



PRESS RELEASE – ICT GROUP 2018 FULL-YEAR RESULTS

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ICT GROUP REPORTS SOLID PROFITABLE GROWTH IN 2018

Important acquisitions in Infra & Mobility and launch of OrangeNXT mark important steps in execution of strategic roadmap

Highlights FY 2018

- Revenue up 24% to € 129.9 million, 6% organic growth
- Underlying EBITDA rose 19% to € 14.2 million, reflecting an underlying EBITDA margin of 11%
- Acquisitions of NedMobiel and remaining 50% of InTraffic were completed; significantly strengthening ICT's strategic position in Infra & Mobility
- Software as a Service solutions now bundled in OrangeNXT, a strong platform that supports customers in their digital transformation
- Net profit increased to € 9.4 million, including one-off accounting gains of € 4.1 million
- Proposed dividend of € 0.38 per share for the year 2018

Highlights Q4 2018

- Revenue up 30% to € 37.2 million, EBITDA up 28% to € 5.4 million (Q4 2017: € 28.5 million and € 4.2 million, respectively)
- Organic revenue growth of 8%

Outlook

- ICT expects further growth in revenue and EBITDA in 2019 compared to 2018

Key figures

(in millions of €)	FY 2018	FY 2017	Change
Revenue	129.9	105.0	24%
Revenue Added Value	114.2	93.4	22%
Underlying EBITDA (*)	14.2	12.0	19%
EBITDA	13.5	12.0	12%
Amortisation / depreciation	5.0	3.6	39%
Operating result	8.5	8.4	1%
One-off accounting gains (**)	4.1	-	
Net profit	9.4	5.2	80%
(in €)			
Earnings per share (***)	0.99	0.56	77%
Proposed dividend per share (****)	0.38	0.35	9%

(*) excluding one-off costs related to contract termination fees at InTraffic (€ 0.8 million)

(**) relates to the acquisition of the remaining 50% stake in InTraffic (€ 3.5 million) and the revaluation of ICT's stake in GreenFlux (€ 0.6 million)

(***) based on the average number of outstanding ordinary shares

(****) based on the number of shares issued at year end

Jos Blejje, CEO of ICT Group N.V.: "We are pleased with the revenue growth of 24% and the EBITDA margin we reported in 2018. Our results show that we are delivering on our promise of healthy and profitable growth while taking significant steps in the execution of our strategy. We significantly enhanced our position in Smarter Cities with our recent acquisitions and are now even better positioned to support our customers in their digital transformation with the OrangeNXT software solutions that combine our expertise and domain knowledge. In 2018 we celebrated our 40th anniversary. Throughout the years we have come to mean more and more to our customers and have grown into leaders in our core markets. I am proud of our over 1,250 professionals who really make a difference. In January 2019 we acquired Additude, a leading Swedish IT consultancy that is a perfect fit with our international expansion strategy. For 2019 we expect higher revenue and EBITDA."

Strategy update

Progress in 2018

In 2018 ICT significantly strengthened its position in Smarter Cities with the acquisition of NedMobiel and InTraffic. The purchase of 100% of the shares in NedMobiel, a Dutch consultancy specialised in complex infrastructures, was completed in January 2018. This acquisition increases revenue from both projects and consultancy services, thus enabling ICT to move up the value chain. Moreover, the acquisition of NedMobiel positions ICT well in Mobility as a Service (MaaS), a concept which is expected to be a major game changer in Smarter Cities.

The acquisition of the remaining 50% of InTraffic in March 2018 further enhances ICT's innovation and product development capabilities in the field of Rail Infrastructure and Mobility. The integration process is focused on increasing efficiency to bring InTraffic's margins more in line with ICT's overall margins.

OrangeNXT

In September 2018 ICT acquired the remaining 49% of the shares in ICT Mobile. This acquisition was a jump-start for OrangeNXT, which combines all promising ICT Group software solutions to help its customers reap the full benefits that digital transformation has to offer. OrangeNXT is focused on ready to use software solutions, offered as Software as a Service.

