



DATAGROUP Presents Strong Quarter Results with Significant Improvement of all Key Figures

Pliezhausen, August 24, 2021. DATAGROUP has again improved the performance in the third quarter. Revenue was up 26.6 % to EUR 119.3m. Total revenue reached EUR 330.8m in the nine-month period, corresponding to an increase of 25.2 % yoy. EBITDA was up disproportionately from EUR 1.9m in Q3 2019/2020 to EUR 16.7m (+787.1 %) with Q3 2019/2020 being adversely affected by special effects. This corresponds to an increase of EUR 25.5m to EUR 47.0m (+84.1%). The other earnings figures have also soared significantly. The equity ratio has improved despite an acquisition-related increase in the balance sheet total. The proportion of service revenue remains on a very high level.

REVENUE DEVELOPMENT

Q3 revenue has again grown significantly by 26.6 % to EUR 119.3m (PY: EUR 94.2m). When compared to the nine-month figures of FY 2019/2020 (01.10.2019 – 30.06.2020), DATAGROUP recorded revenue growth of 25.2 % from EUR 264.2m to EUR 330.8m in the current fiscal year. This increase was mainly driven by the first-time consolidations of URANO Informationssysteme GmbH (“URANO”) and dna Gesellschaft für IT Services GmbH (“dna”), which were consolidated on May 1, 2021. Since the start of the fiscal year, DATAGROUP has achieved organic growth of 9.6 %, which was mainly driven by the thriving business of the fully integrated DATAGROUP entities. Organic growth was also supported by new business, which is in full production mode by now. Further, additional business was generated by upselling into a couple of customer situations. The proportion of service revenue remains on a very high level of 82.7 %.

“The current business figures underline that our strategy of generating recurring revenue with standardized services from our CORBOX portfolio pays off as a reliable source of income. The sustainable profitability of our existing customers with long-term service contracts is proof of the sustainability of the CORBOX-Service-as-a-Product approach”, comments Max H.-H. Schaber, CEO of DATAGROUP. “We assume that we will continue to benefit from the digitization trend, which has intensified significantly since the beginning of the coronavirus pandemic”, adds Andreas Baresel, Chief Production Officer.

EARNINGS DEVELOPMENT

Operating earnings before taxes, interest, depreciation and amortization (EBITDA) have surged from EUR 1.9m in Q3 2019/2020 to EUR 16.7m in Q3 2020/2021 (+787.1 %) and from EUR 25.5m to EUR 47.0m (+84.1 %) in the corresponding nine-month period. Earnings before interest and taxes (EBIT) was boosted from EUR -6.0m to EUR 7.8m. EBIT in the nine-month period improved by 495.0 % to EUR 21.6m (PY EUR 3.6m). Earnings per share (EPS) stand at EUR 0.63 versus EUR -0.83 in the previous year or EUR 1.93 after nine months of the fiscal year versus EUR 0.24 in the prior-year period.

The EBITDA margin in Q3 2020/2021 is 14.0 % versus 2.0 % in the prior-year period and 14.2 % after nine months of the fiscal year versus 9.7 % in the prior-year period. It should be noted that the prior-year earnings figures, especially in the third quarter, had been heavily burdened by delayed start-ups in the banking sector



as well as the coronavirus pandemic. To this end, provisions had been set up on June 30, 2020, in the total amount of EUR 12.0m which were offset by other operating income due to a negative difference from the purchase price allocation (badwill) of some EUR 10m from the acquisition of Portavis. Importantly, no provisions were released in Q3, so that the presented Q3 result can be considered fully operational. "After the losses in earnings in the last year in connection with the start-ups of new customers at DATAGROUP Financial IT Services, we deliver a strong margin again which underlines the company's sustainable earnings power. I am very confident that we will exceed the full-year revenue of EUR 440m which we had guided for as well as the expected EBITDA of EUR 61m", CEO Max H.-H. Schaber comments the earnings development.

