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

Closing share Price (27/05/2021)

EUR 4.01

Target valuation range

EUR 5.00 - 6.80

Risk	High
Reuters	CTAC-AMS
Bloomberg	CTAC NA
Shares number (m)	13.56
Market cap. (m)	54
Net debt 12/20 (m)	4
Net debt/EBITDA 12/20	0.39
1 year price perf.	155%
Diff. with Euro Stoxx	122%
Volume (sh./day)	18,233
H/L 1 year	4.21 - 1.55
Free Float	29.8%
Value8	27.8%
J.P. Visser	19.2%
D. Lindenbergh	10.0%
Alpha, Elpico, Invenet	5.0%
P.C. van Leeuwen	5.2%
Axxion	3.2%

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

Multiple growth drivers kicking in

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Increasing opportunities to monetize strong position

Ctac has a strong position as a business integrator, helping Dutch and Belgian companies to create the IT systems that are needed to support their business needs. Its 400 SAP consultants and skills in Microsoft Azure are in high demand, while its SaaS products for the retail and real estate markets are gaining traction.

Likely to already approach 2022 targets this year

Ctac's organic growth showed an encouraging recovery in the last 2 quarters. We expect this positive trend to continue, 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.

We also expect a further improvement in the EBIT-margin based on a decline in exceptional costs, a higher contribution from Belgium, and operational improvements. In 2021, the company should already come close to its 2022 targets of EUR 100m in revenues and >8% EBIT-margin. Its upcoming Capital Markets Day should provide more visibility on the further upside in the medium term.

Valuation offers attractive upside to EUR 5.00-6.80

Based on a comparison with historical valuation, peers, and a DCF, we consider a target valuation range of EUR 5.00-6.80 to be most realistic for the coming 12 months. This corresponds with 25-70% upside. 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 believe this will convince investors that the company's growth profile has structurally improved after a period a period of portfolio streamlining.
- **Strategic targets confirming further mid-term potential.** New strategic targets at the June 11 Capital Markets Day can increase visibility on further upside. 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.
- **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.

EUR	12/17	12/18	12/19	12/20	12/21e	12/22e	12/23e
Sales	81.6	83.0	81.8	87.3	99.5	106.4	111.4
EBITDA	4.7	3.4	7.5	10.2	14.8	16.6	16.6
Adj. profit	2.8	1.7	1.3	3.0	5.4	5.8	6.2
EPS	0.22	0.13	0.10	0.23	0.40	0.42	0.44
Div.	0.08	0.08	0.08	0.08	0.14	0.15	0.15
EV/EBITDA	12.1	16.1	7.9	5.7	4.1	3.3	3.0
FCF Yield	0.2%	12.9%	13.8%	29.3%	6.8%	13.3%	11.7%
P/E	14.0	14.6	20.3	12.5	10.0	9.5	9.1
Div. Yield	2.6%	4.1%	4.0%	2.8%	3.5%	3.7%	3.9%

Ctac

COMPANY PROFILE

Ctac is a Business & Cloud integrator that develops and implements industry solutions tailored to the customers' business processes.

It offers specific solutions for the retail, wholesale, manufacturing, real estate, and professional services verticals. These solutions are based on software from SAP, Microsoft, and other vendors. Ctac is an SAP Platinum Partner and a Microsoft Gold Partner. In addition, Ctac offers business consultancy, cloud services, software development.

The Netherlands is Ctac's main market (83% of 2021e revenues), while the company is also active in Belgium (17%).

VALUATION

Applying the **historical** median **EV/EBITDA ratios** to our 2022 EBITDA estimate leads to a value of EUR 5.00, while applying the average with a 15% premium to reflect the enhanced profile corresponds with a value of EUR 6.25.
Applying the **peer group** EV/EBITDA valuation with the 40% discount that Ctac had in the past leads to a value per share of EUR 5.95. A more modest discount of 25% to reflect Ctac's improved profile, leads to EUR 7.25 per share.
Our **DCF analysis** yields values between EUR 5.00 (based on 12% WACC in line with Ctac's own impairment test) and EUR 6.80 (based on a WACC of 9%, more in line with the market).
We consider a target valuation range between EUR 5.00 and EUR 6.80 to be most realistic for the coming 12 months. That corresponds with 25-70% upside.

DRIVERS FOR THE SHARE PRICE

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 believe this will convince investors that the company's growth profile has structurally improved after a period a period in which it streamlined its portfolio by exiting businesses with lower value added.
- **Strategic targets confirming further mid-term potential.** New strategic targets at the June 11 Capital Markets Day can increase visibility on further upside in the medium term. 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.
- **Growth acceleration through acquisitions**. The use of Ctac's solid balance sheet for acquisitions can help it to achieve its ambitions at an accelerated pace. These acquisitions can add complementary skills and new customers, creating room for cross-selling.

SWOT ANALYSIS

Strengths

- Scalable proprietary solutions for the retail and real estate markets
- Unique capabilities to translate business needs into IT solutions
- Premium partner with leading software vendors

Weaknesses

- History of low organic revenue growth due to transition of offering
- Difficulty to attract scarce new IT specialists may hamper organic growth
- Operating in only two countries, limits economies of scale in cloud solutions

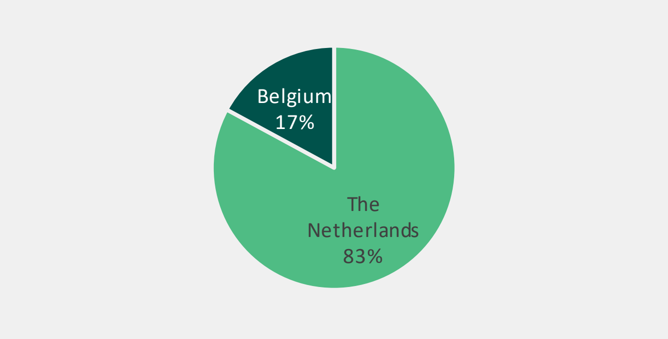
Opportunities

- Highly fragmented market offering opportunities for growth through acquisitions
- Product portfolio can be expanded with products for additional verticals

Threats

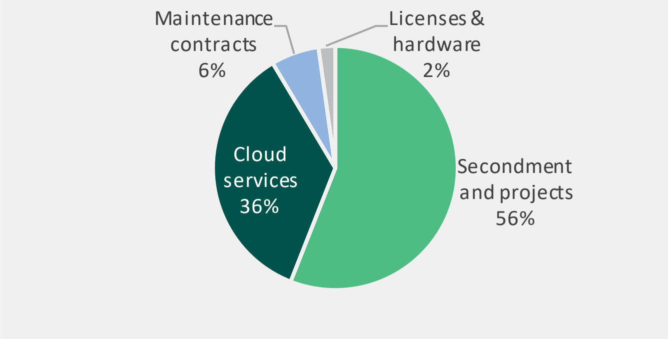
- Move to public cloud solutions makes Ctac increasingly dependent on Microsoft and SAP
- Scarcity of IT specialists could become an impediment to realizing the full growth potential.

