

MORE IN ONE.

Your strong IT partner.
Today and tomorrow.



REVENUE:

€6.028 billion

(PLUS 13.6%)

EBT:

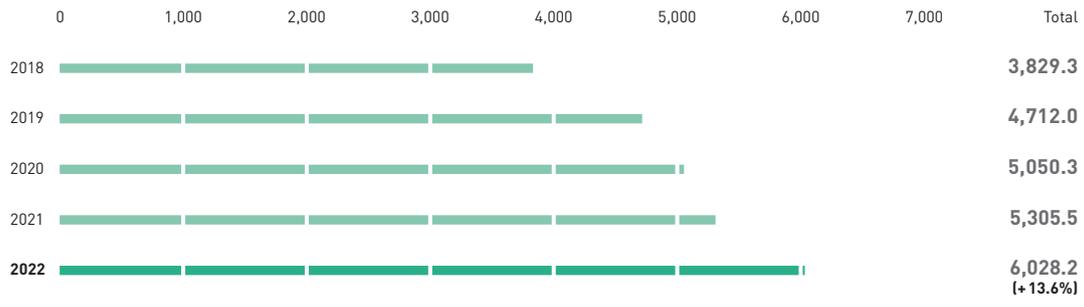
€350.5 million

(5.8% MARGE)

5 YEARS IN BRIEF**REVENUE**

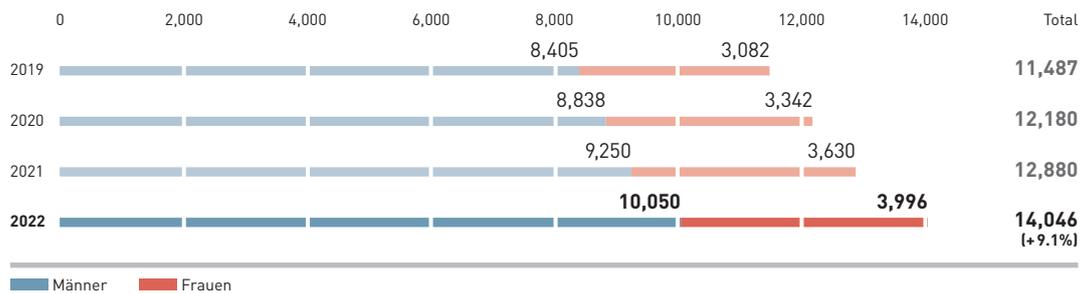
€ m

For revenue performance see page 100 f

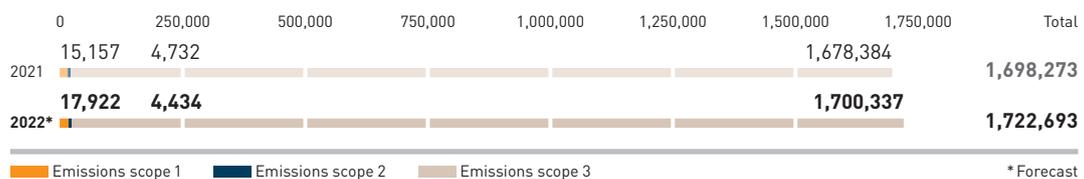
**EMPLOYEES**

as of 31 December

For development of employee numbers see page 63 f

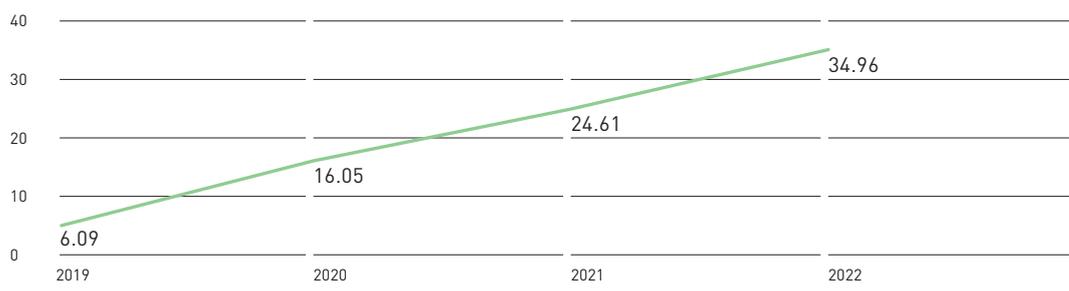
**CO₂ FOOTPRINT**t CO₂e

CO₂ footprint see page 78 ff

**FLEET: SHARE OF ALTERNATIVE-FUEL VEHICLES**

%

E-mobility see page 81 f



EPS:

€1.99

(PLUS 8.5%)

DIVIDEND:

€0.65

(PLUS 18.2%)

01. 5 YEARS IN FIGURES

		2018	2019	2020	2021	2022	Change in % 2022-2021
Business volume	€k	4,323,318	5,374,453	5,819,243	6,245,794	7,285,700	16.6
Revenue	€k	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	13.6
IT System House & Managed Services	€k	2,576,136	3,062,815	3,381,306	3,394,793	3,878,168	14.2
IT E-Commerce	€k	1,253,167	1,649,182	1,668,965	1,910,696	2,150,007	12.5
EBITDA	€k	237,058	325,980	375,092	428,724	467,487	9.0
IT System House & Managed Services	€k	157,764	209,495	251,677	286,693	306,959	7.1
IT E-Commerce	€k	79,294	116,485	123,415	142,031	160,528	13.0
EBIT	€k	195,081	241,370	276,955	325,721	355,425	9.1
IT System House & Managed Services	€k	126,084	149,832	179,451	212,237	227,038	7.0
IT E-Commerce	€k	68,997	91,538	97,504	113,484	128,387	13.1
EBIT margin	%	5.1	5.1	5.5	6.1	5.9	
IT System House & Managed Services	%	4.9	4.9	5.3	6.3	5.9	
IT E-Commerce	%	5.5	5.6	5.8	5.9	6.0	
EBT	€k	193,242	236,320	270,705	320,500	350,487	9.4
EBT margin	%	5.0	5.0	5.4	6.0	5.8	
Earnings after taxes	€k	137,141	170,484	192,547	231,446	251,118	8.5
Earnings per share	€	1.09	1.35	1.53	1.84	1.99	8.5
Dividend per share	€	0.33	0.40	0.45	0.55	0.65 ¹	18.2
Equity ratio	%	43.6	42.4	43.2	44.8	44.6	
Cash and cash equivalents²	€k	250,922	272,197	403,173	431,751	289,590	-32.9
Working capital	€k	580,794	647,728	652,674	725,905 ³	976,564	34.5
Cash flow from operating activities	€k	140,525	185,973	317,453	284,492	116,651	-59.0
Number of employees (as of 31.12)		10,005	11,487	12,180	12,880	14,046	9.1
IT System House & Managed Services		7,772	9,097	9,736	10,156	11,110	9.4
IT E-Commerce		2,233	2,390	2,444	2,724	2,936	7.8

¹ Proposal to the Annual General Meeting² Incl. time deposits and securities³ Adjustment prior year

For more key figures see multi-year overview, page 268 ff

02. REVIEW BY QUARTER 2022

		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 2022 01.01-31.12
Business volume	€k	1,629,202	1,662,663	1,803,366	2,190,469	7,285,700
Revenue	€k	1,379,168	1,417,587	1,463,872	1,767,548	6,028,175
EBITDA	€k	101,725	115,021	116,972	133,769	467,487
EBIT	€k	75,325	89,800	89,395	100,905	355,425
EBT	€k	74,039	88,519	88,193	99,736	350,487
EBT margin	%	5.4	6.2	6.0	5.6	5.8
Earnings after taxes	€k	52,944	63,621	63,414	71,139	251,118



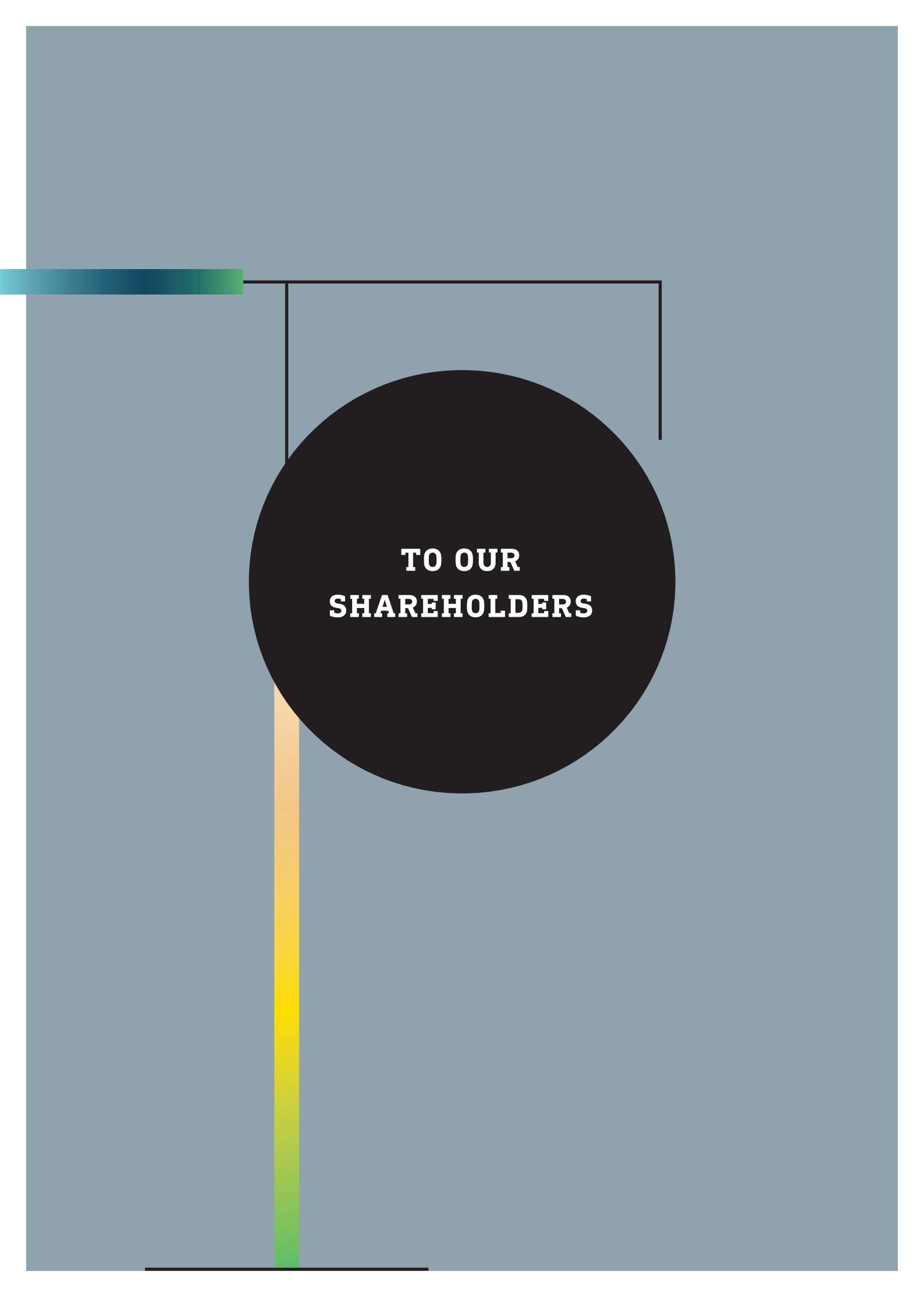
From 11 May 2023, you can find the latest figures for the first quarter of 2023 at [bechtle.com/reports](https://www.bechtle.com/reports)

The Bechtle core team for sustainability.
Well positioned in the garden of group headquarters.

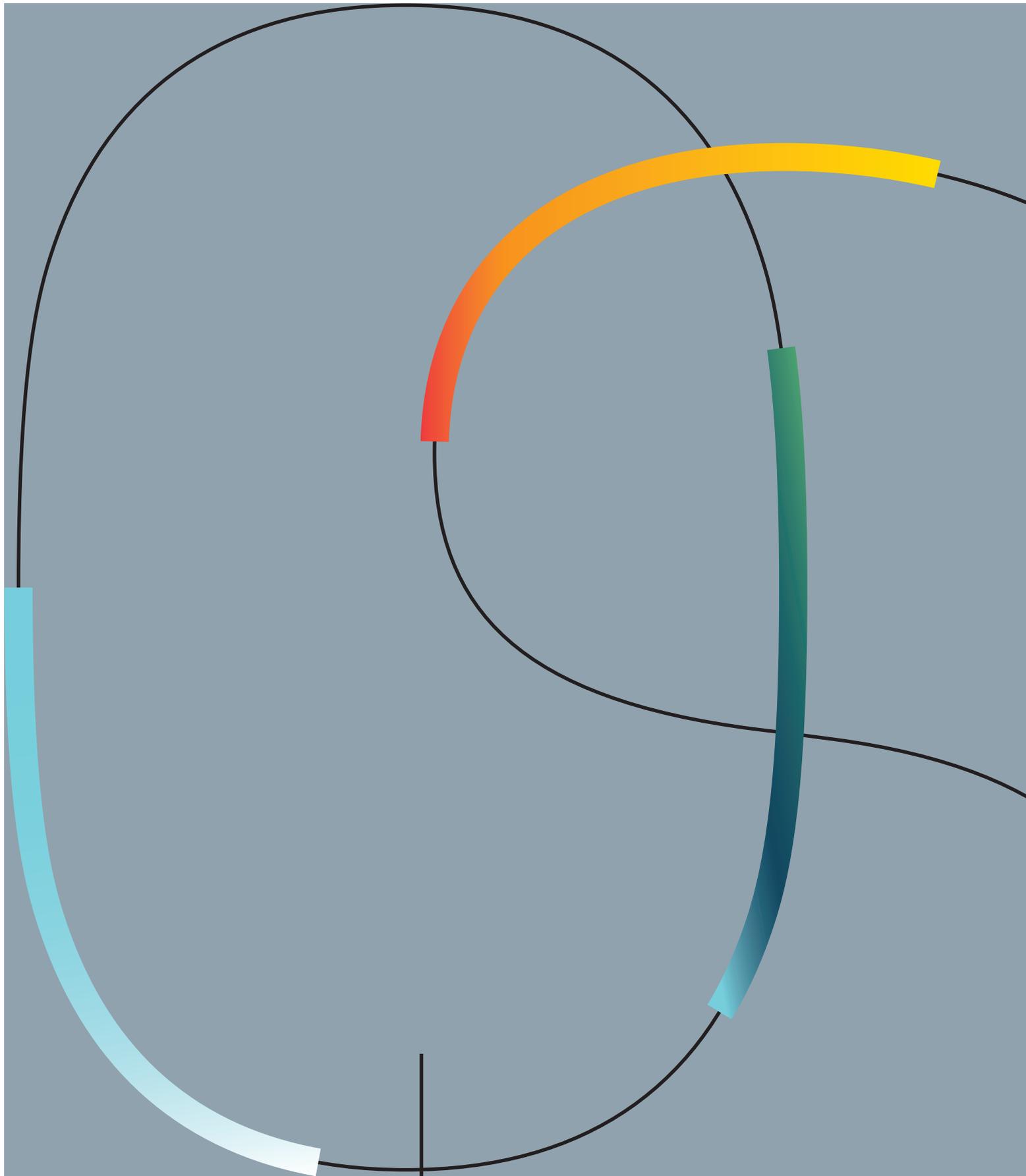


Veronika Gänsbauer, Group Controlling, Bechtle AG
Nicole Diehlmann, Sustainability Communications, Bechtle AG
Arthur Schneider, Head of Sustainability Management, Bechtle AG

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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DIVERSITY IN ACTION

Q1

again rates Bechtle's quality as an employer. The outcome is remarkable: Bechtle is listed among the top 1 per cent of German employers. Furthermore, the Heilbronn-Franconia Chamber of Industry and Commerce again certifies Bechtle in recognition of its outstanding training quality. **FEB Diversity in action.** A new milestone: Bechtle now has employees from more than 100 different nations. **MAR New Executive Vice President.** Bechtle expands the team of executive vice presidents. John Malone, Managing Director of Bechtle direct in Ireland since 2010, takes over the newly established position of Executive Vice President IT E-Commerce for Ireland, Italy and Portugal, as well as Poland, Hungary and the Czech Republic.

JAN Combined power. At the beginning of the year, Bechtle consolidates the activities of the ARP subsidiaries in Germany, Austria, Switzerland and France under the umbrella of the respective national Bechtle direct companies. The goal is to further strengthen the flourishing IT E-commerce business by making use of synergies and reducing complexity. **Bechtle named top employer.** The LEADING EMPLOYERS 2022 survey

IT system house PQR has gained a foothold in the market with its strong focus on public-sector clients and its specialisation in the field of hybrid cloud environments. By acquiring PQR, Bechtle continues to roll out its acquisition strategy, which, since 2021, has also targeted locations outside Germany, Austria and Switzerland for the IT System House & Managed Services segment. In the Netherlands, the Bechtle Group now has 715 employees. **JUN Annual General Meeting 2022.** About 80 per cent of Bechtle's shareholders participate in the virtual Annual General Meeting on 2 June 2022. The agenda includes a resolution on the payment of a dividend of €0.55 for the 2021 fiscal year. This is an increase of 22.2% and the twelfth increase in a row.

APR Working outdoors. Space for work, relaxation and celebration – the ecological restoration of the asphalt parking area at Bechtle Platz 1 provides the workforce with 7,500 m² of garden area. **Girls' Day again held on site.** More than 160 girls get the opportunity to explore the world of IT, gain practical experience and get to know Bechtle. The purpose of the event is to whet their appetite for the IT industry and our training professions. **MAY Foundation honours achievements.** Karin Schick establishes a charitable foundation named after her parents, Gerhard and Ilse Schick. The foundation secures an anchor shareholder for Bechtle on a long-term basis and honours the achievements of Bechtle co-founder Gerhard Schick. **Hyperscale clouds as managed service.** Bechtle supplements the established multi-cloud portfolio with standardised cloud operation services for the hyperscale cloud platforms Amazon Web Services, Microsoft Azure and Google Cloud. **Goedendag, PQR.** Over the past 32 years, the Dutch

Q2



WORKING OUTDOORS

JUL Fit for IT. In this year's Bechtlethon, Bechtle colleagues run, cycle and walk an amazing 85,120 km. Háwar.help Scoring Girls and the King'Ori Community Knowledge Center in Tanzania as well The Hand Project in India and Ghana are pleased to receive donations totalling €8,500. **Welkom, AXEZ.** In line with its internationalisation strategy, Bechtle strengthens its market position in the Netherlands with another IT system house. By acquiring AXEZ ICT Solutions B.V., the company adds a specialist for hybrid IT environments and cloud solutions to the Bechtle Group, thereby further expanding on the expertise of the Dutch IT system house PQR, acquired in May. **AUG Kids only.** At last, Bechtle's popular holiday programme for children is again held at Bechtle Platz. The kids enjoy three weeks of fun and entertainment. **Climate Protection Strategy 2030.** Bechtle supplements its Sustainability Strategy with a Climate Protection Strategy in which it names specific goals and actions to reduce carbon emissions in order to achieve climate neutrality by 2030 as planned. The defined reduction goals comprise direct emissions and indirect emissions as well as emissions in the upstream and downstream value chain. **Focus on IT security.** Bechtle is set to greatly upscale the strategic portfolio segment of IT security and double the existing team through recruitment and an internal qualification programme. With around 300 certified IT security experts, Bechtle is already one of the top three

IT service providers in this segment in Germany. **SEP More capacity for private cloud services.** With a new data centre in the Rhine-Neckar metropolitan region, Bechtle expands its



Q3

#zukunftsstark

capacities for private cloud services. For this purpose, the IT company cooperates with the colocation provider Pfalzkom, whose data centres already meet key criteria of the Climate Neutral Data Centre Pact. **Record training year.** A total of 256 trainees and students on integrated degree programmes embark on their career with Bechtle in 2022 – a new record figure.



BECHTLE MEETS FINFLUENCER

Q4

OCT The Shareholder Days are back. Apart from the Annual General Meeting, our shareholders can gain insights at the Shareholder Days, which feature various presentations and provide opportunities for personal conversations. After a two-year break, the Shareholder Days are held again this year with about 160 visitors, more than ever before. **First Bechtle Meets Event.** Bechtle cooperates with the finfluencers Lisa of

@aktiengram and Jonathan of @abilitato_de. The objective is to expand the target audience with younger people who are interested in shares. At the jointly organised evening event, we welcome more than 100 young investors who are interested in Bechtle's success story and business model.

NOV Welcome, ACS Systems. Bechtle acquires ACS Systems UK Ltd., an IT system house with an excellent reputation, which is well established in the UK market. ACS looks back on 27 years of experience in IT services business. The focus is on cybersecurity, modern work concepts and managed IT and cloud services with in-house cloud hosting capacities. **Opportunity for career shifters.** Bechtle counteracts the shortage of qualified staff with its own programme for career shifters, thereby also making use of the noticeable trend of professional reorientation. Thus, Bechtle offers 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.

DEC IT above the clouds. In future, Bechtle is taking on responsibility for the provision and operability of the hardware for more than 20,000 IT workplaces at 500 locations of the Lufthansa Group around the globe. **Bechtle Executive Board flying high.** In the latest IT-BUSINESS Top 100 Channel VIPs ranking, our three board members Dr. Thomas Olemotz, Michael Guschlbauer and Jürgen Schäfer are listed among the ten best. A higher power concentration is not possible.

LETTER FROM THE EXECUTIVE BOARD

Dear Stockholders,

Writing to you today, in March 2023, I am looking back at a very challenging year, defined first and foremost by the horror of the Russian war of aggression on Ukraine and the suffering of the people there. Only in a second step, I do think of the economic turmoil, with spiralling inflation, the first signs of an economic downturn and challenging customer communication due to the ongoing supply bottlenecks. These are some of the major external factors we have seen in recent months.

Internally, too, we have been faced with some entirely new tasks. In many areas of the company, we have been making an effort to get reorganised as a community. In the past two and a half years, digitalisation has picked up speed enormously. This impressive development has created new opportunities for us as an IT company. At the same time, the plethora of digital possibilities is turning our previous understanding of work upside down. We have learned that the new way to work requires much more than technology. It requires new rules and processes and, above all, a new understanding of leadership.

Given all these challenges, many of which also represent major achievements, we at Bechtle are well on the way to reorganising ourselves. At the same time, we don't want to lose sight of what has distinguished us for four decades: security and future. Our community remains our most important asset, as it has enabled us once again to defy the crisis and turn a year of contradictions into another very successful year for Bechtle:

- Another record year, despite supply bottlenecks that persisted for much of the year,
- Interesting acquisitions in the System House segment – for the first time outside Germany, Austria and Switzerland,
- Significant headcount increase despite a severe shortage of qualified staff,
- Successful negotiation of attractive large-volume credit lines despite the tense economic situation and much higher interest rates.

In fact, 2022 was the tenth year in a row in which we were able to outperform the prior-year earnings. What is more, in these ten years, our average weighted annual earnings growth amounted to more than 16 per cent – a truly remarkable achievement.

Of course, some business areas struggled with the difficult economic framework conditions in the reporting period. For example, the business with medium-sized companies – traditionally Bechtle's main pillar – suffered more severely from the poor conditions. However, our remarkable sales achievements in the business with international large customers compensated for this weak spell.

Our business volume recorded growth of 16.6 per cent, more than our revenue, which increased by 13.6 per cent. This was possible thanks to the highly successful performance of our software business. However, according to the accounting standard IFRS 15, we are no longer able to report large portions of this business in our revenue.

Yet, regardless of whether we look at the revenue or at the business volume, the figures clearly show that 2022 was another fiscal year in which both business segments presented a largely balanced picture. For the earnings, a glance at our reporting segments reveals robust growth in the IT System House & Managed Services segment and very strong growth in IT E-Commerce. The differences in performance are mainly attributable to the much higher cost base following the relaxation of the coronavirus-related restrictions, which especially affected our system houses to a disproportionately high extent.

The developments in recent years have underlined the resilience of our business model. Bechtle has demonstrated its ability to deliver excellent performance even in times of crisis. Against this backdrop, our goal is to again achieve significant growth in 2023, while keeping our group margin more or less at the prior-year level. My two Executive Board colleagues share my confidence that we will be able to reach this ambitious goal – the opportunities are there, and the risks are manageable.

Though the framework conditions will remain challenging in 2023, we put our trust in the Bechtle team, which surpassed the 14,000 mark at the end of the fiscal year. With its diverse competencies, a lot of motivation and self-confidence, this team is truly capable of taking on challenges and transforming them into solutions for our customers. Therefore, we would like to express our sincere gratitude to all colleagues who do their best, serving as ambassadors of the Bechtle spirit both inside and outside the company. Our customers also feel this and respond with trust and loyalty. This, too, is something we greatly appreciate!

On the other hand, we are sad to see Bechtle's valuation at the stock exchange, especially with a view to your investment, dear shareholders. In the reporting period, the development of our share price was diametrically opposed to our business success and suffered pressure from pessimistic economic forecasts and a largely interest-driven weakening of the expectations for technology shares. Nevertheless, we are convinced that the continuation of our reliable above-average business performance and our strong positioning as an IT partner for tomorrow are quality features that should have a positive effect on the value of our share.

Meanwhile, we have entered a new year – our 40th anniversary year – with a lot of energy and confidence. We will do our best to leverage the positive growth impulses and continue to move forward in 2023, just as we have been doing for four decades.

While Bechtle is proud of what it has already achieved, what matters most to the company is the ability to achieve sustainable growth in the coming years. As an IT partner for tomorrow with a rather ambitious sustainability strategy, we focus on getting our company ready for future generations and are eager to assist our customers in the field of sustainability. Thus, our objective is to handle present and future economic, social and ecological challenges, risks and opportunities in a way that allows us to realise the growth and profitability goals outlined in our Vision 2030, by means of a responsible, sustainable approach. We do so with great passion and conviction.

Our heartfelt desire is that you, our dear shareholders, continue to accompany us on our successful path.

Yours sincerely,



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

Neckarsulm, 3 March 2023

JÜRGEN SCHÄFER

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

segment. 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's logistics and service division. Since his appointment as a member of the Executive Board of Bechtle AG in early 2009, he has been in charge of the e-commerce activities of the Bechtle Group.

DR. THOMAS OLEMOTZ

Member of the Executive Board responsible for Digital Business Services, Finance, Taxes and Insurances; Financial Services; Human Resources; Investor Relations; Group Controlling, Risk Management and Mobility; Sustainability Management; IT; Logistics & Service; Mergers & Acquisitions; Staff Development; Legal and Compliance; 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.

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 since January 2022.

MICHAEL GUSCHLBAUER

Member of the Executive Board, responsible for the IT System House & Managed Services segment. Born in 1964, two 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 Guschlbauer 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.

JÜRGEN
SCHÄFER



DR. THOMAS
OLEMOTZ



MICHAEL
GUSCHLBAUER



KLAUS
WINKLER

REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

A lot has been said about the year 2022. It remains to be seen whether the year that has just ended truly marked the start of a new age. However, we can definitely say that 2022 was a challenging year for each and every one of us as well as for Bechtle AG. At the beginning of the year, the COVID-19 pandemic was still in full swing. Then Russia attacked Ukraine, and apart from the terrible direct consequences of the war, we were faced with a shortage of raw materials and the associated high inflation. The already strained global supply chains came under further pressure. Bechtle felt all of this. Nevertheless, Bechtle again excelled with its strong, resilient business model. In view of the difficulties faced in 2022, the high revenue and earnings growth rates reported by Bechtle are truly remarkable. Of course, this does not mean that we are not affected by the macroeconomic situation. Still, we have a large, loyal customer base with a continuously high demand for innovative IT solutions, especially during these times. In the future, IT will play an even greater role in all industries. Thus, the demand for a reliable IT partner like Bechtle will continue to grow. We are fully confident that Bechtle will remain successful. Within the scope of its duties, the Supervisory Board will continue to help to responsibly and systematically shape the company's successful development.

In 2022, 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 Climate Protection Strategy, the further development of the Executive Board organisation, the group's business performance, possible acquisitions (especially also in the context of the expanded

acquisition strategy), the challenges of the procurement markets and their effects on revenue recognition and capital commitment, the company's response to the pandemic, future investments, location-related issues, the risk situation, the opportunity and risk management as well as basic issues related to the corporate planning and governance.

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 supply issues and the 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 in onboarding and training measures. In the reporting period, the Supervisory Board received training on the German Corporate Governance Code (DCGK) and on the Executive Board compensation. Some members of the Supervisory Board also took part in training measures in the reporting period in the fields of statutory framework conditions and new regulations, corporate governance (especially the amendments to DCGK) as well as sustainability and reporting obligations in this area.

MEETINGS AND CENTRAL ISSUES

In the reporting period, the Supervisory Board held six ordinary plenary sessions: on 19 January, 3 February, 16 March (balance sheet meeting for the annual and consolidated financial statements for 2021), 20 July, 21 October and 28 October 2022. Meeting attendance was as follows:

	19.01	03.02	16.03	20.07	21.10	28.10	Meeting attendance
Shareholder representatives							
Kurt Dobitsch	●	●		●	●	●	83.3%
Dr. Lars Grünert	●	●	●	●	●	●	100%
Prof. Dr. Thomas Hess	●	●	●	●	●	●	100%
Elke Reichart	●	●	●	●	●	●	100%
Sandra Stegmann	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	100%
Employee representatives							
Uli Drautz	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	100%
Anastasia Polidoros	●		●	●	●	●	83.3%
Anton Samija	●	●	●	●	●	●	100%
Volker Strohfeld	●	●	●	●	●	●	100%
Michael Unser	●	●	●	●	●	●	100%

Apart from the resolutions adopted at the meetings, the Supervisory Board and/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 16 March 2022, 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 for the appropriation of profits and the business planning for 2022.

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

- The group's short-term strategy against the backdrop of the pandemic and the supply problems, its medium to long-term strategy especially with a view to the cloud and managed services business, new business opportunities and the expansion of the M&A strategy, as well as the targets achieved in the course of the strategy roll-out

- The economic development of the group, especially in the face of the challenging framework conditions
- The increased capital commitment and financing issues in the group due to the difficult framework conditions
- The global supply chain problems and the consequences of this for the business of Bechtle AG
- Acquisition plans, also in the context of the expanded M&A strategy
- 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
- The organisation of the Supervisory Board work, especially with a view to compliance with the new recommendations of the German Corporate Governance Code (DCGK)
- The Climate Protection Strategy, which was presented in the reporting period, and the non-financial group statement
- The internal audit and risk management system

STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

In 2022, the staffing of the Executive Board and Supervisory Board of Bechtle AG did not undergo any changes.

COMMITTEE WORK

To fulfil its duties, the Supervisory Board has formed three committees: the audit committee, the personnel committee and the arbitration committee.

The audit committee came together on 2 February, 15 March, 19 July and 27 October 2022. Additionally, it held telephone conferences prior to the interim reports of Bechtle AG on 11 May, 10 August and 9 November 2022. Meeting attendance was as follows:

	02.02	15.03	11.05	19.07	10.08	27.10	09.11	Meeting attendance
Kurt Dobitsch	●		●	●	●	●	●	85.7%
Sandra Stegmann	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	100%

In 2022, the audit committee dealt with transactions that require approval, especially acquisition plans, location-related issues and long-term contracts. 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 against the backdrop of the supply issues, 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 by the identification and assessment of the sustainability risks according to the new requirements of 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 2022 and subsequent years.

In 2022, the personnel committee came together eight times: on 27 January, 23 February, 7 March, 6 April, 18 July, 27 October, 10 November and 22 December 2022. Meeting attendance was as follows:

	27.01	23.02	07.03	06.04	18.07	27.10	10.11	22.12	Meeting attendance
Prof. Dr. Thomas Hess	●	●	●	●	●	●	●	●	100 %
Klaus Winkler	●	●	●	●	●	●	●	●	100 %
Uli Drautz	●	●	●	●	●	●	●	●	100 %

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

The arbitration committee pursuant to Section 27 (3) of the German Co-determination Act (MitbestG) was not convened in 2022.

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 the reporting period. 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), especially the amendments. To ensure compliance with the 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 2022 and again in January 2023. 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/investors/
corporate-governance](https://www.bechtle.com/investors/corporate-governance)

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2022

The Annual General Meeting appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor of the annual and consolidated financial statements for the fiscal year 2022. Following the commissioning by the Supervisory Board, the auditor audited the annual financial statements of Bechtle AG as well as the consolidated financial statements and the management reports of Bechtle AG and of the Bechtle Group for the fiscal year 2022, including the accounts as well as the risk management and early detection system, and awarded 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 14 March 2023 and in the balance sheet meeting on 15 March 2023. 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, the management report and the Group 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 15 March 2023, 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 sentence 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 €0.65 per share. We approve the management report and the Group 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 15 March 2023. For the first time, 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 approves the non-financial group report.

Though the macroeconomic situation eased slightly in early 2023, the uncertainties for the current fiscal year remain very high. The war in Ukraine is ongoing, and the risk of negative effects of COVID-19 on the business world has gone up again due to China's changed coronavirus policy. Accordingly, the gradual improvements in the global supply chain need to be considered with caution. Despite these distressing framework conditions, we are pleased to see that Bechtle is capable of handling these obstacles. For this reason, we are full of confidence with respect to the current fiscal year and coming years. This positive development is made possible by the people at Bechtle. Therefore, the Supervisory Board would like to express its sincere gratitude to all employees of the Bechtle Group in all 14 countries, the Executive Vice Presidents and managing directors of the group companies as well as the members of the Executive Board. 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, 15 March 2023

SHARE

The 2022 stock market year was extremely challenging for all market players. Until the end of the third quarter, the financial markets remained under continuous pressure. The Bechtle share, too, was affected by this development. After losing value at the start of the fiscal year, our share picked up further into the year but again suffered losses towards the end of the year in contrast to the reference indexes. Our share thus closed the year with a minus of 47.5 per cent. Towards the end of the year, market capitalisation settled between the €4 billion mark and the €5 billion mark.

STOCK MARKET

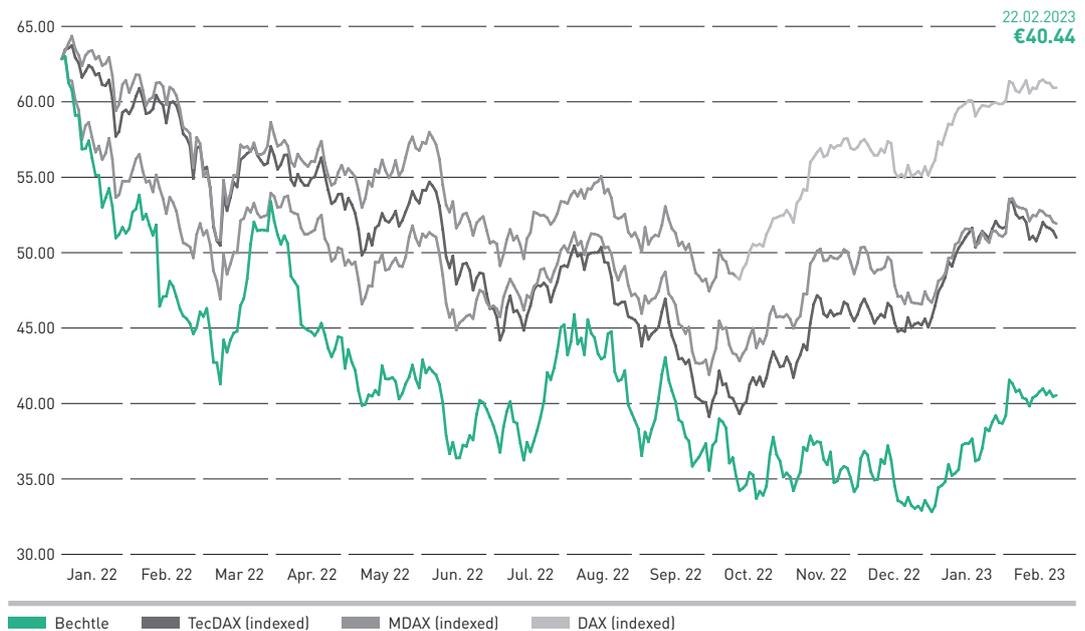
The 2022 stock market year marked by severe losses. Initially, the stock markets made an optimistic start to 2022 with the end of the COVID-19 pandemic in sight, but before long, new geopolitical tensions emerged. On 24 February, Russia launched its attack on Ukraine. The war immediately triggered major reactions, especially on the European stock markets. The existing global supply chain problems were further aggravated by the war as well as by China's ongoing zero-COVID policy and the resulting delays at important international ports. In response to the war of aggression, Western countries imposed various sanctions, which caused enormous turbulence on the European energy market. Along with the easy monetary policy of the central banks, these circumstances gave rise to a further surge in inflation rates. The central banks reacted by raising their interest rates. This, however, amplified the threat of a recession. All these predicaments resulted in a persistently negative trend on the stock markets. A slight relaxation only became evident in the last months of the reporting period. The DAX dropped below the level of 13,000 points for the first time in March and reached its annual low at the end of September. The German benchmark index closed the year down 12.3 per cent. The performance of the MDAX and the TecDAX was even worse, with drops of 28.5 per cent and 25.5 per cent, respectively.

SHARE PERFORMANCE

Bechtle share suffers sharp decline. The price of the Bechtle share was unable to escape the general negative trend. Starting from its annual high of €63.12 on 3 January 2022, the price dropped continually until mid-March but then recovered up to a level of €53.42, due partly to the publication of the 2021 Annual Report and an optimistic forecast. However, the positive development was halted by the further deterioration of the macroeconomic situation. In the second half of the year, the share price was very volatile, fluctuating between a level of €36 and €50. As a result of the persistent worries with regard to economic development, the share price continued to decline towards the end of the reporting period, reaching its low of €32.79 on 28 December 2022. On 31 December 2022, the Bechtle share closed the year with a loss of 47.5 per cent at €33.06 compared to the closing price at the end of the prior year.

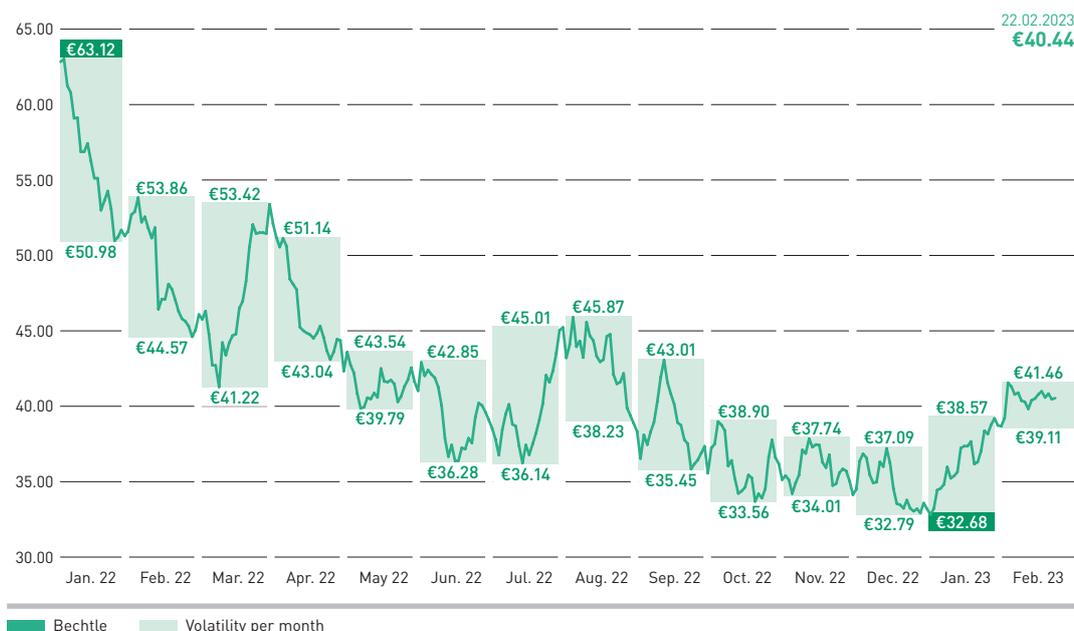
03. THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2022 TO FEBRUARY 2023

€



04. THE BECHTLE SHARE – HIGHS AND LOWS FROM JANUARY 2022 TO FEBRUARY 2023

€



See bechtle.com/share for the current share price

Our company’s market capitalisation developed in sync with the share price. Following the first slump in the spring of 2022, market capitalisation dropped to €5,193.7 million in early March. Due to the rapid price rebound in spring, market capitalisation again surpassed the €6 billion threshold by some distance, reaching €6,730.9 million. In the following months, however, market capitalisation dropped below the €5 billion mark. As of the end of the year, market capitalisation amounted to €4,165.6 million. In the ranking of Deutsche Börse, Bechtle occupied 61st place (prior year: 52nd place). In the TecDAX, our company remained in 10th place.

05. TRADING DATA OF THE BECHTLE SHARE

		2022	2021	2020	2019	2018
Closing price at the end of the year	€	33.06	62.94	59.47	41.73	22.62
Performance	%	-47.5	+5.8	+42.5	+84.5	-2.4
High (closing price)	€	63.12	69.14	62.8	42.53	29.97
Low (closing price)	€	32.79	49.85	28.5	20.77	21.28
Market capitalisation – total ¹	€m	4,165.6	7,930.4	7,492.8	5,258.4	2,849.7
Avg. turnover/trading day ²	Shares	266,062	138,224	140,482	106,634	101,037
Avg. turnover/trading day ²	€	11,172,305	13,778,684	20,657,614	9,980,675	7,668,425

Xetra closing price data (adapted to share split)

¹ As of the end of the year

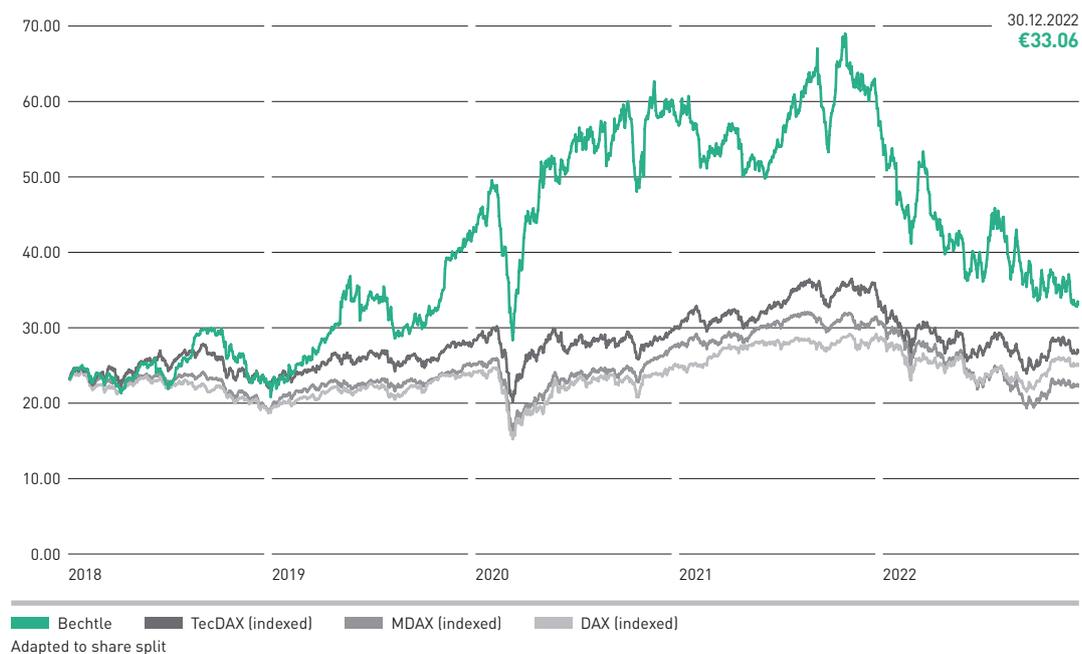
² All German stock exchanges

In 2022, the average trading volume of €11.17 million remained above the level prior to the outbreak of the COVID-19 pandemic. However, due to the price drop, the average trading volume was below that of the prior year.

In terms of the number of shares, the trading volume almost doubled. On average, 266,062 Bechtle shares were traded per day (prior year: 138,224).

06. THE BECHTLE SHARE – PERFORMANCE FROM 2018 TO 2022

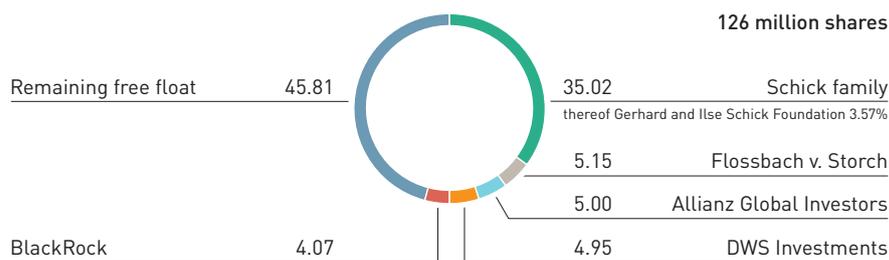
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SHAREHOLDER STRUCTURE

Loyal investors. 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. We regard the Schick family as an anchor shareholder that holds its shares on a very long-term basis, thereby effectively ensuring high stability. This perspective was confirmed by the establishment of the foundation formed by Karin Schick in May 2022. At the latest following her death, all shares held by her will pass over to the Gerhard and Ilse Schick Foundation, which was named after her parents. This approach should ensure an anchor shareholder for Bechtle AG for generations. 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.

07. SHAREHOLDER STRUCTURE %



As of 31 December 2022

DIVIDEND

The 13th dividend increase in a row. Since its IPO in 2000, Bechtle has pursued a sustainable, shareholder-friendly dividend policy and has distributed profits to the shareholders year after year. The reliability of the profit distribution policy is also evident from the continuous dividend increase.

Despite the unusual and challenging circumstances that persisted in 2022, Bechtle AG recorded excellent results. Earnings after taxes, which constitute the basis for the dividend distribution, went up by 8.5 per cent. The Executive Board and the Supervisory Board have therefore agreed to propose a dividend of €0.65 per share for the 2022 fiscal year (prior year: €0.55) to the Annual General Meeting. This would be the 13th increase in a row. Subject to the approval of the Annual General Meeting, the payout proposal would correspond to a dividend increase of 18.2 per cent. This means a dividend increase that is almost twice as high as that of the earnings after taxes. In this way, the Executive Board and the Supervisory Board want to underscore 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 future economic performance of Bechtle AG, especially also in times of uncertainty.

As of 31 December 2022, the number of shares with dividend entitlement was 126,000,000. Thus, the sum to be distributed for the 2022 fiscal year amounts to €81.9 million. This would mean a dividend payout ratio of 32.6 per cent of the consolidated earnings after taxes (prior year: 29.9 per cent). In relation to the annual closing price of our share, the dividend yield would amount to 2.0 per cent (prior year: 0.9 per cent).

EARNINGS PER SHARE

Earnings per share 8.5 per cent above prior 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 taxes of €251.1 million, EPS amounted to €1.99, some 8.5 per cent more than in the prior year (prior year: €1.84).

08. SHARE PERFORMANCE INDICATORS

 For further key figures, see Multi-year overview, page 270

		2022	2021	2020	2019	2018
Shares with dividend entitlement ¹	shares	126,000,000	126,000,000	42,000,000	42,000,000	42,000,000
Earnings per share	€	1.99	1.84	4.58	4.06	3.27
Amount distributed	€m	81.9 ²	69.3	56.7	50.4	42.0
Dividend payout ratio	%	32.6 ²	29.9	29.4	29.6	30.6
Cash dividend per share	€	0.65 ²	0.55	1.35	1.20	1.00
Dividend yield ¹	%	2.0 ²	0.9	0.8	1.0	1.5
Price/earnings ratio ¹		16.6	34.2	38.9	30.8	20.8

¹ As of the end of the year

² Subject to approval of the Annual General Meeting

ANNUAL GENERAL MEETING

Interest remains high in 2022. Due to the COVID-19 pandemic, the 22nd Annual General Meeting of Bechtle AG again took place in a virtual setting at the headquarters in Neckarsulm. The shareholders or their proxies were able to watch the Annual General Meeting on 2 June 2022 live via an online portal and exercise their shareholder rights. The Annual General Meeting again attracted a lot of interest; this is evident from the fact that about 80 per cent of the share capital participated in the voting. Most of the agenda items were adopted with an overwhelming majority, underlining the high trust put in the Executive Board and Supervisory Board.

