

# Interim Report as of 31 March 2014



1st Quarter 2014

Your strong IT partner.  
Today and tomorrow.



## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01 – 31.03.2014	01.01 – 31.03.2013	Change in %
<b>Revenue</b>	€k	<b>586,696</b>	<b>513,950</b>	<b>14.2</b>
IT system house & managed services	€k	386,440	341,408	13.2
IT e-commerce	€k	200,256	172,542	16.1
<b>EBITDA</b>	€k	<b>26,637</b>	<b>19,995</b>	<b>33.2</b>
IT system house & managed services	€k	18,169	11,822	53.7
IT e-commerce	€k	8,468	8,173	3.6
<b>EBIT</b>	€k	<b>21,161</b>	<b>14,493</b>	<b>46.0</b>
IT system house & managed services	€k	13,668	7,395	84.8
IT e-commerce	€k	7,493	7,098	5.6
<b>EBIT margin</b>	%	<b>3.6</b>	<b>2.8</b>	
IT system house & managed services	%	3.5	2.2	
IT e-commerce	%	3.7	4.1	
<b>EBT</b>	€k	<b>20,832</b>	<b>14,086</b>	<b>47.9</b>
<b>EBT margin</b>	%	<b>3.6</b>	<b>2.7</b>	
<b>Earnings after taxes</b>	€k	<b>14,802</b>	<b>10,075</b>	<b>46.9</b>
<b>Earnings per share</b>	€	<b>0.70</b>	<b>0.48</b>	<b>46.9</b>
<b>Return on equity<sup>1</sup></b>	%	<b>12.7</b>	<b>9.3</b>	
<b>Cash flow from operating activities</b>	€k	<b>3,076</b>	<b>18,461</b>	<b>-83.3</b>
<b>Cash flow per share</b>	€	<b>0.15</b>	<b>0.88</b>	<b>-83.3</b>
<b>Number of employees (as of 31.03)</b>		<b>6,352</b>	<b>5,959</b>	<b>6.6</b>
IT system house & managed services		5,041	4,726	6.7
IT e-commerce		1,311	1,233	6.3
		31.03.2014	31.12.2013	Change in %
<b>Cash and cash equivalents<sup>2</sup></b>	€k	<b>152,025</b>	<b>156,105</b>	<b>-2.6</b>
<b>Working capital</b>	€k	<b>232,488</b>	<b>234,624</b>	<b>-0.9</b>
<b>Equity ratio</b>	%	<b>57.3</b>	<b>55.1</b>	<b>4.0</b>

<sup>1</sup> Annualised

<sup>2</sup> Incl. time deposits and securities

## REVIEW BY QUARTER 2014

		1st Quarter 01.01 – 31.03	2nd Quarter 01.04 – 30.06	3rd Quarter 01.07 – 30.09	4th Quarter 01.10 – 31.12	2014 FY 01.01 – 31.03
Revenue	€k	586,696				586,696
EBITDA	€k	26,637				26,637
EBIT	€k	21,161				21,161
EBT	€k	20,832				20,832
EBT margin	%	3.6				3.6
Earnings after taxes	€k	14,802				14,802

# CONSOLIDATED INTERIM MANAGEMENT REPORT

## BUSINESS ACTIVITY

As a one-stop IT provider, BECHTLE is active with about 65 system houses in Germany, Austria and Switzerland, and is one of Europe's leading IT dealers, with subsidiaries in 14 countries. This combination forms the basis of BECHTLE'S unique business model, which combines IT services with direct marketing of IT products. Established in 1983 and headquartered in Neckarsulm, Germany, the company offers a one-stop, vendor-independent, comprehensive IT portfolio to its more than 75,000 customers from the fields of industry and trade, the public sector and the financial industry.



See Annual Report 2013,  
page 45 ff

In the IT system house & managed services segment, the service spectrum ranges from the sale of hardware, software and application solutions to project planning and roll-out, system integration, maintenance and training to the provision of cloud services and the complete operation of the customer IT. In IT e-commerce, the second business segment, we offer our customers hardware and standard software on the Internet via our online shops and actively via telephone marketing under the BECHTLE DIRECT and ARP brands. Moreover, the COMSOFT DIRECT brand has gained a foothold in this segment as a software management and software licensing specialist.



[www.bechtle.com/  
portfolio-en](http://www.bechtle.com/portfolio-en)

## BUSINESS ENVIRONMENT

- GDP in EU shows positive trend
- Improved mood indicators in the IT industry

### Macroeconomy

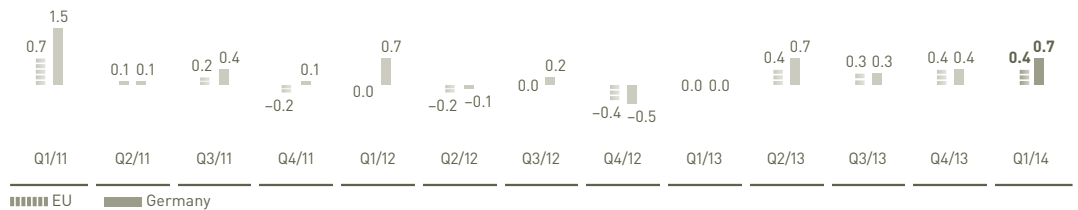
The economy in the EU continued its upward trend in the first quarter. The European Commission estimates the increase of the gross domestic product (GDP) from January to March at 0.4 per cent, after growth rates of 0.4 and 0.3 per cent in the two prior quarters. The GDP development varied greatly among the EU countries in which BECHTLE is present. The bandwidth ranged from a decline of 0.3 per cent in the Czech Republic to growth of 0.8 per cent in Poland.



[www.ec.europa.eu](http://www.ec.europa.eu)

## GDP PERFORMANCE IN THE EU COMPARED TO THE PRIOR QUARTER

%



According to the European Commission, the dynamics of the economic growth in Germany continued to grow in the first quarter. After growth of 0.3 per cent in the third quarter and 0.4 per cent in the fourth quarter of 2013, GDP went up 0.7 per cent in the first quarter of 2014.


[www.ifo.de](http://www.ifo.de)

The mood indicators of the German economy fluctuated slightly in the course of the first quarter, but overall continued to increase at a very high level. Starting from 109.5 points in December, the ifo index continually went up in January and February, but receded slightly to 110.7 in March. However, the value of February was almost reached in April. The development was different in the two sub-areas "current situation" and "expectations". While the estimation of the current situation continually moved upwards from December to April, the expectations reached their highest level in three years in January, but subsequently dropped slightly below this record level.

## Industry

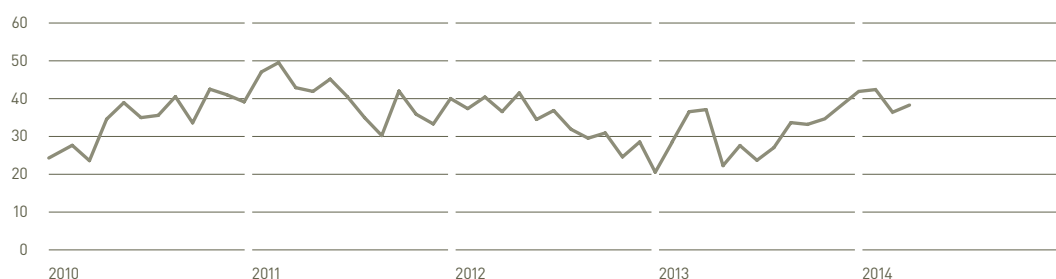

[www.gulp.de](http://www.gulp.de)

In the first quarter of 2014, the situation in the IT industry was consistently positive. In the reporting period, the GULP IT project market index, which registers projects for freelance IT specialists in Germany, underwent a year-on-year increase of 14.6 per cent. After many quarters with dwindling figures, the PC market in Europe also picked up again. According to figures provided by the IDC market research institute, PC sales in Western Europe went up 8.6 per cent, and the quantities sold to enterprise customers even underwent an increase of 15.1 per cent in this region. However, the sales figures on the Eastern European markets dropped 16.7 per cent in the same time period. According to IDC, the main drivers for the growth in Western Europe were the much better macroeconomic situation and the end of support for Windows XP. As reported by IDC, especially desktop PC sales increased significantly.

On average, product prices increased in the first quarter. Still, there were significant differences between individual categories. While especially workstation and server prices went up, the prices of thin clients, notebooks and particularly software were notably under pressure.

The mood was extremely good on the German IT market in the first quarter, but was unable to maintain the high level towards the end of the quarter. In the first quarter of 2014, the ifo index for IT service providers reached its highest values since May 2011 in January and February. In March, the indicator dropped significantly from 42.5 to 36.5. In April, however, it had already picked up again to 38.4. While the evaluation of the current economic situation receded only slightly from 46 to 44 from January to April, the expectations underwent a slightly more significant decline from 38 to 33.

#### IFO INDEX FOR IT SERVICE PROVIDERS



The half-yearly BITKOM industry index, which was assessed in January 2014, climbed from 55 to 67 points. The revenue expectations for the next six months were mixed in the three sub-segments IT services, software and hardware. Software experienced the greatest increase. Here, the expectations improved from 63 to 80. The outlook for service revenues increased from 69 to 78. The expectations for hardware revenues, on the other hand, were slightly negative. The index declined from 42 to 41.



[www.bitkom.org](http://www.bitkom.org)

## Overall Assessment

The economic performance was very positive in the first quarter. At least for the time being, the high expectations for the fiscal year 2014 came true both in the EU and in Germany. A positive aspect is that the outlook for the coming months is also optimistic. The situation in the IT industry is positive as well. Both the mood in the industry and the sales figures of representative product groups such as PCs are clearly on the rise.

BECHTLE AG performed extremely well in the presented business environment. The company made good use of the macroeconomic tailwind, growing above average in all regions and across both segments. Thanks to the customers' greater willingness to invest, especially the IT e-commerce segment, which had been somewhat weaker in the prior year, again reported two-digit growth rates.

As BECHTLE AG does not publish any forecasts during the year, it is currently not possible to compare the actual figures with target figures. As far as the year as a whole is concerned, we are sticking to our forecast that both the revenue and the earnings will increase clearly compared to the prior year. As we expect the growth dynamics to slacken slightly in the second half of 2014, our actual figures as of 31 March 2014 are in accordance with the targets we communicated for 2014 as a whole.

