

PRESS RELEASE

# Ctac N.V. 2022 annual results



# 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 SaaS solutions for commercial real estate, Fit4RealEstate.

In 2023, Ctac has been in business for 31 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 2022, Ctac recorded revenue of € 118 million with on average 463 FTE and 182 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



SAP S/4HANA



Data services



Integration



Cybersecurity



XV-platform



Modern workplace

## More information

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Pieter-Paul Saasen | CEO

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## FINANCIAL AGENDA

13 April 2023	:	Annual General Meeting of Shareholders
26 April 2023	:	Trading update Q1 2023
28 July 2023	:	Publication half-year results 2023
26 October 2023	:	Trading update Q3 2023

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# Ctac closes 2022 with higher revenue and profit

Project phase of Ignite change programme close to completion;  
basis strengthened for future growth

's-Hertogenbosch (the Netherlands), 17 February 2023 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its full year results for 2022.

## Highlights 2022

- Revenue +10.6% (+8.0% organic) to € 117.7 million
- EBITDA +2.5% to € 12.3 million; margin of 10.5% in line with target for 2022
- Net profit +6.4% to € 5.0 million
- Operating cash flow of € 6.1 million and net cash of € 5.4 million
- Optional dividend proposed of € 0.12 per share (pay-out ratio: 35%)

## Highlights fourth quarter 2022

- Revenue +8.2% driven by strong contribution Secondment and projects
- EBITDA +7.9% to margin of 12.9%; EBIT +12.5%

## Outlook

- Single-digit organic revenue growth and EBITDA margin of between 11% and 13% in 2023

## Key figures

€ mln (unless stated otherwise)

	2022	2021	Delta	Q4-2022	Q4-2021	Delta
Revenue	117.7	106.4	+10.6%	31.8	29.4	+8.2%
EBITDA*	12.3	12.0	+2.5%	4.1	3.8	+7.9%
EBIT*	6.9	6.5	+6.2%	2.7	2.4	+12.5%
Net result	5.0	4.7	+6.4%	2.1	2.0	+5.0%
Operational cash flow	6.1	9.5	-35.8%			
Net cash (per year-end)	5.4	7.5	-28.0%			

\*) Including one-time effects of € 1.0 miljoen in 2022 and € 1.0 miljoen in 2021 respectively

## Pieter-Paul Saasen, Ctac CEO:



*"We can look back on a good 2022, with growth in both revenue and profit. Ctac's solid performance shows the strength of our positioning as a Business & Cloud Integrator and the continued demand from our markets for solutions to accelerate digital transformation.*

*For us, the year was largely dominated by the Ignite change programme, as part of our efforts to prepare the organisation for our next growth phase. In the fourth quarter, we virtually completed the project phase of this programme and transferred the key elements required to make our operations future-proof and more scalable to the line organisation. These include a new customer service concept based on building sustainable client relationships, plus a new organisational model with a business unit structure that is better aligned with our strategy and offers more opportunities for talent development.*

*We have made solid progress in the integration of the various acquisitions we have made in recent years. We have centralised our expertise, knowledge and skills and made these more secure, and we have strengthened our reciprocal commercial cooperation. This has led to more joint successes, putting us in a better position to help our clients solve the full range of their digitalisation issues.*

*We also further strengthened our positioning with the new partnership we agreed with AWS earlier in 2022 and the upgrade of our partnership with SAP, for which we will act as a Strategic Partner from 2023 onwards. This will allow us to work more closely together and respond more effectively to the wider adoption of public and hybrid cloud solutions we are seeing in the market.*

*In addition, over the past year our Unified Commerce Platform XV has once again proven itself as a powerful software service for retailers in an environment that is undergoing rapid change. By continuously developing the platform, we have been able to once again win commitments from clients for several years ahead. Thanks to our XV masterclasses, we have also been able to recruit and add a substantial number of new talents to our team.*

*Although market conditions are challenging, we believe we are well positioned to continue our growth and financial performance in the coming period. With the completion of the project phase of Ignite, Ctac is also entering its next phase of development. In the second half of 2023, we will provide an update on our growth strategy for a new three-year period."*

## GROUP PERFORMANCE

### Revenue from contracts with customers and other income

In 2022, revenue from contracts with clients came in at € 117.7 million, an increase of 10.6% (organic 8.0%), driven mainly by Secondment and projects.

