

DATAGROUP heading towards record earnings after strong Q3

Figures for Q3 2014/2015 (01.04.-30.06.2015)

Increased focus on high-margin services
EBITDA up 7.7% to EUR 3.1m (previous year: EUR 2.9m)
9M earnings after taxes boosted to EUR 3.2m (previous year: EUR 0.8m)
Acquisition yields sought-after experts and attractive customers
Annual guidance reiterated

Pliezhausen, August 17, 2015. DATAGROUP AG (WKN A0JC8S) today releases Q3 figures for FY 2014/2015 (01.04.-30.06.2015). The IT service company benefits from expanding its business with high-margin IT services. The EBITDA increased significantly again by 7.7% yoy to EUR 3.1m (previous year: EUR 2.9m). The order book also developed very positively. DATAGROUP has reported major orders of some EUR 60m since April. Following its most recent acquisition, the company also secured sought-after IT experts and attractive customer relations to further expand the service business. The guidance for the fiscal year is reiterated.

DATAGROUP generated Q3 revenues of EUR 36.1m (previous year: EUR 36.8m, -1.7% yoy). While revenues in the strategically important business with high-margin IT services increased to EUR 28.9m (previous year: EUR 28.0m, +3.2% yoy), the low-margin trading revenues were down from the previous year's quarter. The service share in revenues increased to 79.9% (previous year: 76.0%). As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) were boosted to EUR 3.1m resulting in an EBITDA margin of 8.6%, which is well above the previous year (7.9%). At EUR 1.7m, earnings before interest and taxes (EBIT) also increased over the previous year (EUR 1.6m, +3,8% yoy). Earnings per share after taxes amounted to 10 cents (previous year 11 cents).

'The focus on high-margin IT services is increasingly paying off', says Max H.-H. Schaber, CEO of DATAGROUP AG. 'We are systematically increasing our profitability and were able to once again significantly exceed the strong result of the same quarter last year. We continue on this path with our most recent acquisition and further expand our service offering. This helps us to even better serve the IT needs of companies, which ask for one-stop customised software solutions and consulting services alongside reliable IT operations with our complete solution CORBOX'.

On August 3, DATAGROUP announced the takeover of employees and customer contracts of Vega Deutschland, a software and consulting company, by way of an asset deal. DATAGROUP thus secures IT experts, who are in high demand as well as attractive customer relations with very little overlap to the group's former customer base. This transaction strengthens DATAGROUP's business with high-quality consulting services, while it also results in cross selling potential for long-term outsourcing contracts.

Strong sales success in the area of new and existing customers

DATAGROUP recorded a strong increase in incoming orders in the second half of the fiscal year as well. In addition to acquiring new customers, the IT service company also focuses on securing and developing existing customer relations as part of its DATAGROUP 2020 growth strategy. Since April, DATAGROUP has announced the extension and expansion of outsourcing contracts with three of its most important customers, including technology group Thales and the Evangelical-Lutheran Church in Wuerttemberg. The contracts have a term of between 3 and 5 years and an overall volume of some EUR 60m. Additionally, DATAGROUP was able to convince attractive new customers of its full-service offer, CORBOX, namely building restoration company Sprint Sanierung GmbH and a food retailer.

‘Revenues of these outsourcing companies are evenly spread over the respective contract term and provide for recurring earnings over several years’, says DATAGROUP COO Dirk Peters. ‘This means high security in planning and economic stability for us. The sales success, which we have achieved in the area of medium and large enterprises, will sustainably boost our revenues and earnings. This will become more visible from Q4 onwards with the start of normal operations at several new customers’.

9M results confirm positive expectations for the full financial year

The significantly improved revenue quality is reflected in the 9M results. Although revenues of EUR 114.6m in the period from October 1, 2014 to June 30, 2015 were slightly lower yoy (previous year: EUR 115.9m, -1.1% yoy), earnings increased considerably. EBITDA was up 15.0% to EUR 10.4m (previous year: EUR 9.1m prior to extraordinary expenses). EBIT came in at EUR 6.2m and thus was also much higher than in the previous year (EUR 4.9m prior to one-offs, +26.3%). The service share grew from 74.9% to 76.3% yoy. Earnings per share jumped by 84.6% to 43 cent (previous year: 23 cent prior to extraordinary expenses). DATAGROUP is heading towards new record earnings in FY 2014/2015.

Based on the very good business trend management reiterated its revenue and earnings guidance, expecting revenues of over EUR 155m and EBITDA of more than EUR 15m for FY 2014/2015.

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 330,000 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.

