

3RD QUARTER 2017

QUARTERLY STATEMENT AS OF 30 SEPTEMBER 2017

Your strong IT partner.
Today and tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 30.09.2017	01.01– 30.09.2016	Change in %
Revenue	€k	2,499,252	2,158,325	15.8
IT system house & managed services	€k	1,752,935	1,509,159	16.2
IT e-commerce	€k	746,317	649,166	15.0
EBITDA	€k	133,174	115,394	15.4
IT system house & managed services	€k	95,122	81,550	16.6
IT e-commerce	€k	38,052	33,844	12.4
EBIT	€k	110,819	94,376	17.4
IT system house & managed services	€k	76,811	64,116	19.8
IT e-commerce	€k	34,008	30,260	12.4
EBIT margin	%	4.4	4.4	
IT system house & managed services	%	4.4	4.2	
IT e-commerce	%	4.6	4.7	
EBT	€k	109,909	95,276	15.4
EBT margin	%	4.4	4.4	
Earnings after taxes	€k	77,092	67,652	14.0
Earnings per share	€	1.84	1.61¹	14.0
Return on equity²	%	15.5	15.1	
Cash flow from operating activities	€k	20,673	20,397	1.4
Number of employees (as of 30.09)		8,199	7,645	7.2
IT system house & managed services		6,721	6,182	8.7
IT e-commerce		1,478	1,463	1.0

		30.09.2017	31.12.2016	Change in %
Liquidity³	€k	103,950	162,781	–36.1
Working Capital	€k	445,590	375,645	18.6
Equity ratio	%	58.7	54.7	7.4

¹ Adjusted for bonus shares

² Annualised

³ Incl. time deposits and securities

REVIEW BY QUARTER 2017

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2017 FY 01.01–30.09
Revenue	€k	803,129	822,198	873,925		2,499,252
EBITDA	€k	38,725	43,686	50,763		133,174
EBIT	€k	31,823	36,504	42,492		110,819
EBT	€k	31,475	36,230	42,204		109,909
EBT margin	%	3.9	4.4	4.8		4.4
Earnings after taxes	€k	22,098	25,390	29,604		77,092

EARNINGS POSITION

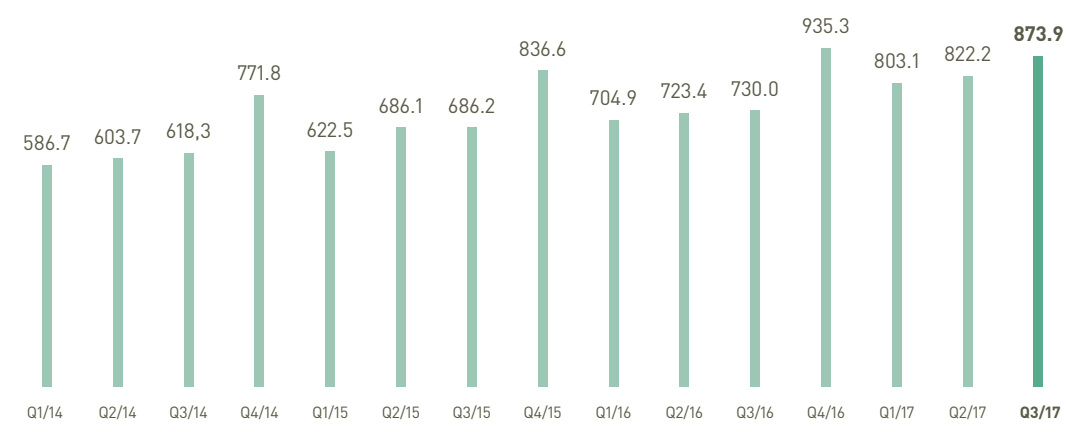
In the third quarter, the Bechtle Group further stepped up the already very successful performance of the first six months.

As of 30 September, the order backlog amounted to €508 million (prior year: €413 million). Of this amount, the IT system house & managed services segment accounted for €443 million (prior year: €368 million), and the IT e-commerce segment for €65 million (prior year: €45 million).

