

b3



**creating
possibilities
together**

Interim Report B3 Consulting Group Q2 2023



Speakers from B3 Consulting Group



CEO

Sverre Bjerkeli



CEO B3 HEALTHTECH

Peter Lager



HEAD OF COMMUNICATIONS & IR

Katarina Lundqvist

Questions?

Please click on the
envelope icon next to
the audiocast or send
an email to: ir@b3.se

New acting CEO and CFO

B3 will not lose momentum as both the CEO and CFO know the company very well

- **Sverre Bjerkeli** was appointed acting CEO on June 20
 - He has a Master's in Business and Marketing from Handelsakademiet (BI)
 - He was CEO of Protector Forsikring until 2021
 - He has also worked 7 years in the IT/consulting industry (Torinno/Ementor)
 - Sverre Bjerkeli has been the Chairman of B3's executive board since 2021
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- **André Karlsson** is acting CFO as of 21 July
 - He has a bachelor's degree in accounting and finance from Uppsala University
 - André Karlsson has worked as Head of Business Control at B3 since 2022 and before that as Business Controller at Knowit and Cybercom



Q2 2023

Growth 3.4% and operating margin 7.4%

- Revenue 299.3 (289.5) MSEK, 3.4% growth
- EBIT Q2 22.0 (34.5) MSEK,
- EBIT-margin 7.4% (11.9%), adjusted EBIT-margin 8.4%
- Profit after tax 16.7 (28.2) MSEK
- Earnings per share before dilution 1.68 (2.97) SEK
- Average number of employees is 803 (738)
- Revenue incl. B3 Poland 336.2 MSEK, 5.7% growth
- EBIT incl. B3 Poland 26.6 MSEK, EBIT-margin 7.9%



Financial overview Group

3.4% growth and EBIT 7.4%, weaker market demand but second best Q2 in history

Extract of B3's key figures	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net Sales, SEK million	299,3	289,5	3,4%	623,9	580,0	7,6%	1 148,1
EBITDA, SEK million	27,2	40,1	-32,2%	73,2	84,2	-13,1%	158,3
EBITDA margin, %	9,1%	13,9%		11,7%	14,5%		13,8%
Operating profit (EBIT), SEK million	22,0	34,5	-36,2%	62,9	73,6	-14,5%	137,7
Operating margin (EBIT), %	7,4%	11,9%		10,1%	12,7%		12,0%
Profit after tax, SEK million	16,7	28,2	-40,8%	50,3	60,1	-16,3%	114,7
Profit per share, SEK	1,68	2,97	-43,4%	5,09	6,36	-20,0%	11,83
Profit per share, SEK	1,68	2,95	-43,1%	5,08	6,33	-19,7%	11,79
Closing number of co-workers ¹	804	733	9,7%	804	733	9,7%	786
Average number of co-workers ¹	803	738	8,8%	797	710	12,3%	741

A weaker market leads to a significant reduction in utilisation

Q2 EBIT 7.4% also impacted by higher costs in the quarter

HQ costs is on an increasing trend.

