

The logo for ORDINA, featuring a stylized orange circle with a white dot inside, followed by the word "ORDINA" in white capital letters on an orange rectangular background.

**ORDINA**

Ahead of change

# ORDINA EARNINGS UPDATE

H1 2021

29 July 2021

# CAUTIONARY NOTICE

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.



# HIGHLIGHTS FIRST HALF 2021

## Key topics

- Strong performance resulting in top line growth
- Business proposition revenue increases
- Solid improvement of operational result
- Focus on recruitment results in Q2 employee growth in a tight labour market
- Ordina 2022 strategy execution on track; 2026 ambitions presented

# REVENUE GROWTH IN FIRST HALF YEAR OF 2021

## Key performance indicators

### Revenue

**€ 195.7m**

vs € 188.0m in H1 2020

### EBITDA margin

**12.5%**

vs 12.2% in H1 2020

### Net result

**€ 11.9m**

vs € 10.3m in H1 2020

### Average # of direct FTEs

**2,256**

vs 2,305 in H1 2020

### Free cash flow

**€ 7.3m**

vs € 7.0m in H1 2020

### Net cash position


**€ 26.8m**

vs € 31.0m end H1 2020

12 months-average:

€ 37.9m

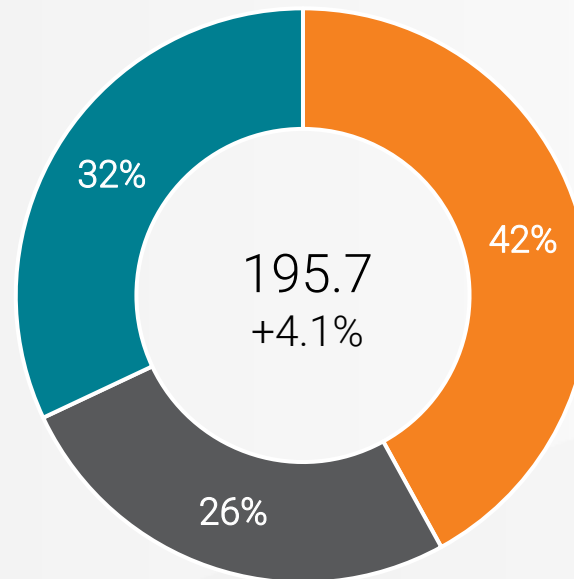
# 2022 STRATEGIC GOALS **EVOLVE TO 2026 AMBITION**

		H1 ACTUALS	GOAL 2022		AMBITION 2026
<b>SATISFIED AND LOYAL CUSTOMERS</b>	Ordina Promotor Score	n/a	> 70.0		> 70.0
<b>ENGAGED AND DRIVEN EMPLOYEES</b>	Employee engagement score	7.7	> 7.0		> 7.5
<b>DISTINCTIVE PROFILE, NOW AND IN THE FUTURE</b>	Revenue from business propositions	39%	65%		75%
<b>OUTSTANDING RETURNS</b>	EBITDA margin	12.5%	10% - 12%		12% - 14%
<b>ACCELERATE GROWTH</b>	Annual growth rate revenue	4.1%	3% – 6%		5% – 8%
<b>ENVIRONMENTAL AND SOCIAL RESPONSIBILITY</b>	CO <sub>2</sub> emission	n/a	CO <sub>2</sub> neutral in 2030		CO <sub>2</sub> neutral in 2030

# REVENUE BY MARKET

- Total revenue in H1 2021 increased by 4.1%
- The public sector revenue was a large driver in top line performance, with growth of +7.0%, growing through our teams, and the Business platforms & cloud and Cybersecurity & compliance propositions
- Growth in revenue of 1.2% in the finance sector, resulting from more High performance teams, Business platforms & cloud and Data driven solutions
- Industry performs at +2.7% as a result of increased need for Cybersecurity solutions and strong demand in the pharmaceutical sector.

Revenue streams H1 2021



Top-10 client H1 2021  
revenue share  
**47%**  
vs 44% H1 2020

Public  
Finance  
Industry

	Q2 2021	Q2 2020	delta	H1 2021	H1 2020	Delta
Public	40.0	37.6	+6.4%	81.8	76.4	+7.0%
Finance	24.9	24.7	+0.9%	51.1	50.5	+1.2%
Industry	30.5	29.5	+3.3%	62.8	61.1	+2.7%
Total	95.4	91.8	+3.9%	195.7	188.0	+4.1%

Workable days NL:	61	60	124	124
Workable days BE:	61	61	124	125

Top 10 clients are: Dutch National Police Force, Dutch Tax Authority, European Commission, Johnson & Johnson Group, Ministry of Economic Affairs, Ministry of the Interior, Nike, Prorail, Rabobank, Ministry of Health, Welfare and Sport.