BALANCE-SHEET DEVELOPMENT

The acquisitions of URANO and dna have increased the balance sheet total from EUR 386.1m on June 30, 2020 to EUR 431.8m on the current reporting date. Still, the equity ratio has improved slightly from 18.3 % to 19.8 %. Despite investments to the tune of EUR 35m in the context of the two company transactions above, financial resources stood at EUR 50.0m on June 30, 2021 versus EUR 66.10m on June 30, 2020.

URANO Informationssysteme GmbH and dna Gesellschaft für IT Services GmbH have been included in the consolidated financial statements for the first time as per May 1, 2021. The purchase price allocations drawn up for this purpose have not been conclusively processed and reviewed yet and should be considered provisional. The acquired assets and liabilities were subject to a preliminary assessment.

CASH FLOW

The development of the operating cash flows (OPEX) was particularly satisfying. They were up 199.0 % from EUR 13.6m to EUR 40.7m, primarily driven by the substantial increase of the operating income. CAPEX was significantly reduced: Investments in property, plant and equipment and intangible assets amounted to EUR 5.6m in the first nine months of FY 2020/2021 after EUR 14.9m in the comparable period a year before, but we expect to see a catch-up effect in Q4.

FURTHER ACQUISITIONS ROUND OFF THE PORTFOLIO

URANO and dna, the new companies consolidated as of May 1, 2021, round off the nationwide footprint and our service portfolio. The integration of the companies is well underway, and we expect them to make significant contributions in sales and earnings both in the further course of this year but also in the next fiscal years.

ANALYST MEETING

Chief Executive Officer Max H.-H. Schaber will explain the figures of the first three quarters in an online conference today at 10.00 am CET. All interested investors, analysts, and journalists are cordially invited to participate.

You can register for the event under the following link:

<https://attendee.gotowebinar.com/register/434819881200663821>



FINANCIAL CALENDAR

- 01.-03.09.21** HAIB Stock Picker Summit, Stockholm
- 06.-07.09.21** Equity Forum Spring Conference
- 20.-22.09.21** Berenberg German Corporate Conference
- 12.-13.10.21** CF&B Paris Conference
- 18.-19.11.21** Warburg Meet-the-future, Berlin
- 23.11.21** Publication of Preliminary Results for FY 20/2021
- 07.12.21** Berenberg European Conference

CONTACT FOR FURTHER INFORMATION

DATAGROUP SE

Claudia Erning

Wilhelm-Schickard-Str. 7

72124 Pliezhausen

T +49 7127 970-015

F +49 7127 970-033

claudia.erning@datagroup.de

ABOUT DATAGROUP

DATAGROUP is one of the leading German IT service companies. Around 3,500 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 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.



Overview of Key Figures (unaudited)

Figures in TEUR	Changes YoY		Q1 – Q3 2020/2021		Q1 – Q3 2019/2020	
Revenues	66,582	25.2%	330,825	100.0%	264,243	100.0%
thereof services and maintenance	49,309	22.0%	273,629	82.7%	224,320	84.9%
thereof trade	16,911	42.6%	56,610	17.1%	39,699	15.0%
thereof other / consolidation	362	161.6%	586	0.2%	224	0.1%
Other own work capitalised	579	80.0%	1,303	0.4%	724	0.3%
Change in capitalized contractual costs	-6,485	-119.3%	-1,048	-0.3%	5,437	2.1%
Total revenues	60,676	22.4%	331,080	100.1%	270,404	102.3%
Material expenses / Expenses for purchased services	27,117	30.3%	116,673	35.3%	89,556	33.9%
Gross profit	33,559	18.6%	214,407	64.8%	180,848	68.4%
Personnel expenses	14,791	10.6%	154,322	46.6%	139,531	52.8%
Other income etc.	-11,293	-66.5%	5,677	1.7%	16,970	6.4%
Other expenses etc.	-13,986	-42.7%	18,779	5.7%	32,765	12.4%
EBITDA	21,461	84.1%	46,983	14.2%	25,522	9.7%
Depreciation from PPA	735	23.7%	3,831	1.2%	3,096	1.2%
Other depreciation	2,705	14.4%	21,490	6.5%	18,785	7.1%
EBIT	18,021	494.9%	21,662	6.5%	3,641	1.4%
Financial result	431	-22.2%	-1,509	-0.5%	-1,940	-0.7%
EBT	18,452	1.084.8%	20,153	6.1%	1,701	0.6%
Taxes on income and profit	4,353	-1.511.5%	4,065	1.2%	-288	-0.1%
Net income	14,099	708.8%	16,088	4.9%	1,989	0.8%
Shares (in 1.000 pieces)			8,331		8,331	
Plus treasury shares (in 1.000 pieces)			18		18	
EPS	1.69		1.93		0.24	
Tax rate (in %)			20.2		-16.9	

