ICT Group NV
Analyst presentation
Jos Blejie (CEO)

Results H1 2016
18 August 2016
Jan Willem Wienbelt (CFO)
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 Update
STRONG GROWTH IN BOTH REVENUES AND EBITDA

Revenues

€ 42.1 m
+22% (H1 2015: € 34.6 m)
+8% Organic growth

Added value revenues

€ 37.3 m
+18% (H1 2015: € 31.8 m)

EBITDA

€ 4.2 m
+32% (H1 2015: € 3.2 m)
Margin up 72 bps to 9.9%

Operational cash flow

€ -0.3 m
+ € 0.5 m (H1 2015: € -0.8 m)

Net result

€ 2.1 m
+ 44% (H1 2015: € 1.5 m)

Earnings per share

€ 0.24
+ 41% (H1 2015: € 0.17)

All in € millions rounded
ICT Netherlands solid growth of 7% in revenues and 9% in EBITDA

Strypes Bulgaria strong growth of 26% not converted into higher EBITDA
  productivity lower
  investment in sales, housing and professionalisation of organisation

Raster and Improve performed in line with expectations

BMA stayed behind expectations
  delay in start of projects
  expect improvement in second half of 2016

In associated companies InTraffic, Greenflux, Strypes NL and LogicNets
  improved performance in line with expectations
Launch of new name: **ICT Group NV**

Accelerated growth achieved in:

- **Smarter Health** activities with the acquisition of 51% of the shares in per February 2016

- **Smarter Cities** with the take over of the dyyniq water infrastructure activities per July 2016

- **Smarter Industries** with the announced take-over of NOZHUP

Focus on one nearshore location after closing down **ICT Poland** in May 2016

Launch of the new initiative **ICT Mobile** bundling the latest mobile technologies in the Mobile Enterprise App Platform
Transformation to a balanced revenue stream is well underway

The percentage short cyclical secondment revenues decreased versus a growth in projects.

Recurring business did grow but at a slower pace than expected.

Less software sales in Oil & Gas.

Training and materials revenues stable.
Revenues by market remained stable reflecting the loyal customer base ICT Group has.

Energy shown as new market (2015 included in Cross Industry Solutions)

Oil & Gas shown as new market through the acquisition of Raster

Growth in Healthcare mainly due to BMA

Top 10 customers account for 47% of revenues (2015: 46%).

Amounts in millions rounded
Maintenance of the ProRail Willem van Oranje railtunnel in Delft

Mes implementation for the Danone Baby Nutrition plant in Cuijk

DBM of central control system of sewage purification plant

Replacement of SHM’s existing data entry system with LogicNets MDF

De Stichtse Kraan the largest RWZI (sewage purification installation) of Europe

MES tracking, tracing and management of manufacturing data of NedTrain
AWARDS

- Cloud partner 2016
- Raster Cert. All. partner
- Waterstand Limburg app
- ISP
- Silver medal CSR
- Smart Grid Network Award
Attrition is 8% in H1 2016, slightly below industry average

- Inflow in Bulgaria above expectations
- Inflow in the Netherlands slightly below expectations but is expected to recover in second half of the year
- Outflow includes 9 FTE transferred to Joint Venture Intraffic
- FTE numbers exclude inflow Dynniq staff (July 2016)
INDICATORS PER EMPLOYEE IMPROVED

- **Revenues / fte**
  - € 53.0 k
  - +5% H1 2015: € 50.5 k

- **Empl. Expenses / fte**
  - € 31.6 k
  - +1% H1 2015: € 31.3 k

- **EBITDA / fte**
  - € 5.2 k
  - +13% H1 2015: € 4.6 k

- Growth in revenue and EBITDA per employee mainly due to more software sales in the business mix
- Fast growth Bulgarian workforce (cheaper labour) in balance with overall cost / salary increases
- Average age of workforce stable at 39.5 years

* = per average fte first H1 2016
Operational Developments
RESULTS ICT NL IN LINE WITH EXPECTATIONS

