

# IT solutions of the future

Interim report January 1 – June 30, 2015

## ADDNODE GROUP

# Agenda

- Summary Q2
- Financial performance
- The operations
- Acquisition

## Q2 2015

### - Quarter characterized by strategic acquisition

- Net sales amounted to SEK 387.3 M (371.3), up 4 percent.
- EBITA amounted to SEK 25.0 M (28.3), an EBITA margin of 6.5 percent (7.6). <sup>1)</sup>
- 45 percent of Net Sales from recurring revenue.
- Earnings per share after dilution amounted to SEK 0.29 (0.49).

1) Excluding external acquisition costs of 2.4 (1.0) million.

## Q2 2015

### - Quarter characterized by strategic acquisition

- The Swedish Social Insurance Inspectorate selected e-service from Ida Infront.
- New Business Area Manager for the business area Process Management.
- Addnode Group acquired on July 1, 2015 Transcat PLM - a German software supplier with annual net sales of SEK 450 M.



# Addnode Group acquired Transcat PLM, a German software supplier with annual net sales of SEK 450 M



- Transcat PLM is one of Europe's leading suppliers of PLM solutions based on Dassault Systèmes' product portfolio, a portfolio of proprietary products and a strong service offering.
- 2014 Transcat PLM with 200 employees had net sales of approximately SEK 450 M with an EBITDA of approximately SEK 23 M.
- The acquisition means that Technia and Transcat together will be taking a leading position in the European PLM market. The business area PLM has, after the acquisition, more than 400 employees and annual net sales of more than SEK 700 M.
- The acquisition of Transcat PLM is yet another example of how we through acquisitions can establish ourselves in a new geographic market with an existing offer.

## Addnode Group acquired Transcat PLM, a German software supplier with annual sales of SEK 450 M

- The acquisition was paid for with a combination of cash, Addnode Group B shares and vendor notes issued by Addnode Group and a maximum conditional cash consideration of EUR 5 M that may be paid if certain targets linked to the Transcats earnings during the period 2015-2016 will be reached.
- The maximum indicative purchase cost is around SEK 154 M on a debt free basis. The final payment is subject to an adjustment based on the actual level of net cash and net working capital in Transcat June 30, 2015.
- The transaction is expected to increase earnings per share from the completion date of July 1, 2015.

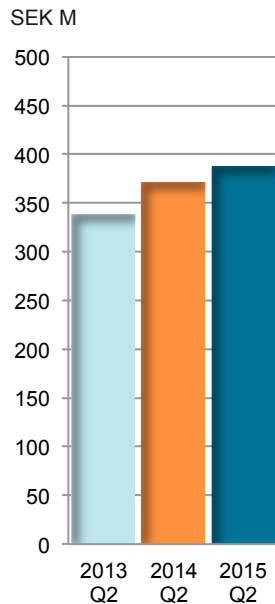


# Financial performance

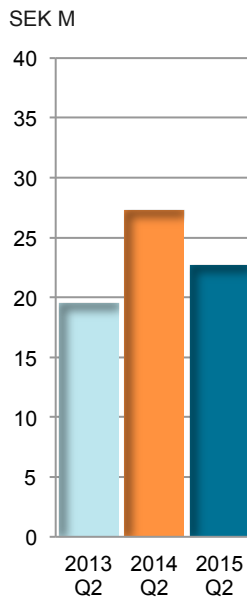


# Q2 2015

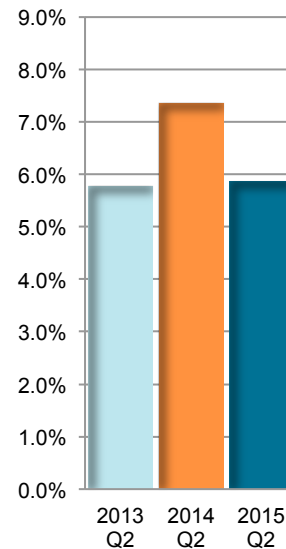
## Net Sales



## EBITA



## EBITA margin

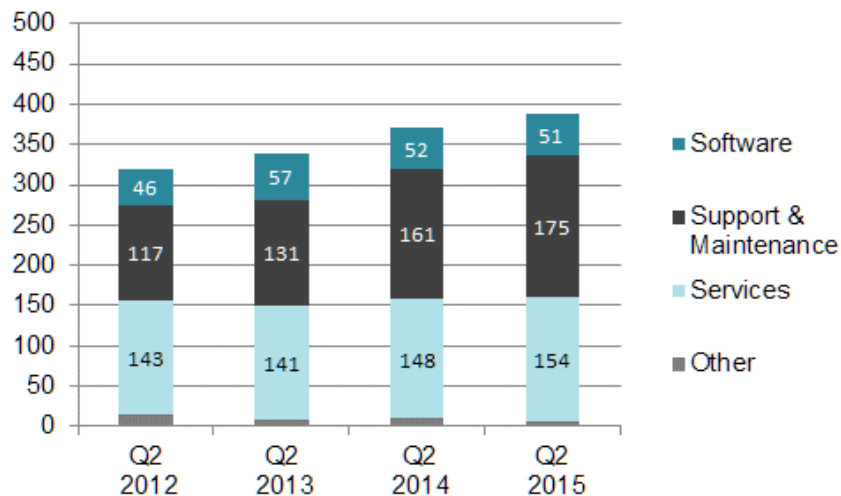


\*Excluding capital gains and revaluation of the conditional purchase considerations and non-recurring costs associated with management changes.