## EARNINGS POSITION

- Revenue and earnings see double-digit growth
- System house segment increases profitability significantly

### Order Position

Most of the contractual relationships for the sale of IT products and services that BECHTLE enters into are of a short-term nature. The IT e-commerce segment is characterised almost entirely by the conclusion of pure trading deals with very short order and delivery times, though some project transactions in the IT system house & managed services segment may involve periods of up to one year. However, framework and operating agreements in the managed services segment may have much longer terms.

Due to the current business structure, incoming orders are largely reflected in the revenue during a reporting period. In the first three months of 2014, incoming orders amounted to approximately €589 million, more than 14 per cent more than in the prior year (€515 million). The IT system house & managed services segment underwent an increase of almost 11 per cent to €383 million (prior year: €346 million). At approximately €206 million, the incoming orders in the IT e-commerce segment were about 22 per cent higher than in the prior year (€169 million).

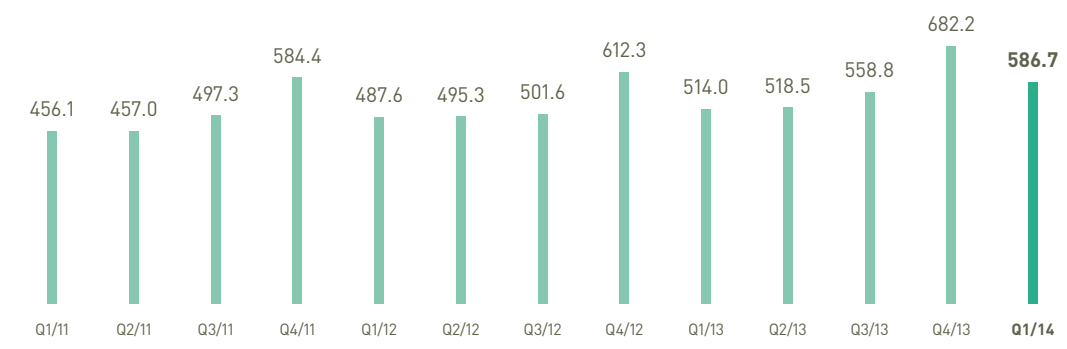
Year on year, the order backlog as of 31 March 2014 rose about 15 per cent to €346 million (prior year: €301 million). Of this amount, the IT system house & managed services segment accounted for €328 million (prior year: €298 million), and the IT e-commerce segment for €18 million (prior year: €3 million).

### Revenue Performance

Compared to the second half of 2013, which was already very good, the dynamics of revenue growth continued to pick up in the first quarter of 2014. Throughout the BECHTLE Group, revenue increased 14.2 per cent from €514.0 million to €586.7 million. At the beginning of the year, the growth driver was the IT e-commerce segment, which gained 16.1 per cent. However, revenues in our IT system house & managed services segment also increased by a strong 13.2 per cent.

## GROUP REVENUE

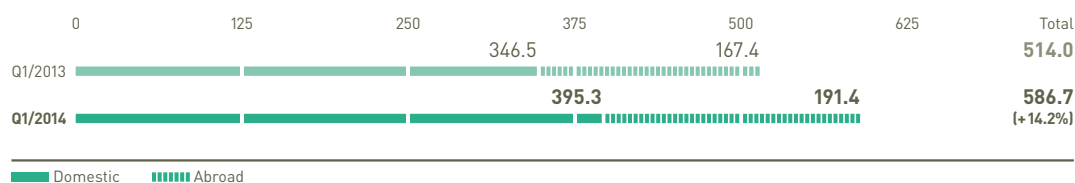
€m



Distributed over the regions, the revenue increase was almost even. In Germany, BECHTLE saw an increase of 14.1 per cent to €395.3 million (prior year: €346.5 million). At 14.3 per cent, the dynamics were slightly higher abroad. Revenue climbed from €167.4 million to €191.4 million.

## REGIONAL REVENUE DISTRIBUTION

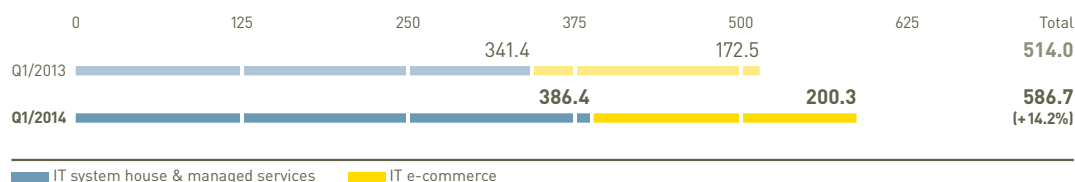
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The IT system house & managed services segment increased its revenue 13.2 per cent to €386.4 million (prior year: €341.4 million). Mainly the domestic system houses contributed to this positive development, stepping up their contribution to the group revenue by 14.6 per cent to €338.8 million (prior year: €295.7 million). The revenue of the foreign system houses went up 4.3 per cent from €45.7 million to €47.7 million.

## REVENUE BY SEGMENTS

€m



In the reporting period, revenue in the IT e-commerce segment climbed 16.1 per cent from €172.5 million to €200.3 million. The increase of the e-commerce companies abroad was especially high. They boosted their revenues by 18.1 per cent to €143.7 million. Domestic revenues climbed 11.2 per cent from €50.8 million to €56.5 million.

## REVENUE – GROUP AND SEGMENTS

€k

	Q1/2014	Q1/2013	Change
<b>Group</b>	<b>586,696</b>	<b>513,950</b>	<b>14.2%</b>
Domestic	395,298	346,518	14.1%
Abroad	191,398	167,432	14.3%
<b>IT system house &amp; managed services</b>	<b>386,440</b>	<b>341,408</b>	<b>13.2%</b>
Domestic	338,773	295,694	14.6%
Abroad	47,667	45,714	4.3%
<b>IT e-commerce</b>	<b>200,256</b>	<b>172,542</b>	<b>16.1%</b>
Domestic	56,525	50,824	11.2%
Abroad	143,731	121,718	18.1%

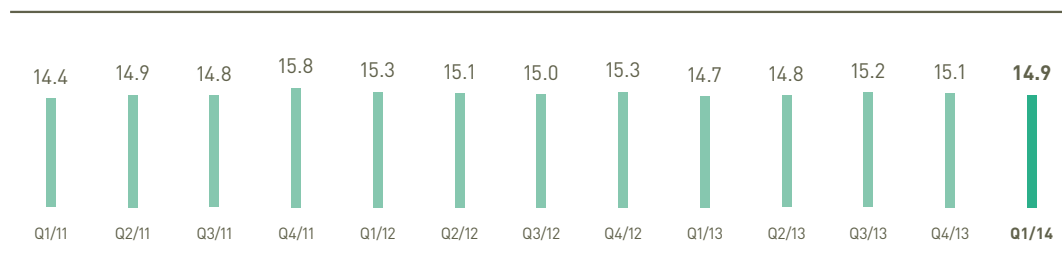
Based on an average of 5,747 full-time and part-time employees, the revenue per employee in the group amounted to €102 thousand in the first quarter, compared to €94 thousand for 5,450 full-time and part-time employees in the prior-year quarter. The development in the IT system house & managed services segment was similarly positive. Here, the revenue per employee amounted to €85 thousand, based on an average of 4,566 full-time and part-time employees (prior year: €79 thousand, based on an average of 4,338 full-time and part-time employees). Productivity also improved in the IT e-commerce segment. The revenue per employee generated in this segment in the reporting quarter averaged €170 thousand, based on an average of 1,181 full-time and part-time employees (prior year: €155 thousand, based on an average of 1,112 full-time and part-time employees).

## Earnings Performance

In the reporting quarter, the cost of sales went up 13.9 per cent, a rate slightly lower than that of revenue. As had already been the case in the two prior quarters, the proportion of material costs in the cost of sales went up, but personnel expenses developed at a slower rate. The gross margin thus improved from 14.7 per cent to 14.9 per cent. The gross earnings amounted to €87.4 million, 15.4 per cent more than in the prior year (€75.7 million).

## GROSS MARGIN

%





In the first quarter, our functional expenses increased at a slow rate. As distribution and marketing expenses increased 7.9 per cent to €39.9 million, the ratio receded from 7.2 per cent to 6.8 per cent. In the reporting quarter, administrative expenses increased 9.1 per cent to €29.3 million (prior year: €26.9 million). Thus, their share in the revenue declined from 5.2 per cent to 5.0 per cent.

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 33.2 per cent from €20.0 million to €26.6 million. Our EBITDA margin was 4.5 per cent, compared to 3.9 per cent in the prior year.

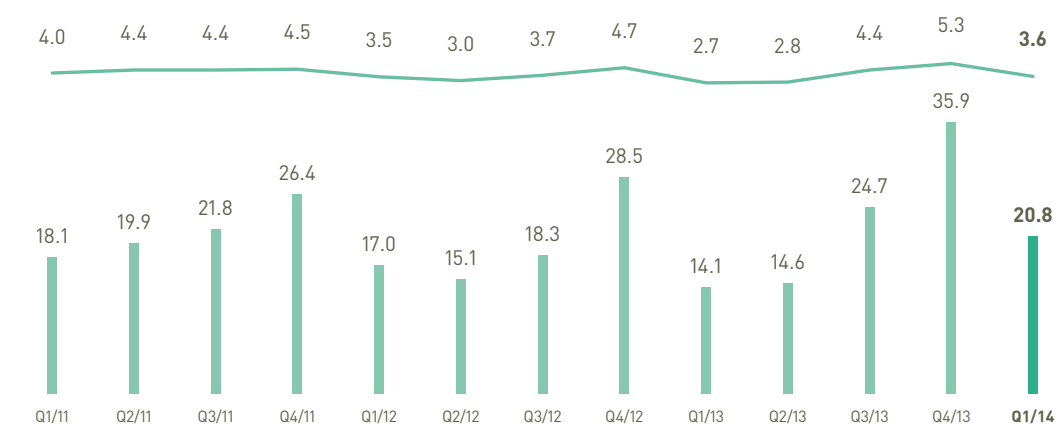
Depreciation and amortisation totalled €5.5 million, a level similar to that of the prior year. As previously, depreciation of property, plant and equipment accounted for the largest share (€4.5 million).

Thus, earnings before interest and taxes (EBIT) improved 46.0 per cent to €21.2 million (prior year: €14.5 million). The margin went up from 2.8 per cent to 3.6 per cent.

Year on year, financial earnings improved slightly due to the lower expenses. Thus, the group generated earnings before taxes (EBT) amounting to €20.8 million in the period from January to March, 47.9 per cent more than in the prior year (€14.1 million). The EBT margin went up from 2.7 per cent to 3.6 per cent.

