

ECIT | Interim Report | Q1 2022

Investor presentation

13th May 2022

Agenda

- 1 ECIT in short
- 2 Highlights
- 3 M&A – Acquisitions in Q1
- 4 Business segments
- 5 Financial review
- 6 Q&A



Peter Lauring
CEO



Mads Skovgaard
CFO

ECIT in short

 **Founded in 2013**

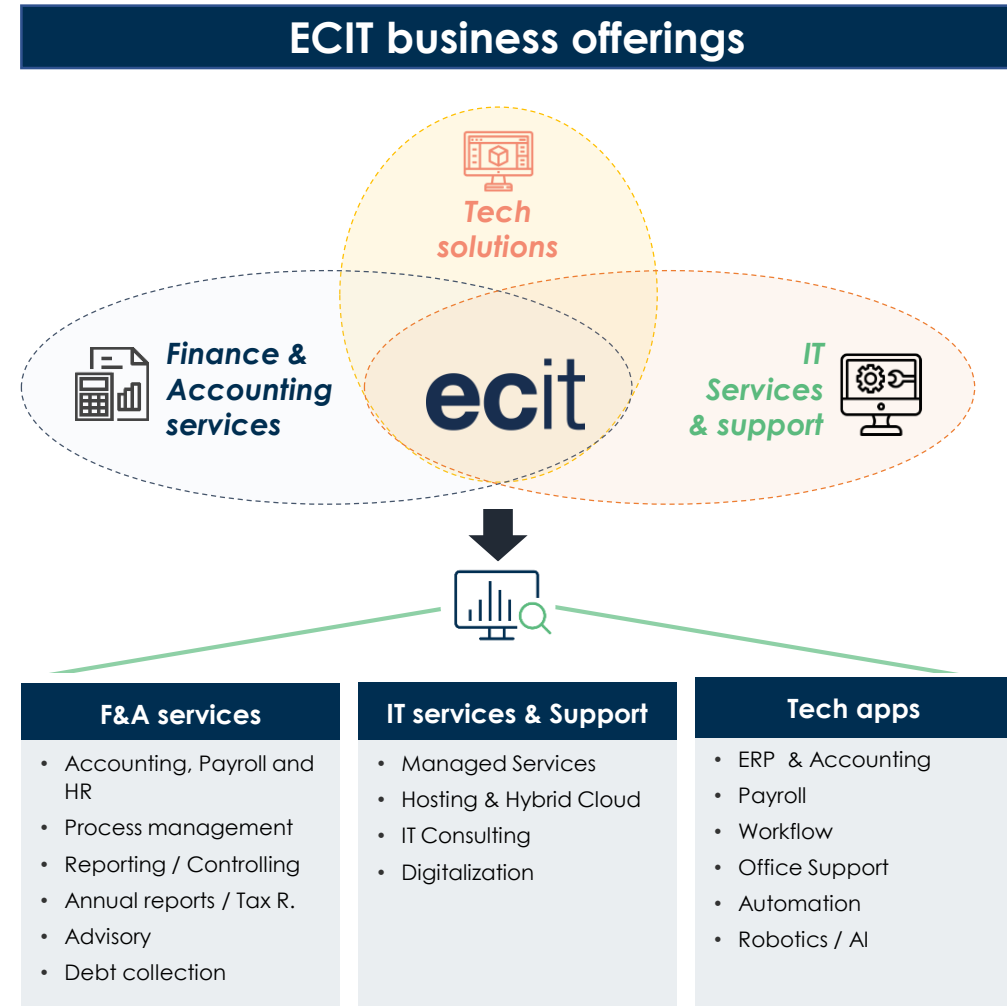
 **+125 acquisitions**

 **~250 partners**

 **People business (+ 2200)**

 **Present in 10 countries**

 **Strategic partner**



Highlights

Financial summary

(NOKm)	Q1 2022	Q1 2021
Revenue	710	554
EBITDA*	87	66
Profit for the quarter	32	22
Adj. profit for the quarter	25	22
KPIs		
Total revenue growth	28.1%	24.8%
M&A revenue growth	22.8%	20.1%
Organic revenue growth	6.5%	5.5%
EBITDA-margin*	12.3%	11.9%

