

1<sup>ST</sup> QUARTER 2019

# QUARTERLY STATEMENT AS OF 31 MARCH 2019

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 31.03.2019	01.01– 31.03.2018 <sup>1</sup>	Change in %
<b>Revenue</b>	€k	<b>1,239,948</b>	<b>955,389</b>	<b>29.8</b>
IT System House & Managed Services	€k	782,219	658,182	18.8
IT E-Commerce	€k	457,729	297,207	54.0
<b>EBITDA</b>	€k	<b>64,922</b>	<b>44,504</b>	<b>45.9</b>
IT System House & Managed Services	€k	39,238	31,246	25.6
IT E-Commerce	€k	25,684	13,258	93.7
<b>EBIT</b>	€k	<b>46,278</b>	<b>35,718</b>	<b>29.6</b>
IT System House & Managed Services	€k	26,370	24,072	9.5
IT E-Commerce	€k	19,908	11,646	70.9
<b>EBIT margin</b>	%	<b>3.7</b>	<b>3.7</b>	
IT System House & Managed Services	%	3.4	3.7	
IT E-Commerce	%	4.3	3.9	
<b>EBT</b>	€k	<b>45,006</b>	<b>35,400</b>	<b>27.1</b>
<b>EBT margin</b>	%	<b>3.6</b>	<b>3.7</b>	
<b>Earnings after taxes</b>	€k	<b>31,677</b>	<b>24,849</b>	<b>27.5</b>
<b>Earnings per share</b>	€	<b>0.75</b>	<b>0.59</b>	<b>27.5</b>
<b>Return on equity<sup>2</sup></b>	%	<b>15.6</b>	<b>13.8</b>	
<b>Cash flow from operating activities</b>	€k	<b>-22,112</b>	<b>13,939</b>	
<b>Number of employees (as of 31.03)</b>		<b>10,334</b>	<b>8,627</b>	<b>19.8</b>
IT System House & Managed Services		8,012	7,044	13.7
IT E-Commerce		2,322	1,583	46.7

		31.03.2019	31.12.2018	Change in %
<b>Cash and cash equivalents<sup>3</sup></b>	€k	<b>191,577</b>	<b>250,922</b>	<b>-23.7</b>
<b>Working Capital</b>	€k	<b>623,593</b>	<b>580,794</b>	<b>7.4</b>
<b>Equity ratio</b>	%	<b>43.0</b>	<b>43.6</b>	

<sup>1</sup> Prior year without effects from IFRS 16

<sup>2</sup> Annualised

<sup>3</sup> Incl. time deposits and securities

## REVIEW BY QUARTER 2019

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2018 FY 01.01–30.09
Revenue	€k	1,239,948				1,239,948
EBITDA	€k	64,922				64,922
EBIT	€k	46,278				46,278
EBT	€k	45,006				45,006
EBT margin	%	3.6				3.6
Earnings after taxes	€k	31,677				31,677

A detailed description of the effects of the first-time adoption of IFRS 16 is provided on page 9 of this report.



For IFRS 16  
see page 9

## EARNINGS POSITION

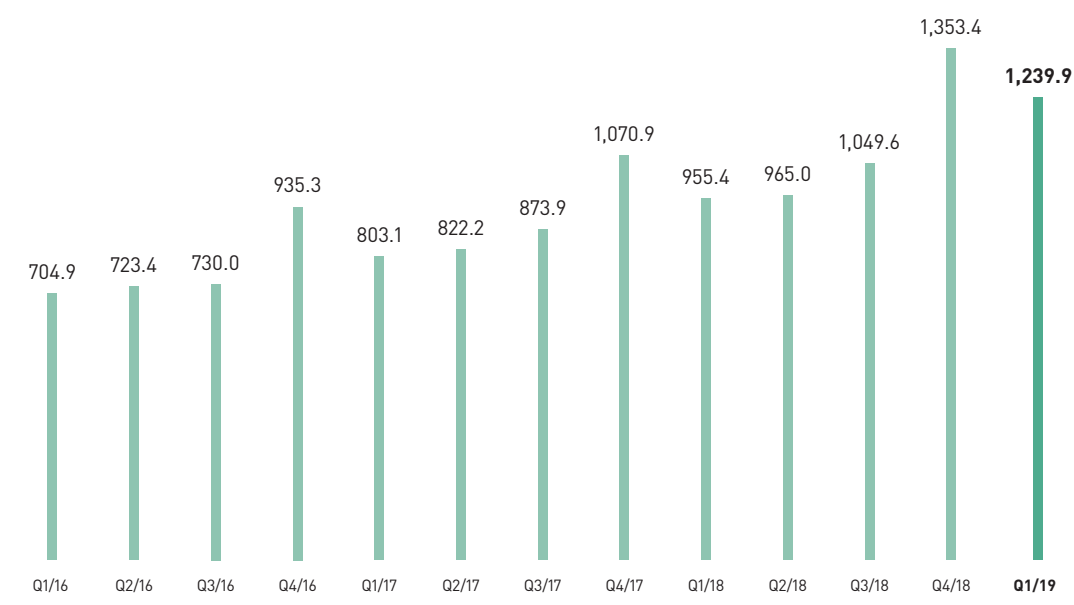
Despite the difficult framework conditions, the Bechtle Group demonstrated impressive growth in the first three months of 2019, compared to the prior year.

