



# Quarterly Results

## Q3 2022

Melissa Mulholland, CEO

Jon Birger Syvertsen, CFO

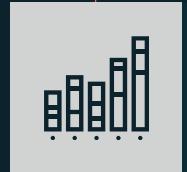


# Continued strong demand

Amounts in NOK



Continued strong demand environment



Continued growth across all regions and business areas



Q3 results affirm 2022 outlook for Gross Profit growth and Adj. EBITDA



51%

Gross sales  
7,774m



55%

Gross Profit  
993m



57%

Adj. EBITDA  
127m



0.1pp

Adj. EBITDA margin<sup>1</sup>  
12.8%

<sup>1</sup> Adjusted EBITDA divided by Gross Profit

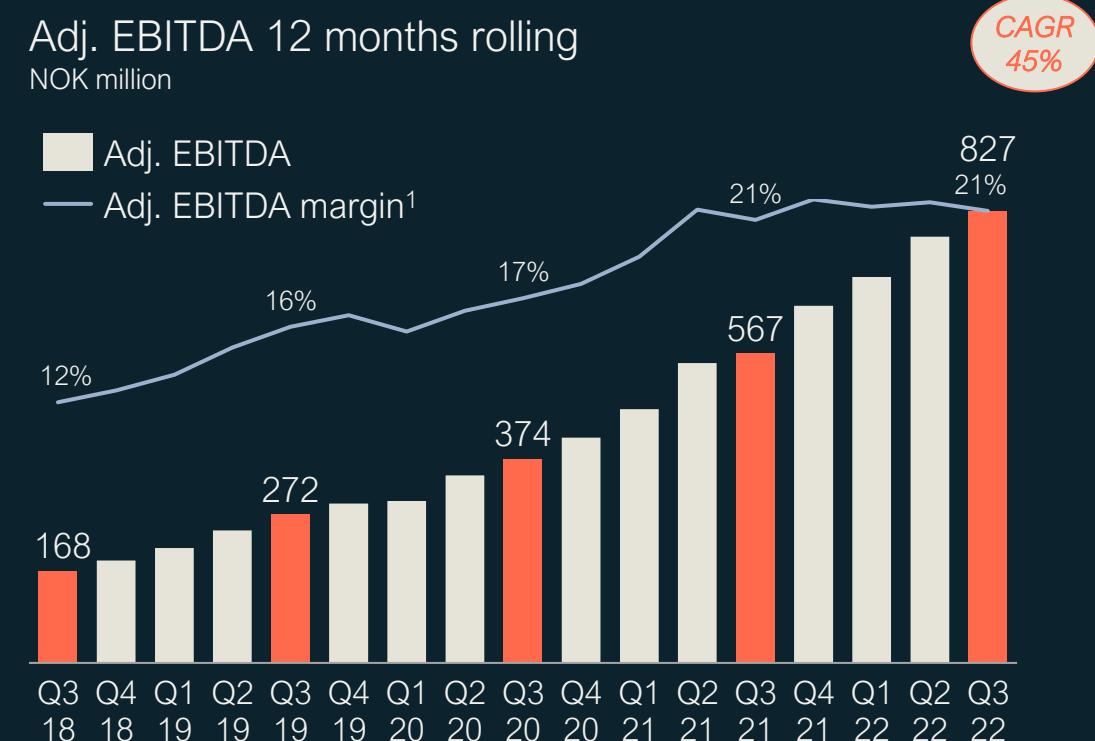
## FINANCIAL REVIEW

# Continued strong growth momentum and value creation

Gross Profit 12 months rolling  
NOK million



Adj. EBITDA 12 months rolling  
NOK million



