

Admicom Oyj: Investor presentation

October 5th 2020



CONTENTS

- Admicom overview
- Markets and competition
- Reasons why customers choose us
- Financial information and outlook
- Positive track in Nasdaq First North



ADMICOM OVERVIEW



100 % Finnish cloud software company



Founded in Jyväskylä in 2004 by an experienced team of software industry experts



Average revenue growth over 40 % p.a. since 2010 with strong profitability development (2019 EBITDA-margin 46 %)



Over 1000 customers with more than 20 000 active Adminet users



Close to 90 % of revenue is recurring monthly invoicing



Around 170 employees in Jyväskylä, Vantaa, Helsinki, Tampere and Oulu

ADMICOM IN BRIEF



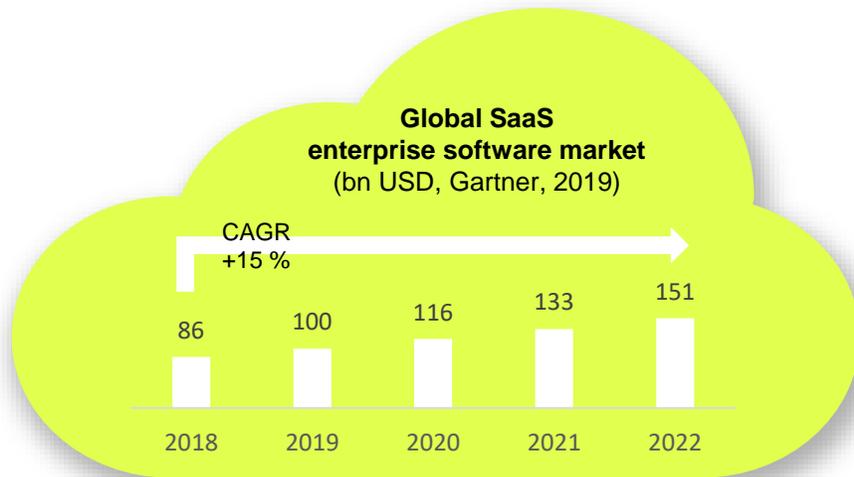
ADMICOM OVERVIEW

VISION

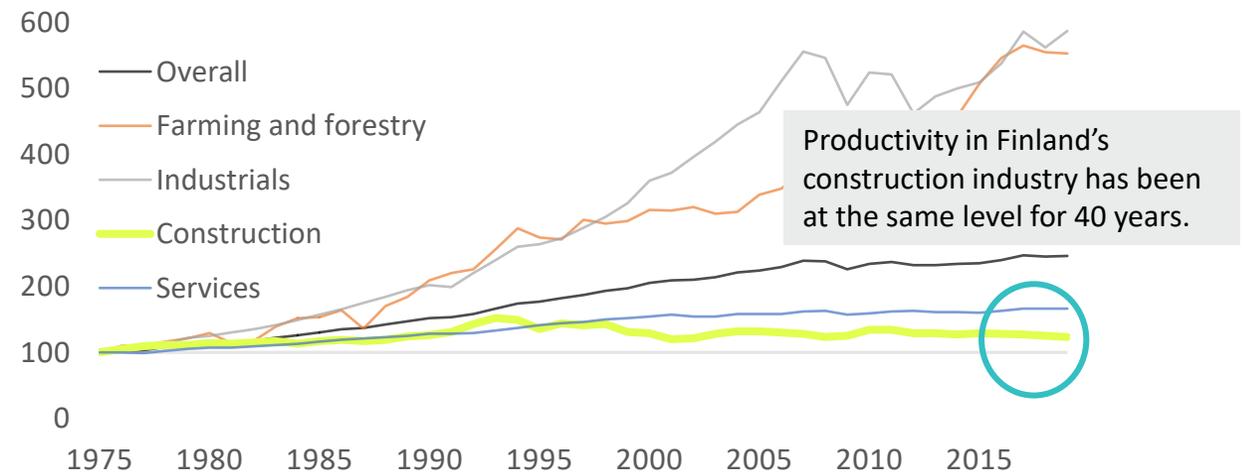
Our vision is to be a pioneer in developing 100 % cloud-based ERP solutions for small and medium-sized companies in chosen verticals.

