



2021-11-10

Quarterly Report - Q3 2021

Exsitec Holding AB



Johan Kallblad, CEO

Questions? ir@exsitec.se



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Our business

Financials Q3

Priorities

Questions?
ir@exsitec.se



“

Our mission is to help medium sized businesses use IT
to improve their business

E.g. reduce administration, use data for decision making, facilitate growth through
E-commerce, etc



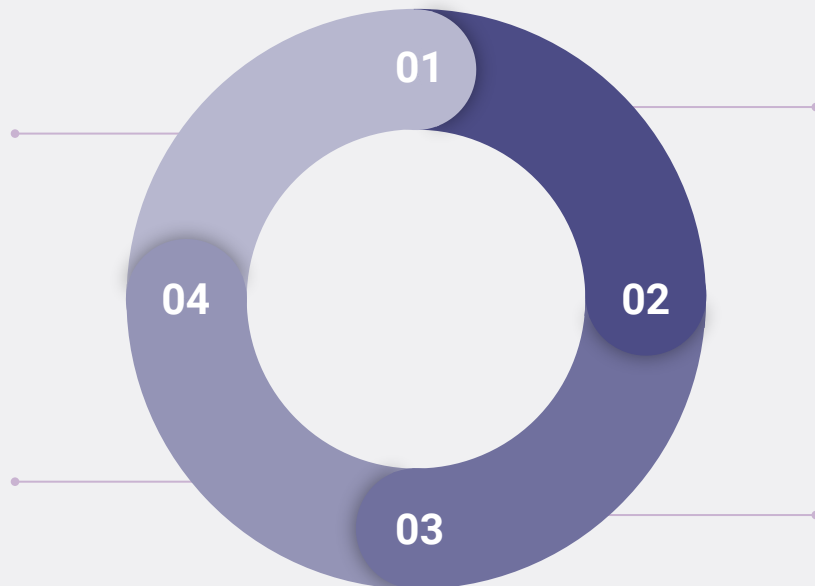
Our approach

1. Software selection

Curated selection of market leading software and guide the customer to the right combination

4. Post implementation

We offer an integrated “one stop shop” support and long term maintenance services



