

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

### **Ctac records 44% rise in net profit in 2013**

**Upward trend continuing in 2014**

**'s-Hertogenbosch (the Netherlands), 12 March 2014 – ICT solution provider Ctac N.V. (Ctac) (NYSE Euronext Amsterdam: CTAC) today announces its full-year results for 2013.**

#### **Key figures**

€ mln (unless otherwise stated)	2013	2012	%	Q4 2013	Q4 2012	%
<b>Turnover</b>	<b>77.0</b>	<b>79.9</b>	(3.5)	<b>20.8</b>	<b>21.5</b>	(3.2)
<b>Operating result</b>	<b>2.2</b>	<b>2.0</b>		<b>1.3</b>	<b>0.8</b>	
<b>Net result</b>	<b>1.2</b>	<b>0.8</b>	44.1	<b>0.6</b>	<b>0.2</b>	
<b>Net earnings per share</b>	<b>0.09</b>	<b>0.07</b>				
<b>Employees at year-end (headcount)</b>	<b>464</b>	<b>466</b>				

#### **Highlights**

- Ctac strategy has positive impact on 2013 results
- Turnover down 3.5% at EUR 77.0 million in 2013
- Operating result up 9% at EUR 2.2 million in 2013
- Net profit rises to EUR 1.2 million, from EUR 0.8 million
- Reduction of (net) bank debt by EUR 1.1 million to EUR 3.4 million at year-end 2013, from EUR 4.5 million at year-end 2012
- Solvency improved to 24.9% at year-end 2013, from 17.5% at year-end 2012

#### **Henny Hilgerdenaar, Ctac Chief Executive Officer:**

"In 2013, Ctac continued the upward trend, despite the challenging market for ICT services. Our strong focus on margins and cost controls helped us to improve the operating result by almost 9% to EUR 2.2 million. Thanks to our strategy and the continued development of our market know-how and specific expertise, we were able to optimise our solutions and templates further. The continued integration of various parts of the company also had a positive impact on our results. Some notable developments on this front were the new agreements reached with Persity and IFS Probit in 2013."

The improvement in operational performance in 2013 was felt primarily in the second half of the year, when the operating result rose to EUR 1.8 million, compared with EUR 0.3 million in the first half of 2013. The progress booked in this period gives us a solid basis for the continuation of this positive trend in 2014. We expect the overall result for 2014 to exceed that of 2013."

## FINANCIAL DEVELOPMENTS

### Turnover and gross margin

Total net turnover came in at EUR 77.0 million in 2013, a decline of 3.5% compared with the EUR 79.9 million reported in 2012.

Turnover from consultancy, hosting and management dropped 3.2% to EUR 64.6 million in 2013, from EUR 66.7 million in 2012. Due to the fact that the cost of external hires fell by 11.7% to EUR 11.9 million in 2013, from EUR 13.4 million in 2012, the gross margin declined by only 1.0% to EUR 51.8 million, from 52.3 million in 2012.

Turnover from software also fell, by 25.5% to EUR 5.1 million in 2013, from EUR 6.9 million the previous year. Thanks to an increase in the contribution from software developed in-house in 2013, the decline in gross margin was limited to 17.3%. The gross margin from these revenues came in at EUR 2.2 million in 2013, compared with EUR 2.7 million in 2012.

Turnover from maintenance contracts rose by 16.3% to EUR 7.3 million in 2013, from EUR 6.3 million in 2012, which led to an increase of EUR 0.3 million in gross margin on these activities to EUR 2.9 million.

Revenue per employee (based on the average number of FTEs on an annual basis) dropped to EUR 175,300 in 2013, from EUR 178,300 in 2012.

### Turnover per division and per segment

(in € x 1,000)

	2013	2012	%
<b>Netherlands</b>			
Ctac Managed Services	26,506	21,942	21%
Ctac SAP Consulting	25,271	32,940	(23%)
Ctac Microsoft	5,595	5,273	6%
Other	4,539	3,028	50%
Intercompany revenues	941	2,669	-
<b>Total Netherlands</b>	<b>62,852</b>	<b>65,852</b>	<b>(5%)</b>
Belgium	15,006	15,836	(5%)
Other activities	1,260	3,003	(58%)
Elimination intercompany revenues	(2,090)	(4,830)	-
<b>Total</b>	<b>77,028</b>	<b>79,861</b>	<b>(4%)</b>

### Costs

In 2013, personnel costs fell on balance by EUR 0.4 million, or 0.9%, compared with the previous year. The average number of FTEs dropped to 439 in 2013, from 448 in 2012.

