operations of IBM. The employer contributions depend on the gross salary of the insured. The employee contributions are voluntary. Commitments have been made with respect to the guaranteed return on the retirement account. The performance depends on the gross annual salary and the service time. In most cases, the retirement plans provide for capital payment in one amount or in eight yearly instalments. Any underfunding must be fully borne by Bechtle alone.

In 2013, Bechtle decided to take out reinsurance for the obligations. Prior to 2013, the obligations of this defined benefit plan had been processed as direct commitments without the transfer of reserves.

As of 31 December 2023, the pension provision went up by €750 thousand to €6,159 thousand. In the course of the reporting period, actuarial gains amounting to €82 thousand accrued; thus, the actuarial gains recognised in retained earnings as of 31 December 2023 amounted to €142 thousand (prior year: gain of €60 thousand) less deferred tax assets amounting to €43 thousand (prior year: €18 thousand).

In the reporting period, net pension expenses to be recognised through profit or loss exceeded the employer contributions paid by €926 thousand. Accordingly, this amount was recognised as an increase of personnel expenses through profit or loss.

Poor performance on the capital markets could have a negative effect on Bechtle with respect to these pension commitments. If the reinsurance failed to generate the surplus in the amount of the assured yield on the market, Bechtle would incur additional financial expenses. Bechtle endeavours to fulfil its commitments or settle them ahead of time, provided that the employee agrees. New commitments will not be made.

**Pension plans France.** The legislator in France determines a minimum compensation that depends on the employee's seniority and compensation upon retirement due to old age. Moreover, requirements of the respective collective labour agreement may be applicable. The amount of the compensation mainly depends on the employee's seniority. An entitlement accrues from a seniority of ten years.

As of 31 December 2023, the pension provision amounted to €3,547 thousand (prior year: €2,518 thousand). In the course of the reporting period, actuarial losses amounted to €780 thousand (prior year: gain of €1,417 thousand). As of 31 December 2023, the actuarial gains recognised in retained earnings thus amounted to €1,737 thousand (prior year: €2,517 thousand), less deferred assets amounting to €825 thousand (prior year: €1,014 thousand).

In the reporting period, net pension expenses to be recognised through profit or loss exceeded the employer contributions paid by €249 thousand. This amount was posted to personnel expenses through profit or loss.

Poor performance on the capital markets could have a negative effect on Bechtle with respect to these pension commitments. If the reinsurance failed to generate the surplus in the amount of the assured yield on the market, Bechtle would incur additional financial expenses. Bechtle endeavours to fulfil its commitments or settle them ahead of time, provided that the employee agrees. New commitments will not be made.

**Net obligation for the group.** In total, the pension obligations that were recognised as pension provision in the consolidated balance sheet as of 31 December 2023 amounted to €17,282 thousand (prior year: €7,927 thousand).

The reconciliation for the present value of the defined benefit obligation is presented as follows:

	€k	2023	2022
<b>Present value of the defined benefit obligation 01.01</b>		<b>197,370</b>	<b>217,941</b>
Current service cost (for pension entitlements in the reporting period)		6,512	8,089
Interest cost (for pension entitlements already acquired)		4,274	698
Employee contributions		5,326	4,884
Actuarial gains and losses			
based on demographic development		-40	0
based on changes in financial assumptions		21,266	-39,460
based on experience		2,542	4,005
Addition by acquisition		514	0
Retirement benefits paid		-587	-8,198
Past service cost		0	-5
Exchange rate differences		13,539	9,416
<b>Present value of the defined benefit obligation 31.12</b>		<b>250,716</b>	<b>197,370</b>

The fair value of the plan assets is reconciled as follows:

	€k	2023	2022
<b>Fair value of the plan assets 01.01</b>		<b>193,689</b>	<b>204,947</b>
Interest income		4,327	655
Employee contributions		5,326	4,884
Employer contributions		7,195	6,690
Expenses/income from plan assets included in other comprehensive income		10,498	-24,489
Retirement benefits paid		-494	-8,074
Administrative expenses		-351	-310
Exchange rate differences		13,244	9,386
<b>Fair value of the plan assets 31.12</b>		<b>233,434</b>	<b>193,689</b>

The following table shows the reconciliation for the pension provisions recognised in the balance sheet:

	€k	31.12.2023	31.12.2022
<b>Present value of the defined benefit obligation</b>		<b>250,716</b>	<b>197,370</b>
<b>Fair value of the plan assets</b>		<b>233,434</b>	<b>193,689</b>
Net obligation		17,282	3,681
IAS 19.57(b) Amount not recognised as an asset		0	4,246
<b>Pension provision accounted for</b>		<b>17,282</b>	<b>7,927</b>

The net pension expenses for the defined benefit plans recognised in the **income statement** are comprised as follows:

	€k	
	2023	2022
Current service cost (for pension entitlements in the reporting period)	6,512	8,089
Interest cost (for pension entitlements already acquired)	4,274	698
Interest income	-4,327	-655
Past service cost	0	-5
Administrative expenses	351	310
<b>Net pension expenses for benefit commitments</b>	<b>6,810</b>	<b>8,437</b>

As of 31 December 2023 and 31 December 2022, respectively, the defined benefit plans and their actuarial measurement were based on the following parameters:

	Pension plans Switzerland		Pension plans Germany		Pension plans France	
	2023	2022	2023	2022	2023	2022
Discount rate and expected interest	1.3%	2.2%	3.7%	3.3%	3.2%	3.8%
Inflation rate	2.0%	2.0%	n/a	n/a	2.5%	2.5%
Salary increase (including inflation rate)	2.0%	2.0%	1.5%	1.5%	1.4%	1.4%
Pension increase	0.0%	0.0%	2.3%	2.3%	1.4%	1.4%
Retirement likelihood, mortality, invalidity	OPA 2020 Gen.	OPA 2020 Gen.	Heubeck guide 2018 G; likelihood of retirement depending on age and service time	Heubeck guide 2018 G; likelihood of retirement depending on age and service time	INSEE 2022	INSEE 2021
Likelihood of marriage	OPA 2020	OPA 2020	Heubeck guide 2018 G	Heubeck guide 2018 G	INSEE 2022	INSEE 2021
Earliest retirement age	Men aged 65 and women aged 65 100% (Switzerland)	Men aged 65 and women aged 64 100% (Switzerland)	100% aged 62 or 63 (depending on commitment)	100% aged 62 or 63 (depending on commitment)	Men and women aged 65	Men and women aged 65
Longevity bonus	None	None	None	None	None	None

The following sensitivity analysis was conducted with respect to the parameters that have a material impact on the obligation. The sensitivity analysis is based on the assumption that only the said parameter changes and all other parameters remain unchanged. Prior to the preparation of the Annual Report, which of the parameters have a material impact on the obligation was examined. Apart from the parameters mentioned in the following table, the obligation would not change significantly in the event of a change of the other parameters within realistic limits.

	Pension plans Switzerland		Pension plans Germany		Pension plans France	
Discount rate	+0.5%	-0.5%	+1.0%	-1.0%	+0.5%	-0.5%
Obligation decreases	Obligation increases	Obligation increases	Obligation decreases	Obligation increases	Obligation decreases	Obligation increases
5.6% (5.0%)	6.3% (5.6%)	8.9% (9.9%)	10.7% (12.0%)	6.9% (7.2%)	7.6% (7.9%)	
Expected interest	+0.5%	-0.5%				
Obligation increases	Obligation decreases					
2.1% (1.7%)	2.0% (1.7%)					

In terms of the investment categories, the plan assets at group level are comprised as follows.

	Plan assets 31.12.2023	Plan assets	
		31.12.2022	Measurement class (IFRS 13)
Obligations	23.6%	22.8%	Level 1
Equity instruments	38.3%	34.8%	Level 1
Real estate fund	24.8%	25.4%	Level 1
Other assets	11.0%	10.1%	Level 2
Liquidity	2.3%	6.8%	Level 1

The asset value of the reinsurance of Bechtle Managed Services GmbH corresponds to the value determined by the insurer.

The average weighted duration is 13.9 years for those insured at the Swiss pension fund, 10.2 years for Bechtle Managed Services GmbH and 18 years for the obligations in France.

The return on plan in the reporting period assets totalled €14,825 thousand (prior year: expense of €23,834 thousand).

The following amounts are expected to be paid into the defined benefit pension plan in the coming years:

	€k	2023	2022
Due within one year		13,667	13,062
Due in 2 to 5 years		53,089	47,487
Due in 6 to 10 years		55,960	48,212
<b>Net pension expenses for benefit commitments</b>		<b>122,716</b>	<b>108,761</b>

For 2024, the actuarial opinions for the pension plans in Switzerland, Germany and France forecast employee contributions of €7,790 thousand to the defined benefit plans. The expected employer contributions to the plan assets amount to €7,420 thousand. As the plan assets are expected to increase to €231,614 thousand in the 2024 fiscal year, the expected net obligation is €18,100 thousand. The net pension expenses for benefit commitments are projected to amount to €8,261 thousand.

## 19 OTHER PROVISIONS

	01.01.2023	Currency translation	Use	Reversal	Addition	Change in scope of consolidation	31.12.2023
Guarantees and similar obligations	8,141	45	5,451	98	5,591	10	8,238
Personnel expenses	20,179	81	9,492	846	3,108	22	13,052
Legal and consulting expenses	1,128	0	528	118	138	5	625
Investor relations	860	0	459	401	740	0	740
Contractual penalties	10,000	0	0	3,550	0	0	6,450
Others	830	13	1,516	109	977	603	798
<b>Total other provisions</b>	<b>41,138</b>	<b>139</b>	<b>17,446</b>	<b>5,122</b>	<b>10,554</b>	<b>640</b>	<b>29,903</b>
Other non-current provisions	10,371	71	564	471	1,454	22	10,883
Other current provisions	30,767	68	16,882	4,651	9,100	618	19,020

Provisions for **guarantees and similar obligations** are formed in the expected utilisation amount based on company-specific historical values. If no other insights exist in the individual case, 0.1 to 0.25 per cent of the net selling price is recognised as guarantee reserves, depending on the product. The provisions for **personnel expenses** mainly comprise anniversary obligations, retroactive personnel payments that depend on future events, and additional tax and social insurance payments. Most of the **legal and consulting costs** relate to costs for consulting services. The provisions recognised in 2021 for potential **contractual penalties** from existing framework agreement due to delivery delays amounted to €6,450 thousand (prior year: €10,000 thousand). The **other provisions** usually relate to provisions for anticipated losses, archiving and disposal costs, as well as contingent liabilities.

## 20 FINANCIAL LIABILITIES

Financial liabilities mainly consisted of the convertible bonds placed in the reporting period (carrying amount: €271,511 thousand; nominal amount: €300,000 thousand) and several bond loans of a total value of €225,000 thousand. Other financial liabilities included other current account debts amounting to €1,957 thousand (prior year: €2,134 thousand).

The financial liabilities now also include long-term supplier loans due to acquisitions, which will be repaid in 2025. As in the prior year, €224 thousand were reclassified from accumulated other comprehensive income to interest earnings in connection with an interest hedge already paid out. As of the cut-off date, the remaining balance of the interest hedge amounted to €575 thousand (prior year: €798 thousand).

The company has **credit lines** of €17,500 thousand (prior year: €17,500 thousand), which can be used both for cash loans and for guarantee credit. As of the balance sheet date, €2,405 thousand (prior year: €2,902 thousand) had been utilised for guarantee credit. These credit lines are not earmarked, and the granting of these is not subject to any conditions. Additionally, the company has pure guarantee credit lines amounting to €69,270 thousand (prior year: €69,595 thousand), €26,835 thousand (prior year: €27,389 thousand) had been utilised as of the balance sheet date. Apart from this, Bechtle has committed cash credit lines amounting to €408,000 thousand (prior year: €408,000 thousand), which had not been utilised as of the balance sheet date (prior year: €60,000 thousand utilised). In the reporting period, Bechtle also had uncommitted cash credit lines amounting to €56,509 thousand (prior year: €56,188 thousand) utilised neither as of the balance sheet date nor in the prior year. In total, the unused credit lines amounted to €522,039 thousand (prior year: €460,992 thousand).

For the disclosures pursuant to IFRS 7, the financial liabilities are allocated to the “convertible bond” (€271,511 thousand; prior year: €0 thousand) and “loans” (€269,004 thousand; prior year: €373,275 thousand) classes.

## 21 TRADE PAYABLES

For the disclosures according to IFRS 7, the trade payables are allocated to “current trade payables” in the amount of €629,206 thousand (prior year: €699,030 thousand) and to “non-current trade payables” in the amount of €516 thousand (prior year: €522 thousand).

## 22 OTHER LIABILITIES

	31.12.2023		31.12.2022	
	Current	Non-current	Current	Non-current
Leasing liabilities	57,190	136,336	51,424	98,451
Liabilities to employees	116,528	1	118,726	1
Liabilities to customers	50,062	97	44,911	174
Grants for future advertising measures	11,707	0	28,279	0
Liabilities resulting from acquisitions	5,257	0	3,862	0
Unrealised losses from financial derivatives	4,515	0	4,119	0
Vehicle expenses	4,118	0	3,990	0
Rent and ancillary rental costs	1,992	0	2,124	0
Annual financial statement costs	1,213	0	1,075	0
Interest	1,069	0	1,746	0
Advertising	580	0	307	0
Travel expenses and expenditures	227	0	221	0
Telephone/Internet	206	0	269	0
Transportation charges	92	0	164	0
Insurances	81	0	141	0
Others	10,378	0	6,428	0
<b>Total financial liabilities</b>	<b>265,215</b>	<b>136,434</b>	<b>267,786</b>	<b>98,626</b>
Value-added tax	59,211	0	82,491	0
Wage and church tax	14,560	0	15,154	0
Social security contributions	13,604	0	10,231	0
Liabilities from other taxes	3,619	2,000	3,580	1,702
<b>Total non-financial liabilities</b>	<b>90,994</b>	<b>2,000</b>	<b>111,456</b>	<b>1,702</b>
<b>Other liabilities</b>	<b>356,209</b>	<b>138,434</b>	<b>379,242</b>	<b>100,328</b>

Liabilities to employees mainly concern outstanding bonuses and employee commissions. Liabilities to customers mainly comprise outstanding debtor returns and unpaid customer balances. In the reporting period, earn-outs in the amount of €3,157 thousand were paid out due to the fulfilment of agreed revenue and earnings targets. The remaining liabilities from acquisitions in the amount of €5,257 thousand comprise conditional purchase price payments that depend on the respective companies' future business performance.

Other liabilities primarily relate to various administrative expenses and distribution costs incurred in the ordinary course of business.



See Bechtle  
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For the disclosures pursuant to IFRS 7, financial instruments included in other liabilities are allocated to the class “other financial liabilities” to the amount of

- “other financial liabilities” in the amount of €198,351 thousand (prior year: €208,556 thousand);
- “non-current lease liabilities” in the amount of €136,336 thousand (prior year: €98,451 thousand);
- “current lease liabilities” in the amount of €57,190 thousand (prior year: €51,424 thousand);
- “liabilities resulting from acquisitions” in the amount of €5,257 thousand (prior year: €3,862 thousand); and
- “financial derivatives” in the amount €4,515 thousand (prior year: €4,119 thousand).

## 23 CONTRACT LIABILITIES

Contract liabilities principally mainly comprised advance payments from customers and service agreements paid in advance and, for reasons relating to the reporting date, amounted to €280,607 thousand (prior year: 243,020 thousand).

	€k	
	31.12.2023	31.12.2022
Current contract liabilities	226,074	193,392
Non-current contract liabilities	54,533	49,628

## 24 DEFERRED INCOME

As of 31 December 2023, deferred income amounted to €3,940 thousand (prior year: €3,768 thousand), €114 thousand of which is of a non-current nature (prior year: €796 thousand).

## V. FURTHER EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The cash flow statement for the 2023 reporting period and the prior year was prepared in accordance with IAS 7 and reports the development of cash flows broken down by cash inflows and outflows from operating, investing and financing activities. The cash flow from operating activities is determined using the indirect method.

As in the prior year, cash and cash equivalents included cash on hand, cheques and bank balances with an original term to maturity of no more than three months and correspond to the balance sheet item "cash and cash equivalents". Effects from the currency translation of cash and cash equivalents are shown separately in the calculation.

### 25 CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities in the amount of €459,031 thousand (prior year: €116,651 thousand) was indirectly derived from the earnings before taxes. The indirect calculation takes into account the financial earnings, depreciation and amortisation and other non-cash expenses and income as well as the change in selected material balance sheet items and other net assets.

As in the prior year, other non-cash expenses and income include changes in provisions and impairments.

The changes in balance sheet items are adjusted for assets and liabilities taken over from acquisitions and for influences from currency translation.

### 26 CASH FLOW FROM INVESTING ACTIVITIES

In 2023, net cash used for investments in the amount of €282,553 thousand (prior year: €224,323 thousand) primarily consisted of payments for investments in intangible assets and property, plant and equipment as well as for the acquisition of companies. These payments were reduced by payments received from the sale of intangible assets and property, plant and equipment as well as interest payments received.

The payments made for acquisitions include purchase price payments of €252,891 thousand (prior year: €93,348 thousand) for companies acquired in the reporting period. As in the prior year, this item also comprised additional payments for companies acquired in prior years in the amount of €3,375 thousand (prior year: €191 thousand). Within the scope of these acquisitions, cash and cash equivalents worth €29,443 thousand were taken over (prior year: €1,374 thousand).



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The gross cash flows for the acquisition and sale of long-term time deposits and securities are presented separately, while cash flows from short-term time deposits and securities are netted.



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Settlements of net investment hedges comprise payments from forward exchange contracts in connection with the hedging of the net investments in group companies whose local currency is not the euro. In the reporting period, this amount totalled minus €10,821 thousand (prior year: minus €18,877 thousand).

## 27 CASH FLOW FROM FINANCING ACTIVITIES

Factoring in the assumption and repayment of financial liabilities, dividend payments and interest and leasing payments made, net cash used for financing activities amounted to plus €28,246 thousand (prior year: minus €100,210 thousand). The payments received from the issued convertible bond amounted to €297,310 thousand (prior year: €0 thousand). Of this amount, €271,511 thousand are presented as non-current financial liabilities and €26,685 thousand as an equity component.

For non-current financial liabilities, inflows and outflows are presented separately. Cash flows for current financial liabilities are shown on a net basis. The cash outflows for leases amounted to €64,865 thousand (prior year: €53,185 thousand).

