



DATAGROUP continues its strong growth in Q1

Revenue up +19.3 %

EBITDA +4.4 % (before one-off effects +34.2 %)

Many new customers

Pliezhausen, February 25, 2020. DATAGROUP SE (WKN A0JC8S) today publishes its figures for the first quarter of FY 2019/2020 and continues the good development of the last fiscal year. A good order intake in the core business with the CORBOX IT Services Suite contributes to the positive start to the new fiscal year.

In the first quarter of the fiscal year (01.10.-31.12.2019) revenue was up 19.3 % to EUR 82.8m (previous year EUR 69.4m). The proportion of service revenue improved to 82.8 % (PY 81.1 %).

Operating earnings before taxes, interest, depreciation and amortization (EBITDA) were very strongly influenced by one-off effects and improved by 4.4 % to EUR 9.5m (PY EUR 9.1m), the EBITDA margin was 11.4 % before one-off effects (PY 13.0 %). Earnings before interest and taxes (EBIT) came in at EUR 2.7m before one-off effects (PY EUR 4.1m), corresponding to an EBIT margin of 3.3 % (PY 5.8 %). Earnings per share amounted to 17 cents before one-off effects compared to 27 cents in the previous year.

The one-off effects were caused by the first-time consolidation of the assets of IT-Informatik Ulm, which were acquired from insolvency in August 2019. This company had suffered massive losses in the last years. Following the acquisition of the assets from insolvency, this business had to be completely restructured. In this respect, extraordinary charges such as personnel expenses due to cutbacks in staff, increased selling expenses and a slower restart in terms of customers had a particularly high impact. Excessive rents and other costs had to be reduced as well. We were highly successful in doing so. After extremely high start-up losses in the first three months (Q1) in the amount of EUR 1.3m, the company is making small profits by now.

“We are confident we will succeed in making the company a profitable member of DATAGROUP within the next 12 months and raising margins to group level”, says Max H.-H. Schaber, CEO of DATAGROUP.

Additional extraordinary charges incurred in the context of the start-up of operating situations in major projects. In this respect, we recognized start-up losses in the total amount of EUR 1.1m, which have been largely processed to date. These operating situations are expected to deliver positive earnings contributions in the course of the current fiscal year. The extraordinary charges are also reflected in the cash flow statement. Cash flow from operating activities has been negatively impacted by pre-financing costs in Ulm by approximately EUR 2.5m. Additionally, approximately EUR 7.3m is due to project ramp-up costs and customer pre-financing for newly won projects. The cash flow from investing activities, on the other hand, improved significantly, in particular due to a decrease in investments in property, plant and equipment by around EUR 5m.

When eliminating the adverse one-off effects on profits, EBITDA would have grown by 34.2 % to EUR 12.2m, corresponding to an EBITDA margin of 14.6 %. EBIT would have increased by 33.2 % to EUR 5.4m, thus achieving a rate of 6.5 %. EPS would have arrived at 39 cents per share after elimination of these one-off effects.

“Taking into consideration that Q1 is traditionally weaker than the following quarters, we are looking to the future with great confidence in terms of the overall situation of the current fiscal year”, summarizes Max H.-H. Schaber.

CORBOX ENSURES STABLE ORDER INTAKE

In the first quarter, DATAGROUP has acquired eleven new customers and was able to upsell products to seven existing customers on the basis of the CORBOX. CORBOX is a modular and combinable suite of IT services covering all areas of IT operations in companies. Thanks to standardization and highest quality standards, DATAGROUP makes IT simple for its customer. The CORBOX is extended by new services on a regular basis, e.g. SAP on Azure or Robots-as-a-Service. Overall, ~83 % of gross margins are generated by long-term contracts with terms of between three and seven years. This ensures planning certainty and sustainability for the business.