Highlights

28.1%
Revenue growth

6.5%
Organic growth

12.3%
EBITDA margin

**Mergers and
integration**

20 May 2022**
Lock-up period
ends

**Board of
Directors**

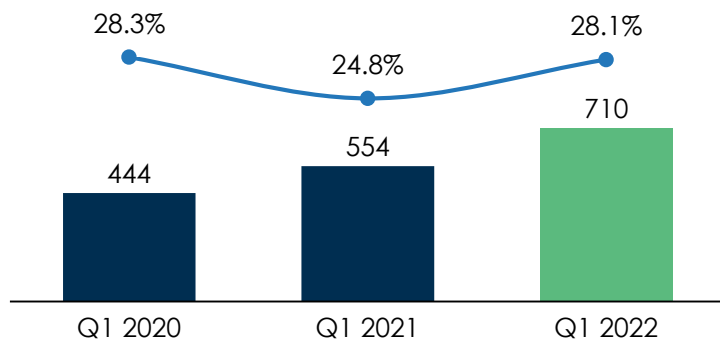
Notes

*) EBITDA before special items.

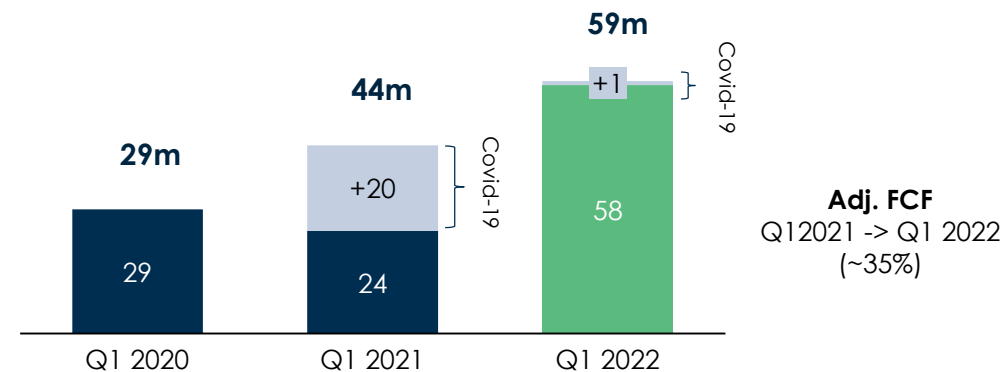
**) Shareholders employed in ECIT at the time of listing had a 1-year lock-up period.

Financial performance – Q1 2022

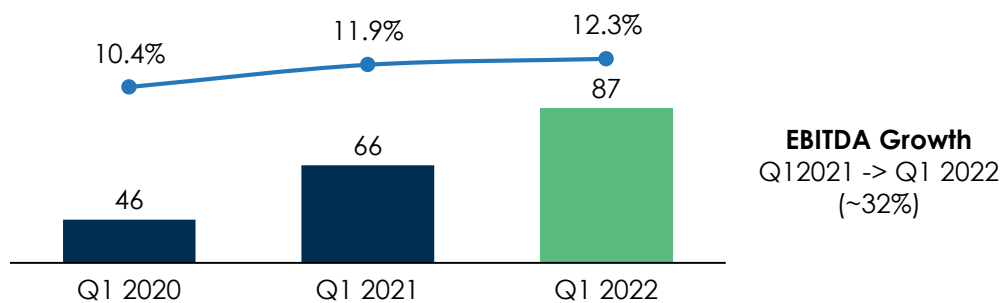
Total revenue (NOKm)



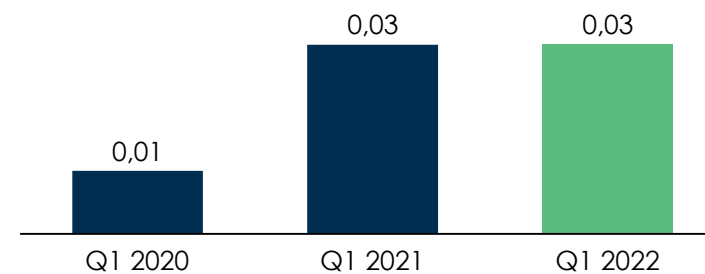
Adjusted free cash flow** (NOKm)



EBITDA* (NOKm) and margins



Adjusted diluted earnings per share*** (NOK)



Notes

*) EBITDA before special items.