The following is a reconciliation of the financial liabilities whose inflows and outflows are shown in the cash flow statement in the financial cash flow:

	31.12.2022	Cash flows	Acquisitions	Exchange rate effects	Changes in fair value	31.12.2023
Non-current financial liabilities	261,895	258,234	3,987	0	0	524,116
Current financial liabilities	111,380	-94,982	0	0	0	16,398
<b>Total financial liabilities</b>	<b>373,275</b>	<b>167,239</b>	<b>3,987</b>	<b>0</b>	<b>0</b>	<b>540,514</b>

	31.12.2021	Cash flows	Acquisitions	Exchange rate effects	Changes in fair value	31.12.2022
Non-current financial liabilities	310,941	-49,046	0	0	0	261,895
Current financial liabilities	34,537	76,843	0	0	0	111,380
<b>Total financial liabilities</b>	<b>345,478</b>	<b>27,797</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>373,275</b>

## VI. FURTHER DISCLOSURES ON FINANCIAL INSTRUMENTS IN ACCORDANCE WITH IFRS 7

### INFORMATION ON FINANCIAL INSTRUMENTS BY CATEGORY

The following table compares the carrying amounts and fair value of the financial instruments for the classes of financial instruments in accordance with IFRS 7:

Class pursuant to IFRS 7	Measurement category according to IFRS 9	€k				Level
		Carrying amount 31.12.2023	Fair value 31.12.2023	Carrying amount 31.12.2022	Fair value 31.12.2022	
<b>Assets</b>						
Non-current trade receivables	AC	17,645	16,275	19,111	17,296	3
Current trade receivables	AC	1,123,282	1,123,282	1,177,393	1,177,393	
Non-current leasing receivables	n/a	49,906	45,695	48,015	42,131	3
Current leasing receivables	n/a	34,291	34,291	29,006	29,006	
Time deposits						
Fixed-term deposits	AC	30,000	30,000	60,000	60,000	
Other financial assets	AC	211,565	211,565	140,082	140,082	
Financial derivatives						
Derivatives accounted for as hedges	n/a	39	39	215	215	
Derivatives not accounted for as hedges	FVTPL	3,050	3,050	1,609	1,609	
Cash and cash equivalents	AC	435,756	435,756	229,590	229,590	
<b>Equity and Liabilities</b>						
Convertible bond	AC	271,511	271,511	0	0	2
Loans	AC	269,004	260,404	373,275	358,373	3
Non-current trade payables	AC	516	492	522	487	3
Current trade payables	AC	629,206	629,206	699,030	699,030	
Non-current leasing liabilities	n/a	136,336	123,715	98,451	87,800	3
Current leasing liabilities	n/a	57,190	57,190	51,424	51,424	
Other financial liabilities	AC	198,351	198,351	208,556	208,556	
Liabilities resulting from acquisitions	FVTPL	5,257	5,257	3,862	3,862	
Financial derivatives						
Derivatives accounted for as hedges	n/a	37	37	124	124	
Derivatives not accounted for as hedges	FVTPL	4,478	4,478	3,995	3,995	
Thereof aggregated according to measurement category pursuant to IFRS 9	AC	3,186,836	3,176,842	2,907,559	2,890,807	
	FVTPL	12,785	12,785	9,466	9,466	

Abbreviations used for the measurement categories of IFRS 9:

AC = Amortised costs

FVTPL = Fair value through profit or loss

Pursuant to IFRS 13, the material parameters on which the measurement is based must be disclosed for all financial instruments whose fair value is presented or that are accounted for at fair value. The assessment methods are divided into the following three levels:

Level 1: Measurement at prices (not adjusted) quoted on active markets for identical assets and liabilities.

Level 2: Measurement of the asset or liability takes place either directly or indirectly on the basis of observable input data, which do not represent quoted prices as stated in Level 1.

Level 3: Measurement is based on models using input parameters not observable on the market.

The cash flows of the **financial derivatives** accounted for as hedges will occur within a period of two months of the balance sheet date.

**Convertible bond.** In the reporting period, an unsecured and non-subordinated bond of a total nominal value of €300 million with conversion rights was placed in new and/or existing no-par shares of Bechtle AG. The convertible bonds with a denomination of €100 thousand each are issued and repaid at 100 per cent of the nominal amount. The term to maturity is seven years. The initial conversion price of €54.99 was determined with a conversion premium of 30 per cent over the reference share price of €42.30. The convertible bonds are subject to a nominal interest rate of 2.0 per cent. Termination of the outstanding convertible bonds by Bechtle is possible after five years, at the earliest, if the share price has not reached 130 per cent of the applicable conversion price. Termination of the outstanding convertible bonds by Bechtle is possible at any time if the total nominal amount of the convertible bonds has dropped to 20 per cent or less of the total nominal amount originally issued. Holders of the convertible bonds have the right to demand premature repayment of their convertible bonds at the nominal amount after five years. The accounting took place using the effective interest method.

**The liabilities resulting from acquisitions** are conditional, additional purchase price payments (earn-outs) for acquisitions (IFRS 3.58). The fair value was determined with the help of the DCF method. Apart from the planned business development of the unit taken over, a discount rate that is appropriate for the period was used. The creditworthiness of the debtor Bechtle (IFRS 13.42 ff) was taken into account via an overhead percentage method taking into account the amount, the probability of default and the recovery rate in the event of inability to pay. The difference between the fair value and the amount to be paid at maturity according to the contract is €4 thousand, which only contains an insignificant change of the credit risk. The factor that has the greatest impact on the fair value is the planned business development, which is based on earnings-oriented key indicators. In the event of a reduction of the target achievement to 90 per cent of the target achievement assumed at the acquisition, the liabilities from acquisitions would drop by about 100 per cent; in the event of an increase to 110 per cent of the target achievement assumed at the acquisition, the liabilities would not increase. In the event of a payout, the liabilities will be repaid by the end of 2024.

The fair value of **time deposits, loans and non-current trade receivables** and **non-current trade payables** corresponds to the present value of the cash flows under consideration of the risk-weighted interest rates appropriate for the periods plus creditworthiness impairment. The fair value of time deposits, loans and non-current trade receivables and non-current trade payables corresponds to the present value of the cash flows under consideration of the risk-weighted interest rates appropriate for the periods plus creditworthiness impairment. In the event of an increase (reduction) of the discount for the credit risk of the counterparty by 5 per cent, the fair value of the non-current trade receivables would be €23 thousand lower (€23 thousand higher), and the non-current lease receivables would be €66 thousand lower (€66 thousand higher). In the event of an increase (reduction) of the discount for the own credit risk by 5 per cent, the fair value of the non-current lease liabilities would be €5 thousand lower (€5 thousand higher), and the fair value of the loans would be €24 thousand lower (€24 thousand higher).

For all current financial assets and liabilities, the carrying amount corresponds to the fair value (IFRS 7.29). This comprises **current trade receivables, other financial assets, current trade payables, cash and cash equivalents, time deposits and other financial liabilities**.

During the reporting period, there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications to or from measurements at fair value of Level 3.

The development of the financial instruments in Level 3 as measured at fair value is as follows:

	01.01.2023	Total gains and losses			31.12.2023	€k
		Recognised in financial earnings	Recognised in profit or loss in income statement	Additions	Compensation/settlement	
Financial assets and liabilities in Level 3						
Liabilities resulting from acquisitions	3,862	16	24	4,512	-3,157	5,257

	01.01.2022	Total gains and losses			31.12.2022	€k
		Recognised in financial earnings	Recognised in profit or loss in income statement	Additions	Compensation/settlement	
Financial assets and liabilities in Level 3						
Liabilities resulting from acquisitions	2,991	55	19	1,000	-203	3,862

The €16 thousand (prior year: €55 thousand) posted as expenses under financial earnings were attributable to future payments for liabilities for acquisitions, which were accounted for as of 31 December 2023.

The expenses, income, losses and earnings from financial instruments can be allocated to the following categories (net result):

	€k	
Net gain or loss by measurement categories	2023	2022
Assets AC	5,175	1,504
Assets FVPL	3,050	1,609
Liabilities AC	-14,944	-6,466
Assets FVPL	-4,494	-4,049
<b>Net earnings</b>	<b>-11,213</b>	<b>-7,402</b>

The presented financial assets and financial liabilities include the total interest income, the total interest expense, the expenses from impairment and the gains and losses from changes in fair value, from disposals and from currency translation.

#### DISCLOSURES ON NETTED AND UNNETTED ASSETS AND LIABILITIES

The following financial instruments have been netted in the balance sheet on the basis of a current legal netting entitlement or the existing intention to settle on a net basis:

	€k					
	2023			2022		
	Gross liabilities	Gross assets	Net amount accounted for	Gross liabilities	Gross assets	Net amount accounted for
<b>Financial Assets</b>						
Current trade receivables	701	1,123,983	1,123,282	452	1,177,845	1,177,393
Refunds and other receivables from suppliers	11,395	102,528	91,133	333	77,102	76,769
<b>Financial liabilities</b>						
Current trade payables	639,113	9,907	629,206	708,527	9,497	699,030
Current liabilities to customers	50,295	233	50,062	45,007	96	44,911

The trade receivables include liabilities to customers amounting to €701 thousand, and the liabilities to customers include receivables from customers amounting to €233 thousand. Based on contractual agreements, these customers of Bechtle have the intent and are entitled to net these items against each other. The trade payables contain receivables from suppliers in the amount of €9,907 thousand, and the receivables from suppliers contain liabilities in the amount of €11,395 thousand. Based on contractual agreements, these customers of Bechtle are entitled to net these items against each other. These items are principally bonus revenues that suppliers pay out to Bechtle and that Bechtle pays out to its customers.

## DISCLOSURES ON RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

**Currency risk.** Receivables, liabilities and cash and cash equivalents that are not transacted in the functional (local) currency used by the companies are exposed to currency risks from financial instruments. In the Bechtle Group, currency risks from financial instruments denominated in foreign currency arise from the intercompany trade and, to a small extent, trade with external suppliers and customers.

Hedges serve to protect against exchange rate risks affecting receivables and liabilities denominated in foreign currency. The Bechtle Group uses forward exchange contracts, currency swaps and currency options as hedges.

In the Consolidated Financial Statements (EUR), exchange differences arose from the conversion of foreign currency financial statements of subsidiaries abroad. These differences are carried and recognised separately directly in equity. In the reporting period, Bechtle made use of the following currency futures in order to compensate most of these currency translation differences outside profit or loss and to hedge a net investment in a foreign operation (IAS 39, IFRIC 16):

Currency relationship	2023				2022			
	Nominal amount hedging instrument	Hedge gain/loss (entered in OCI)	Income tax effect	Average hedging rate	Nominal amount hedging instrument	Hedge gain/loss (entered in OCI)	Income tax effect	Average hedging rate
EUR/CHF	277,960	-8,618	-2,633	0.97	413,338	-19,437	-5,867	1.03
EUR/GBP	97,713	-1,527	-467	0.88	18,688	699	211	0.85
EUR/PLN	4,076	-534	-163	4.91	3,595	-135	-41	4.87
EUR/HUF	779	-135	-41	449.03	962	32	10	391.34
EUR/CZK	442	-7	-2	24.90	503	-36	-11	25.91

On the other hand, the consolidated equity underwent a positive effect in the amount of €10,342 thousand (prior year: €11,312 thousand) from currency translation differences. These were largely caused by EUR/CHF conversion.

Alongside the above-mentioned hedges of a net investment in a foreign operation, Bechtle made use of other hedges to hedge its business operations. The loss of €248 thousand (prior year: gain of €59 thousand) that corresponds to the effective part of the currency hedges (cash flow hedge) was recognised in other comprehensive income outside profit or loss, taking into account deferred taxes (€76 thousand; prior year: €18 thousand). For this, an average EUR/USD rate of 1.09 was hedged (prior year: 1.07).

Apart from the said individual cases that are accounted for as hedges, hedges with terms of up to two years and individual volumes of up to €2 million, in most cases, are regularly concluded for operational purposes within the ordinary course of business. The following table shows the volume of the hedges concluded in the respective fiscal year as well as the buy and sell obligations as of the balance sheet date.

Currency pair		2023		Purchase (+) or sale obligation (-)	2022		Purchase (+) or sale obligation (-)
		Purchase (volume)	Sale (volume)		Purchase	Sale	
EUR/CHF	CHFk	162	9,037	-2,287	92	17,826	-882
EUR/CZK	CZKk	0	4,800	-1,200	596	5,070	-1,000
EUR/GBP	GBPk	28	3,410	-825	484	4,404	-350
EUR/HUF	HUFk	321,991	148,732	-26,800	6,332	159,388	-18,847
EUR/NOK	NOKk	453,190	207,462	108,534	63,600	63,600	7,716
EUR/PLN	PLNk	0	3,152	-788	0	7,517	-529
EUR/SEK	SEKk	542,190	38,627	241,501	311,966	4,662	144,465
EUR/USD	USDk	270,110	133,453	33,758	384,450	246,735	66,810
CHF/EUR	EURk	0	0	44,434	1,203	0	1,620
CHF/NOK	NOKk	0	0	22,305	0	0	381
CHF/SEK	SEKk	0	0	10,706	0	0	0
USD/EUR	EURk	0	0	9,012	33	588	0
HUF/EUR	EURk	36	0	0	0	0	0

The measurement of these open currency transactions resulted in a gain of €2,341 thousand (prior year: loss of €1,944 thousand), which was recognised through profit or loss.

The following sensitivity analysis illustrates the impact a decrease (or increase) in the euro exchange rate could have on consolidated group earnings before taxes. The changes in the fair values of the financial assets and liabilities in foreign currency recognised as of the respective balance sheet date due to the changed exchange rate are taken into account. The hedges existing as of the balance sheet date are taken into consideration in the sensitivity analysis. Exchange rate differences from the translation of financial statements into the group's currency are not taken into account.

	€k			
	2023		2022	
<b>Effects of a 10% value loss (or increase) of the euro against</b>				
USD	+6,266	[−6,266]	+14,155	[−14,155]
CHF	−4,693	[+4,693]	−3,111	[+3,111]
SEK	+2,143	[−2,143]	+1,592	[−1,592]
NOK	+1,140	[−1,140]	+175	[−175]
CZK	−183	[+183]	−66	[+66]
GBP	+160	[−160]	+219	[−219]
HUF	−65	[+65]	−67	[+67]
PLN	+24	[−24]	−294	[+294]
TWD	+17	[−17]	+10	[−10]
CAD	+1	[−1]	0	0

The following sensitivity analysis illustrates the impact a decrease (or increase) in the euro exchange rate could have on other comprehensive income (outside profit or loss). The change in fair value of the derivatives accounted for as hedges, as well as the change in value of assets and liabilities of the subsidiaries with the respective currency as functional currency, are taken into consideration.

	€k			
	2023		2022	
<b>Effects of a 10% value loss (or increase) of the euro against</b>				
CHF	+52,316	[−52,316]	+49,156	[−49,156]
GBP	+19,831	[−19,831]	+3,755	[−3,755]
PLN	+699	[−699]	+471	[−471]
HUF	+127	[−127]	+97	[−97]
USD	−78	[+78]	+97	[−97]
CZK	+61	[−61]	+32	[−32]
DKK	+2	[−2]	0	0

**Interest rate risk.** The interest rate risk the Bechtle Group is exposed to mainly relates to the interest earned by its cash and cash equivalents. The interest rate risks of the Bechtle Group are centrally analysed, and the resulting measures are actively managed by the central finance department. The approach to this area is subject to regular review as determined by the management.

Apart from this, the group has only a minimal position – and thus an insignificant interest rate risk – in variable-rate financial instruments, which are exposed to cash flow risks from a possible deterioration in interest rates. There is also an insignificant interest rate risk for fixed-interest financial instruments with fair value risk due to the fluctuating fair values of non-current receivables and trade liabilities depending on interest rates.

The sensitivity analysis was conducted for the Bechtle Group's cash and cash equivalents, and time deposits as of the balance sheet date, taking into account the relevant interest rates in the relevant currencies. A hypothetical decrease or increase in these interest rates from the beginning of the reporting period by 100 basis points or 1.0 per cent a year (assuming constant exchange rates) would have led to a decrease/increase in interest income by €4,658 thousand (prior year: €2,896 thousand).

**Liquidity risk.** The liquidity risk from financial instruments results from future interest payments and redemption payments for financial liabilities and from derivative financial instruments. The tables below show the non-discounted payment obligations for the relevant balance sheet items as of the balance sheet date and the prior year's balance sheet date in accordance with IFRS 7. Bechtle has credit lines that can be used both for cash loans and for guarantee credit. Detailed information on this is presented in (20) Financial liabilities.

Liquidity risk is managed and monitored weekly with the help of a 14-day liquidity preview.

	Financial liabilities					€k
	Loans and convertible bond	Other current non-derivative liabilities	Trade payables	Lease liabilities	Other financial liabilities	
<b>Carrying amount 31.12.2023</b>	<b>538,558</b>	<b>1,957</b>	<b>629,722</b>	<b>193,526</b>	<b>208,123</b>	
<b>Cash flow 2024</b>						
Interest	13,583	0	1	3,030	0	
Repayment	14,441	1,957	629,206	57,190	208,025	
<b>Cash flow 2025–2026</b>						
Interest	25,651	0	0	4,264	0	
Repayment	140,942	0	511	70,542	89	
<b>Cash flow 2027–2028</b>						
Interest	24,316	0	0	2,616	0	
Repayment	109,516	0	2	31,095	9	
<b>Cash flow 2029–2030</b>						
Interest	20,259	0	0	2,466	0	
Repayment	273,659	0	2	34,699	0	
<b>Cash flow 2031–2032</b>						
Interest	0	0	0	0	0	
Repayment	0	0	1	0	0	

 For disclosures on the liquidity management, see page 143 and on the cash flows of the financial liabilities, see page 226

	€k				
	Financial liabilities				
	Loans	Other current non-derivative liabilities	Trade payables	Lease liabilities	Other financial liabilities
<b>Carrying amount 31.12.2022</b>	<b>371,141</b>	<b>2,134</b>	<b>699,552</b>	<b>149,875</b>	<b>216,537</b>
<b>Cashflow 2023</b>					
Interest	4,384	0	0	1,248	0
Repayment	109,246	2,134	699,030	51,424	216,362
<b>Cashflow 2024–2025</b>					
Interest	7,554	0	0	1,868	0
Repayment	143,477	0	381	58,601	67
<b>Cashflow 2026–2027</b>					
Interest	3,879	0	0	1,092	0
Repayment	12,665	0	137	23,282	108
<b>Cashflow 2028–2029</b>					
Interest	1,882	0	0	880	0
Repayment	105,429	0	2	16,568	0
<b>Cashflow 2030–2031</b>					
Interest	1	0	0	0	0
Repayment	324	0	2	0	0

The cash and cash equivalents are spread over 35 banks and finance groups. In the case of bank deposits in the European Union, we make sure that the balance at a bank or group of banks with the same deposit guarantee does not exceed the respective deposit guarantee cap. Approximately 38 per cent of the cash and cash equivalents are held with banks that belong to the liability association of the Savings Banks Finance Group. Thus, a risk could arise from the default of several banks belonging to this guarantee arrangement. The Swiss group companies hold about 30 per cent of the group's cash and cash equivalents at large Swiss banks, which only offer a low statutory deposit guarantee.



