

Earnings Call, 21 August 2025, online

# H1 2025 results



WHO YOU HAVE ON THE CALL TODAY

# Presenting today's speaker



**PATRIK HEIDER**

CEO/CFO



# Presentation chapters

1. Business highlights

2. Financials

3. Guidance

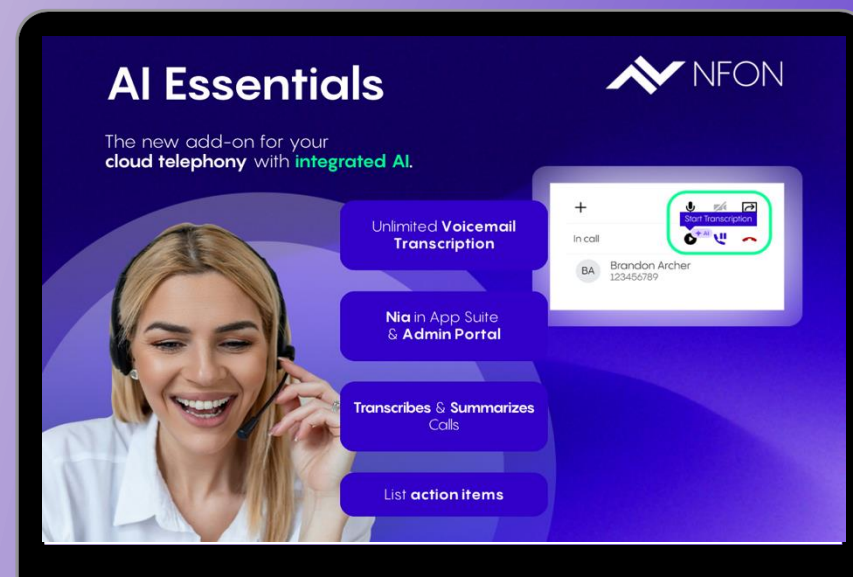
4. Q&A

5. Appendix

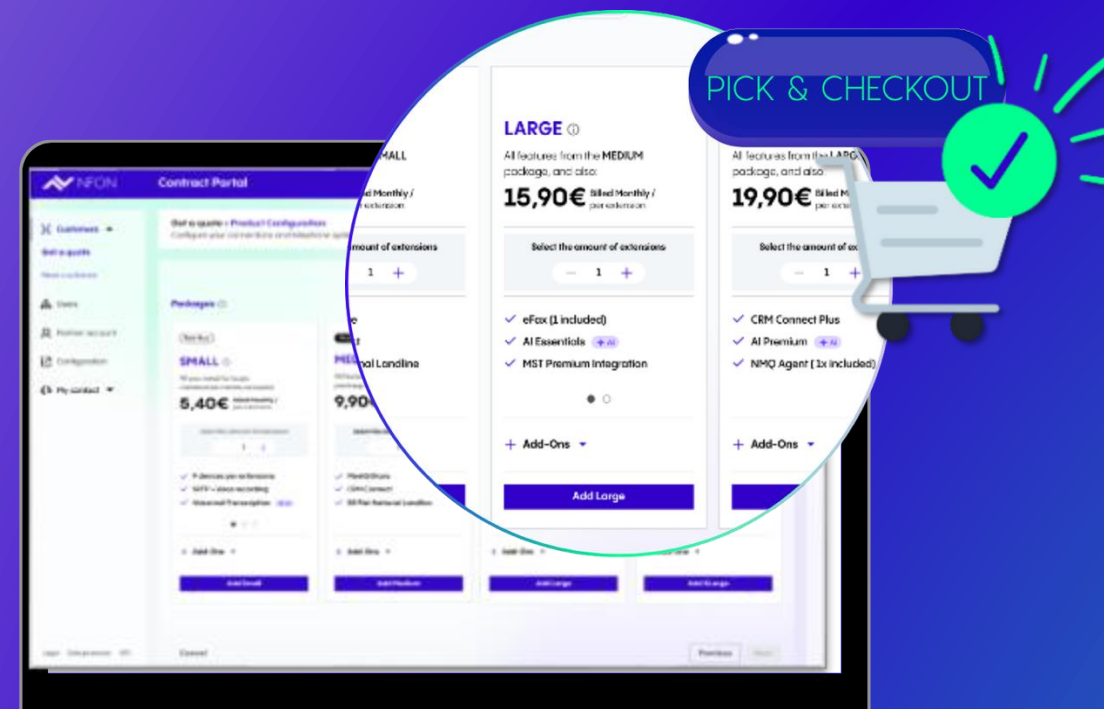


# Executing growth – empowered by AI

## H1 2025 Highlights



- First AI features integrated into cloud telephony platform: **Nia – NFON Intelligent Assistant**, **voicemail transcription**, **enhanced security**, optimised **web app** and **CarPlay** support.
- Next releases will include **call summaries**, full **transcription of conversations** and auto-generated **action items**.



- New **modular licensing model** to simplify quoting and billing as **self-service**, enhance customer transparency and unlock **up- and cross-selling** opportunities.
- Focus on streamlined sales organisation and **stronger customer orientation**.



- NEXUS partner programme launched with a structured, growth-oriented framework and role-specific performance levels to strengthen and strategically align the channel.
- A **prosperous programme** designed to benefit both traditional telco-partners as well as AI & solution focused partners.



