



Analyst presentation

Interim results 2019

Amsterdam, 1 August 2019



H1 2019

Growth continues with improved result

Jo Maes

Growth continues with improved result

Revenue*

Rounded off, EUR millions

H1 2018

H1 2019

178.9

186.9

EBITDA adjusted**

Rounded off, EUR millions

H1 2018

H1 2019

10.2

11.3

EBITDA margin adjusted**

H1 2018

H1 2019

5.7%

6.1%

Net profit

Rounded off, EUR millions

H1 2018

H1 2019

5.1

6.0

Net cash

Rounded off, EUR millions

H1 2018

H1 2019

2.9

6.5

Leverage ratio

H1 2018

H1 2019

(0.1)

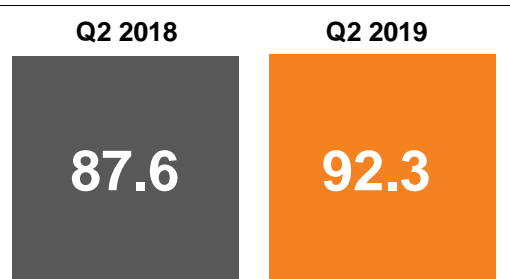
(0.3)

* The number of workable days in the Netherlands was 125 (H1 2018: 125). The number of workable days in Belgium/Luxembourg was 124 (H1 2018: 125). ** Adjusted EBITDA (margin) shows H1 2019 result before the application of IFRS 16 (Leases) and after redundancy costs (H1 2019: EUR 0.9 mln, H1 2018: EUR 1.0 mln).

Results Q2 2019

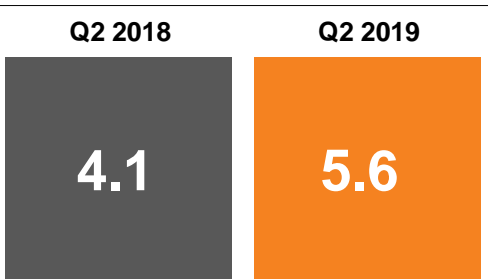
Revenue*

Rounded off, EUR millions

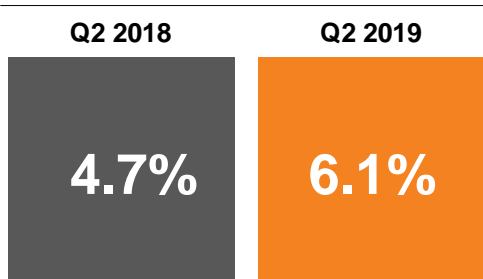


EBITDA adjusted**

Rounded off, EUR millions



EBITDA margin adjusted**



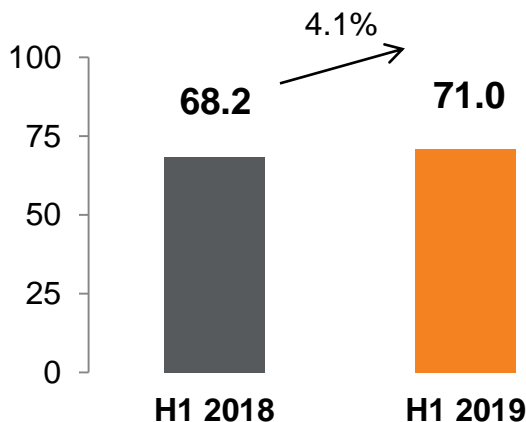
* The number of workable days in the Netherlands was 62 (Q2 2018: 61). The number of workable days in Belgium/Luxembourg was 61 (Q2 2018: 61).

** EBITDA (margin) shows Q2 2019 result before the application of IFRS 16 (Leases) and after redundancy costs (Q2 2019: EUR 0.3 mln, Q2 2018: EUR 0.5 mln).

Markets: Public sector

Revenue

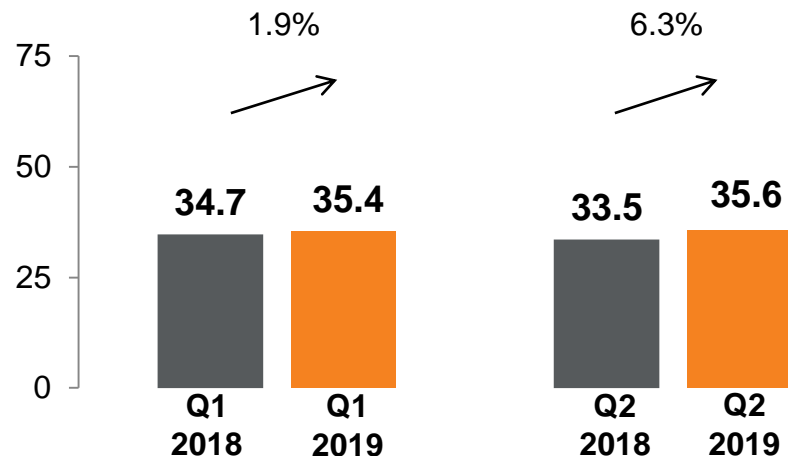
Rounded off, EUR millions



Workable days NL:

