ALWAYS LOOKING FOR CHALLENGES

ICT Automatisering N.V. – 2015 Annual Results

Jos Blejie and Jan Willem Wienbelt

3 March 2016
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 Automatisering 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.

In view of these uncertainties, no certainty can be given about ICT’s future results or financial position. We advise you to treat ICT’s forward-looking statements with caution, as they speak only as of the date on which the statements are made. ICT is under no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable (securities) legislation.
2015 Key figures

**Revenue**

€ 71.8 m  
+14% (2014: € 63.0m)  
+ 4 % Organic growth

**Added value revenue**

€ 65.5 m  
+14% (2014: € 57.4m)

**EBITDA**

€ 7.1 m  
+53% (2014: € 4.7m)  
Up 250 bp to 9.9%

**Net operational cash flow**

€ 6.1 m  
+61% (2014: € 3.8 m)

**Net result**

€ 3.6 m  
- 28 % (2014: € 5.0 m after € 5.6 m deferred tax benefit)

**Earnings per share**

€ 0.41  
- 27% (2014: € 0.56)
2015 main events

**Q1**
- Completion of the acquisition of Strypes
- Acquired last 10% of shares
- Improve Quality Services
- Transform all ICT units into profit center

**Q2**
- Transform ICT Netherlands ‘Verticals’ into smaller business units operating closer to the customer
- Launch of new website

**Q3**
- Completion of the acquisition of Raster, an industrial automation company

**Q4**
- Announcement acquisition of BMA, an e-Health software company
- Completion of minority stake in Greenflux
- Employee share participation plan
2015 fourth quarter results

**Revenue Growth**

- +22% at €20.1 m
  - (4Q 2014: €16.5 m)

**Growth EBITDA**

- +49% at €2.3 m
  - (4Q 2014: €1.5 m)

**Performance EBITDA %**

- +210 bps to 11.5 %
  - (4Q 2014: 9.4 %)

- Organic growth 5.6 %
- All segments improved results
- Back to market conformity

**Strategy is all about execution**
Summary of main messages

• **ICT Netherlands** realised slightly better results.
  - Almost all markets realised growth and improved results.
  - The challenging market circumstances impacted the Industrial Automation activities and resulted in lower than expected secondment demand from customers.
  - Less selling of (LogicNets) licenses

• **Strypes Bulgaria** contributed significantly; the collaboration with ICT Netherlands resulted in a broadening of the client base and healthy growth

• **Improve Quality Services** doubled EBITDA results. Remaining 10% of shares acquired in January

• **InTraffic** (50/50 joint venture with Movares) realised stable results in line with expectations
ICT acquired Raster

Raster enriches the portfolio of ICT in industrial automation with new customers in new markets as well as the sales and delivery of Industrial Automation products

A niche player with global delivery capabilities

- Profitable revenues of approximately € 4.5 m per year
- Dutch based (Dreumel) - approx. 22 fte
- Focus on Oil & Gas (especially LNG) and heavy duty vessels

- Own developed products
- Global partner of the year at Schneider Electric
- Dealer/importer of IA products

- Consolidated as from 1 October 2015
- Revenue 4th quarter 2015 € 1.1 m, EBITDA € 0.3 m
GreenFlux is a fast growing independent e-charging service platform serving many charging pole providers

In anticipation of growth EV market

• ICT sold its charging pole control unit to Greenflux
  • In return for a minority stake of 24.49%

• Brabantse Ontwikkelings Maatschappij is co-investor
  • Obtains a minority stake of 24.49%

• Exclusive development partnership prolonged with 2 years
  • Including expansion

• Transaction closed half November 2015
The transformation towards a better balanced revenue stream is well underway. Focus will be given to higher margin revenues in combination with a well balanced stream of revenues.

**2015**

- Projects: 37%
- Training & Courses: 2%
- Secondment: 48%
- Services: 8%
- Products & Licenses: 5%

**2014**

- Projects: 29%
- Training & Courses: 2%
- Secondment: 55%
- Services: 9%
- Products & Licenses: 5%
ICT has a well spread business portfolio operating in 8 markets servicing the top companies in each market:

Top 10 clients 2015 = 45% of revenue

New important customers in 2015
2015 Other KPI’s

**Employees as at year-end**
- 764
- +21% (2014: 632)
- +4% Organic growth

**Revenue per employee**
- €101k
- -1% (2014: €102k)

**EBITDA per employee**
- €10k
- +33% (2014: €8k)

**Average age**
- 39.3 yrs
- -0.7 yrs (2014: 40 yrs)
- Young profs and Strypes

**Sales win rate**
- 45%
- +200 bps% (2014: 43%)

**Productivity**
- 70.4%
- +100 bps (2014: 69.4%)
2015 employee evolution

The European technical labourmarket is getting more difficult but ICT keeps attrition at 11%
2015 Management Objectives achieved

