

1<sup>ST</sup> QUARTER 2018

**Q1**

**QUARTERLY STATEMENT  
AS OF 31 MARCH 2018**

**TIO**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 31.03.2018	01.01– 31.03.2017	Change in %
<b>Revenue</b>	€k	<b>955,389</b>	<b>803,129</b>	<b>19.0</b>
IT system house & managed services	€k	658,182	563,326	16.8
IT e-commerce	€k	297,207	239,803	23.9
<b>EBITDA</b>	€k	<b>44,504</b>	<b>38,725</b>	<b>14.9</b>
IT system house & managed services	€k	31,246	28,484	9.7
IT e-commerce	€k	13,258	10,241	29.5
<b>EBIT</b>	€k	<b>35,718</b>	<b>31,823</b>	<b>12.2</b>
IT system house & managed services	€k	24,072	22,792	5.6
IT e-commerce	€k	11,646	9,031	29.0
<b>EBIT margin</b>	%	<b>3.7</b>	<b>4.0</b>	
IT system house & managed services	%	3.7	4.0	
IT e-commerce	%	3.9	3.8	
<b>EBT</b>	€k	<b>35,400</b>	<b>31,475</b>	<b>12.5</b>
<b>EBT margin</b>	%	<b>3.7</b>	<b>3.9</b>	
<b>Earnings after taxes</b>	€k	<b>24,849</b>	<b>22,098</b>	<b>12.4</b>
<b>Earnings per share</b>	€	<b>0.59</b>	<b>0.53<sup>3</sup></b>	<b>12.4</b>
<b>Return on equity<sup>1</sup></b>	%	<b>13.8</b>	<b>13.7</b>	
<b>Cash flow from operating activities</b>	€k	<b>13,939</b>	<b>-16,954</b>	
<b>Number of employees (as of 31.03)</b>		<b>8,627</b>	<b>7,708</b>	<b>11.9</b>
IT system house & managed services		7,044	6,256	12.6
IT e-commerce		1,583	1,452	9.0

		31.03.2018	31.12.2017	Change in %
<b>Cash and cash equivalents<sup>2</sup></b>	€k	<b>115,653</b>	<b>174,827</b>	<b>-33.8</b>
<b>Working Capital</b>	€k	<b>476,561</b>	<b>492,865</b>	<b>-3.3</b>
<b>Equity ratio</b>	%	<b>57.6</b>	<b>53.9</b>	<b>7.0</b>

<sup>1</sup> Annualised

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

<sup>3</sup> Adapted to share split

## REVIEW BY QUARTER 2018

		1st Quarter 01.01–31.03	2nd Quarter 01.04–30.06	3rd Quarter 01.07–30.09	4th Quarter 01.10–31.12	2018 FY 01.01–31.03
Revenue	€k	955,389				955,389
EBITDA	€k	44,504				44,504
EBIT	€k	35,718				35,718
EBT	€k	35,400				35,400
EBT margin	%	3.7				3.7
Earnings after taxes	€k	24,849				24,849

