



Publication of 9-Month Figures 2018/2019:

DATAGROUP generates double-digit growth in revenue and earnings

REVENUE +12.8 %; EBITDA +15.3 %; EBIT +20.2 %; EBT +26.7 %. EBITDA MARGIN 12.2 %.

(ALL FIGURES PRIOR TO APPLICATION OF IFRS 15 AND 16)

Pliezhausen, August 20, 2019. DATAGROUP SE (WKN A0JC8S) today publishes figures for the first nine months of FY 2018/2019. The first-time consolidation of UBL Informationssysteme GmbH and the good level of incoming orders of the past quarters resulted in a further acceleration of sales growth.

In the period under review (01.10.2018 - 30.06.2019) revenue was up 12.8 % to EUR 224.7m (previous year EUR 199.2m). On a comparable basis (prior to the effects from the first-time application of IFRS 15 and 16). The proportion of service revenue improved to 83.3 % (PY 82.5 %). Adjusted operating earnings before taxes, interest, depreciation and amortization (EBITDA) climbed by 15.3 % to EUR 27.4m (PY EUR 23.8m).

The EBITDA margin (adjusted) of 12.2 % slightly increased compared to the prior-year level (11.9 %). Earnings before interest and taxes (EBIT), increased disproportionately to revenue (adjusted) by +20.2 % to EUR 16.0m (PY EUR 13.3m). The EBIT margin improved from PY 6.7 % to 7.1 % (adjusted). EBT improved by 26.7 % to EUR 14.5m (PY EUR 11.4m). Earnings per share (EPS) were EUR 1.16, exceeding the previous year's 94 cents by 23.4 %.

UBL Informationssysteme GmbH, which was acquired early in April, has been consolidated since April 1, 2019 and thus contributes to revenue and earnings for the first time in the third quarter.

In the current fiscal year, the first-time adoption of IFRS 15 and 16 leads to deferrals in revenue and EBITDA recognition for the period¹ – these effects are shown in detail in the overview of key figures below:

Revenue in €k	Q1-Q3 2018/2019		Changes IFRS 15+16	Q1-Q3 2018/2019 w/o IFRS 15+16		Q1-Q3 2017/2018		Changes YoY		Changes YoY (w/o IFRS 15+16)	
Revenue	213,919	100.0%	-10,785	224,704	100.0%	199,192	100.0%	14,727	7.4%	25,512	12.8%
Thereof Service and Maintenance	176,452	82.5%	-10,785	187,237	83.3%	164,430	82.5%	12,022	7.3%	22,807	13.9%
EBITDA	32,663	15.2%	5,267	27,396	12.2%	23,751	11.9%	8,912	37.5%	3,645	15.3%
EBIT	16,088	7.5%	115	15,973	7.1%	13,288	6.7%	2,800	21.1%	2,685	20.2%
EBT	14,340	6.7%	-117	14,457	6.4%	11,411	5.7%	2,929	25.7%	3,046	26.7%
Net income	9,615	4.5%	-80	9,695	4.3%	7,823	3.9%	1,792	22.9%	1,872	23.9%

¹ The first-time adoption of IFRS 15 and 16 has an impact on the date as to when the revenue from a project business which has a transition and a subsequent operating phase is recognized. Revenue that was shown in the transition phase before is now deferred and spread evenly across the operating phase. As a result, no revenue is shown for large-scale projects which are in the transition phase even though a considerable amount of services is provided. In a comparison to the IFRS standard applied so far, this leads to a negative special effect in revenue in the amount of EUR 10.8m.



Revenue in €k	Q1-Q3 2018/2019	Changes IFRS 15+16	Q1-Q3 2018/2019 w/o IFRS 15+16	Q1-Q3 2017/2018	Changes YoY	Changes YoY (w/o IFRS 15+16)
Shares (in 1,000 pieces)	8,331	0	8,331	8,331		
EPS (in EUR)	1.15	-0.01	1.16	0.94		

Focus on long-term service contracts pays off

“After our new fiscal year got off to a very good start, sales growth has further accelerated in the last three months, whilst the development of earnings has kept pace to say the least”, said CEO Max H.-H. Schaber. “The major orders announced over the last few months are gradually taking effect now after the transition periods. In this respect, the long-term contracts with recurring sales and high added value provide great planning certainty for our business which will have a dual positive effect on earnings.”

