



QUANT™

Q3 Report 2023

Tomas Rönn, CEO
André Strömgren, CFO

24 November 2023

SAFETY FIRST



Safety within Quant

Safety is our choice. We are passionate about keeping our people, suppliers and customers safe at all times.

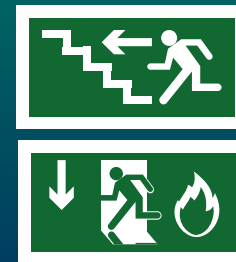
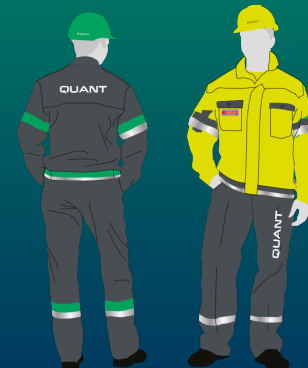
Everybody working for Quant, as an employee or contractor, is required to take care of themselves and their colleagues. We are committed to providing the instructions and training required to ensure they can do so safely.

Improving and developing our safety systems to world class standards is always our focus. Feedback is encouraged and seen as an opportunity to improve and evolve our safety procedures and culture.

Our ultimate safety goal is ZERO accidents. We have only done our job when everyone goes home each and every day safe and sound.

TODAY'S SAFETY ORIENTATION

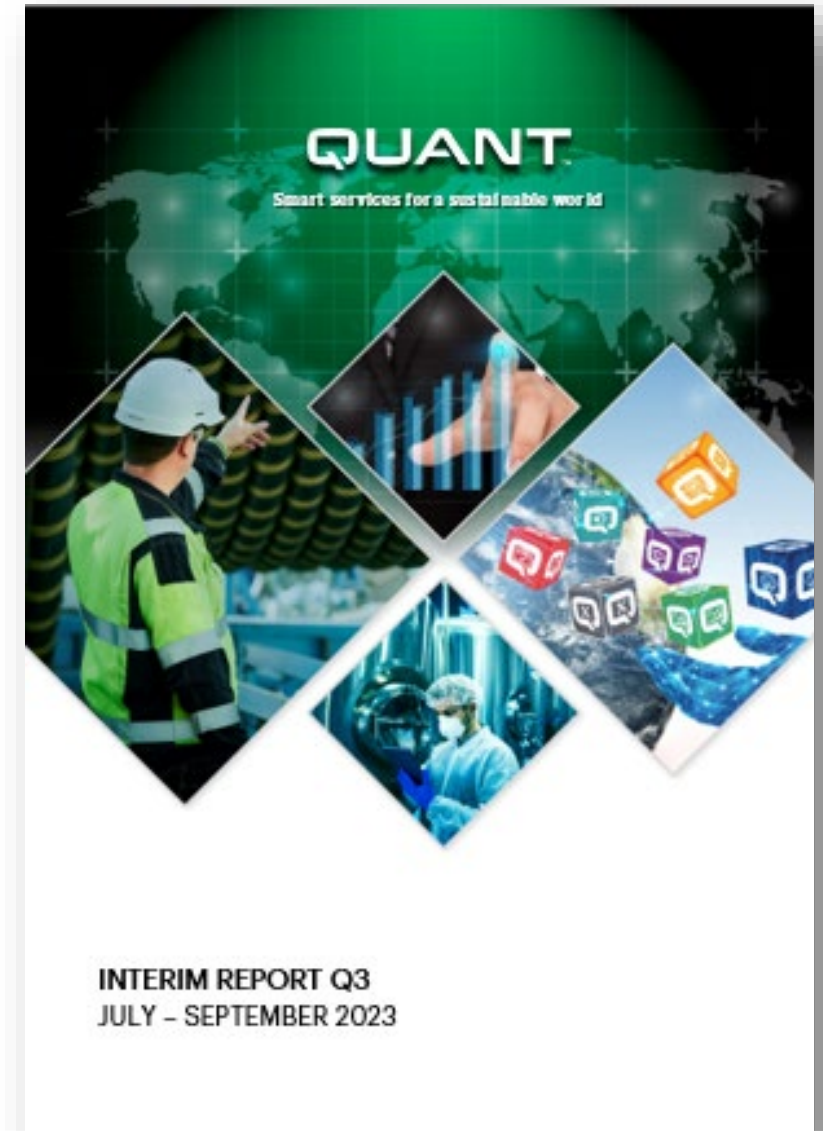
- Everyone is in a safe meeting environment?
- Nobody is driving?



