



efecte

# Q3 2023 results webcast

1 November 2023



## **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.

# Efecte in brief

- We help European mid-market customers to **digitalize and automate** their work
- Proven **SaaS product**
- Net sales **24.1 million** EUR, growth of +17%
- Adjusted EBITDA margin +1%
- **ARR 17.0 million** EUR and **recurring gross margin 79%**
- 206 employees

Numbers are rolling 12 months based on Efecte 1-9/2023 results





We are building the **Leading European Alternative** to the global goliaths in service management software

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# Strategy and vision



## Leading European Alternative

The undisputed #1 European service management vendor

### By 2025:

35 MEUR  
EBITDA > 10%

### Eventually:

100 MEUR  
EBITDA > 25%

# Sharpening our focus for faster progress and profitability



- Focusing on existing direct and partner-led markets
- Investing in sales, marketing and professional services with focus on profitability



- Double-down on AI as a competitive differentiator
- Further productized offerings to improve scalability
- Continue investments in user experience



- Build on our unique people & culture to attract world-class talent
- Improve productivity by working smarter



- Explore consolidation of the service management market
- Strengthen technology platform



# Q3/2023: Profitability started to improve



- Adjusted EBITDA 6%
- Total net sales grew by 11%
- SaaS +19%, international SaaS +18%
- New customers won in Finland, DACH, Scandinavia and Poland



- Key product launches: Effie AI and ITSM Essentials
- Digitalize & Automate events turned out successful



- FTE headcount at 206
- Streamlining our organization and developing our way of operating to be optimally set up for our targets



- Executed acquisition of Requeste business and assets
- Pursuing in accordance with our refined strategy

Numbers are based on Efecte 1-9/2023 results.

# Performance vs. full year guidance

GUIDANCE	Q1/2023	Q2/2023	Q3/2023	Q4/2023	YEAR TO DATE 01-09/2023
SaaS growth > 20%	28%	25%	19%		24%
Adjusted EBITDA margin > 0%	-3%	1%	6%		1%

Numbers are based on Efecte 1-9/2023 results.



