

Investments in internationalisation are paying off

Half Year review 2024

15 August 2024

Agenda

- Key takeaways from H1/2024
- Financials H1/2024
- Strategy progress update
- Market outlook
- Fireside chat and Q&A

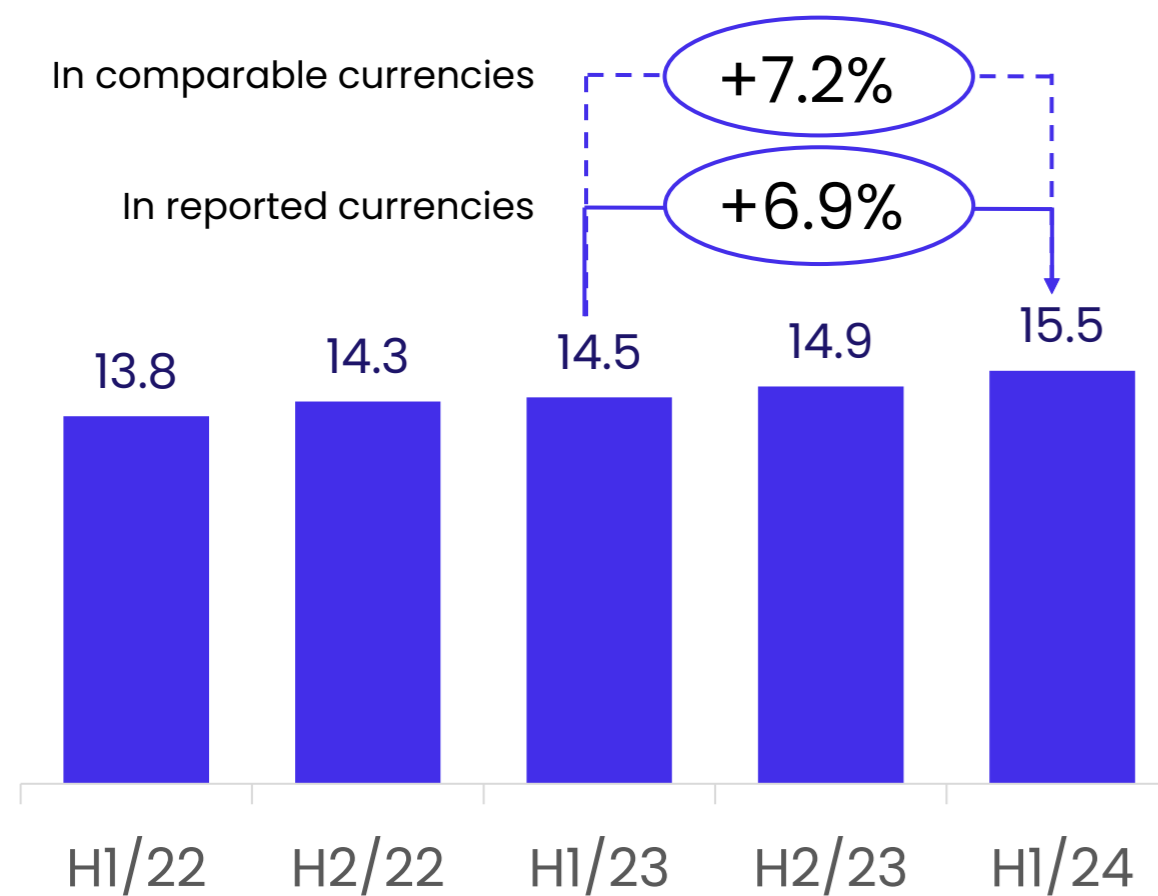
Key takeaways from H1/2024

- **Profitable growth:** revenue and profitability have developed positively during the first half of the year.
- **International growth:** double-digit revenue growth in Continental Europe SMEs in the first half of the year, and the share of international operations has risen to around 65% of the annual recurring revenue.
- **Acquisition of Telemagic,** a Norwegian contact center software provider, in May 2024.
- **Integration of Länsilinkki Oy** successfully completed.
- **Investments in AI** continued during 2024. The goal is to continue introducing new AI applications to our customers rapidly.
- **Uncertainties remain in the Nordic SME market**

