

PRESS RELEASE

Ctac N.V. Q1 2022 trading update



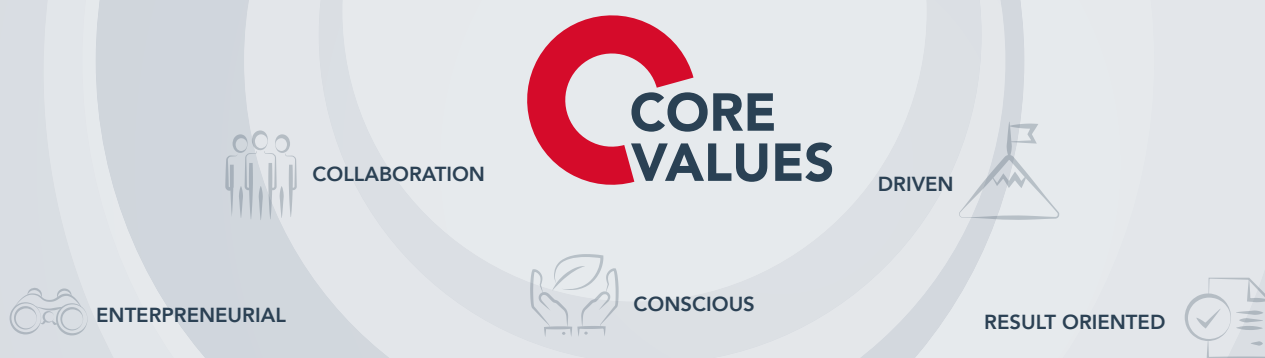
About Ctac

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 Modern Workplace, Integration, Transformation & Change management, Security & Trust and Business Transformation.

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 a SaaS solution for commercial real estate, Fit4RealEstate.

In 2022, Ctac had been in business for 30 years and over the years has built up extensive experience and material know-how in the retail, wholesale, manufacturing, real estate and professional services. In 2021, Ctac recorded revenue of € 106 million with on average 430 FTE and 161 professional hires

Ctac 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 has offices in 's-Hertogenbosch and in Wommelgem (Belgium)



SPEARHEADS



More information

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Pieter-Paul Saasen | CEO

Ctac records strong revenue growth and invests in IT talent and service offering for next growth phase and maintains its targets

's-Hertogenbosch, 29 April 2022 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today provides a trading update on the first quarter (Q1) of 2022.

Highlights Q1 2022

- Revenue rises by 8.0% to € 28.5 million through organic growth (+6.1%) and acquisition of Digimij (+1.9%)
- EBITDA falls by 12.5% to € 2.8 million, largely due to investments in Ctac Security and Ignite change programme, as well as inflation-driven higher costs and lower XV licence sales
- Net result comes in at € 1.0 million, the same as in Q1 2021
- Net cash position improves by 80% to € 5.4 million (end-Q1 2022) from € 3.0 million (end-Q1 2021), driven by higher revenue and the reduction of our long-term bank borrowings

Key figures

€ mln (unless stated otherwise)

	Q1 2022	Q1 2021	Delta
Revenue	28.5	26.4	+8.0%
EBITDA	2.8	3.2	-12.5%
EBIT	1.5	1.7	-11.8%
Net result	1.0	1.0	0.0%

Pieter-Paul Saasen,
Ctac Chief Executive Officer:



"We got off to a good start in 2022, with continued strong revenue growth in the first quarter. Over the past few years, we have not only recorded growth in terms of revenue, but we have also developed strongly as an organisation, in part through acquisitions. To facilitate our next growth phase, we have started the roll-out of a change programme (project Ignite), to make Ctac a more client and talent driven organisation. At the same time, we are investing in strengthening our IT service offering, for instance in the areas of cyber security and privacy. This is also why our operating result came under some slight pressure in the first quarter of 2022.

We are seeing a broader adoption of (public) cloud solutions among our clients. We are anticipating this growth in demand and concluded a new partnership with AWS in the past quarter, in addition to our existing partnership with Microsoft Azure. This enables us to offer clients multiple (hybrid) cloud solutions. The SAP Rise programme offers us opportunities to remain distinctive in the cloud in a new way.

The roll-out of our growth strategy is on track. We are positioning ourselves more and more clearly as a Business & Cloud integrator in the fields of data services, integration, modern workplace and cyber security. Thanks to this positioning, we are playing a more prominent role as a 'director' that can relieve clients of all their IT concerns. This entails not only broadening, but also focusing our portfolio of services. In March, we reached agreement on the sale of the Fit4Woco housing corporation software service, which we completed in April.

