



INFRONT ASA

Q2 2020 Results

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21 August 2020

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BUSINESS UPDATE & OPERATIONAL REVIEW

Kristian Nesbak, CEO & Co-founder



We help you gain unique market insight and make the right decisions

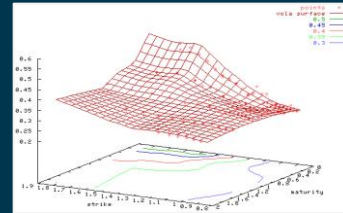
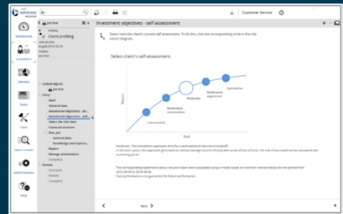



Research


Trading


Asset mgmt


Advisory



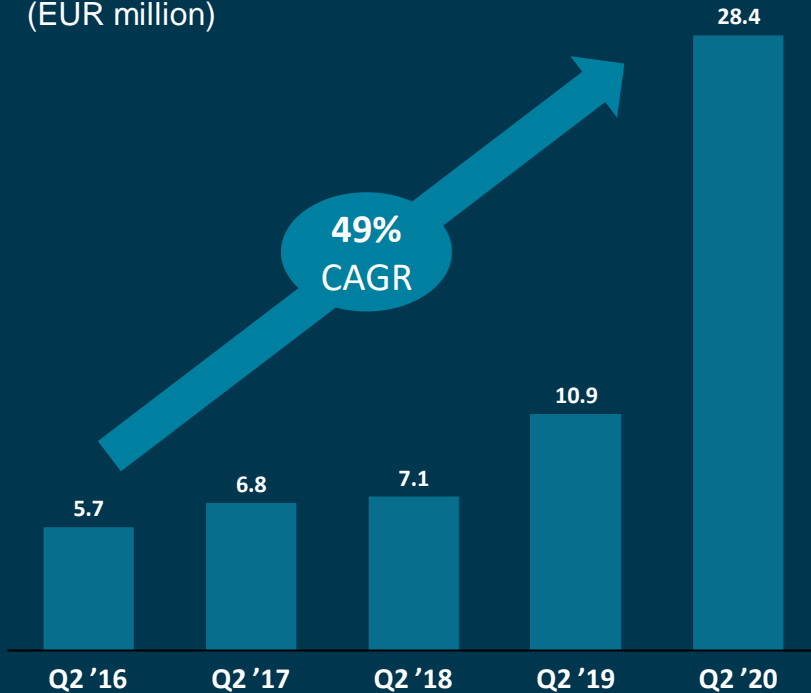

Treasury


Valuation & Compliance

Wing-to-wing Fintech service provider for professionals

A leading European financial Software-as-a-Service provider

Quarterly revenue
(EUR million)



Access to 120+ exchanges	8bn+ Daily data points
Offices in 10+ countries	~3500 customers



Q2 2020: Highlights

- **Harvesting cost synergies**
- **Record high adjusted EBITDA**
- **Rebranding complete**
- **Aligning and tailoring product portfolio**

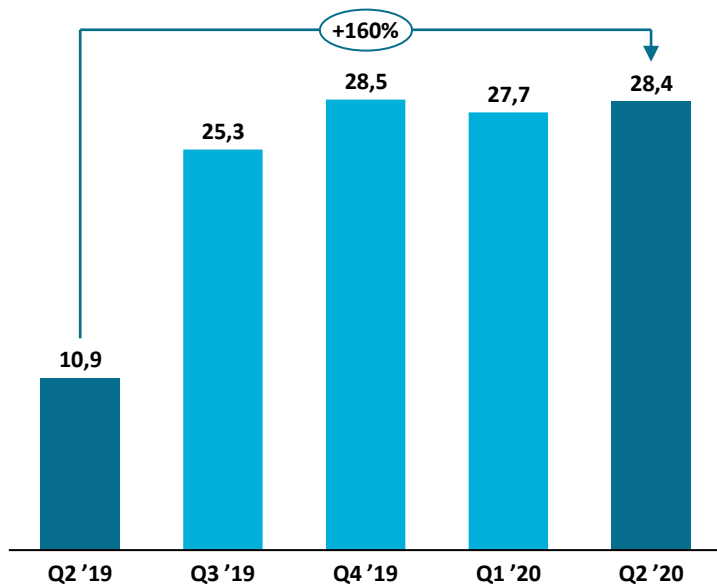




Q2 2020: Another solid quarter

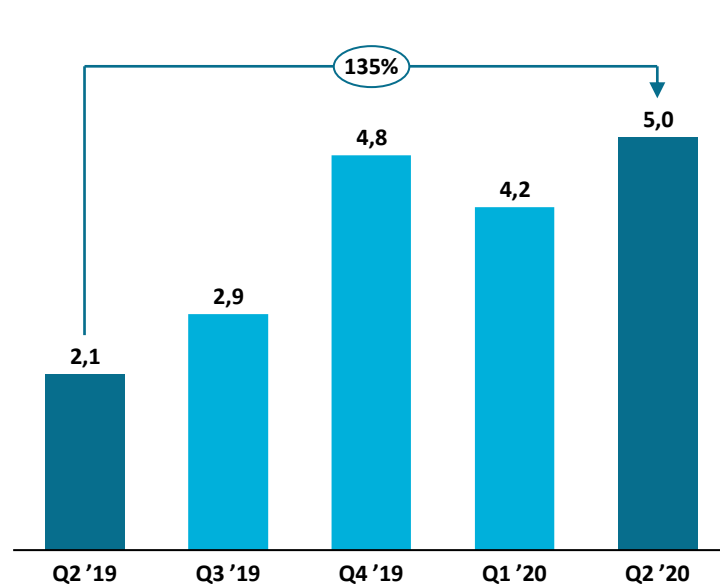
Revenue

(EUR million)



