



KPS with robust sales growth in the 3rd quarter 2018/2019

- » Sales significantly increased by 6.9 % to 44.8 million euros
- » Revenues 4.4 % up on 2017/2018 in a 9-month comparison
- » EBITDA increased by 23.8 % in comparison with the first nine months of 2017/2018
- » Lucrative projects acquired and customer portfolio further diversified

Unterföhring/Munich, 29 July 2019 – KPS AG (WKN: A1A6V4 / ISIN: DE000A1A6V48), Europe’s leading management consultant for business transformation and process optimization, succeeded in increasing sales by 6.9 % from 41.9 million euros to 44.8 million euros in the 3rd quarter of 2018/2019 by comparison with the equivalent period of the previous year. By comparison with the first nine months of 2017/2018, sales accordingly went up by 4.4 % from 130.3 million euros to 136.0 million euros. The subsidiary companies ICE Consultants Europe S.L. and Infront Consulting & Management GmbH acquired in the previous business year have developed even more positively than expected since their integration in the KPS Group. Consequently, KPS had to increase the earn-out obligations for the two companies and this exerted a one-off negative impact of 1.2 million euros on the earnings before interest, income taxes and depreciation during the third quarter. EBITDA at 5.4 million euros was therefore 5.3 % below the year-earlier quarter (Q3 2017/2018: 5.7 million euros), which corresponds to an EBITDA margin of 12.1 % (Q3 2017/2018: 13.6 %). Adjusted for this one-off effect, EBITDA at 6.6 million euros would have been 15.8% higher than in the same quarter of the previous year. In a 9-month comparison, EBITDA at 18.7 million euros is significantly above the year-earlier comparison at 23.8 % (9M 2017/2018: 15.1 million euros). This corresponds to an EBITDA margin for the first nine months of 2018/2019 of 13.8 % (9M 2017/2018: 11.6 %).

“The figures for the third quarter highlight the fact that we made the correct acquisitions. The new companies are undergoing above-average development within the KPS Group and they are contributing to the success of the entire Group. Our customers value our one-stop offering from strategic consultancy through sector-specific process chains to implementation of the latest technologies all from a single source. The new employees are well integrated within our group of consultants and we are able to leverage synergies in order to make our business even more profitable. We are confident that the new companies will make a substantial contribution to the growth of KPS in the future,” commented Leonardo Musso, Chief Executive Officer of KPS, on developments in the third quarter.

The excellent positioning of Infront Consulting & Management is reflected in the award as “Best Company for Strategic Development and Digitalization” bestowed by business magazine brand eins and the statista statistics portal. Furthermore, KPS as well gained several leading positions in this ranking for consultancy companies for the sixth time in succession. KPS was awarded the accolades of being the best consultant for consumer goods and retail, and for IT

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strategy and IT implementation. In addition, KPS took the top spot for the first time as the best consultant in the category Internet & E-Commerce.

As a leading European management consultant for business transformation and process optimization, KPS succeeded in acquiring three high-volume customer projects over the course of the third quarter 2018/2019. Along with a good mix of projects and customers, and a further reduction of dependence on individual major customers, KPS has established the platform for successful growth of the company. Against this background, the Executive Board of KPS AG confirms the forecast for the business year 2018/2019 issued in January 2019. The Board expects a slight increase in sales to between 170 and 180 million euros, along with 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 continuing to maintain their strategy of driving forward innovation, industrialization and internationalization.

The detailed quarterly release is available for download with immediate effect at www.kps.com.

29 July 2019

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 percent. With around 1000 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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