

**3<sup>RD</sup> QUARTER 2018**

**Q3**

**QUARTERLY STATEMENT  
AS OF 30 SEPTEMBER 2018**

**€0**

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 30.09.2018	01.01– 30.09.2017	Change in %
<b>Revenue</b>	€k	<b>2,969,914</b>	<b>2,499,252</b>	<b>18.8</b>
IT system house & managed services	€k	2,048,544	1,752,935	16.9
IT e-commerce	€k	921,370	746,317	23.5
<b>EBITDA</b>	€k	<b>154,113</b>	<b>133,174</b>	<b>15.7</b>
IT system house & managed services	€k	106,057	95,122	11.5
IT e-commerce	€k	48,056	38,052	26.3
<b>EBIT</b>	€k	<b>126,075</b>	<b>110,819</b>	<b>13.8</b>
IT system house & managed services	€k	83,762	76,811	9.0
IT e-commerce	€k	42,313	34,008	24.4
<b>EBIT margin</b>	%	<b>4.2</b>	<b>4.4</b>	
IT system house & managed services	%	4.1	4.4	
IT e-commerce	%	4.6	4.6	
<b>EBT</b>	€k	<b>125,088</b>	<b>109,909</b>	<b>13.8</b>
<b>EBT margin</b>	%	<b>4.2</b>	<b>4.4</b>	
<b>Earnings after taxes</b>	€k	<b>88,041</b>	<b>77,092</b>	<b>14.2</b>
<b>Earnings per share</b>	€	<b>2.10</b>	<b>1.84</b>	<b>14.2</b>
<b>Return on equity<sup>1</sup></b>	%	<b>15.8</b>	<b>15.5</b>	
<b>Cash flow from operating activities</b>	€k	<b>42,374</b>	<b>20,673</b>	<b>105.0</b>
<b>Number of employees (as of 30.09)</b>		<b>9,651</b>	<b>8,199</b>	<b>17.7</b>
IT system house & managed services		7,442	6,721	10.7
IT e-commerce		2,209	1,478	49.5

		30.09.2018	31.12.2017	Change in %
<b>Cash and cash equivalents<sup>2</sup></b>	€k	<b>140,946</b>	<b>174,827</b>	<b>-19.4</b>
<b>Working Capital</b>	€k	<b>582,283</b>	<b>492,865</b>	<b>18.1</b>
<b>Equity ratio</b>	%	<b>46.7</b>	<b>53.9</b>	<b>-13.3</b>

<sup>1</sup> Annualised

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

## 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 01.01–30.09
Revenue	€k	955,389	964,970	1,049,555		2,969,914
EBITDA	€k	44,504	52,980	56,629		154,113
EBIT	€k	35,718	43,900	46,457		126,075
EBT	€k	35,400	43,560	46,128		125,088
EBT margin	%	3.7	4.5	4.4		4.2
Earnings after taxes	€k	24,849	30,704	32,488		88,041

## EARNINGS POSITION

Following the already highly successful performance in the first half of the year, the Bechtle Group continued to grow dynamically in the third quarter as well.

As of 30 September, the order backlog amounted to €589 million (prior year: €508 million). Of this amount, the IT system house & managed services segment accounted for €503 million (prior year: €443 million), and the IT e-commerce segment for €86 million (prior year: €65 million).

Year on year, the revenue went up 20.1 per cent to €1,049.6 million. The organic revenue growth amounted to 15.1 per cent. This was the first time that Bechtle reached a billion in revenue in the third quarter.

### GROUP REVENUE

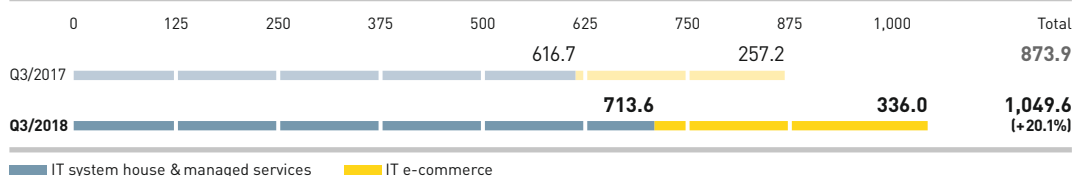
€m



As a result of the acquisition of the French company Inmac Wstore, the growth in the IT e-commerce segment was significantly stronger (+30.6 per cent) than in the IT system house & managed services segment (+15.7 per cent). However, the organic growth rates were evenly distributed across both segments.

