

DATAGROUP continues its growth trend in the second quarter of 2016/2017

Figures for Q2 2016/2017 (01.01. – 31.03.2017)

Revenue up by 33%, EBITDA by 77%

Strong organic growth of 10%

Earnings per share skyrocketed from 13 auf 36 cents

Management raises guidance for the current fiscal year

Pliezhausen, May 8, 2017. DATAGROUP SE (WKN A0JC8S) has accelerated its strong and profitable growth in the second quarter of FY 2016/2017 once again. Revenues grew by one third, earnings per share almost tripled. Based on the very good business development and the recent acquisition of IT service provider HanseCom, the management board raises its guidance for FY 2016/2017.

In the second quarter of FY 2016/2017 (01.01. – 31.03.2017), DATAGROUP achieved a strong increase in revenues of 33% yoy. The IT service provider thus has been able to accelerate growth even further after an increase of 29% had been entered in the books in the first quarter. Q2 revenues amounted to EUR 54.6m (previous year EUR 41.1m). This was due to strong organic growth of 10% and the takeover of IT specialists from Hewlett-Packard Enterprise in September 2016. The significant expansion of the high-margin core business with Cloud and outsourcing services leads to a disproportionate increase in earnings. Quarterly earnings before interest, taxes, depreciation and amortisation (EBITDA) jumped 77% to EUR 6.3m (previous year EUR 3.5m). The EBITDA margin was up from 8.6% to 11.5%. Earnings before interest and taxes (EBIT) more than doubled to EUR 4.3m (previous year EUR 1.9m), corresponding to an increase of 123%. Earnings per share (EPS) almost tripled yoy from 13 cents to 36 cents.

In the first half of FY 2016/2017 (01.10.2016 – 31.03.2017) DATAGROUP boosted revenues by 31% to EUR 108m (previous year EUR 82.7m). The increase in EBITDA, which was up 92% yoy to EUR 11.5m (previous year EUR 6.0m), was even more pronounced. EPS improved from 17 cents to 59 cents. When accounting for the 10% capital increase on April 5, 2017, EPS amounted to 54 cents.

“We are very pleased with the course of the fiscal year up to now, especially with the strong organic growth of 10%”, commented DATAGROUP CEO Max H.-H. Schaber. “The operating business with long-term service contracts and recurring income is developing extremely well. The acquisition of IT service provider HanseCom will provide an additional impetus and the successful capital increase creates financial scope for further strong growth. All of this makes us look to the future with great optimism and enthusiasm!”

The capital increase by 10% has substantially strengthened equity. Resulting from a significant extension of the balance sheet by 55% in the last fiscal year, the equity ratio had dropped to below 20% despite the very good operating business trend. The reasons were sharp increases in pension liabilities in the wake of the takeover of 306 IT specialists from Hewlett-Packard Enterprise as well as the issuance of a promissory note loan with a volume of EUR 30m to

secure the low level of interest over the long term. At the reporting date on March 31, 2017, the equity ratio stood at 18% (including subordinated loan: 20%). When including the issue proceeds of the capital increase of over EUR 21m, the equity ratio would have been 28% at the reporting date (including subordinated loan: 29%). The sustainable improvement of the equity base enables DATAGROUP to continue to play an active and dynamic role in the consolidation of the market for IT services.

Since its IPO, DATAGROUP has acquired 19 companies or parts of companies, the most recent of which was Hamburg-based IT service provider HanseCom in early April. The company has some 70 employees and generates annual revenue of ca. EUR 16m, which will be consolidated in the annual financial statement of DATAGROUP SE from May 2017. In line with DATAGROUP's corporate strategy, HanseCom will act as an independent subsidiary in the market under the new name DATAGROUP Operate IT GmbH. At the same time, DATAGROUP's and HanseCom's service profiles will be interlinked so that customers benefit from the broader service offering and expertise within the group.