Rounded off, millions of euro





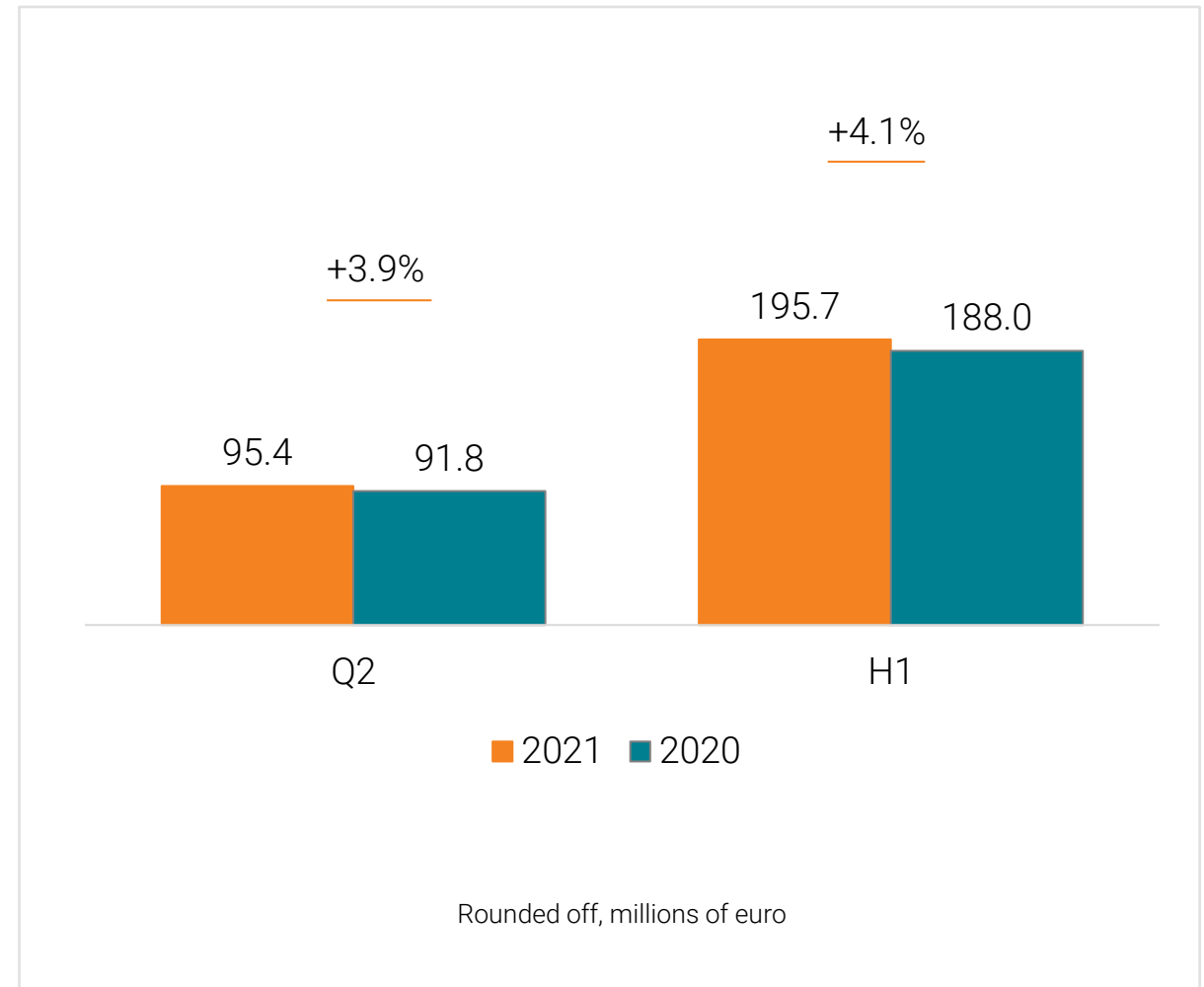
CFO Joyce van Donk-van Wijnen

# H1 2021 FINANCIAL PERFORMANCE

# TOP LINE GROWTH - IMPROVED REVENUE MIX

## Group revenue

- Revenue increased by 4.1% to EUR 195.7 million as a result of more work in teams and through our business propositions
- Strong alignment between the needs of our clients and our services
- 39% of the total revenue originated from our five business propositions (H1 2020: 37%)
- Quality of revenue further increased as more services are staffed in teams on proposition themes