### REVENUE BY SEGMENTS

€m



The acquisition also affected the regional revenue distribution. The revenue abroad increased by 40.4 per cent, and the revenue in Germany by 12.3 per cent. In the third quarter, about one third of the revenue (32.6 per cent) were thus generated abroad.

**REVENUE – GROUP AND SEGMENTS**

€k

	Q3/2018	Q3/2017	Change
<b>Group</b>	<b>1,049,555</b>	<b>873,925</b>	<b>+20.1%</b>
Domestic	707,680	630,449	+12.3%
Abroad	341,875	243,476	+40.4%
<b>IT system house &amp; managed services</b>	<b>713,568</b>	<b>616,747</b>	<b>+15.7%</b>
<b>IT e-commerce</b>	<b>335,987</b>	<b>257,178</b>	<b>+30.6%</b>

Material costs went up by a disproportionately high rate of 21.5 per cent, due to the higher increase in hardware revenues. Other operating expenses also underwent a substantial increase of 26.2 per cent to €38.1 million. The acquisition costs for the takeover of Inmac Wstore constituted one of the reasons for this rise. Gross earnings thus increased by a total of 12.9 per cent, resulting in a gross margin of 14.6 per cent.

In the two functional areas sales and administration, the expenses increased at disproportionately low rates of 17.6 per cent and 11.2 per cent, respectively. Accordingly, the corresponding expense ratios also dropped. The share of other operating income was similar to that of the prior year.

Year on year, EBITDA went up 11.6 per cent, reaching an EBITDA margin of 5.4 per cent.

Depreciation and amortisation went up 23.0 per cent, especially due to the purchase price allocation in connection with the acquisition of Inmac. However, the depreciation of property, plant and equipment again accounted for the largest share of this item, increasing 15.8 per cent to €8.5 million.

Due to these developments, EBIT went up 9.3 per cent to €46.5 million. The margin was 4.4 per cent, compared to 4.9 per cent in the prior year. Without the effects from the purchase price allocation of Inmac, the margin would have amounted to 4.5 per cent.

Financial earnings did not undergo any major changes. Thus, EBT amounted to €46.1 million, a year-on-year increase of 9.3 per cent. Accordingly, the EBT margin dropped from 4.8 per cent to 4.4 per cent.

**EBT AND EBT MARGIN**

€m and %



The tax rate receded from 29.9 per cent to 29.6 per cent, due partly to a higher earnings contribution from countries with a lower tax rate. Earnings after taxes went up 9.7 per cent to €32.5 million. EPS amounted to €0.77 (prior year: €0.70).

At segment level, the earnings situation was as follows:

EBIT in the IT system house & managed services segment increased 5.1 per cent to €30.9 million. Apart from the higher operating expenses as previously mentioned, this item was affected by a greater rise in personnel expenses from more hirings. In the third quarter, 256 new colleagues joined this Bechtle segment. The EBIT margin declined from 4.8 per cent to 4.3 per cent.

EBIT in the IT e-commerce segment climbed 18.9 per cent to €15.5 million. Apart from the other operating expenses, the segment was also affected by higher depreciation and amortisation due to the purchase price allocation of Inmac. The EBIT margin dropped from 5.1 per cent to 4.6 per cent. Without the earnings effects from the purchase price allocation, the margin would have amounted to 4.8 per cent.

**EBIT – GROUP AND SEGMENTS**

€k

	Q3/2018	Q3/2017	Change
<b>Group</b>	<b>46,457</b>	<b>42,492</b>	<b>+9.3%</b>
IT system house & managed services	30,935	29,441	+5.1%
IT e-commerce	15,522	13,051	+18.9%

