

DATAGROUP increases revenues and benefits from low interest rates

Q2 figures for FY 2015/2016 (01.01.-31.03.2016)

Revenues up 4% to EUR 41.1m (previous year EUR 39.5m)

Service share reaches 79% (previous year 76%)

DATAGROUP secures low interest rate with promissory note loan for 7 years

Pliezhausen, May 9, 2016. In Q2 2015/2016 (01.01.-31.03.2016), DATAGROUP AG (WKN A0JC8S) again managed to increase revenues compared to the prior-year period. In particular in the IT services core business, the company recorded strong revenue growth of 8%. DATAGROUP optimises its financing structure with a long-term promissory note loan (Schuldscheindarlehen) of EUR 30m and benefits from the current low interest rates to an even stronger extent. The money is intended to promote further company growth.

In Q2 2015/2016, DATAGROUP generates revenues of EUR 41.1m (previous year EUR 39.5m, +4%). This is attributable to a strong increase of 8% in the IT services core business. Service revenues were up EUR 32.5m (previous year EUR 30.1m), the service share in revenues climbed to 79% (previous year 76%). Accordingly, the intended improvement of the gross profit to EUR 28.2m was very strong with 7% (previous year EUR 26.3m).

‘DATAGROUP continues to develop strongly in its core business with Cloud services and managed IT services’, comments DATAGROUP CEO Max H.-H. Schaber. ‘We are very pleased with the operating performance of the fiscal year, particularly with the ongoing strong demand for our full-service offer CORBOX. We are also making good progress in integrating our most recent subsidiary, DATAGROUP Vega, and have already reached break even as planned. As announced, however, our intensive activities in the area of mergers and acquisitions lead to temporarily higher expenses and reduce the very good operating earnings. Targeted inorganic growth offers great opportunities for the long-term corporate development. This is definitely worth the expenditure.’

As a result of large one-off income in the same quarter a year ago, which will not occur to this extent this year, as well as acquisition-related expenses, Q2 earnings are below the level of the previous year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) totaled EUR 3.5m (previous year EUR 4.2m, -16%). This corresponds to an EBITDA margin of 8.6% (previous year 10.6%). Earnings per share amounted to 13 cents (previous year 23 cents).

In the entire first half of 2015/2016 (01.10.2015-31.03.2016), DATAGROUP increased revenues by 5% to EUR 82.7m, reaching a new peak (previous year EUR 78.4m). EBITDA came in at EUR 6.0m (previous year EUR 7.3m, -18%), earnings per share at 17 cents (previous year 33 cents).

New promissory note loan secures financing and growth opportunities in the long term

The issue of a promissory note loan of EUR 30m further improves DATAGROUP’s financing structure. The loan issued on April 1, 2016 has a total term of 7 years and was heavily oversubscribed. The average interest rate is 1.2% and so it is again well below the 3.0% that DATAGROUP pays for a promissory note loan issued in 2013. The loan was exclusively placed with banks with which the company has long-standing business relationships.

'We have had very good experience with these financing tool', says Dirk Peters, COO of DATAGROUP AG. 'The long duration ensures a high degree of planning security and financial stability at favourable conditions. We can continue on our growth path in a forceful way and have additional room for acquisitions. At the same time, we are pleased about the banks' very strong demand. It is a clear sign of confidence in our company and the sound corporate management.' The issue was arranged by the Landesbank Baden-Württemberg.

The new promissory note loan will be payable after 3, 5 and 7 years in instalments of EUR 9m, 12m and 9m. Repayment differs from the loan in 2013 with two outstanding installments of EUR 7.5m each, which will be payable in 2 and 4 years. Thanks to an even distribution, debts can be repaid from the company's operating cash flow according to plan.

About DATAGROUP:

DATAGROUP is a leading German IT service company. Over 1,400 employees at 16 locations across Germany design, implement, and operate IT infrastructure and business applications such as SAP. With its product CORBOX, DATAGROUP is a full-service provider, serving over 360,000 global IT workstations for medium and large enterprises as well as for public-sector clients. In other words: 'We manage IT'. The company is growing organically and through acquisitions. The acquisition strategy is particularly noted for its optimal integration of the 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.