Revenue breakdown by country 2021e



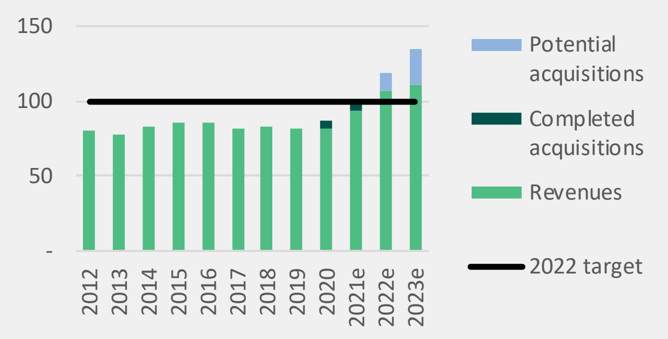
Source: Degroof Petercam estimates

Revenue breakdown by segment 2021e



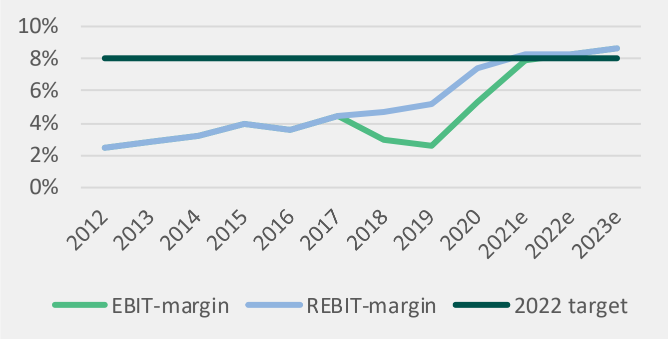
Source: Degroof Petercam estimates

Revenues vs 2022 target



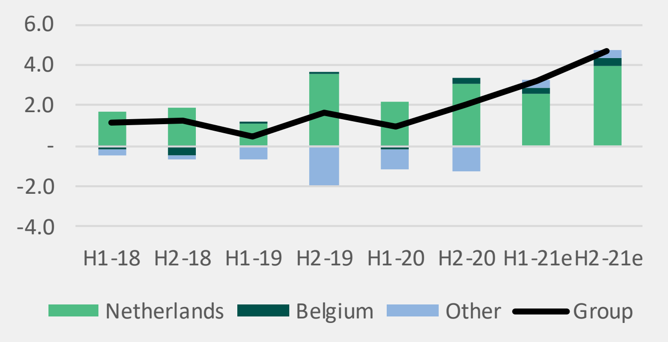
Source: Ctac/Degroof Petercam estimates

EBIT-margin vs 2022 target



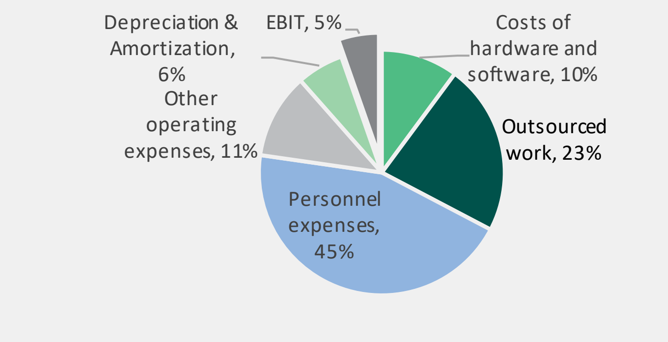
Source: Ctac/Degroof Petercam estimates

EBIT by segment



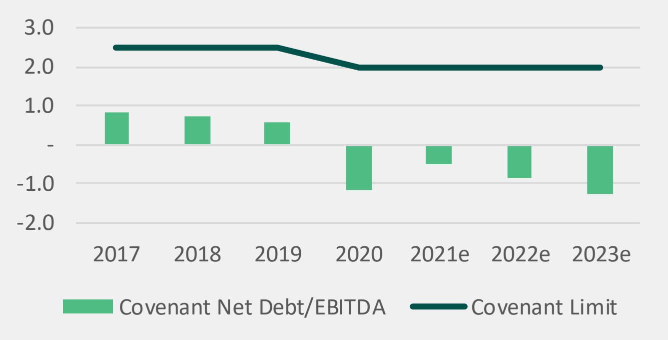
Source: Degroof Petercam estimates

Costs breakdown 2020



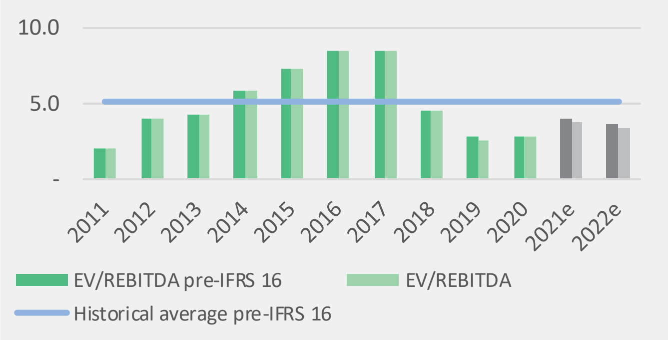
Source: Ctac

Leverage ratio and covenant limit



Source: Degroof Petercam estimates, change of definition from 2020 on

Historical 1-year forward-looking EV/REBITDA ratio



Source: Degroof Petercam estimates

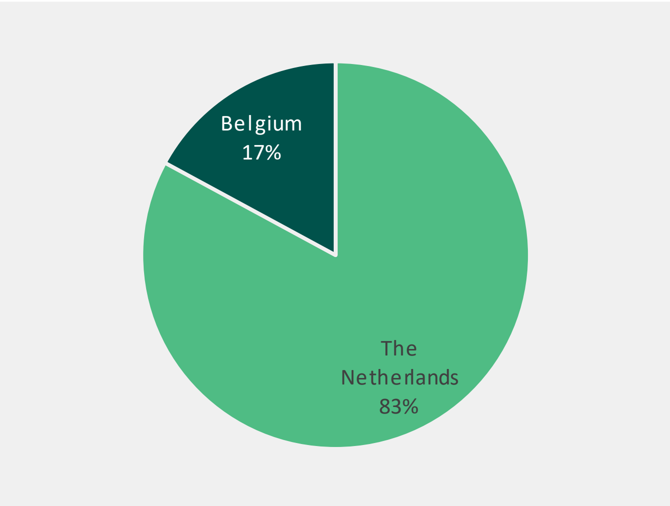
Multiple growth drivers kicking in

Ctac is a business integrator, which helps Dutch and Belgian companies to create the IT systems that are needed to support their business needs. It mainly serves the retail, wholesale, manufacturing and real estate verticals, and focuses on five key domains:

- **Business transformation:** help the customer to develop new business models and transform the customer experience.
- **IT modernization:** develop the right enterprise architecture for the customer and help them to move (part of) their data to the cloud, so that it is accessible from a wide variety of (mobile) devices for employees and customers
- **Connected intelligence:** optimize data collection (also using new Internet of Things technology) and analyze it to extract business value from it. Ctac is increasingly using artificial intelligence to offer predictive analytics that allow the customer to anticipate on future needs.
- **Transformation and change management:** assist customers that need to adapt their organization to an important transformation such as a merger or a new market approach. This is a new domain for Ctac, where the project and program managers that joined the company through the acquisition of Purple Square at the end of 2019 play an important role.
- **Security and trust:** cyber-security has become of paramount importance for customers because their processes are increasingly connected with external networks and the internet. Ctac helps them to protect their systems from intrusion, data theft and other forms of hacking that can jeopardize their operations or the safety of sensitive data.

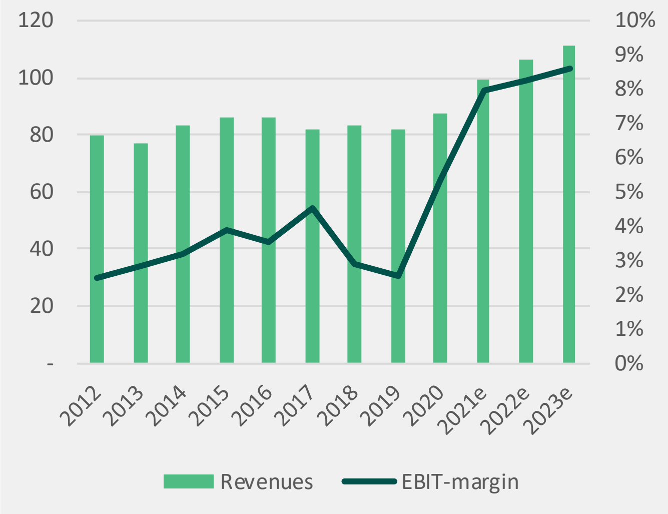
Ctac intends to grow its revenues in these domains through organic growth, possibly complemented by acquisitions in the case of business transformation and security & trust. In serving its customers, Ctac makes use of a wide range of solutions from external vendors including SAP (for which it is a platinum partner), Microsoft (gold partner), Dell Boomi, InRiver, Mendix, and Winshuttle.

Exhibit 1 **Revenue breakdown 2021e**



Source: Degroof Petercam estimates

Exhibit 2 **Revenue & EBIT-margin development** (m euros)

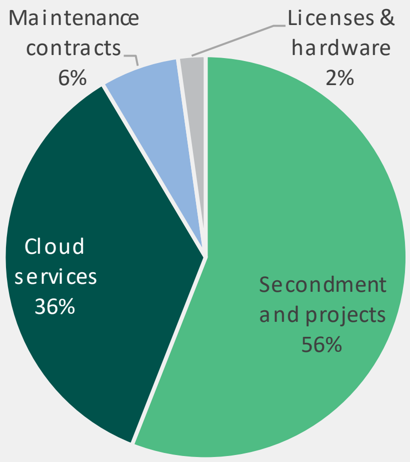


Source: Degroof Petercam estimates

Better grip on project execution will support margins

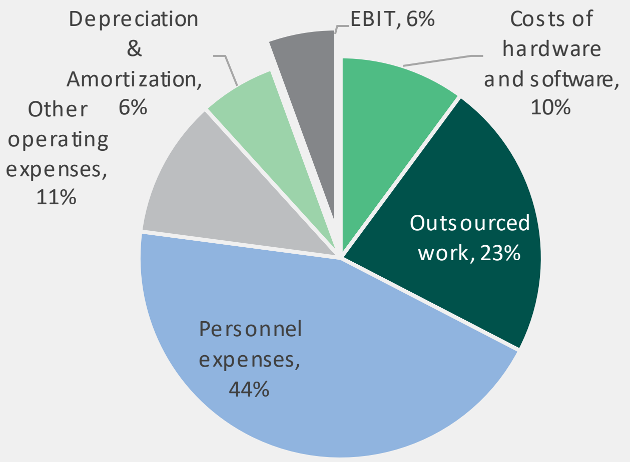
The largest part of Ctac's revenues (56%, Exhibit 3) consist of secondment and projects, followed by cloud services (36%). The secondment and projects activities typically concern short contracts (3-6 months) that give both Ctac and the customer a lot of flexibility.