ACQUISITIONS COMBINE EXPERTISE IN FINANCIAL SERVICES AND AUTOMATION

In January, the IT service provider announced the 24th acquisition since its IPO in 2006. Subject to the approval by the German antitrust authorities, DATAGROUP will acquire 68 % of the shares in Diebold Nixdorf Portavis (Portavis). Portavis has around 200 employees providing IT services to customers in the financial services sector. Last year, the company generated revenue of some EUR 60m, the first-time consolidation into the DATAGROUP Group is scheduled for March 1. “With DATAGROUP Financial IT Services we have a dedicated center of competence for IT services for the financial sector, which we can continue to expand with the help of the experts from Portavis”, says Chief Officer Peter Schneck, who is responsible for DATAGROUP’s M&A.

The strengthening of the IT financial sector is not the only organizational change in the first quarter. In January, DATAGROUP Mobile Solutions AG and Almato GmbH merged to become Almato AG. The new subsidiary combines expertise in the areas of software development, automation and Artificial Intelligence. The center piece is the new CORBOX service, Robots-as-a-Service, an AI-enabled platform for the automation of business processes.

“We are delighted about the positive sales growth in the first quarter. We have laid the foundation for further growth with these acquisitions, both in the financial sector and in the area of Artificial Intelligence. The numerous new customers are proof that our model of making IT simple has hit a nerve”, Max H.-H. Schaber, CEO of DATAGROUP, summarizes the outcome of the first quarter. Traditionally, an outlook for the fiscal year will be provided at the Annual General Meeting which will be hosted in Pliezhausen near Stuttgart on March 3.

An overview of the most important key figures for the first quarter of 2019/2020 can be found on the DATAGROUP website at datagroup.de/publications

For the first time, DATAGROUP offers all investors and interested participants to get in contact with the Management Board during a conference call on quarterly earnings. The conference call will take place on 10.03.2020 at 2:00 pm. Please find the dial-in details below.

Please dial in at the time specified using one of the following phone numbers:

Germany	+49 69 2475 01895
Austria	+43 1 267 5674
Switzerland	+41 43 550 14 55
Belgium	+32 2 588 43 69
France	+33 4 82 98 62 47
Luxembourg	+352 28 48 74 25
Netherlands	+31 40 744 1295
Sweden	+46 40 688 75 30
United Kingdom	+44 1635 598062
United States	+1 862-701-2707

FINANCIAL CALENDAR

03.03.2020	Annual General Meeting, Pliezhausen
10.03.2020	Conference Call Q1 2019/2020
11.03.2020	Berenberg Opportunities Conference, London
17.03.2020	Mainfirst Best of Southern Germany Conference, Stuttgart
14.05.2020	Publication of Q2 and H1 Figures
18.-20.05.2020	Equity Forum Spring Conference, Frankfurt Berenberg Bank Tarrytown Konferenz, USA
03.-05.06.2020	Hauck & Aufhäuser Stock Picker Summit, Stockholm
18.06.2020	Quirin Champions Conference, Frankfurt
25.-26.06.2020	Warburg Highlights Conference
01.09.2020	Publication of Q3 Figures



DATAGROUP

19.-20.10.2020

CF&B Large & Midcap Event, Paris

ABOUT DATAGROUP

DATAGROUP is one of the leading German IT service companies. Over 2,700 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