CAPITAL MARKET

Active contact 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 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 them and engage in dialogue with them.

Coverage further expanded. In 2022, a total of 18 institutions reported on Bechtle in detailed surveys and ad hoc analyses: AlsterResearch, Baader Bank, Bank of America, Berenberg, BNP Paribas Exane, Citi, Deutsche Bank, DZ Bank, Hauck Aufhäuser Lampe, Jefferies, Kepler Cheuvreux, Landesbank Baden-Württemberg, Metzler, Oddo BHF, Quirin Privatbank, Stifel, UBS and Warburg Research. In February, BNP Paribas Exane started covering Bechtle with an "outperform" rating. In 2022, Citi also started covering the company with a "hold" rating, and Bank of America commenced its coverage with a "neutral" rating. Bechtle pursues regular constructive dialogue with all institutions. This is further intensified by means of analyst visits to the headquarters and participation in various conferences and roadshows.



[bechtle.com/
analysts-recommendations](https://bechtle.com/analysts-recommendations)

Resumption of in-person events. In the context of our intensive investor relations activities, we continually engage in interchange with all interested capital market players. In 2022, contact with existing and potential investors again took place on numerous occasions. Thanks to the steep drop in infections, we were able to hold almost all events in the reporting period in person.

At a total of 18 roadshows and investor conferences held throughout 2022, we provided information about our company's economic situation, business strategy and outlook in individual and group discussions. Furthermore, Bechtle AG held a hybrid Capital Markets Day on the premises of the system house in Frankfurt. The event zoomed in on the expansion of the acquisition strategy. We were able to welcome numerous German and international investors and analysts.

Moreover, personal contact with private investors is very important to Bechtle. Apart from the Annual General Meeting, our shareholders can gain insight at the Shareholder Days, which feature various presentations and provide opportunities for personal conversations. For two years, it had not been possible to hold the Shareholder Days due to the COVID-19 pandemic, but in the reporting period these were resumed. With about 160 participants, interest from our private shareholders was greater than ever.



See video on Instagram:
[instagram.com/
p/Cj2ldilvJpS/](https://www.instagram.com/p/Cj2ldilvJpS/)

In order to reach the target group of young investors in particular, Bechtle initiated the “Bechtle Meets” event series. The plan is to involve influencers, i.e. influencers from the financial scene, in these evening events. After a company presentation and an extensive Q&A round with the respective influencers, the events close with a get-together with finger food and drinks. The first event of this type was held in mid-October 2022. The collaboration with two influencers was well received by the more than 100 visitors as well as afterwards on social media.

Once again, virtual events were held in cooperation with Heilbronn University and the Investor Relations department of Bechtle AG. Here too, the goal was to reach younger people on the capital market and to create enthusiasm for Bechtle – either as an investment or as an employer.



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

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. Therefore, our website always features up-to-date corporate information such as presentations, financial reports, press releases and ad hoc releases. A special overview page is available for private shareholders.

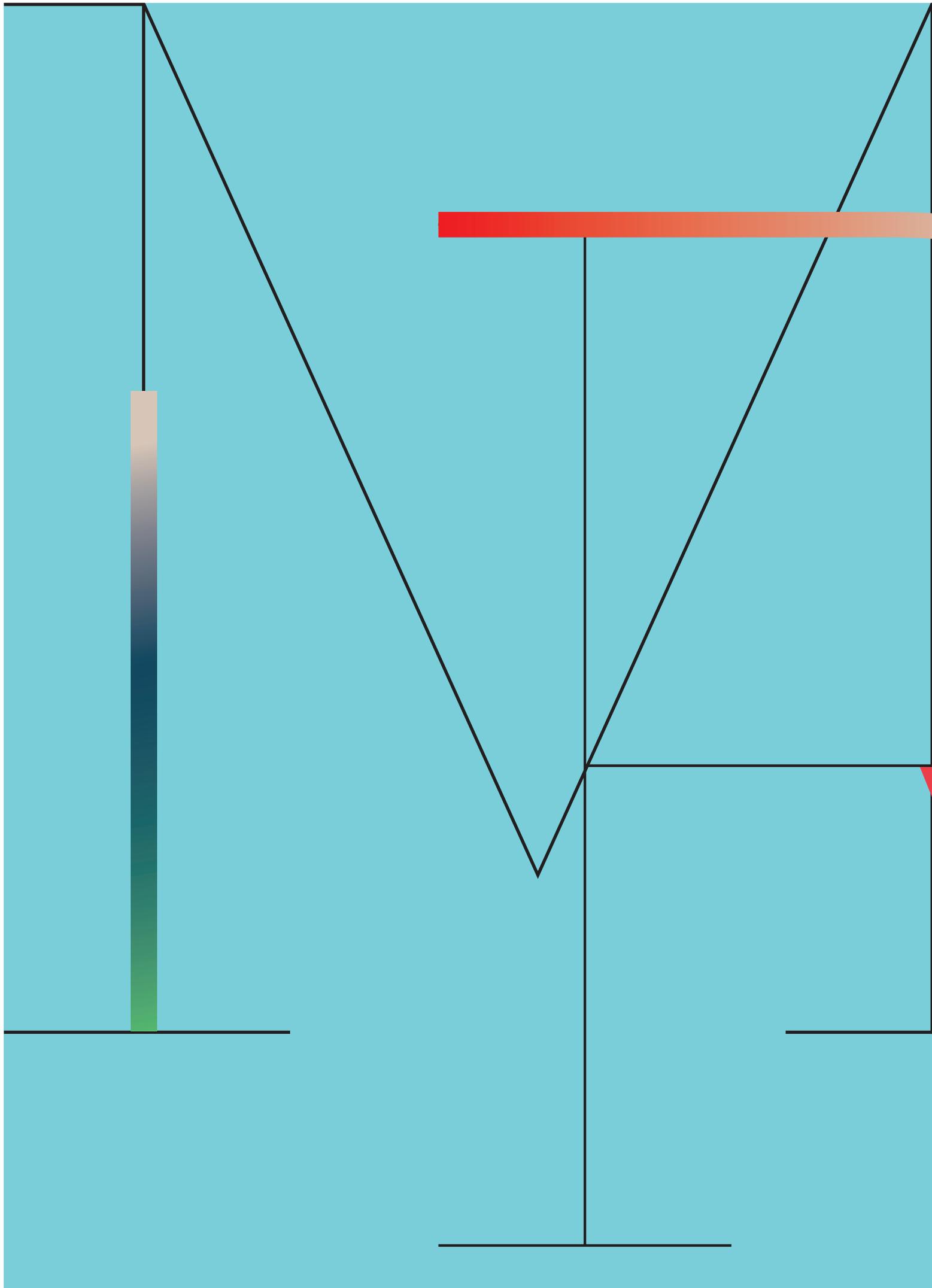


See Imprint,
page 288

For further information, visit our website or feel free to contact us.



**GROUP MANAGEMENT
REPORT**



GROUP MANAGEMENT REPORT

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ABOUT THIS REPORT

This integrated Annual Report 2022 of Bechtle AG is our first Annual Report in which we combine our financial reporting with material non-financial information. In this way, we highlight the connection between economic, ecological and social factors as well as their impact on our long-term business success. The Bechtle Sustainability Report, which had been published once a year since the 2015 fiscal year, has been discontinued. The Group Management Report in the Bechtle Annual Report 2022 also contains the Non-financial Report (NfR) of Bechtle AG pursuant to Section 315b 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 respective NfR passages are marked with brackets.

Marking NfR

Use of frameworks. In accordance with Section 289d of the German Commercial Code (HGB), Bechtle has been using the framework of the Global Reporting Initiative (GRI) with the “Core” option since the 2019 reporting period. For the 2022 fiscal year, we use the GRI standards applicable from 1 January 2023.



See Materiality,
page 54 f

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 (2) and (3) 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 2022. Unless stated otherwise, the figures apply to the said reporting period and refer to the Bechtle Group. Information from other periods are marked accordingly. Measures and metrics related to individual subsidiaries, branches and brands are also marked accordingly.



bechtle.com/de-en/investors

Publication date. The integrated Bechtle Annual Report 2022 will be published on 17 March 2023. The last Bechtle Sustainability Report, i.e. the report for 2021, was published on 18 March 2022. The next non-financial indicators will be published in the Annual Report 2023 in the spring of 2024. The Bechtle Annual Report is available online in English and German, and a printed version is available in German.

COMPANY

BUSINESS ACTIVITY

Digitisation is increasingly gaining momentum. The pandemic in particular was instrumental in showing companies how essential modern, sustainable IT infrastructures are. However, IT is becoming increasingly complex, resulting in major challenges especially for medium-sized businesses. Therefore, companies depend on the expertise of an IT partner. As a vendor-independent solution provider with a comprehensive IT portfolio, Bechtle boasts an excellent positioning in this field.

BUSINESS MODEL

One-stop shop. With more than 85 system houses and e-commerce companies in 14 countries, Bechtle is close to its customers and is one of Europe's leading IT companies. Founded in 1983 and headquartered in Neckarsulm, Germany, the IT company combines the strength and resilience of a financially sound international group with the proximity, personal care and flexibility of a regional service provider. Bechtle offers a one-stop, vendor-independent, comprehensive IT portfolio to its more than 70,000 customers from the fields of industry, trade, finance and the public sector.

BUSINESS SEGMENTS

Combined power. Bechtle's business activity comprises two segments: In the IT System House & Managed Services segment, the service spectrum ranges from the sale of hardware and software solutions to IT strategy consulting, application solutions, project planning and roll-out, system integration, maintenance and training as well as the provision of cloud and managed services. Furthermore, we offer all as-a-service models and the complete operation of the customer IT. We have bundled our pure trading business in IT E-Commerce, the second business segment. In this segment, we offer our customers hardware and standard software as well as accompanying logistics services via the Internet and by telephone. In total, our portfolio in this field comprises about 40,000 products.

IT SYSTEM HOUSE & MANAGED SERVICES

One-stop IT provider and system integrator. With our IT System House & Managed Services segment, we operate in Germany, Austria, Switzerland, the Netherlands, Belgium and the United Kingdom. Bechtle's service portfolio in this segment spans 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

Most of our customers have regional roots and want to have direct access to a personal contact in their vicinity who helps them master the increasingly complex challenges associated with IT. This personal link is exactly what our more than 85 regional system houses and their more than 2,100 sales representatives offer. The decentralised structure of Bechtle is a key criterion that makes proximity possible. The direct contact to one of our sales representatives, many of whom have known their customers for many years, helps to establish a basis of trust. In this context, the ongoing training of our sales team plays a key role.

For the performance of the services, some 6,400 service team members, certified specialists, system engineers and consultants offer customers expertise, advanced specialised competence, long-standing IT project experience and quick implementation of individual requirements. So-called IT business architects also provide assistance in custom-tailored concepts and IT roadmaps, laying the basis for future IT architectures. Bechtle has bundled specialist know-how on complex IT solutions in more than 90 competence centres that are active in various regions. Numerous certifications from all renowned vendors guarantee premium qualification of our services.



Partner for digitisation

Driven by digitisation, the market for IT solutions and services is changing significantly. Apart from the conventional business fields, the demand for consumption- and cloud-based procurement models is on the rise. More and more customers are making use of these options to procure IT infrastructure, platforms, software and applications in the form of subscription-based services. This approach is becoming the standard, at least in some areas. Accordingly, we are systematically expanding our portfolio of "as-a-service" offerings, managed cloud services and multi-cloud services. Unlike the conventional project business, managed services deliver recurring revenue throughout the contract term, which is usually four to six years. Due to the greater complexity that these services usually involve, this business field also tends to yield slightly higher margins than the conventional project business.

IT E-COMMERCE

The trading business. 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. The Bechtle direct brand is represented in 14 European countries and has achieved a good competitive position in all markets. Furthermore, Bechtle is active with inmac wstore and Bechtle Comsoft in France and with the ARP and Buyitdirect brands in the Netherlands.

The business in the IT E-Commerce segment is guided by two basic principles: Firstly, direct personal contact of the sales staff with the customer is ensured through active calls by telephone or other modern communication channels. The sales team plays a key role in generating revenue by acquiring new customers and doing more business with existing customers. Especially customers with complex requirements benefit from the personal contacts who are able to offer individual solutions that are tailored to customer needs.

Secondly, 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, many of the purchase 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 shipping quality – which is mainly determined by the speed – by means of agreements with partners and daily audits. 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. 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. Moreover, by applying the fulfilment principle, we keep our stock levels low, thereby reducing the risk of devaluation of IT products, which are characterised by very short innovation cycles. Due to the supply bottlenecks, the processes described differed from the usual ones in the past two years. Compared to many of our competitors, we benefit from relatively high availabilities thanks to our outstanding relationships with vendors and distributors and our early move to increase stock levels. For some product groups, however, delivery times can currently amount to several weeks or even months.



Lean processes
Fulfilment principle

CROSS-SEGMENT ACTIVITIES


See chapter
Corporate culture,
strategy and
governance,
page 50

Increasing internationalism. In the past, Bechtle was present with both its operating system only in Germany, Austria and Switzerland. In the reporting period, the company expanded this presence to Belgium, the Netherlands and the United Kingdom. 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 going beyond the existing e-commerce companies by expanding our system house activities and services also to other European countries.

Many customers greatly value homogeneous IT landscapes across their own international locations. Therefore, internal Bechtle units focus increasingly on ensuring a global roll-out that is precisely 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 cooperate with professional IT partners from the Global IT Alliance (GITA) in all other countries worldwide.

Bechtle.com. This website features a cross-segment digital marketplace that presents the entire range of our service and solution portfolio. We are thus able to address every customer holistically and systematically offer additional solutions. In the coming years, this digital marketplace will be further expanded in order to better exploit the potential of bechtle.com to support our sales, but also to sell products and services directly. Moreover, we intend to position bechtle.com as a knowledge platform for all kinds of information relating to IT. To support these developments, Bechtle established the Digital Business Services department in 2019, a unit that bundles business digitisation competencies and strategies. Thus, Digital Business Services also ensures the networking of the decentralisation within the Bechtle Group.


Bechtle Remarketing


See chapter
Environment,
page 86

Remarketing. Product life cycles are getting shorter and shorter, due especially to innovations and further developments. A few years ago, our company founded Bechtle Remarketing GmbH, a business unit dedicated to topics related to the end of a product life cycle, in order to address this issue. 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 of the resale or due disposal of legacy equipment.

Custom brand ARTICONA. The custom brand ARTICONA supplements Bechtle's product portfolio, especially with peripheral products. The product range comprises IT accessories ranging from input devices such as keyboards and mice, various cables and adaptors, through to printer cartridges. The products are often offered as cross-selling products or as an alternative to comparable brand products.

OneBechtle. This term not only reflects the internal promise to act in unison, but also the strategic intention to intensify the collaboration and interaction between the two segments. Against this backdrop, the pilot project "OneBechtle AT" was launched in Austria in 2022. This national market was deliberately chosen as pilot due to its good representativity and because it reflects the Bechtle Group well as a whole. Within the project, the aim is to completely eliminate the separation of the segments and to arrange the customer care individually according to their individual needs and preferences. The pilot concept is divided into four subprojects: "public-sector business", "existing customers", "sales campaign security with a renowned vendor" and "marketing". The latter, for example, includes a uniform brand presentation and joint job ads for recruitment purposes. As the project progresses, emerging challenges will be analysed, and interim goals will be closely monitored in order to ultimately decide whether "OneBechtle AT" might also be a sustainable model for the other national markets as well. Similarly, the "Belgium United" project in Belgium aims to enable closer collaboration between the two segments under a joint management.



Synergy effects



The team at the System House Austria, Vienna, also has the customers of the E-Commerce segment on its radar. The pilot project "OneBechtle AT" demonstrates how cross-segment customer care works.

Peter Christ, Finance & Legal,
System House Austria, Vienna

Tim Abboud, Technical Consultant,
System House Austria, Vienna

Denise Weiss, Management Assistant,
System House Austria, Vienna

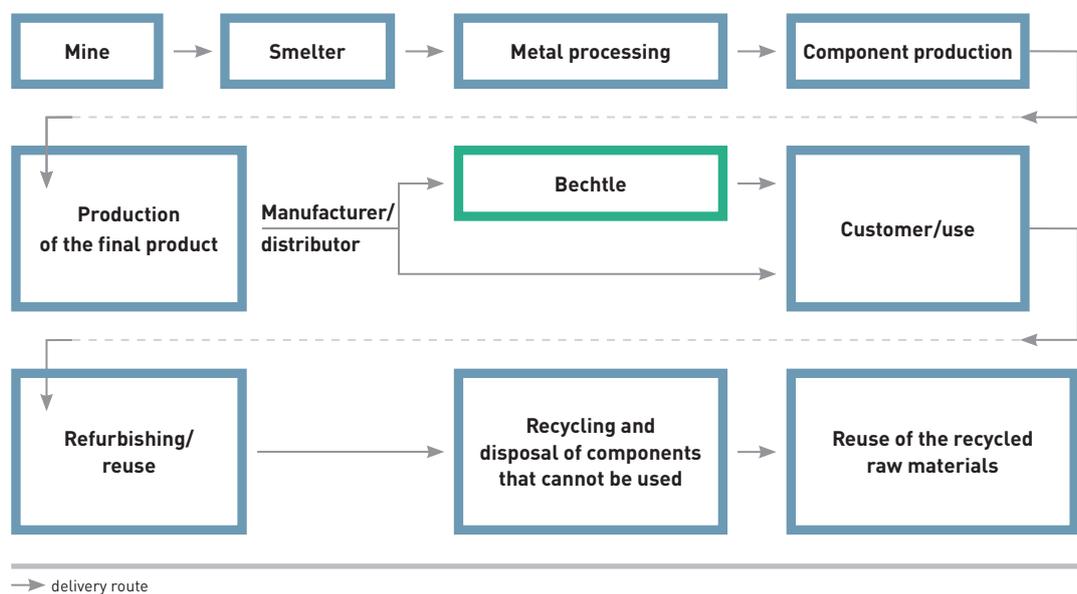
from left to right

PROCUREMENT

As a reliable and responsible IT partner, we place particular importance on compliance with fundamental labour, social and environmental standards in the manufacture and transport of IT hardware and software sold by Bechtle as well as the delivery of IT services. We are committed to the universal principles of the UN Global Compact and other internationally recognized environmental and human rights standards. This responsibility is something that we exercise across all of our locations, and we expect our business partners to do the same.

In addition to conventional IT infrastructure, Bechtle – a service provider for future-proof IT architectures – offers its customers consulting services and equipment in the future-oriented fields of sustainable IT, digitisation, cloud, modern workplace, IT security and IT services. Our customers have a choice of about 40,000 hardware and software products available through the Bechtle system houses, the online shop and customer-specific procurement platforms. As we generate most of the business volume with hardware, the presentation of the value chain focuses on this area:

09. VALUE CHAIN IN THE AREA OF HARDWARE



Raw materials such as rare-earth elements, copper, gold and lithium are mined and processed in smelters. Raw materials and metals are processed in such a way that they can be used for the production of individual components. Subsequently, the final product is manufactured from the components and delivered to Bechtle through one of our approximately 290 vendor partners or distributors. In one of the Bechtle warehouses, orders are bundled to order, or PCs and laptops are equipped with

software and prepared for use. Some products are shipped directly to customers. The use by our customers represents the longest phase of the value chain. Following the hardware use by the customers, a large portion of the hardware can be refurbished and returned to the cycle via Bechtle Remarketing. If the hardware is no longer fit for use, useful components are recycled and the residual waste is duly disposed of.

Close cooperation with our partners. As a trading partner, we only have limited influence on the upstream and downstream supply chain. Therefore, we cooperate closely on a basis of trust with our direct suppliers (tier 1) in the field of sustainability. In this way, we jointly promote the protection of human rights and of the environment. In 2022, sustainability dialogues took place with partners such as Lenovo, Dell Technologies, Cisco, NetApp, Jabra, Schneider Electric, Google, OVHcloud and Ionos.

In the reporting period, HP granted Bechtle the three-star Catalyst partner status in Germany, Poland, Switzerland, Ireland, the United Kingdom and Italy. Previously, the Bechtle units had successfully participated in an assessment in the context of the sustainability programme HP Amplify Impact. In subsequent workshops, the teams jointly worked on new project ideas. More than 100 employees took part in the sustainability training offered by HP on-site and digitally. The Bechtle companies in the Czech Republic, France and Spain have also qualified.

Our efforts with respect to sustainable procurement were confirmed in a supplier audit that focused on human rights. We were able to transparently present our processes to an independent auditor commissioned by Deutsche Bahn both digitally and on-site at the headquarters in Neckarsulm and received the highest score.

Responsible purchasing. In the Bechtle Code of Conduct for Suppliers of Goods and Services, which was revised and expanded in 2022, we integrated important aspects of international environmental and human rights standards. We ask our suppliers to sign this code. The revised code is also in line with the requirements of the German Supply Chain Act (LkSG). In 2022, we also introduced the supplier assessment tool Ecovadis, which helps us to track our suppliers' compliance with social and environmental standards. By the end of the year, the sustainable purchasing team in the Vendor Management department was able to include suppliers who jointly represent about 70 per cent of our purchasing volume in the rating.



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

As of 31 December 2022, 190 suppliers and vendors had signed the first version of the Bechtle Supplier Code of Conduct. A total of 59 partners have presented their own policies, which overlap with our own code in all essential respects. Combined, these represent 94 per cent of our purchasing volume.

10. SIGNATORIES TO THE BECHTLE SUPPLIER CODE OF CONDUCT

	2022	2021	2020	2019
Number of suppliers	90	85	82	67
Number of vendors	100	104	68	54
Number of suppliers with a comparable code of conduct	6	6	6	5
Number of vendors with a comparable code of conduct	53	33	45	18
Signed and submitted codes in relation to purchasing volume (%)	94	93	93.1	90.6

Bechtle's established ARTICONA brand offers a wide range of IT accessories such as keyboards, cables, modular connectors and screen protectors. Based on the first version of the Bechtle Code of Conduct for Suppliers of Goods and Services, ARTICONA submitted a code to its suppliers, which all of the suppliers signed as of 31 December 2022. The revised version of the supplier code has already been signed by 20 per cent of the suppliers. [|](#)

MARKETS

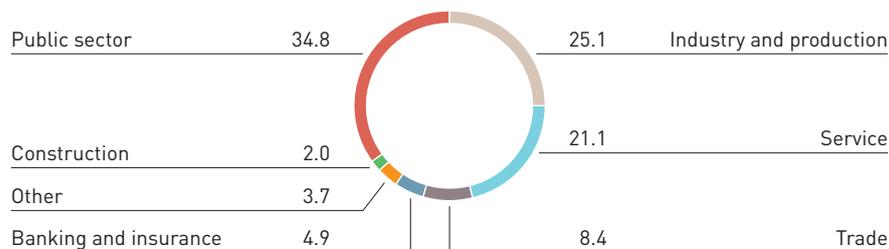


Broad customer base

Broad customer base. We endeavour to identify the best possible individual solution to address the needs of each and every customer. In this connection, we have gained a very high level of expertise in servicing different client groups. Even though upper medium-sized companies account for our core customer group, we are increasingly successful in the key account business. Usually, we define our customers on the basis of the number of seats. Generally, our customer group ranges from 50 to upwards of 10,000 seats.

In general, Bechtle does not focus on specific industries. Therefore, our customers 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 clients, we have introduced a more focused and hence individual approach to these customers. As an internal service unit, the central Public Sector division supports the decentralised system houses and the trading companies in processing public invitations to tender.

11. INDUSTRY SEGMENTATION OF BECHTLE AG BY BUSINESS VOLUME %



Business volume, see Earnings position, page 100

As of 31 December 2022

Geographically Bechtle’s IT E-Commerce segment, i.e. the company’s pure trading business, is represented in 14 European countries. In six of these, the company is also active with the IT System House & Managed Services segment. Moreover, our extended acquisition strategy provides for the expansion of our system house activities and services to other European countries in which we are already active with the other segment. With our own central Bechtle units and with the support of partner companies of the Global IT Alliance (GITA) launched in 2014, we also address customers outside Europe.



See Locations, page 59 ff



See Forecast, page 146 ff

COMPETITIVE POSITION

Germany’s largest system house. The IT market in Germany is highly fragmented. According to the German Federal Statistical Office, almost 91,000 IT companies in Germany offer products and services in the fields of IT hardware, software and IT services. These IT companies vary greatly with regard to their size, service spectrum and specialisation. Almost 80,000 of these IT companies merely operate locally and generate revenue of no more than €1 million. Just under 11,000 companies generate annual revenue of up to €50 million. According to the Federal Statistical Office, the group of medium-sized IT companies generating annual revenue of €50 to €250 million comprises slightly more than 200 companies. Only 48 companies, including Bechtle, are on the list of the largest companies active in Germany.



destatis.de

In Germany, Bechtle enjoys an excellent market position. In the ranking of the largest system houses prepared by the industry medium “ChannelPartner”, our company again was the number one in 2022, measured by domestic revenue.



Sustainable leadership

According to the industry association bitkom, the total volume of the German IT market (IT hardware, software and IT services) in 2022 amounted to €118.9 billion (prior year: €111.6 billion). With its reported annual revenue of about €3.9 billion in Germany in 2022, Bechtle's market share amounts to almost 3.3 per cent. Germany's ten largest system houses, which the industry medium "ChannelPartner" assesses every year, jointly account for a market share of about 18 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 by far the largest market share. Despite the ongoing consolidation pressure, this situation is unlikely to change in the medium term.

RESEARCH AND DEVELOPMENT

Dedicated application solutions for customers. As a pure service and trading company, Bechtle does not engage in any research. However, we conduct software and application development activities both for internal purposes and for individual customer projects. Additionally, we develop software to cover special industry needs and offer it in modular form. In the field of application solutions, our work includes the design, development and implementation of software to customer order, e.g. for SharePoint or ERP projects.

MODUS Consult GmbH engages in somewhat more significant development activities. Among other things, the company develops ERP solutions on the basis of Microsoft Dynamics 365 for various industries in the fields of manufacturing and trade. In customer projects, solutions are also implemented in the fields of customer relationship management (CRM), enterprise content management (ECM) and business intelligence (BI).

In the ERP/CRM environment, MODUS Consult GmbH offers solutions based on Microsoft Dynamics 365 for the following industries:

- MODUS Foodvision for the food and beverages industry
- MODUS Engineering for machine and plant engineering
- MODUS Industry for the clocked serial production of plastics and metal processing
- MODUS Furniture for furniture manufacturing and trade
- Dynamics 365 Finance & Operations for Professional Services

Seamless connection between cloud systems and locally installed systems. Besides individual development work in customer projects, we also carried out development work to update the solutions in all the above-mentioned industries. To ensure our future ability to supply, these solutions have been converted for the next generation of Microsoft's cloud ERP suites. Thanks to the expansion of our SharePoint portfolio as a central web interface and the integration of the processes with the Microsoft Power Platform, we are able to make the entire offering of the Microsoft Platform including Office 365 and Microsoft Teams available to medium-sized companies. In this area, we also promote new subjects such as the Internet of Things, artificial intelligence and augmented reality. MODUS Consult seamlessly connects cloud systems to locally installed systems.

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, most prominently a universal SharePoint-based document connector.

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

Apart from this, no major development work took place during the reporting period.



An analogue setting forms the backdrop for digital knowledge management with enterprise content management (ECM) and business intelligence (BI) from Bechtle.

Semra Arici, Customer Support,
Bechtle direct Netherlands

Dawit Berhane, Accountmanager,
Bechtle direct Netherlands

from left to right

CORPORATE CULTURE, STRATEGY AND GOVERNANCE

For a service and trading company such as Bechtle, success is inseparably linked to the workforce, their performance and their motivation. Our value-oriented corporate culture, which is also reflected in the long-term focus of our strategic goals, defines the framework for this. The applied values at Bechtle provide all employees with a high degree of freedom, along with great entrepreneurial responsibility. At the same time, the values convey a high degree of reliability, which is vital not only for the employees but also for customers, partners and the capital market. Our responsive business management supplements this with agility and flexibility – qualities that characterise a successful IT company.

VISION AND STRATEGY



Our fundamental values provide orientation

The corporate culture is a key pillar of the strategy. The basic values of Bechtle AG have remained unchanged for years. They are mentioned in the corporate philosophy, which is part of every employment contract. Especially the following play a major role:

- Integrity
- Inspiration
- Determination
- Reliability

These basic values constitute a central element of our corporate culture. Together with our internal management principles, our Code of Conduct, the Vision 2030 and the Bechtle Sustainability and Climate Protection Strategy 2030, these values support our long-term strategic objectives. They provide orientation to all employees as well as all other stakeholders with a view to efficient, sustainable corporate governance and controlling. Moreover, entrepreneurial thinking and actions are elementary components of our culture. Bechtle employees are quickly entrusted with entrepreneurial responsibility. This is both a promise and an obligation.



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

Long-term horizon for sustainable success. Based on its firmly established corporate culture, Bechtle has been formulating its long-term goals at intervals of about ten years ever since it was founded. The Vision 2030 was published in 2018 under the heading “Bechtle: IT for tomorrow”. It determines goals in the following areas:

- **customer orientation**, measured on the basis of the customer’s success;
- our competence, 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.

Apart from qualitative statements, the Vision 2030 also specifies quantitative growth targets. According to the vision, the group intends to generate revenue of €10 billion with an EBT margin of at least 5 per cent by 2030.

Sustainability and Climate Protection Strategy 2030. The Bechtle Sustainability Strategy 2030, which was published in 2021, supplements the Vision 2030. In it, the objectives of the Vision 2030 are addressed in a meaningful way in the context of sustainability. The sustainability strategy combines economic, ecological and social aspects and serves as a compass for entrepreneurial decisions. It contains strategic goals that are associated with specific measures, thereby ensuring orientation and transparency. 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. Thus, we are able to measure our progress transparently and take any necessary corrective action.



bechtle.com/de-en/sustainability



See Sustainability programme, Group development, page 151 ff

12. ACTION FIELDS 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



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 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



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 the reporting period, Bechtle published ahead of time the Climate Protection Strategy 2030, which supplements the sustainability strategy and provides details where necessary. It represents another element within the scope of our sustainability activities as we move towards the targets of the Paris Agreement. The main goal of the climate protection strategy is to make the group climate-neutral by 2030, mainly by reducing carbon emissions. The planned reductions are accompanied by measures to avoid and offset emissions by means of certified climate protection projects.



For an overview of the scope 1–3 emissions, see Environment, page 79 f

The carbon reduction targets relate to the areas that we can influence and are distributed over the various emission categories along the value chain according to the Greenhouse Gas Protocol, also referred to as “scopes”. According to these targets, both scope 1 (company facilities and fleet) and scope 2 (energy purchased for own use) emissions are to be reduced by 60 per cent by 2030. The reduction of scope 3 emissions in the upstream and downstream value chain is to amount to 30 per cent (reference year 2019).



See People at Bechtle, page 65 ff

Staff development strengthens competitiveness. The shortage of specialists and executives throughout the IT industry and the demographic development underline the great importance of HR work. 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 objective is to provide innovative, solution-oriented and efficient concepts for the customer’s IT by means of duly qualified personnel. In this way, we endeavour to secure a competitive positioning in an environment marked by rapid change.

Acquisitions remain part of the growth strategy. We plan to reach the goals of the Vision 2030 both through organic growth and by means of acquisitions. As far as organic growth is concerned, we can build on almost 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 its foundation, Bechtle has successfully carried out more than 100 acquisitions. So far, growth through acquisitions has taken place mainly through the acquisition of smaller to medium-sized businesses in the IT System House & Managed Services segment. However, in our search for suitable acquisition candidates, we often also look at larger businesses. In the reporting period, Bechtle for the first time also purchased companies in the IT System House & Managed Services segment outside the region comprising Germany, Austria and Switzerland. This is in line with the goal of our M&A strategy, which was updated in 2021 to expand the system house activities of the Bechtle Group to other European countries beyond the traditional markets in Germany, Austria and Switzerland. In all acquisitions, we expect the company taken over to strengthen the market position of the Bechtle Group in terms of regional coverage, customers and/or services. Therefore, we aim to supplement our IT-specific expertise and intensively focus on strategically important markets and customer groups in order to gain market shares.

Digital future for our customers. Bechtle has been active in the IT market for almost 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: Today, the IT market is 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 directed its strategy at actively contributing to this change and boosting the revenue share of these consumption-based IT solutions. Of course, we will not lose sight of our traditional business and our most valuable asset – our proximity to customers.



Customer orientation and proximity are among Bechtle's strengths at the international level. The company's networked decentralisation ensures excellent collaboration, even across national borders.

Pecko Leenen, Manager
Business Solution,
Bechtle direct Netherlands

Ella Reijnen, Accountmanager,
Bechtle direct Netherlands

from left to right

SYSTEMS AND INSTRUMENTS

Corporate management on the basis of mission-critical key figures. 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 effectively 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 to 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 schemes are in place to enhance the employees' commitment to agreed targets.

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, these data are then aggregated and used for the coordination of investment and financing decisions, early identification of target/actual variances and initiation of suitable measures. In recent years, the cash flow cockpit has grown in importance. It regularly provides all individual companies with a detailed view of their cash flows.



See below and
Sustainability programme,
Group development,
page 151 ff

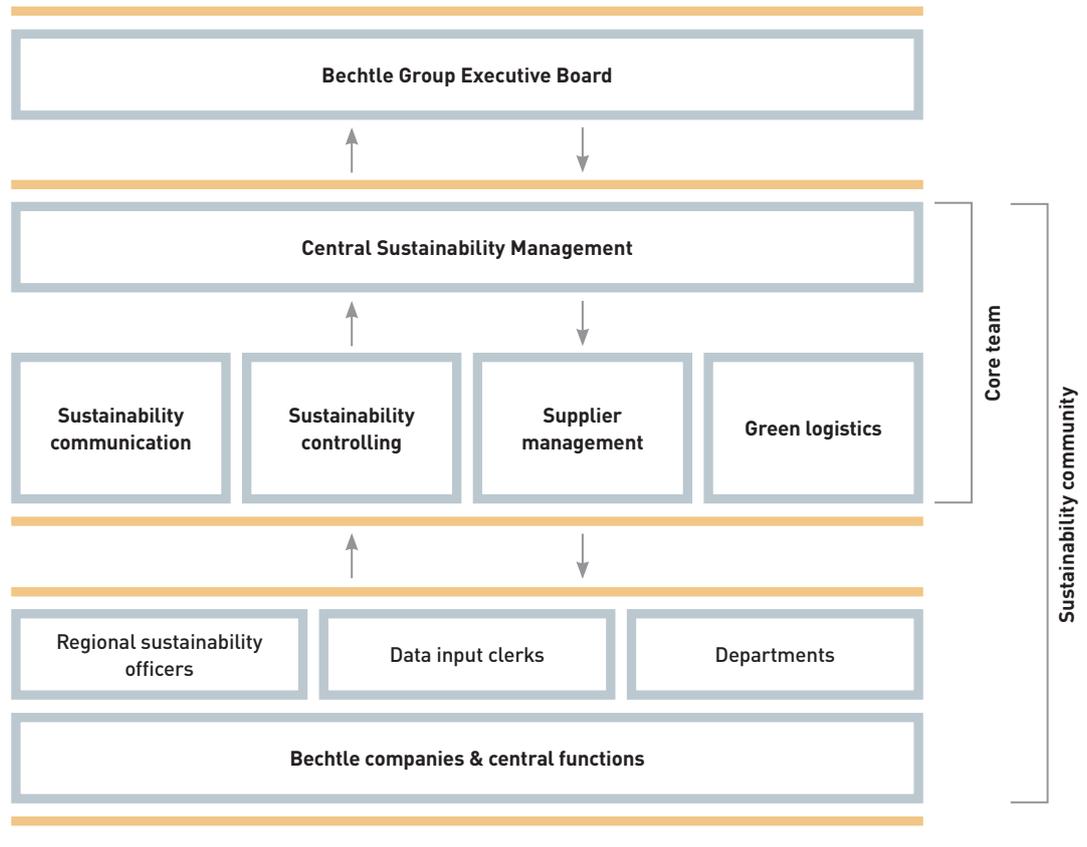
Bechtle has laid down important non-financial goals in its Sustainability Strategy 2030 and in the climate protection strategy published in the reporting period. In accordance with the decentralised structure of the Bechtle Group, the subject of sustainability is largely pursued in an agile manner in the group via the individual departments and companies and thus forms an integral part of business operations.

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. Thus, sustainability in all its facets is a subject area that is increasingly attracting public attention. This is accompanied by further regulatory requirements on the part of legislators, both nationally and European. This 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 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. The unit reports directly to the Chairman of the Executive Board and serves as the central point of contact in the Bechtle Group. In this way, we increase the transparency and controllability of our sustainability activities. At the operational level, a decentralised, agile "Core Team Sustainability" works on specific subjects in close coordination with Sustainability Management. The core team includes the sustainability controlling, the vendor management, the central logistics and the sustainability communication. Other central units such as Human Resources, Quality Management or the Legal department also provide advice in their fields of specialisation. The 2022 fiscal year also saw the establishment of a sustainability community of more than 150 people who are networked in all of over 100 Bechtle companies in Germany and abroad. At least once a year, the entire Executive Board comes together in order to make decisions concerning the further orientation, measures and investments. To evaluate our sustainability performance, we concentrate on Ecovadis, which is also supervised by Sustainability Management. For the 2022 reporting period, we were able to increase our rating for the sixth time in a row in January 2023, achieving a silver medal with a score of 67/100.

13. SUSTAINABILITY MANAGEMENT IN THE BECHTLE GROUP



MATERIALITY AND STAKEHOLDER DIALOGUE



See Bechtle
Sustainability Report 2019,
page 21 ff.

Important non-financial topics. For the analysis of the key topics, we asked the stakeholders for their opinions and considered the reportable aspects pursuant to Section 315 (2) of the German Commercial Code (HGB) with respect to environmental, social and labour-related concerns, the protection of human rights and the prevention of corruption and bribery. A new materiality analysis that takes the requirements of the upcoming European Corporate Sustainability Reporting Directive (CSRD) into consideration is to be conducted in 2023.

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

14. BECHTLE MATERIALITY MATRIX



We present key topics and explain how we handle them in the individual chapters. An overview can be found in the Non-financial Report index.



See material risks, risk management, page 123

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

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

Each stakeholder group has its own interests and expectations from the company and pursues different goals, sometimes of a conflicting nature. Therefore, we balance stakeholder perspectives with our own interests and goals in order to find the best possible path for all parties.

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

15. MATERIAL TOPICS OF BECHTLE STAKEHOLDERS

Stakeholder group	Expectations of Bechtle/material topics
Owners/shareholders ¹	<ul style="list-style-type: none"> ■ Profitable growth ■ Customer satisfaction ■ Expertise in new technologies
Customers (enterprise and public sectors) ¹	<ul style="list-style-type: none"> ■ Information security and data protection/confidentiality ■ Customer satisfaction/sustainable customer relationships ■ Training and education
Employees ¹	<ul style="list-style-type: none"> ■ Climate and environmental protection² ■ Occupational health and safety² ■ Diversity and equal opportunity² ■ Corporate culture and values²
Suppliers/partners ¹	<ul style="list-style-type: none"> ■ Information security and data protection/confidentiality ■ Fair competition ■ Profitable growth
General public ³	<ul style="list-style-type: none"> ■ Social responsibility/commitments in the region ■ Transparent reporting ■ Climate and environmental protection

¹ The prioritisation of sustainability aspects is based on the results of a 2015 stakeholder survey and the scoring model applied in this survey. Scoring model cf. Kühnapfel, J. B. (2014): Nutzwertanalysen, and Nölke, M. (2015): Entscheidungen.

² All aspects listed here were rated "very important".

³ Topic prioritisation based on a qualitative analysis using the German Sustainability Code (deutscher-nachhaltigkeitskodex.de) and results of the department head survey on material non-financial topics.



See dialogue with shareholders and financial market, chapter Share, page 31f

This Annual Report (along with the sustainability reports, from 2015 to 2021) plays a vital role in the communication with our stakeholders. In it, we describe our economic, social and ecological performance and input on the basis of qualitative and quantitative performance indicators. By way of the reporting, we also provide insight into the processes and structures of the Bechtle Group.



bechtle.com/de-en/newsroom

We also use other publications to keep our stakeholders up to date. This includes the customer magazine Bechtle "update", the Bechtle website, social media and press releases. Moreover, the employees receive information via the Bechtle intranet and by e-mail. The dialogue between the employees and the management takes place by way of internal events, feedback formats and regular meetings with managers.



See also chapter Procurement, page 43

The dialogue with our customers, vendors and partners takes place through personal contact and customer fairs such as the Bechtle CDays. Additionally, we conduct workshops for school students and university events that focus on sustainability. In the reporting period, we engaged in dialogue with companies at events of the Helpdesk on Business & Human Rights and the company network UPJ.

THE BECHTLE GROUP

With more than 85 system house locations in six European countries and trading companies in 14 countries in Western and Central Europe, Bechtle is one of Europe's largest IT companies. Our success is based on the principle of networked decentralisation. The in total more than 100 individual companies of the Bechtle Group operate entrepreneurial independently and maintain the vital direct contact with our more than 70,000 customers, which range from typical medium-sized companies to large international corporations. The holding, in turn, performs central services for all group companies in a cost-efficient manner. In this way, the local companies are able to concentrate on their core business and their customers.

LEGAL STRUCTURE

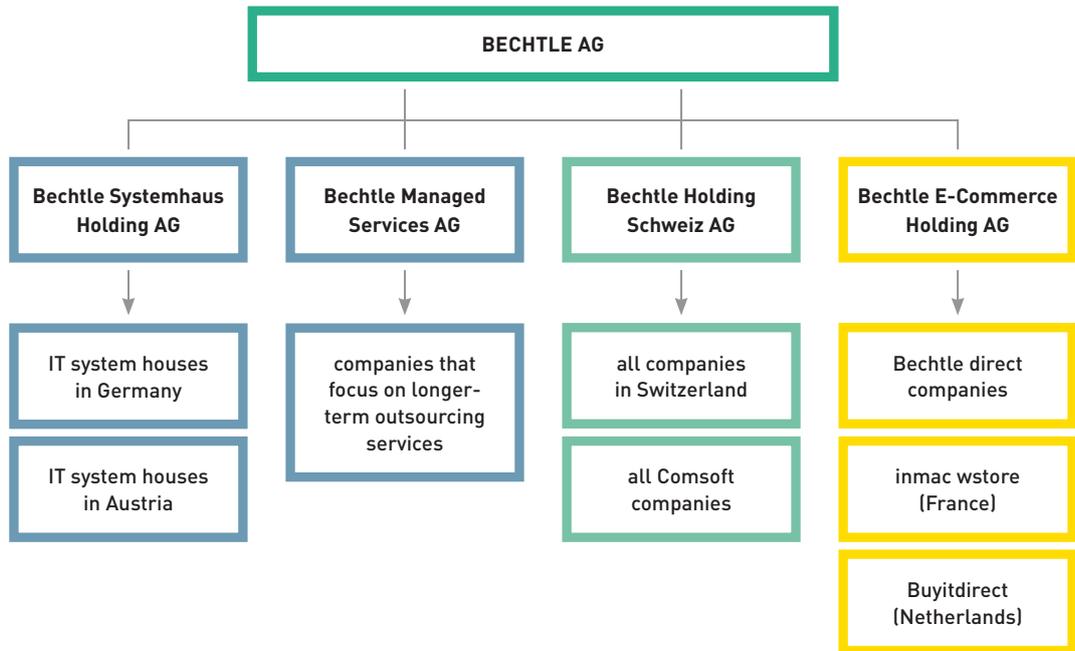
Customer orientation even in the legal structure. The networked decentralisation model provides the more than 100 regional subsidiaries with plenty of leeway to arrange their operations, thereby enabling them to focus on their core business. At the same time, they benefit from the central functions as 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 administrative tasks, such as group controlling, finance and taxes, human resources, staff development, mergers and acquisitions, sustainability management, risk management, investor relations and corporate communications, central IT, marketing, legal and compliance, event management and digital business. The holding also includes Bechtle Logistik & Service GmbH, which bundles the group's competencies in the fields of business services, warehouse/logistics, purchasing, product management solutions, product management infrastructure and price and custom brand management.



Autonomous operations
of subsidiaries

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.

16. HOLDING STRUCTURE OF BECHTLE AG



For an overview of the subsidiaries see Notes, page 248 ff

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



Resource savings

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
- To outline clearly aligned lean leadership responsibilities and competencies, which are vital in view of the size of the Bechtle Group

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



See Report of the Supervisory Board, page 18 ff

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.

MANAGEMENT

The basis for corporate success: networked decentralisation. 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 Executive Vice Presidents with duties throughout the group: one for the public-sector division, one for the central finance department and, since 2022, one for the regions France, Benelux and the UK.
- Two Executive Vice Presidents in the IT E-Commerce segment: one for Germany, Austria and Switzerland and, starting from the reporting period, one for Ireland, Southern Europe and Eastern Europe.
- Eight Executive Vice Presidents in the IT System House & Managed Services segment: for Germany's northern/eastern, western, central and southern regions, the managed services division, application solutions, PLM and the system house activities in Switzerland. On 1 January 2023, an additional Executive Vice President was appointed for Germany's south-western region and Austria.

On 1 January 2023, Bechtle appointed a Chief Technology Officer (CTO) and filled the position within its own ranks. He will take on responsibility for all Bechtle Group platform activities.

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 IT System House Neckarsulm, Logistik & Service GmbH and the German intermediate holding companies are also headquartered here. With about 2,350 employees, Neckarsulm is our group's largest location. In total, Bechtle AG 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. Nevertheless, Bechtle generates about 38 per cent of its business volume internationally. In terms of business volume, the most important international markets are France, Switzerland, the Netherlands and Austria.



