

2017

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ABOUT ORDINA

Ordina is the largest independent IT services provider in de 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.

KEY FIGURES ORDINA N.V.

	FY 2016	FY 2017	Change FY 2017 on FY 2016
<i>(in thousands of euros, unless indicated otherwise)</i>			
Revenue the Netherlands	256,105	254,344	-0.7%
Revenue Belgium / Luxembourg	87,470	90,544	3.5%
Total Revenue	343,575	344,888	0.4%
EBITDA the Netherlands	6,402	5,700	
EBITDA Margin the Netherlands	2.5%	2.2%	
EBITDA Belgium / Luxembourg	8,731	8,833	
EBITDA Margin Belgium / Luxembourg	10.0%	9.8%	
EBITDA	15,133	14,533	600-
EBITDA margin	4.4%	4.2%	-0.2%
Redundancy costs	5,990	5,899	
Net profit	5,038	3,110	1,928-
Shareholders' equity	147,404	147,776	
Capital asset ratio	64	64	
Intangible fixed assets	136,162	131,796	-3.2%
Tangible fixed assets	4,677	4,959	6.0%
Total assets	231,262	230,054	-0.5%
Days Sales Outstanding (DSO)	55	54	
Days Payables Outstanding (DPO)	61	59	
Total net cash at year-end ¹	2,691	10,889	
Total net debt to adjusted EBITDA	-0.2	-0.8	
Average number of staff (FTE)	2,709	2,560	
Average number of direct staff (FTE)	2,394	2,263	
Average number of indirect staff (FTE)	315	297	
Number of staff at end of reporting period (FTE)	2,689	2,559	
Number of direct staff at end of reporting period (FTE)	2,382	2,276	
Number of indirect staff at end of reporting period (FTE)	307	283	
Number of shares outstanding at end of reporting period (in thousands)	93,256	93,256	0.0%
Per-share information (based on average number of issued shares) in euros			
Shareholders' equity	1.58	1.58	
Cash generated from operating activities	0.06	0.21	
Earnings	0.05	0.03	
Earnings - diluted	0.05	0.03	

Ordina closes 2017 in profit; revenue growth in second half of the year

Nieuwegein, 15 February 2018

Key developments FY 2017

- Net profit EUR 3.1 million (2016: EUR 5.0 million);
- EBITDA EUR 14.5 million (2016: EUR 15.1 million);
- EBITDA margin 4.2% (2016: 4.4%);
- Revenue up 0.4% at EUR 344.9 million (2016: EUR 343.6 million);
 - Revenue the Netherlands declined 0.7% to EUR 254.3 million (2016: EUR 256.1 million);
 - Revenue Belgium/Luxembourg increased 3.5% to EUR 90.5 million (2016: EUR 87.5 million);
- Redundancy costs came in at EUR 5.9 million (2016: EUR 6.0 million);
- Net cash position rose to EUR 10.9 million (year-end 2016: EUR 2.7 million);
- Proposal to pay a dividend of 2 euro cents (EUR 0.02) per share (60% of net profit);
- Number one in Secondment & Outsourcing category in MT1000;
- High score (96%) in Giarte Outsourcings recommendations index.

Key developments Q4 2017

- EBITDA EUR 4.9 million (Q4 2016: EUR 4.3 million);
- EBITDA margin 5.4% (Q4 2016: 5.1%);
- Revenue up 7.2% at EUR 90.2 million (Q4 2016: EUR 84.2 million);
 - Revenue the Netherlands increased 8.0% at EUR 66.7 million (Q4 2016: EUR 61.8 million);
 - Revenue Belgium/Luxembourg up 4.9% at EUR 23.5 million (Q4 2016: EUR 22.4 million);
- Growth at our clients in the public sector and in financial services.

JO MAES, ORDINA CEO, ON THE RESULTS

"We closed 2017 with a profit after a positive fourth quarter in which revenue in the Netherlands was up on the back of a strong increase in business among clients in the public sector and financial services. Belgium/Luxembourg once again performed strongly.

For the full year 2017, we noted modest revenue growth and a lower return. Results came under pressure in the first half of the year, but improved in the course of the second half. The improvement in the second half of the year is encouraging and was driven by persistent demand in the market, higher productivity and lower costs due to the now completed effectiveness and efficiency programme. Our cash position was higher at year-end 2017.

