

Barendrecht, 24 April 2019

Q1 2019: REVENUE GROWTH OF 37%, ORGANIC GROWTH 9%

Key developments:

- Revenue in Q1 2019 up 37% to € 39.4 million (Q1 2018: € 28.7 million)
- Organic revenue growth of 9%
- Reported EBITDA Q1 2019 amounted to € 4.8 million (post-IFRS 16).
- Underlying EBITDA increased 20% to € 3.6 million (Q1 2018: € 3.1 million)
- Acquisition of Additude completed; international expansion through acquisition in Sweden
- Acquisition of BNV Mobility completed; strengthens position in Mobility as a Service market
- ICT reiterates its outlook of further revenue and EBITDA growth for 2019 compared to 2018

Key figures

	Pre-IFRS 16			Post-IFRS 16
(in € millions)	Q1 2019	Q1 2018	Δ	Q1 2019
Revenue	39.4	28.7	37%	39.4
EBITDA	3.6	6.5		4.8
Underlying EBITDA	3.6	3.0	20%	4.8

* EBITDA in 2018 includes a one-off gain of € 3.5 million. This one-off accounting gain was the result of the acquisition of the remaining 50% stake in InTraffic.

Jos Blejje, CEO of ICT Group N.V.: *"I am pleased with how we started 2019, posting a strong revenue and EBITDA growth, to which our acquisitions, InTraffic and most recent Additude, greatly contributed. But also organically we showed a solid performance. We benefited from strong demand in the High Tech and Automotive sector but there are indications that this will level off in the course of the year."*

Financial developments

Revenue increased to € 39.4 million in the first quarter of 2019, compared to € 28.7 million in the first quarter of 2018. Organically, excluding InTraffic (acquired in April 2018) and Additude (acquired in January 2019, consolidated as of February 2019), revenue was up 9%. Organic growth was positively impacted by strong demand in the High Tech and Automotive sector. This is expected to level off in the course of the year.

ICT Netherlands continued its solid performance, with good productivity levels. Strypes Bulgaria and InTraffic both showed improved results over last year. In the segment Other Raster was more or less in line with last year and Improve showed increased results.

Underlying EBITDA, pre-IFRS 16 and excluding the one-off accounting gain increased to € 3.6 million, compared to € 3.0 million in the same period in 2018. Acquisition costs increased from € 0.1 million in the first quarter of 2018 to € 0.5 million in the first quarter of 2019. The underlying EBITDA margin came in at 9.1%. Excluding acquisition costs the margin came in at 10.4%, in line with the first quarter of 2018 (10.3%).

IFRS 16

IFRS 16 'Leases' is effective as of 1 January 2019. Under this new IFRS standard an asset, which is the right to use the leased item, and a financial liability, being the present value of future lease payments to be made, are recognised. Additionally, IFRS 16 leads to a shift from operating lease costs to depreciation and amortisation and financial expenses. In Q1 2019 IFRS 16 had a positive impact on EBITDA of € 1.2 million.

Strategic Themes

ICT has made clear choices in terms of growth. ICT focuses on the themes Smarter Industries, Smarter Cities and Smarter Health. Within these themes ICT delivers the highest added value to its customers.

Smarter Cities showed considerable growth, mainly driven by the acquisition of the remaining 50% stake in InTraffic. In Smarter Industries both the acquisition of Additude (contributing for two months) as well as strong demand in the Automotive sector contributed to the significant growth. The revenue decline in Smarter Health results from flat revenue development at BMA and lower rates in the ICT Healthcare unit.

Revenue split (in € millions)	Q1 2019	Q1 2018	Δ
Smarter Industries	24.9	18.8	+33%
Smarter Cities	10.2	5.7	+79%
Smarter Health	1.9	2.2	-15%
Other	2.4	2.0	+21%
Total revenue	39.4	28.7	+37%

Additude

On 21 January 2019 ICT completed the acquisition of Additude. In line with ICT's strategic direction to expand business into new geographies, ICT foresees Additude to become the platform for the Northern European market offering high-profile industrial technology consulting services.

BNV Mobility

On 26 March 2019 ICT completed the purchase of 65% of the shares of BNV Mobility, one of the leading Smart Mobility Services firms in the Netherlands. Acquiring the majority of the shares of BNV is a logical next step for ICT to accelerate its position in the Mobility as a Service (MaaS) market. BNV Mobility will be consolidated as from April 2019.

Outlook

ICT's management reiterates the outlook given at the announcement of the annual results in March.

ICT is fully focused on profitable growth and will continue to execute its buy-and-build strategy; combining healthy organic growth with selective acquisition opportunities. The employment market for IT talents remains very challenging. Attracting and retaining the right people is a top priority.

ICT is fully committed and confident in its ability to deliver on its long-term objective of increasing annual revenue to € 200 to € 230 million by 2022, while maintaining an EBITDA margin between 10 and 12%. For 2019 ICT expects further revenue and EBITDA growth.

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ICT Group N.V. is a leading industrial technology solutions and services provider. Our specific industry knowledge of various markets, enables us to realise innovative solutions. Approximately 1400 passionate technical specialists are working for the ICT Group. The following subsidiaries are the main operating entities of the ICT Group: ICT Netherlands (ICT Automatisering Nederland B.V.), ICT Belgium (ICT Belgium BVBA), CIS Germany (CIS Solutions GmbH) (66%), Strypes Bulgaria (Strypes EOOD), InTraffic B.V., Raster (Raster Industriële Automatisering B.V. and Raster Products B.V.), Improve (Improve Quality Services B.V.), NedMobiel B.V., OrangeNXT B.V., BMA (Buro Medische Automatisering B.V.) (51%) and Additude (Additude Excellence A.B.).

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