



ecit

Interim Q1 Report 2023

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Q&A

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Peter Luring
CEO

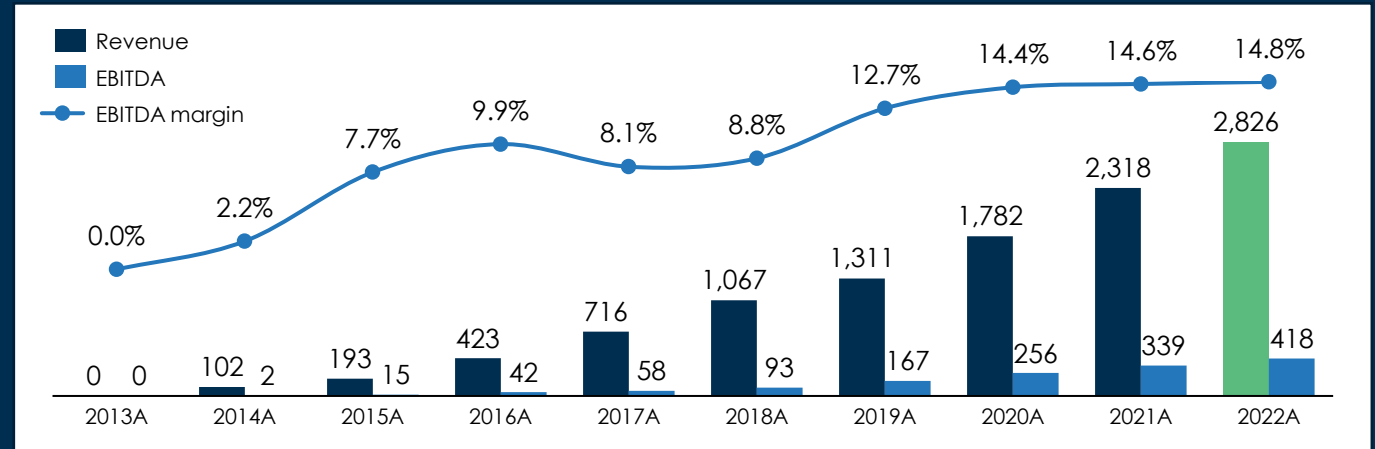


Mads Skovgaard
CFO

ECIT Drivers

- Integrating IT, Accounting & Software
- People business – managed by entrepreneurs
- Buy & build
- Tech driven Services provider

10 years performance



Financial targets

Revenue
growth
>15%

Organic
growth
>5.5%

EBITDA
margin
>17.0%

Acquired
revenue
>350m

Highlights

- Good organic growth – volume and price increase.
- EBITDA, EBIT and EPS improved.
- Overall coming from Improved earnings.
- Consolidation => margin improvement.

Q1 2023

Revenue: **862m (25,9%)**

Organic growth: **10.8%**

EBITDA: **115m (13.4%)**

EBIT: **64m (7.4%)**

RR / Repeat : **77%**

EPS: **0.07 NOK**

10 companies represent: **~55%**
(revenue – earnings)

Mcap: **3.3bn**

shares: **452m**

Divisions

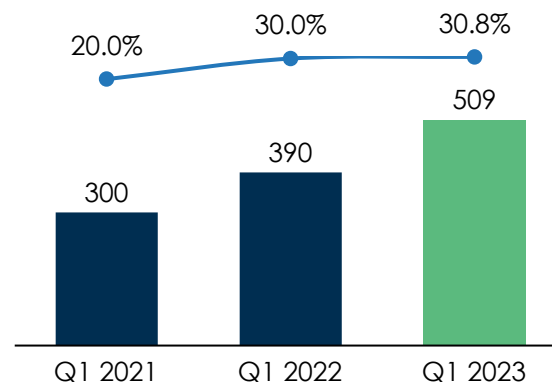
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F&A division

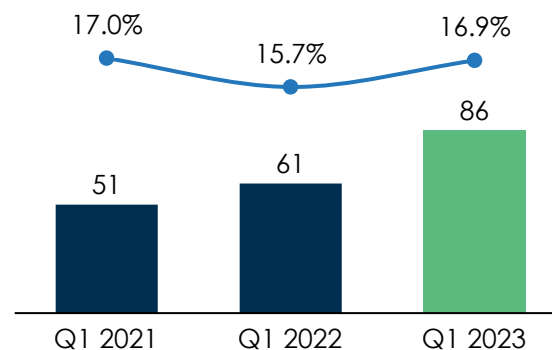
Financial overview – Q1 2023

(NOKm)	Q1 2023	Q1 2022
Revenue	509	390
EBITDA	86	61
Total revenue growth	30.8%	30.0%
EBITDA-margin	16.9%	15.7%

