



DATAGROUP again reports strong quarter results with significant increase in all key figures

Pliezhausen, 23 August 2022. DATAGROUP again reports excellent results for the third quarter. Revenue was up 4.9 % to EUR 125.2m. Total revenue reached EUR 372.9m in the nine-month period, corresponding to an increase of 12.7 % yoy. EBITDA grew disproportionately in the third quarter from EUR 16.7m to EUR 20.9m (+25.3 %); EBIT also improved significantly by 56.1 % from EUR 7.8m to EUR 12.2m. In the nine-month period, EBITDA was up from 47.0m to EUR 58.3m (+24.2 %), and EBIT soared from EUR 21.7m to EUR 32.7m (+50.7 %).

REVENUE DEVELOPMENT

Q3 revenues saw another increase by 4.9 % to EUR 125.2m (PY: EUR 119.3m). When compared to the nine-month figures of FY 2020/2021 (01.10.2020 – 30.06.2021), DATAGROUP recorded revenue growth of 12.7 % from EUR 330.8m to EUR 372.9m. Newly acquired URANO Informationssysteme GmbH (“URANO”) and dna Gesellschaft für IT Services GmbH (“dna”), which were initially consolidated on 1 May 2021, have also contributed to this trend, albeit to a lesser extent. Organic growth was 0.5 % over the past 12 months. It should be noted that the strong organic growth in the prior periods was driven by positive one-time effects in the context of Covid-19 such as the equipment of vaccination centers in Baden-Württemberg or additional pandemic-related digitization projects, which DATAGROUP had implemented for its customers. The proportion of service revenue remains on a very high level of 82.2 %.

New sales and upselling as well as contract renewals also remained at high levels: In the reporting period from 1 October 2021 until 30 June 2022, DATAGROUP has acquired 15 new customers, 19 agreements were expanded, and 32 existing customers extended or renewed their agreements.

Andreas Baresel, Chief Executive Officer of DATAGROUP, comments on the positive development: “We take a cautious view of the emerging market trend in Germany. Our business model provides us with a good and stable basis to face economic fluctuations in Germany in a good and stable way. We are not affected by disruptions in the supply chains, neither directly nor indirectly. Our strategy to rely on a well-diversified customer portfolio of solid Mittelstand companies continues to pay off. Our standardized range of services from our modular CORBOX portfolio generates a high degree of recurring revenue as a reliable source of income with sustainable profitability.” Oliver Thome, Chief Financial Officer, adds: “We assume that DATAGROUP is well prepared for these times of economic uncertainty. We remain confident that we will meet our guidance: For the fiscal year, we anticipate revenues of between EUR 480–500m and EBITDA between EUR 72–75m. EBIT is expected to amount to EUR 39–42m.”

EARNINGS DEVELOPMENT

Operating earnings before taxes, interest, depreciation and amortization (EBITDA) have surged from EUR 16.7m to EUR 20.9m in Q3 2021/2022 (+25.3%) and from EUR 47.0m to EUR 58.3m (+24.2 %) in the corresponding nine-month period. Earnings before interest and taxes (EBIT) increased from EUR 7.8m to EUR



12.2m (+56.1 %) in the third quarter. EBIT in the nine-month period improved by 50.7 % to EUR 32.7m (PY EUR 21.7m). Earnings per share (EPS) stand at EUR 0.90 in Q3 versus EUR 0.63 in the previous year, and at EUR 2.39 in the current nine-month period versus EUR 1.93 in the prior-year period.

The EBITDA margin in Q3 2021/2022 is 16.7% compared to 14.0 % in the prior-year period and 15.6 % after nine months of the fiscal year compared to 14.2 % in the prior-year period. The EBIT margin in Q3 2021/2022 was 9.7% compared to 6.5 % in the prior-year period, and 8.8 % after nine months of the fiscal year compared to 6.5 % in the prior-year period. CFO Oliver Thome explains the positive earnings development: “Our measures taken to drive profitability of DATAGROUP are working effectively. Investments in the improvement of our processes, the use of automation technologies in the provision of our services, and the further standardization of our service portfolio are reflected in a significant increase in margins. As a result, DATAGROUP’s profitability is already very close to the EBIT target of > 9%.”

BALANCE SHEET DEVELOPMENT

The balance sheet is also very strong: The moderate increase in the balance sheet total from EUR 431.78m as per 30 September 2021 to EUR 440.5m as per 30 June 2022 and the quite significant increase in equity from EUR 94.3m to EUR 114.3m leads to an improvement of the equity ratio to 25.9 % compared to 21.8 % on 30 June 2021. Net debt was slightly reduced by 1.7 % from EUR 87.5m to EUR 86.0m. Cash and cash equivalents stood at EUR 42.2m at the end of the reporting period (PY: EUR 44.1m).

CASH FLOW

The development of cash flow from operating activities was particularly satisfying. It was up 43.1 % from EUR 40.7m to EUR 58.3m, primarily driven by the substantial increase in operating income. CAPEX remained at a low level: Investments in property, plant and equipment and intangible assets amounted to EUR 5.8m in the first three quarters of fiscal year 2021/2022 after EUR 5.6m in the comparable period a year before.