As of 31 March, the order backlog amounted to €691 million (prior year: €548 million). Of this amount, the IT System House & Managed Services segment accounted for €578 million (prior year: €472 million), and the IT E-Commerce segment for €113 million (prior year €76 million).

From January to March, the revenue increased 29.8 per cent, compared to the prior-year quarter. At 15.3 per cent, the organic growth likewise reached a good two-figure level.

### GROUP REVENUE

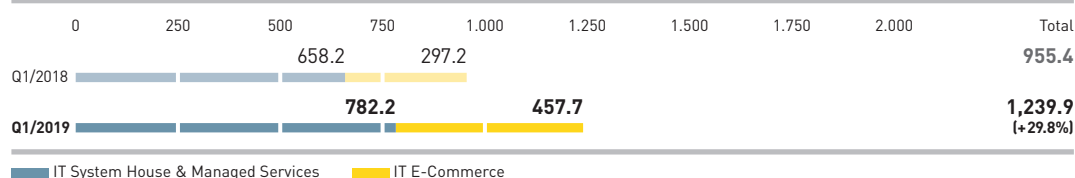
€m



The growth abroad (62.7 per cent) was much higher than the growth in Germany (14.6 per cent). This was mainly due to acquisitions. However, the foreign companies also achieved higher organic growth (21.0 per cent) than the German companies (12.6 per cent).

### REVENUE BY SEGMENTS

€m



At 54.0 per cent, the revenue growth was especially strong in the IT E-Commerce segment. Nevertheless, the IT System House & Managed Services segment also reported impressive growth of 18.8 per cent. The organic growth of 16.6 per cent in the IT System House & Managed Services segment was even higher than that of the IT E-Commerce segment, which reached 12.3 per cent.

#### REVENUE – GROUP AND SEGMENTS

€k

	Q1/2019	Q1/2018	Change
<b>Group</b>	<b>1,239,948</b>	<b>955,389</b>	<b>+29.8%</b>
Domestic	749,079	653,733	+14.6%
Abroad	490,869	301,656	+62.7%
<b>IT System House &amp; Managed Services</b>	<b>782,219</b>	<b>658,182</b>	<b>+18.8%</b>
<b>IT E-Commerce</b>	<b>457,729</b>	<b>297,207</b>	<b>+54.0%</b>

Due to the strong growth, material costs underwent a disproportionately high increase of 31.5 per cent. The below-average increase of 17.6 per cent in personnel expenses, which are included in the cost of sales, could not compensate for this effect. Gross earnings from revenue went up 26.5 per cent, and the gross margin declined from 14.6 per cent to 14.2 per cent.

The expenses in the two functional areas, sales and administration, developed differently. In the field of sales, expenses increased at a disproportionately low rate, bringing the expense ratio down from 6.0 per cent to 5.7 per cent. In administration, expenses went up at a slightly above-average rate, and the expense ratio remained stable at 5.2 per cent. Other operating income more than doubled. This was due to bonus payments from vendors, which fell due in the first quarter.

As a result of the first-time adoption of IFRS 16, the lease expenses from the other operating expenses were replaced by depreciation, amortisation and interest expenses. Accordingly, EBITDA went up 45.9 per cent, and the EBITDA margin was 5.2 per cent.

