

1ST QUARTER 2017

QUARTERLY STATEMENT AS OF 31 MARCH 2017

Your strong IT partner.
Today and tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 31.03.2017	01.01– 31.03.2016	Change in %
Revenue	€k	803,129	704,905	13.9
IT system house & managed services	€k	563,326	490,642	14.8
IT e-commerce	€k	239,803	214,263	11.9
EBITDA	€k	38,725	33,846	14.4
IT system house & managed services	€k	28,484	24,109	18.1
IT e-commerce	€k	10,241	9,737	5.2
EBIT	€k	31,823	26,956	18.1
IT system house & managed services	€k	22,792	18,500	23.2
IT e-commerce	€k	9,031	8,456	6.8
EBIT margin	%	4.0	3.8	
IT system house & managed services	%	4.0	3.8	
IT e-commerce	%	3.8	3.9	
EBT	€k	31,475	26,915	16.9
EBT margin	%	3.9	3.8	
Earnings after taxes	€k	22,098	19,115	15.6
Earnings per share	€	1.05	0.91	15.6
Return on equity¹	%	13.7	13.1	
Cash flow from operating activities	€k	-16,954	-17,897	5.3
Cashflow je Aktie		-0.81	-0.85	5.3
Number of employees (as of 31.03)		7,708	7,269	6.0
IT system house & managed services		6,256	5,863	6.7
IT e-commerce		1,452	1,406	3.3

		31.03.2017	31.12.2016	Change in %
Cash and cash equivalents²	€k	134,065	162,781	-17.6
Working capital	€k	413,316	375,645	10.0
Equity ratio	%	59.0	54.7	

¹ Annualised

² Incl. time deposits and securities

REVIEW BY QUARTER 2017

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2017 FY 01.01–31.03
Revenue	€k	803,129				803,129
EBITDA	€k	38,725				38,725
EBIT	€k	31,823				31,823
EBT	€k	31,475				31,475
EBT margin	%	3.9				3.9
Earnings after taxes	€k	22,098				22,098

Preliminary note: Since 1 January 2017, the activities of the Comsoft companies in Germany, Austria and Switzerland have been allocated to the IT system house & managed services segment (previously IT e-commerce). The prior-year figures of the two segments have been adjusted accordingly.



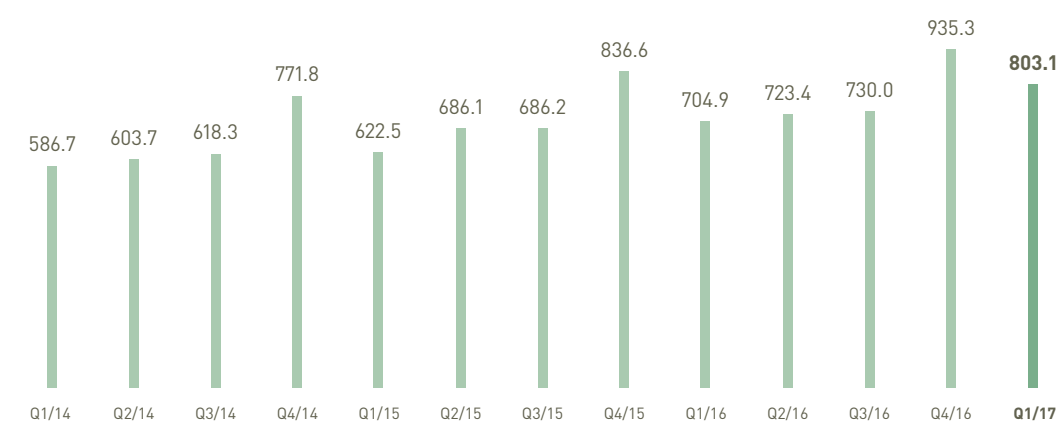
See Annual Report 2016,
page 27 f

EARNINGS POSITION

The Bechtle Group has made a highly convincing and dynamic start into the 2017 fiscal year.

