

3<sup>RD</sup> QUARTER 2016

# QUARTERLY STATEMENT AS OF 30 SEPTEMBER 2016

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01 – 30.09.2016	01.01 – 30.09.2015	Change in %
<b>Revenue</b>	€k	<b>2,158,325</b>	<b>1,994,690</b>	<b>8.2</b>
IT system house & managed services	€k	1,447,579	1,321,736	9.5
IT e-commerce	€k	710,746	672,954	5.6
<b>EBITDA</b>	€k	<b>115,394</b>	<b>101,896</b>	<b>13.2</b>
IT system house & managed services	€k	79,352	66,553	19.2
IT e-commerce	€k	36,042	35,343	2.0
<b>EBIT</b>	€k	<b>94,376</b>	<b>82,354</b>	<b>14.6</b>
IT system house & managed services	€k	62,009	50,619	22.5
IT e-commerce	€k	32,367	31,735	2.0
<b>EBIT margin</b>	%	<b>4.4</b>	<b>4.1</b>	
IT system house & managed services	%	4.3	3.8	
IT e-commerce	%	4.6	4.7	
<b>EBT</b>	€k	<b>95,276</b>	<b>82,291</b>	<b>15.8</b>
<b>EBT margin</b>	%	<b>4.4</b>	<b>4.1</b>	
<b>Earnings after taxes</b>	€k	<b>67,652</b>	<b>58,069</b>	<b>16.5</b>
<b>Earnings per share</b>	€	<b>3.22</b>	<b>2.77</b>	<b>16.5</b>
<b>Return on equity<sup>1</sup></b>	%	<b>15.1</b>	<b>14.6</b>	
<b>Cash flow from operating activities</b>	€k	<b>20,397</b>	<b>27,277</b>	<b>-25.2</b>
<b>Number of employees (as of 30.09)</b>		<b>7,645</b>	<b>7,154</b>	<b>6.9</b>
IT system house & managed services		6,094	5,713	6.7
IT e-commerce		1,551	1,441	7.6
		30.09.2016	31.12.2015	Change in %
<b>Cash and cash equivalents<sup>2</sup></b>	€k	<b>148,323</b>	<b>206,660</b>	<b>-28.2</b>
<b>Working capital</b>	€k	<b>347,932</b>	<b>294,872</b>	<b>18.0</b>
<b>Equity ratio</b>	%	<b>59.6</b>	<b>53.9</b>	

<sup>1</sup> Annualised

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

## REVIEW BY QUARTER 2016

		1st Quarter 01.01 – 31.03	2nd Quarter 01.04 – 30.06	3rd Quarter 01.07 – 30.09	4th Quarter 01.10 – 31.12	2016 FY 01.01 – 30.09
Revenue	€k	704,905	723,393	730,027		2,158,325
EBITDA	€k	33,846	39,318	42,230		115,394
EBIT	€k	26,956	32,261	35,159		94,376
EBT	€k	26,915	32,095	36,266		95,276
EBT margin	%	3.8	4.4	5.0		4.4
Earnings after taxes	€k	19,115	22,711	25,826		67,652

## EARNINGS POSITION

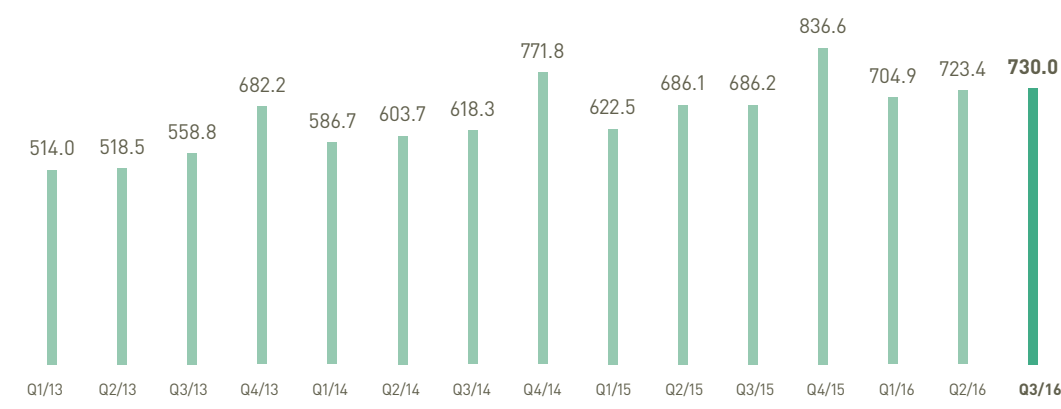
In the third quarter, the Bechtle Group has successfully built on its strong first-half performance.