For further disclosures on the risk management, see page 142 f

**Credit Risk.** The carrying amounts of the financial assets correspond to the maximum credit risk. There are no hedges except for common liens for all trade receivables as well as country-specific deposit guarantee funds for all cash and cash equivalents and time deposits. Any credit risks identified in the financial assets are recognised in the form of impairments. Except for lenders in connection with buildings, Bechtle provides virtually none of its creditors with collateral.

With regard to the investment of excess liquidity, quick availability is more important than maximum yield, e.g. in order to be able to access available cash and cash equivalents in the event of acquisitions or major project pre-financing measures. Thus, purely financial goals – such as the optimisation of the financial income – are subordinate to the acquisition strategy and the company growth. This financial flexibility forms the basis for success in a highly consolidating market. The liquidity situation is centrally managed and monitored by the treasury.

Investment business was only conducted with investment-grade debtors. For time deposits within the European Union, investments with a deposit guarantee are preferred. As such a guarantee only exists to a limited extent in Switzerland, investments in this country are only made at banks with an excellent credit rating.

To avoid risk concentrations, customer-specific credit lines are determined by means of ongoing creditworthiness checks.

## VII. SEGMENT INFORMATION

Segment information is reported in accordance with IFRS 8 Operating Segments, as in the prior year.

The Bechtle Group is currently active in two business segments, the IT System House & Managed Services segment and the IT E-Commerce segment. The two segments differ in terms of the areas of activity involved as well as with regard to the processes applied for IT product trading purposes. The strategic alignment and expansion strategy pursued are also different.

In the **IT System House & Managed Services** segment, Bechtle's services cover the entire IT value chain ranging from IT strategy consulting services, hardware and software, project planning and implementation, system integration, IT services and training to complete IT operation. Bechtle prepares individual offers involving a range of different services in combination with hardware and software directly reflecting the needs and preferences of each and every customer. In this segment, Bechtle operates in Germany, Austria, Belgium, the Netherlands, Switzerland and, since recently, in France, ensuring special customer proximity by means of its decentralised organisation with more than 100 locations for wide geographic coverage.

The **IT E-Commerce** segment comprises the group's online shop and telesales trading activities. As an IT specialist with more than 36,000 products in the web shop – ranging from hardware and standard software products to peripherals and accessories – Bechtle covers all common IT areas. The Bechtle direct brand is currently established in 14 European countries and focuses on classic hardware and software from market-leading vendors. The Bechtle Comsoft and Inmac WStore brands are active in France only. In the Netherlands, Bechtle is also active with the ARP brand. The software licensing business of the Bechtle Comsoft brand is present in two European countries.

Companies of the Bechtle Group mainly exist in Germany. Group companies exist abroad in Argentina, Austria, Belgium, the Czech Republic, Denmark, France, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Switzerland, Taiwan, UK and the USA.

The administration and the strategic management of the individual companies are centralised primarily at Gaildorf and Neckarsulm, where the parent company Bechtle AG and the group's Executive Board are based.

As a general rule, the same reporting methods and accounting policies are applied for the segment information as for the Consolidated Financial Statements. Internally, no transition to the changed principal versus agent (PvA) accounting is performed. Rather, the management takes place on the basis of the business volume (gross revenue). A combination of the business segments has not been drawn up.

The chief operating decision-maker (CODM) as defined in IFRS 8.7 is the Executive Board of Bechtle AG, which comprises the Chairman of the Executive Board, the Member of the Executive Board responsible for IT System House & Managed Services and the Member of the Executive Board responsible for IT E-Commerce. This CODM is responsible for the cross-departmental, group-wide monitoring and management of the group success and resource allocation. Strategic decisions concerning the allocation of resources to the two segments and the measurement of their earning power are made exclusively at Executive Board meetings of Bechtle AG in close coordination with the Supervisory Board. The Executive Board member responsible for IT System House & Managed Services and the Executive Board member responsible for IT E-Commerce serve individually as the segment managers (IFRS 8.9) for the respective business segment. In this capacity, they are in charge of the resource management and the assessment of the efficiency of the segments under their supervision. The segment manager also coaches the Executive Vice Presidents and Managing Directors in his segment. Vis-à-vis the CODM, the segment managers are responsible for their segments and maintain regular contact with the CODM, e.g. at Executive Board meetings, in order to report on and discuss the activities, results and plans of their segment.

The segment information presented below is based on the same indicators as those employed for the internal reporting and controlling system that are used above all by the group management/CODM for success evaluation and resource allocation purposes. As previously, management is based on business volume. It contains all income and expenses as well as the assets and liabilities of the central units/functions of the Bechtle Group in accordance with the relevant services provided or used in the two IT System House & Managed Services and IT E-Commerce segments. The earnings before interest and taxes and before acquisition-related depreciation and amortisation represent the earnings-related key performance indicator for the segments. The depreciation and amortisation from acquisitions relate to customer bases, customer service agreements and brands resulting within the scope of acquisitions. Financial earnings are not consolidated as the segments are primarily funded via the central units where external interest expense and income are mainly incurred. For this reason, financial earnings and expenses are reported together as financial income merely at group level as shown below. This results in the earnings before taxes in the Bechtle Group and subsequently, taking into account the taxes at group level, the earnings after taxes in the Bechtle Group.

This results in asymmetric allocation (IFRS 8.27) insofar as the assets and liabilities reported for the segments include interest-bearing assets and liabilities as well as tax receivables and payables. In the case of symmetric allocation, segment assets and segment liabilities would be correspondingly lower and the earnings-related key performance indicator of the segments would include financial income, financial expenses and tax.

Transactions are only conducted between the two segments to an insignificant extent. They are accounted for at market prices and, for the purposes of completeness and transparency, are shown below explicitly in respect of the business volume as well as receivables and payables. The consolidated revenue comprises the total revenue of both segments with parties outside the group. The same applies to the receivables and payables as well as the assets and liabilities of the two segments and of the Bechtle Group as a whole.

The investments, depreciation and amortisation reported relate to intangible assets as well as to property, plant and equipment.

In the segment reporting by region (domestic or abroad), revenue is allocated to the country in which the subsidiary concerned has its registered office. From the perspective of the given subsidiary, revenue is generated exclusively in its own country. Only revenue via parties external to the group is reported. Accordingly, assets, liabilities and investments are allocated to the domestic market (Germany) or abroad on the basis of the location of the given company's registered office.



For disclosures  
on the composition  
of the revenue,  
see page 199 f

€k

	2023					2022				
By segments	IT System House & Managed Services	IT E-Commerce	Total group before PvA	Reconcili- ation PvA	Total group after PvA	IT System House & Managed Services	IT E-Commerce	Total group before PvA	Reconcili- ation PvA	Total group after PvA
Total segment business volume	5,301,795	2,568,770				4,793,350	2,561,630			
less intersegment business volume	-70,147	-6,771				-61,228	-8,052			
<b>Business volume (gross revenue)</b>	<b>5,231,648</b>	<b>2,561,999</b>	<b>7,793,647</b>	<b>-1,370,904</b>	<b>6,422,743</b>	<b>4,732,122</b>	<b>2,553,578</b>	<b>7,285,700</b>	<b>-1,257,525</b>	<b>6,028,175</b>
Depreciation and amortisation	-81,135	-24,278	-105,413		-105,413	-70,238	-23,745	-93,983		-93,983
<b>Segment result</b>	<b>269,538</b>	<b>133,966</b>	<b>403,504</b>		<b>403,504</b>	<b>236,721</b>	<b>136,783</b>	<b>373,504</b>		<b>373,504</b>
Depreciation and amortisation from acquisitions	-9,825	-11,383	-21,208		-21,208	-9,683	-8,396	-18,079		-18,079
<b>Earnings before financial earnings and taxes</b>	<b>259,713</b>	<b>122,583</b>	<b>382,296</b>		<b>382,296</b>	<b>227,038</b>	<b>128,387</b>	<b>355,425</b>		<b>355,425</b>
Financial earnings			<b>-8,054</b>		<b>-8,054</b>			<b>-4,938</b>		<b>-4,938</b>
Earnings from investments measured at equity			235		235			0		0
<b>Earnings before taxes</b>		<b>374,477</b>		<b>374,477</b>				<b>350,487</b>		<b>350,487</b>
Income taxes			<b>-108,965</b>		<b>-108,965</b>			<b>-99,369</b>		<b>-99,369</b>
<b>Earnings after taxes</b>			<b>265,512</b>		<b>265,512</b>			<b>251,118</b>		<b>251,118</b>
Investments	165,945	33,887	<b>199,832</b>		<b>199,832</b>	106,763	36,605	<b>143,368</b>		<b>143,368</b>
Investments through acquisitions	30,857	178,234	<b>209,091</b>		<b>209,091</b>	84,221	12,934	<b>97,155</b>		<b>97,155</b>

The internal management does not take place on the basis of the changed PvP accounting, but rather continues to focus on the business volume (gross revenue). For this reason, a reconciliation with the external revenue is necessary for the presentation of the group as a whole. Depreciation and amortisation concern the ongoing depreciation and amortisation of intangible assets and property, plant and equipment.

No unscheduled depreciation or amortisation was carried out in the two segments beyond the scheduled depreciation and amortisation.

By segments	2023			2022		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
Total segment assets	2,504,475	1,306,577		2,388,251	1,070,055	
less intersegment receivables	-7,186	-677		-9,344	-1,090	
<b>Assets</b>	<b>2,497,289</b>	<b>1,305,900</b>	<b>3,803,189</b>	<b>2,378,907</b>	<b>1,068,965</b>	<b>3,447,872</b>
Thereof shares in investments measured at equity	32,497	0	32,497	0	0	0
Total segment liabilities	1,437,051	631,389		1,351,081	568,906	
less intersegment liabilities	-677	-7,186		-1,090	-9,344	
<b>Liabilities</b>	<b>1,436,374</b>	<b>624,203</b>	<b>2,060,577</b>	<b>1,349,991</b>	<b>559,562</b>	<b>1,909,553</b>

	2023			2022		
By regions	Domestic	Abroad	Group	Domestic	Abroad	Group
Revenue	3,996,199	2,426,544	6,422,743	3,731,733	2,296,442	6,028,175
Investments	164,509	35,323	199,832	94,138	49,230	143,368
Investments through acquisitions	1,687	207,404	209,091	1,648	95,507	97,155

Of the consolidated revenue generated abroad, France accounted for €690,754 thousand (prior year: €718,245 thousand), Switzerland for €378,755 thousand (prior year: €390,557 thousand) and the Netherlands for €558,117 thousand (prior year: €477,639 thousand). The rest is split between the other countries, namely Austria, Belgium, the Czech Republic, Hungary, Ireland, Italy, Poland, Portugal, Spain and the United Kingdom, each of which contributed less than 10 per cent to the consolidated revenue of the Bechtle Group.

	2023			2022		
By regions	Domestic	Abroad	Group	Domestic	Abroad	Group
Assets	2,094,345	1,708,844	3,803,189	1,983,752	1,464,120	3,447,872
thereof non-current assets	648,715	778,600	1,427,315	539,147	576,031	1,115,178
Liabilities	1,422,893	637,684	2,060,577	1,299,690	609,863	1,909,553

The non-current assets reported here comprise property, plant and equipment as well as intangible assets (including goodwill). Of the non-current assets abroad, Switzerland accounted for €187,331 thousand (prior year: €173,047 thousand), France for €292,347 thousand (prior year: €197,469 thousand), the Netherlands for €138,860 thousand (prior year: €114,741 thousand) and the UK for €85,161 thousand (prior year: €17,891 thousand). The rest is split between the remaining countries Austria, Belgium, the Czech Republic, Hungary, Ireland, Italy, Poland, Portugal, Spain and Taiwan, each of which held less than 5 per cent of the non-current assets of the Bechtle Group.

Both in the reporting period and in the prior year, no single customer generated more than 10 per cent of the revenue of the Bechtle Group (IFRS 8.34).



Information on the number of employees by segments and regions is provided in section X. "Other disclosures", "People at Bechtle".

## VIII. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

In the 2023 fiscal year, Bechtle AG directly or indirectly acquired 100 per cent of the shares in the following companies:

Company	Headquarters	Acquisition date	Acquisition
Tangible Benefit Ltd.	London, United Kingdom	15 March 2023	Acquisition
Fondo ICT Professionals B.V.	Utrecht, Netherlands	5 April 2023	Acquisition
SGSolution AG	Wallisellen, Switzerland	4 May 2023	Acquisition
Prosol Ingenieria S.L.	Madrid, Spain	2 August 2023	Acquisition
Prosol Iscat S.L.	Terrassa, Spain	2 August 2023	Acquisition
sistema GmbH	Hünfelden, Germany	3 August 2023	Acquisition
Executive IT SAS Gruppe	Les Ulis, France	5 October 2023	Acquisition

The business combinations were recognised in the balance sheet as of the balance sheet date.

By means of the acquisition of Tangible Benefit Ltd., London, the IT E-Commerce segment in the United Kingdom has been strengthened and expanded. Founded in 1997, the company enjoys an excellent reputation and is well known in the industry. Its core business comprises hardware procurement including plug-and-play services and software licensing. Security and network services as well as lifecycle management supplement the product portfolio. Together with Bechtle direct UK, major vendor partners will benefit from an even stronger interface to customers in the British B2B market.

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships (€11,542 thousand) were newly recognised as identifiable assets with a useful life of five years and measured at fair value as of the acquisition date. In connection with the capitalisation and remeasurement, deferred tax liabilities (€2,885 thousand) were recognised.

Under consideration of the acquired total net assets (€21,931 thousand), the capital consolidation resulted in a total difference of €55,600 thousand that is presented as goodwill and allocated to the IT E-Commerce segment. This goodwill is not recognised for tax purposes. The goodwill is based mainly on revenue synergies arising from the expansion of the portfolio and new potential from the expanded customer range.

Moreover, Bechtle has strengthened its market presence in the Netherlands by acquiring the VMware and software specialist Fondo ICT Professionals B.V. in Utrecht. The company is a firmly established service provider for modern workplace, multi-cloud and software as a service (SaaS). The takeover of Fondo represents the addition of a renowned specialist of the long-standing vendor partners VMware und Microsoft to the Bechtle Group in the IT System House & Managed Services segment. The goal is to merge and consolidate the locations with PQR B.V., which had been acquired in the prior year.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, customer relationships (€3,900 thousand) were newly recognised as identifiable assets with a useful life of four years and measured at fair value as of the acquisition date. In connection with the capitalisation of the customer relationships, deferred tax liabilities (€975 thousand) were recognised.

Under consideration of the acquired total net assets (€6,991 thousand), the capital consolidation resulted in a total difference of €23,092 thousand that is presented as goodwill and allocated to the IT System House & Managed Services segment. This goodwill is not recognised for tax purposes. The goodwill is principally based on revenue synergies arising from the expansion of the portfolio and the exploitation of cross-selling potential due to the compatibility with the Group's existing business activities in the Netherlands.

By acquiring SGsolution AG, Wallisellen, Bechtle has supplemented its activities in the IT System House & Managed Services segment in Switzerland in the field of additive manufacturing, in which the German subsidiaries Solidpro and Solidline already successfully operate. Additionally, SGsolution AG expands the PLM offering of the Bechtle Group in Switzerland. In the Swiss market, the CAD/PLM specialist Solid Solutions AG has been part of Bechtle since 2011.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, customer relationships (€540 thousand) were newly recognised as identifiable assets with a useful life of five years and measured at fair value as of the acquisition date. In connection with the capitalisation of the customer relationships, deferred tax liabilities (€100 thousand) were recognised.

Under consideration of the acquired total net assets (€1,911 thousand), the capital consolidation resulted in a total difference of €1,638 thousand that is presented as goodwill and allocated to the IT System House & Managed Services segment. This goodwill is not recognised for tax purposes. The goodwill is principally based on revenue synergies arising from the expansion of the portfolio and the exploitation of cross-selling potential due to the compatibility with the Group's existing business activities in Switzerland.

By acquiring Prosol Ingeniera S.L., headquartered in Las Rozas near Madrid, Spain, and Prosol Iscat S.L., headquartered in Terrassa near Barcelona, Spain, Bechtle has gained companies well-established in the Spanish market. The companies have operated as system integrators for industrial enterprises in the Spanish market since 1996. Apart from the portfolio, the acquisition also supplements the customer base and strengthens Bechtle's position with key vendor partners.

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships (€570 thousand) were newly recognised as identifiable assets with a useful life of five years and measured at fair value as of the acquisition date. In connection with the capitalisation of the customer relationships, deferred tax liabilities (€148 thousand) were recognised.

Under consideration of the acquired total net assets (€2,560 thousand), the capital consolidation resulted in a total difference of €4,128 thousand that is presented as goodwill and allocated to the IT E-Commerce segment. This goodwill is not recognised for tax purposes. The goodwill is principally based on revenue synergies arising from the expansion of the portfolio and the exploitation of cross-selling potential due to the compatibility with the Group's existing business activities in Spain as well as the acquisition of experienced employees with corresponding expertise.

By acquiring sistema GmbH in Hünfelden near Frankfurt am Main, Germany, Bechtle has supplemented its activities with security solutions especially for customers from the finance and insurance industries in the IT System House & Managed Services segment in Germany. The IT company, which was founded in 2018, has 21 employees.

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships (€200 thousand) were newly recognised as identifiable assets with a useful life of five years and measured at fair value as of the acquisition date. In connection with the capitalisation of the customer relationships, deferred tax liabilities (€58 thousand) were recognised.

Under consideration of the acquired total net assets (€640 thousand), the capital consolidation resulted in a total difference of €1,479 thousand that is presented as goodwill and allocated to the IT System House & Managed Services segment. This goodwill is not recognised for tax purposes. The goodwill is mainly based on revenue synergies arising from the expansion of the portfolio due to the compatibility with the group's existing business activities in Germany as well as the acquisition of experienced employees with corresponding expertise.

