

DATAGROUP continues profitable growth

Q3 2016/2017 figures (01.04.-30.06.2017)

Revenue 25% up yoy, EBITDA +103%
EBITDA margin clearly double-digit at 13.0%
Earnings per share jump to 45 cents

Pliezhausen, August 21, 2017. DATAGROUP SE (WKN A0JC8S) continues on its strong and profitable growth path. The Cloud and outsourcing service provider raised revenue by 25% yoy in the third quarter of FY 2016/2017. EBITDA even has more than doubled. With last week's takeover of ikb Data, management wants to further accelerate growth.

In the third quarter of FY 2016/2017 (01.04. – 30.06.2017) DATAGROUP generated revenue of EUR 55.1m (previous year EUR 44.0m). DATAGROUP continues to be very successful in promoting growth in the core business with high-quality Cloud and outsourcing services in particular. Service revenue grew disproportionately by 36% to EUR 44.8m (previous year EUR 33.0m), The service share in revenue climbed to over 81% (previous year 75%).

The very strong expansion of the high-margin service business was a major contributor to the disproportionate increase in quarterly earnings. Earnings before interest, taxes, depreciation and amortisation (EBITDA) has doubled yoy to EUR 7.2m (previous year EUR 3.5m, +103%), corresponding to an EBITDA margin of 13.0%. Further improvement in sales quality was the strongest driver of the significant margin expansion. DATAGROUP raised its EBITDA margin in the operating business, i.e. without acquisition-related one-time effects, to 11.1% (previous year 8.0%). Additionally, positive one-time effects from the acquisition of IT service provider HanseCom in May 2017 contributed to quarterly earnings. Earnings before interest and taxes (EBIT) of EUR 5.2m exceeded the previous year's figures of EUR 1.9m by as much as 170%. Below the line, DATAGROUP achieved a net income of EUR 3.5m (previous year EUR -0.5m due to extraordinary tax and interest expenses). Earnings per share amounted to 45 cents (previous year -7 cents) despite the higher number of shares caused by a capital increase.

DATAGROUP thus continues on its strong and profitable growth path. In total, revenue grew by 29% to EUR 163.1m (previous year EUR 126.7m) in the first three quarters of FY 2016/2017 (01.10.2016 – 30.06.2017). EBITDA of EUR 18.7m (previous year EUR 9.6m, +96%) also was well above the level a year earlier. Net income increased tenfold from EUR 0.8m to EUR 8.0m.

“The outstanding earnings development shows the strength of our business model”, commented DATAGROUP CEO Max H.-H. Schaber. “By consistently expanding high-margin Cloud and outsourcing services, we are sustainably enhancing DATAGROUP's profitability and are gradually lifting the operating EBITDA margin. What makes it special is that the average contract term for these kinds of services is around four years. Consequently, we consistently raise the share of recurring income in revenue, whilst profitability and economic stability are increasing. This process is further accelerated by strategic acquisitions.”

DATAGROUP has already acquired two successful Cloud and outsourcing service providers in the current fiscal year. Following the acquisition of Hamburg-based IT provider HanseCom in May, the company last week announced the purchase of ikb Data GmbH. ikb Data is a specialist for IT

outsourcing and data security and has a long-standing expertise in the challenging financial services industry. Both companies are very profitable and strengthen the competences and capacities in DATAGROUP's core businesses.

“With the 20th takeover since 2006, we have taken another important step towards becoming the leading Cloud provider and IT outsourcer for German Mittelstand companies by 2020/2021“, said DATAGROUP COO Dirk Peters. „ikb Data and its proven expertise in handling particularly sensitive data is an excellent fit for us. Operating under the umbrella of DATAGROUP will create new growth opportunities for the company both in the banking sector and in related industries. We look forward to working with our new colleagues.“

The complete Q3 report can be downloaded at

<https://www.datagroup.de/en/investor-relations/publikationen/>

About DATAGROUP:

DATAGROUP is one of the leading German IT service companies. Some 1,900 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, serving over 600k 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.

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DATAGROUP SE IFRS Figures at a Glance (unaudited)

in k€	Q3 2016/2017		Q3 2015/2016		Change yoy		Q1-Q3 2016/2017		Q1-Q3 2015/2016		Change yoy	
Revenues	55.067	100,0%	44.021	100,0%	11.046	25,1%	163.121	100,0%	126.701	100,0%	36.420	28,7%
thereof services and maintenance	44.782	81,3%	33.038	75,1%	11.744	35,5%	132.792	81,4%	98.130	77,5%	34.662	35,3%
thereof trade	10.207	18,5%	10.939	24,8%	-732	-6,7%	30.161	18,5%	28.431	22,4%	1.730	6,1%
thereof other / consolidation	78	0,1%	44	0,1%	34	77,3%	168	0,1%	140	0,1%	28	20,0%
Other own work capitalised	140		167		-27		435		435		0	
Total revenues	55.207	100,0%	44.188	100,0%	11.019	24,9%	163.556	100,0%	127.136	100,0%	36.420	28,6%
Material expenses /												
Expenses for purchased services	15.119	27,4%	15.592	35,3%	-473	-3,0%	46.091	28,2%	42.834	33,7%	3.257	7,6%
Gross profit	40.088	72,6%	28.596	64,7%	11.492	40,2%	117.465	71,8%	84.302	66,3%	33.163	39,3%
Personnel expenses	29.645	53,7%	21.054	47,6%	8.591	40,8%	87.352	53,4%	62.423	49,1%	24.929	39,9%
Other income etc.	2.083	3,8%	590	1,3%	1.493	253,1%	4.422	2,7%	1.888	1,5%	2.534	134,2%
Other expenses etc.	5.343	9,7%	4.588	10,4%	755	16,5%	15.851	9,7%	14.221	11,2%	1.630	11,5%
EBITDA	7.183	13,0%	3.544	8,0%	3.639	102,7%	18.684	11,4%	9.546	7,5%	9.138	95,7%
Depreciation from PPA	642	1,2%	648	1,5%	-6	-0,9%	2.210	1,4%	1.943	1,5%	267	13,7%
Other depreciation	1.375	2,5%	981	2,2%	394	40,2%	3.668	2,2%	2.853	2,2%	815	28,6%
EBIT	5.166	9,4%	1.915	4,3%	3.251	169,8%	12.806	7,8%	4.750	3,7%	8.056	169,6%
Financial result	-352	-0,6%	-1.068	-2,4%	716	-67,0%	-1.407	-0,9%	-1.926	-1,5%	519	-26,9%
EBT	4.814	8,7%	847	1,9%	3.967	468,4%	11.399	7,0%	2.824	2,2%	8.575	303,6%
Taxes on income and profit	1.285	2,3%	1.349	3,1%	-64		3.383	2,1%	2.008	1,6%	1.375	
Net income	3.529	6,4%	-502	-1,1%	4.031		8.016	4,9%	816	0,6%	7.200	
Shares ¹⁾	7.808		7.572				7.572		7.572			
EPS	0,45		-0,07		0,52	-742,9%	1,06		0,11		0,95	863,6%
Tax rate	26,7%		159,3%				29,7%		71,1%			

