

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

Q3 2022



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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 2021, Ordina recorded revenue of EUR 394 million. You will find more information at [www.ordina.nl/en/](http://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.

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

## Financial calendar

<b>16 February 2023</b>	Publication full-year results 2022
<b>6 April 2022</b>	General meeting
<b>25 April 2023</b>	Publication Q1 2023 Trading update
<b>1 August 2023</b>	Publication 2023 Interim results
<b>2 November 2023</b>	Publication Q3 2023 Trading update

## THIRD QUARTER 2022

### Strong growth in number of employees in third quarter 2022

Nieuwegein, 3 November 2022 – Ordina N.V. (Ordina), digital business partner in the Benelux, presents the results for the third quarter of 2022.

#### Highlights YTD 2022

- Revenue rises by 9.9% to EUR 319.2 million (YTD 2021: EUR 290.5 million);
- EBITDA increases to EUR 38.8 million (YTD 2021: EUR 35.7 million);
- EBITDA margin virtually unchanged at 12.2% (YTD 2021: 12.3%);
- Net profit rises to EUR 18.3 million (YTD 2021: EUR 17.0 million);
- Net cash position stands at EUR 29.8 million at end-Q3 (end-Q3 2021: EUR 35.3 million).

#### Highlights Q3 2022

- Revenues rises by 8.8% to EUR 103.1 million (Q3 2021: EUR 94.8 million);
- EBITDA comes in at EUR 10.6 million (Q3 2021: EUR 11.3 million);
- EBITDA margin declines to 10.3% (Q3 2021: 11.9%);
- Net profit comes in at EUR 4.3 million (Q3 2021: EUR 5.2 million);
- Net growth in number of direct employees of 106 FTEs.

#### Key figures

<i>(in thousands of euro, unless stated otherwise)</i>	YTD 2022	YTD 2021	Change YTD 2022 vs. YTD 2021	Q3 2022	Q3 2021	Change Q3 2022 vs. Q3 2021
Revenue	319,185	290,462	+9.9%	103,147	94,791	+8.8%
<i>Working days (NL/Belux)</i>	<i>191/188</i>	<i>190 / 188</i>	<i>+1/-</i>	<i>66/64</i>	<i>66 / 64</i>	<i>-/-</i>
<i>Adjusted for working days</i>			<i>+9.8%</i>			
EBITDA	38,826	35,702	+3,124	10,639	11,255	-616
EBITDA margin	12.2%	12.3%	-0.1% points	10.3%	11.9%	-1.6% points
Net profit	18,312	17,033	+1,279	4,329	5,163	-834
Net cash position	29,779	35,265	-5,486			
Free cash flow	19,716	19,239	+477			

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

“Ordina can look back on a good third quarter, with growth continuing once again. The solid performance we have seen in a number of consecutive quarters demonstrates the relevance of our strategy to help clients to accelerate their digital transformation. There is a structural demand in the market for digital transformation, which will remain a priority for our clients in the coming years.

As a digital business partner, we advise and support our customers, providing solutions for their strategic digital challenges. We also capitalize on significant market themes, such as combatting financial-economic crime and realising integrated supply chain solutions.

In the third quarter, we invested heavily in recruiting new employees. As a result, we were able to hire a large number of new employees, despite the tight labor market. Ordina is an attractive employer, as employees can experience that their role at our client projects have a social impact.

Although market conditions are challenging, we are convinced that Ordina is well positioned to maintain our growth and financial performance in the coming period. Thanks to our way of working in high performance teams and the technological know-how and expertise of our employees, we create the digital business solutions of the future together with our clients.”

## GROUP PERFORMANCE

### Revenue

In the first nine months of this year, revenue increased by 9.9% to EUR 319.2 million (YTD 2021: EUR 290.5 million). Organic growth was 8.5% YTD 2022. Revenue growth was driven by growth in the average number of employees compared to last year. In addition, improved pricing more than offset lower productivity. In Q3 2022, revenue rose by 8.8% to EUR 103.1 million (Q3 2021: EUR 94.8 million).

Business proposition revenue rose to EUR 148.9 million (YTD 2021: EUR 114.1 million). Demand for business platforms & cloud solutions and high performance teams increased particularly strongly. Consequently, the share of business proposition revenue increased to 47% of total revenue (YTD 2021: 39%).

### Revenue per market

<i>(in thousands of euro)</i>	YTD 2022	YTD 2021*	Change YTD 2022 vs. YTD 2021	Q3 2022	Q3 2021*	Change Q3 2022 vs. Q3 2021
Public sector	134,116	120,804	11.0%	44,789	38,892	15.2%
Financial services	83,884	76,806	9.2%	26,928	25,826	4.3%
Industry	101,185	92,852	9.0%	31,430	30,073	4.5%
<b>Total</b>	<b>319,185</b>	<b>290,462</b>	<b>+9.9%</b>	<b>103,147</b>	<b>94,791</b>	<b>+8.8%</b>

\* 2021 figures have been adjusted for comparative purposes on the basis of the reclassification of a number of clients.

