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Interim H1 Report 2024
(Highlights)

Highlights

- **13.8% revenue growth / 3.4% organic**
- **Macroeconomic – affects part of the IT Division – acceptable growth in the F&A and Tech Division.**
- **H1 2024 - one working day less compared to last year.**
- **EBITDA 256m (237m) – lower IT spending and 1 less working day**
- **Cost savings program – progress according to plan**

H1 2024 results

Revenue: **1.979m (13.8%)**

Organic growth: **3.4%**

EBITDA: **256m (12.9%)**

EBIT: **132m (6.7%)**

EPS: **0.11 NOK (0.12)**

Free cash flow: **125m (165)**

10 largest companies: **~60%**
(% Total Group)

shares: **465m**

Divisions

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F&A division

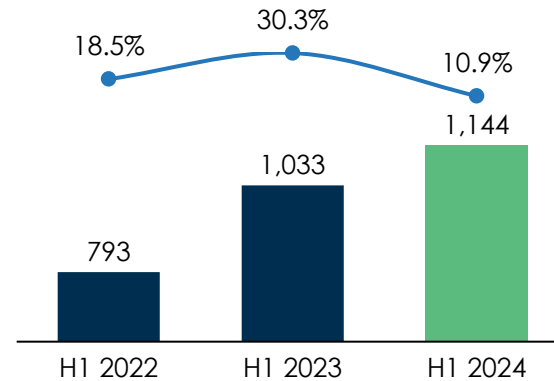
Financial overview – H1 2024

(NOKm)	H1 2024	H1 2023
Revenue	1,144	1,033
EBITDA	190	175
Total revenue growth	10.9%	30.3%
EBITDA-margin	16.6%	17.0%

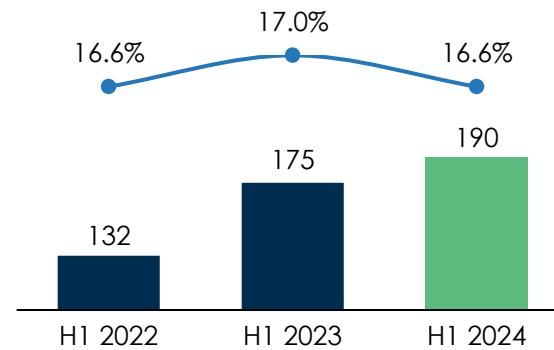
Financial overview – Q2 2024

(NOKm)	Q2 2024	Q2 2023
Revenue	571	523
EBITDA	100	91
Total revenue growth	9.3%	29.8%
EBITDA-margin	17.5%	17.3%

Revenue development



EBITDA and margin development



Comments

- Acceptable organic growth.
- EBITDA – H1 holds one working day less than last year.
- Consolidation – on-going.
- Nearshoring – focus area.

IT division

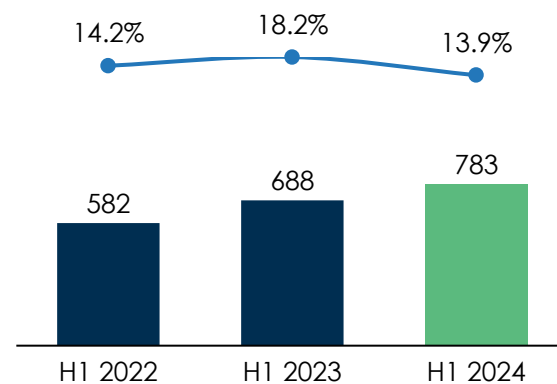
Financial overview – H1 2024

(NOKm)	H1 2024	H1 2023
Revenue	783	688
EBITDA	76	78
Total revenue growth	13.9%	18.2%
EBITDA-margin	9.8%	11.5%