As at 30 September, the order backlog amounted to €413 million (prior year: €320 million). Of this amount, the IT system house & managed services segment accounted for €347 million (prior year: €269 million), and the IT e-commerce segment for €66 million (prior year: €51 million).

Compared to the same quarter last year, revenue increased by 6.4 per cent. The company's organic sales growth was 4.6 per cent.

### GROUP REVENUE

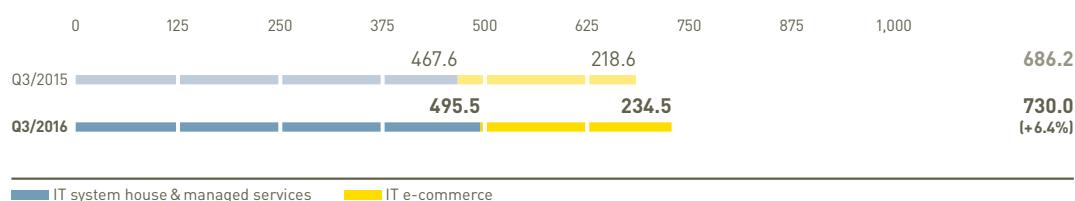
€m



At 7.3 per cent, growth was driven by the e-commerce segment. The strong performance in the domestic market was a particular highlight with an increase of 8.1 per cent.

### REVENUE BY SEGMENTS

€m



The IT system house & managed services segment recorded an increase of 6.0 per cent. The growth was widely backed by stable customer demand for conventional system house services as well as for services related to modern IT architectures, such as application solutions as well as managed and cloud services.

## REVENUE – GROUP AND SEGMENTS

€k

	Q3/2016	Q3/2015	Change
<b>Group</b>	<b>730,027</b>	<b>686,178</b>	<b>+6.4%</b>
Domestic	519,632	491,136	+5.8%
Abroad	210,395	195,042	+7.9%
<b>IT system house &amp; managed services</b>	<b>495,528</b>	<b>467,567</b>	<b>+6.0%</b>
<b>IT e-commerce</b>	<b>234,499</b>	<b>218,611</b>	<b>+7.3%</b>

At 5.1 per cent, material costs grew at a slower rate, whereas personnel expenses (as part of the cost of sales) increased by an above-average 10.6 per cent. Hence, gross profit increased overall by 11.0 per cent and the gross margin rose to 15.8 per cent.

Costs in the two functional areas, sales and administration, also increased by an above-average 12.5 and 9.4 per cent, respectively. Without last year's positive one-time effects, other operating income decreased by €1.0 million.

As a result, EBITDA increased by 5.4 per cent compared to the same quarter last year, translating into an unchanged EBITDA margin of 5.8 per cent.

Depreciation and amortisation increased by a mere 2.7 per cent to €7.1 million. As previously, depreciation of property, plant and equipment, which increased by 3.7 per cent to €5.5 million, accounted for the largest share.

EBIT increased by 5.9 per cent to €35.2 million. The margin was maintained at a solid 4.8 per cent.

The financial earnings were affected by one-time financial income of €1.3 million. This is related to an exceptionally large forfeiting transaction completed by Bechtle Financial Services. EBT increased thus by 9.4 per cent to €36.3 million. At 5.0 per cent, the EBT margin was impressive. Adjusted for the said one-time effect, the EBT margin was, at 4.8 per cent, at the same level as that of the prior year.

## EBT AND EBT MARGIN

€m and %



The tax rate remained largely the same at 28.8 per cent compared to previous year's level of 28.7 per cent. Earnings after taxes went up 9.4 per cent to €25.8 million. EPS amounted to €1.23.