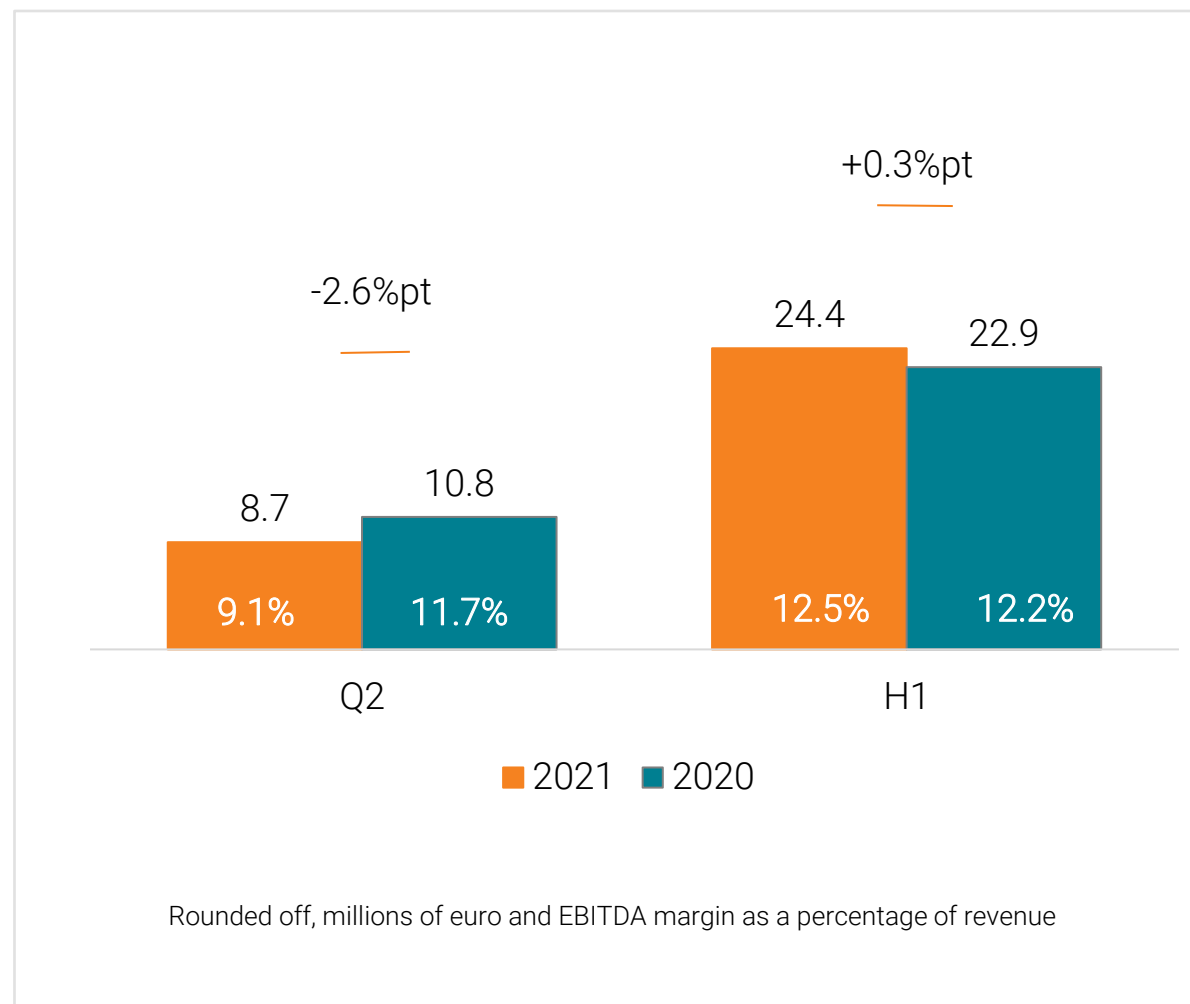




# EBITDA INCREASES - IMPROVED FIRST HALF YEAR

## Group results

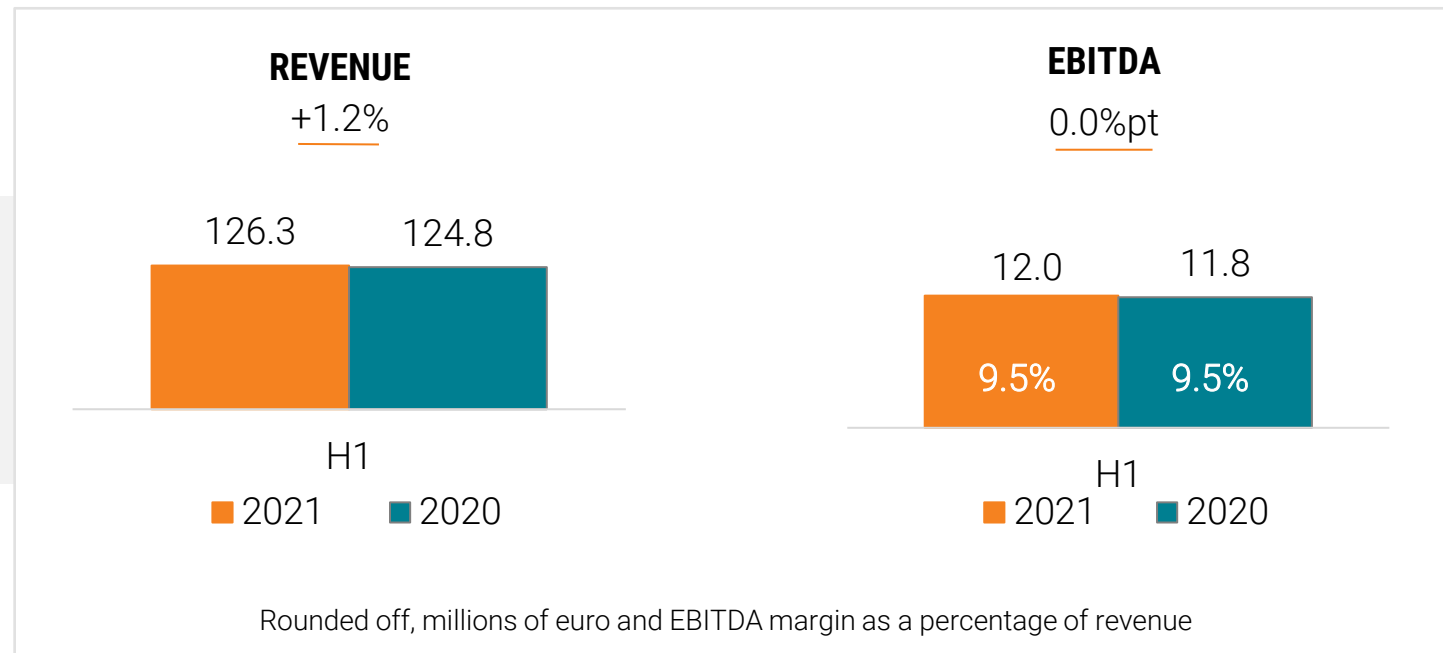
- EBITDA in H1 2021 increased with EUR 1.5 million to EUR 24.4 million
- EBITDA margin H1 increased with 0.3%pt to 12.5%
- Result impacted by one-off expenses with impact of approximately EUR 1.6 million
- Improvement of the result driven by improved revenue mix and high productivity levels
- Q2 2021 EBITDA decreased by EUR 2.1 million resulting from investments in growth, timing effect of leave and expenses compared to Q2 2020



