

VERTISEIT DIVESTS MULTIQ DENMARK A/S – EXECUTING ON SAAS STRATEGY

Vertiseit divests its Intelligent Transport Systems (ITS) provider MultiQ Denmark A/S to Journeo plc, a leading ITS full-service provider headquartered in the UK, and listed on the London Stock Exchange, AIM. The purchase price amounts to EUR 2.3 million and will be paid in cash. The transaction is in line with Vertiseit Group’s long-term SaaS strategy and previous communication, and serves as the foundation for a long-term platform partnership with Journeo.

TRANSACTION IN BRIEF

- The purchase price, which is based on an enterprise value of EUR 2.3 million, will be paid through an upfront cash payment of 70 percent of the purchase price. The remaining amount will be paid in two equal instalments, of which the first is due 12 months after the acquisition and the second is due 24 months after the acquisition.
- Following completion of the transaction, Journeo becomes a partner to Dise, a subsidiary of Vertiseit, with the ambition to expand its Infotainment offering throughout the Journeo group.
- Through the acquisition, Journeo strengthens its position as one of the leading ITS companies in the market.
- By the divestment of the ITS business, Vertiseit continues to execute on its Platform First SaaS strategy.
- Vertiseit continues to support its Digital In-store customers on the Danish market through its subsidiary Grassfish Denmark ApS.
- The acquisition strengthens Vertiseit’s cash position by EUR 2.3 million on the day of closing, and will have a positive effect on the company’s working capital. Additional liquidity of EUR 0.5 million will be added to the company through the remaining two annual installments.

BACKGROUND AND RATIONALE

Vertiseit is a leading platform company within Retail Digital Signage in Europe. Through its subsidiaries Grassfish and Dise the group offers software for Digital In-store and related consulting services. The company’s customers consist of global brands and retailers, using its products and services to enable a seamless customer journey by bridging the digital and physical customer meeting.

Journeo plc is a leading ITS provider, delivering solutions in towns, cities, airports and the public transport networks that connect them. The company works extensively with local and combined authorities, Network Rail and many of the largest multinational transport operators, supporting them as systems converge towards a more efficient and sustainable future.

MultiQ Denmark A/S and its ITS business was a part of the MultiQ group, which was acquired by Vertiseit in 2022. Through the transaction, MultiQ Denmark A/S will be a wholly owned subsidiary of Journeo and will continue to operate under the MultiQ brand.

“The long-term goal for Vertiseit is to become the global leading In-store Experience Management platform company. The divestment of the MultiQ ITS business is a natural step for us to focus on our core strategy. With its extensive knowledge and experience within the ITS business, Journeo stood out as the preferred buyer in the process. I am looking forward to working closely together with Journeo as the preferred partner within the Infotainment space”, says Johan Lind, CEO Vertiseit.

“The acquisition of MultiQ ITS gives Journeo a leading position in Denmark and further strengthens our expansion into the Nordic markets. The company has a unique position and strong offering that will strengthen Journeo’s offering within ITS. We look forward to a long-term partnership with the Vertiseit group as our platform provider for Infotainment”, says Russ Singleton, CEO Journeo.

EFFECTS ON VERTISEIT

By this divestment, Vertiseit’s net revenue will decrease by approximately SEK 50 million on a full-year basis. The group’s Annual Recurring Revenue (ARR) will remain intact, as ITS related SaaS revenue has not been included in the ARR since the acquisition of MultiQ group. The sale of MultiQ Denmark is estimated to have a limited effect on Vertiseit group’s EBITDA result for the year, and a positive effect on profit before tax of approximately SEK 5 million. The transaction was closed on 19 September 2023 and will henceforth not be included in the group’s consolidated accounts.

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ABOUT VERTISEIT

Vertiseit is a leading platform company within Retail Digital Signage in Europe. Through its' subsidiaries Grassfish and Dise the group offers software for Digital In-store and related consulting services. The company's customers consist of global brands and retailers, using its' products and services to enable a seamless customer journey by bridging the digital and physical customer meeting. The company has around 170 employees in Sweden, Norway, Denmark, Austria, Germany and UK. During the period 2012-2022, Vertiseit performed an average profitable growth of recurring SaaS revenue of 52 percent (CAGR). For the full year of 2022, the group's net revenue amounted to SEK 315million, with an adjusted EBITDA margin of 13 percent. Since 2019, Vertiseit's B-share is listed on Nasdaq First North Growth Market.

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