



Amadeus FiRe AG

Quarterly Statement Nine Months 2019

01.01. – 30.09.2019

We fill specialist and
management positions
in the fields of commerce and IT.

www.amadeus-fire.de

Unaudited Amadeus FiRe Group financial summary

Amounts stated in EUR k	01.01.-30.09.2019	01.01.-30.09.2018	Divergency in per cent
Revenue	173,508	152,389	13.9%
Gross profit in per cent	83,445 48.1%	73,551 48.3%	13.5%
EBITDA in per cent	36,718 21.2%	28,542 18.7%	28.6%
EBITA in per cent	31,627 18.2%	27,519 18.1%	14.9%
EBIT in per cent	31,627 18.2%	27,519 18.1%	14.9%
Profit before income taxes in per cent	31,448 18.1%	27,526 18.1%	14.2%
Profit after income taxes in per cent	21,822 12.6%	19,121 12.5%	14.1%
Profit attributable to minority interests disclosed under liabilities	-855	-732	16.8%
Profit for the period in per cent	20,967 12.1%	18,389 12.1%	14.0%
- Attributable to non-controlling interests	172	209	-17.7%
- Attributable to equity holders of the parent	20,795	18,180	14.4%
Net cash from operating activities	27,772	21,539	28.9%
Net cash from operating activities per share	5.34	4.14	29.0%
Earnings per share	4.00	3.50	14.3%
Average number of shares	5,198,237	5,198,237	
	30.09.2019	31.12.2018	
Balance sheet total	103,651	83,537	24.1%
Stockholders' equity	47,710	50,967	-6.4%
Return on equity before tax in %	46.0%	61.0%	
Cash and cash equivalents	38,457	44,559	-13.7%
	30.09.2019	30.09.2018	
Number of employees (active)	3,179	2,865	11.0%
thereof temporary staff	2,579	2,328	10.8%

The latest financial reports as well as the testified annual report are available at
www.amadeus-fire.de/en/investor-relations/berichte.

Quarterly report for the first nine months of 2019 (1 January to 30 September 2019)

Current information on the market

The German economy has continued to slow this year. The leading German research institutes have lowered their economic forecast for Germany for 2019 as a whole from 0.8% recently to 0.5%. This is due to the recession in German industry, which is now spreading to business services. The recession is attributed to the high degree of uncertainty over a further escalation of the trade conflict between the US and China, as well as the significant technological transformation in the global automotive market and the continuing threat of a no-deal Brexit. This is countered by high private consumer spending, supported by expansionary fiscal policy and still more or less positive situation in the services sector and the construction industry, which is the reason for the growth in gross domestic product. Overall, uncertainty is high amongst market participants due to very poor transparency in the current business cycle.

The labour market remains stable despite weaker momentum, with 45.3 million people in work in July 2019 (up 0.8% on the same month of the previous year). According to the latest figures published by the German Federal Employment Agency, the number of jobs paying social insurance contributions rose slightly more significantly by 1.6% year on year to 33.4 million in July 2019. Compared to previous month June 2019, however, the jobs paying social insurance contributions fell by 0.1%. Unemployment, adjusted for seasonality, declined again in September 2019, the first time since April 2019, and currently stands at 5.0%.

The ifo employment barometer, an indicator for companies' future staff planning, increased slightly for the first time since December 2018 and is currently at 98.9 points. This increase was driven mainly by cyclically-independent service sectors. However, the indicator is still 6.1 points down on the same month of the previous year.

The BA-X jobs index published by the German Federal Employment Agency – a key indicator of demand for workers in Germany – has deteriorated continuously since the start of the year, reaching 238 points in September 2019. The BA-X has fallen 19 points or 7.4% compared to the same month of the previous year, which saw a historic high of 257. Due to the current period of economic weakness, the decline is attributable chiefly to temporary staffing and the manufacturing industry. In the cyclically-independent service sectors, demand for new employees continues to grow. In a long-term comparison, however, the BA-X is still at a high level. Filling vacancies with suitable candidates remains a key challenge for companies.

