

INFRONT ASA Q3 2017 Results

10 November 2017

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Presenters and agenda

Kristian Nesbak
CEO & Co-founder



Max Hofer
CFO



Agenda

- Q3 2017 Highlights
- Operations Review
- Financial Review
- Summary

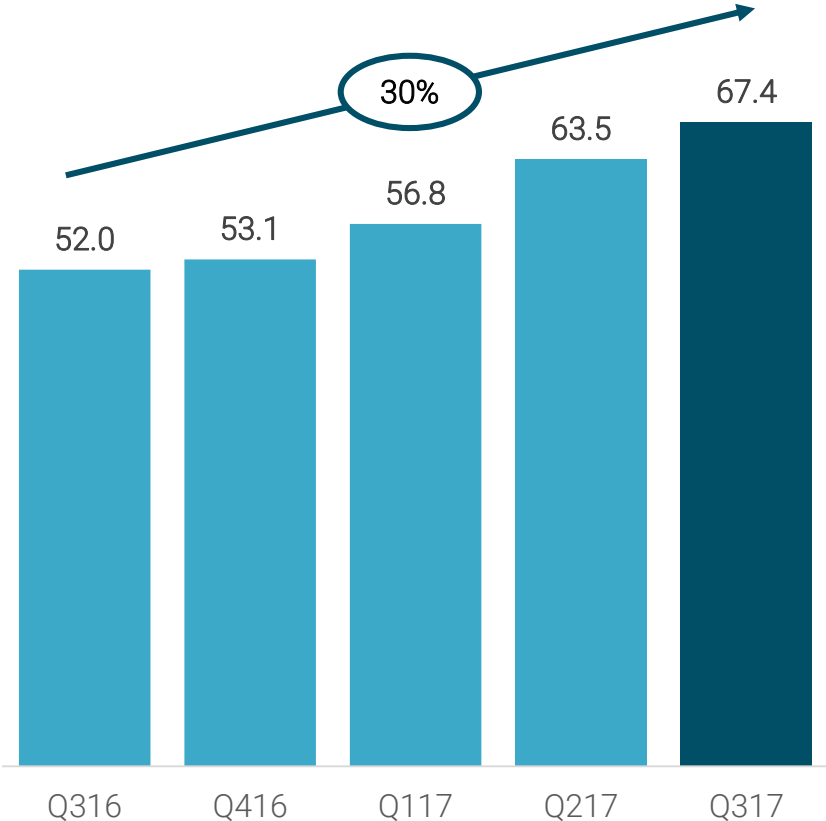
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Infront - A leader in financial information

Quarterly Revenues

NOK million



- Listed on Oslo Børs, Ticker INFRNT
- ~98% recurring revenue, SaaS product
- ~20,000 paying customers, working closely with top-tier Nordic financial institutions
- 120+ Employees from 20 countries



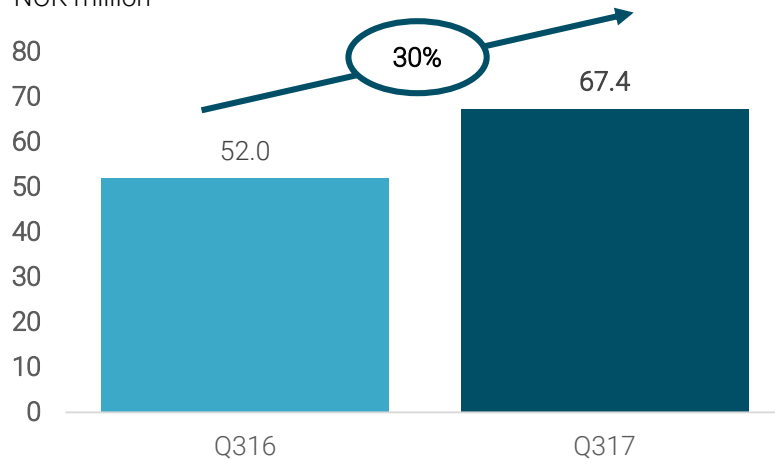
Q3 2017: Best-ever quarter for Infront

- Q3 2017 revenue increased 30% to NOK 67.4 million from NOK 52.0 million in Q3 2016
- Positive contribution from acquisitions of Inquiry Financial Europe AB, SIX News and migration of SIX Edge customers
- Adjusted EBITDA increased to NOK 14.1 million, driven by higher revenues across all segments
- Number of paying terminal subscribers increased 14% YoY
- Successfully completed oversubscribed IPO on Oslo Børs
- Opened Helsinki office to serve existing and potential Finnish customer base