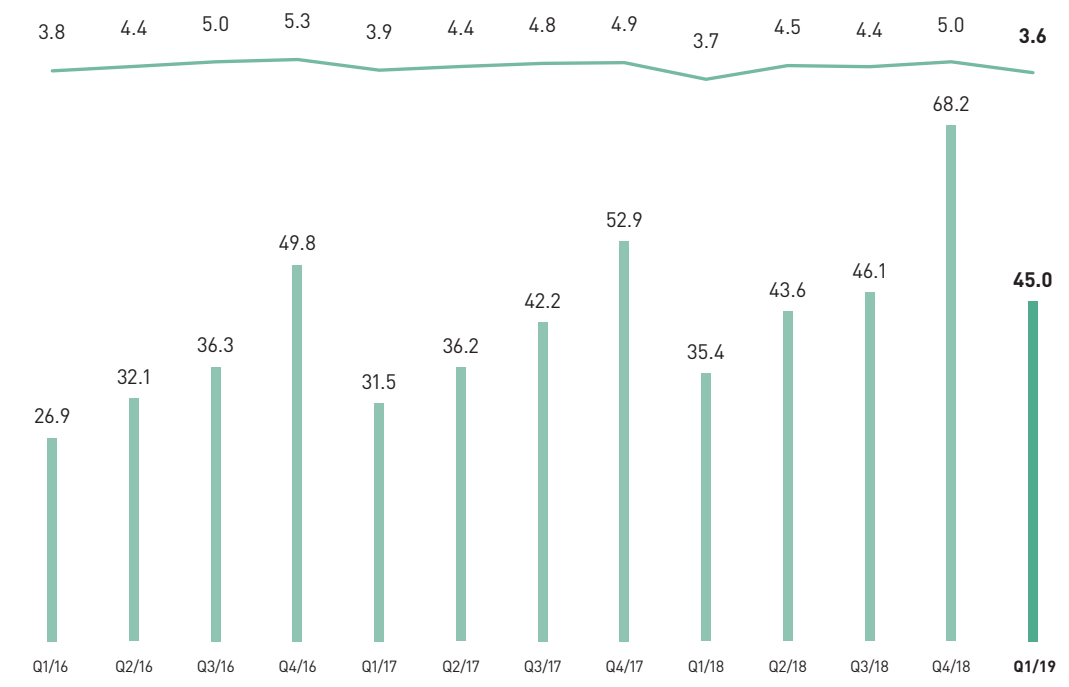
Due to IFRS 16, as well as to acquisitions, depreciation and amortisation more than doubled to €18.6 million. As previously, depreciation of property, plant and equipment accounted for the largest share of depreciation and amortisation. This item amounted to €15.7 million.

EBIT went up 29.6 per cent to €46.3 million. The margin remained at the prior-year level of 3.7 per cent.

EBT underwent a similar development. This KPI increased 27.1 per cent to €45.0 million. The EBT margin was 3.6 per cent, only slightly below the prior-year level of 3.7 per cent. Without the purchase price allocation effects, the EBT margin would have amounted to 3.8 per cent.

**EBT AND EBT MARGIN**

€m and %



The tax rate declined slightly to 29.6 per cent.

Earnings after taxes went up 27.5 per cent to €31.7 million. EPS amounted to €0.75.

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

EBIT in the IT System House & Managed Services segment increased 9.5 per cent to €26.4 million. Among other things, the excellent revenue growth in this segment was supported by large-volume projects, which resulted in a disproportionately high rise in material costs. As depreciation and amortisation also underwent a higher increase, this effect could not be compensated for. The EBIT margin was 3.4 per cent, compared to 3.7 per cent in the corresponding prior-year quarter.

EBIT in the IT E-Commerce segment climbed by an excellent 70.9 per cent. Despite the significant revenue increase, a favourable product mix kept the increase in material costs below average. In this way, it was also possible to compensate the significant rise in depreciation and amortisation in this segment. The EBIT margin went up from 3.9 per cent to 4.3 per cent.