Revenue development



EBITDA and margin development



Comments

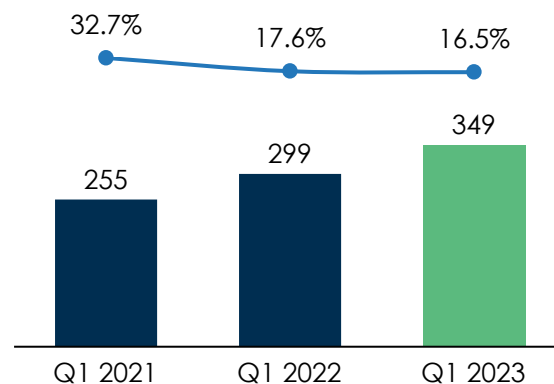
- Δ Organic growth – volume & price.
- Margin improvement – underlying business and Norian.
- M&A growth.

IT division

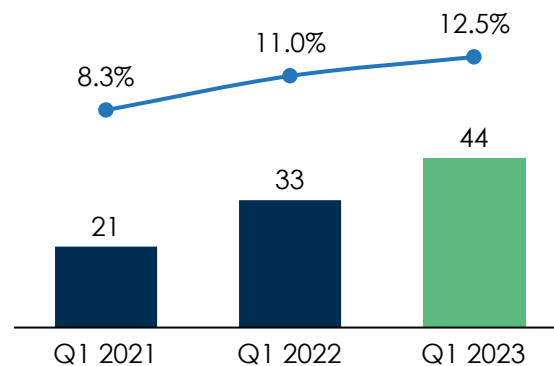
Financial overview – Q1 2023

(NOKm)	Q1 2023	Q1 2022
Revenue	349	299
EBITDA	44	33
Total revenue growth	16.5%	17.6%
EBITDA-margin	12.5%	11.0%

Revenue development



EBITDA and margin development



Comments

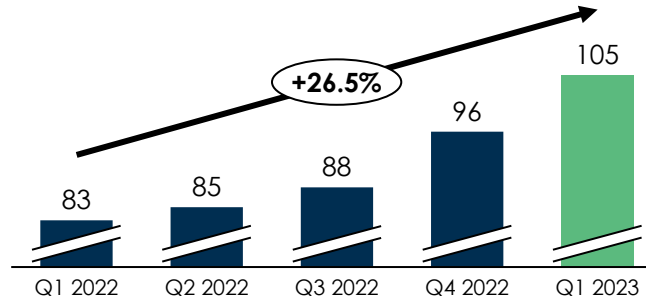
- Organic growth – volume & price.
- Margin improvement – consolidation effects.
- 5 companies ~ 75% of revenue

Tech division

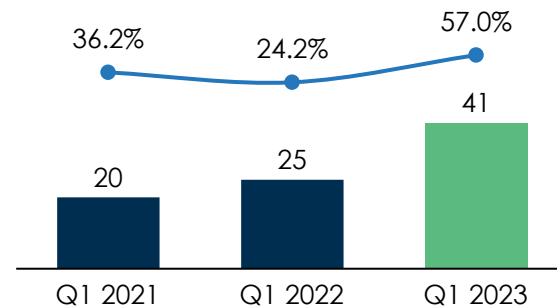
Financial summary – Q1 2023

(NOKm)	Q1 2023	Q1 2022
Revenue	41	25
EBITDA	-1	-2
Total revenue growth	57.0%	24.2%
EBITDA-margin	-1.6%	-7.9%

Annual recurring revenue



Revenue development



Comments

- Organic growth – consulting & ARR.
- ARR improving as several systems are gaining customer traction.
- Investment – both software and sales.