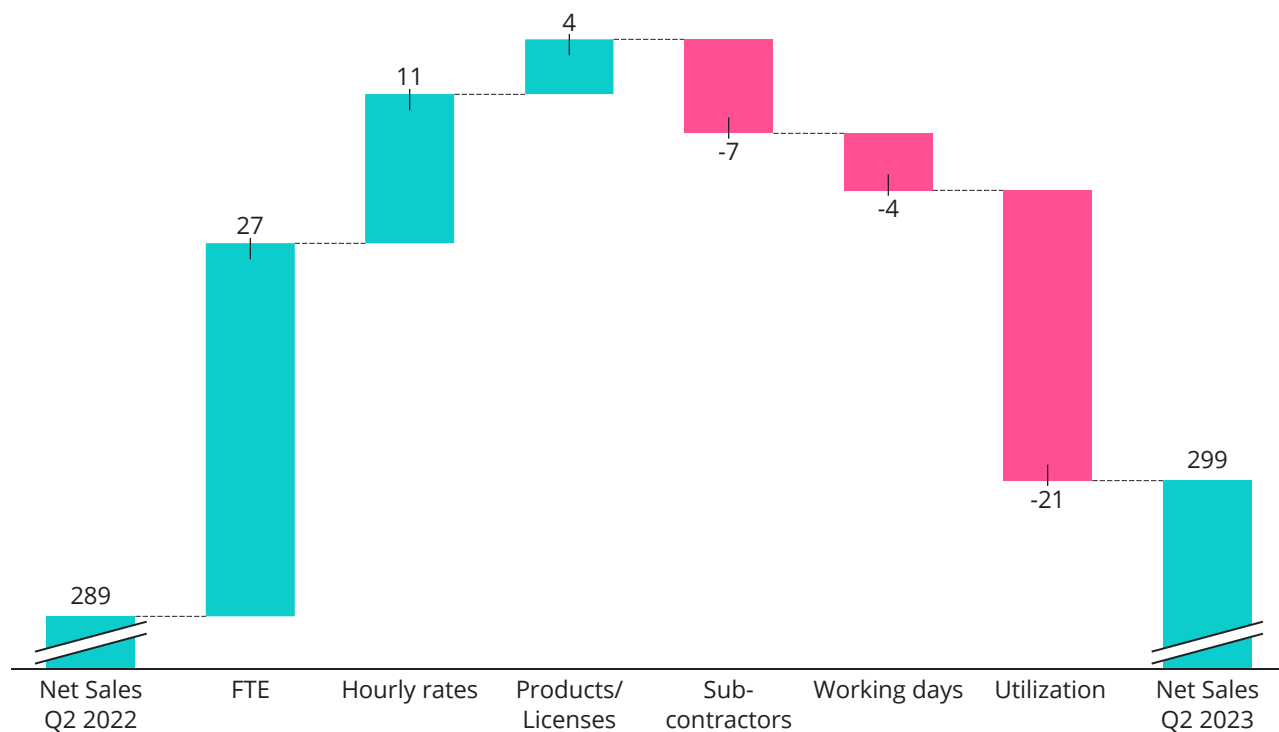
Both Q2 and H1 EBIT is "second best in history"

¹Adjustment has been made for the period January-December 2022

Revenue break-down

Lower utilisation due to weaker market demand

Revenue break-down second quarter (MSEK)*



* The revenue break-down is an estimate, uncertainties in the figures presented could exist and should be taken into consideration

Lower utilisation due to weaker market demand. Utilisation at the end of the period is lower than in the beginning.

Hourly rates still moving north as they should in an inflationary environment.

Alternative financial overview incl. B3 Poland

5,7% growth and 7.9% EBIT in Q2 - 10.7% growth and EBIT 10.5% in H1

Alternative key figures with B3 Poland fully consolidated ²	Q2			Jan-Jun			Jan-Dec
	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales incl. B3 Poland, MSEK	336,2	318,2	5,7%	699,4	631,8	10,7%	1 269,5
EBITDA incl. B3 Poland, MSEK	32,0	44,7	-28,4%	84,3	91,7	-8,1%	180,4
EBITDA margin incl. B3 Poland, %	9,5%	14,0%		12,1%	14,5%		14,2%
Operating profit (EBIT) incl. B3 Poland MSEK	26,6	38,9	-31,6%	73,7	80,7	-8,7%	159,0
Operating margin (EBIT) incl. B3 Poland, %	7,9%	12,2%		10,5%	12,8%		12,5%

The table illustrates the Group net sales, EBIT and EBIT-margin given that B3 Consulting Poland would have been fully consolidated as a subsidiary. B3s share in the joint venture is currently 50 percent.

The Polish market is also slowing down but probably not that much.

