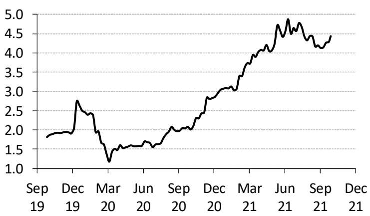
Commissioned Research

The Netherlands | ICT Services | www.ctac.nl | October 28 2021

| Closing share Price (27/10/2021) | |
|---|---|
| EUR 4.44 | |
| Target valuation range | |
| EUR 5.00 - 6.80 | |
| Risk | High |
| Reuters | CTAC-AMS |
| Bloomberg | CTAC NA |
| Shares number (m) | 13.57 |
| Market cap. (m) | 60 |
| Net debt 12/20 (m) | 4 |
| Net debt/EBITDA 12/20 | 0.39 |
| 1 year price perf. | 119% |
| Diff. with Euro Stoxx | 82.2% |
| Volume (sh./day) | 21,186 |
| H/L 1 year | 4.88 - 1.96 |
| Free Float | 30.7% |
| Value8 | 27.8% |
| J.P. Visser | 15.0% |
| D. Lindenbergh | 10.0% |
| Alpha, Elpico, Invenet | 5.0% |
| P.C. van Leeuwen | 5.2% |
| Axxion | 3.2% |
| MI Chelverton Europe Selec | 3.3% |

**Company description**

Ctac is a Business & Cloud integrator that develops and implements industry solutions for the retail, wholesale, manufacturing, real estate and professional services verticals. It operates in the Netherlands and Belgium.





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# Ctac NV

## High growth in revenues and headcount

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- *Strong organic revevenue growth in Q3, 18% increase in headcount*
- *EBIT below estimate due to holiday affect and negative mix comparison*
- *2021 targets within reach*

### Facts: High growth momentum continues in Q3

- **Strong organic growth, but negative holiday effect on margin.** Ctac reported 19% revenue growth in Q3-21 to EUR 24.9m, above our estimate of EUR 22m. The beat was entirely driven by organic growth, which was 12% versus our estimate of 1%. We had anticipated a strong holiday effect, with employees catching up on holidays after a period of Covid-limitations. This effect indeed occurred, but the impact was mainly visible in profitability. Because of lower productivity during the holidays and the absence of a big XV license deal like in Q3-20, the EBIT-margin deteriorated from 6.2% to 4.8% yoy, below our estimate of 6.4%. EBIT of EUR 1.2m (-16%) came in modestly below our estimate of EUR 1.4m.
- **Strategic targets within reach.** Management indicates that the EUR 100m revenue target and 6% EBIT-target are within reach for 2021. We currently forecast EUR 101.7m in revenues and a 6.4% EBIT-margin for this year.
- **Headcount increased by 18%.** Ctac's direct FTEs increased by 18% to 332. The company managed to attract 86 new employees, of which 70% thanks to its new recruitment efforts. Management expects further headcount growth in Q4 thanks to the start of the Ctac Masterclass and the acquisition of Digisolve-Mijn ICT.
- **Negative cash flow due to acquisitions and dividends.** The net cash flow was EUR 4.3m negative in the first 9 months of 2021, due to acquisitions (Oliver IT and Digisolve-Mijn ICT). However, the financial position remains solid with solvency rising to 37.4% (YE 2020: 34.9%).

| EUR | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Sales** | 81.6 | 83.0 | 81.8 | 87.3 | 101.6 | 113.1 | 122.0 |
| **EBITDA** | 4.7 | 3.4 | 7.5 | 10.2 | 12.6 | 16.4 | 17.4 |
| **Adj. profit** | 2.8 | 1.7 | 1.3 | 3.0 | 4.3 | 5.4 | 6.3 |
| **EPS** | 0.22 | 0.13 | 0.10 | 0.23 | 0.32 | 0.39 | 0.45 |
| **Div.** | 0.08 | 0.08 | 0.08 | 0.08 | 0.11 | 0.14 | 0.16 |
| **EV/EBITDA** | 13.3 | 17.8 | 8.7 | 6.3 | 5.3 | 3.8 | 3.2 |
| **FCF Yield** | 0.2% | 12.9% | 13.8% | 29.3% | 2.8% | 11.7% | 11.5% |
| **P/E** | 14.0 | 14.6 | 20.3 | 12.5 | 14.0 | 11.4 | 9.8 |
| **Div. Yield** | 2.6% | 4.1% | 4.0% | 2.8% | 2.5% | 3.1% | 3.6% |

