



KPS publishes figures on the first quarter of 2018/2019 – sales and EBITDA are within the forecast

- » Sales significantly increased by 16.5 % to 44.4 million euros
- » EBITDA increased twofold to 6.6 million euros by comparison with the first quarter of 2017/2018
- » Attainment of important project milestones in existing projects with customers in the Scandinavian market and new opportunities presented as a result of internationalization

Unterföhring/Munich, 15 February 2019 – KPS AG (WKN: A1A6V4 / ISIN: DE000A1A6V48), Europe’s leading management consultant for business transformation and process optimization, succeeded in increasing its sales by 16.5 % compared with the year-earlier quarter from 38.1 million euros to 44.4 million euros for the first quarter of 2018/2019. Earnings before interest, taxes and depreciation and amortization (EBITDA) doubled to 6.6 million euros after 3.3 million euros in the equivalent year-earlier quarter. This corresponds to an EBITDA margin of 14.9 % (Q1 2017/2018: 8.7 %). Earnings before interest and taxes (EBIT) improved to 5.8 million euros after 3.1 million euros in the first quarter of 2017/2018. The EBIT margin was therefore 13.1% (Q1 2017/2018: 8.1 %). This meant that KPS has now returned to the high level of profitability experienced prior to the negative impact on earnings caused by the M&A and due diligence one-off effects in the previous business year.

The sales growth is primarily due to attainment of important project milestones in existing projects with customers in the Scandinavian market. However, acquisitions of new customers and new projects with portfolio customers also played a role in increasing sales. New opportunities also opened up through access to customers acquired in Spain and the United Kingdom as a result of international purchases.

The newly acquired projects gained in first the quarter of 2018/2019 included the development of a patient and clinician portal for Europe’s leading pharmaceutical distributor. Projects from a range of sectors were completed: KPS assisted a leading Scandinavian manufacturer of pumps and water technology in successfully digitalizing its travel cost system and travel management. Furthermore, a series of projects in the areas of customer loyalty, CRM and marketing were successfully concluded. The performance of KPS is also reflected in the positive perception by other organizations: The new Hamburg-based subsidiary company Infront Consulting was awarded two prizes in the “Best of Consulting” competition in the categories “Competition Strategies” and “Marketing & Communication”.

In the first quarter of 2018/2019, the development of the company was once again defined by the strategy of innovation and industrialization. In line with this approach, internal processes were digitalized in the areas of travel cost management and human resources, and migrated

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to more efficient paperless procedures. In addition, KPS AG launched its new corporate website, which was developed on the basis of the Enterprise solution from Adobe. It has been designed to provide even better support for integration of acquisitions within the KPS umbrella brand as a result of more efficient and faster processes. Furthermore, the topping-out ceremony for the process factory in Dortmund was held on 8 February 2019. Accommodation for a design center is planned in the new facilities. This center will provide customers with the opportunity to gain a haptic experience of the transformation offerings and products of KPS on the basis of examples. Moving into the new facility is planned for the second half of 2019.

Leonardo Musso, Chief Executive Officer of KPS AG, commented on the development of the company in the first quarter of 2018/2019: “The results of the first quarter demonstrate that the strategic decisions of the past business year have paid off. We have established a more broadly-based international platform, and Infront Consulting & Management GmbH has empowered us to expand our product portfolio by including strategic consulting competency. Sales have increased by comparison with the year-earlier quarter. We have also returned to a high level of profitability with significantly increased EBITDA and an improved EBITDA margin. This is due to our consistent industrialization strategy that allows us to shorten processes and increase margins. We have also been able to further reduce concentration on individual major customers. We have got off to a good start in the new business year and I am confident that this trend will continue during the coming months.”

The Executive Board of KPS AG is assuming that stable growth will continue in the current business year and confirms the forecast for the business year 2018/2019 issued in January 2019. It expects a slight increase in sales to between 170 million and 180 million euros and a significant increase in EBITDA to an amount within the corridor between 22 million and 27 million euros. The Supervisory Board and the Executive Board are maintaining their strategy of continuing to drive forward innovation, industrialization, and internationalization.

The comprehensive quarterly report is available for download at www.kps.com.

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KPS AG
The Executive Board

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About KPS

KPS is Europe's leading transformation consultancy for companies who want to radically focus on the customer and realign their business processes and technologies accordingly. KPS delivers everything from a single source: strategy consulting, industry-specific process chains as well as the implementation of the latest technologies. KPS is one of the few consulting partners who advise their clients end-to-end and integrate ERP, B2B and B2C commerce with Marketing & Sales processes. Especially in a digital world, the capability to execute projects faster is a clear and significant competitive advantage: The KPS Rapid-Transformation® methodology accelerates projects by up to 50 %. With around 1,000 consultants in 12 countries, KPS continues to expand its market position by delivering successful digital and technological transformation projects.

Reshape and transform rapidly. Your business in a digital world. www.kps.com

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