



Quarterly Results

Q1 2024

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7 May 2024

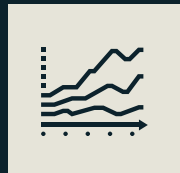
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Q1 HIGHLIGHTS

Strong start of the year

Amounts in NOK



Solid growth driven by continued high demand for Software and Cloud



1,474m

Gross Profit
+17% growth

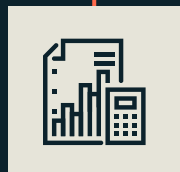


Adjusted EBITDA development as planned



13.8%

Adj. EBITDA Margin ¹
-0.9bps change



Strong working capital performance



-1,085m

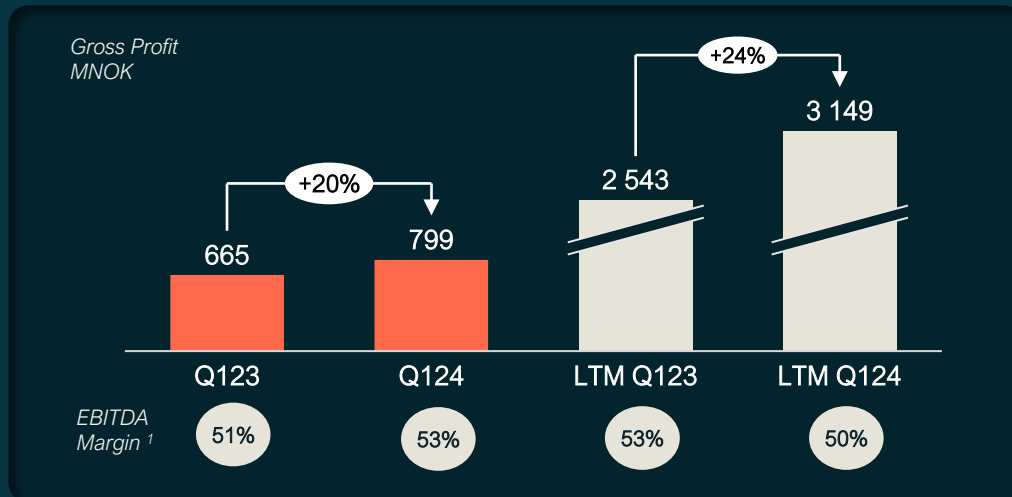
Net working capital
867m improvement

¹ Adjusted EBITDA divided by Gross Profit

MARKET DYNAMICS

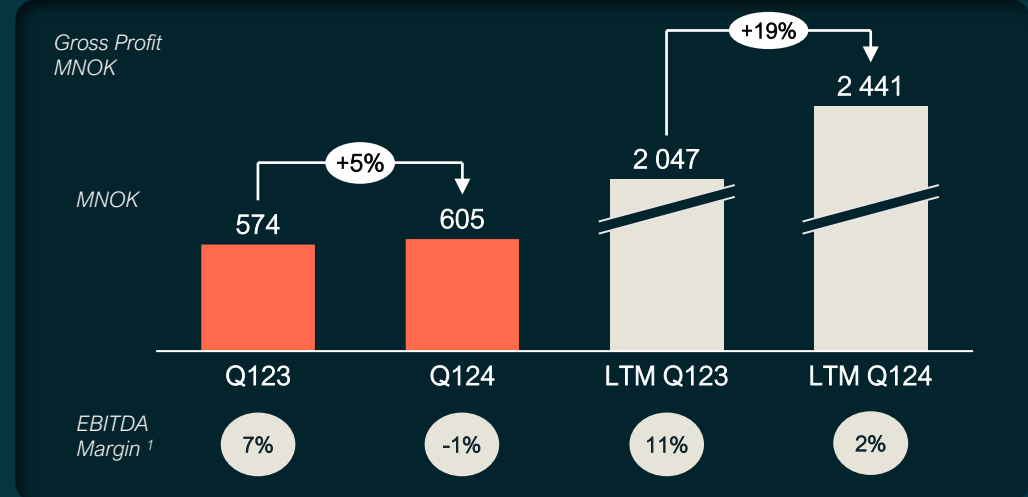
Crayon is uniquely positioned across key fundamental market drivers

Software and Cloud



- Despite challenging macro environment software and cloud licensing maintains steady growth
- Strong demand across multiple vendors with GenAI expectations turning to reality - Microsoft CoPilot capturing mindshare on AI
- Companies preparing their IT environments for GenAI with increase in licensing and security driving demand for upgrade to Microsoft M365 E5
- Solid start of Copilot adoption – customers testing CoPilot prior to implementing at full scale due to ROI and infrastructure requirements