Revenue per service € mln	2022	2021	Delta
<b>Secondment and projects</b>	<b>70.3</b>	61.0	+15.2%
<b>Cloud services</b>	<b>44.8</b>	42.2	+6.2%
<b>Licence and hardware sales</b>	<b>2.6</b>	3.2	-18.8%
<b>Revenue from contracts with clients</b>	<b>117.7</b>	106.4	+10.6%
<b>Other income</b>	<b>0.7</b>	-	+100.0%

Revenue from **Secondment and projects** increased by 15.2%, driven by strong demand for secondment activities and the acquisitions of Digimij and Technology2Enjoy acquired in October 2021 and June 2022 respectively. The Technology2Enjoy acquisition also increased the **public sector's** revenue share to € 6.4 million in 2022 (first nine months of 2022: € 4.2 million). Revenue from **Cloud services** came in 6.2% higher, primarily due to continued demand for cloud migration from private to public environments. **Security services** revenue is divided between Secondment and projects and Cloud services and rose to around € 4.3 million, which was higher than in 2021. Revenue from **Licence and hardware sales** declined by 18.8%, due to the shift to public cloud environments.

**Other income** relates to the book profit from the sale of the Fit4Woco corporate software service. This has a normalised effect on the margin of € 0.2 million.

Staff FTE (unless stated otherwise)	2022	2021	Delta
<b>Per year-end</b>			
<b>Direct</b>	<b>385</b>	340	+13.2%
<b>Indirect</b>	<b>92</b>	104	-11.5%
<b>Total</b>	<b>477</b>	<b>444</b>	+7.4%
<b>Average</b>			
<b>Direct</b>	<b>371</b>	329	+12.8%
<b>Indirect</b>	<b>92</b>	101	-8.9%
<b>Total</b>	<b>463</b>	<b>430</b>	+7.7%
<b>Professional temporary staff (direct)</b>	<b>182</b>	161	+13.0%

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The average number of direct FTEs increased by 12.8% as a result of the recruitment of new talent and acquisitions. Our recruitment efforts also helped us to lower the average age of our employees to 43.8 years (2022: 44.5). The average number of indirect FTEs declined by 8.9% due to increased focus in the organisation. In addition, we saw an increase in the number of professional temporary staff related to revenue growth in Secondment and projects.

Due to our investments in knowledge development and training of young IT talent as part of the Ignite change programme, revenue per employee (based on average number of direct FTEs, including professional temporary staff) declined by 2.0% to € 213,000.

<b>EBITDA en EBIT</b> € mln (unless stated otherwise)	<b>2022</b>	<b>2021</b>	<b>Delta</b>
<b>EBITDA</b>	<b>12.3</b>	12.0	+2.5%
<i>Margin</i>	<i>10.5%</i>	11.3%	-0.8%
<b>Depreciation and amortisation</b>	<b>5.4</b>	5.5	-1.8%
<b>EBIT</b>	<b>6.9</b>	6.5	+6.2%
<i>Margin</i>	<i>5.9%</i>	6.1%	-0.2%

EBITDA rose 2.5% to € 12.3 million, which translates into an EBITDA margin of 10.5%, which was in line with the previously issued target for 2022. The margin development was depressed by the investments we made in the Ignite change programme and in IT talent.

EBIT increased by 6.2% to € 6.9 million, taking the EBIT margin to 5.9%. The EBIT included around € 1.2 million in non-recurring expenses (2021: € 1.0 million). In 2022, these one-off charges consisted of consultancy costs for acquisitions, consultancy costs for the Ignite change programme and redundancy costs. The sale of the Fit4Woco housing corporation software has a normalised effect on the margin of € 0.2 million. Excluding one-off effects EBIT increased by 5.3% to € 7.9 million (2021: € 7.5 million).

## PERFORMANCE PER CORE REGION

These figures include intercompany results.

<b>Netherlands</b> € mln (unless stated otherwise)	<b>2022</b>	<b>2021</b>	Delta
<b>Revenue from contracts with clients</b>	<b>100.8</b>	88.7	+13.6%
<b>EBITDA</b>	<b>10.5</b>	10.7	-1.9%
<i>Margin</i>	<b>10.4%</b>	12.1%	-1.7%
<b>EBIT</b>	<b>5.4</b>	5.5	-1.8%
<i>Margin</i>	<b>5.4%</b>	6.2%	-0.8%

In the Netherlands, revenue increased by 13.6%, driven in part by acquisitions and in part by organic growth. EBIT came in at € 5.4 million, a decline of 1.8%, due to higher non-recurring costs and the fact that there were two working days less in 2022 than in 2021.

