

DATAGROUP Presents Very Good Preliminary Results for 2022/2023: Guidance for Revenues and Earnings fully met, EBITDA Forecast Exceeded

- **Revenues at the upper end of the guidance**
- **EBIT grows disproportionately to EUR 45.3m, EBIT margin improves to 9.1 %**
- **Strong demand for CORBOX services**
- **Solid balance sheet ratios provide scope for additional growth, further acquisitions planned in the current fiscal year**
- **Investments in and expansion of AI, cyber security and cloud to drive growth**

Pliezhausen, 21 November 2023. DATAGROUP SE (WKN A0JC8S) today publishes preliminary results for FY 2022/2023. Revenues came in at EUR 497.8m, which is at the upper end of the guidance of EUR 485–500m and is slightly below the prior year (PY EUR 501.4m). Gross profit was up 3.5 % to EUR 341.2m (PY EUR 329.8m), which clearly shows that the focus on profitable sales in the CORBOX core business pays off.

Operating earnings before taxes, interest, depreciation and amortization (EBITDA) were up 4.9 % in FY 2022/2023 to EUR 80.2m (PY EUR 76.5m) and exceeded the guidance of EUR 76–80m. Earnings before interest and taxes (EBIT) have grown disproportionately on the back of efficiency measures and a focus on profitable contracts. Despite investments of c. EUR 1m in artificial intelligence in Q4 2022/2023, recognized in the income statement, EBIT came in at EUR 45.3m, which is 9.3 % above the prior-year figure (PY EUR 41.5m, guidance EUR 45–48m). At 9.1 %, the EBIT margin is +0.8pp above the prior-year level (PY 8.3 %) and thus exceeds the midterm goal of 9 %. Net income amounts to EUR 28.3m after EUR 22.0m in the prior-year period. Earnings per share of EUR 3.39 are well above the prior-year figure of EUR 2.64.

“Although the macroeconomic situation remains challenging because of the sharp rise in energy prices and high inflation, DATAGROUP has again delivered good business results”, says Andreas Baresel, CEO of DATAGROUP SE. “The strength of our business model and the sustainability of the CORBOX SaaS approach, which ensure a reliable and stable long-term development thanks to recurring revenues and good margins, makes itself felt in uncertain times in particular. The attractiveness of our standardized service portfolio is high, as we continue to develop it further in relation to new technologies while we always remain close to the requirements of our customers.”

REVENUE DEVELOPMENT BURDENED BY SPECIAL EFFECTS

The revenue development was mainly affected by three special effects: Firstly, the Covid-19-related exceptional boom, which had driven revenues in the prior year, slowed down earlier than expected. The vaccination centers, for instance, had closed earlier than anticipated at the beginning of the fiscal year which also meant a premature end to the related IT services provided by DATAGROUP. Furthermore, existing

contracts from earlier acquisitions, which were operated outside the CORBOX core business at a lower profitability, were reduced prematurely. Lastly, a change of the accounting treatment concerning the license business resulted in a reduction of revenues pursuant to IFRS 15 (principal agent). On a full-year basis, these aspects led to negative sales effects totaling c. EUR 40m, which have almost been fully compensated for by growth in the CORBOX core business and the business with solutions, but in total still led to a slight decline in revenues. That said, DATAGROUP's high growth is demonstrated by the compensation.

CORBOX CORE BUSINESS WITH STABLE GROWTH

Business of DATAGROUP's fully integrated entities remains encouragingly stable. Demand for CORBOX IT Services continued to grow in comparison to FY 2021/2022, and demand for consulting services, e.g. in the SAP environment, has developed positively. The proportion of services in revenue has increased yet again to 81.4 % compared to the prior year (PY 80.9 %). 20 new CORBOX contracts were signed in the past fiscal year, 2 contracts were expanded by upselling, and 33 existing DATAGROUP customers have either extended or renewed their contracts. In the past fiscal year, the respective service portfolio of DATAGROUP has convinced NBank and Stadtwerke Neuss, amongst others, but existing customers such as CURRENTA have also significantly expanded their CORBOX services with new service agreements.