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

EBIT in the IT system house & managed services segment increased sharply by 14.6 per cent to €23.3 million. This reflects the strong focus of Bechtle on solutions in the field of, for example, mobility, modern data centre architectures and IT security. Another contributory factor was the aforementioned strong demand for application solutions. The EBIT margin expanded from 4.3 per cent to an excellent 4.7 per cent.

In the IT e-commerce segment, EBIT decreased by €1.0 million. This was attributable mainly to a rise in the cost base associated with future growth, which was only partly compensated by revenue growth. The EBIT margin was still at a very solid 5.1 per cent.

## EBIT – GROUP AND SEGMENTS

€k

	Q3/2016	Q3/2015	Change
<b>Group</b>	<b>35,159</b>	<b>33,186</b>	<b>+5.9%</b>
IT system house & managed services	23,266	20,307	+14.6%
IT e-commerce	11,893	12,879	-7.7%

## ASSETS AND FINANCIAL POSITION

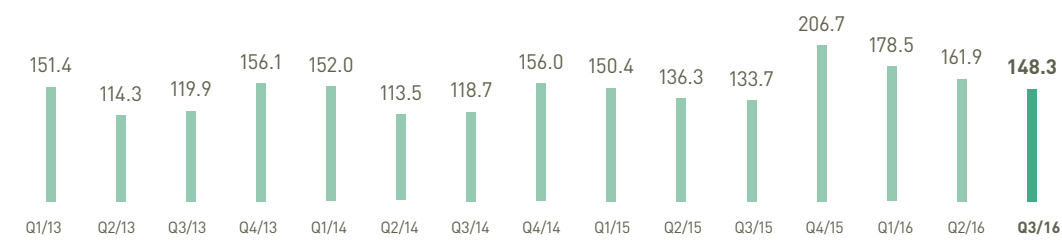
The balance sheet total of the Bechtle Group as of 30 September 2016 was 4.3 per cent below the figure of 31 December 2015.

On the assets side, in the non-current assets, the goodwill and the intangible assets increased, above all due to acquisitions. Trade receivables fell €6.9 million due to shorter terms to maturity and forfeiting. Time deposits and securities also dropped €10.0 million because of shorter terms to maturity. Corresponding reinvestments, in contrast, were not carried out in the first nine months of 2016. The capitalisation ratio rose from 29.9 per cent to 31.9 per cent.

On the current assets side, the inventories are at €32.1 million higher than at 31 December 2015 on account of the larger business volume and the increased number of larger projects. Trade receivables fell €36.4 million as of 30 September 2016 for seasonal reasons. Year on year, our average DSO (days sales outstanding) in the first nine months of 2016 dropped from 41.1 days to 40.2 days. Short-term deposits and securities are down by €9.6 million due to maturities. As at 30 September 2016, cash and cash equivalents have fallen €38.8 million due to an acquisition, dividend payouts and the growth-induced increased demand for pre-financing.

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



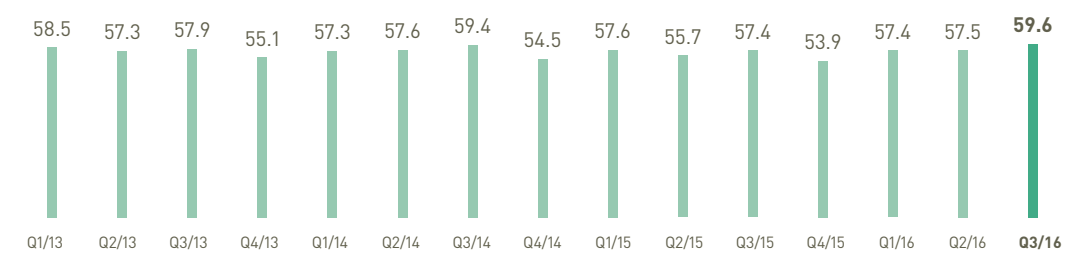
As of 30 September 2016, the working capital increased from €294.9 million to €347.9 million, especially due to higher inventories and lower trade payables.

On the equity and liabilities side, the current liabilities underwent the greatest changes. For reasons related to the reporting date, trade payables dropped €54.4 million. Other liabilities fell €18.0 million, also for reasons related to the reporting date. This was due mainly to the lower personnel liabilities and lower VAT liabilities. For the long-term liabilities, the financial liabilities have fallen €5.9 million due to the shorter terms to maturity.

