

# P R E S S R E L E A S E

## Ctac continues upward operational trend

's-Hertogenbosch (the Netherlands), 7 November 2018 – Business & Cloud Integrator Ctac N.V. (Ctac) (Euronext Amsterdam: CTAC) today announces its results for the third quarter of 2018.

### Key figures

(x € million) unless otherwise stated	2018 Q3	2017 Q3	2018 through Q3	2017 through Q3
<b>Turnover</b>	19.5	19.0	61.9	59.5
<b>Operating result (EBIT)</b>	1.0	1.0	2.2	2.1
<b>Net result</b>	0.7	0.7	1.7	1.5

### Highlights first nine months of 2018

- Turnover up 4.1% at € 61.9 million
- Operating result up € 0.1 million (4.5%) at € 2.2 million
- Net result 10.0% higher at €1.7 million, from € 1.5 million
- Development IP products on track

### Highlights third quarter 2018

- Turnover 2.5% higher at € 19.5 million
- Operating result up € 19,000 (2%) at € 971,000
- Net result up 12% at € 744,000, from € 651,000

### Outlook 2018

- Ctac reiterates its earlier forecast: barring unforeseen exogenous circumstances, Ctac expects its full-year 2018 result to be higher than in 2017.
- Considerable exposure and uncertainty with respect to the final outcome of a important project and related (legal) procedures. This exposure is not reflected in the outlook as stated above.

### **Henny Hilgerdenaar, Ctac CEO:**

*Our performance in the third quarter showed a moderately upward line across the board, in terms of both turnover and profitability.*

*Moreover, we continued to refine our market positioning by selling our Microsoft Dynamics activities as of 1 October 2018. Ctac now focuses entirely on SAP-based ERP and CRM solutions. In the context of this transaction, a total of 11 employees transferred to Prodware as of the above-mentioned date.*

*The development of new software specifically for the retail and property market, which began a year ago, is on track both in terms of the scale of the costs incurred and the realisation of the planning. Most of the costs related to the in-house development of these IP products and preparing same for operation for specific clients will be capitalised at cost price, in accordance with IFRS reporting rules. The depreciation of same is linked to future income, which will be generated as of the end of the fourth quarter. A limited portion of the development costs cannot be capitalised (first nine months 2018: € 300,000) and these will be charged directly to the 2018 result as expenditure. Based on the positive signs from these markets, we have high expectations of this approach, which is new to Ctac.*

*Ctac also booked a number of considerable commercial successes in the third quarter and these will have an impact on the results for the fourth quarter of this year and in 2019.*

*The shortage of qualified IT staff in the Netherlands remains a focal point. The competitive labour market makes it more challenging for companies to continue to offer (potential) employees attractive and competitive terms of employment. At Ctac, we offer our employees the opportunity to work on innovative projects in both technical and functional areas. We believe it is vital that we offer challenging programmes to retain our current employees and attract new employees. This tightness in the labour market will have to translate into higher hourly rates.*

*In Belgium, we made considerable investments in presales or, in other words, in the acquisition of new contracts. These efforts have resulted in a number of commercial successes. In our efforts to continue to develop and improve our organisation and our results, attracting new and qualified employees also remains a considerable challenge in Belgium.*

*In France, we saw a continuation of the positive development, in terms of declining losses, in the period under review. Ctac believes it will be possible to achieve a break-even situation here in the foreseeable future. Ctac no longer accepts project risks in this country.*

#### Result third quarter 2018

The net result in the third quarter of 2018 amounted to € 744,000 (third quarter 2017: € 651,000). This increase was driven by higher turnover and margin.

#### Balance sheet

In the first nine months of 2018, Ctac capitalised a total of € 1,300,000 in development costs related to the above-mentioned IP products under intangible fixed assets.

Taking into account the dividend payment of € 0.5 million for 2018, shareholders' equity had increased to €19.1 million at end-September 2018 (31 December 2017: € 17.8 million). The solvency ratio (shareholders' equity/balance sheet total) had increased to 48.5% at end-September 2018 (31 December 2017: 45.1%), primarily due to an increase in shareholders' equity.

#### Cash flow

Net cash flow was positive and came in at € 1.3 million in the third quarter of 2018. Active cash flow management is paying off. Ctac expects to record a positive net cash flow for the full year 2018.

### Ongoing legal dispute

Ctac is involved in a legal dispute with a client regarding the settlement of the execution of a contract closed in July 2016. In Ctac's opinion, in a situation in which both fee and delivery moment are explicitly agreed, it is reasonable for Ctac to expect the client to facilitate the execution of its work. This was even laid down contractually. Ctac finds it highly remarkable that a recent for the company unfavourable interim ruling entirely ignores the client's obligations and the value of the by Ctac conducted accomplishments. Ctac will certainly appeal once the final ruling has been handed down, which is expected in early 2019. It appears that a claim for damages issued by the client can be limited in scope pursuant to contractual provisions. Ctac has appointed a new lawyer for the purpose of the appeal it plans to lodge. In addition, Ctac is assessing the possibilities of recovering any damage suffered. It is currently not possible to estimate the amount that should on balance be set aside in a provision, due to the fact that some of the determining variables have too great a bandwidth at this time. Ctac is also carefully assessing how said item should be recognised in the annual accounts.

---

### **Over Ctac**

As a Business & Cloud Integrator, Ctac helps customers realise their ambitions. Ctac creates the required business value through constant innovation. Ctac offers a broad portfolio of solutions from SAP and Microsoft on any cloud and provides services in the fields of business consultancy, managed services, projects, learning and secondment. Ctac also has a number of its own products, including the XV Retail Suite, which consists of an omni-channel-driven Point-of-Sale & Loyalty platform. Ctac exists 26 years in 2018 and in this period has built up extensive experience and material know-how in the retail, wholesale, manufacturing and real estate sectors.

The organisation has a well-balanced workforce in terms of age, expertise and experience. The company sees working together to realise common goals as a high priority. Ctac is listed on the Euronext Amsterdam stock exchange (ticker: CTAC) and its head office is located in 's-Hertogenbosch, the Netherlands. As per end of September 2018, Ctac had 446 employees. Ctac is also active in Belgium and France. You will find more information at: [www.ctac.nl](http://www.ctac.nl).

### **For more information:**

Ctac N.V.  
Meerendonkweg 11  
5216 TZ 's-Hertogenbosch

Postbus 773  
5201 AT 's-Hertogenbosch  
[www.ctac.nl](http://www.ctac.nl)

Henny Hilgerdenaar – CEO  
Douwe van der Werf – CFO

T. +31 (0)73 - 692 06 92  
E. [info@ctac.nl](mailto:info@ctac.nl)

## **Agenda**

- 8 March 2019 : Publication annual results 2018
- 1 May 2019 : Publication trading update first quarter 2019
- 15 May 2019 : Annual General Meeting of shareholders

Would you prefer to not receive any further press releases or would you like to change your preferences? Click [here](#).