



# Quarterly Results

Q2 2024

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29 August 2024

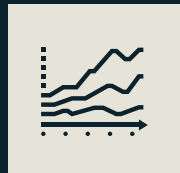
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Q2 HIGHLIGHTS

# All time high working capital performance and continued profitability improvement

Amounts in NOK

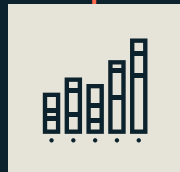


Continued strong growth



1,737m

Gross Profit  
+13% growth

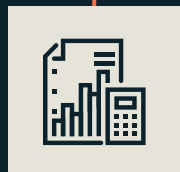


Margin improvement materializing



24%

Adj. EBITDA Margin<sup>1</sup>  
1 pp increase



Record setting working capital



-1,403m

Net working capital  
1,3bn improvement

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

KEY TAKEAWAYS

# Delivering on 2024 objectives

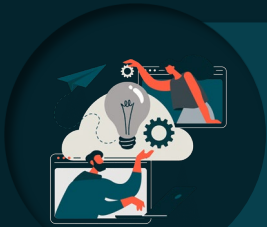
## 2024 Objectives *(presented Q4 23)*



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

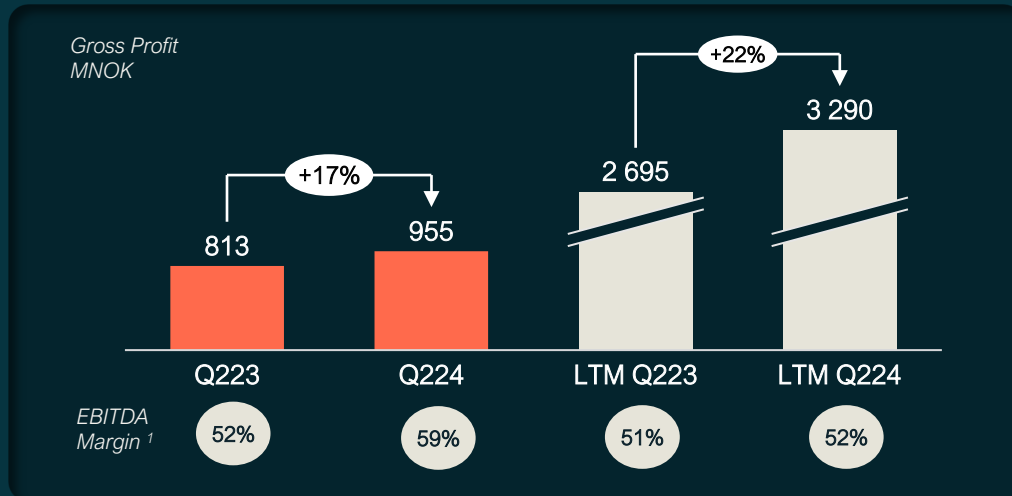


NOK **-1.4bn** in Q2 24

## MARKET DYNAMICS

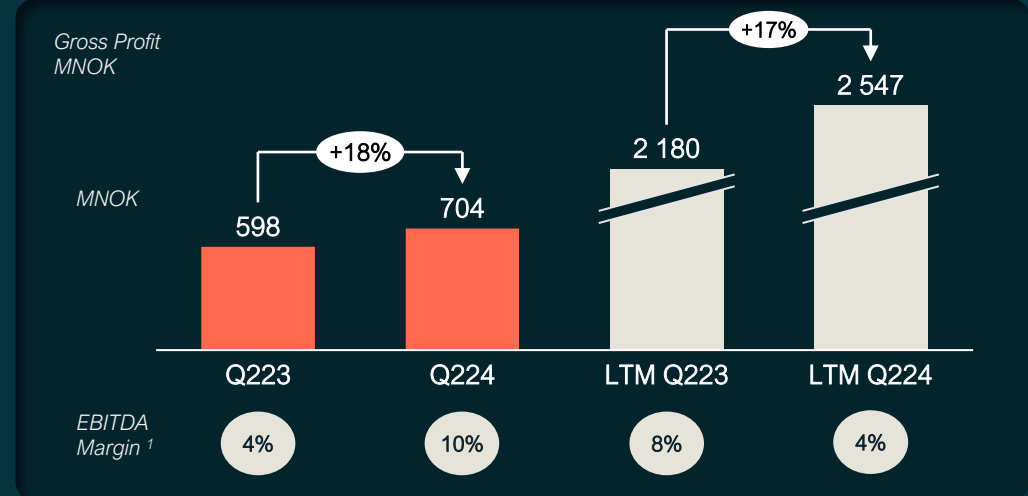
# Strong software performance - further improved service profitability