<b>Belgium</b> € mln (unless stated otherwise)	<b>2022</b>	<b>2021</b>	Delta
<b>Revenue from contracts with clients</b>	<b>22.1</b>	22.7	-2.6%
<b>EBITDA</b>	<b>1.8</b>	1.3	+38.5%
<i>Margin</i>	<b>8.1%</b>	5.7%	+2.4%
<b>EBIT</b>	<b>1.5</b>	1.0	+50.0%
<i>Margin</i>	<b>6.8%</b>	4.4%	+2.4%

In Belgium, revenue was down by 2.6%, reflecting the inclusion of a major retail project in the 2021 full year results. EBIT rose to € 1.5 million, an increase of 50.0%, driven by the optimisation of the organisational structure. There was one less working day in 2022 compared with 2021.



## NET PROFIT

€ mln (unless stated otherwise)	2022	2021	Delta
<b>Financial expenses</b>	-0.5	-0.5	0.0%
<b>Taxes</b>	-1.4	-1.3	-7.7%
<b>Net result</b>	<b>5.0</b>	4.7	+6.4%
<b>Earnings per share (in €)</b>	<b>0.34</b>	0.33	+3.0%

The tax rate fell to 21.2% (2021: 22.2%) due to the increase in the threshold for the reduced tax rate.

Net profit increased by 6.4% to € 5.0 million. Earnings per weighted average outstanding ordinary share were € 0.34 (2021: € 0.33).

The total number of outstanding ordinary shares stood at 13,931,648 at year-end 2022, an increase of 2.2% or 294,336 shares. This increase was due to the fact that the dividend for the 2021 financial year was paid out partly in shares.

## FINANCIAL STRENGTH

€ mln (unless stated otherwise)	2022	2021	Delta
<b>Operational cash flow</b>	<b>6.1</b>	9.5	-35.8%
<b>Net cash (per year-end)</b>	<b>5.4</b>	7.5	-28.0%
<b>Headroom*</b>	<b>14.6</b>	17.6	-17.0%

\*) headroom is defined as cash and cash equivalents + existing credit facilities

Operating cash flow came in at a positive € 6.1 million (2021: € 9.5 million). This decline was driven by a strong increase in current liabilities in 2021 compared with 2020 due to the acquisition of Oliver and Digimij. In addition, regular working capital management (accounts receivable and accounts payable) did not include any exceptional items.

In 2022, the acquisition of Technology2Enjoy, 10% of the remaining equity stake in Oliver, 20% of the remaining equity stake in Purple Square and an earn-out tranche to Digimij were paid in cash. The current credit facility stood at € 7.2 million at year-end 2022, resulting in headroom of € 14.6 million. The facility is committed through to April 2024. Ctac repaid € 0.9 million in loans in 2022.

The liquidity position is healthy and puts the company in a good starting position for continued growth.

## BALANCE SHEET

At year-end 2022, intangible assets declined by € 0.7 million to € 28.7 million as a result of – on balance – € 0.7 million of investments related to the Technology2Enjoy acquisition, the sale of Fit4Woco and regular amortisation.

Deferred tax assets increased due to the formation of a deferred tax asset related to recognised losses arising from the Technology2Enjoy acquisition. Other non-current receivables increased due to a portion of the purchase price for the sale of Fit4Woco still to be received.

Trade and other receivables increased by approximately € 4.0 million to € 25.4 million, mainly due to higher revenue.

Equity had increased to € 30.9 million at year-end 2022 (year-end 2021: € 27.2 million). Net profit attributable to Ctac N.V. shareholders for 2022 (€ 4.7 million), the 2021 dividend paid partly in shares (€ -0.3 million) and payments to minority shareholders (€ -0.7 million) are included in equity.

Short-term and long-term lease liabilities stood at € 10.1 million at year-end 2022 (year-end 2021: € 10.9 million). Bank borrowings are entirely related to the financing of the Purple Square acquisition and amount to € 2.0 million, € 0.9 million of which is short-term.

Total earn-out obligations to minority shareholders stood at € 0.8 million at year-end 2022 and are entirely current (2021: € 2.8 million).

Trade and other payables stood at € 29.5 million at year-end 2022 (year-end 2021: € 28.9 million). This increase was partly due to the consolidation of Technology2Enjoy.