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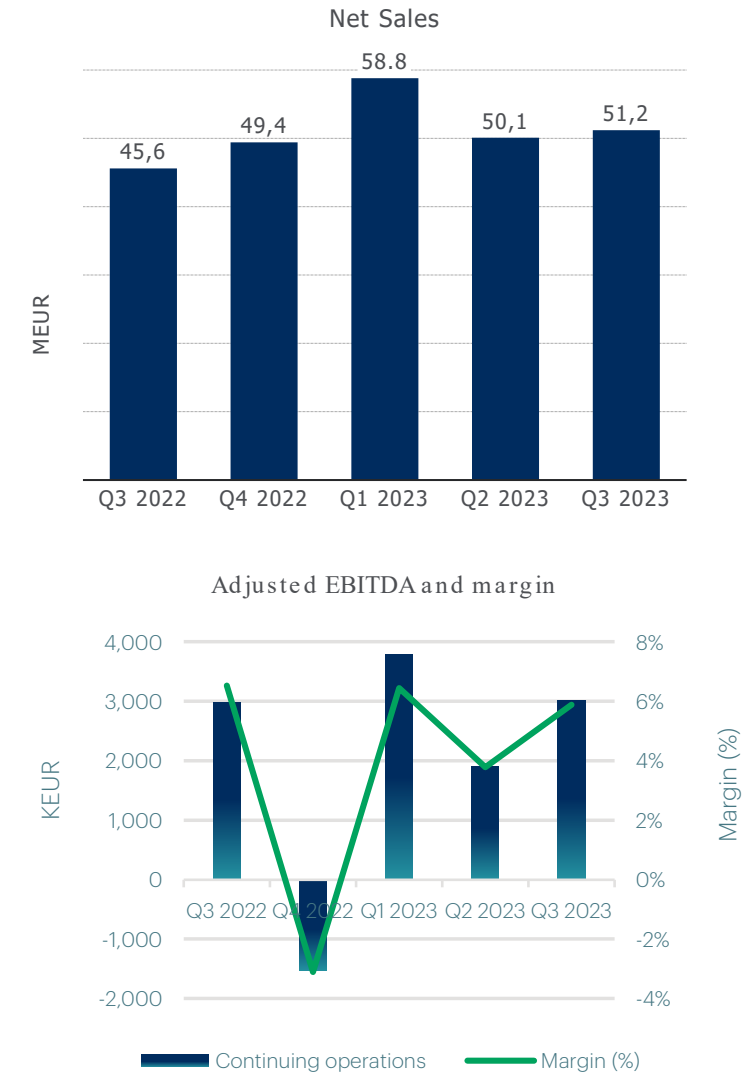
Third quarter development

- **Robust performance with increase in topline and good profitability**
 - Significant YoY increase in revenue and EBITDA
 - Contracts profitable, turnaround in region Americas
 - Focus forward: Return to EUR 200 million portfolio value
- **Contract portfolio decreased during the quarter**
 - Two contracts were lost (-14.2 MEUR), and no contracts renewed or won
 - Net effect, including change in scope and FX, is a decrease of the portfolio value by -15.2 MEUR to a total of 169.6 MEUR compared to 184.8 MEUR end of Q2 2023
- **EBITDA in line with same quarter last year, turnaround in Americas, YTD Adjusted EBITDA of 8.7 MEUR**
 - Adjusted EBITDA of 3.0 MEUR, flat compared with prior year
 - **Europe & Middle East** revenue decreased due to lost contracts from 2022, affecting Adjusted EBITDA, but partially offset by higher profitability in existing contracts, and reduced selling expenses
 - In the **Americas** region, the rise in revenue from new contracts and upselling in existing projects, along with improved performance in existing contracts, led to an increase in topline, while Adjusted EBITDA improved mainly due to new large contracts despite increased SG&A. Costs of 2.6 MEUR related to one customer's early termination was recorded as non-recurring item year to date
 - In the **Finland & Baltics** region, revenue rose due to early implementation of annual contract price inflation clauses and strong upsell. Adjusted EBITDA flat on prior year as higher upsell is somewhat offset by investments in a service centre setup.