# SOLID MARGIN IN THE NETHERLANDS

## The Netherlands

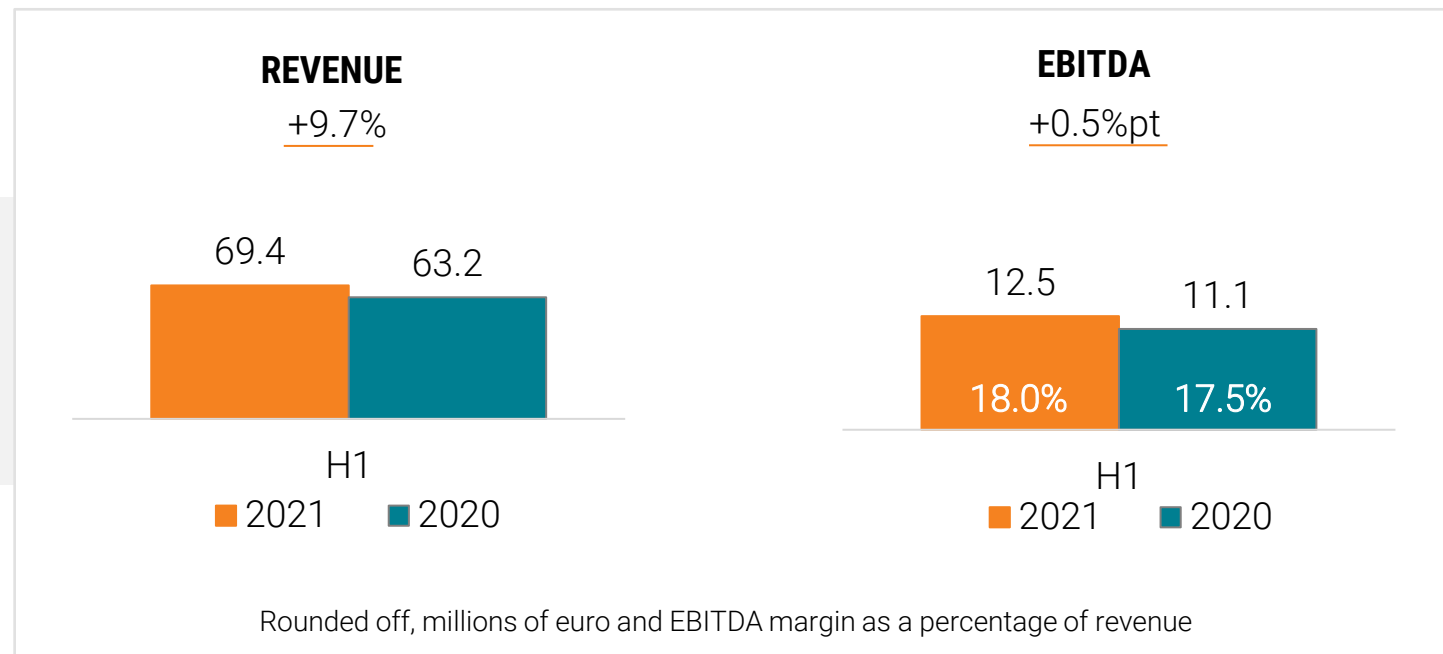
- Revenue H1 2021 increased with 1.2% to EUR 126.3 million. This growth is a combination of increased business proposition revenue and additional revenue with subcontractors to fulfil our obligations in some public sector agreements
- EBITDA H1 2021 is stable at 9.5%. The result is affected by one-off expenses with an impact of approximately EUR 1.6 million. Underlying operational performance (excluding one-off effects) has improved due to increased productivity, better revenue mix and a positive trend on pricing



# HIGH GROWTH CONTINUES IN BELGIUM/LUXEMBOURG

## Belgium and Luxembourg

- Revenue increased in H1 2021 with 9.7% due to growth in direct FTEs and increased revenue from business propositions. Revenue from subcontractors has increased mainly in the public sector
- EBITDA remains high and improved to EUR 12.5 million due to operational effectiveness with continuously strong productivity and improved quality of revenue



# INCOME STATEMENT

- Revenue increased by 4.1%
- Work contracted out increased by EUR 2.6 million mainly to fulfill our public sector obligations
- Other operating costs increased as a result of the one-off expenses and investments in growth
- Net profit H1 2021 increased to EUR 11.9 million (H1 2020: EUR 10.3 million)
- Earnings per share at EUR 0.13 (H1 2020: EUR 0.11)