# Financials



# Solid top-line growth and improved profitability in H1 2025

## Result H1 2025

Total revenue

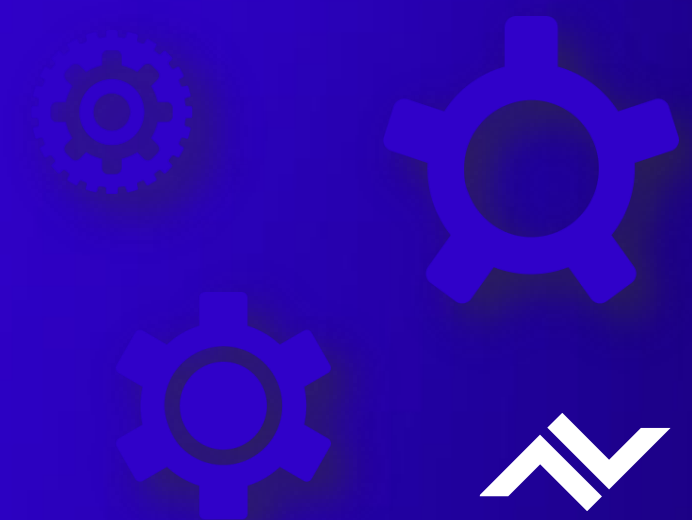


Revenue up by 3.9% to **EUR 44.2 million** in H1 2025 compared to H1 2024.

Adjusted EBITDA

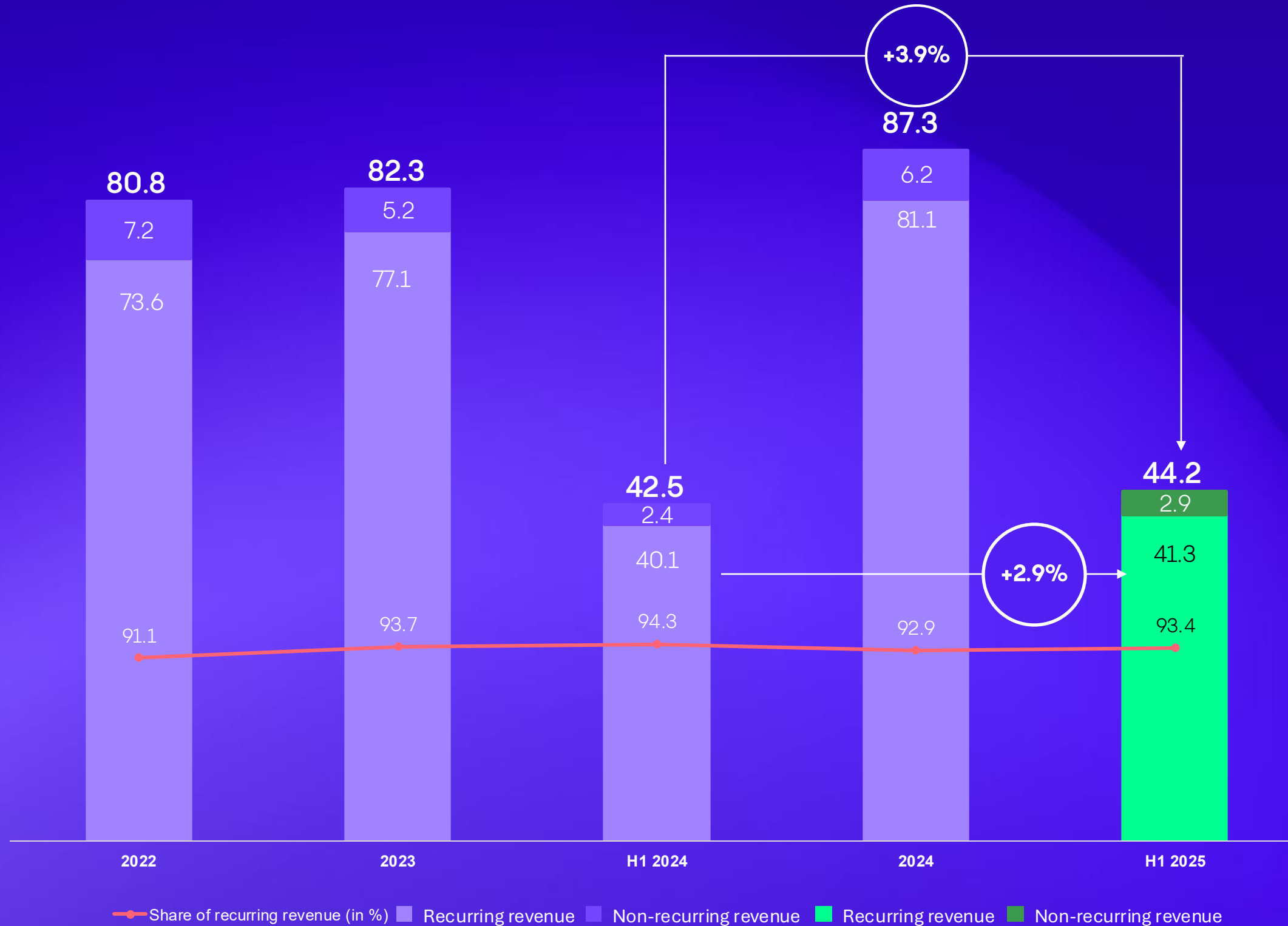


Adjusted EBITDA of **EUR 5.7 million**, 3.4% over H1 2024.





