



## Interim report Q1 2022

28 April 2022

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# Agenda

- 1 Q1 highlights
- 2 Business and market update
- 3 Financial review
- 4 Outlook



## Q1 2022 Summary

1

Revenue growth of **59%**

2

Organic growth of **22%** for the group

3

Organic recurring revenue growth of **25%**

4

Changes in reporting structure to reflect organisation

5

Webdoc X and Webdoc Norway progressing according to plan

6

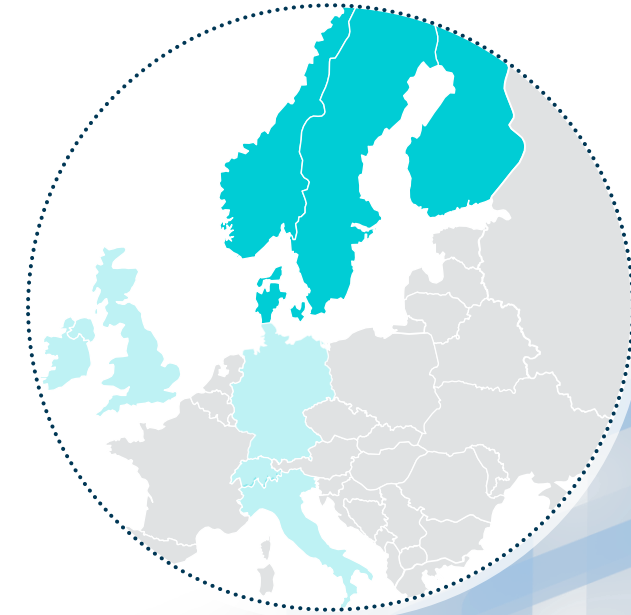
Acquisition of Medrave closed in Jan-22



# Carasent at a glance



- Cloud-based proprietary medical record software solution for the private healthcare segment
- Broad ecosystem of integrated third party services
- Three acquisitions completed, including Avans Soma in December 2020, Metodika in May 2021 and Medrave in December 2021
- Significant opportunity to expand organically and through M&A:
  - New products and services
  - New geographies
  - New segments