Motar

In 2015 ICT started the development of a new platform, Motar, to anticipate the trend of low coding in industrial environments. Low-code software is being used to speed up design and development processes with minimal hand-crafted code, thus minimising programming errors. In 2017 Motar had its first successes in the automotive industry and based on that ICT decided to adapt Motar to other industries. This led to the launch of the company ICT Motar, embracing the High-tech version of the platform, in the second half of 2018.

Strategic update: 'Develop the future'

At the Capital Markets Day in November 2018 ICT presented its 'Develop the Future' strategic update, defining its strategic roadmap and new long term objectives for 2022 as follows:

- to increase the company's annual revenue to around € 200-230 million in 2022 through organic growth of more than 5% along with acquisitions
- to maintain a profitability margin (EBITDA) of between 10 and 12%

Focus in 2019

Growth will again be the main focus for 2019. Our growth path is defined by our strategic roadmap 2022. The buy-and-build strategy continues to be fully focused on profitable growth, combining healthy organic growth with selective acquisition opportunities.

ICT aims to grow organically in a tight labour market by:

- remaining an employer of choice
- seizing opportunities provided in high growth areas and industries with our Software as a Service solutions bundled in OrangeNXT
- accelerating our nearshoring offerings

At the same time ICT will continue to pursue suitable acquisitions. This includes companies with compelling offerings in the countries in which ICT is already active as well as other geographies, with a focus on Northern Europe. After the balance sheet date ICT announced the acquisition of Additude, a leading Swedish IT consultancy firm. This acquisition is a perfect fit with this international expansion strategy.

Notes to the results

Performance of ICT Group

In 2018 ICT Group revenue rose 24% to € 129.9 million (2017: € 105.0 million). Organic growth, i.e. excluding the contribution of NedMobiel and the nine-month consolidation of InTraffic, in revenue was 6%. Organic growth was driven mainly by the strong performance at ICT Netherlands as a result of the increase in FTEs and higher productivity. Added value increased by 22% to € 114.2 million in 2018 (2017: € 93.4 million).

Revenue split per theme (in € millions)	2018	2017	Δ
Smarter Industries	78.6	71.1	11%
Smarter Cities	35.3	16.4	115%
Smarter Health	8.2	11.2	-27%
Other	7.8	6.3	24%
	129.9	105.0	24%

Market conditions in the industries we serve remained favourable in 2018. The Automotive, High Tech and Machine & Systems markets showed substantial growth, driven by increased customer spending. Public opinion and discussions on sustainability have resulted in lower demand for projects in our Oil & Gas industry unit.

The growth in revenue relating to Smarter Cities was mainly due to the acquisitions of InTraffic and NedMobiel. Smarter Cities also realised solid organic growth in 2018. Spending on public infrastructure remained high in 2018 due to good economic circumstances. Also, government spending on mobility solutions remained high. Our Smarter Cities cluster benefited from these favourable conditions.

The growth in Smarter Health achieved in 2017 could not be sustained. Although the healthcare sector continued to invest in robust, life-prolonging and life-improving IT solutions, ICT saw a decline in revenue due a lower and later availability of the new foetal monitors for sale by BMA and lower productivity in the ICT Healthcare unit.

Personnel costs increased 23% to € 76.7 million (2017: € 62.5 million), in line with the increase in the number of FTEs, both as a result of acquisitions and organic growth in the 2018 financial year.

Other operating expenses increased to € 24.0 million (2017: € 18.9 million), mainly because of the recent acquisitions. The costs relating to strategic initiatives and acquisitions and partnerships amounted to € 0.3 million (2017: € 0.2 million). Furthermore, in connection with the acquisition of InTraffic one-off costs of € 0.8 million were incurred for contract termination fees. Other operating expenses also included non-recurring costs of € 0.4 million relating to the 40th anniversary of the company and start-up costs of € 0.4 million for ICT Belgium BVBA.

