

Q1 results update

April 29, 2019

Today's presenters



Erik Syrén, CEO
Lime since 2001



Magnus Hansson, CFO
Lime since 2015



Lime's vision and mission

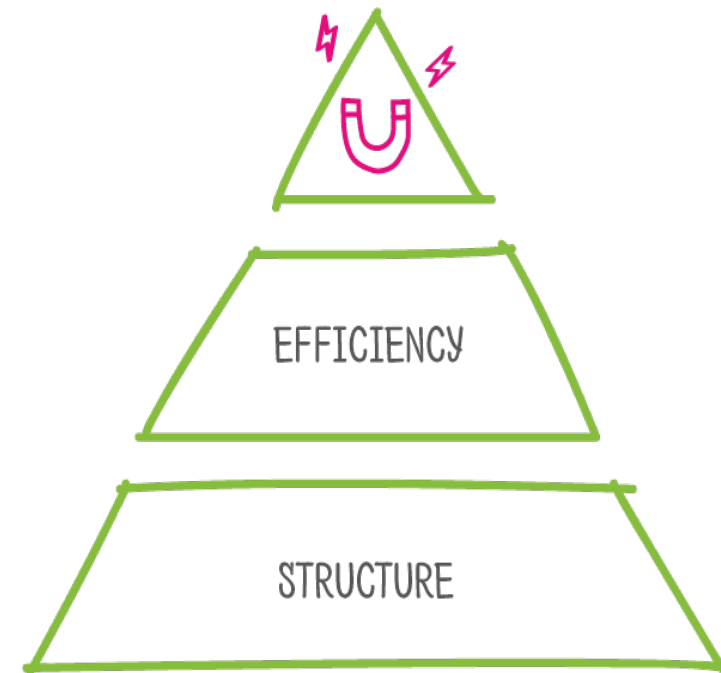
Help companies attract new and keep existing customers

Vision

Mission

WE WILL BECOME THE LEADING SUPPLIER OF CRM IN THE NORDICS BY MAKING OUR USERS' WORKING DAY EASIER AND MORE FUN.

WE CREATE CUSTOMER MAGNETS

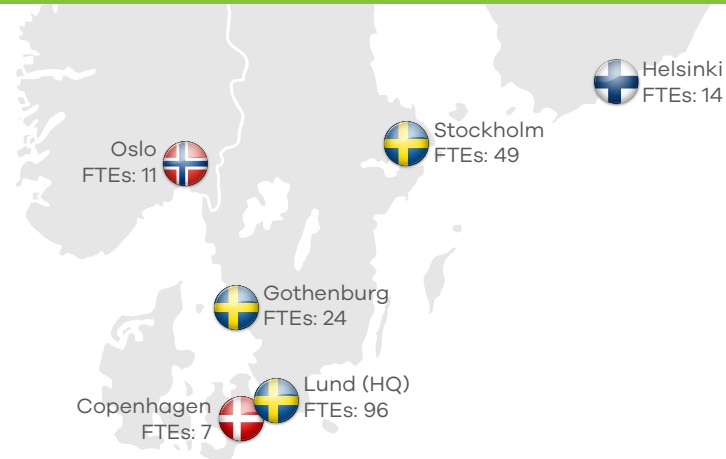




This is Lime

Nordic SaaS CRM expert with solid growth opportunities

Geographical footprint



Our products



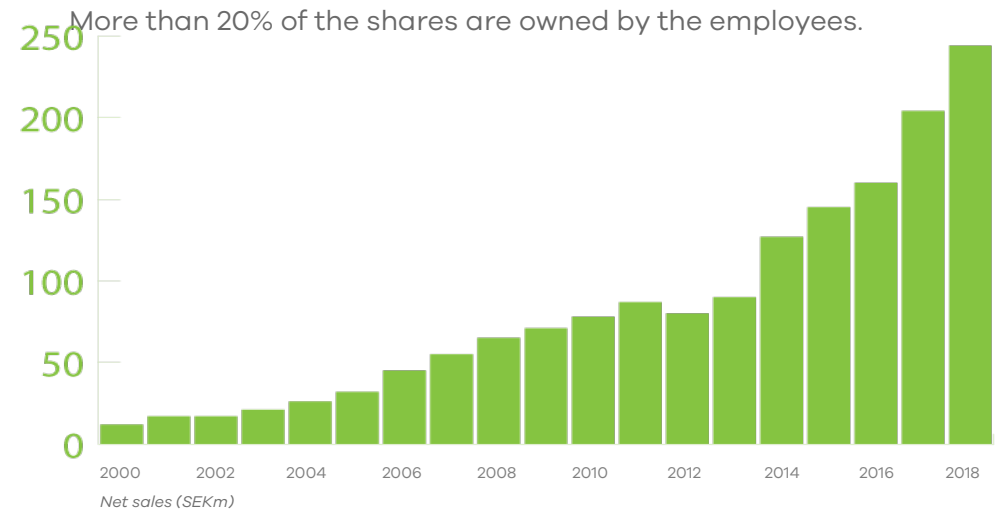
- ✓ Web-based Sales & CRM software
- ✓ Target # of users 3-20
- ✓ Delivery model: Cloud
- ✓ ~5 % of net sales



