



# 2019/2020 Annual Results

CREALOGIX Holding AG

15 September 2020

# Presenters



**Oliver Weber**  
Chief Executive Officer



**Daniel Bader**  
Chief Financial Officer



**Richard Dratva**  
Chief Strategy Officer

A blurred photograph of several business professionals walking through a modern office hallway. The image is out of focus, emphasizing movement and a fast-paced corporate environment. The hallway has large windows on the right side, letting in bright light. The floor is made of large, light-colored tiles.

# CREALOGIX 2019/20

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Oliver Weber, Chief Executive Officer

# Highlights 2019/20 full-year results



Revenue

**+3.9%**

(LC)



Profitability  
(Adjusted EBITDA) at

**CHF 2.4**

million



Adjusted free  
cash flow at

**CHF 7.9**

million



SaaS revenue  
increased by

**18.3%**

(currency adjusted)

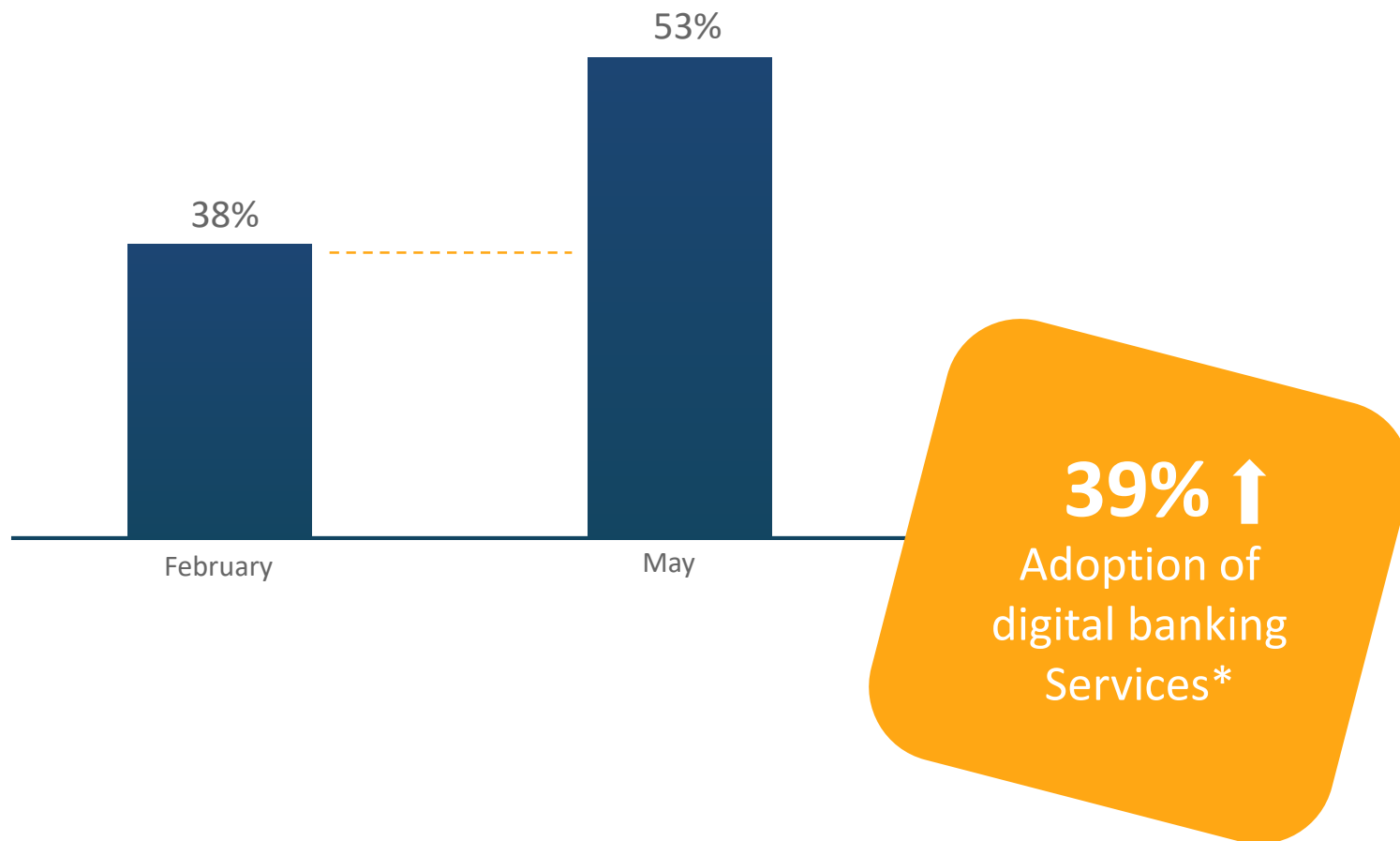


Recurring revenues  
contributed with

**44%**

to results

# The COVID-19 pandemic is substantially accelerating digitisation in finance



CREALOGIX is very well positioned in an attractive, growing market.

