



# First quarter 2015/16 presentation

20 Nov 2015



# Today's Presenters



**JOHAN  
HEDBERG**  
*CEO and  
Co-Founder*



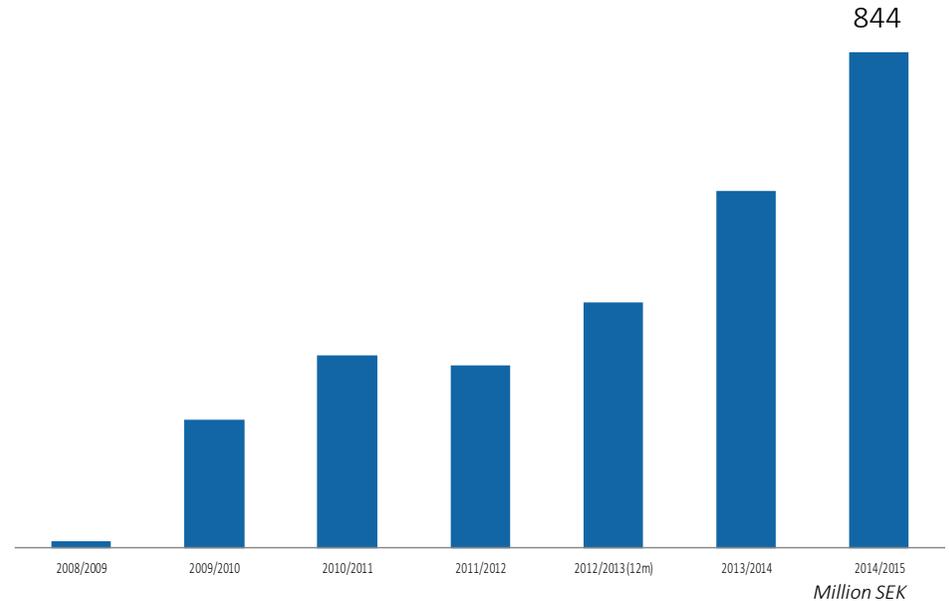
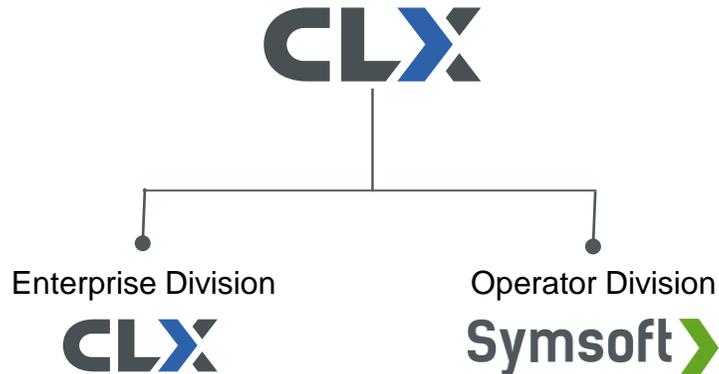
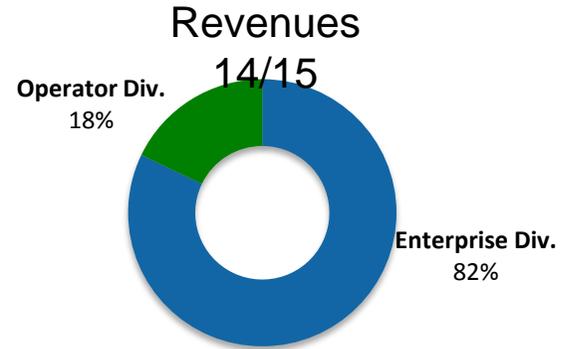
**ODD  
BOLIN**  
*CFO*

# Q1 2015 Highlights

- Continued strong revenue growth, 34% q-o-q.
- Very strong development in the Operator division, both growth and profitability.
- Managed service-offering and Network Operations Center developing according to plan.
- Enterprise division shows good growth in new geographical markets such as France and Turkey.
- Data center in the US being configured as planned
- Enterprise division gross margin lower due to
  - Increasing share of revenue from local traffic, where margins are lower
  - Strong growth in certain geographical markets where gross margins are lower, such as France
  - Some variability due to temporary market opportunities
- Higher operating costs in the Enterprise division due to
  - Costs connected to the expansion in new geographical markets
  - Some provisions for overdue receivables
  - Revaluation of the forward contracts portfolio