- ✓ Complete & highly flexible Sales & CRM software
- ✓ Target # of users 20-500
- ✓ Delivery model: Cloud or on-premise
- ✓ ~77 % of net sales

Key success factors

- **Long history of profitable growth.** 2000-2018 CAGR of 18% in net sales & CAGR of 25% in adjusted EBITA.
- **SaaS as a business model,** approx. 60 % of net sales are recurring.
- **Sticky customer base,** above 4 500 customers with low customer concentration. 10 biggest customers stand for approximately 10% of revenues.
- **Strong corporate culture** with high engagement among employees.





Agenda

1. Deals

2. Recruitment

3. ARR

4. Net sales

5. Profitability

6. Acquisitions

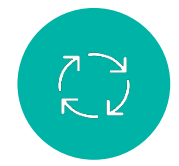
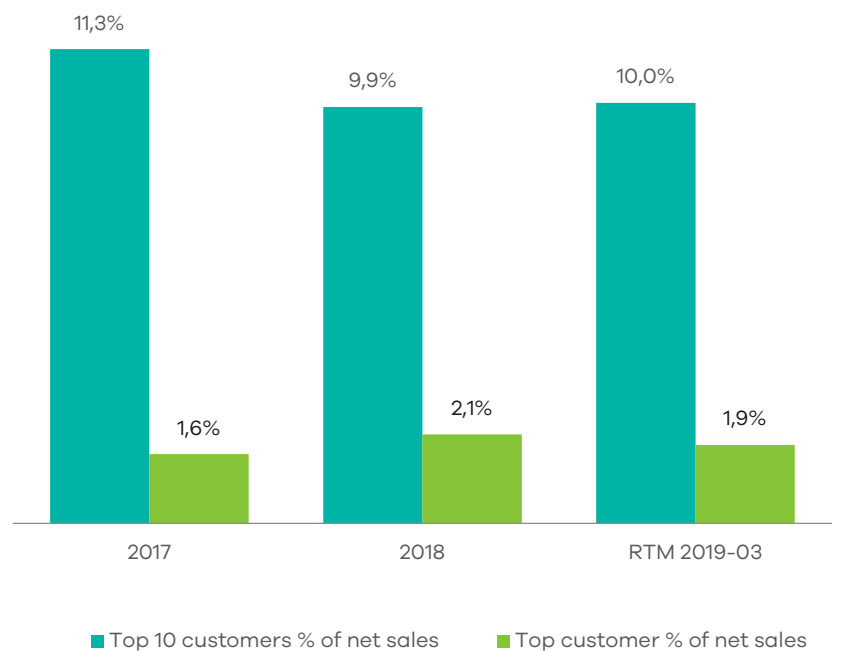