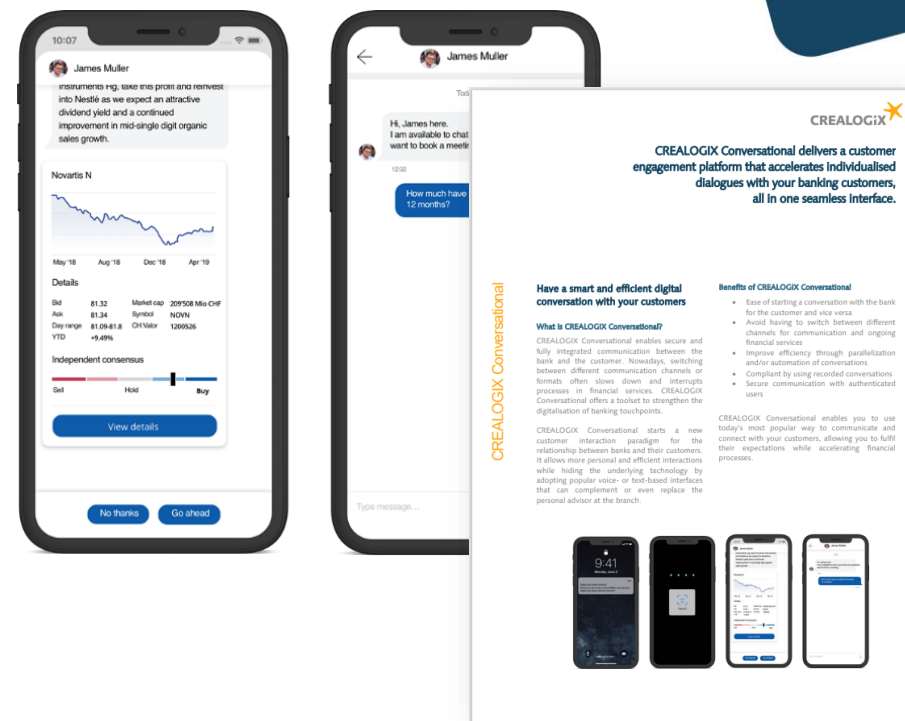
\*Source: Deloitte 2020

# CREALOGIX launched Conversational Banking Product in August 2020

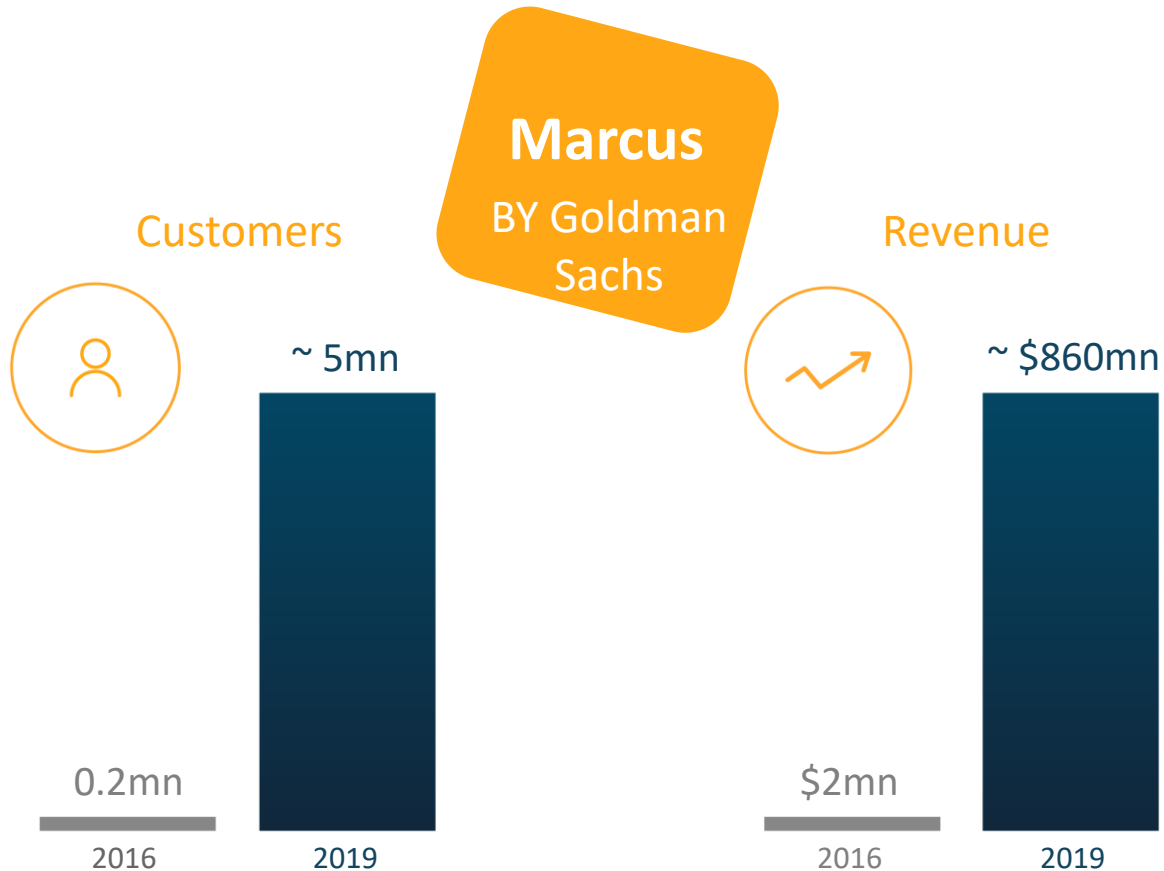


## A smart and efficient digital conversation with customers

- **Ease of starting a conversation** with the bank for the customer and vice versa
- Improve **efficiency** through parallelization and/or automation of conversations
- **Compliant** by using recorded conversations



# Traditional banks do have the strategic option to leverage the digitisation potential by applying the right digital strategies



\*Source: Deloitte 2020

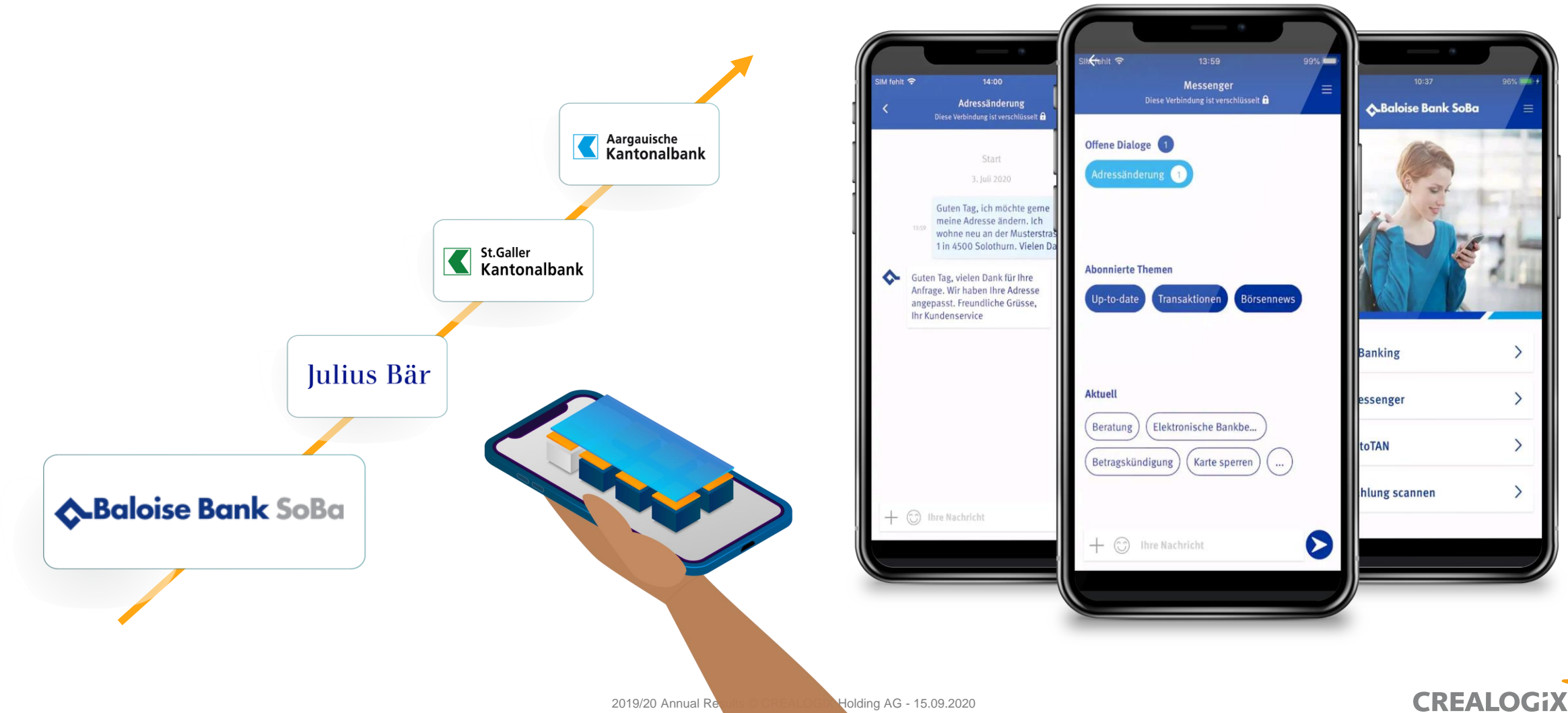


**Banks need strong digital partners in order to succeed.**

## More to come

- CSX by CREDIT SUISSE
- “Challenger” by JPMC (UK)

# Example Switzerland: CREALOGIX plays a major role with its product migration strategy to enable Digital First



# Core levers in our strategy towards increasing recurring revenues and double-digit profitability



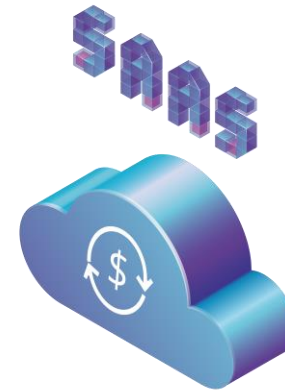
## Accelerate go-to-market

A stronger and segment-focused sales team as well as expanding our geographical reach through partners are the main changes in our approach.



## Streamlining the product platform

Based on the different pockets of strength in our targeted geographies we are establishing a consolidated and streamlined global product portfolio.



## Change revenue model

Our transition towards SaaS has started a couple of years ago and is helping us already now to steer the business through uncharted waters.



