

# Acquisition of Cybercom

Creating a Nordic powerhouse for digital solutions

5 May, 2021



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KNOWIT'S VISION:

A sustainable and  
humane society  
through digitalization  
and innovation



# Creating a Nordic powerhouse for digital solutions with a sustainable impact

**knowit**



3,800+

/ Professionals

4 business areas

/ Solutions, Experience, Insight and Connectivity

5,450 MSEK

/ Combined net sales<sup>1</sup>

6 countries

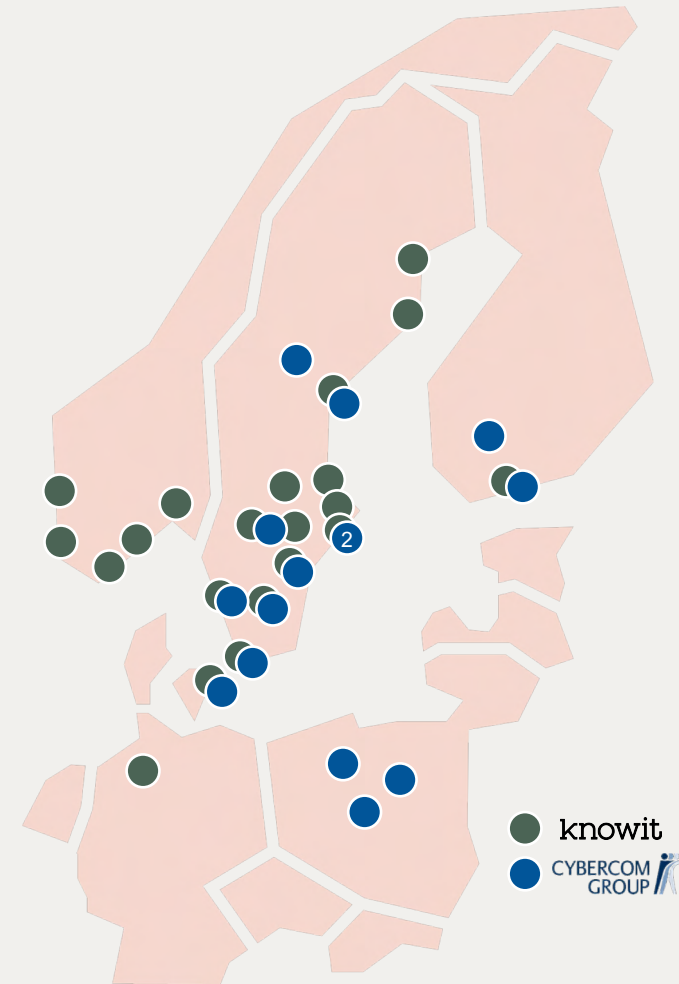
/ SE, NO, FI, DK, DE, PL

Nordic ESG champions

/ Clear vision to accelerate the UN SDG agenda

541 MSEK

/ Combined EBITA<sup>1</sup>



# Stronger together

- ✓ **A strategic fit:** Driving transformation of customers' business models by combining strategic capacity and creative solutions with in-depth expertise in mobility and connectivity
- ✓ **Attractive workplace:** Creating a platform for growth and development, with ability to take on more complex and larger assignments – accessing the best talent
- ✓ **Nordic DNA:** Close client relationships and a common vision to accelerate the journey towards a sustainable and humane society

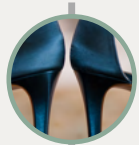
knowit



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# makers of a sustainable future

# Digitalisation market is growing supported by long-term mega trends



## E-commerce

/ Shift in customer behavior fueled by the pandemic resulting in strong e-commerce growth



## Data analysis

/ Increasing use of data analysis in marketing and strategic decisions



## Cloud services

/ Growing demand for cloud services in order to increase flexibility



## Cyber security

/ Legislation and a rising number of cyber threats increase security demands



## Mobility and 5G

/ Ongoing switch to 5G enables greater use of AI, ML, RPA and IoT

**12bn EUR**

/ NORDIC MARKET FOR IT CONSULTANCY SERVICES<sup>(1)</sup>

**+39%**

/ EST. E-COM GROWTH Q3 2020<sup>(2)</sup>

**~15%**

/ YOY GROWTH FOR CLOUD SOLUTIONS<sup>(3)</sup>

# Cybercom at a glance

- Specialised in system development, cloud services and IT security, improving business efficiency and designing digital business models
- Pan-Nordic presence with operations in four countries and assignments in about 20 countries
- Top market positions in industry, tech and telecom
- Strong presence in the public sector across Sweden