[bechtle.com/
executive-vice-presidents](https://bechtle.com/executive-vice-presidents)

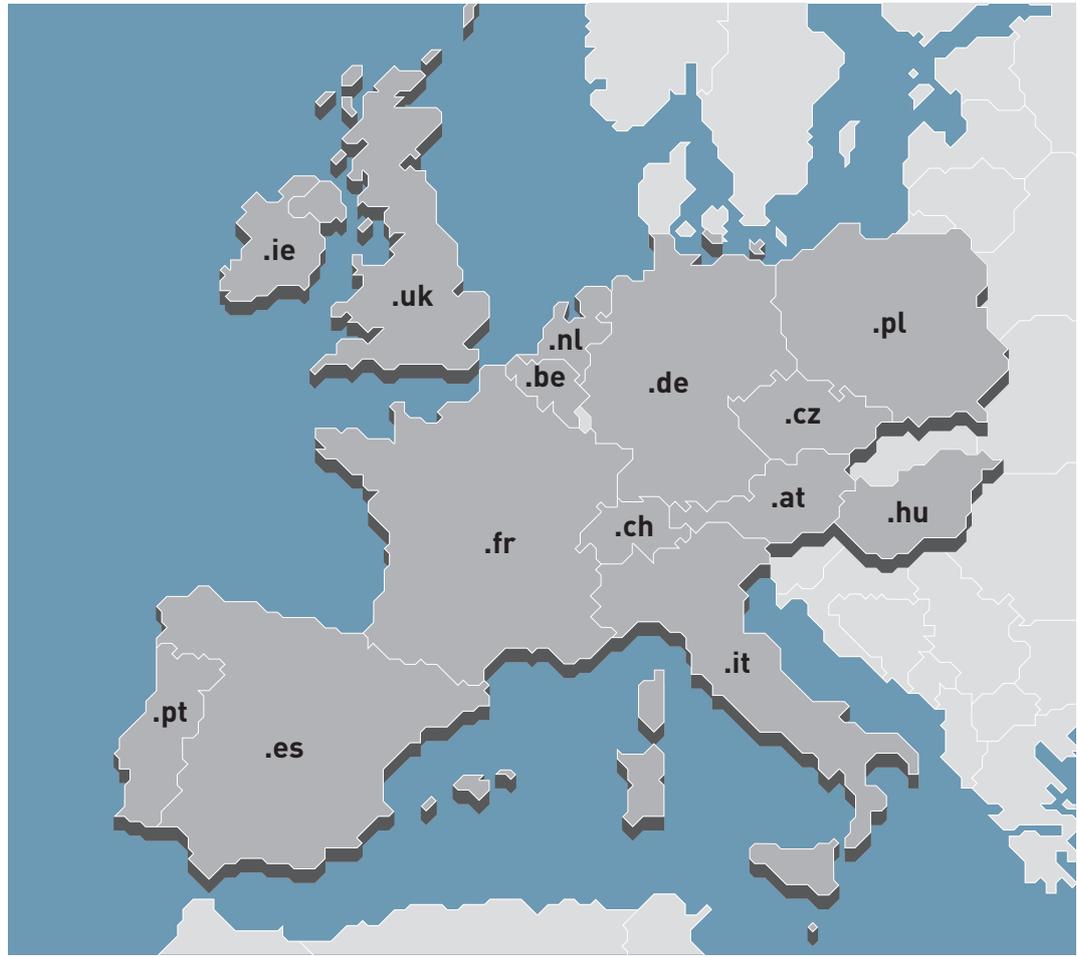


Entrepreneurial responsibility



For an overview of the subsidiaries, see Notes, page 248 ff

17. E-COMMERCE LOCATIONS OF BECHTLE AG



See
Business activity,
page 39
and Forecast,
page 150

Under the Bechtle direct brand, we have IT E-Commerce locations in a total of 14 European countries. As of 1 January 2022, Bechtle consolidated the activities of the ARP subsidiaries in Germany, Austria, Switzerland and France under the umbrella of the respective national Bechtle direct companies. However, due to the intensified development towards the service business, the ARP brand and activities continue in the Netherlands. Here, Bechtle is also represented with the Buyitdirect brand. The inmac wstore and Bechtle Comsoft brands are active in France only.

IT System House segment steps beyond Germany, Austria and Switzerland for the first time.

In the consulting-intensive service business of the IT System House & Managed Services segment, local customer contacts are vital. For this reason, we have an extensive network of more than 85 IT system houses throughout Germany, Austria and Switzerland and, since the reporting period, Belgium, the Netherlands and the United Kingdom. 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 the IT System House segment beyond Germany, Austria and Switzerland was implemented through several acquisitions in the reporting period. The objective of the internationalisation strategy is to further expand system house activities outside Germany, Austria and Switzerland in order to strengthen the market and competitive position of Bechtle in the national markets already covered by the IT E-Commerce segment.



www.bechtle.com/locations



See Forecast, page 150

18. SYSTEM HOUSE LOCATIONS OF BECHTLE AG



In June 2022, Bechtle took over the IT system house PQR B.V., headquartered in Utrecht, Netherlands. The company has been operating on the market for 32 years and as of the acquisition date had 170 employees. The company's main areas of competence are its strong focus on public-sector clients and its expertise in the field of hybrid cloud environments. As of 26 July 2022, the Bechtle Group further expanded its presence in the Netherlands by acquiring AXEZ ICT Solutions B.V. The IT service provider is headquartered in Rijswijk near The Hague and serves as a certified Platinum Partner of Hewlett Packard Enterprise and Aruba. With its team of specialists, the company occupies an excellent market position, especially in the growth segment in connection with HPE GreenLake. AXEZ has meanwhile been fully integrated into PQR. In November 2022, Bechtle acquired ACS Systems UK Ltd., based in Northampton, an IT system house well established in the UK market. ACS can look back on 27 years of experience in the IT services business and at the time of the takeover had 93 employees. Apart from typical system house activities, ACS focuses on cybersecurity, modern work concepts, and managed IT and cloud services with its own cloud hosting capacities.

In the Netherlands, where Bechtle has been present since 1998, the offerings and services have been expanded through the acquisition of two system houses in 2022.

Willie Evers, People & Culture,
HR Advisor,
Bechtle direct Netherlands

Saskia Eijsermans, People & Culture,
HR Development Advisor,
Bechtle direct Netherlands

from left to right



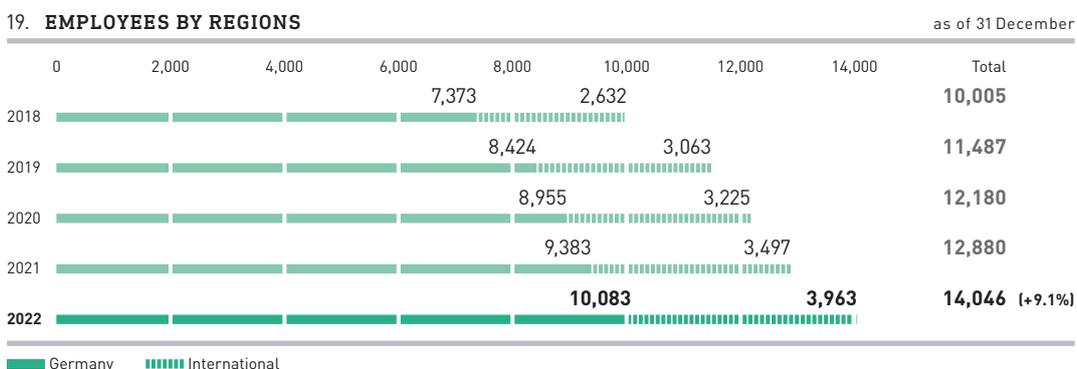
PEOPLE AT BECHTLE

As an employer, Bechtle is characterised by a respectful and appreciative work environment, extensive training opportunities and a lot of leeway for individual talent and ideas. Our company’s success is the result of the skills and commitment of all our employees. In this connection, diversity plays an important role. Bechtle benefits from the great diversity of various cultures and nationalities, different genders and wide age structure of its workforce. The company is committed to equality of opportunity and strictly rejects discrimination.

DEVELOPMENT OF THE EMPLOYEE NUMBERS

International headcount up 13.3 per cent. As of 31 December 2022, the Bechtle Group had a total of 14,046 employees, 1,166 persons or 9.1 per cent more than in the prior year (12,880 employees). The increase only partly resulted from new recruitments; while 322 people joined Bechtle in the course of the reporting period as a result of acquisitions. Expressed in full-time equivalents (FTE), an average of 12,898 employees worked for Bechtle (prior year: 12,088), an increase of 810 people or 6.7 per cent. As an IT enterprise active throughout Europe, Bechtle’s workforce is marked by a great diversity of cultures and nationalities. In 2022, our company had employees from 101 different nations (prior year: 100).

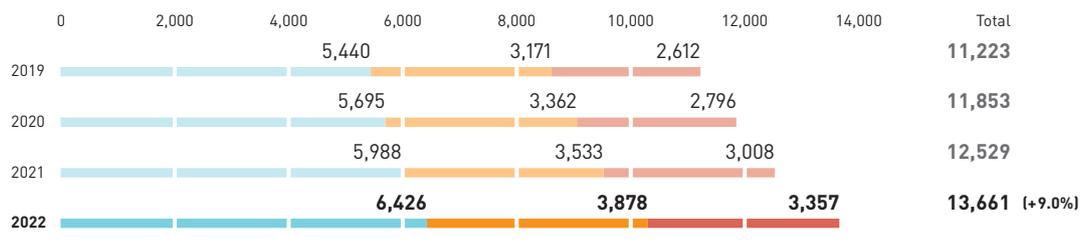
Year-on-year, our headcount in Germany went up by 700, an increase of 7.5 per cent. Internationally, the headcount increased by 466 or 13.3 per cent. Besides other factors, this was due to the acquisitions that took place in the year ended. As of the end of 2022, Bechtle employees who worked internationally accounted for 28.2 per cent, i.e. more than one quarter, of the workforce.



In terms of the individual functional areas, we recorded the highest growth in the field of administration. In this area, the number of employees went up by 349 or 11.6 per cent. As of the end of the year, sales had 345 more employees, and services 438, an increase of 9.8 per cent and 7.3 per cent, respectively.

20. EMPLOYEES BY AREAS

as of 31 December



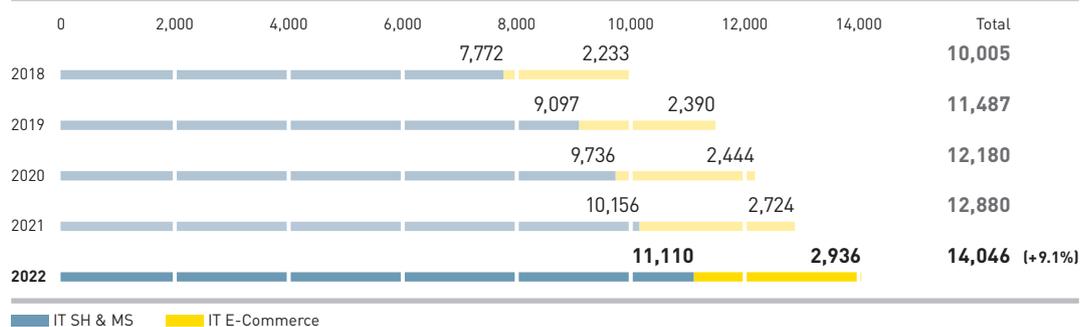
Services Sales Administration

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 & Services segment had more than 11,110 employees. In total, 954 persons joined this segment in the course of the year, 9.4 per cent more than in the prior year. At 16.2 per cent, the growth was much higher internationally, due especially to the acquisitions in the Netherlands and the United Kingdom. The IT E-Commerce segment welcomed 212 new colleagues, an increase of 7.8 per cent. Here too, the number of employees went up especially in the international companies, namely by 10.9 per cent.

21. EMPLOYEES BY SEGMENTS

as of 31 December



IT SH & MS IT E-Commerce

PERSONNEL EXPENSES AND SALARY MODEL

Personnel expenses increase disproportionate to revenue. In 2022, expenses for wages and salaries including social security contributions increased by 11.8 per cent, disproportionate to the revenue growth. The personnel expense ratio decreased from 16.6 per cent to 16.3 per cent. The personnel intensity dropped slightly to 60.0 per cent (prior year: 60.4 per cent) in relation to the gross profit.

22. PERSONNEL EXPENSES

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

* Without absentees

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. As a matter of principle, the performance-related compensation of managing directors is calculated on the basis of the achievement of the the earnings and business volume targets defined at the beginning of the year.

EDUCATION AND 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 centrally designs and organises development programmes for experts and executives for the German and international companies, 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.

Training secures future staffing. 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 ensure the supply of qualified junior staff. We view training as an investment in the future for the purpose of actively forestalling a shortage of qualified staff. Over the years, we have become a popular training company for various administrative and technical professions. We also offer integrated degree programmes in various economic and technical subjects. All in all, we have training offerings in 22 professions and degree programmes.

23. DISTRIBUTION OF TRAINING PROFESSIONS AND DEGREE PROGRAMMES

as of 31 December

	2022	2021	2020	2019
Administrative apprentices	288	226	235	248
Technical apprentices	401	371	363	370
Administrative students	67	53	54	50
Technical students	37	41	35	35
Total	793	691	687	703



793 trainees

In 2022, a total of 244 young people embarked on their training or integrated degree programme with our company. As of the end of the reporting period, the company had a total of 793 young trainees, including 125 internationally. Year-on-year, the number of apprentices and students on integrated degree programmes thus went up by 14.7 per cent. At the group headquarters in Neckarsulm, the training ratio was 7.0 per cent (prior year: 7.8 per cent). In Germany, it amounted to 6.6 per cent, slightly more than in the prior year (6.5 per cent). Our goal is to raise the training ratio in Germany to 10 per cent by 2030.

24. TRAINING RATIO IN GERMANY

as of 31 December

	Target	2022	2021	2020	2019	
Training ratio in Germany	%	10	6.6	6.5	6.7	7.3

Upon successful completion of the training, we are able to offer almost all apprentices and students on integrated degree programmes permanent employment contracts.

Qualified employees contribute to the success of the company. 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.

25. BECHTLE ACADEMY OFFERING: ONLINE AND CLASSROOM

	2022	2021	2020	2019
Number of participants	9,428	7,668	4,991	7,425
Number of persons who completed courses	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. In the reporting period, we launched our first basic seminar on sustainability topics. By 31 December 2022, this course had been taken by 4,329 employees.

Moreover, the learning platforms help 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.

26. BECHTLE LEARNING CAMPUS OFFERING

	2022	2021	2020	2019
Number of e-learning courses*	264	207	246	138
Number of persons who completed courses	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.

Instrument of the leadership initiative. In 2020, we provided the executives with a binding set of guidelines in the form of the new Bechtle Leadership Principles. The publication of these principles coincided with the launch of a group-wide leadership initiative, which continued in 2022. The initiative included the launch of an internal leadership platform as well as extensive leadership training seminars.

The Bechtle management feedback also continued successfully. This arrangement affords participating executives the opportunity to find out what the team and the respective supervisor thinks of their management behaviour and compare this with how they perceive themselves. In 2022, another 220 executives from more than 50 companies made use of this opportunity. The objective of all measures is to further improve leadership skills in order to boost employee satisfaction and facilitate 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 who may or may not have initial management experience and prepares them for taking on more advanced executive roles. In 2022, this programme was, for the first time, also offered with the orientation “Expert”. Here, the focus is on conveying expert knowledge.

Moreover, the Bechtle General Management Programme (GMP) focuses on corporate governance and prepares executives to take on management duties.

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

27. PARTICIPANTS IN BECHTLE DEVELOPMENT PROGRAMMES

	2022	2021	2020
Bechtle Junior Management Programme (JuMP) Leader	120	85	109
Bechtle Junior Management Programme (JuMP) Expert	21	–	–
Bechtle General Management Programme (GMP)	11	11	19
Bechtle IT Business Architects Programme (IT BA)	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 embark on their career, we offer them various attractive entry and qualification measures. 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 2022, 69 people attended the trainee programme.

Career jumpers programme “Future in IT”. In September 2022, Bechtle launched a programme for career jumpers to counteract the shortage of qualified staff in cooperation with the Provdadis School in Frankfurt/Main. 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 Provdadis 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. More than 4,000 people applied for the pilot round. Subsequently, Bechtle launched the approximately five-month pilot programme with a deliberately size-limited group of 19 participants. The second round of the Bechtle career jumpers programme “Future in IT” started in February 2023, and another one is planned for July.

EMPLOYER ATTRACTIVENESS

As a forward-looking employer, we offer entrepreneurial leeway 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.

Work culture – Work@Bechtle. 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 brand 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 means we can easily 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.

28. PARENTAL LEAVE IN GERMANY

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

29. DURATION OF PARENTAL LEAVE IN GERMANY*

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

* Average number in months

Flexible working hours contribute to a good work-life balance. Bechtle gives its employees the opportunity to work part-time. This offer is often made use of.

30. NUMBER OF EMPLOYEES OF THE BECHTLE GROUP FULL TIME/PART TIME*

as of 31 December

	2022	2021	2020	2019
Full-time	12,404	11,166	10,655	10,059
Male	9,372	8,509		
Female	3,032	2,657		
National	8,920			
International	3,484			
Part-time	1,642	1,714	1,525	1,428
Male	678	741		
Female	964	973		
National	1,163			
International	479			

* In the reporting year, complete figures were available for the first time.

Fringe benefits. Bechtle employees in Germany have the option of taking out occupational disability insurance through the company. Moreover, they can take out direct insurance within the scope of their retirement planning.

In 2022, following an intermission of two years due to the coronavirus pandemic, Bechtle again offered an all-day summer holiday programme at its headquarters for employees' children aged five to twelve. In collaboration with the House of the Family in Heilbronn, children were offered fun and entertainment for a period of one to three weeks. This made things easier for the employees during the summer holidays, when day care is often not available.

All Bechtle employees can rent a company bike for travelling to and from their place of work and for private use at special conditions. As of 31 December 2022, our portfolio comprised 1,009 company bikes (prior year: 969).

Bechtle is an attractive employer. Recruiting 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 events focused on recruiting junior staff. For example, Bechtle introduced itself as an employer at strategically selected universities within the scope of a campus tour throughout Germany. Further events were held for high-school students and especially for young women.

The shortage of qualified staff and demographic change will make the quest for personnel increasingly difficult. Additionally, the increasing willingness of our own employees to change their job poses a risk. By means of systematic measures, we are endeavouring to counteract this development.

In the reporting period, the turnover rate, calculated on the basis of a moving average of the last twelve months, amounted to 10.9 per cent (prior year: 9.1 per cent). After the years of the pandemic, during which the turnover rate had gone down, we now see certain backlog effects and a higher willingness of the employees to change their job. Our goal is to keep the turnover rate below 10 per cent. The average period of employment remained steady at 5.8 years.

31. TURNOVER RATE* OF THE BECHTLE GROUP

as of 31 December

		2022	2021	2020	2019
Total turnover rate	%	10.9	9.1	7.2	9.4
Turnover rate women	%	10.1	7.5		
Turnover rate men	%	11.2	9.8		

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

32. AVERAGE PERIOD OF EMPLOYMENT AT BECHTLE

as of 31 December

		2022	2021	2020	2019
Average period of employment		5.8	5.8	5.8	5.5

In September 2022, the second round of the satisfaction survey started among all employees of the Bechtle Group. The survey will be completed and evaluated in the course of 2023.

DIVERSITY AND EQUAL OPPORTUNITY

Diversity is an important goal. Diversity is a key factor for successful teams, for customer and market excellence, and ultimately for the sustainability of the business. Bechtle strictly rejects discrimination due to gender, gender identity, sexual orientation, age, religious beliefs, world views, ethnic origin and nationality, illness and disability. This important principle is codified in the Bechtle Code of Conduct. We have documented this self-perception externally by signing the Diversity Charta (Charta der Vielfalt) and the UN Global Compact.



[charta-der-vielfalt.de](https://www.charta-der-vielfalt.de)



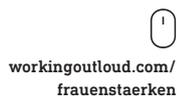
[unglobalcompact.org](https://www.unglobalcompact.org)

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 the reporting period, numerous strategic decisions were made and new initiatives were launched in order to get closer to our goal of more diversity and equality of opportunity. In recognition of its efforts, Bechtle received the "DE&I Mover 2022" award from ACI Diversity Consulting.

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 insights gained: In 2022, a Women@Bechtle community and a Pride@Bechtle community were established across various locations in order to enable employees to network, share experiences and develop measures on their own initiative. As of 31 December 2022, some 120 employees including 114 women were already active in the context of Women@Bechtle. In various action fields, employees and especially executives were increasingly sensitised to the subject area along the centrally defined “Gender Diversity 2022” roadmap. The reporting period saw measures such as an e-learning course entitled “Diversity & Inclusion”, which has been available to all employees since January 2023.

Scientific basis and international dialogue. Bechtle has participated in the “Target Gender Equality” accelerator programme of the UN Global Compact. The programme conducts moderated performance analyses with the participating companies, grants access to current research results and promotes the exchange at the international level. This is a valuable basis for accelerating the roll-out of suitable measures at Bechtle.

Let’s Connect. In cooperation with our vendor partners Dell Technologies and Google, we launched the workshop series “Let’s Connect”. In view of the great demand that the women-only pilot workshops in autumn 2021 had attracted, we expanded the offering in 2022, making it available to all employees under the umbrella of the Bechtle Academy. People of all genders can now expand their knowledge and skills in the subject areas personal brand, 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.

Female empowerment programme “Release Your Potential”. A programme introduced in 2022 under the name “Release Your Potential” prepares women for an executive or expert career. Coaching, mentoring and a strategic project support the participants in the development and roll-out.

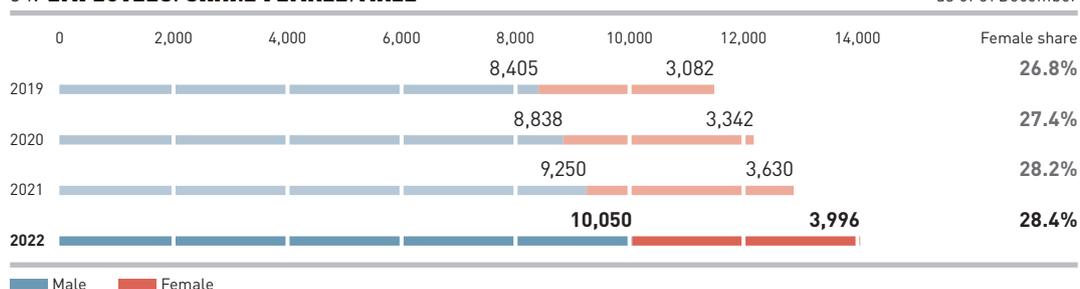
33. NEW STAFF DEVELOPMENT PROGRAMMES

Programme	Number of participants	Thereof men	Thereof women	Number of rounds
#IamRemarkable	222	71	151	19
Working Out Loud (classic)	46	20	26	1
Working Out Loud #FrauenStärken	56	4	52	1
Release Your Potential	12	0	12	1
Let's Connect	62	38	24	10
Total	398	133	265	32

As of 31 December 2022, the Bechtle Group had 3,996 female employees (prior year: 3,630), a share of about 28.4 per cent of the total workforce (prior year: 28.2 per cent).

34. EMPLOYEES: SHARE FEMALE/MALE

as of 31 December



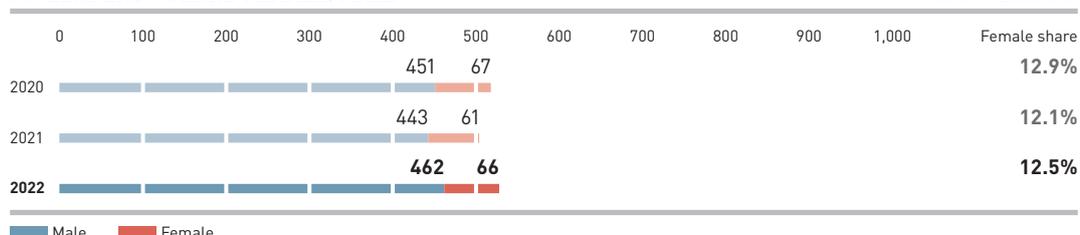
35. PROPORTION OF WOMEN BY AREAS

as of 31 December

		2022	2021	2020	2019
IT E-Commerce segment	%	38.0	40.2	39.8	39.7
IT System House & Managed Services segment	%	22.2	21.8	21.1	20.3
Central divisions	%	49.6	49.2	49.4	48.7
Trainees	%	26.7	23.2	23.6	24.0

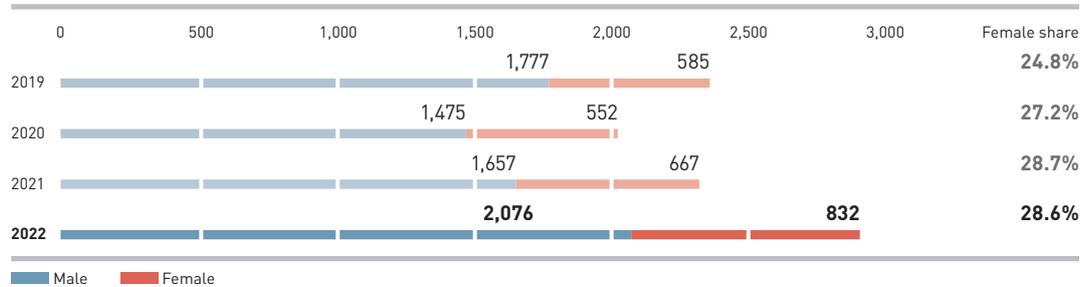
36. LEADERS*: SHARE FEMALE/MALE

as of 31 December



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

37. NEW HIRES: SHARE FEMALE/MALE



Increasing the proportion of women in executive positions. In the reporting period, the proportion of women on the Supervisory Board amounted to 33.3 per cent. Currently, all Executive Board members and Executive Vice Presidents are men. Thus, women are currently under-represented at the higher executive levels. In the long term, Bechtle intends to increase the proportion of women especially in executive functions.

Back in December 2020, the Supervisory Board had already determined a target for the proportion of women on the Executive Board. By 30 June 2025, the group's Executive Board is to include one woman.

The group's Executive Board has also, ahead of time, redetermined the targets for the proportion of women in supervisory and executive functions. For the first executive level under the Executive Board, which comprises the Executive Vice Presidents throughout the group, the new target is 22 per cent, or two jobs, by 31 January 2025.

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.

38. PROPORTION OF WOMEN IN SUPERVISORY AND EXECUTIVE FUNCTIONS

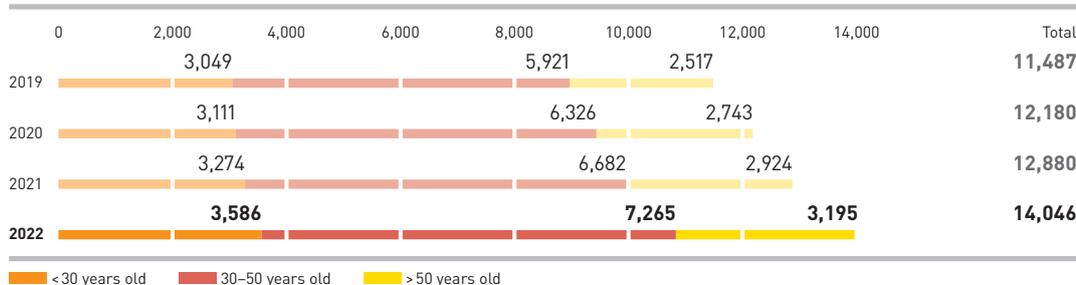
as of 31 December

	Target	2022	2021	2020
Supervisory Board	30% according to law	33.3%	33.3%	33.3%
Executive Board	At least one person	0%	0%	0%
First executive level under the Executive Board	22%	0%	0%	0%
Second executive level under the Executive Board	25%	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. As the prior year, the average age was 38.8.

39. AGE STRUCTURE OF THE WORKFORCE

as of 31 December



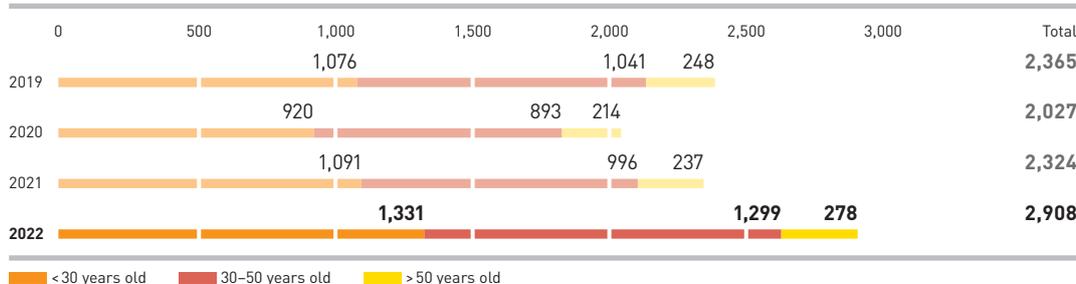
40. AGE STRUCTURE OF THE SUPERVISORY AND EXECUTIVE FUNCTIONS

as of 31 December

	2022	2021
Supervisory Board		
< 30 years	8.3%	8.3%
30-50 years	16.7%	16.7%
> 50 years	75.0%	75.0%
Executive Board		
< 30 years	0%	0%
30-50 years	0%	0%
> 50 years	100%	100%
Executive Vice President		
< 30 years	0%	0%
30-50 years	8.3%	0%
> 50 years	91.7%	100%
Other leadership*		
< 30 years	0.2%	0.2%
30-50 years	43.5%	44.0%
> 50 years	56.3%	55.8%

* Managing directors, direct reports to the Executive Board and Divisional Directors.

41. NEW HIRES: BY AGE



OCCUPATIONAL SAFETY AND HEALTH PROTECTION

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 had already achieved EN ISO 45001 certification in occupational health and safety management.

A central coordination unit for occupational safety supports all German companies of Bechtle AG. 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 national law. In November 2022, 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.

42. HEALTH AND SAFETY TRAINING COURSES BECHTLE GROUP GERMANY

	2022	2021	2020
Occupational health and safety training courses	23	73	29
Participants	4,801	5,959	2,604
Training of fire prevention assistants	31	23	8
Participants	111	63	46
SARS-CoV-2 training	2	2	1
Participants	1,051	11,456	7,175

In 2022, the group recorded 41 notifiable work accidents, the most common injuries being caused by tripping, slipping and sprains. Additionally, the group reported 15 accidents that occurred while travelling.

43. WORK-RELATED INJURIES IN GERMANY

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

¹ Without Modus Consult

² Prior-year figure adjusted

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 abroad in order to exchange experience and roll out CHM measures there as well.



Bechtle combines a wide range of apprenticeships and training for students on integrated degree programmes with systematic development of junior staff, thereby delivering long-term perspectives and career paths in the company.

Laura Schramm, University student (Online Media), Corporate Communications, Bechtle AG

Fabio Egolf, Vocational trainee, Training Centre, System House Neckarsulm

Sandrine Rühle, Vocational trainee, HR Service Centre, Bechtle AG

from left to right

ENVIRONMENT

Environmental and climate protection is one of the greatest challenges of our age. Bechtle is well aware of this responsibility and attaches great importance to this subject area. By optimising our business processes and taking systematic climate protection measures, we can reduce emissions, save resources and minimise our impact on the environment.

The central Sustainability Management and the central Sustainability Controlling coordinate and validate the implementation of the Bechtle Sustainability and Climate Protection Strategy 2030. 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.

In January 2023, the Bechtle Group reached an Ecovadis score of 70/100 in the environment category. Thus, the company is among the top 8 per cent of all companies rated by Ecovadis. The total score was 67/100 (silver). The individual Ecovadis scores of the subsidiaries inmac wstore in France and ITZ Essen are in the gold range, Bechtle direct Netherlands, Buyitdirect as well as ARP Netherlands reached level 3 in the Dutch environmental initiative MVO Prestatieladder, and Bechtle direct UK was accredited according to Safety Schemes in Procurement (SSIP). Furthermore, the following companies have established a structured environment management system within the scope of the certification according to DIN EN ISO 14001: Bechtle AG, Bechtle Remarketing, PP 2000, Bechtle direct Netherlands and Bechtle direct Spain.

ENERGY CONSUMPTION AND EMISSIONS

In order to reach the goal of net-zero emissions as formulated in the Bechtle Climate Protection Strategy by 2030 in the areas we can influence, we use a threefold approach that comprises the avoidance, reduction and compensation or neutralisation of carbon emissions. In our operations, our vehicle fleet plays a major role in this regard, 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 transport or use of the products sold by us.

In our carbon emission reporting, we follow the approaches of the Greenhouse Gas Protocol (GHG). In previous years, we used to report on the preceding fiscal year in the sustainability report. This was due mainly to the different billing periods of the energy suppliers of the more than 100 Bechtle companies. Thanks to the professionalisation of the data collection and with the help of forecasts based on our

data repository, we are now able to publish energy data from the reporting period for the first time. Forecasts are designated as such. The optimised data collection processes also resulted in a correction of the figures of prior years. For this reason, some of the energy data differ from those reported in the Sustainability Report 2021. Differences are also marked as such.

44. ENERGY CONSUMPTION BECHTLE GROUP

in Gigajoule (GJ)

	2022 ¹	2021	2020 ²	2019 ²
Direct energy consumption (scope 1)				
Heating energy (fossil energy sources)	41,732	41,450	39,047	38,269
Fuel consumption	220,513	182,477	196,412	263,401
Indirect energy consumption (scope 2)				
Electricity	79,062	77,870	75,417	73,544
District heating	17,777	18,264	16,351	12,421
Total consumption within the organisation	359,084	320,061	327,228	387,636

¹ Provisional figures: Forecast based on actual data from 2019 to 2021 [except for fuel consumption]

² Due to corrections of the database the figures differ from the figures reported in the Sustainability Report 2021.

45. DIRECT AND INDIRECT GHG EMISSIONS BECHTLE GROUP

in tCO₂e

	2022 ¹	2021	2020 ²	2019 ²
Heating energy emissions	2,481	2,478	2,344	2,312
Fleet emissions	15,441	12,679	13,856	18,904
Total scope 1 emissions	17,922	15,157	16,200	21,216
Electricity emissions	3,529	3,861	5,219	6,746
District heating emissions	905	871	784	607
Total scope 2 emissions	4,434	4,732	6,003	7,353
Total emissions	22,356	19,889	22,203	28,569

¹ Provisional figures: Forecast based on actual data from 2019 to 2021 [except for vehicle fleet]

² Due to corrections of the database the figures differ from the figures reported in the Sustainability Report 2021.

Due to the relaxation of the Covid-19 measures, more business trips were made in 2022, resulting in higher vehicle fleet emissions. Nevertheless, despite the higher number of vehicles, the emissions were still under the level of 2019. One of the reasons for this was the growing number of e-vehicles (kilometres driven: see below). The consumption of heating energy also increased slightly, though this took place in proportion to the increase in office space. Electricity emissions were reduced by switching further locations to eco-power. By the end of 2021, 72 locations had already switched to eco-power (prior year: 32 locations); 2022 data is not yet available. Due to the different billing methods of the energy suppliers, a year-end overview of the power consumption, heating energy and district heating throughout the group can only be provided in the form of a forecast.



See Sustainability Report 2021, page 49 f

Scope 3 emissions. In 2021, we conducted a materiality analysis of all 15 Scope 3 categories according to the Greenhouse Gas Protocol in order to determine Scope 3 emissions. Further information on the calculation can be found in the GRI Index.

The table presents the areas identified as being relevant for Bechtle.



GRI Index, see page 281 ff

46. SCOPE-3 EMISSIONS BECHTLE GROUP

in tCO₂e

	2022 ¹	2021	2020 ²	2019 ²
Scope 3.1 Purchased goods and services	1,451,728	1,426,931	1,333,918	1,119,437
Scope 3.3 Fuel and energy-related activities (not in Scope 1, 2)	5,299	5,367	5,062	6,352
Scope 3.4 Upstream transportation and distribution	1,870	1,848	1,609	1,516
Scope 3.5 Waste	69	70 ³	97	102
Scope 3.6 Business travel (central data)	3,335	1,629	1,984	4,220
Scope 3.7 Employee commuting	5,151	5,201	4,643	7,307
Scope 3.9 Downstream transportation and distribution	9,419	9,357	8,408	8,072
Scope 3.11 Use of sold products	223,489	227,981	194,432	209,915
Total Scope 3 emissions	1,700,360	1,678,384	1,550,151	1,356,919

¹ Provisional figures: Forecast on the basis for the actual data for 2019 to 2021 [except for business trips (central data)]

² Due to corrections of the database the figures differ from the figures reported in the Sustainability Report 2021.

³ 2021 water emissions were halved, 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 GHG emissions by intensity. We can now present these for the first time. However, only forecast figures are available for the reporting period.

47. INTENSITY VALUES ENERGY AND GHG EMISSIONS BECHTLE GROUP

		2022 ¹	2021	2020	2019
CO ₂ e/revenue	tCO ₂ e/€k	0.32	0.32	0.31	0.29
CO ₂ e/employee (FTE ²)	tCO ₂ e	132.00	136.90	134.90	125.90
Electricity consumption/employee (FTE ²)	kWh	1,514	1,670	1,739	1,898
Energy consumption/employee (FTE ²)	GJ	28	26	28	35

¹ Preliminary figures for 2022

² FTE = full-time equivalent

ON THE ROAD TO CLIMATE NEUTRALITY 2030: OUR MEASURES IN 2022

E-mobility. In our operations, we have identified our vehicle fleet as being a major source of emissions. Especially for colleagues from the fields of managed and on-site services who work directly on the customer premises, flexible mobility is of great importance, particularly in rural areas. The reporting period again saw an increase in personal customer contact, which was important for customer bonding, particularly after the two years of the pandemic. After two years of declines due to the pandemic, the number of kilometres driven rebounded in 2022. Yet, despite the higher number of vehicles, it remained below the figure of 2019, due especially to the increased use of video meetings instead of business trips. Even after 2020 and 2021, two years marked by lockdown, the number of virtual meetings continued to go up in the reporting period:

48. NUMBER OF VIDEO MEETINGS BECHTLE GROUP

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

49. KILOMETRES DRIVEN BECHTLE GROUP

	2022	2021	2020	2019
Kilometres/year	84,610,728	66,171,396	69,213,731	98,539,004
Total number of vehicles	4,831	4,198	4,161	3,909
Kilometres/year per vehicle	17,514	15,763	16,634	25,208

50. ENERGY CONSUMPTION BECHTLE GROUP FLEET BY SOURCES (SCOPE 1)

in litres

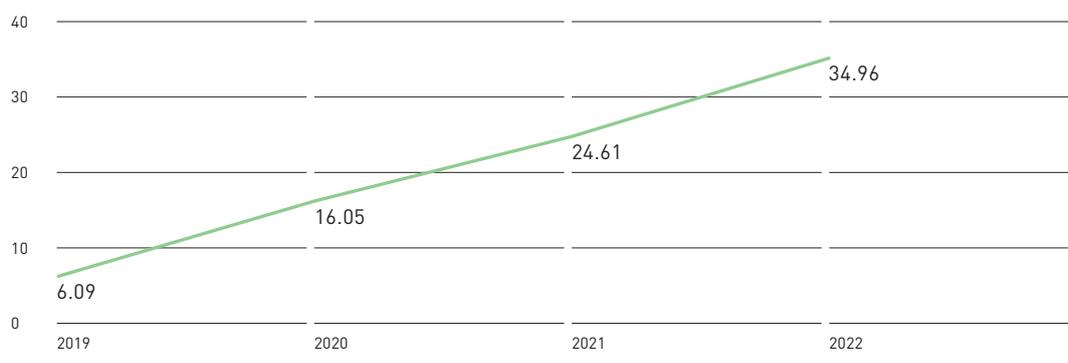
	2022	2021	2020*	2019*
Diesel	4,664,090	4,217,174	4,824,979	6,440,074
Biodiesel	813	0	0	0
Petrol	1,623,682	949,302	724,499	993,992
LPG	0	0	324	1,450
Natural gas	606	1,490	187	70
Total fuels	6,289,192	5,167,965	5,549,989	7,437,935

* Since the data from Switzerland were corrected, the figures differ from the figures reported in the Sustainability Report 2021.

The fleet affords us a fine opportunity to reduce our carbon emissions by expanding sustainable mobility options. In the reporting period, the group's fleet comprised 4,831 vehicles (prior year: 4,198), including 3,998 vehicles in Germany alone (prior year: 3,550). In the reporting period, 34.96 per cent of the company vehicles in the Bechtle Group were either plug-in hybrids or all-electric. Year-on-year, the number of e-cars more than doubled to 6.7 per cent (prior year: 3.2 per cent).

51. SHARE OF ALTERNATIVE-FUEL VEHICLES BECHTLE GROUP

%



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. Bechtle calls this concept Charge@work. By the end of the year, the number of e-vehicle charging points had been greatly expanded: 183 new charging points had been added. As of 31 December 2022, the number of charging points thus amounted to 560 (prior year: 377) at 46 locations, including 478 (prior year: 333) in Germany. At the headquarters in Neckarsulm alone, 139 charging points (prior year: 128) were available as of 31 December 2022 for the 2,353 employees at the group's largest location.

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, another photovoltaic system was installed in Mägenwil, Switzerland.

52. PHOTOVOLTAIC SYSTEMS BECHTLE GROUP

		2022		2021		2020	
		Group headquarters*	Bechtle Group	Group headquarters	Bechtle Group	Group headquarters	Bechtle Group
Output	kWp	1,391	2,003	1,348	1,960	1,348	1,736
Number of modules		5,495	7,192	5,377	7,074	5,377	6,592
Area	m ²	8,985	12,543	8,770	12,328	8,770	10,769
Number of locations		2	12	1	12	1	8

* Group headquarters including Gaildorf location. In 2021, the Gaildorf facility had not yet gone live.

53. GEOTHERMAL SYSTEMS BECHTLE GROUP

		2022		2021		2020	
		Group headquarters ¹	Bechtle Group	Group headquarters ¹	Bechtle Group	Group headquarters ¹	Bechtle Group
Output	kW	680	1,215	680	995	680	710
Number of downhole heat exchangers		257	341 ²	257	333	257	312
Number of locations		2	7	2	5	2	5

¹ Group headquarters including Gaildorf location. The plant in Gaildorf was not yet in operation in 2021.

² Includes new location of the system house Karlsruhe in Ettlingen without downhole heat exchangers (135 kW)

LOGISTICS AND PACKAGING

Owing to our trading activities, logistics and packaging are great of importance to us. The Bechtle logistics hub in Neckarsulm serves as the central cog in the flow of goods. Products that are not sent directly to the customer by the manufacturer or distributor largely arrive here, are consolidated by project, stored for later fulfilment or configured according to customer specifications. In 2022, an average of 12,502 packages were despatched from our warehouse in Neckarsulm every day to our customers.

Apart from the logistic hub in Neckarsulm, the Bechtle Group operated additional warehouses in Bielefeld, Wesel, Rotkreuz (Switzerland) and Paris (France).

Optimised packaging solutions. Both the original product packaging and the outer packaging or transport packaging generate waste and thus contribute to emissions and the consumption of raw materials. Additionally, the transportation of goods causes 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 warehouse 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, Sales and Purchasing implement individual transport solutions, e.g. low-emission delivery by train or ship as well as so-called "last green mile" solutions.

Other sustainability measures include the consolidation of shipments. All questions related to packaging are handled by the logistics hub, including the procurement of packaging material, the optimisation of the packaging, the reduction of transport volumes and the leveraging of new, innovative concepts. In 2022, packaging material made of recycled material was tested in real life, especially film. All purchased cardboard comes from FSC-certified sources. In 2022, we also started reusing suitable packaging.

In 2022, we were also able to increase the use of the Bechtle Box[®] as an innovative transport solution from 344 to 418 uses, an increase of 21.5 per cent. The Bechtle Box[®] is a multiple-use solution for the safe and packaging-free transportation of IT hardware. Since 2022, we have been able to calculate the carbon savings for our customers when using the Bechtle Box[®] in comparison to conventional delivery methods.

54. CONSUMPTION OF PACKAGING MATERIAL*

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

* Purchased packaging by material in kg and carbon equivalent at Bechtle's logistics hub in Neckarsulm.

55. MATERIALS (RENEWABLE AND NON-RENEWABLE)*

in kg

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

* Total weight of the packaging materials used at the logistics hub in Neckarsulm.

Return management at Bechtle. Effective delivery and minimising complaint rates not only translate to satisfied customers, they also help avoid excessive transportation and packaging. The return management at the logistics hub is responsible for key tasks relating to return logistics. OneTrack enables the complaints management to take the initiative to reduce the kilometres travelled by carriers and also improve the customer service. In accordance with the rising number of products shipped, the number of return orders has gone up as well.

56. RETURNS

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

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 have to respect both EU law and local law. Data about the waste generated is collected by the individual locations 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 differences in relevance and regulation of waste management, these topics are handled by the individual companies.

The topic of waste and recyclables at the group headquarters in Neckarsulm is based on a disposal concept created in the context of Bechtle AG's DIN EN ISO 14001 certification and encompasses the entire location, including logistics. The other locations either make use of the landlord's waste concept or manage their waste on their own responsibility. Due to the different billing periods of the waste disposal providers and landlords, not all waste indicators as of the end of the year are available. Therefore, we report on the prior year (2021) as the latest indicator.

57. WASTE BY TYPE AND DISPOSAL METHOD

in t

	2021	2020	2019
Total waste Bechtle Group*	2,544	2,390	2,687
Total waste group headquarters Neckarsulm	694	579	657
of which actual activity data broken down by category:			
Hazardous waste (recycled)	7	49	6
Hazardous waste (disposed of)	0	0	0
Non-hazardous waste (recycled)	688	530	651
Non-hazardous waste (disposed of)	0	0	0

* Calculation of the waste generated: Data according to the waste invoice or, if not available, auxiliary calculation based on the square metre area.

Recycling. As an IT company, we are always looking for ways to extend the value of hardware, in particular. By extension, this means we have to give priority to information security, data protection and a responsible use of resources even at the end of a product's life cycle.

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, 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 through continued use, either by means of resale or leasing. Through the sale of used IT hardware alone, 59,719 devices were reintroduced into the cycle in the reporting period. In 2021, the figure was 45,230. If requested by the customer, Bechtle Remarketing coordinates the related logistics, the roll-back 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 GmbH regularly re-evaluate security levels, quality requirements, processes and environmental standards within the company and lead to adjustments as required.

DIGITAL FUTURE

From the outset, we identified green IT, i.e. energy-efficient IT, as a relevant sustainability aspect of our business operations. Meanwhile, our perspective goes far beyond the mere energy consumption during operation. In recent years, the term corporate digital responsibility (CDR) has come to describe entrepreneurial responsibility in a digitalised world. CDR makes allowance for social, ecological and economic factors. Though digital transformation applies to all industries in equal measure, for an IT organisation such as Bechtle, CDR has particular weight. 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 digitalisation. Within the scope of our IT strategy, we are pursuing 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.



Apart from technical solutions, modern work concepts also comprise the work environment and the quality of the time spent at work.

Gijs Bastiaanssen, Business developer software, Bechtle direct Netherlands

Jill van Melick, Coordinator Administrative Processes, Bechtle direct Netherlands

from left to right

Internally, Bechtle IT develops 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 roll-back of applications and IT infrastructure. The roll-back helps to increase employee satisfaction, saves carbon emissions and contributes to higher IT security. In 2022, we rolled back 158 servers from the Bechtle data centre and submitted them for remarketing. More than 80 per cent of them could be reused. Offset against the purchase of 52 new server systems, we were able to reduce a total of 106 systems. In 2022, the virtualisation rate amounted to 85.8 per cent.

The expansion of the cloud infrastructure continued according to plan in 2022. Thus, all e-mail accounts were migrated. Accordingly, the remaining 40 per cent of the provided server systems and hard-disk arrays can be fully rolled back.

At last, opportunities to meet people and engage in interchange at the Bechtle locations have been restored. Such collaboration-enhancing possibilities are greatly appreciated and often made use of.



Barbara Kuhar, Team Lead,
Project Management,
System House Austria, Vienna

Sonja Ledinsky, Sales & Marketing,
System House Austria, Vienna

from left to right

Sustainable technologies, solutions and services. Across all industries, digitalisation is transforming the way we live and work and is the key to a successful future. This entails new expectations placed on companies, public bodies, and also on 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, CDR and climate targets. For Bechtle, sustainable technologies, solutions and services are the very essence of the business model as an IT organisation and an issue 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 Energy Star, EPEAT, TCO Certified or Blue Angel represent an important instrument to evaluate the energy consumption of hardware.

Our data centres at NTT in Frankfurt/Main and Rüsselsheim have joined the Climate Neutral Data Centre Pact. The operators of data centres and industry associations intend to achieve net-zero emissions by 2030. In 2022, we also expanded the capacities for private cloud services with a new data centre in the Rhine-Neckar metropolitan region. For this, we cooperate with the colocation provider Pfalzkom at the Mutterstadt campus. Besides offering high availability and comprehensive security, the data centres of Pfalzkom already meet key criteria of the Climate Neutral Data Centre Pact.

CORPORATE GOVERNANCE

Our group strategy is geared to corporate responsibility and financial stability. Both are important pillars of sustainable corporate governance. The action principles involved have always formed the basis of Bechtle's business operations. Integrity is an important part of our self-image. We endeavour to accommodate the interests of the various stakeholders, such as employees, customers, suppliers and shareholders, and to shoulder our social responsibility to the best of our ability.

