

# 01/01/2015- 06/30/2015

**Interim Report 2015**

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## itelligence Key Figures

MEUR	IFRS Jan. 01 - June 30, 2015	IFRS Jan. 01 - June 30, 2014	IFRS April 01 - June 30, 2015	IFRS April 01 - June 30, 2014
<b>Total revenues</b>	<b>322.8</b>	<b>237.5</b>	<b>162.4</b>	<b>122.9</b>
<b>Revenues by area</b>				
Consulting	144.9	110.8	74.0	53.9
Licenses	22.8	17.5	10.5	11.0
Application Management	35.3	30.3	17.4	15.8
Outsourcing & Services	119.2	78.6	60.3	42.0
Other	0.6	0.3	0.2	0.2
<b>Revenues by segment</b>				
DACH (Germany/Austria/Switzerland)	151.8	100.2	76.4	52.5
Western Europe	67.9	55.7	33.9	28.1
Eastern Europe	31.9	28.3	16.6	14.5
USA	64.1	47.6	31.8	25.2
Asia	5.0	3.3	2.7	1.7
Other	2.1	2.4	1.0	0.9
EBIT in MEUR	11.4	3.2	6.4	1.5
EBIT margin	3.5%	1.4%	4.0%	1.2%
EBITA in MEUR	14.6	4.9	8.1	2.4
EBITA margin	4.5%	2.1%	5.0%	2.0%
EBITDA in MEUR	24.4	11.5	12.9	6.0
EBITDA margin	7.6%	4.8%	7.9%	9.2%
Earnings IFRS	6.3	-1.5	4.2	-0.7
Earnings per share in EUR	0.16	-0.08	0.11	-0.04

## Financial information for the first half of 2015

### → Figures for the first half of 2015 at a glance

- Year-on-year revenue growth of **+35.9%** in the first half of 2015 (after adjustment for currency translation effects: **+27.9%**) to **MEUR 322.8**
- Year-on-year revenue development: Consulting **+30.8%**, Application Management **+16.5%**, Outsourcing & Services **+51.7%**, Licenses **+30.3%**
- Year-on-year revenue development by region: DACH **+51.5%** (after adjustment for currency translation effects: **+49.0%**), Western Europe **+21.9%** (after adjustment for currency translation effects: **+15.9%**), Eastern Europe **+12.7%** (after adjustment for currency translation effects: **+16.4%**), USA **+34.7%** (after adjustment for currency translation effects: **+10.1%**), Asia **+51.5%** (after adjustment for currency translation effects: **+31.6%**)
- EBIT more than triples to **MEUR 11.4**
- Orders on hand at June 30, 2015 up **+81.2%** to **MEUR 637.7** (June 30, 2014: **MEUR 351.9**)

itelligence AG enjoyed positive revenue development in the first half of 2015. In the first six months, revenues increased by **+35.9%** (after adjustment for currency translation effects: **+27.9%**) to **MEUR 322.8**. The existing companies contributed revenue growth of **+19.7%** (organic growth), with a further **+16.2%** attributable to the acquisitions made in the period under review.

Consulting revenues rose by **MEUR +34.1** year-on-year to **MEUR 144.9**. Revenues in the Outsourcing & Services division increased by **MEUR +40.6** to **MEUR 119.2**, of which **MEUR 30.6** was attributable to the acquired company GISA. Licenses revenues amounted to **MEUR 22.8** in the period under review, up **+30.3%** on the previous year (**MEUR 17.5**).

In terms of regional development, revenues in the first half of the year increased to **MEUR 151.8** (previous year: **MEUR 100.2**) in the DACH region, **MEUR 67.9** (previous year: **MEUR 55.7**) in Western Europe, **MEUR 31.9** (previous year: **MEUR 28.3**) in Eastern Europe, **MEUR 64.1** (previous year: **MEUR 47.6**) in the USA, and **MEUR 5.0** (previous year: **MEUR 3.3**) in Asia. Revenues in the Other segment amounted to **MEUR 2.1** (previous year: **MEUR 2.4**).

EBIT more than tripled year-on-year to **MEUR 11.4** (previous year: **MEUR 3.2**). All of the regions contributed to this positive EBIT development, with the DACH region recording the biggest change. The EBIT contribution of GISA GmbH amounts to **MEUR 2.6**.

Orders on hand at the end of the first half of 2015 were up **+81.2%** year-on-year, from **MEUR 351.9** to **MEUR 637.7**. This includes the orders on hand of GISA GmbH in the amount of **MEUR 213.0**.

## Acquisitions

**United Kingdom – itelligence strengthens leadership in the UK business intelligence market with the strategic acquisition of an established British business analytics company**

In June 2015, itelligence Business Solutions (UK) Ltd. acquired 100% of the shares of IT Performs Ltd. (ITP), a business technology consultancy firm focusing on business analytics and business intelligence solutions. Headquartered in Sutton Coldfield (Birmingham), IT Performs has been an active provider of specialist consulting services for business intelligence solutions for nearly 20 years. As an SAP Gold Partner and migration specialist, ITP has a comprehensive track record of delivering high-quality solutions for data warehousing, revenue forecasting, financial reporting, budgeting and planning, dashboarding, performance management, and data integration and migration projects for companies across a wide range of industries.

**Czech Republic – 100% acquisition of Pontech in the Czech Republic**

In May 2015, itelligence AG announced the 100% acquisition of Pontech s.r.o. in the Czech Republic. This makes itelligence the largest provider of SAP consulting services in the Czech Republic. It has also acquired a broad portfolio based on the stable, tried and tested, and scalable technologies of reputable companies (SAP, Esri, Genetec, Axis, SGI, Schneider Electric, EMC, Adobe, Oracle, IBM, HP, etc.).

