

A photograph of two women in a modern office environment. The woman on the left, with blonde hair, is wearing a dark blazer over a light-colored top and is pointing towards the right. The woman on the right, with dark hair, is wearing a dark top and is looking towards the left. The background is a blurred office space with large windows and modern lighting. The entire image has a blue-to-purple gradient overlay.

Q3 2022 CAG Group AB

We accelerate digital innovation for people.
Leading technology. Lasting impact

Leading technology
Lasting impact





CAG in Brief

- Founded 2005
- 450 employees in 10 independent subsidiaries
- 2021 Revenue 653 MSEK, Adjusted EBITA margin 8.0%
- Technology Consultancy Services and IT Service Operations
- Offices in Stockholm, Uppsala, Linköping, Enköping, Karlstad, Borås, Krokum and Oslo
- Certified according to ISO 9001, ISO 14001 and ISO 27001
- 4th place on Great Place to Work's 2022 list of Major Corporations; GPTW Index 95 out of 100
- Listed on Nasdaq First North Premier since 2018

Customer Segments



Defence



Banking & Finance



Industry &
Infrastructure



Retail & Service



Healthcare

Specialist Areas



Technology
Management



System
Development



Cyber Security



IT Service
Operations



Training

Notable Events in Q3

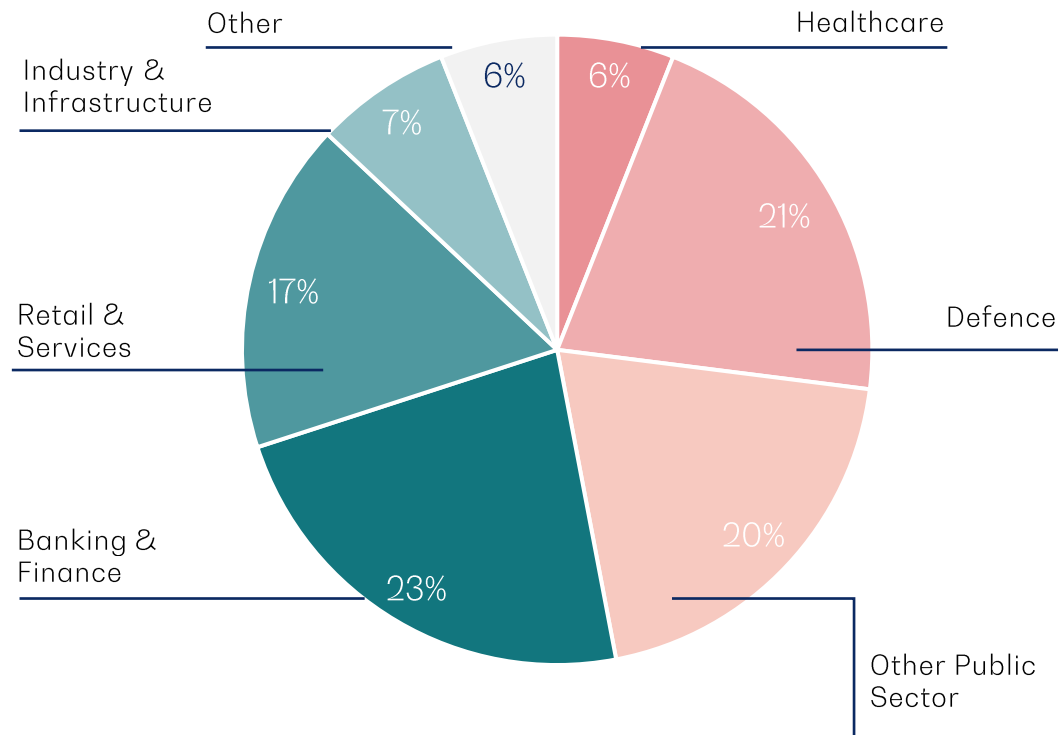
- CAG Syntell, specialists in Systems Life Cycle Management within segments Defence, Industry, Public and International with 2021 revenues of 114 MSEK and 70 employees, was consolidated per July 1.
- CAG Syntell is delivering expected synergies in terms of customer agreements and revenue
- Recurring revenue remains at 20 percent of turnover, driven by strong growth within IT Services Operations (including SOC, Security Operations Center, services)
- CAG Ateles awarded Pimcore "Digital Experience of the Year Partner" for excellent e-commerce solutions for Melbye Scandinavia, a provider of Energy, Fiber, Infrastructure and Installation solutions