<sup>1</sup> Adjusted EBITDA divided by Gross Profit

## FINANCIAL REVIEW

# Executing on strategy for profitable international growth

### Gross Profit

NOK million



### Adj. EBITDA<sup>1</sup>

NOK million



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

<sup>1</sup> Adjusted EBITDA divided by Gross Profit

## FINANCIAL REVIEW

# Strong growth momentum across all market clusters

Crayon  
 Rhipe

Q3 gross profit by market cluster

NOK million



Q3 adj. EBITDA by market cluster

NOK million



Growth

18% 43% 280% 16% n/a 55%

EBITDA Margin<sup>1</sup>

28% 1% 22% -13% n/a 13%

Organic growth

18% 43% 94% 16% n/a 33%

Change YoY

-3.8pp -1.1pp 28.3pp -19.6pp n/a 0.1pp

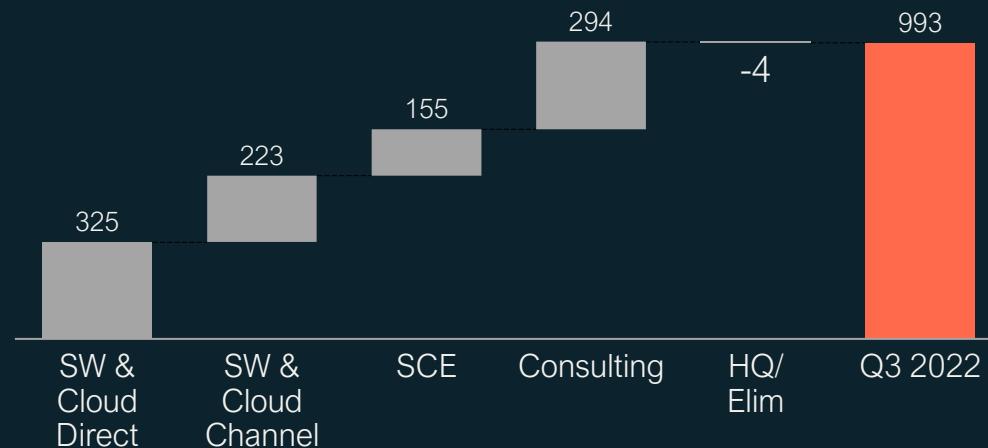
<sup>1</sup> Adjusted EBITDA divided by Gross Profit

