Valuation report

WSO Valuation Services

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21 Februari 2020

0. EXECUTIVE SUMMARY

Ordina is the largest independent IT-services provider of the Netherlands and its business can be characterized as mainly temp labor. The company is active in the Benelux and serves customers in the segments Public, Finance, Industry and Healthcare.

Lately rumors are circulating in the market about parties interested in acquiring Ordina. The possibility of a bid has urged the supervisory board of Ordina to request a valuation of the company, making sure shareholders' interests would be maximized in such a situation.

External and internal analyses

Growth in the IT-industry is expected to outperform the economy for years to come. But Ordina operates in the competitive segment of IT-services, which is sensitive to the economy and underperforms the other segments of the IT-industry.

In essence, Ordina is a traditional firm in a fast-changing environment: new technologies, new business models and new competitors. Due to external forces and internal weaknesses, Ordina is forced to transition to an organization with a lower cost structure that targets higher margin markets. Ordina is locally the largest independent IT-services provider and is well positioned, but past acquisitions weigh heavy on its organization and the success of current reorganizations is important.

The performance of the company over the last 6 years confirms that Ordina is at a tough spot: revenue declined by 4,9% and shareholder value was destroyed every year. But EBITDA and cash flow did improve slightly during the analyzed period as did the ratios on key value drivers.

Looking forward, Ordina faces challenges and opportunities in a complex and competitive environment, while the economy is slowing down. The speed and effectiveness of Ordina's reorganization will determine into a large extent its future performance. Two views on these developments are the basis for the scenarios on which Ordina's valuation is calculated.

Valuation

To analyze whether Ordina should unlock its full potential independently and follow its own course, or whether shareholder value would be maximized with a sale to a strategic buyer, its company value has been determined both stand-alone and in a transactional context.

The value that shareholders may expect if Ordina pursues its own course, has been calculated with a probability weighted discounted cash flow analysis of two scenarios. The resulting equity value implies a share price of €2,22, which is well above €1,74, the reference share price at the valuation date. In other words: the company is trading at a discount. This finding is supported by a comparable company analysis, which implies a share price of €2,50.

In the transactional context the expected value has been calculated with a discounted cash flow analysis including synergies. The resulting equity value implies a share price of €2,66. Comparable transactions however indicate that buyers probably aren't willing to pay for the full synergy potential and that a price of €2,35 per share is more likely.
The latter would imply a market-conform premium of 35% on top of the reference share price and would suggest a premium of 6% on top of the calculated stand-alone value.

Conclusion

The supervisory board is recommended to deny offers below €2,22, as they don't reflect Ordina's stand-alone potential. The priority share is an effective tool for that.

The supervisory board is advised to target a market conform price of €2,35 but to recommend to Ordina's shareholders a bid that exceeds the stand-alone value of €2,22.

rijksuniversiteit groningen

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1. DESCRIPTION OF VALUATION ENGAGEMENT AND CONTEXT

1.1 Background and purpose
The supervisory board of Ordina became aware of rumors in the market, concerning competitors that may have expressed interest in the acquisition of Ordina to obtain foothold in the Benelux.

To determine its position in case the company is indeed approached by potential bidders, the supervisory board has requested WSO Valuation Services to perform a valuation of Ordina stand-alone and as target including the potential synergy effects that would benefit strategic buyers.

The purpose of the requested valuation is to determine whether shareholder value would be maximized by continuing the current strategy and exploiting Ordina on a stand-alone basis. Or whether shareholders would be better off with a direct sale to a strategic party based on the current stock price plus an expected premium.

1.2 Scope
The object of valuation is the equity of Ordina N.V.[1] at the valuation date 31 December 2018.

The economic concept of value will constitute the foundation of this report, meaning that value is primarily defined by the present value of future income. Stock pricing and multiples will be applied to define (expected) pricing.

Ordina will be valued stand-alone and in a transactional context under the assumption of a going-concern basis. NIRV-directive 510 constitutes the premises of this valuation report.

1.3 Valuation methods
For the assessment of Ordina's value in different contexts, an income approach has been considered as primary reference. For benchmarking purposes market approaches have been considered as well.

Income approach
The Discounted Cash Flow (DCF) is used to determine the stand-alone value of Ordina and to determine the value including synergies for strategic buyers in a transactional context.

Market approach
A Comparable Company Analysis (CCA) is performed on the basis of trading multiples of peers to challenge the outcome of the stand-alone DCF-valuation.

A Comparable Transaction Analysis (CTA) is performed to determine the price that a potential buyer might pay and hence the likelihood of shareholders receiving a price similar to the calculated DCF-value in a transactional context.

Stock pricing is used as point of reference for the resulting valuations and this reports conclusions.

1.4 Process
The report opens with a brief introduction of Ordina and a high-level overview of the company's recent history to provide context for the subsequent chapters. Next, Ordina's environment will be analyzed on a macro, meso (industry) and micro (company) level. Legal and tax aspects will be stipulated in the following chapter, after which an analysis of Ordina's historical performance will performed. Based on the analysis of the company's environment and its historical performance, in the next chapter two scenarios will be forecasted: a management case and a base case. These constitute the basis for the stand-alone valuation in chapter 8 and the valuation including synergies in chapter 9.

The outcome of the DCF-valuations will be compared to the outcome of the Comparable Company Analysis and the Comparable Transaction Analysis, after which all results are presented in the closing chapter of the valuation report that contains conclusions and advice.

1.5 Confidentiality & Disclaimer
The content of this report is confidential and solely for the information and internal use of the addressees at Ordina and not to be relied upon by any other person or entity. No responsibility or liability is taken towards third parties for any loss, damage, cost or expense caused by use of or reliance on information disclosed in this report. This report must not be recited or referred to in any document or copied or made available to any other party, without prior written consent.

As value in itself is subjective by nature, the conclusions of this report and the resulting valuation should be regarded as the professional opinion of the valuator.

The valuator does not own any financial interests in Ordina or any of its affiliates and confirms he has no conflict of interest in performing the engagement.

1. Located at Ringwade 1, 3439 LM Nieuwegein and registered at the Dutch Chamber of Commerce as 30077528

2. COMPANY DESCRIPTION

Ordina is the largest independent IT-services provider of the Benelux. The company can be characterized primarily as an IT-temp labor provider, and services many large local customers that outsourced their IT-functions in the past to Ordina. IT-consulting and recently launched 'high performance teams' are gaining importance but still constitute a minority of its business.

2.1 Business overview

The majority of Ordina's business is Dutch (71,5% of revenue in 2018) and a minority but increasing part of its business is Belgian/Luxembourgish (28,5% of revenue in 2018). Interestingly this is also where Ordina earns the majority of its EBITDA (65,5% in 2018).

Its business is divided in 4 target customer markets Public, Finance, Industry and Healthcare.[3] The segments Industry and Finance are struggling. Health Care grew on average with 12% per year but is still a small business. Public is the only segment with substantial growth in recent years.

2.2 The company's history

Ordina has been founded in 1973 by a French company also named Ordina ("ordinateur" is the French translation of the word "computer"). In 1985 the Dutch Ordina became independent via a management buy-out and two years later its shares were listed on Euronext Amsterdam. Ordina is included in the Small Cap Index (AScX) under the ticker ORDI.

The past decade has been a turbulent one for Ordina: during the financial crisis, being an economic cycle sensitive company, it was hit hard and struggled ever since[4]. While its revenue was still €696,5 million in 2008, it dropped by 50% over 5 successive years and hovers around the level of approximately €350 million since then.

Past acquisitions

In the late '90s and early '00s Ordina actively acquired competitors[5] to meet its growth objectives. The past decade however, it became clear that these acquisitions didn't improve its position as expected. The result is a large amount of (already partly impaired) goodwill on its balance sheet, redundant management layers, an above-industry level of overhead and a Dutch workforce that is on average 10 years older that their Belgian and Luxembourgish counterparts and also above-industry average.

These elements weigh on Ordina's competitiveness and have encouraged it to already sell part of the earlier acquired companies. The last divestiture dates from 2011 and Ordina's focus has been on organic growth for over ten years now.

Ordina as a target

Over the last 10 years, Ordina has been named as a potential acquisition target several times. In 2009 it even hired Deutsche Bank to find a buyer. This process was cancelled in 2010 due to a lack of interest.

In the meanwhile, however, Indian competitors started looking for targets to get foothold in the Benelux. And more recently, Norwegian company Visma has been mentioned as a potential buyer. Visma bought Dutch software company Roxit Group early 2019 and Raet in 2018 and has been known for looking new candidates/targets within the industry.

Figure 1: Ordina's geographical markets[2]

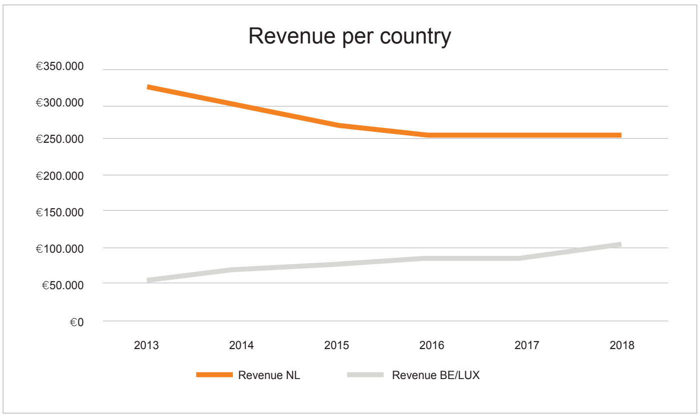


Figure 2: Ordina's market segments

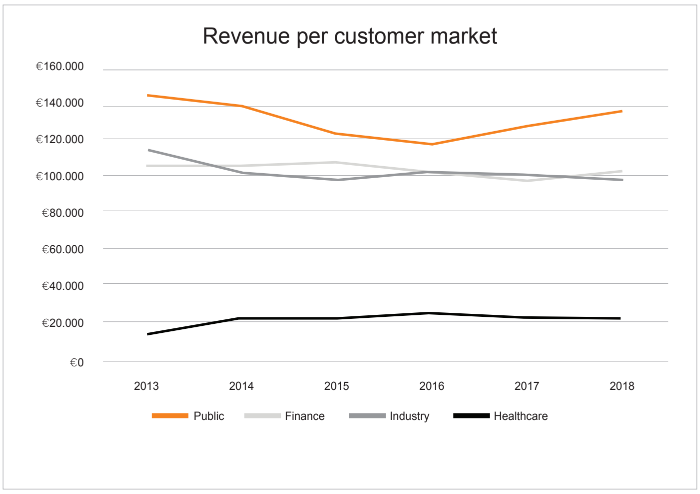
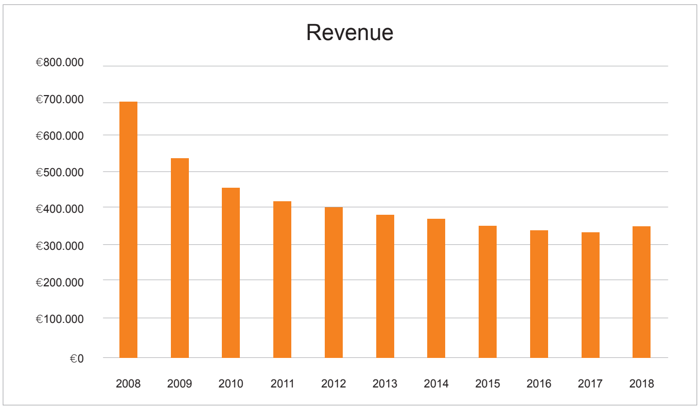


Figure 3: Revenue development of Ordina



2. Data from Ordina's annual report 2018
3. Only revenue per customer market is available
4. Historic stock price development is included in Attachment A
5. Attachment B provides an overview of acquired subsidiaries

Until now, all attempts to acquire Ordina have been blocked by its largest shareholder Jan Niessen. He is not willing to take a loss on his investment, but as the share price is improving, and his losses revert, the likelihood of an acquisition improves.

Fraud

In October 2014 journalists from Zembla[6] exposed fraud committed by Ordina over the period 2005-2010 and broadcasted this news on national Dutch television. Ordina omitted misbehavior and was exposed to several lawsuits, including one from its largest shareholder (Jan Niessen), who had bought himself in the company just one month before the broadcast and lost a severe amount on his investment.

2.4. Current status quo

January 1st, 2017 new management has been appointed, as part of a large reorganization program. After one more disappointing year, the reorganization seems to start paying off, leading to slightly improved results. And with the settlement of the main uncertainties, Ordina's future seems to be brighter than it was in recent years. It's noteworthy however that the company is still in the middle of a transformation process and results are still below-industry average.

6. BNN Vara - https://www.bnnvara.nl/zembla/artikelen/ict-bedrijf-ordina-fraudeerde-met-overheidsaanbestedingen

3. ANALYSIS OF THE MACRO AND MESO ENVIRONMENT

Ordina is subject to external circumstances that influence its business into a large extent. Before analyzing historical performance and forecasting future performance, it's important to get a grip on Ordina's environment first.

There are two levels on which external analyses can be performed: macro and meso. The results from both analyses will be input for the subsequent analysis of the company's internal environment; it's so-called micro-environment.

The macro environment (the 'contextual' level) contains all outside forces that can't be controlled by individuals within a company, like the economy. The meso environment (the 'transactional' level) contains the outside forces that can be influenced by the company, like suppliers, competitors etc.

3.1. Macro environment

A regular method to analyze the macro environment of a company is the PEST-model[7], a framework used to describe the Political, Economic, Social and Technological factors in the company's environment. While the basis of this model is successfully deployed since 1967, some extensions were added over the years: Legal, Environmental and Demography factors add important influences on Ordina's macro environment, which is why the PESTLED variation of the model will be deployed.

3.1.1. Political

The Dutch government implements a new law (Wet Arbeidsrecht in Balans) per 2020 that secures payrollers have similar rights as employees with regular employment contracts. Following this implementation an update is expected per January 1st, 2021 of a related law (Wet Deregulering Beoordeling Arbeidsrelatie). This law determines whether agreements between a contractor (Zelfstandige Zonder Personeel) and an employer should be qualified as regular employment.

Implications for Ordina of the first law will be negligible, as it mainly affects low-skilled labor. The second law will impact Ordina, as still approximately one-third of Ordina's project hours can't be executed by its own employees. For these projects third parties are contracted, many of them being small independent contractors. If these relationships are classified as employee-employer relationship, Ordina would be liable for (historical) social security fees and taxes for these contractors. Not only would this be a onetime cost, it would also mean future margins erode (or pricing must increase, leading to less competitiveness).

3.1.2. Economical

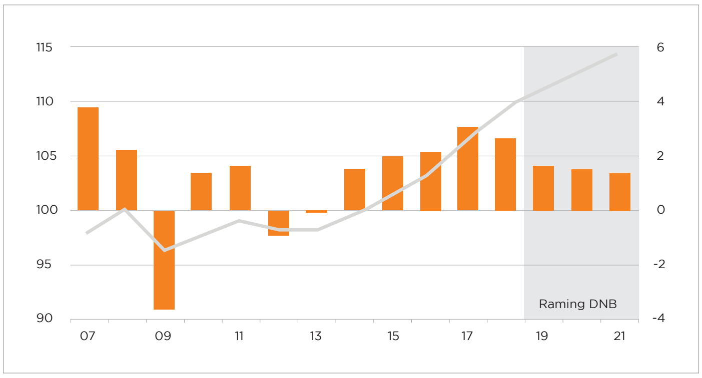
Although the economy of the Benelux is robust[8], the general perception is that the growth of the economy in the Benelux is slowing down[9]. After a record growth of 3,0% in 2017, the level is forecasted to decline to 1,5% in 2021 and 1,1% in 2022.

But the forecasts for the IT-sector are more positive: it is expected to keep growing in a faster pace than the economy[10] with an estimated 3-5% year on year growth for the complete industry.

A - Ordina is a local ICT-services provider in the Benelux. Although the IT-sector is growing fast, the core of Ordina's operation is temp labor and this business model is known for its high level of cyclicity: the sector reacts fast to changing economic circumstances. The implications for Ordina are substantial: Research from CBS and ING[11] shows first signs of decline in the temp labor sector and it is likely that this decline will impact Ordina.

B – Although the IT-sector as a whole (including infrastructure, software etc) is expected to outperform GDP, Ordina depends on a segment of the sector that isn't performing well: IT-services. Changes are required for Ordina to profit from the expanding IT-market and increasing demand from customers.

Figure 4: Development gross domestic product of the Netherlands[12]



3.1.3. Social

The penetration of digitalization is still increasing in the Benelux. More industries and governmental institutions are transforming their style of working through digitalization.

In the IT-industry, human capital has a vital role and attracting and retaining personnel is important. Diversity is one element that has impact on the performance of a company. The second is the perceived attractiveness of the employer. And the latter changed, because where in the early '00s the large corporates were still regarded the most attractive employers, this popularity has faded away: current graduates prefer working for trendy start-ups or start their own business[13].

A - Ordina is well positioned to profit from the increasing digitalization and is able to serve customers with solutions that support future growth.

B - Ordina actively reports about diversity in each annual report, but the ratios are below industry average. As attracting and retaining employees is an important element for Ordina's success, their lacking diversity may have negative impact.

C - The decrease in perceived attractiveness of large employers puts more pressure on Ordina's recruitment and human resource departments.

7. Aguilar, F. (1967). "Scanning the Business Environment"
8. CBS - https://longreads.cbs.nl/trends19-eng/economy/trends/
9. De Nederlandsche Bank (July 2019). "Economische Ontwikkelingen en Vooruitzichten"
10. RaboResearch - https://www.rabobank.com/en/research/index.html
11. ING Economisch Bureau (June 2019). "Flexbranche: groeimotor valt stil"
12. CBS in cooperation with De Nederlandsche Bank (2018). "Economische groei normaliseert"
13. Berenschot (March 2019). "Strategy trends 2019"

3.1.4. Technical

New technological developments such as cloud services, the internet of things, artificial intelligence, data analytics and virtual reality are changing the world in a high pace. IT became core business for many companies and the driving force behind innovation.

At the same time RaboResearch reports an ever-increasing outsourcing level of IT and IT-infrastructure. Many companies are still in the process of a digital transformation. The demand in the IT-industry in general is not expected to drop, however the growth is not foreseen across the board: specialists are expected to profit where general service providers are expected to bleed.

A - Ordina should be able to profit from the industry growth if its personnel has up to date knowledge of the different (emerging) specialisms.

B - As Ordina is still highly dependent on the general services part of their business, it may expect a negative impact: expectations for the temp labor segment are lagging compared to other IT-markets.

3.1.5. Legal

The most important downside of digitalization is the security vulnerabilities in IT-systems. Countries are concerned with the privacy of its citizens and are introducing new privacy laws[14] to protect fundamental rights of its citizen.

This has a two-sided effect on Ordina: on one hand it has anticipated this development by establishing a dedicated business proposition for Security & Privacy. This may support future results. On the other hand, the risks and costs are increasing for IT-services providers that don't comply with the increasingly complex privacy laws.

3.1.6. Environmental

Society is focusing on reduction of CO2. Large corporates and governments are obliged or expected to select partners more and more on the level of awareness of their environmental responsibilities.

Although Ordina's own direct footprint is limited, the development can't be ignored. Customers move to green infrastructures and Ordina should anticipate not to fall behind.

3.1.7. Demography

New generations constitute new generations of potential employees and these generations bring new (technical) capabilities and knowledge.

Ordina is highly dependent on its human capital. The main reason for Ordina's past acquisitions has been to acquire their human capital: large customers asked for new technology (apps for example) which Ordina didn't have in house. To keep up with customer's demand, Ordina must have a focus on the attraction of new and young employees. The aging population is a factor of risk.

3.1.8. Conclusion

Digitalization is still increasing, and the growth of the IT-sector is expected to keep outperforming the economy. But Ordina is depending on its cyclical IT-temp labor business, which exposes it significantly to the developments of GDP, and the economy is slowing down. To keep up, Ordina should nurture its human capital and make sure new generations of employees flow in with new capabilities.

3.2. Meso environment

The meso environment (the 'industry') is the part of an external environment on which a company has some (indirect) influence. It is the direct environment of a company and contains elements like suppliers, supply and demand, competitors and alliances.

For the analysis of the meso environment, first the market and its trends will be described. Then follows an examination of the industry's attractiveness, Ordina's peers and distinctive value drivers.

3.2.1. The market

The Dutch[15] IT-industry counts approximately 215.000[16/17] employees and accounts for 4,5% of the gross domestic product. The sector is usually divided in the following sub-sectors:

1. Software companies
2. System integrators / IT-service providers
3. Hardware
4. Hosting- & Cloud-providers
5. Datacenters
6. Tech / Internet companies

Ordina is a system integrator/IT-service provider. This sub-sector consists of 14.800 companies, of which only 0,6% employ over 100 employees: the market is characterized by many small specialized companies and independent contractors. The 89 companies that do employ more than 100 employees have on average 435 employees (in other words, its 2647 employees make Ordina a large player).

The sub-sector of system integrators/IT-service providers (from here 'IT-service providers') accounts for 14,3 billion euro in the Netherlands. When extrapolated to the Benelux based on GDP[18], this would be a total Benelux market size for IT-service providers of approximately 23,9 billion euro. Of this total market, Ordina would have a share of 1,5%.

3.2.2. Industry trends

Industry trends provide companies with important data to help them remain competitive in the marketplace.

14. Rijksoverheid - https://www.rijksoverheid.nl/documenten/rapporten/2018/01/22/handleiding-algemene-verordening-gegevensbescherming
15. As 71,5% of Ordina's turnover is Dutch, local market data is assumed representative
16. ABN Amro (March 2019). "IT-branche in beeld"
17. Atradius - https://atradius.nl/rapport/market-monitor-ict-nederland-2019.html
18. Flanders Investment & Trade - https://www.flandersinvestmentandtrade.com/export/landen/nederland/cijfers

For Ordina the following trends are expected to be most influential on future performance:

A - The main challenge of the IT-sector is the “war for people”. Research from Rabobank[19] points at a problematic shortage of qualified personnel for 30% of the IT-services companies. These shortages are expected to remain a factor of importance in the coming years. As a result, Ordina will remain having issues to attract and retain qualified employees. Keeping this in mind, it is not likely that the level of contracted work will decrease anytime soon. This puts pressure on Ordina’s (future) margin.

