

Profitable growth and strong order intake: Interim report, January - June 2023

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The second quarter

- Net sales MSEK 144.5 (123.9), rendering a sales growth of 17% (20)
- Recurring revenue MSEK 84.8 (73.5)
- The 12-month recalculated recurring revenue, Annual Recurring Revenue (ARR), at the end of the second quarter 2023 was MSEK 348 (296), rendering an ARR growth of 18% (14)
- The quarter was impacted by items affecting comparability amounting to MSEK 0.0 (0.0)
- EBITA MSEK 37.0 (31.7), rendering an EBITA margin of 26% (26%)
- Adjusted EBITA margin 26% (26%)
- Operating income, EBIT, MSEK 29.1 (23.2)
- Cash flow from current operations MSEK 35.0 (22.8)
- Net income MSEK 20.6 (17.9)
- Basic earnings per share amounted to SEK 1.55 (1.35), up 15 percent and diluted to SEK 1.54 (1.34), up 15 percent

The first six months

- Net sales MSEK 289.0 (242.6), rendering a sales growth of 19% (23)
- Recurring revenue MSEK 166.8 (145.4)
- The first six months were impacted by items affecting comparability amounting to MSEK 0.0 (0.0)
- EBITA MSEK 73.9 (62.1), rendering an EBITA margin of 26% (26)
- Adjusted EBITA margin 26% (26)
- Operating income, EBIT, MSEK 57.7 (45.0)
- Cash flow from current operations MSEK 74.4 (52.3)
- Net income MSEK 41.3 (34.0)
- Basic earnings per share amounted to SEK 3.11 (2.56), up 21 percent and diluted to SEK 3.09 (2.55), up 21 percent

CEO's comments: Profitable growth and strong order intake

We deliver strong quarterly results with continued profitable growth in a tough market. Revenue growth was 17%, ARR growth was 18% and the EBITA margin was 26%. We continue to be an attractive employer with low staff turnover and approximately 50 recruitments so far this year.

During the second quarter we saw a strong order intake, improved ARR growth and our consulting business Expert Services continued to grow at a fast pace. We also saw improvements in our German business area Userlike, with increased new sales and upselling. Our strong results in a market affected by increased interest costs, high inflation, ongoing wars in Europe and major redundancies in many industries, shows that we have a sustainable business model, even in a challenging business climate.

Business-critical systems - relevant in times of boom or bust

Our mission is to help companies become really good at sales and customer care, so they can help their customers in the best way possible. In more challenging times, this focus is more important than ever for all types of companies, in order to attract new and retain existing customers. The digitalisation of the customer journey – managing everything from the creation of the very first points of contact to increasing customer loyalty in a single flow – is an important driver in the market. The potential for efficiency improvements and cost reductions is also becoming an increasingly powerful argument in favour of investment. As a local CRM expert, we can stay close to our customers at all stages and help them succeed with business-critical processes. This allows us to continue to gain market share, even as companies become more cautious about investment and competition intensifies.

During the year, we have gradually strengthened our product offering, including AI solutions for improved customer communication and new campaign opportunities via WhatsApp. We have also continued to expand the number of add-ons for the Lime Go CRM system, which is adapted for smaller organisations, with integration to the Fortnox ERP system. This allows for more product activity and uses while helping our customers to work more efficiently.

Large public deals in the real estate and utility sector

In line with our strategy, we have won several large contracts in our selected focus industries. In the utility sector, following public tenders, we welcomed Växjö Energi and Trollhättan Energi as customers. In the real estate sector, Poseidon and Svenska hus, among others, have chosen Lime to be their CRM supplier. Another customer area that is growing rapidly is member organisations, where we welcomed Ruter Dam and Läkarmissionen during the quarter.

The combination of custom software and value-generating expertise in selected industries helps us make complex core processes simple and customer-oriented for the entire organisation – from customer service and sales to finance and management. With these cost- and time-efficient solutions, we gain satisfied, long-term customers and build barriers against competitors.

Strong focus on internationalisation

Our goal is to become a more international company and we are working hard to improve growth in our markets outside Sweden. We have signed a number of great contracts, including with the wholesale companies Anda-Olsen AS, Med Group Oy and WM SE, the utility companies Dalane Energisalg AS and Wattn, the insurance company WWK and the software company Plentymarkets, but we see further potential for improvement during the autumn.

Culture - the key to profitable growth

We deliver long-term profitable growth. It has been ingrained in our DNA for over 20 years. We currently have over 400 employees across Europe, and we continue to recruit at a fast pace. At the same time, our model for combining growth and profitability remains the same: We are building this company together, we take responsibility for revenues and costs, we are close to the business and deliver on a daily basis, and we dare to make decisions that creates an even better Lime in the future. This is all part of our culture.

As we move into the next part of 2023, we are of course hoping for a better market situation, but are preparing for a situation similar to what we saw in the spring. Our goal is clear: we will continue to deliver long-term profitable growth and build a more international company with a focus on selected industries. With satisfied customers and employees, and a very strong offer, we are well equipped to win market shares in the future.

Finally, I would like to take the opportunity to wish all our customers, colleagues and shareholders a wonderful summer!

/Nils Olsson, CEO & Managing Director, Lime Technologies

Read the entire report in the attached PDF

Invitation to the presentation of Lime Technologies' Q2 report

Today, July 14, at 09:30 CEST, analysts, investors, media, and other interested parties are invited to attend a webcast where Lime's CEO, Nils Olsson, and CFO, Maria Wester, will comment on the published report and answer questions. The presentation will be held in English.

The presentation material is available on [Lime's website](#).

[The link to the webcast can be found here.](#)

Disclosure regulation

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Contacts

- Jennie Everhed, Head of Communications & IR, +46 (0)720 80 31 01, jennie.everhed@lime.tech
- Maria Wester, CFO, +46 (0)732 04 44 54, maria.wester@lime.tech
- Nils Olsson, CEO, +46 (0)736 44 48 55, nils.olsson@lime.tech

About Lime Technologies AB (publ)

Lime helps businesses all over the Nordics to become better at customer care. The company develops and sells digital products for "Customer Relationship Management", development and management of customer relationships. Lime was founded in 1990 and has 400 employees. The company has offices in Lund, Stockholm, Gothenburg, Gävle, Oslo,

Copenhagen, Utrecht, Cologne, Helsinki and Krakow. Their customers include everything from sole traders to large organisations. www.lime-technologies.com

Attachments

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