GROUP REVENUE

€m



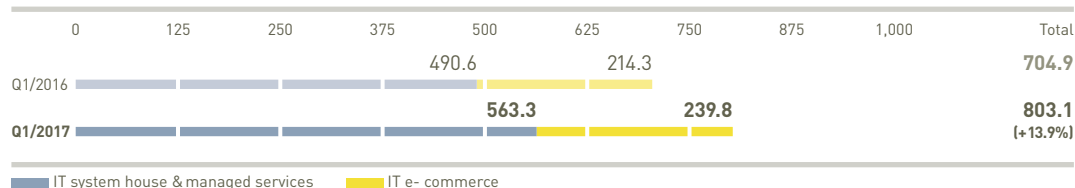
As of 31 March, the order backlog amounted to €468 million (prior year: €360 million). Of this amount, the IT system house & managed services segment accounted for €400 million (prior year: €319 million), and the IT e-commerce segment for €68 million (prior year: €41 million).

From January to March, the revenue increased 13.9 per cent. At 12.8 per cent, Bechtle's growth was largely organic.

The growth was supported by both segments. The revenue in the IT system house & managed services segment climbed 14.8 per cent. The performance of the system houses outside Germany was particularly remarkable: they achieved growth of 23.4 per cent, driven partly by acquisitions. The growth of the German system houses amounted to 13.5 per cent. The demand for future-oriented IT architectures at the customer site or as a service was high in all areas.

REVENUE BY SEGMENTS

€m



The IT e-commerce segment grew 11.9 per cent. The revenue went up 17.1 per cent in Germany and 10.1 per cent for companies abroad.

REVENUE – GROUP AND SEGMENTS

	Q1/2017	Q1/2016	Change
Group	803,129	704,905	+13.9%
Domestic	550,163	482,842	+13.9%
Abroad	252,966	222,063	+13.9%
IT system house & managed services	563,326	490,642	+14.8%
IT e-commerce	239,803	214,263	+11.9%

At 14.8 per cent, material costs underwent a slightly above-average increase. The share of personnel expenses, included in the cost of sales, went up by a below-average rate of 12.1 per cent. Gross earnings climbed 13.7 per cent, and the gross margin again reached an excellent level of 14.8 per cent.

The personnel expenses in the two functional areas sales and administration also increased at a disproportionately low rate. Nevertheless, owing to higher investments in ongoing projects, the increase in administrative expenses amounted to 17.2 per cent. Other operating income did not undergo any special developments.

Year on year, EBITDA climbed 14.4 per cent, resulting in an unchanged EBITDA margin of 4.8 per cent.

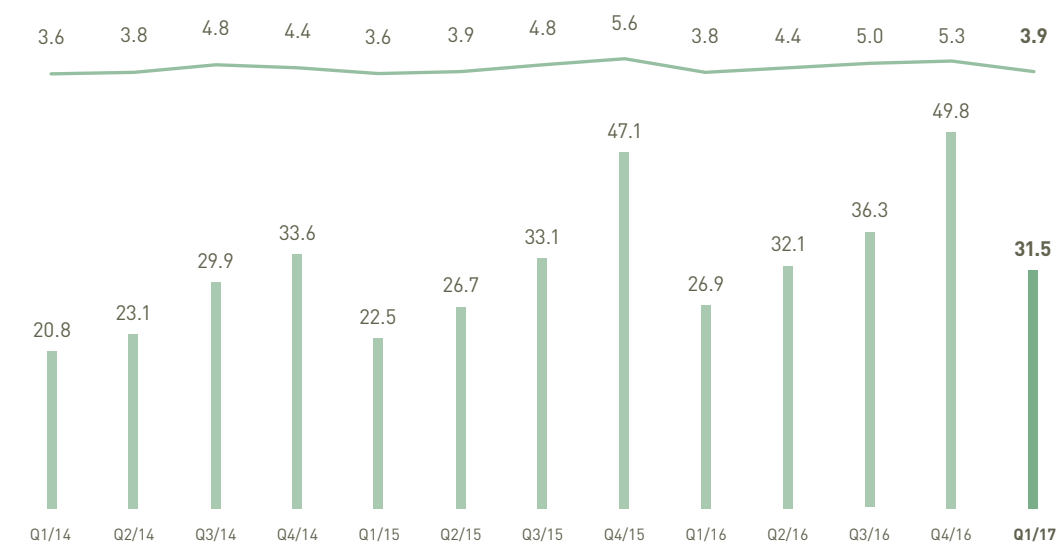
Depreciation and amortisation totalled €6.9 million, a figure close to that of the prior year. As previously, depreciation of property, plant and equipment accounted for the greatest share. This item amounted to €5.9 million.

EBIT increased 18.1 per cent to €31.8 million. The margin thus went up to 4.0 per cent.

