



DATAGROUP Publishes Preliminary Figures for FY 2018/2019

Profitable Path of Expansion Continued

REVENUE +18.8 %; EBITDA +15.4 %; EBIT +15.1 %; EBT +18.6 %. EBITDA MARGIN AT 12.3 %.
REVENUE AND EARNINGS TARGETS EXCEEDED.

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

Pliezhausen, November 25, 2019. DATAGROUP SE (WKN A0JC8S) today publishes preliminary unaudited figures for FY 2018/2019. The IT service provider has clearly exceeded its guidance and thanks to its continued growth underlines its aspirations to take a leading position in the German market. In addition to a strong organic business performance (revenue + 4.9 %), the positive M&A activities significantly contributed to growth.

In FY 2018/2019 (01.10.2018 - 30.09.2019) revenue was up 18.8 % to EUR 323.3m (previous year EUR 272.1m). Operating earnings before taxes, interest, depreciation and amortization (EBITDA) climbed by 15.4 % to EUR 39.8m (PY EUR 34.5m), the EBITDA margin came in at 12.3 % (PY 12.6 %). The slight decline of the EBITDA margin is due to the sales-related connection of transition expenses and hardware deliveries. Without these effects, the operating EBITDA margin would have been ~13 %. Earnings before interest and taxes (EBIT) increased by +15.1 % to EUR 23.5m (PY EUR 20.4m). The EBIT margin was 7.3 % (PY 7.5 %). EBT improved by 18.6 % to EUR 21.9m (PY EUR 18.5m). Earnings per share (EPS) increased by 13.5 % to EUR 1.76 (PY 1.55).

DATAGROUP again clearly exceeds its goals with these results. Management recently had guided for revenue in excess of EUR 300m and EBITDA of EUR 38.5m.

On the bottom line, the first-time adoption of IFRS 15 and 16 leads to postponements in revenue and EBITDA for the period under review¹ – these effects look as follows:

Figures in TEUR	FY 18/19	Change IFRS 15/16	FY 18/19 w/o IFRS 15/16	Change yoy (w/o IFRS 15/16)	Change yoy (after IFRS 15/16)	FY 17/18	Change in % (before IFRS 15/16)	Change in % (after IFRS 15/16)
Revenue	306,765	-16,496	323,261	51,161	34,665	272,100	18.8%	12.7%
thereof services and maintenance	242,500	-14,350	256,850	36,765	22,415	220,085	16.7%	10.2%
EBITDA	46,881	7,126	39,755	5,292	12,418	34,463	15.4%	36.0%
EBIT	23,626	120	23,506	3,083	3,203	20,423	15.1%	15.7%
EBT	21,690	-217	21,907	3,429	3,212	18,478	18.6%	17.4%
Net income	14,514	-149	14,663	1,790	1,641	12,873	13.9%	12.7%
Shares (in 1,000 units) ²	8,331	0	8,331			8,331		
EPS (in euro)	1,74	-0.02	1.76			1.55	13.5%	12.3%

With the start of FY 2019/2020, DATAGROUP will base its financial reporting exclusively on post-IFRS 15/16 standard, since comparable year-on-year figures will be available on a quarterly basis from that date onwards.

Numerous large-scale orders provide for secure revenue in the long term

“A particularly pleasing level of incoming orders, the successful integration of the companies acquired in the previous years and the continuation of our acquisition strategy were the ingredients for a very good business performance in the year just closed”, said CEO Max H.-H. Schaber. “Having won renowned customers from the financial community, from industry as well as from the services, media and public sectors underlines DATAGROUP’s position as an IT service provider for customers with challenging SME structures.” The new customers include Bankhaus Lampe, Munich Trade Fair and the joint organization of Germany’s regional broadcasters (ARD) among others. The Group has again significantly expanded its customer base with its CORBOX core product, the modular range of services for smooth IT operations. Furthermore, the package of services has been significantly expanded by upselling among 16 existing customers.

¹ The first-time adoption of IFRS 15 has an impact on the date as to when the revenue from a project business which has a transition and a subsequent operation phase is recognized. Revenue that was shown in the transition phase before is now deferred and spread evenly across the operating phase. No revenue is shown for large-scale projects which are in the transition phase – such as the NRW.Bank project in particular – 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 16.5m.

