

DATAGROUP grows strongly and boosts quarterly profit

Figures for Q1 2016/2017 (01.10.-31.12.2016)

Revenue +29 %, EBITDA +112 %
EBITDA margin soars from 5.9 % to 9.7 %
EPS up from 5 cents to 23 cents

Pliezhausen, February 22, 2017. DATAGROUP SE (WKN A0JC8S) started the fiscal year 2016/2017 with a very strong first quarter in operating terms. The IT service provider increased revenues by 29 %. Profit grew even more pronounced due to the expansion of the high-margin Cloud and outsourcing services.

In the first quarter of the fiscal year (01.10.-31.12.2016), revenues grew significantly to EUR 53.4m (previous year EUR 41.6m). This growth was particularly strong in the core business with IT services, where revenues were up 33 % to EUR 43.5m (previous year EUR 32.6m). As a result, earnings increased disproportionately strong. At EUR 5.2m, earnings before interest, taxes, depreciation and amortisation (EBITDA) were more than twice as high as in the previous year's quarter (previous year EUR 2.5m). The EBITDA margin jumped from 5.9 % to 9.7 %. The increase in earnings before interest and taxes (EBIT) was even more marked. EBIT grew by 268 % to EUR 3.3m (previous year EUR 0.9m). Net income soared from EUR 0.4m in the previous year to EUR 1.8m. Accordingly, earnings per share (EPS) grew strongly from 5 cents to 23 cents.

“We had an excellent start to the new fiscal year“, commented DATAGROUP CEO Max H.-H. Schaber. “Thanks to the successful takeover of employees from Hewlett-Packard Enterprise we have experienced a strong surge in growth and improved our operating profitability. At the same time, organic growth has accelerated further. We have grown by more than 6 % in the first quarter even without the additional revenues from the HPE deal. As we are focused on the business with long-term Cloud and outsourcing contracts the share of recurring income in revenue continues to be expanded and contribution margins and earnings are spread more evenly across the fiscal year. This is very well reflected in our outstanding result in the first quarter that is traditionally rather weak.“

The new fiscal year also started very well in terms of sales and marketing. In addition to the successful acquisition of new customers for the full-service offer CORBOX, DATAGROUP has also extended several long-term contracts with important key accounts since October 2016, including contracts with a media company and with a company from the real-estate sector. Both contracts have a term of three years each and a total volume of more than EUR 16m in service revenues over the contractual term.

“The retention of existing customers is just as important to us as the acquisition of new customers“, commented Dirk Peters, COO of DATAGROUP SE. “We are therefore very pleased that we are very successful in both areas. The examples show that we convince customers and stakeholders both substantively with our full-service offer CORBOX and personally through proximity, availability and reliability. Our very solid customer base is an excellent starting point for further organic growth.“

DATAGROUP plans to move from Entry Standard to Deutsche Börse's new SME segment "Scale"

In the wake of the abolition of the Entry Standard, the exchange-regulated open market segment, on February 28, 2017, DATAGROUP is making preparations to move to "Scale", the successor segment. "In the short term, the move into the new open market quality segment is the right step for DATAGROUP, especially since we have already voluntarily more than fulfilled the increased transparency requirements in the best interest of our shareholders for a long time", says DATAGROUP CEO Schaber. "In line with the company's further growth, however, we see DATAGROUP in the Prime Standard in the medium term. We will therefore propose to the AGM to authorise the management board to move to the regulated market associated with prospectus requirements, if the cost-benefit ratio is favourable. Until then, however, the new SME segment is the right place for us."

