

# SIKRI GROUP ASA - Q3 2023

CEO Per Haakon Lomsdalen & CFO Camilla Aardal

November 9th 2023

# Continued solid growth and high margins

## ACCELERATED REVENUE GROWTH

**9%**

TOTAL REVENUE GROWTH to MNOK 264  
Q3'23 VS. Q3'22



## STABLE EBITDA MARGIN

**20%**

ADJ. EBITDA MARGIN  
(FLAT FROM 20% IN Q3'22)



**Growth driven by additional customers, 2023 Election project, solid traction for new products and improved revenue mix**

# SaaS business model with attractive metrics

HIGH RECURRING REVENUE SHARE

83%

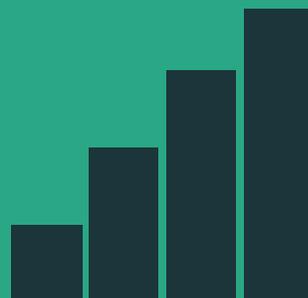
RECURRING & RECURRING-LIKE REVENUE



CONSISTENT ARR GROWTH

385

MNOK ARR (up 7% from Q3 22)



SCALABLE BUSINESS WITH INCREASING PROFITABILITY

21%

REPORTED Q3 EBITDA INCREASE from MNOK 40 to MNOK 48



IMPROVED FINANCIAL POSITION

100

REDUCED NIBD FROM MNOK 756 AT YEAR-END 2022 TO MNOK 655 Q3 2023\*



\*Adjusted for a late payment of MNOK 25 (paid in October 2023)

# Leading positions in two attractive markets with strong digitalization drive in Norway and Sweden



# Sikri Group is a house of scalable technology brands



Public sector mission critical software



Real estate data and geoinformation



- Leading provider of mission critical software for Norwegian public sector
- High level of recurring revenue
- Long-term contracts, minimal churn



- Leading real estate data and geoinformation provider in Sweden
- Focus on core business and margin improvements following restructuring

ambita

- Leading provider of real estate data in Norway
- High and sustained market share
- Enhancing value by moving upwards in the value chain with higher margins
- Preparing for commencement of new homes to increase



- Digital platforms for property documentation
- Close to 900,000 unique users with significant monetization potential
- Introducing new revenue models shortly



# Q3 2023 Operational and financial review

# Organic growth of 9% in the quarter

NOK MILLION	Q3 2023	Q3 2022	Growth
<b>Overall revenue</b>	<b>264</b>	<b>242</b>	<b>9%</b>
Sikri	73	55	32%
Ambita	116	113	2%
Boligmappa	11	10	10%
Metria	62	62	0%
<b>Gross profit</b>	<b>155</b>	<b>140</b>	<b>11%</b>
<b>Gross margin percentage</b>	<b>59%</b>	<b>58%</b>	<b>1 pts</b>
<b>EBITDA</b>	<b>48</b>	<b>40</b>	<b>21%</b>
<b>EBITDA percentage</b>	<b>18.3%</b>	<b>16.5%</b>	<b>2 pts</b>
<b>Adj. EBITDA</b>	<b>52</b>	<b>48</b>	<b>8%</b>
<b>Adj. EBITDA percentage</b>	<b>20%</b>	<b>20%</b>	<b>0 pts</b>
<b>Operating profit</b>	<b>19</b>	<b>11</b>	<b>70%</b>
<b>Net income</b>	<b>12</b>	<b>0</b>	<b>-</b>

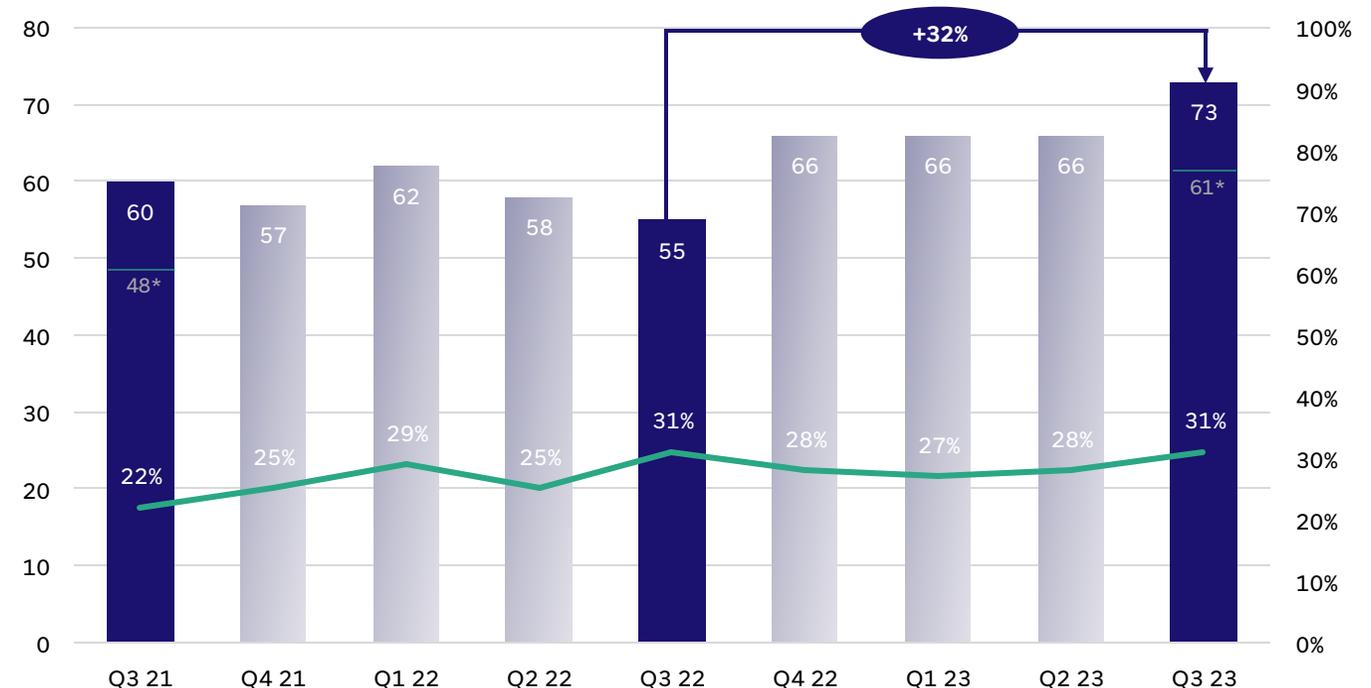
- Sikri growth driven by 2023 Election project of MNOK 12, as well as higher activity in implementation projects and steady growth in SaaS revenue
- Ambita growth hampered by a slow real estate market, offset by growth in SaaS solution revenue, such as Tinglysing & Samhandling
- Boligmappa steady growth in ARR, new revenue models in development
- Metria with flat growth due to challenging real estate market in Sweden
- Improved product mix and strong cost focus contribute to higher profitability
- Capitalized development costs of MNOK 22.2 in Q3 2023 – vs MNOK 18.8 in Q3 2022

