



2024 Half Year Results

9 September 2024



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H1 2024 Highlights

Solid underlying performance vs tough comparative

- H1 results impacted by expected normalisation of Technology Sourcing volumes
- Solid underlying performances in Germany and North America

Strategic progress

- Good progress in growing the number customers generating over £1m of gross profit p.a.
- Continued growth in Professional Services

Positioned for stronger H2

- North America – executing well on growth opportunity; important new customer wins
- Germany – remain well-positioned with public and corporate sector customers
- Encouraging start to Q3

Disciplined capital allocation

- Continued investment in upgraded systems and tools to secure future growth
- Distributing surplus capital via £200m share buyback while maintaining strong balance sheet

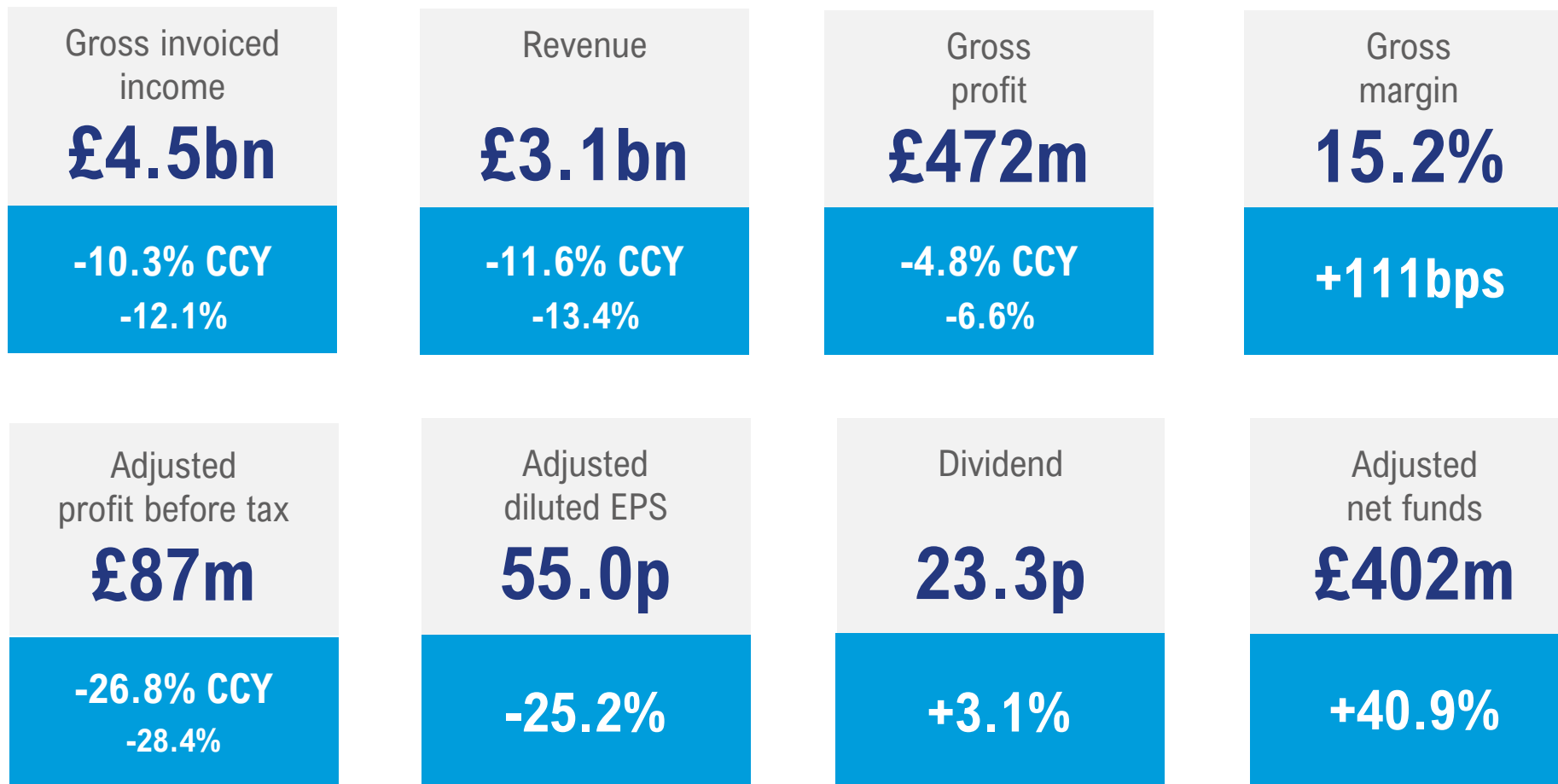


Financial Review

Chris Jehle, CFO



H1 2024 Financial highlights



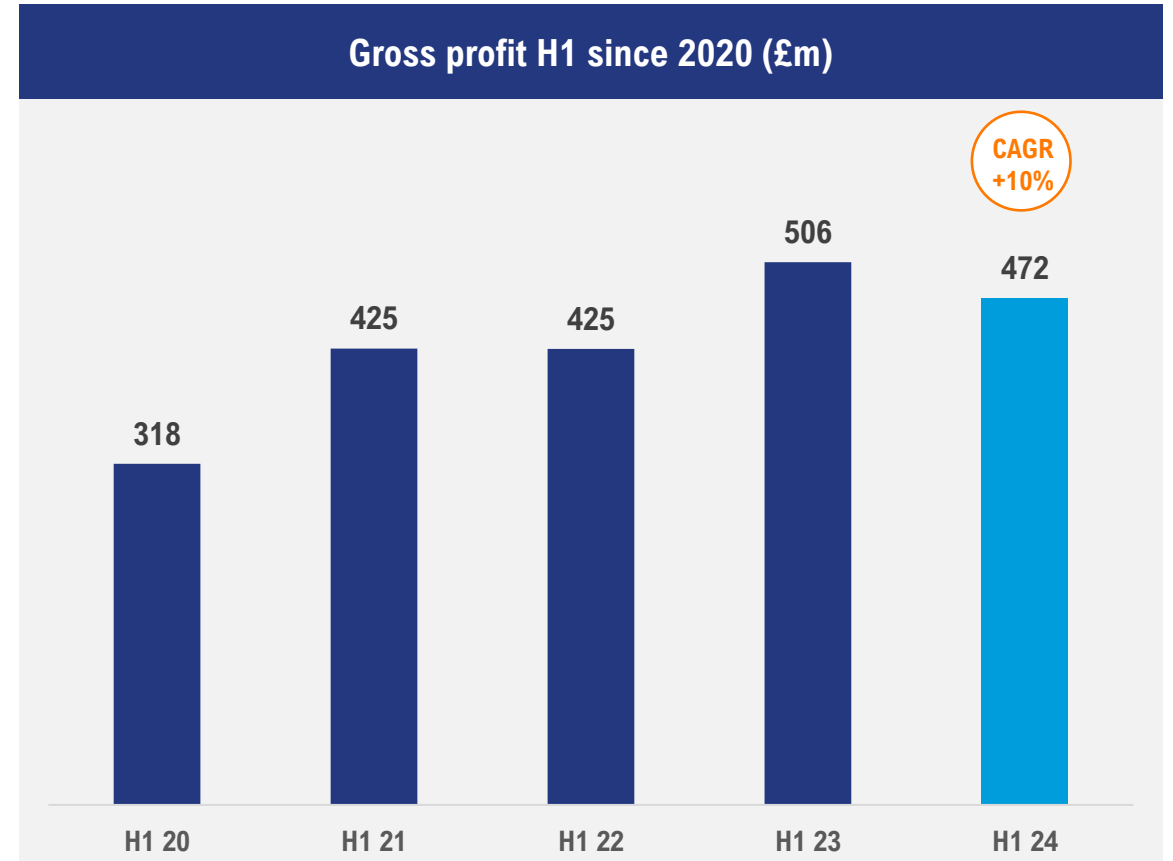
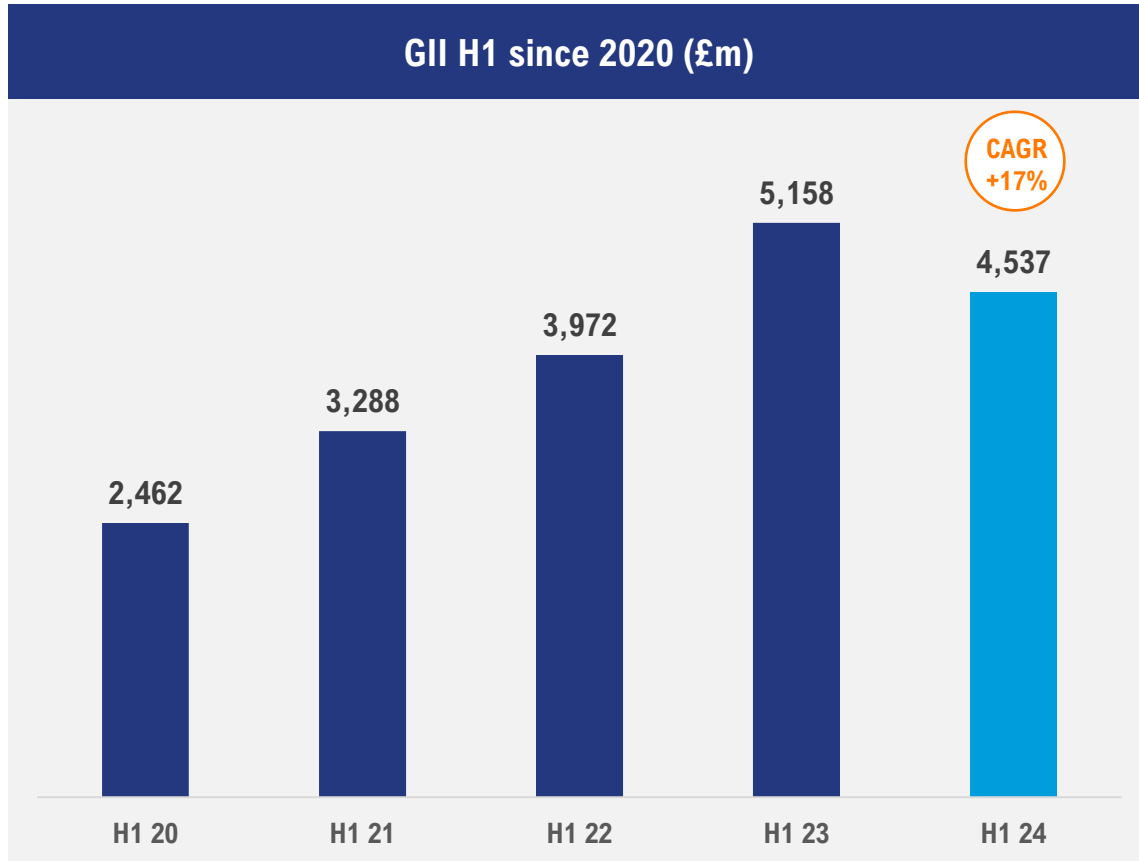
H1 2024 results reflect a tough comparative

