

TRADING UPDATE ORDINA N.V.

Q3 2021



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About Ordina

Ordina is an independent IT services provider in the Benelux, with around 2,650 employees. We focus on giving our clients a digital edge in the sectors: financial services, industry and the public sector. We do this by connecting technology, business challenges and people. Ordina wants to help its clients to stay ahead of the challenges and changes in their business. Ordina was founded in 1973. Its shares have been listed on the NYSE Euronext Amsterdam stock exchange since 1987 and are included in the Small Cap Index (AScX). Ordina recorded revenues of EUR 369 million in 2020. You will find more information on our website: www.ordina.nl/en

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 globalisation of the markets for solutions, IT and consulting, increased performance commitments, scarcity on the labour market, and future acquisitions and disposals.

Financial calendar

17 February 2022	Publication annual results 2021
7 April 2022	General Meeting

ORDINA CONTINUES GROWTH IN THIRD QUARTER OF 2021

Growth with own employees and high performance teams

Nieuwegein, 4 November 2021 – Ordina N.V. (Ordina), an independent IT service provider in the Benelux, today presents its results for the third quarter of 2021.

YTD 2021 highlights

- Revenue up by 5.1% to EUR 290.5 million (YTD 2020: EUR 276.4 million);
- EBITDA rises to EUR 35.7 million (YTD 2020: EUR 34.2 million);
- EBITDA margin comes in at 12.3% (YTD 2020: 12.4%);
- Net profit climbs to EUR 17.0 million (YTD 2020: EUR 15.3 million);
- Net cash position at end-Q3 EUR 35.3 million (end-Q3 2020: EUR 40.3 million).

Q3 2021 highlights

- Revenue up by 7.3% at EUR 94.8 million (Q3 2020: EUR 88.3 million);
- EBITDA remains the same at EUR 11.3 million;
- EBITDA margin declines to 11.9% (Q3 2020: 12.8%);
- Net profit rises to EUR 5.2 million (Q3 2020: EUR 5.0 million).

Key figures*

<i>(in thousands of euro unless stated otherwise)</i>	YTD 2021	YTD 2020	Change YTD 2021 vs. YTD 2020	Q3 2021	Q3 2020	Change Q3 2021 vs. Q3 2020
Revenue	290,462	276,370	+5.1%	94,791	88,330	+7.3%
<i>Working days (NL/Belux)</i>	<i>190 / 188</i>	<i>190 / 189</i>	<i>0 / -1</i>	<i>66 / 64</i>	<i>66 / 64</i>	<i>0 / 0</i>
<i>Adjusted for working days</i>			+5.2%			0
EBITDA	35,702	34,175	1,527	11,255	11,265	-10
EBITDA marge	12.3%	12.4%	-0.1% points	11.9%	12.8%	-0.9% points
Net profit	17,033	15,323	1,710	5,163	4,983	180
Net cash position	35,265	40,282	-5,017			
Free cash flow	19,239	16,306	2,933			

* Key figures include IFS Probitry, acquired as per 1 September 2021

Jo Maes, Ordina Group CEO, on the results

"We continued our growth in the third quarter, both in Belgium and Luxembourg and in the Netherlands. Clients now see us increasingly as a strategic partner in their transformation process. This is why our business propositions accounted for biggest share of our revenue growth in the past quarter, and growth in all our market segments. We currently have 141 high performance teams working at our clients in the Benelux. We recorded another strong third quarter, while the result was impacted by the higher number of leave days taken due to the easing of the Covid-19 restrictions.

We reinforce our market leadership in niche segments via acquisitions when this is necessary. The recent acquisition of IFS Probitry, a Dutch IT services provider with solutions for complex mass invoicing processes, is very much in line with this strategy. Together we are creating a new proposition in the energy and mobility sectors.

We were able to welcome a large number of new employees in the third quarter. In the current tight labour market, our biggest challenge is still the recruitment and retention of our colleagues. Thanks to our strategic focus on collaboration in high performance teams, we can offer our employees the prospect of challenging work at Ordina.”

GROUP PERFORMANCE

Revenue

We increased our revenue by 5.1% to EUR 290.5 million in the first nine months of 2021 (YTD 2020: EUR 276.4 million). Our revenue growth was primarily driven by growth in revenue from our business propositions, which came in 9.7% higher at EUR 114.1 million (YTD 2020: EUR 104.0 million). Revenue from our business propositions increased to 39% of our total revenue (YTD 2020: 38%).

Revenue came in 7.3% higher at EUR 94.8 million in Q3 2021 (Q3 2020: EUR 88.3 million). The revenue from our business propositions increased by 13.3% to EUR 37.7 million in Q3 2021 (Q3 2020: EUR 33.3 million). IFS Probitry was incorporated in our figures as per 1 September of this year.