B3 Consulting Poland is growing 45.8% with an EBIT-margin sized 14.3.%

Customers and new business

Strengthened position within banking and health

- Strengthened position with **new assignments at three of Sweden's largest banks** including consultants within System Development, Data Engineering, Epic Owner, Architecture, Test leader, AI Roadmap etc.
- Extended deliveries for B3 Health within many of **Sweden's regions**. Region Dalarna and Region Stockholm etc. Extended assignment at CGM
- New **framework agreement with Nordic Leisure Travel Group** including the brands Ving, Spies and Tjäreborg. B3 will support NLTG in app development
- Several assignments in **web and intranet development** for customers in various segments. Development of Almi's website is one example



Other important events in Q2

One of the most attractive employers among IT students

- B3 has been voted as **one of the most attractive employers according to students** and ranks second among students 3-4 years in the IT category
- B3 will start a **new company within cybersecurity** with the entrepreneur Emil Gullers who has been recruited
- B3 has **strengthened the relations** with partners such as Optimizely, Sitevision and Ucommerce
- **B3 has celebrated 20 years** with all employees
- Through the **collaboration with Changers Hub**, B3 has contributed to train and coach students in the Changers Tech programme



TWO DECADES OF DIGITAL TRANSFORMATION

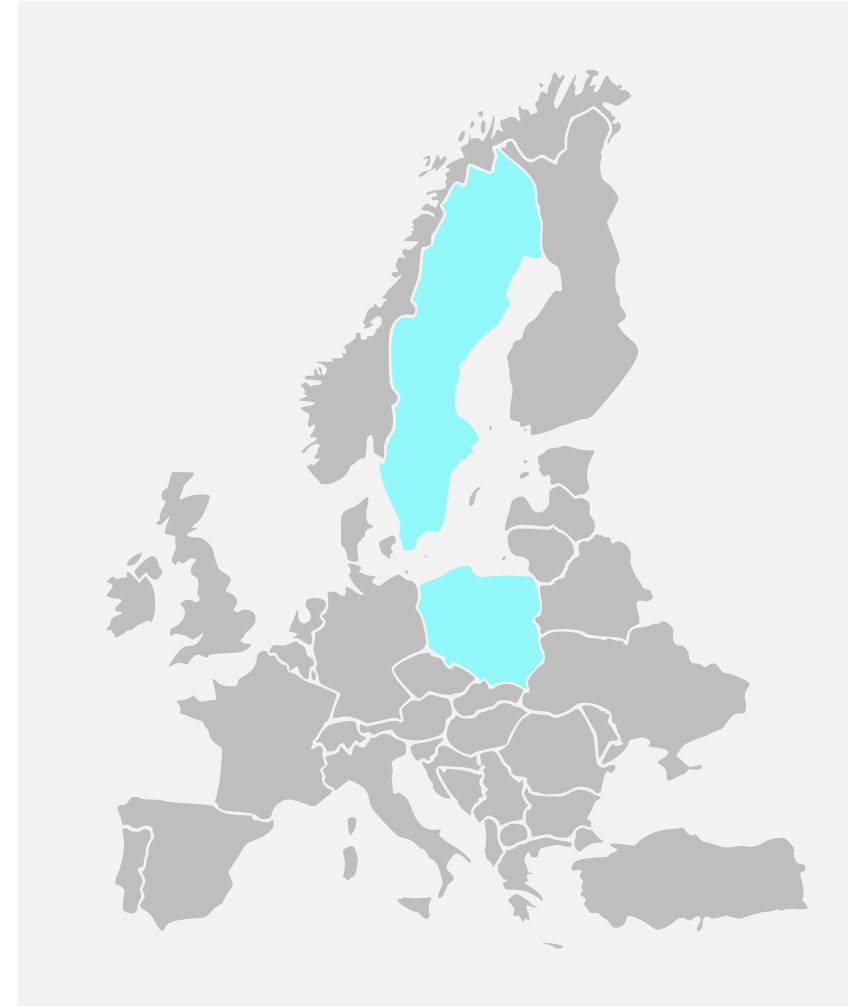


Market Outlook

A weaker market but.....

- Yes, there is some uncertainty among decision makers
- Yes, some decisions take longer, some mandates have been moved ahead and ROI requirement may have increased
-it's
- A continued high and increasing interest in automation and digitalisation
- An increasing demand for IT security also driven by new regulatory frameworks
- An even higher demand for senior specialists
-why should B3 not do well in such a market?

