

# ADDNODE GROUP

YEAR-END REPORT JANUARY – DECEMBER 2022  
3 FEBRUARY 2023



# PRESENTATION OF ADDNODE GROUP'S Year-end report January – December 2022



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# AGENDA

## Year-end report January – December 2022

1. Addnode Group in brief
2. Q4 2022
3. Sustainability
4. Investment case
5. Q&A
6. Appendix
  - a) Acquisitions, 2023, 2022, 2021, 2020
  - b) Shareholders, December 31, 2022
  - c) Share performance, 2022

# ADDNODE GROUP

## Digital Solutions for a Sustainable Future

We create sustainable growth in value by acquiring and developing cutting edge enterprises that digitalise society.

- **Design Management** – smarter design, construction, and management of products, buildings, assets and infrastructure.
- **Product Lifecycle Management** – simulation, design and product lifecycle management, from research, development and design to production, sales, aftermarket and recycling.
- **Process Management** – business processes for central and local government.

**Full year 2022** (2021)

**Net Sales**

**6,225**  
SEK M  
(4,077)

**EBITA**

**728**  
SEK M  
(461)

**EPS**

**2.86**  
SEK  
(1.66)

**Recurring  
revenue**

**70%**  
(66)

# ADDNODE GROUP

## Organic and acquisition-led growth strategy

### ORGANIC

Decentralised responsibility and authority

Strategic support

Synergies and collaboration

### ACQUISITIONS

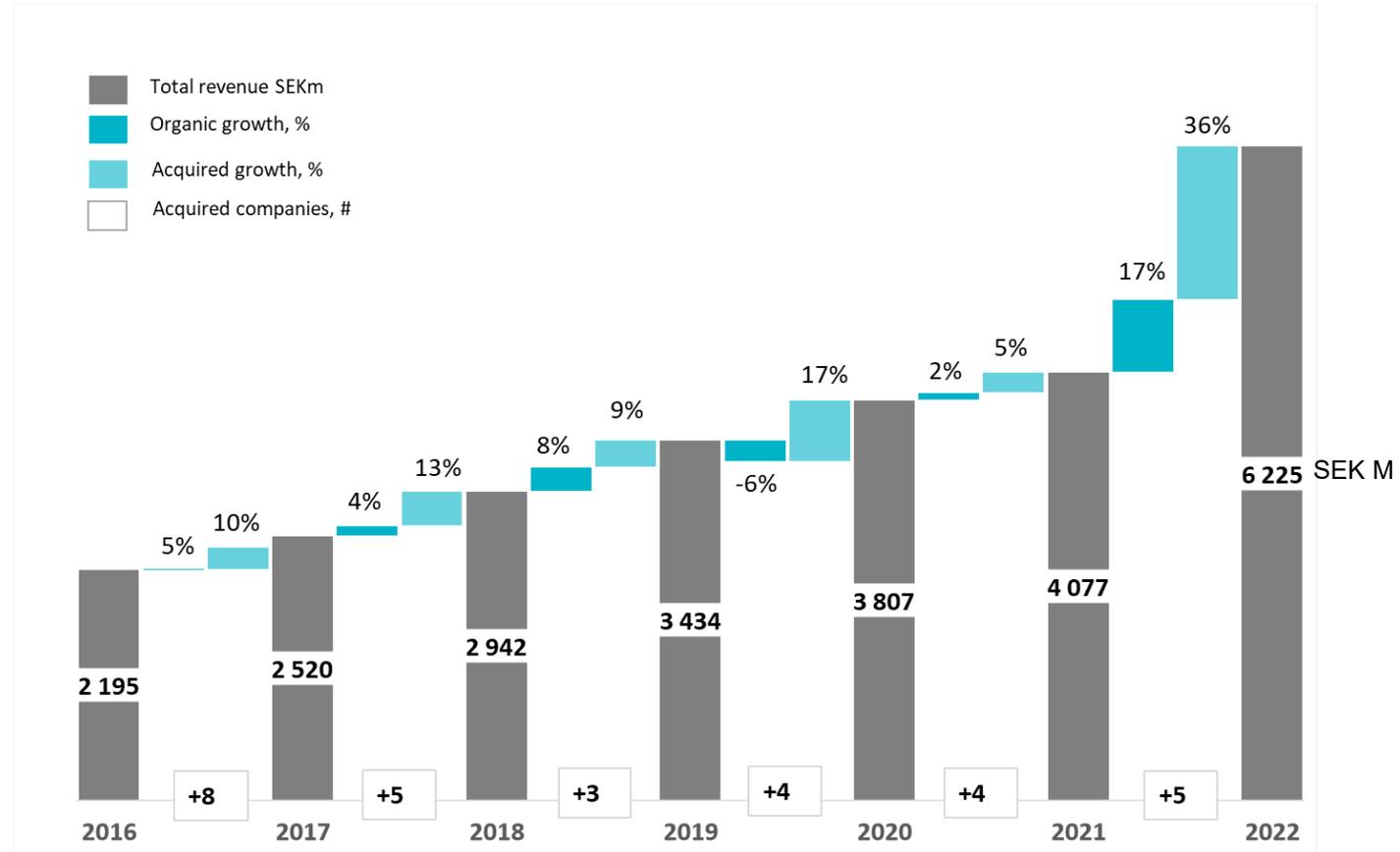
Complementary business or markets

Values based leadership

Attractive valuation

### OUR STRATEGY

We create sustainable growth in value by acquiring and developing cutting edge enterprises that digitalise society