Underlying EBITDA came in at € 14.2 million in 2018, an increase of 19% compared to € 12.0 million in 2017. Taking the one-off costs of € 0.8 million relating to the aforementioned contract termination fees at InTraffic into account, EBITDA increased by 12% year-on-year to € 13.5 million.

The underlying EBITDA margin decreased from 11.4% in 2017 to 11.0% in the year under review. This decrease in the underlying EBITDA margin is due to the non-recurring costs related to the 40-year anniversary of the company and start-up costs in ICT Belgium.

Performance per segment

Per segment (in € millions)	2018		2017		Δ Revenue	Δ EBITDA
	Revenue	EBITDA	Revenue	EBITDA		
ICT Netherlands	89.3	10.8	81.3	8.3	10%	31%
Strypes Bulgaria	9.9	1.9	9.6	1.9	2%	1%
InTraffic	14.6	0.5*	-	-		
Other	20.1	0.3	16.4	1.9	22%	-85%
Eliminations	-4.0	0.0	-2.3	0.0		
Total	129.9	13.5	105.0	12.0	24%	12%

*) Underlying EBITDA, excluding one-off costs related to the contract termination fees (€ 0.8 million), was € 1.3 million.

ICT Netherlands showed a strong performance in 2018. Revenue was up 10% to € 89.3 million as a result of more hires and increased productivity, supported by positive market circumstances. Organically, revenue was up approximately 8%. In the year under review EBITDA increased 31% to € 10.8 million. This significant growth in EBITDA compared to 2017 was the result of increased project activity and material sales.

At **Strypes Bulgaria** (ICT Nearshoring) revenue rose slightly to € 9.9 million in 2018. The ongoing investments in the organisation limited EBITDA in 2018 to € 1.9 million, the same level as in 2017. The increased organisational effectiveness was necessary to safeguard further growth of our nearshoring activities.

InTraffic was consolidated as of 1 April 2018 and contributed € 14.6 million to revenue in the last nine months of 2018. EBITDA came in at € 1.3 million excluding one-off costs of € 0.8 million relating to contract termination fees. Although InTraffic's margin is currently below the ICT Group target margin range, we are already seeing the first benefits of the steps being taken to increase efficiency at InTraffic. The aim is to bring InTraffic's margins more in line with ICT's overall group margins and the full impact of these measures will materialise in the course of 2019.

The **'Other'** segment posted revenue of € 20.1 million (2017: € 16.4 million). Improve performed in line with last year, with slightly better margins. The performance of Raster stabilised compared to last year. BMA's performance decreased due to lower hardware (foetal heart monitors) sales and lower software sales in the Netherlands. NedMobiel exceeded expectations in the second half of 2018 and OrangeNXT also performed well with better-than-expected revenue growth. CIS Solutions was consolidated as of the fourth quarter of 2018. CIS is developing as planned.

Other financial information

ICT has attributed a value to, and is amortising, several intangible assets including the order backlog, software and customer relations at its recent acquisitions. Total amortisation in 2018 amounted to € 3.8 million (2017: € 2.7 million). Depreciation totalled € 1.2 million in 2018 (2017: € 0.9 million).

Operating profit came in at € 8.6 million in 2018 (2017: € 8.4 million). As a result of the higher amortisation, the operating margin declined to 6.6% from 8.0% in 2017.

The result from joint ventures reflects the contribution of InTraffic for one quarter as InTraffic was still reported as a joint venture in the first quarter of 2018. The result from associates amounted to a loss of € 0.4 million (2017: € 0.4 million loss), mainly attributable to GreenFlux. The result was foreseen in line with Greenflux' future growth strategy. LogicNets achieved a breakeven result in 2018.

Financing expenses increased to € 0.9 million in 2018 from € 0.5 million in 2017 as a result of increased financing for the recent acquisitions and a loss on the write-off of loans to Valuemaat which filed for bankruptcy in the first half of 2018 (€ 0.2 million). Financing income came in at € 0.3 million and relates mainly to a deferred acquisition consideration adjustment for BMA.