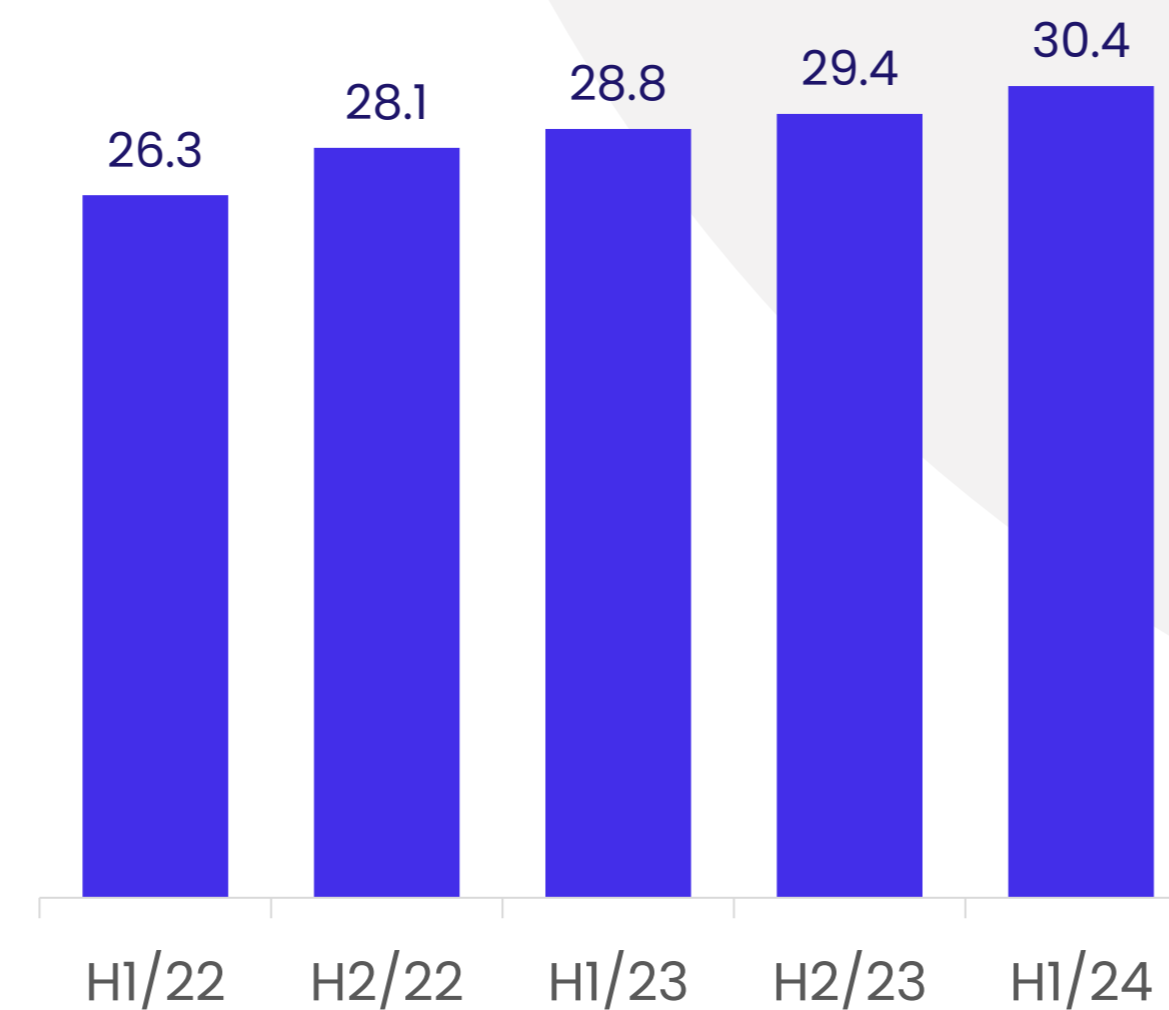
Financial highlights

Steadily increasing recurring revenue

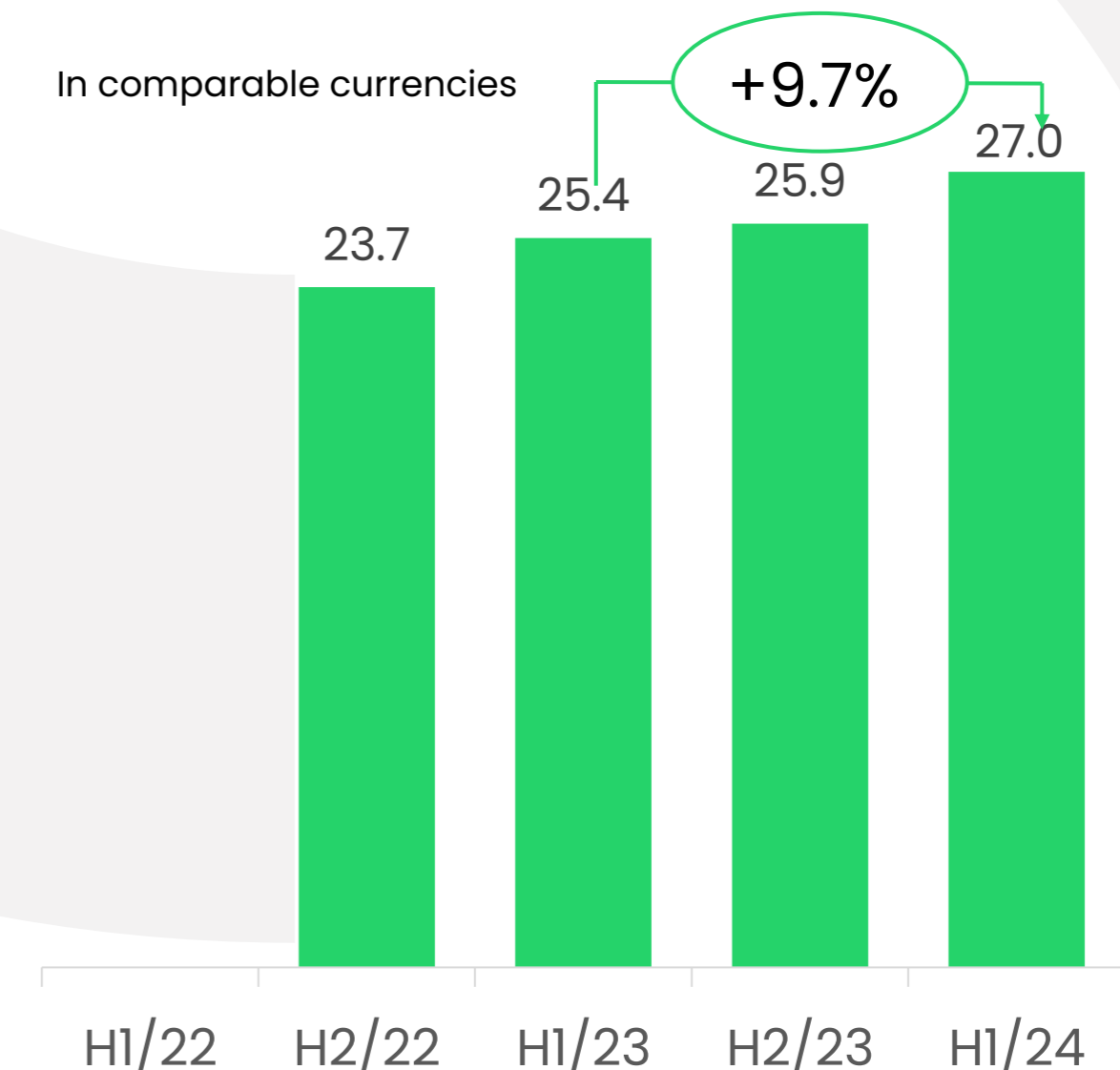
Revenue, EUR m



Revenue, LTM, EUR m



ARR, EUR m

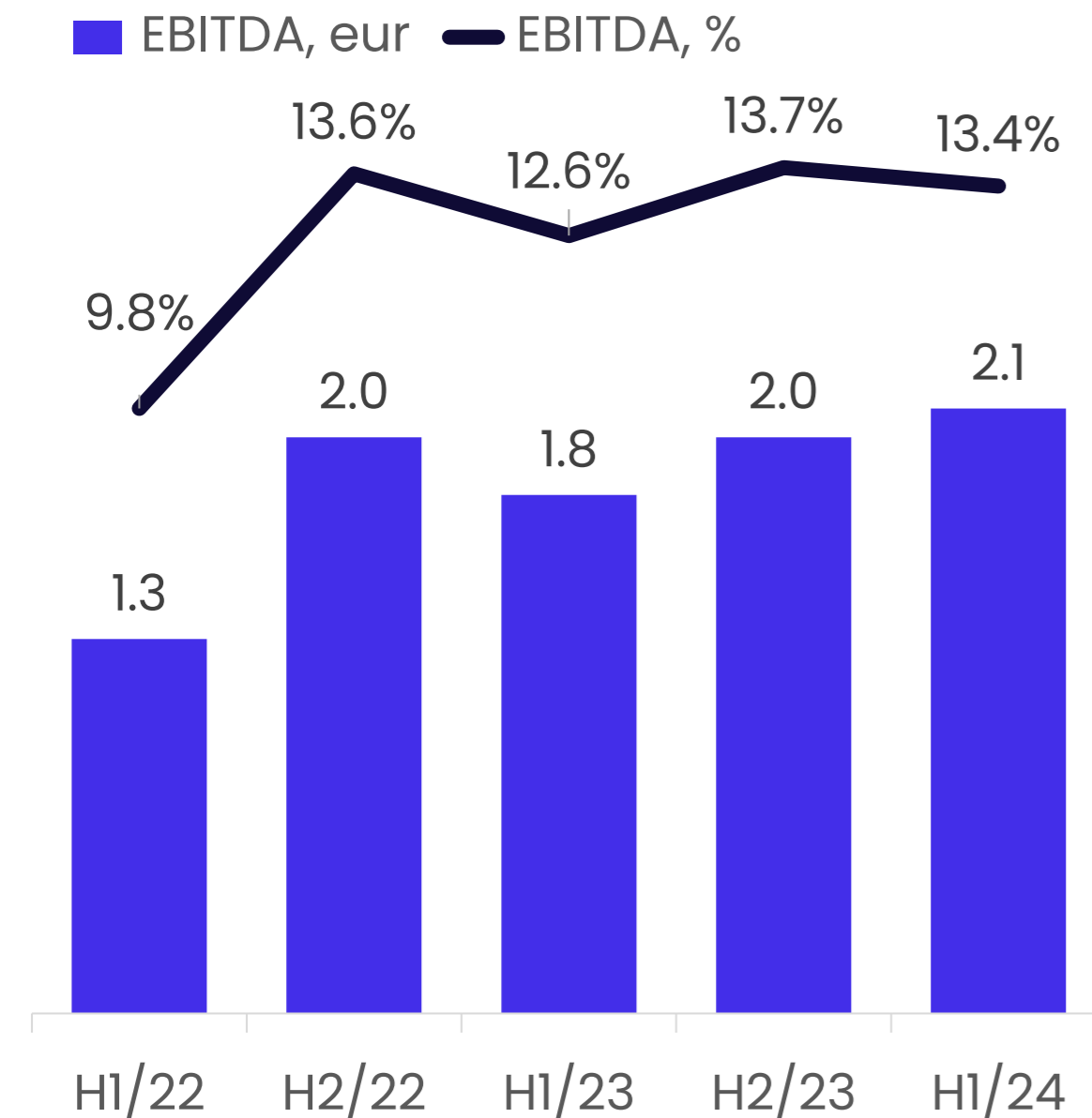


- ✓ In H1/2024, revenue was EUR 15,467 thousand. Revenue increased by 6.9% from the previous year, and by 7.2% on a comparable currency basis.
- ✓ The relative organic growth in revenue was strongest in continental Europe where we saw double digit growth
- ✓ Last twelve months revenue was EUR 30,351 thousand (30 June 2024)

- ✓ In H1/2024, annual recurring revenue (ARR) contract base was EUR 27,007 thousand. Contract base increased by 9.7% on a comparable currency basis
- ✓ The share of international operations has already risen to almost 65% of the annual recurring revenue.

