

Relesys reports 36% year-on-year growth in Annual Recurring Revenue. Relesys keeps guidance unchanged.

Relesys A/S | Interim financial report H1 2023
Company Announcement No. 9-2023
Copenhagen, August 29, 2023

First half-year period: January 1, 2023 – June 30, 2023

Relesys achieved an Annual Recurring Revenue (ARR) of DKKm 51.8 and executed the first half of the financial year in accordance with the plan. Current financial guidance remains unchanged.

Summary:

- ARR increased from DKKm 38.2 in Q2 2022 to DKKm 51.8 in Q2 2023, corresponding to 36% year-on-year growth.
- NRR last twelve months was 109%.
- ARR net uplift last twelve months was 13%.
- ARR churn last twelve months was 5%.
- Revenue grew from DKKm 20.7 in H1 2022 to DKKm 26.7 in H1 2023, corresponding to 29% year-on-year growth.
- The cash balance at the end of H1 was DKKm 24.7. Free Cash Flow Multiple last 12 months was -1.2. The cash balance of DKKm 24.7 is considered sufficient to take Relesys to a positive cash flow.

As described in the Q1 2023 presentation, Relesys is focusing more on enterprise clients. During the period, Relesys has repeatedly been confirmed in its strong product-market fit. The Relesys platform, in its current form, provides value for all non-desk workers, particularly those in the retail industry as evidenced by the ongoing rollout with NorgesGruppen.

The focus on the Enterprise clients has led to a change in the competency requirements of Relesys employees, particularly in sales and marketing. As a result, changes were made in both leadership and non-leadership positions. Emil Dyrvig has taken on the role as Chief Revenue Officer (CRO). Emil joins Relesys from his previous position as CRO at Templafy, where he played a key role in establishing Templafy in North America. Emil brings with him a robust international background, enhanced with experience in selling SaaS solutions to Enterprise companies. At Relesys, Emil will assemble a team comprising individuals with expertise specifically tailored to Enterprise and Mid-Market clients.

		Q2			Q1		January - June		
		2023	2022	%y/y	2023	%q/q	2023	2022	%ytd/lytd
SAAS KEY METRICS:									
ARR	DKKkm	51.8	38.2	36%	49.4	5%	51.8	38.2	36%
Net ARR retention (year-on-year)	%	109%	116%	(7pp)	117%	(8pp)	109%	116%	(7pp)
Average ARR per client	DKK'000	266	223	19%	263	1%	266	223	19%
ARR retention (year-on-year)	%	95%	96%	(1pp)	96%	(1pp)	95%	96%	(1pp)
ARR expected lifetime	Years	21	25	(14%)	23	(7%)	21	25	(14%)
Number of clients		195	171	14%	188	4%	195	171	14%
Client retention (year-on-year)	%	92%	93%	(1pp)	92%	0pp	92%	93%	(1pp)
Client expected lifetime	Years	12	15	(16%)	13	(3%)	12	15	(16%)
SaaS share of revenue	%	92%	85%	7pp	90%	2pp	91%	85%	6pp
RESULTS									
Revenue	DKKkm	13.9	10.7	30%	12.8	9%	26.7	20.7	29%
SaaS revenue	DKKkm	12.8	9.1	41%	11.5	12%	24.3	17.7	37%
Consultancy revenue	DKKkm	1.1	1.6	(31%)	1.3	(14%)	2.4	3.0	(21%)
Gross profit	DKKkm	12.7	9.9	28%	11.6	9%	24.3	19.0	28%
Gross profit margin	%	91%	93%	(2pp)	91%	0pp	91%	92%	(1pp)
EBITDA	DKKkm	(3.4)	(6.5)	(48%)	(5.7)	(40%)	(9.0)	(11.3)	(20%)
EBITDA margin	%	(24%)	(61%)	37pp	(44%)	20pp	(34%)	(55%)	21pp
CASH FLOW									
Operating activities	DKKkm	(2.6)	(2.3)	11%	(1.9)	33%	(4.5)	(10.8)	(59%)
Investing activities	DKKkm	(0.5)	(0.7)	(29%)	(0.7)	(33%)	(1.2)	(1.3)	(5%)
Free cash flow	DKKkm	(3.1)	(3.0)	2%	(2.7)	15%	(5.7)	(12.1)	(53%)
Financing activities	DKKkm	(0.4)	(0.5)	(22%)	(0.5)	(16%)	(0.9)	(3.1)	(72%)
Cash flow for the period	DKKkm	(3.4)	(10.6)	(67%)	(3.1)	10%	(6.6)	(15.2)	(57%)
Cash balance	DKKkm	24.7	44.0	(44%)	28.2	(12%)	24.7	44.0	(44%)
FCF multiple (LTM) ¹		(1.2)	(1.5)	(21%)	(1.5)	(17%)	(1.2)	(1.5)	(21%)
FINANCIAL POSITION									
Balance sheet total	DKKkm	46.5	65.5	(29%)	48.6	(4%)	46.5	65.5	(29%)
Intangible assets	DKKkm	6.5	5.3	24%	6.2	6%	6.5	5.3	24%
Right-of-use-assets	DKKkm	5.1	7.7	(34%)	5.8	(12%)	5.1	7.7	(34%)
Total equity	DKKkm	19.9	44.7	(55%)	24.5	(19%)	19.9	44.7	(55%)

Financial Guidance 2023:

For 2023, Relesys expects continued growth in both ARR and Revenue. Guidance remains unchanged with ARR of DKKm 59-64 and Revenue of DKKm 54-60 by the end of 2023. This is unchanged from what was presented in the Q1 2023 announcement.

GUIDANCE 2023 (DKKkm)	2023 Guidance	H1 2023 Actual	2022 Actual	Expected Growth
Annual Recurring Revenue	59-64	51.8	45.2	31% - 42%
Revenue	54-60	26.7	44.1	22% - 38%



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ABOUT RELESYS

Relesys is a Software as a Service (SaaS) company founded with the sole purpose of creating a more engaged and united workforce. The communication and performance platform enables companies to strengthen their internal communication and performance, by providing employees access to an intuitive user-friendly app, with all the information they need to succeed in their jobs, thus improving the overall performance.

Relesys has a strong product-market-fit within the retail industry, but the platform has proven valuable for other industries where a large proportion of the workforce is not working from a desk in front of a computer and who is isolated from the rest of the organization. Relesys provides a scalable software solution and has already a proven track record internationally.

On June 30, 2023, Relesys had 195 clients in 14 countries and supports 29 different languages. The customer base of Relesys includes brands such as Salling Group, NorgesGruppen, Specsavers, Bauhaus, Matas, Telia, Carlsberg Danmark, Amcor and Vestas, together with several other market-leading brands.