



IT's that simple.

Analyst Presentation, October 19





**Data Center** 

DATAGROUP provides
IT infrastructure as a service
for the carefree management
of mission critical IT.



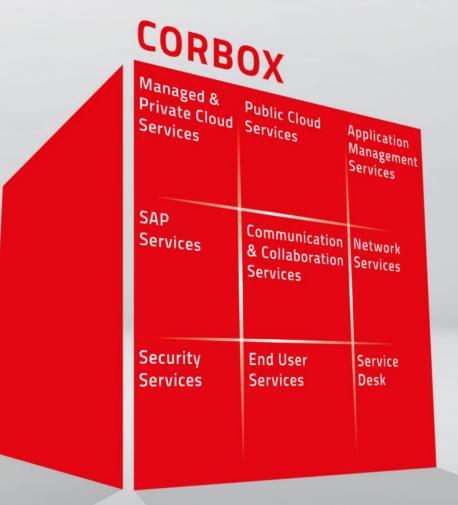
#### Leading IT Service Provider in Germany (Source: Lünendonk)



- Full Service offering for IT and Cloud Services
- For companies with
   100 5.000m € annual
   revenues
- More than 2.500 employees exclusively in Germany
- Close to our customers across Germany
- Competent contact at eye level



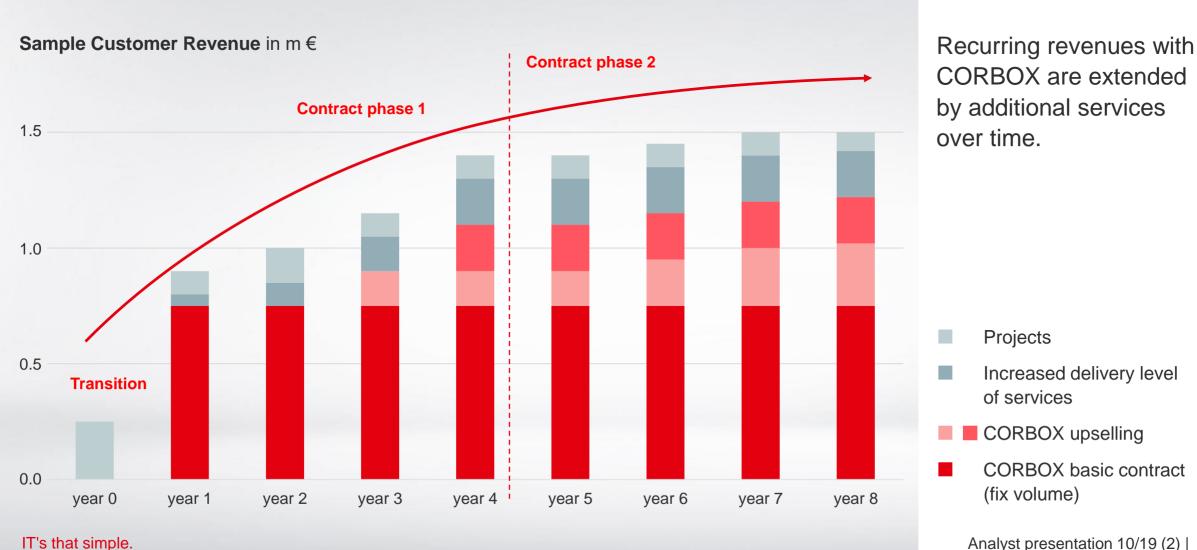




- "Service-as-a-Product" replaces "time-andmaterial"
- Modular offering for care-free IT
- Economies of scale through industrial production
- ISO 20000 certified (TÜV Süd)

## **CORBOX Guarantees Recurring Revenues**





## 1. On the Basis of Standardization IT's that clever.





#### Model = Plant's manual

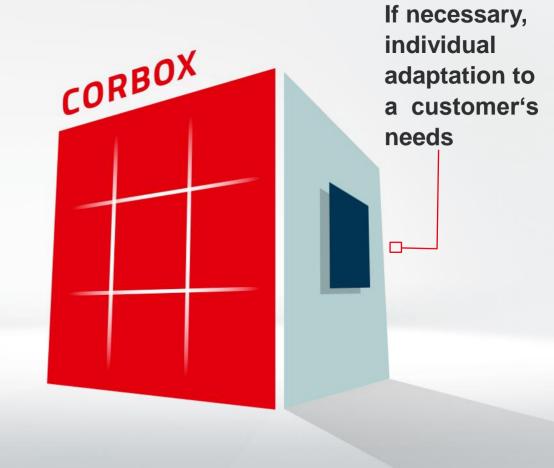
Describes the provision of services according to industrial standards on the basis of defined roles, processes and procedures

#### Standardized services



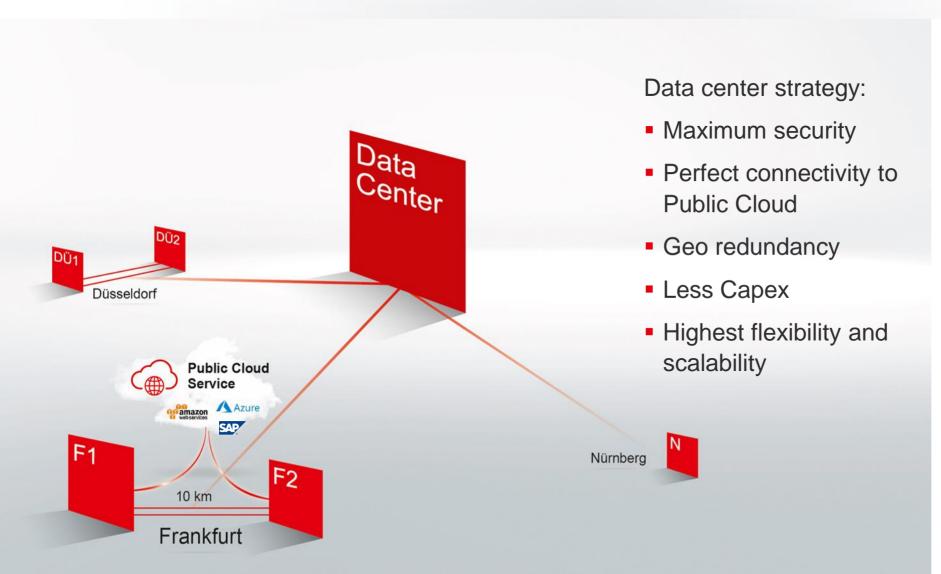
## Service catalogue = Our services

Describes the plant's standardized services



## 2. On the Basis of Data Centers in Germany in Colocation – IT's that clever.





IT's that simple.