# Net Sales - Growth & earnings distribution

## Q2 2012 – Q2 2015

SEK M



>> The proportion of recurring revenue for Q2 2015 amounted to 45 percent of net sales<sup>1)</sup>. <<

1) Recurring revenue pertains to support and maintenance, which also includes income from SaaS solutions.

# Strong balance sheet and cash flow

SEK **63** M

Cash  
2015-06-30

SEK **64** M

Cash flow from  
operating activities  
January - June 2015

SEK **2** M

Net debt  
2015-06-30

**54**%

Equity/ Assets ratio  
2015-06-30



# MARKETS

600 000  
engineers and  
officials are using  
our solutions

## Design Management och Product Lifecycle Management

Design and construction  
Designing  
Property  
Product Lifecycle Management

## Process Management och Content Management

Document and case Management  
E-archive  
Geographic IT systems  
Web Solutions



# ADDNODE GROUP

## FOUR BUSINESS AREAS



### Design Management

IT solutions for digital models and drawings, as well as project and collaboration tools.



### Product Lifecycle Management

IT solutions that manage information from the entire product chain for manufacturing and service companies – from development to aftermarket.



### Process Management

Operation-critical systems for case management, municipal management, e-archives and geographic IT systems.

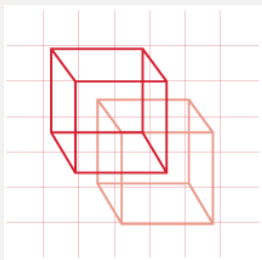


### Content Management

Public websites, intranet and collaboration solutions, systems for e-commerce and customer center solutions.



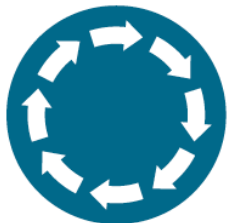
# Design Management - numbers



- In Norway, we have managed to offset the slowdown in the oil & gas sector. Finland and Sweden has developed positively and continued the positive development from the beginning of the year.
- In Denmark, earnings improved, while sales in the UK have been affected by the uncertainty in the Euro area.

	Q2 2015	Q2 2014	6 months 2015	6 months 2014	LTM July 14- June 15
Net Sales, SEK M	184.0	165.2	412.5	369.9	821
Growth	11%		12%		
EBITA	10.6	8.2	27.6	27.4	70.5
EBITA-margin	5.8%	5.0%	6.7%	7.4%	8.6%
Average number of employees	321	298	319	297	

# PLM - numbers



- The result in the quarter was impacted by lower license and consulting sales primarily in Sweden and Finland.
- Our offering to the consumer and Life Science customers and operations in the United States and Norway have been stable.

	Q2 2015	Q2 2014	6 months 2015	6 months 2014	LTM July 14- June 15
Net Sales, SEK M	62.2	68.6	121.4	131.1	253.9
Growth	-		-		
EBITA	3.5	9.4	9.1	16.3	34.2
EBITA-margin	5.6%	13.7%	7.4%	12.4%	13.5%
Average number of employees	160	162	160	161	

# Process Management - numbers



- The demand for systems development services for mission-critical systems in both the private and public sector is stable.
- We have developed new business in e-service solutions, municipal management and various GIS systems.

	Q2 2015	Q2 2014	6 months 2015	6 months 2014	LTM July 14- June 15
Net Sales, SEK M	109.0	107.1	220.2	217.6	432.6
Growth	2%		1%		
EBITA	15.0	15.4	30.5	31.3	70.9
EBITA-margin	13.8%	14.4%	13.8%	14.4%	16.4%
Average number of employees	271	276	274	279	

# Content Management - numbers



- Continued positive development of new business, together with the implemented cost reductions resulted in increased profit compared with the corresponding period last year.
- Deals for telecom/voice response services, and event management has been stable during the quarter.

	Q2 2015	Q2 2014	6 months 2015	6 months 2014	LTM July 14- June 15
Net Sales, SEK M	37.3	37.3	74.5	75.0	142.0
Growth	-	-	-	-	-
EBITA	2.3	0.2	4.8	0.6	1.8
EBITA-margin	6.2%	0.5%	6.4%	0.8%	1.3%
Average number of employees	124	142	124	145	-

# SUMMARY, Q2 2015

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## Questions?

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