



Computacenter - Q1 2018 Trading Update and Capital Markets Event

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Computacenter plc ("**Computacenter**" or the "**Group**"), the independent provider of IT infrastructure services that enables users, is today providing a trading update for the first quarter to 31 March 2018. Figures below are based on unaudited financial information for that period.

Overview

While it is still early in the year, the first quarter's performance has been better than expected, particularly for our Supply Chain revenues. This leads the Board to believe that 2018 is likely to be a year of further progress for Computacenter in profitability as well as earnings per share.

Group Financial Performance

Group revenue for the first quarter has increased by 23 per cent and by 21 per cent in constant currency. Group Services revenue increased by two per cent and remained flat in constant currency. Group Supply Chain revenue increased by 33 per cent and by 31 per cent in constant currency.

This revenue performance is flattered by a one-off, not to be repeated, software licence sale in the UK of £34.1m which, whilst profitable, diluted Group margins. Excluding this one-off deal, Group revenues were up 19 per cent and by 17 per cent in constant currency. Supply Chain revenues were up 27 per cent and by 25 per cent in constant currency. This is a much better comparison to use both now and in 12 months' time.

UK revenue increased by 31 per cent, which represents 21 per cent growth excluding the aforementioned software licence deal. Services revenue declined by seven per cent and Supply Chain revenue increased by 52 per cent, 37 per cent excluding the software license deal.

German revenue increased by 19 per cent for the first quarter with Services revenue increasing by seven per cent and Supply Chain revenue increasing by 25 per cent, all in constant currency.

In France, our revenue was flat for the first quarter with an increase of five per cent in Services revenue, and a decrease of one per cent in Supply Chain revenue, all in constant currency.

Group Financial Position

At the end of the quarter, Group net funds were in line with the Board's expectations. In the quarter we completed a Tender Offer returning approximately £100 million to shareholders.

Group Outlook

As we have predicted, our customers' drive to digitalise their business has driven strong demand for our Supply Chain revenues, particularly in the UK and Germany. Our French business had a difficult comparison due to the great performance last year. Overall, we do not see any obvious reason why the current positive market conditions for Computacenter should not continue in the near term.

We are responding to our customers' desire to take cost out of long-term support contracts by increasing the competitiveness of our Services offerings through productivity improvements which protect our profitability. However, this market trend does put corresponding pressure on our Services top line growth which is currently being more than compensated by the Supply Chain performance.

Capital Markets Event

Computacenter is hosting a Capital Markets Event at its Blackfriars office this morning. Presentations will be given by a number of senior management focussed on the long-term strategic development of the Group. A copy of the materials to be presented today will be made available on the Computacenter website: investors.computacenter.com. No new material information will be provided during the presentations.

Our next scheduled trading update will be the announcement of the Group's Interim Results on Friday 24 August 2018.

Enquiries:

Computacenter plc

Mike Norris, Chief Executive 01707 631601

Tony Conophy, Finance Director 01707 631515

Tulchan Communications

James Macey White 020 7353 4200

Matt Low

Change vs 2017	Q1 Change As Reported*	Q1 Change Constant Currency**
<i>Supply Chain Revenue</i>		
UK	52%	52%

Germany	28%	25%
France	1%	(1%)
Group	33%	31%
<i>Services Revenue</i>		
UK	(7%)	(7%)
Germany	10%	7%
France	8%	5%
Group	2%	0%
<i>Total Revenue</i>		
UK	31%	31%
Germany	22%	19%
France	3%	0%
Group	23%	21%

* Change vs 2017 Q1 revenues reported at 2017 exchange rates

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This information is provided by RNS
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