TRENDS SUPPORTING THE VISION

1. Transformation from on-premise solutions to cloud



2. Low level of digitalisation and productivity in key verticals

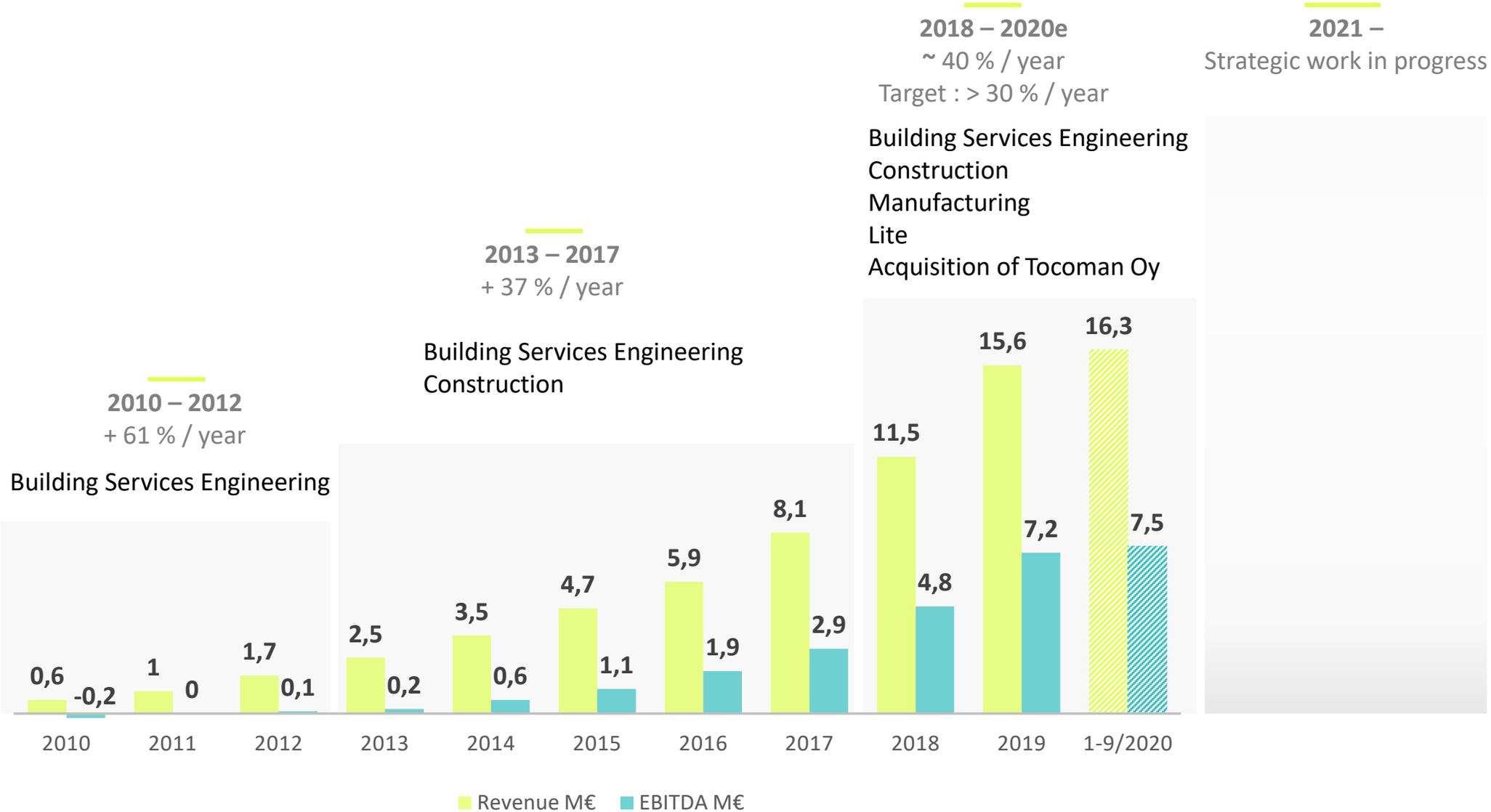


Source: Statistics Finland

ADMICOM OVERVIEW

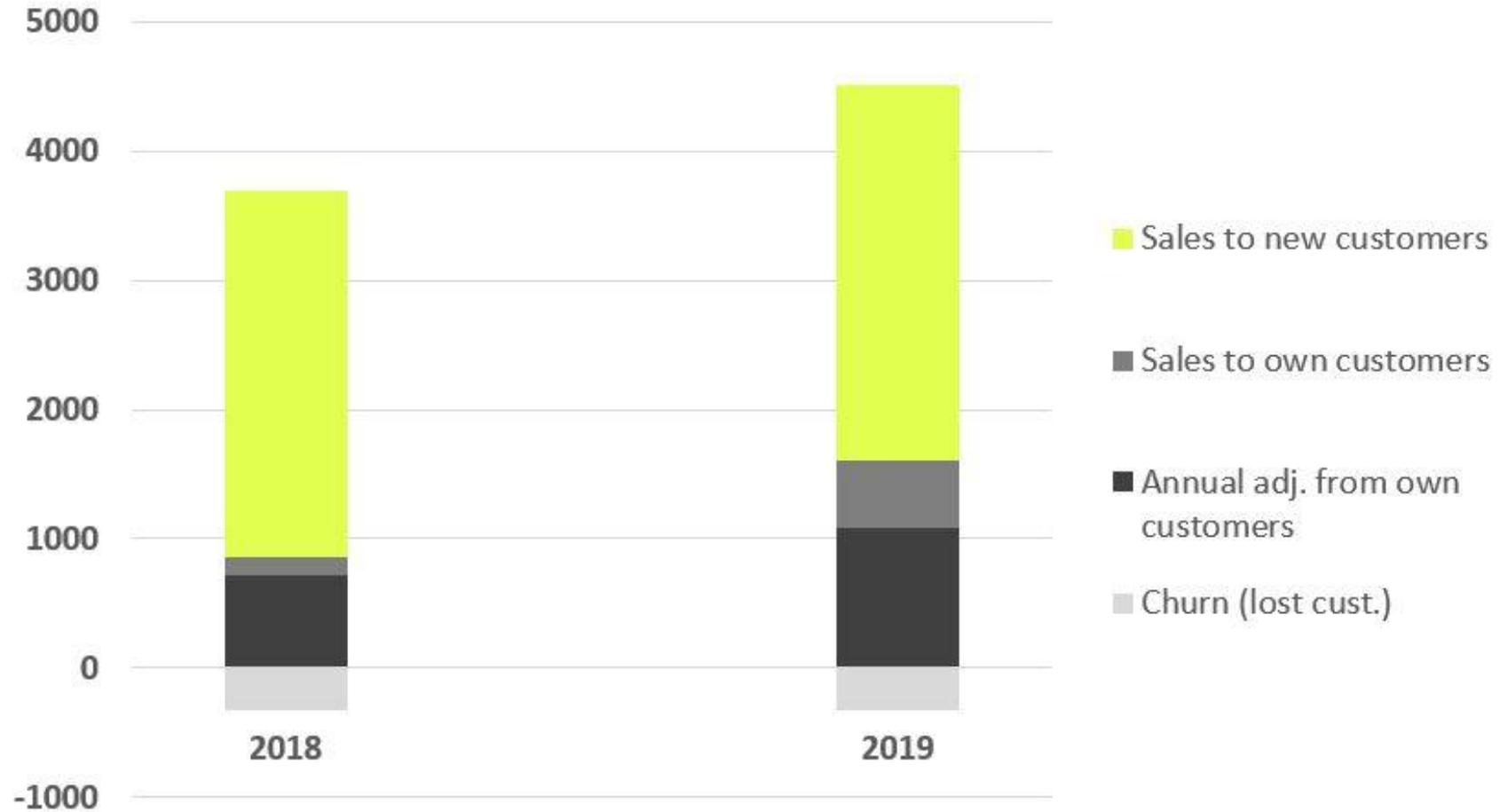
STRATEGIC DEVELOPMENT

2004 - 2010
Development phase



ADMICOM OVERVIEW

MAIN ELEMENTS OF REVENUE GROWTH



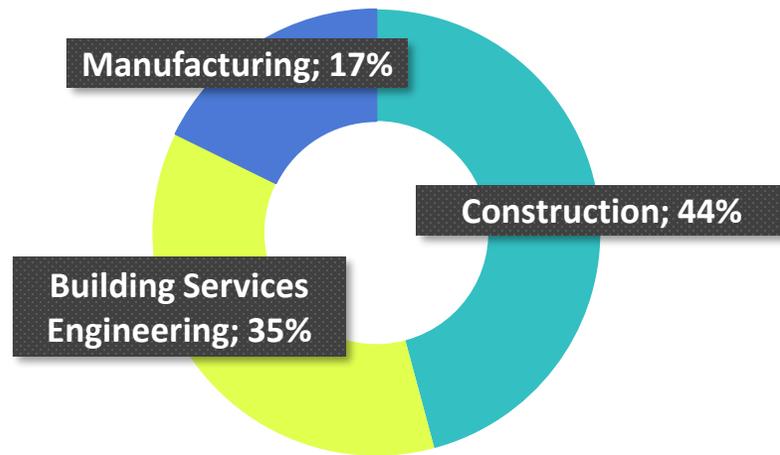
ADMICOM OVERVIEW

REVENUE SPLIT IN 2019

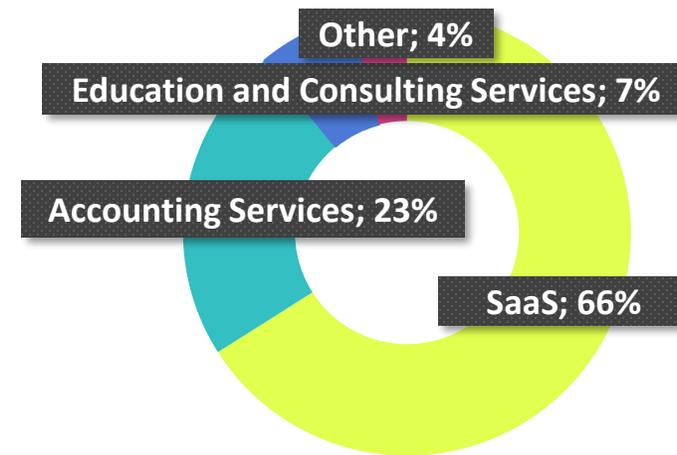
- » Admicom is the market leader in its core target group; building services engineering. Admicom has strong growth in construction segment and significant potential in its most recent customer segment of manufacturing industry.

- » Approximately 89 % of Admicom's revenue in 2019 consisted of recurring invoicing. About 66 % of the revenue came from SaaS services, 23 % from accounting services, 7 % from education and consulting services and 4 % from other services.

New sales by customer segments (2019)