Services



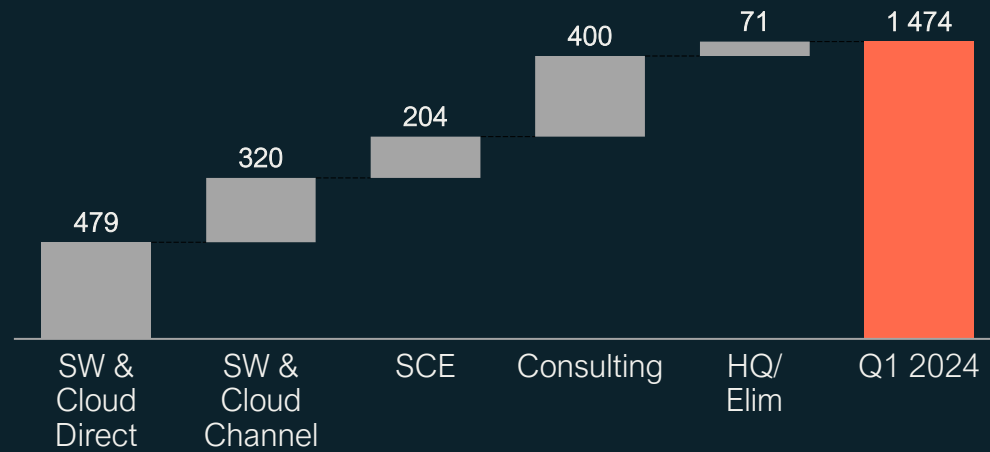
- Customers focus on optimization and cost savings in projects, while many still in early stages of cloud adaptation
- Cloud migration and modernization driven by requirement to enhance flexibility, scalability, and security
- Essential for customers to get their IT estate ready for GenAI - requires modern IT infrastructure to secure and manage data effectively
- Commercialization of GenAI making it more accessible and effective, driving adaptation across industries and use cases

¹ Adjusted EBITDA divided by Gross Profit

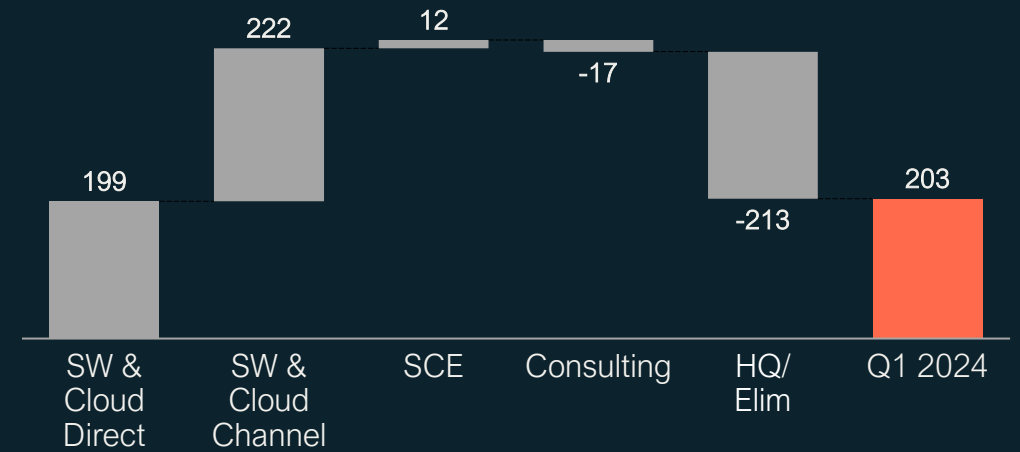
FINANCIAL REVIEW

Market demand for software and cloud remain strong

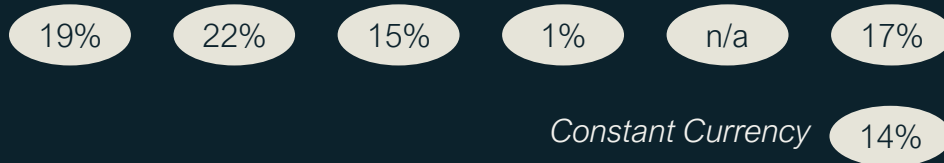
Q1 Gross Profit by business area
NOK million