1,250

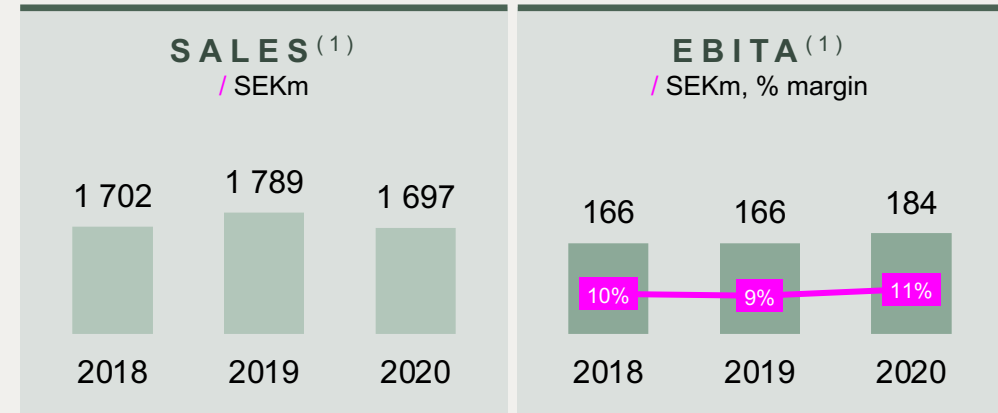
/ EMPLOYEES

1.7bn

/ SALES 2020 (SEK) <sup>(1)</sup>

184m

/ EBITA 2020 (SEK) <sup>(1)</sup>



### Selection of customers

Industry	ASSA ABLOY	SKF	KONE
Public sector	Skatteverket	Sida	Folkhälsomyndigheten
Telecom	ERICSSON	TDC	Telia
Other	IKEA	COOP	S-GROUP

Note: (1) Based on Cybercom's management accounts (EBITA figures based on IFRS for 2019-2020 and excl. IFRS for 2018). The numbers are adjusted for the acquisition of Solutive Oy as it was included as of January 1 – December 31, 2020 and discontinued operations.

Source: Company information

# Complementing customer offering

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/ Innovative solutions based on the latest technology  
~ 1,835 employees

**Head of business segment:**  
Åsa Holmberg

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/ The largest digital agency in the Nordic region  
~ 925 employees