	30.06.2017	30.09.2016
Balance sheet total	195.910	159.746
Equity ²⁾	57.412	30.367
Equity ratio (in %) ²⁾	29,3	19,0
Net Debt ²⁾	-7.012	24.724
Net Debt ²⁾ to EBITDA		

1) plus treasury shares:

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2) under consideration of subordinated loans

DATAGROUP SE
IFRS Consolidated Financial Statement (unaudited)

	30.06.2017	30.09.2016
	EUR	EUR
Assets		
Long-term assets		
Goodwill	38.523.419,65	38.523.419,65
Other intangible assets	8.640.817,96	9.796.635,28
Property, plant and equipment	12.469.412,92	7.304.107,42
Long-term financial assets	3.090.355,49	2.575.595,87
Claims from reinsurance coverage for pension obligations	5.350.256,50	5.350.256,50
Other long-term assets	18.590.301,78	23.939.880,77
Deferred taxes	4.856.527,90	4.688.287,15
	91.521.092,20	92.178.182,64
Short-term assets		
Inventories	4.967.873,54	1.393.196,96
Trade receivables	23.365.232,64	16.067.991,82
Short-term financial assets	2.425.877,83	2.985.407,07
Construction contracts	2.856.368,71	3.050.462,10
Other short-term assets	15.377.726,56	19.646.579,63
Cash and cash equivalents	55.395.758,22	24.424.218,26
	104.388.837,50	67.567.855,84
	195.909.929,70	159.746.038,48
Liabilities		
Equity		
Subscribed capital	8.349.000,00	7.590.000,00
Capital reserves	32.337.744,27	11.796.385,73
Repayment of capital	-98.507,73	-98.507,73
Retained earnings	18.299.871,07	12.555.844,21
Accumulated other comprehensive income	-3.476.538,18	-3.476.538,18
	55.411.569,43	28.367.184,03
Long-term liabilities		
Long-term financial liabilities	44.271.553,03	51.837.063,55
Pension provisions	42.932.395,33	41.828.897,33
Other provisions	1.191.336,29	802.667,11
Other long-term liabilities	2.661.807,85	18.941,91
Deferred taxes	1.590.602,09	2.879.833,45
	92.647.694,59	97.367.403,35
Short-term liabilities		
Short-term financial liabilities	11.063.858,20	3.537.825,30
Provisions	4.436.383,50	3.719.902,80
Trade payables	5.242.570,67	2.646.036,61
Surplus of liabilities from construction contracts	150.679,23	21.782,02
Income tax liabilities	3.117.353,05	1.077.475,40
Other liabilities	23.839.821,03	23.008.428,97
	47.850.665,68	34.011.451,10
	195.909.929,70	159.746.038,48

DATAGROUP SE
Consolidated Income Statement (unaudited)

	01.10.2016 - 30.06.2017	01.10.2015 - 30.06.2016
	EUR	EUR
Revenues	163.121.030,68	126.701.188,52
Other own work capitalised	435.023,86	435.415,06
Total revenues	163.556.054,54	127.136.603,58
Other operating income	4.422.309,10	1.888.326,48
Material expenses / expenses for purchased services	46.091.975,22	42.833.964,35
Personnel expenses	87.351.563,37	62.423.278,22
Goodwill amortisation	0,00	0,00
Depreciation of property, plant and equipment and other intangible assets	5.878.233,25	4.796.402,19
Other operating expenses	15.851.439,61	14.220.947,01
Operating income	12.805.152,19	4.750.338,29
Financial income	693.541,99	799.473,24
Financial expenses	2.100.144,62	2.725.554,47
Financial result	-1.406.602,63	-1.926.081,24
Earnings before taxes	11.398.549,56	2.824.257,06
Taxes on income and profit	3.382.785,00	2.008.164,11
Net income	8.015.764,56	816.092,95

DATAGROUP SE
Consolidated Statement of Comprehensive Income (unaudited)

	01.10.2016 - 30.06.2017	01.10.2015 - 30.06.2016
	EUR	EUR
Net income	8.015.764,56	816.092,95
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	8.015.764,56	816.092,95

Notes:

This press release does not constitute an interim financial report as defined in IAS 34.
The assets and liabilities taken over as part of the HanseCom acquisition have undergone a preliminary assessment for the purpose of this press release.