



2021 Annual Results

for year ended 31 December 2021

Creating certainty for the built environment

31 March 2022

A background image of two men in white hard hats and high-visibility jackets (one orange, one yellow) standing on a construction site and smiling. The image is partially obscured by a dark blue diagonal overlay in the bottom right corner.

Building on Technology[®]

Presentation team

Jonathan Hunter – CEO

Jonathan has played a major role in Eleco's M&A activity since the commencement of his directorship, as well as driving a number of crucial global growth initiatives:

- Appointed as CEO of Eleco plc in February 2021 having assumed the role of Interim CEO in September 2020.
- Appointed to the Board in June 2016 and subsequently became COO in 2017, having held several senior management positions within Eleco plc since joining in 2010.
- Played a fundamental role in the transition to a software group during and post divestment of the company's Building Systems division.



Rose Clark – Interim CFO

Rose is an experienced CFO with relevant background in setting up the global tech business Arcadis Gen and as CFO of the Arcadis £500m turnover UK design consultancy in the Buildings and Infrastructure Sectors. Rose also worked as Group FD for Jelf Group plc - a highly acquisitive/fast growth AIM business. She is FCA qualified, having trained with KPMG and holds an NED/trustee position with the charity RoSPA (Royal Society for Prevention of Accidents).



Who we are

Founded in 1895; Listed
(LSE:ELECO) in 1939

Core geographic
markets span the UK,
Sweden, Germany,
Netherlands and US

245 employees based
in UK, Europe and US

Focussed on the
development of
innovative, award-
winning, digital
software
solutions for the
built environment

Sales channels

- Direct sales model in core territories
- Indirect sales in international territories

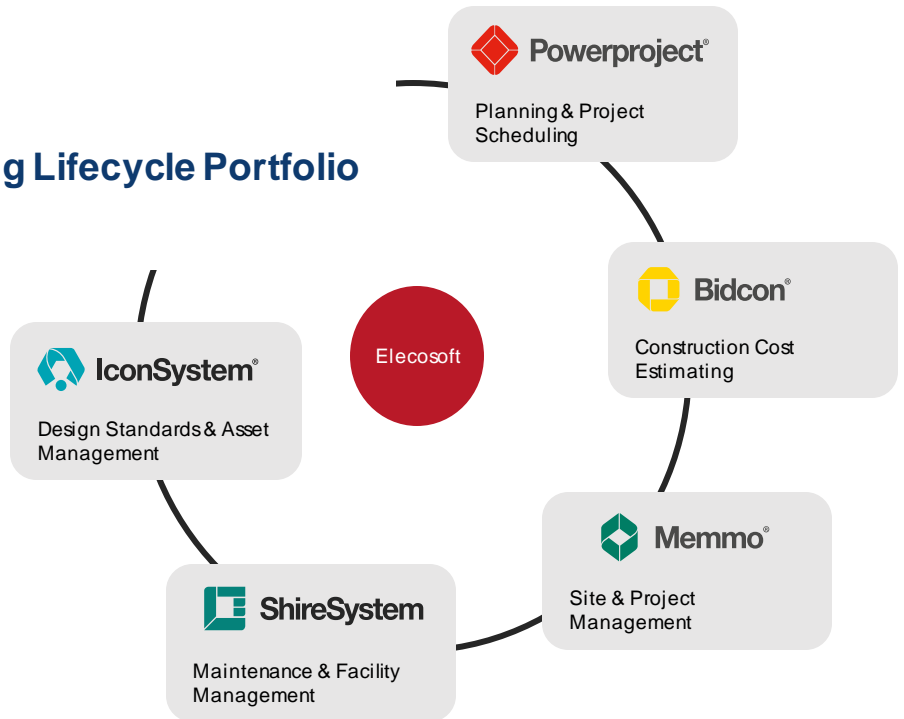
Product licencing spans

- SaaS/subscription
- Perpetual/Term licences
- On premise and hosted models






Streamlined portfolio of products and services



Building Lifecycle Portfolio



Visualisation and CAD

 VEEUZE	
Interior floor/wall surface visualisation	Curtains/blinds and soft surface visualisation
 Arcon Evo®	 Staircon®
Small residential architecture	Staircase design/manufacture
 Framing	 Statcon®
Timber frame design/manufacture	Structural engineering calculations