**NOK 168m**

ARR



**129**

Employees

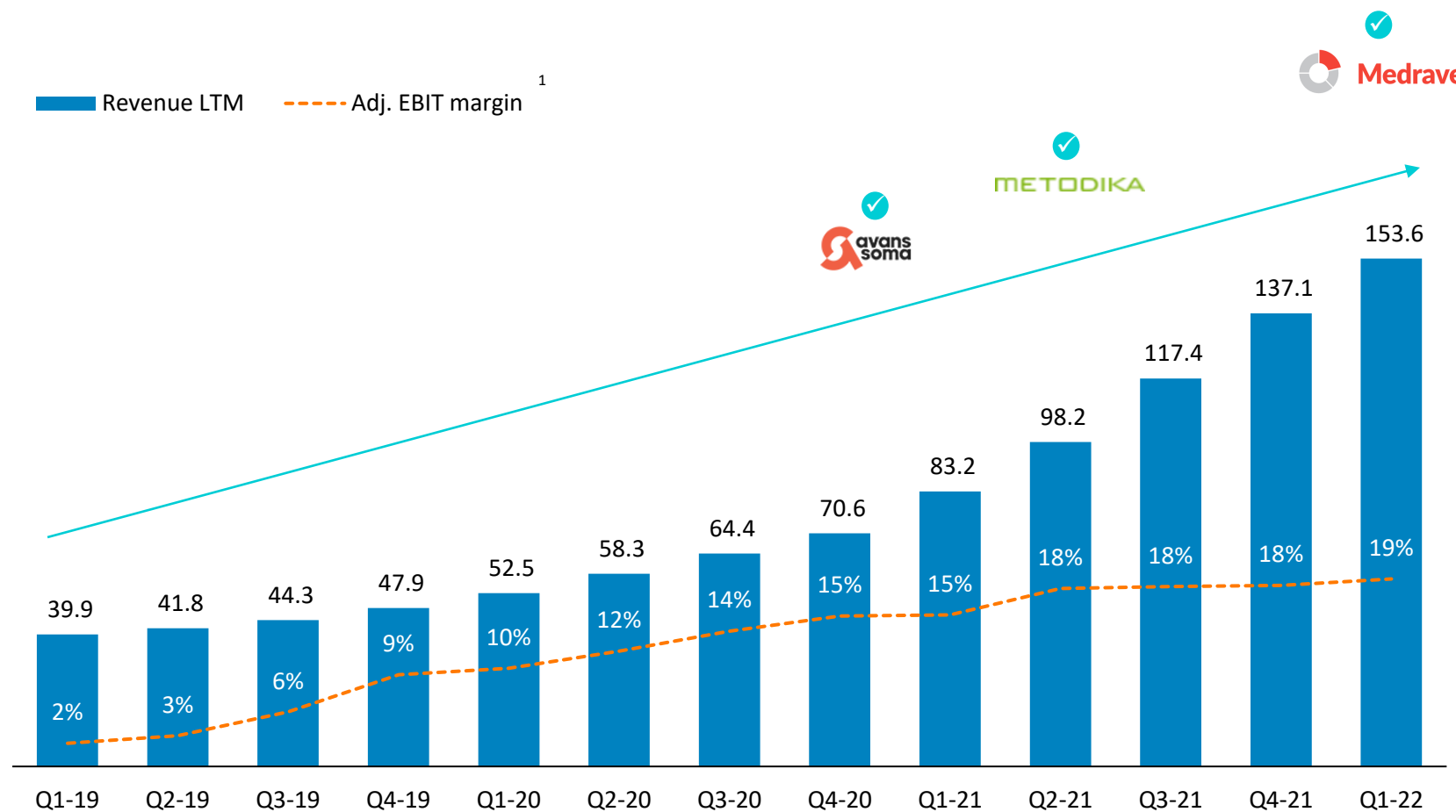


**>2,000<sup>1</sup>**

Clinics

1: Including Medrave clinics

# Consistent track-record of growth



CAGR 2019 – Q1 2022:

**57%**

Revenue growth

**~30%**

Organic revenue growth

**116%**

Net retention rate YoY in  
Q1 2022

1: Adjusted for non-recurring items, including acquisition costs

# Overall market trends

DRIVERS



The healthcare industry is facing underlying structural issues

PROBLEM



The need for high-quality healthcare at lower cost to society has never been greater