Year on year, the revenue went up 19.7 per cent. The organic revenue growth amounted to 18.5 per cent.

GROUP REVENUE

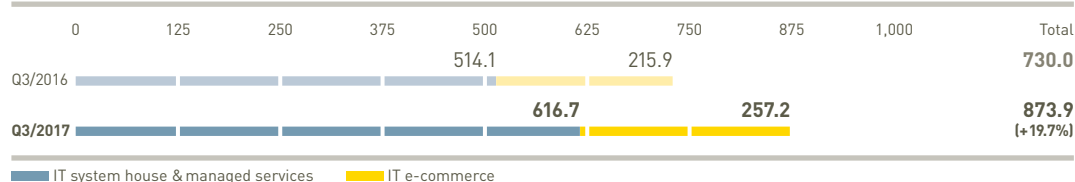
€m



Both segments had a balanced share in the highly dynamic growth. As far as the individual regions are concerned, demand in Germany was slightly higher than abroad. The e-commerce segment boosted its revenue by 19.1 per cent. The German companies went up 25.4 per cent, and the companies in other countries grew by 16.3 per cent.

REVENUE BY SEGMENTS

€m



The revenue in the IT system house & managed services segment climbed 20.0 per cent. The growth was widely backed by great customer demand for conventional services, managed services and cloud services. Bechtle also generated growth impulses with the architecture of modern workplace concepts, based on collaboration technologies. The system houses stepped up their revenue 20.7 per cent in Germany and 14.3 per cent in Switzerland and Austria.

REVENUE – GROUP AND SEGMENTS

	Q3/2017	Q3/2016	Change
Group	873,925	730,027	+19.7%
Domestic	630,449	519,632	+21.3%
Abroad	243,476	210,395	+15.7%
IT system house & managed services	616,747	514,092	+20.0%
IT e-commerce	257,178	215,935	+19.1%

At 22.7 per cent, material costs underwent an above-average increase. The share of personnel expenses, included in the cost of sales, went up by a below-average rate of 6.3 per cent. In total, the gross earnings thus increased 15.7 per cent, and the gross margin is at 15.3 per cent on average over the last years.

In the two functional areas sales and administration, the costs went up at disproportionately low rates of 8.7 and 18.3 per cent, respectively. The administrative costs were affected both by higher personnel expenses and by the increased depreciation and amortisation due to investments. Other operating income remained more or less at the prior-year level.

Year on year, EBITDA climbed 20.2 per cent, resulting in an unchanged EBITDA margin of 5.8 per cent.

As a result of numerous investments, such as in the group data centre, depreciation and amortisation increased at a higher rate than in the past. However, the increase of 17.0 per cent is still disproportionately low compared to revenue. As previously, depreciation of property, plant and equipment, which surged 31.8 per cent to €7.3 million, accounted for the largest share of the depreciation and amortisation.

EBIT increased 20.9 per cent to €42.5 million. The margin went up from 4.8 per cent to 4.9 per cent.

The financial earnings in the prior year had been affected by a positive one-time effect related to an large forfeiting transaction. In the reporting period, financial expenses again exceeded the financial income. However, EBT went up 16.4 per cent to €42.2 million. The EBT margin thus dropped slightly to 4.8 per cent. Without the said one-time effect on the financial income in the prior year, the margin would have remained stable year on year.

EBT AND EBT MARGIN

€m and %



Due to factors such as the higher domestic earnings contribution, the tax rate increased to 29.9 per cent. Earnings after taxes went up 14.6 per cent to €29.6 million. EPS amounted to €0.70 (prior year adjusted for bonus shares: €0.61).

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

EBIT in the IT system house & managed services segment increased by 22.2 per cent to €29.4 million. This reflects the successful concentration of Bechtle on solution themes such as mobility, modern data centre architectures, IT security or managed and cloud services. The EBIT margin went up from 4.7 per cent to 4.8 per cent.

