



Quarterly Results

Q4 2021

CEO Melissa Mulholland
CFO Jon Birger Syvertsen

15 February 2022



Q4 HIGHLIGHTS

Continued value creation through services and innovation

Amounts in NOK unless stated

↑ 43%

Gross Profit
951m

↑ 64%

Adj. EBITDA
225m

↑ 3.1pp

Adj. EBITDA margin ¹
24%



¹ Adjusted EBITDA divided by Gross Profit

2021 YEAR IN REVIEW

Key achievements



People-centric strategy

- Investment in employee development
- Stronger leadership acumen
- Increased companywide communication

Customer-first focus

- 95% customer retention
- ISO 9001, 27001, 27701 certifications
- 2nd consecutive year of being a Leader in **Gartner Magic Quadrant** for SAM Managed Services

Accelerated M&A activity

- NOK 2.5 billion investments in 2021
- Building scale and service capabilities
- Sensa | Cloud Direct | rhipe

Increased value creation

- Profitable growth across all business areas
- Maximize customer value with our services

PEOPLE-CENTRIC STRATEGY

Employees are our greatest asset



Culture

- All-time high employee survey (total 4.3/5.0)
- Initiatives implemented to support employee well-being



Diversity

- Sharp increase in SHE diversity index score to 98/100
- 3-year plan to strengthen diversity, equity and inclusion



Leadership Competency

- Increased talent across our management team
- Strategic promotions in growth markets

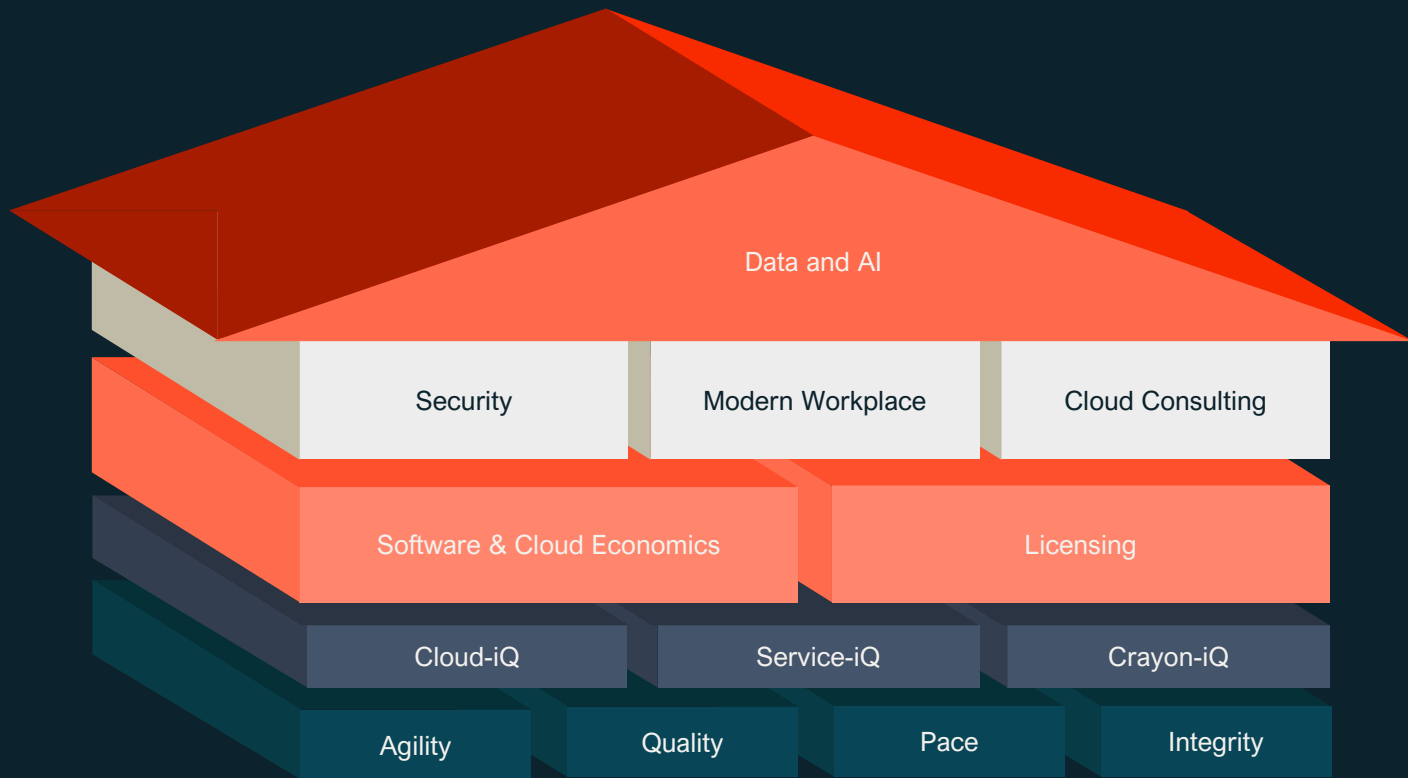


Talent recruitment and retention

- 30% HC 4-year CAGR
- 855 new hires in 2021
- 98% Q4 employee retention

CUSTOMER-FIRST FOCUS

The House of Crayon



CUSTOMER-FIRST FOCUS

Services to accelerate customer value

The power of technology to drive the greater good



Optimize Tech ROI

Best-in-class benchmarking and cost optimization for licenses and cloud consumption