Over the past year, we focused on revenue growth and the recruitment of new employees. Thanks to extra efforts on the recruitment front, we hired more new employees than ever before in 2017. Staff turnover remained high throughout the year, particularly in the Netherlands. The dynamic employment market means the retention of our professionals remains a top priority.

Delivering added value to our clients as an IT *and* business partner is a key development. Our business propositions play an important role in this. They enable us to translate technology into solutions for business issues. In 2017, we booked some excellent results with each of these propositions; for instance, we now have more than 60 High performance teams working for clients. This has resulted in recognition in the market. For instance, Ordina secured first place in the category Secondment & Outsourcing of the MT1000 ranking and a high recommendation score in the Giarte survey."

DEVELOPMENTS Q4 2017

Revenue Q4 2017

In the fourth quarter of 2017, revenue increased by 7.2% to EUR 90.2 million (Q4 2016: EUR 84.2 million). The number of workable days was 63 in the Netherlands (Q4 2016: 64) and 62 in Belgium/Luxembourg (Q4 2016: 62). The impact of one workable day for the Netherlands is around EUR 0.9 million in revenue and EUR 0.7 million in EBITDA.

Revenue per division

	Q4 2016	Q4 2017	Change Q4 2017 on Q4 2016
<i>(in thousands of euros)</i>			
the Netherlands	61,764	66,696	8.0%
Delivery	56,838	61,882	8.9%
Innovation Cluster	4,926	4,814	-2.3%
Belgium/Luxembourg	22,418	23,509	4.9%
TOTAL	84,182	90,205	7.2%

EBITDA Q4 2017

The EBITDA (after redundancy costs) increased to EUR 4.9 million in the fourth quarter (Q4 2016: EUR 4.3 million). Redundancy costs came in at EUR 1.4 million (Q4 2016: EUR 0.8 million). The EBITDA margin rose to 5.4% (Q4 2016: 5.1%).

EBITDA per division

	Q4 2016		Q4 2017	
<i>(in thousands of euros)</i>				
the Netherlands	2,322	3.8%	2,429	3.6%
Delivery	2,712	4.8%	1,897	3.1%
Innovation Cluster	-390	-7.9%	532	11.1%
Belgium/Luxembourg	1,962	8.8%	2,456	10.4%
TOTAL	4,284	5.1%	4,885	5.4%

DEVELOPMENTS FY 2017

Revenue FY 2017

In 2017, revenue increased by 0.4% to EUR 344.9 million (2016: EUR 343.6 million). The number of workable days in the Netherlands was 254 (2016: 255). The number of workable days in Belgium/Luxembourg was 250 (2016: 251). The impact of an extra workable day is around EUR 1.3 million in revenue and EUR 0.9 million in EBITDA.

Revenue per division

	FY 2016 ¹	FY 2017	Change FY 2017 on FY 2016 ¹
<i>(in thousands of euros)</i>			
the Netherlands	256,105	254,344	-0.7%
Delivery	236,538	234,572	-0.8%
Innovation Cluster	19,567	19,772	1.0%
Belgium/Luxembourg	87,470	90,544	3.5%
TOTAL	343,575	344,888	0.4%

¹ 2016 figures have been adjusted to reflect the current organisational structure for comparison purposes.

EBITDA FY 2017

EBITDA (after redundancy costs) declined to EUR 14.5 million in 2017 (2016: EUR 15.1 million). Redundancy costs came in at EUR 5.9 million (2016: EUR 6.0 million). The EBITDA margin declined to 4.2% (2016: 4.4%).

A number of one-off items with a net total value of EUR 3.1 million had a positive impact on the result in the first half of the year under review. These one-off items included the release of a provision for vacant office space.

The now completed effectiveness & efficiency programme had a positive impact of around EUR 1.8 million (before redundancy costs) on the 2017 result. This programme will have a positive impact of around EUR 3-4 million on the result for 2018.

EBITDA per division

	FY 2016 ¹		FY 2017	
<i>(in thousands of euros)</i>				
the Netherlands	6,402	2.5%	5,700	2.2%
Delivery	8,976	3.8%	5,983	2.6%
Innovation Cluster	-2,574	-13.2%	-283	-1.4%
Belgium/Luxembourg	8,731	10.0%	8,833	9.8%
TOTAL	15,133	4.4%	14,533	4.2%

¹ 2016 figures have been adjusted to reflect the current organisational structure for comparison purposes.

Netherlands

In the Netherlands, revenue was down 0.7% at EUR 254.3 million (2016: EUR 256.1 million). The EBITDA margin declined to 2.2% (2016: 2.5%).