125

125



64

63

61

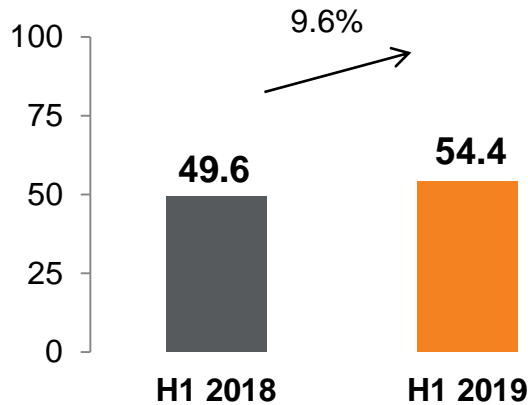
62

- In H1 2019, revenue in the public sector increased by 4.1% to EUR 71.0 million (H1 2018: EUR 68.2 million);
- Increasing number of contracts based on business propositions: High performance teams, Intelligent data-driven organisations and Business platforms;
- Ordina has closed a framework agreement in Belgium/Luxembourg for the development of applications for the healthcare sector;
- In the Netherlands, Ordina won a contract for three new High Performance teams for a government institution, including a team that delivers static and real-time information using geographical systems.

Markets: Financial services

Revenue

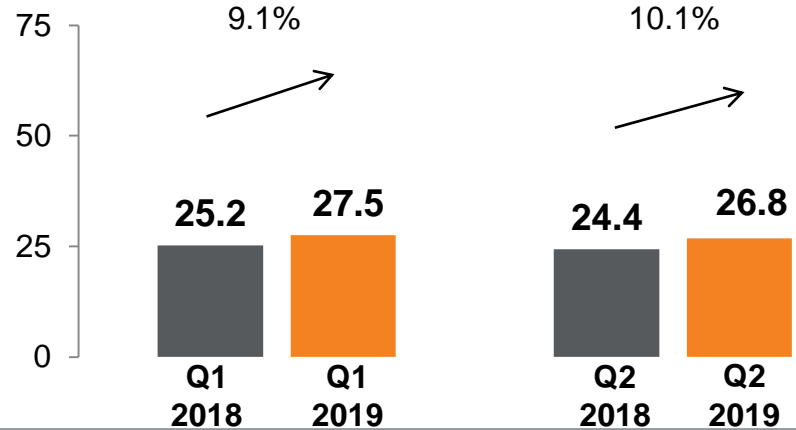
Rounded off, EUR millions



Workable days NL:

125

125



64

63

61

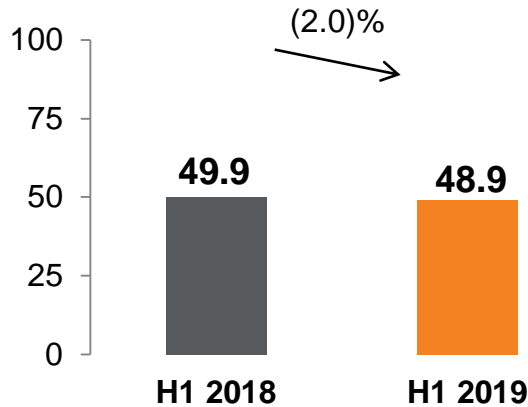
62

- Ordina's strong position in this sector resulted in growth of 9.6% to EUR 54.4 million over H1 2019;
- High performance teams business proposition ties in well with the trend towards agile working in this sector;
- In the Netherlands, Ordina is working on a large number contracts with various High performance teams, including the development of applications for fraud and crime detection for Rabobank.

Markets: Industry

Revenue

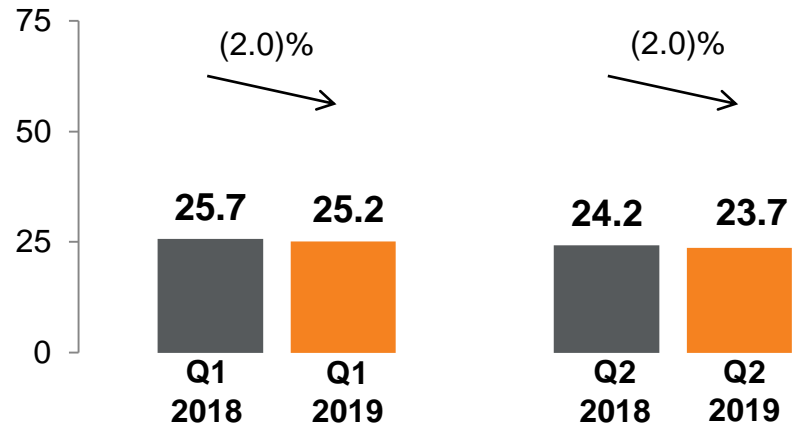
Rounded off, EUR millions



Workable days NL.