Accelerate Cloud Adoption

From cloud strategy, migration and modernization to managed operations and security



Data-driven Enterprise

Unlock the value of data with scalable data platforms and AI solutions

~50% of Gross Profit

CUSTOMER-FIRST FOCUS

Driving customer value creation

Company Overview



Location: US, India, and Philippines



Industry: Financial Services



Company Size: 8 000+



About the company: Ocwen Financial Corporation is a leading financial services company that originates and services mortgage loans.

Challenges

- Managing an Enterprise Agreement (EA) in the US while most users were in India
- Productivity was greatly reduced because of the complexity of managing an EA in one country while the users were in another

Solution

- Crayon delivered an M365 Rightsize engagement to optimize Ocwen's IT environment
- Crayon helped Ocwen negotiate with Microsoft on their discount percentage
- Crayon will offer post-sales support for the next three years

Results

- Unprecedented efficiencies across their IT environment
- Identified new managed services opportunities
- One of the biggest Crayon India direct deals in terms of maximum seats of M365 E3

ACCELERATED M&A ACTIVITY

Crayon acquires rhipe, Sensa and Cloud Direct

Market Scalability

rhipe



Australia (HQ)



600+ employees



NOK 502m gross profit ¹

- Channel scale
- Operational capabilities
- Market presence

Service Capabilities

Sensa
By Crayon



Iceland



120+ employees



NOK 176m gross profit ¹

- Professional services
- Cloud managed services
- Infrastructure & networking



Cloud Direct®



United Kingdom & South Africa



200+ employees

- Azure migration & support services
- Cloud management capability
- Platform innovation

¹ 2021 FY pro forma

ACCELERATED M&A ACTIVITY

rhipe integration



Geographical reach in high growth market

- Expected 10-15% growth in APAC¹



Leader in the APAC region

- Combined entity has strong market presence as 3rd largest in the region
- No. 1 in the APAC channel segment



Integrated People

- Highlighting synergies around go-to-market strategies
- Sharing of best practices and business processes



¹ Source: Gartner

Strong Q4 performance

22%

Gross profit
growth

56%

Adj. EBITDA
margin

- Strong growth momentum and improved profitability in Germany, APAC, US
- Increased revenue performance in MEA, France, Finland
- Significant wins with leading French IT consultancy, largest Enterprise Agreement in Crayon history

Software & Cloud Direct



Software & Cloud Channel

99%

Gross profit
growth

53%

Adj. EBITDA
margin

- Strong growth with positive contribution from rhipe
- Improved profitability from scale and synergy effects
- Strong growth and performance in Nordics, US and India

Strong Q4 performance

25%

Gross profit
growth

22%

Adj. EBITDA
margin

- Continued strong performance with increased managed service delivery of cloud economics across Norway, Germany, and Denmark
- Significant customer win with global aerospace company, realizing significant cost-savings that they can then use to innovate and grow the business

Software & Cloud Economics Services



Consulting Services

59%

Gross profit
growth

18%

Adj. EBITDA
margin

- Service focus strategy continues to demonstrate consistent GP growth driven by strong demand for cloud, data, and AI
- Multi-cloud growth with key customer wins in Google Cloud, AWS, and Azure

ESG

Crayon ESG initiatives



DEI

SHE index score increased by 30%



Social

20% of global team volunteered to support our ESG strategy



Responsible AI

Lead with ethical and sustainable AI solutions



GHG Emissions
& Green IT

Build customer solutions for carbon emissions optimization and reduce Crayon's CO2 footprint

Employee-led community service





Financial Review



FINANCIAL REVIEW

Rounding out a successful year

Figures in NOK million



Profitable growth and expansion driven by strong sales, services, and M&A



Q4 2021 growth across all business areas and markets



2022 guidance for 35-40% gross profit growth

Q4 2021

Revenue

7 697

+36.7%

Gross Profit

951

+42.5%

Adj. EBITDA

225

23.6% margin²
+3.0pp

FY 2021

Revenue

26 438

+34.9%

Gross Profit

3 040

+29.6%

Adj. EBITDA

655

21.5% margin²
+3.9 p.p.