2021 a transformational year

**Robust and
growing
recurring
revenue**

**Strong cash
position**

**High
customer
retention**

**SaaS journey
commenced**

2021 Financial Highlights

Revenue £27.3m (2020: £25.2m)	↑	+8%
Recurring revenue (56% of total revenues)	↑	+9%
Operating profit: £4.10m (2020: £4.15m)	→	-
Profit before tax: £3.9m (2020: £3.9m)	→	-
Basic EPS: 3.3p (2020: 3.9p)	↓	-15%
Development spend: £3.4m (2020: £3.2m)	↑	+6%
Net cash £10.0m (2020: £6.2m)	↑	+62%
Full year Dividend recommended	→	0.60 pps

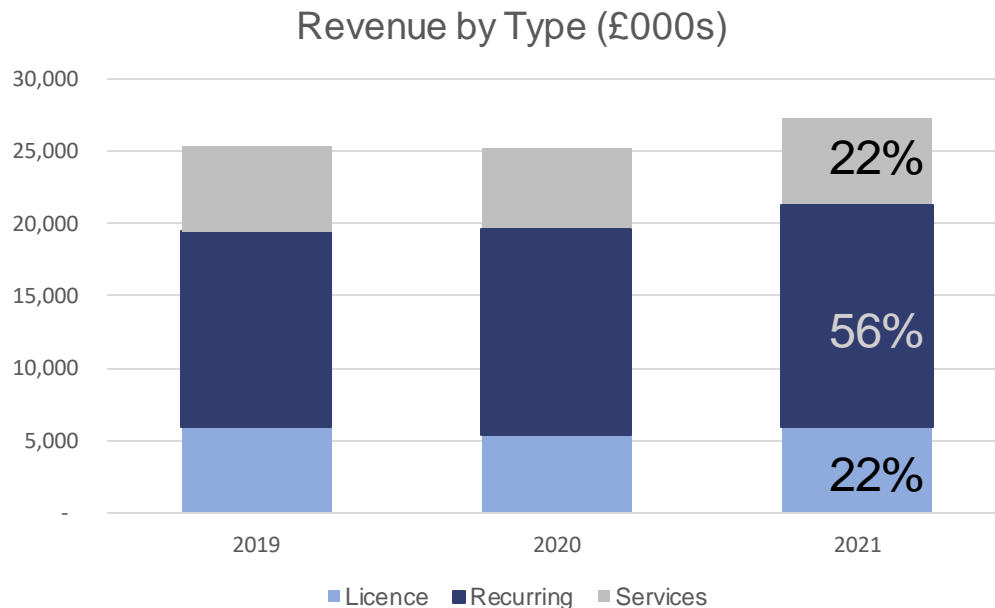




Financial report 2021

Rose Clark – Interim CFO

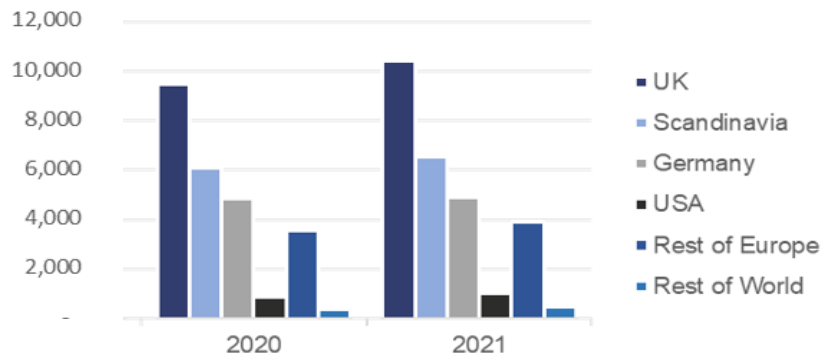
Strong predictability of revenue growth and gross margin



- Organic growth of 8% for Total Revenue
- Recurring Revenue up 9% - 56% of total at £15.4m
- Deferred income £7.1m
- Gross profit 90% (89%)