Q1 Adj. EBITDA by business area
NOK million



Growth YoY



EBITDA Margin ¹



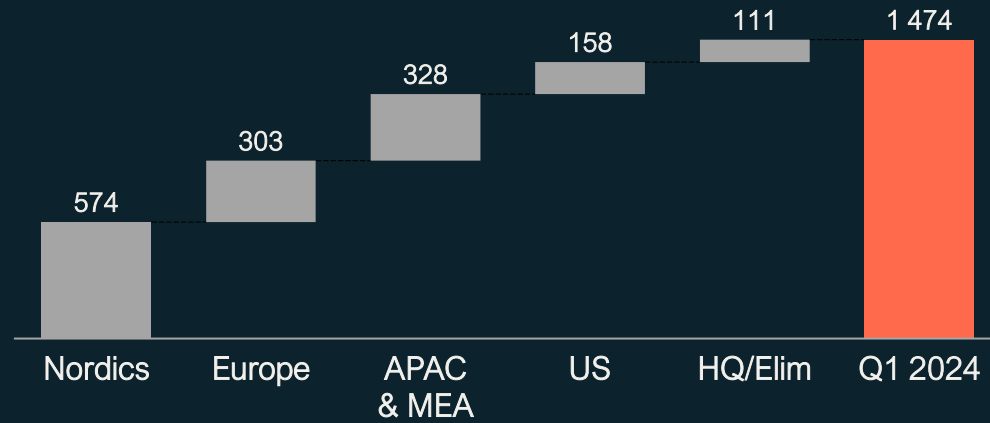
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Strong growth in Europe – Nordics negatively impacted by Consulting

Q1 Gross Profit by market cluster

NOK million

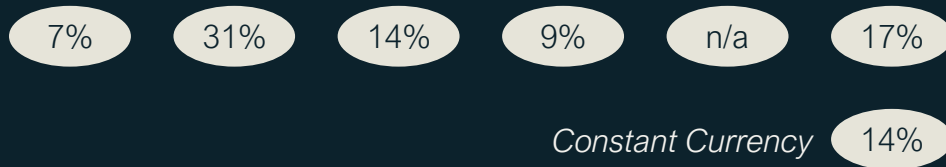


Q1 Adj. EBITDA by market cluster

NOK million



Growth YoY



EBITDA Margin ¹



¹ Adjusted EBITDA divided by Gross Profit

ANNOUNCEMENT

Crayon appointed an authorized Cloud Commerce Manager for Broadcom in Asia Pacific

Crayon will:

- Welcome all VMware Cloud Service Provider (VCSP) partners and provide them with support and services to help adopt the VMware Cloud Foundation, alongside storage, ransomware and disaster recovery, and application platform services.

- ● “We’re confident that Crayon has the knowledge and expertise to help partners deliver a consistent VCF private cloud experience to their customers and provide VCSP partners with world-class service and support.”

Ahmar Mohammed

*Vice President, Partners, Managed Services, and Solutions GTM,
VMware Cloud Foundation Division at [Broadcom](#)*



CUSTOMER STORY

Crayon helps Verdane accelerate productivity with Microsoft Copilot



Norway



Verdane is a specialist growth investment firm that partners with tech-enabled and sustainable European businesses. Their team of over 140 investment professionals and operating experts are in Berlin, Munich, Copenhagen, Helsinki, London, Oslo, and Stockholm. It has an AUM (assets under management) of €6.9 billion.



Customer Problem

- Wanted to streamline operations with AI.
- Aimed to establish Microsoft 365 Copilot as a foundational tool to drive efficiency and competitiveness.
- Sought to enhance productivity and output quality across various operational teams.
- Used to manually sift through numerous documents for information.
- Needed efficient tools for market research and pitching in its competitive industry.