Exhibit 3 Revenue breakdown 2021e



Source: Degroof Petercam estimates

Exhibit 4 Costs breakdown 2020



Source: Degroof Petercam estimates

Improved risk management for projects

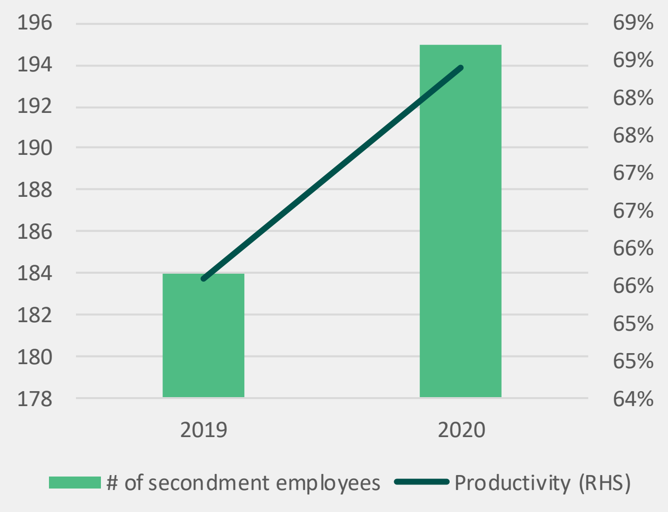
Ctac has a strong offering in secondment, with 400 consultants employed by the company, supplemented by a large network of professionals with on average 18 years of SAP experience from partner companies. These allow it to offer the right person to expand a customer's team, so that they can fill in gaps in their expertise or speed up a project with additional manpower.

With secondment, the main profit driver for Ctac is staff utilization. For all employees placed at a customer, it generates a margin on top of the salary costs to cover overhead and idle time between projects. As long as it can limit this idle time, the activities generate a stable nice profit margin. One of the tools Ctac uses to manage the utilization rate is the outsourcing of part of the work to external employees. That 'flexible shell' absorbs the peaks and troughs in utilization, allowing for a stable high utilization for Ctac's own staff. In 2020, the costs of outsourced staff were roughly half the size of costs of direct staff (Exhibit 4). Management is optimizing its resource planning to further improve the utilization rate of its staff. Furthermore, it is implementing programs to optimize the hourly rates charged, taking full advantage of any opportunities to charge a premium for employees with scarce skills.

Ctac uses its specialists to execute entire projects for a customer, including project management. This is potentially more profitable, but also comes with a higher risk level because Ctac typically quotes a fixed price to the customer at the start of the project. If it makes an error in estimating the number of hours needed to complete the project, the associated additional costs have to be borne by Ctac. Another risk with projects is that customers have a tendency to change their requirements in the course of the projects. In those cases, Ctac needs to make sure that the customer understands the additional costs involved with those changes before executing the work. In the past those two risks have led to poor results on a number of projects. The most visible issue was with a project for LeaseWeb where the court ordered Ctac to pay EUR 2.4m in indemnities because it did not sufficiently warn the customer that the project was behind schedule.

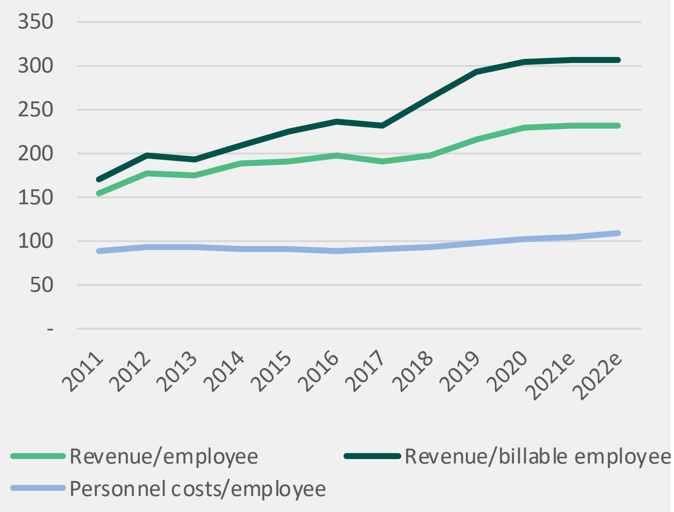
After this, Ctac has made important improvements to its project management to prevent future losses on projects. The measures included a project review board that assesses the project risks during the tendering and start of the project. The company has also implemented procedures to prevent employees from initiating additional work through the project without approval of the associated costs by the customers. These initiatives are already leading to better project margins (Exhibit 6).

Exhibit 5 **# of secondment employees (FTE) and productivity**



Source: Ctac

Exhibit 6 **Revenue and cost per employee** (000 EUR/employee)



Source: Ctac/Degroof Petercam estimates

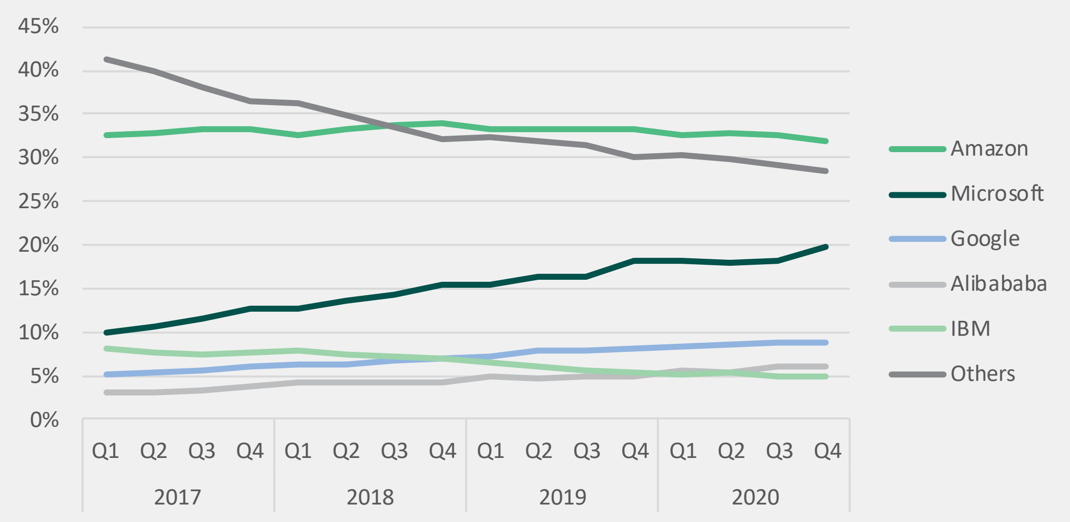
Shift from private to public cloud: lower revenues, higher margins

Cloud services are the second major activity of Ctac (36% of revenues). Revenues from this activity have been relatively stable over the past years, but that hides an underlying shift from private to public cloud services. With a private cloud, the cloud is hosted from datacenter equipment that is dedicated to the customer. The servers can be located at the customer or in a third-party datacenter, but they are only used for one customer. These private clouds are increasingly replaced by public clouds, where customers share servers and storage, and all software and infrastructure is managed by a services company. This requires less technical knowledge at the customer, which is important for the medium-sized companies (revenues <EUR 700m) that are typically served by Ctac. Public cloud also typically offers better peak capacity and scalability because it is easy to allocate a larger part of the data center resources to a certain customer. However, it is not suitable for all customers. Security of customer data can be an issue because most public clouds are located in the US, where the government can demand access to any data stored. That is a reason for customers with sensitive data to store them in a private cloud in Europe, to comply with European regulations.

Ctac has a strong position in Microsoft Azure, which is a leading offering in this segment that includes private and public cloud as well as hybrid options, and that is gaining popularity rapidly (Exhibit 8). Over the past years, 25% of the cloud solutions provided by Ctac has moved to a public cloud offering. The revenues the company generates on those contracts is much lower, because in those cases it is no longer billing the full hardware and software costs involved. Instead it only receives a fee from the cloud vendor, plus payments from the customer for the customization and other services provided. However, the value added on those revenues is much higher, so the EBIT impact is limited and there is a positive impact on margins. The company expects this trend to continue in the coming years, but it will be gradual. The customers typically have multi-year contracts, so only a limited part of them is up for renewal every year.

Not all customers will move to the public cloud upon renewal, because it may not meet their specific needs e.g. regarding privacy protection. Many customers that do see the benefits from the public cloud move to a hybrid solution that combines private and public elements. Also, some clients that already are using the Azure cloud decide to move to an on-premise solution because it better fits their needs. As a result, Ctac's management expects that it will be able to grow cloud services in the coming years, despite the overall trend towards a greater use of public cloud solutions.

Exhibit 7 **Global Cloud Provider Market Share Trend** (IaaS, Paas, hosted private cloud)



Source: Forbes, February 2021

Expected catchup in sales of own SaaS products

Ctac has also created a number of own SaaS products for the retail and real estate sectors. Its largest product is XV Retail, which is a Point-of-Sale system using real-time SAP data. Ctac manages the server, with minimal hardware in the stores, freeing the customer from installing updates and maintaining servers. XV Retail is used by large retailers such as Action (household stores), Galeria Inno (department stores in Belgium) and Maxeda (DIY), as well as by wholesalers like Sligro and Hanos. It covers all sales channels, so not only the cash registers in the stores, but also web shops. Furthermore, it is capable of handling all product flows including returns, and it integrates seamlessly with the Omni Customer Loyalty system. Its growth slowed down in 2020 as main customers like Action postponed the opening of new stores due to Covid-restrictions. Now that these restrictions are being lifted, a catchup wave is taking shape, with customers adding stores at an accelerated pace. Action has e.g. recently announced that it intends to open 300 new stores this year, versus 164 in 2020[1]. Since Ctac receives a fee for every new POS-terminal, it will benefit directly from that resumption.