# 2023 Election project generating revenue of MNOK 12

## Main developments

- Revenue growth of 32% in Q3 2023 compared to Q3 2022 – 10% growth excluding Election project
- Won all three public bids in Q3 2023
- Churn at 0.4% in Q3 2023
- Won a contract with The Norwegian Directorate for Education & Training (“Utdanningsdirektoratet”)
- ARR MNOK 191 end of Q3 2023, up 13% vs Q3 2022
- During the quarter, Sikri entered a new agreement with Verdal municipality to deliver the automation of six processes using RPA/automation technology

Revenue (mNOK) and adjusted EBITDA margin



\*Q3 revenues excluding Election project

# The public sector is investing heavily in digitalization



The key player in the market for managing and archiving documents, providing mission critical public sector software.

60% public  
tender win rate  
2022-2023

ARR of NOK  
**191** million end  
of Q3 2023

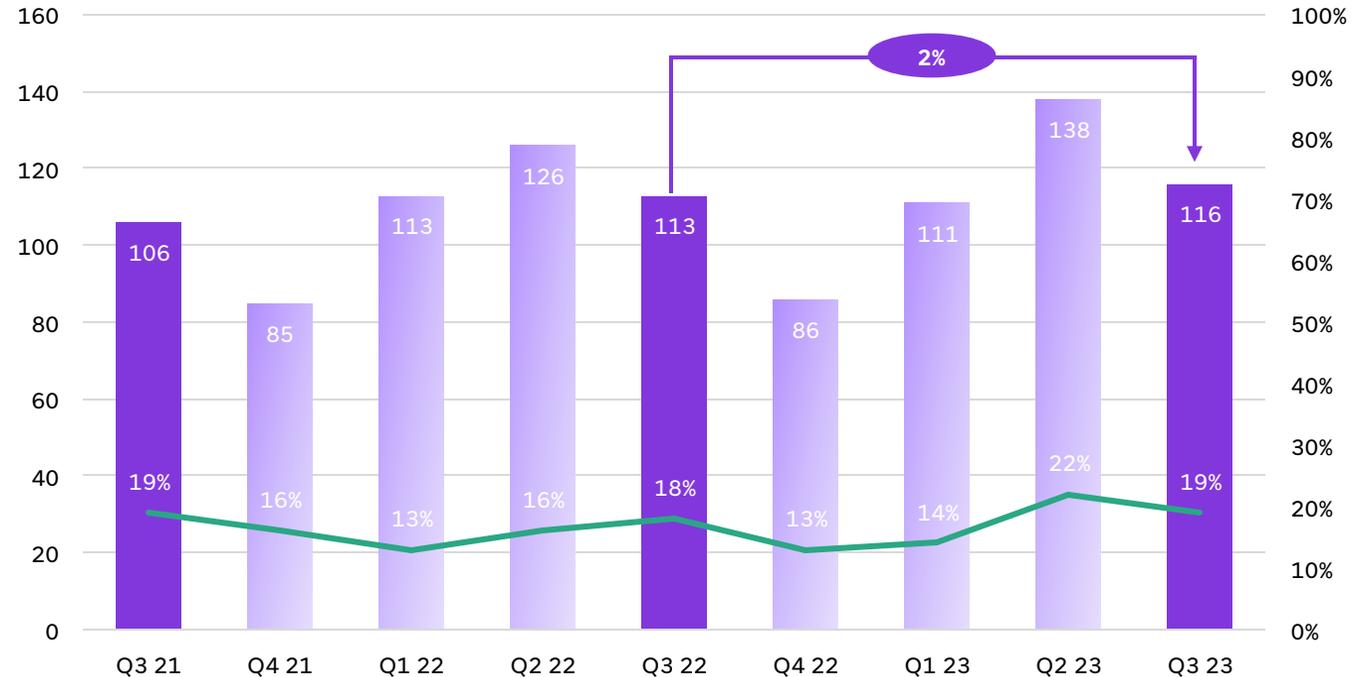
Long term  
SaaS  
agreements  
(**3-7 years**)

# Revenue growth and improved margins

## Main developments

- 2% revenue growth and adj. EBITDA improvement due to better product mix and cost control, as well as good traction for high-margin products
- Number of properties put up for sale up by 1.5% in Q3 2023 compared to the same period last year – however, the commencement of new homes in so far in 2023 declined by 45% compared to the same period in 2022
- Revenue development hampered by the commencement of new homes, which is 45% down so far this year compared to the same period last year. For apartments, the decrease was 59 percent, according to “Boligprodusentenes Forening”.