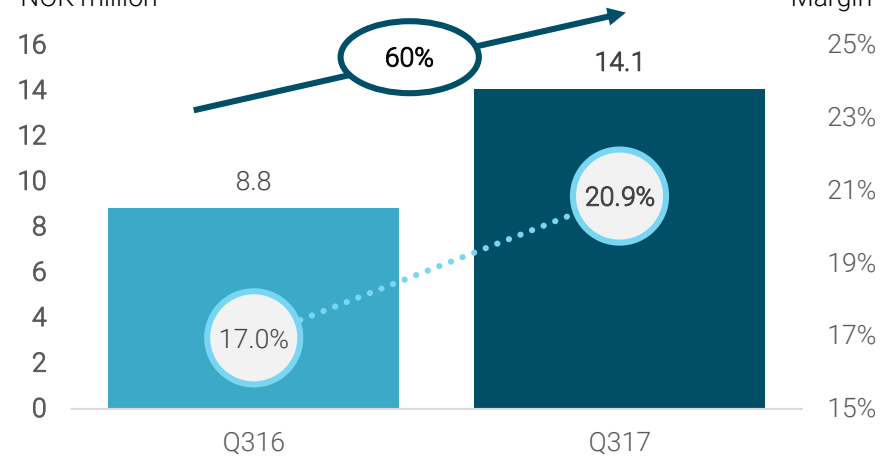
Quarterly Revenues

NOK million



Adjusted EBITDA* and margin

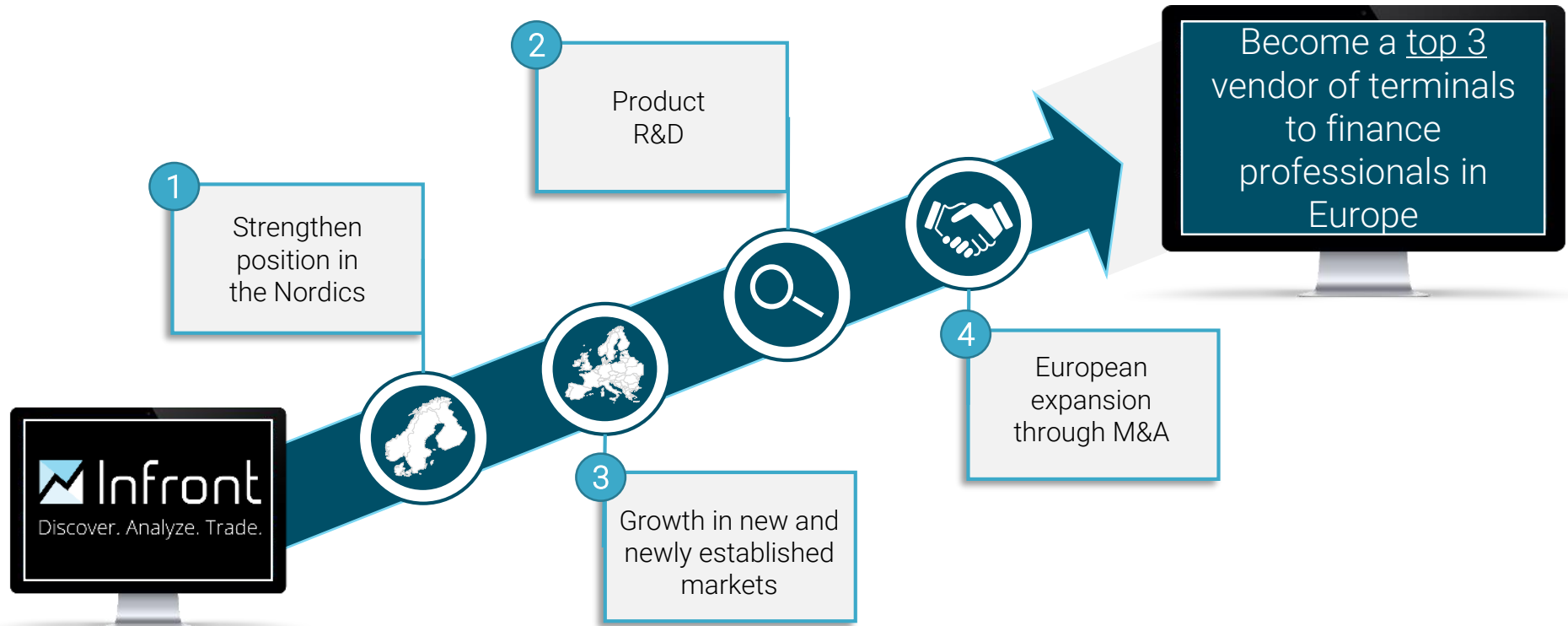
NOK million



* Adjusted for IPO-related costs incurred during Q3 2017