SOLUTION



Digitalization is transforming healthcare

# Becoming “one Carasent” – unlocking synergies

## Historical



## Strategic direction



## Unlocking synergies

1

Significant costs of maintaining several platforms

2

Cross sale of products

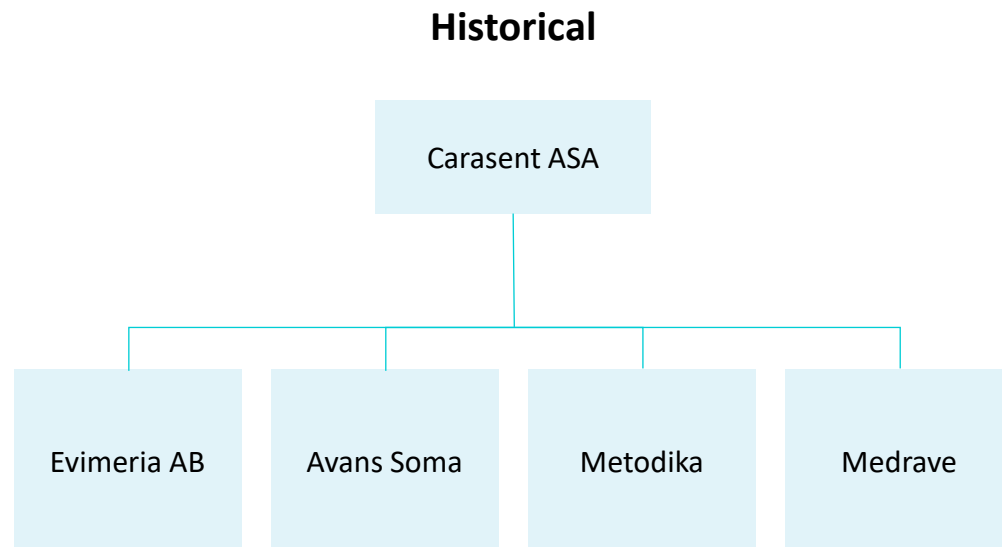
3

Highly scalable model

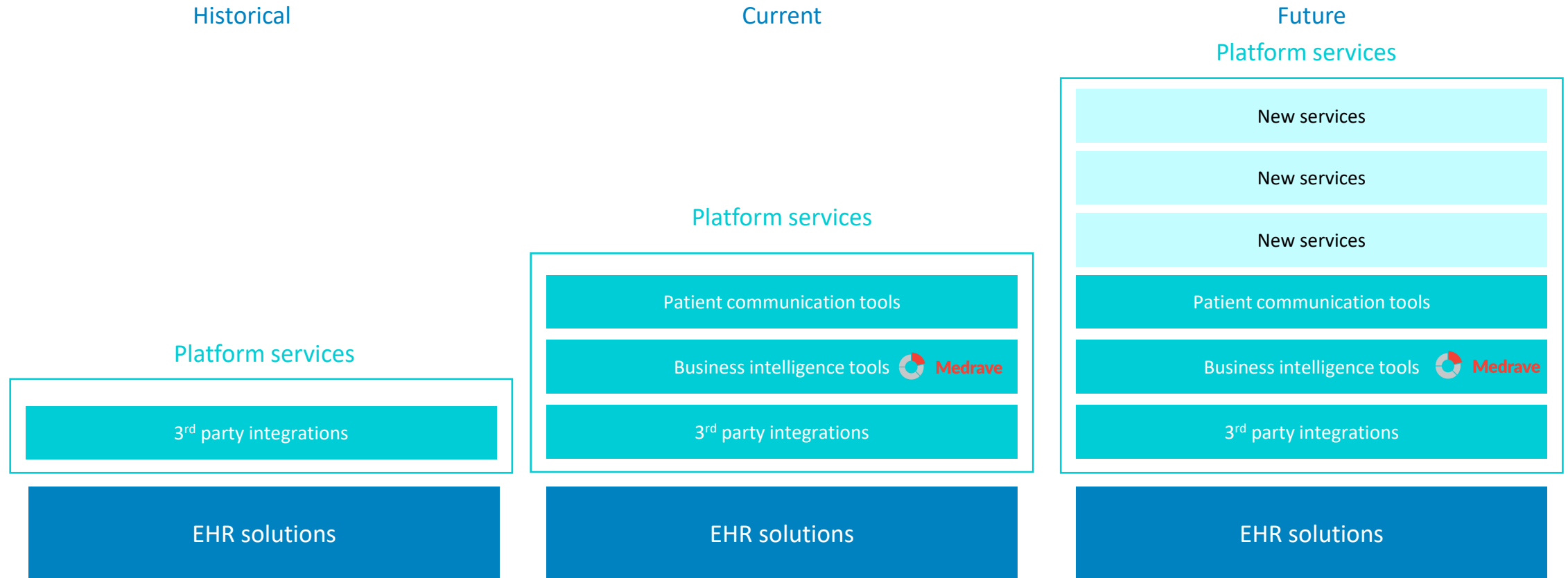


# Changes in reporting structure to reflect organisation

- Going from our history as an investment company to one integrated company
- Aim of extracting synergies between our entities
- Changes made to our reporting structure to reflect the organisational changes



# Unique full service product offering with a growing range of platform services



# Acquisition of Medrave is a good strategic fit for Carasent



- ✓ **Expand and strengthen product offering within Carasent in line with growth strategy**



- ✓ **Vast cross sales potential and growth synergies**



- ✓ **Technical synergies**

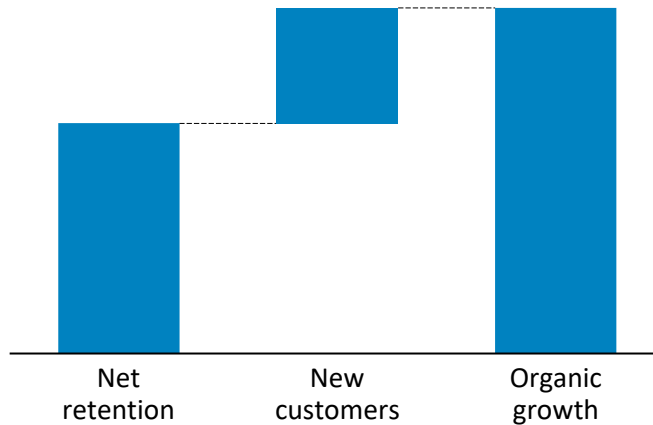
- Number one healthcare software provider for clinical performance analysis to the primary care and secondary outpatient care markets in Sweden and Norway
- Module based software solution providing clinical reports on quality improvement to GPs, physiotherapists, child care, urgent care, youth care, mental health and habilitative care practices
- The quality improvement solution automatically collects and sorts data, analyze and visualize, tracks and benchmarks KPIs, and provides automatic reporting
- Seamless and tailored integration with mainstream EMR system vendors
- Consistent historical organic growth of 15% revenue CAGR from 2017-2020

Select report layouts and dashboard



# Carasent's path to growth

## Organic



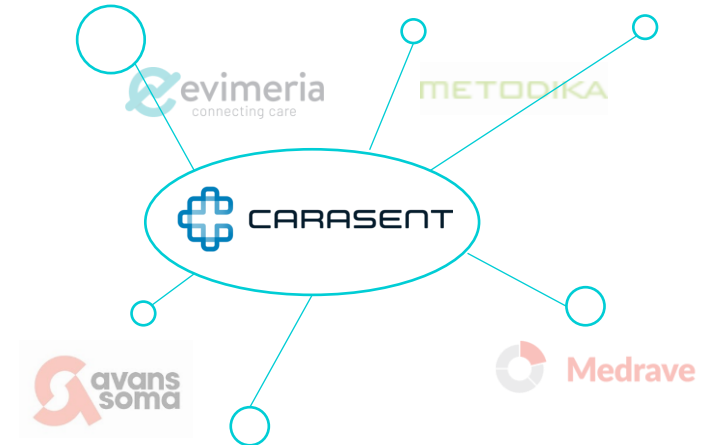
- Apparent need for digitalization in the healthcare sector to drive efficiency and allow more time for clinical personnel to handle patients
- Clear expansion opportunities across geographic presence and healthcare verticals

## M&A



- Proven track record and capabilities
- Fragmented market with many small niche players
- Carasent leading the consolidation

## Synergies



- Established model for creating and extracting synergies
- Cross sale potential enabled through platform solution
- Accelerate growth of acquired companies



## Financial Review



# Q1 2022 Financial summary

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Revenue growth of  
**59%**

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Organic growth of  
**22%**

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Organic recurring  
revenue growth of  
**25%**

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Net retention rate of  
**116%**