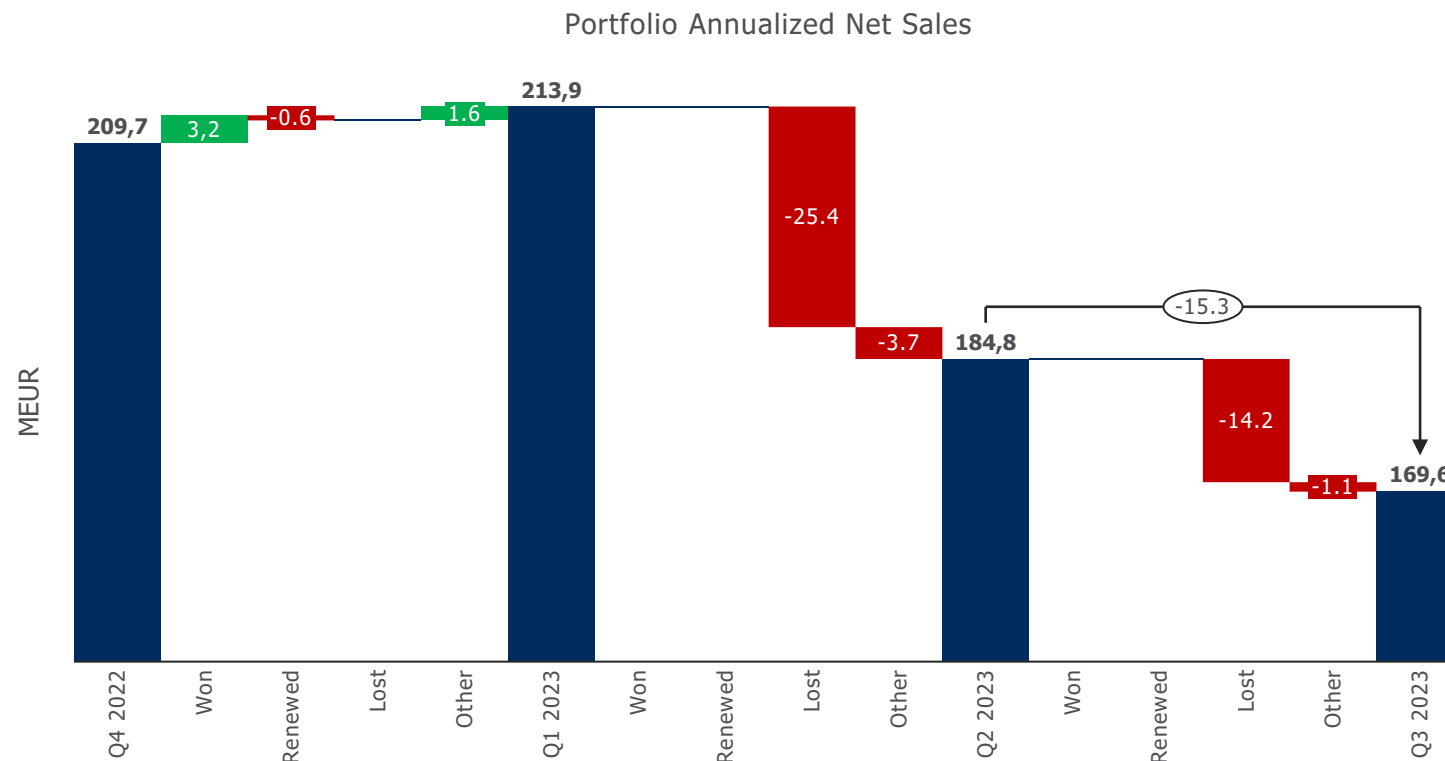
Net sales and EBITDA continuing operations

- Net sales for the period increased to EUR 51.2 (45.6) million. Organically, net sales increased by 14.0%
- Gross profit for the quarter was EUR 6.3 million, down from EUR 6.5 million prior year, driven by:
 - Lost contracts in Europe & Middle East,
 - Negative currency fluctuations revaluation of internal receivables/payables
 - Partially offset by new contracts in region Americas
 - Gross profit includes costs reclassified as NRI in adjusted EBITDA
- General and administration expenses were higher than last year due to investments into digitalization and more overhead driven by new contracts
- Quarterly Adjusted EBITDA amounted to EUR 3.0 million, in line with EUR 3.0 million prior year, driven by higher gross profit partially offset by a negative impact from currency fluctuations on revaluation of internal receivables/payables and higher general and admin expenses.
- Adjusted EBITDA with IFRS 16 decreased to EUR 3.3 (3.4) million