## SaaS KPI's at a glance

**SaaS growth:**  
**24%**

**SaaS MRR:**  
**1,417 MEUR**

**LTV/CAC:**  
**5.0**

**Recurring gross  
margin: 79 %**

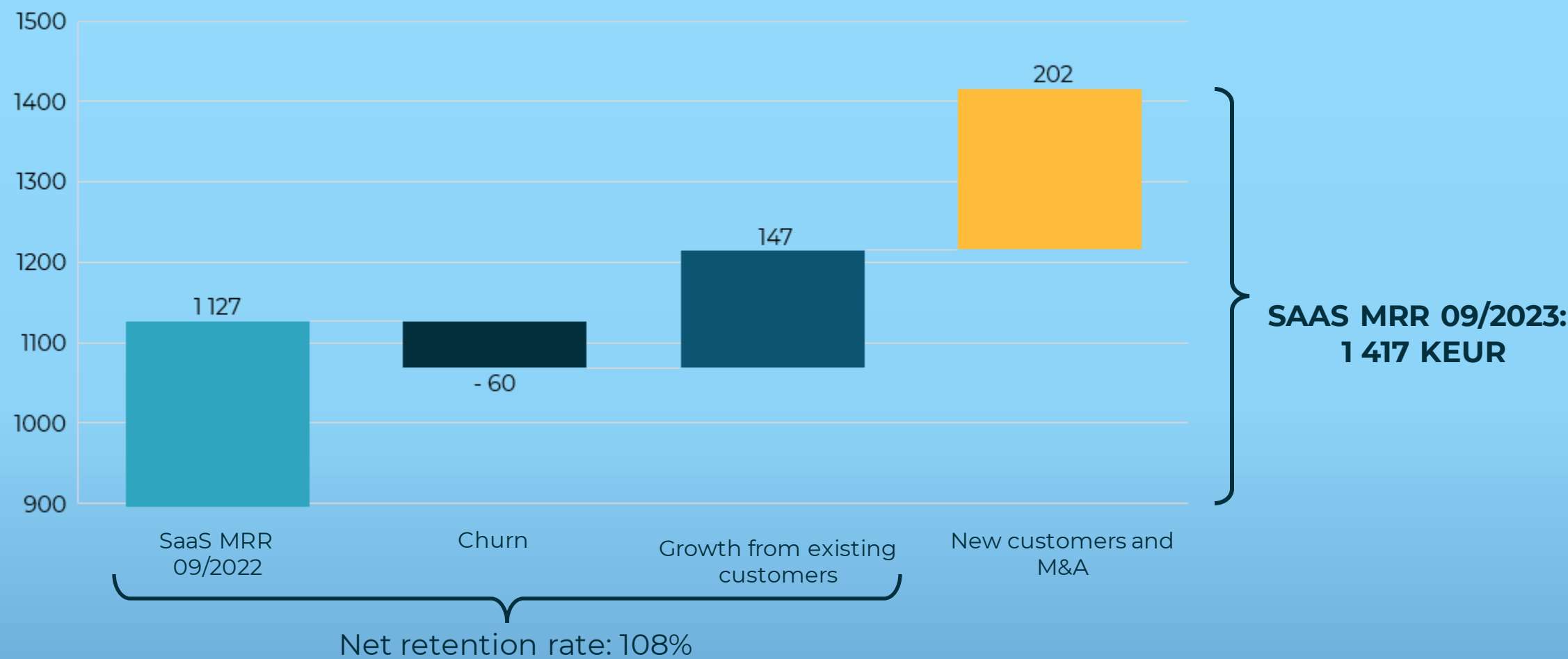
**Net retention:**  
**108%**

**Gross churn:**  
**5.3%**

Numbers are based on Efecte 1-9/2023 results.

# Growing with existing and new customers

Sources of SaaS MRR growth (rolling 12 months)

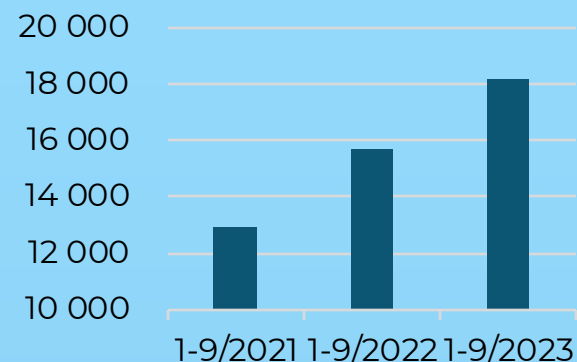


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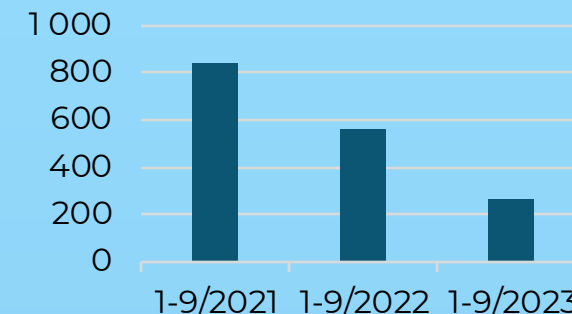
# Financial performance in Q3

- Important turning point as our profitability started to improve after investment phase
- On track to meet our profitability guidance for this year and long term
- Focusing on cost adjustments to set us up optimally for 2024

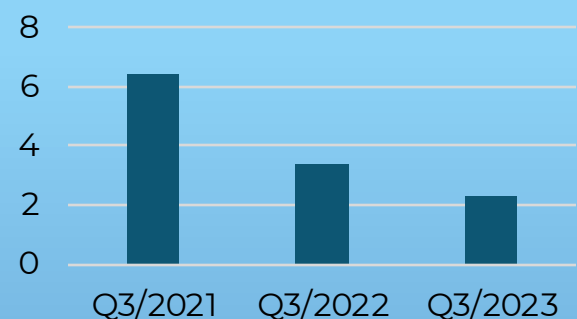
**Net sales (KEUR)**



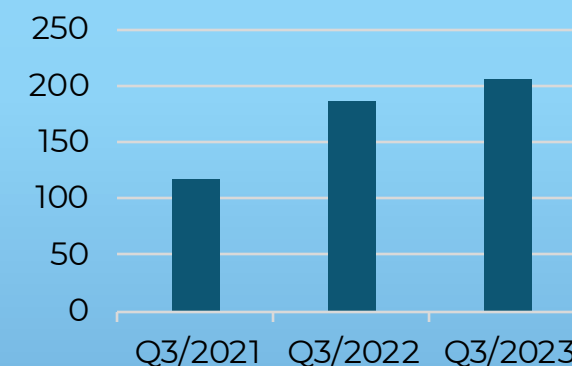
**Adjusted EBITDA (KEUR)**



**Cash and liquid assets (MEUR)**



**FTE**



Numbers are based on Efecte 1-9/2023 results

IW + Req  
Acq

# Market update

- Research in Action recognized us as market leader
- Continued taking market share – new customers won in Finland, Sweden, DACH and Poland
- Customer decision making was cautious especially in new customers but also existing – we expect this sentiment to continue in 2024
- Going forward, we will focus more on our existing markets and less on expansion