### 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

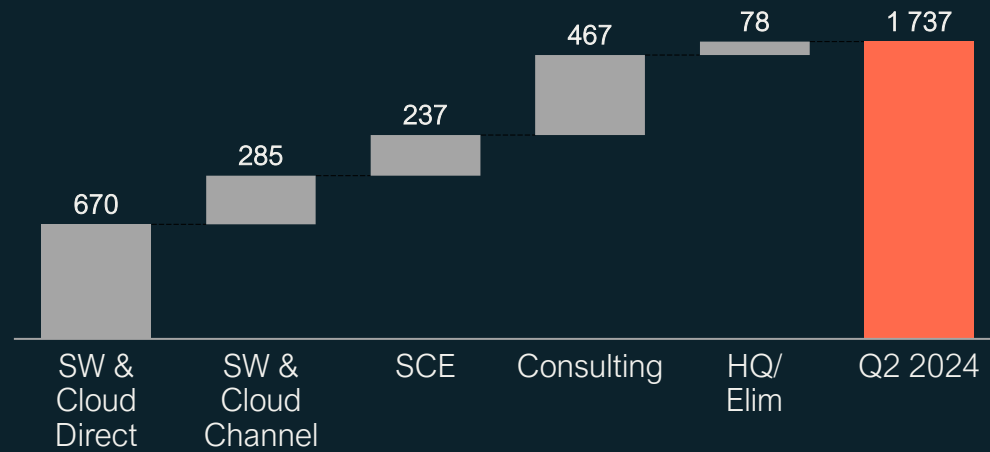


- 18% in Q224 growth driven by Nordics and Europe
- Strong improvement in Consulting profitability as planned
- Consolidating Nordic consulting to leverage the Crayon brand and increase potential for upsell and cross sell
- Deep expertise in Data & AI with global delivery capabilities
- Highest vendor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

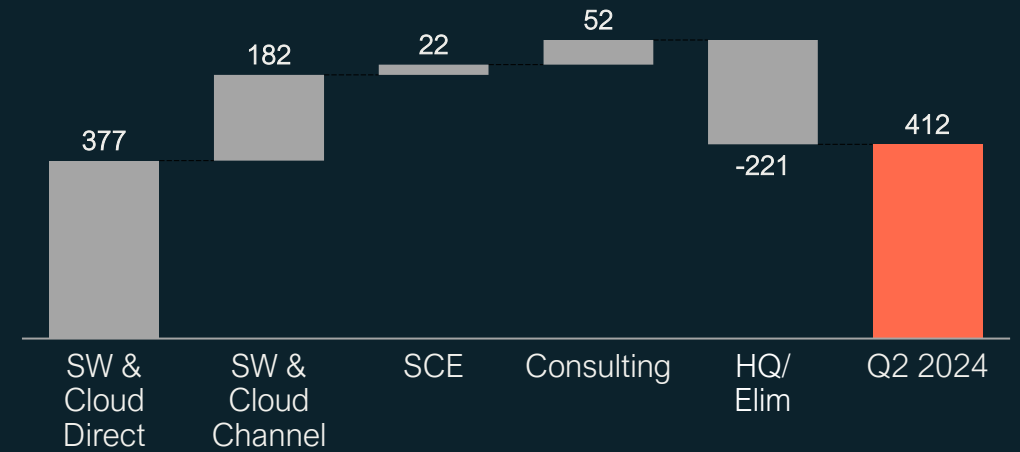
1 Adjusted EBITDA divided by Gross Profit

