

**Q4 update**  
February 13, 2020



## Today's presenters



**Erik Syrén, CEO**  
Lime since 2001



**Magnus Hansson, CFO**  
Lime since 2015



# The Lime story

28 years of experience of long-term profitable growth

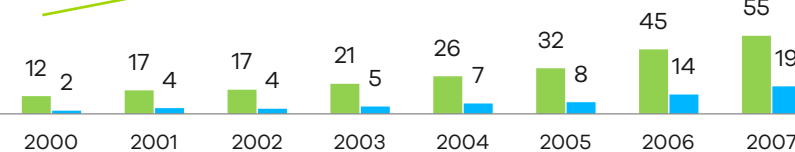
## 2000 – 2007

### 100% CRM focus

- Founded in 1990 in Lund and released first sales tool two years later
- Transition from programming consulting to pure CRM focus in 2000
- Lime CRM is launched in 2002
- Stockholm and Gothenburg offices established

Founded  
in 1990

CAGR 2000-2007: 24%

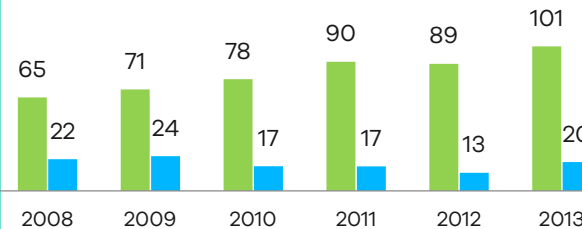


## 2008 – 2013

### Subsidiary within Bisnode, initial expansion and product development

- Subsidiary within Bisnode since 2008
- Expansion to Finland and Norway in 2010 within Bisnode network
- Investments in product development:
  - Investments to make platform more cloud compliant and suitable for SMBs
  - Launch of new product Lime Go
- New CEO (Erik Syrén) as of 2012

CAGR 2007-2013: 11%

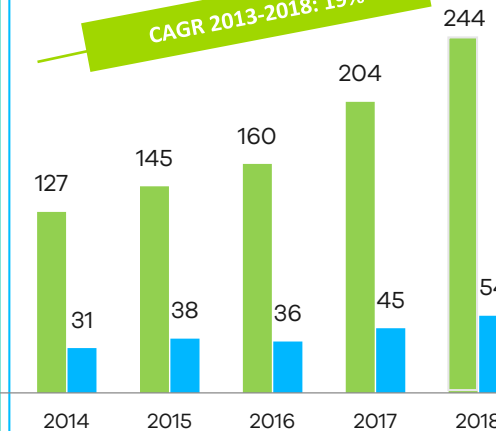


## 2014 – 2018

### Transformation of business model to SaaS and organizational scale-up

- Acquired by Monterro in 2014
- Transformation of pricing model from upfront to subscription
- Strengthening of organization and product development to scale for further growth
- Focus on scaling up Finland, Norway & expansion to Denmark
- FTE growth of 55% 2015-June 2018:
  - Development, product & market +68%
  - International (outside Sweden) +113%
- Rebranding from Lundalogik to Lime
- Acquisition of RemoteX, Netoptions & Sparta

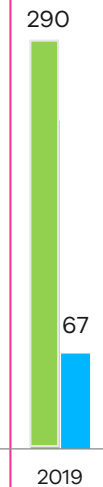
CAGR 2013-2018: 19%



## 2019 –

### Focus on longterm profitable growth through Nordic expansion and M&A

- Listed on Nasdaq Stockholm since 2018
- Focus on scaling up Finland, Norway and Denmark
- Recruitment of more than 70 employees
- Acquisition of Janjoo and More intenz
- Expansion to Netherlands



■ Net sales (SEKm) ■ Adj. EBITA (SEKm)



# Agenda

**1. Invest-  
ments**

**2. Strategy**

**3. Deals**

**4. Retention**

**5. Netsales**

**6. Profit-  
ability**



# Q4 2019 highlights



## 1. Investments

# Netherlands



- One of the fastest growing CRM markets in Europe
- Business culture similar to the Nordics
- Competitive landscape similar to the Nordics
- Common industries: utility, real estate & wholesale
- We can reach the whole country from one office