COMPANY ACQUISITIONS IN THE PAST FISCAL YEAR

Acquired in April 2023, systemzwo GmbH in Ulm – an IT service provider with a SME customer portfolio, which has significantly expanded the footprint of DATAGROUP in the Ulm region – has also contributed to the development of revenue. Furthermore, DATAGROUP has laid the foundation for its AI strategy by acquiring own IP rights as well as a corresponding team of specialists in July 2023. DATAGROUP plans to acquire additional companies and to continue its inorganic growth strategy in the new FY 2023/2024 as well.

SOLID BALANCE SHEET STRUCTURE WITH SCOPE FOR FURTHER GROWTH

The balance sheet total dropped to EUR 465.3m as per 30 September 2023 after EUR 483.6m in the previous year. The equity ratio improved significantly yet again in comparison to the prior year from 26.4 % to 31.7 %. Net debt was EUR 112.6m after EUR 109.3m on the balance sheet date of the previous year. Liabilities to banks amounted to EUR 99.7m (PY: EUR 78.2m). Cash and cash equivalents stood at EUR 21.9m in comparison to EUR 47.0m on the balance sheet date of the previous year. The decline is attributable to an active cash management, which is also reflected in a financial result that has improved to EUR -4.1m (PY EUR -4.7m) despite a rise in interest rates.

"Financing of the DATAGROUP Group is guaranteed in the long term and also provides sufficient scope for further acquisitions", says Oliver Thome, CFO of DATAGROUP SE. "The current 2019 promissory note loans with a volume of EUR 69m and maturities of five and seven years will still provide us with attractive interest rates until March 2024 and March 2026. Additionally, we have taken up new promissory note loans of EUR 30m at the beginning of March 2023. Combined with additional working capital lines of EUR 40m, DATAGROUP has financial resources amounting to EUR 70m at its disposal which we are planning to use for further growth and acquisitions."

For the fiscal year ended 30 September 2023 the management intends to propose to the Annual General Meeting a dividend which is in line with the historic dividend policy with a payout ratio of some 40 % of the net profit. The Annual General Meeting for FY 2022/2023 is scheduled for 14 March 2024.

INVESTMENTS IN FUTURE CAPACITY FOR GROWTH: AI, CYBER SECURITY AND CLOUD

DATAGROUP continues to significantly expand its own expertise and capacities in AI, cyber security and cloud to maintain future capacity for growth and secure competitive advantages. Artificial intelligence will play an ever greater role in IT service production amongst others, since its use makes many processes more efficient and can reduce the employees' workload by taking over routine work. This is also important in light of the skills shortage. Since the number of cyber-attacks against companies has strongly increased around the globe, the topic of IT security is gaining in importance. DATAGROUP uses new technologies to continue to develop the CORBOX Security Services so as to minimize the risk of successful cyber-attacks for its customers.

DATAGROUP's CORBOX cloud is a strongly growing, independent "German" cloud platform which guarantees data sovereignty for its customers and ensures compliance with all data protection obligations. As an enterprise cloud, it is focused on running corporate applications with the highest requirements to availability and stability. To further strengthen the cloud portfolio in Germany, STACKIT and DATAGROUP have formed a long-term partnership on 1 October 2023. This allows to combine CORBOX services with STACKIT's data-sovereign cloud services so customer can take full advantage of both cloud environments.

The individual topics are important drivers of innovation in themselves, but are also strategically linked: Sovereign cloud infrastructures and proprietary AI technologies running in this cloud environment ensure data sovereignty of the associated IT services. Excellent security services can benefit from AI technologies but can also ensure security for these services and the cloud alike.

