

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

# Ctac records 8% rise in net result in 2016 Increases dividend to EUR 0.07 per share Outlook for 2017 excellent

's-Hertogenbosch (the Netherlands), 9 March 2017 – Business and Cloud integrator Ctac N.V. (Ctac)(Euronext Amsterdam: CTAC) today announces its annual results for 2016.

### Key figures

€ mln (unless stated otherwise)	2016	2015	%	Q4 2016	Q4 2015	%
<b>Net turnover</b>	<b>86.2</b>	<b>86.1</b>	<b>0.2</b>	<b>22.8</b>	<b>24.1</b>	<b>-5.7</b>
<b>Operating result</b>	<b>3.1</b>	<b>3.4</b>	<b>-9.0</b>	<b>1.1</b>	<b>1.4</b>	<b>-20.7</b>
<b>Net result</b>	<b>2.6</b>	<b>2.4</b>	<b>8.2</b>	<b>1.3</b>	<b>1.2</b>	<b>8.0</b>
<b>Net earnings per share</b>	<b>0.21</b>	<b>0.19</b>				
<b>Number of employees (headcount)</b>	<b>459</b>	<b>479</b>				

### Highlights

- Net turnover rose by 0.2% to EUR 86.2 million; organic turnover growth came in at more than 6%
- Operating result was down 8.9% at EUR 3.1 million; after adjustment for non-operational effects, operating result was up by almost 8%
- Net result up by 8.3% to EUR 2.6 million
- Bank debt (net) reduced by EUR 1.0 million to EUR 1.7 million at year-end 2016, from EUR 2.7 million at year-end 2015
- Solvency improved to 38.8% at year-end 2016, compared with 33.7% at year-end 2015
- Proposal to pay out (optional) dividend of EUR 0.07 per ordinary share (2015: EUR 0.06 per ordinary share)
- Ctac expects net result for 2017 to be considerably higher than in 2016.

### Henny Hilgerdenaar, Ctac Chief Executive Officer:

*"In 2016, we saw the upward line continue despite the fact that the IT services market is still challenging. Ctac's operating result fell by more than EUR 0.3 million to EUR 3.1 million. However, after adjustment, the operating result rose by 8% to EUR 3.6 million. It should also be taken into account that the 2016 operating result included a EUR 0.8 million higher loss from Ctac France than the 2015 result.*

*In line with our strategy, we have further optimised our solutions and templates by continuing to expand our market know-how and specific expertise. In addition to this, the continued integration of various parts of our business also had a positive impact on our results.*

*Ctac the Netherlands, by far our largest business unit, also performed well in 2016. The share of Cloud Services increased significantly. Ctac's Consultancy operations in fields such as SAP and Microsoft expertise also helped improve results. In addition, our secondment business made a positive contribution to the results. The positive development of these activities bodes well for 2017.*

*The results of Ctac Belgium moved back into profit in 2016 (2015: virtually break-even). It was satisfying to see the progress we made in 2016. We expect to see this progress continue in 2017.*

*The results of Ctac France were once again strongly negative. The operating result for 2016 was EUR 0.8 million worse than in 2015. The loss was due to a single specific project. It turned out during the execution of this project that the legal scope of the agreements reached was not worded clearly enough in the contracts. The project was technically brought to a complete standstill in December 2016. One of the effects of this is that the substantial cash out resulting from the hiring of consultants has also completely stopped. The remaining project risks are now fully under control. Due in part to this, the results of Ctac France will improve very strongly in 2017.*

*On the basis of the results achieved and the improved balance sheet, in line with our dividend policy, we will propose to the general meeting of shareholders to pay out a dividend (optional) of EUR 0.07 per (ordinary) share for 2016 (2015: EUR 0.06 per ordinary share).*

*Aside from the development of the results in France, the continued improvement of Ctac's operational performance was visible in all four quarters. The progress the company made is a good springboard for the continuation of this upward line in 2017. Due in part to the developments in France in 2016, Ctac's results will be considerably higher in 2017.*

## **FINANCIAL DEVELOPMENTS**

### **Turnover and gross margin**

Net turnover came in at EUR 86.2 million in 2016, an increase of 0.2% (2015: EUR 86.1 million). Turnover was up over 6% organically (excluding the turnover from IFS Probity, which was sold in January 2016).

Turnover from consultancy, hosting and management rose to EUR 74.2 million in 2016, from EUR 72.2 million in 2015, an increase of 2.7%. Due to the fact that, among other things, the cost of external hiring increased by 16.1% to EUR 20.9 million in 2016 (EUR 18.0 million in 2015), the gross margin on these activities fell to EUR 53.3 million in 2016, from EUR 54.2 million in 2015.

