2023 INTERIM RESULTS

Half-year results to 30 June 2023 (8 September 2023)

Computacenter

2023 INTERIM HIGHLIGHTS

Continued profit growth

On track for the **nineteenth consecutive year** of adjusted diluted earnings per share growth.

Strategic initiative expenditure

Continued significant programme of strategic initiative expenditure to underpin our long-term resilience, competitiveness and growth with an additional expected spend of circa £13 million in FY23 compared to FY22.

Cash generation

Cash has improved as inventory levels have reduced towards normal levels.
Inventory is down by £217.2 million since the highpoint in Q3 2022.

Revenue growth

Revenue across the Group has grown by 26.8 per cent in H1 2023 vs H1 2022
with broad growth across our diversified geographic markets and service lines.

FINANCIAL REVIEW

Chris Jehle
8 September 2023

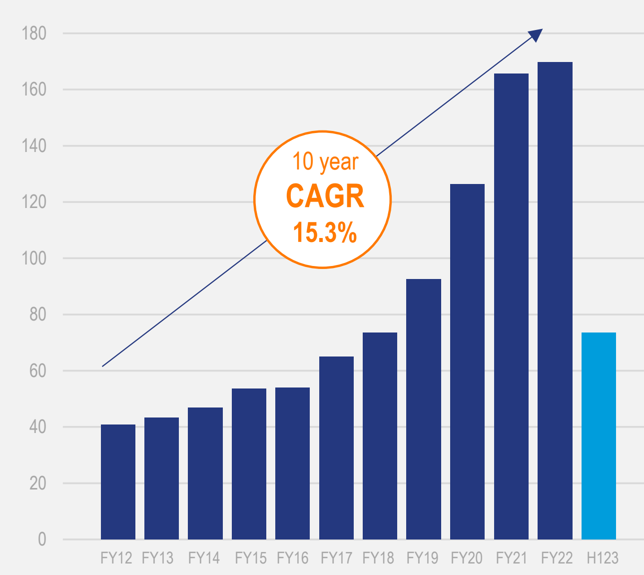
INTERIM 2023 FINANCIAL HIGHLIGHTS

Group revenue	Group adjusted profit before tax	Adjusted diluted EPS	Adjusted net funds	Interim dividend
26.8%	8.8%	5.3%	79.0%	2.3%
22.5% CCY	6.4% CCY			
£3.6bn	£121.8m	73.5p	£285.1m	22.6p

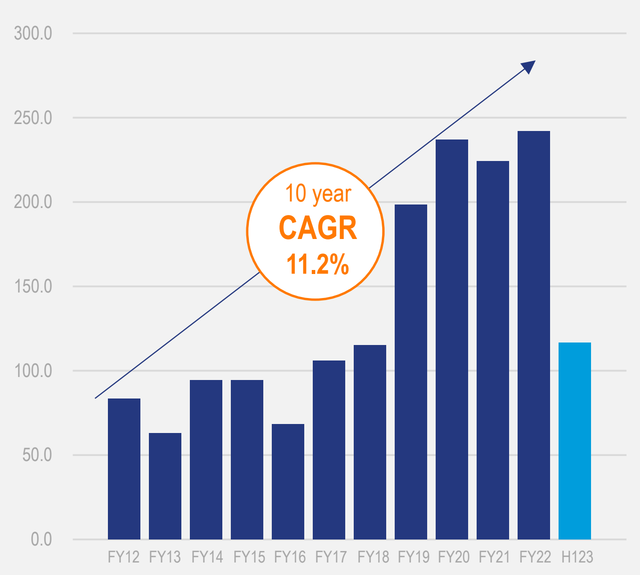
Refer to our 2023 Interim Report and Accounts for definitions of all terms and our forward-looking statements disclaimer.