B - The number of (small) IT-service providers is increasing year on year. Correspondingly, competition is increasing. Often these (smaller) IT-service providers choose to focus on 1 specific product or technology to improve quality and become the number one player in that niche.

C - Transition in business models (driven by smaller players) from hourly based contracts to subscription based[20]. As Ordina is dependent for 70% on the hourly based model, it will need to consider whether customers prefer these new business models and what the impact will be.

D - The IT-sector as a whole is expected to keep on growing. But the perspective for IT-service providers is less optimistic. This puts pressure on the majority of Ordina’s current business.

E - Most customers don’t regard IT as a primary activity and choose suppliers that unburden them. As a result, larger IT-suppliers integrate within the value chain to be able to provide a “one stop shop”[21], leading to an active M&A market. Being an integrated services supplier, Ordina may expect more competition for its ‘one stop shop’ proposition.

F - Large tenders become less common[22], because new (cloud) technologies offer a range of configurable functionalities that make large ICT-projects unnecessary. Customers increasingly choose (smaller) specialists for sub-solutions.

Figure 5: Porter’s Five Forces (Porter, 1980)

3.2.3. Industry analysis

Micheal Porter[23] introduced his famous 5 forces model in 1980 as a tool for business analysis that helps explain why various industries are able to sustain different levels of profitability. In other words, the model indicates an industry’s attractiveness.

Within the analyzed industry, the level of growth differs per segment: tech and internet companies are expected to grow fast, while IT-services providers like Ordina are expected to grow at a slower pace or not to grow at all[24].

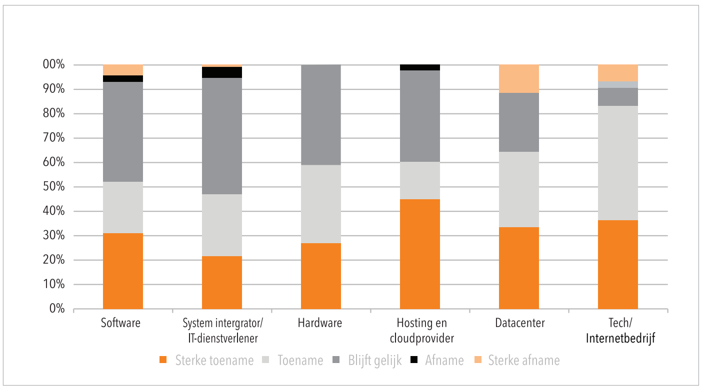
Competition in the industry

The sector consists of many service providers. Only a handful has the size of Ordina, but as large tenders are becoming less common and more projects are divided in sub-solutions (“scrum-like[25]”) the smaller players nowadays are direct competitors for Ordina. On top, large international (mainly Indian) service providers entered the Dutch market, putting further pressure on Ordina’s margins: competition is intense in the Benelux market.

Potential of New Entrants

The market has low barriers for entry: for small projects, new entrants enter the market on a daily basis, as any independent contractor with a laptop can be viewed as ‘competition’. Large projects require a stability in service that only the integrated service providers can offer. For them the barriers are more substantial, but history has proven that international players regard the Dutch market as a good place to obtain a toehold in Europe. Indian service providers as Tata Consultancy and Infosys[26] recently grew to a Dutch market share of approximately 5% in just a few years.

Figure 6: Growth expectations per IT-segment



Power of Suppliers

As Ordina drives on human capital, its main suppliers are its people. While they are not organized[27], they do put pressure on Ordina’s margins: there is a shortage of IT-employees leading to two margin problems: 1. Personnel is hard to retain, leading to high salaries. 2. Employees tend to become independent contractors to which Ordina is becoming more dependent and on which it is difficult to make a margin.

Power of Customers

Ordina mainly serves large customers. While there is the advantage of less competition in this league, the concentration of customers has more leverage on Ordina than vice versa.

19. RaboResearch (September 2019). “ICT-update”
20. Financieele Dagblad (2 August 2019). “België en Luxemburg blijven groeimotor voor Ordina”
21. Financieele Dagblad (5 November 2018). “Liefde voor grote IT-bedrijven is voorbij”
22. CIO - https://cio.nl/markttrends/85158-disruptie-bij-ordina-minder-ontwikkelaars--meer-consultants
23. Porter, M.E. (1980). "Competitive Strategy: Techniques for Analyzing Industries and Competitors"
24. ABN Amro (March 2019). “IT-branche in beeld”
25. Scrum.org - https://www.scrum.org/resources/what-is-scrum
26. Financieele Dagblad (5 November 2018). “Liefde voor grote IT-bedrijven is voorbij”
27. Ministerie van Sociale Zaken en Werkgelegenheid- https://www.uitvoeringarbeids voorwaardenwetgeving.nl/

Threat of Substitutes
Ordina acts in a fast-changing environment. New technologies like many “cloud” solutions have a direct impact on the company. The sector is known for its disruptors.

Concluding, the IT-industry in the Benelux is very competitive and the segment where Ordina operates is not likely to grow substantially in the next years. This most likely will intensify the level of competition even further, as an increasing amount of providers need to share the same pie.

3.2.4. Competitor analysis and peer group selection
Peer groups are the basis for benchmarks of a company’s performance (and value). These peers are usually in some way competing with the company in question, therefore an analysis of Ordina’s competitors is an useful starting point to define a peer selection.

Competitors
Competitors can be identified by using a customer’s point of view: what are their alternatives?
For large tenders, customers can choose for alternative local companies such as ICT Group N.V. and Centric or consider large international companies that are locally active: Atos, Capgemini and Sogetti. And more recently, the choice for lower cost alternatives Tata Consultancy and Infosys emerged.

For small projects, customers have a broad range of (local) parties to choose from, based on specialism and pricing. The choice will be between the one stop shop offering from a large more stable services provider as Ordina versus a more agile, possibly more specialized and more cost-efficient smaller competitor.

Peer group
To come from competitors to peers, a selection has been made based on key distinctive factors: Industry, Geography, Size, Lifecycle phase and forward-looking[28] EBITDA and Sales growth. The selected peers will be used throughout the report as reference to other industry participants.

Besides ensuring peers are really peers, it is important to use a sufficient amount of them. The usage of at least 8 peers is recommended[29].

Although there is a multitude of competitors in the Netherlands, most are private. As for valuation purposes there is a need for data, which only listed companies provide. Within that limitation and based on the key distinctive factors, the following selection of peers will be used[30], classified as tier 1 or tier 2 based on their comparability:

Figure 7: Peers of Ordina

Company name	Geo	Mcap (mln)	Sales growth (F)	EBITDA (F)	Founding	Tier 1/2
Ordina	*NL*	*€ 132*	*4.80%*	*6.80%*	*1973*	*1*
Adesso	DE	€ 368	9.00%	10.30%	1997	2
Allgeier	DE	€ 303	5.70%	9.80%	1977	1
Brunel	NL	€ 767	4.10%	5.20%	1975	1
Cancom	DE	€ 1,211	8.90%	8.20%	1992	2
Cenit	DE	€ 133	5.30%	9.20%	1988	1
Datagroup	DE	€ 288	12.40%	15.20%	1983	2
ICT Group	NL	€ 109	3.90%	8.10%	1978	1
Sopra Steria	FR	€ 2,576	5.70%	11.20%	1969	2
Tieto	FI	€ 1,854	1.70%	16.70%	1968	2

3.2.5. Key value drivers
The value of any company is ultimately defined by its return on invested capital (ROIC), its revenue growth and the ability to sustain both over time[31]. Value drivers are the factors that influence these elements and either reduce risk or increase growth or returns.

The general key drivers of value are growth and the spread between return on invested capital (ROIC) and weighted average cost of capital (WACC). Applied to the business of Ordina, these core elements are best represented by revenue growth and operating profit[32]. To analyze both, underlying value drivers have been defined which are similar for comparable industry participants.

Attachment C and D contain the resulting value driver trees. Its dominating drivers are used for the hereinafter discussed historical analysis and forecasts.

Revenue growth drivers:
1. State of the economy.
2. Price & quantity sold: The revenue per Ordina employee and the number of direct employees.

Operating profit drivers:
1. Direct & indirect employee ratio: direct personnel generates revenue. Indirect personnel is overhead.
2. Work contracted out: the part of projects that can’t be executed by Ordinal personnel and for which (small) independent contractors are hired.
3. Cost per employee.
4. The productivity per employee: the billable hours per direct employee.

3.2.6. Conclusion
The IT-services segment in the Benelux has a fierce competition and isn’t likely to grow in the coming years. Companies try to specialize themselves in technologies/products or try to integrate multiple parts of the value chain to offer a one stop shop. As Ordina has a market position as the largest independent IT-services provider, it usually is one of the preferred suppliers for large customers as the Dutch government. But while this used to be a comfortable position, competition is on the rise with the entry of (lower) cost efficient international players. Together with the change in customer demand for sub-solutions, also leading to new competitors, Ordina is in a position where (additional) competition arises from new providers and further pressure on margins of their core business is likely.

28. Forward-looking metrics tend to be lest distorted by one-offs and are a better indicator to determine peers.
29. Cooper, I. & Cordeiro, L. (2008). “How many peers?”
30. Further details are included in Attachment E.
31. Koller, T., Goedhart, M., Wessels, D. (2015). “Valuation: Measuring and Managing the Value of Companies”
32. ROIC is defined by operating profit and asset utilization. The capital light business of Ordina makes the latter less useful.

4. ANALYSIS OF THE MICRO-ENVIRONMENT

The results of the external analysis on macro and meso level are used as input for the analysis of the micro-environment: This internal analysis provides insights in the specific positive and negative characteristics of a company and relates these to the external influences to identify chances and threats, where the company should act on. A comprehensive tool to perform such an analysis is the Strengths, Weaknesses, Opportunities and Threats (SWOT) model.

The results of this analysis provide relevant insights about strategies that are more likely to be successful for Ordina and which are not. External factors are indicated with threats and opportunities. Internal factors with strengths and weaknesses. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit.

4.1. SWOT-analysis

4.1.1. Strengths

Organization
- Ordina operates across four industry verticals which limits its exposure to industry specific risks.
- Contrary to most competitors Ordina isn't offshoring / nearshoring and employs only local personnel. This endorses their relationship with customers and the strived-for partnerships.

Size
- Ordina has the advantage of being the largest local IT-services provider. This makes them able to offer better career opportunities and thus retain personnel.
- Thanks to its scale, Ordina is not limited to single systems like Oracle or SAP.
- Large customers prefer one point of contact for all IT-services. Ordina is able to offer this and as a result has the advantage of being able to build long term relationships[33] and knowing customers IT-infrastructure inside out.

Finance
- Asset light balance sheet with no debt. This provides flexibility and better return on assets.
- The Luxembourgish and Belgian businesses operate with healthy margins and strong growth.

4.1.2. Weaknesses

Position
- When compared to other large IT-services providers, Ordina is highly dependent on the developments in one geographical location.
- Almost 40% of Ordina's sales comes from 10 large customers (among which Rabobank, Johnson & Johnson and the Dutch government). On top of this, its relative scale to these customer contracts is still limited, providing Ordina limited leverage.
- Ordina is not present in one of the largest customer markets for IT-services[34]: education.

Personnel
- The Dutch organization has relatively old personnel. On average they are 10 years older than in the Belgian/Luxembourgish organization. This has a negative impact on cost.
- Ordina has an above industry average attrition of personnel (25%), leading to higher costs.

Sensitiveness
- The IT-services segment is sensitive to GDP growth. An adverse direction of the economic growth would have an immediate negative impact on earnings.
- Ordina still is for 70% dependent on business where it charges customers on an hourly basis. This business model adds to its sensitivity to economic cycles and in combination with its relatively fixed cost base is a factor of risk.

Business model
- Ordina is highly dependent on (small) independent contractors. While this provides some flexibility, it also puts firm pressure on the margins.
- Smaller competitors mainly work on a subscription basis, where Ordina still sticks to a traditional business model. As a result, growth of Ordina comes with a linearly growth of its personnel base.

Finance
- Ordina has a large amount of 125m euro of goodwill on its balance sheet from past acquisitions. This pushes down margins on its operating capital severely.

4.1.3. Opportunities

Market
- The global outlook for the IT-industry is good. Although traditional IT-spend is expected to track GDP growth, new technologies like AI, IoT and AR/VR are expected to double that growth in the next decade[35]. Focusing on these higher value segments could benefit Ordina.
- New labor market legislation[36] makes the use of independent contractors less attractive for customers and will be favorable for Ordina, as a solid alternative.
- Ordina is well positioned in the markets that are expected to digitalize the most the coming years: Government, Health care and Finance[37].

33. In 2018 Ordina signed for example an 8 years services agreement with the Dutch tax authorities.
34. Further details in Attachment F.
35. IDC - https://www.idc.com/promo/global-ict-spending/forecast
36. Wet Arbeidsrecht in Balans & Wet Deregulering Beoordeling Arbeidsrelatie
37. Further details in Attachment F.

- As more organizations migrate to the cloud, managed service providers are a crucial link as they are the designated parties to assist these organizations with migration. On the short term this will increase demand.

Organization
- The Dutch part of Ordina has too much overhead and (redundant) management layers as a legacy from past acquisitions. The Belgian and Luxembourgish part don't suffer from this legacy and operate with higher margins. Rejuvenation of the Dutch workforce and reduction of redundant overhead would add substantially to the operating margins of Ordina.
- Small specialized players miss scale of Ordina to be cost-efficient long-term and they miss substantial innovation budgets.

Business model
- By aiming for more long term and sustainable client relationships, Ordina decreases its sensitivity to economic cycles.

4.1.4. Threats

Market
- The decline in large all-encompassing projects and demand for specific sub-solutions, caused the rise of small specialist companies. The market is easy to enter and Ordina now competes both for business and for (new) employees with both large IT-services providers and smaller specialists, leading to additional pressure on its margins.
- After the financial crisis new and cheaper IT-services providers entered the local market to get foothold in Europe, like the Indian companies Infosys and Tata. The result is more pressure on margins.

Economy
- Market circumstances show first signs of deterioration. Ordina will be one of the first companies in the market to feel the impact.

Technology
- Ordina acts in a dynamic and fast changing technological environment. The technologies that Ordina masters today may be obsolete tomorrow.

People
- There is a scarcity on the market for IT-employees. A key risk for Ordina is its ability to recruit and retain personnel.

Concluding, Ordina faces many opportunities in its industry, for which it is not very well positioned yet. The firm has the advantages of scale and of being a one-stop-shop as the largest local player. But its operations sigh under the weight of past acquisitions and dependence on independent contractors and an hourly based business model that's becoming obsolete. Growth in the IT-industry is very likely as society is still in the process of digitalizing. If Ordina can defy the war for talent, the sensible way forward would be to focus on higher value markets within the IT-industry.

4.2. Strategy

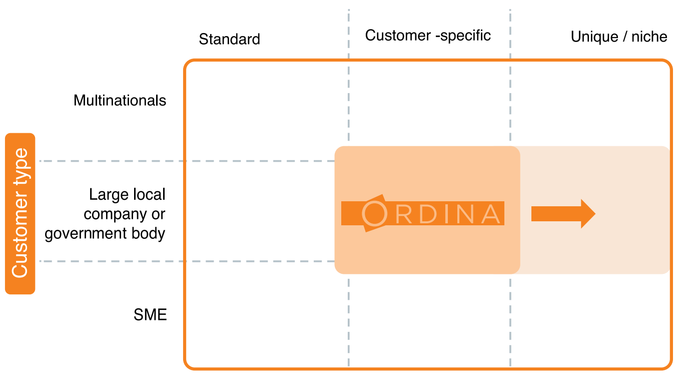
Ordina's relative position within its market segment determines whether its profitability is above or below average. The fundamental basis of the desired (above average) profitability in the long run is sustainable competitive advantage, and this again depends on a company's strategy.

According to the competitive strategies model (Porter, 1980), there are two basic types of competitive advantages a firm can exploit: 'low cost' and 'differentiation'. Ordina definitely isn't a cost leader and distinguishes itself by means of differentiation: Ordina seeks to be unique in its industry along dimensions that are valued by customers. The common target of this strategy is be rewarded for this uniqueness with a premium price.

Ordina is still in the middle of a transformation of its go-to-market strategy to five new business propositions.
This new strategy further emphasizes Ordina's differentiation:

The current strategy of Ordina is targeted at (organic) growth, efficiency improvements and high employee engagement. To meet these targets, the company's strategy is based on three pillars[38]:
- Excellent services for their current customer segments.
- Specialist solutions via five business propositions: High performance teams, Intelligent data-driven organizations, Digital acceleration, Business platforms and Security & privacy.
- Growth via own employees.

Figure 8: The transformation of Ordina



Source: NIBC, Ordina

Because the temp labor part of Ordina's business is not expected to grow and is likely to become even more competitive, the strategy to focus on (less-cyclical) higher value markets makes sense. I believe Ordina has key advantages to each group of competitors: its strong local basis when compared to new international (Indian) entrants. It's scale and career opportunities when compared to most local smaller players.

38. *Ordina's Annual report 2018*

And its one-stop-shop when compared to niche players. The challenge is to deploy these strengths to the firm's advantage and Ordina's current strategy seems to confirm such an approach.

Before finalizing the analysis of its micro-environment, the three targets dominating Ordina's strategy will be amplified in more detail to confirm its strategic fit with the external environment.

4.2.1. Growth

Koller (2015) names three drivers of revenue growth: portfolio momentum, market share performance and mergers and acquisitions. Ordina appears to play the market share game for its traditional IT-services, while it seeks to profit from portfolio momentum with its new 5 high performance segments.

Being in fast-growing markets is the largest driver of growth[39]. The least impactful is gaining market share in existing product markets. Ordina's transformation from a traditional IT-services provider towards its 5 new higher value business propositions is a sensible strategy in this regard.

4.2.2. Efficiency improvements

Ordina lists the following targets in its annual report of 2018 to improve its EBITDA:
- Lowering overhead
- Increasing productivity
- Lowering availability

Compared to its peers, Ordina underperforms on these ratios. This indicates that indeed improvement is possible and targeting these elements seems promising, as they are within control of the firm. The historical analysis in chapter 6 will come back to these ratios in more detail.

4.2.3. High employee engagement

Ordina is highly dependent on its human capital. The usage of independent contractors is expensive and doesn't secure expertise and knowledge for Ordina and its customers. The focus is on employing personnel directly and retaining these employees by being an attractive employer. Here Ordina can distinguish itself from the smaller competitors with career options only large companies can offer.

4.3. Conclusion

Ordina is a traditional firm in a fast-changing environment: new technologies, new business models and new competitors. Due to these external forces and internal weaknesses, Ordina is forced to transition to an organization with a lower cost structure which targets higher margin markets. Ordina is the largest independent IT-services provider and well positioned in that sense, but past acquisitions weigh heavy on its organization and the success of current reorganizations seems to be essential.

39. Baghai, M., Smit, S. & Viguerie, P. (2008). "The Granularity of Growth"

5. LEGAL AND TAX ASPECTS

5.1. Legal structure

Ordina N.V. is the holding company of the Ordina Group and owns several subsidiaries. Through the subsidiaries, Ordina operates as the largest independent IT-services supplier in the Benelux.

The company has issued 93,26 million ordinary shares, no preference shares and 1 priority share. Of the ordinary shares 45% are held by 7 major shareholders[40], including 1 dominant shareholder owning 15% to 20%: Jan Niessen (also member of Ordina's supervisory board per November 2015). The priority share is held by Stichting Prioriteit Ordina Groep.

5.2. Legal aspects

A - The fraud allegations from the period 2014-2015 have all been settled. And although this led to serious reputational damage, it is not considered to be of future relevance for the current valuation.

B - As mentioned in paragraph 3.1.1. a new law will be implemented in the Netherlands per 2021. This law might have a large impact, as it affects approximately one-third of Ordina's project hours that currently can't be executed by its own employees. It is possible that Ordina will become responsible for social security fees and taxes of their small independent contractors. This impact will be included in the forecasts that are illustrated further in chapter 7.

C - Ordina issued one priority share, which is held by Stichting Prioriteit Ordina Groep. According to the articles of Ordina's association, this construction should be considered a protective measure that is in place to protect the company from any acquisition of control over the company.

In practice this measure will limit the possibilities to acquire Ordina, which can have a negative impact for Ordina's shareholders in a transactional setting.

5.3. Tax aspects

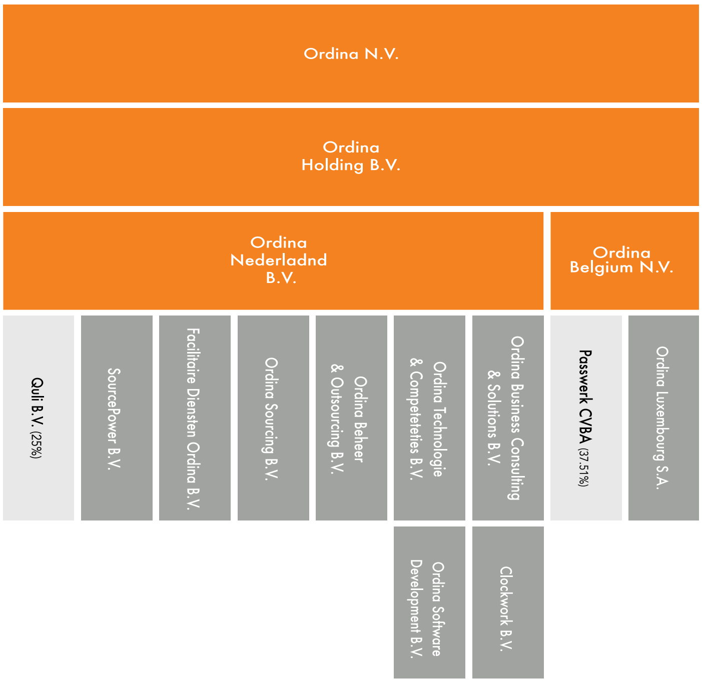
A – Ordina operates in the Netherlands, Belgium and Luxembourg and pays income taxes in all three countries. Hence the statutory tax rate is a blended rate based on taxes paid (30,0% in 2018).