# Revenue growth driven by strong project business

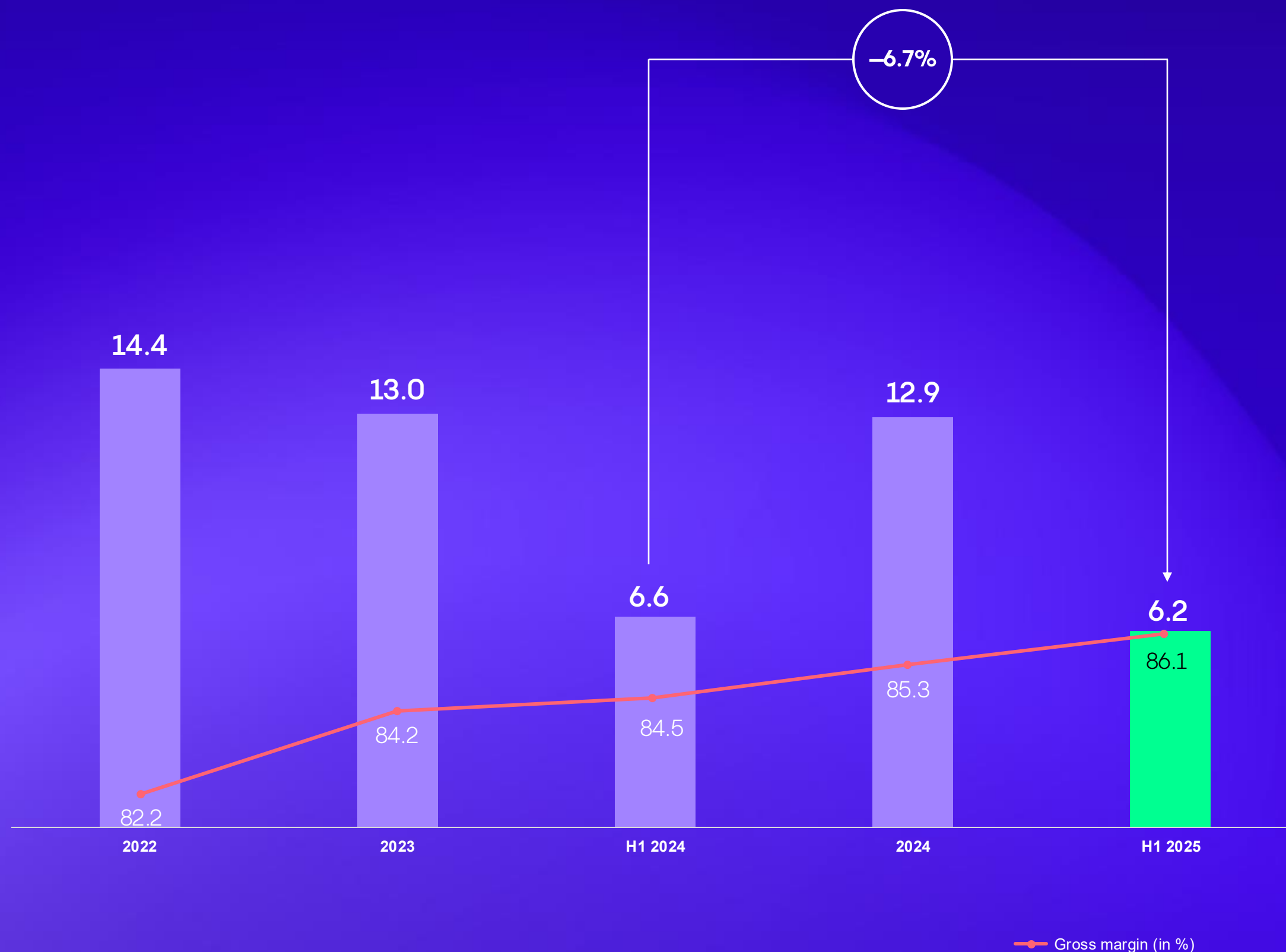


## Comments

- Total revenue grew moderately by 3.9%, compared to the previous year's period.
- Group-wide, recurring revenue in the first half of 2025 increased by 2.9%, which continues to account for 93.4% of total revenue [H1 2024: 94.3%].
- In the core business, recurring revenue grew by 1.0%, while total core business revenue declined by 0.7%, reflecting competitive intensity, lower hardware sales and reduced voice minute usage, partly due to seasonal effects.
- Non-recurring revenue rose by 19.9%, driven mainly by botario's project business.
- Seat base down 1.1% to 657,584, reflecting cautious customer investments and extended sales cycles.
- Blended ARPU stable at EUR 9.9, supported by targeted price adjustments offsetting inflation and lower voice minute usage.



# Gross margin remains to develop positively



## Comments

- Gross profit grew disproportionately to revenue, driven by high-margin recurring revenue, lower hardware sales and botario's project business.
- Gross margin increased to 86.1% [H1 2024: 84.5%].
- Cost of materials decreased to EUR 6.2 million [H1 2024: EUR 6.6 million]. Mainly due to the continued decline in demand for hardware, a trend also reflected in non-recurring revenue.
- Material cost ratio reduced accordingly to 13.9% [H1 2024: 15.5%].
- Cost of materials is largely variable and mainly comprises hardware sold, airtime costs and data centre housing.





# Personnel expenses in line with strategic focus



## Comments

- The acquisition of botario GmbH led to an increase of average number of employees by 5.1% to 412 (H1 2024: 392).
- As a result, wages and salaries (gross) increased to EUR 15.4 million (H1 2024: EUR 13.8 million).
- Total personnel expenses increased to EUR 19.1 million (H1 2024: EUR 17.5 million).
  - One-off effects:
    - EUR 0.5 million for reorganisation of top management.
    - EUR 0.1 million for harmonisation of system landscape.
    - EUR 0.1 million for employee stock option programme.
- Adjusted personnel expenses totalled EUR 18.4 million (H1 2024: EUR 17.4 million), resulting in an adjusted personnel expense ratio of 41.6% (H1 2024: 40.9%).