**) Free cash flow less IFRS leasing and before special items, R&D and acquisitions

***) Adjusted for one-off items

M&A – Acquisitions in Q1 2022

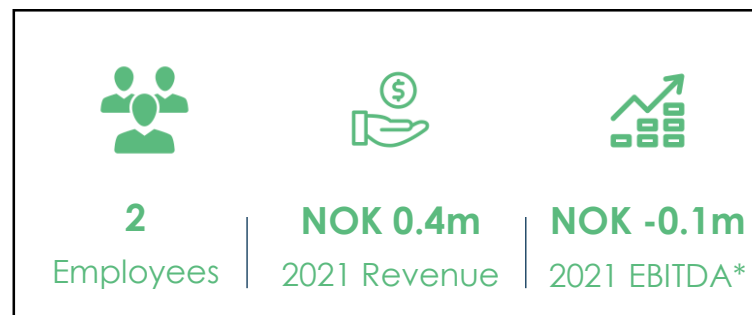
XACCT Accounting AS



Management comments

- F&A NO company.
- Medium to large customer segment.
- XACCT and Norian potential to form one of the largest X-ledger partners.

CataCloud AS



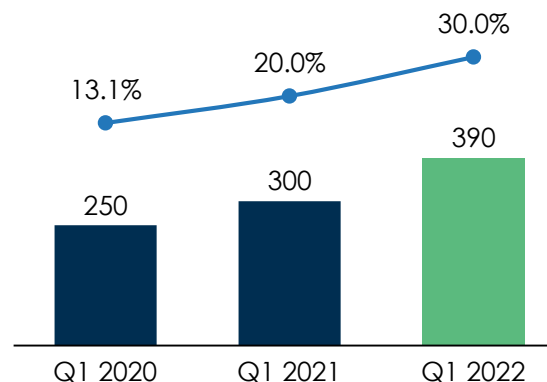
- Modern cloud based ERP solution.
- Part of the ECIT product suite to SME customers.
- Started integration to other ECIT applications.

F&A division

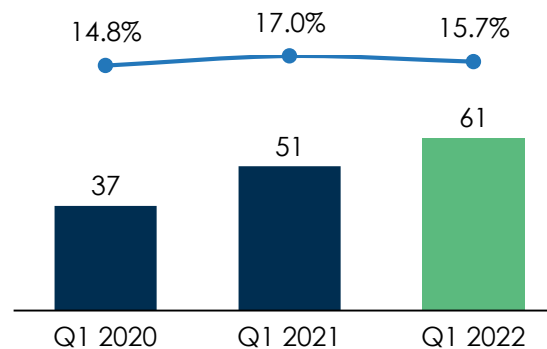
Financial summary – Q1 2022

(NOKm)	Q1 2022	Q1 2021
Revenue	390	300
EBITDA*	61	51
Total revenue growth	30.0%	20.0%
EBITDA-margin*	15.7%	17.0%

Revenue development



EBITDA* and margin development



Management comments

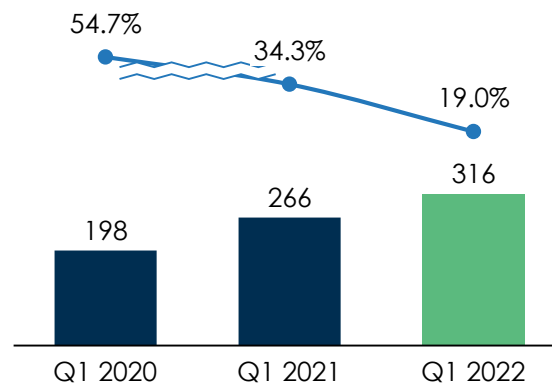
- Mainly M&A growth.
- Covid-19 sick leave effects.
- Merger and integration effects.
- Large Q2 2021 acquisition affects EBITDA margin.
- Improved EBITDA margin excluding acquisitions

IT division

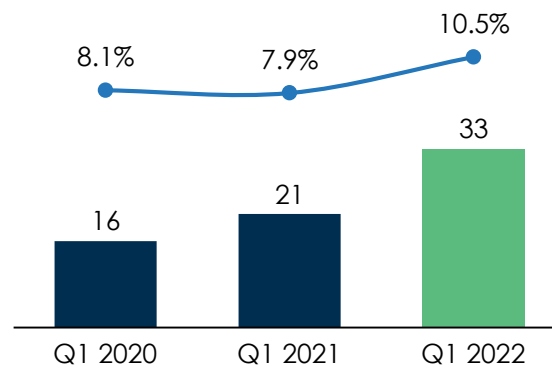
Financial overview – Q1 2022

(NOKm)	Q1 2022	Q1 2021
Revenue	316	266
EBITDA*	33	21
Total revenue growth	19.0%	34.3%
EBITDA-margin*	10.5%	7.9%