# CLX Communications in Brief

- Established in 2008
- Headquartered in Sweden with sales offices globally
- 180 employees worldwide
- Listed on Nasdaq Stockholm on October 8th 2015
- Two strong business units – Two business models – One technical platform



# Strong Trends Underpin CLX's Growth

## Mobile first

*"Preferred communication channel for enterprises"*

## Internet of Things (IoT)

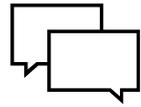
*"IoT driving surge in connected Things and mobile traffic"*

## Cloud solutions

*"Enterprises turn to cloud based as-a-Service solutions"*

# CLX Enterprise Division

Enabling and Simplifying the Enterprise Cloud Communications Market



Application-to-person messaging (A2P)

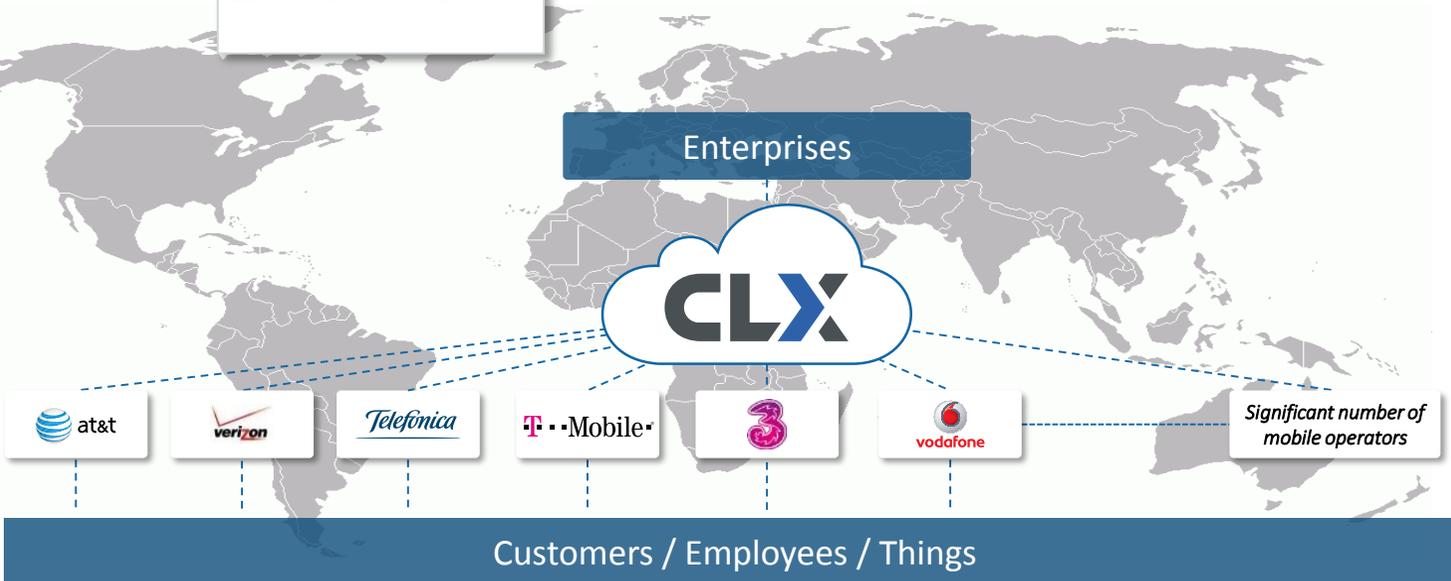
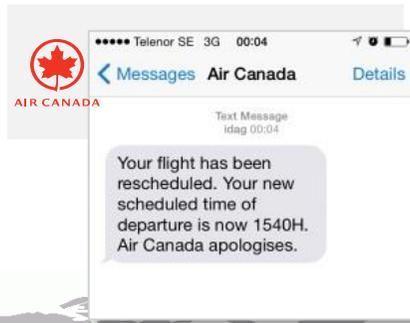


Mobile data for IoT



Voice Applications

Connecting the "Internet of Things"



- No telecom competence necessary
- Pay-as-you-go
- One Contract and billing relationship
- Time-to-market
- Scalable, global platform