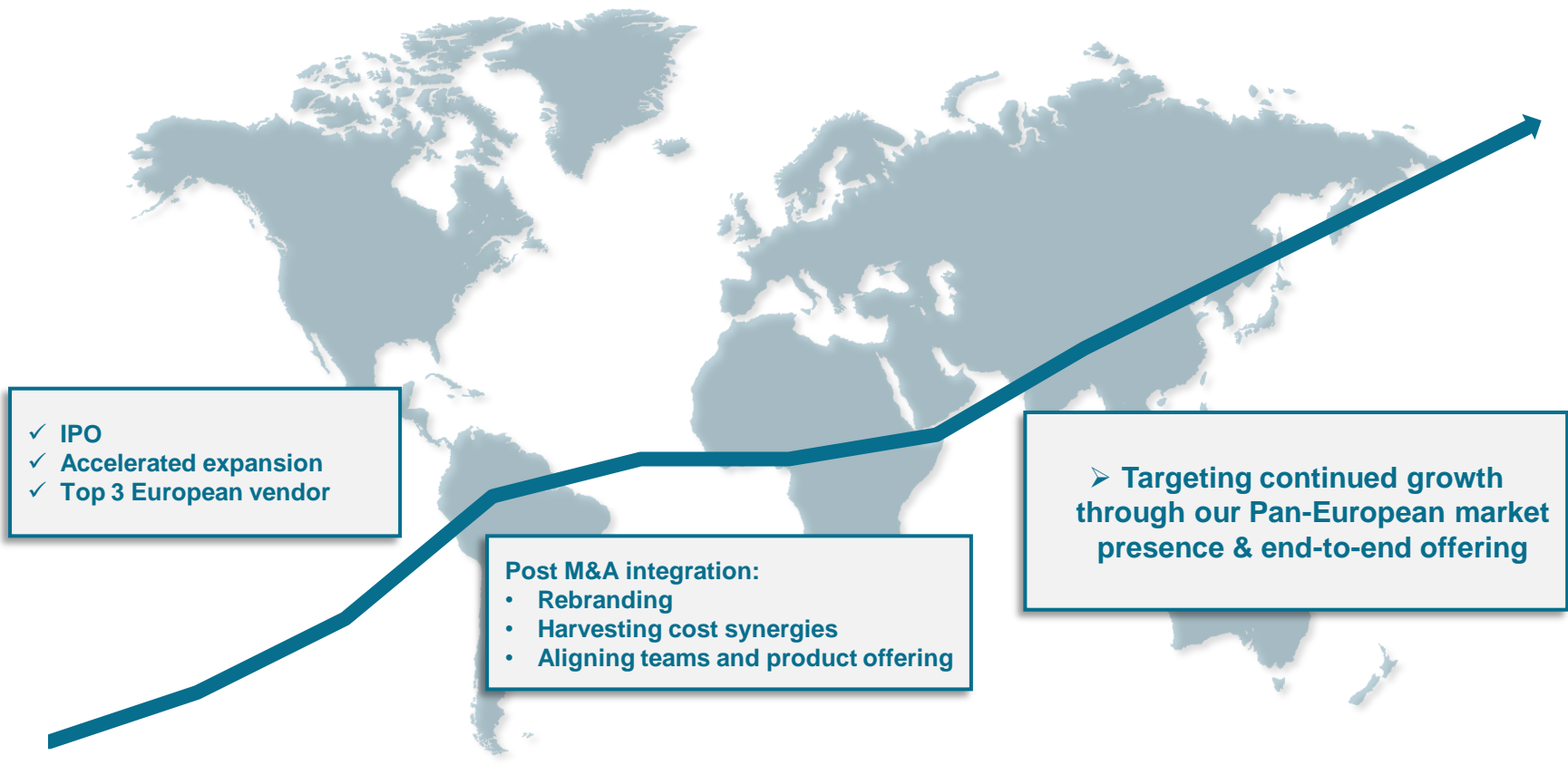
Adjusted EBITDA

(EUR million)





Positioning Infront for the next stage





Strong customer base and attractive pipeline

Solid footprint:

Attractive growth potential:

- Diversified and high calibre customer/partner base includes a broad range of financial institutions, buy-side & sell-side clients, corporates, exchanges, etc.

DNB

ABG
SUNDAL COLLIER

LBΞBW

Pareto
Securities

EURONEXT

Börse
Stuttgart

T . . .

DZ BANK
Bank on Germany

BASF
We create chemistry

Danske Bank

... and many more ...