# ADDNODE GROUP

## Q4 2022 – The growth strategy is creating value

### Highlights

- Net sales increased by 60% to SEK 1,786 m
- Currency adjusted organic growth 13%
- Design Management and Symetri recording strong organic growth in UK and continued strong contribution from the acquisition of Microdesk in USA
- Recurring revenue increased by 72% to SEK 1,209 m
- EBITA up by 35% to SEK 200 m
- Earnings per share up by 28% to SEK 0.77 (0.60) per share

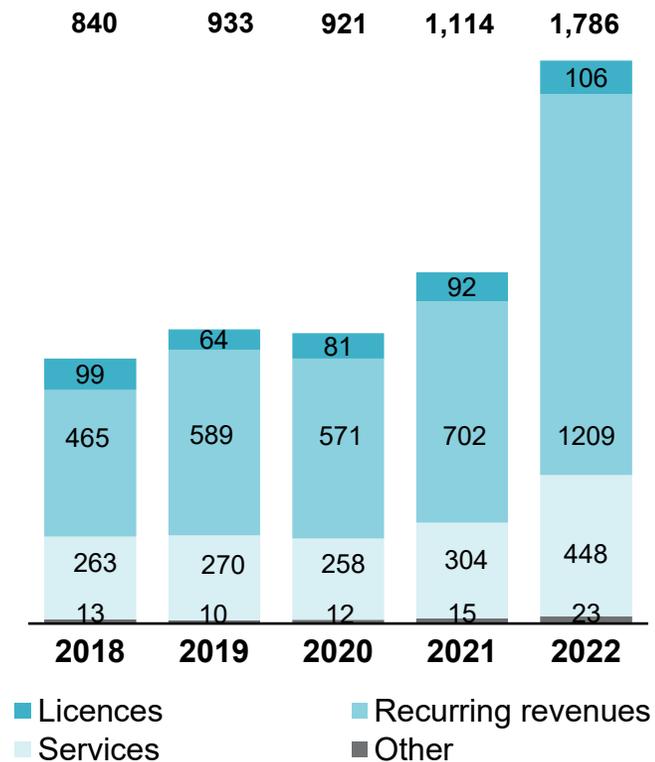
	Q4 2022	Q4 2021	Change	Full-year 2022
Net sales, SEK M	1,786	1,114	60%	6,225
EBITA, SEK M	200	148	35%	728
EBITA margin, %	11.2	13.3		11.7
Earnings per share, SEK	0.77	0.60	28%	2.86

*“Our high growth and positive earnings trend continued in the fourth quarter, and yet again, we reported our highest sales and EBITA for a single quarter.”*

