

# Efecte Q3 investor webcast

**#EuropeanAlternative**

**27 October 2020**

# Forward-Looking Statements

Certain sections of this presentation contain forward-looking statements based on the Company's current expectations, estimates, projections and assumptions.

Words such as 'forecasts', 'estimates', 'expects', 'plans', and variations of these words and similar expressions are intended to identify forward-looking statements, which include, but are not limited to, The Company's performance and profitability, market growth and industry developments.

These statements involve certain risks and uncertainties, which are difficult to predict, and therefore actual future results and trends may differ materially from what is forecast in forward-looking statements. The Company undertakes to update such statements with respect to new information and future events only within the limits of its statutory obligation to disclose information.

# What we promised

1. SaaS growth 20-25%

2. Invest in international expansion

3. Improving profitability

## Long-term financial targets

Effect's growth - 2020-2022 will be driven by international growth and product development will decrease operating profit in the next few years, but the company aims for a double-digit operating profit percentage in the next few years.

## Guidance on 2020

2020

Illustration of net sales and profitability development, based on long-term targets \*

2021

2022

2023

decrease operating profit in the next few years

IPO 2017

Cash flow

Cash flow

Cash flow

## Dividend policy

In the next few years, due to which it does not aim to pay dividends in 2020-2022.

\* This illustration shows a hypothetical scenario based on Efecte's Long-term targets

development of Efecte's business or financials.

# What we delivered

Results 1-9/2020

**20-25% SaaS growth**



**SaaS growth:**

YTD: 24%

Q3: 27%

**International expansion**



**Internat. SaaS growth:**

YTD: 71%

Q3: 82%

**Improving profitability**



**EBIT%**

YTD: -3% (-10%)

Q3: 6% (-2%)

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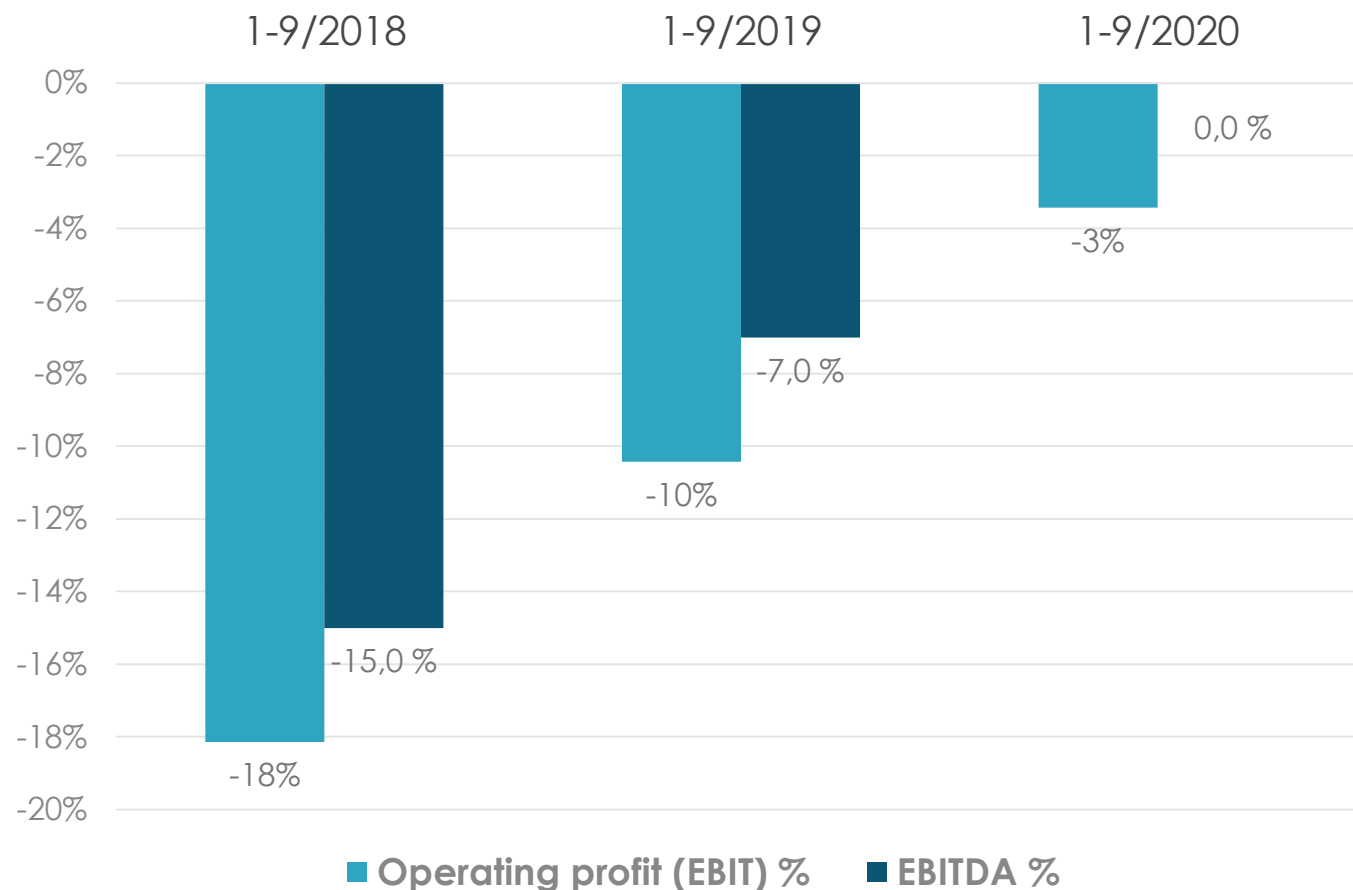
# Topline development