2. Integrations

We provide ready made integrations between the software products we sell

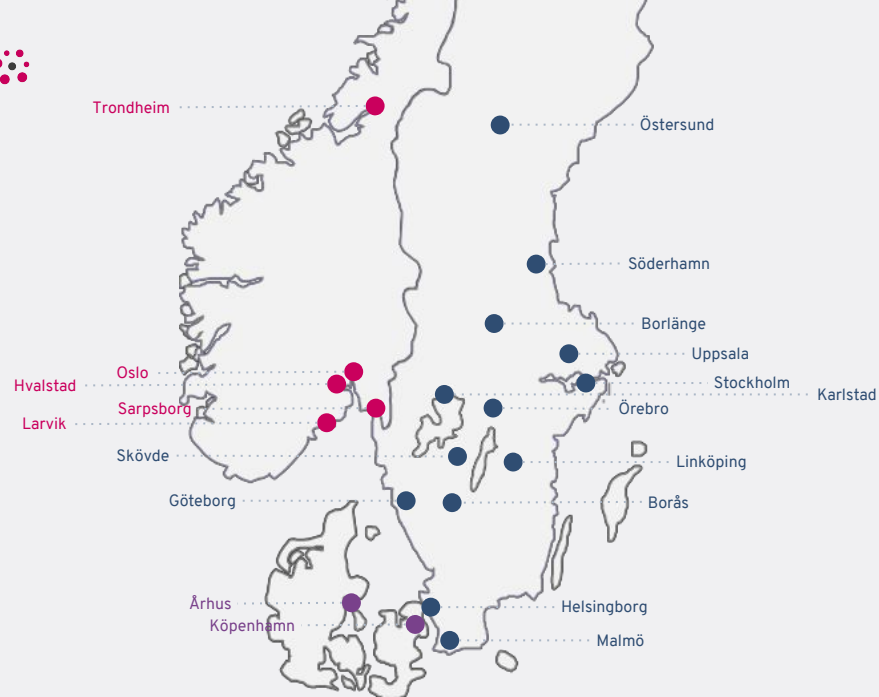
3. Customer success

We configure, educate and integrate with the customers existing structure

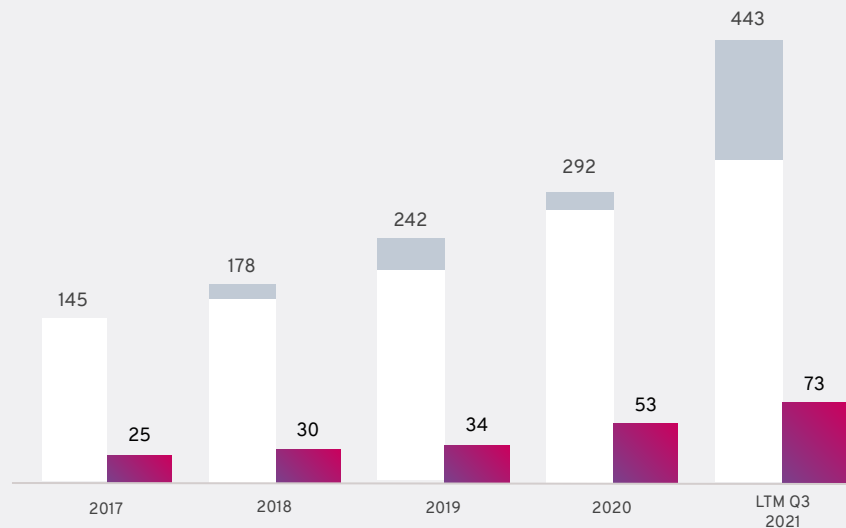


Main software partners





475 employees
in Sweden, Denmark and Norway





UTSEDDA AV
STUDENTER



We aspire to be a place where our people grow through challenges while maintaining trust and a healthy work life. We invest a lot in trainee-programs and internal development



