

**Q2 update**  
July 19, 2019



## Today's presenters



**Erik Syrén, CEO**  
Lime since 2001



**Magnus Hansson, CFO**  
Lime since 2015



# Lime's vision and mission

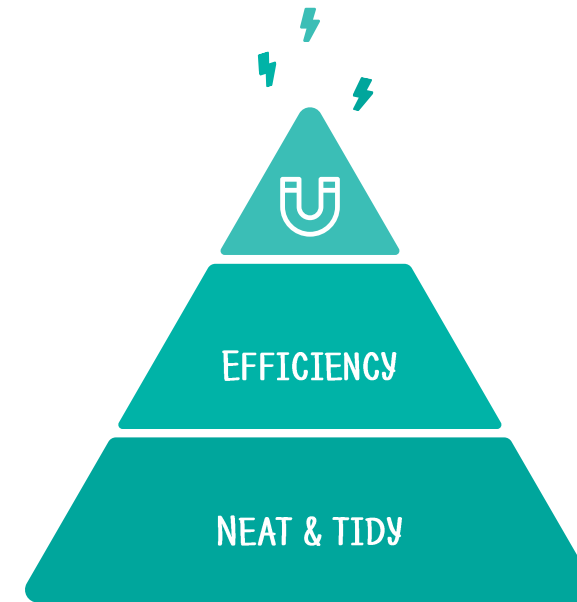
Help companies attract new and keep existing customers