Based on Efecte 1-9/2023 results



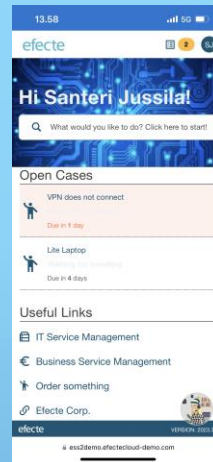
# Product highlights Q3

## Work smarter with AI



New **Effie AI** product family launched at D&A event

## Easier to use



New **Self-service** evolves with better search, new admin panel and integrated AI

**Agent UI** modernization rolls out new email editor

## Faster to start & expand



New **ITSM Essentials** product package launched at D&A event

# Effie AI: personal assistant for IT support

**Empower end-users** to solve simple things quickly & independently 24x7

**Augment agents** to manage efficiently increasing workloads & complexity



Reduces ticket  
volumes

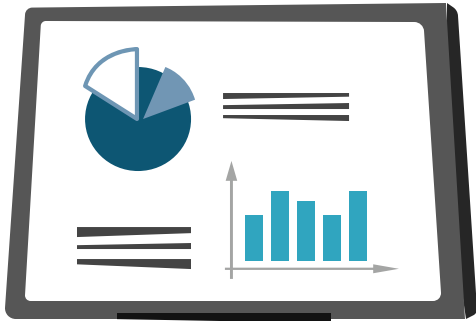
Reduces cost  
per ticket

Faster resolution  
times

Improves user  
experience



# ITSM Essentials provides customers with an easy starting point while maintaining flexibility to expand



Easy to Start

New!

## ITSM Essentials

- Service requests
- Incident management
- Knowledge
- Service levels

Automate your IT

## ITSM in full

- IT asset management
- Service configurations
- Changes & deployments
- Problem management
- Releases & validation
- And more!

Automate your business

## Enterprise services

- Digital identities
- Access management
- Business assets
- Financial operations
- HR & people operations
- Facilities, assets, licenses
- And more!

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# Financial targets, 2023 guidance, dividend policy

## Long-term financial targets

By 2025, grow organically to 35 MEUR total net sales, maintain an average SaaS growth of over 20% and reach double-digit EBITDA margin.





Through organic growth and acquisitions, become eventually the largest European service management vendor with total net sales over 100 MEUR and EBITDA margin exceeding 25%.

## Guidance for 2023

SaaS net sales is expected to grow over 20% and adjusted EBITDA to be positive.

## Dividend policy

According to its strategy, Efecte will invest substantially in growth in the next few years, due to which the company does not aim to pay dividends for the foreseeable future.

Organic growth scenario	2020	2021	2022	2023	2024	2025
Net sales	14.9 M€	17.8 M€	21.6 M€			>35 MEUR
Profitability	EBITDA 1 %	EBITDA 5 %	Adjusted EBITDA 2 %			Double-digit EBITDA margin
Financing	Cash flow	Cash flow	Cash flow	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.*

