ACQUISITION OF IT SOLUTIONS BUSINESS

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Computacenter PLC
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Computacenter plc
Incorporated in England
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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSE OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) No. 596/2014.

FOR IMMEDIATE RELEASE

Computacenter plc

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Computacenter plc ('**Computacenter**' or the '**Group**') announces that on 30 September 2018 it acquired fusionstorm ('**FusionStorm**'), a provider of IT solutions in the United States of America (**'US'**).

Computacenter intends to integrate its existing US business with FusionStorm leading to the current Computacenter employee headcount in the Americas region increasing by circa 50 per cent as a result of the transaction. This complementary and incremental acquisition enables Computacenter to offer a full range of services in the US, consistent with the Group's offerings in Europe, through the addition of FusionStorm's Technology Sourcing and Professional Services capabilities to Computacenter's existing Managed Services business within the US. This will allow Computacenter to have a consistent approach for the Group's international clients.

An initial cash consideration of USD 70 million (**'Initial Consideration'**) was paid upon completion of the acquisition. Up to USD 20 million of additional deferred cash consideration (**'Deferred Contingent Consideration'**) may become payable depending on the levels of adjusted EBITDA and gross profits achieved by FusionStorm over the 15-month period following completion. Computacenter will contribute a further USD 45 million into FusionStorm to refinance existing facilities (**'Capital Injection'**). The Initial Consideration, any Deferred Contingent Consideration and the Capital Injection will be funded by an existing Computacenter

debt facility of £100 million, and from the Group's existing cash resources as required.

The current CEO of FusionStorm, Dan Serpico, will hand over his role over the coming months to the existing Computacenter US CEO, Mike Keogh, who will be supported by Justin Griffin, the current FusionStorm Senior Vice President of Sales. Dan Serpico is expected to step down from the business at the end of Q2 2019.

For the year ended 31 December 2017, FusionStorm reported profit before tax of USD 3.9 million on turnover of USD 595.5 million and had gross assets of USD 225.0 million as at 30 June 2018. The profit before tax figure for the year ended 31 December 2017 includes USD 5.2 million of interest costs, which Computacenter expects to materially reduce through the refinancing of FusionStorm's short term debt and extended trade credit arrangements. Further, by eliminating expenses related to the current ownership profile of FusionStorm, and certain other costs, Computacenter estimates that the EBITDA reported for the year ended 31 December 2017 would increase from USD 9.8 million to USD 12.1 million on a proforma adjusted basis. Computacenter expects that this acquisition will be accretive to the Group's primary measure, adjusted[1] diluted earnings per share, in 2019.

Mike Norris, Group Chief Executive of Computacenter commented:

"This transaction broadens our capability to serve our international customers and should enhance our existing customer offer and reach into the US marketplace whilst providing an opportunity to improve the long-term prospects for the employees of FusionStorm and Computacenter US."

Dan Serpico, CEO of FusionStorm commented:

"Computacenter, as one of the leaders in our marketplace, offers an exciting opportunity for our employees as well as security, range of services and international coverage for our clients and partners. Out of many potential suitors, Computacenter stood out for their great cultural fit and I am very proud that we can start the next step in our company's journey as part of this great business."

The acquisition constitutes a Class 2 transaction for the purposes of the UK Financial Authority's Listing Rules.

Computacenter will host a conference call at 1200 British Summer Time on Monday 1 October 2018 to discuss the acquisition. To register please contact Tulchan Communications on +44 2073 534200 or at computacenter@tulchangroup.com.

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About Computacenter:

Computacenter aims to be the preferred provider of IT infrastructure to large corporate and public sector organisations. We help our customers to source, transform and manage their IT infrastructure to deliver digital transformation, enabling users and their business. Computacenter employs approx. 15,000 people worldwide. Computacenter is a public company with its shares trading on the London Stock Exchange under the symbol (LON:CCC) and is a constituent of the FTSE 250. Computacenter was represented in this transaction by ***martin****wolf*, a leading M&A advisory firm serving the IT industry. For more information, visit: computacenter.com.

About FusionStorm:

FusionStorm is an award-winning IT solution provider with national US coverage and international deployment capabilities. We have a proven track record of success providing best-of-breed technology solutions to enterprises, including some of the world's largest brands. For more information, visit: fusionstorm.com.

[1] *As defined in Computacenter's 2017 Annual Report and Accounts.*

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