



ecit

Interim H1 Report 2023

Agenda

1

2023 highlights

2

Division performance

3

Acquisitions

4

Financial review

5

Overall

6

Q&A

ecit



Peter Lauring
CEO

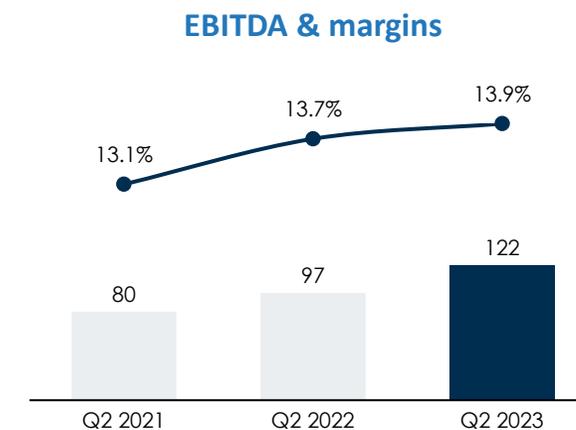
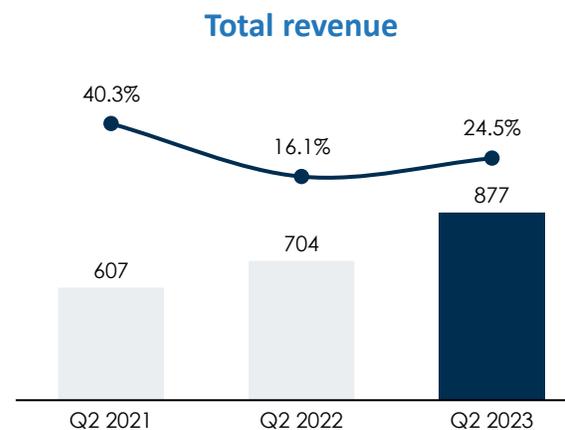


Mads Skovgaard
CFO

2023 Highlights

- 25% revenue growth
- Improved margin
- FCF growth – earnings – NWC

(NOKm)	Q2 2023	Q2 2022	Growth	H1 2023	H1 2022	Growth
Revenue	877	704	24.5%	1,739	1,390	25.2%
EBITDA	122	97	26.1%	237	184	29.0%
EBIT	60	44	36.5%	123	82	50.6%
Profit for the period	41	33	25.5%	90	64	41.9%
Free cash flow	54	38	41.6%	176	96	82.6%
Adjusted diluted EPS	0.06	0.06	-2.5%	0.12	0.09	35.7%
KPIs						
Total revenue growth	24.5%	16.1%	8.4 p.p.	25.2%	21.1%	4.1 p.p.
Organic revenue growth	6.0%	7.4%	-1.4 p.p.	8.4%	6.1%	2.3 p.p.
M&A revenue growth	14.3%	9.5%	4.8 p.p.	13.2%	16.4%	-3.2 p.p.
EBITDA-margin	13.9%	13.7%	0.2 p.p.	13.6%	13.2%	0.4 p.p.
EBIT-margin	6.8%	6.2%	0.7 p.p.	7.1%	5.9%	1.2 p.p.



Divisions

ecit

F&A division

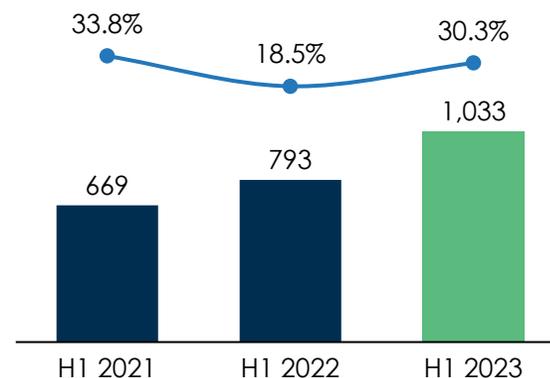
Financial overview – H1 2023

(NOKm)	H1 2023	H1 2022
Revenue	1,033	793
EBITDA	179	132
Total revenue growth	30.3%	18.5%
EBITDA-margin	17.4%	16.6%