EBT also performed well, climbing 16.9 per cent to €31.5 million. The EBT margin was 3.9 per cent.

EBT AND EBT MARGIN

€m and %



The tax rate rose from 29.0 per cent in the prior year to 29.8 per cent in the period under review.

Earnings after taxes went up 15.6 per cent to €22.1 million. EPS amounted to €1.05.

At the segment level, the earnings situation was as follows:

The IT system house & managed services segment reported a highly positive EBIT growth of 23.2 per cent. Bechtle has firmly established its position as a one-stop provider for higher-margin services as well. Moreover, other operating expenses – which had undergone an extraordinary increase in the corresponding prior-year quarter – returned to normal. Accordingly, the EBIT margin rose from 3.8 per cent to 4.0 per cent.

In the IT e-commerce segment, EBIT went up 6.8 per cent. Due to the product mix, the material costs increased above average, while the personnel expenses progressed at a below-average rate. All in all, the segment managed to keep EBIT margin at almost the same level of 3.8 per cent (prior year: 3.9 per cent).

EBIT – GROUP AND SEGMENTS

€k

	Q1/2017	Q1/2016	Change
Group	31,823	26,956	+18.1%
IT system house & managed services	22,792	18,500	+23.2%
IT e-commerce	9,031	8,456	+6.8%

ASSETS AND FINANCIAL POSITION

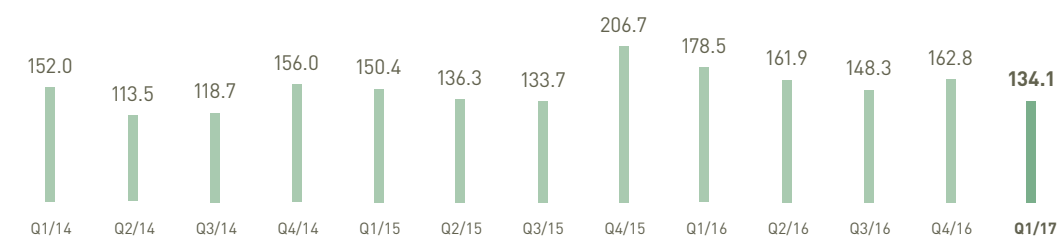
Particularly for reasons related to the reporting date, the balance sheet total of the Bechtle Group as of 31 March 2017 amounted to €1,213.4 million, 4.4 per cent less than as of 31 December 2016.

Among the non-current assets, investments caused an increase of €2.9 million in other intangible assets and €4.2 million in property, plant and equipment. Project related, trade receivables went up €3.3 million.

Among the current assets, the inventories climbed €29.5 million due to the higher number of larger projects. Following a high balance as of the end of 2016, trade receivables dropped €60.6 million in the first quarter. Our average DSO (days sales outstanding) underwent a year-on-year increase from 40.0 days to 41.4 days as of 31 March 2017. As some of the time deposits and securities that reached maturity in the first quarter were not reinvested, this item dropped by €10.0 million. Because of the higher prefinancing needs associated with the growth, cash and cash equivalents decreased by €18.7 million in the first quarter of 2017.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



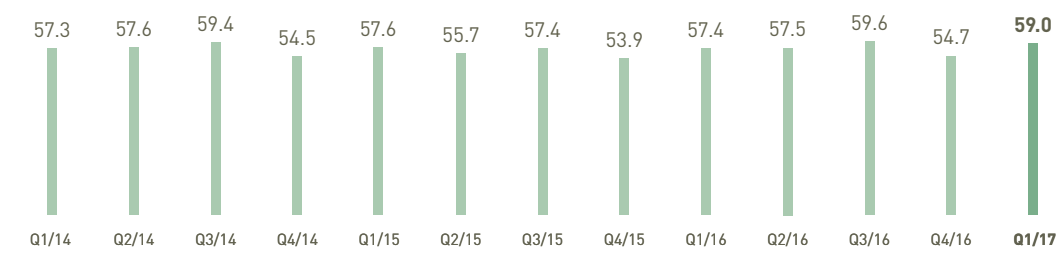
By 31 March 2017, the working capital had increased from €375.6 million to €413.3 million, especially due to the higher inventories and the lower trade payables.

On the equity and liabilities side, the current liabilities underwent the greatest changes. For reasons related to the reporting date, trade payables dropped €65.1 million. Other liabilities fell €28.8 million, also for reasons related to the reporting date. This was due mainly to the lower personnel liabilities as a result of the variable compensation components paid out in the first quarter and reduced VAT liabilities.