## ASSETS AND FINANCIAL POSITION

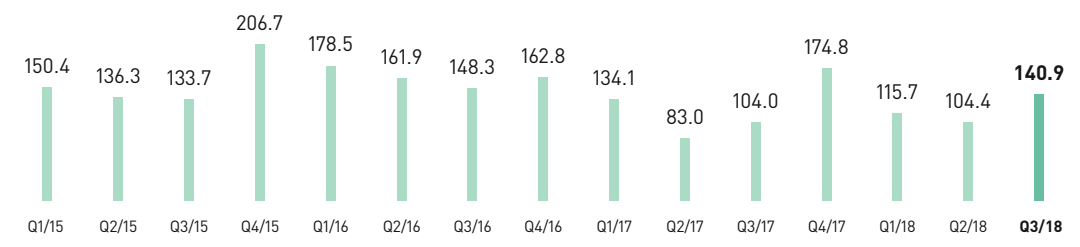
Due especially to acquisitions, the balance sheet total of the Bechtle Group as of 30 September 2018 was 23.5 per cent higher than as of 31 December 2017.

Among the non-current assets, goodwill as well as intangible assets underwent a sharp increase, as a result of the acquisition of Inmac Wstore. Due to the greater number of long-term projects, trade receivables went up. The capitalisation ratio climbed from 28.8 per cent to 36.6 per cent.

Among the current assets, the inventories were €73.9 million higher than as of 31 December 2017. This development reflected the higher business volume, the greater number of large projects and the acquisition of Inmac. The trade receivables balance also went up €47.9 million as of 30 September 2018, due partly to the acquisitions. Year on year, our average DSO (days sales outstanding) in the first nine months of 2018 increased from 40.9 days to 41.8 days. Due to positions that reached maturity and were not reinvested, short-term time deposits and securities dropped €6.9 million. Owing to the higher investment volume, the dividend payout and the growth-induced higher pre-financing needs, cash and cash equivalents went down €27.0 million to €135.4 million as of 30 September 2018.

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



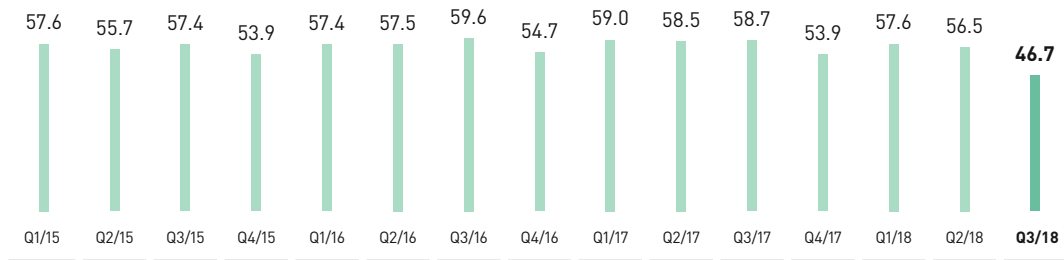
As of 30 September 2018, the working capital increased from €492.9 million to €582.3 million, due especially to the higher inventories and trade receivables.

On the equity and liabilities side, the current liabilities underwent the greatest changes. Here, financial liabilities increased €205.7 million. This increase was the result of the bridge financing for the acquisition of Inmac Wstore. The extension of the placed bond loan and the redemption of the bridge financing took place on 9 November 2018. Therefore, the current financial liabilities will only remain high during the year. At the end of the year, the respective items will be presented as non-current financial liabilities. For reasons related to the reporting date, trade payables went up €56.8 million.

As a result of the higher earnings, the equity climbed €54.4 million. Due to the balance sheet extension in connection with the acquisition, our equity ratio declined from 53.9 per cent as of 31 December 2017 to 46.7 per cent. The extrapolated return on equity increased from 15.5 per cent as of 30 September 2017 to 15.8 per cent as of the reporting date.

