

A photograph of two business professionals in an office setting. A man in a dark blue shirt is on the left, and a woman with blonde hair in a light blue sweater is on the right. They are both smiling and have their fists clenched in a celebratory gesture. The background is a blurred office environment with a window showing a city view.

# Heeros Q1/2023

18<sup>th</sup> April, 2023

## Safe Harbor Statement

Certain statements in this presentation are forecasts and are based on the views of Heeros and company management at the time of their issuance. For this reason, they involve risks and uncertainties. Forecasts may also change if there are significant changes in the general financial situation or the company's operating environment.

The information in the presentation is not intended as investment advice, offers or solicitation to trade in Heeros investment products or services.

# Heeros speakers

**Mikko Pilkama**



- ✓ Heeros CEO
- ✓ Extensive background in service development and management positions in international service and SaaS businesses
- ✓ Nokia, Luottokunta & Nets, CGI, Basware and Heeros

**Juho Pakkanen**



- ✓ Heeros CFO
- ✓ Goal-oriented management of operations
- ✓ Versatile work experience in financial management and Business Control
- ✓ Sita Finland, FCG, Fonecta, ThreeFiveEight and Heeros

# Content

**Q1:**

**Profitability improvement**

**Revenue development**

**Heeros Business management Cloud - solutions**

**Outlook 2023**

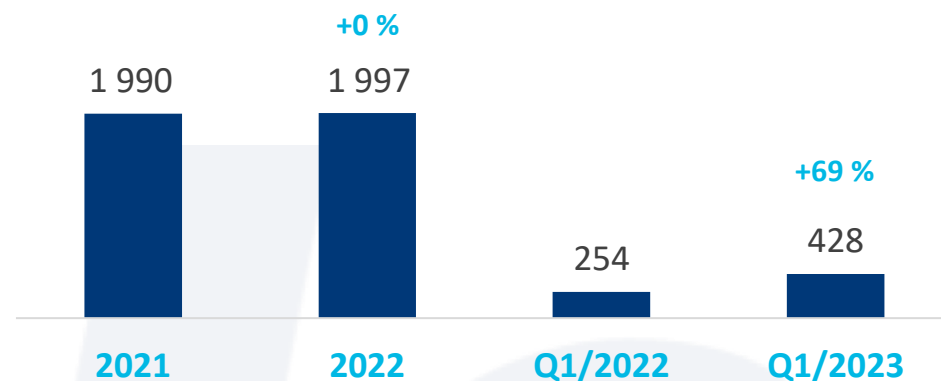
# Key figures Q1 2023

1,000 EUR	Q1/ 2023	Q1/ 2022	Change, %	Year 2022
Rule of 40, %	18 %	34 %		38.5 %
Revenue	2,807	2,734	3 %	11,083
Recurring Revenue	2,645	2,540	4 %	10,332
EBITDA	428	254	69 %	1,997
EBITDA, % of revenue	15 %	9 %		18.0 %

- The combined EBITDA margin and revenue growth percentage (Rule of 40) was 18 % (1–3/2022: 34 %). 2022 includes inorganic growth from Taimer Ltd acquisition.
- Revenue increased by 3 % to EUR 2.81 (2.73) million.
- Recurring revenue increased by 4 % to EUR 2.65 (2.54) million.
- EBITDA was EUR 0.43 (0.25) million.

# Profitability improvement

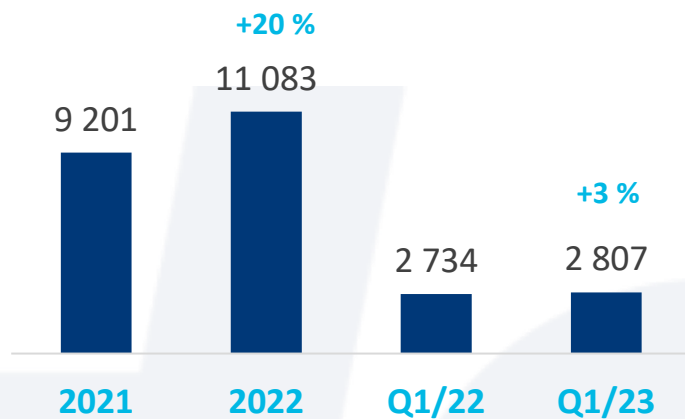
EBITDA, EUR 1,000



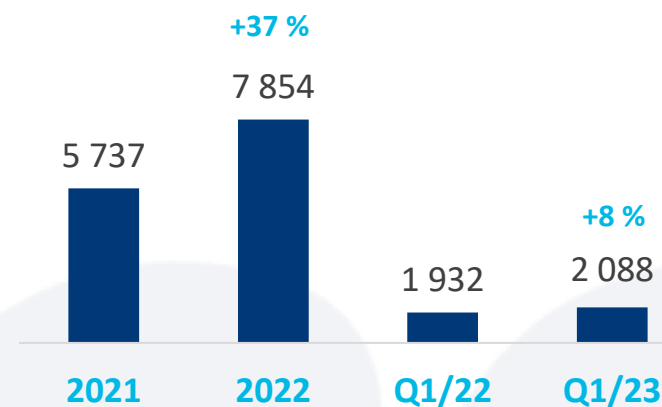


# Revenue development

Revenue, EUR 1,000



Contract Revenue, EUR 1,000



# SaaS-metrics

## Net revenue retention (NRR)

Q1/23: 107 % (Q1/22: 107 %)

