

ANNUAL GENERAL MEETING

12 MAY 2021



AGENDA

- Introduction
- Business Highlights | Jos Blejie
- Operational Developments | Jan Willem Wienbelt
- Financial Results | Jan Willem Wienbelt
- Strategy & Outlook | Jos Blejie



Cautionary Statement

Any forward-looking statements in this presentation refer to future events and may be expressed in a variety of ways, such as “expects”, “projects”, “anticipates”, “intends” or other similar words (“Forward-looking statements”). ICT Group N.V. (“ICT”) has based these forward-looking statements on its current expectations and projections about future events. ICT’s expectations and projections may change and ICT’s actual results, performance or achievements could differ significantly from the results expressed in, or implied by, these forward-looking statements, due to possible risks and uncertainties and other important factors which are neither manageable nor foreseeable by ICT and some of which are beyond ICT’s control.

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BUSINESS HIGHLIGHTS FY 2020



Jos Blejje





Highlights | 2020

Impact of Covid-19 on full year 2020 limited

OVERALL PERFORMANCE

Overall revenue growth of **3%**

Organically, excluding acquisitions and divestments, revenue was flat

EBITDA increased 16% to **€ 19.2 m**

Net profit increased 63% to **€ 4.4 m**

Q4 HIGHLIGHTS

Revenue up to **€ 40.3 m** (+1% vs Q4 2019)

Organically **-0,4%**

EBITDA increased 27% to **€ 5.7 m**

Acquisition of **Yellowstar**, active in supply chain software, announced

OPERATIONS

Covid-19 impact was limited in 2020; Group did not apply for governmental support in NL

Financing arrangement extended to **2024**. Acquisition credit facility increased from **€ 25 m** to **€ 35 m**

In H2 2020 ICT acquired **Esprit**, a company with a strong and long lasting track record in IA and E&RD

Business Highlights | 2020



Strong performance in uncertain circumstances

REVENUE

€ 160.0 m

+ 3% (2019: € 155.5 m)

ADDED VALUE

€ 134.6 m

+ 4% (2019: € 128.9 m)

Effects of lock-down

Pre-Corona we saw productivity levels steadily increasing to the expected levels. Crisis did have impact in April and May, but productivity levels started rising again since start of summer and are close to pre-Covid levels from third quarter.

Nearshoring

Our nearshoring activities were able to capture strong growth as it is greatly positioned from the increased demand in outsourcing projects .

Spread of activities

We have been navigating successfully through the crisis thanks to the spread of our activities. Projects continued to perform well in 2020 and recurring revenues did increase, albeit at a lower rate than expected pre-Covid.

Business Highlights | 2020



Strong performance in uncertain circumstances

EBITDA

€ 19.2 m

(2019: € 16.5 m)

OPERATIONAL CASH FLOW

€ 19.7 m

(2019: € 14.4 m)

NET PROFIT

€ 4.4 m

(2019: € 2.7 m)

EARNINGS / SHARE

€ 0.43

(2019: € 0,27)

Solid EBITDA performance

EBITDA for the full year increased **16%** with a mixed performance view by segment, mainly due to Covid-19.

Significant increase in net operational cash flow

Being the result of improved financial results and disciplined working capital management.

Net profit higher

Net profit increased **63%** to € 4.4 million.

Earnings per share

EPS increased in line with net profit development.

The number of outstanding ordinary shares at year-end 2020 amounted to **9,697,106** (2019: 9,565,010).

Business Highlights | 2020



Healthy ratios

EBITDA / REVENUE

12.0 %

(2019: 10.6%)

SOLVENCY

45.5 %

(2019: 43.8%)

EBITDA margin increased

Margin increased 1.4% mainly as a result of improved productivity in the second half of the year and necessary Covid-19 measures to cut and control costs.

Solvency

Increase in solvency, reflecting sound financial basis.

NET PROFIT / REVENUE

2.6 %

(2019: 1.7%)

Net Profit Margin

Improved margin in 2020 also bearing in mind that the 2019 net profit was influenced by a one-off accounting gain of € 0.7 million.