**Head of business segment:**  
Fredrik Ekerhovd

! "\$%& 1 " 0 % 2 3 &

/ The digital management consultants  
~ 325 employees

**Head of business segment:**  
Carin Strindmark

NEW

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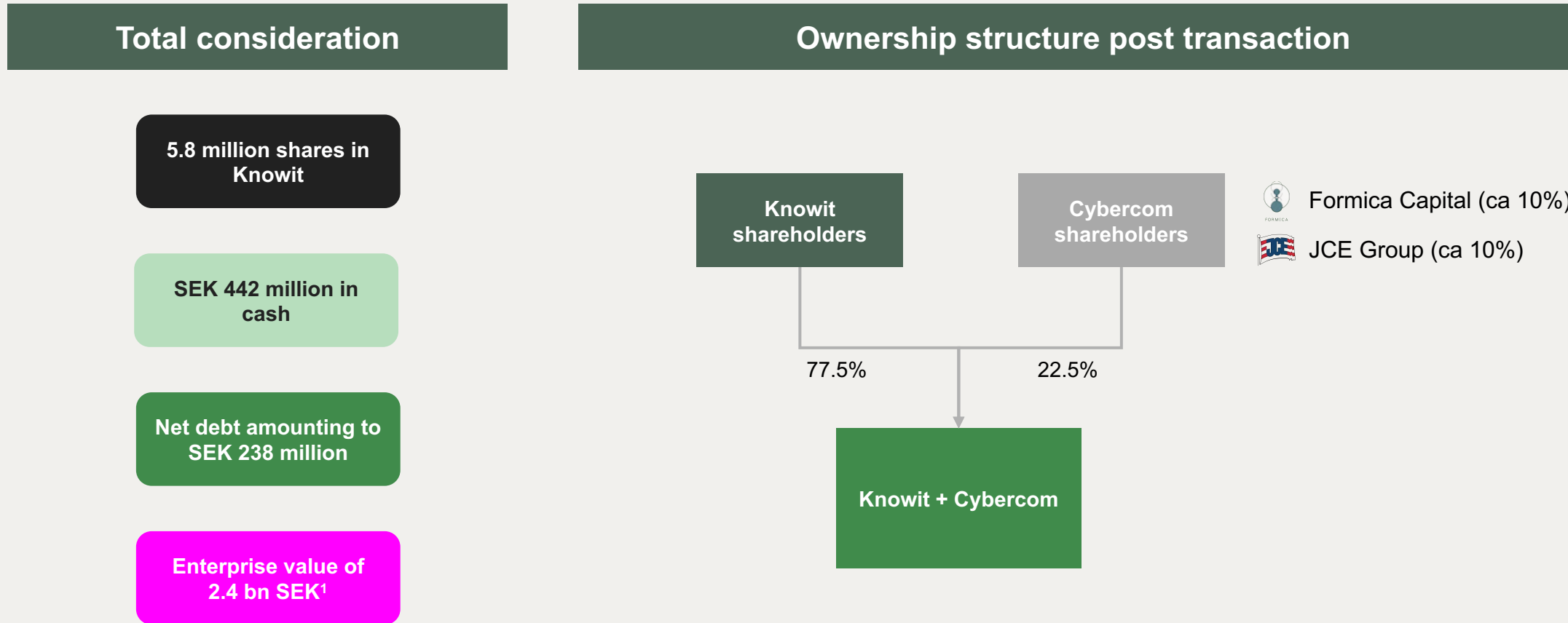
/ Expertise and development to support a connected world  
~ 725 employees

**Head of business segment:**  
Annika Nordlander

- New business area, **Knowit Connectivity**, strengthening the customer offering within mobility, automation and IoT
- Capacity and ability to take on larger and more complex assignments within industry and the public sector
- Well-positioned as ESG champions



# Transaction structure



1) Based on VWAP for Knowit's share during the 10 trading days immediately preceding the day for signing of the SPA.

# Sales and EBITA for the group

Financial year 2020 (IFRS) <sup>(1)</sup>

SEKm	Knowit	Cybercom	Combined
Sales	3,753	1,697	5,450
EBITA	357	184	541
EBITA margin, %	9.5%	10.9%	9.9%

- Acquisition expected to be accretive to EPS, excluding synergies, in 2022
- Synergy potential for Creuna and Cybercom not included
- Estimated annual run-rate impact for the synergies (excluding integration costs):
  - SEK 40m for Creuna
  - SEK 45m for Cybercom

Source: Company information | Note: (1) The preliminary combined financial information on this page is not financial pro forma information and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. For Knowit and Cybercom adjustments have been made for the acquisitions of Creuna and Solutive, as well as Cybercom's discontinued operations in order to reflect the full-year impact on the 2020 financials.