First-time accounting in accordance with IFRS 16 means that lease contracts for buildings and motor vehicle leasing contracts will in future be recognized as finance leases. Rights for the use of the rented buildings and motor vehicles are activated and loan obligations are passed. This leads to a balance sheet extension of EUR 26.9m. On the other hand, rental and motor vehicle leasing expenses are replaced by depreciation on the usage rights and loan interest expenses. This leads to an improvement in EBITDA of EUR 7.2m.

² Without treasury shares



Extended service portfolio due to two acquisitions

DATAGROUP has again actively grown in terms of inorganic growth as well: With effect of April 1, 2019, the company has acquired 100 % of the shares in UBL Informationssysteme GmbH (UBL), which is headquartered in Neu-Isenburg near Frankfurt/Main. In 2018, UBL generated annual revenue of over EUR 20m and a double-digit EBITDA margin with over 70 employees.

The multi-cloud and managed service provider develops and operates IT infrastructures and platforms for larger Mittelstand companies. With its focus on providing customized services from architecture to concept of operations in the cloud and its specialization in IBM infrastructures UBL is a perfect addition to DATAGROUP's range of services. UBL's competence in container technology increases the range of DATAGROUP's central supply units in Cloud Solutions and thus creates a new knowledge center.

With effect of August 1, 2019, and thus without any major impact on the revenue development in the year under review, DATAGROUP has acquired assets and companies of IT-Informatik GmbH from insolvency and transformed it into a separate legal entity (DATAGROUP Ulm). The company is specialized in SAP consulting and maintenance, cloud infrastructure and software development, and supplies a broad portfolio of SME customers from various industries. 300 experts for SAP, infrastructure and software development came to DATAGROUP as part of the transaction. "With over 500 SAP experts in total, we are now one of the leading providers in this market of high-quality IT services in Germany", said COO Dirk Peters. "In view of the upcoming wave of migrations from SAP R3 to S/4HANA we see ourselves well positioned to exploit the good growth prospects in this market segment."

Structural conditions for future growth in place

DATAGROUP has grown to over 2,500 employees in the year under review and currently supports over 600k global IT workplaces from locations throughout Germany. To adjust the corporate structures to the increased size, DATAGROUP has expanded the management board amongst others. On October 1, 2018, Andreas Baresel took up the newly established position as Chief Production Officer, which involves responsibility and management across locations of the four central supply units at Board level. "We are intensely working on an improvement of our efficiency – we want to become even more productive by further improving our central production units and by implementing a program to avoid organizational inefficiencies", explains Andreas Baresel. "To this end, we intend to increasingly use future technologies such as Robotic Process Automation. Our centralized structure provides an optimal basis for a group-wide roll-out of such technologies", he continued.

Additionally, the Supervisory Board appointed Peter Schneck as a further member of the Management Board of DATAGROUP on October 1, 2019. Mr. Schneck is responsible for mergers & acquisitions, investor relations and legal affairs.

In early April, the company seized the consistently favorable interest level to continue its corporate financing through promissory note loans. By taking up funds of EUR 69m over a term of up to 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 cash flow.

Well equipped for the new fiscal year

The general business climate among IT Mittelstand companies continues to be good. The business situation in the digital industry has remained robust. In September, the Bitkom-ifo-digital index reached 43.9 points, up 3.4 points compared to the previous month. Unlike the overall economy, which is facing the effects of a trade war, impacts due to the forthcoming departure of the UK from the European Union as well as specific developments in a couple of sectors, the ICT industry continues to be at a far higher level. “We have a broad customer portfolio and therefore no sector risk”, said Max H.-H. Schaber. “IT basic operations are largely independent of any economic cycles anyway.” The recent study of market research firm Lünendonk confirms the increasing trend to cloud-based IT applications and a consistently high need for consultation for high-quality IT services by providers with a broad range of services such as DATAGROUP. Thanks to its diverse portfolio of IT services, the company covers strategically important topics such as IT architecture, IT security and S/4HANA. What is more, DATAGROUP combines long-standing expertise in on premise and private & managed cloud with a profound know-how of the public cloud and thus is well equipped to provide customers with hybrid scenarios that are optimally tailored to their needs.