Combining Infront's offering across locations

Developing products and features in close cooperation with clients

Tapping into a wider customer audience

New deals across regions and product categories

Infront Professional Terminal (IPT)



- Increased usage of IPT outside the Nordics



- Wealth manager and capital markets advisor successfully replaced existing terminals with the IPT across the group

Portfolio Management System

- Successfully introduced to first Nordic buy-side client



Data Feed Solutions

- New wins in both the Nordics and the DACH region

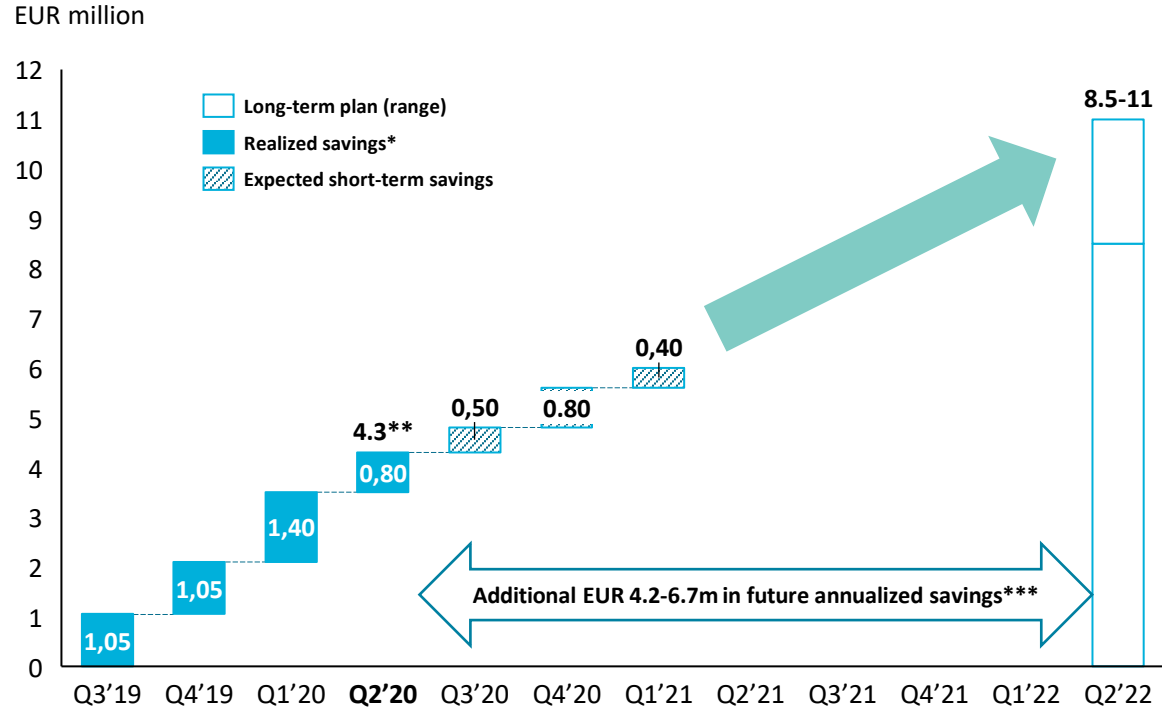




Post-merger integration: capturing identified cost savings

One technology platform, organization, portfolio of products and services

- Progressing according to plan
 - Long-term target unchanged
- EUR 4.3 million in realized savings as of Q2 2020
- P&L effect of realized synergies is typically fully captured over the next twelve following months
 - Mainly due to cancellation notices (data, operational efficiencies, etc.)
- As of end of Q2 2020, the quarterly P&L effect of our cost savings efforts since acquiring vwd is approximately EUR 0.7 million



* Annualized savings secured in previous quarters (including Q2 2020)

** Annualized value of total realized savings as per Q2 2020

*** Estimated future savings from additional operational efficiencies



Offering extensive and timely information to our clients

Data and Feeds Solutions

- Access to comprehensive market- and product data via feed or display solutions
- Flexible product range with simple options for individualization
- Independent platform through own purchase of data and technical operation of the data interfaces
- Supports a broad range of Infront's Products and Solutions
- Use of the latest backend technologies and optimization of the frontend displays by our own UI/UX specialists
- Clients include Private Banks, Global & Retail Banks, Large Corporates, as well as Asset and Wealth Managers

Key facts



120+
Exchanges



18m+
Instruments



900+
Contributors
+ Asset managers



8bn+
Daily Data
Points

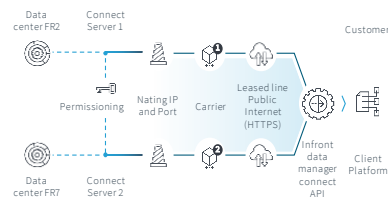
Products and Solutions supported:



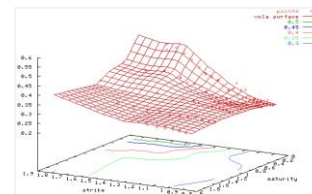
Display Solutions
(e.g. IPT Terminal)