- In Q3, SaaS growth accelerated to 27% driven by 82% growth in international SaaS
- Services declined in Q3 YoY by 18%, impacted by the pandemic but also influenced by our strategy of focusing on SaaS growth
- The market remains unpredictable, but we are well positioned to grow in line with our strategy and long-term financial goals



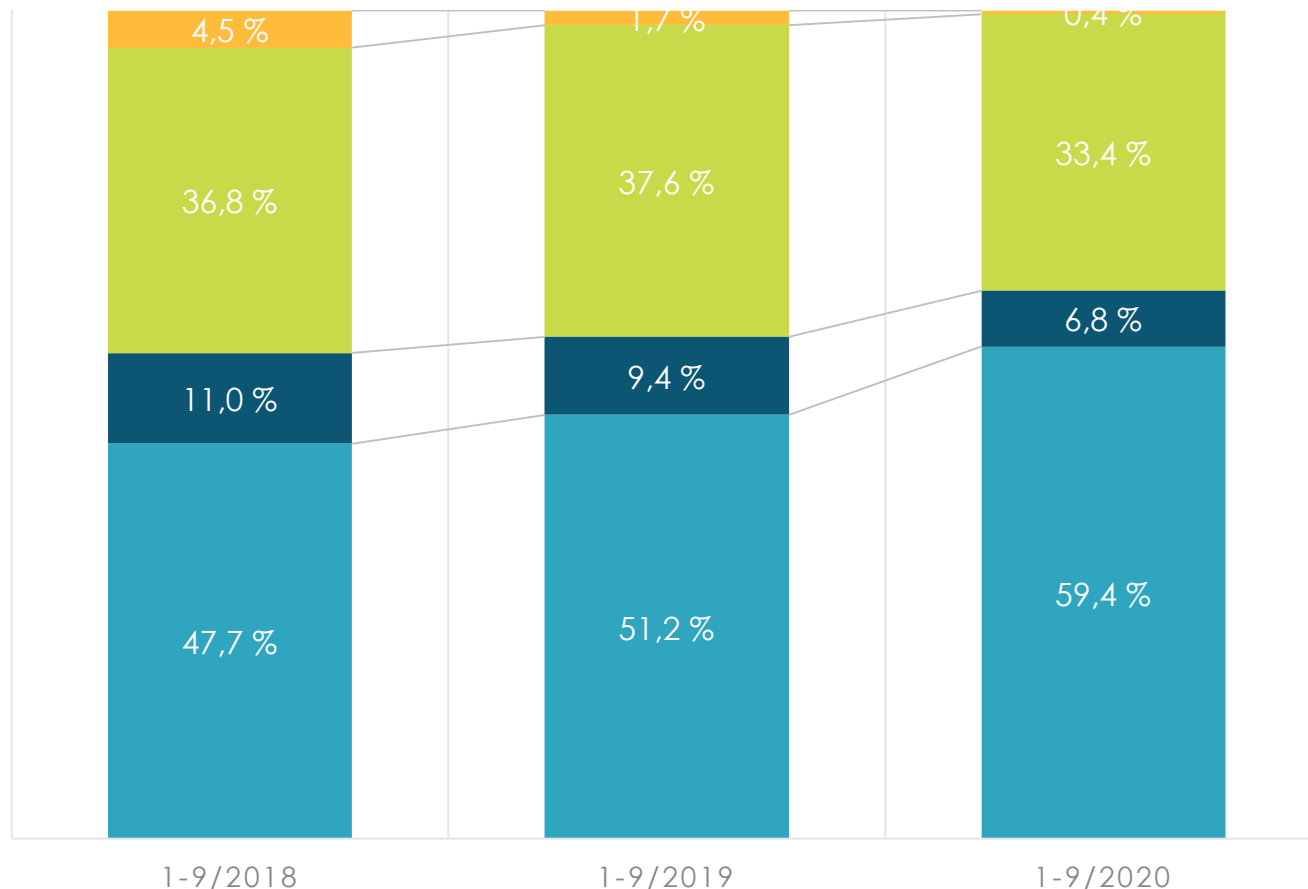
# Improving profitability

- Q3/2020 was Efecte's first EBIT positive quarter as a listed company (+ 0,2 MEUR)
- Strong SaaS growth, cost savings and productivity improvements outweighed declines in Services revenue
- Q3 is our most profitable quarter due to seasonality and we have still work to do to break even on an annual basis

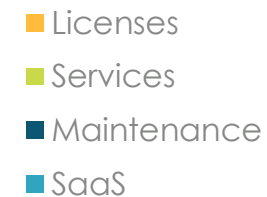


# SaaS transformation accelerated

Revenue mix development



- In Q3, SaaS share of net sales was already 66% (55%)



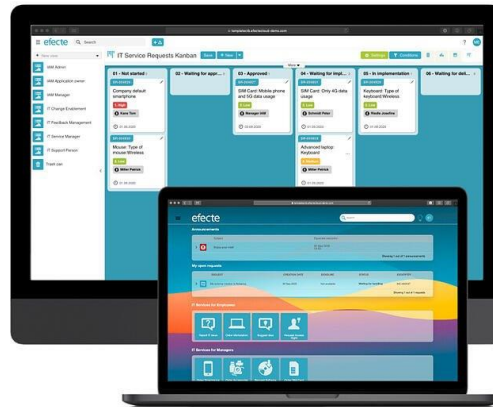
# Q3: Strategy execution proceeding according to plan

**Digitalize & Automate** event positioned us as the **European Alternative**

Digital go-to-market capabilities to support growth:  
**Try Efecte for Free** launched

**Focus on SaaS growth** through streamlining deployments and growing partners

*Digitalize and Automate*



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# Sales and Services Execution

- Customer Decision Making
  - Competitive total cost of ownership, flexibility and time to value
- Transforming Go-To-Market
  - Digital Sales & Marketing and Partner Program execution
  - Focus on customer experience and satisfaction
  - Digitalization of the Customer Journey



Q&A

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# Financial targets, guidance on 2020, dividend policy

## Long-term financial targets

Efecte aims for over 20% annual organic growth of SaaS net sales on average in 2020 - 2023. Substantial investments in international growth and product development will decrease operating profit in the next few years, but the company aims for a double-digit operating profit percentage by the end of the strategy period.

## Guidance on 2020

In 2020, SaaS net sales is expected to grow between 20-25% and profitability to improve from the comparison period.

## Dividend policy

According to its strategy, the Company will invest substantially in growth in the next few years, due to which it does not aim to pay dividends in 2020-2022.