Financial Calendar

26.11.2019	German Equity Forum in Frankfurt am Main
04.12.2019	Berenberg European Conference 2019 in London, Pennyhill Park
04.-05.12.2019	CF&B Conference in Geneva
24.01.2020	Publication of 2018/19 Annual Results
25.02.2020	Publication of Q1 Figures
03.03.2020	Annual General Meeting, Pliezhausen
11.03.2020	Berenberg Opportunities Conference in London
14.05.2020	Publication of Q2 and H1 Figures
18.-20.05.2020	Berenberg Bank Tarrytown Conference (USA)
25.-26.06.2020	Warburg Highlights Conference
01.09.2020	Publication of Q3 Figures



DATAGROUP

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 kEUR

	Changes YoY		Changes YoY (w/o IFRS 15/16)		2018/2019(p) after transition to IFRS 15/16		Changes IFRS 15/16	2018/2019(p) before transition to IFRS 15/16		2017/2018	
Revenues	34,665	12.7%	51,161	18.8%	306,765	100.0%	-16,496	323,261	100.0%	272,100	100.0%
thereof services and maintenance	22,415	10.2%	36,765	16.7%	242,500	79.1%	-14,350	256,850	79.5%	220,085	80.9%
thereof trade	11,984	23.1%	14,130	27.3%	63,754	20.8%	-2,146	65,900	20.4%	51,770	19.0%
thereof other / consolidation	266	108.6%	266	108.6%	511	0.2%	0	511	0.2%	245	0.1%
Other own work capitalised	92	13.4%	92	13.4%	777		0	777		685	
Total revenues	34,757	12.7%	51,253	18.8%	307,542	100.0%	-16,496	324,038	100.0%	272,785	100.0%
Material expenses / Expenses for purchased services	18,805	23.4%	27,192	33.8%	99,206	32.3%	-8,387	107,593	33.2%	80,401	29.5%
Gross profit	15,952	8.3%	24,061	12.5%	208,336	67.7%	-8,109	216,445	66.8%	192,384	70.5%
Personnel expenses	10,445	7.8%	18,507	13.7%	145,179	47.2%	-8,062	153,241	47.3%	134,734	49.4%
Other income etc.	5,442	96.1%	5,442	96.1%	11,102	3.6%	0	11,102	3.4%	5,660	2.1%
Other expenses etc.	-1,469	-5.1%	5,704	19.8%	27,378	8.9%	-7,173	34,551	10.7%	28,847	10.6%
EBITDA	12,418	36.0%	5,292	15.4%	46,881	15.2%	7,126	39,755	12.3%	34,463	12.6%
Depreciation from PPA	221	5.6%	221	5.6%	4,186	1.4%	0	4,186	1.3%	3,965	1.5%
Other depreciation	8,994	89.3%	1,988	19.7%	19,069	6.2%	7,006	12,063	3.7%	10,075	3.7%
EBIT	3,203	15.7%	3,083	15.1%	23,626	7.7%	120	23,506	7.3%	20,423	7.5%
Financial result	9	-0.5%	346	-17.8%	-1,936	-0.6%	-337	-1,599	-0.5%	-1,945	-0.7%
EBT	3,212	17.4%	3,429	18.6%	21,690	7.1%	-217	21,907	6.8%	18,478	6.8%
Taxes on income and profit	1,571	28.0%	1,639	29.2%	7,176	2.3%	-68	7,244	2.2%	5,605	2.1%
Net income	1,641	12.7%	1,790	13.9%	14,514	4.7%	-149	14,663	4.5%	12,873	4.7%
Shares (in 1.000 pieces)					8,331		0	8,331		8,331	
<i>plus treasury shares (in 1,000 pieces):</i>					18			18		18	
EPS					1.74		-0.02	1.76		1.55	
Tax rate					33.1%		0.0%	33.1%		30.3%	



Figures in kEUR

	Changes YoY	Changes YoY (w/o IFRS 15/16)	30.09.2019(p) after transition to IFRS 15/16	Changes IFRS 15/16	30.09.2019(p) before transition to IFRS 15/16	30.09.2018
Balance sheet total			320,077	33,717	286,360	215,450
Equity ³			74,879	-104	74,983	68,755
Equity ratio ³			23.4%	-2.8%	26.2%	31.9%
Net debt ³			65,745	26,977	38,768	12,130
Net debt ³ to EBITDA			1.4	0.4	1.0	0.4