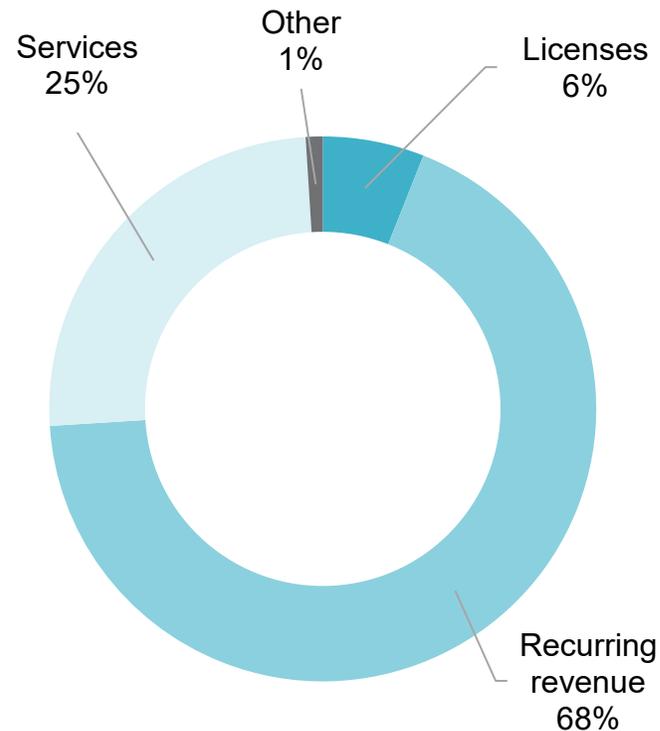
# ADDNODE GROUP

Continued growth in recurring revenue, at 68% of net sales in Q4

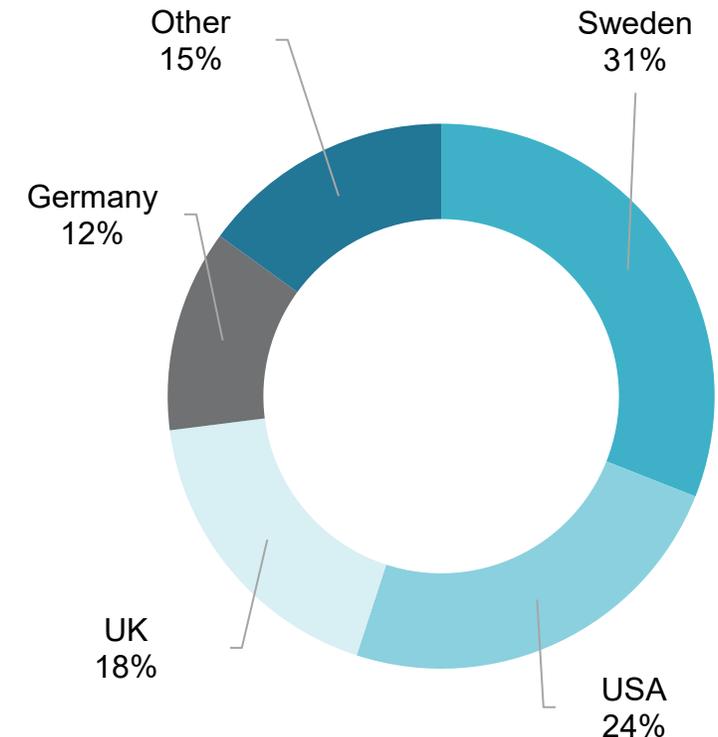
Breakdown of net sales, SEK m  
Q4 2018–2022



Breakdown of net sales by  
category, Q4



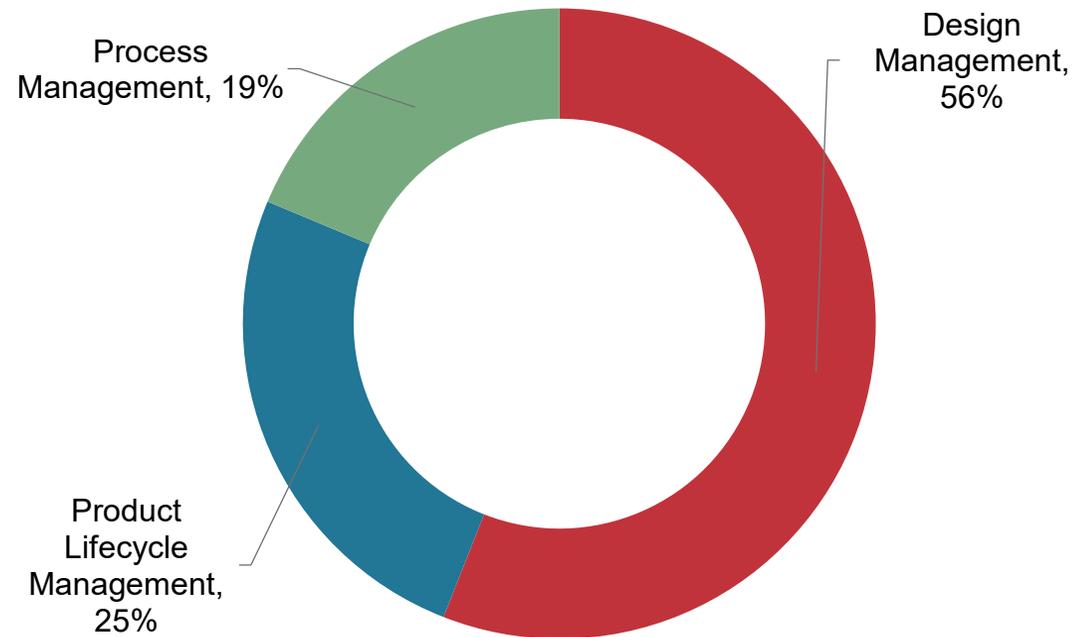
Breakdown of net sales by  
geography, Q4



