



Quarterly Results

Q2 2024

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29 August 2024

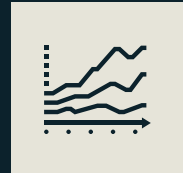
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Q2 HIGHLIGHTS

All time high working capital performance and continued profitability improvement

Amounts in NOK

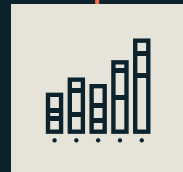


Continued strong growth



1,737m

Gross Profit
+13% growth



Margin improvement materializing



24%

Adj. EBITDA Margin¹
1 pp increase



Record setting working capital



-1,403m

Net working capital
1,3bn improvement

¹ Adjusted EBITDA divided by Gross Profit

KEY TAKEAWAYS

Delivering on 2024 objectives

2024 Objectives *(presented Q4 23)*



Capitalize on significant growth opportunities



Improve consulting profitability



Improve working capital

Where we are now:



13% Gross Profit growth in Q2 24



11% Adjusted EBITDA margin in Q2 24

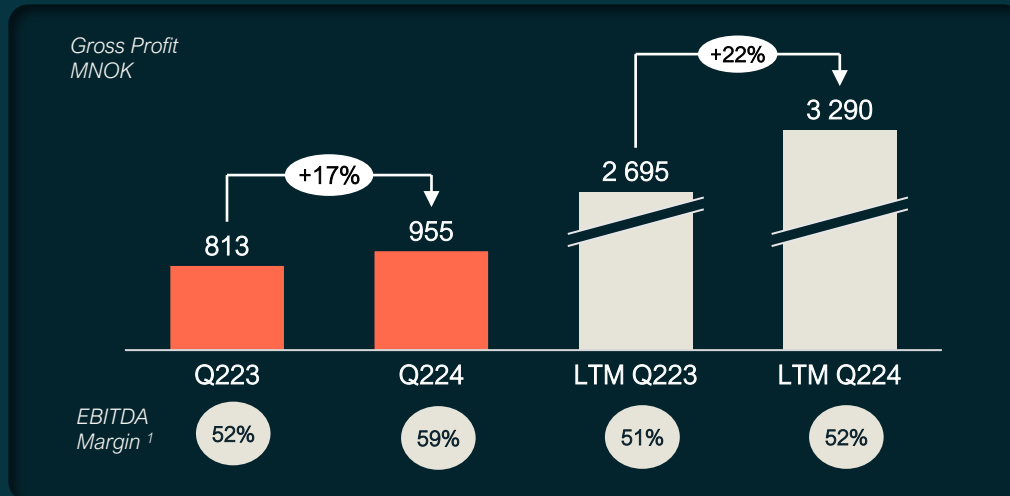


NOK **-1.4bn** in Q2 24

MARKET DYNAMICS

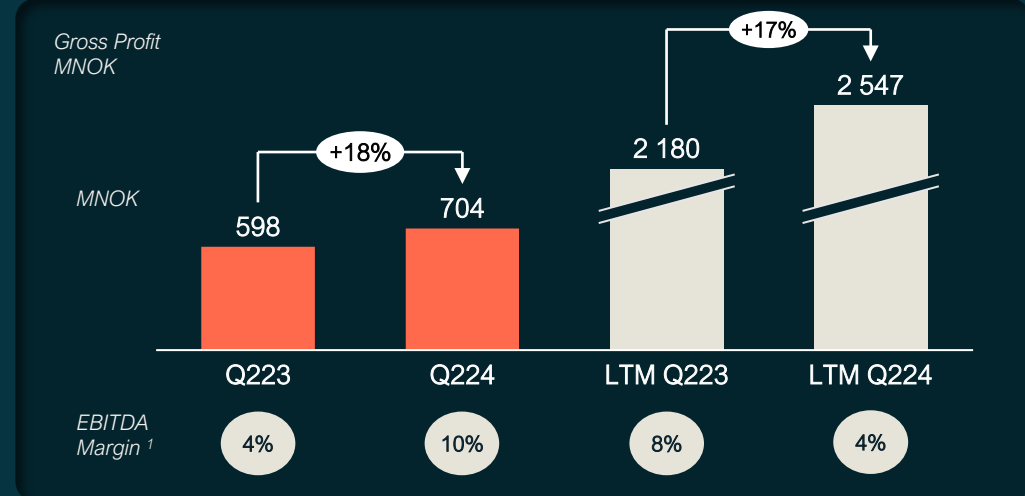
Strong software performance - further improved service profitability

Software and Cloud



- 17% in Q224 growth driven by Nordics and APAC & MEA
- Improved profitability as international businesses continue to scale
- Demand for software and cloud remain strong across multiple vendors
- Awarded Microsoft Partner of the year for scale solutions (LSP)
- Awarded EMEA Adobe Reseller Partner of the Year
- GenAI sales accelerating with Amazon Q and Microsoft CoPilot
- Significant public sector wins in the quarter

