

PRESS RELEASE

Trading update Q3 2023 Ctac N.V.



About Ctac

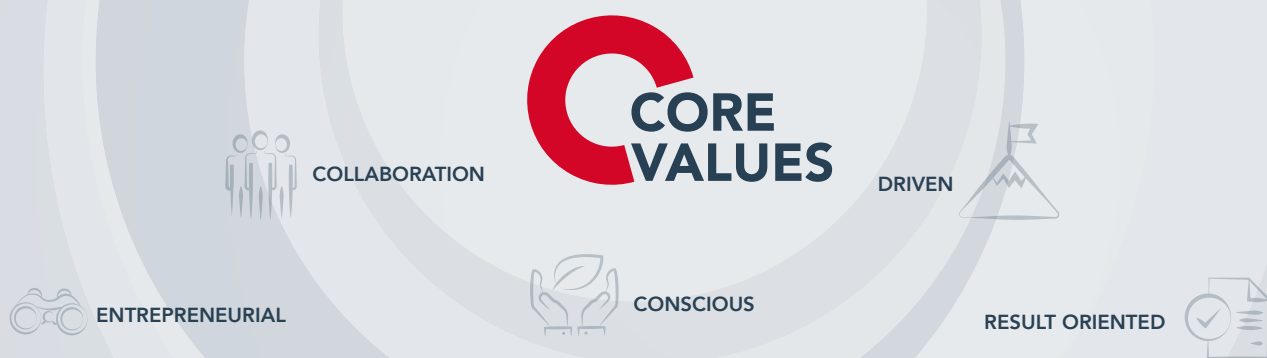
As a Business & Cloud Integrator, Ctac helps its clients realise their ambitions. Ctac creates the required business value through constant innovation.

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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Gerben Moerland | CEO
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Ctac records more revenue and higher profit in third quarter

's-Hertogenbosch, 26 October 2023 - Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today presents a trading update for the first nine months and third quarter (Q3) of 2023.

Highlights first nine months of 2023

- Revenue up 11.2% (+9.5% organically) at € 95.5 million
- Normalised EBITDA comes in at € 8.2 million, the same as in the first three quarters of 2022. Including one-time effects, EBITDA comes in at € 7.6 million (-7.3%) with a margin of 8.0%
- Normalised net result comes in at € 2.9 million, the same as in the first three quarters of 2022. Including one-time effects, net profit comes in at € 2.4 million (-17.2%)

Highlights third quarter of 2023

- Revenue rises 4.5% organically to € 30.5 million with strong contribution from Cloud services
- EBITDA up by 8.0% at € 2.7 million with a margin of 8.9%; EBIT up 16.7%
- Net result comes in 25.0% higher at € 1.0 million

Key figures

€ mln (unless stated otherwise)

	YTD 2023	YTD 2022	Delta	Q3 2023	Q3 2022	Delta
Revenue (incl. other income)	95.5	85.9	+11.2%	30.5	29.2	+4.5%
EBITDA*	7.6	8.2	-7.3%	2.7	2.5	+8.0%
EBIT*	3.7	4.2	-11.9%	1.4	1.2	+16.7%
Net result**	2.4	2.9	-17.2%	1.0	0.8	+25.0%

*) Including one-off expenses of € 0.6 million over the first nine months of 2023 and € 0 over the first nine months of 2022.

**) Including one-off expenses of € 0.5 million over the first nine months of 2023 and € 0 over the first nine months of 2022.

Gerben Moerland, Ctac Chief Executive Officer:



"Revenue growth seen in 2023 continued in the third quarter, resulting in organic revenue growth of 9.5% for the first nine months of 2023.

The positioning of Ctac as a Business & Cloud Integrator is bearing fruit, with growing demand for digital transformation solutions. The upgrade of the partnership with SAP to Strategic Partner enables us to work more closely together, putting us in a strong position to offer clients the most effective public and hybrid cloud solutions.

We see this reflected in the results. Compared with the third quarter of last year, Cloud services saw growth of 21.7%. This increase was driven by the shift from on-premise licences to cloud-based licences and the adjustment of rates. We are also seeing clear traction on the ERP public cloud front, in which we are now winning our first projects. The growth acceleration in Cloud services is in line with our earlier forecast, and we foresee a strong increase in demand for cloud migration solutions in the coming years.