Q1 2019 highlights

1. Deals

Focus on local enterprises within four industry verticals

Customer concentration



Standard CRM



~60% of net sales



Utility



Real estate



~40% of net sales



Wholesale



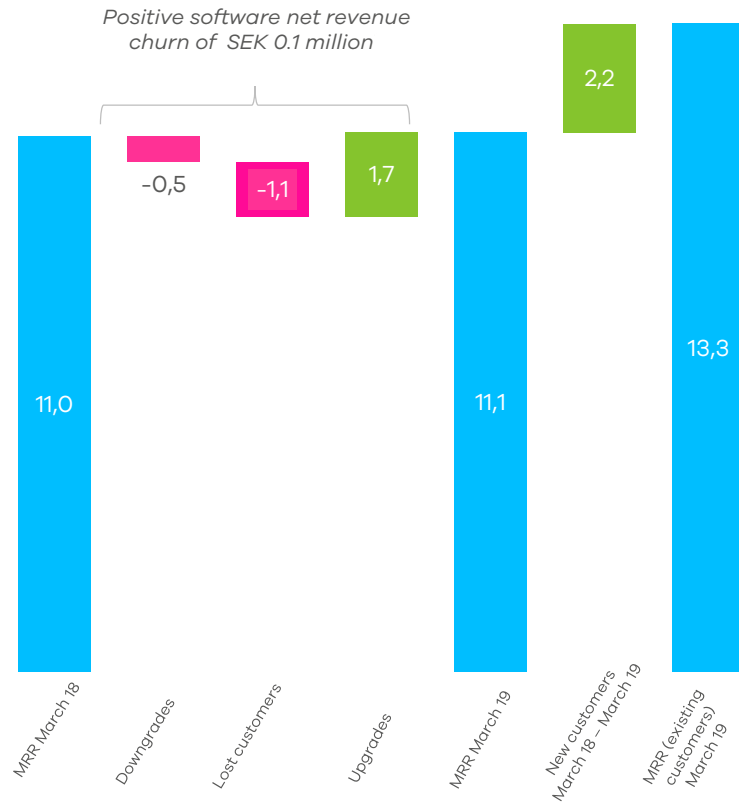
Consultancy



Positive revenue churn

Software net revenue churn

SEKm



Comments

- **Downgrades:** Existing customers reduce numbers of users and addons.
- **Lost customers:**
 - Acquisitions (Remotex, Netoptions & Sparta) included an old customer base interested in stand-alone products rather than package solutions.
 - Lime Go is still in the early phase of the product lifecycle.
 - Lime Easy is a legacy product in the late phase of the product lifecycle.
 - Common churn reasons: bankruptcy, acquisitions, a hard time getting started using the product.
- **Upgrades:** Existing customers acquire new licenses and addons.
- **Positive revenue churn:** Existing customers are buying more new licenses and addons than we churn.

~4,500 customers and ~60,000 users



Q1 2019 highlights

1. Deals


2. Recruitment

Substantially growing organization while increasing employee satisfaction

Lime is an attractive employer

>3,500 applicants for 65 positions in 2018

- ~75% hired directly from universities in 2018
- ~90% have academic Degree
- ~30% are women




Trainee program for new hires

On-boarding

- Kick-off
- Follow-up education x2
- Graduation!
- Personal development plan
- Start in January and August




