

Byggfakta presents strategic initiatives and reaffirms financial targets

Byggfakta Group ("Byggfakta") was listed in October 2021 and has continued to develop well thereafter. At present, Byggfakta holds a unique position as the leading global data and software company targeting the construction sector. With over 2,000 employees in 26 countries and annual subscription revenue of over SEK 2 billion, we help our customers to maximise sales, increase efficiency and build more sustainably.

Byggfakta is holding a Capital Markets Day today, where it will present four strategic initiatives aimed at further integrating Byggfakta's constituent parts to thereby create greater customer value. These initiatives will in turn promote the company's organic growth in order to meet and exceed the target of 10% organic growth. The inherent scalability of Byggfakta's business model means that high organic growth is a major factor for reaching our EBITDA target of 40%. The four prioritised initiatives are:

Increased cross-fertilisation of Byggfakta's product offering Through improved interlinking of data from different product areas, we are building an enhanced offering where data from one area can enrich another, thereby enabling our customers to conduct more accurate commercial analyses and achieve higher sales. Moreover, the integration of different product areas will increase opportunities for establishing our various offerings in more markets.

Expand to reinforce. Byggfakta's offering means that we already hold leading positions in the majority of the markets we operate in. We will now reinforce our positions in existing markets through continued investment in our sales force, which will bring earnings growth, and continue to evaluate new markets where we can gradually build strong new positions.

Byggfakta has a strong history of successful SME acquisitions within our industry, and our cash flow helps support acquisitions and maintain the company's indebtedness at a reasonable level. We will therefore continue on this established path.

Increased retention rate. We continuously strengthen our offering through improvements to product and service offerings. These initiatives continue at the same as we develop our customer partnerships with the aim of attracting, growing and retaining even more customers.

One global network. During the first half of 2023, several parts of Byggfakta's management team were strengthened. With new expertise in place, work is gearing up to accelerate integration and improve collaboration between subsidiaries as well as to establish one shared global network for data and software solutions targeting the construction industry, which in time will also deliver cost synergies.

During the coming 24 months, these initiatives will entail increased investments of approximately MSEK 30 on an annual basis with the goal of increasing growth and creating strong earnings (EBITDA) over the long term. Given the above, Byggfakta is reaffirming that an EBITDA margin of at least 40% will be reached in the medium term as of today.

Byggfakta's Board has adopted the following financial targets:

Growth

Byggfakta has a target of achieving annual organic sales growth of at least 10%, driven by double-digit organic ARR growth. Byggfakta also has a target of completing strategic acquisitions financed through the company's strong cash flow, entailing an additional increase in annual sales growth of 5–15% in the medium term.

EBITDA margin

Byggfakta has a target of achieving an EBITDA margin of at least 40% in the medium term.

Capital structure

Byggfakta has a target of maintaining net indebtedness relative to EBITDA below a multiple of 3.0, excluding the temporary impact of acquisitions.

Dividend policy

Byggfakta does not intend to distribute any dividend in the short to medium term since the company intends to utilise all of its excess cash flow for strategic acquisitions.

Byggfakta Group's Capital Markets Day is being held today, 4 October, starting 9:00 a.m. at Tändstickspalatset, Stockholm.

About Byggfakta Group

Byggfakta Group is a global data and software company with roots stretching back to 1936, more than 2,000 employees and operations in 24 countries. We offer services that connect the construction sector, thereby increasing total growth and promoting better construction. Our unique data, insights and software solutions help customers to maximise sales, increase efficiency and build more sustainably. Our core operations encompass five areas: Project Information, Specification, Market Intelligence, Product Information and E-tendering. We mainly generate subscription revenue, which currently exceeds SEK 2 billion annually. Our goal is to grow organically by 10% per year and to grow an additional 5–15% per year through acquisitions. Byggfakta Group has been listed on Nasdaq Stockholm since 2021.

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Attachments

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