# Strong improvement in Consulting profitability

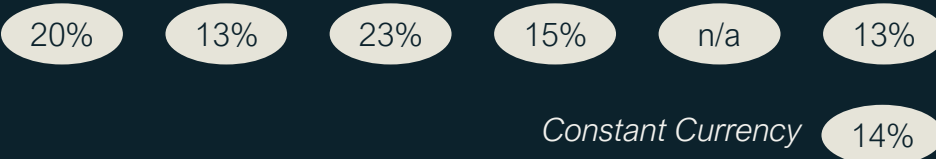
Q2 Gross Profit by business area  
NOK million



Q2 Adj. EBITDA by business area  
NOK million



Growth YoY



EBITDA Margin <sup>1</sup>



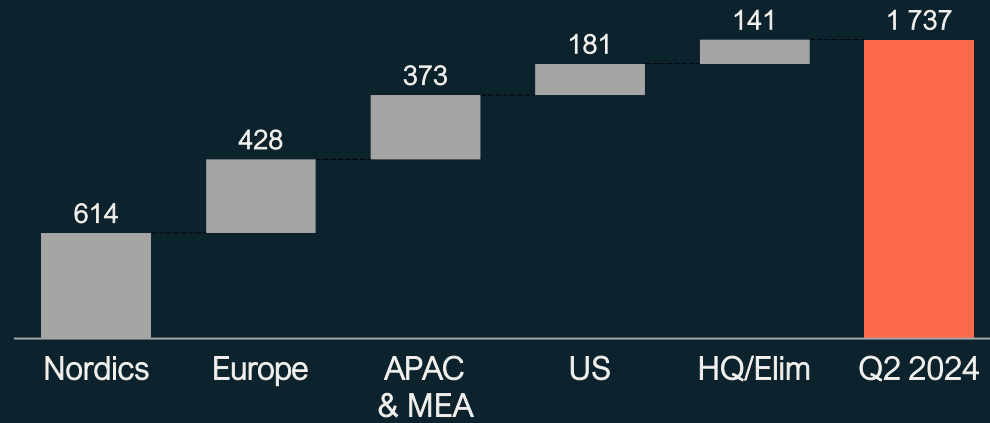
<sup>1</sup> Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

# Solid growth across regions

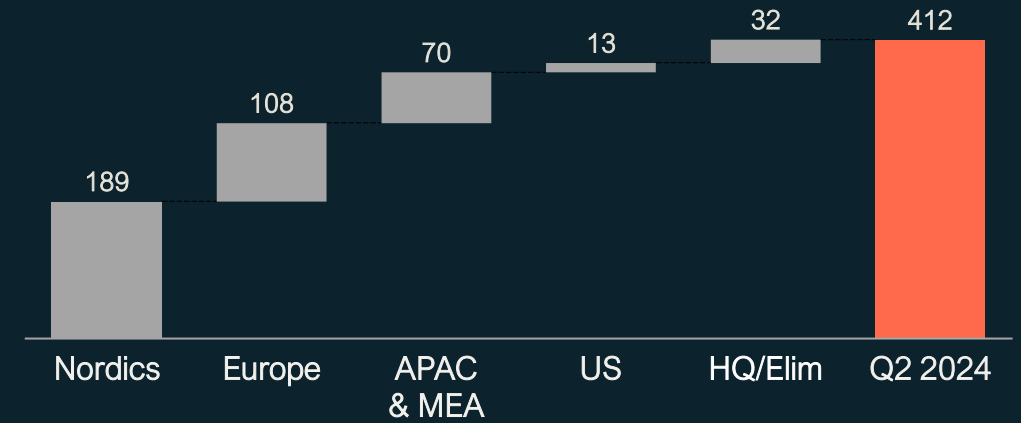
Q2 Gross Profit by market cluster

NOK million

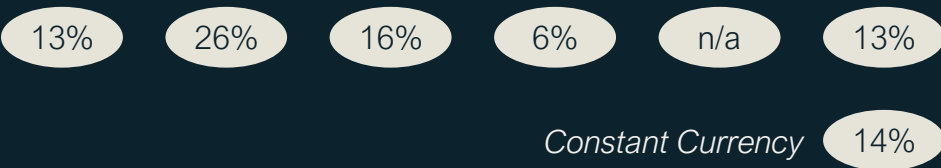


Q2 Adj. EBITDA by market cluster

NOK million



Growth YoY



EBITDA Margin <sup>1</sup>



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

OFFERING AND GO-TO-MARKET

# How we compete - uniquely positioned across three customer value streams



Illustrative customer journey – services-led approach

Market characteristics

- Highly fragmented competitive landscape
- Significant customer whitespace
- Few global players with scale capabilities and IP