Notes:

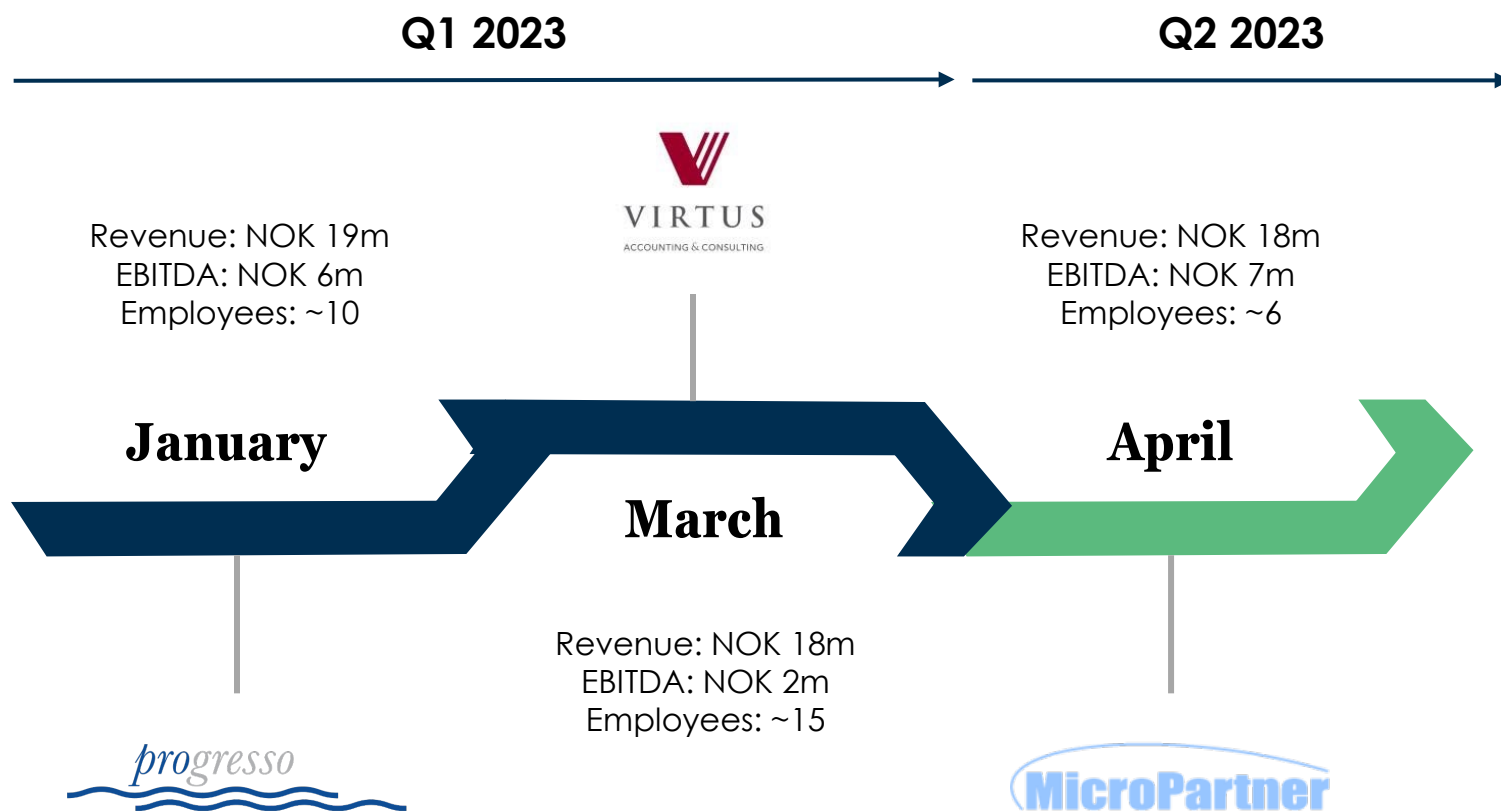
EBITDA = EBITDA before transactions- and restructuring costs

Annual recurring revenue = Revenue, normalized on an annual basis, that is expected to be received within the next 12 months.

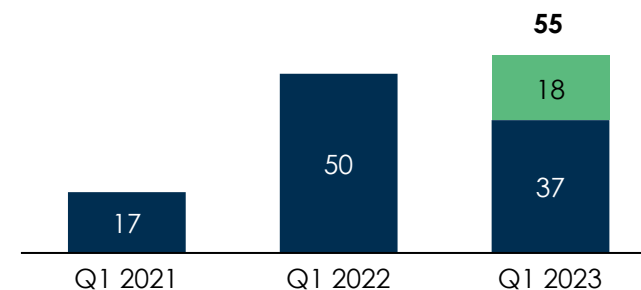
Acquisitions in 2023

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M&A – Acquisitions in 2023



M&A acquired revenue (NOKm)



Acquisitions

- F&A X 2
- Virtus ehf is our first acquisition in Iceland.
- IT – CRM consulting X 1
- On track with M&A activities.