Turnover from software fell by 34.8% to EUR 3.7 million in 2016, from EUR 5.7 million in 2015. The gross margin on this turnover came in at EUR 1.8 million in 2016 (2015: EUR 2.2 million).

Turnover from maintenance contracts came in 1.7% higher at EUR 8.4 million in 2016, compared with EUR 8.2 million in 2015. The gross margin on these activities fell by EUR 0.1 million to EUR 2.8 million.

Turnover per employee (based on the average number of FTEs on an annual basis) increased by 3.3% to EUR 198,000 in 2016 (2015: EUR 192,000).

### **Operating expenses**

Personnel expenses fell on balance by EUR 1.6 million, or 3.9%, in 2016 when compared with 2015. Due in part to the sale of IFS Probity, the average number of FTEs fell slightly to 434 FTEs in 2016, from 449 FTEs in 2015.

Other operating expenses increased by EUR 0.7 million, or 5.0%, to EUR 15.0 million (2015: EUR 14.3 million).

Depreciations fell by EUR 0.2 million to EUR 1.2 million.

### **Operating result**

The operating result declined to EUR 3.1 million in 2016 (2015: EUR 3.4 million). However, the adjusted operating result, which provides a better comparison, was 8% higher at EUR 3.6 million. The adjustment pertains to income from the innovation box (recognised under corporate income tax in 2016 in accordance with IFRS) and an allocation to an earn-out obligation.

### **Financial income and expenses**

At year-end 2016, net bank debt stood at EUR 1.7 million (year-end 2015: EUR 2.7 million). Net interest expenses remained unchanged at around EUR 0.1 million. Other financial expenses (including the interest on earn-out obligations) also remained at the same level as in 2015. This resulted in an unchanged charge of EUR 0.2 million in 2016 (2015: EUR 0.2 million).

### **Taxes**

Ctac is an innovative company which means we are able to make use of the innovation box for tax purposes. The income from the innovation box recognised in 2016 also includes a number of previous years. Partly on the back of this income, the tax burden was only 9.0% in 2016 (2015: 23.8%).

### **Net profit and earnings per share**

Ctac booked a net profit of EUR 2.6 million in 2016 (2015: EUR 2.4 million). This translated into earnings per share of EUR 0.21 (2015: EUR 0.19) based on the weighted average number of 12,515,497 outstanding ordinary shares. The total number of outstanding ordinary shares was unchanged at 12,515,497 at 31 December 2016.

### **Balance sheet**

As a result of the addition of net profit of EUR 2.6 million for 2016, shareholders' equity had increased to EUR 15.4 million at year-end 2016. In line with reporting standards, the shareholders' equity was calculated prior to the execution of the proposal for profit appropriation.

Trade receivables and other receivables had increased by around EUR 1.1 million to EUR 21.8 million at year-end 2016. The balance sheet total had declined by EUR 0.6 million to EUR 39.8 million at year-end 2016, from EUR 40.4 million at year-end 2015.

The solvency ratio (shareholders' equity / total equity) had improved to 38.8% at year-end 2016, from 33.7% at year-end 2015.

Ctac's net bank debt had dropped to EUR 1.7 million at year-end 2016, from EUR 2.7 million at the end of 2015. The facility agreed with ABN AMRO stood at EUR 6.0 million at the end of 2016. A right of lien was issued on receivables, operating equipment and IP rights as collateral.

### **Cash flow and investments**

The cash flow from operations came in at EUR 4.6 million positive in 2016 (2015: EUR 2.9 million positive). The cash flow from operating activities amounted to EUR 3.1 million positive in 2016 (2015: EUR 2.2 million positive).

In 2016, Ctac invested EUR 0.6 million in (in)tangible fixed assets (2015: EUR 1.2 million). These investments were largely spent on the replacement of ICT infrastructure and new computers.

The negative cash flow of EUR 1.4 million from financing activities was partly due to the payment of EUR 0.2 million in earn-out obligations (2015: EUR 0.5 million). In 2016, Ctac also paid EUR 0.8 million in share dividends.

The net cash flow came in at EUR 1.0 million positive in 2016 (2015: EUR 0.5 million).

### **Proposal profit appropriation**

After careful consideration of the impact of a dividend payment on the net cash flow in 2017, as well as on the shareholders' equity, the composition of same and the other balance sheet components, Ctac will ask to the General Meeting of Shareholders to approve the payment of a dividend of EUR 0.07 per ordinary share from the net profit. The aforesaid proposal is in line with the previously formulated dividend policy. Shareholders will be offered the choice of a payment in cash or shares.