	H1 2024 £m	H1 2023 £m	Change	Change (CCY)
Gross invoiced income (GII)	4,536.6	5,158.2	-12.1%	-10.3%
Revenue	3,103.8	3,584.9	-13.4%	-11.6%
Gross profit	472.2	505.7	-6.6%	-4.8%
Gross profit as % revenue	15.2%	14.1%	+111bps	
Adjusted admin expenses	(391.1)	(387.2)	1.0%	2.8%
Adjusted operating profit	81.1	118.5	-31.6%	30.0%
Adjusted operating profit %	1.8%	2.3%	-51bps	
Net finance income/(expense)	6.1	3.3	84.8%	84.8%
Adjusted profit before tax	87.2	121.8	-28.4%	-26.8%
Adjusted tax rate	30.2%	29.4%	+0.8pts	
Adjusted diluted EPS (p)	55.0	73.5	-25.2%	
Diluted EPS (p)	52.9	76.5	-30.8%	
Dividend (p)	23.3	22.6	3.1%	

- GII down 10.3% in constant currency mainly reflecting exceptional Technology Sourcing growth in H1 2023
- Gross profit down 4.8% in constant currency with robust gross margin performance up 111bps reflecting strong execution and product mix
- Adjusted PBT down 26.8% in constant currency with £5.7m increase in spend on strategic initiatives
- Adjusted diluted EPS down 25.2%



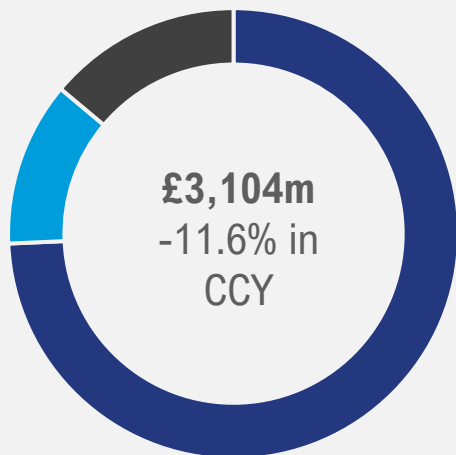
GII and gross profit well above 2022 levels



