

## **DATAGROUP AGM once again resolves higher dividend**

Dividend raised by 33.3 % to 60 cents/share  
Management Board publishes new sales and earnings targets  
Receipt of additional large-scale orders from the financial sector

**Pliezhausen, March 14, 2019. The ordinary AGM of DATAGROUP SE (WKN A0JC8S), which was held today at the company's headquarters near Stuttgart, has resolved an increase in dividend from 45 to 60 cents per share. The shareholders thus will benefit from the record earnings the IT service provider achieved in the last fiscal year. In its forecast for the current fiscal year, the Management Board expects another substantial increase in revenue and earnings.**

At this year's Annual General Meeting of DATAGROUP SE some 67% of the share capital were represented. All agenda items were approved unanimously or with a large majority, including the distribution of a dividend of 60 cents per share (PY 45 cents)<sup>1</sup>. Overall, the company will pay out EUR 4,998,875.40 to its shareholders, corresponding to approx. 40 % of the net profit, calculated in accordance with IFRS.

"We are very proud to again have achieved new records on all levels in the last fiscal year. It is particularly pleasing that we continued to strongly boost EBITDA without one-time acquisition-related special effects and that we raised the EBITDA margin to 12.6 %", said DATAGROUP CEO Max H.-H. Schaber in his speech to the shareholders. With revenue increasing by 21.9 % from EUR 223.1m to EUR 272.1m and earnings before interest, taxes, depreciation and amortization (EBITDA) soaring by + 27.4 % from EUR 27.0m to EUR 34.5m, revenue and earnings have again taken a significant leap forward for the third time in a row<sup>2</sup>.

Earnings before interest and taxes (EBIT) grew by 9.9 % and reached EUR 20.4m (EUR 18.6m). Net income for the period increased by 15 % to EUR 12.9m (EUR 11.2m), earnings per share (EPS) were EUR 1.55 (EUR 1.41<sup>3</sup>).

DATAGROUP again generated a strong operating cash flow in the amount of EUR 19.0m (EUR 32.5m), which is only slightly below the previous year's level (EUR 24.0m vs. EUR 26.7m) when adjusted for special items.

### **Positive annual forecast after a very good first quarter**

The Management Board was also very pleased with the business development in the first quarter of the current fiscal year (01.10.-31.12.2018). DATAGROUP has grown strongly, particularly in its core business of high-margin IT services and has significantly improved the operating profit. In the first

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<sup>1</sup> Based on 8.331m shares in FY 2017/18 and based on the weighted average number of 7.940m shares in FY2016/17

<sup>2</sup> FY 2017/2018: 01.10.2017 – 30.09.2018

quarter of the current fiscal year, revenue was up 6.9 % to EUR 69.4m (PY EUR 64.9m). The share of service revenue declined to 81.1 % (81.8 %).

EBITDA improved disproportionately compared to revenue by 28.4 % to EUR 9.1m (EUR 7.1m), the EBITDA margin rose from 10.8 % to 13.0 %. 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.

“Based on the very good business development, we anticipate new record levels in revenue and EBITDA in the year as a whole”, commented DATAGROUP CEO Max H.-H. Schaber. “Moreover, we may enjoy further increases in earnings driven by acquisition-related one-off effects. We have set ourselves the goal to organically grow revenue to EUR 280 m und achieve an EBITDA of over EUR 43 m. This new guidance does include the positive EBITDA effects from the first-time adoption of IFRS 15 and 16 amounting to EUR 6-7 m, as well as effects reducing sales in the same order of magnitude“, Max H.-H. Schaber went on to explain<sup>4</sup>. The current business development in the second quarter is also showing positive trends.

### **Management plans promissory note loan**

In order to support the future growth DATAGROUP plans shortly to issue up to 70m EUR promissory note loan. “With this issuing we want to seize the currently low interest rate level and extend our financial flexibility for future acquisitions” stated Max H.-H, Schaber. The placement arrangers are Landesbank Baden-Württemberg as well as BayernLB.

### **New Management Board member Andreas Baresel made his debut at the AGM**

Since October 1, 2018, Andreas Baresel, in his role as Chief Production Officer, has ensured there is an optimal coordination in the production of the complex CORBOX services across all our locations. He presented extracts from the Vision 2025 at the AGM and explained possible productivity gains from the further optimization of the centralized supply units. “By combining regional locations and central supply units, we are excellently positioned to realize further efficiency gains through the use of new technologies – for instance, computers with a voice synthesizer in our call centers, and process robots in the production of standardized and frequently recurring processes”, said Andreas Baresel. “We expect a noticeable effect on DATAGROUP’s cost structure driven by further structural optimizations. Thanks to the acquisition of ALMATO in early 2018 we gained access

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<sup>3</sup> The amendment to the accounting rules on revenue recognition (IFRS 15) lead to a shift in revenue for projects which include both a transition and operating phase. Revenue is shifted from the transition phase to the subsequent operating phase. There is virtually no earnings effect (on EBITDA and net income) due to the first-time adoption of IFRS 15. The new standard on leases (IFRS 16) results in positive effects on EBITDA. Instead of leasing instalments for office space and vehicles, an entity now has to recognize depreciation on the right-of-use-assets and interest expenses. This will have a positive impact on EBITDA in FY 2018/2019 in the amount of EUR 6-7m, whilst net income will remain virtually unchanged.

to the essential key expertise in robotic process automation, which we can use in a profitable way in our own company – but which we can, of course, offer to our customers as well“, the new member of the Management Board concluded.

### **Positive order development not only in the financial services sector**

“Only those who consistently focus on the customers’ needs will be successful in the long term”, said COO Dirk Peters. This is also reflected by the outcome of the IT outsourcing study from Whitelane Research and sourcing consultant Navisco: DATAGROUP again reached a top position in customer satisfaction among the leading German IT service providers in 2018. The next fiscal year will be all about continuing to grow and consistently seizing the opportunities offered by the market.

The start to the new reporting period indicates a continuation of dynamic growth in revenue and earnings. DATAGROUP has again secured itself important order volume with new customers and by extending existing contracts. This also includes, for instance, the recent announcement of a new contract with the existing customer IKB Deutsche Industriebank AG and the conclusion of a new IT outsourcing contract with Bankhaus Lampe with a volume of several million euros and a term of five years. “Long-term contracts with recurring income and good profitability form the core of DATAGROUP’s business model. We will continue to develop our business volume with this focus”, said Dirk Peters (COO).

### **Financial calendar**

21.05.2019	Publication of Q2- and H1 figures
16.-18.05.2019	Hauck & Aufhäuser Stock Picker Summit Madrid
13.-15.05.2019	DVFA Spring Conference
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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