

DATAGROUP with solid first quarter

Another increase in revenue and EBITDA
EBITDA margin reaches 13 % (adjusted 10.6 %)
Further large-scale orders from the financial industry

Pliezhausen, February 21, 2019. DATAGROUP SE (WKN A0JC8S) today publishes the figures for Q1 2018/2019, in which the positive trend of the previous year has continued unabated. Both revenue growth and incoming orders developed very positively. The first-time adoption of the new IFRS standards 15 & 16 on the quarterly results has led to shifts in the recognition of revenue and operating result in comparison to the previous period.

Revenue in the first quarter of fiscal year 2018/2019 (01.10.-31.12.2018) increased by 6.9 % to EUR 69.4m (previous year EUR 64.9m) – and by 9.2 % when adjusted for the effects of the first-time adoption of IFRS 15 & 16. The share of service revenue decreased to 81.1 % (81.8 %), which is also due to the change in accounting rules¹.

This change had a significantly positive effect on operating earnings before interest, taxes, depreciation and amortization (EBITDA), whereas it was hardly noticeable in terms of EBIT, EBT and net income. EBITDA thus increased clearly disproportionately compared to revenue by 28.4 % to EUR 9.1m (EUR 7.1m), the EBITDA margin rose from 10.8 % to 13.0 %. Adjusted for the effect from the accounting changes, the EBITDA margin was 10.6 % (PY: 10.8 %).

Earnings before interest and taxes (EBIT) grew by 8.6 % to EUR 4.1m (EUR 3.7m), corresponding to an EBIT margin of 5.8 % (5.7 %). Earnings per share rose from 22 cents to 27 cents.

In addition, the scope of consolidation has slightly increased year-on-year due to the first-time consolidation of the newly acquired Almato in January 2018.

“We are very satisfied with the start to the new fiscal year. With an increase in revenue of 7 % – or even more than 9 % when considering the effects of IFRS 15 & 16 – we are outperforming the market once again”, says DATAGROUP CEO Max H.-H. Schaber. “And we also remain optimistic for the further course of the year: We have seen a sensational order intake over the last few months and a couple of new orders will only be reflected in revenue over the course of the fiscal year.”

¹ The first-time adoption of IFRS 15 & 16 has an impact on the date as to when the revenue from a project business which has a transition phase and a subsequent operating phase is recognized. Revenue that was shown in the transition phase before is now deferred and spread evenly across the operating phase. As a result, no revenue is shown for large-scale projects which are in the transition phase, e.g. the NRW.Bank project, even though a considerable amount of services is provided. In a comparison to the IFRS standard applied so far, this leads to a negative special effect in revenue in the amount of EUR 1.5m.

Positive order development in the financial services sector in particular

We can report on further success stories around large-scale orders received from well-known customers. Multi-year service contracts with a volume in the medium single- to double-digit million euro range have been concluded with companies from various industries.

The acquisition of customers from the financial services sector has been particularly successful. Following the record order concluded between DATAGROUP Financial IT Services GmbH and NRW.Bank at the end of the last fiscal year, another agreement has been signed at the beginning of the new fiscal year for the full-service outsourcing of IKB Deutsche Industriebank. DATAGROUP will be responsible for the provision and operation of the entire IT infrastructure as a managed service. "The fact that we receive orders in series is proof of our optimal positioning on the grounds of our sector expertise for banks and financial service providers. We therefore expect to announce further deals very soon", says COO Dirk Peters. The financial industry is characterized by high regulatory requirements, the most stringent demands to IT security and highly individualized customer-specific applications. DATAGROUP Financial IT Services GmbH does not only score points because of its many years of experience but also because of the relevant certifications and reporting standards for the documentation of services in the field of business process management.

Outlook for the fiscal year

While the management will traditionally substantiate its plans for the current fiscal year at the AGM on March 14, 2019, it is already foreseeable today that the dynamic growth trend will be maintained. While the last fiscal year was mainly characterized by the consolidation of the newly acquired companies, there will be a stronger focus on potential acquisitions in the current fiscal year.

The medium-term goal of a 13 % EBITDA margin by 2020/21 is still valid – the effects from the first-time adoption of IFRS 15 and 16 will not be taken into consideration for the achievement of this margin target.

An overview of the key performance indicators of Q1 2018/2019 is attached to this document, including a comparison of earnings according to the old and the new IFRS standard.

Financial calendar

- 14.03.2019** Annual General Meeting at the company headquarters in Pliezhausen
- 21.05.2019** Publication of Q2 and H1 figures
- 20.08.2019** Publication of Q3 and 9M figures
- 25.11.2019** Publication of preliminary figures for FY 2018/19

About DATAGROUP:

DATAGROUP is one of the leading German IT service companies. Over 2,000 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. 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 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.

