

2016

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ABOUT ORDINA

Ordina is the largest independent IT services provider in de Benelux, with more than 2,700 employees. We devise, build and manage IT applications in the public sector, financial services sector, in industry and in healthcare. Our goal is IT that truly helps people. IT that matters and that has been developed without wasting any resources. We do this by working with our clients in partnerships for sustainable innovation.

Ordina was founded in 1973. The company's shares have been listed on NYSE Euronext Amsterdam since 1987 and are included in the Small Cap Index (AScX). In 2016, Ordina recorded revenues of EUR 344 million. You will find additional information on our corporate website: www.ordina.com.

KEY FIGURES ORDINA N.V.

	FY 2015	FY 2016	Change FY 2016 on FY 2015
<i>(in thousands of euros, unless indicated otherwise)</i>			
Revenue the Netherlands	271,952	256,105	-5.8%
Revenue Belgium / Luxembourg	76,320	87,470	14.6%
Total Revenue	348,272	343,575	-1.3%
Recurring EBITDA the Netherlands	7,481	12,052	
Recurring EBITDA Margin the Netherlands	2.8%	4.7%	
Recurring EBITDA Belgium / Luxembourg	6,305	9,071	
Recurring EBITDA Margin Belgium / Luxembourg	8.3%	10.4%	
Recurring EBITDA	13,786	21,123	7,337
Recurring EBITDA Margin	4.0%	6.1%	2.2%
Redundancy costs	7,834	5,990	
Costs internal investigation	1,608	-	
Net profit	-3,168	5,038	8,206
Shareholders' equity ¹	141,759	147,404	
Capital asset ratio	60	64	
Intangible fixed assets ¹	134,308	136,162	1.4%
Tangible fixed assets	6,530	4,677	-28.4%
Total assets	238,232	231,262	-2.9%
Days Sales Outstanding (DSO)	56	55	
Days Payables Outstanding (DPO)	60	61	
Total net cash at year-end ¹	4,538	2,691	
Total net debt to adjusted EBITDA	-1	0	
Average number of staff (FTE)	2,884	2,709	
Average number of direct staff (FTE)	2,541	2,394	
Average number of indirect staff (FTE)	343	315	
Number of staff at end of reporting period (FTE)	2,886	2,689	
Number of direct staff at end of reporting period (FTE)	2,542	2,382	
Number of indirect staff at end of reporting period (FTE)	344	307	
Number of shares outstanding at end of reporting period (in thousands)	92,959	93,256	0.3%
Per-share information (based on average number of issued shares) in euros			
Shareholders' equity	1.52	1.56	
Cash generated from operating activities	-0.13	0.01	
Earnings	-0.04	0.03	
Earnings - diluted	-0.04	0.03	

¹ Net cash at year-end is negative debt position at year-end

Ordina records a profit in 2016 and resumes dividend payment

Nieuwegein, 16 February 2017

Key developments FY 2016

- Recurring EBITDA rose to EUR 21.1 million (2015: EUR 13.8 million);
- Recurring EBITDA margin rose to 6.1% (2015: 4.0%);
- Revenue declined by 1.3% to EUR 343.6 million (2015: EUR 348.3 million);
 - Revenue the Netherlands down 5.8% at EUR 256.1 million (2015: EUR 272.0 million);
 - Revenue Belgium/Luxembourg up 14.6% at EUR 87.5 million (2015: EUR 76.3 million);
- Redundancy costs came in at EUR 6.0 million (2015: EUR 7.8 million);
- Net profit amounted to EUR 5.0 million (2015: net loss of EUR 3.2 million);
- Proposal to pay a dividend of 2 euro cents per share;
- Ordina acquired 11 IT outsourcing framework contacts in the Dutch public sector;
- Top Employer ICT for fourth year in a row.

