

P R E S S R E L E A S E

Ctac records higher revenue, EBITDA and net result in third quarter

's-Hertogenbosch (the Netherlands), 29 October 2020 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today publishes its trading update for the third quarter of 2020.

Key figures

(x € million) unless stated otherwise	2020 through Q3	2019 through Q3	Delta	2020 Q3	2019 Q3	Delta
Revenue	63.4	61.1	+3.6%	21.0	19.8	+6.1%
EBITDA	6.1	5.6	+8.9%	2.6	2.3	+13.0%
EBIT	2.3	1.5	+53.3%	1.3	1.1	+18.2%
Net result	1.5	0.9	+66.7%	0.9	0.8	+12.5%

Highlights third quarter 2020

- Revenue 6.1% higher at € 21.0 million
- EBITDA 13% higher at € 2.6 million
- EBIT 18% higher at € 1.3 million
- Net result 12.5% higher at € 0.9 million

Highlights first nine months of 2020

- Revenue up 3.6% at € 63.4 million
- Increased demand for XV licences
- Stable revenue Cloud Services
- Consulting revenue increases by 7.8% including a rise of EUR 3.7 million (13.2%) as a result of the Purple Square acquisition. The autonomous decrease in revenue of these activities is due to the lower average number of employees within Consulting in 2020 (191) compared to 2019 (205) and is therefore not related to Covid-19. This decline has now come to a standstill.
- Profitability up (largely as a result of increased XV sales)

Outlook 2020

- Covid-19 pandemic results in continuing caution among clients and pressure on growth
- Barring additional government measures as a result of Covid-19 and other unforeseen circumstances, we expect revenue and EBITDA for the full year 2020 to be higher than in 2019.

Henny Hilgerdenaar, Ctac CEO:

Despite the continuing impact of the pandemic on our society, we have been able to report improved results in the third quarter compared with 2019. We are not dissatisfied with Ctac's development in 2020 to date, and we will continue to implement operational improvements and the review of our product portfolio. We expect to complete this review in Q4.

Expectations for our own IP products remain positive and we will continue to intensify our commercial efforts to stimulate further growth. The arrival of the new sales director for Ctac the Netherlands will contribute to this.

In the past months, we have invested considerable energy in the search for talent resulting in 10 new colleagues as of 1 October. Ctac has defined a growth strategy in which staff retention and our attractiveness to new talent are critical to the realisation of our ambitions. Approximately 35% of the new hires originate from the personal networks of our employees. These referral programmes are proving successful. To strengthen our appeal, Ctac has updated its employer brand which is being implemented in October 2020. This will boost Ctac's relevance on the labour market in the coming period.

Pieter-Paul Saasen, Ctac CFO:

Our performance in the third quarter showed an upward trend. Revenue was higher, primarily as a result of the acquisition of Purple Square and higher demand for XV licences. The increase in EBITDA in the third quarter demonstrates the positive impact of our cost control programme.

After a challenging second quarter, we saw a slight recovery in the third quarter as a result of increased consumer confidence. This translated into growth in licences & projects in the Retail domain and our XV Retail activities. We recently also received an order from Galeria Inno, which is currently digitising its entire IT landscape under the leadership of Ctac. This means we can now count Inno as one of the clients that is using our omni-channel platform, including a loyalty programme.

In the real estate sector, we currently see limited willingness to invest when it comes to complete re-platforming. Business is ongoing with existing clients and in the remaining months of 2020 we will have a go-live for a client we have adopted into our Fit4 platform.

During the first months of the Covid-19 outbreak, Belgium felt the impact more than the Netherlands, where we are now seeing a resumption of revenue growth. Despite the relatively strong impact of the outbreak, we expect Belgium to be able to achieve a break-even result in 2020. In France, we have reached agreement on the completion of a project that ended in December 2016. This does not involve any additional costs.

Result third quarter 2020

The net result for the third quarter of 2020 came in at € 0.9 million (third quarter 2019: € 0.8 million).

Shareholders' equity increased to € 20.9 million at end-September 2020 (31 December 2019: € 19.4 million). The increase in the balance sheet total as a result of the Purple Square acquisition and the increase in capitalised rights of use under IFRS 16 in particular resulted in a decline in our solvency rate (shareholders' equity/balance sheet total) to 36.0% at end-September 2020 (31 December 2019: 42.9%). Working capital (current assets minus current liabilities) increased by € 1.9 million. Ctac will recognise the purchase price allocation for Purple Square in its Q4 figures.

Cash flow

We recorded a positive cash flow of € 5.5 million in the first nine months of 2020, partly as a result of deferred payments. Active working capital management is also having an impact. We expect positive net cash flow for the full year 2020 and we do not expect to have any deferred payments outstanding at year-end 2020.

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ABOUT CTAC

As a Business & Cloud Integrator, Ctac helps its clients realise their ambitions. Ctac creates the required business value through constant innovation. Ctac offers a broad portfolio of solutions, including SAP and Microsoft 'on any cloud' solutions, and provides services in the fields of consultancy, managed services, projects, learning and secondment. In addition, Ctac has a number of its own products, including the XV Retail Suite, which consists of an omnichannel-driven Point-of-Sale & Loyalty platform and SaaS-solutions for housing corporations and commercial real estate, respectively Fit4Woco and Fit4RealEstate. In 2020, Ctac had been in business for 28 years and over the years has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors. In 2019, Ctac recorded a revenue of EUR 82 million.

The organisation has a balanced workforce in terms of age, expertise and experience. Ctac sees working together to realise common goals as a high priority. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and its head office is located in 's-Hertogenbosch, the Netherlands in addition to offices in Wommelgem (BE) and Paris (FR).

At the end of September, Ctac had 405 employees (year-end 2019: 397 employees). You will find more information at: www.ctac.nl.

For more information

Ctac N.V.
Meerendonkweg 11
5216 TZ 's-Hertogenbosch

Postbus 773
5201 AT 's-Hertogenbosch
www.ctac.nl

Henny Hilgerdenaar | CEO
Pieter-Paul Saasen | CFO
T. +31 (0)73 - 692 06 92
E. info@ctac.nl

Financial calendar

5 March 2021 : publication annual results 2020
12 May 2021 : Annual General Meeting of Shareholders

Disclaimer

This press release contains statements that provide forecasts of future results for Ctac N.V. and expresses certain intentions, objectives and ambitions on the basis of current insights. Such forecasts are, of course, not free of risks and, in view of the fact that there is no certainty about future circumstances, there is a certain degree of uncertainty. There is a multitude of factors that may underlie the fact that the actual results and forecasts may differ from those described in this document. Such factors may include: general economic and technical developments, scarcity in the labour market, the pace of internationalisation of the market for IT solutions and consulting activities as well as future acquisitions and/or divestments.