By acquiring Executive IT SAS, headquartered in Les Ullis near Paris, France, Bechtle has gained a company well-established in the French market. The company, which has about 340 employees, came into existence in 2018 from the merger of the system integrators DCI and RETIS, which had been well established in the French market for three decades. One of the main areas in the product portfolio is the field of cybersecurity with a Security Operations Centre (SOC) for all security-relevant IT services at organisations and companies. The company also offers its more than 1,000 medium-sized and large customers IT infrastructures, digital workplace concepts and network solutions as well as comprehensive managed services from consulting to audits and outsourcing.

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships (€11,300 thousand) were newly recognised as identifiable assets with a useful life of seven years and measured at fair value as of the acquisition date. In connection with the capitalisation of the customer relationships, deferred tax liabilities (€2,865 thousand) were recognised.

Under consideration of the acquired total net assets (€18,232 thousand), in total the capital consolidation resulted in a total difference of €82,390 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes. The goodwill is mainly based on revenue synergies arising from the expansion of the portfolio due to the compatibility with the group's existing business activities in France as well as the acquisition of experienced employees with expertise.

The receivables taken over (€46,883 thousand) were not subject to any major impairment.

The following table presents the fair value of the assets and liabilities as of the date of initial consolidation as they appear in the **balance sheet**:

	Tangible Benefit Ltd.	Fondo ICT Professionals B.V.	SGSolution AG	sistema GmbH	Prosol Gruppe	Executive IT SAS Gruppe	€k Total
<b>Non-current assets</b>							
Goodwill	55,600	23,092	1,638	1,479	4,128	82,390	168,327
Other intangible assets	11,542	3,900	540	200	570	15,612	32,364
Property, plant and equipment	1,075	0	0	8	70	6,542	7,695
Other assets	0	89	0	0	32	0	121
<b>Total non-current assets</b>	<b>68,217</b>	<b>27,081</b>	<b>2,178</b>	<b>1,687</b>	<b>4,800</b>	<b>104,544</b>	<b>208,507</b>
<b>Current assets</b>							
Inventories	931	0	647	0	1,323	3,722	6,623
Trade receivables	14,725	4,983	0	195	2,544	24,436	46,883
Other assets	547	31	65	274	169	7,876	8,962
Cash and cash equivalents	13,536	5,617	944	202	3,295	5,849	29,443
<b>Total current assets</b>	<b>29,739</b>	<b>10,631</b>	<b>1,656</b>	<b>671</b>	<b>7,331</b>	<b>41,883</b>	<b>91,911</b>
<b>Total assets</b>	<b>97,956</b>	<b>37,712</b>	<b>3,834</b>	<b>2,358</b>	<b>12,131</b>	<b>146,427</b>	<b>300,418</b>
<b>Non-current liabilities</b>							
Deferred taxes	2,885	1,006	100	58	148	2,865	7,062
Other liabilities	0	0	0	0	0	0	0
<b>Total non-current liabilities</b>	<b>2,885</b>	<b>1,006</b>	<b>100</b>	<b>58</b>	<b>148</b>	<b>2,865</b>	<b>7,062</b>
<b>Current liabilities</b>							
Trade payables	9,982	2,636	0	43	3,840	9,716	26,217
Income tax payables	0	0	73	17	160	0	250
Other provisions and liabilities	7,559	2,279	111	121	1,295	22,807	34,172
Deferred income	0	1,708	0	0	0	10,416	12,124
<b>Total current liabilities</b>	<b>17,541</b>	<b>6,623</b>	<b>184</b>	<b>181</b>	<b>5,295</b>	<b>42,939</b>	<b>72,763</b>
<b>Total liabilities</b>	<b>20,426</b>	<b>7,629</b>	<b>284</b>	<b>239</b>	<b>5,443</b>	<b>45,804</b>	<b>79,825</b>
<b>Total assets</b>	<b>77,530</b>	<b>30,083</b>	<b>3,550</b>	<b>2,119</b>	<b>6,688</b>	<b>100,623</b>	<b>220,593</b>
<b>- Total liabilities</b>							
<b>= Consideration</b>							

Taking into account the cash and cash equivalents taken over as well as non-cash components of the consideration for Tangible Benefit Ltd. (€4,209 thousand), the consideration paid for the companies acquired in 2023 (€220,593 thousand) resulted in an outflow of cash and cash equivalents of €186,941 thousand.

In the course of the acquisitions, transaction costs amounting to €2,090 thousand were incurred and recognised in administrative expenses.

Since their acquisition, the companies have contributed a total of €102,431 thousand to the revenue (thereof Tangible Benefit Ltd. €51,506 thousand, Fondo ICT Professionals B.V. €15,515 thousand, SGSolution AG €2,822 thousand, Prosol Ingenieria S.L. €2,413 thousand, Prosol Iscat S.L. €722 thousand, sistema GmbH €756 thousand, Executive IT SAS Group €28,697 thousand) and €4,891 thousand to the earnings after taxes (thereof Tangible Benefit Ltd. €2,398 thousand, Fondo ICT Professionals B.V. €974 thousand, SGSolution AG €261 thousand, Prosol Ingenieria S.L. minus €82 thousand, Prosol Iscat S.L. €141 thousand, sistema GmbH minus €1 thousand, Executive IT SAS Group €1,200 thousand). Had the companies been acquired at the beginning of the reporting period, the revenue of the Bechtle Group for the reporting period would have amounted to €6,535,528 thousand (thereof Tangible Benefit Ltd. €68,986 thousand, Fondo ICT Professionals B.V. €27,329 thousand, SGSolution AG €3,330 thousand, Prosol Ingenieria S.L. €8,404 thousand, Prosol Iscat S.L. €2,083 thousand, sistema GmbH €1,864 thousand, Executive IT SAS Group €103,220 thousand).

**Acquisition after the reporting date.** As of 22 February 2024, Bechtle acquired the Apple reseller iDoo Tech S.L., headquartered in Saragossa. iDoo Tech mainly focuses on the B2B sale of Apple products along with consulting, training and support. The plan is to handle Bechtle's entire Apple business in Spain via iDoo Tech. The objective is to gain Apple Authorised Enterprise Reseller status in order to be able to offer an even more extensive service and solution portfolio in the field of IT E-Commerce apart from the sale of products to business customers. The company has 13 employees. The consideration associated with the acquisition amounted to €2,488 thousand and resulted in an outflow of cash and cash equivalents in the amount of €448 thousand. The purchase agreement provides for conditional purchase price payments amounting to €2,040 thousand.

## IX. DISCLOSURES ON THE EXECUTIVE BOARD AND SUPERVISORY BOARD

### MEMBERS OF THE EXECUTIVE BOARD

**Dr. Thomas Olemtz**, Chairman of the Executive Board

Place of residence: Heilbronn, Germany

Member of the Executive Board responsible for digital business services, finance, financial services, human resources and staff development, group controlling and risk management, sustainability management, investor relations, IT, logistics & service, mergers & acquisitions, legal and compliance and corporate communications

Other mandates (all mandates are group-internal mandates):

■ Chairman of the Supervisory Board

of AMARAS AG, Monheim am Rhein, Germany

of Bechtle E-Commerce Holding AG, Neckarsulm, Germany

of Bechtle Managed Services Holding AG, Neckarsulm

of Bechtle Systemhaus Holding AG, Neckarsulm, Germany

of Bechtle Financial Services AG, Berlin, Germany

■ Chairman of the Board of Directors

of Bechtle Holding Schweiz AG, Rotkreuz, Switzerland

**Michael Guschlauer**

Place of residence: Asperg, Germany

Member of the Executive Board responsible for IT System House & Managed Services, Public Sector Division, Quality and Environmental Management, Process and Project Management, Business Management Service & Solutions and Operational Excellence.

Other mandates (all mandates are group-internal mandates):

- Chairman of the Executive Board

- of Bechtle Managed Services Holding AG, Neckarsulm

- of Bechtle Systemhaus Holding AG, Neckarsulm, Germany

- Vice-Chairman of the Supervisory Board

- of Bechtle Financial Services AG, Berlin, Germany

**Jürgen Schäfer**

Place of residence: Heilbronn, Germany

Member of the Executive Board responsible for IT E-Commerce (until 27 December 2023)

Other mandates

Group-internal mandate:

- Chairman of the Executive Board

- of Bechtle E-Commerce Holding AG, Neckarsulm, Germany

Group-external mandate:

- Member of the Supervisory Board

- of RIXIUS AG, Mannheim, Germany, not listed

**Konstantin Ebert**

Place of residence: Hirschberg an der Bergstraße

Member of the Executive Board responsible for IT E-Commerce (from 1 January 2024)

Other mandates (group-internal mandate):

- Chairman of the Executive Board

- of Bechtle E-Commerce Holding AG, Neckarsulm, Germany

**Antje Leminsky**

Place of residence: Baden-Baden, Germany

Member of the Executive Board responsible for Logistics, Supply Chain & Partner Management, Financial Services and Sustainability Management (from 1 February 2024)

**NUMBER OF SHARES IN BECHTLE AG HELD BY MEMBERS OF THE EXECUTIVE BOARD**

	31.12.2023	31.12.2022
Dr. Thomas Olemotz	5,000	5,000
Michael Guschlauer	1,000	1,000
Jürgen Schäfer	24,000	24,000

## COMPENSATION OF THE EXECUTIVE BOARD MEMBERS

The total remuneration paid in the fiscal year to the members of the Executive Board amounted to €7,060 thousand (prior year: €7,243 thousand).

## MEMBERS OF THE SUPERVISORY BOARD AND THEIR COMPENSATION



For further information  
on the Supervisory Board  
see Appendix D, page 268 f

The total remuneration paid in the fiscal year to the members of the Supervisory Board amounted to €1,190 thousand (prior year: €1,003 thousand). The total remuneration paid to former members of the Supervisory Board amounted to €24 thousand (prior year: €0 thousand).

All disclosures concerning the Supervisory Board that are required due to statutory regulations are summarised in Appendix D to these Notes.

## X. OTHER DISCLOSURES

### BECHTLE AS LESSEE

As a lessee, Bechtle accounts for leases for the following agreement types:

- Buildings
- Motor vehicles
- Job bicycles (head lease & sublease)
- Furniture, fixtures and fittings
- Office equipment
- Customer equipment (head lease & sublease)

For the agreement types buildings, motor vehicles, office machines and furniture, fixtures and fittings, right-of-use assets are accounted for and amortised over the individual useful life. The normal period for buildings ranges from three to ten years. Motor vehicle leasing agreements have a general term of two to three years. The agreement periods for furniture, fixtures and fittings are one to five years.

In the agreement types job bicycles and customer equipment, Bechtle acts both as lessee and as lessor in the context of finance leases. For this, no right-of-use assets are capitalised, but a lease receivable is recognised against the business partner. The lease receivable is measured on the basis of the present value of the lease payments and is repaid over the term. The following figure shows the right-of-use assets accounted for, which are allocated to the individual assets:

	€k	31.12.2023	31.12.2022
Assets with assigned rights of use in property, plant and equipment			
Buildings	137,838	108,070	
Furniture, fixtures and fittings	364	263	
Vehicle fleet	40,778	30,592	

The amortisation amounts for the right-of-use assets that are attributable to the reporting period are presented in the following table:

	€k	2023	2022
Amortisation of right-of-use assets			
Buildings	33,428	28,552	
Furniture, fixtures and fittings	222	181	
Vehicle fleet	23,438	19,245	

With regard to buildings, Bechtle mainly rents offices, storage space and parking places. Motor vehicle leases are concluded especially for the sales department.

Extension and cancellation options were taken into consideration upon recognition and measurement of the lease liabilities if Bechtle was reasonably certain that these options would be exercised in the future. Thus, the depreciation takes place over the contractually agreed lease term or, if Bechtle exercises its lease extension option, over the contractually agreed lease term plus the period of the lease extension option. Lease liabilities in the amount of €57,190 thousand (prior year: €51,424 thousand) were recognised under other current liabilities and €136,336 thousand (prior year: €98,451 thousand) under other non-current liabilities.

In 2023, expenses for short-term and minor leases amounted to €949 thousand (prior year: €1,190 thousand). Renewal and termination options result in potential cash outflows of €68,721 thousand (prior year: €41,499 thousand).

## BECHTLE AS LESSOR

**Operating leases.** In connection with operating leases, Bechtle also acts as lessor. Most of the agreements concerned relate to the leasing of IT products. Generally, the leasing agreements are concluded for terms of three to five years. The respective minimum lease payments from these agreements are as follows:

	€k	
	2023	2022
Due within one year	7,881	5,210
Due in 1 to 2 years	6,061	4,267
Due in 2 to 3 years	4,552	1,204
Due in 3 to 4 years	3,068	570
Due in 4 to 5 years	1,219	242
<b>Minimum lease payments</b>	<b>22,781</b>	<b>11,493</b>

In the year under review, leasing income from operating leases amounted to €7,173 thousand (prior year: €4,840 thousand).

**Finance leases.** In connection with finance leases, Bechtle also acts as lessor. Bechtle Financial Services AG operates as a group-internal sales financing provider for the end-customer business of the system houses. It offers rent and leasing models for direct leasing and refinancing of the system houses as well as hire purchases. The refinancing of the financing transactions takes place in the form of forfeiting (non-recourse factoring) via various external refinancing partners. For agreements newly concluded in the 2023 fiscal year, non-guaranteed residual values exist in the amount of €696 thousand (prior year: €2,925 thousand).

As of the closing date, the trade receivables contained leasing receivables amounting to €84,197 thousand (prior year: €77,021 thousand). The undiscounted lease payments that are due on a yearly basis are as follows:

	€k	
	2023	2022
Due within one year	36,807	30,073
Due in 1 to 2 years	26,263	23,019
Due in 2 to 3 years	17,453	15,423
Due in 3 to 4 years	6,803	9,373
Due in 4 to 5 years	2,032	1,436
Due after 5 years	0	39
<b>Minimum lease payments</b>	<b>89,358</b>	<b>79,363</b>

The interest share of the lease payments in the amount of €5,151 thousand corresponds to the not yet realised financial income. According to IFRS 9, a risk provision for expected credit risk was recognised for receivables from finance leases in the amount of €853 thousand (prior year: €778 thousand). No capital gains were recognised in the reporting period (prior year: €18 thousand).

## PEOPLE AT BECHTLE

The personnel and social expenses were as follows:

	€k	2023	2022
Wages and salaries		915,038	825,942
Social security contributions and expenses for pension schemes and support		176,045	157,109
<b>Personnel and social expenses</b>		<b>1,091,083</b>	<b>983,051</b>

Personnel and social expenses (wages and salaries) include severance pay amounting to €4,040 thousand (prior year: €2,166 thousand) (IAS 19.171).

All in all, the employee numbers in the Bechtle Group were as follows as of the balance sheet date and on annual average:

	31.12.2023	31.12.2022	2023	2022
Full-time and part-time employees without absentees	13,935	12,870	13,508	12,332
Absent employees	382	383 <sup>1</sup>	386	363 <sup>1</sup>
<b>Total</b>	<b>14,317</b>	<b>13,253</b>	<b>13,894</b>	<b>12,695</b>

<sup>1</sup> Adjustment prior year, without absent trainees

The above-mentioned number of full-time and part-time employees as of the balance sheet date includes 123 (prior year: 127) and the average number of full-time and part-time employees includes 126 (prior year: 125) Managing Directors and/or Members of the Executive Board of subsidiaries.

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

	31.12.2023	31.12.2022	2023	2022
<b>IT System House &amp; Managed Services</b>	<b>11,108</b>	<b>10,460<sup>1</sup></b>	<b>10,929</b>	<b>10,055<sup>1</sup></b>
Domestic	9,153	8,647 <sup>1</sup>	9,025	8,374 <sup>1</sup>
Abroad	1,955	1,813 <sup>1</sup>	1,904	1,681 <sup>1</sup>
<b>IT-E-Commerce</b>	<b>3,209</b>	<b>2,793<sup>1</sup></b>	<b>2,965</b>	<b>2,640<sup>1</sup></b>
Domestic	726	768 <sup>1</sup>	734	748 <sup>1</sup>
Abroad	2,483	2,025 <sup>1</sup>	2,231	1,892 <sup>1</sup>
<b>Total</b>	<b>14,317</b>	<b>13,253</b>	<b>13,894</b>	<b>12,695</b>

<sup>1</sup> Adjustment prior year, without trainees

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

	31.12.2023	31.12.2022	2023	2022
Service	7,014	6,426	6,840	6,188
Sales	4,089	3,878	3,967	3,706
Administration	3,670	3,357	3,452	3,125
<b>Total</b>	<b>14,773</b>	<b>13,661</b>	<b>14,259</b>	<b>13,019</b>

As of the balance sheet date, the above-mentioned figures by functional areas include 838 (prior year: 791) trainees, and the average figures by functional areas include 751 (prior year: 687) trainees.

The service staff comprises all employees that perform services for customer orders. The sales staff comprises employees who maintain direct contact with customers for sales purposes. The administrative staff comprises all employees who do not belong to the service and sales staff, especially employees in the purchasing department, the warehouse and the administration.

#### AUDITOR'S FEE

For the services rendered by the auditor of the Consolidated Financial Statements, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, for Bechtle AG and its subsidiaries, the following fees were recognised as expenses 2023 and 2022 fiscal years, respectively:

	€k	
	2023	2022
Audit of financial statements	885	697
Other attestation services	0	0
Other services	0	0
<b>Auditor's fee</b>	<b>885</b>	<b>697</b>

In the fiscal year, the fee for audit services comprised the audit fees for the annual and Consolidated Financial Statements as well as the formal compensation report pursuant to Section 162 of the German Stock Corporation Act (AktG).

## RELATED-PARTY RELATIONSHIPS

Bechtle AG and all its (direct or indirect) subsidiaries are considered to be related parties. All these companies are consolidated in the Consolidated Financial Statements of Bechtle AG. Moreover, the joint venture Planet AI GmbH is regarded as a party related to Bechtle AG.



See page 262 ff

Parties related to Bechtle are Karin Schick as the largest shareholder of Bechtle AG, the members of the Executive Board and of the Supervisory Board of Bechtle AG as well as their close family members. In the reporting period, a dividend of €27,351 thousand was paid out to Karin Schick. Since his departure from the Supervisory Board, Gerhard Schick, father of Karin Schick, has continued to make his experience available to the Bechtle Group within the scope of a consulting agreement without compensation.

In the fiscal year, the compensation of the Executive Board amounted to €7,060 thousand (prior year: €7,243 thousand). Of this amount, short-term benefits amounted to €5,804 thousand (prior year: €5,996 thousand) and long-term benefits to €1,256 thousand (prior year: €1,247 thousand).

During their membership in the Supervisory Board, the employee representatives on the Supervisory Board received taxable remuneration amounting to €757 thousand in the reporting period (prior year: €629 thousand) for their normal employment with Bechtle. The total compensation paid in the fiscal year to the members of the Supervisory Board amounted to €1,190 thousand (prior year: €1,003 thousand). These are short-term benefits. Moreover, Bechtle AG has granted a loan of €870 thousand (prior year: €0 thousand) to the joint venture Planet AI GmbH.