Regulatory Feed



Data Feeds Solutions



Calculations and Valuation



FINANCIAL REVIEW

Max Hofer, CFO

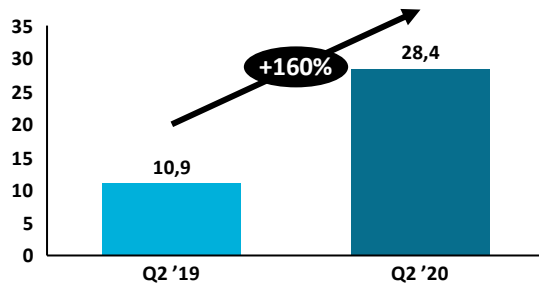




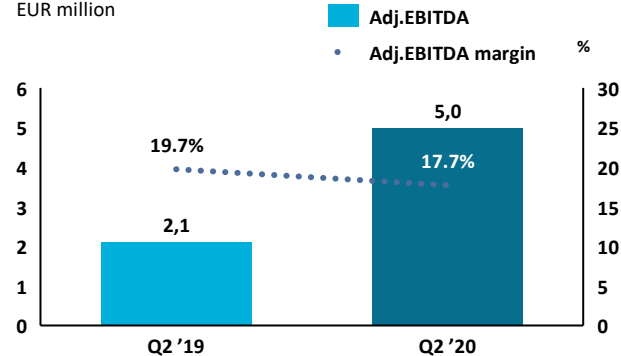
Q2 2020 Financial highlights

- **Revenue of EUR 28.4 million, up 160% from EUR 10.9 million in Q2 2019**
 - EUR 0.7 million increase from Q1 2020 driven by volume-based revenues in German subsidiary
 - 98% recurring subscription revenue, with ARR¹ at end of quarter of EUR 111m+
- **Adjusted EBITDA² of EUR 5.0 million compared to EUR 2.1 million in Q2 2019**
 - **Adjusted EBITDA margin of 17.7% compared to 19.7% in Q2 2019** due to lower margin levels in acquired businesses

Quarterly revenue
EUR million



Quarterly EBITDA
EUR million



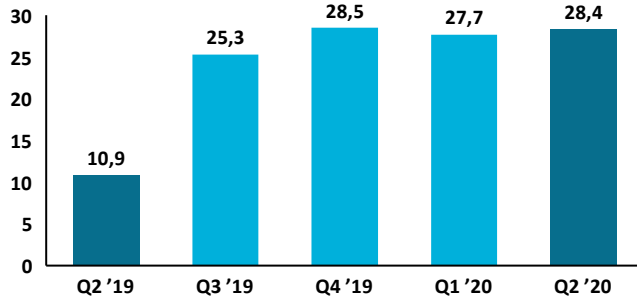
1) ARR = Annual Recurring and volume-based Revenue