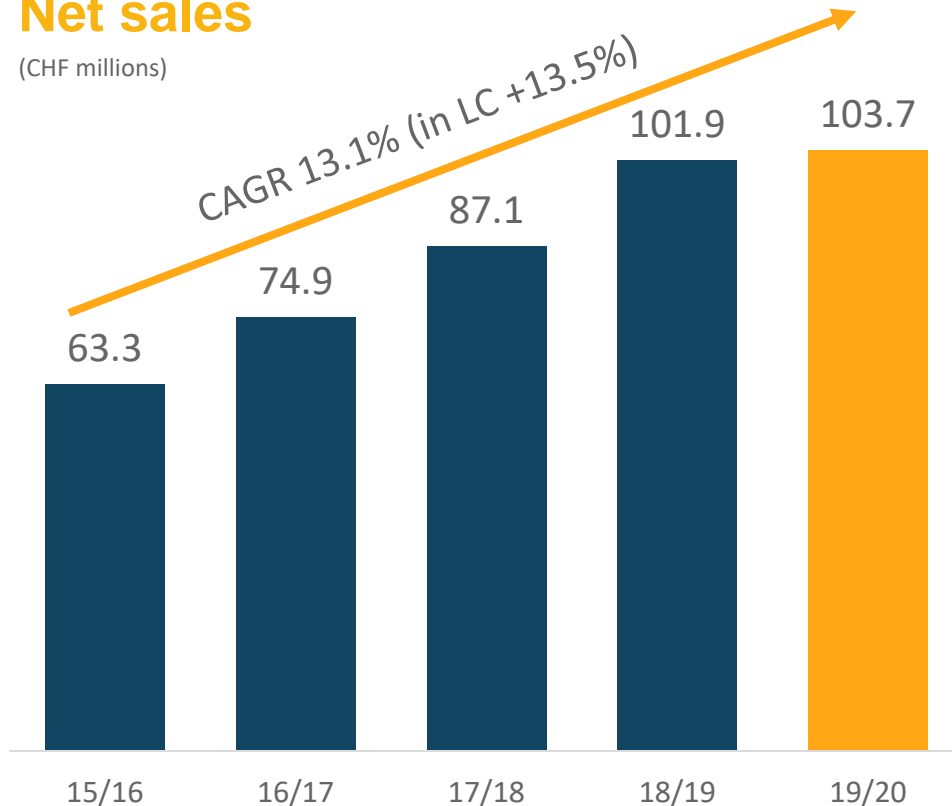
# 2019/20 Financial Results

Daniel Bader, Chief Financial Officer

# Record high net sales due to strong 2<sup>nd</sup> HY 19/20

## Net sales

(CHF millions)

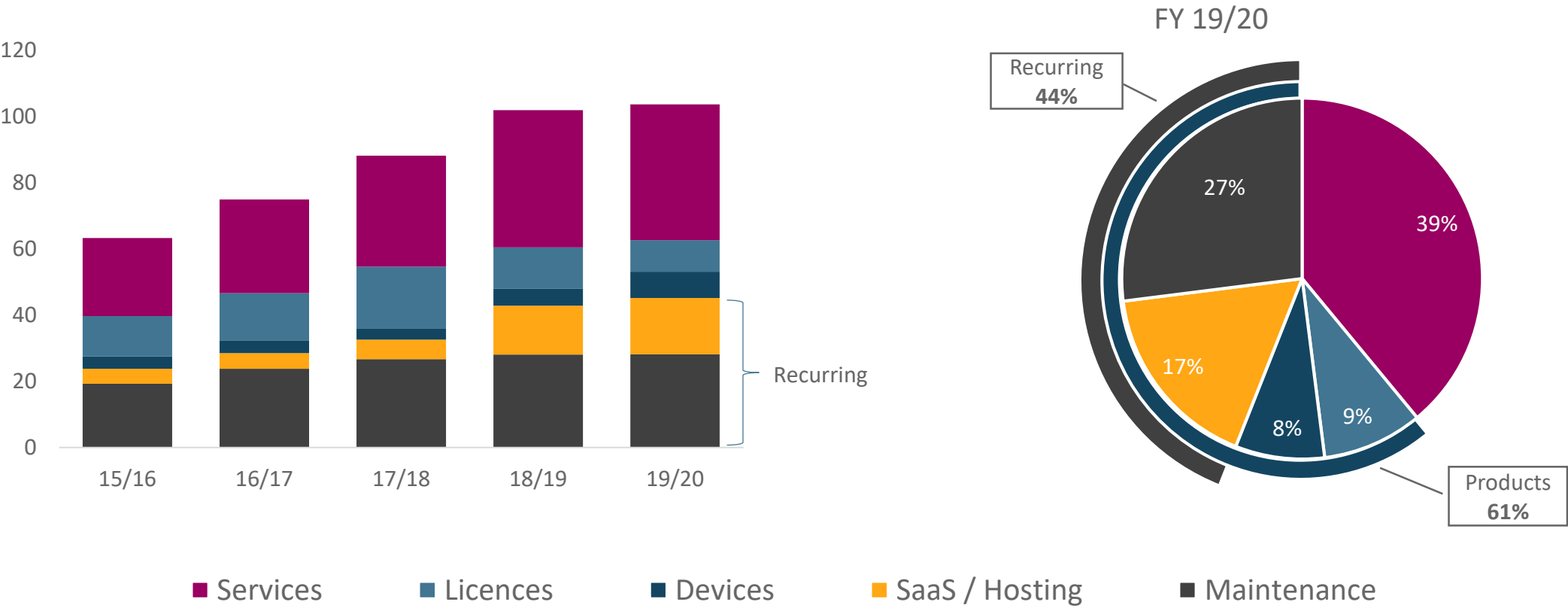


- Net sales increase by 1.7% in CHF (in LC 3.9%) - without M&A activities during FY 19/20
- Strong 2<sup>nd</sup> HY 19/20 with 13% growth to 1<sup>st</sup> HY 19/20
- Share of sales outside Switzerland slightly reduced to 62% (prior year: 64%) thanks to a strong performance in our home market

# Recurring revenue share up to 44% from 42% in the prior year

## Net sales by category

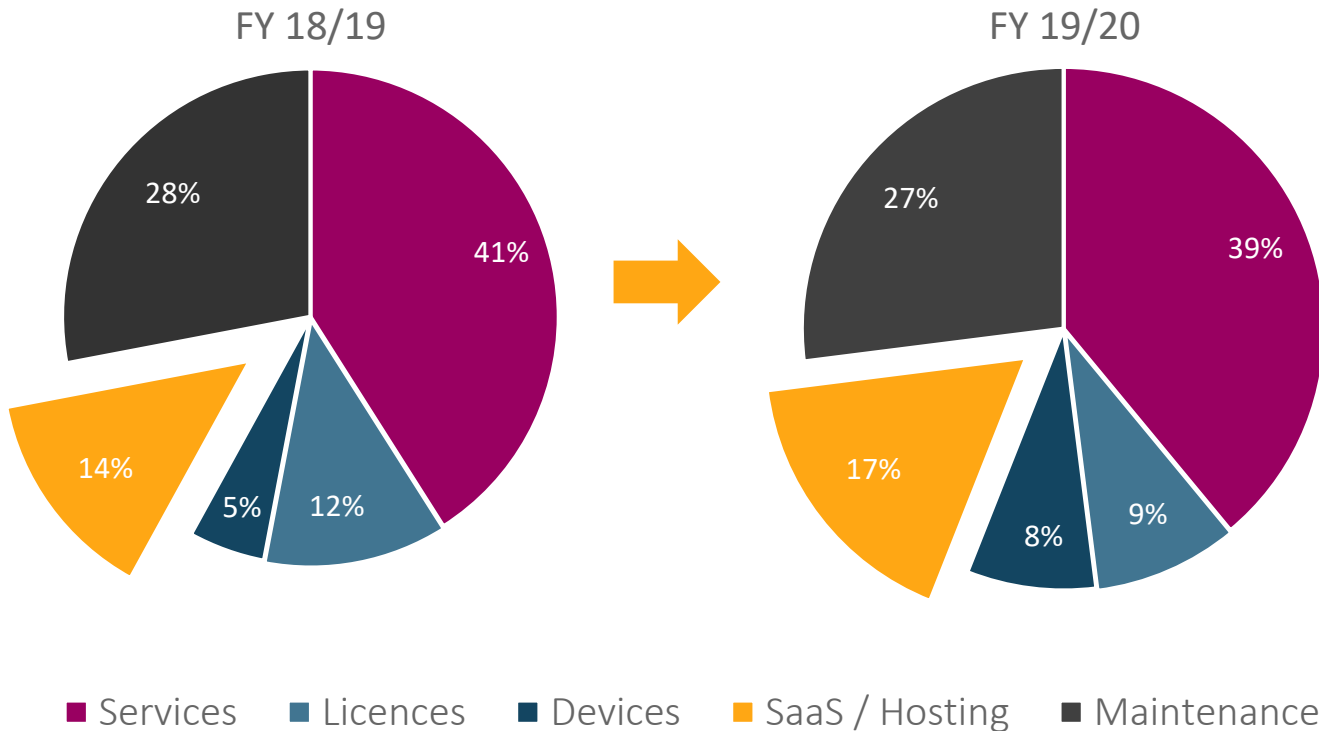
(CHF millions)



