

Q4 results update

February 13, 2019



Lime's vision and mission

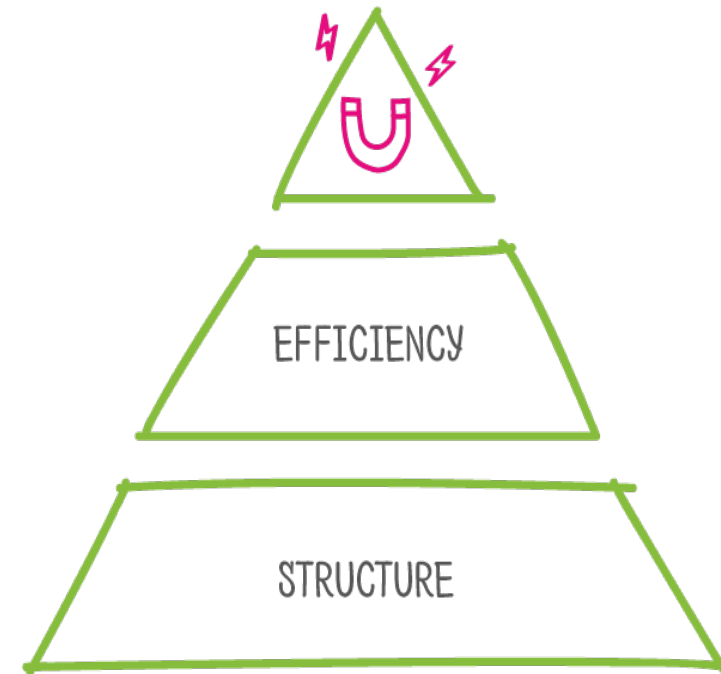
Help companies attract new and keep existing customers

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

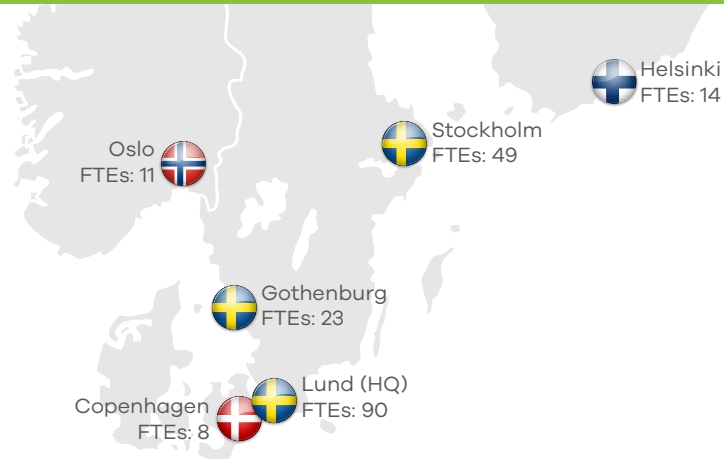




This is Lime

Nordic SaaS CRM expert with solid growth opportunities

Geographical footprint



Our products



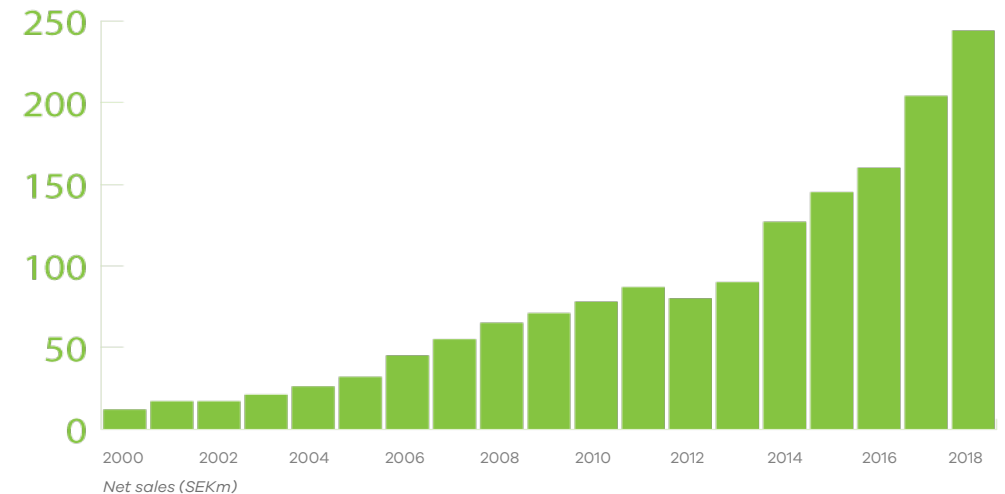
- ✓ Web-based Sales & CRM software
- ✓ Target # of users 3-20
- ✓ Delivery model: Cloud
- ✓ ~5 % of net sales



- ✓ 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 less than 10%.
- **Strong corporate culture** with high engagement among employees. More than 20% of the shares are owned by the employees.