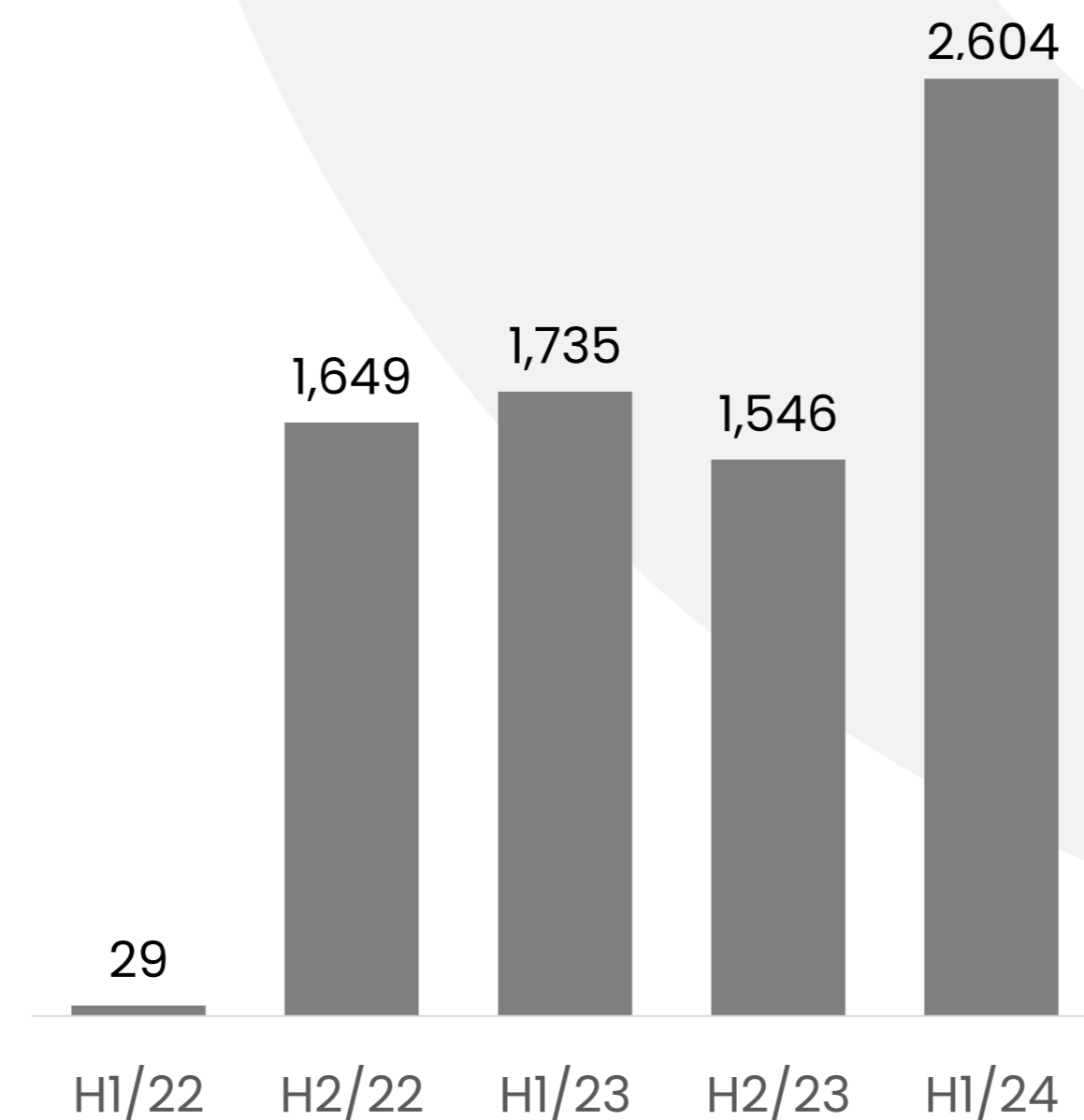
Profitable growth continued in H1/2024

EBITDA, EUR m / % of revenue



- ✓ In H1/2024, group EBITDA EUR 2,077 (1,808) thousand, 13.4% (12.6%) of revenue.
- ✓ EBITDA improved due to revenue growth, profitability-enhancing measures, more precise targeting of additional recruitments and general cost control
- ✓ The integration of Länsilinkki has been successful and the planned measures to improve profitability are paying off

Cash flow from operations, EUR m



- ✓ In H1/2024, operating cash flow after interest and direct taxes was EUR 2,604 (1,735) thousand.
- ✓ The enhanced profitability positively influenced the operative cash flow during the review period. However, a more significant effect resulted from changes in short-term receivables and liabilities, primarily due to a temporary change in the invoicing cycle of one of the major customers.



Guidance for 2024 - unchanged

- 5–15% annual revenue growth on a comparable currency basis
- 10–15% profitability as measured by EBITDA margin.

The outlook does not consider the impact of significant acquisitions on revenue or profitability.

Strategic progress in 2024

Strategic goals



Focus on organic growth



Maintain and improve profitability



Tighter integration of AI in our offering



Non-organic growth

Focus areas for growth

Nordic core

- › Maintain and strengthen position in the Nordic Home Market
- › Focus on both Enterprise and SME customers

PROGRESS IN H1/2024

- › Large projects on track
- › Telemagic acquisition

Continental Europe

- › Leverage our strong product to drive growth
- › Focus on core SME segments for faster growth

PROGRESS IN H1/2024

- › Growth investments paying off
- › Double-digit growth in Continental Europe SMEs in H1/2024

Efficiency

- › Continue to focus on **driving performance** and **operational efficiency** to enable targeted growth investments

PROGRESS IN H1/2024

- › Good profitability progress in H1/2024

Investments in AI continued during H1/2024

AI at LeadDesk

- ✓ Artificial intelligence-based solutions support LeadDesk's growth strategy
- ✓ AI solutions both improve efficiency and quality in customer service and sales
- ✓ AI functionalities will be integrated across our products

LeadAI

- ✓ **AI Bot** and **AI Writer** enable automatic and semi-automatic conversation in customer service
- ✓ **AI Dialer** speeds up the contacting
- ✓ **AI Analyst** makes contact center management more efficient
- ✓ Implementation of **AI Transcriber** tool by investing in equipment capacity