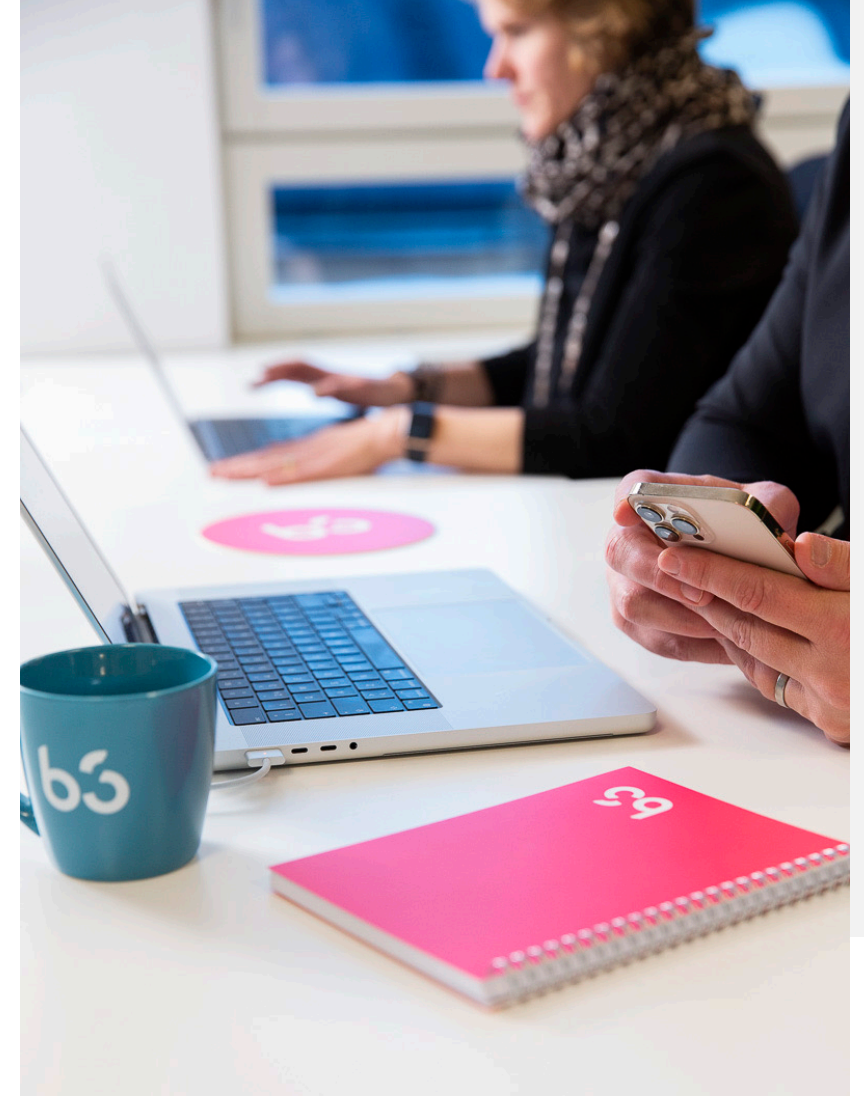
Source: Radar Ecosystems and B3



B3's response to a weaker market

Good companies will be strengthened in weaker times

- B3 market position is strong
 - Our business model is resistant in weaker times
 - 29 powerful and innovative B3 companies is unique
1. We **accelerate** and brake at the same time
 2. Efficiency improvements and cost reductions, more info will be given in Q3 report
 3. Put our excellent consultants in front of clients, sell and optimise utilisation



Let's accelerate: New startup in cyber security

Welcome to Emil Gullers, a leader with a solid experience in cyber security

- New threats in the outside world, faster digitalisation, regulatory pressure and new business models increase the needs of customers to manage business risks
- B3 establishes a new company in cyber security to meet the ever-increasing demand
- The company will provide a comprehensive offering and support customers from strategy to implementation and organisation
- **Emil Gullers** has +25 years of experience of cybersecurity working for Knowit, CCNOX, PwC US, Accenture, Wipro etc.



Let's accelerate in AI and data driven working methods

High demand - many companies have just started the journey

- ChatGPT and new tools creates great interest - how can AI and data driven methods make operations more efficient?
- Great demand in many areas, including finance and customer-oriented businesses
- Benefits such as better decision-making, saving time/money, improving products and production
- B3 has a strong position with competence within several companies, but above all within the specialist companies B3 Indes and in parts of B3 Business Transformation
- B3 helps customers developing new chatbots built with generative AI, real-time monitoring of industrial machines, optimisation of production and stock, on-prem installation of generative AI in the data lake to be able to “talk with the data” etc.