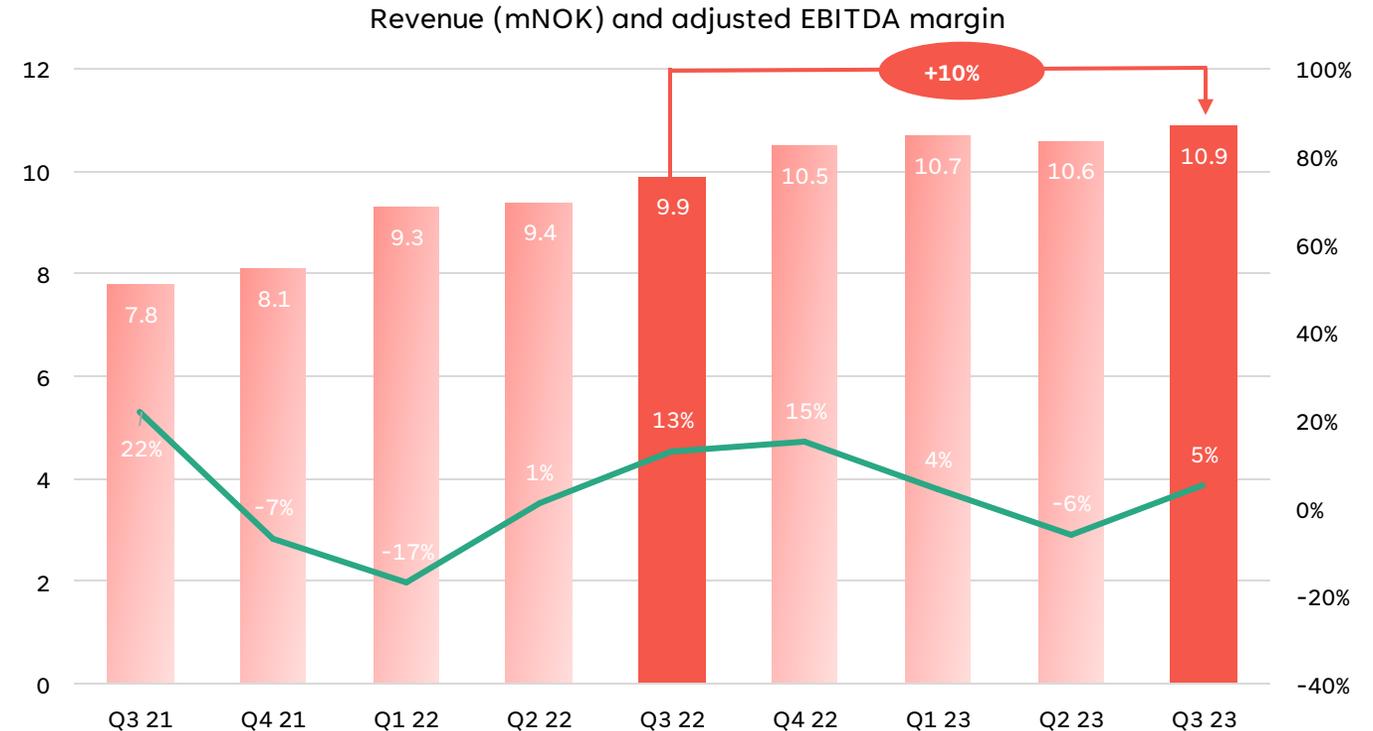
Revenue (mNOK) and adjusted EBITDA margin



# Building a strong platform – testing revenue models

## Main developments

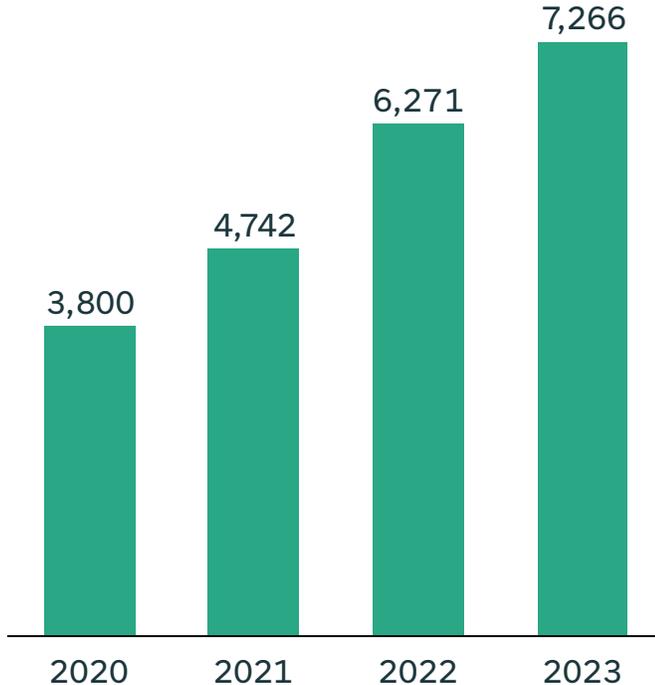
- Growth of 10% in Q3 due to sales to new customers
- ARR per Q3 is MNOK 41, 16% growth from Q3 2022
- Testing revenue models to capitalize the customer platform
- The consumer segment is currently focusing on continuing the user growth initiatives among private users and developing new future revenue models