Positive revenue growth across the business in 2021

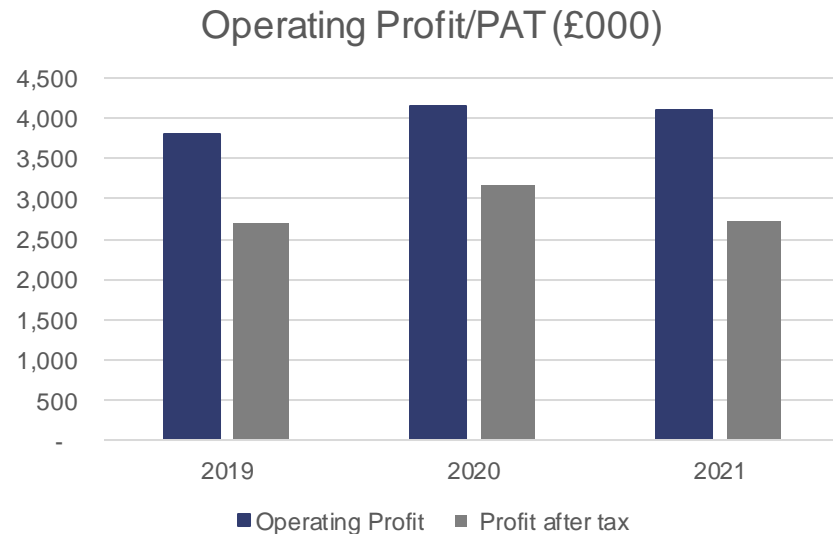
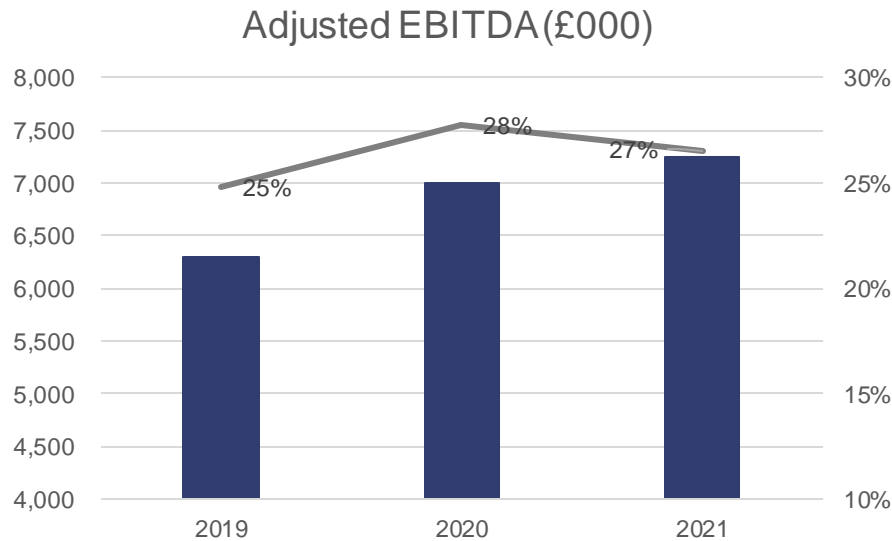
Revenue by Geography (£000s)



	2020	2021	Growth
Building Lifecycle	15,897	17,650	11.0%
CAD and Visualisation	7,771	7,997	2.9%
Other - third party software	1,564	1,697	8.5%
Total	25,232	27,344	8.4%

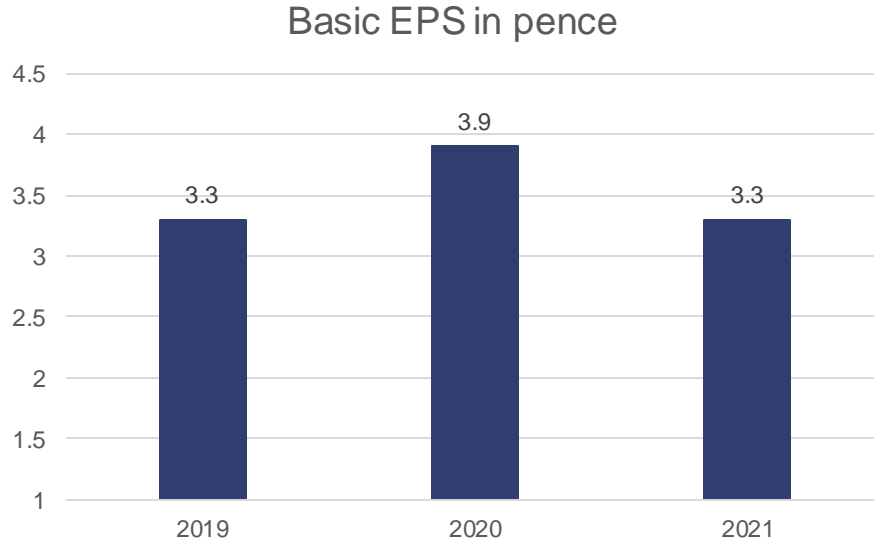
- Growth in each geography and in each Segment
- Building Lifecycle growth particularly in the UK was the dominant factor as the building sector adapted to COVID restrictions