The market for temporary staffing is weak and continues to decline. According to the German Federal Employment Agency's trend projection, the number of jobs paying social insurance contributions in the temporary employment field was around 11% lower than the previous year's figures in the months from January to July 2019, with a persistently negative tendency. This marks a continuation of the market downturn, mainly due to the recession in the industrial sector. It can be assumed that the late-cycle market for specialised staff is much more stable and that the recruitment of temporary staff remains the source of the bottleneck.

Business development

The Amadeus FiRe Group generated consolidated revenue of EUR 173.5 million in the first nine months of the 2019 financial year, an increase of +13.9% on the same period of the previous year (EUR 152.4 million).

Individual services accounted for the following revenue:

Amounts stated in EUR k	Jan. to Sep. 2019	Jan. to Sep. 2018	Change as %
Temporary staffing	114,715	100,004	14.7%
Personnel placement	31,079	27,944	11.2%
Interim/project management	9,564	7,408	29.1%
Personnel services segment	155,358	135,356	14.8%
Training segment	18,150	17,033	6.6%
Total	173,508	152,389	13.9%

Temporary staffing revenue was increased by a considerable 14.7% in the first nine months of the 2019 financial year. There was no effect due to a different number of billable days compared to the previous year. The seasonal decline in orders in temporary staffing at the beginning of 2019 was somewhat lower than the long-term average, which had a positive effect. At the beginning of 2018, the start to the year still saw an additional, non-recurring drop-off in orders of around 3 percentage points as a result of the first-time application of the equal pay regulation. In addition to the development in orders, the rise in revenue was also due to price increases as a result of higher pay for temporary workers driven by the market.

Permanent placement revenue was increased by a further 11.2%. Permanent placement, formerly an absolutely cyclical service, is proving significantly more robust against cyclical fluctuations because of the current tight labour market characterised by a shortage of skilled workers. It remains a challenge for many companies to successfully implement their recruitment plans. As a result, there remains a high level of willingness to invest in the recruitment of candidates and to seek help from specialists such as Amadeus FiRe to do so. However, high spending discipline and thus a decline in demand for permanent placement services is to be expected in the industrial sector, which has been hit by the negative economic development.

With considerable growth of 29.1%, the interim and project management service also contributed to the overall growth of the personnel services segment of 14.8% in the reporting period.

Revenue in the training segment climbed by 6.6% to EUR 18,150 thousand in the first nine months of the financial year (previous year: EUR 17,033 thousand). In particular, revenue growth was driven by classic training courses such as preparing for the tax consultant or accountant exam and in-house seminars for customers.

The Amadeus FiRe Group's gross profit rose to EUR 83,445 thousand (previous year: EUR 73,551 thousand). At the same time, the gross profit margin fell slightly by 0.2 percentage points from 48.3% to 48.1%. The movement essentially results from the change in the service mix, and in particular from the comparably stronger growth in the lower-margin temporary staffing and interim management services.

Selling and administrative expenses amounted to EUR 52,005 thousand in the reporting period after EUR 46,214 thousand in the previous year. The 12.5% increase resulted primarily from the increase in staff in the sales organisation, generally positive salary developments and higher performance-based variable remuneration.

EBITA was EUR 31,627 thousand in the first nine months (previous year: EUR 27,519 thousand), an increase of EUR 4,108 thousand or 14.9%. The EBITA margin was slightly improved in the reporting period at 18.2% (previous year: 18.1%), while the number of billable days remained the same.

The net profit for the period under review amounted to EUR 20,967 thousand (previous year: EUR 18,389 thousand). Earnings per share, based on the net profit for the period attributable to the ordinary shareholders of the parent company, improved by 50 cents to EUR 4.00 (previous year: EUR 3.50) in the first nine months.

The Management Board continues to expect that the 2019 financial year will outstrip the previous year's EBITA by over 10%. The Management Board is thus confirming its forecast as adjusted for the half-year financial report. For further information, please refer to the 2019 half-year financial report.