Other operating costs continued to drop in 2013, and came in EUR 0.3 million, or 2.3%, lower at EUR 12.6 million, compared with EUR 12.9 million in 2012.

Depreciations fell to EUR 1.3 million in 2013, from EUR 1.5 million the previous year. Depreciations on intangible fixed assets were down EUR 0.4 million due to the fact that the software developed in-house had been fully depreciated by the end of 2012. Depreciations on tangible fixed assets increased by EUR 0.2 million in 2013, due to a book profit of EUR 0.2 million in 2012.

## **Operating result**

The operating result came in at EUR 2.2 million in 2013, from EUR 2.0 million in 2012. The 9% increase in operating result compared with 2012 is the result of a EUR 0.7 million decline in gross margin and a reduction in operating costs of EUR 0.9 million.

The operating result came in at EUR 1.3 million in the fourth quarter of 2013. The increase from EUR 0.8 million in the fourth quarter of 2012, was in line with the gradual improvement in the underlying results noted in the second half of 2013.

## **Financial income and expenses**

At year-end 2013, the net bank debt stood at EUR 3.4 million, down from EUR 4.5 million a year earlier. The related interest charges were unchanged at around EUR 0.2 million.

The addition to the earn-out commitments included in this item dropped to EUR 0.3 million in 2013, from EUR 0.7 million in 2012.

The above resulted in expenses of EUR 0.5 million in 2013, compared with expenses of EUR 0.8 million (including income from participations of EUR 0.1 million) in 2012.

## **Taxes**

The tax rate was 30.8% in 2013, compared with 35.7% in 2012. The tax rate was higher than the nominal rate largely because of the non-deductibility or limited deductibility of certain items in the Netherlands and Belgium.

## **Net result and earnings per share**

Net profit for 2013 came in at EUR 1.2 million, from EUR 0.8 million in 2012. This translated into earnings per share of EUR 0.09 based on a weighted average number of 12,089,519 outstanding ordinary shares. The total number of outstanding ordinary shares stood at 12,195,497 at 31 December 2013.

## **Balance sheet structure**

The shareholders' equity increased by EUR 1.9 million to EUR 8.9 million at year-end 2013, as a result of the addition of net profit of EUR 1.1 million for 2013, the issue of shares related to earn-out commitments of EUR 0.3 million and a EUR 0.5 million transaction with a minority shareholder.

Trade and other receivables declined by EUR 3.2 million to EUR 17.3 million by year-end 2013. The balance sheet total dropped by EUR 4.0 million to EUR 35.9 million by year-end 2013, from EUR 39.9 million a year earlier.

The solvency ratio (shareholders' equity / total capital) improved to 24.9% at year-end 2013, from 17.5% at end-2012.

Active working capital management reduced the net bank debt to EUR 3.4 million by the end of 2013, from EUR 4.5 million at year-end 2012. The facility agreed with ABN AMRO Bank stood at EUR 8.2 million at year-end 2013. Ctac issued a right of lien on receivables, operating equipment and IP rights as surety.

## **Cash flow and investments**

Ctac recorded a positive cash flow from ordinary operations of EUR 4.1 million in 2013, compared with a positive EUR 4.4 million in 2012.

In 2013, EUR 1.0 million was invested in tangible fixed assets, compared with EUR 1.4 million in 2012. These investments were primarily in replacement of ICT infrastructure and new computers. In 2012, Ctac also invested in the new offices to which it moved in the spring of 2012. The cash flow from financing activities was primarily related to the payment of earn-

out commitments of EUR 1.1 million (2012: EUR 0.5 million). Net cash flow came in at a positive EUR 0.9 million in 2013, compared with a EUR 1.6 million positive in 2012.

### **Proposal profit distribution**

After considering of the impact on shareholders' equity, the composition of same and the other balance sheet components, Ctac will propose to the General Meeting of Shareholders not to pay out a dividend over the 2013 financial year and that the entire result be added to the (negative) other reserves, included under shareholders' equity.