## Our view: Positive outlook

The strong organic growth that started in Q4-20 continues, showing that Ctac continues to benefit from strong demand for its services. With expansion of its offering, including a new module for the XV-platform, we expect demand to remain strong going forward. The 18% headcount increase, in a challenging labor market, shows that Ctac has a favorable profile as an employer. We find this headcount increase very encouraging, as it shows that Ctac can add sufficient capacity to benefit from the strong demand. The recruitment efforts including the Ctac Masterclass will lead to some additional costs in Q4, as the new employees initially will have lower billability. Furthermore, there will be some investments in Cybersecurity in Q4. Taking into account these costs, we expect to modestly reduce our 2021 EBIT estimate. We do not expect to make significant changes for 2022 and beyond.

## Investment Conclusion

Our current 12-month target valuation range of EUR 5.00-6.80 indicates 13-53% share price upside. We will update this range based on the changes in our estimates and peer valuations, but expect only modest changes. We see the following catalysts that can drive the share price to a level within the target range:

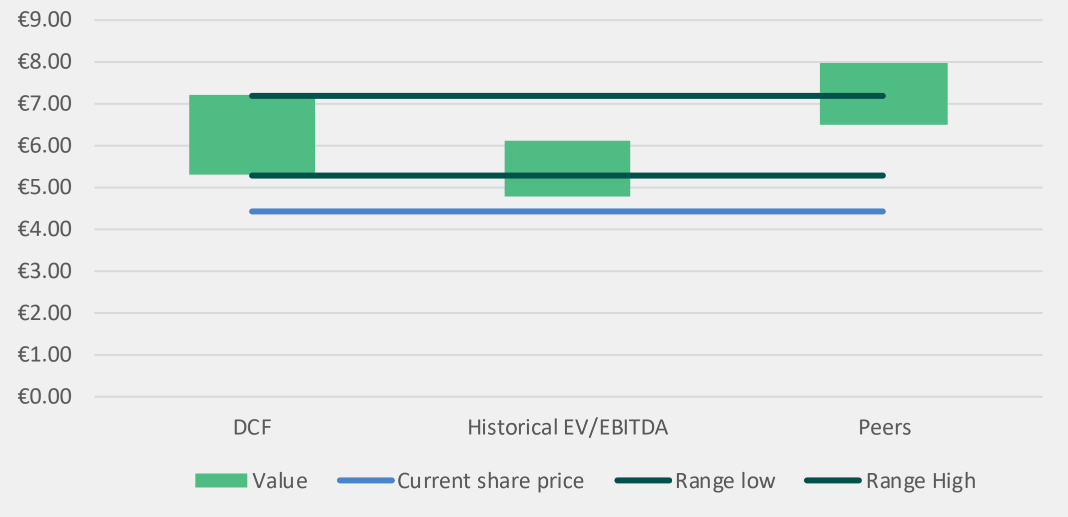
- **Continuation of the promising organic recovery that started in Q4-20.** We expect this growth to be driven by good demand from semiconductor customers (ASML), the resumption of store openings at retail customers (e.g. Action), and customers restarting their investments in IT following a Covid-pause in 2020. Continuation of the positive trend should convince investors that the company's growth profile has structurally improved after a period of portfolio streamlining.
- **Growth acceleration through acquisitions.** The use of Ctac's solid balance sheet for acquisitions can accelerate the realization of its ambitions. These takeovers can add complementary skills and customers, creating room for cross-selling
- **Strategic targets confirming further mid-term potential.** The targeted EUR 150m in revenues with an EBIT-margin above 8% by 2023 confirm the high growth the company should be able to achieve in the coming years. We expect that ongoing operational improvements, in combination with a higher share of revenues from mature SaaS products, can lead to further increases in profitability in the coming years.

**Exhibit 1** **Q3 comparison**

| *m euros* | **Q3-20** | **Q3-21e** | **Q3-21** | **Chg yoy** |
|---|---|---|---|---|
| **Sales** | **21** | **22** | **25** | **+12.1%** |
| *Organic growth* | *-* | *+1%* | *+12%* | |
| | | | | |
| **EBITDA** | **2.6** | **3.0** | **2.5** | -17.3% |
| *EBITDA-margin* | *12.4%* | *13.6%* | *10.0%* | -26.2% |
| | | | | |
| **EBIT** | **1.3** | **1.4** | **1.2** | -15.6% |
| *EBIT-margin* | *6.2%* | *6.4%* | *4.8%* | -24.7% |
| | | | | |
| **Net profit** | **0.9** | **0.9** | **0.8** | -11.1% |