In the IT e-commerce segment, EBIT climbed 18.0 per cent to €13.1 million. The segment largely compensated for the above-average increase in material expenses due to the vigorous growth by means of effective cost-control measures. The EBIT margin remained at a good 5.1 per cent.

EBIT – GROUP AND SEGMENTS

€k

	Q3/2017	Q3/2016	Change
Group	42,492	35,159	+20.9%
IT system house & managed services	29,441	24,102	+22.2%
IT e-commerce	13,051	11,057	+18.0%

ASSETS AND FINANCIAL POSITION

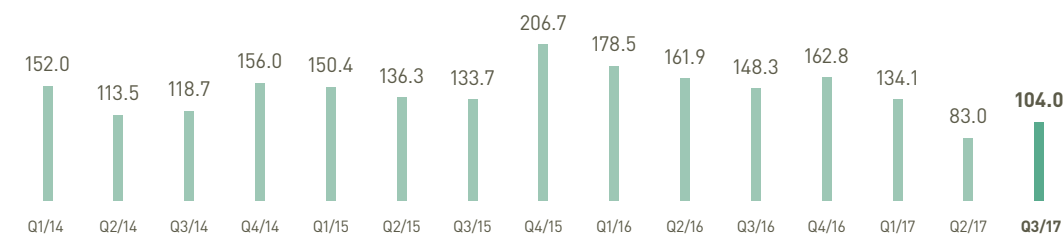
As of 30 September 2017, the balance sheet total of the Bechtle Group was 1.3 per cent lower than as of 31 December 2016.

Among the non-current assets, property, plant and equipment as well as the intangible assets increased, due especially to the numerous investments throughout the reporting period. The higher number of projects with longer terms resulted in an increase in trade receivables. The capitalisation ratio went up from 29.0 per cent to 32.9 per cent.

Among the current assets, the inventories were €53.5 million higher than as of 31 December 2016. This was due to the greater business volume and the higher number of larger projects. For seasonal reasons, trade receivables declined by €54.7 million as of 30 September 2017. Year on year, our average DSO (days sales outstanding) in the first nine months of 2017 increased slightly from 40.2 days to 40.9 days. As a result of items that reached maturity and were not reinvested, short-term time deposits and securities dropped by €9.9 million. Owing to the higher investment volume, the dividend payment and the growth-induced increase in financing needs, cash and cash equivalents went down €48.9 million to €91.5 million as of 30 September 2017.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



As of 30 September 2017, the working capital had increased from €375.6 million to €445.6 million, due especially to the higher inventories and the lower trade payables.

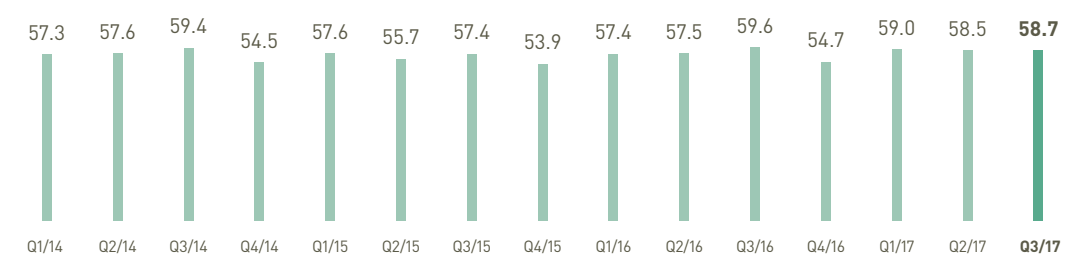
On the equity and liabilities side, the current liabilities underwent the greatest changes. For reasons related to the reporting date, trade payables dropped €47.1 million. Other liabilities fell €21.9 million, also for reasons related to the reporting date. This was due mainly to the lower personnel liabilities and lower VAT liabilities. Among the non-current liabilities, financial liabilities increased €11.7 million due to newly raised loans.