### **STRATEGY AND MANAGEMENT OF THE ORGANISATION**

Ctac believes its mission is to make its client's ambitions possible by translating every possible information technology option into business value for its clients, while also taking into account the ambitions of its employees.

Ctac has defined the following targets in this respect:

- enabling (international) customers in the (larger) small and medium-sized enterprise sector to focus on their own core business by providing suitable and reliable ICT solutions at acceptable costs. These solutions should also make a substantial contribution to customers' profitability and the continuity of their operations;
- continued transformation from an ERP services provider into a distinctive and recognisable provider of combined ICT solutions (solution provider);
- to align the Ctac organisation with market opportunities and safeguard continuity for all stakeholders.

In recent years, Ctac has realigned its organisation and increased the focus of its strategy in such a way that the company has been able to transform itself into a leading ICT Solution Provider. In the coming years, the company will continue to focus on - market and/or know-how focused - integrated business units optimally designed to provide customers with advanced specialist solutions. Ctac has structured its organisation to give the management team in the Netherlands direct control of the organisation and its operations.

The structure of the organisation is such that in both countries, the management team provides central, integrated management for all sales and delivery activities.

In the Netherlands, the services have been divided into three sectors: SAP Consultancy, Managed Services en Microsoft Consultancy.

Ctac manages all sales activities across these sectors centrally.

### **OUTLOOK**

Ctac's improved financial position, the operational progress booked in 2013 and the improvement in results, especially in the second half of 2013, put the company in a better starting position in 2014. While a full recovery in ICT-services markets in 2014 is not yet expected, the company has good reason to believe it can continue the upward trend in 2014.

Barring unforeseen circumstances beyond its control, Ctac expects its profit for the full year 2014 to be higher than in 2013.

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## **About Ctac**

As an innovative ICT Solution Provider, Ctac helps customers realize their ambitions. We do so by developing and implementing industry-focused solutions that fully address customer's needs and business processes in various markets. With a passion for technology and a sharp eye for business processes, we work at the crossroads of business and ICT on a daily basis. Our industry-focused solutions for among others retail, wholesale, real estate and charity are being developed in close cooperation with our customers. We complement our industry-specific composed solutions with a comprehensive range of services, varying from business consultancy to managed services and software development, mobility, in-memory computing and cloud. For this, we always take a professional approach, with an innovative angle and a focus on transparent personal contact.

Ctac is listed at Euronext Amsterdam (ticker: CTAC). As per December 2013, Ctac employs a staff of 464. The head office is located in 's-Hertogenbosch, the Netherlands. The company is also active in Belgium and France. For more information: [www.ctac.nl](http://www.ctac.nl).

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### **Financial agenda 2014**

2 April 2014	Publication annual report
14 May 2014	Publication trading update first quarter 2014
14 May 2014	General Meeting of Shareholders
28 August 2014	Publication half year results 2014
6 November 2014	Publication trading update third quarter 2014

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### **Addenda:**

Key figures 2013  
Consolidated balance sheet 2013  
Consolidated statement of income 2013 / Consolidated statement of total income 2013  
Consolidated cash flow statement 2013  
Consolidated statement of changes in shareholders' equity 2013 and 2012  
Information per segment 2013 and 2012

**CTAC N.V.**
**KEY FIGURES**
**2013**
**2012**
**PROFIT & LOSS ACCOUNT**

Net turnover	77,0	m	79,9	m
Gross margin	56,9	m	57,6	m
Operating result	2,2	m	2,0	m
Result from ordinary operations before taxes	1,7	m	1,2	m
Net result	1,2	m	0,8	m

**EMPLOYEES (FTE)**

As per 31 December	438		438	
Average over the year	439		448	
Turnover per employee	175	K	178	K
Turnover per direct employee	193	K	197	K

**RATIOS**

Operating result/net turnover	2,8	%	2,5	%
Net profit/net turnover	1,5	%	1,0	%
Net profit/average shareholders' equity	14,6	%	12,3	%
Shareholders' equity/total capital	24,9	%	17,5	%