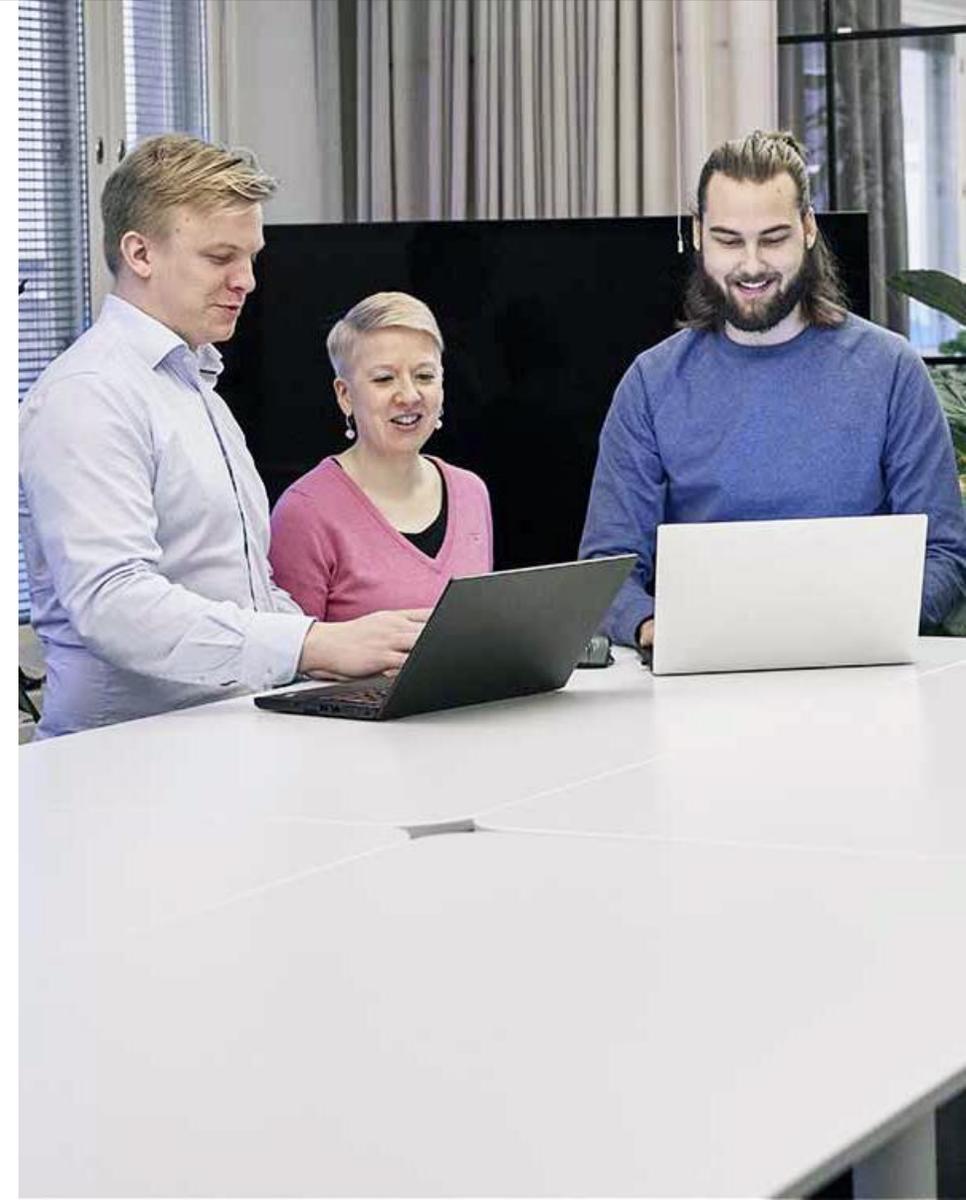
Revenue by services (2019)



ADMICOM OVERVIEW

Tocoman acquisition

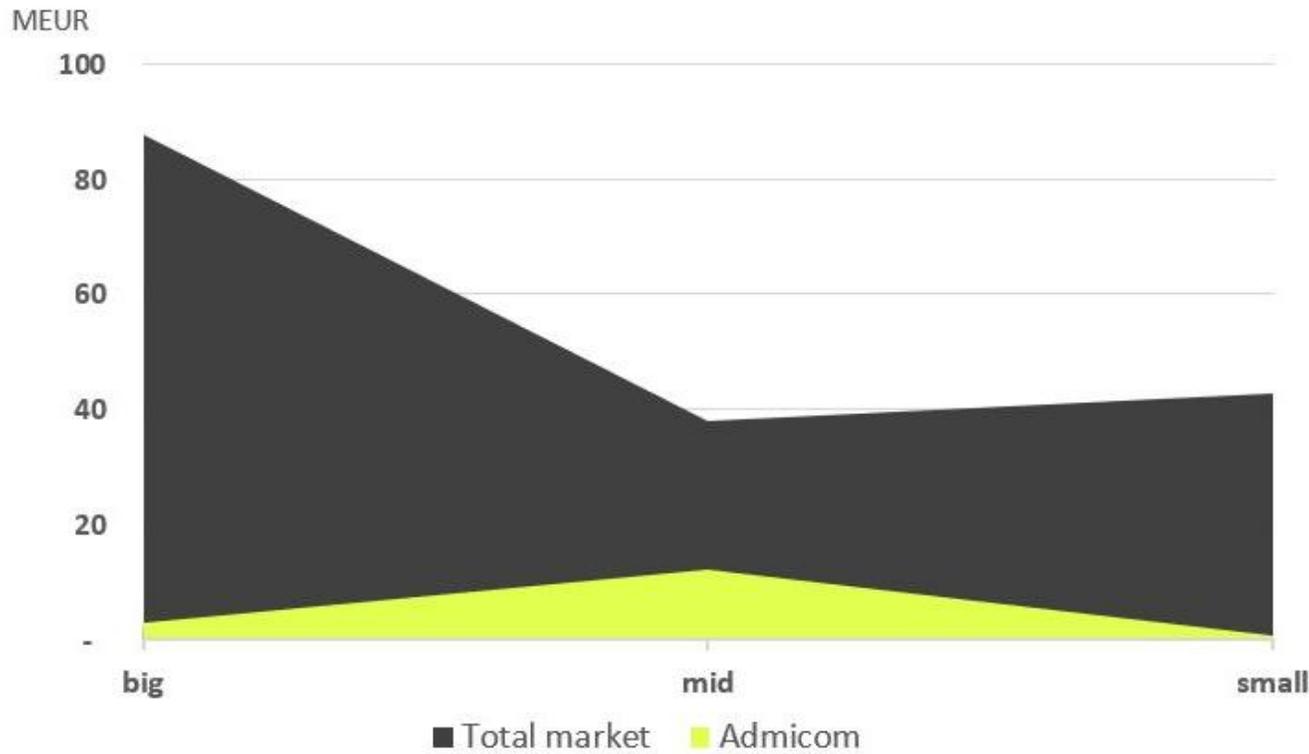
- Admicom completed the acquisition of Finnish software company Tocoman Oy on March 10th 2020.
- Tocoman's net sales was 3,3 MEUR in 2019 (financial period ending 30.6.2019) of which 90 % was recurring revenue (maintenance, SaaS). EBITDA-margin in 2019 was 7 %.
- Acquisition price 10,3 MEUR (7,3 MEUR cash and approximately 3 MEUR with shares) representing trailing EV/S-multiple of 3,1x.
- Tocoman has a leading market position in Finland in construction industry's cost and site planning software solutions.
- On April 15th 2020 Admicom announced that the employee co-operation negotiations held at Tocoman Oy led to termination of three employments.
- The planned changes to Tocoman operations began to be implemented in the second quarter, but most of the positive effects on operations will be seen in 2021. The first phase of product integration is in operation and more advanced integration is scheduled to be in piloting during this autumn.
- Tocoman accounted for 17 %-points of Admicom's 41 % growth in 1-9'2019 and it's profitability developed positively.