Profitability



- Adj. EBITDA above expectation and with strong margin
- Operating profit flat – impacted by a product impairment in 2021
- Increase in Corporation Tax in UK impacting deferred tax and PAT

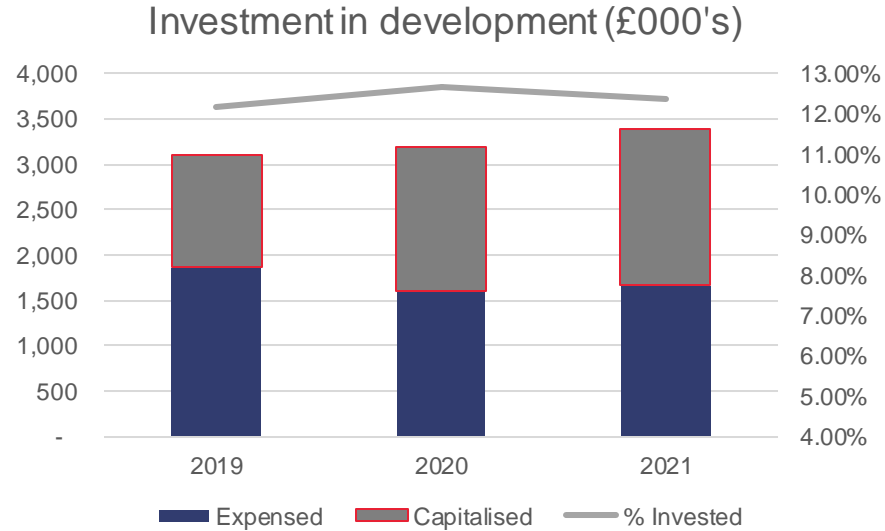
EPS and Dividends



	2019	2020	2021
Interim	0.3	-	0.2
Final	-	0.4	0.4
	0.3	0.4	0.6

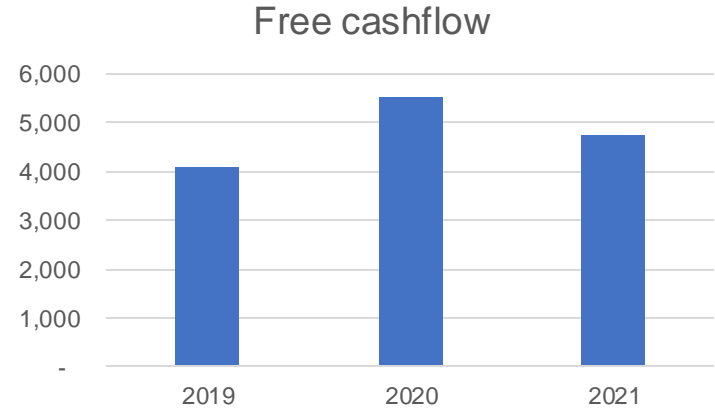
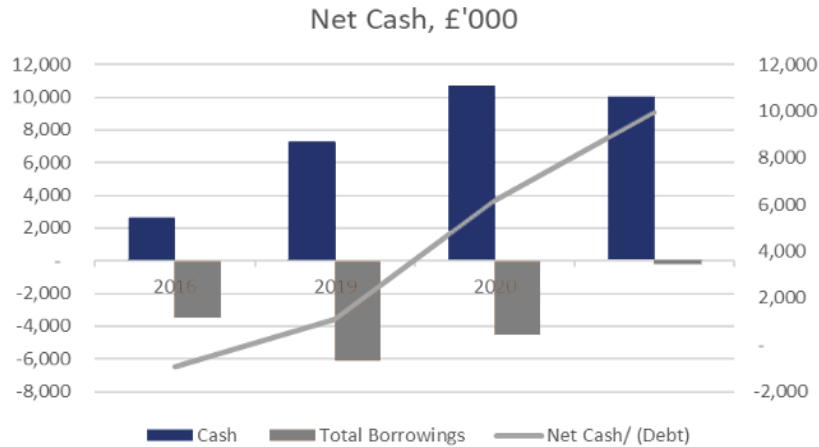
- EPS impacted by Corporation tax rate
- Positive cash flow allows return to more normalised level of dividend