# The transformation of the revenue model is progressing

## Net sales by category

(% of net sales)

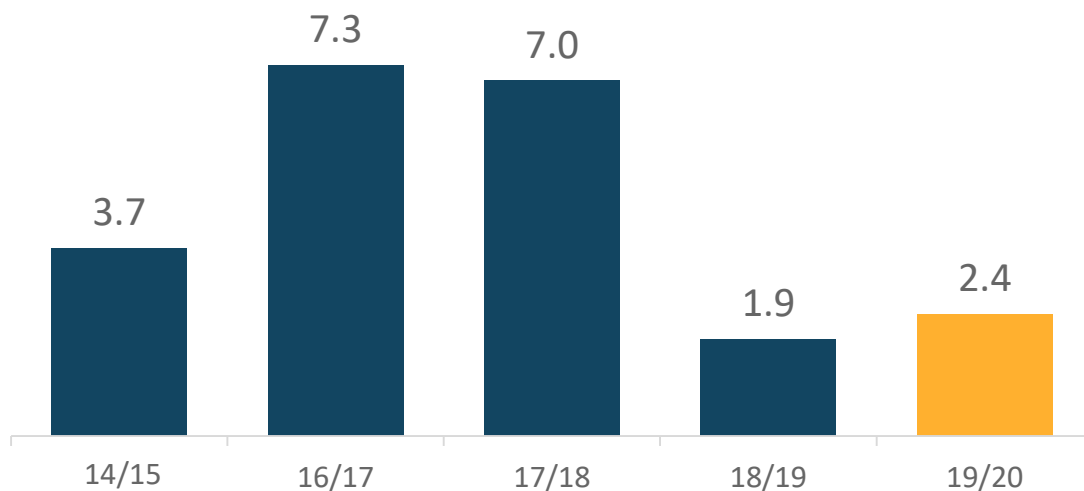


- Increase of SaaS / Hosting net sales from CHF 14.7m to CHF 17.0m
- Decrease of traditional license net sales from CHF 12.5m to CHF 9.6m

# Solid operational result despite on-going transformation to subscription / SaaS

## Adjusted EBITDA\*

(CHF millions)



- Adjusted EBITDA margin of 2.3%, which exceeds the prior year adjusted EBITDA margin by 520 bps
- Shift from traditional licenses to subscription / SaaS with negative net impact of CHF 6.9m on net sales and EBITDA

\*Non-GAAP measure excluding costs for reorganisation measures of CHF 7 million.

# One-time costs of CHF 7m in 2019/2020 to accelerate the transformation

## Consequences from our strategic priorities:

- Consolidation of non-strategic products
- Organisational alignment
- Increasing shift to nearshore resources

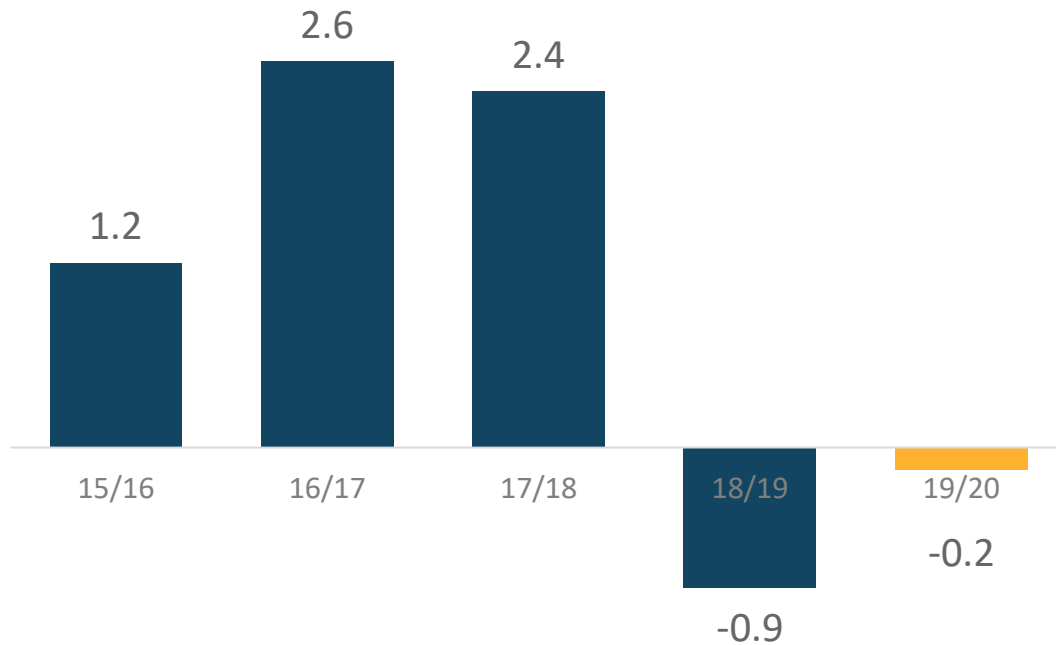
## Provisions for organisational measures including:

- 10% reduction of staff
- Site closure and optimisation of office space
- **Full impact of savings in FY 2021/22**

# Adjusted EPS improved

## Adjusted Earnings Per Share\*

(CHF)



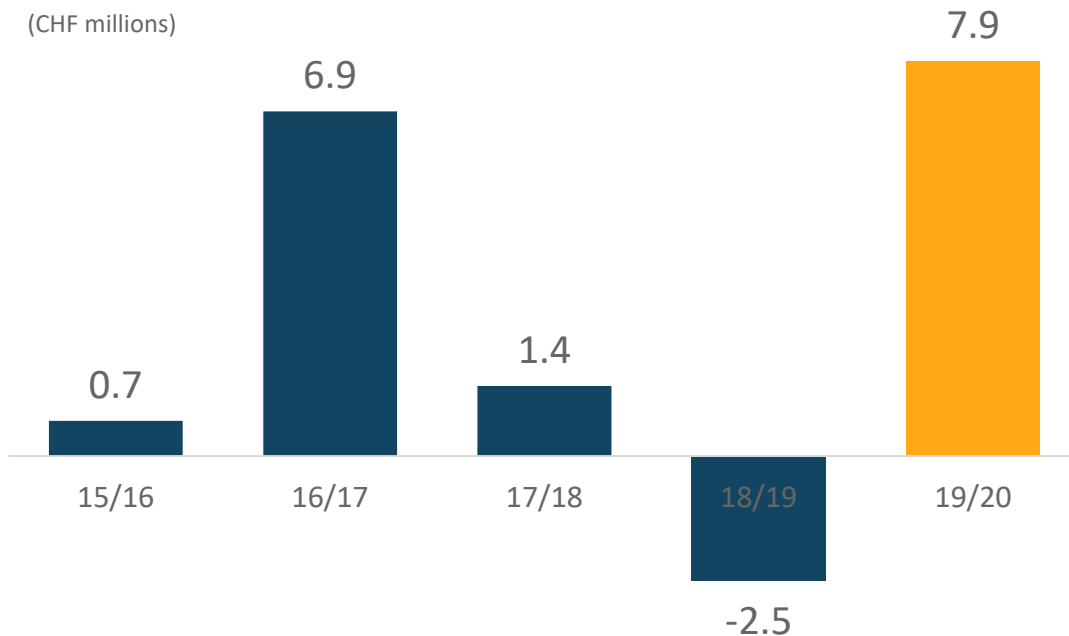
- Improved adjusted EPS due to increased operational result (Adjusted EBITDA)

\* Adjusted Earnings per Share is defined as earnings per share excluding goodwill amortization (CHF 4.9m), net of tax and one-off costs

# Strong adjusted free cash flow of CHF 7.9m

## Adjusted Free Cash Flow\*

(CHF millions)