**EBIT – GROUP AND SEGMENTS**

€k

	Q1/2019	Q1/2018	Change
<b>Group</b>	<b>46,278</b>	<b>35,718</b>	<b>+29.6%</b>
IT System House & Managed Services	26,370	24,072	+9.5%
IT E-Commerce	19,908	11,646	+70.9%

## ASSETS AND FINANCIAL POSITION

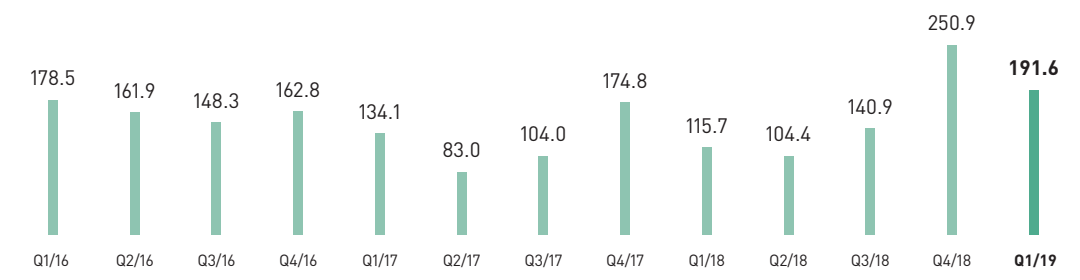
The balance sheet total of the Bechtle Group as of 31 March 2019 stood at €2,129.8 million, 5.1 per cent higher than the value as of 31 December 2018.

With regard to non-current assets, property, plant and equipment increased by approximately €100 million, due primarily to the initial application of IFRS 16. Owing mainly to acquisitions, goodwill rose by €12.7 million.

With regard to current assets, inventories increased by €62.6 million due to the high number of large-volume projects. Trade receivables declined by €35.8 million in the first quarter. As of 31 March 2019, our average DSO (days sales outstanding) showed a year-on-year increase from 41.9 days to 43.9 days, primarily as a result of acquisitions. Because of higher prefinancing needs associated with growth, as well as acquisitions, cash and cash equivalents fell by €53.8 million in the first quarter of 2019.

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€ m



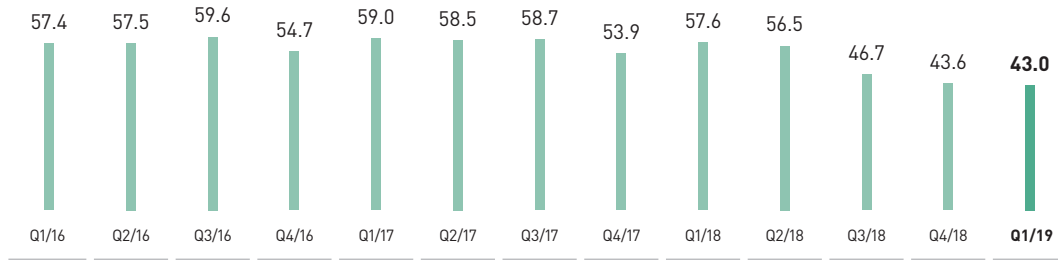
As of 31 March 2019, working capital stood at €623.6 million, 7.4 per cent higher than the value as of 31 December 2018. Inventories increased significantly, whereas the high volume of receivables that existed at the end of the year was reduced somewhat.

With regard to equity and liabilities, non-current liabilities experienced the greatest changes. Here, other liabilities rose by €74.3 million, due especially to fact that IFRS 16 was applied for the first time. In addition, contract liabilities increased by €9.1 million.

As a result of higher earnings, equity rose by €32.3 million. Due to the balance sheet extension resulting from IFRS 16, our equity ratio fell slightly from 43.6 per cent as of 31 December 2018 to 43.0 per cent. The extrapolated return on equity rose sharply from 13.8 per cent as of 31 March 2018 to 15.6 per cent as of the reporting date.