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Overview of Key Figures

Figures in EUR	Changes YoY		Q1 2019/2020		Q1 2018/2019	
Revenues	13,417	19.3%	82,849	100.0%	69,432	100.0%
thereof services and maintenance	12,346	21.9%	68,630	82.8%	56,284	81.1%
thereof trade	1,005	7.7%	14,109	17.0%	13,104	18.9%
therof other / consolidation	66	150.0%	110	0.1%	44	0.1%
Other own work capitalised	163	140.5%	279		116	
Total revenues	13,580	19.5%	83,128	100.0%	69,548	100.0%
Material expenses / Expenses for purchased services	4,982	24.3%	25,495	30.7%	20,513	29.5%
Gross profit	8,598	17.5%	57,633	69.3%	49,035	70.5%
Personnel expenses	8,009	22.7%	43,219	52.0%	35,210	50.6%
Other income etc.	1,109	88.7%	2,359	2.8%	1,250	1.8%
Other expenses etc.	1,303	21.7%	7,320	8.8%	6,017	8.7%
EBITDA	395	4.4%	9,453	11.4%	9,058	13.0%
Depreciation from PPA	174	18.8%	1,100	1.3%	926	1.3%
Other depreciation	1,574	38.6%	5,647	6.8%	4,073	5.9%
EBIT	-1,353	-33.3%	2,706	3.3%	4,059	5.8%
Financial result	53	-9.3%	-515	-0.6%	-568	-0.8%
EBT	-1,300	-37.2%	2,191	2.6%	3,491	5.0%
Taxes on income and profit	-428	-35.0%	796	1.0%	1,224	1.8%
Net income	-872	-38.5%	1,395	1.7%	2,267	3.3%
Shares (in 1.000 pieces)			8,331		8,331	
<i>Plus treasury shares (in 1.000 pieces)</i>			18		18	
EPS			0.17		0.27	
Tax rate			36.3%		35.1%	
			31.12.2019		30.09.2019	
Balance sheet total	7,560	2.4%	327,637		320,077	
Equity ¹	1,418	1.9%	76,297		74,879	
Equity ratio (in %) ¹			23.3		23.4	
Net debt ¹	18,126	27.6%	83,871		65,745	
Net debt ¹ to EBITDA			1.7		1.4	

¹ Under consideration of subordinated loans



Consolidated Balance Sheet

Figures in EUR

31.12.2019**30.09.2019**

ASSETS		
Long-term assets		
Goodwill	64,027,252.93	64,027,252.93
Other intangible assets	18,167,228.67	18,621,571.41
Property, plant and equipment	69,608,225.02	60,072,310.90
Long-term financial assets	13,305,120.49	14,092,516.71
Claims from reinsurance coverage for pension obligations	5,021,496.20	5,021,496.20
Other long-term assets	1,461,170.95	924,904.80
Deferred taxes	11,793,060.57	8,553,421.02
	183,383,554.83	171,313,473.97
Short-term assets		
Inventories	23,064,597.24	19,062,527.97
Contract assets ²	7,247,926.91	8,734,112.08
Trade receivables	45,908,823.03	45,591,448.88
Short-term financial assets	4,140,127.64	4,452,763.44
Other short-term assets	24,650,845.16	23,457,331.58
Cash and cash equivalents	39,240,731.88	47,464,919.66
	144,253,051.86	148,763,103.61
	327,636,606.69	320,076,577.58

² Previous year: Construction contracts



Figures in EUR

31.12.2019

30.09.2019

LIABILITIES

Equity

Subscribed capital	8,349,000.00	8,349,000.00
Capital reserve	32,337,372.27	32,337,372.27
Repayment of capital	-98,507.73	-98,507.73
Retained earnings	41,563,791.12	40,168,856.84
Accumulated other comprehensive income	-6,521,196.01	-6,710,435.17
Balancing item for foreign currency translation	-125.48	0.15
	75,630,334.17	74,046,286.36

Long-term liabilities

Long-term financial liabilities	120,993,139.97	113,890,522.41
Pension provisions	37,595,269.91	37,701,654.98
Other provisions	1,118,349.04	1,913,629.79
Other long-term liabilities	868,954.40	1,001,526.60
Deferred taxes	2,022,380.46	2,501,195.19
	162,598,093.78	157,008,528.97

Short-term liabilities

Short-term financial liabilities	19,012,272.35	17,483,040.02
Provisions	6,658,127.27	9,197,472.05
Contract liabilities ³	12,382,761.14	11,008,043.40
Trade payables	11,440,898.20	9,126,446.40
Income tax liabilities	10,917,121.39	7,367,712.83
Other liabilities	28,996,998.39	34,839,047.55
	89,408,178.74	89,021,762.25
	327,636,606.69	320,076,577.58