Services

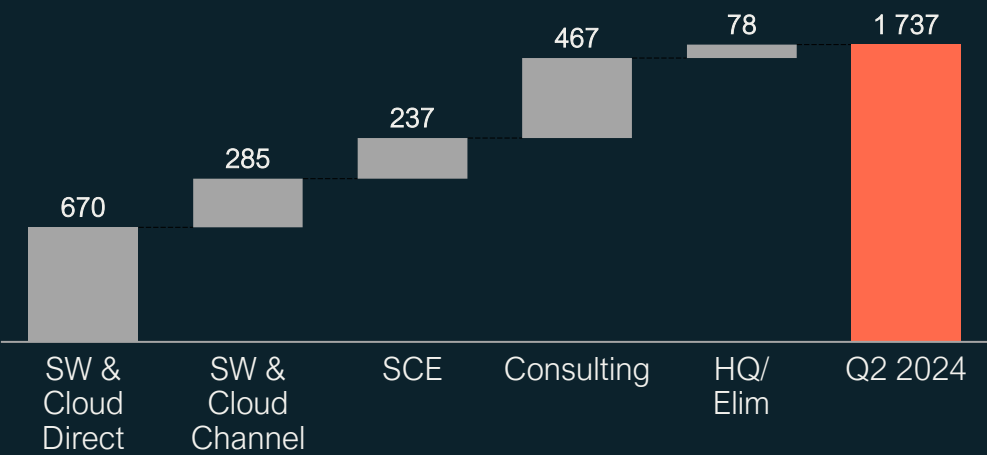


- 18% in Q224 growth driven by Nordics and Europe
- Strong improvement in Consulting profitability as planned
- Consolidating Nordic consulting to leverage the Crayon brand and increase potential for upsell and cross sell
- Deep expertise in Data & AI with global delivery capabilities
- Highest vendor specialization with Microsoft and Azure
- Active customer engagement to prepare for AI adoption
- Increased demand for robust cyber security solutions

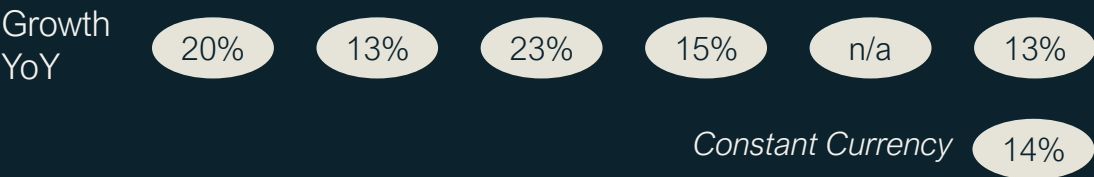
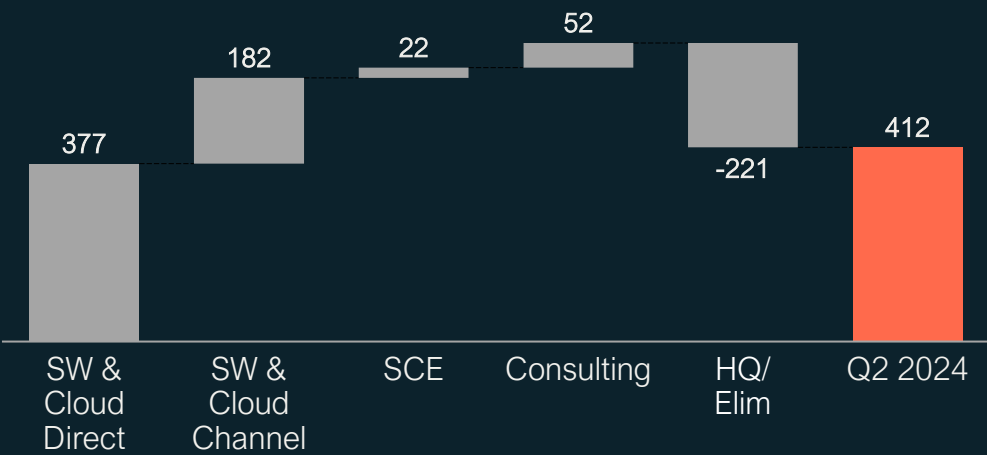
¹ Adjusted EBITDA divided by Gross Profit