Quarterly summary

EXTREME GROWTH

97% YoY growth - 22% organic growth

FOCUS NORWAY

Added Vitari late in Q2 as a platform for future growth - a lot of initiatives

BACK TO NORMAL OPERATIONS

Physical meetings, Travelling, Recruiting (good and bad), Work from office



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Our business

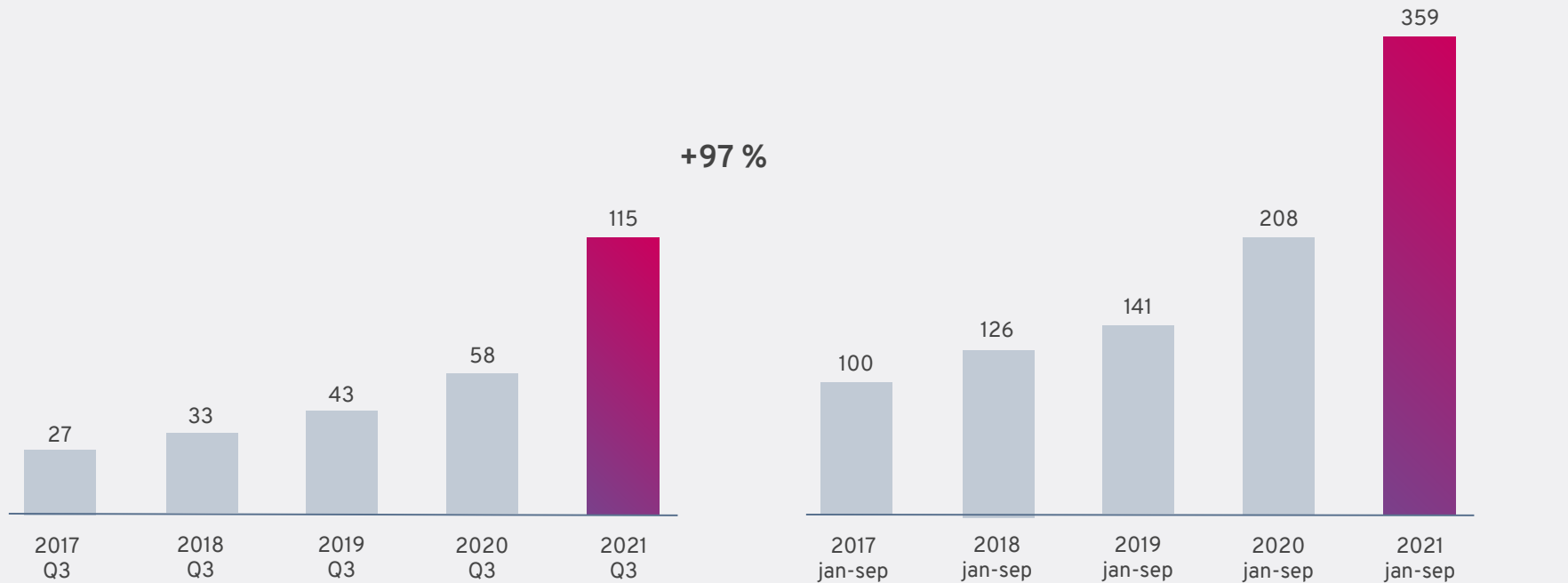
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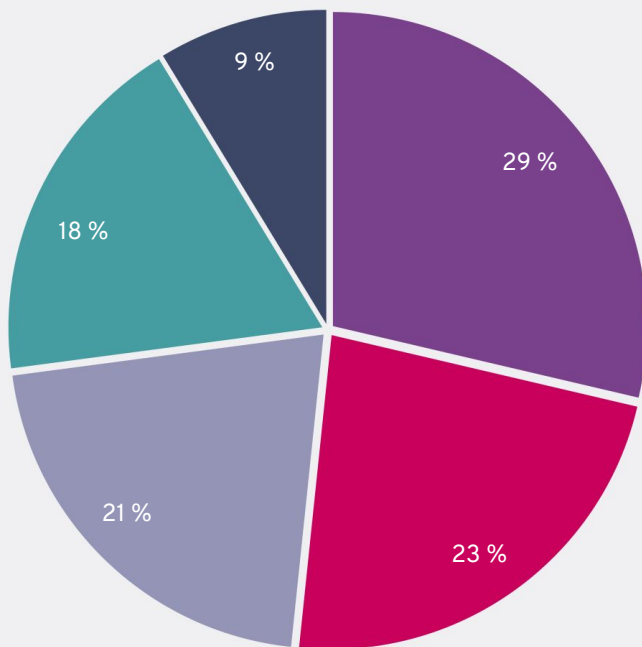


Adjusted Net Sales (MSEK)