Taxes in 2018 amounted to € 2.1 million compared with € 1.9 million in 2017.

In 2018 ICT Group recognised € 4.1 million in accounting gains. As a result of the acquisition of the remaining 50% in InTraffic, ICT recognised a one-off accounting gain of € 3.5 million related to the revaluation of the 50% stake in InTraffic already held by ICT. Following the investment by new shareholders in GreenFlux, ICT's stake was diluted from 24.49% to 19.57%. As a result of the revaluation of its stake, ICT realised a one-off accounting gain of € 0.6 million.

Net profit increased to € 9.4 million in 2018 compared with € 5.2 million in 2017. This translates into earnings per share of € 0.99 (2017: € 0.56). The number of outstanding ordinary shares increased during the year under review to 9,463,878 (31 December 2017: 9,411,301) due to the 2017 stock dividend.

Cash flow movement

In 2018 the net operational cash flow amounted to € 11.1 million (2017: € 7.9 million). This positive development is in line with the results growth in 2018 and a result of disciplined working capital management.

In 2018 the cash outflow on investment activities amounted to € 10.2 million, compared with € 2.9 million in 2017. The main elements of this outflow were the purchase price cash consideration for the acquisitions of NedMobiel and 50% of InTraffic (€ 7.8 million) and investments in product development and housing facilities.

The cash outflow from financing activities amounted to € 0.9 million (2017: € 4.3 million). The main elements are the net effect of dividend paid (€ 2.4 million cash outflow) and the balance of new financing arranged for acquisitions and the repayments of existing acquisition financing (€ 1.7 million cash inflow).

The net cash position at 31 December 2018 was € 6.2 million (31 December 2017: € 6.3 million). The net cash outflow amounted to € 0.1 million (2017: € 0.7 million inflow).

Balance sheet structure

Mainly as a result of the net effect of the dividend payment of € 2.4 million and net profit (€ 9.4 million), shareholders' equity increased to € 54.2 million in 2018 (2017: € 47.7 million). The balance sheet total increased to € 95.6 million at year-end 2018 from € 81.6 million at year-end 2017 as a result of the acquisitions of InTraffic and NedMobiel. The solvency ratio (shareholders' equity/total assets) stood at 57% at year-end 2018, compared with 58% at year-end 2017, reflecting ICT's sound financial basis.

Personnel

At 31 December 2018 ICT Group had 1,227 FTEs (1,274 employees), 24% higher than the 990 FTEs (1,032 employees) at year-end 2017. The acquisitions of InTraffic and NedMobiel and ongoing recruitment efforts contributed to this increase.

Dividend proposal

ICT proposes a dividend of € 0.38 per share for the 2018 financial year (2017: € 0.35). The proposed dividend is subject to the approval of the Annual General Meeting of Shareholders (AGM) to be held on 15 May 2019. For the calculation of the proposed dividend, the net profit realised is adjusted for the accounting gains recognised in 2018 as well as non-cash amortisation amounts. This results in an adjusted net profit for the full year 2018 of € 9.1 million. The proposed dividend of € 0.38 per share represents a pay-out ratio of 40% of adjusted net profit. ICT offers the option of distribution of the dividend in cash or in shares.

ICT will calculate the dividend payment in shares one day after the end of the optional period on the basis of the average price of ICT shares during the last five trading days of the optional period, which shall end on 3 June 2019. The dividend in cash or in shares will be payable on 5 June 2019.

Events after balance sheet date

In January 2019 ICT acquired full ownership of Additude AB, one of southern Sweden's leading IT consultancy firms. With over 160 employees, Additude realises an annual turnover of around € 16 million. The company provides software and engineering consultancy services supporting customers in their innovation processes, product development and growth strategy. Additude primarily operates in the IT and engineering markets and serves many of Sweden's largest and technology-intensive companies. This acquisition is a perfect fit with ICT's international expansion strategy, in which the northern European countries are defined as an important spearhead.