Frankfurt/Main, 24 October 2019



Robert von Wülfig
Spokesman of the Management Board



Dennis Gerlitzki
Management Board

Unaudited consolidated income statement

Nine Months 2019

Amounts stated in EUR k	01.01.–30.09.2019	01.01.–30.09.2018
Revenue	173,508	152,389
Cost of sales	-90,063	-78,838
Gross profit	83,445	73,551
Selling expenses	-44,233	-38,489
- thereof impairment of financial assets	-325	-265
General and administrative expenses	-7,772	-7,725
Other operating income	189	188
Other operating expenses	-2	-6
Profit from operations before goodwill impairment	31,627	27,519
Impairment of goodwill	0	0
Profit from operations	31,627	27,519
Finance costs	-184	0
Finance income	5	7
Profit before taxes	31,448	27,526
Income taxes	-9,626	-8,405
Profit after taxes	21,822	19,121
Profit attributable to non-controlling interests recognized under liabilities	-855	-732
Profit for the period	20,967	18,389
- Attributable to non-controlling interests	172	209
- Attributable to equity holders of the parent	20,795	18,180
Earnings per share, in relation to the profit for the period attributable to the ordinary equity holders of the parent		
basic (euro/share)	4.00	3.50
diluted (euro/share)	4.00	3.50

Unaudited consolidated statement of comprehensive income

Nine Months 2019

Amounts stated in EUR k	01.01.–30.09.2019	01.01.–30.09.2018
Profit for the period	20,967	18,389
Other comprehensive income	0	0
Total comprehensive income for the period	20,967	18,389
- Attributable to non-controlling interests	172	209
- Attributable to equity holders of the parent	20,795	18,180

Unaudited consolidated income statement

3rd quarter 2019

Amounts stated in EUR k	01.07.–30.09.2019	01.07.–30.09.2018
Revenue	62,602	54,571
Cost of sales	-30,868	-26,534
Gross profit	31,734	28,037
Selling expenses	-14,871	-12,829
- thereof impairment of financial assets	-79	-134
General and administrative expenses	-2,878	-2,953
Other operating income	57	71
Other operating expenses	0	0
Profit from operations before goodwill impairment	14,042	12,326
Impairment of goodwill	0	0
Profit from operations	14,042	12,326
Finance costs	-61	0
Finance income	1	1
Profit before taxes	13,982	12,327
Income taxes	-4,213	-3,653
Profit after taxes	9,769	8,674
Profit attributable to non-controlling interests recognized under liabilities	-498	-444
Profit for the period	9,271	8,230
- Attributable to non-controlling interests	73	76
- Attributable to equity holders of the parent	9,198	8,154
Earnings per share, in relation to the profit for the period attributable to the ordinary equity holders of the parent		
basic (euro/share)	1.77	1.57
diluted (euro/share)	1.77	1.57

Unaudited consolidated statement of comprehensive income

3rd quarter 2019

Amounts stated in EUR k	01.07.–30.09.2019	01.07.–30.09.2018
Profit for the period	9,271	8,230
Other comprehensive income	0	0
Total comprehensive income for the period	9,271	8,230
- Attributable to non-controlling interests	73	76
- Attributable to equity holders of the parent	9,198	8,154

Unaudited consolidated balance sheet

Nine Months 2019

Amounts stated in EUR k	30.09.2019	31.12.2018
Assets		
Non-current assets		
Software	5,758	4,600
Goodwill	6,935	6,935
Property, plant and equipment	3,297	2,913
Rights of use from leased objects	20,252	-
Deferred tax assets	1,137	1,123
	37,379	15,571
Current assets		
Trade receivables	26,802	22,782
Other assets	44	74
Prepaid expenses	969	551
Cash and cash equivalents	38,457	44,559
	66,272	67,966
Total assets	103,651	83,537
Equity and liabilities		
Equity		
Subscribed capital	5,198	5,198
Capital reserves	11,247	11,247
Retained earnings	30,333	33,762
Equity attributable to equity holders of the parent	46,778	50,207
Non-controlling interests	932	760
	47,710	50,967
Non-current liabilities		
Liabilities to non-controlling interests	5,849	5,650
Other liabilities and accrued liabilities	18,289	1,918
Deferred tax liabilities	616	616
	24,754	8,184
Current liabilities		
Trade payables	1,917	2,189
Contract liabilities	4,308	3,867
Liabilities to non-controlling interests	1,143	1,652
Income tax liabilities	2,454	1,024
Other liabilities and accrued liabilities	21,365	15,654
	31,187	24,386
Total equity and liabilities	103,651	83,537