A TRACK RECORD OF GROWING PROFITS, CASH AND RETURNS

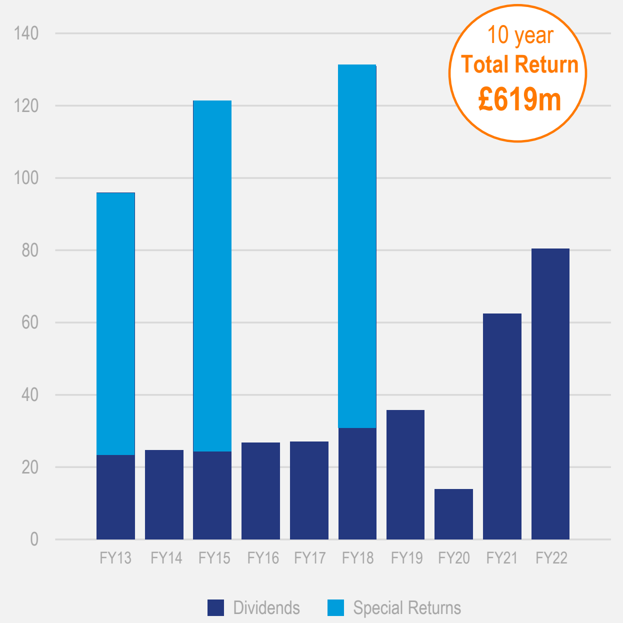
Adjusted diluted EPS H1 2023 73.5p



Cash flow from operations H1 2023 £116.5m



Capital returned to shareholders

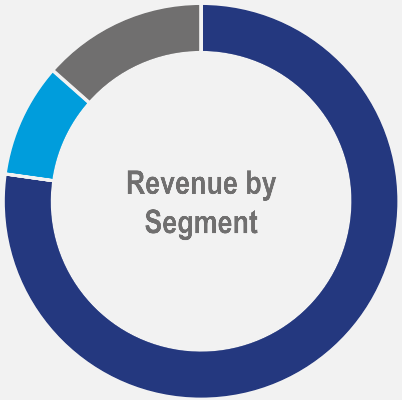


STRONG REVENUE AND PROFIT GROWTH

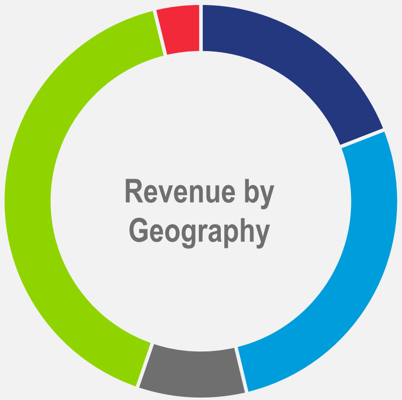
	H1 2023 £m	H1 2022 £m	H1 2023 vs H1 2022 %	H1 2023 vs H1 2022 %constant currency
Gross invoiced income	**5,158.2**	**3,971.9**	**29.9%**	**26.0%**
Revenue	**3,584.9**	**2,826.7**	**26.8%**	**22.5%**
Gross profit	**505.7**	**424.9**	**19.0%**	**15.6%**
Gross profit % revenue	14.1%	15.0%		
Adjusted admin expenses	(387.2)	(310.7)	24.6%	20.8%
Adjusted operating profit	**118.5**	**114.2**	**3.8%**	**1.4%**
Adjusted operating profit %	3.3%	4.0%		
Net finance income/(expense)	3.3	(2.3)	(243.5%)	(237.5%)
Adjusted profit before tax	**121.8**	**111.9**	**8.8%**	**6.4%**
Adjusted tax expense	(35.8)	(31.2)	14.7%	14.7%
Adjusted tax rate	29.4%	27.9%		
Adjusted profit after tax	**86.0**	**80.7**	**6.6%**	**3.2%**
Adjusted diluted EPS (pence)	73.5	69.8	5.3%	
Diluted EPS (pence)	76.5	67.3	13.7%	

- Revenue **up 26.8 per cent** and by **22.5 per cent in constant currency** with strong growth across nearly all of our geographical Segments and business lines.
- Adjusted operating **profit up 3.8 per cent** and by 1.4 per cent in constant currency **despite increase in spend on strategic initiatives** (£11.9 million in H1 2023 vs £5.5 million in H1 2022).
- Adjusted diluted EPS up 5.3 per cent.

