

DATAGROUP with strong growth in Q3

Pliezhausen, August 22, 2016. DATAGROUP AG (WKN A0JC8S) has accelerated its pace of growth in Q3 of FY 2015/2016 while significantly boosting operating earnings. Revenues, EBITDA and EBIT grew at double-digit rates yoy. In view of the very good performance and the successful takeover of employees and services from Hewlett Packard Enterprise, the management confirms its guidance and targets new records for the fiscal year as a whole.

In Q3 2015/2016 (01.04.2016-30.06.2016), DATAGROUP boosted its revenues at a clear double-digit rate to EUR 44.0m (previous year EUR 36.1m, +22%). The core business with high-margin IT services grew strongly by 15% to EUR 33.0m (previous year EUR 28.9m). In connection with long-term IT outsourcing contracts, the IT service provider has secured lucrative major orders in the trade with hard- and software, increasing trading revenues by 51% to EUR 10.9m (previous year EUR 7.2m).

DATAGROUP's earnings before interest, taxes, depreciation and amortisation (EBITDA) also grew at a double-digit rate. EBITDA was up 13% to EUR 3.5m (previous year EUR 3.1m), as were earnings before interest and taxes (EBIT), which rose to EUR 1.9m (previous year EUR 1.7m, +13%).

DATAGROUP once again accelerated growth with the strong third quarter. Overall, revenues were boosted to EUR 126.7m in the first nine months of the fiscal year (01.10.2015-30.06.2016), which is a strong increase of 11% or EUR 12.1m yoy (previous year EUR 114.6m). However, as a result of high one-time income in the previous year, which will not materialise in this form this year, as well as acquisition-related one-time expenses, earnings remained below the previous year's level. EBITDA came to EUR 9.5m (previous year EUR 10.4m, -8%), corresponding to an EBITDA margin of 7.5% (previous year 9.1%).

"DATAGROUP has seen an excellent operating performance in the fiscal year, particularly in the core business with long-term service contracts and high-quality IT services", comments DATAGROUP COO Dirk Peters. "Thanks to the modular character of our full-service offer CORBOX, we can optimally adjust our offer to our customers' IT requirements, namely across all industries. Since April, we have among others signed multi-year outsourcing contracts with an internationally active construction and real-estate company from Southern Germany, a major state authority and a car manufacturer. And our sales pipeline is very well filled."

Earnings after taxes are burdened by one-time extraordinary tax expenses and related interest expenses in the total amount of some EUR 1.2m. This is attributable to the expected result of an audit, according to which a profit-and-loss transfer agreement between companies of the DATAGROUP group, which was cancelled in 2012, is to be classified as non-tax deductible with retroactive effect. The management of DATAGROUP AG considers this assessment to be incorrect and announced they would appeal against the expected tax assessments. Third quarter results after taxes fell to TEUR -502 (previous year TEUR 776) due to the extraordinary tax and interest expenses. This corresponds to earnings per share (EPS) of -7 cents (previous year 10 cents). After the first nine months of the fiscal year, EPS now amounts to 11 cents (previous year 43 cents).

“The fourth quarter of the fiscal year traditionally is very strong for DATAGROUP, so we will be able to clearly step up a gear in terms of earnings until the end of the fiscal year”, says DATAGROUP CEO Max H.-H. Schaber. “Additionally, the successful takeover of employees from Hewlett Packard Enterprise and the start of service production for HPE’s existing customers on September 1 will further improve our earnings and bring about new record earnings in FY 2015/2016.”

Based on the strong operating performance and the successful takeover of employees and services from Hewlett Packard Enterprise the management confirms the guidance for the fiscal year 2015/2016, expecting revenues of EUR 167-175m, an EBITDA of EUR 15.5-20m and an EPS of 66-100 cent per share. A complete overview of the quarterly figures is available on the company’s website www.datagroup.de in the Investor Relations section.

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 360,000 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.

Contact

DATAGROUP AG
Dr. Michael Klein
Corporate Communications
Wilhelm-Schickard-Str. 7
D-72124 Pliezhausen
Fon +49-7127-970-059
Fax +49-7127-970-033
Michael.Klein@datagroup.de

DATAGROUP AG

IFRS Consolidated Financial Statement (unaudited)