#### EQUITY RATIO

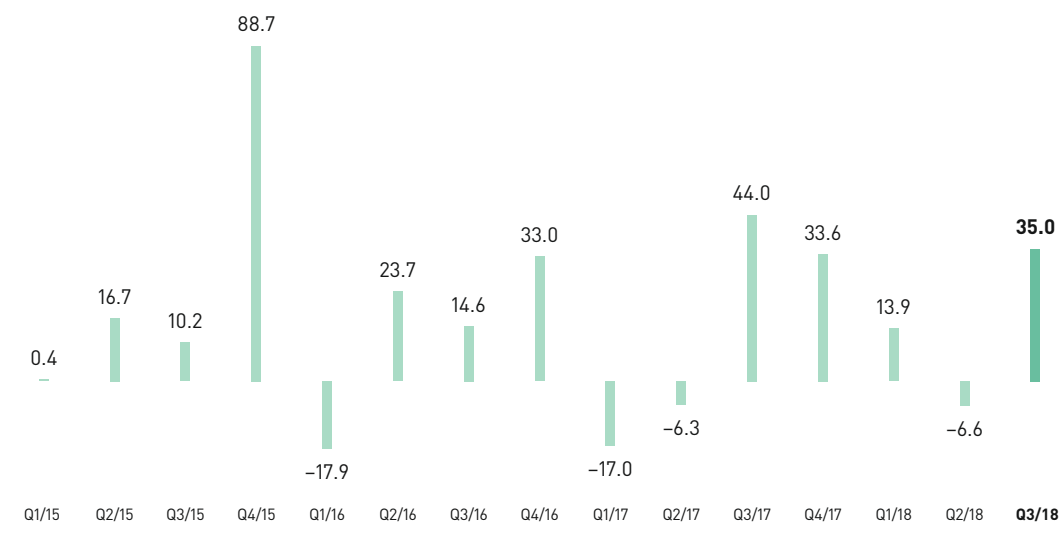
%



In the period from January to September 2018, the cash flow from operating activities totalled €42.4 million, and thereby was more than double the figure of the prior year (€20.7 million). This item was affected mainly by the cash outflow for trade payables, which was €48.4 million lower, and by the reduced accumulation of inventories, which was €9.9 million lower. The cash inflow from the reduction of trade receivables was €23.3 million lower than in the corresponding prior-year period, an essentially acquisition-induced effect. Organically, the cash flow from operating activities has more than tripled compared to the prior year.

#### CASH FLOW FROM OPERATING ACTIVITIES

€m



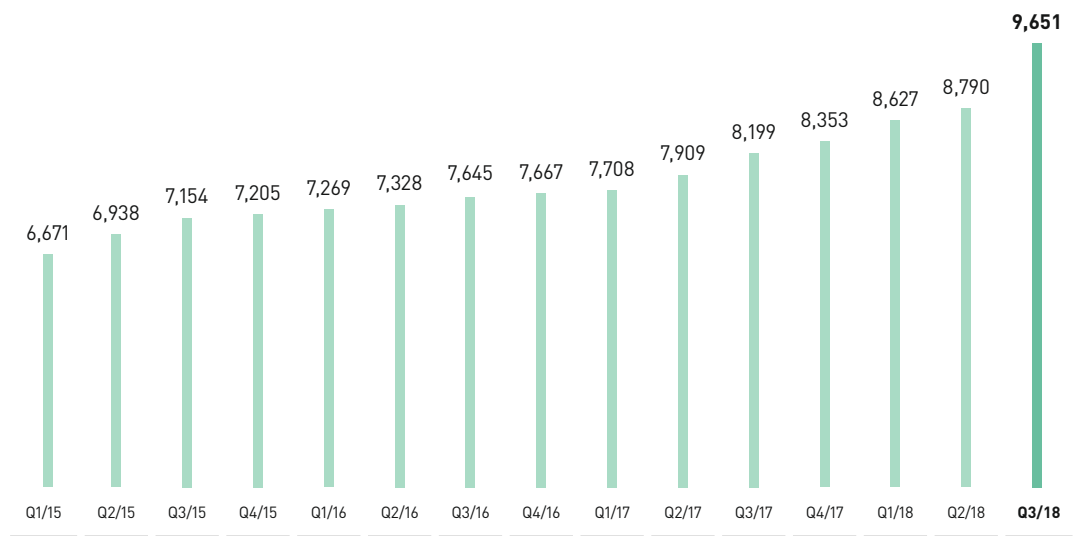
In the nine-month period, the net cash used for investments was affected mainly by the outflow for acquisitions, which went up €207.8 million. The cash outflow for investments in intangible assets and property, plant and equipment amounted to €40.7 million, some €9.7 million less than in the prior year.

Solely due to acquisitions, the free cash flow for the period from January to September amounted to minus €213.6 million. Without the acquisition financing, the free cash flow would have been slightly positive at €2.8 million.

