

# N.V. Nederlandsche Apparatenfabriek "NEDAP"

## Annual General Meeting of Shareholders

Rotterdam  
April 5<sup>th</sup> 2018

2017 has been  
a good year for Nedap

## Financial results\*:

	2017	2016	growth
Revenue (€ x 1 million)	182,2	163,2	+12%
Operating profit excl. one-off items (€ x 1 million)	15,9	12,1	+31%



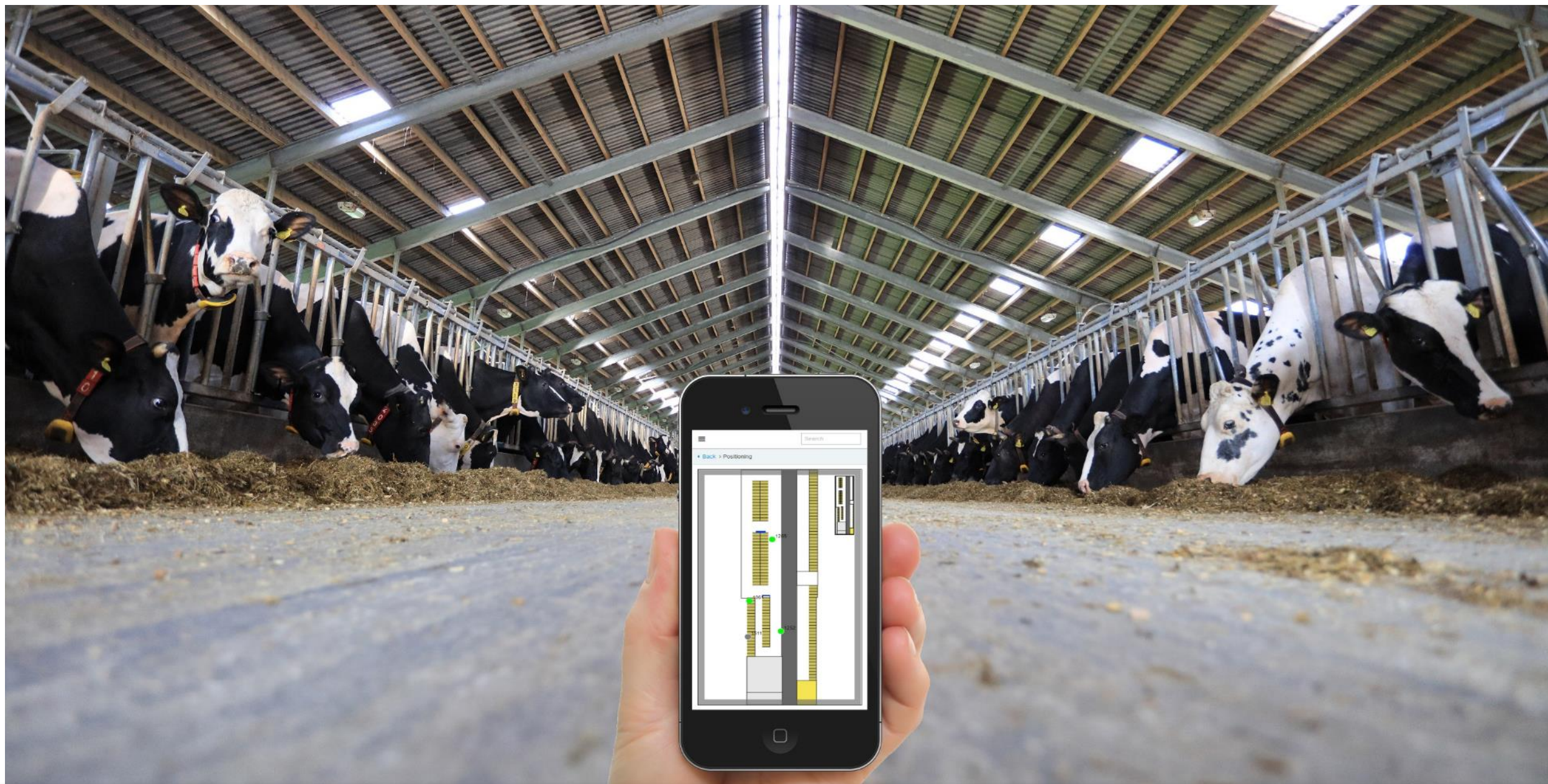
# *CHANGING*GEARS















Waar bent u naar op zoek?