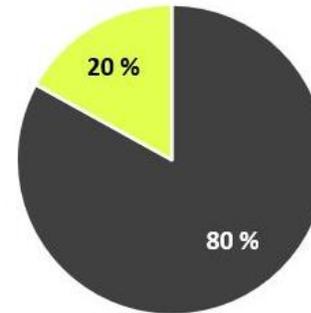
MARKETS AND COMPETITION

CORE MARKETS *

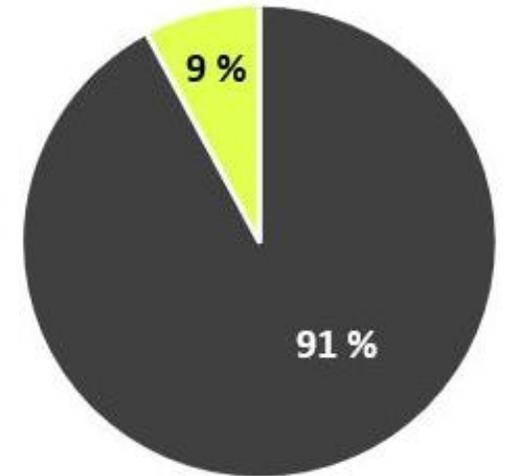
Total 190 meur market potential segmented by customer size



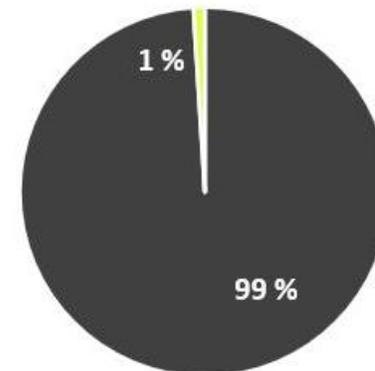
Engineering and installations
(35-45 meur)



Construction
(75-85 meur)



Industrial manufacturing
(65-75 meur)