# Building momentum in the Boligmappa solution

We are building traffic and user engagement, with great monetization potential

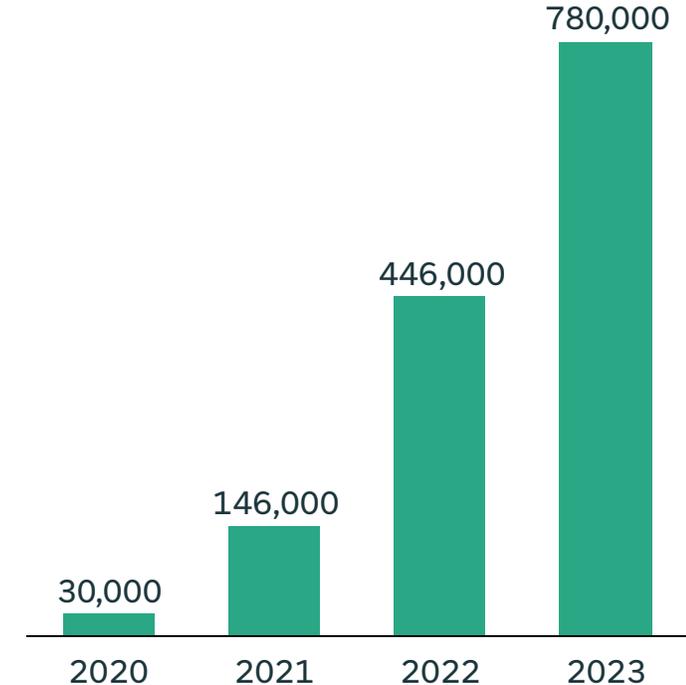
Strong growth in subscription paying craftsmen<sup>1)</sup>



Close to 900,000 verified home-owner users<sup>2)</sup>



Strong growth in user engagement<sup>3)</sup>



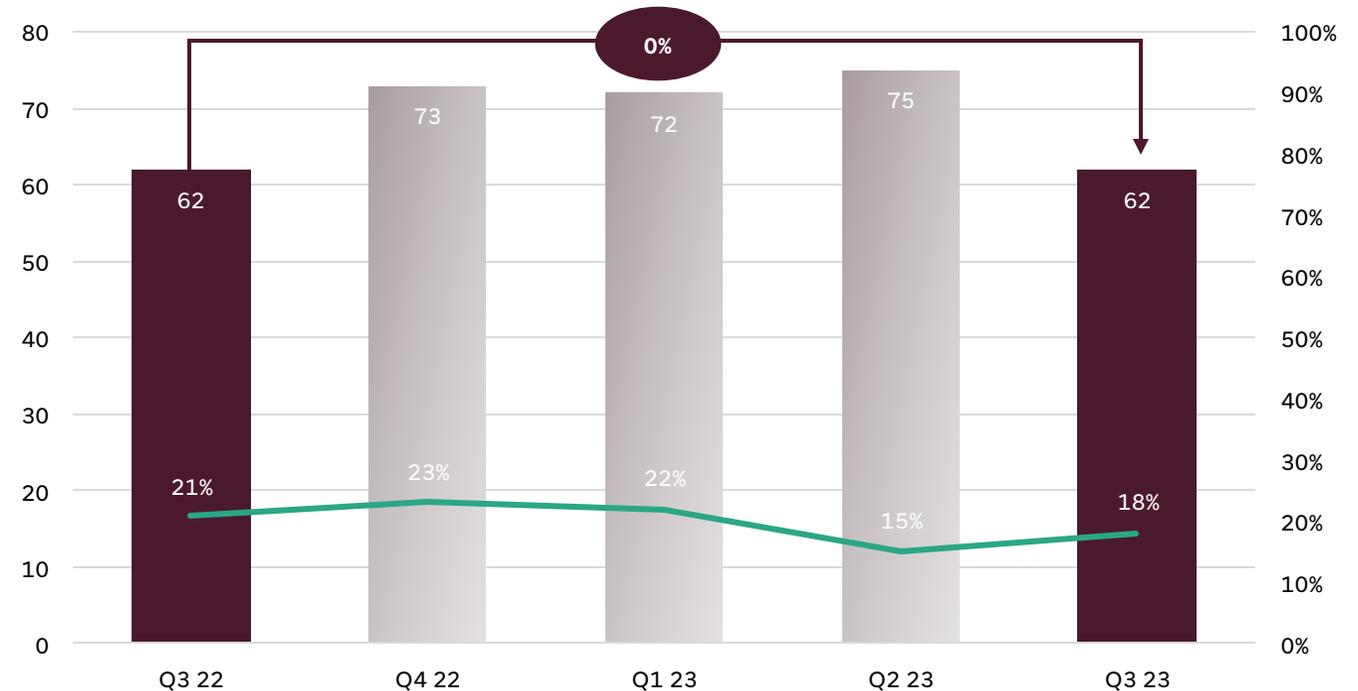
1) Number of licences  
2) Registered Boligmappa users  
3) Monthly active Boligmappa users

# Flat quarter despite challenging market conditions

## Main developments

- Stable gross margin of 61%
- Continued low number of properties sold in Sweden during Q3 2023\*, following a 20% decline in H1 this year compared to the same period last year\*\*
- ARR MSEK 112
- Continuing the transformation of Metria after the divestment of the Planning and Surveying business area in Sweden to Sweco in Q2
- In the quarter, Metria renewed a major contract with one of the largest telecom operators in the Nordics to provide the telecom operator with IT solutions and geoinformation i.e. Metria Maps – a service which has grown 15% in 2023 and currently generates ARR of MSEK 30