ADJUSTED EBITDA IN EUR MILLION

# Adjusted EBITDA remains solid

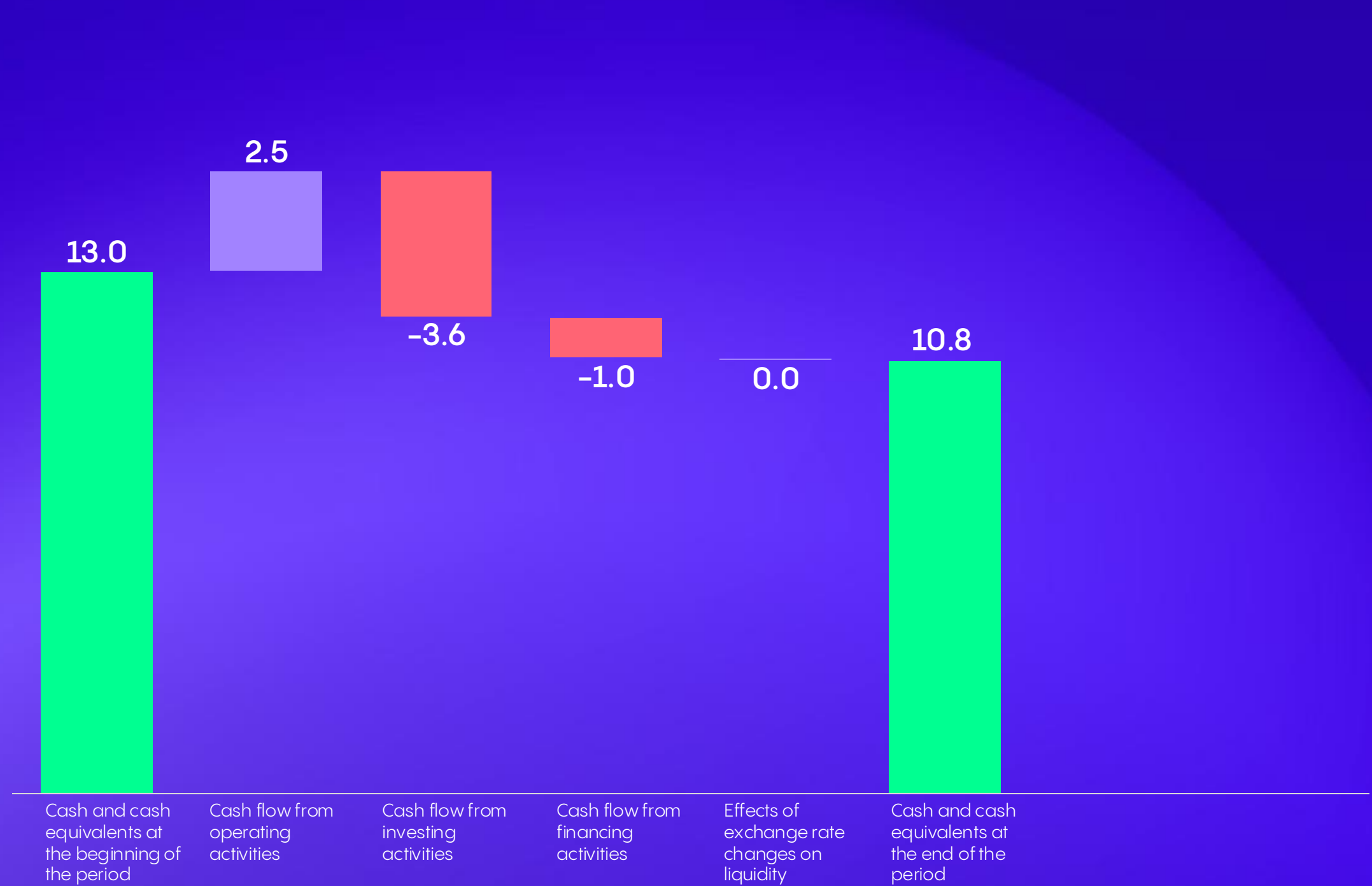


## Comments

- In the first half of 2025, EBITDA amounted to EUR 4.9 million, almost matching the prior-year level (H1 2024: EUR 5.0 million).
- Adjusted EBITDA amounted to EUR 5.7 million, slightly above the figure as of 30 June 2024 (EUR 5.5 million).
- EBIT also remains stable at EUR 1.1 million compared with the prior-year period (H1 2024: EUR 1.1 million).
- Consolidated net result slightly increased to EUR 0.73 million (H1 2024: EUR 0.54 million).



# Reinvesting into strategic growth



## Comments

- Operating cash flow decreased to EUR 2.5 million (H1 2024: EUR 3.7 million). The main reason for this was a reporting date-related reduction in trade payables.
- Free cash flow<sup>1</sup> decreased to EUR 0.7 million (H1 2024: EUR 2.0 million).
- Cash flow from investing activities amounted to EUR –3.6 million (H1 2024: EUR 1.6 million).
  - EUR 1.5 million was invested in intangible assets, mainly related to product development projects.
  - EUR 0.3 million was spent on property, plant and equipment, primarily for IT infrastructure and hardware.
  - In June 2025, the first payment under the contingent purchase price obligation from the botario acquisition of about EUR 1.9 million was made.
- Financing cash flow amounted to EUR –1.0 million (H1 2024: EUR 0.8 million). This was mainly due to the repayment of lease liabilities.

<sup>1</sup> Free cash flow is calculated by deducting capital expenditure on property, plant and equipment and intangible assets, excluding cash flows for M&A activities.



# Guidance



# Environment and priorities in H2



## Economic environment

### Macroeconomic volatility

Ongoing inflation and geopolitical uncertainty are dampening demand, particularly from SMEs, and continue to impact investment decisions and IT budgets.