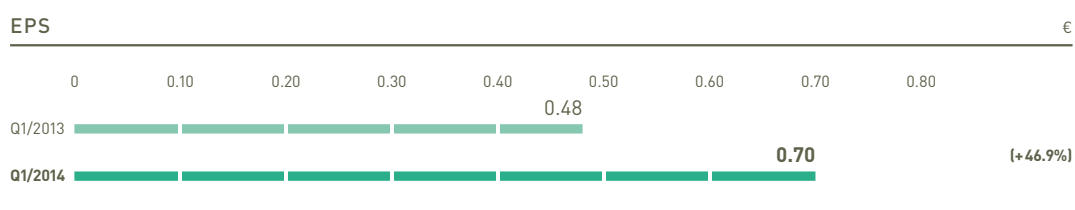
#### EBT AND EBT MARGIN

€m and %



In the reporting quarter, tax expense increased from €4.0 million to €6.0 million, due to the higher domestic earnings share. The tax rate rose from 28.5 per cent in the prior year to 28.9 per cent in the period under review.

Earnings after taxes went up 46.9 per cent from €10.1 million to €14.8 million. Accordingly, the net margin climbed from 2.0 per cent to 2.5 per cent. On the basis of 21.0 million shares, earnings per share (EPS) amounted to €0.70, a figure significantly above the prior-year level (€0.48).



At segment level, the earnings situation was as follows:

In the first quarter of 2014, EBIT in the IT system house & managed services segment increased 84.8 per cent to €13.7 million (prior year: €7.4 million). The EBIT margin was 3.5 per cent, compared to 2.2 per cent in the prior year. Among other things, this excellent development is the result of the higher service share and the disproportionately low increase in personnel expenses.

In the quarter, the IT e-commerce segment generated EBIT of €7.5 million, an increase of 5.6 per cent compared to the prior year (€7.1 million). The margin dropped from 4.1 per cent to 3.7 per cent. This was mainly caused by the vigorous revenue increase in this segment, which partly pushed down the margin.

#### EBIT – GROUP AND SEGMENTS

	€k		
	Q1/2014	Q1/2013	Change
<b>Group</b>	<b>21,161</b>	<b>14,493</b>	<b>+46.0%</b>
IT system house & managed services	13,668	7,395	+84.8%
IT e-commerce	7,493	7,098	+5.6%

## ASSETS AND FINANCIAL POSITION

- Liquidity upwards of €150 million
- Return on equity climbs to 12.7 per cent
- Cash flow from operating activities marked by higher business volume

As of 31 March 2014, the balance sheet total of the BECHTLE Group amounted to €901.3 million, €9.0 million less than as of 31 December 2013 (€910.3 million), an effect caused by seasonal reasons.

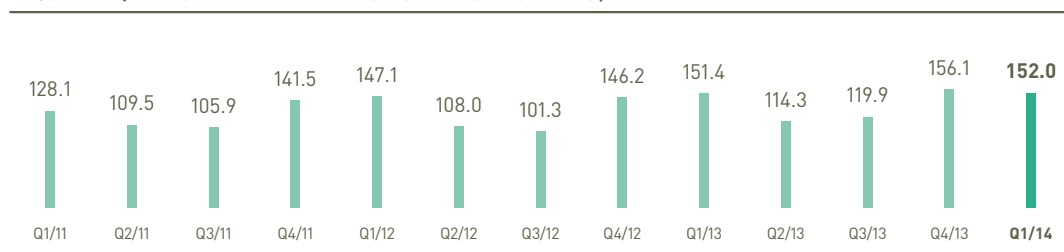
### Development of the Assets

Non-current assets went up from €299.2 million to €310.4 million. Other intangible assets experienced the greatest relative change, increasing €3.5 million to €22.8 million. This was mainly due to the customer service agreements added within the scope of the acquisitions. Also due to acquisitions, goodwill increased from €139.9 million to €144.3 million. Accordingly, our capitalisation ratio has also gone up and now amounts to 34.4 per cent (31 December 2013: 32.9 per cent).

In contrast, current assets have fallen €20.1 million to €591.0 million since the beginning of the fiscal year. This item was affected especially by the reduction of trade receivables by €37.9 million, from €345.2 million to €307.3 million, due to seasonal reasons. In the first three months of 2014, our average DSO (days sales outstanding) improved from 38.9 days as of 31 March 2013 to 38.4 days. Owing to the revenue increase and the stock levels kept for larger projects, the inventories climbed from €107.6 million to €122.7 million. Cash and cash equivalents declined €13.9 million to €91.9 million, mainly due to the shift to time deposits. As of the balance sheet date, the total liquidity – the value of the cash and cash equivalents including short-term and long-term time deposits and securities – was at a very comfortable level of €152.0 million (31 December 2013: €156.1 million). In addition to the total liquidity, BECHTLE has a liquidity reserve of €33.9 million in the form of unused cash and guarantee credit lines.

#### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

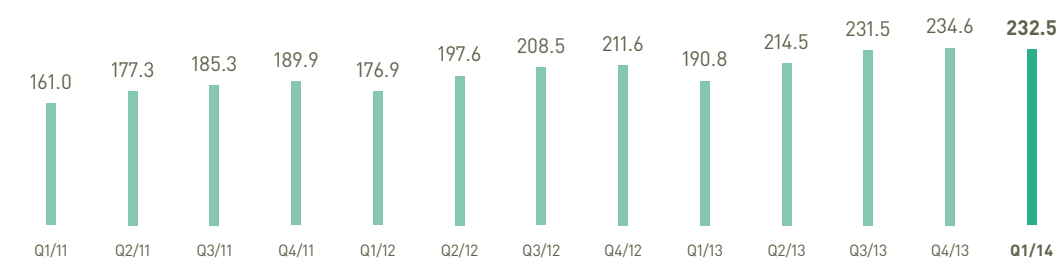
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In the first quarter of 2014, the working capital receded slightly from €234.6 million to €232.5 million, due to the mentioned changes in the relevant balance sheet items. In relation to the balance sheet total, the working capital as of 31 March 2014 remained unchanged at 25.8 per cent.

#### WORKING CAPITAL

€m



### Development of the Equity and Liabilities

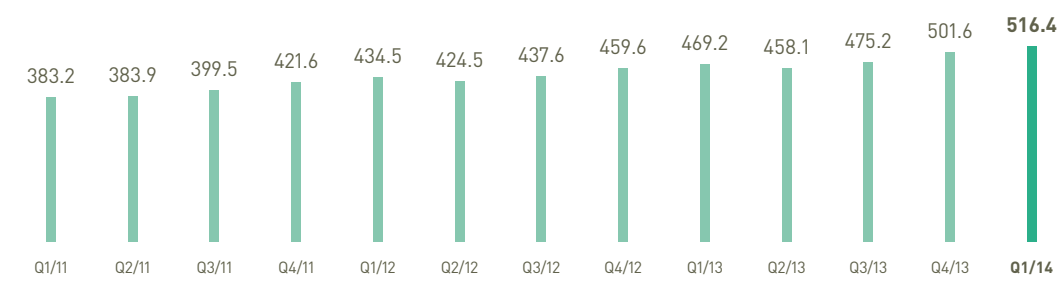
As of 31 March 2014, non-current liabilities amounted to €91.3 million, only slightly more than on 31 December 2013 (€90.8 million). Though financial liabilities declined to €1.3 million and deferred income to €1.6 million, the other provisions, deferred taxes and other liabilities increased slightly more.

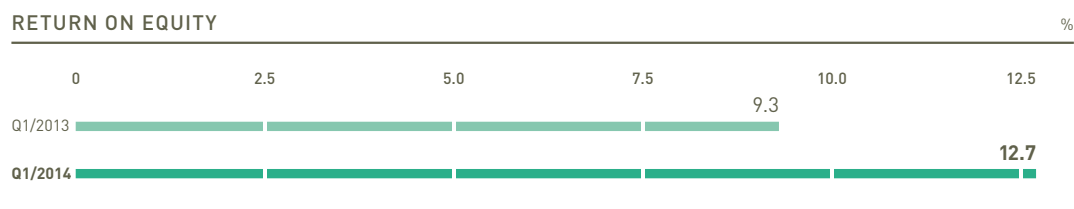
Current liabilities fell €24.4 million to €293.6 million (31 December 2013: €318.0 million). For seasonal reasons, trade payables dropped €20.4 million, from €170.5 million to €150.1 million. For reasons related to the reporting date, other liabilities dropped from €79.9 million to €67.0 million. This was caused by the decrease of €8.7 million in personnel liabilities due to commission and bonuses paid in the first quarter and a decrease of €10.0 million in VAT liabilities. Financial liabilities increased €2.5 million to €13.0 million.

Thanks to the greatly improved earnings position, the equity went up from €501.6 million to €516.4 million as of 31 March 2014. Therefore, our equity ratio increased considerably compared to 31 December 2013, reaching a value of 57.3 per cent (31 December 2013: 55.1 per cent). Based on the current earnings and the equity development, the extrapolated return on equity improved noticeably to 12.7 per cent (prior year: 9.3 per cent).

#### EQUITY

€m





Due to the slightly higher increase in non-current assets over the equity, the equity to non-current assets ratio declined from 167.6 per cent as of 31 December 2013 to 166.4 per cent as of 31 March 2014. At minus €86.7 million, the group's net debt remains negative, i.e. BECHTLE is free of debt. We were able to further reduce the dependence on external creditors. As of 31 March 2014, BECHTLE'S debt ratio was 74.5 per cent, much lower than as of the end of the fiscal year 2013 (81.5 per cent).