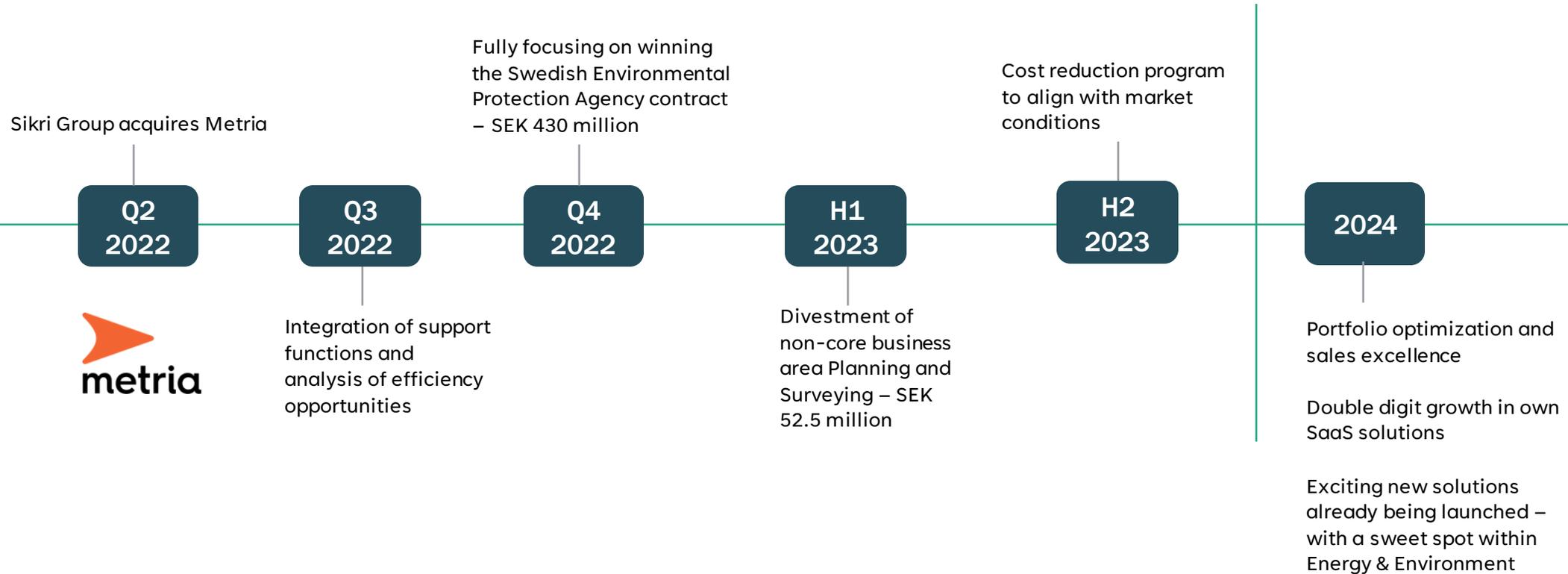
Revenue (mNOK) and adjusted EBITDA margin



\*Source: <https://www.maklarstatistik.se/pressmeddelanden/oforan drade -bostadspriser- i-riket- men- nedat- i- storstadsomradena/>

\*\*Source: <https://www.maklarstatistik.se/pressmeddelanden/villapriserna -uppatt- medan- bostadsratter- oforan drade- i- juni/>

# Metria augments the Group with deep domain expertise that we can leverage to create new growth



# Q3 and YTD 2023 financial results

## Summary of developments

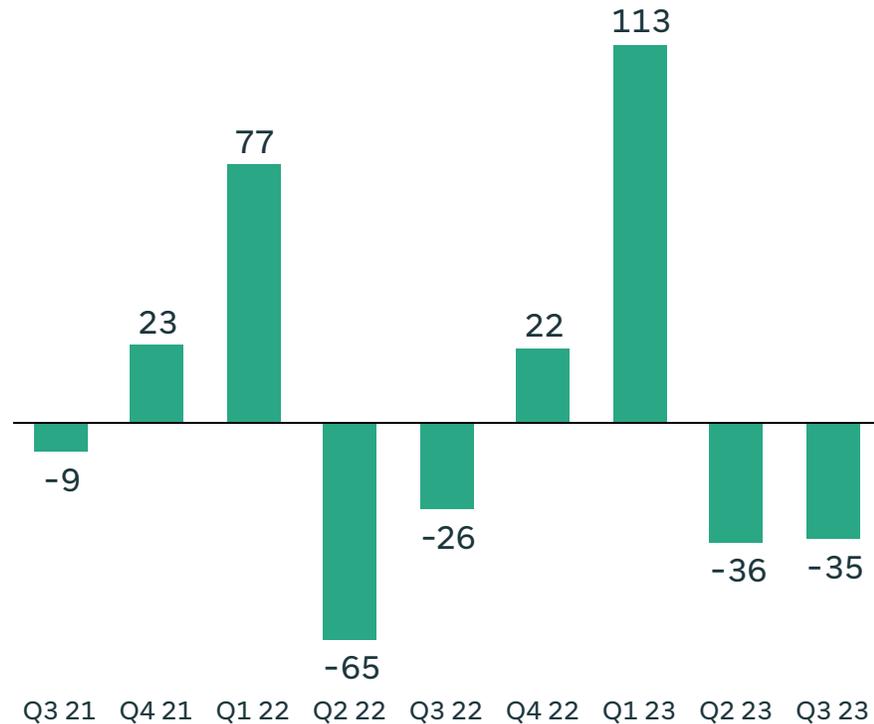
- YTD growth of 17% - driven by the acquisition of Metria AB April 2022, as well as organic growth
- Improvement in gross margin driven by shift in product mix
- EBITDA 2022 impacted by MNOK 31 in “other income and expenses” – MNOK 14.5 in 2023
- Interest expense slightly increased YTD against last year due to financing of Metria, but Q3 lower than Q3 2022 due to repayment of some loans in H2 2022

NOK 1000	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022 restated*)
<b>Revenue</b>	<b>264 108</b>	<b>242 137</b>	<b>815 351</b>	<b>695 415</b>	<b>929 841</b>
Cost of providing services	108 699	101 925	333 395	294 473	381 953
<b>Gross profit</b>	<b>155 409</b>	<b>140 212</b>	<b>481 956</b>	<b>400 941</b>	<b>547 888</b>
Personnel expenses	81 103	72 707	259 648	210 998	292 556
Other operating expenses	25 881	27 480	86 629	98 023	128 123
<b>EBITDA</b>	<b>48 424</b>	<b>40 025</b>	<b>135 680</b>	<b>91 920</b>	<b>127 209</b>
Depreciation and amortization expenses	29 135	28 671	88 972	78 046	107 759
Impairment losses	0	0	0	0	2 533
<b>Operating profit</b>	<b>19 290</b>	<b>11 353</b>	<b>46 707</b>	<b>13 875</b>	<b>16 917</b>
Financial income	1 820	1 750	4 110	2 004	3 479
Financial expenses	-14 419	-15 577	-40 159	-37 595	-52 628
<b>Profit before income tax</b>	<b>6 691</b>	<b>-2 473</b>	<b>10 658</b>	<b>-21 717</b>	<b>-32 233</b>
Income tax expense	758	673	1 539	-1 690	-733
<b>Profit from continuing operations</b>	<b>5 933</b>	<b>-3 146</b>	<b>9 119</b>	<b>-20 027</b>	<b>-31 499</b>
Profit from discontinued operations	6 001	2 853	-3 564	7 334	58 464
<b>Net income</b>	<b>11 934</b>	<b>-294</b>	<b>5 555</b>	<b>-12 693</b>	<b>26 965</b>

