

ADDNODE GROUP



Interim report
Q2 2014

AGENDA

- Summary of Q2 and significant events
- Financial development
- The operation
- Acquisition of Symetri

FINANCIAL DEVELOPMENT, Q2 2014

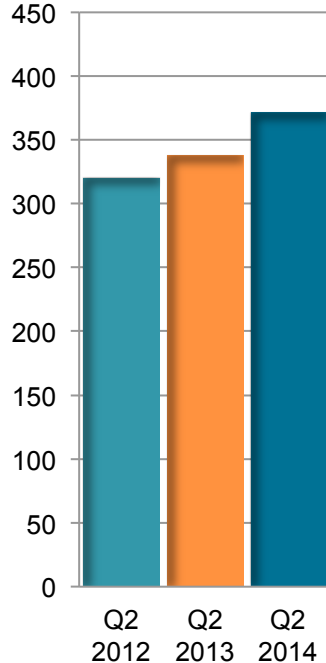


Q2 2014 – GROWTH AND BETTER MARGINS

Net Sales

+ 10 procent

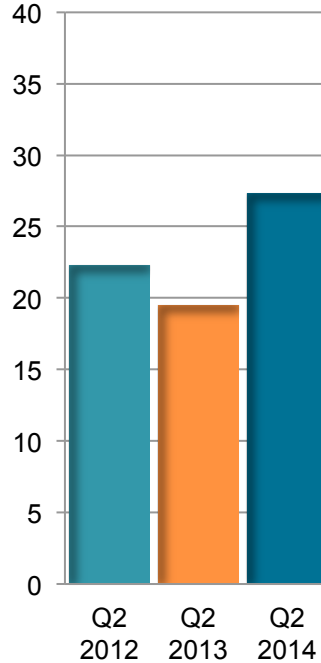
SEK M



EBITA

+40 procent

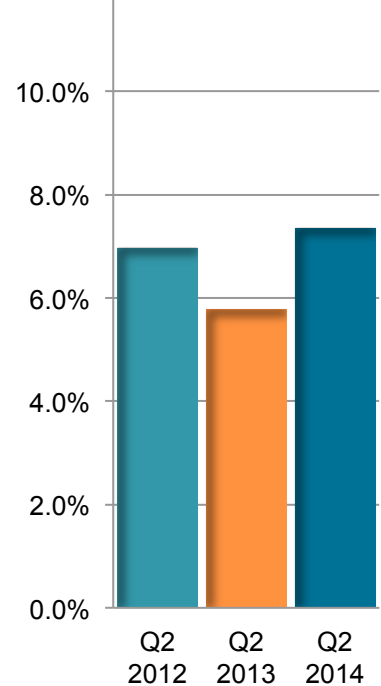
SEK M



EBITA margin

7.4 procent

12.0%



ADDNODE GROUP – Q2 2014

	Q2 2014	Q2 2013	Jan – Jun 2014	Jan – Jun 2013
Net sales SEK M	371.3	337.9	782.7	708.6
Growth	10%	6%	10%	4%
EBITA SEK M	27.3	19.5	61.6	48.1
EBITA-margin	7.4%	5.8%	7.9%	6.8
Average number of employees	886	852	890	836

