

ADDNODE GROUP

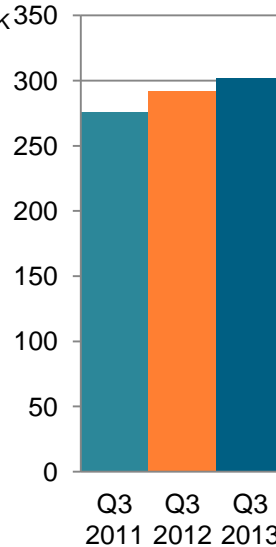


Interim Report  
Q3 2013

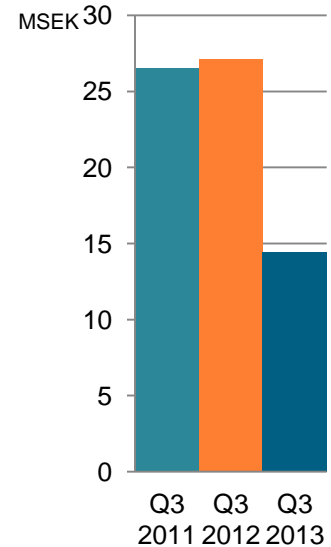
## Q3 2013

### A CHALLENGING QUARTER – ADDNODE GROUP CAN DO BETTER

- Net sales totaled SEK 301.4 (291.3) M, up 3 percent.
- EBITA amounted to SEK 14.4 (27.1) M, and EBITA-margin of 4.8 (9.3) percent.<sup>1)</sup>
- Longer decision making processes in the industry has affected the license and services sales in Design Management and PLM Management
- Stable margins in Business Area Process Management, with the public sector as the growing market
- During the third quarter we've had costs for management changes by 5.5 M.



Net Sales



EBITA\*

<sup>1)</sup>Excluding non-recurring cost SEK -5.5 (0.0) M for management changes and for the revaluation of the conditional purchase considerations totaling SEK -0.2 (0.0) M.

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

## SIGNIFICANT EVENTS

### Significant events during the third quarter of 2013

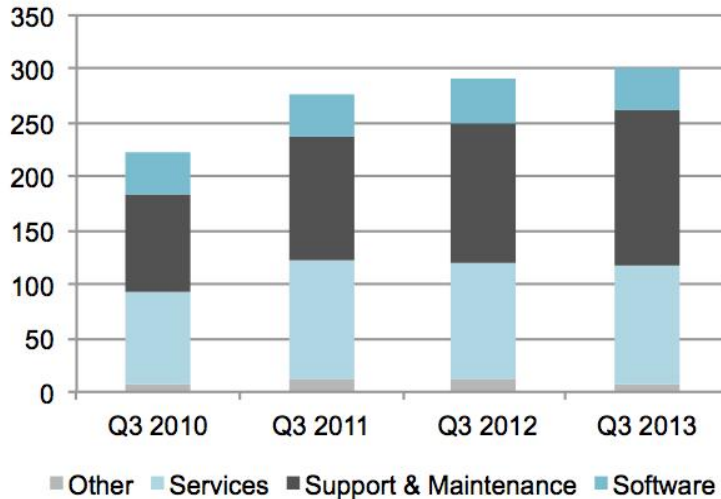
- Acquisition of Joint Collaboration AS, a Norwegian software company with annual sales of approximately SEK 135 M.
- Order for e-archives for the Swedish National Police Board valued at SEK 10 M.

### Significant events after the end of the period

- Order for document and case management system and e-archive for Statistics Sweden (SCB) valued at a minimum of SEK 9 M.
- Management changes at the Content Management business area.

## GROWTH AND EARNINGS DISTRIBUTION, Q3 2010 – Q3 2013

SEK M



- Addnode Group has, through increased focus on product content of customer solutions, increased the proportion of recurring revenue regarding support and maintenance.

# ACQUISITION OF JOINT COLLABORATION AS

- Joint Collaboration AS was founded in 2001 and today consists of over 50 people and is Norway's largest provider of projects and collaboration solutions to the oil, gas and construction industries.
- Joint Collaboration's solutions have more than 45,000 users from such customers as Statoil, Jernbaneverket, the Norwegian Public Roads Administration, Lyse, Oslo 2022, the Norwegian Defence Estates Agency, Hoegh, M7 Offshore, Hæhre Entreprenør and many more.
- For the 12-month period, April 2012 – March 2013, net sales for Joint Collaborations amounted to NOK 120 M and EBITA to NOK 23 M.
- The acquisition is in line with the Group's strategy to be a leading provider of mission-critical support systems for engineering and construction activities in the Nordics.
  - The Group gets an even stronger offering and skills
  - The Group will have the opportunity for synergies and a stronger presence in the Norwegian market
  - Increased proportion of recurring revenues