Strong corporate culture



Employee net promoter score

42

(on scale from -100 to +100)
April 2019



Q1 2019 highlights



1. Deals



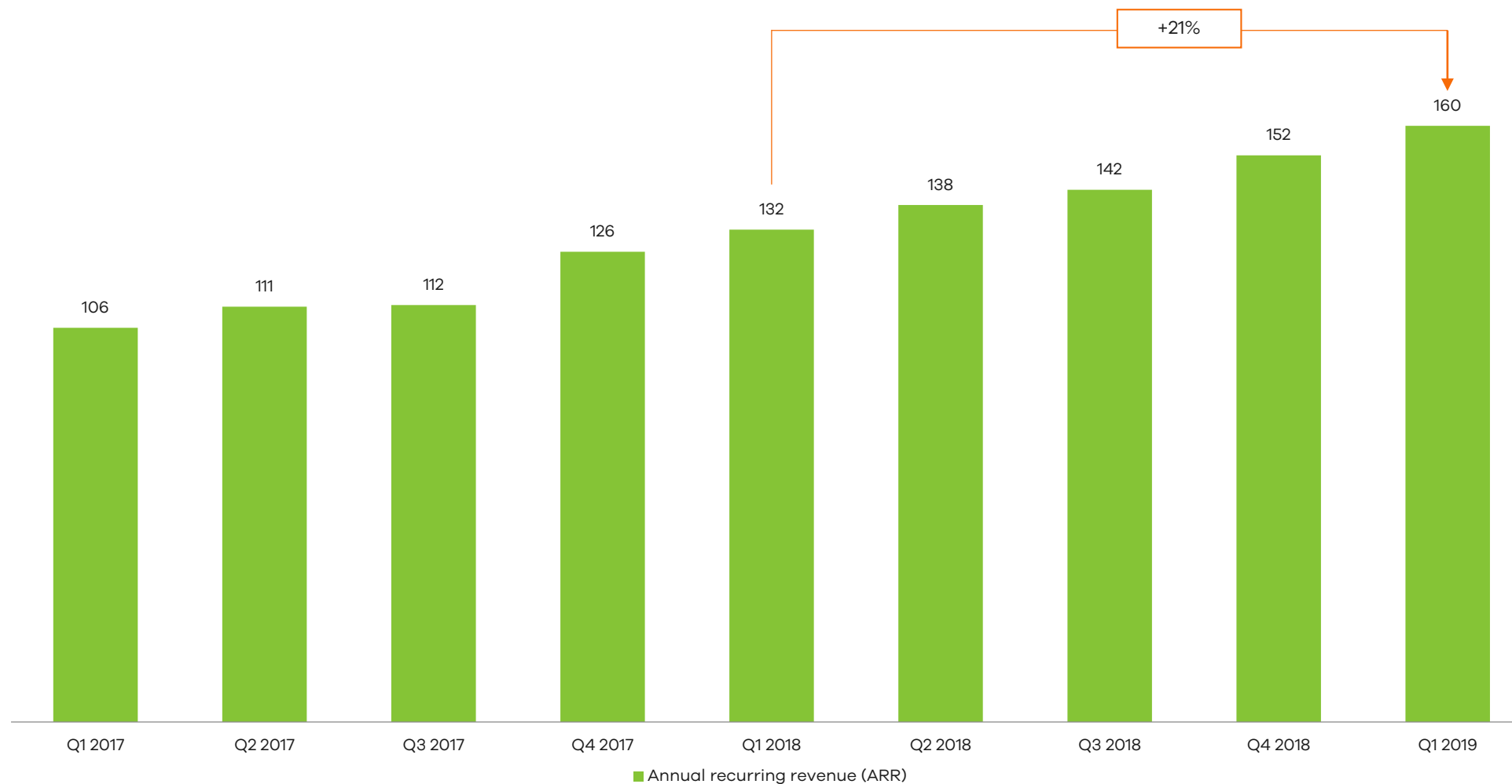
2. Recruitment



3. ARR

Increase in annual recurring revenue drives growth

ARR development (SEKm)