People
- Long term incentive plan successfully launched
- Professional and management development plan in place

Drive
- Themes defined in smarter Health, Cities and Industries
- Portfolio broadened with developed and acquired software

Collaboration
- Defined market units closer to business
- Partner programme expanded
- Collaboration ICT group entities increased

Results
- Over 10% revenue growth
- Exceeding promised EBITDA improvement of 40-50%
- Autonomous growth realised
Operational and Financial Performance
Slightly better results. Almost all markets realised growth and improved results. Less selling of (LogicNets) licenses

**Mixed picture per market unit**

- External revenue: €61.0 m (2014: 60.3 m)
- EBITDA: €5.4 m (2014: 5.4 m)

- In the industrial markets we were confronted with lower than expected secondment demand from customers in H1.

- H2 showed better market conditions

- Productivity – 0.5% compensated by better project results

- Growth in staff to 608 (31/12/2014: 584)
ICT closed the transaction of the acquisition of Strypes on January 6.

**Strypes performed in line with expectations**

- External revenue: €5.7 m
- EBITDA: €1.6 m
- Growth from 57 FTE to 93 FTE ultimo December
- 14% of revenues coming from new customers
- Introduced .NET technology
- Preliminary Price Purchase Allocation performed: €543 k amortisation on backlog, €650 k amortisation on customers
Segment Other encompasses:

Improve Quality Services
Recovered from previous years, refer next slide

ICT Poland
Contributing in 2015
Needs to grow substantially to become strategic

Raster
Contributing for 1 quarter in 2015

### 2015

<table>
<thead>
<tr>
<th>(X € 1,000)</th>
<th>ICT Netherlands</th>
<th>ICT Nearshoring</th>
<th>Other</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>61,030</td>
<td>5,717</td>
<td>6,168</td>
<td>(1,128)</td>
<td>71,787</td>
</tr>
<tr>
<td>Segment Gross profit</td>
<td>17,535</td>
<td>2,641</td>
<td>2,059</td>
<td></td>
<td>22,235</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,424</td>
<td>1,589</td>
<td>129</td>
<td></td>
<td>7,142</td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>428</td>
<td>1,224</td>
<td>172</td>
<td></td>
<td>1,824</td>
</tr>
<tr>
<td>Operating profit (loss)</td>
<td>4,996</td>
<td>365</td>
<td>(43)</td>
<td></td>
<td>5,318</td>
</tr>
<tr>
<td>EBITDA / revenue</td>
<td>8.9%</td>
<td>27.8%</td>
<td>2.1%</td>
<td></td>
<td>9.9%</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>562</td>
<td>77</td>
<td>52</td>
<td></td>
<td>711</td>
</tr>
</tbody>
</table>

### 2014

<table>
<thead>
<tr>
<th>(X € 1,000)</th>
<th>ICT Netherlands</th>
<th>ICT Nearshoring</th>
<th>Other</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60,290</td>
<td>-</td>
<td>3,150</td>
<td>(397)</td>
<td>63,043</td>
</tr>
<tr>
<td>Segment Gross profit</td>
<td>16,603</td>
<td>-</td>
<td>1,051</td>
<td></td>
<td>17,654</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,367</td>
<td>-</td>
<td>1,051</td>
<td></td>
<td>4,657</td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>295</td>
<td>-</td>
<td>1,207</td>
<td></td>
<td>1,502</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,072</td>
<td>-</td>
<td>(1,917)</td>
<td></td>
<td>3,155</td>
</tr>
<tr>
<td>EBITDA / revenue</td>
<td>8.9%</td>
<td>22.5%</td>
<td>-</td>
<td></td>
<td>7.4%</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>568</td>
<td>-</td>
<td>50</td>
<td></td>
<td>618</td>
</tr>
</tbody>
</table>
ICT acquired the remaining 10% of the shares in January 2015 and now owns 100% of the company

**Improve realised revenue growth of 26%**

- External revenue: € 4.0 m (2014: € 3.2 m)
- EBITDA: € 0.7 m (2014: € 0.3 m)

- New important contract with major Dutch bank signed

- Better market conditions in vulnerable education market with continuous attention to performance
Minority stakes

LogicNets

• Formalised development process to increase quality of the system
  – Major new releases of LogicNets Designer, Runtime and Frameworks
  – Higher development costs than anticipated