SEGMENTAL ANALYSIS



	Share	Change in share	H123 vs H122 growth CCY
Technology Sourcing	77.2%	+3.8%	+28.7%
Professional Services	9.3%	-1.2%	+8.2%
Managed Services	13.5%	-2.6%	+3.5%

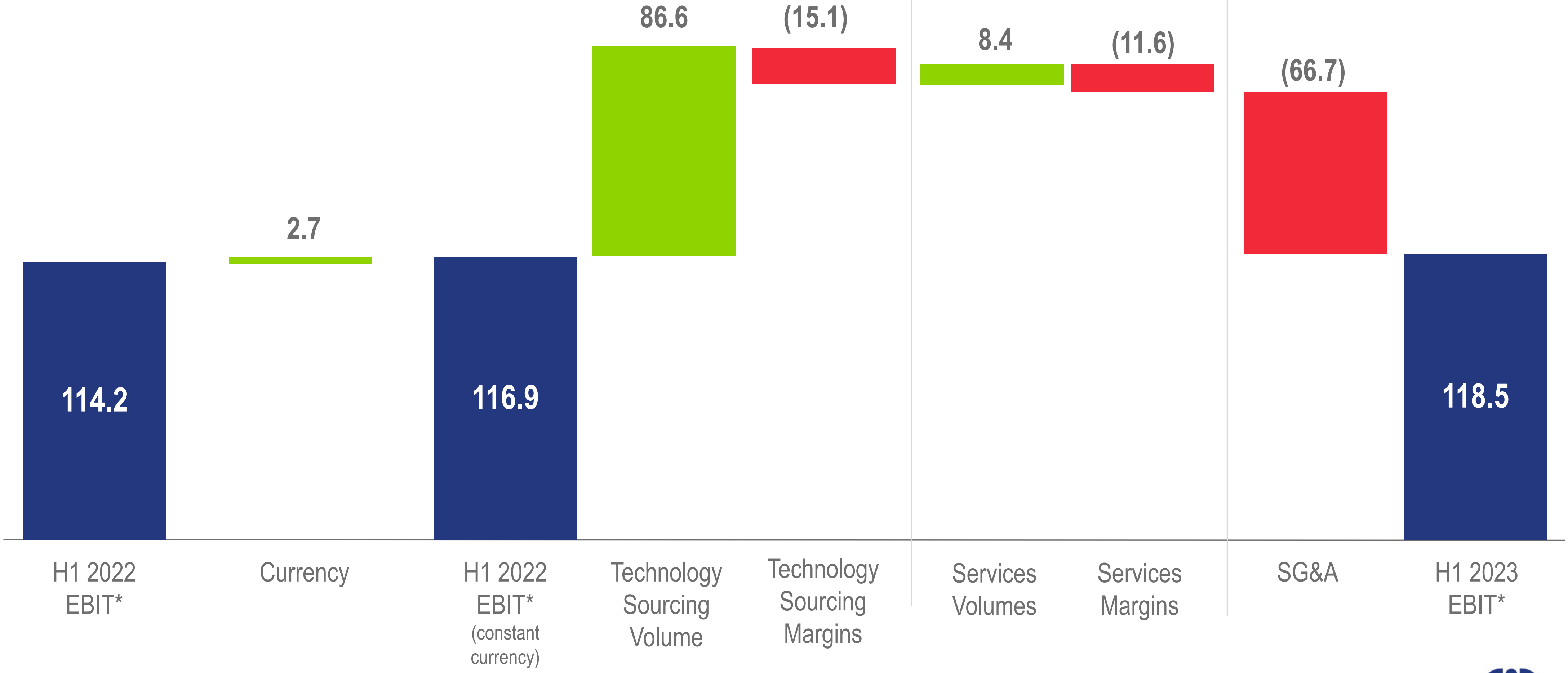


	Share	Change in share	H123 vs H122 growth CCY
United Kingdom	19.1%	-4.0%	+4.9%
Germany	27.2%	-0.9%	+18.0%
France	9.0%	-0.5%	+15.0%
North America	41.0%	+5.4%	+38.8%
International	3.8%	+0.0%	+20.1%

	Share	Change in share	H123 vs H122 growth CCY
United Kingdom	21.5%	-17.9%	-43.3%
Germany	61.9%	+13.3%	+27.2%
France	2.4%	+1.9%	+540.0%
North America	24.7%	+6.9%	+38.0%
International	5.7%	+1.6%	+55.8%

