

INFRONT ASA Q1 2018 Results

15 May 2018

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Presenters and agenda

Kristian Nesbak
CEO & Co-founder



Max Hofer
CFO



Agenda

- Q1 2018 Highlights
- Operations Review
- Financial Review
- Summary

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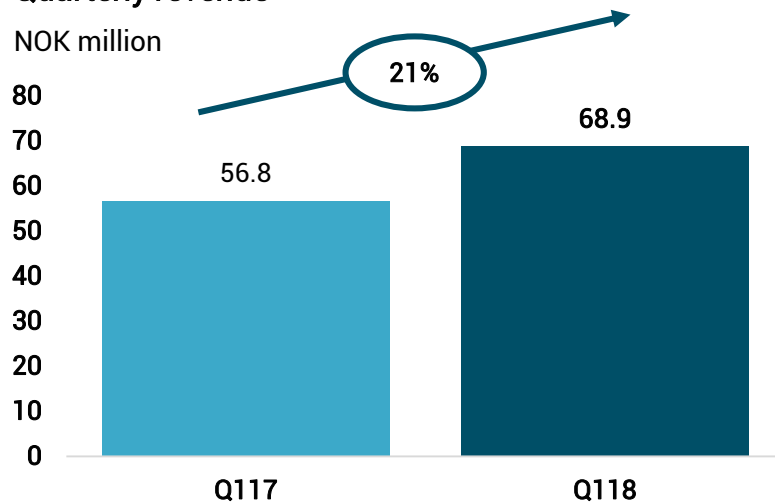
Q1 2018: A good start to an exciting year

- Revenue increased 21% to NOK 68.9 million from NOK 56.8 million in Q1 2017
- Continued positive contribution from the acquisitions of Inquiry Financial Europe, SIX News and the completed migration of SIX Edge customers
- EBITDA of NOK 14.5 million, up from adjusted EBITDA of NOK 7.5 million in Q1 2017
- Number of paying terminal subscribers increased 23% YoY
- High activity levels in all segments and regions



