

Digitizing construction companies and craftsmen

Strong growth and high profitability in SmartCraft

(Oslo, 10 May 2021) Through the combination of organic growth and acquisitions, the software company SmartCraft has experienced strong growth in the last two years. In 2020, the companies in the group had operating revenues of 219 million, of which 38 percent flowed through to EBITDA. During the period 2018-2020 the group's revenues increased by 71 percent annually.

“Construction companies and craftsmen are still at an early stage of digitalization, and we see that there is still plenty of room to improve for many both small and large players. This potential is being discovered by an increasing number of companies, and we are experiencing strong growth in the demand for our solutions,” says Gustav Line, CEO of SmartCraft.

SmartCraft started its history as a supplier of software solutions to the shipbuilding industry on the north western coast of Norway. Gradually, the company has taken the step into the Heating, Water and Sanitation (HWS), painting and electricity industry.

“We have succeeded in delivering highly specialized solutions adapted to the value chains in the industries we are in. Thus, we are able to streamline and quickly add value for our 8,900 customers,” says Gustav Line.

Today, the company is a pure SaaS company with annual recurring income (ARR) of NOK 205 million at the end of 2020.

After the Swedish investment fund Valedo Partners came in as owner in 2017, SmartCraft, then called System Konsult, has accelerated its growth ambitions, and taken an active role as a consolidator in the industry. In 2018 and 2019, the Swedish software solutions Bygglet and EL-VIS were purchased, and in 2020, Finnish Congrid was included in the fold.

- We changed our name from Cordel Norden to SmartCraft this year, and it marks in many ways that we are shifting gears when it comes to growth ambitions. Our goal is to become a leading supplier of specialized digital solutions for contractors and craftsmen not only in the Nordic region, but also in Western Europe, says Gustav Line.



The growth will come from an offensive focus on product development and sales, as well as further acquisitions.

“Our analyzes show that the market opportunity in Norway, Sweden and Finland alone is around NOK 10.5 billion. Our existing products have great potential to reach new customer groups, and we also have good opportunities for cross-selling the solutions. In addition, we can enter new segments through our own technology development combined with acquisitions, says Line.

SmartCraft currently has 145 employees in 10 offices in three countries.

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About SmartCraft:

- Leading Nordic supplier of business-critical, SaaS-based software for the construction companies and craftsmen.
- 8,900 customers and 95,500 individual users in Sweden, Norway and Finland. In addition to a number of small and medium-sized construction companies, the customer list includes large companies such as PEAB, Bravida, Rambøll, NCC and Brødrene Dahl.
- In recent years, the company has acquired several software solutions, including Bygglet in 2018, EL-Vis in 2019 and Rørweb and Congrid in 2020.
- SaaS-based business model, with 93 percent recurring revenue (subscription revenue)
- 71 percent average annual growth in operating revenues (CAGR) in the period 2018-2020
- Changed name from System Konsult to Cordel Norden in 2017. In 2021, the group was named SmartCraft.
- The company has 74 shareholders. Employees and former employees have a 32.5% share. The rest is owned by the Swedish investment company Valedo Partners III AB, which entered the shareholder list in 2017.



Operating revenues for the companies in the group were NOK 219 million in 2020. EBITDA, adjusted for extraordinary costs, was NOK 84 million. This equals an EBITDA margin in 2020 of 38%, which corresponds to a growth of 53% vs 2019.

(Million NOK)	2020	2019	Change
Operating revenues	196	154	27%
EBITDA	77	52	49%
EBITDA margin	39 %	34 %	
ARR	205	167	23%
Figures in NOK million			