B - Changes in Dutch legislation lowered future corporate income tax rates in the Netherlands to 22,55% per 2020 and to 20,50% per 2021.

Year-end 2018, Ordina had loss carryforwards totaling €42.3m. Based on these, Ordina recognized a deferred tax claim of €9.0m. The changes in income tax rates led to an impairment of deferred tax assets of €2.2m.

C - IFRS 16 requires Ordina per 2019 to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Up until the annual report of 2018 this recognition hasn't been implemented at Ordina and the majority of its peers. This report won't include the impact of this new accounting rule, as the impact on equity value is nihil.

Figure 9: Ordina's corporate structure[41]



40. More details in Attachment G – Shareholdings in Ordina N.V.
41. Ordina annual report 2018

6. HISTORIC FINANCIAL ANALYSIS

In the previous chapters the environment of Ordina has been analyzed, this context is the basis upon which the historic analysis is performed. This chapter will provide additional context first, after which historic results will be normalized to exclude distortions and enhance comparability. The pro forma results are the basis for the historic analyses, which will be supported by the value drivers that were identified in 3.2.5 and by applicable financial ratios. The results will be benchmarked to the performance of peers and Ordina's stock price development.

6.1. Cyclicality

According to Koller (2015) the historical performance of a cyclical company must be assessed in the context of its cycle. Being a temp labor company, Ordina most likely can be characterized as a cyclical company, so this context may have an impact and needs to be confirmed before drawing conclusions.

To determine whether Ordina indeed follows a cyclical pattern, its performance over the past 19 years has been analyzed high over and compared to GDP[42] patterns of the Netherlands and it turned out to correlate into a high extent[43]. In other words: Ordina indeed is a cyclical company.

As a result, Ordina's performance should be analyzed in the context of the cycle: an improvement in recent performance does not necessarily indicate a long-term positive trend but could rather be a shift to a different part of the cycle.

6.2. Normalizations

Over the period of 2013 - 2018 there were no distortions of data:

- M&A – Ordina's last acquisition was in 2005 and its last divestiture in 2011.
- Currency – All revenue is earned within the Euro region.
- Accounting policies – IFRS 16 is effective per January 1st, 2019 and left out of scope for this part of the analysis. No other policies with a distorting effect are considered.

There were however several one-time costs related to the reorganization of Ordina and to the settlement of the fraud allegations. The historical financials have been corrected fully for the costs related to fraud and partly for the reorganization costs: Ordina faces quite a few challenges in the near future, leading to the assumption that more reorganizations will follow, and a continuous level of reorganization costs is likely.

Furthermore, Ordina is sensitive to additional or lesser working days per book year. This effect has also been corrected for comparison reasons[44].

6.3. Income statement

The 6 years of most recent data (2013 – 2018) have been used on a pro forma basis to analyze Ordina's historic performance based on its key value drivers for revenue and earnings (3.2.5).

Figure 10: Condensed income statement of Ordina 2013 - 2018

PROFIT & LOSS (kEUR)	2013	2014	2015	2016	2017	2018	CAGR
Revenue	**€ 376,978**	**€ 365,759**	**€ 348,272**	**€ 342,571**	**€ 345,250**	**€ 358,522**	**-1.00%**
Work contracted out (WCO)	€ 91,116	€ 85,374	€ 77,909	€ 77,276	€ 90,158	€ 96,508	1.16%
Personnel expenses (PE)	€ 235,436	€ 227,419	€ 219,527	€ 212,327	€ 205,202	€ 205,331	-2.70%
Gross profit	**€ 50,426**	**€ 52,966**	**€ 50,836**	**€ 52,968**	**€ 49,890**	**€ 56,683**	**2.37%**
Other operating expenses	€ 36,542	€ 38,755	€ 41,492	€ 33,739	€ 35,195	€ 37,822	0.69%
EBITDA	**€ 13,884**	**€ 14,211**	**€ 9,344**	**€ 19,229**	**€ 14,695**	**€ 18,861**	**6.32%**
WCO/Revenue	*24.17%*	*23.34%*	*22.37%*	*22.56%*	*26.11%*	*26.92%*	
PE/Revenue	*62.45%*	*62.18%*	*63.03%*	*61.98%*	*59.44%*	*57.27%*	
Gross profit/Revenue	*13.38%*	*14.48%*	*14.60%*	*15.46%*	*14.45%*	*15.81%*	
EBITDA/Revenue	*3.68%*	*3.89%*	*2.68%*	*5.61%*	*4.26%*	*5.26%*	

6.3.1. Revenue drivers

As one of the main drivers of value, revenue growth has a major impact on Ordina's valuation. Overall revenue decreased with a compound annual growth rate (CAGR) of 1,00% over the period 2013-2018. It is interesting to note that this decrease is fully due to the Dutch part or Ordina (-19,5%). The revenue of the Belgian/Luxembourgish part grew with double digits year-on-year (+44,5%).

Looking at the four market segments, the segment "Industry" performed particularly bad. This is in line with market developments, as peers like ICT Group N.V. also experienced headwind in the segment. But overall, Ordina is underperforming to peers: the median organic growth percentage over the last book year within the peer group was 16,8%, where Ordina grew its revenue with just 4%.

42. Dutch GDP has been assumed as representative.
43. A correlation of 0,787.
44. An overview of all normalizations is included in Attachment H.

6.3.1.1. Revenue driver - The economy
The economy is a major driver of Ordina's revenue. Considering its dependence on the state of the economy and growth of GDP, one would expect Ordina's performance to pick up after the financial crisis and improve in line with the general state of the economy. It didn't however and Ordina's revenue growth underperformed to GDP each year of the analyzed period except 2018.

The market analysis (3.2) highlighted that although the IT-industry as a whole is growing fast, the sub-sector where Ordina operates has limited growth potential and doesn't perform well. My conclusion is that Ordina is in the middle of a transition to higher value sub-sectors but results don't reflect this yet.

6.3.1.2. Revenue driver - Price and quantity sold
For a temp labor firm like Ordina price and quantity are reflected in the revenue per employee and the number of employees that Ordina can contract out. Here a distinction needs to be made between the so-called indirect employees (overhead) and the direct employees. Only the direct employees drive revenue. Next to that, the revenue of Ordina is determined into a large extent by 'work contracted out'. This artificially boosts the revenue per employee, which is why revenue has been corrected preceding the price analysis (assuming revenue of work contracted out equals its cost).

Price

Over the analyzed period the revenue per direct employee fell back from €118k in 2013 to €114k in 2018, while the ratio direct/indirect employees did improve. This development is in line with the industry analysis (3.2) that indicate increased competition in the Dutch market, smaller projects and increased pressure on pricing. The Belgian/Luxembourgish market, facing lesser competition, flourished during the same period. The overall revenue decrease also matches the increased part of work contracted out, for which Ordina apparently didn't have the expertise in house.

Quantity

Reorganizations are specifically targeted at redundant management layers and other indirect personnel. The numbers proof that indeed these ratios indeed improved, but the transformation of Ordina also led to a decrease of 8,1% in direct personnel.

6.3.2. Operating profit drivers
The second major driver of firm value is ROIC, which is defined by dividing Net Operating Profit Less Adjusted Taxes (NOPLAT) by invested capital (Koller, 2015). NOPLAT is a company's after-tax Earnings Before Interest and Tax (EBIT), which is determined into a large extent by the profit drivers[45] indirect/direct employees, work contracted out, cost per employee and productivity.

6.3.2.1. Profit driver - Indirect versus direct employees
Direct employees deliver the service that customers are paying for. Indirect employees have job positions that support direct employees. They constitute the company's overhead.

Improving the ratio indirect/direct employees has been part of Ordina's strategy (4.2) and that paid off: the ratio improved from 10,70% to 9,37%. It basically means that each indirect employee now supports an additional direct employee. All things equal this is a cost reduction of 14%.

Although most peers don't report this ratio, Ordina is performing well when its ratio is compared to the peers that do report it: Brunel for example reports a ratio of 12,92% over 2018.

As more agile competitors are emerging, it is important that Ordina prologues this improvement. Even though an increasing proportion of work contracted out may have a countering effect.

6.3.2.2. Profit driver - Work contracted out
As discussed in the SWOT-analysis (4.1), Ordina has difficulties employing high quality (direct) employees. In response to this 'threat' Ordina started programs to hire graduates and develop its current staff. In the long run, this will increase the in-house capacity.

Short term however, the general response in the market to the 'war on people' is to contract out work to small independent parties. Knowing that this is an expensive solution, that the contractors will become a main point of contact with your customer and the fact that knowledge and experience is build up outside the firm, makes large amounts of work contracted out a negative driver.

From 2013 to 2018 the work contracted out increased in absolute and relative terms: in 2013 this part was 23% of revenue, in 2018 it has increased to 27%. Despite Ordina's efforts to hire and retain its own personnel this ratio hasn't improved and considering the trend in the market towards more independence of high-educated IT-professionals (3.2.2) it will be a challenge to improve this ratio.

Peers appear to perform better on this element: the median percentage of work contracted out in the peer group is 14,25%, about half of Ordina, making peers less vulnerable to this negative driver.

6.3.2.3. Profit driver - Cost per employee
As a temp labor firm, the costs per employee have a major impact on Ordina's earnings (they are basically their 'cost of goods sold'). Over the past 6 years, these costs have shown a counter market movement: where the market for IT-labor became tight, Ordina's cost per employee decreased from €79.700 to €77.600.

If these costs are compared to peers, there seems to be room for further improvement of 20%. As a result of past acquisitions, Ordina is stuck with an above average cost per employee. Current reorganizations and in-house development programs for graduates are targeting a decrease of these costs. The historic analysis shows Ordina is making some progress, but still has steps to make.

45. The performance of peers on these drivers is included in Attachment I.

6.3.2.4. Profit driver - Productivity

Productivity indicates which percentage of its time a direct employee is billable to customers. During the analyzed period, the productivity decreased to 68,6%. This is not uncommon during reorganizations, but there should be an upward potential to at least the historical level (69,7%).

6.4. Balance sheet

Ordina has the typical capital light balance sheet of a temp labor provider, of which only the large amount of goodwill from past acquisitions really stands out.

Figure 11: Restructured balance sheet of Ordina 2013 - 2018

BALANCE SHEET (kEUR)	2013	2014	2015	2016	2017	2018
Property, plant & equipment	€ 8,438	€ 7,102	€ 6,530	€ 4,677	€ 4,959	€ 4,871
Intangible assets	€ 130,175	€ 133,460	€ 134,308	€ 136,162	€ 131,796	€ 130,370
Operating working capital	€ 10,411	€ 3,205	€ 620	€ 6,113	(€ 3,888)	(€ 1,383)
Other	€ 8,937	€ 12,573	€ 13,484	€ 11,063	€ 5,073	€ 5,019
Operating capital	**€ 140,087**	**€ 131,194**	**€ 127,974**	**€ 135,889**	**€ 127,794**	**€ 128,839**
ROIC		*5.21%*	*0.48%*	*7.66%*	*2.36%*	*8.04%*
Lease adj ROIC		*4.60%*	*0.63%*	*5.78%*	*2.28%*	*6.13%*
Economic profit	*-€ 7,082*	*-€ 6,066*	*-€ 12,190*	*-€ 3,508*	*-€ 9,689*	*-€ 2,581*

6.4.1.1. Net working capital

Ordina has a negative amount of net working capital (2018). Although both days receivable and days payable show a negative trend, the net effect is due to the large amount of work contracted out. Ordina has a large leverage over smaller contractors and that pays of in better terms.

On the other hand, Ordina itself is also paid later by its debtors. Longer payment terms are probably the new status quo but shouldn't further increase[46] as Dutch companies should be protected from longer than 60 days payment terms per July 1st, 2018.

Further revenue growth will have a positive impact on the negative working capital position.

6.4.1.2. Goodwill

Ordina has €130m in intangible assets on its balance sheet. €125m of it being goodwill resulting from past acquisitions. This goodwill seems to weigh heavy on Ordina. If the market value of Ordina on the valuation date is compared to its book value, it appears that Ordina is trading at a market value which is below its book value. This usually indicates the market doesn't believe that the company is worth the value on its books or that there are enough assets to generate future profits and cash flows.

Although Ordina itself recognizes the value of its goodwill (impairment test of 2018), the market thinks otherwise. This may be due to informational asymmetry between management and the market, but past goodwill impairments (€72,5m in 2008 and €60m in 2013) are no promising signals. And the fact that the ROIC (including goodwill) was lower than the weighted average cost of capital (WACC) in every year of the analyzed period, indicates that Ordina was not able to create value with these assets. A future impairment is not unlikely.

6.4.1.3. Liabilities

Ordina has no debt on its balance sheet. During 2013 and 2015 it seems to have used a revolving credit facility, but the past 3 years there were no debt obligations at year end. This is in line with the industry moral: the average debt-to-equity ratio of the peer group is zero.

6.5. Cash flow statement

Although modest, cash flow has been improving since 2013.

The cash conversion rate measures the ability of Ordina to convert its profits into available cash. The rate is generally greater than 1 which is a good sign because funds will be available for investments and dividends for investors.

46. Art 6:119 lid 6 Burgelijk Wetboek

Figure 12: Cash flow statement of Ordina 2013 - 2018

CASH FLOW (kEUR)	2013	2014	2015	2016	2017	2018	CAGR
EBITDA	**€ 13,884**	**€ 14,211**	**€ 9,344**	**€ 19,229**	**€ 14,695**	**€ 18,861**	**6.32%**
Amortisation	€ 3,582	€ 1,879	€ 2,531	€ 2,794	€ 4,775	€ 1,648	
Depreciation	€ 3,465	€ 3,236	€ 2,883	€ 2,607	€ 2,831	€ 2,473	
EBIT	**€ 6,837**	**€ 9,096**	**€ 3,930**	**€ 13,828**	**€ 7,089**	**€ 14,740**	**16.61%**
Operating taxes	€ 0	€ 2,025	€ 0	€ 3,728	€ 3,981	€ 4,420	
NOPLAT	**€ 6,837**	**€ 7,071**	**€ 3,930**	**€ 10,099**	**€ 3,108**	**€ 10,320**	**8.58%**
Amortisation	€ 3,582	€ 1,879	€ 2,531	€ 2,794	€ 4,775	€ 1,648	
Depreciation	€ 3,465	€ 3,236	€ 2,883	€ 2,607	€ 2,831	€ 2,473	
Gross Cash Flow	**€ 13,884**	**€ 12,186**	**€ 9,344**	**€ 15,500**	**€ 10,714**	**€ 14,441**	**0.79%**
Cash conversion rate	*-0.26*	*2.23*	*5.10*	*1.70*	*3.27*	*2.04*	

6.6. Value creation

As previously stated, when the general concept of value (creation)[47] is applied to the business of Ordina, its core elements (growth and the spread between ROIC and WACC) are represented by revenue growth and operating profit. ROIC is determined by NOPLAT and asset turnover, but as Ordina is a capital light temp labor company the focus is on the first: its operating profit.

Before the historic analysis is finalized, the performance of Ordina on two important financial ratios related to ROIC and operating profit will be analyzed.

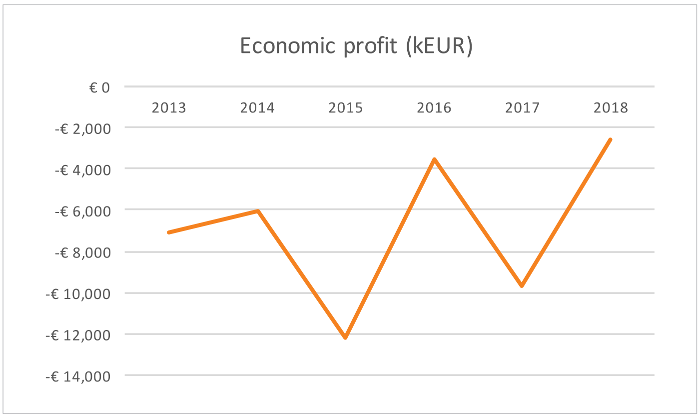
6.6.1. ROIC and economic profit

The ROIC fluctuates wildly from 12% to 270% (excluding goodwill) and returns an extreme low ROIC from 0,48% to 8,04 on invested capital including goodwill: ROIC turns out to be a difficult measure for a capital-light business as Ordina's. Here 'economic profit[48]' is a more solid measure of performance as it indicates return on capital in absolute terms instead of relative.

When the economic profit over 2013 – 2018 is analyzed it becomes clear that Ordina had a negative economic profit in every of those years: shareholder value has been destructed for the past 6 years. But, although still negative, the situation is improving.

Without a solid ROIC on invested capital (including goodwill) and a negative economic profit over the past 6 years, it is fair to conclude that Ordina should focus in the next years on improving its returns before it will start focusing on growth again. Current growth would only lead to more value destruction.

Figure 13: Economic profit of Ordina 2013 – 2018

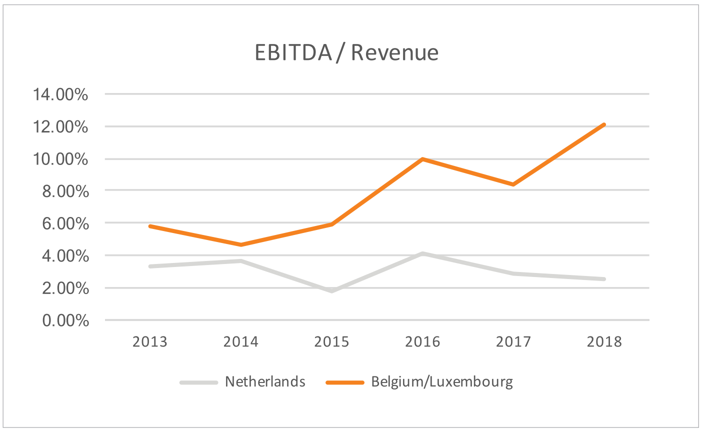


6.6.2. EBITDA

Over the period of 2013-2018 EBITDA grew with a CAGR of 6,32% but was still a modest 5,26% of revenue in 2018. When the results of Ordina in Belgium/Luxembourg are analyzed separated from the results in the Netherlands, an interesting pattern emerges: the average EBITDA in the Netherlands pulls down the results of Ordina as a whole.

The main reason for this gap is the different composition of the labor force. The Dutch organization still has a large amount of (relative expensive) older employees.

Figure 14: EBITDA development of Ordina 2013 - 2018



Within its peer group Ordina is an underperformer: over the period 2008 - 2018 the average EBITDA of peers was 7,6%, where Ordina's average EBITDA was 5,5%.

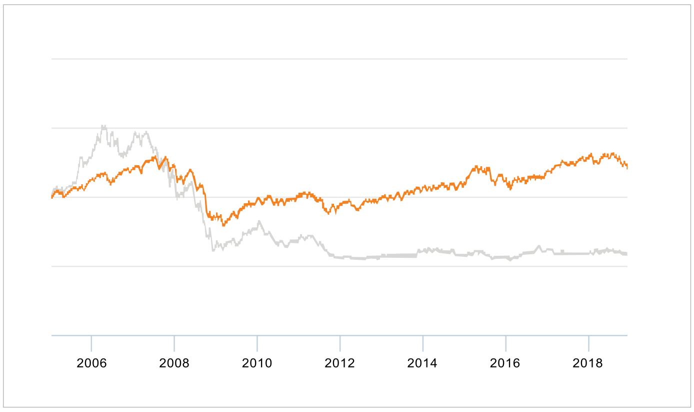
47. As discussed in chapter 1 and 3.
*48. Economic profit = NOPLAT – (WACC * Invested capital)*

6.7. Share price

January 2007, the price of ordinary Ordina shares hovered around €17. Within 2 years the price dropped to 2 euro[49] and remained on that level until this day. While the initial decrease coincides with the financial crisis, the economy picked up again while Ordina didn't.

Taking into consideration the results of the historic analysis, it is clear that the share price of Ordina basically followed the performance of the company.

Figure 15: The share price of Ordina (orange) versus the AEX (grey)[50]



6.8. Conclusion

The impression that results from the external and internal analyses is fully reflected in the financials: Ordina is at a tough spot and over the past 6 years, revenue declined by 4,9%.

Margins on the other hand slightly improved. The reason for this improvement is the reorganization that decreased Ordina's above-industry average cost per employee. The financials show that Ordina chose to first focus on improving ROIC, before investing in growth. This is in line with research findings and an excellent approach.

The improvement in EBITDA and cash flow indicates that Ordina's transition starts delivering results. This supports the vision that Ordina is making progress towards higher value markets with a slimmed organization. But it's important to note that currently and over the past 6 years Ordina destroyed shareholder value: WACC exceeded ROIC in every year resulting in negative economic profits. Ordina basically finds itself in an economically distressed[51] situation. The reason for this partly lies in past acquisitions: besides much overhead, the acquisitions resulted in a large amount of goodwill.

49. The share price development over the last 20 years is included in Attachment A.
50. IEX - https://www.iex.nl/Aandeel-Koers/11938/Ordina.aspx
51. Damodaran A. (2018). "The Dark Side of Valuation"

7. FORECASTS

Pro-forma historic financials are the starting point for the forecasting. And while 31 December 2018 is the valuation date, Ordina published condensed financial reports by now over the first three quarters in 2019. The shared data in these reports has been assumed representative for the full year as no intra annual seasonality could be determined. The forecasts of 2019 match the provided data by Ordina.

7.1. The economic cycle

Ordina has been defined a cyclical company, which creates a need to include the subsequent impact of a complete cycle in a forecast. If not done properly, forecasts can end up to positive or to negative.

Koller (2015) suggests a much referred to approach that will be used: he proposes to use the multiple-scenario probabilistic approach to value cyclical companies. This probabilistic approach avoids the trap of a single forecast (no one can predict the future exactly) and it allows exploration of multiple outcomes and their implications.

Based on data of the Centrale Bureau van Statistiek (CBS)[52], it can be concluded that although 10 of their 13 business cycle indicators are still above long-term average, 9 of those 10 are deteriorating. The resulting conclusion is that we are over the peak of the current cycle and moving towards a downturn of the economy. Results are forecasted accordingly in the following scenarios.

7.2. The scenarios

For the valuation of Ordina, two scenarios will be forecasted:
1. The 1st will be referred to as the ‘management case’. This scenario is build bottom-up based on revenue and cost drivers.
2. The 2nd will be referred to as the ‘base case’. This scenario is build top-down based on market expectations.