## ARPA, End customer

Q1/23: 51 € (+4 %)

## Order intake, ARR

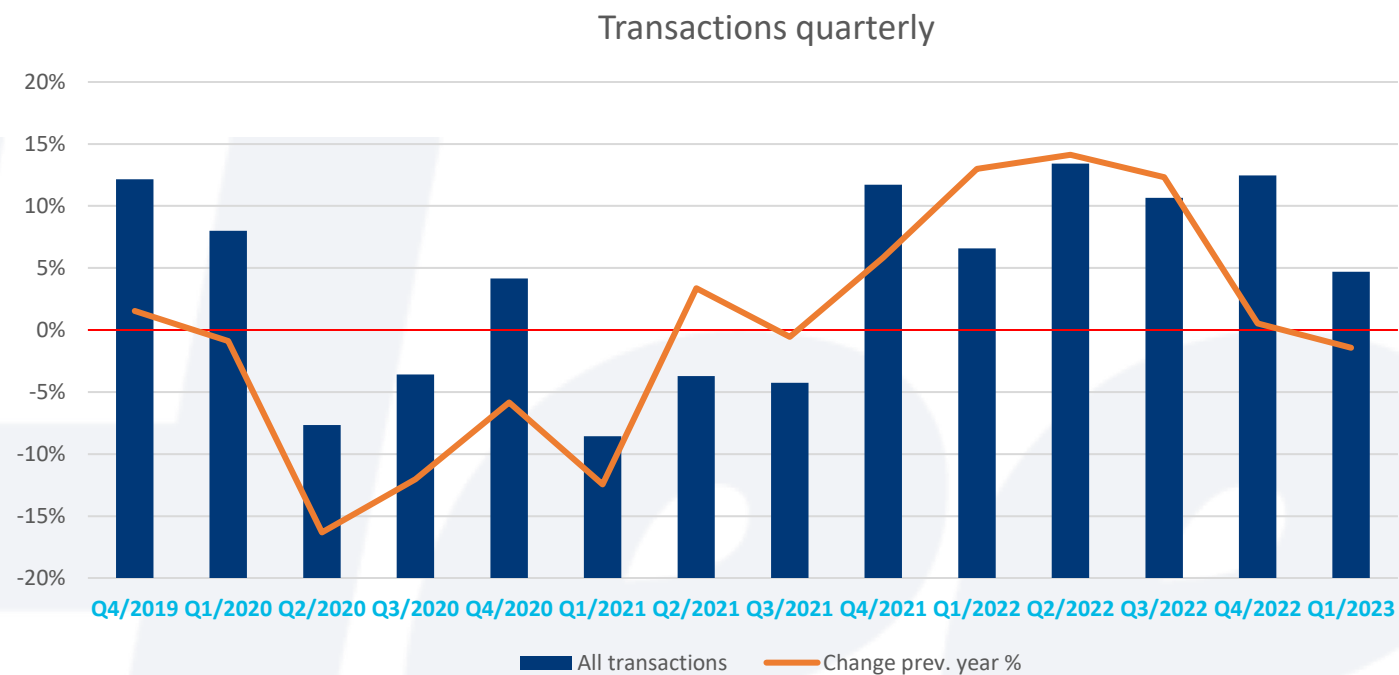
Q1/23: 210k EUR (235k EUR)





# Macroeconomic uncertainty

## Transactions- trend



# Key message of Q1/23

- **Positives:**
  - Order intake , new customer acquisitions
  - Transactions – lower but stabilizing
  - Climate for investing in **business-critical transformations** is better than expected
  - Heeros Business management Cloud - strengthened our position as a provider of business-critical software – especially ERP Cloud
  - **Improved profitability**
- **To improve:**
  - Customer NRR and ARPA
  - Sales success based on pipeline

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**Revenue development Q1**

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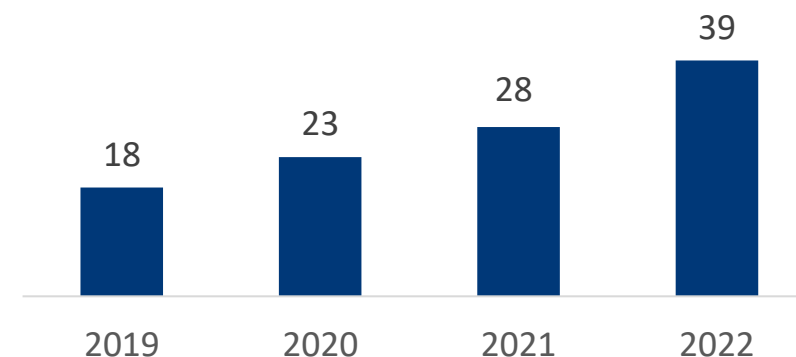
# Outlook for 2023

- Macroeconomic development in Finland
  - SME segment stabilizes, transactional volumes at lower level than last year
  - Better visibility and drive for digitalisation and automation compared to autumn 2022
- Heeros
  - Business is cyclical – Q1 typically lowest quarter
  - Heeros Business management Cloud: Mid-sized companies investing in systems modernisation – Finance first ERP transformations
  - Focus on profitability

# Financial outlook 2023

Heeros is expecting to increase the combined EBITDA margin (EBITDA, % of revenue) and revenue growth percentage (Rule of 40) to be 30% for the 2023 financial period.

Rule of 40 (adj), %







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**Q&A**