Interim Management Statement

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Computacenter PLC
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Computacenter plc, Europe's leading independent provider of IT infrastructure services, today publishes its Interim Management Statement based on the unaudited financial information for the period from 1 January 2012 to date.

Financial Performance

Our Services businesses at a revenue level, had a particularly positive start to the year. Group revenues for the first quarter increased by 9%, on a reported basis, which is 11% in constant currency. Revenue growth in the first quarter of 2012 was positively impacted by the acquisition in April 2011 of Top Info in France, which we estimate contributed about one third of our overall growth for the period. Services revenues grew 9% on a reported basis and 12% in constant currency, largely unaffected by the acquisition. Group Supply Chain revenues grew by 9% on a reported basis and 11% in constant currency, about half of which was due to the Top Info acquisition. The acquisition in July 2011 of Damax in Switzerland has not materially impacted these numbers.

Whilst we are pleased, particularly with the Services revenue growth, we have seen some, not unexpected impact on margin in the period, due to the costs incurred in the on-boarding of Services contracts and sales commissions. We expect these costs to continue in the short term, given the size and number of large contracts won, which are yet to go live, but we very much view these costs as an investment in the long term profit growth of the Group. In the UK, the on-boarding of contracts is going to plan; however, in this regard there are some challenges in Germany where more work is required.

United Kingdom

Overall, our UK revenues remained flat on the same period last year, with a 8% increase in Services revenue and a 5% decline in Supply Chain revenue. Whilst Government IT expenditure remains weak, we have previously explained that this does not have a material effect on our profitability. We have however seen a capital spending freeze during the period, from many of our investment banking customers and this adverse customer and product mix has had a negative effect on our profit.

Germany

Overall, our German revenues grew by 14% on a reported basis and 19% in constant currency. Supply Chain revenue increased by 20% in local currency and Services revenue by 16% in local currency. We are benefitting from the fact that our customer base in Germany is more focused on industrial than financial services and these customers continue to invest in capital projects to support their business growth.

France

Overall growth in our French revenues was 24% on a reported basis, and 29% in constant currency. Supply Chain revenue increased by 34% in constant currency. Including the comparative Q1 2011 performance of Top Info prior to the acquisition, Supply Chain revenue for the now combined French business, was down by approximately 6% in constant currency. Services revenue grew by 10%, which was almost unaffected by the acquisition. As we have previously described, we have a full agenda in France this year. We are pleased that we have concluded the integration of the acquisition and we have recently completed our main office move. Our logistics facilities will be transferred during Q3 2012, as well as preparing to migrate to our Group ERP in 2013. However, we have been somewhat disappointed with the financial performance in the first quarter, particularly the challenge to our services margins, partly due to new business take-on.

Financial Position

At the end of Q1 2012, net cash excluding Customer Specific Financing (CSF), was approximately £106 million (£137 million at end Q4 2011). Net cash including CSF was approximately £87 million (£114 million at end Q4 2011). We continue to benefit from the extended credit scheme with one of our major vendors, by approximately £28 million (£45 million at end Q4 2011).

Outlook

2012 is likely to be another year of progress for Computacenter. We believe the Services growth rate we have experienced so far in 2012 is set to not only continue, but increase and it is critical that we maximise this opportunity. Whilst our new contract cost of sale and the on-boarding challenges should not be underestimated, this Services opportunity has the potential to underpin our growth rates in the years ahead. Our workload is therefore extremely demanding and much remains to be done, but our outlook for 2012 remains unchanged.

Our next scheduled trading update will be the pre-close briefing prior to our Interim Results, which is scheduled for 17 July 2012.

Enquiries

Computacenter plc

Mike Norris, Chief Executive	01707 631601
Tony Conophy, Finance Director	01707 631515
Tessa Freeman, PR Manager	01707 631514
Tulchan Communications	020 7353 4200
Christian Cowley	
James Macey White	