Strong improvement in Consulting profitability

Q2 Gross Profit by business area
NOK million



Q2 Adj. EBITDA by business area
NOK million

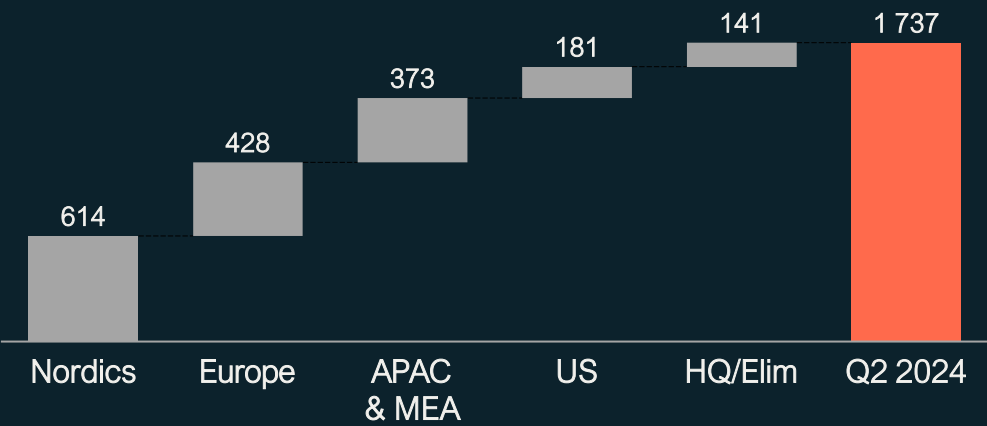


1 Adjusted EBITDA divided by Gross Profit

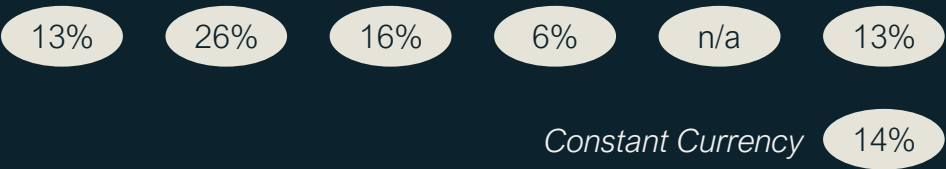
Solid growth across regions

Q2 Gross Profit by market cluster

NOK million

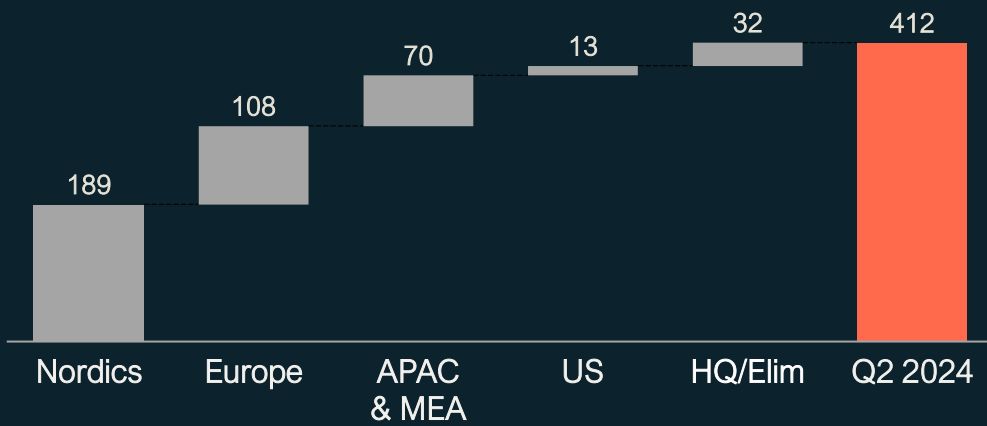


Growth YoY



Q2 Adj. EBITDA by market cluster

NOK million



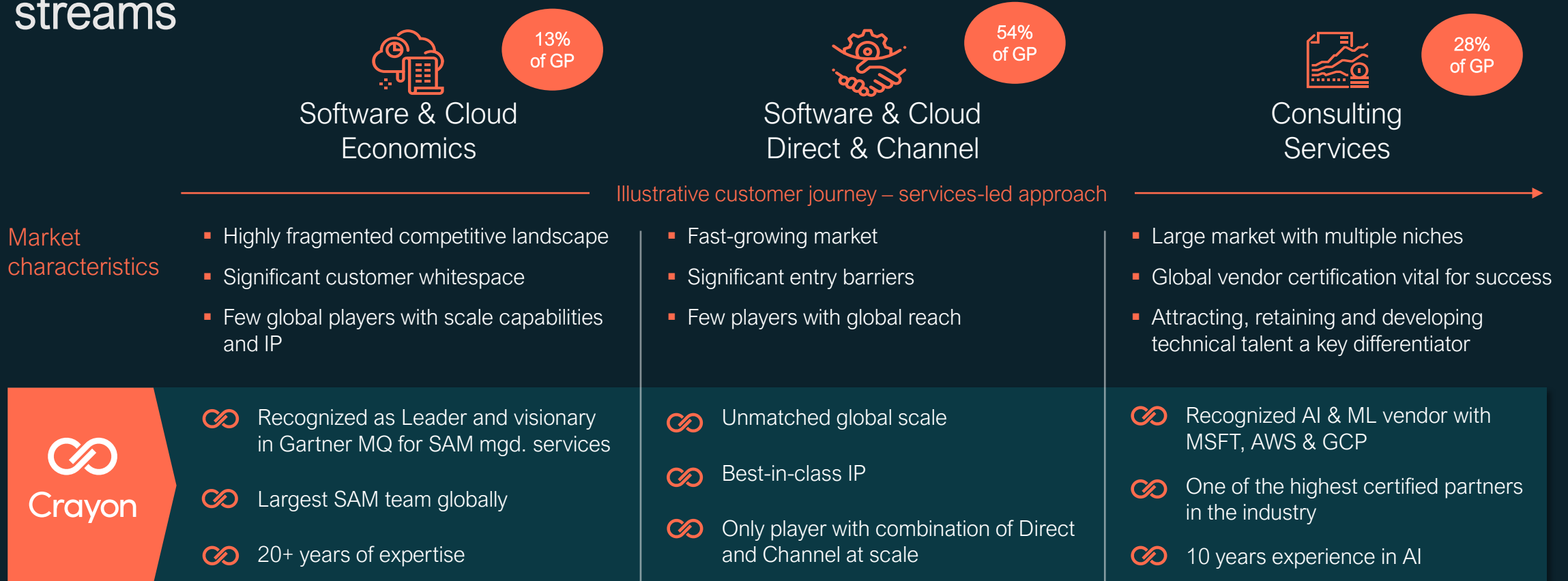
EBITDA Margin ¹



¹ Adjusted EBITDA divided by Gross Profit

OFFERING AND GO-TO-MARKET

How we compete - uniquely positioned across three customer value streams



The **services-led GTM** and **combination** of capabilities represent Crayon's unique value proposition