# Market Update Enterprise Division

- New markets

- France

- Successful launch in May with local sales office

- Turkey

- Launched in late September with local sales office

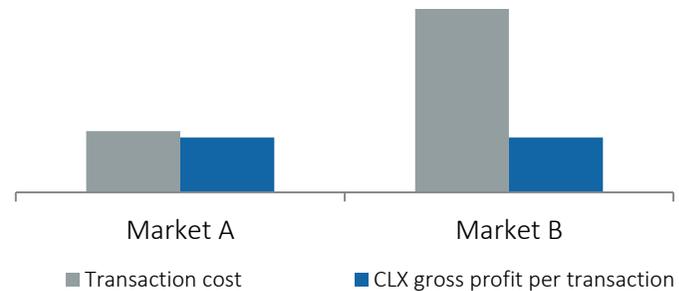
- US

- New data center (CLX technology platform) to serve large domestic US customers under implementation
    - Full effects of integration of Voltari acquisition later this financial year

Transaction gross margin differs across markets

Examples:  
Market A: Turkey, US  
Market B: France

TRANSACTION GROSS MARGIN IN DIFFERENT MARKETS  
(ILLUSTRATIVE)



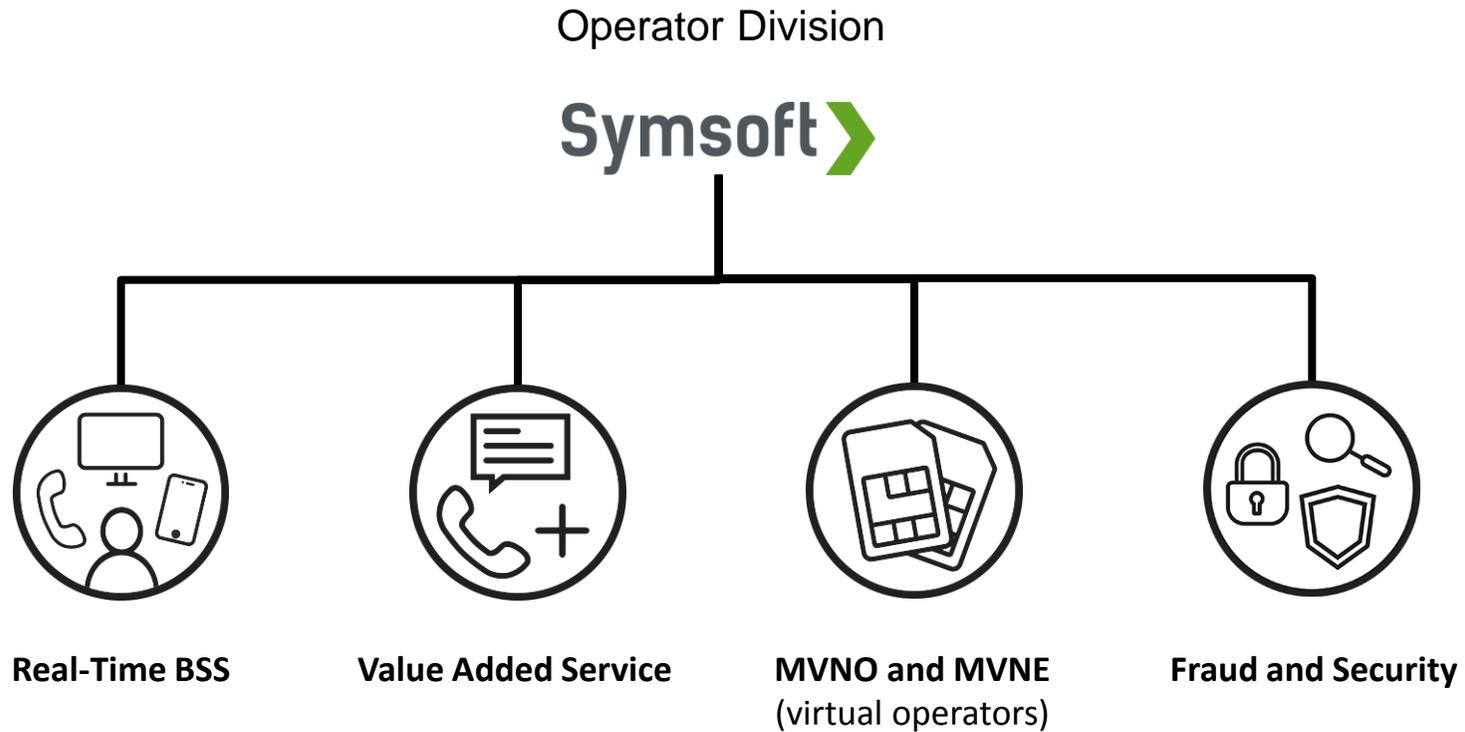
# Market Update Internet of Things (IoT)