Owing to the higher earnings, the equity climbed €41.6 million. Our equity ratio increased from 54.7 per cent as of 31 December 2016 to 58.7 per cent. The extrapolated return on equity increased from 15.1 per cent as of 30 September 2016 to 15.5 per cent as of the reporting date. The equity underwent a shift: Due to the capital increase from the company's own funds that was adopted by the General

Meeting on 1 June 2017 and entered in the trade register on 7 July, the capital reserves dropped by €21 million, and the issued capital went up by the same amount.

EQUITY RATIO

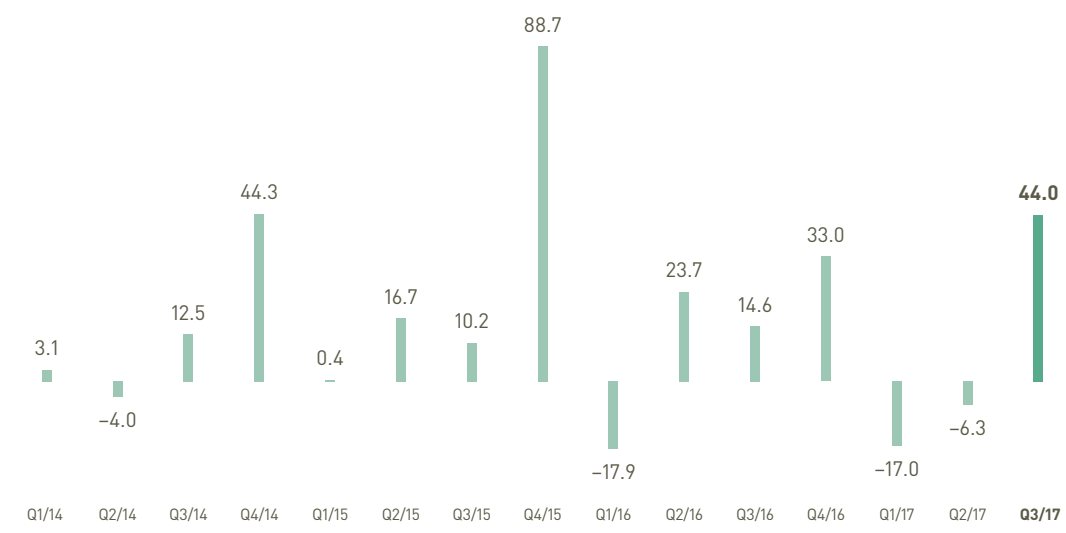
%



In the period from January to September 2017, the operating cash flow amounted to €20.7 million, slightly more than in the prior year (€20.4 million). The higher cash outflow for inventories and the lower cash inflow from trade receivables was compensated, among other things, by the lower cash outflow from trade liabilities and higher earnings before taxes.

CASH FLOW FROM OPERATING ACTIVITIES

€m



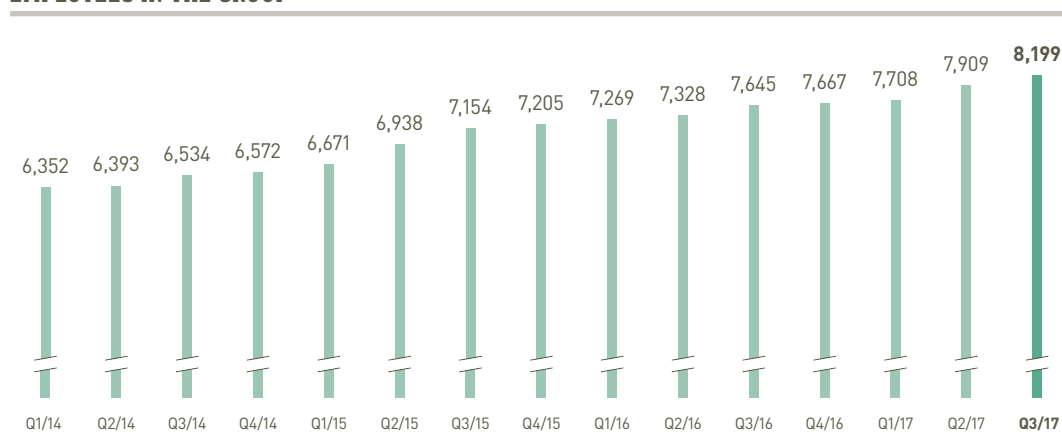
In the nine-month period, the net cash used for investments was marked mainly by the outflow for investments in intangible assets and property, plant and equipment, on the one hand, and, on the other hand, by the inflows from the sale of time deposits and securities. The cash flow from financing activities was especially affected by the dividend payment and the inflows from the assumption of financial liabilities.