In the Netherlands we recognise Delivery and the Innovation cluster.

Delivery

Revenue at Delivery declined by 0.8% to EUR 234.6 million in 2017 (2016: EUR 236.5 million), largely due to a lower number of direct employees at Ordina. Due to higher productivity in the second half of the year and revenue from external hires (including freelancers) we realised revenue growth in the second half of 2017. EBITDA declined to EUR 6.0 million in 2017, from EUR 9.0 million in 2016.

Innovation cluster

The Innovation cluster recorded a rise in revenue of 1.0% to EUR 19.8 million (2016: EUR 19.6 million). EBITDA improved to EUR -0.3 million (2016: EUR -2.6 million).

Belgium/ Luxembourg

In Belgium/Luxembourg, revenue rose by 3.5% to EUR 90.5 million (2016: EUR 87.5 million). EBITDA was up at EUR 8.8 million (2016: EUR 8.7 million). The positive return was largely driven by higher revenues and high productivity.

MARKET DEVELOPMENTS

Revenue Q4 2017

Revenue increased by 7.2% to EUR 90.2 million in the fourth quarter of 2017 (Q4 2016: EUR 84.2 million). Ordina recorded strong growth in the public sector and in financial services. In industry, revenue declined by 5.5% compared to the previous year. The decline in revenue from healthcare in Q4 was due to reduced revenue from pharmaceutical clients in Belgium/Luxembourg.

Revenue per market segment

	Q4 2016 ¹	Q4 2017	Change Q4 2017 on Q4 2016 ¹
<i>(in thousands of euros)</i>			
Public	29,142	35,105	20.5%
Financial services	23,161	25,489	10.1%
Industry	25,654	24,250	-5.5%
Healthcare	6,225	5,361	-13.9%
TOTAL	84,182	90,205	7.2%

¹ 2016 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Revenue FY 2017

In the full-year 2017, revenue was up 0.4% at EUR 344.9 million (2016: EUR 343.6 million). In 2017, there were 254 workable days in the Netherlands (2016: 255) and 250 workable days in Belgium/Luxembourg (2016: 251).

	FY 2016 ¹	FY 2017	Change FY 2017 on FY 2016 ¹
<i>(in thousands of euros)</i>			
Public	116,513	127,093	9.1%
Financial services	101,291	95,748	-5.5%
Industry	101,058	99,560	-1.5%
Healthcare	24,713	22,487	-9.0%
TOTAL	343,575	344,888	0.4%

¹ 2016 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Public sector

Revenue in the public sector rose by 9.1% to EUR 127.1 million in 2017 (2016: EUR 116.5 million). This increase was primarily driven by higher revenue from the framework agreements Ordina acquired in the Netherlands in 2016 and the successful roll-out of our High performance teams proposition at a number of large clients.

Financial services

Revenue in the financial services sector declined by 5.5% to EUR 95.7 million (2016: EUR 101.3 million). Revenue in this sector increased in Belgium/Luxembourg in 2017. In the second half of the year, revenue in the Netherlands recovered and we realised growth in this sector.

Industry

In the industry sector, revenue declined by 1.5% to EUR 99.6 million (2016: EUR 101.1 million). Revenue increased in Belgium/Luxembourg. In the Netherlands, the decline was due to a drop in demand from our clients in the telecom and technology sector. Revenue in the logistics segment increased in 2017.

Healthcare Revenue in the healthcare sector declined by 9.0% to EUR 22.5 million (2016: EUR 24.7 million), due in particular to the lower revenue from compliance consultancy in the pharmaceutical industry in Belgium/Luxembourg.

EMPLOYEES

At year-end 2017, the total number of FTEs had declined by 106 and the total number of indirect employees by 24 FTEs. At the end of 2017, the total number of employees stood at 2,559 FTEs (year-end 2016: 2,689 FTEs).

The average number of employees was 2,560 in 2017 (2016: 2,709). The average number of direct employees declined by 131 FTEs to 2,263 FTEs. The average number of indirect FTEs dropped by 18 FTEs to 297 FTEs. The average age of our employees dropped slightly in 2017 to 40.5 years (year-end 2016 40.6).

Attrition employees

	FTE year-end 2016	In	Out	FTE year-end 2017
Direct FTE	2,382	444	550	2,276
Indirect FTE	307	61	85	283
TOTAL	2,689	505	635	2,559

FINANCIAL DEVELOPMENTS

Revenue development In 2017, revenue increased by 0.4% to EUR 344.9 million (2016: EUR 343.6 million).