In January 2019 ICT prolonged and extended its financing arrangements. To fund the company's growth ambitions, the acquisition facility was extended from € 11 to € 25 million at better terms. The working capital arrangement increased from € 10 to € 12.5 million to cover for the larger size of the company. The covenant requirements related to Senior Net Debt to EBITDA ratio increased from 2.0 to 2.5. The other covenants did not change.

Outlook

Growth will again be the main focus in 2019, as defined in the company's strategic roadmap 2022. ICT is fully focused on profitable growth and will continue to execute its buy-and-build strategy; combining healthy organic growth with selective acquisition opportunities.

The employment market for IT talents remains very challenging. Attracting and retaining the right people is a top priority.

ICT expects its capital expenditure and research & development expenses to increase in 2019, in line with the increased scale of the company.

ICT is fully committed and confident in its ability to deliver on its long-term objective of increasing annual revenue to € 200 to € 230 million by 2022, while maintaining an EBITDA margin between 10 and 12%. For 2019 ICT expects further revenue and EBITDA growth.

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ICT Group N.V. is a leading industrial technology solutions and services provider. Our specific industry knowledge of various markets, enables us to realise innovative solutions. Approximately 1250 passionate technical specialists are working for the ICT Group. The following subsidiaries are the main operating entities of the ICT Group: ICT Netherlands (ICT Automatisering Nederland B.V.), ICT Belgium (ICT Belgium BVBA), CIS Germany (CIS Solutions GmbH) (66%), Strypes Bulgaria (Strypes EOOD), InTraffic B.V., Raster (Raster Industriële Automatisering B.V. and Raster Products B.V.), Improve (Improve Quality Services B.V.), NedMobiel B.V., OrangeNXT B.V., BMA (Buro Medische Automatisering B.V.) (51%) and Additude (Additude Excellence A.B.).

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This press release contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Cautionary statement

This press release contains forward-looking statements. Forward-looking statements are always based on assumptions and estimates relating to uncertain events over which ICT Group N.V. has no control. They concern, for example, measures taken by the Dutch and other governments, currency movements, price fluctuations, changes in law and regulations, legal precedents and market developments. ICT Group N.V. would like to stress that the contents of this press release are based on the information that is currently available. The reality can always deviate from expectations for the future. ICT Group N.V. has no obligation to update the statements contained in this document, unless required by law.

In this press release, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables or charts may not be equal to the apparent sum of the individual items. Actual numbers may differ from those contained herein due to such rounding.

2018 financial information

The 2018 financial information included in the Extracts from Consolidated Financial Statements attached to this press release is derived from the Annual Report 2018, that has been authorized for issue. The Annual Report has not yet been published by law and still has to be adopted by the Annual General Meeting on 15 May 2019. In accordance with section 393, title 9, book 2 of the Netherlands Civil Code, PricewaterhouseCoopers Accountants N.V. has issued an unqualified auditor's opinion on the Annual Report.

Annexes: Extracts from Consolidated Financial Statements 2018

- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Other financial information
- Segment information

Consolidated statement of comprehensive income

For the year ended 31 December

(x € 1,000)	2018	2017
Revenue	129,854	104,989
Cost of Materials and subcontractors	15,680	11,594
Employee benefit expenses	76,667	62,516
Depreciation and amortisation	4,950	3,559
Other operating expenses	24,033	18,881
Total operating expenses	121,330	96,550
Operating profit	8,524	8,439
Financial expenses	(886)	(546)
Financial income	261	62
One-off accounting gains	4,083	-
Result from joint ventures	58	113
Result from associates	(443)	(541)
Result before taxes	11,597	7,527
Income tax expense	(2,099)	(1,915)
Net profit	9,498	5,612
Other comprehensive income (loss), net of tax	-	20
Total comprehensive income	9,498	5,632
Net profit attributable to:		
- Shareholders of ICT Group N.V.	9,391	5,226
- Non-controlling interests	107	386
Total comprehensive income attributable to:		
- Shareholders of ICT Group N.V.*)	9,391	5,246
- Non-controlling interests	107	386
Earnings per share:		
Basic earnings per share (in €)	0.99	0.56
Diluted earnings per share (in €)	0.99	0.56

*) The 2018 net result includes € 4,083 thousand of one-off gains related to the step-up accounting of InTraffic and the dilution of the share in GreenFlux. These profits are non-cash items and are non-distributable profits under Dutch Law.

