

CAG Year-end Report 2023

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

2005

Founded

450

Employees

10

Independent subsidiaries in
Technology Consultancy
Services and IT Service
Operations

Listed on Nasdaq First North
Premier

Carnegie Investment Bank
Certified Advisor and
Liquidity Guarantor



October – December 2023



- Revenue 252 MSEK (239), growth 5.3%
 - Organic growth 4.6%, excluding subcontracting revenue 2.8%
 - Acquired growth 0.7%
 - ...despite one fewer working day than in 2022
- Adjusted EBITA 25.9 (26.6) MSEK
- Adjusted EBITA margin 10.3% (11.1)
- Cash flow from operations 31.3 MSEK (43.2)
- Average number of employees 446 (441), at end of period 448 (439)
- After-tax profit 17.7 (18.1)
- Profit per share after dilution 2.47 (2.52) SEK

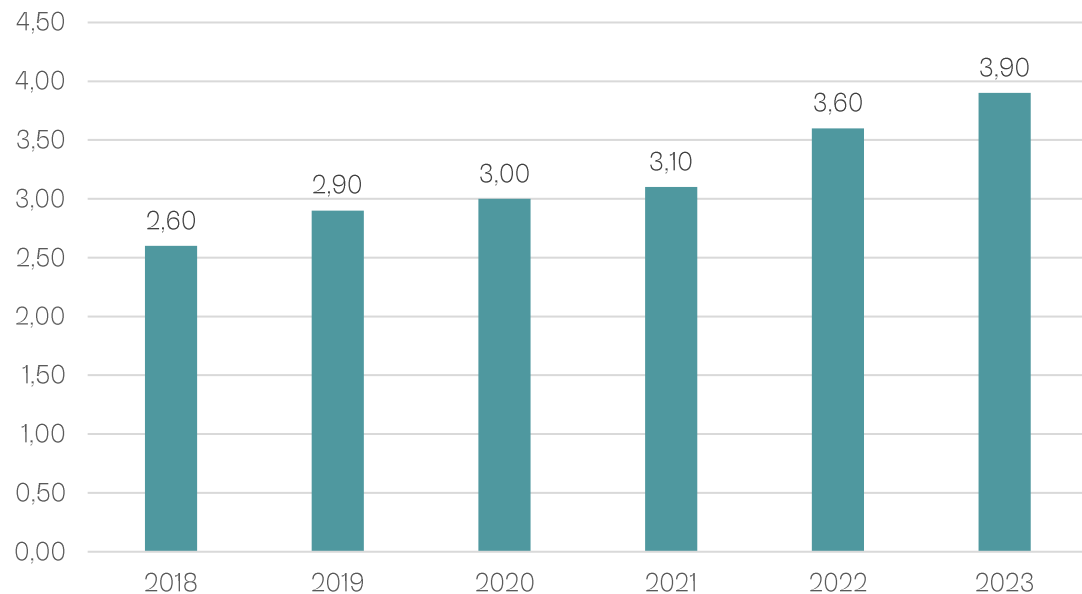
A Successful FY 2023



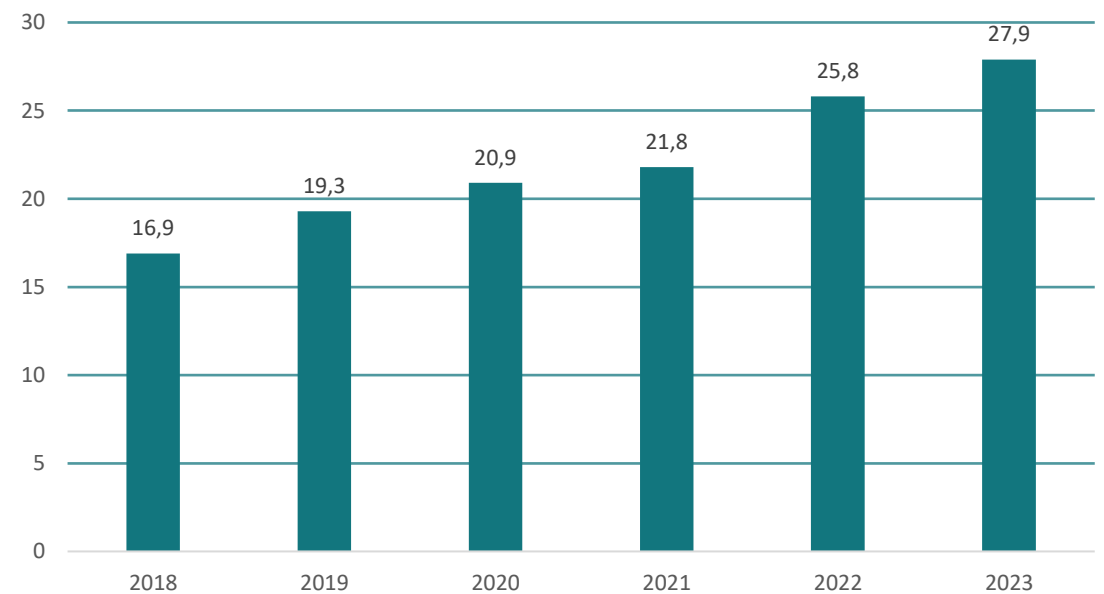
- Revenue MSEK 894 (800), growth 11.7%
 - Organic growth 1.9%, excluding subcontracting revenue 2.2%
 - Acquired growth 9.8%
 - ...despite two fewer working days than in 2022
- Adjusted EBITA 82.3 (73.1), an **increase of 13%**
- **Adjusted EBITA margin 9.2% (9.1)**
- Cash flow from operations 66.4 MSEK (90.5)
- Avg number of employees 436 (402), at end of period 448 (439)
- After-tax profit 53.4 (48.3), an **increase of 11%**
- Profit per share after dilution 7.46 (6.79) SEK, an **increase of 10%**
- The Board proposes a **dividend of SEK 3.90 (3.60)**