Agenda

1. IPO

2. Deals

3. Recruitment

4. ARR

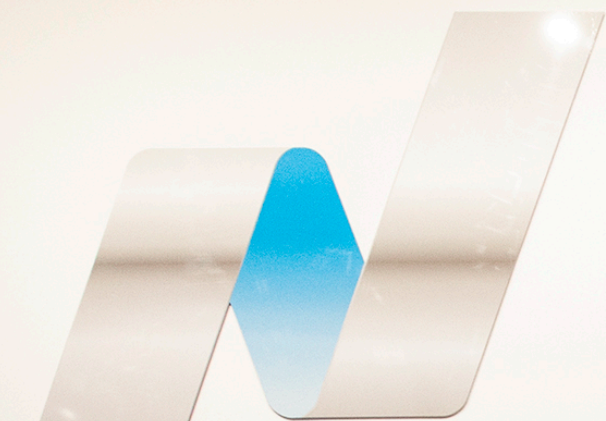
5. Net sales

6. Profitability



Q4 2018 highlights

1. IPO



Nasdaq





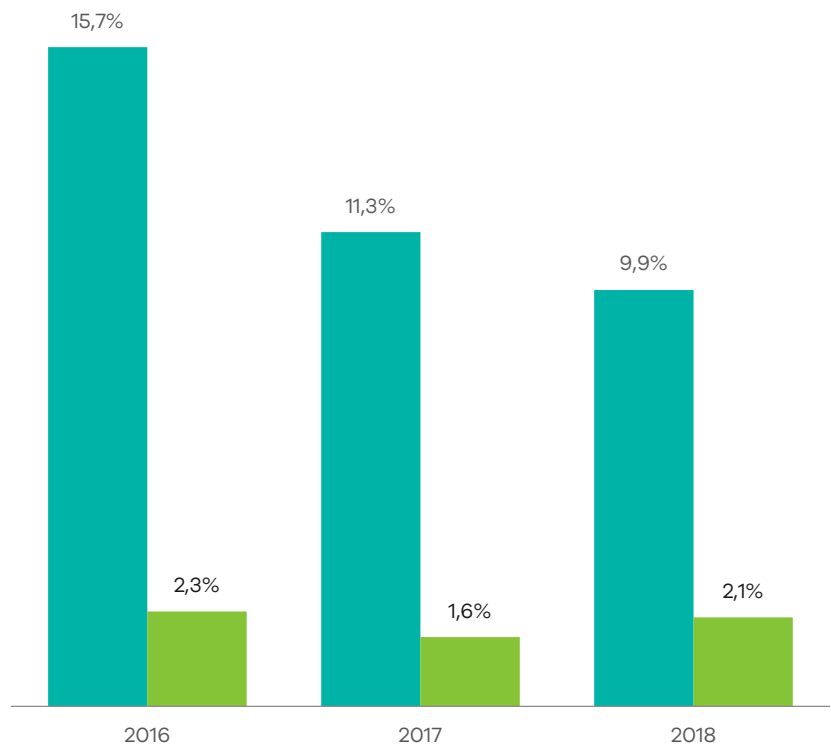
Q4 2018 highlights

1. IPO

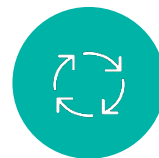
2. Deals

Focus on local enterprises within four industry verticals

Customer concentration



■ Top 10 customers % of net sales ■ Top customer % of net sales



Standard CRM



~60% of net sales



Utility



