



## **Pre-Close Trading Statement**

January 21, 2015  
RNS Number : 6931C  
Computacenter PLC  
21 January 2015

Computacenter plc

Trading Update - 21 January 2015

Computacenter plc ("Computacenter"), the independent provider of IT infrastructure services that enables users, is today providing an update on trading for the year ended 31 December 2014 ("the year").

Results for the year are anticipated to be in line with the Board's previous expectations for 2014 despite headwinds due to the strength of Sterling against the Euro.

Group revenue for the year increased by 1% on a reported basis and 4% in constant currency. Group Services revenue increased by 2% on a reported basis and 5% in constant currency. Group Supply Chain revenue increased by 1% on a reported basis and 4% in constant currency. We closed the year with a strong fourth quarter, during which total revenue increased by 7% in constant currency, including an increase in Group Services revenue of 7% and an increase in Group Supply Chain revenue of 7%.

### **Financial position**

Group funds, excluding Customer Specific Finance (CSF), increased by £39 million in the year to close 2014 at approximately £129 million (2013: £90.3 million).

### **United Kingdom**

UK revenue grew by 10% for the year, with Services revenue increasing by 9% and Supply Chain revenue growing by 11%. In the fourth quarter, revenue increased by 8%, including a 12% growth in Services revenue and a 6% growth

in Supply Chain revenue. We are pleased to see that the growth rate we have achieved in Services during the year exceeded that achieved in 2013. There have been a number of large new contracts secured during 2014 that will assist revenue growth in 2015 and beyond. While there will be a headwind to Services growth in 2015, due to the significant reduction of one particular contract (as previously set out in our Interim Management Statement dated 22 October 2014), we have also achieved a number of significant renewals during the year, particularly in the fourth quarter, which will underpin the contractual services revenue base. Supply Chain growth has been a little more modest in the second half of the year compared to the strong growth achieved in the first half. However, we are pleased with the overall growth that we have seen across the UK business during 2014.

## **Germany**

German revenue fell by 3% in constant currency for the year, with Services revenue flat and a 5% decline in Supply Chain revenue. However, we have seen a significant improvement in performance during the fourth quarter, with revenue increasing by 11% in constant currency, including a 2% increase in Services revenue and a 15% increase in Supply Chain revenue. While it is disappointing to see total revenue decline in 2014, the overall performance of the business has gradually improved as the year has progressed, with a particularly positive fourth quarter performance resulting in our German business entering 2015 in a stronger position than it entered 2014. The German Services pipeline continues to strengthen which should help underpin Services growth in 2015.

We still anticipate the release of some of the provision made against the onerous contracts to be reported at our results in line with our Interim Management Statement dated 22 October 2014.

## **France**

In France, revenue in constant currency increased by 6% in the year, including a 7% growth in Services revenue and a 6% growth in Supply Chain revenue. Total revenue in the fourth quarter declined by 3% in constant currency, with a 10% growth in Services revenue and a 5% decline in Supply Chain revenue.

We are pleased that our French social plan has now been implemented, which should help improve the financial performance in 2015. It has been an extremely challenging year for Computacenter France. Our customer service offering has improved materially during the course of the year, assisted by the appointment of new local management and Group Management input. However, general market conditions have remained difficult and we have suffered from poor service quality delivered by the business in 2013. Our systems are now stable which is enabling us to rebuild our business, with a particular focus on our services pipeline. We have made some progress on reducing the amount of working capital tied up in the business, but there

remains much to do in this area, including taking sustained action to lower levels of overdue debtors.

## **Outlook**

While we are encouraged by the continued momentum built up over the last few years in the UK and by the positive end to the year in Germany, it is far too early to make any predictions in respect of 2015. As a Group, we continue to invest to improve our capability to deliver superior value to our customers and continue the growth we have seen over the last few years.

We look forward to presenting our Final Results for the year ending 31<sup>st</sup> December 2014 on Thursday, 12<sup>th</sup> March 2015.

## **Enquiries:**

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### **Tulchan Communications**

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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 Lara Harris at Tulchan Communications at [computacenter@tulchangroup.com](mailto:computacenter@tulchangroup.com)

APPENDIX

Revenue Growth Q4 2014 and Full-Year

<b>Change vs 2013</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	6%	6%	11%	11%
Germany	9%	15%	-10%	-5%
France	-10%	-5%	1%	6%
<b>Group</b>	<b>4%</b>	<b>7%</b>	<b>1%</b>	<b>4%</b>
<b><i>Services Revenue</i></b>				
UK	12%	12%	9%	9%
Germany	-3%	2%	-5%	0%
France	5%	10%	1%	7%
<b>Group</b>	<b>4%</b>	<b>7%</b>	<b>2%</b>	<b>5%</b>
<b><i>Total Revenue</i></b>				
UK	8%	8%	10%	10%
Germany	6%	11%	-8%	-3%
France	-8%	-3%	1%	6%
<b>Group</b>	<b>4%</b>	<b>7%</b>	<b>1%</b>	<b>4%</b>

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