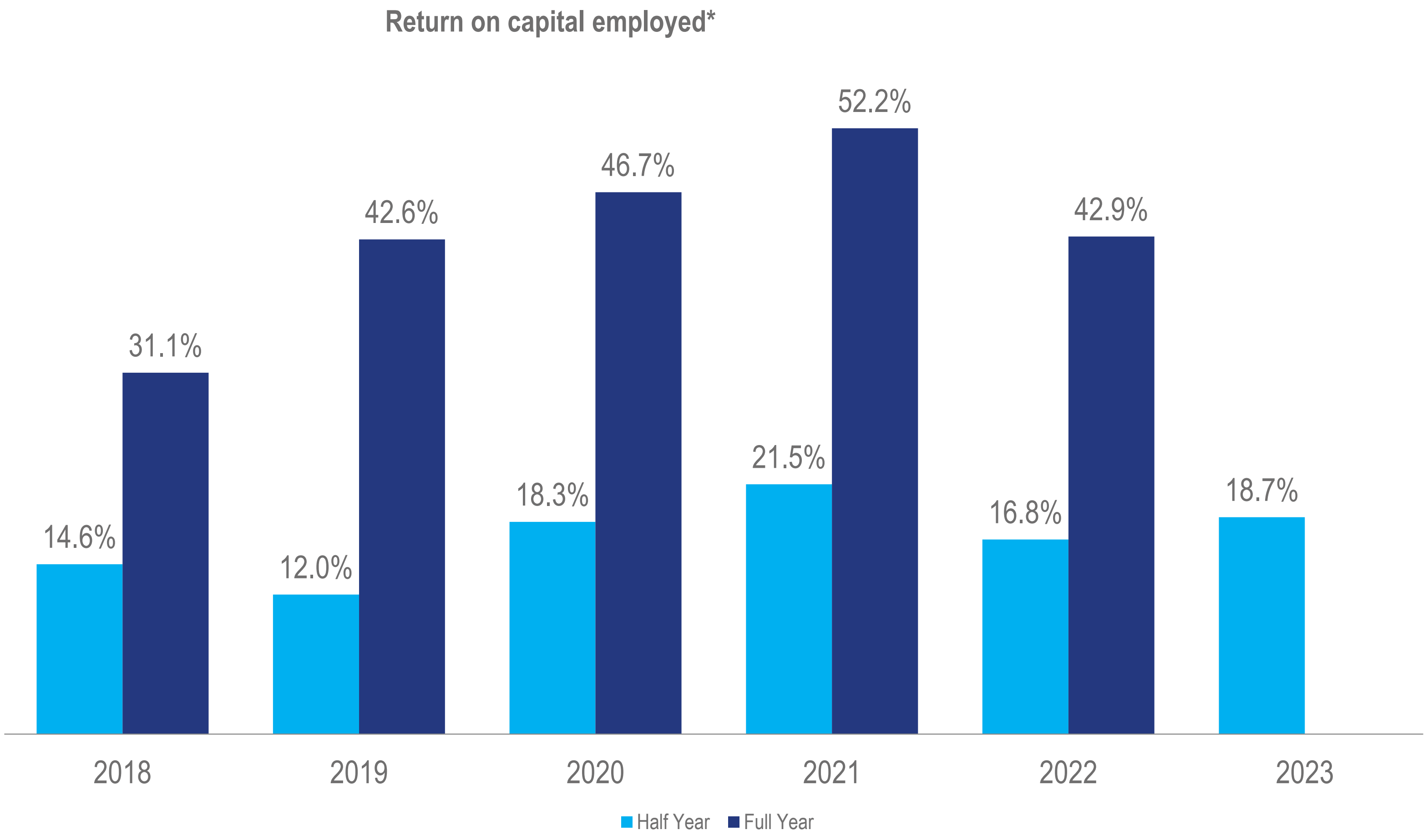
GROUP ADJUSTED OPERATING PROFIT WALK (£M)

(CONSTANT CURRENCY)



* EBIT refers to adjusted[1] operating profit

H1 2023 FINANCIAL RETURNS STRONG



- Return on capital employed has increased due to higher operating profit and decreased capital employed primarily through a significantly reduced inventory level.
- H1 2023 represents the second-best first-half performance in the last five years behind only the exceptional H1 2021 performance.