B3 Index

Led by **Kasper Aase and Christian Lauritzen**

Established as a start up in 2020

Consultants working with Value Analytics (Data Science & AI, BI and RPA/Automation focused on creating as much value for clients out of data as possible)

Today the company has 35 employees.

Clients include: Telia, Consilium, Derome, Västtrafik, SKR and Almi

Revenue 2022: 48 819 MSEK, 93% growth

***Kasper Aase** is an experienced parallell entrepreneur with 27 startups on his track record. Main focus has always been consultant businesses in trending technology fields.*

***Christian Lauritzen** is certainly one of the most up to date on the use of AI for data driven companies, pioneering in many fields, constantly developing our own consultants to stay at the forefront. He is also an experienced entrepreneur and have been chairman of the Venture Cup Sweden jury for a decade.*



B3 Business Transformation

Led by **Fredrik Dolléus**

Established from a merge of smaller companies within B3 in 2019

Consultants working with BI including Power BI

The company has 81 employees, of which 15 works within the field of BI

Clients include: Svenskt Näringsliv, Axfood and SGDS-group

Revenue 2022: 129 151 MSEK, 6.1% growth





The Swedish health sector – a growing industry

B3 has a long background of helping the Swedish healthcare with digitalisation

- Vision2025 – Sweden #1 in e-health
- Pandemic forced to innovation and faster digitalisation
- Inter/National focus Swedish healthcare (ie EHDS)
- Regional focus Swedish healthcare (EHR/EPR)
- Trends (AI and Machine Learning)
- Possibilities for B3



Let's accelerate in the health sector

B3 has two companies focusing on the health sector

B3 Healthcare Consulting AB

Led by Annette Mårdbrink

Established in 2005 as a specialist company with own experience from healthcare
Consultants working with project mgmt, change mgmt, business development
The company has 33 employees.

Revenue 2022: 46 486 MSEK, 30% growth

Clients include: Västra Götalandsregionen, SUSSA cooperation (9 regions), Region Stockholm, Skåne



B3 HealthTech AB

Led by Peter Lager

Established as a start up in May 2021

Consultants working with PM, BA, HI, Int, Arch, Dev, Test

Today the company has 38 employees.

Revenue 2022: 36 208 MSEK, 178% growth

Clients include: CGM, InfoSolutions, Region Stockholm, Dalarna, Skåne, SKR



B3 HealthTech

Strong growth since the company was established in 2021

- With technology and digitalisation improve and simplify Swedish healthcare.
- Deliver both specialist consultants and teams/projects/commitments.
- The common thread is solid knowledge of the technology and information management that digitalisation in healthcare requires.
- B3 HealthTech was established in May 2021 by Peter Lager, Christina Löfgren and Patrik Wahlberg.
- The company has had a steady and solid growth since start and grew with 178% in 2022
- Startup company in B3
 - Support and collaboration
 - Network within the organisation but in the domain ehealth
 - Strong drive towards common goal



Summary

Good companies will strengthen in weaker times

- Q2 and H1 was second best in history
- We don't know when market turns, but we will adapt quickly to a changing market environment
- We have a strong market position and a solid business model
- We have 29 powerful and innovative subsidiaries and a culture among our employees that we are proud of
- We will brake and accelerate at the same time, more info in Q3



We wish you a nice summer !

