

Announcement no. 07 2024

Agillic releases Q3 2024 financial results with 8% decrease in ARR from subscriptions YoY, EBITDA of DKK 1.8 million and DKK 6.7 million in cash flow from operations

Copenhagen – 22 October 2024 – Agillic A/S

ARR from subscriptions YTD decreased 8% primarily due to clients' technology consolidations in Q1 2024. ARR from subscriptions increased modestly by 2% in Q3 2024 vs. Q2 2024. Agillic maintains its 2024 guidance due to expected growth from both existing clients and new sales in Q4 2024. Cash flow from operations was DKK 6.7 million in Q3 2024, an increase of DKK 12.6 million YoY.

Key financial and SaaS highlights

(DKK million)

Income statement	YTD 2024	YTD 2023	Change	Q3 2024	Q3 2023	Change
Revenue Subscriptions	37.0	40.2	-8%	12.1	13.6	-11%
Revenue Transactions	7.4	9.1	-19%	2.7	3.0	-10%
Other revenue	0.0	0.0	n/a	0.0	0.0	n/a
Total revenue	44.4	49.3	-10%	14.8	16.6	-11%
Gross profit	36.1	39.6	-9%	11.7	13.4	-13%
Gross margin	81%	80%	-	79%	81%	-
Other operating income	0.6	0.5	20%	0.2	0.2	0%
Employee costs	-23.7	-26.0	9%	-7.1	-7.9	10%
Operational costs	-11.2	-10.6	-6%	-3.6	-3.2	-13%
EBITDA	1.8	3.5	-49%	1.2	2.5	-52%
Net profit	1.2	-5.1	n/a	-2.4	-0.4	-500%
Financial position						
Cash	3.7	11.5	-68%	3.7	11.5	-68%
ARR development						
ARR Subscriptions	52.5	56.8	-8%	52.5	56.8	-8%
ARR Transactions	10.6	12.1	-12%	10.6	12.1	-12%
Total ARR	63.1	68.9	-8%	63.1	68.9	-8%
Change in ARR	-5.8	2.5	-	1.4	2.5	-
Change in ARR %	-8%	4%	-	2%	4%	-

Reclassification between other operating income, employee costs, and operational costs is updated in 2023 figures.

ARR

ARR from subscriptions decreased 8% YoY which was related to clients' business and technology consolidation and in line with our expectations. ARR from transactions decreased 12% YoY as a consequence of lower volumes due to geopolitical factors. The decline in ARR mainly happened in Q1 2024, while ARR increased modestly in Q3, and we expect both ARR from subscriptions and ARR from transactions to increase further in Q4 2024.

Revenue

Total Revenue decreased 10% YoY related to the decrease in ARR. Total Revenue is expected to increase in Q4 2024.

EBITDA

EBITDA YTD was negatively impacted by the decrease in revenue and by an increase in operational costs related to a one-time cost of DKK 1.0 million for consultancy services. However, with an increase in the gross margin from 80% to 81% YTD, and a decrease in employee costs, we delivered a positive EBITDA in Q3 2024 YTD of DKK 1.8 million.

Cash

At the end of Q3, at the cash position was DKK 3.7 million in line with expectations. This was primarily a result of an increase in cashflow from operations to DKK 6.7 million (Q3 2023: DKK -5.9 million).

Financial guidance 2024 (unchanged)

Revenue	DKK million	62 to 66
EBITDA	-	0 to 2
ARR Subscriptions	-	56 to 60
ARR Transactions	-	10 to 14
Total ARR	-	66 to 74

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Disclaimer

The forward-looking statements regarding Agillic's future financial situation involve factors of uncertainty and risk, which could cause actual developments to deviate from the expectations indicated. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the presented outlook. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect. Please also refer to the overview of risk factors in the 'risk management' section of the annual report.

