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Interim Q1 Report 2024

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Overall

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Peter Lauring
CEO



Mads Skovgaard
CFO

Highlights

- **15.8% revenue growth / 3.8% organic**
- **Macroeconomic and political conditions - affect the IT-Division – the F&A Division is doing well**
- **Easter timing**
- **Cost savings program – progress according to plan**
- **EBITDA 112m – Easter effect +15m – normalised in H1 2024**

Q1 2024 results

Revenue: **999m (15,8%)**

Organic growth: **3.8%**

EBITDA: **112m (11.2%)**

EBIT: **49m (4.9%)**

EPS: **0.05 NOK (0.07)**

Free cash flow: **70m (111)**

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

Mcap: **3.3bn**

shares: **465m**

Divisions

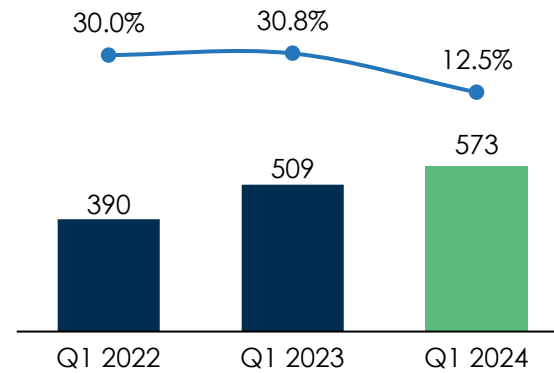
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F&A division

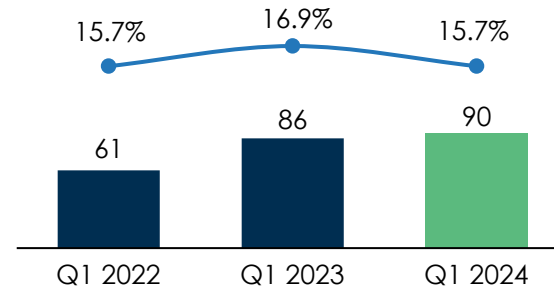
Financial overview – Q1 2024

(NOKm)	Q1 2024	Q1 2023
Revenue	573	509
EBITDA	90	86
Total revenue growth	12.5%	30.8%
EBITDA-margin	15.7%	16.9%

Revenue development



EBITDA and margin development



Comments

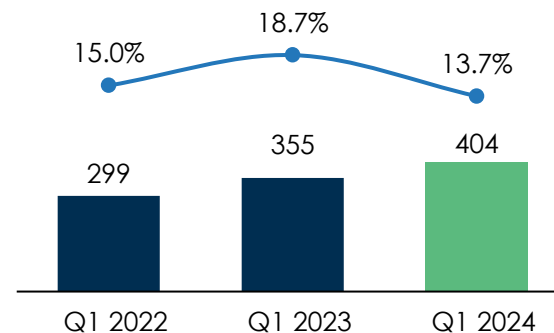
- Good organic growth.
- EBITDA – Easter effect.
- Consolidation – on-going.
- Nearshoring – focus area.

IT division

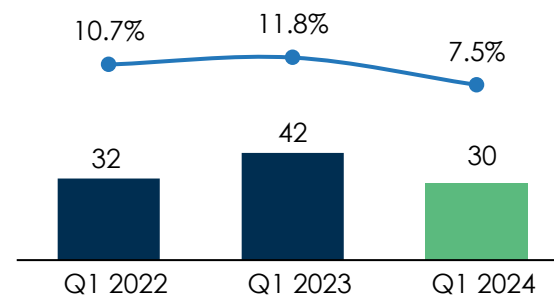
Financial overview – Q1 2024

(NOKm)	Q1 2024	Q1 2023
Revenue	404	355
EBITDA	30	42
Total revenue growth	13.7%	18.7%
EBITDA-margin	7.5%	11.8%

Revenue development



EBITDA and margin development



Comments

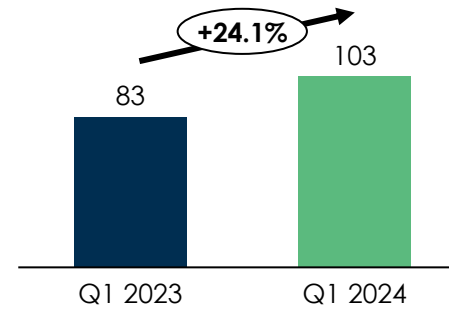
- Macroeconomic and political conditions.
- Easter effect.
- Consolidation and mergers