Zoeken



## Snel zorg en hulp regelen

[De thuiszorg >>](#) [Luister](#) 

Bij Cordaan helpen we iedereen, van jong tot oud, die korte of lange tijd verpleging, verzorging, begeleiding en/of ondersteuning nodig heeft. Als u bent aangewezen op verzorging en verpleging, als u een verstandelijke beperking heeft of als u met chronische psychische problemen kampt. Zodat u zo lang mogelijk zelfstandig kunt blijven. Liefst thuis, in uw eigen omgeving. Of, als dat niet kan, in een omgeving waar u zich veilig voelt.









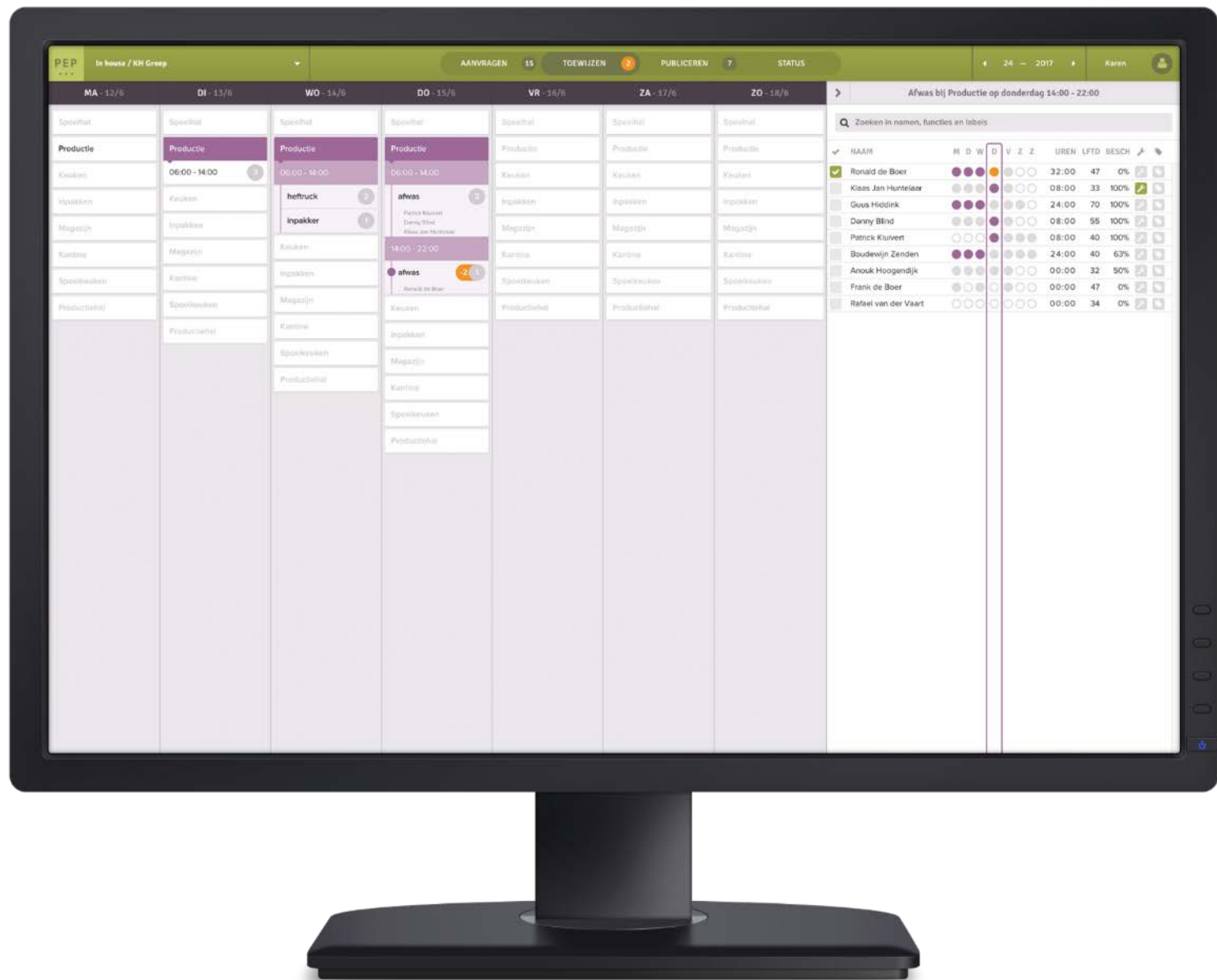