FY 2021 Pro Forma¹

Revenue

29 433

+50.2%

Gross Profit

3 502

+49.3%

Adj. EBITDA

766

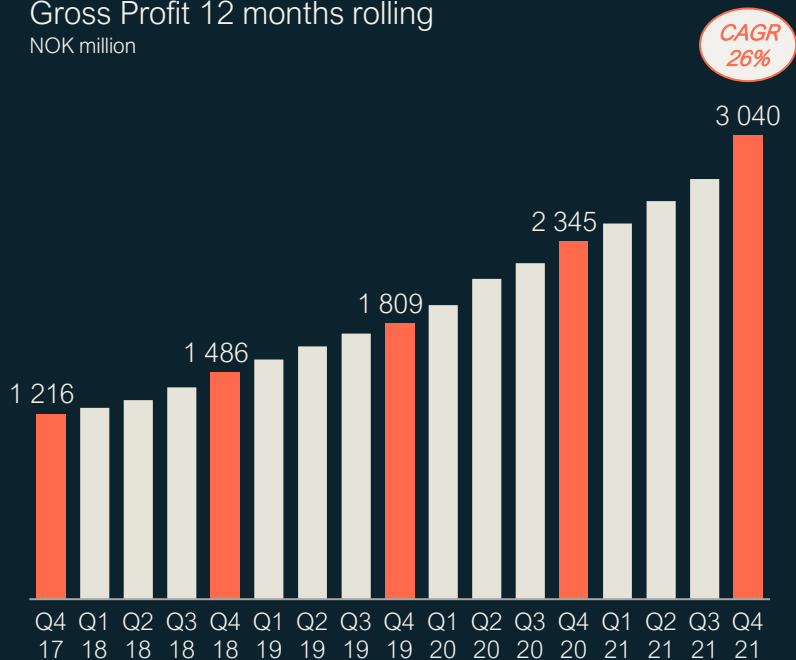
21.9% margin²

¹ Pro forma figures include full-year results of Sensa, acquired in Q2 2021, and rhipe, acquired in Q4 2021.

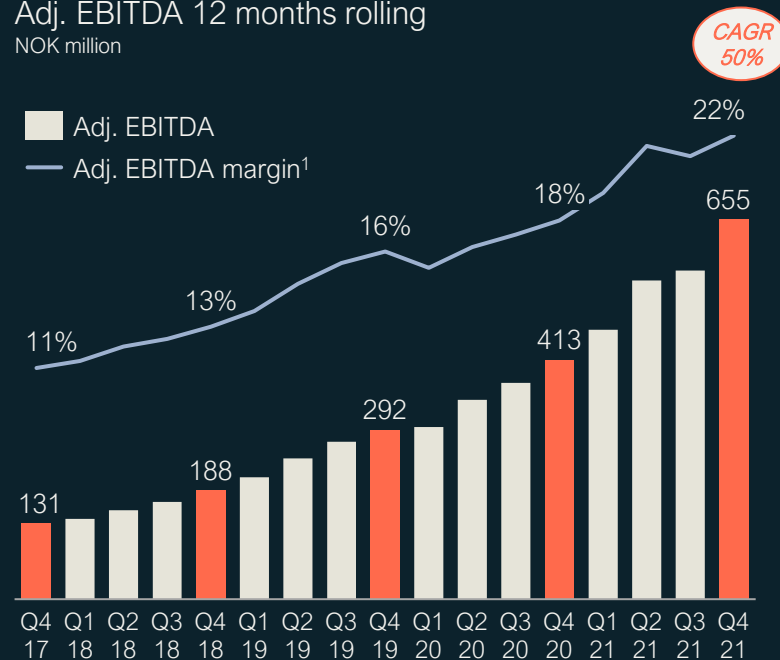
FINANCIAL REVIEW

Continued strong growth momentum and value creation

Gross Profit 12 months rolling
NOK million



Adj. EBITDA 12 months rolling
NOK million



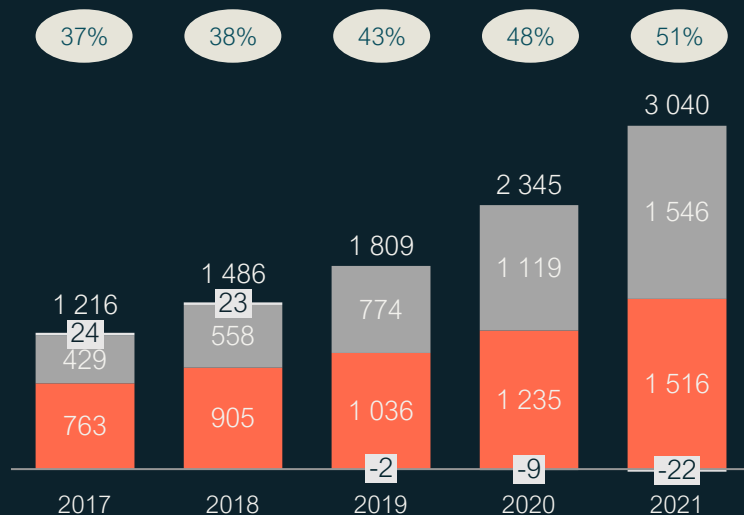
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Executing on strategy for profitable international growth