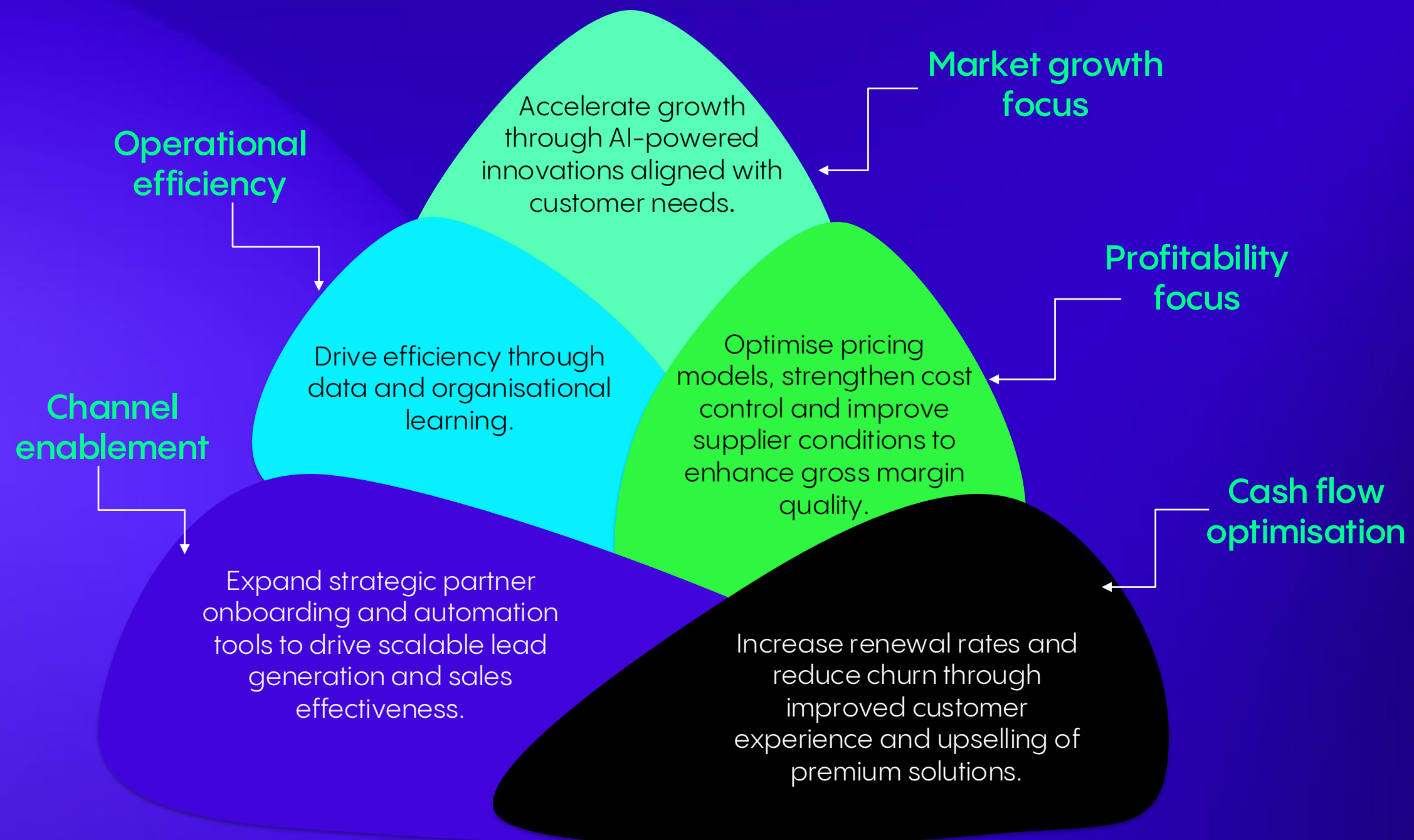
### IT & SaaS budget caution

Decision-making cycles remain extended, especially for communication infrastructure upgrades in the SMB segment.

### Regulation as a growth driver

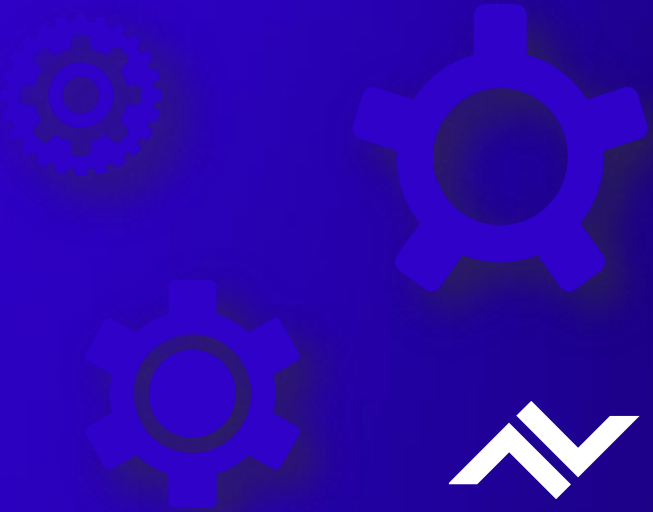
Stricter rules boost demand for trusted, compliant solutions – supporting NFON's positioning.

## Strategic priorities – H2 2025



# 2025: Outlook adjusted – strategic priorities unchanged

	Result 2024	Outlook 2025 (April)	Outlook 2025 (August)	Mid-term 2027e
Total revenue	EUR 87.3 million	8 to 10%	We expect total revenue to grow in the 3 to 5% range.	We expect total revenue to grow double-digit % rate.
Adjusted EBITDA	EUR 12.3 million	EUR 13.5 to 15.5 million	We expect adjusted EBITDA in the range of EUR 12.5 to 14 million.	We expect an adjusted EBITDA margin > 15%.