Apart from this, there were no other noteworthy transactions between Bechtle and related parties, neither in the reporting period nor in the prior year.

**EXERCISE OF RIGHTS PURSUANT TO SECTION 264 (3)/SECTION 264B  
OF THE GERMAN COMMERCIAL CODE (HGB)**

The following companies, which are affiliated consolidated companies of Bechtle AG and for which the Consolidated Financial Statements of Bechtle AG represent the exempting Consolidated Financial Statements, make use of their right of exemption pursuant to Section 264 (3)/Section 264b of the German Commercial Code (HGB):

Company	Location, Germany
Coffee GmbH Computerlösungen für Fertigung und Entwicklung	Angelburg
Bechtle Financial Services AG	Berlin
Bechtle GmbH	Berlin
Bechtle IT-Systemhaus GmbH	Bielefeld
Bechtle GmbH & Co. KG	Bonn
Bechtle Verwaltungs-GmbH	Bonn
Bechtle GmbH	Bremen
Bechtle GmbH & Co. KG	Chemnitz
Bechtle Verwaltungs-GmbH	Chemnitz
Bechtle GmbH & Co. KG	Darmstadt
DA Bechtle Verwaltungs-GmbH	Darmstadt
Bechtle GmbH	Dortmund
PSB GmbH	Dreieich
BO Bechtle Verwaltungs-GmbH	Duisburg
ITZ Informationstechnologie GmbH	Essen
Bechtle GmbH & Co. KG	Ettlingen
KA Bechtle Verwaltungs-GmbH	Ettlingen
Bechtle GmbH	Frankfurt (Main)
Bechtle GmbH	Freiburg (Breisgau)
Bechtle Finanz- & Marketingservices GmbH	Gaibeldorf
MH Bechtle Verwaltungs-GmbH	Gaibeldorf
MS Mikro Software Gesellschaft für Systemanalyse und Engineering mbH	Gaibeldorf
OCR Datensysteme GmbH	Gaibeldorf
MODUS Consult GmbH	Gütersloh

Company	Location, Germany
Bechtle GmbH	Hamburg
Bechtle Mobility GmbH	Hamburg
HanseVision GmbH	Hamburg
Bechtle GmbH	Hannover
Bücker IT-Security GmbH	Hille
Sastema GmbH	Hünfelden
Bechtle GmbH	Köln
Bechtle IT-Systemhaus GmbH	Krefeld
SolidPro Informationssysteme GmbH	Langenau
Bechtle GmbH	Leipzig
Bechtle GmbH & Co. KG	Mannheim
MA Bechtle Verwaltungs-GmbH	Mannheim
AMARAS AG	Monheim (Rhein)
Bechtle GmbH & Co. KG	Münster
Bechtle Verwaltungs-GmbH	Münster
Bechtle Clouds GmbH	Neckarsulm
Bechtle-Comsoft GmbH	Neckarsulm
Bechtle direct GmbH	Neckarsulm
Bechtle E-Commerce Holding AG	Neckarsulm
Bechtle Field Services GmbH & Co. KG	Neckarsulm
Bechtle Field Services Verwaltungs-GmbH	Neckarsulm
Bechtle Finance GmbH	Neckarsulm
Bechtle GmbH & Co. KG	Neckarsulm
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm
Bechtle Hosting & Operations Verwaltungs-GmbH	Neckarsulm
Bechtle Immobilien GmbH	Neckarsulm
Bechtle Logistik & Service GmbH	Neckarsulm
Bechtle Managed Services Holding AG	Neckarsulm
Bechtle Managed Services GmbH	Neckarsulm
Bechtle PLM Deutschland GmbH	Neckarsulm
Bechtle Systemhaus Holding AG	Neckarsulm
HN Bechtle Verwaltungs-GmbH	Neckarsulm
Bechtle GmbH	Nürnberg
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen
Bechtle Verwaltungs-GmbH	Ober-Mörlen
Bechtle GmbH	Offenburg

Company	Location, Germany
Bechtle GmbH	Radolfzell (Bodensee)
Bechtle GmbH & Co. KG	Regensburg
REG Bechtle Verwaltungs-GmbH	Regensburg
Bechtle GmbH & Co. KG	Rottenburg (Neckar)
RB Bechtle Verwaltungs-GmbH	Rottenburg (Neckar)
Bechtle GmbH	Saarbrücken
Bechtle ISD GmbH & Co. KG	Schloß Holte-Stukenbrock
Bechtle ISD Verwaltungs-GmbH	Schloß Holte-Stukenbrock
Bechtle US-Sales Division GmbH	Schloß Holte-Stukenbrock
Cordsen Engineering GmbH,	Seligenstadt
Bechtle GmbH	Solingen
Bechtle GmbH	Stuttgart
DPS Software GmbH	Stuttgart
PP 2000 GmbH	Stuttgart
Bechtle GmbH	Ulm
Bechtle Network & Security Solutions GmbH	Unterschleißheim
Solid Line GmbH	Walluf
Bechtle GmbH	Weimar
Bechtle Remarketing GmbH	Wesel
Bechtle GmbH	Würselen
Bechtle GmbH	Würzburg

## XI. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

Neckarsulm, 11 March 2024

Bechtle AG  
The Executive Board



Dr. Thomas Olemotz



Michael Guschlauer



Antje Leminsky



Konstantin Ebert

## SUBSIDIARIES OF BECHTLE AG

as of 31 December 2023 (Appendix A to the Notes)

### SUBSIDIARIES – GERMANY

Company	Location	Capital share in %
Coffee GmbH Computerlösungen für Fertigung und Entwicklung	Angelburg	100
Bechtle Financial Services AG	Berlin	100
Bechtle GmbH	Berlin	100
Bechtle IT-Systemhaus GmbH	Bielefeld	100
Bechtle GmbH & Co. KG	Bonn	100
Bechtle GmbH	Bremen	100
Bechtle GmbH & Co. KG	Chemnitz	100
Bechtle GmbH & Co. KG	Darmstadt	100
Bechtle GmbH	Dortmund	100
PSB GmbH	Dreieich	100
ITZ Informationstechnologie GmbH	Essen	100
Bechtle GmbH & Co. KG	Ettlingen	100
Bechtle GmbH	Frankfurt am Main	100
Bechtle GmbH	Freiburg im Breisgau	100
Bechtle Finanz- & Marketingservices GmbH	Gaiborf	100
MODUS Consult GmbH	Gütersloh	100
Bechtle GmbH	Hamburg	100
Bechtle Mobility GmbH	Hamburg	100
HanseVision GmbH	Hamburg	100
Bechtle GmbH	Hannover	100
Bücker IT-Security GmbH	Hille	100
sistema GmbH	Hünfelden	100
Bechtle GmbH	Köln	100
Bechtle IT-Systemhaus GmbH	Krefeld	100
SolidPro Informationssysteme GmbH	Langenau	100
Bechtle GmbH	Leipzig	100
Bechtle GmbH & Co. KG	Mannheim	100
AMARAS AG	Monheim am Rhein	100
Bechtle GmbH & Co. KG	Münster	100
Bechtle Clouds GmbH	Neckarsulm	100
Bechtle-Comsoft GmbH	Neckarsulm	100
Bechtle direct GmbH	Neckarsulm	100
Bechtle E-Commerce Holding AG	Neckarsulm	100
Bechtle Finance GmbH	Neckarsulm	100
Bechtle GmbH & Co. KG	Neckarsulm	100
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm	100
Bechtle Immobilien GmbH	Neckarsulm	100

Company	Location	Capital share in %
Bechtle Logistik & Service GmbH	Neckarsulm	100
Bechtle Managed Services Holding AG	Neckarsulm	100
Bechtle Managed Services GmbH	Neckarsulm	100
Bechtle PLM Deutschland GmbH	Neckarsulm	100
Bechtle Systemhaus Holding AG	Neckarsulm	100
Bechtle GmbH	Nürnberg	100
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen	100
Bechtle GmbH	Offenburg	100
Bechtle GmbH	Radolfzell am Bodensee	100
Bechtle GmbH & Co. KG	Regensburg	100
Bechtle GmbH & Co. KG	Rottenburg am Neckar	100
Bechtle GmbH	Saarbrücken	100
Bechtle ISD GmbH & Co. KG	Schloß Holte-Stukenbrock	100
Bechtle US Sales Division GmbH	Schloß Holte-Stukenbrock	100
Cordsen Engineering GmbH	Seligenstadt	100
Bechtle GmbH	Solingen	100
Bechtle GmbH	Stuttgart	100
DPS Software GmbH	Stuttgart	100
PP 2000 GmbH	Stuttgart	100
Bechtle GmbH	Ulm	100
Bechtle Network & Security Solutions GmbH	Unterschleißheim	100
Solid Line GmbH	Walluf	100
Bechtle GmbH	Weimar	100
Bechtle Remarketing GmbH	Wesel	100
Bechtle GmbH	Würselen	100
Bechtle GmbH	Würzburg	100

**Non-operating companies**

Company	Location	Capital share in %
Bechtle Verwaltungs-GmbH	Bonn	100
Bechtle Verwaltungs-GmbH	Chemnitz	100
DA Bechtle Verwaltungs-GmbH	Darmstadt	100
BO Bechtle Verwaltungs-GmbH	Duisburg	100
KA Bechtle Verwaltungs-GmbH	Ettlingen	100
Bechtle GmbH	Gaeldorf	100
MH Bechtle Verwaltungs-GmbH	Gaeldorf	100
MS Mikro Software Gesellschaft für Systemanalyse und Engineering mbH	Gaeldorf	100
OCR Datensysteme GmbH	Gaeldorf	100
MA Bechtle Verwaltungs-GmbH	Mannheim	100
Bechtle Verwaltungs-GmbH	Münster	100

**Non-operating companies**

Company	Location	Capital share in %
Bechtle Field Services GmbH & Co. KG	Neckarsulm	100
Bechtle Field Services Verwaltungs-GmbH	Neckarsulm	100
Bechtle Hosting & Operations Verwaltungs-GmbH	Neckarsulm	100
HN Bechtle Verwaltungs-GmbH	Neckarsulm	100
Bechtle Verwaltungs-GmbH	Ober-Mörlen	100
REG Bechtle Verwaltungs-GmbH	Regensburg	100
RB Bechtle Verwaltungs-GmbH	Rottenburg am Neckar	100
Bechtle ISD Verwaltungs-GmbH	Schloß Holte-Stukenbrock	100

**SUBSIDIARIES – WORLDWIDE**

Company	Country	Location	Capital share in %
algaCom Argentina S.R.L.	Argentina	San Miguel de Tucuman	100
dataformers GmbH	Austria	Linz	100
smartpoint dataformers GmbH	Austria	Linz	100
Bechtle direct GmbH	Austria	Traun	100
Bechtle GmbH	Austria	Vienna	100
Bechtle Management GmbH	Austria	Vienna	100
planetsoftware GmbH	Austria	Vienna	100
Cadmes Systems B.V.	Belgium	Merelbeke	100
Bechtle direct NV	Belgium	Pelt	100
Bechtle Group BE Public NV	Belgium	Pelt	100
Bechtle Management BV	Belgium	Pelt	100
Bechtle NV	Belgium	Pelt	100
Bechtle direct s.r.o.	Czech Republic	Prague	100
Bechtle Management s.r.o.	Czech Republic	Prague	100
Bechtle Managed Services s.r.o.	Czech Republic	Prague	100
Bechtle Managed Services ApS	Denmark	Copenhagen	100
Bechtle Comsoft SAS	France	Illkirch-Graffenstaden	100
Bechtle direct SAS	France	Illkirch-Graffenstaden	100
Bechtle Management E.u.r.l.	France	Illkirch-Graffenstaden	100
Apixit SAS	France	Les Ulis	100
Executive IT SAS	France	Les Ulis	100
NMS Distribution SAS	France	Les Ulis	100
Orsenna SAS	France	Les Ulis	100
Ortello SAS	France	Les Ulis	100
SCI Cartier	France	Les Ulis	100
STCI SAS	France	Les Ulis	100
Inmac WStore SAS	France	Roissy-en-France	100
Cadmes France SAS	France	Roissy-en-France	100
WStore Europe SAS	France	Roissy-en-France	100

Company	Country	Location	Capital share in %
Bechtle direct Kft.	Hungary	Budapest	100
Bechtle direct Limited	Ireland	Dublin	100
Bechtle direct S.r.l.	Italy	Bolzano	100
Bechtle B.V.	Netherlands	Eindhoven	100
ARP Nederland B.V.	Netherlands	Maastricht	100
Bechtle Group NL Public B.V.	Netherlands	Maastricht	100
Bechtle Holding B.V.	Netherlands	Maastricht	100
Bechtle Management B.V.	Netherlands	Maastricht	100
PQR B.V.	Netherlands	Utrecht	100
Cadmes B.V.	Netherlands	's-Hertogenbosch	100
Bechtle direct Polska Sp.z.o.o.	Poland	Wroclaw	100
Bechtle direct Portugal Unipessoal Lda	Portugal	Aveiro	100
Bechtle direct S.L.U.	Spain	Madrid	100
Prosol Ingenieria S.L.	Spain	Madrid	100
Prosol Iscat S.L.	Spain	Terrassa	100
Bechtle direct AG	Switzerland	Morges	100
Aproda AG	Switzerland	Rotkreuz	100
ARP Europe AG	Switzerland	Rotkreuz	100
Bechtle Holding Schweiz AG	Switzerland	Rotkreuz	100
Bechtle Immobilien Schweiz AG	Switzerland	Rotkreuz	100
Bechtle Logistics & Service AG	Switzerland	Rotkreuz	100
Bechtle Schweiz AG	Switzerland	Rotkreuz	100
SGSolution AG	Switzerland	Wallisellen	100
SolidSolutions AG	Switzerland	Zurich	100
Bechtle Logistics & Service AG, Taiwan Branch	Taiwan R.O.C.	Taipei Hsien	100
Bechtle Limited	United Kingdom	Chippenham	100
Tangible Benefit Limited	United Kingdom	London	100
ACS Systems UK Limited	United Kingdom	Northampton	100
Bizzy25 Holdings Limited	United Kingdom	Northampton	100
Data Store 365 Limited	United Kingdom	Northampton	100
Wide Vietnam Company Limited	Vietnam	Ho Chi Minh City	100

**JOINT VENTURES**

Company	Country	Location	Capital share in %
Planet AI GmbH	Germany	Raben Steinfeld	51

## CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

From 1 January to 31 December 2023 (Appendix B to the Notes)

	Costs of purchase/production						As of 31.12.2023
	As of 01.01.2023	Change in scope of consolidation	Additions	Currency translation differences	Disposals	Transfer/ restructure	
Goodwill	554,197	169,033	0	9,100	0	0	732,330
<b>Other intangible assets</b>							
Brands/licences	17,750	0	0	275	0	0	18,025
Customer bases	80,489	28,302	0	313	4,088	0	105,016
Purchased software	73,486	4,062	14,144	41	1,979	114	89,868
Internally developed software	36,354	0	3,797	0	1,138	232	39,245
Customer service agreements	28,850	0	57	487	1,441	0	27,953
	236,929	32,364	17,998	1,116	8,646	346	280,107
<b>Property, plant and equipment</b>							
Property and buildings	166,919	0	16,584	471	33	16,806	200,747
Other equipment, furniture, fixtures and fittings	189,203	285	54,401	1,381	29,511	1,529	217,288
Advance payments and construction in progress	20,819	453	6,252	593	207	-18,681	9,229
Right-of-use assets	261,691	6,956	104,597	1,609	54,610	0	320,243
	638,632	7,694	181,834	4,054	84,361	-346	747,507
	1,429,758	209,091	199,832	14,270	93,007	0	1,759,944

From 1 January to 31 December 2022 (Appendix C to the Notes)

	Costs of purchase/production						As of 31.12.2022
	As of 01.01.2022	Change in scope of consolidation	Additions	Currency translation differences	Disposals	Transfer/ restructure	
Goodwill	469,650	79,029	0	5,518	0	0	554,197
<b>Other intangible assets</b>							
Brands/licences	17,547	0	0	203	0	0	17,750
Customer bases	71,229	11,933	0	-20	2,653	0	80,489
Purchased software	60,697	3	14,921	30	1,834	-331	73,486
Internally developed software	32,533	87	3,931	0	528	331	36,354
Customer service agreements	33,883	1,100	285	473	6,891	0	28,850
	215,889	13,123	19,137	686	11,906	0	236,929
<b>Property, plant and equipment</b>							
Property and buildings	166,710	0	5,592	349	8,542	2,810	166,919
Other equipment, furniture, fixtures and fittings	167,775	2,075	41,126	686	22,604	145	189,203
Advance payments and construction in progress	7,463	0	16,149	162	0	-2,955	20,819
Right-of-use assets	229,264	2,928	61,364	797	32,662	0	261,691
	571,212	5,003	124,231	1,994	63,808	0	638,632
	1,256,751	97,155	143,368	8,198	75,714	0	1,429,758

Cumulative depreciations and amortisations					Carrying amount		€k
As of 01.01.2023	Additions	Currency translation differences	Disposals	As of 31.12.2023	As of 31.12.2023	As of 31.12.2022	
0	0	0	0	0	732,330	554,197	
5,913	2,500	164	0	8,577	9,448	11,837	
32,802	12,946	51	4,088	41,711	63,305	47,687	
54,501	8,634	39	1,814	61,360	28,508	18,985	
25,269	3,370	0	1,108	27,531	11,714	11,085	
18,743	5,762	396	1,441	23,460	4,493	10,107	
<b>137,228</b>	<b>33,212</b>	<b>650</b>	<b>8,451</b>	<b>162,639</b>	<b>117,468</b>	<b>99,701</b>	
31,816	5,257	48	33	37,088	163,659	135,103	
118,538	30,857	1,032	23,257	127,170	90,118	70,665	
0	207	0	46	161	9,068	20,819	
122,766	57,088	1,012	39,603	141,263	178,980	138,925	
273,120	93,409	2,092	62,939	305,682	441,825	365,512	
<b>410,348</b>	<b>126,621</b>	<b>2,742</b>	<b>71,390</b>	<b>468,321</b>	<b>1,291,623</b>	<b>1,019,410</b>	

