



DATAGROUP Reports Strong First Quarter in the New Fiscal Year

REVENUE UP +31.1 %; EBITDA +57.1 %; EBIT +142.2 %; EPS +141.2 %
COMPARED TO THE PRIOR-YEAR PERIOD

Pliezhausen, February 23, 2021. DATAGROUP SE (WKN A0JC8S) today publishes the results of the first quarter of FY 2020/2021. Strong order intake and additional business with existing customers lead to significant improvement in earnings figures.

In the first quarter of the fiscal year (01.10.-31.12.2020) revenue was up 31.1 % to EUR 108.6m (previous year EUR 82.8m). Fortunately, organic growth was roughly 10 %, while the remaining share was due to the first-time consolidation of Portavis. DATAGROUP's business model as engine room of digitization thus has proven to be extremely robust in times of a pandemic as well. The proportion of service revenue declined slightly from 82.8 % to 79.7 %.

Operating earnings before taxes, interest, depreciation and amortization (EBITDA) improved strongly by 57.1 % to EUR 14.8m (PY EUR 9.5m). At 13.7 %, the EBITDA margin was well above the 11.4 % reached in the prior period. It should be noted that the first quarter of FY 2019/2020 was adversely affected by special items. Earnings before interest and taxes (EBIT) improved by 142.2 % to EUR 6.6m (PY EUR 2.7m), corresponding to an EBIT margin of 6.0 % (PY 3.3 %). Earnings per share were 41 cents compared to 17 cents in the previous year, corresponding to an increase of 141.2 %.

"We are looking to the further course of this fiscal year with great confidence", Max H.-H. Schaber sums up. "The difficulties at DATAGROUP Financial IT Services GmbH, which had led to massive losses and risk provisions of EUR 12m in aggregate in the last fiscal year, are behind us for the most part. With a view to the customer situations in question, we managed to establish a stable business environment, greatly improve the cost structure – for instance by reducing expensive freelancer capacities – and to increase billable services. We expect to achieve operating profitability much earlier than expected so far", Schaber continues.

"We have witnessed a strong growth in order intake and additional sales across all our market units", Chief Sales Officer Dirk Peters comments the current order situation. "There is strong demand for IT services from public authorities, but also from companies, for instance in relation with an improvement of their employees' home office situation, which is also due to Covid-19. We have also received pandemic-related special orders such as the provision and operation of the IT infrastructure of vaccination centers in Baden-Württemberg."

Almato AG, which is specialized in services in the area of Artificial Intelligence (AI) as well as automation and mobilization of business processes, has received several new orders and contract renewals. Innovative AI-based services continue to gain in importance, and there has also been a good order intake in the development of software robots, e.g., for the automation of back-office processes.

Acquisitions have also developed positively in the last fiscal year. Portavis, which was acquired in March 2020, has continued to increase its profitability, making positive contributions to the comprehensive income of DATAGROUP. The minority shareholding in Cloudeeter, which was acquired in June 2020, likewise has proven to be a stroke of luck: The newly acquired specialist expertise for complex migration situations in the cloud environment enabled DATAGROUP to win interesting projects for cloud shifts.



CORBOX ENSURES STABLE ORDER INTAKE

In the first quarter of FY 2020/2021, DATAGROUP has acquired four new customers and was able to upsell products to six 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 customers. The CORBOX is extended by new services on a regular basis, e.g., SAP on Azure or Robots-as-a-Service. Overall, more than 80 % of the gross margin is generated by long-term contracts with terms of between three and seven years. This ensures planning certainty and sustainability for the business.

Traditionally, an outlook for the fiscal year will be provided at the Annual General Meeting which this year will be hosted on March 4. Shareholders can only participate virtually due to the pandemic. For comprehensive information on the Annual General Meeting please visit www.datagroup.de/hauptversammlung.

An overview of the key figures of Q1 2019/2020 is available on our website under datagroup.de/publications.

DATAGROUP will host a conference call on the quarterly result with the management. It is scheduled for February 23, 2020, at 3 pm (CET). You will find the login details for the conference call under (<https://attendee.gotowebinar.com/register/1604472651533554188>). A recording of the webcast will be provided after the event.