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



# Agenda

**1. Deals**

**2. Recruitment**

**3. ARR**

**4. Net sales**

**5. Profitability**

**6. Acquisitions**



## Q2 2019 highlights

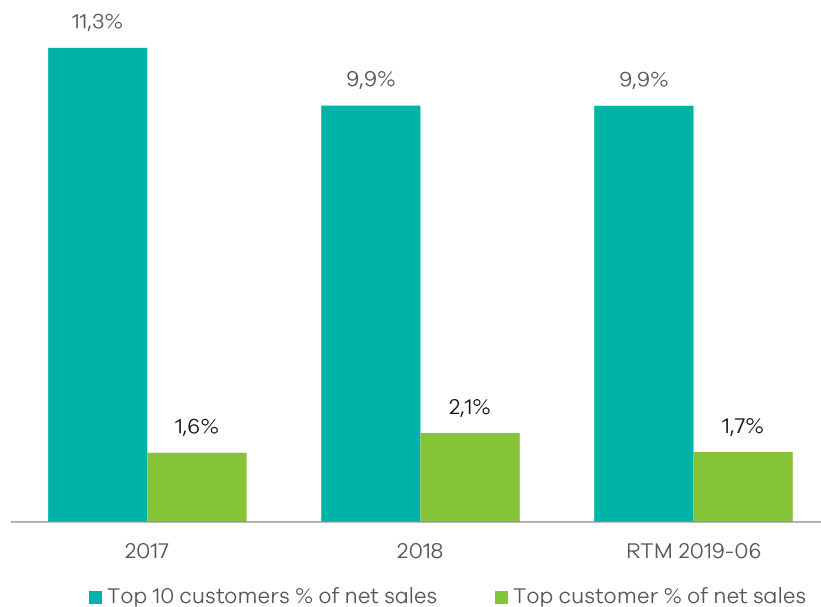


### 1. Deals

# Several deals in the Nordics

## Good mixture between small, midsize and large enterprises

### Customer concentration



*NewWave*  
OY TREXET FINLAND AB



**DOCU**nordic

**MÄKLARSAMFUNDET**

**Hellanor**

**BENGT DAHLGREN**

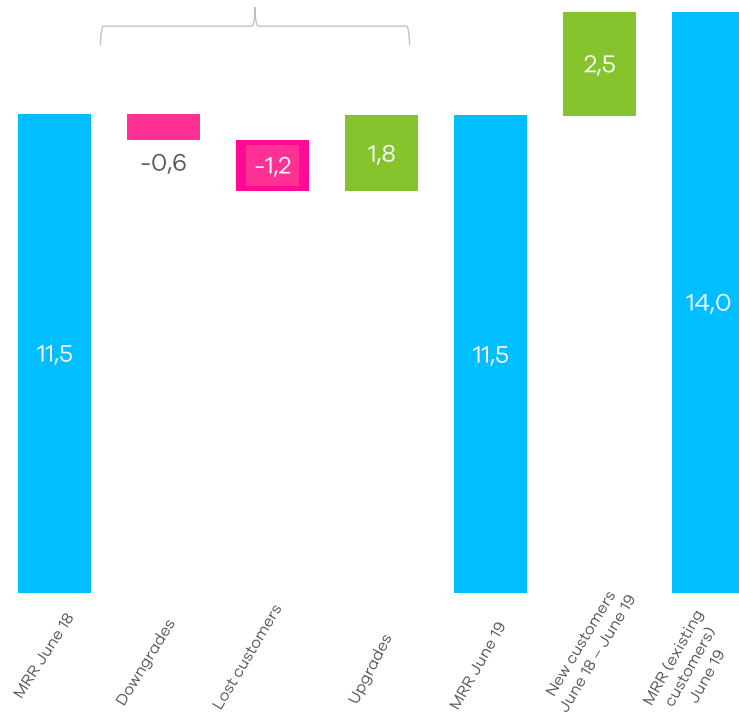


# Positive revenue churn

## Software net revenue churn

SEKm

Positive software net revenue  
churn of SEK 0.0 million<sup>1)</sup>



## Comments

- **Downgrades:** Existing customers reduce numbers of users and addons.
- **Lost customers:** Old customers cancel their agreement.
- **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



## Q2 2019 highlights



**1. Deals**



**2. Recruitment**



# Substantially growing organization while increasing employee satisfaction

Lime is an attractive employer

~2 800  
applicants  
and ~60 new  
employees  
YTD 2019

~20 employees began in jan  
and ~40 empl starts in aug

~95% 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

**37**

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



## Q2 2019 highlights

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

**1. Deals**

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

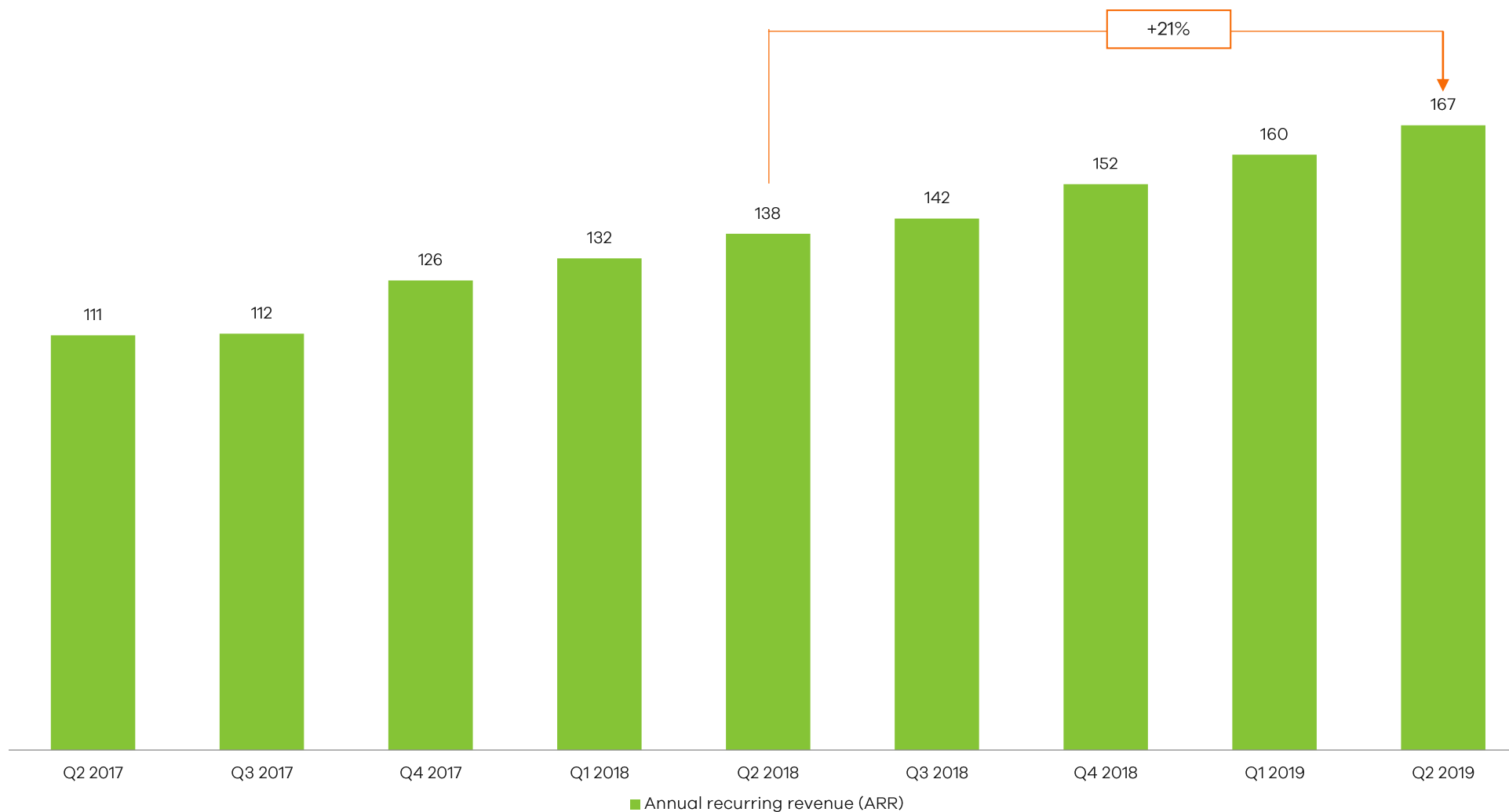
**2. Recruitment**

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

**3. ARR**

# Increase in annual recurring revenue drives growth

ARR development (SEKm)