#### KEY BALANCE SHEET FIGURES OF THE BECHTLE GROUP

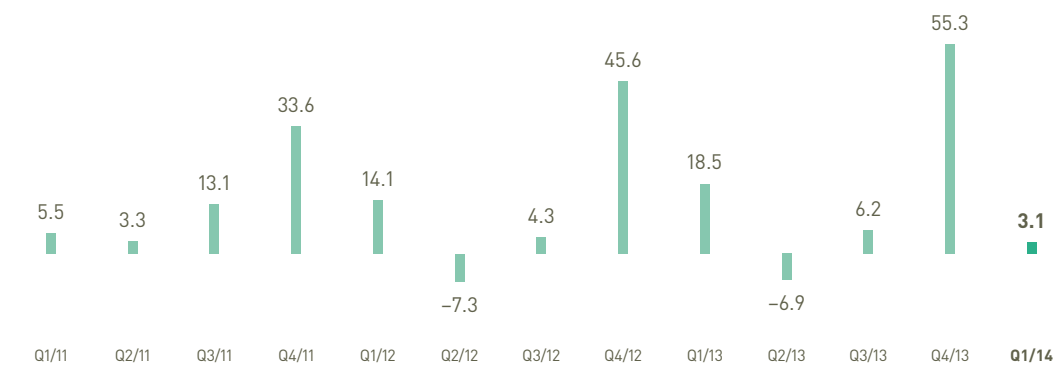
		31.03.2014	31.12.2013
Balance sheet total	€m	901.3	910.3
Cash and cash equivalents including time deposits and securities	€m	152.0	156.1
Equity	€m	516.4	501.6
Equity ratio	%	57.3	55.1
Equity to non-current assets ratio	%	166.4	167.6
Net debt	€m	-86.7	-91.9
Debt ratio	%	74.5	81.5
Working capital	€m	232.5	234.6

#### Development of the Cash Flow

Year on year, the net cash generated from ongoing business activities in the period from January to March 2014 dropped €15.4 million to €3.1 million. Despite an increase of €6.7 million in earnings before taxes, changes in net assets resulted in a cumulatively higher cash outflow than in the corresponding prior-year period. Key factors included the increased inventories due to the higher business volume and the lower cash inflow of trade receivables.

## CASH FLOW FROM OPERATING ACTIVITIES

€m

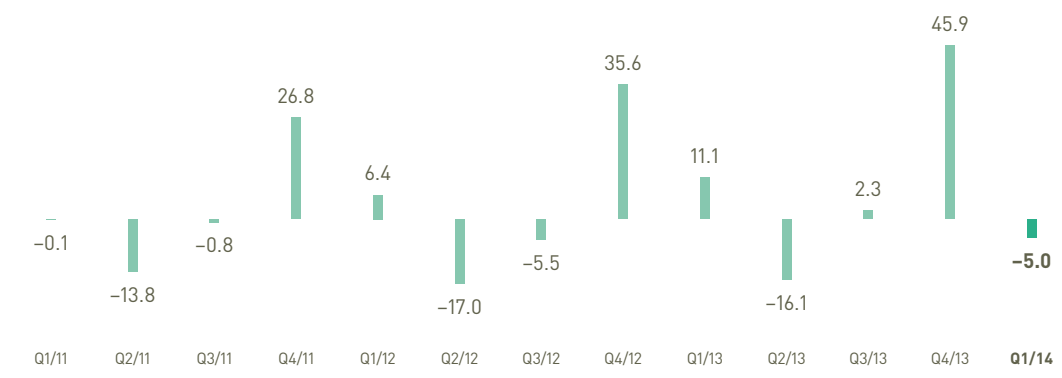


Year on year, the net cash used for investments in the first three months of 2014 increased from €11.9 million to €17.5 million. In addition to the higher outflow for acquisitions, this development was caused by changes in time deposits and securities. In the first quarter of 2014, this item was marked by the shift of cash and cash equivalents to time deposits.

In the reporting period, the cash flow from financing activities showed a cash inflow of €0.4 million, compared to an outflow of €6.0 million in the prior year.

## FREE CASH FLOW

€m



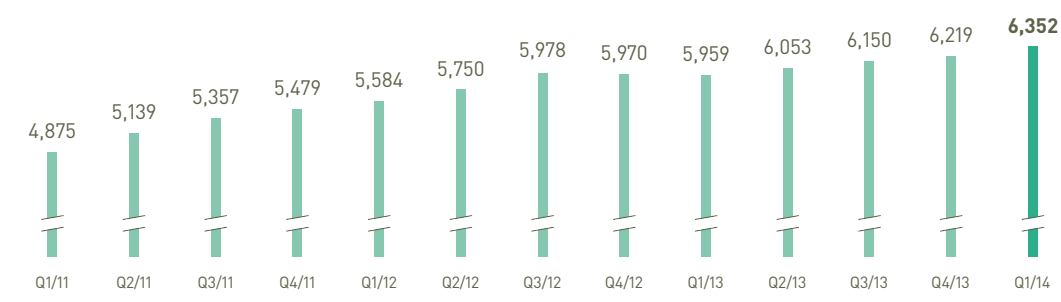
From January to March, the free cash flow dropped to minus €5.0 million (prior year: plus €11.1 million). Besides the lower cash flow from operating activities, this figure was affected by the acquisitions and investments in intangible assets and property, plant and equipment.

## EMPLOYEES

- Bechtle continues to invest in employees
- Training ratio in Germany remains at high level

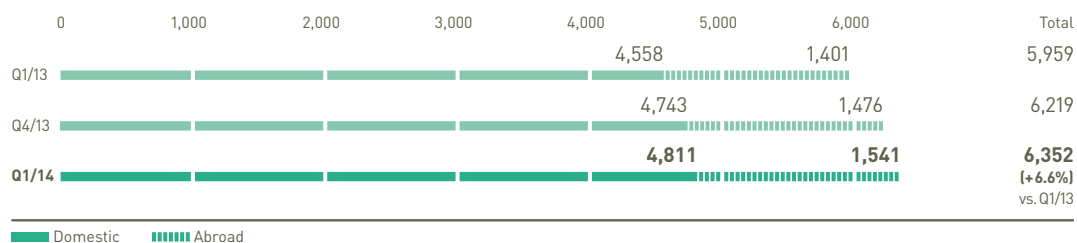
As of the reporting date 31 March 2014, the BECHTLE Group had a total of 6,352 employees, including 434 trainees. Compared to 31 December 2013, this represents an increase of 133 persons. The increase was the result of acquisitions as well as new recruitment. Year on year, the headcount went up by 393 (31 March 2013: 5,959), an increase of 6.6 per cent.

### EMPLOYEES IN THE GROUP



Both segments accounted for the headcount increase, which took place both in Germany and abroad. Expressed in per cent, the workforce increase abroad was slightly higher – a development that mainly the acquisitions abroad contributed to. However, with a total of 4,811 persons as of 31 March 2014, Germany still accounts for over three quarters of the workforce.

### EMPLOYEES BY REGIONS

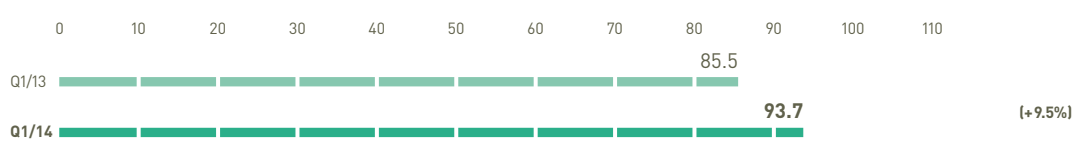


The average headcount in the group in the period from January to March 2014 amounted to 6,299, a total of 336 employees more than in the prior-year period.

In the period from January to March 2014, personnel and social expenses totalled €93.7 million, 9.5 per cent more than in the prior year (€85.5 million). Due to the slower headcount increase in recent quarters, the expense ratio dropped from 16.6 per cent to 16.0 per cent. Based on an average number of 5,747 full-time and part-time employees in the first quarter of 2014 (prior year: 5,450), personnel and social expenses per employee amounted to €16.3 thousand, slightly more than last year (€15.7 thousand).

#### PERSONNEL AND SOCIAL EXPENSES

€m



As of the end of the reporting period, the company had 434 young trainees (prior year: 404), including 49 junior staff members abroad. In the first quarter of 2014, the training ratio in Germany amounted to 8.2 per cent (prior year: 8.1 per cent).

Our goal is to increase the training ratio to about 12 per cent. Therefore, we have expanded our range of high-school internships and reinforced our cooperation with vocational schools. The participation of numerous young girls in this year's Girl's Day shows that as a training company, BECHTLE is attractive and in vogue.

By promoting junior staff, BECHTLE invests in the company's future. In March, 20 young employees thus completed a nine-month junior management programme that equipped them with action and decision competencies, preparing them for the role of an executive at the middle management level.

#### RESEARCH AND DEVELOPMENT

As a pure service and trading company, BECHTLE is not involved in any research activities. Software and application development activities are conducted primarily for internal purposes and only to a very limited extent. However, the software and application solutions division also offers customers the design, development and implementation of software, e.g. in SharePoint projects. There were no notable development activities in the reporting period.



## OPPORTUNITIES AND RISKS

### ■ Macroeconomic development still holds risks

### ■ New opportunities through alliances in e-commerce

In line with the long-term focus of the strategy and business management of the BECHTLE Group, the opportunities and risks for the coming months are basically the same as those presented in the Annual Report 2013. In the course of the first quarter of 2014, there were no additional material risks or opportunities or substantial changes in the risk situation compared to the risks presented in the last Annual Report. Currently, no risks have been identified that could – individually or collectively – endanger the going concern. The changes in the risk situation and in the assessment of opportunities were as follows, though these were partly only of marginal significance.



See  
Annual Report 2013,  
page 104 ff

According to the first estimates of 2014, the macroeconomic performance as well as the business cycle on the IT market will be able to keep up with the optimistic expectations. Though global crisis scenarios such as the debt crisis of some European countries, the political situation in the Near and Middle East or the fears of a slowdown of the Chinese economy – which could cause disquiet among customers – still exist, they do not appear to be likely to have negative effects at least in the short run. Moreover, new macroeconomic crisis scenarios came along in the first quarter, namely the situation in Ukraine and the risk of deflation in the EU. Both risks could potentially result in a deterioration of the macroeconomic situation in the EU and particularly in Germany, which could have a negative impact on our business. Nevertheless, even a weaker economy would offer opportunities for the BECHTLE Group, e.g. the opportunity to grow faster due to the displacement of competitors and the accelerated consolidation in the industry. All in all, the company assumes that the risks and opportunities described in the Annual Report 2013, with respect to economic trends and cyclicity within the industry, will persist.

In the IT e-commerce segment, the alliance with the US enterprise PC Connection, which was reported in March 2014, provides further opportunities for promoting the internationalisation of our trading business. With this agreement, BECHTLE responds to the increase in enquiries from businesses with a global positioning, which have a need for comprehensive customer care in Europe and beyond. In addition, the alliance is expected to expand BECHTLE'S IT e-commerce strategy. We aim to continue and expand our cooperation with partners inside and outside Europe. The existing and prospective alliances complement the previous internationalisation measures and thus represent a key element of the strategic positioning on the path to the "BECHTLE Vision 2020".

Apart from this, the first quarter of 2014 did not see any new circumstances that would have resulted in a change of the risk position or the evaluation of opportunities.