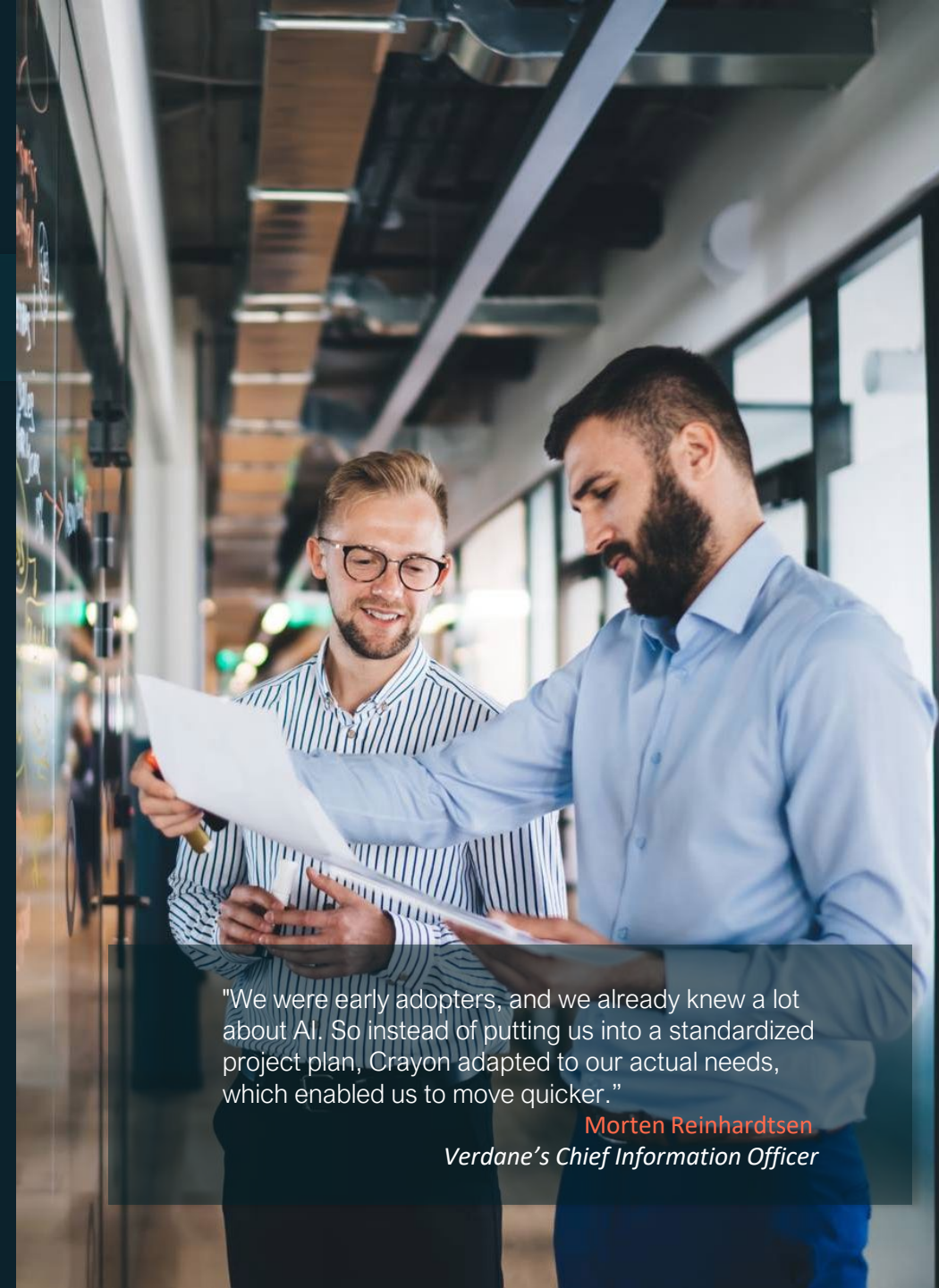
Crayon Solution

- Partnered with Crayon to integrate Copilot AI into its operations.
- Verdane became the largest Copilot Cloud Solution Provider client in Western Europe.
- Crayon organized and adapted readiness workshops to introduce Copilot to the organization.
- Crayon is supporting the wider Copilot rollout through dedicated assistance, tutorial videos, templates.



Outcome and next steps

- 87% of operational experts reported enhanced quality and productivity in their workday.
- Improved output quality across the Microsoft Office Productivity Suite by 67%.
- Copilot streamlined market research and pitching processes, enhancing Verdane's competitiveness.



"We were early adopters, and we already knew a lot about AI. So instead of putting us into a standardized project plan, Crayon adapted to our actual needs, which enabled us to move quicker."