There are no non-recyclable other comprehensive income items. The other comprehensive income items are fully related to equity accounted associates.

Consolidated balance sheet

(before proposed profit appropriation)

	As at 31 December	
(x € 1,000)	2018	2017
Assets		
NON-CURRENT ASSETS		
Property, plant & equipment	4,018	2,913
Goodwill	28,871	22,308
Other intangible assets	16,594	13,154
Investment in joint ventures	-	1,044
Investment in associates	1,159	419
Deferred tax assets	266	176
Other financial assets	210	863
	51,118	40,877
CURRENT ASSETS		
Trade and other receivables	38,288	33,508
Corporate income tax receivable	58	690
Cash and cash equivalents	6,178	6,500
	44,524	40,698
TOTAL ASSETS	95,642	81,575
Equity and liabilities		
SHAREHOLDERS' EQUITY		
Issued share capital	946	941
Share premium	14,204	14,209
Currency translation reserve	95	95
Legal reserve	2,172	2,269
Treasury shares	(290)	-
Retained earnings	26,765	24,159
Net profit *)	9,391	5,226
Attributable to shareholders of ICT Group N.V.	53,283	46,899
Non-controlling interest	941	762
	54,224	47,661
NON-CURRENT LIABILITIES		
Deferred tax liabilities	3,583	2,915
Share-based compensation and long-term employee benefits liabilities	464	296
Loans (long-term)	4,962	4,230
Deferred acquisition consideration (long-term)	-	3,261
	9,009	10,702
CURRENT LIABILITIES		
Trade payables	4,032	3,296
Corporate income tax payable	1,075	410
Other taxes and social security premiums	8,979	7,731
Loans (short-term)	3,548	2,586
Deferred acquisition consideration (short-term)	3,689	-
Bank overdrafts	-	250
Other current liabilities	11,086	8,939
	32,409	23,212
TOTAL EQUITY AND LIABILITIES	95,642	81,575

*) The 2018 net result includes € 4,083 thousand of one-off gains related to the step-up accounting of InTraffic and the dilution of the share in GreenFlux. These profits are non-cash items and are non-distributable profits under Dutch Law.

Consolidated statement of changes in equity

For the year ended 31 December

(x € 1,000)	Attributable to owners of the parent								Non-controlling interest	Total equity
	Issued share capital	Share premium	Currency translation reserve	Legal reserve	Treasury shares	Retained earnings	Profit for the year	Total		
2017										
Balance at 1 January 2017	929	13,768	75	1,744	-	21,753	5,006	43,275	434	43,709
Net profit	-	-	-	-	-	-	5,226	5,226	386	5,612
Other comprehensive income	-	-	20	-	-	-	-	20	-	20
Total comprehensive income	-	-	20	-	-	-	5,226	5,246	386	5,632
Dividends paid	-	-	-	-	-	(2,052)	-	(2,052)	(58)	(2,110)
Stock dividend charged	-	(1,012)	-	-	-	-	-	(1,012)	-	(1,012)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	(331)	-	-	(331)	-	(331)
Sale of treasury shares	-	-	-	-	308	-	-	308	-	308
Issuance of new shares	12	1,453	-	-	-	-	-	1,465	-	1,465
Transfers	-	-	-	525	23	(548)	-	-	-	-
Prior year result allocation	-	-	-	-	-	5,006	(5,006)	-	-	-
Balance at 31 December 2017	941	14,209	95	2,269	-	24,159	5,226	46,899	762	47,661
2018										
Balance at 31 December 2017*	941	14,209	95	2,269	-	24,159	5,226	46,899	762	47,661
Adjustment on initial application IFRS 15 (net of tax)	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application IFRS 9 (net of tax)	-	-	-	-	-	21	-	21	-	21
Adjusted balance at 1 January 2018	941	14,209	95	2,269	-	24,180	5,226	46,920	762	47,682
Net profit	-	-	-	-	-	-	9,391	9,391	107	9,498
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	9,391	9,391	107	9,498
Dividends paid	-	-	-	-	-	(2,423)	-	(2,423)	(348)	(2,771)
Stock dividend charged	-	(871)	-	-	-	-	-	(871)	-	(871)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	556	556
Purchase of treasury shares	-	-	-	-	(932)	-	-	(932)	-	(932)
Sale of treasury shares	-	-	-	-	691	-	-	691	-	691
Step up acquisition (OrangeNXT)	-	-	-	-	-	(364)	-	(364)	(136)	(500)
Issuance of new shares	5	866	-	-	-	-	-	871	-	871
Transfers	-	-	-	(97)	(49)	146	-	-	-	-
Prior year result allocation	-	-	-	-	-	5,226	(5,226)	-	-	-
31 December 2018	946	14,204	95	2,172	(290)	26,765	9,391	53,283	941	54,224