Clear strategic priorities that support Infront's long-term ambitions

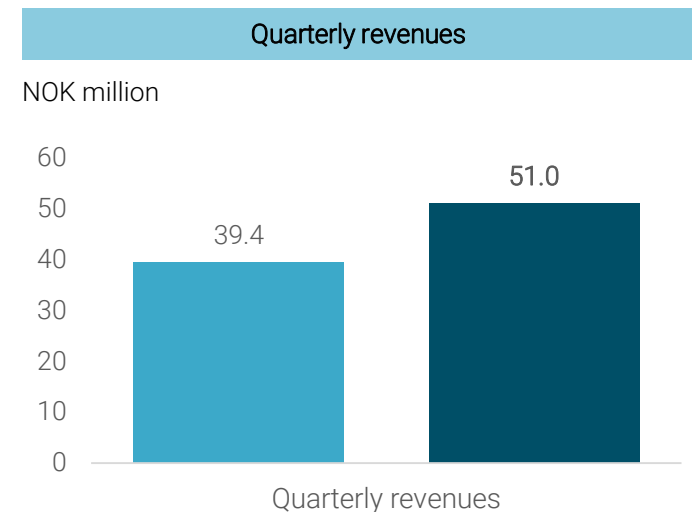
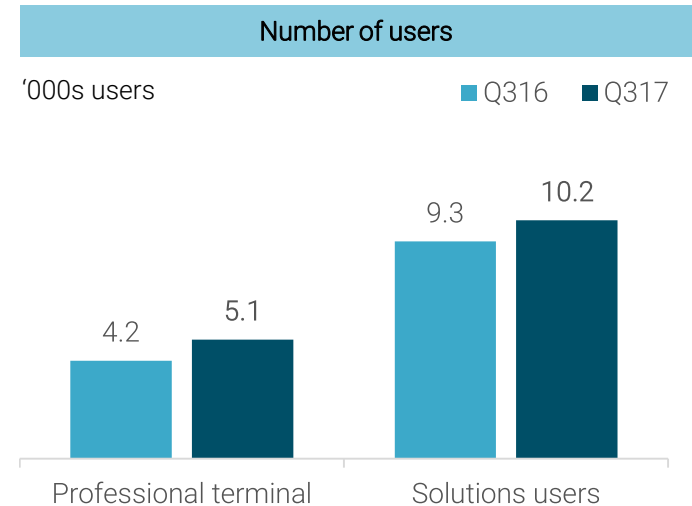




OPERATIONAL
REVIEW

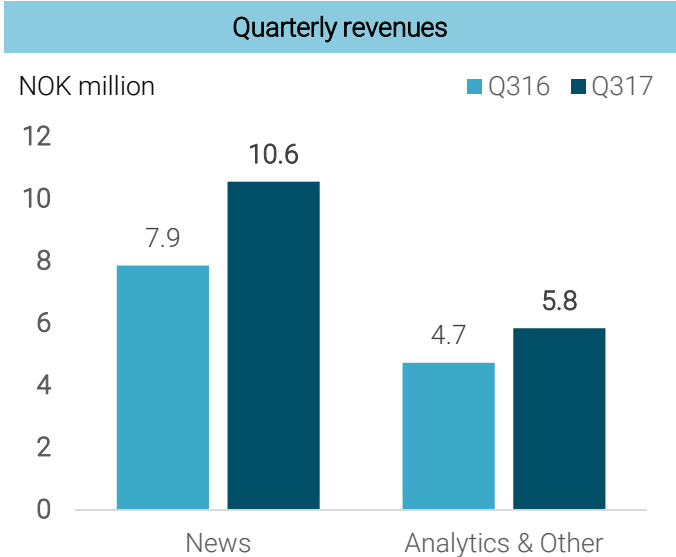
Terminals and Solutions growth reflect wider user base