Despite hesitance towards investments among clients, we are seeing a rise in activity levels due to the digital transition. Cloud migration is characterised by smaller-sized projects that require flexibility and an agile organisation. Sharpening our focus, giving teams more autonomy and encouraging entrepreneurship puts us in a better position to respond to this trend.

I am enthusiastic about the energy, ambition and expertise of the people I have spoken to in my first weeks at Ctac. I can feel the enthusiasm for the digital transformation that many of our clients and we ourselves are facing. This digital transformation and the role of our agile teams of experts in that transformation, is at the heart of the strategic review we will complete before the end of the year."

GROUP PERFORMANCE

Revenue

Revenue came in at € 30.5 million in the third quarter of 2023; a fully organic growth of 4.5%.

Revenue per service

€ mln (unless stated otherwise)

	Q3 2023	Q3 2022	Delta
Secondment and projects	17.1	18.1	-5.5%
Cloud services	12.9	10.6	+21.7%
Licence and hardware sales	0.5	0.5	0.0%
Total	30.5	29.2	+4.5%

Revenue at **Projects and secondment** declined organically by 5.5% due to a greater number of holidays taken and an increase in the number of smaller projects. The latter makes it challenging to optimise our staff utilisation. **Cloud services** revenue increased sharply by 21.7% due to the shift from on-premise licences to cloud-based licences and rate adjustments. Revenue from **Licence and hardware sales** was unchanged from Q3 2022.

The revenue share from the public sector increased to € 2.3 million (Q3 2022: € 1.7 million) partly due to the acquisition of Technology2Enjoy. Revenue from security services is accounted for under both Projects and secondment and Cloud services, and at € 1.1 million was unchanged from Q3 2022.

Staff

FTE (unless stated otherwise)

End of quarter	Q3 2023	Q3 2022	Delta
Direct	364	381	-4.5%
Indirect	90	89	+1.1%
Total	454	470	-3.4%
Average			
Direct	373	369	+1.1%
Indirect	91	89	+2.2%
Total	464	458	+1.3%
Professional temporary staff	212	180	+17.8%

The number of direct FTEs declined by 4.5% to stand at 364 at the end of September 2023. The average number of direct FTEs increased by 1.1%. There was also an increase in the number of professional temporary staff, related to the growth in Projects and secondment over the first nine months.

Revenue per employee (based on the average number of direct FTEs, including professional temporary staff) increased to € 163,000 (through Q3 2022: € 156,500).

EBITDA and EBIT

€ mln (unless stated otherwise)

	Q3 2023	Q3 2022	Delta
EBITDA	2.7	2.5	+8.0%
<i>EBITDA margin</i>	8.9%	8.6%	+0.3%pt
Depreciation and amortisation	1.3	1.3	0,0%
EBIT	1.4	1.2	+16.7%
<i>EBIT margin</i>	4.6%	4.1%	+0.5%pt

EBITDA increased by 8.0% to € 2.7 million in the third quarter, resulting in an EBITDA margin of 8.9%.

EBIT amounted to € 1.4 million and was 16.7% higher. The EBIT margin also improved to 4.6% (Q3 2022: 4.1%).

FINANCIAL STRENGTH

€ mln (unless stated otherwise)

	YTD 2023	YTD 2022	Delta
Operational cash flow	4.6	-0.1	+4.7
Netto cash (end of quarter)	4.6	1.0	+3.6
Headroom (end of quarter)	13.4	10.5	+2.9

Operating cash flow came in at a positive € 4.6 million in the first nine months of 2023 (2022: € 0.1 million negative). The rise was due to an increase in current liabilities related to higher receipts from pre-invoiced revenue. Regular working capital management (accounts receivable and accounts payable) did not include any exceptional items.

At the end of Q3 2023, Ctac's net cash position stood at € 4.6 million. The leverage ratio (net debt / EBITDA) came in at -0.61 in the first nine months of 2023 and improved compared with the first nine months of 2022 (-0.12) due to Ctac's increased net cash position. The current credit facility stood at € 7.2 million at the end of Q3 2023, resulting in headroom of € 13.4 million. The facility is committed through to April 2024.

Ctac's liquidity and capital position are healthy and put the company in a comfortable starting position for continued growth.



FINANCIAL CALENDAR

27 February 2024 : Publication 2023 annual results

9 April 2024 : General Meeting of Shareholders

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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.