Real estate



~40% of net sales



Wholesale



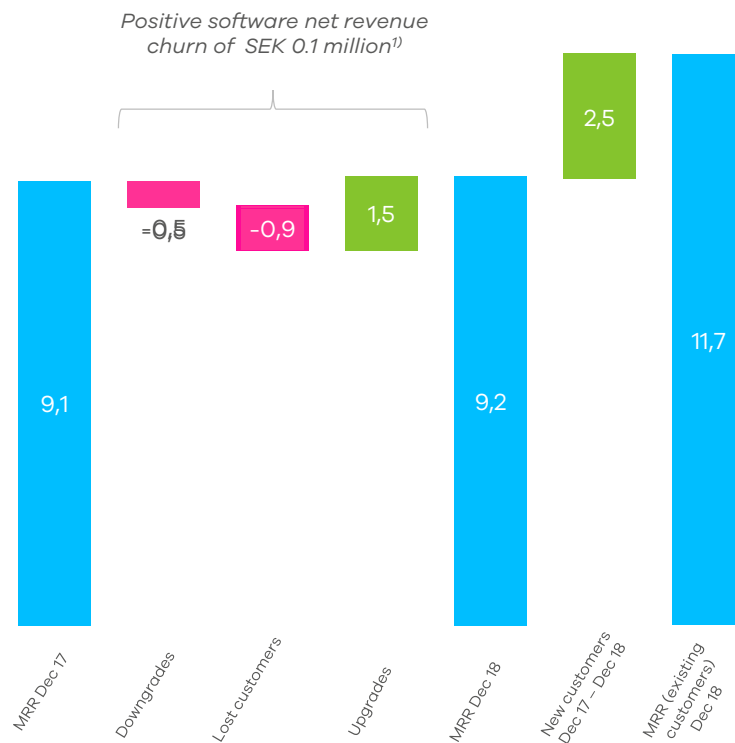
Consultancy



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



Q4 2018 highlights

1. IPO

2. Deals

3. 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

37

(on scale from -100 to +100)
Dec 2018





Q4 2018 highlights

1. IPO

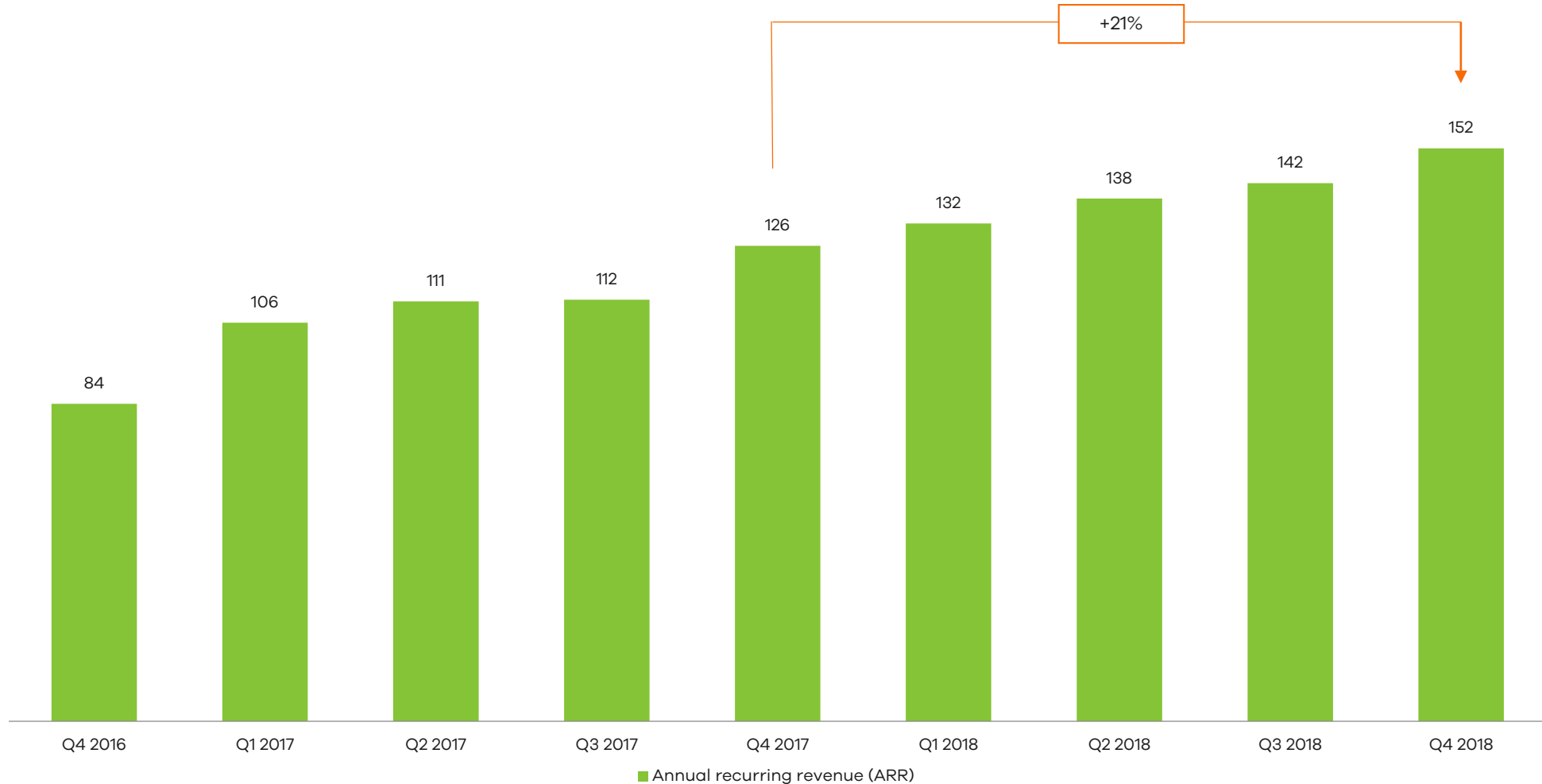
2. Deals

3. Recruitment

4. ARR

Increase in annual recurring revenue drives growth

ARR development (SEKm)





