

# ADDNODE GROUP

Q2 2020

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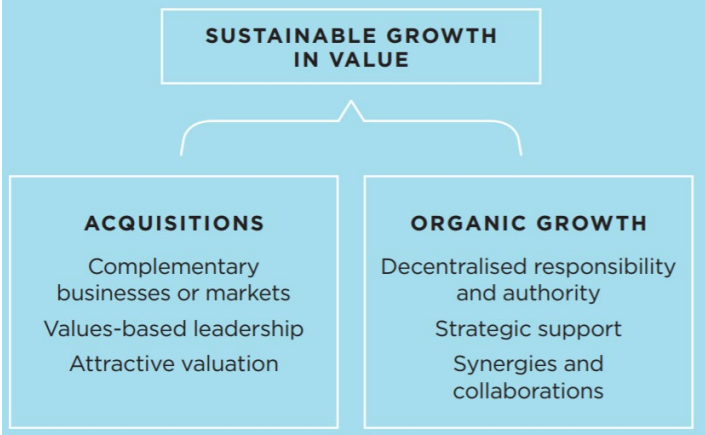
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# STRATEGY FOR PROFITABLE GROWTH

## STRATEGY

Addnode Group is a group of companies that provides digital solutions. We create sustainable growth in value over time by continuously acquiring new companies and actively supporting our subsidiaries to drive organic profit growth.