## FINANCIAL REVIEW

# Improved profitability driven by scale and synergy effects

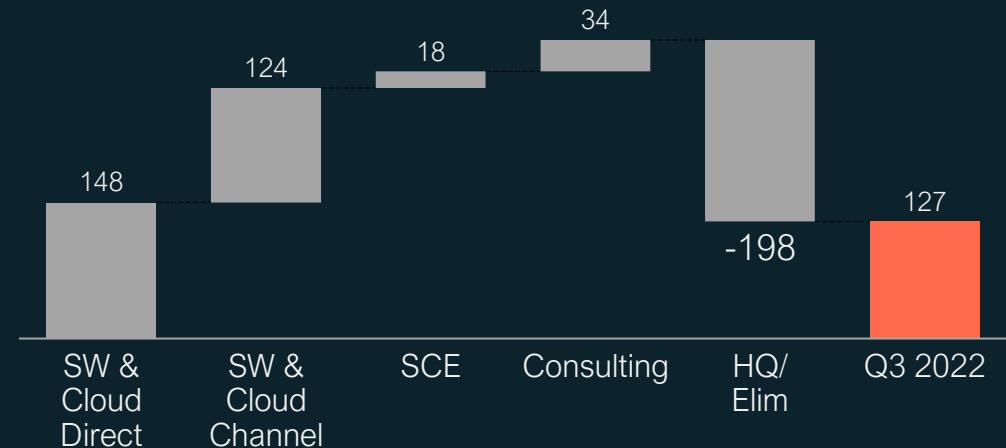
Q3 gross profit by business area

NOK million



Q3 adj. EBITDA by business area

NOK million



Growth  
YoY

55% 136% 19% 38% n/a 55%

EBITDA  
Margin<sup>1</sup>

46% 56% 12% 12% n/a 13%

Change  
YoY

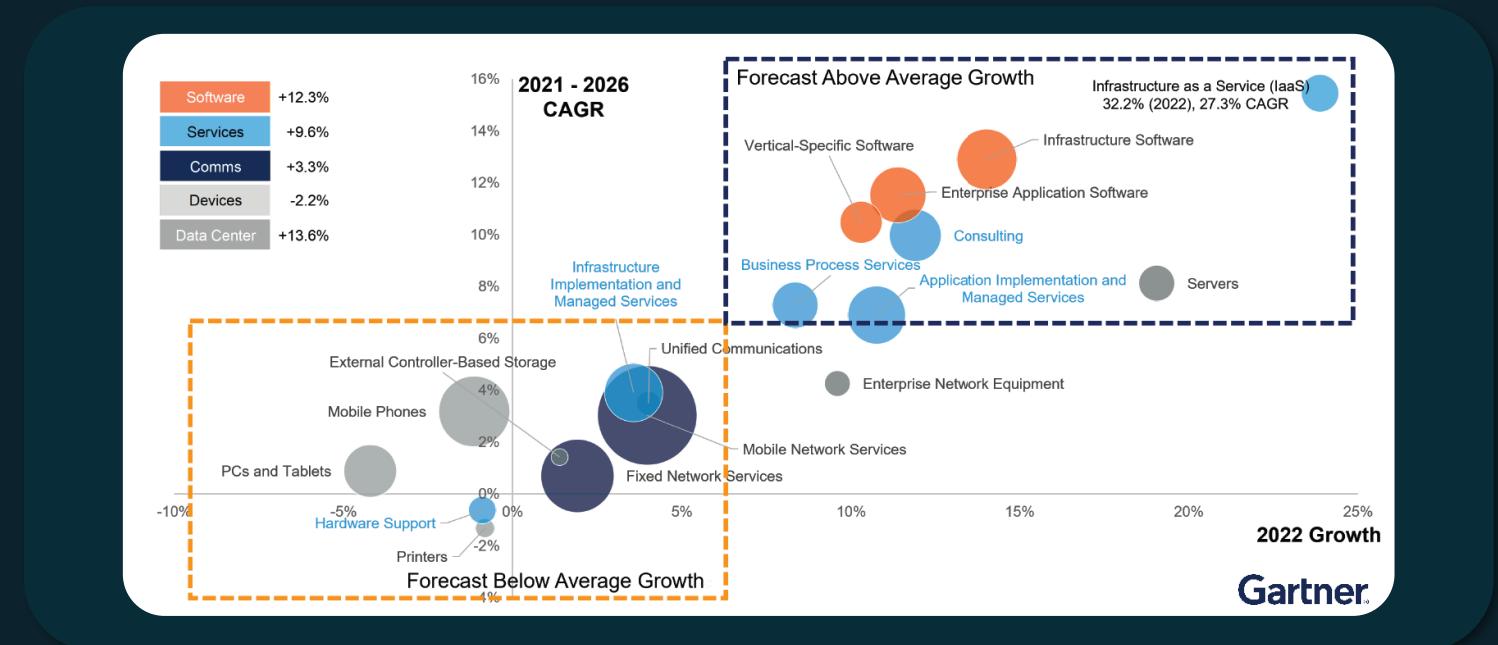
14.1pp 0.2pp -2.8% -3.1%pp n/a 0.1pp

<sup>1</sup> Adjusted EBITDA divided by Gross Profit

# Market opportunity

- ● Global IT spending reached **\$4.4 trillion** in 2022, representing a **4.0% increase** over 2021 spending levels. *Demand for IT remains strong* as enterprises push forward with digital business initiatives in response to economic turmoil.

- Gartner Forecast Analysis, 2022



Cloud managed service market will reach **\$102 billion** in 2025, growing at a five-year CAGR of **19.1% USD**

Public cloud services are forecast to grow by **20.4%**. Organizations continue to accelerate cloud adoption