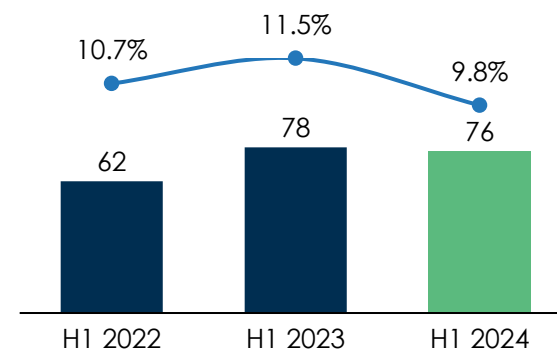
Financial overview – Q2 2024

(NOKm)	Q2 2024	Q2 2023
Revenue	379	339
EBITDA	46	37
Total revenue growth	11.8%	15.5%
EBITDA-margin	12.2%	10.8%

Revenue development



EBITDA and margin development



Comments

- Regaining margin somewhat in Q2 compared to Q1.
- Macroeconomic – market conditions still a challenge – affecting HW/project revenue.

Tech division

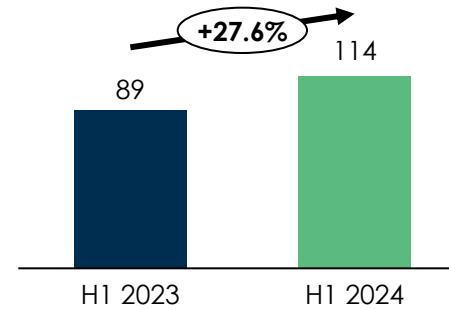
Financial overview – H1 2024

(NOKm)	H1 2024	H1 2023
Revenue	109	73
Sale of service	31	12
SaaS services	78	61
EBITDA	0	0
Total revenue growth	50.3%	22.9%
EBITDA-margin	-0.1%	-0.2%

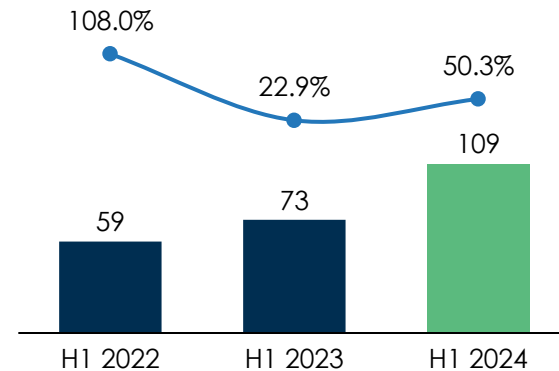
Financial overview – Q2 2024

(NOKm)	Q2 2024	Q2 2023
Revenue	55	38
Sale of service	15	6
SaaS services	40	32
EBITDA	1	-2
Total revenue growth	45.2%	22.3%
EBITDA-margin	1.5%	-4.0%

Annual recurring revenue (core software)