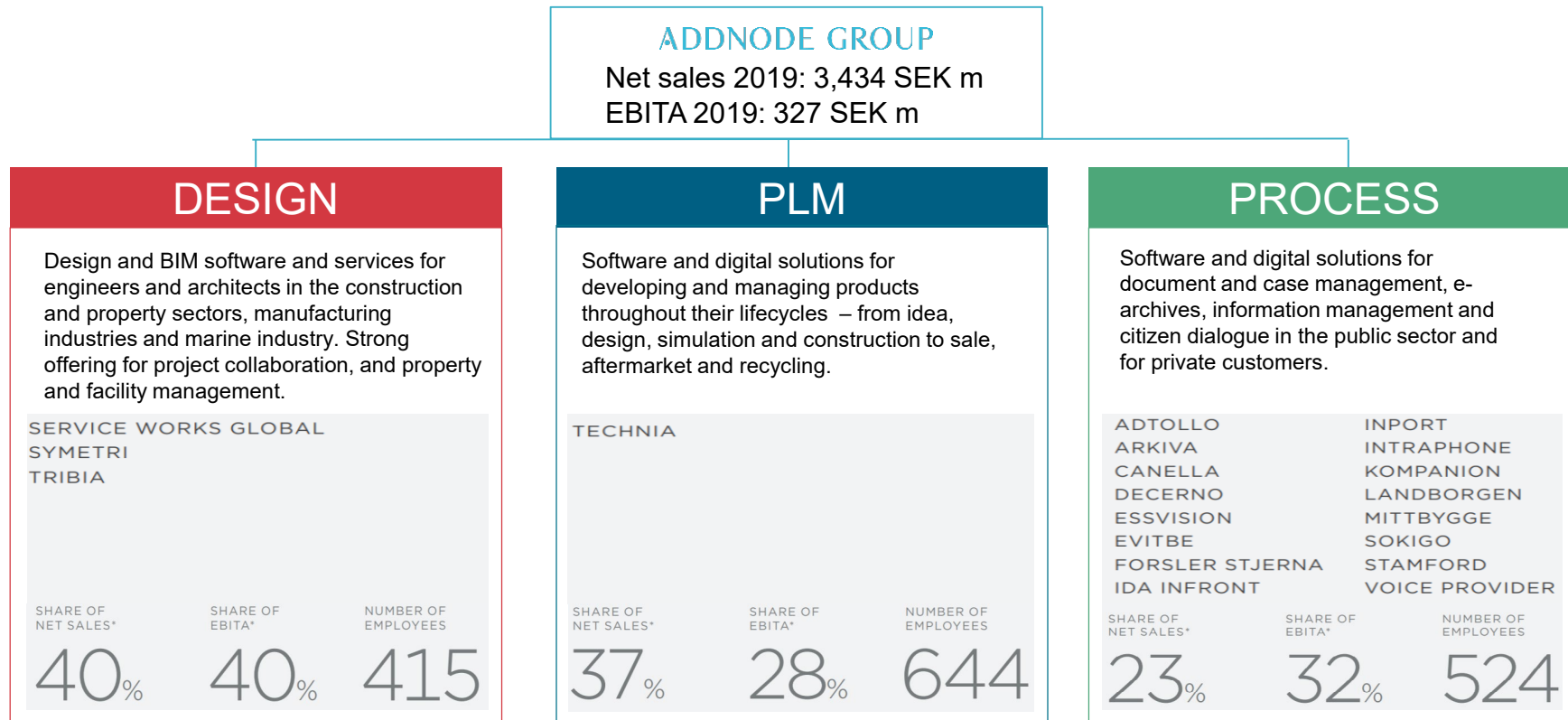


## PROFITABLE GROWTH



Excluding remeasurement of contingent consideration in 2014, totalling SEK 34 m.

# SOFTWARE AND DIGITAL SOLUTIONS IN THREE DIVISIONS



\*) Before elimination of invoicing between divisions and joint-Group costs

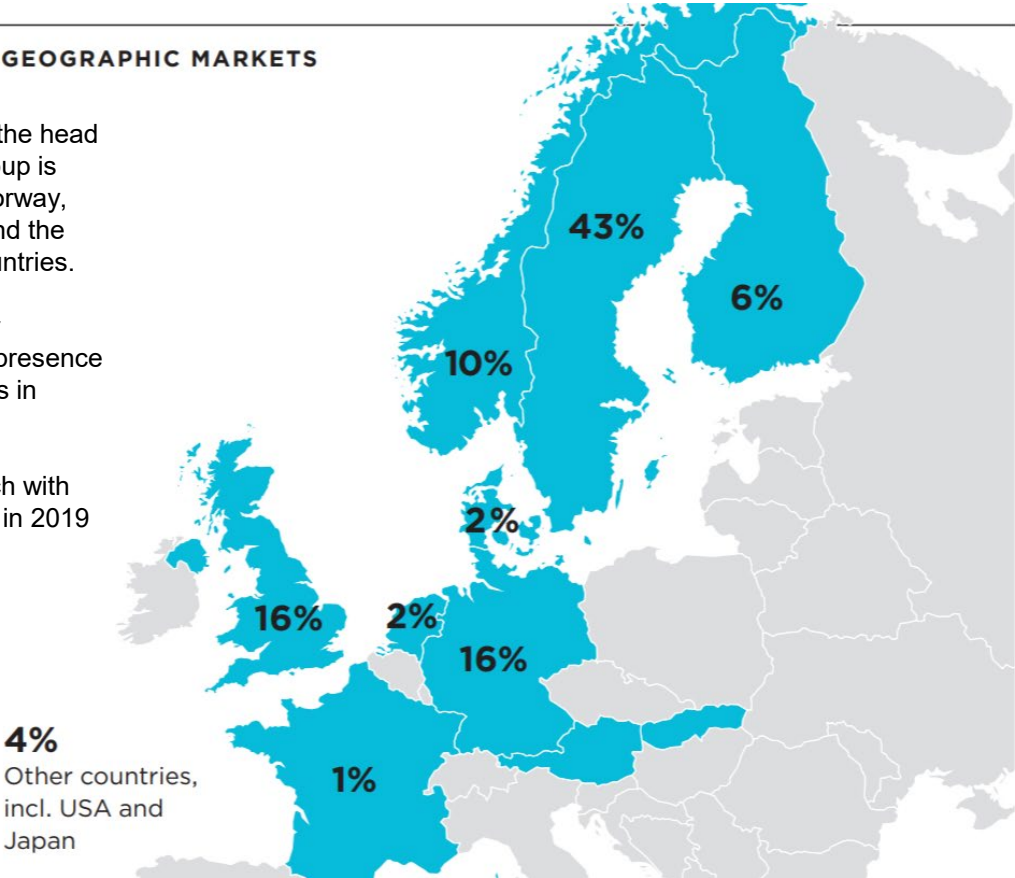
# INTERNATIONAL GROUP

## SHARE OF NET SALES BY GEOGRAPHIC MARKETS

Apart from in Sweden, where the head office is located, Addnode Group is active in Germany, the UK, Norway, Finland, the USA, Denmark and the Netherlands, among other countries.