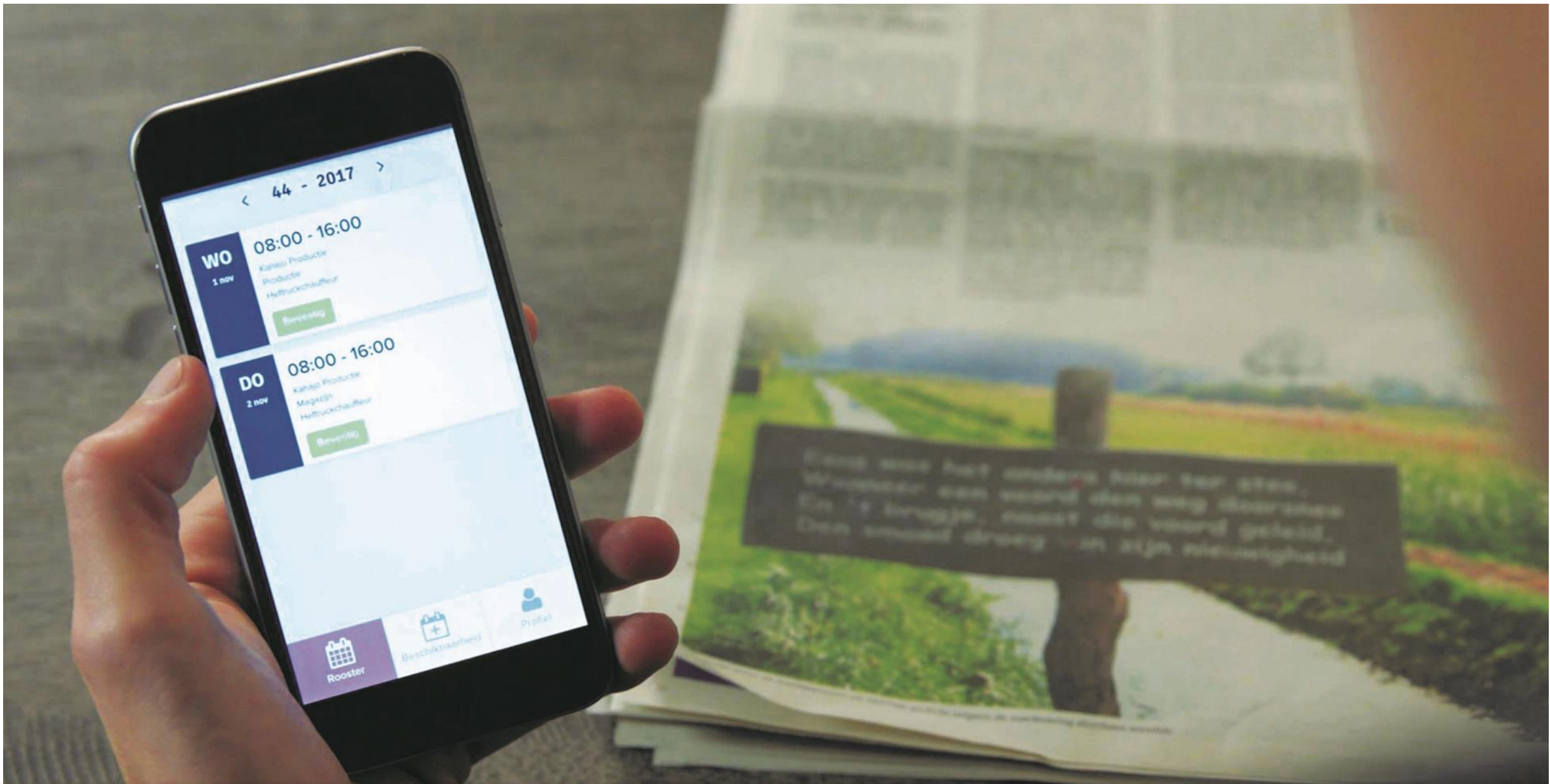




















## Organisational changes:

- Sale of Nsecure to Unica
- Restructuring Nedap Iberia
- Merger Library Solutions with Retail
- Support Energy Systems transferred to Smart

*Focus on the right activities*

## Supply chain:

- Main milestones have been reached:
  - metal shop closed
  - Inventi closed
  - all employees made redundant have left the organization











## Supply chain:

- Main milestones have been reached:
  - metal shop closed
  - Inveni closed
  - all employees made redundant have left the organization
- Project has demanded enormous efforts and great tenacity of our organisation.
- A lot of work remains to be done
  - backlogs
  - high inventory levels
  - too many disruptions

### Our challenges:

- Anticipate market trends
- Recruiting the right people

**Market trends:**

product replication → proposition creation

event driven  
customer interaction → continuous customer  
interaction

supply chain → supply cloud

### Shift to proposition creation:

- outsourcing supply chain
- investing in proposition development
- fewer but better propositions