Crayon adds significant value to both vendors and customers

Key benefits for vendors

Trusted and proven partner
Long-term trusted partner with proven track-record



Fully certified and compliant
Fully ISO certified with a strong compliance and governance practice



Global, scalable distribution
Fully integrated distribution platform across geos and customer segments



Strong and complementary services offering
Service arm fully supporting cloud and software providers' go to market



Simplicity

Single point of contact for both customers and for vendors



Key benefits for end-customers and channel partners

Substantial tech spend savings
Substantial tech spend savings and ensuring tech investments generate maximum business value



Access to proprietary solutions
Proprietary IP solutions monitor, manage and ensure compliance



Strengthened bargaining position
By pooling through a partner, customers indirectly achieve a stronger bargaining position vs. vendors than they would individually



Best-in-class cloud capabilities
Deep technical competency in AI and Cybersecurity, Azure Expert MSP, awarded Premier AWS Partner status, Google Cloud partner



2024 Microsoft Partner of the Year

Crayon is the Global 2024 Microsoft Partner Award winner for Scale Solutions (LSP).

This accolade underscores our global leadership in IT services, driven by a robust cloud-first strategy and deep collaboration with Microsoft.

With more than 140,000 customers worldwide, including SMBs and Fortune 500 companies, Crayon continues to innovate across Microsoft's Partner Solution categories.



2024 Partner of the Year

Winner

Scale Solutions LSP Award

CUSTOMER STORY

Enefit turned on the power of M365 E5

Partnering with Crayon, Enefit enhanced its digital security with M365 E5, significantly improving endpoint protection and operational efficiency



Location: Estonia



Industry: Energy



Enefit

Enefit AS is a public limited energy company in Estonia with its HQ in Tallin.

Challenges

- Legacy solutions and best-of-breed security strategies were not optimal for detecting threats to cloud-based services.
- Third-party security technology lacked flexibility and granularity to respond.
- Needed a trusted partner to reset its security baseline and implement Microsoft E5 security stack

Solution

- Crayon designed and advised on security baseline using M365 E5 Advanced Security workloads.
- Formed one team to ensure deployment fit and risk reduction.
- Conducted training sessions for Enefit's Security and SOC teams.

Outcomes

- Future-proof security posture with Microsoft security solutions bolstered Enefit's security posture against evolving cyber threats.
- Improved operational efficiency, enabling Enefit to focus resources on core business functions.
- Enhanced endpoint protection and response.