- Fast-growing market
- Significant entry barriers
- Few players with global reach

- Large market with multiple niches
- Global vendor certification vital for success
- Attracting, retaining and developing technical talent a key differentiator

	<ul style="list-style-type: none"> <li>∞ Recognized as Leader and visionary in Gartner MQ for SAM mgd. services</li> <li>∞ Largest SAM team globally</li> <li>∞ 20+ years of expertise</li> </ul>	<ul style="list-style-type: none"> <li>∞ Unmatched global scale</li> <li>∞ Best-in-class IP</li> <li>∞ Only player with combination of Direct and Channel at scale</li> </ul>	<ul style="list-style-type: none"> <li>∞ Recognized AI &amp; ML vendor with MSFT, AWS &amp; GCP</li> <li>∞ One of the highest certified partners in the industry</li> <li>∞ 10 years experience in AI</li> </ul>
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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

## Key benefits for end-customers and channel partners



# 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.



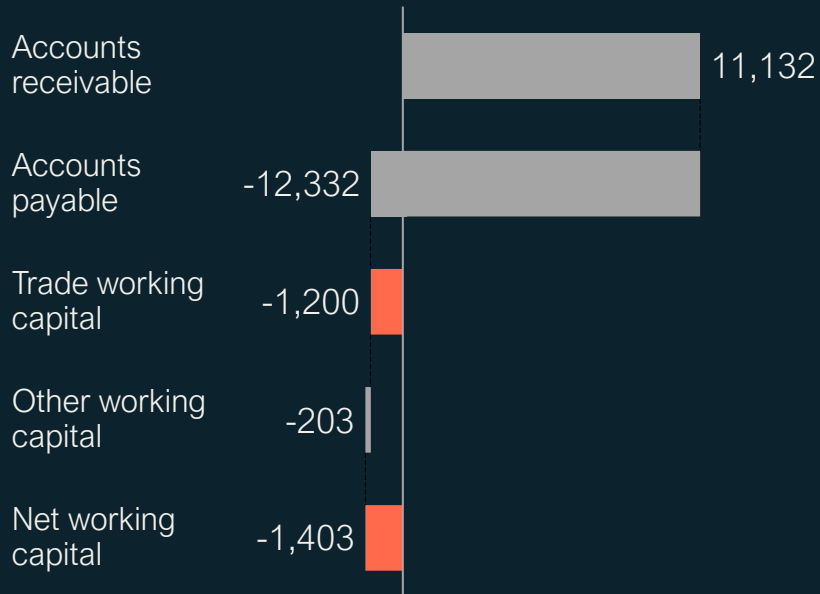