Cumulative depreciations and amortisations					Carrying amount		€k
As of 01.01.2022	Additions	Currency translation differences	Disposals	As of 31.12.2022	As of 31.12.2022	As of 31.12.2021	
0	0	0	0	0	554,197	469,650	
3,433	2,451	29	0	5,913	11,837	14,114	
26,294	9,136	26	2,654	32,802	47,687	44,935	
45,187	10,444	25	1,155	54,501	18,985	15,510	
23,284	2,877	0	892	25,269	11,085	9,249	
18,833	6,492	308	6,890	18,743	10,107	15,050	
<b>117,031</b>	<b>31,400</b>	<b>388</b>	<b>11,591</b>	<b>137,228</b>	<b>99,701</b>	<b>98,858</b>	
28,193	4,838	12	1,227	31,816	135,103	138,517	
107,624	27,846	487	17,419	118,538	70,665	60,151	
0	0	0	0	0	20,819	7,463	
92,493	47,978	500	18,205	122,766	138,925	136,771	
228,310	80,662	999	36,851	273,120	365,512	342,902	
<b>345,341</b>	<b>112,062</b>	<b>1,387</b>	<b>48,442</b>	<b>410,348</b>	<b>1,019,410</b>	<b>911,410</b>	

## SUPERVISORY BOARD MEMBERS

(Appendix D to the Notes)

### SUPERVISORY BOARD MEMBERS – SHAREHOLDER REPRESENTATIVES

Name	Affiliation	Profession	Membership in Supervisory Boards and other supervisory bodies pursuant to Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG)
<b>Kurt Dobitsch</b>	Since 20 May 1999	Member of various Supervisory Boards	<b>Chairman of the Supervisory Board</b> ■ 1&1 AG, Maintal Thereof mandates affiliated with the group: ■ 1&1 Mail & Media Application SE, Montabaur (Chairman of the Supervisory Board) ■ 1&1 IONOS Holding SE, Montabaur (Member of the Supervisory Board) <b>Chairman of the Supervisory Board</b> ■ Nemetschek SE, Munich, Germany <b>Member of the Supervisory Board</b> ■ Singhammer IT Consulting AG, Munich, Germany
<b>Dr. Lars Grünert</b>	Since 12 June 2018	Chief Financial Officer of TRUMPF SE + Co. KG	<b>Member of the Supervisory Board</b> ■ Horváth AG, Stuttgart, not listed
<b>Prof. Dr. Thomas Hess</b>	Since 20 June 2012	Institute director of LMU Munich	
<b>Elmar König</b>	Since 25 May 2023	Executive Vice President (retired) Bechtle Systemhaus Holding AG	
<b>Elke Reichart</b>	Since 4 December 2017	Member of the Management Board and Chief Digital Transformation Officer Infineon Technologies AG	<b>Chairman of the Supervisory Board</b> ■ Esure Plc, Surrey, United Kingdom ■ SUSE S.A., Nürnberg (until 13 November 2023) ■ TRUMPF SE + Co. KG, Ditzingen (since 1 July 2023)
<b>Sandra Stegmann</b>	Since 9 June 2016	Partner, Egon Zehnder International GmbH	
<b>Klaus Straub</b>	Since 25 May 2023	CEO & Founder exadit GmbH CEO & Co-Founder xelerate GmbH	
<b>Klaus Winkler</b> Chairman of the Supervisory Board	Since 12 June 2018 (20 May 1999 until 30 November 2013)	Member of various Supervisory Boards	<b>Chairman of the Advisory Board</b> ■ DIEFFENBACHER GmbH, Maschinen- und Anlagenbau, Eppingen <b>Member of the Advisory Board</b> ■ Kapp GmbH & Co. KG, Coburg <b>Member of the Supervisory Board</b> ■ VOLLMER WERKE Maschinenfabrik GmbH, Biberach <b>Member of the Supervisory Board</b> ■ Heller Holding SE & Co. KGaA, Nürtingen Thereof mandates affiliated with the group: ■ Heller Management SE, Nürtingen (Member of the Supervisory Board) ■ IGH Infotec AG, Langenfeld, a holding of Heller Holding SE & Co. KGaA IGH Infotec AG, Langenfeld, (Member of the Supervisory Board) ■ Gebr. Heller Maschinenfabrik GmbH, Nürtingen (Member of the Supervisory Board since 27 April 2023), (Chairman of the Supervisory Board since 27 July 2023)

**SUPERVISORY BOARD MEMBERS – EMPLOYEE REPRESENTATIVES**

Name	Affiliation	Profession	Membership in Supervisory Boards and other supervisory bodies pursuant to Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG)
<b>Uli Drautz</b> Vice-Chairman of the Supervisory Board	Since 15 October 2003	Head of Group Controlling, Bechtle AG	<b>Member of the Supervisory Board</b> (All mandates are group-internal mandates) ■ AMARAS AG, Monheim am Rhein, Germany ■ Bechtle E-Commerce Holding AG, Neckarsulm, Germany ■ Bechtle Systemhaus Holding AG, Neckarsulm, Germany ■ Bechtle Managed Services AG, Neckarsulm, Germany ■ Bechtle Financial Services AG, Berlin, Germany
<b>Julia Böttcher</b>	Since 25 May 2023	Head of People and Culture, System House Hamburg	
<b>Christian Deppisch</b>	Since 25 May 2023	Head of Innovation Management, Logistik & Service GmbH	
<b>Daniela Eberle</b>	Since 15 October 2003	Commercial Management at System House Darmstadt	
<b>Christine Muhr</b>	Since 25 May 2023	National Coordin- ator for the Federal Workgroup ICT / Department A of ver.di's federal office in Berlin and IT Industry Manager for Department A / Workgroup ICT of ver.di's Baden- Württemberg state division.	<b>Member of the Supervisory Board</b> ■ Atruvia AG, Karlsruhe
<b>Anastasia Polidoros</b>	19 December 2019 until 25 May 2023	Deputy Head of Division A of the ver.di Labour Union of Hesse.	
<b>Julia Randeshofer</b>	Since 25 May 2023	Group Controlling, Bechtle AG	
<b>Anton Samija</b>	Since 12 June 2018	Purchasing Manager, Logistik & Service GmbH	
<b>Volker Strohfeld</b>	18 June 2013 until 25 May 2023	IT service engineer	
<b>Michael Unser</b>	Since 18 June 2013	First Authorised Representative of IG Metall Heilbronn- Neckarsulm	<b>Member of the Supervisory Board</b> ■ ThyssenKrupp automotive body solutions, Essen

**COMMITTEES OF THE SUPERVISORY BOARD**

as of 31 December 2023

Audit committee	Personnel committee	Conciliation committee	Nomination committee (since 21 December 2023)
Klaus Winkler (Chairman) Kurt Dobitsch Uli Drautz Daniela Eberle Sandra Stegmann	Klaus Winkler (Chairman) Uli Drautz Prof. Dr. Thomas Hess	Klaus Winkler (Chairman) Uli Drautz Michael Unser Prof. Dr. Thomas Hess	Klaus Winkler (Chairman) Elmar König Klaus Straub

## INDEPENDENT AUDITOR'S REPORT

To Bechtle Aktiengesellschaft, Neckarsulm

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

**Audit opinions.** We have audited the consolidated financial statements of Bechtle Aktiengesellschaft, Neckarsulm, and its subsidiaries (the Group), which consist of the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2023, as well as notes to the consolidated financial statements, including a summary of key accounting methods. In addition, we have audited the Group management report of Bechtle Aktiengesellschaft, Neckarsulm, for the fiscal year from 1 January to 31 December 2023, which is combined with the management report of the parent company. In accordance with the German statutory regulations, we did not audit the content of the summarised corporate governance statement referred to in the "Corporate governance" section of the combined management report, the summarised non-financial statement included in the combined management report, the "Corporate governance" and "Effectiveness of the internal control and risk management system" sections of the combined management report, cross-references in the combined management report to websites of the company and the information referred to by those cross-references.

According to our assessment based on the findings gained in our audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB (German Commercial Code) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of 31 December 2023 and of its financial performance for the fiscal year from 1 January to 31 December 2023, and
- the accompanying combined management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the statements referred to above, the sections "Corporate governance" and "Effectiveness of the internal control and risk management system" of the combined management report, the cross-references referred to above or the information to which the cross-references relate.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

**Basis for the audit opinions.** We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and under consideration of the accepted German accounting principles as set forth by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) Lit. f of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

**Key audit matters in the audit of the consolidated financial statements.** Key audit matters are those matters that, in our professional discretionary judgement, were of the greatest significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. Impairment of goodwill
2. Recognition of revenue

We have structured our presentation of these key audit matters as follows:

- a) Description of the situation (including reference to the respective disclosures in the consolidated financial statements)
- b) Audit procedure

## 1. IMPAIRMENT OF GOODWILL

- a) In the consolidated financial statements of Bechtle Aktiengesellschaft as of 31 December 2023, the balance sheet item "Goodwill" discloses EUR 732.3 million, which corresponds to 19.3 per cent of the consolidated balance sheet total.

The legal representatives of Bechtle Aktiengesellschaft subject the capitalised goodwill to impairment tests at least once a year or whenever necessary. The company has identified the reportable segments IT System House & Managed Services as well as IT E-Commerce as cash-generating units. The recoverable amount is determined on the basis of the value in use, using a discounted cash flow model. This is based on the present values of the expected future cash flows, which are based on the medium-term planning prepared by the legal representatives and extrapolated using assumptions about long-term growth rates. The discounting takes place via the weighted capital costs of the respective cash-generating unit.

The result of this measurement greatly depends on the assessment of future cash inflows of the respective cash-generating unit by the legal representatives and the applied discount rate, the long-term growth rates used and thus involves uncertainties. Against this backdrop and due to the complexity of the applied measurement model, this matter was of special importance in the context of our audit.

The disclosures of the legal representatives concerning the impairment testing of the goodwill are presented in the sections "II. Summary of Key Principles of Accounting and Consolidations" and "IV. Further Explanatory Notes on the Balance Sheet – (8) Goodwill" in the notes to the consolidated financial statements.

b) Within the scope of our audit, we reviewed the procedure of the company's legal representatives in conducting the impairment tests with the involvement of our internal measurement specialists as well as the determination of the weighted capital costs. On this basis, we evaluated the entire measurement model, especially its methodological and mathematical accuracy. Moreover, we evaluated to what extent the measurement can be influenced by subjectivity, complexity or other inherent risk factors, and we evaluated the methods, assumptions and data used.

We were convinced of the appropriateness of the future cash flows used in the measurement, among other things, in the course of our recording and critical assessment of the planning process. To evaluate the quality and reliability of the medium-term planning, we compared the planning of selected fiscal years with the earnings actually achieved and analysed individual material deviations (planning reliability).

We checked whether the planning on which the impairment tests were based was consistent with the medium-term planning approved by the legal representatives and whether the data derived from this were correctly transferred to the measurement model used. In addition, we asked the legal representatives or persons appointed by them about the material assumptions of the medium-term planning and checked their plausibility, taking into account external macroeconomic and sector-specific market expectations.

Because a significant portion of the respective value in use results from forecast cash flows for the period after the medium-term planning period, we critically assessed the sustainable growth rate recognised for this phase in particular on the basis of general and industry-specific market expectations. Furthermore, we validated the parameters used to determine the WACC rate used for discounting, questioned the appropriateness of the peer group and compared the market data used with external evidence.

Furthermore, we audited the completeness and accuracy of the disclosures in the notes to the consolidated financial statements as required by IAS 36.

## 2. RECOGNITION OF REVENUE

- a) In the consolidated financial statements of Bechtle Aktiengesellschaft as of 31 December 2023, revenue of EUR 6,422.7 million is reported in the income statement.

The portfolio of Bechtle Aktiengesellschaft includes customer consulting services regarding the design of the IT infrastructure, the supply of the necessary hardware and software, related installation and integration services and handling of the complete operation of the customer's IT (managed services). The performance obligations are partially based on complex contractual arrangements with regard to the sale of IT products and the performance of further installation and integration services.

In the context of the accounting for the revenue, the legal representatives need to classify the performance obligations by assessing whether the performance obligations consist of delivering the goods or services as a principal or of arranging for the delivery or service by another party as an agent.

The classification of the performance obligation and the assessment of whether revenue is to be recognised as of a point in time or over time requires significant discretionary judgement on the part of the legal representatives with regard to the application of the relevant criteria of IFRS 15 and against the backdrop of the findings of the agenda decision of the IFRS Interpretations Committee (IFRS IC), which is why the recognition of revenue was classified as a particularly important audit matter. The disclosures of the legal representatives concerning the revenue are presented in the sections "II. Summary of Key Principles of Accounting and Consolidations" and "III. Further Explanatory Notes on the Income Statement – (1) Revenue" in the notes to the consolidated financial statements.

- b) We differentiated the revenue of Bechtle Aktiengesellschaft by their type (sale of hardware and software, performance of services) and their associated internal processes. On this basis, we first obtained an understanding of the design of the respective internal processes and controls for revenue recognition, including the accounting controls for the identification of performance obligations and the determination of individual sales prices. For this, we traced the respective process flow and performed analytical audit actions. Based on the process understanding we gained, we evaluated the design and setup of identified internal controls with a view to the revenue recognition. Where we wanted to rely on the effectiveness of identified controls, we additionally subjected them to a functional check. Moreover, we evaluated whether and to what extent the revenue recognition was influenced by subjectivity, complexity or other inherent risk factors, and we evaluated the methods, assumptions and data used.

With regard to the revenue, we also audited individual cases with respect to statements made. We verified the revenue recognition at a point in time or over time on the basis of samples via value-weighted random selection. We also took the company's procedure for the classification of the performance as principle or agent on the basis of the criteria of IFRS 15 and the insights of the agenda decision of the IFRS IC into consideration in order to check whether the accounting policies have been complied with. In this context, we examined the contractual arrangements to check whether Bechtle Aktiengesellschaft acts as principal or agent and whether the resulting revenue has been recognised in the full amount (Bechtle as principal) or in the amount of the gross margin (Bechtle as agent).

Finally, we audited the completeness and accuracy of the disclosures in the notes to the consolidated financial statements as required by IFRS 15.

## OTHER INFORMATION

The legal representatives and/or the Supervisory Board are responsible for the other information. The other information comprises:

- the report of the Supervisory Board,
- the compensation report pursuant to Section 162 of the German Stock Corporation Act (AktG),
- the combined non-financial statement contained in the combined management report,
- the combined statement on corporate governance, to which reference is made in the "Corporate governance" section of the combined management report,
- the sections "Corporate governance" and "Effectiveness of the internal control and risk management system" of the combined management report,
- cross-references in the combined management report to company websites and the information to which these cross-references refer,
- the responsibility statement of the legal representatives pursuant to Section 297 (2) Sentence 4 HGB and Section 315 (1) Sentence 5 HGB concerning the consolidated financial statements and the combined management report and
- all other parts of the annual report, which is published after the release of this auditor's report,
- but not the consolidated financial statements, the audited content of the combined management report and our associated auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to Section 161 AktG on the German Corporate Governance Code, which constitutes part of the combined declaration on corporate governance, and for the compensation report pursuant to Section 162 AktG. In all other respects, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of audit conclusion regarding this information.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- demonstrates material inconsistencies with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained during the audit, or
- otherwise appears to be materially misstated.

#### **RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT**

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB), and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and earnings position of the group. In addition, the legal representatives are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of the accounting or damage to assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the group's going concern. They also have the responsibility for disclosing, as applicable, matters related to the going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative to do so.

In addition, the legal representatives are responsible for the preparation of the combined management report, which as a whole provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have considered necessary to enable the preparation of a combined management report in accordance with the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or as a whole, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements and combined management report.

We exercise professional discretionary judgement and maintain professional scepticism throughout the audit. Furthermore,

- we identify and assess the risks of material misstatement in the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.
- we obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- we evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- we draw conclusions on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the information concerned in the consolidated financial statements and in the combined management report in the auditor's report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances could endanger the group as a going concern.
- we evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the group's assets, liabilities, financial position and earnings position in compliance with the IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- we evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.
- we perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine the matters that were of the greatest significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

#### **OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS**

##### **Report on the audit of the electronic reproduction of the consolidated financial statements and the combined management report prepared for publication purposes in accordance with Section 317 (3a) HGB**

**Audit opinion.** We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in the file with the SHA-256 value a6a3569e47f67a0dcdcc0ec41bc1971932333ef966e3f5eb3e1d20b144528e8f and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB concerning the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the fiscal year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any audit opinion on the information contained in these disclosures or on the other information contained in the above-mentioned file.

**Basis for the audit opinion.** We conducted our audit of the reproduction of the consolidated financial statements and of the combined management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and the auditing standard of the IDW: Audit of the electronic reproduction of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibilities under that standard are further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our auditing practice has applied the requirements of the IDW quality management standards.

## **RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS**

The legal representatives of the company are responsible for the preparation of the ESEF documents, including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) Sentence 4 No. 1 HGB and for labelling the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 HGB.

Furthermore, the company's management is responsible for such internal controls as they have determined necessary to enable the preparation of ESEF documents that are free from material - intentional or unintentional - non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial accounting process.

## **GROUP AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material - intentional or unintentional - non-compliance with the requirements of Section 328 (1) HGB. We exercise professional discretionary judgement and maintain professional scepticism throughout the audit. Furthermore,

- we identify and assess the risks of material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we obtain an understanding of internal controls relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the given circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.
- we evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815 in the version valid as of the reporting date on the technical specification for this electronic file.
- we evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- we evaluate whether the labelling of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

**Other disclosures pursuant to Article 10 of the EU Audit Regulation.** We were appointed as group auditor by the Annual General Meeting on 25 May 2023. We were engaged by the Supervisory Board on 6 October 2023. We have been the group auditor of Bechtle Aktiengesellschaft, Neckarsulm, since the 2022 fiscal year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (audit report).