ANALYST MEETING

Chief Financial Officer Oliver Thome will explain the results of the first three quarters in an online conference at 10:00 am CET today. 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/5640401611111381260](https://attendeegotowebinar.com/register/5640401611111381260)

FINANCIAL CALENDAR

- 19.09.2022 Berenberg German Corporate Conference
- 23.09.2022 Baader Investment Conference 2022, Munich
- 17.-18.10.2022 CF&B European Midcap Event, Paris
- 22.11.2022 Publication of Preliminary Full-Year Results
- 28.-30.11.2022 German Equity Forum, Frankfurt
- 06.12.2022 Berenberg European Conference – Pennyhill Park Hotel



DATAGROUP

CONTACT FOR FURTHER INFORMATION

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ABOUT DATAGROUP

DATAGROUP is one of the leading German IT service companies. Some 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		Q1 - Q3	
			2021/2022		2020/2021	
Revenue	42,030	12.7%	372,855	100.0%	330,825	100.0%
thereof services and maintenance	32,827	12.0%	306,456	82.2%	273,629	82.7%
thereof retail	9,625	17.0%	66,235	17.8%	56,610	17.1%
thereof other / consolidation	-422	-72.0%	164	0.0%	586	0.2%
Other own work capitalized	-423	-32.5%	880	0.2%	1,303	0.4%
Changes in capitalized contract costs	-1,251	119.4%	-2,299	-0.6%	-1,048	-0.3%
Total revenues	40,356	12.2%	371,436	99.6%	331,080	100.1%
Material expenses / Expenses for purchased services	14,761	12.7%	131,434	35.3%	116,673	35.3%
Gross profit	25,595	11.9%	240,002	64.4%	214,407	64.8%
Personnel expenses	14,183	9.2%	168,505	45.2%	154,322	46.6%
Other operating income	2,020	35.6%	7,697	2.1%	5,677	1.7%
Other operating expenses	2,074	11.0%	20,853	5.6%	18,779	5.7%
EBITDA	11,358	24.2%	58,341	15.6%	46,983	14.2%
Depreciation from PPA	920	24.0%	4,751	1.3%	3,831	1.2%
Other depreciation	-554	-2.6%	20,936	5.6%	21,490	6.5%
EBIT	10,992	50.7%	32,654	8.8%	21,662	6.5%
Financial result	-301	19.9%	-1,810	-0.5%	-1,509	-0.5%
EBT	10,691	53.0%	30,844	8.3%	20,153	6.1%
Taxes on income and profit	6,844	168.4%	10,909	2.9%	4,065	1.2%
Net profit/loss	3,847	23.9%	19,935	5.3%	16,088	4.9%
Shares (in 1,000 units)			8,331		8,331	
plus treasury shares (in thousand units):			18		18	
EPS	0.46	23.9%	2.39		1.93	
Tax rate (in per cent)			35.4%		20.2%	

Figures in TEUR	30.06.2022	30.09.2021
Balance sheet total	440,543	431,783
Equity	114,295	94,297
Equity ratio (in %)	25.9	21.8
Net debt	85,993	87,520
Net debt to EBITDA	1.1	1.3



Consolidated Statement of Financial Position (unaudited)

Figures in EUR

ASSETS	30.06.2022	30.09.2021
Non-current assets		
Goodwill	128,084,321.66	103,084,280.41
Other intangible assets	43,304,275.25	43,076,480.19
Property, plant and equipment	61,960,989.07	65,149,119.73
Non-current financial assets	2,415,638.59	1,555,089.25
Capitalized contract costs	13,537,216.26	15,836,476.57
Receivables from finance lease	18,082,931.27	23,373,608.99
Claims from reinsurance coverage for pension obligations	4,552,033.70	4,664,533.70
Other non-financial assets	889,634.33	2,373,011.80
Deferred taxes	12,351,081.93	17,703,996.91
	285,178,122.06	276,816,597.55
Current assets		
Inventories	7,752,068.22	3,770,189.52
Contract Assets	4,400,980.59	3,475,645.71
Trade receivables	55,537,755.17	56,362,817.12
Receivables from finance lease	10,181,896.72	10,216,186.00
Current financial assets	1,469,778.55	1,674,772.65
Other assets	33,807,317.06	35,374,339.64
Cash and cash equivalents	42,215,354.62	44,091,986.09
	155,365,150.93	154,965,936.73
	440,543,272.99	431,782,534.28



Figures in EUR

LIABILITIES	30.06.2022	30.09.2021
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	67,210,792.74	55,598,769.10
Accumulated other comprehensive income	6,522,494.37	-1,884,668.84
Balancing item for foreign currency translation	-26,058.67	-4,587.78
	114,295,092.98	94,297,377.02
Non-current liabilities		
Non-current financial liabilities	126,679,596.26	133,540,012.90
Pension provisions	52,682,280.68	64,037,964.78
Other provisions	1,457,841.57	1,749,993.12
Other liabilities	79,201.65	28,265.65
Deferred taxes	5,687,350.04	7,963,451.17
	186,586,270.20	207,319,687.62
Current liabilities		
Current financial liabilities	29,792,811.72	31,661,561.71
Other provisions	16,308,346.50	16,426,900.08
Contract liabilities	15,367,750.75	13,530,734.55
Trade payables	14,010,887.35	11,421,574.49
Income tax liabilities	13,702,249.12	9,798,742.41
Other liabilities	50,479,864.37	47,325,956.40
	139,661,909.81	130,165,469.64
	440,543,272.99	431,782,534.28