As a matter of principle, Bechtle prepares its corporate governance reports on the basis of the recommendations of the German Corporate Governance Code (DCGK). Within the scope of the integrated reporting, Bechtle also takes the GRI standards into consideration starting from this fiscal year.



bechtle.com/investors/corporate-governance

At Bechtle, the main responsibility for the corporate governance lies with the Supervisory Board as the top body in the corporation along 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. This document contains all central information on the corporate governance, e.g. the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), which is jointly issued by the Executive Board and the Supervisory Board.

Within the scope of the integrated reporting, the following sections explicitly touch on topics of relevance to us and provide information on matters that need to be covered in the Management Report.

COMPLIANCE AND ANTI-CORRUPTION

Bechtle pays great attention to ethically flawless, lawful conduct. 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. Therefore, the group is especially intent on preventing such incidents by raising the awareness of all employees to this subject. 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 imposes a commitment to integrity on 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 of 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 latest version of the Bechtle Code of Conduct was made available to all employees of the Bechtle Group in 2021 and is also handed to all newly recruited employees together with the employment contract as part of the employment relation. Since 2022, all employees have also been under the obligation to participate in online training comprising two modules, compliance and anti-corruption. In 2022, some 13,290 people – i.e. virtually all Bechtle employees – successfully completed the course.

A special procedure has been established for whistle-blowers. Bechtle employees can contact confidentially the Compliance Board, which comprises the three-person Executive Board of Bechtle AG and a permanent representative of the central Legal department, via a telephone hotline or a dedicated e-mail account in order to report relevant compliance violations. These possibilities are also available to third parties. The whistle-blower procedure for reporting violations was modified in the reporting period in order to facilitate its use by third parties. Moreover, the employees as well as third parties can report any violations of applicable human rights along the supply chain to the e-mail address humanrights@bechtle.com. To ensure the effectiveness of the Bechtle compliance system, the managing directors of the group companies as well as all heads of the 18 central departments serve as Compliance Officers. They are under the obligation to report any violations of the Bechtle Code of Conduct or of applicable laws to the Compliance Board in the form of a yearly compliance report. In 2021, the compliance reporting covered all operating and legally independent companies of the Bechtle Group (as well as all central departments of Bechtle AG; total: 122).

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 revision of the Compliance Manual was almost completed in 2022 and is to be rolled out internally in 2023. The planned certification according to DIN EN ISO 37301 was not conducted. In the course of the project, it became clear that in view of Bechtle's highly decentralised structure, the implementation will be difficult. However, the management system is aligned with the ISO standard and has been adapted accordingly.

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 the central Information Security Guidelines, the central IT Compliance Policy and the Information Security Policy for employees. In connection with the certification of the information security management system (ISMS) according to DIN EN ISO 27001 (certified companies: see GRI index), the yearly preparation and update of the ISMS Management Review (MMR) as required by the standard makes sure that the topic is always at the forefront in the corporate governance. Moreover, Bechtle has implemented an incident notification 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.



GRI Index,
see page 281 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, e-learning formats on the topic of data protection are available in German. Throughout the group, 13,067 employees completed the course "Data Protection at the Workplace" in 2022. The information security briefing for Germany was successfully completed by 10,581 employees.

SOCIAL COMMITMENT

Bechtle regards social commitment as part of its responsibility as an enterprise. With its donations and sponsoring activities, Bechtle AG and its companies therefore promote projects that serve society in various ways. Since 2014, Bechtle AG has concentrated mainly on the three fields of action children/youth, education and sports. This troika perfectly suits Bechtle's corporate culture, values, the Vision 2030 and the brand understanding. Currently, the guidelines are being updated and adapted to the

changing needs. The planned publication of the revision in the reporting period was postponed to 2023 in order to allow more time for internal decision-making processes. Our greatest individual engagement in 2022 was a donation of €250,000 to UNICEF within the scope of the Ukraine Nothilfe.

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 as a business partner. Since our influence and the impact we can achieve is the greatest at the local level, this is where we do most. Therefore, a key principle is to mainly take care of our social responsibility locally and to promote projects that best fit Bechtle, our values and our culture. In this way, the above-mentioned troika and the regional responsibility complement each other. In everything we set out to do, binding commitments and a high level of continuity are of great importance to us. The local managing directors are responsible for the individual local activities. Throughout the group, Bechtle's donations in 2022 amounted to €454,448 (prior year: €914,207), and its sponsoring totalled €693,817 (prior year: €538,041). Many of our employees are also personally involved in voluntary and charitable work. Wherever possible, Bechtle endeavours to support these efforts beyond the leave granted for charitable work pursuant to law.



The need for IT security solutions is growing steadily. Bechtle's team of more than 300 specialists is one of the largest communities in this area.

Sarah Abdel Wahab, Vocational trainee, Administration, System House Austria, Vienna

Muhammed Alkan, Security Analyst, Cyber Defence Centre, System House Austria, Vienna

from left to right

TAKEOVER-RELATED DISCLOSURES

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

As of 31 December 2022, 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.



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

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:

Karin Schick, Gaildorf, Germany: 33.40 per cent, thereof 25.25 per cent directly and 8.14 per cent indirectly. No changes occurred up to 3 March 2023, 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.



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

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.

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).



See Notes,
Issued capital,
page 203 f

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). Detailed information on this subject is available in the Notes.

The company's issued capital has been increased conditionally by up to €6.3 million pursuant to Sections 192 et seq. of the German Stock Corporation Act (AktG). The conditional capital increase serves the issue of no-par shares to the holders or creditors of convertible or warrant bonds, profit participation certificates or bonds, or a combination of these instruments. Until 14 June 2026, the Executive Board may, subject to the approval of the Supervisory Board, issue convertible bonds, warrant bonds, profit participation certificates, profit participation bonds or combinations of these instruments in bearer form with or without a fixed term to maturity in the total nominal amount of up to €350 million and grant the holders or creditors of convertible or warrant bonds conversion or option rights to new no-par bearer shares of the company with a pro-rata share in the issued capital of up to €6.3 million (conditional capital pursuant to Article 4.4 of the Articles of Incorporation). Detailed information on this subject is available in the Notes.



See Notes,
Conditional capital,
page 203 f

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 (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.

The employment contract with the Chairman of the Executive Board contains a clause that limits the severance payment to be granted in the event of premature termination of employment due to a change of control to three times the total compensation for a year. The company has not concluded any other compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

EARNINGS, ASSETS AND FINANCIAL POSITION

FRAMEWORK CONDITIONS

In 2022, the macroeconomy was faced with various challenges and a number of unpredictable risks, some of which were triggered by the Russian war of aggression against Ukraine. This resulted in slower growth of the gross domestic product, but not in a recession as many had anticipated. In conclusion, almost all national economies in the EU achieved positive growth rates. Compared to the macroeconomy, the IT market proved to be highly resilient and was able to keep its growth rate even above the long-term average. In this challenging setting, Bechtle performed very well. The company grew at a higher rate than the macroeconomy and industry and gained further market shares.

MACROECONOMY



Macroeconomic growth slowing down. The year 2022 was marked by the war in Ukraine and its direct and indirect impact on the European economies. Although economic performance output fell across the board in the second half of the year, the decline was by far not as severe as originally feared. According to the latest figures published by the European Commission, the gross domestic product (GDP) in the EU increased by 3.5 per cent in 2022. Compared to the previous quarter, the first and second quarters delivered more forceful impulses with growth rates of 0.8 per cent and 0.7 per cent, respectively. In the third quarter, the rate dropped to 0.3 per cent, and in the fourth quarter, the economic performance stalled at 0.0 per cent. The performance in the different Bechtle markets in the EU varied greatly, but was always positive. Ireland again achieved the highest performance, with an increase of 12.2 per cent. At 1.8 per cent, Germany grew the weakest, followed by the Czech Republic with 2.5 per cent and France with 2.6 per cent.



As already mentioned, the German economy was affected more severely by the crisis in the reporting period. Although according to the German Federal Statistical Office (Destatis), GDP grew by 1.8 per cent in 2022 (prior year: 2.6 per cent), the growth rate was much lower than in other European markets. At 2.2 per cent, the increase in investments in equipment was only slightly above that of the GDP. The growth of government investments, too, amounted to 2.2 per cent. The performance in the individual quarters was a rollercoaster ride: in the first quarter, the GDP achieved growth of 0.8 per cent over the prior quarter. In the second quarter, however, the growth dropped to 0.1 per cent, partly also due to the war in Ukraine. In the third quarter, the growth rebounded slightly to 0.5 per cent. The fourth quarter sounded the recession bells, with a decline of 0.2 per cent.

In 2022, the ifo Business Climate Index was also subject to major fluctuations. From January (96.1 points) to February 2022 (98.8 points), the index still went up. In March, however, due to the launch of the Russian war of aggression, the index plummeted to 90.8 points. In the months of April to June, the index stabilised slightly, but again lost ground and reached its low of 84.3 points in September. Towards the end of the year, it rebounded to 88.6 points, but closed at a level significantly below that of the start of the year.



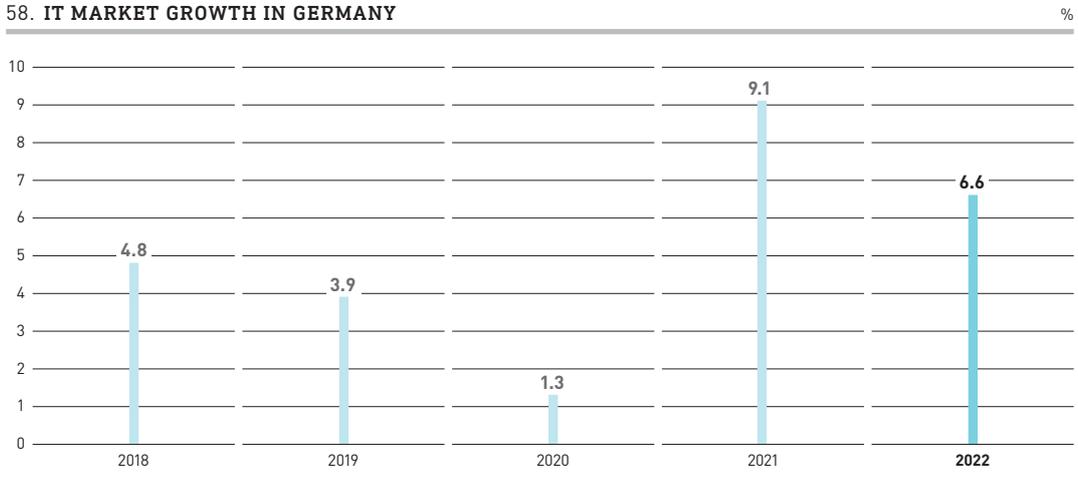
INDUSTRY

German IT market with strong growth. The IT market was unimpressed by the difficult framework conditions and grew by 6.6 per cent, according to figures presented by the industry association bitkom. As the supply bottlenecks abated, the hardware business achieved a growth rate of 5.4 per cent. Service revenue reached a similar growth rate of 5.5 per cent. In the year ended, the software revenue was the growth driver, with a significant increase of 9.4 per cent. According to the French industry association numeum, even higher growth of 7.5 per cent was achieved in France, our largest international market. Overall, this shows that the cyclicity of the IT market decreased.



The ifo index for IT service providers was more severely affected. In the course of 2022, the balance value of the ifo index dropped by almost half, from 39.0 to 21.7 points. The annual low of 9.6 was reached in October. Thereafter, the balance increased again, with a much brighter mood towards the end of the year. In 2022, the assessment of the current business situation was impaired less severely and remained high throughout the year. In the course of the year, the value thus merely receded from 52.3 to 43.4 points. However, the outlook followed a much more negative trend starting from March and weighed on the overall balance. From the high of 31.7 in February, the figure dropped to a low of -16.4 points in October. Towards the end of the year, the outlook brightened up again, resulting in an improvement of the value to 1.9 points.

58. IT MARKET GROWTH IN GERMANY



OVERALL ASSESSMENT AND EFFECTS OF THE ECONOMIC ENVIRONMENT

Bechtle with a new record year. In the reporting period, macroeconomic development was overshadowed by the war in Ukraine and its implications, such as inflation and energy shortage. The ongoing problems in the supply chain presented an additional burden on the IT market, though some improvements occurred in the course of the year. Overall, the macroeconomic framework conditions were challenging for our business, although IT budgets were hardly cut and the willingness to invest remained high.

In this setting, Bechtle AG was very successful and again achieved high growth rates. The resilience of our business model was especially obvious in the second half of the year, which was marked by macroeconomic difficulties. Overall, our company again outperformed the IT market significantly in the reporting period in terms of business volume and revenue growth. In this way, we further expanded our market share.

Apart from the war in Ukraine and the global supply issues, the Bechtle markets did not witness any significant events outside the company that had a noteworthy impact on the business performance.

EARNINGS POSITION

Despite the difficult framework conditions, Bechtle achieved a very significant revenue increase in 2022. The reporting period was overshadowed by the Russian war of aggression against Ukraine, the ongoing supply chain issues, high inflation rates and a generally gloomier mood in the economy. Nevertheless, the effects only impacted Bechtle's business performance to a limited extent. Though the macroeconomic mood deteriorated in the course of the year, Bechtle was able to step up its growth dynamics from quarter to quarter. Despite a higher cost base, we also achieved significant earnings growth and managed to keep the EBT margin at a level close to that of the prior year.

ORDER POSITION

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, most of the framework and operating agreements that Bechtle concludes with customers have terms of several years.

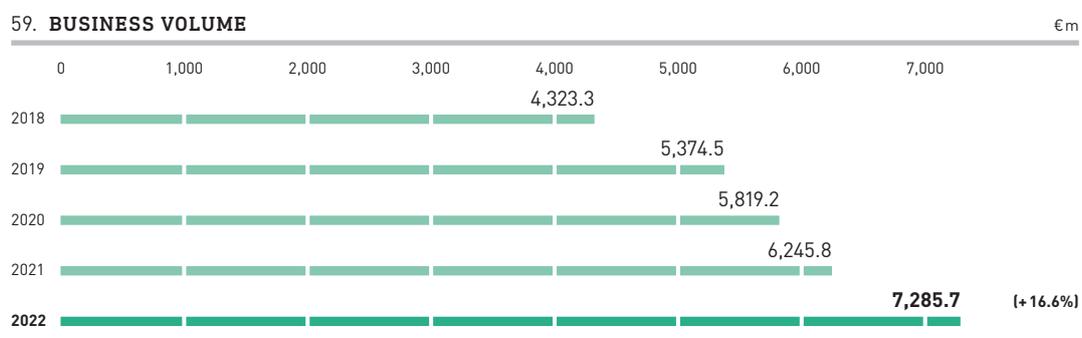
In the reporting period, incoming orders amounted to €7,017 million, about 2.4 per cent more than the prior-year figure of €6,852 million. This figure comprises an increase in incoming orders from €4,336 million to €4,587 million in the IT System House & Managed Services segment and a slight decrease from €2,516 million to €2,430 million in the IT E-Commerce segment.

As of the end of the year, the group's order backlog was worth approximately €1,692 million, just slightly below the prior-year figure of €1,805 million. Of this amount, the IT System House & Managed Services segment accounted for €1,338 million (prior year: €1,249 million), and the IT E-Commerce segment for €354 million (prior year: €556 million). The order backlog is about three and a half months in the IT System House & Managed Services and less than two months in the E-Commerce segment. The order backlog thus remains above the long-term average. Despite the improvements in the supply chain, numerous projects still cannot be rolled out, or only with delays due to missing components.

BUSINESS VOLUME

The business volume is an alternative performance indicator introduced by Bechtle in the course of the change of the accounting method one year ago. The indicator describes the revenue accounted for on a gross basis, i.e. without taking the accounting change regarding software licences (IFRS 15) into consideration.

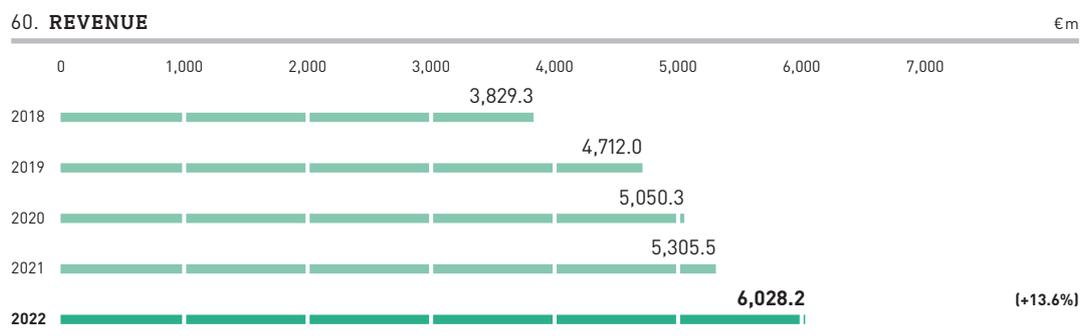
In the fiscal year, the business volume amounted to €7,285.7 million, 16.6 per cent above the prior-year figure of €6,245.8 million.



REVENUE PERFORMANCE


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Revenues,
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Strong revenue growth. Despite the difficult framework conditions, the revenue increased by 13.6 per cent from €5,305.5 million to €6,028.2 million in the reporting period. At 11.7 per cent, the largest part of this revenue growth was organic.



All regions and all segments exhibited strong growth rates. At 12.5 per cent in the IT E-Commerce segment and 14.2 per cent in the IT System House & Managed Services segment, the growth rates in the two operating areas were at similar levels.

In Germany, the revenue increased by 11.2 per cent. Our international companies achieved even higher revenue growth of 17.7 per cent. This development is especially remarkable in view of the high prior-year figures that the international companies were competing with. Moreover, it underlines our efforts to gain a foothold in additional European countries with our system house business and to strengthen our trading business, thereby making our business model even stronger and more crisis-resilient. The gap between the organic growth rates was even narrower, with 11.2 per cent in Germany and 12.4 per cent abroad. In relation to the total revenue, we were able to further increase the international share. In the fiscal year under review, it reached 38.1 per cent (prior year: 36.8 per cent). Accordingly, the domestic share amounted to 61.9 per cent (prior year: 63.2 per cent). Germany thus remains Bechtle's largest market.

The average number of full-time equivalents (FTE; without absentees and trainees) increased by 6.4 per cent, a rate lower than that of the revenue growth. Based on 11,878 full-time equivalents (prior year: 11,162), the revenue per employee thus amounted to €508 thousand, after €475 thousand in the prior year.

COST AND EARNINGS PERFORMANCE

Significant EBT increase.

Cost of sales. In 2022, gross earnings went up by 14.5 per cent from €920.0 million in the prior year to €1,053.4 million in the year under review, a growth higher than that of the revenue. Compared to the revenue, the cost of sales increased at a slightly disproportionately low rate of 13.4 per cent. Material costs increased by 14.0 per cent, a rate higher than that of the revenue growth. This was due mainly to the price increases precipitated by the problems in the supply chain and the inflationary framework conditions. Other operating expenses, too, increased at a disproportionately high rate of 22.2 per cent. However, these effects were partly compensated by a relatively low increase in personnel expenses, which are included in the cost of sales, by 7.2 per cent. The gross margin in the reporting period was 17.5 per cent, after 17.3 per cent in the prior year.



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Expense structure,
page 191

61. COST OF SALES/GROSS EARNINGS

		2022	2021	2020	2019	2018
Cost of sales	€m	4,974.8	4,385.5	4,193.8	3,944.2	3,186.4
Gross earnings	€m	1,053.4	920.0	856.5	767.8	642.9
Gross margin	%	17.5	17.3	17.0	16.3	16.8

Distribution costs and administrative expenses. The expenses in the two functional areas sales and administration underwent a very significant increase. In the fiscal year, distribution costs underwent slightly above-average growth of 13.8 per cent to €393.0 million, after €345.2 million in the prior year. The distribution cost ratio remained steady at 6.5 per cent. Administrative expenses increased by 20.6 per cent from €282.6 million to €340.8 million. This was due especially to the higher personnel expenses as a result of an above-average increase in the number of employees. Moreover, the per-



See People at Bechtle,
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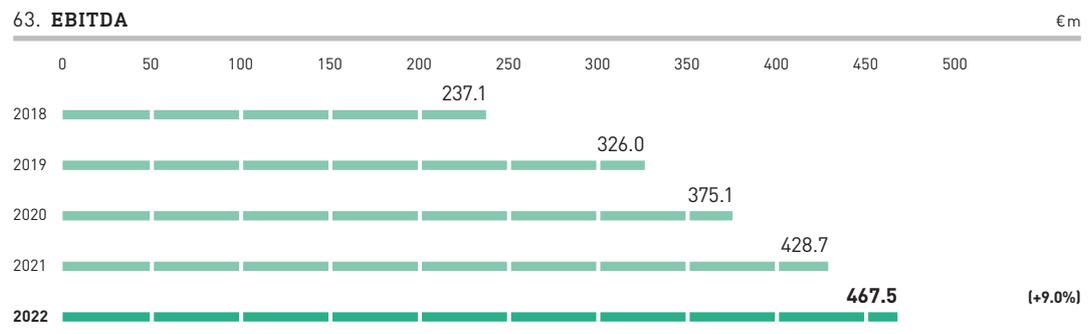
sonnel expenses were affected by a provision for an inflation compensation payment to employees, which was recognised centrally in the fourth quarter. Bechtle supports many of the employees with a voluntary tax-exempted inflation bonus. This bonus is paid out on a monthly basis in the first six months of 2023. In the reporting period, the administrative expense ratio thus amounted to 5.7 per cent, after 5.3 per cent in the prior year. Other operating expenses went up significantly in the two functional areas. This was due to the higher vehicle, travel and marketing expenses. Additionally, building expenses were higher as a result of the rise in energy prices. Other operating income increased by 6.9 per cent from €33.6 million to €35.9 million, due especially to higher marketing grants.

62. DISTRIBUTION COSTS/ADMINISTRATIVE EXPENSES

		2022	2021	2020	2019	2018
Distribution costs	€m	393.0	345.2	319.2	306.6	257.2
Distribution cost ratio	%	6.5	6.5	6.3	6.5	6.7
Administrative expenses	€m	340.8	282.6	286.5	249.6	205.7
Administrative expense ratio	%	5.7	5.3	5.7	5.3	5.4

Earnings. EBITDA stands for earnings before interest, taxes, depreciation and amortisation. In the reporting period, EBITDA improved by 9.0 per cent from €428.7 million to €467.5 million. The EBITDA margin was 7.8 per cent, after 8.1 per cent in the prior year.

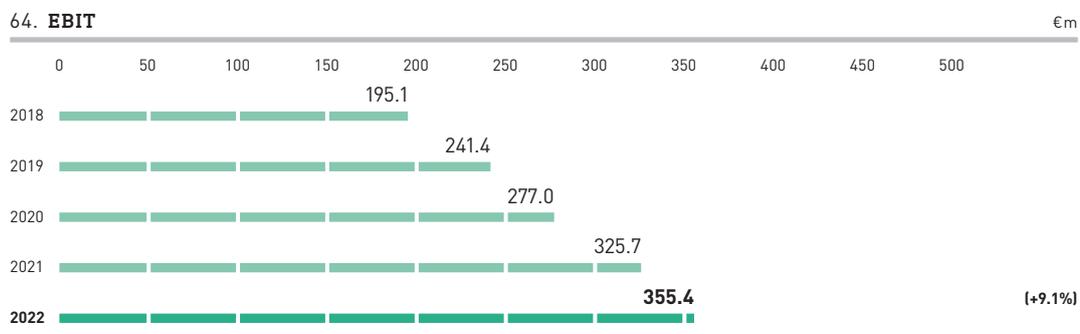
63. EBITDA



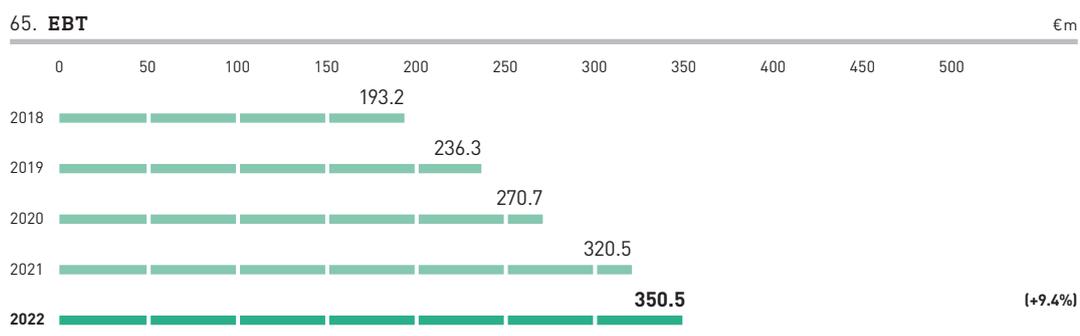
See Value information,
page 110

Depreciation and amortisation increased 8.8 per cent from €103.0 million in the prior year to €112.1 million in the year under review. As usual, property, plant and equipment accounted for the bulk of this figure, totalling €94.0 million, compared to €87.5 million in the prior year.

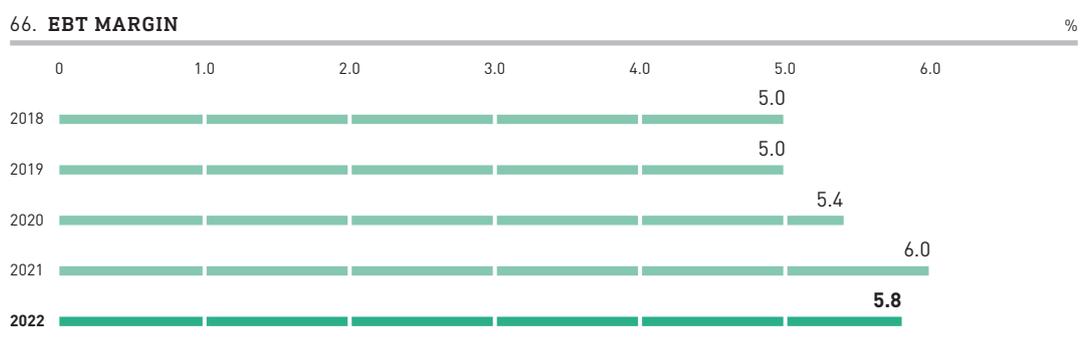
Earnings before interest and taxes (EBIT) improved by 9.1 per cent to €355.4 million, after €325.7 million in the prior year. In the reporting period, the EBIT margin amounted to 5.9 per cent (prior year: 6.1 per cent).



Earnings before taxes (EBT) increased 9.4 per cent to €350.5 million, after €320.5 million in the prior year.



At 5.8 per cent, the EBT margin remained at almost the same level as in the prior year (6.0 per cent).

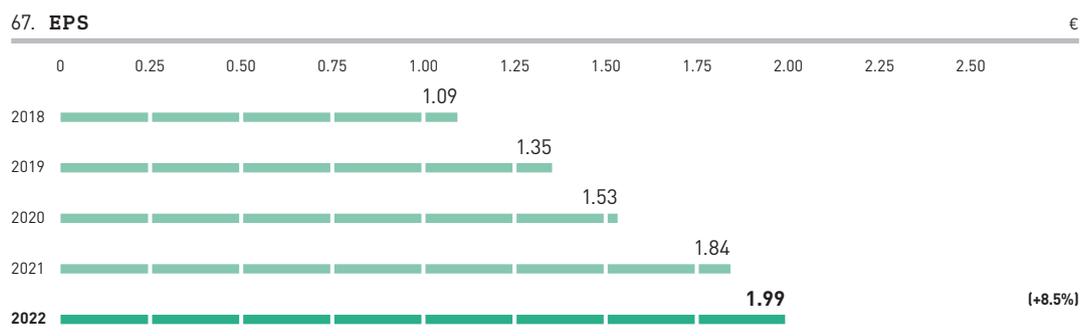


In the reporting period, income tax expenses increased 11.6 per cent to €99.4 million (prior year: €89.1 million). The tax rate went up slightly from 27.8 per cent to 28.4 per cent.



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Income taxes,
page 192 f

Earnings after taxes amounted to €251,1 million, 8.5 per cent more than in the prior year (€231.4 million). Earnings per share amounted to €1.99, compared to €1.84 in the prior year.



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page 29 f

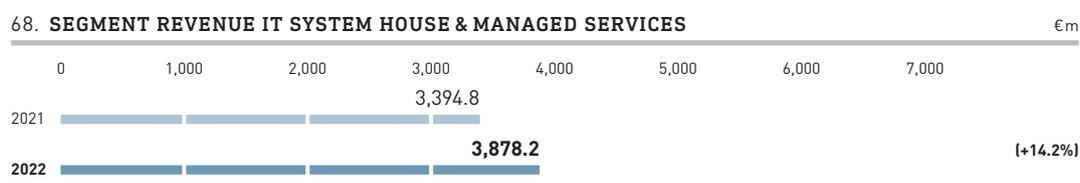
In view of the good performance, the Executive Board and the Supervisory Board propose to pay out a dividend of €0.65 (prior year: €0.55) to the Bechtle shareholders for the 2022 fiscal year. Compared to the prior year, the dividend would thus be 18.2 per cent higher, and the dividend payout ratio would amount to 32.6 per cent.

SEGMENT REPORT

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Segment information,
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Growth balanced between the two segments.

IT System House & Managed Services. The revenue generated by the IT System House & Managed Services segment in the reporting period amounted to €3,878.2 million, after €3,394.8 million in the prior year, a very significant growth of 14.2 per cent. The organic growth rate is at 11.3 per cent.



The companies in Germany increased their revenue by 11.0 per cent from €2,891.9 million to €3,209.1 million. The organic growth rate was at the same level. The international companies recorded even higher revenue growth of 33.0 per cent. Thus, the revenue generated internationally totalled €669.0 million, after €502.9 million in the prior year. This growth was highly acquisition-driven. The organic growth rate of the international companies was 13.2 per cent.

69. REVENUE DISTRIBUTION IN THE IT SYSTEM HOUSE & MANAGED SERVICES SEGMENT

€m

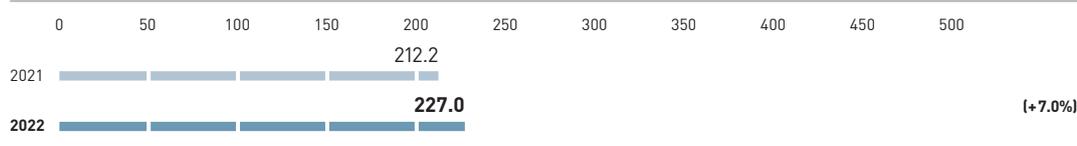


Based on an average of 9,401 (prior year: 8,751) full-time equivalents (FTE), the revenue per employee (without absentees and trainees) in the reporting period amounted to €413 thousand, after €388 thousand in the prior year.

In 2022, EBIT in the IT System House & Managed Services segment climbed 7.0 per cent to €227.0 million (prior year: €212.2 million). The EBIT margin declined from 6.3 per cent in the prior year to 5.9 per cent in the year under review. This indicator was affected especially by the higher vehicle and travel expenses and the higher building expenses, which had gone up due to the energy cost rise.

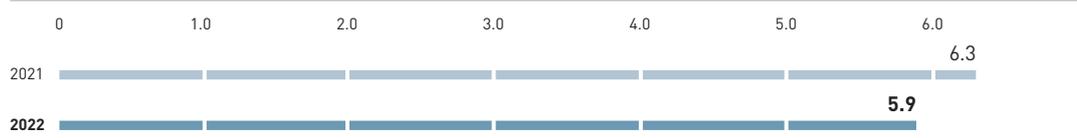
70. EBIT IN THE IT SYSTEM HOUSE & MANAGED SERVICES SEGMENT

€m



71. EBIT MARGIN IN THE IT SYSTEM HOUSE & MANAGED SERVICES SEGMENT

%



IT E-Commerce. In 2022, the IT E-Commerce segment generated revenue of €2,150.0 million, after €1,910.7 million in the prior year. This means a revenue increase of 12.5 per cent. The organic growth rate was 12.3 per cent.

72. SEGMENT REVENUE IT E-COMMERCE € m



The revenue of the companies in Germany climbed from €462.7 million in the prior year to €522.6 million in the reporting period. The revenue generated by the international companies amounted to €1,627.4 million, after €1,448.0 million in the prior year. The growth rates were almost identical: 12.9 per cent in Germany and 12.4 per cent abroad.

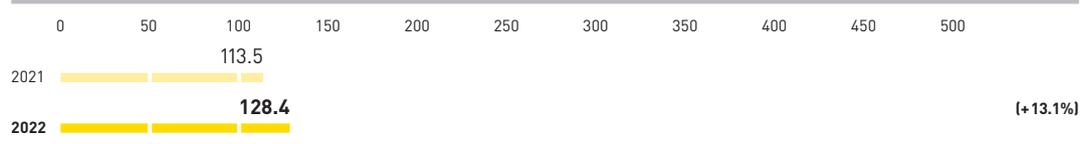
73. REVENUE DISTRIBUTION IN THE IT E-COMMERCE SEGMENT € m



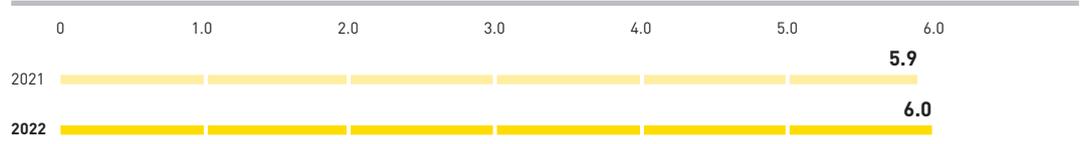
Based on an average of 2,477 (prior year: 2,411) full-time equivalents (FTE), the revenue per employee (without absentees and trainees) in 2022 amounted to €868 thousand, after €793 thousand in the prior year.

In the reporting period, EBIT in the IT E-Commerce segment climbed 13.1 per cent to €128.4 million (prior year: €113.5 million). Year-on-year, the EBIT margin improved from 5.9 per cent to 6.0 per cent.

74. EBIT IN THE IT E-COMMERCE SEGMENT € m



75. EBIT MARGIN IN THE IT E-COMMERCE SEGMENT %



ASSETS POSITION

Bechtle's balance sheet did not undergo any major changes in the reporting period. As always, it stands as a symbol of strength, reflecting the company's economic resilience and financial independence. Throughout the year, a high level of inventories due to the problems in the supply chain were a noticeable feature. Towards the end of the year, however, we managed to take some initial steps to reduce the capital commitment. Additionally, we were able to keep our equity ratio stable, and our liquidity situation is extremely comfortable.

Where we provide structure key figures in connection with the assets position or the working capital, we do so on the basis of the business volume. This figure comprises the business transactions actually billed to customers, which are reflected in the balance sheet items (especially trade receivables and trade payables).

Balance of strength. In the reporting period, the balance sheet total of the Bechtle Group climbed to €3,447.9 million, an increase of 14.2 per cent.



For the assets position of the segments, see Notes, page 231

76. CONDENSED BALANCE SHEET						€ m
	2022	2021	2020	2019	2018	
Assets						
Non-current assets	1,115.2	984.2	958.9	846.4	659.3	
Current assets	2,332.7	2,035.6	1,728.2	1,548.3	1,367.9	
Equity and liabilities						
Equity	1,538.3	1,353.1	1,162.0	1,014.8	883.2	
Non-current liabilities	464.9	499.5	599.9	566.7	464.9	
Current liabilities	1,444.6	1,167.1	925.2	813.1	679.1	
Balance sheet total	3,447.9	3,019.8	2,687.1	2,394.7	2,027.2	

On the assets side, non-current assets increased by 13.3 per cent to €1,115.2 million as of the reporting date. Goodwill accounted for the bulk of non-current assets. Due to acquisitions, this item underwent an increase of 18.0 per cent or €84.5 million to €554.2 million in the reporting period. As a result of acquisitions and investments, property, plant and equipment climbed by €22.6 million or 6.6 per cent to €365.5 million. Other assets went up by €13.2 million. This was due to deferred income in connection with a strong increase in the software-as-a-service business.

At €82.0 million, the amount spent on investments was much higher than in the prior year (€58.4 million). The investment ratio increased from 19.2 per cent* to 26.0 per cent. For the following reasons, the building investments, in particular, exceeded our plans: for one thing, some projects started earlier than projected, and new projects were added in the course of the year. Moreover, work on planned new buildings proceeded at a faster pace, so that some investments planned for 2023 already took place in the reporting period. Furthermore, ongoing investments in internal IT as well as replacement and expansion investments were slightly higher than planned.

As of the reporting date of 31 December 2022, the capitalisation ratio dropped slightly to 32.3 per cent (prior year: 32.6 per cent). The coverage of the non-current assets by the equity improved slightly, from 137.5 per cent in the prior year to 137.9 per cent in the reporting period.

Liquidity makes us future-proof. Current assets increased by 14.6 per cent to €2,332.7 million. Owing to the strong business performance towards the end of the year, trade receivables surged by €277.7 million to €1,206.4 million. Inventories also underwent a further increase of €93.9 million to €607.7 million. Accordingly, the share of the inventories in the balance sheet total went up from 17.0 per cent to 17.6 per cent. This increase is associated mainly with the persistent global supply difficulties. Most of the inventories are project-specific goods that have not yet been shipped because of missing components of overall orders. In the reporting period, DSO (days sales outstanding) increased slightly from 40.9 to 41.1 days.

Bechtle's liquidity including time deposits and securities is at a very comfortable level of €289.6 million. Bechtle thus has sufficient funds to finance both its further growth and acquisitions. Additionally, Bechtle has a liquidity reserve of €418.8 million in the form of unused cash credit lines and guarantee credit lines.

The working capital surged by 34.5 per cent* to €976.6 million. In relation to the business volume, the figure went up from 11.6 per cent* to 13.4 per cent. This item was affected especially by the demand-driven significant increase in trade receivables. The surge in inventories was accompanied by an increase in trade payables, which had a mitigating effect.

77. WORKING CAPITAL

		2022	2021	2020	2019	2018
Working capital	€m	976.6	725.9*	652.5	647.7	580.8
In % of business volume		13.4	11.6	11.2	12.1	13.4

* Prior-year figure adjusted

* Prior-year figure adjusted

On the equity and liabilities side, current liabilities increased by €277.5 million or 23.8 per cent to €1,444.6 million. Among other reasons, because of the higher stocking, trade payables went up by €93.9 million or 15.5 per cent to €699.0 million. Additionally, due to higher VAT liabilities and other factors, other liabilities increased by €72.3 million to €379.2 million. For reasons related to the reporting date, financial liabilities underwent a year-on-year increase of €76.8 million to €111.4 million.

As of the reporting date, non-current liabilities amounted to €464.9 million, 6.9 per cent less than in the prior year. Financial liabilities, in particular, decreased by €49.0 million to €261.9 million due to residual terms of less than twelve months. The share of non-current liabilities in the balance sheet total thus decreased from 16.5 per cent to 13.5 per cent.

Steady equity ratio. In the reporting period, the equity grew 13.7 per cent to €1,538.3 million. This was due to the increase of €185.2 million in retained earnings. The equity ratio was 44.6 per cent, after 44.8 per cent in the prior year. Return on equity declined from 20.4 per cent in the prior year to 18.6 per cent in the year under review.

78. RETURN ON EQUITY AND RETURN ON TOTAL ASSETS					%
	2022	2021	2020	2019	2018
Return on equity	18.6	20.4	19.5	19.8	18.1
Return on total assets	8.5	9.0	8.3	8.5	9.1

The debt ratio increased slightly from 123.2 per cent to 124.1 per cent as of 31 December 2022. The net debt increased significantly from –€86.3 million to €83.7 million, a level that is still very comfortable.

In the reporting period, the return on assets, which indicates the return on the entire utilised capital, decreased from 9.0 per cent to 8.5 per cent.

In the business of Bechtle AG, 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 20.1 per cent (prior year: 22.2 per cent).

79. ROCE/CAPITAL EMPLOYED						
	2022	2021	2020	2019	2018	
ROCE	%	20.1	22.2	19.8	18.7	20.6
Capital employed	€m	1,767.0	1,469.6	1,395.4	1,288.7	948.3

VALUE INFORMATION



See Notes,
page 219 ff



For value in use of
the goodwill, see Notes,
page 194 f

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.

Bechtle's financial strength enables us to invest independently in the future of the company and thus in the future of the employees.

Alexander Kemeter, Unit Manager,
Operations,
System House Austria, Vienna

Natalie Heinzl, Inside Sales,
System House Austria, St. Pölten

Johanna Langer, Controlling,
System House Austria, Gleisdorf

Michael Schowald, Unit Manager,
Sales,
System House Austria, St. Pölten

from left to right



EU TAXONOMY DISCLOSURES FOR THE 2022 FISCAL YEAR

Under the EU Taxonomy Regulation 2020/852, companies are obliged to report on their taxonomy-eligible business activities starting from the 2022 fiscal year. These are the activities that are included in the EU taxonomy and that are of material importance to the company. Moreover, the taxonomy alignment, i.e. the assessment of the environmental sustainability, needs to be presented. An activity is environmentally sustainable if it makes a material contribution to at least one of the six environmental objectives of the EU taxonomy. At the same time, it must not harm any of the other objectives. This approach is called “do no significant harm” (DNSH).

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 2022, we therefore do not report any business volume, but only capital expenses (CapEx), as we do not have any activities that are relevant in the context of the EU taxonomy.

Moreover, we do not present the operating expenses (OpEx), as only operating expenses for maintenance and short-term leases would be relevant, but are not material 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 CapEx figures were determined. At Bechtle, taxonomy-related activities can be found in the areas of mobility and property.

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 the report for the 2021 fiscal year, we report the CapEx for 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 2023 reporting period, we also plan to check rent increases and contract extensions for alignment.

80. TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ACTIVITIES

in t €

Activity ⁴	2022 ¹		2021 ^{2,3}
	Taxonomy-eligible CapEx	thereof aligned	Taxonomy-eligible CapEx
6.5 Automobiles and lorries	26,455	10,517	20,900
7.2 Renovation of existing buildings			
7.3 Energy-efficient equipment	280	280	250
7.4 Charging stations	590	590	606
7.5 Total energy efficiency of buildings			
7.6 Renewable energies	86	86	
7.7 Buildings	36,853	8,929	35,120
Taxonomy CapEx	64,264	20,402	56,876
Total CapEx ⁵	147,700	147,700	104,400
Share taxonomy	43.5%	13.8%	54.5%

¹ In 2022, rent increases and contract extensions were not checked for alignment.

² Prior year adjusted, as constructions in progress is not included.

³ Taxonomy conformity was not checked in 2021.

⁴ We do not report operative expenses at 7.2-7.6 as they are below the 1% threshold.

⁵ Without assets under construction and planned progress payment

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 2022 excludes capitalised rights of use pursuant to IFRS. As Bechtel 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.

FINANCIAL POSITION

In the course of 2022, the cash flow was under pressure especially because of the problems in the supply chains. However, thanks to the excellent result in the fourth quarter, its performance for the year as a whole was clearly positive. The development demonstrated the benefits of our active cash flow management and the initial effects of the measures taken during the year. The implemented management systems and measures focus on ensuring the balance between dynamic, profitable growth and the required capital commitment.

CASH FLOW STATEMENT

Cash flow over €100 million. In 2022, the cash inflow from operating activities amounted to €116.7 million, a figure below that of the prior year (€284.5 million). This development is mainly attributable to the changes in net assets. At –€248.5 million, the change in trade receivables was substantially higher than in the prior year (–€44.9 million) and had a decreasing effect on the cash flow. This was due especially to the successful business performance in late 2022 and the high incoming orders in December. Because of the high business volume towards the end of the year, inventories have been higher, which had a decreasing effect on the cash flow as well. We also recorded a cash outflow for inventories. However, due to the improvements in the supply chain, the cash outflow only amounted to €93.7 million, €123.5 million under the prior-year figure. Nevertheless, inventories are still above past levels, as some project-specific goods could not be delivered due to missing components of overall orders. Trade payables amounted to €56.7 million and thus had a positive effect on the cash flow from operating activities. Still, the inflow was €118.7 million lower than in the prior year (€175.4 million). Overall, it was thus possible to partially compensate the strong increase in the trade receivables. Here, the performance was especially remarkable in the fourth quarter, with an outstanding cash flow of €347.4 million from operating activities.



See Assets position,
page 107 ff

The cash outflow from investing activities amounted to €224.3 million, after €42.9 million in the prior year. One of the reasons for this was the much higher outflow for acquisitions, which climbed by €76.3 million to €92.2 million. Furthermore, we again recorded an outflow in the amount of €60 million (prior year: €0) for the purchase of time deposits and securities.



See Notes,
page 217 f

The cash flow from financing activities amounted to –€100.2 million, €79.1 million more than in the prior year. The outflow for the repayment of financial liabilities dropped by €40.8 million to –€32.1 million. This item was also affected by the much higher inflow from the assumption of financial liabilities, which increased by €54.0 million to €59.9 million, and the dividend payout, which was increased for the twelfth time in a row.

The free cash flow in the reporting period amounted to –€29.8 million, after €218.6 million in the prior year. This development was caused especially by the payments for acquisitions as well as by the higher investments in intangible assets and property, plant and equipment.

81. CASH FLOW

€m

	2022	2021	2020	2019	2018
Cash flow from					
operating activities	116.7	284.5	317.5	186.0	140.5
investing activities	-224.3	-42.9	-146.5	-72.1	-280.6
financing activities	-100.2	-179.4	-78.7	-89.7	221.4
Cash and cash equivalents	229.6	431.8	363.2	272.2	245.4
Free cash flow	-29.8	218.6	204.1	109.5	-147.2



See Notes,
page 214

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,
Operating leases,
page 240

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

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 183 f and
page 219 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 and currency options. Through the hedging purchase and sale processes 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 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 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

Investments covered by cash and cash equivalents. In 2022, 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 partly covered by cash and cash equivalents and partly debt-financed.

At 44.6 per cent, the equity ratio remained at a very high level (prior year: 44.8 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 €60.0 million, Bechtle therefore holds funds in the amount of €229.6 million in cash.

Bechtle has sufficient access to various financing sources. This is also evident from the successful completion of the negotiations with eight banks for bilateral credit lines totalling more than €400 million.

OVERALL ASSESSMENT

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 difficult framework conditions and the inflationary trends, the figures of the 2022 reporting period once again underline the robustness and crisis-resilience of Bechtle's business model and the company's economic strength. In 2022, Bechtle fulfilled all forecasts made on the basis of the 2021 fiscal year without taking the said events into consideration.

82. COMPARISON OF THE ACTUAL AND PROJECTED BUSINESS PERFORMANCE

	Forecast AR 2021	Actual 2022	Comparison
Business volume	Significant increase over 2021	Growth: 16.6%	Fulfilled
Revenue	Significant increase over 2021	Growth: 13.6%	Fulfilled
Cost of sales	Increase more or less in line with revenue increase	Growth: 13.4%	Fulfilled
Gross margin	About 17%	17.5%	Fulfilled
Distribution cost ratio	<7%	6.5%	Fulfilled
Administrative expense ratio	<6%	5.7%	Fulfilled
EBT	Increase more or less in line with revenue increase	Growth: 9.4%	Fulfilled
EBT margin	At prior-year level	5.8%	Fulfilled
Dividend	Dividend payout ratio of about one third of the earnings after taxes	Dividend payout ratio: 32.6%*	Fulfilled

* Subject to the approval of the Annual General Meeting

OPPORTUNITY AND RISK REPORT

Successful business operations require the leveraging of opportunities, while limiting risks to the best possible extent. Every opportunity we take is also inextricably linked with a risk. Bechtle's opportunity and risk management provides the basis for identifying and duly assessing any opportunities for profitable growth as well as the associated risks at an early stage. At present, we are not aware of any risks that, alone or in combination with other risks, could endanger the going concern.

