

DATAGROUP Again Presents Impressive Set of Figures for FY 2018/2019

Revenue: EUR 323.3m (+18.8 %)

EBITDA: EUR 39.8m (+15.4 %)

Earnings per share: +13.5% (EUR 1.76)

Dividend to be raised again: 70ct vs. 60ct in the previous year

(All figures prior to adoption of IFRS 15/16)

Pliezhausen, January 24, 2020. DATAGROUP SE (WKN A0JC8S), one of the leading IT service providers in Germany, today publishes the audited consolidated results of FY 2018/2019 and confirms the preliminary figures reported in November. The Management Board expects the positive trend to continue in the current fiscal year.

“DATAGROUP looks back on a strong year. Our acquisition strategy continues to contribute positively to the company’s development, and we have gained many new major orders, especially in the strongly regulated financial sector”, says Max H.-H. Schaber, CEO of DATAGROUP SE. In FY 2018/2019 (01.10.2018-30.09.2019) revenue was up 18.8 % to EUR 323.3m (prior to the effects from the first-time application of IFRS 15). Operating earnings before taxes, interest, depreciation and amortization (EBITDA) climbed by 15.4 % (adjusted) to EUR 39.8m (PY EUR 34.5m), the EBITDA margin was 12.3 % (PY 12.6 %). The slight decline of the EBITDA margin is due to the connection of transition expenses and hardware supplies, which has an impact on revenue. When excluding these effects, the operating margin would have been ~13 %. Earnings before interest and taxes (EBIT) increased by 15.1 % to EUR 23.5m (PY EUR 20.4m). The EBIT margin was 7.3 % (PY 7.5 %). EBT improved by 18.6 % to EUR 21.9m (PY EUR 18.5m). Earnings per share (EPS) were up 13.5 % to EUR 1.76 (PY 1.55).

Based on the continued good business development, the solid balance sheet structure and good cash position, Management Board and Supervisory Board will propose to the Annual General Meeting, which is scheduled to take place on March 3, 2020 at the company’s headquarter in Pliezhausen, to raise the dividend from 60 to 70 cents per share.

NUMEROUS MAJOR ORDERS AND SUCCESSFULLY INTEGRATED ACQUISITIONS CONTRIBUTE TO SALES GROWTH

DATAGROUP has gained numerous major long-term orders in the past fiscal year. New customers include Munich Trade Fair, the joint organization of Germany’s regional broadcasters (ARD) and the Lampe bank among others. With its CORBOX core product, a modular suite of services which can be flexibly combined and cover the full breadth of IT operations, the IT service provider acquired 29 new customers and has grown relationships with 16 existing customers through upselling in the past fiscal year.

DATAGROUP has also continued to grow inorganically by acquiring the 22nd and 23rd company since its IPO in 2006. In April 2019, the company acquired UBL Informationssysteme GmbH, which is headquartered in Neu-Isenburg near Frankfurt/Main. The very profitable company is specialized in IBM systems and generated annual revenue of more than EUR 25m with more than 70 employees.

Towards the end of the fiscal year, in August 2019, DATAGROUP acquired assets and employees of IT-Informatik GmbH from insolvency proceedings. DATAGROUP's acquisition helped to safeguard numerous jobs. It has also strengthened the company's powerful SAP team, adding more than 300 SAP and IT experts. With now more than 500 SAP experts, DATAGROUP is well prepared to capitalize on the growth potential of this area which is arising from the increased migration from SAP R3 to S/4HANA on the part of German Mittelstand companies.

IT-Informatik also has two profitable, non insolvent subsidiaries based in Berlin and Barcelona. The team in Barcelona mainly consists of software developers, who have joined the development team of DATAGROUP Mobile Solutions. Mercoline Berlin develops SAP and EDI add-ons and is a supply chain expert.

"DATAGROUP has proven the success of its acquisition strategy several times", says Peter Schneck, who has assumed responsibility for investor relations, legal affairs and M&A as a new Managing Director from October 1, 2019. "This helps us to achieve strong inorganic growth and to acquire IT expertise and specialists in a comparatively quick way."

GOOD PROSPECTS FOR THE NEW FISCAL YEAR

DATAGROUP sees itself well prepared to carry on its success story in the new fiscal year. On January 17, 2020, DATAGROUP signed a contract to acquire the majority of Diebold Nixdorf Portavis GmbH. Portavis has around 200 employees providing IT services to customers in the financial services sector and is expected to generate revenue of some EUR 60m in the current fiscal year. The company mainly supports Hamburger Sparkasse, Sparkasse Bremen and Hamburg Commercial Bank on the basis of long-term service agreements. The effects from the first-time consolidation of the acquired IT-Informatik, which had been consolidated for only two months in the last fiscal year, and the acquired UBL Informationssysteme (consolidated for six months last year) will have a positive impact on the company's development.

Furthermore, DATAGROUP will ramp up efforts to acquire new customers and raise the upselling potential with their existing customer base. In the first months of the new fiscal year, the IT service provider has already signed eleven contracts with new customers and significantly expanded contracts with seven existing customers. The large proportion of long-term contracts with a broadly diversified customer base also contributes to the company's ongoing stability.

"We generate 83 % of our revenue with recurring contracts. Both our current and new customers appreciate our comprehensive IT service portfolio and our expertise helping us to advance digitization projects", says Max H.-H. Schaber. "We are continually expanding our solutions portfolio and are well equipped to support our customers in such growth areas as cloud, S/4HANA and automation as their strategic partner at eye level."

The annual financial report is available for download at www.datagroup.de/publications/.

FINANCIAL CALENDAR

The Management Board of DATAGROUP SE will explain the figures of FY 2018/2019 in a conference call taking place on January 30, 2020 at 10.00 am CET. All interested investors, analysts, and journalists are cordially invited to participate.

Please dial in at the time specified using one of the following phone numbers:

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10.02.2020	Roadshow New York
11.02.2020	Roadshow Chicago
12.02.2020	Roadshow Salt Lake City
19.02.2020	Roadshow London
20.02.2020	Roadshow Zurich
21.02.2020	Roadshow Frankfurt
25.02.2020	Publication of Q1 Figures
03.03.2020	Annual General Meeting in Pliezhausen near Stuttgart

11.03.2020	Berenberg Opportunities Conference, London
14.05.2020	Publication of Q2 and H1 Figures
18.-20.05.2020	Berenberg Bank Tarrytown Konferenz (USA)
18.06.2020	Quirin Champions Conference in Frankfurt
25.-26.06.2020	Warburg Highlights Conference
01.09.2020	Publication of Q3 Figures
19.-20.10.2020	CF&B Large & Midcap Event, Paris

ABOUT DATAGROUP

DATAGROUP is one of the leading German IT service companies. Over 2,500 employees at locations across Germany design, implement, and operate IT infrastructures and business applications such as SAP. With its CORBOX product, DATAGROUP is a full-service provider, supporting over 600k global IT workplaces for medium and large enterprises as well as public authorities. The company is growing organically and through acquisitions. The acquisitions strategy is particularly noted for its optimal integration of new companies. DATAGROUP is actively participating in the IT service market's consolidation process with its "buy and turn around" and its "buy and build" strategy.

CONTACT FOR FURTHER INFORMATION

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