



Quarterly Results

Q3 2024

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Q3 HIGHLIGHTS

Significant profitability growth and strong working capital improvement

Amounts in NOK

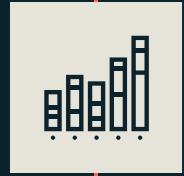


Continued solid growth in a cautious market environment



1,435m

Gross Profit
+14% growth

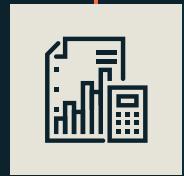


Strong profit expansion and record Q3 margin



17%

Adj. EBITDA Margin¹
5 pp increase



Working capital improvement continues



157m

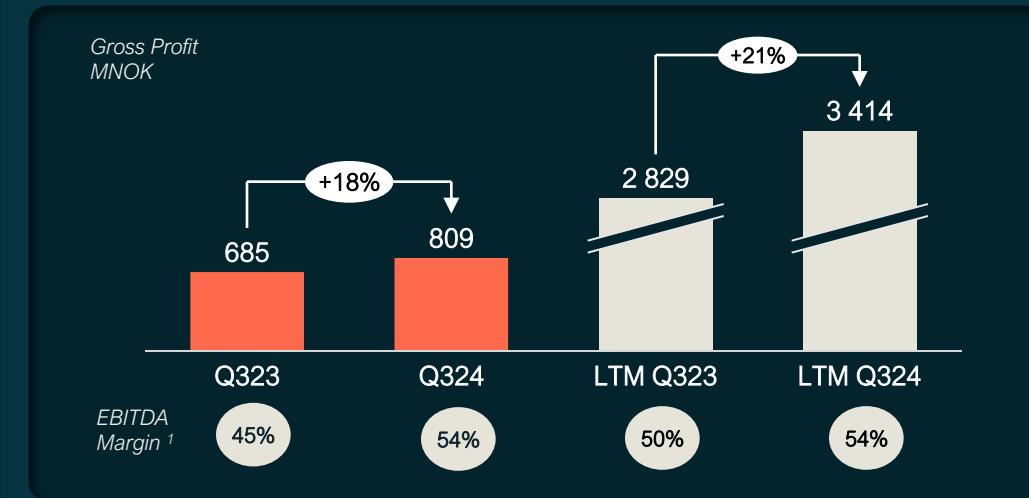
Net working capital
748m improvement

¹ Adjusted EBITDA divided by Gross Profit

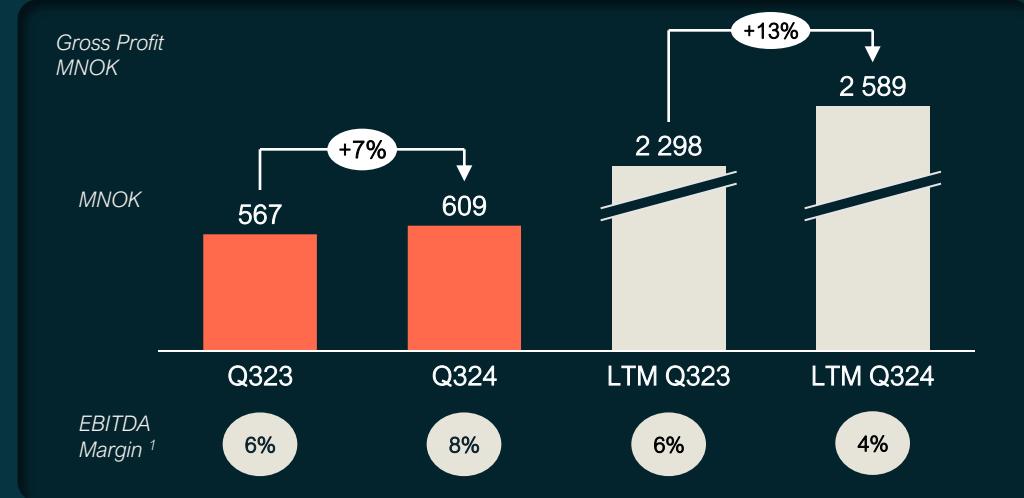
MARKET DYNAMICS

Strong growth in software and cloud and continued profit expansion

Software and Cloud



Services

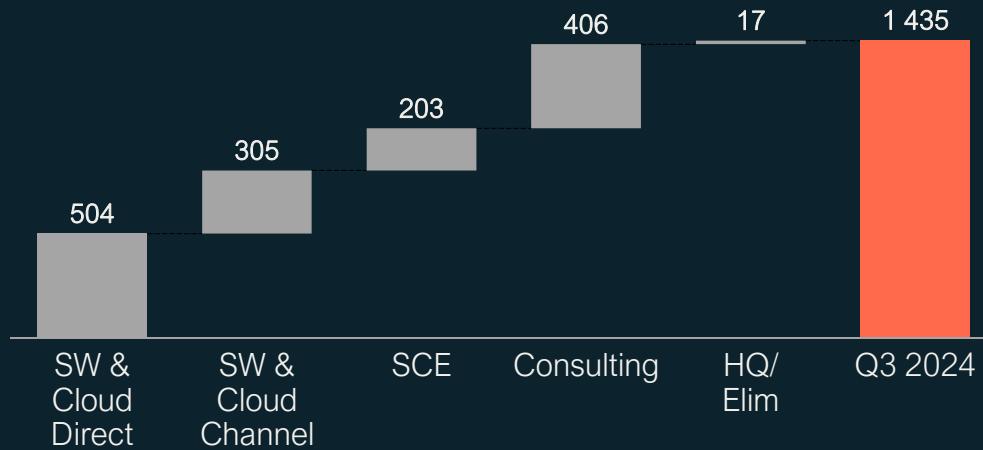


- Strong growth of 28% in Direct driven by the Nordics and Europe
