

# ORDINA N.V. **TRADING UPDATE**

Q1 2023



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## About Ordina

Ordina is the digital business partner that harnesses technology and market know-how to give its clients an edge. We do this by using smart solutions to connect technology, business challenges and people. We help our clients to accelerate, to develop smart applications, to launch new digital services and ensure that people embrace those services. Ordina was founded in 1973. Its shares are listed on Euronext Amsterdam and are included in the Smallcap Index (AScX). In 2022, Ordina recorded revenue of EUR 429 million. You will find more information [www.ordina.com](http://www.ordina.com).

## Forward-looking statements

This document contains forward-looking statements regarding the financial performance of Ordina N.V. and outlines certain plans, targets and ambitions based on current insights. Such forecasts are obviously not without risk and entail a certain degree of uncertainty, since there are no guarantees regarding future circumstances. There are multiple factors that could potentially result in the actual results and outcomes differing from those outlined in this document. Such factors include: general economic trends, the pace of globalization of the markets for solutions, IT and consulting, increased performance commitments, scarcity on the labor market, and future acquisitions and disposals.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

## Financial calendar

<b>August 1, 2023</b>	Publication interim results
<b>November 2, 2023</b>	Publication Q3 trading update
<b>February 15, 2024</b>	Publication full-year results 2023
<b>April 4, 2024</b>	General Meeting

## ORDINA RECORDS A SOLID FIRST QUARTER 2023

Nieuwegein, 25 April 2023 – Ordina N.V. (Ordina), the digital business partner that harnesses technology and market know-how to give its clients an edge, today presents its results for the first quarter of 2023.

### Q1 2023 highlights

- Revenue comes in at EUR 117.4 million (Q1 2022: EUR 110.7 million);
- Revenue from business propositions accounts for 48% of total revenue;
- Adjusted EBITDA<sup>1</sup> comes in at EUR 16.2 million (Q1 2022: EUR 17.3 million);
- Adjusted EBITDA margin amounts to 13.8% (Q1 2022: 15.6%);
- Net profit comes in at EUR 6.6 million (Q1 2022: EUR 9.3 million);
- Net cash position stands at EUR 37.3 million at end-Q1 (end-Q1 2022: EUR 53.0 million).

### Key figures

<i>(in thousands of euro, unless stated otherwise)</i>	Q1 2023	Q1 2022	Change Q1 2023 vs. Q1 2022
Revenue	117,398	110,746	+6.0%
Workings days (NL/Belux)	65 / 64	64 / 63	+1 / +1
Adjusted for working days			+4.8%
Adjusted EBITDA	16,168	17,267	-1,099
Adjusted EBITDA margin	13.8%	15.6%	-1.8%-points
EBITDA	13,589	17,267	-3,678
EBITDA margin	11.6%	15.6%	-4.0%-points
Net profit	6,630	9,330	-2,700
Net cash position	37,302	53,034	-15,732
Free cashflow	2,375	12,237	-9,862

### Jo Maes, Ordina Group CEO, on the results

"In the first quarter, we once again achieved profitable growth and our margin confirms that we recorded a solid operating performance in the first quarter. We make good progress with the execution of our strategy. The proposed transaction with Sopra Steria to join forces will allow us to accelerate.

Demand for our services remains high in markets where we have a stable and solid position. We achieved particularly strong growth in the public sector. In order to further strengthen our strategy in this sector, we have expanded our portfolio to include a market theme in which we have combined our expertise to provide integrated solutions in the public domain. In doing so, we help governments increase the effectiveness of their systems and

<sup>1</sup> Normalized EBITDA is EBITDA adjusted for M&A costs, including costs related to the potential bid for all Ordina ordinary shares

improve connectivity with citizens. The recently concluded partnership with the Land Registry is a perfect example of this.

In this competitive labor market, recruiting and retaining talented colleagues is one of the biggest challenges we face at Ordina. Our strategic focus is on fostering collaboration in high performance teams, so we can offer our employees challenging career prospects."

## GROUP PERFORMANCE

### Revenue

Revenue increased by 6.0% to EUR 117.4 million (Q1 2022: EUR 110.7 million). This revenue growth was mainly driven by growth in the number of direct employees compared to Q1 2022, and improved pricing thanks to, among other things, more revenue from our business propositions. The share of business proposition revenue increased to 48% of total revenue (Q1 2022: 46%).

#### Revenue per market

<i>(in thousands of euro)</i>	Q1 2023	Q1 2022	Change Q1 2023 vs. Q1 2022
Public sector	52,414	45,386	+15.5%
Financial services	31,122	29,212	+6.5%
Industry	33,862	36,148	-6.3%
<b>Total</b>	<b>117,398</b>	<b>110,746</b>	<b>+6.0%</b>

Revenue from our public sector clients increased by 15.5% to EUR 52.4 million (Q1 2022: EUR 45.4 million). We also accomplished a further increase in revenue from our high-performance teams and business platforms & cloud solutions.

In the financial services sector, revenue came in 6.5% higher at EUR 31.1 million (Q1 2022: EUR 29.2 million). This revenue growth was primarily driven by our digital acceleration and high performance teams business propositions. Our banking clients accounted for a large part of our revenue growth in this sector.