Owing to the higher earnings, the equity climbed €22.2 million. Our equity ratio increased from 54.7 per cent as of 31 December 2016 to 59.0 per cent. The extrapolated return on equity increased from 13.1 per cent as of 31 March 2016 to 13.7 per cent as of the reporting date.

EQUITY RATIO

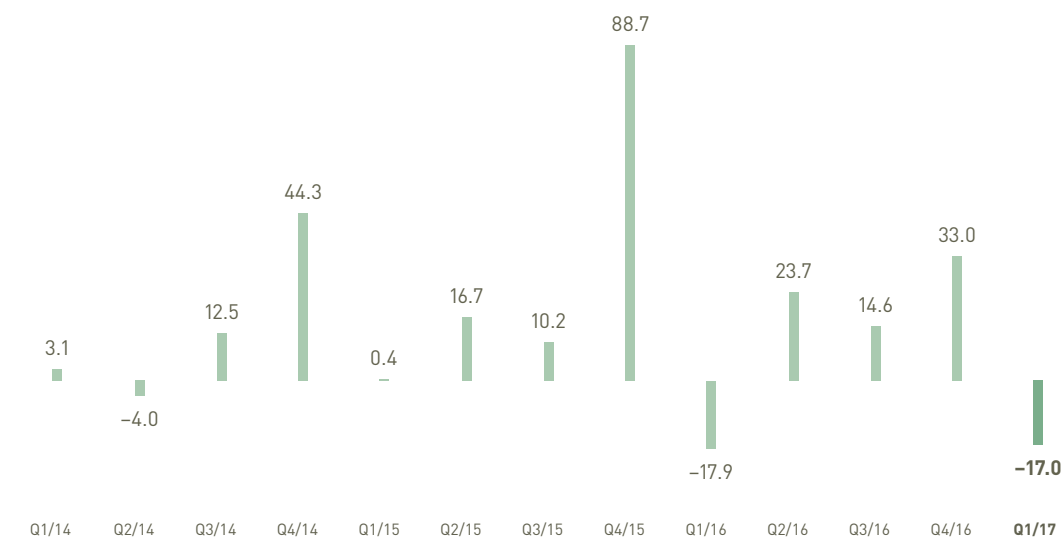
%



As in the prior year, the operating cash flow in the first quarter was negative. Despite the higher cash inflow from the reduction of trade receivables, the increase in inventories and the reduction of trade payables caused higher cash outflows.

CASH FLOW FROM OPERATING ACTIVITIES

€m

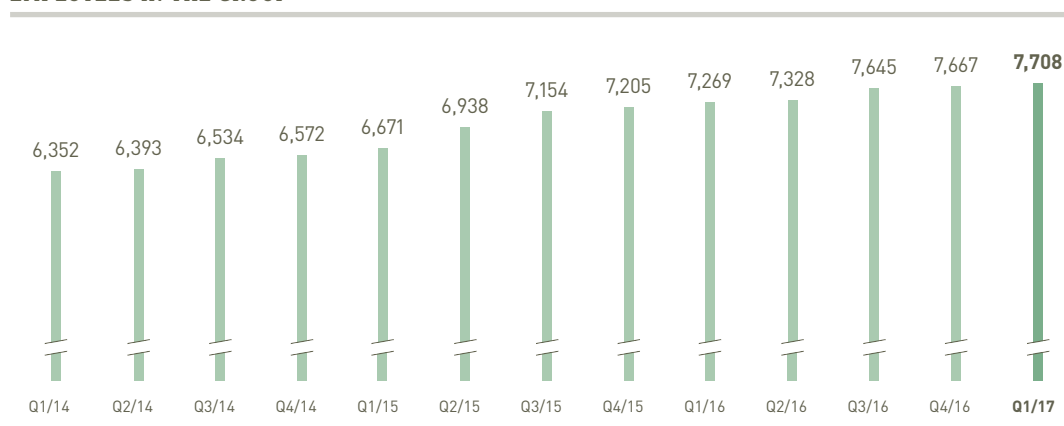


In the first quarter of 2017, the net cash used for investments was mainly marked by higher outflows for investments in intangible assets and property, plant and equipment. The cash flow from financing activities was affected by factors such as the higher inflow from the assumption of financial liabilities.