Contract portfolio overview

- Currently 70 sites in operation
- Contracts with annualized net sales of EUR 17.5 million scheduled for renewal during the next twelve months
- Third quarter development:
 - Two contracts were lost with an annualized net sales of EUR -14.2 million
 - No contracts were won or renewed
 - Scope changes and exchange rate effects amounted to EUR -1.1 million
- The combined effect of these changes amount to a decrease in the contract portfolio annualized net sales of EUR -15.2 million compared to the previous quarter



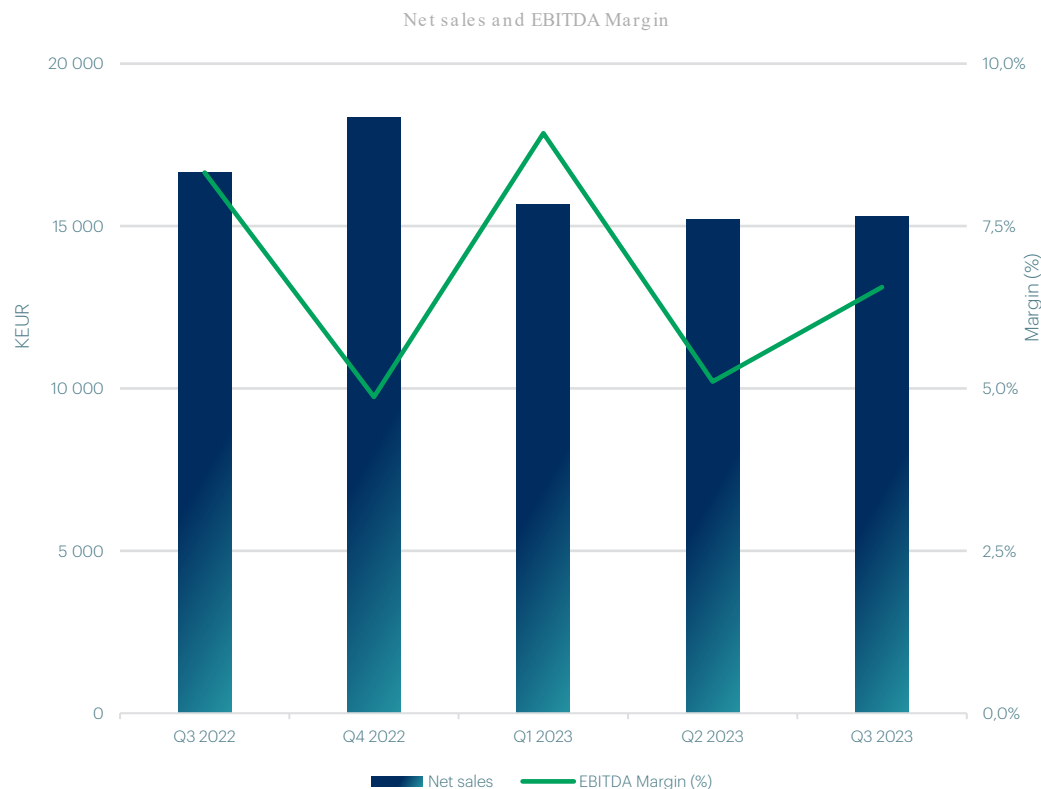
Cash flow

- Cash flow from operating activities for the quarter amounted to EUR -3.9 (-0.4) million
- Change in net working capital was EUR -4.8 (-1.4) million for the quarter
- Net debt / LTM Adjusted EBITDA of 11.0
- For the total Group, including both continuing and discontinued operations, cash flow for the quarter was EUR -2.6 (2.8) million
- As of 30 September 2023, the loan amount drawn on the revolving working capital facility amounted to EUR 2.0 (0.0) million