## Lime Forms

[illegible]

# Lime Portal

The image displays the 'Ärendeportalen' (Case Portal) application on both desktop and mobile devices. The desktop view shows a sidebar with navigation options: 'Inloggad som anv5', 'Ärenden', 'Skapa ett ärende', 'Lista ärenden', 'Kunskapsdatabas', 'Sök', and 'Logga ut'. The main content area displays a table of cases under the heading 'Ärenden' with tabs for 'MINA ÄRENDEN' and 'ÄRDELNINGENS ÄRENDEN'. The table has columns for 'Ärendenummer', 'Status', 'Kategori', 'Rubrik', 'Handläggare', and 'Skapades'. The mobile phone view shows a similar interface, demonstrating the application's responsive design.

Ärendenummer	Status	Kategori	Rubrik	Handläggare	Skapades
100324	Pågående	Avvikelse	Problem med att logga in	Malin Persson	2019-02-20 10:21
100054	Avklarad	Telefoni	Svagt ljud	hand1	2017-09-15 09:28
100065	Avklarad	Beställning	Behöver inloggning	sup3	2017-09-15 10:03
100075	Avklarad	Ekonomi	Felaktig faktura	hand5	2017-09-15 12:00
100087	Avklarad	Telefoni	Mobiletelefon stulen	hand1	2017-09-15 14:50
100148	Avklarad	Kundtjänst	Flytt	hand6	2017-09-18 11:59

## Q4 2019 highlights

A green teardrop-shaped graphic with a small tail pointing towards the bottom-left.

**1. Invest-  
ments**

A pink teardrop-shaped graphic with a small tail pointing towards the bottom-left.