For both scenarios a derivative will be based on synergies that a strategic buyer of Ordina could benefit from.

The scenarios are forecasted for a period of 5+5 years. The impact of reorganizations and strategy will be mainly forecasted in the first five years. The following five years, performance will gradually move to a steady state. The story line of both forecasts will be based on the industry perspective and firm perspective of the previous chapters.

7.2.1. The management case

Ordina is recovering from a decade with negative earnings. The best strategy for a company in such a situation is to focus on improvement of ROIC before focusing on revenue growth (Koller, 2015). For the management case it will be assumed that Ordina follows this strategy in the Netherlands. This is in line with communicated results and targets[53]. The Belgian and Luxembourgish part are performing well and the focus here will be on growth[54].

Figure 16: The management case

Strategic View

Netherlands
Reorganizations are paying off. Revenue in higher value markets is growing with the industry and the cost base is decreasing.

Belgium / Luxembourg
Historic performance continues with improved pricing and increased quantity.

Assumptions (10 Yrs CAGR)

Revenue growth	**3,27%**
Work contracted out	2,52%
Personal expenses	4,04%
Other operating expenses	-1,67%
Lease expenses	1,74%
Operating working capital	-15,09%
Gross cash flow	4,63%

Key Ratios (annual average 2019-2028)

EBITDA/Revenue	
Netherlands	4,51%
Belgium/Luxembourg	13,17%
Total	7,32%
ROIC incl. goodwill	17,24%
Lease adj. ROIC	11,45%
Economic profit kEUR	€14.261

7.2.1.1. Revenue

For 2019/2020 pricing in the Netherlands is assumed to grow with GDP and quantity slightly increases. This continues the trend of previous years and is in-line with the running reorganization.

These years Ordina will focus on the improvement of margins. As per 2021 the focus will shift to (profitable) revenue growth and Ordina will decrease the gap in revenue growth with peers.

Belgium and Luxembourg are performing well and will continue this trend from the previous years with improved pricing and increased quantity. In the course of the forecasted period the proportion of Belgian/Luxembourgish revenue increases from 28,5% to 34% in line with the historic trend.

7.2.1.1. Profit

The latest financial report showed Ordina is making progress with the reduction of overhead. The management case forecasts further progress in the following 4 years, in-line with communicated targets. In the resulting years no improvements are expected.

As the SWOT-analysis makes clear, it is difficult to find and retain qualified employees. Ordina has started initiatives several years ago to develop and retain young IT-specialists, which impact has been factored in. The effect of these initiatives is that the ratio

52. CBS - https://www.cbs.nl/nl-nl/visualisaties/conjunctuurklok
53. Ordina's annual report 2018
54. The forecasted income statements, balance sheets and cash flow statements are included in Attachment J, K & L.

between work contracted out and own personnel doesn't further deteriorate, but the ratio improvement is expected to be limited as shortages remain a serious problem in the industry for years to come.

The PESTLED-analysis showed that the implementation of the law "Wet Deregulering Beoordeling Arbeidsrelatie" per 2021 will bring higher costs for Ordina. This burden is expected not to be completely transferred to the contractors or to Ordina's customers, leading to higher costs per 2021.

On the other hand, costs per employees have decreased over the previous 6 years. The expectation is that these will decrease further, as reorganizations are causing elder (expensive) employees to leave the company. Per 2021 costs are expected to grow with expected demand for IT-professionals.

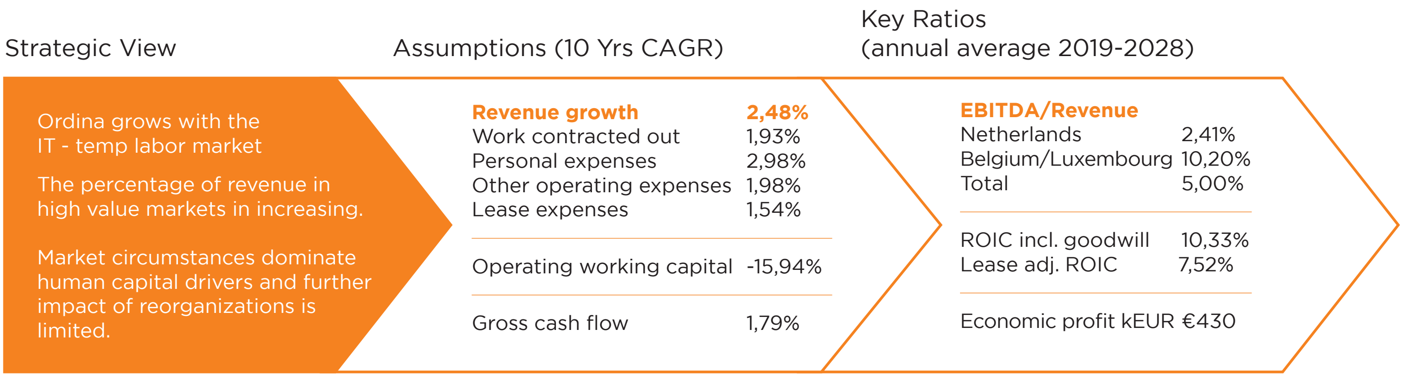
An additional driver of profit is productivity. Ordina has focused on improving this ratio for the previous years. Based on Ordina's peer group, the management case will assume a limited further improvement is possible.

7.2.2. The base case

The assumption upon which the base case elaborates, is that large companies usually don't grow faster than the market: they grow with the market. In 2018 Ordina had a market share of 1,5% in the Benelux market of IT-services. The base case expects Ordina to keep this share of the market.

7.2.2.1. Revenue

Figure 17: The base case



Although demand for IT-related services is good and forecasts are solid, Ordina is active in the segment of system integrators/ IT-service providers. And this segment is underperforming. Ordina's new strategy is promising, but the fact is that 70% of its revenue is still in the "old segment" of generalist IT-services providers where the level of competition is high.

For the top down approach therefor GDP-growth has been used as growth indicator for Ordina's traditional business as general IT-services provider. For the increasing revenue in higher value market segments, general expectations for the IT-sector[55] are used.

7.2.2.2. Profit

The base case expects, contrary to the management case, that the industry trend of IT-professionals preferring to be independent small contractors ("ZZP-ers") instead of employees will continue. This will deteriorate the ratio of work contracted out versus own personnel for at least 3 years, before Ordina's in-house programs will start paying off. This increase in work contracted out puts additional pressure on the results of Ordina.

The ratio between indirect and direct personnel is expected to decrease in a similar way as in the management case: recent publications proof management is able to reduce overhead. These costs are within Ordina's influence and there still is room for improvement.

The reorganizations will also lead to a lower average cost per employee. But, the war for talent in the market will have impact: there is only a limited amount of IT-professionals and demand is high. This will increase pricing (salary) and puts pressure on Ordina's margin.

As additional profit driver is the productivity of Ordina's direct personnel. This ratio is slowly improving since 2014 and the base case expects this trend to continue in the same pace: it is within the influence of Ordina and less depending on external factors.

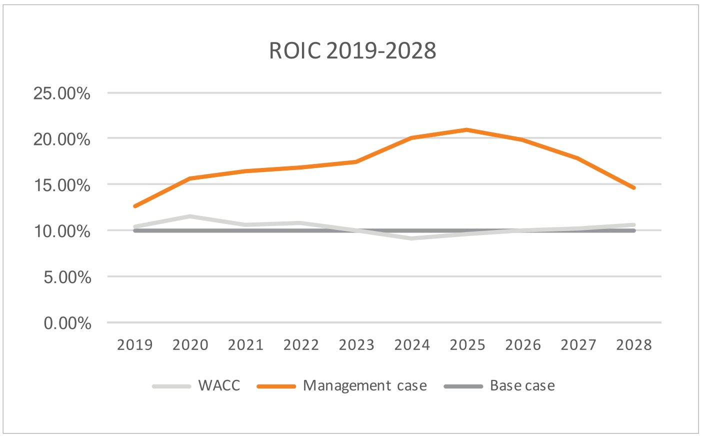
55. ABN Amro (March 2019). *"IT-branche in beeld"*

7.3. Financial ratios

7.3.1. Return on invested capital

The improvement of ROIC in the management case leads to an immediate positive economic profit. The ROIC including goodwill improves from below WACC (since 2013) to above WACC. This implies Ordina would be creating value again. Improvements are expected to gradually increase until a modest ROIC of 13,5% has been achieved in 2025.

Figure 18: ROIC forecast of Ordina



The base case however leads to a different perspective: here the impact of the reorganization leads to a small positive economic profit for 4 years, after which the WACC transcends ROIC again.

It is debatable whether it is a realistic scenario whether Ordina would continue to destroy shareholder value in 2023. A fair question would be whether Ordina is capable of creating value from its past acquisitions, or whether another impairment of its goodwill would start making sense. Ordina's last impairment dates from 2013, but this didn't lead to healthy performance metrics yet.

7.3.2. EBITDA

The management case leads to an average EBITDA margin of 7,3%. This is a 39% improvement compared to current EBITDA. But still 25% below the median of the forward-looking EBITDA (9,8%) of the peer group. This is justified by the fact that the cost base of Ordina will probably improve but due to legacy won't meet the cost base of peers.

The base case provides an average EBITDA margin of 5,0%, which is a small decrease compared to the current EBITDA of 5,3% and below Ordina's own targets[56]. The main causes for this underperformance are the lower revenue growth and the expectations that the ratio between work contracted out and own personnel further deteriorates while the war for talent puts additional pressure on the margins.

7.4. Conclusion

Two forecasts have been created: a management case that assumes Ordina's strategy of reducing cost and focusing on higher value market segments is paying off for the period of the detailed planning period. Ordina is closing the gap to performance of peers and the underperforming Dutch part of the business will approach the performance of the Belgian/Luxembourgish part. As per 2020 Ordina will be creating value for its shareholders.

The base case assumes Ordina's position in a tough part of the market determines its performance for the coming years. The initiated improvements will start paying off, but due to market circumstances not as fast as management predicted and they will have less impact than aimed for. The result is a performance that initially exceeds the previous 6 years' results, but which is then gradually reverting back to the historic performance.

56. Ordina's annual report 2018

8. STAND-ALONE VALUE

The request of the supervisory board is to determine the economic value of Ordina on a going-concern, both stand-alone and in a transactional context, to decide how shareholder value will be maximized in case a bid from a strategic buyer arrives.

To answer that request, the value of the firm in these two contexts has been assessed in two separate chapters, both based on an income approach: chapter 8 covers the stand-alone value and chapter 9 covers the value including synergies. Either valuation consists of a management case and a base case, which results are weighted on probability. As value is driven by fundamentals, but an actual price is set by demand and supply (Damodaran, 2018), the two resulting valuations are benchmarked by the applicable market approaches.

8.1. Stand-alone – Income approach

8.1.1. Discounted cash flow

The discounted cash flow (DCF) is the most commonly used income approach and relies upon the discounting of future amounts of cash flow to its present value. The DCF reflects the net present value (NPV) of a business' forecasted cash flows, net of the cash that is required to sustain (the growth) of the business.

The forecasted cash flows during the explicit forecast period are combined with the terminal value of the business, and both are discounted back to the NPV at a discount rate that represents time value of money and risks associated with the firm and its business, to determine total enterprise value.

The essence of this approach makes the DCF the preferred method: the supervisory board needs to know value of forecasted scenarios, adjusted for the time value of money and that future oriented assessment is exactly what the DCF provides.

Figure 19: Discounted cash flow formula

$$\sum_{t=1}^{n} \frac{E(FCF_t)}{(1+WACC)^t} + \frac{CV_n}{(1+WACC)^n}$$

Because the DCF is based on many assumptions, the results will be benchmarked against trading market multiples. It is noted that these multiples reflect a minority perspective where the DCF reflects a control perspective.

As Ordina has no debt and neither do its peers, there is no compelling reason to use the Adjusted Present Value and the regular DCF-approach will be applied.

8.1.2. Parameters

The DCF is based on assumptions and choices which are not only reflected in the forecasted cash flows, but also in the parameters that will be used in the execution of the approach.

8.1.2.1. Risk free rate

The risk-free rate is the minimum return an investor expects for any investment because she will not accept additional risk unless the potential rate of return is greater than the risk-free rate.

Risk-free rate is determined by:
- Expected inflation over the term of the risk-free investment
- Compensation for reinvestment risks and opportunity cost
- Compensation for risks of default (default of government)

Bonds are the common proxies used to determine the risk-free rate. At the moment however, rates are extremely low (if not negative) and spot-rates don't seem to reflect the inflation and maturity risk over the period that will be forecasted.

The defined risk-free rate will therefor deviate from current market rates. Based on the yield of a composite index consisting of Euro-generic government bonds, with a maturity of 30 years, a synthetic (Koller, 2015) risk-free rate of 1,5% is applied. Although 30-year bonds are less frequently traded and their maturity don't match the forecasted planning period of the cash flow (Damodaran, 2018), they better reflect long term inflation and opportunity costs. The synthetic rate is benchmarked against the average risk-free rate used by valuators in 2018 across the world[57], which provides a similar rate.

8.1.2.2. Market risk premium

The equity market risk premium ("MRP") is the average return that investors require over the risk-free rate for accepting the higher variability in returns that are common for equity investments.

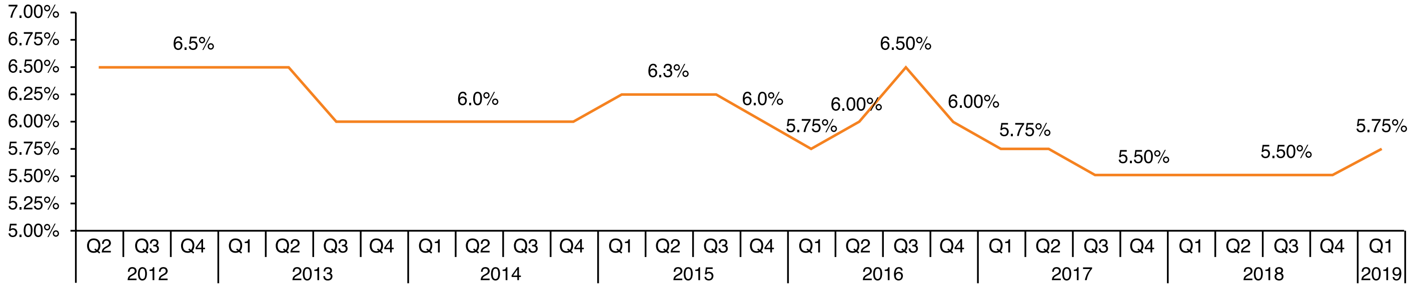
To determine MRP one can use historical or market implied premiums. As historical MRPs are heavily influenced by inflation at that time and include some survivor bias of active stock markets, a market implied MRP will be used. The advantage of this implied premium is that it uses up-to-date market prices and underlying corporate performance and is quite consistent as it is stripped after inflation.

KPMG is one of the leading publishers of current market implied risk premiums. They adopted a global approach, assuming that investors tend to be globally diversified players. This matches the information available about Ordina's shareholders and will be

57. Further details are included in Attachment M.

the view taken. According to quarterly published KPMG research[58] the MRP measured was 5,50% on 31 December 2018, the reference date of this valuation.

Figure 20: Historic MRP estimates (KPMG)



8.1.2.3. Target capital structure

Besides once using a revolving credit facility, Ordina had no debt in its books at years end during the past 5 years.

As management policy on the target capital structure isn't communicated, the average capital structure of the peer group is used under the assumption that all peers strive for value maximization.

This assumed optimal capital structure actually matches the normal debt level of Ordina of 0% and will the basis for valuation purposes.

8.1.2.4. Beta

Sensitivity indicator beta β proofs how sensitive equity returns are compared to market returns. To determine Ordina's equity β, the median of the analyzed peer group has been used based on the MSCI global index. Investors diversify their holdings globally and the cost of capital should reflect this.

This led to an unlevered beta β of 0.97, which implies that Ordina's stock tends to move with the market. That is in line with the conclusion in 6.1 of Ordina's cyclicity characteristics.

8.1.3. Weighted Average Cost of Capital

The opportunity costs that investors face for investing in securities are represented by the Weighted Average Cost of Capital (WACC) (Damodaran, 2018). The WACC reflects an optimal cost structure of the business and considers a weighted average of the firm's cost of debt (if any) and market-based cost of equity.

The WACC is subject to debate, because of several shortcomings: a steady debt/equity ratio is assumed, the firm is assumed to be immediately at this target capital structure without a migration and it neglects tax issues like carry forwards because one tax rate is used. But it is still the main tool for any DCF-calculation, and the mentioned shortcomings seem to be less relevant for Ordina, as the target debt level is zero. In other words, the WACC approach will be applied as such.

The WACC is calculated based on the fore-mentioned parameters:

WACC = Ke * (E/V) + Kd * (D/V) * (1-t)

To determine the cost of equity (Ke), the build-up model[59] has been used. The model is derived from the Capital Asset Pricing Model (CAPM) but 'builds up' the rate from individual components:

Ke = Rf + (β*MRP) + additional risk premia

For the unlevering and relevering of the equity beta (β) which shows the sensitivity of equity returns to the market returns, the Miller & Modigliani formula has been used. In line with the usage of CAPM and the assumed proportional debt to firm value.

WACC = 10,0% * (100/100) + 0% = 10,0%[60]

Because the forecasts have been built while the results of Ordina over the first three quarters of 2019 are published, the WACC over the corresponding period has been adjusted to the risk-free rate.

8.1.4. Forecasting period

The explicit forecast period should be of such length that a stabilized level of growth and profits can be achieved, after which a normative cash flow can be used to derive terminal value.

Ordina is still in the middle of reorganizations that should lead to new sustainable competitive advantages. If these advantages can be successfully established (management case), research proofs that such benefits last up to a maximum of 5 years[61].

58. KPMG (2018). "Equity market risk premium-research summary"
59. Brotherson, W. T., (2013). "Best practices in estimating the cost of capital: an update"
60. The buildup of the WACC is included in Attachment N
61. Rijken, H. (2019). "Measuring Value Creation"

Considering the fast-changing environment of IT-services providers, a shorter period of 3-4 years will be assumed after completion of reorganization.

This assumption results in a 5 years detailed forecasting period. After these first years, leading to increased performance, the results gradually revert back to the industry's mean as the sustainable competitive advantages erode. After 10 years Ordina has moved into a steady state.

The forecasts are based on mid-year cash flows, as it is fair to assume that cash flows are earned gradually through the year and not only at year-end.

And as Ordina is a cyclical company, the explicit forecast period is assumed to include an entire economic cycle.

8.1.5. Continuing value & long-term growth

The continuing value considers the potential future growth of the business beyond the explicit forecast period. To define the continuing value, the convergence formula has been used. This formula assumes that in steady state a company generates a return on new investments equal to WACC. That basically means there is supposed to be no value creation in steady state. Analyzing the performance of Ordina in the previous decade, this appears to be a realistic assumption.

In the industry analysis of 3.2 it is concluded that although growth in the IT-industry is significant, the current and expected growth in Ordina's original market segment of IT-services providers is limited. This fact in combination with the high level of competition in this segment of the industry makes the convergence formula the obvious method of choice: it is not realistic to assume that due to infinite sustainable competitive advantages Ordina will be able to grow faster than the economy into perpetuity.

The Bradley and Jarrell variant of the convergence formula will be applied where it is assumed that NOPLAT will continue to grow with long term inflation.

8.1.6. Probability

To determine the stand-alone DCF-value of Ordina, based on the management case and the base case, the probability of both scenarios has been estimated by professional judgement based on the analyses of Ordina's macro, meso and micro-environment:

Management case – 40%
Reorganizations are starting to pay off as cost structures are improving and more revenue is gained from higher value markets, making Ordina less vulnerable to its traditional cyclical business. Competition is high though, making this scenario less likely than the base case.

Base case – 60%
Economy is falling back and Ordina is still dependent on the cyclical part of its business. The previous 10 years have been difficult, and the current positive signs would be caught up within a few years if the economy turns down to a next recession. The war for talent adds to the probability of this scenario.

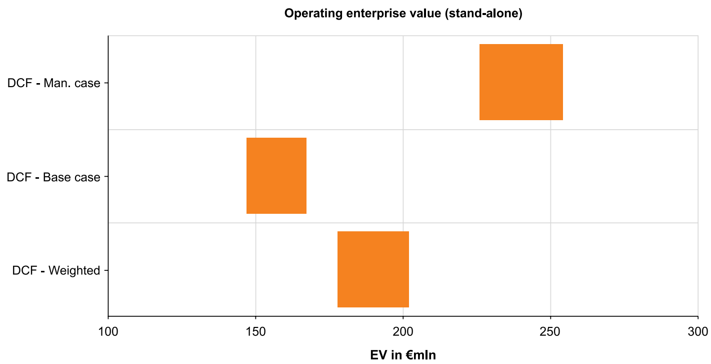
8.1.7. DCF-valuation

The DCF-valuations[62] of the operating enterprise value for both scenarios and the probability weighted derivative are calculated including a sensitivity[63] in WACC of -0,75% and +0,75% and a sensitivity in the long-term growth rate of -0,5% and +0,5%. The valuations provide substantiation for a probability weighted stand-alone value for Ordina in the range of €178 - €202m.

To determine Ordina's equity value on a stand-alone basis, the calculates enterprise value must first be corrected for non-operating assets and liabilities and then for equity claims[64].

These adjustments lead to the following enterprise-value-to-equity-bridge (next page).

Figure 21: Stand-alone discounted cash flow valuation of Ordina



The calculated equity value of €207m implies a share price of €2,22, which is well above the actual share price of €1,42 on 31 December 2018. In other words, Ordina is trading at a discount at the valuation date: the market does not seem to recognize the future earnings potential that management does, or it calculates the NPV of these earnings against a higher cost of capital.

