



## Interim Management Statement

October 22, 2014  
RNS Number : 9312U  
Computacenter PLC  
22 October 2014

Computacenter plc

### Interim Management Statement

'The outlook for the Group's trading result in 2014 remains in line with the Board's **expectations**'

**22 October 2014**

Computacenter plc ("Computacenter" or the "Group"), the independent provider of IT infrastructure services that enables users, today publishes its Interim Management Statement covering the period from 30 June 2014 to date. Figures below are based on unaudited financial information, for the third quarter of 2014.

#### Financial Performance

Overall revenue for the third quarter was flat in constant currency, with a decline of 3% on an as reported basis to £707 million (2013: £729 million). Year-to-date revenue grew by 3% in constant currency, and was flat on an as reported basis. Group Services revenue grew by 2% in constant currency and was flat on an as reported basis in the third quarter, bringing the year-to-date position to growth of 4% and 2% respectively. Group Supply Chain revenue reduced by 2% in constant currency and by 4% on an as reported basis in the third quarter, bringing the year-to-date position to a growth of 2% and a reduction of 1% respectively. The outlook for the Group's trading result for the whole of 2014 remains in line with the Board's expectations.

#### UK

The UK continued to perform well in the third quarter with overall revenue growth of 5% to £314 million (2013: £299 million), bringing year-to-date growth to 11%. Each of Services and Supply Chain revenue grew by 5% in the quarter, and by 7% and 14% respectively against the prior year-to-date position.

As previously announced, the Group signed a significant Managed Services Agreement with a delivery and logistics company early in the quarter. Wins of this nature have sustained Services growth in the UK business over the last few years and securing this contract, together with the current strength of our pipeline, will help to

underpin the Group's growth outlook for Services in 2015 and 2016, despite the likely significant reduction of one contract at the end of the first quarter of next year, previously disclosed.

### Germany

German revenue for the third quarter decreased by 8% in constant currency and by 12% on an as reported basis to £281 million (2013: £320 million). This brings the year-to-date position to a decline of 9% in constant currency and 13% on an as reported basis.

Services revenue declined by 4% in the third quarter resulting in a flat year-to-date position in constant currency. Going forward, a significant Services contract that was lost towards the end of Q3 2013 will no longer affect comparative Services performance. The impact of this, coupled with that of on-boarding the new Services contract signed and previously announced during the third quarter, should see Services growth rates increase. Supply Chain revenue in constant currency declined by 10% in the quarter bringing the year-to-date position to a decline of 13%. The rate of decline in the Supply Chain business has reduced, and further improvement in its performance is expected during the fourth quarter.

The Group's three onerous contracts have performed within the provisions previously taken, and one of these contracts came to an end as of 30 September 2014. The Group is pleased to note that a related legal dispute with a sub-contractor on one of these contracts has now been resolved. Given these factors and ongoing operational improvements within the contracts, we will release in the final quarter of the year some of the provision previously made as an exceptional item. This is likely to be in excess of £1 million.

### France

French revenue increased by 5% in constant currency, and was flat on an as reported basis at £99 million, bringing the year-to-date position to growth of 11% in constant currency and 7% on an as reported basis. Services revenue growth in France in the third quarter in constant currency was 15%, bringing the year-to-date position to growth of 5%. Supply Chain revenue in the third quarter increased by 3% in constant currency, bringing the year-to-date position to growth of 13%.

Whilst much work remains to be done in France, we are starting to see payback from our significant effort to date, with a marginal reduction in the loss in the third quarter compared with the same period a year ago. This trend is expected to improve in the fourth quarter, as implementation of the Social Plan for France has now commenced. The costs of the Social Plan are expected to be in line with the provision taken at 30 June 2014.

### Financial Position

Group net funds excluding customer specific finance (CSF) increased by over £36 million to approximately £62 million.

### Group Outlook

As is the case every year, the fourth quarter is always the most important for the Group's annual financial performance. It is clear that in the year-to-date Computacenter has had a strong performance in the UK, but also that the Group has been held back by the performance in both France and Germany. We expect to show some improvement in both France and Germany in the fourth quarter compared with

the same period in 2013. This, coupled with continued progress in the UK, means the outlook for the Group's trading result for the whole of 2014 remains in line with the Board's expectations.

Looking beyond the end of this year, the significant wins Computacenter has had to date in the UK and, to a lesser extent Germany, positions the Group well, particularly for Services revenue growth in 2015 and beyond. The Group has made some progress in France, and throughout 2015, year-on-year comparative improvement is expected within the French business. After what has been a tough year in Germany, particularly due to strong comparative periods, a more stable position going forward is expected. Significant effort is being focussed on accelerating Services revenue growth and margin.

Computacenter's propositions and financial strength makes the Group the logical choice for Enterprises throughout Europe looking to enhance their users experience with technology and as such we believe the Group's growth prospects remain significant.

Computacenter's next scheduled trading update will be the pre-close briefing, prior to the annual results, which is scheduled for 21 January 2015.

## 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

## APPENDIX

### REVENUE GROWTH Q3 AND YTD

Change vs Q3 2013	Q3 Change As Reported	Q3 Change Constant Currency	Q3 YTD Change As Reported	Q3 YTD Change Constant Currency
<b><i>Supply Chain Revenue</i></b>				
UK	5%	5%	14%	14%
Germany	(14%)	(10%)	(17%)	(13%)
France	(1%)	3%	8%	13%

<b>Group</b>	<b>(4%)</b>	<b>(2%)</b>	<b>(1%)</b>	<b>2%</b>
<b>Services Revenue</b>				
UK	5%	5%	7%	7%
Germany	(8%)	(4%)	(5%)	0%
France	10%	15%	1%	5%
<b>Group</b>	<b>0%</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>
<b>Total Revenue</b>				
UK	5%	5%	11%	11%
Germany	(12%)	(8%)	(13%)	(9%)
France	0%	5%	7%	11%
<b>Group</b>	<b>(3%)</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>

This information is provided by RNS  
The company news service from the London Stock Exchange

END

IMSUAANR50ARUAA