## EQUITY RATIO

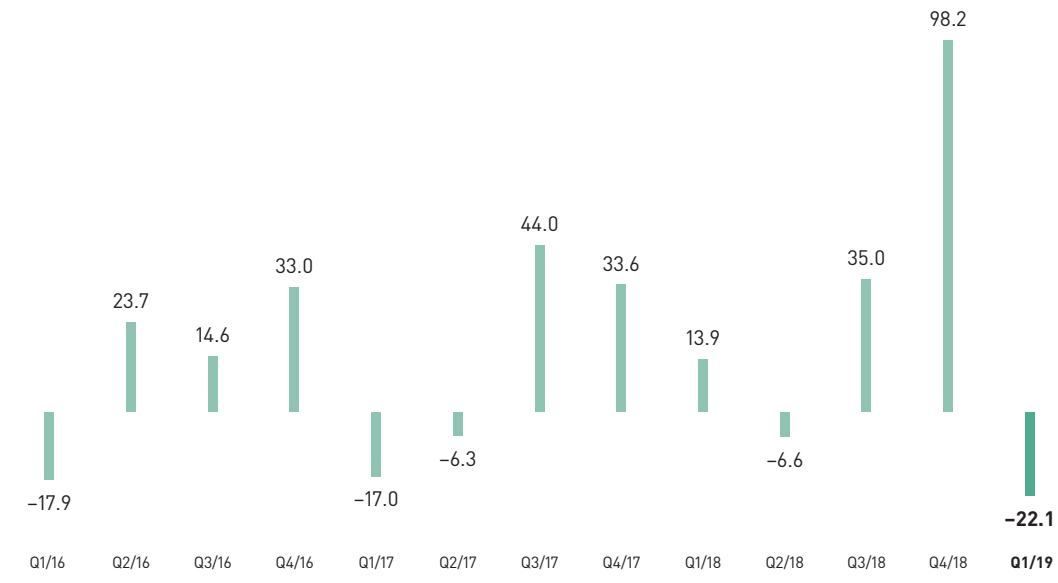
%



In the first quarter, cash flow from operating activities stood at –€22.1 million (prior year: +€13.9 million). The cash inflow from the reduction in trade receivables was not as great as in the prior year, and the cash outflow from the reduction in trade payables increased sharply compared with the first quarter of 2018.

## CASH FLOW FROM OPERATING ACTIVITIES

€m

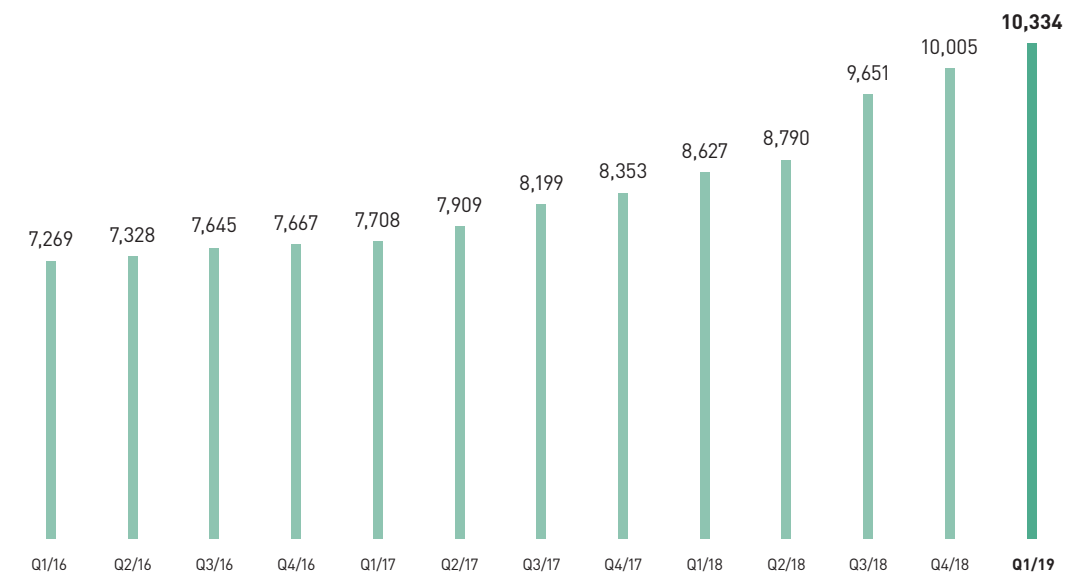


In the first quarter of 2019, net cash used for investments stood at roughly the level of the prior year and was marked mainly by outflows for acquisitions and investments in intangible assets and property, plant and equipment. The cash flow from financing activities increased significantly. In the prior year, it was marked by high outflows for the scheduled repayment of financial liabilities. This effect did not arise in the reporting quarter.