³ Under consideration of subordinated loans



Consolidated Balance Sheet

Figures in EUR	30.09.2019(p) after transition to IFRS 15/16	Change IFRS 15/16	30.09.2019(p) before transition to IFRS 15/16	30.09.2018
ASSETS				
Long-term assets				
Goodwill	64,027,252.93		64,027,252.93	46,555,845.34
Other intangible assets	18,621,571.41		18,621,571.41	15,258,183.90
Property, plant and equipment	60,072,310.90	26,805,609.91	33,266,700.99	22,351,099.31
Long-term financial assets	14,092,516.71		14,092,516.71	1,825,736.14
Claims from reinsurance coverage for pension obligations	5,021,496.20		5,021,496.20	5,112,617.60
Other long-term assets	924,904.80		924,904.80	18,717,631.85
Deferred taxes	8,553,421.02	46,575.61	8,506,845.41	4,626,597.85
	171,313,473.97	26,852,185.52	144,461,288.45	114,447,711.99
Short-term assets				
Inventories	19,062,527.97	15,836,238.01	3,226,289.96	1,972,027.83
Contract assets ⁴	8,734,112.08	-7,418,949.38	16,153,061.46	6,464,163.64
Trade receivables	45,591,448.88	-1,552,572.95	47,144,021.83	31,236,083.95
Short-term financial assets	4,452,763.44		4,452,763.44	1,292,923.37
Other short-term assets	23,457,331.58		23,457,331.58	21,336,171.40
Cash and cash equivalents	47,464,919.66		47,464,919.66	38,700,491.68
	148,763,103.61	6,864,715.68	141,898,387.93	101,001,861.87
	320,076,577.58	33,716,901.20	286,359,676.38	215,449,573.86

⁴ PY figures: Construction contracts



Figures in EUR	30.09.2019(p) after transition to IFRS 15/16	Change IFRS 15/16	30.09.2019(p) before transition to IFRS 15/16	30.09.2018
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	40,122,294.95	-150,056.91	40,272,351.86	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	-6,710,435.17		-6,710,435.17	-3,940,515.10
Balancing item for foreign currency translation	0.15		0.15	24.20
	74,046,286.36	-103,495.02	74,149,781.38	67,254,628.48
Long-term liabilities				
Long-term financial liabilities	113,890,522.41	20,446,153.54	93,444,368.87	42,563,987.06
Pension provisions	37,701,654.98		37,701,654.98	40,609,607.36
Other provisions	1,913,629.79		1,913,629.79	1,025,527.16
Other long-term liabilities	1,001,526.60		1,001,526.60	1,563,513.35
Deferred taxes	2,501,195.19		2,501,195.19	944,127.49
	157,008,528.97	20,446,153.54	136,562,375.43	86,706,762.42
Short-term liabilities				
Short-term financial liabilities	17,483,040.02	6,530,614.24	10,952,425.78	12,337,501.81
Provisions	9,197,472.05		9,197,472.05	7,284,928.04
Contract liabilities ⁵	11,008,043.40	10,819,950.17	188,093.23	151,477.31
Trade payables	9,126,446.40		9,126,446.40	5,419,052.91
Income tax liabilities	7,367,712.83		7,367,712.83	6,739,586.79
Other liabilities	34,839,047.55	-3,976,321.73	38,815,369.28	29,555,636.10
	89,021,762.25	13,374,242.68	75,647,519.57	61,488,182.96
	320,076,577.58	33,716,901.20	286,359,676.38	215,449,573.86

⁵ PY figures: Surplus of liabilities from construction contracts



Consolidated Income Statement

Figures in EUR

	01.10.2018- 30.09.2019(p) after transition to IFRS 15/16	Changes IFRS 15/16	01.10.2018- 30.09.2019(p) before transition to IFRS 15/16	01.10.2017- 30.09.2018
Revenues	306,764,901.15	-16,496,204.50	323,261,105.65	272,099,553.36
Other own work capitalised	776,807.08		776,807.08	685,446.14
Total revenues	307,541,708.23	-16,496,204.50	324,037,912.73	272,784,999.50
Other operating income	11,102,034.88		11,102,034.88	5,660,437.94
Material expenses / expenses for purchased services	99,206,227.94	-8,386,818.09	107,593,046.03	80,400,810.14
Personnel expenses	145,179,164.56	-8,062,321.83	153,241,486.39	134,734,405.87
Depreciation of property, plant and equipment and other intangible assets	23,254,922.98	7,006,478.92	16,248,444.06	14,039,638.46
Other operating expenses	27,377,864.37	-7,172,684.88	34,550,549.25	28,846,778.19
Operating income	23,625,563.27	119,141.38	23,506,421.88	20,423,804.77
Financial income	456,784.79		456,784.79	474,087.95
Financial expenses	2,392,436.98	337,364.30	2,055,072.67	2,419,299.04
Financial result	-1,935,652.19	-337,364.30	-1,598,287.88	-1,945,211.09
Earnings before taxes	21,689,911.08	-218,222.92	21,908,134.00	18,478,593.68
Taxes on income and profit	7,175,995.56	-68,166.00	7,244,161.56	5,605,283.03
Net income	14,513,915.52	-150,056.92	14,663,972.44	12,873,310.65