• Healthcare Decision Support market is potentially very large, however:
  – In early adoption stage
  – Market is conservative and will develop slower than anticipated

• Based on current results we have revised our outlook and expect a 12 month shift in our sales projections

• Given the delay in the roll out of the platform ICT reevaluated its 20% stake in LogicNets.
  – Including a downward valuation of LogicNets total loss amounts to € 0.6 m

InTraffic

• Solid 2015. Result amounted to € 0.3 m
• InTraffic performed well and in line with last year
# Profit & Loss

**Consolidated statement of total comprehensive income**

<table>
<thead>
<tr>
<th>(x € 1,000)</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>71,787</td>
<td>63,043</td>
</tr>
<tr>
<td>Cost of Materials and subcontractors</td>
<td>6,249</td>
<td>5,653</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>43,454</td>
<td>40,163</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>1,024</td>
<td>302</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>-</td>
<td>1,200</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>14,651</td>
<td>17,570</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>66,466</td>
<td>58,068</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>5,318</td>
<td>3,155</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>(330)</td>
<td>(4)</td>
</tr>
<tr>
<td>Financial income</td>
<td>23</td>
<td>134</td>
</tr>
<tr>
<td>Result from joint ventures</td>
<td>206</td>
<td>261</td>
</tr>
<tr>
<td>Result from associates</td>
<td>(69)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Result before taxes from continuing operations</strong></td>
<td>4,662</td>
<td>3,527</td>
</tr>
<tr>
<td>Income tax (expense) profit</td>
<td>(1,135)</td>
<td>4,266</td>
</tr>
<tr>
<td><strong>Net profit (loss) from continuing operations</strong></td>
<td>3,527</td>
<td>7,793</td>
</tr>
<tr>
<td><strong>Discontinued operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss after taxes from discontinued operations</td>
<td>-</td>
<td>(2,837)</td>
</tr>
<tr>
<td><strong>Net profit (loss)</strong></td>
<td>3,527</td>
<td>4,956</td>
</tr>
<tr>
<td>Other comprehensive income (net of tax)</td>
<td>28</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>3,527</td>
<td>5,025</td>
</tr>
<tr>
<td><strong>Net profit (loss) attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Shareholders of ICT Automation N.V.</td>
<td>3,551</td>
<td>4,034</td>
</tr>
<tr>
<td>- Non-controlling interests</td>
<td>-</td>
<td>22</td>
</tr>
</tbody>
</table>
### Balance sheet

(x EUR 1,000)

<table>
<thead>
<tr>
<th></th>
<th>As at 31 December 2015</th>
<th>As at 31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,341</td>
<td>1,246</td>
</tr>
<tr>
<td>Goodwill</td>
<td>14,893</td>
<td>10,881</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>6,888</td>
<td>130</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td>1,234</td>
<td>1,199</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>2,252</td>
<td>1,747</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4,138</td>
<td>4,129</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td><strong>30,746</strong></td>
<td><strong>19,332</strong></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>20,694</td>
<td>18,595</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>94</td>
<td>159</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6,694</td>
<td>11,346</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>27,482</strong></td>
<td><strong>30,100</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>58,228</strong></td>
<td><strong>49,432</strong></td>
</tr>
</tbody>
</table>

| **Equity and liabilities** |                  |                  |
| SHAREHOLDERS’ EQUITY      | 35,497            | 33,973            |
| NON-CURRENT LIABILITIES   | 5,303             | 1,114             |
| CURRENT LIABILITIES       | 17,428            | 14,345            |
| **TOTAL EQUITY AND LIABILITIES** | **58,228** | **49,432**    |
2015 cash flow development

ICT generates sufficient cash from its operations

- Net cash flow from operations: €11.7 m
- Net cash flow from investments: €6.1 m
- Net cash flow from financing: €1 m
- Cash position 31/12/2015: €6.7 m
- Cash position 31/12/2014: €11.3 m
Ratio’s

**EBITDA / Revenue**
9.9 %
(2014: 7.4%)

**Net Profit / Revenue**
4.9 %
(2014: 12.4%)

**Net Profit / Equity**
10.2 %
(2014: 15.3 %)

**Solvency**
61.0 %
(2014: 68.7 %)

**Dividend per share**
€0.24
(2014: €0.23)

**Dividend as %**
2.86 %
(2014: 3.96 %)
Strategy and outlook
In conclusion:
2015 highlights showing revenue growth and strong improvement of profitability

**REVENUE GROWTH**
Revenue up 14% at €71.8 million

**GROWTH EBITDA**
EBITDA up 53% at €7.1 million

**PERFORMANCE EBITDA %**
EBITDA up from 7.4% to 9.9%

Organic growth 4%
All segments contributed

Strypes contribution significant
All segments improved results

Back to market conformity

Strategy is all about Execution
ICT will continue its strategy of offering innovative and effective product/market solutions, enriched with state-of-the-art technologies.