**DATA PER SHARE (NOMINAL VALUE OF EUR 0.24)**

Number of outstanding weighted average ordinary shares	12.089.519		11.731.147	
Net profit	0,09		0,07	
Cash flow	0,20		0,19	
Shareholders' equity	0,74		0,60	

**CTAC N.V.**
**CONSOLIDATED BALANCE SHEET AS PER 31 DECEMBER  
(in EUR 1,000)**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible fixed assets	15.516	16.057
Tangible fixed assets	2.385	2.218
Deferred tax assets	<u>558</u>	<u>979</u>
	18.459	19.254
<b>CURRENT ASSETS</b>		
Trade receivables and other receivables	17.299	20.528
Cash and cash equivalents	<u>95</u>	<u>111</u>
	17.394	20.639
	-----	-----
	35.853	39.893
	=====	=====
<b>LIABILITIES</b>		
Paid and called up capital	2.927	2.825
Share premium reserve	11.232	10.986
Other reserves	<u>- 6.327</u>	<u>- 7.631</u>
Result financial year	<u>1.098</u>	<u>809</u>
<b>SHAREHOLDERS' EQUITY</b>	8.930	6.989
<b>THIRD PARTY SHARE</b>	737	52
<b>LONG-TERM LIABILITIES</b>		
Bank liabilities	215	399
Other liabilities	1.028	2.369
Deferred tax liabilities	<u>325</u>	<u>465</u>
	1.568	3.233
<b>SHORT-TERM LIABILITIES</b>		
Bank liabilities	3.297	4.204
Provisions	681	636
Trade creditors and other liabilities	20.237	24.331
Corporate tax payable	<u>403</u>	<u>448</u>
	24.618	29.619
	-----	-----
	35.853	39.893
	=====	=====

**CTAC N.V.**

	<u>2013</u>	<u>2012</u>
CONSOLIDATED PROFIT AND LOSS ACCOUNT (in EUR 1,000)		
Net turnover	77.028	79.861
Purchase value hardware and software	8.267	8.868
Outsourced work	<u>11.871</u>	<u>13.437</u>
<b>TOTAL COSTS OF SALES</b>	<u>- 20.138</u>	<u>22.305</u>
<b>GROSS MARGIN</b>	56.890	57.556
Personnel costs	40.840	41.220
Depreciation and amortisation	1.304	1.473
Other operating costs	<u>12.579</u>	<u>12.873</u>
Total operating expenses	54.723	55.566
<b>OPERATING RESULT</b>	2.167	1.990
Interest income and similar income	48	2
Interest expenses and similar expenses	-254	- 189
Result from participations	0	93
Other financial expenses	<u>-284</u>	<u>- 696</u>
<b>FINANCIAL INCOME AND EXPENSES</b>	490	790
<b>RESULT FROM ORDINARY ACTIVITIES</b>	-----	-----
BEFORE TAXES	1.677	1.200
Taxes	<u>- 517</u>	<u>- 395</u>
<b>NET RESULT</b>	1.160	805
Third party share	<u>- 62</u>	<u>4</u>
ATTRIBUTABLE TO GROUP SHAREHOLDERS	1.098	809
	=====	=====
Number of shares outstanding at year-end	12.195.497	11.771.586
Number of outstanding weighted shares	12.089.519	11.731.147
Average number of outstanding weighted shares for the calculation of the diluted earnings per share	14.905.761	17.538.645
<b><u>CTAC N.V.</u></b>		
	<u>2013</u>	<u>2012</u>
CONSOLIDATED STATEMENT OF TOTAL RESULT (in EUR 1,000)		
Net result directly accounted for in the shareholders' equity	-	-
Net result for the financial year	<u>1.160</u>	<u>805</u>
<b>TOTAL RESULT FOR THE FINANCIAL YEAR</b>	<u>1.160</u>	<u>805</u>
	=====	=====