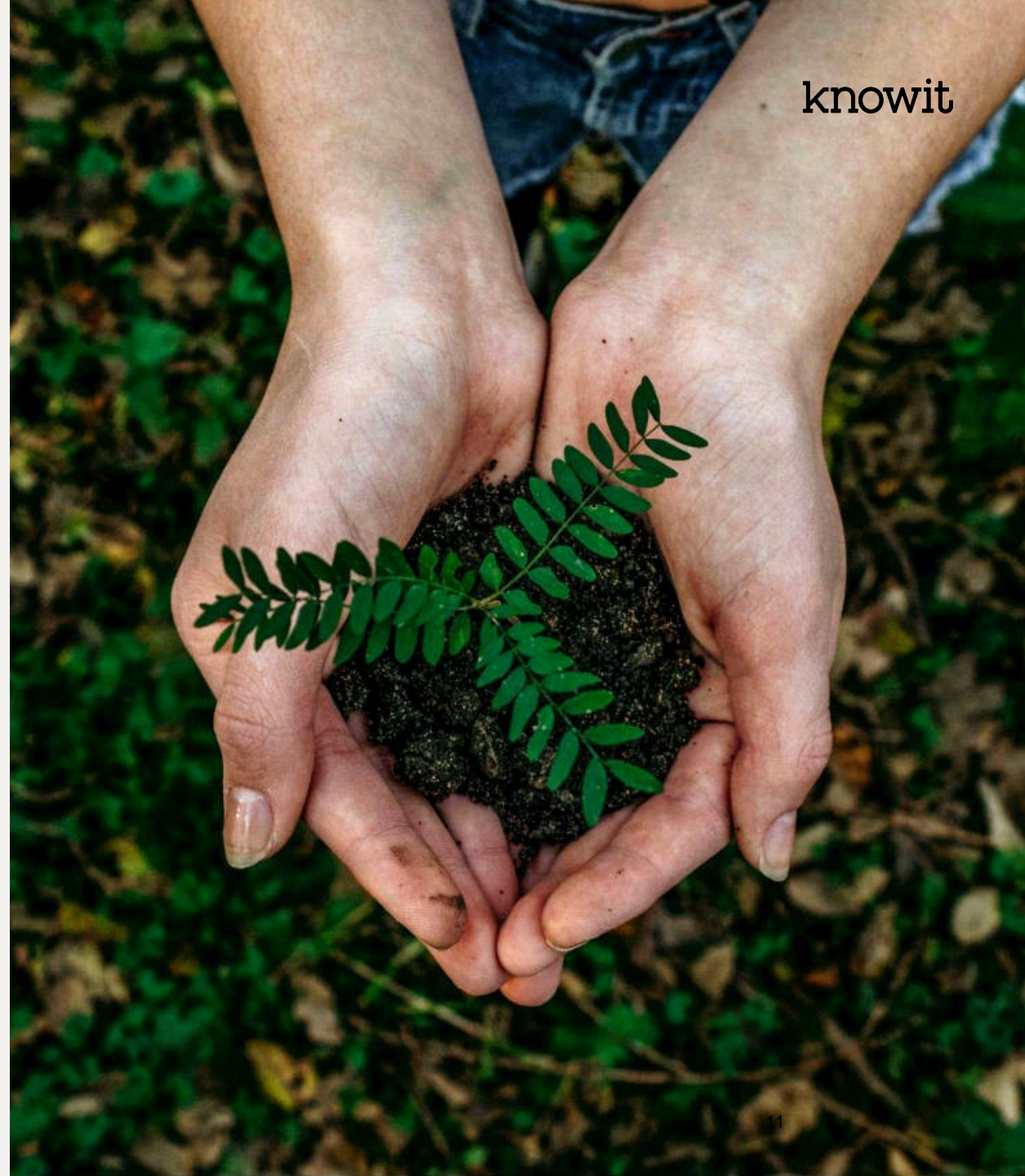


# Strong balance sheet to support growth agenda

## Net debt 31 December 2020

SEKm	Knowit	Cybercom	Cash consideration	Combined
Net debt	-239	238	442	441
Lease liability - IFRS	167	137		305
Net debt (incl. IFRS)	-71	375	442	746

- Committed financing in place for the transaction
- The leverage will remain moderate
  - At completion of the transaction, Net debt/EBITDA ratio will increase to around 1x
  - Continued healthy cashflow as foundation to deleverage
- In order to increase financial flexibility to support future M&A in line with the company's growth agenda, the BoD seeks EGM approval for authorization to resolve on a share issue corresponding to a maximum of SEK 500 million



# Updated financial targets

- **Growth target:** Sales growth exceeding market growth, targeting an annual growth rate of around 15 percent over time. Growth is to be achieved sustainably by continued organic growth and acquisitions.
- **Earnings target:** EBITA target of 12 percent of net sales over time.
- **Capital structure:** Net debt in relation to EBITDA should not exceed 2x over time.
- **Dividend policy:** The ambition is to pay dividends corresponding to 40-60 percent of profit after tax. The dividend should reflect the Board's expectations on future market development, as well as the Company's growth strategy.





## Next steps

- Acquisition is conditioned upon approval by an EGM taking place 28 May, 2021
- Positive feedback from all of the major shareholders. Shareholders representing 18 percent of shares and votes have made commitments to vote in favour of the acquisition
- Clearance from competition authorities in Sweden expected before the end of the second quarter
- New organization structure to be in place before the summer
- Closing is expected to take place at the turn of June/July 2021

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# Q&A

We make   
digital visions real.

knowit