A second group of SaaS products are directed at the real estate market with Fit4Woco (aimed at housing corporations) and Fit4RealEstate (for commercial property). These products provide an ERP-system that is tailored to these sectors, allowing the customers to easily process changes in occupancy, track customer interaction, and analyze KPIs. They also facilitate compliance with the most recent legislation. Most of this market is currently served by local

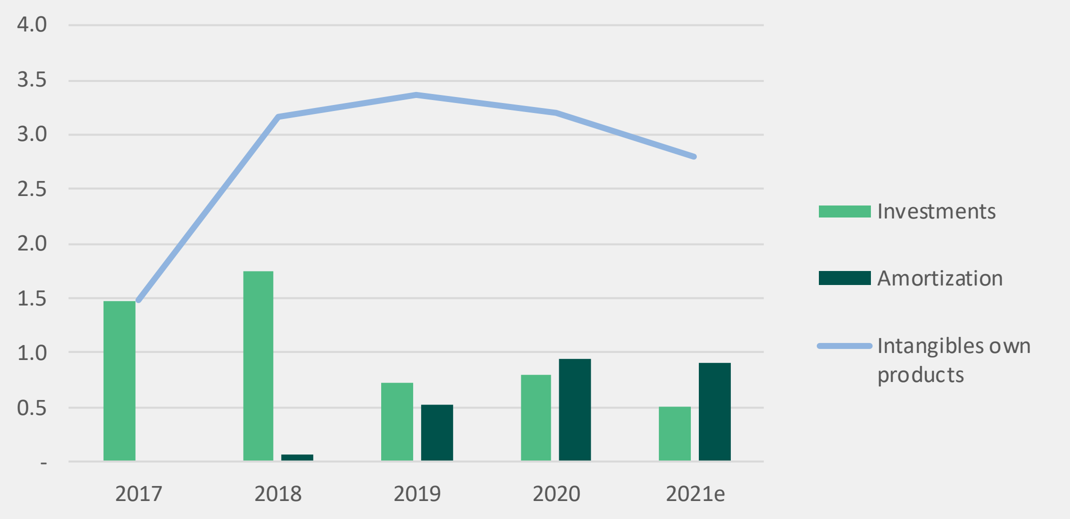
[1] Source: 3i 2020 annual report https://www.3i.com/media/5184/3igrp_ar2021_full_pressrelease.pdf

software systems that are reaching their end of life. Customers therefore have a clear need to migrate to a next generation solution. However, that migration has been slow in the past year due to Covid-19, which slowed down decision-making processes at the customers. It also did not help that Ctac was not allowed to provide on-site demonstrations, as that normally is an important tool to show the benefits of the new system to customers and take away their doubts about the transition.

The expected relaxation of the Covid-measures in H2-21 is likely to lead to a resumption of the sales process. As part of the preparatory work has already been done, the first period could show a high conversion rate, leading to a catch up in sales. Note that the implementation could be spread over a longer period, as the system needs to be configured for every customer. A key challenge in that process is finding a way in which customer's requirements can be served using the standard features of the solution, because bespoke additions to customize the system lead to higher costs and reduce the economies of scale that are one of the key attractions of a SaaS system.

In contrast to secondment and projects, the margins of SaaS activities are highly dependent on the volumes sold. In the initial phase, Ctac has to invest significant sums in the development of the system, while there are no revenues yet. Only the costs that demonstrably contribute to a commercially viable product are capitalized, while the remainder is expensed directly through the P&L. Most of the investments for the current SaaS products took place in 2017 and 2018 (Exhibit 8). From 2019 on, Ctac started amortizing these costs, while revenues on the Fit4-products were still rather limited. We expect that the SaaS activities have significant margin upside in the coming years as costs will grow much slower than revenues. These types of products can reach EBITDA-margins of roughly 40% when they are mature. We believe that XV Retail is in that ballpark, but the other products are still well below it.

Exhibit 8 **Investments in own products** (m euros)



Source: Degroof Petercam estimates

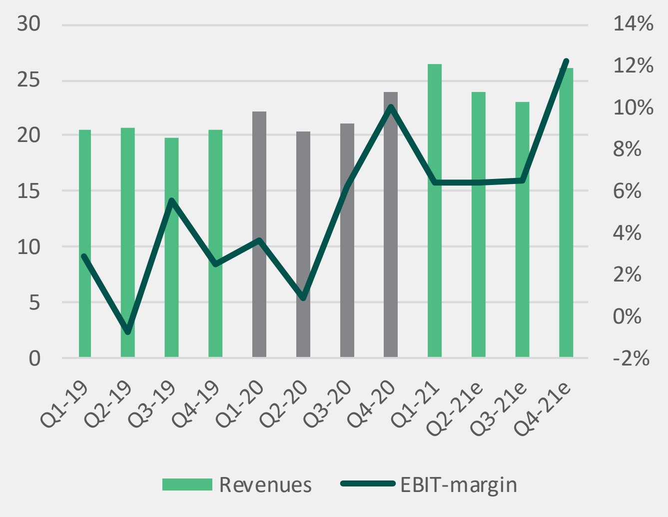
Targets for 2022 well within reach

Ctac has set two strategic targets for 2022: reaching EUR 100m in revenues and achieving an EBIT-margin of at least 8%. Including acquisitions, the company aims to reach a size of EUR 100-150m. We consider these targets realistic, despite the additional challenges created by Covid-19, which led to reluctance among customers to initiate new IT projects. That led to organic revenue growth of only 1% in 2020. However, towards end of the year, the quarterly organic growth accelerated to 8%. That encouraging trend continued in Q1-21, with 13% organic growth, the highest level in years (Exhibit 10). This was partly driven by a large implementation contract that is now completed. We expect organic growth to remain at a healthy level in 2021, mainly 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.

However, growth is unlikely to be as high as in Q1. That is partly because the comparison base will become more challenging after Q2, which was when the Covid impact was worst in 2020 (-8% organically). Furthermore, there could be a slowing effect of employees taking delayed holidays later this year. So far, the number of employees taking holidays has been lower than in other years because Covid measures prevented them from e.g. going on a ski trip or taking a sunny break in a warmer location. Taking those effects into account, we forecast 12% organic revenue growth for H1-21, slowing down to 3% in H2-21.

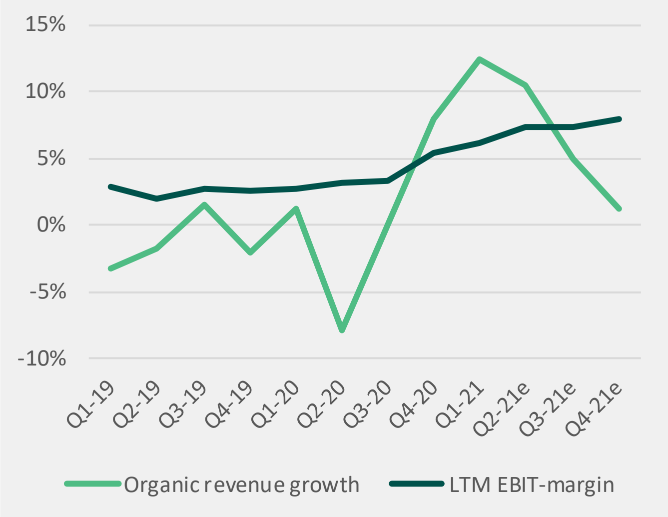
To make sure it will have sufficient employees to handle this growth, Ctac is launching a new recruitment campaign to find 100 new employees. In combination with its measures to retain its current employees, that should allow the company to grow its headcount by some 8%.

Exhibit 9 **Quarterly revenues and EBIT-margin**



Source: Degroof Petercam estimates

Exhibit 10 **Organic revenue growth and LTM EBIT-margin**

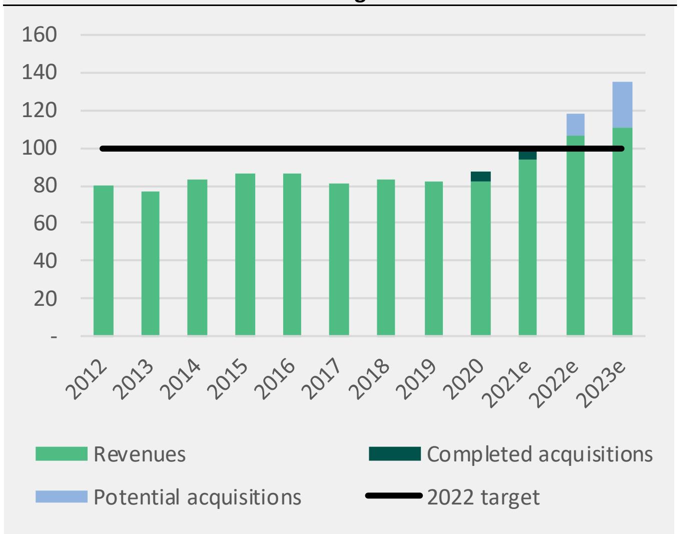


Source: Degroof Petercam estimates

Revenues are also supported by two acquisitions: Purple Square and Oliver IT. Purple Square (EUR 5m revenues) in which Ctac bought a 70% stake in January 2020, added specialists in program & project management and change management. It also provided access to the board rooms of large companies. In December 2020, Ctac acquired a 51% stake in Oliver IT (EUR 6m in revenues). Oliver has a strong position in the logistics and service & maintenance verticals, where it offers services that are complementary to Ctac's expertise in cloud solutions. The acquisition also creates synergies at several overlapping customers, including Action.

