



# Q2 and first half year 2022 report

**SmartCraft ASA**

31<sup>st</sup> August 2022



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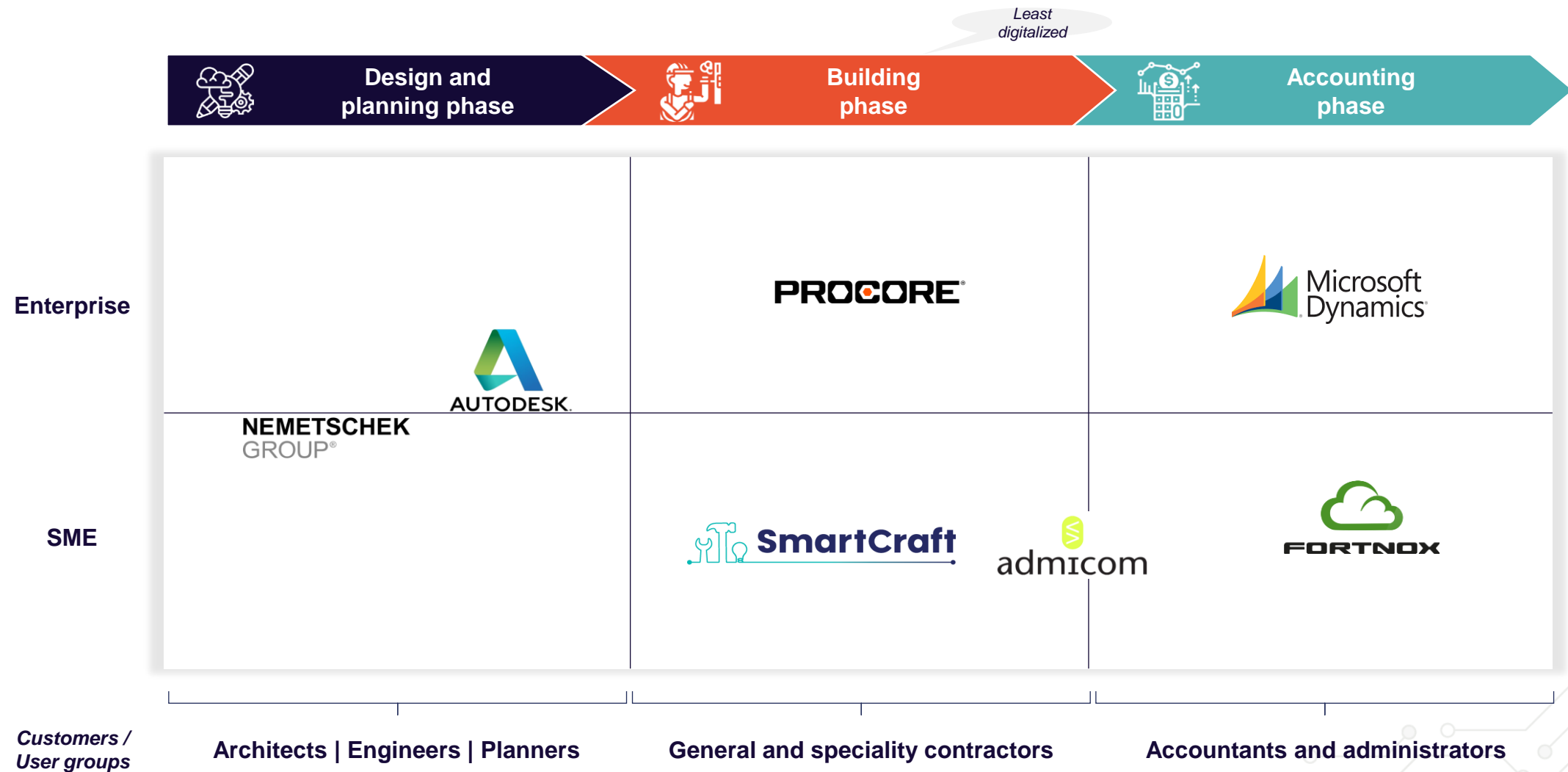