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€	Change yoy		Q1 2016/2017		1. Quartal 2015/2016	
Revenues	11,839	28.5%	53,431	100.0%	41,592	100.0%
thereof services and maintenance	10,814	33.1%	43,450	81.3%	32,636	78.5%
thereof trade	1,023	11.5%	9,935	18.6%	8,912	21.4%
thereof other / consolidation	2	4.5%	46	0.1%	44	0.1%
Other own work capitalised	152	0	152		0	
Total revenues	11,991	28.8%	53,583	100.0%	41,592	100.0%
Material expenses /						
Expenses for purchased services	1,440	10.2%	15,538	29.0%	14,098	33.9%
Gross profit	10,551	38.4%	38,045	71.0%	27,494	66.1%
Personnel expenses	7,854	38.2%	28,415	53.0%	20,561	49.4%
Other income etc.	290	40.8%	1,000	1.9%	710	1.7%
Other expenses etc.	226	4.4%	5,410	10.1%	5,184	12.5%
EBITDA	2,761	112.3%	5,220	9.7%	2,459	5.9%
Depreciation from PPA	-1,989	-71.3%	800	1.5%	2,789	6.7%
Other depreciation	2,321	-187.6%	1,084	2.0%	-1,237	-3.0%
EBIT	2,429	267.8%	3,336	6.2%	907	2.2%
Financial result	-238	69.4%	-581	-1.1%	-343	-0.8%
EBT	2,191	388.5%	2,755	5.1%	564	1.4%
Taxes on income and profit	805	410.7%	1,001	1.9%	196	0.5%
Net income	1,386	376.6%	1,754	3.3%	368	0.9%
Shares (in thousand units) ¹⁾			7,572		7,572	
EPS (in €)			0.23		0.05	
Tax rate			36.3%		34.8%	
			31.12.2016		30.09.2016	
Balance sheet total	5,323	3.3%	165,069		159,746	
Equity ²⁾	1,755	5.8%	32,122		30,367	
Equity ratio (in %) ²⁾			19.5		19.0	
Net Debt ²⁾	-382	-1.5%	24,342		24,724	
Net Debt ²⁾ to EBITDA	0	-9.3%	1.2		1.3	
1) plus treasury shares (in thousand units):			18		18	
2) under consideration of subordinated loans						

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	31.12.2016	30.09.2016
	EUR	EUR
Assets		
Long-term assets		
Goodwill	38,523,419.65	38,523,419.65
Other intangible assets	9,045,683.47	9,796,635.28
Property, plant and equipment	9,061,341.97	7,304,107.42
Long-term financial assets	4,208,341.36	2,575,595.87
Claims from reinsurance coverage for pension obligations	5,350,256.50	5,350,256.50
Other long-term assets	18,076,039.25	23,939,880.77
Deferred taxes	4,871,323.91	4,688,287.15
	89,136,406.11	92,178,182.64
Short-term assets		
Inventories	2,737,000.42	1,393,196.96
Trade receivables	18,210,278.61	16,067,991.82
Short-term financial assets	6,573,119.76	2,985,407.07
Construction contracts	2,892,692.58	3,050,462.10
Other short-term assets	20,750,102.44	19,646,579.63
Cash and cash equivalents	24,769,355.92	24,424,218.26
	75,932,549.73	67,567,855.84
	165,068,955.84	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	14,310,273.44	12,555,844.21
Accumulated other comprehensive income	-3,476,538.18	-3,476,538.18
	30,121,613.26	28,367,184.03
Long-term liabilities		
Long-term financial liabilities	53,417,447.75	51,837,063.55
Pension provisions	42,196,729.33	41,828,897.33
Other provisions	901,504.78	802,667.11
Other long-term liabilities	3,168,928.90	18,941.91
Deferred taxes	2,871,225.41	2,879,833.45
	102,555,836.17	97,367,403.35
Short-term liabilities		
Short-term financial liabilities	4,038,780.89	3,537,825.30
Provisions	4,240,265.94	3,719,902.80
Trade payables	4,371,011.79	2,646,036.61
Surplus of liabilities from construction contracts	172,545.27	21,782.02
Income tax liabilities	1,474,311.71	1,077,475.40
Other liabilities	18,094,590.81	23,008,428.97
	32,391,506.41	34,011,451.10
	165,068,955.84	159,746,038.48

DATAGROUP SE
Consolidated Income Statement (unaudited)

	01.10.2016 - 31.12.2016	01.10.2015 - 31.12.2015
	EUR	EUR
Revenues	53,430,562.62	41,591,871.88
Other own work capitalised	151,947.82	0.00
Total revenues	53,582,510.44	41,591,871.88
Other operating income	999,663.96	710,252.64
Material expenses / expenses for purchased services	15,537,282.30	14,097,573.06
Personnel expenses	28,415,396.51	20,561,024.77
Goodwill amortisation	0.00	0.00
Depreciation of property, plant and equipment and other intangible assets	1,883,523.94	1,552,162.56
Other operating expenses	5,409,512.00	5,184,122.71
Operating income	3,336,459.65	907,241.42
Financial income	128,220.56	160,011.17
Financial expenses	709,534.40	502,598.03
Financial result	-581,313.85	-342,586.86
Earnings before taxes	2,755,145.81	564,654.56
Taxes on income and profit	1,000,716.59	196,469.36
Net income	1,754,429.22	368,185.20

DATAGROUP SE
Consolidated Statement of Comprehensive Income (unaudited)

	01.10.2016 - 31.12.2016	01.10.2015 - 31.12.2015
	EUR	EUR
Net income	1,754,429.22	368,185.20
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	1,754,429.22	368,185.20

1) These are exclusively items which are not reclassified to the consolidated income statement