**Other matter – use of the auditor's report.** Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report, as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into ESEF format - including the versions to be entered in the company register - are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

**Responsible Auditor.** The auditor responsible for the audit is Marco Koch.

Stuttgart, 12 March 2024

Deloitte GmbH, auditing firm

Marco Koch	Andreas Himmelsbach
Auditor	Auditor

## RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the earnings, asset and financial position of the group, and the Management Report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group,

Neckarsulm, 11 March 2024

Bechtle AG  
The Executive Board



Dr. Thomas Olemotz



Michael Guschlauer



Antje Leminsky



Konstantin Ebert

## MULTI-YEAR OVERVIEW BECHTLE GROUP

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change in % 2023-2022
<b>Regions</b>										
Business volume	€k	2,831,303	3,093,579	3,570,124	4,323,318	5,374,453	5,819,243	6,245,794	7,285,700	7,793,647
Revenue	€k			3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	6,422,743
Domestic	€k						3,260,012	3,354,639	3,731,733	3,996,199
of total revenue	%						64.6	63.2	61.9	62.2
Abroad	€k						1,790,259	1,950,850	2,296,442	2,426,544
										5.7
<b>Segments</b>										
Revenue	€k			3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	6,422,743
IT System House & Managed Services	€k			2,235,490	2,576,136	3,062,815	3,381,306	3,394,793	3,780,348 <sup>1</sup>	4,290,080
of total revenue	%			71.1	67.3	65.0	67.0	64.0	62.7 <sup>1</sup>	66.8
IT E-Commerce	€k			909,285	1,253,167	1,649,182	1,668,965	1,910,696	2,247,827 <sup>1</sup>	2,132,663
EBIT	€k	129,484	144,083	164,252	195,081	241,370	276,955	325,721	355,425	382,296
IT System House & Managed Services	€k	80,293	96,589	114,501	126,084	149,832	179,451	212,237	227,038	259,713
EBIT margin	%			5.1	4.9	4.9	5.3	6.3	6.0 <sup>1</sup>	6.1
IT E-Commerce	€k	49,191	47,494	49,751	68,997	91,538	97,504	113,484	128,387	122,583
EBIT margin	%			5.5	5.5	5.6	5.8	5.9	5.7 <sup>1</sup>	5.7
<b>Income Statement</b>										
Business volume	€k	2,831,303	3,093,579	3,570,124	4,323,318	5,374,453	5,819,243	6,245,794	7,285,700	7,793,647
Revenue	€k			3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	6,422,743
Cost of sales	€k			2,600,980	3,186,369	3,944,180	4,193,690	4,385,481	4,974,795	5,300,840
Gross earnings	€k			543,795	642,934	767,817	856,581	920,008	1,053,380	1,121,903
Distribution costs	€k	182,806	196,285	215,989	257,218	306,632	319,242	345,216	392,988	436,737
Administrative expenses	€k	138,415	153,037	173,396	205,688	249,607	286,532	282,625	340,848	356,806
Other operating income	€k	13,391	10,340	9,842	15,053	29,792	26,148	33,554	35,881	53,936
Operating earnings (EBIT)	€k	129,484	144,083	164,252	195,081	241,370	276,955	325,721	355,425	382,296
Financial income	€k	2,607	3,512	1,133	1,338	1,229	1,073	1,415	1,512	6,905
Financial expenditure	€k	2,687	2,495	2,581	3,177	6,279	7,323	6,636	6,450	14,959
Share of result of investments accounted for using the equity method	€k							0.0	235	
Earnings before taxes (EBT)	€k	129,404	145,100	162,804	193,242	236,320	270,705	320,500	350,487	374,477
Income taxes	€k	36,527	41,729	48,242	56,101	65,836	78,158	89,054	99,369	108,965
Earnings after taxes (EAT)	€k	92,877	103,371	114,562	137,141	170,484	192,547	231,446	251,118	265,512
Material costs	€k						3,725,137	3,882,666	4,426,903	4,667,216
Revenue less material costs	€k	692,611	753,120	831,845	979,320	1,216,874	1,351,282	1,456,377	1,637,153	1,809,463
Personnel expenses	€k	423,040	459,377	507,712	590,660	734,421	819,531	879,072	983,051	1,091,083
Depreciation and amortisation (on property, plant and equipment and other intangible assets without goodwill)	€k	26,436	27,715	31,930	41,977	84,610	98,137	103,003	112,062	126,621
EBITDA	€k	155,920	171,798	196,182	237,058	325,980	375,092	428,724	467,487	508,917
Financial earnings	€k	-80	1,017	-1,448	-1,839	-5,050	-6,250	-5,221	-4,938	-8,054
										63.1

<sup>1</sup> Figure adjusted

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change 2023-2022
<b>Balance Sheet (selected items)</b>										
<b>Assets</b>										
Non-current assets	€k	344,401	361,226	415,196	659,258	846,371	958,890	984,199	1,115,178	1,427,315
Goodwill	€k	166,398	193,521	193,538	345,938	397,592	448,313	469,650	554,197	732,330
Other intangible assets	€k	29,161	35,338	48,721	121,120	119,303	113,241	98,858	99,701	117,468
Property, plant and equipment	€k	101,870	111,666	134,865	152,853	280,685	327,215	342,902	365,512	441,825
Investments in joint ventures	€k									32,497
Trade receivables	€k	22,020	12,436	30,235	27,863	38,148	55,903	57,839	67,126	67,551
Deferred taxes	€k	4,425	4,798	4,004	4,713	3,914	6,770	8,924	9,451	10,638
Other assets	€k	3,495	3,467	3,833	6,771	6,729	7,448	6,026	19,191	25,006
Capital investment and securities	€k	16,999	7,005	0	0	0	0	0	0	0
<b>Current assets</b>	€k	<b>806,036</b>	<b>901,107</b>	<b>1,028,188</b>	<b>1,367,906</b>	<b>1,548,296</b>	<b>1,728,226</b>	<b>2,035,569</b>	<b>2,332,694</b>	<b>2,375,874</b>
Inventories	€k	150,415	180,652	211,319	280,331	285,574	301,663	513,824	607,696	439,805
Trade receivables	€k	406,167	502,270	581,919	754,069	862,323	877,173	928,724	1,206,399	1,157,573
Other assets	€k	58,738	61,562	58,783	81,227	126,180	143,928	153,698	207,450	291,136
Capital investment and securities	€k	24,894	15,361	12,444	5,543	0	40,002	0	60,000	30,000
Cash and cash equivalents	€k	164,767	140,415	162,383	245,379	272,197	363,171	431,751	229,590	435,756
<b>Equity and liabilities</b>										
Equity	€k	620,651	694,103	777,283	883,204	1,014,842	1,162,029	1,353,114	1,538,319	1,742,612
Issued capital	€k	21,000	21,000	42,000	42,000	42,000	42,000	126,000	126,000	126,000
Capital reserve	€k	145,228	145,228	124,228	124,228	124,228	124,228	40,228	40,228	66,913
Retained earnings	€k	454,423	527,875	611,055	716,976	848,614	995,801	1,186,886	1,372,091	1,549,699
<b>Non-current liabilities</b>	€k	<b>119,196</b>	<b>117,959</b>	<b>127,267</b>	<b>464,893</b>	<b>566,709</b>	<b>599,887</b>	<b>499,533</b>	<b>464,919</b>	<b>784,876</b>
Pension provisions	€k	15,899	19,924	13,002	16,301	30,702	31,022	12,994	7,927	17,282
Other provisions	€k	5,978	6,719	7,190	11,052	10,081	11,055	11,379	10,371	10,883
Financial liabilities	€k	56,393	51,744	69,917	380,640	373,874	393,541	310,941	261,895	524,116
Deferred taxes	€k	20,927	20,570	21,069	41,107	33,180	26,140	37,271	33,452	38,997
Other liabilities	€k	7,293	5,874	2,292	4,858	98,025	108,590	103,830	100,328	138,435
Contract liabilities	€k	-	-	-	10,895	19,353	20,884	19,790	49,628	54,533
Deferred income	€k	12,346	12,981	13,701	0	1,481	2,393	2,581	796	114
<b>Current liabilities</b>	€k	<b>410,590</b>	<b>457,276</b>	<b>538,834</b>	<b>679,067</b>	<b>813,116</b>	<b>925,200</b>	<b>1,167,121</b>	<b>1,444,634</b>	<b>1,275,701</b>
Other provisions	€k	6,416	6,657	7,129	9,162	12,805	22,831	27,318	30,767	19,020
Financial liabilities	€k	9,627	9,745	58,930	12,872	13,801	18,913	34,537	111,380	16,398
Trade payables	€k	204,067	242,120	237,160	372,338	406,807	425,875	605,145	699,030	629,206
Tax payables	€k	8,176	7,676	10,733	12,509	19,859	45,964	30,525	27,851	24,968
Other liabilities	€k	104,052	115,314	131,118	159,957	231,776	253,921	306,932	379,242	356,209
Contract liabilities	€k	-	-	-	96,120	105,369	130,594	161,643	193,392	226,074
Deferred income	€k	78,252	75,764	93,764	16,109	22,699	27,102	1,021	2,972	3,826
<b>Balance sheet total</b>	€k	<b>1,150,437</b>	<b>1,269,338</b>	<b>1,443,384</b>	<b>2,027,164</b>	<b>2,394,667</b>	<b>2,687,116</b>	<b>3,019,768</b>	<b>3,447,872</b>	<b>3,803,189</b>
<b>Cash flow and investments</b>										
Cash flow from operating activities	€k	115,945	53,363	54,261	140,525	185,973	317,453	284,492	116,651	459,031
Cash flow from investing activities	€k	-34,480	-41,404	-62,675	-280,612	-72,122	-146,482	-42,940	-224,323	-282,553
Cash flow from financing activities	€k	-25,668	-36,318	33,578	221,367	-89,685	-78,726	-179,356	-100,210	28,246
Cash and cash equivalents incl. time deposits and securities	€k	206,660	162,781	174,827	250,922	272,197	403,173	431,751	289,590	465,756
Free cash flow	€k	78,590	-7,049	-24,129	-147,185	109,517	204,135	218,578	-29,816	151,215
Investments (in property, plant and equipment and other intangible assets without goodwill)	€k	21,779	39,604	66,866	56,626	47,981	66,194	58,385	82,004	95,235
Investment ratio (= Investments/Average property, plant and equipment+other intangible assets without goodwill)	%	17.07	28.49	40.45	24.75	17.20	22.53	19.18	25.98	26.96

<sup>1</sup> Figure adjusted

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change in % 2023–2022
<b>Key figures of the share<sup>2</sup></b>										
Closing price	€ 88.06	98.82	69.52	67.85	125.20	178.40	62.94	33.06	45.39	37.3
Annual high	€ 92.64	104.55	72.71	89.90	127.60	188.40	69.14	63.12	47.95	
Annual low	€ 64.49	73.70	46.50	63.85	62.30	85.05	49.85	32.79	32.68	
Weighted shares th. shares	21,000	21,000	42,000	42,000	42,000	42,000	126,000	126,000	126,000	
Market capitalisation (31.12)	€k 1,849,260	2,075,220	2,919,840	2,849,700	5,258,400	7,492,800	7,930,440	4,165,560	5,719,140	37.3
Average turnover/trading day <sup>3</sup>	shares 46,580	30,515	45,637	101,037	106,634	140,482	138,224	266,062	176,306	-33.7
Average turnover/trading day <sup>3</sup>	€ 3,452,399	2,789,577	3,604,891	7,668,425	9,980,675	20,657,614	13,778,684	11,172,305	7,195,207	-35.6
Cash dividend per share	€ 1.40	1.50	0.90	1.00	1.20	1.35	0.55	0.65	0.70 <sup>4</sup>	7.7
Dividend amount distributed	€k 29,400	31,500	37,800	42,000	50,400	56,700	69,300	81,900	88,200 <sup>4</sup>	7.7
Pay out ratio	% 31.7	30.5	33.0	30.6	29.6	29.4	29.9	32.6	33.2 <sup>4</sup>	
Dividend yield (31.12)	% 1.6	1.5	1.3	1.5	1.0	0.8	0.9	2.0	1.5 <sup>4</sup>	
Enterprise value (EV)	€k 1,877,757	2,137,406	3,032,716	3,178,949	5,734,381	7,935,616	8,267,923	4,796,742	6,335,824	32.1
Basic earnings per share	€ 4.42	4.92	2.73	3.27	4.06	4.58	1.84	1.99	2.11	5.7
Cash flow per share	€ 5.52	2.54	1.29	3.35	4.43	7.56	2.26	0.93	3.64	293.5
Net asset value per share (= Equity/Weighted average shares)	€ 29.55	33.05	18.51	21.03	24.16	27.67	10.74	12.21	13.83	13.3
Price-earnings ratio (= closing price/EPS)	19.9	20.1	25.5	20.8	30.8	38.9	34.3	16.6	21.5	29.9
EV/EBITDA	12.0	12.4	15.5	13.4	17.6	21.2	19.3	10.3	12.4	21.3
EV/EBIT	14.5	14.8	18.5	16.3	23.8	28.7	25.4	13.5	16.6	22.8
EV/EBT	14.5	14.7	18.6	16.5	24.3	29.3	25.8	13.7	16.9	23.6
EV/EAT	20.2	20.7	26.5	23.2	33.6	41.2	35.7	19.1	23.9	24.9
EV/Revenue				1.0	0.8	1.2	1.6	1.6	0.8	1.0
<b>Personnel</b>										
Employees <sup>5</sup> (31.12)	7,205	7,667	8,353	10,005	11,487	12,180	12,880	14,046	15,159	7.9
Domestic	5,633	5,956	6,483	7,373	8,424	8,955	9,383	10,083	10,603	5.2
Abroad	1,572	1,711	1,870	2,632	3,063	3,225	3,497	3,963	4,556	15.0
IT System House & Managed Services	5,766	6,212	6,853	7,772	9,097	9,736	10,156	11,110	11,818	6.4
IT E-Commerce	1,439	1,455	1,500	2,233	2,390	2,444	2,724	2,936	3,341	13.8
Trainees (incl. absentees)	473	500	553	648	703	687	691	793	842	6.2
Employees (annual average) <sup>5</sup>	6,924	7,428	7,968	9,083	10,899	11,946	12,519	13,384	14,649	9.5
Personnel expenses per employee (FTE, annual average, without absentees)						72.7	74.6	78.3	79.2	1.2
FTE (Annual average, without absentees)						11,271	11,785	12,561	13,775	9.7
FTE (Annual average, without absentees and trainees)						10,622	11,162	11,878	13,026	9.7
IT System House & Managed Services						8,351	8,751	9,401	10,218	8.7
IT E-Commerce						2,271	2,411	2,477	2,808	13.4
Personnel expenditure ratio	%			16.1	15.4	15.6	16.2	16.6	16.3	17.0
Personnel expenses to revenue less material costs	%	61.1	61.0	61.0	60.3	60.4	60.6	60.4	60.0	60.3

<sup>1</sup> Figure adjusted<sup>2</sup> XETRA share prices<sup>3</sup> All German stock exchanges<sup>4</sup> Proposal to the Annual General Meeting<sup>5</sup> Without temporary staff

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change in % 2023-2022
<b>Efficiency ratios</b>										
Contribution margin	%			26.5	25.6	25.8	26.8	27.5	27.2	28.2
Gross margin	%			17.3	16.8	16.3	17.0	17.3	17.5	17.5
EBITDA margin	%			6.2	6.2	6.9	7.4	8.1	7.8	7.9
EBIT margin	%			5.2	5.1	5.1	5.5	6.1	5.9	6.0
EBT margin	%			5.2	5.0	5.0	5.4	6.0	5.8	5.8
EAT margin	%			3.6	3.6	3.6	3.8	4.4	4.2	4.1
Revenue per employee	€k						475.5	475.3	507.5	493.1
IT System House & Managed Services	€k						404.9	387.9	402.1 <sup>1</sup>	419.9
IT E-Commerce	€k						734.9	792.5	907.5 <sup>1</sup>	759.5
EBIT per employees	€k						26.1	29.2	29.9	29.3
Return on equity (EAT/Average annual equity)	%	17.2	17.1	16.9	18.1	19.8	19.5	20.4	18.6	17.2
Return on total assets (EAT/Average annual total assets)	%	9.5	9.6	9.6	9.1	8.5	8.3	9.0	8.5	8.4
ROA (= EBIT/Average annual total assets)	%	12.9	13.1	13.4	12.6	11.5	11.5	12.3	11.8	11.4
ROE (= EBIT/Average annual equity)	%	23.9	24.0	24.4	25.8	28.1	28.0	28.8	27.1	25.6
ROCE (= EBIT/Capital Employed)	%	23.7	24.0	22.3	20.6	18.7	19.8	22.2	20.1	18.9
<b>Balance sheet ratios</b>										
Capitalisation ratio of non-current assets (= non-current assets/total assets)	%	29.9	28.5	28.8	32.5	35.3	35.7	32.6	32.3	37.5
Working intensity of current assets (= current assets/total assets)	%	70.1	71.0	71.2	67.5	64.7	64.3	67.4	67.7	62.5
Equity ratio	%	53.9	54.7	53.9	43.6	42.4	43.2	44.8	44.6	45.8
Total liabilities to total assets	%	46.1	45.3	46.1	56.4	57.6	56.8	55.2	55.4	54.2
Asset structure (= non-current/current assets)	%	42.7	40.4	40.4	48.2	54.7	55.5	48.4	47.8	60.1
Capital structure (= equity/liabilities)	%	117.2	120.7	116.7	77.2	73.5	76.2	81.2	80.6	84.6
<b>Financial ratios</b>										
Net debt	€k	-140,640	-101,292	-45,980	142,590	115,478	9,281	-86,273	83,685	74,758
Share of non-current liabilities in balance sheet total (= non-current liabilities/balance sheet total)	%	10.4	9.3	8.8	22.9	23.7	22.3	16.5	13.5	20.6
Share of current and non-current financial liabilities in balance sheet total (= (current+non-current financial liabilities)/balance sheet total)	%	5.7	4.8	8.9	19.4	16.2	15.3	11.4	10.8	14.2
Debt ratio (= liabilities/equity)		0.85	0.83	0.86	1.30	1.36	1.31	1.23	1.24	1.18
Working Capital	€k	294,872	375,645	492,865	580,794	647,728	652,674	733,990 <sup>1</sup>	976,564	800,131
Working Capital to business volume	%	10.4	12.1	13.8	13.4	12.1	11.2	11.8	13.4	10.3
Working Capital to annual total asset	%	25.6	29.6	34.1	28.7	27.0	24.3	24.3	28.3	21.0
Capital employed	€k	546,404	600,997	738,029	948,346	1,288,671	1,395,427	1,469,558	1,767,015	2,017,731
Capital employed to annual total asset	%	47.5	47.3	51.1	46.8	53.8	51.9	48.7	51.2	53.1
Capital employed to business volume	%	19.3	19.4	20.7	21.9	24.0	24.0	23.5	24.3	25.9
<b>Structural analysis ratios</b>										
Business volume to inventory		18.8	17.1	16.9	15.4	18.8	19.3	12.2	12.0	17.7
Share of inventories in business volume (= inventories/business volume)	%	5.3	5.8	5.9	6.5	5.3	5.2	8.2	8.3	5.6
Business volume to average net trade receivables		9.3	9.4	9.4	9.3	8.9	9.1	8.9	8.9	8.9
Business volume to average total assets		2.8	2.8	2.9	2.8	2.6	2.4	2.4	2.4	2.3
DSO		39.4	38.7	38.7	39.2	41.0	40.0	40.9	41.1	40.9
<sup>1</sup> Figure adjusted										

## GRI INDEX

### Statement of use:

Bechtle AG has reported on the information cited in this GRI index for the period from 1 January 2023 to 31 December 2023, making reference to the GRI Standards.