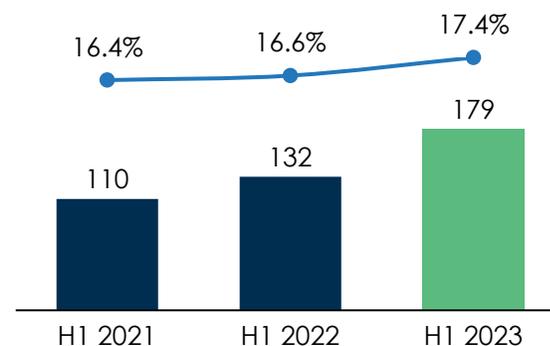
Financial overview – Q2 2023

(NOKm)	Q2 2023	Q2 2022
Revenue	523	403
EBITDA	93	71
Total revenue growth	29.8%	9.2%
EBITDA-margin	17.8%	17.6%

Revenue development



EBITDA and margin development



Comments

- M&A + Organic growth.
- Margin improvement – underlying business – consolidation effects.
- 5 companies ~ 50% of revenue

IT division

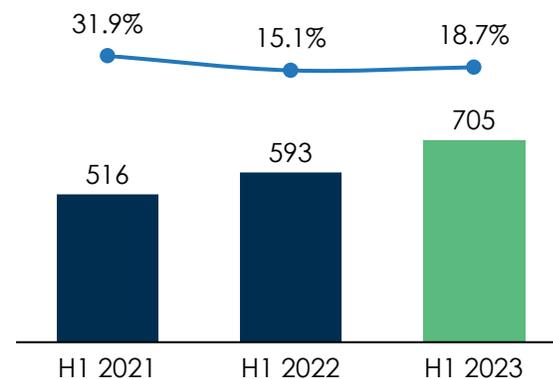
Financial overview – H1 2023

(NOKm)	H1 2023	H1 2022
Revenue	705	593
EBITDA	78	62
Total revenue growth	18.7%	15.1%
EBITDA-margin	11.1%	10.4%

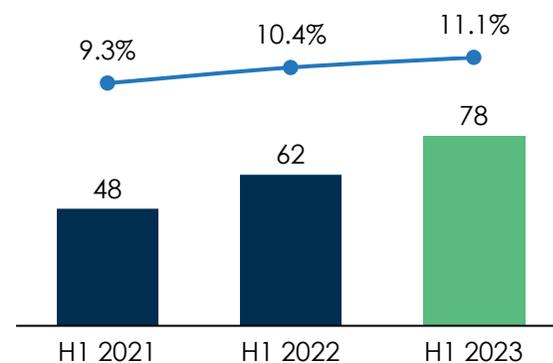
Financial overview – Q2 2023

(NOKm)	Q2 2023	Q2 2022
Revenue	350	295
EBITDA	37	30
Total revenue growth	18.8%	14.9%
EBITDA-margin	10.5%	10.1%

Revenue development



EBITDA and margin development



Comments

- Consultants for hire – Norwegian regulation change – organic growth impact.
- Margin – consolidation effects.
- 5 companies ~ 75% of revenue

Tech division

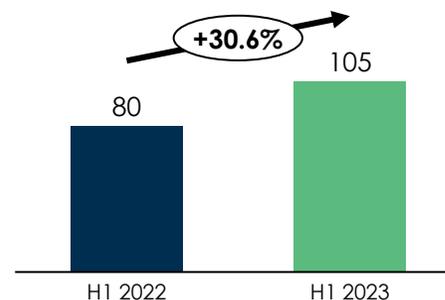
Financial summary – H1 2023

(NOKm)	H1 2023	H1 2022
Revenue	73	59
EBITDA	0	0
Total revenue growth	22.9%	108.0%
EBITDA-margin	-0.2%	0.6%

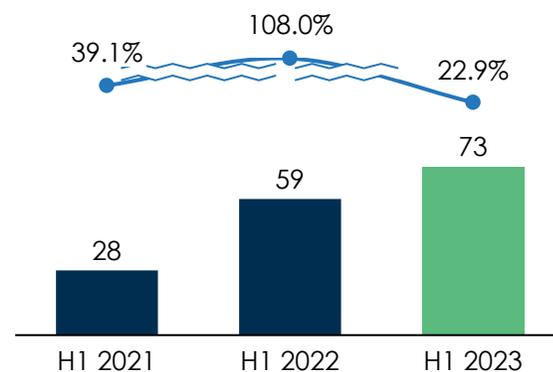
Financial summary – Q2 2023

(NOKm)	Q2 2023	Q2 2022
Revenue	38	31
EBITDA	-1	2
Total revenue growth	22.3%	123.1%
EBITDA-margin	-4.0%	5.9%