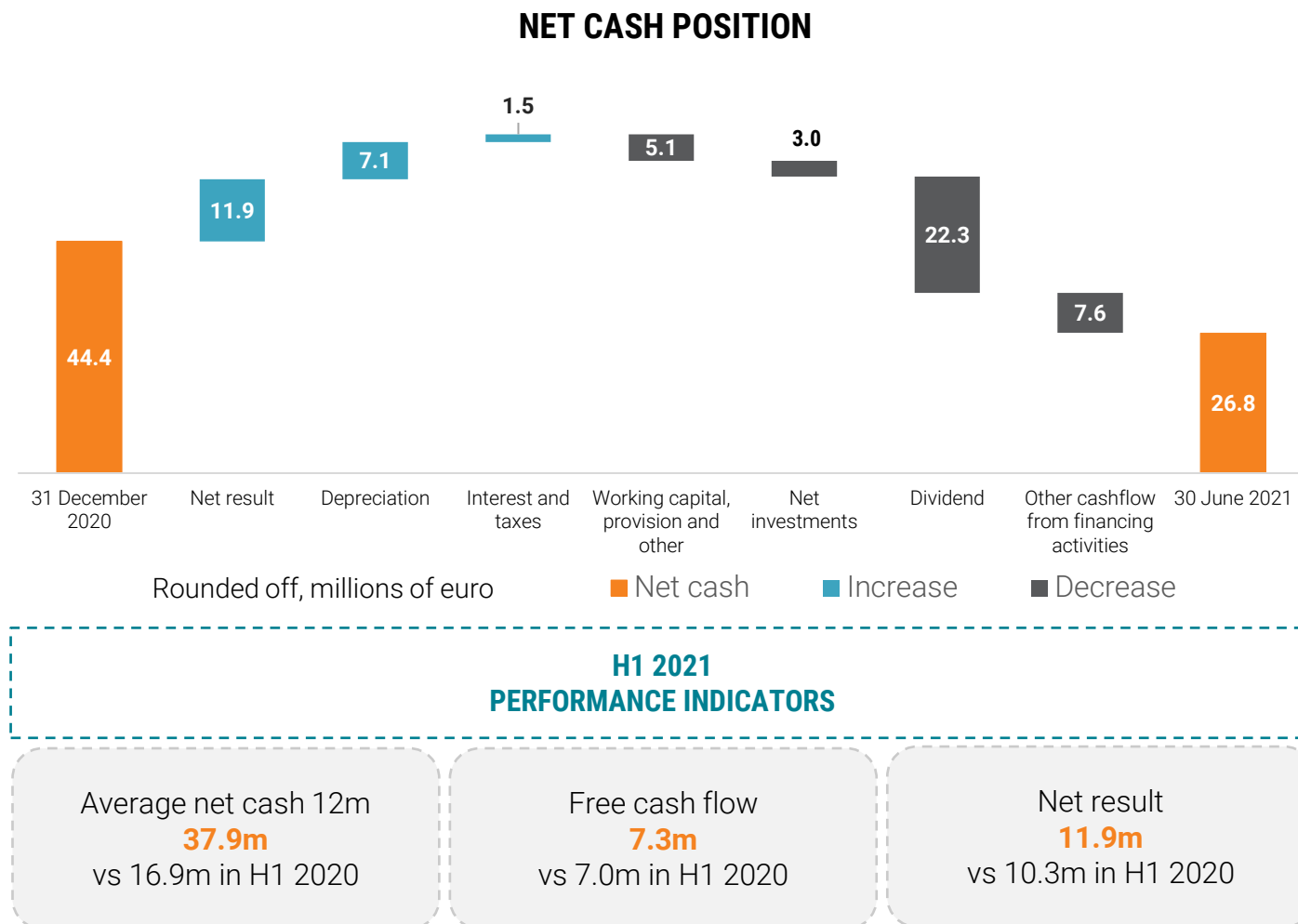
<i>(Rounded off, millions of euro)</i>	<b>H1 2021</b>	<b>H1 2020</b>
<b>Net revenue</b>	<b>195.7</b>	<b>188.0</b>
Cost of sales HW/SW and other direct costs	(3.1)	(2.8)
Work contracted out	(47.8)	(45.2)
Personnel expenses*	(110.6)	(109.7)
Depreciation on IFA & TFA	(1.9)	(1.8)
Depreciation on right-of-use assets	(5.1)	(5.6)
Other operating costs	(9.7)	(7.5)
<b>Total operating costs</b>	<b>(178.3)</b>	<b>(172.5)</b>
<b>Operating result (EBIT)</b>	<b>17.4</b>	<b>15.5</b>
Interest expenses	(0.6)	(0.6)
Share in the result of associated companies	(0.0)	(0.0)
<b>Earnings before tax (EBT)</b>	<b>16.8</b>	<b>14.9</b>
Taxes	(4.9)	(4.6)
<b>Net profit</b>	<b>11.9</b>	<b>10.3</b>

\* Personnel expenses include redundancy cost (H1 2021: EUR 0,5 million, H1 2020: EUR 1,3 million)