- Revenues of NOK 51.0 million, up **30%** from Q3 2016
- Number of **paying users increased 14% YoY**
 - SIX Edge migration and organic growth
- Implementation of Nordnet project going according to plan – Initial revenue impact from Q4
- SIX Edge user migration on-track and almost completed
- Infront terminal 8.0 launched
- High activity level and sales team working on several larger opportunities
- Post Q3 events:
 - Signed **significant contract with SEB** for web solutions product for market data and trading
 - Roll-out during 2018



Growth for News, Analytics & Other on new products

- Continued **positive development** for the News and Analytics / Other divisions
- News generating increasing income from Web TV and IR related activities
- New Excel add-in launched supporting Infront instruments time series
- Increased collaboration between Infront Analytics and Inquiry to yield improved product pipeline in 2018





FINANCIAL
REVIEW

Q3 2017 financial highlights

Best quarter in history of Infront ASA

- Revenues of NOK 67.4 million
- Adjusted EBITDA of NOK 14.1 million
- Improved adj. EBITDA margin of 20.9%

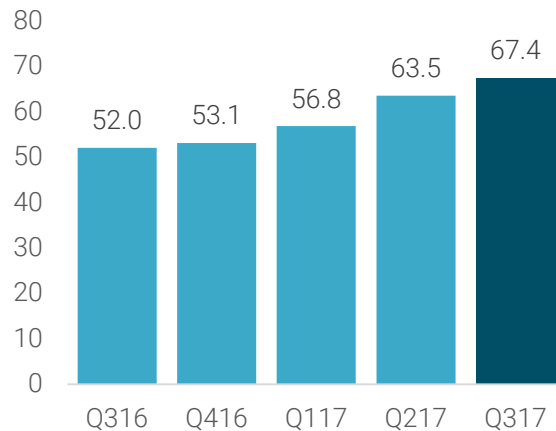
Successful IPO at Oslo Børs

- Welcoming 800+ new shareholders to Infront ASA
- NOK 94 million in net proceeds from issuing new shares
- Enabling continued M&A activity going forward