1. Create economic value
   - translating new innovative technologies into relevant business solutions.
   - helping clients to enhance their flexibility and operational simplicity.
   - improving client’s businesses, production and communications processes.

2. Offer replicable & scalable solutions
   - agile approach to provide distinctive repetitive solutions and services.
   - drive to become a multidisciplinary system integrator.
   - increasingly offering our customers project-based solutions directed by us.

3. Deliver innovative solutions & services
   - delivering innovative product/market solutions enriched with the latest technology.
   - foundation lies in long-term investment in knowledge of our professionals.
   - combined with extensive knowledge of the market and our customer.

4. Creation of an inspiring environment
   - retaining and sharing knowledge is an important factor in increasing added value.
   - ICT employees are educated and challenged on a continuing basis.
   - E.g. our initiative the ‘Council of 20’ helps us to look beyond boundaries.

Executing a well thought out Strategy
Global IoT market is growing fast

In 2014 ICT made a strategic choice to enter into the new world of delivering industrial applications, next to secondment of our professionals and delivering projects.

* Source: Accellus

M2M Revenues by Service Layer ($USD) will hit USD $45B by 2018 *
ICT has made clear choices in terms of the areas in which its unique range of expertise has the highest impact and where its solutions provide the highest added value for its customers. This clear focus enables ICT to further enhance its technological expertise and its innovative capabilities. ICT focuses on:

1) **Smarter Cities** - Technologies to enhance the quality and performance of urban services, to reduce costs and resource consumption, and to engage more effectively and actively with citizens.

2) **Smarter Industries** – Intelligent manufacturing technologies and the digitisation of information and communications in the value chain

3) **Smarter Health** – solutions to exchange medical data and to enhance communications exchange in the healthcare sector.

### Total Technology & service provider

<table>
<thead>
<tr>
<th></th>
<th>Smarter Cities</th>
<th>Smarter Industries</th>
<th>Smarter Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive &amp; Mobility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water &amp; Infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food, Chemicals &amp; Pharma</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport &amp; Logistics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Technology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BMA (Buro Medische Automatisering B.V.) develops software products that are designed for electronic record-keeping and fetal monitoring, focusing on the optimisation of the working and decision-making processes at the maternity ward.

**Specialist delivering in 4 European countries**

- Profitable revenues of approximately € 5 m per year
- Dutch based approx. 40 fte
- Focus on obstetrics software and solutions
- Own developed software platform MOSOS
- Exclusive distributor of specific obstetrical hardware products
- Consolidated as from 1 February 2016
We are strategically **positioned** to address today’s themes and technological innovations leading to a leading industrial IT player

- Ever-increasing volume of stored data
- Need to transform data into valuable information
- Big data can be used to make more accurate decisions

- Decision support system(s)
- Automating complex decision-making processes

- Cloud solution makes managing server hardware, networking, storage and operating systems obsolete
- Lets you easily unlock additional data
- Cloud distributes the latest industrial software updates
- A wide range of options is accessible through the Cloud

- Dutch postal operator
- Migrating entire .NET environment to the Cloud

- Intelligent connected devices are growing nad generating vast quantities of data
- Adding embedded intelligence and securely connecting devices to the ‘cloud will enable transformation of business models, increase profits, and exploit new services and regain control of product development

- Adding embedded intelligence
- Connecting devices to the Internet

- People can n work anywhere but need to be connected constantly
- ‘Always-on’ world
- People want access and control anywhere, any place and anytime
- The next logical step in business IT is embedded systems that are no longer fixed in a particular location

- Stay connected
- Connected Home
- Sensor analytics
- Anytime, anywhere, any place

**Ability to swiftly combine industrial technology with these themes**
ICT is well positioned to achieve its strategy in the next years.
Objectives and outlook 2016

• Our focus continues to be the execution of its strategy

• Leverage of the acquisitions of Strypes, Raster and BMA

• Continued aim for the combination of organic growth and growth through acquisitions through the themes Smarter Industries, Smarter Health and Smart Cities

• Continued attention to improve the balance in revenue
  – Approximately 40% Secondment
  – Approximately 30% Project oriented
  – Approximately 30% Recurring revenue stream from products and services

• Despite continuing challenging market conditions ICT makes strategic progress:

ICT expects to further improve revenue and EBITDA in 2016 compared to 2015
CHALLENGE US FOR SMARTER SOLUTIONS