## EARNINGS POSITION

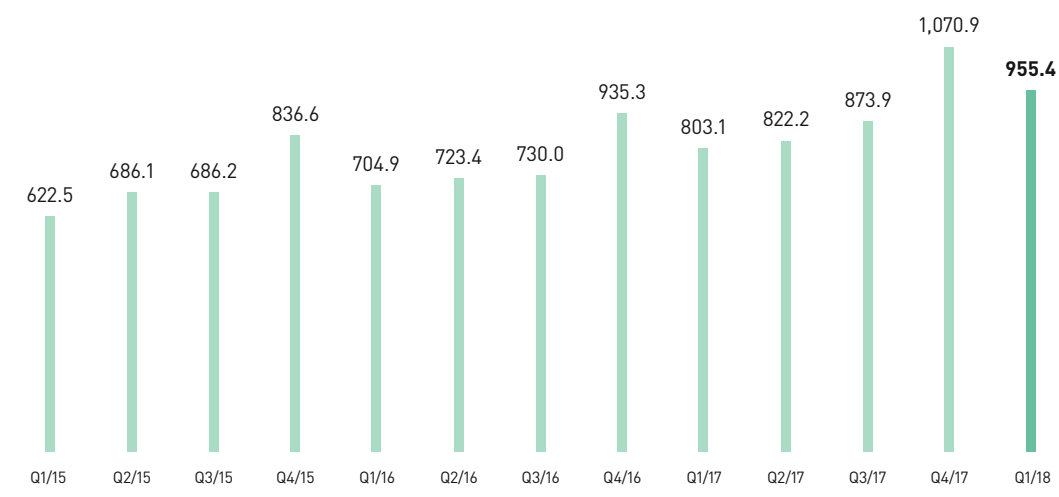
At the beginning of 2018, the Bechtle Group increased the growth rate it had exhibited in the prior year.

As of 31 March, the order backlog amounted to €548 million (prior year: €468 million). Of this amount, the IT system house & managed services segment accounted for €472 million (prior year: €400 million), and the IT e-commerce segment for €76 million (prior year: €68 million).

From January to March, the revenue increased 19.0 per cent. At 18.4 per cent, Bechtle's organic growth accounted for the major part of the growth.

### GROUP REVENUE

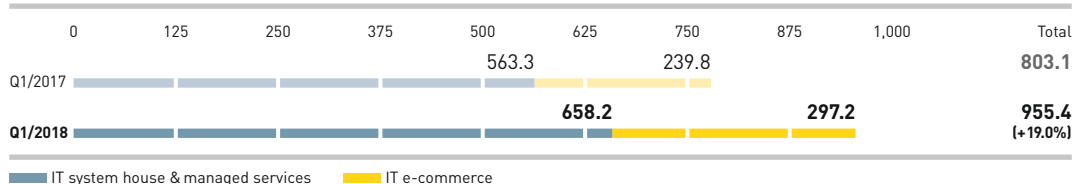
€m



The highly dynamic growth was evenly distributed over the companies in Germany and abroad. The German companies recorded growth of 18.8 per cent, and the companies abroad went up 19.2 per cent.

### REVENUE BY SEGMENTS

€m



At an impressive 23.9 per cent, the revenue growth was especially strong in the e-commerce segment. However, with growth of 16.8 per cent, the IT system house & managed services segment also made an excellent start into the year. The mood in the European economy, and thus the willingness to invest, remained high throughout the first quarter.

**REVENUE – GROUP AND SEGMENTS**

	€k		
	Q1/2018	Q1/2017	Change
<b>Group</b>	<b>955,389</b>	<b>803,129</b>	<b>+19.0%</b>
Domestic	653,733	550,163	+18.8%
Abroad	301,656	252,966	+19.2%
<b>IT system house &amp; managed services</b>	<b>658,182</b>	<b>563,326</b>	<b>+16.8%</b>
<b>IT e-commerce</b>	<b>297,207</b>	<b>239,803</b>	<b>+23.9%</b>

Due to the strong growth, material costs underwent a disproportionately high increase of 20.3 per cent. The below-average increase of 10.3 per cent in personnel expenses, which are included in the cost of sales, could not compensate for this effect. Gross earnings went up 15.4 per cent, and the gross margin declined from 15.0 per cent to 14.6 per cent.

The personnel expenses in the two functional areas sales and administration also increased at a disproportionately low rate, resulting in growth rates below the revenue growth. The expense ratios remained at the prior-year level. Other operating income did not exhibit any unusual developments.

Year on year, EBITDA went up 14.9 per cent. The EBITDA margin was 4.7 per cent, just slightly less than in the corresponding prior-year quarter (4.8 per cent).

Due to the numerous investments in prior years, depreciation and amortisation went up 27.3 per cent to €8.8 million. As previously, depreciation of property, plant and equipment accounted for the largest share of depreciation and amortisation. This item amounted to €7.7 million.