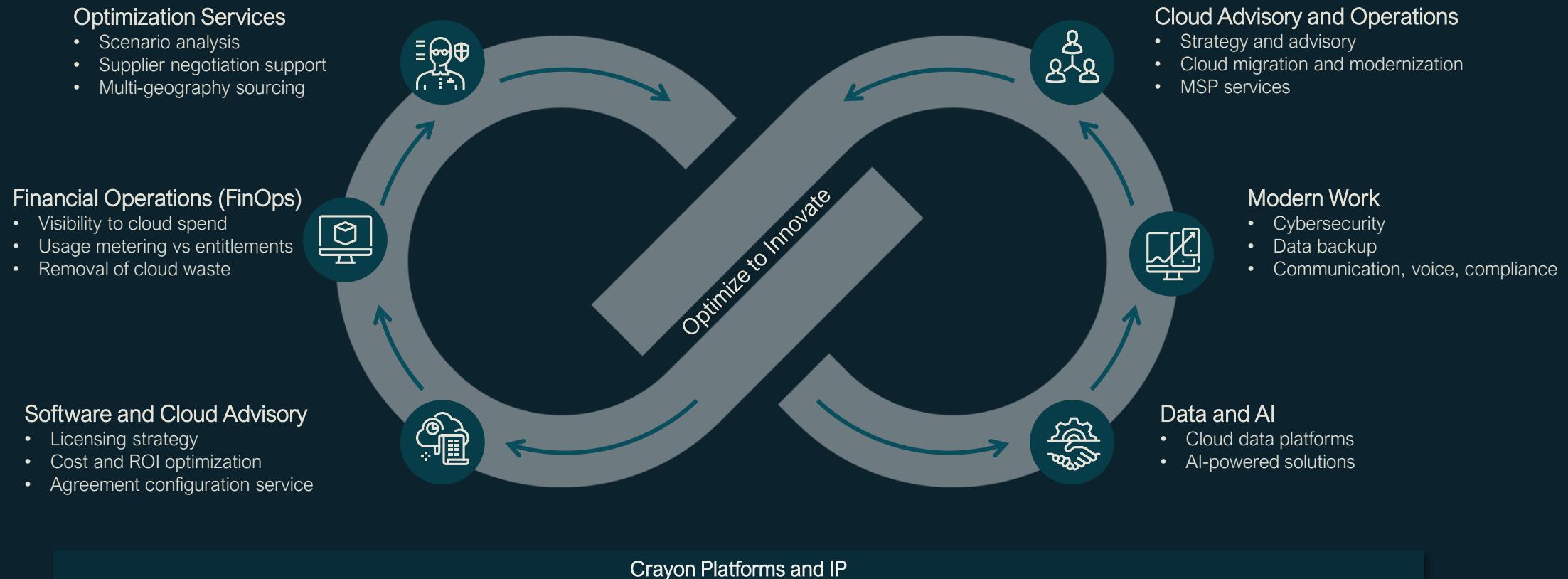
IT services market is forecast to grow by **6.8% USD** in 2022

# Customer-centric approach



## OUR GTM OFFERING

# Crayon Service Portfolio



OUR DNA

# Crayon Ukraine: A story of business resiliency



**25**

Total employees at  
Crayon Ukraine



**9**

New team  
members



**27**

New certifications



**\$67k**

Employee  
donations raised



**160+**

workshops  
delivered



**20 000+**

users moved to  
cloud



**40+**

pre-sales for  
Migration to Azure



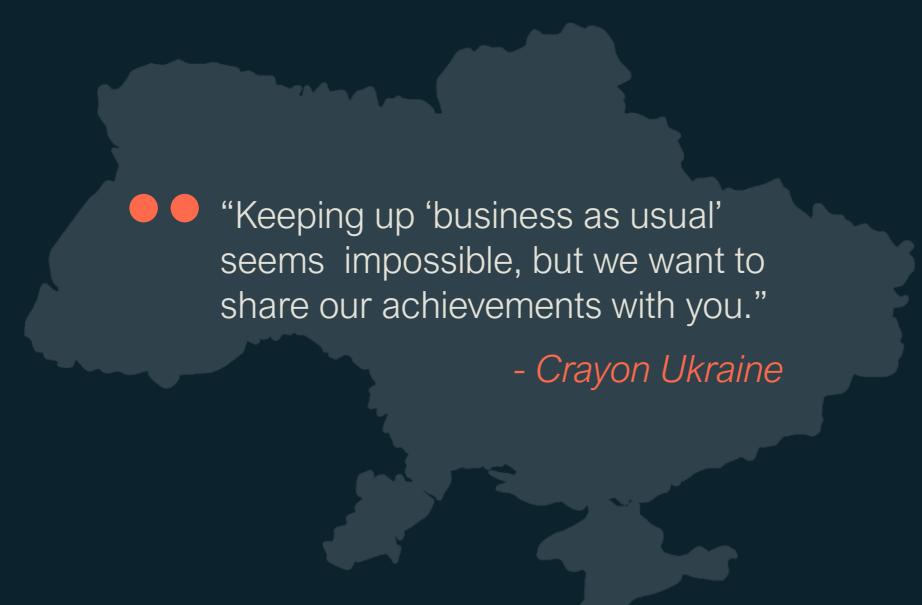
**141**

customers received  
trial Microsoft licenses



“Keeping up ‘business as usual’  
seems impossible, but we want to  
share our achievements with you.”