Morten Reinhardtson

Verdane's Chief Information Officer

HIGHLIGHTS OF OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE IN 2023

Key ESG publications



2023 Full ESG Report

2023 Summary ESG Report

2023 Human Rights
Transparency Statement



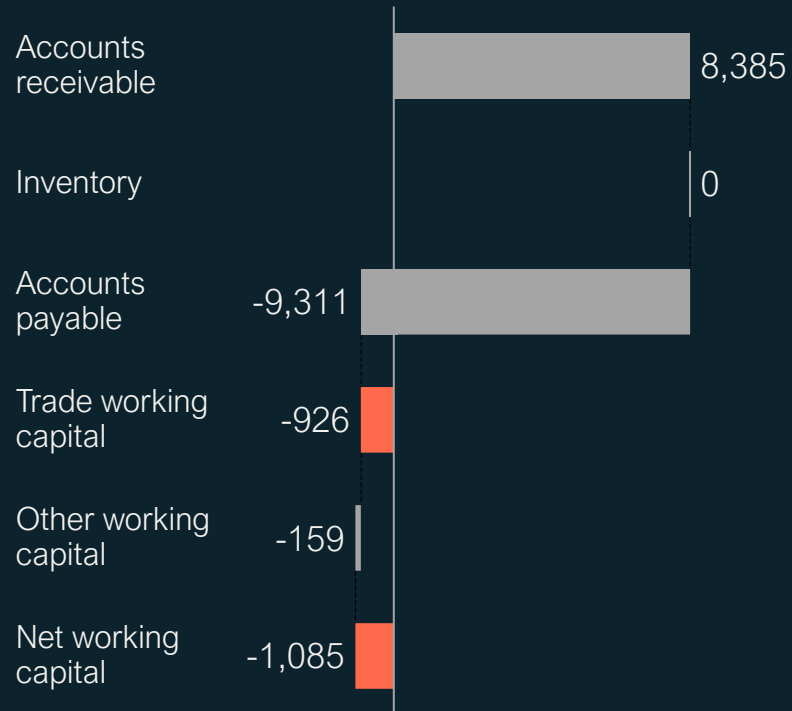
 Crayon

Financial Review

Strong working capital performance

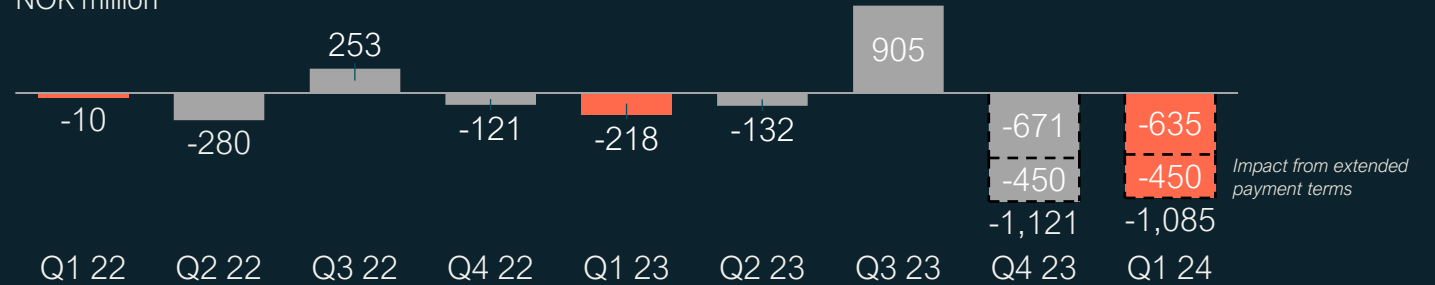
Net working capital Q1 2024

NOK million



Net working capital over time

NOK million



Significant impact from continued focus across the global organization

Attention to net working capital drivers remains high priority

Average LTM NWC as share of LTM gross profit ended at -6% per Q124

FINANCIAL REVIEW

Profit and loss – Q1 2024

NOK million	Q1 2024	Q1 2023	2023	2022
Gross Sales	13 936	11 676	49 077	38 761
Revenue	1 633	1 416	6 397	5 200
Cost of sales	-159	-159	-735	-704
Gross profit	1 474	1 258	5 662	4 496
Operating expenses	-1 296	-1074	-4 917	-3 744
EBITDA	178	184	745	751
Adjustments	-25	1	175	88
Adj EBITDA	203	185	919	839
Depreciation and amortization	-81	-81	-302	-334
EBIT	98	102	442	417
Share of profit (loss) from assc.	0	-1	0	7
Interest expense	-71	-59	-276	-194
Other financial income/expense	-10	-152	-249	-164
Net income before tax	16	-110	-82	65
Tax	-7	19	-77	-42
Net income	10	-91	-159	23
EPS	0,14	-1,01	-1,29	0,29
Comprehensive income				
Currency translation	91	197	189	134
Comprehensive income, net of tax	100	106	29	157

- Operating expense includes NOK 25m in bad debt provisions, whereof NOK 21m is related to time value reduction of the outstanding receivable towards PSDBM.
- EBITDA adjustments include restructuring cost of NOK 11m relating to capacity adjustments in Consulting
- Interest expenses increased from Q123 largely due to increased market rates, while reduced with NOK 8 compared to Q423 due to lower utilization on debt facilities
- Net Income increased NOK 101m, mainly due to significant reduction in other financial expense