Revenues
€ 32.3 m
+ 7% H1 2015: € 30.1 m

EBITDA
€ 2.6 m
+ 8% H1 2015: € 2.4 m

EBITDA margin
8.1 %
+ 20 bps H1 2015: 7.9 %

Productivity in line with last year

Tariff increased 2%

Good project results

License and materials sales below expectations
Investing in sales organisation to attract new customers in EU

Growth towards 120 people, resulting in temporary lower productivity

Invest in internal processes to further professionalise

Dependency on largest client decreased by more than 10%
RASTER IN LINE WITH EXPECTATIONS

Revenues
€ 2.9 m

EBITDA
€ 0.8 m

- Robust performance
- Because of challenging Oil & Gas market limited growth opportunities
- Less software and hardware sales than expected
- Integration plan on schedule

Amounts in € millions rounded
Improve Quality Services showed slight improvement in performance

BMA below expectations mainly due to postponement of start of projects in France, expecting recovery in second half 2016

ICT Poland at break-even due to costs related to closure of activities
Joint venture Intraffic (50% interest) steady performance
Result attributable to ICT: € 0.1m (H1 2015: € 0.1 m)

Associates; loss attributable to ICT reduced
Loss attributable to ICT reduced to € 0.1m (H1 2015: € 0.2 m loss)

Order intake at LogicNets (20% interest) in USA satisfactory, orders in NL limited

25% interest in Strypes NL stable

Electric driving start-up company showed growth in line with expectations
Financial Results
## Condensed interim consolidated statement of total comprehensive income (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>1 January - 30 June 2016</th>
<th>1 January - 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(x € 1,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>42,086</td>
<td>34,575</td>
</tr>
<tr>
<td>Cost of Materials and subcontractors</td>
<td>4,769</td>
<td>2,817</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>24,921</td>
<td>21,624</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>1,173</td>
<td>1,085</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>8,235</td>
<td>6,970</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>39,098</td>
<td>32,496</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>2,988</td>
<td>2,079</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>(160)</td>
<td>(100)</td>
</tr>
<tr>
<td>Financial income</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Result from joint ventures</td>
<td>103</td>
<td>86</td>
</tr>
<tr>
<td>Result from associates</td>
<td>(123)</td>
<td>(156)</td>
</tr>
<tr>
<td><strong>Result before taxes</strong></td>
<td>2,810</td>
<td>1,909</td>
</tr>
<tr>
<td>Income tax (expense) profit</td>
<td>(666)</td>
<td>(418)</td>
</tr>
<tr>
<td><strong>Net profit (loss)</strong></td>
<td>2,144</td>
<td>1,491</td>
</tr>
<tr>
<td>Other comprehensive income (net of tax)</td>
<td>(1)</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>2,143</td>
<td>1,515</td>
</tr>
</tbody>
</table>

**Net profit (loss) attributable to:**
- Shareholders of ICT Automatisering N.V. 2,129 1,491
- Non-controlling interests 15 -
## Condensed interim consolidated balance sheet

(between profit appropriation and unaudited)

<table>
<thead>
<tr>
<th>(x € 1,000)</th>
<th>As at 30-6-2016</th>
<th>As at 31-12-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>1,830</td>
<td>1,341</td>
</tr>
<tr>
<td>Goodwill</td>
<td>16,999</td>
<td>14,893</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>11,281</td>
<td>6,888</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td>1,043</td>
<td>1,234</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>2,128</td>
<td>2,252</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4,138</td>
<td>4,138</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>502</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>37,921</td>
<td>30,746</td>
</tr>
</tbody>
</table>

| CURRENT ASSETS |                 |                 |
| Trade and other receivables | 25,126 | 20,694 |
| Corporate income tax receivable | 254 | 94 |
| Cash and cash equivalents | 6,962 | 6,694 |
| **Total Current Assets** | 32,342 | 27,482 |
| **Total Assets** | **70,263** | **58,228** |