Q&A



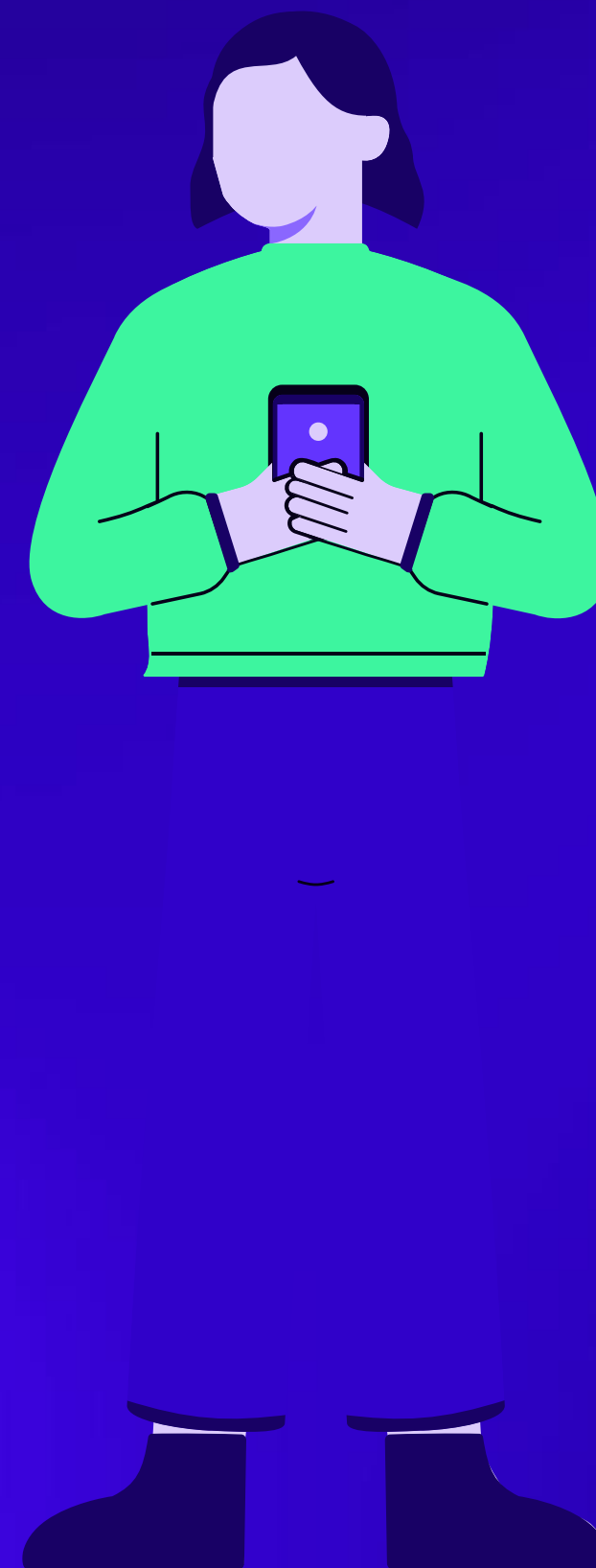


# THANK YOU

for your time and attention

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# Appendix

The background features a stylized illustration of a video conference environment. A large monitor in the center displays four participants in a 2x2 grid. To its left, a tablet shows two participants, and a smartphone shows a messaging interface. To the right of the monitor is a calculator. All devices are rendered in a light blue color against a dark blue background.

# Investment highlights

## Leading market position in Europe

We combine strong market positioning with a resilient business model that remains stable amid geopolitical volatility.

## Attractive market environment

We operate in a high-growth market with strong momentum – especially in Germany, where digitalisation is accelerating.

## Scalable business model

Our solutions are designed for growth – with a high share of recurring revenue (> 90%) and strong customer loyalty across Europe. By focusing on our core markets and strengthening our go-to-market execution, we target double-digit revenue growth.

## Growth acceleration through AI

Advanced AI features integrated into our core solutions enhance user experience, automate communication flows and increase productivity – AI is not just a feature, it drives scalable growth and unlocks new business value for customers and partners.

## Sustainable value creation

We are aiming for an EBITDA margin above 15% by 2027, driven by operational excellence and > 90% recurring revenue – improving efficiency, automation and internal processes, which are the backbone of our margin expansion. We pay close attention to stringent cash flow management and to shareholder-oriented IR communications.

1

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# Financials H1/6 month 25 reported

kEUR	H1		
	2025	2024	Change
Revenue	44,194	42,544	+3.9%
Recurring revenue	41,267	40,102	+2.9%
Adj. EBITDA	5,696	5,509	+3.4%
Gross margin	38,038	35,947	+5.8%
ROE (return on equity)	1.50%	1.12%	—
EPS (earnings per share)	0.03	0.03	+0.00%

**Revenue growth of +3.9%** supported by stable recurring revenues and sustained partner channel performance.

**Adjusted EBITDA up +3.4%**, demonstrating disciplined expense management while maintaining strategic investments.

**Gross margin up +5.8%** reflecting continued efficiency gains and cost optimisation initiatives.



# Seat development reflecting challenging market environment



## Comments

- Total number of seats decreased yoy by 1.1% to 657,584 [H1 2024: 665,022].
  - Lower order intake compared with the previous year, with a stable churn rate (0.5% in both H1 2025 and H1 2024), led to a slight decline in the seat base in the first half of 2025.
  - Growth remained below expectations and below the previous year's level of 1.5%.
- A stable gross churn rate of around 0.5% per month underscores the high quality of our products and services and strengthens recurring revenue.
- Blended ARPU, which reflects recurring revenue per seat across all services, channels and countries, at prior-year period level of EUR 9.91 [H1 2024: EUR 9.87].