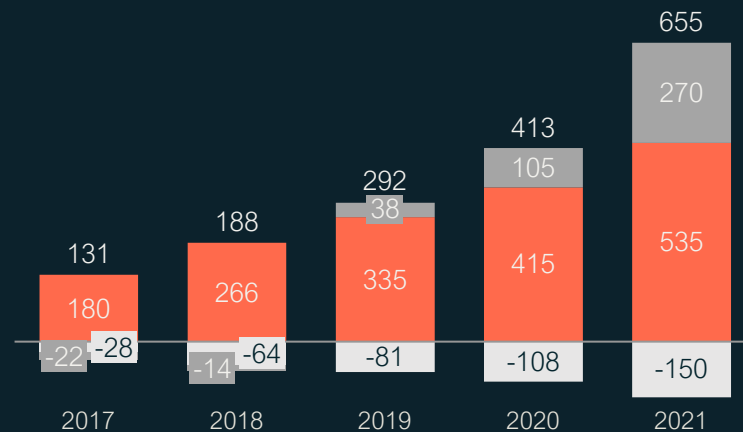
Gross Profit

NOK million



Adj. EBITDA ¹

NOK million



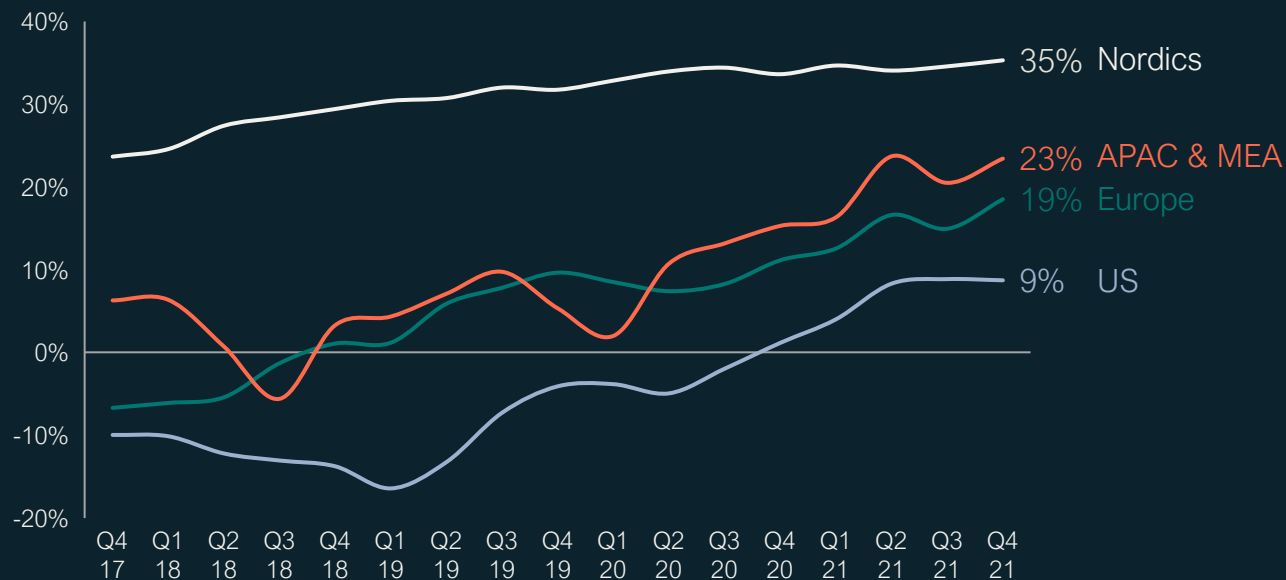
■ Nordic
 ■ International
 ■ HQ/Elim.
 % International share

¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Margin expansion driven by increased scale and cost optimization

12-months rolling adj. EBITDA margin ¹



- Nordics improving, strong margins
- Margin improvement in APAC driven both by ripe acquisition and increased profitability
- Europe improving as business scales
- US margin still reflecting continued investments in driving growth

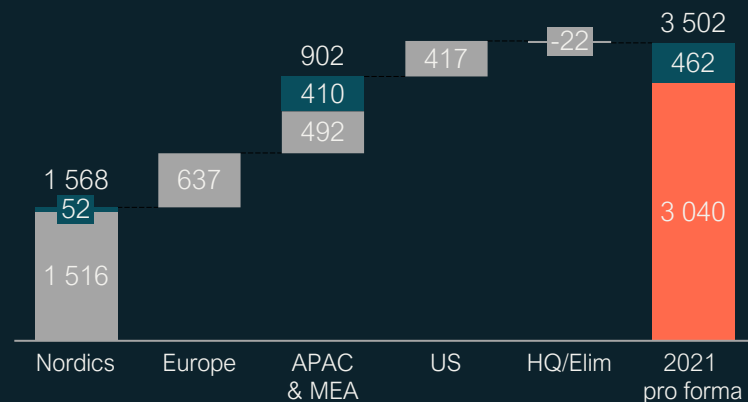
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Significant growth and profitability improvements in 2021