"We are continuing to focus on the future topics of AI, cyber security and cloud since they will enable us to continue to grow", explains Andreas Baresel. "In the fourth quarter, we have invested a total of EUR 2.5m into AI technologies – EUR 1m of which were recognized in the income statement – and still have achieved the envisaged EBIT goal. This is good news for our customers as well: By applying the new technologies in our IT services their automation will be taken to a new level."

CEO Andreas Baresel and CFO Oliver Thome will explain the preliminary results of the fiscal year 2022/2023 in an online conference on 21 November 2023 at 10.00 am CET. All interested investors, analysts, and journalists are cordially invited. You can register for the conference call under the following link: <https://register.gotowebinar.com/register/2003033542985717848>

FINANCIAL CALENDAR

21.11.2023	Publication of preliminary full-year results for 2022/2023
27.-28.11.2023	German Equity Forum
04.12.2023	Berenberg European Conference
12.12.2023	Zurich Investor Day
11.-12.01.24	27th ODDO BHF Forum, Lyon
18.01.2024	Publication of the audited annual figures for FY 22/23
07.-08.02.24	Hamburger Investorentage (HIT)
14.03.24	Annual General Meeting

About DATAGROUP

DATAGROUP is one of the leading German IT service providers. Some 3,500 employees at locations across Germany design, implement, and operate IT infrastructures and business applications. With its CORBOX product, DATAGROUP is a full-service provider, supporting global IT workplaces for medium and large enterprises as well as public authorities. The company is growing organically and through acquisitions. The acquisition 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

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Overview of Key Figures (unaudited)

Figures in TEUR	Changes yoy	2022/2023		2021/2022*	
Revenues	-3,614	-0.7 %	497,796	100.0 %	501,410
thereof services and maintenance	-852	-0.2 %	405,005	81.4 %	405,858
thereof trade	-2,654	-2.8 %	92,637	18.6 %	95,291
thereof other / consolidation	-108	-41.2 %	154	0.0 %	262
Other own work capitalized	510	31.1 %	2,153	0.4 %	1,643
Changes in capitalized contract costs	-506	14.1 %	-4,086	-0.8 %	-3,580
Total revenues	-3,610	-0.7 %	495,863	99.6 %	499,473
Material expenses / Expenses for purchased services	-15,034	-8.9 %	154,670	31.1 %	169,704
Gross profit	11,424	3.5 %	341,193	68.5 %	329,769
Personnel expenses	10,200	4.4 %	243,640	48.9 %	233,440
Other income etc.	3,130	23.2 %	16,604	3.3 %	13,474
Other expenses etc.	585	1.8 %	33,928	6.8 %	33,344
EBITDA	3,769	4.9 %	80,228	16.1 %	76,459
Other depreciation	-356	-1.3 %	27,252	5.5 %	27,608
EBITA	4,125	8.4 %	52,977	10.6 %	48,852
Depreciation from PPA	260	3.5 %	7,659	1.5 %	7,399
EBIT	3,865	9.3 %	45,318	9.1 %	41,453
Financial result	642	-13.6 %	-4,077	-0.8 %	-4,719
EBT	4,508	12.3 %	41,241	8.3 %	36,733
Taxes on income and profit	-1,730	-11.8 %	12,976	2.6 %	14,706
Net income	6,238	28.3 %	28,265	5.7 %	22,028
Shares (in thousand units)			8,331		8,331
plus treasury shares (in thousand units)			18		18
EPS (in EUR)	0.75	28.3 %	3.39		2.64
Tax rate			31.5 %		40.0 %

* Using a comparable application of accounting methodology regarding the license business pursuant to IFRS 15 prior-year revenues would be reduced by TEUR 7,360. As material expenses would be adjusted by the same amount, there is no impact on earnings.