## SHARE

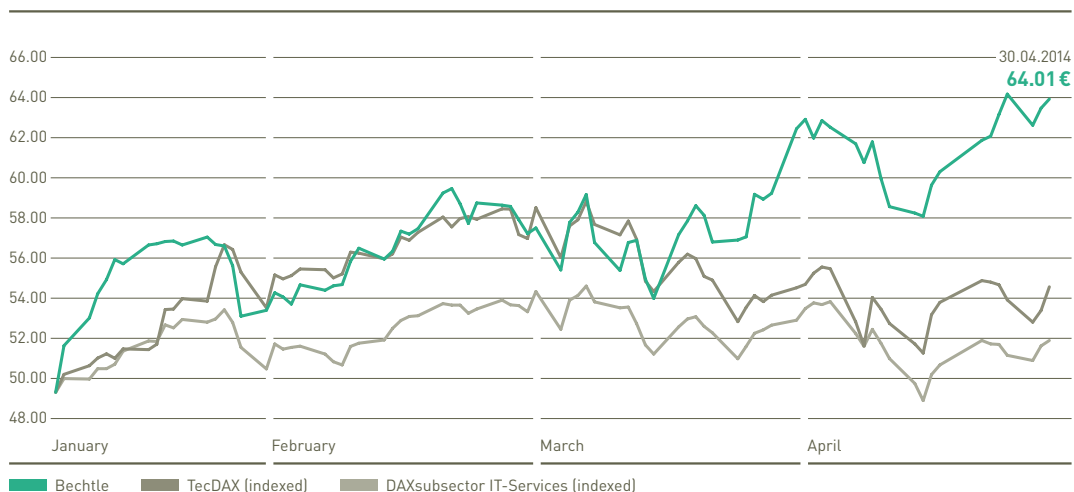
### ■ Stock markets restrained

### ■ Bechtle share with above-average growth

Throughout the first quarter of 2014, the mood on the stock markets was rather restrained. The stock markets reacted especially severely and volatile to the Crimean crisis. Thus, the DAX only gained 1.7 per cent in the first quarter. The TecDAX improved by 7.3 per cent.

Despite the general market trend, the BECHTLE share performed extremely well in the first quarter of 2014. On 2 January 2014, the share entered the new trading year with a closing price of €49.33, the lowest value of the entire quarter. Subsequently, the price surged to €57.10 on 20 January. On 18 February, the share reached its next high of €59.53. The share reached its quarterly high and a new all-time high on the last day of the reporting period. On 31 March, it closed at €62.53, thus surpassing the €60 mark for the first time. Overall, our share recorded a gain of 26.8 per cent in the first quarter.

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY TO APRIL 2014



On average, 54,706 shares were traded every trading day in the first quarter of 2014, compared to 38,319 shares in the prior year. The daily turnover averaged €3,072,235, a year-on-year increase of €1,736,511. In the TecDAX ranking of Deutsche Börse, BECHTLE ranked 20th in March in terms of the stock exchange turnover (prior year: 17th place). In terms of market cap, the company ranked 14th, a year-on-year improvement of three places.

## TRADING DATA OF THE BECHTLE SHARE

		Q1/2014	Q1/2013	Q1/2012	Q1/2011	Q1/2010
Closing price at beginning of quarter	€	49.33	30.93	26.42	30.39	18.65
Closing price at end of quarter	€	62.53	36.24	33.40	29.83	22.77
High (closing price)	€	62.53	38.49	34.18	30.99	22.88
Low (closing price)	€	49.33	30.07	25.50	26.31	17.01
Performance – absolute	€	13.2	5.31	6.98	-0.56	+4.12
Performance – relative	%	+26.8	+17.2	+26.4	-1.8	+22.1
Market cap – total <sup>1</sup>	€m	1,313.1	761.0	701.4	626.4	478.2
Avg. turnover/trading day <sup>2</sup>	shares	54,706	38,319	53,798	33,202	33,995
Avg. turnover/trading day <sup>2</sup>	€	3,072,235	1,335,724	1,593,279	946,245	675,245

Xetra price data

<sup>1</sup> As of 31 March<sup>2</sup> All German stock exchanges

## EARNINGS PER SHARE

		Q1/2014	Q1/2013	Change
Earnings after taxes	€k	14,802	10,075	+46.9%
Avg. number of shares	th. shares	21,000	21,000	–
Earnings per share	€	0.70	0.48	+46.9%

Since its IPO in 2000, BECHTLE has been pursuing a shareholder-friendly dividend policy focused on continuity. Dividend continuity is very important to our shareholders. Therefore, the shareholders are to participate duly in the company's success in this year, too. For the fiscal year 2013, the Executive and the Supervisory Boards will propose to the General Meeting on 5 June 2014 to pay out a dividend of €1.10. In the prior year, BECHTLE AG paid out a dividend of €1.00. Subject to the approval of the General Meeting, the payout proposal represents an increase of the dividend by €0.10 or 10 per cent. In relation to the quarterly closing price, the dividend yield is 1.8 per cent (prior year: 2.8 per cent).

## DIVIDEND

		2013	2012
Dividend <sup>1</sup>	€	1.10	1.00
Dividend payout ratio <sup>1</sup>	%	36.4	37.3
Dividend yield <sup>2</sup>	%	1.8	2.8

<sup>1</sup> Subject to approval of the General Meeting<sup>2</sup> As of 31 March

## FORECAST



Events after the  
reporting period,  
see Notes  
page 41

- Strong GDP growth in Germany and in the EU
- IT industry still on the rise
- Bechtle expects above-average growth

### Macroeconomy



[www.ec.europa.eu](http://www.ec.europa.eu)

According to the forecast of the European Commission, the economy in the EU will largely be able to maintain its growth dynamics. Growth rates of 0.4 per cent over the prior quarter are forecast for the coming two quarters. In 2014 as a whole, GDP is to grow 1.6 per cent, a high rate similar to that recorded in the years prior to the euro crisis. The prospects in the BECHTLE markets in the EU are mixed, though growth is expected for all countries. In the second quarter of 2014, the expected increase over the prior quarter ranges from 0.3 per cent in several countries to 1.1 per cent in Poland. According to the opinion of the State Secretariat for Economic Affairs (SECO), Switzerland is to outperform the EU, reaching a GDP growth rate of 2.2 per cent in 2014.



[www.seco.admin.ch](http://www.seco.admin.ch)

In the coming months, the economic performance in Germany is expected to more or less reflect the dynamics in the EU. GDP growth of 0.3 per cent is anticipated in the second quarter. For the third and fourth quarters, the EU predicts growth of 0.4 per cent, respectively, over the prior quarter. Overall, most analysts expect Germany's GDP growth in 2014 to reach 1.6 to 2.0 per cent. Investments in equipment are to grow 4.2 per cent, while government expenditure is to increase 1.6 per cent.

### Industry

In 2014, the IT market in the EU is expected to grow 3.0 per cent. After the decline in the prior year, hardware revenues will again grow at a rate of 2.4 per cent. Services will grow 2.7 per cent and software 4.4 per cent. In the countries in which BECHTLE is active, the hardware revenue performance is expected to improve considerably, though there will be major differences between the individual countries. Thus, it will range from minus 3.4 per cent in Poland to plus 11.4 per cent in the Czech Republic. The differences in the software segment are not that conspicuous, but still noticeable. In this area, the bandwidth will range from minus 0.2 per cent in Portugal to plus 6.5 per cent in the Czech Republic. The momentum is set to increase in Switzerland in 2014. For the IT market as a whole, growth of 3.4 per cent is predicted, with hardware revenues gaining 1.5 per cent, services 3.0 per cent and software revenues 5.4 per cent.

The German IT market, too, is to generate more growth in 2014. However, hardware is expected to remain negative this year as well, at minus 1.9 per cent. This decline will mainly be due to private customers' weakening demand for PCs. The outlook for the business with enterprise customers is brighter. Service revenues are to increase 3.2 per cent and software – the growth driver – 5.1 per cent. In total, growth of 2.6 per cent is predicted for the IT market in Germany in 2014.

## Performance of the Bechtle Group

In early 2014, our investments in the expansion of our workforce and in the training of our specialists paid off. BECHTLE was able to make full use of the economic tailwind. Our revenue and especially our earnings outstripped the prior-year values.

From the current perspective, we are confident that our revenue and earnings position will outperform the prior year in the further course of the year as well. However, we expect the growth dynamics to slacken slightly from the third quarter. This is not due to fears of an economic slowdown, but rather due to the much higher reference figures as a result of the excellent second half of 2013. We are sticking to our forecast for the year as a whole, which predicts a clear revenue and earnings increase.

In view of the current market development and the rearrangement of the competitive landscape, we are constantly investigating suitable acquisition options. To complement our regional positioning and our competence profile, acquisitions will continue to play a key role in our growth strategy.

Irrespective of the acquisitions, we plan a further headcount increase for 2014. The continuous increase in the number of employees mainly serves the realisation of future growth and thus the medium to long-term further development of BECHTLE. However, we expect the dynamics of the headcount increase still to grow at a lower rate than the revenue.

In the IT e-commerce segment, our ARP brand launched its activities in Belgium in April. Apart from this, we do not plan to establish any new companies in the current fiscal year. Instead, the focus is on the consolidation of the BECHTLE DIRECT companies newly established at annual intervals over the past years, and on the expansion of brand awareness.

Our sustainable earning power and stable liquidity base provide us with the funds needed for realising our planned growth. There are no plans for material changes to our company structure and organisation or to our business targets and strategies.