Source: Degroof Petercam estimates

**Exhibit 2** **Valuation ranges**




Source: Degroof Petercam estimates

| Profit & Loss (EUR m) | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Revenues** | **81.6** | **83.0** | **81.8** | **87.3** | **101.6** | **113.1** | **122.0** |
| (of which Sales) | 81.6 | 83.0 | 81.8 | 87.3 | 101.6 | 113.1 | 122.0 |
| *(Y/Y - %)* | *-5%* | *2%* | *-1%* | *7%* | *16%* | *11%* | *8%* |
| (of which Other revenues) | - | - | - | - | - | - | - |
| Cost of goods sold | -24.3 | -26.6 | -25.9 | -28.5 | -34.1 | -35.7 | -38.7 |
| Gross profit | 57.3 | 56.4 | 55.9 | 58.8 | 67.5 | 77.4 | 83.3 |
| Personnel costs | -38.4 | -38.9 | -37.2 | -38.8 | -44.7 | -49.8 | -53.7 |
| Other costs | - | - | - | - | - | - | - |
| **EBITDA** | **4.7** | **3.4** | **7.5** | **10.2** | **12.6** | **16.4** | **17.4** |
| EBITA | 3.7 | 2.7 | 2.8 | 6.1 | 8.4 | 11.9 | 12.7 |
| *(Ebita margin - %)* | *4.5%* | *3.2%* | *3.4%* | *7.0%* | *8.3%* | *10.5%* | *10.4%* |
| Amortization | 0.0 | -0.3 | -0.7 | -1.5 | -1.9 | -3.7 | -3.0 |
| Impairment | - | - | - | - | - | - | - |
| EBIT | 3.7 | 2.4 | 2.1 | 4.7 | 6.6 | 8.3 | 9.8 |
| Net Financial Result | - | - | - | - | - | - | - |
| (of which Net interest charges) | -0.2 | -0.1 | -0.2 | -0.4 | -0.5 | -0.7 | -0.7 |
| (of which Other) | - | - | - | - | - | - | - |
| Pre-tax result | 3.5 | 2.3 | 1.8 | 4.3 | 6.1 | 7.6 | 9.1 |
| Taxes | -0.7 | -0.6 | -0.6 | 0.4 | -1.5 | -1.7 | -2.3 |
| Associates | - | - | - | - | - | - | - |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 | -0.5 | -0.5 |
| Net earnings excl. exceptionals | 2.8 | 1.7 | 1.3 | 4.6 | 4.3 | 5.4 | 6.3 |
| Except. / Discont. operations | 0.0 | 0.0 | 0.0 | -1.6 | 0.0 | 0.0 | 0.0 |
| Net declared earnings | 2.8 | 1.7 | 1.3 | 3.0 | 4.3 | 5.4 | 6.3 |
| **Net adjusted earnings** | **2.8** | **1.7** | **1.3** | **3.0** | **4.3** | **5.4** | **6.3** |