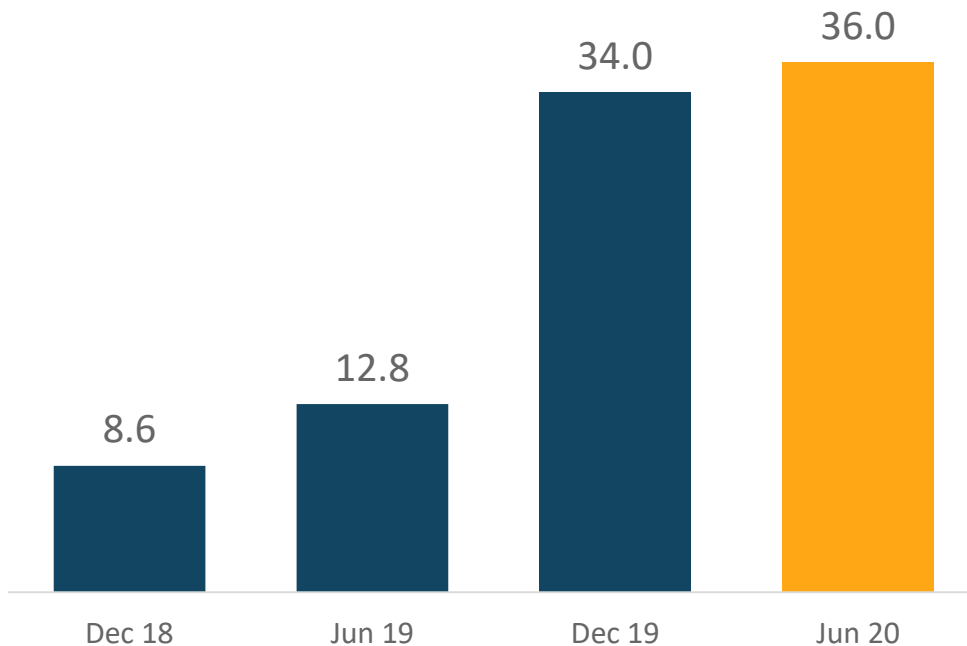
- Adjusted Free Cash Flow CHF 10.4m above prior year
- Closer monitoring of payment terms resulting in improved net working capital
- Unadjusted Free Cash Flow CHF 7.0m

\* Adjusted Free Cash Flow is defined as cash flow from operating activities including purchase and disposal of tangible and intangible assets and excluding one-off reorganisation costs already recognized in the year under review (CHF 0.9m).

# Successful refinancing leading to a healthy cash position

## Cash and cash equivalents

(CHF millions)



- Successful refinancing of new convertible bond at favorable conditions: nominal amount of CHF 25m for 5 years at 1.5% coupon
- Net cash position of CHF 5.1m (prior year: CHF -2.5m) due to strong free cash flow generation

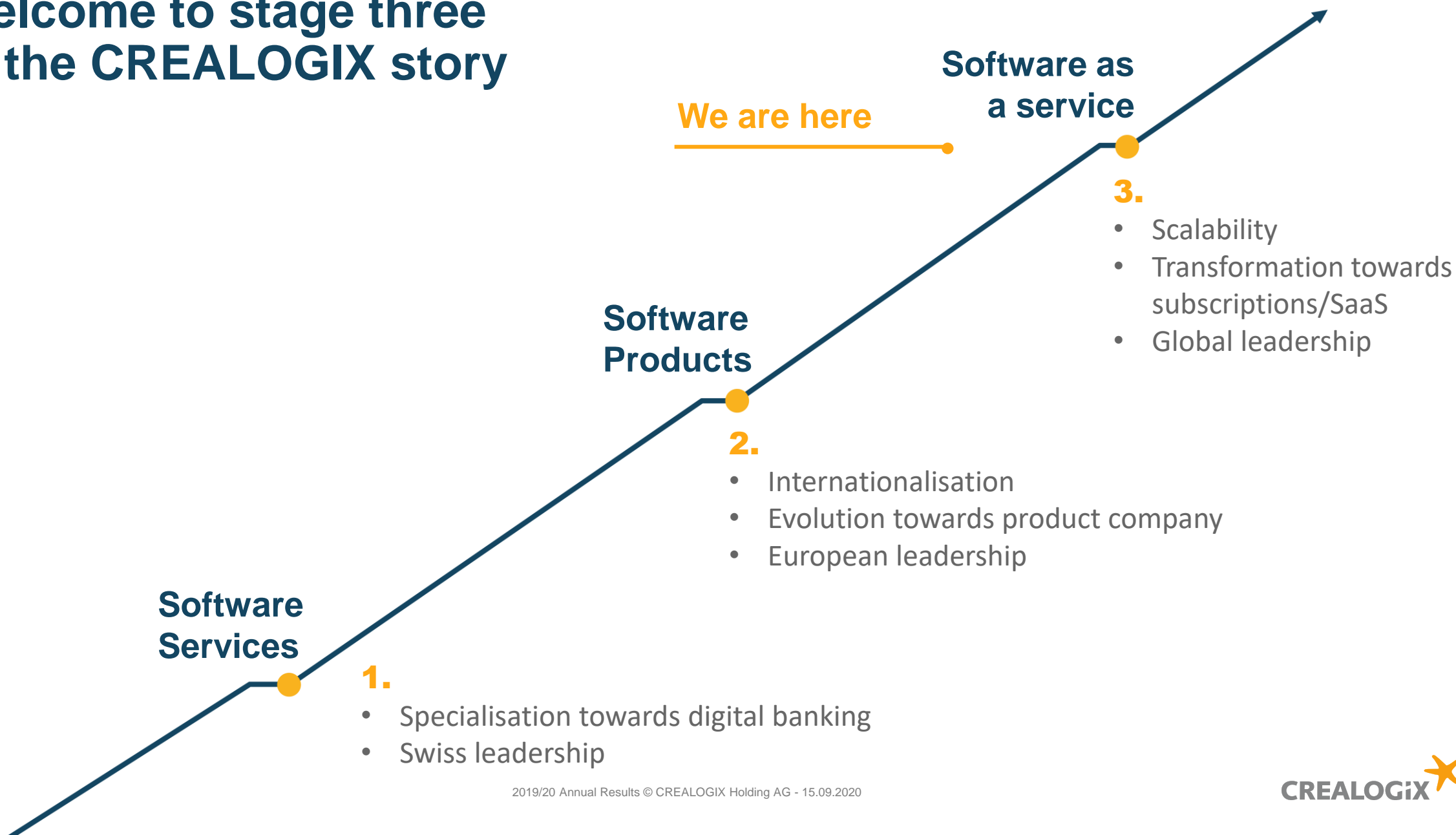


# Next steps of our journey

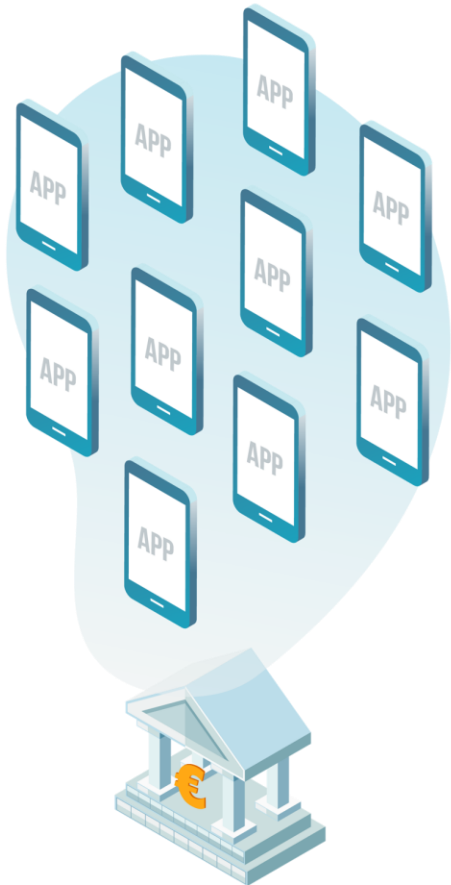
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Dr. Richard Dratva, Chief Strategy Officer