Q1 2019 highlights

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3. ARR

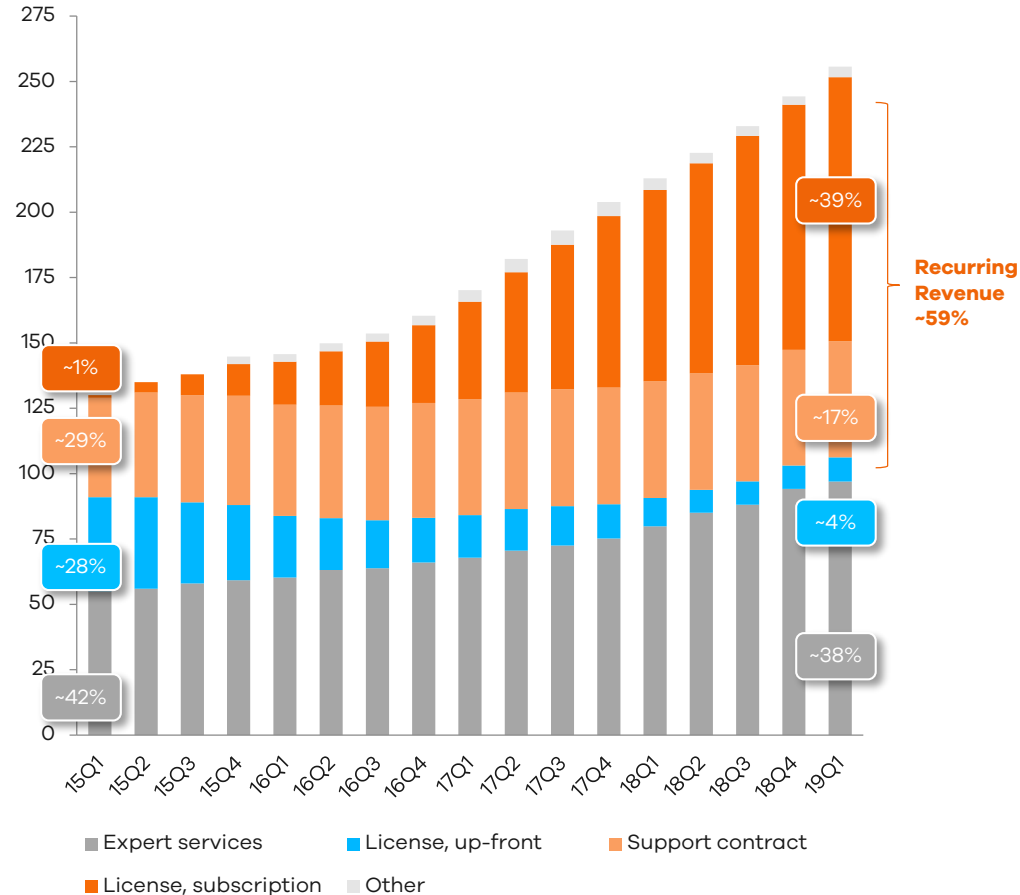
4. Net sales

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

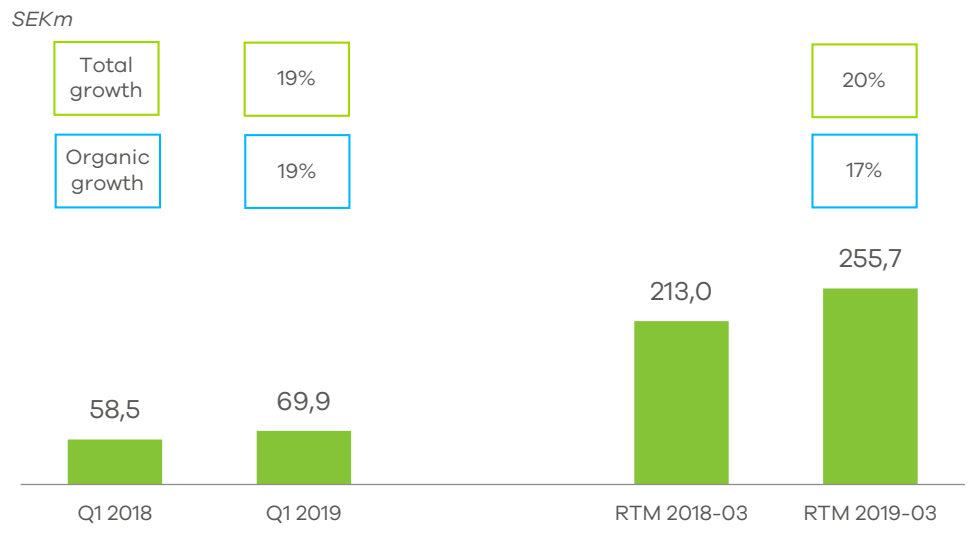
- ✓ Revenue stream in decline as product sold as SaaS
- ✓ Some existing clients still buy more licenses up-front

Expert services

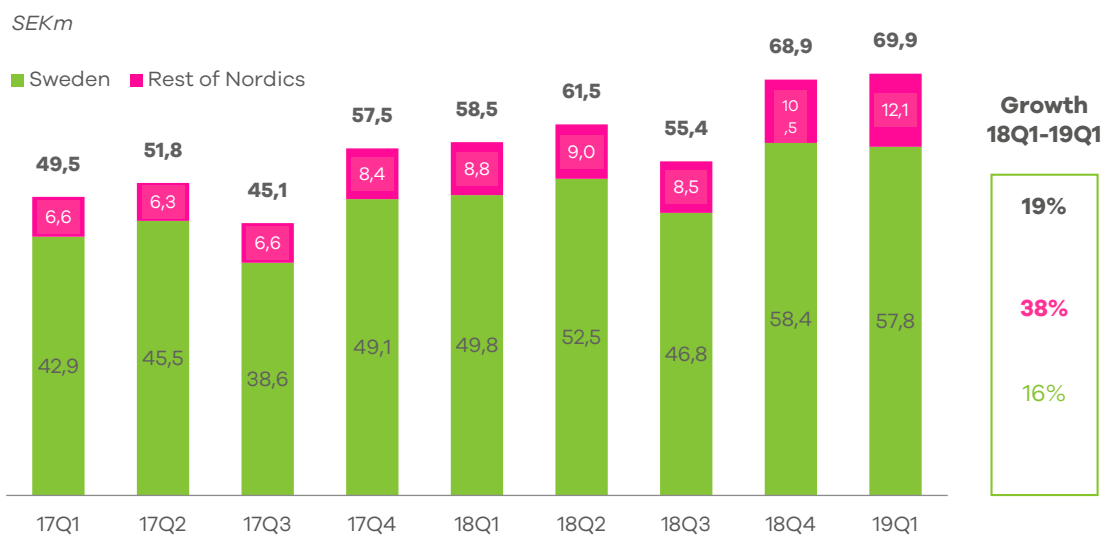
- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but lower than total net sales