Neckarsulm, 13 May 2014

BECHTLE AG

The Executive Board

## CONSOLIDATED INCOME STATEMENT

	€k	
	01.01 – 31.03.2014	01.01 – 31.03.2013
Revenue	586,696	513,950
Cost of sales	499,281	438,201
<b>Gross profit</b>	<b>87,415</b>	<b>75,749</b>
Distribution costs	39,886	36,974
Administrative expenses	29,338	26,894
Other operating income	2,970	2,612
<b>Earnings before interest and taxes</b>	<b>21,161</b>	<b>14,493</b>
Financial income	424	418
Financial expenses	753	825
<b>Earnings before taxes</b>	<b>20,832</b>	<b>14,086</b>
Income taxes	6,030	4,011
<b>Earnings after taxes</b> (attributable to shareholders of Bechtle AG)	<b>14,802</b>	<b>10,075</b>
<b>Net earnings per share (basic and diluted)</b> in €	<b>0.70</b>	<b>0.48</b>
<b>Weighted average shares outstanding</b> (basic and diluted) in thousands	<b>21,000</b>	<b>21,000</b>

See  
further comments  
in the Notes,  
in particular IV.,  
page 29 f

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k	
	01.01 – 31.03.2014	01.01 – 31.03.2013
<b>Earnings after taxes</b>	<b>14,802</b>	<b>10,075</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	-55	118
Income tax effects	9	-21
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		
Unrealised gains and losses on securities	-95	-87
Income tax effects	8	15
Unrealised gains and losses on financial derivatives	212	48
Income tax effects	-56	-13
Currency translation differences of net investments in foreign operations	18	0
Income tax effects	0	2
Hedging of net investments in foreign operations	-606	620
Income tax effects	177	-181
Currency translation differences	461	-933
<b>Other comprehensive income</b>	<b>73</b>	<b>-432</b>
of which income tax effects	138	-198
<b>Total comprehensive income (attributable to shareholders of Bechtle AG)</b>	<b>14,875</b>	<b>9,643</b>



See  
further comments  
in the Notes,  
in particular IV.,  
page 30 f and page 32 f

## CONSOLIDATED BALANCE SHEET

### ASSETS

€k

	31.03.2014	31.12.2013	31.03.2013
<b>Non-current assets</b>			
Goodwill	144,326	139,885	137,562
Other intangible assets	22,763	19,293	20,027
Property, plant and equipment	101,703	99,747	96,585
Trade receivables	1,475	1,547	1,361
Income tax receivables	84	84	113
Deferred taxes	3,777	4,131	5,759 <sup>1</sup>
Other assets	2,693	2,513	2,281
Time deposits and securities	33,538	32,012	51,948
<b>Total non-current assets</b>	<b>310,359</b>	<b>299,212</b>	<b>315,636<sup>1</sup></b>
<b>Current assets</b>			
Inventories	122,733	107,638	91,488
Trade receivables	307,298	345,195	259,684
Income tax receivables	1,916	1,029	2,600
Other assets	40,555	33,181	33,785
Time deposits and securities	26,588	18,255	20,823
Cash and cash equivalents	91,899	105,838	78,607
<b>Total current assets</b>	<b>590,989</b>	<b>611,136</b>	<b>486,987</b>
<b>Total assets</b>	<b>901,348</b>	<b>910,348</b>	<b>802,623<sup>1</sup></b>



See  
further comments  
in the Notes,  
in particular V.,  
page 31ff

<sup>1</sup> Adjusted figure, see annual report page 151f



## EQUITY AND LIABILITIES

€k

	31.03.2014	31.12.2013	31.03.2013
<b>Equity</b>			
Issued capital	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228
Retained earnings	350,212	335,337	302,999
<b>Total equity</b>	<b>516,440</b>	<b>501,565</b>	<b>469,227</b>
<b>Non-current liabilities</b>			
Pension provisions	6,433	6,382	9,187
Other provisions	2,767	2,307	2,445
Financial liabilities	52,287	53,625	58,601
Trade payables	473	438	30
Deferred taxes	16,311	15,128	14,780 <sup>1</sup>
Other liabilities	2,292	538	466
Deferred income	10,735	12,369	9,080
<b>Total non-current liabilities</b>	<b>91,298</b>	<b>90,787</b>	<b>94,589<sup>1</sup></b>
<b>Current liabilities</b>			
Other provisions	5,475	5,774	5,213
Financial liabilities	13,018	10,546	9,899
Trade payables	150,128	170,518	119,453
Income tax payables	6,356	6,519	2,622
Other liabilities	66,967	79,941	55,398
Deferred income	51,666	44,698	46,222
<b>Total current liabilities</b>	<b>293,610</b>	<b>317,996</b>	<b>238,807</b>
<b>Total equity and liabilities</b>	<b>901,348</b>	<b>910,348</b>	<b>802,623<sup>1</sup></b>

<sup>1</sup> Adjusted figure, see annual report page 151f

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings			Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss	Total	
<b>Equity as of 1 January 2013</b>	<b>21,000</b>	<b>145,228</b>	<b>292,041<sup>1</sup></b>	<b>1,315<sup>1</sup></b>	<b>293,356</b>	<b>459,584</b>
Earnings after taxes			10,075		10,075	10,075
Other comprehensive income				-432	-432	-432
Total comprehensive income	0	0	10,075	-432	9,643	9,643
<b>Equity as of 31 March 2013</b>	<b>21,000</b>	<b>145,228</b>	<b>302,116<sup>1</sup></b>	<b>883<sup>1</sup></b>	<b>302,999</b>	<b>469,227</b>
<b>Equity as of 1 January 2014</b>	<b>21,000</b>	<b>145,228</b>	<b>334,438</b>	<b>899</b>	<b>335,337</b>	<b>501,565</b>
Earnings after taxes			14,802		14,802	14,802
Other comprehensive income				73	73	73
Total comprehensive income	0	0	14,802	73	14,875	14,875
<b>Equity as of 31 March 2014</b>	<b>21,000</b>	<b>145,228</b>	<b>349,240</b>	<b>972</b>	<b>350,212</b>	<b>516,440</b>

<sup>1</sup> Adjusted figure, see annual report 2013 page 151f

See further  
comments  
in the Notes,  
in particular V.,  
page 32f

## CONSOLIDATED CASH FLOW STATEMENT

	€k	
	01.01 – 31.03.2014	01.01 – 31.03.2013
<b>Operating activities</b>		
Earnings before taxes	20,832	14,086
Adjustment for non-cash expenses and income		
Financial earnings	329	407
Depreciation and amortisation of intangible assets and property, plant and equipment	5,476	5,502
Gains and losses on disposal of intangible assets and property, plant and equipment	-4	-10
Other non-cash expenses and income	71	196
Changes in net assets		
Changes in inventories	-14,968	-1,616
Changes in trade receivables	39,921	48,224
Changes in trade payables	-23,994	-26,585
Changes in deferred income	4,142	4,352
Changes in other net assets	-22,190	-16,463
Income taxes paid	-6,539	-9,632
<b>Cash flow from operating activities</b>	<b>3,076</b>	<b>18,461</b>
<b>Investing activity</b>		
Cash paid for acquisitions less cash acquired	-3,241	-1,095
Cash paid for investments in intangible assets and property, plant and equipment	-4,879	-6,471
Cash received from the sale of intangible assets and property, plant and equipment	66	160
Cash paid for the acquisition of time deposits and securities	-10,000	-20,000
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	23	15,010
Interest payments received	508	477
<b>Cash flow from investing activities</b>	<b>-17,523</b>	<b>-11,919</b>
<b>Financing activities</b>		
Cash paid for the repayment of financial liabilities	-3,246	-5,985
Cash received from the assumption of financial liabilities	4,353	826
Interest paid	-715	-792
<b>Cash flow from financing activities</b>	<b>392</b>	<b>-5,951</b>
Exchange-rate-related changes in cash and cash equivalents	116	-192
<b>Changes in cash and cash equivalents</b>	<b>-13,939</b>	<b>399</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>105,838</b>	<b>78,208</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>91,899</b>	<b>78,607</b>



See  
further comments  
in the Notes,  
in particular VI.,  
page 34

## NOTES

### I. GENERAL DISCLOSURES

BECHTLE AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and as such required under Section 315a of the German Commercial Code (HGB) to prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. Accordingly, this interim financial report as of 31 March 2014 has been prepared in accordance with the IFRS.

In accordance with IAS 34, the scope of the presentation used in this interim financial report as of 31 March 2014 is significantly reduced compared to the consolidated financial statements as of the end of the fiscal year. Additionally, the requirements of the German Accounting Standard No. 16 (DRS 16) and the Stock Exchange Rules and Regulations of the Frankfurt stock exchange that exceed IAS 34 have been taken into consideration and fully met.

Our business activity is subject to certain seasonal fluctuations during the year. In the past, the revenue and earnings contributions tended to be at their lowest in the first quarter and at their highest in the fourth quarter due to the traditionally strong year-end business. Therefore, the interim results only qualify as indicators for the results of the fiscal year as a whole to a limited extent.

### II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION



[www.efrag.org](http://www.efrag.org)

In the first quarter of 2014, the EU did not endorse any further standards or amendments to standards. BECHTLE had already adopted the new and amended standards and interpretations whose adoption is mandatory for the fiscal year 2014 ahead of time for the consolidated financial statements for the fiscal year 2013.



[www.bechtle.com/  
investors/  
financial-reports](http://www.bechtle.com/investors/financial-reports)

In this interim financial report, the same key principles of accounting and consolidation were applied as in the consolidated financial statements for the fiscal year 2013. For further information, please refer to the consolidated financial statements as of 31 December 2013, which form the basis for these interim financial statements.

In accordance with IAS 34, the determination of the tax expense in the interim period takes place on the basis of the effective tax rate expected for the entire fiscal year. Taxes related to extraordinary events are taken into consideration in the quarter in which the underlying event occurs.

### III. SCOPE OF CONSOLIDATION

The scope of consolidation comprises BECHTLE AG, Neckarsulm, and all subsidiaries in which it holds a controlling interest. As in the prior year, BECHTLE AG directly or indirectly holds all interests and voting rights in all consolidated companies.

The following companies were included in the scope of consolidation for the first time in this reporting period:

Company	Headquarters	Date of initial consolidation	Acquisition/foundation
AMARAS AG	Monheim (Rhein), Germany	1 February 2014	Acquisition
PLANET! Software-Vertrieb & Consulting GmbH	Wien, Austria	5 March 2014	Acquisition

Further disclosures concerning the acquired companies are presented in section X. "Acquisitions and Purchase Price Allocation".



See page 38 ff

### IV. NOTES TO THE INCOME STATEMENT AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

#### Expense Structure

€k						
	Cost of sales		Distribution costs		Administrative expenses	
	01.01 – 31.03.2014	01.01 – 31.03.2013	01.01 – 31.03.2014	01.01 – 31.03.2013	01.01 – 31.03.2014	01.01 – 31.03.2013
Material costs	444,367	388,022	0	0	0	0
Personnel expenses	42,713	38,623	31,788	29,569	19,164	17,308
Depreciation and amortisation	2,608	2,711	1,265	1,244	1,603	1,547
Other operating expenses	9,593	8,845	6,833	6,161	8,571	8,039
<b>Total expenses</b>	<b>499,281</b>	<b>438,201</b>	<b>39,886</b>	<b>36,974</b>	<b>29,338</b>	<b>26,894</b>

The year-on-year increase in material costs, personnel expenses and other operating expenses was mainly caused by the higher business volume in the reporting period and the associated headcount increase. The decline in depreciation and amortisation resulted from the decline in depreciation of intangible assets that were capitalised in connection with acquisitions. Year on year, the other depreciation of property, plant and equipment of intangible assets underwent an increase.