# SOLID FINANCIAL POSITION REMAINS

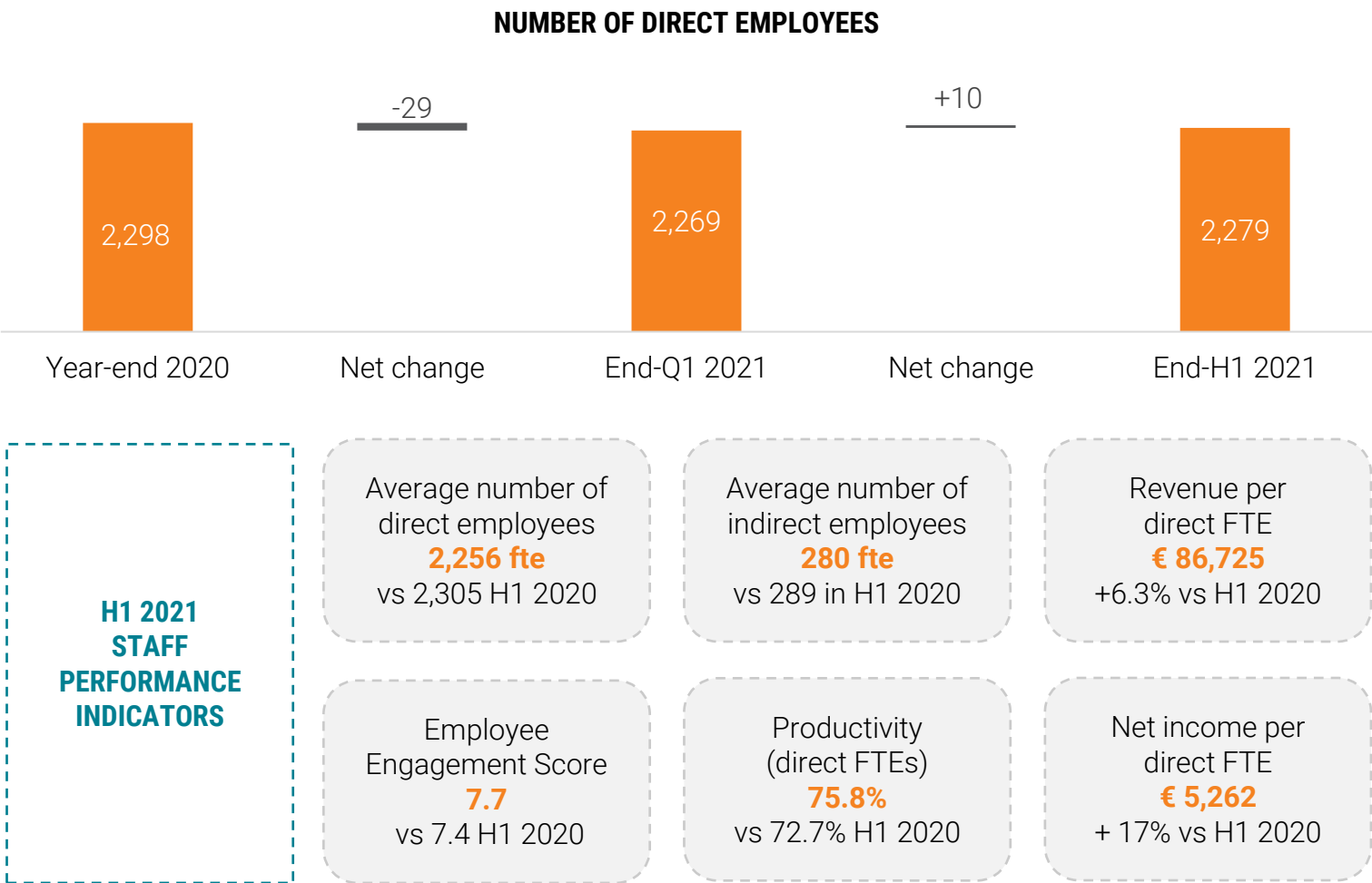
## Financial strength

- Net cash position end-H1 2021 EUR 26.8 million (end-H1 2020: EUR 31.0 million)
- Compared to year-end 2020 the net cash position decreased with EUR 17.6 million. Last year this period showed an increase of EUR 6.3 million. This difference is the result of the dividend payment over 2020
- Free cash flow improved as a result of improved operational performance
- Average net cash impacted by the payment of dividend in December 2020 instead of April 2020