Revenue

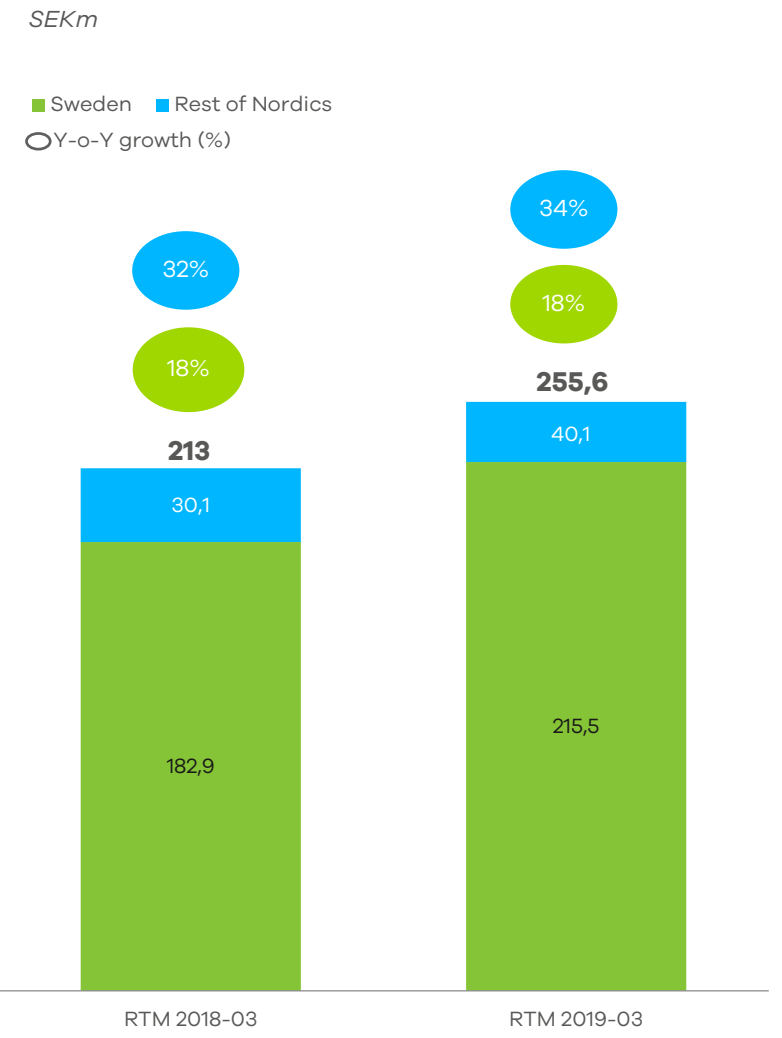
Net sales development



Split by geography



Traction across geographies





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5. Profitability

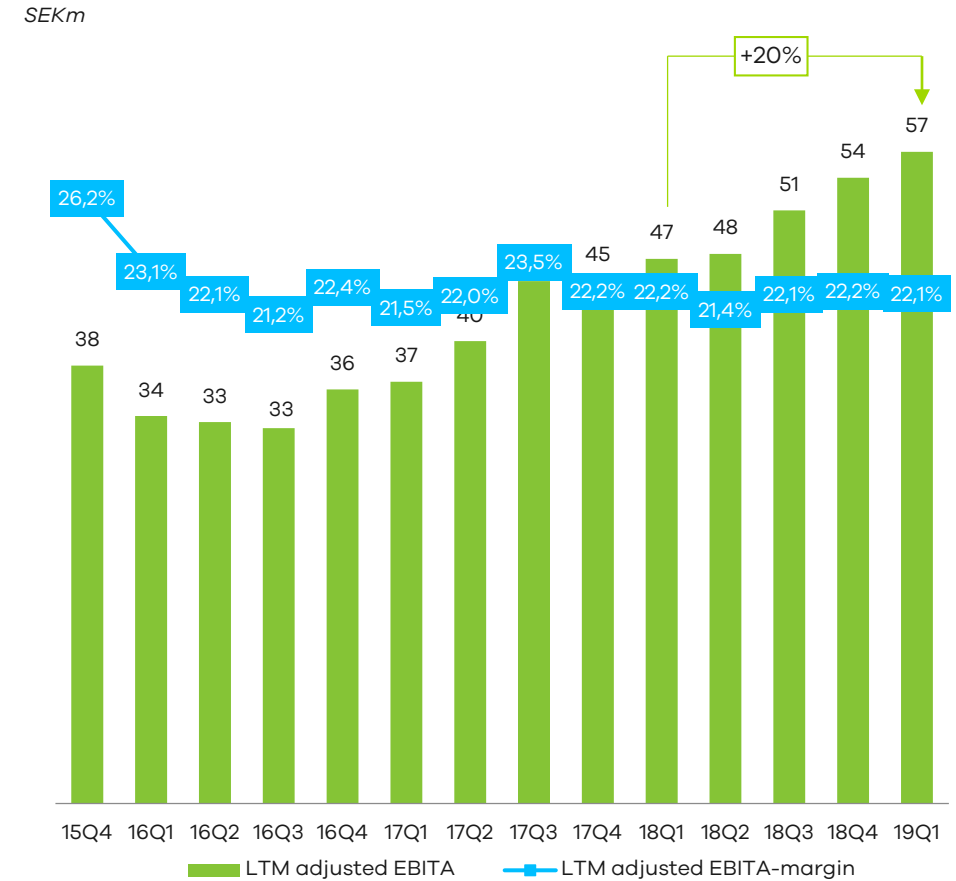
Profit

reaching an LTM adjusted EBITA margin of 22% in Q1 2019

EBITA development¹⁾



Rolling LTM EBITA and margin development¹⁾