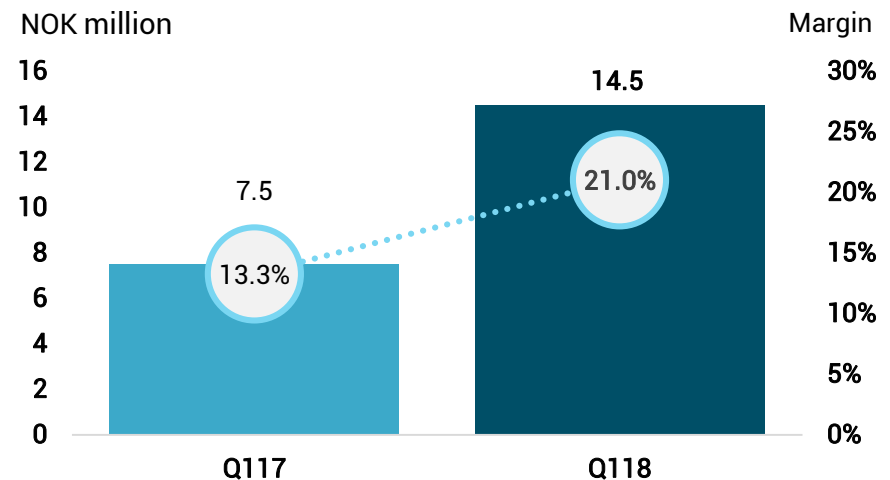
Quarterly revenue

NOK million



Adjusted EBITDA* and margin

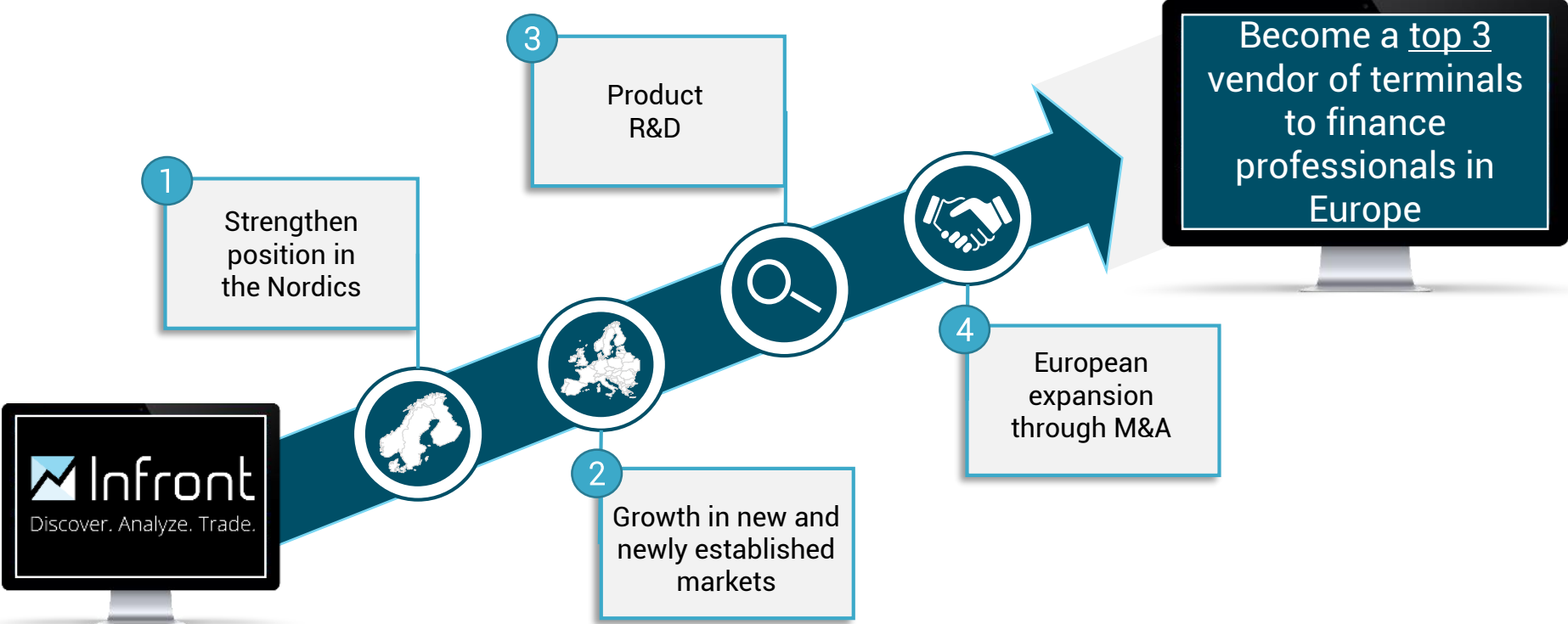
NOK million



* Adjusted for IPO-related costs incurred



Infront maintains its long-term strategic ambitions

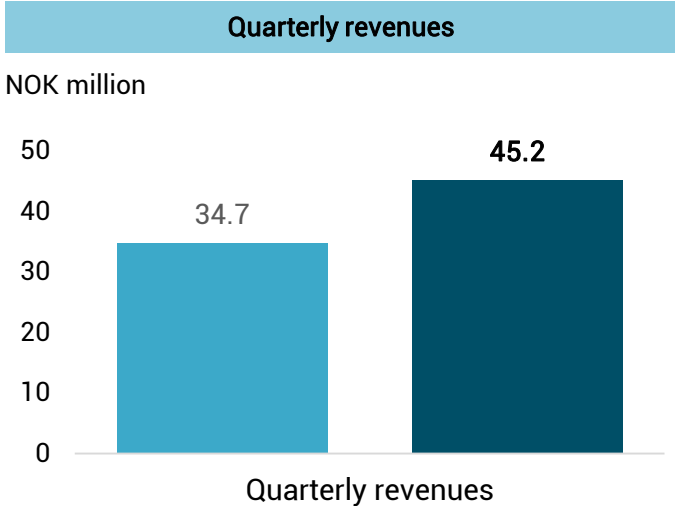
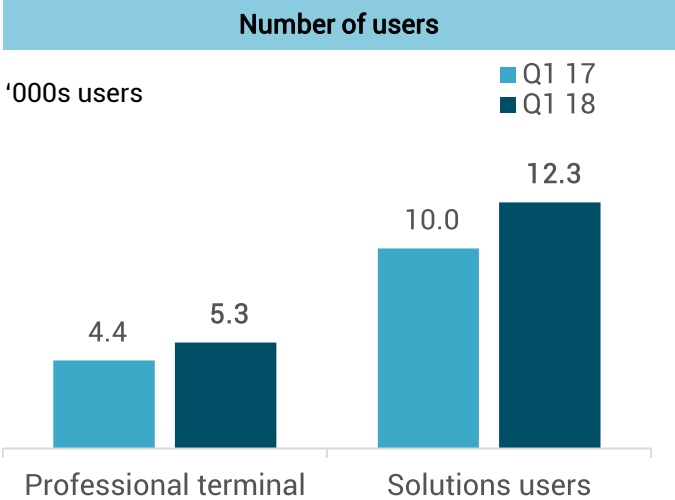