# PEOPLE STRATEGY RESULTS IN GROWTH IN Q2

Group headcount evolution and productivity





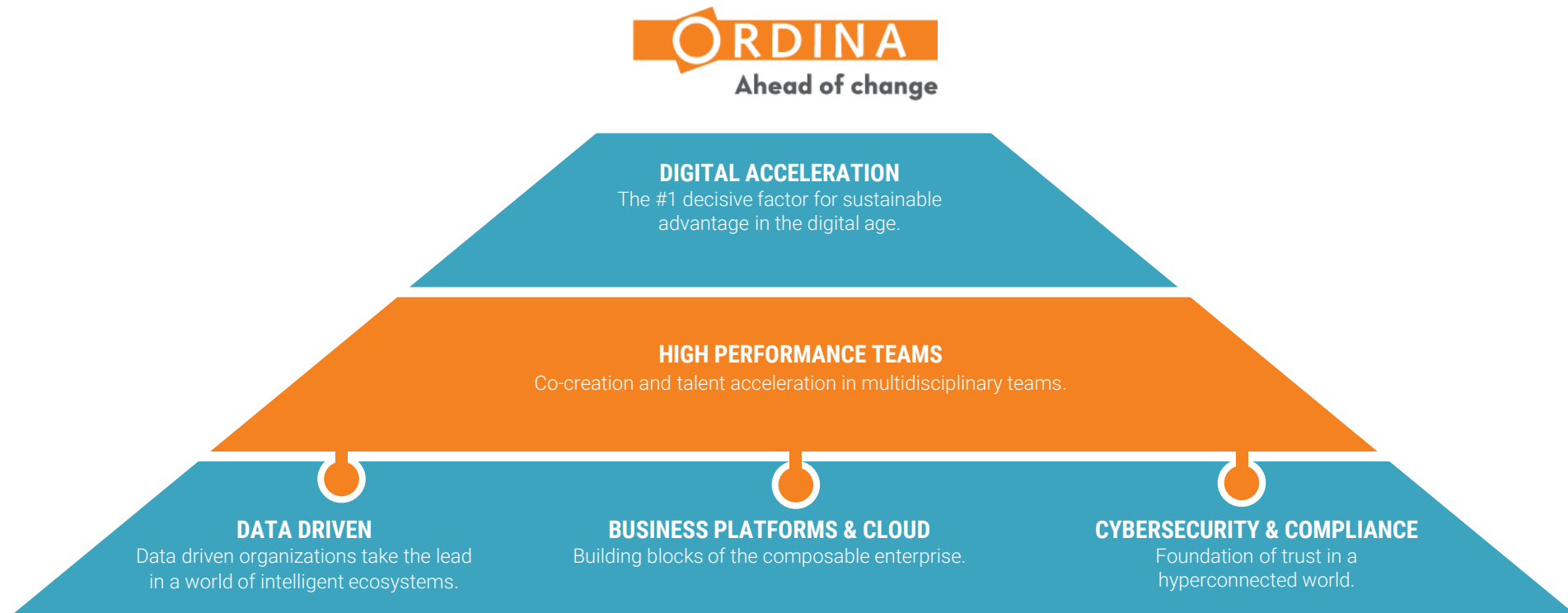


CEO Jo Maes

# STRATEGIC ROADMAP

# VISION: **STAYING AHEAD** OF CHANGE

Strategy 2026



# ACCELERATING GROWTH

## Strategy 2026

- 1. Fully geared to meet evolving customer demand with expertise bundled in 5 business propositions and 3 markets
- 2. Distinctive and focused company profile
- 3. Niche expertise and solutions based on intersections of business propositions and sector challenges
- 4. Market leadership in selected niches



High performance teams



Data driven



Digital acceleration



Business platforms & Cloud



Cybersecurity & compliance

	Financial services	Public sector	Industry
High performance teams	●	●	●
Data driven	●	●	●
Digital acceleration	●	●	●
Business platforms & Cloud	●	●	●
Cybersecurity & compliance	●	●	●

# MEDIA COVERAGE ORDINA

## Onderzoek: Bedrijven onderschatten impact van leveranciers op beveiliging

Hybride werken komt met zijn eigen risico's, die vaak onderschat worden. Dat zegt dienstenleverancier Ordina in een onderzoeksrapport. Zwakke schakels zitten vaak in de ketens van softwareleveranciers.

- BRON: [DUTCH IT-CHANNEL](#) -

## De mens: het vijfde element van de digitale transformatie

06 juli 2021 | Consultancy.nl | 8 min. leestijd

Digitale transformatie. Het afgelopen decennium stond het thema al met stip bovenaan alle bestuursagenda's en een jaar geleden werd het belang ervan plotseling nóg veel groter. Tegelijkertijd zijn digitale transformaties even beroemd als berucht, want ze mislukken nog altijd massaal. "De kunst is om verder te kijken dan de technologie alleen", stelt Dennis Kaltofen van Ordina. "In digitale transformaties die wél slagen wordt aandacht besteed aan vier basiselementen, waarbij de mens als vijfde element zorgt voor de essentiële verbinding daartussen."

- BRON: [CONSULTANCY.NL](#) -

## Ordina roadmap richt zich op het versnellen van groei

Ordina, een onafhankelijke IT-dienstverlener in de Benelux, organiseerde onlangs een Capital Markets event, met een update van de strategie. De volgende fase van de Ordina-roadmap richt zich op het versnellen van groei, via de vijf businessproposities, ondersteund door een solide basis en gerichte acquisities.

- BRON: [EXECUTIVE PEOPLE](#) -

## Ordina haalt raamovereenkomst Logius binnen

(ABM FN-Dow Jones) Ordina heeft samen met vier partners van IT-dienstverlener Logius een raamovereenkomst toegekend gekregen ter waarde van ruim 200 miljoen euro.

- BRON: [EUROBENCH.COM](#) -



Thuiswerken is een blijvertje, ook na de coronacrisis. Dat was de boodschap van zowel de regering als grote bedrijven deze week. Maar zijn bedrijven wel genoeg bezig met cybersecurity en hebben ze zicht op de risico's die het vele werken op afstand met zich meebrengt?