**2. Strategy**



# Established position for further growth

Several organic drivers supported by acquisition opportunities





## Q4 2019 highlights

**1. Invest-  
ments**

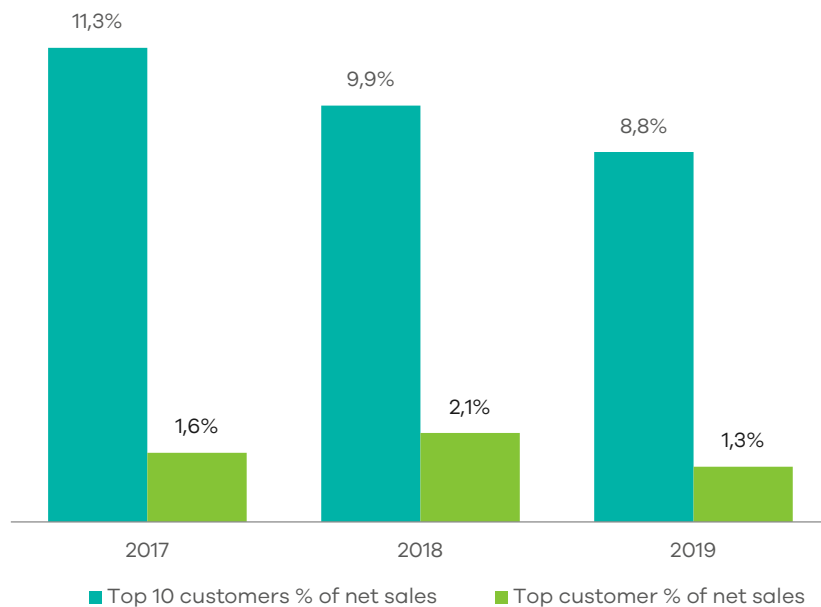
**2. Strategy**

**3. Deals**

# Several deals in the Nordics

Good mixture of small, midsize and large enterprises

## Customer concentration



*Norrtälje Energi*



## Q4 2019 highlights



**1. Investments**



**2. Strategy**



**3. Deals**

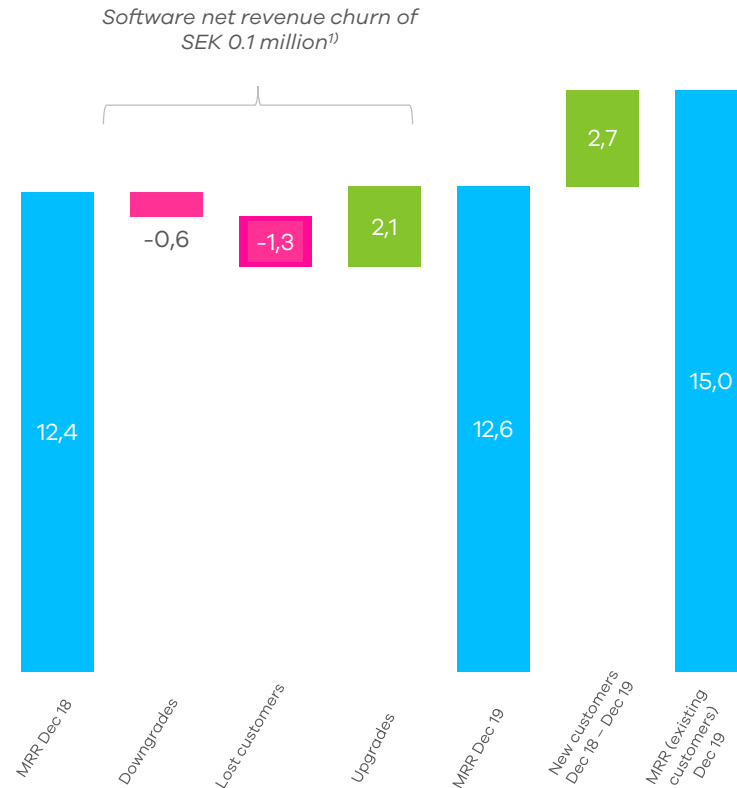


**4. Retention**

# Revenue churn

## Software net revenue churn

SEKm



## Comments

- **Downgrades:** Existing customers reduce numbers of users and addons
- **Lost customers:** Old customers cancel their agreements
- **Upgrades:** Existing customers acquire new licenses and addons
- **Positive revenue churn:** Existing customers are buying more new licenses and addons than we churn