EBIT went up 12.2 per cent to €35.7 million. The margin dropped from 4.0 per cent to 3.7 per cent.

EBT underwent a similar development. This KPI increased 12.5 per cent to €35.4 million. The EBT margin was 3.7 per cent.

**EBT AND EBT MARGIN**

€m and %



The tax rate remained at 29.8 per cent.

Earnings after taxes went up 12.4 per cent to €24.8 million. EPS amounted to €0.59.

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

EBIT in the IT system house & managed services segment increased by 5.6 per cent. In this segment, the company was able to staff numerous vacancies in the reporting quarter, resulting in an above-average increase in personnel expenses. This item was also affected by the higher bonus payments for employees due to the strong fiscal year 2017. Depreciation and amortisation also underwent a disproportionately high increase in this segment. The EBIT margin was 3.7 per cent, compared to 4.0 per cent in the corresponding prior-year quarter.

EBIT in the IT e-commerce segment climbed 29.0 per cent. Though the material costs increased above average due to the robust revenue growth and the product mix, personnel expenses progressed merely at a below-average rate. The EBIT margin increased from 3.8 per cent to 3.9 per cent.

**EBIT – GROUP AND SEGMENTS**

€k

	Q1/2018	Q1/2017	Change
<b>Group</b>	<b>35,718</b>	<b>31,823</b>	<b>+12.2%</b>
IT system house & managed services	24,072	22,792	+5.6%
IT e-commerce	11,646	9,031	+29.0%

## ASSETS AND FINANCIAL POSITION

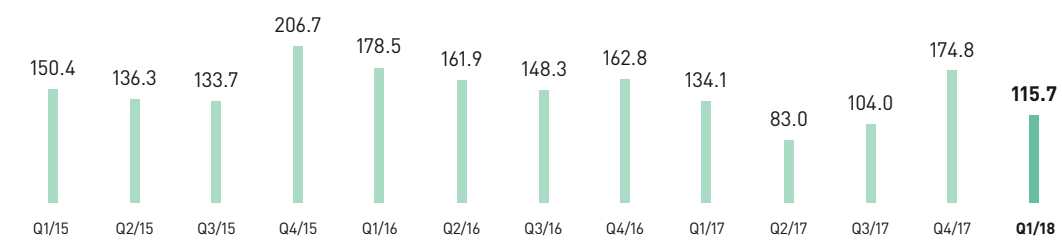
Particularly for reasons relating to the reporting date, the balance sheet total of the Bechtle Group as of 31 March 2018 amounted to €1,392.9 million, some 3.5 per cent below the figure of 31 December 2017.

In the non-current assets category, the company's property, plant and equipment increased €11.5 million due to the takeover of two buildings, among other reasons. The goodwill went up by €8.7 million, due especially to acquisitions. For project-related reasons, the trade receivables dropped by €2.7 million.

Among the current assets, the inventories went up €54.0 million due to the higher number of large projects. Following the high level at the end of the year, the trade receivables declined by €80.4 million in the first quarter. Over the same period of the previous year, our average DSO (days sales outstanding) as of 31 March 2018 increased slightly from 41.4 days to 41.9 days. As a result of the higher pre-financing needs associated with the growth and due to acquisitions, cash and cash equivalents dropped €52.2 million in the first quarter of 2018.