<table>
<thead>
<tr>
<th>(x € 1,000)</th>
<th>As at 30-6-2016</th>
<th>As at 31-12-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SHAREHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attributable to shareholders of ICT</td>
<td>35,832</td>
<td>35,497</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>476</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Shareholders’ Equity</strong></td>
<td><strong>36,308</strong></td>
<td><strong>35,497</strong></td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>3,789</td>
<td>2,886</td>
</tr>
<tr>
<td>Share-based compensation liabilities</td>
<td>137</td>
<td>137</td>
</tr>
<tr>
<td>Loans (long term)</td>
<td>3,735</td>
<td>2,280</td>
</tr>
<tr>
<td>Deferred acquisition consideration (long term)</td>
<td>3,014</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-current Liabilities</strong></td>
<td><strong>10,675</strong></td>
<td><strong>5,303</strong></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>1,631</td>
<td>2,143</td>
</tr>
<tr>
<td>Corporate income tax payable</td>
<td>753</td>
<td>859</td>
</tr>
<tr>
<td>Other taxes and social security</td>
<td>4,295</td>
<td>5,726</td>
</tr>
<tr>
<td>Loans (short term)</td>
<td>1,054</td>
<td>760</td>
</tr>
<tr>
<td>Deferred acquisition consideration (short term)</td>
<td>-</td>
<td>1,538</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>9,834</td>
<td>6,402</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>5,713</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>23,280</strong></td>
<td><strong>17,428</strong></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>70,263</strong></td>
<td><strong>58,228</strong></td>
</tr>
</tbody>
</table>
### Condensed interim consolidated cash flow

(unaudited)

#### ICT Group NV

**Results H1 2016**

**AUGUST 18, 2016**

<table>
<thead>
<tr>
<th>Cash position</th>
<th>Net cash flow from operations</th>
<th>Net cash flow from investments</th>
<th>Net cash flow from financing</th>
<th>Cash position</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2015</td>
<td>€ 0.3 m</td>
<td>€ 3.3 m</td>
<td>€ 1.9 m</td>
<td>€ 1.2 m</td>
</tr>
<tr>
<td>30/6/2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cash at bank and in hand**

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/6/2016</td>
<td>€ 1,249</td>
</tr>
<tr>
<td>1/1/2016</td>
<td>€ 6,694</td>
</tr>
</tbody>
</table>

**Increase / (decrease) cash and cash equivalents**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ (5,445)</td>
</tr>
</tbody>
</table>

### According to the direct method (x € 1,000)

<table>
<thead>
<tr>
<th>First half-year 2016</th>
<th>First half-year 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>51,441</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(50,595)</td>
</tr>
<tr>
<td>Interest (paid) received</td>
<td>(142)</td>
</tr>
<tr>
<td>Income tax (paid) received</td>
<td>(1,024)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>(320)</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM INVESTMENT ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Additions to property, plant and equipment, software</td>
<td>(709)</td>
</tr>
<tr>
<td>Additions to development costs</td>
<td>(203)</td>
</tr>
<tr>
<td>Acquisition of subsidiaries (net of cash acquired)</td>
<td>(1,861)</td>
</tr>
<tr>
<td>Acquisitions/purchases of other financial fixed assets</td>
<td>(502)</td>
</tr>
<tr>
<td><strong>Net cash flow from investment activities</strong></td>
<td>(3,275)</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds (repayments) of borrowings (external loans)</td>
<td>1,517</td>
</tr>
<tr>
<td>Proceeds (repayments) of borrowings (earn-out liabilities)</td>
<td>(1,538)</td>
</tr>
<tr>
<td>Dividend received from (paid to) non-controlling interest</td>
<td>294</td>
</tr>
<tr>
<td>Dividend paid to shareholders of ICT Automatisering N.V.</td>
<td>(2,123)</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td>(1,850)</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td>(5,445)</td>
</tr>
</tbody>
</table>

**Cash at bank and in hand as at 30 June**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 1,249</td>
</tr>
</tbody>
</table>