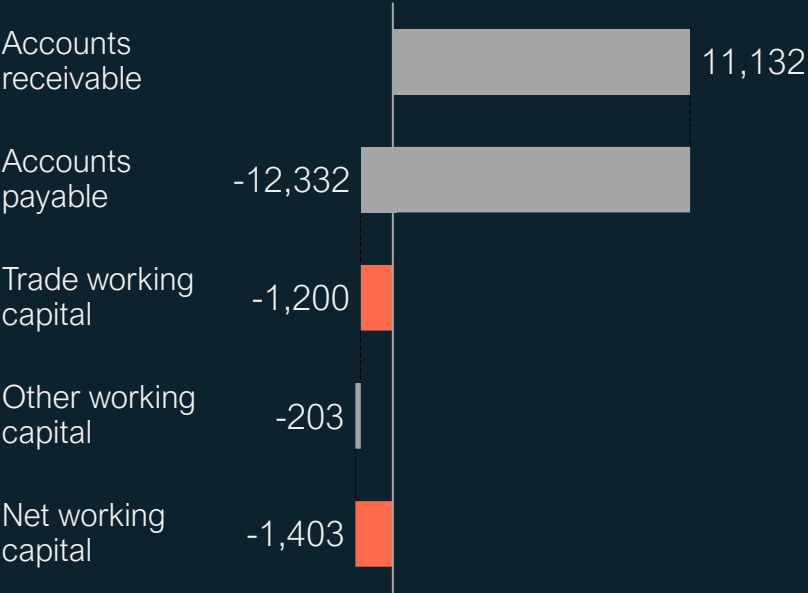


Financial Review

Record setting working capital result

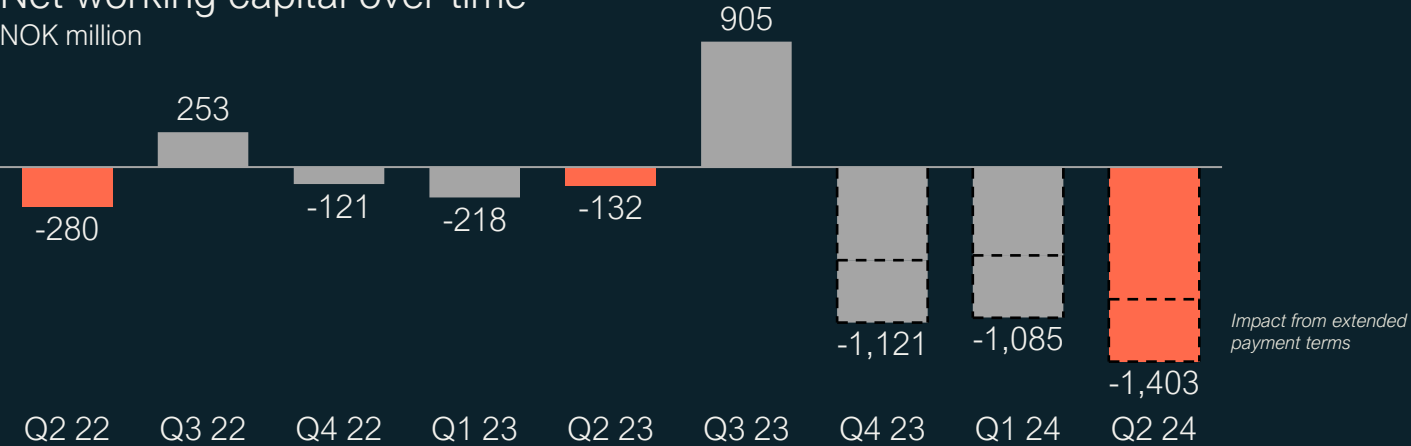
Net working capital Q2 2024

NOK million



Net working capital over time

NOK million



Focused working capital management yielding strong results

Average LTM NWC as share of LTM gross profit -11% end Q224

FY outlook upgraded to -5% to -12.5%

FINANCIAL REVIEW

Profit and loss – Q2 2024

NOK million	Q2 2024	Q2 2023	2023	2022
Gross Sales	18 167	15 361	49 077	38 761
Revenue	1 915	1 715	6 397	5 200
Cost of sales	-178	-183	-735	-704
Gross profit	1 737	1 533	5 662	4 496
Operating expenses	-1 343	-1 236	-4 917	-3 744
EBITDA	394	296	745	751
Adjustments	19	55	175	88
Adj EBITDA	412	351	919	839
Depreciation and amortization	-83	-79	-302	-334
EBIT	311	218	442	417
Share of profit (loss) from assoc.	0	0	0	6
Interest expense	-66	-68	-276	-194
Other financial income/expense	-57	-57	-249	-164
Net income before tax	188	92	-82	65
Tax	-54	-24	-77	-42
Net income	134	68	-159	23
EPS	1.40	0.69	-1,29	0,29
Comprehensive income				
Currency translation	-2	122	189	134
Comprehensive income, net of tax	132	189	29	157

- Operating expense includes NOK 25m in bad debt provisions, whereof NOK 9m is related to time value reduction of the outstanding receivable towards PSDBM
- EBITDA adjustments include NOK 16m in share-based payments and NOK 3m in M&A related cost
- Interest expenses reduced from NOK 71m in Q124 driven by lower interest in new bond loan
- Other financial expenses include NOK 34m in cost relating to refinancing of bond loan

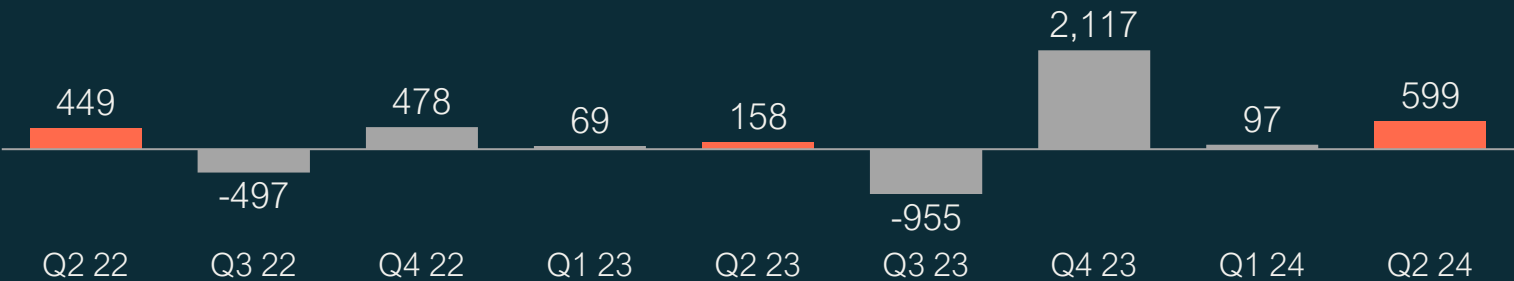
Balance sheet – Q2 2024

Assets	June 30 2024	June 30 2023	Equity and liabilities	June 30 2024	June 30 2023
Goodwill	3 331	3 349	Shareholders' equity	2 749	2 841
Other intangible assets	640	701	Interest bearing liabilities	1 190	1 790
Deferred tax asset	156	213	Deferred tax liabilities	123	232
Equipment	102	103	Lease liabilities	466	403
Right of use assets	530	448	Other non-current liabilities	27	32
Investments in assoc.comp.	43	42	Total non-current liabilities	1 805	2 457
Other non –current assets	174	70	Accounts payable	12 332	9 506
Total non-current assets	4 976	4 925	Income taxes payable	117	88
Inventory	0	19	Public duties	1 050	894
Accounts receivable	11 132	9 314	Current lease liabilities	105	76
Other current receivables and current assets	3 046	2 930	Other current interest-bearing liabilities	348	824
Cash and cash equivalents	1 435	1 405	Other current liabilities	2 082	1 907
Total current assets	15 613	13 669	Total current liabilities	16 034	13 296
Total assets	20 589	18 594	Total equity and liabilities	20 589	18 594