# Q&A



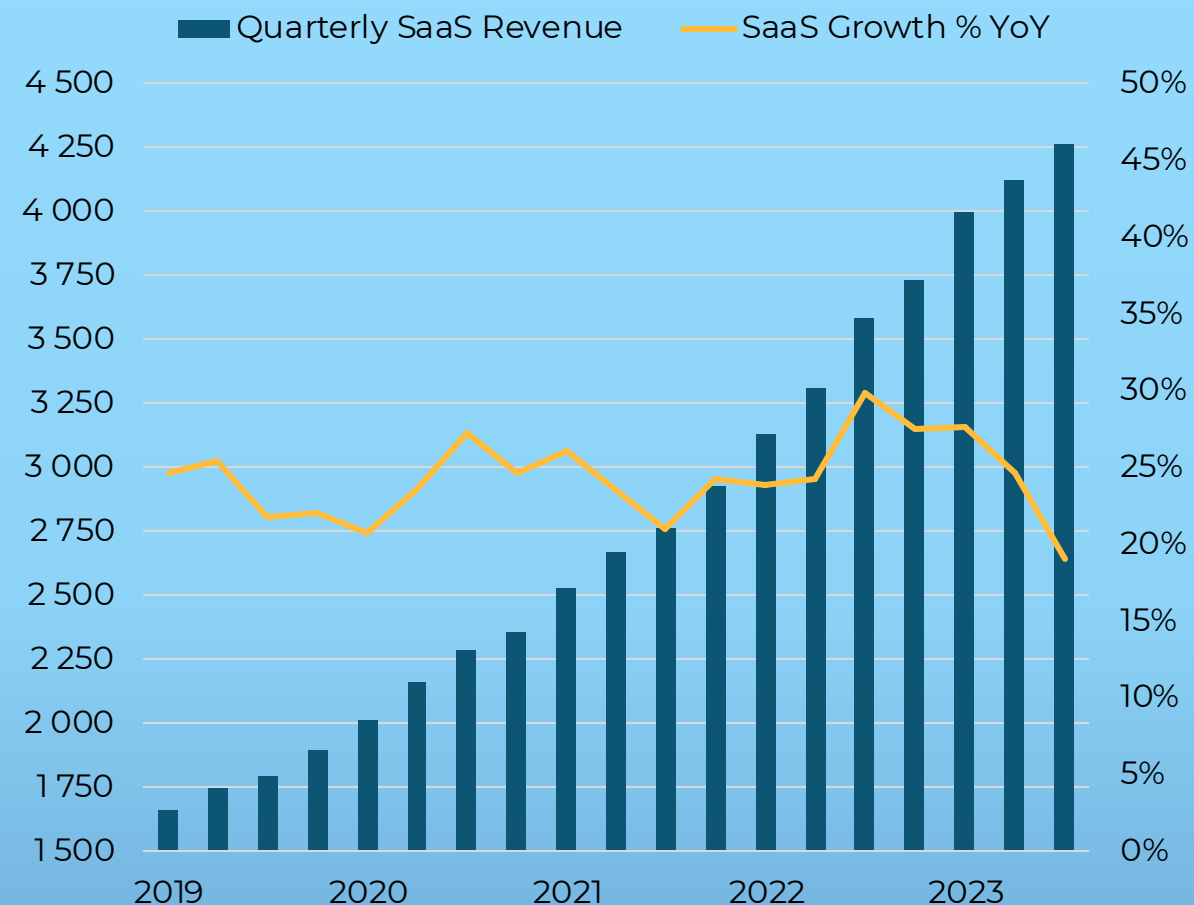
# Thank you!



# Appendix

# Compounding steady SaaS growth

- SaaS growth over 15% for 24 quarters, each quarter as listed company
- Steady growth % translates to exponential growth in absolute numbers



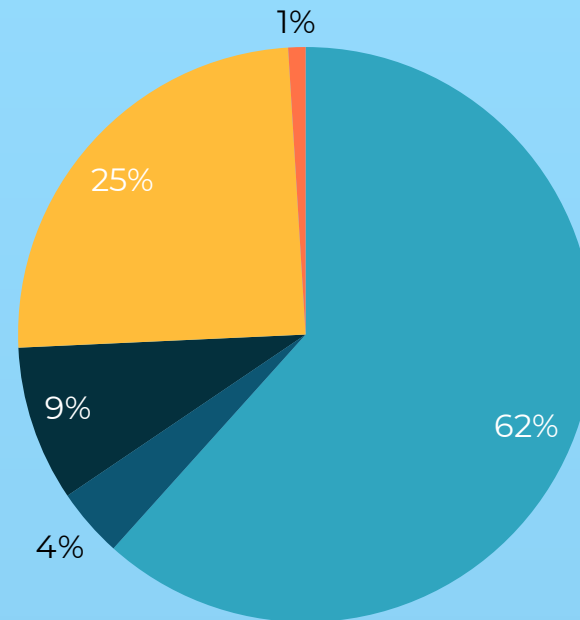
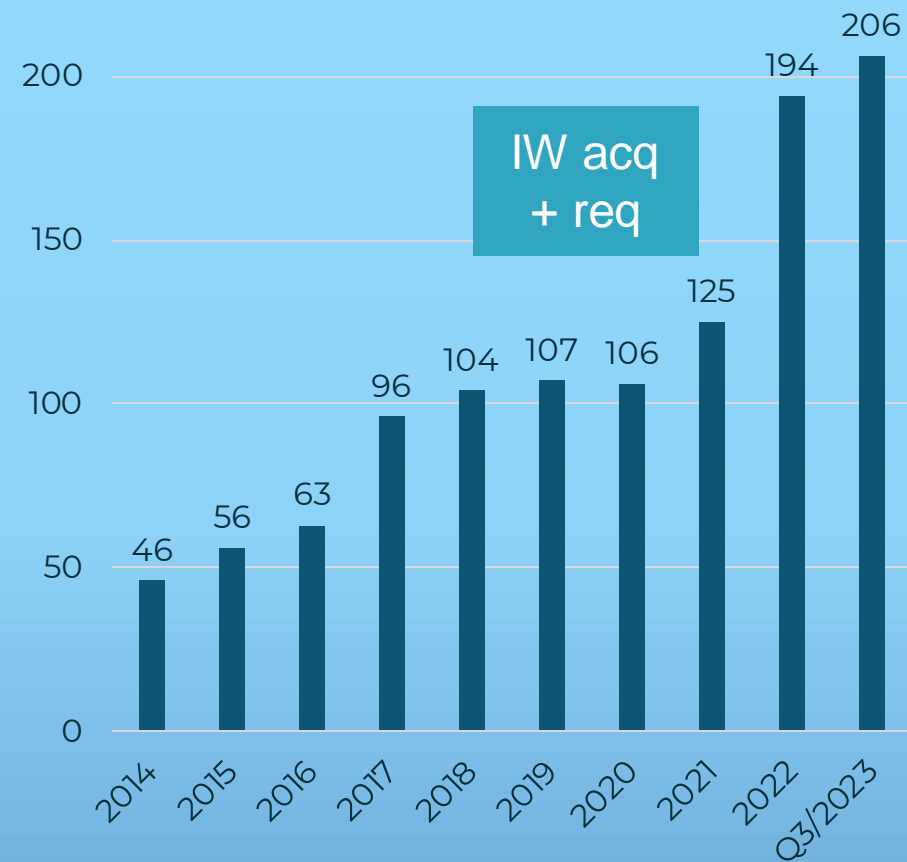
Numbers are based on Efecte 1-9/2023 results



