

## **Interim announcement for the first quarter of 2017**

### **adesso AG continues growth path in the first quarter 2017 increasing sales and operating earnings**

- Group sales increased by 35 % to EUR 75.7 million (25 % organic)
- EBITDA: + 37 % to EUR 5.2 million
- Sales and EBITDA forecast for the year overall confirmed

***Dortmund, 26 May 2017*** – adesso AG continued following the growth path in the first quarter 2017 by increasing its sales revenues compared to the prior quarter and the previous year. Growth drivers are furthermore the core business with consulting and custom software development for customers in Germany and Switzerland, the expansion of own insurance software products as well as the company acquisitions. Operating earnings increased due to sales growth and high-margin company acquisitions.

#### **Business development in the first quarter**

In the first quarter, adesso increased its sales by 35 % (thereof 25 % organic) compared to the previous year for a total of EUR 75.7 million. Continued employee growth through new hires over the last 12 months, a positive market condition and numerous successful sales initiatives led to rising sales revenues in the IT Services segment in Germany and Switzerland. Business with E-Commerce customers expanded notably. Further growth was generated in the development and project business for the insurance software insure. Licensing and maintenance contracts volume of the content management system FirstSpirit grew compared to the previous year.

The number of employees in the adesso Group increased in the first quarter especially due to new hires compared to 31 December 2016 by 5 % or 111 to 2,285 (Q1/2016: 1,757), so that the fast pace of organic growth continued in the first quarter.

## Results of operations in the first quarter

Based on a continued good capacity utilisation but higher rate of contracted external services operating earnings EBITDA grew by 37 % to EUR 5.2 million. Thereof EUR 1.1 million are to be allotted to smarthouse and UnitCon acquisitions. A stronger organic growth was slowed by higher investment in the inlsure product family.

With a pre-tax profit of EUR 3.3 million (Q1/2016: EUR 2.7 million) and a consolidated profit of EUR 2.2 million (Q1/2016: EUR 1.5 million), earnings per share grew compared to the previous year by 55 % to EUR 0.37.

## Additional figures and information

adesso holds liquid assets of EUR 38.7 million as at 31 March 2017 (previous year: EUR 21.3 million; 31 December 2016: 43.1 million). Net liquidity after interest-bearing financial liabilities amounted to EUR - 7.0 million following EUR - 5.0 million previous year. Equity ratio is 32 % after 30 % a year ago or 33 % as at 31 December 2016.

## Outlook

Taking into account the good capacity utilisation in Germany and Switzerland, continued expansion in workforce and numerous promising sales opportunities for inlsure as well as FirstSpirit, the overall forecast for 2017 with sales between EUR 270 and 300 million and EBITDA between EUR 23 and 27 million can be confirmed. Due to a low number of potential working days in the second quarter, lower sales and profit contribution is expected for that period.

These and additional indicators for Q1 2017 are available in table form under Investor Relations on the adesso website [www.adesso-group.de/en/](http://www.adesso-group.de/en/).

The Executive Board

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