* ROCE is defined as adjusted operating profit divided by net assets excluding adjusted net funds/(debt)

NET FUNDS

Adjusted net funds	30 June 2023 £m	30 June 2022 £m	Change £m
Cash and cash equivalents	**301.6**	**193.5**	**108.1**
Bank loans - K2	(8.6)	(12.7)	4.1
Credit facility - Pivot	-	(11.9)	11.9
Other loans	(7.9)	(9.6)	1.7
Adjusted net funds	**285.1**	**159.3**	**125.8**
Lease liabilities	(120.3)	(147.2)	26.9
Net funds	**164.8**	**12.1**	**152.7**

- Adjusted net funds have increased by 79 per cent to £125.8 million since 30 June 2022.
- Operating cashflow inflow for H1 2023 of £116.5 million vs £8.1 million in H1 2022 primarily driven by the decrease in inventory.
- Key components of the borrowings as at 30 June 2023:
  - Loan for the construction of the Group's German HQ of £8.6 million (30 June 2022: £12.7 million).
  - Pivot customer specific financing arrangement of £6.0 million (30 June 2022: £9.0 million).
  - The Pivot facility of £11.9 million as at 30 June 2022 has been repaid and closed.

INVENTORY BY SEGMENT

Inventory	30 June 2023 £m	30 June 2022 £m	Change	Change % (constant currency)
United Kingdom	13.3	35.5	(62.5%)	(62.5%)
Germany	101.0	126.8	(20.3%)	(20.4%)
France	26.0	21.7	19.8%	19.9%
North America	164.1	204.1	(19.6%)	(16.5%)
International	11.0	11.2	(1.8%)	(0.9%)
Total Group	**315.4**	**399.3**	**(21.0%)**	**(19.4%)**

Inventory has reduced by £217.2 million since its high point in September 2022

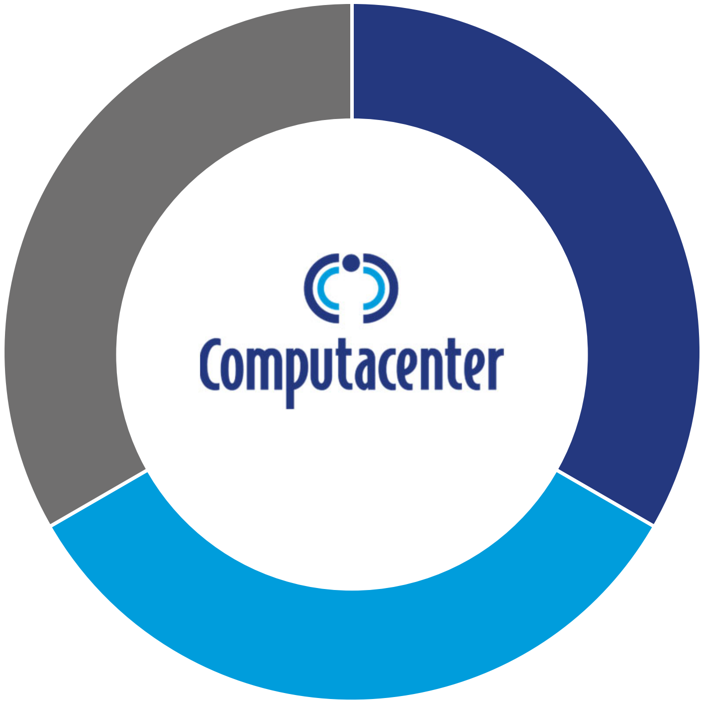
[1,2] Refer to the glossary for definitions.