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



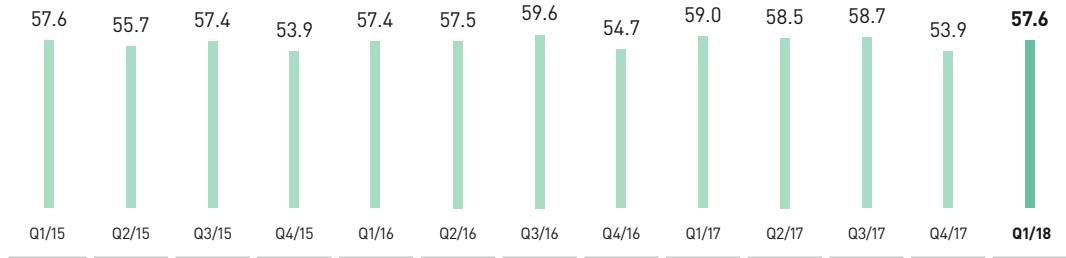
Despite the high revenue growth, the working capital as of 31 March 2018 declined slightly compared to 31 December 2017, reaching a figure of €476.6 million. While the inventories went up, trade receivables dropped considerably. The trade payables remained more or less stable.

On the equity and liabilities side, the current liabilities underwent the greatest changes. Due to maturities associated with the reporting date, financial liabilities dropped €44.2 million. Other liabilities dropped €34.8 million, also for reasons related to the reporting date. This was due mainly to the lower personnel liabilities due to variable compensation components paid out in the first quarter and reduced VAT liabilities.

Owing to the higher earnings, equity climbed €25.0 million. Our equity ratio increased from 53.9 per cent as of 31 December 2017 to 57.6 per cent as of the reporting date. The extrapolated return on equity increased slightly from 13.7 per cent as of 31 March 2017 to 13.8 per cent as of the reporting date.

**EQUITY RATIO**

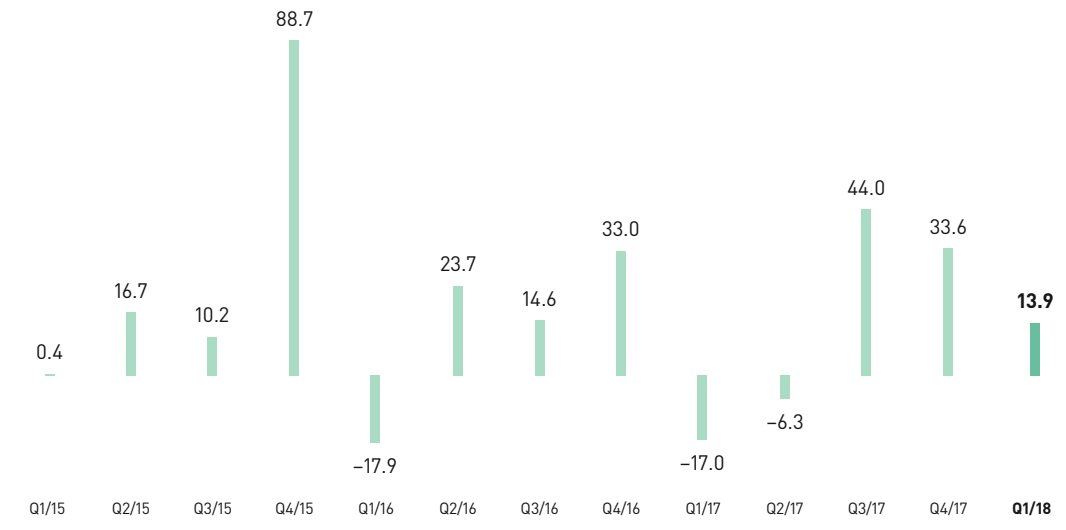
%



In the first quarter, the cash flow from operating activities was again positive and amounted to €13.9 million. Though the cash outflow from the increase in inventories was higher, this effect was compensated for by the increased reduction of trade receivables and the lower reduction in trade payables.