## Illustration of net sales and profitability development, based on long-term targets \*

	2018	2019	2020	2021	2022	2023
			Illustration of net sales and profitability development, based on long-term targets			
<b>Net sales</b>	12.2 M€	13.8 M€				>20 % CAGR of SaaS in 2020–2023
<b>Profitability</b>	EBITDA -16 %	EBITDA -7 %	 Substantial investments in international growth will decrease operating profit in the next few years			Double-digit EBIT-%
<b>Financing</b>	IPO 2017	IPO 2017	IPO 2017	Cash flow	Cash flow	Cash flow

\* This illustration shows a hypothetical scenario based on Efecte's Long-term Financial Targets and should not be considered as guidance regarding the expected development of Efecte's business or financials.

# Efecte strategy

2023

Happiest and  
fastest growing

Make it  
happen

Respect

Challenge

Trust

**1. Help service organizations digitalize and automate their work**

**2. Grow in Europe as the European alternative to global players**

**3. Differentiate through better agility, experience and total cost of ownership**

**4. Focus on customer success to grow our user base and SaaS business**

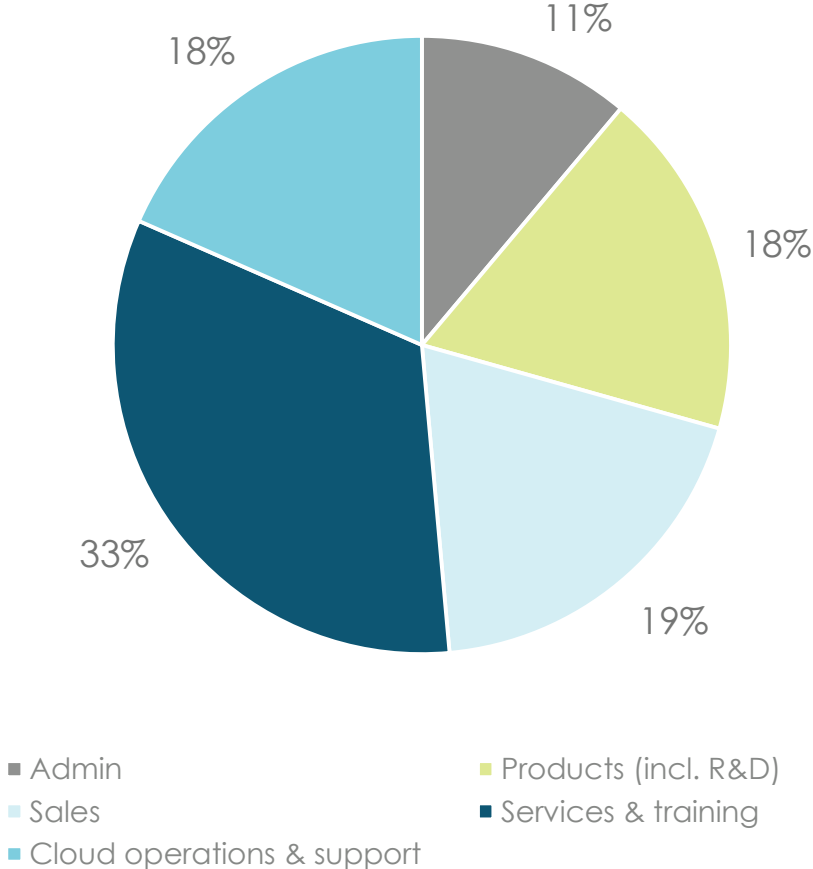
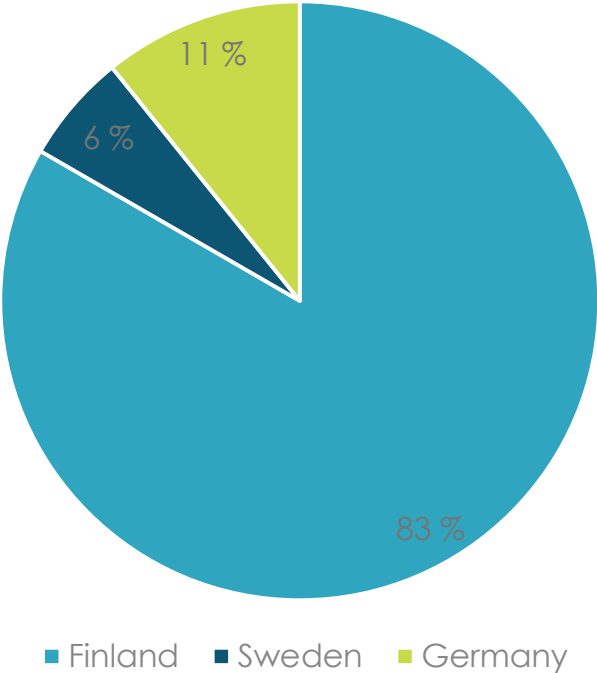
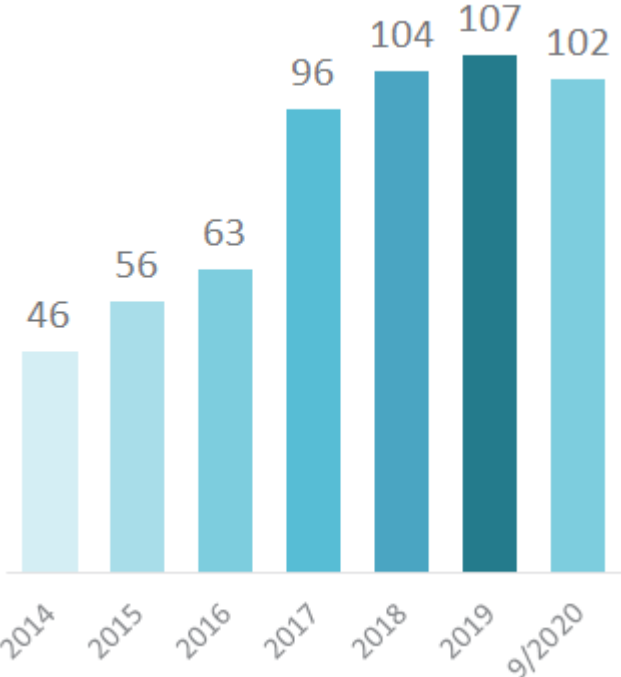
We love services,  
and our mission is to perfect them