- RCF and overdraft facilities undrawn at quarter end
- Factoring totaled NOK 124m, down from NOK 247m in Q124
- Supplier financing totaled NOK 239m, up from NOK 147m in Q124

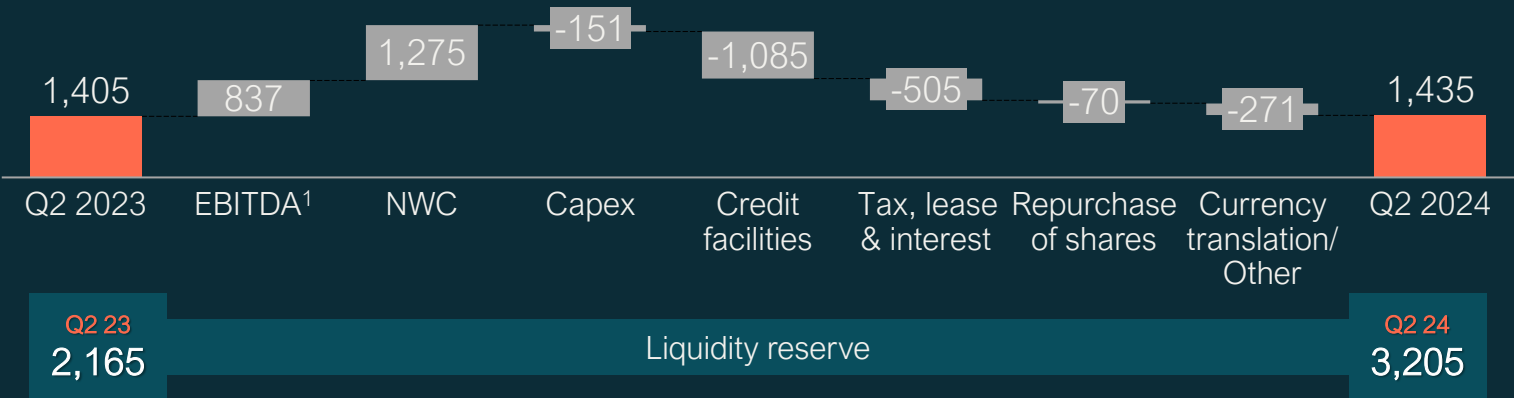
Robust financial position

Cash flow from operating activities
NOK million



Cash flow from operations driven by changes net working capital

LTM cash development
NOK million



Strong cash position and liquidity reserve of NOK 3,205m included undrawn credit facilities

Net debt / EBITDA 0.7x (2.0x)

RCF refinancing completed – Danske, ING and Citibank

¹ EBITDA (non-adjusted)

2024 outlook – Net Working Capital outlook upgraded

	2023	LTM Q2 2024	2024	Medium term	Comment
Gross Profit growth	26%	20%	18-20%	~20%	2024 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	16.2%	16.4%	18-20%	Gradual increase to 25%	Continuing growth while also improving profitability
Net working capital ²	-2.6%	-11.2%	-5% to -12.5%	~ -15%	Expected to normalize medium-term driven by working capital improvements