| Cash Flow (EUR m) | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| EBIT | 3.7 | 2.4 | 2.1 | 4.7 | 6.6 | 8.3 | 9.8 |
| Depreciation | 1.0 | 0.7 | 4.7 | 4.1 | 4.2 | 4.4 | 4.7 |
| Amortization | 0.0 | 0.3 | 0.7 | 1.5 | 1.9 | 3.7 | 3.0 |
| Impairment | - | - | - | - | - | - | - |
| Changes in provision | 0.0 | 0.9 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 |
| Changes in working capital | -1.7 | 2.2 | 1.8 | 6.1 | -3.7 | -0.1 | -0.2 |
| changes in inventories | - | - | - | - | - | - | - |
| changes in receivables | - | - | - | - | - | - | - |
| changes in payables | - | - | - | - | - | - | - |
| changes in other current assets | - | - | - | - | - | - | - |
| Others | 0.0 | 0.2 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 |
| **Operational Cash Flow** | **2.9** | **6.6** | **9.3** | **16.6** | **9.0** | **16.4** | **17.3** |
| Tax expenses | -0.8 | -1.2 | -0.1 | -0.3 | -1.6 | -1.7 | -2.3 |
| Dividends from associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net interest charges | -0.1 | -0.1 | -0.2 | -0.3 | -0.5 | -0.7 | -0.7 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CF from operating activities** | **2.0** | **5.4** | **9.0** | **16.0** | **7.0** | **14.0** | **14.4** |
| CAPEX | -0.4 | -0.3 | -0.5 | -0.1 | -0.5 | -0.6 | -0.6 |
| Investments in intangibles | -1.6 | -1.8 | -0.7 | -0.8 | -1.0 | -2.3 | -2.4 |
| Acquisitions | 0.0 | -0.9 | -0.1 | -4.3 | -3.8 | -0.5 | -0.5 |
| Divestments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CF from investing activities** | **-1.9** | **-3.0** | **-1.3** | **-5.3** | **-5.3** | **-3.3** | **-3.6** |
| Dividend payment | -0.4 | -0.5 | -0.7 | 0.0 | -0.7 | -0.9 | -1.1 |
| Minor. & pref. dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equity financing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -0.3 | 0.0 | -4.3 | -3.7 | -3.8 | -4.0 | -4.2 |
| **CF from financing activities** | **-0.7** | **-0.5** | **-5.0** | **-3.7** | **-4.5** | **-4.9** | **-5.3** |
| Changes in consolidation scope | 0.0 | 0.0 | 0.0 | -3.8 | 0.0 | 0.0 | 0.0 |
| Exchange rate impact | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net debt/cash change** | **0.6** | **-1.9** | **-2.6** | **-3.2** | **2.8** | **-5.8** | **-5.5** |
| FCF to Enterprise | 1.0 | 4.5 | 3.9 | 12.0 | 3.7 | 9.6 | 10.1 |
| FCF to Equity | 0.1 | 3.3 | 3.6 | 11.4 | 1.7 | 7.2 | 7.1 |

**Notes** -

| Balance Sheet (EUR m) | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Fixed assets** | **19.0** | **20.2** | **26.5** | **37.1** | **39.6** | **38.4** | **37.9** |
| Tangible fixed assets | 1.8 | 1.4 | 1.3 | 0.9 | 1.0 | 1.1 | 1.2 |
| Goodwill | 13.9 | 13.9 | 13.9 | 17.4 | 17.4 | 17.4 | 17.4 |
| Other intang. assets | 2.2 | 3.7 | 3.7 | 6.7 | 9.1 | 7.7 | 7.1 |
| Financial fixed assets | - | - | - | - | - | - | - |
| Other fixed assets | 1.2 | 1.3 | 7.6 | 12.2 | 12.2 | 12.2 | 12.2 |
| **Current assets** | **20.6** | **20.2** | **18.9** | **27.4** | **26.2** | **34.9** | **41.7** |
| Inventories | - | - | - | - | - | - | - |
| Trade receivables | 20.6 | 13.5 | 10.9 | 9.8 | 12.9 | 14.9 | 16.6 |
| Other current assets | 0.0 | 6.2 | 6.2 | 7.0 | 7.2 | 8.0 | 8.7 |
| Cash & Equivalents | 0.0 | 0.4 | 1.9 | 10.6 | 6.1 | 11.9 | 16.5 |
| Discontinued assets | - | - | - | - | - | - | - |
| **Total assets** | **39.6** | **40.4** | **45.4** | **64.5** | **65.9** | **73.3** | **79.7** |
| **Total Equity** | **17.9** | **19.1** | **19.5** | **22.5** | **26.4** | **31.4** | **37.2** |
| Equity | 17.9 | 19.1 | 19.5 | 22.5 | 26.3 | 31.3 | 37.1 |
| Minorities & preferred | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Provisions | 0.2 | 0.1 | 0.1 | 0.8 | 0.8 | 0.8 | 0.8 |
| Provisions for pensions | - | - | - | - | - | - | - |
| Deferred taxes | 0.2 | 0.1 | 0.1 | 0.8 | 0.8 | 0.8 | 0.8 |
| Other provisions | - | - | - | - | - | - | - |
| Other LT liabilities | 0.8 | 0.3 | 0.2 | 1.9 | 1.4 | 0.9 | 0.4 |
| LT interest bearing debt | 0.0 | 0.0 | 3.4 | 10.9 | 10.1 | 9.8 | 8.8 |
| **Current liabilities** | **20.7** | **20.9** | **22.2** | **28.4** | **27.2** | **30.3** | **32.5** |
| ST interest bearing debt | 2.2 | 0.7 | 3.4 | 3.7 | 2.9 | 3.3 | 3.3 |
| Accounts payables | 18.1 | 19.2 | 18.4 | 23.4 | 23.9 | 26.6 | 28.7 |
| Other ST liabilities | 0.5 | 1.1 | 0.4 | 1.4 | 0.4 | 0.5 | 0.5 |
| Discontinued liabilities | - | - | - | - | - | - | - |
| **Total liabilities** | **39.6** | **40.4** | **45.4** | **64.5** | **65.9** | **73.3** | **79.7** |