2023 OUTLOOK

ASSUMPTIONS 2023

Dividend cover	Capex	Strategic Initiative Opex	Effective tax rate
Covered by 2 x to 2.5 x of adjusted diluted EPS	£25 - £35 million	£28 million (FY22 £14.8 million)	27.0% - 29.5%

A CLEAR CAPITAL ALLOCATION FRAMEWORK



Returns to shareholders

- Long track record of paying dividends and other special one-off cash returns
- Dividend policy: total dividend paid will result in a dividend cover of 2 to 2.5 times based on adjusted[1] diluted EPS

M&A

- Will continue to assess acquisitions based on strategic fit
- Recent acquisitions have built geographic and business line diversity, which enhances the operational resilience of the Group

Organic Investment

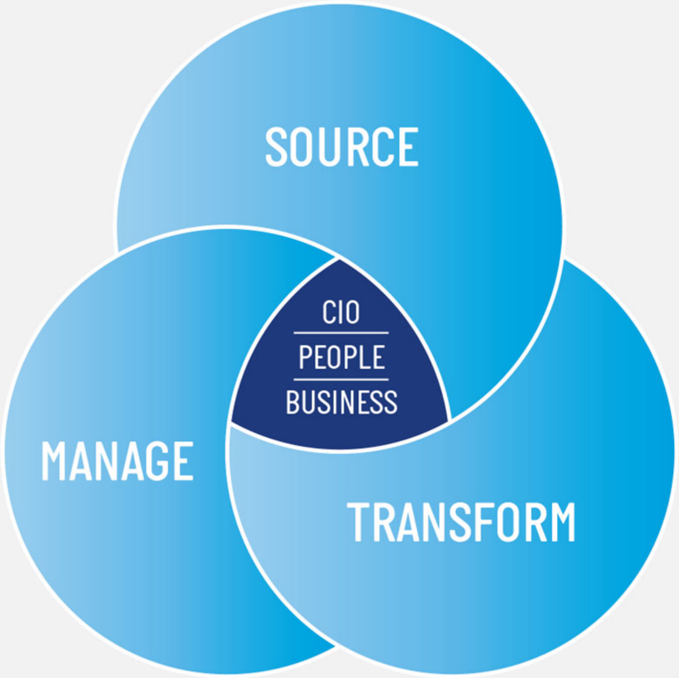
- Drive market share gains through organic investment

Surplus cash will be returned to shareholders

OPERATING REVIEW

Mike Norris
8 September 2023

WELL POSITIONED TO CAPITALISE ON UNDERLYING MARKET GROWTH



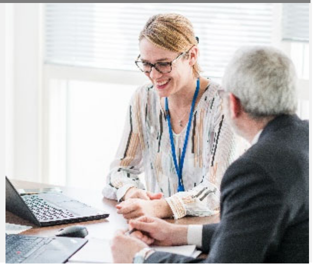
- Long-term relationships with diversified and high-quality customer base
- Diversified across markets and technology areas
- Market-leading scale infrastructure
- Largest services capability of any value-added reseller in the world
- Market-leading international coverage
- Powerful partnerships with the world's leading technology providers
- Strong cash generation underpinned by low capex requirements
- Robust balance sheet with a historically net cash position

INVESTING FOR GROWTH

SALES & CUSTOMER ENGAGEMENT

New **Sales CRM & Quotation** systems deployed globally

Approx. **2,000 users** - end 2023



NORTH AMERICA GROWTH

Acquisition of BITS strengthens Computacenter in Mid-West United States

BITS
BUSINESS IT SOURCE

WORLDWIDE REACH

Acquisition of **engineering operations** in APAC scales region

TECHNOLOGY SOURCING

Integration Center investments:
- Kerpen
- Indianapolis
- Netherlands

E-commerce:

TechSource

PROFESSIONAL SERVICES

- **Resource Request Transformation** system
- **India & Romania** PS Delivery Centers
- **Standards:**

Technique

MANAGED SERVICES

Modernising Workplace programme underpins new hybrid and sustainable workplace offerings including DaaS

India off-shore growth to 1,300 people

NETWORKING & SECURITY INFRASTRUCTURE

Significant investment in network and security infrastructure globally to support **hybrid working** and help to **secure ourselves and our customers**

IT SERVICE MANAGEMENT

Commenced **IT Service Management (ITSM) systems upgrade** programme, centred on ServiceNow

ERP SYSTEMS MODERNISATION

Continued investment in our long-term **SAP ERP upgrade programme** which underpins our operations