“An above-average customer satisfaction is one of our most important competitive advantages”, said DATAGROUP board member and Chief Operating Officer Dirk Peters. “As our corporate structure is heavily influenced by the German Mittelstand, we are always close to our customers and at eye-level. At the same time, our structure guarantees a consistently high level of quality. This is achieved with our joint full-service portfolio CORBOX, which is partly produced locally and partly in central service factories, but always on the basis of our standardised production processes. This combination of proximity to our Mittelstand customers and certified process and service qualities is our core strength in the market.”

Based on the very good development of the operating business and the successful acquisition of HanseCom, the management board raises its guidance for the current fiscal year 2016/2017 and now expects revenues of EUR 215 – 225m (previously EUR 210 – 220m) and EBITDA of EUR 22.0 – 23.0m (previously EUR 21.5 – 22.5m).

The complete semi-annual report can be downloaded at <https://www.datagroup.de/en/investor-relations/publikationen/>

About DATAGROUP:

DATAGROUP is a leading German IT service company. Over 1,700 employees at locations across Germany design, implement, and operate IT infrastructure and business applications such as SAP. With CORBOX, DATAGROUP offers its customers all the IT services they need for a stable IT operation. DATAGROUP thus is a full-service provider, serving over 550,000 global IT workplaces 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 SE
IFRS Consolidated Financial Statement (unaudited)
Figures at a glance

in k€	Q2 2016/2017		Q2 2015/2016		Change yoy		Q1-Q2 2016/2017		Q1-Q2 2015/2016		Change yoy	
Revenues	54,623	100.0%	41,088	100.0%	13,535	32.9%	108,054	100.0%	82,680	100.0%	25,374	30.7%
thereof services and maintenance	44,560	81.6%	32,456	79.0%	12,104	37.3%	88,010	81.5%	65,092	78.7%	22,918	35.2%
thereof trade	10,019	18.3%	8,580	20.9%	1,439	16.8%	19,954	18.5%	17,492	21.2%	2,462	14.1%
thereof other / consolidation	44	0.1%	52	0.1%	-8	-15.4%	90	0.1%	96	0.1%	-6	-6.3%
Other own work capitalised	143		268		-125		295		268		27	
Total revenues	54,766	100.0%	41,356	100.0%	13,410	32.4%	108,349	100.0%	82,948	100.0%	25,401	30.6%
Material expenses /												
Expenses for purchased services	15,434	28.2%	13,144	31.8%	2,290	17.4%	30,972	28.6%	27,242	32.8%	3,730	13.7%
Gross profit	39,332	71.8%	28,212	68.2%	11,120	39.4%	77,377	71.4%	55,706	67.2%	21,671	38.9%
Personnel expenses	29,292	53.5%	20,808	50.3%	8,484	40.8%	57,707	53.3%	41,369	49.9%	16,338	39.5%
Other income etc.	1,339	2.4%	588	1.4%	751	127.7%	2,339	2.2%	1,298	1.6%	1,041	80.2%
Other expenses etc.	5,098	9.3%	4,449	10.8%	649	14.6%	10,508	9.7%	9,633	11.6%	875	9.1%
EBITDA	6,281	11.5%	3,543	8.6%	2,738	77.3%	11,501	10.6%	6,002	7.2%	5,499	91.6%
Depreciation from PPA	768	1.4%	647	1.6%	121	18.7%	1,568	1.4%	1,295	1.6%	273	21.1%
Other depreciation	1,209	2.2%	968	2.3%	241	24.9%	2,293	2.1%	1,872	2.3%	421	22.5%
EBIT	4,304	7.9%	1,928	4.7%	2,376	123.2%	7,640	7.1%	2,835	3.4%	4,805	169.5%
Financial result	-474	-0.9%	-515	-1.2%	41	-8.0%	-1,055	-1.0%	-858	-1.0%	-197	23.0%
Restructuring expenses	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBT	3,830	7.0%	1,413	3.4%	2,417	171.1%	6,585	6.1%	1,977	2.4%	4,608	233.1%
Taxes on income and profit	1,097	2.0%	463	1.1%	634		2,098	1.9%	659	0.8%	1,439	
Net income	2,733	5.0%	950	2.3%	1,783		4,487	4.1%	1,318	1.6%	3,169	
Shares ¹⁾	7,572		7,572				7,572		7,572			
EPS	0.36		0.13		0.23	176.9%	0.59		0.17		0.42	247.1%
Tax rate	28.6%		32.8%				31.9%		33.3%			
	31.03.2017		30.09.2016									
Balance sheet total	165,642		159,746									
Equity ²⁾	32,582		30,367									
Equity ratio (in %) ²⁾	19.7		19.0									
Net Debt ²⁾	23,878		24,724									