*- Crayon Ukraine*



## CUSTOMER STORY

# Optimization Services



Switzerland



*The Coop Group includes various formats for retail, wholesale and production companies. With over 95,000 employees, the Coop Group, generated 31.9 billion francs in sales in 2021.*



## About the engagement

- Coop commissioned Crayon Schweiz AG to identify potential savings within the scope of the "Microsoft Optimization Services" to develop proposals for a future-proof licensing strategy



## Business Solution

- Crayon focused on Coop's actual license requirements and offered customer-centric advice detached from manufacturer strategies.
- Crayon developed a standardized procedure for the eight largest companies within Coop Group and their subsidiaries.
- The Crayon consulting team developed proposals to optimize licensing models/plans. A significant element was de-bundling, the abandonment of software packages in favor of individual products.



## Outcome

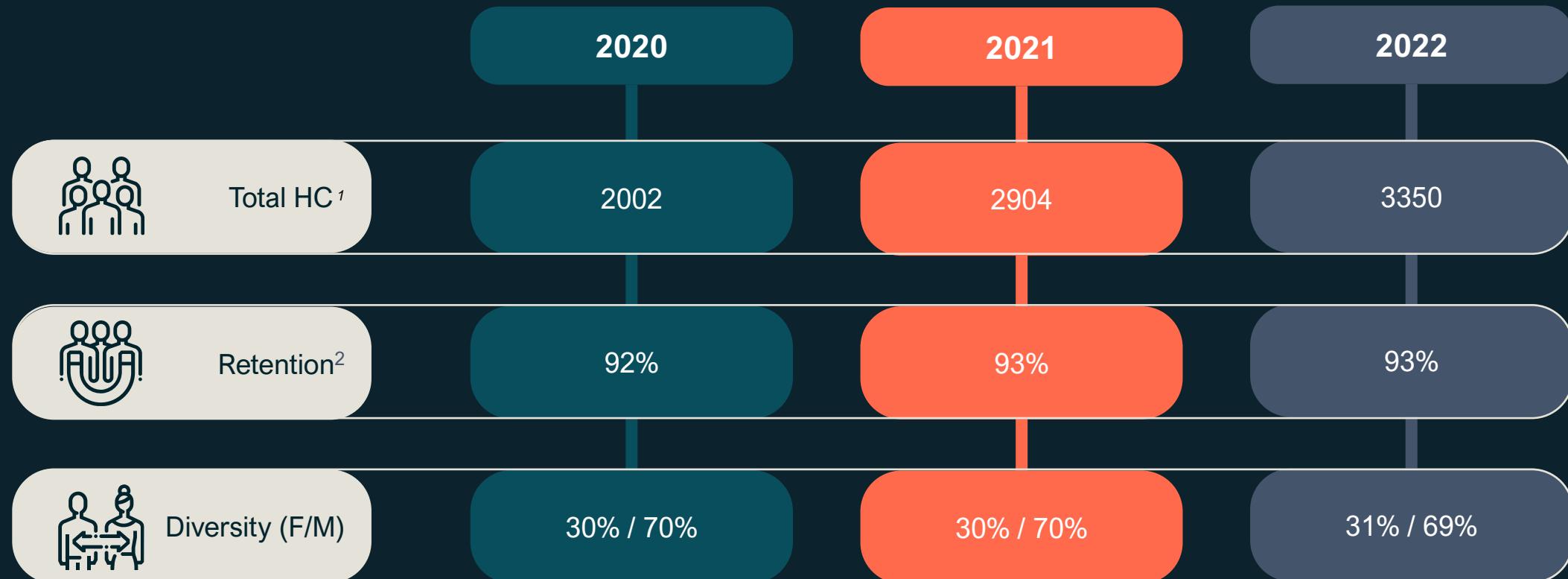
- Realization of a considerable savings potential for 95,000 employees
- A well-thought-out plan with consideration for Coop's current cloud strategy
- Renewal of Microsoft licenses after result-oriented negotiations
- Open, transparent communication with fast response times



"License optimization for an international group entails numerous challenges. Crayon asked the right questions and developed a holistic analysis of the license requirements."

- Jakob Schnurr, ICT controller  
Coop cooperative.

