

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

## Ctac records slightly higher revenue and EBITDA in third quarter

's-Hertogenbosch, 31 October 2019 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today publishes its trading update for the third quarter of 2019.

### Key figures

(x € million) Unless otherwise stated	2019 through Q3	2019 through Q3	2018 through Q3	2019 Q3	2018 Q3
	Incl. adjustment IFRS 16	Excl. adjustment IFRS 16		Excl. adjustment IFRS 16	
<b>Net revenue</b>	61.2	<b>61.2</b>	61.9	<b>19.8</b>	19.5
<b>EBITDA</b>	5.6	<b>2.3</b>	2.9	<b>1.3</b>	1.2
<b>Operating result (EBIT)</b>	1.5	<b>1.2</b>	2.2	<b>1.0</b>	1.0
<b>Net result</b>	0.8	<b>0.8</b>	1.7	<b>0.8</b>	0.7

### Highlights third quarter 2019

- Revenue up slightly (+1.5%) at € 19.8 million
- EBITDA\* 8.3% higher at € 1.3 million
- Operating result \* stable at € 1 million
- Net result\* up 14.3% at € 0.8 million

### Highlights first nine months of 2019

- Revenue down slightly (-1.1%) at € 61.2 million
- Reduced demand for on-premises license sales partly offset by increasing demand for cloud solutions
- Profitability lower as a result of one-off expenses in the first half of the year
- Roll-out new IP products on schedule

### Outlook 2019

- Slight upward adjustment to the operating result forecast: barring unforeseen circumstances, for the full year 2019 Ctac expects to record revenue and operating result from ordinary activities comparable to those recorded in 2018.
- However, the ruling of the Amsterdam court will have a negative impact of € 1.25 million on Ctac's total operating result.

*\*For comparison purposes: Excluding adjustment to IFRS 16*

*In case of any inconsistencies the Dutch version of this press release is leading.*

**Henny Hilgerdenaar, CEO of Ctac:**

*Our results in the third quarter showed a modest upward trend. Revenue was higher due to increasing demand for cloud solutions. However, this rise was partly offset by a decline in on-premises licence sales. The increase in EBITDA in the third quarter illustrated the positive impact of the IP products we developed in-house. While we capitalised € 1.4 million in development costs in the first nine months of 2018, this year the additional costs for product optimisation in 2019 were charged directly to the result for 2019.*

*The development of IP products specifically for the retail, housing corporation and real estate markets is on schedule, both in terms of investment scope and planning. The products went live with the first clients this year and the rapid implementation of the XV retail cash register system at Action yielded a nomination for the 2019 Computable Awards. In the third quarter, we received contracts from Sligro for the implementation of XV Retail, and from AHAM Vastgoed for our ERP cloud service Fit4RealEstate. Based on the positive response in the market, we have high expectations of these new products. We also recorded commercial successes in the third quarter that will have an impact on the results in the fourth quarter of this year and in 2020.*

*The shortage of qualified IT professionals is once again an important focal point this year. To recruit new employees, Ctac makes successful use of its own employee network (referral recruitment). We have noticed that this ensures we are increasingly successful in encouraging people to join our company. The shortages in the labour market have now resulted in higher hourly rates. The extent to which we are able to attract new, qualified employees will remain a determining factor in Ctac's continued growth.*

*In Belgium, we have made operational improvements in the organisation. The increase in revenue confirms that we are on track to realise a break-even result for the full year 2019. Our activities in France are limited.*

*Based on the developments in the third quarter, we are making a modest upward adjustment to our previously published forecast for the full year and currently expect to realise a more or less stable operating result from ordinary activities in 2019.*

*Looking ahead to 2020, we see good opportunities for growth and the improvement of our results. We expect both our Belgian activities and our new IP products to make a positive contribution to the net result next year.*

**Results third quarter 2019**

The net result for the third quarter 2019 amounted to € 0.8 million (third quarter 2018: € 0.7 million).

**Balance sheet (after application of IFRS 16)**

As in the first and second quarters of 2019, Ctac did not capitalise any development costs related to the above-mentioned IP products (first nine months of 2018: € 1.4 million).

Shareholders' equity had increased to €18.9 million at end-September 2019 (31 December 2018: € 18.8 million). Solvency (shareholders' equity / balance sheet total) had risen to 43.1% at end-September 2019 (31 December 2018: 39.0%), primarily as a result of the increase in shareholders' equity and the seasonal effects related to working capital.

**Cash flow**

Net cash flow in the first three quarters of 2019 came in at € 0.4 million. Active management of this item is paying off. It is expected that despite the full payment in Q4 2019 of the amount due pursuant to the court ruling of last 18 October, we still realise a modestly positive cash flow for the full year 2019.

### **Update ongoing legal dispute**

Ctac is involved in a legal conflict with a client regarding the settlement of the execution of a contract closed in July 2016. In this context, Ctac announced on 18 October 2019 that the court in Amsterdam had ruled that the client was legally entitled to dissolve the contract. Ctac was ordered to pay a total amount of EUR 2,369,718.03, consisting of EUR 1,250,000 in damages and compensation for litigation costs and an earlier cancellation fee. Considering VAT and the amount that has already been deposited in Escrow, the ruling results in an outgoing cash flow of EUR 1,576,000 for Ctac and a concomitant impact on the result of € 1,254,000.

Ctac is studying the ruling and is also considering any subsequent steps it may take, including a possible appeal. Ctac is also assessing the possibility of claiming damages from third parties involved.

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### **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 consultancy, managed services, projects, learning and secondment. 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. In 2019, Ctac had been in business for 27 years and over the years has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors. In 2018, Ctac recorded 83 million euro in revenue.

The organisation 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 its head office is located in 's-Hertogenbosch, the Netherlands.

At end-September 2019, Ctac had 395 employees. You will find more information at: [www.ctac.nl](http://www.ctac.nl).

**For more information**

Ctac N.V.  
Meerendonkweg 11  
5216 TZ 's-Hertogenbosch

Postbus 773  
5201 AT 's-Hertogenbosch  
[www.ctac.nl](http://www.ctac.nl)

Henny Hilgerdenaar | CEO  
Pieter-Paul Saasen | CFO

T. +31 (0)73 - 692 06 92  
E. [info@ctac.nl](mailto:info@ctac.nl)

**Financial calendar**

6 March 2020	:	Publication annual results 2019
30 April 2020	:	Publication press release on first quarter 2020
13 May 2020	:	General Meeting of Shareholders

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