OPPORTUNITY AND RISK MANAGEMENT

BASIC UNDERSTANDING

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 AG 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. The direct responsibility for the early and continuous identification, assessment and control of opportunities is borne primarily by the group's Executive Board and the operational management in the individual business segments and holding companies, i.e. the Executive 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 Bechtle AG puts a lot of emphasis on detailed evaluations and comprehensive scenarios concerning the market and competitive position and 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.

Bechtle AG defines risk management as the entirety of all organisational arrangements and measures to identify risks and manage them. The main objective of the 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 meas-



See vision, strategy and governance, page 48 ff

ures. 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 measurement ranges from minor risks to material and existential risks.

The management firmly believes that it is not the task of the risk management to avoid all risks. To successfully exploit opportunities, which are inherently linked to risks, a company must deliberately take risks in the course of its business activity. However, it is important to limit risks to an acceptable degree, to control them in the best way possible and to maintain an appropriate balance with the accompanying opportunities. This is governed by the risk policy and risk strategy under consideration of the company's overriding basic orientation. At Bechtle AG, the risk strategy evolves from the corporate culture, the corporate guidelines and the company's strategic goals. These aspects govern everyday operations and, in various ways, serve as an orientation aid for all decisions. The key elements of these basic cultural definitions are rooted in Bechtle's corporate philosophy, sustainability strategy and governance guidelines.

ORGANISATION

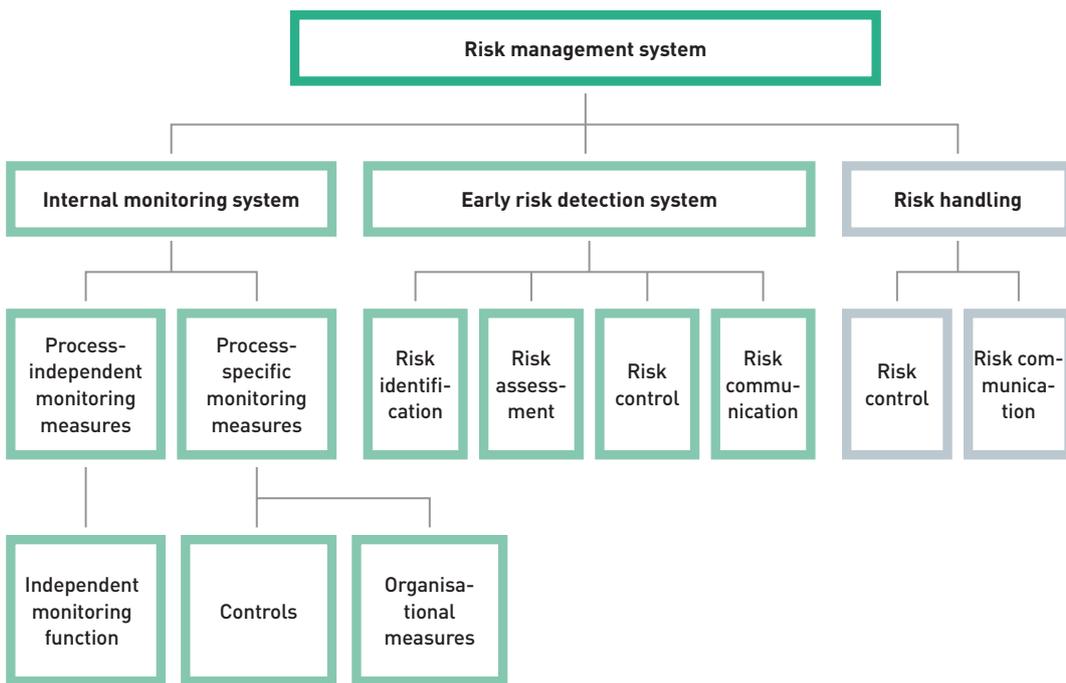
In line with the organisational structure of the Bechtle Group, the risk management clearly distinguishes between duties and responsibilities of the group holding/intermediate holdings and of the operational subsidiaries and individual management areas. Group controlling has established a reporting system 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 to the decentralised business model and the management philosophy of Bechtle AG. Compared to the prior year, the risk management organisation did not undergo any material changes.

The risk management organisation of Bechtle AG mainly performs two functions:

■ **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 assessment and risk communication. In this area, Bechtle benefits from the robust interaction of various supporting systems and instruments. The suitability of the early risk detection system set up by the Executive Board and the effectiveness of individual risk control measures and of the accounting-related internal control system are reviewed by the auditors within the scope of the audit of the annual financial statements and during the year by the company management.

The monitoring system: At Bechtle AG, 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 AG, process-specific monitoring measures exist in the form of organisational security measures, such as functional separation and access restrictions, and controls. The latter are taken care of by the individual operational areas and the person responsible for the risk management.

83. RISK MANAGEMENT SYSTEM OF BECHTLE AG



Within the scope of the risk management, effective continuous communication across all hierarchy levels is vital for the systemic interlinking with the operational business. Therefore, board work and various forms of teamwork at different management levels are important instruments for the organisation and control of the required information flow. At the top level of Bechtle AG, this comprises the Supervisory Board, Executive Board and risk management meetings. At the management level, especially meetings of the Executive Vice Presidents, Managing Director and strategy conferences, planning and individual meetings as well as more informal management meetings with the Executive Board are held in order to meet this need.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM



According to Section 315 (4) of the German Commercial Code (HGB), the Group Management Report of capital market-oriented companies must address key features of the internal control and risk management system (ICS) with respect to the group accounting process. In this connection, 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 the management introduces in the company for the organisational implementation of the decisions of the management. The duties 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; and
- To comply with the legal regulations applicable to the company.

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 to 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 constantly adapted to changes of the business model, the type and scope of the business transactions and the responsibilities. Internal and external audits conducted in individual cases reveal potential for improvement of the appropriateness and effectiveness of controls, e.g. in the 2022 fiscal year in the field of general IT controls. As far as the assessment of these management systems is concerned, the Executive Board is not aware of any insights that would render them inadequate or ineffective as a whole.

RISK IDENTIFICATION AND ASSESSMENT

To pinpoint all risks relevant to Bechtle AG as comprehensively as possible, the company uses a risk pool. The risk pool describes all potential risks that Bechtle AG 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 assessment forms. These forms 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 assessment 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 AG as a group and for each of its business segments. In the context of the risk assessment, Bechtle AG performs a net assessment of certain risks (risk assessment after initiation of specific measures). For this process, lump-sum figures are used for main and individual risks. The gross assessment serves as the basis for the calculation of the risk-bearing capacity. The risk-bearing capacity describes the financial potential of Bechtle AG to absorb any losses that may result from the occurrence of the identified business risks. The calculation of the query in the fourth quarter showed that the share of the total risk position in the risk-bearing capacity amounts to a comfortable 38.6 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

In the reporting period, Bechtle used a new software application in the risk management system in order to further optimise the risk control and to continually monitor the risk control measures.

RISK REPORTING AND DOCUMENTATION

At least once a year, the management of Bechtle AG holds risk management meetings, whose formal requirements are continually reviewed and that are supplemented with the risk situation of new subject areas. In addition to the risk management meetings of Bechtle AG, 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 each of these meetings. The Executive Vice Presidents and individual employees entrusted with controlling and risk management responsibilities also participate 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. In this way, critical issues are immediately reported to the Executive Board and subsequently to the responsible bodies (audit committee, Supervisory Board) and other individuals involved in the risk management process.

SUSTAINABILITY RISK MANAGEMENT

In the reporting period, Bechtle expanded the processes for identifying and measuring sustainability risks. Here, compliance with new statutory obligations and other requirements, such as those of the German Corporate Governance Code (DCGK), played a key role.

Bechtle defines sustainability risks as risks for the company that are associated with social and environmental factors (outside-in perspective) as well as the potentially negative ecological and social effects of its own business activities on the outside (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 sustainability risk management survey takes place with a separate questionnaire, but at quarterly intervals like the conventional risk inquiries. 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 – this comprises the four subject areas of our Sustainability Strategy 2030: ethical business practices, environment, people and digital future.

For the two perspectives shown, the sustainability risks are measured differently. While the measurement of the sustainability risks of the outside-in perspective is aligned with the measurement according to the conventional risk management, the measurement of the sustainability risks of the inside-out perspective is only partly aligned with the conventional approach. As a matter of principle, the inside-out perspective provides for the measurement of sustainability risks 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 the measurement of the risk impact (“loss amount”). This severity comprises measurements of the extent, scope and irreversibility of a potential occurrence of a risk. In summary, all identified sustainability risks are presented 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



See
Competitive position,
page 45 f

Like all other players on the IT market, Bechtle AG, too, is affected by the sector's performance and macroeconomic developments. Obviously, a positive economic development presents opportunities for further successful company growth. However, even in the event of macroeconomic or sector-specific stagnation or decline, Bechtle can benefit from consolidation in the competitive landscape and expand its relative market share. Especially in the reporting period, Bechtle demonstrated an extraordinary degree of resilience to the macroeconomic performance. The general demand for IT, which is driven by the digital transformation, our international presence in 14 European countries, our broad solution competence as well as the diversity of the customer groups and sizes enabled the company to deliver an excellent performance despite the difficult framework conditions. The demand for IT solutions was high, not only in the home market of Germany, but also in the other European IT markets. Moreover, the situation in the supply chain gradually improved during the course of the year, meaning that the delivery times of some products groups were significantly shorter, especially towards the end of the year.

The IT market is characterised by rapid technological innovation and relatively short product cycles. Due to advancing digitisation, information technology is becoming increasingly important. IT thus constitutes an integral part of corporate value creation and is a key success factor for nearly all enterprises. This has again become clearly evident under the pandemic conditions in recent years. 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 companies also prefer cooperating with an experienced partner in the field of digitisation – an area which still holds many unknowns. 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.

The IT system house market in the individual European countries – especially in German-speaking regions – has 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 more than 105 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 means of acquisitions or by expanding the product and service spectrum. Against this background, Bechtle acquired three companies in the reporting period. The expansion of the acquisition strategy delivers additional opportunity for growth through acquisitions. The goal of

acquiring service providers (system house business) even outside Germany, Austria and Switzerland also increases the growth potential in the respective countries. By means of this strategy, we are also strengthening our existing trading business in the said countries.



See vision, strategy and governance, page 50

The Bechtle Group occupies a leading competitive position in Germany and Europe. Bechtle's size enables the delivery of a comprehensive solution portfolio and ensures high product availability even in times of high demand – something outside of the reach of many competitors. This is highly appreciated by many customers. We are also greatly appreciated especially by our vendor partners. This was also important in the reporting period, as ongoing global supply chain problems continued to limit the availability of many products. Thanks to the excellent relationships Bechtle enjoys with all major vendors and distributors, it was able to outperform many competitors in terms of product availability. 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

Bechtle has particular expertise in the business with medium-sized customers. Nevertheless, our customer structure also comprises smaller customers as well as large corporations that we address through various channels. Especially the business with large customers developed very well in the reporting period. Therefore, the effects of industry-specific economic trends and special investment-related framework conditions may only affect the company on a location-specific scale. The success of the Bechtle Group as a whole is not endangered, as Bechtle has the opportunity to balance and compensate the weaknesses of individual sectors or regions. This is another reason why Bechtle plans on acquiring additional companies in the system house business even outside Germany, Austria and Switzerland. Once again, the impact of the COVID-19 pandemic on the IT markets and on the customer demand has demonstrated that Bechtle's business model is more stable and crisis-proof in markets in which we are represented with both segments.



See chart Industry segmentation, page 45

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 was even higher during the pandemic. 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. Thus, the demand of public-sector clients can be even higher during times of crisis. The digitisation trend – which was only triggered or even strengthened by the pandemic in many areas – is associated with additional opportunities for additional successful business in this customer segment. Moreover, the need for digitisation is also driven by the corresponding legislative requirements, which could trigger further demand on the part of these customers.

In the IT System House & Managed Services segment, Bechtle is currently represented in Germany, Austria, Switzerland, the Netherlands, Belgium and the United Kingdom with more than 85 system houses. Moreover, Bechtle's long-standing presence in the IT market poses a high market-entry barrier for potential competitors. A strong competitive position in the SME segment thus enables our company to expand its market leadership in this area, while at the same time, intensifying its business with large customers.



See Business activity,
IT E-Commerce,
page 39

In the IT E-Commerce segment, we are active in 14 European countries. In the coming years, Bechtle wants to continue to develop through systematic acquisitions and most importantly through organic growth, especially in existing locations. This is to be promoted by means of marketing measures that address a wider spectrum of customers and by further internationalising the business. Especially in the field of cross-border transactions, the units of the Bechtle Group present a comprehensive offering that is supplemented by the presence of group companies in 14 European countries and through the Global IT Alliance (GITA), which was established in 2014.

At 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 will give us the opportunity to offer our entire service portfolio to even more customers and to exploit existing potential and leverage synergies even more effectively in the countries in which we are represented with both segments. Additionally, bechtle.com will be expanded further in order to increasingly advance digitisation in customer contact and order behaviour. This will also help us to improve our productivity.

VENDORS AND DISTRIBUTORS

Bechtle AG 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 cooperation with partner companies enables us to offer technology solutions that meet our customers' growing demands. 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.

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 the responsible 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 feedback 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.



At Bechtle, teamwork extends in many directions – not only within and between departments and locations. Long-standing cooperative partnerships also exist with vendors.

Christian Stoitzner, Account Manager, System House Austria, Vienna

Sarah Bartl, Service Administration, System House Austria, Vienna

from left to right

SERVICE RANGE



See Business segments,
page 37 ff

IT is becoming increasingly complex. Therefore, enterprise customers depend on IT consulting services, and they often expect their IT providers to deliver complete solutions from one source. With its combination of trading and services and its blend of project, managed services and financing business within the services, Bechtle is a genuine one-stop provider and as such well prepared 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.

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 39 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. ARTICONA is available to all companies of the Bechtle Group. The portfolio comprises IT accessories and connectivity products. In this way, all customers of the Bechtle Group benefit from the excellent value for money of the ARTICONA products, which also results in higher profitability.

Cloud computing is 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 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. The Bechtle system houses are able to offer an extensive portfolio of virtualisation and server technologies, infrastructure solutions and security-relevant applications. Accordingly, they 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. In the reporting period, Bechtle established the position of CTO at the level of Executive Vice President in order to strengthen the platform business. The CTO is responsible for all of Bechtle's platform activities: the Bechtle Service Factory with its managed service offerings, the further development of the central web platform bechtle.com, the Bechtle Clouds platform and the operation of the Bechtle data centres in Frankfurt am Main, Rüsselsheim and Mutterstadt.

Industry 4.0 and digitisation in general also create 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. Especially the integration of IT in production processes 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 and is thus able to address the demand in this area.

COMPANY ORGANISATION

With its more than 85 system houses, Bechtle is present throughout Germany, Austria and Switzerland. Additionally, due to acquisitions in the reporting period, the company has established its first bases in the Netherlands, Belgium 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 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 nation-wide basis – supraregional 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.



See Management structure, page 59

By expanding the system house activities to countries outside Germany, Austria and Switzerland, the Bechtle Group enjoys the same opportunities in the respective countries as well as additional growth potential.

The organised interaction between central support and a decentralised market approach by the system houses 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.

PERSONNEL

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. To further increase 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.



See **People at Bechtle**,
page 63 ff



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



See **Forecast report**,
page 146 ff

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 10.9 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 jumpers in order to address even people who do not have any IT experience. Apart from helping Bechtle to counteract the shortage of specialists, this programme often attracts participants with diverse cultural backgrounds, skills and experience gained in various industries. This, in turn, increases Bechtle's diversity.

In the reporting period, Bechtle started a group-wide satisfaction survey of all employees, which will be completed this year. The results flow into consideration in future HR work and in the further development of the employer branding. The survey is to be conducted every two years.

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 the general welfare.

Around the globe, the digital and ecological transformation of society and the economy is giving rise to new 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 rapidly rising 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.

Conducting sustainable business is also important in terms of employee recruitment and loyalty. Especially young people want to work for an employer who conducts sustainable business. We clearly sense this in interviews with applicants, apprentices and students. |

RISKS



See
Sustainability risks,
page 123

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 include the described sustainability risk in the inside-out perspective. Nevertheless, this list does not include all risks the Bechtel 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. Apart from the risks that impact the earnings, assets and financial position, Bechtel also examines non-financial risks.

The 2022 reporting period was marked especially by the war in Ukraine and its consequences, such as inflation and a shortage of energy. In this connection, new risk scenarios have also arisen. However, Bechtel AG has obviously not suffered any direct effects, and the indirect effects have only affected the company to a limited extent. Many companies and public institutions did not question their IT investments. Therefore, the willingness to invest remained high. Bechtel thus only experienced many of the macroeconomic risks associated with the war to a lesser extent or not at all. Accordingly, this risk report only describes any remaining direct risks that Bechtel AG was exposed to as of the reporting date.

RISK ASSESSMENT



See Risk identification
and assessment,
page 121

To introduce suitable risk control measures, identified risks are assessed on the basis of their estimated probability of occurrence and the loss amount expected upon occurrence with respect to the earnings, assets and financial position of the Bechtel 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

84. RISK POTENTIAL PROBABILITY OF OCCURRENCE

Probability of occurrence	Description
High	Highly probable
Medium	Probable
Low	Improbable

85. RISK POTENTIAL LOSS AMOUNT

Expected loss amount in the event of occurrence of the risk	Definition of the loss amount	Value limits in €k
High	Substantial detrimental effects on the earnings, assets and financial position	500–1,500
Medium	Some detrimental effects on the earnings, assets and financial position	100–500
Low	Low detrimental effects on the earnings, assets and financial position	20–100

86. 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

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. Bechtel AG generates more than 60 per cent of its revenue in Germany and almost 40 per cent on 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 Bechtel Group.

In the reporting period, the macroeconomic framework conditions were influenced by the war in Ukraine and its direct and indirect effects. The high inflation and the energy supply issue burdened the macroeconomy and gave rise to a lot of uncertainty. The growth rates of the gross domestic product receded and were even partly negative in the fourth quarter. Moreover, Bechtel's business operations were impaired by the ongoing global supply problems, some of which became even worse due to the war. Though customer demand remained high, it was not always possible to meet this demand within the desired time frame. The improvements seen in the supply chain in the course of the year were not of a comprehensive nature, but only benefited individual product categories. Nevertheless, the IT market in general proved to be rather resilient despite these challenging framework conditions. The demand for sustainable IT solutions remains high. Meanwhile, IT has become an essential factor of the value creation for virtually all companies and public-sector clients. Therefore, IT expenditure continues to be rather stable or even increased in times of high uncertainty. The high incoming orders in the reporting period thus represent a very positive sign. Still, we need to keep an eye both on the effects of the war in Ukraine and on the developments in connection with the global supply problems, as an unexpected protraction of these events could result in a further macroeconomic downturn, which would also impact the IT market and thus Bechtel more severely.

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

BUSINESS ACTIVITY



See
Personnel expenses,
page 65

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 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, Bechtle is increasingly more successful in achieving high business volume growth without stepping up the headcount at the same rate. This is firstly because we effectively digitise an increasing number of internal processes. 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
Opportunities,
Personnel,
page 130

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. In the reporting period, the risk of a disproportionately high rise in salaries increased due to the high inflation. Since Bechtle usually engages in salary negotiations with employees at the beginning of a year, the risk did not materialise in the reporting period. However, this merely means that the risk has passed over into the current year. The risk of personnel expenses cannot be considered without taking the associated risk of a higher employee turnover rate into account. Therefore, a real wage increase should be planned at least at the lower salary levels. At the higher salary levels, Bechtle endeavours to respond by increasing the focus on variable salary components. In December 2022, the Executive Board also decided to pay most Bechtle employees an inflation bonus amounting to €150 or €100 a month (depending on the salary level) for the first six months of 2023 as an initial step. The needed provisions were already recognised in the fourth quarter of 2022.

Despite the aforesaid, we consider the occurrence of the risk 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 risk to be high.

Procurement. Bechtle buys its products from all renowned IT vendors and distributors. Across Europe, the company cooperates with 290 vendors and more than 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 AG.



See
Opportunities, Manufacturers
and distributors
page 126 f

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 like 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 new business segments of the vendors. 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 new developments at the vendors at an early stage and is able to duly 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 significant detrimental effects on the earnings, assets and financial position.

A significant risk remains with regard to the problems in the global supply chains. Though a gradual improvement took place in the reporting period, this did not affect all product categories. In the reporting period, the delivery times – which normally amount to 24 hours – amounted to several weeks or even months. During the past years, the order backlog underwent a disproportionately high increase or did not drop significantly. Bechtle counteracted this risk especially by means of the said excellent relationship with key suppliers in the IT market. In numerous meetings, Bechtle was able to negotiate better availabilities and faster delivery times than many of its competitors for itself and thus for its customers.

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

Due to the problems in the supply chains, the stock levels had to be stepped up. This was necessary for 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. Other risks include the risk of insufficient storage capacity and the risk of impairment of the inventories on hand. With regard to the capital commitment, the group took measures in the reporting period to reduce this figure. Moreover, the storage capacities will be expanded with the additional logistics site in Hamburg in the current year. Generally, availability remains a key criterion when customers decide where to buy. Accordingly, this risk is accompanied by the opportunity of benefiting from the market situation.

Nevertheless, we consider the occurrence of the risks from the increase of stock levels to be highly probable, and we would expect this to have a significant effect on the earnings, assets and financial position. We consider this risk to be high.

In some cases, Bechtle undertakes to supply customers under framework agreements. Due to the global supply problems, Bechtle could be unable to fulfil its contractual obligations or at least to do so in due time. As a result, customers of Bechtle could demand the payment of contractual penalties. In the reporting period, there were only a few cases in which contractual penalties had to be discussed with customers, and actual payments only had to be made in two cases. Most customers are aware of the situation in the global supply chain and know that Bechtle is not to be blamed. Nevertheless, a protraction of the supply problem and of the associated delay in rolling out projects could increasingly bring this subject to the fore. Therefore, Bechtle recognised provisions in the amount of €10 million in order to be able to respond to any claims without encumbering its current earnings position.

Nevertheless, we classify the risks from the payment of contractual penalties as a high risk. We consider the occurrence of this risk to be highly probable. In the event of the occurrence of these risks, we would expect significant detrimental effects on the earnings, assets and financial position.

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. However, due to its wide geographic coverage in Germany, Austria and Switzerland and its international presence in 14 European countries, Bechtle has an advantage, especially in the field of medium-sized enterprises, in terms of customer approach and bonding as well as with respect to the delivery and performance of services. No other competitor has such wide geographic coverage. 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.



See
Service Range
and Processes,
page 45 f

We regard the occurrence of competition risks as highly probable and would expect some detrimental effects on our earnings, assets and financial position in the event of an occurrence of the risk. These risks are classified as high risks.

The way companies use IT and make it available to their employees is undergoing a structural change. Consumption-based contract models ("as a service") are increasingly gaining a lead over the conventional project business. Furthermore, the demand for cloud services is on the rise. A lingering effect of the COVID-19 pandemic could speed up this process. The mapping of such consumption models to systems and processes is very complex. Therefore, the processes that are currently being used are not yet as lean and effective as those of traditional business segments. Should the significance of these business segments increase faster and more intensively than expected, this could have a negative impact on the profitability and growth of Bechtle AG.

We regard the occurrence of these risks as probable and would, in the event of occurrence, expect some negative effects on our earnings, assets and financial position. These risks are classified as high risks.

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 more than 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. Should a larger tender that comes about in this way be lost, Bechtle could lose market shares in this segment.

We consider these risks to be high. The probability of occurrence is high, and we consider the impact on our earnings, assets and financial position to be significant.

IT. Nowadays, all companies depend on information technology. Due to the advanced digitisation, all major 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.

Customer loyalty greatly depends on a company's performance, proximity and personal care. At Bechtle, all these factors are on hand in every phase of the collaboration.

Romana Fluch, Inside Sales,
System House Austria, Vienna

Bernhard Pollak, Unit Manager Sales,
System House Austria, Graz

Ines Stampfl, Sales Coordinator,
Public Sector Unit,
System House Austria, Vienna

from left to right



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 regard the occurrence of these risks as probable and would, in the event of occurrence, expect substantial detrimental effects 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 for new scenarios. For this purpose, Bechtle has appointed an interdisciplinary workgroup. Nevertheless, a new scenario could occur 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.

Human resources. As a trading service provider, the employees as well as their training, motivation and commitment are key success factors for Bechtle AG. 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. Loss of expertise could occur due to above-average fluctuations in qualified personnel, or the customer satisfaction could be impaired by a lack of qualification and performance orientation on the part of the employees. Apart from further developing Bechtle's employer branding, the HR work therefore focuses on increasing the employee satisfaction by creating a positive work environment, providing operational training and promoting junior executives by means of internal development programmes. In the reporting period, Bechtle launched its second group-wide



See Training,
page 65 ff

employee-satisfaction survey. At the bottom line, the results of the survey completed in 2021 had been very satisfactory. The training of young people and further training measures for existing employees are key aspects of the HR work. Furthermore, the HR work aims at reducing the workload of the operating companies in Germany and abroad and leveraging efficiency potential by means of a uniform alignment.

The occurrence of fluctuation risks is considered to be highly probable. This could cause some detrimental effects on the earnings, assets and financial position. We consider this risk to be high. We classify the HR procurement risk as a high risk, as the occurrence of this risk is highly probable and substantial detrimental effects on the earnings, assets and financial position cannot be excluded. We classify the risks associated with the shortage of suitable people as a high risk, as the occurrence of this risk is highly probable and some detrimental effects on the earnings, assets and financial position cannot be excluded.

Sustainability. In the reporting period, the processes with respect to this subject area were added in order to identify and assess sustainability risks. In this context, we make a distinction 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 Bechtle AG in this area are rather limited. Nevertheless, we have identified a number of risks that are relevant to a certain extent.

Outside-in perspective. Within the scope of the sustainability strategy, the climate protection strategy and the non-financial statement, Bechtle has undertaken to perform certain actions or to reach certain goals. Should Bechtle AG be unable to comply with this commitment, the company could suffer a reputation loss. We consider the occurrence of this risk to be improbable, though we consider the loss amount to be high. We classify this risk as a medium risk.

Inside-out perspective. Here, Bechtle AG considers the danger of injury to its employees or visitors due to a (work) accident to be the greatest risk. Though we consider the probability of occurrence to be very low, the severity of this risk is high in terms of the extent, scope and irreversibility. All in all, we classify this risk as a high risk.

FINANCIAL INSTRUMENTS

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.



For a quantification of the risks see Notes, page 223 ff

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 examination of the future risk situation. Bechtle could be exposed to bad-debt losses 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 economic uncertainty. Thus, this risk has also become clearer for Bechtle. Anyway, the stable development of the DSO and the consistently low level of bad debts in the reporting period did not cause any worries. Nevertheless, we regard the occurrence of bad-debt risks as highly probable and would expect significant 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.

Interest rates. Financial assets and liabilities with maturities of more than one year generally involve an interest rate risk. The inflationary framework conditions in the reporting period resulted in several key interest rate raises 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 potentially significantly higher interest expenses, resulting in a higher risk for Bechtle. The interest rate risks of the Bechtle Group are centrally analysed, and



See Assets position, page 107 ff, and Notes, Interest rate risk, page 225 f

the resulting measures are actively managed by the central finance department. Nevertheless, the occurrence of risks from changes in interest rates is considered to be highly probable. We would expect significant detrimental effects on our earnings, assets and financial position. These risks are classified as high risks.



See Notes.
Currency risk,
page 223 ff

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, the procurement takes 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 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.



See
Financial Position,
page 113 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 position of the Bechtle Group as of the end of 2022 is outstandingly sound and comfortable, with cash, cash equivalents, time deposits and securities worth €289.6 million (prior year: €431.8 million), unused cash and guarantee credit lines worth €418.8 million and a positive cash flow from operating activities amounting to €116.7 million (prior year: €284.5 million). The probability of occurrence of a liquidity risk is limited.

The treasury department of Bechtle AG ensures the liquidity supply for the group divisions and subsidiaries by means of cash pooling or intercompany loans. Furthermore, it controls the interest rate risk and is responsible for the assessment, analysis and monitoring of positions subject to market risks.

The occurrence of exchange rate and liquidity risks is considered to be improbable. Moderate detrimental effects on our earnings, assets and financial position cannot be fully excluded. Both risks are classified as low risks.

OTHERS

Acquisitions. Since its foundation, Bechtle AG has acquired 105 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.



See Locations,
page 59 ff

We regard the occurrence of risks from acquisitions as probable and would expect some negative 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 AG 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.

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 very high, and we consider the impact on our earnings, assets and financial position to be significant.

OVERALL EXAMINATION OF OPPORTUNITIES AND RISKS

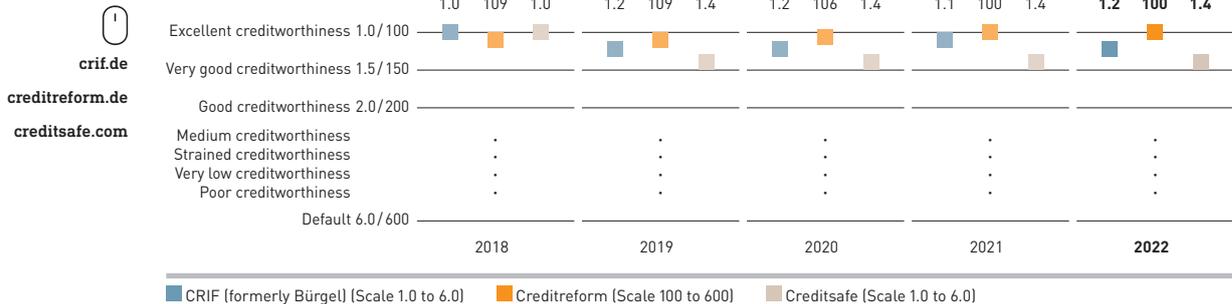
The evaluation of the group's overall opportunity and risk situation by the Executive Board is based on an examination of all major compound and individual risks under consideration of any opportunities that may arise. Compared to the prior year, there were minor changes to the overall risk position and to 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. The company has a good equity ratio of 44.6 per cent and a comfortable liquidity situation.



Excellent credit rating

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.

87. CREDIT RATINGS BECHTLE AG



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

Bechtle AG 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 other significant impairment of the company's revenue and profitability due to other risks. All in all, Bechtle AG 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 broad international customer portfolio comprises business customers as well as public institutions of all sizes. The diverse customer spectrum is one of the group's strengths that has grown over many years.

Tom Pauly, Accountmanager
Commercial,
Bechtle direct Netherlands

Michelle Stork, Accountmanager
Education & Local Government,
Bechtle direct Netherlands

from left to right

FORECAST REPORT

As of the beginning of the 2023 fiscal year, uncertainties remain at an unusually high level. Though the mood in the economy brightened up slightly in early 2023 and the forecast for the macroeconomic performance is not as pessimistic as in autumn 2022, the remaining economic risks are still unpredictable. Nevertheless, the IT industry is expected to outperform the macroeconomy and escape certain developments affecting the economy in general, as was also the case in the reporting period. IT budgets are there to spend, and industrial customers and public-sector clients are set to invest substantial amounts in their IT. We are convinced that the outlook for the further development of the Bechtle Group continues to be bright in the 2023 fiscal year. Of course, this is conditional upon the continued recovery of the macroeconomic situation and the ongoing relaxation of the global supply chain issues, resulting in better availability of all product groups in the course of the year.

FRAMEWORK CONDITIONS

Weak growth anticipated. According to its forecast of February 2023, the European Commission expects economic growth in the EU to continue to decline. Still, the forecasts are not as pessimistic as during 2022. In 2023, gross domestic product (GDP) is to grow by 0.8 per cent, after 3.5 per cent in the reporting period. Further into the year, growth rates are expected to increase slightly from quarter to quarter. A stagnating rate of 0.0 per cent is projected for the first quarter. A slightly higher economic growth rate of 0.2 per cent is predicted for the second quarter. In the third and fourth quarters, growth rates are to increase marginally by 10 basis points to 0.3 per cent and 0.4 per cent, respectively. The rather subdued growth expectation for the entire EU is also reflected in Bechtle's markets. The lowest growth of 0.1 per cent is predicted for the Czech Republic. The highest growth of 4.9 per cent is anticipated for Ireland, followed by some margin by Spain and Portugal with 1.4 per cent and 1.0 per cent, respectively. Higher dynamics are expected for 2024, with economic growth of 1.6 per cent in the EU.


ec.europa.eu

In 2023, the economic performance in Germany is expected to be only slightly positive. The European Commission predicts GDP growth of 0.2 per cent for the current year, after 1.8 per cent in the reporting period. Investments in equipment are to undergo a slight decrease of 0.2 per cent in 2023, after growth of 2.2 per cent in the reporting period. Government investments are to see an even greater decline of –0.6 per cent. For 2024, the European Commission expects GDP growth of 1.3 per cent, which means an increase over 2023. Investments in equipment are to increase by 3.2 per cent in 2024, a rate higher than that of the GDP growth.

Global IT market set for further growth. The market research institute Gartner predicts a 2.4 per cent growth in global IT expenditure in 2023. Higher growth of 3.7 per cent is anticipated in the EMEA region. Due to the increasing demand for cloud-based software, software revenue is expected to undergo disproportionately high growth of 8.6 per cent. In 2023, the demand for IT services, too, is to undergo a disproportionately high increase of 6.6 per cent.

According to bitkom, the German IT market is to continue to grow at a high level in 2023. A growth rate of 6.3 per cent is projected, a figure just slightly below that of the reporting period (6.6 per cent). Growth of 5.3 per cent is predicted for hardware sales (reporting period: 5.4 per cent). Services are to grow by 4.7 per cent, after 5.5 per cent in the reporting period. The software segment is thus expected to be the strongest growth driver by far. The increase in this area is estimated at 9.3 per cent, just marginally under the 9.4 per cent recorded in the reporting period.



bitkom.org

In France – a national market that is important for Bechtle – IT revenue is to increase significantly in 2023. The industry association numeum projects an increase of 5.9 per cent.

General situation tainted by uncertainty. 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 Western and Central Europe is marked by a high level of uncertainty. For one thing, the ongoing problems in the global supply chains and the associated supply difficulties are burdensome for the IT market, though some improvements occurred in the course of the reporting period. Furthermore, the war in Ukraine with its various consequences has resulted in major uncertainty with regard to further macroeconomic development. All these factors, together with inflation-related factors, could indirectly influence the business performance of Bechtle AG. However, it is impossible to reliably ascertain and assess the probability of occurrence, the extent and the duration of these events. 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.



See Risks,
page 132 ff

GROUP PERFORMANCE

PRODUCTS AND MARKETS

In many industrial enterprises and in public administration, digitalisation remains the predominant trend in the field of IT. This trend has further intensified on the basis of the experience gained during the COVID-19 pandemic. A high degree of digitalisation is required for high availabilities, access by the employees who work remotely or flexibility in the use of IT. At the same time, the topic of security continued to play a prominent role in the reporting period. Therefore, Bechtle intends to double its team of security specialists – which already comprises an excellent number of 300 employees – in the coming years. On the one hand, high demand was muffled by global supply problems. The launch of many digitalisation projects depends on the supply of new hardware. Thus, the supply problems have also obstructed the performance of some services. Despite the improvements in the supply chains, this did not change in the reporting period. Improvements were limited to individual product groups and did not take place across the board. Therefore, supply issues will keep the IT market and Bechtle busy in 2023 as well, though the intensity will hopefully taper off in the course of the year. However, we believe that at least the first half of 2023 will be noticeably impacted by supply problems. Some customers are also holding back due to the tense macroeconomic situation. What we do know, however, is 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 as-a-service models, cloud solutions, security, mobility, storage, modern workplace and networking solutions 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. By means of our multi-cloud portal Bechtle Clouds and our website bechtle.com, we enable customers of all sizes to quickly and easily procure IT solutions. In the reporting period, a CTO (Chief Technology Officer) was appointed for the first time in order to support this platform business. 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 boosts productivity. 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 the customer's original concern and irrespective of the segment the customer has been allocated to, Bechtle is able to address all customers comprehensively for the purpose of systematically offering them further solutions. At the same time, this helps us to boost 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. This will have a positive effect on profitability. What is more, it will help us to achieve high 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, in general, digitalising many of our (internal) processes is vital.

Bechtle drives 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, consolidation should intensify as expected. Bechtle AG could 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 in both business segments by expanding existing companies and business fields and by means of acquisitions. We had already expanded our M&A strategy to that end back in 2021. Previously, we had focused on acquisitions in the service segment in Germany, Austria and Switzerland, as our system houses had been located only in these countries. Our expanded acquisition strategy 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. In 2022, we were already able to perform a number of initial acquisitions: PQR and Axex in the Netherlands and ACS in the United Kingdom. In this way, we are not only increasing the growth potential in the respective countries by expanding our portfolio, we are also stepping up our existing activities in the individual markets and increasing customer bonding. The expanded M&A strategy continues to concentrate on the national markets in Benelux, France, Spain and the United Kingdom. Of course, we will also continue to consider acquisitions in Germany, Austria and Switzerland.

PERSONNEL

Staff development and training will, as before, play an important role in our business. With an established range of training measures and consistent continuation of the internal management programmes, Bechtle intends to go on investing in the development of junior and executive staff. Regardless of whether or not acquisitions take place, the Executive Board plans to further raise the headcount in 2023, though at a much lower rate than revenue growth, as in the reporting period. As already mentioned, the rising degree of internal digitalisation enables us to keep the headcount increase below the revenue growth.

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. We are pleased to see that the headcount increase in the reporting period by 1,166 colleagues largely resulted from recruitment and less from acquisitions. This clearly shows that Bechtle has not lost its ability to attract attention and stimulate enthusiasm. Additionally, we expect our career jumper programme to

deliver positive impulses for our headcount increase. Obviously, the further development of 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 MEASURES

The Sustainability Programme comprises concrete measures and milestones for all focus topics from the four strategic areas of action of the Sustainability Strategy 2030. It documents measures to achieve the objectives and specifies a time target for their implementation. This ensures a high level of transparency, and enables us to quantify the ground we have covered and regain our bearings should we drift off course. The following pages outline the Bechtle Sustainability Programme, starting with 2023. Measures already implemented in the 2022 financial year are reported on in the respective thematic chapters.

88. SUSTAINABILITY PROGRAMME ETHICAL BUSINESS PRACTICES

Focal point	Action plan	Time horizon	Status
Supply chain sustainability	Professionalise CSR risk management according to the criteria of the German National Action Plan on Business and Human Rights (NAP). Subsequently develop a catalogue of actions designed to prevent and mitigate based on the results of the CSR risk analysis.	2023	Started
	Enhance our dialogue and collaboration with strategic vendor partners on mutual projects to drive environmental and social aspects along the supply chain.	2030	Continuous
	Grow our portfolio of suppliers with those who consider social and environmental criteria in their supply chains.	2030	Continuous
Compliance and anti-corruption	Create a new handbook on compliance.	2023	Started
	Reframe our complaint procedure (compliance hotline).	2023	Started
Social commitment	Revise donation and sponsoring guidelines, including with the addition of digital education programmes (initial objective 2022).	2023	Started
	Promote employees' social commitments.	2030	Continuous
	Initiate our own sustainability projects.	2030	Continuous
	Gradually extend our social outreach.	2030	Continuous

89. SUSTAINABILITY PROGRAMME ENVIRONMENT

Focal point	Action plan	Time horizon	Status
Climate and energy	Develop a comprehensive mobility concept.	2025	Started
	Gradual conversion of further Bechtle Group locations to 100% green electricity.	2030	Started
	Gradually extend the company fleet with all-electric and hybrid vehicles.	2030	Continuous
	Continue to increase our extensive charging infrastructure.	2030	Continuous
Sustainable logistics	Intralogistics: Collaborate with vendors to enable fulfilment using the BechtleBox©.	2025	Started
	Increase the share of recycled plastics in plastic packaging and wrappers.	2025	Started
	Consolidate orders and increase the use of the Bechtle Box© for last-mile delivery.	2030	Continuous
	Distribution: Optimise space utilisation.	2025	Started
	Expand our network of logistics partners with providers offering lower-emission transportation, e.g. green last-mile delivery with electric vehicles.	2030	Continuous
	Roll out sustainable logistics concepts to other Bechtle Group warehouses (multi-warehouse strategy)	2030	Started
Circular economy	Roll out a group-wide circular economy concept for IT hardware (initial objective 2022).	2025	Started

90. SUSTAINABILITY PROGRAMME PEOPLE

Focal point	Action plan	Time horizon	Status
Employer attractiveness	Roll out internal career paths as on expert careers, leadership development, specific programme for career jumpers among others.	2025	Started
	Continue to conduct local, biannual employee satisfaction surveys and translate results into concrete measures.	2030	Continuous
	Continue our leadership initiative, including dedicated training opportunities.	2030	Continuous
	Continue to develop the Bechtle Academy offering, including virtual and non-German training opportunities.	2030	Continuous
	Attract young people with a target group-specific approach and expand co-operations with schools and universities.	2030	Continuous
	Increasing our vocational trainee ratio in Germany to 10%.	2030	Started
Diversity and equal opportunity	Analyse the diversity categories defined by Charta der Vielfalt that relate to Bechtle and deduce appropriate measures.	2023	Started
	Analyse the status quo of diversity within the Bechtle Group and define KPIs to make it trackable (initial objective 2022).	2024	Started
	Implementation of the measures derived from the roadmap Gender Diversity 2022 and development of new goals (new action).	2025	Started
Health and safety	Continually add to Bechtle Corporate Health Management's group-wide offerings and develop a strategic, group-wide approach.	2023	Started
	Continue to standardise our occupational health and safety protocols and enable an exchange on health-related topics across sites.	2030	Continuous

91. SUSTAINABILITY PROGRAMME DIGITAL FUTURE

Focal point	Action plan	Time horizon	Status
Sustainable in-house digitalisation	Plan 30% of in-house IT projects taking sustainability criteria into account.	2023	Started
	Application and IT retirement – Identify and decommission systems that lead to process overlaps and unacceptable redundancies.	2030	Continuous
	Use of 100% renewable energy in our data centres (new action).	2030	Started
	PUE value in our data centres of less than 1.3 (new action).	2030	Started
Sustainable technologies, solutions and services	Provide awareness training to employees regarding our portfolio of sustainable products.	2023	Started
	Develop an in-house training programme to become a Digital Sustainability Consultant.	2023	Started
	Continue to grow our portfolio of hardware, software, on-prem and cloud solutions, and services for customers through the addition of new, sustainable products and vendors.	2030	Continuous
Information security and data protection	Optimise our already high levels of information security and data protection. Grow the number of DIN EN ISO 27001 and TISAX-certified companies within the Bechtle Group.	2030	Continuous
	Analyse security-critical components as part of our Service Life Cycle Management.	2030	Continuous

KEY PERFORMANCE INDICATORS

Business volume. For many years, Bechtle AG has grown faster than the market. Since 2012, we have greatly increased our business volume 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 largely organic. We believe that in the future the group's growth rates will continue to be largely organic. In the reporting period, we achieved excellent growth of 16.6 per cent. We expect further significant growth of 5 to 10 per cent in 2023. However, our forecast is influenced greatly by the uncertainty with regard to the further development of the macroeconomic framework conditions.

Revenue. The revenue performance is largely identical to the business volume performance. In the reporting period, however, the revenue growth of 13.6 per cent was below the growth rate of the business volume. This was connected to a disproportionately high increase in our software business. In view of the continued dynamic development of our software business, revenue growth in 2023 is expected to again remain below business volume growth. For 2023, we again project significant revenue growth. This optimistic forecast is based on the ongoing high order backlog, our customers' high willingness to invest and Bechtle's excellent positioning in the IT market.

Minor differences can often be observed between the segments and regions. For example, the German economy suffered somewhat more severely under the challenging macroeconomic framework conditions in the reporting period, which was also obvious from the stronger growth of Bechtle's international companies. All in all, the revenue split is expected to remain more or less the same in the 2023 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 run, however, the expanded M&A strategy and the further internationalisation of our business could result in an increased revenue share of the international companies. We do not expect any major shifts within the segments.

Costs. In recent years, the cost of sales increased at more or less the same rate as 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 the gross margin. We are able to compensate this in years with high single-digit growth rates and an often higher share of revenue from services and the solution business. In the reporting period, we saw different developments. At 13.6 per cent, the revenue growth rate was very high, implying a high hardware share. Material costs, too, underwent a disproportionately high increase, though not as high as is usually the case. Owing to the shortage of many products in the IT market, we saw stable or even rising prices. The resulting positive price effects alleviated material costs. In the reporting period, the disproportionately high increase in material costs was also buffered by a lower increase in personnel expenses, which are included in the cost of sales. Despite the high revenue growth, Bechtle thus succeeded in raising the gross margin to 17.5 per cent. However, we must be prepared for changed constellations in 2023, as the price effects are not permanent, and we believe that they will fade out in the course of the year. Due to the high inflation, personnel expenses will go up. It remains to be seen

how strong this development will be. However, it is unlikely that this will take pressure from the gross margin. Other operating expenses, too, will stay at a high level or even increase slightly. In the reporting period, following the relaxation of the coronavirus measures, we already saw an increase, especially in vehicle expenses, travel expenses and, as a result of inflation, in building expenses in the first quarter. We are endeavouring to balance these encumbering effects on the gross margin through disproportionately high revenue growth, continuous expansion of the service share and higher productivity and efficiency. This is a very ambitious goal. At the same time, we intend to keep the increase in cost of sales in 2023 in sync with the revenue growth, and we hope to achieve a gross margin that is more or less at the same level as in the reporting period.

Being a service provider, personnel expenses play a prominent role at Bechtle AG. 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 low increase in the number of employees. As already mentioned, we expect a higher increase in personnel expenses in the 2023 fiscal year due to the high inflation rate. While endeavouring to accommodate employee interests, thereby keeping their satisfaction high and the employee turnover rate low, Bechtle wants to avoid cost inflation. All in all, the Executive Board expects the absolute expenses for the two functional areas sales and administration to further increase in 2023. 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 2012 fiscal year, the CAGR for EBT has been around 16 per cent. On a long-term average, EBT has thus performed better than the revenue. This was not the case in the reporting period. Both due to the inflation and because the coronavirus-related savings no longer applied from the second quarter, the cost base went up and the earnings performance was no longer fully able to keep up with the revenue performance. However, with a decline of only 20 basis points, we still managed to keep the EBT margin more or less at the prior-year level. The cost base will continue to increase in 2023, due especially to the greater increase in personnel expenses as a result of the inflation. Moreover, positive price effects in the trading business, which we benefited from due to the shortage of many products in 2021 and 2022, are likely to diminish or totally disappear as the supply chain continues to improve in the course of the year. Therefore, our goal of keeping the earnings performance in 2023 more or less at the same level as the revenue performance is very ambitious. 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 2022 fiscal year of €0.65 per share represents a ratio of 32.6 per cent. This is in line with our long-standing dividend strategy and means a year-on-year increase (prior year: 29.9 per cent). There are no plans for any fundamental changes to the company's dividend policy.

ASSETS AND FINANCIAL POSITION

Liquidity. In the reporting period, the balance sheet structure of the Bechtle Group did not undergo any major changes. As previously, Bechtle boasted an excellent liquidity situation and a very sound equity ratio. This 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 the 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 €289.6 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. In the 2022 reporting period, the cash flow came under pressure during the year, due especially to the increase in inventories because of supply chain issues, as a result of which we were unable to deliver numerous projects due to missing components. However, we have already noticed an improvement in the cash flow from quarter to quarter. We were able to reduce inventories significantly, especially in the fourth quarter, thereby turning the cash flow for the year as a whole to the positive range. For 2023, cash flow management is a top agenda item. We are confident that we will be able to continually reduce the high inventory levels. For the year as a whole as well as in the individual quarters, we expect positive cash flows. Of course, the development of the cash flow greatly depends on further improvements in the supply chain.

Financing. Traditionally, Bechtle's financial liabilities have always remained at manageable levels. Compared to the balance sheet total, net debt accounted for a relatively low amount of €83.7 million in the reporting period. The basic positions will not undergo any material changes in 2023, unless major acquisitions take place. In 2023, smaller acquisitions could be financed from the current cash flow and available liquidity, 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 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.