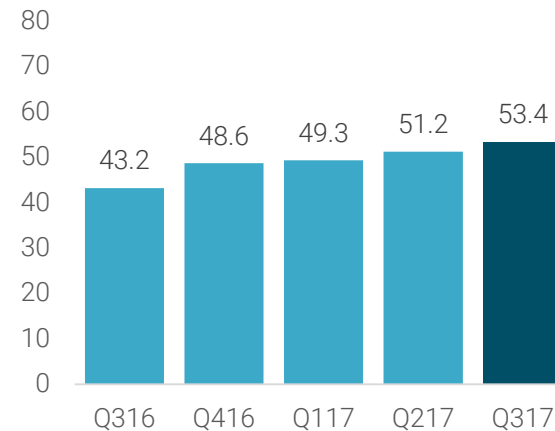


Q3 growth driven by SIX migration, volume and pricing

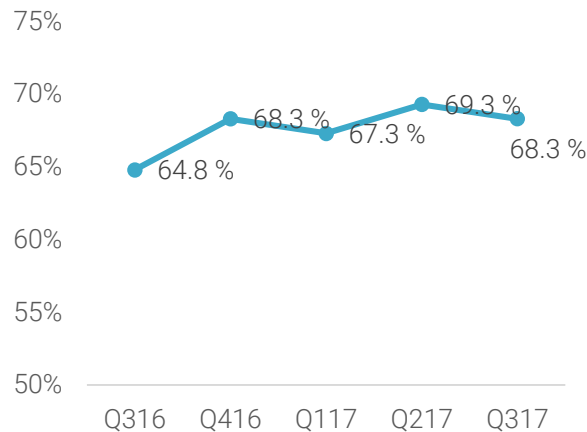
Revenues
NOK million



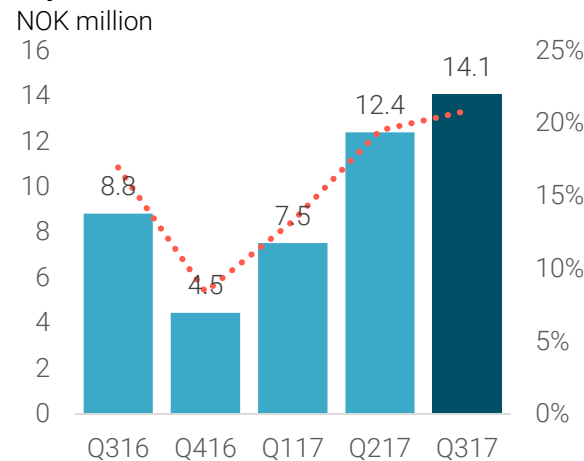
Adj. Opex*
NOK million



Gross Margin %



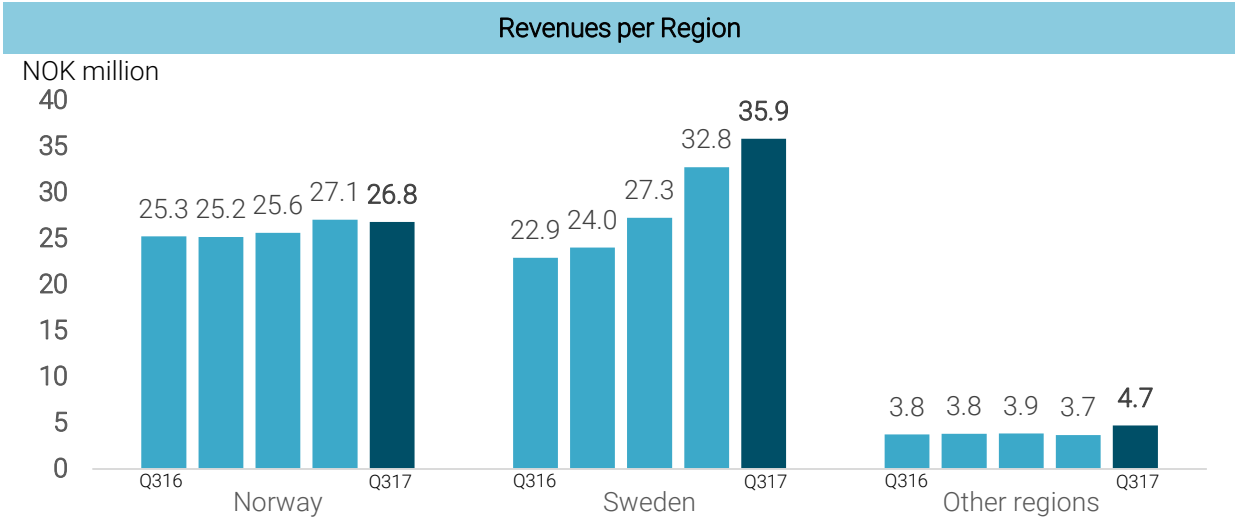
Adj. EBITDA*
NOK million



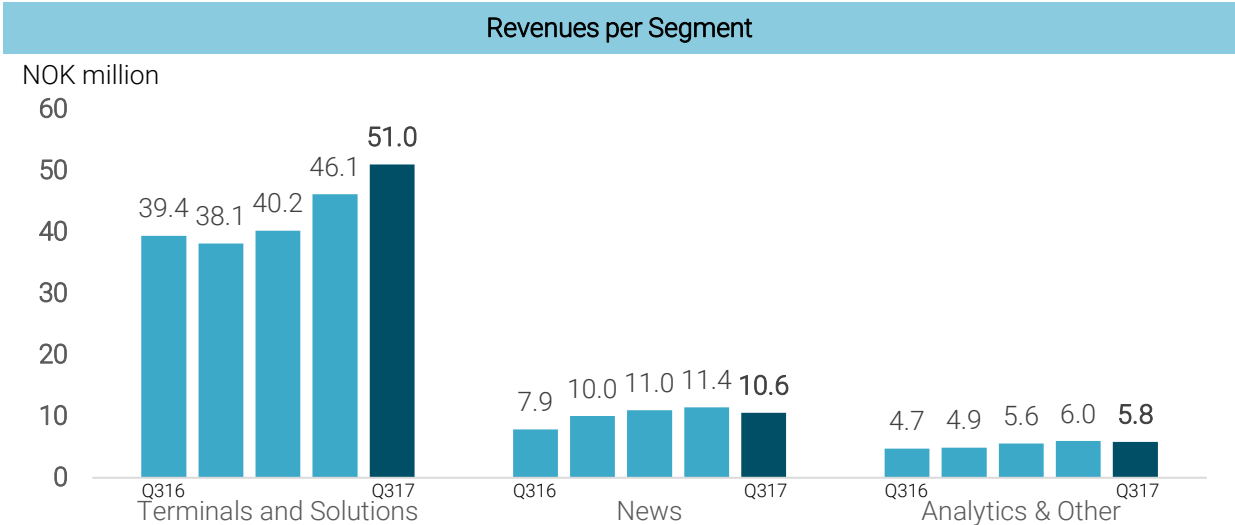
- 30% YoY revenue growth
 - Higher volume and prices across the Group
 - Acquisitions of SIX News and SIX Edge customer base, and Inquiry Financial Europe AB
- Adjusted Opex increased on staff costs related to SIX and Inquiry acquisitions, and international expansion efforts
- Gross Margin improved YoY on scaling effects and increased relative share of higher margin products sold
- Adjusted EBITDA increased to NOK 14.1 million, mainly driven by the SIX transactions