# Financial Review

# Record setting working capital result

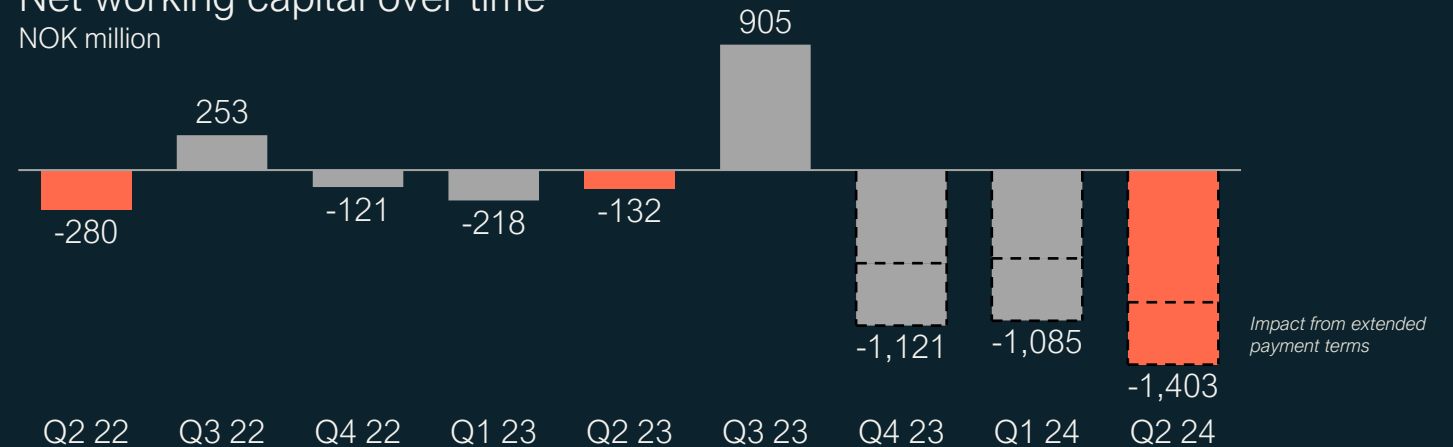
Net working capital Q2 2024

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

- 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

<b>Assets</b>	June 30 2024	June 30 2023	<b>Equity and liabilities</b>	June 30 2024	June 30 2023
Goodwill	3 331	3 349	<b>Shareholders' equity</b>	<b>2 749</b>	<b>2 841</b>
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	<b>Total non-current liabilities</b>	<b>1 805</b>	<b>2 457</b>
Other non –current assets	174	70	Accounts payable	12 332	9 506
<b>Total non-current assets</b>	<b>4 976</b>	<b>4 925</b>	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
<b>Total current assets</b>	<b>15 613</b>	<b>13 669</b>	<b>Total current liabilities</b>	<b>16 034</b>	<b>13 296</b>
<b>Total assets</b>	<b>20 589</b>	<b>18 594</b>	<b>Total equity and liabilities</b>	<b>20 589</b>	<b>18 594</b>

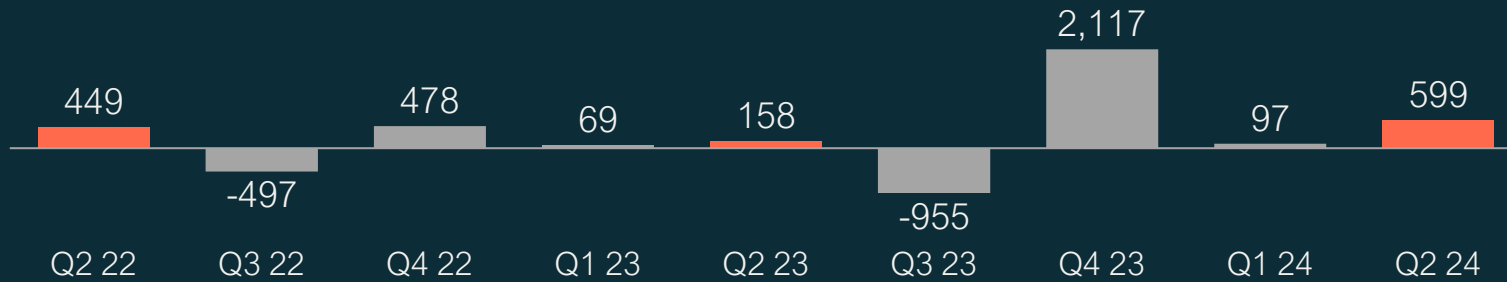
- RCF and overdraft facilities undrawn at quarter end
- Factoring totaled NOK 124m, down from NOK 247m in Q124
- Supplier financing totaled NOK 239m, up from NOK 147m in Q124