# ADDNODE GROUP

## Three Divisions

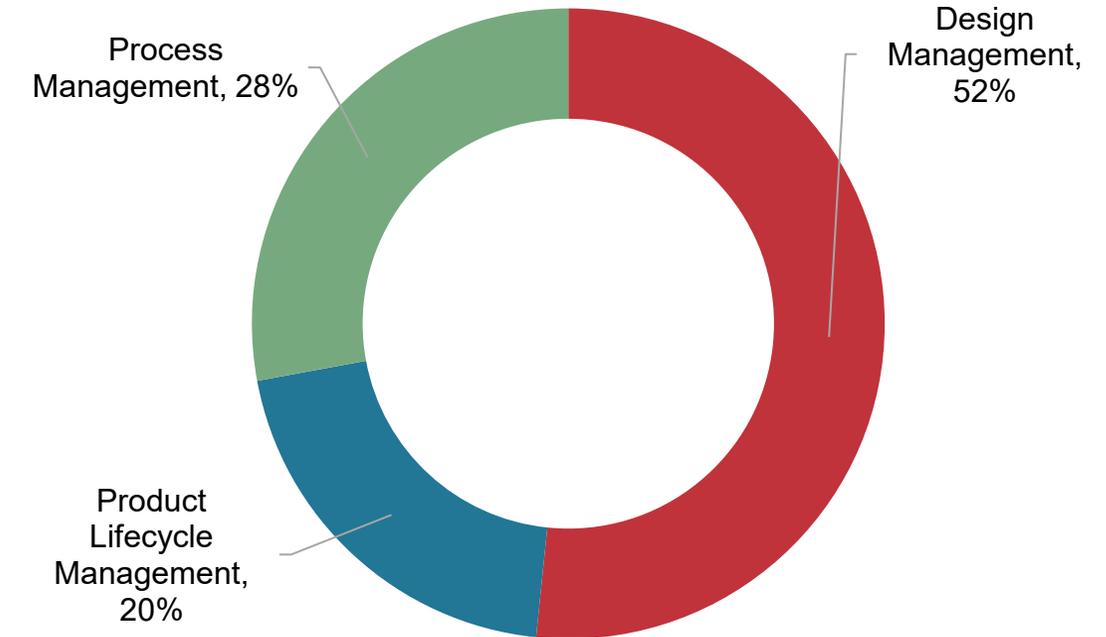
### Share of Net Sales\* Q4 2022



**Addnode Group Net sales Q4 2022: SEK 1,786 m**

\* Before eliminations

### Share of EBITA\* Q4 2022



**Addnode Group EBITA Q4 2022: SEK 200 m**

\* Before eliminations / central costs

# DESIGN MANAGEMENT

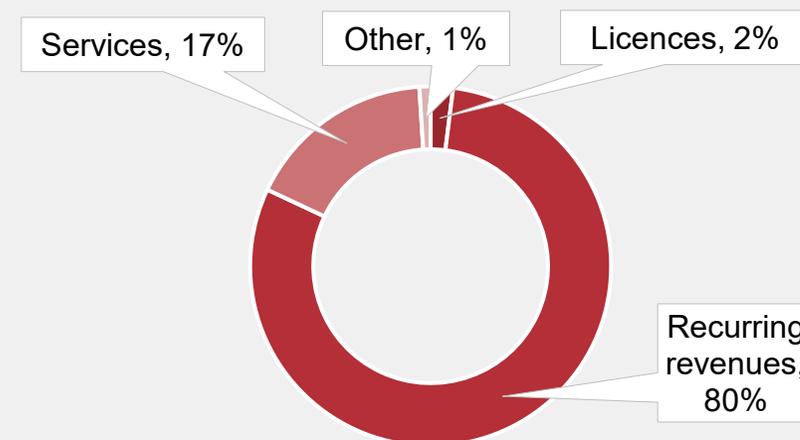
## All units contributing

### Highlights

- Net sales increased by 113% to SEK 1,004 m, currency adjusted organic growth 22%
- EBITA increased to SEK 111 m (59), and the EBITA margin was 11.1% (12.5)
- Symetri/Microdesk continued to outperform
  - Strong organic growth from UK operation
  - Microdesk continued to outperform expectations
  - Volumes and margins on new business sales and three-year agreement renewals progressed well
  - Autodesk has announced its intention to alter invoicing and payment terms for multi year contracts
- Continued good contribution from SWG and Tribia

	Q4 2022	Q4 2021	Change	Full year 2022
Net sales, SEK M	1,004	471	113%	3,494
EBITA, SEK M	111	59	88%	398
EBITA margin, %	11.1	12.5		11.4

### Net sales distribution, Q4 2022



# DESIGN MANAGEMENT

## Acquisition of FAST2 Affärssystem AB

- Expected annual net sales of SEK 80 m
- One of Sweden's leading suppliers of business systems for real estate companies
- FAST2's proprietary business system is used by nine out of 13 of the largest public housing companies in Sweden
- SWG and FAST2 will together serve more than 400 customers, of which just over 200 are in the Nordics
- SWG:s, incl FAST2, and Tribia's offer of proprietary digital solutions for the real estate and construction markets in the Nordics and UK will now reach joint sales of approximately SEK 500 m