### **Developments after the balance sheet date**

There were no relevant events after the balance sheet date.

## **STRATEGY AND MANAGEMENT ORGANISATION**

Ctac sees it as its mission to enable its clients to realise their ambitions by converting the advantages of information technology into actual business value. This also challenges employees to be ambitious.

Ctac has divided this mission into the following goals:

- Making it easier for (international) clients in the medium-sized and larger business segments to do business by providing appropriate and reliable ICT solutions at acceptable costs. These solutions should make a significant contribution to the sustainable profitability and the competitive strength of these clients to safeguard the continuity of their businesses;
- the continued transition from ERP services provider into a distinctive provider of combined ICT solutions as a Business and Cloud integrator;
- Ctac has a number of own products, including the XV Retail Suite, consisting of an omni-channel-driven Point-of-Sale & Loyalty platform;
- the continued development of the Ctac organisation in line with market potential and the provision of continuity for all stakeholders.

In recent years, Ctac has adapted its organisation and tightened its strategy in such a way that it has transformed the company into a leading Business and Cloud integrator. In 2017 and beyond, Ctac will focus on the formation of integrated – in terms of market and/or expertise – business units that are optimally equipped to provide clients with high-grade and specialist solutions.

The current organisational structure is such that the management team is responsible for the centralised and integrated management of all sales and delivery activities in all countries. In the Netherlands, our services are divided into three sectors: Consultancy (including SAP and Microsoft), Cloud Services and Resourcing. The company's sales activities are managed centrally.

## OUTLOOK

Ctac's improved financial position, the operational progress realised and in particular the improved results recorded in 2016, have all put Ctac in a solid starting position for 2017.

Partly due to the developments in France at the end of 2016 and barring unforeseen exogenous circumstances, Ctac expects the 2017 result to increase considerably.

## OTHER

For the purposes of the Transparency Directive of the European Union (Directive 2004/109/EC, revised), Ctac N.V.'s member state of origin is the Netherlands.

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### About Ctac

As a Business and Cloud integrator, Ctac helps customers realise their ambitions. Ctac creates the required business value through constant innovation. Ctac has a broad portfolio with solutions from SAP and Microsoft on any cloud and provides services in the fields of consultancy, managed services, projects, learning and secondment. Ctac also has a number of its own products, including the XV Retail Suite, which consists of an omni-channel-driven Point-of-Sale & Loyalty platform. Ctac celebrates its 25th anniversary in 2017 and over the past 25 years has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors.

The organisation has a balanced workforce in terms of age, expertise and experience. Working together to realise common goals is a high priority for the company. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and its head office is located in 's-Hertogenbosch, the Netherlands. At year-end 2016, Ctac had 459 employees. Ctac is also active in Belgium and France. For more information: [www.ctac.nl](http://www.ctac.nl).

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### Financial calendar:

9 March 2017	:	Publication annual results 2016
10 May 2017	:	Publication trading update Q1 2017
10 May 2017	:	General Meeting of Shareholders
10 August 2017	:	Publication interim results 2017
2 November 2017	:	Publication trading update Q3 2017

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**Addenda**

Key figures 2016

Consolidated balance sheet 2016

Consolidated profit and loss account 2016 / Consolidated statement of total result 2016

Consolidated cash flow statement 2016

Consolidated statement of changes to shareholders' equity for 2016 and 2015

Segmented information for 2016 and 2015



**CTAC N.V.**

<b>KEY FIGURES</b>	<u>2016</u>	<u>2015</u>
<u>PROFIT &amp; LOSS ACCOUNT</u>		
Net turnover	86.2 m	86.1 m
Gross margin	57.9 m	59.3 m
Operating result	3.1 m	3.4 m
Result from ordinary activities before taxes	2.9 m	3.2 m
Net result	2.6 m	2.4 m
 <u>EMPLOYEES (FTE)</u>		
At 31 December	432	453
On average during the year	435	449
Turnover per employee	198 k	192 k
Turnover per direct employee	237 k	225 k
 <u>RATIOS</u>		
Operating result / net turnover	3.5 %	3.9 %
Net result / net turnover	3.0 %	2.8 %
Net result / average shareholders' equity	18.0 %	19.5 %
Shareholders' equity / total assets	38.8 %	33.7 %
 <u>FIGURES PER SHARE (EUR 0,24 NOMINAL)</u>		
Weighted average number of outstanding ordinary shares	12,515,497	12,515,497
Net result	€ 0.21	€ 0.19
Cash flow	€ 0.32	€ 0.30
Shareholders' equity	€ 1.23	€ 1.09