125

125



64

63

61

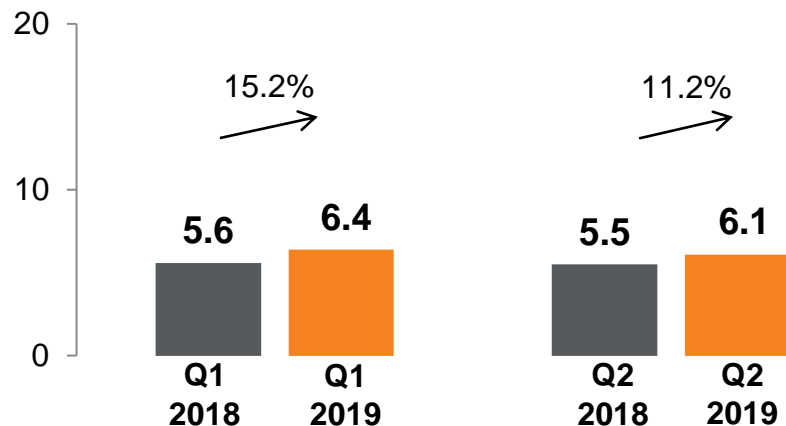
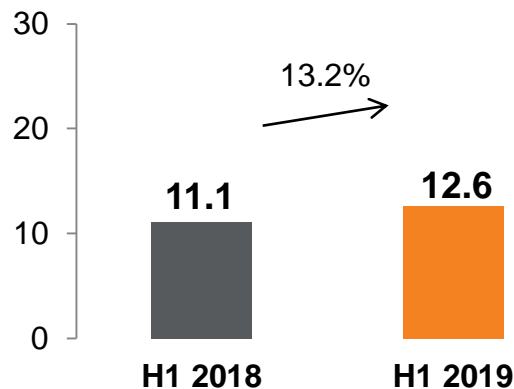
62

- In H1 2019, revenue fell by 2.0% in the industry sector; this sector saw growth in Belgium/Luxembourg, but declined in the Netherlands compared to last year;
- Ordina still believes it is important to strengthen its solid position in the logistics sector in the Netherlands;
- A good example of the Business platforms business proposition in Belgium/Luxembourg is the realisation of a SAP S4Hana implementation for a company in the steel industry.

Markets: Healthcare

Revenue

Rounded off, EUR millions



Workable days NL:

125

125

64

63

61

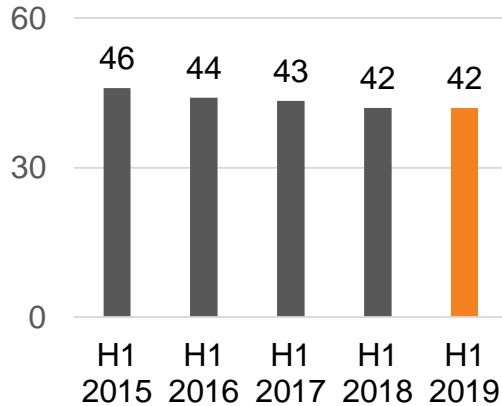
62

- Ordina once again recorded growth in the healthcare sector, with revenues up 13.2% in H1 2019, driven by growth in the pharmaceutical industry in Belgium/Luxembourg;
- In Belgium/Luxembourg, Ordina developed a tool for the consolidation of test results for Nelson Labs Europe. Nelson Labs Europe researches products that come into contact with medications and tests them for the presence of chemicals;
- In the Netherlands, Ordina is actively working on Privacy/GDPR scans for various organisations in this sector, and with setting up an improvement agenda to ensure that these organisations operate in a more GDPR-proof manner.