Figures in TEUR	Changes YoY		30.06.2021		30.09.2020	
Balance sheet total			431,769		385,352	
Equity ¹			85,549		66,319	
Equity ratio (in %) ¹			19.8		17.2	
Net debt ¹			86,884		63,044	

¹ Under consideration of subordinated loans



Consolidated Balance Sheet (unaudited)

Figures in EUR	30.06.2021	30.09.2020
ASSETS		
Long-term assets		
Other intangible assets	37,098,185.89	26,330,764.75
Property, plant and equipment	67,000,529.41	75,933,347.01
Long-term financial assets	2,624,554.84	2,342,847.92
Capitalized contractual costs	16,735,468.61	17,774,913.65
Finance leasing receivables	23,207,334.49	20,254,057.62
Claims from reinsurance coverage for pension obligations	4,911,696.70	4,911,696.70
Other long-term assets	2,549,352.52	2,516,543.17
Deferred taxes	15,362,360.48	11,617,131.63
	278,075,370.83	224,182,174.58
Short-term assets		
Inventories	4,900,702.18	6,952,204.55
Contract assets ²	7,019,414.67	8,235,243.13
Trade receivables	50,936,810.58	41,255,080.46
Finance leasing receivables	10,026,607.50	8,004,360.51
Short-term financial assets	1,686,895.04	430,124.51
Other short-term assets	29,153,235.26	32,355,568.51
Cash and cash equivalents	49,970,319.61	63,937,088.85
	153,693,984.84	161,169,670.52
	431,769,355.67	385,351,845.10

² Previous year: Construction contracts



Figures in EUR	30.06.2021	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	50,673,488.08	34,585,571.44
Accumulated other comprehensive income	-5,706,971.80	-9,018,219.97
Balancing item for foreign currency translation	-5,312.88	-3,620.93
	85,549,067.94	66,151,595.08
Long-term liabilities		
Long-term financial liabilities	133,287,732.51	120,827,328.36
Pension provisions	68,891,856.95	72,789,978.98
Other provisions	7,844,019.34	9,483,619.66
Other long-term liabilities	145,548.90	482,670.65
Deferred taxes	5,767,181.89	2,435,645.41
	215,936,339.59	206,019,243.06
Short-term liabilities		
Short-term financial liabilities	36,799,957.16	34,578,912.63
Provisions	7,725,139.90	5,992,746.10
Contract liabilities ³	15,957,815.02	14,074,212.19
Trade payables	15,776,083.18	12,491,040.94
Income tax liabilities	8,248,496.63	6,998,812.33
Other liabilities	45,776,456.25	39,045,282.77
	130,283,948.14	113,181,006.96
	431,769,355.67	385,351,845.10

³ Previous year: Surplus of liabilities from construction contracts



Consolidated Income Statement (unaudited)