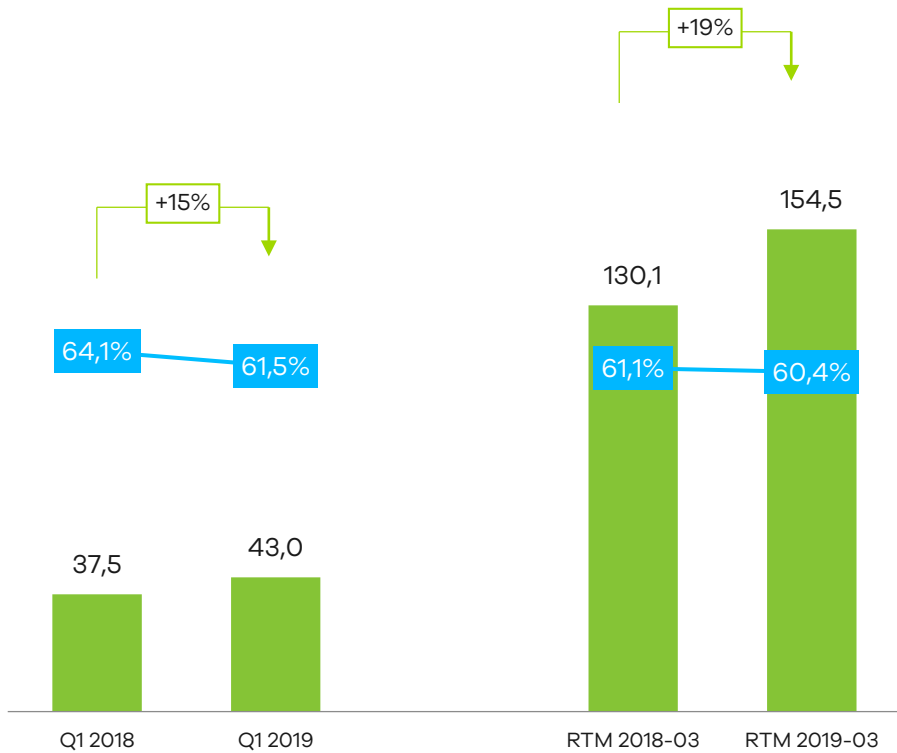
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

OPEX development

Large majority of operating expenses related to growth in FTEs

Personnel expenses development

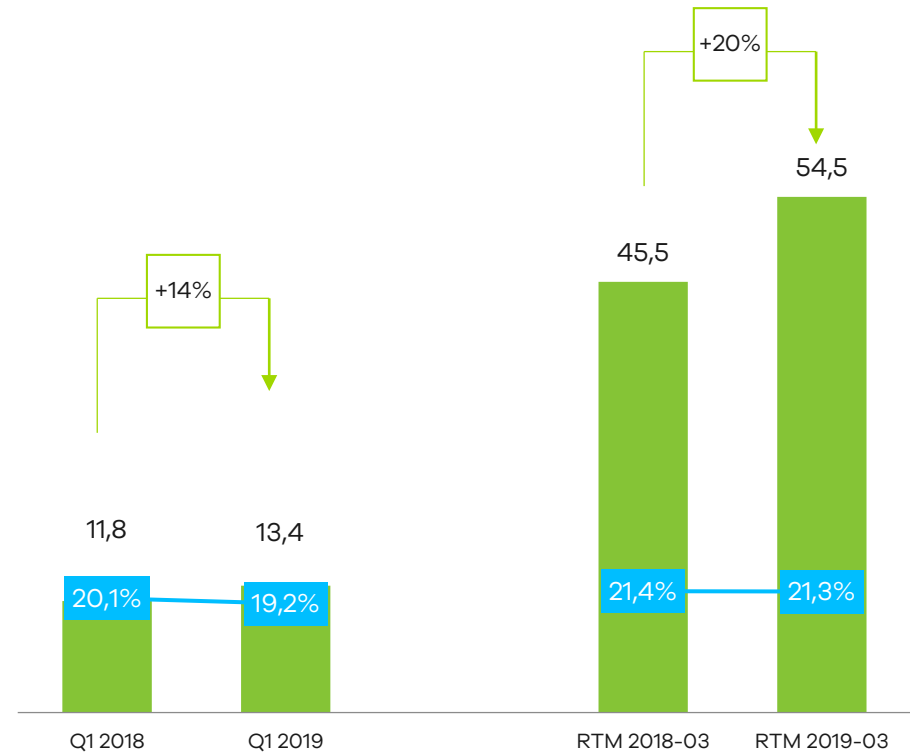
SEKm



Personnel expenses % of Net sales

Other operating expenses development (adj.)