Owing to the higher earnings, the equity climbed €35.3 million. Our equity ratio increased from 53.9 per cent as of 31 December 2015 to 59.6 per cent. The extrapolated return on equity increased from 14.6 per cent as of 30 September 2015 to 15.1 per cent as of the reporting date.

## EQUITY RATIO

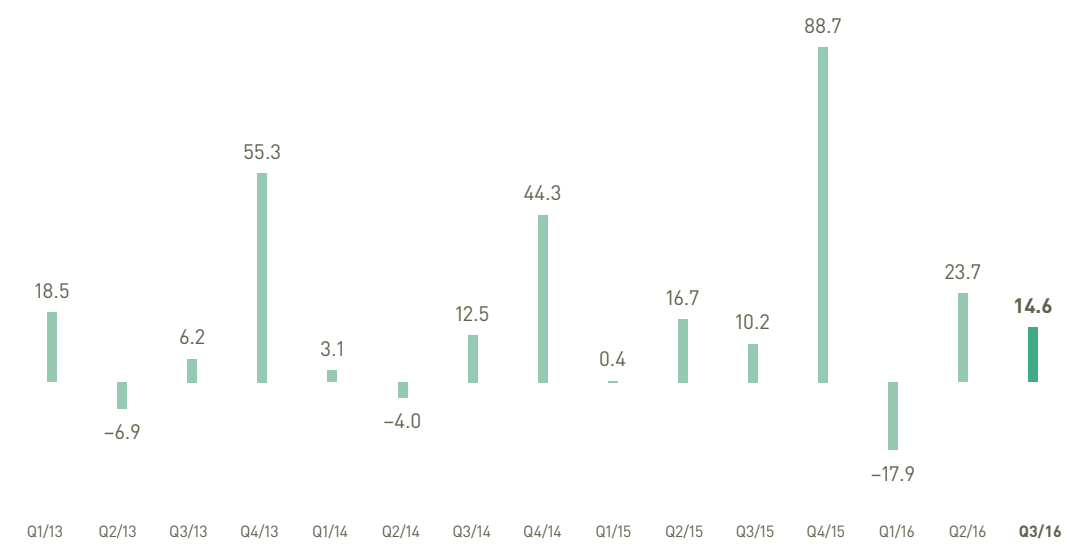
%



In the period January to September 2016, the operating cash flow was at €20.4 million, €6.9 million below the period in the previous year. This is where changes to the net assets were noticeable in addition to the higher earnings before taxes.

## CASH FLOW FROM OPERATING ACTIVITIES

€m

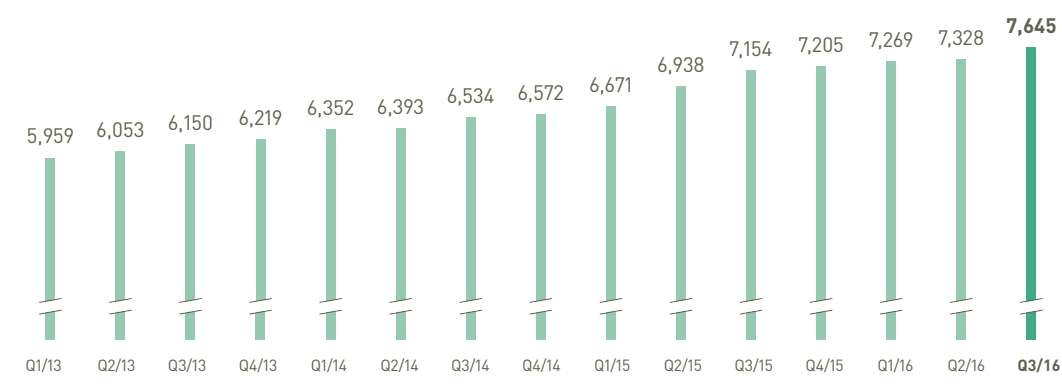


During the nine-month period, the net cash used for investments was shaped primarily by payments for acquisitions and investments in intangible assets and property, plant and equipment, on the one hand and, on the other hand, by inflows from the sale of deposits and securities. Cash flow from financing activity is particularly defined by the dividend payment.