# PRODUCT LIFECYCLE MANAGEMENT

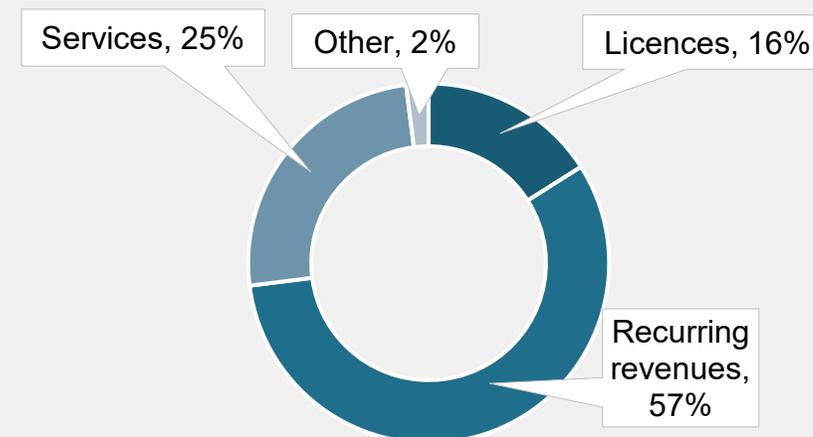
## High growth and integration of acquisitions

### Highlights

- Net sales increased by 29% to SEK 455 m, currency adjusted organic growth 6%
- EBITA was SEK 44 m (44), and the EBITA margin was 9.7% (12.5)
- Demand on the German market progressed somewhat more positively than market data indicated earlier in the autumn
- Sales performance in the UK remained good, and demand on the Nordic market was stable
- At present, the acquisitions of 2022 have lower profitability than the division's other operations, their integration and work on increasing profitability is ongoing

	Q4 2022	Q4 2021	Change	Full year 2022
Net sales, SEK M	455	352	29%	1,580
EBITA, SEK M	44	44	0	158
EBITA margin, %	9.7	12.5		10.0

Net sales distribution, Q4 2022



# PROCESS MANAGEMENT

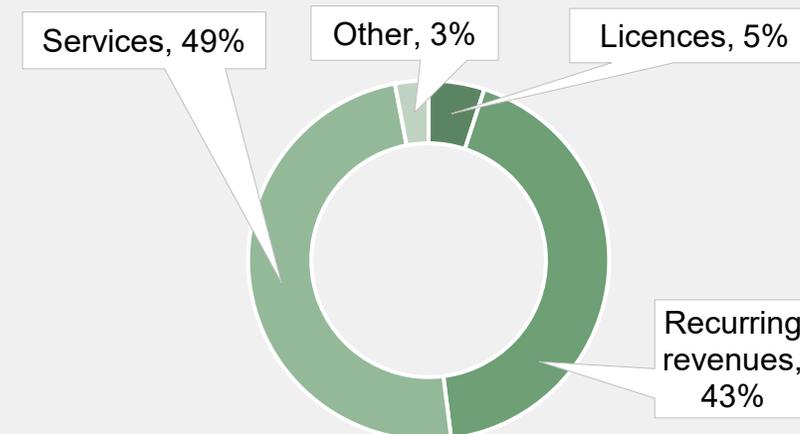
## Organic growth with focus on further expansion

### Highlights

- Net sales increased by 13% to SEK 335 m, organic growth 8%
- EBITA increased to SEK 60 m (59), and the EBITA margin was 17.9% (19.9)
- The divisions close and well-established relationships with a large base of public sector customers often present opportunities for recurring sales or the expansion of current assignments
- The division added a number of new employees in the autumn to strengthen its development resources
- Decisive, acquired in June 2022, progressed as planned

	Q4 2022	Q4 2021	Change	Full year 2022
Net sales, SEK M	335	297	13%	1,182
EBITA, SEK M	60	59	2%	226
EBITA margin, %	17.9	19.9		19.1

### Net sales distribution, Q4 2022



# CONSOLIDATED CASH FLOW

## Q4 2022

Cash flow, SEK m	Q4 2022	Q4 2021	Change	2022	2021	Change
Operating profit	149	106	43	527	305	222
Adjustments for non-cash items	84	61	23	294	222	72
Other	-45	-15	-30	-144	-80	-64
<b>Cash flow from operations before working capital changes</b>	<b>188</b>	<b>152</b>	<b>36</b>	<b>677</b>	<b>447</b>	<b>230</b>
Changes in working capital	73	105	-32	37	-10	47
<b>Cash flow from operating activities</b>	<b>261</b>	<b>257</b>	<b>4</b>	<b>714</b>	<b>437</b>	<b>277</b>
Cash flow from investing activities	-45	-35	-10	-490	-398	-92
Cash flow from financing activities	-164	-100	-64	-63	-305	242
<b>Total cash flow</b>	<b>52</b>	<b>122</b>	<b>-70</b>	<b>161</b>	<b>-266</b>	<b>427</b>