# Acquisition of Joint Collaboration - Preliminary purchase price allocation

Cash payment on the day	SEK 60.9 M
Newly issued B shares	SEK 45.0 M
Prel. Net cash Settlement	SEK 29.7 M
Prel. Provision for contingent consideration	SEK 66.0 M
<hr/>	
Prel. Payment for Joint Collaboration	SEK 201.6 M

Which identified intangible assets                      SEK 43 M → EBIT

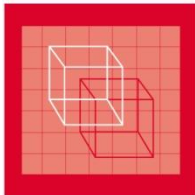
The results in a deferred tax liability                      SEK 12 M → TAX

Amortization period of 7 years

## FOUR BUSINESS AREAS

**A strong and comprehensive Group of high performance IT companies with leading positions in selected markets.**

### DESIGN MANAGEMENT



IT solutions for the creation and management of digital design models and drawings.

### PROCESS MANAGEMENT



IT solutions for case management, municipal administration, e-archives and geographic IT system.

### PRODUCT LIFECYCLE MANAGEMENT



IT solutions for managing product information throughout a product's lifecycle.

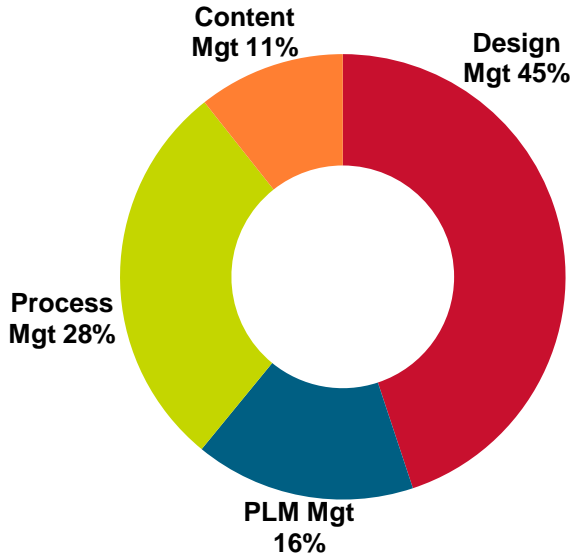
### CONTENT MANAGEMENT



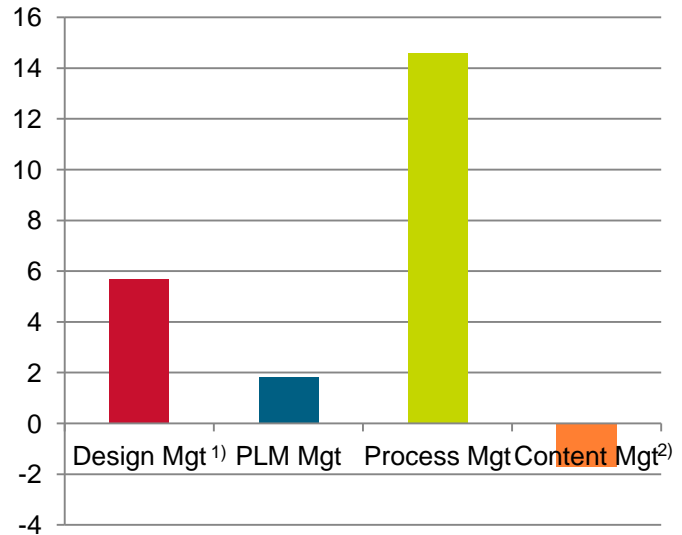
IT solutions for the public websites and intranet solutions as well systems for e-commerce.

# NET SALES AND EBITA BY BUSINESS AREA, Q2 2013

## Net sales by Business Area



## EBITA by Business Area



1) Excluding non-recurring costs by SEK -1,3 M

2) Exklusive non-recurring costs by SEK -4,2 M



## DESIGN MANAGEMENT



	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Net sales	137,3	124,3	445,1	407,4
Growth	10%	7%	9%	11%
EBITA	5,7 <sup>1)</sup>	11,7	28,5 <sup>1)</sup>	37,2
EBITA-margin	4,2	9,4%	6,4%	9,1%
Average number of employees	258	226	238	219

1) Excluding non-recurring costs of SEK 1.3 M for management changes in Denmark

- Growth in the various countries was mixed
  - Norway reported a favorable trend in both the construction and offshore industries, with a positive impact on net sales and earnings.
  - The Finnish operations have been stable while Sweden has had a tough quarter.
  - Denmark, which is the smallest unit in the business area, had a tougher market and earnings were not satisfactory.