~5 000 customers and ~70,000 users



## Q4 2019 highlights

**1. Invest-  
ments**

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**4. Retention**

**5. Netsales**

# Increase in annual recurring revenue drives growth

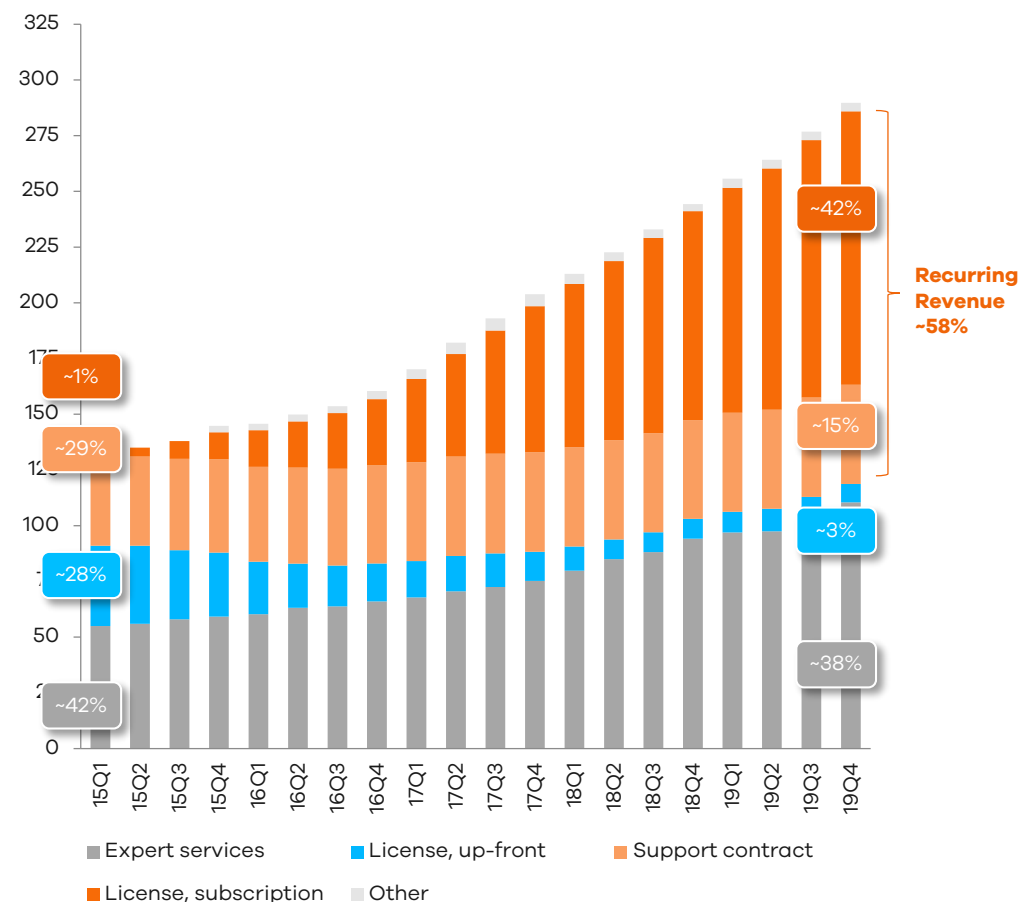


Transition from up-front to subscription pricing model since 2015 is nearly complete

## Recurring revenue is growing rapidly

### Pricing model transformation over time

LTM net sales by revenue stream, SEKm



### Revenue guidance

#### License, subscription

- ✓ CRM-system mainly as subscription
- ✓ Increased sales team to drive further ARR for subscriptions

#### Support contract

- ✓ Support contract sold together with up-front
- ✓ As almost no new sales in up-front, no new additions to support contracts
- ✓ Support contracts for existing up-front clients still generate revenue

#### License, up-front

- ✓ Revenue stream in decline as product sold as SaaS
- ✓ Some existing clients still buy more licenses up-front

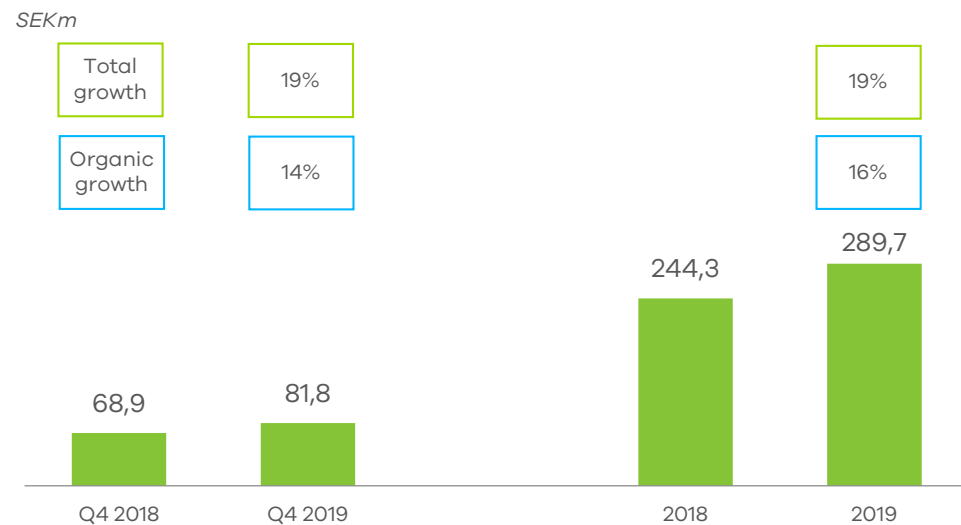
#### Expert services

- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but lower than total net sales