Provided that no major takeovers occur in 2023, the balance sheet structure will most likely not undergo any significant changes compared to the reporting date 31 December 2022.

Investments. The business of Bechtle AG, which comprises IT product trading and IT services, does not involve any major investments. The investment ratio in 2022 was about 26 per cent, a figure higher than the long-term average. The total amount of investments in 2022 was €82.0 million, more than we had planned. Apart from the further conversion in Neckarsulm and new buildings at other locations, this figure comprised mainly internal projects, such as our digital marketplace, our Bechtle Clouds platform and a new CRM tool. 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. We expect our investments in 2023 to total €75 to €85 million.

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

OVERALL ASSESSMENT

Positive outlook in difficult times. As of early 2023, the macroeconomic situation remains gloomy. A recession is looming in Germany, and the expectations for the EU are very low. Nevertheless, the forecast has gone up in recent months, so the outlook for 2023 is not as pessimistic as it was in 2022, though substantial uncertainties remain in terms of where the economic development in Germany and in Europe is headed. The outlook is encumbered especially by the further course of the war in Ukraine and its impact on the economy in general. Still, the forecasts project an improvement of the macroeconomic situation further into the year. The mood in the German economy brightened at the beginning of the year. In January 2023, the ifo Business Climate Index climbed to 90.1 points, from 88.6 points in the prior month. The mood further improved in February, and the index went up to 91.1. The rise in the two months was caused especially by the improved outlook.



92. IFO BUSINESS CLIMATE FOR GERMANY



At the beginning of the year, the mood in the IT industry was also positive. In January 2023, the ifo index for IT service providers stood at 25.9 points, after 21.7 points in the prior month. Here too, expectations for the next six months improved considerably and thus propelled the rise. The mood brightened further in February, and the index went up to 28.6 points.

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.

93. OVERVIEW OF FORECASTS ON THE EARNINGS POSITION FOR 2023

	Group	IT System House & Managed Services	IT E-Commerce
Business Volume	Significant increase over 2022		
Revenue	Significant increase over 2022	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		

In 2023, Bechtle will continue to move ahead on its successful path, accompanied by its employees, customers, shareholder and partners.

Coen Lammers,
Accountmanager Health,
Bechtle direct Netherlands

Veerle Jansen, Teamleader Sales
Support Software,
Bechtle direct Netherlands

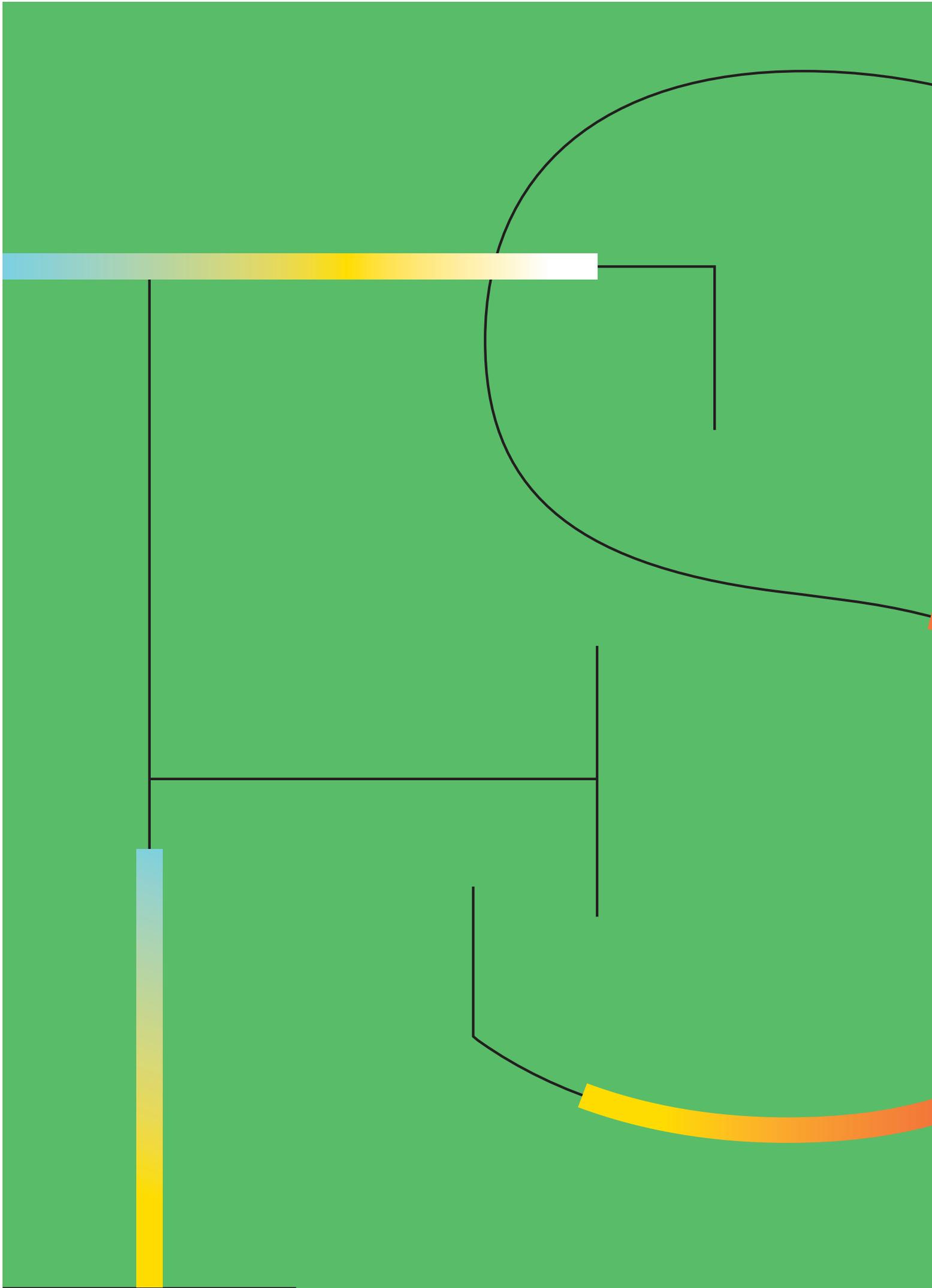
Dirk van de Werdt, Business
Solutions, Solution Developer,
Bechtle direct Netherlands

from left to right





**CONSOLIDATED
FINANCIAL
STATEMENTS**



CONSOLIDATED FINANCIAL STATEMENTS

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94. CONSOLIDATED INCOME STATEMENT

		€k	
	Notes	2022	2021
Revenue	1	6,028,175	5,305,489
Cost of sales	2	4,974,795	4,385,481
Gross profit		1,053,380	920,008
Distribution costs	2	392,988	345,216
Administrative expenses	2	340,848	282,625
Other operating income	3	35,881	33,554
Earnings before financial earnings and taxes		355,425	325,721
Financial income	4	1,512	1,415
Financial expenses	4	6,450	6,636
Earnings before taxes		350,487	320,500
Income taxes	5	99,369	89,054
Earnings after taxes (attributable to shareholders of Bechtle AG)		251,118	231,446
Net earnings per share (basic and diluted)	€ 6	1.99	1.84
Weighted average shares outstanding (basic and diluted)	in thousands	126,000	126,000



See further comments in the Notes, in particular III., page 190 ff

95. **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		€k	
	Notes	2022	2021
Earnings after taxes		251,118	231,446
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on pension provisions	17	6,894	21,310
Income tax effects		-1,430	-4,259
Items that will be reclassified to profit or loss in subsequent periods			
Unrealised gains and losses on hedges		-514	835
Income tax effects		84	-315
Hedging of net investments in foreign operations		-18,877	-18,112
Income tax effects		5,918	5,456
Currency translation differences		11,312	11,424
Other comprehensive income	16	3,387	16,339
of which income tax effects		4,572	882
Total comprehensive income (attributable to shareholders of Bechtle AG)		254,505	247,785



See further comments in the Notes, in particular IV. no. 16, page 203 ff

96. CONSOLIDATED BALANCE SHEET

ASSETS		€k	
	Notes	31.12.2022	31.12.2021
Non-current assets			
Goodwill	7	554,197	469,650
Other intangible assets	8	99,701	98,858
Property, plant and equipment	9	365,512	342,902
Trade receivables	12	67,126	57,839
Deferred taxes	10	9,451	8,924
Other assets	14	19,191	6,026
Total non-current assets		1,115,178	984,199
Current assets			
Inventories	11	607,696	513,824
Trade receivables	12	1,206,399	928,724
Income tax receivables		21,559	7,572
Other assets	14	207,450	153,698
Time deposits and securities	13	60,000	0
Cash and cash equivalents	15	229,590	431,751
Total current assets		2,332,694	2,035,569
Total assets		3,447,872	3,019,768



See
further comments
in the Notes,
in particular IV.,
page 194 ff

EQUITY AND LIABILITIES

€k

	Notes	31.12.2022	31.12.2021
Equity			
Issued capital		126,000	126,000
Capital reserves		40,228	40,228
Retained earnings		1,372,091	1,186,886
Total equity	16	1,538,319	1,353,114
Non-current liabilities			
Pension provisions	17	7,927	12,994
Other provisions	18	10,371	11,379
Financial liabilities	19	261,895	310,941
Trade payables	20	522	747
Deferred taxes	10	33,452	37,271
Other liabilities	21	100,328	103,830
Contract liabilities	22	49,628	19,790
Deferred income	23	796	2,581
Total non-current liabilities		464,919	499,533
Current liabilities			
Other provisions	18	30,767	27,318
Financial liabilities	19	111,380	34,537
Trade payables	20	699,030	605,145 ¹
Income tax payables		27,851	30,525
Other liabilities	21	379,242	306,932 ¹
Contract liabilities	22	193,392	161,643
Deferred income	23	2,972	1,021 ¹
Total current liabilities		1,444,634	1,167,121
Total equity and liabilities		3,447,872	3,019,768

¹ Adjustment prior year

97. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2021	42,000	124,228	982,214	13,587	995,801	1,162,029
Distribution of profits for 2020			-56,700		-56,700	-56,700
Earnings after taxes			231,446		231,446	231,446
Other comprehensive income				16,339	16,339	16,339
Total comprehensive income	0	0	231,446	16,339	247,785	247,785
Capital increase from company funds	84,000	-84,000			0	0
Equity as of 31 December 2021	126,000	40,228	1,156,960	29,926	1,186,886	1,353,114
Equity as of 1 January 2022	126,000	40,228	1,156,960	29,926	1,186,886	1,353,114
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
Total comprehensive income	0	0	251,118	3,387	254,505	254,505
Equity as of 31 December 2022	126,000	40,228	1,338,778	33,313	1,372,091	1,538,319



See further comments in the Notes, in particular IV. no. 16, page 203 ff

98. CONSOLIDATED CASH FLOW STATEMENT

€k

	Notes	2022	2021
Operating activities			
Earnings before taxes		350,487	320,500
Adjustment for non-cash expenses and income			
Financial earnings		4,938	5,220
Depreciation and amortisation of intangible assets and property, plant and equipment		112,062	103,003
Gains and losses on disposal of intangible assets and property, plant and equipment		-124	-277
Other non-cash expenses and income		9,172	11,870
Changes in net assets			
Changes in inventories		-93,723	-217,234
Changes in trade receivables		-248,487	-44,372
Changes in trade payables		56,745	175,411
Changes in deferred income		56,366	29,126
Changes in other net assets		-12,973	2,391
Income taxes paid		-117,812	-101,146
Cash flow from operating activities	24	116,651	284,492
Investing activity			
Cash paid for acquisitions less cash acquired		-92,165	-15,840
Cash paid for investments in intangible assets and property, plant and equipment		-81,698	-58,269
Cash received from the sale of intangible assets and property, plant and equipment		27,396	8,195
Cash paid for acquisitions of time deposits and securities		-60,000	0
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets		0	40,002
Settlement of net investment hedges		-18,877	-18,112
Interest payments received		1,021	1,084
Cash flow from investing activities	25	-224,323	-42,940
Financing activities			
Cash paid for the repayment of financial liabilities		-32,146	-72,941
Cash received from the assumption of financial liabilities		59,943	5,965
Dividends paid		-69,300	-56,700
Interest paid		-5,522	-6,697
Cash paid for the repayment of leases		-53,185	-48,983
Cash flow from financing activities	26	-100,210	-179,356
Exchange-rate-related changes in cash and cash equivalents		5,721	6,384
Changes in cash and cash equivalents		-202,161	68,580
Cash and cash equivalents at the beginning of the period		431,751	363,171
Cash and cash equivalents at the end of the period		229,590	431,751



See further comments in the Notes, in particular V., page 217 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, 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 3 March 2023, the Executive Board released the consolidated financial statements of Bechtle AG for the fiscal year 2022 for submission to the Supervisory Board.



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 was published on the company's website.

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 2022 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.



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Pronouncement	Publication by IASB/IFRS IC
Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9	9 December 2021
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	7 May 2021
Amendments to IAS 1 Disclosure of Accounting Policies (and Amendments to IFRS Practice Statement 2) – New Instructions on How to Specify Significant Accounting Policies	12 February 2021
Amendments to IAS 8 Definition of Accounting Estimates	12 February 2021
IFRS 17 Insurance Contracts including amendments to IFRS 17	18 May 2017 and 25 June 2020

The amendment did not materially affect Bechtle's consolidated financial statements.

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 adoption.

Pronouncement	Publication by IASB/IFRS IC	Endorsement	Effective date ¹
Published pronouncements not yet adopted			
Amendments to IAS 1 Classification of Liabilities as Current or Non-current – Instructions on How to Consider Covenants and Deferring the Effective Date	23 January 2020/ 15 July 2020 and 31 October 2022	open	1 January 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22 September 2022	open	1 January 2024

¹ 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 subsidiaries prepared using uniform group accounting policies. The financial statements of Bechtle AG and its subsidiaries have been prepared as at the same balance sheet date throughout the group. 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.

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. As in the prior year, Bechtle AG directly or indirectly holds all interests and voting rights in all consolidated companies.



See Appendix A,
Subsidiaries
S. 248 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
CORDESEN ENGINEERING GmbH	Seligenstadt, Germany	26 April 2022	Acquisition
Inter PQR B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
PQR Holding B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
PQR B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
Axez ICT Solutions B.V.	Rijswijk, Netherlands	26 July 2022	Acquisition
Bechtle Onsite Services s.r.o.	Prague, Czech Republic	13 October 2022	Founding
ACS Systems UK Limited	Northampton, UK	23 November 2022	Acquisition
Bizzy25 Holdings Limited	Northampton, UK	23 November 2022	Acquisition
Data Store 365 Limited	Northampton, UK	23 November 2022	Acquisition
Cadmes France SAS	Roissy-en-France, France	1 December 2022	Founding

Balancing of business combinations takes place according to the purchase method.

Further disclosures concerning the companies acquired are presented in section VIII. "Acquisitions and Purchase Price Allocation" and section IV. "Further Notes to the Balance Sheet", (7) "Goodwill".



See page 194 f
and page 233 ff

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	
		2022	2021	2022	2021
Switzerland	CHF	0.99	1.03	1.00	1.08
UK	GBP	0.89	0.84	0.85	0.86
USA	USD	1.07	1.13	1.05	1.18
Poland	PLN	4.69	4.60	4.69	4.57
Hungary	HUF	400.25	369.00	391.33	358.52
Czech Republic	CZK	24.12	24.86	24.57	25.65

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. In its consolidated financial statements as of 31 December 2021, Bechtle had changed its accounting method for part of its business. The revenue from this part of the business is no longer presented in the amount of the gross revenue, but only in the amount of the gross margin achieved.

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.

■ **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.



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■ 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 commissions on trading transactions 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.



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page 46 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 12 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.

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 acquisition costs in the form of the surplus of the acquisition costs 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.

Brands acquired in the context of company acquisitions are measured at the fair value of the brand right. Except for the brand purchased in the fiscal year 2018, 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 10 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 direct 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 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	2–10 years
Furniture, fixtures and fittings	2–20 years
Vehicle fleet	2–6 years
Buildings	5–33 years

Low-value assets of property, plant and equipment are measured at cost and depreciated on a straight-line basis over a useful life of one to eight years. Maintenance costs are recognised through profit or loss when incurred.

Pursuant to IAS 20, government grants are only recognised at fair value if it is reasonably certain that the associated conditions will be fulfilled and the grants will be received. Grants received for the acquisition or manufacturing of assets are deducted from the investments on the assets side.

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 at 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.

Inventories. Commodities are measured at average cost 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 pursuant 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 down 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. 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 as to whether a credit risk is to be taken into consideration through an allowance account or through a direct impairment of the receivable depends on the degree of reliability of the assessment of the risk situation. The 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.

In the Bechtle Group, trade receivables exclusively comprise financial instruments. The other assets also include non-financial assets.

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. In the reporting period, a provision for contractual penalties that could arise towards our customers in connection with existing supply obligations under framework agreements as a result of the current supply bottlenecks on the procurement market was recognised under other provisions. The amount of the provision comprises the loss that would arise, which is not covered by the contract margin.

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.

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:

- Pursuant 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 219 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.

As it is still impossible to ascertain what the consequences of the war in Ukraine, high inflation and of the global supply bottlenecks will be, estimates and discretionary decisions are subject to increased 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.


See page 194 ff

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 195 f

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 195 ff

The scheduled depreciation of **intangible assets and property, plant and equipment** requires estimates and assumptions when determining the standardised useful life of assets for the group as a whole.


See page 219 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).


See page 197 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 199

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 200 f

Provisions are formed for **bad 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.

The measurement of **pensions and similar personnel obligations** 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 207 ff

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.



See page 213 f

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 223

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. Bechtel 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 239 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 Bechtel is the principal or agent** when selling standard software licences without customising in the indirect business, Bechtel had already reassessed the discretionary decisions made at that time in the consolidated financial statements for the 2021 fiscal year due to the additional findings from the already completed enforcement proceedings and the agenda decision of the International Financial Reporting Interpretations Committee (IFRS IC) published in November 2021 and decided in April 2022. The corresponding amendment in accounting practice has already been made to the consolidated financial statements for the 2021 fiscal year.

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 will be 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, EBIT are not affected.

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".



See Management Report,
Company, Environment,
page 78 ff

III. FURTHER EXPLANATORY NOTES ON THE INCOME STATEMENT

1 REVENUE

The revenue amounting to €6,028,175 thousand (prior year: €5,305,489 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 €1,692 million, just slightly below the prior-year figure of €1,805 million. Of this amount, the IT System House & Managed Services segment accounted for €1,338 million (prior year: €1,249 million), and the IT E-Commerce segment for €354 million (prior year: €556 million).

The company grants the periods of payment that are customary in the respective industry and country (5–50 days).

The following table shows the breakdown of the revenue:

	01.01 – 31.12.2022			01.01 – 31.12.2021		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
	IT trading revenue	2,764,161	2,106,274	4,870,435	2,376,597	1,881,733
IT service revenue	1,114,007	43,733	1,157,740	1,018,196	28,963	1,047,159
Total revenue	3,878,168	2,150,007	6,028,175	3,394,793	1,910,696	5,305,489

€k

In this context, the IT E-Commerce segment mainly generates IT trading revenue that is recognised at a point in time. The revenue in the IT System House & Managed Services segment consists primarily of IT trading revenue that is also recognised 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.

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 64 per cent of the total revenue (prior year: 66 per cent).

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



See Management Report,
Company, Markets,
page 44 f

¹ Adjustment prior year

€k

	01.01–31.12.2022			01.01–31.12.2021		
	IT System House & Managed Services	IT E-Commerce	Group	IT System House & Managed Services	IT E-Commerce	Group
	Public-sector clients	1,403,121	692,732	2,095,853	1,423,572	552,000
Commercial buyers	2,475,047	1,457,275	3,932,322	1,971,221	1,358,696	3,329,917
Total revenue	3,878,168	2,150,007	6,028,175	3,394,793	1,910,696	5,305,489

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



See page 228 ff

In the 2022 fiscal year, income amounting to €162,664 thousand (prior year: €157,696 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 2022 fiscal year, income amounting to €49,944 thousand (prior year: €28,663 thousand) was realised from the contract assets.

2 EXPENSE STRUCTURE

€k

	Cost of sales		Distribution costs		Administrative expenses	
	2022	2021	2022	2021	2022	2021
Material costs	4,426,903	3,882,666	0	0	0	0
Personnel and social expenses	450,083	419,723	311,150	277,508	221,818	181,841
Depreciation and amortisation	47,334	41,793	24,473	24,546	40,255	36,664
Other operating expenses	50,475	41,299	57,365	43,162	78,775	64,120
Total expenses	4,974,795	4,385,481	392,988	345,216	340,848	282,625

The predominant portion of the material costs corresponds to the costs for commodities. The material costs include a net income of €513 thousand from exchange rate fluctuations (prior year: €2,845 thousand). Depreciation and amortisation of intangible assets amount to €31,400 thousand (prior year: €30,478 thousand).

Other operating expenses include the following:

- Vehicle costs amounting to €23,720 thousand (prior year: €16,145 thousand)
- Expenses for office and building rent amounting to €18,521 thousand (prior year: €15,008 thousand)
- Communication costs amounting to €8,054 thousand (prior year: €8,534 thousand)
- Marketing costs amounting to €27,484 thousand (prior year: €18,375 thousand)
- Legal and consulting costs amounting to €29,721 thousand (prior year: €25,029 thousand)
- Travel and entertainment costs amounting to €15,822 thousand (prior year: €7,826 thousand).
- Expenses from the immediate write-off of trade receivables amounting to €750 thousand (prior year: €860 thousand)

3 OTHER OPERATING INCOME

	€k	
	2022	2021
Marketing grants and other compensation from suppliers	26,592	18,840
Income from operating a photovoltaic system	269	214
Rental income	991	768
Others	8,029	13,732
Other operating income	35,881	33,554

Other operating income increased to €35,881 thousand (prior year: €33,554 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. In the prior year, there was also a positive deconsolidation effect of €3,887 thousand from the sale of PSB IT-Service GmbH.

4 FINANCIAL INCOME AND FINANCIAL EXPENSES

The financial income in the total amount of €1,512 thousand (prior year: €1,415 thousand) consists of interest income from call money and time deposits.

The financial expenses of €6,450 thousand (prior year: €6,636 thousand) include interest costs for loans and other financial liabilities of €5,718 thousand (prior year: €5,895 thousand) and from lease liabilities of €732 thousand (prior year: €741 thousand). The reduction of financial expenses is the result of ongoing repayment and early redemption of other loans.

5 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	
	2022	2021
Taxes paid or due		
Germany	68,820	51,009
Other countries	31,200	29,088
Deferred taxes		
from valuation differences in terms of time	-358	9,220
from loss carry-forwards	-293	-263
Income taxes	99,369	89,054

In Germany, the statutory corporation tax rate for the assessment period 2022 was 15.0 per cent. Including the trade tax and solidarity surcharge, the tax encumbrance amounted to 29.7 per cent (prior year: 29.9 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 reduced useful life in the prior year of computer hardware and software according to tax regulations. In its letter dated 26 February 2021 on the useful life of computer hardware and software, the German Federal Ministry of Finance (BMF) changed its opinion on the useful life of such assets. In the 2022 fiscal year, the useful life of newly acquired computer hardware and software was again adjusted to the useful life of the official tables describing allowances for depreciation.

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 27.6 per cent (prior year: 28.2 per cent) on the profit before income taxes was as follows:

	€ k	
	2022	2021
Earnings before taxes	350,487	320,500
Expected tax expense	96,588	90,407
Non-deductible expenses	2,693	1,306
Unrecognised deferred taxes on unused losses for the current year	637	80
Devaluation of previously recognised deferred taxes on valuation differences in terms of time	469	0
Deconsolidation and other consolidation effects	238	-2,402
Earn-out components	182	0
Devaluation of previously recognised deferred taxes on loss carryforwards	80	0
Tax expense of earlier years	22	295
Tax rate change for deferred taxes	15	514
Tax increase due to controlled foreign corporation rules	7	0
Use of previously unrecorded loss carry-forwards	-36	-135
Allocation/addition deferred tax assets to valuation differences in terms of time	-53	0
Tax income of earlier years	-105	-874
Allocation/addition deferred tax assets to loss carry-forwards	-626	-49
Tax-free income	-721	-70
Others	-21	-18
Actual tax expense	99,369	89,054

6 EARNINGS PER SHARE

The table below shows the calculation of the earnings after taxes that are due to the shareholders of Bechtle AG:

		2022	2021
Earnings after taxes	€k	251,118	231,446
Average number of outstanding shares		126,000,000	126,000,000
Earnings per share	€	1.99	1.84

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. The basic earnings per share are identical to the diluted earnings per share.

IV. FURTHER EXPLANATORY NOTES ON THE BALANCE SHEET

7 GOODWILL


See page 233 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.

	€k		
Cash-Generating unit	IT System House & Managed Services	IT E-Commerce	Group
As of 01.01.2021	295,731	152,582	448,313
Acquisitions in the reporting period	16,114	0	16,114
Cadmes B.V.	5,303	0	5,303
Cadmes Systems B.V.	1,348	0	1,348
Open Networks GmbH	9,463	0	9,463
Currency translation differences	4,638	585	5,223
As of 31.12.2021	316,483	153,167	469,650
As of 01.01.2022	316,483	153,167	469,650
Acquisitions in the reporting period	68,506	10,523	79,029
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
Currency translation differences	5,138	380	5,518
As of 31.12.2022	390,127	164,070	554,197

Like the previous impairment tests, the annual impairment test of the goodwill as of 30 September 2022 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 2022, the assumptions with regard to the impairment test did not undergo any changes.



For information on the assets and liabilities of the cash-generating units, see page 228 ff

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 2022, the cash-generating units had a weighted average cost of capital (WACC) of 8.1 per cent (prior year: 7.0 per cent) after taxes (WACC before taxes 11.3 per cent, prior year: 7.3 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. In this context, the adjustment of the revenue due to the PvA accounting was not taken into consideration. The changed accounting method does not affect the cash flows and earnings. The cash flows for 2023 and 2024 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 2025 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 9.5 per cent if the other input parameters remained unchanged.



For information on the planning process and expectations, see Corporate Management, page 48 ff and Forecast, page 146 ff

The development of the goodwill is presented in Appendices B and C to the Notes.



See Notes, Appendices B and C, page 252 f

8 OTHER INTANGIBLE ASSETS

	€ k	
	31.12.2022	31.12.2021
Brands/licences	11,837	14,114
Customer bases	47,687	44,935
Purchased software	18,985	15,510
Internally developed software	11,085	9,249
Customer service agreements	10,107	15,050
Other intangible assets	99,701	98,858

The Modus brand (carrying amount €1,900 thousand), which is presented in the balance sheet, 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 reporting period, the brand ARP (carrying amount €2,900 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 €5,837 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.

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 8.1 per cent (prior year: 7.0 per cent), as for the goodwill impairment test. 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 und ARP brands and currency translation differences.

	€k	
	2022	2021
Customer bases		
Carrying amount (31.12)	47,687	44,935
Remaining useful life (weighted average) (years)	5.3	5.9
Accumulated scheduled amortisation	32,802	26,294
Scheduled amortisation	9,136	8,346
Currency translation differences of accumulated amortisation	26	175

Inmac WStore SAS, which had been acquired in 2018, accounted for the greatest share of capitalised customer bases, totalling €32,923 thousand (prior year: €38,733 thousand). The remaining useful life of these amounts to about six years. The depreciation of customer bases is mainly allocated to the cost of sales and distribution costs.



See Notes,
Appendices B and C,
page 252 f

The development of the other intangible assets is presented in Appendices B and C to the Notes.

9 PROPERTY, PLANT AND EQUIPMENT

	€ k	
	31.12.2022	31.12.2021
Property and buildings	135,103	138,517
Other equipment, furniture, fixtures and fittings	70,665	60,151
Advance payments and construction in progress	20,819	7,463
Rights of use from leasing	138,925	136,771
Property, plant and equipment	365,512	342,902

As of 31 December 2022, 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, not even due to the coronavirus pandemic.

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 252 f

10 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	
	31.12.2022	31.12.2021
Liabilities	45,230	43,495
Property, plant and equipment	41,322	34,723
Inventories	8,743	2,920
Other provisions	7,248	9,475
Pension provisions	3,688	3,622
Receivables	3,587	4,365
Loss carry-forwards	626	359
Other intangible assets	501	302
Others	1,846	1,760
	112,791	101,021
Netting	-103,340	-92,097
Deferred tax assets (net)	9,451	8,924

	€k	
	31.12.2022	31.12.2021
Property, plant and equipment	41,355	41,220
Receivables	27,012	25,322
Deferred income	22,242	20,692
Other intangible assets	20,911	21,441
Goodwill	13,724	13,693
Inventories	8,796	3,155
Other provisions	1,415	1,318
Pension provisions	0	2,128
Others	1,337	399
	136,792	129,368
Netting	-103,340	-92,097
Deferred tax liabilities (net)	33,452	37,271

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 unused losses.

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 2021 and/or 2022 amounted to €0 thousand (prior year: €0 thousand). There were no netted deferred tax liabilities at these companies. For companies for which deferred tax assets on loss carryforwards have been recognised, we believe that due to planning and current earnings trends that the deferred tax assets can 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 €4,848 thousand (prior year: €6,381 thousand) for corporation tax, €8,248 thousand (prior year: €7,269 thousand) for trade tax and €3,772 thousand (prior year: €3,044 thousand) for losses of companies abroad.

As of 31 December 2022, there had been recorded €248 thousand (prior year: €251 thousand¹) of deferred tax liabilities for taxes on earnings of subsidiaries of Bechtle that had not been transferred.

The temporary differences in connection with interests in subsidiaries for which no tax liabilities were recognised amounted to a total of €44,555 thousand (prior year: €39,590 thousand).

Of the deferred taxes recognised in the balance sheet, a total of €3,360 thousand were added to the goodwill and €7,210 thousand were deducted from the equity (prior year: €1,145 thousand were added to the goodwill and €1,298 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 16 Equity.



See page 204 f

11 INVENTORIES

	€ k	
	31.12.2022	31.12.2021
Commodities	631,352	532,671
Advance payments on inventories	396	238
Impairments	-24,052	-19,085
Inventories	607,696	513,824

The reasons for the increase in inventories were the stock levels required for large projects on the one hand and the stockpiling of goods in order to remain able to supply on the other hand. Large projects were impacted by bottlenecks on the procurement market for some of the components, due to which the entire project could not be delivered where a single complete shipment had been agreed with the customer.

As of 31 December 2022, the carrying amount of the impaired inventories amounted to €33,127 thousand (prior year: €86,142 thousand). Year-on-year, the impairment increased €4,967 thousand (prior year: €5,954 thousand).

The expenses recorded in connection with the use of inventories amounted to €4,074,195 thousand (prior year: €3,599,490 thousand) are included in the material costs.

¹ Adjustment prior year

12 TRADE RECEIVABLES

	€k			
	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Trade receivables, gross	1,230,099	67,126	954,106	57,839
Impairments	-23,700	0	-25,382	0
Trade receivables	1,206,399	67,126	928,724	57,839

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 value adjusted (gross)				
					less than 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
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
31.12.2021									
Trade receivables	928,724	4,245	-25,382	766,165	139,474	19,221	9,369	8,465	7,167

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. 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 chart:

€ k					
Euler-Hermes rating classes	Probability of default	Gross carrying amount 2022	Impairment 2022	Gross carrying amount 2021	Impairment 2021
01–05: Very high to medium creditworthiness	0.8 %	795,808	7,002	541,574	5,119
06: Increased risk	4.0 %	164,854	5,991	158,013	6,058
07: High risk	6.5 %	98,785	5,834	88,037	5,485
08: Very high risk	10.0 %	22,533	2,047	37,757	3,619
09: Not creditworthy	18.0 %	6,274	1,026	7,901	1,363
10: Insolvent	100.0 %	1,800	1,800	3,738	3,738
Public-sector clients	0.0 %	207,171	0	174,925	0
Total		1,297,225	23,700	1,011,945	25,382

The impairment of trade receivables developed as follows

€ k		
	2022	2021
Impairment situation as of 1 January	25,382	27,689
Exchange rate differences/consolidation	46	177
Use	1,229	852
Reversal	4,913	2,483
Allocations (impairment expenses)	4,414	851
Impairment situation as of 31 December	23,700	25,382

Expenses from the immediate write-off of trade receivables amounted to €750 thousand (prior year: €860 thousand). As of the end of the year, income from payments received on written-off receivables amounted to €203 thousand (prior year: €213 thousand).

For the disclosures pursuant to IFRS 7, the trade receivables are, depending on their maturity, allocated to the classes “current trade receivables” (€1,177,393 thousand, prior year: €902,140 thousand) and “non-current trade receivables” (€19,111 thousand, prior year: €13,273 thousand) and to the classes “current leasing receivables” (€29,006 thousand, prior year: €26,584 thousand) and “non-current leasing receivables” (€48,015 thousand, prior year: €44,566 thousand).

13 TIME DEPOSITS AND SECURITIES

€ k				
	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Time deposits	60,000	0	0	0
Securities	0	0	0	0
Time deposits and securities	60,000	0	0	0

In the reporting period, investments were made in short-term fixed-term deposits. For the disclosures in accordance with IFRS 7, they are fully allocated to “fixed-term deposits”.

14 OTHER ASSETS

	€ k			
	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Refunds and other receivables from suppliers	76,769	0	61,524	0
Contract assets	49,944	0	28,663	0
VAT receivable	6,814	0	7,384 ¹	0
Rental deposits	450	3,209	214	3,149
Financial derivatives	1,824	0	4,117	0
Insurance refunds	80	374	3	183
Due from staff	318	85	322	116
Others	2,035	4	1,425	2
Total financial assets	138,234	3,672	103,652¹	3,450
Accrued income	37,082	3,706	24,400	2,576
Accrued income for customer maintenance agreements	29,870	11,813	24,528	0
Social security claims	2,255	0	1,113	0
Receivables from other taxes	9	0	0	0
Advance payments	0	0	5	0
Total non-financial assets	69,216	15,519	50,046¹	2,576
Other assets	207,450	19,191	153,698	6,026

¹ Adjustment prior year

The 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, contract assets in other assets increased due to strong year-end business from €28,663 thousand in 2021 to €49,944 thousand in 2022. In accordance with IFRS 9, a risk provision in the amount of €250 thousand (prior year: €146 thousand) was recognised for expected credit risks under consideration of the probabilities of default as calculated by 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 pursuant to IFRS 7, financial instruments included in other assets are allocated to ■ “other financial assets” in the amount of €140,082 thousand (prior year: €102,985 thousand¹) and ■ €1,824 thousand (prior year: €4,117 thousand) to the “financial derivatives” class.

¹ Adjustment prior year

15 CASH AND CASH EQUIVALENTS

The cash and cash equivalents amounting to €229,590 thousand (prior year: €431,751 thousand) include current bank balances and cash on hand amounting to €199,590 thousand and fixed-term deposits (with a maturity of less than three months) amounting to €30,000 thousand and are allocated in full 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.

16 EQUITY

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.



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Statement of
Changes in Equity,
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ISSUED CAPITAL

According to the resolution of the Annual General Meeting on 15 June 2021, the company’s equity was increased from company funds pursuant to Sections 207 et seq. of the German Stock Corporation Act (AktG) by €84,000 thousand to €126,000 thousand by converting a partial amount of €84,000 thousand of the capital reserve presented in the balance sheet as of 31 December 2020 to equity. The capital increase was implemented by issuing 84,000,000 new no-par bearer shares with a calculated share of €1.00 each in the share capital. The new shares are entitled to profit from 1 January 2021. On 29 July 2021, the capital increase was entered in the trade register and became effective.

The company’s share capital as of 31 December 2022 was unchanged from the prior year at €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.

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 (authorised capital according to the resolution of the Annual 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.

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

As of 31 December 2022, capital reserves primarily included the offering premium (agio) from capital increases and amounted to €40,228 thousand (prior year: €40,228 thousand).

RETAINED EARNINGS

Accrued profits. At the Annual General Meeting on 2 June 2022, a resolution was adopted to pay out a dividend of €0.55 per no-par share with dividend entitlement for the 2021 fiscal year (dividend total: €69,300 thousand). The dividend was paid out on 8 June 2022. In the prior year on the payment day of 18 June 2021, a dividend total of €56,700 thousand was paid out.

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 Annual 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 Annual General Meeting to appropriate the net profit of €81,900 thousand for the 2022 fiscal year for the payment of a normal dividend of €0.65 per no-par share with dividend entitlement.

Apart from the dividend paid out for the fiscal year 2021, the retained earnings in the reporting period also changed by the comprehensive income of €254,505 thousand, consisting of earnings after taxes (€251,118 thousand) and other comprehensive income (€3,387 thousand). Accordingly, the retained earnings as of 31 December 2022 amounted to €1,372,091 thousand (prior year: €1,186,886 thousand). Apart from the dividend payment, a change from the comprehensive income amounting to €247,785 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:

€k

	31.12.2022			31.12.2021		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
	Actuarial gains and losses on pension provisions	17,748	-3,526	14,222	10,854	-2,096
Unrealised gains and losses on hedges	857	-18	839	1,371	-102	1,269
Hedging of net investments in foreign operations	-45,496	13,821	-31,675	-26,619	7,903	-18,716
Currency translation differences	49,927	0	49,927	38,615	0	38,615
Other comprehensive income	23,036	10,277	33,313	24,221	5,705	29,926

€k

	01.01 – 31.12.2022			01.01 – 31.12.2021		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
	Items that will not be reclassified to profit or loss in subsequent periods					
Actuarial gains and losses on pension provisions	6,894	-1,430	5,464	21,310	-4,259	17,051
Items that will be reclassified to profit or loss in subsequent periods						
Unrealised gains and losses on hedges	-514	84	-430	835	-315	520
Gains and losses that arose in the current period	-290	84	-206	1,059	-315	744
Reclassifications to profit and loss	-224	0	-224	-224	0	-224
Hedging of net investments in foreign operations	-18,877	5,918	-12,959	-18,112	5,456	-12,656
Gains and losses that arose in the current period	-18,877	5,918	-12,959	-18,112	5,456	-12,656
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	11,312	0	11,312	11,424	0	11,424
Other comprehensive income	-1,185	4,572	3,387	15,457	882	16,339

Thus, the other comprehensive income amounted to €3,387 thousand (prior year: €16,339 thousand) of the comprehensive income in the reporting period. As in the prior year, the amount reclassified to the consolidated income statement (-€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 Annual 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 Annual 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 2021, the company did not hold any treasury shares as of 31 December 2022.

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 €1,538,319 thousand, Bechtle's equity as of 31 December 2022 reached a high level that represented a year-on-year improvement (€1,353,114 thousand). In the reporting period, the equity (+13.7 per cent) grew at a higher rate than the debt capital (+14.6 per cent), which is reflected in a slightly lower equity ratio of 44.6 per cent (prior year: 44.8 per cent). The increase in debt capital resulted especially from higher trade payables, increased contract liabilities as well as the 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 18.6 per cent (prior year: 20.4 per cent). The return on total assets increased to 8.5 per cent (prior year: 9.0 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 2022, Bechtle had cash and cash equivalents as well as time deposits and securities amounting to €289,590 thousand (prior year: €431,751 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 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 stocks that needed to be kept for large projects, and the pre-financing in some instances, resulted in slightly higher working capital amounting to €976,564 thousand (prior year: €725,905 thousand¹) as of 31 December 2022. Bechtle defines working capital as the balance of certain balance sheet items (inventories, trade receivables and deferred 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 2022 and 31 December 2021, respectively, no fundamental amendments had been made to the capital management goals, guidelines and procedures.

17 PENSION PROVISIONS

Except for the pension plans in Switzerland, in France and of Bechtle Onsite 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 93.6 per cent (prior year: 93.8 per cent) of the group-wide pension obligation and 97.6 per cent (prior year: 97.8 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 €40,788 thousand (prior year: €36,089 thousand). In France, the contributions to the statutory pension fund totalled €3,516 thousand (prior year: €3,350 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 et seq. 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

¹ Adjustment prior year

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 fiscal year 2019, 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.

In the course of the reporting period, actuarial gains amounted to €4,400 thousand. Taking exchange rate differences amounting to plus €174 thousand into consideration, the actuarial gains recognised as retained earnings as of 31 December 2022 amounted to €15,171 thousand (prior year: €10,597 thousand), less €2,494 thousand (prior year: €1,850 thousand) in deferred tax assets.

In the reporting period, net pension expenses to be recognised exceeded the employer contributions paid by €347 thousand. This amount was recognised as an expense in personnel expenses.

After factoring in the other exchange rate differences amounting to plus €30 thousand, the total net obligation and thus the pension provisions to be accounted for as of 31 December 2022 amounted to €0 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 Onsite 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 contri-

butions 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 2022, the pension provision increased €99 thousand to €5,409 thousand. In the course of the reporting period, actuarial gains amounting to €903 thousand accrued; thus, the actuarial losses recognised in retained earnings as of 31 December 2022 amounted to €60 thousand (prior year: loss of €843 thousand) less €18 thousand (prior year: €253 thousand) in deferred tax assets.

In the reporting period, net pension expenses to be recognised through profit or loss exceeded the employer contributions paid by €1,126 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 2022, the pension provision amounted to €2,518 thousand (prior year: €3,661 thousand). In the course of the reporting period, actuarial gains amounted to €1,417 thousand (prior year: €2,292 thousand). As of 31 December 2022, the actuarial gains recognised in retained earnings thus amounted to €2,517 thousand, less €1,014 thousand deferred tax liabilities.

In the reporting period, net pension expenses to be recognised through profit or loss exceeded the employer contributions paid by €274 thousand. This amount was posted to personnel expenses through profit or loss.

Net obligation group. In total, the pension obligations that were recognised as pension provision in the group's consolidated balance sheet as of 31 December 2022 amounted to €7,927 thousand (prior year: €12,994 thousand).

The reconciliation for the present value of the defined benefit obligation is presented as follows:

	€k	
	2022	2021
Present value of the defined benefit obligation 01.01	217,941	216,972
Current service cost (for pension entitlements in the reporting period)	8,089	9,613
Interest cost (for pension entitlements already acquired)	698	256
Employee contributions	4,884	4,470
Actuarial gains and losses		
based on demographic development	0	-8,350
based on changes in financial assumptions	-39,460	-7,839
based on experience	4,005	5,272
Curtailment	0	0
Addition by acquisition	0	0
Disposal by divestments	0	0
Other events	0	-2,033
Retirement benefits paid	-8,198	-8,303
Past service cost	-5	-1,153
Reclassification from other provisions	0	0
Exchange rate differences	9,416	9,036
Present value of the defined benefit obligation 31.12	197,370	217,941

The fair value of the plan assets is reconciled as follows:

	€k	
	2022	2021
Fair value of the plan assets 01.01	204,947	185,950
Interest income	655	210
Employee contributions	4,884	4,470
Employer contributions	6,690	6,281
Expenses/income from plan assets included in other comprehensive income	-24,489	9,573
Curtailment	0	0
Addition by acquisition	0	0
Disposal by divestments	0	0
Other events	0	-2,033
Retirement benefits paid	-8,074	-8,013
Administrative expenses	-310	-349
Reclassification from other provisions	0	0
Exchange rate differences	9,386	8,858
Fair value of the plan assets 31.12	193,689	204,947

The table below shows the reconciliation for the pension provisions recognised in the balance sheet:

	€ k	
	31.12.2022	31.12.2021
Present value of the defined benefit obligation	197,370	217,941
Fair value of the plan assets	193,689	204,947
Net obligation	3,681	12,994
IAS 19.57(b) Amount not recognised as an asset	4,246	0
Pension provision accounted for	7,927	12,994

The net pension expenses for the defined benefit plans recognised in the **income statement** are comprised as follows:

	€ k	
	2022	2021
Current service cost (for pension entitlements in the reporting period)	8,089	9,613
Interest cost (for pension entitlements already acquired)	698	256
Interest income	-655	-210
Past service cost	-5	-1,153
Administrative expenses	310	349
Net pension expenses for benefit commitments	8,437	8,855

As of 31 December 2022 and 31 December 2021, respectively, the defined benefit plans and their actuarial measurement were based on the following parameters:

	Pension plans Switzerland		Pension plans Germany		Pension plans France	
	2022	2021	2022	2021	2022	2021
Discount rate and expected interest	2.2%	0.3%	3.3%	1.0%	3.8%	1.0%
Inflation rate	2.0%	0.75%	n/a	n/a	2.5%	2.5%
Salary increase (including inflation rate)	2.0%	1.0%	1.5%	1.5%	1.4%	1.4%
Pension increase	0.0%	0.0%	2.3%	1.8%	1.4%	1.4%
Retirement likelihood, mortality, invalidity	BVG 2020 Gen.	BVG 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 2021	INSEE 2021
Likelihood of marriage	BVG 2020	BVG 2020	Heubeck guide 2018 G	Heubeck guide 2018 G	INSEE 2021	INSEE 2021
Earliest retirement age	Men aged 65 and women aged 64 100% [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, it was examined which of the parameters have a material impact on the obligation. 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 5.0% (6.1%)	Obligation increases 5.6% (7.0%)	Obligation decreases 9.9% (10.9%)	Obligation increases 12.0% (13.7%)	Obligation decreases 7.2% (8.0%)	Obligation increases 7.9% (8.9%)
Expected interest	+0.5%	-0.5%				
	Obligation increases 1.7% (1.9%)	Obligation decreases 1.7% (1.9%)				

In terms of the investment categories, the plan assets at group level are comprised as follows:

	Plan assets	Plan assets	Measurement class (IFRS 13)
	31.12.2022	31.12.2021	
Obligations	22.8%	23.6%	Level 1
Equity instruments	34.8%	39.5%	Level 1
Real estate fund	25.4%	23.2%	Level 1
Other assets	10.1%	11.4%	Level 2
Liquidity	6.8%	2.2%	Level 1

The asset value of the reinsurance of Bechtel Onsite Services GmbH corresponds to the value determined by the insurer.

The average weighted duration is 12.9 years for those insured at the Swiss pension fund, 11.2 years for Bechtel Onsite Services GmbH and 18.6 years for the obligations in France.

The expenses from plan assets in the reporting period totalled €23,834 thousand (prior year: income of €9,783 thousand).

The following amounts are expected to be paid into the defined benefit pension plan in the coming years:

	€ k	
	2022	2021
Due within one year	13,062	11,486
Due in 2 to 5 years	47,487	41,399
Due in 6 to 10 years	48,212	39,440
Net pension expenses for benefit commitments	108,761	92,325

For 2023, the actuarial opinions for the pension plans in Switzerland, Germany and France forecast employee contributions to defined benefit plans of €6,691 thousand. The expected employer contributions to the plan assets amount to €6,908 thousand. As the plan assets are expected in the 2023 fiscal year to decrease to €192,185 thousand, resulting in an expected net obligation of €8,972 thousand. The net pension expenses for benefit commitments are projected to amount to €6,887 thousand.

18 OTHER PROVISIONS

	€ k						
	01.01.2022	Currency translation	Use	Reversal	Addition	Change in scope of consolidation	31.12.2022
Guarantees and similar obligations	7,195	16	3,923	202	4,966	89	8,141
Personnel expenses	12,584	19	3,027	1,301	11,904	0	20,179
Legal and consulting expenses	707	1	232	165	817	0	1,128
Investor relations	600	0	353	0	613	0	860
Contractual penalties	13,000	0	0	3,000	0	0	10,000
Others	4,611	6	3,103	3,477	781	212	830
Total other provisions	38,697	42	8,838	8,145	19,081	301	41,138
Other non-current provisions	11,379	25	1,317	1,213	1,497	0	10,371
Other current provisions	27,318	17	7,521	6,932	17,584	301	30,767

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 the prior year for potential **contractual penalties** from existing framework agreement due to delivery delays amounted to €10,000 thousand (prior year: €13,000 thousand). The **other provisions** usually relate to provisions for anticipated losses, archiving and disposal costs, as well as contingent liabilities.