## Our team statistics



1 Includes FTE and Contractors

2 Average quarterly retention rate

# Results of our commitment to ESG



Crayon is on the ESG100 list with a B+ grade

- Our global commitment to ESG has made us the fastest-rising company on the ESG100 list from Position Green.
- Crayon's improved rating can also be attributed to the publication of its ESG report in April.
- We are proud to continue to invest in a dedicated team that is responsible for executing and growing Crayon's ESG strategy.

ISO 14001 certification

Global Carbon Reporting

98/100  
SHE Index & Inclusion focus

Milestones that have helped Crayon get to this point.

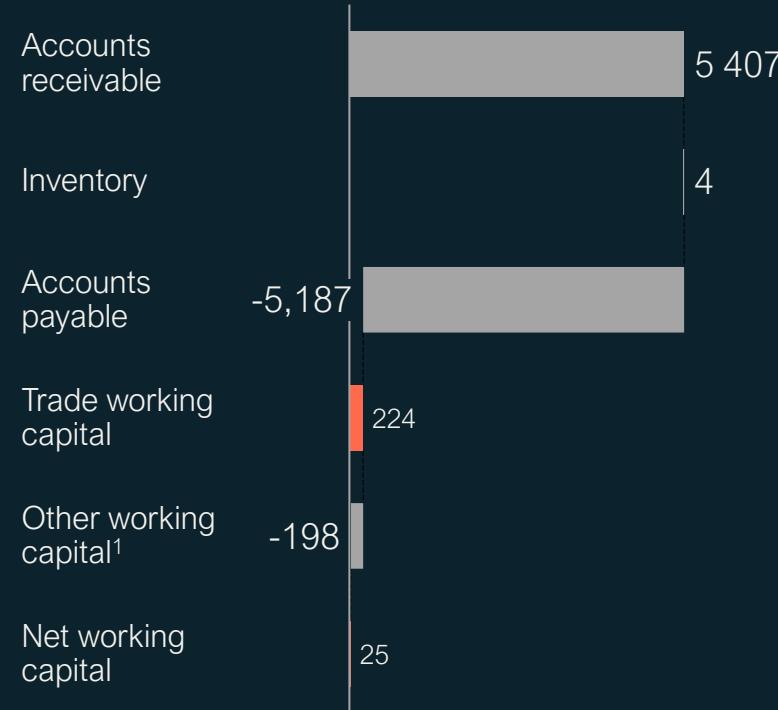




# Financial Review

# Working capital position in line with historic seasonality

Net working capital Q3 2022  
NOK million



Net working capital over time  
NOK million



Change in net working capital in Q3 2022 compared with Q3 2021 is primarily driven by a NOK 424m increase in other working capital

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

## FINANCIAL REVIEW

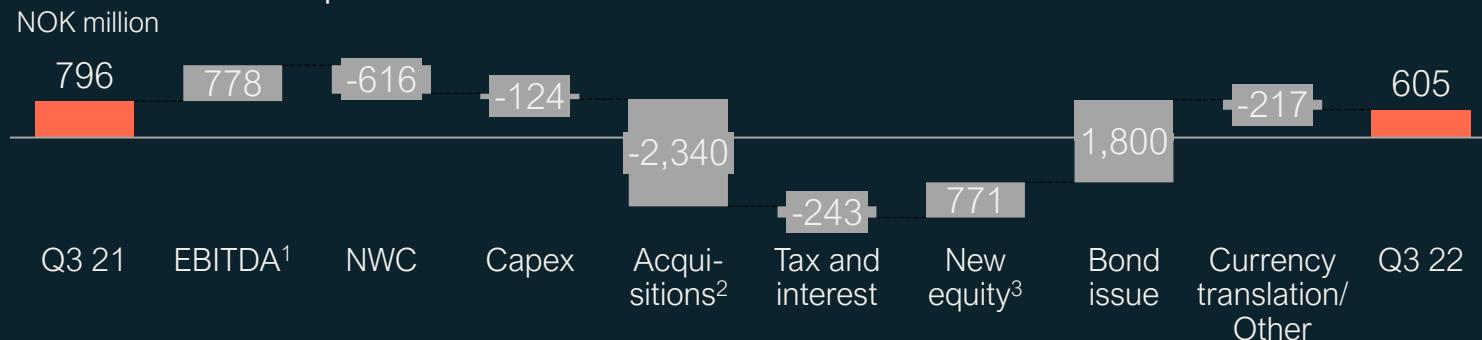
# Cash flow from operations also in line with historic seasonality