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### PRODUCT LIFECYCLE MANAGEMENT



	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Net sales	49,0	52,1	175,3	176,5
Growth	-6%	1%	-1%	-4%
EBITA	1,8	4,6	9,3	13,0
EBITA-margin	3,7%	8,8%	5,3%	7,4%
Average number of employees	160	138	138	140

- Earnings in the third quarter has been affected by customers' longer decision-making processes for new investments, which has affected the sale of licenses and the utilization of consulting.
- Our offer for the retail and consumer industry and our operations in Finland have developed well.
- Operations in the U.S. and our offering to the industry in Sweden have had lower sales compared to the same period last year.

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### PROCESS MANAGEMENT



	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Net sales	86,9	77,6	291,2	265,7
Growth	12%	10%	10%	4%
EBITA	14,6	13,9	51,9	45,1
EBITA-margin	16,8%	17,9 %	17,8%	17,0%
Average number of employees	265	245	265	242

- The growth is explained by a complementary acquisition and a strong demand for the products and services offered by the business area to the Swedish public sector.
- Both the offer to the municipal departments and the task management and archives offer to the government sector have shown strong growth and contributed to both sales and profit.

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	Q3 2013	Q3 2012	9 months 2013	9 months 2012
Net sales	32,6	40,4	111,9	130,2
Growth	Neg	1%	Neg	-1%
EBITA	-1,7 <sup>1)</sup>	3,1	-6,4 <sup>1)</sup>	10,8
EBITA-margin	-0,1%	7,7%	5,7%	8,3%
Average number of employees	173	179	173	173

1) Exkluding non recurring costs by SEK 4,5 M

- The business area's offering within the web, intranet and e-commerce reported weak sales in a tough market, which had an impact on the outcome.
- Systems and voice-driven solutions reported a positive trend and we secured several transactions in both Sweden and Norway.
- During the second quarter, a new Acting Business Area Manager was appointed. The recruitment of a new Business Area Manager has been initiated

## STRONG BALANCE SHEET AND CASH FLOW

SEK **105** M

**NET CASH**  
**2013-09-30**

SEK **65** M

**CASH FLOW FROM OPERATING**  
**ACTIVITIES**  
**Jan – September 2013**

SEK **6** M

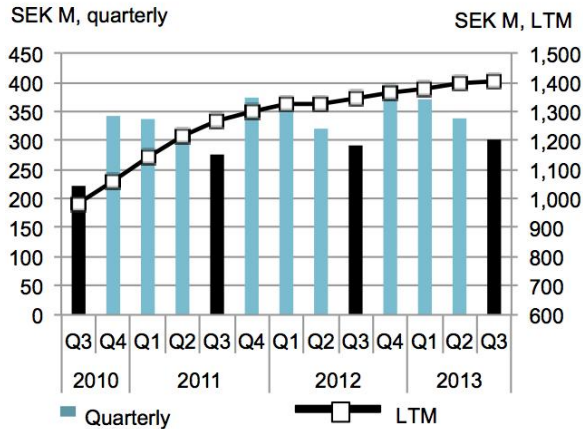
**Net cash**

**56** %

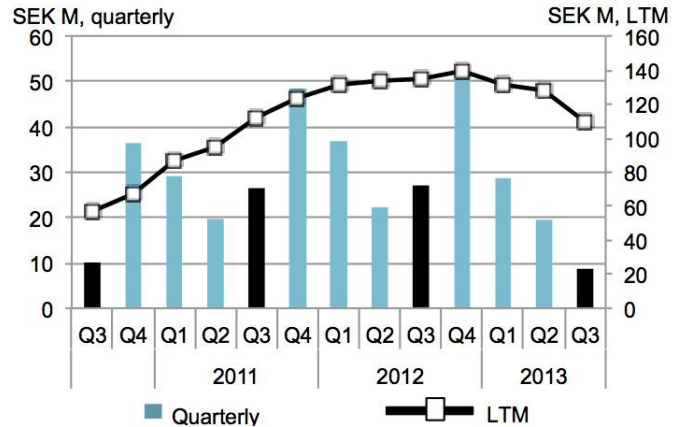
**EQUITY**  
**2013-09-30**

# Seasonal variations

## Net sales Quarterly development



## EBITA Quarterly development



# Summary

- A tough market situation
- Customers' want to invest but it takes longer time to sell.
- Leading positions in several markets.
- Underlying customer needs and growth.
- Customers in both private and public sector.
- Business model with recurring revenue.
- Strong balance sheet and healthy cash flow.



# QUESTIONS?

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MITTBYGGE

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