Revenue share top 10 clients

Revenue share top 10 clients

In %



TOP 10 CLIENTS (in alphabetical order)

- Dutch Police Force
- Dutch tax authority*
- European Commission
- Johnson & Johnson
- Ministry of Defence*
- Ministry of Economic Affairs
- Ministry of Public Works (Rijkwaterstaat)
- Ministry of the Interior
- Port of Rotterdam
- Rabobank

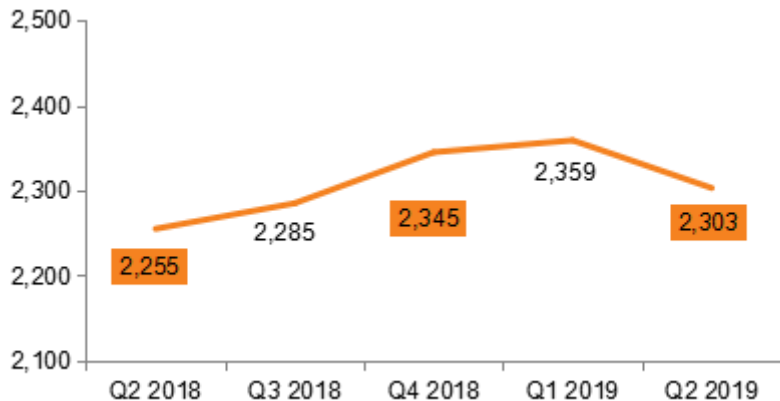


Rabobank

* The Dutch tax authority and the Ministry of Defence are new/back in the top 10 compared to 2018, and replaced ABN Amro and the Belgian federal government.

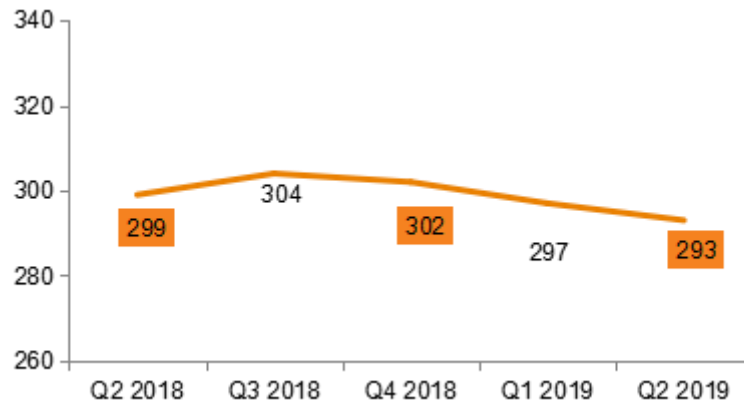
Our employees

Movements in number of direct FTEs



- The number of direct employees declined by 42 FTEs in H1 2019, but stands at 48 FTEs more compared to H1 2018;
- We hired a total of 235 FTEs, including 62 Young Professionals;
- Productivity averaged 70.6% in H1 2019 (H1 2018: 70.8%).

Movements in number of indirect FTEs



- The number of indirect employees declined by nine FTEs in H1 2019.



Financial performance H1 2019

Annemieke den Otter

Revenue

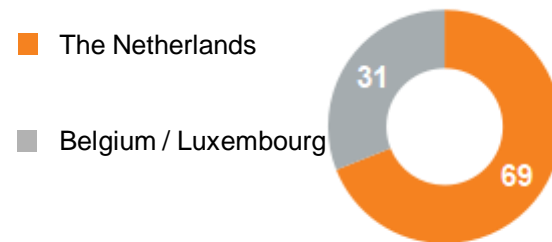
(Rounded off, EUR millions)

	H1 2018	H1 2019	Growth %
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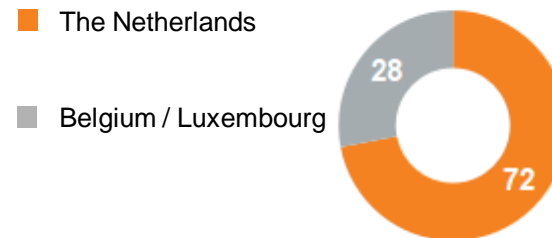
Revenue			
The Netherlands	128.3	129.7	1.1%
Belgium / Luxembourg	50.6	57.1	13.0%
Total	178.9	186.9	4.5%

Revenue distribution

In %



H1 2019



H1 2018

EBITDA

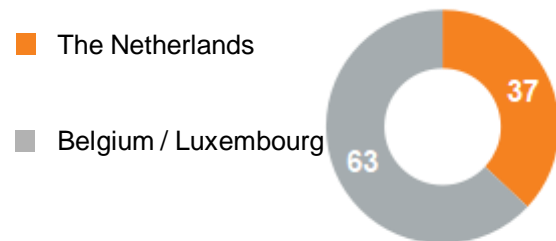
(Rounded off, EUR millions)

	H1 2018		H1 2019 adjusted*		H1 2019	
EBITDA						
The Netherlands	3.0	2.3%	4.2	3.2%	8.3	2.3%
Belgium / Luxembourg	7.2	14.2%	7.1	12.5%	8.9	15.5%
Total	10.2	5.7%	11.3	6.1%	17.1	9.2%

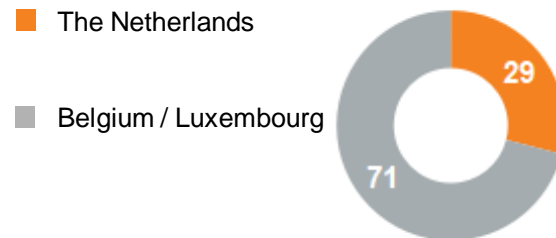
* EBITDA adjusted is the result before the application of IFRS 16 (Leases) for comparison purposes.