Consolidated Statement of Comprehensive Income

Figures in EUR	01.10.2018- 30.09.2019(p) after transition to IFRS 15/16	Changes IFRS 15/16	01.10.2018- 30.09.2019(p) before transition to IFRS 15/16	01.10.2017- 30.09.2018
Net income	14,513,915.52	-150,056.92	14,663,972.44	12,873,310.65
Other earnings before taxes⁶				
Recalculation of defined benefit obligations	-4,030,921.00		-4,030,921.00	-2,022,258.29
Change in balancing items from currency conversion	-24.05		-24.05	24.20
Other earnings before taxes	-4,030,945.05	0.00	-4,030,945.05	-2,022,234.09
Income tax effects on other income	-1,261,000.93		-1,261,000.93	-571,329.00
Comprehensive income	11,743,971.40	-150,056.92	11,894,028.31	11,422,405.56

⁶ These are exclusively items which are not reclassified to the consolidated income statement



Consolidated Cash Flow Statement

Figures in EUR	01.10.2018- 30.09.2019(p) after transition to IFRS 15/16	Changes IFRS 15/16	01.10.2018- 30.09.2019(p) before transition to IFRS 15/16	01.10.2017- 30.09.2018
Cash flows from operating activities				
Net income for the period	14,513,915.52	456,722.09	14,057,193.43	12,873,310.65
Interest received	-359,213.98		-359,213.98	-152,676.58
Interest paid	1,138,664.94	0.00	1,138,664.94	1,391,851.74
Depreciation and amortisation of non-current assets	23,337,058.58	6,956,421.79	16,380,636.79	14,040,999.46
Changes in pension provisions	795,976.98		795,976.98	1,148,346.14
Gains (-) / losses (+) on disposals of non-current assets	35,937.18		35,937.18	189,447.33
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	-294,414.10		-294,414.10	-898,661.95
Increase (-) / decrease (+) of inventories, trade receivables and other assets	-47,191,372.88	-7,044,682.99	-40,146,689.89	-5,300,762.81
Increase (+) / decrease (-) of trade payables and other liabilities	12,587,716.75	6,370,241.14	6,217,475.61	-4,292,643.16
Other non-cash transactions	-41,795.80	46,561.88	-88,357.68	-9,189.51
Cash flow from operating activities	4,522,473.19	6,785,263.91	-2,262,790.72	18,990,021.30
Cash flow from investing activities				
Cash inflow from sale of property, plant and equipment	140,869.45		140,869.45	26,624.82
Cash outflow for investment in property, plant and equipment	-15,610,402.02	26,451.13	-15,636,853.15	-11,284,553.23
Cash inflow from intangible assets	17,151.27		17,151.27	357,467.51
Cash outflow for investments in intangible assets	-3,061,652.10	23,606.00	-3,085,258.10	-3,522,803.36
Cash inflow from sale of financial assets	343,675.40		343,675.40	128,200.13
Cash outflow for investments in financial assets	-1,039,750.00		-1,039,750.00	-142,213.00
Cash outflow for investments in fully consolidated companies	-21,715,884.73		-21,715,884.73	-4,819,076.53
Interest received	359,213.98		359,213.98	152,676.58
Net cash used in investing activities	-40,566,778.75	50,057.13	-40,616,835.88	-19,103,677.08



Figures in EUR	01.10.2018-30.09.2019(p) after transition to IFRS 15/16	Changes IFRS 15/16	01.10.2018-30.09.2019(p) before transition to IFRS 15/16	01.10.2017-30.09.2018
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 (as lessee)	-8,296,724.39	-6,835,321.04	-1,461,403.35	-973,983.07
Cash outflow for the repayment of liabilities to banks	-9,916,668.00		-9,916,668.00	-8,250,001.00
Cash inflow from receipt of liabilities to banks	69,000,000.00		69,000,000.00	0.00
Interest paid	-1,138,664.94		-1,138,664.94	-1,391,851.74
Net cash used in financing activities	44,649,067.27	-6,835,321.04	51,484,388.31	-14,364,992.36
Changes in cash and cash equivalents				
	8,604,761.71		8,604,761.71	-14,478,648.14
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	47,304,986.19		47,304,986.19	38,700,224.48