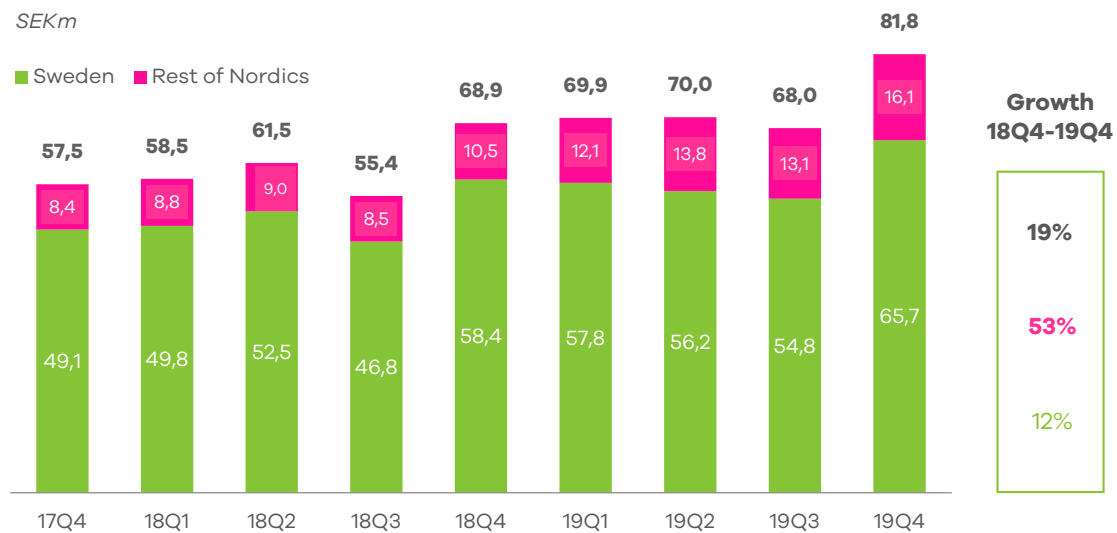


# Revenue

## Net sales development



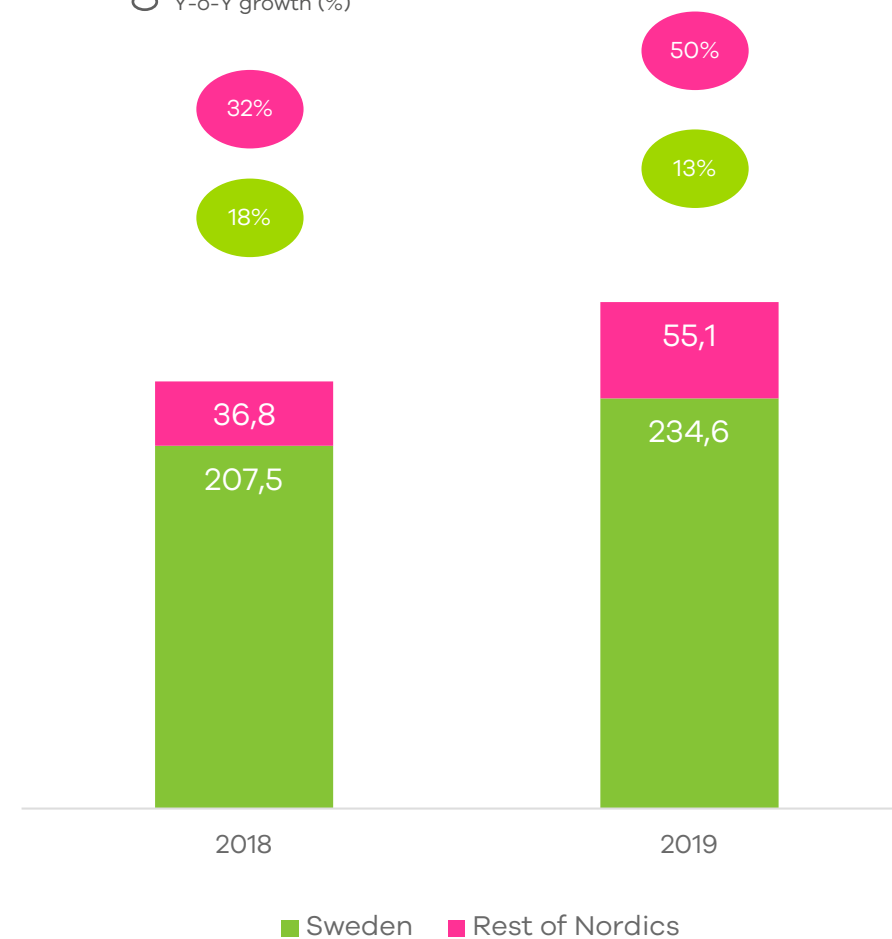
## Split by geography



## Traction across geographies

SEKm

○ Y-o-Y growth (%)