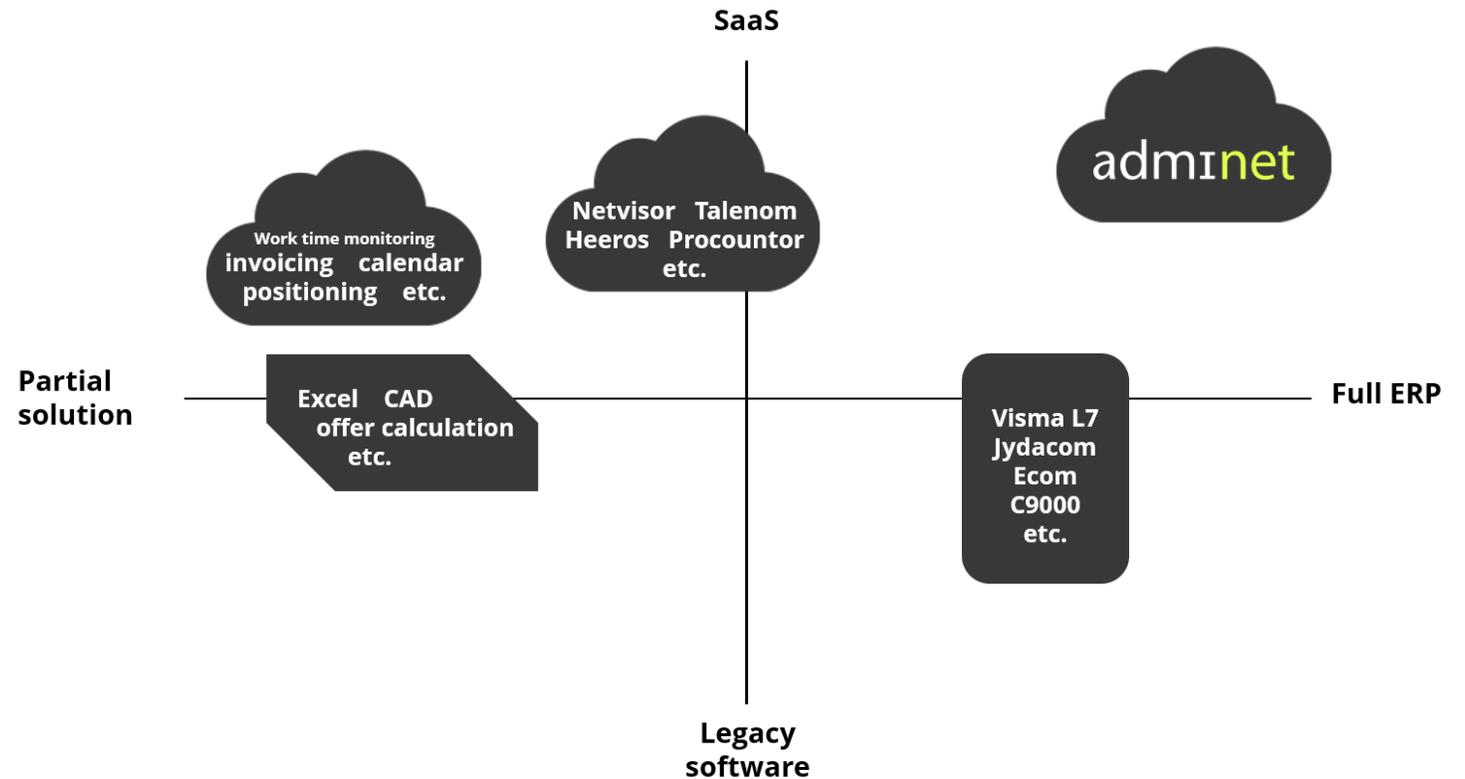
* Based on Admicom's market data

MARKETS AND COMPETITION

COMPETITION

Admicom has many partial competitors but it remains the only one to provide extensive industry-specific SaaS ERP solution in its target groups.

- In large customer segment competition includes also SAP, MS Dynamics AX, etc. tailored ERP solutions.
- In micro customer segment customers prefer easy to deploy and use solutions.



REASONS WHY CUSTOMERS CHOOSE US (1/4)

OFFERING

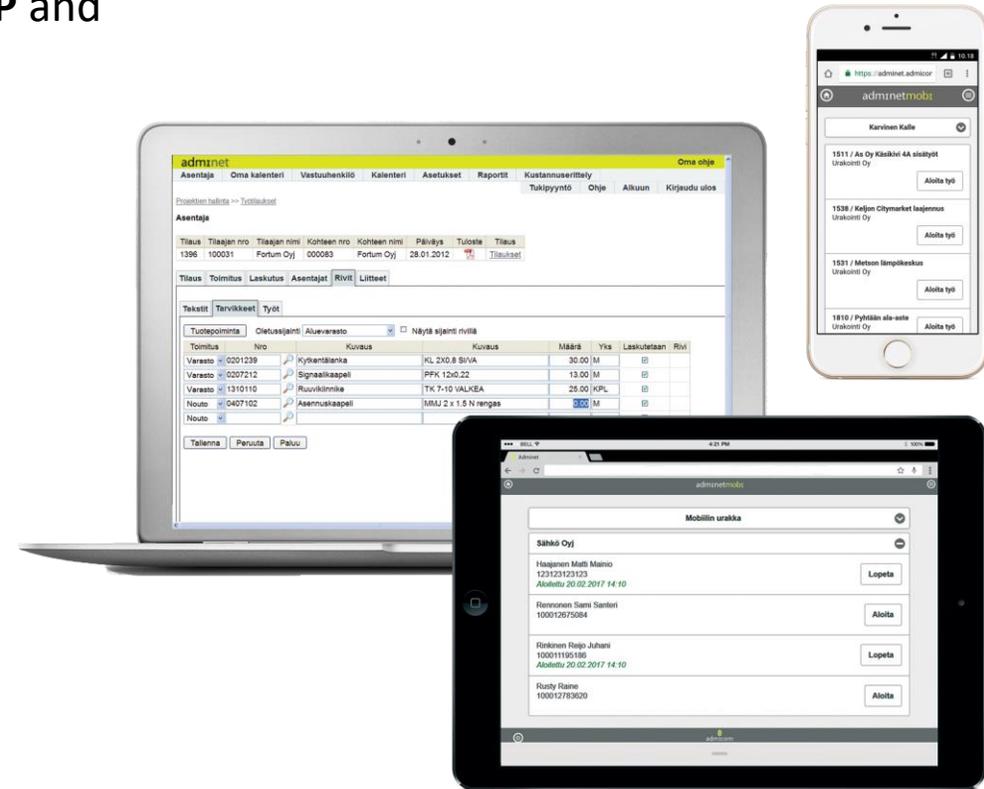
Admicom offers the **most advanced and comprehensive ERP** and **superior services** to selected verticals.

Most advanced ERP (Adminet)

- Cloud service
- Highly automated
- Most extensive solution for customer industries
- Constant development and regular updates

Superior services

- Safe maintenance and back ups, zero downtime
- Best industry expertise
- Efficiency and reliability
- Packaged services



REASONS WHY CUSTOMERS CHOOSE US (2/4)

1. STREAMLINING CUSTOMER BUSINESS

Adminet boosts operational efficiency by automating manual processes and complex integrations. Information flow is seamless from production site to office.

2. PIONEER IN SOFTWARE DEVELOPMENT

Admicom boosts digitalization in its customer industries by offering the best practices in the field. Strong focus to specific customer segments has led to superior solutions.



REASONS WHY CUSTOMERS CHOOSE US (3/4)

3. THE MOST COMPREHENSIVE SOLUTION

Admicom offers the most extensive software solution to construction, building services engineering and manufacturing companies. No outside-Adminet integrations are necessary.