**CTAC N.V.**

**CONSOLIDATED BALANCE SHEET AS PER 31 DECEMBER**

(amounts in EUR 1,000)

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
FIXED ASSETS		
Intangible fixed assets	14,722	14,791
Tangible fixed assets	2,181	2,633
Financial fixed assets	70	
Deferred tax assets	<u>1,080</u>	<u>596</u>
	18,053	18,020
CURRENT ASSETS		
Trade receivables and other receivables	21,784	20,647
Assets 'Held for Sale'	-	1,616
Cash and cash equivalents	<u>-</u>	<u>84</u>
	21,784	22,347
	-----	-----
	39,837	40,367
	=====	=====
<b>LIABILITIES</b>		
Paid and called up capital	3,004	3,004
Share premium reserve	11,795	11,795
Other reserves	-1,964	-3,572
Result financial year	<u>2,610</u>	<u>2,359</u>
SHAREHOLDERS' EQUITY	15,445	13,586
Third party share	22	438
LONG-TERM LIABILITIES		
Bank liabilities	-	-
Other liabilities	757	769
Deferred tax liabilities	<u>276</u>	<u>102</u>
	1,033	871
SHORT-TERM LIABILITIES		
Bank liabilities	1,687	2,777
Provisions	246	371
Trade creditors and other liabilities	21,181	20,925
Corporate tax payable	223	971
Liabilities 'Held for Sale'	<u>-</u>	<u>428</u>
	23,337	25,472
	-----	-----
	39,837	40,367
	=====	=====





**CTAC N.V.**

	<u>2016</u>	<u>2015</u>
<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>		
(amounts in EUR 1,000)		
Net turnover	86,230	86,092
Purchase value hardware and software	8,687	10,111
Outsourced work	<u>19,638</u>	<u>16,715</u>
TOTAL COSTS OF SALES	<u>28,325</u>	<u>26,826</u>
Gross margin	57,905	59,266
Personnel costs	38,724	40,307
Depreciation and amortisation	1,162	1,352
Other operating costs	<u>14,967</u>	<u>14,255</u>
Total operating expenses	54,853	55,914
OPERATING RESULT	3,052	3,352
Interest income and similar income	21	111
Interest expenses and similar expenses	-112	-212
Other financial expenses	<u>-88</u>	<u>-83</u>
FINANCIAL INCOME AND EXPENSES	-179	-184
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES	2,873	3,168
Taxes	<u>-260</u>	<u>-754</u>
NET RESULT	2,613	2,414
Third party share	<u>-3</u>	<u>-55</u>
ATTRIBUTABLE TO GROUP SHAREHOLDERS	<u>2,610</u>	<u>2,359</u>
Number of shares outstanding at year-end	12,515,497	12,515,497
Number of outstanding weighted shares	12,515,497	12,515,497
Average number of outstanding weighted shares for the calculation of the diluted earnings per share	12,515,497	12,515,497

**CTAC N.V.**

	<u>2016</u>	<u>2015</u>
<b>CONSOLIDATED STATEMENT OF TOTAL RESULT</b>		
(amounts in EUR 1,000)		
Net result, not accounted for in the result	-	-
Net result for the financial year	<u>2,613</u>	<u>2,414</u>
TOTAL RESULT FOR THE FINANCIAL YEAR	<u>2,613</u>	<u>2,414</u>

**CTAC N.V.**

**CONSOLIDATED CASH FLOW STATEMENT**

(amounts in EUR 1,000)

	<u>2016</u>	<u>2015</u>
Operating profit	3,052	3,352
Depreciations and value differences earn out	<u>1,371</u>	<u>1,376</u>
	<b>4,423</b>	<b>4,728</b>
Changes in working capital		
Receivables	-765	-4,723
Short-term debt	<u>265</u>	<u>2,861</u>
	<u>-500</u>	<u>-1,862</u>
<b>Cash flow from operations</b>	<b>3,923</b>	<b>2,866</b>
Interest received	21	111
Interest paid	-152	-181
Profit tax paid	<u>-1,327</u>	<u>-630</u>
	<u>-1,458</u>	<u>-700</u>
<b>Cash flow from operating activities</b>	<b>2,465</b>	<b>2,166</b>
Investments in fixed assets	-641	-1,214
Repayments / withdrawals of long term bank debt	-	-31
Paid earn out obligations	-242	-467
Dividend third parties	-2	-3
Divestment subsidiaries	247	-
Long-term obligations	-70	-
Dividend	<u>-751</u>	<u>-</u>
<b>Cash flow from financing activities</b>	<b>-818</b>	<b>-501</b>
	<b>1,006</b>	<b>451</b>
	=====	=====
Cash and cash equivalents	84	570
Short-term bank debts	<u>-2,777</u>	<u>-3,714</u>
Net balance of cash and cash equivalents as per 1 January	<b>-2,693</b>	<b>-3,144</b>
Cash and cash equivalents	-	84
Short-term bank debts	<u>-1,687</u>	<u>-2,777</u>
Net balance of cash and cash equivalents as per 31 December	<b>-1,687</b>	<b>-2,693</b>
	<b>1,006</b>	<b>451</b>
	=====	=====