"AI" WILL BE PERVASIVE

BUT IT'S NOT ALL NEW – EXTENSION OF DIGITAL TRANSFORMATION

TECHNOLOGY SOURCING

Customers will continue to invest in additional infrastructure to help them leverage AI

AI should help us to grow and generate additional revenue

MANAGED SERVICES

We will continue to invest in AI to make our Managed Services more effective

AI is helping us to improve our user and customer experience

PROFESSIONAL SERVICES

Customers are asking us to advise them on the best technology and solutions to make sense of AI and leverage it effectively

AI advice can help us to improve customer intimacy

BUSINESS SERVICES

We already use AI solutions to support our Business Services and will continue to leverage more over time

AI can help us to reduce costs and improve productivity

FY2022 data

SUSTAINABILITY WINNING TOGETHER FOR OUR PEOPLE & OUR PLANET

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

July 2023: Near-term, Long-term and Net Zero targets approved by SBTi – making us amongst the first in our industry to achieve this milestone

PEOPLE

4,500+
new people hired during 2022

82,000+
applications received

top EMPLOYERS INSTITUTE
in the United Kingdom and Germany

8.73%
Increase in **women leaders** since 2020

57%
of our most senior joiners were **female** in 2022

TOP 50 INSPIRING WORKPLACES EMEA | 2022
Special Recognition for
WELLBEING
Inspiring Workplaces EMEA

34,000 +
students and young adults reached, inspiring **Bright Futures** with careers in STEM

4,000+
qhz #whfkqlfdo# fhuwlilfdwlrqv

1,000
development courses completed by our **Managers and Leaders**

40+
charities supported

glassdoor **50 Best Companies**

kununu
Top 5%
of companies in Germany

INVESTORS IN PEOPLE
Award for
Leadership & Management

PLANET

CARBON NEUTRAL
Scopes 1 & 2 emissions from **2022**

94% reduction per £1m revenue since 2015

2032
Target 50% reduction in Scope 3 Emissions from 2021 baseline

2040
Net Zero Target
across all 3 scopes

>3 million kWh
of electricity generated by **our solar farms**

CRN TECH IMPACT AWARDS
WINNER
Clean Energy Leader of the Year, 2022

>78%
of Group electricity usage is from **renewable sources**

>50%
reduction in carbon emissions from flights and hotel rooms since 2019

CDP SUPPLIER ENGAGEMENT LEADER 2022
Rated **A** for Supplier Engagement in 2022

20%
reduction in carbon emissions per employee in 2022

SOLUTIONS (CIRCULAR SERVICES)

1.9 million+
items processed by our Circular Services division

617 tonnes
of raw materials recovered

In 2022, we **recycled, redeployed and remarketed** over 500,000 end-of-life devices (PCs, smartphones, tablets, monitors, printers, servers, routers)

We helped our customers avoid over **112,000 tonnes** carbon through recycling, redeployment and remarketing

hp
Sustainability Partner

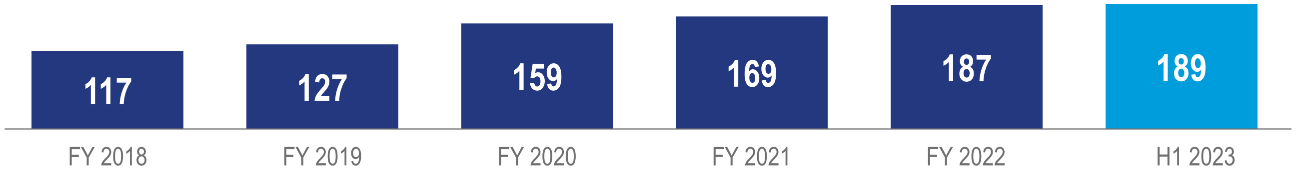
Circular Services
Technology Advisory
Asset Lifecycle

CISCO Partner
Environmental Sustainability Specialized

STRONG CUSTOMER RELATIONSHIPS

Group

Our customers with over £1 million of gross profit are a strategic priority for Group performance



Customer longevity – based on customers with greater than £1 million of gross profit in 2022

■	Over 10 years	**41** (22%)
■	5-10 years	**46** (24%)
■	Under 5 years	**102** (54%)

Key points

During H1 2023, two additional customers, for a total of 189, were added to our core set of customers that contribute over £1 million of gross profit per year after increasing by over 10 per cent in FY22.