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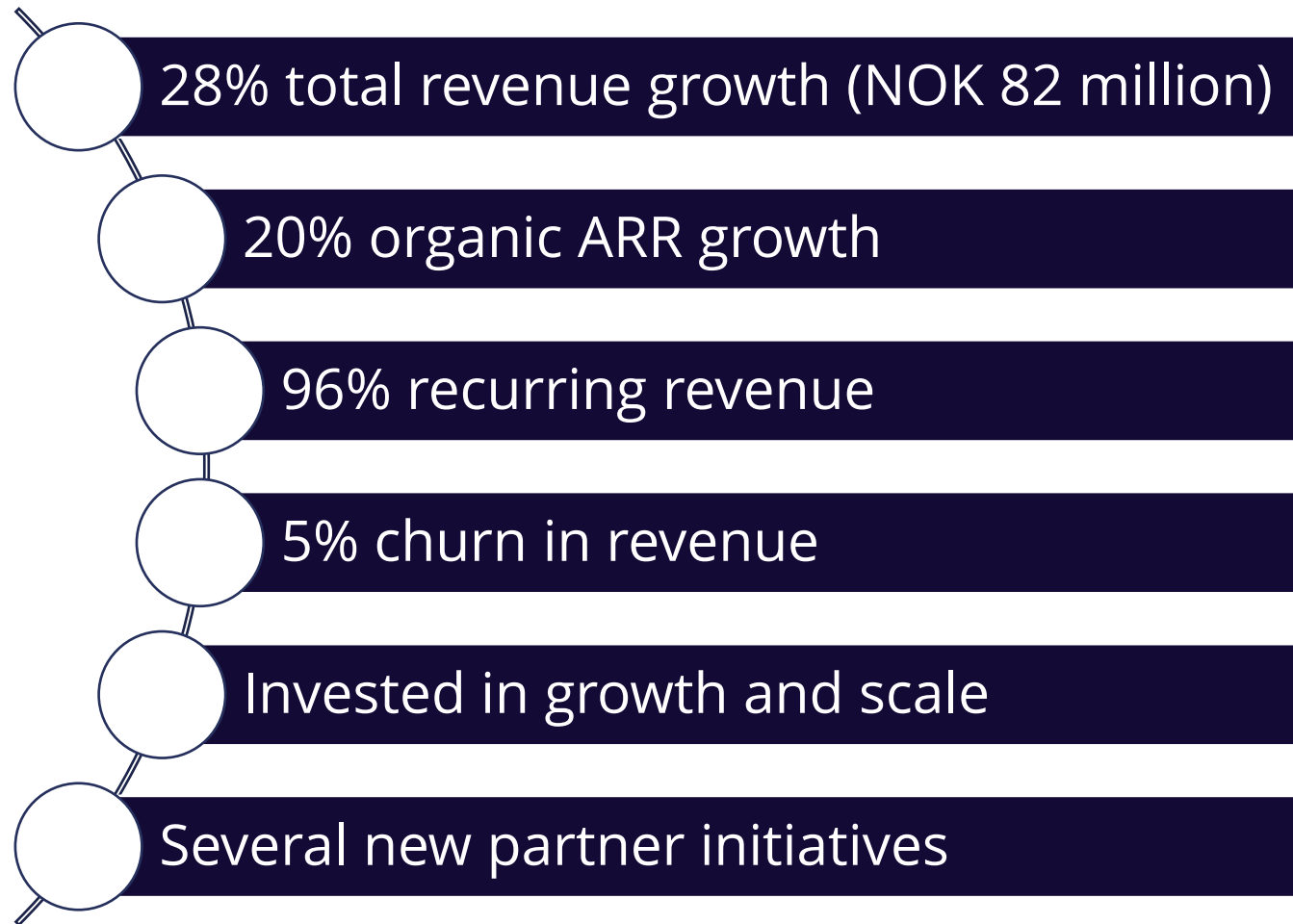
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# SmartCraft has a clearly differentiated and unique position in the value chain