**OPERATIONAL
REVIEW**

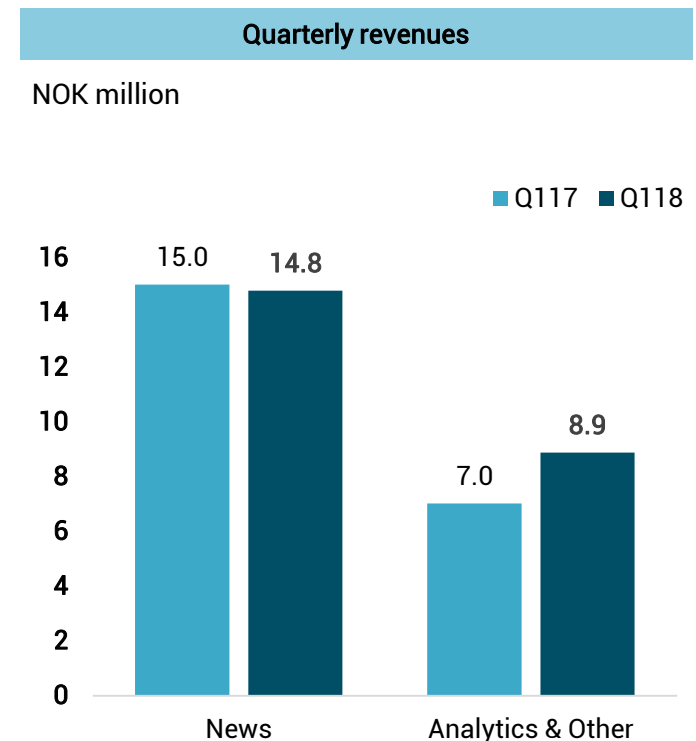
Steady growth in user base for Terminals and Solutions

- Revenue of NOK 45.2 million, up **30% from Q1 2017**
- Number of **paying users increased 23% YoY**
- Implementation of **Nordnet** project going according to plan
- Continued positive impact from the completed migration of SIX Edge users
- Initial invoicing related to SEB contract started in Q1, full normalized revenue impact expected later in 2018
- Post Q1 events:
 - Strategic contract signed with tier-one financial institution in UK



Closer cooperation between News and Analytics & Other Segments to drive product development and growth

- Continued positive development for the News and Analytics / Other segments with combined **growth of 7% YoY**
- Some News revenues relocated to the Analytics and Other segment as a result of internal reorganization between Direkt and Inquiry as well as impact of restatement of internal revenues
- Analytics and Other division **increased 27% YoY**
- Increased collaboration between Direkt/TDN, Infront Analytics and Inquiry to yield improved data and product pipeline in 2018





**FINANCIAL
REVIEW**

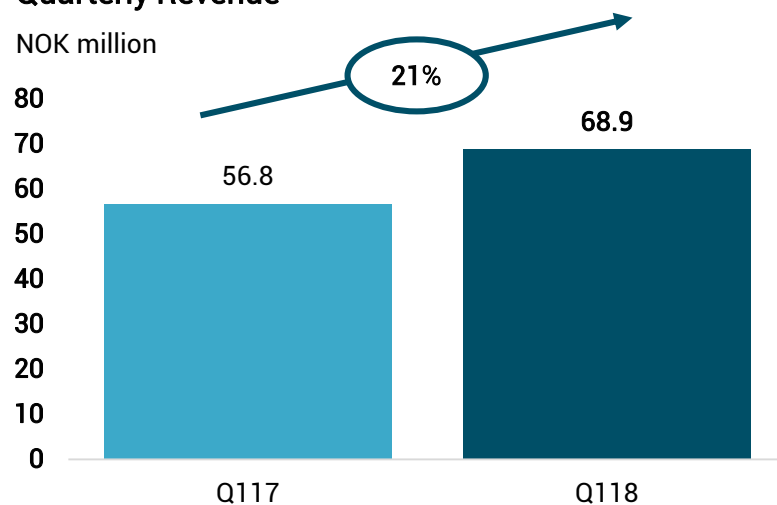
Operational improvements and scalability of business model reflected in financial results