Q4 2018 highlights

1. IPO

2. Deals

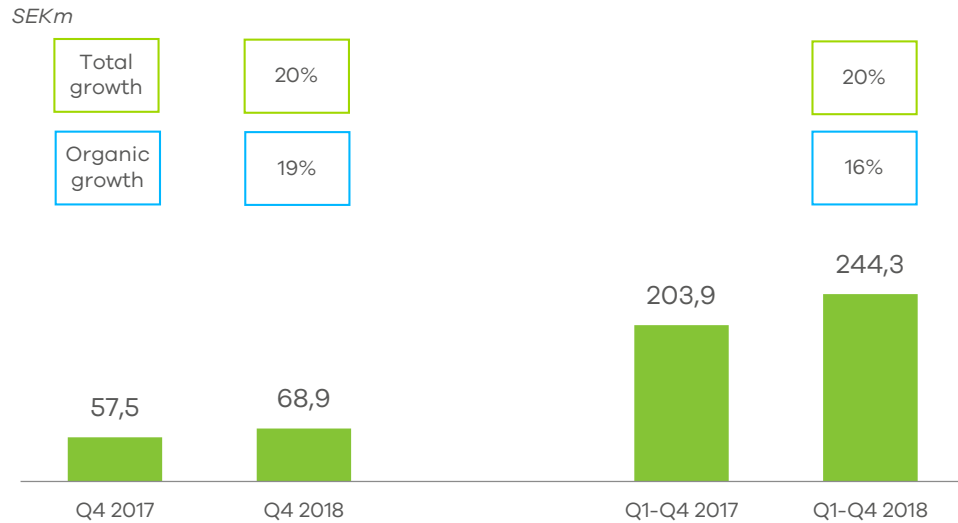
3. Recruitment

4. ARR

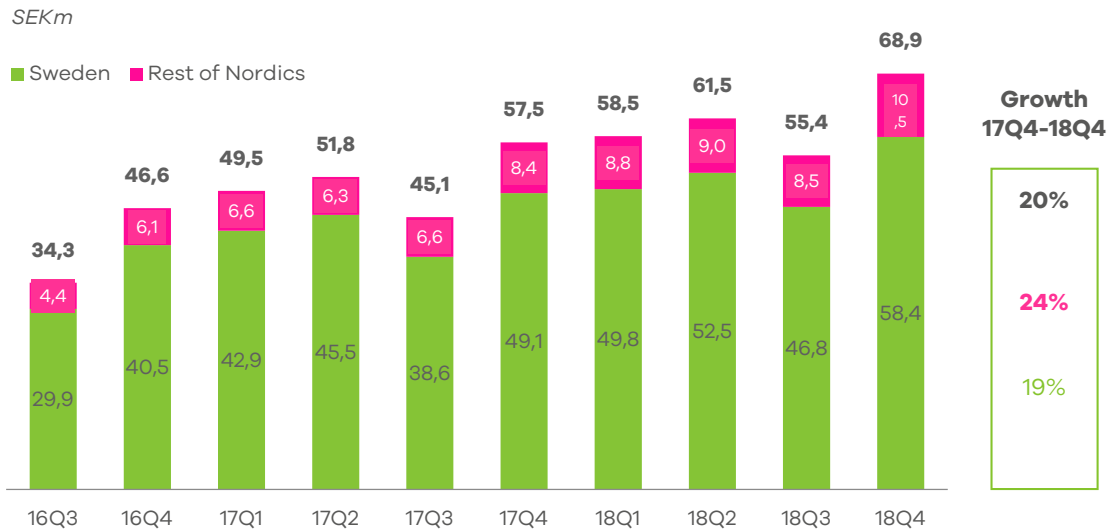
5. Net sales

Revenue

Net sales development



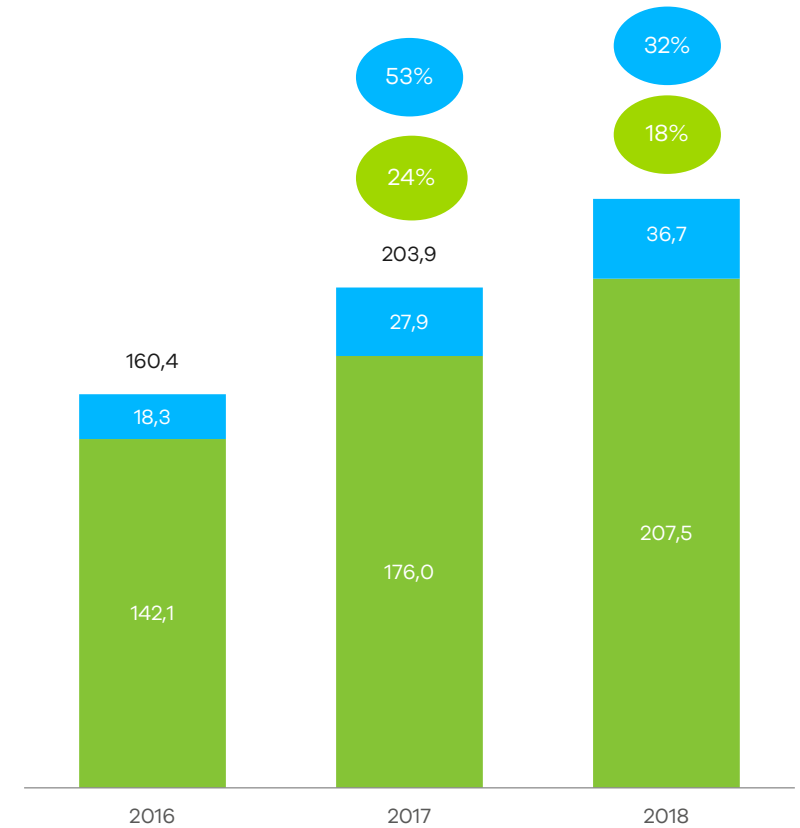
Split by geography



Traction across geographies

SEKm

■ Sweden ■ Rest of Nordics
○ Y-o-Y growth (%)