Consolidated Income Statement (unaudited)

Figures in EUR	01.10.2021 – 30.06.2022	01.10.2020 – 30.06.2021
Revenue	372,854,563.43	330,824,953.60
Other own work capitalized	880,235.62	1,302,760.94
Changes in capitalized contract costs	-2,299,260.31	-1,047,803.39
Total revenues	371,435,538.74	331,079,911.15
Other operating income	7,697,152.82	5,676,978.59
Material expenses / Expenses for purchased services	131,434,472.67	116,673,252.84
Personnel expenses	168,505,232.03	154,321,849.39
Depreciation of property, plant and equipment and other intangible assets	25,686,753.17	25,321,074.97
Other operating expenses	20,852,527.77	18,778,728.53
Operating income	32,653,705.92	21,661,984.01
Financial income	1,327,264.87	1,042,362.57
Financial expenses	3,137,714.82	2,551,311.06
Financial result	-1,810,449.95	-1,508,948.49
Earnings before taxes	30,843,255.97	20,153,035.52
Taxes on income and profit	10,908,681.43	4,065,118.88
Net income	19,934,574.54	16,087,916.64

Consolidated Statement of Comprehensive Income (unaudited)

Figures in EUR	01.10.2021 – 30.06.2022	01.10.2020 – 30.06.2021
Net income	19,934,574.54	16,087,916.64
Other earnings before taxes		
Recalculation of defined benefit obligations	12,130,162.64	4,804,803.62
Change in balancing items from currency conversion	-21,470.89	-1,691.95
Other earnings before taxes	12,108,691.75	4,803,111.67
Income tax effects on other income	3,722,999.43	1,493,555.45
Comprehensive income	28,320,266.86	19,397,472.86



Consolidated Statement of Comprehensive Income (unaudited)

Figures in EUR	01.10.2021 – 30.06.2022	01.10.2020 – 30.06.2021
Cash flow from operating activities		
Net income	19,934,574.54	16,087,916.64
Interest received	-608,654.59	-802,691.82
Interest paid	1,668,342.38	1,719,221.73
Depreciation and amortization of non-current assets	25,575,585.99	25,321,074.97
Changes in pension provisions	539,702.24	877,076.98
Gains (-) / losses (+) on disposals of non-current assets	-105,206.21	-49,586.86
Increase (-) / decrease (+) of receivables or liabilities to shareholders, affiliated and associated companies	-2,273,197.38	33,854.05
Increase (-) / decrease (+) of inventories, trade receivables and other assets	11,911,081.39	1,676,851.81
Increase (+) / decrease (-) of trade payables and other liabilities and other liabilities	1,203,638.59	-3,827,250.15
Other non-cash transactions	428,719.57	-316,335.48
Cash flow from operating activities	58,274,586.52	40,720,131.87
Cash flow from investing activities		
Cash inflow from sale of tangible assets	138,427.40	422,924.39
Cash outflow for investment in property, plant and equipment	-3,468,484.99	-3,087,521.25
Cash inflow from the disposal of intangible assets	424,560.12	43,428.00
Cash outflow for investments in intangible assets	-2,375,799.57	-2,499,036.25
Cash outflow for investments in fully consolidated companies	-34,554,783.20	-34,569,151.13
Cash outflow for investments in affiliated, non-fully consolidated companies	-10,054.34	0.00
Cash outflow for investments in associated companies	30,000.00	0.00
Cash outflow for investments in long-term financial assets	-1,192,564.22	-1,176,650.60
Cash inflow from the sale of non-current financial assets	0.00	697,543.69
Interest received	608,654.59	802,691.82
Net cash used in investing activities	-40,400,044.21	-39,365,771.33



Figures in EUR

01.10.2021 –
30.06.2022

01.10.2020 –
30.06.2021

	01.10.2021 – 30.06.2022	01.10.2020 – 30.06.2021
Cash flow from financing activities		
Cash outflow for dividend paid	-8,331,459.00	0.00
Cash outflow for the repayment of liabilities to banks	163,780.14	0.00
Cash outflow for the repayment of liabilities to banks	0.00	4,850,000.00
Cash inflow (+) / outflow (-) for finance lease agreements (as a lessee)	-9,915,152.54	-6,194,234.51
Cash inflow from loans of affiliated companies	0.00	-12,229,163.00
Interest paid	-1,668,342.38	-1,719,221.73
Net cash used in financing activities	-19,751,173.78	-15,292,619.24
Changes in cash and cash equivalents from the scope of consolidation	-1,876,631.47	-13,938,258.70
Cash and cash equivalents at the beginning of the period	44,091,986.09	63,905,589.85
Cash and cash equivalents at the end of the period	42,215,354.62	49,967,331.15