



Q1 2015 Trading Update

April 23, 2015
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23 April 2015

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Computacenter plc ("Computacenter" or the "Group"), the provider of IT infrastructure services that enables users, today publishes a trading update for the first quarter. Figures below are based on unaudited financial information for that period.

The revenue results in the text below exclude the impact of our subsidiary R.D. Trading Limited ("RDC") in 2015 and 2014, following the Group's disposal of RDC on 2 February 2015. For comparison purposes, results including RDC are shown within the table included in the Appendix to this trading update.

Financial Performance

Revenue for the first quarter, on an as reported basis, reduced by 2% to £715.9 million (2014: £733.7 million). In constant currency, this represented an overall increase of 3%, with Group Services revenue growing by 6% and Group Supply Chain revenue growing by 2%.

UK

We were particularly pleased with the first quarter performance by the UK business, with overall revenue growth of 7% to £361.4 million (2014: £339.0 million).

Performance in the first quarter of 2014 was especially strong, and saw a remarkable 27% revenue growth in Supply Chain due to a specific customer's spend. Therefore, this year to see a further 5% growth in Supply Chain during the first quarter, on top of last year's performance, is encouraging. This growth of 5% brought the overall Supply

Chain revenue to £232.6 million (2014: £222.6 million). We have experienced strong growth in enterprise datacentre and networking equipment as customers finish end user operating system upgrades and are now investing their budgets elsewhere. Services revenue grew by 11% to £128.8 million (2014: £116.4 million). The start of Q2 2015 will see the end of a significant part of a long-term contract, which we have highlighted previously. However, the impact of this will be more than offset by the start-up of new contracts in Q2 and throughout the rest of 2015. Our Professional Services pipeline remains strong and significant new Contractual Services opportunities are emerging.

Germany

The total revenue in our German business increased by 5% in constant currency to £252.3 million (2014: £240.3 million), with Services revenue growing by 2% and Supply Chain revenue growing by 7%. We achieved a significant increase in a Services contract with a major existing customer in Germany during the period. However, this increase will not make a contribution to revenue growth until the second half of this year. We are encouraged by the current opportunity set and the bidding process is becoming more active.

France

Revenue in France declined by 12% in constant currency to £90.8 million (2014: £102.9 million), with Supply Chain revenue declining by 14% and Services revenue growing by 1%. The decline in the Supply Chain revenue is largely due to the exiting of unprofitable business and the refocussing of the company on larger accounts and Services opportunities. While there remains much work to be done, our Group Operating Model is enabling us to overcome many of the challenges in our French business and we believe that we are on the road to recovery, albeit the road will be a long one.

Financial Position

At the end of Q1 2015, Group net funds was £27.0 million. This is down by approximately £1.4 million on last year. However, we returned value to shareholders of £100 million in the first quarter of 2015 (the "Return of Value"), £56 million of which was from the proceeds of the sale of RDC and the other £44 million from our cash flow, meaning Computacenter's net funds position, excluding the Return of Value has improved by circa £42.6 million in the last 12 months.

Group Outlook

2015 should be a year of progress for Computacenter. As we highlighted in our 2014 Final Results, the business is not without its challenges, particularly as we take on a large amount of new business in the UK. We are pleased to say that this is currently progressing well but it is likely to take another two quarters to get through this period of peak workload associated with bringing these new customers on board. While the

performance of our German business in Q1 2015 was not as good as Q4 2014, we are moving in the right direction. In France, whilst still loss making, there has been an improvement on last year's performance which if maintained throughout the year would be satisfactory in the short-term.

While peaks and troughs in our business performance come and go, we believe the strategy we have laid out will enable us to continue the above market performance growth in our Services business for some time to come.

Our next scheduled trading update will be the announcement of the Group's Interim Results on 28 August 2015.

Enquiries

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APPENDIX

Change vs 2014	Q1 Change As Reported * (incl RDC)	Q1 Change Constant Currency ** (incl RDC)	Q1 Change As Reported * (excl RDC)	Q1 Change Constant Currency ** (excl RDC)
<i>Supply Chain</i>				
<i>Revenue</i>				
UK	1%	1%	5%	
Germany	(4%)	7%		
France	(23%)	(14%)		
Group	(5%)	0%	(4%)	2%
<i>Services Revenue</i>				
UK	10%	10%	11%	
Germany	(9%)	2%		
France	(10%)	1%		
Group	0%	6%	1%	6%
<i>Total Revenue</i>				
UK	4%	4%	7%	
Germany	(6%)	5%		
France	(21%)	(12%)		

Group	(3%)	3%	(2%)	3%
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* Change vs Q1 2014 revenues reported at Q1 2014 exchange rates

** Change vs Q1 2014 revenues reported at Q1 2015 exchange rates

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

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