## EMPLOYEES

As of the reporting date 30 September 2016, the Bechtle Group had a total of 7,645 employees. Compared to 30 September 2015, the headcount thus went up by 491, an increase of 6.9 per cent. Compared to 31 December 2015, the headcount went up by 440. The increase of 6.1 per cent is the result of acquisitions as well as new recruitment.

### EMPLOYEES IN THE GROUP



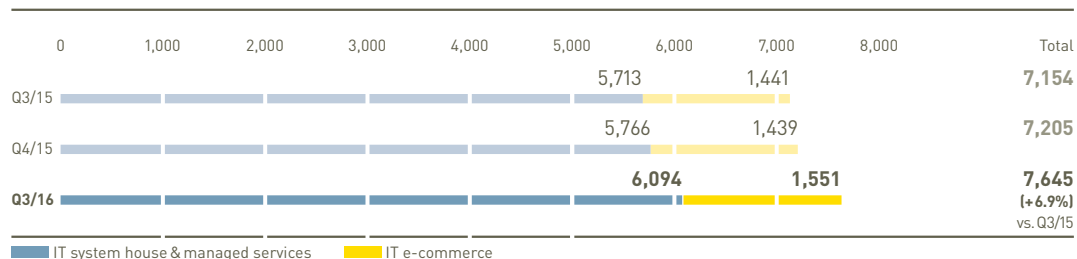
In the IT system house & managed services segment, the number of employees went up by 328 compared to 31 December 2015, an increase of 5.7 per cent. Three quarters of the new colleagues were hired in Germany. The increase abroad was due mainly to acquisitions.

The IT e-commerce segment recorded a headcount increase of 112 compared to 31 December 2015, an increase of 7.8 per cent. The increase in Germany was slightly higher than abroad.

The average headcount in the group in the period from July to September 2016 amounted to 7,518, some 507 employees more than in the prior-year period, an increase of 7.2 per cent.



## EMPLOYEES BY SEGMENTS



As of 30 September 2016, Bechtle had 516 young trainees, 23 more than in the prior year. On 1 September 2016, more than 160 young men and women embarked on their training or integrated degree programme with Bechtle AG (prior year: 140). As of the reporting date 30 September 2016, the training ratio in Germany was 7.8 per cent (prior year: 8.0 per cent).

## FORECAST

We have published our forecast for the fiscal year 2016 as presented on pages 131 to 138 of our annual report 2015. Following the good performance in the first nine months of 2016, we still believe that we will be able to reach our goal of significantly increasing our revenue and earnings for the year as a whole. However, we have decided to step up our original forecast, which had predicted an EBT margin at the prior-year level. In the course of the year, Bechtle has continually succeeded in noticeably increasing the margin, especially in the IT system house & managed services segment. Moreover, the previously mentioned large-scale forfeiting resulted in a positive one-time effect of €1.3 million on the financial earnings. Against this backdrop, the Executive Board expects a slight increase of the EBT margin for 2016 as a whole. 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 supplier side towards the end of the year.