2) EBITDA Q2 2020 adjusted for integration-related costs of EUR 1.0 million

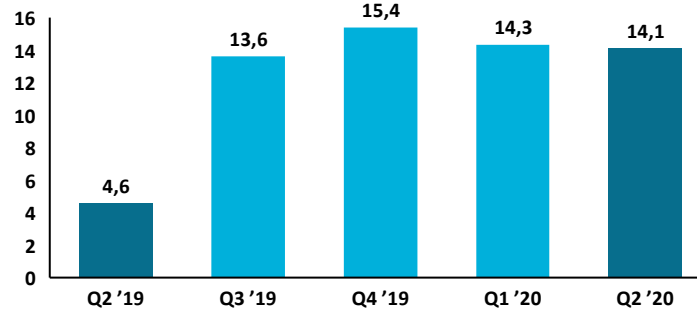


Key financials

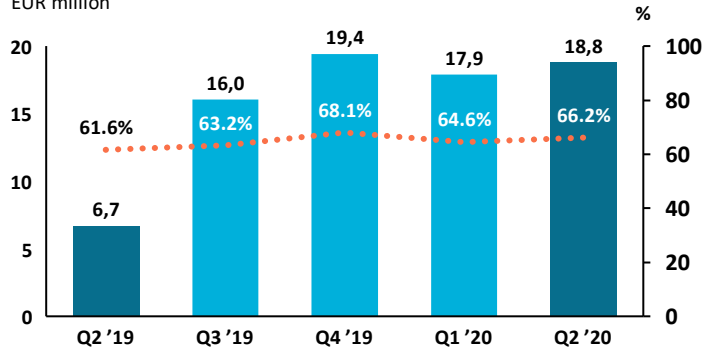
Revenue
EUR million



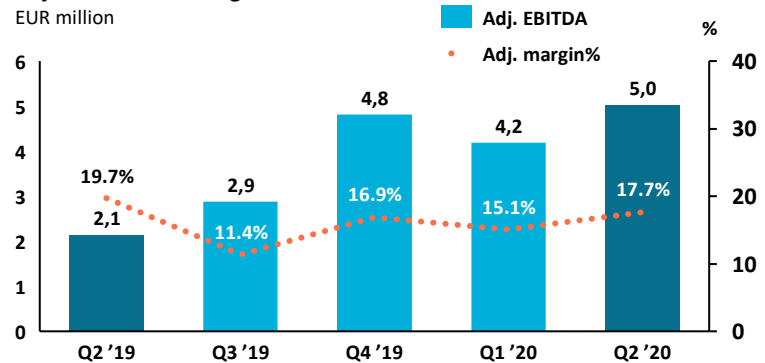
Adj. Salary & Other Opex¹
EUR million



Gross profit and margin
EUR million



Adj. EBITDA¹ and margin²
EUR million



1) Adjusted for integration and transaction-related items

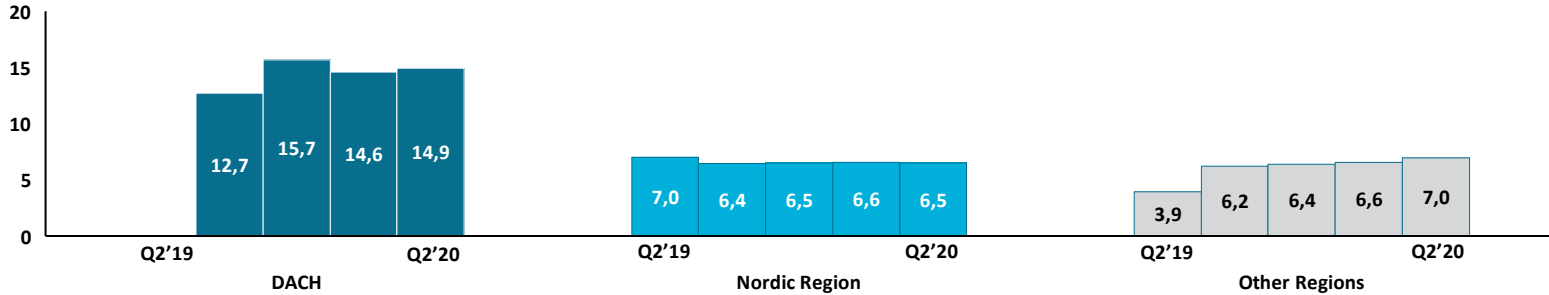
2) Adjusted EBITDA of EUR 5.0m and adjusted EBITDA margin of 17.7% in Q2 2020 before IFRS 16 implementation, the IFRS reduces Q2 2020 Opex by EUR 0.6 million.



Revenue development across regions and segments

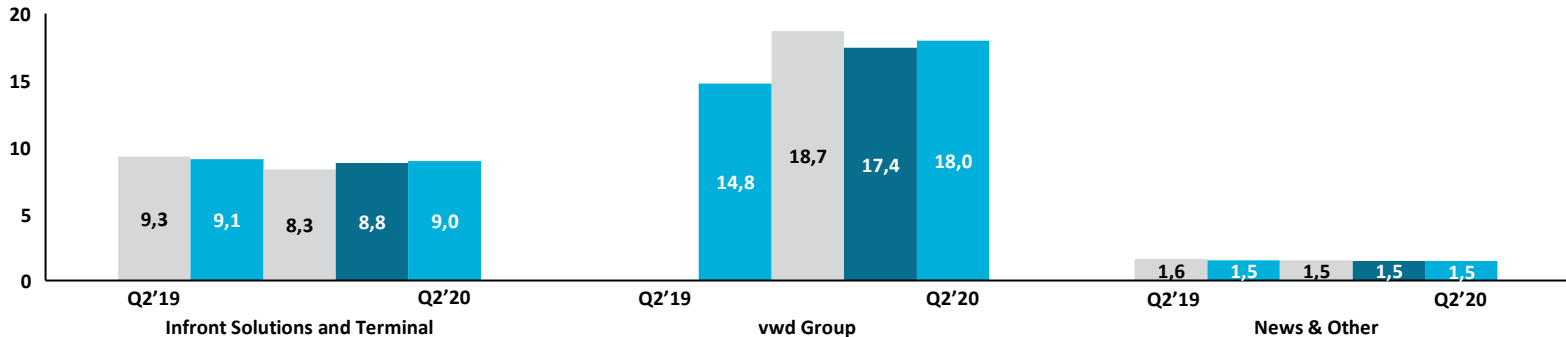
Revenue per Region

EUR million



Revenue per Segment

EUR million





Description of new operating segments

Infront's operating segments reorganized by product & solution areas:

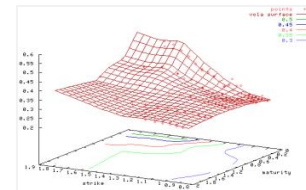
Terminal and Feed Solutions

Includes terminal and feed solutions for the entire group. The main products are comprised of the Infront Professional Terminal (IPT), data and feed solutions, electronic trading solutions, the Market Manager and the Investment Manager.



Portfolio and Regulatory Solutions

Contains various products and tools for the buy-side, such as portfolio management software, advisory tools, as well as regulatory services and calculation solutions (“fair value”) for a broad range of financial institutions.



Media and Other

Media publishing and listing services, news services as well as ancillary activities related to other products and solutions.

Group Functions

Includes centralized functions such as group management, administration costs and other operating expenses that are not directly linked to revenue-making segments.