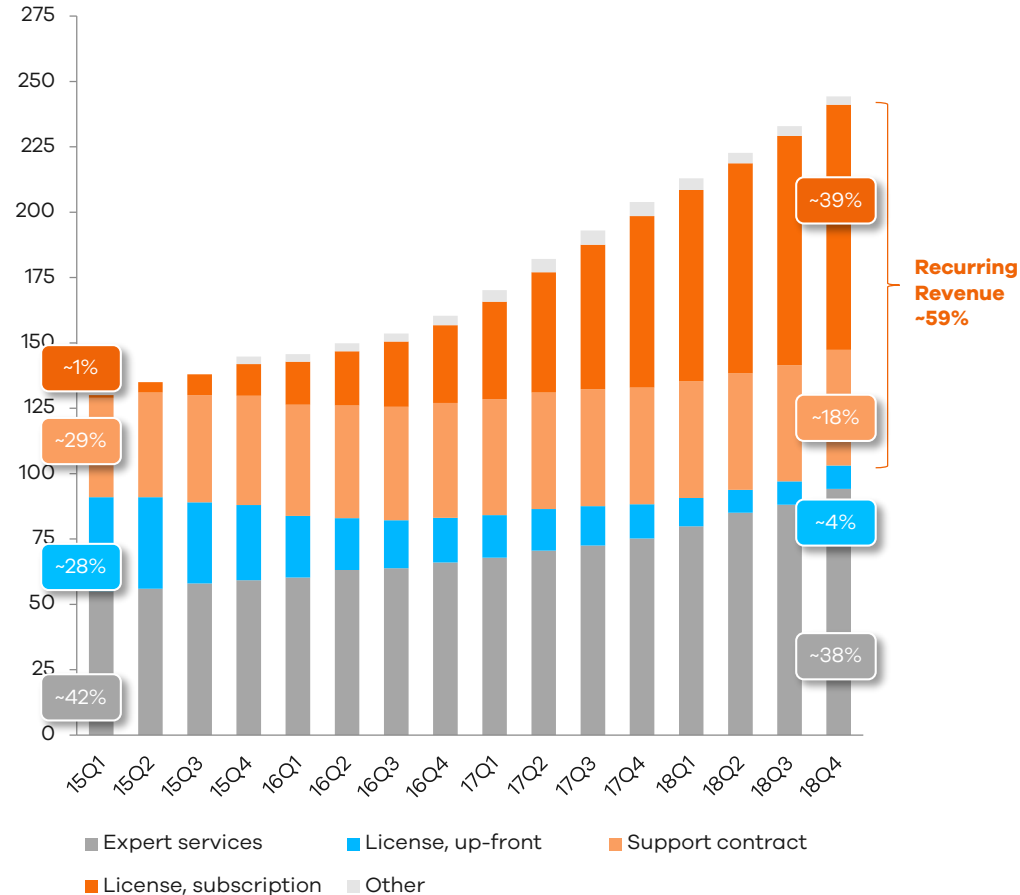


Transition from up-front to subscription pricing model since 2015 is nearly complete

