

# Heeros



## Heeros Q4/2024 Result Briefing for investors

4 February 2025

# Key figures Q4 2024

EUR thousand	Q4/ 2024	Q4/ 2023	Change %	H2/ 2024	H2/ 2023	Change %	Financial period 2024	Financial period 2023	Change %
Revenue	2,893	2,810	3 %	5,719	5,630	2 %	11,363	11,296	1 %
Recurring revenue <sup>1</sup>	2,700	2,712	0 %	5,384	5,407	0 %	10,748	10,774	0 %
Contract revenue	2,231	2,171	3 %	4,474	4,342	3 %	8,887	8,578	4 %
Transaction revenue	469	541	-13 %	910	1,065	-15 %	1,861	2,195	-15 %
EBITDA	152	781	-80 %	1,394	1,653	-16 %	2,737	2,478	10 %
EBITDA, % of revenue	5 %	28 %		24 %	29 %		24 %	22 %	
EBITDA (adjusted) <sup>2</sup>	585	799	-27 %	1,462	1,772	-17 %	2,917	2,654	10 %
EBITDA (adj.), % of revenue	20 %	28 %		26 %	31 %		26 %	23 %	
EBIT	-254	225	-213 %	449	562	-20 %	749	293	156 %
EBIT, % of revenue	-9 %	8 %		8 %	10 %		7 %	3 %	
EBIT (adjusted) <sup>3</sup>	179	243	-26 %	605	681	-11 %	1,016	469	117 %
EBIT (adj.), % of revenue	6 %	9 %	-28 %	11 %	12 %	-13 %	9 %	4 %	115 %
Profit for the period	-277	222	-225 %	384	500	-23 %	619	177	250 %
Profit for the period, % of revenue	-10 %	8 %		7 %	9 %		5 %	2 %	
Profit for the period excluding goodwill depreciations	-137	362	-138 %	664	780	-15 %	1,178	734	60 %
Rule of 40, %	8 %	25 %		26 %	31 %		25 %	24 %	
Rule of 40, % (adj.) <sup>2</sup>	23 %	26 %		27 %	33 %		26 %	25 %	
Operational cash flow				2,397	1,117	115 %	3,752	2,016	86 %
Equity ratio, %							70 %	66 %	
Return on Equity (ROE), %							8 %	3 %	

<sup>1</sup>Recurring revenue is divided into two parts: contract revenue (fixed usage fees and service agreements) and transaction revenue.

<sup>2</sup>The adjusted EBITDA for Q4/2024 include an adjustment of EUR 433 thousand for non-recurring restructuring costs. The adjusted EBITDA for 2024 include an adjustment of EUR 524 thousand for extraordinary income and an adjustment of EUR 703 thousand non-recurring restructuring costs.

<sup>3</sup>The adjusted EBIT for Q4/2024 include an adjustment of EUR 433 thousand for non-recurring restructuring costs. The adjusted EBIT for 2024 include an adjustment of EUR 524 thousand for extraordinary income and an adjustment of EUR 791 thousand non-recurring restructuring costs.

## Q4/2024:

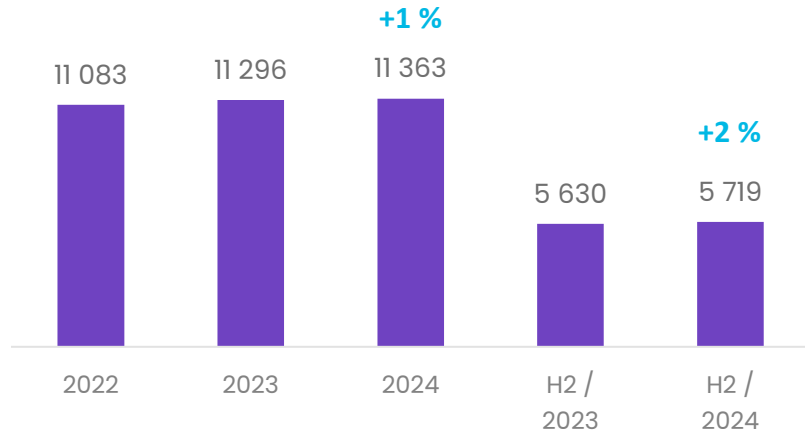
- Q4 revenue increased by 3% year-on-year to EUR 2.9 (10-12/2023: 2.8) million.
- Contract revenue increased by 3 %, and transaction revenue declined by 13 % due to transaction volumes decreasing by 7 %.
- EBITDA decreased by 80 % to EUR 0.2 (0.8) million. EBITDA for this and the previous quarter was negatively impacted by one-off expenses related to the announced Accountor tender offer.
- Adjusted EBITDA decreased by 27 % to EUR 0.6 (0.8) million. As in the previous quarter, the decline in Q4 adjusted EBITDA was significantly impacted by a much larger performance bonus provision compared to the previous year.