Figures at a glance

in k€	Q3 2015/2016		Q3 2014/2015		Change yoy		Q1-Q3 2015/2016		Q1-Q3 2014/2015		Change yoy	
Revenues	44.021	100,0%	36.146	100,0%	7.875	21,8%	126.701	100,0%	114.563	100,0%	12.138	10,6%
thereof services and maintenance	33.038	75,1%	28.866	79,9%	4.172	14,5%	98.130	77,5%	87.385	76,3%	10.745	12,3%
thereof trade	10.939	24,8%	7.237	20,0%	3.702	51,2%	28.431	22,4%	27.018	23,6%	1.413	5,2%
thereof other / consolidation	44	0,1%	43	0,1%	1	2,3%	140	0,1%	160	0,1%	-20	-12,5%
Other own work capitalised	167		105		62		435		128		307	
Total revenues	44.188	100,0%	36.251	100,0%	7.937	21,9%	127.136	100,0%	114.691	100,0%	12.445	10,9%
Material expenses /												
Expenses for purchased services	15.592	35,3%	10.908	30,1%	4.684	42,9%	42.834	33,7%	38.688	33,7%	4.146	10,7%
Gross profit	28.596	64,7%	25.344	69,9%	3.252	12,8%	84.302	66,3%	76.003	66,3%	8.299	10,9%
Personnel expenses	21.054	47,6%	18.862	52,0%	2.192	11,6%	62.423	49,1%	56.206	49,0%	6.217	11,1%
Other income etc.	590	1,3%	655	1,8%	-65	-9,9%	1.888	1,5%	3.056	2,7%	-1.168	-38,2%
Other expenses etc.	4.588	10,4%	4.002	11,0%	586	14,6%	14.221	11,2%	12.434	10,8%	1.787	14,4%
EBITDA	3.544	8,0%	3.135	8,6%	409	13,0%	9.546	7,5%	10.419	9,1%	-873	-8,4%
Depreciation from PPA	648	1,5%	697	1,9%	-49	-7,0%	1.943	1,5%	2.112	1,8%	-169	-8,0%
Other depreciation	981	2,2%	738	2,0%	243	32,9%	2.853	2,2%	2.103	1,8%	750	35,7%
EBIT	1.915	4,3%	1.700	4,7%	215	12,6%	4.750	3,7%	6.204	5,4%	-1.454	-23,4%
Financial result	-1.068	-2,4%	-471	-1,3%	-597	126,8%	-1.926	-1,5%	-1.266	-1,1%	-660	52,1%
Restructuring expenses	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%
EBT	847	1,9%	1.229	3,4%	-382	-31,1%	2.824	2,2%	4.938	4,3%	-2.114	-42,8%
Taxes on income and profit	1.349	3,1%	453	1,2%	896		2.008	1,6%	1.694	1,5%	314	
Net income	-502	-1,1%	776	2,1%	-1.278		816	0,6%	3.244	2,8%	-2.428	
Shares ¹⁾	7.572		7.572				7.572		7.572			
EPS	-0,07		0,10		-0,17	-170,0%	0,11		0,43		-0,32	-74,4%
EPS before restructuring expenses	-0,07		0,10		-0,17	-170,0%	0,11		0,43		-0,32	-74,4%
Tax rate	159,3%		36,9%				71,1%		34,3%			
	30.06.2016		30.09.2015									
Balance sheet total	116.087		103.346									
Equity ²⁾	24.974		26.051									
Equity ratio (in %) ²⁾	21,5		25,2									
Net Debt ²⁾	43.994		28.154									
Net Debt ²⁾ to EBITDA												

1) plus treasury shares:

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2) under consideration of subordinated loans

DATAGROUP AG
IFRS Consolidated Financial Statement (unaudited)

	30.06.2016	30.09.2015
	EUR	EUR
Assets		
Long-term assets		
Goodwill	38.523.419,65	38.523.419,65
Other intangible assets	9.645.741,98	11.445.269,01
Property, plant and equipment	7.315.006,13	7.316.127,83
Long-term financial assets	2.834.893,78	3.822.514,90
Claims from reinsurance coverage for pension obligations	5.354.911,90	5.354.911,90
Other long-term assets	109.666,23	134.889,32
Deferred taxes	4.056.610,50	1.464.480,04
	67.840.250,17	68.061.612,65
Short-term assets		
Inventories	4.116.694,52	1.532.497,41
Trade receivables	17.352.382,62	16.667.072,92
Short-term financial assets	6.385.271,48	5.477.056,77
Construction contracts	2.006.021,95	2.994.874,95
Other short-term assets	12.383.881,67	6.348.504,81
Cash and cash equivalents	6.002.393,06	2.264.789,71
	48.246.645,30	35.284.796,57
	116.086.895,47	103.346.409,22
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	7.656.468,50	8.733.490,30
Accumulated other comprehensive income	-3.970.814,23	-3.970.814,23
	22.973.532,27	24.050.554,07
Long-term liabilities		
Long-term financial liabilities	52.254.303,53	24.633.738,97
Pension provisions	12.680.823,03	12.822.342,00
Other provisions	820.145,85	775.192,84
Other long-term liabilities	25.255,98	0,00
Deferred taxes	619.250,90	782.107,01
	66.399.779,29	39.013.380,81
Short-term liabilities		
Short-term financial liabilities	4.538.231,49	14.583.861,69
Provisions	3.094.746,32	2.463.011,85
Trade payables	2.682.740,97	4.748.518,08
Surplus of liabilities from construction contracts	41.817,16	50.989,47
Income tax liabilities	2.503.402,88	3.062.851,29
Other liabilities	13.852.645,09	15.373.241,96
	26.713.583,91	40.282.474,34
	116.086.895,47	103.346.409,22

DATAGROUP AG
Consolidated Profit and Loss Statement (unaudited)

	01.10.2015 - 30.06.2016	01.10.2014 - 30.06.2015
	EUR	EUR
Revenues	126.701.188,52	114.563.455,32
Other own work capitalised	435.415,06	128.225,69
Total revenues	127.136.603,58	114.691.681,01
Other operating income	1.888.326,48	3.056.343,25
Material expenses / expenses for purchased services	42.833.964,35	38.688.776,98
Personnel expenses	62.423.278,22	56.205.935,58
Goodwill amortisation	0,00	0,00
Depreciation of property, plant and equipment and other intangible assets	4.796.402,19	4.214.976,95
Other operating expenses	14.220.947,01	12.434.239,07
Operating income	4.750.338,29	6.204.095,67
Financial income	799.473,24	428.756,32
Financial expenses	2.725.554,47	1.694.433,68
Financial result	-1.926.081,24	-1.265.677,36
Earnings before taxes	2.824.257,06	4.938.418,31
Taxes on income and profit	2.008.164,11	1.694.213,46
Net income	816.092,95	3.244.204,85

DATAGROUP AG
Consolidated Income Statement (unaudited)

	01.10.2015 - 30.06.2016	01.10.2014 - 30.06.2015
	EUR	EUR
Net income	816.092,95	3.244.204,85
Other earnings before taxes¹⁾		
Actuarial gains or losses from pension provisions	0,00	0,00
Income tax effects on other income	0,00	0,00
Comprehensive income	816.092,95	3.244.204,85