The results of UBL Informationssysteme GmbH (UBL), which was acquired on April 1, 2019, were included in the figures for the first time. In addition to higher revenue, UBL makes a positive contribution to EBITDA. “Thanks to our in-depth experience and the established processes for the takeover of new units the merger with UBL has been running smoothly so far”, said DATAGROUP CPO Andreas Baresel. The acquisition of UBL currently increases the write-downs on the use of long-term assets by some EUR 1.0m per quarter. The effect from the conversion of IFRS rules leads to an additional burden of some EUR 1.7m per quarter on earnings figures below the EBITDA level.

DATAGROUP has signed new long-term service contracts in the third quarter as well. DATAGROUP will provide IT services to Messe München (Munich Trade Fair) over a term of five years. The services from the CORBOX portfolio cover the delivery and operations of the entire server infrastructure, the application management of the sophisticated IT environment and the complete end user service. Altogether, some 1,000 IT workplaces will be supported. Following the termination of the transition period at the end of calendar year 2019, DATAGROUP will support Messe München as a strategic IT provider. The order volume is in the lower double-digit million range over the entire contract term.

Promissory note loan secures long-term financing

The company seized the consistently favorable interest level at the beginning of Q3 to continue its corporate financing through promissory note loans. By taking up funds of EUR 69m over a term of seven years DATAGROUP ensures there is a high degree of planning certainty and financial stability at favorable conditions. The liquid funds have increased the financial scope for further organic and inorganic growth. The promissory notes were placed with the principal banks, which confirms the great confidence the company enjoys among its long-term business partners. As usual, the loan is to be repaid from the strong cash flow.

Whilst the existing financing was continued with promissory note loans, net debt rose from EUR 12.1m to EUR 39.5m or EUR 66.9m (incl. IFRS 15 and 16). This is due, more or less equally, to the following three factors: The financing of the UBL acquisition, changes in the accounting of leases on the basis of IFRS 15 and 16, and the pre-financing of hardware and services as part of the NRW.Bank contract.

Positive outlook confirmed for the full year

“The continued good performance confirms the adjustment of our annual targets made after the first half of the year”, says Max H.-H. Schaber. Based on the entire year, management expects to increase revenue to over EUR 300m (PY EUR 272.1m) and EBITDA, as the most important control and measurement parameter of the operating profitability, to over EUR 38.5m (PY EUR 34.5m) – without the effects from the first-time adoption of IFRS 15 and 16. Following the application of IFRS 15 and 16, management expects revenue in excess of EUR 295m and EBITDA in excess of EUR 45m. “We are very relaxed about a possible economic downturn in Germany”, explains Dirk Peters, COO of DATAGROUP. “Since we almost exclusively provide long-term contractual services by now our business is largely independent of the overall economic development”, says Peters. This is confirmed by the Bitkom-ifo-digital index on the business climate in the digital industry: Even though the expected values of the industry have been declining for some time now, the actual business outlook showed a significantly positive development².

„The vast number of new major orders will lead to disproportionate sales growth from the next fiscal year“, explains Max Schaber. “As we have to recognize the transition revenue over the term of the contracts due to IFRS 15, it currently feels like we’re driving with one foot on the emergency brake. Once the transitions of the new major orders from IKB, NRW.Bank and a couple of other customers are complete, this will have a significantly positive impact on our organic growth”.

An extended version of this release featuring detailed key performance indicators is available for download under www.datagroup.de/en/publications.

² Bitkom-ifo-digital index: Business Climate in the ITC Industry; Prof. Dr. Clemens Fuest, President ifo Institut Achim Berg, President Bitkom Berlin, June 4, 2019



DATAGROUP

Financial Calendar

11.09.2019	Investor Targeting Deutsche Börse AG in Dublin
12.09.2019	Investor Targeting Deutsche Börse AG in London
20.09.2019	CF&B Conference in Amsterdam
23.-24.09.2019	Goldman Sachs & Berenberg German Corporate Conference
23.-27.09.2019	Baader Investment Conference
14.-15.10.2019	CF&B Conference in Paris
25.11.2019	Publication of preliminary figures for FY 2018/2019
25.-27.11.2019	German Equity Forum in Frankfurt am Main
04.-05.12.2019	CF&B Conference in Geneva