DATAGROUP AG
IFRS Consolidated Financial Statement (unaudited)
Figures at a glance

in k€	Q2 2015/2016		Q2 2014/2015		Change yoy		Q1-Q2 2015/2016		Q1-Q2 2014/2015		Change yoy	
Revenues	41,088	100.0%	39,478	100.0%	1,610	4.1%	82,680	100.0%	78,417	100.0%	4,263	5.4%
thereof services and maintenance	32,456	79.0%	30,077	76.2%	2,379	7.9%	65,092	78.7%	58,519	74.6%	6,573	11.2%
thereof trade	8,580	20.9%	9,349	23.7%	-769	-8.2%	17,492	21.2%	19,781	25.2%	-2,289	-11.6%
thereof other / consolidation	52	0.1%	52	0.1%	0	0.0%	96	0.1%	117	0.1%	-21	-17.9%
Other own work capitalised	268		10		258		268		23		245	
Total revenues	41,356	100.0%	39,488	100.0%	1,868	4.7%	82,948	100.0%	78,440	100.0%	4,508	5.7%
Material expenses / Expenses for purchased services	13,144	31.8%	13,159	33.3%	-15	-0.1%	27,242	32.8%	27,781	35.4%	-539	-1.9%
Gross profit	28,212	68.2%	26,328	66.7%	1,884	7.2%	55,706	67.2%	50,659	64.6%	5,047	10.0%
Personnel expenses	20,808	50.3%	19,138	48.5%	1,670	8.7%	41,369	49.9%	37,344	47.6%	4,025	10.8%
Other income etc.	588	1.4%	1,018	2.6%	-430	-42.2%	1,298	1.6%	2,401	3.1%	-1,103	-45.9%
Other expenses etc.	4,449	10.8%	4,011	10.2%	438	10.9%	9,633	11.6%	8,432	10.7%	1,201	14.2%
EBITDA	3,543	8.6%	4,197	10.6%	-654	-15.6%	6,002	7.2%	7,284	9.3%	-1,282	-17.6%
Depreciation from PPA	647	1.6%	649	1.6%	-2	-0.3%	1,295	1.6%	1,415	1.8%	-120	-8.5%
Other depreciation	968	2.3%	694	1.8%	274	39.5%	1,872	2.3%	1,365	1.7%	507	37.1%
EBITA	1,928	4.7%	2,854	7.2%	-926	-32.4%	2,835	3.4%	4,504	5.7%	-1,669	-37.1%
Goodwill amortization	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBIT	1,928	4.7%	2,854	7.2%	-926	-32.4%	2,835	3.4%	4,504	5.7%	-1,669	-37.1%
Financial result	-515	-1.2%	-311	-0.8%	-204	65.6%	-858	-1.0%	-795	-1.0%	-63	7.9%
Restructuring expenses	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBT	1,413	3.4%	2,543	6.4%	-1,130	-44.4%	1,977	2.4%	3,709	4.7%	-1,732	-46.7%
Taxes on income and profit	463	1.1%	820	2.1%	-357		659	0.8%	1,241	1.6%	-582	
Net income	950	2.3%	1,723	4.4%	-773		1,318	1.6%	2,468	3.1%	-1,150	
Shares ¹⁾	7,572		7,572				7,572		7,572			
EPS	0.13		0.23		-0.10	-43.5%	0.17		0.33		-0.16	-48.5%
EPS before restructuring expenses	0.13		0.23		-0.10	-43.5%	0.17		0.33		-0.16	-48.5%
Tax rate	32.8%		32.2%				33.3%		33.5%			
	31.03.2016		30.09.2015									
Balance sheet total	101,324		103,346									
Equity ²⁾	25,476		26,051									
Equity ratio (in %) ²⁾	25.1		25.2									
Net Debt ²⁾	29,990		28,154									
Net Debt ²⁾ to EBITDA												