Technology Sourcing volumes normalised as expected

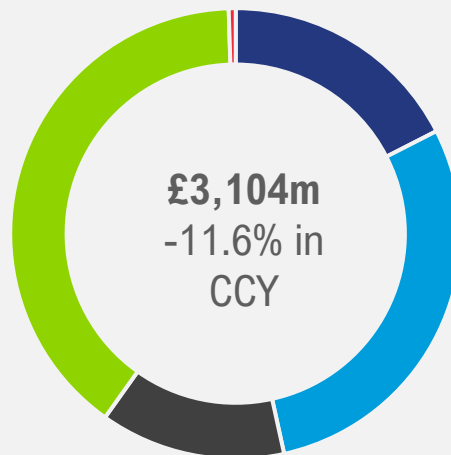
Splits by Service Line and by geography

Revenue by Service Line



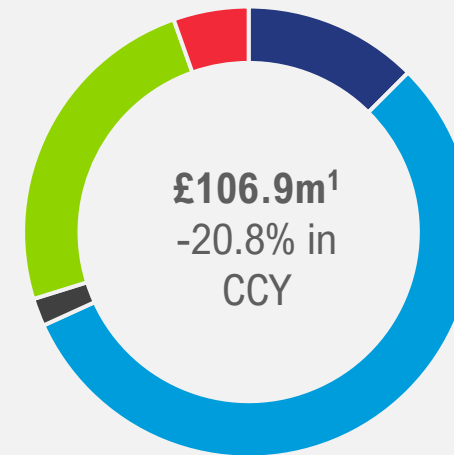
	Share of Group	Change in share	Change in CCY
Technology Sourcing	74.3%	-2.9%	-14.8%
Professional Services	11.8%	+2.1%	+7.1%
Managed Services	13.9%	+0.8%	-6.3%

Revenue by Geography



	Share of Group	Change in share	Change in CCY
UK	17.5%	-1.7%	-21.0%
Germany	29.0%	+1.9%	-5.0%
Western Europe	13.3%	+1.0%	-4.0%
North America	39.7%	-1.3%	-13.8%
International	0.5%	+0.1%	+4.3%

Adjusted operating profit¹ by Geography



	Share of Group	Change in share	Change in CCY
UK	12.5%	-6.0%	-47.5%
Germany	55.7%	+2.4%	-16.7%
Western Europe	2.0%	-2.3%	-62.7%
North America	24.4%	+3.1%	-8.3%
International	5.4%	+2.8%	+65.7%



Solid underlying performances in Germany and North America



Germany

H1 24 Adj. operating profit
£59.5m (H1 23: £73.3m)

- Solid underlying performance
- Gross profit increased yoy excluding:
 - a large networking contract in the prior year
 - a significantly underperforming Managed Services contract in H1
- Well positioned for H2 given breadth and depth of portfolio and capabilities and strength of relationships with both public and corporate sector customers



North America

H1 24 Adj. operating profit
£26.1m (H1 23: £29.3m)

- Hyperscaler volume reduced as expected
- Partly offset by wins with new hyperscale and enterprise customers
- Certain orders from large new customer rephased from end of H1 into H2; now being delivered
- 8 'podium' customers added year end with encouraging wider pipeline of opportunities



United Kingdom

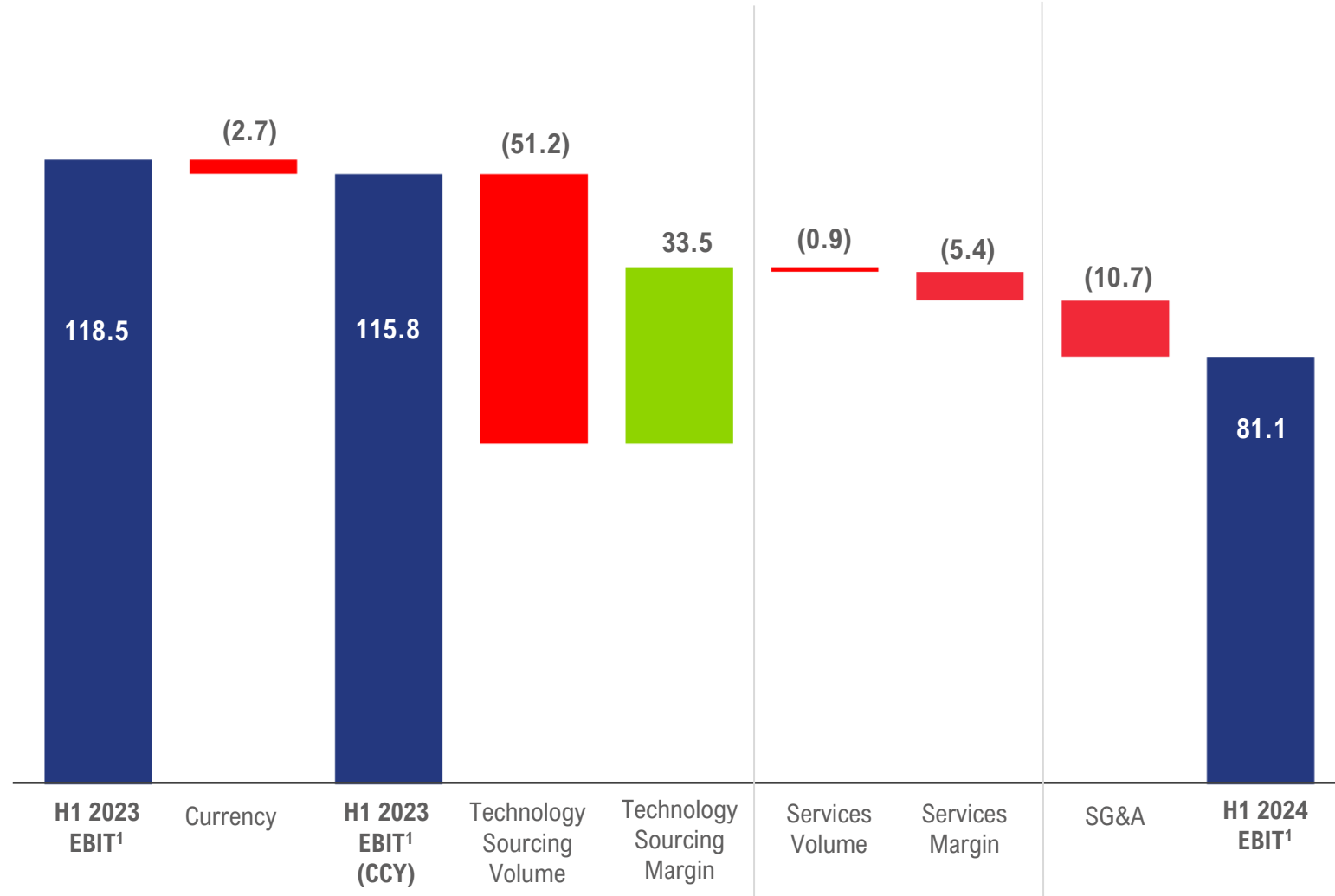
H1 24 Adj. operating profit
£13.4m (H1 23: £25.5m)

- Soft trading performance reflects weakness in hardware market and consequently, a more competitive environment
- Encouraged by Professional Services revenue up 7.9%
- Managed Services - extended onboarding process for large public sector win towards the end of 2023