See  
Segment reporting,  
Income statement,  
page 37

The material costs include net income of €19 thousand from exchange rate fluctuations (prior year: €274 thousand).

## Other Operating Income

Other operating income mainly consisted of marketing grants and other payments from suppliers amounting to €2,698 thousand (prior year: €2,222 thousand).

## Financial Income and Financial Expenses

The financial income mainly comprises income from time deposits and securities as well as cash and cash equivalents. As previously, the monetary investment strategy focuses on ensuring the company's unlimited solvency at all times and only permits particularly low-risk or hedged investments.

The financial expenses mainly include interest paid for the financial liabilities. The year-on-year decline in financial expenses occurred due to the lower loan liabilities.

## Earnings per Share

The table below shows the calculation of the earnings after taxes per share that are due to the shareholders of BECHTLE AG:

		01.01 – 31.03.2014	01.01 – 31.03.2013
Earnings after taxes	€k	14,802	10,075
Average number of outstanding shares		21,000,000	21,000,000
Earnings per share	€	0.70	0.48

According to IAS 33, the earnings per share are determined on the basis of the earnings after taxes (due to the shareholders of BECHTLE AG) and the average number of shares in circulation in the year. Treasury shares would reduce the number of outstanding shares accordingly. The basic earnings per share are identical to the diluted earnings per share.

## Other Comprehensive Income



See page 23

The other comprehensive income was mainly affected by the development of the euro/Swiss franc exchange rate. Unlike the corresponding prior-year period, in which the Swiss franc had lost value against the euro, the Swiss currency gained value in the first three months of 2014.

Apart from this, the other comprehensive income was influenced by the hedging of the currency risk for future goods purchases in USD and the hedging of the interest rate risk of loans with variable interest rates, which were accounted for as cash flow hedges. The market value (–€2,291 thousand) that is attributable to the effective part of the hedges was recognised outside profit or loss under other comprehensive income under consideration of the deferred taxes (€666 thousand). These comprise forward exchange contracts, currency options and interest rate swaps. In terms of the volume and time, the planned cash flows correspond to the financial transactions. These hedges can be considered as effective even in the case of realistic deviations from the plan. In the current period, ineffectiveness in the amount of –€7 thousand, which had resulted from the time differences between the maturities of the transactions and the associated liabilities, was recognised under financial earnings.



See  
Annual Report 2013,  
page 194 ff

Details on the composition of the other comprehensive income, which is recognised outside profit or loss, with respect to the change that this item underwent and its accumulated balance are presented in section V. "Notes to the Balance Sheet and to the Statement of Changes in Equity".



See page 32 f

## V. NOTES TO THE BALANCE SHEET AND TO THE STATEMENT OF CHANGES IN EQUITY

### Assets

The reduction of the trade receivables in the reporting period resulted from seasonal fluctuations during the year, with a high-revenue final quarter. The significant increase in inventories was due to the higher business volume and the stock levels required for ongoing large projects.

Compared to the consolidated financial statements as of 31 December 2013, the assets of the BECHTLE Group as of 31 March 2014 now also contain the assets of the companies newly acquired in the period under review.



See page 38 ff

Moreover, in the current quarter, cash and cash equivalents were shifted to time deposits with terms to maturity of more than one year.

## Equity

### Retained Earnings



#### Dividends paid

On 5 June 2014, the Executive Board and the Supervisory Board will propose to the Annual General Meeting to use the net profit for the fiscal year 2013 amounting to €23,100 thousand for distributing a dividend amounting to €1.10 per no-par share with dividend entitlement. Subject to the approval of the Annual General Meeting, the dividend will be paid out on 6 June 2014.

In terms of its accumulated balance as of the balance sheet date and its change during the period under review, the other comprehensive income that is to be recognised outside profit or loss was composed as follows:

	31.03.2014			31.12.2013		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Actuarial gains and losses on pension provisions	-8,909	1,531	-7,378	-8,854	1,522	-7,332
Unrealised gains and losses on securities	219	-17	202	314	-25	289
Unrealised gains and losses on financial derivatives	-2,291	666	-1,625	-2,503	722	-1,781
Currency translation differences of net investments in foreign operations	-24	0	-24	-42	0	-42
Hedging of net investments in foreign operations	-9,267	2,699	-6,568	-8,661	2,522	-6,139
Currency translation differences	16,365	0	16,365	15,904	0	15,904
<b>Other comprehensive income</b>	<b>-3,907</b>	<b>4,879</b>	<b>972</b>	<b>-3,842</b>	<b>4,741</b>	<b>899</b>



€k

	01.01 – 31.03.2014			01.01 – 31.03.2013		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>						
Actuarial gains and losses on pension provisions	-55	9	-46	118	-21	97
<b>Items that will be reclassified to profit or loss in subsequent periods</b>						
Unrealised gains and losses on securities	-95	8	-87	-87	15	-72
Gains and losses that arose in the current period	-95	8	-87	-70	9	-61
Reclassifications to profit and loss	0	0	0	-17	6	-11
Unrealised gains and losses on financial derivatives	212	-56	156	48	-13	35
Gains and losses that arose in the current period	-7	8	1	-3	1	-2
Reclassifications to profit and loss	219	-64	155	51	-14	37
Currency translation differences of net investments in foreign operations	18	0	18	0	2	2
Gains and losses that arose in the current period	18	0	18	0	2	2
Reclassifications to profit and loss	0	0	0	0	0	0
Hedging of net investments in foreign operations	-606	177	-429	620	-181	439
Gains and losses that arose in the current period	-606	177	-429	620	-181	439
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	461	0	461	-933	0	-933
Other comprehensive income	-65	138	73	-234	-198	-432

## Liabilities

The changes, especially those concerning the trade payables and the current other liabilities, were mainly caused by the usual seasonal fluctuations during the year, with a high-revenue final quarter.

The financial liabilities declined by the scheduled repayments of the existing loans. The increase in current financial liabilities is the result of the increase of the account current liabilities due to banks, an effect related to the reporting date.

The increase in non-current other liabilities was caused by the long-term purchase price payments that were agreed for the companies newly acquired in 2014. Compared to the consolidated financial statements as of 31 December 2013, the liabilities of the BECHTLE Group as of 31 March 2014 also contained the liabilities of the companies newly acquired in the period under review.



For further details of the loans, see Annual Report 2013, page 186 f



See page 38 ff

## VI. NOTES TO THE CASH FLOW STATEMENT

The year-on-year decline of the cash flow from operating activities was caused by the significantly higher business volume, which resulted in a higher outflow for inventories as well as a net outflow in other items of the net assets. The higher earnings before taxes and low income tax payment compared to the prior-year period could not compensate this effect.

The cash flow from investing activities reflects the outflow for acquisitions and investments and payments in connection with time deposits and securities.



See page 33

The cash flow from financing activities reflects the increase in account current liabilities due to banks, which is related to the reporting date.

## VII. OPERATING LEASES

As of 31 March 2014, the future minimum lease payments from rental and leasing contracts classified as "operating leases" according to IAS 17 dropped to €57,535 thousand for reasons related to the reporting date (31 December 2013: €63,382 thousand).

	31.03.2014	31.12.2013
Due within one year	23,586	24,427
Due between one and five years	29,003	31,866
Due after five years	4,946	7,089
<b>Total minimum lease payments</b>	<b>57,535</b>	<b>63,382</b>

## VIII. FAIR VALUE OF FINANCIAL INSTRUMENTS



See

Annual Report 2013,  
page 166 ff and page 191 f

Financial assets and liabilities (financial instruments) are classified according to IFRS 7. The allocation of the financial instruments contained in the individual balance sheet items in this interim financial report corresponds to the allocation in the Annual Report 2013.

According to IFRS 13, the measurement methods are divided into the following three levels, depending on the key parameters on which the measurement is based:

Level 1: Measurement at prices (not adjusted) quoted on active markets for identical assets and liabilities

Level 2: Measurement of the asset or liability takes place either directly or indirectly on the basis of observable input data, which do not represent quoted prices as stated in Level 1

Level 3: Measurement is based on models using input parameters not observable on the market

The following table compares the carrying amounts and fair value of the financial instruments for the classes of financial instruments according to IFRS 7 and their measurement level according to IFRS 13:

€k						
Class pursuant to IFRS 7	Measurement category	Carrying amount 31.03.2014	Fair value 31.03.2014	Carrying amount 31.12.2013	Fair value 31.12.2013	Level
<b>Assets</b>						
Non-current trade receivables	LAR	1,475	1,496	1,547	1,522	3
Current trade receivables	LAR	307,298	307,298	345,195	345,195	3
Securities	AFS	17,568	17,568	17,600	17,600	1
Time deposits						
Bond loans	LAR	35,073	35,339	30,192	30,506	2
Insurances	LAR	7,485	7,477	2,475	2,258	3
Other financial assets	LAR	18,163	18,163	17,335	17,335	3
Long-term lending	LAR	584	641	595	648	3
Financial derivatives						
Derivatives with hedge relationship	n/a	13	13	0	0	2
Derivatives without hedge relationship	FAFVPL	4	4	7	7	2
Cash and cash equivalents	LAR	91,899	91,899	105,838	105,838	1
<b>Liabilities</b>						
Loans	FLAC	65,305	71,523	64,171	69,340	2
Non-current trade payables	FLAC	473	463	438	427	3
Current trade payables	FLAC	150,128	150,128	170,518	170,518	3
Other financial liabilities	FLAC	44,409	44,409	50,050	50,050	3
Liabilities resulting from acquisitions	FLFVPL	3,009	3,009	465	465	3
Financial derivatives						
Derivatives with hedge relationship	n/a	2,897	2,897	2,523	2,523	2
Derivatives without hedge relationship	FLFVPL	131	131	23	23	2
<b>Thereof aggregated according to measurement category pursuant to IAS 39</b>						
	LAR	461,977	462,313	503,177	503,302	
	AFS	17,568	17,568	17,600	17,600	
	FLAC	260,315	266,523	285,177	290,335	
	FAFVPL	4	4	7	7	
	FLFVPL	3,140	3,140	488	488	

Abbreviations used for the measurement categories of IAS 39:

LAR = Loans and receivables

AFS = Available-for-sale financial assets

FLAC = Financial liabilities at amortised cost

FAFVPL = Financial assets measured at fair value through profit and loss

FLFVPL = Financial liabilities measured at fair value through profit and loss



See

Annual Report 2013,  
page 192

Except for the following two classes, the definitions and measurement methods correspond to those described in the Annual Report 2013:

**Liabilities resulting from acquisitions** are conditional, additional purchase price payments (earn-outs) for acquisitions (IFRS 3.58). The fair value was determined with the help of the DCF method. Apart from the planned business development of the unit taken over, a discount rate that is appropriate for the period was used. The creditworthiness of the debtor BECHTLE (IFRS 13.42 ff) was taken into account via an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay. The factor that has the greatest impact on the fair value is the planned business development. In the event of a reduction of the target achievement to 90 per cent of the target achievement assumed at the acquisition, the liabilities from acquisitions would drop almost 19 per cent; in the event of an increase to 110 per cent of the target achievement assumed at the acquisition, the liabilities would increase almost 9 per cent. These liabilities will reach maturity in 2014 to 2018.