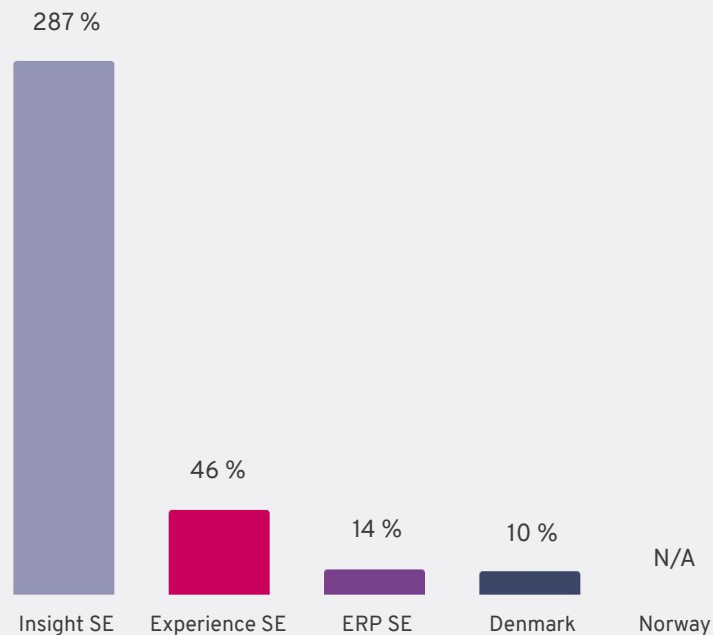


Our Business Areas

Revenue split



Growth YTD

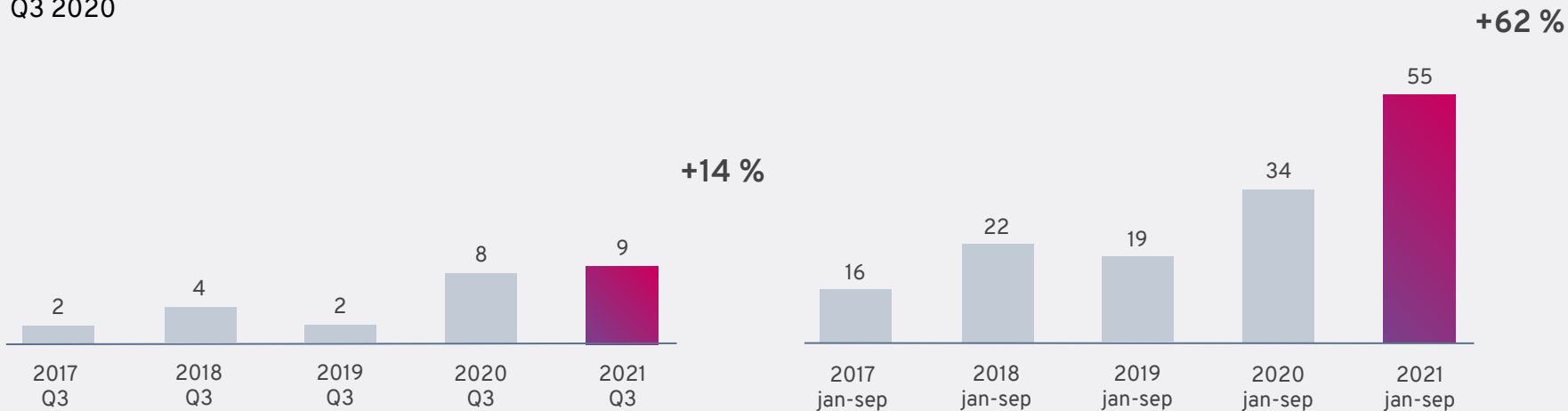


- ERP SE
- Experience SE
- Insight SE
- Norway
- Denmark



Adjusted EBITA (MSEK)