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# Key figures H1/2020

MEUR	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Net sales	3.5	3.3	10.8	10.2	13.8
EBITDA	0.3	0.0	0.0	-0.8	-1.0
Operating profit	0.2	-0.1	-0.4	-1.1	-1.4
SaaS MRR (1000 eur)	768	602	768	602	640

# Employees (9/2020)

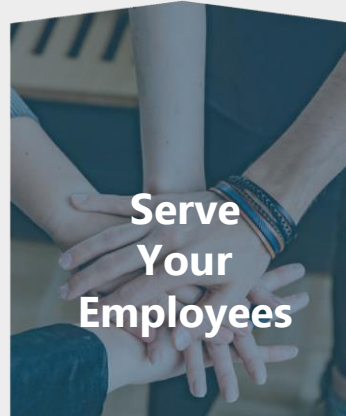
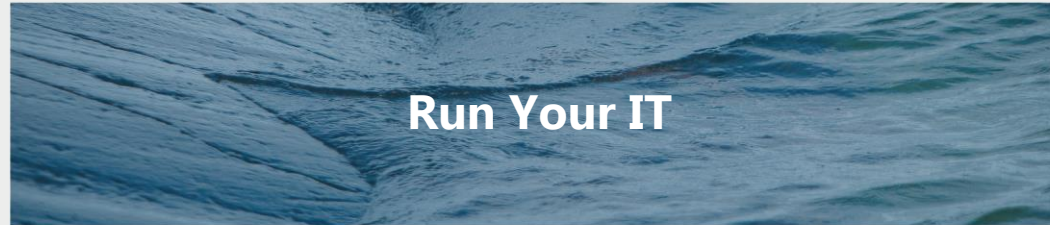


# Efecte: Digitalize and Automate Your Work

The European Alternative to global players

Cloud solution for ticketing, asset, contract, identity & access mgmt, and more

Ideal for European businesses, public sector & local service providers



Offices in Finland, Sweden, and Germany

International expansion accelerated, 71% SaaS growth YoY in 1-9/2020

Upfront investments impact profitability, but already on a trajectory of improving profitability



SaaS growth  
1-9/2020

24%



SaaS MRR  
(9/2020)

0.77 M€



Net sales  
2019

13.8 M€



Employees  
9/2020

102



New customer  
adds 2019

33



**#WE  
LOVE  
SERVICES**

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