Q1 2018 financial highlights

- Revenue of NOK 68.9 million – up from NOK 56.8 million in Q1 2017
- Gross Profit of NOK 45.9 million - up from NOK 38.2 million in Q1 2017
- Improved adj. EBITDA margin of 21.0% - up from 13.2% in Q1 2017

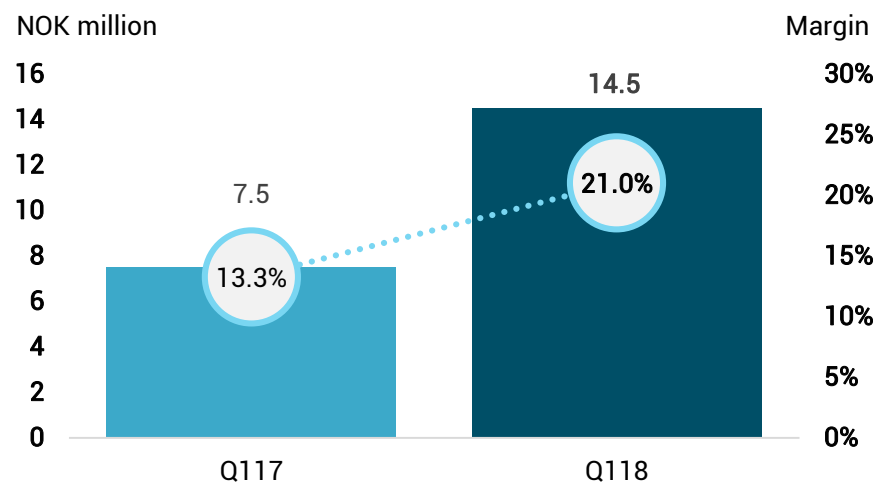
Quarterly Revenue

NOK million



Adjusted EBITDA* and margin

NOK million

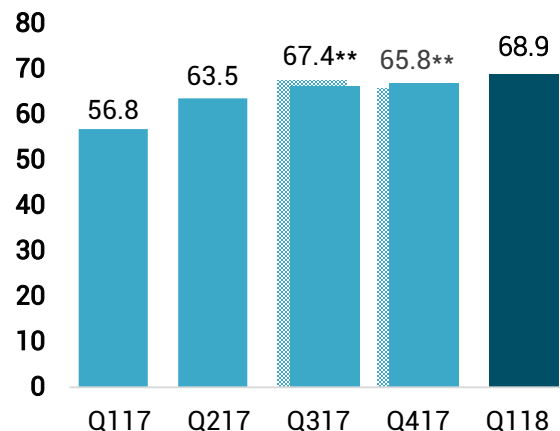


* Adjusted for IPO-related costs incurred

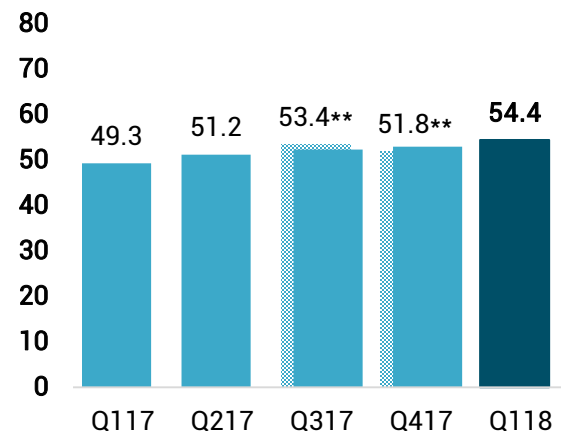


Positive impact from organic growth and group synergies

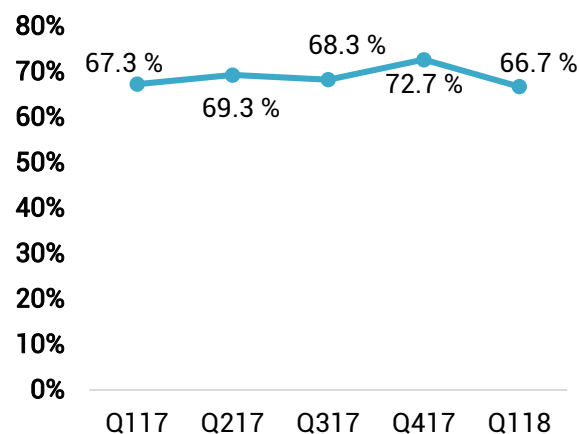
Revenue
NOK million