Financial review

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Financial review

Profit & loss summarized

(NOKm)	Q1 2023	Q1 2022	Growth
Revenue	862	685	25.9%
EBITDA	115	87	31.9%
EBIT	64	38	65.6%
Profit for the year	49	32	53.8%
Adj. profit for the year	50	25	100.0%
<i>P&L items:</i>			
Restructuring & transaction costs	-1	-4	-77.2%
Financial income	10	13	-26.4%
Financial expenses	-10	-10	-7.9%
KPIs			
Total revenue growth	25.9%	26.6%	
Organic revenue growth	10.8%	4.4%	
M&A revenue growth	12.1%	23.6%	
Currency impact	2.9%	-1.5%	
EBITDA-margin	13.4%	12.8%	
EBIT-margin	7.4%	5.5%	
Adj. diluted EPS	0.07	0.03	100.8%

Comments

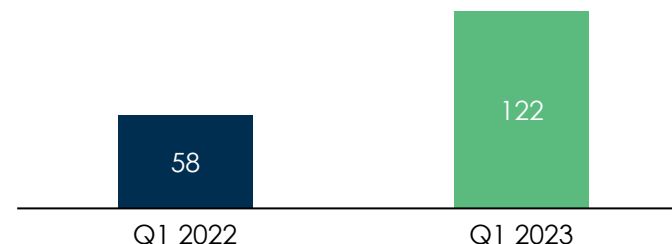
- The positive development in 2022 continued into the first quarter of 2023.
- Total revenue growth exceeding the financial target.
- Currency tailwind of ~3%.
- Impact of inflation in 2023 – increased cost base mitigated by price increase.
- Effects from the consolidation in 2022 are gradually diminishing.

Cash Flow & financial position

Cash Flow Statement

(NOKm)	Q1 2023	Q1 2022
EBITDA	115	87
Transaction and restructuring costs	-1	-4
Corporation tax, paid	-22	-31
Change in NWC	59	27
Cash flow from operations	151	80
Cash flow from investing	-36	-105
Cash flow from financing	-70	56
Cash flow for the period	45	31
Free cash flow	122	58

Free cash flow (NOK million)



Financial position (NOK million)

(NOKm)	Q1 2023	Q1 2022
Net-interest-bearing-debt (NIBD)	247	184
Leverage ratio	0.5x	0.5x
NIBD ex. leasing debt	29	-33
Undrawn revolving facility	448	463

Comments

- Strong cash flow from operations – increase in EBITDA and positive change in net working capital.
- Net working capital improvement - explained by a normalisation from Q4 2022.
- Cash flow from investing/financing activities – timing in acquisitions.
- NIBD at NOK 247 million (184) incl. IFRS16.
- Leverage ratio at the same level as last year hence improved EBITDA.
- NOK ~450 million in financial headroom.

Share buyback & Dividend

Management comments

- A new share buyback program has been announced starting 10 May 2023 amounting to NOK 12.5 million. The program is planned to end the 23 August 2023.
- As of 31 March 2023, ECIT AS holds 2,772 thousand treasury shares.
- Dividends to ECIT AS shareholders of NOK 18.1 million were paid out during April 2023.

Announced allocations to shareholders (NOKm)	Total 2022 announced	Q1 2023	Q2 2023	Total 2023 announced
Dividend (NOK 0.04 per share)	17.9	0.0	18.1	18.1
Share buyback 1 - NOK 8 million	8.0	0.0	0.0	0.0
Share buyback 2 - NOK 4 million	4.0	0.0	0.0	0.0
Share buyback 3 - NOK 3 million	0.0	3.0	0.0	3.0
Share buyback 4 - NOK 12 million	0.0	0.0	12.5	12.5
Total announced allocations	29.9	3.0	30.6	33.6

Overall

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Overall evaluation

Q1 2023

- 1 *Positive 2022 continue into Q1 2023*
- 2 *Organic growth – volume & price*
- 3 *Mergers & Consolidation – positive effects*
- 4 *Margin improvement – EBITDA – EBIT – EPS*
- 5 *New incentive program initiated*
- 6 *Solid M&A pipeline – financial headroom – ESG to come*

Q&A

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