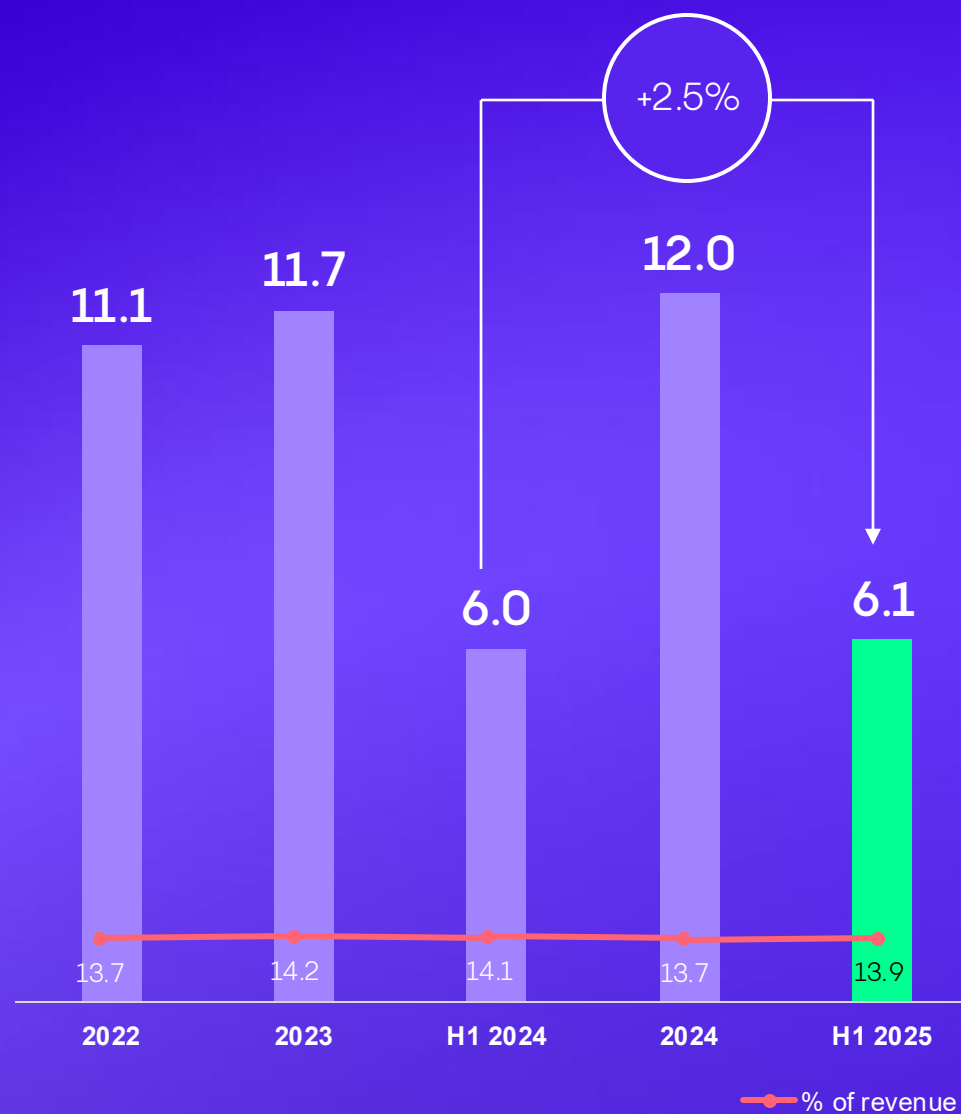


# Customer acquisition costs in line with strategic focus

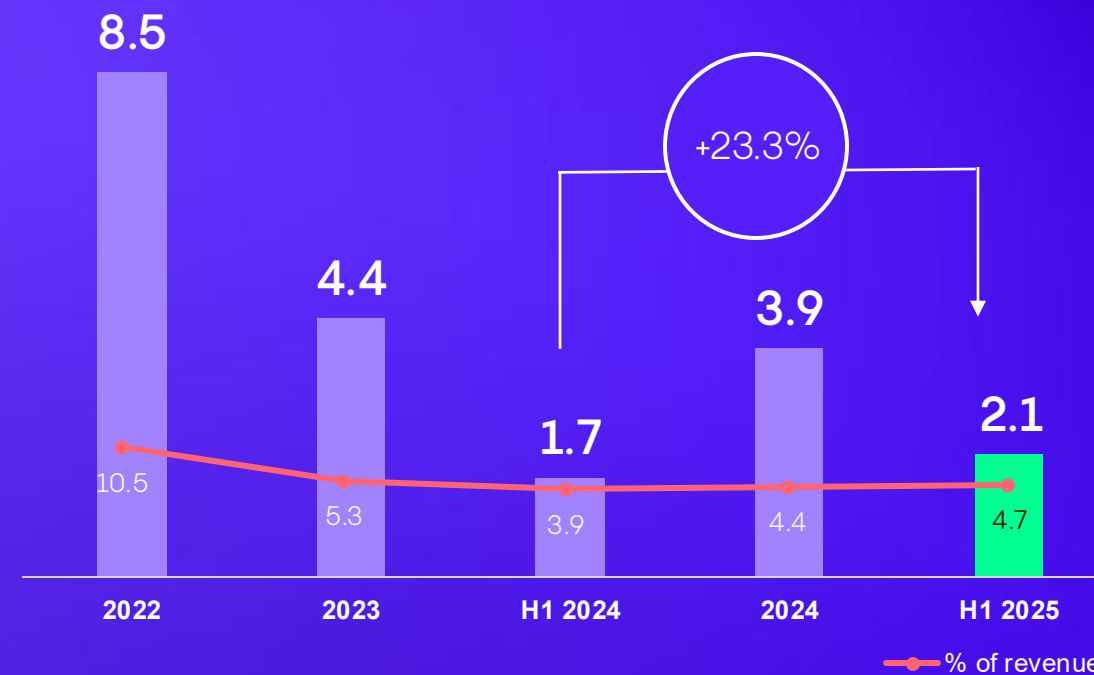
## Comments

- There were higher expenses in sales, particularly in marketing.
- Sales expenses increased by 2.5% to EUR 6.1 million (H1 2024: EUR 6.0 million).
- Marketing expenses grew by approx. 23% to EUR 2.1 million (H1 2024: EUR 1.7 million).
- In contrast, rent and other general administrative expenses were lower than in the previous year.
- This balance resulted in a reduced adjusted cost ratio of 33.1% (H1 2024: 31.4%).

