

TRADING UPDATE ORDINA N.V.

Q1 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/

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

2 August 2022	Publication interim results
3 November 2022	Publication Q3 results
16 February 2023	Publication annual results 2022

ORDINA RECORDS STRONG FIRST QUARTER 2022

Nieuwegein, 26 April 2022 – 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 2022.

Q1 2022 highlights

- Revenue rises by 10.4% to EUR 110.7 million (Q1 2021: EUR 100.3 million);
- EBITDA increases to EUR 17.3 million (Q1 2021: EUR 15.7 million);
- EBITDA margin comes in at 15.6% (Q1 2021: 15.7%);
- Net profit climbs to EUR 9.3 million (Q1 2021: EUR 8.4 million);
- Net cash position stands at EUR 53.0 million at end-Q1 2022 (end-Q1 2021: EUR 49.7 million);
- Acquisition of 13.5 hectares of land to realise first Ordina forest.

Key figures*

<i>(in thousands of euro unless stated otherwise)</i>	Q1 2022	Q1 2021	Change Q1 2022 vs. Q1 2021
Revenue	110,746	100,297	+10.4%
<i>Working days (NL/Belux)</i>	<i>64 / 63</i>	<i>63 / 63</i>	<i>+1 / -</i>
<i>Adjusted for working days</i>			<i>+9.4%</i>
EBITDA	17,267	15,746	1,521
EBITDA margin	15.6%	15.7%	-0.1% point
Net profit	9,330	8,420	910
Net cash position	53,034	49,730	3,304
Free cash flow	12,237	7,927	4,310

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

Jo Maes, Ordina Group CEO, on the results

“Ordina can look back at a strong first quarter. We have continued to grow successfully with our business propositions and we have continued to grow strongly with our own employees. As a result, revenue rose sharply and net profit also increased again. The good results show that, as a digital business partner, we are on the right track with our strategy. For instance, we are recording excellent successes with our SmartMove Solution where we help our clients to switch to SAP S/4 HANA.

Market demand for digitalisation remains high. At the same time, rising inflation is increasing salary pressure in an already tight labour market. In addition, our customers are affected by geopolitical tensions and disruptions in the energy market and supply chain. These developments could have an impact on our results. Despite this risk, we reiterate our annual target of a 12-14% EBITDA margin.

Given these developments, the successful execution of our strategy is even more important. We will therefore expand our portfolio by adding a number of significant market themes that our customers will face in the coming

years. For our current and future employees, the expansion of our portfolio means more substantively challenging work and broader career prospects.

We are also taking steps in our ESG strategy, which includes our goal to become carbon neutral. In addition to reducing our CO₂ emissions, we are also working to offset them by converting land into forest. We will plant 25,000 trees this year in the Belgian municipality of Pelt, where we are realising our first piece of forest."

GROUP PERFORMANCE

Revenue

Revenue increased by 10.4% to EUR 110.7 million (Q1 2021: EUR 100.3 million). The organic growth rate was 8.5%. Revenue growth was primarily driven by growth in the number of direct employees and improved pricing due in part to more revenue from our business propositions. The share of business proposition revenues rose to 46% of total revenues in Q1 2022 (Q1 2021: 39%).

Our target for annual growth in the years to 2026 is 5-8%. We set this target last year for the medium term in the context of the inflation levels of the recent past. Current inflation levels are significantly higher and at the same time it is uncertain how long these high levels will continue. Given this uncertainty, we are not adjusting our growth target for the time being, but it should be seen in that context.

Revenue per market

<i>(in thousands of euro)</i>	Q1 2022	Q1 2021	Change Q1 2022 vs. Q1 2021
Public sector	45,386	41,825	+8.5%
Financial services	29,212	26,208	+11.5%
Industry	36,148	32,264	+12.0%
Total	110,746	100,297	+10.4%

Revenue from our public sector clients increased by 8.5% to EUR 45.4 million (Q1 2021: EUR 41.8 million). Revenue from our high performance teams and data-driven solutions continued to increase.

Revenue from financial services clients came in 11.5% higher at EUR 29.2 million (Q1 2021: EUR 26.2 million). This higher revenue was primarily driven by our digital acceleration and high performance teams business propositions. Revenue growth was largely recorded with our banking customers and health insurers.