About Agillic A/S

Agillic is a Danish software company offering brands a platform through which they can work with data-driven insights and content to create, automate and send personalised communication to millions. Agillic is headquartered in Copenhagen, Denmark, with teams in Germany, Norway, and Romania. For further information, please visit www.agillic.com

Appendix: Financial development per quarter

DKK million	2024				2023				2022				
INCOME STATEMENT	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Revenue Subscriptions	12.1	12.3	12.6	52.4	12.2	13.6	13.5	13.1	49.9	13.5	13.1	12.2	11.1
Revenue Transactions	2.7	2.5	2.2	12.0	2.9	3.0	2.9	3.2	16.7	6.0	4.8	3.3	2.6
Other revenue	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.4	0.0	0.0	0.1	0.3
Total revenue	14.8	14.8	14.8	64.7	15.4	16.6	16.4	16.3	67.0	19.5	17.9	15.6	14.0
Gross profit	11.7	12.1	12.3	52.2	12.6	13.4	13.2	13.0	49.6	15.5	11.4	11.7	11.0
Gross margin	79%	82%	83%	81%	82%	81%	80%	80%	74%	80%	63%	75%	78%
Other operating income	0.2	0.2	0.2	0.6	0.1	0.2	0.2	0.1	0.3	0.3	0.0	0.0	0.0
Employee costs	-7.1	-8.0	-8.6	-36.8	-10.8	-7.9	-9.4	-8.7	-32.5	-9.2	-7.3	-8.0	-8.0
Operational costs	-3.6	-4.3	-3.3	-14.1	-3.5	-3.2	-3.0	-4.4	-16.3	-5.1	-2.7	-3.7	-4.8
EBITDA	1.2	0.0	0.6	1.9	-1.6	2.5	1.0	0.0	1.1	1.5	1.4	0.0	-1.8
Net profit	-2.4	7.0	-3.4	-27.5	-22.4	-0.4	-1.8	-2.9	-10.6	-2.0	-1.2	-2.7	-4.7
BALANCE SHEET													
Cash	3.7	4.4	7.2	9.8	9.8	11.5	18.3	26.9	7.4	7.4	1.8	12.6	7.5
Total assets	42.8	45.8	51.5	47.1	47.1	64.9	69.0	75.8	52.8	52.8	54.0	58.7	55.4
Equity	-17.8	-16.0	-23.6	-20.2	-20.2	1.5	1.8	3.4	-15.0	-15.0	-13.2	-12.0	-9.6
Borrowings	19.1	21.4	24.3	23.7	23.7	23.0	24.2	25.7	24.3	24.3	23.7	26.1	26.4
CASH FLOW													
Cash flow from operations	4.1	2.6	0.0	-6.5	-0.6	-2.8	-4.3	1.2	3.1	7.3	-4.9	9.0	-8.3
Cash flow from investments	-2.6	-2.7	-3.0	-11.7	-2.1	-3.1	-3.2	-3.3	-13.5	-3.3	-3.3	-3.7	-3.2
Cash flow from financing	-2.2	-2.7	0.4	20.6	1.0	-0.9	-1.1	21.6	-2.8	1.6	-2.5	-0.2	-1.6
Net cash flow	-0.7	-2.8	-2.6	2.4	-1.7	-6.8	-8.6	19.5	-13.2	5.6	-10.8	5.1	-13.1
EMPLOYEES & CLIENTS													
Employees end of period	40	39	41	50	50	50	50	46	48	48	47	51	47
Clients end of period	114	113	116	122	122	120	120	118	118	118	111	108	105
ARR & SAAS METRICS													
ARR Subscriptions	52.5	51.7	52.2	57.8	57.8	56.8	54.9	54.2	54.1	54.1	50.3	49.6	48.5
ARR Transactions	10.6	10.0	8.9	12.3	12.3	12.1	11.5	17.3	22.6	22.6	19.6	14.6	10.3
Total ARR	63.1	61.7	61.1	70.1	70.1	68.9	66.4	72	76.7	76.7	69.9	64.2	58.8
Change in ARR (DKK)	1.4	0.6	-9.0	-6.6	1.2	2.5	-5.1	-5.2	21.0	6.8	5.7	5.4	3.1
Change in ARR %	2%	1%	-13%	-9%	2%	4%	-7%	-7%	38%	10%	9%	9%	6%
Average ARR	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Yearly CAC	-	-	-	0.2	-	-	-	-	0.1	-	-	-	-
Months to recover CAC	-	-	-	6	-	-	-	-	3	-	-	-	-

Definitions

- Cash is defined as available funds less bank overdraft withdrawals.
- ARR: the annualised value of subscription agreements and transactions at the end of the actual reporting period.
- Average ARR: the average Total ARR per client.
- Customer Acquisition Costs (CAC): the sales and marketing cost (inclusive salaries, commissions, direct and share of costs of office) divided by the number of new clients. CAC is calculated end of year.
- Months to recover CAC: the period in months it takes to generate sufficient gross profit from a client to cover the acquisition cost.

Published on 22 October 2024