During 2019 the Group further strengthened its international presence with acquisitions of businesses in France and Japan.

In Q1 2020, UK based Excitech with Net sales of appr. 600 SEK m in 2019 as acquired.



# AGENDA – **Q2 2020**

1. Summary Q2 2020
2. Acquisitions
3. Group performance Q2 2020
4. Three divisions
  - a. Design Management
  - b. Product Lifecycle Management
  - c. Process Management
5. Financial position



## Q2 2020 – GOOD COST CONTROL, STABLE EARNINGS AND STRONG CASH FLOW

- The second quarter was dominated by the COVID-19 pandemic, and our three divisions were impacted to various degrees.
- Very strong cash flow and a good financial position.
- Restructuring program in Division PLM expected to generate yearly cost savings in the range of SEK 50 – 60 million.
- Acquisition of the SaaS company Netpublicator.
- The future economic outlook remains hard to predict, but our business models with a large share of recurring revenue are a stabilising factor.

## Q2 2020 – ACQUISITIONS

- Acquisition of Netpublicator
  - SaaS services for digital document and meeting management in public administration.
  - The company's net sales amounted to approximately SEK 16 million with good profitability in 2019.
  - 50.1% have been acquired and the remaining 49.9 percent will be acquired gradually during the years 2021-2023.
  - The company becomes part of the Process Management division.

### NETPUBLICATOR DOCS

A concept for digital distribution of documents to tablets, computers and telephones