Revenue from our clients in the industry market declined by 6.3% to EUR 33.9 million (Q1 2022: EUR 36.1 million). Within the industry market, we focus on three sub-sectors: transportation and logistics, life sciences and utilities, where we recorded growth. Our strategy of focusing on a limited number of sectors and our top 70 customers has resulted in a shift in revenue to the other markets in which we operate.

### Employees

	Year-end 2022	Net change	End-Q1 2023
Direct FTEs	2,532	-22	2,510
Indirect FTEs	273	-7	266
<b>Total</b>	<b>2,805</b>	<b>-29</b>	<b>2,776</b>

The number of direct employees fell by 22 FTEs in Q1 2023 compared to year-end 2022. The total number of employees declined to 2,776 FTEs at the end of Q1 2023. Compared to the end of Q1 2022, this is an increase of 21

FTEs (Q1 2022: 2,755 FTEs). As the IT labor market remains tight, Ordina will continue to focus on recruiting new colleagues with Benelux-wide labor market campaigns and recruitment drives.

## EBITDA

EBITDA was impacted by one-off costs related to M&A activities (EUR 2.6 million). Adjusted for these one-off costs, EBITDA declined by EUR 1.1 million to EUR 16.2 million (Q1 2022: EUR 17.3 million). The adjusted EBITDA margin came in at 13.8%, and is therefore high in the range of our strategic target of 12% - 14%. The decline in the EBITDA margin was due to lower productivity and a higher cost base due to an increase of salary expenses. This was not fully offset by the growth in the number of employees and improved pricing due to more contracts for our business propositions.

From a historical perspective, the first quarter is a strong quarter in terms of profitability due to seasonal influences (working days and vacations). Last year, this effect was amplified by the fact that several Covid-19-related restrictive measures were still in place. This had a positive impact in our results in Q1 2022.

## Net profit and cash flow

Net profit declined by EUR 2.7 million to EUR 6.6 million (Q1 2022: EUR 9.3 million), in line with the operating result. Free cash flow fell to EUR 2.4 million in Q1 2023 (Q1 2022: EUR 12.2 million). The net cash position stood at EUR 37.3 million at the end of Q1 2023 (end-Q1 2022: EUR 53.0 million).

## Performance per region

### Revenue per region

(in thousands of euro)	Q1 2023	Q1 2022	Change Q1 2023 vs. Q1 2022
The Netherlands	75,715	71,969	+5.2%
Belgium/Luxembourg	41,683	38,777	+7.5%
<b>Total</b>	<b>117,398</b>	<b>110,746</b>	<b>+6.0%</b>

In **the Netherlands**, revenue increased by 5.2% to EUR 75.7 million (Q1 2022: EUR 72.0 million). This growth was mainly driven by the increase in the number of employees and improved pricing due to more revenue from our business propositions. This revenue growth is reflected in the revenue from our business propositions and in particular the increase in our high performance teams and solutions in the digital acceleration and business platforms & cloud domains.

In **Belgium/Luxembourg**, revenue increased by 7.5% to EUR 41.7 million (Q1 2022: EUR 38.8 million). As in the Netherlands, this growth was driven by an increase in the number of employees and improved pricing due to an increase in revenue from our business propositions. This revenue growth is reflected in the revenue from our business propositions and in particular in the higher revenue from our solutions in the digital acceleration, data and business platforms & cloud domains.

## Proposed public offer for Ordina by Sopra Steria

On March 21, 2023, Sopra Steria and Ordina issued a joint press release in respect of the conditional agreement on a recommended all-cash public offer to be made by Sopra Steria for all the issued and outstanding ordinary shares in the capital of Ordina (the "**Offer**") (see press release dated March 21, 2023).

Ordina's management board and supervisory board (the "**Boards**") unanimously support the transaction and recommend Ordina's shareholders to tender their shares to the Offer, if and when made. The support and recommendation of the Boards, and the obligations of Ordina in relation thereto, are subject to the terms and conditions of the merger protocol between Sopra Steria and Ordina.

As communicated in the joint press releases dated 21 March 2023 and 17 April 2023, respectively, Ordina's two largest shareholders, holding approx. 26% of the ordinary shares in the capital of Ordina, have irrevocably agreed to tender their shares to the Offer, and Sopra Steria and Ordina anticipate that the Offer, which is subject to certain customary conditions, will close in the second half of 2023.

## Additional information

### Workable days 2023 and 2022

	2023		2022	
	NL	B	NL	B
Q1	65	64	64	63
Q2	61	61	61	61
Q3	65	63	66	64
Q4	63	62	64	62
<b>Total</b>	<b>254</b>	<b>250</b>	<b>255</b>	<b>250</b>

### Analyst conference call

#### **Analyst conference call - 11:00 hrs CET**

Ordina will explain its results at 11:00 hrs CET on April 25, 2023 during an analysts conference call.

### Definitions

Key definitions of the terms used in this press release.

**EBITDA:** earnings before interest, taxes, depreciation and amortization.

**Direct FTE:** an employee for whom we can charge clients billable hours and who does not have a full-time staff or management role.

**Free cash flow:** the FCF is the sum of the net cash flow from operational business activities and investment activities, adjusted for cash flows related to acquisitions and divestments of group companies and associates and any dividends received from associates. Lease payments are also deducted from the FCF (pursuant to IFRS 16 Leases).

**Adjusted EBITDA:** Adjusted EBITDA is EBITDA adjusted for M&A costs, including the costs related to the potential bid for all Ordina ordinary shares

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