- Improved profitability as international businesses continue to scale
- Demand for software and cloud remain strong across multiple vendors
- Public sector growth in Europe and the Nordics remain strong

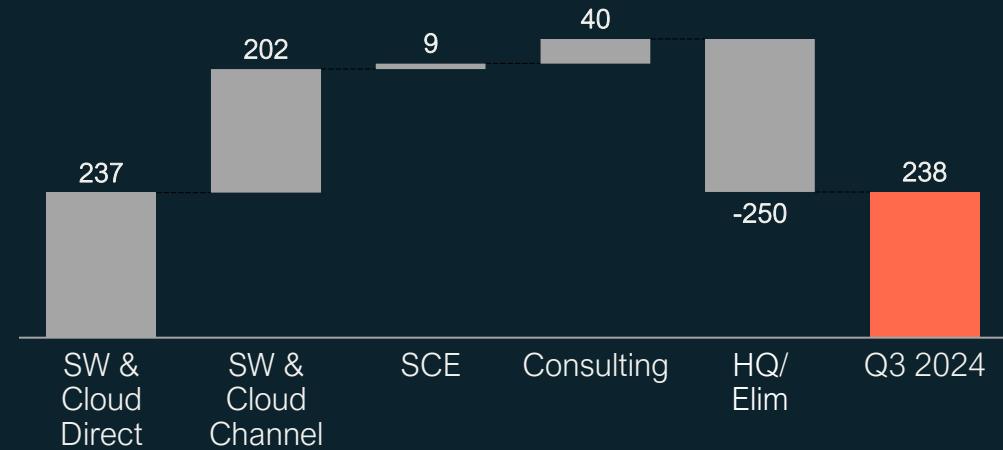
- 7% growth driven by strong performance in Europe, while offset by muted consulting market in the Nordics
- Strong improvement in Consulting profitability as planned
- GenAI / CoPilot activity ramping as customer see improving ROI
- Strong demand for security and cloud migration services

Strong improvement in profitability

Q3 Gross Profit by business area
NOK million



Q3 Adj. EBITDA by business area
NOK million



Growth
YoY

28% 4% 12% 5% n/a 14%

Constant Currency 12%

EBITDA
Margin¹

47% 66% 4% 10% n/a 17%

Change
YoY

7pp 14pp -3pp 5pp n/a 5pp

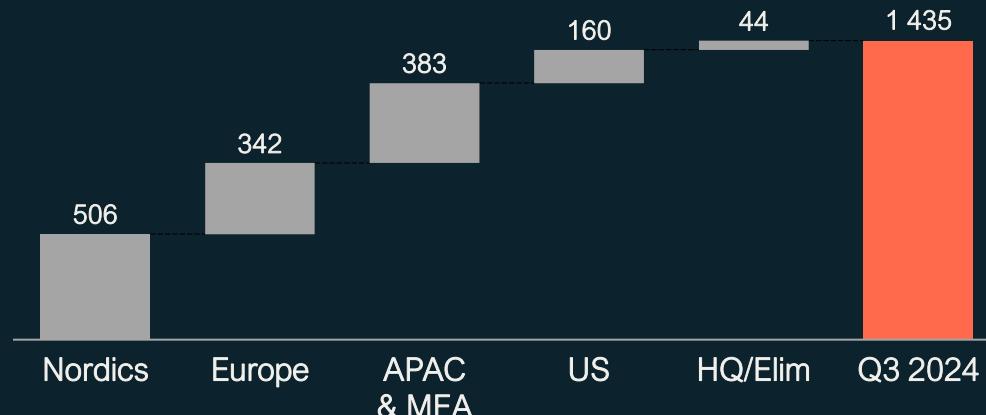
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Profit improvement across all regions