About DATAGROUP

DATAGROUP is one of the leading German IT service companies. Over 2,500 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, supporting over 600k global IT workplaces for medium and large enterprises as well as public authorities. The company is growing organically and through acquisitions. The acquisitions strategy is particularly noted for its optimal integration of 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 FOR FURTHER INFORMATION

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Overview of Key Figures

Figures in EUR

		Changes YoY	Changes YoY (w/o IFRS 15+16)	Q1-Q3 2018/2019	Changes IFRS 15+16	Q1-Q3 2018/2019 w/o IFRS 15+16	Q1-Q3 2017/2018	
Revenues	14,727	7.4%	25,512	12.8%	213,919	100.0%	199,192	100.0%
thereof services and maintenance	12,022	7.3%	22,807	13.9%	176,452	82.5%	164,430	82.5%
thereof trade	2,744	7.9%	2,744	7.9%	37,352	17.5%	34,608	17.4%
thereof other / consolidation	-39	-25.3%	-39	-25.3%	115	0.1%	154	0.1%
Other own work capitalised	-99	-17.8%	-99	-17.8%	457	0	556	0
Total revenues	14,628	7.3%	25,413	12.7%	214,376	100.0%	199,748	100.0%
Material expenses / Expenses for purchased services	3,270	5.7%	11,913	20.9%	60,395	28.2%	57,125	28.6%
Gross profit	11,358	8.0%	13,500	9.5%	153,981	71.8%	142,623	71.4%
Personnel expenses	7,346	7.3%	9,483	9.5%	107,455	50.1%	100,109	50.1%
Other income etc.	1,848	63.2%	1,848	63.2%	4,771	2.2%	2,923	1.5%
Other expenses etc.	-3,052	-14.1%	2,220	10.2%	18,634	8.7%	21,686	10.9%
EBITDA	8,912	37.5%	3,645	15.3%	32,663	15.2%	23,751	11.9%
Depreciation from PPA	803	36.3%	803	36.3%	3,013	1.4%	2,210	1.1%
Other depreciation	5,309	64.3%	157	1.9%	13,562	6.3%	8,253	4.1%
EBIT	2,800	21.1%	2,685	20.2%	16,088	7.5%	13,288	6.7%
Financial result	129	-6.9%	361	-19.2%	-1,748	-0.8%	-1,877	-0.9%
EBT	2,929	25.7%	3,046	26.7%	14,340	6.7%	11,411	5.7%
Taxes on income and profit	1,137	31.7%	1,174	32.7%	4,725	2.2%	3,588	1.8%
Net income	1,792	22.9%	1,872	23.9%	9,615	4.5%	7,823	3.9%
Shares (in 1.000 pieces)					8,331	0	8,331	0
<i>plus treasury shares (in 1,000 pieces):</i>					18	./	18	./
EPS					1.15	-0.01	1.16	0.94
Tax rate					32.9%	./	32.9%	31.4%

Figures in EUR

	Changes YoY	Changes YoY (w/o IFRS 15+16)	30.06.2019	Changes IFRS 15+16	30.06.2019	30.06.2018
Balance sheet total			300,720	28,849	271,871	215,450
Equity ³			70,120	-35	70,154	68,255
Equity ratio (in %) ³			23.3	-2.5	25.8	31.7
Net debt ³			66,865	27,335	39,530	12,130
Net debt ³ to EBITDA			1.6	0.6	0.9	0.4

³ Under consideration of subordinated loans



Consolidated Balance Sheet

Figures in EUR	30.06.2019	Change IFRS 15+16	Without IFRS 15+16	30.06.2018
ASSETS				
Long-term assets				
Goodwill	58,997,989.49 ⁴		58,997,989.49	46,555,845.34
Other intangible assets	18,501,886.10		18,501,886.10	15,258,183.90
Property, plant and equipment	58,376,728.35	27,221,749.31	31,154,979.04	22,351,099.31
Long-term financial assets	2,210,233.88		2,210,233.88	1,825,736.14
Claims from reinsurance coverage	5,112,617.60		5,112,617.60	5,112,617.60
for pension obligations	633,864.76		633,864.76	18,717,631.85
Other long-term assets	7,330,498.22	15,135.51	7,315,362.71	4,626,597.85
	151,163,818.40	27,236,884.82	123,926,933.58	114,447,711.99
Short-term assets				
Inventories	25,701,419.08	11,029,083.62	14,672,335.46	1,972,027.83
Contract assets ⁵	8,614,190.10	-8,215,505.82	16,829,695.92	6,464,163.64
Trade receivables	30,400,636.49	-1,200,930.53	31,601,567.02	31,236,083.95
Short-term financial assets	1,293,619.21		1,293,619.21	1,292,923.37
Other short-term assets	21,409,718.52		21,409,718.52	21,336,171.40
Cash and cash equivalents	62,136,805.53		62,136,805.53	38,700,491.68
	149,556,388.93	1,612,647.27	147,943,741.66	101,001,861.87
	300,720,207.33	28,849,532.09	271,870,675.24	215,449,573.86