- BRON: [NPO RADIO 1, DE NIEUWS BV](#) -

## Ordina op weg naar kruispunten technologie

23 juni 2021 10:14 | Alfred Monterie

Topic Digital Innovation



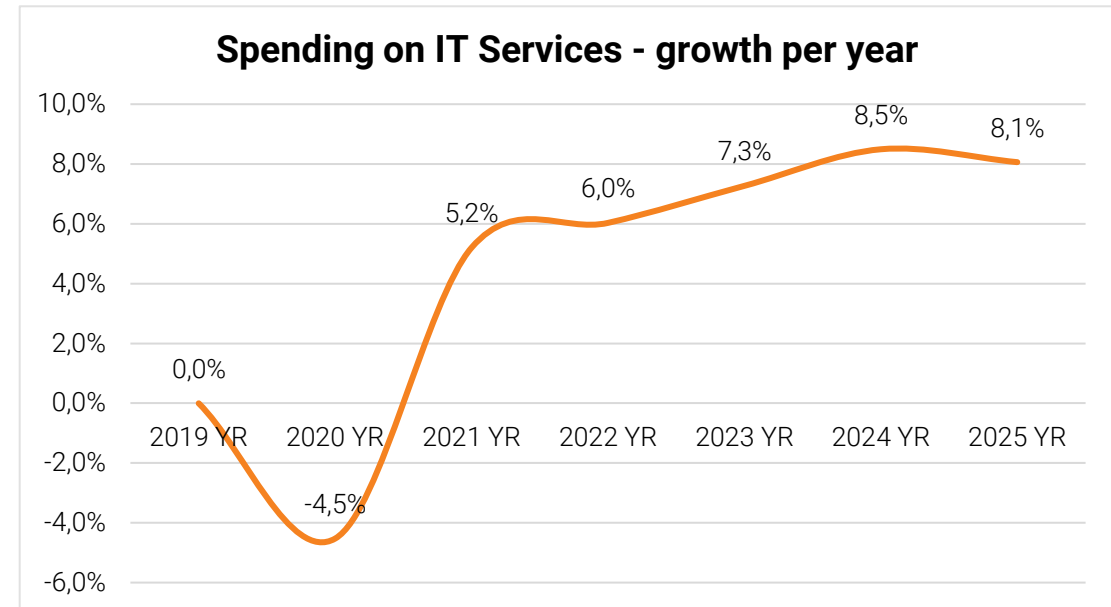
Ordina wil de komende jaren expanderen in een beperkt aantal zorgvuldig gekozen nichemarkten. De klassieke systeem-integrator van weleer met een breed it-portfolio zoekt het nog meer in toegevoegde waarde diensten. Vijf businessproposities moeten over vijf jaar driekwart van de omzet genereren. Thans is dat ongeveer een derde.

- BRON: [COMPUTABLE.NL](#) -

# BENELUX IT SERVICES MARKET CONTINUES TO GROW

## Strategy 2026

- Benelux IT services spending is forecasted at high single digit growth towards 2025
- High sector growth rates: Public (~7%), Utilities (~8%), Logistics (~7%) and Banking (~8%)
- Ordina focuses on attractive IT areas: Cybersecurity, Data, (cloud) platforms and agile transformation



# ORDINA IS READY TO FACE THE **CHALLENGES AHEAD**

## Strategy 2026

### CHALLENGE

Ordina will face a tight labour market

Global competition increases as remote working will be more generally accepted

Benelux market characterized by large number of boutique companies and freelancers

### ORDINA ANSWER

- Moving up to added value services creates room to attract and retain top talent
- Strong Ordina brand and attractive employee value proposition
- High engagement thanks to working in teams
- Appealing purpose and local impact

- Local trusted partner with broad expertise accessible and local decision power
- Focus on markets with high local business knowledge and compliance requirements
- Shift from IT services (digital transformation) to business and IT services (business transformation)
- (Hyper) automation of our IT services

- Strong internal alignment (the Ordina Way) to guarantee end-to-end high-quality services
- Shift to added value service models
- Market leadership in selected niches
- Commitment to business outcomes



# 2022 STRATEGIC GOALS **EVOLVE TO 2026 AMBITION**

Strategy 2026

			GOAL 2022	AMBITION 2026	ADJUSTMENTS
<b>SATISFIED AND LOYAL CUSTOMERS</b>	Superior value delivery by our teams through our way of working: <b>The Ordina way</b>	Ordina Promotor Score	> 70.0	> 70.0	-
<b>ENGAGED AND DRIVEN EMPLOYEES</b>	<b>Attract and retain IT and business talent</b> with broad career perspectives	Employee engagement score	> 7.0	> 7.5	+0.5
<b>DISTINCTIVE PROFILE, NOW AND IN THE FUTURE</b>	Expand in our chosen niche markets with added value services via <b>business propositions and solutions</b>	Revenue from business propositions	65%	75%	+ 10%
<b>OUTSTANDING RETURNS</b>	Transition to <b>added value business</b> leads to outstanding returns	EBITDA margin	10% - 12%	12% - 14%	+2%
<b>ACCELERATE GROWTH</b>	Complement organic growth strategy with <b>point acquisitions</b> to complete the portfolio and expand in niche markets	Annual growth rate revenue	3% – 6%	5% – 8%	+ 2%
<b>ENVIRONMENTAL AND SOCIAL RESPONSIBILITY</b>	Target to become CO <sub>2</sub> neutral by 2030 and ultimately CO <sub>2</sub> negative Ordina believes everyone should have <b>equal digital opportunities in society</b>	CO <sub>2</sub> emission	CO <sub>2</sub> neutral in 2030	CO <sub>2</sub> neutral in 2030	-



# QUESTIONS