Revenue per market

<i>(in thousands of euros)</i>	YTD 2021	YTD 2020	Change YTD 2021 vs. YTD 2020	Q3 2021	Q3 2020	Change Q3 2021 vs. Q3 2020
Public sector	120,695	111,658	+8.1%	38,865	35,217	+10.4%
Financial services	76,966	74,590	+3.2%	25,873	24,104	+7.3%
Industry	92,801	90,122	+3.0%	30,053	29,009	+3.6%
Total	290,462	276,370	+5.1%	94,791	88,330	+7.3%

Revenue from our public sector clients came in 8.1% higher at EUR 120.7 million in the first nine months of 2021 (YTD 2020: EUR 111.7 million). This growth was primarily driven by higher revenue from our high performance teams and an increase in the revenue from our data-driven business proposition.

Revenue from our clients in the financial services sector increased by 3.2% to EUR 77.0 million (YTD 2020: EUR 74.6 million). This was largely driven by our digital acceleration and data-driven business propositions. We also saw continued growth in revenue from healthcare insurers.

The revenue from our clients in the industry market rose by 3.0% to EUR 92.8 million (YTD 2020: EUR 90.1 million). This growth was partly driven by higher revenue from our data-driven, business platforms & cloud and cybersecurity & compliance business propositions. In particular, sales are increasing in the logistics sector.

Employees

	Year-end 2020	Net change	End-Q3 2021
Direct FTEs	2,298	+88	2,386
Indirect FTEs	288	+6	294
Total	2,586	+94	2,680

The number of direct employees had increased by 88 FTEs at the end of September 2021, when compared with year-end 2020. The total number of employees had risen to 2,680 FTEs at the end of Q3 (year-end 2020: 2,586

FTEs). This includes the 35 IFS Probit employees. There has been no let-up in the tightness of the labour market, which is why Ordina remains fully focused on the recruitment of new colleagues via Benelux-wide labour market campaigns and recruitment drives.

EBITDA

EBITDA increased by EUR 1.5 million to EUR 35.7 million (YTD 2020: EUR 34.2 million). The EBITDA margin declined by 0.1% to 12.3%. The growth in our EBITDA was driven by more assignments for our business propositions and higher productivity, despite the impact of the catch-up in leave days taken by employees. Our investments in growth, marketing and one-off cost items did put downward pressure on our EBITDA.

EBITDA remained the same at EUR 11.3 million in the third quarter, while the EBITDA margin declined by 0.9% points to 11.9%. Due to the less stringent Covid 19 measures, the impact of leave days taken did increase in the third quarter of this year.

Net profit

Net profit came in EUR 1.7 million higher at EUR 17.0 million (YTD 2020: EUR 15.3 million).

Performance per region

Revenue per region

(in thousands of euro)	YTD 2021	YTD 2020	Change YTD 2021 vs. YTD 2020	Q3 2021	Q3 2020	Change Q3 2021 vs. Q3 2020
The Netherlands	189,091	183,108	+3.3%	62,795	58,311	+7.7%
Belgium/Luxembourg	101,371	93,262	+8.7%	31,996	30,019	+6.6%
Total	290,462	276,370	+5.1%	94,791	88,330	+7.3%

In **the Netherlands**, revenue came in 3.3% higher at EUR 189.1 million (YTD 2020: EUR 183.1 million). This growth was primarily driven our business propositions in general and higher revenue from our high performance teams and data-driven and cybersecurity & compliance solutions in particular.

In **Belgium/Luxembourg**, revenue increased by 8.7% to EUR 101.4 million (YTD 2020: EUR 93.3 million). As it was in the Netherlands, this growth was driven by our high performance teams, data-driven and cybersecurity & compliance business propositions.

Cash flow and net cash position

The free cash flow had increased to EUR 19.2 million by the end of the third quarter of 2021 (YTD 2020: EUR 16.3 million). Ordina's net cash position stood at EUR 35.3 million at end-Q3 2021 (end-Q3 2020: EUR 40.3 million).

Ordina's net debt /adjusted EBITDA ratio stood at -0.9 (maximum leverage ratio ≤ 2.50) and the Interest Cover Ratio was 222.8 (minimum ICR ≥ 5.0). This means the ratios remained well within the limits laid down in the bank covenants.

Additional information

Working days overview 2021 and 2020

	2021		2020	
	NL	B	NL	B
Q1	63	63	64	64
Q2	61	61	60	61
Q3	66	64	66	64
Q4	66	63	65	63
Total	256	251	255	252

Press and analyst conference calls

09:00 hours CET – Press conference call

Ordina will explain its results in a press conference call at 09:00 hours CET on 4 November 2021: +31 (20) 531 5856.

10:00 hours CET – Analyst conference call

Ordina will explain its results in an analyst conference call at 10:00 hours CET on 4 November 2021: +31 (20) 531 5850.

Definitions

Definitions of some of the terms used in this press release.

EBITDA: earnings before interest, taxes, depreciation and amortisation.

Direct FTE: an employee who bills hours for clients and who does not have a full-time staff or management role.

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

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