⁴ Preliminary purchase price allocation of UBL Informationssysteme GmbH

⁵ PY figures: Construction contracts



Figures in EUR	30.06.2019	Change IFRS 15+16	Without IFRS 15+16	30.06.2018
LIABILITIES				
Equity				
Subscribed capital	8,349,000.00		8,349,000.00	8,349,000.00
Capital reserve	32,337,372.27		32,337,372.27	32,337,372.27
Repayment of capital	-98,507.73		-98,507.73	-98,507.73
Retained earnings	35,223,820.67	-81,120.84	35,304,941.51	30,607,254.84
Change due to initial application of IFRS 15	46,561.89	46,561.89	0.00	0.00
Accumulated other comprehensive income	-6,738,389.28		-6,738,389.28	-3,940,515.10
Balancing item for foreign currency translation	11.95		11.95	24.20
	68,431,069.77	-34,558.95	68,465,628.72	67,254,628.48
Long-term liabilities				
Long-term financial liabilities	113,316,019.50	20,787,796.76	92,528,222.74	42,563,987.06
Pension provisions	37,743,976.24		37,743,976.24	40,609,607.36
Other provisions	941,928.10		941,928.10	1,025,527.16
Other long-term liabilities	1,138,630.55		1,138,630.55	1,563,513.35
Deferred taxes	2,800,467.31		2,800,467.31	944,127.49
	155,941,021.70	20,787,796.76	135,153,224.94	86,706,762.42
Short-term liabilities				
Short-term financial liabilities	18,604,341.38	6,547,128.38	12,057,213.00	12,337,501.81
Provisions	7,155,757.54		7,155,757.54	7,284,928.04
Contract liabilities ⁶	6,223,722.08	6,157,363.18	66,358.90	151,477.31
Trade payables	9,278,743.08		9,278,743.08	5,419,052.91
Income tax liabilities	4,076,300.41		4,076,300.41	6,739,586.79
Other liabilities	30,320,451.37	-4,608,197.28	35,067,405.51	29,555,636.10
	75,659,315.86	8,096,294.28	67,563,021.58	61,488,182.96
	300,720,207.33	28,849,532.09	271,870,675.24	215,449,573.86

⁶ PY figures: Surplus of liabilities from construction contracts



Consolidated Income Statement

Figures in EUR	01.10.2018- 30.06.2019	Changes IFRS 15+16	Without IFRS 15+16	01.10.2017- 30.06.2018
Revenues	213,918,918.45	-10,785,049.88	224,703,968.33	199,192,352.01
Other own work capitalised	457,472.08		457,472.08	556,086.10
Total revenues	214,376,390.53	-10,785,049.88	225,161,440.41	199,748,438.11
Other operating income	4,770,613.13		4,770,613.13	2,923,030.92
Material expenses / expenses for purchased services	60,394,867.29	-8,643,323.55	69,038,190.84	57,126,153.33
Personnel expenses	107,455,153.07	-2,137,055.88	109,592,208.95	100,109,013.25
Depreciation of property, plant and equipment and other intangible assets	16,574,806.10	5,152,436.50	11,422,369.60	10,462,572.40
Other operating expenses	18,634,172.98	-5,271,739.43	23,905,912.41	21,685,854.78
Operating income	16,088,004.22	114,632.48	15,973,371.74	13,287,875.27
Financial income	219,514.19		219,514.19	233,695.68
Financial expenses	1,967,227.11	232,478.76	1,734,748.35	2,110,480.72
Financial result	-1,747,712.92	-232,478.76	-1,515,234.16	-1,876,785.05
Earnings before taxes	14,340,291.31	-117,846.28	14,458,137.59	11,411,090.23
Taxes on income and profit	4,724,850.08	-36,725.44	4,761,575.52	3,588,121.37
Net income	9,615,441.23	-81,120.84	9,696,562.07	7,822,968.86