2021 pro forma gross profit breakdown

NOK million

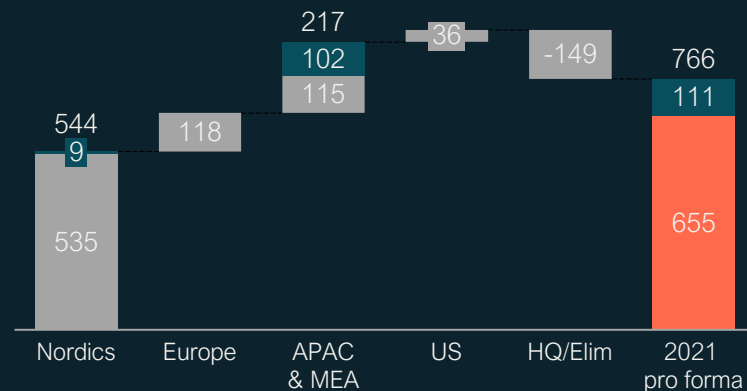


Growth YoY



2021 pro forma adj. EBITDA breakdown

NOK million



EBITDA Margin ¹



Reported figures Sensa and Rhiipe pro forma

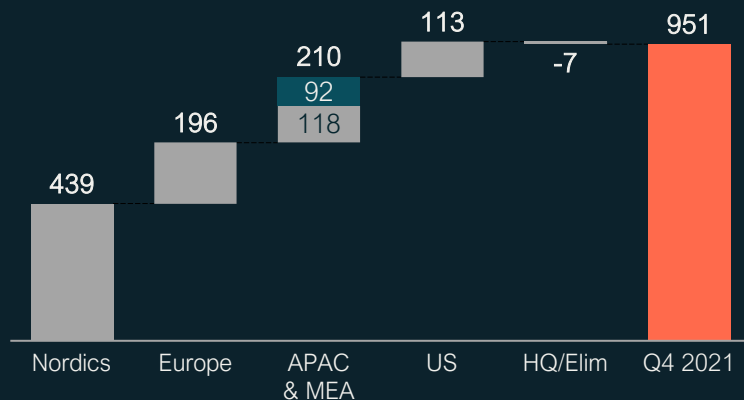
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Strong growth momentum across all markets in Q4

Q4 gross profit by market cluster

NOK million

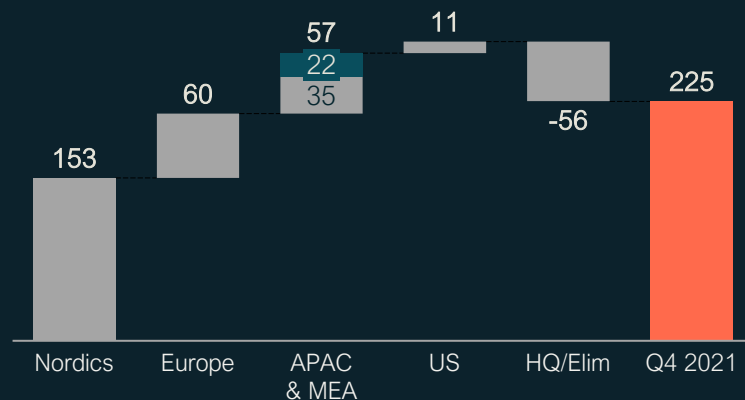


Growth YoY



Q4 adj. EBITDA by market cluster

NOK million



EBITDA Margin ¹



■ Crayon incl. Sensa ■ rhipe

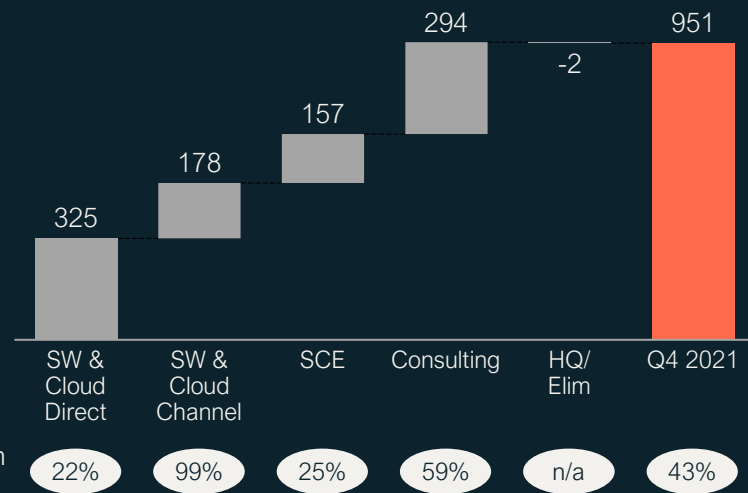
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Improved profitability driven by scale and synergy effects