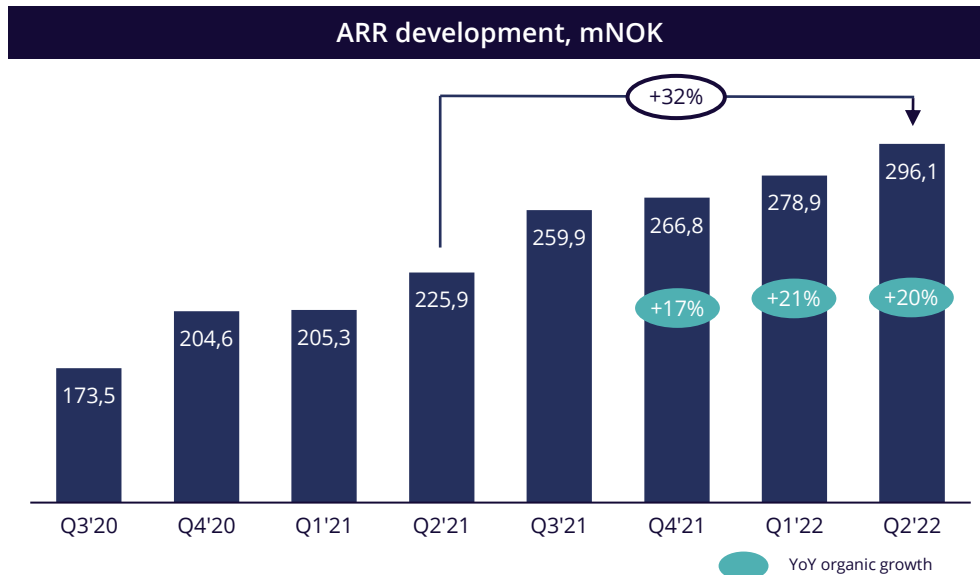


## Q2 highlights

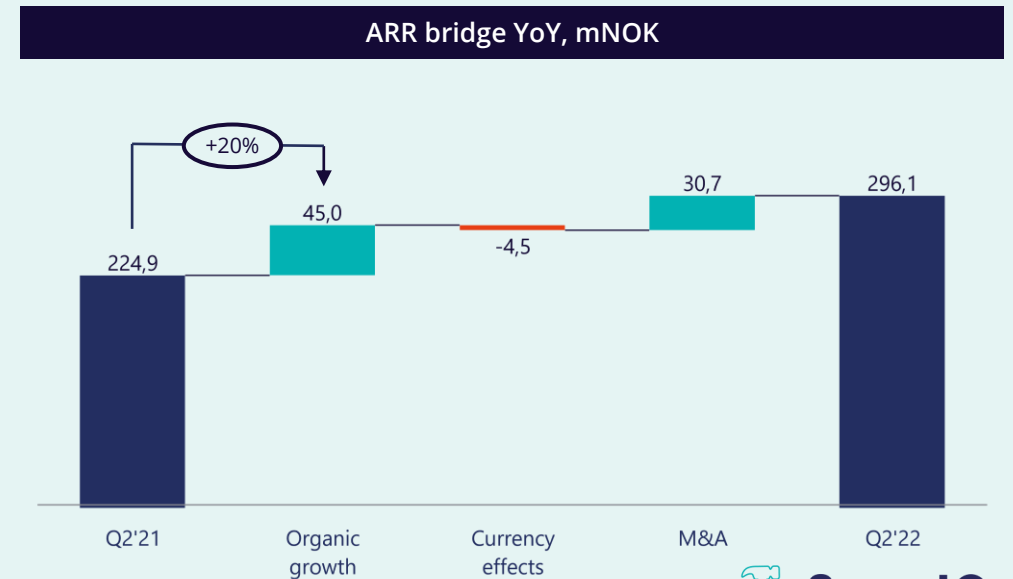
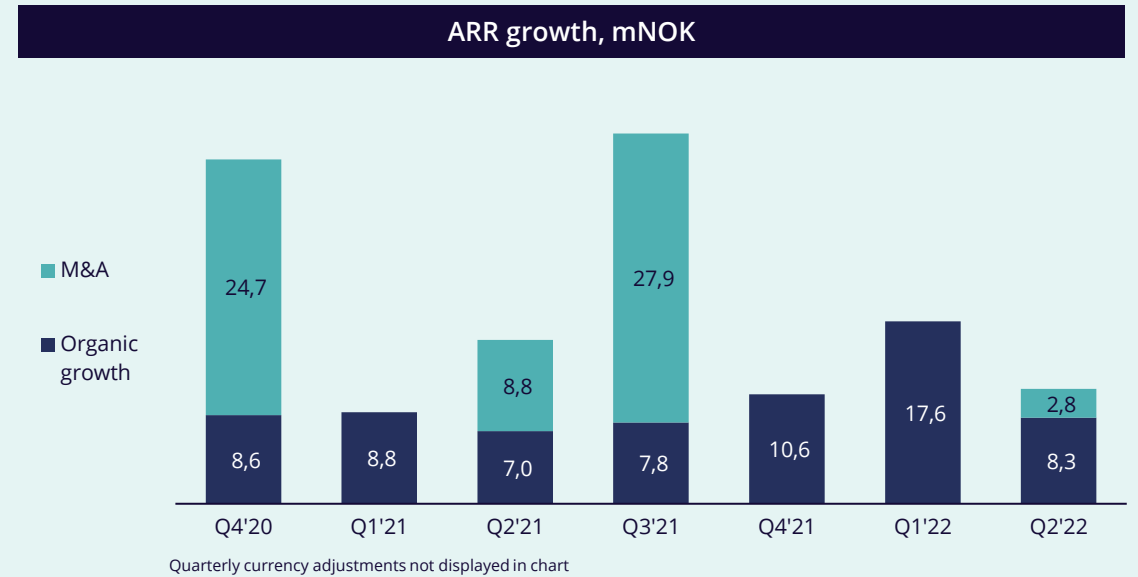