## Q2 2019 highlights

**1. Deals**

**2. Recruitment**

**3. ARR**

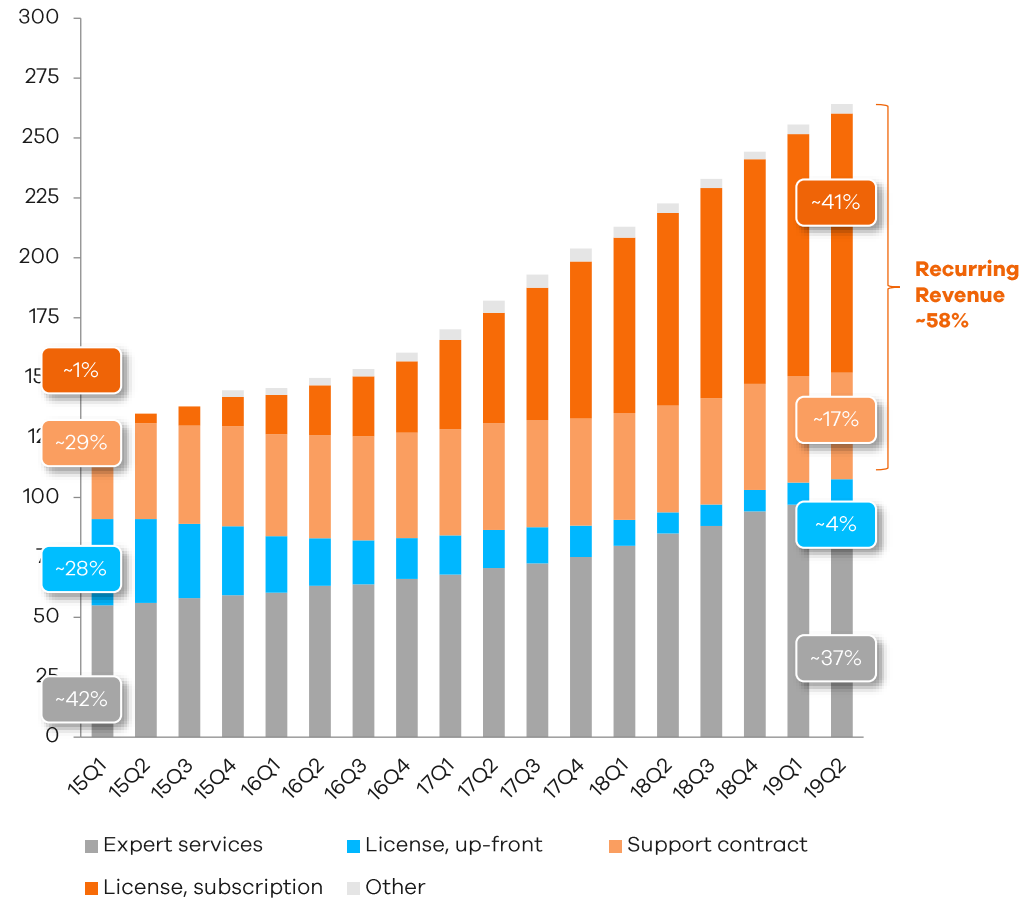
**4. Net sales**

# 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

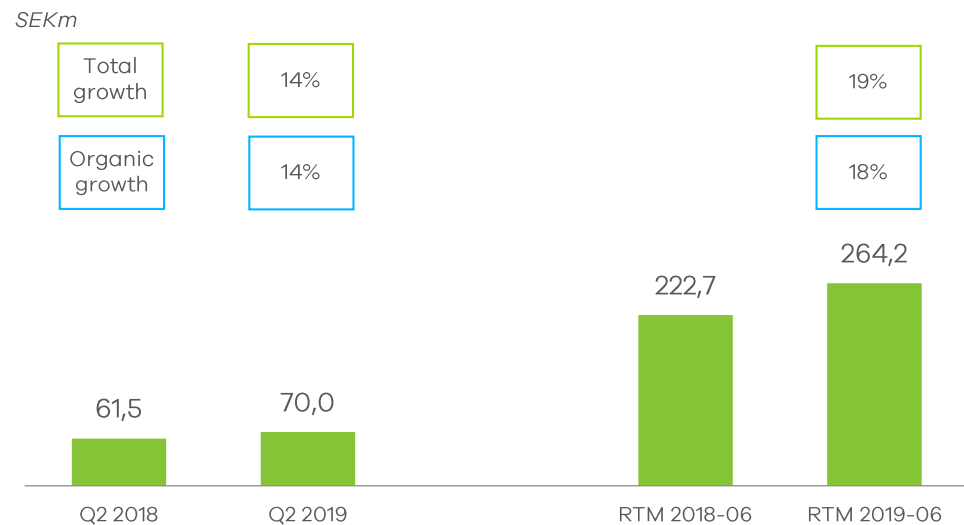
#### Expert services



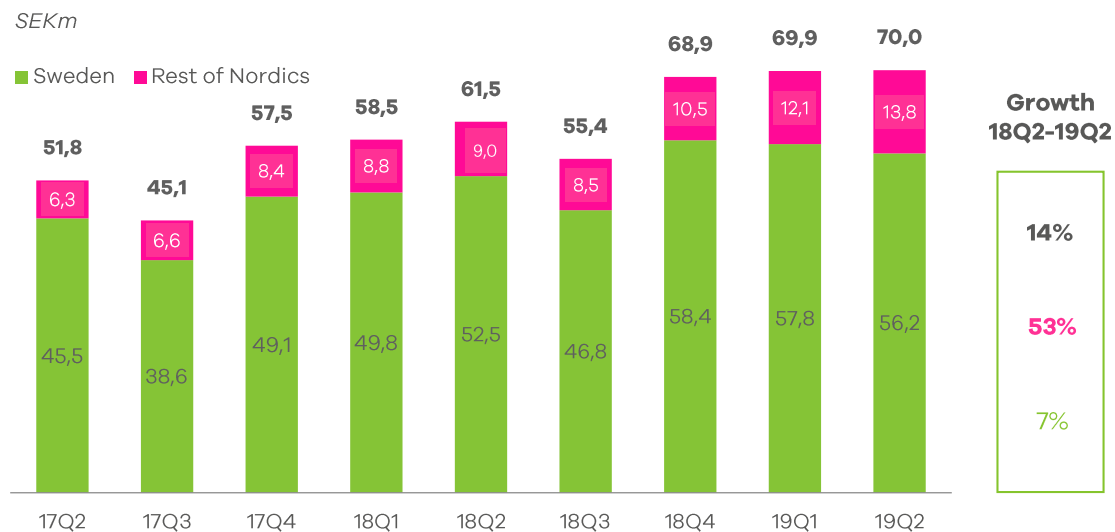
- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but lower than total net sales

# Revenue

## Net sales development



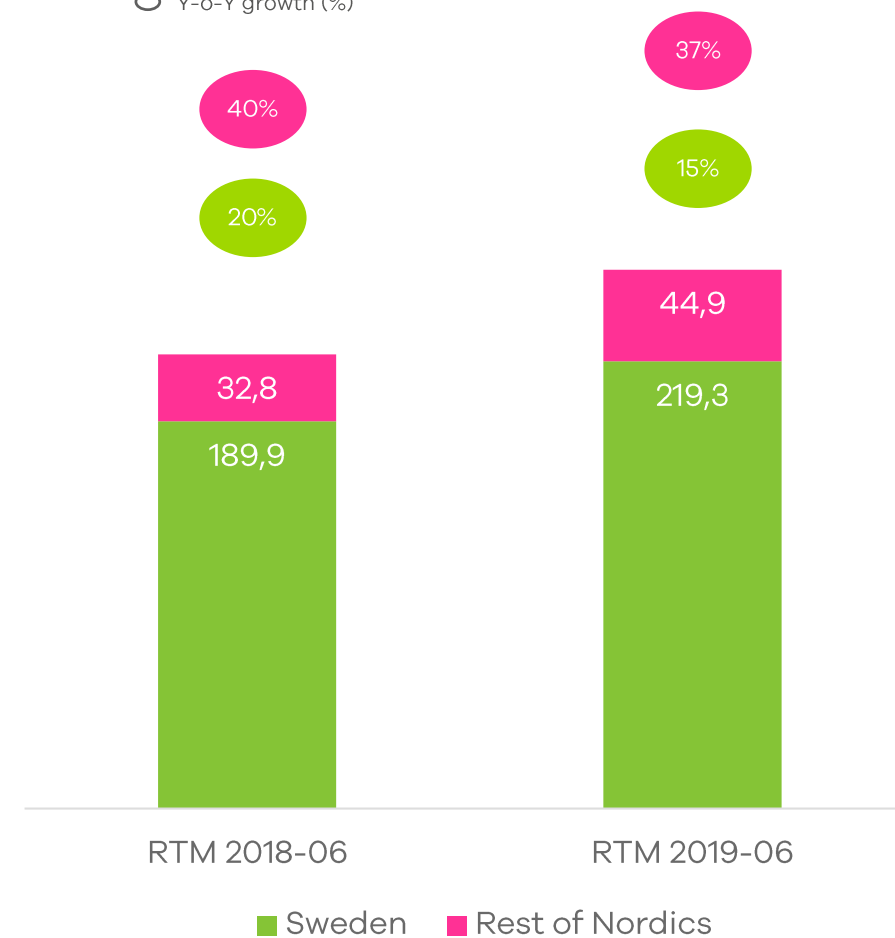
## Split by geography



## Traction across geographies

SEKm

○ Y-o-Y growth (%)





