



## Pre-Close Trading Statement

January 16, 2014  
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Computacenter PLC  
16 January 2014

Computacenter plc

Trading Update - 16 January 2014

Computacenter plc ("Computacenter"), the independent provider of IT infrastructure services and solutions, is today holding an investor and analyst conference call to provide an update on trading for the year ended 31<sup>st</sup> December 2013 ("the year").

The Group will announce its results on 11<sup>th</sup> March 2014, which are anticipated to be slightly ahead of the Board's previous expectations for the year.

Group revenue for the year increased by 6% on a reported basis and 3% in constant currency. Group Services revenue increased by 6% on a reported basis and 4% in constant currency. Group Supply Chain revenue increased by 5% on a reported basis and 2% in constant currency. Focusing on the fourth quarter, we saw an increase in our Group Services revenue of 1% in constant currency and an increase in Group Supply Chain revenue of 8% in constant currency.

### Cash position

At the end of the period, net cash excluding customer-specific financing ("CSF") was £89 million [£72 million at 31<sup>st</sup> December 2012]. Including CSF, net cash was £69 million [£54 million at 31<sup>st</sup> December 2012]. The year-end cash position continues to benefit by approximately £41 million [£34 million at 31<sup>st</sup> December 2012], from the extended credit facility provided by one of our major suppliers. The 31<sup>st</sup> December 2012 figures provided above exclude the £75 million of cash returned to shareholders during 2013, in order to show a like-for-like comparison against the cash position as at the end of 2013. We are pleased with the year-end cash position, which clearly demonstrates once

again Computacenter's ability to turn operating profit into free cash, despite being impacted by our second half challenges in France which have temporarily tied up cash in working capital.

### **United Kingdom**

UK revenue grew by 8% for the year, with Services revenue increasing by 6% and Supply Chain revenue growing by 9%. In the fourth quarter, Services revenue grew by 5% with an 18% growth in Supply Chain revenue. We are pleased with the growth in our Services business in 2013 and we have secured some new contracts in the fourth quarter that will aid our growth from the second half of 2014 onwards. As previously indicated, the particularly strong contribution from successful business take-ons in 2012 has made contribution growth more challenging than revenue growth, but this is now behind us. We have been particularly pleased with the growth in Supply Chain revenue in the fourth quarter, which is a strong testament to the strength of our customer relationships and positive market conditions.

### **Germany**

German revenue, in local currency, increased by 2% for the year as a whole, with a 2% growth in Supply Chain and flat in Services. In the fourth quarter, Supply Chain revenue was flat with a decline of 3% in Services revenue. This small decline in Services revenue was expected and was primarily due to the significant reduction in size of one particular customer contract. 2013 has been a year of stability for us in Germany, with significant improvement in Services margins as the year has progressed, and a positive overall performance in our Supply Chain business. We certainly exit 2013 in a much stronger position than we entered it.

### **France**

In France, revenue in local currency fell by 7%, with a reduction of 1% in Services revenue and a reduction of 8% in Supply Chain revenue. In the fourth quarter Services revenue declined by 6%, while Supply Chain revenue grew by 5% in local currency. Our revenues in France in the fourth quarter, particularly in Supply Chain, show a significant improvement over the fourth quarter of 2012. Much of this was due to the fact that the majority of issues relating to our Group ERP systems deployment in France are now behind us. Furthermore, late in 2013, we were pleased to start extending our Group Operating Model into France. However, considerable work still needs to be done in 2014 and beyond to strategically shift our business to be more robust and Services focused.

### **Highlighted items for 2013**

Our three onerous contracts in Germany have continued to perform as expected and in line with the provisions laid out at the time of our Interim

Results in August 2013.

As part of our normal processes, we are currently carrying out a detailed evaluation of other long-term Services contracts across the Group and, at this time, believe it is likely that positive changes in some estimates will result in a one-off gain. The accounting judgements will be considered further as part of our financial year-end processes and disclosed appropriately in our final results release on 11 March 2014. The guidance for the full year set out above does not take account of any one-off gain arising from these contracts.

As previously indicated, in implementing our Group Operating Model and simplifying the management structure across the group, we have incurred restructuring charges of approximately £4 million in 2013 as a whole. Finally, as highlighted in our interim statement, a non-cash impairment of goodwill and acquired intangibles has been required in France.

## **Outlook**

The Group enters 2014 expecting to make further progress in our performance during the year. The momentum we have built up over the last three years in the UK should be maintained due to recent Services wins, and the German Services margin improvement has further to run. While we would expect an improvement in our French performance, we will resist the temptation of improving the short-term and not fixing it fundamentally to improve the long-term.

We look forward to presenting our Final results for the year ending 31<sup>st</sup> December 2013 on Tuesday, 11<sup>th</sup> March 2014.

## **Enquiries:**

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## **Conference Call**

There will be a conference call for analysts and investors this morning at 09:00. For dial-in details, please contact Charlie Carter at Tulchan Communications at [computacenter@tulchangroup.com](mailto:computacenter@tulchangroup.com)

## **Appendix**

Revenue growth summary by segment for Q4 2013 vs Q4 2012, and Full Year 2013 vs

Full Year 2012.

<b>Change vs 2012</b>	<b>Q4 Change As Reported</b>	<b>Q4 Change Constant Currency</b>	<b>FY Change As Reported</b>	<b>FY Change Constant Currency</b>
<b><i>Supply Chain Revenue</i></b>				
UK	18%	18%	9%	9%
Germany	5%	0%	7%	2%
France	10%	5%	-4%	-8%
<b>Group</b>	<b>11%</b>	<b>8%</b>	<b>5%</b>	<b>2%</b>
<b><i>Services Revenue</i></b>				
UK	5%	5%	6%	6%
Germany	1%	-3%	5%	0%
France	-2%	-6%	4%	-1%
<b>Group</b>	<b>4%</b>	<b>1%</b>	<b>6%</b>	<b>4%</b>
<b><i>Total Revenue</i></b>				
UK	14%	14%	8%	8%
Germany	4%	-1%	7%	2%
France	9%	4%	-2%	-7%
<b>Group</b>	<b>9%</b>	<b>6%</b>	<b>6%</b>	<b>3%</b>

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