- Project running according to plan
- Gradual commercial launch during 2016
  - Customers can start to play around with the CLX IoT interface (API\*) on <http://clx-rest-api.ga.at-m.ca/api/docs/>
- The market opportunity will be significant
  - Revenues from IoT services in relation to group revenues will be small in the short term
- Investments can be made cost-efficiently due to strong synergies with operator division's managed service offering



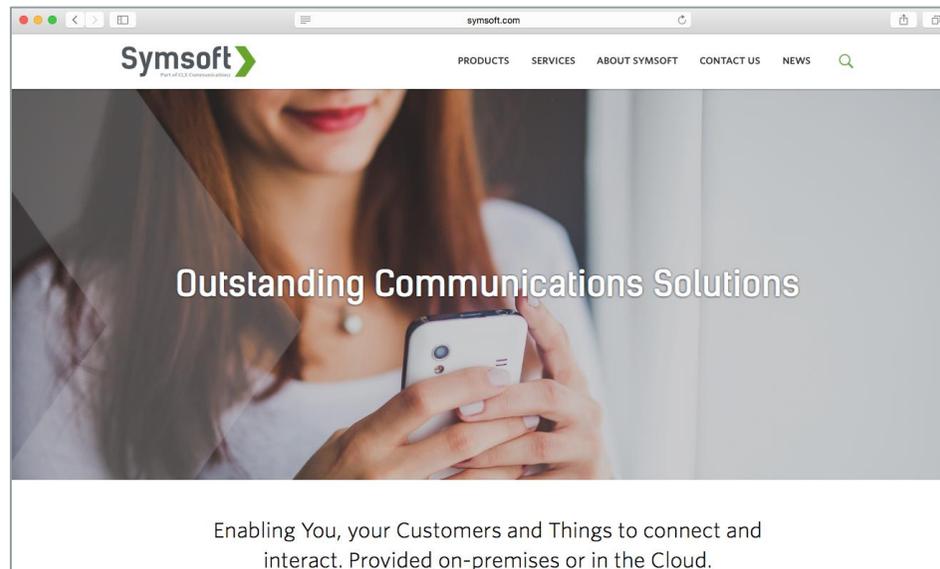
\*API: Application Programmable Interface

# CLX Operator Division



# Market Update Operator Division

- Good traction in Fraud and Security area
  - CITIC partnership for Fraud and Security products & services. First customer under the partnership is mobile operator in Hong Kong
- Real-time BSS
  - First customer signed based on Caleo platform (acquisition), driving integration of the acquisition
- MVNO\* and MVNE\*\*
  - First customer for managed MVNO/MVNE, Rebtel, signed a 3 year contract
- Investment in new network operations center in Poland to support our managed service offerings incl. Internet of Things
  - Same technical platform and personnel supports both Internet of Things (enterprise division) offering and managed service offerings for operator division, creating strong synergies.



\*MVNO : Mobile Virtual Network Operator; \*\*MVNE: Mobile Virtual Network Enabler