Revenue from our clients in the industrial market rose by 12.0% to EUR 36.1 million (Q1 2021: EUR 32.3 million). We recorded this this growth via our business platforms & cloud and cybersecurity & compliance and other solutions. Revenue increased in various sub-segments, including utilities and the logistics sector.

Employees

	Year-end 2021	Net change	End-Q1 2022
Direct FTEs	2,428	+38	2,466
Indirect FTEs	287	+2	289
Total	2,715	+40	2,755

The number of direct employees increased by 38 FTEs in Q1 2022 compared with year-end 2021. The total number of employees at end-Q1 2022 had increased to 2,755 FTEs (year-end 2021: 2,715 FTEs). As the tightness in the IT labour market continues, Ordina will continue to focus on recruiting new colleagues through Benelux-wide labour market campaigns and recruitment.

EBITDA

EBITDA increased by EUR 1.5 million to EUR 17.3 million (Q1 2021: EUR 15.7 million). The EBITDA margin was 15.6%. The higher EBITDA was due to growth in the number of employees, with the EBITDA margin kept at the same level thanks to high productivity and improved pricing due to more assignments based on our business propositions.

Historically, the first quarter is a strong quarter in terms of profitability due to seasonal influences (working days and holiday periods). This year, this effect was enhanced by the fact that several Covid-19-related restrictive measures were still in place, which had a positive impact on our cost base.

We are seeing strongly increasing salary pressure due to an unprecedented rise in inflation combined with a tight labour market. The longer this persists, the greater the risk that rate increases will not be sufficient to keep up with salary increases. Despite this risk, we reiterate our annual target of a 12-14% EBITDA margin.

Net profit

Net profit increased by EUR 0.9 million to EUR 9.3 million (Q1 2021: EUR 8.4 million).

Performance per region

Revenue per region

(in thousands of euro)	Q1 2022	Q1 2021	Change Q1 2022 vs. Q1 2021
The Netherlands	71,969	65,029	+10.7%
Belgium/Luxembourg	38,777	35,268	+9.9%
Total	110,746	100,297	+10.4%

In **the Netherlands**, revenue increased by 10.7% to EUR 72.0 million (Q1 2021: EUR 65.0 million). Organic growth came in at 7.7%. This growth was primarily driven by an increase in the number of employees and high productivity. The revenue growth is reflected in the revenues from our business propositions and in particular in the higher revenues from our high performance teams and digital acceleration and business platforms & cloud solutions.

In **Belgium/Luxembourg**, revenue increased by 9.9% to EUR 38.8 million (Q1 2021: EUR 35.3 million). As it was in the Netherlands, this growth was driven by an increase in the number of employees and high productivity. Our business propositions are also seeing strong growth in Belgium/Luxembourg, especially our high performance teams, data-driven and cybersecurity & compliance propositions.

Cash flow and net cash position

The free cash flow increased to EUR 12.2 million in Q1 2022 (Q1 2021: EUR 7.9 million). The net cash position stood at EUR 53.0 million at end-Q1 2022 (end-Q1 2021: EUR 49.7 million).

The net debt / adjusted EBITDA ratio stood at -1.3 (maximum leverage ratio ≤ 2.50) and the Interest Cover Ratio stood at 186.2 (minimum ICR ≥ 5.0). These ratios remain well within the covenants set by our banks.

On 1 May 2022, our share buy-back programme will commence with a maximum value of EUR 15 million, as announced on 17 February 2022. Ordina will execute the share buy-back programme in line with the mandate granted by the General Meeting of 7 April 2022. Ordina expects to complete the share buy-back programme within three months, on the understanding that Ordina has the authority to terminate the share buy-back programme before that time if there is a significant change in circumstances that warrants such a termination. The shares repurchased as a result of the share buy-back programme will be cancelled at some point, either in tranches or otherwise. In accordance with applicable legal and regulatory requirements, Ordina will keep the market informed of its progress in the implementation of the programme via press releases and via its website at www.ordina.nl/en.

Additional information

Working 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
Total	255	250	256	251

Press and analyst conference calls

09:00 hours CET – Press conference call

Ordina will explain its results at 09:00 hours on 26 April 2022 during a press conference call: +31 (20) 531 5856.

10:00 hours CET – Analyst conference call

Ordina will explain its results at 10:00 hours on 26 April 2022 during an analyst conference call: +31 (20) 531 5850.

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.

Productivity: % of the workable hours that a (direct) employee is deployed on a billable basis.

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 IFRS 16 Leases).

CONTACT DETAILS

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