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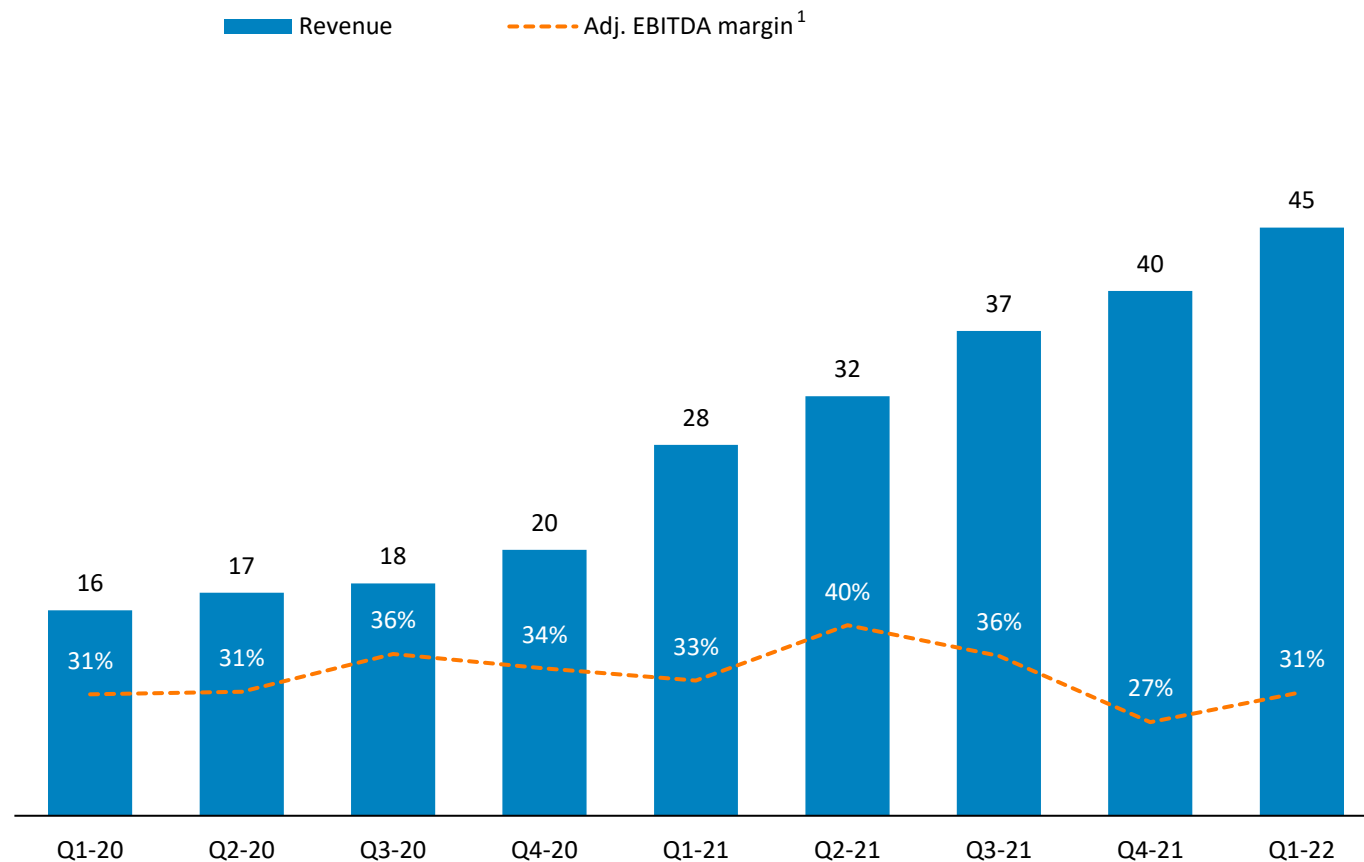
Adjusted EBITDA  
margins of 31%