¹ Adjusted EBITDA divided by Gross Profit

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



Key takeaways



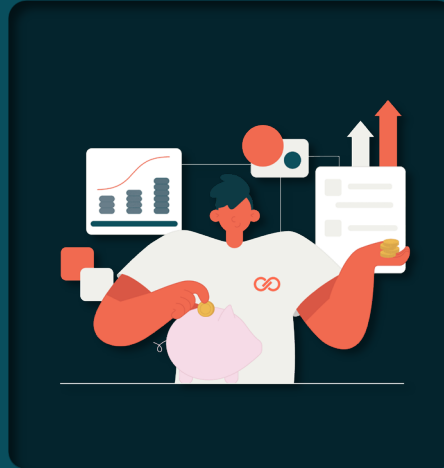
KEY TAKEAWAYS

Continued strong performance across all key metrics

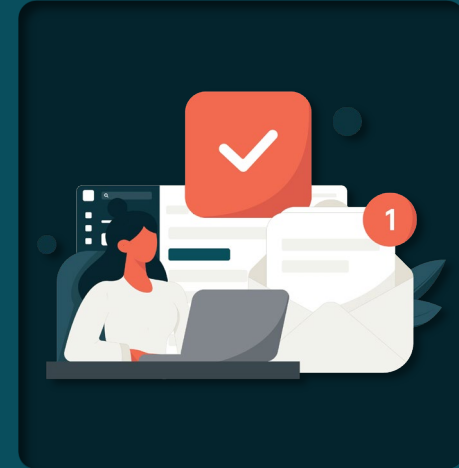
Continued strong growth



Improved profitability



Improved working capital



Crayon is uniquely positioned for further value creation



CRAYON EARNINGS Q2 2024

Q&A

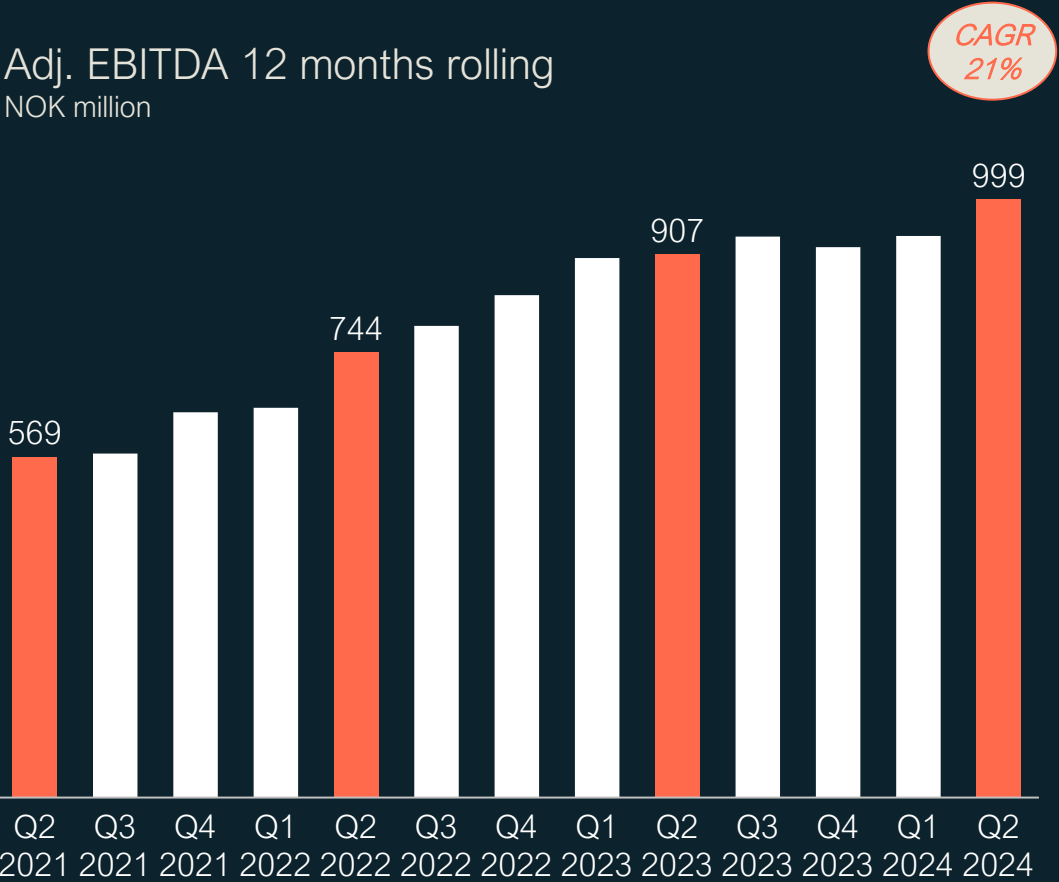
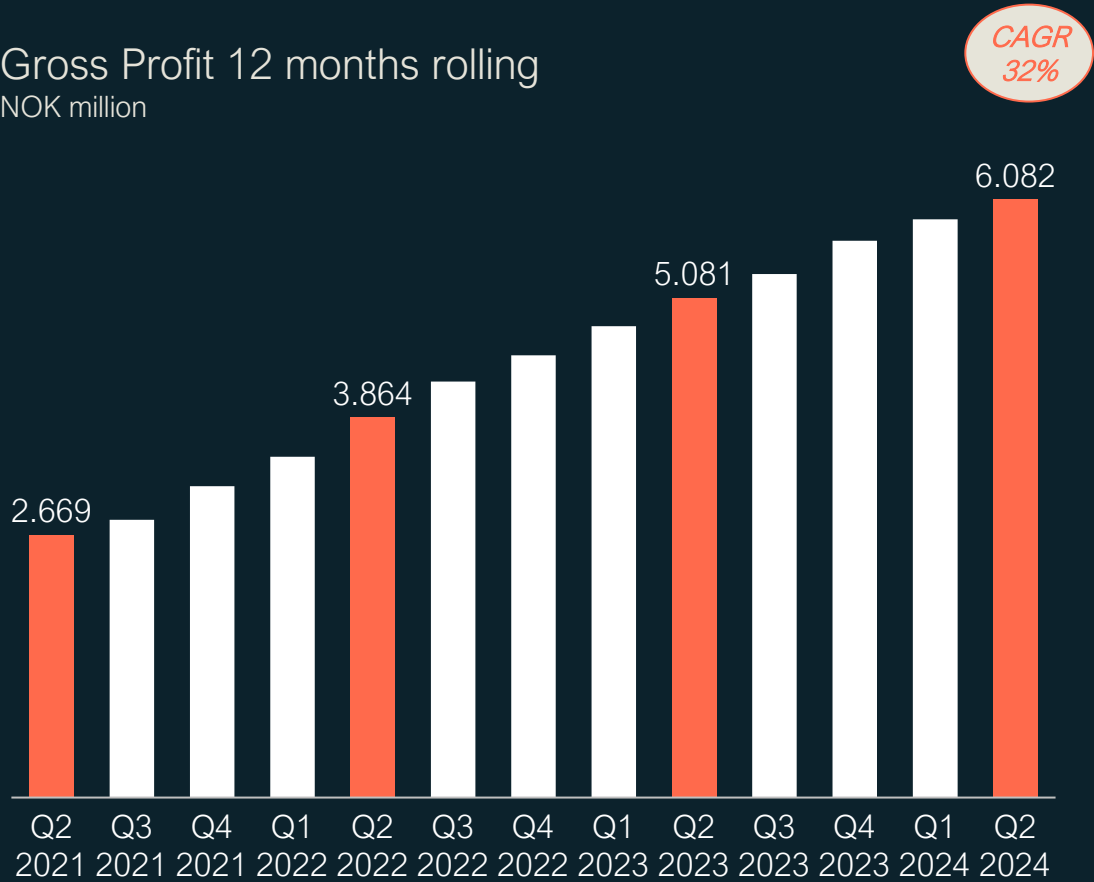




