

Continued growth and consolidation for Awardit, profitability pressured by temporary challenges in the subsidiary MBXP, cost efficiency program of MSEK 15-20 initiated

Awardit AB (publ.) delivers revenue growth of approximately 28 percent during the second quarter of 2023 compared to the corresponding quarter of the previous year, of which organic revenue growth amounts to approximately 4 percent where the Loyalty business area continues to develop positively despite a challenging market situation. The quarter's EBITA amounts to MSEK 14.0 (MSEK 27.8) and has been burdened primarily by a weak result in MBXP during the quarter. EBITA for MBXP is approximately MSEK 10 lower than the corresponding quarter last year. A program for cost savings of MSEK 15-20 on a full-year basis has been initiated.

The Sweden-based core business, within Loyalty and Giftcards, delivered a revenue increase during the second quarter of the year of approximately 5 percent with continued good margins. The major customers in both B2B and B2C showed continued good growth despite challenging market conditions, which shows Awardit's resilience to fluctuations in the economy in this part of the business.

MBXP's weak result is mostly due to temporarily reduced profitability in the experience products category (e.g. Morebox) and increased costs to retailers during the quarter. The experience products category has decreased sales compared to the previous year, driven by market challenges for Coop Denmark, which is the most important customer and retail channel for these products at MBXP. At the same time as sales have decreased, the redemption rate of products in this category has continued to be unusually high, as in the first quarter of the year, which in combination with the lower sales affects the margin negatively. The higher rate of redemption in the second quarter comes primarily from giftcards sold in the fourth quarter of 2022 within an additional sales channel (B2B), which means that the redemption rate for experience products will gradually normalize during the year starting in Q3, since the redemption of products sold in the fourth quarter, which is the high season, primarily occurs during the first half of the following year.

During the second quarter of 2023, Awardit has continued to build an organization to enable future growth. In DACH, Prämie Direkt and Connex have been merged into a joint organisation to realize synergies between the companies and enable further synergies on an even larger scale in the event of potential future acquisitions within DACH. A review has been made of possible synergies and cost savings within Awardit going forward, where MSEK 15-20 of savings on a full-year basis will be realized. These will be achieved primarily through synergies in DACH, centralization of certain administrative roles and streamlining of existing staffing.

With its strong position in the Nordics and joint organisation in DACH, Awardit is well equipped for future growth, both organically and through acquisitions. We see that the Loyalty business area is stable even in these challenging times and we have great confidence in the future through continued growth within the Sweden-based operations, a gradual normalization of the result in MBXP, realization of business synergies in DACH and implementation of targeted cost savings.

The Interim Report for the second quarter of 2023 will be published as planned on August 15, 2023. All figures in this press release are preliminary.

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About Awardit

Awardit helps businesses increase revenue and profitability by implementing and operating loyalty programs, incentive programs and gift card programs targeting B2B & B2C customers. Awardit provides customers with program platforms on SaaS-basis, content in the form of commerce opportunities, partner networks as well as third party distribution of gift cards. The programs are normally provided on white label basis but Awardit also operates several private labels. Awardit is the largest company and platform in the Nordics in the sector.

The company's shares trade on Nasdaq First North Growth Market (AWRD). The company's Certified Adviser is Aqurat Fondkommission AB, reachable at ca@aqurat.se or 08-684 05 800.

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