Figures in TEUR	30.09.2023	30.09.2022
Assets	465,287	483,584
Equity	147,433	127,458
Equity ratio (in %)	31.7	26.4
Net debt	112,574	109,302
Net debt to EBITDA	1.40	1.43

Consolidated Statement of Financial Position (unaudited)

Figures in EUR	30.09.2023	30.09.2022
Assets		
Non-current assets		
Goodwill	157,024,968.43	151,435,872.92
Other intangible assets	44,116,068.85	48,299,746.81
Property, plant and equipment	69,803,960.65	61,779,836.67
Non-current financial assets	7,676,618.94	8,506,353.08
Capitalized contract costs	8,229,149.35	12,400,776.21
Receivables from finance lease	16,444,872.71	18,019,382.25
Receivables from pension and similar obligations	4,579,784.88	4,448,503.46
Other non-financial assets	977,962.20	846,827.81
Deferred taxes	11,368,224.90	12,179,457.29
	320,221,610.91	317,916,756.50
Current assets		
Inventories	4,545,437.79	8,304,674.50
Contract Assets	3,065,594.62	3,013,455.06
Trade receivables	57,010,460.72	55,147,870.67
Receivables from finance lease	11,561,654.32	10,892,813.00
Current financial assets	252,338.47	280,857.25
Other assets	46,750,858.09	40,985,932.28
Cash and cash equivalents	21,878,859.86	47,041,864.41
	145,065,203.87	165,667,467.17
	465,286,814.78	483,584,223.67

Figures in EUR	30.09.2023	30.09.2022
Liabilities		
Equity		
Subscribed capital	8,349,000.00	8,349,000.00
Capital reserve	32,337,372.27	32,337,372.27
Repayment of capital	-98,507.73	-98,507.73
Retained earnings	87,782,798.03	68,865,661.11
Accumulated other comprehensive income	19,046,410.71	18,187,141.86
Balancing item for foreign currency translation	-19,673.35	-34,582.44
Minority shares	35,701.91	-147,838.05
	147,433,101.84	127,458,247.02
Non-current liabilities		
Non-current financial liabilities	105,337,321.38	112,459,288.54
Pension provisions	35,883,967.06	36,102,634.43
Other provisions	1,284,500.39	1,240,557.69
Other liabilities	98,026.65	83,914.65
Deferred taxes	9,185,556.78	11,592,865.89
	151,789,372.26	161,479,261.20
Current liabilities		
Current financial liabilities	57,122,549.15	72,797,075.01
Other provisions	20,714,546.51	32,629,439.37
Contract liabilities	10,118,413.32	12,739,349.63
Trade payables	13,069,491.77	15,827,012.63
Income tax liabilities	17,567,377.95	13,808,853.79
Other liabilities	47,471,961.98	46,844,985.02
	166,064,340.68	194,646,715.45
	465,286,814.78	483,584,223.67

Consolidated Income Statement (unaudited)

Figures in EUR	01.10.2022 – 30.09.2023	01.10.2021 – 30.09.2022
Revenues	497,795,989.11	501,409,891.47
Other own work capitalized	2,153,037.44	1,642,814.98
Changes in capitalized contract costs	-4,086,155.55	-3,580,057.74
Total revenues	495,862,871.00	499,472,648.71
Other operating income	16,603,775.33	13,474,062.09
Material expenses / Expenses for purchased services	154,669,893.55	169,704,015.42
Personnel expenses	243,639,980.59	233,439,640.14
Depreciation of property, plant and equipment and other intangible assets	34,910,863.22	35,006,945.17
Other operating expenses	33,928,283.39	33,343,597.90
Operating income	45,317,625.58	41,452,512.17
Financial income	1,879,610.98	1,793,084.92
Financial expenses	5,956,257.17	6,512,137.36
Financial result	-4,076,646.19	-4,719,052.44
Earnings before taxes	41,240,979.39	36,733,459.73
Taxes on income and profit	12,975,697.61	14,705,879.30
Net income	28,265,281.78	22,027,580.43
thereof shares of minority shareholders	183,539.97	143,635.82
thereof shares of DATAGROUP SE	28,081,741.81	21,883,944.61
EPS (in EUR)	3.39	2.64

* Using a comparable application of accounting methodology regarding the license business pursuant to IFRS 15 prior-year revenues would be reduced by TEUR 7,360. As material expenses would be adjusted by the same amount, there is no impact on earnings.