* Adjusted for IPO-related costs incurred during Q1-Q3 2017

Continued rapid growth in Sweden from SIX users



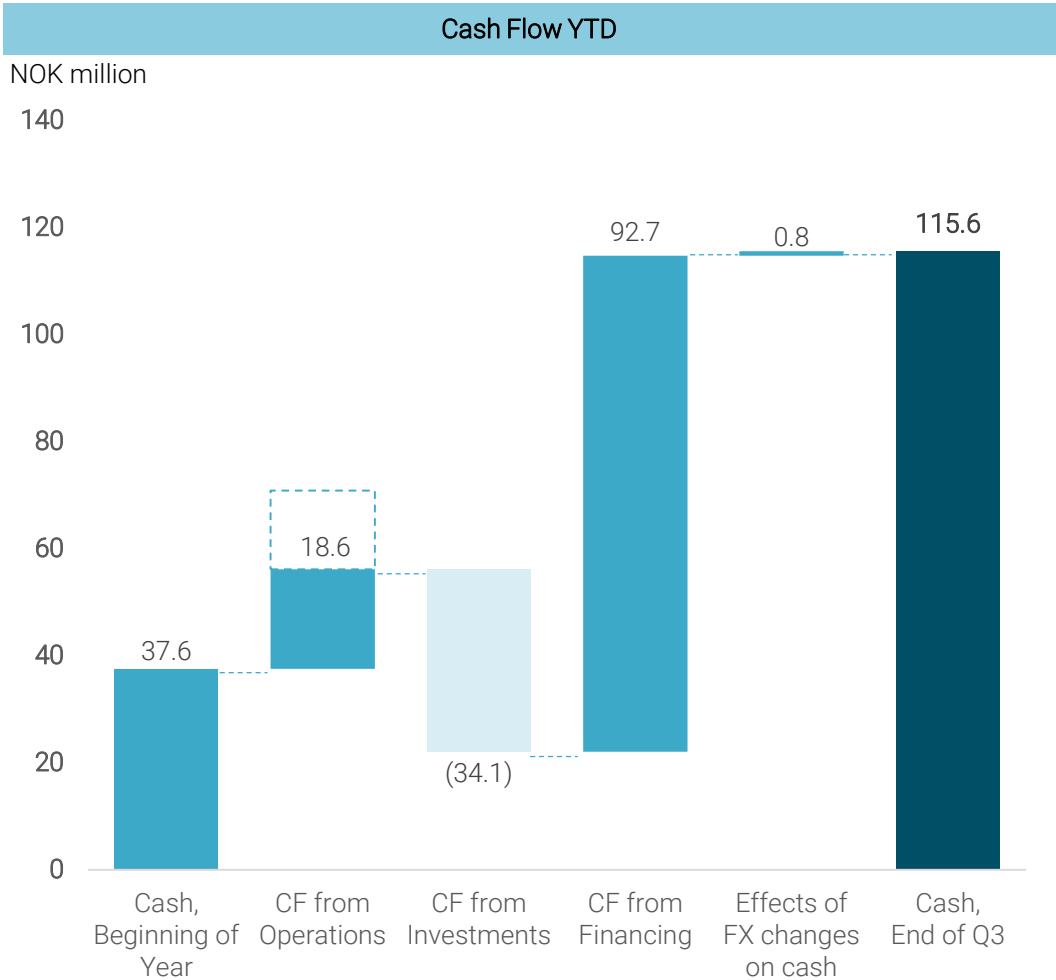
- **Norway:** Revenue up NOK 1.5 million YoY to NOK 26.8million. Decrease in revenues QoQ due to customers transferred to Other regions (NOK 0.7 million in Q3)
- **Sweden:** Revenue increased NOK 13 million YoY to NOK 35.9 million, mostly due to SIX transactions and continued overall positive operational developments in the region