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



Q4 2018 highlights

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5. Net sales

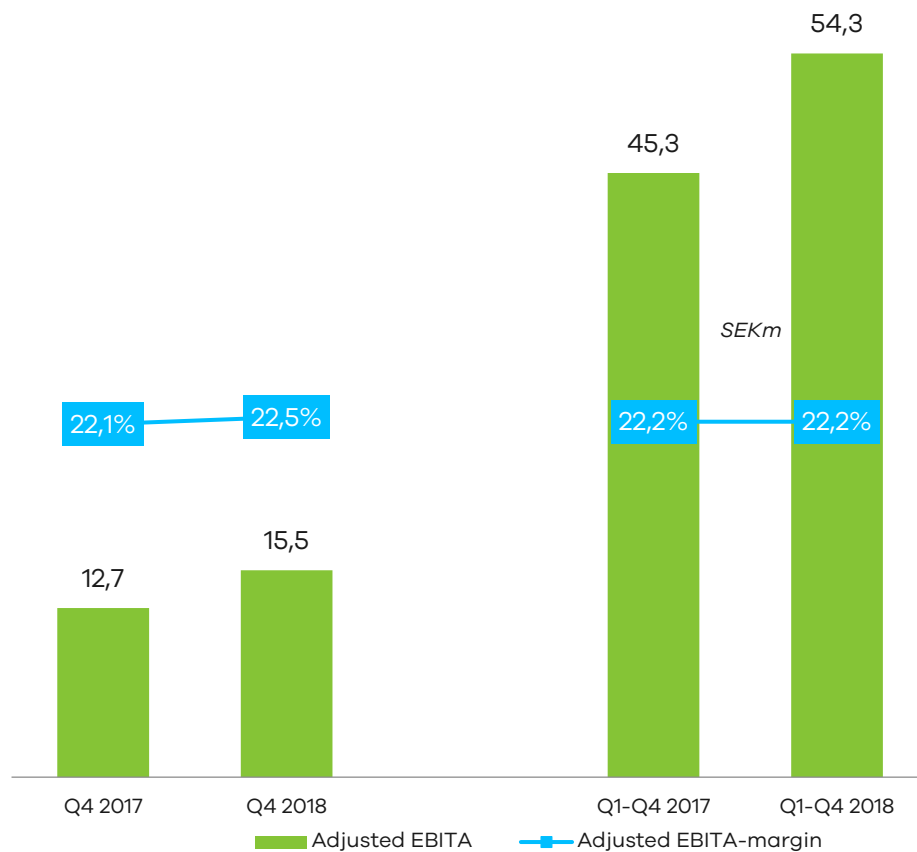
6. Profitability

Profit

reaching an LTM adjusted EBITA margin of 23% in Q4 2018

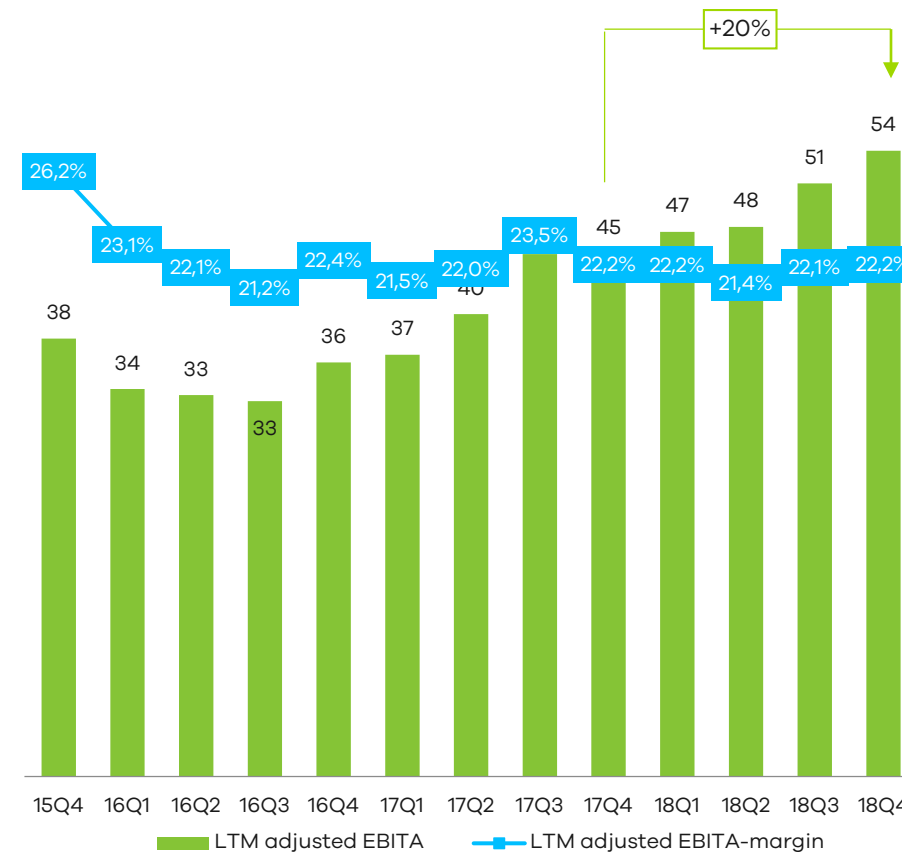
EBITA development¹⁾

SEKm



Rolling LTM EBITA and margin development¹⁾

SEKm



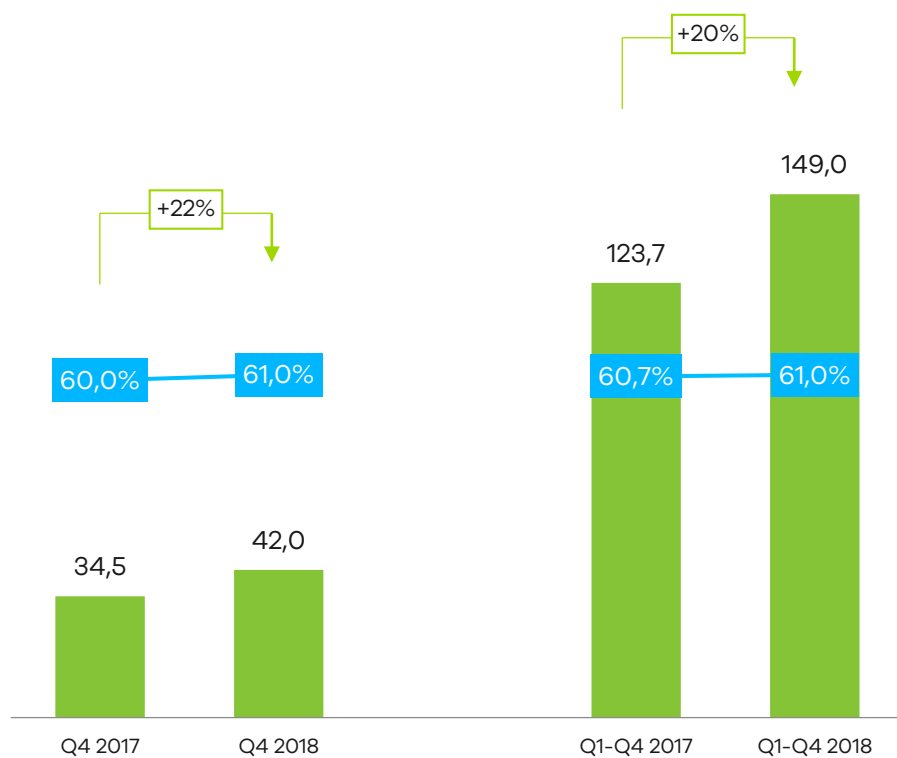
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