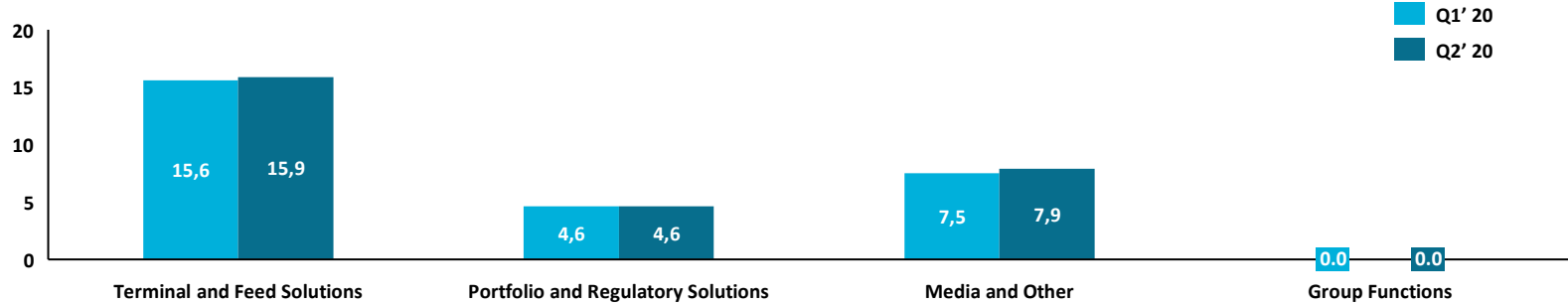




Overview of our upcoming segments

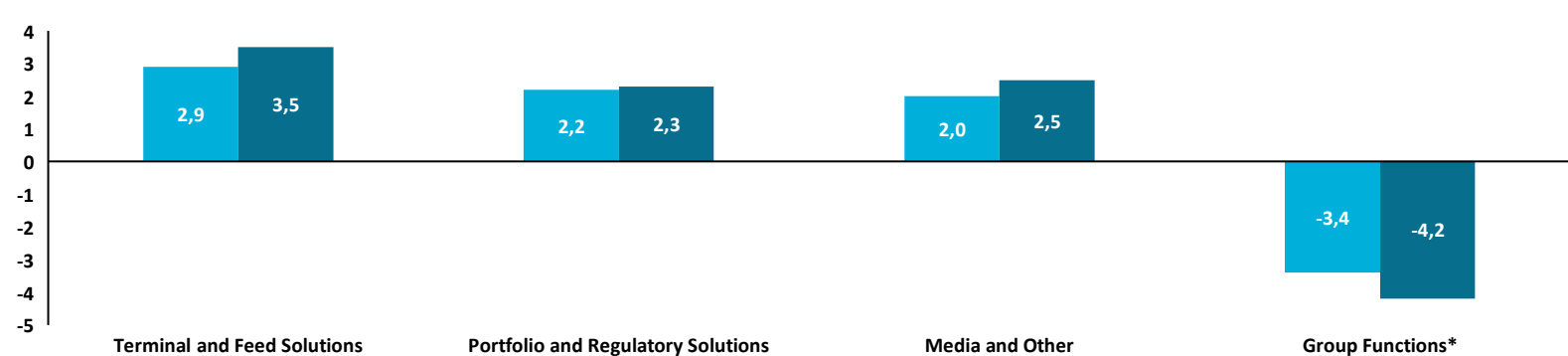
Revenue per Segment

EUR million



EBITDA per Segment – solid underlying margins

EUR million



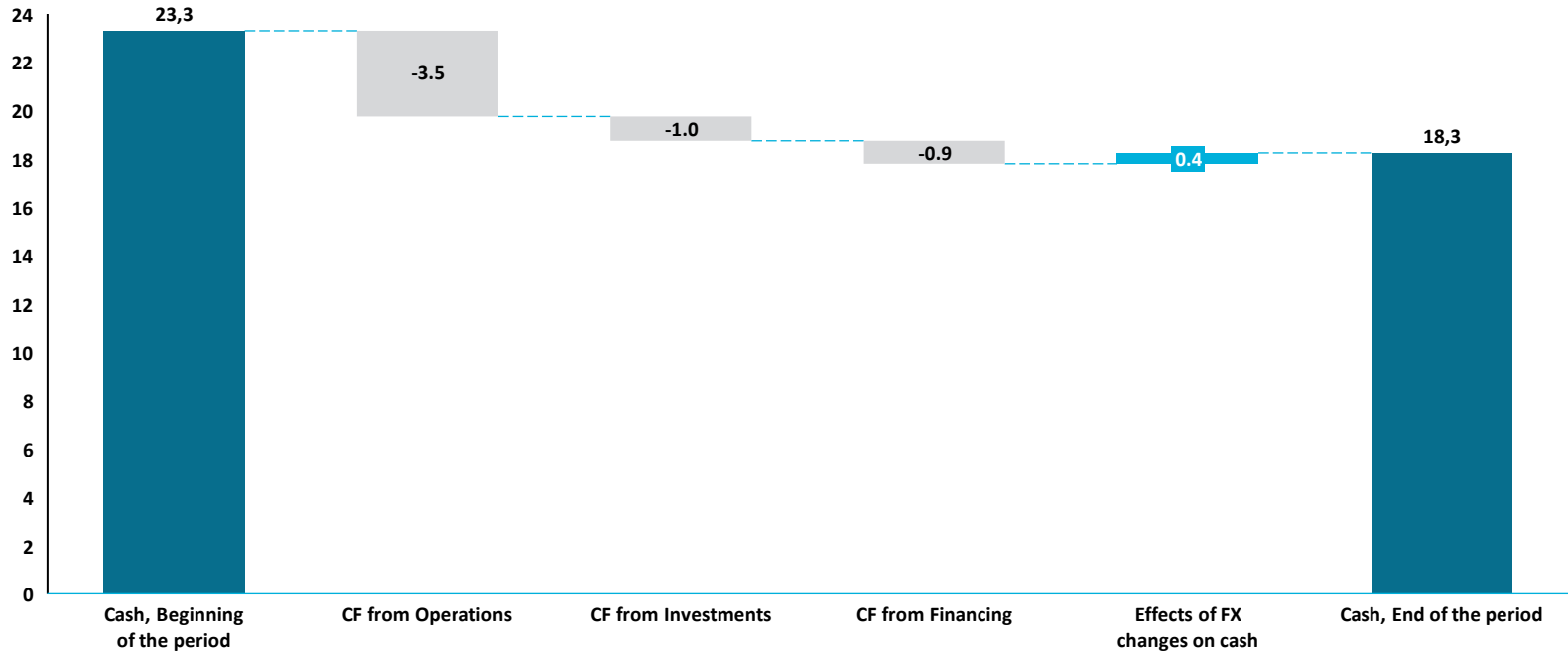
*QoQ cost increase caused by one-off integration items