### Cash flow from operating activities



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

### LTM cash development



Strong cash position and liquidity reserve of NOK 1,441m (943m) included undrawn facilities

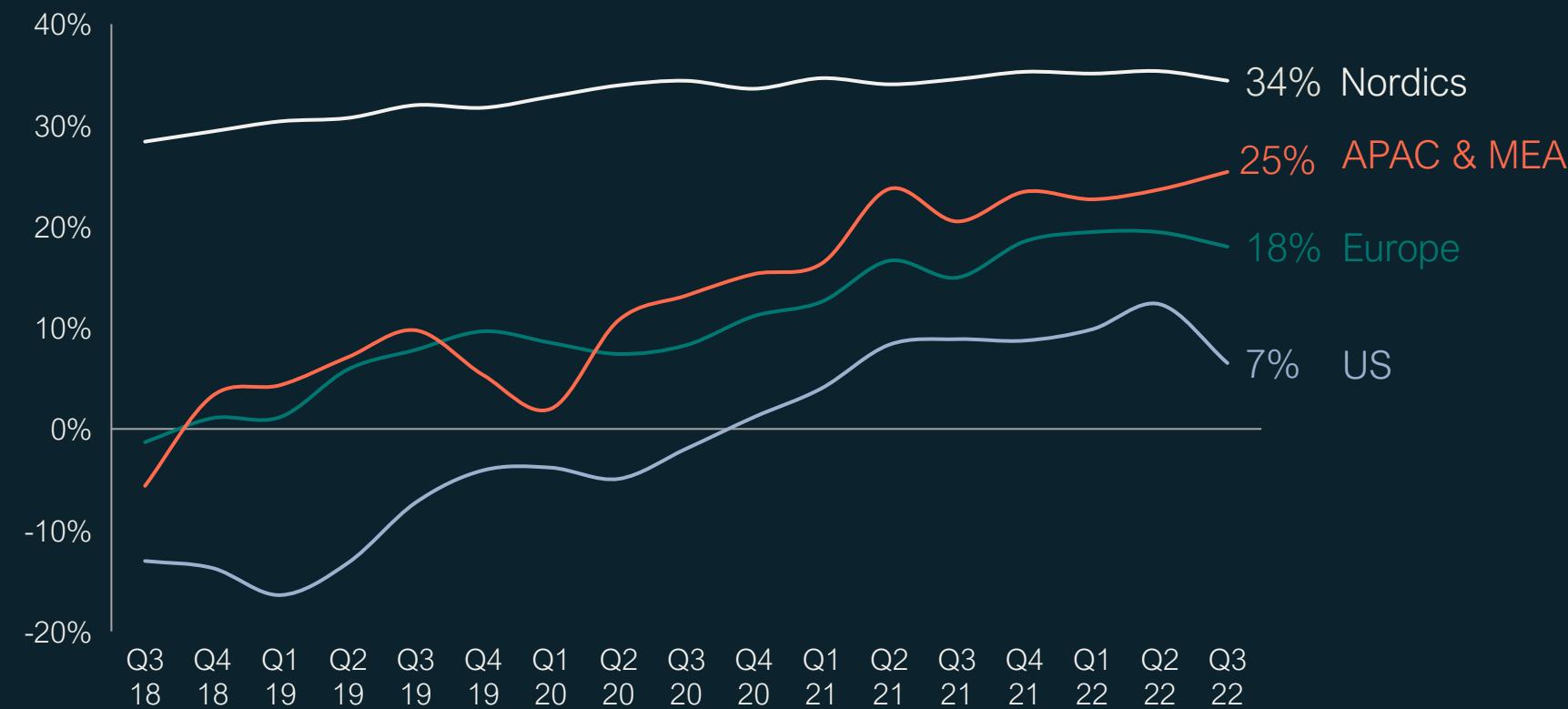
1 EBITDA (non-adjusted)

2 Acquisitions include business combinations.

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

# Margin expansion driven by increased scale and cost optimization

12-months rolling adj. EBITDA margin <sup>1</sup>



- Nordics maintaining strong margins
- APAC margins continuing to scale through ripe acquisition and synergies
- Continued investments in future growth in US and Europe