**CASH FLOW FROM OPERATING ACTIVITIES**

€m

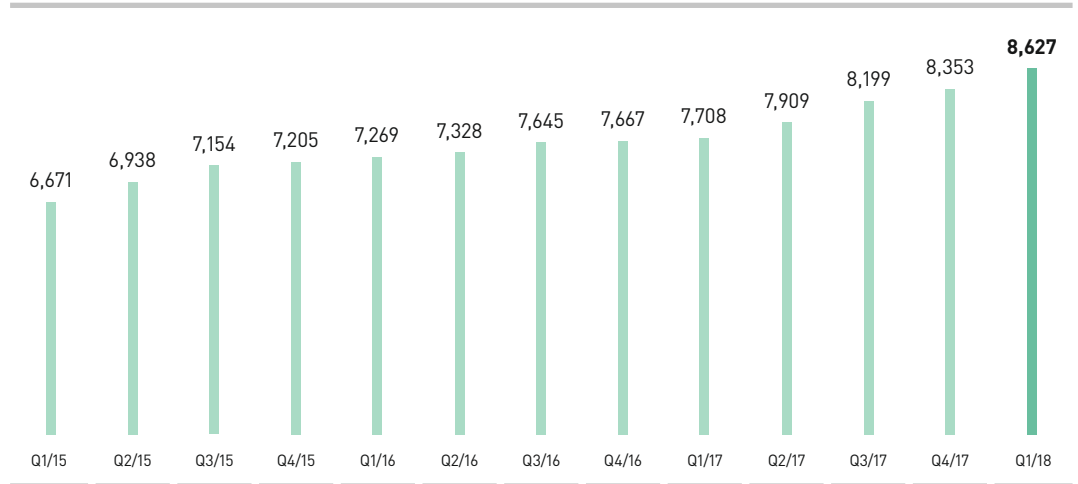


In the first quarter of 2018, the net cash used for investments was mainly affected by the higher outflow for acquisitions and investments in intangible assets and property, plant and equipment. In the subsequent quarters, investments in intangible assets and property, plant and equipment are expected to return to a lower level. Among other things, the cash flow from financing activities was impacted by a higher cash outflow from the scheduled repayment of financial liabilities.

## EMPLOYEES

As of the reporting date of 31 March 2018, the Bechtle Group had a total of 8,627 employees, including 521 trainees. Compared to 31 March 2017, the headcount thus went up by 919, an increase of 11.9 per cent. In the first quarter of 2018 alone, 274 new colleagues joined Bechtle. While the increase in the number of employees is also the result of acquisitions, new recruitment accounted for the largest share. The increase in the system house segment (12.6 per cent) was slightly higher than in the e-commerce segment (9.0 per cent).

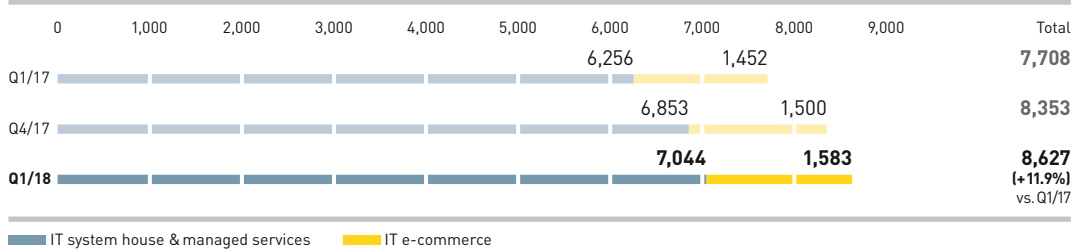
### EMPLOYEES IN THE GROUP



As of the reporting date of 31 March 2018, the system house segment had a total of 788 colleagues more than on 31 March 2017, an increase of 12.6 per cent. Due to acquisitions, the growth in the foreign system houses was higher. In the e-commerce segment, the number of employees went up 9.0 per cent compared to 31 March 2017, the growth rate abroad being slightly higher than the domestic growth rate.

In the first quarter of 2018, the average number of employees in the group amounted to 8,581, some 896 more than in the corresponding prior-year period, an increase of 11.7 per cent.



**EMPLOYEES BY SEGMENTS**

As of 31 March 2018, Bechtle had 521 young trainees, 42 more than in the prior year, an increase of 8.8 per cent.

**FORECAST**

We confirm our forecast for the fiscal year 2018 as presented on pages 112 to 118 of our annual report 2017.