## DIVIDEND

Ctac will propose to the General Meeting of Shareholders a pay out of an optional dividend of € 0.12 per ordinary share for the 2022 financial year (2021: € 0.11 per share). This represents a pay-out ratio of around 35% of net income, in line with the dividend policy.

## STRATEGY

Ctac is positioning itself more and more as a Business & Cloud Integrator. This strategy is aimed at taking leading positions in the domains: Modern Workplace, Integration, Transformation & Change Management, Security & Trust and Business Transformation.

Ctac focuses entirely on growth in its core markets the Netherlands and Belgium, which the company can realise both organically and through acquisitions. The aim is to achieve a balanced spread across sectors with products and services that can serve multiple markets.

The project phase of the Ignite change programme is close to completion. Ctac is as good as ready for the next phase in its development. In the second half of 2023, Ctac will issue an update that will set out the growth strategy for a new three-year period.

## OUTLOOK

The war in Ukraine has led to geopolitical uncertainty which also affects the IT services market. At the same time, the digital transformation of both companies and public sector organisations is expected to continue unchanged in the coming years.

With a well-filled pipeline and a solid financial position, Ctac is in a strong position to continue its growth and financial performance. The company's financial position also provides sufficient room for potential new acquisitions.

Barring unforeseen circumstances, Ctac expects to realise single-digit organic revenue growth and an EBITDA margin of 11% - 13% in 2023.

## OTHER

Ctac N.V.'s home member state for the purposes of the European Union Transparency Directive (Directive 2004/109/EC, as supplemented) is the Netherlands.

## ADDENDA

## CONSOLIDATED BALANCE SHEET

(amounts in € x 1.000)

	31-12-2022	31-12-2021
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible fixed assets	28,694	29,382
Right of use assets	9,908	10,715
Tangible fixed assets	1,227	824
Deferred tax assets	1,340	782
Other long term receivables	1,378	400
	<b>42,547</b>	<b>42,103</b>
<b>CURRENT ASSETS</b>		
Inventories	200	64
Trade receivables	14,747	13,154
Other receivables	10,645	8,285
Cash and cash equivalents	7,439	10,404
	<b>33,031</b>	<b>31,907</b>
	<b>75,578</b>	<b>74,010</b>
<b>LIABILITIES</b>		
Issued share capital	3,344	3,273
Share premium reserve	11,455	11,526
Other reserves	10,234	6,796
Result financial year	4,728	4,455
Attributable to shareholders Ctac N.V.	29,761	26,050
Minority interest	1,171	1,111
<b>GROUP EQUITY</b>	<b>30,932</b>	<b>27,161</b>
<b>LONG TERM LIABILITIES</b>		
Long term debt and bank liabilities	1,125	2,025
Lease obligations	7,279	7,941
Other long term liabilities	1,054	1,902
Deferred tax liabilities	1,620	1,610
	<b>11,078</b>	<b>13,478</b>
<b>SHORT TERM LIABILITIES</b>		
Lease obligations	2,858	2,973
Short term debt and bank liabilities	900	900
Provisions	58	433
Trade creditors and other liabilities	29,543	28,869
Income tax to be paid	209	196
	<b>33,568</b>	<b>33,371</b>
	<b>75,578</b>	<b>74,010</b>

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### CONSOLIDATED PROFIT AND LOSS STATEMENT

(amounts in € x 1,000)

	2022	2021
Revenue from contracts with clients	117,672	106,424
Other income	704	-
<b>EXPENSES</b>		
Purchase costs of hard- en software	9,223	9,388
Subcontractors	35,807	26,956
Personnel costs	48,156	47,162
Depreciation and amortisation	5,392	5,587
Other operating costs	12,897	10,869
<b>Total expenses</b>	<b>(111,475)</b>	<b>(99,962)</b>
<b>Operating result (EBIT)</b>	<b>6,901</b>	<b>6,462</b>
<b>EBITDA</b>	<b>12,293</b>	<b>12,049</b>
Financial expenses	(502)	(465)
<b>Total financial expenses</b>	<b>(502)</b>	<b>(465)</b>
<b>Result before taxes</b>	<b>6,399</b>	<b>5,997</b>
Taxes	(1,356)	(1,332)
<b>Net result</b>	<b>5,043</b>	<b>4,665</b>
Minority interest	315	210
Attributable to shareholders Ctac N.V.	4,728	4,455
<b>Net result</b>	<b>5,043</b>	<b>4,665</b>