**Cash at bank and in hand as at 1 January**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 6,694</td>
</tr>
</tbody>
</table>

**Increase / (decrease) cash and cash equivalents**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ (5,445)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>GROSS AND NET INCOME FROM DISCONTINUED OPERATIONS</strong></th>
<th><strong>GROSS AND NET INCOME FROM DISCONTINUED OPERATIONS</strong></th>
</tr>
</thead>
</table>
THE CORE OF ICT

Our Core Values

**Growth** in all dimensions

Hunger for **innovative achievements**

The best in **specialized industry knowledge**

Natural born and passionate ‘techies’

Encourage teamwork and individual initiative (**Freedom of act**)

Our Mission

Become the **European Technology Solutions and Services provider** (TSP) in defined markets with a passion for our customers and drive for innovative development

Our Target Markets

**Smarter Cities**

Tackling the infrastructural challenges in big cities.

**Smarter Industries**

Addressing the 4th industrial revolution and the current nucleus of ICT

**Smarter Health**

Incorporating e-Health, Mobile Health and Health Tech
ICT IS STRATEGICALLY POSITIONED TO ADDRESS THE TECHNOLOGY TRENDS

Ability to swiftly combine industrial technology with these themes
A new name with a clear focus: ICT Group NV

ICT has made clear choices in terms of the areas where our range of expertise has the highest impact and our solutions provide the highest added value for our customers. This clear focus enables us to further enhance our technological expertise and innovative capabilities:

**Smarter Industries:** Intelligent manufacturing technologies both embedded as well as process automation, supporting the digital transformation and the further robotisation of the industry.

**Smarter Cities:** Technologies to enhance the quality and performance of urban services reducing costs and resource consumption (sustainability)

**Smarter Health:** Software solutions to enhance exchange of data in the healthcare sector enabling synoptic reporting and faster diagnosis.
REVENUES BY FOCUS AREA

Smart Industries is still the driving force in the revenues but growth of Smarter Cities and Smarter Health is relatively faster.

Smarter Industries revenues are a mixture of secondment services and agile project deliveries and to a lesser extend software sales.

Smarter Cities activities are mainly fixed price projects.

Smarter Health revenues are balanced between fixed price project deliveries and software sales.
Overview of the Digital Transformation

ICT SUPPORTS THE DIGITAL TRANSFORMATION FOR ITS CUSTOMERS

ADD NEW BUSINESS MODELS

CHANGE

TRANSFORMATION

Create Value

NEW SERVICES

CONNECT

IOT

DEVICES

MIGRATION

FIELD STAFF

COLLECT

COLLECT

PROTECT

Enable insights

INFORMATION

CONTROL

PREDICT

PREVENT

IMPROVE OFFERINGS

MACHINE LEARNING

ICT+

Overview of the Digital Transformation

REDUCE COSTS

IOT

REDUCE COSTS

MACHINE LEARNING

TRANSFORM DATA INTO MANAGEMENT INFORMATION

ENHANCE PRODUCTS / SERVICES
Saas Solutions

IOT Suite
- Asset Management
- Device upgrade
- Field service
- Predict maintenance
- Remote monitoring

Partners

ICT Group NV

Results
H1 2016

AUGUST 18, 2016
SOME DIGITAL TRANSFORMATION REFERENCES

GEAS
Geography: Netherlands
Industry: Smarter Cities / Utilities
Energy performance evidence

RICARDO RAIL
Geography: Netherlands
Industry: Smarter Cities / Railway
Connected trains

REMEHA
Geography: Western Europe
Industry: Smarter Industry
Remote monitoring / maintenance

GREENFLUX
Geography: NL, UK and DE
Industry: Smarter Cities / Energy
Smart charging data
Outlook
Our focus continues to be the execution of our strategy

Leverage the acquisitions of Strypes, Raster and BMA, and the intended acquisition of NozHup

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

ICT expects for the full year 2016 an improvement in EBITDA between 25%-35% compared to the full year 2015