Q&A

Appendix

B3 Consulting Group

19 years of building a successful group of companies

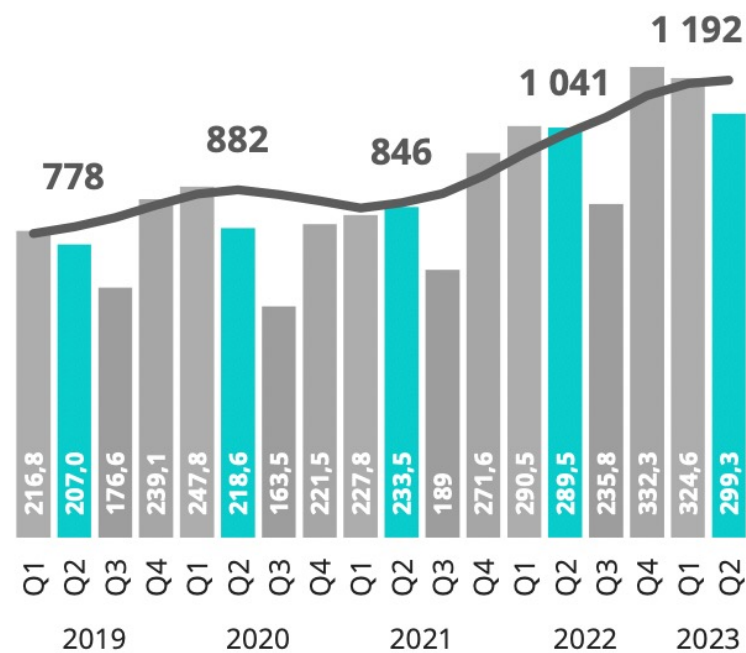
- Consulting company **within IT and management**
- **Founded in 2003**
- **800+** employees in Sweden and **200+** in Poland
- **11 Offices** in Stockholm, Borlänge, Gävle, Gothenburg, Jönköping, Linköping, Malmö, Sundsvall, Örebro, Krakow and Warsaw
- 2022 marked a record year for the company as revenue passed **1 billion SEK (1148.1 MSEK)** with **EBIT 137.7 MSEK or 12%**
- Appointed **one of Europe's best workplaces** and the **Career Company IT in 2022**
- **Listed on Nasdaq Stockholm** since 2016



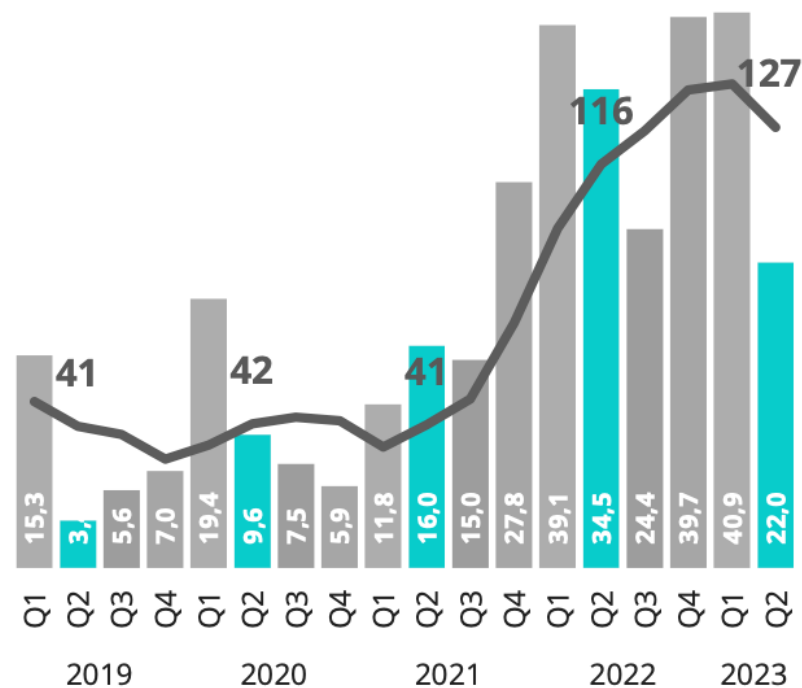
Revenue and EBIT (R12)

Strong long term development, profitability decreases in Q2

Revenue per quarter and R12 (MSEK)



EBIT per quarter and R12 (MSEK)