EMPLOYEES

As of the reporting date 31 March 2017, the Bechtle Group had a total of 7,708 employees, including 479 trainees. Compared to 31 March 2016, the headcount thus went up by 439, an increase of 6.0 per cent. The increase in the number of employees in the group is the result of acquisitions and new recruitment. The system house segment underwent a greater headcount increase than the e-commerce segment. Compared to 31 December 2016, the number of employees went up by 41, a moderate increase of 0.5 per cent.

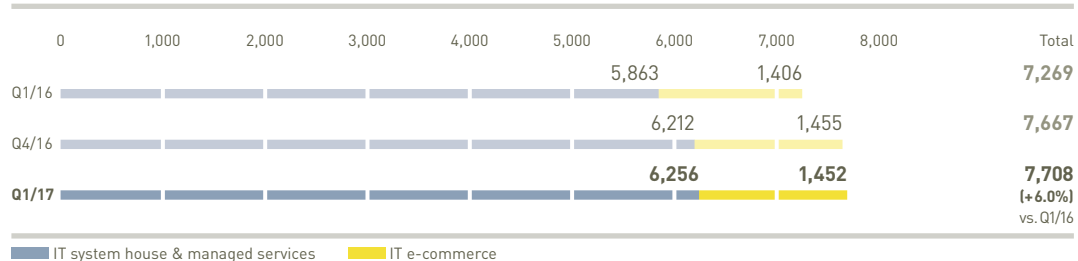
EMPLOYEES IN THE GROUP



In the system house segment, the number of employees as of the reporting date 31 March 2017 was 44 higher than as of 31 December 2016, an increase of 0.7 per cent. The increase in the number of employees largely took place in the domestic system houses. In the e-commerce segment, the number of employees remained almost unchanged compared to 31 December 2016.

In the first quarter of 2017, the average number of employees in the group amounted to 7,685, a year-on-year increase of 443 or 6.1 per cent.

EMPLOYEES BY SEGMENTS



As of 31 March 2017, Bechtle had a total of 479 young trainees, 43 more than in the prior year, an increase of 9.9 per cent.

FORECAST

We confirm our forecast for the fiscal year 2017 as presented on pages 108 to 114 of our annual report 2016.

CONSOLIDATED INCOME STATEMENT

	€k	
	01.01– 31.03.2017	01.01– 31.03.2016
Revenue	803,129	704,905
Cost of sales	684,524	600,581
Gross profit	118,605	104,324
Distribution costs	48,584	45,200
Administrative expenses	42,627	36,363
Other operating income	4,429	4,195
Earnings before interest and taxes	31,823	26,956
Financial income	235	565
Financial expenses	583	606
Earnings before taxes	31,475	26,915
Income taxes	9,377	7,800
Earnings after taxes (attributable to shareholders of Bechtle AG)	22,098	19,115
Net earnings per share (basic and diluted) in €	1.05	0.91
Weighted average shares outstanding (basic and diluted) in thousands	21,000	21,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k	
	01.01– 31.03.2017	01.01– 31.03.2016
Earnings after taxes	22,098	19,115
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
Actuarial gains and losses on pension provisions	–105	231
Income tax effects	19	–40
Items that will be reclassified to profit or loss in subsequent periods		
Unrealised gains and losses on securities	–1	4
Income tax effects	0	–1
Unrealised gains and losses on financial derivatives	–700	–1,409
Income tax effects	207	412
Currency translation differences of net investments in foreign operations	0	0
Income tax effects	0	0
Hedging of net investments in foreign operations	–179	–588
Income tax effects	53	175
Currency translation differences	769	–1,597
Other comprehensive income	63	–2,813
of which income tax effects	279	546
Total comprehensive income (attributable to shareholders of Bechtle AG)	22,161	16,302

CONSOLIDATED BALANCE SHEET

ASSETS		€k	
	31.03.2017	31.12.2016	31.03.2016
Non-current assets			
Goodwill	193,979	193,521	166,492
Other intangible assets	38,243	35,338	28,544
Property, plant and equipment	115,878	111,666	102,205
Trade receivables	15,762	12,436	15,801
Income tax receivables	0	0	33
Deferred taxes	4,851	4,798	4,421
Other assets	3,379	3,467	3,411
Time deposits and securities	7,006	7,005	7,001
Total non-current assets	379,098	368,231	327,908
Current assets			
Inventories	210,174	180,652	164,158
Trade receivables	441,688	502,270	385,936
Income tax receivables	1,128	847	1,733
Other assets	54,292	61,562	58,823
Time deposits and securities	5,371	15,361	24,780
Cash and cash equivalents	121,688	140,415	146,700
Total current assets	834,341	901,107	782,130
Total assets	1,213,439	1,269,338	1,110,038