Revenue by category



Projects are main revenue driver

Well diversified portfolio

Time Hire **31 %** (2019: 33 %)

Projects **53 %** (2019: 49 %)

Recurring **9 %** (2019: 9 %)

Growth in projects (+4%) is mainly driven by Bulgaria

Growth in recurring revenues is driven by SaaS revenues

REVENUE SPLIT BY CATEGORY
(in million Euro)



Employee development



Both attrition and hiring impacted by Covid-19 in Q2

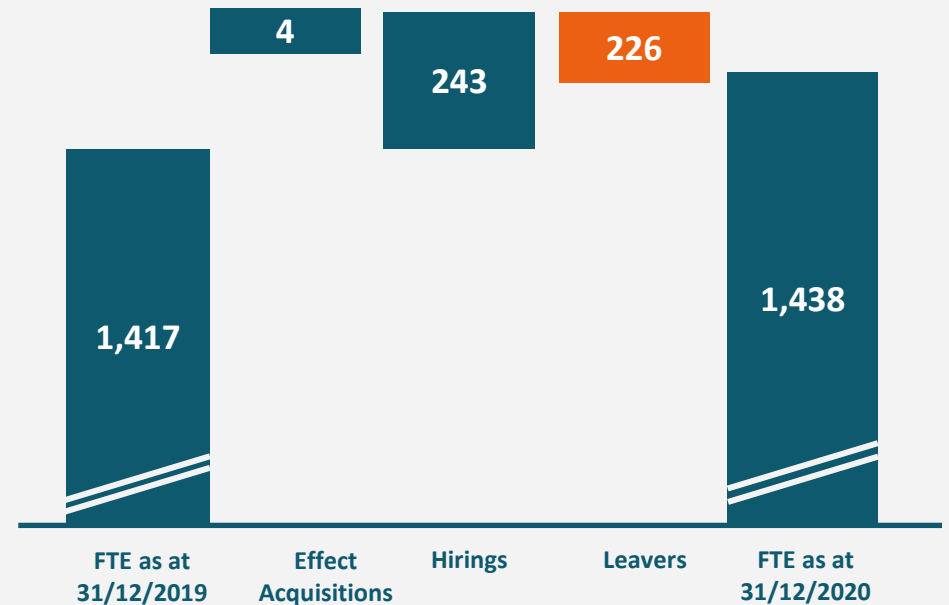
The attrition numbers remain under **high attention**

Attrition in FTE is 16.0% in 2020 (2019: 16.9%)

At 31 December 2020 ICT employs 1,492 people

Direct / Indirect **FTE ratio**

Ratio **14.4 %** (2019: 15.4 %)



OPERATIONAL DEVELOPMENTS & FINANCIAL STATEMENTS

2020



Jan Willem Wienbelt



Summary of clusters



	ENGINEERING R&D	INDUSTRIAL AUTOMATION	INFRA & MOBILITY	HEALTHCARE TECHNOLOGIES
REVENUE	<p>€ 41.2 m</p> <p>+ € 0.5m (2019: € 40.7 m)</p>	<p>€ 35.5 m</p> <p>- € 1.2 m (2019: € 36.7 m)</p>	<p>€ 38.6 m</p> <p>- € 2.5 m (2019: € 41.1 m)</p>	<p>€ 7.9 m</p> <p>- € 2.6 m (2019: €10.5 m)</p>
EBITDA	<p>€ 7.8 m</p> <p>+ € 1.1 m (2019: € 6.7 m)</p>	<p>€ 5.4 m</p> <p>- € 0.5 m (2019: € 5.9 m)</p>	<p>€ 5.8 m</p> <p>+ € 1.9 m (2019: € 3.9 m)</p>	<p>- € 0.5 m</p> <p>- € 1.2 m (2019: € 0.7 m)</p>
	BULGARIA	SWEDEN	SMALL ENTITIES & HOLDING	
REVENUE	<p>€ 18.4 m</p> <p>+ € 5.9 m (2019: € 12.5 m)</p>	<p>€ 16.5 m</p> <p>+ € 1.1 m (2019: € 15.4 m)</p>	<p>€ 14.2 m</p> <p>+ € 1.7 m (2019: € 12.5 m)</p>	
EBITDA	<p>€ 4.3 m</p> <p>+ € 1.6 m (2019: € 2.7 m)</p>	<p>€ 0.5 m</p> <p>- € 0.1 m (2019: € 0.6 m)</p>	<p>- € 4.1 m</p> <p>- € 0.2 m (2019: - € 3.9 m)</p>	

Consolidated Statement of Income



(x11,000)	2020	2019	% change
Revenue	160,017	155,469	2.9%
Cost of Materials and subcontractors	25,449	26,546	-4.1%
Employee benefit expenses	95,657	91,492	4.6%
Depreciation and amortisation	12,508	11,582	8.0%
Impairment charges	-	2	0.0%
Other operating expenses	19,719	20,905	-5.7%
Total operating expenses	153,333	150,526	1.9%
Operating profit	6,684	4,944	35.2%
Financial expenses	(868)	(1,123)	
Financial income	57	104	
One-off accounting gains	-	679	
Result from associates	159	(901)	
Result from other financial fixed assets	13	-1	
Result before taxes	6,045	3,701	
Income tax expense	(1,690)	(1,031)	
Net profit	4,355	2,670	63.1%
Other comprehensive income (loss), net of tax	80	(4)	
Total comprehensive income	4,435	2,666	
Net profit attributable to:			
- Shareholders of ICT Group N.V.	4,151	2,617	58.6%
- Non-controlling interests	204	53	
Earnings per share:			
Basic earnings per share (in I)	0.43	0.28	54.3%
Average number of shares	9,605,905	9,521,946	