Key developments Q4 2016

- Recurring EBITDA dropped to EUR 5.1 million (Q4 2015: EUR 6.8 million);
- Recurring EBITDA margin dropped to 6.1% (Q4 2015: 7.5%);
- Adjusted for exceptional items and the effect of workable days, EBITDA came in higher;
- Revenue was 7.3% lower at EUR 84.2 million (Q4 2015: EUR 90.8 million);
 - Revenue the Netherlands declined by 10.9% to EUR 61.8 million (2015: EUR 69.3 million);
 - Revenue Belgium/Luxembourg rose by 4.4% to EUR 22.4 million (2015: EUR 21.5 million);
- Net cash position declined to EUR 2.7 million (year-end 2015: EUR 4.5 million).

STÉPAN BREEDVELD, CEO ORDINA, ABOUT THE RESULTS

"Despite a disappointing fourth quarter, we closed 2016 in profit and free of debt. Revenue declined in the year under review, with the largest declines in the Dutch public sector and in the financial services sector. Revenue and profitability increased significantly in Belgium/Luxembourg. In the Netherlands, the units specialising in requirements, software development and testing all delivered strong performances. All our attention is now focused on transforming this decline into growth in the Netherlands. The 11 IT outsourcing framework contacts we recently acquired in the Dutch public sector will serve as a solid foundation for this growth.

In addition, retaining and recruiting employees is crucial in the current tight labour market. In 2017, we will be looking to hire 700 professionals in the Netherlands and Belgium/Luxembourg. The labour market campaign 'Do you look beyond the code?' will back up this ambition.

In 2016, more than 900 participants attended the Ordina Open Innovation Days in Nieuwegein, Mechelen and Groningen. Innovation is also about the smart combination of our existing and new expertise in multi-disciplinary teams. This is how we are making the transition from a technology-driven to a business-driven client approach. For instance, we combined the management of the SAP environment with the development of a new online strategy for the Rotterdam Port Authority."

DEVELOPMENTS Q4 2016

Revenue Q4 2016

In the fourth quarter of 2016, revenue declined by 7.3% to EUR 84.2 million (Q4 2015: EUR 90.8 million). The quarter had 64 workable days (2015: 65). The impact of one working day was around EUR 1.3 million in revenue and EUR 1.0 million in (recurring) EBITDA.

As of 1 April 2016, all operational divisions in the Netherlands, with the exception of the innovation cluster, are managed by a single operational director. The presentation of the results has been adjusted to reflect that organisational structure.

Revenue per division

	Q4 2015 ¹	Q4 2016	Change Q4 2016 on Q4 2015 ¹
<i>(in thousands of euros)</i>			
the Netherlands	69,345	61,764	-10.9%
Delivery	63,521	56,838	-10.5%
Innovation Cluster	5,824	4,926	-15.4%
Belgium/Luxembourg	21,465	22,418	4.4%
TOTAL	90,810	84,182	-7.3%

¹ 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

(Recurring) EBITDA Q4 2016

Recurring EBITDA was down in the fourth quarter, at EUR 5.1 million (Q4 2015: EUR 6.8 million). The recurring EBITDA margin dropped to 6.1% (Q4 2015: 7.5%). Recurring EBITDA in Q4 2016 and Q4 2015 were boosted by exceptional items (2016: EUR 0.6 million, 2015: EUR 1.7 million). In addition, there was one working day less. The impact of one less working was around EUR 1.3 million in revenue and EUR 1.0 million in (recurring) EBITDA. Corrected for these items, recurring EBITDA in the fourth quarter was up EUR 0.4 million compared to the same period in 2015.

EBITDA increased to EUR 4.3 million in the fourth quarter (Q4 2015: EUR 3.7 million).

Recurring EBITDA per division

	Q4 2015 ¹		Q4 2016	
<i>(in thousands of euros)</i>				
the Netherlands	4,635	6.7%	3,081	5.0%
Delivery	4,426	7.0%	3,109	5.5%
Innovation Cluster	209	3.6%	-28	-0.6%
Belgium/Luxembourg	2,160	10.1%	2,029	9.1%
TOTAL	6,795	7.5%	5,110	6.1%

¹ 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

DEVELOPMENTS FY 2016

Revenue FY 2016

In 2016, revenue declines by 1.3% to EUR 343.6 million (2015: EUR 348.3 million). The number of workable days in the Netherlands was 255 (2015: 254). The number of workable days in Belgium/Luxembourg was 251 (2015: 251). The impact of the extra working day in the Netherlands was around EUR 1.0 million in revenue and EUR 0.7 million in (recurring) EBITDA.