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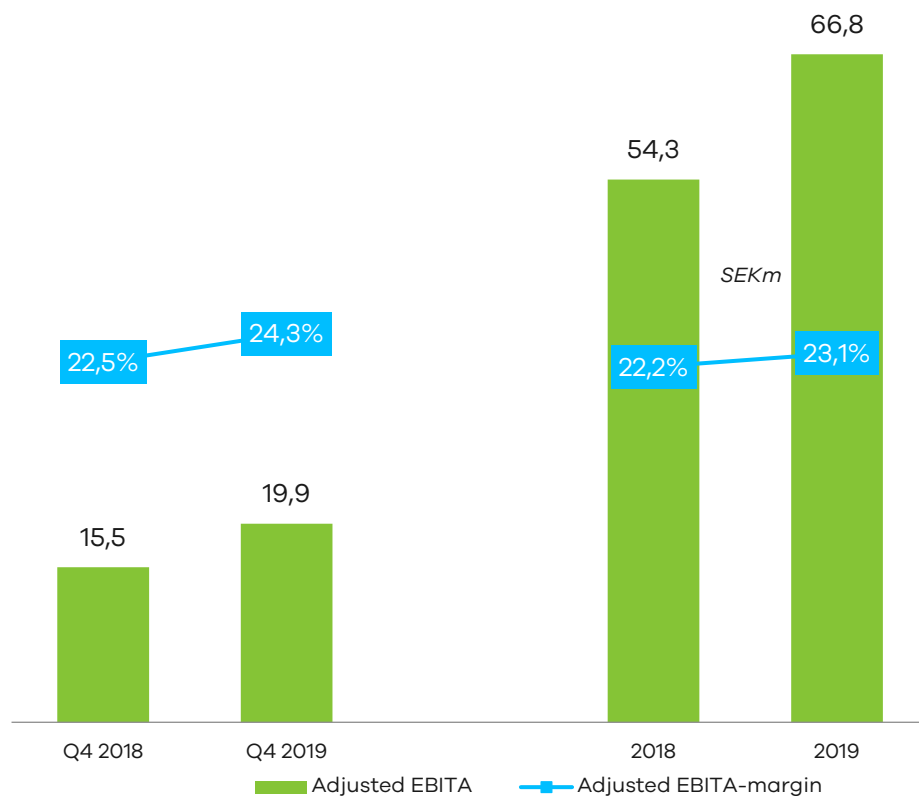
**6. Profit-  
ability**