8.2. Stand-alone – Market approach

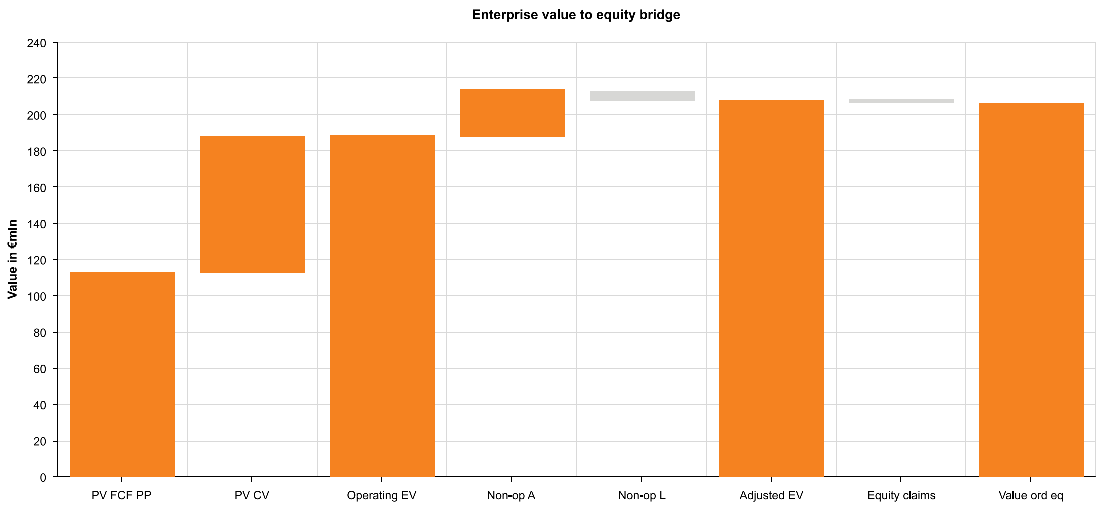
8.2.1. Relative valuation

Besides the income approach a regular method to determine business value are the so-called 'multiples'. This approach derives the value of a company from prices of comparable companies, adjusted for size on the basis of an appropriate value driver (e.g. EBITDA). So, 'value' is expressed in the price of a substitute, hence the multiples approach is also called a relative valuation approach.

The idea behind this approach is that similar assets should sell for similar prices (Koller, 2015). The method provides an indication of value by comparing the asset with comparable assets for which public price information is available.

62. Calculations are included in Attachment O.
63. Sensitivity analyses are included in Attachment P.
64. The adjustments are included in Attachment Q.

Figure 22: Enterprise value to equity bridge



The main argument to use multiples is that they overcome issues inherent in the application of the DCF-method: subjectivity, access to information and a high sensitivity to changes in assumptions.

Multiples solely rely on observable market metrics and, when applied prudently, provide a pretty clean market perspective on value, possibly less subjective then a valuators interpretation of available data applied in a DCF.

Disadvantages of multiples are that they may ignore key value drivers and apply to the metrics of today, while investors will mainly be interested in future performance/value. Multiples basically indicate the price the market is willing to pay today for a firm, where the valuation of a forward-looking DCF is based on a firm's fundamentals and less sensitive for the market game of demand and supply.

Multiples are however well suited to act as a benchmark for the calculated DCF-values.

8.2.2. Multiples

For a relative valuation two type of multiples are available: trading multiples for the comparable company analysis and transaction multiples for the comparable transaction analysis.

The two types of multiples provide different insights: trading multiples provide a perspective from a minority shareholder, while transaction multiples indicate a control perspective (which most likely includes a premium). Trading multiples cover current market conditions, while transaction multiples comprise pricing in a M&A context. And while trading multiples weigh down volatility in stock prices, transaction multiples are depending on transaction structures.

For the valuation of Ordina as a target, a comparable transaction analysis based on transaction multiples (chapter 9) is obvious while for the stand-alone valuation in this chapter a comparable company analysis based on trading multiples is the apparent choice.

8.2.3. Comparable company analysis

A prerequisite for prudent application of multiples is the ascertainment that actual peers are used for the analysis. Distinctive factors in the process are Industry, Geography, Size, Lifecycle phase and operating performance.

For the comparable company analysis (CCA) both tier 1 and tier 2 of the peer group (3.2.4) are used: a CCA based on earnings multiples of either tier separately produces valuations that deviate, but not substantially (<15% on EBITDA), which made me decide to let the importance of sufficient peers prevail.

Based on this peer group different multiples can be used for comparison. In general Enterprise Value (EV) multiples are more reliable than equity multiples, as the latter can easily be distorted by the capital structures of peers. For this comparable company analysis EV multiples will be applied.

In the case of Ordina, the best input for EV multiples are revenue to profit metrics, based on the fact that Ordina is in a mature stage of is lifecycle (Damodaran 2018).

Other multiples are less applicable:
- Market to book multiples relate to book value and are less useful for a capital light industry.
- P/E ratio, which is easily distorted by different capital structures of different peers.

For the CCA enterprise value multiples will be used based on EBITDAR, EBITDA and EBITA:
- The peer group analysis showed that there are some firms already implemented IFRS 16 in 2018. This makes the (adjusted) EV/EBITDAR multiple an insightful addition, as any effect of capitalized leases, rentals and/or other outsourcing will be neutralized.

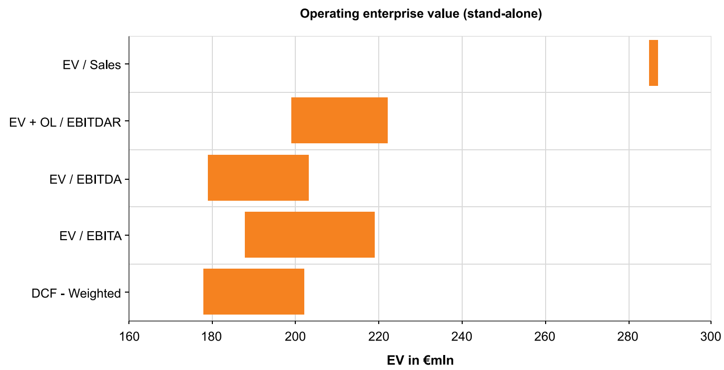
- The EV/EBITDA multiple in general is one of the most applied multiples as it is robust and less distorted by accounting conventions and capital structure than net income for example. EBITDA is generally considered to be a proxy for the earning potential of a firm.
- And the EV/EBITA has been used as EV/EBIT may be distorted by amortization of intangible assets resulting from acquisitions and is less used in capital light industries.

Sales multiples relate value to sales but don't take into account profitability. They do provide insight in the likelihood of an increase in future sales and are added for benchmarking purposes.

Both current and forward-looking multiples have been applied. The use of forward multiples in the valuation of a company implies that an element of forecasting enters the multiples analysis, making the multiples approach more prone to subjectivity and bias. But they are more consistent with the principles of valuation (present value of future earnings instead of past) and not distorted by one-offs.

Of these multiples the 3 year-average medians have been taken to exclude outliers. The results are plotted in Figure 23 and indicate value ranges between the management case and the base case.

Figure 23: Stand-alone multiple valuation of Ordina[65]



The multiples indicate a larger market value for Ordina than its market cap at the valuation date (€138m), but also than the calculated DCF-value. One reason for this may be that, compared to the peer group, Ordina is an underperformer. The usage of multiples of all peers to value Ordina, might have inflated its value.

Other reasons for the differences in value:
- EV / Sales - A high multiple can be a sign that investors believe future sales will significantly increase. This seems to be the case for the median of the peer group. When this median is applied to Ordina, the resulting value seems out of line. Probably by the different perspective on Ordina's future sales.
- EV + OL / EBITDAR[66] – Based on its EBITDAR Ordina should be valued somewhat higher by the market. The fact that it isn't, may imply that investors discount Ordina's future earnings on a relatively high cost of capital compared to peers.
- EV / EBITA – Within the peer group most companies seem to have more tangible assets on the balance sheet. This may cause a relatively high EV / EBITA multiple.

Similar to the conclusion of the stand-alone DCF-valuation, is the conclusion of the comparable company analysis that the market undervalues Ordina. The multiples indicate an equity value of €233m, which implies a share price of €2,50 and that's well above the actual share price of €1,42 on 31 December 2018. Possibly, Ordina is exposed to a higher implied cost of capital than peers.

65. Data provided by Thomson Financial.
66. Operating lease value is calculated by multiplying lease obligations times 7.

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9. VALUE INCLUDING SYNERGIES

9.1. Income approach

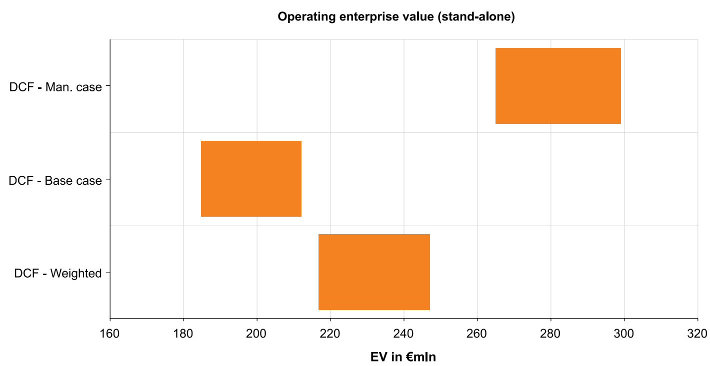
Besides the stand-alone value, the supervisory board is interested in the value in a transactional setting. This value is calculated by applying the DCF-approach on the same management case and base case, with the same sensitivity in the WACC the long-term growth rate.

But in the transactional context synergies[67] have been plotted in, based on their estimated EBITDA effect. The same probability (8.1.6) has been applied to the valuation of the management case and the base case including synergies, leading to the probability weighted valuation of Ordina in a transactional context in the range of €217 - €247m.

9.2. Market approach

To calculate company value in a transactional context based on market prices for similar assets, a comparable transaction analysis (CTA) has been performed. This market approach estimates the value of a company based on recent transactions of similar firms. It is important to realize that transaction multiples are usually distorted by synergies, timing issues, irrational pricing and deal specific issues. On the other hand, it is the most fact-based information available on current pricing of transactions in the market that comprise the control perspective.

Figure 24: DCF-valuation including synergies



The transactions have been selected in a similar way as the peer group for the CCA: based on industry, geography, size and life cycle phase. In addition, the date of the transaction has been a criterium, as deal values are also a reflection of the current market of demand and supply. By using deal data from the last 12 months this impact has been limited, keeping the focus on fundamentals.

Figure 25: Comparable transactions in 2018

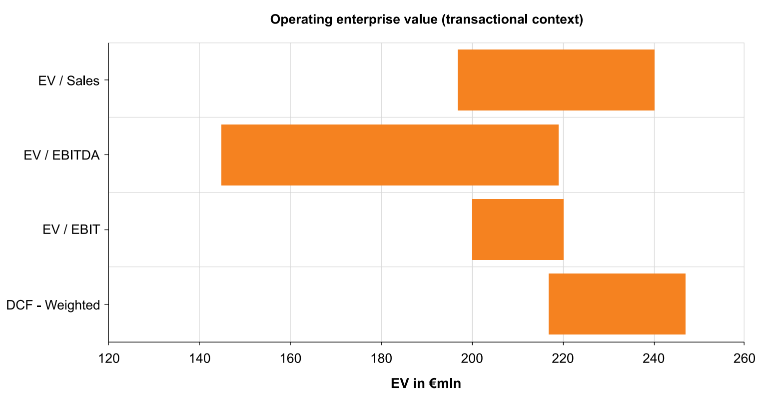
COMPARABLE TRANSACTION ANALYSIS (CTA)
Source: Captal IQ

Completion	Target Company	Target Country	Target Description	Deal Value *kEUR*	EV / Sales	EV / EBITDA	EV / EBIT
20/06/2018	ProData Consult A/S	North-west EU	Denmark-based IT consultant company	€ 67,000	0,5x	6,4x	14,9x
09/08/2018	Organised Computer Systems Limited	United Kingdom	UK-based company providing IT consulting, cloud computing and related management services	€ 32,000	0,4x	7,7x	13,6x
14/06/2018	GFI Informatique SA	France	France-based information technology services company specializing in systems integration, engineering, consulting, software implementation, and maintenance	€ 87,000	0,6x	9,1x	12,6x
13/08/2018	RealDolmen NV	Belgium	Belgium-based company engaged in providing information and communication technology solutions and services	€ 164,000	0,7x	11,6x	13,7x
04/07/2018	Vincere Groep	Netherlands	Netherlands-based engaged in providing managed services with focus on cloud and security, along with IT-consultancy services	€ 65,000	1,0x	12,4x	35,7x

The medians of EV / Sales, EV / EBITDA and EV / EBIT are taken and applied to the financials of Ordina. Including the mentioned sensitivity weighing, the CTA values Ordina based on its normalized 2018 performance as following (Figure 26).

The CTA indicates that the price paid in the market would not fully reflect the synergy potential as calculated with the income approach. Probably the potential is discounted on likelihood or because strategic buyers don't recognize the (full amount of) synergies used in the DCF-valuation. Either way, an important finding that should influence the perspective on a potential sale which Ordina would present to its shareholders.

Figure 26: Enterprise value including synergies[68]

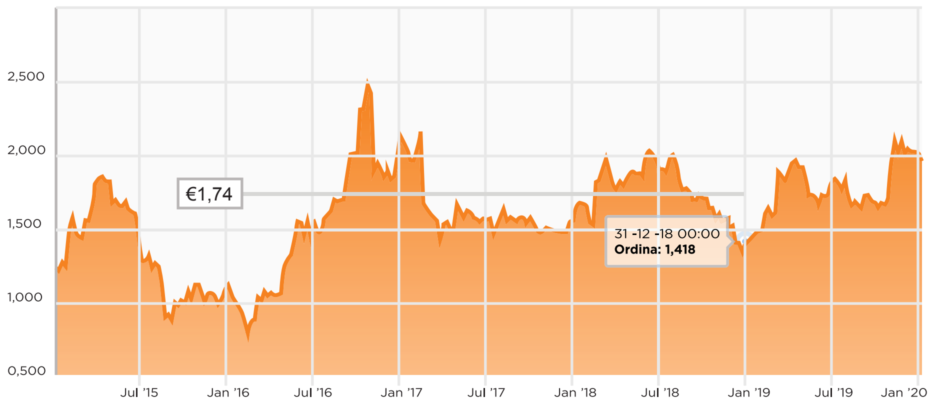


67. The estimated synergies have been included in Attachment R.
68. Data provided by Capital IQ.

10. ANALYSIS OF OUTCOME

The value of Ordina's stock on the reference date was €1,418, which appears to be an outlier compared to the months before and after. The average value in the preceding 24 months was €1,74 and is a more justified baseline to compare valuations to.

Figure 27: Share price development at 31 December 2018



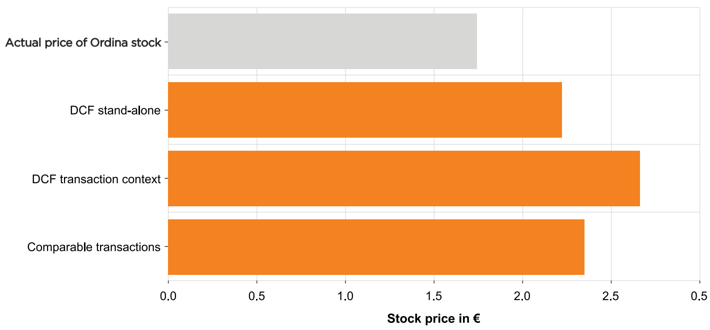
The valuation in chapter 8 indicated the value of Ordina on a stand-alone basis derived from probability weighted scenarios. This is the value shareholders may expect when Ordina individually follows its current track. The calculated value per share is €2,22.

In a transactional context the weighted valuation of the same scenarios, but including synergies, points at a per share value of €2,66. But the market approach (CTA) clarifies that buyers will not fully recognize the forecasted synergies and that the price per share that may be expected in a transaction would not exceed €2,35. As the market is a better indicator of the price that Ordina shareholders may expect when the firm is sold, the latter value should be leading for the supervisory board in their decision making about bids from strategic buyers.

Compared to the average market price of €1,74 per share at the valuation date, €2,35 would indicate a substantial premium of 35% above current share pricing. This is in line with the average premium of 30%[69] that is paid in transactions according to research.

Compared to the stand-alone value, the expected price in a transaction delivers a surplus value of 6%.

Figure 28: Share price derived from calculated valuations



69. Schenk, H. (2018). *"The wider perspective"*

11. CONCLUSION AND ADVICE

Compared to its peer group, Ordina's shares seem undervalued by the market. But past acquisitions provided Ordina with an expensive cost structure. And historical performance proofs that Ordina is in a tough part of the market, so the realization of the improving forecasts is no given fact. The transition to higher value markets must be made fast: the economy is slowing down and Ordina's traditional business would be the first to feel its impact, while the new higher value markets are less sensitive.

If in this situation a strategic buyer would approach Ordina, the supervisory board is advised to compare any bid received first to the stand-alone value that has been calculated in chapter 8 based on the management case and the base case. The board is advised to base any decision on the probability weighted derivative of these two valuations and compare a bid received to the calculated share price of €2,22. Bids that don't exceed the calculated stand-alone value, don't reflect the future earnings potential of Ordina. These bids can be obstructed with the priority share.

The supervisory board is further advised to aim for the calculated market expectation of €2,35 per share (based on comparable transactions), but to consider recommending any bid conform or above the stand-alone value or €2,22 per share to Ordina's ordinary shareholders.

A bid including the full synergy potential of a strategic buyer would imply a premium of at least 53%, compared to the average trading price at the valuation date. The comparable transaction analysis made quite clear that such an offer is not to be expected. Communicating this value to shareholders would create unrealizable expectations and is unadvisable.

Value creation

If nevertheless, shareholders decide to keep Ordina on a stand-alone basis, an accelerating way to transition to higher value markets would be to sell the business that's currently value destructive. This part of the traditional IT-services business in the Netherlands could be carved out and sold to a strategic buyer with a lower cost basis: the Indian parties that want to get firmer foothold in the Netherlands. This would give Ordina the funding and the focus to accelerate its transition towards a value creating IT-company.

ATTACHMENT A – HISTORIC SHARE PRICE DEVELOPMENT

Ordina
AMS: ORDI

2,04 EUR -0,045 (2,16%)
8 nov. 17:35 CET · Disclaimer

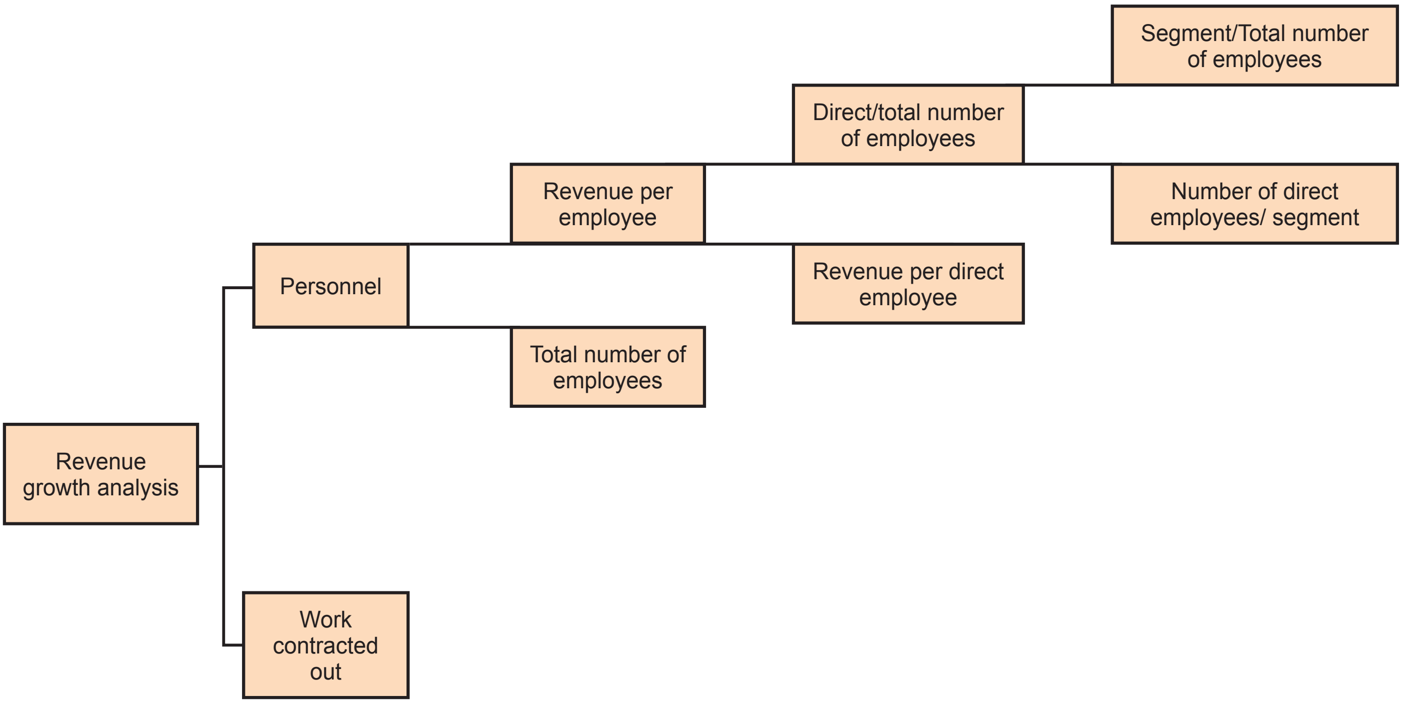
1 dag | 5 dagen | 1 maand | 6 maanden | YTD | 1 jaar | 5 jaar | Max.