Revenue per division

	FY 2015 ¹	FY 2016	Change FY 2016 on FY 2015 ¹
<i>(in thousands of euros)</i>			
the Netherlands	271,952	256,105	-5.8%
Delivery	246,566	234,381	-4.9%
Innovation Cluster	25,386	21,724	-14.4%
Belgium/Luxembourg	76,320	87,470	14.6%
TOTAL	348,272	343,575	-1.3%

¹ 2015 figures have been adjusted to the current organisational structure for comparison purposes.

(Recurring) EBITDA FY 2016

Recurring EBITDA increased to EUR 21.1 million in 2016 (2015: EUR 13.8 million), after adjustment for redundancy costs (EUR 6.0 million). The recurring EBITDA margin increased to 6.1% (2015: 4.0%).

EBITDA rose to EUR 15.1 million in 2016 (2015: EUR 4.3 million).

Recurring EBITDA per division

	FY 2015¹		FY 2016	
<i>(in thousands of euros)</i>				
the Netherlands	7,481	2.8%	12,052	4.7%
Delivery	7,910	3.2%	13,244	5.7%
Innovation Cluster	-429	-1.7%	-1,192	-5.5%
Belgium/Luxembourg	6,305	8.3%	9,071	10.4%
TOTAL	3,339	1.0%	21,123	6.1%

¹ 2015 figures have been adjusted to reflect the current organisational structure for comparison purposes.

Netherlands

In the Netherlands, revenue declined by 5.8% to EUR 256.1 million (2015: EUR 272.0 million). The recurring EBITDA margin was up at 4.7% (2015: 2.8%). The improvement in returns was boosted significantly by higher productivity and the cost savings programme.

In 2015, we introduced a programme to realise structural annual cost savings of EUR 15 million, which we completed in 2016. The effect of the savings on the 2015 results was around EUR 1.5 million. The cost savings we made in 2016 boosted last year's results by around EUR 11 million. The remaining savings of around EUR 2.5 million will be seen in the results from 2017 onwards, effectively completing the realisation of cumulative annual savings of EUR 15 million.

Delivery

Delivery provides services to clients in the field of professional services, application management and consulting. Revenue was down by 4.9% in 2016 at EUR 234.4 million (2015: EUR 246.6 million), largely due to a decline in revenue from the project and application management activities. Recurring EBITDA increased to EUR 13.2 million in 2016, from EUR 7.9 million in 2015. The improvement in returns was largely driven by higher productivity and the cost savings programme.

Innovation cluster Ordina launched its innovation cluster in 2016. The cluster comprises a number of specialised activities: Security, SMART Technologies, Codestar and Clockwork. Revenue declined by 14.4% to EUR 21.7 million (2015: EUR 25.4 million). Recurring EBITDA declined to EUR -1.2 million (2015: EUR -0.4 million) due to the fact that the cluster is in the start-up phase and is investing in proposition development. We implemented a restructuring project at our digital engagement bureau Clockwork in 2016.

Belgium/Luxembourg Revenue in Belgium/Luxembourg increased by 14.6% to EUR 87.5 million (2015: EUR 76.3 million). The recurring EBITDA margin increased to 10.4% (2015: 8.3%). The improvement in returns was largely driven by higher revenues, higher productivity and lower indirect costs.

MARKET DEVELOPMENTS

Revenue Q4 2016 In the fourth quarter of 2016, revenue was down 7.3% at EUR 84.2 million (Q4 2015: EUR 90.8 million). All markets except healthcare showed a decline. In financial services, this was largely due to the higher turnover among our employees in this sector. The increase in the healthcare sector in Q4 was driven by revenue from pharmaceutical clients in Belgium/Luxembourg.