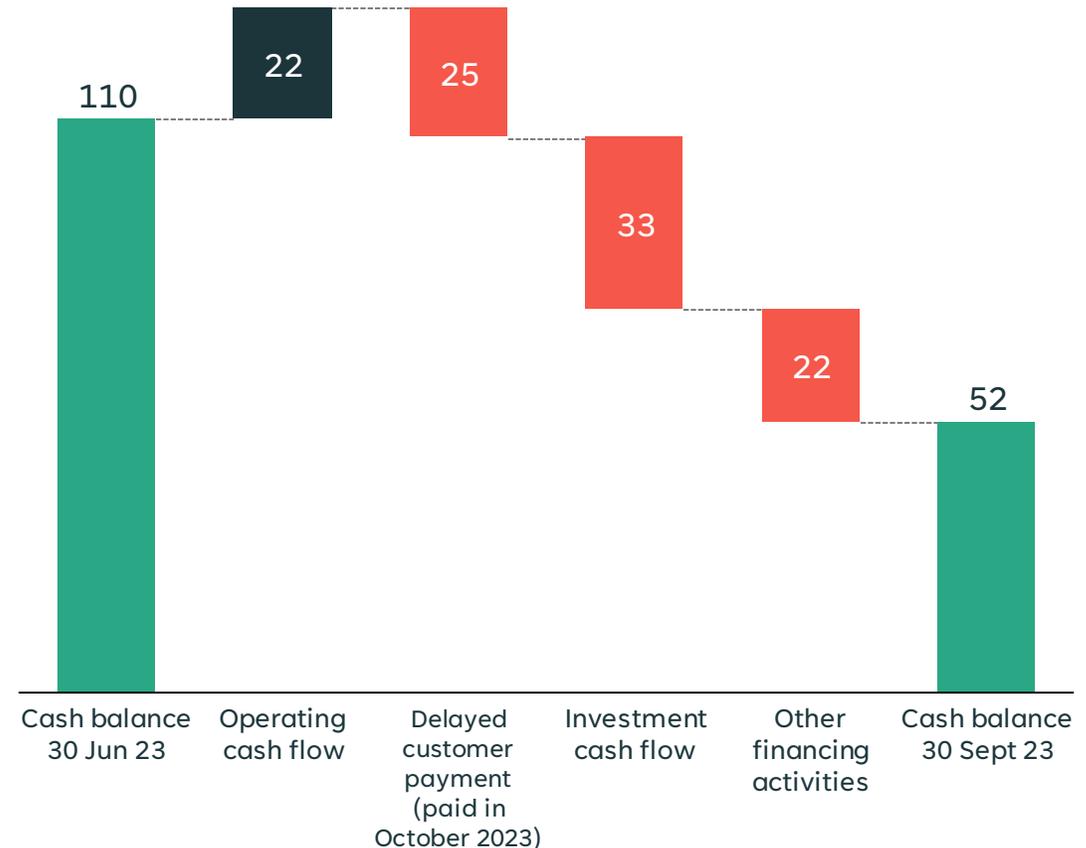
\*) Planning and Surveying reported as “Profit from discontinued operations”.