FINANCIAL REVIEW

# Robust financial position

## Cash flow from operating activities

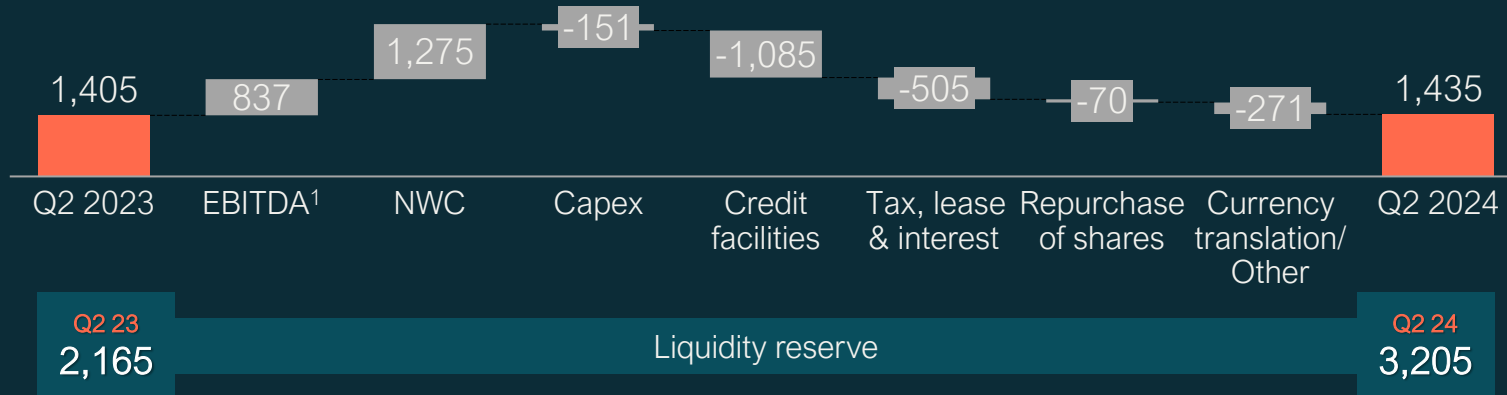
NOK million



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

<sup>1</sup> 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 <sup>1</sup>	16.2%	16.4%	18-20%	Gradual increase to 25%	Continuing growth while also improving profitability
Net working capital <sup>2</sup>	-2.6%	-11.2%	-5% to -12.5%	~ -15%	Expected to normalize medium-term driven by working capital improvements