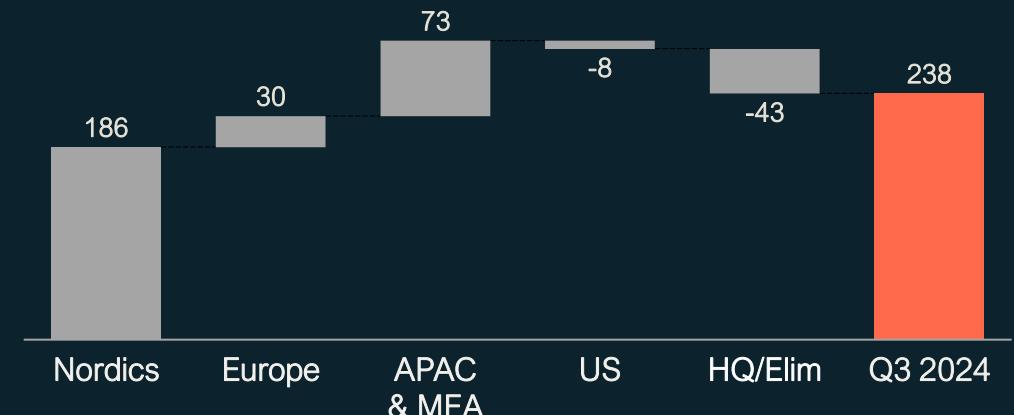
Q3 Gross Profit by market cluster

NOK million



Q3 Adj. EBITDA by market cluster

NOK million



Growth
YoY

12% 23% 8% 6% n/a 14%

Constant Currency

EBITDA
Margin¹

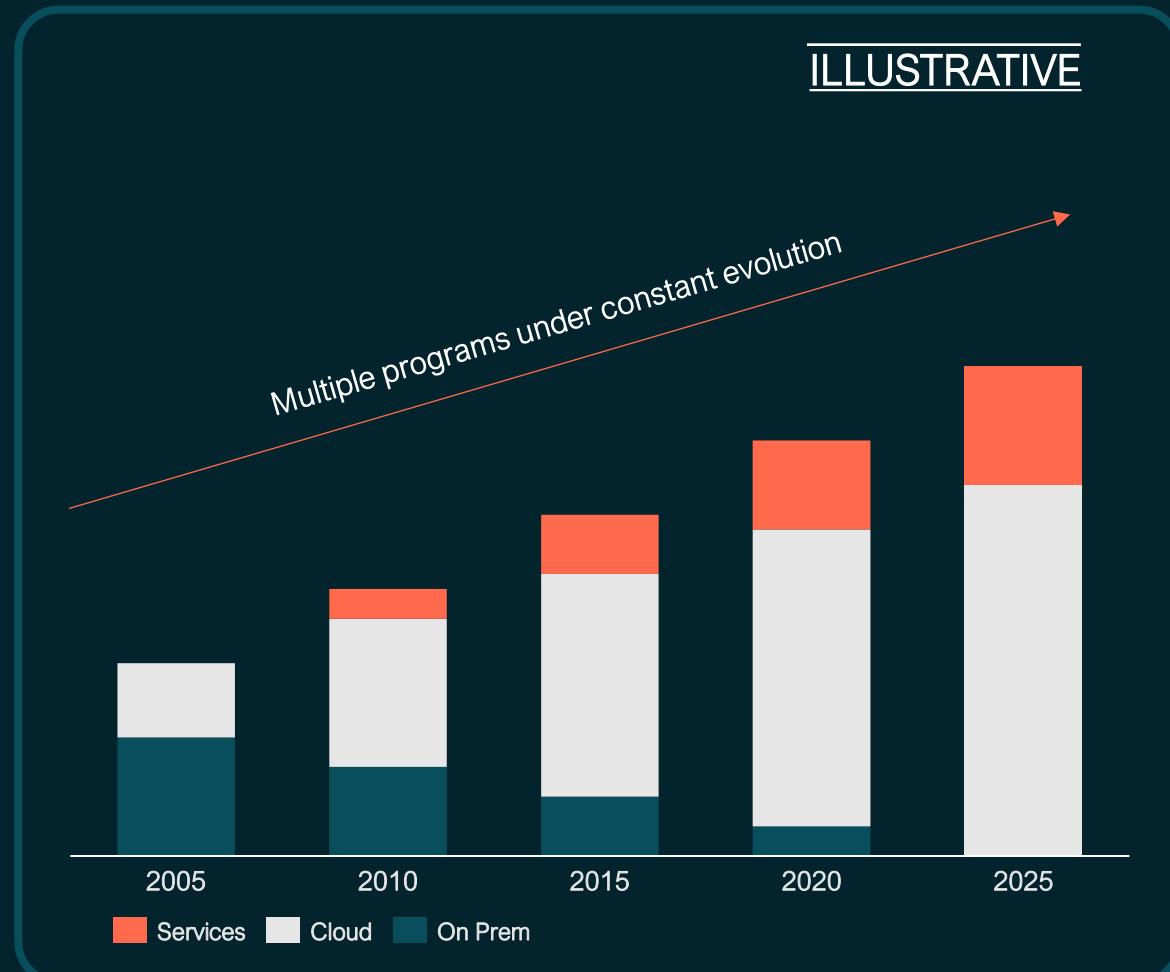
37% 9% 19% -5% n/a 17%

Change
YoY

6pp 1pp 4pp 3pp n/a 5pp

¹ Adjusted EBITDA divided by Gross Profit

Microsoft incentive program continues to support growth



*“With the increased demand for AI transformation, supported by copilot, security and cloud migration, **we have increased our partners' incentives** – both in general and in these areas. Incentives are at a record high and focused more than ever on enabling partners to deliver the business outcomes of our customers in each solution area, customer segment and geography. This move is all about helping our partners innovate and grow in these crucial areas”*

- Jeffrey York (Vice President of *Global Partner Investments, Global Partner Solutions Microsoft*) – October 2024

Background

- Microsoft's incentives programs align with its strategic ambitions
- Current changes emphasize increased focus on cloud consumption and services

Value opportunities for Crayon

- Accelerated shift to consumption-based agreements → Crayon 3rd largest CSP provider globally
- Drive cloud sales and high margin services → Increased service engagements
- Favoring larger global partners → Strengthen competitive position

Deepening the relationship and collaboration with AWS



Crayon signs a [four-year Strategic Collaboration Agreement](#) with [AWS](#), accelerating cloud adoption and cloud migration for Crayon customers

Crayon signs its [1,250th](#) customer as it builds its strategic collaboration with AWS in 2024

Crayon joins AWS [Generative AI Partner Innovation Alliance](#) to Globally Scale Success of its Generative AI Innovation Center

Nine global competencies such as [AWS SaaS competency](#) and [Generative AI Competency](#)

"As generative AI capabilities continue rapidly evolving, ensuring trust and compliance is paramount for enterprise adoption - especially in highly-regulated industries," said Florian Rosenberg, Chief Technology Officer, Crayon Group.

"Through the Partner Innovation Alliance, we'll collaborate closely with AWS to implement rigorous security, risk management and governance frameworks that allow our customers across Europe to confidently and responsibly leverage generative AI's power."

Crayon's image recognition app helped Coca-Cola bottler identify 220,000 spare parts

After PoC and a phased roll-out, Coca-Cola HBC is planning to onboard the app across all its European and African bottling sites by mid-2025, with ROI achievable in under two years