Milestones

H1
23

LeadDesk decides to **invest heavily** into new AI

Q3
23

First **solutions validated** with customers

Q4
23

Decision to **increase AI investments** further

FEB
24

20% of all call data transcribed into text format

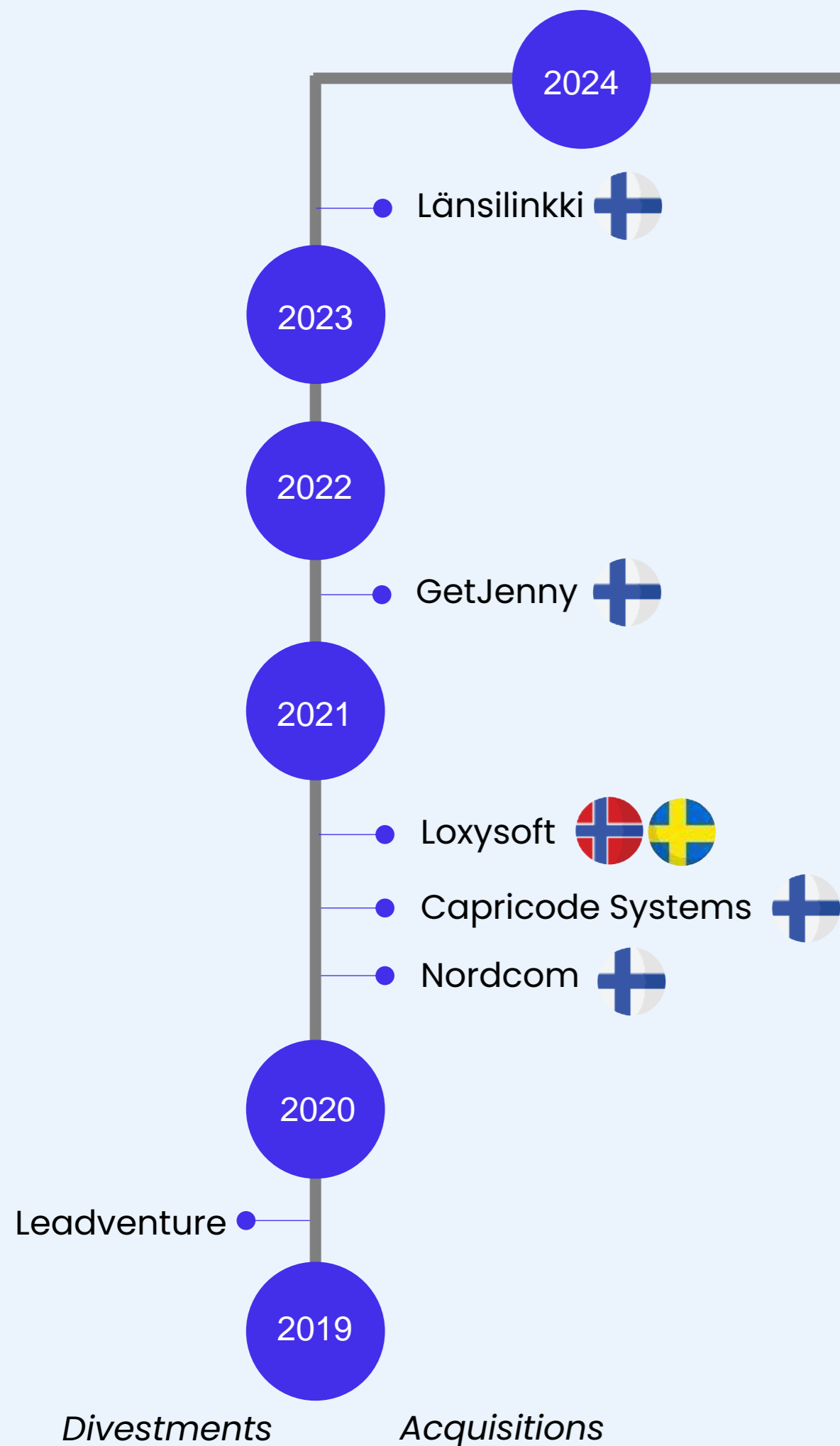
APR
24

50% of all call data transcribed into text format

DEC
31

Target: **100% capability to transcribe call data** into text format

Targeting acquisitions at fair valuation



Timeline

- ✓ **Telemagic** acquisition announced (5/2024)
- ✓ **Teams and process** ongoing
- ✓ **Leveraging knowhow & offering** ongoing
- ✓ **Cost savings realized** ongoing

Telemagic: Benefits for LeadDesk

- ✓ **Norway becoming one of the three key Nordic markets**
 - ✓ LeadDesk has been a leading provider of contact center software in Finland and Sweden, and with Telemagic acquisition, we further strengthened our position in Norway, so that Norway became one of our key Nordic markets.
- ✓ **Clear synergies**
 - ✓ There are clear synergies to be utilized, as LeadDesk is able to introduce AI to Telemagic's customers as well and together, the companies can offer better and more extensive service leading to better competitiveness.