Due especially to the high investment volume, the free cash flow in the period from January to September amounted to minus €36.3 million, €12.9 million less than in the prior year. However, the free cash flow in the period from July to September reached a positive figure of €22.4 million.

EMPLOYEES

As of the reporting date of 30 September 2017, the Bechtle Group had a total of 8,199 employees, 554 persons or 7.2 per cent more than on 30 September 2016. Compared to 31 December 2016, the headcount went up by 532. The increase of 6.9 per cent is the result of acquisitions and particularly of new recruitment.

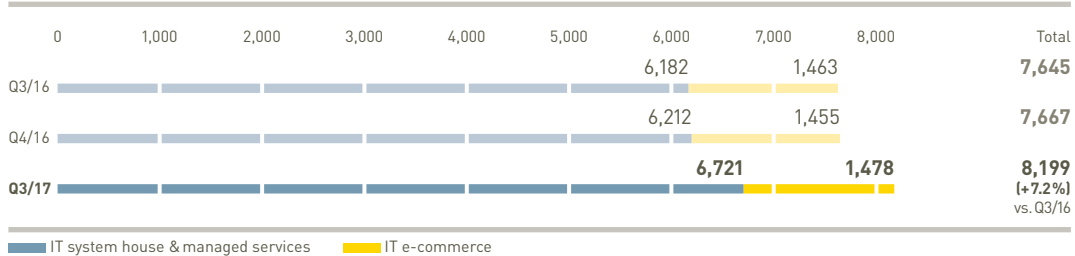
EMPLOYEES IN THE GROUP



In the IT system house & managed services segment, the number of employees went up by 509 compared to 31 December 2016, an increase of 8.2 per cent. At 13.6 per cent, the headcount increase was especially intensive in the system houses outside Germany. In Germany, the number of employees grew 7.4 per cent. The IT e-commerce segment recorded a slight increase of 1.6 per cent compared to 31 December 2016.

The average headcount in the group in the period from July to September 2017 amounted to 8,028, some 510 employees more than in the prior-year period, which represents an increase of 6.8 per cent.

EMPLOYEES BY SEGMENTS



As of 30 September 2017, Bechtle had 559 young trainees. That is 43 apprentices and students on integrated degree programmes more than in the prior year. At the start of the new training year on 1 September 2017, more than 170 young people embarked on their career with Bechtle, more than ever before.

FORECAST

We published our forecast for the 2017 fiscal year on pages 108 to 114 of the annual report 2016. In the forecast, we had set the goal of achieving significant revenue and earnings growth. In the first nine months, however, Bechtle achieved two-digit revenue and earnings growth rates, surpassing our original expectations. Our growth dynamics are likely to slacken in the fourth quarter – especially in view of the high reference value achieved in the prior year. Nevertheless, the Executive Board expects to deliver very significant revenue and earnings growth in 2017 as a whole. As originally predicted, the EBT margin is expected to at least remain at the prior-year level. However, this will only be possible if the economic framework conditions remain intact in the fourth quarter and we do not experience any supply bottlenecks on the manufacturer side towards the end of the year.