EBITDA distribution

In %



H1 2019 adjusted



H1 2018

Statement of profit and loss

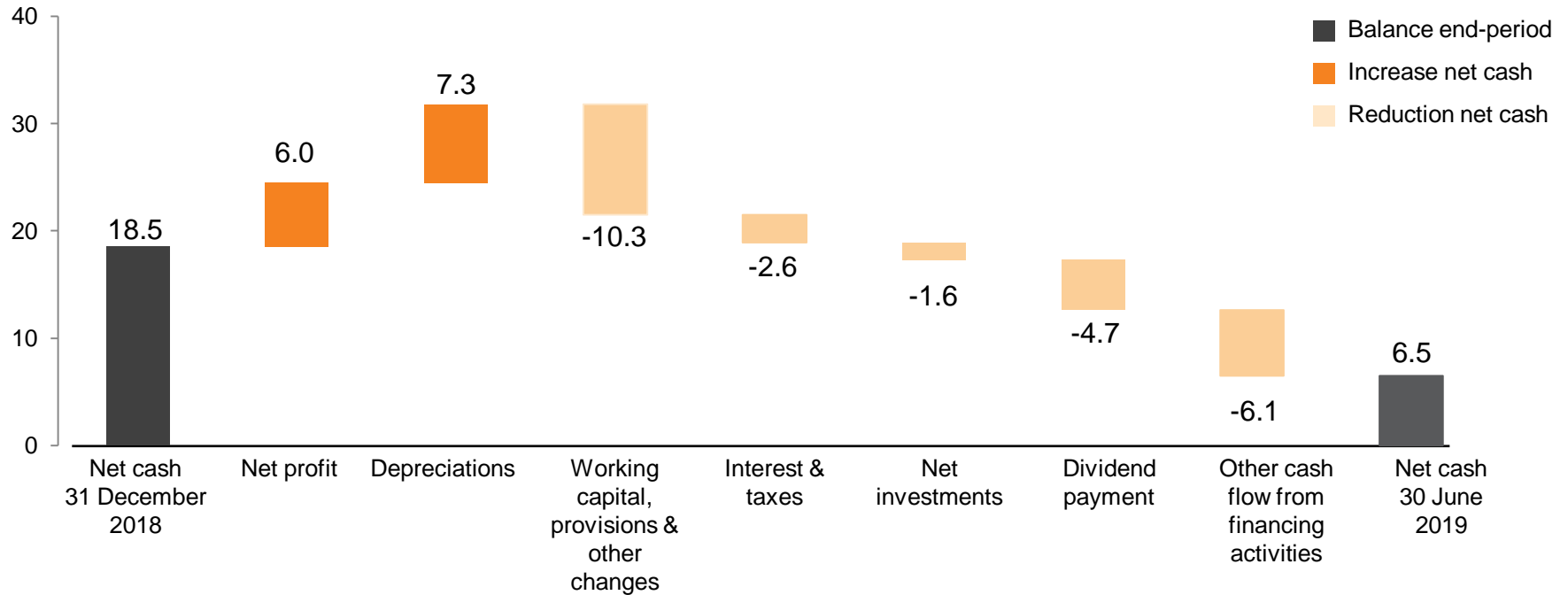
(Rounded off, EUR millions)

	H1 2018	H1 2019 adjusted*	H1 2019
Net revenue	178.9	186.9	186.9
Purchase costs HW/SW and other direct costs	2.1	2.2	2.2
Work contracted out	48.0	50.3	50.3
Staff costs	108.7	112.1	108.5
Redundancy costs	1.0	0.9	0.9
Depreciations on IVA & MVA	1.9	2.0	2.0
Depreciations on rights of use	-	-	5.3
Other operating expenses	8.8	9.9	7.7
Total operating expenses	170.7	177.4	177.0
Operating result (EBIT)	8.2	9.4	9.8
Interest expenses	(0.1)	(0.1)	(0.6)
Share in the results of participations	(0.0)	(0.0)	(0.0)
Earnings before tax (EBT)	8.1	9.2	9.2
Taxes	(3.0)	(3.3)	(3.3)
Net profit	5.1	6.0	6.0

- Revenue increase of 4.5%;
- Work contracted out was higher in particular in Belgium/Luxembourg. In the Netherlands revenue with the use of external staff (including self-employed staff) evened out in favour of projects and teams;
- Increase in the number of employees in H1 2019 led to an increase in staff costs;
- Net profit increased to EUR 6.0 million.