## 3. On the Basis of an Optimal Combination of Local and Central Production – IT's that clever.





## Virtually centralized supply units

- Efficiency gains / cost control
- Automation
- Public Cloud Integration
- Scalability / capacity for growth

#### Local presence ensures

- Eye height
- Proximity
- On-site Services
- Sales Success

# DATAGROUP – a Cloud Enabler IT's that moving.





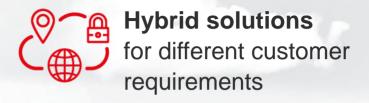


Managed & Private Cloud Services	Public Cloud Services	Application Management Services
SAP Services	Communication & Collaboration Services	Network Services
Security Services	EndUser Services	Service Desk













- Third largest country organization of the French THALES group
- Specialized in aerospace, security and transport
- 4,000 employees in eight locations with their own production and development

Managed & Private Cloud Services	Public Cloud Services	Application Management Services
SAP Services	Communication & Collaboration Services	Network Services
Security Services	EndUser Services	Service Desk

- 1.200 SAP users
- 28 SAP systems in the DATAGROUP Private Cloud
- Consolidation to OneSAP
- Service Desk (on premise + shared support units)
- Business process harmonization
- Infrastructure projects (relocation, renewal, innovation)
- Stability and performance of standard and specialized applications
- Services delivered by DATAGROUP
- Services not delivered by DATAGROUP





- Messe München is one of the world's largest exhibition companies
- In 2018, it counted 202 events, 54,500 exhibitors, 2.9 million visitors and 1,100 employees in Germany and abroad

Managed & Private Cloud Services	Public Cloud Services	Application Management Services
SAP Services	Communication & Collaboration Services	Network Services
Security Services	EndUser Services	Service Desk

- 1,100 managed IT workplaces
- 200 virtual machines and 50 applications
- 21 TB produktive data
- 24,000 IT requests per year

- Services delivered by DATAGROUP
- Services not delivered by DATAGROUP





- N3 is a joint venture of Lufthansa Technik AG and Rolls-Royce plc, founded in 2003
- Leading in the maintenance of aircraft jet engines and Rolls-Royce engines
- 700 employees at the Arnstadt site

Managed & Private Cloud Services	Public Cloud Services	Application Management Services
SAP Services	Communication & Collaboration Services	Network Services
Security Services	EndUser Services	Service Desk

- 160 servers
- 750 managed IT workplaces
- 150 applications
- 12,000 IT requests per year

- Services delivered by DATAGROUP
- Services not delivered by DATAGROUP





- montratec operates globally in intralogistics for Industry 4.0 for the individual integration of production and logistics processes
- > 2,500 installed montrac® systems in all main industries worldwide

Managed & Private Cloud Services	Public Cloud Services	Application Management Services
SAP Services	Communication & Collaboration Services	Network Services
Security Services	EndUser Services	Service Desk

- 13 services from 8 out of 9 CORBOX service families
- Procurement, operation, monitoring, maintenance (updates) of the customer hardware up to mobile devices
- 200 managed IT workplaces
- 1,500 IT requests per year

- Services delivered by DATAGROUP
- Services not delivered by DATAGROUP

### Strong Order Intake with CORBOX IT's that promising.





**Measurement and Monitoring Devices** 

#### **Full Outsourcing**

3 years, 600 T€ / year



**Financial Service Provider Full Outsourcing** 6 years 1.2 m€ / year



**Church Institution Full Outsourcing** 4.5 years 1.7 m€ / year



**Construction and Engineering Full Outsourcing** 4 years 720 T€ / year

# Strong Order Intake with CORBOX IT's that promising.





Retail, Distribution

Comm&Coll, Managed & Private
Cloud, Network Services

2 years

560 T€ / year



Renewable Energies
SAP Services
3 years
Ca. 100 T€ / year



Broadcasting Company

Service Desk und End User Services

4 years (+4)

Single digit million € / year

and many more...

IT's that simple.

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#### Our Customers (Extract)

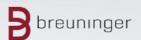


























































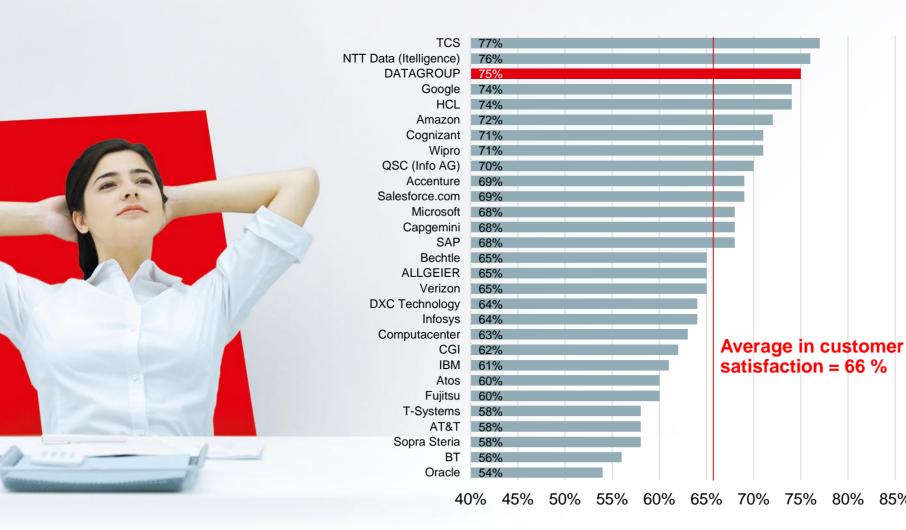




- No cluster risk, largest customer < 4% of gross profit
- No sector risk
- Hardly any economic risk

### DATAGROUP Among Top 3 in Customer Satisfaction





- 600 evaluated outsourcing contracts
- For the 4th time at the top of customer satisfaction
- Top ranks in price and contractual flexibility

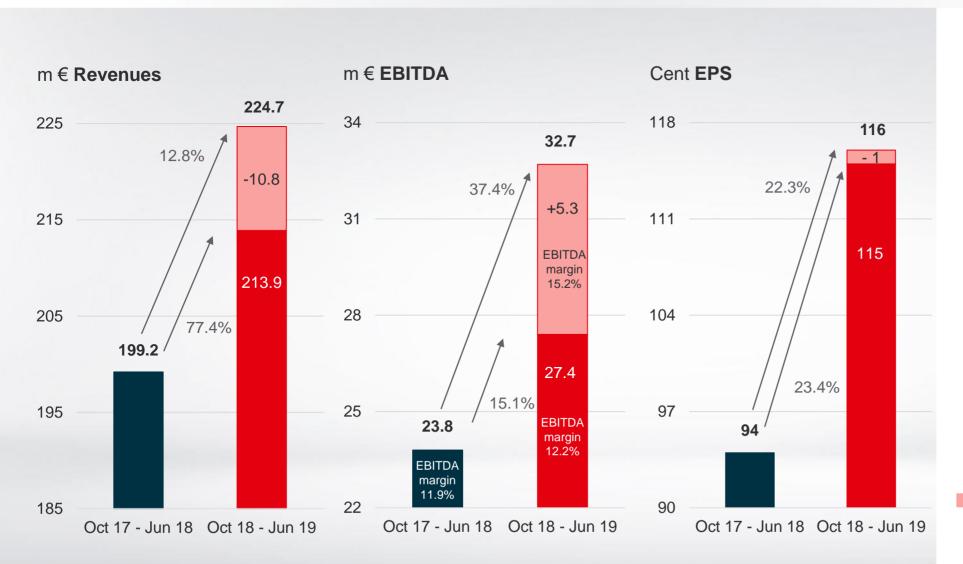
Source: IT Outsourcing Study Germany 2018 by Whitelane Research and Navisco AG