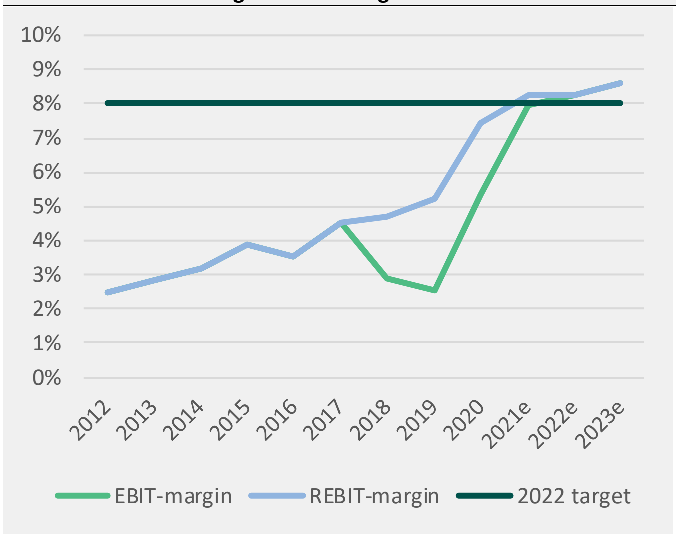
We expect Ctac to announce further acquisitions over the next couple of years, which could bring its revenues well into the EUR 100-150m target range. The opportunities for further acquisitions and the financing are discussed later in this report.

Exhibit 11 **Revenues vs 2022 target**



Source: Degroof Petercam estimates

Exhibit 12 **EBIT-margin vs 2022 target**



Source: Degroof Petercam estimates

Ctac has already made important steps in its efforts to boost the EBIT-margin in 2020, with the LTM EBIT-margin showing a clear positive trend (Exhibit 10). We expect this to continue in the coming years allowing the company to exceed the targeted 8% by 2022. The improvement in 2020 was mainly driven by the exit of France. Ctac had a small operation there with annual revenues of less than EUR 1m, which generated relatively sizeable losses of around EUR 1.8m in 2019 and EUR 1.6m in 2020. The company terminated these activities in 2020. As they were classified as discontinued, the exit boosted the EBIT-margin immediately by some 210bps (see Exhibit 13). Ctac wrote down EUR 1m in tax-loss carry-forwards in France, which was offset by recognition of deferred tax as a result of tax loss carry-forwards in the Netherlands. The remainder of the margin improvement in 2020 was driven by lower one-off costs (60bps) and better operational performance (30bps).

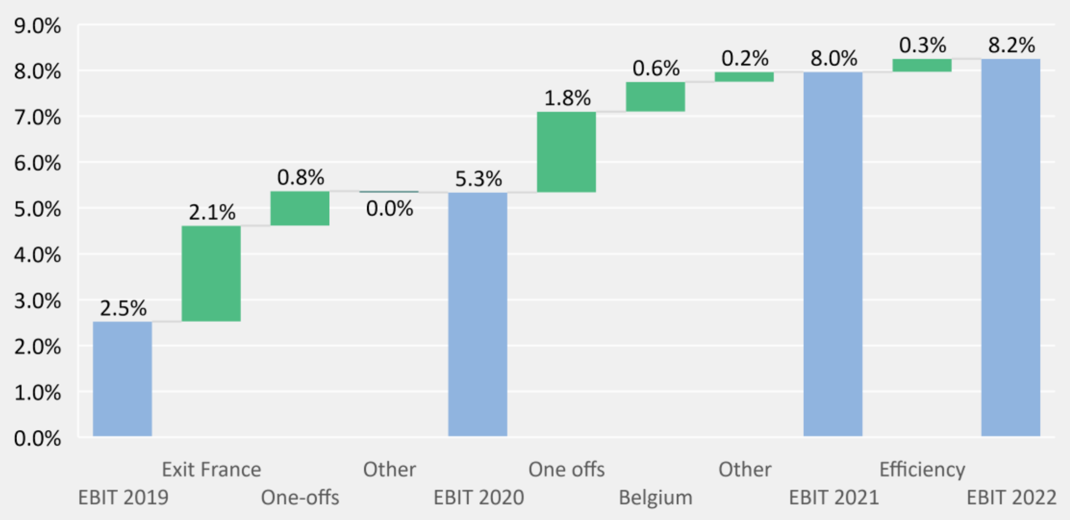
We expect the EBIT-margin to improve further in the next 2 years because of the following factors (Exhibit 13):

- **No more exceptional costs.** In the past three years, Ctac has reported exceptional costs, which depressed the overall margin. These included a settlement on a contract dispute with LeaseWeb (EUR 1.5m in 2018 and EUR 1.3m in 2019), and severance payments for the former CFO (EUR 0.9m in 2019). In 2020 there were EUR 1.6m in one-off costs related to consultancy costs for two acquisitions, severance payments, and a EUR 0.2m impairment due to the delayed rollout of Fit4 SaaS solutions. Apart from some consultancy costs for acquisitions, we do not expect such costs for the future. That should boost the group margin by 180bps in 2021.
- **Higher contribution Belgium.** The Belgian activities have hovered around break-even in the past years (see graph on page 3). To change that, management has improved the revenue mix, boosted productivity, and reduced costs (partly through the use of more home working). This already led to an improvement in H2-20, which we expect to build up further in the coming years. Assuming Belgium can reach a margin of 4.0% in 2021

(still well below the underlying margin of 8.5% achieved in the Netherlands in 2020), that would contribute some 60bps to the group margin.

- **Operational improvements.** Management is taking many actions to improve its performance across the board. These include better project management, mix improvements (more public cloud and SaaS), better utilization, and hourly rates discussed above. Furthermore, it has rationalized the overhead by reducing headcount by some 15%. We expect these actions to drive some 20bps margin improvement in 2021 and another 30bps in 2022 (including a further improvement in Belgium).

Exhibit 13 Drivers for margin improvement 2019-2022



Source: Degroof Petercam estimates

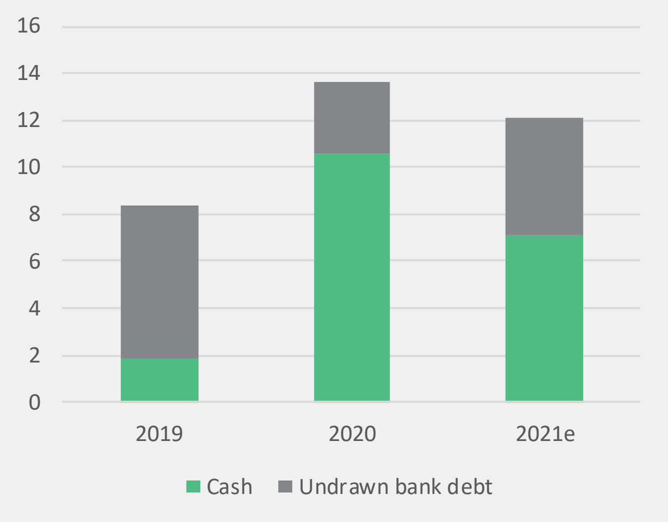
Our expectations imply that revenues should come very close to the EUR 100m that Ctac targets for 2022, roughly a year ahead of schedule. We expect the company to come with new, more ambitious targets for the coming years at the Capital Markets Day it organizes on June 11.

Strong liquidity creates room for acquisitions

Ctac had a very strong liquidity position at the end of 2020, with EUR 11m in cash and EUR 3m of its bank facilities undrawn (Exhibit 14). This was partly thanks to a very favorable working capital position (Exhibit 15), which improved by EUR 6m. The improvement was driven by quicker payments by debtors and higher trade and other payables. We expect that Ctac is able to maintain the improvement in days sales outstanding, but that the payables will largely normalize, leading to a EUR 4m cash outflow for working capital in 2021.

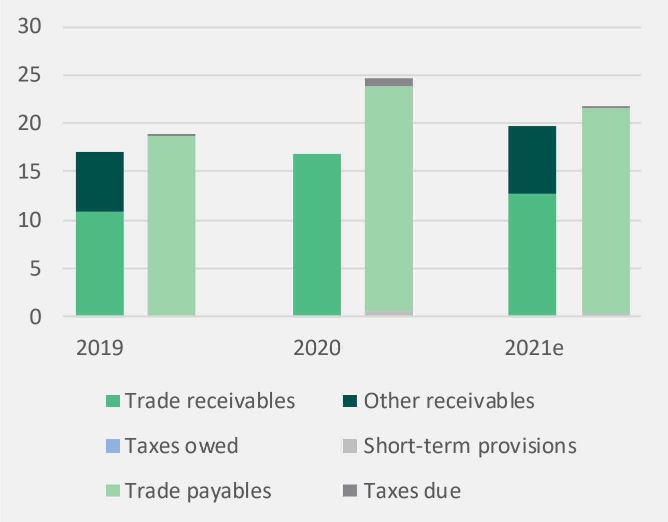
On top of this, there was an estimated EUR 3m cash outflow for the acquisition of Oliver IT in early 2021.

Exhibit 14 **YE liquidity position** (m euros)



Source: Degroof Petercam estimates

Exhibit 15 **Composition of Net Working Capital** (m euros)



Source: Degroof Petercam estimates

This still leaves ample room for further acquisitions. The company has identified business transformation and IT security as the two target areas for acquisitive growth. With the acquisition of Purple Square (EUR 5m revenues) in 2019 it has set an important step in the first area, adding specialists in program & project management and change management. We therefore believe that IT security is now at the top of the company's wish list.

