

# PRESS RELEASE

## msg Achieves Record Revenue Yet Again

*msg generated the highest revenue in the history of the company yet again in fiscal year 2018. The IT and consulting company plans further growth in the lead up to its 40th anniversary next year, with 2,000 new hires and investments in business consulting and ecosystem-based business.*

Munich, July 4, 2019. Munich-based IT and consulting company msg generated record revenue in 2018, bringing in 961 million euro, an approximately 10 percent increase in revenue compared to the year before. That further means the company has seen constant growth since being founded in 1980. “We want to sustain this strong trend in the years to come by continuing to develop our service portfolio in accordance with market demands”, comments Hans Zehetmaier, CEO of msg.

### **Artificial intelligence and machine learning: innovation and long-term industry experience**

Thanks to their ability to closely dovetail their extensive know-how in nine different industries and their competence in consulting, technology and products, msg was able to secure end-to-end deliverability for their customers again in 2018. Among the aspects contributing to this positive trend were the stronger focus on the topics of artificial intelligence (AI) and machine learning (ML); a development that was further reflected by the strategic partnership they entered into with AI specialist Insiders Technologies GmbH in 2018.

### **Successful SAP partnership**

2018 was msg’s most successful year for SAP reseller business. Top sellers in license sales were the high-performance controlling solution SAP Profitability and Performance Management and SAP S/4HANA for financial products subledger – both msg products sold by SAP. The partnership with SAP continues to play an important role in the development of product-based solution approaches at msg, especially in the insurance and food industries. As an SAP partner, msg successfully completed numerous migration projects to SAP S/4 HANA in 2018. Particularly significant among those was the migration at R+V Versicherung – the first comprehensive migration in Germany of an SAP IT landscape to the SAP HANA database platform in the field of primary insurance.

### **Increased business consulting and ecosystem-based business**

msg's market strategy going forward will continue to rely on their highly-developed industry expertise, which enables them to be deeply involved in the shaping and restructuring of their customers' core processes. Looking ahead, the IT and consulting company will also expand their presence as a service provider and partner for ecosystems and as a platform developer and operator.

"Business consulting is also an essential part of our overall strategy for increasing our focus on platform and ecosystem-based business," explains Zehetmaier, adding, "Our cross-industry strategic consulting helps our customers gain a comprehensive overview of the new business models that are possible. Together we are able to identify problems early on and find the right IT solutions. As a result, we plan to strengthen our position along the interface between business and IT going forward, offering our customers a strong overall range of consulting and IT products."

### **Key to success: collaboration and openness**

2019 will see a push for 11 percent revenue growth, followed by the hiring of 2,000 new employees over the course of the next 1 to 2 years. In order to get the most out of the potential the overall msg group holds, the current company-wide collaboration will be intensified even further. "The msg group really benefits from the fact that the employees at our different locations enjoy such a close exchange with our customers and from our local presence – not just in German speaking regions, but internationally as well," says Hans Zehetmaier. "The entire msg group can benefit from these valuable experiences by bundling our different competences even more. This will allow us to react to changing customer needs in the future and to implement new cross-industry business models, such as in the fields of mobility or health, for example."

### **msg**

msg is an independent, international group of companies with more than 7,500 employees around the world. The group of companies offers a holistic service spectrum of creative, strategic consulting and intelligent, sustainable and value-added IT solutions for the following industries: automotive, financial services, food, insurance, life science & healthcare, public sector, telecommunications, travel & logistics, as well as utilities, and has acquired an excellent reputation as an industry specialist over the course of almost 40 years in business. Within the group, independent companies cover the wide variety of industry and issue-based competence: msg systems ag forms the core of the company group and works in close cooperation with the subsidiaries, both on a business and organizational level. This allows the competence, experience and know-how of all the members to be bundled into a holistic solution portfolio with measurable added value for its customers.

msg holds sixth place in the ranking of IT consulting and system integration companies in Germany.

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