- **Revenues per Segment:** Reclassification of ~NOK 0.6 million in SIX Edge-related revenues from News to Terminals and Solutions in Q3 vs. Q2



Healthy underlying cash flow from operations

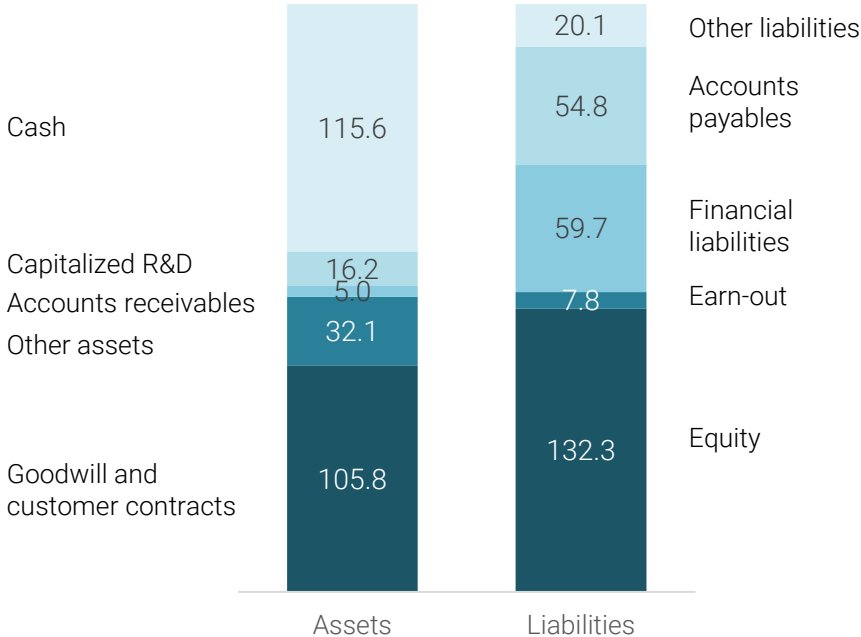


- **Operating CF:** NOK 18.6 million – significantly impacted by one-off payments related to IPO process of NOK 14.7 million
- **Investing:** Negative NOK 34.1 million
 - NOK 8.8 million used for acquisition of a majority stake in Inquiry Financial Europe AB
 - NOK 15.2 million used for SIX News and Edge payments
 - **Capex & Capitalized R&D** of NOK 10.0 million, of which NOK 8.5 million were capitalized software development costs
- **Financing CF:** Net proceeds from issue of new shares of NOK 94.3 million and repayment of remaining outstanding credit facility of NOK 1.6 million
- **Cash position** end of Q3: NOK 115.6 million, up by 77.2 million vs. Q4 2016

Improved cash position and financial flexibility after IPO

Balance Sheet

NOK million



- Capitalized R&D: stable NOK amount of total R&D expenses capitalized
- Goodwill and customer contracts related to recent acquisitions of TDN, SIX and Inquiry
- Financial liabilities represent calculated value of outstanding payments over next six years to SIX
- Earn-out represents value of option to acquire remaining shares in Inquiry



Summary

- Best-ever quarter in Infront's history
- Successful migration of SIX Edge almost completed
- Significant up-tick in run-rate revenues and EBITDA
- Positive development of sales pipeline in all regions supporting organic growth ambitions
- Product development on-track to support further growth
- M&A opportunities evaluated on an ongoing basis



Q&A

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Next event

- Q4 2017 on 16 February 2018
- [IR Mailing list](#)