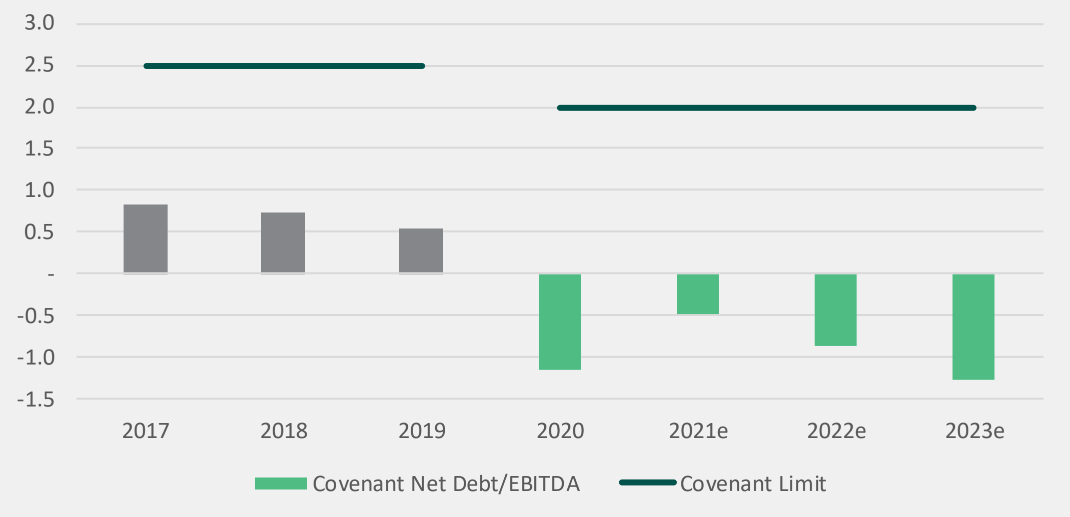
Apart from these two areas, Ctac is also looking for opportunities to expand its scale through the acquisition of complementary players. In the highly fragmented market for IT services there are many companies that have developed a solid offering, but are reaching the limits of their growth on a standalone basis due to organizational challenges. Those provide attractive acquisition targets for Ctac. An example of such a company is the recently acquired Oliver IT (EUR 6m in revenues). Oliver has a strong position in the logistics and service & maintenance verticals, where it offers services that are complementary to Ctac's expertise in cloud solutions.

Ctac's banking covenants allow a Net Debt/EBITDA (excluding leases) of up to 2.0x. Thanks to a net cash position, the current ratio is negative (Exhibit 16). Taking into account a safety margin, we believe that management will strive for a maximum leverage of 1.5x. That leaves some EUR 20m available to spend on acquisitions. Based on a multiple of 0.5-1.0x sales, that allows it to add some 23-45% to group revenues.

It is possible to do even more if Ctac issues new shares to finance part of the acquisitions. At the 2021 AGM it has obtained permission to increase the share capital by one-third to create room to issue more shares for stock dividend and future acquisitions. With the new permission it will be able to issue 11.5m shares, which represents some EUR 46m in additional financing capacity at today's share price. Financing new acquisitions with share issues could also help to increase the free float and daily trading volumes, which is likely to be beneficial for Ctac's valuation.

Management is likely to pace itself with acquisitions to allow for sufficient time to integrate them. Ctac allows the acquired companies to keep their own profile, also to make sure the valuable employees do not leave the company, but that still leaves significant room to optimize the overhead structure. Furthermore, it is important to make the most out of the cross-selling and technology sharing opportunities that emerge after the acquisition.

Exhibit 16 **Covenant Net Debt/EBITDA vs limit**

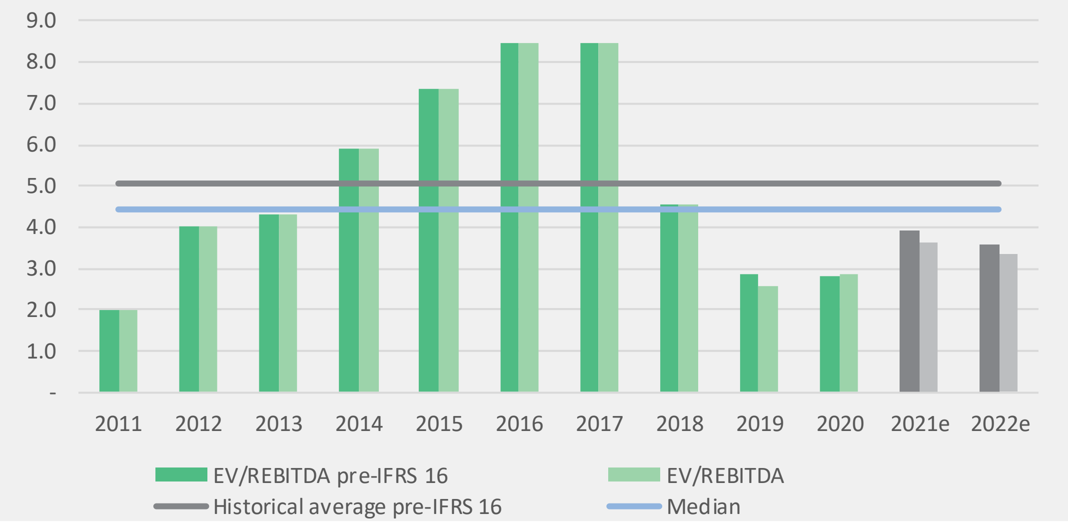


Source: Degroof Petercam estimates, New covenant definition from 2020 on

Valuation appealing in view of profit outlook

Ctac's valuation is attractive compared to the average 1-year forward looking EV/EBITDA ratio of the past 10 years. Exhibit 17 shows this including an adjustment for the impact of IFRS 16 lease accounting. For the bottom of our valuation range we apply the median valuation of 4.4x EBITDA to our 2022 estimate, which leads to a value of EUR 5.00 per share. For the top of the range, we use the average historical valuation of 5.5x and a 15% premium to reflect the company's improved profile. Applying that to our 2022 EBITDA estimate leads to a value of EUR 6.26 per share.

Exhibit 17 **1-year forward looking EV/EBITDA ratios**



Source: Degroof Petercam estimates

Exhibit 18 shows a peer group for Ctac. Given the lack of truly comparable companies, we have included a wide range of companies active in engineering and ICT services. Historically, Ctac has traded at a discount of about 40% to this peer group (Exhibit 19). We believes this can be mainly explained by Ctac's lower profitability during that period (Exhibit 20) and its much smaller size (Exhibit 21), which leads to a small cap discount. The latter factor is likely to continue to affect valuation going forward, but its profitability has recovered to a level above the peer group in 2020. We expect it to remain at least comparable with the peer group, even though some peers are likely to show a powerful recovery after a dip in 2020.

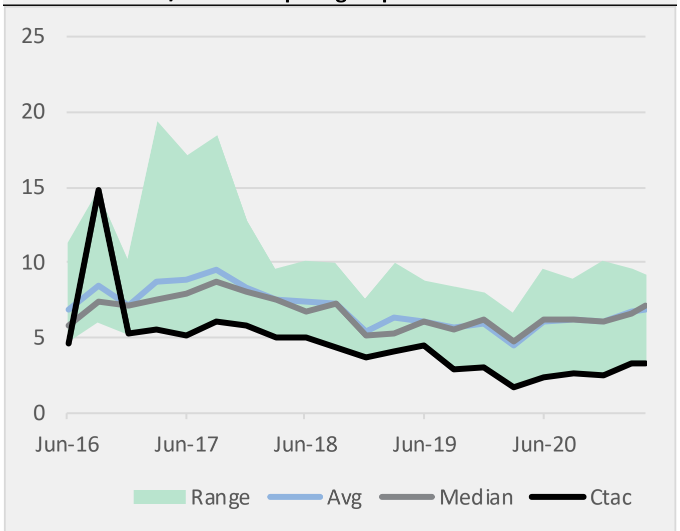
When we apply the peer group valuation with a 40% discount to our 2022 EBITDA, we arrive at a value per share of EUR 5.95. However, we believe the discount should decline thanks to the recent recovery in profitability, which is likely to persist in the coming years. When we apply a more modest discount of 25%, we arrive at a value of EUR 7.25/per share.