Location: Greece



Industry: Manufacturing



Challenges

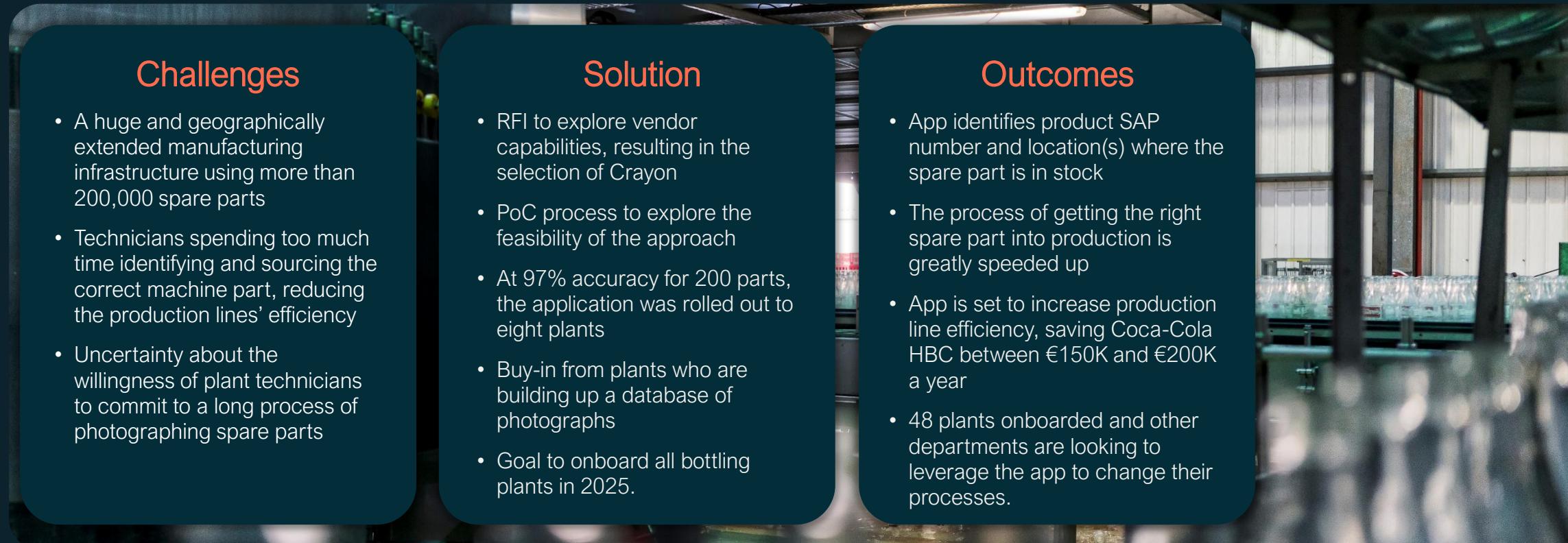
- A huge and geographically extended manufacturing infrastructure using more than 200,000 spare parts
- Technicians spending too much time identifying and sourcing the correct machine part, reducing the production lines' efficiency
- Uncertainty about the willingness of plant technicians to commit to a long process of photographing spare parts

Solution

- RFI to explore vendor capabilities, resulting in the selection of Crayon
- PoC process to explore the feasibility of the approach
- At 97% accuracy for 200 parts, the application was rolled out to eight plants
- Buy-in from plants who are building up a database of photographs
- Goal to onboard all bottling plants in 2025.

Outcomes

- App identifies product SAP number and location(s) where the spare part is in stock
- The process of getting the right spare part into production is greatly speeded up
- App is set to increase production line efficiency, saving Coca-Cola HBC between €150K and €200K a year
- 48 plants onboarded and other departments are looking to leverage the app to change their processes.