³ Previous year: Surplus of liabilities from construction contracts



Consolidated Income Statement

Figures in EUR

	01.10.2019- 31.12.2019	01.10.2018- 31.12.2018
Revenues	82,848,718.80	69,431,751.72
Other own work capitalised	278,573.43	116,219.04
Total revenues	83,127,292.23	69,547,970.76
Other operating income	2,358,811.14	1,249,868.16
Material expenses / Expenses for purchased services	25,493,858.71	20,512,491.68
Personnel expenses	43,219,024.95	35,209,960.84
Depreciation of property, plant and equipment and other intangible assets	6,746,864.11	4,999,255.06
Other operating expenses	7,320,137.51	6,017,314.80
Operating income	2,706,218.09	4,058,816.54
Financial income	225,724.87	288,381.12
Financial expenses	740,596.99	856,459.13
Financial result	-514,872.13	-568,078.01
Earnings before taxes	2,191,345.97	3,490,738.53
Taxes on income and profit	796,411.70	1,223,893.52
Net income	1,394,934.27	2,266,845.01

Consolidated Statement of Comprehensive Income

Figures in EUR

	01.10.2019- 31.12.2019	01.10.2018- 31.12.2018
Net income	1,394,934.27	2,266,845.01
Other earnings before taxes⁴		
Recalculations of defined benefit obligations	286,036.69	-442,675.00
Change in balancing items from currency conversion	-125.63	51.47
Other earnings before taxes	285,911.06	-442,623.53
Income tax effects on other income	96,797.53	-135,126.55
Comprehensive income	1,584,047.80	1,959,348.02

⁴ These are exclusively items which are not reclassified to the consolidated income statement



Consolidated Cash Flow Statement

Figures in EUR

	01.10.2019- 31.12.2019	01.10.2018- 31.12.2018
Cash flows from operating activities		
Net income for the period	1,394,934.27	2,266,845.01
Interest received	-107,185.95	-14,987.45
Interest paid	303,755.17	246,381.57
Depreciation and amortisation of current assets	0.00	-30,000.00
Depreciation and amortisation of noncurrent assets	6,655,464.11	4,999,350.06
Changes in pension provisions	179,651.62	240,561.17
Gains (-) / losses (+) on disposals of non-current assets	75,726.92	22,990.48
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	1,554,192.93	-136,392.63
Increase (-) / decrease (+) of inventories, trade receivables and other assets	-6,709,559.89	-788,072.03
Increase (+) / decrease (-) of trade payables and other liabilities	-4,597,042.97	3,597,149.58
Other non-cash transactions	204,760.78	-162,464.74
Cash flow from operating activities	-1,045,303.00	10,241,361.02
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	815,429.58	13,242.20
Cash outflow for investment in property, plant and equipment	-3,600,182.51	-8,806,598.96
Cash inflow from intangible assets	4,477.00	386,183.20
Cash outflow for investments in intangible assets	-1,399,078.70	-866,257.04
Cash inflow from liquidation of affiliated companies	179,446.42	0.00
Cash outflow for investments in financial assets	20,000.00	0.00
Interest received	107,185.95	14,987.45
Net cash used in investing activities	-3,872,722.26	-9,258,443.15
Cash flow from financing activities		
Cash inflow (+) / outflow (-) for finance lease contracts as part of investments in own property, plant and equipment (as lessee)	-2,824,629.01	-1,701,077.63
Cash inflow from receipt of liabilities to affiliated companies	0.00	2,354,677.69
Cash outflow for the repayment of liabilities to banks	-229,167.00	-229,167.00
Interest paid	-303,755.17	-246,381.57
Net cash used in financing activities	-3,357,551.18	178,051.49
Changes in cash and cash equivalents	-8,275,576.44	1,160,969.37
Cash and cash equivalents at the beginning of the period	47,304,986.19	38,700,224.48
Cash and cash equivalents at the end of the period	39,029,409.75	39,861,193.85