



team  
play

Global  
Business  
Functions



togetherness

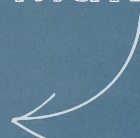
NTT DATA

trust



transformation

value



2018

## INTELLIGENCE KEY FIGURES

MEUR	Jan 1–June 30, 2018	Jan 1–June 30, 2017	Apr 1–June 30, 2018	Apr 1–June 30, 2017
<b>Total revenues</b>	<b>435.7</b>	<b>416.2</b>	<b>215.6</b>	<b>210.1</b>
<b>Revenues by area</b>				
Consulting	184.8	175.5	92.0	86.2
Licenses	27.0	32.2	11.8	20.5
Cloud Subscription	9.5	5.2	4.7	2.7
Managed Services	212.4	201.1	106.2	100.0
Other	2.0	2.2	0.9	0.7
<b>Revenues by segment</b>				
DACH (Germany/Austria/Switzerland)	207.1	199.0	101.7	99.3
Western Europe	62.8	52.1	31.0	27.5
North and Eastern Europe (NEE)	89.6	82.6	44.9	41.9
America	65.5	72.7	32.9	36.5
Asia	7.5	7.2	3.9	3.7
Other	3.2	2.6	1.2	1.2
EBIT	10.2	10.8	5.1	3.6
EBIT margin	2.3%	2.6%	2.4%	1.7%
EBITA	15.2	15.9	7.6	6.7
EBITA margin	3.5%	3.8%	3.5%	3.2%
EBITDA	27.1	27.3	13.7	12.4
EBITDA margin	6.2%	6.6%	6.3%	5.9%
Earnings IFRS	6.1	4.4	3.2	1.8
Earnings per share in EUR	0.17	0.12	0.09	0.05

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## **FINANCIAL INFORMATION**

### **FOR THE FIRST HALF OF 2018**

#### **FIGURES FOR THE FIRST HALF OF 2018 AT A GLANCE**

##### **REVENUE**

- Revenues up +4.7% year-on-year in first half (after adjustment for currency translation effects: +8.5%) from MEUR 416.2 to MEUR 435.7
- Year-on-year revenue development by segment: Consulting business: +5.3%, License business: -16.1%, Cloud Subscription: +82.7%, Managed Services: 5.6%
- Year-on-year revenue development by region: DACH: +4.1% (after adjustment for currency translation effects: +6.4%), Western Europe: +20.5% (after adjustment for currency translation effects: +17.2%), North and Eastern Europe: +8.5% (after adjustment for currency translation effects: +15.5%), America: -9.9% (after adjustment for currency translation effects: +0.3%), Asia: +4.2% (after adjustment for currency translation effects: +5.6%)

##### **EARNINGS**

- EBITA amounts to MEUR 15.2 at end of first six months after MEUR 15.9 in previous year

##### **ORDERS ON HAND**

- Orders on hand down slightly from MEUR 871.6 in previous year to MEUR 850.0 as of June 30, 2018

itelligence AG continued to enjoy positive development in the first half of 2018. Revenues increased by +4.7% in the first six months (after adjustment for currency translation effects: +8.5%), from MEUR 416.2 to MEUR 435.7. The existing companies generated revenue growth (organic growth) of +1.3%, while the acquisitions conducted in the period under review contributed growth of +3.4%.

Consulting revenues increased by +5.3% year-on-year, from MEUR 175.5 in the first six months of the previous year to MEUR 184.8. Managed Services generated revenue growth of +5.6%, from MEUR 201.1 to MEUR 212.4. The Licenses segment was unable to repeat the prior-year level, with revenues declining by -16.1% to MEUR 27.0 (previous year: MEUR 32.2). Revenues in the Cloud Subscription segment enjoyed the strongest year-on-year growth (+82.7%), amounting to MEUR 9.5 in the period under review (previous year: MEUR 5.2).

In terms of regional development, revenues in the first half of the year amounted to MEUR 207.1 in the DACH region (previous year: MEUR 199.0), MEUR 62.8 in Western Europe (previous year: MEUR 52.1), MEUR 89.6 in the new structured North and Eastern Europe segment (previous year: MEUR 82.6), MEUR 65.5 in America (previous year: MEUR 72.7) and MEUR 7.5 in Asia (previous year: MEUR 7.2). The Other segment recorded revenues of MEUR 3.2 (previous year: MEUR 2.6).