| EV and CE details (EUR m) | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Market cap.** | **39.3** | **25.2** | **25.8** | **38.8** | **60.5** | **61.2** | **62.0** |
| + Net financial debt | 2.2 | 0.3 | 5.0 | 4.0 | 6.8 | 1.1 | -4.4 |
| (of which LT debt) | 0.0 | 0.0 | 3.4 | 10.9 | 10.1 | 9.8 | 8.8 |
| (of which ST debt) | 2.2 | 0.7 | 3.4 | 3.7 | 2.9 | 3.3 | 3.3 |
| (of which Cash position) | 0.0 | 0.4 | 1.9 | 10.6 | 6.1 | 11.9 | 16.5 |
| + Provisions (pension) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| + Minorities (MV) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| - Peripheral assets (MV) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| + Others | - | - | - | - | - | - | - |
| **Enterprise Value** | **41.5** | **25.5** | **30.8** | **42.8** | **67.5** | **62.4** | **57.7** |
| **Equity (group share)** | **17.9** | **19.1** | **19.5** | **22.5** | **26.3** | **31.3** | **37.1** |
| + Net financial debt | 2.2 | 0.3 | 5.0 | 4.0 | 6.8 | 1.1 | -4.4 |
| + Provisions (pension) | - | - | - | - | - | - | - |
| + Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| - Peripheral assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| + Others | - | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Capital employed (for ROCE)** | **20.1** | **19.4** | **24.5** | **26.5** | **33.2** | **32.5** | **32.7** |
| + Accumulated goodwill amortiz. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **CE (for ROCE grossed gdwll)** | **33.9** | **33.3** | **38.4** | **43.9** | **50.6** | **49.9** | **50.1** |

**Notes** Debt includes leases from 2019 on.

| Per Common Share (EUR) | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Adjusted EPS (*)** | **0.22** | **0.13** | **0.10** | **0.23** | **0.32** | **0.39** | **0.45** |
| Adjusted EPS (fully diluted) | - | - | - | - | - | - | - |
| Declared EPS | 0.22 | 0.13 | 0.10 | 0.23 | 0.32 | 0.39 | 0.45 |
| CFS | 0.00 | 0.21 | 0.52 | 0.65 | 0.76 | 0.98 | 1.00 |
| FCF (to Equity) | 0.01 | 0.26 | 0.28 | 0.86 | 0.12 | 0.52 | 0.52 |
| Dividend | 0.08 | 0.08 | 0.08 | 0.08 | 0.11 | 0.14 | 0.16 |
| Book Value | 1.41 | 1.49 | 1.50 | 1.66 | 1.93 | 2.27 | 2.65 |
| **Shares (m)** | | | | | | | |
| At the end of F.Y. | 12.656 | 12.807 | 12.931 | 13.555 | 13.637 | 13.784 | 13.966 |
| Average number | 12.597 | 12.757 | 12.880 | 13.243 | 13.603 | 13.747 | 13.875 |
| Fully diluted Average number | 12.597 | 12.756 | 12.880 | 13.243 | 13.603 | 13.747 | 13.875 |

(*) Adjusted EPS : pre-goodwill amortisation earnings, adjusted for post-tax non-recurrent items