19 FINANCIAL LIABILITIES

The financial liabilities now also include long-term supplier loans due to acquisitions, which will be repaid by 2024. 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 €798 thousand (prior year: €1,022 thousand).

The financial liabilities consist primarily of several bond loans with a total value of €262,500 thousand. Other financial liabilities included other current account debts amounting to €2,134 thousand (prior year: €1,344 thousand).

The company has **credit lines** of €17,500 thousand (prior year: €45,505 thousand), which can be used both for cash loans and for guarantee credit. As of the balance sheet date, €2,902 thousand (prior year: €28,885 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 €69,595 thousand (prior year: €5,610 thousand), of which €27,389 thousand (prior year: €270 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: €75,000 thousand), of which €60,000 thousand had been utilised as of the balance sheet date (prior year: none utilised). In the reporting period, Bechtle also had uncommitted cash credit lines amounting to €56,188 thousand (prior year: €56,950 thousand), which had, as in the prior year, not been utilised as of the balance sheet date. In total, the unused credit lines amounted to €460,992 thousand (prior year: €153,910 thousand).

For the disclosures pursuant to IFRS 7, the financial liabilities are allocated in full to the “loans” class, as in the prior year.

20 TRADE PAYABLES

For the disclosures pursuant to IFRS 7, the trade payables are allocated to the class “non-current trade payables” in the amount of €699,030 thousand (prior year: €605,145 thousand) and to “non-current trade payables” in the amount of €522 thousand (prior year: €747 thousand). From the trade payables, debtor returns amounting to €10,427 thousand were reclassified to other liabilities. The prior year’s figure was adjusted accordingly by €8,083 thousand.

21 OTHER LIABILITIES

	€ k			
	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Leasing liabilities	51,424	98,451	43,626	100,124
Liabilities to employees	118,726	1	113,128	0
Liabilities to customers	44,911	174	36,326 ¹	1,418
Obligations from future advertising activities	28,279	0	32,211 ¹	0
Customer bonus	0	0	0 ¹	0
Financial derivatives	4,119	0	1,471	0
Vehicle expenses	3,990	0	3,461	0
Liabilities resulting from acquisitions	3,862	0	710	2,281
Rent and ancillary rental costs	2,124	0	1,497	0
Interest	1,746	0	606	0
Annual financial statement costs	1,075	0	940	0
Advertising	307	0	553	0
Telephone/Internet	269	0	381	0
Travel expenses and expenditures	221	0	157	0
Transportation charges	164	0	155	0
Insurances	141	0	204	0
Others	6,428	0	3,525	0
Total financial liabilities	267,786	98,626	238,951¹	103,823
VAT liability	82,491	0	42,676	0
Wage and church tax	15,154	0	11,954	0
Social security contributions	10,231	0	11,424	0
Liabilities from other taxes	3,580	1,702	1,927	7
Total non-financial liabilities	111,456	1,702	67,981	7
Other liabilities	379,242	100,328	306,932¹	103,830

¹ Adjustment prior year

Liabilities to employees mainly concern outstanding bonuses and employee commission. In the reporting period, earn-outs in the amount of €203 thousand were paid out due to the fulfilment of agreed revenue and earnings targets. In the reporting period, obligations from future advertising measures were reclassified from deferred income to other liabilities in the amount of €28,279 thousand. The prior year's figure was adjusted accordingly (€32,211 thousand). Furthermore, From the trade payables, debtor returns from trade payables and amounting to €10,427 thousand were reclassified to other receivables (prior year: €8,083 thousand).

Other liabilities primarily relate to various administrative expenses and distribution costs incurred in the ordinary course of business.



See Bechtle
as Lessee,
page 239 f

For the disclosures pursuant to IFRS 7, financial instruments included in other liabilities are allocated to the classes

- “other financial liabilities” to the amount of €208,556 thousand (prior year: €194,562 thousand¹);
- “non-current lease liabilities” in the amount of €98,451 thousand (prior year: €100,124 thousand);
- “current lease liabilities” in the amount of €51,424 thousand (prior year: €43,626 thousand);
- “liabilities resulting from acquisitions” in the amount of €3,862 thousand (prior year: €2,991 thousand); and
- “financial derivatives” in the amount €4,119 thousand (prior year: €1,471 thousand).

22 CONTRACT LIABILITIES

The contract liabilities principally consist of customer down payments and service agreements paid in advance and, for reasons relating to the reporting date, amounted as at 31 December 2022 to €243,020 thousand (prior year: €181,433 thousand).

	€ k	
	31.12.2022	31.12.2021
Current contract liabilities	193,392	161,643
Non-current contract liabilities	49,628	19,790

23 DEFERRED INCOME

As at 31 December 2022, deferred income amounted to €3,768 thousand (prior year: €3,602 thousand), of which €796 thousand is long-term (prior year: €2,581 thousand). The prior year’s value of short-term deferred income accruals and deferrals was reduced by €32,211 thousand due to the reclassification of obligations from future advertising measures from deferred income to other liabilities.

¹ Adjustment prior year

V. FURTHER EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The cash flow statement for the 2022 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 activities and from investing and financing activities. The operating cash flow was calculated 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.

24 CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities amounted to €116,651 thousand (prior year: €284,492 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.

25 CASH FLOW FROM INVESTING ACTIVITIES

The net cash used for investments amounting to €224,323 thousand (prior year: €42,940 thousand) in 2022 mainly includes cash paid for investments in intangible assets and property, plant and equipment as well as for acquisitions of companies. Time deposits were formed in the reporting period. These payments were reduced via cash received from the sale of intangible assets and property, plant and equipment and by interest payments received.

Payments for acquisitions include both purchase price payments for companies acquired in the reporting period amounting to €93,348 thousand (prior year: €21,195 thousand) and subsequent payments for companies acquired in prior years amounting to €191 thousand (prior year: €937 thousand). As part of these acquisitions, €1,374 thousand in cash and cash equivalents (prior year: €6,292 thousand) were taken over.



See page 236

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.



See page 223 ff

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 sum amounted to minus €18,877 thousand (prior year: €18,112 thousand).

26 CASH FLOW FROM FINANCING ACTIVITIES

The net cash used in financing activities amounting to €100,210 thousand (prior year: €179,356 thousand) results from the assumption and repayment of financial liabilities, the dividend distribution and interest, and lease payments made.

For non-current financial liabilities, payments received and payments made are presented separately. Cash flows for current financial liabilities are shown on a net basis. The cash outflows for leases amounted to €53,185 thousand (prior year: €48,983 thousand). In addition, non-cash additions to the rights-of-use assets and lease liabilities amounting to €61,364 thousand (prior year: €46,893 thousand) were reported.

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:

	€k					
	31.12.2021	Cash flows	Non-cash changes			31.12.2022
			Acquisitions	Exchange rate effects	Changes in fair value	
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
Total financial liabilities	345,478	27,797	0	0	0	373,275

	€k					
	31.12.2020	Cash flows	Non-cash changes			31.12.2021
			Acquisitions	Exchange rate effects	Changes in fair value	
Non-current financial liabilities	393,541	-82,600	0	0	0	310,941
Current financial liabilities	18,913	15,624	0	0	0	34,537
Total financial liabilities	412,454	-66,976	0	0	0	345,478

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:

€k						
Class pursuant to IFRS 7	Measurement category according to IFRS 9	Carrying amount 31.12.2022	Fair value 31.12.2022	Carrying amount 31.12.2021	Fair value 31.12.2021	Level
Assets						
Non-current trade receivables	AC	19,111	17,296	13,273	12,919	3
Current trade receivables	AC	1,177,393	1,177,393	902,140	902,140	2
Non-current leasing receivables	n/a	48,015	42,131	44,566	43,329	3
Current leasing receivables	n/a	29,006	29,006	26,584	26,584	2
Time deposits						
Fixed-term deposits	AC	60,000	60,000	0	0	2
Other financial assets	AC	140,082	140,082	102,985 ¹	102,985 ¹	2
Financial derivatives						
Derivatives accounted for as hedges	n/a	215	215	464	464	2
Derivatives not accounted for as hedges	FVTPL	1,609	1,609	3,653	3,653	2
Cash and cash equivalents	AC	229,590	229,590	431,751	431,751	1
Equity and Liabilities						
Loans	AC	373,275	358,373	345,478	366,574	2
Non-current trade payables	AC	522	487	747	747	3
Current trade payables	AC	699,030	699,030	605,145 ¹	605,145 ¹	2
Non-current leasing liabilities	n/a	98,451	87,800	100,124	100,145	3
Current leasing liabilities	n/a	51,424	51,424	43,626	43,626	2
Other financial liabilities	AC	208,556	208,556	194,562 ¹	194,562 ¹	3
Liabilities resulting from acquisitions	FVTPL	3,862	3,862	2,991	2,991	3
Financial derivatives						
Derivatives accounted for as hedges	n/a	124	124	104	104	2
Derivatives not accounted for as hedges	FVTPL	3,995	3,995	1,367	1,367	2
Thereof aggregated according to measurement category pursuant to IFRS 9						
	AC	2,907,559	2,890,807	2,596,081 ¹	2,616,823 ¹	
	FVTPL	9,466	9,466	8,011	8,011	

¹ Adjustment prior year

Abbreviations used for the measurement categories of IFRS 9:

AC = Amortised costs

FVTPL = Fair value through profit or loss

According 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.

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. Alongside 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 €11 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 63 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 2023.

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 this context, material input factors that cannot be observed are the discount for the credit risk of the counterparty and the discount for the own non-performance risk. 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 €25 thousand lower (€25 thousand higher), and the non-current lease receivables would be €61 thousand lower (€61 thousand higher). In the event of an increase (reduction) of the discount for the Group's credit risk by 5 per cent, the fair value of the non-current lease liabilities would be €4 thousand lower (€4 thousand higher), and the fair value of the loans would be €16 thousand lower (€16 thousand higher).

For all current financial assets and liabilities, the carrying amount corresponds to the fair value (IFRS 7.29). This comprises short-term trade receivables, other financial assets, **short-term trade payables, cash and cash equivalents, fixed-term deposits** and **other financial liabilities**.

During the reporting period, other financial assets were reclassified from level 3 to level 2. Otherwise, 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:

							€ k
Financial assets and liabilities in Level 3	01.01.2022	Total gains and losses		Additions	Compensation/settlement	Reclassification	31.12.2022
		Included in financial earnings	recognised as profit or loss in the income statement				
Liabilities resulting from acquisitions	2,991	55	19	1,000	-203	0	3,862

							€ k
Financial assets and liabilities in Level 3	01.01.2021	Total gains and losses		Additions	Compensation/settlement	Reclassification	31.12.2021
		Included in financial earnings	recognised as profit or loss in the income statement				
Liabilities resulting from acquisitions	3,822	72	34	0	-937	0	2,991

The €55 thousand (prior year: €72 thousand) posted as expenses under financial earnings were attributable to future payments due for liabilities for acquisitions, accounted for as of 31 December 2022.

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	2022	2021	
Assets AC	1,504	3,473	
Assets FVTPL	1,609	3,657	
Liabilities AC	-6,466	-5,404	
Liabilities FVTPL	-4,049	-1,437	
Net earnings	-7,402	289	

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:

	2022			2021		
	Gross liabilities	Gross assets	Net amount accounted for	Gross liabilities	Gross assets	Net amount accounted for
Financial Assets						
Current trade receivables	452	1,177,845	1,177,393	1,757	903,897	902,140
Refunds and other receivables from suppliers	333	77,102	76,769	1,816	63,340	61,524
Financial liabilities						
Current trade payables	708,527	9,497	699,030	613,299 ¹	8,154	605,145 ¹
Current liabilities to customers	45,007	96	44,911	36,473 ¹	147	36,326 ¹

¹ Adjustment prior year

Trade receivables include €452 thousand in payables to customers and payables to customers include €96 thousand in receivables from customers. Based on contractual agreements, these customers of Bechtel have the intent and are entitled to net these items against each other. Trade payables include €9,497 thousand in receivables from suppliers. In the receivables from suppliers, €333 thousand is contained in liabilities. Based on contractual agreements, these customers of Bechtel are entitled to net these items against each other. These items are principally bonus revenues that suppliers pay out to Bechtel and that Bechtel pays out to its customers.

DISCLOSURES ON RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

Currency risk. Receivables, liabilities and cash and cash equivalents which 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 inter-company 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 and currency swaps and currency options as hedges.

In the consolidated financial statements (EUR), translation differences arose from the conversion of foreign currency financial statements of subsidiaries abroad. These differences are carried and recognised separately directly in equity. 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), Bechtle made use of the following forward exchange transactions in the reporting period:

Currency relationship	2022				2021			
	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	413,338	-19,437	-5,867	1.03	394,623	-17,667	-5,322	1.09
EUR/GBP	18,688	699	211	0.85	14,743	-492	-148	0.87
EUR/PLN	3,595	-135	-41	4.87	2,572	54	16	4.51
EUR/HUF	962	32	10	391.34	835	17	5	362.86
EUR/CZK	503	-36	-11	25.91	646	-24	-7	26.06

In contrast, there was a positive effect from currency translation differences of €11,312 thousand (prior year: €11,424 thousand) in the group's equity. 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 gain that corresponds to the effective part of the currency hedges (cash flow hedge) (€59 thousand) was recognised in other comprehensive income without profit or loss, taking into account deferred taxes (€18 thousand). For this, an average EUR/USD rate of 1.07 was hedged.

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 are regularly concluded for operational purposes in 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		2022		31.12.2022	2021		31.12.2021
		Purchase (volume)	Sale (volume)	Purchase (+) or sale obligation (-)	Purchase	Sale	Purchase (+) or sale obligation (-)
EUR/CHF	CHFk	92	17,826	-882	305	3,949	-300
EUR/CZK	CZKk	596	5,070	-1,000	764	3,436	-264
EUR/GBP	GBPk	484	4,404	-350	2,015	3,127	-94
EUR/HUF	HUFk	6,332	159,388	-18,847	150,000	187,800	0
EUR/NOK	NOKk	63,600	63,600	7,716	119,477	65,700	119,187
EUR/PLN	PLNk	0	7,517	-529	89	1,155	-89
EUR/SEK	SEKk	311,966	4,662	144,465	4,775	2,329	0
EUR/USD	USDk	384,450	246,735	66,810	332,554	71,307	120,782
CHF/EUR	EURk	1,203	0	1,620	8,901	0	6,042
CHF/NOK	NOKk	0	0	381	16,640	0	4,925
CHF/USD	USDk	0	0	0	2,443	0	0
USD/EUR	EURk	33	588	0	0	0	0
GBP/EUR	EURk	0	0	0	121	0	121

The measurement of these open currency transactions resulted in a loss of €1,944 thousand (prior year: €2,484 thousand earnings), 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				
	2022		2021	
Effects of a 10% value loss (or increase) of the euro against				
USD	+14,155	(-14,155)	+39,036	(-39,036)
CHF	-3,111	(+3,111)	-7,340	(+7,340)
SEK	+1,592	(-1,592)	+28	(-28)
PLN	-294	(+294)	-124	(+124)
GBP	+219	(-219)	+187	(-187)
NOK	+175	(-175)	+2,118	(-2,118)
HUF	-67	(+67)	-39	(+39)
CZK	-66	(+66)	-48	(+48)
TWD	+10	(-10)	-1	(+1)
DKK	0	0	-1	(+1)
JYN	0	0	+1	(-1)
CAD	0	0	+1	(-1)

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				
	2022		2021	
Effects of a 10% value loss (or increase) of the euro against				
CHF	+49,156	(-49,156)	+45,281	(-45,281)
GBP	+3,755	(-3,755)	+1,628	(-1,628)
PLN	+471	(-471)	+304	(-304)
HUF	+97	(-97)	+86	(-86)
USD	+97	(-97)	+49	(-49)
CZK	+32	(-32)	+35	(-35)

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 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 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 €2,896 thousand (prior year: €4,318 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 (19) Financial Liabilities.

Liquidity risk is managed and monitored weekly with the help of a 14-day liquidity preview.


For further disclosures on the liquidity see page 142

	Financial liabilities					€k
	Loans	Other current non-derivative liabilities	Trade payables	Leasing liabilities	Other financial liabilities	
Carrying amount 31.12.2022	371,141	2,134	699,552	149,875	216,537	
Cash flow 2023						
Interest	4,384	0	0	1,248	0	
Repayment	109,246	2,134	699,030	51,424	216,362	
Cash flow 2024–2025						
Interest	7,554		0	1,868	0	
Repayment	143,477		381	58,601	67	
Cash flow 2026–2027						
Interest	3,879		0	1,092	0	
Repayment	12,665		137	23,282	108	
Cash flow 2028–2029						
Interest	1,882		0	880		
Repayment	105,429		2	16,568		
Cash flow 2030–2031						
Interest	1		0			
Repayment	324		2			


For information on the cash flows of the financial liabilities, see page 214

€k

	Financial liabilities				
	Loans	Other current non-derivative liabilities	Trade payables	Leasing liabilities	Other financial liabilities
Carrying amount 31.12.2021	344,134	1,344	605,892¹	143,750	199,024¹
Cashflow 2022					
Interest	4,573	0	37	608	46
Repayment	33,193	1,344	605,145 ¹	43,626	195,325 ¹
Cashflow 2023–2024					
Interest	8,053		31	687	14
Repayment	58,501		470	55,295	3,276
Cashflow 2025–2026					
Interest	5,704		16	314	0
Repayment	140,698		272	23,896	423
Cashflow 2027–2028					
Interest	3,970		0	186	
Repayment	109,516		2	20,933	
Cashflow 2029–2030					
Interest	9		0		
Repayment	2,226		2		
Cashflow 2031–2032					
Interest			0		
Repayment			1		

¹ Adjustment prior year

The cash and cash equivalents are spread over 27 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 26 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 26 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 141f

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, Bechtel provides virtually none of its creditors with collateral.

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 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 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, Switzerland and, since recently, in the Netherlands, ensuring special customer proximity by means of its decentralised organisation with about 85 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 40,000 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 hard-

ware and software from market-leading vendors. The Bechtle Comsoft and Inmac WStore brands are active in France only. In the Netherlands, Bechtle is also represented with the ARP and Buyitdirect brands. The Bechtle Comsoft software licensing brand is present in two European countries.

Bechtle Group companies are primarily based in Germany. Group companies exist abroad in Argentina, Austria, Belgium, the Czech Republic, 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 segment 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 relates 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.



For disclosures
on the composition
of the revenue,
see page 190 f

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.

€k

By segments	2022					2021						
	IT System House & Managed Services	E-Commerce	IT	Total group before PvA	Reconcili-ation PvA	Total group after PvA	IT System House & Managed Services	E-Commerce	IT	Total group before PvA	Reconcili-ation PvA	Total group after PvA
Total segment business volume	4,793,350	2,561,630					4,017,479	2,277,850				
less intersegment business volume	-61,228	-8,052					-45,404	-4,131				
Business volume (gross revenue)	4,732,122	2,553,578	7,285,700	-1,257,525	6,028,175	3,972,075	2,273,719	6,245,794	-940,305	5,305,489		
Depreciation and amortisation	-70,238	-23,745	-93,983		-93,983	-65,898	-21,607	-87,505		-87,505		
Segment result	236,721	136,783	373,504		373,504	220,795	120,424	341,219		341,219		
Depreciation and amortisation from acquisitions	-9,683	-8,396	-18,079		-18,079	-8,558	-6,940	-15,498		-15,498		
Earnings before financial earnings and taxes	227,038	128,387	355,425		355,425	212,237	113,484	325,721		325,721		
Financial earnings			-4,938		-4,938			-5,221		-5,221		
Earnings before taxes			350,487		350,487			320,500		320,500		
Income taxes			-99,369		-99,369			-89,054		-89,054		
Earnings after taxes			251,118		251,118			231,446		231,446		
Investments	106,763	36,605	143,368		143,368	78,145	27,133	105,278		105,278		
Investments through acquisitions/divestment	84,221	12,934	97,155		97,155	21,551	0	21,551		21,551		

The internal management does not take place on the basis of the changed PvA 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 and amortisation was carried out in the two segments beyond the scheduled depreciation and amortisation.

€k

By segments	2022			2021				
	IT System House & Managed Services	E-Commerce	IT	Total group	IT System House & Managed Services	E-Commerce	IT	Total group
Total segment assets	2,388,251	1,070,055			1,922,448	1,101,352		
less intersegment receivables	-9,344	-1,090			-3,764	-268		
Assets	2,378,907	1,068,965	3,447,872		1,918,684	1,101,084	3,019,768	
Total segment liabilities	1,351,081	568,906			1,149,338	521,348		
less intersegment liabilities	-1,090	-9,344			-268	-3,764		
Liabilities	1,349,991	559,562	1,909,553		1,149,070	517,584	1,666,654	

¹ Adjustment prior year

By regions	2022			2021		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
	Revenue	3,731,733	2,296,442	6,028,175	3,354,639	1,950,850
Investments	94,138	49,230	143,368	80,018	25,260	105,278
Investments through acquisitions/ divestment	1,648	95,507	97,155	-364	21,915	21,551

€k

Of the consolidated revenue generated abroad, France accounted for €718,245 thousand (prior year: €690,143 thousand), Switzerland for €390,557 thousand (prior year: €310,111 thousand) and the Netherlands for €477,639 thousand (prior year: €336,704 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.

By regions	2022			2021		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
	Assets	1,983,752	1,464,120	3,447,872	1,738,605	1,281,163
thereof non-current assets	539,147	576,031	1,115,178	513,023	471,176	984,199
Liabilities	1,299,690	609,863	1,909,553	1,125,472	541,182	1,666,654

€k

The non-current assets reported here comprise property, plant and equipment as well as intangible assets (including goodwill). Of the non-current assets held abroad, Switzerland accounted for €173,047 thousand (prior year: €160,635 thousand), France for €197,469 thousand (prior year: €207,074 thousand) and the Netherlands for €114,741 thousand (prior year: €33,088 thousand). The rest is split between the remaining countries Austria, Belgium, the Czech Republic, Hungary, Ireland, Italy, Poland, Portugal, Spain, Taiwan and the United Kingdom, 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).



See page 241 f

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 fiscal year 2022, Bechtle AG directly or indirectly acquired 100 per cent of the shares in the following companies:

Company	Headquarters	Acquisition date	Acquisition
CORDEX ENGINEERING GmbH	Seligenstadt, Germany	26 April 2022	Acquisition
Inter PQR B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
PQR Holding B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
PQR B.V.	Utrecht, Netherlands	3 June 2022	Acquisition
Axez ICT Solutions B.V.	Rijswijk, Netherlands	26 July 2022	Acquisition
ACS Systems UK Limited	Northampton, UK	23 November 2022	Acquisition
Bizzy25 Holdings Limited	Northampton, UK	23 November 2022	Acquisition
Data Store 365 Limited	Northampton, UK	23 November 2022	Acquisition

The business combinations were recognised in the balance sheet as of the balance sheet date.

The acquisition of CORDEX ENGINEERING GmbH bolsters the IT System House & Managed Services segments with additional specialists and expands the portfolio with tempering competencies. The company, which was founded in 1996 and is headquartered in Seligenstadt, Germany, is a specialist in the field of radiation security of IT hardware (referred to as “tempering”) and the development, production and sale of custom-hardened IT hardware.

Apart from the assets and liabilities already recognised by the acquired companies, whose carrying amounts corresponded to their fair value, customer relationships (€210 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 revaluation, deferred tax liabilities (€59 thousand) were recognised.

Taking the acquired total net assets (€191 thousand) into consideration, the capital consolidation resulted in a total difference of €1,164 thousand, which 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 potentials in tempering competences and increased opportunities in tenders.

Moreover, with the acquisition of PQR B.V., Bechtle will further expand its market presence in the Netherlands. The company was founded in 1990. For the past 32 years, the IT system house has gained a foothold in the market with its strong focus on public-sector clients and its specialisation in the field of hybrid cloud environments. Bechtle is thus rolling out its acquisition strategy, which, since 2021, has also provided for locations outside Germany, Austria and Switzerland for the IT System House & Managed Services segment. The system house business comprises the sale of hardware and software, IT consulting and managed services and supplements the ongoing e-commerce activities of the Bechtle Group in the Netherlands, which focus on modern workplace solutions. The previous management will continue to serve in executive functions in the company.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, customer relationships (€8,166 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 (€2,042 thousand) were recognised. Furthermore, a customer service contract (€1,100 thousand) and an order backlog (€150 thousand) were newly recognised as identifiable assets and measured at their fair value at the acquisition date. In connection with the capitalisation, deferred tax liabilities (€275 thousand and €38 thousand) were recognised respectively.

Taking the acquired total net assets (€7,746 thousand) into consideration, the capital consolidation resulted in a total difference of €63,436 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.

With the acquisition of Axez ICT Solutions B.V., Bechtle is systematically following up on its internationalisation strategy and strengthens the market position in the Netherlands with another IT system house. The IT service provider, which was founded in 2009, is headquartered in Rijswijk near The Hague and primarily serves as a certified Platinum Partner of Hewlett Packard Enterprise and Aruba. For the past 13 years, Axez has been well established in the Dutch market with a broad customer base. After acquisition, the company was fully integrated into PQR.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, customer relationships (€1,314 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 (€329 thousand) were recognised.

Taking the acquired total net assets (€3,522 thousand) into consideration, the capital consolidation resulted in a total difference of €3,906 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 materially based on revenue synergies arising from the strengthening of the IT system house activities in the Netherlands via the use of the data centres, the acquisition of experienced employees with corresponding expertise, and the strengthening of the partnership with Hewlett Packard Enterprise.

With the acquisition of the Northampton-based companies Bizzy25 Holdings Limited and ACS Systems UK Limited (including all shares in Data Store 365 Limited), Bechtle has acquired companies that are well-established in the British market. ACS can look back on 27 years of experience in IT services. The focus is on cyber security, modern work concepts and managed IT and cloud services with in-house cloud hosting capacities. The IT service provider covers a broad spectrum of customers – from regional companies and large groups to the public sector.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, customer relationships (€2,093 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 (€523 thousand) were recognised.

Taking the acquired total net assets (€8,067 thousand) into consideration, the capital consolidation resulted in a total difference of €10,523 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 the UK as well as the acquisition of experienced employees with corresponding expertise.

The receivables taken over (€34,506 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**:

	€k		
	PQR B.V.	Further acquisitions	Total
Non-current assets			
Goodwill	63,436	15,593	79,029
Other intangible assets	9,416	3,707	13,123
Property, plant and equipment	4,047	956	5,003
Total non-current assets	76,899	20,256	97,155
Current assets			
Inventories	5,811	593	6,404
Trade receivables	29,397	5,108	34,505
Other assets	4,987	841	5,828
Cash and cash equivalents	-1,901	3,275	1,374
Total current assets	38,294	9,817	48,111
Total assets	115,193	30,073	145,266
Non-current liabilities			
Deferred taxes	2,354	911	3,265
Other liabilities	698	22	720
Total non-current liabilities	3,052	933	3,985
Current liabilities			
Trade payables	31,228	4,630	35,858
Income tax payables	922	193	1,115
Other provisions and liabilities	5,255	1,895	7,150
Deferred income	3,554	256	3,810
Total current liabilities	40,959	6,974	47,933
Total liabilities	44,011	7,907	51,918
Total assets - Total liabilities = Return	71,182	22,166	93,348

The return of the companies acquired in 2022 (€93,348 thousand) resulted in an outflow of cash and cash equivalents of €92,165 thousand, taking into account the cash and cash equivalents acquired. The purchase agreement for PQR B.V. includes a conditional purchase price payment of €1,000 thousand.

In the course of the acquisitions, transaction costs amounting to €1,204 thousand were incurred and recognised in administrative expenses.

Since the acquisition, the companies have contributed a total of €87,977 thousand to revenues (of which CORDSEN ENGINEERING GmbH €1,279 thousand, PQR B.V., including Axex ICT Solutions B.V. €83,103 thousand and ACS Systems UK Ltd. €3,595 thousand) and €1,815 thousand to the earnings after taxes (of which CORDSEN ENGINEERING GmbH €125 thousand, PQR B.V., including Axex ICT Solutions B.V. €1,571 thousand and ACS Systems UK Ltd. €119 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 €6,083,522 thousand (of which CORDSEN ENGINEERING GmbH €1,599 thousand, PQR B.V., including Axex ICT Solutions B.V. €114,185 thousand and ACS Systems UK Ltd. €27,540 thousand); the earnings after taxes would be €250,113 thousand (of which CORDSEN ENGINEERING GmbH minus €140 thousand, PQR B.V., including Axex ICT Solutions B.V. €801 thousand and ACS Systems UK Ltd. €150 thousand).

IX. DISCLOSURES ON THE EXECUTIVE BOARD AND SUPERVISORY BOARD

MEMBERS OF THE EXECUTIVE BOARD

Dr. Thomas Olemotz, Chairman of the Executive Board

Place of residence: Heilbronn, Germany

Member of the Executive Board responsible for Digital Business Services, Finance, Taxes and Insurances; Financial Services; Human Resources; Investor Relations; Group Controlling, Risk Management and Mobility; Sustainability Management; IT; Logistics & Service; Mergers & Acquisitions; Staff Development; Legal and Compliance; Corporate Communications; Facility and Event Management

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 AG, Neckarsulm, Germany
 - 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 Guschlbauer

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

Other mandates (all mandates are group-internal mandates):

- Chairman of the Executive Board
 - of Bechtle Managed Services AG, Neckarsulm, Germany
 - 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

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

NUMBER OF SHARES IN BECHTLE AG

	31.12.2022	31.12.2021
Dr. Thomas Olemotz	5,000	4,500
Michael Guschlbauer	1,000	0
Jürgen Schäfer	24,000	24,000

COMPENSATION OF THE EXECUTIVE BOARD MEMBERS

The total remuneration paid to the members of the Executive Board amounted to €7,243 thousand in the fiscal year (prior year: €6,824 thousand).

MEMBERS OF THE SUPERVISORY BOARD AND THEIR COMPENSATION

For further information
on the Supervisory Board
see Appendix D, page 254 f

The total remuneration paid in the fiscal year to the members of the Supervisory Board amounted to €1,003 thousand in the fiscal year (prior year: €974 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 depreciated over the individual useful life. The normal period for buildings ranges from two 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	
	31.12.2022	31.12.2021
Assets with assigned rights of use		
Buildings	108,070	109,445
Furniture, fixtures and fittings	263	388
Vehicle fleet	30,592	26,938

The depreciation amounts for the right-of-use assets that are attributable to the reporting period are presented in the following table:

	€ k	
	2022	2021 ¹
Depreciation and amortisation on right-of-use assets		
Buildings	28,552	26,247
Furniture, fixtures and fittings	181	192
Vehicle fleet	19,245	18,336

¹ Adjustment prior year

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 €51,424 thousand were recognised under other current liabilities and €98,451 thousand under other non-current liabilities. Expenses for short-term and minor leases amounted to €1,190 thousand in 2022. Renewal and termination options result in potential cash outflows of €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	
	2022	2021
Due within one year	5,210	3,166 ¹
Due in 1 to 2 years	4,267	1,653 ¹
Due in 2 to 3 years	1,204	824 ¹
Due in 3 to 4 years	570	523
Due in 4 to 5 years	242	41
Due after 5 years	0	1
Minimum lease payments	11,493	6,208¹

¹ Adjustment prior year

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 2022 fiscal year, non-guaranteed residual values exist in the amount of €2,925 thousand (prior year: €5,968 thousand).

As of the closing date, the trade receivables contained leasing receivables amounting to €77,021 thousand (prior year: €71,150 thousand). The undiscounted lease payments that are due on a yearly basis are as follows:

	€k	
	2022	2021
Due within one year	30,073	27,137
Due in 1 to 2 years	23,019	20,217
Due in 2 to 3 years	15,423	14,552
Due in 3 to 4 years	9,373	7,768
Due in 4 to 5 years	1,436	2,738
Due after 5 years	39	0
Minimum lease payments	79,363	72,412

The interest share of the lease payments in the amount of €2,341 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 €778 thousand (prior year: €710 thousand) were recognised. The capital gain in the reporting period 2022 amounted to €18 thousand (prior year: €44 thousand).

PEOPLE AT BECHTLE

The personnel and social expenses were as follows:

	€k	
	2022	2021
Wages and salaries	825,942	732,248
Social security contributions and expenses for pension schemes and support	157,109	146,824
Personnel and social expenses	983,051	879,072

Personnel and social expenses (wages and salaries) include severance pay amounting to €2,166 thousand (prior year: €827 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:

	31.12.2022	31.12.2021	2022	2021
Full and part-time staff without absentees	12,870	11,843	12,332	11,566
Trainees without absentees	791	686	687	625
Absent employees	385	351	365	328
Temporary staff	396	360	374	375
Total	14,442	13,240	13,758	12,894

The average number of full-time and part-time employees listed above includes 125 (prior year: 125) managing directors and/or Members of the Executive Board of subsidiaries.

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

	31.12.2022	31.12.2021	2022	2021
IT System House & Managed Services	11,110	10,156	10,620	9,901
Domestic	9,241	8,548	8,887	8,382
Abroad	1,869	1,608	1,733	1,519
IT E-Commerce	2,936	2,724	2,764	2,618
Domestic	842	835	811	793
Abroad	2,094	1,889	1,953	1,825

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

	31.12.2022	31.12.2021	2022	2021
Service	6,426	5,988	6,188	5,856
Sales	3,878	3,533	3,706	3,480
Administration	3,357	3,008	3,125	2,855
Total	13,661	12,529	13,019	12,191

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 (prior year: Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft), for Bechtle AG and its subsidiaries, the following fees were recognised as expenses in the fiscal year 2022 and 2021, respectively:

	€k	
	2022	2021
Audit of financial statements	697	632
Other attestation services	0	9
Other services	0	23
Auditor's fee	697	664

In the fiscal year, the fees for audit services comprised the fees for the audit of the annual financial statements and the consolidated financial statements as well as for the formal audit of the 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.



See page 248 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 €23,143 thousand was distributed 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.

The compensation paid to the Executive Board in the fiscal year amounted to €7,243 thousand (prior year: €6,824 thousand). Of this, short-term benefits amounts to €5,996 thousand (prior year: €5,429 thousand) and long-term benefits amounts to €1,247 thousand (prior year: €1,395 thousand).

During their membership in the Supervisory Board, the employee representatives on the Supervisory Board received in the reporting period taxable compensation amounting to €629 thousand (prior year: €625 thousand). The compensation paid in the fiscal year to the members of the Supervisory Board amounted to €1,003 thousand in the fiscal year (prior year: €974 thousand). These represent short-term benefits.

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	Frankfurt (Main)
Bechtle GmbH	Freiburg (Breisgau)
Bechtle Data Verwaltungs-GmbH	Gaildorf
Bechtle Finanz- & Marketingservices GmbH	Gaildorf
Bechtle Kapitalbeteiligungs-Verwaltungs-GmbH	Gaildorf
MH Bechtle Verwaltungs-GmbH	Gaildorf
MS Mikro Software Gesellschaft für Systemanalyse und Engineering mbH	Gaildorf
OCR Datensysteme GmbH	Gaildorf
MODUS Consult GmbH	Güterloh

Company	Location, Germany
Bechtle GmbH	Hamburg
Bechtle Mobility GmbH	Hamburg
HanseVision GmbH	Hamburg
Bechtle GmbH	Hannover
Bücker IT-Security GmbH	Hille
Bechtle GmbH & Co. KG	Karlsruhe
KA Bechtle Verwaltungs-GmbH	Karlsruhe
Bechtle GmbH	Köln
Bechtle IT-Systemhaus GmbH	Krefeld
SolidPro Informationssysteme GmbH	Langenau
DPS Software GmbH	Leinfelden-Echterdingen
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
Bechtle24 GmbH	Neckarsulm
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 GmbH & Co. KG	Neckarsulm
Bechtle Hosting & Operations Verwaltungs-GmbH	Neckarsulm
Bechtle Immobilien GmbH	Neckarsulm
Bechtle Logistik & Service GmbH	Neckarsulm
Bechtle Managed Services AG	Neckarsulm
Bechtle Onsite Services GmbH	Neckarsulm
Bechtle Systemhaus Holding AG	Neckarsulm
Bechtle-Comsoft GmbH	Neckarsulm
HN Bechtle Verwaltungs-GmbH	Neckarsulm

Company	Location, Germany
Bechtle GmbH	Nürnberg
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen
Bechtle Verwaltungs-GmbH	Ober-Mörlen
Bechtle GmbH	Offenburg
Bechtle Network & Security Solutions GmbH	Olching
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
Cordsen Engineering GmbH	Seligenstadt
Bechtle GmbH	Solingen
Bechtle GmbH	Stuttgart
PP 2000 GmbH	Stuttgart
Bechtle GmbH	Ulm
HCV Data Management GmbH	Walluf
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. Due to ongoing inflation and the energy crisis, it is difficult to predict the consequences for Bechtle. The war in Ukraine does not result in any direct risks for Bechtle, as no significant business relationships exist with suppliers and customers from Ukraine or Russia. It remains to be seen what further political and macroeconomic consequences of the war in Ukraine will be. So far, the said events have not resulted in any negative effects on the business activity and expectations after the end of the reporting period.

Neckarsulm, 3 March 2023

Bechtle AG
The Executive Board



Dr. Thomas Olemotz Michael Guschlbauer Jürgen Schäfer

SUBSIDIARIES OF BECHTLE AG

as of 31 December 2022 (Appendix A to the Notes)

99. SUBSIDIARIES – GERMANY

Company	Location
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 GmbH	Bremen
Bechtle GmbH & Co. KG	Chemnitz
Bechtle GmbH & Co. KG	Darmstadt
Bechtle GmbH	Dortmund
PSB GmbH	Dreieich
ITZ Informationstechnologie GmbH	Essen
Bechtle GmbH	Frankfurt (Main)
Bechtle GmbH	Freiburg (Breisgau)
Bechtle Finanz- & Marketingservices GmbH	Gaildorf
MODUS Consult GmbH	Gütersloh
Bechtle GmbH	Hamburg
Bechtle Mobility GmbH	Hamburg
HanseVision GmbH	Hamburg
Bechtle GmbH	Hannover
Bücker IT-Security GmbH	Hille
Bechtle GmbH & Co. KG	Karlsruhe
Bechtle GmbH	Köln
Bechtle IT-Systemhaus GmbH	Krefeld
SolidPro Informationssysteme GmbH	Langenau
DPS Software GmbH	Leinfelden-Echterdingen
Bechtle GmbH	Leipzig
Bechtle GmbH & Co. KG	Mannheim
AMARAS AG	Monheim (Rhein)
Bechtle GmbH & Co. KG	Münster
Bechtle24 GmbH	Neckarsulm
Bechtle Clouds GmbH	Neckarsulm
Bechtle-Comsoft GmbH	Neckarsulm
Bechtle direct GmbH	Neckarsulm
Bechtle E-Commerce Holding AG	Neckarsulm
Bechtle Finance GmbH	Neckarsulm
Bechtle GmbH & Co. KG	Neckarsulm
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm
Bechtle Hosting & Operations GmbH & Co. KG	Neckarsulm

Company	Location
Bechtle Immobilien GmbH	Neckarsulm
Bechtle Logistik & Service GmbH	Neckarsulm
Bechtle Managed Services AG	Neckarsulm
Bechtle Onsite Services GmbH	Neckarsulm
Bechtle Systemhaus Holding AG	Neckarsulm
Bechtle GmbH	Nürnberg
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen
Bechtle GmbH	Offenburg
Bechtle Network & Security Solutions GmbH	Olching
Bechtle GmbH	Radolfzell (Lake Constance)
Bechtle GmbH & Co. KG	Regensburg
Bechtle GmbH & Co. KG	Rottenburg (Neckar)
Bechtle GmbH	Saarbrücken
Bechtle ISD GmbH & Co. KG	Schloß Holte-Stukenbrock
Cordsen Engineering GmbH	Seligenstadt
Bechtle GmbH	Solingen
Bechtle GmbH	Stuttgart
PP 2000 GmbH	Stuttgart
Bechtle GmbH	Ulm
HCV Data Management GmbH	Walluf
Solid Line GmbH	Walluf
Bechtle GmbH	Weimar
Bechtle Remarketing GmbH	Wesel
Bechtle GmbH	Würselen
Bechtle GmbH	Würzburg

Non-operating companies

Company	Location
Bechtle Verwaltungs-GmbH	Bonn
Bechtle Verwaltungs-GmbH	Chemnitz
DA Bechtle Verwaltungs-GmbH	Darmstadt
BO Bechtle Verwaltungs-GmbH	Duisburg
Bechtle Data Verwaltungs-GmbH	Gaildorf
Bechtle GmbH	Gaildorf
Bechtle Kapitalbeteiligungs-Verwaltungs-GmbH	Gaildorf
MH Bechtle Verwaltungs-GmbH	Gaildorf
MS Mikro Software Gesellschaft für Systemanalyse und Engineering mbH	Gaildorf
OCR Datensysteme GmbH	Gaildorf
KA Bechtle Verwaltungs-GmbH	Karlsruhe
MA Bechtle Verwaltungs-GmbH	Mannheim
Bechtle Verwaltungs-GmbH	Münster

Non-operating companies

Company	Location
Bechtle Field Services GmbH & Co. KG	Neckarsulm
Bechtle Field Services Verwaltungs-GmbH	Neckarsulm
Bechtle Hosting & Operations Verwaltungs-GmbH	Neckarsulm
HN Bechtle Verwaltungs-GmbH	Neckarsulm
Bechtle Verwaltungs-GmbH	Ober-Mörlen
REG Bechtle Verwaltungs-GmbH	Regensburg
RB Bechtle Verwaltungs-GmbH	Rottenburg (Neckar)
Bechtle ISD Verwaltungs-GmbH	Schloß Holte-Stukenbrock

100. SUBSIDIARIES – WORLDWIDE

Company	Country	Location
algaCom Argentina S.R.L.	Argentina	San Miguel De Tucumán
dataformers GmbH	Austria	Linz
smartpoint IT consulting GmbH	Austria	Linz
Bechtle direct GmbH	Austria	Traun
Bechtle GmbH	Austria	Wien
Bechtle Management GmbH	Austria	Wien
planetsoftware GmbH	Austria	Wien
Cadmes Systems B.V.	Belgium	Merelbeke
ARP NV	Belgium	Genk
Bechtle Brussels NV	Belgium	Pelt
Bechtle direct NV	Belgium	Pelt
Bechtle Group BE Public NV	Belgium	Pelt
Bechtle Management BV	Belgium	Pelt
Bechtle direct s.r.o.	Czech Republic	Prag
Bechtle Onsite Services s.r.o.	Czech Republic	Prag
Bechtle Comsoft SAS	France	Illkirch-Graffenstaden
Bechtle direct SAS	France	Illkirch-Graffenstaden
Bechtle Management E.u.r.l.	France	Illkirch-Graffenstaden
Cadmes France SAS	France	Roissy-en-France
Inmac WStore SAS	France	Roissy-en-France
WStore Europe SAS	France	Roissy-en-France
Bechtle direct Kft.	Hungary	Budapest
Bechtle direct Limited	Ireland	Dublin
Bechtle direct S.r.l.	Italy	Bolzano
Bechtle direct B.V.	Netherlands	Eindhoven
Buyitdirect.com B.V.	Netherlands	Hoofddorp
ARP Nederland B.V.	Netherlands	Maastricht
Bechtle Group NL Public B.V.	Netherlands	Maastricht
Bechtle Holding B.V.	Netherlands	Maastricht

Company	Country	Location
Bechtle Management B.V.	Netherlands	Maastricht
PQR B.V.	Netherlands	Utrecht
Cadmes B.V.	Netherlands	's Hertogenbosch
Bechtle direct Polska Sp. z o.o.	Poland	Wroclaw
Bechtle direct Portugal Unipessoal Lda	Portugal	Aveiro
Bechtle direct S.L.U.	Spain	Madrid
Bechtle direct SA	Switzerland	Morges
Aproda AG	Switzerland	Rotkreuz
ARP Europe AG	Switzerland	Rotkreuz
Bechtle Holding Schweiz AG	Switzerland	Rotkreuz
Bechtle Immobilien Schweiz AG	Switzerland	Rotkreuz
Bechtle Logistics & Service AG	Switzerland	Rotkreuz
Bechtle Schweiz AG	Switzerland	Rotkreuz
Solid Solutions AG	Switzerland	Zürich
Bechtle Logistics & Service AG, Taiwan Branch	Taiwan R.O.C.	Taipei Hsien
Bechtle direct Ltd.	United Kingdom	Chippenham
ACS Systems UK Limited	United Kingdom	Northampton
Bizzy25 Holdings Limited	United Kingdom	Northampton
Data Store 365 Limited	United Kingdom	Northampton
Wide Vietnam Company Limited	Vietnam	Ho Chi Minh City

101. CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

From 1 January to 31 December 2022 (Appendix B 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
Other intangible assets							
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
Property, plant and equipment							
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

From 1 January to 31 December 2021 (Appendix C to the Notes)

	Costs of purchase/production						As of 31.12.2021
	As of 01.01.2021	Change in scope of consolidation	Additions	Currency translation differences	Disposals	Transfer/ restructure	
Goodwill	448,313	16,114	0	5,223	0	0	469,650
Other intangible assets							
Brands/licences	17,364	0	0	183	0	0	17,547
Customer bases	72,291	2,495	0	183	3,740	0	71,229
Purchased software	52,916	203	8,407	30	840	-19	60,697
Internally developed software	28,966	0	3,571	0	29	25	32,533
Customer service agreements	35,561	1,020	406	428	3,532	0	33,883
	207,098	3,718	12,384	824	8,141	6	215,889
Property, plant and equipment							
Property and buildings	160,180	0	9,614	313	4,079	682	166,710
Other equipment, furniture, fixtures and fittings	153,069	69	30,155	882	18,137	1,737	167,775
Advance payments and construction in progress	3,568	0	6,232	112	24	-2,425	7,463
Right-of-use assets	200,893	1,650	46,893	1,133	21,305	0	229,264
	517,710	1,719	92,894	2,440	43,545	-6	571,212
	1,173,121	21,551	105,278	8,487	51,686	0	1,256,751

€k

Cumulative depreciations and amortisations				Carrying amount		
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
117,031	31,400	388	11,591	137,228	99,701	98,858
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
345,341	112,062	1,387	48,442	410,348	1,019,410	911,410

€k

Cumulative depreciations and amortisations				Carrying amount		
As of 01.01.2021	Additions	Currency translation differences	Disposals	As of 31.12.2021	As of 31.12.2021	As of 31.12.2020
0	0	0	0	0	469,650	448,313
2,403	1,030	0	0	3,433	14,114	14,961
21,513	8,346	175	3,740	26,294	44,935	50,778
36,537	9,080	24	454	45,187	15,510	16,379
17,408	5,900	0	24	23,284	9,249	11,558
15,996	6,122	246	3,531	18,833	15,050	19,565
93,857	30,478	445	7,749	117,031	98,858	113,241
26,010	4,650	9	2,476	28,193	138,517	134,170
100,374	23,100	759	16,609	107,624	60,151	52,695
0	0	0	0	0	7,463	3,568
64,111	44,775	540	16,933	92,493	136,771	136,782
190,495	72,525	1,308	36,018	228,310	342,902	327,215
284,352	103,003	1,753	43,767	345,341	911,410	888,769

SUPERVISORY BOARD MEMBERS

[Appendix D to the Notes]

102. 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)
Kurt Dobitsch	Since 20 May 1999	Businessman	Chairman of the Supervisory Board ■ 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) Chairman of the Supervisory Board ■ Nemetschek SE, Munich, Germany Member of the Supervisory Board ■ Singhammer IT Consulting AG, Munich, Germany
Dr. Lars Grünert	Since 12 June 2018	Chief Financial Officer of TRUMPF GmbH + Co. KG	Member of the Supervisory Board ■ Horváth AG, Stuttgart, not listed (until 1 January 2022)
Prof. Dr. Thomas Hess	Since 20 June 2012	Institute director of LMU Munich	
Elke Reichart	Since 4 December 2017	Senior Advisor	Chairman of the Supervisory Board ■ Esure Plc, Surrey, United Kingdom ■ SUSE S.A., Nürnberg
Sandra Stegmann	Since 9 June 2016	Partner, Egon Zehnder	
Klaus Winkler Chairman of the Supervisory Board	20 May 1999 until 30 November 2013 Since 12 June 2018	Supervisory Board	Chairman of the Advisory Board ■ DIEFFENBACHER GmbH, Maschinen- und Anlagenbau, Eppingen Member of the Advisory Board ■ Kapp GmbH & Co. KG, Coburg Member of the Supervisory Board ■ VOLLMER WERKE Maschinenfabrik GmbH, Biberach Member of the Supervisory Board ■ Heller Holding SE & Co. KGaA, Nürtingen (until 10 January 2022) Thereof mandates affiliated with the group: ■ Heller Management SE, Nürtingen (Member of the Supervisory Board) (until 10 January 2022) ■ IGH Infotec AG, Langenfeld, a holding of Heller Holding SE & Co. KGaA IGH Infotec AG, Langenfeld, (Member of the Supervisory Board) (until 2 March 2022)

103. 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)
Uli Drautz Vice-Chairman of the Supervisory Board	Since 15 October 2003	Executive employee	Member of the Supervisory Board <ul style="list-style-type: none"> ■ 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
Daniela Eberle	Since 15 October 2003	Employee	
Anastasia Polidoros	Since 19 December 2019	Deputy Head of Division A of the ver.di Labour Union of Hesse.	
Anton Samija	Since 12 June 2018	Software VIPM	
Volker Strohfeld	Since 18 June 2013	IT service engineer	
Michael Unser	Since 18 June 2013	First Authorised Representative of IG Metall Heilbronn-Neckarsulm	Member of the Supervisory Board <ul style="list-style-type: none"> ■ ThyssenKrupp automotive body solutions, Essen

104. COMMITTEES OF THE SUPERVISORY BOARD

as of 31 December 2022

Audit committee	Personnel committee	Conciliation committee
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

INDEPENDENT AUDITOR'S REPORT

To Bechtle Aktiengesellschaft, Neckarsulm

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Opinions. We audited the consolidated financial statements of Bechtle Aktiengesellschaft, Neckarsulm, and its subsidiaries (the group), which comprise the consolidated balance sheet as of 31 December 2022, 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 2022 as well as the notes to the consolidated financial statements, including a summary of key accounting methods. Moreover, we audited the Group Management Report of Bechtle Aktiengesellschaft, Neckarsulm, for the fiscal year from 1 January to 31 December 2022. In accordance with the German statutory regulations, we did not audit the content of the summarised corporate governance statement that is referred to in the "Corporate Governance" section of the Group Management Report, the non-financial group statement included in the Group Management Report, the sections "Corporate Governance" and "Effectiveness of the Internal Control and Risk Management System" of the Group Management Report, the cross-references in the Group Management Report to web pages of the company or the information to which these cross-references refer.