## Q3 18/19 Successful Again -IT's that empowering.





Effects from transition to IFRS 15/16



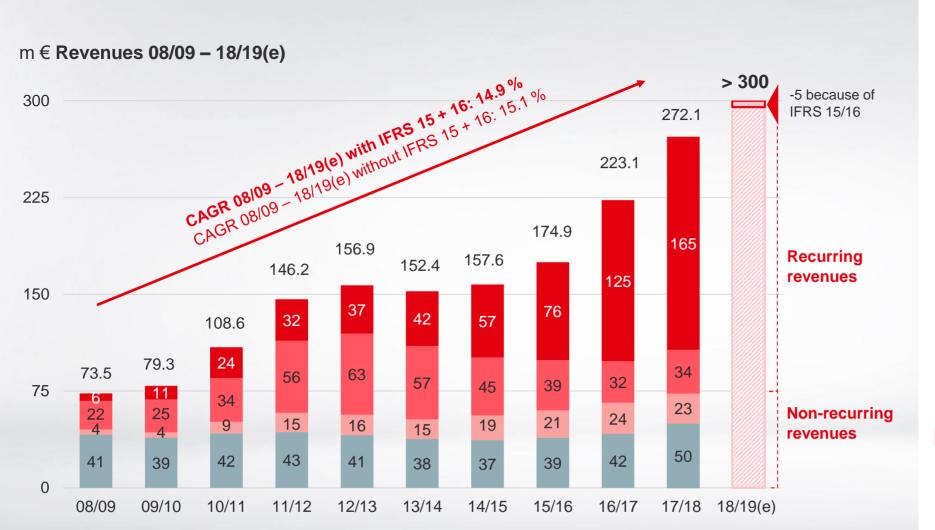
#### Selected Key Balance Sheet Figures of Q3 FY 18/19

In T€	30/09/18	30/06/19 with IFRS 15+16		30/06/19 without IFRS 15+16	
Goodwill	46,556	58,998	26.7%	58,998	26.7%
Long-term financial liabilities	86,707	155,941	79.8%	135,153	55.9%
thereof liabilities to financial institutions	29,764	90,331 <sup>a)</sup>	203.5%	90,331	203.5%
thereof liabilities from finance leases	1,915	22,985 <sup>b)</sup>	1.100.3%	2,197	14.7%
thereof pension provisions	40,610	37,744	-7.1%	37,744	-7.1%
Short-term liabilities	61,488	75,659	23.0%	67,563	9.9%
thereof liabilities to financial institutions	9,943	8,682	-12.7%	8,682	-12.7%
thereof liabilities from finance lease	2,090	9,922 <sup>b)</sup>	374.7%	3,375	61.5%
Cash and cash equivalents	38,700	62,137	60.6%	62,137	60.6%
Accounts receivable	31,236	30,401	-2.7%	31,602	1.0%
Accounts payable	5,419	9,279	71.2%	9,279	71.2%
Net financial debt (short and long term)	12,130	66,865 <sup>c)</sup>	451.2%	39,530	225.9%
Equity ratio <sup>1)</sup> (in %)	31.9	23.3	-27.0%	25.8	-19.1%
Return on equity <sup>2)</sup> (in %)	20.33)	18.8	-7.4%	19.0	-6.6%
Balance sheet total	215,450	300,720 <sup>d)</sup>	39.6%	271,871	26.2%

- 1) Modified equity ratio incl. quasiequity funds
- 2) ROE = surplus (extrapolated for the entire year) / average equity ratio
- 3) Figure referencing to the entire year
- a) Liabilities to banks: Increase due to promissory note loan in the amount of € 69m
- b) Increase due to changes in accounting of long-term leases as finance lease
- c) Distortive effects: Increase due to IFRS 16: + 24.5m; UBL acquisition price: +16.5m; UBL leasing obligations: +6.1m; NRW Bank pre-financing: +20.4m
- d) Higher balance sheet total due to IFRS 15+16 and new promissory note loan

## Strong Growth in Recurring Revenues from High Margin Services





Significant increase of the guidance 18/19 (prev. 280-285 m€)

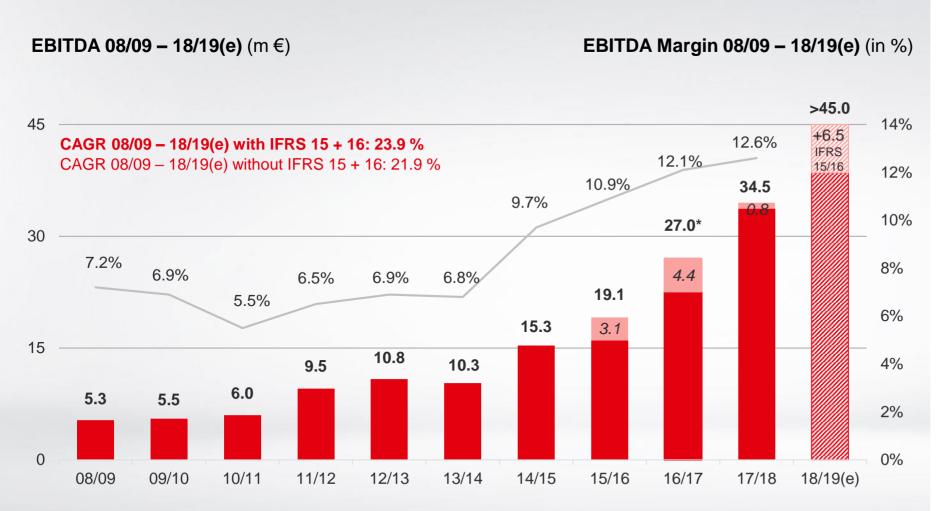
88% gross margin 17/18 through recurring revenues

- Recurring Cloud Services
- Recurring Non-Cloud Sevices
- One time services
- Trade + Others
- Effects from transition to IFRS 15/16

Fiscal Year 01/10 - 30/09

#### Development of EBITDA





- Increase in productivity
- Newly acquired companies exceed forecast

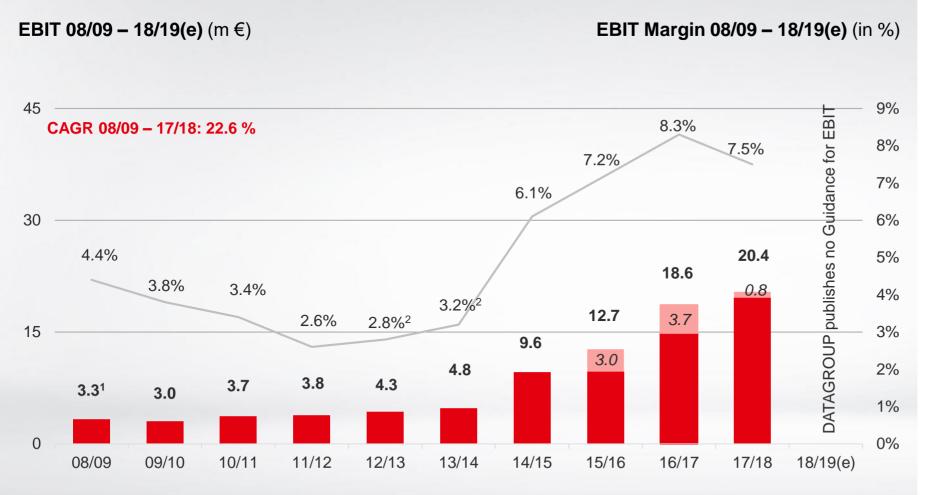
#### Significant increase of the guidance 18/19 (prev. 37-43 m€)