Steady Dividend Progression

Dividend per share, SEK



Total dividend payout, MSEK

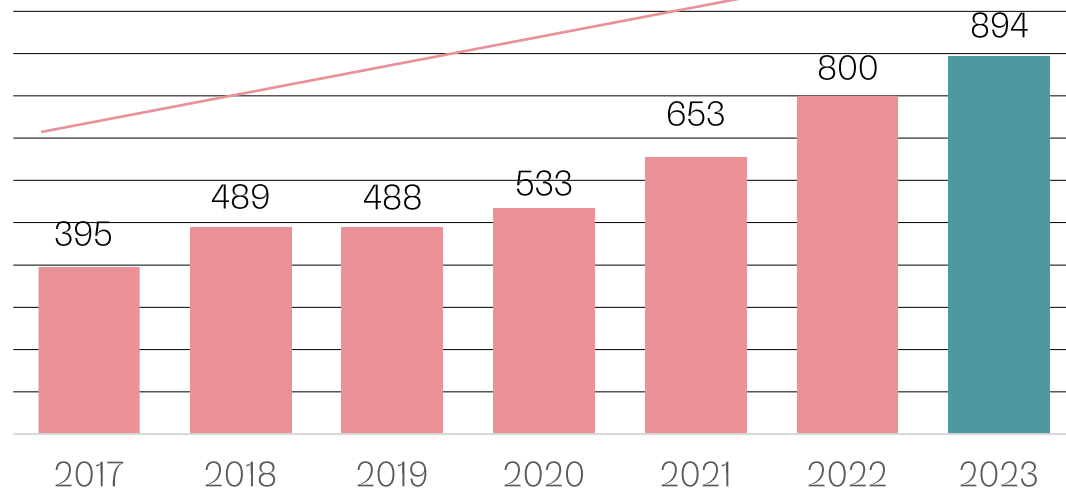


Note: 2023 pending AGM decision

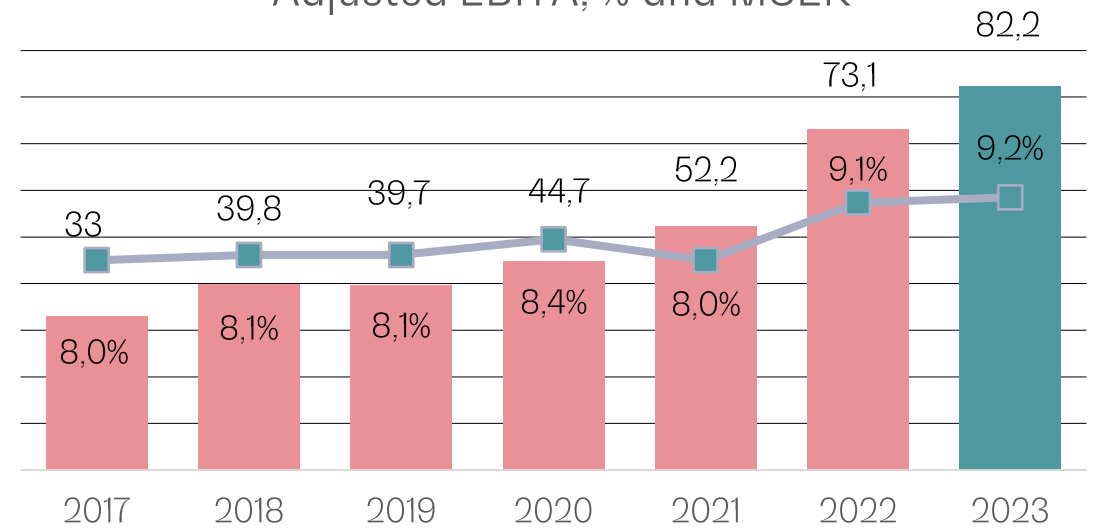
CAG 2017-2023

CAGR 15%

Total Revenue, MSEK



Adjusted EBITA, % and MSEK



450

EMPLOYEES

20%

RECURRING REVENUE

>50%

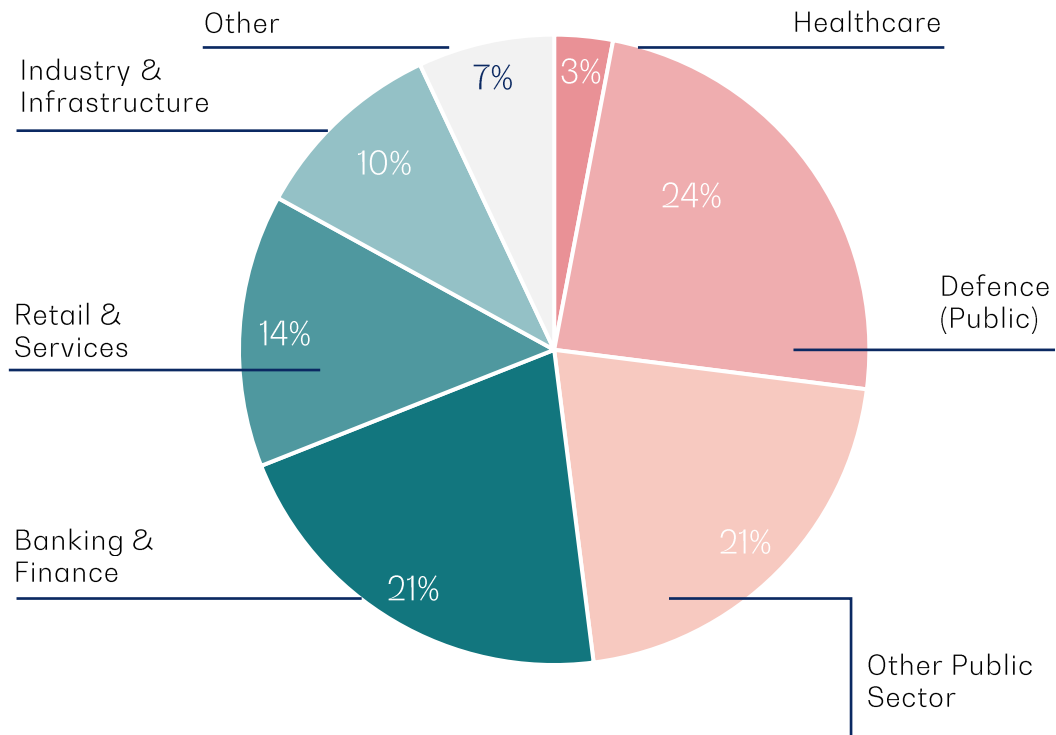
DIVIDEND POLICY
(AFTER-TAX PROFIT)

95

GREAT PLACE
TO WORK INDEX



Revenue per Segment FY2023



- 380 active customers
- Defence segment, 30 percent of revenue incl equipment makers
- Recurring revenue, 20 percent
- Largest customer, ~19 percent of revenue
- 10 largest customers, 40 percent of revenue

● Public sector 48%

● Private sector 52%

percent of total revenue

Leading technology
Lasting impact



A Solid Customer Base



Leading technology
Lasting impact

cag

Leading Technology, Lasting Impact



- **System Development**, Agile Project Management, Test Automation
- **Anti-Financial Crime**, Anti-Money Laundering, Payment Solutions
- **IT Service Operations**: Secure Network & Communications, Server & Storage (Cloud & On-Prem), Modern Workplace & Service Desk
- **Cyber Security**: Information and IT Security, Penetration Testing
- **Security Operating Center (SOC)**
- **Systems Engineering**, Systems Lifecycle Management, ILS
- **BI & Analytics**, Informatics, Enterprise Performance Management
- **PIM** (Product Information Management), E-Commerce