EBITA declined by -4.4% or MEUR -0.7 year-on-year to MEUR 15.2 (previous year: MEUR 15.9). This was due primarily to the development of individual projects in the Consulting segment and the lower license volume. The second quarter of 2018 saw positive performance, with EBITA rising by 13.4% to MEUR 7.6 after MEUR 6.7 in the previous year.

Orders on hand at the end of the first half of 2018 declined slightly by -2.4% year-on-year, from MEUR 871.6 to MEUR 850.0.

## **ACQUISITIONS**

### **ITELLIGENCE AG ACQUIRES 60% STAKE IN SYBIT GMBH**

In June 2018, itelligence AG announced the acquisition of Sybit GmbH, Radolfzell, Germany. itelligence is initially acquiring a 60% stake in the southern German Hybris and SAP Gold Partner Sybit. Sybit GmbH is a leading expert in the areas of customer relationship management (CRM) and e-commerce in Germany and has built up an excellent reputation for its consulting services, particularly among globally active hidden champions and corporations. Sybit GmbH is one of the few companies to be awarded Cloud Focus Partner status by SAP and is one of Germany's top 20 digital agencies. It was precisely for the CRM and e-commerce segment that

SAP announced its new SAP C/4HANA suite at its global customer conference “SAPPHIRE” in Orlando, USA. With the acquisition of Sybit, itelligence is securing itself a leading position in this lucrative market in Germany.

itelligence AG recently received the coveted SAP Hybris Award for 2018 in the category “EMEA Service Delivery Partner of The Year”. With Sybit on board, itelligence now has one of the largest and most experienced teams of consultants for cloud-based SAP customer relationship management (CRM) systems and e-commerce solutions in Germany, Austria, and Switzerland.

#### **ITELLIGENCE EXPANDS WITH THE ACQUISITION OF EINS CONSULTING IN SWEDEN**

itelligence Sweden announced the acquisition of EINS Consulting, Sweden, in March 2018. With this transaction, itelligence is further expanding its cooperation with Swedish and other Northern European companies and consolidating its position as the leading SAP full-service provider for the Nordic region.

EINS Consulting has been a part of itelligence since April 1, 2018. EINS Consulting is an experienced SAP partner with expertise in enterprise resource planning, analytics, and change and transformation. It also has a skilled customer experience team for supporting clients with digitalization and the optimization of customer relationship management (CRM) processes.

#### **ITELLIGENCE ACQUIRES COLUMBUS’S SWEDISH SAP BUSINESS UNIT**

In July 2018, itelligence announced the acquisition of Columbus’s Swedish SAP business unit. The SAP business unit is an experienced SAP partner in Sweden with a focus on HANA, mobility, information management, analytics, and application management. With this transaction – coming three months after the acquisition of EINS Consulting – itelligence is accelerating its growth in the Swedish market, allowing it to provide clients in the Nordic region with outstanding expertise across the board.

## EMPLOYEES

itelligence AG had 7,362 employees as of June 30, 2018, of whom 2,852 were employed in Germany (June 30, 2017: 2,718) and 4,510 outside Germany (June 30, 2017: 3,358). This meant that the number of employees increased by 5.4% compared with the end of 2017 (December 31, 2017: 6,983) and by 21.2% compared with June 30, 2017.

Based on the restructuring of the people function within the new global operating model, international cooperation within the people function has also intensified significantly since the end of 2017. In particular, the assignment of business partners to the regions is helping to support itelligence AG's continued international development. In addition to extensive training programs, processes and policies that are tailored to international business and made available at a central location (DMS), itelligence's employees have access to a wide range of opportunities. One successful example is the Consulting Curriculum, which is already being used in the USA, Turkey, India, and Germany. This is an internal training program allowing itelligence's employees to continue their education on a broad basis.