*ICT Group N.V. has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative figures are not restated. See accounting policies.

Consolidated statement of cash flows

For the year ended 31 December

According to the direct method (x € 1,000)	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	152,032	117,403
Payments to suppliers and employees	(138,849)	(109,140)
	13,183	8,263
Interest paid	(453)	(362)
Income tax received (paid)	(1,618)	13
	(2,071)	(349)
Net cash flow from operating activities	11,112	7,914
CASH FLOW FROM INVESTMENT ACTIVITIES		
Additions to property, plant and equipment	(1,277)	(1,293)
Additions to software and product development	(1,454)	(882)
Acquisition of subsidiaries (net of cash acquired)	(7,767)	(1,215)
Sale of an associate	-	715
Additions to other financial assets	-	(489)
Dividend received from joint venture	260	230
	(10,238)	(2,934)
Net cash flow from investment activities	(10,238)	(2,934)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares of the parent company	-	453
Proceeds from issuance of shares of subsidiaries	372	-
Purchase of treasury shares	(932)	(331)
Re-issuance of treasury shares	691	308
Proceeds (repayments) of borrowings (external loans)	1,694	(2,600)
Dividend paid to non-controlling interest	(348)	(58)
Dividend paid to shareholders of ICT Group N.V.	(2,423)	(2,052)
	(946)	(4,280)
Net cash flow from financing activities	(946)	(4,280)
Net cash flow	(72)	700
Cash at bank and in hand (net) as at 31 December	6,178	6,250
Cash at bank and in hand (net) at 1 January	6,250	5,550
	(72)	700
Increase (decrease) cash and cash equivalents	(72)	700

Other financial information

(x € 1,000,000)	2018	2017
Revenue	129.9	105.0
Added value (Revenue minus cost of materials and subcontractors)	114.2	93.4
Underlying EBITDA ¹⁾	14.2	12.0
EBITDA	13.5	12.0
Amortisation / depreciation	5.0	3.6
Operating profit	8.5	8.4
Result before taxes	11.6	7.5
Income tax expense	(2.1)	(1.9)
Net profit	9.5	5.6
Non-controlling interests	(0.1)	(0.4)
Net profit ²⁾	9.4	5.2
Net cash flow from operating activities	11.1	7.9
Personnel		
Headcount as at 31 December	1,274	1,032
FTE as at 31 December	1,227	990
Average number of FTEs	1,134	966
Consolidated balance sheet information		
Shareholders' equity	54.2	47.7
Total equity and liabilities	95.6	81.6
Ratios		
EBITDA / revenue	10.4%	11.4%
Underlying EBITDA ¹⁾ / revenue	11.0%	11.4%
Net profit ²⁾ / revenue	7.2%	5.0%
Net profit ²⁾ / average shareholders' equity	18.4%	11.4%
Solvency (Shareholders' equity / total assets)	56.7%	58.4%
Information per share of a nominal value of 0.10 (in €)		
Net profit ³⁾	0.99	0.56
Shareholders' equity ⁴⁾	5.73	5.06
Dividend ^{4) 5)}	0.38	0.35

1) Excluding one-off costs related to the contract termination fees at InTraffic (€ 0.8 million).