4. PURE CLOUD ERP

Customers can use Adminet in an internet browser anytime and anywhere. Our ERP is a modular system and customers can choose the most beneficial application combination.

5. REAL TIME INFORMATION

Thanks to advanced automation, unique project revenue recognition logic and all in one solution, our ERP is able to produce real time information and the right metrics for business management.



REASONS WHY CUSTOMERS CHOOSE US (4/4)

“Adminet has been one of the prerequisites for our growth to be possible at all.”

Hannu Kauppi, CEO, HSK Sähkö Oy



“Currently we have fewer administrative employees than before, even though our revenue grew almost 4 million euros last year.”

Malik Bentaieb, CEO, LTU Group Oy



“We are more than pleased with how much easier our operations have become. Adminet has all the tools we need although our business is very diverse.”

Vesa Korkiakoski, CEO, OMP Group



Covid-19 impacted our sales growth negatively especially in April-June, however Tocoman-acquisition supported overall growth, deliveries were uninterrupted and the negative sales trend stabilized somewhat towards the end of the period. Profitability remained on a strong level. Guidance updated.

- Revenues +41 % to 16,3 MEUR
 - Organic growth +24 %, annual adj. fees impact +0 %
 - Recurring invoicing approx. 90 % of the revenues
- EBITDA +38 % y/y to 7,5 MEUR
 - EBITDA-% 46 % (1-9/2019: 47 %)
- EBIT +30 % y/y to 6,5 MEUR
 - EBIT-% 40 % (1-9/2019: 44 %)
 - Goodwill amortization impacting negatively to EBIT
- Profitability guidance for 2020 updated
 - Revenue growth >37 % and EBITDA-% 40-47 % (35-45 %)

Admicom Oyj	1-9/2020 *	1-9/2019	Change-%
Revenues, 1 000 €	16 303	7 664	41 %
EBITDA, 1 000 €	7 545	3 512	38 %
% of revenue	46 %	47 %	
Operating profit, 1000 €	6 542	5 052	30 %
% of revenue	40 %	44 %	
Profit for the period	5 092	4 040	26 %
Earnings per share, EPS €	1,04	0,84	
Employees 9/2020	172	133	

* The figures include Tocoman Oy's data for the period 1.3. - 30.9.2020. Tocoman Oy had 17 employees at the end of the period.

- **COVID-19 impact**

- 90% of Admicom's revenue is recurring billing so the COVID-19 did not affect it dramatically.
- Our operations were adapted to the changed circumstances and special attention was given to supporting the profitability of our customers.
- In new sales, however, the challenges have clearly increased and there are more uncertainties among existing customer base and face-to-face meetings are more difficult to arrange.

- **Reorganisation measures**

- Reorganization and efficiency measures started in August 2020. Nearly half of the organization involved. New leadership structure.
- 9 permanent layoffs and 3 employees laid off temporarily. Also few persons resigned during personnel negotiations.

- **R&D and product development**

- Continued focus on the version update in the core processes of Adminet has been the main focus area. Improves platform scalability 2021 onwards.
- Tocoman product integration with Adminet going forward. New product launches with cross-sales potential expected in 2021.
- Admicom is planning to launch a new Adminet cash flexibility service (=short term financing) to help our customers' cash management.

- » In 2020, Admicom's goal is to grow over 37 % so that the company's profitability (EBITDA) will be between 40-47 %.
- » Revenue growth is supported by new sales (1-9'2020 +24 %) and Tocoman acquisition (1-9'2020 +17 %). Impact from annual fee adjustments is expected to be neutral.
- » Improving efficiency is expected to support profitability going forward.
- » Admicom aims to distribute more than half of its earnings as dividends to its owners, without risking the growth strategy or other financial targets defined in the strategy.

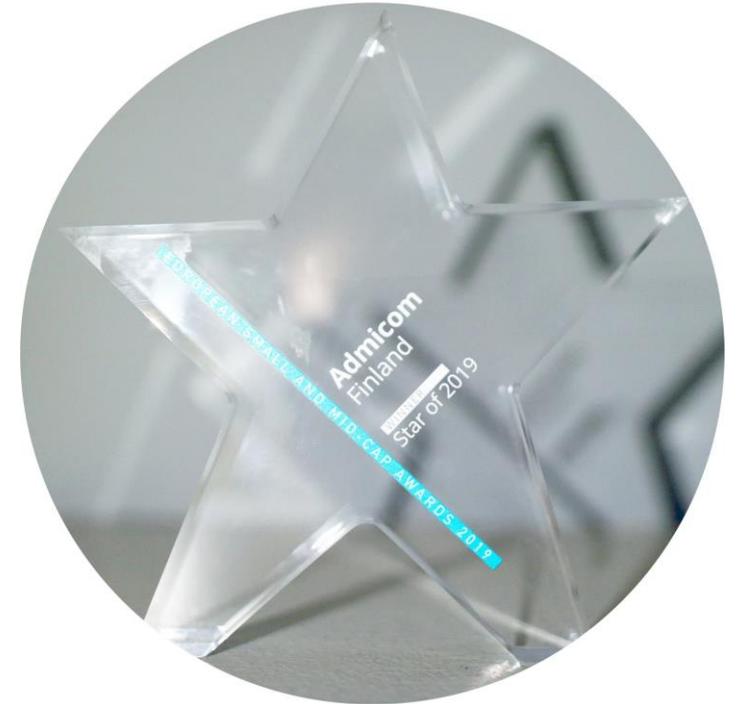
Revenue growth
2020
> 37 %

EBITDA 2020
40-47 %

Dividend per share
> 50 % of profits

POSITIVE TRACK IN NASDAQ FIRST NORTH (1/2)