Revenue development



EBITDA* and margin development



Management comments

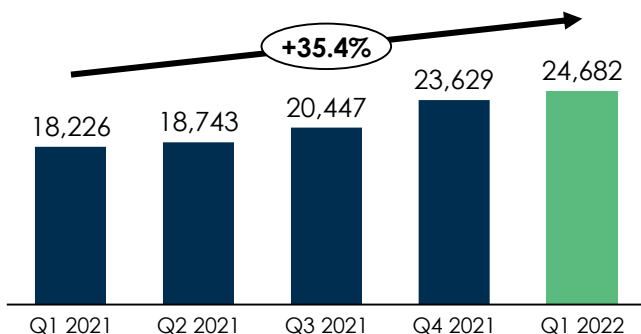
- Good EBITDA margin improvement – focus optimization.
- High demand for our IT services and solutions.
- Driving growth.
- Global IT supply challenges.
- Mergers and integration effects.

Tech division

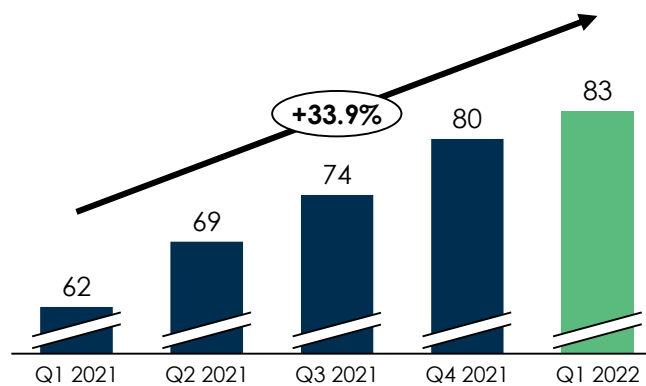
Financial summary – Q1 2022

(NOKm)	Q1 2022	Q1 2021
Revenue	32	22
EBITDA*	-2	-2
Total revenue growth	42.5%	46.7%
EBITDA-margin*	-7.1%	-10.7%

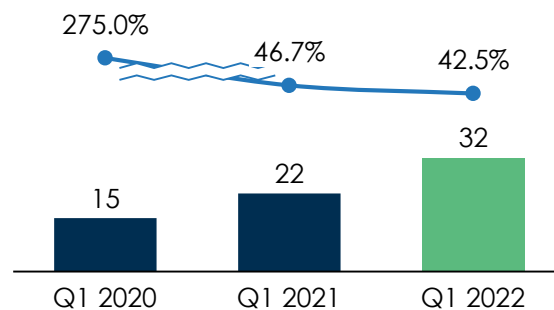
Number of customers



Annual recurring revenue**)



Revenue development



Management comments

- High demand for our software and tech solutions.
- Good revenue growth +40%.
- ARR growth at ~34%.
- #customers ~35% increase

A person's hands are shown typing on a laptop keyboard. The laptop screen displays a document with text and a small image. The background is a blurred office environment. The entire image has a blue overlay.

Financial review

ecit

Financial review

Profit & loss summarized

(NOKm)	Q1 2022	Q1 2021	Growth
Revenue	710	554	28.1%
EBITDA*	87	66	31.8%
Profit for the quarter	32	22	45.6%
Adj. profit for the quarter	25	22	18.3%
P&L items			
Special items	-4	0	n/a
Financial income	14	1	1300%
Financial expenses	-11	-4	175%
KPIs			
Total revenue growth	28.1%	24.8%	
M&A revenue growth	22.8%	20.1%	
Organic revenue growth	6.5%	5.5%	
Currency impact	-1.2%	-0.7%	
EBITDA-margin*	12.3%	11.9%	
Diluted adj. EPS	0.03	0.03	