- One-off effects
- Effects from transition to IFRS. 15/16
- EBITDA margin

Fiscal Year 01/10 - 30/09 \*Including 2.7 m€ one-off effects out of lucky buy "HanseCom" and 1.7 m€ HPE/DXC

#### Development of EBIT





One-off effects

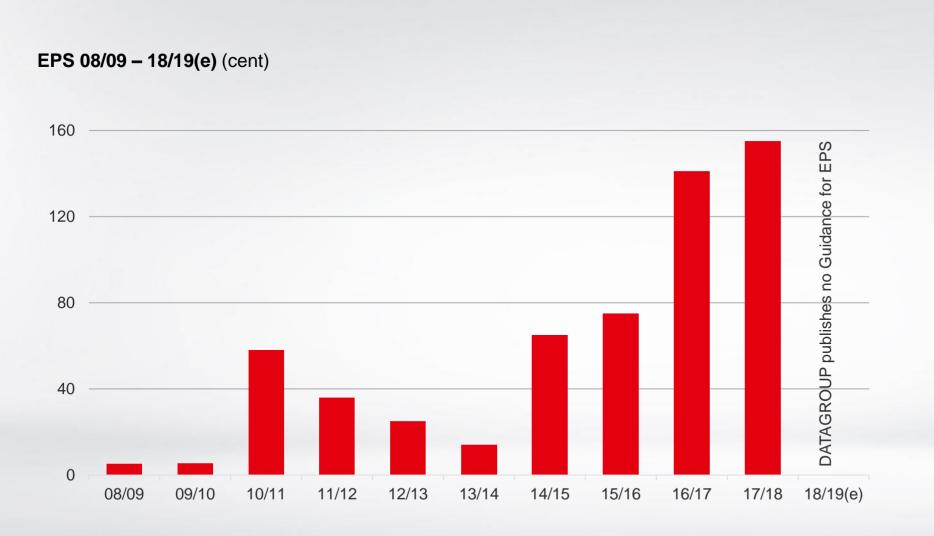
■ EBIT margin

<sup>1</sup> Including depreciation of Goodwill

<sup>2</sup> After restructuring expenses Fiscal Year 01/10 - 30/09

#### Development of EPS



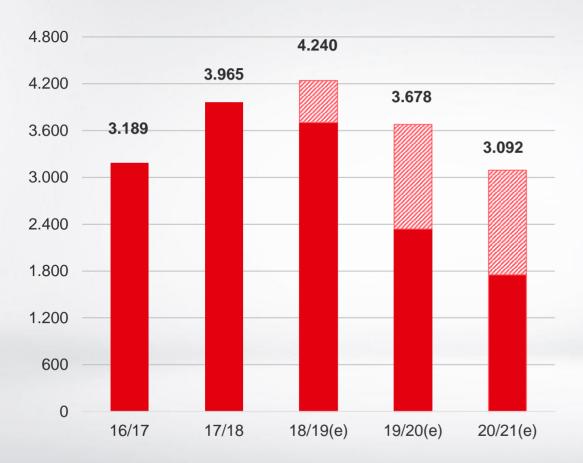


Fiscal Year 01/10 - 30/09

## Development in Amortisation from PPA Well on Track



#### **Development in amortisation from PPA 16/17 – 20/21e** (T €)



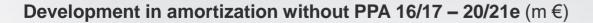
Effects out of acquisition of UBL, IT-Informatik and Mercoline (preliminary estimate)

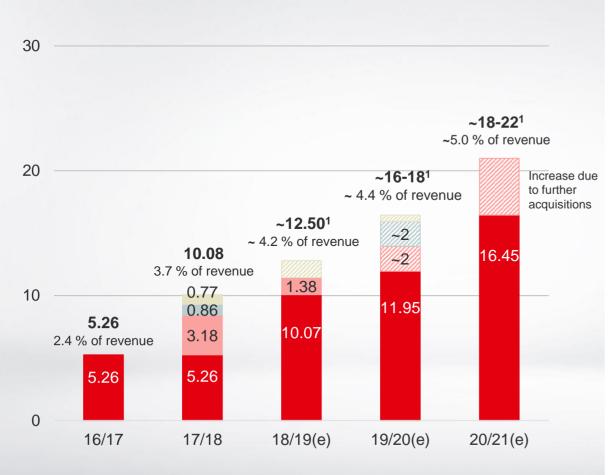
Fiscal Year 01/10 - 30/09

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#### Depreciation without PPA\*







Acquisitions and integrations

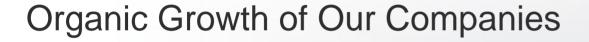
**Data Center** 

Miscellaneous

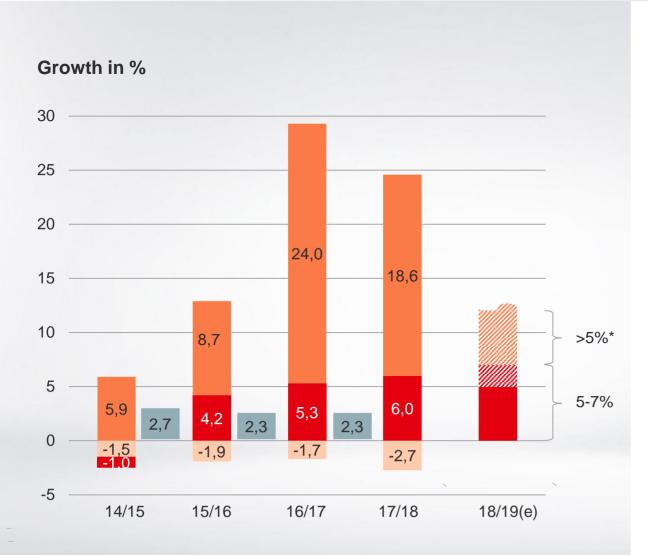
<sup>1</sup> Estimate DATAGROUP before initial consolidation of DATAGROUP Ulm (IT-Informatik) and Mercoline, without further acquisitions

\*Adjusted for IFRS 16 effect Fiscal Year 01/10 - 30/09

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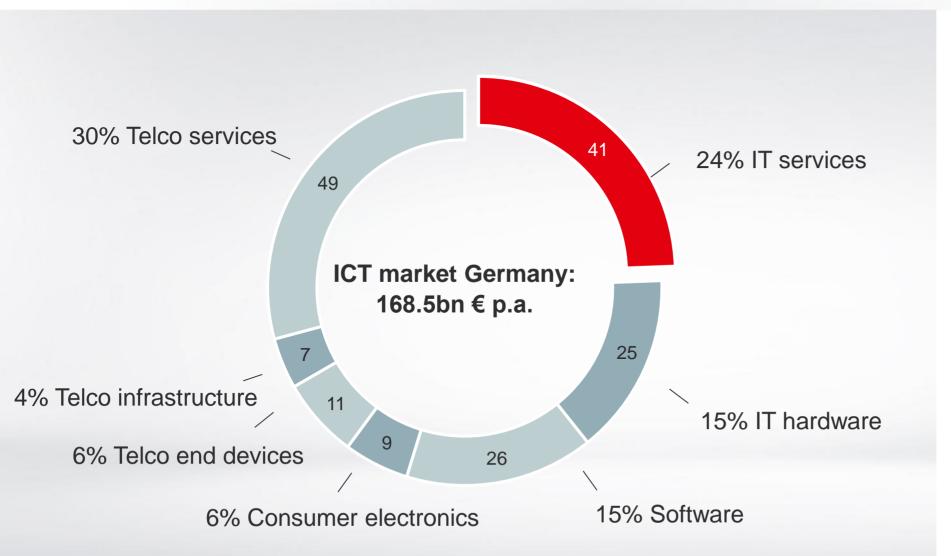