Open	2,09	Div.rend.	0,98%
Hoog	2,12	Vorig slot	2,08
Laag	2,04	52-wk max.	2,12
Beurswaarde	189,37 mln.	52-wk min.	1,32
Koers/winst	27,96		

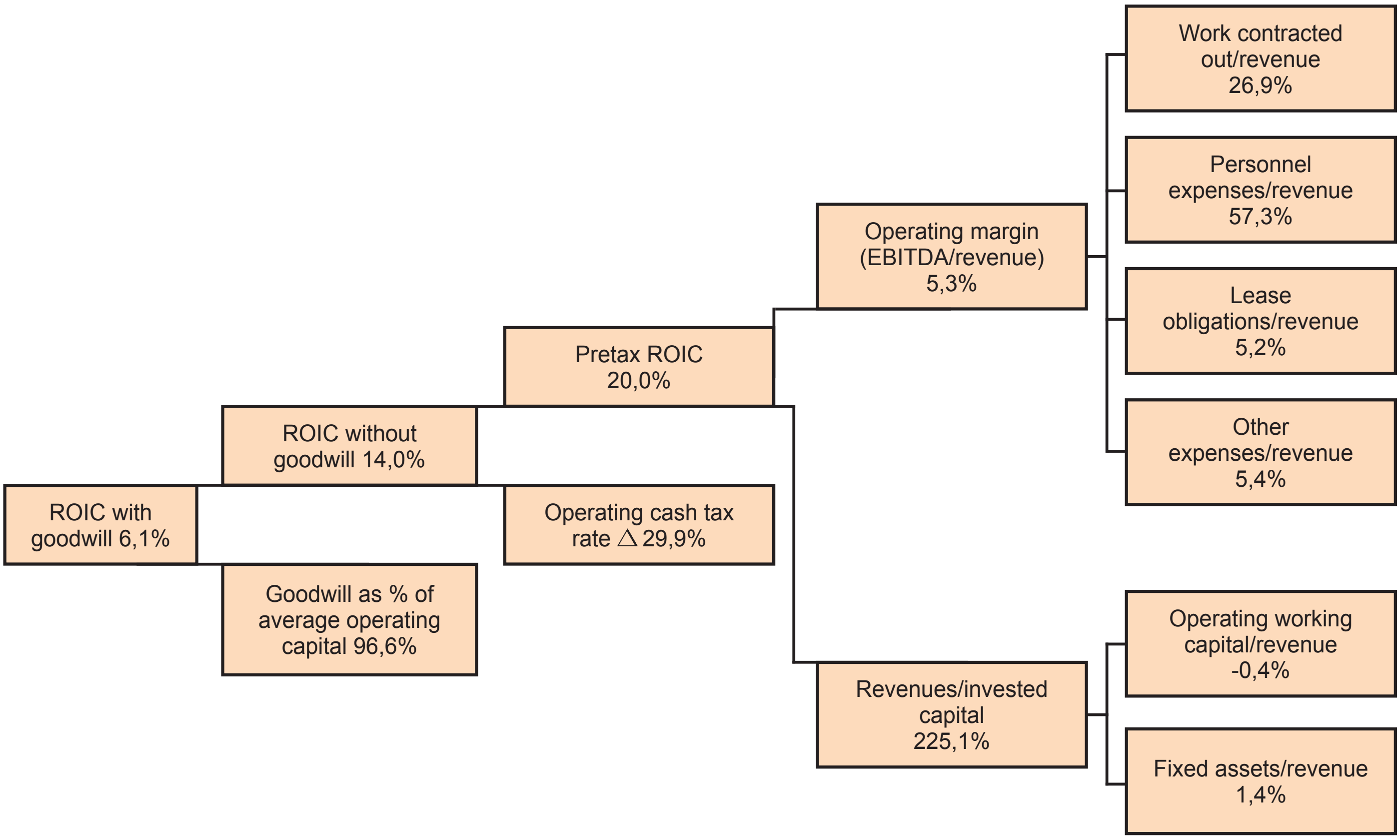
ATTACHMENT B – ACQUIRED SUBSIDIARIES

Wisdom Groep B.V.
The Vision Web Consulting B.V.
Be-Value B.V.
Ordina Belgium N.V.
ITG Consulting S.A./N.V.
TVW Group B.V.
Ordina Devote B.V.
Ordina Public Sociale Zekerheid B.V.
Vertis B.V.
Bergson Holding N.V.
Iterum Services N.V.
Magentis B.V.
Ordina Vertis B.V.
Ibas Groep B.V.
EVO-Soft N.V.
Ordina TTI Boardware B.V.
Clockwork B.V.
E-Chain Management N.V.
Innovity B.V.
Youngwood IT Group B.V.
Recyfin N.V.
Infra Design B.V.

ATTACHMENT C – REVENUE GROWTH VALUE DRIVER TREE



ATTACHMENT D – ROIC VALUE DRIVER TREE (LEASE ADJUSTED)



ATTACHMENT E – PEER DESCRIPTIONS

Adesso
Adesso is one of the leading IT-providers in the German-speaking market and focuses on the core business processes of companies and public administrations by providing both consultancy and customized software development.

https://www.adesso.de

Allgeier
Allgeier SE is one of the leading IT-companies for digital transformation: with a growth strategy oriented to innovations and future trends, as well as an integrative business model, Allgeier exploits the opportunities that digitization offers.

https://www.allgeier.com

Brunel International
Brunel provides business services specializing in flexible deployment of professionals in the field of Engineering, Aerospace, Automotive, ICT, Finance, Legal, Insurance & Banking and all disciplines in the Oil & Gas industry.

https://www.brunelinternational.net

Cancom
As a Digital Transformation Partner, CANCOM accompanies organizations into the digital future. They support customers to simplify complex enterprise IT and increase their business success through the implementation of modern technology. In order to comprehensively meet the IT needs of companies, organizations and the public sector, CANCOM delivers tailor-made IT end to end from a single source.

https://www.cancom.com

Cenit
As a leading IT-consultancy and software company, CENIT designs and builds digital processes to help its customers achieve technological leadership and safeguard their competitive advantage in the connected, digital future.

http://www.cenit.com

Datagroup
Datagroup is a German IT-services provider for commercial customers from the SME segment, large corporations and governmental institutes. It's located in Stuttgart.

https://www.datagroup.de

ICT Group
ICT Group is a leading industrial technology solutions and services provider. The solutions it offers clients involve software development (according to customer specifications as well as proprietary solutions), solutions on project basis, the secondment of experienced and highly educated staff as well as services to maintain IT-systems.

https://ict.eu

Sopra Steria
Sopra Steria, a major European player in digital transformation, has one of the most comprehensive portfolios of offerings on the market, spanning consulting and systems integration, the development of business and technology solutions, infrastructure management, cybersecurity and business process services.

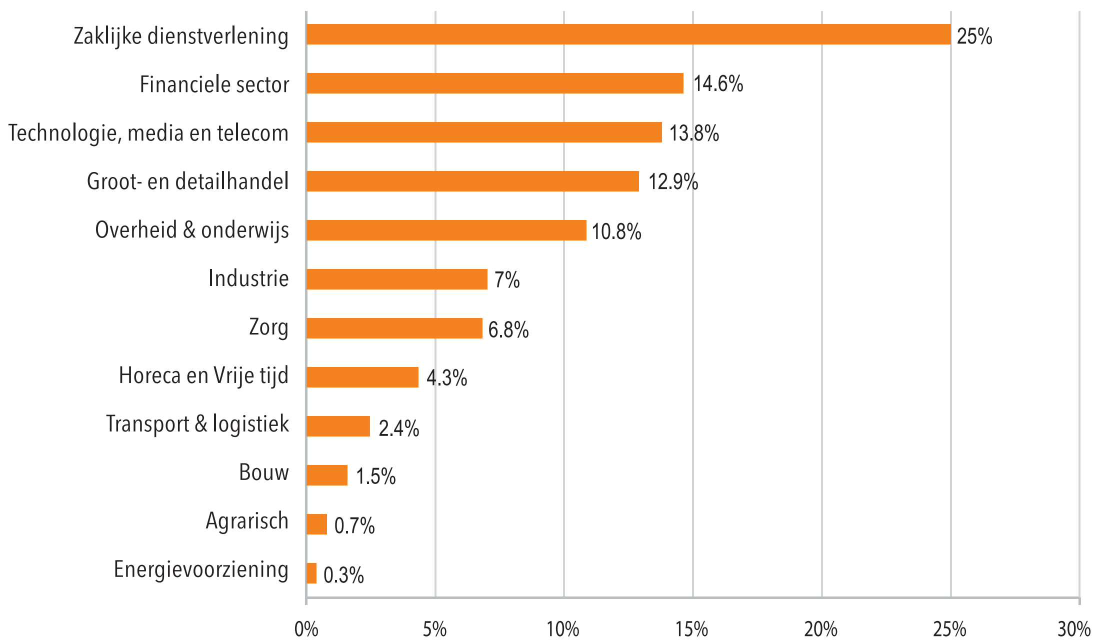
https://www.soprasteria.com/

Tieto
Tieto is a Finnish IT-services provider which customers are mainly large organizations that offer a range of services to businesses, consumers and citizens in the Nordics and beyond. The firm ensures customers' everyday business and services run smoothly, and help them create future success through smart adoption of technology and utilization of data.

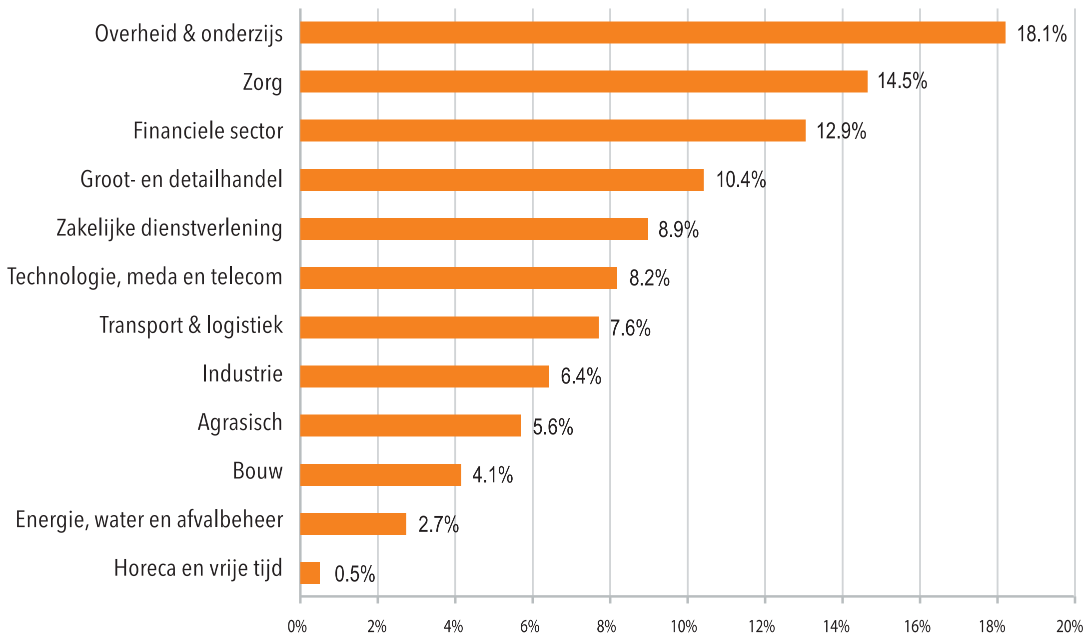
https://www.tieto.com

ATTACHMENT F – "IT-BRANCHE IN BEELD" (ABN AMRO)

Figuur 11: Belangrijkste afzetmarkten voor de IT-branche



Figuur 12: Sectoren waar volgens I T-ondernemers de grootste digitaliseringsslag komt



ATTACHMENT G – SHAREHOLDERS OF ORDINA[70]

As per 9 November 2019.

Acadian Asset Management LLC – 3,91% share capital
Shares: 3.642.208 / votes 2.787.047

Teslin Participaties Coöperatief U.A. – 10,36% share capital
Shares: 9.660.881 – votes 9.660.881

Dimensional Fund Advisors LP – 5,28% share capital
Shares: 4.920.048 / Votes: 4.679.466

Otus Capital Management Ltd. = 0% share capital
Shares: 0 Votes: 4.694.181 (5,03%)

J.G.H.M. Niessen – 15,16% share capital
Shares: 14.057.294 / Votes: 14.057.294
Mont Cervin S.A.R.L. = Niessen

Lazard Frères Gestion SAS – 5,14 share capital
Shares: 2.560.000 / Votes: 2.560.000

ING Groep N.V. 4,76% share capital
Shares: 2.347.595 / Votes: 2.347.595

The overview is based on 10 years of notifications in the Autoriteit Financiële Markten (AFM) public register. Note that the overview isn't 100% accurate as the register depends on notifications of shareholders that exceed or drop below thresholds. All that's certain is shareholders holdings are between the mandatory thresholds:

3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% & 95%

70. https://www.afm.nl/nl-nl/professionals/registers/meldingenregisters/substantiele-deelnemingen

ATTACHMENT H – NORMALIZATIONS

Normalizations (kEUR)	2013	2014	2015	2016	2017	2018
Cost						
Reorganization costs NL	€ 5,100	€ 4,300	€ 5,500	€ 3,700	€ 3,300	€ 0
Reorganization costs BE/Lux					€ 300	€ 200
Vacancy provision	€ 5,900					
Exceptional release vacancy provisions					-€ 3,800	
Internal investigations about fraud allegations		€ 1,700	€ 1,600			
Legal settlement				€ 1,400		
Exceptional release jubilee arrangement			-€ 2,100			
Gain on sale of a software asset		-€ 400				
Revenue						
Working days adjustment NL (to 254)		-€ 1,159		-€ 1,004		
Working days adjustment BE/Lux (to 251)					€ 362	
Original revenue	€ 376,978	€ 366,918	€ 348,272	€ 343,575	€ 344,888	€ 358,522
Normalized revenue	€ 376,978	€ 365,759	€ 348,272	€ 342,571	€ 345,250	€ 358,522
Working days NL	*254*	*255*	*254*	*255*	*254*	*254*
Working days BE/Lux	*251*	*251*	*251*	*251*	*250*	*251*

ATTACHMENT I – PEER PERFORMANCE ON OPERATING PROFIT DRIVERS

PEER GROUP DRIVERS

	Rev per employee (kEUR)		Indirect/Direct personnel		Work contracted out		Cost per employee (kEUR)	
	2017	*2018*	*2017*	*2018*	*2017*	*2018*	*2017*	*2018*
kEUR								
Netherlands								
Brunel International	€ 71	€ 68	15.61%	12.92%	-	-	€ 64	€ 60
ICT Group	€ 109	€ 106	-	-	11.00%	12.10%	€ 62	€ 62
European								
Adesso	€ 117	€ 114	-	-	11.20%	11.00%	€ 75	€ 74
Allgeier	€ 82	€ 73	17.70%	17.00%	31.70%	28.80%	€ 40	€ 38
Cancom	€ 399	€ 405	-	-	72.70%	72.80%	€ 66	€ 67
Cenit	€ 199	€ 225	-	-	4.20%	3.25%	€ 69	€ 77
Datagroup	€ 130	€ 123	-	-	12.99%	13.00%	€ 64	€ 58
Sopra Steria	€ 92	€ 93	-	-	15.50%	16.80%	€ 56	€ 55
Tieto	€ 103	€ 102	4.00%	4.00%	15.20%	15.50%	€ 58	€ 57
Median	**€ 109**	**€ 106**	**15.61%**	**12.92%**	**14.10%**	**14.25%**	**€ 64**	**€ 60**
Ordina	*€ 135*	*€ 135*	*9.14%*	*9.37%*	*26.11%*	*26.92%*	*€ 80*	*€ 78*

ATTACHMENT J – PROFIT & LOSS

PROFIT & LOSS - MANAGEMENT CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
in kEUR	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
Revenue	€ 373,236	€ 385,575	€ 401,387	€ 416,106	€ 432,152	€ 451,933	€ 467,618	€ 480,139	€ 489,589	€ 494,974
Work contracted out	€ 105,439	€ 106,033	€ 108,375	€ 110,268	€ 112,360	€ 115,243	€ 116,904	€ 120,035	€ 122,397	€ 123,744
Personnel expenses	€ 211,145	€ 217,055	€ 229,276	€ 240,731	€ 252,580	€ 264,474	€ 275,928	€ 286,400	€ 296,270	€ 305,158
Gross profit	**€ 56,652**	**€ 62,487**	**€ 63,737**	**€ 65,106**	**€ 67,212**	**€ 72,216**	**€ 74,785**	**€ 73,704**	**€ 70,922**	**€ 66,073**
Cost of hardware, software & other direct costs	€ 5,238	€ 5,353	€ 5,449	€ 5,546	€ 5,652	€ 5,757	€ 5,852	€ 5,928	€ 5,974	€ 5,994
Other operating expenses	€ 8,115	€ 8,418	€ 8,696	€ 8,949	€ 9,220	€ 9,495	€ 9,758	€ 9,993	€ 10,181	€ 10,327
EBITDAR	**€ 43,298**	**€ 48,716**	**€ 49,592**	**€ 50,611**	**€ 52,341**	**€ 56,964**	**€ 59,174**	**€ 57,783**	**€ 54,767**	**€ 49,752**
Car rental expenses	€ 14,335	€ 14,650	€ 14,911	€ 15,330	€ 15,777	€ 16,232	€ 16,666	€ 17,050	€ 17,353	€ 17,585
Building rental expenses	€ 4,100	€ 4,100	€ 4,100	€ 4,141	€ 4,182	€ 4,224	€ 4,266	€ 4,309	€ 4,352	€ 4,396
EBITDA stand alone	**€ 24,864**	**€ 29,965**	**€ 30,580**	**€ 31,140**	**€ 32,382**	**€ 36,508**	**€ 38,242**	**€ 36,424**	**€ 33,062**	**€ 27,771**
EBITDA contribution synergies	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
EBITDA incl synergies	**€ 24,864**	**€ 29,965**	**€ 30,580**	**€ 31,140**	**€ 32,382**	**€ 36,508**	**€ 38,242**	**€ 36,424**	**€ 33,062**	**€ 27,771**
Depreciation	€ 1,948	€ 2,143	€ 2,345	€ 2,498	€ 2,632	€ 2,759	€ 2,881	€ 2,994	€ 3,095	€ 3,179
EBITA	**€ 22,915**	**€ 27,822**	**€ 28,235**	**€ 28,642**	**€ 29,749**	**€ 33,748**	**€ 35,361**	**€ 33,430**	**€ 29,966**	**€ 24,592**
Amortisation	€ 1,304	€ 1,300	€ 1,297	€ 1,294	€ 1,291	€ 1,289	€ 1,287	€ 1,286	€ 1,285	€ 1,285
EBIT	**€ 21,612**	**€ 26,522**	**€ 26,938**	**€ 27,348**	**€ 28,458**	**€ 32,459**	**€ 34,073**	**€ 32,143**	**€ 28,681**	**€ 23,307**
Impairment	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Gain on sale assets	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Operating profit	**€ 21,612**	**€ 26,522**	**€ 26,938**	**€ 27,348**	**€ 28,458**	**€ 32,459**	**€ 34,073**	**€ 32,143**	**€ 28,681**	**€ 23,307**
Finance income	€ 205	€ 305	€ 421	€ 537	€ 655	€ 782	€ 918	€ 1,053	€ 1,170	€ 1,268
Finance costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Share of profit of associates	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Income before tax	**€ 21,817**	**€ 26,828**	**€ 27,359**	**€ 27,885**	**€ 29,114**	**€ 33,241**	**€ 34,991**	**€ 33,196**	**€ 29,851**	**€ 24,575**
Income tax expense	€ 7,954	€ 8,707	€ 7,937	€ 8,051	€ 8,318	€ 8,713	€ 9,093	€ 8,704	€ 6,655	€ 5,333
Net income	**€ 13,863**	**€ 18,121**	**€ 19,422**	**€ 19,834**	**€ 20,796**	**€ 24,528**	**€ 25,898**	**€ 24,492**	**€ 23,196**	**€ 19,242**
Other comprehensive income	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total comprehensive income	**€ 13,863**	**€ 18,121**	**€ 19,422**	**€ 19,834**	**€ 20,796**	**€ 24,528**	**€ 25,898**	**€ 24,492**	**€ 23,196**	**€ 19,242**

PROFIT & LOSS - BASE CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
in kEUR	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
Revenue	€ 370,102	€ 379,173	€ 388,691	€ 397,684	€ 407,154	€ 417,123	€ 427,337	€ 437,801	€ 448,520	€ 457,991
Work contracted out	€ 99,928	€ 103,325	€ 106,890	€ 109,363	€ 111,967	€ 114,709	€ 115,381	€ 116,017	€ 116,615	€ 116,788
Personnel expenses	€ 210,089	€ 213,667	€ 221,536	€ 227,171	€ 234,592	€ 242,411	€ 250,298	€ 258,720	€ 267,427	€ 275,321
Gross profit	**€ 60,085**	**€ 62,181**	**€ 60,265**	**€ 61,150**	**€ 60,594**	**€ 60,003**	**€ 61,658**	**€ 63,063**	**€ 64,478**	**€ 65,883**
Cost of hardware, software & other direct costs	€ 5,331	€ 5,368	€ 5,403	€ 5,432	€ 5,500	€ 5,571	€ 5,640	€ 5,715	€ 5,792	€ 5,846
Other operating expenses	€ 14,486	€ 14,805	€ 15,127	€ 15,375	€ 15,737	€ 16,118	€ 16,495	€ 16,900	€ 17,315	€ 17,668
EBITDAR	**€ 40,269**	**€ 42,009**	**€ 39,735**	**€ 40,343**	**€ 39,358**	**€ 38,314**	**€ 39,523**	**€ 40,448**	**€ 41,371**	**€ 42,368**
Car rental expenses	€ 14,588	€ 14,689	€ 14,787	€ 15,014	€ 15,353	€ 15,709	€ 16,061	€ 16,439	€ 16,825	€ 17,152
Building rental expenses	€ 4,100	€ 4,100	€ 4,100	€ 4,141	€ 4,182	€ 4,224	€ 4,266	€ 4,309	€ 4,352	€ 4,396
EBITDA stand alone	**€ 21,581**	**€ 23,219**	**€ 20,848**	**€ 21,188**	**€ 19,823**	**€ 18,381**	**€ 19,195**	**€ 19,700**	**€ 20,194**	**€ 20,820**
EBITDA contribution synergies	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
EBITDA incl synergies	**€ 21,581**	**€ 23,219**	**€ 20,848**	**€ 21,188**	**€ 19,823**	**€ 18,381**	**€ 19,195**	**€ 19,700**	**€ 20,194**	**€ 20,820**
Depreciation	€ 2,448	€ 2,476	€ 2,513	€ 2,561	€ 2,626	€ 2,710	€ 2,797	€ 2,888	€ 2,985	€ 3,078
EBITA	**€ 19,133**	**€ 20,743**	**€ 18,335**	**€ 18,627**	**€ 17,197**	**€ 15,671**	**€ 16,398**	**€ 16,812**	**€ 17,208**	**€ 17,743**
Amortisation	€ 1,304	€ 1,300	€ 1,296	€ 1,293	€ 1,290	€ 1,287	€ 1,285	€ 1,283	€ 1,281	€ 1,279
EBIT	**€ 17,830**	**€ 19,444**	**€ 17,039**	**€ 17,334**	**€ 15,907**	**€ 14,384**	**€ 15,113**	**€ 15,529**	**€ 15,927**	**€ 16,463**
Impairment	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Gain on sale assets	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Operating profit	**€ 17,830**	**€ 19,444**	**€ 17,039**	**€ 17,334**	**€ 15,907**	**€ 14,384**	**€ 15,113**	**€ 15,529**	**€ 15,927**	**€ 16,463**
Finance income	€ 277	€ 364	€ 439	€ 502	€ 557	€ 611	€ 664	€ 708	€ 750	€ 750
Finance costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Share of profit of associates	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Income before tax	**€ 18,107**	**€ 19,808**	**€ 17,478**	**€ 17,837**	**€ 16,463**	**€ 14,994**	**€ 15,777**	**€ 16,237**	**€ 16,678**	**€ 17,214**
Income tax expense	€ 7,027	€ 6,952	€ 5,793	€ 5,871	€ 5,573	€ 4,754	€ 4,924	€ 5,024	€ 3,796	€ 3,735
Net income	**€ 11,080**	**€ 12,856**	**€ 11,685**	**€ 11,966**	**€ 10,891**	**€ 10,241**	**€ 10,854**	**€ 11,214**	**€ 12,882**	**€ 13,478**
Other comprehensive income	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total comprehensive income	**€ 11,080**	**€ 12,856**	**€ 11,685**	**€ 11,966**	**€ 10,891**	**€ 10,241**	**€ 10,854**	**€ 11,214**	**€ 12,882**	**€ 13,478**