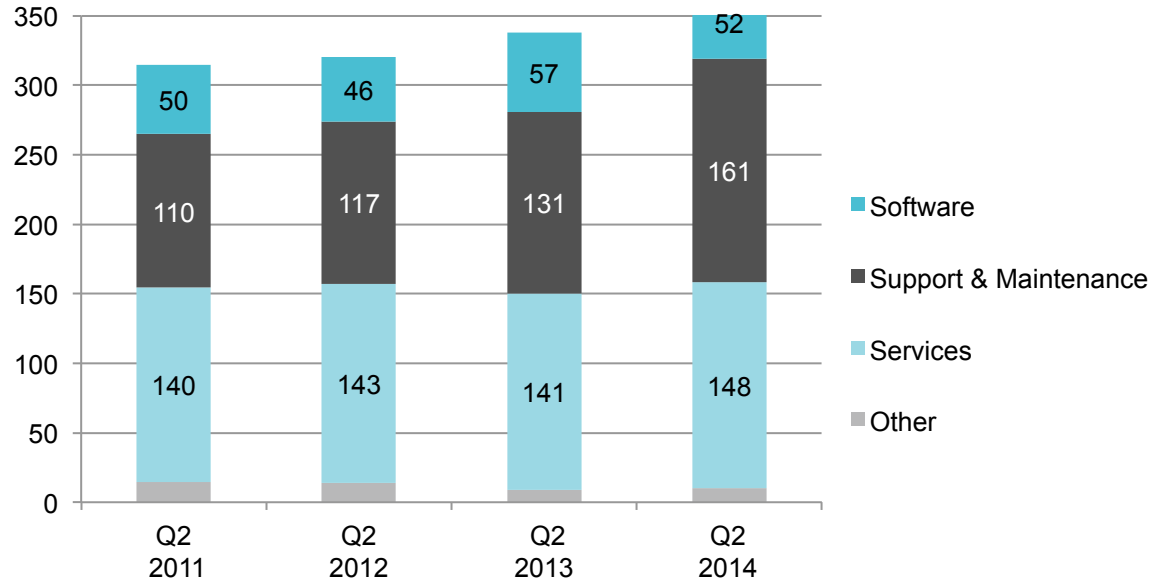
- Compared with the year-earlier period, the growth was primarily due to the acquisition of Joint Collaboration in 2013.
- The improved EBITA result was due to strongly improved earnings in the PLM and Content Management business areas, as well as the acquisition of Joint Collaboration.
- The Content Management business area reported a positive EBITA result for the second consecutive quarter.