Computacenter is focused on securing, growing and maintaining our relationships with large corporate and public sector customers. Growing this number of customers is a key driver of our profitability.

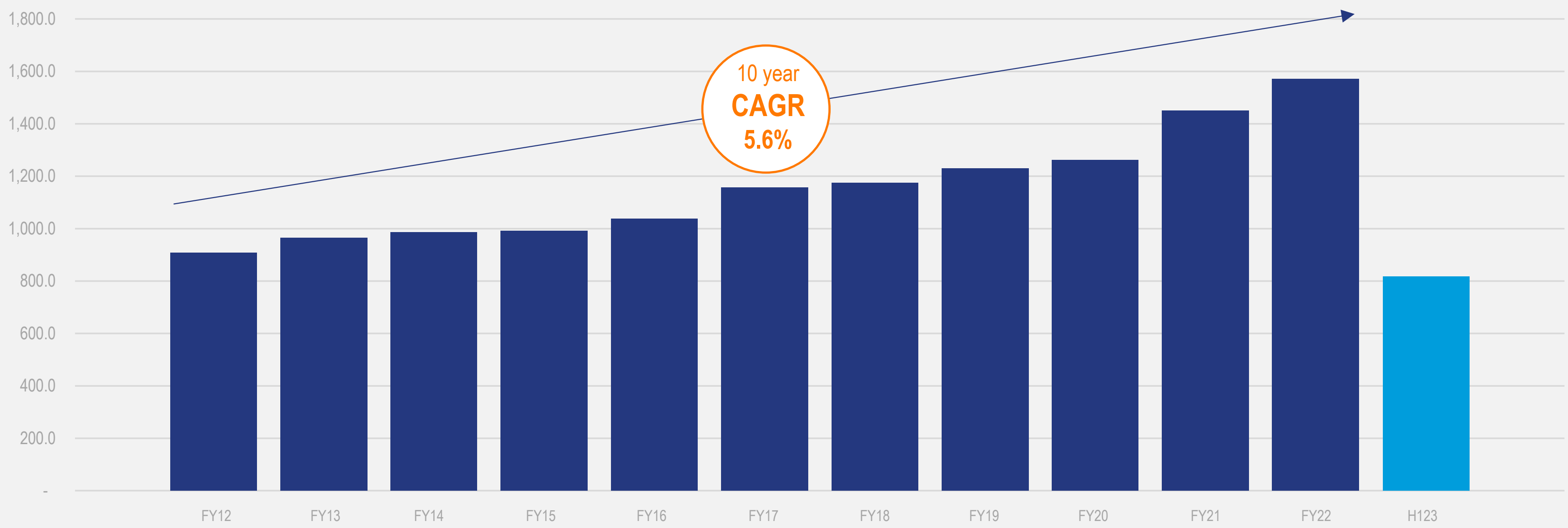
Our focus on the largest organisation in each of our markets gives us a diverse and high-quality corporate and public sector customer base, making the Group more resilient

SERVICES GROWTH OPPORTUNITY

Strong double-digit growth in **Professional Services**

Sustained single-digit growth in **Managed Services**

Over 13,500 direct (billable) resources across the world



ANOTHER STRONG YEAR OF DELIVERY

OUTLOOK

Our performance in the first half sets us on course for our nineteenth year of uninterrupted full-year adjusted[1] diluted earnings per share growth. Coupled with this first half performance, we have seen good progress in Q3 to date. Due to the industry returning to normal supply conditions we have seen a significant generation of cash as our inventory has reduced in the first half of 2023. We expect this to continue in the second half which will leave Computacenter with a strong balance sheet by the end of the year.

We are pleased with our progress towards both our short-term financial objectives and our long-term aspirations. The investments we are making, predominantly through our profit and loss account to make Computacenter a more secure and competitive organisation, are progressing well and continue at pace.

We are as excited and optimistic about the future as we have ever been.