Exhibit 18 **Peer group comparison**

	Price	P/E			EV/EBITDA			EV/EBIT		
	27-May-21	2021	2022	2023	2021	2022	2023	2021	2022	2023
AKKA Technologies (F)	22.28	nm	12.5	8.7	15.4	6.9	5.6	28.2	10.0	7.8
Arcadis (NL)	35.9	20.6	18.2	15.8	10.0	9.0	8.0	15.3	13.8	12.1
Digia (FI)	7.6	17.0	16.3	14.9	10.2	9.2	8.5	13.1	11.7	10.4
KPS (D)	5.04	N.M.	16.8	N.M.	N.A.	8.2	N.A.	N.A.	11.9	N.A.
NNIT (DN)	120.60	21.0	16.7	14.9	8.2	7.3	6.8	18.9	14.4	12.9
Ordina (NL)	3.74	12.9	11.7	9.8	5.9	5.3	4.6	7.8	6.7	4.9
Sopra Steria (F)	148.50	14.1	12.1	10.8	6.6	5.7	5.3	11.3	8.9	8.4
Average		**17.1**	**14.9**	**12.5**	**9.4**	**7.4**	**6.5**	**15.8**	**11.1**	**9.4**
Median		**17.0**	**16.3**	**12.9**	**9.1**	**7.3**	**6.2**	**14.2**	**11.7**	**9.4**
Ctac (NL)	**4.01**	**10.0**	**9.5**	**9.1**	**4.1**	**3.3**	**3.1**	**7.6**	**6.3**	**5.4**
Discount to average		-41%	-36%	-27%	-56%	-55%	-52%	-52%	-43%	-43%
Discount to median		-41%	-41%	-29%	-55%	-54%	-50%	-46%	-46%	-43%

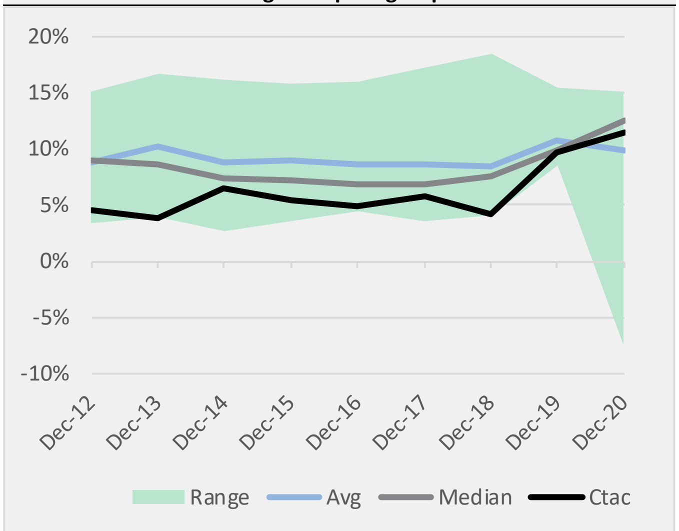
Source: Degroof Petercam estimates (Akka, Ctac), Bloomberg (other companies)

Exhibit 19 **EV/EBITDA vs peer group**



Source: Bloomberg/Degroof Petercam estimates

Exhibit 20 **EBITDA-margins vs peer group**



Source: Bloomberg/Degroof Petercam estimates

Exhibit 21 **Peer group characteristics**

	Market Cap	Sales LTM	EBIT-margin LTM	Employees
AKKA Technologies (F)	695	1,503	-10.0%	21,080
Arcadis (NL)	3,269	3,303	6.4%	27,939
Digia (FI)	204	139	10.1%	1,258
EDAG (D)	220	618	2.6%	7,871
KPS (D)	189	149	0.0%	619
NNIT (DN)	405	381	5.8%	3,101
Ordina (NL)	349	369	0.0%	2,586
Sopra Steria (F)	3,051	4,263	6.7%	45,959
Average	**1,048**	**1,341**	**2.7%**	**13,802**
Ctac (NL)	**54**	**87**	**5.6%**	**384**

Source: Degroof Petercam estimates

For our DCF-analysis, we assume 4% organic revenue growth p/a during the forecast period. Since 2012, Ctac has shown a 1.5% organic revenue decline (CAGR), but this was during a period in which it was transitioning to a new business model with less licenses & hardware sales and fewer maintenance contracts. During this period, it also scaled down and closed the activities outside the Netherlands and Belgium. We therefore consider a higher growth rate going forward realistic.

We use an average EBIT-margin of 8.6% during this period, in line with management's target of >8% margin from 2022 on. Capex on tangible and intangible assets is slightly above the depreciation and amortization when adjusting for IFRS 16 and amortization of customers and orders resulting from acquisitions. The depreciation on leases is fully offset by payments on lease liabilities.

We calculate the terminal value based on a perpetual growth rate of 1% and a ROCE of 9%. If we use a WACC of 12%, in line with the level that Ctac uses for impairment testing on its goodwill, we arrive at a value of EUR 5. However, we consider that level rather high. Even taking into account a small cap premium to reflect the relatively low liquidity, we believe 9% is justifiable for a more positive scenario. That leads to a value per share of EUR 6.8. Exhibit 23 shows a sensitivity analysis for intermediate numbers for WACC and different assumptions on ROCE.

Exhibit 22 **DCF analysis based on 9% WACC**

mln euros	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	> 2030e	Total
Revenues	100	106	111	117	122	127	132	135	139	142		
EBIT	8	9	10	10	11	11	11	12	12	12		
Depreciation & amortization	6.9	7.8	7.0	6.8	6.9	7.2	7.6	8.0	8.4	8.8		
Change in provisions	-	-	-	-	-	-	-	-	-	-		
Change in working capital	-3.8	-0.2	-0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1		
Taxes	-2.1	-2.5	-2.9	-3.0	-3.1	-3.1	-3.2	-3.3	-3.4	-3.4		
Associates & other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Capex	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7		
Capex intangibles	-1.0	-2.1	-2.2	-2.3	-2.4	-2.5	-2.6	-2.7	-2.5	-2.2		
Acquisitions & other investment	-4.5	-0.5	-0.5	-0.4	-	-	-	-	-	-		
Finance Lease	-3.8	-4.0	-4.2	-4.4	-4.6	-4.8	-5.1	-5.3	-5.6	-5.9		
Free cash flow	-0.8	6.9	6.1	6.6	7.1	7.4	7.7	8.0	8.5	9.1	102.7	
Discount factor	1.01	1.10	1.20	1.30	1.42	1.55	1.69	1.84	2.01	2.19	2.38	
Discounted FCF	-0.7	6.3	5.1	5.0	5.0	4.8	4.6	4.3	4.2	4.2	43.1	**85.8**
Revenue change	+14.0%	+6.9%	+4.7%	+5.0%	+4.5%	+4.0%	+3.5%	+3.0%	+2.5%	+2.0%	+1.0%	
EBITDA-margin	14.9%	15.6%	14.9%	14.5%	14.4%	14.4%	14.5%	14.6%	14.7%	14.9%	14.9%	
EBITDA-margin pre IFRS16	11.1%	11.9%	11.1%	10.8%	10.6%	10.6%	10.6%	10.7%	10.7%	10.7%	10.7%	
EBIT-margin	8.0%	8.2%	8.6%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	8.7%	
ROCE	4.8%	4.8%	3.6%	3.5%	3.3%	3.1%	2.9%	2.8%	2.6%	2.4%	9.0%	

		Enterprise value	**85.8**
		Net Debt excl. lease	6.7
		Minorities	-
		Other assets	-
		Equity value	**92.5**
WACC	9.0%	# of shares	13.6
Perpetual growth	1.0%	DCF per share	€ 6.82
ROCE after 2030	9.0%	Current share price	€ 4.01
		Upside	+70.2%

Source: Degroof Petercam estimates

Exhibit 23 **Sensitivity analysis DCF**

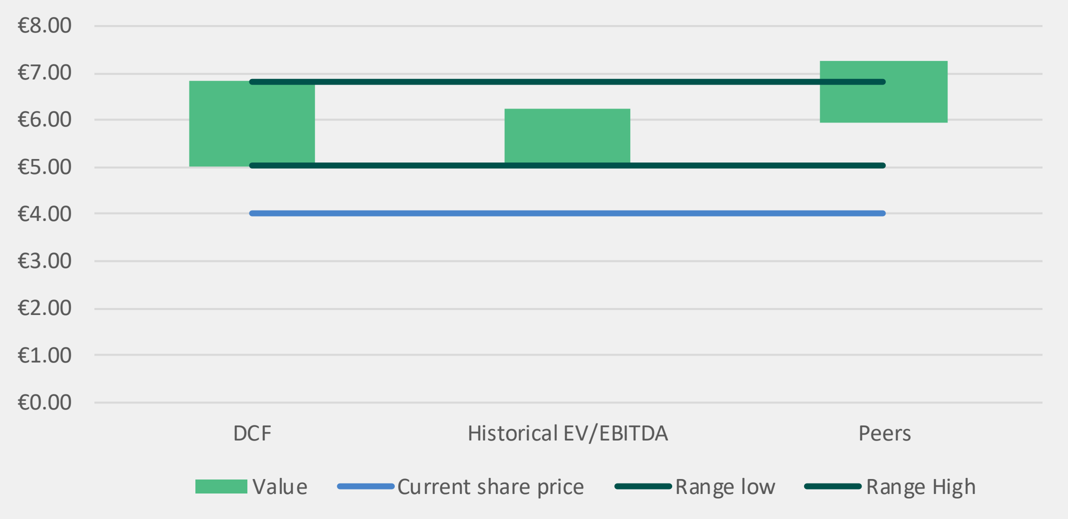
		WACC						
		12.0%	11.5%	11.0%	10.5%	10.0%	9.5%	9.0%
ROCE	5.0%	4.8	5.1	5.3	5.5	5.8	6.1	6.5
	7.0%	5.0	5.2	5.4	5.7	6.0	6.3	6.7
	9.0%	5.0	5.2	5.5	5.8	6.1	6.4	6.8
	11.0%	5.1	5.3	5.5	5.8	6.1	6.5	6.9
	13.0%	5.1	5.3	5.6	5.9	6.2	6.5	6.9

Source: Degroof Petercam estimates

Exhibit 24 shows the valuation ranges indicates by the methods we discussed above. We consider a target valuation range between EUR 5.00 and EUR 6.80 (the low and high end of the DCF range) to be most realistic for the coming 12 months, as it overlaps with most of the ranges indicated by the historical EV/EBITDA and peer group. That corresponds with 25-70% upside. 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 believe this will convince investors that the company's growth profile has structurally improved after a period a period in which it streamlined its portfolio by exiting businesses with lower value added.
- **Strategic targets confirming further mid-term potential.** New strategic targets at the June 11 Capital Markets Day can increase visibility on further upside in the medium term. 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.
- **Growth acceleration through acquisitions.** The use of Ctac's solid balance sheet for acquisitions can help it to achieve its ambitions at an accelerated pace. These acquisitions can add complementary skills and new customers, creating room for cross-selling.