Movements in net cash position year-end 2018 - H1 2019

Rounded off, EUR millions



Higher net cash position due to improved result and strict working capital management.

Balance sheet

(Rounded off, EUR millions)

	30 June 2018	30 June 2019
Assets		
Intangible fixed assets	131.0	129.8
Rights-of-use assets	-	34.0
Property, plant and equipment	5.7	5.0
Investments in associated participations	0.4	0.4
Financial fixed assets	17.8	14.8
Total fixed assets	154.9	183.9
Trade and other receivables	76.6	74.2
Transition costs	-	-
Cash and cash equivalents	9.5	6.5
Total current assets	86.1	80.8
Total assets	240.9	264.7

	30 June 2018	30 June 2019
Liabilities		
Shareholders' equity	151.0	154.4
Employee-related provisions	0.9	0.9
Lease liabilities	-	26.2
Total non-current liabilities	0.9	27.1
Bank debt	6.6	-
Lease liabilities	-	8.8
Other provisions	0.7	0.5
Trade and other payables	77.0	72.7
Corporate income tax due	4.8	1.2
Total current liabilities	89.0	83.3
Total liabilities	89.9	110.3
Total equity and liabilities	240.9	264.7

- IFRS 16 (Leases) had an impact of EUR 34.0 million on the total assets per 30 June 2019;
- Ordina had total tax loss carry-forwards of EUR 42.3 million at year-end 2018, so a deferred tax asset of EUR 9.0 million has been included on the balance sheet. We took plans for loss rejuvenation into account in the valuation.

Financing: covenants

	H1 2018	H1 2019	Financing agreement
Net cash at year-end (in EUR millions)	2.9	6.5	
Leverage ratio	(0.1)	(0.3)	≤ 2.5
Interest Cover Ratio	101.8	125.5	≥ 5.0

In July 2019, Ordina the current financing agreement was extended. The following conditions were agreed upon among other things:

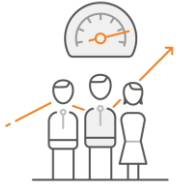
- The term of the extended financing agreement is five years with an initial term of three years and an option for two extensions of one year each;
- A reduction of the margin from 1.00% to 0.70%;
- The level of the maximum leverage ratio has been left unchanged (≤ 2.5), with no reduction of the maximum leverage ratio in the final two quarters of the term. The adjustment of the EBITDA for one-off and reorganisation costs has been increased to a maximum of 1% of revenues per year from the previous maximum of EUR 3.0 million per year.
- The interest cover ratio remains unchanged.



2022

Jo Maes

Our 5 business propositions



High-performance teams

Fine-tuned multidisciplinary teams that can immediately help customers to accelerate their customer value creation activities.



Digital acceleration

Staying ahead of change by taking a 'smart' approach to transformation spanning organisation, people and technology.



Intelligent data-driven organisations

Helping clients to leverage data to improve their customer service and to adapt and optimise their processes.