Annual recurring revenue (own software)



Revenue development



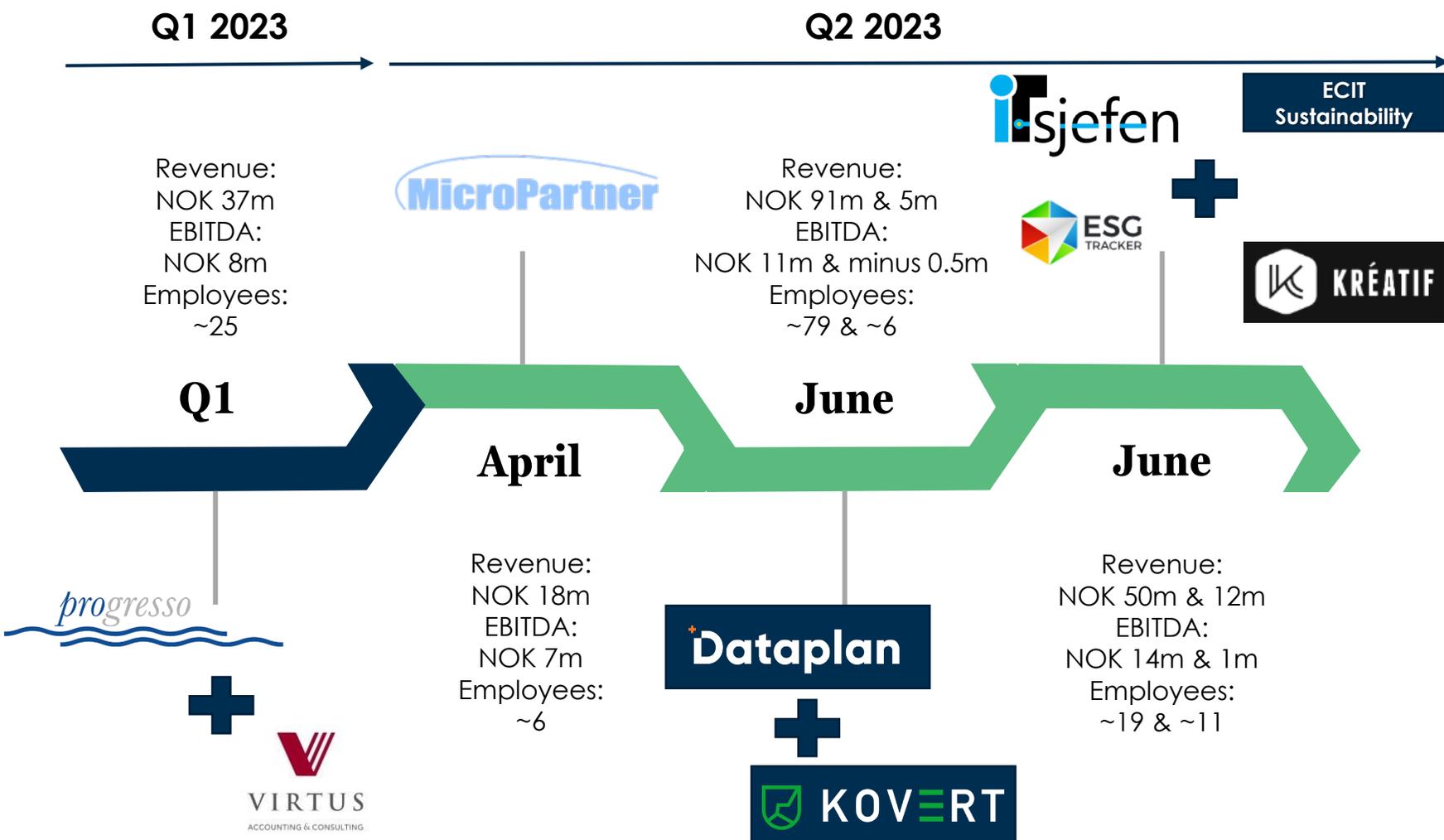
Comments

- **Change:** H1 2023 NOK 15 million revenue been moved to the IT division.
- ECIT Software revenue + directly related consulting revenue.
- ARR change – ECIT Software revenue only.