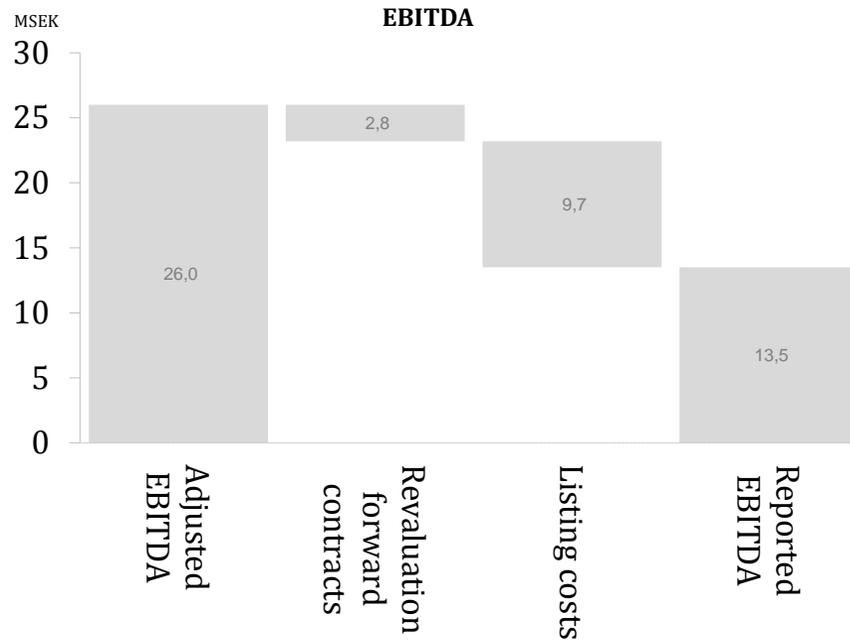
# Outcome Q1

## Key figures

<b>CLX Group, SEK million</b>	<b>Jul - Sep 2015</b>	<b>Jul - Sep 2014</b>	<b>Jul - Jun 2014/15</b>	<b>Oct - Sep 2014/15</b>
Net sales	243,2	181,7	844,4	905,9
Gross profit	73,4	57,1	251,9	268,2
<i>Gross margin</i>	<i>30,2%</i>	<i>31,4%</i>	<i>29,8%</i>	<i>29,6%</i>
Operating profit, EBITDA	13,5	24,3	93,1	82,3
<i>EBITDA margin</i>	<i>5,5%</i>	<i>13,4%</i>	<i>11,0%</i>	<i>9,1%</i>
Operating profit, EBIT	12,0	23,4	88,7	77,3
<i>EBIT margin</i>	<i>4,9%</i>	<i>12,9%</i>	<i>10,5%</i>	<i>8,5%</i>
Period's result	9,2	12,2	52,9	49,9
<i>Net margin</i>	<i>3,8%</i>	<i>6,7%</i>	<i>6,3%</i>	<i>5,5%</i>
Cash flow from operating activities	-10,9	14,6	94,9	69,4
<i>Equity/assets ratio</i>	<i>14,8%</i>	<i>-35,4%</i>	<i>12,4%</i>	<i>14,8%</i>
Net debt	23,6	233,9	9,8	23,6
Earnings per share diluted, SEK	0,25	0,41	1,77	1,60
Average number of employees	150	133	138	142

- Revenue growth 34% vs same quarter previous year
- 9 %-units due to weaker SEK

# EBITDA-analysis

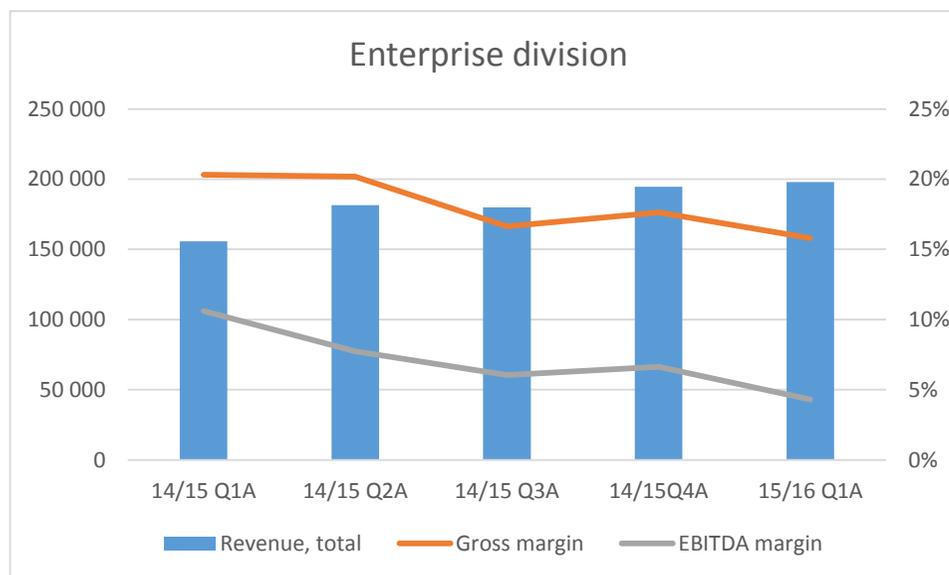


- Reported EBITDA 13,5 MSEK
- Listing costs 9,7 MSEK, revaluation of forward contracts portfolio 2,8 MSEK => operating EBITDA 26,0 MSEK
- Operating EBITDA-margin 10.7%