Digital distribution



Instant update



Multiple platforms



Security/sign on



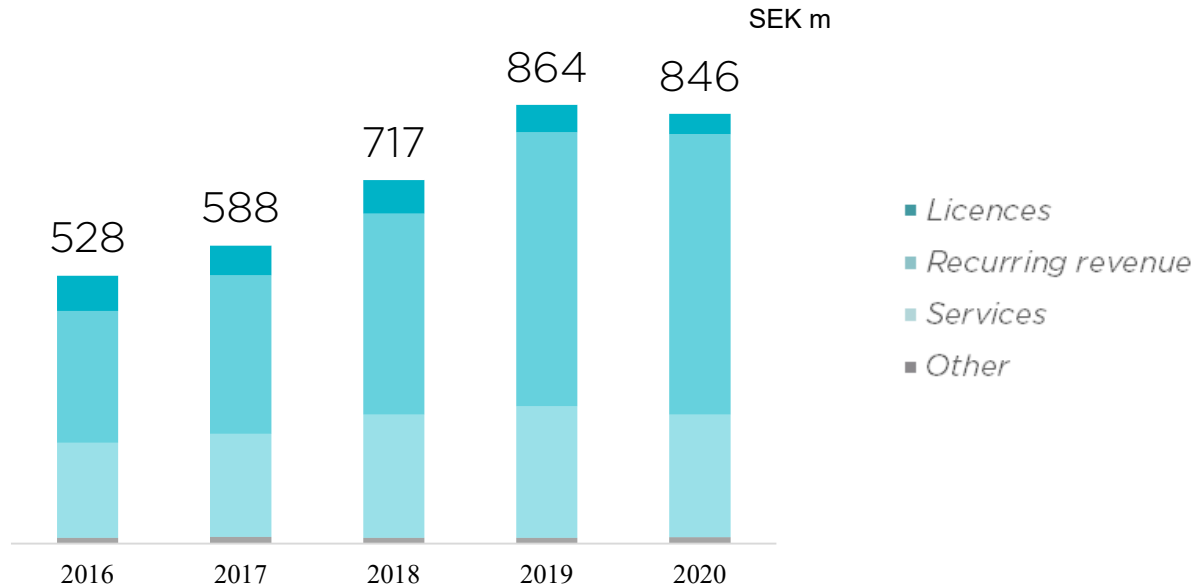
# CONSOLIDATED PERFORMANCE

	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Change, %</b>	<b>2020 LTM</b>	<b>2019</b>	<b>Change, %</b>
Net sales, SEK m	846	864	-2	3,792	3,434	10
EBITA, SEK m	56*	74	-24	335	327	2
EBITA margin, %	6.6*	8.6		8.8	9.5	
Earnings per share SEK	0.42	0.99	-58	4.61	3.86	19

\*EBITA was charged with restructuring costs of SEK 20 m (-). EBITA adjusted for restructuring costs was SEK 76 m (74), for an adjusted EBITA margin of 9.0 per cent (8.6).

# NET SALES DISTRIBUTION, Q2 2020

## STABLE BASE OF RECURRING REVENUE

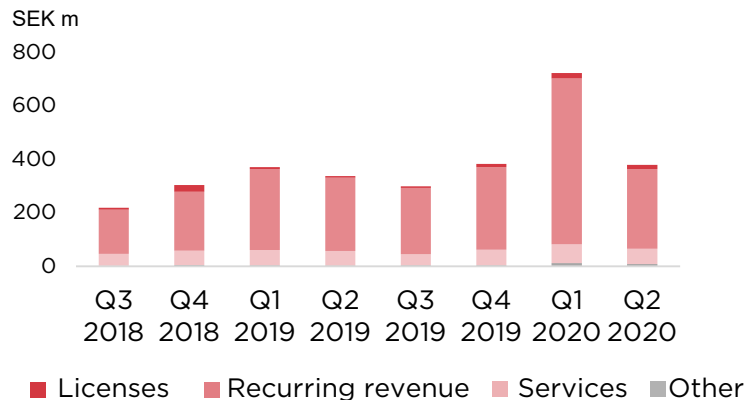


## DIVISION **DESIGN MANAGEMENT**

Software and digital solutions for design and BIM for engineers and architects in the construction and property sectors, manufacturing industries and marine industry. The division also has a strong offering for project collaboration, and property and facility management.

	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Change, %</b>	<b>LTM 2020</b>	<b>2019</b>	<b>Change, %</b>
Net sales, SEK m	379	336	13	1,782	1,387	28
EBITA, SEK m	36	35	3	180	146	23
EBITA margin, %	9.5	10.4		10.1	10.5	

### **Net sales distribution, Q2 2020**



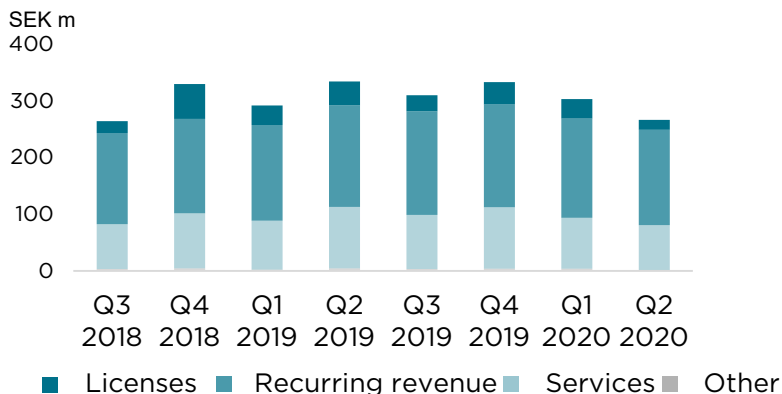
# DIVISION **PRODUCT LIFECYCLE MANAGEMENT**

Software and digital solutions for developing and managing products throughout their lifecycles  
- from idea, design, simulation and construction to sale, aftermarket and recycling.