## EMPLOYEES

As of the reporting date of 30 September 2018, the Bechtel Group had a total of 9,651 employees, 1,452 persons or 17.7 per cent more than on 30 September 2017. Compared to 31 December 2017, the headcount went up by 1,298. This increase of 15.5 per cent occurred partly due to new recruitment, but largely due to acquisitions.

### EMPLOYEES IN THE GROUP



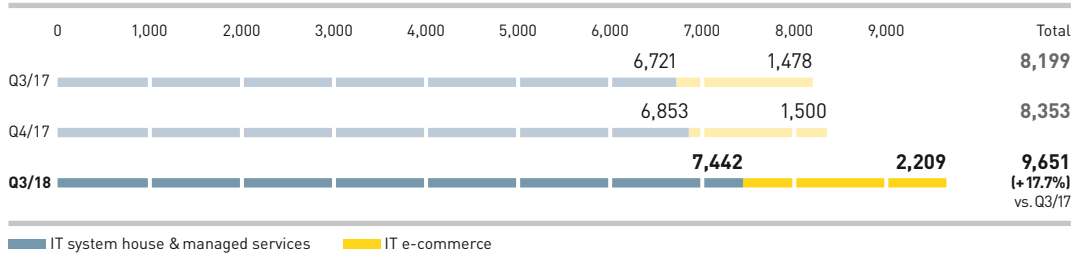
In the IT system house & managed services segment, the number of employees went up by 721 compared to 30 September 2017, an increase of 10.7 per cent. At 14.4 per cent, the headcount increase in the system houses abroad was higher than in Germany, where the growth amounted to 10.2 per cent.

Compared to 30 September 2017, the headcount in the IT e-commerce segment went up by 731, an increase of 49.5 per cent. This increase especially reflected the acquisition of the French Inmac Wstore with 468 new colleagues. At the bottom line, the number of employees abroad increased 64.3 per cent. At 22.6 per cent, the domestic e-commerce companies also underwent above-average growth.



The average headcount in the group in the period from January to September 2018 amounted to 8,823, some 969 employees more than in the prior-year period, an increase of 12.3 per cent.

#### EMPLOYEES BY SEGMENTS



As of 30 September 2018, Bechtle had 637 young trainees and students on integrated degree programmes, 78 more than in the prior year. At the start of the new training year on 1 September 2018, more than 200 young trainees embarked on their career with Bechtle, more than ever before.

## FORECAST

We published our original forecast for the 2018 fiscal year on pages 112 to 118 of our annual report 2017. The forecast predicted significant revenue and earnings growth along with a slight margin increase. In view of the excellent business performance in the first half of 2018, we raised this forecast in our interim financial report as of 30 June 2018. According to this adjusted forecast, Bechtle AG expects a very significant increase in the 2018 fiscal year, with two-digit revenue and earnings growth rates. Bechtle has confirmed the forecast that the margin will undergo a slight increase.

The Executive Board verifies this forecast, which had been increased in August. The achievement of the revenue and earnings targets is still realistic. However, the margin development could come under pressure due to the significant organic revenue growth, on the one hand, and the earnings effects from the purchase price allocation of Inmac, on the other hand. Though the Executive Board regards the EBT margin forecast to be ambitious against this backdrop, it still considers it to be achievable in view of the great significance of the fourth quarter to the results of the year as a whole.