## CONSOLIDATED INCOME STATEMENT

	€k	
	01.01– 31.03.2018	01.01– 31.03.2017
Revenue	955,389	803,129
Cost of sales	815,877	682,271 <sup>1</sup>
<b>Gross profit</b>	<b>139,512</b>	<b>120,858<sup>1</sup></b>
Distribution costs	56,856	48,584
Administrative expenses	49,223	42,627
Other operating income	2,285	2,176 <sup>1</sup>
<b>Earnings before interest and taxes</b>	<b>35,718</b>	<b>31,823</b>
Financial income	252	235
Financial expenses	570	583
<b>Earnings before taxes</b>	<b>35,400</b>	<b>31,475</b>
Income taxes	10,551	9,377
<b>Earnings after taxes</b> (attributable to shareholders of Bechtle AG)	<b>24,849</b>	<b>22,098</b>
<b>Net earnings per share (basic and diluted)</b>	in € <b>0.59</b>	<b>0.53<sup>2</sup></b>
<b>Weighted average shares outstanding</b> <b>(basic and diluted)</b>	in thousands <b>42,000</b>	<b>42,000<sup>2</sup></b>

<sup>1</sup> Prior year figures adjusted

<sup>2</sup> Prior year adjusted due to issuance of bonus shares

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k	
	01.01- 31.03.2018	01.01- 31.03.2017
<b>Earnings after taxes</b>	<b>24,849</b>	<b>22,098</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	1,089	-105
Income tax effects	-211	19
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		
Unrealised gains and losses on securities	1	-1
Income tax effects	0	0
Unrealised gains and losses on financial derivatives	-2	-700
Income tax effects	1	207
Currency translation differences of net investments in foreign operations	0	0
Income tax effects	0	0
Hedging of net investments in foreign operations	1,173	-179
Income tax effects	-348	53
Currency translation differences	-1,571	769
<b>Other comprehensive income</b>	<b>132</b>	<b>63</b>
of which income tax effects	-558	279
<b>Total comprehensive income</b> (attributable to shareholders of Bechtle AG)	<b>24,981</b>	<b>22,161</b>

## CONSOLIDATED BALANCE SHEET

ASSETS	€k		
	31.03.2018	31.12.2017	31.03.2017
<b>Non-current assets</b>			
Goodwill	202,198	193,538	193,979
Other intangible assets	50,494	48,721	38,243
Property, plant and equipment	146,321	134,865	115,878
Trade receivables	27,565	30,235	15,762
Deferred taxes	4,078	4,004	4,851
Other assets	3,860	3,833	3,379
Time deposits and securities	4	0	7,006
<b>Total non-current assets</b>	<b>434,520</b>	<b>415,196</b>	<b>379,098</b>
<b>Current assets</b>			
Inventories	265,316	211,319	210,174
Trade receivables	501,519	581,919	441,688
Income tax receivables	1,552	1,340	1,128
Other assets	74,352	58,783	54,292
Time deposits and securities	5,462	12,444	5,371
Cash and cash equivalents	110,187	162,383	121,688
<b>Total current assets</b>	<b>958,388</b>	<b>1,028,188</b>	<b>834,341</b>
<b>Total assets</b>	<b>1,392,908</b>	<b>1,443,384</b>	<b>1,213,439</b>