1) plus treasury shares:

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2) under consideration of subordinated loans

DATAGROUP AG
IFRS Consolidated Balance Sheet (unaudited)

	31.03.2016	30.09.2015
	EUR	EUR
Assets		
Long-term assets		
Goodwill	38,523,419.65	38,523,419.65
Other intangible assets	10,273,171.64	11,445,269.01
Property, plant and equipment	7,222,686.02	7,316,127.83
Long-term financial assets	3,029,034.98	3,822,514.90
Claims from reinsurance coverage for pension obligations	5,354,911.90	5,354,911.90
Other long-term assets	109,328.52	134,889.32
Deferred taxes	2,032,089.56	1,464,480.04
	66,544,642.27	68,061,612.65
Short-term assets		
Inventories	5,147,684.18	1,532,497.41
Trade receivables	13,876,677.37	16,667,072.92
Short-term financial assets	3,184,381.09	5,477,056.77
Construction contracts	1,836,672.22	2,994,874.95
Other short-term assets	7,524,102.38	6,348,504.81
Cash and cash equivalents	3,209,999.70	2,264,789.71
	34,779,516.94	35,284,796.57
	101,324,159.21	103,346,409.22
Liabilities		
Equity		
Subscribed capital	7,590,000.00	7,590,000.00
Capital reserves	11,796,385.73	11,796,385.73
Repayment of capital	-98,507.73	-98,507.73
Retained earnings	8,158,547.46	8,733,490.30
Accumulated other comprehensive income	-3,970,814.23	-3,970,814.23
	23,475,611.23	24,050,554.07
Long-term liabilities		
Long-term financial liabilities	22,884,043.10	24,633,738.97
Pension provisions	12,727,996.02	12,822,342.00
Other provisions	775,028.18	775,192.84
Other long-term liabilities	31,569.93	0.00
Deferred taxes	633,079.00	782,107.01
	37,051,716.23	39,013,380.81
Short-term liabilities		
Short-term financial liabilities	17,556,493.05	14,583,861.69
Provisions	2,892,902.18	2,463,011.85
Trade payables	2,848,261.15	4,748,518.08
Surplus of liabilities from construction contracts	170,280.61	50,989.47
Income tax liabilities	2,154,290.84	3,062,851.29
Other liabilities	15,174,603.92	15,373,241.96
	40,796,831.75	40,282,474.34
	101,324,159.21	103,346,409.22

DATAGROUP AG
Consolidated Income Statement (unaudited)

	01.10.2015 - 31.03.2016	01.10.2014 - 31.03.2015
	EUR	EUR
Revenues	82,680,378.50	78,416,613.46
Other own work capitalised	268,156.13	22,544.60
Total revenues	82,948,534.63	78,439,158.06
Other operating income	1,298,375.61	2,401,203.98
Material expenses / expenses for purchased services	27,243,680.18	27,780,846.40
Personnel expenses	41,368,787.92	37,344,147.27
Goodwill amortisation	0.00	0.00
Depreciation of property, plant and equipment and other intangible assets	3,167,154.19	2,779,542.15
Other operating expenses	9,632,908.84	8,431,752.99
Operating income	2,834,379.11	4,504,073.23
Financial income	131,763.94	360,071.00
Financial expenses	989,325.64	1,155,444.31
Financial result	-857,561.70	-795,373.31
Earnings before taxes	1,976,817.41	3,708,699.92
Taxes on income and profit	658,645.50	1,241,107.81
Net income	1,318,171.91	2,467,592.11

DATAGROUP AG
Consolidated Statement of Comprehensive Income (unaudited)

	01.10.2015 - 31.03.2016	01.10.2014 - 31.03.2015
	EUR	EUR
Net income	1,318,171.91	2,467,592.11
Other earnings before taxes		
Actuarial gains or losses from pension provisions	0.00	0.00
Income tax effects on other income	0.00	0.00
Comprehensive income	1,318,171.91	2,467,592.11