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IFRS Consolidated Financial Statement (not audited) - Figures at a glance

in k€	Change yoy		Change yoy (without IFRS 15+16)		Q1 2018/2019		Change due to IFRS 15+16	Q1 2018/2019 without IFRS 15+16		Q1 2017/2018	
Revenues	4.504	6,9%	5.966	9,2%	69.432	100,0%	-1.462	70.894	100,0%	64.928	100,0%
thereof services and maintenance	3.185	6,0%	4.647	8,8%	56.284	81,1%	-1.462	57.746	81,5%	53.099	81,8%
thereof trade	1.316	11,2%	1.316	11,2%	13.104	18,9%	0	13.104	18,5%	11.788	18,2%
thereof other / consolidation	3	7,3%	3	7,3%	44	0,1%	0	44	0,1%	41	0,1%
Other own work capitalised	-50	-30,1%	-50	-30,1%	116		0	116		166	
Total revenues	4.454	6,8%	5.916	9,1%	69.548	100,0%	-1.462	71.010	100,0%	65.094	100,0%
Material expenses /											
Expenses for purchased services	1.253	6,5%	2.508	13,0%	20.513	29,5%	-1.255	21.768	30,7%	19.260	29,6%
Gross profit	3.201	7,0%	3.408	7,4%	49.035	70,5%	-207	49.242	69,3%	45.834	70,4%
Personnel expenses	2.562	7,8%	2.747	8,4%	35.210	50,6%	-185	35.395	49,8%	32.648	50,2%
Other income etc.	415	49,7%	415	49,7%	1.250	1,8%	0	1.250	1,8%	835	1,3%
Other expenses etc.	-947	-13,6%	625	9,0%	6.017	8,7%	-1.572	7.589	10,7%	6.964	10,7%
EBITDA	2.001	28,4%	451	6,4%	9.058	13,0%	1.550	7.508	10,6%	7.057	10,8%
Depreciation from PPA	126	15,8%	126	15,8%	926	1,3%	0	926	1,3%	800	1,2%
Other depreciation	1.554	61,7%	15	0,6%	4.073	5,9%	1.539	2.534	3,6%	2.519	3,9%
EBIT	321	8,6%	310	8,3%	4.059	5,8%	11	4.048	5,7%	3.738	5,7%
Financial result	112	-16,5%	184	-27,1%	-568	-0,8%	-72	-496	-0,7%	-680	-1,0%
EBT	433	14,2%	494	16,2%	3.491	5,0%	-61	3.552	5,0%	3.058	4,7%
Taxes on income and profit	-5	-0,4%	14	1,1%	1.224	1,8%	-19	1.243	1,8%	1.229	1,9%
Net income	438	23,9%	480	26,2%	2.267	3,3%	-42	2.309	3,3%	1.829	2,8%
Shares ¹⁾					8.331		0	8.331		8.331	
EPS					0,27		-0,01	0,28		0,22	
Tax rate					35,1%		0,1%	35,0%		40,2%	
					31.12.2018			31.12.2018		30.09.2018	
Balance sheet total					231.159		20.080	211.079		215.450	
Equity ²⁾					70.594		4	70.590		68.588	
Equity ratio (in %) ²⁾					30,5		-2,9	33,4		31,8	
Net Debt ²⁾					23.246		19.086	4.160		12.130	
Net Debt ²⁾ to EBITDA					0,7		0,6	0,1		0,4	
1) plus treasury shares:					18		./.	18		18	
2) under consideration of subordinated loans											

DATAGROUP SE
IFRS Consolidated Financial Statement (not audited)