## OUTLOOK

Revenue development in the first half of 2018 was in line with expectations, while earnings were slightly lower than forecast. This was due primarily to implementation projects in Scandinavia and Germany, which involved higher consulting expenses, meaning that the expected profitability in Consulting business was not achieved in full. This effect was partially offset by the better than expected development of managed cloud business.

The Management Board is reiterating its full-year revenue forecast of MEUR 920-930 for the 2018 fiscal year. Guidance for the EBITA margin has been lowered slightly to between 5.2% and 5.5%.

**CONSOLIDATED INCOME STATEMENT**

IFRS

KEUR	Jan 1–June 30, 2018	Jan 1–June 30, 2017	Apr 1–June 30, 2018	Apr 1–June 30, 2017
Revenues	435,685	416,249	215,618	210,110
Cost of sales	-344,883	-322,734	-169,490	-165,599
<b>Gross profit</b>	<b>90,802</b>	<b>93,515</b>	<b>46,128</b>	<b>44,511</b>
Marketing and distribution expenses	-42,372	-42,026	-21,607	-20,632
Administration expenses	-34,578	-35,987	-17,437	-17,703
Other operating income	2,930	1,067	1,027	385
Other operating expenses	-3,230	-2,731	-1,335	-850
Amortization of orders on hand	-3,328	-2,995	-1,689	-2,066
<b>Total operating expenses</b>	<b>-80,578</b>	<b>-82,672</b>	<b>-41,041</b>	<b>-40,866</b>
<b>Operating earnings</b>	<b>10,224</b>	<b>10,843</b>	<b>5,087</b>	<b>3,645</b>

**CONSOLIDATED BALANCE SHEET**

IFRS

<b>ASSETS KEUR</b>	<b>June 30, 2018</b>	June 30, 2017	Dec. 31, 2017
<b>Non-current assets</b>			
Intangible assets	174,689	176,682	175,229
Property, plant and equipment	111,376	100,202	105,354
Other financial assets	1,097	929	877
Trade receivables	2,116	1,048	1,403
Deferred tax assets	452	1,964	2,015
	<b>289,730</b>	<b>280,825</b>	<b>284,878</b>
<b>Current assets</b>			
Inventories	1,438	794	654
Trade receivables	197,616	189,932	213,444
Income tax receivables	7,957	4,308	5,046
Other financial assets	3,333	6,594	2,119
Other non-financial assets	3,250	3,202	2,854
Cash and cash equivalents	46,429	41,725	49,307
Prepaid expenses	31,402	28,707	19,678
	<b>291,425</b>	<b>275,262</b>	<b>293,102</b>
	<b>581,155</b>	<b>556,087</b>	<b>577,980</b>



<b>EQUITY AND LIABILITIES KEUR</b>	<b>June 30, 2018</b>	June 30, 2017	Dec. 31, 2017
<b>Equity</b>			
Share capital	30,015	30,015	30,015
Capital reserves	52,768	52,768	52,768
Net accumulated profit	111,774	93,348	106,675
Other comprehensive income	-28,010	-20,493	-24,715
	<b>166,547</b>	<b>155,638</b>	<b>164,743</b>
Non-controlling interests	10,339	8,797	9,773
	<b>176,886</b>	<b>164,435</b>	<b>174,516</b>
<b>Non-current liabilities</b>			
Financial liabilities	164,483	163,877	163,341
Deferred tax liabilities	10,813	14,874	12,685
Other non-current provisions	1,790	922	899
Pension provisions	9,034	9,036	8,866
Government grants	2,785	2,151	2,389
Other non-financial liabilities	693	534	658
	<b>189,598</b>	<b>191,394</b>	<b>188,838</b>
<b>Current liabilities</b>			
Trade payables	50,306	51,759	71,274
Financial liabilities	47,504	29,963	26,612
Tax provisions	2,688	3,965	3,011
Other current provisions	5,440	8,553	6,081
Income tax liabilities	1,842	1,089	2,196
Other non-financial liabilities	72,471	71,293	91,367
Deferred income	34,420	33,636	14,085
	<b>214,671</b>	<b>200,258</b>	<b>214,626</b>
	<b>581,155</b>	<b>556,087</b>	<b>577,980</b>