# Profit

Reaching an adjusted EBITA margin of 24% in Q4 2019

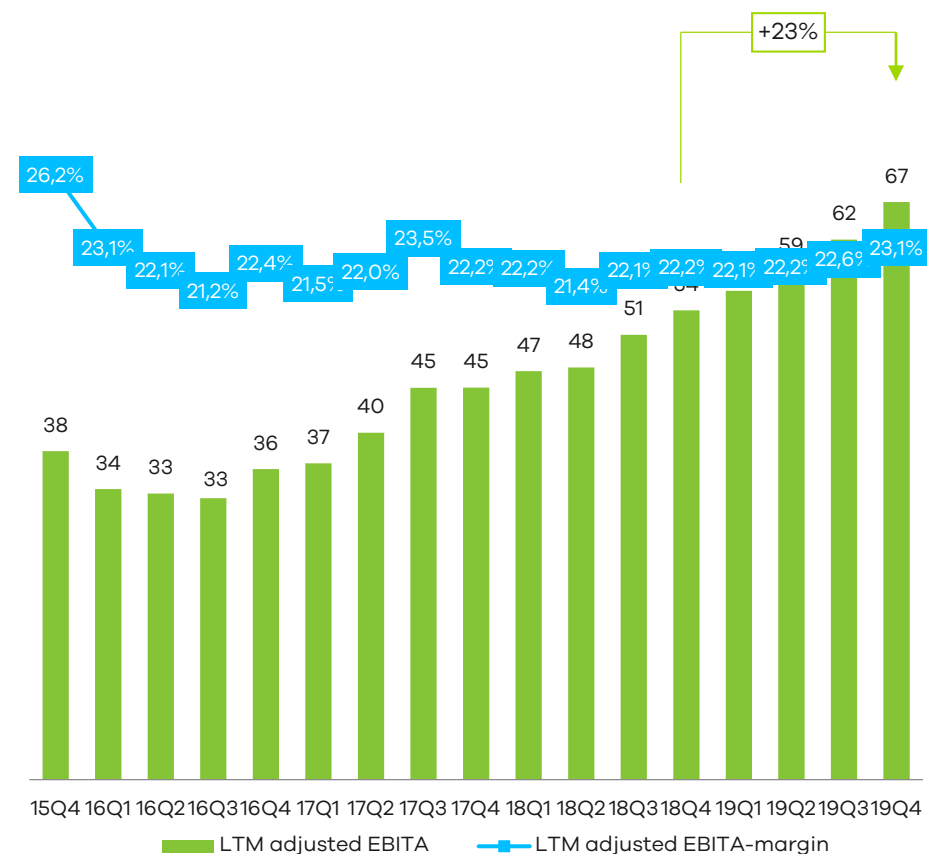
## EBITA development<sup>1)</sup>

SEKm



## Rolling LTM EBITA and margin development<sup>1)</sup>

SEKm



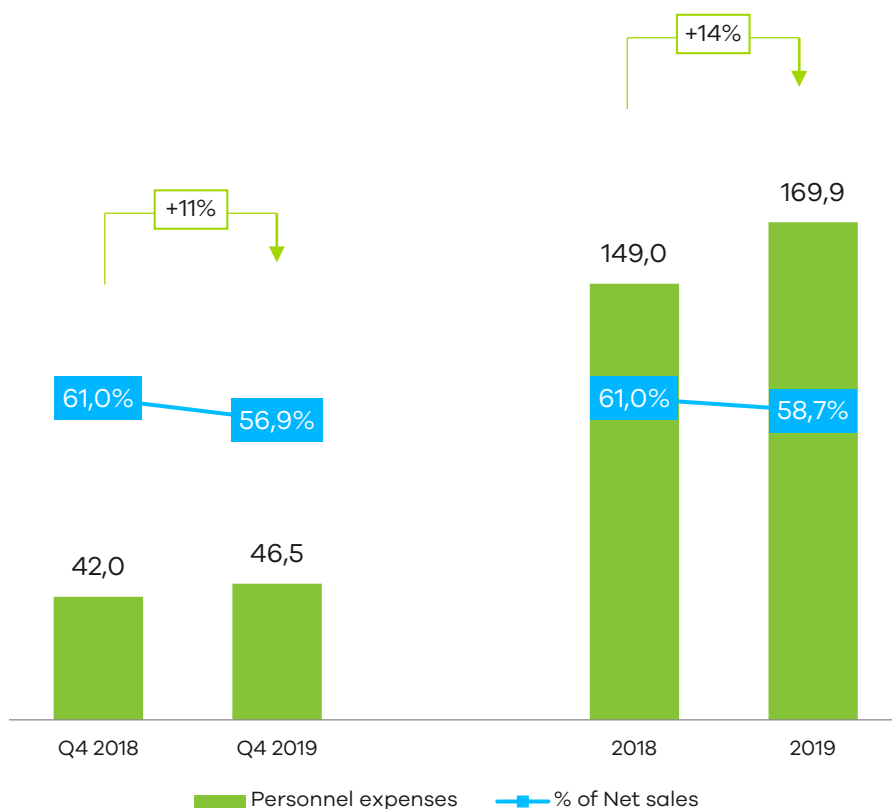
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