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

| in k€ | Q3 2014/2015 | | Q3 2013/2014 | | Change yoy | | 9M 2014/2015 | | 9M 2013/2014 | | Change yoy | |
|--|-------------------|---------------|-------------------|---------------|--------------|--------------|----------------|---------------|----------------|---------------|---------------|---------------|
| Revenues | 36,146 | 100.0% | 36,776 | 100.0% | -630 | -1.7% | 114,563 | 100.0% | 115,879 | 100.0% | -1,316 | -1.1% |
| thereof services and maintenance | 28,866 | 79.9% | 27,964 | 76.0% | 902 | 3.2% | 87,385 | 76.3% | 86,736 | 74.9% | 649 | 0.7% |
| thereof trade | 7,237 | 20.0% | 8,747 | 23.8% | -1,510 | -17.3% | 27,018 | 23.6% | 28,939 | 25.0% | -1,921 | -6.6% |
| thereof other / consolidation | 43 | 0.1% | 65 | 0.2% | -22 | -33.8% | 160 | 0.1% | 204 | 0.2% | -44 | -21.6% |
| Other own work capitalised | 105 | | 40 | | 65 | | 128 | | 89 | | 39 | |
| Total revenues | 36,251 | 100.0% | 36,816 | 100.0% | -565 | -1.5% | 114,691 | 100.0% | 115,968 | 100.0% | -1,277 | -1.1% |
| Material expenses / | | | | | | | | | | | | |
| Expenses for purchased services | 10,908 | 30.1% | 12,838 | 34.9% | -1,930 | -15.0% | 38,688 | 33.7% | 42,141 | 36.3% | -3,453 | -8.2% |
| Gross profit | 25,344 | 69.9% | 23,977 | 65.1% | 1,367 | 5.7% | 76,003 | 66.3% | 73,826 | 63.7% | 2,177 | 2.9% |
| Personnel expenses | 18,862 | 52.0% | 17,710 | 48.1% | 1,152 | 6.5% | 56,206 | 49.0% | 53,781 | 46.4% | 2,425 | 4.5% |
| Other income etc. | 655 | 1.8% | 774 | 2.1% | -119 | -15.4% | 3,056 | 2.7% | 1,979 | 1.7% | 1,077 | 54.4% |
| Other expenses etc. | 4,002 | 11.0% | 4,131 | 11.2% | -129 | -3.1% | 12,434 | 10.8% | 12,966 | 11.2% | -532 | -4.1% |
| EBITDA | 3,135 | 8.6% | 2,910 | 7.9% | 225 | 7.7% | 10,419 | 9.1% | 9,058 | 7.8% | 1,361 | 15.0% |
| Amortization and depreciation from PPA | 697 | 1.9% | 697 | 1.9% | 0 | 0.0% | 2,112 | 1.8% | 2,219 | 1.9% | -107 | -4.8% |
| Other depreciation/amortization | 738 | 2.0% | 576 | 1.6% | 162 | 28.1% | 2,103 | 1.8% | 1,927 | 1.7% | 176 | 9.1% |
| EBIT | 1,700 | 4.7% | 1,637 | 4.4% | 63 | 3.8% | 6,204 | 5.4% | 4,912 | 4.2% | 1,292 | 26.3% |
| Financial result | -471 | -1.3% | -460 | -1.2% | -11 | 2.4% | -1,266 | -1.1% | -1,932 | -1.7% | 666 | -34.5% |
| Restructuring expenses | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1,400 | 1.2% | -1,400 | -100.0% |
| EBT | 1,229 | 3.4% | 1,177 | 3.2% | 52 | 4.4% | 4,938 | 4.3% | 1,580 | 1.4% | 3,358 | 212.5% |
| Taxes on income and profit | 453 | 1.2% | 378 | 1.0% | 75 | | 1,694 | 1.5% | 768 | 0.7% | 926 | |
| Net income for the period | 776 | 2.1% | 799 | 2.2% | -23 | | 3,244 | 2.8% | 812 | 0.7% | 2,432 | |
| Shares ¹⁾ | 7,572 | | 7,572 | | | | 7,572 | | 7,572 | | | |
| EPS | 0.10 | | 0.11 | | -0.01 | -9.1% | 0.43 | | 0.11 | | 0.32 | 290.9% |
| EPS before restructuring expenses | 0.10 | | 0.11 | | -0.01 | -9.1% | 0.43 | | 0.23 | | 0.20 | 87.0% |
| Tax rate | 36.9% | | 32.1% | | | | 34.3% | | 48.6% | | | |
| | 30.06.2015 | | 30.09.2014 | | | | | | | | | |
| Balance sheet total | 98,734 | | 95,098 | | | | | | | | | |
| Equity ²⁾ | 24,994 | | 23,264 | | | | | | | | | |
| Equity ratio (in %) ²⁾ | 25.3 | | 24.5 | | | | | | | | | |
| Net debt ²⁾ | 28,060 | | 20,369 | | | | | | | | | |