## EMPLOYEES

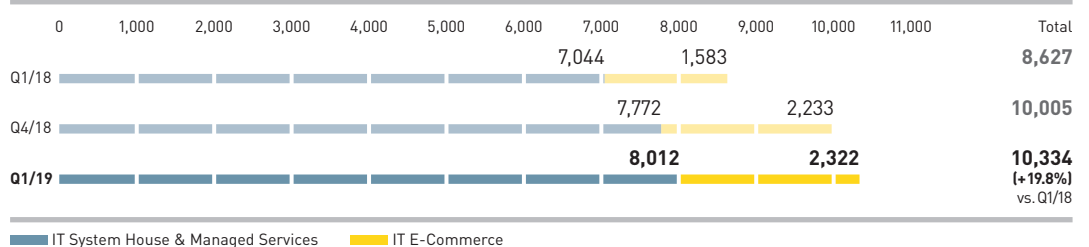
As of the reporting date of 31 March 2019, the Bechtle Group had a total of 10,334 employees, including 606 trainees. Compared to 31 March 2018, the headcount went up by 1,707, an increase of 19.8 per cent. In the first quarter of 2019, some 329 new colleagues joined Bechtle. The increase in the number of employees is the result of acquisitions and new recruitment.

### EMPLOYEES IN THE GROUP



As of the reporting date of 31 March 2019, the System House segment had a total of 8,012 employees, a year-on-year increase of 968. As a result of acquisitions, the domestic system houses made a slightly higher contribution to this growth of 13.7 per cent. In the E-Commerce segment, the number of employees went up 46.7 per cent compared to 31 March 2018. The headcount in the foreign companies rose by 63.5 per cent. This was also due to factors such as the acquisition of Inmac WStore in September 2018. The staff of the domestic E-Commerce companies grew 16.8 per cent.

### EMPLOYEES BY SEGMENTS





In the first quarter of 2019, the average number of employees in the group amounted to 10,246, some 1,665 more than in the corresponding prior-year period, an increase of 19.4 per cent.

As of 31 March 2019, Bechtle had 606 young trainees, 83 more than in the prior year, an increase of 15.9 per cent.

## FORECAST

We confirm our forecast for the fiscal year 2019 as presented on pages 111 to 118 of our annual report 2018.

## EFFECTS FROM THE FIRST-TIME ADOPTION OF IFRS 16

Bechtle started applying IFRS 16 on 1 January 2019. This effect, amounting to €0.01 million, is shown under Statement of Changes in Equity. In accordance with the chosen transition method, the previous year's figures for the first quarter of 2018 have not been adjusted. For that reason their comparability is limited. The first-time adoption took place retrospectively, and the resulting effects were recognised in the retained earnings as of 1 January 2019. The newly applied standard eliminates the previous classification of leases as operating leases and finance leases for lessees. Instead, IFRS 16 makes use of a uniform measurement model according to which lessees are under obligation to capitalise an asset in the context of a right-of-use and to recognise a lease liability for all lease payments. The capitalisation of the right-of-use from former operating leases resulted in an increase in non-current assets. Right-of-use were capitalised in the amount of €99.8 million. Moreover, receivables from sub-leases amounted to €5.7 million. The corresponding lease liabilities were recognised on the liabilities side. In the current consolidated income statement, expenses previously recognised as lease expenses were replaced by depreciation, amortisation and interest expenses. This resulted in an improvement of EBITDA by €6.8 million. The total earnings effect from the first-time adoption of IFRS 16 reduced the quarterly earnings by €0.05 million. In the cash flow statement, the cash flow from operating activities improved by €7.6 million due to the changed presentation of the repayment for finance leases in the cash flow from financing activities. The associated interest payments amounting to €0.1 million are also included in the cash flow from financing activities.