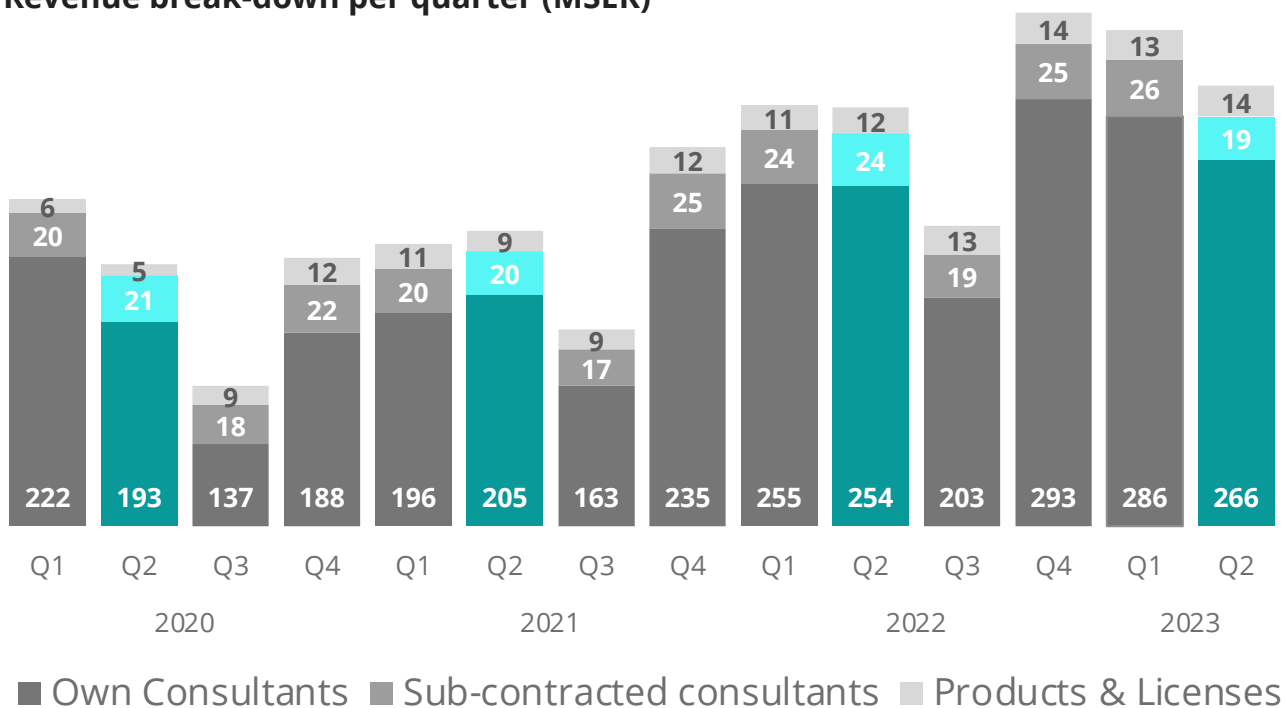
The dark gray line shows the development per rolling 12 months



Revenue break-down

Strong organic growth based on own consultants

Revenue break-down per quarter (MSEK)



Comments:

B3 has a history of growth in revenue based on own consultants

Insignificant proportion of subcontractors today

Some increase of sub-consultants are a prerequisite to increase the share of team deliveries

Cash Flow & Net debt

Steady financial position and net cash positive

Cashflow	Q2 2023	Q2 2022	jan-dec 2022
Cash flow from operating activities	25,3	48,2	151,7
Cashflow from investing activities	3,9	0,5	-4,5
Cash flow from financing activities	-99,1	-41,6	-118,0
Cash flow for the period	-69,9	7,1	29,2
Opening balance cash and cash equivalents	105,5	86,8	54,2
Closing balance cash and cash equivalents	35,6	93,9	83,4
Change in liquid assets	-69,9	7,1	29,2

Net debt(-)/Net cash balance(+) excl. IFRS 16 ¹	Q2 2023	Q2 2022	jan-dec 2022
Interest-bearing non-current liabilities ¹	-8,0	-24,0	-16,0
Interest-bearing current liabilities ¹	-16,0	-16,0	-16,0
Cash and cash equivalents	35,6	93,9	83,4
Net debt(-)/Net cash balance(+) excl. IFRS 16¹	11,6	53,9	51,4

¹Comparison figures for Interest-bearing liabilities have been updated

Comments:

Cash flow from operations during Q2 below last year mainly given decrease in EBIT

Cash flow from investing activities positively affected by dividend from joint ventures

Cash flow from financing activities affected by dividend and acquisitions of shares in subsidiaries