## CONSOLIDATED INCOME STATEMENT

	€k			
	01.07- 30.09.2018	01.07- 30.09.2017	01.01- 30.09.2018	01.01- 30.09.2017
Revenue	1,049,555	873,925	2,969,914	2,499,252
Cost of sales	895,913	737,891 <sup>1</sup>	2,526,308	2,113,508 <sup>1</sup>
<b>Gross profit</b>	<b>153,642</b>	<b>136,034<sup>1</sup></b>	<b>443,606</b>	<b>385,744<sup>1</sup></b>
Distribution costs	62,069	52,769	178,350	154,522
Administrative expenses	47,832	43,024	146,267	127,280
Other operating income	2,716	2,251 <sup>1</sup>	7,086	6,877 <sup>1</sup>
<b>Earnings before interest and taxes</b>	<b>46,457</b>	<b>42,492</b>	<b>126,075</b>	<b>110,819</b>
Financial income	298	276	824	802
Financial expenses	627	564	1,811	1,712
<b>Earnings before taxes</b>	<b>46,128</b>	<b>42,204</b>	<b>125,088</b>	<b>109,909</b>
Income taxes	13,640	12,600	37,047	32,817
<b>Earnings after taxes</b> (attributable to shareholders of Bechtle AG)	<b>32,488</b>	<b>29,604</b>	<b>88,041</b>	<b>77,092</b>
<b>Net earnings per share (basic and diluted)</b> in €	<b>0.77</b>	<b>0.70</b>	<b>2.10</b>	<b>1.84</b>
<b>Weighted average shares outstanding</b> (basic and diluted) in thousands	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07- 30.09.2018	01.07- 30.09.2017	01.01- 30.09.2018	01.01- 30.09.2017
<b>Earnings after taxes</b>	<b>32,488</b>	<b>29,604</b>	<b>88,041</b>	<b>77,092</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	-263	813	612	1,123
Income tax effects	51	-150	-119	-207
<b>Items that will be reclassified to profit or loss in subsequent periods</b>				
Unrealised gains and losses on securities	0	0	1	-1
Income tax effects	0	0	0	0
Unrealised gains and losses on financial derivatives	1,056	-901	1,054	-1,694
Income tax effects	7	268	8	502
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	-1,129	2,366	-759	3,826
Income tax effects	336	-702	226	-1,135
Currency translation differences	2,758	-4,670	3,162	-6,371
<b>Other comprehensive income</b>	<b>2,816</b>	<b>-2,976</b>	<b>4,185</b>	<b>-3,957</b>
of which income tax effects	394	-584	115	-840
<b>Total comprehensive income</b> (attributable to shareholders of Bechtle AG)	<b>35,304</b>	<b>26,628</b>	<b>92,226</b>	<b>73,135</b>

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	€k		
	30.09.2018	31.12.2017	30.09.2017
<b>Non-current assets</b>			
Goodwill	336,799	193,538	194,735
Other intangible assets	109,220	48,721	47,697
Property, plant and equipment	157,701	134,865	128,312
Trade receivables	37,792	30,235	26,011
Deferred taxes	4,002	4,004	4,430
Other assets	5,850	3,833	3,523
Time deposits and securities	0	0	7,004
<b>Total non-current assets</b>	<b>651,364</b>	<b>415,196</b>	<b>411,712</b>
<b>Current assets</b>			
Inventories	285,235	211,319	234,127
Trade receivables	629,798	581,919	447,604
Income tax receivables	1,024	1,340	858
Other assets	73,508	58,783	61,406
Time deposits and securities	5,515	12,444	5,453
Cash and cash equivalents	135,431	162,383	91,493
<b>Total current assets</b>	<b>1,130,511</b>	<b>1,028,188</b>	<b>840,941</b>
<b>Total assets</b>	<b>1,781,875</b>	<b>1,443,384</b>	<b>1,252,653</b>

**EQUITY AND LIABILITIES**

€k

	30.09.2018	31.12.2017	30.09.2017
<b>Equity</b>			
Issued capital	42,000	42,000	42,000
Capital reserves	124,228	124,228	124,228
Retained earnings	665,481	611,055	569,510
<b>Total equity</b>	<b>831,709</b>	<b>777,283</b>	<b>735,738</b>
<b>Non-current liabilities</b>			
Pension provisions	13,380	13,002	18,620
Other provisions	10,987	7,190	6,959
Financial liabilities	84,564	69,917	63,446
Trade payables	24	96	60
Deferred taxes	45,228	21,069	20,800
Other liabilities	4,726	2,292	4,340
Deferred income	11,292	13,701	12,647
<b>Total non-current liabilities</b>	<b>170,201</b>	<b>127,267</b>	<b>126,872</b>
<b>Current liabilities</b>			
Other provisions	7,228	7,129	8,272
Financial liabilities	264,634	58,930	9,134
Trade payables	293,977	237,160	195,007
Income tax payables	4,491	10,733	11,489
Other liabilities	124,061	131,118	93,378
Deferred income	85,574	93,764	72,763
<b>Total current liabilities</b>	<b>779,965</b>	<b>538,834</b>	<b>390,043</b>
<b>Total equity and liabilities</b>	<b>1,781,875</b>	<b>1,443,384</b>	<b>1,252,653</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		
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
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>77,092</b>	<b>-3,957</b>	<b>73,135</b>	<b>73,135</b>
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
Equity as of 1 January 2018	42,000	124,228	612,242	-1,187	611,055	777,283
Distribution of profits for 2017			-37,800		-37,800	-37,800
Earnings after taxes			88,041		88,041	88,041
Other comprehensive income				4,185	4,185	4,185
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>88,041</b>	<b>4,185</b>	<b>92,226</b>	<b>92,226</b>
Equity as of 30 September 2018	42,000	124,228	662,483	2,998	665,481	831,709