### EFFECTS OF IFRS 16

	31.03.2019 without IFRS 16	Changes based on IFRS 16	€m 31.03.2019
EBITDA	58.1	6.8	<b>64.9</b>
Depreciation/amortisation	25.3	-6.7	<b>18.6</b>
EBIT	46.2	0.1	<b>46.3</b>
Interest cost	1.7	-0.1	<b>1.6</b>
EBT	45.1	-0.05	<b>45.0</b>

## CONSOLIDATED INCOME STATEMENT

	€k	
	01.01– 31.03.2019	01.01– 31.03.2018
Revenue	1,239,948	955,389
Cost of sales	1,063,522	815,877
<b>Gross profit</b>	<b>176,426</b>	<b>139,512</b>
Distribution costs	71,252	56,856
Administrative expenses	64,001	49,223
Other operating income	5,105	2,285
<b>Earnings before interest and taxes</b>	<b>46,278</b>	<b>35,718</b>
Financial income	324	252
Financial expenses	1,596	570
<b>Earnings before taxes</b>	<b>45,006</b>	<b>35,400</b>
Income taxes	13,329	10,551
<b>Earnings after taxes</b> (attributable to shareholders of Bechtle AG)	<b>31,677</b>	<b>24,849</b>
<b>Net earnings per share (basic and diluted)</b>	<b>€ 0.75</b>	<b>0.59</b>
<b>Weighted average shares outstanding</b> (basic and diluted)	<b>42,000</b>	<b>42,000</b>
	in thousands	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k	
	01.01- 31.03.2019	01.01- 31.03.2018
<b>Earnings after taxes</b>	<b>31,677</b>	<b>24,849</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		
Actuarial gains and losses on pension provisions	494	1,089
Income tax effects	-94	-211
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		
Unrealised gains and losses on securities	0	1
Income tax effects	0	0
Unrealised gains and losses on financial derivatives	-69	-2
Income tax effects	4	1
Currency translation differences of net investments in foreign operations	0	0
Income tax effects	0	0
Hedging of net investments in foreign operations	-725	1,173
Income tax effects	215	-348
Currency translation differences	836	-1,571
<b>Other comprehensive income</b>	<b>661</b>	<b>132</b>
of which income tax effects	125	-558
<b>Total comprehensive income</b> (attributable to shareholders of Bechtle AG)	<b>32,338</b>	<b>24,981</b>

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	€k		
	31.03.2019	31.12.2018	31.03.2018
<b>Non-current assets</b>			
Goodwill	358,612	345,938	202,198
Other intangible assets	121,604	121,120	50,494
Property, plant and equipment	253,852	152,853	146,321
Trade receivables	31,828	27,863	27,565
Deferred taxes	4,700	4,713	4,078
Other assets	11,972	6,771	3,860
Time deposits and securities	0	0	4
<b>Total non-current assets</b>	<b>782,568</b>	<b>659,258</b>	<b>434,520</b>
<b>Current assets</b>			
Inventories	342,955	280,331	265,316
Trade receivables	718,318	754,069	501,519
Income tax receivables	1,835	1,357	1,552
Other assets	92,578	81,227	74,352
Time deposits and securities	0	5,543	5,462
Cash and cash equivalents	191,577	245,379	110,187
<b>Total current assets</b>	<b>1,347,263</b>	<b>1,367,906</b>	<b>958,388</b>
<b>Total assets</b>	<b>2,129,831</b>	<b>2,027,164</b>	<b>1,392,908</b>

**EQUITY AND LIABILITIES**

€k

	31.03.2019	31.12.2018	31.03.2018
<b>Equity</b>			
Issued capital	42,000	42,000	42,000
Capital reserves	124,228	124,228	124,228
Retained earnings	749,325	716,976	636,036
<b>Total equity</b>	<b>915,553</b>	<b>883,204</b>	<b>802,264</b>
<b>Non-current liabilities</b>			
Pension provisions	16,506	16,301	12,962
Other provisions	11,685	11,052	7,338
Financial liabilities	377,480	380,640	69,106
Trade payables	18	40	59
Deferred taxes	40,421	41,107	21,753
Other liabilities	79,127	4,858	4,690
Contract liabilities	20,013	10,895	12,799
Deferred income	1,725	0	0
<b>Total non-current liabilities</b>	<b>546,975</b>	<b>464,893</b>	<b>128,707</b>
<b>Current liabilities</b>			
Other provisions	10,433	9,162	7,484
Financial liabilities	14,301	12,872	14,757
Trade payables	350,333	372,338	235,086
Income tax payables	10,731	12,509	11,384
Other liabilities	157,106	159,957	96,310
Contract liabilities	105,436	96,120	83,084
Deferred income	18,963	16,109	13,832
<b>Total current liabilities</b>	<b>667,303</b>	<b>679,067</b>	<b>461,937</b>
<b>Total equity and liabilities</b>	<b>2,129,831</b>	<b>2,027,164</b>	<b>1,392,908</b>