NET SALES

GROWTH AND EARNINGS DISTRIBUTION, Q2 2011 – Q2 2014

SEK M



STRONG BALANCE SHEET AND CASH FLOW

SEK **63** M

CASH

2014-06-30

SEK **86** M

CASH FLOW FROM

OPERATING ACTIVITIES

Jan – June 2014

SEK **14** M

NET CASH POSITION

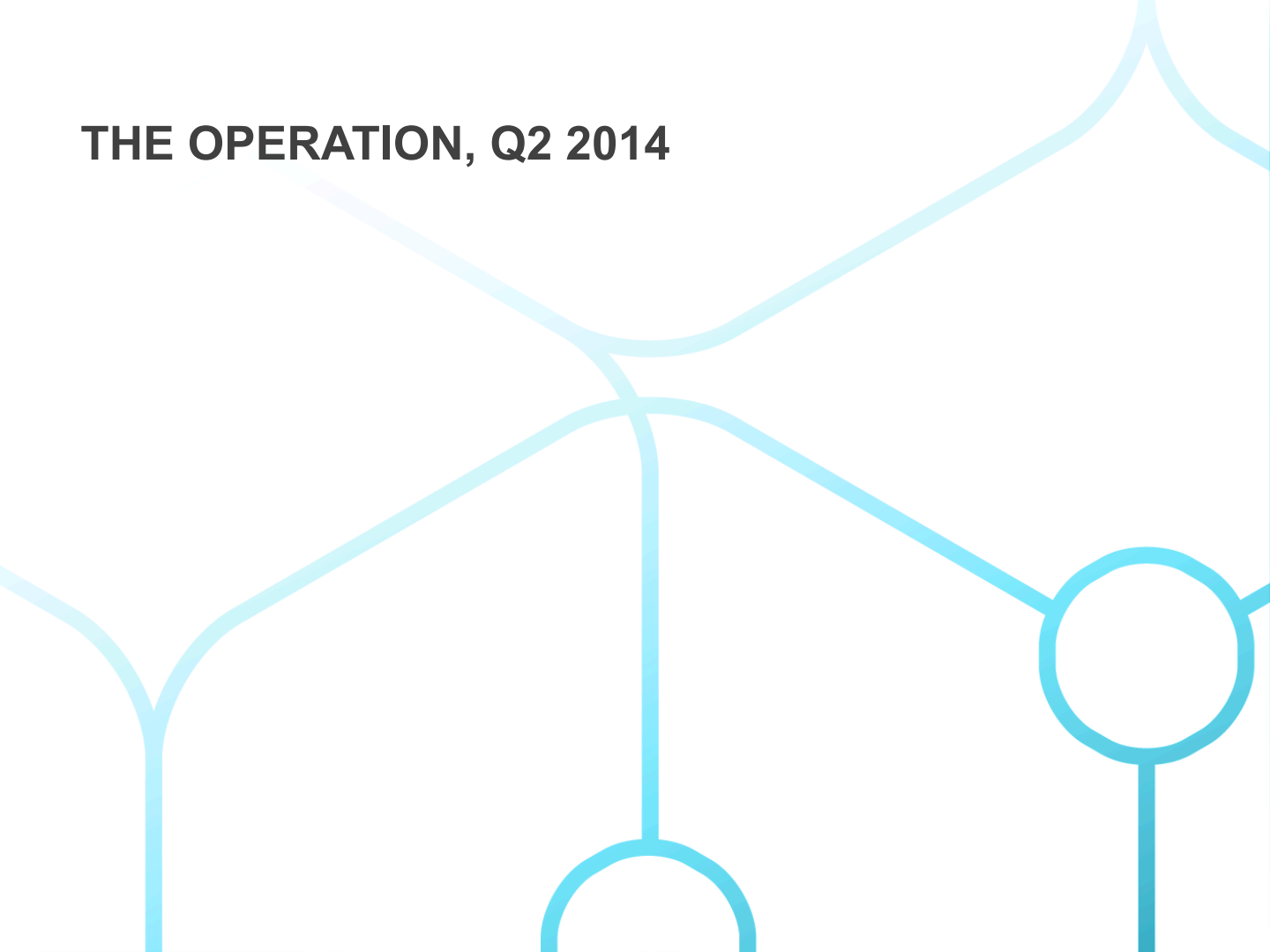
2014-06-30

57 %

EQUITY/ASSETS RATIO

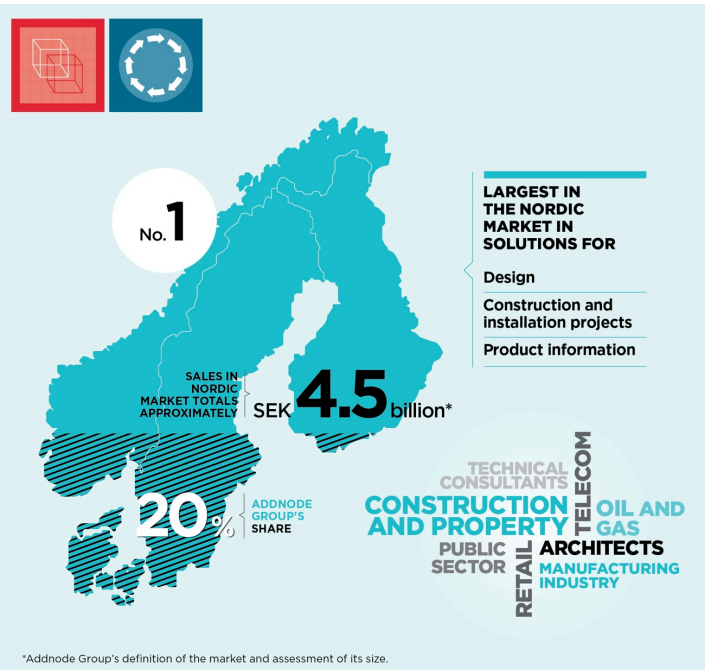
2014-06-30

THE OPERATION, Q2 2014

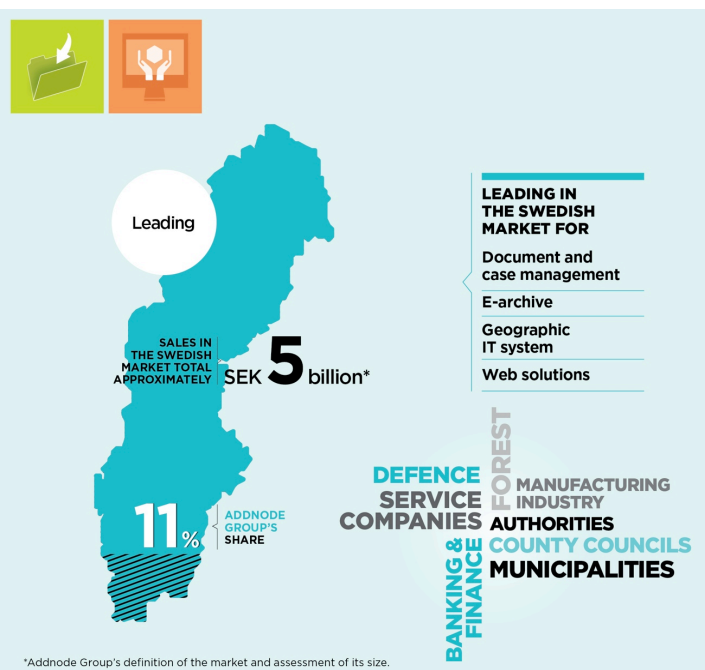