Market outlook for 2024

Short-term market outlook

Tailwinds

- ↑ Enterprise "investment debt"
- ↑ Need for operational efficiency
- ↑ AI adoption in Contact Centers

Headwinds

- ↓ Economic uncertainty slowing down investments
- ↓ Customers seek to curb costs
- ↓ Impacts of increasing regulation on customer communication

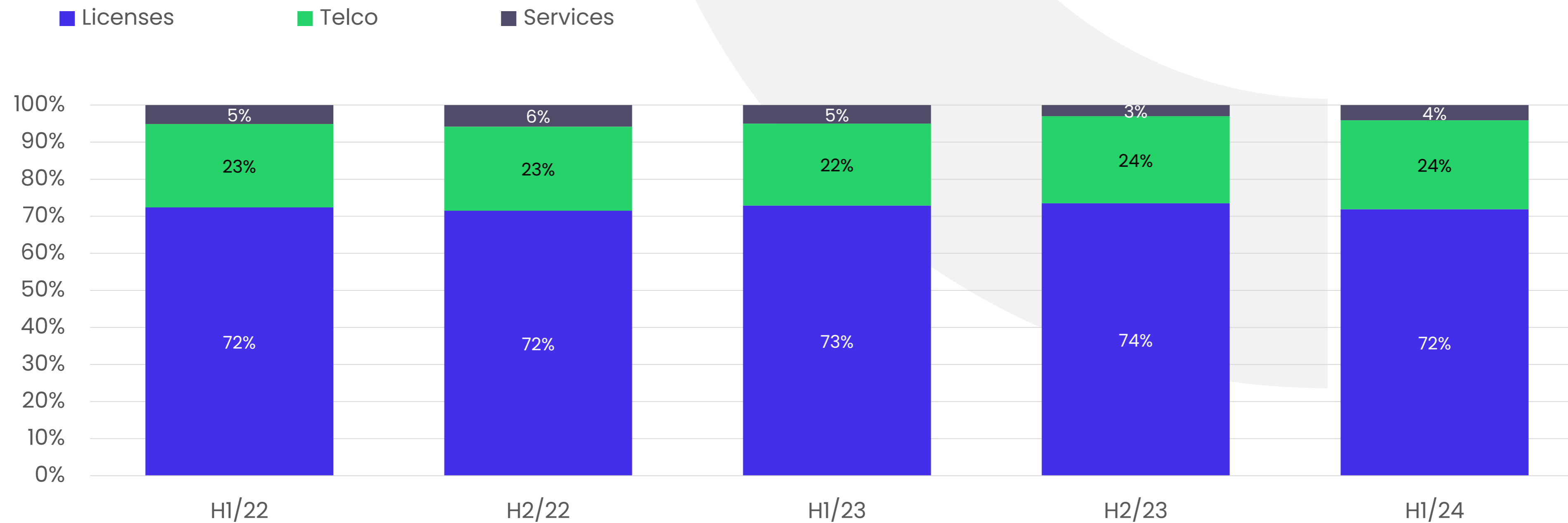
Summary

1. Good progress in H1 and Q2 2024
2. Strong double-digit growth in Continental Europe
3. LeadDesk has significant potential and capability in inorganic growth and AI

Thank you!

Appendix: Growth driven by scalable license business

Revenue, by product, % of total



Länsilinkki included in telco revenue from H2/23 onwards