CONSOLIDATED INCOME STATEMENT

	€k			
	01.07– 30.09.2017	01.07– 30.09.2016	01.01– 30.09.2017	01.01– 30.09.2016
Revenue	873,925	730,027	2,499,252	2,158,325
Cost of sales	740,104	614,325	2,120,320	1,826,052
Gross profit	133,821	115,702	378,932	332,273
Distribution costs	52,769	48,564	154,522	142,541
Administrative expenses	43,024	36,365	127,280	108,863
Other operating income	4,464	4,386	13,689	13,507
Earnings before interest and taxes	42,492	35,159	110,819	94,376
Financial income	276	1,675	802	2,707
Financial expenses	564	568	1,712	1,807
Earnings before taxes	42,204	36,266	109,909	95,276
Income taxes	12,600	10,440	32,817	27,624
Earnings after taxes (attributable to shareholders of Bechtle AG)	29,604	25,826	77,092	67,652
Net earnings per share (basic and diluted) in €	0.70	1.23	1.84	3.22
Weighted average shares outstanding (basic and diluted) in thousands	42,000	21,000	42,000	21,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07– 30.09.2017	01.07– 30.09.2016	01.01– 30.09.2017	01.01– 30.09.2016
Earnings after taxes	29,604	25,826	77,092	67,652
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses on pension provisions	813	12	1,123	108
Income tax effects	–150	–2	–207	–18
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses on securities	0	1	–1	7
Income tax effects	0	0	0	–1
Unrealised gains and losses on financial derivatives	–901	–1,024	–1,694	–1,828
Income tax effects	268	303	502	541
Currency translation differences of net investments in foreign operations	0	0	0	0
Income tax effects	0	0	0	0
Hedging of net investments in foreign operations	2,366	607	3,826	–202
Income tax effects	–702	–180	–1,135	60
Currency translation differences	–4,670	–255	–6,371	–1,628
Other comprehensive income	–2,976	–538	–3,957	–2,961
of which income tax effects	–584	121	–840	582
Total comprehensive income (attributable to shareholders of Bechtle AG)	26,628	25,288	73,135	64,691

CONSOLIDATED BALANCE SHEET

ASSETS			€ k
	30.09.2017	31.12.2016	30.09.2016
Non-current assets			
Goodwill	194,735	193,521	182,187
Other intangible assets	47,697	35,338	35,186
Property, plant and equipment	128,312	111,666	104,193
Trade receivables	26,011	12,436	15,151
Deferred taxes	4,430	4,798	3,893
Other assets	3,523	3,467	3,428
Time deposits and securities	7,004	7,005	7,004
Total non-current assets	411,712	368,231	351,042
Current assets			
Inventories	234,127	180,652	182,537
Trade receivables	447,604	502,270	369,726
Income tax receivables	858	847	908
Other assets	61,406	61,562	55,571
Time deposits and securities	5,453	15,361	15,322
Cash and cash equivalents	91,493	140,415	125,997
Total current assets	840,941	901,107	750,061
Total assets	1,252,653	1,269,338	1,101,103

EQUITY AND LIABILITIES

€k

	30.09.2017	31.12.2016	30.09.2016
Equity			
Issued capital	42,000	21,000	21,000
Capital reserves	124,228	145,228	145,228
Retained earnings	569,510	527,875	489,714
Total equity	735,738	694,103	655,942
Non-current liabilities			
Pension provisions	18,620	19,924	15,475
Other provisions	6,959	6,719	5,928
Financial liabilities	63,446	51,744	50,457
Trade payables	60	147	161
Deferred taxes	20,800	20,570	21,257
Other liabilities	4,340	5,874	6,083
Deferred income	12,647	12,981	12,014
Total non-current liabilities	126,872	117,959	111,375
Current liabilities			
Other provisions	8,272	6,657	7,072
Financial liabilities	9,134	9,745	11,295
Trade payables	195,007	242,120	149,650
Income tax payables	11,489	7,676	7,750
Other liabilities	93,378	115,314	86,006
Deferred income	72,763	75,764	72,013
Total current liabilities	390,043	457,276	333,786
Total equity and liabilities	1,252,653	1,269,338	1,101,103