VERKSAMHETEN

We focus on selected areas, processes, and markets in which we contribute to the development of our clients and get maximum return on our own expertise. We simply do what we do best.



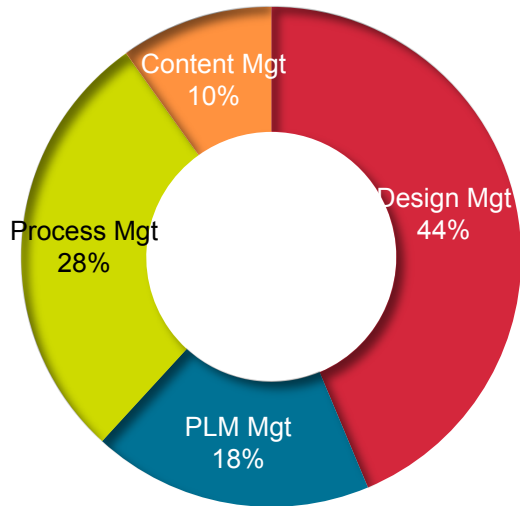
*Addnode Group's definition of the market and assessment of its size.



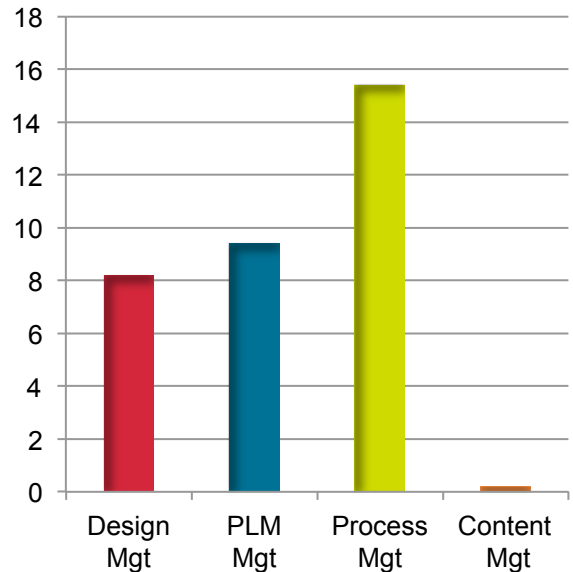
*Addnode Group's definition of the market and assessment of its size.