Net cash positive, but on lower levels compared to last year

Share per Business Area

Continued strong growth in Cloud & Technology Platforms

Revenue, share per business area



- Digital Experience & Solutions 39,0% (41,7%)
- Digital Management 30,2% (29,9%)
- Cloud & Technology Platforms 30,8% (28,4%)

EBIT, share per business area



- Digital Experience & Solutions 37,8% (38,5%)
- Digital Management 26,0% (27,8%)
- Cloud & Technology Platforms 36,2% (33,7%)

Comments:

Adjusted names of the business areas since Q1 2023, minor impact on financial reports

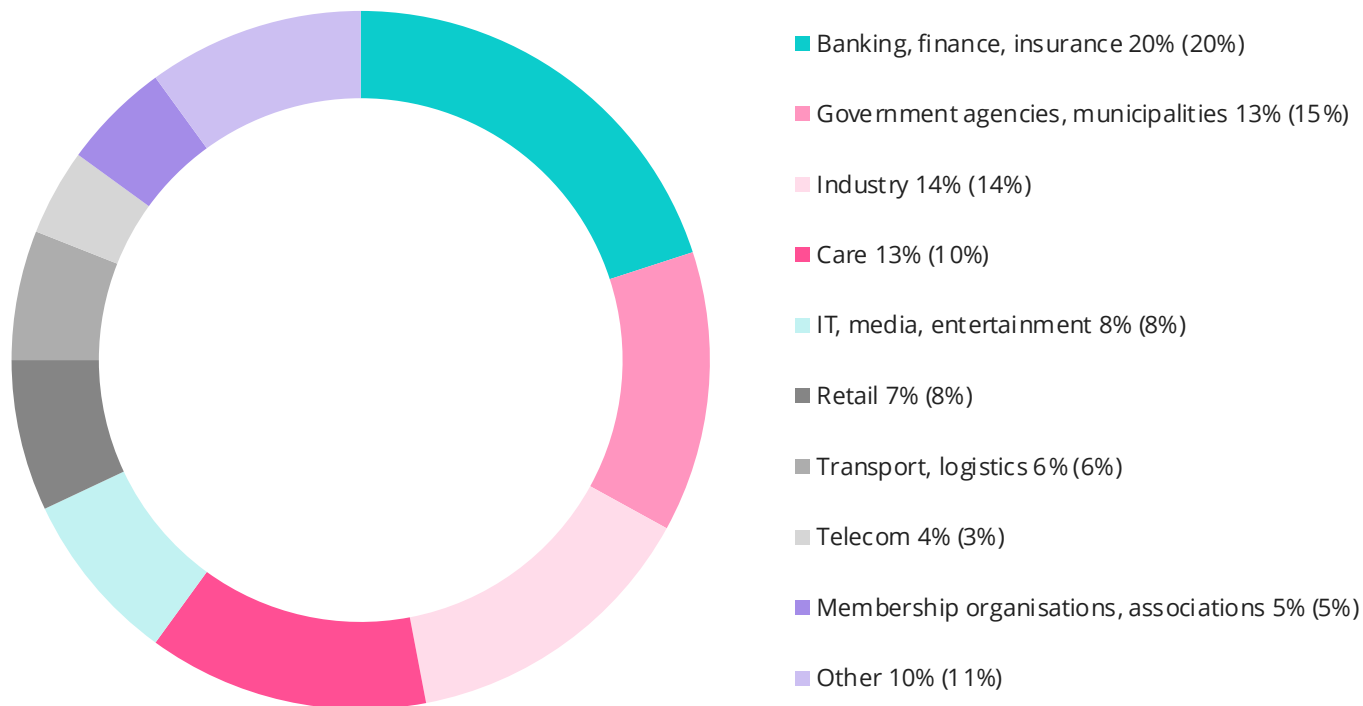
Equal distribution between the business areas

Continued strong growth in Cloud and Technology Platforms

Spread across different industries

Stability and risk diversification in a more uncertain market

Share of revenue per industry, Jan-June 2023 (Jan-June 2022)



Comments:

Strengthened position with new assignments at three of Sweden's largest banks.

Continued strong demand in Care with development of journal systems, operational competence e.g.



Creating Possibilities Together