FINANCIAL CALENDAR

23.02.2021	3 pm Conference Call on Q1 Results
24.02.2021	Hauck & Aufhäuser Digital Roadshow
01.03.2021	Hauck & Aufhäuser Digital Roadshow
04.03.2021	Annual General Meeting
20.04.2021	Pareto Securities German IT Service Conference
17.-18.03.2021	Berenberg DACH & Nordic Conference
11.05.2021	Stifel German SMID Cap One-on-One Forum, Frankfurt
17.-19.05.2021	Equity Forum Spring Conference
25.05.2021	Publication of Q2 and H1 Results
10.06.2021	Quirin Conference
10.06.2021	Warburg Highlights Conference
24.08.2021	Publication of Q3 Results
20.-22.09.2021	Berenberg German Corporate Conference
23.11.2021	Publication of Preliminary Results for FY 2020/2021



DATAGROUP

ABOUT DATAGROUP

DATAGROUP is one of the leading German IT service companies. Almost 3,000 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 TEUR	Changes YoY		Q1 2020/2021		Q1 2019/2020	
Revenues	25,767	31.1%	108,616	100.0%	82,849	100.0%
Therof services and maintenance	17,960	26.2%	86,590	79.7%	68,630	82.8%
Thereof trade	7,723	54.7%	21,832	20.1%	14,109	17.0%
Therof other/consolidation	84	76.4%	194	0.2%	110	0.1%
Other own work capitalised	90	32.3%	369	0.3%	279	0.3%
Change in capitalized contractual costs	-1,486	-70.1%	634	0.6%	2,120	2.6%
Total revenues	24,371	28.6%	109,619	100.9%	85,248	102.9%
Material expenses / Expenses for purchased services	14,551	54.3%	41,329	38.1%	26,778	32.3%
Gross profit	9,820	16.8%	68,290	62.9%	58,470	70.6%
Personnel expenses	4,682	10.6%	48,738	44.9%	44,056	53.2%
Other income etc.	-410	-17.4%	1,949	1.8%	2,359	2.8%
Other expenses etc.	-668	-9.1%	6,652	6.1%	7,320	8.8%
EBITDA	5,396	57.1%	14,849	13.7%	9,453	11.4%
Depreciation from PPA	66	6.0%	1,166	1.1%	1,100	1.3%
Other depreciation	1,483	26.3%	7,130	6.6%	5,647	6.8%
EBIT	3,847	142.2%	6,553	6.0%	2,706	3.3%
Financial result	-44	8.5%	-559	-0.5%	-515	-0.6%
EBT	3,803	173.6%	5,994	5.5%	2,191	2.6%
Taxes on income and profit	1,757		2,553	2.4%	796	1.0%
Net income	2,046		3,441	3.2%	1,395	1.7%
Shares (in 1.000 pieces)			8,331		8,331	
<i>Plus treasury shares (in 1,000 pieces)</i>			18		18	
EPS	0.24	141.2%	0.41		0.17	
Tax rate			42.6%		36.3%	
Figures in TEUR			31.12.2020		30.09.2020	
Balance sheet total			383,846		385,352	
Equity ¹			66,398		66,319	
Equity ratio (in %) ¹			17.3		17.2	
Net debt ¹			57,252		63,044	
Net debt ¹ to EBITDA			1.0		1.7	

¹ Under consideration of subordinated loans



Consolidated Balance Sheet

Figures in EUR

31.12.2020**30.09.2020****ASSETS**

	31.12.2020	30.09.2020
Long-term assets		
Goodwill	62,500,872.13	62,500,872.13
Other intangible assets	25,252,545.46	26,330,764.75
Property, plant and equipment	73,848,309.91	75,933,347.01
Long-term financial assets	2,431,197.92	2,342,847.92
Capitalized contractual costs	18,416,881.73	17,774,913.65
Finance leasing receivables	21,399,991.59	20,254,057.62
Claims from reinsurance coverage for pension obligations	4,911,696.70	4,911,696.70
Other long-term assets	2,495,616.51	2,516,543.17
Deferred taxes	13,792,312.95	11,617,131.63
	225,049,424.90	224,182,174.58
Short-term assets		
Inventories	4,180,296.48	6,952,204.55
Contract assets	8,612,534.19	8,235,243.13
Trade receivables	38,694,452.20	41,255,080.46
Finance leasing receivables	8,908,709.72	8,004,360.51
Short-term financial assets	6,975,978.72	430,124.51
Other short-term assets	30,731,603.56	32,355,568.51
Cash and cash equivalents	60,693,385.41	63,937,088.85
	158,796,960.28	161,169,670.52
	383,846,385.18	385,351,845.10



Figures in EUR

31.12.2020

30.09.2020

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	38,026,392.41	34,585,571.44
Accumulated other comprehensive income	-12,211,046.61	-9,018,219.97
Balancing item for foreign currency translation	-5,430.67	-3,620.93
	66,397,779.67	66,151,595.08