## Q2 2019 highlights

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**4. Net sales**

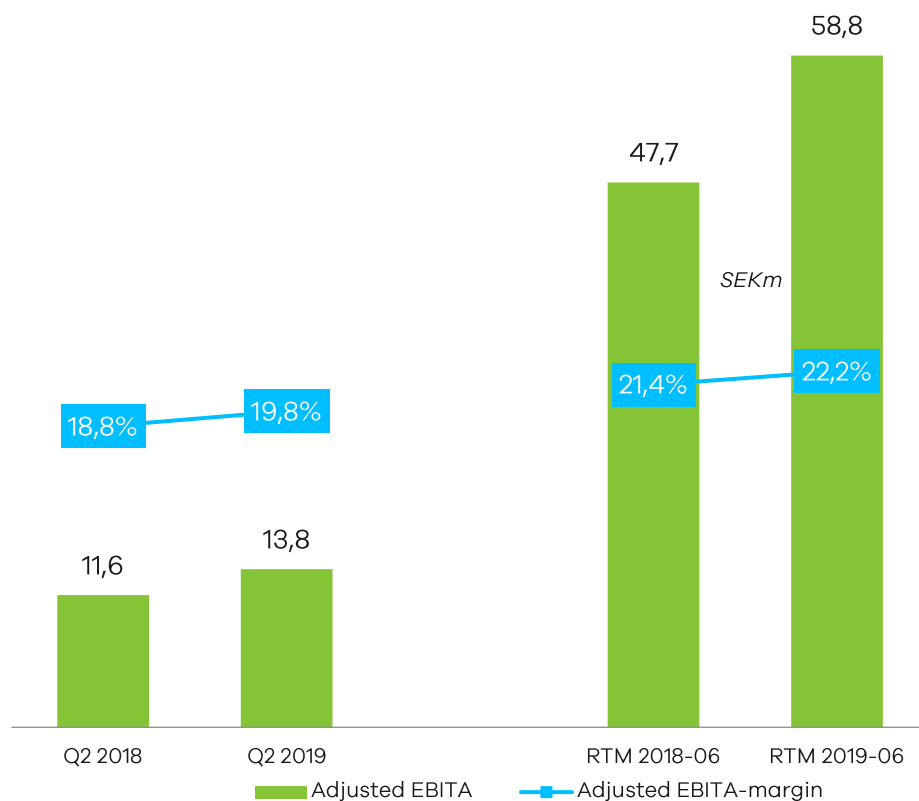
**5. Profitability**

# Profit

reaching an LTM adjusted EBITA margin of 22% in Q2 2019

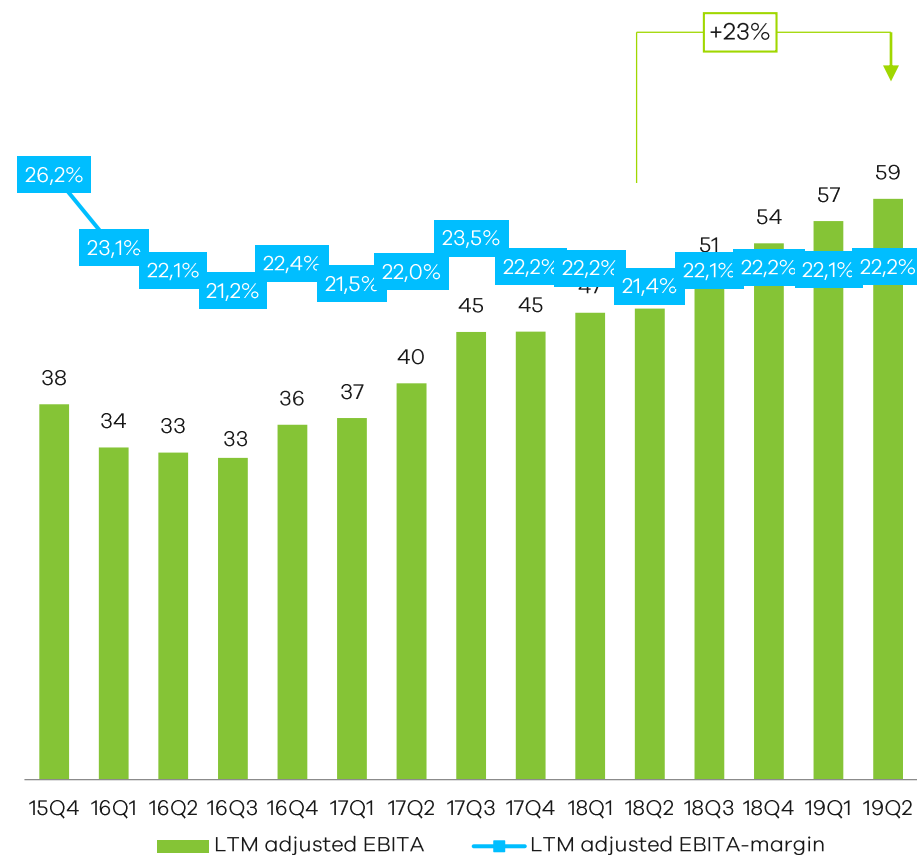
## EBITA development<sup>1)</sup>

SEKm



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

SEKm



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

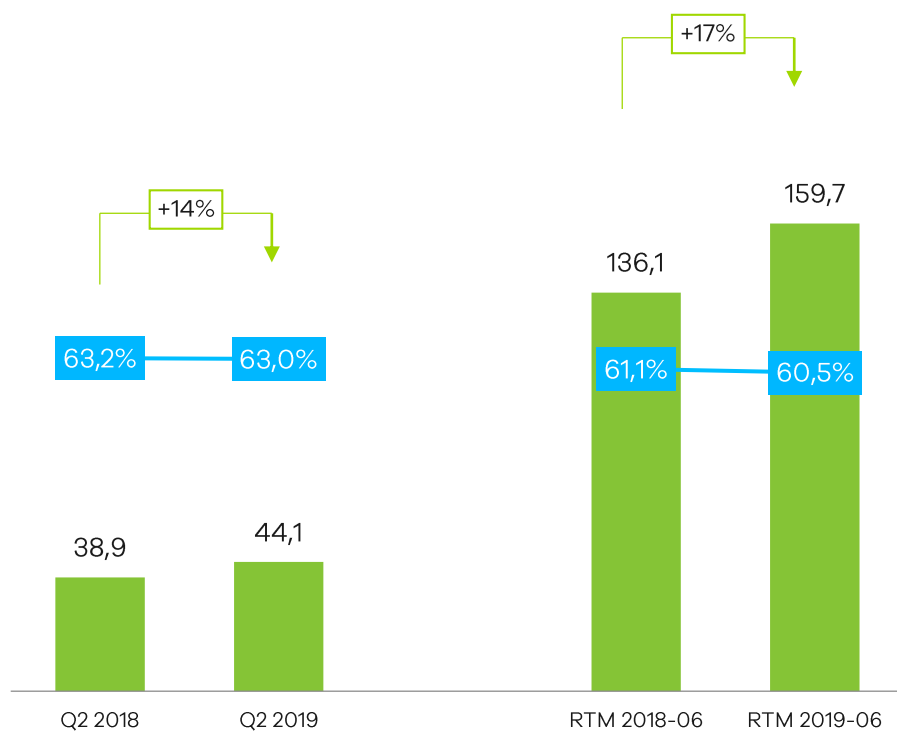


# OPEX development

Large majority of operating expenses related to growth in FTEs