EQUITY AND LIABILITIES

€k

	31.03.2017	31.12.2016	31.03.2016
Equity			
Issued capital	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228
Retained earnings	550,036	527,875	470,725
Total equity	716,264	694,103	636,953
Non-current liabilities			
Pension provisions	20,141	19,924	15,749
Other provisions	6,809	6,719	6,003
Financial liabilities	54,557	51,744	54,400
Trade payables	222	147	359
Deferred taxes	19,924	20,570	20,191
Other liabilities	5,843	5,874	6,041
Deferred income	12,759	12,981	12,091
Total non-current liabilities	120,255	117,959	114,834
Current liabilities			
Other provisions	6,484	6,657	7,006
Financial liabilities	9,580	9,745	10,519
Trade payables	176,998	242,120	169,905
Income tax payables	8,439	7,676	7,727
Other liabilities	86,549	115,314	80,507
Deferred income	88,870	75,764	82,587
Total current liabilities	376,920	457,276	358,251
Total equity and liabilities	1,213,439	1,269,338	1,110,038

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2016	21,000	145,228	455,209	-786	454,423	620,651
Earnings after taxes			19,115		19,115	19,115
Other comprehensive income				-2,813	-2,813	-2,813
Total comprehensive income	0	0	19,115	-2,813	16,302	16,302
Equity as of 31 March 2016	21,000	145,228	474,324	-3,599	470,725	636,953
Equity as of 1 January 2017	21,000	145,228	529,180	-1,305	527,875	694,103
Earnings after taxes			22,098		22,098	22,098
Other comprehensive income				63	63	63
Total comprehensive income	0	0	22,098	63	22,161	22,161
Equity as of 31 March 2017	21,000	145,228	551,278	-1,242	550,036	716,264

CONSOLIDATED CASH FLOW STATEMENT

	€k	
	01.01– 31.03.2017	01.01– 31.3.2016
Operating activities		
Earnings before taxes	31,475	26,915
Adjustment for non-cash expenses and income		
Financial earnings	348	41
Depreciation and amortisation of intangible assets and property, plant and equipment	6,902	6,890
Gains and losses on disposal of intangible assets and property, plant and equipment	30	23
Other non-cash expenses and income	–553	815
Changes in net assets		
Changes in inventories	–29,508	–13,900
Changes in trade receivables	57,801	26,018
Changes in trade payables	–65,060	–33,178
Changes in deferred income	12,885	4,180
Changes in other net assets	–21,935	–26,534
Income taxes paid	–9,339	–9,167
Cash flow from operating activities	–16,954	–17,897
Investing activity		
Cash paid for acquisitions less cash acquired	5	–1,436
Cash paid for investments in intangible assets and property, plant and equipment	–14,443	–8,707
Cash received from the sale of intangible assets and property, plant and equipment	485	1,914
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	10,000	10,000
Interest payments received	82	272
Cash flow from investing activities	–3,871	2,043
Financing activities		
Cash paid for the repayment of financial liabilities	–2,031	–3,620
Cash received from the assumption of financial liabilities	4,679	2,519
Interest paid	–552	–563
Cash flow from financing activities	2,096	–1,664
Exchange-rate-related changes in cash and cash equivalents	2	–549
Changes in cash and cash equivalents	–18,727	–18,067
Cash and cash equivalents at beginning of the period	140,415	164,767
Cash and cash equivalents at the end of the period	121,688	146,700

FINANCIAL CALENDAR

QUARTERLY STATEMENT 1ST QUARTER 2017 (31 MARCH)

Wednesday, 10 May 2017

ANNUAL GENERAL MEETING

Thursday, 1 June 2017, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

HALF-YEAR FINANCIAL REPORT 2017 (30 JUNE)

Thursday, 10 August 2017

QUARTERLY STATEMENT 3RD QUARTER 2017 (30 SEPTEMBER)

Friday, 10 November 2017

See bechtle.com/financial-calendar for further dates and changes.

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Your strong IT partner.
Today and tomorrow.