Business platforms

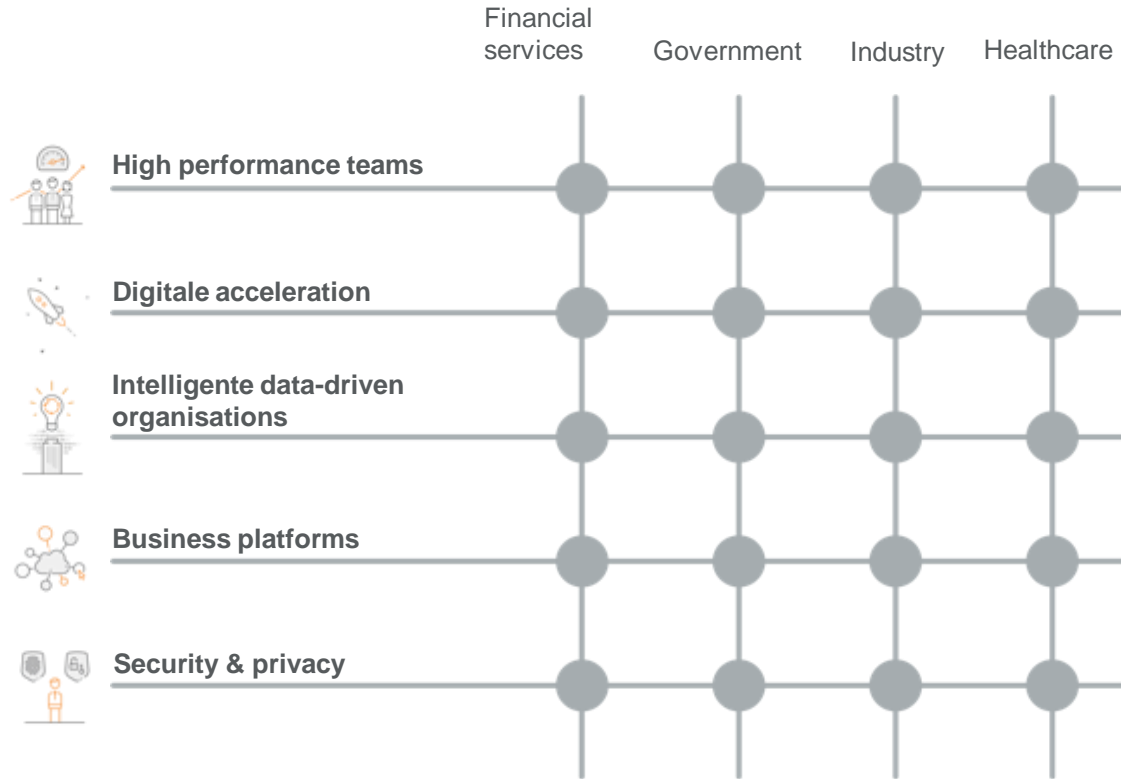
Optimising existing and new business platforms by applying smart strategies such as simplification, innovation, surround and smart partnering in order to create maximum value for our customers.