6

ARR of **NOK 168m**

# Q1 2022 – Summary

## Quarterly revenue and EBIT development (group)

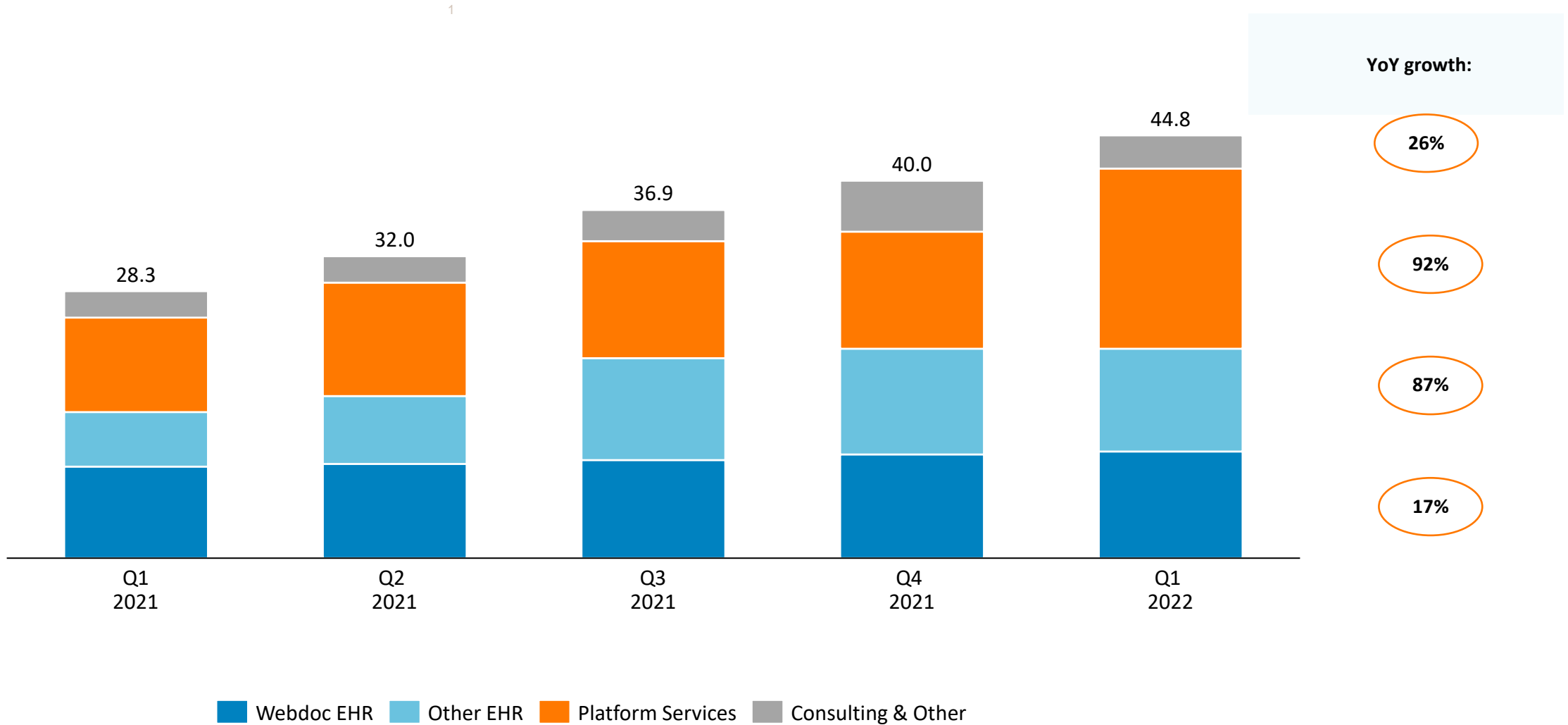


1: Adjusted for non-recurring items, including acquisition costs

## Key highlights

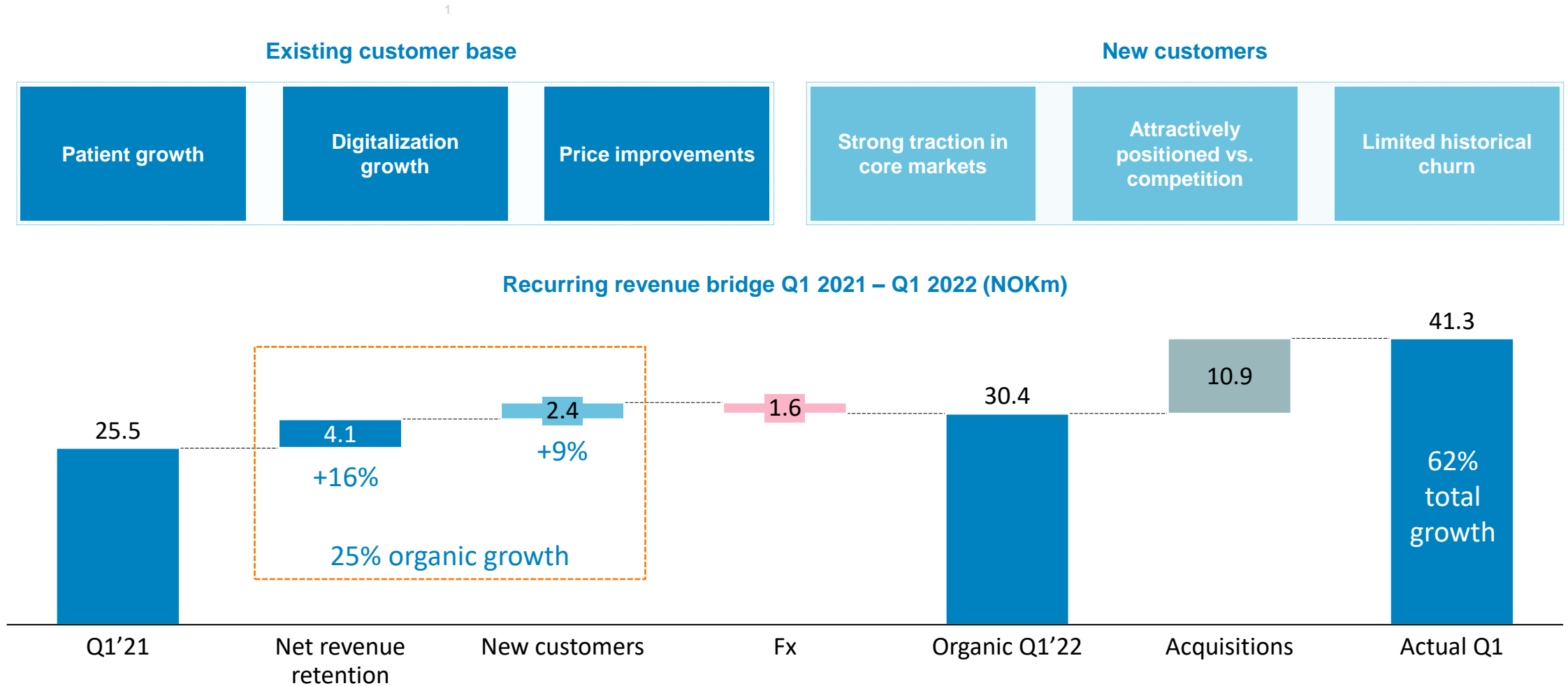
- 1 Strong revenue growth continues, 59% growth YoY in Q1
- 2 Driven by a combination of acquisitions and organic growth
- 3 EBITDA margins of 31% in Q1 2022

