

SmartCraft ASA (SMCRT) – Fourth quarter 2021 financial results

23 February 2022 - SmartCraft ASA today reported its results for the fourth quarter 2021, ending the period with annual recurring revenue (ARR) of NOK 266.8 million, which represents a growth of 30% since Q4 2020. Revenue in the fourth quarter was 76.2 million (+38% Y/Y), of which 96 percent was recurring. The organic growth in recurring revenue was 18 percent compared to Q4 2020, whereas organic growth in total revenue was 14 percent.

SmartCraft's adjusted EBITDA increased 23 percent in Q4 2021 compared to Q4 2020, and the adjusted EBITDA margin was 37 percent compared to 41 percent last year.

“There is a large untapped demand in the Nordics for easy-to use software solutions helping contractors and craftsmen streamlining their workday. SmartCraft is rapidly building a very robust Software-as-a-service business with recurring revenue through acquisitions, improved products and services and great sales work. I am very happy to report that we ended 2021 on a strong note, with rapid revenue- and ARR growth, stable low customer churn, and sustained high profitability and strong cash flow, said Gustav Line, CEO of SmartCraft ASA.

SmartCraft made three acquisitions in the period December 2020 to July 2021. The acquired companies have somewhat lower margins than the rest of SmartCraft, diluting reported EBITDA margins in 2021.

“The acquired companies Congrid, Kvalitetskontroll and HomeRun, are excellent businesses, and we are well on the way with integrating them into SmartCraft. Increased size allows larger scale effects, and we expect the acquired businesses to improve their operating margins over time. Additionally, we have, as communicated earlier, continued to execute on product development and sales initiatives to further accelerate growth. Although these activities curb our EBITDA margin somewhat short term, we already early in 2022 see positive effects from these initiatives,” said Gustav Line, CEO of SmartCraft ASA.

SmartCraft is a leading Nordic provider of mission-critical SaaS solutions to small and mid-sized companies in the construction sector, a market with a potential of NOK 10.5 billion, growing at double digit rate.



"We have established a solid platform for continued long-term growth, and continue to strengthen our sales and product and technology development capabilities. Following the IPO in June 2021 we are virtually debt free, and with our strong cash flow from operations, we are in position to remain the champion in the attractive segment we operate. Our medium-term financial targets stand firm with 15-20 percent annual organic growth, with the addition of bolt-on M&A, whereas we expect increasing EBITDA margins due to scalability of the business," said Gustav Line.

Webcast presentation

Investors, analysts and journalists are welcome to join to an English language webcast presentation of the report today, Wednesday 23 February 2022, at 08:00 CET.

Webcast link: <https://smartcraftready.com/investor-relations/reports-and-presentations/presentation-of-fourth-quarter-2021-results/>

Presenters: CEO Gustav Line and CFO Kjartan Bø

Viewers are welcome to submit written questions through the webcast player during and after the presentation. A recording of the presentation will be available on the same link and at <https://smartcraftready.com/investor-relations/after> the live stream is concluded.

About SmartCraft ASA

SmartCraft is the leading Nordic provider of mission-critical SaaS solutions to SME's in the construction sector. The company's business model is highly scalable, based on 94% recurring revenue and low churn. The construction sector is among the least digitalized industries and represents a NOK 10bn software market in the Nordics, growing at a double-digit rate. SmartCraft's solutions help customers to increase their productivity, margins, and resource efficiency.

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