

PRESS RELEASE

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Q3 2020 RESULTS ICT GROUP

Strong third quarter; Revenue up 7%, EBITDA increased by 47%

Highlights Q3 2020

- Revenue up 7% to € 38.3 million (Q3 2019: € 35.9 million), organic revenue growth 3.5%
- EBITDA increased 47% to € 4.7 million (Q3 2019: € 3.2 million); reflecting the effect of measures taken in H1
- EBITDA margin increased to 12.2% compared to 8.8% in Q3 2019

Highlights 9M 2020

- Revenue increased 3% to € 119.7 million (9M 2019: € 115.7 million)
- Organic growth in Q3 compensated the slowdown earlier this year, resulting in flat organic growth YTD
- EBITDA was up 13% to € 13.5 million (9M 2019: € 12.0 million)

Outlook

- Management increases outlook: EBITDA full year 2020 expected in the range of € 18 to € 19 million

Key figures

(in € millions)	Q3 2020	Q3 2019	Δ
Revenue	38.3	35.9	7%
EBITDA	4.7	3.2	47%
	9M 2020	9M 2019	Δ
Revenue	119.7	115.7	3%
EBITDA	13.5	12.0	13%

Jos Blejje, CEO of ICT Group N.V.:

“We are pleased with the results achieved in the third quarter. The recovery that started in June continued during the summer months, resulting in productivity reaching the desired levels again towards the end of Q3. This translated in a positive revenue growth trend year to date. Business activity allowed for hiring again from June onwards, driving organic growth in the third quarter.

To date COVID-19 is having a limited impact on the business, primarily impacting the secondment activities, while the project business sustained its favourable development. Our nearshoring activities in Bulgaria continue their strong performance.

The cost reduction measures taken in the first half year are bearing fruit as evidenced by the strong increase in EBITDA in the third quarter, resulting in a solid improvement of our EBITDA margin to 12.2%.

Although uncertainties in relation to the COVID-19 pandemic limit our visibility, we increase our outlook for the remainder of the year, based on the strong third quarter results and the effects of the measures taken.”

Financial developments

In the third quarter of 2020 revenue increased by 7% to € 38.3 million from € 35.9 million in the same period last year. This increase is partly attributable to the acquisition of Proficium in November 2019 and Esprit in July 2020. Organically, revenue increased 3.5% compared to the third quarter 2019, following the recovery in productivity levels. For the first nine months of 2020 revenue came in at € 119.7 million, a 3% increase compared to the same period last year.

EBITDA showed an increase of 47% to € 4.7 million in the third quarter of 2020 compared to € 3.2 million in the same period in 2019. The measures taken in the first half of the year to streamline the organisation and increase efficiency, impacting both direct and indirect costs, have paid off. Combined with the recovered productivity levels, this resulted in improved profitability. The EBITDA margin increased to 12.2% (Q3 2019: 8.8%). Year-to-date the margin was 11.3% (YTD 2019: 10.4%).

Productivity levels improved in the third quarter, although COVID-19 continued to impact especially the secondment business. The nearshoring activities in Bulgaria performed very well, benefiting from projects being outsourced to Bulgaria. This resulted in increased revenue and improved margins.

To cover the employee participation plan and the LTI-plan (Long Term Incentive) of the Executive Board, ICT issued new shares to preserve cash. 132,096 new ordinary shares were issued, representing an increase of 1.4% of the outstanding share capital. The shares have been admitted to trading on 11 September 2020 after which the number of outstanding shares total 9.697.106 shares.

Outlook

Barring unforeseen circumstances, in particular the economic uncertainties related to COVID-19, management expects that revenue in the second half of 2020 will be higher than in the first half of 2020 with EBITDA for the full year 2020 expected to be in the range of € 18 to € 19 million.

Furthermore we continue to strongly believe in the attractiveness of the long term market perspectives as the digital transformation will continue in all the markets we operate in. We remain fully committed to deliver on our mid-term objective of increasing annual revenue to between € 200 and € 230 million, with a targeted EBITDA margin between 13% and 15%.

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ICT Group N.V. is a leading European industrial technology solutions provider. Our dedicated technical professionals offer our clients services in the field of consultancy, software development, project-based solutions and IT system maintenance. It is our mission to make the world a little smarter every day.

Our specialist knowledge in a variety of industries enables us to realise innovative solutions by linking people, technologies and ideas. With around 1,500 dedicated technical specialists in the field, we are capable of building and integrating new and innovative technologies into relevant business solutions for our customers.

With our Smarter Industries solutions we serve the automotive, manufacturing, high-tech, food, chemical & pharma, oil & gas and logistics industries. Our solutions in Smarter Cities are focused on water, rail and road infrastructure as well as public transport and mobility. Within Smarter Healthcare we provide solutions in the domains of medical data exchange, radiotherapy and obstetrics. Furthermore, ICT Group delivers its own cloud-based software for IoT, digital transformation and artificial intelligence.

ICT Group N.V. operates in the Netherlands, Bulgaria, Sweden, Belgium and Germany.

For further information:

Carla Stuifzand, marketing director

+31 (0)88 908 2000

E-mail: info@ict.nl

www.ict.eu

This press release contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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