Appendix

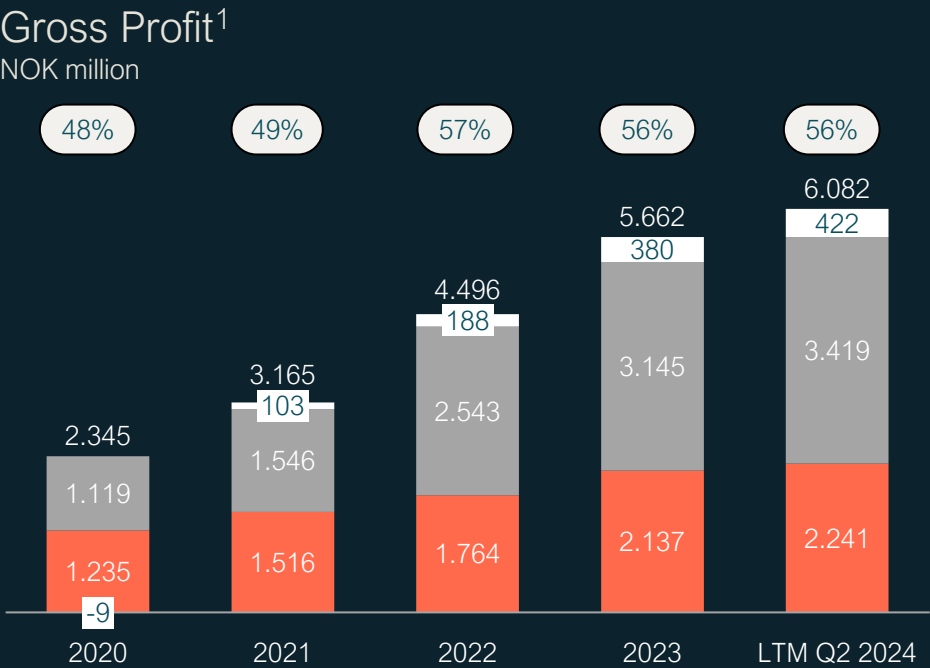
FINANCIAL REVIEW

Continued strong growth momentum and value creation

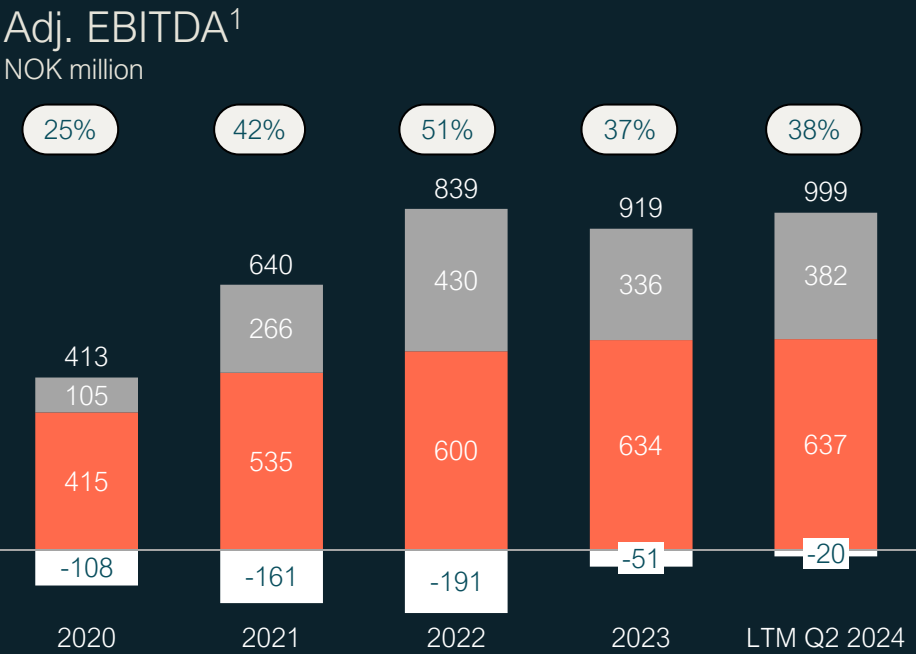


FINANCIAL REVIEW

56% of Gross Profit coming from international markets



- HQ/Elim
- International
- Nordics
- International share



¹2020 based on reporting as principal – restated as agent in 2021