## 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		
<b>Equity as of 1 January 2018</b>	<b>42,000</b>	<b>124,228</b>	<b>612,242</b>	<b>-1,187</b>	<b>611,055</b>	<b>777,283</b>
Earnings after taxes			24,849		24,849	24,849
Other comprehensive income				132	132	132
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>24,849</b>	<b>132</b>	<b>24,981</b>	<b>24,981</b>
<b>Equity as of 31 March 2018</b>	<b>42,000</b>	<b>124,228</b>	<b>637,091</b>	<b>-1,055</b>	<b>636,036</b>	<b>802,264</b>
<b>Equity as of 1 January 2019</b>	<b>42,000</b>	<b>124,228</b>	<b>711,583</b>	<b>5,393</b>	<b>716,976</b>	<b>883,204</b>
Effects of first-time adoption of IFRS 16				11	11	11
<b>Equity as of 1 January 2019 after adjustment</b>	<b>42,000</b>	<b>124,228</b>	<b>711,583</b>	<b>5,404</b>	<b>716,987</b>	<b>883,215</b>
Earnings after taxes			31,677		31,677	31,677
Other comprehensive income				661	661	661
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>31,677</b>	<b>661</b>	<b>32,338</b>	<b>32,338</b>
<b>Equity as of 31 March 2019</b>	<b>42,000</b>	<b>124,228</b>	<b>743,260</b>	<b>6,065</b>	<b>749,325</b>	<b>915,553</b>

## CONSOLIDATED CASH FLOW STATEMENT

	€k	
	01.01– 31.03.2019	01.01– 31.03.2018
<b>Operating activities</b>		
<b>Earnings before taxes</b>	<b>45,006</b>	<b>35,400</b>
Adjustment for non-cash expenses and income		
Financial earnings	1,272	318
Depreciation and amortisation of intangible assets and property, plant and equipment	18,644	8,786
Gains and losses on disposal of intangible assets and property, plant and equipment	-22	-17
Other non-cash expenses and income	2,278	93
Changes in net assets		
Changes in inventories	-60,364	-54,053
Changes in trade receivables	40,861	85,298
Changes in trade payables	-24,775	-3,482
Changes in deferred income	16,301	1,805
Changes in other net assets	-44,941	-49,533
Income taxes paid	-16,372	-10,676
<b>Cash flow from operating activities</b>	<b>-22,112</b>	<b>13,939</b>
<b>Investing activity</b>		
Cash paid for acquisitions less cash acquired	-10,792	-8,282
Cash paid for investments in intangible assets and property, plant and equipment	-17,150	-20,297
Cash received from the sale of intangible assets and property, plant and equipment	245	895
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	5,542	7,001
Interest payments received	262	127
<b>Cash flow from investing activities</b>	<b>-21,893</b>	<b>-20,556</b>
<b>Financing activities</b>		
Cash paid for the repayment of financial liabilities	-3,528	-77,434
Cash received from the assumption of financial liabilities	1,162	32,450
Interest paid	-666	-219
Outflow for the repayment of finance leases	-7,594	0
<b>Cash flow from financing activities</b>	<b>-10,626</b>	<b>-45,203</b>
Exchange-rate-related changes in cash and cash equivalents	829	-376
<b>Changes in cash and cash equivalents</b>	<b>-53,802</b>	<b>-52,196</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>245,379</b>	<b>162,383</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>191,577</b>	<b>110,187</b>

## **FINANCIAL CALENDAR**

### **QUARTERLY STATEMENT 1ST QUARTER 2019 (31 MARCH)**

Friday, 10 May 2019

### **ANNUAL GENERAL MEETING**

Tuesday, 28 May 2019, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

### **HALF-YEAR FINANCIAL REPORT 2019 (30 JUNE)**

Friday, 9 August 2019

### **QUARTERLY STATEMENT 3RD QUARTER 2019 (30 SEPTEMBER)**

Wednesday, 13 November 2019

See [bechtle.com/financial-calendar](http://bechtle.com/financial-calendar) for further dates and changes.



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