## Shift to supply cloud:

- focus on building winning ecosystems

# OSRAM

# PHILIPS



GE  
Lighting

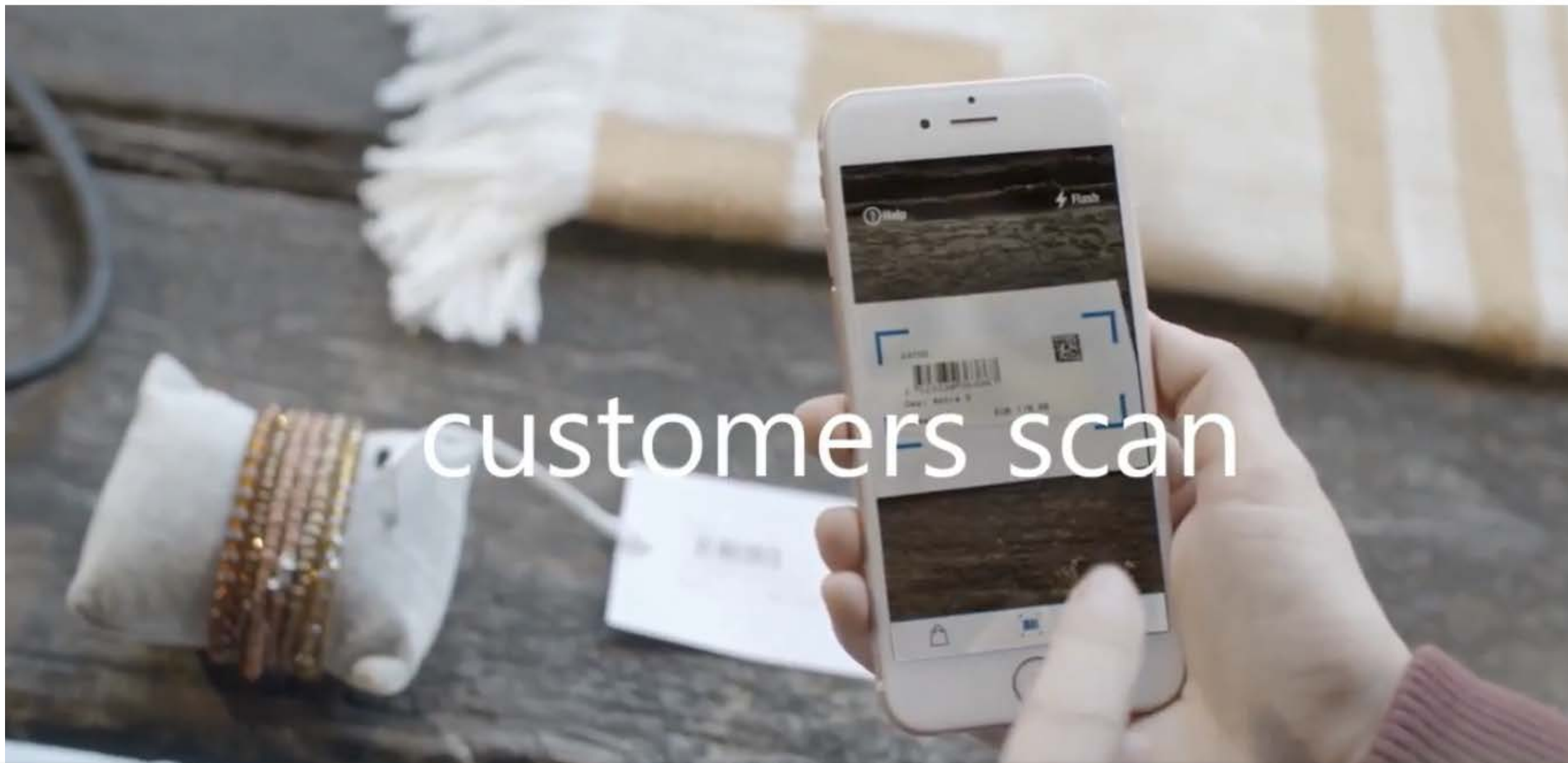
## PARTNERSHIPS

## CONNECTED LIGHTING PLATFORM









customers scan



# SATURN *EXPRESS*

»» DU KANNST  
SCHNELLER MEHR!

Beste Beratung und innovatives Shopping.

EXPRESS-APP:  
CODE  
SCANNEN UND PER  
SMARTPHONE  
ZAHLEN!



EINKAUFSERLEBNIS DER ZUKUNFT KENNEN LERNEN!

SATURN EXPRESS eröffnet im Sillpark in Innsbruck.

Persönliche Beratung mit noch schnellerem Shopping kombinieren? Das ist ab sofort bei SATURN EXPRESS möglich! Im Sillpark Shopping Center präsentiert SATURN Express





### Shift to supply cloud:

- focus on building winning ecosystems
- more players, more revenue opportunities
- focus on capturing critical market share