Cash Flow in Q2 2020

Q2 2020 Cash Flow

EUR million





Investment summary

- **A leading player** with a pan-European footprint
- **Strong track record** of achieving long term growth
- **Positioning for the future** by aligning product offering
- **Capturing and monetizing** significant cost-synergies
- **Attractive pipeline** of strategic growth prospects





Q&A





Next Quarterly Report:

- Q3 2020 to be published 13 November 2020
- [IR Mailing list](#)
- ir@infrontfinance.com



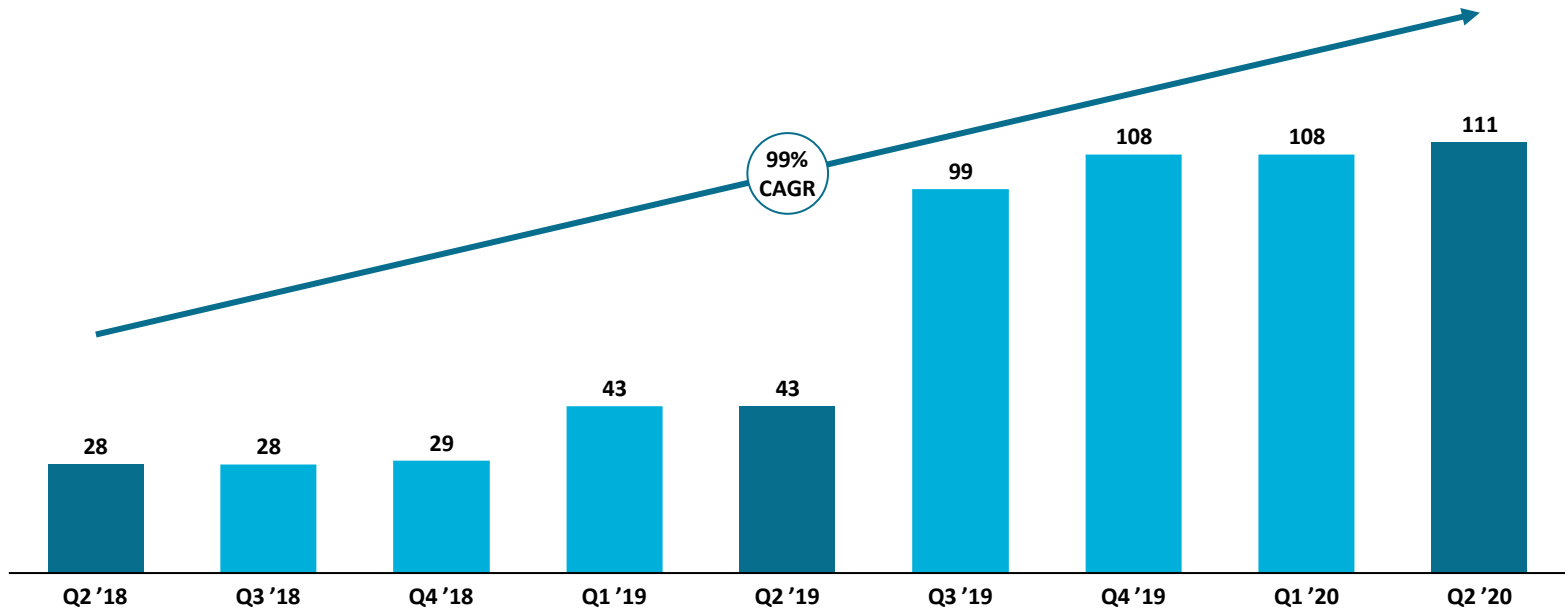
APPENDIX





Annual Recurring Revenue

ARR
(EUR million)





Profit and Loss

EUR 1.000	Q2 20	Q2 19	YTD Q2 20	YTD Q2 19
Revenues	28 389	10 865	56 109	21 571
Other revenues	- 5	36	- 8	90
Total operating revenues	28 384	10 902	56 101	21 661
Cost of services rendered	9 601	4 188	19 424	8 503
Salary and personnel costs	11 765	3 173	22 598	6 263
Other operating expenses	3 310	2 504	7 293	4 017
Depreciation, amortisation and net impairment losses	3 247	913	6 640	1 778
Other income	- 363	0	- 989	0
Other losses/(gains) - net	0	0	0	0
Total operating expenses	27 560	10 778	54 966	20 560
Operating profit	824	124	1 135	1 101
Financial income/(expenses) - net	-3 012	-1 252	-3 174	-1 089
Profit before income tax	-2 188	-1 128	-2 039	12
Income tax expense	-1 046	105	-2 205	12
Profit for the period	- 3 234	-1 023	-4 244	24