Revenue development



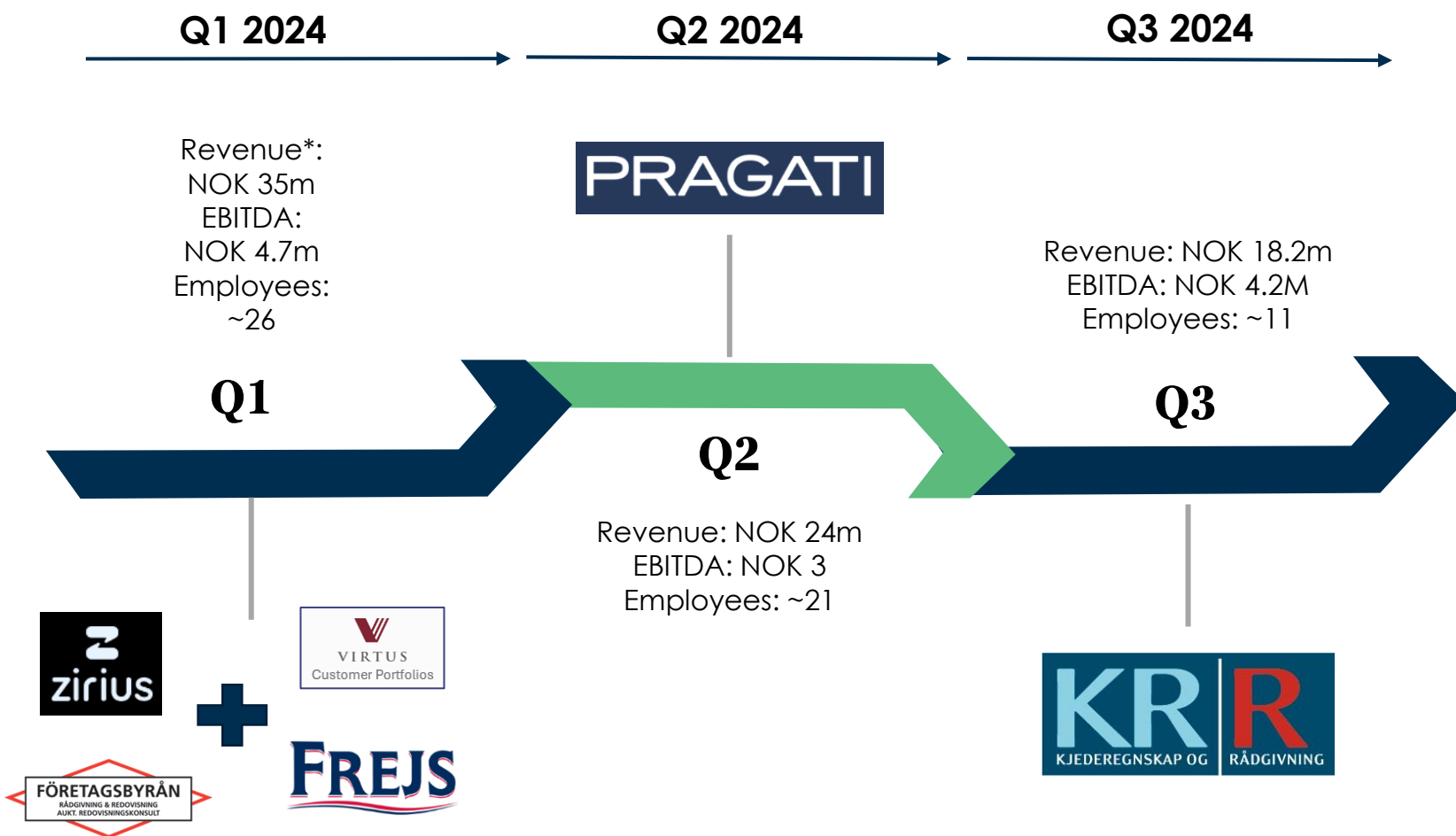
Comments

- Good growth.
- Core software revenue – growth driven by the payroll system Intect and the invoice workflow ECIT Digital.

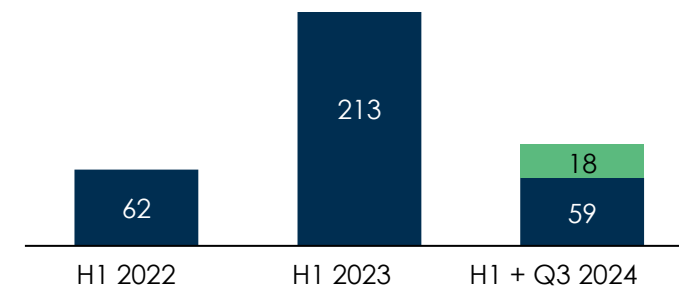
Acquisitions in 2024

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M&A – Acquisitions in 2024



M&A acquired revenue (NOKm)



Acquisitions

- Zirus – ERP software (ownership share ~25%).
- F&A in Sweden – three companies aquired.
- Acquired Icelandic F&A customer portfolios from PwC ehf. and Húnabókhald ehf.
- Kjederegnskap og Rådgiving – F&A Norway

Notes:

All figures presented are according to the latest published annual report, adjusted for the parts of the business not acquired EBITDA, including IFRS16 lease accounting impact

*Excluding acquired company; Zirus AS - associated company not subject to consolidation

