

BIMobject: Interim Report April - June 2020

Financial summary

- Net sales of MSEK 34.8 (34.4), +1%.
- Platform net sales of MSEK 26.2 (23.4), +12%.
- EBITDA of MSEK -14.6 (-33.3), corresponding to an EBITDA margin of -42% (-97%).
- Basic earnings per share amounted to SEK -0.16 (-0.29).
- Group cash flow* from operating activities of MSEK -4.2 (-28.4).
- The accumulated number of users in thousands increased by 32 percent to approximately 2,021 (1,542).
- The accumulated number of downloads amounted to 60.4 million (40.1).
- The number of brands amounted to 1,874 (1,553).

Significant events during the period

- Cost reduction program of MSEK 50 on an annualised basis initiated.
- Stefan Larsson stepped down from his operational responsibilities in the company.
- The Annual General Meeting June 4 appointed Sara Börsvik and Peter Bang as new board members, and Johan Svanström was appointed chairman of the board. The previous chairman, Anders Wilhelm, and board member Patrick Söderlund declined re-election.

Significant events after the end of the period

- No significant events to report.

** Current investments have after a change in assessment been separated from cash and cash equivalents in the cash flow statement. All key ratios have been restated.*

CEO's comments

The next normal

In June 2020, global management consultancy McKinsey & Company published a report titled “*The Next Normal in Construction - How disruption is reshaping the world's largest ecosystem*”. The report argues that COVID-19 is a massive accelerator of the already ongoing digitalisation of the world's largest industry, construction, with BIM as a core enabler.

It is in this light that I look back at the second quarter. Clearly, COVID-19 is a humanitarian, social and economic crisis that has shaken the world. In this context, BIMobject has tried our best to keep employees and customers safe. We have also done what we can to aid in the crisis, launching our own initiative to promote manufacturers of emergency hospital equipment for free.

But looking at COVID-19 from our privileged position as a digitalisation enabler, I believe the impact on BIMobject has been a strong net positive. It has radically accelerated the shift from analog to digital marketing & sales in the building product industry. As tradeshow close and customers shun face-to-face meetings, digital marketing channels such as BIMobject will capture more and more of the billions of dollars that are spent on building product marketing annually. Digital sales and marketing is quickly becoming the next normal even in the very traditional construction industry.

Navigating the crisis

“Never let a serious crisis go to waste” has been our guiding principle throughout the quarter. As customers entered office lockdowns and spending freezes, we quickly realised that when a new customer would sign was not under our control.

Instead, we chose to spend our energy where we could make a difference. First of all, we focused on churn and accounts receivable with the ambition to minimise customer losses and bad debt. Second, we decided to accelerate the reorganisation of our regional subsidiaries, through the MSEK 50 cost restructuring program announced in April.

I am proud that we accomplished what we set out to do. Our Platform revenues grew 12%. While the inflow of new customers slowed, churn remained stable and low. Our cost base continued to shrink, down 29% year-over-year, and I'm confident we will be able to capture the majority of our announced cost reductions already in 2020. Operating cash flow also improved dramatically as we continued to collect on our accounts receivable. We are quickly approaching a position where we can choose if and how soon to become profitable.

A new go-to-market model

I would like to emphasize that our regional reorganisation is not just about cost savings. We have let go of expensive and under-utilised sales executives, but we have also reshaped the sales organisation into three functions - Prospecting, Sales and Customer Success - each with its own clear purpose, set of responsibilities and success metrics. This allows us to attract, close and serve customers better through specialisation, and to hire selectively with a clear picture of the return on investment.

In the quarter, we also launched our new, simpler and more value-based pricing model. It enables us to sign up smaller customers directly online and to paint a clear upgrade path for existing customers. As most of our customers are on annual contracts, the list price increases will gradually impact revenues as contracts renew over the next 12 months.

Focused on growth

With our transformation to a true platform company nearly complete, and our financial position under control, we will whole-heartedly focus the second half of 2020 on user growth and revenue growth - organic as well as acquired.

Carl Silbersky
CEO

Presentation

Analysts, investors and the media are invited to participate in the presentation at 14.00 CEST on 30 July 2020

Webcast: <https://tv.streamfabriken.com/bimobject-q2-report-2020>

Teleconference: Dial-in number SE: +46851999383 UK: +443333009266 US: +18335268395

The complete report is also available on the company's website (investors.bimobject.com).

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About BIMobject

BIMobject, founded in 2011, is a leading global IT company at the forefront of digitalization of the construction industry. Through www.bimobject.com and www.polantis.com, the company offers a cloud-based platform that provides 2.0 million registered users from the construction industry, such as architects and engineers, with digital product information (BIM objects) from over 1,800 building product manufacturers. In 2019, the company had annual net sales of SEK 134 million.

BIMobject's shares are traded on Nasdaq First North under the ticker: BIM. Certified Advisor: FNCA Sweden AB, info@fnca.se, +46-8-528 00 399.