# CONSOLIDATED FINANCIAL POSITION

## December 31, 2022

<b>Balance sheet, SEK m</b>	<b>Dec 31, 2022</b>	<b>Dec 31, 2021</b>	<b>Change</b>
Intangible non-current assets	3 409	2 574	835
Other non-current assets	282	210	72
Current receivables	1 908	1 132	776
Cash and cash equivalents	600	406	194
<b>Total assets</b>	<b>6 199</b>	<b>4 322</b>	<b>1 877</b>
Equity	2 005	1 693	312
Non-current liabilities	1 398	892	506
Current liabilities	2 796	1 737	1 059
<b>Total equity &amp; liabilities</b>	<b>6 199</b>	<b>4 322</b>	<b>1 877</b>
Equity ratio	32%	39%	-7%
Net debt	463	368	95
Revolving credit facility	1 600	1 600	0
<i>Whereof unutilized</i>	722	931	-209

# SUSTAINABILITY AGENDA

1

Digital solutions that contribute to sustainable development

2

Care for people and the planet in our own operations

3

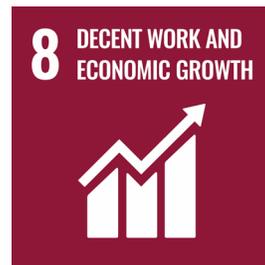
The way we work with our partners and suppliers

4

Long-term financial viability

5

Sustainability management and governance



# SUSTAINABILITY CASES Q4 2022

Full versions at <https://www.addnodegroup.com/en/sustainability>

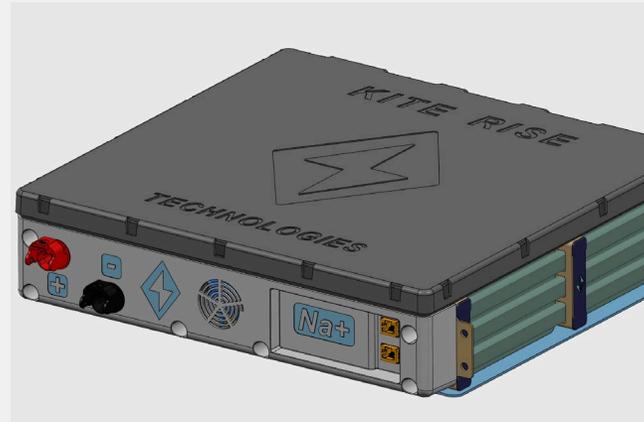
## Design Management



Symetri is supporting BamCore by developing digital solutions that demonstrate product benefits on energy and carbon impacts. BamCore's mission is to make construction more sustainable through innovative solutions using biogenic fibres, such as bamboo, and industrialised construction processes.



## Product Lifecycle Management



**TECHNIA** has delivered 3DEXPERIENCE as a cloud solution to Kite Rise. Kite Rise's mission is to develop a high-performance energy storage system using sustainable resources and processes. Kite Rise's solutions are based on sodium-ion technology, a more sustainable and safer alternative to conventional lithium-ion batteries.



## Process Management



**Sokigo** has provided its solutions TopoCad and CSM to the environmental company Ragn-Sells. The combined solution enables faster and more efficient development of Ragn-Sells recycling facilities and allows for better and safer recycling and waste management.



# ADDNODE GROUP AS AN INVESTMENT

1

## Sustainable digital solutions

- We provide digital solutions for design, simulation, product data information and case management.
- Customers in construction and real estate sectors, manufacturing, the automotive industry, life sciences and the public sector.
- Global trends such as digitalisation, urbanisation and sustainability are driving demand for our solutions.

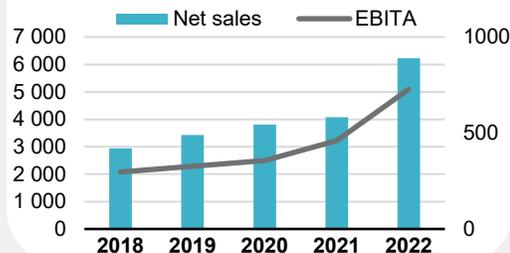


2

## Organic and acquisition-led growth

- Our strategy is to create value by continuously acquiring new businesses and actively supporting our companies to drive organic growth.
- Net Sales and EBITA CAGR 5yr: 21% and 25%, respectively

Profitable growth, 2018–2022, SEK M

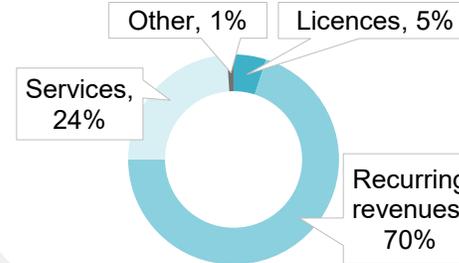


3

## Attractive business model

- High share of recurring revenues.
- Customers return for advice, development and integration.
- Strong cash flow generation owing to large share of advance payments at start of year.
- Low capex need other than product development.