EBITDA EBITDA (after redundancy costs) came in at EUR 14.5 million in 2017 (2016: EUR 15.1 million).

From EBITDA to net profit

	FY 2016	FY 2017
<i>(in thousands of euros)</i>		
EBITDA	15,133	14,533
Depreciation & amortisation	-5,401	-7,606
EBIT	9,732	6,927
Finance costs - net	-627	-443
Share of profit of associates	-45	-26
Earnings before taxes	9,060	6,458
Taxes	-4,022	-3,348
Net profit	5,038	3,110

Redundancy costs Redundancy costs came in at EUR 5.9 million in 2017 (2016: EUR 6.0 million).

Depreciation Depreciation amounted to EUR 7.6 million in 2017 (2016: EUR 5.4 million). The increase in depreciation costs was partly due to the fact that we decommissioned a part of our ERP application. The simplification of our processes means we have opted for a simplified environment. As a result, we accelerated the depreciation of part of the ERP application.

Net profit & dividend The net profit for 2017 came in at EUR 3.1 million (2016: EUR 5.0 million). Net earnings per share (EPS) amounted to EUR 0.03 (2016: EUR 0.05).
The General Meeting of Shareholders will be asked to approve the payment of a cash dividend of 2 euro cents (EUR 0.02) per share, to be charged to the 2017 net profit. This is a pay-out ratio of 60% of the net profit and is related to the increased cash position at year-end 2017. The remainder of the net profit will be added to the general reserve.

Shares Ordina issued no new shares in 2017 (issue in 2016: 297,262 shares). The company intends to acquire 30,610 ordinary shares in Ordina N.V. in the context of the share bonus schemes for the Management Board. This will prevent any share dilution.

Workable days	Overview workable days		2016		2017	
	NL	B	NL	B	NL	B
Q1	63	63	65	64	65	64
Q2	62	62	61	61	61	61
Q3	66	64	65	63	65	63
Q4	64	62	63	62	63	62
Total	255	251	254	250	254	250

Productivity Productivity rose to 68.0% in 2017 (2016: 67.7%). Availability rose slightly to 9.2% in 2017, from 9.0% in 2016 despite the higher productivity.

Net cash and cash flow At year-end 2017, Ordina had a net cash position of EUR 10.9 million (year-end 2016: EUR 2.7 million). The higher net cash position was driven by strict working capital management and an early payment from a large client.

(rounded up, in EUR millions)

Year-end 2016	2.7
Net result	3.1
Depreciation	7.6
Working capital, provisions & other	5.4
Interest & income taxes	1.6-
Net investments	3.4-
Cashflow from financing activities	3.0-
Year-end 2017	10.9

Net debt as a ratio of adjusted EBITDA, as formulated in the financing agreement, stood at -0.8 at as 31 December 2017 and was therefore below the maximum of 2.50 agreed with the lenders. The Interest Cover Ratio (ICR) stood at 57.7 as at 31 December 2017. This was therefore above the minimum of 5.0.

Overview of the ratios compared to the covenants agreed with the banks:

	Realisation 2017	Finance agreement
Leverage ratio	-0.8	<= 2.5
Interest Cover Ratio	57.7	>= 5.0
Guarantor Cover Ratio	90%	>=80%
Security Cover Ratio	86%	>= 70%

ADDITIONAL INFORMATION

For detailed information including the consolidated balance sheet, income statement and other information, we refer to our website www.ordina.com, where the full 2017 annual report has been published.

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Financial calendar

26 April 2018	Trading update Q1
26 April 2018	General Meeting of Shareholders
2 August 2018	Publication interim results 2018
1 November 2018	Trading update Q3
14 February 2019	Publication annual results 2018
4 April 2019	General Meeting of Shareholders

Media call and analyst presentation

09:00 CET – Media call
 Ordina will explain the results on 15 February 2018 at 09:00 CET during a media call (call number +31 20 531 5864).

10:30 CET – Analysts presentation
 Ordina will present its results on 15 February 2018 at 10:30 CET at the analysts presentation in the Wyndham Apollo Hotel, Apollolaan 2 in Amsterdam. You can follow this presentation via a webcast. You can follow the webcast via the link on www.ordina.com. The presentation will be available on our website after the webcast.

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.