

PRESS RELEASE

Ctac records continued upward trend in result Net profit up by 15.5% in first half of 2017

's-Hertogenbosch, 10 August 2017 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its results for the first half of 2017.

Key figures

€ million (unless otherwise stated)	H1 17	H1 16		Q2 17	Q2 16		Q1 17	Q1 16
Turnover	40.5	42.6		19.7	21.4		20.7	21.2
Operating result	1.1	1.1		0.5	0.5		0.6	0.6
Net profit (attributable to group shareholders)	0.8	0.7		0.4	0.3		0.5	0.4

Net earnings per share (€)	0.07	0.06
Employees at end-June (headcount)	452	465

Highlights first half

- Turnover declines € 2.1 million, or 5.0%, to € 40.5 million
- Operating result came in 6.3% higher at € 1.1 million (€ 1,127,000 compared with € 1,060,000 in the year earlier period)
- Net profit up 15.5% at € 0.8 million
- Outlook adjusted slightly: Barring unforeseen exogenous circumstances and based on the volume and quality of the order portfolio, Ctac expects to record a higher full-year result for 2017 than in 2016.

Henny Hilgerdenaar, CEO van Ctac:

"The lag in turnover in the first quarter continued in the second quarter. However, the profit and profit margin increased in the first half of 2017, due to the timely adjustments we made in organisation and hiring of third parties to the lower capacity requirement.

The disappointing turnover from the consultancy activities was due to the postponement of three large-scale projects. The contracts for these projects have since been formalised. We expect to see the positive impact of these projects on our results in the third and fourth quarters. In response to specific requests from the market, Ctac has also made innovative investments in products (or templates) that are applicable in the retail and real estate sectors.

The cloud and resourcing activities (turnover and result) continued to grow steadily. We expect this trend to continue in the second half of 2017.

In Belgium, we saw turnover decline slightly to € 7.0 million in the first half of 2017, from € 7.2 million in the first half of 2016. The result was modestly positive, but we see room for improvement on this front. We have taken action to improve results in the second half of 2017.

With respect to Ctac France, we are working to realise a structural solution. In the first half of 2017, it proved impossible to raise the margin on resourcing and licensing activities and by doing so exceed the fixed overhead.

Based on the volume and quality of the order portfolio, Ctac expects to get back on track in the second half of the year, with the effect that the result in this period will be considerably higher than the result recorded in the second half of 2016."

Financial developments

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Turnover and gross margin

Turnover declined by 5.0% or € 2.1 million to € 40.5 million in the first half of 2017, from € 42.6 million in the first half of 2016.

Turnover per division and per segment

(in € million)

	2017 HY1	2016 HY1*
Netherlands		
Ctac Cloud Services	15.7	15.1
Ctac Consulting	12.9	15.4
Ctac Resourcing	6.5	6.0
Belgium	7.0	7.2
Other activities /eliminations	-1.6	-1.1
Total	40.5	42.6

*reclassified

Thanks to the adequate reduction of third-party hiring in response to the lower turnover in the consultancy business, Ctac was able to limit the decline in the gross margin to € 0.2 million, resulting in a gross margin of € 28.3 million in the first half of 2017.

Operating expenses

The operating expenses declined to € 27.1 million in the first half of 2017, down € 0.3 million or 1.0% from € 27.4 million a year earlier. Personnel costs fell by € 0.1 million to € 19.6 million, from €19.7 million in the first half of 2016. Other operating costs were down € 0.1 million at €7.0 million, from € 7.1 million.

Operating result

The operating result rose to €1.1 million in the first half of 2017 (€ 1,127,000 in the first half of 2017, compared with € 1,060,000 in the first half of 2016), which constitutes an increase of 6.3%.

Net profit

Financial income and expenses and the tax rate were virtually unchanged on balance. As a result, net profit (attributable to group shareholders) came in at € 0.8 million (€ 843,000) compared to € 0.7 million (€ 730,000) in the first half of 2016, an increase of 15.5%.

This translates into net earnings per ordinary share of approximately € 0.07, based on the weighted average number of 12,655,648 outstanding ordinary shares.

BALANCE SHEET

The balance sheet total had increased by € 1.0 million to € 40.8 million at 30 June 2017, from €39.8 million at 31 December 2016, due to a modest increase in working capital.

Net bank debt had increased to € 6.0 million to € 4.3 million at 30 June 2017, from € 1.7 million at 31 December 2016. The seasonal increase was due to the payment of holiday pay, bonuses, dividend and earn-out obligations in the second quarter.