1) including shares held as treasury shares: 18

2) under consideration of subordinated loans

DATAGROUP AG
IFRS Consolidated Financial Statement (unaudited)

| | 30.06.2015 | 30.09.2014 |
|---|----------------------|----------------------|
| | EUR | EUR |
| Assets | | |
| Long-term assets | | |
| Goodwill | 38,523,419.65 | 34,793,344.21 |
| Other intangible assets | 11,422,938.91 | 11,692,849.80 |
| Property, plant and equipment | 5,729,470.53 | 3,918,320.56 |
| Long-term financial assets | 4,423,592.96 | 2,714,210.29 |
| Claims from reinsurance coverage for pension obligations | 5,364,589.30 | 5,364,589.30 |
| Other long-term assets | 147,633.95 | 161,760.76 |
| Deferred taxes | 1,744,519.22 | 2,108,776.42 |
| | 67,356,164.52 | 60,753,851.34 |
| Short-term assets | | |
| Inventories | 2,279,690.00 | 1,079,230.28 |
| Accounts receivable | 12,088,641.37 | 12,801,207.60 |
| Short-term financial assets | 5,823,191.99 | 3,795,693.07 |
| Production orders | 1,355,100.21 | 901,842.80 |
| Other short-term assets | 6,418,511.21 | 6,318,856.02 |
| Cash and cash equivalents | 3,412,895.10 | 9,447,794.35 |
| | 31,378,029.87 | 34,344,624.12 |
| | 98,734,194.39 | 95,098,475.46 |
| 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 | 7,054,663.27 | 5,324,950.22 |
| Cumulative other comprehensive income | -3,348,507.00 | -3,348,507.00 |
| Minority interest | 0.00 | 0.00 |
| | 22,994,034.27 | 21,264,321.22 |
| Long-term liabilities | | |
| Long-term financial liabilities | 24,538,227.12 | 29,949,434.43 |
| Pension provisions | 11,941,133.86 | 11,944,807.58 |
| Other provisions | 847,782.54 | 860,142.54 |
| Other long-term liabilities | 0.00 | 44,000.00 |
| Deferred taxes | 1,192,867.23 | 1,257,900.19 |
| | 38,520,010.75 | 44,056,284.74 |
| Short-term liabilities | | |
| Short-term financial liabilities | 16,695,071.31 | 7,483,455.87 |
| Provisions | 2,421,809.95 | 2,641,843.14 |
| Accounts payable | 2,821,738.22 | 3,328,094.62 |
| Surplus of liabilities from production orders | 0.00 | 166,658.75 |
| Income tax liabilities | 2,197,252.70 | 2,173,947.85 |
| Other liabilities | 13,084,277.20 | 13,983,869.27 |
| | 37,220,149.37 | 29,777,869.50 |
| | 98,734,194.39 | 95,098,475.46 |

DATAGROUP AG
Consolidated Profit And Loss Statement (unaudited)

| | 01.10.2014 - 30.06.2015 | 01.10.2013 - 30.06.2014 |
|---|----------------------------|----------------------------|
| | EUR | EUR |
| Revenues | 114,563,455.32 | 115,878,961.69 |
| Other own work capitalised | 128,225.69 | 89,255.80 |
| Total revenues | 114,691,681.01 | 115,968,217.49 |
| Other operating income | 3,056,343.25 | 1,979,093.59 |
| Material expenses / expenses for purchased services | 38,688,776.98 | 42,142,477.49 |
| Personnel expenses | 56,205,935.58 | 53,780,958.91 |
| Goodwill amortization | 0.00 | 0.00 |
| Depreciation of fixed assets and other | | |
| Intangible assets | 4,214,976.95 | 4,146,329.49 |
| Other operating expenses | 12,434,239.07 | 12,966,305.41 |
| Operating income before restructuring | 6,204,095.67 | 4,911,239.78 |
| Restructuring expenses | 0.00 | 1,400,000.00 |
| Operating income | 6,204,095.67 | 3,511,239.78 |
| Financial income | 428,756.32 | 340,334.46 |
| Financial expenses | 1,694,433.68 | 2,271,946.29 |
| Financial income | -1,265,677.36 | -1,931,611.83 |
| Earnings before taxes | 4,938,418.31 | 1,579,627.95 |
| Taxes on income and profit | 1,694,213.46 | 767,971.63 |
| Net income for the period | 3,244,204.85 | 811,656.32 |
| thereof minority interests | 0.00 | 0.00 |
| thereof shares of DATAGROUP AG | 3,244,204.85 | 811,656.32 |

DATAGROUP AG
Consolidated Income Statement (unaudited)

| | 01.10.2014 - 30.06.2015 | 01.10.2013 - 30.06.2014 |
|---|----------------------------|----------------------------|
| | EUR | EUR |
| Net income for the period | 3,244,204.85 | 811,656.32 |
| 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 | 3,244,204.85 | 811,656.32 |
| therof minority interests | 0.00 | 0.00 |
| therof shares of DATAGROUP AG | 3,244,204.85 | 811,656.32 |