# Normal seasonal cash flow development but strong underlying improvement in operating cash flow

Free cash flow (MNOK)\*



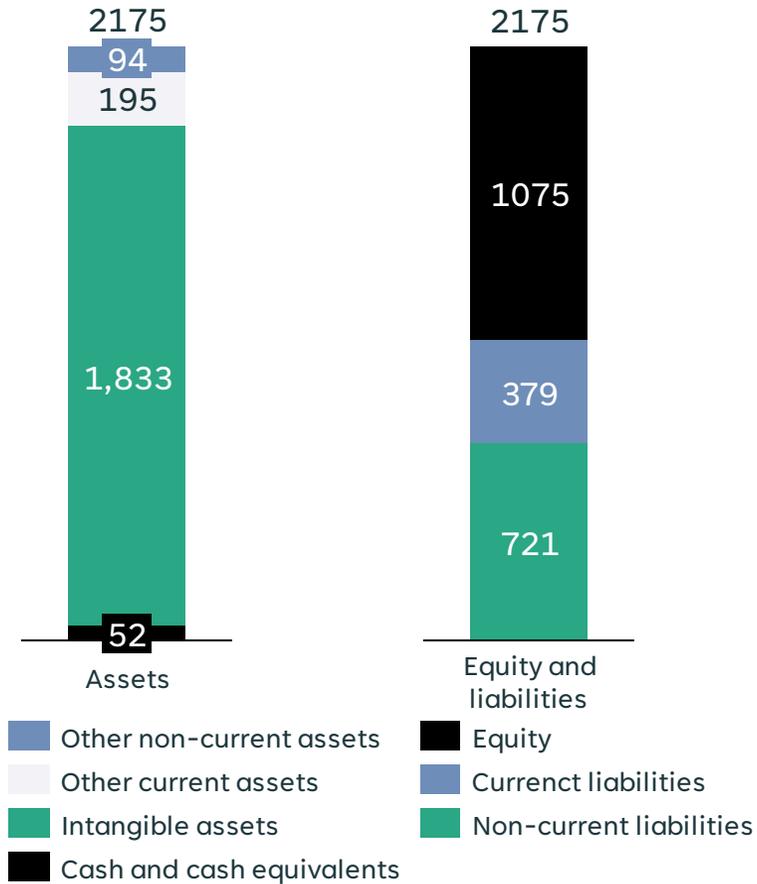
Cash flow bridge Q3 2023



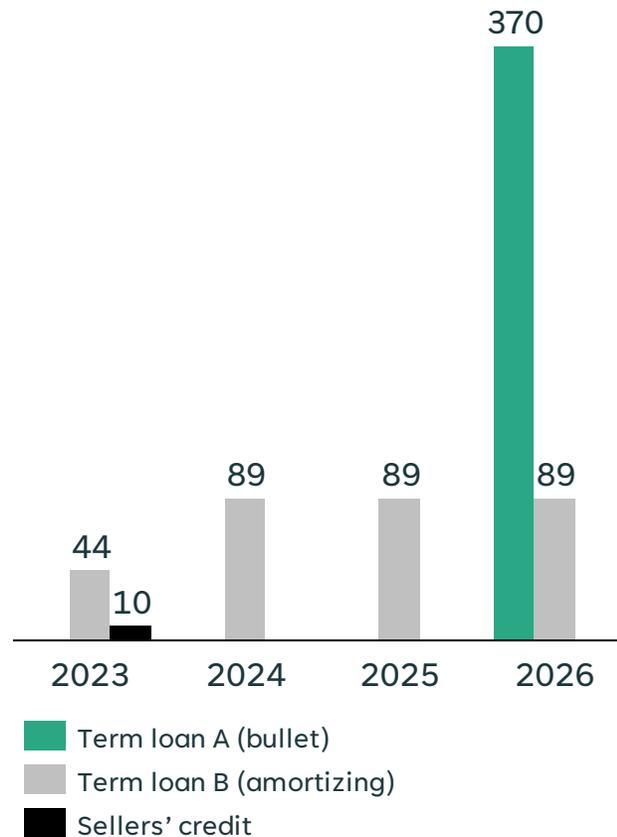
\*Free cash flow includes; operating cash flow, lease repayments and Capex (fixed assets and capitalized development costs). Excludes acquisition costs.

# Financial position

Financial position 30.09.2023 (MNOK)



Debt maturity profile (MNOK)



## Details

- NIBD at quarter end of MNOK 680.6, including lease liabilities of MNOK 47.2 – adjusted for delayed payment NIBD would be MNOK 655
- NIBD reduced by MNOK 100 during the year (MNOK 756 Q4 2022)

# Outlook - Continue to pursue our growth strategy

- Well positioned in an attractive market with underlying growth
- Improve margins through leveraging common support structures
- Expect that investments in product development will materialize in improved margins and an improved cash flow yield over time
- Continue to exploit opportunities in existing and new markets, products, and services





# Thank you!

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# Q&A

# Appendix

Historical financial proforma figures, adjusted for acquired and divested business

# Updated proforma financials\*

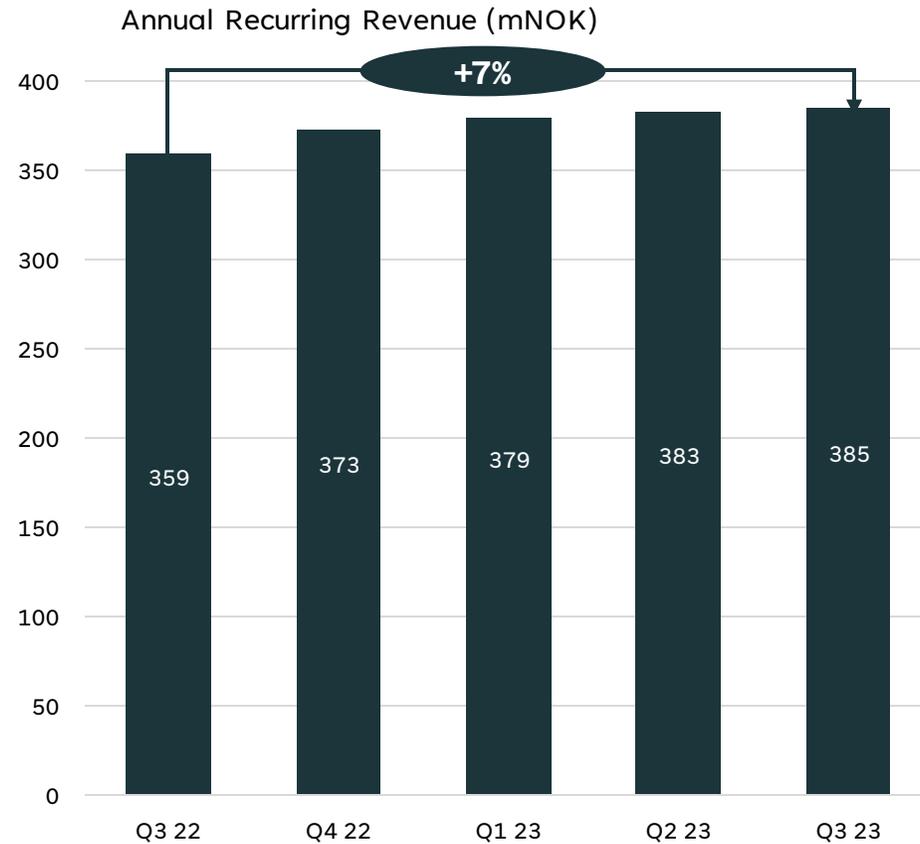
Revenue (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	YTD'22	YTD'23	FY'23
Sikri (Public)	62	58	55	66	66	66	73	175	205	241
Ambita (Private)	113	126	113	86	111	138	116	353	364	439
Boligmappa (Consumer)	9	9	10	11	11	11	11	29	32	39
Metria	73	71	62	73	72	75	62	206	208	279
Other/elimination	3	1	1	-2	3	1	2	5	6	3
<b>Total revenues</b>	<b>259</b>	<b>266</b>	<b>242</b>	<b>234</b>	<b>262</b>	<b>290</b>	<b>264</b>	<b>768</b>	<b>815</b>	<b>1 002</b>