# Strong underlying growth and increasing share of platform services





# Organic growth in recurring revenues of 25% and total growth of 62%



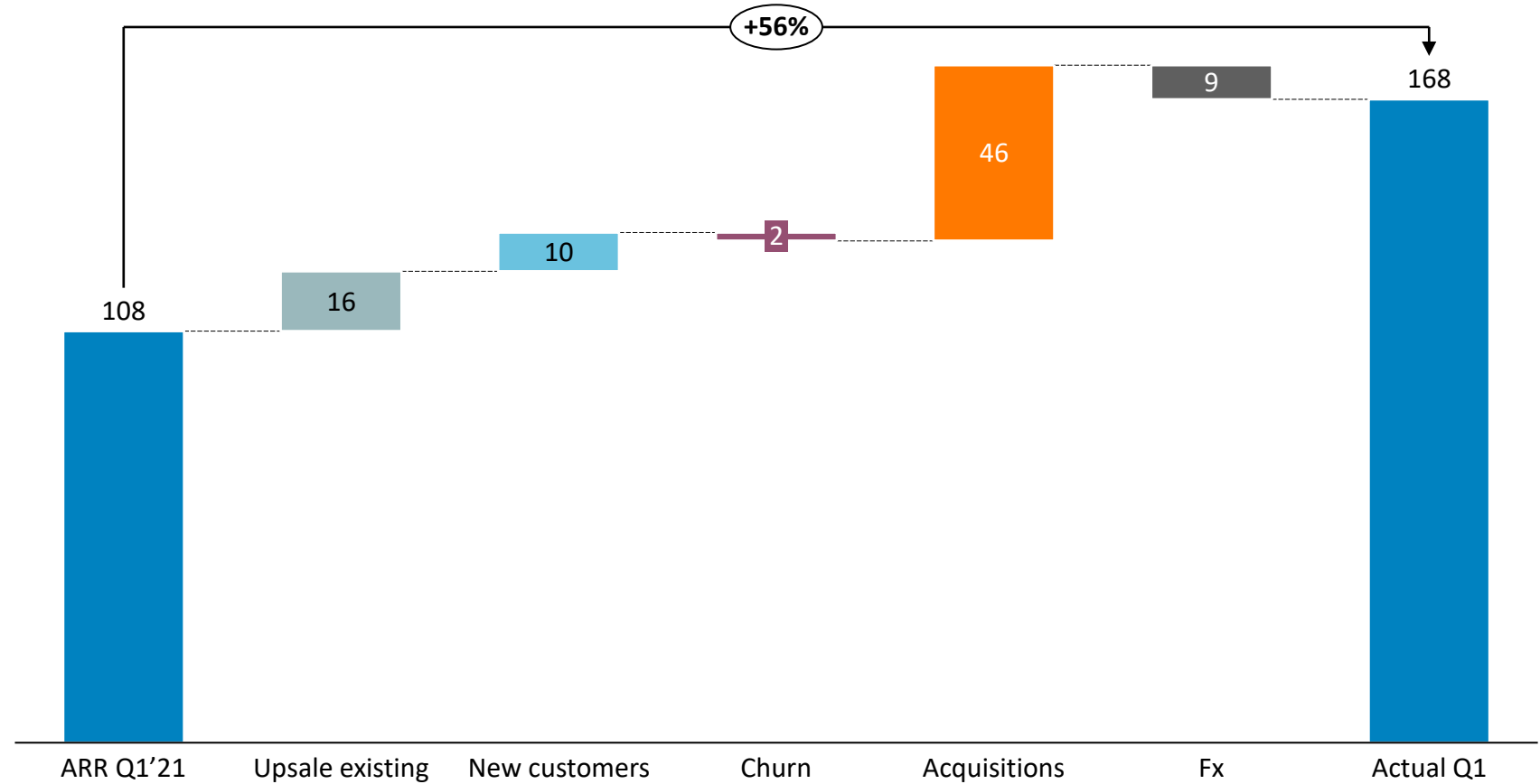
# ARR Bridge Q1 2021 – Q1 2022

**56%**  
ARR growth

**22%**  
Organic ARR growth

**113%**  
TTM net retention  
rate

Organic growth rates  
on a constant  
currency basis



# Adjusted EBTIDA margins of 31% in Q1 2022

## Comments

- Adjusted EBITDA margins of 30.7% in Q1 2022, slightly down from 32.5% in Q1 2021
- Q1 gross margins increased to 83.7% in Q1 2022, primarily driven by the acquisitions completed in the period, with a slightly higher gross margin (90%) than the existing business (81%)
- The acquisitions completed has had a positive impact on gross margins, but a dilutive impact on operating margins in the short term
- Non-recurring operating expenses were NOK 2.9 million in Q1 2022, out of which NOK 1.4 million were related to the discount given to employees in the Employee Investment Matching Program and the remaining NOK 1.4 million was related to M&A transaction costs and other non-recurring items
- Adjusted EBIT margins of 17.1% in Q1 2022 up from 16.4% in Q1 2021