Balance sheet – Q1 2024

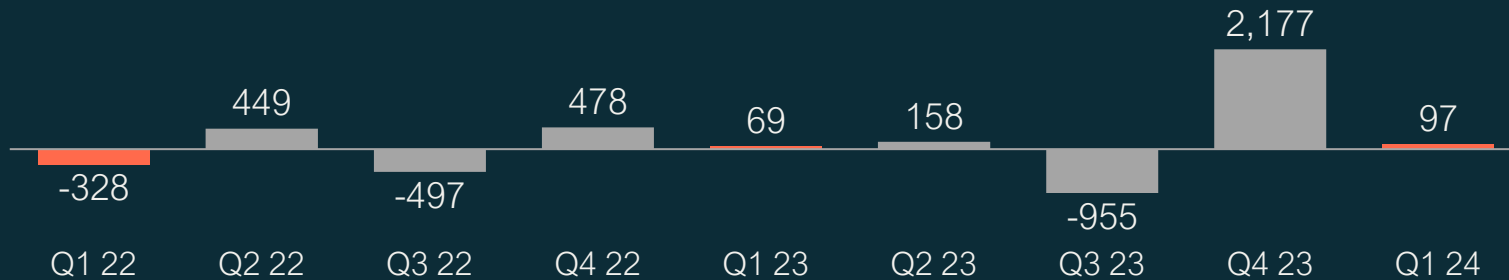
Assets	Mar 31 2024	Mar 31 2023	Equity and liabilities	Mar 31 2024	Mar 31 2023
Goodwill	3 314	3 279	Shareholders' equity	2 590	2 630
Other intangible assets	657	710	Interest bearing liabilities	1 793	2 529
Deferred tax asset	133	197	Deferred tax liabilities	120	203
Equipment	107	61	Lease liabilities	492	414
Right of use assets	554	452	Other non-current liabilities	27	39
Investments in assoc.comp.	43	42	Total non-current liabilities	2 432	3 184
Other non-current assets	176	63	Accounts payable	9 311	7 281
Total non-current assets	4 984	4 841	Income taxes payable	57	100
Inventory	0	19	Public duties	600	484
Accounts receivable	8 385	6 617	Current lease liabilities	101	73
Other current receivables and current assets	2 389	2 559	Other current interest-bearing liabilities	177	147
Cash and cash equivalents	1 402	1 413	Other current liabilities	1 891	1 549
Total current assets	12 176	10 608	Total current liabilities	12 138	9 634
Total assets	17 160	15 449	Total equity and liabilities	17 160	15 449

- Both RCF and overdraft undrawn at quarter end
- Factoring totaled NOK 247m, down from NOK 460m in Q423
- Supplier financing totaled NOK 147m, up from NOK 127m in Q423

FINANCIAL REVIEW

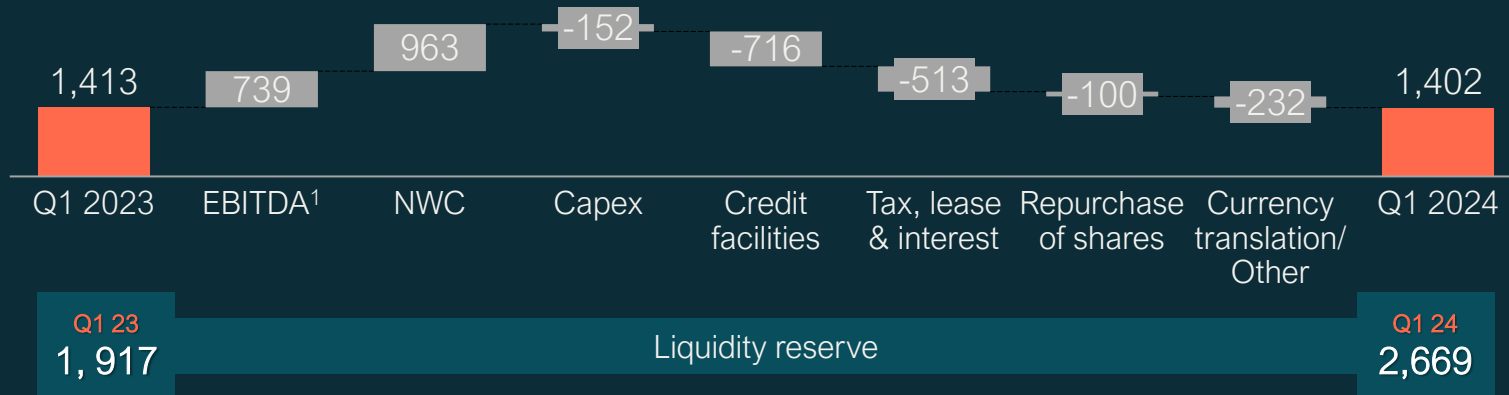
Operating cash flow driven by continued strong working capital

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 2,669m included undrawn credit facilities

Net debt / EBITDA 1.2x (2.2x)

Bond refinancing, NOK 1,2bn, 4y maturity closed in April 2024, Interest rate 3m NIBOR +2,75%

¹ EBITDA (non-adjusted)

2024 OUTLOOK

2024 outlook

	2023	LTM Q1 2024	2024	Medium term	Comment
Gross Profit growth	26%	18%	18-20%	~20%	2024 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	16.2%	16.0%	18-20%	Gradual increase to 25%	Continuing growth while also improving cost efficiency
Net working capital ²	-2.6%	-6.1%	-2.5% to -10%	~ -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 take aways



