Interim Management Statement

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Computacenter plc ("Computacenter" or the "Group"), the provider of IT infrastructure services, today publishes its Interim Management Statement covering the period from 1 January 2014 to date. Figures below are based on unaudited financial information for the first quarter.

Financial Performance

Revenue for the first quarter, on an as reported basis increased by 8% to £745.1 million (2013: £691.9 million). In constant currency, this represented an overall increase of 9%, with Group Services revenue growing by 4% and Group Supply Chain revenue growing by 12%.

UK

We had a particularly strong first quarter in the UK with overall revenue growing 20% to £350.4 million (2013: £292.7 million). Supply Chain revenue increased by 27% to £233.3 million (2013: £183.8 million), with Services revenue continuing the trend of the last few years and growing at 8% to £117.2 million (2013: £108.8 million). While some of the Supply Chain revenue growth is attributable to the recent Microsoft operating system changes, this certainly does not account for all of the growth that has taken place. We currently have the strongest Professional Services order backlog in the history of our UK business, and we have a number of very significant Contractual Services bids that are expected to reach a conclusion over the next few months.

Germany

Total revenue in our German business declined by 2% in constant currency to £267.7 million (2013: £272.9 million), with Services revenue growing by 2% and Supply Chain revenue declining by 4%. We are pleased that our Services business is showing some signs of growth, albeit currently at a modest level. We are encouraged by the pipeline of new Services opportunities, which gives us the opportunity to increase the growth rate in the second half of the year. The onerous contracts in Germany continue to perform in line with the provisions previously set out last year.

France

Revenue in France increased by 10% in constant currency to £114.7 million (2013: £104.3 million), with Supply Chain revenue growing by 13% and Services revenue declining by 5%. As we have previously explained, there is much work to be done by our French business to improve its performance. We are pleased with the revenue growth in Supply Chain and see this as clear evidence that we are recovering from the systems issues experienced last year. However, this revenue growth has come from the lowest margin areas of our business and, as such, is not delivering a material improvement to the bottom line. Although the decline in Services revenue was not unexpected, it remains disappointing and continues to highlight a need for the business to reduce its central costs to an appropriate level.

Therefore, in order to improve the long-term profitability of our French business and ensure that it remains competitive, we will continue to reduce our cost base through the use of our improved systems, and additionally through our Group Operating Model. This is likely to create an exceptional restructuring charge this year, which we currently anticipate will total between £7 million and £9 million.

Financial Position

At the end of Q1 2014, net cash excluding Customer Specific Financing (CSF) was approximately £45 million. This compares to approximately £23 million at the end of Q1 2013, once the £75 million return of value to shareholders in 2013 is excluded. This again demonstrates Computacenter's ability to generate cash even at a time when it is experiencing substantial growth.

Group Outlook

We believe 2014 will be a year of progress for Computacenter. Trading in the UK has been encouraging and Germany is stable. However, it is clear that the Group continues to be held back by the performance in France.

Our focus for the rest of the year is to maintain the strong performance in the UK that we have been achieving for some time now, to realise some substantial Services wins in Germany and to ensure that our French business establishes a stable platform for growth in the medium term. Whilst there remains a significant amount of work to be done, the overall performance of the Group in 2014 to date gives us confidence in meeting our expectations for the full year, and for achieving further progress in the years ahead.

Our next scheduled trading update will be the pre-close briefing prior to our Interim Results, which is scheduled for 17 July 2014.

Enquiries
Computacenter plc
Mike Norris, Chief Executive 01707 631601
Tony Conophy, Finance Director 01707 631515

Tulchan Communications 020 7353 4200
James Macey White
Christian Cowley

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