- QoQ revenue increase mainly caused by short-term spike from volume-driven revenues in German subsidiary
 - YoY revenue growth driven by acquisition of vwd Group
- QoQ improvement in gross margins driven by data-cost synergies
- QoQ decrease in adjusted Opex mainly reflects reduced use of subcontractors & consultants
 - Reduced travel-activity also had a positive effect on other opex.
- Adjusted EBITDA of EUR 5.0 million
 - post M&A initiatives on track



Cash Flow Statement

EUR 1.000	Q2 20	Q2 19	YTD Q2 20	YTD Q2 19
Cash flows from operating activities				
Profit (loss) before tax	-2 188	-1 128	-2 039	12
Taxes paid	- 421	- 34	- 472	- 181
Depreciation, amortisation and net impairment losses	3 247	913	6 640	1 778
Pension expense without cash effect	114	14	144	72
Interest expense including non-cash items	1 795	946	3 714	979
Interest cash expense in the period	-1 701	- 978	-3 326	- 978
Net working capital movements	-4 390	- 368	-1 019	-1 576
Net cash inflow from operating activities	-3 545	- 636	3 642	106
Cash flows from investing activities				
Payment for acquisition of subsidiary, net of cash acquired	0	- 192	0	0
Payment for intangible assets	- 293	- 383	- 517	- 397
Payment for property, plant and equipment	- 188	- 386	- 521	- 450
Payment for software development costs	- 530	0	-1 263	- 844
Net cash (outflow) from investing activities	-1 010	- 960	-2 301	-1 691
Cash flows from financing activities				
Net proceeds from issuance of ordinary shares	0	23 424	0	23 424
Proceeds from bond issue	0	102 256	0	102 256
Dividends paid	- 87	0	- 87	0
Repayments of lease liabilities	- 849	- 205	-1 687	- 410
Net cash inflow from financing activities	- 936	125 475	-1 774	125 270
Net increase/(decrease) in cash and cash equivalents	-5 491	123 879	- 434	123 685
Cash and cash equivalents at the beginning of period	23 305	8 646	18 703	8 740
Effects of exchange rate changes on cash and cash equivalents	440	- 61	- 16	39
Cash and cash equivalents	18 254	132 464	18 254	132 464

- **Operating CF: EUR -3.5 million**
Non-cash charges of EUR 3.2 million
Seasonal negative net working capital effect of EUR -4.4 million
Interest cash payment EUR 1.7 million
- **Investing CF: EUR -1.0 million**
Mainly reflecting capitalised R&D and EUR 0.4 million in other investments
- **Financing CF: EUR -0.9 million**
Repayments of lease liabilities of EUR 0.8 million
Dividends paid to the minority interest of EUR 0.1 million
- **End of the period cash position: EUR 18.3 million**



Statement of Financial Position

EUR 1.000	31.12.2019	31.03.2020	30.06.2020
Equipment and fixtures (PPE)	2 947	2 903	2 828
R-o-U assets	13 671	12 945	12 346
Intangible assets	173 987	171 370	170 221
Deferred tax asset	5 790	7 259	6 729
Pension assets	646	650	652
Receivables	192	139	215
Total Non-current Assets	197 234	195 266	192 991
Trade and other receivables	12 533	21 414	22 430
Cash and cash equivalents	18 703	23 305	18 254
Total Current Assets	31 236	44 719	40 684
Total Assets	228 470	239 985	233 675
Share capital	458	459	459
Share premium	34 883	35 076	35 076
Share option program	317	398	545
Other equity	-6 985	-7 641	-11 483
Total equity attributable to owners of the parent	28 673	28 292	24 597
Non-controlling interests	2 686	2 891	3 134
Total Equity	31 359	31 183	27 731
Long term borrowings	101 757	102 406	102 462
Lease liabilities	11 283	10 795	10 218
Pension liabilities	8 659	8 742	8 812
Deferred tax liabilities	20 068	19 639	19 242
Other non-current financial liabilities	2 895	2 711	2 727
Total Non-current Liabilities	144 661	144 293	143 461
Short term borrowings	10 000	10 000	10 000
Current lease liabilities	2 643	2 468	2 491
Trade and other payables	29 333	40 546	37 018
Other current financial liabilities	3 316	1 437	1 243
Deferred revenue	4 759	6 370	6 932
Current tax liabilities	2 399	3 688	4 799
Total Current Liabilities	52 450	64 509	62 483
Total Liabilities	197 111	208 802	205 944
Total Equity and Liabilities	228 470	239 985	233 675



Continued focus on safeguarding people and operations

- **Primary focus on people and operations amid COVID-19 outbreak**
 - Focus on employee health and complying with local guidance
 - Quickly adapted to a new working environment with rapid transition to home offices during lock-down
 - Positive short-term impact on costs
 - Ensuring stable systems to handle spike in activity
- **Short-term risks and mitigations**
 - Non-recurring revenue (i.e. consulting fees) could face a temporary reduction
 - Potentially reduced organic growth
 - Capacity to adjust operations accordingly
- **Resilient business model**
 - Recurring revenue base provides good visibility for the next 12 months and beyond
 - We empower working remotely:
 - Infront's IPT Terminal can be installed on any modern computer
 - Our web-solutions are compatible with most browsers
 - Our products and solutions are needed by our clients
 - Attractive prices vs. peers