- Newly acquired companies (acquisition growth)
- Parent Companies (organic growth)
- Companies in transformation or reoganization
- Growth rate IT Services Market Germany according to Bitkom (January 19)

<sup>\*</sup> Before initial consilidation of IT-Informatik and Mercoline, adjusted by effects out of first-time application of IFRS 15 Fiscal Year 01/10 - 30/09

### **Growth Strategy**





in m €

Source: Bitkom, January 19

#### Growth pillar 1: New customer acquisition





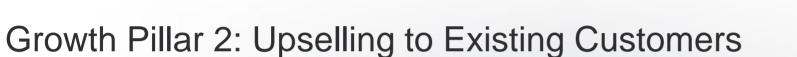
- App. 5.000 potential CORBOX customers in segment 100m - 5.000m € in revenues
- Therefrom currently 167 existing customers

#### Fiscal Year 18/19 until today

24 new CORBOX customers

(≥ 20 new customers planned per year)

Fiscal Year 01/10 - 30/09



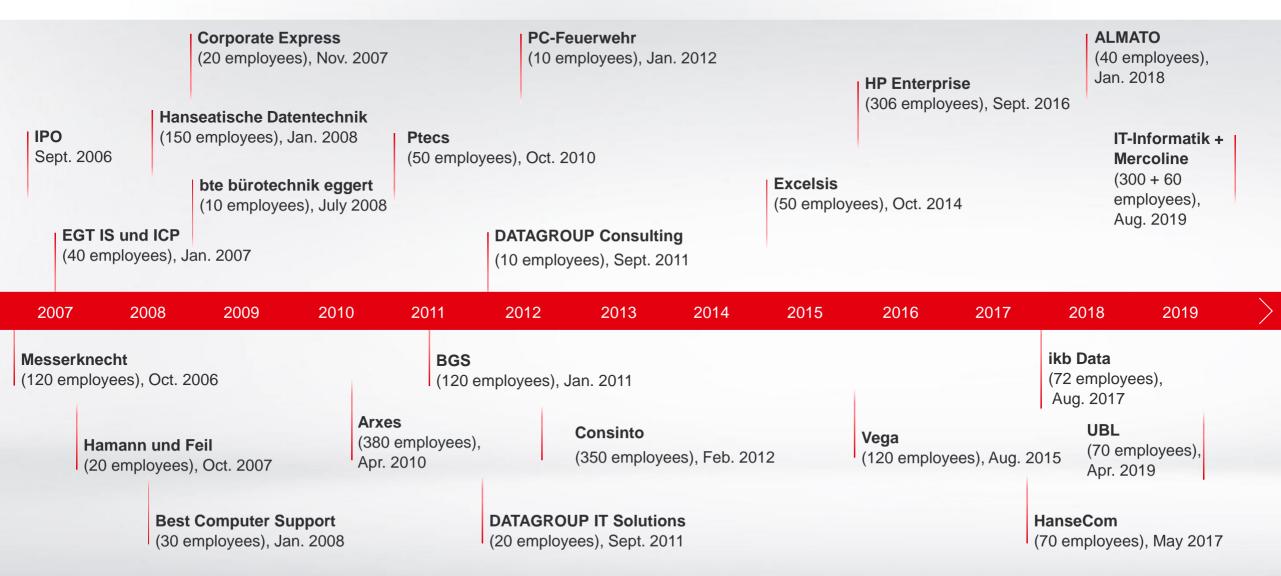




- Fiscal Year 18/19 significant up- and crossselling of 12 customers until now
- Growth potential until 20/21: to app. 20m € p.a. additional revenue

# DATAGROUP

#### Growth Pillar 3: Acquisitions



### **Our Latest Acquisitions** On August 1, 2019 Assets of IT-Informatik GmbH





- Acquisition of assets and employees as well as individual subsidiaries of IT-Informatik
- Specialist for SAP consulting and maintenance, cloud infrastructure and software development with years of experience (1987)
- 300 employees, around 200 of them SAP experts that further strengthen our SAP competence
- Addition of a broad portfolio of SME customers
- Improvement of our foot prints in Ulm, Berlin and Barcelona
- Low purchase price
- New corporate name with immediate effect: DATAGROUP Ulm GmbH

### **Our Latest Acquisitions** On April 1, 2019 UBL Informations systeme GmbH

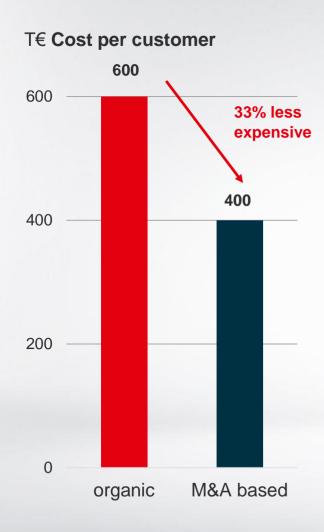




- Experienced multi-cloud and managed service provider from the Rhine-Main region
- 70 employees develop, implement and operate customized data center and cloud solutions
- UBL fits perfectly to DATAGROUP in terms of philosophy and portfolio
- Thanks to UBL we expand our competencies by modern infrastructure and platform services, know-how in public clouds and in container technology
- The still young container technology makes it possible to port applications between different systems and to operate them separately if required – an important advantage
- In 2018, UBL generated revenue of ca. 20m € and a double-digit EBITDA margin

## Cost of Growth Organic vs. M&A Based





#### **Organic growth**

(per customer ca. 600 T€)

- Slow
- Uncertain
- Expensive

#### M&A based growth

(per customer ca. 400 T€)