## P&L breakdown

NOKm	Q1 2022	Q1 2021	2021	2020
Revenue	44.8	28.2	137.1	70.6
COGS	7.3	5.1	24.2	13.8
<b>Gross profit</b>	<b>37.5</b>	<b>23.2</b>	<b>112.9</b>	<b>56.8</b>
<b>Gross margin</b>	<b>83.7%</b>	<b>82.1%</b>	<b>82.3%</b>	<b>80.5%</b>
Personnel expenses <sup>1</sup>	(16.6)	(9.3)	(47.3)	(21.9)
Other operating expenses <sup>1</sup>	(7.1)	(4.7)	(20.2)	(11.6)
<b>Adj. EBITDA</b>	<b>13.8</b>	<b>9.2</b>	<b>45.5</b>	<b>23.3</b>
<b>Adj. EBITDA margin</b>	<b>30.7%</b>	<b>32.5%</b>	<b>33.2%</b>	<b>33.0%</b>
Adjustments	(2.9)	-	(12.5)	(7.3)
<b>EBITDA</b>	<b>10.9</b>	<b>9.2</b>	<b>33.0</b>	<b>16.1</b>
D&A	(7.8)	(5.5)	(23.3)	(12.6)
PPA related D&A	1.7	0.9	4.0	3.6
<b>Adjusted EBIT</b>	<b>7.7</b>	<b>4.6</b>	<b>26.1</b>	<b>14.3</b>
<b>Adj. EBIT margin</b>	<b>17.1%</b>	<b>16.4%</b>	<b>19.1%</b>	<b>20.3%</b>