## Full year:

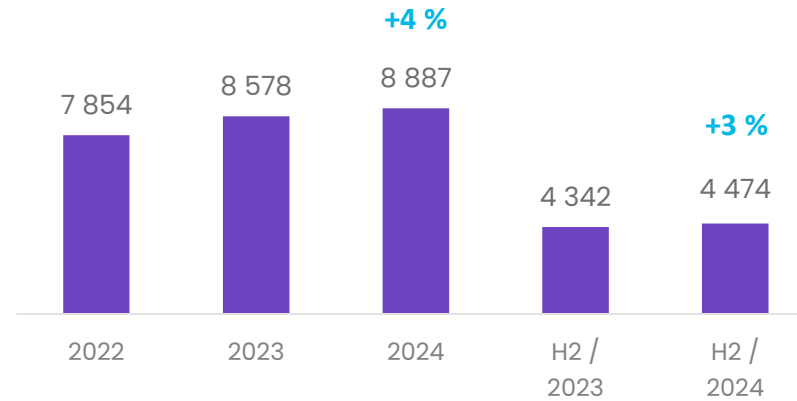
- **Full year revenue increased by 1%** year-on-year to EUR 11.4 (1-12/2023: 11.3) million.
- **Full year EBITDA adjusted EBITDA increased by 10%** to EUR 2.9 (2.7) million.
- The investment-adjusted EBITDA (EBITDA-Cash), which is calculated by deducting investments in tangible and intangible assets from EBITDA, increased by 39% during the year to EUR 1,746 (EUR 1,252) thousand, reaching 15% of revenue. In 2022, EBITDA-Cash stood at EUR 482 thousand.
- **Full year Operational cash flow increased by 86%** to EUR 3.8 (2.0) million.