## Attracting the right people:

- Investing in recruitment and selection





### Attracting the right people:

- Investing in recruitment and selection
- Investing in the Nedap Campus

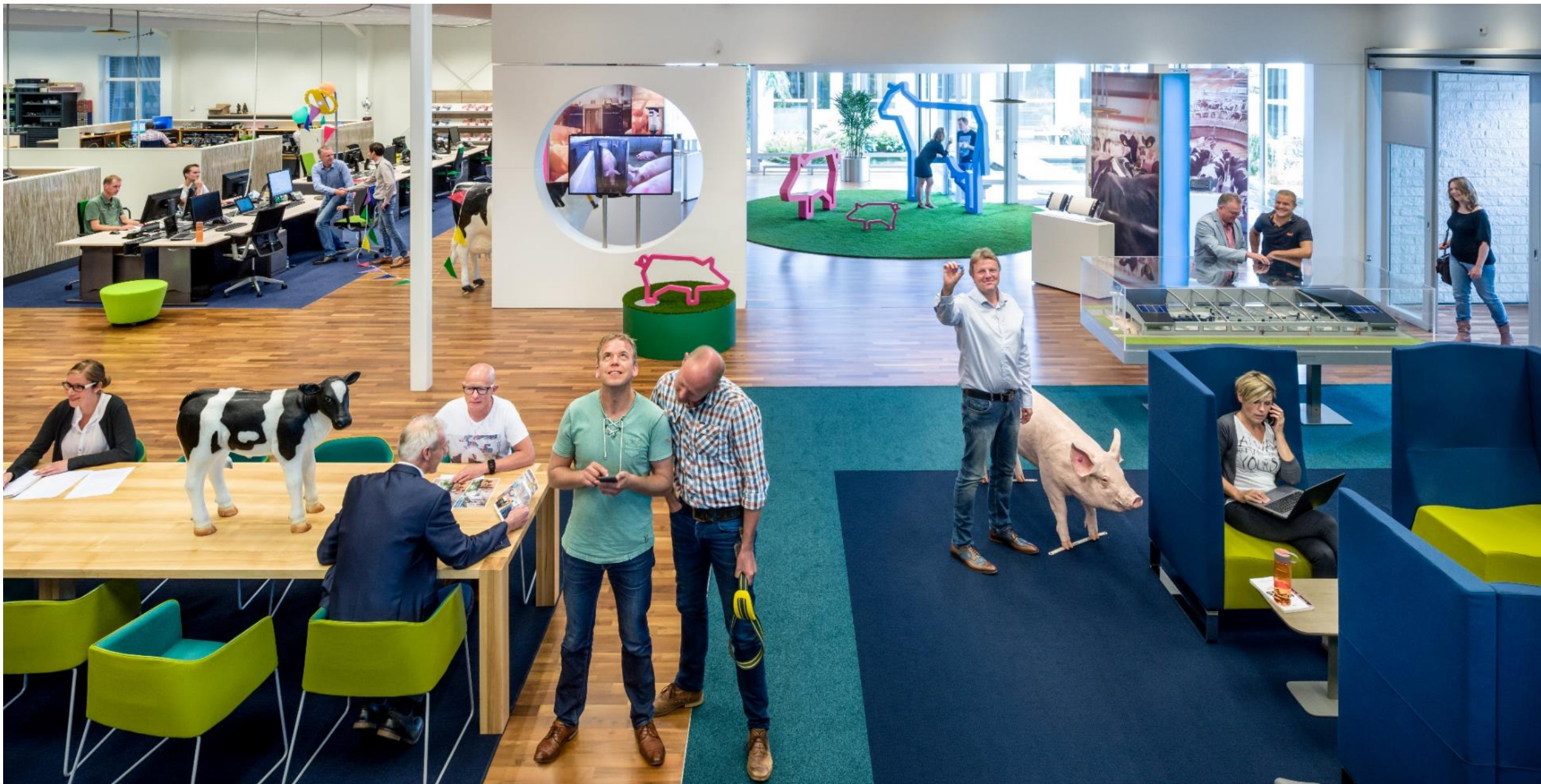












To sum it all up:

2017 has been  
a good year for Nedap

a lot of work remains  
to be done in 2018

To sum it all up:





## Financial highlights:

- Revenue and Operating profit
- One-off items
- NAPP
- Sale Nsecure
- Profit, Financial Position and Dividend
- Financial Performance versus Financial Targets
- Outlook



## Revenue and Operating Profit:

- Revenue: € 182.2 mio (+ 12%)
  - Growth at all business units, except Light Controls and Library Solutions
  - Recurring revenues: € 30.9 mio (+22%)
- Added Value ('gross margin'): 62% (-3%)
  - Effect of outsourcing
  - Added value per fte: € 172k (+8k)
- Operating profit
  - € 9.9 mio (-7%)
  - Effect of one-offs

## One-off items:

- One-off costs: € 6.0 mio
  - Outsourcing: 3.9 mio
  - Energy Systems: 0.8 mio
  - Spain: 0.3 mio
  - Library Solutions: -
  - Sale Nsecure: 1.1 mio
- Operating profit excluding one-offs: € 15.9 mio (+31%)