# Maintaining high growth in Q2

- 32% growth in ARR
  - 20% organic growth from new sales and upsales
  - Acquisition of Kvalitetskontroll in July 2021 and Elverdi in June 2022
- 96% recurring revenue share
  - Fixed pricing, 19% organic growth
  - Transaction based pricing, 18% organic growth



Q2 and first half year 2022 results



Slide 5

# SmartCraft is resilient in a potential challenging market

## Our position

- Greatly underpenetrated market in growth
  - NOK 10 BN market, growing double digits annually
  - Majority does not have solution to increase productivity and profitability – need to have solutions
- SME focus
  - Smaller projects, services, maintenance and upgrades
  - Less affected by downturn in the economy
- High activity
  - Customers show 18% transactional growth
  - Solid sales pipeline
- Solid business model
  - 96% recurring revenue
  - Low-cost pr user pr day (7 NOK)
  - No single customer dependency

## What you read in the media

*"It looks like a perfect storm for construction. Nobody can foresee the consequences of this crisis"*

Harald Nikolaisen, Byggebransjen June 2022

*"An inability to fill vacancies in the sector will have severe implications for the rest of the economy"*

Construction Europe July 2022

*"The construction industry is hit hard by the price increases"*

Johan Deremar, Byggföretagen June 2022

# Our customers need to digitalize in good and bad times



## Lack of skilled workers

- Need for skilled construction workers globally
- Aging workforce and lack of recruitment



## Long tail of new projects and maintenance needs in public and private sector

- High activity of new buildings
- Increasing aging buildings in need of renovation



## Increasing demand for detailed digital documentation

- Regulatory offices
- Consumers



## Digitally maturing users and software

- Apps and SaaS solutions drive adoption
- Younger more digital workforce



## Challenging market

Focus on cost of material, utilization and margin



## Great market

Lack resources and time to follow up customers



# Q2 operational and financial highlights





# Our vision is to become the leading provider of specialized digital solutions for construction companies in Northwestern Europe



## Main focus is organic growth in the Nordics

- Upsales to existing customers
- Win new customers
- Cross sell on existing portfolio
- ...and bolt-on acquisitions



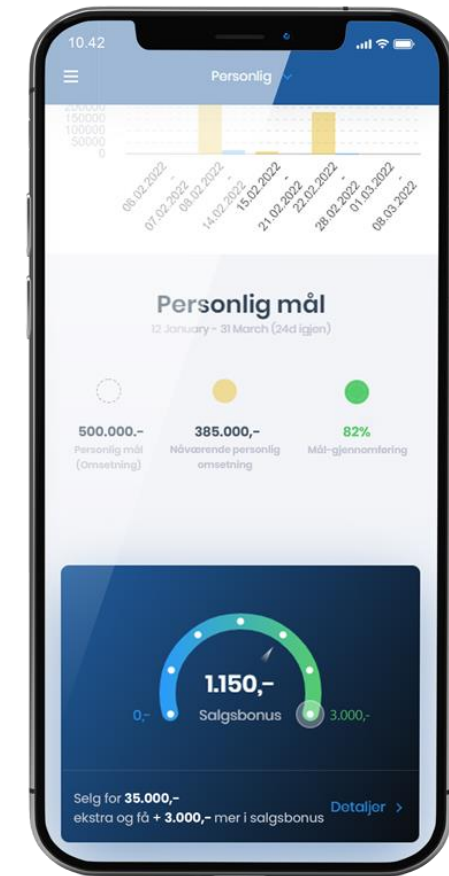
## Targeting geographical expansion through M&A

- Strategic bridgehead with cultural and business knowledge
- Capital discipline – wait for the right acquisition opportunities