Revenue per market segment

	Q4 2015 ¹	Q4 2016	Change Q4 2016 on Q4 2015 ¹
<i>(in thousands of euros)</i>			
Public	32,355	29,340	-9.3%
Financial services	28,110	23,170	-17.6%
Industry	25,650	25,455	-0.8%
Healthcare	4,695	6,217	32.4%
TOTAL	90,810	84,182	-7.3%

¹ 2015 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Revenue FY 2016 In 2016, revenue declined by 1.3% to EUR 343.6 million (2015: EUR 348.3 million). There were 255 workable days in 2016 (2015: 254).

Revenue per market segment

	FY 2015 ¹	FY 2016	Change FY 2016 on FY 2015 ¹
<i>(in thousands of euros)</i>			
Public	125,340	116,522	-7.0%
Financial services	107,137	101,243	-5.5%
Industry	97,715	101,105	3.5%
Healthcare	18,080	24,705	36.6%
TOTAL	348,272	343,575	-1.3%

¹ 2015 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Public sector Revenue in the public sector declined by 7.0% to EUR 116.5 million in 2016 (2015: EUR 125.3 million). This decline was primarily due to the lower revenue from project and application management activities. In 2016, Ordina was awarded 11 framework contacts in the Netherlands. These contacts form a solid foundation for growth in this market.

Financial services	Revenue in the financial services sector was down 5.5% at EUR 101.2 million (2015: EUR 107.1 million). This decline was due to factors such as higher turnover among our employees in that sector and reorganisations in the banking sector. In addition, revenue generated by external (self-employed) staff also declined due to changes in regulations and legislation relating to the assessment of labour relations (<i>wet DBA</i>).
Industry	Revenue in the industry sector rose by 3.5% to EUR 101.1 million in 2016 (2015: EUR 97.7 million). This increase was seen in both the Netherlands and Belgium/Luxembourg. Growth in the Netherlands was driven largely by growth among clients in the logistics segment.
Healthcare	Revenue in the healthcare sector was up 36.6% at EUR 24.7 million in 2016 (2015: EUR 18.1 million). This increase was largely driven by growing revenues from pharmaceutical clients in Belgium/Luxembourg. We provide consultancy and build integrated technology solutions for these clients, with a focus on R&D processes, infrastructure and supply chain.

EMPLOYEES

At year-end 2016, Ordina's total number of direct employees had fallen by 160 and the total number of indirect employees by 37 FTEs. At year-end 2016, the total number of employees stood at 2,689 FTEs (year-end 2015: 2,886 FTEs). The average number of employees in 2016 was 2,709 (2015: 2,884). The average number of direct employees was down by 147 FTEs. The average number of indirect FTEs was down by 28 FTEs. The average age of our employees was slightly lower in 2016 at 40.6 years (at year-end 2015 40.9 years).

Attrition employees

	FTE year-end 2015	In	Out	FTE half year 2016
Direct FTE	2,542	439	599	2,382
Indirect FTE	344	44	81	307
TOTAL	2,886	483	680	2,689

FINANCIAL DEVELOPMENTS

Revenue development	In 2016, revenue was down 1.3% at EUR 343.6 million (2015: EUR 348.3 million).
Recurring EBITDA	Recurring EBITDA came in EUR 21.1 million in 2016 (2015: EUR 13.8 million). Including redundancy costs (EUR 6.0 million), EBITDA came in at EUR 15.1 million (2015: EUR 4.3 million).

From recurring EBITDA to net profit

	FY 2015	FY 2016
<i>(in thousands of euros)</i>		
Recurring EBITDA	13,786	21,123
Redundancy costs	-7,834	-5,990
External costs internal investigation	-1,608	-
EBITDA	4,344	15,133
Depreciation & amortisation	-5,414	5,446
EBIT	-1,070	9,732
Finance costs - net	-463	-45
Earnings before taxes	-2,245	9,060
Taxes	-923	-4,022
Net profit	-3,168	5,038

Redundancy costs Redundancy costs were EUR 6.0 million in 2016 (2015: EUR 7.8 million).