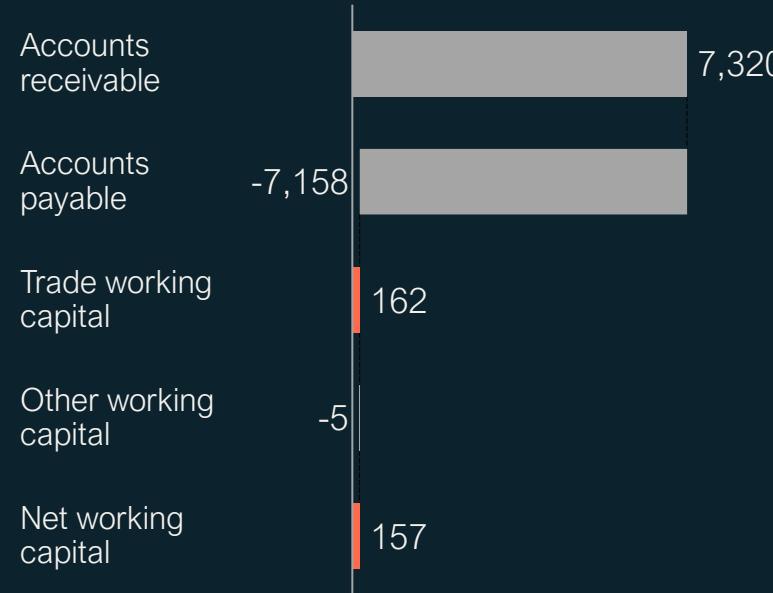




Financial Review

Continued improvement in working capital – outlook upgraded

Net working capital Q3 2024
NOK million



Net working capital over time
NOK million



Improved working capital performance year over year

Q3 seasonally low and as expected

Average LTM NWC as share of LTM gross profit -14% end Q324

FY outlook upgraded to -10% to -15%

FINANCIAL REVIEW

Profit and loss – Q3 2024

NOK million	Q3 2024	Q3 2023	2023	2022
Gross Sales	11 508	9 568	49 077	38 761
Revenue	1 621	1 460	6 397	5 200
Cost of sales	-186	-200	-735	-704
Gross profit	1 435	1 260	5 662	4 496
Operating expenses	-1 202	-1 125	-4 917	-3 744
EBITDA	232	135	745	751
Adjustments	6	7	175	88
Adj EBITDA	238	143	919	839
Depreciation and amortization	-85	-66	-302	-334
EBIT	147	69	442	417
Share of profit (loss) from assc.	1	1	0	6
Interest expense	-65	-70	-276	-194
Other financial income/expense	29	-17	-249	-164
Net income before tax	112	-16	-82	65
Tax	-30	3	-77	-42
Net income	82	-13	-159	23
EPS	0.86	0.09	-1,29	0,29
Comprehensive income				
Currency translation	66	-108	189	134
Comprehensive income, net of tax	148	-121	29	157

- EBITDA adjustments include NOK 6m in share-based compensations
- Interest expenses NOK 65m, reduced from NOK 70m in Q323 is driven by lower interest on new bond loan, and offset by increased cash pool interest as a consequence of mitigating FX risk on balance sheet
- Other financial items at NOK 29m, an increase from minus NOK 17m in Q323, driven by exchange rate movements
- Net profit ended at NOK 82m, an improvement of NOK 95m compared to Q323

Balance sheet – Q3 2024

Assets	Sep 30 2024	Sep 30 2023
Goodwill	3 381	3 255
Other intangible assets	627	674
Deferred tax asset	155	287
Equipment	103	98
Right of use assets	515	488
Investments in assoc.comp.	44	43
Other non-current assets	163	73
Total non-current assets	4 987	4 917
Inventory	0	21
Accounts receivable	7 320	6 352
Other current receivables and current assets	2 607	2 187
Cash and cash equivalents	1 346	907
Total current assets	11 273	9 467
Total assets	16 260	14 384

Equity and liabilities	Sep 30 2024	Sep 30 2023
Shareholders' equity	2 899	2 729
Interest bearing liabilities	2 333	1 791
Deferred tax liabilities	125	234
Lease liabilities	449	437
Other non-current liabilities	27	28
Total non-current liabilities	2 934	2 490
Accounts payable	7 158	5 293
Income taxes payable	115	75
Public duties	427	550
Current lease liabilities	110	84
Other current interest-bearing liabilities	547	1 426
Other current liabilities	2 071	1 735
Total current liabilities	10 427	9 165
Total equity and liabilities	16 260	14 384

- RCF NOK 1,142m an increase from NOK 500 in Q323, reflects refinancing of bond loan from NOK 1,8bn to NOK 1,2bn completed in April
- Factoring totaled NOK 125m, down from NOK 237 in Q323
- Supplier financing totaled NOK 207m, down from NOK 541m in Q323

FINANCIAL REVIEW

Robust financial position

Cash flow from operating activities

NOK million



Cash flow from operations driven by changes net working capital

LTM cash development

NOK million



Strong cash position and liquidity reserve of NOK 1,825m included undrawn credit facilities

Net debt / EBITDA 1.9x (3.2x)

¹ EBITDA (non-adjusted)

Outlook

	2023	LTM Q3 2024	2024	Medium term	Comment
Gross Profit growth	26%	17.5%	15-17% (18-20%)	~20%	2024 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	16.2%	17.5%	19-20% (18-20%)	Gradual increase to 25%	Continuing growth while also improving profitability
Net working capital ²	-2.6%	-13.8%	-10% to -15% (-5% to -12.5%)	~ -15%	Expected to normalize medium-term driven by working capital improvements

¹ Adjusted EBITDA divided by Gross Profit

² Average NWC last 4 quarters as share of gross profit last 4 quarters



Key takeaways



KEY TAKEAWAYS

Key takeaways



Uniquely positioned for long term sustainable growth



Significant margin potential from scaling international businesses



Continued focus on working capital and cash generation



CRAYON EARNINGS Q3 2024

Q&A