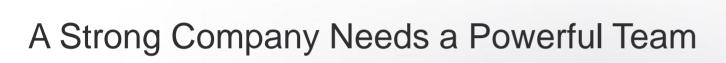
- Faster
- More secure
- Less expensive



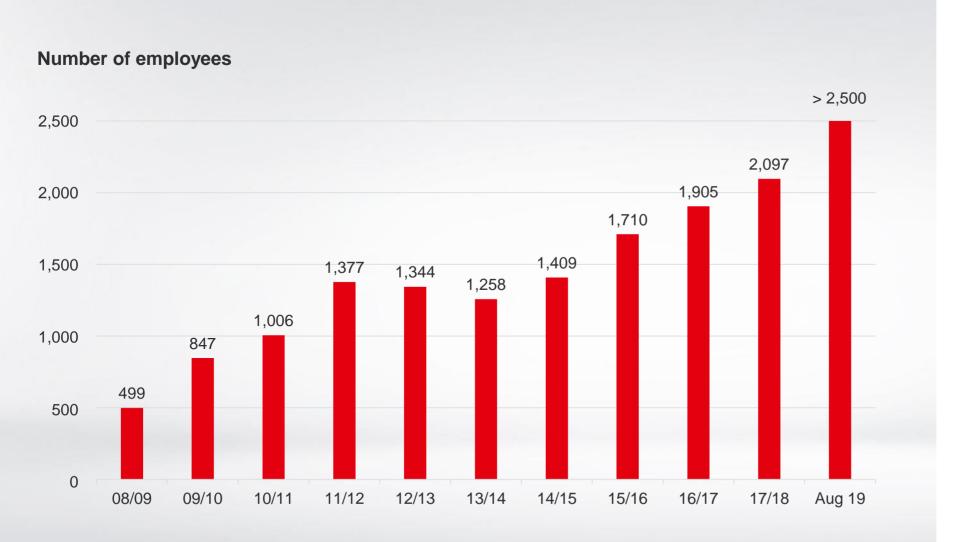


Company (Years of acquisition: 2006 – 2018)	Price of acquisition (net)	Multiples at date of acquisition		Multiples on the basis of actual / forecast 17/18		
	In T€	EBITDA	EBIT	EBITDA	EBIT	
Company 1	1,460	1.8	2.1	0.8	0.9	
Company 2	13,199	4.7	4.9	2.7	2.7	
Company 3	477	2.7	2.4	0.1	0.1	
Company 4	1,031	1.1	1.1	0.7	0.8	
Company 5	19,649	4.1	4.9	3.6	6.0	
Company 6	5,758	4.6	5.4	5.8	7.7	
Company 7	-6,147			-1.8	-2.0	
Company 8	-54	-0.1	-0.1	0	0	
Company 9	9,906	2.2	5.5	2.5	11.8	
Company 10	6,829	6.6	7.3	4.1	4.4	
Multiples average		3.4	4.6	2.2	3.0	

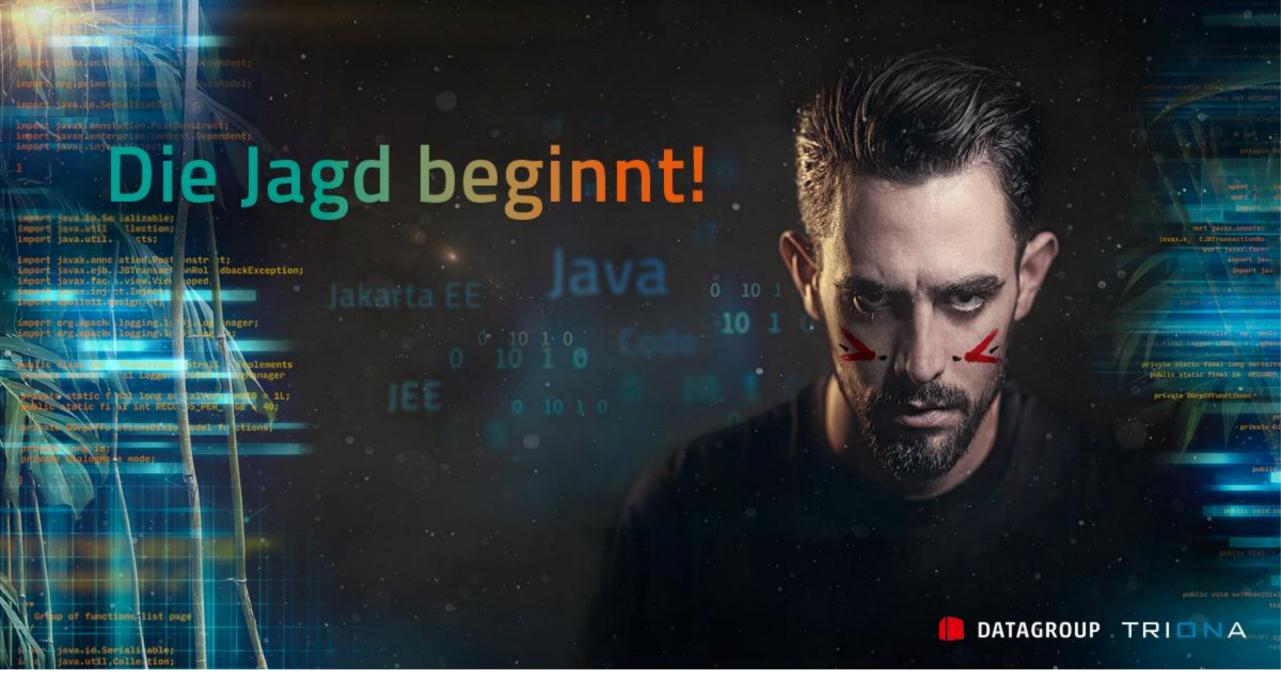
- Prices are rising
- Maximum paid until now: 8 times EBIT
- Further acquisitions in pipeline









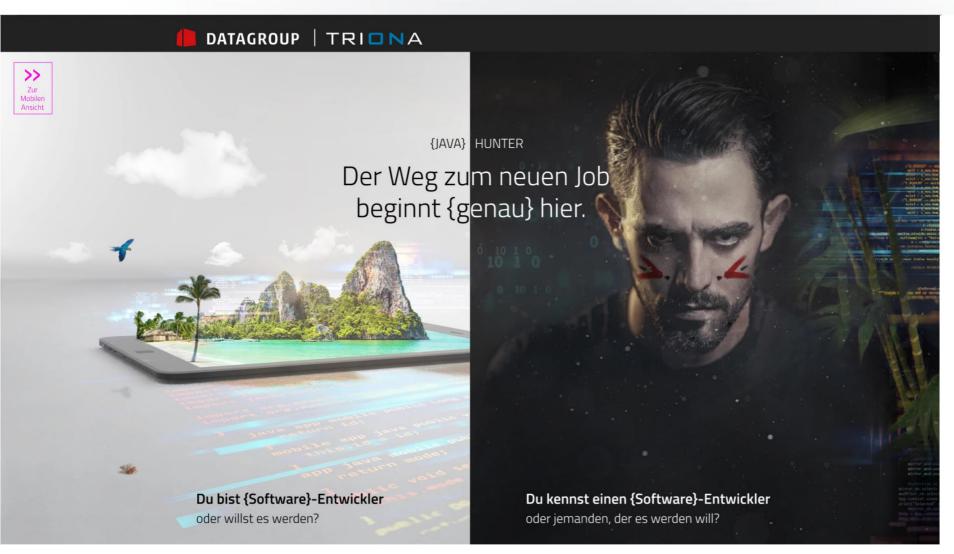


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## Java Hunter – Recruiting of Needed Profiles





#### Direct approach

- of potential Java Academy trainees and
- "finished" Java developer

#### Everyone approach

- Bring the trainee / Java developer!
- MacBook or comparable advice as reward (was not even needed)