# Revenue & profitability development

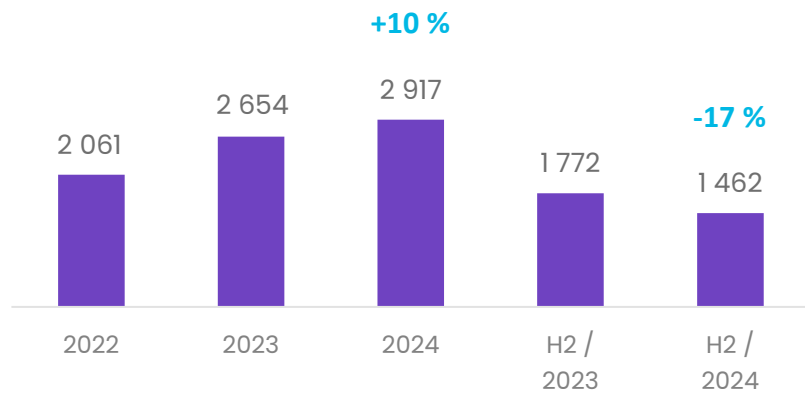
Revenue, EUR 1,000



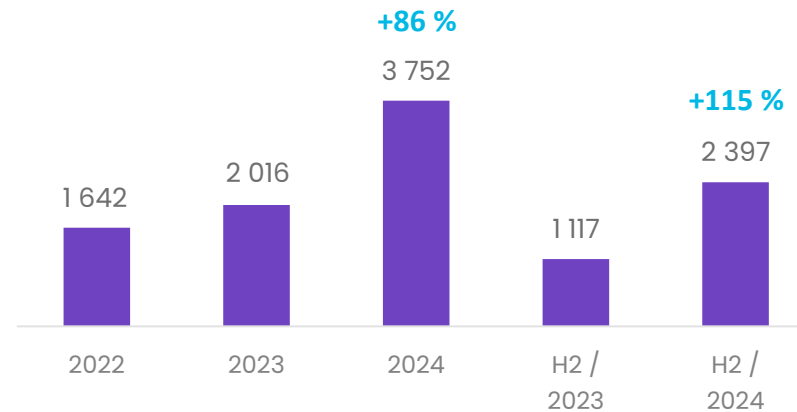
Contract Revenue, EUR 1,000



EBITDA (adjusted), EUR 1,000

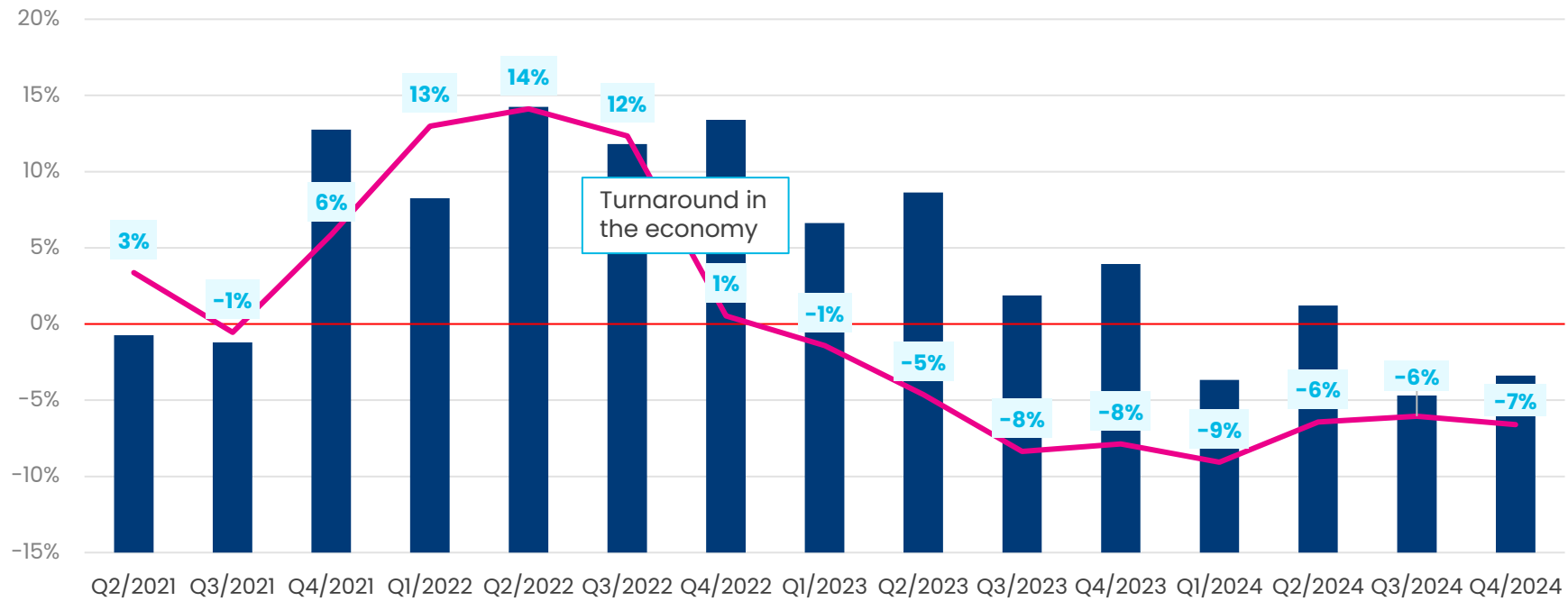


Operational cash flow, EUR 1,000



# Transactions trend

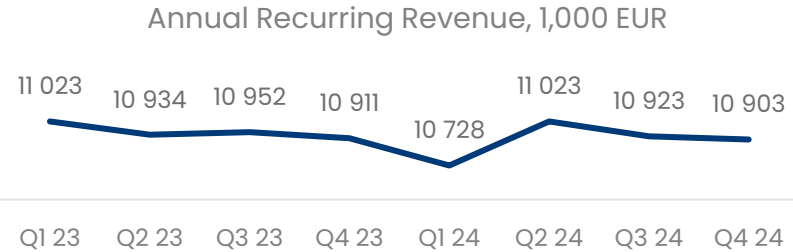
Transactions quarterly, YoY change %



# SaaS metrics

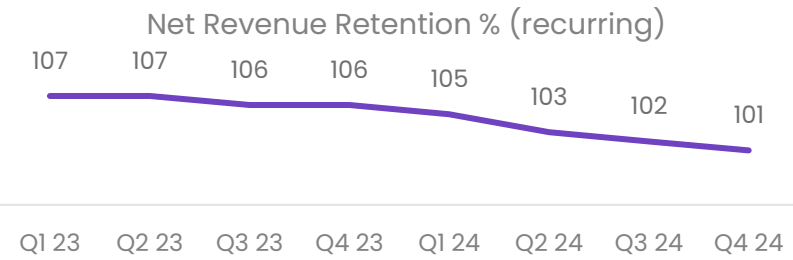
## Annual recurring revenue (ARR)

Q4/24: 10.903k EUR (Q4/23: 10.911k EUR)



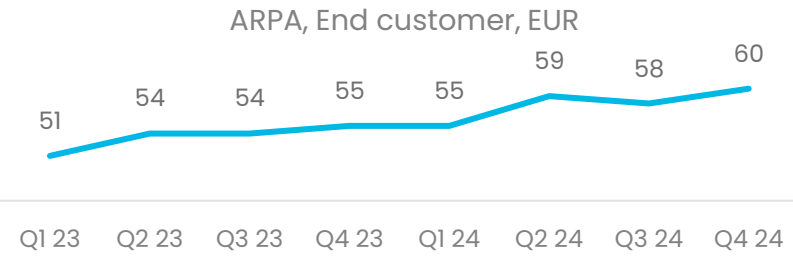
## Net revenue retention (NRR)

Q4/24: 101 % (Q4/23: 106 %)



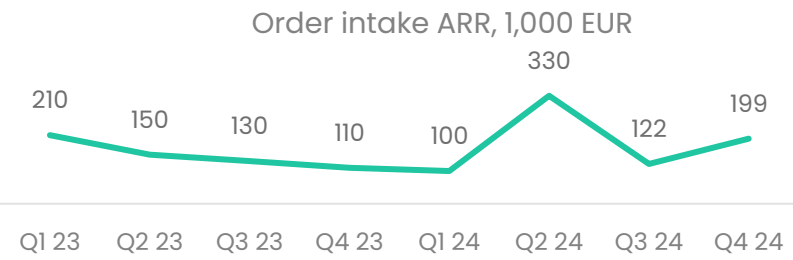
## ARPA, End customer

Q4/24: 60 EUR (Q4/23: 55 EUR)



## Order intake, ARR

Q4/24: 199k EUR (Q4/23: 110k EUR)



# Key message of Q4/24

- A strong and positive performance in the final quarter. We exceeded our full-year targets in both new sales and profitability. The performance was very good, especially considering that a decline in transaction volumes weighed on revenue growth throughout the year.
  - Higher revenue growth in the last quarter of the year than at the beginning of the year.
  - Profitability, operational cash flow and order intake for financial period 2024 improved from previous year.
- Adjusted EBITDA grew by +10% and **EBITDA-Cash by +39%** in 2024
  - As in Q3, the relative decline in adjusted EBITDA was significantly impacted by a much larger performance bonus provision compared to the previous year. However, I'm pleased that achieving our targets also means increased bonuses for employees.
  - Improving EBITDA-Cash has been our primary objective as a company, and we have achieved excellent progress over the past two years.
- Higher revenue growth in the last quarter of the year than at the beginning of the year
  - Especially due to good one-off revenue (especially with new logos in the HR cloud team)
- EBITDA decreased due to restructuring costs
  - The EBITDA for this and the previous quarter was negatively impacted by one-off expenses related to the announced voluntary cash tender offer. Primarily due to these items, EBITDA for October-December decreased to EUR 152 (EUR 781) thousand, representing 5% (28%) of revenue
- Order intake better than expected, +77% QtQ and +28% for the fiscal year
  - Awesome job by the new sales team in 2024, especially given a horrible Q1 in new sales intake and multiple changes in team