Gross Profit (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	YTD'22	YTD'23	FY'23
Sikri (Public)	54	50	47	57	57	56	57	104	113	208
Ambita (Private)	44	48	44	39	44	55	46	92	99	176
Boligmappa (Consumer)	9	9	10	10	11	10	11	18	21	38
Metria	44	42	38	46	45	47	38	124	130	169
Other/elimination	2	2	1	-5	2	0	4	4	1	1
<b>Total gross profit</b>	<b>153</b>	<b>151</b>	<b>140</b>	<b>147</b>	<b>159</b>	<b>168</b>	<b>155</b>	<b>343</b>	<b>365</b>	<b>592</b>

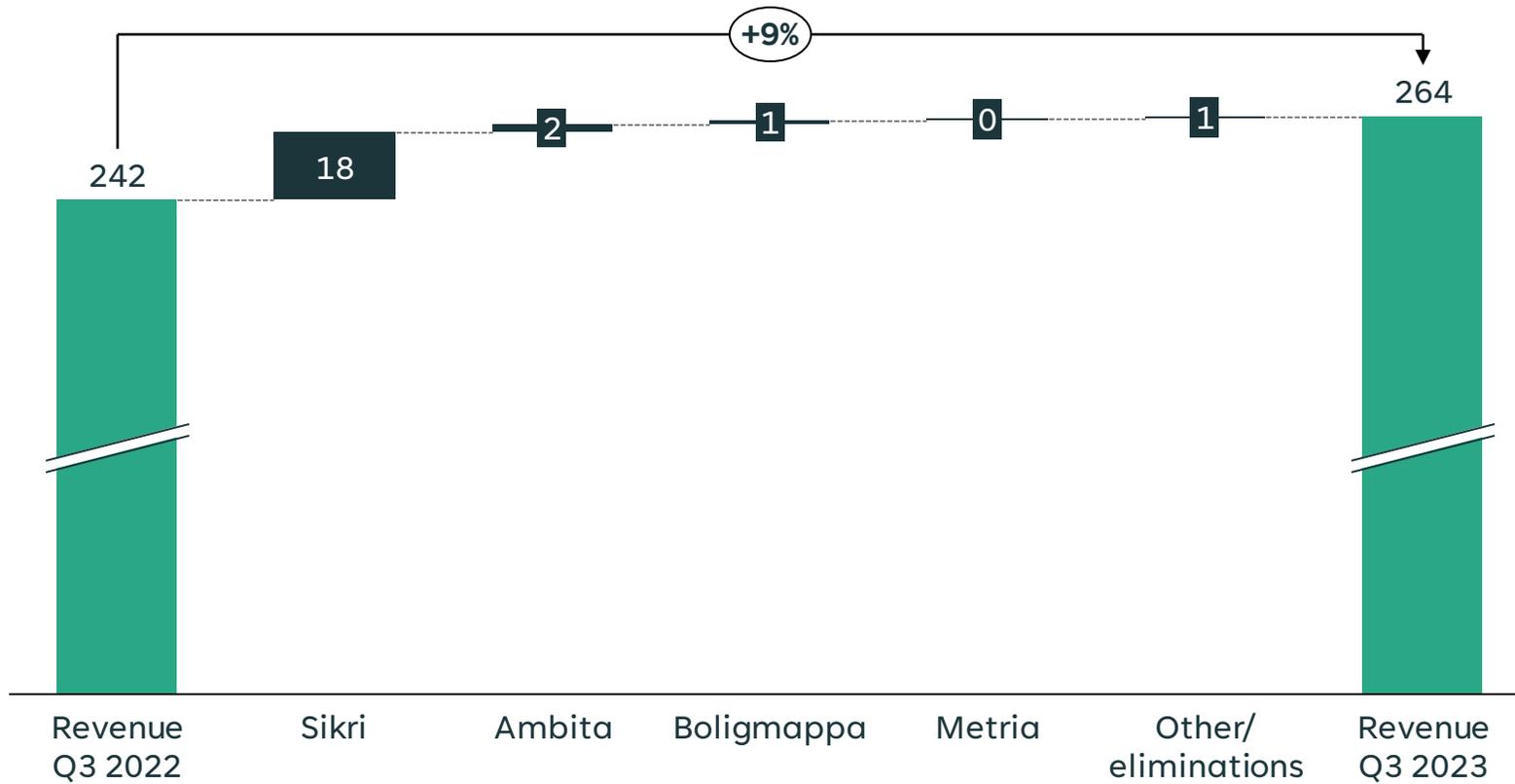
Adjusted EBITDA (MNOK)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	YTD'22	YTD'23	FY'23
Sikri (Public)	18	14	17	18	18	18	23	49	58	68
Ambita (Private)	15	21	20	11	16	30	23	56	69	67
Boligmappa (Consumer)	-2	0	1	2	0	-1	1	0	0	1
Metria	16	11	13	17	16	11	11	39	38	56
Other/elimination	-1	-1	-4	-4	-5	-5	-5	-5	-15	-9
<b>Total adjusted EBITDA</b>	<b>46</b>	<b>45</b>	<b>48</b>	<b>44</b>	<b>45</b>	<b>54</b>	<b>52</b>	<b>139</b>	<b>150</b>	<b>183</b>

\*Proforma figures as if: Metria AB and Ambita AS were owned by Sikri Holding ASA full year 2022, and adjusted for divestment of 4CGroup AS / Prognosesenteret AS and Metria Planning and Surveying, fully removed from all proforma figures

# ARR growth 7% for the Group year-over-year



# Overall growth of 9% driven by strong results for Sikri



# Sikri revenue increase driving the Group's improved profitability