Amortisation Amortisation came in at EUR 5.4 million in 2016 (2015: EUR 5.4 million).

Net profit & dividend Ordina recorded a net profit of EUR 5.0 million in 2016 (2015: EUR -3.2 million). Net earnings per share (EPS) came in at EUR 0.05 (2015: EUR -0.03).
In line with the prevailing dividend policy, the General Meeting of Shareholders in 2017 will be asked to approve the payment of a dividend of 2 euro cents per share in cash, to be charged to the 2016 net profit. The remainder of the net profit will be added to the general reserve.

Shares The company intends to buy 137,114 ordinary shares in Ordina N.V. in the context of share-based bonus schemes for senior management and the Management Board. The purchase will prevent share dilution.

Workable days	Overview working days		2015		2016	
			NL	B	NL	B
Q1			63	63	63	63
Q2			60	61	62	62
Q3			66	64	66	64
Q4			65	63	64	62
Total			254	251	255	251

Productivity Productivity rose to 67.7% in 2016 (2015: 64.9%). Availability declined to 9.0% in 2016, from 11.1% in 2015.

Net cash and cash flow At year-end 2016, Ordina had a net cash position of EUR 2.7 million (ultimo 2015: EUR 4.5 million). The lower net cash position was due to an early payment in 2015 that was not received early in 2016 (impact EUR 5.5 million).

(rounded up, in EUR millions)

Year-end 2015	4.5-
Net result	3.0-
Depreciation	2.7-
Working capital, provisions & other	7.5
Interest & income taxes	0.8-
Net investments	3.3
Year-end 2016	0.1-

Key movements in 2016 were: around EUR 4.0 million of the total investments were related to the continued development of the ERP system within Ordina the Netherlands.

Net debt as a ratio of adjusted EBITDA, as formulated in the financing agreement, stood at -0.2 as at 31 December 2016 and was therefore below the maximum of 2.50 agreed with the lenders. The Interest Cover Ratio (ICR) stood at 54.5 as at 31 December 2016. This was above the minimum of 4.0.

In December 2015, Ordina arranged a temporary lowering of the IRC to a minimum of 4.0 for 2016. In addition, the agreement permits Ordina to make an adjustment over the year 2015 for the costs of the internal investigation when calculating the IRC for 2016. From 2017 onwards, the ICR must be a minimum of 5.0.

An overview of the ratios compared with the covenants agreed with the banks:

	Realisation 2016	Finance agreement
Leverage ratio	0.0	≤ 2.5
Interest Cover Ratio	46.7	≥ 4.0
Guarantor Cover Ratio	95%	$\geq 80\%$
Security Cover Ratio	95%	$\geq 70\%$

ADDITIONAL INFORMATION

For detailed information including the consolidated balance sheet, income statement and other information, we refer to our website www.ordina.com, where the full 2016 annual report has been published.

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Financial calendar

2 May 2017	Trading update Q1
2 May 2017	General Meeting of Shareholders
24 August 2017	Publication Interim results 2017
11 October 2017	Shareholders day (subject to change)
2 November 2017	Trading update Q3
15 February 2018	Publication annual results 2017

Press call and analysts presentation

09:00 CET – Press call

Ordina will discuss the results during a press call today at 09:00 CET (call number +31 20 531 5864).

10:30 CET – Analysts presentation

Ordina will present its results today at 10:30 CET at the analysts meeting to be held in the Wyndham Apollo Hotel, Apollolaan 2 in Amsterdam. This presentation will be broadcast via a webcast. You can follow the webcast via the link you will find on www.ordina.com. The presentation will be available on our website after the webcast.

This document contains forward looking statements regarding the financial performance of Ordina N.V. and outlines certain plans, targets and ambitions based on current insights. Such forecasts are obviously not without risk and entail a certain degree of uncertainty since there are no guarantees regarding future circumstances. There are multiple factors that could potentially result in the actual results and outcomes differing from those outlined in this document. Such factors include: general economic trends, the pace of globalisation of the markets for solutions, IT and consulting, increased performance commitments, scarcity on the labour market, and future acquisitions and disposals.