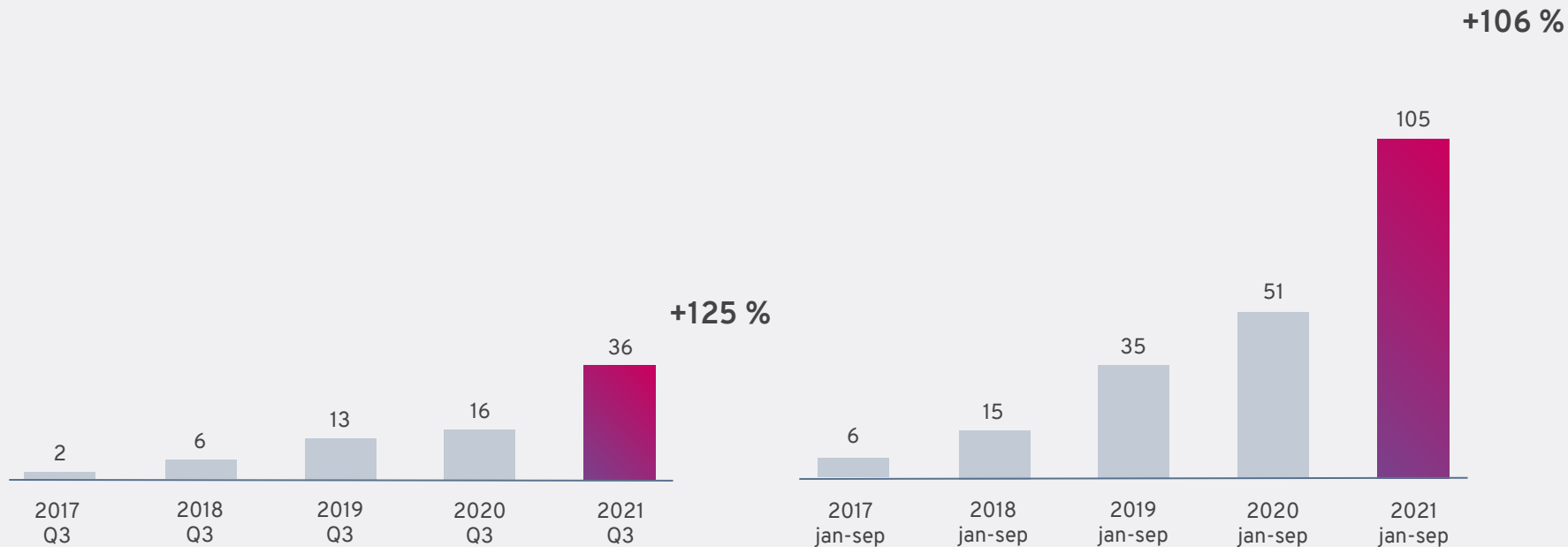
EBITA margin is affected by more travel and on-boarding of 65+ trainees, and significantly higher external costs that were artificially low in Q3 2020





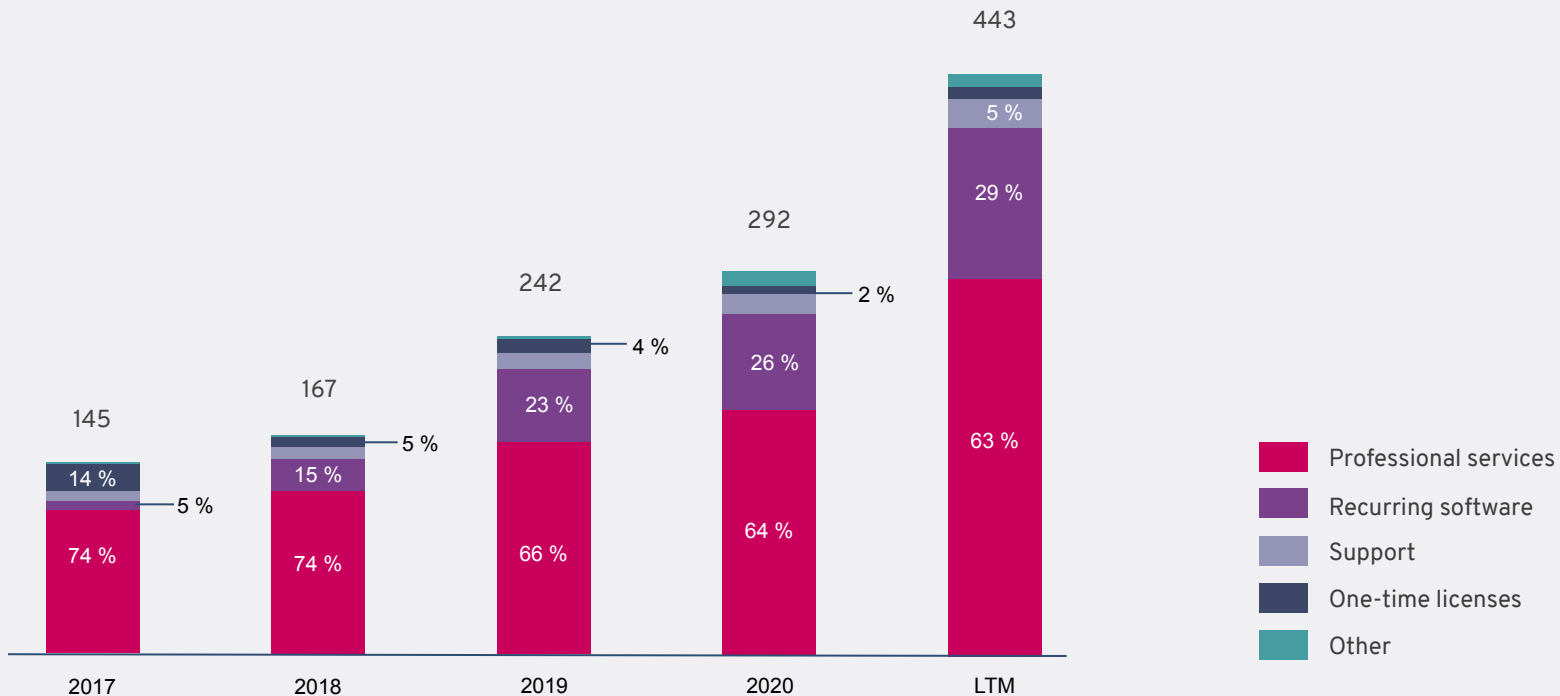
Recurring software revenue (MSEK)