Cosolidated Statement of Comprehensive Income

Figures in EUR	01.10.2018- 30.06.2019	Changes IFRS 15+16	Without IFRS 15+16	01.10.2017- 30.06.2018
Net income	9,615,441.23	-81,120.84	9,696,562.07	7,822,968.86
Other earnings before taxes⁷				
Recalculation of defined benefit obligations	-4,063,295.14		-4,063,295.14	-2,501,666.60
Change in balancing items from currency conversion	-12.25		-12.25	-13.74
Other earnings before taxes	-4,063,307.39	0.00	-4,063,307.39	-2,501,680.34
Income tax effects on other income	-1,265,420.96		-1,265,420.96	-765,338.45
Comprehensive income	6,817,554.80	-81,120.84	6,898,675.64	6,086,626.97

⁷ These are exclusively items which are not reclassified to the consolidated income statement

Consolidated Cash Flow Statement

Figures in EUR	01.10.2018- 30.06.2019	Changes IFRS 15+16	Without IFRS 15+16	01.10.2017- 30.06.2018
Cash flows from operating activities				
Net income for the period	9,615,441.23	-81,120.97	9,696,562.07	7,822,968.85
Interest received	-104,700.42		-104,700.42	-99,830.49
Interest paid	1,287,030.63	232,478.76	1,054,551.87	1,393,672.01
Depreciation and amortisation of current assets	-30,000.00		-30,000.00	30,000.00
Depreciation and amortisation of non-current assets	16,574,901.10	5,152,436.50	11,422,464.60	10,462,572.40
Changes in pension provisions	805,924.10		805,924.10	1,341,714.03
Gains (-) / losses (+) on disposals of non-current assets	49,647.70		49,647.70	61,117.94
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	2,429,323.90		2,429,323.90	-220,996.58
Increase (-) / decrease (+) of inventories, trade receivables and other assets	-21,053,736.59	-2,752,393.51	-18,301,343.08	-3,432,860.17
Increase (+) / decrease (-) of trade payables and other liabilities	-1,471,816.41	2,673,776.67	-4,145,593.08	-3,442,250.23
Other non-cash transactions	-1,415,282.83	46,561.89	-1,461,844.72	-209,618.88
Cash flow from operating activities	6,686,732.41	5,271,739.34	1,414,993.07	13,706,488.88
Cash flow from investing activities				
Cash inflow from sale of property, plant and equipment	79,195.93		79,195.93	46,019.11
Cash outflow for investment in property, plant and equipment	-11,786,880.57		-11,786,880.57	-9,662,278.17
Cash inflow from intangible assets	386,187.20		386,187.20	289,575.74
Cash outflow for investments in intangible assets	-1,951,969.19		-1,951,969.19	-3,210,652.82
Cash outflow for investments in fully consolidated companies	-16,611,873.35		-16,611,873.35	-4,819,076.53
Interest received	104,700.42		104,700.42	99,830.49
Net cash used in investing activities	-29,780,639.55	0.00	-29,780,639.55	-17,256,582.18



Figures in EUR	01.10.2018- 30.06.2019	Changes IFRS 15+16	Without IFRS 15+16	01.10.2017- 30.06.2018
Cash flow from financing activities				
Cash outflow for dividend paid	-4,998,875.40		-4,998,875.40	-3,749,156.55
Cash inflow (+) / outflow (-) for finance lease contracts as part of investments in own property, plant and equipment	-6,685,617.43	-5,039,260.58	-1,646,356.85	-734,796.78
Cash inflow from receipt of liabilities to affiliated companies	440.90		440.90	1,923,087.11
Cash outflow for the repayment of liabilities to banks	-9,687,501.00		-9,687,501.00	-8,020,834.00
Cash inflow from receipt of liabilities to banks	69,000,0000.00		69,000,0000.00	0.00
Interest paid	-1,287,030.63	-232,478.76	-1,054,551.87	-1,393,672.01
Net cash used in financing activities	46,341,416.44	-5,271,739.34	51,613,155.78	-11,975,372.23
Changes in cash and cash equivalents	23,247,509.30	0.00	23,247,509.30	-15,525,465.53
Cash and cash equivalents at the beginning of the period	38,700,224.48		38,700,224.48	53,178,872.62
Cash and cash equivalents at the end of the period	61,947,733.78		61,947,733.78	37,653,407.09