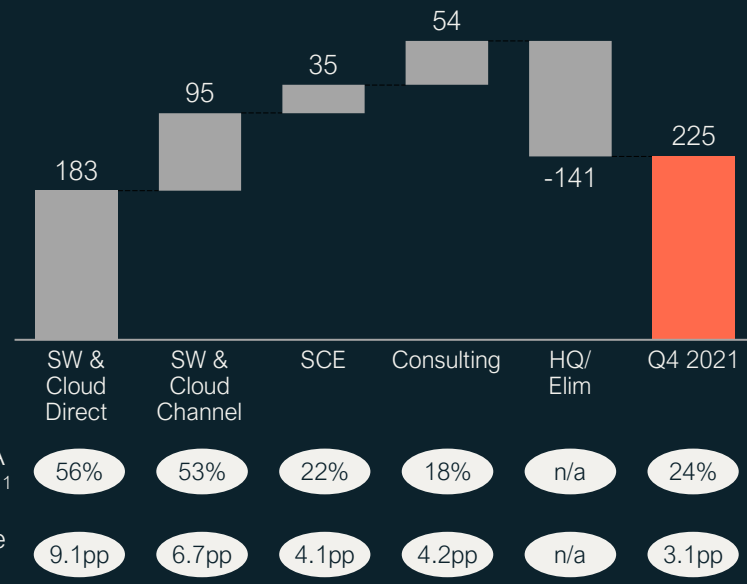
Q4 gross profit by business area

NOK million



Q4 adj. EBITDA by business area

NOK million



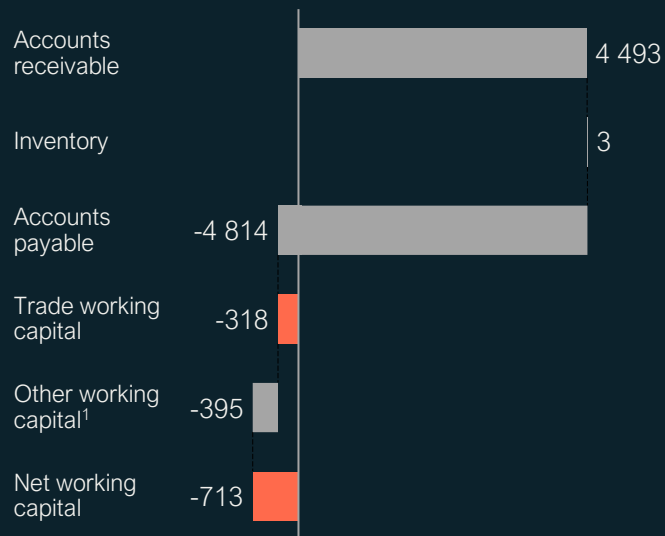
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Continued strong working capital position

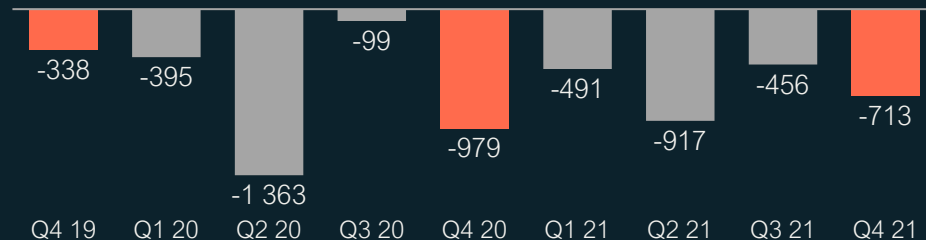
Net working capital Q4 2021

NOK million



Net working capital over time

NOK million



The difference between net working capital in Q4 2021 compared with Q4 2020 is due to a decrease in trade working capital of NOK -160m and a NOK 427m increase in other working capital

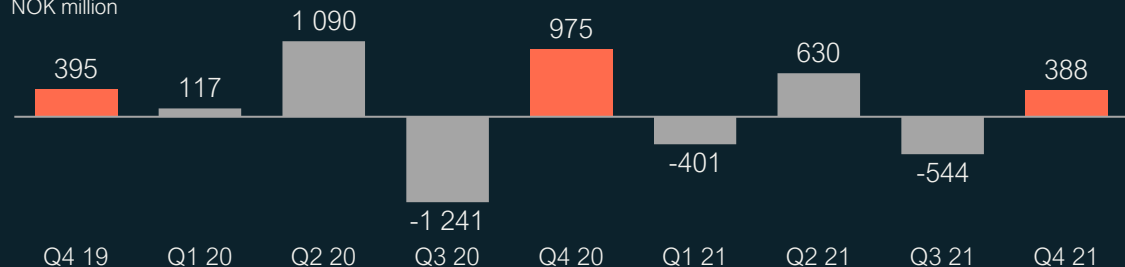
¹ Other working capital includes other receivables, income tax payable, public duties payable and other short-term liabilities

FINANCIAL REVIEW

Strong cash development despite high M&A activity

Cash flow from operating activities

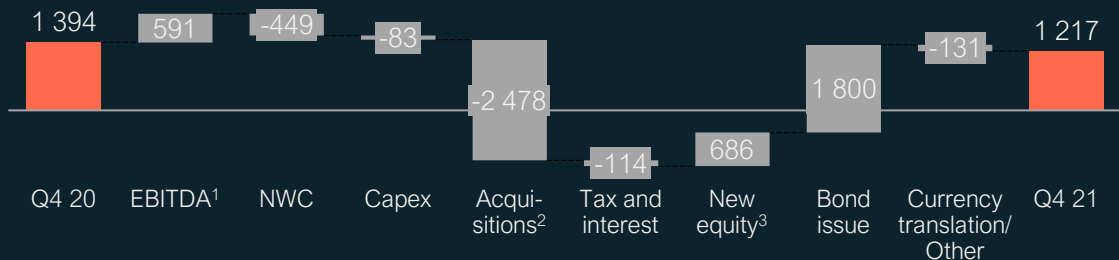
NOK million



Cash flow from operations is seasonal and driven mainly by changes to net working capital

LTM cash development

NOK million



Strong cash position and liquidity reserve of NOK 1 992m (1 582m)

¹ EBITDA (non-adjusted)

² Acquisitions include business combinations.

