

## **Interim announcement for the third quarter of 2015**

### **adesso AG: Successful third quarter of 2015 sets new records in sales and operating results**

Interim announcement of adesso AG in accordance with Section 37 of the Securities Trade Act (WpHG)

- Q3 sets new sales and EBITDA records of EUR 53.3 million and EUR 5.4 million
- Sales 9M up 22 % to EUR 140 million
- EBITDA 9M up 38 % to EUR 9.6 million
- Earnings per share amounted to EUR 0.64 after nine months (previous year: EUR 0.36)
- Already raised guidance for the year is confirmed with a positive outlook

***Dortmund, 13. November 2015 – adesso AG again considerably increased sales revenues in the third quarter of 2015 compared to the previous quarter and year on year. In addition to the core business of consulting and tailor-made software development in Germany and Switzerland, growth was driven by the expansion of the company's own insurance solutions. The operating result increased to a new high on the back on strong capacity utilisation, profitable projects and higher licence sales.***

Business development in the third quarter

In the third quarter, adesso increased sales from IT consulting, software development and licences for its own products by 19 % compared with the previous quarter and by 32 % year on year to EUR 53.3 million, setting a new quarterly record. The higher number of working days, organic headcount growth as well as the first-time inclusion of Born Informatik AG in the consolidated financial statements resulted in rising sales revenues in the IT services segment in Germany and Switzerland. The positive development applies to almost all core industries and business areas. IT Solutions licence sales were also up EUR 0.5 million on the previous quarter. At over EUR 1

million, the largest licence agreement for the year to date for in-house content management system FirstSpirit was signed in August with a public authority in the Netherlands. Two additional licence agreements were signed in the USA and service sales rose, even though the increase fails to meet expectations. The number of employees and sales revenues in Turkey were further increased in the third quarter.

The integration of the acquisition in Switzerland is going according to plan. Customers have recognised the value of having a strong local provider with sales of more than EUR 40 million in the German-speaking part of Switzerland and have lend the transaction their constructive support. The employees in Bern and Zurich already work closely with one another across the different locations; IT systems, management and processes have been standardised. Both of these companies have since been merged into the new adesso Schweiz AG.

#### Earnings development in the third quarter

Stable and at times strong capacity utilisation and the considerably higher number of working days (Q3: 66; Q2: 59), greater licence sales and profitable fixed-price projects as well as the first-time inclusion of Born Informatik AG (EBITDA Q3/2015: EUR 0.6 million), which was acquired in June, led to a leap in the operating result in the third quarter at EUR 5.4 million compared to the previous quarter and year on year (EBITDA Q2/2015: EUR 2.7 million and Q3/2014: EUR 3.7 million). The EBITDA margin came in at 10.2 %. Investment in the internationalisation of products in the USA, the UK and Switzerland as well as the establishing of the Turkish subsidiary exerted downward pressure on earnings. A positive result was reported in Austria for the second quarter running, while Turkey posted rising sales revenues in individual months. The business volume related to the development and launch of adesso's inSURE products for insurers was expanded in a profitable manner.

Depreciation and amortisation amounted to EUR 1,252 thousand (previous year: EUR 486 thousand), of which EUR 684 thousand pertained to scheduled amortisation on purchase price components (previous year: EUR 95 thousand). The sharp rise in the third quarter was due to the amortisation of the order backlog and the customer base from the acquisition. The increase in the amortisation on purchase price components will continue in the fourth quarter, and is then expected to be down EUR 500 thousand in the first quarter of 2016. Income from financing and investment activities of EUR -1 thousand (previous year: EUR 16 thousand) led to earnings before taxes of

EUR 4.2 million in the third quarter (previous year: EUR 3.2 million).

Consolidated earnings came to EUR 2.7 million, up from EUR 1.6 million in the previous year. Earnings per share amounted to EUR 0.43 in the third quarter (previous year: EUR 0.24).

The first nine months of the year

Sales increased by 22 % year on year to EUR 140.2 million in the first nine months of 2015. The sales growth was largely generated organically by acquiring new customers, increasing sales to existing customers and developing new business models and opportunities. EUR 6.5 million, or 6 percentage points, of this sales growth was contributed by Born Informatik AG – the company's first contribution to sales. At the same time, the number of employees went up by a total of 285, or 21 %, due to new hires and the Born-acquisition. adesso Group employed 1,625 people as of the reporting date. Personnel costs amounted to EUR 89.7 million compared to EUR 74.1 million in the previous year (+ 21%). Other operating expenses increased by 20 % to EUR 26.2 million. Operating earnings (EBITDA) came to EUR 9.6 million in the first nine months of 2015 (previous year: EUR 7.0 million).

Earnings before taxes came to EUR 7.2 million (previous year: EUR 5.3 million) and consolidated earnings totalled EUR 4.0 million (previous year: EUR 2.6 million). Earnings per share amounted to EUR 0.64 (previous year: EUR 0.36).

Additional figures

On 30 September 2015, adesso held liquid assets of EUR 18.0 million (previous year: EUR 16.3 million; 31 December 2014: EUR 23.7 million). Liquid assets rose by EUR 2.0 million in the third quarter of 2015. Net liquidity decreased by EUR 15.7 million year on year to EUR -5.5 million, mainly due to the taking out of long-term loans for the acquisition of Born Informatik AG. No additional loans were taken out in the third quarter; nor did the company carry out any extraordinary investments. The equity ratio came to 37 %. Liquid assets created by positive cash flow from operating activities are expected to rise in the fourth quarter.

Outlook

The strong capacity utilisation seen in the third quarter will continue in the fourth quarter. It is highly likely that the company will therefore reach the upper end of the EBITDA forecast for 2015 of between EUR 11 million and EUR 12 million – a forecast which has already been raised during the year.

The company has good chances of exceeding the forecast if a number of upcoming product agreements are concluded successfully.

These and additional figures for the third quarter and the first nine months of 2015 are available in table form on the adesso website under Investor Relations: <http://www.adesso-group.de/en/investorrelations/>.

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