

PRESS RELEASE

Ordina N.V. results first quarter 2018

Higher revenue and return

Nieuwegein, 26 April 2018

Q1 highlights

- EBITDA rises to EUR 6.0 million (Q1 2017: EUR 4.3 million);
- EBITDA margin increases to 6.6% (Q1 2017: 4.9%¹);
- Revenue up 4.4% at EUR 91.3 million (Q1 2017: EUR 87.4 million¹);
 - Revenue the Netherlands rises 1.9% to EUR 65.2 million (Q1 2017: EUR 64.0 million¹);
 - Revenue Belgium/Luxembourg up 11.3% at EUR 26.0 million (Q1 2017: EUR 23.4 million¹);
- Net debt position improves to EUR 0.7 million (Q1 2017: EUR 2.5 million);
- Net profit rises to EUR 3.2 million (Q1 2017: EUR 1.7 million);
- Kick-off of labour market campaign focusing on High performance teams.

Jo Maes, CEO Ordina, on the results

“Both revenue and returns came in higher in the first quarter. Belgium/Luxembourg made a strong start to the year. In the Netherlands, we saw revenue increase slightly and returns were boosted by lower costs.

The revenue growth at our clients in the public sector and financial services continued in the first quarter. Our focus on the five business propositions is now paying off in these sectors.

We are proud of our ability to attract talented employees in both the Netherlands and Belgium/Luxembourg. In the first quarter alone, we managed to recruit 177 new colleagues. We also increased our recruitment efforts with the launch of the new labour market campaign ‘You learn more in teams’. On top of this, the launch of Ordina TalentPower will give an additional boost to our recruitment and development of talented young IT people. The retention of our employees remains one of the major priorities in our management agenda. We saw a slight decline in staff turnover in the first quarter.”

¹2017 figures have been adjusted for the application of IFRS 15 ‘Revenue from contracts with customers’, which resulted in a reduction in revenue of EUR 0.8 million.

Developments Q1

In the first quarter, revenues came in 4.4% higher at EUR 91.3 million (Q1 2017: EUR 87.4 million¹). EBITDA (after redundancy costs) rose to EUR 6.0 million (Q1 2017: EUR 4.3 million). Redundancy costs amounted to EUR 0.5 million in Q1 (Q1 2017: EUR 0.9 million). In Q1, the number of work days amounted to 64 in both the Netherlands and Belgium/Luxembourg (Q1 2017: the Netherlands 65 and Belgium/Luxembourg 64). The impact of this work day amounted to EUR 0.9 million in revenue and EUR 0.7 million in EBITDA.

	Q1 2017 ²	Q1 2018	Δ %
<i>(in thousands of euro)</i>			
Public sector	30,440	34,729	14.1%
Financial Services	24,056	25,177	4.7%
Industry	26,753	25,713	-3.9%
Healthcare	6,153	5,662	-8.0%
Total	87,402	91,281	4.4%

² 2017 figures have been adjusted for purposes of comparison due to the reclassification of a number of clients. In addition, the 2017 figures have been adjusted for the application of IFRS 15.

Revenue in the public sector was up by 14.1% at EUR 34.7 million (Q1 2017: EUR 30.4 million¹). This increase was driven by the growing demand within the IT insourcing framework agreements and the deployment of high performance teams. Revenue from clients in the financial services sector was up 4.7% at EUR 25.2 million (Q1 2017: EUR 24.1 million). This increase was largely accounted for by clients in the banking sector. In Belgium/Luxembourg, the revenue in this market is still limited, but it did increase sharply in the first quarter. Revenue from the industry sector declined by 3.9% to EUR 25.7 million (Q1 2017: EUR 26.8 million¹). In the Netherlands, revenue from this sector declined due to a lower number of direct employees. In Belgium/Luxembourg, the revenue in this market came in higher. Revenue from the healthcare market declined by 8.0% to EUR 5.7 million (Q1 2017: EUR 6.2 million¹). Healthcare revenue fell sharply in the Netherlands, largely due to lower revenues from various healthcare institutions. Belgium/Luxembourg saw a slight decline in revenue from the pharmaceutical industry.

	Q1 2017 ¹	Q1 2018	Δ %
<i>(in thousands of euro)</i>			
The Netherlands	64,012	65,237	1.9%
Belgium/Luxembourg	23,390	26,044	11.3%
Total	87,402	91,281	4.4%

¹ 2017 figures have been adjusted for the application of IFRS 15 'Revenue from contracts with customers', which resulted in a reduction in revenue of EUR 0.8 million.

The Netherlands

In the Netherlands, revenue came in 1.9% higher at EUR 65.2 million (Q1 2017: EUR 64.0 million¹). Revenue increased despite the lower number of direct employees compared with the first quarter of last year. This was largely offset by revenue from the insourcing of external employees (including freelancers). Productivity was slightly higher than in the first quarter of last year.

The implementation of the five business propositions has further tightened our go-to-market strategy, making innovation an integral part of our business right across the company. This has rendered the separate positioning of the innovation cluster unnecessary.

Belgium/Luxembourg

In Belgium/Luxembourg, revenue came in 11.3% higher at EUR 26.0 million (Q1 2017: EUR 23.4 million¹),

driven by the growth in the number of direct employees and higher productivity compared with the first quarter of last year.

Overview workable days	2017		2018	
	NL	B	NL	B
Q1	65	64	64	64
Q2	61	61	61	61
Q3	65	63	65	63
Q4	63	62	64	63
Total	254	250	254	251

Employees

At the end of Q1 2018, the total number of employees stood at 2,567 FTEs (Q1 2017: 2,644 FTEs). In the first quarter, the total inflow amounted to 177 FTEs and the outflow was 170 FTEs; on balance, an increase of 8 FTEs (rounded off) compared with the end of Q4 2017 (2,559 FTEs). The increase in the number of indirect employees was largely driven by the reclassification (from direct to indirect) of around eight FTEs.

Development of the workforce

	Year-end 2017	Inflow	Outflow	End-Q1 2018
Direct FTEs	2,276	155	154	2,277
Indirect FTEs	283	22	15	290
Total	2,559	177	170	2,567

Financing

At the end of Q1 2018, net debt stood at EUR 0.7 million, a decline of EUR 1.8 million compared with Q1 2017 (EUR 2.5 million). This reduction was largely driven by strict working capital management and the net profit for 2017. In the first quarter, Ordina paid an amount of approximately EUR 3.2 million, related to the VAT correction for the private use of cars over previous years.

At the end of Q1 2018, the net debt/adjusted EBITDA ratio stood at 0.0 (maximum leverage ratio: ≤ 2.50) and the Interest Cover Ratio stood at 71.3 (minimum interest cover ratio: ≥ 5.0). This means the ratios were within the parameters laid down in the bank covenants.

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About Ordina

Ordina is the largest independent IT services provider in the Benelux, with around 2,650 employees. We devise, build and manage IT applications in the public sector, financial services sector, in industry and in healthcare. Our goal is IT that truly helps people. IT that matters and that has been developed without wasting any resources. We do this by working with our clients in partnerships for sustainable innovation.

Ordina was founded in 1973. The company's shares have been listed on NYSE Euronext Amsterdam since 1987 and are included in the Small Cap Index (AScX). In 2017, Ordina recorded revenues of EUR 345 million. You will find additional information on our corporate website: www.ordina.com.

Additional information

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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.