³ Includes cash flow effects from IFRS 16 and cash flow from financing activities

FINANCIAL REVIEW

Improved profitability and value creation

NOK million	Q4 2021	Q4 2020	2021	2020
Revenue	7 697.3	5 632.3	26 438.3	19 599.5
Cost of sales	-6 745.9	-4 964.9	-23 398.6	-17 254.7
Gross profit	951.4	667.4	3 039.7	2 344.8
Operating expenses	-761.8	-521.3	-2 448.8	-1 963.4
EBITDA	189.6	146.2	591.0	381.4
Adjustments	35.0	-9.0	63.9	31.5
Adj. EBITDA	224.7	137.2	654.9	412.9
Depreciation & Amortization	-57.3	-37.2	-174.5	-140.3
EBIT	132.3	109.0	416.4	241.1
Interest expense	-37.9	-9.2	-83.1	-41.1
Other financial income/expense	123.4	26.3	-30.3	- 6.3
Profit before tax	217.8	126.0	303.1	193.7
Tax expense	-3.8	-31.4	-49.2	-66.8
Net income	214.0	94.7	253.9	126.8
EPS	2.31	1.05	2.58	1.48

- Depreciation & Amortization up NOK 20m YoY, of which NOK 15m directly related to Sensa and rhipe
- Interest expenses increased largely due to interest on new bond issuance (21.5m)
- Other financial income driven mainly by currency movements
- 74% growth in EPS for the full year compared to 2020

Robust financial position

Assets	31 Dec 2021	31 Dec 2020
Contracts	599	60
Goodwill	2 998	851
Other intangible assets	281	145
Non-current receivables	69	40
Investments in assoc. comp.	37	0
Total non-current assets	4 158	1 255
Inventory	3	9
Accounts receivable	4 493	3 393
Other current receivables	1 421	263
Cash & cash equivalents	1 217	1 394
Total current assets	7 134	5 060
Total assets	11 292	6 315

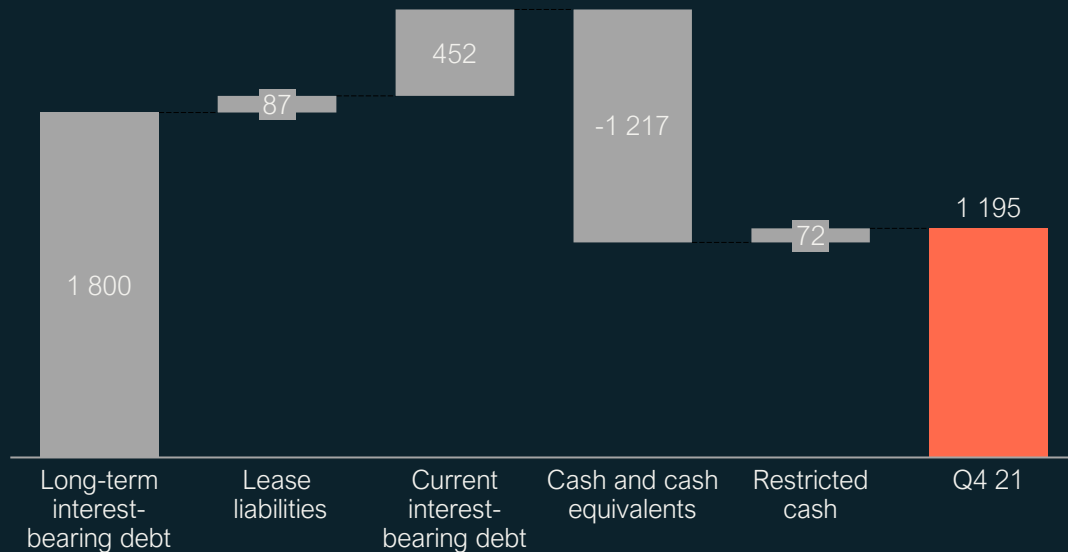
Equity and Liabilities	31 Dec 2021	31 Dec 2020
Shareholders' equity	2 158	1 103
Bond debt	1 771	295
Deferred tax liabilities	135	22
Other non-current liabilities	145	143
Total non-current liabilities	2 051	460
Accounts payable	4 814	3 560
Public duties	459	251
Current interest-bearing debt	452	107
Other current liabilities	1 299	784
Total current liabilities	7 082	4 752