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Revenue per Segment 2022 YTD



Approx 380 active customers, none accounting for > 15 percent of revenue

20 percent recurring revenue

- Public sector 47%
- Private sector 53%

percent of total revenue

A Selection of New Assignments in Q3



- Repeat customers in the quarter include;
 - BAE Systems Hägglunds
 - Länsförsäkringar, Handelsbanken, SEB, Avanza
 - Försvarets Materielverk (FMV), Försvarsmakten
 - E-hälsomyndigheten
 - Stockholm Exergi
- Areas of expertise include:
 - Payments
 - AML
 - Cyber Security
 - Systems Lifecycle Management (SLCM)
 - System Development
 - Agile Project Management

July-Sept 2022, MSEK



- Revenue 177 MSEK (134), growth 32%
 - Organic growth 12%
 - Acquired growth 21%
- Adjusted EBITA 11.3 (5.8), an increase of 97%
- **Adjusted EBITA margin 6.4% (4.3)**
- Cash flow from operations -2.5 MSEK (-2.5)
- Average number of employees 440 (373), at end of period 441 (372)
- After-tax profit 5.4 (1.5), an increase of 251%
- Profit per share after dilution 0.75 (0.22) SEK, an increase of 240%. Number of shares 7 158 306 (7 045 422)

Jan - Sept 2022, MSEK

- Revenue 560 MSEK (467), growth 20%
 - Organic growth 11%
 - Acquired growth 9%
- Adjusted EBITA 46.5 (35.3), an increase of 32%
- Adjusted EBITA margin 8.3% (7.6)
- Cash flow from operations 47.3 MSEK (37.8)
- Average number of employees 392 (370), at end of period 441 (372)
- After-tax profit 30.2 (19.4), an increase of 56%
- Profit per share after dilution 4.26 (2.77) SEK, an increase of 54%. Number of shares 7 083 463 (7 002 754)



Solid Financial Position

Financial Position (KSEK)	30 Sept 2022	30 Sept 2021
Cash at end of period	97 418	74 903
Credit facility draw-down	-	-
Long-term debt, interest bearing	-71 000	-23 063
Long-term debt, leasing	-11 156	-14 630
Short-term debt, interest bearing	-24 000	-15 813
Short-term debt, leasing	-16 154	-13 949
Net cash (+) / Net Debt (-)	-24 892	7 449
Net cash (+) / Net Debt (-) excluding leasing	2 418	36 028
Unused credit facility	7 500	7 500
Total credit facility	7 500	7 500
Equity	252 899	223 435
Total capital	557 243	445 360
Asset ratio (%)	45,4%	50,2%

Net Debt/Equity: 0,10

Share mandate of 10% of
outstanding shares,
approx 40 MSEK
available until next AGM