ATTACHMENT K – BALANCE SHEET

BALANCE SHEET - MANAGEMENT CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
in kEUR	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
Non current assets										
Goodwill	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495
Software	€ 5,504	€ 5,168	€ 4,875	€ 4,622	€ 4,411	€ 4,252	€ 4,133	€ 4,047	€ 3,986	€ 3,939
Customer relations	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total intangible assets	**€ 129,999**	**€ 129,663**	**€ 129,370**	**€ 129,117**	**€ 128,906**	**€ 128,747**	**€ 128,628**	**€ 128,542**	**€ 128,481**	**€ 128,434**
Equipment	€ 3,615	€ 3,955	€ 4,214	€ 4,439	€ 4,654	€ 4,859	€ 5,050	€ 5,220	€ 5,361	€ 5,478
Fixtures & fittings	€ 260	€ 284	€ 303	€ 319	€ 334	€ 349	€ 363	€ 375	€ 385	€ 393
Renovations	€ 1,484	€ 1,624	€ 1,730	€ 1,822	€ 1,911	€ 1,995	€ 2,073	€ 2,143	€ 2,201	€ 2,249
Total property, plant & equipment	**€ 5,358**	**€ 5,863**	**€ 6,246**	**€ 6,580**	**€ 6,899**	**€ 7,203**	**€ 7,486**	**€ 7,738**	**€ 7,947**	**€ 8,121**
Investments in associates	€ 368	€ 371	€ 375	€ 379	€ 383	€ 386	€ 390	€ 394	€ 398	€ 402
Deferred income tax assets	€ 12,677	€ 10,677	€ 8,677	€ 6,677	€ 4,677	€ 3,177	€ 1,677	€ 177	€ 0	€ 0
Total non current assets	**€ 148,402**	**€ 146,575**	**€ 144,668**	**€ 142,753**	**€ 140,864**	**€ 139,513**	**€ 138,181**	**€ 136,852**	**€ 136,826**	**€ 136,956**
Current assets										
Transition costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Trade and other receivables	€ 66,467	€ 68,664	€ 71,480	€ 74,101	€ 76,959	€ 80,481	€ 83,274	€ 85,504	€ 87,187	€ 88,146
Operating cash	€ 7,465	€ 7,711	€ 8,028	€ 8,322	€ 8,643	€ 9,039	€ 9,352	€ 9,603	€ 9,792	€ 9,899
Excess cash	€ 20,818	€ 31,064	€ 43,272	€ 55,606	€ 68,296	€ 81,828	€ 96,381	€ 110,909	€ 123,710	€ 134,639
Total current assets	**€ 94,750**	**€ 107,440**	**€ 122,780**	**€ 138,029**	**€ 153,897**	**€ 171,347**	**€ 189,007**	**€ 206,016**	**€ 220,689**	**€ 232,685**
Total assets	**€ 243,152**	**€ 254,015**	**€ 267,448**	**€ 280,782**	**€ 294,761**	**€ 310,860**	**€ 327,189**	**€ 342,868**	**€ 357,515**	**€ 369,641**
Equity										
Paid-up and called-up share capital	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326
Share premium reserve	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219
Retained earnings	€ 14,616	€ 23,677	€ 33,388	€ 43,305	€ 53,703	€ 65,967	€ 78,916	€ 91,162	€ 102,760	€ 112,381
Profit for the year										
Total equity	**€ 160,161**	**€ 169,222**	**€ 178,933**	**€ 188,850**	**€ 199,248**	**€ 211,512**	**€ 224,461**	**€ 236,707**	**€ 248,305**	**€ 257,926**
Non current liabilities										
Employee related provisions	€ 911	€ 941	€ 980	€ 1,016	€ 1,055	€ 1,103	€ 1,141	€ 1,172	€ 1,195	€ 1,208
Other provisions/ long term	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total non current liabilities	**€ 911**	**€ 941**	**€ 980**	**€ 1,016**	**€ 1,055**	**€ 1,103**	**€ 1,141**	**€ 1,172**	**€ 1,195**	**€ 1,208**
Debt plug										
Current liabilities										
Borrowings	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Other provisions/ short term	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400
Trade and other payables	€ 76,835	€ 78,447	€ 81,925	€ 85,115	€ 88,449	€ 91,979	€ 95,117	€ 98,357	€ 101,260	€ 103,682
Current tax payable	€ 4,845	€ 5,005	€ 5,210	€ 5,401	€ 5,610	€ 5,867	€ 6,070	€ 6,233	€ 6,355	€ 6,425
Total current liabilities	**€ 82,080**	**€ 83,852**	**€ 87,535**	**€ 90,917**	**€ 94,459**	**€ 98,246**	**€ 101,587**	**€ 104,990**	**€ 108,015**	**€ 110,507**
Total liabilities and equity	**€ 243,152**	**€ 254,015**	**€ 267,448**	**€ 280,782**	**€ 294,761**	**€ 310,860**	**€ 327,189**	**€ 342,868**	**€ 357,515**	**€ 369,641**

ATTACHMENT K – BALANCE SHEET CONTINUED

BALANCE SHEET - BASE CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
in kEUR	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
Non current assets										
Goodwill	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495	€ 124,495
Software	€ 5,497	€ 5,145	€ 4,820	€ 4,521	€ 4,249	€ 4,004	€ 3,787	€ 3,599	€ 3,439	€ 3,305
Customer relations	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total intangible assets	**€ 129,992**	**€ 129,640**	**€ 129,315**	**€ 129,016**	**€ 128,744**	**€ 128,499**	**€ 128,282**	**€ 128,094**	**€ 127,934**	**€ 127,800**
Equipment	€ 3,320	€ 3,361	€ 3,421	€ 3,489	€ 3,597	€ 3,714	€ 3,833	€ 3,961	€ 4,094	€ 4,211
Fixtures & fittings	€ 238	€ 241	€ 246	€ 251	€ 258	€ 267	€ 275	€ 284	€ 294	€ 302
Renovations	€ 1,363	€ 1,380	€ 1,404	€ 1,432	€ 1,477	€ 1,525	€ 1,573	€ 1,626	€ 1,681	€ 1,729
Total property, plant & equipment	**€ 4,921**	**€ 4,982**	**€ 5,071**	**€ 5,172**	**€ 5,332**	**€ 5,506**	**€ 5,681**	**€ 5,872**	**€ 6,069**	**€ 6,242**
Investments in associates	€ 368	€ 371	€ 375	€ 379	€ 383	€ 386	€ 390	€ 394	€ 398	€ 402
Deferred income tax assets	€ 12,677	€ 10,677	€ 8,677	€ 6,677	€ 4,677	€ 3,177	€ 1,677	€ 177	€ 0	€ 0
Total non current assets	**€ 147,957**	**€ 145,669**	**€ 143,438**	**€ 141,244**	**€ 139,136**	**€ 137,568**	**€ 136,031**	**€ 134,537**	**€ 134,402**	**€ 134,444**
Current assets										
Transition costs	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Trade and other receivables	€ 65,909	€ 67,524	€ 69,219	€ 70,821	€ 72,507	€ 74,282	€ 76,101	€ 77,964	€ 79,874	€ 81,560
Operating cash	€ 7,402	€ 7,583	€ 7,774	€ 7,954	€ 8,143	€ 8,342	€ 8,547	€ 8,756	€ 8,970	€ 9,160
Excess cash	€ 20,420	€ 29,186	€ 38,268	€ 46,755	€ 55,014	€ 62,445	€ 69,640	€ 77,051	€ 83,951	€ 90,891
Total current assets	**€ 93,731**	**€ 104,294**	**€ 115,261**	**€ 125,529**	**€ 135,664**	**€ 145,070**	**€ 154,288**	**€ 163,772**	**€ 172,795**	**€ 181,610**
Total assets	**€ 241,688**	**€ 249,963**	**€ 258,698**	**€ 266,773**	**€ 274,799**	**€ 282,638**	**€ 290,319**	**€ 298,309**	**€ 307,197**	**€ 316,055**
Equity										
Paid-up and called-up share capital	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326	€ 9,326
Share premium reserve	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219	€ 136,219
Retained earnings	€ 13,225	€ 19,653	€ 25,495	€ 31,479	€ 36,924	€ 42,044	€ 47,471	€ 53,078	€ 59,519	€ 66,258
Profit for the year										
Total equity	**€ 158,770**	**€ 165,198**	**€ 171,040**	**€ 177,024**	**€ 182,469**	**€ 187,589**	**€ 193,016**	**€ 198,623**	**€ 205,064**	**€ 211,803**
Non current liabilities										
Employee related provisions	€ 903	€ 925	€ 949	€ 971	€ 994	€ 1,018	€ 1,043	€ 1,068	€ 1,095	€ 1,118
Other provisions/ long term	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Total non current liabilities	**€ 903**	**€ 925**	**€ 949**	**€ 971**	**€ 994**	**€ 1,018**	**€ 1,043**	**€ 1,068**	**€ 1,095**	**€ 1,118**
Debt plug										
Current liabilities										
Borrowings	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Other provisions/ short term	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400	€ 400
Trade and other payables	€ 76,810	€ 78,518	€ 81,264	€ 83,216	€ 85,651	€ 88,216	€ 90,313	€ 92,534	€ 94,816	€ 96,789
Current tax payable	€ 4,804	€ 4,922	€ 5,046	€ 5,162	€ 5,285	€ 5,415	€ 5,547	€ 5,683	€ 5,822	€ 5,945
Total current liabilities	**€ 82,015**	**€ 83,840**	**€ 86,709**	**€ 88,779**	**€ 91,336**	**€ 94,031**	**€ 96,260**	**€ 98,617**	**€ 101,038**	**€ 103,134**
Total liabilities and equity	**€ 241,688**	**€ 249,963**	**€ 258,698**	**€ 266,773**	**€ 274,799**	**€ 282,638**	**€ 290,319**	**€ 298,309**	**€ 307,197**	**€ 316,055**

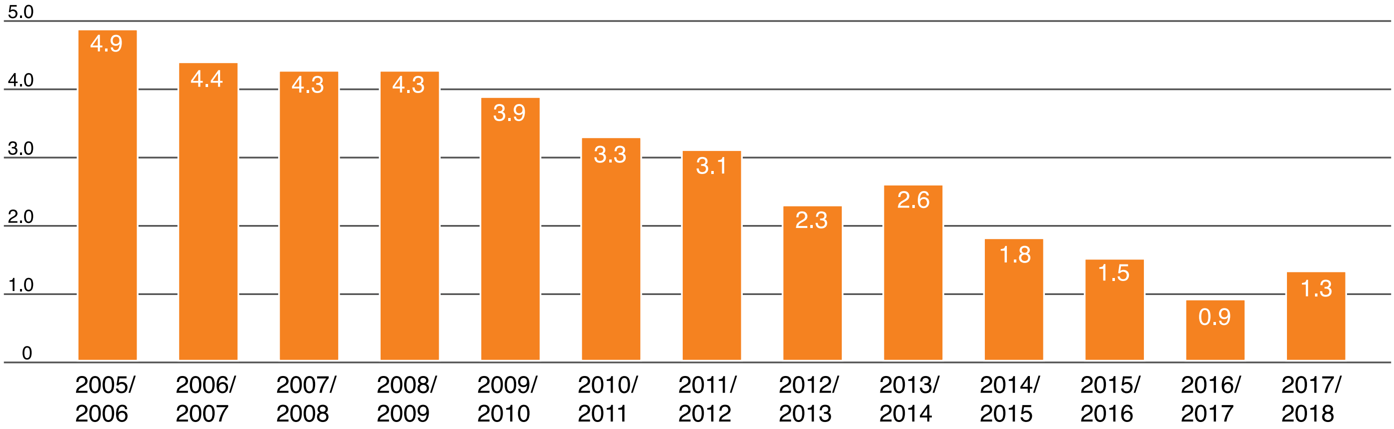
ATTACHMENT L – CASH FLOW STATEMENT

CASH FLOW STATEMENT - MANAGEMENT CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
EBITDA stand alone	**€ 24,864**	**€ 29,965**	**€ 30,580**	**€ 31,140**	**€ 32,382**	**€ 36,508**	**€ 38,242**	**€ 36,424**	**€ 33,062**	**€ 27,771**
EBITDA contribution synergies	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
EBITDA incl synergies	**€ 24,864**	**€ 29,965**	**€ 30,580**	**€ 31,140**	**€ 32,382**	**€ 36,508**	**€ 38,242**	**€ 36,424**	**€ 33,062**	**€ 27,771**
Depreciation	€ 1,948	€ 2,143	€ 2,345	€ 2,498	€ 2,632	€ 2,759	€ 2,881	€ 2,994	€ 3,095	€ 3,179
Amortisation	€ 1,304	€ 1,300	€ 1,297	€ 1,294	€ 1,291	€ 1,289	€ 1,287	€ 1,286	€ 1,285	€ 1,285
EBIT	**€ 21,612**	**€ 26,522**	**€ 26,938**	**€ 27,348**	**€ 28,458**	**€ 32,459**	**€ 34,073**	**€ 32,143**	**€ 28,681**	**€ 23,307**
Operating taxes	€ 5,403	€ 6,631	€ 5,846	€ 5,935	€ 6,175	€ 7,044	€ 7,394	€ 6,975	€ 6,224	€ 5,058
NOPLAT	**€ 16,209**	**€ 19,892**	**€ 21,093**	**€ 21,414**	**€ 22,283**	**€ 25,416**	**€ 26,679**	**€ 25,168**	**€ 22,457**	**€ 18,250**
Depreciation	€ 1,948	€ 2,143	€ 2,345	€ 2,498	€ 2,632	€ 2,759	€ 2,881	€ 2,994	€ 3,095	€ 3,179
Amortisation	€ 1,304	€ 1,300	€ 1,297	€ 1,294	€ 1,291	€ 1,289	€ 1,287	€ 1,286	€ 1,285	€ 1,285
Gross Cash Flow	**€ 19,461**	**€ 23,335**	**€ 24,735**	**€ 25,206**	**€ 26,206**	**€ 29,464**	**€ 30,848**	**€ 29,449**	**€ 26,838**	**€ 22,713**
EBITDA	€ 24,864	€ 29,965	€ 30,580	€ 31,140	€ 32,382	€ 36,508	€ 38,242	€ 36,424	€ 33,062	€ 27,771
- Taxes paid	€ 5,454	€ 6,707	€ 5,937	€ 6,051	€ 6,318	€ 7,213	€ 7,593	€ 7,204	€ 6,478	€ 5,333
- Interest expense	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Interest income	€ 205	€ 305	€ 421	€ 537	€ 655	€ 782	€ 918	€ 1,053	€ 1,170	€ 1,268
+ Other financial income	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in provisions	€ 71	€ 30	€ 39	€ 36	€ 39	€ 48	€ 38	€ 31	€ 23	€ 13
+ Dividends joint ventures	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)
+ Income discontinued operations	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in employee benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Funds from operations	**€ 19,682**	**€ 23,590**	**€ 25,099**	**€ 25,658**	**€ 26,755**	**€ 30,121**	**€ 31,601**	**€ 30,300**	**€ 27,773**	**€ 23,715**
- Increase in NWC	(€ 1,520)	€ 832	(€ 346)	(€ 275)	(€ 155)	€ 388	(€ 31)	(€ 760)	(€ 1,031)	(€ 1,355)
Cash flow from operations	**€ 21,202**	**€ 22,758**	**€ 25,445**	**€ 25,933**	**€ 26,910**	**€ 29,732**	**€ 31,632**	**€ 31,059**	**€ 28,804**	**€ 25,071**
- Net Capex PPE and Investment Property	€ 2,436	€ 2,648	€ 2,728	€ 2,833	€ 2,950	€ 3,064	€ 3,164	€ 3,247	€ 3,304	€ 3,352
- Net Capex Intangibles	€ 933	€ 964	€ 1,003	€ 1,040	€ 1,080	€ 1,130	€ 1,169	€ 1,200	€ 1,224	€ 1,237
- Acquisitions + Disposals	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Adjusted free cash flow bfr financing	**€ 17,834**	**€ 19,146**	**€ 21,714**	**€ 22,060**	**€ 22,879**	**€ 25,539**	**€ 27,298**	**€ 26,612**	**€ 24,276**	**€ 20,481**
+ Equity issues	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
- Buybacks	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
- Dividend ordinary shareholders	€ 6,931	€ 9,060	€ 9,711	€ 9,917	€ 10,398	€ 12,264	€ 12,949	€ 12,246	€ 11,598	€ 9,621
+ Other equity movements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Movements in loans	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Movements in other current liabilities	€ 191	€ 160	€ 205	€ 191	€ 208	€ 257	€ 204	€ 163	€ 123	€ 70
Net Cash Flow	**€ 11,094**	**€ 10,246**	**€ 12,208**	**€ 12,334**	**€ 12,690**	**€ 13,532**	**€ 14,553**	**€ 14,529**	**€ 12,801**	**€ 10,929**

CASH FLOW STATEMENT - BASE CASE	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast
EBITDA stand alone	**€ 21,581**	**€ 23,219**	**€ 20,848**	**€ 21,188**	**€ 19,823**	**€ 18,381**	**€ 19,195**	**€ 19,700**	**€ 20,194**	**€ 20,820**
EBITDA contribution synergies	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
EBITDA incl synergies	**€ 21,581**	**€ 23,219**	**€ 20,848**	**€ 21,188**	**€ 19,823**	**€ 18,381**	**€ 19,195**	**€ 19,700**	**€ 20,194**	**€ 20,820**
Depreciation	€ 2,448	€ 2,476	€ 2,513	€ 2,561	€ 2,626	€ 2,710	€ 2,797	€ 2,888	€ 2,985	€ 3,078
Amortisation	€ 1,304	€ 1,300	€ 1,296	€ 1,293	€ 1,290	€ 1,287	€ 1,285	€ 1,283	€ 1,281	€ 1,279
EBIT	**€ 17,830**	**€ 19,444**	**€ 17,039**	**€ 17,334**	**€ 15,907**	**€ 14,384**	**€ 15,113**	**€ 15,529**	**€ 15,927**	**€ 16,463**
Operating taxes	€ 4,457	€ 4,861	€ 3,697	€ 3,762	€ 3,452	€ 3,121	€ 3,280	€ 3,370	€ 3,456	€ 3,573
NOPLAT	**€ 13,372**	**€ 14,583**	**€ 13,341**	**€ 13,573**	**€ 12,455**	**€ 11,262**	**€ 11,834**	**€ 12,159**	**€ 12,471**	**€ 12,891**
Depreciation	€ 2,448	€ 2,476	€ 2,513	€ 2,561	€ 2,626	€ 2,710	€ 2,797	€ 2,888	€ 2,985	€ 3,078
Amortisation	€ 1,304	€ 1,300	€ 1,296	€ 1,293	€ 1,290	€ 1,287	€ 1,285	€ 1,283	€ 1,281	€ 1,279
Gross Cash Flow	**€ 17,124**	**€ 18,358**	**€ 17,151**	**€ 17,427**	**€ 16,371**	**€ 15,259**	**€ 15,916**	**€ 16,330**	**€ 16,737**	**€ 17,248**
EBITDA	€ 21,581	€ 23,219	€ 20,848	€ 21,188	€ 19,823	€ 18,381	€ 19,195	€ 19,700	€ 20,194	€ 20,820
- Taxes paid	€ 4,527	€ 4,952	€ 3,793	€ 3,871	€ 3,573	€ 3,254	€ 3,424	€ 3,524	€ 3,619	€ 3,735
- Interest expense	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Interest income	€ 277	€ 364	€ 439	€ 502	€ 557	€ 611	€ 664	€ 708	€ 750	€ 750
+ Other financial income	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in provisions	€ 63	€ 22	€ 23	€ 22	€ 23	€ 24	€ 25	€ 26	€ 26	€ 23
+ Dividends joint ventures	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)	(€ 4)
+ Income discontinued operations	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in employee benefits	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Funds from operations	**€ 17,391**	**€ 18,650**	**€ 17,514**	**€ 17,838**	**€ 16,826**	**€ 15,758**	**€ 16,456**	**€ 16,907**	**€ 17,347**	**€ 17,855**
- Increase in NWC	(€ 2,117)	€ 89	(€ 861)	(€ 171)	(€ 559)	(€ 590)	(€ 74)	(€ 149)	(€ 158)	(€ 97)
Cash flow from operations	**€ 19,508**	**€ 18,560**	**€ 18,375**	**€ 18,009**	**€ 17,385**	**€ 16,348**	**€ 16,530**	**€ 17,055**	**€ 17,505**	**€ 17,952**
- Net Capex PPE and Investment Property	€ 2,498	€ 2,536	€ 2,602	€ 2,662	€ 2,787	€ 2,883	€ 2,972	€ 3,079	€ 3,182	€ 3,251
- Net Capex Intangibles	€ 925	€ 948	€ 972	€ 994	€ 1,018	€ 1,043	€ 1,068	€ 1,095	€ 1,121	€ 1,145
- Acquisitions + Disposals	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
Adjusted free cash flow bfr financing	**€ 16,085**	**€ 15,076**	**€ 14,801**	**€ 14,354**	**€ 13,581**	**€ 12,422**	**€ 12,490**	**€ 12,882**	**€ 13,201**	**€ 13,556**
+ Equity issues	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
- Buybacks	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
- Dividend ordinary shareholders	€ 5,540	€ 6,428	€ 5,843	€ 5,983	€ 5,445	€ 5,120	€ 5,427	€ 5,607	€ 6,441	€ 6,739
+ Other equity movements	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Movements in loans	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Movements in other current liabilities	€ 150	€ 118	€ 124	€ 117	€ 123	€ 129	€ 133	€ 136	€ 139	€ 123
Net Cash Flow	**€ 10,695**	**€ 8,766**	**€ 9,082**	**€ 8,487**	**€ 8,258**	**€ 7,431**	**€ 7,195**	**€ 7,411**	**€ 6,900**	**€ 6,940**