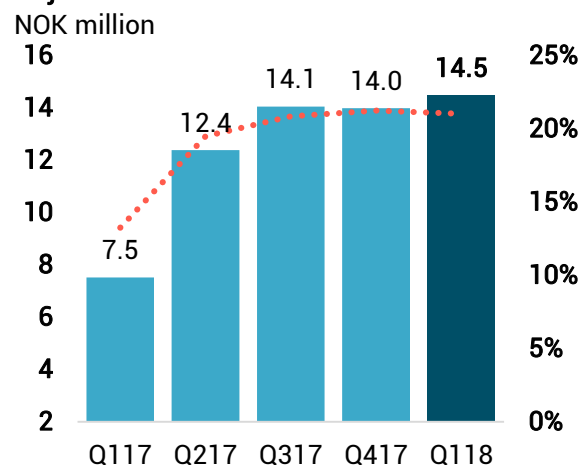
Adj*. Opex
NOK million



Gross Margin %



Adj. EBITDA*



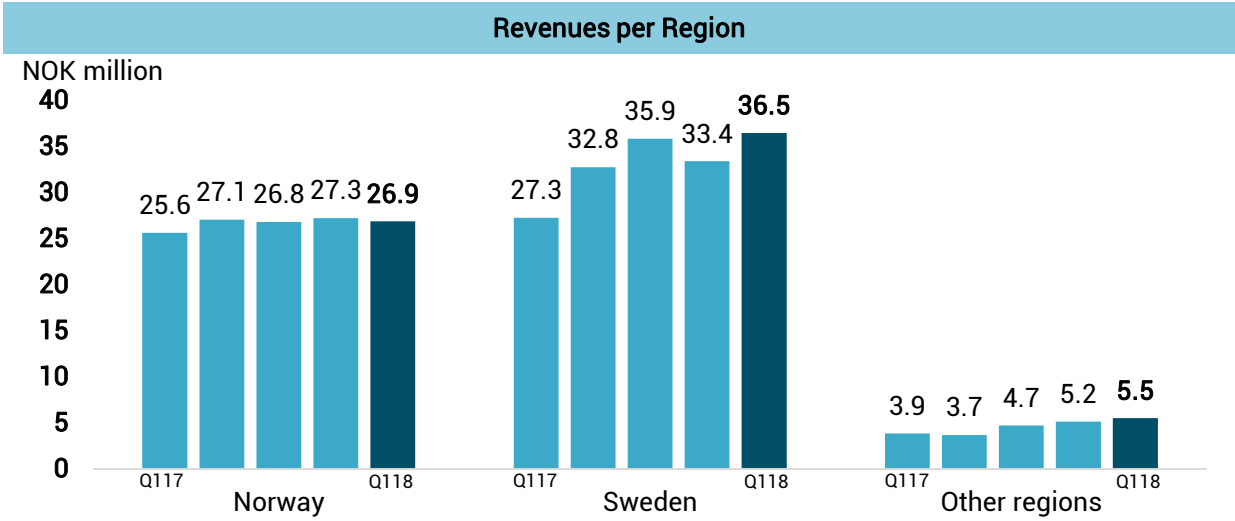
- 21% YoY revenue growth driven by the SIX and Inquiry acquisitions
- Gross Margin stable YoY but negatively impacted in Q1 by general price increases while positive FX impact reflected as financial item. Otherwise, Gross Margin would have been 69.1% in Q1
- Adjusted Opex increased due to increased COGS as other Opex remained stable
- Adj. EBITDA increased 93% YoY on acquired and organic revenue growth, as well as synergy effects between group companies