# **DATAGROUP**

# Two Afterwork Recruiting Events in a Bar in Mainz





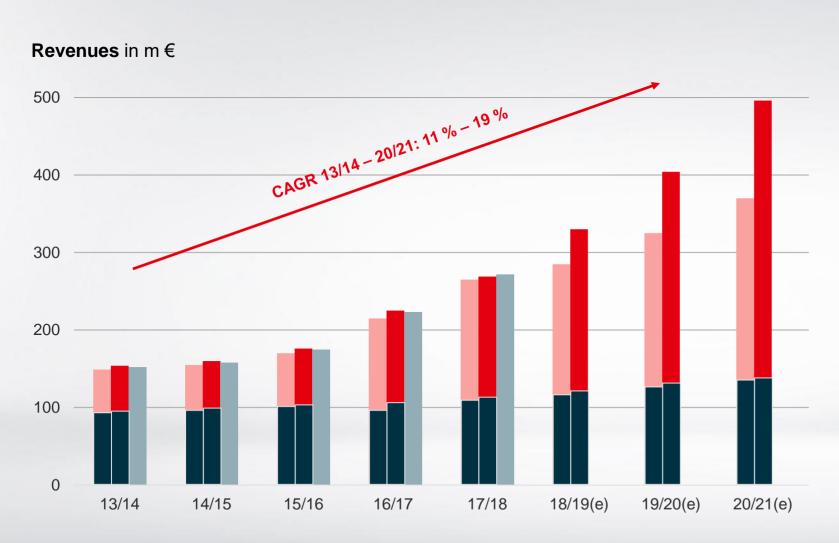
#### Resounding Success



- Very effective recruiting campaign to win the attention of hard-to-find job profiles out of 32 candidates 23 fit
- Attractive cost-benefit ratio one employment is 50% less cost intensive than using a personnel service provider
- Sustainable recruiting campaign unsolicited applications until today
- Great motivation among existing employees
- Strong employer branding effect we present ourselves as young, modern, different
- Press releases in Computerwoche and Frankfurter Allgemeine Sonntagszeitung

# Scenarios incl. Acquisitions and Upselling Conclusion: Strong Growth with 3 Pillars Possible





#### Ambition by 20/21:

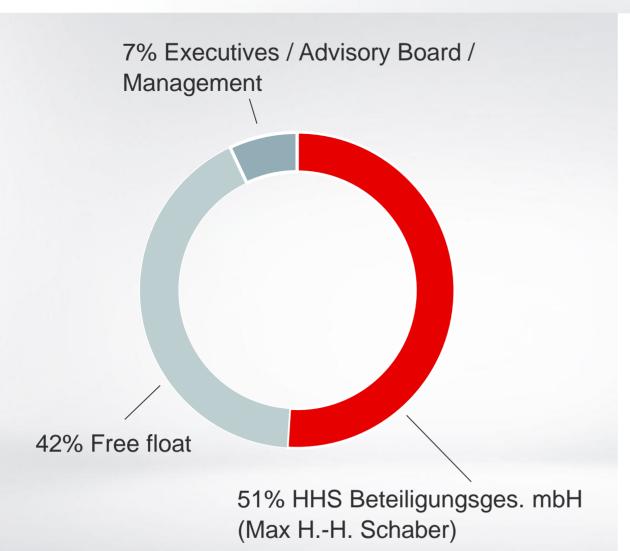
- > 13% EBITDA
- > 15% EBITDA after transition to IFRS 15/16
- ~ 10% EBIT

- min. CORBOX revenues
- max. CORBOX revenues
- realized revenues
- other revenues except **CORBOX**

Fiscal Year 01/10 - 30/09

#### Shareholder Structure





- 8.349 m shares
- 423.3 m € market cap (04.10.19)

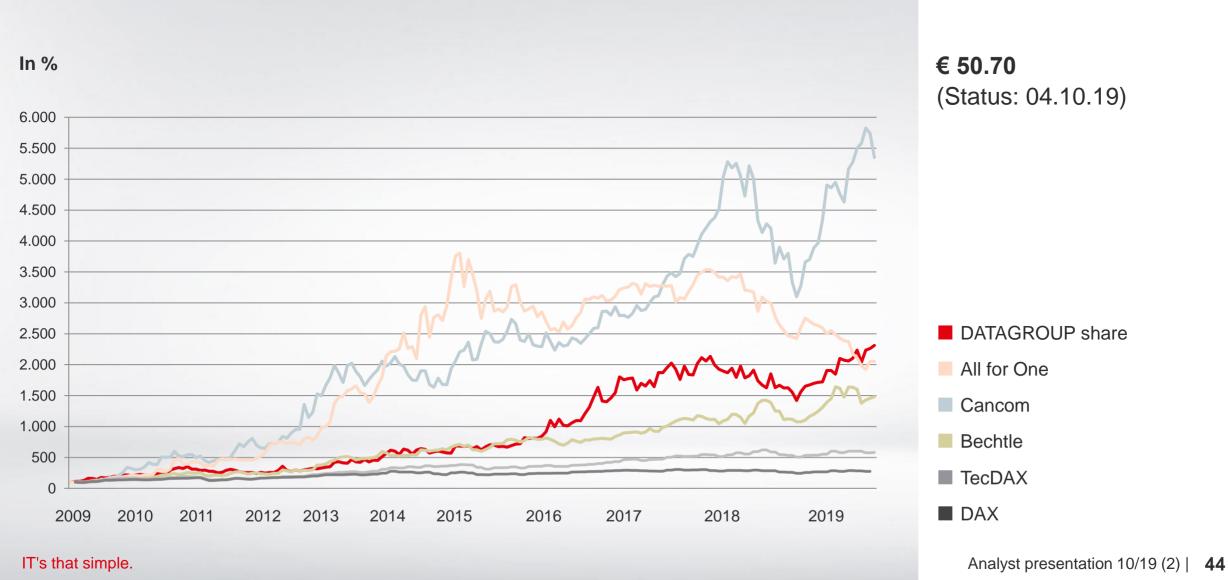
#### Main shareholder in free float\*:

Prozent %
4.42
2.76
1.92
0.62
0.60
0.60
0.58
0.48
0.36
0.36
0.34

<sup>\*</sup> HAUCK & AUFHÄUSER: Designated Sponsoring Report September 19



## DATAGROUP Share vs. Indices and Peer Group



## Analysts' Comment (Target Price/Rating)











56.00 €, Buy (Update)

52.00 €, Buy (Update)

36.00 €, Sell (Update)

**Qualitative Analysis** (Update)



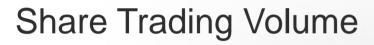
54.00 €, Buy (Update)



49.00 €, Buy (Update)



51.00 €, Buy (Update)







Source: Hauck & Aufhäuser

# Why Invest in DATAGROUP? IT's that profitable.





- Leading IT service provider for the German "Mittelstand"
- Strong profitability: EBITDA-Margin 12.0% (14.7%) after transition to IFRS 15/16)
- 7.4 % EBIT margin (first HY 18/19)
- Strong growth: CAGR of 15% from FY 08/09 until 17/18
- Recurring revenues: 88% of gross profit are based on service level agreements
- High resilience: IT base operation is largely independent of worldwide economic developments
- No sector risk and no cluster risk in the customer base

# **Upcoming Events**





IT's that simple.