SEKm



Other expenses % of Net sales



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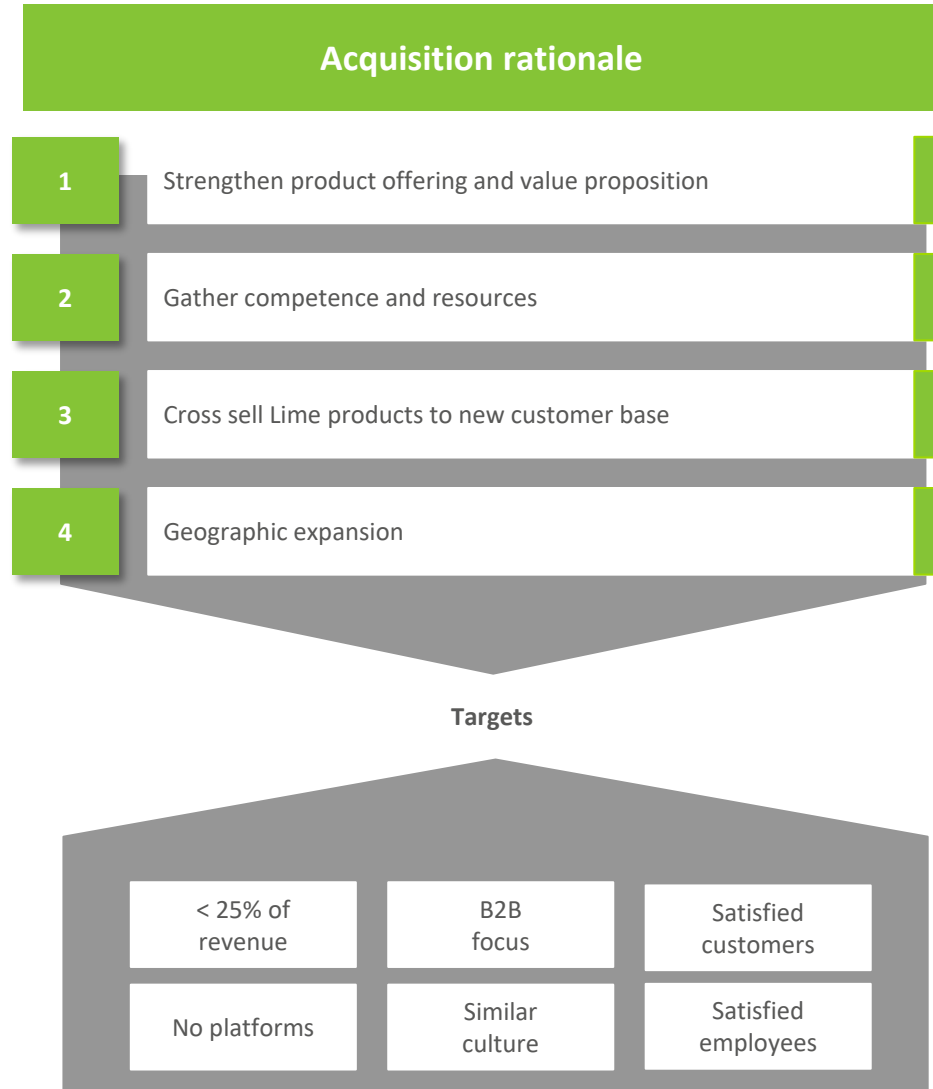
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Acquisition strategy

Strengthen the product portfolio both for new and existing customers





Financial targets

RTM 2019-03

Sales growth

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

17%

EBITA margin

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

22,1%

Capital structure

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

1,7

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."

55%
(1 SEK/share)



Q1 2019 summary

Development in ARR

ARR SEK 160m
+28 MSEK (21% growth) Y-on-Y

Growth

Net sales SEK 70m
+11 MSEK (19% organic growth and
38 % outside Sweden) Q-on-Q

Profitability

Adjusted EBITA margin 20%

Order intake

Several larger deals in Norway and Finland
and within our focus verticals

Thank you for listening!

investors.lime-technologies.com