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) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the group's assets, liabilities and financial position as of 31 December 2022 and of its financial performance for the fiscal year from 1 January to 31 December 2022, and
- as a whole, the enclosed Group Management Report gives a true and fair view of the group's position. In all material respects, this Group 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 opinion on the Group Management Report does not cover the content of the above-mentioned statements, the sections "Corporate Governance" and "Effectiveness of the Internal Control and Risk Management System" of the Group Management Report as well as the above-mentioned cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit did not lead to any reservations relating to the legal compliance of the consolidated financial statements and of the Group Management Report.

Basis for the opinions. We conducted our audit of the consolidated financial statements and of the Group Management Report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group Management Report" 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 Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 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 opinions on the consolidated financial statements and on the Group Management Report.

Key audit matters in the audit of the consolidated financial statements. Key audit matters are those matters that, in our professional judgment, were of greatest significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our 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 2022, an amount of €554.2 million is presented under the balance sheet item "Goodwill". This represents 16 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 done on the basis of the cash values of the cash flows expected in the future, which are based on the medium-term planning prepared by the legal representatives and which are extrapolated with long-term growth rate assumptions. 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 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 Consolidation" and "IV. Further Notes to the Balance Sheet – (7) 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 verified the appropriateness of the future cash flows used in the measurement, e.g. by examining and critically assessing 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.

As a significant portion of the respective value in use results from projected cash flows for the time after the medium-term planning period, we critically assessed especially the sustainable growth rate applied for this phase based on general and sector-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 2022, revenue amounting to €6,028.2 million is reported.

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 based partially 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 Consolidation" and "III. Further Notes to 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 set-up 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 recognition of revenue 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 principal 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 and measurement principles 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 non-financial group statement contained in the Group Management Report pursuant to Sections 315b and 315c of the German Commercial Code (HGB),
- the summarised corporate governance statement, which is referred to in the section "Corporate Governance" in the Group Management Report,
- the sections "Corporate Governance" and "Effectiveness of the Internal Control and Risk Management System" in the Group Management Report,
- cross-references in the Group Management Report on web pages of the company as well as the information that these cross-references refer to,
- the assurance of the legal representatives pursuant to Section 297 (2) sentence 4 of the German Commercial Code (HGB) and pursuant to Section 315 (1) sentence 5 of the German Commercial Code (HGB) concerning the consolidated financial statements and the Group Management Report and
- all other parts of the annual report, which is published after the release of this auditor's report, but excluding the consolidated financial statements, the disclosures of the Group Management Report whose content has been audited, 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 statement pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which is part of the summarised statement on corporate governance, and for the compensation report pursuant to Section 162 of the German Stock Corporation Act (AktG). In all other respects, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the Group Management Report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information is

- materially inconsistent with the consolidated financial statements, with the disclosures of the Group Management Report whose content has been audited or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND OF THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP 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 financial performance 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 but to do so.

Furthermore, the legal representatives are responsible for the preparation of the Group Management Report that, 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. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group Management Report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the Group Management Report.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP 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 Group 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 opinions on the consolidated financial statements and on the Group 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these consolidated financial statements and this Group Management Report.

We exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore,

- we identify and assess the risks of material misstatement of the consolidated financial statements and of the Group 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 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 and/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 Group Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an 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 conclude 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 in the auditor's report to the related disclosures in the consolidated financial statements and in the Group Management Report or, if such disclosures are inadequate, to modify our respective 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 financial performance 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 adequate suitable audit evidence for the accounting information of the companies or business activities within the group in order to release audit opinions on the consolidated financial statements and the Group 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 Group Management Report with the consolidated financial statements, its conformity with 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 Group 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 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 discuss 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 to that independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most 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 reproductions of the consolidated financial statements and of the Group Management Report prepared for publication purposes in accordance with Section 317 (3a) of the German Commercial Code (HGB)

Opinion. We performed assurance work in accordance with Section 317 (3a) of the German Commercial Code (HGB) to obtain reasonable assurance about whether the reproductions of the consolidated financial statements and the Group Management Report (hereinafter the "ESEF documents") contained in the file with the SHA-256 value f6f2d0de31724e9acfdc2b7b250c039bfabe25449fed9c40a464daab624cca23, which have been prepared for publication purposes, comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the Group Management Report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproductions of the consolidated financial statements and the Group Management Report contained in the above-mentioned electronic file and prepared for publication purposes comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. We do not express any opinion on the information contained in these reproductions nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion, and our audit opinion on the accompanying consolidated financial statements and the accompanying Group Management Report for the fiscal year from 1 January to 31 December 2022 contained in the "Report on the audit of the consolidated financial statements and of the Group Management Report" above.

Basis for the opinion. We conducted our assurance work on the reproductions of the consolidated financial statements and the Group Management Report contained in the above-mentioned file in accordance with Section 317 (3a) of the German Commercial Code (HGB) and the IDW Assurance Standard: Assurance in Accordance with Section 317 (3a) of the German Commercial Code (HGB) on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 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 audit firm applied the standards for the quality assurance system set forth in the IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms (IDW QS 1)".

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 reproductions of the consolidated financial statements and the Group Management Report in accordance with Section 328 (1) sentence 4 no. 1 of the German Commercial Code (HGB) and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 of the German Commercial Code (HGB).

In addition, the company's legal representatives are responsible for such internal controls as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format, whether due to fraud or error.

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 non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB), whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore,

- we identify and assess the risks of material non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB), whether due to fraud or error, we design and perform audit procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance 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 circumstances, but not for the purpose of expressing an assurance 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 rendering with content equivalent to the audited consolidated financial statements and to the audited Group Management Report;
- we evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Art. 4 and 6 of Delegated Regulation (EU) 2019/815 in the version in force at the date of the financial statements enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Other disclosures pursuant to Art. 10 of the EU Audit Regulation. We were appointed as group auditor by the Annual General Meeting on 2 June 2022. We were engaged by the Supervisory Board on 16 November 2022. We have been the group auditor of Bechtle Aktiengesellschaft, Neckarsulm, since the 2022 fiscal year.

We declare that the 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 auditor's report must always be read in conjunction with the audited consolidated financial statements and the audited Group Management Report as well as the assured ESEF documents. The consolidated financial statements and the Group Management Report converted to the ESEF format – including the versions to be published in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited Group Management Report and do not take their place. In particular, the ESEF report and our assurance 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, 10 March 2023

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, 3 March 2023

Bechtel AG
The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

105. MULTI-YEAR OVERVIEW BECHTLE GROUP

		2014	2015	2016	2017	2018	2019	2020	2021	2022	Change in % 2022-2021
Regions											
Business volume	€k	2,580,448	2,831,303	3,093,579	3,570,124	4,323,318	5,374,453	5,819,243	6,245,794	7,285,700	16.6
Revenue	€k				3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	13.6
Domestic	€k							3,260,012	3,354,639	3,731,733	11.2
of total revenue	%							64.6	63.2	61.9	
Abroad	€k							1,790,259	1,950,850	2,296,442	17.7
Segments											
Revenue	€k				3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	13.6
IT System House & Managed Services	€k				2,235,490	2,576,136	3,062,815	3,381,306	3,394,793	3,878,168	14.2
of total revenue	%				71.1	67.3	65.0	67.0	64.0	64.3	
IT E-Commerce	€k				909,285	1,253,167	1,649,182	1,668,965	1,910,696	2,150,007	12.5
EBIT	€k	108,498	129,484	144,083	164,252	195,081	241,370	276,955	325,721	355,425	9.1
IT System House & Managed Services	€k	68,907	80,293	96,589	114,501	126,084	149,832	179,451	212,237	227,038	7.0
EBIT margin	%				5.1	4.9	4.9	5.3	6.3	5.9	
IT E-Commerce	€k	39,591	49,191	47,494	49,751	68,997	91,538	97,504	113,484	128,387	13.1
EBIT margin	%				5.5	5.5	5.6	5.8	5.9	6.0	
Income Statement											
Business volume	€k	2,580,448	2,831,303	3,093,579	3,570,124	4,323,318	5,374,453	5,819,243	6,245,794	7,285,700	16.6
Revenue	€k				3,144,775	3,829,303	4,711,997	5,050,271	5,305,489	6,028,175	13.6
Cost of sales	€k				2,600,980	3,186,369	3,944,180	4,193,690	4,385,481	4,974,795	13.4
Gross earnings	€k				543,795	642,934	767,817	856,581	920,008	1,053,380	14.5
Distribution costs	€k	166,556	182,806	196,285	215,989	257,218	306,632	319,242	345,216	392,988	13.8
Administrative expenses	€k	124,001	138,415	153,037	173,396	205,688	249,607	286,532	282,625	340,848	20.6
Other operating income	€k	8,100	13,391	10,340	9,842	15,053	29,792	26,148	33,554	35,881	6.9
Operating earnings (EBIT)	€k	108,498	129,484	144,083	164,252	195,081	241,370	276,955	325,721	355,425	9.1
Financial income	€k	1,944	2,607	3,512	1,133	1,338	1,229	1,073	1,415	1,512	6.9
Financial expenditure	€k	3,057	2,687	2,495	2,581	3,177	6,279	7,323	6,636	6,450	-2.8
Earnings before taxes (EBT)	€k	107,385	129,404	145,100	162,804	193,242	236,320	270,705	320,500	350,487	9.4
Income taxes	€k	31,191	36,527	41,729	48,242	56,101	65,836	78,158	89,054	99,369	11.6
Earnings after taxes (EAT)	€k	76,194	92,877	103,371	114,562	137,141	170,484	192,547	231,446	251,118	8.5
Material costs	€k							3,657,570 ¹	3,882,666 ¹	4,426,903	14.0
Revenue less material costs	€k	624,603	692,611	753,120	831,845	979,320	1,216,874	1,351,282 ¹	1,456,377 ¹	1,637,153	12.4
Personnel expenses	€k	388,764	423,040	459,377	507,712	590,660	734,421	819,531	879,072	983,051	11.8
Depreciation and amortisation (on property, plant and equipment and other intangible assets without goodwill)	€k	23,753	26,436	27,715	31,930	41,977	84,610	98,137	103,003	112,062	8.8
EBITDA	€k	132,251	155,920	171,798	196,182	237,058	325,980	375,092	428,724	467,487	9.0
Financial earnings	€k	-1,113	-80	1,017	-1,448	-1,839	-5,050	-6,250	-5,221	-4,938	-5.4

¹ Figure adjusted

		2014	2015	2016	2017	2018	2019	2020	2021	2022	Change in % 2022-2021
Balance Sheet (selected items)											
Assets											
Non-current assets	€k	321,940	344,401	368,231	415,196	659,258	846,371	958,890	984,199	1,115,178	13.3
Goodwill	€k	144,499	166,398	193,521	193,538	345,938	397,592	448,313	469,650	554,197	18.0
Other intangible assets	€k	19,980	29,161	35,338	48,721	121,120	119,303	113,241	98,858	99,701	0.9
Property, plant and equipment	€k	104,224	101,870	111,666	134,865	152,853	280,685	327,215	342,902	365,512	6.6
Trade receivables	€k	19,774	22,020	12,436	30,235	27,863	38,148	55,903	57,839	67,126	16.1
Deferred taxes	€k	3,722	4,425	4,798	4,004	4,713	3,914	6,770	8,924	9,451	5.9
Other assets	€k	2,676	3,495	3,467	3,833	6,771	6,729	7,448	6,026	19,191	218.5
Capital investment and securities	€k	27,008	16,999	7,005	0	0	0	0	0	0	
Current assets	€k	694,650	806,036	901,107	1,028,188	1,367,906	1,548,296	1,728,226	2,035,569	2,332,694	14.6
Inventories	€k	131,165	150,415	180,652	211,319	280,331	285,574	301,663	513,824	607,696	18.3
Trade receivables	€k	387,828	406,167	502,270	581,919	754,069	862,323	877,173	928,724	1,206,399	29.9
Other assets	€k	45,469	58,738	61,562	58,783	81,227	126,180	143,928	153,698	207,450	35.0
Capital investment and securities	€k	22,272	24,894	15,361	12,444	5,543	0	40,002	0	60,000	
Cash and cash equivalents	€k	106,720	164,767	140,415	162,383	245,379	272,197	363,171	431,751	229,590	-46.8
Equity and liabilities											
Equity	€k	553,996	620,651	694,103	777,283	883,204	1,014,842	1,162,029	1,353,114	1,538,319	13.7
Issued capital	€k	21,000	21,000	21,000	42,000	42,000	42,000	42,000	126,000	126,000	0.0
Capital reserve	€k	145,228	145,228	145,228	124,228	124,228	124,228	124,228	40,228	40,228	0.0
Retained earnings	€k	387,768	454,423	527,875	611,055	716,976	848,614	995,801	1,186,886	1,372,091	15.6
Non-current liabilities	€k	95,878	119,196	117,959	127,267	464,893	566,709	599,887	499,533	464,919	-6.9
Pension provisions	€k	11,990	15,899	19,924	13,002	16,301	30,702	31,022	12,994	7,927	-39.0
Other provisions	€k	4,836	5,978	6,719	7,190	11,052	10,081	11,055	11,379	10,371	-8.9
Financial liabilities	€k	47,522	56,393	51,744	69,917	380,640	373,874	393,541	310,941	261,895	-15.8
Deferred taxes	€k	17,266	20,927	20,570	21,069	41,107	33,180	26,140	37,271	33,452	-10.2
Other liabilities	€k	2,652	7,293	5,874	2,292	4,858	98,025	108,590	103,830	100,328	-3.4
Contract liabilities	€k	-	-	-	-	10,895	19,353	20,884	19,790	49,628	150.8
Deferred income	€k	11,343	12,346	12,981	13,701	0	1,481	2,393	2,581	796	-69.2
Current liabilities	€k	366,716	410,590	457,276	538,834	679,067	813,116	925,200	1,167,121	1,444,634	23.8
Other provisions	€k	6,239	6,416	6,657	7,129	9,162	12,805	22,831	27,318	30,767	12.6
Financial liabilities	€k	12,711	9,627	9,745	58,930	12,872	13,801	18,913	34,537	111,380	222.5
Trade payables	€k	178,644	204,067	242,120	237,160	372,338	406,807	425,875	605,145 ¹	699,030	15.5
Tax payables	€k	6,418	8,176	7,676	10,733	12,509	19,859	45,964	30,525	27,851	-8.8
Other liabilities	€k	95,695	104,052	115,314	131,118	159,957	231,776	253,921	306,932 ¹	379,242	23.6
Contract liabilities	€k	-	-	-	-	96,120	105,369	130,594	161,643	193,392	19.6
Deferred income	€k	67,009	78,252	75,764	93,764	16,109	22,699	27,102	1,021 ¹	2,972	191.1
Balance sheet total	€k	1,016,590	1,150,437	1,269,338	1,443,384	2,027,164	2,394,667	2,687,116	3,019,768	3,447,872	14.2
Cash flow and investments											
Cash flow from operating activities	€k	55,965	115,945	53,363	54,261	140,525	185,973	317,453	284,492	116,651	-59.0
Cash flow from investing activities	€k	-25,853	-34,480	-41,404	-62,675	-280,612	-72,122	-146,482	-42,940	-224,323	422.4
Cash flow from financing activities	€k	-29,973	-25,668	-36,318	33,578	221,367	-89,685	-78,726	-179,356	-100,210	-44.1
Cash and cash equivalents incl. time deposits and securities	€k	156,000	206,660	162,781	174,827	250,922	272,197	403,173	431,751	289,590	-32.9
Free cash flow	€k	29,252	78,590	-7,049	-24,129	-147,185	109,517	204,135	218,578	-29,816	-113.6
Investments (in property, plant and equipment and other intangible assets without goodwill)	€k	24,102	21,779	39,604	66,866	56,626	47,981	66,194	58,385	82,004	40.5
Investment ratio (= Investments/Average property, plant and equipment + other intangible assets without goodwill)	%	19.82	17.07	28.49	40.45	24.75	17.20	22.53 ¹	19.18 ¹	25.98	

¹ Figure adjusted

		2014	2015	2016	2017	2018	2019	2020	2021	2022	Change in % 2022-2021
Key figures of the share²											
Closing price	€	65.98	88.06	98.82	69.52	67.85	125.20	178.40	62.94	33.06	-47.5
Annual high	€	65.98	92.64	104.55	72.71	89.90	127.60	188.40	69.14	63.12	
Annual low	€	49.33	64.49	73.70	46.50	63.85	62.30	85.05	49.85	32.79	
Weighted shares	th. shares	21,000	21,000	21,000	42,000	42,000	42,000	42,000	126,000	126,000	
Market capitalisation [31.12]	€k	1,385,580	1,849,260	2,075,220	2,919,840	2,849,700	5,258,400	7,492,800	7,930,440	4,165,560	-47.5
Average turnover/trading day ³	shares	41,281	46,580	30,515	45,637	101,037	106,634	140,482	138,224	266,062	92.5
Average turnover/trading day ³	€	2,452,888	3,452,399	2,789,577	3,604,891	7,668,425	9,980,675	20,657,614	13,778,684	11,172,305	-18.9
Cash dividend per share	€	1.20	1.40	1.50	0.90	1.00	1.20	1.35	0.55	0.65 ⁴	18.2
Dividend amount distributed	€k	25,200	29,400	31,500	37,800	42,000	50,400	56,700	69,300	81,900 ⁴	18.2
Pay out ratio	%	33.1	31.7	30.5	33.0	30.6	29.6	29.4	29.9	32.6 ⁴	
Dividend yield [31.12]	%	1.8	1.6	1.5	1.3	1.5	1.0	0.8	0.9	2.0 ⁴	
Enterprise value (EV)	€k	1,449,430	1,877,757	2,137,406	3,032,716	3,178,949	5,734,381	7,935,616	8,267,923 ¹	4,796,742	-42.0
Earnings per share	€	3.63	4.42	4.92	2.73	3.27	4.06	4.58	1.84	1.99	8.5
Cash flow per share	€	2.67	5.52	2.54	1.29	3.35	4.43	7.56	2.26	0.93	-59.0
Net asset value per share (= Equity/Weighted average shares)	€	26.38	29.55	33.05	18.51	21.03	24.16	27.67	10.74	12.21	-55.9
Price-earnings ratio (= closing price/EPS)		18.2	19.9	20.1	25.5	20.8	30.8	38.9	34.3 ¹	16.6	-51.6
EV/EBITDA		11.0	12.0	12.4	15.5	13.4	17.6	21.2	19.3 ¹	10.3	-46.8
EV/EBIT		13.4	14.5	14.8	18.5	16.3	23.8	28.7	25.4 ¹	13.5	-46.8
EV/EBT		13.5	14.5	14.7	18.6	16.5	24.3	29.3	25.8 ¹	13.7	-46.9
EV/EAT		19.0	20.2	20.7	26.5	23.2	33.6	41.2	35.7 ¹	19.1	-46.5
EV/Revenue					1.0	0.8	1.2	1.6	1.6	0.8	-48.9
Personnel											
Employees ⁵ [31.12]		6,572	7,205	7,667	8,353	10,005	11,487	12,180	12,880	14,046	9.1
Domestic		4,996	5,633	5,956	6,483	7,373	8,424	8,955	9,383	10,083	7.5
Abroad		1,576	1,572	1,711	1,870	2,632	3,063	3,225	3,497	3,963	13.3
IT System House & Managed Services		5,164	5,766	6,212	6,853	7,772	9,097	9,736	10,156	11,110	9.4
IT E-Commerce		1,408	1,439	1,455	1,500	2,233	2,390	2,444	2,724	2,936	7.8
Trainees (incl. absentees)		455	473	500	553	648	703	687	691	793	14.8
Employees (annual average) ⁵		6,421	6,924	7,428	7,968	9,083	10,899	11,946	12,519	13,384	6.9
Personnel expenses per employee (FTE, annual average, without absentees)								72.7	74.6	78.3	4.9
FTE (Annual average, without absentees)								11,271	11,785	12,561	6.6
FTE (Annual average, without absentees and trainees)								10,622	11,162	11,878	6.4
IT System House & Managed Services								8,351	8,751	9,401	7.4
IT E-Commerce								2,271	2,411	2,477	2.7
Personnel expenditure ratio	%				16.1	15.4	15.6	16.2	16.6	16.3	
Personnel expenses to revenue less material costs	%	62.2	61.1	61.0	61.0	60.3	60.4	60.6 ¹	60.4 ¹	60.0	

¹ Figure adjusted² XETRA share prices³ All German stock exchanges⁴ Proposal to the Annual General Meeting⁵ Without temporary staff

		2014	2015	2016	2017	2018	2019	2020	2021	2022	Change in % 2022-2021
Efficiency ratios											
Contribution margin	%				26.5	25.6	25.8	26.8 ¹	27.5 ¹	27.2	
Gross margin	%				17.3	16.8	16.3	17.0	17.3	17.5	
EBITDA margin	%				6.2	6.2	6.9	7.4	8.1	7.8	
EBIT margin	%				5.2	5.1	5.1	5.5	6.1	5.9	
EBT margin	%				5.2	5.0	5.0	5.4	6.0	5.8	
EAT margin	%				3.6	3.6	3.6	3.8	4.4	4.2	
Revenue per employee	€k							475.5	475.3	507.5	6.8
IT System House & Managed Services	€k							404.9	387.9	412.5	6.3
IT E-Commerce	€k							734.9	792.5	868.0	9.5
EBIT per employees	€k							26.1	29.2	29.9	2.5
Return on equity (EAT / Average annual equity)	%	15.6	17.2	17.1	16.9	18.1	19.8	19.5	20.4	18.6	
Return on total assets (EAT / Average annual total assets)	%	8.9	9.5	9.6	9.6	9.1	8.5	8.3	9.0	8.5	
ROA (= EBIT / Average annual total assets)	%	12.2	12.9	13.1	13.4	12.6	11.5	11.5	12.3	11.8	
ROE (= EBIT / Average annual equity)	%	21.5	23.9	24.0	24.4	25.8	28.1	28.0	28.8	27.1	
ROCE (= EBIT / Capital Employed)	%	22.3	23.7	24.0	22.3	20.6	18.7	19.8	22.2	20.1	
Balance sheet ratios											
Capitalisation ratio of non-current assets (= non-current assets / total assets)	%	31.7	29.9	29.0	28.8	32.5	35.3	35.7	32.6	32.3	
Working intensity of current assets (= current assets / total assets)	%	68.3	70.1	71.0	71.2	67.5	64.7	64.3	67.4	67.7	
Equity ratio	%	54.5	53.9	54.7	53.9	43.6	42.4	43.2	44.8	44.6	
Total liabilities to total assets	%	45.5	46.1	45.3	46.1	56.4	57.6	56.8	55.2	55.4	
Asset structure (= non-current / current assets)	%	46.3	42.7	40.9	40.4	48.2	54.7	55.5	48.4	47.8	
Capital structure (= equity / liabilities)	%	119.8	117.2	120.7	116.7	77.2	73.5	76.2	81.2	80.6	
Financial ratios											
Net debt	€k	-95,767	-140,640	-101,292	-45,980	142,590	115,478	9,281	-86,273	83,685	-197.0
Share of non-current liabilities in balance sheet total (= non-current liabilities / balance sheet total)	%	9.4	10.4	9.3	8.8	22.9	23.7	22.3	16.5	13.5	
Share of current and non-current financial liabilities in balance sheet total (= (current + non-current financial liabilities) / balance sheet total)	%	5.9	5.7	4.8	8.9	19.4	16.2	15.3	11.4	10.8	
Debt ratio (= liabilities / equity)		0.84	0.85	0.83	0.86	1.30	1.36	1.31	1.23	1.24	0.8
Working Capital	€k	291,326	294,872	375,645	492,865	580,794	647,728	652,674	725,905 ¹	976,564	34.5
Working Capital to business volume	%	11.3	10.4	12.1	13.8	13.4	12.1	11.2	11.6 ¹	13.4	
Working Capital to annual total asset	%	28.7	25.6	29.6	34.1	28.7	27.0	24.3	24.0 ¹	28.3	
Capital employed	€k	486,403	546,404	600,997	738,029	948,346	1,288,671	1,395,427	1,469,558	1,767,015	20.2
Capital employed to annual total asset	%	47.8	47.5	47.3	51.1	46.8	53.8	51.9	48.7	51.2	
Capital employed to business volume	%	18.8	19.3	19.4	20.7	21.9	24.0	24.0	23.5	24.3	
Structural analysis ratios											
Business volume to inventory		19.7	18.8	17.1	16.9	15.4	18.8	19.3	12.2	12.0	-1.4
Share of inventories in business volume (= inventories / business volume)	%	5.1	5.3	5.8	5.9	6.5	5.3	5.2	8.2	8.3	
Business volume to average net trade receivables		9.7	9.3	9.4	9.4	9.3	8.9	9.1	8.9	8.9	-0.5
Business volume to average total assets		2.9	2.8	2.8	2.9	2.8	2.6	2.4	2.4	2.4	1.9
DSO		37.8	39.4	38.7	38.7	39.2	41.0	40.0	40.9	41.1	0.5

¹ Figure adjusted

GLOSSARY

Alternative performance measures (= APM). Performance indicators that are not subject to IFRS and for which there is no generally accepted reporting standard.

Artificial intelligence (AI). Subset of IT that deals with the automation of intelligent behaviour and machine learning.

Augmented reality. Computer-aided perception or rendering that expands the real world with virtual aspects.

Bond loan. Long-term large-scale loan similar to a bond

Business intelligence. Generic term for the IT-based access to information as well as IT-based analysis and processing of this information. The objective is to gain insight that can form the basis for better operational or strategic decisions with a view to the corporate goals.

Business volume. An alternative performance measure (APM) introduced by Bechtle in the course of the change to the accounting method. The indicator describes the revenue accounted for according to the previous method without taking the accounting change regarding software licences into consideration. → APM

Capitalisation ratio. Indicates the ratio of non-current assets to the balance sheet total.

Capital employed (CE). Annual average interest-bearing capital tied up on a long-term basis.

Cash pooling. Corporate liquidity management in the scope of which surplus liquidity is withdrawn from group companies or liquidity is provided in the form of loans in the event of liquidity shortfalls.

Contribution margin. Difference between revenue and material costs in relation to revenue.

CRM. Customer relationship management.

CSRD. Corporate Sustainability Reporting Directive; EU reporting directive for the presentation of non-financial information, applicable from the 2024 fiscal year.

Currency forwards. Obligation to buy or sell foreign currencies at a date and price determined in advance.

CSR RUG. CSR Directive Implementation Act; serves the implementation of the EU Directive on the disclosure of non-financial information in German law, which will be superseded by the requirements of the CSRD starting from the 2024 fiscal year.

Data warehouse. A data warehouse is a central collection of data (usually a database) from various sources. The data stored in the data warehouse are kept over long periods, especially for analyses, as well as a basis for administrative decisions and for corporate management purposes.

Debt ratio. Ratio of borrowed capital to equity.

Deferred taxes. Temporary differences between calculated taxes on earnings presented in the commercial balance sheet and tax balance sheet for the purpose of presenting the tax expense according to the earnings under commercial law.

Derivative (derivative financial instrument, financial derivative). Financial instrument whose measurement depends on the price development of the underlying. For example financial derivatives include → currency forwards and → interest rate swaps.

Diversity Charter. An employer initiative to promote diversity in companies and institutions.

Dividend payout ratio. Indicates how much of the annual profit is paid out to the shareholders in the form of a dividend. It is calculated as follows: dividend paid out divided by the consolidated earnings after taxes and minority interests, in per cent.

Dividend yield. Indicates the annual yield that the shareholder receives in the form of a dividend for their share investment measured at the annual closing rate. It is calculated as follows: dividend per share divided by the annual closing rate, multiplied by 100.

DSO. Days sales outstanding. DSO indicates the average number of days until due receivables are paid.

ECM. Enterprise content management – comprises the technology to capture, manage, store, keep, and provide analogue and digital content in companies.

EITO. European Information Technology Observatory

Equity ratio. Ratio of equity to total capital. The higher the equity ratio, the lower the → debt ratio of the company.

ERP. The enterprise resource planning system is complex management software for efficient, smart resource planning.

Free cash flow. Cash flow from operating activities less the balances from outgoing and incoming payments related to the acquisition or sale of companies, as well as outgoing and incoming payments related to investments in intangible assets and property, plant and equipment.

Fulfillment. All activities related to the performance of a contract concluded with a customer. The services range from the acceptance of the order to picking and the shipping of the goods.

GITA. Global IT Alliance – international network of selected IT companies around the globe.

GHG Protocol. The Green House Gas Protocol is a transnational series of standards on the accounting of greenhouse gas emissions.

GRI standards. GRI – Global Reporting Initiative. Guidelines for the preparation of sustainability reports of large corporations, small and medium-sized businesses, governments and NGOs.

Gross profit. Difference between revenue and cost of sales.

Interest rate swap. Agreement between two contracting parties to swap different interest payment streams. Interest rate swaps are financial derivatives and are generally used to hedge interest rate risks (→ derivative).

Investment grade. Credit rating by a rating agency. Credit ratings can be roughly split into two categories: “investment grade” (= sufficiently safe) and “non investment grade” (= speculative).

Investment ratio. Ratio of investments in other intangible assets and property, plant and equipment to the average annual carrying amount of other intangible assets and of property, plant and equipment.

Market cap. Market value of a company. The market cap is calculated by multiplying the share price with the number of a company’s issued shares.

Material topics. A materiality analysis identifies the effects that the company could have on the environment/society and also how the environment/society could affect the company. This analysis defines the material topics for the non-financial reporting.

Modern workplace. Central digital work platform that delivers information, tools and services regardless of the location.

Net indebtedness (Net debt). Indicates the indebtedness or debt potential of an enterprise if all interest-bearing liabilities were to be paid with current assets. It is calculated from the financial liabilities less cash and cash equivalents as well as time deposits and securities.

Non-financial group declaration. Statutory component of the sustainability report (Act Implementing the CSR Directive).

Outsourcing. In the field of IT, outsourcing or out-tasking refers to the delegation of specific tasks or part of them to external IT service providers.

Personnel intensity. The ratio of personnel expenses to the revenue less material costs.

Prinzipal vs. Agent (IFRS 15). Normally, a company accounts for its revenue from the sale of software licences either as a principal or as an agent. While a principal presents the entire consideration as revenue, an agent merely presents the amount of the fee or commission received as consideration for the agency service.

Remarketing. The return of second-hand IT hardware to the cycle.

Return on assets (ROA). Ratio of earnings after taxes and before financial expenses to the average annual total capital employed.

Return on capital employed (ROCE). Ratio of earnings before financial earnings and taxes to the → capital employed. The ROCE shows the operating interest on the company's capital employed or tied up on a long-term basis.

Return on equity (ROE). Ratio of earnings after taxes to the average annual equity as reported in the balance sheet. The return on equity shows how much interest the shareholders' equity as reported in the balance sheet bears.

Subscription-based IT service model. Subscription and consumption-based IT services.

Treasury. An area that is concerned with the use and investment of financial resources. This area is also responsible for hedging financial risks, which can go far beyond the hedging of interest rate risks or exchange rate risks.

UN Global Compact. The United Nations Global Compact is a cooperation of companies with the United Nations. The objective of the cooperation is to make globalisation more ecologically and socially sustainable.

Virtualisation. Abstraction of physical resources. The individual systems are provided with a complete virtual computer with all hardware components. Software virtualisation can be used to simulate an operating system or an application. This makes it possible to execute applications locally without installing them.

Working capital. Inventories plus trade receivables less trade payables and deferrals.

LIST OF ABBREVIATIONS



For further comments
see Glossary,
page 272ff

AktG	German Stock Corporation Act (Aktiengesetz)
APM	Alternative Performance Measures
BI	Business Intelligence
CAD/CAM/PLM	Computer-aided design/Computer-aided manufacturing Product-lifecycle-management
CAGR	Compound annual growth rate
CDR	Corporate Digital Responsibility
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility; is often used synonymously with ESG (Environmental, Social, Governance).
CTO	Chief Technology Officer
DCGK	German Corporate Governance Code (Deutscher Corporate Governance Kodex)
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
ECM	Enterprise Content Management
EBT	Earnings before taxes
EPEAT	Electronic Product Environmental Assessment Tool (Product label)
EPS	Earnings per share
ERP	Enterprise-Resource-Planning
EU	European Union
EV	Enterprise value
FTE	Full time equivalent
GDP	Gross domestic product
GITA	Global IT Alliance
GRI	Global Reporting Initiative
HGB	German Commercial Code (Handelsgesetzbuch)
ifo	Institute for Economic Research (Institut für Wirtschaftsforschung)
IFRS	International Financial Reporting Standards
ISMS	Information security management system
LkSG	Supply chain act
M & A	Mergers & Acquisitions
MitbestG	German co-determination Act (Mitbestimmungsgesetz)
NfR	Non-financial Report
ROA	Return on Assets
ROE	Return on Equity
VIPM	Vendor Integrated Product Manager

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GRI INDEX

Statement of use:

Bechtle AG has reported on the information cited in this GRI index for the period from 1 January 2022 to 31 December 2022, making reference to the GRI Standards.

GRI 1 used: Foundation 2021

Applicable GRI sector standards: none

GRI 2: GENERAL DISCLOSURES 2021

Disclosure	Page	Comment
1. The organisation and its reporting practices		
2-1 Organizational details		
Name of the organisation		Bechtle AG
Ownership structure and legal form	57 ff	
Head office the organisation		Neckarsulm, Germany
Countries of operation	59 ff	
2-2 Entities included in the organization's sustainability reporting	248 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	36	Reporting period: 1 January to 31 December 2022; exceptions are explained. Publication: Once a year: 17 March 2023; contact for non-financial information: Dr Nicole Diehlmann
2-4 Restatement of information	36	For the 2022 fiscal year, we use an integrated reporting format for the first time; thus, both financial and non-financial information is disclosed in the Annual Report 2022. It also contains the non-financial statement pursuant to CSR-RUG; the respective passages are marked. Starting this fiscal year, no separate sustainability report will be published. Sustainability reports are available for the fiscal years from 2015 to 2021. The new GRI Standards applicable since 1 January 2023 are 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.
2. Activities and workers		
2-6 Activities, value chain and other business relationships	37 ff, 42	Bechtle is active in the IT industry. The value chain is described in the chapter "Procurement".
2-7 Employees	63 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
3. Governance		
2-9 Governance structure and composition	59	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: bechtle.com/de-en/about-bechtle/company/corporate-bodies See also: Corporate Governance Statement at bechtle.com/ir
2-10 Nomination and selection of the highest governance body	18 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	18 ff	
2-13 Delegation of responsibility for managing impacts	53	The Sustainability Management department coordinates and controls the implementation of the Bechtle Sustainability Strategy 2030 throughout the group and reports directly to the Chairman of the Executive Board.
2-14 Role of the highest governance body in sustainability reporting	24	The Supervisory Board audits the non-financial group statement pursuant to CSR-RUG.
2-15 Conflicts of interest		See also: Corporate Governance Statement at bechtle.com/ir
2-16 Communication of critical concerns	18 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	53	The Sustainability Management reports directly to the Chairman of the Executive Board and regularly informs the entire board.
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 bechtle.com/ir
2-19 Remuneration policies		See: Compensation Report at bechtle.com/ir
2-20 Process to determine remuneration		The voting on remuneration policies and proposals is done by the General Meeting. See: Compensation Report at bechtle.com/ir
2-21 Annual total compensation ratio	65	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 bechtle.com/ir
4. Strategy, policies and practices		
2-22 Statement on sustainable development strategy	48 ff	
2-23 Policy commitments		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. charta-der-vielfalt.de/en ; unglobalcompact.org ; nachhaltigkeitsstrategie.de/wirtschaft/win-charta/ueber-die-win-charta We take the following international standards into consideration: 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 Multi-national Enterprises. Environmental standards: Basel Convention, Minamata Convention, Stockholm Convention on Persistent Organic Pollutants (POP). 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.

Disclosure	Page	Comment
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	132 ff	
2-26 Mechanisms for seeking advice and raising concerns	90 ff	Compliance hotline for internal compliance notifications, also open to outsiders: compliance@bechtle.com ; complaints procedure within the scope of the German Supply Chain Act (LkSG) via the following central e-mail address: humanrights@bechtle.com
2-27 Compliance with laws and regulations	90 ff	Not reported, as the information is confidential.
2-28 Membership associations		Bitkom
5. Stakeholder engagement		
2-29 Approach to stakeholder engagement	55 ff	
2-30 Collective bargaining agreements		Not applicable

GRI 3: MATERIAL TOPICS 2021

Disclosures	Page	Comment
3-1 Process to determine material topics	54 f	
3-2 List of material topics	55	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
GRI 205 Anti-corruption 2016		
GRI 205-1 Operations assessed for risks related to corruption	91	
GRI 205-2 Communication and training about anti-corruption policies and procedures	91	
GRI 205-3 Confirmed incidents of corruption and actions taken		Not reported, as the information is confidential.
GRI 206 Anti-competitive behavior 2016		
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Not reported, as the information is confidential.
GRI 301 Materials 2016		
GRI 301-1 Materials used by weight or volume	84 f.	The data only relate to packaging required for shipping. The material is calculated with the help of the CO ₂ calculator of the sustainability controlling software Cority (WeSustain).
GRI 301-2 Recycled input materials used		Currently not reported.
GRI 301-3 Reclaimed products and their packaging materials		Currently not reported.
GRI 302 Energy 2016		
GRI 302-1 Energy consumption within the organization	79	The calculation takes place according to the GHG Protocol, using to the latest conversion factors of DEFRA (Department for Environmental, Food & Rural Affairs, UK).
GRI 302-2 Energy consumption outside of the organization		Currently not reported.
GRI 302-3 Energy intensity	80	
GRI 302-4 Reduction of energy consumption		Currently not reported.
GRI 302-5 Reductions in energy requirements of products and services		Currently not reported.
GRI 305 Emissions 2016		
GRI 305-1 Direct (Scope 1) GHG emissions	79	The calculation takes place in accordance with the requirements of the GHG Protocol. The operational control approach 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	79	
GRI 305-3 Other indirect (Scope 3) GHG emissions	80	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	80	
GRI 305-5 Reduction of GHG emissions		Currently not reported.
GRI 305-6 Emissions of ozone-depleting substances (ODS)		Currently not reported.

Disclosures	Page	Comment
GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Currently not reported.
GRI 306 Effluents and Waste 2016		
306-1 Water discharge by quality and destination		Wastewater discharge takes place from administration buildings; production sites do not exist. Activity data are not available for all locations, especially not for rental properties. Where no detailed information on the wastewater was available, an auxiliary calculation (average data method) was used.
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. An auxiliary calculation (average data method) was used for locations that are unable to report on their waste in detail (rental properties).
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.
GRI 308 Supplier Environmental Assessment 2016		
GRI 308-1 New suppliers that were screened using environmental criteria	43 f	
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.
GRI 401 Employment 2016		
GRI 401-1 New employee hires and employee turnover	71, 74 f	
GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70	Full-time and part-time employees alike are eligible for all company benefits.
GRI 401-3 Parental leave	69	
GRI 403 Occupational Health and Safety 2018		
GRI 403-1 Occupational health and safety management system	76	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	76 ff	
GRI 403-5 Worker training on occupational health and safety	76	
GRI 403-6 Promotion of worker health	77	

Disclosures	Page	Comment
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	77	Reliable data currently available only for Germany.
GRI 403-10 Work-related ill health		Currently not reported.
GRI 404 Training and Education 2016		
GRI 404-1 Average hours of training per year per employee		Currently not reported.
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.
GRI 405 Diversity and Equal Opportunity 2016		
GRI 405-1 Diversity of governance bodies and employees	74 f	
GRI 405-2 Ratio of basic salary and remuneration of women to men	65	Currently not reported.
GRI 414 Supplier Social Assessment 2016		
GRI 414-1 New suppliers that were screened using social criteria	43 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 will be rolled out in the course of 2023.
GRI 418 Customer Privacy 2016		
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 (new in 2022), HanseVision (new in 2022).

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ACCORDING TO SECTION 289C PARAGRAPH 2 HGB

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FINANCIAL CALENDAR

ACCOUNTS PRESS CONFERENCE/ANALYSTS' CONFERENCE

Friday, 17 March 2023

QUARTERLY STATEMENT 1ST QUARTER 2023 (31 MARCH)

Thursday, 11 May 2023

ANNUAL GENERAL MEETING

Thursday, 25 May 2023

HALF-YEAR FINANCIAL REPORT 2023 (30 JUNE)

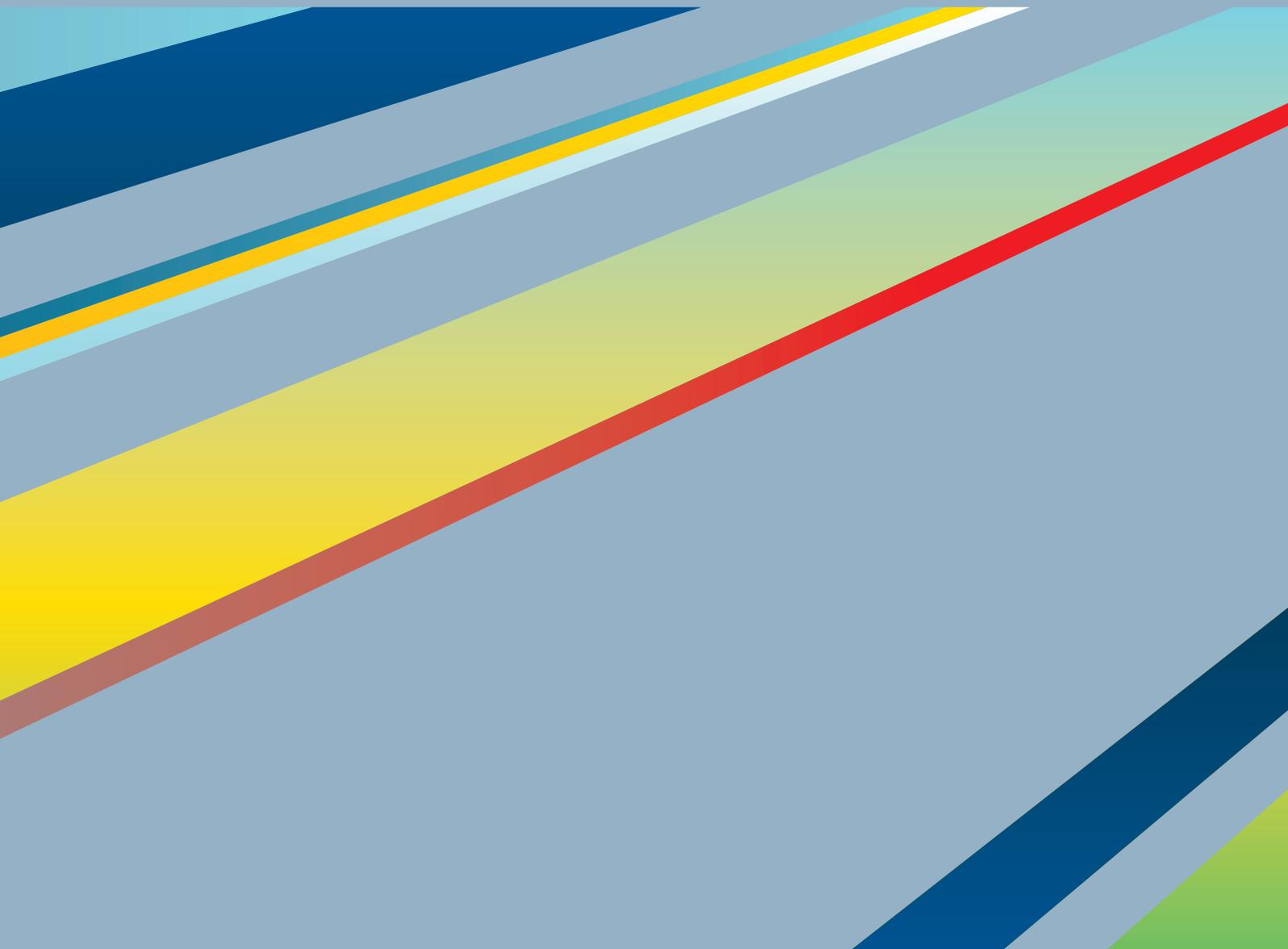
Friday, 11 August 2023

QUARTERLY STATEMENT 3RD QUARTER 2023 (30 SEPTEMBER)

Friday, 10 November 2023

See [bechtle.com/financial-calendar](https://www.bechtle.com/financial-calendar) for further dates and changes.

ON THE HORIZON:
OPTIMISTIC OUTLOOK.



The significance as well as the complexity of IT will continue to rise.

As an IT partner for tomorrow, we are well prepared for meeting all requirements of our customers.

Currently, fewer than 50 per cent of the companies in the EU use cloud services, so there is still a lot of potential.

In the next five years, IT security revenue are expected to grow by more than 10 per cent a year.

Bechtle will continue to profitably expand its excellent positioning in the European IT market.



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Your strong IT partner.
Today and tomorrow.