**CTAC N.V.**
**CONSOLIDATED CASH FLOW STATEMENT 2013**  
(in EUR 1,000)

	<u>2013</u>	<u>2012</u>
Operating result	2.167	1.990
Depreciations	<u>1.328</u>	<u>1.685</u>
	<b>3.495</b>	<b>3.675</b>
Changes in working capital		
Receivables	3.229	- 3.823
Short-term debts	- <u>2.642</u>	<u>4.517</u>
	587	694
<b>Cash flow from operations</b>	<b>4.082</b>	<b>4.369</b>
Interest received	48	2
Interest paid	- 256	- 189
Profit tax paid	- <u>349</u>	<u>486</u>
	- 557	- 673
<b>Cash flow from operating activities</b>	<b>3.525</b>	<b>3.696</b>
Investments in tangible fixed assets	- 954	- 1.476
Repayments/withdrawals of long term financing	- 184	9
Paid earn out obligations	- 1.067	- 518
Dividend third parties	- 429	-
Divestment subsidiaries	- -	- 60
<b>Cash flow from financing activities</b>	<b>- 1.680</b>	<b>- 569</b>
	<b>891</b>	<b>1.651</b>
	=====	=====
Cash and cash equivalents	111	349
Short-term bank debts	- <u>4.204</u>	<u>6.093</u>
Balance of cash and cash equivalents as per 1 January	- 4.093	- 5.744
Cash and cash equivalents	95	111
Short-term bank debts	- <u>3.297</u>	<u>4.204</u>
Balance of cash and cash equivalents as per 31 December	<u>3.202</u>	<u>4.093</u>
	<b>891</b>	<b>1.651</b>
	=====	=====

## CTAC N.V.

**CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY FOR 2013**  
(in EUR 1,000)

**CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY FOR 2012**  
(in EUR 1,000)

	Share				Attributable				
	Issued capital	premium reserves	Other reserves	Undistributed profit	to group shareholders	Third party share	Group equity		
Balance as per 1 January 2012	2.796	10.920	-	7.631		6.085	71	6.156	
Share issue	29	66				95		95	
Transaction/dividend minority shareholders						- -	15	-	15
Net result	-	-	-	809	809	-	4	805	
Balance as per 31 December 2012	2.825	10.986	-	7.631	809	6.989	52	7.041	

**CTAC N.V.**
**Segmented results 2013**

(in EUR 1,000)

	The Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	62.852	15.006	1.260	- 2.090	77.028
Operating result	3.811	- 240	- 1.404		2.167
-----	-----	-----	-----		-----
Financial income	-	81	144	- 177	48
Financial expenses	- 161	- 172	- 382	177	- 538
-----	-----	-----	-----		-----
Result before tax	3.650	- 331	- 1.642		1.677
Tax	- 931	11	403		517
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<b>Result after tax</b>	<b>2.719</b>	<b>- 320</b>	<b>- 1.239</b>		<b>1.160</b>
=====	=====	=====	=====		=====

**DEPRECIATION 2013**

Intangible fixed assets	421	120	-	541
Tangible fixed assets	353	34	400	787
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<b>Total depreciation</b>	<b>774</b>	<b>154</b>	<b>400</b>	<b>1.328</b>
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**INVESTMENTS 2013**

Intangible fixed assets	-	-	-	-
Tangible fixed assets	627	4	323	954
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<b>Total investments</b>	<b>627</b>	<b>4</b>	<b>323</b>	<b>954</b>
=====	=====	=====	=====	=====

**Segmented results 2012**

(in EUR 1,000)

	The Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	65.852	15.836	3.003	- 4.830	79.861
Operating result	3.942	182	- 2.134		1.990
-----	-----	-----	-----		-----
Financial income	3	139	97	- 144	95
Financial expenses	- 57	- 146	- 826	144	- 885
-----	-----	-----	-----		-----
Result before tax	3.888	175	- 2.863		1.200
Taxes	- 907	- 116	628		395
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<b>Net result</b>	<b>2.981</b>	<b>59</b>	<b>- 2.235</b>		<b>805</b>
=====	=====	=====	=====		=====

**DEPRECIATION 2012**

Intangible fixed assets	392	120	390	902
Tangible fixed assets	301	36	446	783
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<b>Total depreciation</b>	<b>693</b>	<b>156</b>	<b>836</b>	<b>1.685</b>
=====	=====	=====	=====	=====

**INVESTMENTS 2012**

Intangible fixed assets	-	-	-	73
Tangible fixed assets	471	58	947	1.476
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<b>Total investments</b>	<b>471</b>	<b>58</b>	<b>874</b>	<b>1.403</b>
=====	=====	=====	=====	=====