

PRESS RELEASE

# Ctac N.V. Q1 2023 trading update



# 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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Paul de Koning | CFO

# Ctac records strong revenue growth

's-Hertogenbosch (the Netherlands), 26 April 2023 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today presents a trading update for the first quarter (Q1) of 2023.

## Highlights first quarter 2023

- Revenue rises by 15.4% to € 32.9 million, driven by organic growth (+13.0%) and Technology2Enjoy acquisition
- EBITDA falls 10.7% to € 2.5 million, due to redundancy costs related to the organisational adjustment initiated in 2022
- Net result of € 0.8 million, underlying profitability is developing well

## Key figures

€ mln (unless stated otherwise)

	Q1 2023	Q1 2022	Delta
Revenue	32.9	28.5	+15.4%
EBITDA	2.5	2.8	-10.7%
EBIT	1.2	1.5	-20.0%
Net result	0.8	1.1	-27.3%
Operational cash flow	1.2	1.3	-7.7%
Net cash (end-Q)	4.3	5.4	-20.4%

Paul de Koning,  
Ctac Chief Financial Officer:

*“We had a good start of 2023 with strong revenue growth and a solid underlying result. The activity level shows higher volumes across all lines of business compared with last year, while we were able to pass on labour cost inflation. This underlines the strength of our positioning as a Business & Cloud Integrator.*

*Profitability was tempered in the first quarter by the costs related to an organisational adjustment initiated in the fourth quarter of 2022 as part of the Ignite change programme and to a lesser extent by timing effects for the indexation of our rates.*

*The expertise and knowledge Ctac has acquired through various acquisitions has now been successfully embedded in the organisation. Due to our earlier investments in talent development and the increased focus in business, we are strongly positioned for continued growth. Ignite is now complete.*

*We are entering a new phase, in which we will explicitly build on the vision, work and legacy of Pieter-Paul Saasen, with a more client-centric organisation and a high attention to culture and employees. We will put the new organisational model he set up further into practice and translate this into strategic objectives for our partners and employees. The refined service offering will allow us to get closer to our clients and, thanks to more customised solutions, we will be better aligned with the broader adoption of public and hybrid cloud solutions we see happening in the market.*

*The demand for customisation in digitalisation is reflected in the strong growth in Projects and secondment, and two major assignments for an existing client and new client, where we are shifting more into our role as trusted advisor. Among our clients, we can see that the macroeconomic uncertainty continues to have an impact on their willingness to invest, but we are looking to 2023 with confidence and see opportunities and possibilities to continue our growth.”*

## GROUP PERFORMANCE

### Revenue

In the first quarter of 2023, revenue came in at € 32.9 million, an increase of 15.4%. Revenue growth was 13.0% organic, while the acquisition of Technology2Enjoy accounted for the remaining 2.4%. In addition to volume growth, organic growth was driven by the indexation of rates.

Revenue per service € mln (unless stated otherwise)	Q1 2023	Q1 2022	Delta
<b>Projects and secondment</b>	<b>19.7</b>	16.4	+20.1%
<b>Cloud services</b>	<b>12.7</b>	11.6	+9.5%
<b>Licence and hardware sales</b>	<b>0.5</b>	0.5	0.0%
<b>Total</b>	<b>32.9</b>	<b>28.5</b>	+15.4%

Revenue at **Projects and secondment** increased by 20.1%, driven by strong volume growth and the indexation of our rates. In **Cloud services**, revenue growth was primarily driven by rate adjustment. Revenue from **License and hardware sales** was almost unchanged from the first quarter of 2022.

The share of public sector revenue increased to € 2.2 million (Q1 2022: € 1.3 million), partly due to the acquisition of Technology2Enjoy. Revenue from security services is accounted for under Projects and secondment and Cloud services and increased to € 1.1 million (first quarter 2022: € 1.0 million).

Staff FTE (unless stated otherwise)	Q1 2023	Q1 2022	Delta
<b>Per year-end</b>			
<b>Direct</b>	<b>379</b>	350	+8.3%
<b>Indirect</b>	<b>93</b>	102	-8.8%
<b>Total</b>	<b>472</b>	<b>452</b>	+4.4%
<b>Average</b>			
<b>Direct</b>	<b>379</b>	349	+8.6%
<b>Indirect</b>	<b>94</b>	102	-7.8%
<b>Total</b>	<b>473</b>	<b>451</b>	+4.9%
<b>Professional temporary staff (direct)</b>	<b>217</b>	168	+29.2%

The number of direct FTEs increased by 8.3% to 379 at end-March 2023, mainly due to the acquisition of Technology2Enjoy and Ctac's investment in talent development. The average number of direct FTEs increased by 8.6%. The number of indirect FTEs fell by 8.8% at the end of Q1, due to the further tightening of the organisation. The increase in the number of direct temporary hires was due the expansion of Ctac's flexible shell in line with the strong growth at Projects and secondment.

Revenue per employee (based on average number of direct FTEs, including professional temporary hires) was € 55,000 in Q1 2023, the same as in Q1 2022.

## PRESS RELEASE

### EBITDA and EBIT

€ mln (unless stated otherwise)

	Q1 2023	Q1 2022	Delta
<b>EBITDA</b>	<b>2.5</b>	2.8	-10.7%
<i>Margin</i>	<b>7.6%</b>	9.8%	-2.2%
<b>Depreciation and amortisation</b>	<b>1.3</b>	1.5	-13.3%
<b>EBIT</b>	<b>1.2</b>	1.5	-20.0%
<i>Margin</i>	<b>3.6%</b>	5.3%	-1.6%

EBITDA fell by 10.7% to € 2.5 million. Profitability in the first quarter was tempered by both organisational tightening costs of € 0.6 million and by timing effects related to the implementation of our indexed rates in the quarter.

## FINANCIAL STRENGTH

€ mln (unless stated otherwise)

	Q1 2023	Q1 2022	Delta
<b>Operational cash flow</b>	<b>1.2</b>	1.3	-7.7%
<b>Net cash (end-Q)</b>	<b>4.3</b>	5.4	-20.4%
<b>Headroom (end-Q)</b>	<b>13.3</b>	15.3	-13.1%

Operating cash flow came in at positive € 1.2 million in the first three months of 2023, in line with last year. Regular working capital management (accounts receivable and accounts payable) was unchanged and remains under control.

Ctac's net cash position declined to € 4.3 million, primarily due to investments in Ctac's data centre.

The current credit facility amounted to € 7.2 million at the end of March 2023, giving Ctac headroom of € 13.3 million.

Ctac's liquidity and capital position are both healthy and put us in a good starting position for continued growth.



## FINANCIAL CALENDAR

28 July 2023 : Publication half-year results 2023

26 October 2023 : Trading update Q3 2023

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## 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.