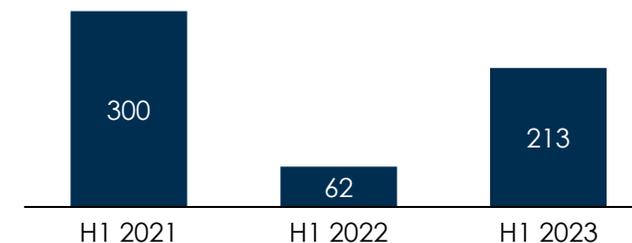
Acquisitions in 2023

ecit

M&A – Acquisitions in 2023



M&A acquired revenue (NOKm)



Acquisitions

- According to plan.
- Dataplan Group – largest acquisition in 2023.
- New business area ESG Trackr and ECIT Sustainability.

Valuation

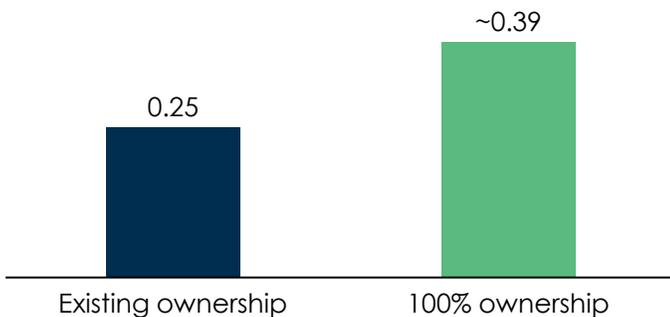
ecit

ECIT valuation

ECIT strategy

- Building a group – not a group of companies
- Options – the bridge between acquisition and consolidation
- To be exercised gradually – no later than 2030
- EV/EBITDA multiple +4x

Adjusted EPS – Last twelve months



ECIT view

(NOKm)	30 June 2023	24 March 2022	Growth
Share price	8.38	6.42	30.5%
Number of shares	453	446	1.5%
Equity Value	3,795	2,860	32.7%
+/- Net interest bearing debt	470	137	243.1%
- Option obligation	582	458	27.1%
Enterprise value	4,847	3,455	40.3%
EBITDA LTM	501	339	47.8%
EV/EBITDA multiple	9.7	10.2	-5.1%

Notes

Adjusted diluted EPS excluding 'one-off' and special items
Estimated financial expenses are included to finance the option obligation (exercising)

Financial review

ecit

Financial review

Profit & loss summarized

(NOKm)	Q2 2023	Q2 2022	Growth	H1 2023	H1 2022	Growth
Revenue	877	704	24.5%	1,739	1,390	25.2%
EBITDA	122	97	26.1%	237	184	29.0%
EBIT	60	44	36.5%	123	82	50.6%
Profit for the year	41	33	25.5%	90	64	41.9%
Adj. profit for the year	45	38	18.1%	95	64	49.1%
<i>P&L items:</i>						
Restructuring & transaction costs	-4	-5	-24.6%	-5	-9	-46.2%
Financial income	6	6	9.3%	14	16	-13.2%
Financial expenses	-12	-7	73.3%	-22	-17	28.9%
KPIs						
Total revenue growth	24.5%	16.1%	8.4 p.p.	25.2%	21.1%	4.1 p.p.
Organic revenue growth	6.0%	7.4%	-1.4 p.p.	8.4%	6.1%	2.3 p.p.
M&A revenue growth	14.3%	9.5%	4.8 p.p.	13.2%	16.4%	-3.2 p.p.
Currency impact	4.1%	-0.9%	5 p.p.	3.6%	-1.4%	5 p.p.
EBITDA-margin	13.9%	13.7%	0.2 p.p.	13.6%	13.2%	0.4 p.p.
EBIT-margin	6.8%	6.2%	0.7 p.p.	7.1%	5.9%	1.2 p.p.
Adj. diluted EPS	0.06	0.06	-2.5%	0.12	0.09	35.7%

Comments

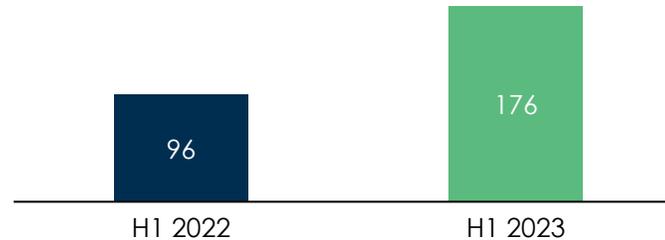
- Total revenue growth exceeding the financial target.
- Currency tailwind of ~4%.
- Positive effects from the ongoing consolidation and integration,