## CONSOLIDATED INCOME STATEMENT

	€k			
	01.07– 30.09.2016	01.07– 30.09.2015	01.01– 30.09.2016	01.01– 30.09.2015
Revenue	730,027	686,178	2,158,325	1,994,690
Cost of sales	614,325	581,927	1,826,052	1,695,952
<b>Gross profit</b>	<b>115,702</b>	<b>104,251</b>	<b>332,273</b>	<b>298,738</b>
Distribution costs	48,564	43,174	142,541	131,582
Administrative expenses	36,365	33,245	108,863	99,158
Other operating income	4,386	5,354	13,507	14,356
<b>Earnings before interest and taxes</b>	<b>35,159</b>	<b>33,186</b>	<b>94,376</b>	<b>82,354</b>
Financial income	1,675	604	2,707	1,900
Financial expenses	568	655	1,807	1,963
<b>Earnings before taxes</b>	<b>36,266</b>	<b>33,135</b>	<b>95,276</b>	<b>82,291</b>
Income taxes	10,440	9,520	27,624	24,222
<b>Earnings after taxes</b> (attributable to shareholders of Bechtle AG)	<b>25,826</b>	<b>23,615</b>	<b>67,652</b>	<b>58,069</b>
<b>Net earnings per share (basic and diluted)</b> in €	<b>1.23</b>	<b>1.13</b>	<b>3.22</b>	<b>2.77</b>
<b>Weighted average shares outstanding</b> (basic and diluted) in thousands	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07– 30.09.2016	01.07– 30.09.2015	01.01– 30.09.2016	01.01– 30.09.2015
<b>Earnings after taxes</b>	<b>25,826</b>	<b>23,615</b>	<b>67,652</b>	<b>58,069</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	12	793	108	–1,456
Income tax effects	–2	–143	–18	264
<b>Items that will be reclassified to profit or loss in subsequent periods</b>				
Unrealised gains and losses on securities	1	–10	7	–51
Income tax effects	0	1	–1	3
Unrealised gains and losses on financial derivatives	–1,024	–666	–1,828	278
Income tax effects	303	162	541	–74
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	607	2,562	–202	–5,160
Income tax effects	–180	–758	60	1,529
Currency translation differences	–255	–3,974	–1,628	7,791
<b>Other comprehensive income</b>	<b>–538</b>	<b>–2,033</b>	<b>–2,961</b>	<b>3,124</b>
of which income tax effects	121	–738	582	1,722
<b>Total comprehensive income</b> (attributable to shareholders of Bechtle AG)	<b>25,288</b>	<b>21,582</b>	<b>64,691</b>	<b>61,193</b>

## CONSOLIDATED BALANCE SHEET

ASSETS	€k		
	30.09.2016	31.12.2015	30.09.2015
<b>Non-current assets</b>			
Goodwill	182,187	166,398	163,466
Other intangible assets	35,186	29,161	28,301
Property, plant and equipment	104,193	101,870	102,867
Trade receivables	15,151	22,020	19,923
Income tax receivables	0	33	35
Deferred taxes	3,893	4,425	3,851
Other assets	3,428	3,495	3,273
Time deposits and securities	7,004	16,999	16,997
<b>Total non-current assets</b>	<b>351,042</b>	<b>344,401</b>	<b>338,713</b>
<b>Current assets</b>			
Inventories	182,537	150,415	149,782
Trade receivables	369,726	406,167	369,040
Income tax receivables	908	1,055	789
Other assets	55,571	58,738	52,699
Time deposits and securities	15,322	24,894	20,295
Cash and cash equivalents	125,997	164,767	96,447
<b>Total current assets</b>	<b>750,061</b>	<b>806,036</b>	<b>689,052</b>
<b>Total assets</b>	<b>1,101,103</b>	<b>1,150,437</b>	<b>1,027,765</b>

## EQUITY AND LIABILITIES

€k

	30.09.2016	31.12.2015	30.09.2015
<b>Equity</b>			
Issued capital	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228
Retained earnings	489,714	454,423	423,761
<b>Total equity</b>	<b>655,942</b>	<b>620,651</b>	<b>589,989</b>
<b>Non-current liabilities</b>			
Pension provisions	15,475	15,899	13,083
Other provisions	5,928	5,978	5,669
Financial liabilities	50,457	56,393	58,367
Trade payables	161	360	374
Deferred taxes	21,257	20,927	19,503
Other liabilities	6,083	7,293	7,248
Deferred income	12,014	12,346	11,504
<b>Total non-current liabilities</b>	<b>111,375</b>	<b>119,196</b>	<b>115,748</b>
<b>Current liabilities</b>			
Other provisions	7,072	6,416	6,445
Financial liabilities	11,295	9,627	9,269
Trade payables	149,650	204,067	164,203
Income tax payables	7,750	8,176	9,344
Other liabilities	86,006	104,052	76,589
Deferred income	72,013	78,252	56,178
<b>Total current liabilities</b>	<b>333,786</b>	<b>410,590</b>	<b>322,028</b>
<b>Total equity and liabilities</b>	<b>1,101,103</b>	<b>1,150,437</b>	<b>1,027,765</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Retained earnings					Total equity (attributable to shareholders of Bechtle AG)
	Issued capital	Capital reserves	Accrued profits	Changes in equity outside profit or loss	Total	
Equity as of 1 January 2015	21,000	145,228	387,532	236	387,768	553,996
Distribution of profits for 2014			-25,200		-25,200	-25,200
Earnings after taxes			58,069		58,069	58,069
Other comprehensive income				3,124	3,124	3,124
Total comprehensive income	0	0	58,069	3,124	61,193	61,193
Equity as of 30 September 2015	21,000	145,228	420,401	3,360	423,761	589,989
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