Earn-out obligations had declined to € 0.8 million at 30 June 2017, from € 1.1 million at 31 December 2016.

The solvency ratio improved to 39.0%, compared with 38.8% at year-end 2016.

An (optional) dividend of € 0.07 per share was made available for the financial year 2016. A total of € 364,000 in cash was eventually paid out to shareholders and the share capital increased by 141,151 shares to a total of 12,655,648 shares.

CASH FLOW

Net cash flow came in at minus € 4.3 million in the first half of 2017, compared with minus € 2.6 million in the first half of 2016, as a result of regular seasonal patterns (holiday pay and bonus payments in May), dividend and paid earn-out obligations. Ctac expects net cash flow for the full year 2017 to be positive.

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About Ctac

As a Business & 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. As per end of March 2017 Ctac had 452 employees. Ctac is also active in Belgium and France. For more information: www.ctac.nl.

For more information:

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Financial agenda

2 November 2017 : Publication trading update Q3 2017

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Condensed consolidated balance sheet
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CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT
 (* EURO 000)

	1st half 2017	1st half 2016
Net turnover	40,479	42,623
Purchase value of turnover	<u>-12,229</u>	<u>-14,140</u>
Gross margin	28,250	28,483
Personnel costs	19,575	19,716
Depreciation and amortization	525	585
Other operating costs	<u>7,023</u>	<u>7,122</u>
	27,123	27,423
OPERATING RESULT	1,127	1,060
FINANCIAL INCOME AND EXPENSE	-77	-43
RESULT FROM ORDINARY OPERATIONS BEFORE TAXES	1,050	1,017
Taxes	-207	-284
NET RESULT	843	733
Third party share	-	-3
Net result attributable to shareholders	843	730
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CONDENSED CONSOLIDATED BALANCE SHEET
(* EURO 000)

	30-Jun 2017	31-Dec 2016
ASSETS		
FIXED ASSETS		
Intangible fixed assets	14,979	14,722
Tangible fixed assets	2,063	2,181
Deferred tax assets	70	70
	<u>1,150</u>	<u>1,080</u>
CURRENT ASSETS	18,262	18,053
Trade receivables and other receivables		
Assets Held for Sale	22,442	21,784
Cash and cash equivalents	<u>94</u>	<u>-</u>
	22,536	21,784
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	40,798	39,837
	=====	=====
LIABILITIES		
GROUP EQUITY	15,924	15,445
Third party share	19	22
LONG-TERM LIABILITIES		
Bank debt	-	-
Other liabilities	572	757
Deferred tax liabilities	<u>215</u>	<u>276</u>
	787	1,033
SHORT-TERM LIABILITIES		
Bank debt	6,046	1,687
Provisions	409	246
Trade creditors and other liabilities	17,124	21,181
Corporate income tax to be paid	<u>489</u>	<u>223</u>
Liabilities Held for Sale	24,068	23,337
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	40,798	39,837
	=====	=====

CONDENSED CONSOLIDATED CASHFLOW STATEMENT 2017 (1st HALF)

According to indirect method

(* EURO 000)

	1st half 2017	1st half 2016
CASH FLOW FROM OPERATING ACTIVITIES	-2,935	-1,000
Investments in tangible fixed assets	-663	-157
CASH FLOW FROM INVESTING ACTIVITIES	-663	-157
Paid earn out obligations	-301	-242
Dividend third parties	-2	-
Divestment subsidiaries	-	-416
Repayments / withdrawals of long term bank debt	-364	-751
Dividend	-667	-1,409
CASH FLOW FROM FINANCING ACTIVITIES	-4,265	-2,566
NET CASH FLOW	-4,265	-2,566
Net balance of cash and cash equivalents as per 1 January	-1,687	-2,694
Net balance of cash and cash equivalents as per 30 June	-5,952	-5,260
	-4,265	-2,566

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(* EURO 000)

	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2017	3,004	11,795	-1,964	2,610	15,445
Net result 2016			2,246	-2,246	-
Dividend	33	-33	-	-364	-364
Net result 2017 HY1				843	843
Balance per 30 June 2017	3,037	11,762	282	843	15,924

	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2016	3,004	11,795	-3,572	2,359	13,586
Net result 2015			1,608	-1,608	-
Dividend	-	-	-	-751	-751
Net result 2016 HY1				730	730
Balance per 30 June 2016	3,004	11,795	-1,964	730	13,565

SEGMENTED RESULTS PER COUNTRY
(* EURO 000)