Long-term liabilities

Long-term financial liabilities	120,750,492.96	120,827,328.36
Pension provisions	77,651,951.96	72,789,978.98
Other provisions	8,609,623.66	9,483,619.66
Other long-term liabilities	365,970.65	482,670.65
Deferred taxes	2,333,190.85	2,435,645.41
	209,711,230.08	206,019,243.06

Short-term liabilities

Short-term financial liabilities	27,504,321.69	34,578,912.63
Provisions	7,497,787.01	5,992,746.10
Contract liabilities	11,594,196.29	14,074,212.19
Trade payables	13,632,037.19	12,491,040.94
Income tax liabilities	7,615,515.59	6,998,812.33
Other liabilities	39,893,517.66	39,045,282.77
	107,737,375.43	113,181,006.96
	383,846,385.18	385,351,845.10



Consolidated Income Statement

Figures in EUR	01.10.2020- 31.12.2020	01.10.2019- 31.12.2019
Revenues	108,616,205.36	82,848,718.80
Other own work capitalised	369,009.74	278,573.43
Change in capitalized contractual costs	633,609.73	2,120,252.06
Total revenues	109,618,824.83	85,247,544.29
Other operating income	1,949,187.62	2,358,811.14
Material expenses / Expenses for purchased services	41,330,130.09	26,776,928.71
Personnel expenses	48,737,540.69	44,056,207.01
Depreciation of property, plant and equipment and other intangible assets	8,295,918.16	6,746,864.11
Other operating expenses	6,651,885.49	7,320,137.51
Operating income	6,552,538.02	2,706,218.09
Financial income	261,702.24	225,724.87
Financial expenses	820,652.61	740,596.99
Financial result	-558,950.37	-514,872.13
Earnings before taxes	5,993,587.65	2,191,345.96
Taxes on income and profit	2,552,766.67	796,411.70
Net income	3,440,820.98	1,394,934.27



Consolidated Statement of Comprehensive Income

Figures in EUR	01.10.2020 31.12.2020	01.10.2019- 31.12.2019
Net income	3,440,820.98	1,394,934.27
Other earnings before taxes		
Recalculations of defined benefit obligations	-4,628,121.92	286,036.69
Change in balancing items from currency conversion	-1,809.74	-125.63
Other earnings before taxes	-4,629,931.66	285,911.06
Income tax effects on other income	-1,435,295.28	96,797.53
Comprehensive income	246,184.61	1,584,047.80



Consolidated Cash Flow Statement

Figures in EUR

	01.10.2020- 31.12.2020	01.10.2019- 31.12.2019
Cash flows from operating income		
Net income for the period	3,440,820.98	1,394,934.27
Interest received	-208,074.97	-107,185.95
Interest paid	349,770.59	303,755.17
Depreciation and amortisation of current assets	8,295,918.16	6,655,464.11
Changes in pension provisions	233,851.06	179,651.62
Gains (-) / losses (+) on disposals of non-current assets	-21,137.72	75,726.92
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	-5,804,877.81	1,554,192.93
Increase (-) / decrease (+) of inventories, trade receivables and other assets	3,364,058.10	-6,709,559.89
Increase (+) / decrease (-) of trade payables and other liabilities	-6,669,003.08	-4,597,042.97
Other non-cash transactions	83,266.21	204,760.78
Cash flow from operating activities	3,064,591.51	-1,045,303.00
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	162,167.86	815,429.58
Cash outflow for investment in property, plant and equipment	-1,134,097.00	-3,600,182.51
Cash inflow from intangible assets	644.00	4,477.00
Cash outflow for investments in intangible assets	-832,071.90	-1,399,078.70
Cash inflow from liquidation of affiliated companies	0.00	179,446.42
Cash outflow for investments in financial assets	-1,045,150.00	20,000.00
Interest received	208,074.97	107,185.95
Net cash used in investing activities	-2,640,432.07	-3,872,722.26
Cash flow from financing activities		
Cash inflow (+) / outflow (-) for finance lease contracts as part of investments in own property, plant and equipment (as lessee)	-3,058,018.30	-2,824,629.01
Cash outflow for the repayment of liabilities to banks	-229,163.00	-229,167.00
Interest paid	-349,770.59	-303,755.17
Net cash used in financing activities	-3,636,951.89	-3,357,551.18
Changes in cash and cash equivalents	-3,212,792.44	-8,275,576.44
Cash and cash equivalents at the beginning of the period	63,905,589.85	47,304,986.19
Cash and cash equivalents at the end of the period	60,692,797.41	39,029,409.75