Tech division

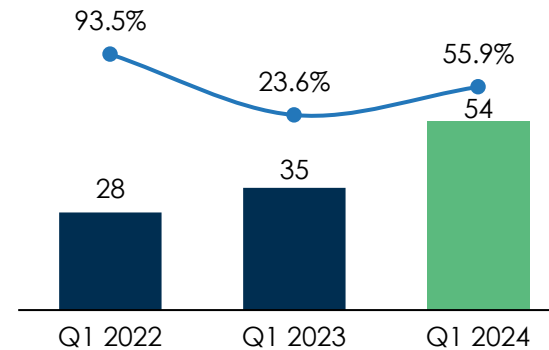
Financial overview – Q1 2024

(NOKm)	Q1 2024	Q1 2023
Revenue	54	35
EBITDA	-1	2
Total revenue growth	55.9%	23.6%
EBITDA-margin	-1.7%	5.7%

Annual recurring revenue (core software)



Revenue development



Comments

- Reasonable growth.
- Core software revenue – growth driven by Intect and ECIT Digital.

Notes:

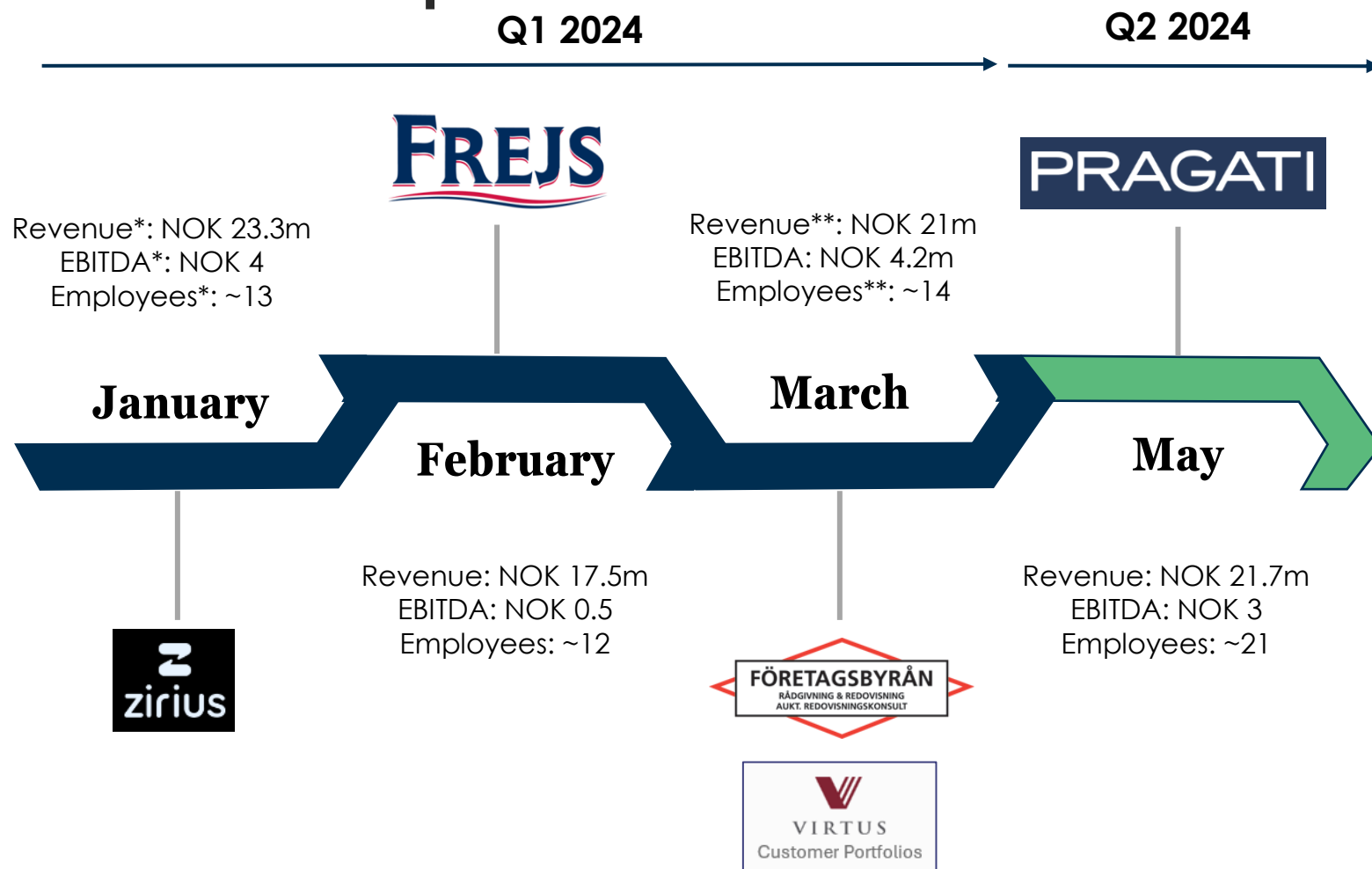
EBITDA = EBITDA before transactions- and restructuring costs