Figures in EUR	01.10.2020 – 30.06.2021	01.10.2019 – 30.06.2020
Revenues	330,824,953.60	264,243,248.89
Other own work capitalised	1,302,760.94	724,477.67
Change in capitalized contractual costs	-1,047,803.39	5,436,745.44
Total revenues	331,079,911.15	270,404,471.99
Other operating income	5,676,978.59	16,970,357.22
Material expenses / Expenses for purchased services	116,673,252.84	89,558,494.38
Personnel expenses	154,321,849.39	139,530,854.67
Depreciation of property, plant and equipment and other intangible assets	25,321,074.97	21,880,550.67
Other operating expenses	18,778,728.53	32,765,074.33
Operating income	21,661,984.01	3,639,855.16
Financial income	1,042,362.57	421,603.19
Financial expenses	2,551,311.06	2,361,295.19
Financial result	-1,508,948.48	-1,939,692.00
Earnings before taxes	20,153,035.52	1,700,163.15
Taxes on income and profit	4,065,118.88	-288,452.90
Net income	16,087,916.64	1,988,616.05

Consolidated Statement of Comprehensive Income (unaudited)

Figures in EUR	01.10.2020 – 30.06.2021	01.10.2019 – 30.06.2020
Net income	16,087,916.64	1,988,616.05
Other earnings before taxes⁴		
Recalculations of defined benefit obligations	4,804,803.62	184,773.55
Change in balancing items from currency conversion	-1,691.95	-3,093.76
Other earnings before taxes	4,803,111.67	181,679.79
Income tax effects on other income	1,493,555.45	86,436.81
Comprehensive income	19,397,472.86	2,083,859.04

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



Consolidated Cash Flow Statement (unaudited)

Figures in EUR	01.10.2020 – 30.06.2021	01.10.2019 – 30.06.2020
Cash flow from operating activities		
Net income for the period	16,087,916.64	1,988,616.05
Interest received	-802,691.82	-400,996.26
Interest paid	1,719,221.73	1,776,686.99
Depreciation and amortisation of current assets	25,321,074.97	21,903,231.18
Changes in pension provisions	877,076.98	638,158.23
Gains (-) / losses (+) on disposals of non-current assets	-49,586.86	72,275.46
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	33,854.05	599,369.79
Increase (-) / decrease (+) of inventories, trade receivables and other assets	1,676,851.81	-5,800,580.14
Increase (+) / decrease (-) of trade payables and other liabilities	-3,827,250.15	4,802,046.37
Income from business transactions	0.00	-11,570,708.49
Other non-cash transactions	-316,335.48	-389,060.43
Cash flow from operating activities	40,720,131.87	13,619,038.75
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	422,924.39	872,256.27
Cash outflow for investment in property, plant and equipment	-3,087,521.25	-11,638,580.52
Cash inflow from intangible assets	43,428.00	24,734.00
Cash outflow for investments in intangible assets	-2,499,036.25	-3,286,152.69
Cash inflow from liquidation of affiliated companies	697,543.69	-920,553.58
Cash outflow for investments in financial assets	-1,176,650.60	-205,000.00
Proceeds from the redemption of financial assets	0.00	50,000.00
Cash inflow / outflow from investments in fully consolidated companies	-34,569,151.13	35,554,765.15
Interest received	802,691.82	400,996.26
Net cash used in investing activities	-39,365,771.33	20,852,464.89
Cash flow from financing activities		
Cash outflow for dividends paid	0.00	-5,832,021.30
Cash inflow (+) / outflow (-) for finance lease contracts as part of investments in own property, plant and equipment (as lessee)	-6,194,234.51	51,628.31
Cash inflow from receipt of liabilities to affiliated companies	-12,229,163.00	-8,187,501.00
Cash outflow for the repayment of liabilities to banks	4,850,000.00	0.00
Interest paid	-1,719,221.73	-1,776,686.99
Net cash used in financing activities	-15,292,619.24	-15,744,580.98
	-13,938,258.70	18,726,922.66
Changes in cash and cash equivalents		
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	49,967,331.15	66,031,908.85