Revenue by type, 2022

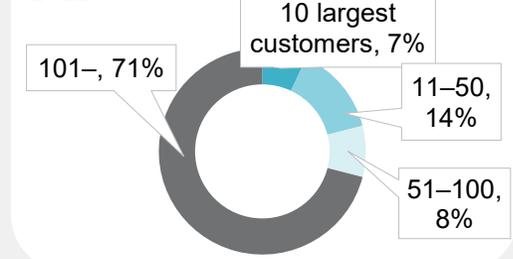


4

## Diversification spreads risk

- We are active in numerous geographic markets, private and public sectors and in many different industries.
- We are not dependent on individual customers, but we have many long-term customer relationships

Revenue by customer size, 2022





# Q&A



# APPENDIX

# ACQUISITIONS

## 2023 YTD



### FAST2

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Leading Swedish supplier of business systems for real estate companies. Its proprietary business system is used by nine out of 13 of the largest public housing companies in Sweden.

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#### Division Design Management

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New employees

**70**

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Annual sales

**80** SEK M

# ACQUISITIONS 2022



## Claytex

Claytex specializes in advanced simulation and virtual testing, with focus on systems engineering and autonomous vehicles in the automotive and motorsport space.

**Division Product  
Lifecycle Management**

New employees

**15**

Annual sales

**25** SEK M



## Desys

DESYS service offering is based on Dassault Systèmes' platform, and includes own software products as well as a broad range of training, consulting, support and IT-services.

**Division Product  
Lifecycle Management**

New employees

**45**

Annual sales

**170** SEK M



## Microdesk

Microdesk is a Platinum partner to Autodesk and provides consulting services, training, data management and customized solutions. Microdesk has 13 offices in US and London.

**Division  
Design Management**

New employees

**300**

Annual sales

**1,000** SEK M



## Decisive

Rule-based decision management systems. Assists customers all the way from system design to development, implementation, training and then support and further development.

**Division  
Process Management**

New employees

**25**

Annual sales

**57** SEK M

# ACQUISITIONS

## 2022, cont.



### JBL

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JBL's service offering is based on Dassault Systèmes' platform, the team adds resources and competence within oil and gas, infrastructure and renewable energy.

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**Division Product  
Lifecycle Management**

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New employees

**2**

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Annual sales

**15** SEK M

# ACQUISITIONS

## 2021



### S-Group Solutions

Specialised in business-related GIS solutions for municipalities, water and sewage organizations and land surveying operations.

**Division**  
**Process Management**

New employees

**66**

Annual sales

**144** SEK M



### Elpool

Develops digital solutions that offers many features that is used by players active in expansion and maintenance of electricity networks.

**Division**  
**Process Management**

New employees

**2**

Annual sales

**6** SEK M



### Procad

Autodesk partner and a trusted advisor to many of Ireland's largest design, construction and manufacturing organisations.

**Division**  
**Design Management**

New employees

**18**

Annual sales

**50** SEK M



### Budsoft

Budsoft is a Poland based, Dassault Systèmes partner, providing advanced simulation solutions.

**Division**  
**Product Lifecycle Management**

New employees

**7**

Annual sales

**20** SEK M

# ACQUISITIONS

## 2020



### Excitech

Largest Autodesk partner in UK market and leading provider of design software and consulting services for the construction and manufacturing industries.

**Division**  
**Design Management**

New employees

**150**

Annual sales

**550** SEK M



### Unizite

Norwegian developer of a mobile field tool that makes 3D models and other digital information available to everyone at a construction site.

**Division**  
**Design Management**

New employees

**10**

Annual sales

**7** SEK M



### Netpublicator

Develops digital services for efficient document and meeting management in conjunction with public administration meetings in Sweden.

**Division**  
**Process Management**

New employees

**6**

Annual sales

**20** SEK M



### Scanscot Technology

Swedish Dassault Systèmes partner. Nordic leader in advanced simulation for customers in infrastructure, research and energy.

**Division**  
**Product Lifecycle Management**

New employees

**15**

Annual sales

**40** SEK M

# SHAREHOLDERS

## December 31, 2022

	Shares class A	Shares class B	Share capital, %	Voting rights, %
Aretro Capital Group AB*	2 041 328	5 198 496	5,4	15,1
Verg AB	1 446 668		1,1	8,5
SEB Fonder		13 657 323	10,2	8,0
Lannebo Fonder		10 952 265	8,1	6,4
Swedbank Robur Fonder		8 603 901	6,4	5,1
Aeternum Capital AS	460 000	2 169 134	2,0	4,0
Andra AP-Fonden		6 656 608	5,0	3,9
Odin Fonder		6 500 000	4,8	3,8
Fjärde AP-Fonden		6 341 088	4,7	3,7
Cliens Fonder		5 947 292	4,4	3,5
<b>Subtotal, 10 largest shareholders</b>	<b>3 947 996</b>	<b>66 553 429</b>	<b>52,0</b>	<b>62,0</b>
<i>Other shareholders</i>	<i>700</i>	<i>64 553 429</i>	<i>48,0</i>	<i>38,0</i>
<b>Total</b>	<b>3 948 696</b>	<b>130 579 536</b>	<b>100,0</b>	<b>100,0</b>

\*Aretro Capital Group AB is controlled by Staffan Hanstorp, Chairman, and Jonas Gejer, Vice President, Business development.