OPEX development

Large majority of operating expenses related to growth in FTEs

Personnel expenses development

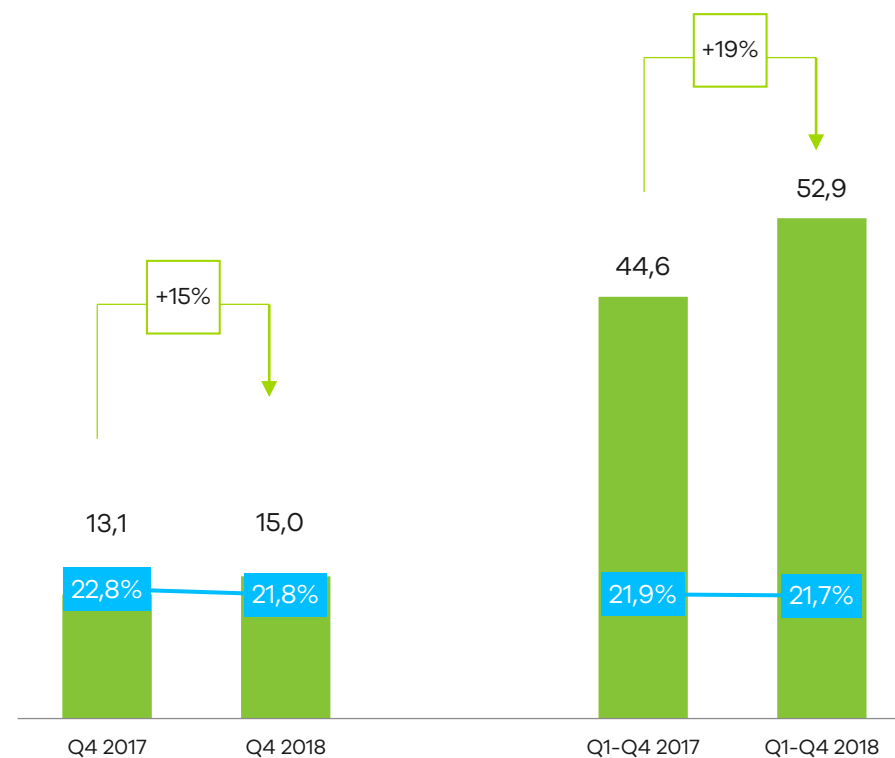
SEKm



Personnel expenses % of Net sales

Other operating expenses development (adj.)

SEKm



Other expenses % of Net sales



Financial targets

2018

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%"

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"

1,7

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)



Q4 2018 summary

Development in ARR

ARR SEK 152m
+26 MSEK (21% growth) Y-on-Y

Net sales growth

Net sales SEK 69m
+11 MSEK (20% growth) Q-on-Q

Improved profitability

Adjusted EBITA margin¹⁾ 23%

Order intake

Several larger deals outside Sweden
and within our focus verticals

Note: 1) EBITA adjusted for SEK 6.9m in IPO related expenses in Q4 2018.

For more information

investors.lime-technologies.com