2) Represents the net profit (loss) attributable to the shareholders of ICT Group N.V. 2018 contain one-off accounting gains of € 4.1 million related to the acquisition of the remaining 50% stake in InTraffic (€ 3.5 million) and the revaluation of ICT's stake in GreenFlux (€ 0.6 million)

3) Based on the average number of issued shares.

4) Based on number of issued shares at year end.

5) Shareholders will be offered the option: cash or shares.

Segment information

2018

	ICT Netherlands	Strypes Bulgaria	InTraffic *)	Other	Eliminations	Consolidated
(X € 1,000)						
Revenue:						
Revenue from professional services	79,190	8,589	13,398	12,603	-	113,780
Revenue from solutions / products	8,227	-	1,162	6,685	-	16,074
Total from clients	87,417	8,589	14,560	19,288	-	129,854
Inter-segment	1,881	1,280	26	768	(3,955)	-
Total revenue	89,298	9,869	14,586	20,056	(3,955)	129,854
Operating expenses directly attributable to the operating segments	63,116	5,892	9,863	13,169	(3,955)	88,085
Segment Gross profit	26,182	3,977	4,723	6,887	-	41,769
Allocated operating expenses *	15,385	2,080	4,221	6,609	-	28,295
Operating profit before amortisation and depreciation	10,797	1,897	502	278	-	13,474
Allocated amortisation and depreciation	1,465	684	962	1,839	-	4,950
Impairment charges	-	-	-	-	-	-
Operating profit	9,332	1,213	(460)	(1,561)	-	8,524
Financial expenses						(886)
Financial income						261
One-off accounting gains						4,083
Result from joint ventures						58
Result from associates						(443)
Result before taxes						11,597
Taxes						(2,099)
Net profit						9,498
Segment Assets	44,183	5,890	10,190	35,379		95,642
Segment Liabilities	16,609	779	5,311	18,719		41,418
Other notes						
Operating profit before amortisation and depreciation/ total revenue *)	12.1%	19.2%	3.4%	1.4%	-	10.4%
Average number of employees (FTE)	764	154	88	128		1,134

*) Including € 750 thousand one-off costs related to the contract termination fees at InTraffic.

2017

	ICT Netherlands	Strypes Bulgaria	Other	Eliminations	Consolidated
(X € 1,000)					
Revenue:					
Revenue from professional services	74,622	8,509	8,697	-	91,828
Revenue from solutions / products	5,962	-	7,199	-	13,161
Total from clients	80,584	8,509	15,896	-	104,989
Inter-segment	694	1,132	487	(2,313)	-
Total revenue	81,278	9,641	16,383	(2,313)	104,989
Operating expenses directly attributable to the operating segments	58,648	5,643	10,177	(2,313)	72,155
Segment Gross profit	22,630	3,998	6,206	-	32,834
Allocated operating expenses	14,367	2,120	4,349	-	20,836
Operating profit before amortisation and depreciation	8,263	1,878	1,857	-	11,998
Allocated amortization and depreciation	1,386	709	1,464	-	3,559
Impairment charges	-	-	-	-	-
Operating profit	6,877	1,169	393	-	8,439
Financial expenses					(546)
Financial income					62
Result from joint ventures					113
Result from associates					(541)
Result before taxes					7,527
Taxes					(1,915)
Net profit					5,612
Segment Assets	37,866	6,907	36,802		81,575
Segment Liabilities	17,194	940	15,780		33,914
Other notes					
Operating profit before amortisation and depreciation/ total revenue	10.2%	19.5%	11.3%	-	11.4%
Average number of employees (FTE)	734	142	90	-	966