## Personnel expenses development

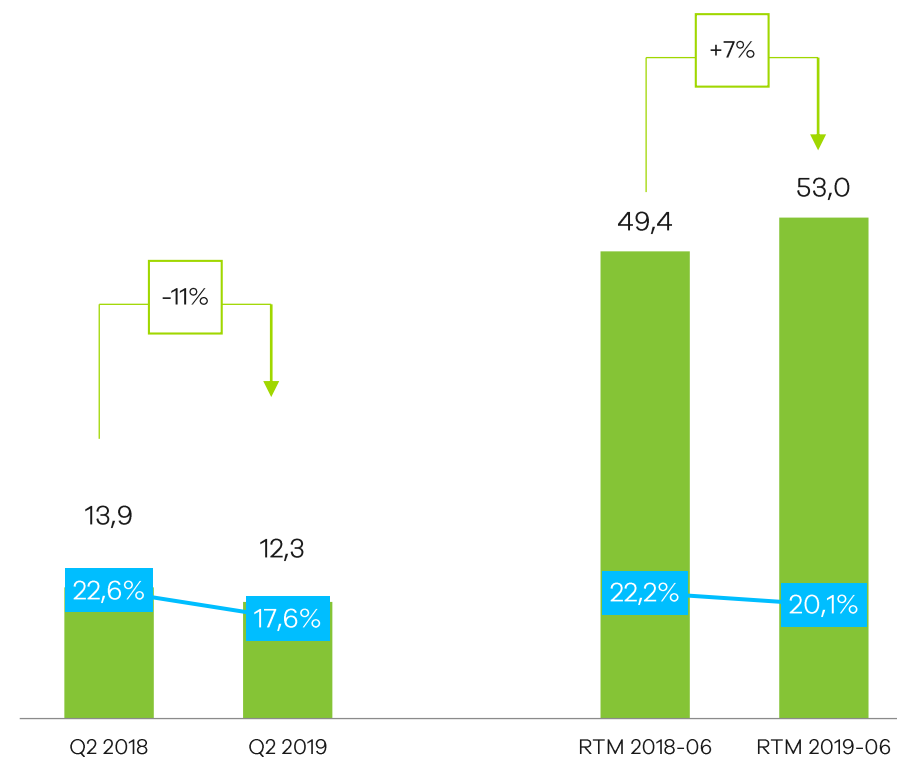
SEKm  
SEKm



Personnel expenses % of Net sales

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

SEKm



Other expenses % of Net sales

<sup>1)</sup> As a consequence of IFRS 16 other operating expenses are reduced by 2,3 MSEK in Q2 and 4,6 MSEK YTD compared to using the same accounting principals as in 2018.



## Q2 2019 highlights

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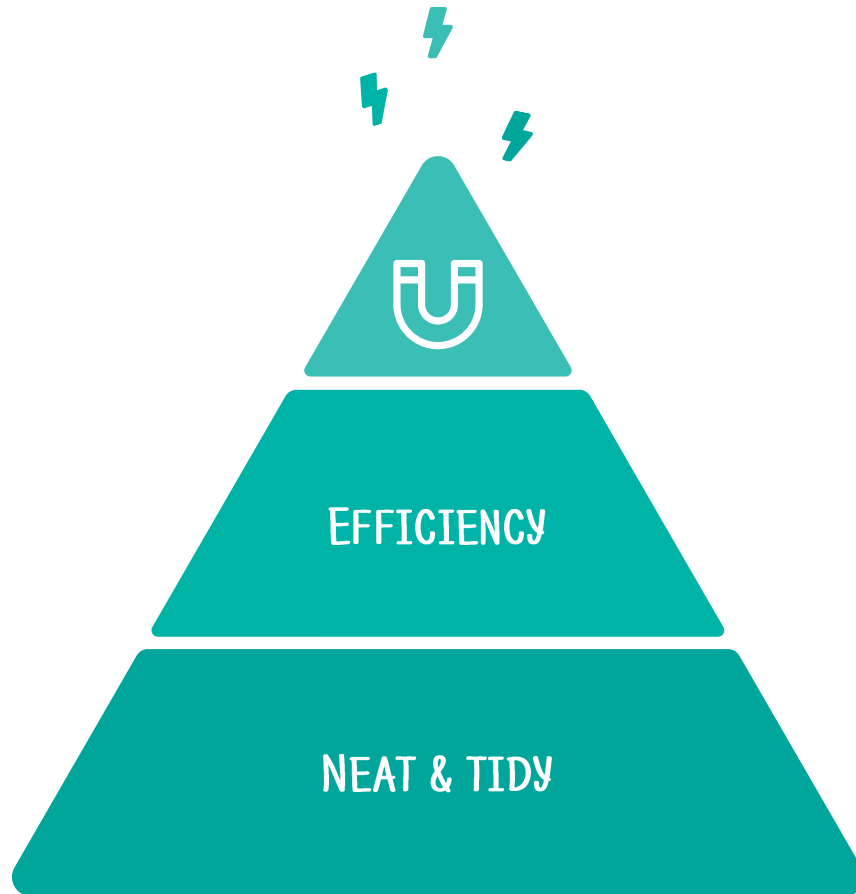