<sup>1</sup> Adjusted EBITDA divided by Gross Profit

## FINANCIAL REVIEW

## Profit and loss - Q3 2022

NOK million	Q3 2022	Q3 2021	2021
Gross sales	7,774.5	5,147.2	26,438.3
<b>Revenue</b>	<b>1,180.9</b>	<b>750.4</b>	<b>3,533.8</b>
Cost of sales	(188.4)	(108.6)	(494.1)
<b>Gross profit</b>	<b>992.5</b>	<b>641.8</b>	<b>3,039.7</b>
Operating expenses	(870.4)	(581.4)	(2,448.8)
<b>EBITDA</b>	<b>122.2</b>	<b>60.4</b>	<b>591.0</b>
Adjustments	5.3	(20.9)	63.9
<b>Adj. EBITDA</b>	<b>127.4</b>	<b>81.4</b>	<b>654.9</b>
Depreciation & Amortization	(72.6)	(41.3)	(174.5)
<b>EBIT</b>	<b>49.6</b>	<b>19.0</b>	<b>416.4</b>
Interest expense	(52.9)	(25.4)	(83.1)
Other financial income/expense	(96.3)	(121.4)	(30.3)
<b>Net income before tax</b>	<b>(99.5)</b>	<b>(127.7)</b>	<b>303.1</b>
Tax expense	30.3	(12.3)	(49.2)
<b>Net income</b>	<b>(69.2)</b>	<b>(140.0)</b>	<b>253.9</b>
EPS	(0.67)	(1.67)	2.58

- Depreciation & Amortization up NOK 31m YoY, of which NOK 25m directly related to Ripe.
- Interest expenses increased largely due to interest on new bond issuance and increased market rates
- Other financial income driven mainly by currency movements

## FINANCIAL REVIEW

## Balance sheet – Q3 2022

Assets	30 Sept. 2022	30 Sept. 2021	Equity and Liabilities	30 Sept. 2022	30 Sept. 2021
Contracts	589	164	Shareholders' equity	2,519	1,249
Goodwill	3,224	927	Interest-bearing debt	1,776	297
Other intangible assets	296	158	Deferred tax liabilities	123	14
Tangible assets	471	162	Other non-current liabilities	369	158
Non-current receivables	42	70	<b>Total non-current liabilities</b>	<b>2,269</b>	<b>469</b>
Investments in assoc. comp.	43	36	Accounts payable	5,187	3,106
<b>Total non-current assets</b>	<b>4,666</b>	<b>1,517</b>	Public duties	546	330
Inventory	4	5	Current lease liabilities	60	31
Accounts receivable	5,407	3,267	Other interest-bearing debt	447	1,890
Other current receivables	1,880	604	Other current liabilities	1,532	897
Cash & cash equivalents	605	2,578	<b>Total current liabilities</b>	<b>7,773</b>	<b>6,254</b>
<b>Total current assets</b>	<b>7,895</b>	<b>6,456</b>	<b>Total equity and liabilities</b>	<b>12,561</b>	<b>7,972</b>
<b>Total assets</b>	<b>12,561</b>	<b>7,972</b>			

- Contracts and goodwill driven by Sensa and rhipe acquisitions
- NOK 300m bond will be settled in November
- NIBD/Adj. EBITDA 2.5x



# Outlook



## 2022 OUTLOOK

# 2022 gross profit and EBITDA outlook maintained

	2021	LTM Q3 2022	FY 2022 outlook	Medium term	Comment
Gross profit growth	29.6%	45.2%	35-40%	~20%	2022 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin <sup>1</sup>	21.5%	20.7%	22-23%	Gradual increase to 25%	Continuing to invest in resources to drive growth while realizing scale benefits across international markets
Net working capital <sup>2</sup>	-21.2%	-9.0%	-15% to -20% -5% to -10%	-15% to -20%	Expected to normalize medium-term driven by working capital improvements
Capex	NOK 82.8m	NOK 107.1m	NOK ~100m NOK ~125m	NOK ~100m	Continued investments into platforms to drive scalable growth, 2022 office move

<sup>1</sup> Adjusted EBITDA divided by Gross Profit

<sup>2</sup> Average NWC last 4 quarters as share of gross profit last 4 quarters

## KEY TAKEAWAYS

# Summary and Outlook



Strong demand environment supporting global growth ambitions



Proven ability to drive profitable growth across a global market portfolio



Customer centric business model at the core



# Q&A