# Welcome to stage three of the CREALOGIX story



# Enabling Open Banking Innovation



**Unbundling**  
own services for others

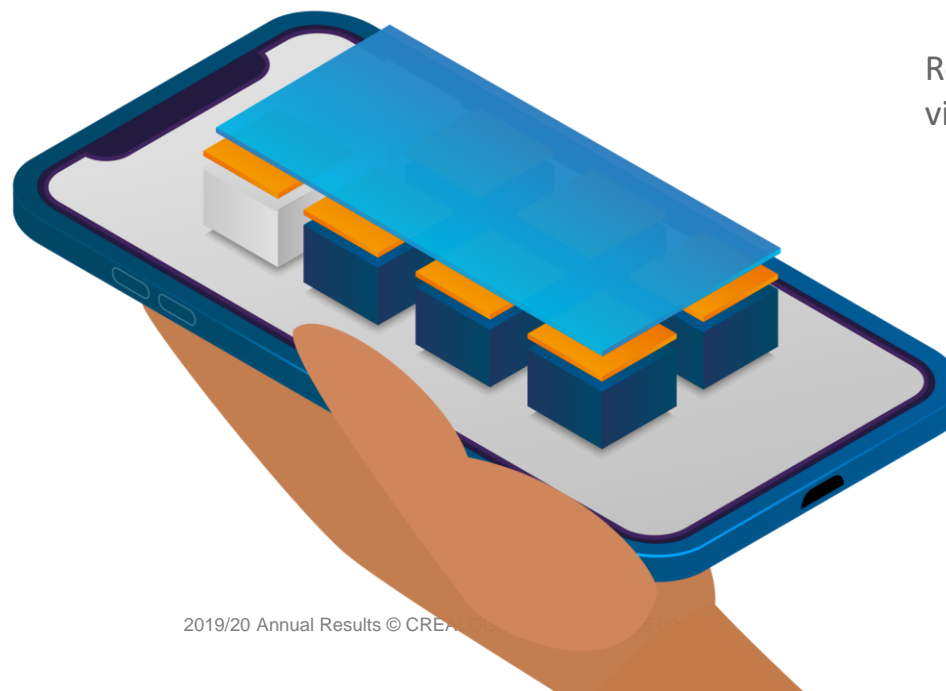
# Enabling Open Banking Innovation

## Rebundling

3<sup>rd</sup> party services into a seamless and orchestrated user experience