## PRESS RELEASE

### PROFIT PER SHARE

	2022	2021
Net result (in € x 1,000)	5,043	4,665
Net result from continued operations (in € x 1,000)	5,043	4,665
Net result from continued operations attributable to shareholders Ctac N.V. (in € x 1,000)	4,728	4,455
<b>Number of shares</b>		
Number of ordinary shares outstanding (start-of-year)	13,637,312	13,555,203
Number of ordinary shares outstanding (year-end)	13,931,648	13,637,312
Weighted average number of ordinary shares outstanding	13,809,008	13,603,100
<b>Net result attributable to shareholders Ctac N.V. per weighted average number of ordinary shares outstanding in (in €)</b>	<b>0.34</b>	<b>0.33</b>
Average share price (in €)	3.85	4.04
Potential dilution of ordinary shares	-	308,737
Number of potential shares outstanding for diluted profit per share	13,809,008	13,911,837
<b>Net result attributable to shareholders Ctac N.V. per share after potential dilution (in €)</b>	<b>0.34</b>	<b>0.32</b>

## PRESS RELEASE

### CONSOLIDATED CASH FLOW STATEMENT

(amounts in € x 1,000)

	2022	2021
Operating result	6,903	6,462
Depreciation	5,392	5,587
Profit from sale of intangible fixed assets	(704)	-
Provisions	(375)	(145)
Valuation differences long term liabilities	(260)	192
Changes in working capital		
Inventories	(136)	(11)
Receivables	(3,550)	(3,606)
Short term debt	202	3,020
<b>Cash flow from operations</b>	<b>7,472</b>	<b>11,499</b>
Interest paid	(501)	(423)
Income tax paid	(829)	(1,534)
<b>Cash flow from operating activities</b>	<b>6,142</b>	<b>9,542</b>
Acquisitions	(1,317)	(3,345)
Payments to minority shareholders	(500)	-
Divestments/investments intangible fixed assets	929	(601)
Investments tangible fixed assets	(817)	(237)
Investments financial fixed assets	(978)	(149)
<b>Cash flow from investment activities</b>	<b>(2,683)</b>	<b>(4,332)</b>
Long term debt	(900)	(900)
Lease payments	(3,498)	(3,544)
Other long term liabilities	552	-
Paid earn-out obligations	(1,772)	-
Dividend payments to shareholders Ctac N.V.	(309)	(746)
Dividend payments to minority shareholders	(497)	(168)
<b>Cash flow from financing activities</b>	<b>(6,424)</b>	<b>(5,358)</b>
<b>Net cash flow</b>	<b>(2,965)</b>	<b>(148)</b>
Net balance of cash and cash equivalents as per 1 January	10,404	10,552
Net balance of cash and cash equivalents as per 31 December	7,439	10,404
	<b>(2,965)</b>	<b>(148)</b>

## PRESS RELEASE

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(amounts in € x 1,000)

2022	Issued capital	Share premium reserve	Other reserves	Undistributed profit	Attributable to group shareholders Ctac N.V.	Non controlling interests	Group equity
Balance as per 1 January 2022	3,273	11,526	6,796	4,455	26,050	1,111	27,161
Net result financial year	-	-	-	4,728	4,728	315	5,043
Profit appropriation previous financial year	-	-	4,146	(4,146)	-	-	-
Dividend	71	(71)	-	(309)	(309)	-	(309)
Minority interest	-	-	(742)	-	(742)	(255)	(997)
Other changes	-	-	34	-	34	-	34
Balance as per 31 December 2022	3,344	11,455	10,234	4,728	29,761	1,171	30,932

2021	Issued capital	Share premium reserve	Other reserves	Undistributed profit	Attributable to group shareholders Ctac N.V.	Non controlling interests	Group equity
Balance as per 1 January 2021	3,253	11,546	4,658	3,032	22,489	-	22,489
Net result financial year	-	-	-	4,455	4,455	210	4,665
Profit appropriation previous financial year	-	-	2,286	(2,286)	-	-	-
Dividend	20	(20)	-	(746)	(746)	-	(746)
Minority interest	-	-	-	-	-	921	921
Paid to third parties	-	-	(148)	-	(148)	(20)	(168)
Balance as per 31 December 2021	3,273	11,526	6,796	4,455	26,050	1,111	27,161



## PRESS RELEASE

### 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.