	Q2 2020	Q2 2019	Change, %	LTM 2020	2019	Change, %
Net sales, SEK m	267	335	-20	1,216	1,272	-4
EBITA, SEK m	-9*	29	-131	57	104	-45
EBITA margin, %	-3.4*	8.7		4.7	8.2	

\*EBITA was charged with restructuring costs of SEK 20 m (-). EBITA adjusted for restructuring costs was SEK 11 m (29), for an adjusted EBITA margin of 4.1 per cent (8.7).

## Net sales distribution, Q2 2020

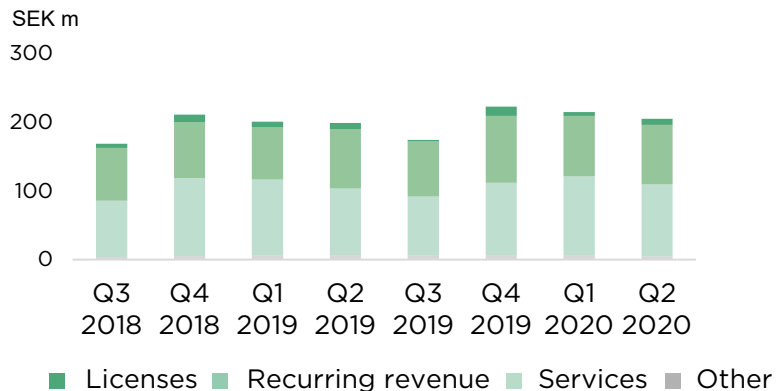


## DIVISION **PROCESS MANAGEMENT**

Software and digital solutions for document and case management, e-archives, information management and citizen dialogue in the public sector and for private customers.

	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Change, %</b>	<b>LTM 2020</b>	<b>2019</b>	<b>Change, %</b>
Net sales, SEK m	205	199	3	816	797	2
EBITA, SEK m	37	22	68	137	115	19
EBITA margin, %	18.0	11.1		16.8	14.4	

### **Net sales distribution, Q2 2020**



## CONSOLIDATED CASH FLOW

Cash flow, SEK m	Q2 2020	Q2 2019	<i>Change</i>	FY 2019
Operating profit	24	46	-22	218
Adjustments for non-cash items	73	50	23	195
Other	-12	-19	7	-64
<b>Cash flow from operations before working capital changes</b>	<b>85</b>	<b>77</b>	<b>8</b>	<b>349</b>
Changes in working capital	103	-97	200	64
<b>Cash flow from operating activities</b>	<b>188</b>	<b>-20</b>	<b>208</b>	<b>413</b>
Cash flow from investing activities	-138	-145	7	-321
Cash flow from financing activities	102	-237	339	-204
<b>Total cash flow</b>	<b>152</b>	<b>-402</b>	<b>554</b>	<b>-112</b>

# CONSOLIDATED FINANCIAL POSITION

Balance sheet, SEK m	Jun 30, 2020	Jun 30, 2019	Change	Dec 31, 2019	Change
Intangible non-current assets	2 040	1 910	130	1 894	146
Other non-current assets	255	191	64	199	56
Current receivables	654	823	-169	782	-128
Cash and cash equivalents	675	153	522	294	381
<b>Total assets</b>	<b>3 624</b>	<b>3 077</b>	<b>547</b>	<b>3 169</b>	<b>455</b>
Equity	1 447	1 332	115	1 410	37
Non-current liabilities	187	155	32	155	32
Current liabilities	1 990	1 590	400	1 604	386
<b>Total equity &amp; liabilities</b>	<b>3 624</b>	<b>3 077</b>	<b>547</b>	<b>3 169</b>	<b>455</b>
Equity ratio	40%	43%		44%	
Net debt	117	429	-312	321	-204
Revolving credit facility	1 000	750	250	750	250
Overdraft facility	100	100	0	100	0
<b>Total credit facilities</b>	<b>1 100</b>	<b>850</b>	<b>250</b>	<b>850</b>	<b>250</b>
Whereof unutilized	424	413	11	369	55



# Q&A

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