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2016	21,000	145,228	455,209	-786	454,423	620,651
Distribution of profits for 2015			-29,400		-29,400	-29,400
Earnings after taxes			67,652		67,652	67,652
Other comprehensive income				-2,961	-2,961	-2,961
Total comprehensive income	0	0	67,652	-2,961	64,691	64,691
Equity as of 30 September 2016	21,000	145,228	493,461	-3,747	489,714	655,942
Equity as of 1 January 2017	21,000	145,228	529,180	-1,305	527,875	694,103
Distribution of profits for 2016			-31,500		-31,500	-31,500
Earnings after taxes			77,092		77,092	77,092
Other comprehensive income				-3,957	-3,957	-3,957
Total comprehensive income	0	0	77,092	-3,957	73,135	73,135
Capital increase from company funds	21,000	-21,000				0
Equity as of 30 September 2017	42,000	124,228	574,772	-5,262	569,510	735,738

CONSOLIDATED CASH FLOW STATEMENT

	in €k			
	01.07– 30.09.2017	01.07– 30.09.2016	01.01– 30.09.2017	01.01– 30.09.2016
Operating activities				
Earnings before taxes	42,204	36,266	109,909	95,276
Adjustment for non-cash expenses and income				
Financial earnings	289	-1,106	911	-900
Depreciation and amortisation of intangible assets and property, plant and equipment	8,271	7,071	22,355	21,018
Gains and losses on disposal of intangible assets and property, plant and equipment	-15	0	28	69
Other non-cash expenses and income	-1,155	766	-907	213
Changes in net assets				
Changes in inventories	-4,297	-11,506	-51,929	-32,314
Changes in trade receivables	-1,052	25,670	41,851	48,278
Changes in trade payables	10,667	-28,479	-49,330	-56,009
Changes in deferred income	-7,883	-2,035	-3,409	-6,848
Changes in other net assets	6,673	-1,966	-18,757	-20,346
Income taxes paid	-9,746	-10,124	-30,049	-28,040
Cash flow from operating activities	43,956	14,557	20,673	20,397
Investing activity				
Cash paid for acquisitions less cash acquired	-4,264	-20,617	-8,556	-22,110
Cash paid for investments in intangible assets and property, plant and equipment	-17,359	-10,966	-50,358	-24,554
Cash received from the sale of intangible assets and property, plant and equipment	71	2,519	1,986	2,866
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	0	0	10,000	19,525
Interest payments received	118	109	316	468
Cash flow from investing activities	-21,434	-28,955	-46,612	-23,805
Financing activities				
Cash paid for the repayment of financial liabilities	-11,954	-1,968	-15,966	-7,550
Cash received from the assumption of financial liabilities	11,832	2,887	27,057	3,281
Dividends paid	0	0	-31,500	-29,400
Interest paid	-556	-540	-1,636	-1,696
Cash flow from financing activities	-678	379	-22,045	-35,365
Exchange-rate-related changes in cash and cash equivalents	-931	388	-938	3
Changes in cash and cash equivalents	20,913	-13,631	-48,922	-38,770
Cash and cash equivalents at beginning of the period	70,580	139,628	140,415	164,767
Cash and cash equivalents at the end of the period	91,493	125,997	91,493	125,997

FINANCIAL CALENDAR

QUARTERLY STATEMENT 3RD QUARTER 2017 (30 SEPTEMBER)

Friday, 10 November 2017

ANNUAL REPORT 2017

Friday, 16 March 2018

ACCOUNTS PRESS CONFERENCE

Friday, 16 March 2018, Stuttgart

DVFA-ANALYSTS' CONFERENCE

Friday, 16 March 2018, Frankfurt (Main)

QUARTERLY STATEMENT 1ST QUARTER 2018 (31 MARCH)

Wednesday, 9 May 2018

ANNUAL GENERAL MEETING

Tuesday, 12 June 2018, 10:00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

HALF-YEAR FINANCIAL REPORT 2018 (30 JUNE)

Friday, 10 August 2018

QUARTERLY STATEMENT 3RD QUARTER 2018 (30 SEPTEMBER)

Tuesday, 13 November 2018

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

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The Quarterly Statement Q3/2017 was published on 10 November 2017.

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