### Distribution cost



### Marketing expenses



MEET THE TEAM

# Our Management Board

**Patrik Heider**  
CEO/CFO



- At NFON since 2023
- ~ 20 years of C-level experience in the IT industry
- Previous experience includes:  
Nemetschek SE | Thinkproject | riskmethods

**Andreas Wesselmann**  
CTO



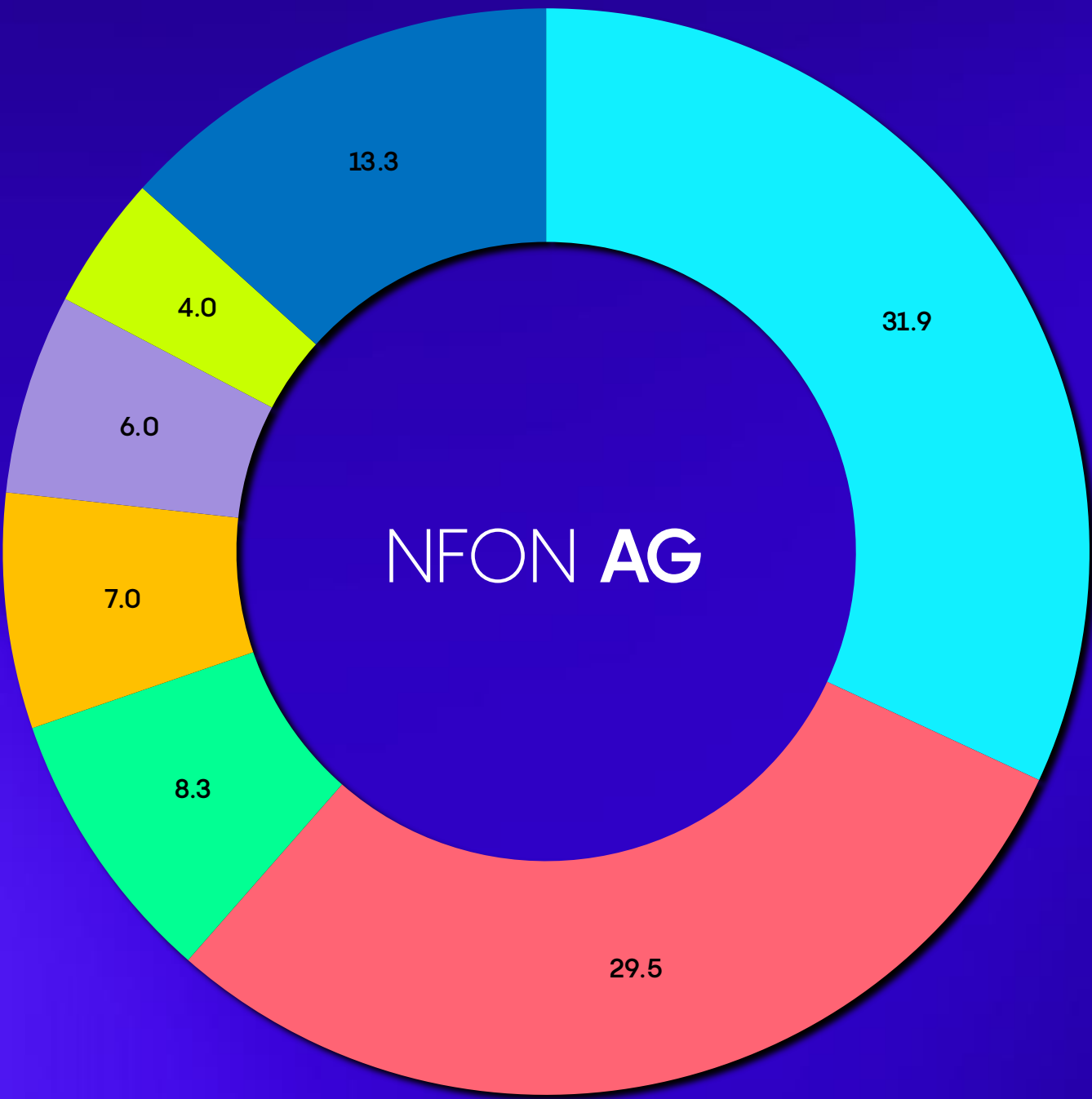
- At NFON since 2024
- > 20 years of experience in an international working environment and in senior executive positions within the software industry
- Previous experience includes SAP



# Share at a glance

## Share information

ISIN	DE000A0N4N52
WKN	A0N4N5
Segment	Prime Standard/Telecommunication
Shares	16.6 million (29 March 2021)
Type of shares	No-par-value bearer shares
Voting rights	Each share entitles the holder to one vote
Trading segment	Official Market/Prime Standard
Stock exchanges	Frankfurt Stock Exchange/Xetra
Stock exchange symbol	NF
Reuter symbol	NFN.DE
Bloomberg symbol	NFN.GY
Sector	Telecommunications
Designated sponsors	Baader Bank, ODDO Seydler
First day of trading	11 May 2018
Coverage	Baader Bank, Barclays, Berenberg Bank, NuWays, ODDO BHF
Paying agent	Baader Bank



## Shareholder structure

In %, as of 31 March 2025

- Milestone Venture Capital GmbH
- Active Ownership Advisors GmbH
- Universal Investment
- Teslin Capital Management BV
- Morgan Stanley
- ASC Technology AG
- Others



# Financial calendar

20  
25

**27/02**

Preliminary Group financial results FY 2024

**17/04**

Group Annual Report FY 2024

**22/05**

Quarterly statement January–March 2025

**26/06**

Annual General Meeting 2025

**21/08**

Half-year financial report 2025

**20/11**

Quarterly statement January–September 2025



STAY IN TOUCH

# INVESTOR RELATIONS CONTACT AND MORE...



**Friederike Thyssen**  
VP Investor Relations &  
Sustainability

- At NFON since 2023
- > 15 years of experience in investor relations, sustainability reporting and project management
- Previous experience includes: Deutsche Bahn, Kirchhoff Consult

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