Exhibit 24 **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**	**99.5**	**106.4**	**111.4**
(of which Sales)	81.6	83.0	81.8	87.3	99.5	106.4	111.4
(Y/Y - %)	*-5%*	*2%*	*-1%*	*7%*	*14%*	*7%*	*5%*
(of which Other revenues)	-	-	-	-	-	-	-
Cost of goods sold	-24.3	-26.6	-25.9	-28.5	-25.5	-24.9	-28.5
Gross profit	57.3	56.4	55.9	58.8	74.0	81.5	82.8
Personnel costs	-38.4	-38.9	-37.2	-38.8	-45.3	-50.0	-50.7
Other costs	-	-	-	-	-	-	-
EBITDA	**4.7**	**3.4**	**7.5**	**10.2**	**14.8**	**16.6**	**16.6**
EBITA	3.7	2.7	2.8	6.1	10.6	12.2	11.9
(Ebita margin - %)	*4.5%*	*3.2%*	*3.4%*	*7.0%*	*10.6%*	*11.4%*	*10.7%*
Amortization	0.0	-0.3	-0.7	-1.5	-2.7	-3.4	-2.3
Impairment	-	-	-	-	-	-	-
EBIT	3.7	2.4	2.1	4.7	7.9	8.8	9.6
Net Financial Result	-	-	-	-	-	-	-
(of which Net interest charges)	-0.2	-0.1	-0.2	-0.4	-0.6	-0.7	-0.7
(of which Other)	-	-	-	-	-	-	-
Pre-tax result	3.5	2.3	1.8	4.3	7.3	8.1	8.9
Taxes	-0.7	-0.6	-0.6	0.4	-1.5	-1.8	-2.2
Associates	-	-	-	-	-	-	-
Minorities	0.0	0.0	0.0	0.0	-0.4	-0.5	-0.5
Net earnings excl. exceptionals	2.8	1.7	1.3	4.6	5.4	5.8	6.2
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	5.4	5.8	6.2
Net adjusted earnings	**2.8**	**1.7**	**1.3**	**3.0**	**5.4**	**5.8**	**6.2**

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	7.9	8.8	9.6
Depreciation	1.0	0.7	4.7	4.1	4.2	4.4	4.7
Amortization	0.0	0.3	0.7	1.5	2.7	3.4	2.3
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	-3.8	-0.2	-0.3
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**	**11.1**	**16.5**	**16.4**
Tax expenses	-0.8	-1.2	-0.1	-0.3	-1.5	-1.8	-2.2
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	-0.6	-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**	**9.0**	**14.0**	**13.5**
CAPEX	-0.4	-0.3	-0.5	-0.1	-0.5	-0.5	-0.6
Investments in intangibles	-1.6	-1.8	-0.7	-0.8	-1.0	-2.1	-2.2
Acquisitions	0.0	-0.9	-0.1	-4.3	-4.5	-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**	**-6.0**	**-3.2**	**-3.3**
Dividend payment	-0.4	-0.5	-0.7	0.0	-0.7	-1.1	-1.2
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**	**-4.4**	**-5.1**	**-5.4**
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**	**1.4**	**-5.7**	**-4.8**
FCF to Enterprise	1.0	4.5	3.9	12.0	5.8	9.8	9.5
FCF to Equity	0.1	3.3	3.6	11.4	3.7	7.4	6.6

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**	**38.3**
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	9.0	7.7	7.6
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**	**27.2**	**34.9**	**40.2**
Inventories	-	-	-	-	-	-	-
Trade receivables	20.6	13.5	10.9	16.8	12.6	14.0	15.1
Other current assets	0.0	6.2	6.2	0.0	7.1	7.6	7.9
Cash & Equivalents	0.0	0.4	1.9	10.6	7.5	13.3	17.2
Discontinued assets	-	-	-	-	-	-	-
Total assets	**39.6**	**40.4**	**45.4**	**64.5**	**66.8**	**73.3**	**78.6**
Total Equity	**17.9**	**19.1**	**19.5**	**22.5**	**27.8**	**33.1**	**38.6**
Equity	17.9	19.1	19.5	22.5	27.7	33.0	38.5
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**	**26.7**	**28.7**	**29.9**
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	23.4	25.0	26.2
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**	**66.8**	**73.3**	**78.6**

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**	**54.8**	**55.5**	**56.3**
+ Net financial debt	2.2	0.3	5.0	4.0	5.4	-0.3	-5.1
(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	7.5	13.3	17.2
+ 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**	**60.3**	**55.3**	**51.3**
Equity (group share)	**17.9**	**19.1**	**19.5**	**22.5**	**27.7**	**33.0**	**38.5**
+ Net financial debt	2.2	0.3	5.0	4.0	5.4	-0.3	-5.1
+ 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**	**32.8**	**33.5**
+ 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**	**50.2**	**50.9**

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**	**0.40**	**0.42**	**0.44**
Adjusted EPS (fully diluted)	-	-	-	-	-	-	-
Declared EPS	0.22	0.13	0.10	0.23	0.40	0.42	0.44
CFS	0.00	0.21	0.52	0.65	0.90	0.99	0.94
FCF (to Equity)	0.01	0.26	0.28	0.86	0.27	0.53	0.47
Dividend	0.08	0.08	0.08	0.08	0.14	0.15	0.15
Book Value	1.41	1.49	1.50	1.66	2.03	2.38	2.74
Shares (m)							
At the end of F.Y.	12.656	12.807	12.931	13.555	13.662	13.849	14.049
Average number	12.597	12.757	12.880	13.243	13.635	13.802	13.949
Fully diluted Average number	12.597	12.756	12.880	13.243	13.635	13.802	13.949

(*) 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	10.0	9.5	9.1
P/CF	nm	9.3	3.8	4.4	4.4	4.1	4.3
P/BV	2.2	1.3	1.3	1.7	2.0	1.7	1.5
EV/Sales	0.5	0.3	0.4	0.5	0.6	0.5	0.5
EV/EBITDA	8.8	7.5	4.1	4.2	4.1	3.3	3.1
EV/EBITA	11.3	9.4	11.0	7.0	5.7	4.5	4.3
EV/EBIT	11.3	10.6	14.9	9.2	7.6	6.3	5.4
EV/CE	2.1	1.3	1.3	1.6	1.8	1.7	1.5
EV/CE (grossed goodwill)	1.2	0.8	0.8	1.0	1.2	1.1	1.0
EV/FCF (1)	41.6	5.6	7.8	3.6	10.3	5.6	5.4
FCF yield (2)	0.2%	12.9%	13.8%	29.3%	6.8%	13.3%	11.7%
Dividend yield	2.6%	4.1%	4.0%	2.8%	3.5%	3.7%	3.9%
Financial ratios							
Interest cover	22.0	24.1	11.8	15.0	17.0	18.0	17.8
Net Debt/EBITDA	0.5	0.1	0.7	0.4	0.4	0.0	-0.3
Net Debt/Equity	12.1%	1.4%	25.7%	17.9%	19.5%	-0.9%	-13.3%
Net Debt/FCF (2)	24.0	0.1	1.4	0.4	1.4	0.0	-0.8
Capital turnover	4.1	4.3	3.3	3.3	3.0	3.2	3.3
ROCE pre-tax	18.3%	13.9%	11.4%	23.2%	31.9%	37.2%	35.6%
ROCE post-tax	18.3%	13.9%	11.4%	23.2%	31.9%	37.2%	35.6%
ROCE pre-tax (grossed goodwill)	18.3%	13.9%	11.4%	23.2%	31.9%	37.2%	35.6%
ROCE post-tax (grossed gdwll)	18.3%	13.9%	11.4%	23.2%	31.9%	37.2%	35.6%
ROE	16.8%	9.3%	6.5%	14.5%	21.7%	19.2%	17.2%
Working capital (in % of sales)	3.0%	-6.8%	-9.2%	-7.5%	-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%	74.4%	76.6%	74.4%
EBITDA margin	5.7%	4.1%	9.2%	11.7%	14.9%	15.6%	14.9%
EBITA margin	4.5%	3.2%	3.4%	7.0%	10.6%	11.4%	10.7%
Adjusted profit margin	3.4%	2.1%	1.5%	3.5%	5.5%	5.5%	5.5%
Tax rate	20.0%	25.4%	30.8%	-9.2%	20.0%	22.0%	25.0%
Growth analysis							
Sales	-5%	2%	-1%	7%	14%	7%	5%
EBITDA	11%	-27%	121%	36%	45%	12%	0%
EBITA	20%	-26%	4%	120%	72%	15%	-2%
Adjusted profit	7%	-39%	-26%	140%	80%	7%	6%
Adjusted EPS	6%	-40%	-27%	134%	74%	6%	5%
Dividend	14%	0%	0%	0%	75%	6%	5%

(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 May 2021 06:48 CET. The disclaimer information was updated on 9 August 2021 11:34 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 report has been reviewed by the company prior to publication and has been subsequently amended.

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

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