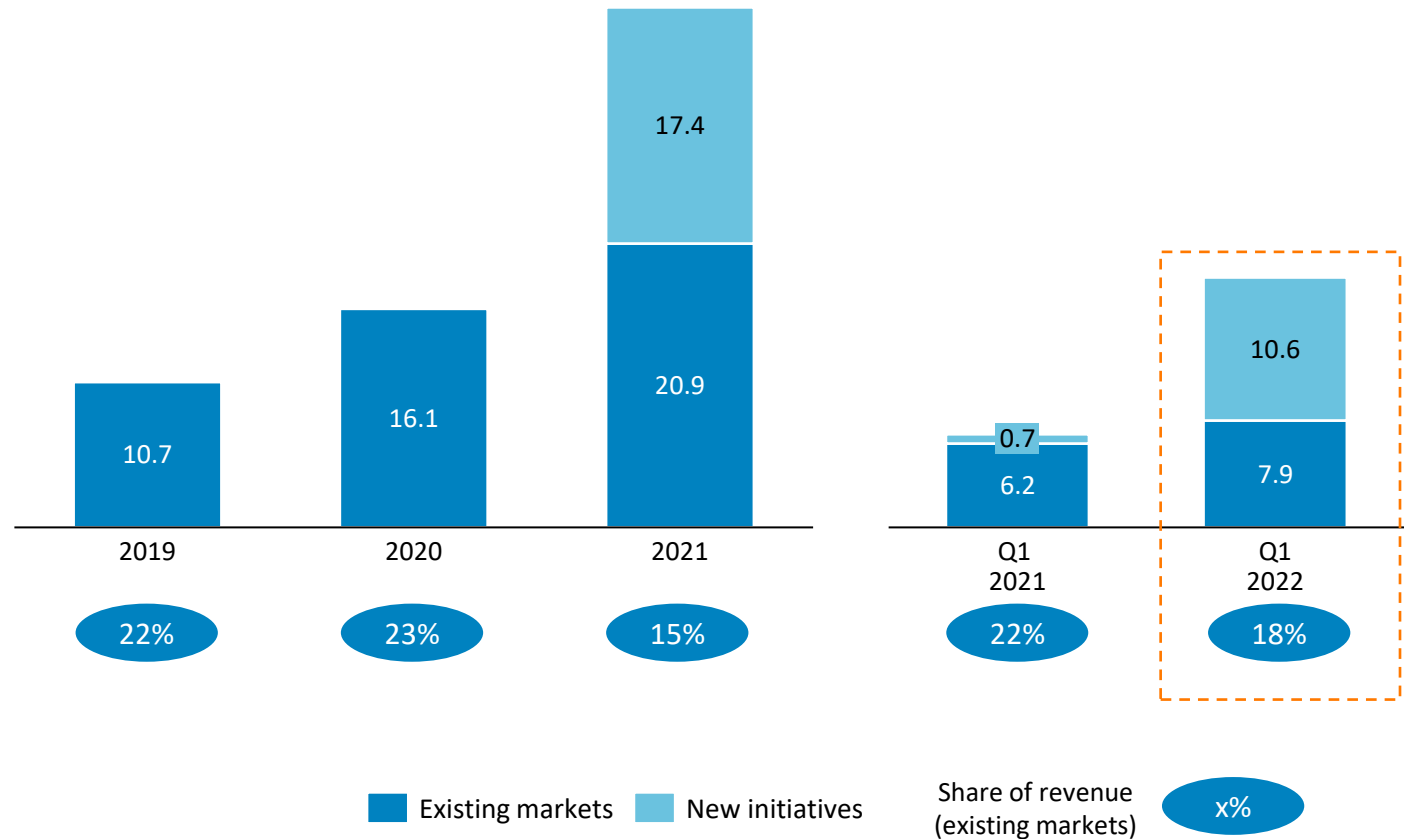
1: Adjusted for non-recurring items

# Significant investments in new expansion initiatives

## Comments

- Investing into organic growth initiatives, both in existing and new markets
- Investment into new initiatives has accelerated recently and consists of Webdoc's expansion into Norway and Webdoc X
- These initiatives are currently not generating any revenues, but have potential to drive long term organic growth significantly
- Investments related to existing markets have decreased as a share of revenue during the last few years
- Capex in existing markets is related to development of new functionality and products that will drive organic growth in our existing markets

## Historical capex breakdown



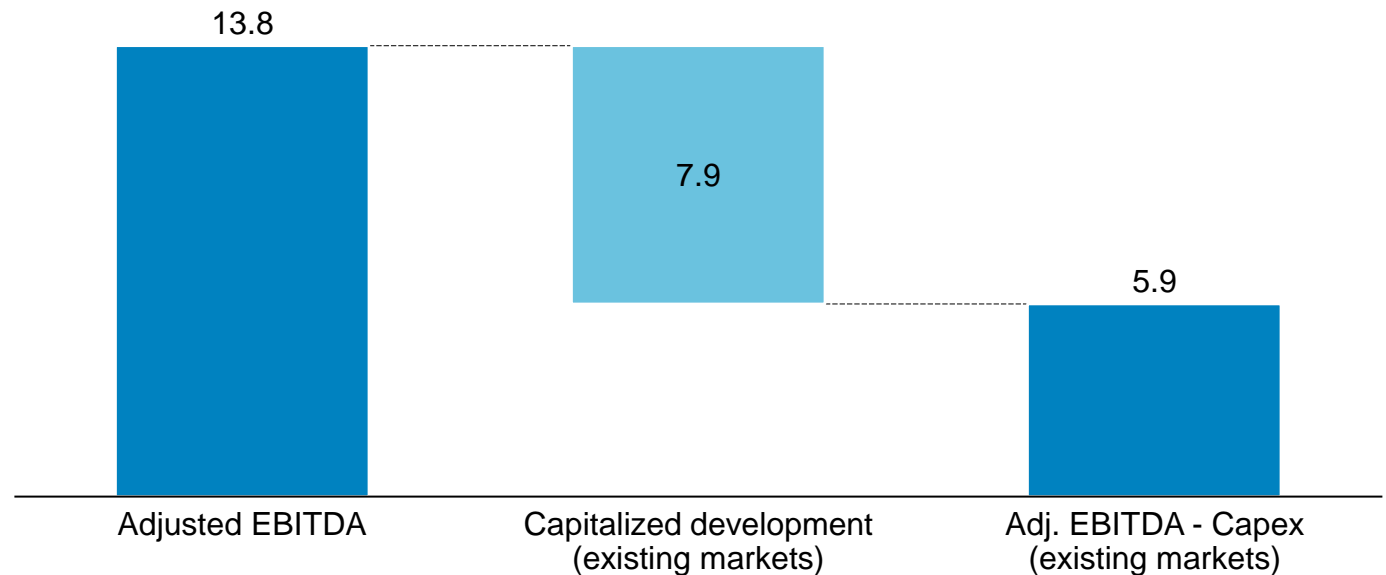
# Adjusted EBITDA scaling vs. capex in existing markets

## Comments

- Cash generation in existing markets is scaling compared to the same quarter last year
  - Margins of 13% in Q1 2022 vs. 11% in Q1 2021
- Capitalized development related to existing platforms is decreasing as a share of revenue within our core markets
  - 18% of revenues in Q1 2022 vs. 22 % of revenues in Q1 2021

## Figures

NOKm	Q1 2022	Q1 2021	2021	2020
Adjusted EBITDA	13.8	9.2	45.5	23.3
Capitalized development (existing markets)	(7.9)	(6.2)	(20.9)	(16.1)
<b>Adj. EBITDA - Capex</b>	<b>5.9</b>	<b>3.0</b>	<b>24.6</b>	<b>7.2</b>
<b>Margin</b>	<b>13%</b>	<b>11%</b>	<b>18%</b>	<b>10%</b>



# Outlook and guidance

- **Performance and growth rates in Q1 2022 in line with guidance**
- **Guidance for 2022:**
  - Revenue NOK >200 million (excluding potential from additional M&A and currency effects)
  - Group EBITDA margin in line with 2021

# Q&A