ATTACHMENT M – GLOBAL RISK-FREE RATE APPLIED

21 **Avarage risk-free rate applied**
Total (in percent)



ATTACHMENT N – WACC CALCULATION

WACC Calculation as per 31 december 2018				
Cost of equity			**Notes**	
Risk free rate	Rf	1.50%	Yield of a composite index consisting of 30-years Eurozone government bonds	
Market premium	Rm-Rf	5.50%	Market implied market risk premium (KPMG research)	
Beta peers (unlevered)	Bu	0.97	Average unlevered peer group beta using weekly data of the MSCI World index (3 years)	
Target debt/equity	D/E	0		
Beta (relevered)	Br	0.97	Adjusted beta based on peer group capital structure	
Additional risk premia				
Liquidity premium	Rl	0.50%	Low daily average trading volume:	296,450
Small stock premium	Rs	2.70%	Ibbotson 9th decile	
Country risk premium	Rcrp	0.00%	Not applicable	
Cost of equity	Ke	10.00%	Rf + Br x (Rm-Rf) + Rs	
Cost of debt				
Risk free rate	Rf	1.50%		
Spread	S	2.50%	BBB credit rating 31-dec 2018	
Cost of debt (pre-tax)	Pre-tax Kd	4.00%	Rf + S	
Tax rate	t	25.00%	Blended statutory tax rate	
Cost of debt (post-tax)	Kd	3.00%	Pre-tax Kd x (1 - t)	
Equity to enterprise value	E / EV	100.00%		
Debt to enterprise value	D / EV	0.00%	Based on the peer group	
Weighted Average Cost of Capital	**(WACC)**	**10.00%**	(Ke x E / EV) + (Kd x D / EV)	

ATTACHMENT O – DCF CALCULATIONS

DISCOUNTED CASH FLOW - MANAGEMENT CASE		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CV
		forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
Net sales		**€ 373,236**	**€ 385,575**	**€ 401,387**	**€ 416,106**	**€ 432,152**	**€ 451,933**	**€ 467,618**	**€ 480,139**	**€ 489,589**	**€ 494,974**	**€ 502,399**
Work contracted out		€ 105,439	€ 106,033	€ 108,375	€ 110,268	€ 112,360	€ 115,243	€ 116,904	€ 120,035	€ 122,397	€ 123,744	€ 125,600
Personnel expenses		€ 211,145	€ 217,055	€ 229,276	€ 240,731	€ 252,580	€ 264,474	€ 275,928	€ 286,400	€ 296,270	€ 305,158	€ 309,735
Gross profit		**€ 56,652**	**€ 62,487**	**€ 63,737**	**€ 65,106**	**€ 67,212**	**€ 72,216**	**€ 74,785**	**€ 73,704**	**€ 70,922**	**€ 66,073**	**€ 67,064**
Cost of hardware, software & other direct costs		€ 5,238	€ 5,353	€ 5,449	€ 5,546	€ 5,652	€ 5,757	€ 5,852	€ 5,928	€ 5,974	€ 5,994	€ 6,083
Other operating expenses		€ 8,115	€ 8,418	€ 8,696	€ 8,949	€ 9,220	€ 9,495	€ 9,758	€ 9,993	€ 10,181	€ 10,327	€ 10,482
EBITDAR		**€ 43,298**	**€ 48,716**	**€ 49,592**	**€ 50,611**	**€ 52,341**	**€ 56,964**	**€ 59,174**	**€ 57,783**	**€ 54,767**	**€ 49,752**	**€ 50,498**
Car rental expenses		€ 14,335	€ 14,650	€ 14,911	€ 15,330	€ 15,777	€ 16,232	€ 16,666	€ 17,050	€ 17,353	€ 17,585	€ 17,849
Building rental expenses		€ 4,100	€ 4,100	€ 4,100	€ 4,141	€ 4,182	€ 4,224	€ 4,266	€ 4,309	€ 4,352	€ 4,396	€ 4,462
EBITDA (stand alone)		**€ 24,864**	**€ 29,965**	**€ 30,580**	**€ 31,140**	**€ 32,382**	**€ 36,508**	**€ 38,242**	**€ 36,424**	**€ 33,062**	**€ 27,771**	**€ 28,188**
- Depreciation		€ 1,948	€ 2,143	€ 2,345	€ 2,498	€ 2,632	€ 2,759	€ 2,881	€ 2,994	€ 3,095	€ 3,179	€ 3,179
- Amortization		€ 1,304	€ 1,300	€ 1,297	€ 1,294	€ 1,291	€ 1,289	€ 1,287	€ 1,286	€ 1,285	€ 1,285	€ 1,285
EBIT		**€ 21,612**	**€ 26,522**	**€ 26,938**	**€ 27,348**	**€ 28,458**	**€ 32,459**	**€ 34,073**	**€ 32,143**	**€ 28,681**	**€ 23,307**	**€ 23,724**
- Operating taxes		€ 5,403	€ 6,631	€ 5,846	€ 5,935	€ 6,175	€ 7,044	€ 7,394	€ 6,975	€ 6,224	€ 5,058	€ 5,058
NOPLAT		**€ 16,209**	**€ 19,892**	**€ 21,093**	**€ 21,414**	**€ 22,283**	**€ 25,416**	**€ 26,679**	**€ 25,168**	**€ 22,457**	**€ 18,250**	**€ 18,666**
+ Depreciation		€ 1,948	€ 2,143	€ 2,345	€ 2,498	€ 2,632	€ 2,759	€ 2,881	€ 2,994	€ 3,095	€ 3,179	€ 3,179
+ Amortization		€ 1,304	€ 1,300	€ 1,297	€ 1,294	€ 1,291	€ 1,289	€ 1,287	€ 1,286	€ 1,285	€ 1,285	€ 1,285
Gross cash flow		**€ 19,461**	**€ 23,335**	**€ 24,735**	**€ 25,206**	**€ 26,206**	**€ 29,464**	**€ 30,848**	**€ 29,449**	**€ 26,838**	**€ 22,713**	**€ 23,130**
- Capex tangible assets		€ 2,436	€ 2,648	€ 2,728	€ 2,833	€ 2,950	€ 3,064	€ 3,164	€ 3,247	€ 3,304	€ 3,352	€ 3,352
- Capex intangible assets		€ 933	€ 964	€ 1,003	€ 1,040	€ 1,080	€ 1,130	€ 1,169	€ 1,200	€ 1,224	€ 1,237	€ 1,237
- Increase in operating working capital		(€ 1,520)	€ 832	(€ 346)	(€ 275)	(€ 155)	€ 388	(€ 31)	(€ 760)	(€ 1,031)	(€ 1,355)	(€ 85)
+ Increase in other noncurrent liabilities		€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in deferred tax liabilities		€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in operating provisions		€ 71	€ 30	€ 39	€ 36	€ 39	€ 48	€ 38	€ 31	€ 23	€ 13	€ 13
Cash flow from investing		*(€ 1,777)*	*(€ 4,414)*	*(€ 3,347)*	*(€ 3,562)*	*(€ 3,836)*	*(€ 4,533)*	*(€ 4,264)*	*(€ 3,657)*	*(€ 3,474)*	*(€ 3,221)*	*(€ 4,492)*
FREE CASH FLOW		**€ 17,684**	**€ 18,921**	**€ 21,388**	**€ 21,643**	**€ 22,370**	**€ 24,931**	**€ 26,584**	**€ 25,792**	**€ 23,364**	**€ 19,492**	**€ 218,921**
Discount rate	10.01%	0.99	0.9	0.82	0.75	0.68	0.62	0.56	0.51	0.46	0.42	0.42
Present value of FCF		**€ 17,552**	**€ 17,071**	**€ 17,541**	**€ 16,134**	**€ 15,158**	**€ 15,356**	**€ 14,884**	**€ 13,126**	**€ 10,808**	**€ 8,196**	**€ 92,054**
Value during planning period		€ 145,826										
Value after planning period		€ 92,054										
Enterprise value		**€ 237,880**										

DISCOUNTED CASH FLOW - BASE CASE		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CV
		forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
Net sales		**€ 370,102**	**€ 379,173**	**€ 388,691**	**€ 397,684**	**€ 407,154**	**€ 417,123**	**€ 427,337**	**€ 437,801**	**€ 448,520**	**€ 457,991**	**€ 464,860**
Work contracted out		€ 99,928	€ 103,325	€ 106,890	€ 109,363	€ 111,967	€ 114,709	€ 115,381	€ 116,017	€ 116,615	€ 116,788	€ 118,539
Personnel expenses		€ 210,089	€ 213,667	€ 221,536	€ 227,171	€ 234,592	€ 242,411	€ 250,298	€ 258,720	€ 267,427	€ 275,321	€ 279,450
Gross profit		**€ 60,085**	**€ 62,181**	**€ 60,265**	**€ 61,150**	**€ 60,594**	**€ 60,003**	**€ 61,658**	**€ 63,063**	**€ 64,478**	**€ 65,883**	**€ 66,871**
Cost of hardware, software & other direct costs		€ 5,331	€ 5,368	€ 5,403	€ 5,432	€ 5,500	€ 5,571	€ 5,640	€ 5,715	€ 5,792	€ 5,846	€ 5,934
Other operating expenses		€ 14,486	€ 14,805	€ 15,127	€ 15,375	€ 15,737	€ 16,118	€ 16,495	€ 16,900	€ 17,315	€ 17,668	€ 17,934
EBITDAR		**€ 40,269**	**€ 42,009**	**€ 39,735**	**€ 40,343**	**€ 39,358**	**€ 38,314**	**€ 39,523**	**€ 40,448**	**€ 41,371**	**€ 42,368**	**€ 43,004**
Car rental expenses		€ 14,588	€ 14,689	€ 14,787	€ 15,014	€ 15,353	€ 15,709	€ 16,061	€ 16,439	€ 16,825	€ 17,152	€ 17,409
Building rental expenses		€ 4,100	€ 4,100	€ 4,100	€ 4,141	€ 4,182	€ 4,224	€ 4,266	€ 4,309	€ 4,352	€ 4,396	€ 4,462
EBITDA (stand alone)		**€ 21,581**	**€ 23,219**	**€ 20,848**	**€ 21,188**	**€ 19,823**	**€ 18,381**	**€ 19,195**	**€ 19,700**	**€ 20,194**	**€ 20,820**	**€ 21,133**
- Depreciation		€ 2,448	€ 2,476	€ 2,513	€ 2,561	€ 2,626	€ 2,710	€ 2,797	€ 2,888	€ 2,985	€ 3,078	€ 3,078
- Amortization		€ 1,304	€ 1,300	€ 1,296	€ 1,293	€ 1,290	€ 1,287	€ 1,285	€ 1,283	€ 1,281	€ 1,279	€ 1,279
EBIT		**€ 17,830**	**€ 19,444**	**€ 17,039**	**€ 17,334**	**€ 15,907**	**€ 14,384**	**€ 15,113**	**€ 15,529**	**€ 15,927**	**€ 16,463**	**€ 16,775**
- Operating taxes		€ 4,457	€ 4,861	€ 3,697	€ 3,762	€ 3,452	€ 3,121	€ 3,280	€ 3,370	€ 3,456	€ 3,573	€ 3,640
NOPLAT		**€ 13,372**	**€ 14,583**	**€ 13,341**	**€ 13,573**	**€ 12,455**	**€ 11,262**	**€ 11,834**	**€ 12,159**	**€ 12,471**	**€ 12,891**	**€ 13,135**
+ Depreciation		€ 2,448	€ 2,476	€ 2,513	€ 2,561	€ 2,626	€ 2,710	€ 2,797	€ 2,888	€ 2,985	€ 3,078	€ 3,078
+ Amortization		€ 1,304	€ 1,300	€ 1,296	€ 1,293	€ 1,290	€ 1,287	€ 1,285	€ 1,283	€ 1,281	€ 1,279	€ 1,279
Gross cash flow		**€ 17,124**	**€ 18,358**	**€ 17,151**	**€ 17,427**	**€ 16,371**	**€ 15,259**	**€ 15,916**	**€ 16,330**	**€ 16,737**	**€ 17,248**	**€ 17,492**
- Capex tangible assets		€ 2,498	€ 2,536	€ 2,602	€ 2,662	€ 2,787	€ 2,883	€ 2,972	€ 3,079	€ 3,182	€ 3,251	€ 3,251
- Capex intangible assets		€ 933	€ 964	€ 1,003	€ 1,040	€ 1,080	€ 1,130	€ 1,169	€ 1,200	€ 1,224	€ 1,237	€ 1,237
- Increase in operating working capital		(€ 1,520)	€ 832	(€ 346)	(€ 275)	(€ 155)	€ 388	(€ 31)	(€ 760)	(€ 1,031)	(€ 1,355)	(€ 91)
+ Increase in other noncurrent liabilities		€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in deferred tax liabilities		€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0
+ Increase in operating provisions		€ 63	€ 22	€ 23	€ 22	€ 23	€ 24	€ 25	€ 26	€ 26	€ 23	€ 23
Cash flow from investing		*(€ 1,848)*	*(€ 4,310)*	*(€ 3,236)*	*(€ 3,405)*	*(€ 3,688)*	*(€ 4,377)*	*(€ 4,085)*	*(€ 3,494)*	*(€ 3,349)*	*(€ 3,110)*	*(€ 4,374)*
FREE CASH FLOW		**€ 15,276**	**€ 14,048**	**€ 13,914**	**€ 14,021**	**€ 12,683**	**€ 10,883**	**€ 11,830**	**€ 12,837**	**€ 13,388**	**€ 14,138**	**€ 154,086**
Discount rate	10.01%	0.99	0.9	0.82	0.75	0.68	0.62	0.56	0.51	0.46	0.42	0.42
Present value of FCF		**€ 15,163**	**€ 12,675**	**€ 11,411**	**€ 10,452**	**€ 8,594**	**€ 6,703**	**€ 6,623**	**€ 6,533**	**€ 6,193**	**€ 5,945**	**€ 64,792**
Value during planning period		€ 90,293										
Value after planning period		€ 64,792										
Enterprise value		**€ 155,085**										

ATTACHMENT P – SENSITIVITY ANALYSES

Management case

Sensitivity analysis (operating EV) - Stand-alone						
				Long term growth rate		
		0.50%	1%	1.50%	2%	2.50%
	8.51%	€ 243,113	€ 249,861	€ 257,623	€ 266,632	€ 277,200
	9.26%	€ 234,845	€ 240,447	€ 246,818	€ 254,115	€ 262,545
WACC	10.01%	€ 227,882	€ 232,601	€ 237,917	€ 243,942	€ 250,818
	10.76%	€ 221,936	€ 225,960	€ 230,458	€ 235,511	€ 241,220
	11.51%	€ 216,801	€ 220,268	€ 224,117	€ 228,410	€ 233,220

Base case

Sensitivity analysis (operating EV) - Stand-alone						
				Long term growth rate		
		0.50%	1%	1.50%	2%	2.50%
	8.51%	€ 158,767	€ 163,519	€ 168,981	€ 175,315	€ 182,741
	9.26%	€ 152,942	€ 156,890	€ 161,375	€ 166,509	€ 172,435
WACC	10.01%	€ 148,037	€ 151,365	€ 155,111	€ 159,352	€ 164,187
	10.76%	€ 143,849	€ 146,689	€ 149,861	€ 153,421	€ 157,438
	11.51%	€ 140,231	€ 142,681	€ 145,398	€ 148,425	€ 151,812

Management case

Sensitivity analysis (operating EV) - Incl synergies						
				Long term growth rate		
		0.50%	1%	1.50%	2%	2.50%
	8.51%	€ 285,845	€ 294,132	€ 303,660	€ 314,714	€ 327,674
	9.26%	€ 275,654	€ 282,533	€ 290,353	€ 299,306	€ 309,644
WACC	10.01%	€ 267,069	€ 272,866	€ 279,393	€ 286,785	€ 295,216
	10.76%	€ 259,740	€ 264,684	€ 270,206	€ 276,407	€ 283,408
	11.51%	€ 253,409	€ 257,669	€ 262,397	€ 267,666	€ 273,566

Base case

Sensitivity analysis (operating EV) - Incl synergies						
				Long term growth rate		
		0.50%	1%	1.50%	2%	2.50%
	8.51%	€ 201,468	€ 207,724	€ 214,912	€ 223,245	€ 233,010
	9.26%	€ 193,722	€ 198,916	€ 204,815	€ 211,565	€ 219,352
WACC	10.01%	€ 187,198	€ 191,575	€ 196,499	€ 202,071	€ 208,422
	10.76%	€ 181,628	€ 185,362	€ 189,529	€ 194,204	€ 199,477
	11.51%	€ 176,816	€ 180,035	€ 183,604	€ 187,577	€ 192,021

ATTACHMENT Q – NON-OPERATIONAL ASSETS AND LIABILITIES

Non-operating asssets	
+ Excess cash	€9.725
+ Joint ventures	€364
+ Deferred tax asset	€15.177
Non-operating liabilities	
- Loans and other debt instruments	€0
- Pension deficit	€875
- Deferred tax liability	€4.654
Equity claims	
- Value share-based compensation	€888

ATTACHMENT R – SYNERGIES

SYNERGIES - ORDINA AS A TARGET	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	CV
in kEUR	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	forecast	
EBITDA synergies											
Overhead cost reduction	€ 729	€ 1,218	€ 1,756	€ 1,832	€ 1,904	€ 1,979	€ 2,057	€ 2,138	€ 2,221	€ 2,285	
Reduction of WCO	€ 1,054	€ 2,121	€ 2,167	€ 2,205	€ 2,247	€ 2,305	€ 2,338	€ 2,401	€ 2,448	€ 2,475	
Combined sourcing SG&A	€ 134	€ 275	€ 283	€ 290	€ 297	€ 305	€ 312	€ 318	€ 323	€ 326	
Cross sales	50	150	250	300	€ 303	€ 307	€ 310	€ 313	€ 317	€ 320	
Redundancy cost	(€ 473)	(€ 317)	(€ 327)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	
Integration cost	-2000										
Total EBITDA impact	**(€ 506)**	**€ 3,447**	**€ 4,130**	**€ 4,628**	**€ 4,752**	**€ 4,896**	**€ 5,017**	**€ 5,170**	**€ 5,309**	**€ 5,407**	
- Tax	€ 127	(€ 862)	(€ 896)	(€ 1,004)	(€ 1,031)	(€ 1,062)	(€ 1,089)	(€ 1,122)	(€ 1,152)	(€ 1,173)	
After tax EBITDA synergies	**(€ 380)**	**€ 2,586**	**€ 3,234**	**€ 3,623**	**€ 3,721**	**€ 3,834**	**€ 3,929**	**€ 4,048**	**€ 4,157**	**€ 4,234**	
Valuation synergies											
Total synergies	**(€ 380)**	**€ 2,586**	**€ 3,234**	**€ 3,623**	**€ 3,721**	**€ 3,834**	**€ 3,929**	**€ 4,048**	**€ 4,157**	**€ 4,234**	**€ 42,915**
Discount factor	0.99	0.9	0.82	0.75	0.68	0.62	0.56	0.51	0.46	0.42	0.42
Present value of synergies	**(€ 377)**	**€ 2,333**	**€ 2,652**	**€ 2,701**	**€ 2,522**	**€ 2,361**	**€ 2,200**	**€ 2,060**	**€ 1,923**	**€ 1,780**	**€ 18,045**
Total synergies Ordina as target	**€ 38,200**										

ATTACHMENT S – GLOSSARY

AI – Artificial Intelligence
AR - Augmented Reality
CAGR - Compound Annual Growth Rate
CAPM – Capital Asset Pricing Model
CBS – Centraal Bureau voor de Statistiek
CCA – Comparable Company Analysis
CTA – Comparable Transaction Analysis
DCF – Discounted Cash Flow
EBIT - Earnings Before Interest and Taxes
EBITA - Earnings Before Interest, Taxes and Amortization
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EBITDAR – Earnings Before Interest, Taxes, Depreciation, Amortization and Rent costs
EV – Enterprise Value
GDP – Gross Domestic Product
IFRS – International Financial Reporting Standards
IoT – Internet of things
Kd – Cost of Debt
Ke – Cost of Equity
MRP – Market Risk Premium
MSCI - Morgan Stanley Capital International
NIRV - Nederlands Instituut voor Register Valuators
NOPLAT – Net Operating Profit Less Adjusted Taxes
NPV – Net Present Value
OL – Operating Leases
P/E – Price/Earnings
PEST – Political, Economic, Social and Technological
PESTLED - Political, Economic, Social, Technological, Legal, Environmental and Demographical.
Rf – Risk free rate
ROIC – Return on Invested Capital
SA – Stand Alone
SWOT – Strengths, Weaknesses, Opportunities and Threats
VR – Virtual Reality
WACC – Weighted Average Cost of Capital
WCO – Work Contracted Out