**14-15.10.19 CF&B Conference Paris** 

**14.-15.11.19** Warburg "Meet the Future Conference" Berlin

**25.11.19** Publication of the preliminary figures for the fiscal year 18/19

**26.11.19** Deutsches Eigenkapitalforum Frankfurt am Main

**02.-05.12.19** Berenberg European Conference 2019 Pennyhill Park

**•** 04-05.12.19 CF&B Conference Geneva

Berenberg Opportunities Conference London **11.03.20** 





## Selected Profit and Loss Statement Figures of Q3 FY 18/19

In T€	Q1-Q3 17/18		3 18/19 RS 15+16		3 18/19 FRS 15+16
Revenues	199,192	213,919	7.4%	224,704	12.8%
Other own work capitalised	556	457	-17.8%	457	-17.8%
Total revenues	199,748	214,376	7.3%	225,161	12.7%
Material expenses / expenses for purchased services	57,125	60,395	5.7%	69,038	20.9%
Gross profit	142,623	153,981	8.0%	156,123	9.5%
Personnel expenses	100,109	107,455	7.3%	109,592	9.5%
EBITDA	23,751	32,663	37.5%	27,396	15.3%
EBIT	13,288	16,088	21.1%	15,973	20.2%
Financial result	-1,877	-1,748	-6.9%	-1,516	-19.2%
EBT	11,411	14,340	25.7%	14,457	26.7%
Net income	7,823	9,615	22.9%	9,695	23.9%
EPS (in €)	0.94	1.15	22.3%	1.16	23.4%

Fiscal Year 01.10. – 30.09.



#### Selected Cash Flow Positions of the 3rd Quarter 18/19

Figures in € thousand	Q1-Q3 17/18		Q1-Q3 18/19		
Proceeds from the sale of items of property, plant and equipment	46	79	71.7%		
Payments for investments in property, plant and equipment	-9,662	-11,7871)	22.0%		
Proceeds from disposals of intangible assets	290	386	33.1%		
Payments for investments in intangible assets	-3,211 <sup>2)</sup>	-1,952	-39.2%		
Payments for investments in fully consolidated companies	-4,819	-16,612	244.7%		
Received interest	100	105	5.0%		
Net cash used for investing activities	-17,257	-29,781	72.5%		

- 1) Distorting effect from the acquisition of UBL Informations-systeme GmbH 1,782 T€
- 2) One time effect in 17/18 in the amount of 1,478 T€ resulting from the acquisition of DG Financial IT Services GmbH

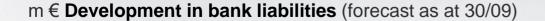
Fiscal year 01.10. – 30.09.

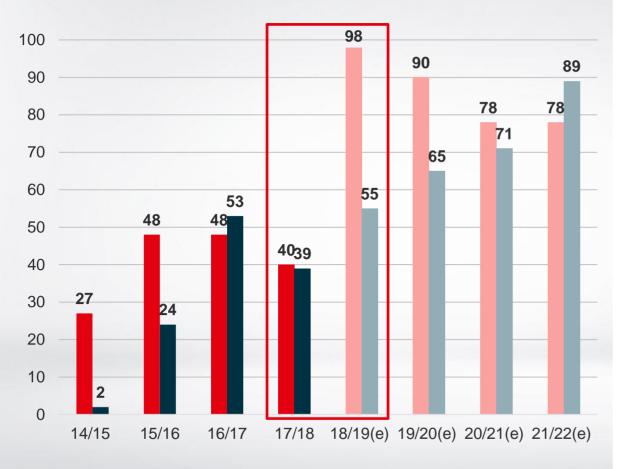
## Development in Bank Liabilities



- 22 7m €

- 17.3m €





- + 36.2m € Operative cashflow
- Acquisition UBL, assets of IT-Informatik and Earn-Out Almato
- 21.5m € NRW.Bank fixed asstes, transition
- Investments in data centers, workplaces, operating and business equipment
- Dividend pay out - 5.0m €
- Other - 12.0m €

Cash

**Existing liabilities** 

Fiscal Year 01/10 - 30/09

#### Management Board





Max H.-H. Schaber Chief Executive Officer

Founder of DATAGROUP, member and Chairman of the Management Board of DATAGROUP SE since 2006

- Responsible for Finance, Legal, HR and Corporate Development
- Degree as a chartered engineer (Diplom-Ingenieur (FH)) in mechanical engineering, followed by a position as a system engineer and management assistant at Friedrich und Co. Gesellschaft für Software- und System-Entwicklung mbH. In 1983, he established DATAPEC, Gesellschaft für Datenverarbeitung mbH, which later became DATAGROUP GmbH.

#### Management Board





**Dirk Peters Chief Operation Officer** 

Founder and Manager of DATAGROUP Hamburg GmbH (prev. HDT Hanseatische Datentechnik), member of DATAGROUP's Management Board since 2008

- Responsible for Service Management
- Training as an information electronics technician, followed by studies in informatics (FH) while in employment, and senior positions in the IT industry. In 1992, he established HDT, which started out as a traditional system house to become a high-performance group of companies in IT service management. HDT was incorporated into DATAGROUP in 2008.

#### Management Board





**Andreas Baresel** Chief Production Officer

Member of the Management Board (CPO) of DATAGROUP SE since October 2018

- Responsible for the Production Department
- Studies in business administration, followed by several management positions with a focus on business and portfolio development in IT consulting and managed IT services.
- Andreas Baresel joined DATAGROUP 2012 through the acquisition of DATAGROUP Business Solutions GmbH (previously Consinto GmbH).
- He started at Consinto GmbH 2006 and took over management of DATAGROUP Business Solutions GmbH in 2016.

#### Vorstand





**Peter Schneck** Chief Officer of M&A, IR and Legal

Since 01.10.19 member of the Executive Board of DATAGROUP SE

- Responsible for the area of Finance, in particular Investor Relations, Legal and Mergers & Acquisitions
- Law studies with a focus on International Business Law and a MBA
- After that Managing Director at Scheidt & Bachmann and the car park operator **APCOA**
- Recently operational management of the Trapeze group
- Responsible for an international portfolio of other companies as well as for the Mergers & Acquisitions activities

#### **Supervisory Board**





**Heinz Hilgert** Chairman of the Supervisory Board

Chairman of the Supervisory Board since 2011

- CEO and founder of TransVise GmbH, senior management consulting in the financial services industry
- Prior to this he held senior positions in the German and European financial sector amongst others as CEO of WestLB and Deputy CEO of DZ Bank as well as corporate mandates as Chairman of the Supervisory Board of Union Asset Management Holding AG.

#### **Supervisory Board**





Dr.-Ing. Helmut Mahler Deputy Chairman of the Supervisory Board

Member of the Supervisory Board since 2017

- In 2014 foundation of IT security specialist Code White GmbH
- Prior to this Dr.-Ing. Helmut Mahler held several senior positions in IT management at the Daimler Group, most recently as Vice President and CIO of Daimler Trucks
- Before, he worked at the IBM Research Laboratory in Zurich
- Doctorate at the Institute for Information Processing Technology at the University of Karlsruhe

#### **Supervisory Board**





Dr. Carola Wittig Member of the Supervisory Board

Member of the Supervisory Board since 2016

- Presiding Judge at the District Court in Stuttgart
- Lecturer at various research institutes for specialist lawyers, engineers and appraisers
- Prior to this lawyer at Arthur Andersen Wirtschaftsprüfer Steuerberater GmbH in Stuttgart and Dresden, responsible for company law and tax matters in the context of restructurings, acquisitions and MBOs
- Law studies at the Eberhard Karls University in Tübingen.

#### **Contact Information**





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