MEDIA COVERAGE



Three successfully completed directed share issues to personnel
2016, 2018 and 2019

Admicom is the Tivi-company of the year and one of the most profitable ICT companies in Finland.
Finnish IT publication tivi.fi, 2018

European SME Awards, Star of 2019
November 12th 2019, Brussels

“Admicom truly embodies the innovation that we at Nasdaq would like to encourage and embrace”
(Henrik Husman, President of Nasdaq Helsinki)

POSITIVE TRACK IN NASDAQ FIRST NORTH (2/2)

FASTEST FINANCIAL REPORTING

Kauppalehti UUTISET PÖRSSI YRITYKSET JOHTAMINEN OPTIO TOIMITILAT

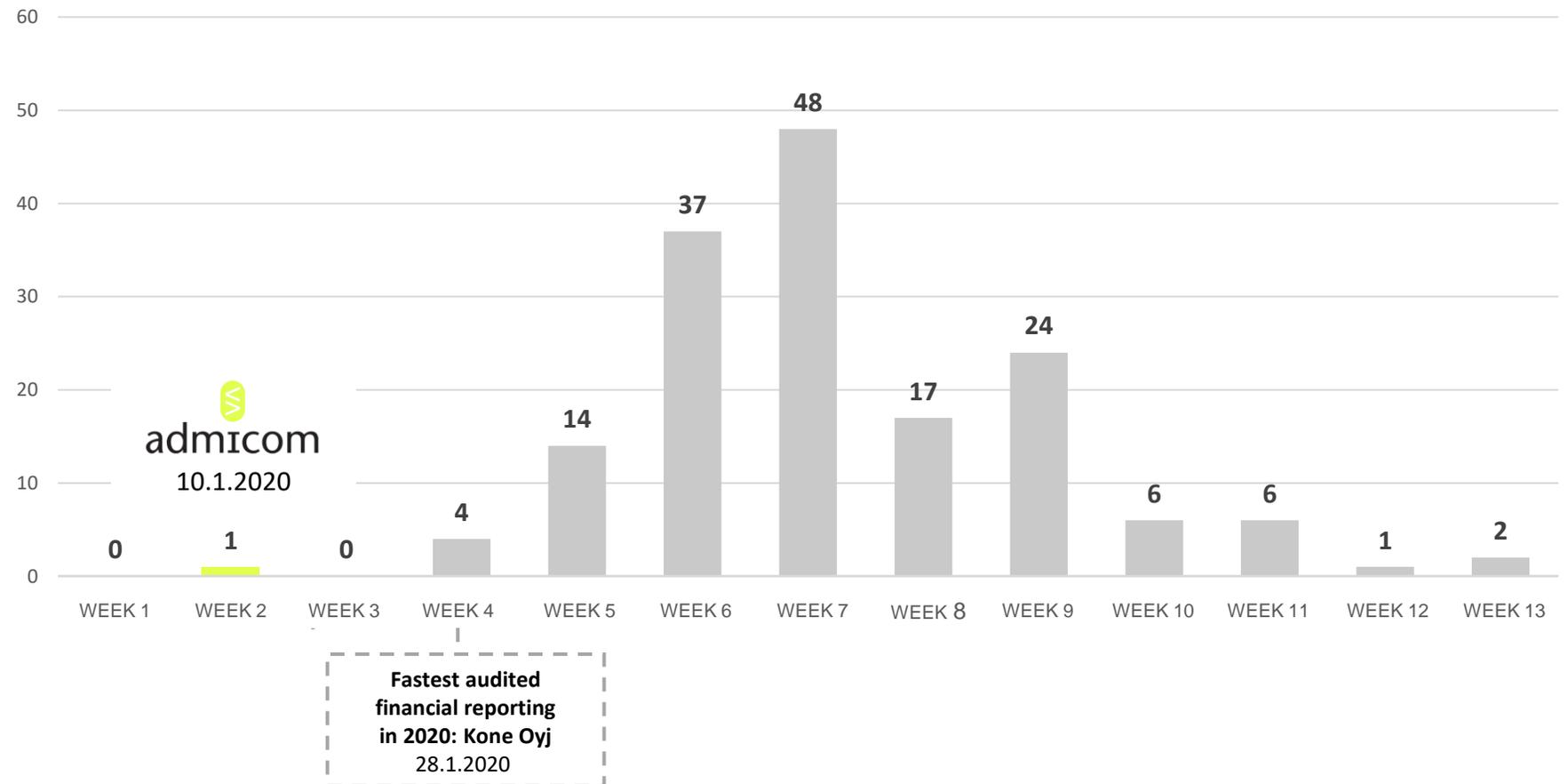
Admicomin ennätysnopea tulosjulkistus hakee vertaistaan - tähän pystyy harva listaamatonkaan yhtiö

15.1.2019 10:09 | päivitetty 15.1.2019 10:09 SUIJITTAMINEN OSAKKEET PÖRSSI TULOKSET TILINPÄÄTÖS



”Admicom’s record-breaking reporting speed is unmatched – not even many unlisted companies are able to do the same.”

Full year results announcements 2019 in Nasdaq Helsinki and First North





admicom

SaaS ERP for small and medium sized businesses