- Contracts and goodwill driven by Sensa and rhipe acquisitions
- Other current receivables and public duties driven by reclassification of VAT payable
- Strong balance sheet supports Crayon's M&A strategy
- NOK 300m bond issued in 2019 and maturing in November 2022 reclassified as current interest-bearing debt

Significant headroom for continued M&A activity

Net interest-bearing debt

NOK million



- NIBD/Adj. EBITDA 1.9x
- Pro forma NIBD/Adj. EBITDA 1.6x



Outlook



2022 OUTLOOK

Updated 2022 outlook

	2021 outlook	2021 actuals	2022 outlook	Medium term	Comment
Gross profit growth	28-30%	29.6%	35-40%	~20%	2022 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	20-21%	21.5%	22-23%	Gradual increase to 25%	Continuing to invest in resources to drive growth while realizing scale benefits across international markets
Net working capital ²	-20% to -25%	-21.2%	-15% to -20%	-15% to -20%	Expected to normalize during 2022 at expected medium-term level
Capex	NOK 80-85m	NOK 81.4m	NOK ~100m	NOK ~100m	Capex synergies from rhipe offset by accelerated investments into platforms

¹ Adjusted EBITDA divided by Gross Profit

² Average NWC last 4 quarters as share of gross profit last 4 quarters

2022 OUTLOOK

Summary & outlook



Attractive service-led business model in a rapidly growing market for cloud and software



Proven ability to drive profitable growth across a global market portfolio



Strong focus on talent retention, development and recruitment to drive multi-cloud strategy and services growth



Strong balance sheet provides strategic flexibility



Q&A





Appendix



APPENDIX

Positive contributions from rhipe and Sensa acquisitions YoY

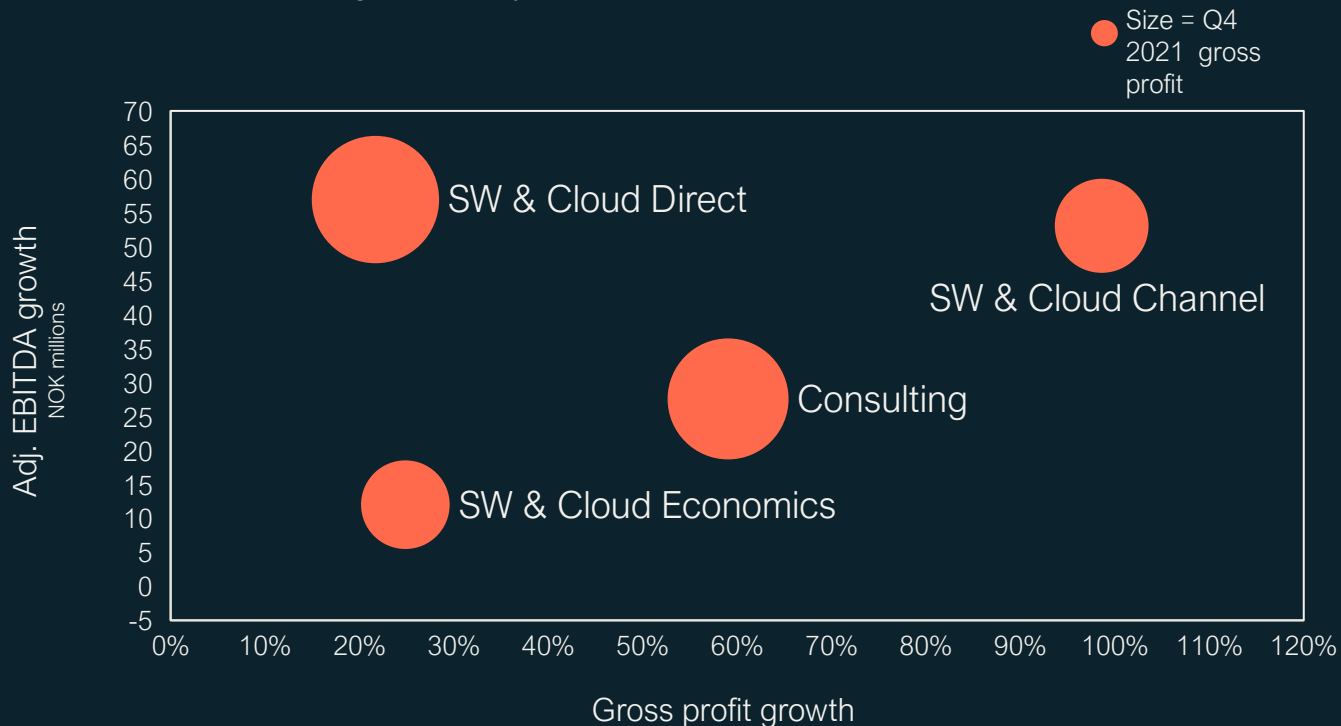
Compared to corresponding period last year



APPENDIX

Strong development across all business areas

Compared to corresponding period last year



Gross profit:

↑ 43%

Adj. EBITDA:

↑ NOK 88m

Forward-looking statements

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