**CTAC N.V.**

**CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY FOR 2016**

(amounts in EUR 1,000)

	Issued <u>capital</u>	Share premium <u>reserve</u>	Other <u>reserves</u>	Undistributed <u>profit</u>	Attributable to group <u>shareholders</u>	Third party <u>share</u>	Group <u>equity</u>
Balance as per 1 January 2016	3,004	11,795	-1,964	751	13,586	438	14,024
Dividend				-751	-751		-751
Dividend minority shareholders					-	-419	-419
Net result	-	-	-	2,610	2,610	3	2,613
Balance as per 31 December 2016	3,004	11,795	-1,964	2,610	15,445	22	15,467

**CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY FOR 2015**

(amounts in EUR 1,000)

	Issued <u>capital</u>	Share premium <u>reserve</u>	Other <u>reserves</u>	Undistributed <u>profit</u>	Attributable to group <u>shareholders</u>	Third party <u>share</u>	Group <u>equity</u>
Balance as per 1 January 2015	3,004	11,795	-3,572		11,227	386	11,613
Dividend					-		-
Dividend minority shareholders					-	-3	-3
Net result	-	-	-	2,359	2,359	55	2,414
Balance as per 31 December 2015	3,004	11,795	-3,572	2,359	13,586	438	14,024

**SEGMENTED INFORMATION 2016**

(amounts in EUR 1,000)

	the Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	75,882	14,196	268	-4,116	86,230
Operating result	5,030	120	-2,098		3,052
Financial income	16	11	74	-80	21
Financial expenses	<u>-167</u>	<u>-46</u>	<u>-67</u>	<u>80</u>	<u>-200</u>
Result before tax	4,879	85	-2,091	-	2,873
Taxes	-1,013	-20	773		-260
<b>Result after tax</b>	<b><u>3,866</u></b>	<b><u>65</u></b>	<b><u>-1,318</u></b>		<b><u>2,613</u></b>
<b>DEPRECIATION 2016</b>					
Intangible fixed assets	16	-	213		229
Impairment					-
Tangible fixed assets	<u>874</u>	<u>27</u>	<u>32</u>		<u>933</u>
<b>Total depreciation</b>	<b><u>890</u></b>	<b><u>27</u></b>	<b><u>245</u></b>		<b><u>1,162</u></b>
<b>INVESTMENTS 2016</b>					
Intangible fixed assets	-	-	161		161
Tangible fixed assets	<u>479</u>	<u>3</u>	<u>43</u>		<u>525</u>
<b>Total investments</b>	<b><u>479</u></b>	<b><u>3</u></b>	<b><u>204</u></b>		<b><u>686</u></b>

**SEGMENTED INFORMATION 2015**

(amounts in EUR 1,000)

	the Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	75,408	16,403	1,666	-7,385	86,092
Operating result	4,828	-137	-1,339		3,352
Financial income	35	44	111	-79	111
Financial expenses	<u>-149</u>	<u>-60</u>	<u>-165</u>	<u>79</u>	<u>-295</u>
Result before tax	4,714	-153	-1,393	-	3,168
Taxes	-1,167	-16	429		-754
<b>Result after tax</b>	<b><u>3,547</u></b>	<b><u>-169</u></b>	<b><u>-964</u></b>		<b><u>2,414</u></b>
<b>DEPRECIATION 2015</b>					
Intangible fixed assets	148	120	53		321
Impairment					-
Tangible fixed assets	<u>570</u>	<u>31</u>	<u>430</u>		<u>1,031</u>
<b>Total depreciation</b>	<b><u>718</u></b>	<b><u>151</u></b>	<b><u>483</u></b>		<b><u>1,352</u></b>
<b>INVESTMENTS 2015</b>					
Intangible fixed assets	-	-	619		619
Tangible fixed assets	<u>257</u>	<u>12</u>	<u>326</u>		<u>595</u>
<b>Total investments</b>	<b><u>257</u></b>	<b><u>12</u></b>	<b><u>945</u></b>		<b><u>1,214</u></b>