**6. Acquisitions**

## MOREintenz

- Sales, Leadership and Culture development
- Founded in 2004
- 9 employees
- Offices in Malmö, Stockholm and Norway
- Partners in Finland and Denmark
- Approx. 16 MSEK
- Majority owned by Lime – 58 %
- Warrants to acquire the remaining 42 %

## janjoo

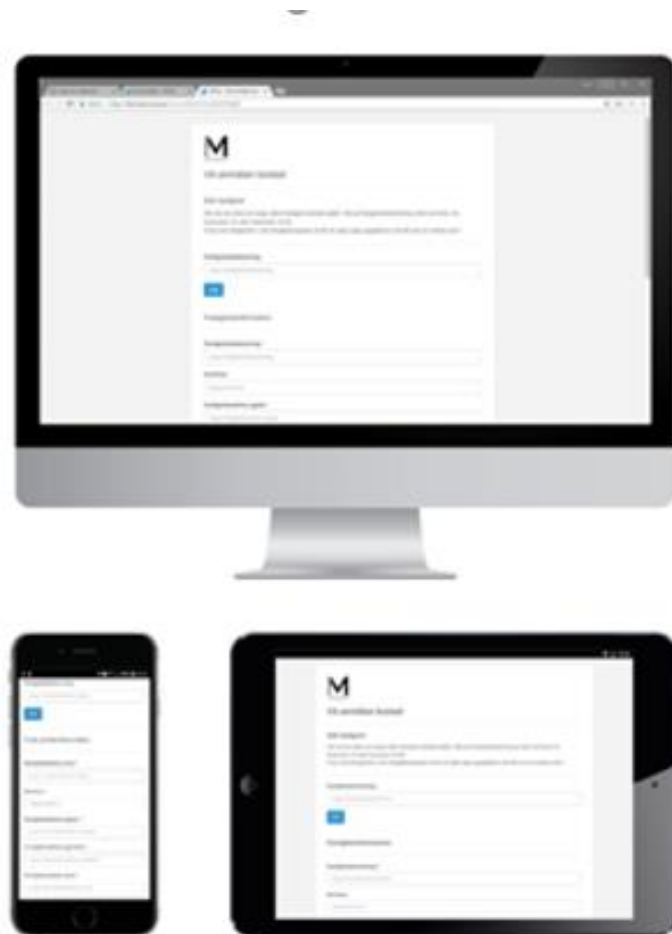
- Dynamic forms, E-signing via BankID and web portals
- Founded in 2015
- 6 employees
- Office in Gävle
- Approx. 5 MSEK
- Lime owns 30 %
- Warrants to acquire the remaining 70 %