# Enterprise division

<b>Enterprise Division, SEK million</b>	<b>Jul - Sep 2015</b>	<b>Jul - Sep 2014</b>	<b>Jul - Jun 2014/15</b>	<b>Oct - Sep 2014/15</b>
Net sales	197,9	155,7	711,8	754,0
Gross profit	31,2	31,6	132,5	132,1
<i>Gross margin</i>	<i>15,8%</i>	<i>20,3%</i>	<i>18,6%</i>	<i>17,5%</i>
Operating profit, EBITDA	8,5	16,5	54,4	46,4
<i>EBITDA margin</i>	<i>4,3%</i>	<i>10,6%</i>	<i>7,6%</i>	<i>6,2%</i>

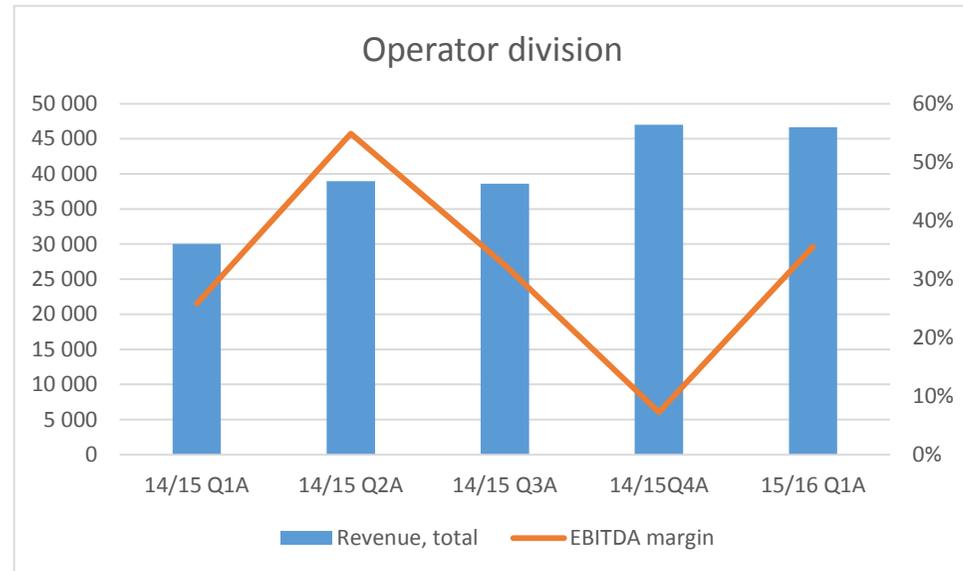
- Revenue growth 27%
- Gross margin vs previous year has been impacted by increasing share of local traffic, and increasing traffic in some lower-margin markets (e.g. France)
- Gross margin decrease happened primarily beginning of 14/15, margins have since stabilized around present level
- Some volatility to be expected quarter to quarter, due to temporary effects such as traffic optimization opportunities, etc.



# Operator division

Operator Division, SEK million	Jul - Sep 2015	Jul - Sep 2014	Jul - Jun 2014/15	Oct - Sep 2014/15
Net sales	46,6	30,0	154,6	171,2
Gross profit	42,3	28,9	137,8	151,2
Gross margin	90,6%	96,2%	89,2%	88,3%
Operating profit, EBITDA	16,2	7,8	45,0	53,5
EBITDA margin	34,7%	25,8%	29,1%	31,2%

- Revenue growth 55%
- Strong order-book
- Increasing share of recurrent revenue, but still volatility due to license upgrades etc.
- Managed services-offering live as planned, Network Operations Center also on schedule



# Good liquidity situation

- Cash at end-of-quarter: 49,7 MSEK
- Net debt at end-of-quarter: 23,6 MSEK

# Questions