Revenue from software is booked on invoicing when < 1 year





Revenue breakdown





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NO PLANS ON BECOMING A SOFTWARE COMPANY

Low risk of becoming obsolete as we change components if they lose their competitiveness

We don't have to predict the future - add proven software that we know fit our customer base when we see a demand

Short period of time between investment and cash flow

Our investments are only in integrations and developing competence

BUT WE TRY TO MIMIC THE BUSINESS MODEL

Recurring revenue streams with relatively low-effort

Stickyness in customer relations where we create great value for our customers over a long period of time

Less services dependant

... this is what we know and are good at



BUSINESS PRIORITIES

Increase number of offerings per customer

Simplify the investment in another software with out of the box integrations and support

Invest in sales, marketing and talent development

Continue to grow through trainee program, develop new sales people and leaders

Continue selective M&A

Adding new offerings and add customer base for growth



M&A logic for us is about adding customer base or adding offerings / competence

- New customers who can benefit from our current offering
- A better offering for our existing customers

CUSTOMER

OFFERING

Market &
Sales

People &
Competence

Internal
processes

A certain degree of integration is necessary to create long term values - in the short term it can cost a bit more but in the long run it will add value



Acquisition Zedcom - October 2021

Zedcom is the second biggest Visma.net reseller in Sweden
Expert division within managed infrastructure services
35 employees, 100 customer, 50 MSEK turnover, +30 % recurring
14% EBITA-margin LTM

The Deal

50 MSEK in cash and 15 MSEK in equity
4 MSEK net cash on Close

The Logic

Solidifies Exsitecs position as the number one provider of the fast growing cloud ERP system Visma.net.
Also gives us an offering within managed infrastructure services that our customer base needs to help with cloud migration initiatives.



NEW FINANCIAL GOALS

Turnover of > 1 000 MSEK with 20% EBITA-margin in the period 2023-2025

Why new goals?

Previous goals do not fully reflect our ambitions given the current good market conditions and the margin opportunities from a larger portion of revenue being driven from SAAS-software

Credibility of goals?

Adding selected M&A has significantly improved our growth rate and a higher growth rate should be sustainable in current market conditions. There is some trade off between growth and margin but we do have an ambition to improve margins over time with a higher share of recurring revenue.



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NORDIC GROWTH

Continue path to being the clear mid-market leader in business applications in Sweden, Norway, Denmark

Organic growth on the customer base by adding support for new business processes in offering

Selective M&A to add to the customer base

FUTURE OPPORTUNITIES

Use Visma expertise and foot print to enter new markets - both geography and verticals

Once proven, grow customer base through M&A

Once we have an established platform

- Expand value of customer base by leveraging experience in adjacent offerings (e.g. Qlik, Medius, Litium, etc)
- Modus operandi using trainee program and governance model