| KEUR | Q3 | | Jan-Sep | | LTM | Jan-Dec |
|---|---------------|---------------|---------------|--------------|-------------|--------------|
| | 2023 | 2022 | 2023 | 2022 | Sep 2023 | 2022 |
| Continuing operations | | | | | | |
| Cash flow from operating activities | -3,919 | -428 | -3,045 | 1,859 | 2,794 | 7,698 |
| Cash flow from investing activities | -381 | -616 | -1,873 | -1,530 | -3,472 | -3,129 |
| Cash flow from financing activities | 1,741 | -1,608 | 1,169 | 779 | -166 | -555 |
| Net debt | 78,887 | 131,577 | 78,887 | 131,577 | 78,887 | 71,938 |
| Net debt / Adjusted EBITDA, times | - | - | 11 | 15 | 11 | 15 |
| Net debt / Adjusted EBITDA IFRS 16, times | - | - | 9 | 11 | 9 | 11 |
| Discontinued operations | | | | | | |
| Cash flow, discontinued operations | -79 | -122 | -238 | 93 | 487 | 818 |
| Group | | | | | | |
| CASH FLOW FOR THE PERIOD | -2,638 | -2,774 | -3,987 | 1,201 | -357 | 4,831 |

Segment financials

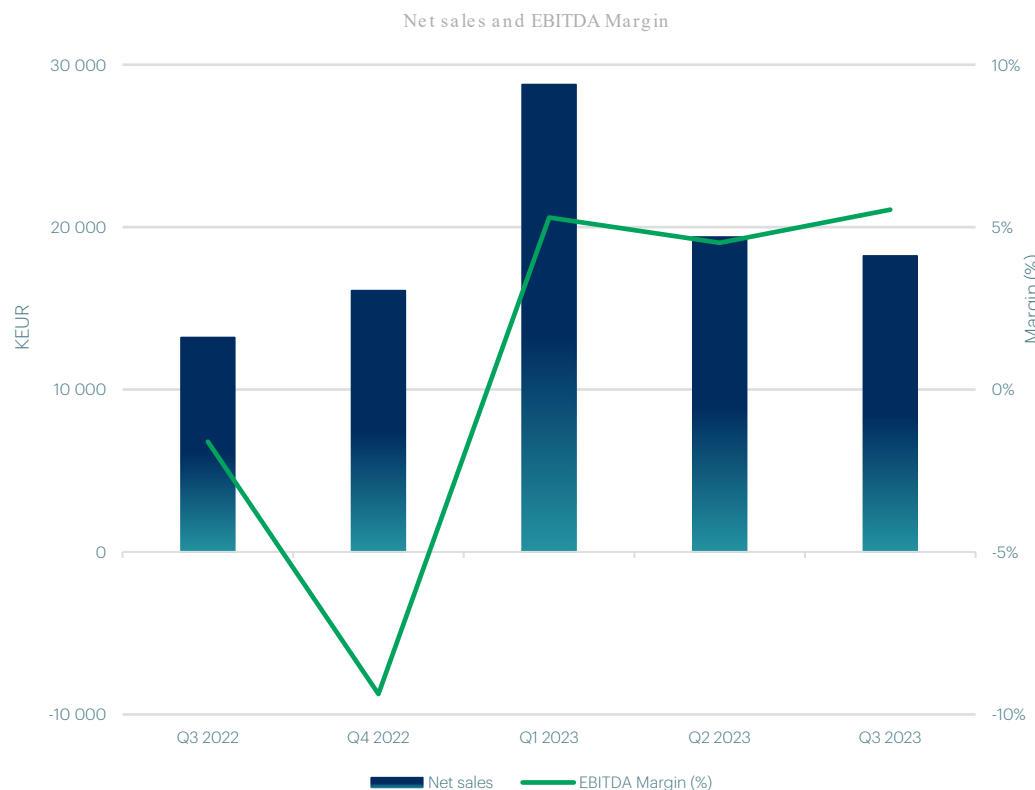
Europe & Middle East



- Net sales in the quarter was EUR 15.3 (16.7) million with the decrease relating to lost contracts from 2022, which was partially offset by increased scope in existing contracts and new contracts
- Adjusted EBITDA for the quarter was EUR 1.0 (1.4) million. The decrease was due to lower profitability in existing contract and lost contracts, partially offset by less general and administrative expenses and selling expenses.