Operating profit bridge

£m in constant currency

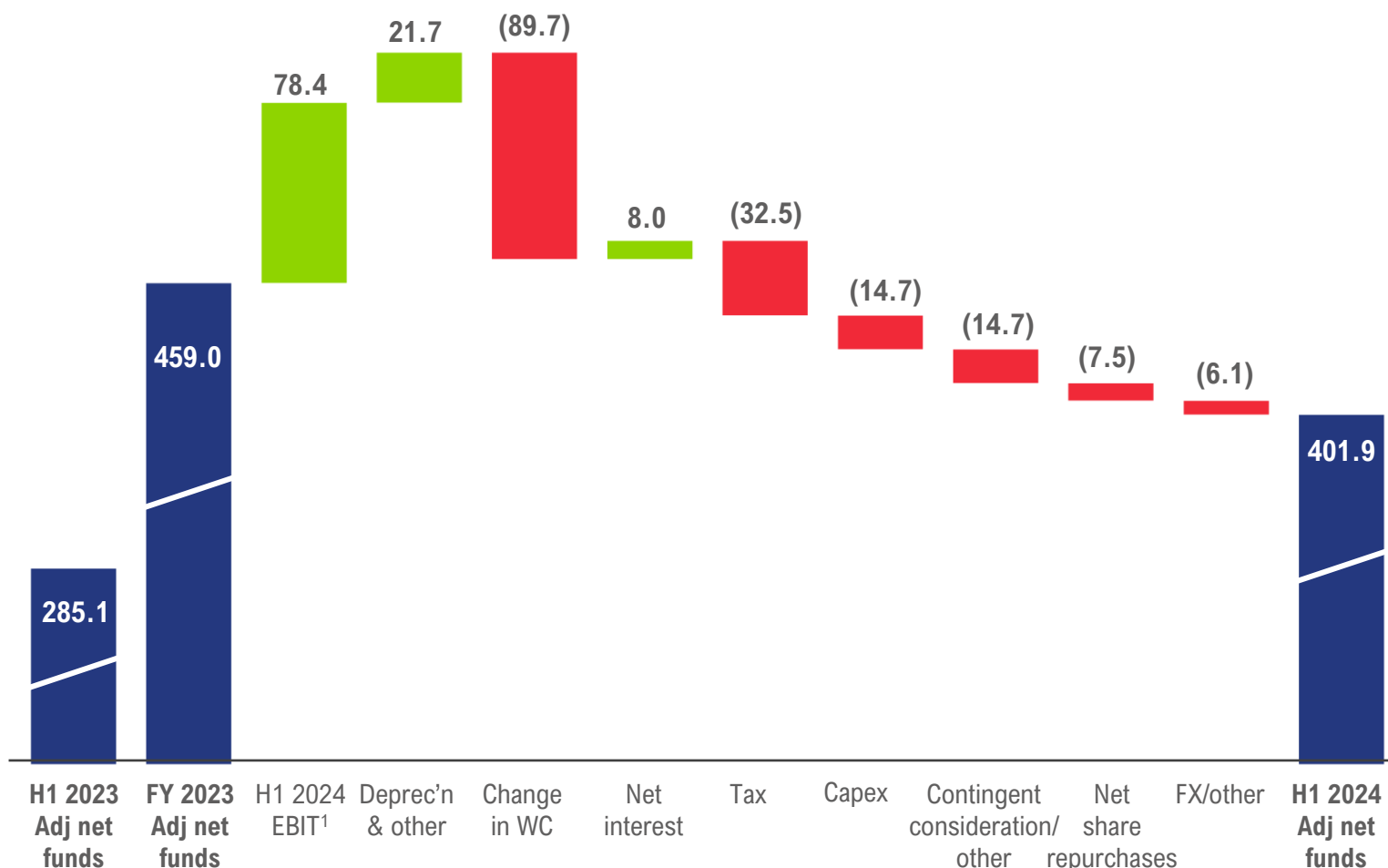


- Expected normalisation of Technology Sourcing volume accompanied by robust margin performance, reflecting strong execution and product mix
- Modest decline in Services volume with margin performance impacted by an underperforming contract in Germany (now substantially addressed)
- Increase in SG&A reflects additional investment in strategic initiatives (+£5.7m) and inflation



Return to more normal cash profile at H1

Summary cash flows (£m)



1. EBIT refers to operating profit

Group inventory

- £271m at 30 June 2024
- Up 26% since year end driven by recent US contract wins
- Down 14% y-o-y

Adjusted net funds

- Adjusted net funds at 30 June 2024 increased by £117m to £402m y-o-y

Balance sheet strength enables commencement of £200m share buyback programme in July



Strategic initiatives to underpin growth and future productivity gains

Sales & Customer Enablement systems



New **Sales CRM and Quotation systems** will streamline sales pipeline management and support a faster quote to cash process

Service Line platforms



Rollout of new service platforms to modernise customer interfaces, increase efficiency, and exploit automation and AI opportunities

Business Services system upgrades



Continued investment in our long-term **SAP ERP upgrade programme** which underpins our operations and drives consistency at scale