* Adjusted for IPO-related costs incurred and one-time adjustment for impairment (of acquired SIX Edge customerbase)

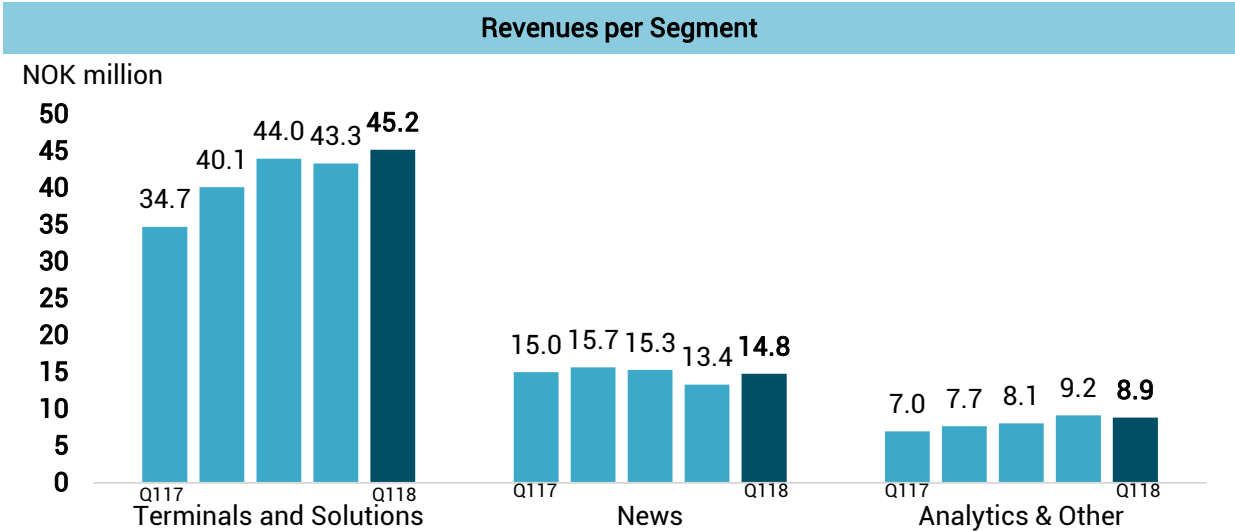
** Adjusted for one-off accounting effect and one off customer credit Q3 and Q4 revenues of NOK 66.3 and NOK 67.4 million respectively – adj. for one-off accounting effect OPEX in Q3 and of NOK 52.3 and NOK 52.9 million