KEY TAKEAWAYS

Key take aways



Strong growth in a scalable business model with focus on delivering margin improvement



Gen AI in planning phase - significant potential to unlock new growth opportunities



Strong balance sheet – continued high focus on cost and working capital efficiency



CRAYON EARNINGS Q1 2024

Q&A





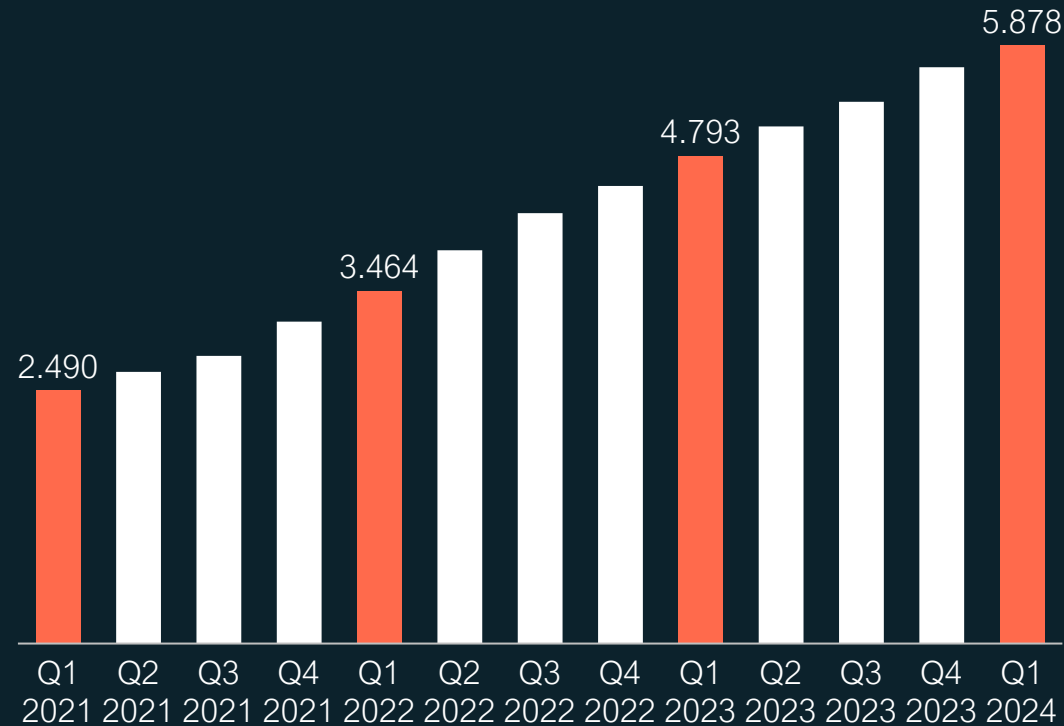
Appendix

FINANCIAL REVIEW

Continued strong growth momentum and value creation

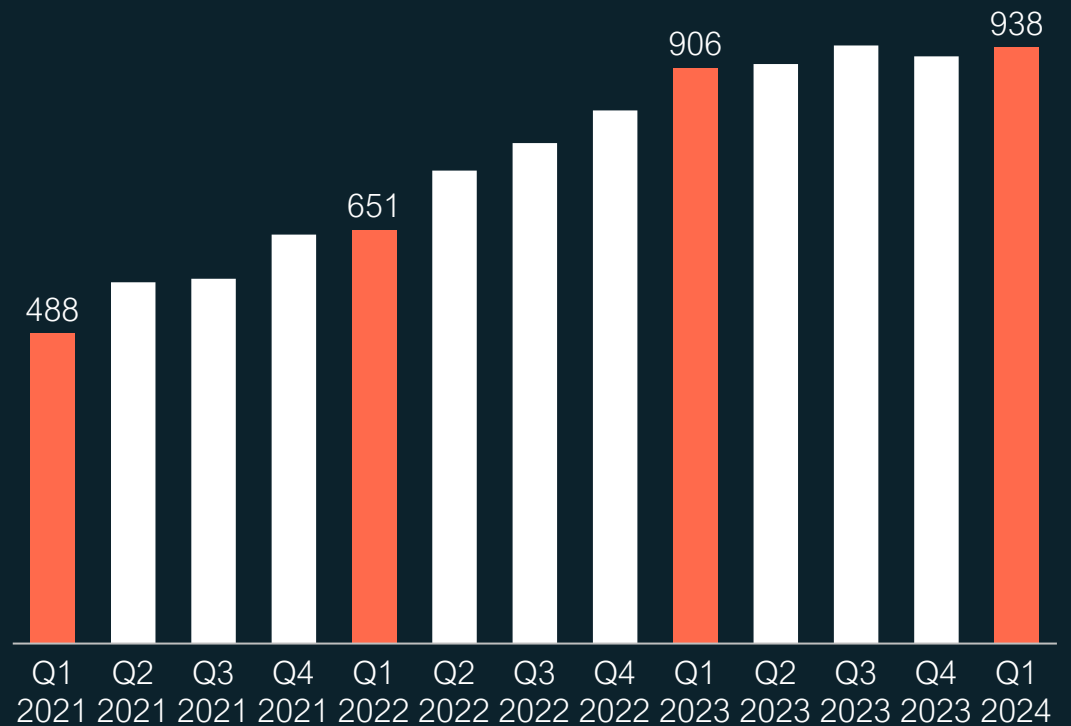
Gross Profit 12 months rolling
NOK million