<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



KEY TAKEAWAYS

# Continued strong performance across all key metrics

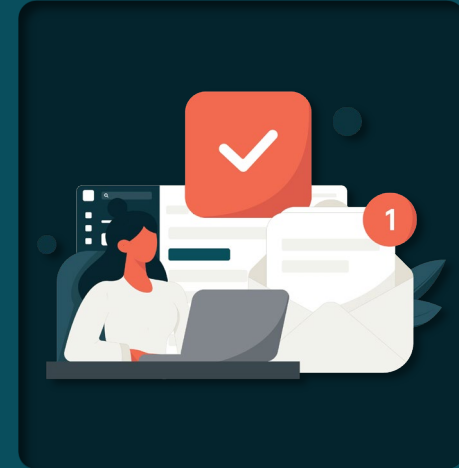
Continued strong growth



Improved profitability



Improved working capital



Crayon is uniquely positioned for further value creation



CRAYON EARNINGS Q2 2024

# Q&A





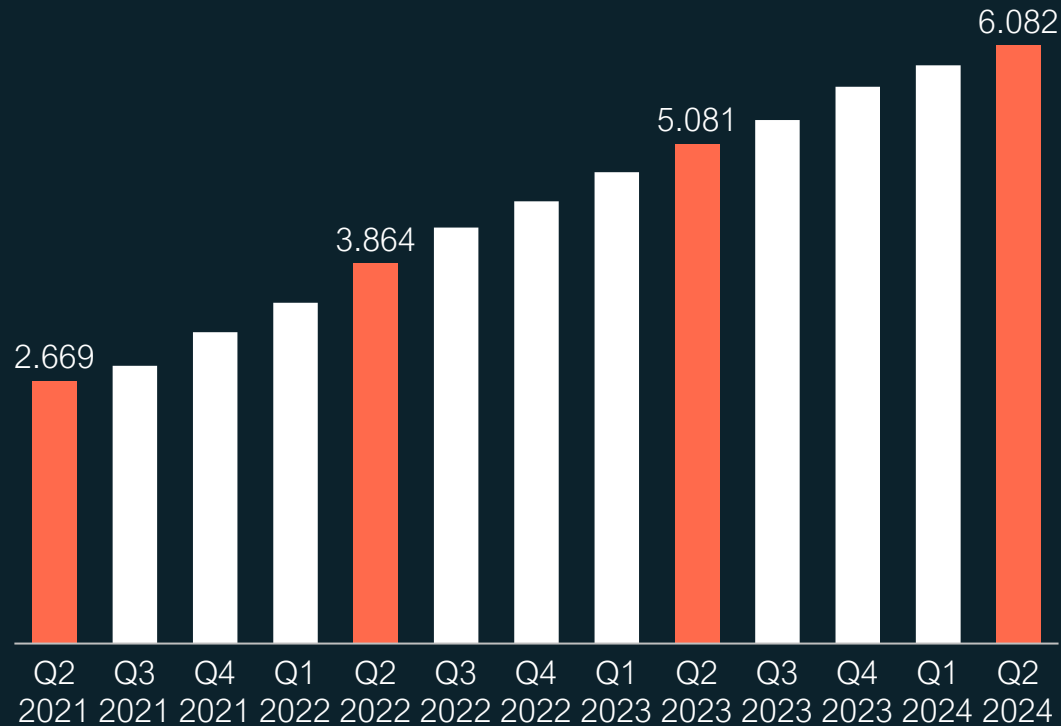
Appendix

## FINANCIAL REVIEW

# Continued strong growth momentum and value creation

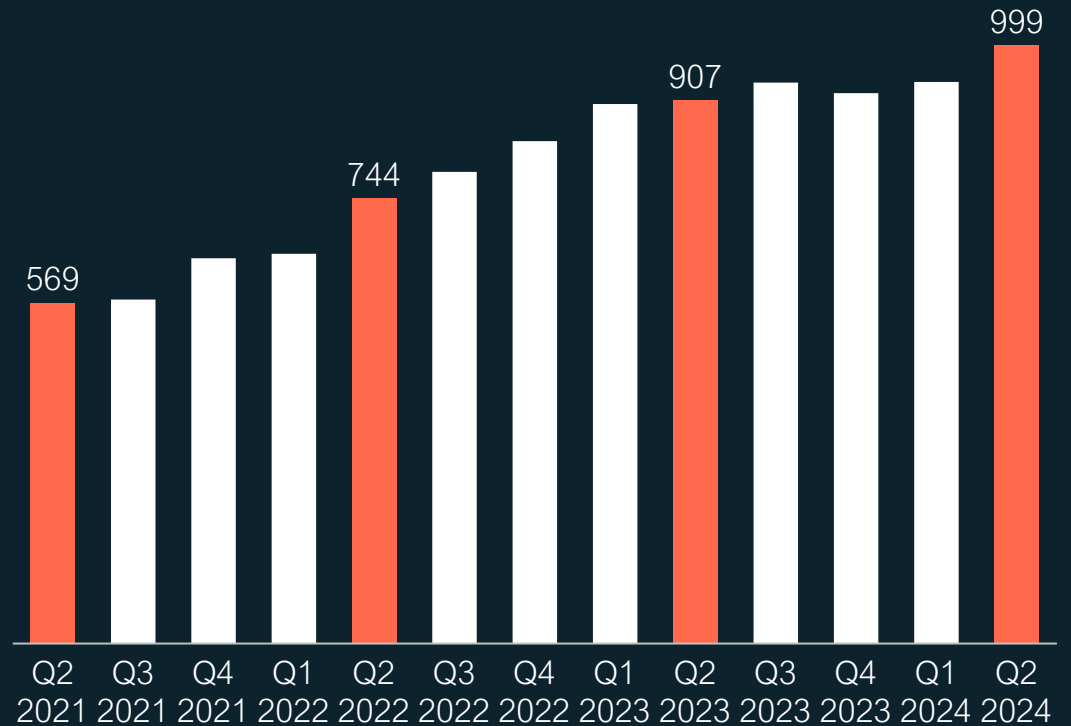
Gross Profit 12 months rolling  
NOK million