Network & Security Infrastructure

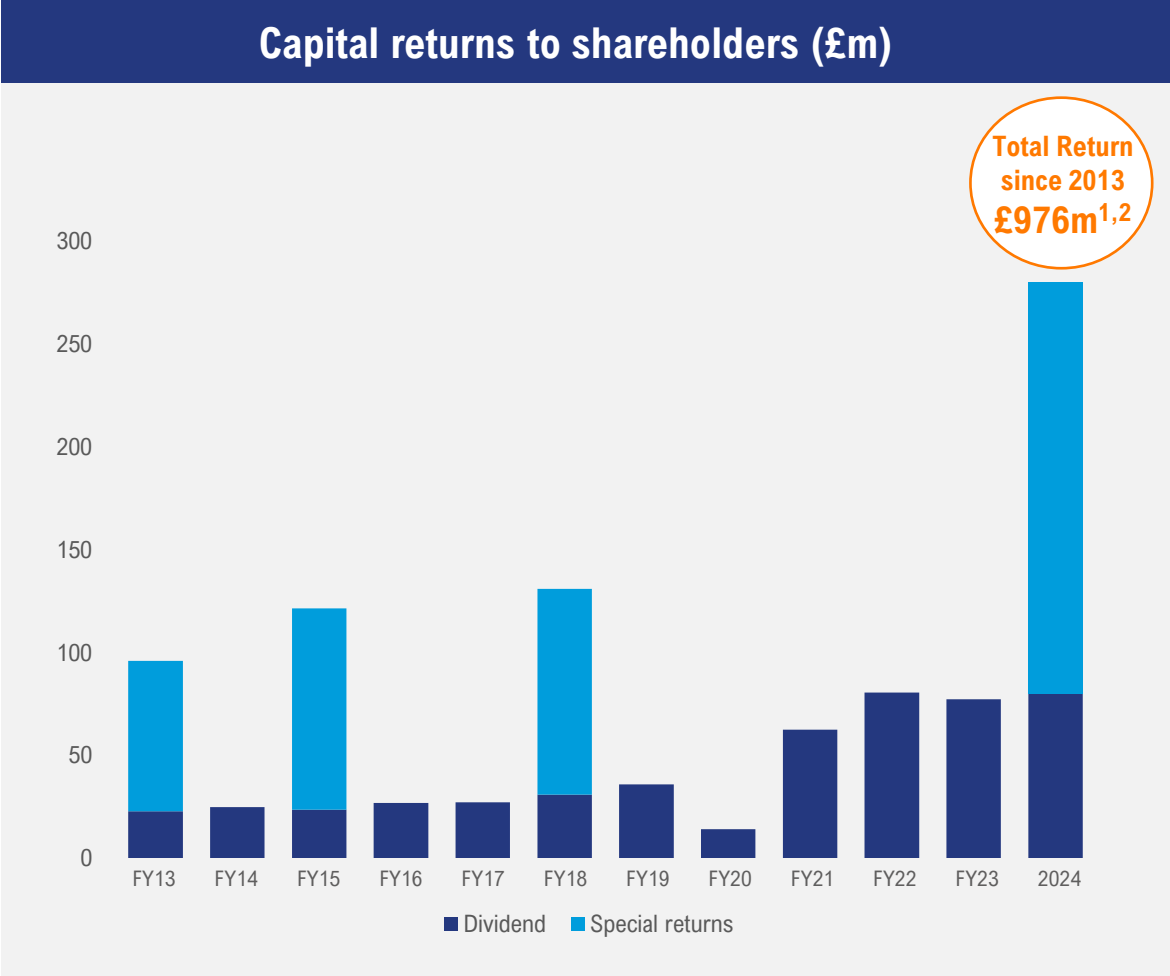


Significant investment in **network and security infrastructure** globally to bolster resilience, support hybrid working and help to secure ourselves and our customers

Strategic initiative opex spend phased to H1 2024:

- H1 2024: £17.6m (H1 2023: £11.9m)
- **FY 2024: expected to be £28-30m**

Disciplined approach to capital allocation



- £200m share buyback programme announced in late July, consistent with our capital allocation policy
- Expect to retain a strong balance sheet following completion
- £66m completed to date

1. Includes declared 2024 interim dividend and £200m share buyback announced in July 2024
2. £1.2bn since flotation



2024 technical guidance

Exchange rates at constant currency

**c.£8m
adverse
impact on
full year PBT**

Strategic initiatives opex

£28-30m

Capex

£35-40m

Adjusted effective tax rate

28.5-30.5%

Dividend cover

**2-2.5x
adjusted
diluted EPS**

Capital return

**£200m
share
buyback
programme¹**



Operating review

Mike Norris, CEO



Our strategic focus

**Target
market
customers**

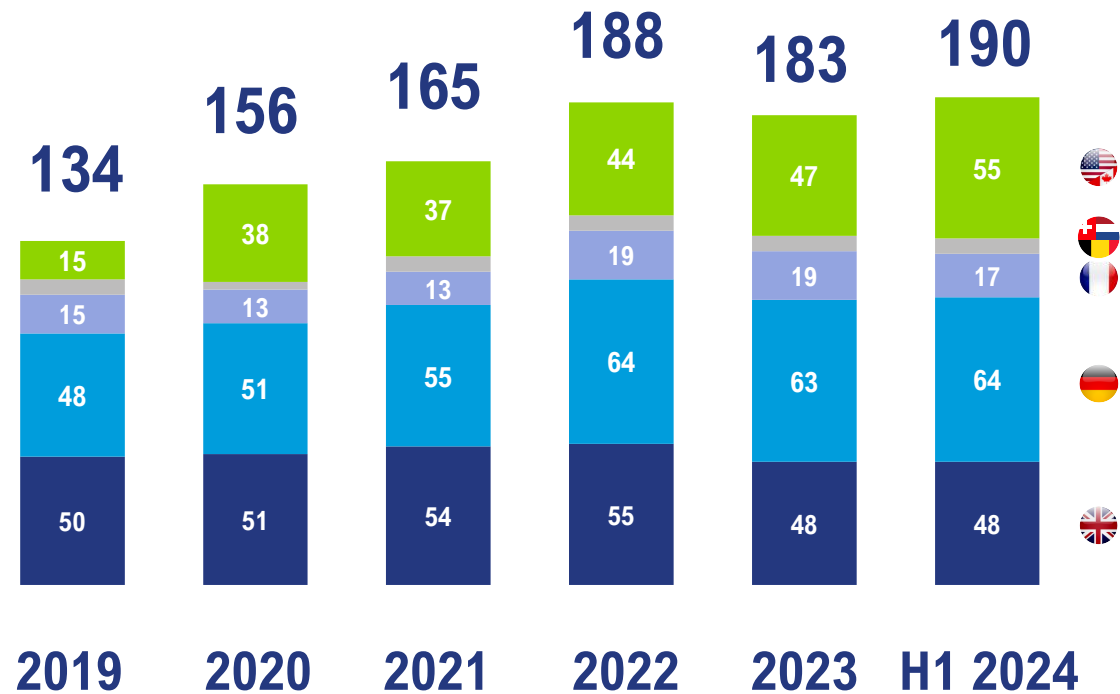
**Scale and
leverage our
activities**

**Empower
our people**



Good growth in 'podium' customers

Customers generating >£1m of gross profit



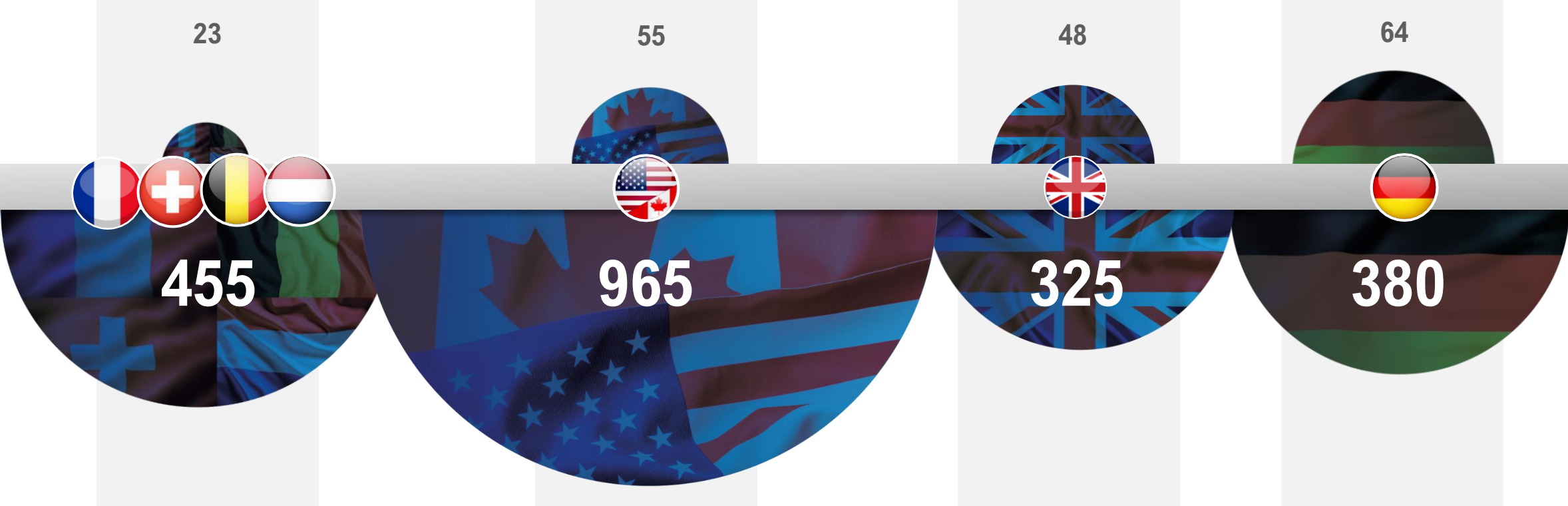
- Podium customers increased by 7 during H1 to 190 since the year end
- Growth mainly driven by North America with Germany and the UK stable
- >54% have been customers for more than 5 years