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

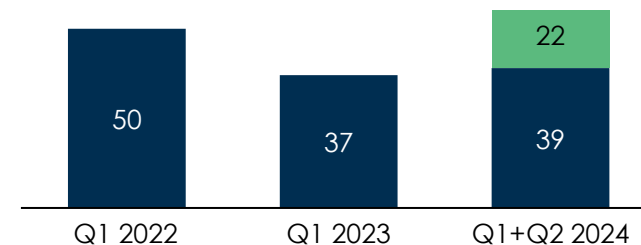
Acquisitions in 2024

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M&A – Acquisitions in 2024



M&A acquired revenue (NOKm)



Acquisitions

- Zirius – ERP software (ownership share ~25%).
- F&A in Sweden.
- Acquired Icelandic F&A customer portfolios from PwC ehf. and Húnabókhald ehf.

Notes:

All figures presented are according to the latest published annual report EBITDA, including IFRS16 lease accounting impact
 *Associated company – ownership share ~25%
 **Including acquired customer portfolios

Financial review

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Financial review

Profit & loss summarized

(NOKm)	Q1 2024	Q1 2023	Growth
Revenue	999	862	15.8%
EBITDA	112	115	-2.9%
EBITA	77	86	-9.9%
EBIT	49	65	-24.1%
Profit for the period	28	49	-42.4%
Adj. profit for the period	33	50	-33.6%
<i>P&L items:</i>			
Restructuring & transaction costs	-5	-1	397.2%
Financial income	8	8	-1.3%
Financial expenses	-16	-10	63.7%
KPIs			
Total revenue growth	15.8%	25.9%	-10.1 p.p.
Organic revenue growth	3.8%	10.8%	-7 p.p.
M&A revenue growth	10.5%	12.1%	-1.6 p.p.
Currency impact	1.5%	2.9%	-1.4 p.p.
EBITDA-margin	11.2%	13.4%	-2.2 p.p.
EBIT-margin	4.9%	7.5%	-2.6 p.p.
Adj. diluted EPS	0.05	0.07	-32.3%

Comments

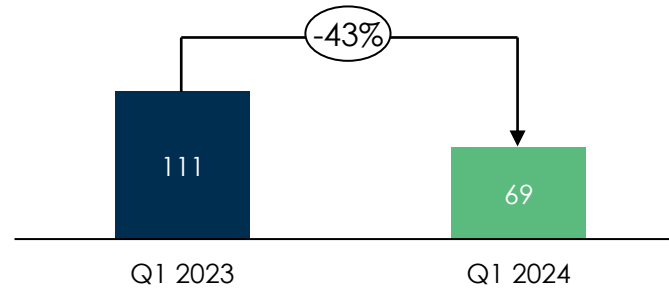
- Total revenue – 15.8% (25.9%) - organic revenue growth of 3.8% (10.8%)
- Easter timing – fewer working days were impacting the result for Q1 2024 on most metrics.
- Cost-saving program – limited impact on the Q1 result.
- Increased financial expenses – increased debt and higher interest rates (comparable period).

Cash Flow & financial position

Cash Flow Statement

(NOKm)	Q1 2024	Q1 2023
EBITDA	112	115
Restructuring & transaction costs	-5	-1
Corporation tax, paid	-25	-22
Change in NWC	20	48
Cash flow from operations	102	140
Cash flow from investing	-72	-36
Cash flow from financing	-65	-70
Cash flow for the period	-35	34
Cash flow from operations	102	140
Restructuring & transaction costs	5	1
Net investments in tangible assets	-9	-6
Repayment of lease liabilities	-28	-24
Free cash flow	70	111

Free cash flow (NOK million)



Financial position (NOK million)

(NOKm)	Q1 2024	Q1 2023
NIBD ex. leasing debt	396	42
Leverage ratio	1.3x	0.6x
NIBD	658	260
Undrawn revolving facility	138	448

Comments

- Easter timing impact and change in NWC (timing LY) - explaining the lower cash flow from operation compared to last year.
- NIBD ex. Leasing debt of NOK 396 million (42).
- Increase in debt – completed acquisitions in the last 12 months and strategic decision to increase ownership share in subsidiaries.
- Increase of credit facility in April – NOK 250 million (in total NOK 1 billion.)

Overall

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Overall evaluation

Q1 2024

- 1 **Easter impact – few working days – Organic Growth & EBITDA**
- 2 **Macroeconomic and political (NO) conditions – affect IT growth**
- 3 **EBITDA – cost saving will materialise**
- 4 **NIBD at 396m – Subsidiary ownership ~10%**
- 5 **M&A activity in line – good pipeline**
- 6 **Q2 2024 expected catch up**