Consolidated Statement of Comprehensive Income (unaudited)

Figures in EUR	01.10.2022 – 30.09.2023	01.10.2021 – 30.09.2022
Net income	28,265,281.78	22,027,580.43
Other earnings before taxes		
Recalculation of defined benefit obligations ¹	1,240,126.47	29,195,918.47
Change in balancing items from currency conversion	14,909.09	-29,994.66
Other earnings before taxes	1,255,035.56	29,165,923.81
Income tax effects on other income	380,857.62	9,124,107.77
Comprehensive income	29,139,459.72	42,069,396.47
thereof shares of minority shareholders	183,539.97	143,635.82
thereof shares of DATAGROUP SE	28,955,919.75	41,925,760.65

¹ This is other comprehensive income which cannot be reclassified.

Consolidated Statement of Comprehensive Income (unaudited)

Figures in EUR	2022/2023	2021/2022
Cash flow from operating activities		
Consolidated earnings of the period	28,265,281.78	22,027,580.43
- thereof income tax refunds EUR 1,190,035.56 (PY EUR 5,617,964.73)		
- thereof income tax payment EUR 18,648,622.28 (PY EUR 16,903,648.75)		
Interest received	-8,433.67	-21,040.98
Interest paid	2,830,753.43	1,351,903.11
Depreciation and amortization of non-current assets	34,910,863.22	35,006,945.17
Changes in pension provisions	1,021,458.83	1,260,588.12
Gains (-) / losses (+) on disposals of non-current assets	236,378.09	27,449.41
Increase (-) / decrease (+) of receivables or liabilities to shareholders, affiliated and associated companies	-762,609.69	-1,448,244.02
Increase (-) / decrease (+) of inventories, trade receivables and other assets	2,388,576.66	911,647.16
Increase (+) / decrease (-) of trade payables and other liabilities and other liabilities	-20,902,796.04	11,004,481.39
Other non-cash transactions	-1,315,465.73	132,158.08
Cash flow from operating activities	46,664,006.88	70,253,467.87
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	458,181.67	358,464.41
Cash outflow for investment in property, plant and equipment	-11,432,974.32	-6,036,630.71
Cash inflow from intangible assets	170,087.07	537,614.54
Cash outflow for investments in intangible assets	-3,800,838.79	-2,773,783.21
Cash inflow from sale of financial assets	6,850.00	30,000.00
Cash outflow for investments in financial assets	-30,500.00	-1,192,564.22
Cash inflow from the sale of affiliated companies	593,646.73	0.00
Cash outflow for investments in fully consolidated companies	-50,929,876.90	-35,854,684.73
Dividends and investment income received	122,719.83	132,205.36
Interest received	8,433.67	21,040.98
Net cash used in investing activities	-64,834,271.04	-44,778,337.58
Cash flow from financing activities		
Cash outflow for dividend paid	-9,164,604.90	-8,331,459.00
Cash inflow (+) / outflow (-) for finance lease agreements (as a lessee)	-15,420,556.18	-12,788,844.29
Cash outflow for repayment of liabilities to banks	-9,597,068.71	0.00
Cash inflow from receipt of liabilities to banks	30,020,242.83	-53,045.57
Interest paid	-2,830,753.43	-1,351,903.11
Net cash used in financing activities	-6,992,740.39	-22,525,251.97
Changes in cash and cash equivalents	-25,163,004.55	2,949,878.32
Cash and cash equivalents at the beginning of the period	47,041,864.41	44,091,986.09
Cash and cash equivalents at the end of the period	21,878,859.86	47,041,864.41