CAGR  
32%



Adj. EBITDA 12 months rolling  
NOK million

CAGR  
21%

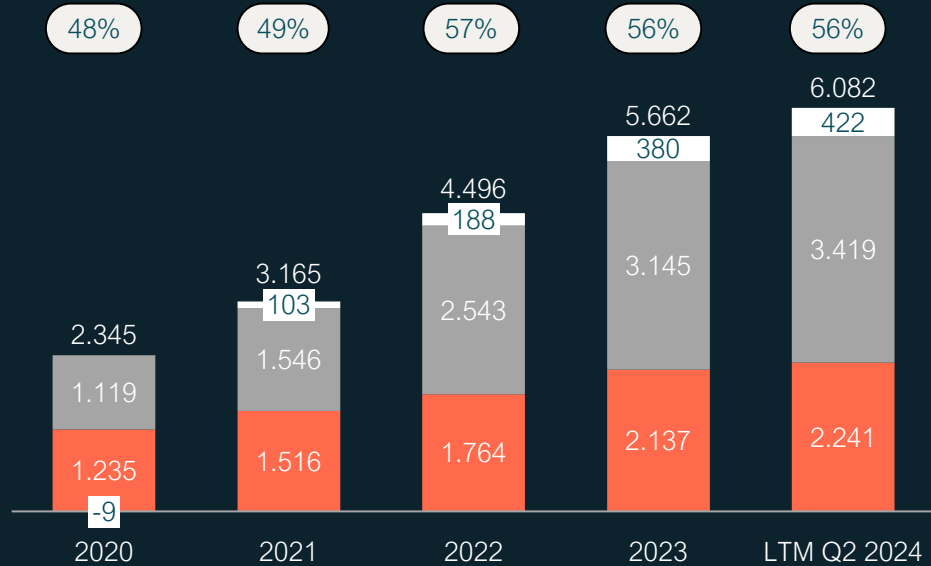


## FINANCIAL REVIEW

# 56% of Gross Profit coming from international markets

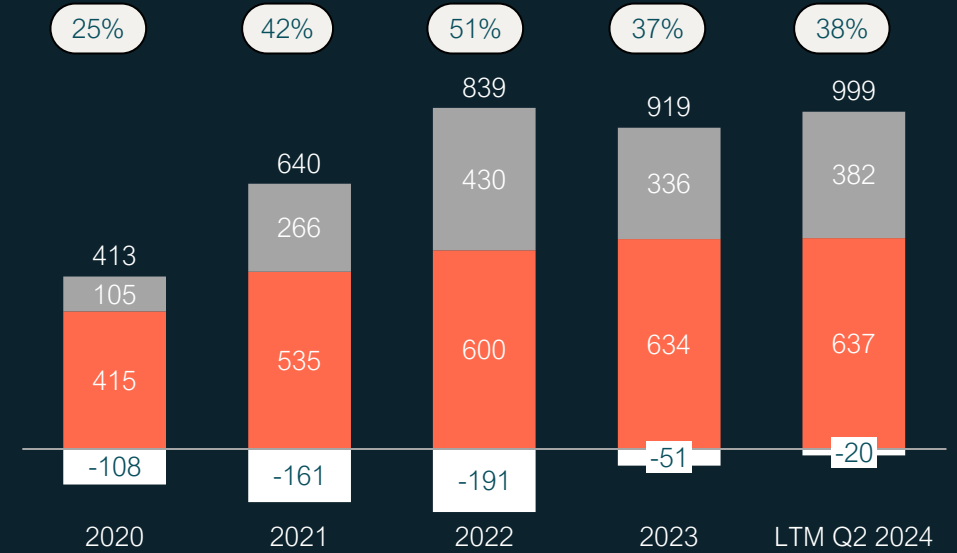
### Gross Profit<sup>1</sup>

NOK million



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

NOK million



- HQ/Elim
- International
- Nordics
- International share

<sup>1</sup>2020 based on reporting as principal – restated as agent in 2021