## Nedap Additional Participation Plan (NAPP):

- NAPP structure
  - Operating profit\* 2016 starting point: € 12.2 mio
  - Threshold: 5% annual growth
  - 40% of operating profit\* exceeding threshold allocated to NAPP
    - 2017 threshold: € 14.8 mio
    - 2018 threshold: € 17.5 mio
      - Thresholds adjusted for sale of Nsecure
      - Thresholds take into account communicated cost savings related to the restructuring of the supply chain (2017: € 2.0 mio; 2018: € 4.0 mio)
  - Who: all individuals employed by Nedap, world wide
  - How: fully in certificates of shares (4 yr. lock-up, right to dividends)
- Management has discretionary authority to alter plan



## NAPP 2017

- Threshold 2017: € 14.8 mio
- Operating profit\* 2017 excluding NAPP: € 16.7 mio
  - Surplus: € 1.9 mio
  - NAPP allocation (40%): € 0.8 mio (personnel costs)
  - Operating profit\* 2017 including NAPP: € 15.9 mio
- NV delivered shares to Stichting Medewerkerparticipatie
  - Shares from treasury stock

## Sale Nsecure:

- Net proceeds: € 25.3 mio
- Result in 2017 from sale: € 19.1 mio
- Uses of net proceeds:
  - Share buy-back for participation plans: € 12.4 mio (4.2% of outstanding shares)
  - Groenlo premises
  - One-off costs in 2017
  - Increased dividend
  - Headroom

## Profit, Financial Position and Dividend:

- Profit for the financial year: € 28.0 mio (+160%)
- Return on Invested Capital (ROIC): 22% (19%)
- Solvency: 55% (+5%)
- Net debt / EBITDA: 0.6 (1.1)
- Dividend per share: € 2.50 (1.40)



## Results 2017:

Key figures*	2017	2016	Growth
Revenue <i>in millions of euros</i>	182,2	163,2	12%
Recurring revenues	30,9	25,4	22%
Added value as % of revenue	62%	65%	-
Added value per fte (x € 1.000)	172	164	-
Operating profit excl. one-off items <i>in millions of euros</i>	15,9	12,2	31%
Operating profit excl. one-off items as % of revenue	9%	8%	-
Profit for the financial year <i>in millions of euros</i>	28,0	10,8	160%
Earning per share (x € 1)	€ 4,21	€ 1,61	-
Earnings per share excl. one-off items (x € 1)	€ 2,02	€ 1,77	-
Dividend per share (x € 1)	€ 2,50	€ 1,40	-
Return on invested capital (ROIC)	22%	19%	-
Net debts/EBITDA	0,6	1,1	-
Solvency	55%	50%	-

## Financial targets:

1. High and growing added value per FTE.
2. Long-term autonomous revenue growth. Recurring revenue that outgrows total revenue in the coming years.
3. Operating profit, excluding one-off items, of at least 10% in 2018, increasing further in the following years.
4. Return on invested capital (ROIC) that outgrows profitability.
5. A conservative financing structure reflected by a solvency rate  $> 45\%$  and net debt / EBITDA  $< 1.5$ . Temporary deviation from this target is possible for strategic reasons.
6. Profits are paid out to shareholders, after deduction of the amount needed for investments in profitable growth and taking into account the target financing structure. Given the organisation's increased capital efficiency and scalability, we expect high payout ratios over the coming years.



## Outlook:

The Board of Directors is optimistic about this year's potential developments, but finds it too early to make any statements at this stage about the level of growth in revenue over 2018 as a whole. Such growth depends on developments on certain markets and with individual customers, as well as on the general economic climate.

The recently reorganised supply chain is currently still in a start-up phase. Although this is not expected to create any one-off costs in 2018, the situation could result in temporarily delayed deliveries, also given the continuing scarcity of certain electronic components.