1st half 2017	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	36,140	6,972	108	-2,741	40,479
Operating result	1,578	38	-489	-	1,127
Financial income and expense	-28	-19	-30		-77
Results before taxes	1,550	19	-519		1,050

1st half 2016	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	41,239	7,226	667	-6,509	42,623
Operating result	2,054	22	-1,016		1,060
Financial income and expense	-42	-2	1		-43
Results before taxes	2,012	20	-1,015		1,017

SEGMENTED RESULTS PER PRODUCT GROUP
 (* EURO 000)

	1st half 2017				1st half 2016			
	Turnover	Purchase value	Gross margin	%	Turnover	Purchase value	Gross margin	%
Consultancy & Hosting	34,720	-8,771	25,949	74.7	37,205	-10,893	26,312	70.7
Software	1,482	-836	646	43.6	1,348	-585	763	56.6
Maintenance contracts	4,277	-2,622	1,655	38.7	4,070	-2,662	1,408	34.6
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	40,479	-12,229	28,250	69.8	42,623	-14,140	28,483	66.8
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NOTES TO THE CONSOLIDATED HALF YEAR REPORT

General information about Ctac

Ctac N.V. is a limited company, established and situated in the Netherlands, with its head offices and statutory seat at Meerendonk 11 5216 TZ in 's Hertogenbosch (the Netherlands). The consolidated first-half year report comprises the company and all its subsidiaries (together referred to as "Ctac").

The group financial year follows the calendar year. The consolidated half year results for the first 6 months, ending 30 June 2016, were approved for publication by both the Executive Board and the Supervisory Board on 7 August 2017.

Statement of compliance

This consolidated half year report regarding the first 6 months of the year, ending 30 June 2017, was prepared in line with IAS 34 "Interim financial reporting" and does not comprise all information and explanatory notes required for drawing up full annual accounts. The consolidated half year report should be viewed in combination with the consolidated annual accounts for 2015, which were drawn up in accordance with IFRS as accepted within the European Union.

Accounting principles (condensed)

The accounting principles for financial reporting as applied in this half year report and the calculation methods used are the same as those in the consolidated accounts for the 2016 financial year.

The impact of the difference in numbers of working days between the quarters, means that the company's activities have a slightly seasonal character, which is mainly reflected in turnover from consultancy activities.

Impairment test

Ctac conducts an impairment test once a year in February. The realized results over the first half year and the expectations for the development of results do not give cause for a second impairment test within the year.

Risk profile

Ctac identifies various financial risks, such as market risk, credit risk and liquidity risk. The general risk management within Ctac, steered from the Executive Board, extends further to a broader field than financial risks. For a more detailed explanation of this subject, see the risk section of the 2016 annual accounts. Risk management focuses on identifying and cataloguing the most significant risks and the management of same on the basis of guidelines, procedures, systems, best practises, checks and audits.

The most important current risk is the impact of the general economic economy climate on opportunities and the willingness of our (potential) clients to invest in their IT environment. In this respect, a lot of attention is devoted to limiting the risk related to non-collectable receivables.

Related parties

Parties related to Ctac include the group companies, the members of the Supervisory Board and the members of the Executive Board. Transactions with related parties are conducted on a professional basis.

"Forward looking statement"

The half year report contains information, as required by articles 5:59 in juxtaposition with 5:53, 5:25d and 5:25w of the Act on Financial Supervision (Wet op Financieel Toezicht). Forward looking statements, which could form a part of this report refer to future events and can be expressed in a variety of ways.

Ctac has based these forward looking statements on its current expectations and projections with respect to future events. Ctac's expectations and projections could change and Ctac's actual results could differ from the results indicated or implied by these forward looking statements, as a result of the potential risks and uncertainties and other significant factors which Ctac can neither control, nor predict, and certain risks and uncertainties outside Ctac's sphere of influence.

Due to these uncertainties, Ctac cannot with any certainty predict its future results and/or financial position.

Statement by the Executive Board

The Executive Board of Ctac declares, in accordance with the requirements of article 5:25d of the Act on Financial Supervision, that to the best of its knowledge:

'the consolidated half year report gives a true picture of the assets, liabilities and the financial position as per 30 June 2017 and of the result of our consolidated activities in the first half of 2017 and those of the businesses included in the consolidation'; and
'that the consolidated half year report gives a true picture of the financial position as per 30 June 2017, of the course of events in the first half of 2017 within the company and in the businesses included in the consolidation, and of the expected risks and developments in the remaining months of 2017.

's-Hertogenbosch (the Netherlands), 10 August 2017

Henny Hilgerdenaar - CEO
Douwe van der Werf - CFO