	31.12.2018	Change due to IFRS 15+16	Figures without IFRS 15+16	30.09.2018
	EUR	EUR	EUR	EUR
Assets				
Long-term assets				
Goodwill	46.555.845,34		46.555.845,34	46.555.845,34
Other intangible assets	14.319.689,21		14.319.689,21	15.258.183,90
Property, plant and equipment	48.126.631,27	19.046.841,11	29.079.790,16	22.351.099,31
Long-term financial assets	1.784.915,54		1.784.915,54	1.825.736,14
Claims from reinsurance coverage for pension obligations	5.112.617,60		5.112.617,60	5.112.617,60
Other long-term assets	637.655,36		637.655,36	18.717.631,85
Deferred taxes	5.266.607,85	-2.208,98	5.268.816,83	4.626.597,85
	121.803.962,17	19.044.632,13	102.759.330,04	114.447.711,99
Short-term assets				
Inventories	2.950.159,92	1.035.611,79	1.914.548,13	1.972.027,83
Contract assets ¹⁾	9.188.137,22	1.195.694,11	7.992.443,11	6.464.163,64
Trade receivables	30.960.555,15	-1.195.694,11	32.156.249,26	31.236.083,95
Short-term financial assets	1.264.169,30		1.264.169,30	1.292.923,37
Other short-term assets	21.125.926,31		21.125.926,31	21.336.171,40
Cash and cash equivalents	43.865.964,71		43.865.964,71	38.700.491,68
	109.354.912,61	1.035.611,79	108.319.300,82	101.001.861,87
	231.158.874,78	20.080.243,92	211.078.630,86	215.449.573,86
Liabilities				
Equity				
Subscribed capital	8.349.000,00		8.349.000,00	8.349.000,00
Capital reserve	32.337.372,27		32.337.372,27	32.337.372,27
Repayment of capital	-98.507,73		-98.507,73	-98.507,73
Retained earnings	32.920.661,74	-42.537,11	32.916.636,96	30.607.254,84
Change due to IFRS 15 adoption		46.561,89		
Accumulated other comprehensive income	-4.248.063,55		-4.248.063,55	-3.940.515,10
Balancing item for foreign currency translation	75,67		75,67	24,20
	69.260.538,40	4.024,78	69.256.513,62	67.254.628,48
Long-term liabilities				
Long-term financial liabilities	47.034.251,93	14.031.734,18	33.002.517,75	42.563.987,06
Pension provisions	33.557.993,17		33.557.993,17	40.609.607,36
Other provisions	985.524,63		985.524,63	1.025.527,16
Other long-term liabilities	1.421.885,75		1.421.885,75	1.563.513,35
Deferred taxes	1.001.054,92		1.001.054,92	944.127,49
	84.000.710,40	14.031.734,18	69.968.976,22	86.706.762,42
Short-term liabilities				
Short-term financial liabilities	23.655.865,22	5.054.628,47	18.601.236,75	12.337.501,81
Provisions	8.259.365,36		8.259.365,36	7.284.928,04
Contract liabilities ²⁾	6.899.339,27	6.598.941,32	300.397,95	151.477,31
Trade payables	8.624.564,84		8.624.564,84	5.419.052,91
Income tax liabilities	7.095.469,43		7.095.469,43	6.739.586,79
Other liabilities	23.363.021,84	-5.609.084,83	28.972.106,67	29.555.636,10
	77.897.625,96	6.044.484,96	71.853.141,00	61.488.182,96
	231.158.874,76	20.080.243,92	211.078.630,84	215.449.573,86

1) Previous year: construction contracts

2) Previous year: surplus of liabilities from construction contracts

DATAGROUP SE Consolidated Income Statement

	01.10.2018 - 31.12.2018	Change due to IFRS 15+16 01.10.2018 - 31.12.2018	Figures without IFRS 15+16 01.10.2018 - 31.12.2018	01.10.2017 - 31.12.2017
	EUR	EUR	EUR	EUR
Revenues	69.431.751,72	-1.462.089,52	70.893.841,24	64.927.976,32
Other own work capitalised	116.219,04		116.219,04	166.200,33
Total revenues	69.547.970,76	-1.462.089,52	71.010.060,28	65.094.176,65
Other operating income	1.249.868,16		1.249.868,16	834.748,41
Material expenses / expenses for purchased services	20.512.491,68	-1.254.792,20	21.767.283,88	19.259.288,72
Personnel expenses	35.209.960,84	-184.900,80	35.394.861,64	32.648.460,49
Goodwill amortisation	0,00		0,00	0,00
Depreciation of property, plant and equipment and other intangible assets	4.999.255,06	1.539.106,09	3.460.148,97	3.319.370,40
Other operating expenses	6.017.314,80	-1.571.800,81	7.589.115,61	6.963.607,98
Operating income before restructuring	4.058.816,55	10.298,20	4.048.518,35	3.738.197,48
Restructuring expenses	0,00		0,00	0,00
Operating income	4.058.816,55	10.298,20	4.048.518,35	3.738.197,48
Income from associated companies	0,00		0,00	0,00
Financial income	288.381,12		288.381,12	55.904,79
Financial expenses	856.459,13	72.216,26	784.242,87	735.742,33
Financial result	-568.078,01	-72.216,26	-495.861,76	-679.837,55
Extraordinary result	0,00		0,00	0,00
Earnings before taxes	3.490.738,53	-61.918,06	3.552.656,59	3.058.359,93
Taxes on income and profit	1.223.893,52	-19.380,95	1.243.274,47	1.229.109,77
Net income	2.266.845,01	-42.537,11	2.309.382,12	1.829.250,16

DATAGROUP SE Consolidated Statement of Comprehensive Income

	01.10.2018 - 31.12.2018	Change due to IFRS 15+16 01.10.2018 - 31.12.2018	Figures without IFRS 15+16 01.10.2018 - 31.12.2018	01.10.2017 - 31.12.2017
	EUR	EUR	EUR	EUR
Net income	2.266.845,01	-42.537,11	2.309.382,12	1.829.250,16
Other earnings before taxes¹⁾				
Recalculation of defined benefit obligations	-442.675,00		-442.675,00	-1.313.269,38
Change in balancing items from currency conversion	51,47		51,47	0,00
Other earnings before taxes	-442.623,53		-442.623,53	-1.313.269,38
Income tax effects on other income	-135.126,55		-135.126,55	-407.053,67
Comprehensive income	1.959.348,03	-42.537,11	2.001.885,14	923.034,45

1) These are exclusively items which are not reclassified to the consolidated income statement