NET SALES AND EBITA BY BUSINESS AREA, Q2 2014

Nettoomsättning per affärsområde*



EBITA per affärsområde*



* Excluding consolidation eliminations and corporate expenses

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DESIGN MANAGEMENT



	Q2 2014	Q2 2013	Jan – Jun 2014	Jan – Jun 2013
Net sales SEK M	165.2	131.0	369.9	307.8
Growth	26%	3%	20%	9%
EBITA SEK M	8.2	6.7	27.4	22.8
EBITA-margin	5.0%	5.1%	7.4%	7.4%
Average number of employees	298	235	297	236

- Growth was largely due to acquisitions. The acquisition of Joint Collaboration in 2013 had a positive impact on both net sales and earnings.
- Our broad offering and large customer base in various industrial segments enable us to generate favorable business in a difficult market. However, cost savings had an impact on the willingness to invest in such industries as oil and gas as well as offshore.
- The construction industry is also experiencing a weaker period and the Finnish market was impacted by the recession in Russia.



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PRODUCT LIFECYCLE MANAGEMENT



	Q2 2014	Q2 2013	Jan – Jun 2014	Jan – Jun 2013
Net sales SEK M	68.6	69.3	131.1	126.3
Growth	-1%	13%	4%	2%
EBITA SEK M	9.4	4.8	16.3	7.5
EBITA-margin	13.7%	6.9%	12.4%	5.9%
Average number of employees	162	165	161	157

- The business area reported positive momentum, with healthy sales of services and software. The Swedish industrial market and the offering to Consumers and Life Science customers developed positively and, in Finland, the business area secured new business in a difficult market.
- The investment in a proprietary integrated delivery organization in India has begun to generate favorable results. Profitability is increasing significantly as a result of higher efficiency.



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PROCESS MANAGEMENT



	Q2 2014	Q2 2013	Jan – Jun 2014	Jan – Jun 2013
Net sales SEK M	107.1	103.9	217.6	204.3
Growth	3%	13%	7%	9%
EBITA SEK M	15.4	19.7	31.3	37.3
EBITA-margin	14.4%	19,0%	14.4%	18.3%
Average number of employees	276	270	279	262

- Growth was due to healthy demand for system development services where we secured several orders and expanded existing projects to customers in both private and public sectors.
- We also secured several transactions from forest companies where our GIS offering played a decisive role.
- Business transactions relating to case management and e-archives for both the government and municipal sectors were somewhat fewer than normal, which impacted earnings.



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CONTENT MANAGEMENT



	Q2 2014	Q2 2013	Jan – Jun 2014	Jan – Jun 2013
Net sales SEK M	37.3	38.6	75.0	79.3
Growth	-3%	-11%	9%	-12%
EBITA SEK M	0.2	-3.7	0.6	-4.7
EBITA-margin	0.5%	-9.6%	0.8%	-5.9%
Average number of employees	142	174	145	173

- This is the second consecutive quarter for which the business area reported positive EBITA results.
- Order bookings are positive and cost-level adjustments are generating results.
- The offering of telecom and voice-driven services is continuing to generate stable earnings.



ACQUISITION OF SYMETRI IS COMPLETED

- Supplier of software for design and engineering and related consulting and training services.
- Strong market position - the largest Autodesk reseller to the British manufacturing and oil & gas industries.
- The business had sales in 2013 some SEK 80 M and 23 employees.
- Symetri becomes part of Cad-Q and Business Area Design Management. We will introduce our product portfolio, our service offerings and sales experience to global customers to the UK.
- UK is expected to be one of Europe's fastest growing economies during 2014.
- The acquisition is a so-called asset-transfer acquisition and we have signed an agreement to acquire Symetri's operation, certain contracts and to take over the employees.
- The acquisition is expected to be completed in May 2014 and will be paid in cash and the price is not expected to exceed SEK 30 M.



SUMMARY, Q2 2014

- Net sales SEK 371.3 M (337.9), a growth of 10%
- EBITA margin of 7.4% (5.8%)
- The proportion of recurring revenues 43% (39%) of net sales
- Cash flow from operations SEK 13.9 M
- The acquisition of Symteri in UK is completed.



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QUESTIONS?

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ABOU

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ARKIVA

ADDNODE GROUP

CAD-Q

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CARTESIA

ADDNODE GROUP

DECERNO

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IDA INFRONT

ADDNODE GROUP

INFUSEIT

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JOINT COLLABORATION

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KARTENA

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PROSILIA

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TECHNIA

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TEKIS

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VOICE PROVIDER

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