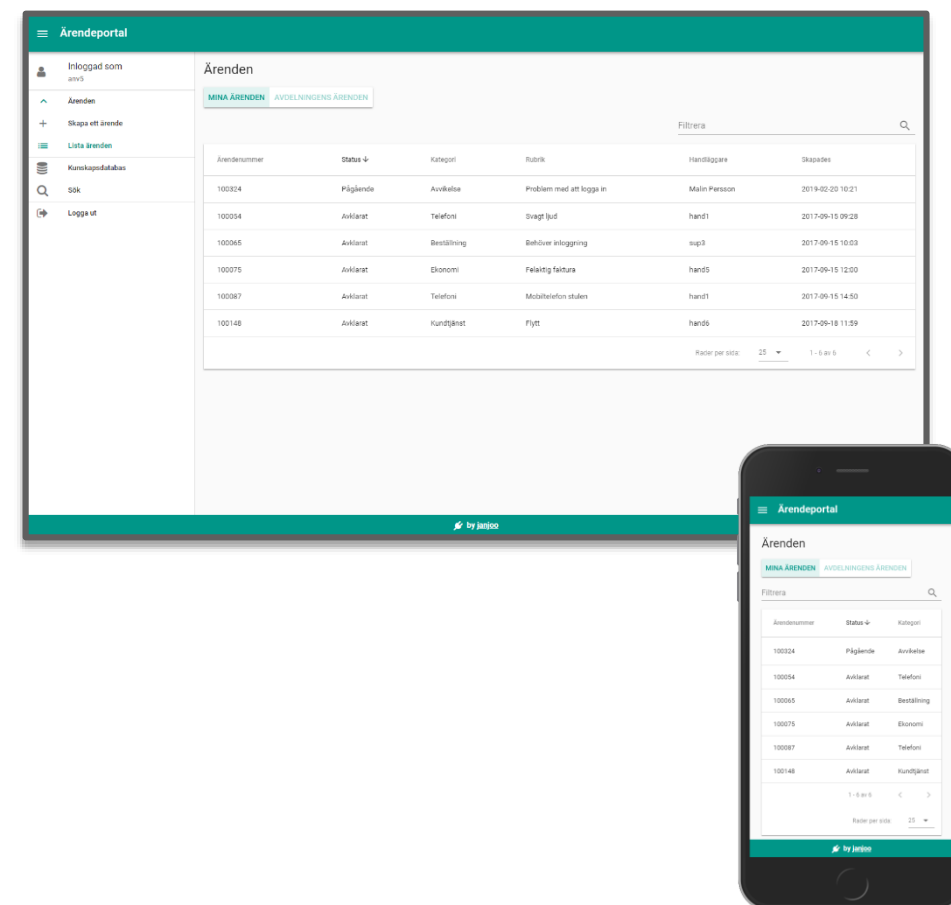
## **Build a successful sales culture & brilliant customer care through behavioural changes**

- Our bigger customers demand more services to become better at sales and customer care
- With More intenz's knowledge - provide this both as a service and as functionality within our software
- Deeper understanding of the needs and pains of our target markets, helping us to improve our products and future offers

# Simpliforms



# Web portals





# Financial targets

RTM 2019-06

## Sales growth

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

**18%**

## EBITA margin

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

**22,2%**

## 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"

**1,4**

## 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)**



## Q2 2019 summary

### Development in ARR

ARR SEK 167m  
+29 MSEK (21% growth) Y-on-Y

### Growth

Net sales SEK 70m  
+9 MSEK (14% organic growth and  
53% outside Sweden)

### Profitability

Adjusted EBITA margin 20% (19% same period last  
year)

### Order intake

Several deals in the Nordics with a good mixture  
between small, midsize and large enterprises

**Thank you for listening!**

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