Significant potential for further growth

We have significant customer growth opportunities across all of our geographies

'Podium' customers at H1 2024 – those generating >£1m of gross profit



Customers and prospects with the potential to become podium customers



North America - same market drivers, different scale

Agility and
speed

Resilience
and security

People
experience

Value and
efficiency

Sustainability

Artificial
Intelligence

Hyperscale

- Headquartered in Silicon Valley
- Building compute capacity at scale for large workloads including AI
- Require support for growth at speed and scale

Enterprise

- Headquartered throughout the US
- Leverage a Hybrid Cloud (Public and Private)
- Require support for digital initiatives



We are establishing a track record of delivery for hyperscale customers

Our competitive advantage



Long-standing credibility in the market

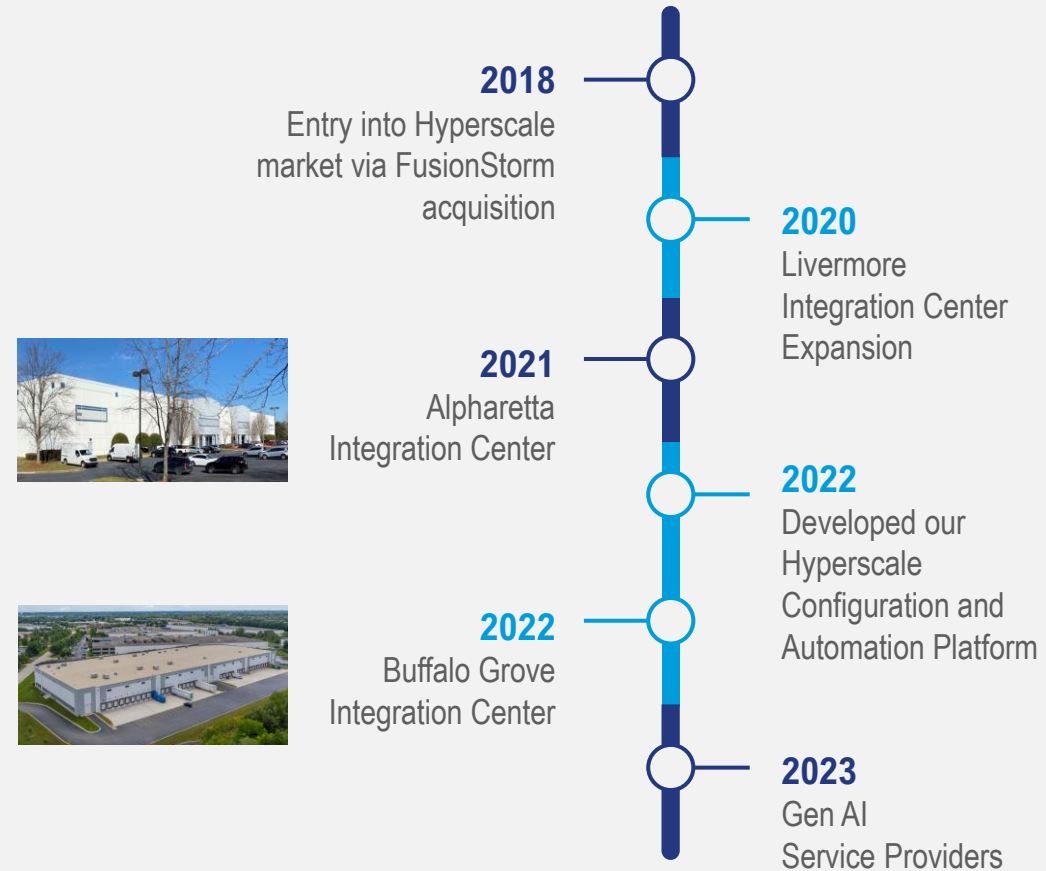
Market-leading international capability

Integration Center capabilities

Innovative platform to support Hyperscale

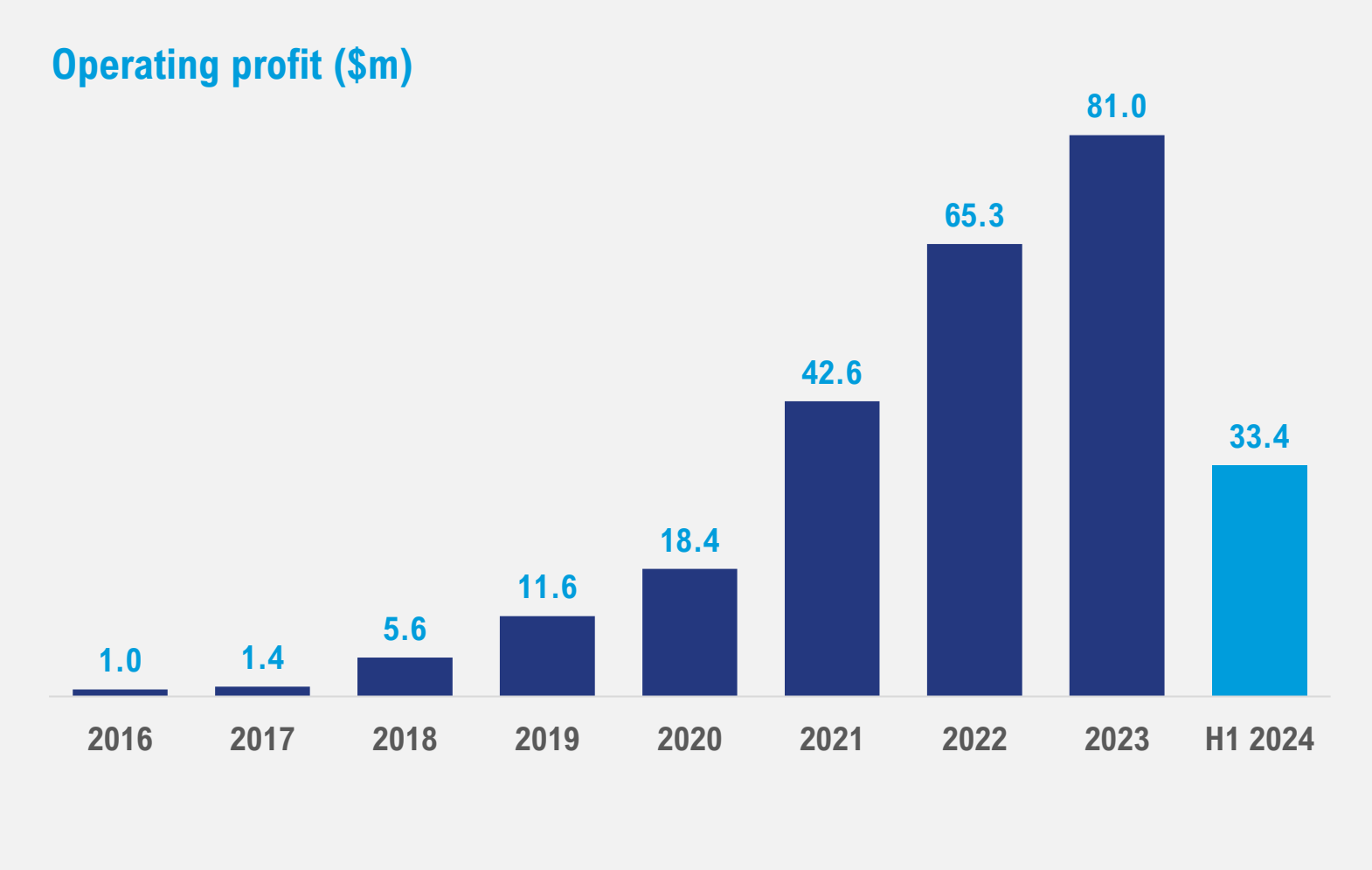
Technical expertise and Services capabilities

Balance sheet strength



North America is becoming a material profit contributor

Accounting for nearly a quarter of Group adjusted operating profit in H1 2024

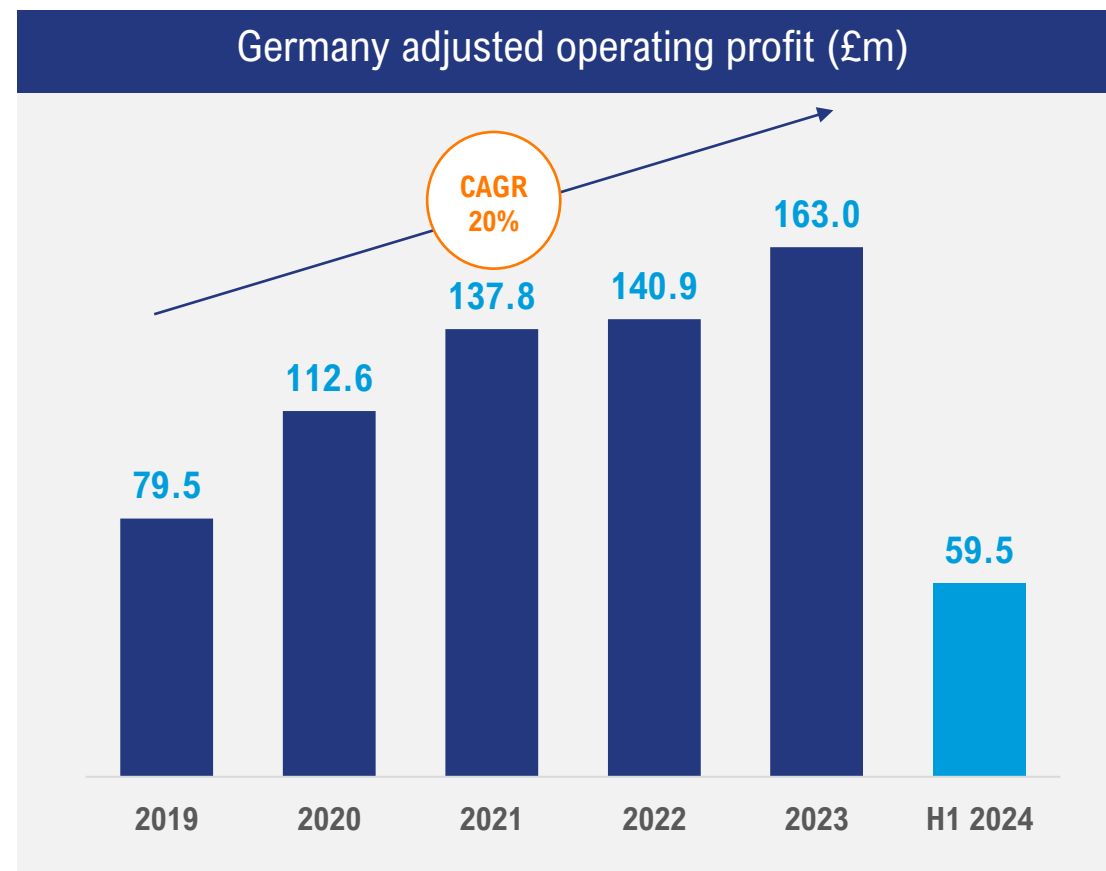


- Executed well on the North America growth opportunity during H1
- 8 new podium customers added including 2 new large hyperscale customers, leveraging our Professional Services capability
- Good near-term visibility of Technology Sourcing volumes reflecting recent wins
- Q3 started well
- Remain excited about the pipeline of wider opportunities and the long-term growth opportunity in a highly fragmented market