Financial review

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Financial review

Profit & loss summarized

(NOKm)	Q2 2024	Q2 2023	Growth	H1 2024	H1 2023	Growth
Revenue	980	877	11.7%	1,979	1,739	13.8%
EBITDA	144	122	18.3%	256	237	8.0%
EBITA	111	88	26.1%	189	175	7.8%
EBIT	83	64	29.5%	132	128	3.3%
Profit for the period	42	41	1.6%	70	90	-22.4%
Adj. profit for the period	54	45	19.1%	86	95	-9.5%
<i>P&L items:</i>						
Restructuring & transaction costs	-9	-4	117.1%	-14	-5	173.2%
Financial income	6	6	-4.3%	12	14	-16.2%
Financial expenses	-25	-12	105.3%	-39	-22	77.6%
KPIs						
Total revenue growth	11.7%	24.5%	-12.8 p.p.	13.8%	25.2%	-11.4 p.p.
Organic revenue growth	3.1%	6.0%	-2.9 p.p.	3.4%	8.4%	-5 p.p.
M&A revenue growth	9.4%	14.3%	-4.9 p.p.	10.0%	13.2%	-3.2 p.p.
Currency impact	-0.7%	4.1%	-4.8 p.p.	0.4%	3.6%	-3.2 p.p.
EBITDA-margin	14.7%	13.9%	0.8 p.p.	12.9%	13.6%	-0.7 p.p.
EBIT-margin	8.5%	7.3%	1.2 p.p.	6.7%	7.1%	-0.4 p.p.
Adj. diluted EPS	0.07	0.06	13.6%	0.11	0.12	-6.5%

Comments

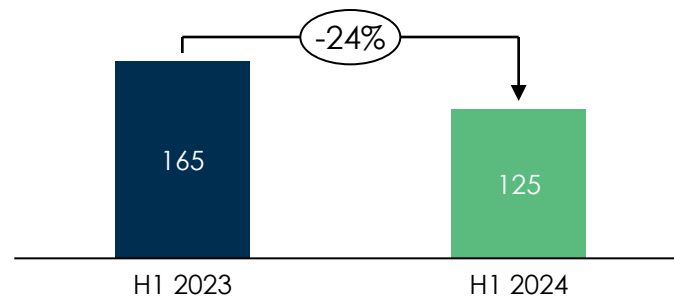
- Total revenue – 13.8% (25.2%) - organic revenue growth of 3.4% (8.4%)
- H1 2024: one working day less than the same period last year.
- Cost-saving program – progressing as planned (higher one-off expenses).
- Increased financial expenses – increased debt and higher interest rates (comparable period).
- Average ownership share of 75% (68.9%)

Cash Flow & financial position

Cash Flow Statement

(NOKm)	H1 2024	H1 2023
EBITDA	256	237
Restructuring & transaction costs	-14	-5
Corporation tax, paid	-50	-37
Change in NWC	4	29
Cash flow from operations	197	224
Cash flow from investing	-133	-152
Cash flow from financing	-112	-85
Cash flow for the period	-48	-13
Cash flow from operations	197	224
Restructuring & transaction costs	14	5
Net investments in tangible assets	-28	-11
Repayment of lease liabilities	-57	-53
Free cash flow	125	165

Free cash flow (NOK million)



Financial position (NOK million)

(NOKm)	H1 2024	H1 2023
NIBD ex. leasing debt	543	221
Leverage ratio	1.58x	0.96x
NIBD	827	481
Undrawn revolving facility	261	345

Comments

- Free cash flow development – net working capital fluctuations (customer invoicing and collection).
- The negative effect on net working capital in the second quarter is expected to be offset in the third quarter.
- NIBD ex. Leasing debt of NOK 543 million (221).
- Increase in debt – completed acquisitions in the last 12 months and strategic decision to increase ownership share in subsidiaries.

Overall

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Overall evaluation

H1 2024

- 1 **Acceptable result – H1 2024 holds one working day less than last year**
- 2 **Still macroeconomic challenge – affect IT growth**
- 3 **EBITDA – cost saving will materialise**
- 4 **NIBD ex. leasing at 543m – Subsidiary ownership +5%p vs. LY**
- 5 **M&A activity – good pipeline**
- 6 **Transaction process**