Unaudited consolidated cash flow statement

Nine Months 2019

Amounts stated in EUR k	01.01. – 30.09.2019	01.01. – 30.09.2018
Cash flows from operating activities		
Profit for the period before profit attributable to non-controlling interests	21,822	19,121
Tax expense	9,626	8,405
Amortisation, depreciation and impairment of non-current assets	5,091	1,023
Finance income	-5	-7
Finance costs	184	0
Non-cash transactionn	3	16
Operating profit before working capital changes	36,721	28,558
Increase/decrease in trade receivables and other assets	-3,991	-1,817
Increase/decrease in prepaid expenses and deferred income	-418	-286
Increase/decrease in trade payables and other liabilities and accrued liabilities	3,854	1,867
Other non-cash income	0	0
Cash flows from operating activities	36,166	28,322
Interest paid	-184	0
Income taxes paid	-8,210	-6,783
Net cash from operating activities	27,772	21,539
Cash flows from investing activities		
Cash paid for intangible assets and property, plant and equipment	-4,834	-2,760
Receipts from the disposal of assets	0	13
Interest received	5	7
Net cash used in investing activities	-4,829	-2,740
Cash flows from financing activities		
Dividends paid to non-controlling interests in partnerships	0	0
Cash paid to non-controlling interests	-1,165	-1,282
Cash paid for the repayment of liabilities from leases	-3,656	-
Profit distributions	-24,224	-20,585
Net cash used in financing activities	-29,045	-21,867
Net change in cash	-6,102	-3,068
Cash at the beginning of the period	44,559	43,403
Cash at the end of the period	38,457	40,335
Composition of cash as of 30 September		
Cash on hand and bank balances (without drawing restrictions)	38,457	40,335

Unaudited statement of changes in group equity

Nine Months 2019

Amounts stated in EUR k	Equity attributable to equity holders of the parent					Non controlling interests	Total equity
	Subscribed capital	Capital- reserves	Other compre- hensive income	Retained earnings	Total		
01.01.2018	5,198	11,247	0	30,122	46,567	558	47,125
Total comprehensive income for the period	0	0	0	18,180	18,180	209	18,389
Profit distributions	0	0	0	-20,585	-20,585	0	-20,585
30.09.2018	5,198	11,247	0	27,717	44,162	767	44,929
01.10.2018	5,198	11,247	0	27,717	44,162	767	44,929
Total comprehensive income for the period	0	0	0	6,045	6,045	36	6,081
Profit distributions	0	0	0	0	0	-43	-43
31.12.2018	5,198	11,247	0	33,762	50,207	760	50,967
01.01.2019	5,198	11,247	0	33,762	50,207	760	50,967
Total comprehensive income for the period	0	0	0	20,795	20,795	172	20,967
Profit distributions	0	0	0	-24,224	-24,224	0	-24,224
30.09.2019	5,198	11,247	0	30,333	46,778	932	47,710

Unaudited information on the business segments

Nine Months 2019

Amounts stated in EUR k	Temporary Staffing/ Permanent Placement/Interim- and Project Management	Training	Group
01.01.-30.09.2019			
Revenue*			
Segment revenue	155,358	18,150	173,508
Result			
Segment result before goodwill impairment (EBITA)	28,740	2,887	31,627
Finance costs	141	43	184
Finance income	1	4	5
Profit before tax	28,600	2,848	31,448
Income taxes	9,247	379	9,626
01.01.-30.09.2018			
Revenue*			
Segment revenue	135,356	17,033	152,389
Result			
Segment result before goodwill impairment (EBITA)	24,822	2,697	27,519
Finance costs	0	0	0
Finance income	4	3	7
Profit before tax	24,826	2,700	27,526
Income taxes	8,033	372	8,405

*) Revenue between segments of EUR k 0 (prior year: EUR k 7) and EUR k 8 (prior year: EUR k 18) was not consolidated.

Responsible:

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Financial Calendar

October 2019	International Roadshow
March 2020	Press conference and analyst meeting for fiscal year 2019
March 2020	Publication of the Annual Financial Report 2019
April 2020	Quarterly Statement First Quarter for fiscal year 2020
April 2020	International Roadshow
May 2020	Shareholders' General Meeting