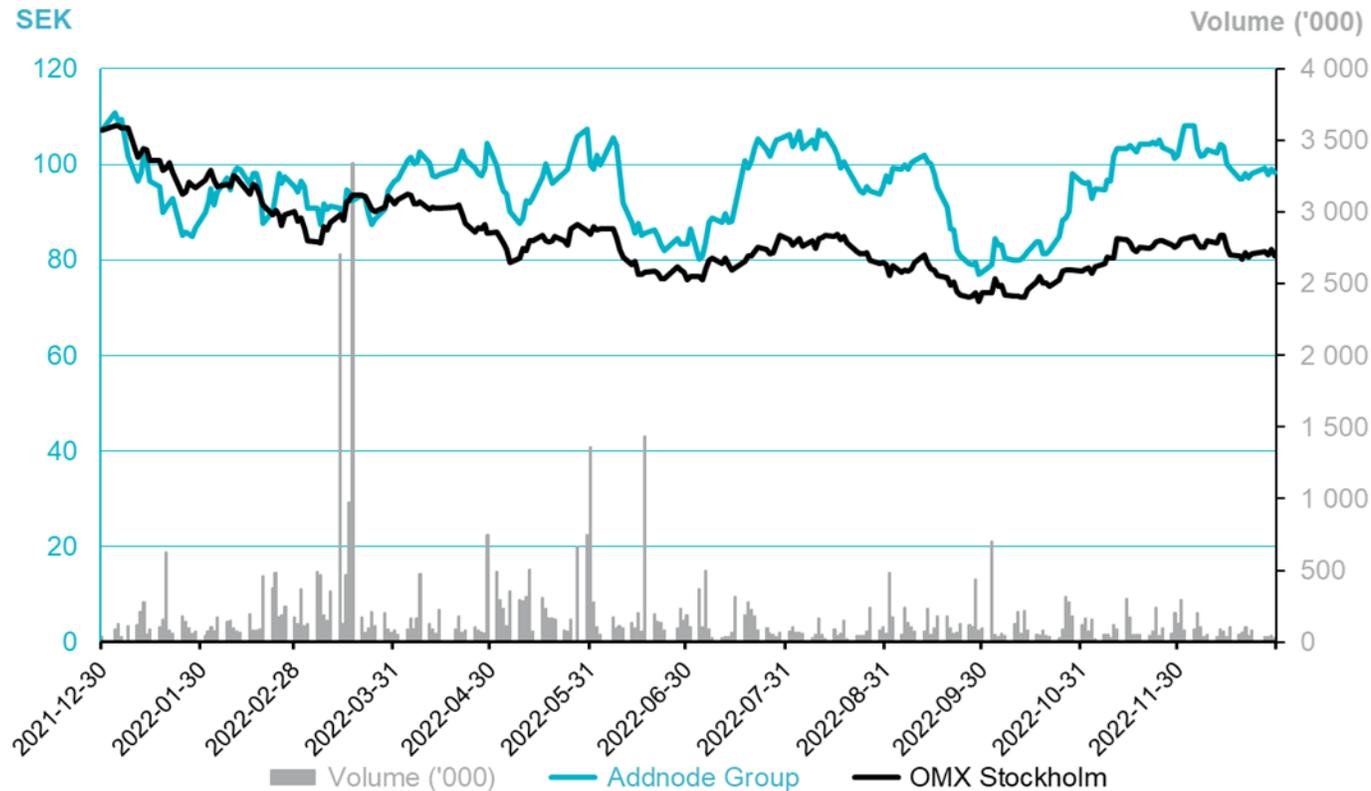
### Managements shareholdings

- Johan Andersson, CEO, 393,912 shares and 18,000 call options for 72,000 B-shares.
- Other members of GMT, 216,892 shares and 52,000 call options for 208,000 B-shares.
- Senior executives in LTIP2021 and LTIP 2022 holds approximately 250,000 call options (1 option is valid for 4 class B-shares).

### Addnode Group's shareholdings

Addnode Group repurchased 230,000 class B treasury shares in Jul-Aug 2022, supported by the authorisation approved by the AGM 2022. The purpose was to enable delivery of shares associated with Addnode Group's share-based incentive programme. The repurchased shares remain in treasury. Total holdings of treasury shares as of 31 December 2022 is 1,030,000.

# ADDNODE GROUP, SHARE PRICE DEVELOPMENT 2022



	21-12-30	22-12-30	Change, %
<b>Addnode Group</b>	107.25	98.40	<b>-8</b>
<b>Nasdaq Stockholm</b>	1,037.14	781.86	<b>-25</b>

- May 17 2022, first day of trading after share split 4:1.
- June 1 Addnode Group was added to the index Stockholm Benchmark.