Revenue growth across all regions

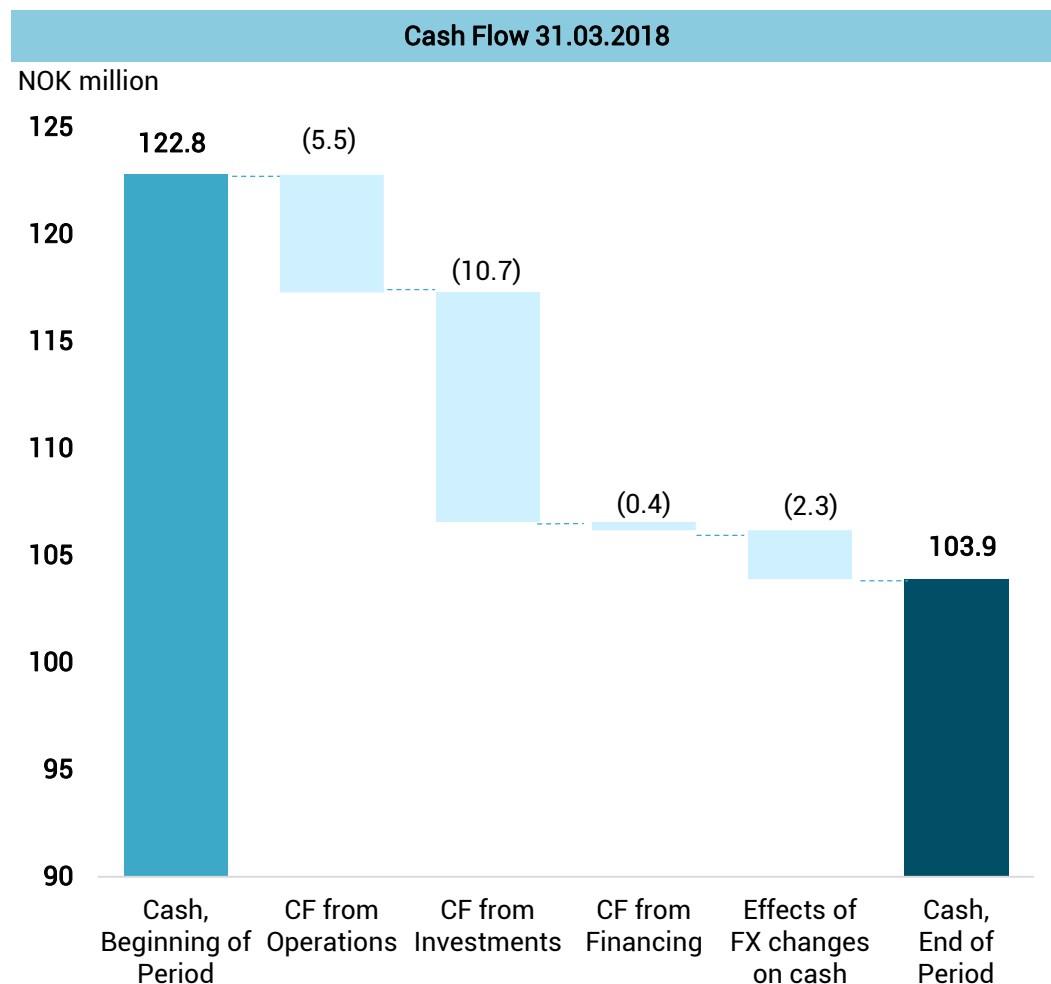


- **Norway:** Revenue up NOK 1.3 million, or 5%, YoY to NOK 26.9 million. Organic growth driving increase in revenues Q/Q
- **Sweden:** Revenue increased NOK 9.2 million, or 34%, YoY to NOK 36.5 million, mostly due to the SIX and Inquiry transactions, and continued overall positive operational developments in the region
- **Other regions:** Up NOK 1.7 million, or 43%, YoY to 5.5 million, reflecting ramp-up of activity at new offices



- **Revenues per Segment:** Impact from reorganization of News and Analytics & Other segment. Revenue-reversal impacted News segment

Solid cash position - temporarily impacted by seasonality



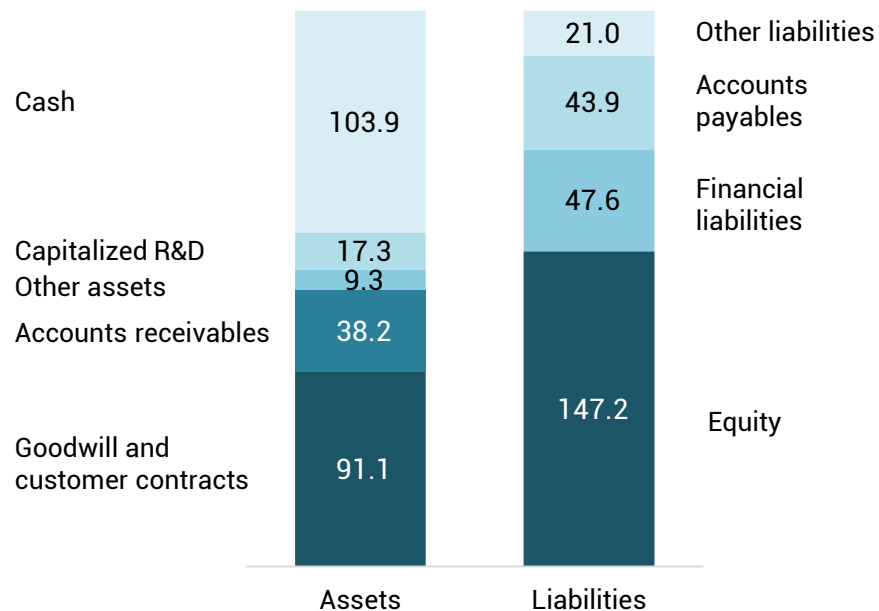
- **Operating CF:** Negative NOK 5.5 million – impacted by seasonality differences on current receivables giving a negative effect on net working capital – reversed during Q2
- **Investing CF:** Negative NOK 10.7 million
 - NOK 5.8 million used for acquisition of the remaining stake in Inquiry
 - NOK 1.9 million used for SIX News and Edge payments
 - **Capex & Capitalized R&D** of NOK 3.0 million, of which NOK 2.8 million were capitalized software development costs
- **Financing CF:** Repayment of remaining outstanding credit facility of NOK 0.4 million
- **Cash position:** end of Q1: NOK 103.9 million