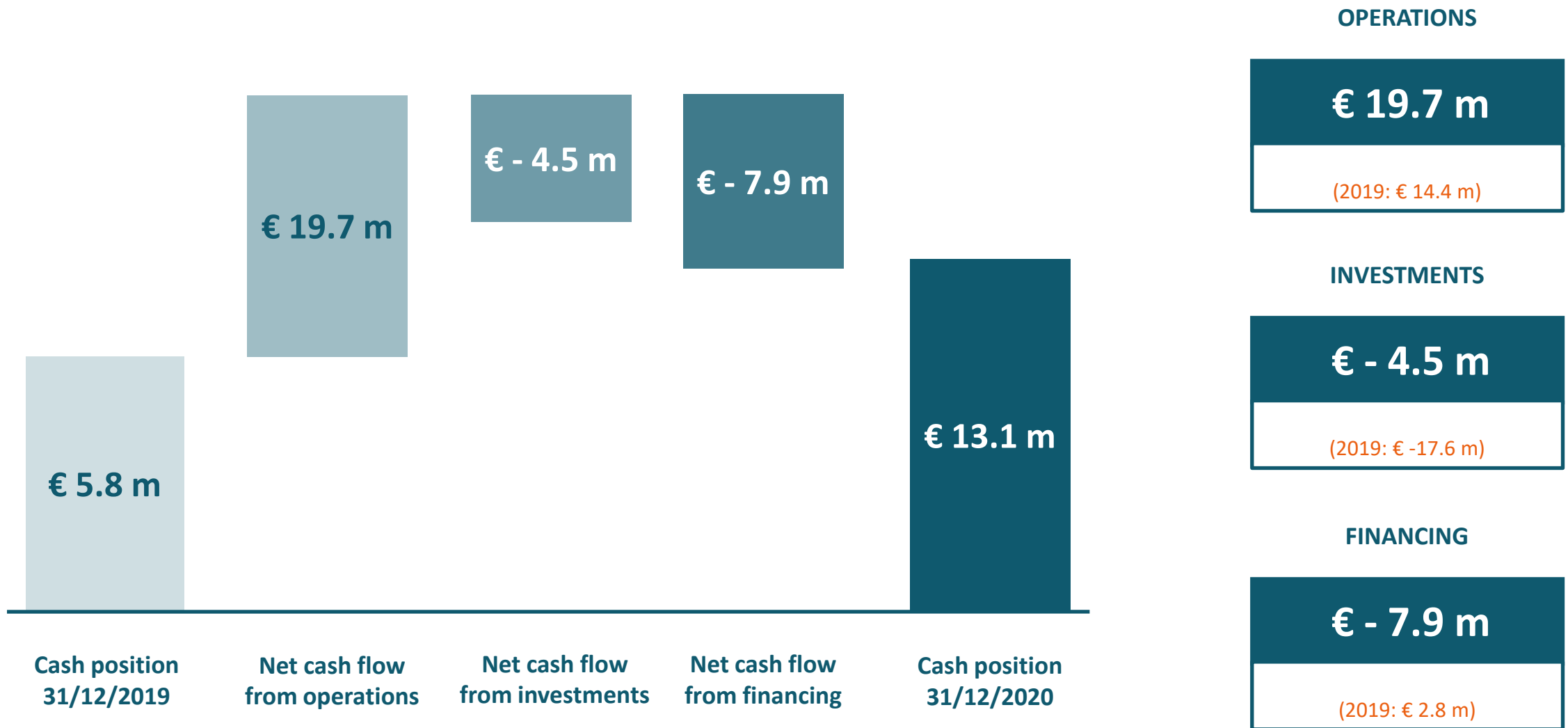
Consolidated Balance Sheet

As at 31 December 2020

x €1.000	31 December 2020	31 December 2019
Assets		
NON-CURRENT ASSETS		
Property, plant & equipment	3,232	3,655
Right-of-use assets	15,309	13,134
Goodwill	38,139	37,457
Other intangible assets	18,705	21,251
Investment in associates	1,091	912
Deferred tax assets	627	373
Other financial assets	932	1,590
	<u>78,035</u>	<u>78,372</u>
CURRENT ASSETS		
Inventory	195	272
Trade and other receivables	39,041	39,082
Corporate income tax receivable	629	915
Cash and cash equivalents	13,121	5,769
	<u>52,986</u>	<u>46,038</u>
TOTAL ASSETS	<u><u>131,021</u></u>	<u><u>124,410</u></u>