# OPEX development

Large majority of operating expenses related to growth in FTEs

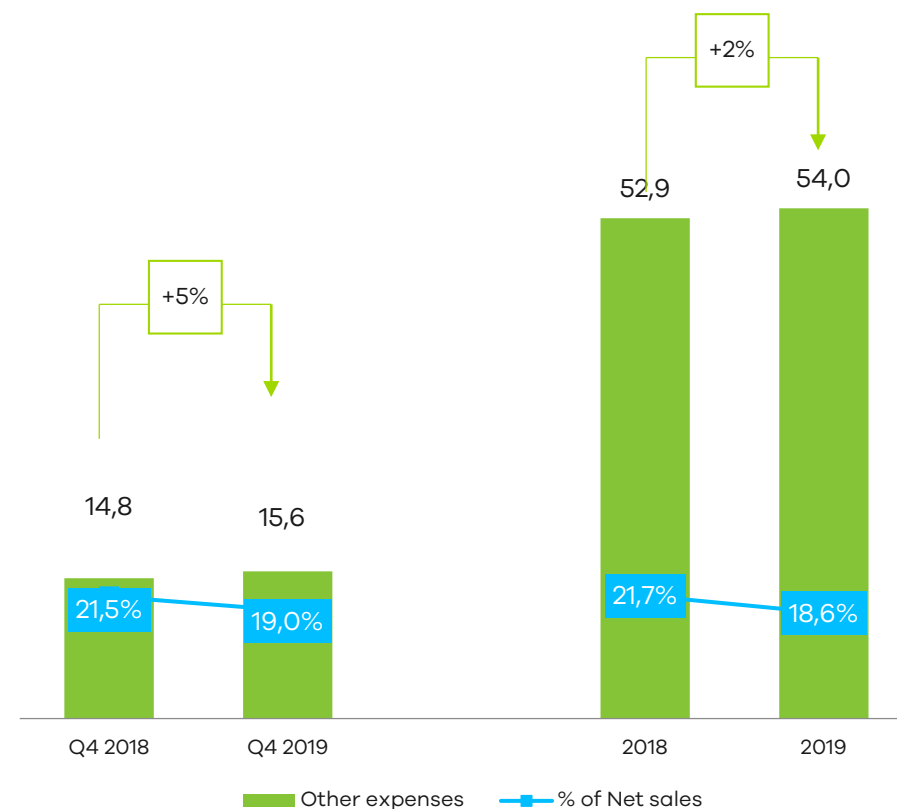
## Personnel expenses development

SEKm



## Other operating expenses development (adj.)<sup>1)</sup>

SEKm



<sup>1)</sup> As a consequence of IFRS 16 other operating expenses are reduced by 2,4 MSEK in Q4 and 9,4 MSEK YTD compared to using the same accounting principals as in 2018.



# Financial targets

FY 2019

## Sales growth

"Lime's objective in the medium term is to achieve an annual organic net sales growth above 15%"

**16 %**

## EBITA margin

"Lime's objective in the medium term is to achieve an annual EBITA margin above 23%"

**23.1 %**

## Capital structure

"The objective in respect of the capital structure is that the net debt, excluding leasing liabilities, in relation to EBITDA should be less than 2.5"

**0.7**

## Dividend policy

"Lime intends to distribute available cash flow, after taking into account the Company's indebtedness as well as future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50% of net profit."

**Proposed 51 %  
(1.50 SEK/share)**



# Q4 2019 summary

## Investments

Recruitments, expansion to Netherlands and acquisition of additional 35 % of Janjoo

## Growth

Net sales MSEK 82, +13 MSEK  
(19 % total growth & 53 % outside Sweden)

## Profitability

Adjusted EBITA margin 24 %  
(23 % same period last year)

## Dividend - proposal

1.50 SEK  
(51 % of net profit)

**Thank you for listening!**

**[investors.lime-technologies.com](https://investors.lime-technologies.com)**