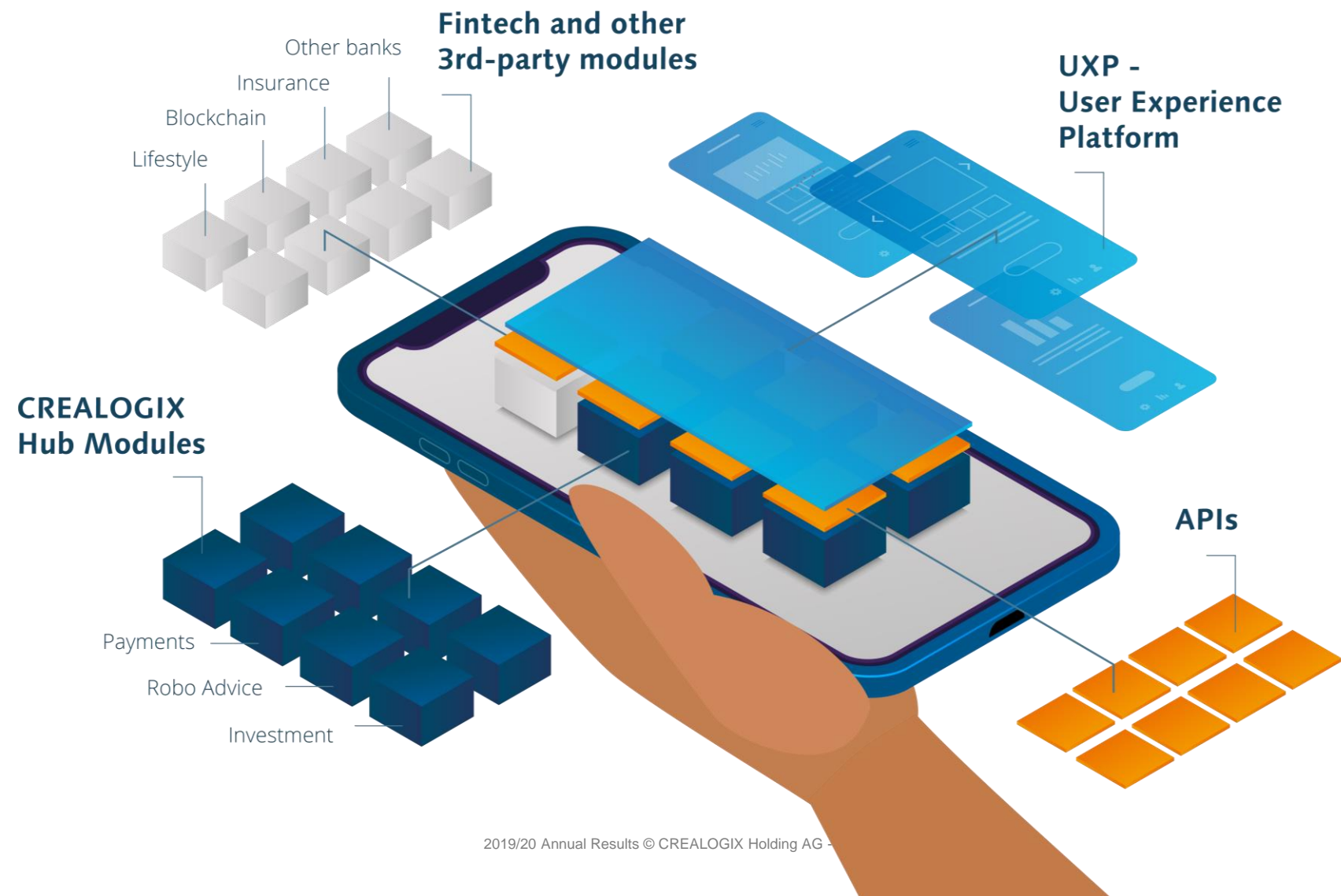
Rebundling via mutual sharing

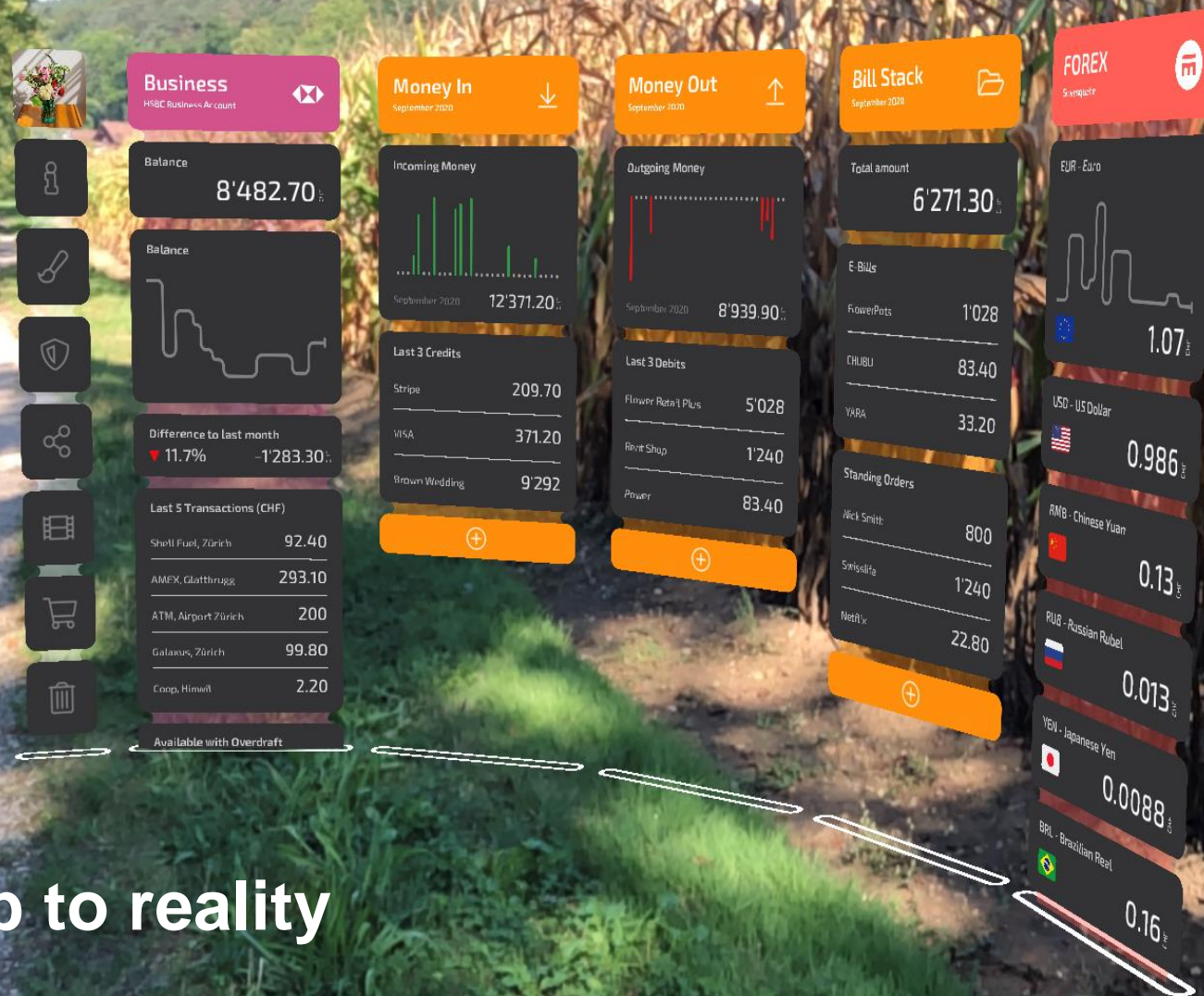


Rebundling via TPP/PSD2/...



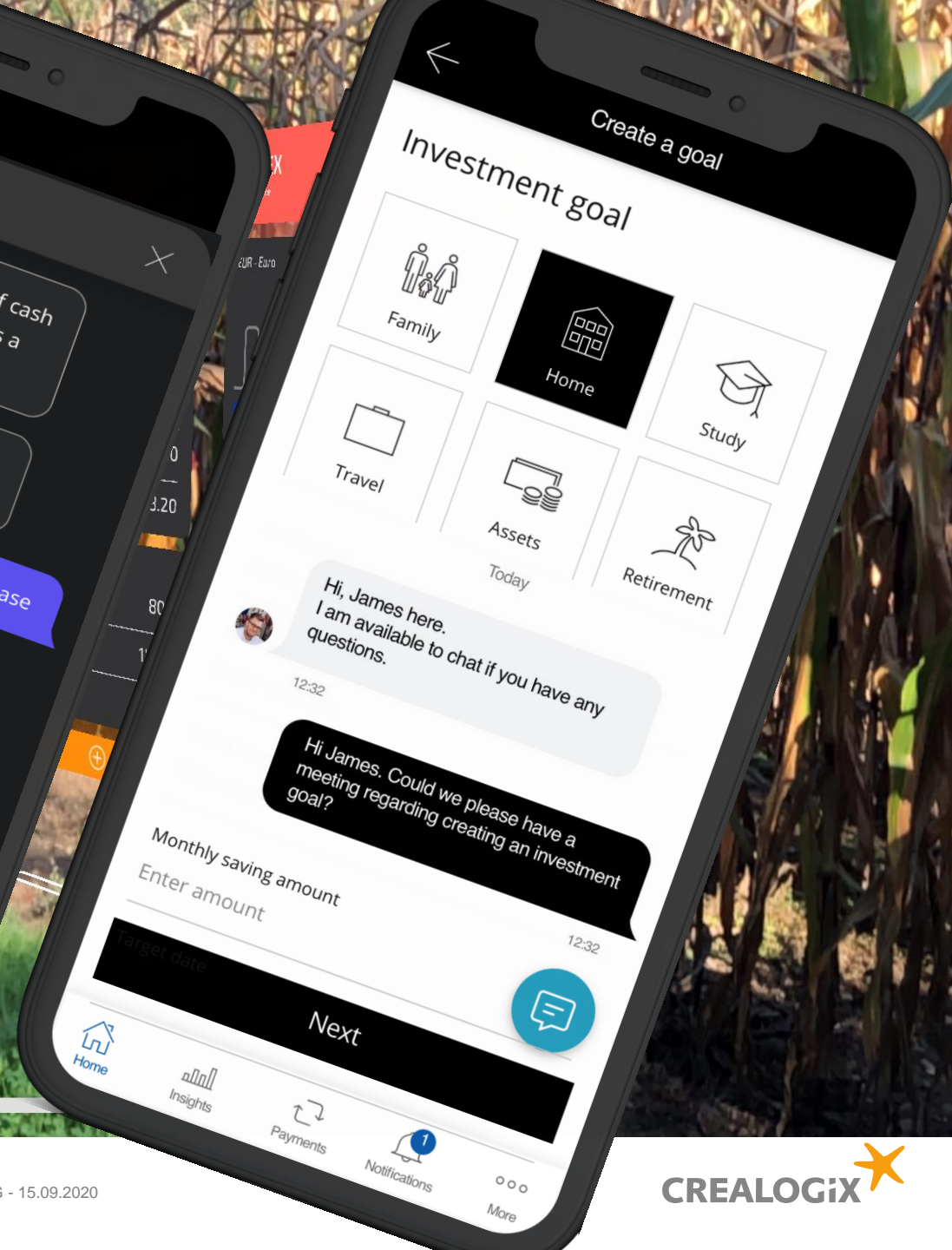
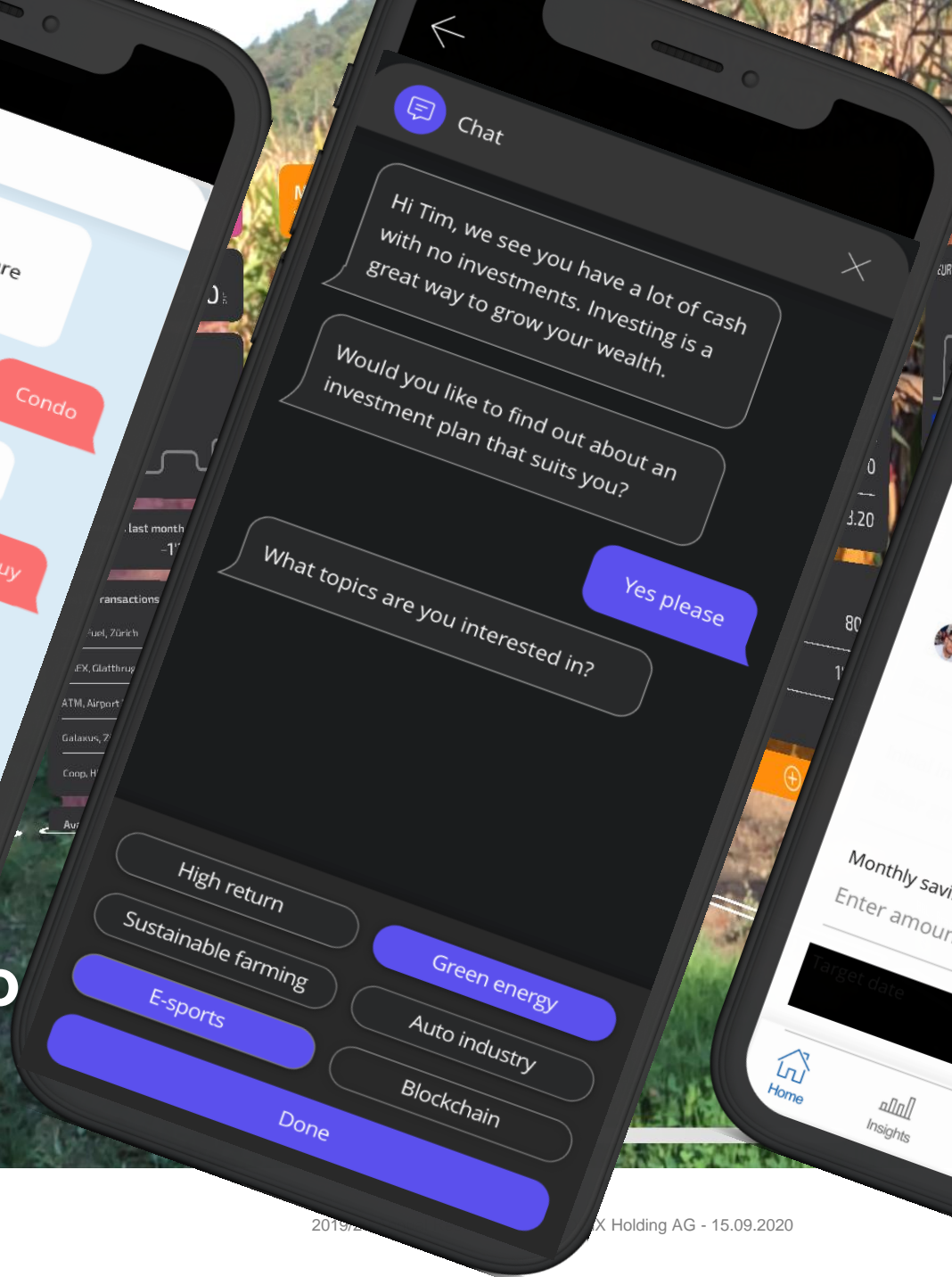
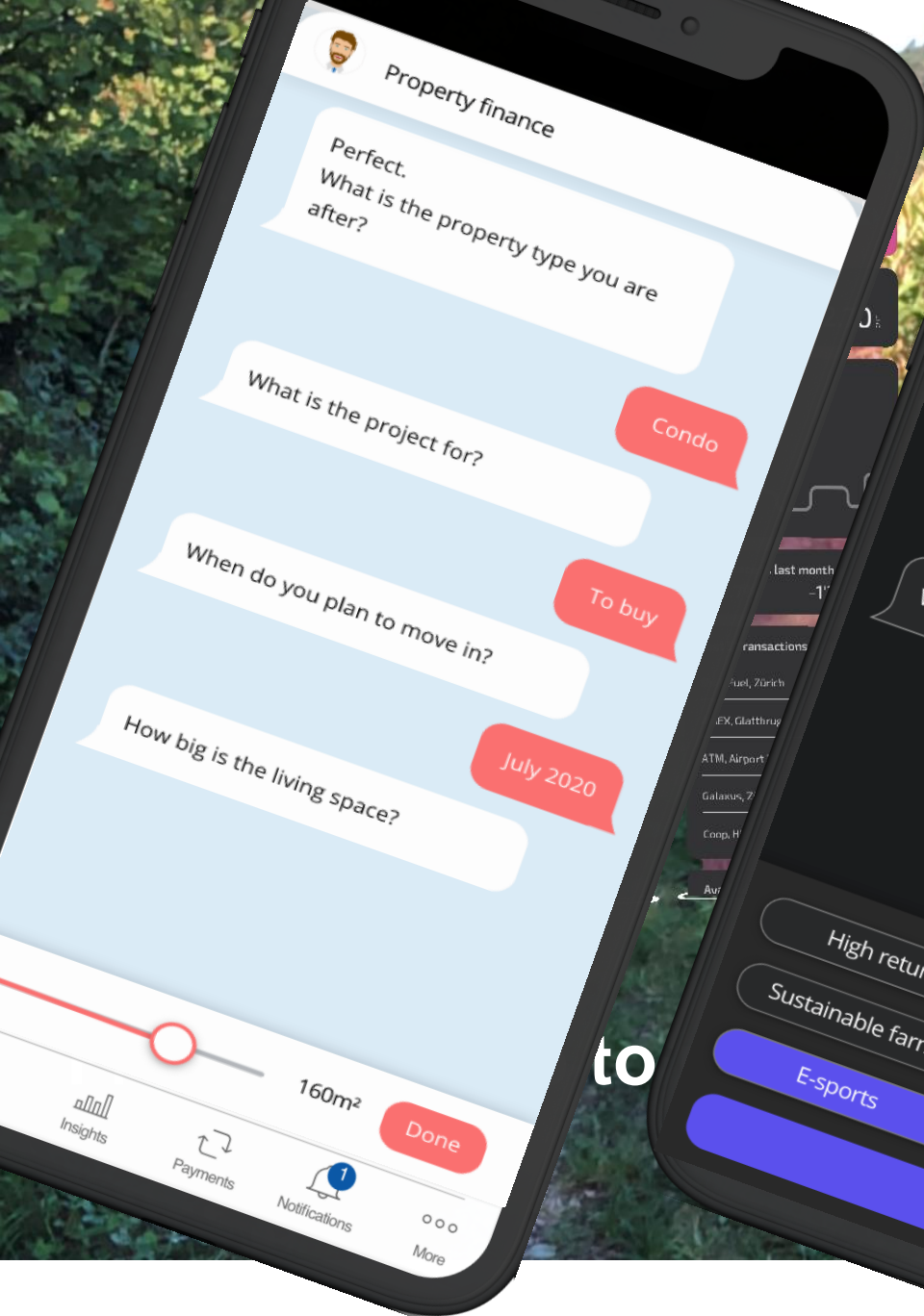
# Enabling Open Banking Innovation





