



KPS WITH STABLE SALES IN THE 1ST QUARTER OF 2019/2020

- » Sales of 44.7 million euros at year-earlier level
- » EBITDA in the amount of 5.9 million euros impacted by earn-out obligations and significantly increased expenses for acquisitions of new transformation initiatives

Unterföhring/Munich, 14 February 2020 – In the first quarter of 2019/20, sales of KPS AG (WKN: A1A6V4 / ISIN: DE000A1A6V48) at 44.7 million euros were slightly above the year-earlier quarter at 0.7 % (44.4 million euros) and developed in accordance with the expectations of the Executive Board. In particular, sales drivers were the international activities of KPS AG and a continued good and balanced mix with ongoing projects which, in accordance with the strategy of KPS, are in differing project phases.

EBITDA impacted by earn-out effects and significantly increased sales activities

As a result of one-off effects and a strong increase in sales expenses, EBITDA came down by 10.4% to 5.9 million euros in the first quarter of 2019/20 by comparison with the equivalent year-earlier period. Accordingly, the EBITDA margin fell to 13.3 % (year-earlier quarter: 14.9 %). Once again, the key one-off effect resulted from the positive development of acquired companies, which was significantly above expectations, in particular ICE Consultants Europe S.L. KPS therefore had to increase the earn-out obligations for acquired companies, which led to a one-off, non-cash-effective additional expense in the amount of 0.6 million euros in the previous quarter. In the absence of this obligation, EBITDA would have been 6.5 million euros, which would correspond to a slight fall of 1.5 % compared with the equivalent year-earlier period.

In the first quarter of 2019/20, KPS also posted sales expenses significantly above the normal range because several transformation initiatives are in the acquisition phase.

EBIT was also influenced by increased depreciation and amortization owing to first-time application of IFRS 16. Accordingly, EBIT came down to 4.1 million (Q1 2018/19: 5.8 million) euros in comparison with the year-earlier quarter. Earnings after taxes (2.8 million euros) were 1.1 million euros below the year-earlier result of 3.9 million euros, with earnings per share amounting to 0.08 euros (Q1 2018/19: 0.10 euros).

Sales and EBITDA forecast confirmed

The Executive Board and Management of KPS AG continue to assume that stable growth will be ongoing in the current business year and confirm the forecast for the business year 2019/2020 issued in January 2020. A slight increase in sales to between 181 million and 191 million euros is expected and a significant increase in EBITDA to an amount within the corridor between 28 million and 36 million euros. The Supervisory Board and the Executive Board of KPS AG are maintaining their strategy of continuing to drive forward innovation, industrialization, and internationalization.

PRESS RELEASE

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KPS AG
The Executive Board

About KPS

KPS is Europe's leading partner for companies who require a radical realignment of their business model to fulfil their customer requirements and simultaneously wish to implement innovative digital processes and technologies in their business. KPS provides everything, from strategy consulting to industry-specific process chains and the implementation of the latest technology. KPS's team advises companies end-to-end and integrates merchandise management, B2B and B2C e-commerce with marketing and sales processes. In a digital world with the customer in focus, the ability to implement projects rapidly is a significant competitive advantage. The KPS Rapid-Transformation® method accelerates projects by up to 50 percent. The experience and industry knowledge KPS consultants possess ensures the success of every project. With around 1,100 consultants in 9 countries, KPS is continuously expanding its global market position via cutting edge projects in digital and technological change.

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