	31 December 2020	31 December 2019
Equity and liabilities		
SHAREHOLDERS' EQUITY	59,670	<u>54,542</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	3,599	3,912
Share-based compensation	359	482
Loans (long-term)	11,006	13,423
Lease liabilities (long-term)	10,245	8,488
Deferred acquisition consideration (LT)	3,890	3,600
	<u>29,099</u>	<u>29,905</u>
CURRENT LIABILITIES		
Trade payables	4,795	5,837
Corporate income tax payable	173	86
Other taxes and social security premiums	9,279	8,996
Loans (short-term)	5,688	6,540
Deferred acquisition consideration (ST)	354	747
Lease liabilities (short-term)	5,078	4,617
Other current liabilities	16,885	13,139
	<u>42,252</u>	<u>39,962</u>
TOTAL EQUITY AND LIABILITIES	<u><u>131,021</u></u>	<u><u>124,410</u></u>
Solvency	45.5%	43.8%

Consolidated Cash Flow Statement





Strategy and Outlook



Jos Blejje



Revenue and EBITDA growth

REVENUE

€ 43.7 m

+ 5% (Q1 20: € 41.6 m)

EBITDA

€ 5.4 m

+ 20% (Q1 20: € 4.5 m)

Organic growth 0 %

Covid-19 is constraining our recruitment activities, which makes it harder to attract new talent. Thanks to the contribution of the acquisitions Yellowstar and Esprit, reported revenue growth came in at 5%.

EBITDA increased 20 %

This increase is attributable to increased productivity levels as well as cost control measures. The EBITDA margin came in at 12.4%, an improvement compared to Q1 2020 (10.9%).

Acquisitions

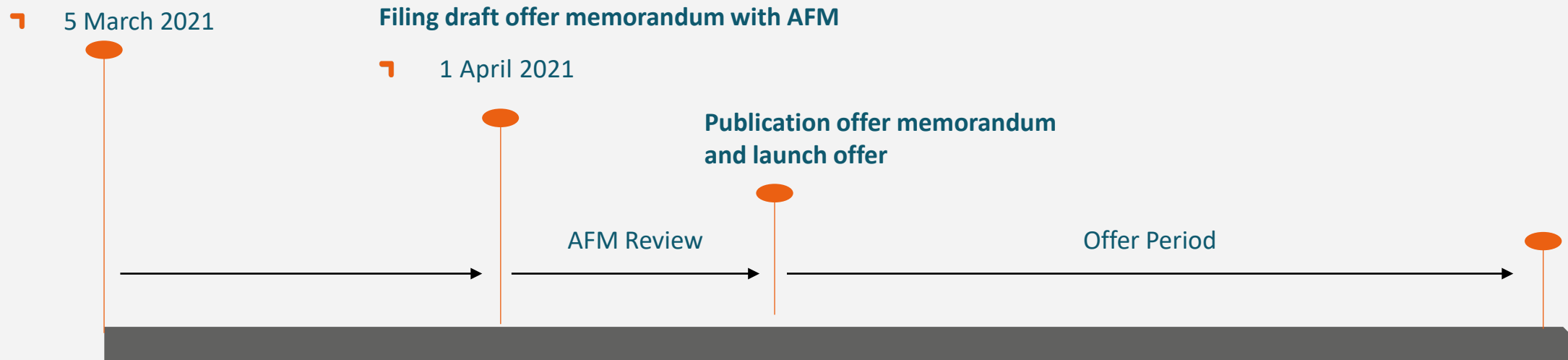
On 1 April 2021, we announced the acquisition of Profit Consulting as well as the acquisition of Strypes Nederland, including a small subsidiary in Portugal.

Status update recommended public offer



- As the result of a diligent and carefully executed **competitive bidding process** ICT Group has reached conditional agreement with a consortium consisting of NPM Capital and Teslin on an all-cash public offer of **EUR 14.50 (cum dividend)** per share
- For further information we refer to our press releases of March 5 and April 1, 2021

Announcement





Focus for 2021

COVID-19 continues to impact the management agenda

MARGINS

Effects of **cost reductions** are visible, we will continue to remain prudent on expenditures

Focus on recovery of **less contributing** activities in the Group

BUSINESS

Well positioned to further support our customers in the **digitisation** challenges

Continue to drive organic growth, start hiring young **professionals**

Continue investments in industrial **SaaS**

EXPANSION

By thinking global and acting local we will support our **multinational customers**

Accelerate our growth in those regions where we have a presence

Buy, build or partner in **new countries/regions**

The labour market remains challenging, therefore we expect organic growth to continue to be pressured.

In combination with the difficulty to predict the future business impact of the pandemic,

we refrain from giving an outlook for the full year 2021.



Thank You