



Computacenter - Q1 2020 Trading Update

April 23, 2020
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Computacenter plc

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE
PURPOSE OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) No.
596/2014.

FOR IMMEDIATE RELEASE

Computacenter plc

Q1 Trading Update - 23 April 2020

Computacenter plc ("**Computacenter**", the "**Company**" or the "**Group**"), a leading independent technology partner trusted by large corporate and public sector organisations, today publishes a trading update, based on unaudited financial information, for the first quarter to 31 March 2020 ("**the quarter**").

Overview

Trading across the Group in the quarter has been pleasing given the current conditions. At the Group level, revenue has reduced slightly compared to Q1 2019 however profitability has remained in-line with the previous year.

Current trading impact of COVID-19

Current trading has been more robust than we anticipated at the start of this crisis. There has been a marked difference in need from customer to customer dependent upon which sector their business is in. There has been a surge in demand from many of our customers to enable business continuity particularly around homeworking and network resilience. Conversely, particularly in the industrial sector, where a large number of our customers have had to cease production, our engineers and consultants are unable to work. To mitigate the cost of carrying these staff, but retaining them for the long term, we have placed approximately 10 per cent of Computacenter's employees across Europe, on wage-subsidy programmes utilising various governments' initiatives. The majority of these employees are engineers, project

managers and consultants.

Dividend

Whilst the Group's cash position is strong and trading is in-line with our expectations, the Company continues to explore all opportunities to maintain cashflow and preserve cash balances in light of heightening macro-economic uncertainty directly related to the COVID-19 crisis and its duration. The Company has received, and approved, a number of requests for extended payment terms and continues to look for ways to support the short term cashflow of our smaller customers or those customers that have been materially affected by the impact of COVID-19.

Accordingly, the Board believes it is prudent to no longer propose the payment of a final dividend in respect of the financial year ended 31 December 2019. Resolution 4 set out in the Notice of Annual General Meeting 2020 will therefore not be put to a vote at the AGM, and the 2019 final dividend will not be paid. The Board recognises the importance of dividends to shareholders, and the Company prides itself on a long track record of paying dividends and other special cash returns. The Company will continue to monitor the current crisis and resume distributing cash to shareholders as soon as it is appropriate.

Group Outlook

Given the factors on the business, mentioned above, we are confident in the short-term outlook and the Board believes that the pre-tax profit performance in the first half of 2020 will be broadly in-line with, or slightly ahead of, that of the first half of 2019. The second half of the year is more difficult to predict but currently our full year expectations remain unchanged.

As we emerge from the current crisis and return to business as usual, we look forward to welcoming our furloughed employees back to the business to once again deliver for our customers. In the coming weeks we intend to reconsider the extent of our involvement in the UK Government's Coronavirus Job Retention Scheme that has been enormously helpful in the early and very uncertain days of this crisis.

While it wouldn't surprise us to see a short-term dip in demand, as enterprises return to work, we believe that the need to invest in technology and in particular a robust IT infrastructure has been brought in to clear focus by recent events.

Our next scheduled trading update is the announcement of our Interim Results on Wednesday 9 September 2020.

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