CAGR
30%



Adj. EBITDA 12 months rolling
NOK million

CAGR
22%

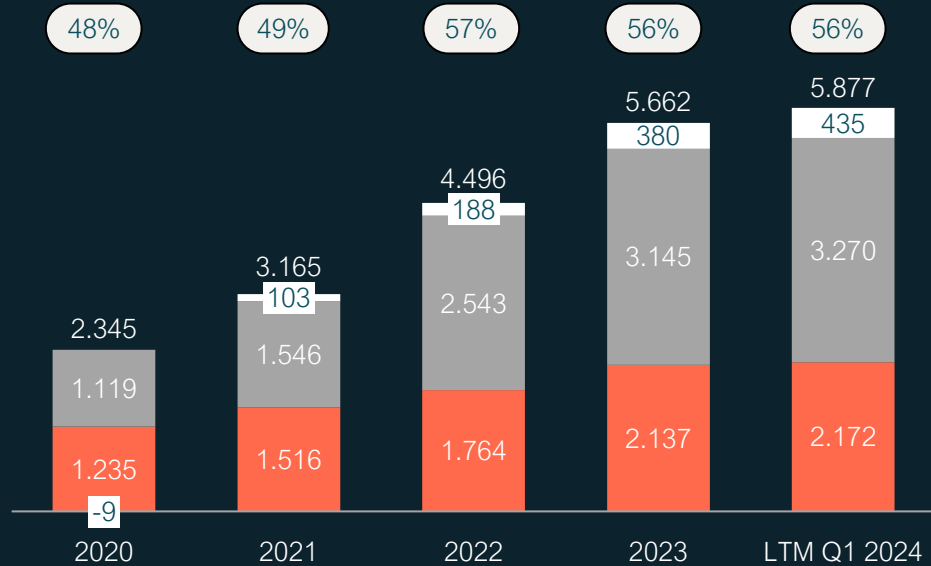


FINANCIAL REVIEW

56% of Gross Profit coming from international markets

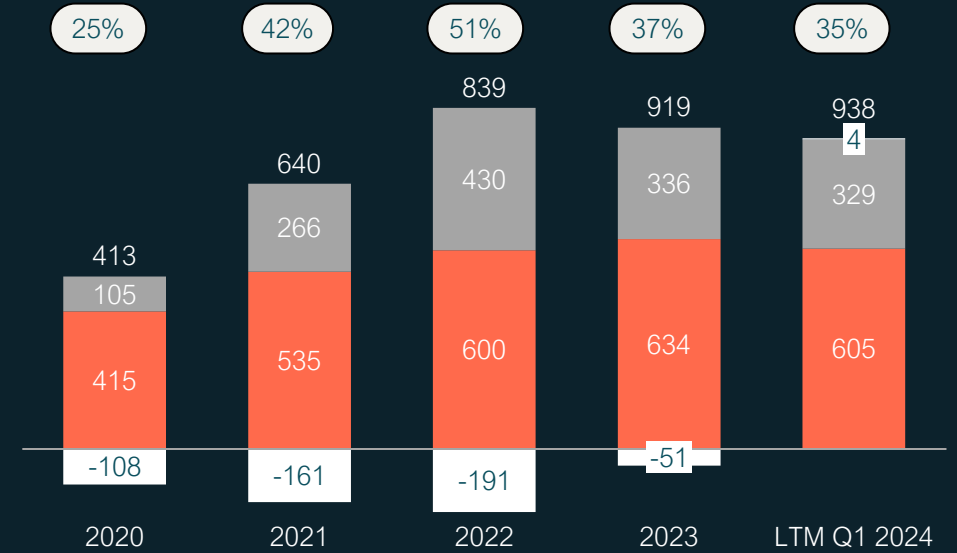
Gross Profit¹

NOK million



Adj. EBITDA¹

NOK million



- HQ/Elim
- International
- Nordics
- International share

¹2020 based on reporting as principal – restated as agent in 2021