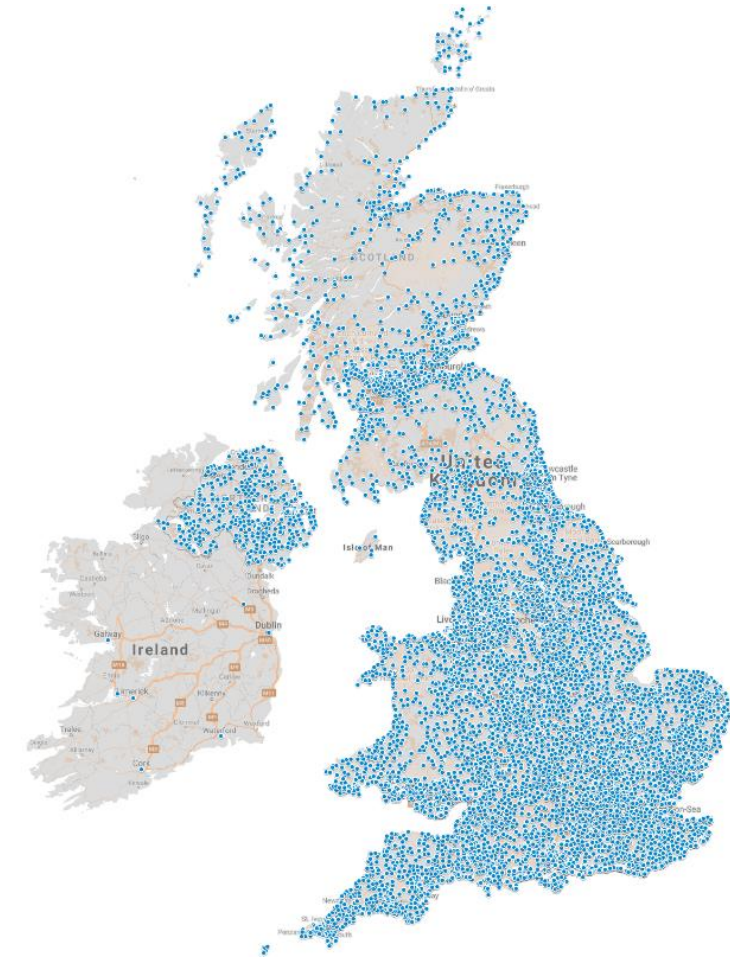
Germany strongly positioned with public and corporate sector

- Continuing to benefit from the breadth and depth of expertise across all three Service Lines
- Broadened our portfolio with existing customers and expanded customer base during H1
- Trend towards bundling procurements in larger Technology Sourcing framework contracts plays to our strengths
- Well positioned for H2 with less challenging comparative



UK market soft; podium customers stable

- Soft trading performance reflects further weakness in hardware market and consequently, a more competitive environment
- Good growth in Professional Services
- Number of podium customers maintained
- Awarded £1bn six-year contract with existing customer across all three Service Lines
- We are a key partner for UK corporate and public sector
 - >50% of FTSE 100 are customers
 - Strategic Supplier to HMG, currently on 17 major purchasing frameworks
- Well-positioned with customers to take advantage as market conditions improve



13,500 CUSTOMER LOCATIONS SUPPORTED

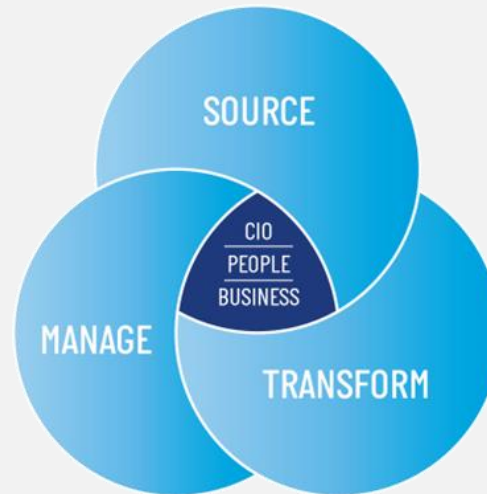


Services – good progress in scaling Professional Services

Professional Services

H1 2024 revenue +7.1% in CCY

- Good progress in replicating and scaling our proven German success to grow market share across all regions
- Advisory and deployment skills closely aligned to Technology Sourcing
- Germany - continued growth with public and corporate sector
- UK – encouraging return to growth



Managed Services

H1 2024 revenue -6.3% in CCY

- Decline reflects timing of certain contract losses while onboarding of several large contracts has been extended
- Margin increased y-o-y excluding an underperforming contract in Germany
- Expecting an improved performance in H2 as contracts move beyond transition phase

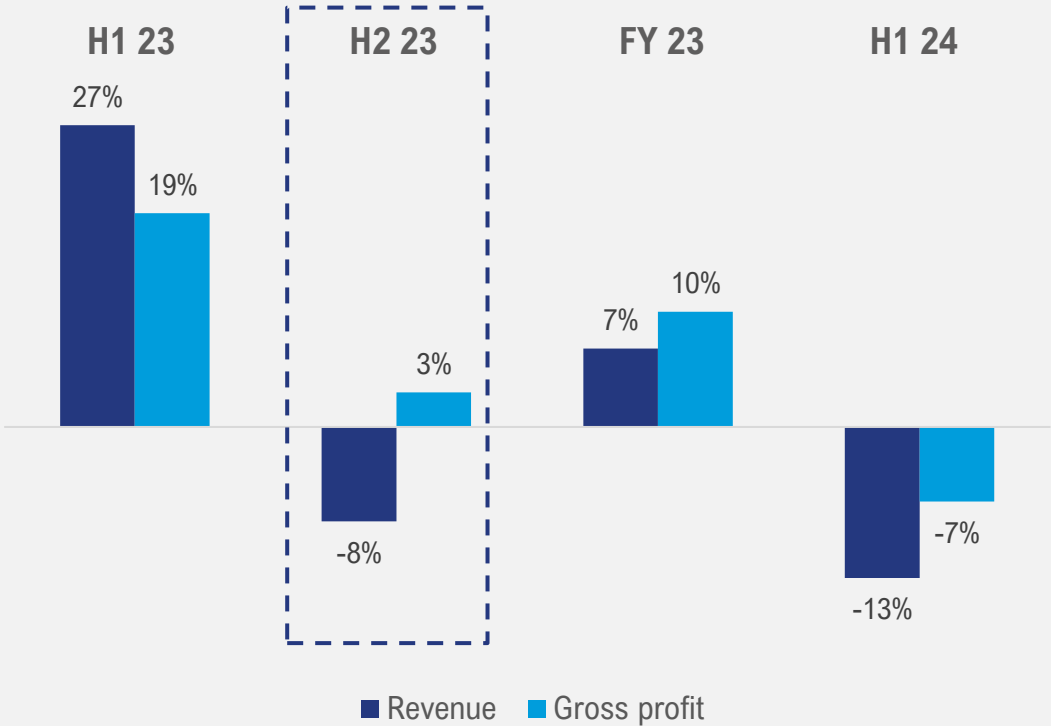


Expecting to deliver a stronger performance in H2

Clear H2 growth drivers...

- £1.8bn committed product order backlog at 30 June 2024
 - +19% y-o-y
 - +48% vs 31 December 2023
- High near-term visibility in North America
 - currently fulfilling orders that moved into H2
 - healthy wider pipeline of opportunities
- Managed Services margin improvement
 - underperforming contract in Germany substantially addressed
 - increased contribution from recent wins post onboarding
- Encouraging start to Q3

...and a less demanding H2 comparative (% y-o-y)



Summary and outlook

H1 impacted by expected normalisation of Technology Sourcing volumes; solid underlying performance in Germany and North America

Good progress in growing podium customers and executing well on North America growth opportunity

Disciplined approach to capital allocation; distributing surplus capital via £200m share buyback

Encouraging start to Q3; continue to expect to make progress in full year on constant currency basis



Q&A