Armed with our XV Retail Suite solutions, we are seen as a leader in the retail market and among our clients, both in terms of our vision and for solving bottlenecks. In a world where all sales channels have become (virtually) one, there is a need for one truth, uniformity in experience and agility in architecture. The coming period will be marked by the continued development of our services in this Unified Commerce platform and the continued expansion of our client base. To do this, we will make increasing use of the innovative power of our key technology partners."

"The current economic and geopolitical uncertainty is affecting the willingness to invest of companies in the Benelux, but so far the impact remains limited. For us, 2022 is also about transforming Ctac into a more client and talent-centric organisation by rolling out the Ignite change programme.

The roll-out of this programme is expected to have a somewhat dampening effect on our operating results in the first and second quarters. Barring unforeseen circumstances, we expect this to pick up in the course of the second half of the year. We therefore reiterate our forecast of an absolute increase in revenue and EBITDA, with single-digit organic revenue growth and an EBITDA margin of 10% -12%."

GROUP PERFORMANCE

Revenue

Revenue came in 8.0% higher at € 28.5 million in Q1 2022. In addition to the Digimij's contribution to revenue growth (1.9%), we also recorded organic growth (6.1%).

Revenue per service € mln	Q1 2022	Q1 2021	Delta
Secondment and projects	16.4	15.6	+5.1%
Cloud services	11.6	10.3	+12.6%
Licence and hardware sales	0.5	0.5	+0.0%
Total	28.5	26.4	+8.0%

Our organic growth was primarily driven by a stronger contribution from Secondment and projects, which was in turn driven by more demand for temporary IT solutions. Ctac's cloud services revenue growth was driven by SAP Rise deals. Q1 2022 licence and hardware sales were the same as in Q1 2021. On the one hand, our hardware sales increased as a result of the acquisition of Digimij, while on the other licence sales declined slightly, mainly on the XV front, due to the Inno project in 2021.

Staff FTEs (unless stated otherwise)	Q1 2022	Q1 2021	Delta
Year-end			
Direct	350	317	+10.4%
Indirect	102	100	+2.0%
Total	452	417	+8.4%
Average			
Direct	349	321	+8.7%
Indirect	102	98	+4.1%
Total	451	419	+7.6%
Professional hires (direct)	168	132	+27.3%

The number of direct FTEs had risen by 8.4% to 452 at end-Q1 2022, as a result of the acquisition of Digimij and our recruitment efforts. The average number of FTEs rose by 7.6% to 451. The average number of direct FTEs increased by 8.7%. The number of indirect FTEs also increased. In addition to this, we also saw an increase in the number of direct professional hires, in connection with the growth in Secondment and projects.

Revenue per employee (on the basis of the average number of direct FTEs, including professional hires) declined to € 55,000 in Q1 2022 (Q1 2021: € 58,000). This decline was due to our strategic and successful investment in the Ctac Masterclass, to recruit and retain more IT talent.

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EBITDA and EBIT

€ mln (unless stated otherwise)

	Q1 2022	Q1 2021	Delta
EBITDA	2.8	3.2	-12.5%
<i>Margin</i>	9.8%	12.1%	-2.3%
Depreciation and amortisation	1.3	1.5	-13.3%
EBIT	1.5	1.7	-11.8%
<i>Margin</i>	5.3%	6.4%	-1.1%

EBITDA declined by 12.5% to € 2.8 million, resulting in an EBITDA margin of 9.8%. EBIT declined by 11.8% to € 1.5 million, which resulted in an EBIT margin of 5.3%. The decline was largely due investments in Ctac Security, our internal change programme Ignite, as well as higher costs as a result of inflation and lower XV licence sales.

FINANCIAL STRENGTH

€ mln (unless stated otherwise)

	Q1 2022	Q1 2021	Delta
Operational cash flow	1.3	-0.2	+750.0%
Net cash (end-Q)	5.4	3.0	+80.0%
Headroom (end-Q)	15.3	13.5	+13.3%

Ctac's financial strength continued to improve in Q1 2022. Our operational cash flow, net cash position and borrowing capacity all improved. The rise in operational cash flow was driven by the higher receivables position at 31 March 2021, due in part to the acquisition of Oliver in 2021 and higher revenue.

In Q1 2022, Ctac paid cash for 10% of the remaining shares in Oliver and 20% of the remaining shares in Purple Square. Despite these payments, Ctac's net cash position improved when compared with the first quarter of last year.

Ctac has not yet used its current credit facility and our headroom amounted to € 15.3 million at end-Q1 2022. Our liquidity position is healthy and this puts Ctac in a good position for continued growth.



FINANCIAL CALENDAR

4 May 2022	: General Meeting of Shareholders
29 July 2022	: Publication 2022 interim figures
30 September 2022	: Capital Markets Day
26 October 2022	: Q3 2022 trading update

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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.