Strong balance sheet provides strategic and financial flexibility

Balance Sheet 31.03.2018

NOK million

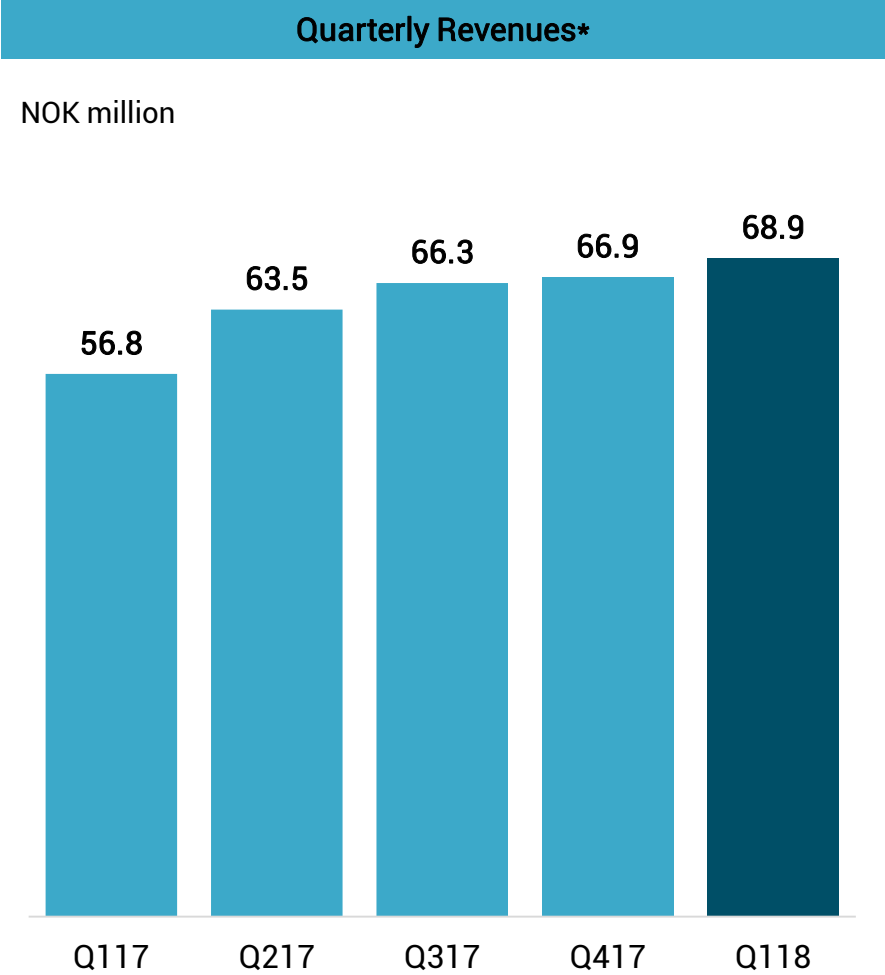


- Capitalized R&D: stable NOK amount of total R&D expenses capitalized
- Goodwill and customer contracts related to recent acquisitions of SIX and Inquiry
- Financial liabilities represent calculated net present value of outstanding payments over next six years to SIX



Summary

- Solid underlying development in recurring revenue base
- Sales pipeline expanding in all regions, supporting organic growth ambitions
- Actively pursuing M&A targets



* Adjusted for one-off accounting effect in Q3 and Q4 2017

Q&A

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Next Quarterly Report

- Half-yearly report 2018 to be published on 24 August 2018
- [IR Mailing list](#)