| Ratios | 12/17 | 12/18 | 12/19 | 12/20 | 12/21e | 12/22e | 12/23e |
|---|---|---|---|---|---|---|---|
| **Valuation analysis** | | | | | | | |
| P/E | 14.0 | 14.6 | 20.3 | 12.5 | 14.0 | 11.4 | 9.8 |
| P/CF | nm | 9.3 | 3.8 | 4.4 | 5.8 | 4.5 | 4.4 |
| P/BV | 2.2 | 1.3 | 1.3 | 1.7 | 2.3 | 2.0 | 1.7 |
| EV/Sales | 0.5 | 0.3 | 0.4 | 0.5 | 0.7 | 0.6 | 0.5 |
| EV/EBITDA | 8.8 | 7.5 | 4.1 | 4.2 | 5.4 | 3.8 | 3.3 |
| EV/EBITA | 11.3 | 9.4 | 11.0 | 7.0 | 8.0 | 5.2 | 4.5 |
| EV/EBIT | 11.3 | 10.6 | 14.9 | 9.2 | 10.3 | 7.5 | 5.9 |
| EV/CE | 2.1 | 1.3 | 1.3 | 1.6 | 2.0 | 1.9 | 1.8 |
| EV/CE (grossed goodwill) | 1.2 | 0.8 | 0.8 | 1.0 | 1.3 | 1.3 | 1.2 |
| EV/FCF (1) | 41.6 | 5.6 | 7.8 | 3.6 | 18.2 | 6.5 | 5.7 |
| FCF yield (2) | 0.2% | 12.9% | 13.8% | 29.3% | 2.8% | 11.7% | 11.5% |
| Dividend yield | 2.6% | 4.1% | 4.0% | 2.8% | 2.5% | 3.1% | 3.6% |
| **Financial ratios** | | | | | | | |
| Interest cover | 22.0 | 24.1 | 11.8 | 15.0 | 17.4 | 18.1 | 18.2 |
| Net Debt/EBITDA | 0.5 | 0.1 | 0.7 | 0.4 | 0.5 | 0.1 | -0.3 |
| Net Debt/Equity | 12.1% | 1.4% | 25.7% | 17.9% | 26.0% | 3.5% | -11.9% |
| Net Debt/FCF (2) | 24.0 | 0.1 | 1.4 | 0.4 | 4.1 | 0.2 | -0.6 |
| Capital turnover | 4.1 | 4.3 | 3.3 | 3.3 | 3.1 | 3.5 | 3.7 |
| ROCE pre-tax | 18.3% | 13.9% | 11.4% | 23.2% | 25.3% | 36.7% | 38.9% |
| ROCE post-tax | 18.3% | 13.9% | 11.4% | 23.2% | 25.3% | 36.7% | 38.9% |
| ROCE pre-tax (grossed goodwill) | 18.3% | 13.9% | 11.4% | 23.2% | 25.3% | 36.7% | 38.9% |
| ROCE post-tax (grossed gdwll) | 18.3% | 13.9% | 11.4% | 23.2% | 25.3% | 36.7% | 38.9% |
| ROE | 16.8% | 9.3% | 6.5% | 14.5% | 17.7% | 18.6% | 18.3% |
| Working capital (in % of sales) | 3.0% | -6.8% | -9.2% | -15.5% | -10.8% | -10.3% | -9.9% |
| DSO (days) | - | - | - | - | - | - | - |
| Average payment period (days) | - | - | - | - | - | - | - |
| Inventory turn (days) | - | - | - | - | - | - | - |
| Payout | 36.0% | 59.5% | 81.6% | 34.9% | 35.0% | 35.0% | 35.0% |
| **Margin analysis and tax rate** | | | | | | | |
| Gross margin | 70.2% | 68.0% | 68.4% | 67.4% | 66.4% | 68.5% | 68.3% |
| EBITDA margin | 5.7% | 4.1% | 9.2% | 11.7% | 12.4% | 14.5% | 14.3% |
| EBITA margin | 4.5% | 3.2% | 3.4% | 7.0% | 8.3% | 10.5% | 10.4% |
| Adjusted profit margin | 3.4% | 2.1% | 1.5% | 3.5% | 4.2% | 4.7% | 5.1% |
| Tax rate | 20.0% | 25.4% | 30.8% | -9.2% | 24.0% | 23.0% | 25.0% |
| **Growth analysis** | | | | | | | |
| Sales | -5% | 2% | -1% | 7% | 16% | 11% | 8% |
| EBITDA | 11% | -27% | 121% | 36% | 23% | 30% | 6% |
| EBITA | 20% | -26% | 4% | 120% | 37% | 42% | 7% |
| Adjusted profit | 7% | -39% | -26% | 140% | 42% | 24% | 17% |
| Adjusted EPS | 6% | -40% | -27% | 134% | 38% | 23% | 16% |
| Dividend | 14% | 0% | 0% | 0% | 39% | 23% | 16% |

(1) Based on FCF to Enterprise - (2) Based on FCF to Equity

**Notes** -

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## Report completion and updates

This report was first disseminated on 28 October 2021 09:13 CET

Valuations are continuously reviewed by the analyst and will be updated and/or refreshed regularly. The rationale behind a change in target valuation will be explained in such a refresher/update.

An overview of the research published on this company can be found on our website: https://www.degroofpetercam.com/en-be/commisioned-research
This website will also give you access to all of the commissioned research reports that have been disseminated during the preceding 12-month period.

This report has not been reviewed by the company prior to publication.

The report has been reviewed by Michael Roeg, Senior Equity Analyst.

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