# Key figures

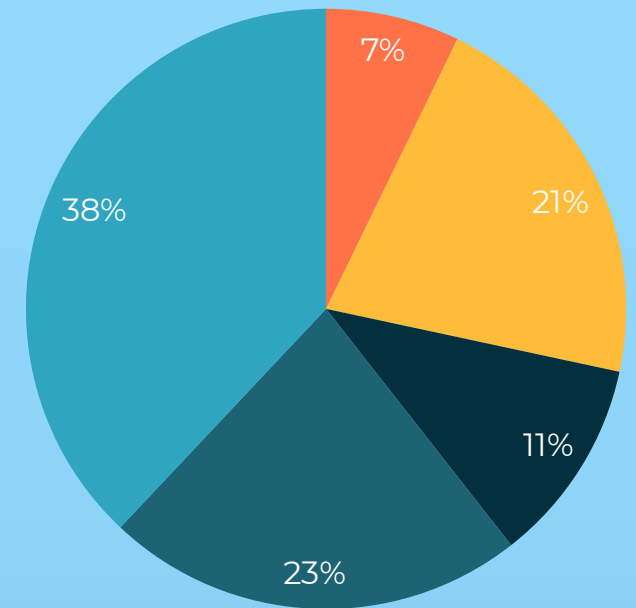
1000 EUR	1-9/2023	1-9/2022	2022
Net sales	18 152	15 697	21 607
EBITDA	71	172	-13
Adjusted EBITDA	269	562	519
EBIT	-940	-375	-864
SaaS MRR	1 417	1 165	1 270

# Team in numbers



Finland Sweden Germany  
Poland Spain

Our central team in Finland acts globally supporting customers, partners and sales in all markets and includes the headcount responsible for our New Markets operation.



Admin  
Sales & marketing  
Cloud operations & support  
Products (incl. R&D)  
Services & training

# Summary: Efecte as an investment

## 01 GROWING MARKET

European Alternative to global players in a cloud ITSM/ESM, CIA and IGA market growing double digits

## 02 SAAS BUSINESS MODEL

Scalability and predictability through recurring revenue and solid unit economics

SaaS growth  
1-9/2023

**24%**

International SaaS  
growth 1-9/2023

**30%**

## RUN YOUR IT



**Serve Your  
Employees**



**Run Your  
Business**



**Delight Your  
Customers**

Net sales  
10/2022-09/2023

**24.1 M€**

SaaS ARR  
(09/2023)

**17.0 M€**

## 03 PROVEN PRODUCT

Low churn and ability to win new deals in different markets including Germany have shown competitiveness

## 04 INTERNATIONAL GROWTH

Five direct markets and coverage of 20+ countries in EMEA through partners

Employees  
09/2023

**206**