€k

## CONSOLIDATED CASH FLOW STATEMENT

	€k			
	01.07– 30.09.2016	01.07– 30.09.2015	01.01– 30.09.2016	01.01– 30.09.2015
<b>Operating activities</b>				
Earnings before taxes	36,266	33,135	95,276	82,291
Adjustment for non-cash expenses and income				
Financial earnings	-1,106	51	-900	63
Depreciation and amortisation of intangible assets and property, plant and equipment	7,071	6,883	21,018	19,542
Gains and losses on disposal of intangible assets and property, plant and equipment	0	-24	69	-32
Other non-cash expenses and income	766	-874	213	-2,438
Changes in net assets				
Changes in inventories	-11,506	-16,465	-32,314	-17,986
Changes in trade receivables	25,670	2,601	48,278	27,066
Changes in trade payables	-28,479	7,376	-56,009	-15,964
Changes in deferred income	-2,035	-9,406	-6,848	-16,330
Changes in other net assets	-1,966	-5,827	-20,346	-27,088
Income taxes paid	-10,124	-7,253	-28,040	-21,847
<b>Cash flow from operating activities</b>	<b>14,557</b>	<b>10,197</b>	<b>20,397</b>	<b>27,277</b>
<b>Investing activity</b>				
Cash paid for acquisitions less cash acquired	-20,617	44	-22,110	-17,660
Cash received from divestments	0	-1,502	0	-1,266
Cash paid for investments in intangible assets and property, plant and equipment	-10,966	-4,876	-24,554	-16,222
Cash received from the sale of intangible assets and property, plant and equipment	2,519	359	2,866	1,808
Cash paid for the acquisition of time deposits and securities	0	8,800	0	0
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	0	1,700	19,525	11,800
Interest payments received	109	120	468	742
<b>Cash flow from investing activities</b>	<b>-28,955</b>	<b>4,645</b>	<b>-23,805</b>	<b>-20,798</b>
<b>Financing activities</b>				
Cash paid for the repayment of financial liabilities	-1,968	-3,459	-7,550	-9,547
Cash received from the assumption of financial liabilities	2,887	-1,159	3,281	18,494
Dividends paid	0	0	-29,400	-25,200
Interest paid	-540	-1,057	-1,696	-2,286
<b>Cash flow from financing activities</b>	<b>379</b>	<b>-5,675</b>	<b>-35,365</b>	<b>-18,539</b>
Exchange-rate-related changes in cash and cash equivalents	388	-1,238	3	1,787
<b>Changes in cash and cash equivalents</b>	<b>-13,631</b>	<b>7,929</b>	<b>-38,770</b>	<b>-10,273</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>139,628</b>	<b>88,518</b>	<b>164,767</b>	<b>106,720</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>125,997</b>	<b>96,447</b>	<b>125,997</b>	<b>96,447</b>

## FINANCIAL CALENDAR

### **Quarterly Statement 3rd Quarter 2016 (30 September)**

Friday, 11 November 2016

### **Annual Report 2016**

Thursday, 16 March 2017

### **Accounts Press Conference**

Thursday, 16 March 2017, Stuttgart

### **DVFA Analysts' Conference**

Thursday, 16 March 2017, Frankfurt (Main)