1) plus treasury shares:

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2) under consideration of subordinated loans

DATAGROUP SE
IFRS Consolidated Financial Statement (unaudited)

	31.03.2017	30.09.2016
	EUR	EUR
Assets		
Long-term assets		
Goodwill	38,523,419.65	38,523,419.65
Other intangible assets	8,668,253.10	9,796,635.28
Property, plant and equipment	10,617,528.82	7,304,107.42
Long-term financial assets	3,642,181.56	2,575,595.87
Claims from reinsurance coverage for pension obligations	5,350,256.50	5,350,256.50
Other long-term assets	18,108,441.97	23,939,880.77
Deferred taxes	4,791,381.40	4,688,287.15
	89,701,463.00	92,178,182.64
Short-term assets		
Inventories	2,221,682.55	1,393,196.96
Trade receivables	21,351,168.26	16,067,991.82
Short-term financial assets	6,840,007.00	2,985,407.07
Construction contracts	3,343,742.37	3,050,462.10
Other short-term assets	17,550,106.26	19,646,579.63
Cash and cash equivalents	24,633,996.60	24,424,218.26
	75,940,703.04	67,567,855.84
	165,642,166.04	159,746,038.48
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	14,771,072.12	12,555,844.21
Accumulated other comprehensive income	-3,476,538.18	-3,476,538.18
	30,582,411.94	28,367,184.03
Long-term liabilities		
Long-term financial liabilities	44,979,690.50	51,837,063.55
Pension provisions	42,564,562.33	41,828,897.33
Other provisions	1,027,417.93	802,667.11
Other long-term liabilities	2,890,115.89	18,941.91
Deferred taxes	2,297,442.68	2,879,833.45
	93,759,229.33	97,367,403.35
Short-term liabilities		
Short-term financial liabilities	11,086,962.80	3,537,825.30
Provisions	4,307,795.30	3,719,902.80
Trade payables	2,902,079.55	2,646,036.61
Surplus of liabilities from construction contracts	113,616.96	21,782.02
Income tax liabilities	2,185,634.85	1,077,475.40
Other liabilities	20,704,435.31	23,008,428.97
	41,300,524.77	34,011,451.10
	165,642,166.04	159,746,038.48

DATAGROUP SE
Consolidated Income Statement (unaudited)

	01.10.2016 - 31.03.2017	01.10.2015 - 31.03.2016
	EUR	EUR
Revenues	108,054,230.89	82,680,378.50
Other own work capitalised	294,804.70	268,156.13
Total revenues	108,349,035.59	82,948,534.63
Other operating income	2,338,888.42	1,298,375.61
Material expenses / expenses for purchased services	30,970,673.88	27,243,680.18
Personnel expenses	57,707,300.00	41,368,787.92
Goodwill amortisation	0.00	0.00
Depreciation of property, plant and equipment and other intangible assets	3,860,616.46	3,167,154.19
Other operating expenses	10,508,446.05	9,632,908.84
Operating income	7,640,887.62	2,834,379.11
Financial income	568,698.57	131,763.94
Financial expenses	1,624,196.63	989,325.64
Financial result	-1,055,498.06	-857,561.70
Earnings before taxes	6,585,389.56	1,976,817.41
Taxes on income and profit	2,098,423.95	658,645.50
Net income	4,486,965.61	1,318,171.91

DATAGROUP SE
Consolidated Statement of Comprehensive Income (unaudited)

	01.10.2016 - 31.03.2017	01.10.2015 - 31.03.2016
	EUR	EUR
Net income	4,486,965.61	1,318,171.91
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	4,486,965.61	1,318,171.91