This transaction will enable itelligence to strengthen its position on the Eastern European market while expanding its portfolio for Czech and international customers.

**Sweden – itelligence expands in Sweden**

itelligence has acquired the SAP team of EVRY Sweden, expanding its presence on the Swedish market and its position as one of the leading providers of SAP solutions in the Nordic region.

The SAP team of EVRY Sweden became part of itelligence with effect from May 1, 2015. It now provides its SAP expertise for the benefit of itelligence's Swedish customers. Including the 22 new colleagues in Sweden, itelligence Nordic now employs around 300 SAP consultants in the Nordic region. itelligence Sweden is domiciled in Stockholm.

## Employees

itelligence AG had 4,450 employees as of June 30, 2015, of which 1,956 were employed in Germany (June 30, 2014: 1,772) and 2,494 outside Germany (June 30, 2014: 2,058). The number of employees increased by 7.5% compared with the end of 2014 and by 16.2% compared with June 30, 2014.

The existing expert and management career paths at itelligence have now been supplemented by creating the project manager career path, which prepares employees for the specific requirements of the customers and the market. Project managers are a key factor in successfully ensuring satisfied customers and a long-term customer relationship based on partnership. With this move, itelligence is improving the quality of its own work and further increasing the competitiveness of the company.

## Outlook

The first half of 2015 was in line with expectations. All of the segments contributed to the company's strong growth. itelligence remains confident with regard to business development in the second half of 2015 and is raising its revenue forecast from more than MEUR 600 to MEUR 640-650. The Management Board also expects EBIT to increase to over MEUR 30. The aim is to achieve an operating EBIT margin in excess of 5%. The acquisitions concluded in 2015 will make a positive contribution to earnings after acquisition costs and amortization.

## Consolidated Income Statement (IFRS)

KEUR	Jan. 1–June 30, 2015	Jan. 1–June 30, 2014	April 1–June 30, 2015	April 1–June 30, 2014
Revenues	322,842	237,490	162,477	122,890
Cost of sales	-250,644	-185,996	-126,091	-96,980
<b>Gross profit</b>	<b>72,198</b>	<b>51,494</b>	<b>36,386</b>	<b>25,910</b>
Marketing and distribution expenses	-31,293	-26,875	-15,364	-13,366
Administration expenses	-28,095	-19,503	-14,005	-10,129
Other operating income	2,385	1,007	1,232	538
Other operating expenses	-2,489	-2,367	-1,146	-1,173
Amortization of orders on hand	-1,349	-518	-669	-272
Total operating expenses	-60,841	-48,256	-29,952	-24,402
<b>Operating earnings</b>	<b>11,357</b>	<b>3,238</b>	<b>6,434</b>	<b>1,508</b>

## Consolidated Balance Sheet (IFRS)

Assets KEUR	June 30, 2015	June 30, 2014	Dec. 31, 2014
<b>Non-current assets</b>			
Intangible assets	124,546	114,002	120,852
Property, plant and equipment	77,528	69,353	72,856
Other financial assets	1,236	3,534	1,363
Trade receivables	2,426	1,926	2,592
Income tax receivables	115	178	123
Deferred tax assets	5,181	4,804	3,781
	<b>211,032</b>	<b>193,797</b>	<b>201,567</b>
<b>Current assets</b>			
Inventories	894	569	634
Trade receivables	133,865	110,025	130,042
Income tax receivables	3,006	2,002	1,812
Other financial assets	5,017	4,140	4,084
Other non-financial assets	4,381	3,320	4,236
Cash and cash equivalents	34,853	24,640	38,764
Prepaid expenses	27,997	22,503	16,026
	<b>210,013</b>	<b>167,199</b>	<b>195,598</b>
	<b>421,045</b>	<b>360,996</b>	<b>397,165</b>
<b>Equity and liabilities KEUR</b>			
<b>Equity</b>			
Share capital	30,015	30,015	30,015
Capital reserves	52,768	52,768	52,768
Net accumulated profit	59,112	48,345	54,176
Other comprehensive income	-12,877	-22,819	-22,113
	129,018	108,309	114,846
Non-controlling interests	12,662	16,785	18,048
	<b>141,680</b>	<b>125,094</b>	<b>132,894</b>
<b>Non-current liabilities</b>			
Financial liabilities	82,695	61,237	62,439
Deferred tax liabilities	12,665	7,585	10,345
Other non-current provisions	388	1,176	417
Pension provisions	9,209	6,767	9,399
Government grants	2,974	3,668	3,268
Other non-financial liabilities	3,136	4,684	3,736
	<b>111,067</b>	<b>85,117</b>	<b>89,604</b>
<b>Current liabilities</b>			
Trade payables	34,816	28,840	47,502
Financial liabilities	30,976	37,288	26,527
Tax provisions	2,713	4,047	2,374
Other current provisions	9,440	8,732	7,300
Income tax liabilities	698	928	1,075
Other non-financial liabilities	62,858	53,518	80,215
Deferred income	26,797	17,432	9,674
	<b>168,298</b>	<b>150,785</b>	<b>174,667</b>
	<b>421,045</b>	<b>360,996</b>	<b>397,165</b>

ITELLIGENCE AG

KÖNIGSBREEDER 1 33605 BIELEFELD PHONE +49 (0)5 21/9 14 48 0 FAX +49 (0)5 21/9 14 45 100 WWW.ITELLIGENCEGROUP.COM

DIALOG@ITELLIGENCE.DE