## CONSOLIDATED CASH FLOW STATEMENT

	€k			
	01.07- 30.09.2018	01.07- 30.09.2017	01.01- 30.09.2018	01.01- 30.09.2017
<b>Operating activities</b>				
Earnings before taxes	46,128	42,204	125,088	109,909
Adjustment for non-cash expenses and income				
Financial earnings	329	289	987	911
Depreciation and amortisation of intangible assets and property, plant and equipment	10,172	8,271	28,038	22,355
Gains and losses on disposal of intangible assets and property, plant and equipment	-19	-15	272	28
Other non-cash expenses and income	-10	-1,155	-1,086	-907
Changes in net assets				
Changes in inventories	6,129	-4,297	-42,059	-51,929
Changes in trade receivables	-38,163	-1,052	18,535	41,851
Changes in trade payables	22,590	10,667	-954	-49,330
Changes in deferred income	-5,116	-7,883	-11,488	-3,409
Changes in other net assets	8,784	6,673	-35,001	-18,757
Income taxes paid	-15,803	-9,746	-39,958	-30,049
<b>Cash flow from operating activities</b>	<b>35,021</b>	<b>43,956</b>	<b>42,374</b>	<b>20,673</b>
<b>Investing activity</b>				
Cash paid for acquisitions less cash acquired	-205,907	-4,264	-216,403	-8,556
Cash paid for investments in intangible assets and property, plant and equipment	-10,384	-17,359	-40,683	-50,358
Cash received from the sale of intangible assets and property, plant and equipment	210	71	1,102	1,986
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	0	0	7,006	10,000
Interest payments received	189	118	478	316
<b>Cash flow from investing activities</b>	<b>-215,892</b>	<b>-21,434</b>	<b>-248,500</b>	<b>-46,612</b>
<b>Financing activities</b>				
Cash paid for the repayment of financial liabilities	-42,858	-11,954	-126,219	-15,966
Cash received from the assumption of financial liabilities	259,937	11,832	343,315	27,057
Dividends paid	0	0	-37,800	-31,500
Interest paid	-613	-556	-1,681	-1,636
<b>Cash flow from financing activities</b>	<b>216,466</b>	<b>-678</b>	<b>177,615</b>	<b>-22,045</b>
Exchange-rate-related changes in cash and cash equivalents	929	-931	1,559	-938
<b>Changes in cash and cash equivalents</b>	<b>33,524</b>	<b>20,913</b>	<b>-26,952</b>	<b>-48,922</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>98,907</b>	<b>70,580</b>	<b>162,383</b>	<b>140,415</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>135,431</b>	<b>91,493</b>	<b>135,431</b>	<b>91,493</b>

## **FINANCIAL CALENDAR**

### **QUARTERLY STATEMENT 3RD QUARTER 2018 (30 SEPTEMBER)**

Wednesday, 14 November 2018

### **ANNUAL REPORT 2018**

Friday, 15 March 2019

### **ACCOUNTS PRESS CONFERENCE**

Friday, 15 March 2019, Stuttgart

### **DVFA-ANALYSTS' CONFERENCE**

Friday, 15 March 2019, Frankfurt (Main)

### **QUARTERLY STATEMENT 1ST QUARTER 2019 (31 MARCH)**

Friday, 10 May 2019

### **ANNUAL GENERAL MEETING**

Tuesday, 28 May 2019, 10:00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

### **HALF-YEAR FINANCIAL REPORT 2019 (30 JUNE)**

Friday, 9 August 2019

### **QUARTERLY STATEMENT 3RD QUARTER 2019 (30 SEPTEMBER)**

Wednesday, 13 November 2019

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



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