**GRI 1 used:** Foundation 2021

**Applicable GRI sector standards:** none

### GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Page	Comment
<b>1. The organisation and its reporting practices</b>		
2-1 Organizational details		
Name of the organisation		Bechtle AG
Ownership structure and legal form	56 ff	
Head office the organisation		Neckarsulm, Germany
Countries of operation	59 ff	
2-2 Entities included in the organization's sustainability reporting	262 ff	Acquisitions are recognised according to the purchase method. The financial reporting takes place in accordance with ISAB/IFRS IC, and the non-financial information is provided in accordance with CSR-RUG, applying the GRI Standards.
2-3 Reporting period, frequency and contact point	34	Reporting period: 1 January to 31 December 2023; exceptions are explained. Publication: Once a year: 15 March 2024; contact for non-financial information: Dr. Nicole Diehlmann
2-4 Restatement of information	34	This integrated annual report contains the non-financial statement pursuant to CSR-RUG; the respective passages are marked. Sustainability reports are available for the fiscal years from 2015 to 2021. The new GRI Standards applicable since 1 January 2023 have been applied, except for GRI 306; for this standard, we report in accordance with the version of 2016.
2-5 External assurance		The Supervisory Board complies with its audit obligation pursuant to CSR-RUG. No external audit is conducted.
<b>2. Activities and workers</b>		
2-6 Activities, value chain and other business relationships	35 ff, 41 f	Bechtle is active in the IT industry. The value chain is described in the chapter "Procurement".
2-7 Employees	62 ff	Employees comprise all white-collar employees including absent employees and trainees, but excluding temporary staff. A breakdown of the employees by fixed-term and open-ended contracts is not available. Working hours are regulated by the employment contract and do not exceed the working hours regulated by law in the respective country.
2-8 Workers who are not employees		Descriptions of the activities cannot be reported at present.

Disclosure	Page	Comment
<b>3. Governance</b>		
2-9 Governance structure and composition	58	The Executive Board is regularly informed about the progress via the Sustainability Management and determines new objectives, actions and investments. An overview of the members of the Executive Board, Supervisory Board (shareholder and employee representatives) and Executive Vice Presidents is available at: <a href="http://bechtle.com/de-en/about-bechtle/company/corporate-bodies">bechtle.com/de-en/about-bechtle/company/corporate-bodies</a> See also: Corporate Governance Statement at <a href="http://bechtle.com/ir">bechtle.com/ir</a>
2-10 Nomination and selection of the highest governance body	17 ff	
2-11 Chair of the highest governance body		Klaus Winkler, Chairman of the Supervisory Board, is not an employee with executive functions.
2-12 Role of the highest governance body in overseeing the management of impacts	17 ff	
2-13 Delegation of responsibility for managing impacts	52 f	The Sustainability Management department is responsible for and coordinates the implementation of the Bechtle Sustainability Strategy 2030 throughout the group and reports directly to the Chairman of the Executive Board. Due to the expansion of the Executive Board and the changed responsibilities, Sustainability Management department has reported to Executive Board member Antje Leminsky since 1 March 2024.
2-14 Role of the highest governance body in sustainability reporting	23	The Supervisory Board audits the non-financial group statement pursuant to CSR-RUG. See also: Corporate Governance Statement at <a href="http://bechtle.com/ir">bechtle.com/ir</a>
2-15 Conflicts of interest		
2-16 Communication of critical concerns	17 ff	The Executive Board regularly reports to the Supervisory Board. Confidential details such as the number of critical issues are not reported.
2-17 Collective knowledge of the highest governance body	52 f	The Sustainability Management reports directly to the Chairman of the Executive Board and regularly informs the entire board. Due to the expansion of the Executive Board and the changed responsibilities, the sustainability management has reported to Executive Board member Antje Leminsky since 1 March 2024.
2-18 Evaluation of the performance of the highest governance body		Discharge of the Supervisory Board at the Annual General Meeting. See: Compensation Report at <a href="http://bechtle.com/ir">bechtle.com/ir</a>
2-19 Remuneration policies		See: Compensation Report at <a href="http://bechtle.com/ir">bechtle.com/ir</a>
2-20 Process to determine remuneration		The voting on remuneration policies and proposals is done by the General Meeting. See: Compensation Report at <a href="http://bechtle.com/ir">bechtle.com/ir</a>
2-21 Annual total compensation ratio	64	The needed data cannot be calculated at present. The average salary of all employees and the Executive Board compensation are reported. See: Compensation Report at <a href="http://bechtle.com/ir">bechtle.com/ir</a>

Disclosure	Page	Comment
<b>4. Strategy, policies and practices</b>		
2-22 Statement on sustainable development strategy	48 ff	
2-23 Policy commitments		<p>In our reporting on financial and non-financial topics, we proceed in line with the German Corporate Governance Code. Additionally, we report non-financial topics in accordance with CSR-RUG, applying the GRI Standards framework. Moreover, Bechtle is a signatory to the Diversity Charter, the UN Global Compact and the WIN Charta. These frameworks were signed by Dr. Thomas Olemotz, Chairman of the Executive Board.</p> <p>charta-der-vielfalt.de/en; unglobalcompact.org; nachhaltigkeitsstrategie.de/wirtschaft/win-chara/ueber-die-win-chara</p> <p>We take the following international standards into consideration:</p> <p>Human rights frameworks: UN Declaration of Human Rights, ILO Convention of Core Labour Standards, UN Guiding Principles on Business and Human Rights, UN Convention on the Rights of the Child (UN CRC), OECD Guidelines for Multinational Enterprises. Environmental standards: Basel Convention, Minamata Convention, Stockholm Convention on Persistent Organic Pollutants (POP).</p> <p>The requirements of the most important standards were taken into consideration in the development of the sustainability strategy. We report on our progress in the non-financial statement and on individual topics through internal and external channels.</p> <p>In January 2024, the internationally recognised EcoVadis sustainability rating awarded the Bechtle Group the gold medal, with 73 of 100 points (prior year: 67 of 100 points, silver). With its individual EcoVadis rating, the Bechtle subsidiary ITZ Essen is in the gold range as well; the French subsidiary Inmac WStore received silver (69 of 100 points). Bechtle direct and ARP Netherlands reached Level 3.1 in the Dutch environmental initiative MVO Prestatieladder. Bechtle direct UK is accredited according to the Safety Schemes in Procurement (SSIP). Furthermore, the following companies established a structured environment management system within the scope of the certification according to DIN EN ISO 14001 in the reporting period: Bechtle AG, Bechtle Remarketing, PP 2000, Bechtle direct Netherlands and Bechtle direct Spain. The IT system house Hamburg/Kiel is currently endeavouring to obtain ISO 14001 certification. The certificate will most likely be granted in May 2024.</p>
2-24 Embedding policy commitments		Integrated in the Sustainability Strategy, Code of Conduct, other internal guidelines and the Compliance Management.
2-25 Processes to remediate negative impacts	141	
2-26 Mechanisms for seeking advice and raising concerns		Compliance hotline for internal compliance reports and complaints procedure in accordance with the German Supply Chain Due Diligence Act (LkSG): complianceboard@bechtle.com
2-27 Compliance with laws and regulations		Not reported, as the information is confidential.
2-28 Membership associations		Bitkom, Eco
<b>5. Stakeholder engagement</b>		
2-29 Approach to stakeholder engagement	53 ff	
2-30 Collective bargaining agreements		Not applicable

### GRI 3: MATERIAL TOPICS 2021

Disclosures	Page	Comment
3-1 Process to determine material topics	53 ff	
3-2 List of material topics	54	Environment: Logistics and packaging, Energy consumption and emissions, Environmental standards in the supply chain, Energy-efficient IT; Social affairs: Information security and data protection, Labour and social standards in the supply chain; Society: Stakeholder dialogue; Employees: People development, Diversity and equal opportunity, Occupational health and safety, Employer attractiveness; Compliance: Anti-corruption and anti-bribery
3-3 Management of material topics		See description in the chapters: People at Bechtle, Environment, Corporate Governance

### SECTOR STANDARDS

Disclosures	Page	Comment
GRI 11 - GRI 18		Not applicable, standard does not exist

### TOPIC-SPECIFIC STANDARDS

Disclosures	Page	Comment
<b>GRI 205 Anti-corruption 2016</b>		
GRI 205-1 Operations assessed for risks related to corruption	90	
GRI 205-2 Communication and training about anti-corruption policies and procedures	90	
GRI 205-3 Confirmed incidents of corruption and actions taken		Not reported, as the information is confidential.
<b>GRI 206 Anti-competitive behavior 2016</b>		
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Not reported, as the information is confidential.
<b>GRI 301 Materials 2016</b>		
GRI 301-1 Materials used by weight or volume	84	The data only relate to packaging required for shipping. The material is calculated with the help of the CO <sub>2</sub> calculator of the sustainability controlling software Cority (WeSustain). The disclosures refer to group headquarters in Neckarsulm and the other warehouse locations of Logistik & Service GmbH in Germany.
GRI 301-2 Recycled input materials used		Currently not reported.
GRI 301-3 Reclaimed products and their packaging materials		Currently not reported.

Disclosures	Page	Comment
<b>GRI 302 Energy 2016</b>		
GRI 302-1 Energy consumption within the organization	78	The calculation is carried out according to GHG pursuant to the currently available DEFRA set of UK government GHG conversion factors for company reporting. A conversion factor is used to convert the recorded consumption data into energy consumption in GJ.
GRI 302-2 Energy consumption outside of the organization		Wird aktuell nicht berichtet.
GRI 302-3 Energy intensity	79	
GRI 302-4 Reduction of energy consumption		Currently not reported.
GRI 302-5 Reductions in energy requirements of products and services		Currently not reported.
<b>GRI 305 Emissions 2016</b>		
GRI 305-1 Direct (Scope 1) GHG emissions	78	The calculation takes place in accordance with the requirements of the GHG Protocol. The equity share method is used. As-is figures were used for the electricity and heating consumption; where no detailed information was available, e.g. for rental properties, an auxiliary calculation (average data method) was used. For electricity, the calculation of the GHG emissions takes place with the marked based approach, based on the latest factors according to the European Residual Mix of the Association of Issuing Bodies (AIB); all other factors are calculated according to the GHG Protocol, based on the latest emission factors of DEFRA (Department for Environmental, Food & Rural Affairs, UK). Until 2019, the calculation of location-specific GHG emissions took place on the basis of the factors of the International Energy Agency (IEA). In the course of the transition to AIB, we adjusted these figures retroactively.
GRI 305-2 Energy indirect (Scope 2) GHG emissions	78	
GRI 305-3 Other indirect (Scope 3) GHG emissions	79	The calculation is mainly based on the expenditure-based calculation methods and on the calculation principles of the GHG Protocol and the UN Global Compact. In individual cases and depending on the category, specific and available activity data were supplemented. For Scope 3.1, a hybrid calculation method was used.
GRI 305-4 GHG emissions intensity	79	
GRI 305-5 Reduction of GHG emissions		Currently not reported.
GRI 305-6 Emissions of ozone-depleting substances (ODS)		Currently not reported.
GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Currently not reported.
<b>GRI 306 Effluents and Waste 2016</b>		
306-1 Water discharge by quality and destination		Wastewater discharge takes place from administration buildings; production sites do not exist. Under GRI 303-5, we record the water consumption at the locations instead of the wastewater. Where no primary data are available, we calculate the water consumption using an auxiliary calculation based on the rented space and number of people.
306-2 Waste by type and disposal method	86	Differentiation is made between hazardous and non-hazardous waste that can be disposed of or recycled. The disposal method is determined by the waste disposal provider. Sound data are available for group headquarters. An auxiliary calculation (average data method) was used for locations that are unable to report on their waste in detail (rental properties). The figures are not broken down by type and disposal method.
306-3 Significant spills		Not applicable, since the company does not do any manufacturing.
306-4 Transport of hazardous waste		Not applicable, since the company does not do any manufacturing.
306-5 Water bodies affected by water discharges and/or runoff		Currently not reported.

Disclosures	Page	Comment
<b>GRI 308 Supplier Environmental Assessment 2016</b>		
GRI 308-1 New suppliers that were screened using environmental criteria	42f	
GRI 308-2 Negative environmental impacts in the supply chain and actions taken		A new procedure for the risk analysis at product and country level as well as the definition of remedial action will be rolled out in the course of 2023.
<b>GRI 401 Employment 2016</b>		
GRI 401-1 New employee hires and employee turnover	73, 70	
GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	69	Full-time and part-time employees alike are eligible for all company benefits.
GRI 401-3 Parental leave	68	
<b>GRI 403 Occupational Health and Safety 2018</b>		
GRI 403-1 Occupational health and safety management system		The Neckarsulm and Gaildorf locations of Bechtle AG (central departments) are certified according to EN DIN ISO 45001.
GRI 403-2 Hazard identification, risk assessment, and incident investigation		Sickness and absence are currently not reported.
GRI 403-3 Occupational health services		B.A.D. in Germany, no information on the providers in other countries.
GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	75 ff	
GRI 403-5 Worker training on occupational health and safety	75	
GRI 403-6 Promotion of worker health	75 f	
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Not applicable.
GRI 403-8 Workers covered by an occupational health and safety management system		All employees of Bechtle AG (central departments). A non-certified, decentralised occupational health and safety management system exists throughout Germany. The managing directors are responsible for the implementation of this system in the respective companies. In all other countries, too, the managing directors are under the obligation to handle this subject area according to local laws.
GRI 403-9 Work-related injuries	76	Reliable data currently available only for Germany.
GRI 403-10 Work-related ill health		Currently not reported.
<b>GRI 404 Training and Education 2016</b>		
GRI 404-1 Average hours of training per year per employee		Currently not reported.

Disclosures	Page	Comment
GRI 404-2 Programs for upgrading employee skills and transition assistance programs	65 ff	
GRI 404-3 Percentage of employees receiving regular performance and career development reviews		As a matter of principle, every executive should have a personnel meeting at least once a year with his or her solid-line employees. It is not documented whether these meetings took place.
<b>GRI 405 Diversity and Equal Opportunity 2016</b>		
GRI 405-1 Diversity of governance bodies and employees	73	
GRI 405-2 Ratio of basic salary and remuneration of women to men		Currently not reported.
<b>GRI 414 Supplier Social Assessment 2016</b>		
GRI 414-1 New suppliers that were screened using social criteria	42 f	
GRI 414-2 Negative social impacts in the supply chain and actions taken		A new procedure for the risk analysis at product and country level as well as the definition of remedial action are to be rolled out in the course of 2024. The original objective was to implement this measure by 2023.
<b>GRI 418 Customer Privacy 2016</b>		
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Substantiated complaints are not reported, as this information is confidential. Certifications according to ISO 27001: Bechtle AG, Bechtle Hosting and Operations, Bechtle IT system houses Neckarsulm, Bielefeld, Solingen, Bonn, Hamburg/Kiel (new since 2022), PP 2000; Bechtle Remarketing; TISAX: Bechtle Managed Services GmbH, Bechtle IT system houses Hannover, München/Regensburg, Stuttgart, ISD, HanseVision.

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 Marking NFR


 Marking NFR/  
typical for  
a management  
report

 See explanation  
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Annual Report



To the online  
report



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# FINANCIAL CALENDAR

## ACCOUNTS PRESS CONFERENCE/ANALYSTS' CONFERENCE

Friday, 15 March 2024

## QUARTERLY STATEMENT 1ST QUARTER 2024 (31 MARCH)

Wednesday, 8 May 2024

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Tuesday, 11 June 2024

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Friday, 9 August 2024

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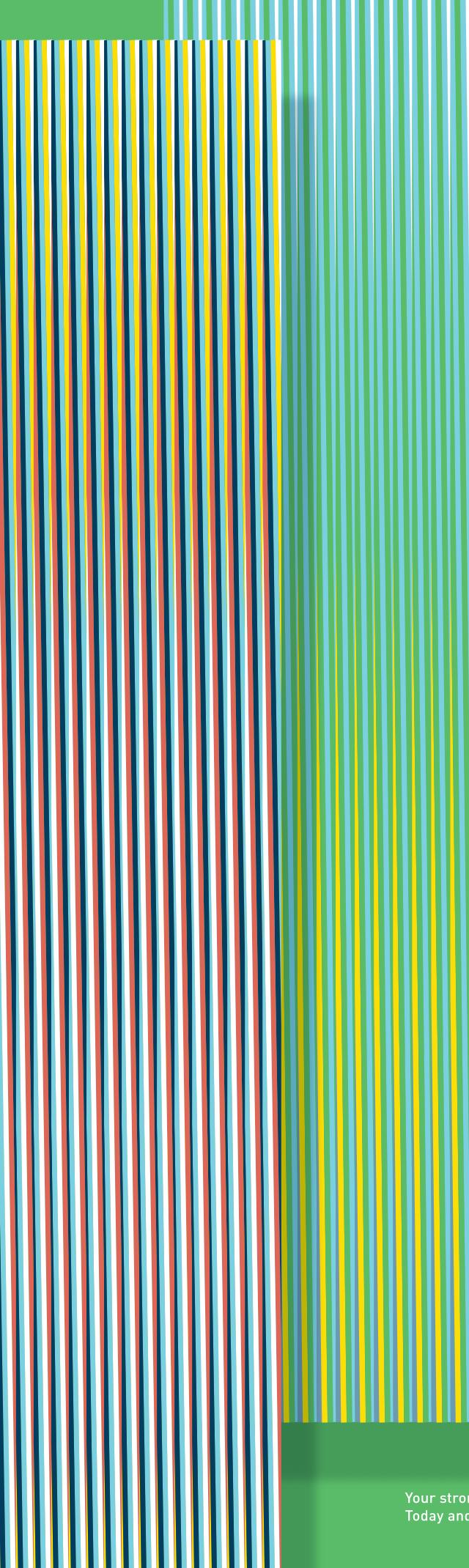
Friday, 8 November 2024

### **Forward-looking statements**

This annual report contains statements that relate to the future performance of Bechtle AG. Such statements are based on assumptions and estimates. Though the Executive Board believes that these forward-looking statements are realistic, this cannot be guaranteed. The assumptions are subject to risks and uncertainties that may result in consequences that differ substantially from those anticipated. Bechtle's financial accounting and reporting policies comply with the International Financial Reporting Standards (IFRS) as endorsed by the EU.

### **Roundings**

Due to rounding differences, percentages stated in the report may differ slightly from the corresponding amounts in € million. Similarly, totals may differ from the individual values.



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