Management comments

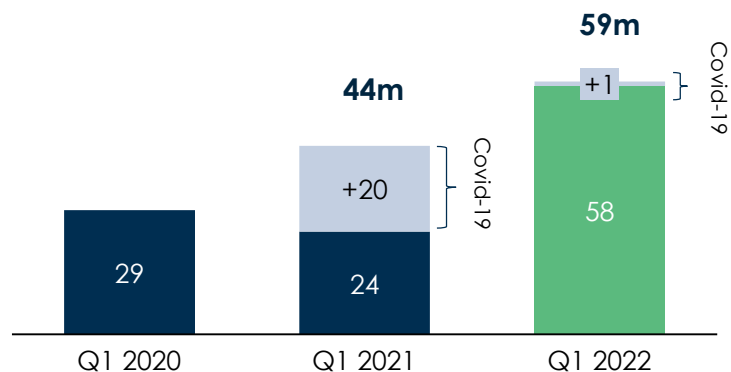
- Exceeding revenue targets of 15% (total incl. M&A) and 5.5% (organic).
- Currency impact on revenue of minus 1.2% (minus 0.7%).
- Increased interest expenses (debt financing).
- Financial profit - sale of Cloud Connection.
- Adjusted profit excluding one offs for the quarter ended at NOK 25m (22m).

Cash Flow & Net Working Capital

Cash Flow Statement

(NOKm)	Q1 2022	Q1 2021
EBITDA	87	66
Change in NWC	27	8
Cash flow from operations	80	49
Cash flow from investing	-105	-41
Cash flow from financing	56	-33
Cash flow for the period	31	-25
<i>Adjusted free cash flow:</i>		
Cash flow from operations	80	49
Special items	4	0
Investments in tangible assets	-4	-6
Repayment of lease liabilities	-22	-19
Adjusted free cash flow	58	24

Adjusted free cash flow* (NOK million)



Change in Net Working Capital (NWC)

(NOKm)	Q1 2022	Q1 2021
Accounts receivables	2	25
Accounts payable	2	-15
Delayed payments, Covid-19	-1	-20
Other change in NWC	24	18
Total change in NWC	27	8
Delayed payments, Covid-19	1	20
Adjusted change in NWC	28	28

Management comments

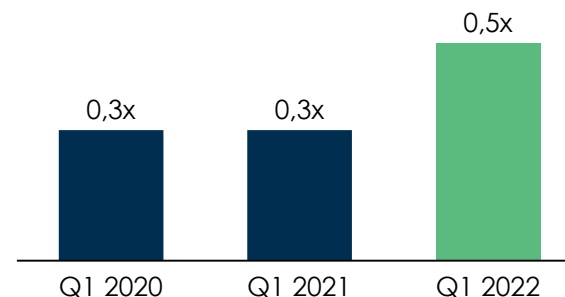
- Improved adjusted free cash flow – NOK 58 million in Q1 2022 (24)
- Covid-19 impact to the 2021 change in NWC.
- Prolonged duties have been paid throughout 2021 – limited impact to the NWC in 2022.
- Positive change in NWC - holiday provision build up during the quarter (similar to last year).
- Cash flow from financing activities (acquisition of Xacct Accounting)

Net debt and leverage ratio

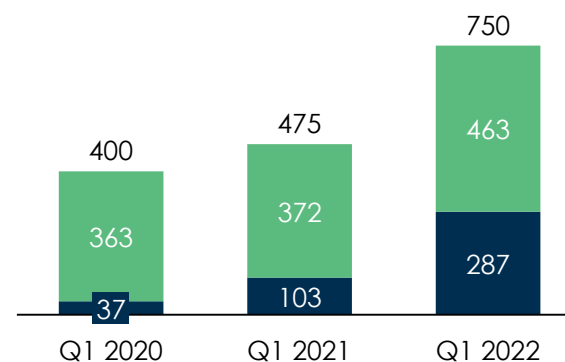
Net interest bearing debt (NOKm)

(NOKm)	Q1 2022	Q1 2021
Borrowings	320	167
Lease liabilities	217	184
Total interest bearing liabilities	537	351
Interest bearing receivables	61	57
Cash and cash equivalents	292	215
Total interest bearing assets	352	272
Net debt / Net cash (-)	184	79
EBITDA*, LTM	360	276
Debt leverage	0.5x	0.3x

Leverage ratio



Revolving facility (NOKm)



Management comments

- Net debt increase due to acquisitions during the last twelve months.
- Leverage ratio remains low at 0.5x (0.3x).
- +450m million available from the revolving facility.

Overall evaluation

Q1 2022

- 1 **Revenue growth – EBITDA margin improvement**
- 2 **Global supply chain challenges - Covid-19 - Ongoing consolidation**
- 3 **Margin improvement – basic business (M&A impacted)**
- 4 **EPS – #shares increased (IPO) – low margin acquisitions**
- 5 **Q1 2022 results in line with expectations**
- 6 **Solid M&A pipeline – reasonable financial headroom**



Q&A

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