FINANCIAL TARGETS 2022 - 2025



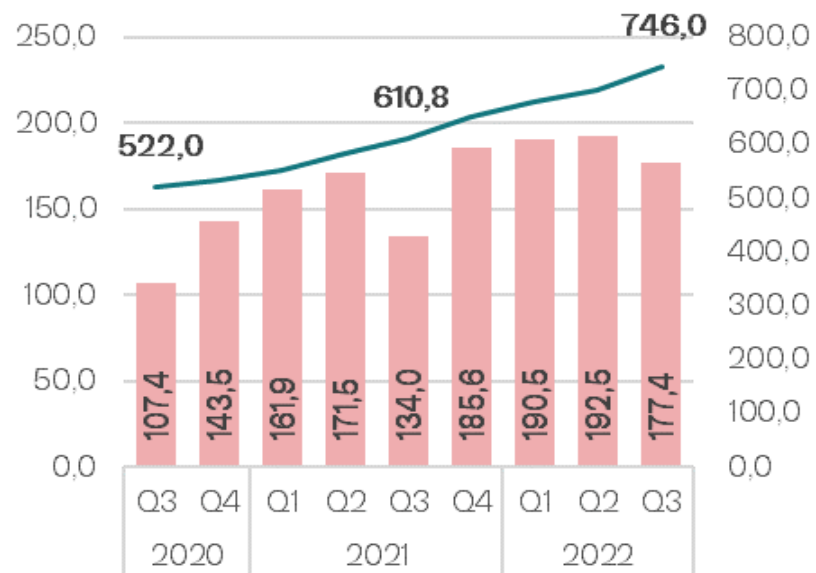
CAG Group's ambition is to grow under stable profitability by combining organic growth and acquisitions and to reach SEK 1 billion in turnover by the end of FY 2025



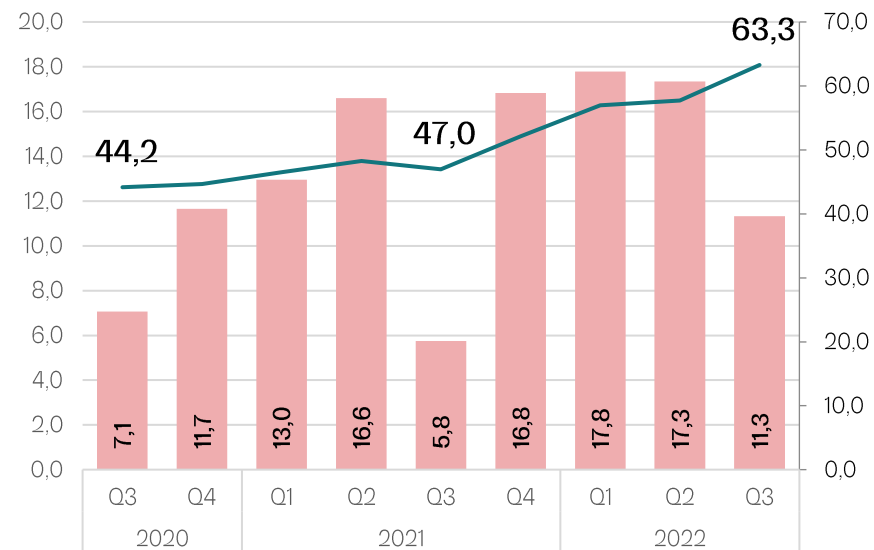
Over the period, CAGs adjusted EBITA margin shall increase to 10 percent of revenue

Steady Revenue and Profit Growth

Revenue per Quarter and R12



Adjusted EBITA per Quarter and R12



Path to Increased Profitability

1. Grow IT
Service
Operations
business

2. Price
increases

3. Ratio of
billable and non-
billable
resources

4. Capacity
utilization and
cost control



Market Outlook

- Market demand remains strong despite developments in macro environment
 - Increased vigilance
 - Solid public finances
 - Opening for increased recruitment
- Cyber threats are not going away
- Recurring revenue continues to increase
- Price increases
- Continued focus on employee satisfaction and competence development

Why Invest in CAG?

BALANCED SECTOR MIX

- High share of public sector
- 20% in Defence
- Society-critical projects
- Stockholm geographic focal point

20% RECURRING REVENUE

- IT Service Operations
- Banking & Finance:
 - 3 year contracts
 - Blue-chip customers
 - Higher profitability

VALUE- CREATING TECHNOLOGY AREAS

- Cyber Security, AML, SLCM
- Macro trends support market demand
- Senior competence

M&A-DRIVEN

- 1-2 deals per year
- Strong balance sheet
- Decentralized structure attracts and eases integration

...IN ADDITION...

- Stable and increasing dividend payments
- Strong company culture
- Blue-chip institutional investors and high internal ownership
- Erik Penser Bank liquidity guarantor



Thank You! Questions?

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