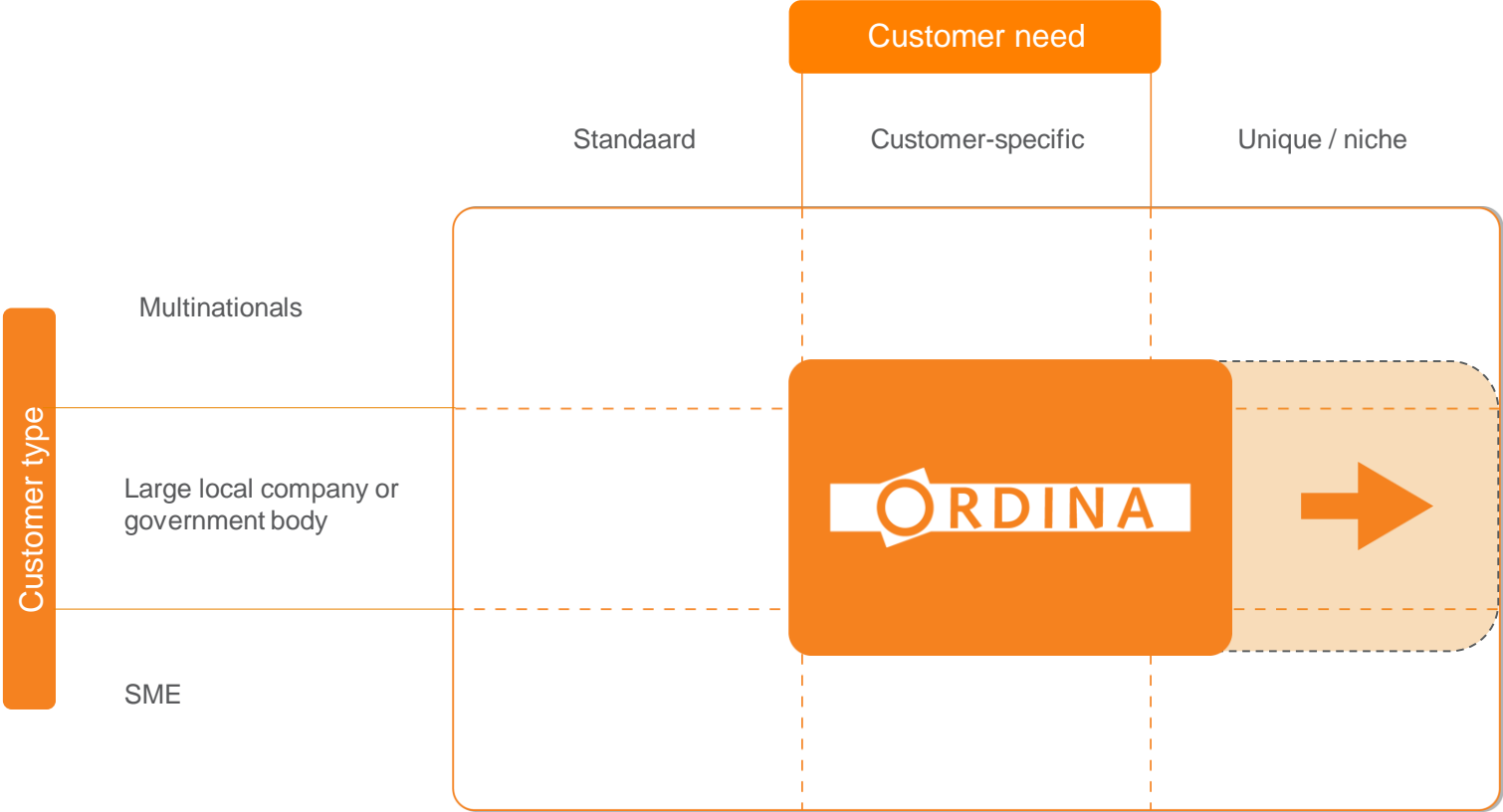
Security & privacy

Security and privacy are key in everything Ordina does, because it is becoming increasingly important to protect infrastructures and personal/business data.

From businesspropositions to Ordina Solutions



Ordina strengthens and expands current position



Strategic targets 2022

- **Improved returns**
Ordina is targeting an EBITDA margin of 7-9%
- **Satisfied clients due to excellent service**
Ordina Promotor Score (OPS) >70,0
- **Engaged employees**
Ordina is targeting an engagement score of >7
- **Two-thirds business propositions:**
Business propositions and solutions to account for two-thirds of our revenue

Ordina's position after H1 2019

- Increasing demand for our five business propositions
 - Public sector: increase of both Business platforms and High Performance teams;
 - Healthcare: growth in Belgium/Luxembourg, specifically in Wallonia;
 - Industry: Increasing demand for our Data-driven and Security & Privacy expertise;
 - Financial sector: Strong growth with High performance teams and Business platforms
- Continuous improvement
 - Learning & development
 - Management development programme
- Positioning Ordina 2022
 - New pay-off 'Ahead of Change'
 - Labour market campaign
 - Launch of our core values: We discover, we connect, we accelerate
 - Innovative concept for Innovatiedagen (2020) wit focus on business propositions
- Kick-off Ordina Solutions



Ahead of change

Nu
vooruitdenken



MORGEN
VOOROPLOPEN

Stay ahead of change.
Start at Ordina.



Cases

D'leteren- Belgium/Luxembourg

Developing an online car platform

D'leteren is the largest Belgian car importer and distributor, including brands such as Audi, Porsche, Skoda and SEAT.

In line with D'leteren's digital growth strategy, Clockwork was awarded the assignment for the development of a complete online sales platform to give D'leteren a new way to market its car range to its customers.

Not only did Clockwork develop the concept, it also conducted market research and developed designs for D'leteren's agile process.

This led to an online platform that is in full compliance with European laws and regulations and that is based on digital usability best practices.





Nelson Labs Europe – Belgium/Luxembourg

Efficient and compliant work

From blister strips to IVs and inhalers: every product that comes into contact with medications has to be tested for the presence of chemicals.

Nelson Labs Europe is a market leader in research on this front. The research is conducted in strictly regulated environments. But all the computer systems and software that the company uses have to be validated, and the data those systems generate has to be stored correctly.

Nelson Labs Europe called in Ordina to help develop a tool to consolidate test results. Ordina built a user-friendly application in Microsoft .NETcore technology. To make sure the application met all legal and quality standards, Ordina put together a team of both developers and compliance specialists.

Thanks to the 'Regulated Development' approach, specific legal and quality standards were already taken into account right at the start of the development process.



Business platforms

Rabobank - The Netherlands

Designing a data warehouse environment

Rabobank is facing a major challenge. They created a plan to migrate their existing central data warehouse (DWH) environment to a completely new environment.

The aim is to have all internal and external reporting originate from this new DHW environment.

Rabobank wants Ordina to help realise this business intelligence (BI) need using a High Performance team (HPT).

Ordina will provide the know-how and capacity, from our High performance teams business proposition.

High performance teams are multidisciplinary teams of professionals who are highly coordinated and up-to-date on all relevant technology.



Belgian Federal Government

Development services for healthcare

Ordina closed a framework agreement on healthcare with the Belgian Federal Government.

The agreement pertains to the development of applications for the public healthcare sector, such as the central database for social security, the National Institute for Disability and National Health Insurance (RIZIV), etc.

Ordina is helping and guiding Belgian government agencies in the social and healthcare sectors, but also other government services, to organise their data management so they can provide efficient and effective services to their users.



High performance teams



Ahead of change