Since the first quarter of 2014, the **insurances** class has contained both TEP market investments and pension funds as capital investments. The fair value of the TEP market investments in the time deposits corresponds to the redemption value plus creditworthiness impairment; the fair value of the pension funds corresponds to the discounted amount of the payment guaranteed plus creditworthiness impairment.

During the reporting period up to 31 March 2014, there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications to or from measurements at fair value of Level 3.

The financial instruments in Level 3 developed as follows:

See page 38 ff

Financial assets and liabilities in Level 3	Total gains and losses						€k
	01.01.2014	Included in		Additions	Compensation/ settlement	Reclassification	31.03.2014
		financial earnings	other comprehensive income				
Liabilities resulting from acquisitions	465	7	0	2,537	0	0	3,009

The €7 thousand posted as expenses under financial earnings were fully attributable to future payments accounted for as of 31 March 2014.

## IX. SEGMENT INFORMATION

The segment information is presented on the basis of the same principles as in the consolidated financial statements for the fiscal year 2013.

€k

	01.01 – 31.03.2014			01.01 – 31.03.2013		
	IT system house & managed services	IT e-commerce	Group	IT system house & managed services	IT e-commerce	Group
<b>By segments</b>						
Total segment revenue	387,039	200,406		342,297	174,857	
less intersegment revenue	-599	-150		-889	-2,315	
External revenue	386,440	200,256	<b>586,696</b>	341,408	172,542	<b>513,950</b>
Depreciation and amortisation	-3,488	-975	<b>-4,463</b>	-3,224	-906	<b>-4,130</b>
Depreciation from acquisitions	-1,013	0	<b>-1,013</b>	-1,203	-169	<b>-1,372</b>
<b>Earnings before interest and taxes</b>	13,668	7,493	<b>21,161</b>	7,395	7,098	<b>14,493</b>
Financial earnings			<b>-329</b>			<b>-407</b>
<b>Earnings before taxes</b>			<b>20,832</b>			<b>14,086</b>
Income taxes			<b>-6,030</b>			<b>-4,011</b>
<b>Earnings after taxes</b>			<b>14,802</b>			<b>10,075</b>
Investments	4,960	1,358	<b>6,318</b>	4,465	2,069	<b>6,534</b>
Investments through acquisitions	8,799	0	<b>8,799</b>	759	0	<b>759</b>

€k

	01.01 – 31.03.2014			01.01 – 31.03.2013		
	Domestic	Abroad	Group	Domestic	Abroad	Group
<b>By regions</b>						
External revenue	395,298	191,398	<b>586,696</b>	346,518	167,432	<b>513,950</b>
Investments	5,210	1,108	<b>6,318</b>	5,389	1,145	<b>6,534</b>
Investments through acquisitions	3,627	5,172	<b>8,799</b>	759	0	<b>759</b>



Segment information on employees, see page 41

As the total segment assets have not been and are not part of the internal reporting, this information is not disclosed in the notes in the quarterly reports in accordance with IAS 34.16Agiv.

## X. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

### AMARAS AG

As of the acquisition date 1 February 2014, the company acquired all interests in AMARAS AG, Monheim (Rhein), Germany.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and must still be considered as provisional (IFRS 3.45).

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer service agreements (€1,000 thousand) and a non-compete agreement (€470 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€388 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are amortised over a period of five years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired total net assets (€1,245 thousand), the capital consolidation resulted in a difference of €2,140 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring AMARAS (33 employees), BECHTLE is further developing the managed services business, one of the core business areas.

The presentation of the acquisition in the balance sheet as of the time of initial consolidation is provided in the table at the end of this section.

The company purchase agreement for the acquisition of AMARAS contains a contingent purchase price payment of an unlimited amount, which depends on the acquired company's future business performance. Based on the validated business plan of AMARAS, the fair value of this contingent purchase price payment on the acquisition date was €1,385 thousand.

Other acquisition costs (€2,000 thousand) resulted in an outflow of cash and cash equivalents.

The receivables taken over were not subject to any major impairment.

In the reporting period, AMARAS accounted for €440 thousand of the revenue and €11 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qi).

## PLANET! Software-Vertrieb & Consulting GmbH

As of the acquisition date 5 March 2014, the company acquired all interests in Planet! Software Vertrieb & Consulting GmbH, headquartered in Wien, Austria.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and must still be considered as provisional (IFRS 3.45).

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer service agreements (€1,900 thousand), the customer base (€640 thousand) and a non-compete agreement (€400 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€714 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are amortised over a period of 10 years, of the customer base, which is amortised over a period of five years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired total net assets (€2,411 thousand), the capital consolidation resulted in a difference of €2,079 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring planetsoftware (36 employees), BECHTLE is stepping up its market presence in Austria and expands the local product spectrum. Like the BECHTLE companies SolidLine and SolidPro, planetsoftware is a SolidWorks partner.

The company purchase agreement for the acquisition of planetsoftware contains a contingent purchase price payment of an unlimited amount, which depends on the acquired company's future business performance. Based on the validated business plan of planetsoftware, the fair value of this contingent purchase price payment on the acquisition date was €1,152 thousand.

Other acquisition costs (€3,338 thousand) resulted in an outflow of cash and cash equivalents.

The receivables taken over were not subject to any major impairment.

In the reporting period, planetsoftware accounted for €410 thousand of the revenue and –€13 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qj).

The following table presents the fair value of the assets and liabilities of AMARAS and planetsoftware as of the date of initial consolidation as they appear in the balance sheet:

	€k	
	AMARAS	planetsoftware
<b>Non-current assets</b>		
Goodwill	2,140	2,079
Other intangible assets	1,470	2,957
Property, plant and equipment	17	136
<b>Total non-current assets</b>	<b>3,627</b>	<b>5,172</b>
<b>Current assets</b>		
Inventories	0	70
Trade receivables	563	1,069
Other assets	46	429
Cash and cash equivalents	1,281	816
<b>Total current assets</b>	<b>1,890</b>	<b>2,384</b>
<b>Total assets</b>	<b>5,517</b>	<b>7,556</b>
<b>Non-current liabilities</b>		
Other provisions	0	42
Deferred taxes	388	714
Deferred income	0	48
<b>Total non-current liabilities</b>	<b>388</b>	<b>804</b>
<b>Current liabilities</b>		
Trade payables	1,386	656
Income tax payables	55	0
Other provisions and liabilities	303	506
Deferred income	0	1,100
<b>Total current liabilities</b>	<b>1,744</b>	<b>2,262</b>
<b>Total liabilities</b>	<b>2,132</b>	<b>3,066</b>
<b>Total assets</b> <b>– Total liabilities</b> <b>= Acquisition costs</b>	<b>3,385</b>	<b>4,490</b>

Had AMARAS and planetsoftware been acquired at the beginning of the reporting period, the revenue of the BECHTLE Group for the reporting period would have amounted to €588 million. Earnings before taxes would not have changed and would have amounted to €21 million (IFRS 3.B64qii).



## XI. EMPLOYEES

The employee numbers were as follows:

	31.03.2014	31.12.2013	01.01 – 31.03.2014	01.01 – 31.03.2013
Full-time and part-time employees	5,809	5,631	5,747	5,450
Trainees	434	473	442	406
Employees on parental leave	109	115	110	107
Temporary staff	218	184	209	143
<b>Total</b>	<b>6,570</b>	<b>6,403</b>	<b>6,508</b>	<b>6,106</b>

The employee numbers (without temporary staff) break down by segments and regions as follows:

	31.03.2014	31.12.2013	01.01 – 31.03.2014	01.01 – 31.03.2013
<b>IT system house &amp; managed services</b>	<b>5,041</b>	<b>4,953</b>	<b>5,002</b>	<b>4,740</b>
Domestic	4,339	4,287	4,321	4,108
Abroad	702	666	681	632
<b>IT e-commerce</b>	<b>1,311</b>	<b>1,266</b>	<b>1,297</b>	<b>1,223</b>
Domestic	472	456	469	448
Abroad	839	810	828	775

The employee numbers (without employees on parental leave and without temporary staff) break down by functional areas as follows:

	31.03.2014	31.12.2013	01.01 – 31.03.2014	01.01 – 31.03.2013
Services	2,935	2,843	2,901	2,717
Sales	1,913	1,841	1,889	1,805
Administration	1,395	1,420	1,399	1,334



See  
Annual Report 2013,  
page 212 f

## XII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

No noteworthy events occurred at BECHTLE after the end of the reporting period.

Neckarsulm, 13 May 2014

BECHTLE AG  
Der Vorstand

## RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Neckarsulm, 13 May 2014

BECHTLE AG

The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

## AUDITING INFORMATION

The present interim financial report was neither audited, according to Article 317 of the HGB, nor revised by the auditor.

### Forward-looking Statements

This interim financial report contains statements that relate to the future performance of BECHTLE AG. Such statements are based on assumptions and estimates. Though the Executive Board believes that these forward-looking statements are realistic, this cannot be guaranteed. The assumptions are subject to risks and uncertainties that may result in consequences that differ substantially from those anticipated.

BECHTLE's financial accounting and reporting policies comply with the International Financial Reporting Standards (IFRS) as endorsed by the EU. Due to rounding differences, percentages stated in the report may differ slightly from the corresponding amounts in € million. Similarly, totals may differ from the individual values.

## FINANCIAL CALENDAR

### **Interim Report 1st Quarter 2014 (31 March)**

Wednesday, 14 May 2014

### **Annual General Meeting**

Thursday, 5 June 2014, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

### **Dividend Payment**

as of 6 June 2014

(subject to approval by the Annual General Meeting)

### **Interim Report 2nd Quarter 2014 (30 June)**

Friday, 8 August 2014

### **Interim Report 3rd Quarter 2014 (30 September)**

Wednesday, 12 November 2014

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

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