- Example of upcoming orchestrated offerings:**
- High personalisation
  - Easy orchestration
  - Open platform

# From roadmap to reality





# Outlook

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Oliver Weber, Chief Executive Officer

15 September 2020

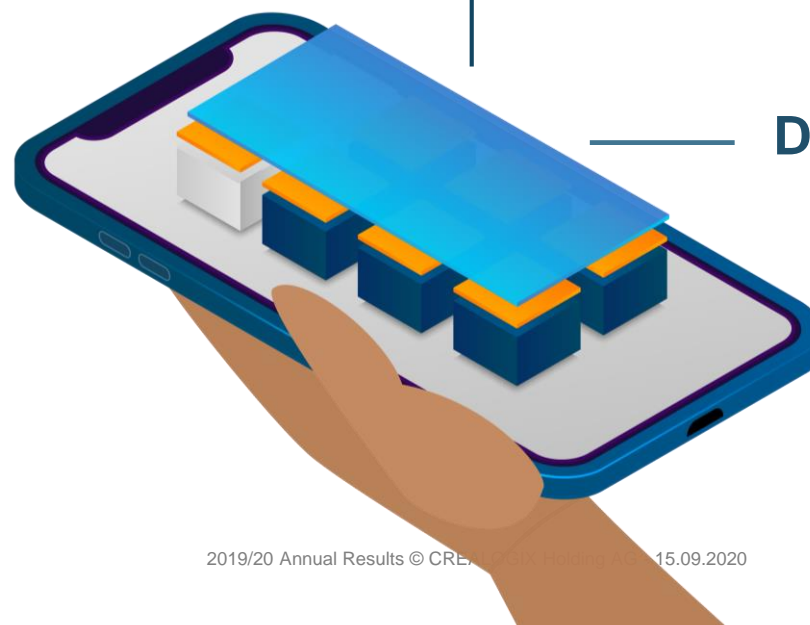
# Fitness camp for the pioneer

CREALOGIX is accelerating the execution of its strategy

- ONE global organisation with four sales regions, three sales segments and a SaaS offering
- ONE global platform offering with the Digital Banking Hub
- ONE global functional organisation for delivery, product development and partners



# Successful execution of our strategy to land major long-term SaaS engagements: Förderbanken Group



Digital Banking Portal

# New global partnership with IBM helps accelerate go-to-market



- Backed by the IBM Cloud, CREALOGIX will deliver **standardized SaaS solutions** tailored to regulated requirements
- Offering key products as **digital banking portal** of CREALOGIX together with **Global Business Services** from IBM
- CREALOGIX to join the **Financial Services Cloud** of IBM

## CREALOGIX's 2020/21 full-year target



**EBITDA margin  
above adjusted  
EBITDA 19/20**

However, the effects of  
COVID-19 may lead to a  
negative impact on the  
achievement of short-term  
targets.

## CREALOGIX's mid-term targets



**Increase recurring  
revenue to 60%**



**Double-digit  
EBITDA margins**

CREALOGIX pursues its  
transformation to  
become the leading  
**global SaaS digital  
banking software  
provider.**

**Thanks!**

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