### **Quarterly Statement 1st Quarter 2017 (31 March)**

Wednesday, 10 May 2017

### **Annual General Meeting**

Thursday, 1 June 2017, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

### **Half-year Financial Report 2017 (30 June)**

Thursday, 10 August 2017

### **Quarterly Statement 3rd Quarter 2017 (30 September)**

Friday, 10 November 2017

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



**Publisher/Contact**

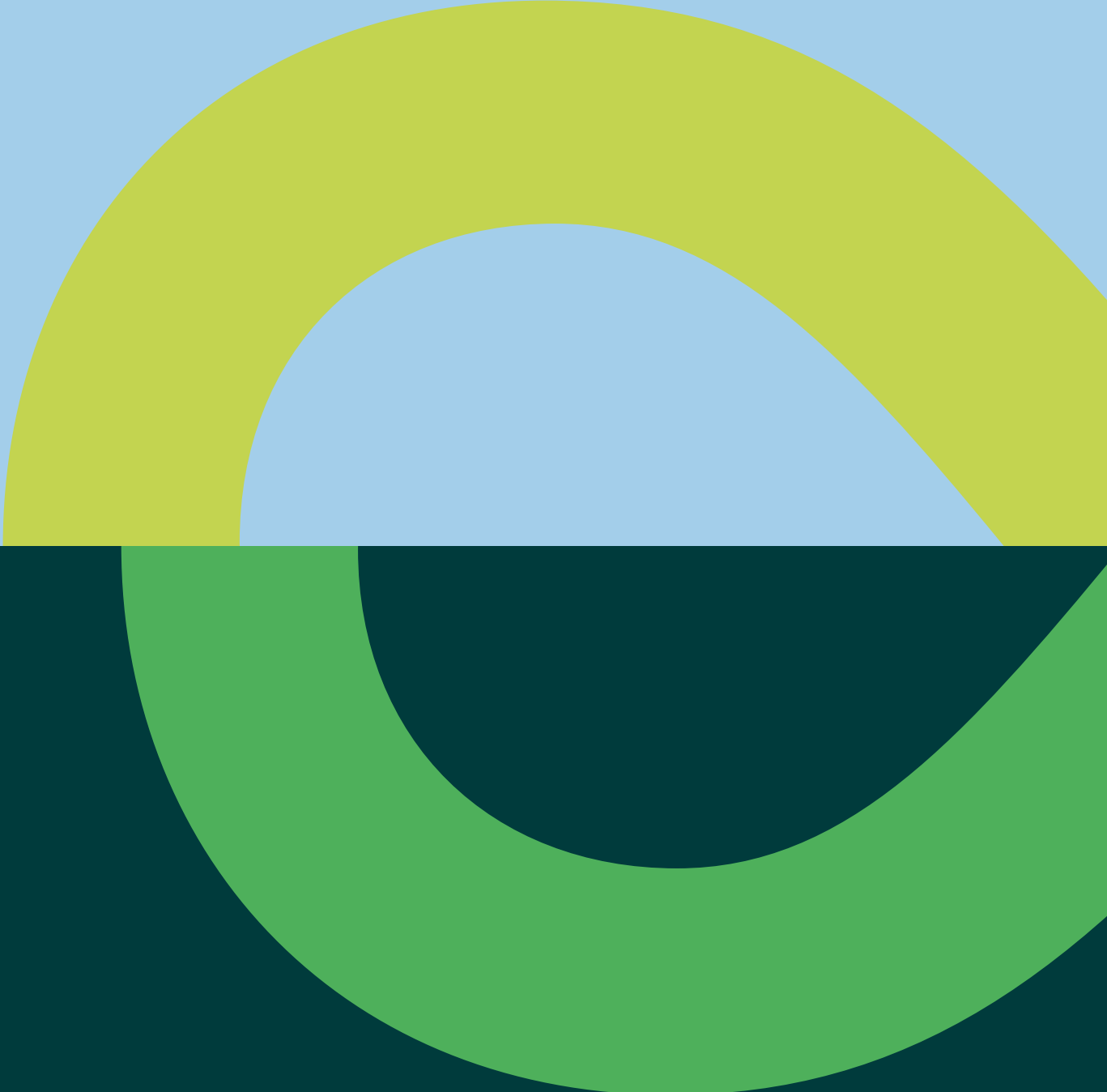
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The Quarterly Statement Q3/2016 was published on 11 November 2016.

A large, stylized rainbow graphic is centered on the page. The top half of the rainbow is in the light blue sky area, and the bottom half is in the dark teal area. The rainbow consists of several concentric semi-circular bands of color: light blue, yellow, green, and dark teal.

Bechtle AG  
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