Cash Flow & financial position

Cash Flow Statement

(NOKm)	H1 2023	H1 2022
EBITDA	237	184
Transaction and restructuring costs	-5	-9
Corporation tax, paid	-37	-38
Change in NWC	39	3
Cash flow from operations	235	140
Cash flow from investing	-152	-135
Cash flow from financing	-85	-38
Cash flow for the period	-2	-33
Free cash flow	176	96

Free cash flow (NOK million)



Financial position (NOK million)

(NOKm)	H1 2023	H1 2022
NIBD ex. leasing debt	210	16
Leverage ratio	0.9x	0.6x
NIBD	470	215
Undrawn revolving facility	345	463

Comments

- Solid cash flow from operations – increased EBITDA and positive change in net working capital.
- Positive development in free cash flow as a consequence of strong cash flow from operations.
- NIBD at NOK 470 million (215) incl. IFRS16.
- Leverage ratio increased compared to last year.
- NOK ~345 million in financial headroom.

Share buyback & Dividend

Management comments

- A new share buyback program has been announced starting 24 August 2023 amounting to NOK 12.5 million. The program is planned to end the 7 November 2023.
- As of 30 June 2023, ECIT AS holds 573 thousand treasury shares.

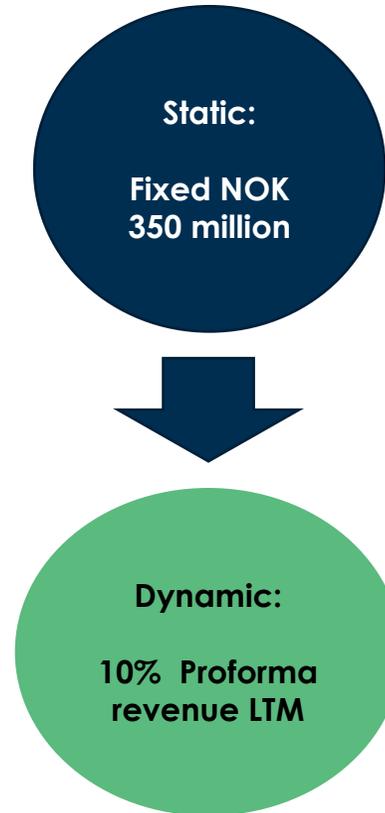
<u>Announced allocations to shareholders (NOKm)</u>	Total 2022 announced	Q1 2023	Q2 2023	Q3 2023	Total 2023 announced
Dividend (NOK 0.04 per share)	17.9	0.0	18.1	0.0	18.1
Share buyback 1 - NOK 8 million	8.0	0.0	0.0	0.0	0.0
Share buyback 2 - NOK 4 million	4.0	0.0	0.0	0.0	0.0
Share buyback 3 - NOK 3 million	0.0	3.0	0.0	0.0	3.0
Share buyback 4 - NOK 12.5 million	0.0	0.0	12.5	0.0	12.5
Share buyback 5 - NOK 12.5 million	0.0	0.0	0.0	12.5	12.5
Total announced allocations	29.9	3.0	30.6	12.5	46.1

Key financial target change (mid-to-long term)

Mid-to-long term targets

Key Financial targets	Mid-to-long term targets
Growth	
Total revenue growth	> 15.0%
Organic revenue growth	> 5.5%
Recurring & repeatable revenue	> 75.0%
Earnings	
EBITDA-margin	> 17.0%
Leverage	
Leverage ratio (NIBD/EBITDA)	< 2.5x
Mergers & acquisitions	
M&A acq. revenue	10% proforma revenue LTM

Change of Financial target Annual acquired revenue



Overall

ecit

Overall evaluation

H1 2023

- 1 **Satisfactory revenue growth (M&A and organic)**
- 2 **Margin improvement – EBITDA / EBIT**
- 3 **Mergers & Consolidation – positive effects**
- 4 **M&A activity in line – M&A financial target change**
- 5 **Solid M&A pipeline – financial headroom**
- 6 **H1 2023 results according to plan**

Q&A

ecit