In both the first nine months and Q3, revenue came in higher in all the markets we operate in. Public sector revenue achieved the strongest growth at 11.0% YTD and 15.2% in Q3 2022. In particular, revenue with our high performance teams and the business platforms & cloud business proposition grew. In financial services, we increased our footprint at a number of health insurers in the Netherlands, largely through growth in high performance teams and digital acceleration. In the third quarter last year, we achieved strong revenue growth at banks with our high performance teams. This provides a tough comparison base in Q3 2021. In the industry sector, growth was driven by business platforms & cloud and cybersecurity & compliance.

### Employees

	Year-end 2021	Net change	End-H1 2022	Net change	End-Q3 2022
Direct FTEs	2,428	+8	2,436	+106	2,542
Indirect FTEs	287	-23	264	+11	275
<b>Total</b>	<b>2,715</b>	<b>-15</b>	<b>2,700</b>	<b>+117</b>	<b>2,817</b>

The number of direct employees increased by 114 FTEs in the first nine months of 2022 compared with year-end 2021. The total number of employees at end-Q3 2022 increased to 2,817 FTEs (year-end 2021: 2,715 FTEs). Despite the persistent tightness in the labor market, the number of direct FTE increased by 106 in Q3 2022.

Ordina will continue to focus fully on employee recruitment and retention.

## EBITDA

EBITDA increased by EUR 3.1 million to EUR 38.8 million (YTD 2021: EUR 35.7 million). The EBITDA margin remained virtually unchanged at 12.2% (YTD 2021: 12.3%). The increase in EBITDA was driven by more revenue from our business propositions, but with slightly lower productivity due to more sick leave and holiday leave compared to the first nine months last year.

EBITDA came in at EUR 10.6 million in the third quarter (Q3 2021: EUR 11.3 million). The EBITDA margin fell by 1.6% points to 10.3%. This was due to a number of factors. For one, productivity declined due to the fact that we hired a relatively high number of young professionals in September, resulting in more hours spent on training and education. This was partly offset by the fact that the average number of FTEs was higher and we are able to pass on the increase in our cost base in improved rates. Additionally, the 2021 EBITDA was positively impacted by Covid-19 effects, such as fuel and travel and lodging expenses.

## Net profit

Net profit came in EUR 1.3 million higher at EUR 18.3 million (YTD 2021: EUR 17.0 million).

## Performance per region

### Revenue per region

(in thousands of euro)	YTD 2022	YTD 2021	Change YTD 2022 vs. YTD 2021	Q3 2022	Q3 2021	Change Q3 2022 vs. Q3 2021
The Netherlands	209,365	189,091	+10.7%	68,542	62,795	+9.2%
Belgium/Luxembourg	109,820	101,371	+8.3%	34,605	31,996	+8.2%
<b>Total</b>	<b>319,185</b>	<b>290,462</b>	<b>+9.9%</b>	<b>103,147</b>	<b>94,791</b>	<b>+8.8%</b>

In **the Netherlands**, revenue increased by 10.7% to EUR 209.4 million for the first nine months of 2022 (YTD 2021: EUR 189.1 million). Organic growth came in at 8.6%. In Q3 2022, revenue was up by 9.2% at EUR 68.5 million (Q3 2021: EUR 62.8 million). Business proposition revenue growth was primarily driven by business platforms & cloud solutions and high performance teams.

In **Belgium/Luxembourg**, revenue increased by 8.3% to EUR 109.8 million in the first nine months of 2022 (YTD 2021: EUR 101.4 million). In Q3 2022, revenue rose by 8.2% compared with Q3 2021. As in the Netherlands, business proposition growth was primarily driven by business platforms & cloud and high performance teams.

## Cash flow and net cash position

Free cash flow increased to EUR 19.7 million in the first nine months of 2022 (YTD 2021: EUR 19.2 million). This increase was driven by the improved result, which is levelled off in Q3 due to an increase in working capital. The net cash position stood at EUR 29.8 million at end-Q3 2022 (end-Q3 2021: EUR 35.3 million).

In Q3 2022, Ordina repurchased 0.9 million shares, hereby completing its share buy-back program. In total, Ordina repurchased 3.2 million shares for EUR 15.0 million. These shares were cancelled in October 2022. As a result, the issued share capital now consists of 90.0 million ordinary shares and one priority share.

## Additional information

### Workable days 2022 and 2021

	2022		2021	
	NL	B	NL	B
Q1	64	63	63	63
Q2	61	61	61	61
Q3	66	64	66	64
Q4	64	62	66	63
<b>Total</b>	<b>255</b>	<b>250</b>	<b>256</b>	<b>251</b>

### Media call and analyst presentation

#### 09:00 CET – Media call

Ordina will explain its results at 09:00 CET on 3 November 2022 during a media call. Participants need to register in advance via [this link](#), after which they will receive a separate e-mail with call-in details.

#### 10:00 CET – Analyst presentation

Ordina will present its results at on 3 November 2022 at 10:00 CET during the analyst call. Participants need to register in advance via [this link](#), after which they will receive a separate e-mail with call-in details.

### Definitions

Key definitions of the terms used in this press release.

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

**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 (FCF):** 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 the application of IFRS 16 Leases).

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