**EQUITY AND LIABILITIES**

€k

	31.03.2018	31.12.2017	31.03.2017
<b>Equity</b>			
Issued capital	42,000	42,000	21,000
Capital reserves	124,228	124,228	145,228
Retained earnings	636,036	611,055	550,036
<b>Total equity</b>	<b>802,264</b>	<b>777,283</b>	<b>716,264</b>
<b>Non-current liabilities</b>			
Pension provisions	12,962	13,002	20,141
Other provisions	7,338	7,190	6,809
Financial liabilities	69,106	69,917	54,557
Trade payables	59	96	222
Deferred taxes	21,753	21,069	19,924
Other liabilities	4,690	2,292	5,843
Deferred income	12,799	13,701	12,759
<b>Total non-current liabilities</b>	<b>128,707</b>	<b>127,267</b>	<b>120,255</b>
<b>Current liabilities</b>			
Other provisions	7,484	7,129	6,484
Financial liabilities	14,757	58,930	9,580
Trade payables	235,086	237,160	176,998
Income tax payables	11,384	10,733	8,439
Other liabilities	96,310	131,118	86,549
Deferred income	96,916	93,764	88,870
<b>Total current liabilities</b>	<b>461,937</b>	<b>538,834</b>	<b>376,920</b>
<b>Total equity and liabilities</b>	<b>1,392,908</b>	<b>1,443,384</b>	<b>1,213,439</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
<b>Equity as of 1 January 2017</b>	<b>21,000</b>	<b>145,228</b>	<b>529,180</b>	<b>-1,305</b>	<b>527,875</b>	<b>694,103</b>
Earnings after taxes			22,098		22,098	22,098
Other comprehensive income				63	63	63
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>22,098</b>	<b>63</b>	<b>22,161</b>	<b>22,161</b>
<b>Equity as of 31 March 2017</b>	<b>21,000</b>	<b>145,228</b>	<b>551,278</b>	<b>-1,242</b>	<b>550,036</b>	<b>716,264</b>
<b>Equity as of 1 January 2018</b>	<b>42,000</b>	<b>124,228</b>	<b>612,242</b>	<b>-1,187</b>	<b>611,055</b>	<b>777,283</b>
Earnings after taxes			24,849		24,849	24,849
Other comprehensive income				132	132	132
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>24,849</b>	<b>132</b>	<b>24,981</b>	<b>24,981</b>
<b>Equity as of 31 March 2018</b>	<b>42,000</b>	<b>124,228</b>	<b>637,091</b>	<b>-1,055</b>	<b>636,036</b>	<b>802,264</b>

## CONSOLIDATED CASH FLOW STATEMENT

	€k	
	01.01- 31.03.2018	01.01- 31.03.2017
<b>Operating activities</b>		
<b>Earnings before taxes</b>	<b>35,400</b>	<b>31,475</b>
Adjustment for non-cash expenses and income		
Financial earnings	318	348
Depreciation and amortisation of intangible assets and property, plant and equipment	8,786	6,902
Gains and losses on disposal of intangible assets and property, plant and equipment	-17	30
Other non-cash expenses and income	93	-553
Changes in net assets		
Changes in inventories	-54,053	-29,508
Changes in trade receivables	85,298	57,801
Changes in trade payables	-3,482	-65,060
Changes in deferred income	1,805	12,885
Changes in other net assets	-49,533	-21,935
Income taxes paid	-10,676	-9,339
<b>Cash flow from operating activities</b>	<b>13,939</b>	<b>-16,954</b>
<b>Investing activity</b>		
Cash paid for acquisitions less cash acquired	-8,282	5
Cash paid for investments in intangible assets and property, plant and equipment	-20,297	-14,443
Cash received from the sale of intangible assets and property, plant and equipment	895	485
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	7,001	10,000
Interest payments received	127	82
<b>Cash flow from investing activities</b>	<b>-20,556</b>	<b>-3,871</b>
<b>Financing activities</b>		
Cash paid for the repayment of financial liabilities	-77,434	-2,031
Cash received from the assumption of financial liabilities	32,450	4,679
Interest paid	-219	-552
<b>Cash flow from financing activities</b>	<b>-45,203</b>	<b>2,096</b>
Exchange-rate-related changes in cash and cash equivalents	-376	2
<b>Changes in cash and cash equivalents</b>	<b>-52,196</b>	<b>-18,727</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>162,383</b>	<b>140,415</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>110,187</b>	<b>121,688</b>

## **FINANCIAL CALENDAR**

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



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