Leading technology
Lasting impact



AI@CAG, Update

- Launch of Microsoft 365 Copilot (Jan 2024) and Google Gemini (Feb 2024), and a myriad of other tools, e.g., Leonardo, HeyGen, Dall-E, Sora (OpenAI text to image and video), etc
- Core LLM technology integrated in Bing and Google Search/Translate
- Generative AI and LLM:s follow in the footsteps of Datamining, BI, Advanced/Predictive Analytics, Machine Learning etc...
- Increased efficiency in system development, Copilots in many platforms
- Software tools offer more advanced functionality, e.g., in AFC, AML, Cyber Security, IT service provisioning, SW testing, image processing...
- Regulation partly in place; EU AI Act passed in Dec 2023
- CAG has adopted an AI Policy to ensure Cyber Security, confidentiality and ethical and non-discriminatory use
- Continuous competence development for all employees; in subsidiaries and for CAG as a whole



FINANCIAL TARGETS 2022 - 2025



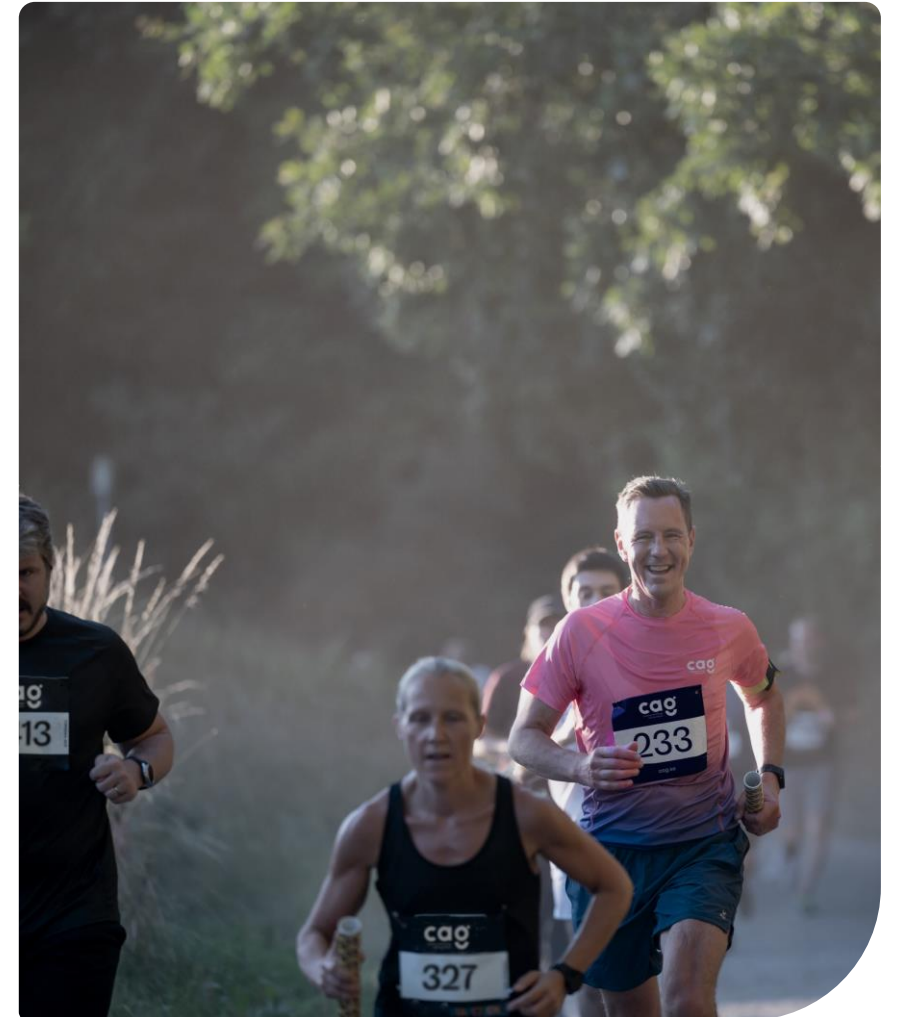
CAG Group's ambition is to grow under stable profitability by combining organic growth and acquisitions and to reach SEK 1 billion in turnover by the end of FY 2025



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

Outlook 2024

- Solid demand in Defence and Banking & Finance
- Stabilizing Public Sector demand in H2
- Slower price and salary inflation
- Cyber Security, Defence and Public Safety in focus, in parallell with continued digitalization
- Regulatory requirements increase opportunities to provide qualified advisory services to customers (NIS-2, DORA, CSRD)
- M&A market may provide more interesting opportunities at lower multiple valuations



Invest in CAG

BALANCED SECTOR MIX

- Stable segments
- >30% in Defence, public, industry
- Society-critical projects
- Stockholm geographical 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, Payment solutions, SLCM
- Macro trends support market demand
- Senior competence

M&A-DRIVEN

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

...IN ADDITION...

- Progressing dividend payouts
- Strong company culture
- Blue-chip investors
- High internal ownership
- Carnegie Investment Bank liquidity guarantor and CA

Thank You! Questions?

Åsa Landén Ericsson, CEO CAG Group

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Lasting impact





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