Segment financials

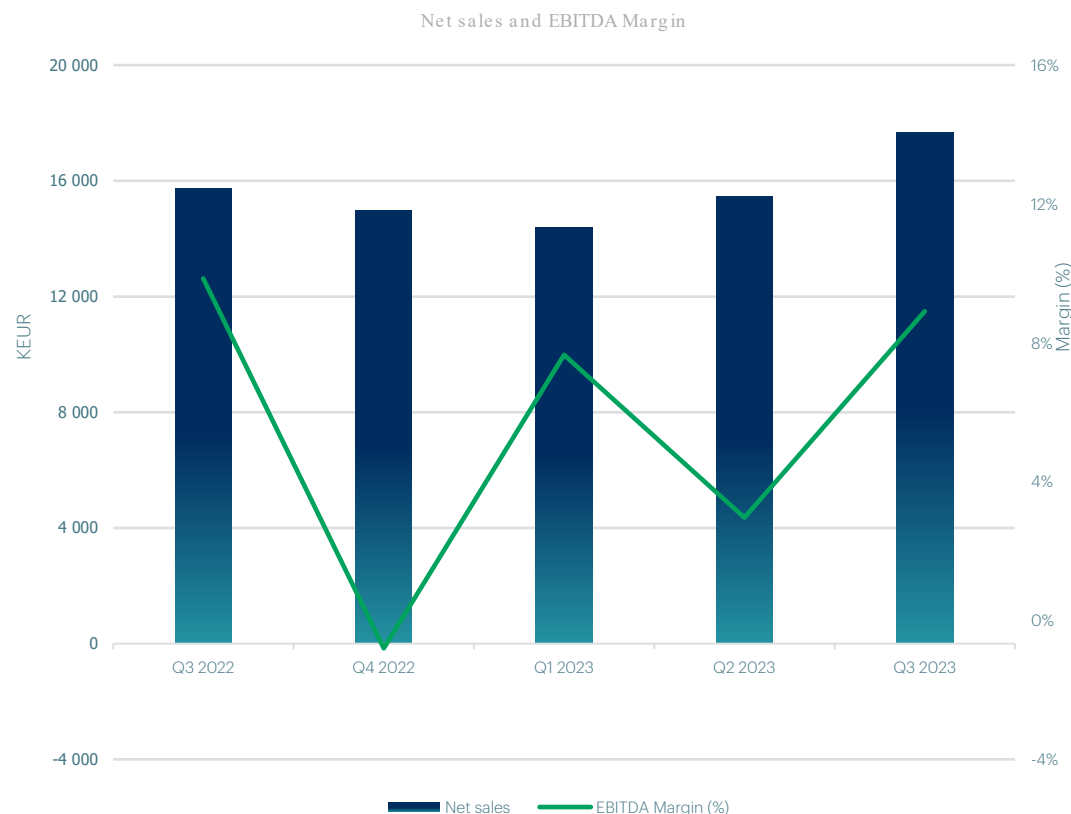
Americas



- Net sales in the quarter increased to EUR 18.2 (13.2) million. This was mainly due to new contracts that mobilized in the first quarter of 2023 and the fourth quarter 2022, as well as higher revenue from projects and upselling in existing contracts, which was partially offset by lost contracts
- Adjusted EBITDA for the quarter was EUR 1.0 (-0.2) million. The improvement was mainly due to new contracts as well as improved performance in existing contracts due to higher upsell and less penalties. Costs of EUR -0.3 million connected to one customer's early termination is recorded as non-recurring item in the quarter

Segment financials

Finland & Baltics



- Net sales in the quarter improved to EUR 17.7 (15.7) million, driven by annual contract price inflation clauses which went into effect early in the year and higher upsell in existing contracts, partly dampened by lost contracts
- Adjusted EBITDA in the quarter amounted to EUR 1.6 (1.6) million, driven by higher upselling in existing contracts and less selling expenses offset by higher general and administrative expense due to investment in Service Centre setup

A hand holding a glowing globe with a network overlay. The globe is translucent and shows a blue and white network pattern of lines and dots. The hand is cupped around the globe, and the background is dark.

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THANK YOU!

Interim Report Q4 2023 will be released on 23 February 2024

FOR MORE INFORMATION GO TO QUANTSERVICE.COM