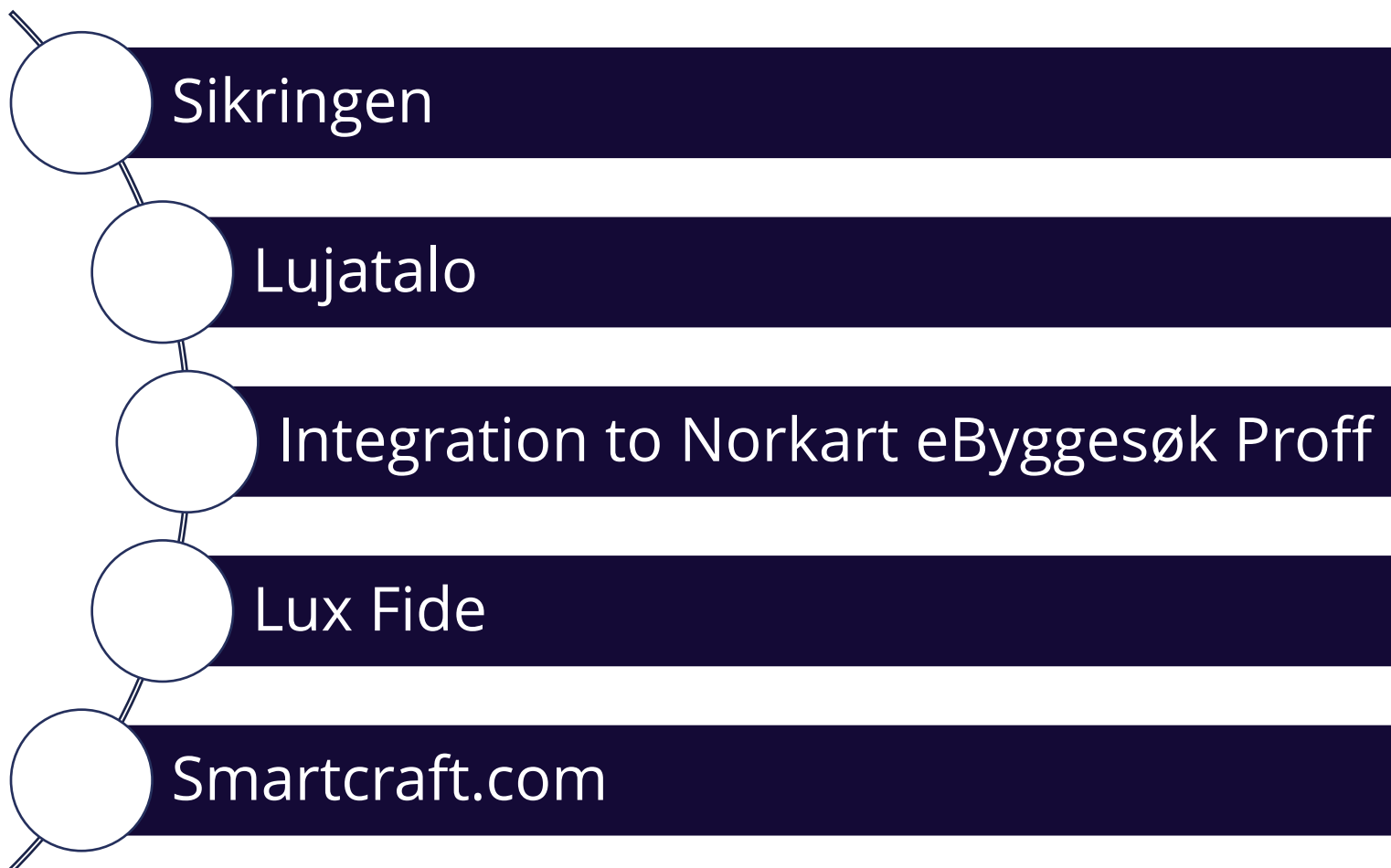
# Elverdi adds value to SmartCraft



- Acquired in June
- Digital sales tool for electricians
- Adding strategic competence and solution to our existing portfolio
- Strengthening our position in the electro segment
- mNOK 5.5 revenue in 2021
  - 40% recurring
  - 90% recurring revenue growth vs 2020



## Partnerships with leading players provide increased reach



# Medium term financial targets stand firm

## Growth

*Organic growth*

**15 – 20%**

**+**  **bolt on M&A**

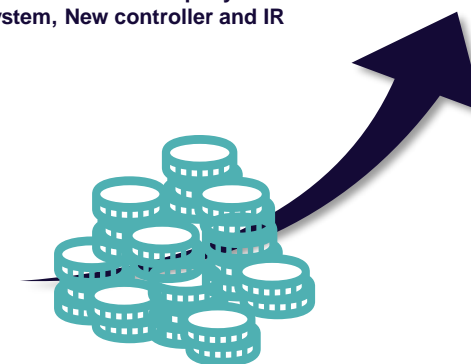


## Margin

***Margin expected to increase due to scalability of the business***

### Short-term considerations:

- 1) Impact from acquired companies last 12 months
- 2) Additional costs as a listed company: New accounting system, New controller and IR function



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Q&A