Investment in product development



- Development spend maintained at £1.6m at over 12% of revenue

Continued cash generation and no debt



- Net cash improved to £10m by £3.9m
- Bank debt repaid



2021 financial highlights summary

**Robust and
growing
recurring
revenue**

**Strong cash
position &
reintroduced
Dividend**

**High
customer
retention**

**Growing
shareholder
value on
SaaS journey**

**Experienced
management
team to
deliver
growth**



Our purpose and strategy

Jonathan Hunter – CEO

Our Purpose, Mission and Vision

Purpose

Solving the Challenges
of the Built
Environment through
Digital Transformation

Mission

Providing world-class
solutions to companies
in the construction and
built environment sectors

Vision

Creating certainty for
the built environment

Strategic Progress

Innovate

Strengthened our Product Management organisation and focused on customer segments and regions.

Won best Project Management software of the year at Construction Computing Awards

Strengthen

Transformed and simplified our organizational design to drive efficient, effective and resilient operations that support our customer geographic strategy.

Made key appointments and established the leadership team.

Enhanced our culture and people strategy

Grow

Aligned our portfolio to meet the needs of customer segments.

Delivered growth in all regions and in our predictable recurring revenue.

Won best performing company at Megabuyte
Quoted 25 awards

Strategic Priorities

Innovate

- Maintain and strengthen our established portfolio
- R&D investments, acquisitions and partnerships
- Elecosoft Cloud and subscription user experience

Strengthen

- Talent attraction and retention
- Drive efficiency and effectiveness in operations through simplification
- Improve operational visibility
- Maintain diversity across our global workforce

Grow

- Customer-centricity by aligning with their needs
- Drive our growth in recurring revenue - SaaS
- New customer wins, supporting existing customers
- Direct organic sales focus
- Further support customer success capabilities

Driving growth through SaaS

Added customer value

Lower entry level

Elastic price plan

New Cloud services

Self-service

Lower licence management

Enhancing shareholder value

Attract more customers

Predictable revenue

Higher
CLTV¹⁾

Lower CAC²⁾

Lower maintenance

1) Customer Lifetime Value
2) Customer Acquisition Cost

The construction software markets are changing as built environment accelerates its digitalisation and adoption of ESG policies

1 Continued Focus on Cost Reduction



Concentration on cost reduction due to ongoing margin pressures and talent shortages.

For example, through:

- Increased automation
- Productivity measurement & reporting
- Supply chain costs (materials and labour)
- LastPlanner principles

2 Development of New Construction Techniques



Ongoing development and adoption of new construction methods including:

- Modularisation
- 3D Printing
- Design for Manufacture and Assembly

3 Sustainable Building Practices



Driven by environmental, risk and safety concerns in addition to regulation.

This includes the use of:

- Embodied Carbon Calculators
- CO₂ emission trackers
- Energy analysis tools
- Exoskeletons
- Governance & Compliance

4 Ongoing Technological Development and Adoption



Continued creation and development of new hardware and software including:

- AI/ML
- Cloud
- IoT
- Smartphones
- 5G
- Collaboration Tools
- Robotics
- BIM

But level of adoption remains low compared with other industries

How customers are using our solutions

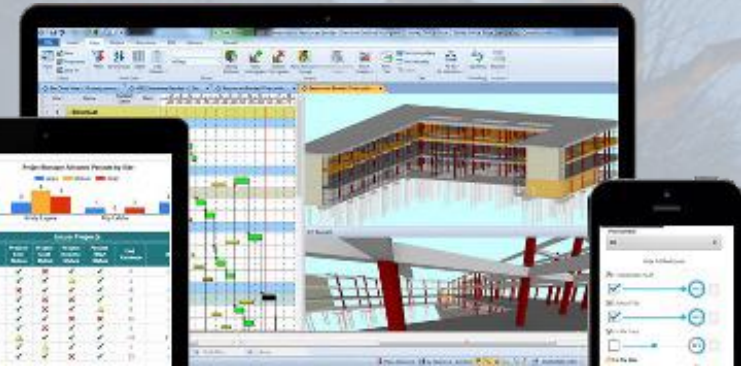


INNOVATION



Powerproject underpins Willmott Dixon's move to greener construction at Warwick University

- 50% manufactured off-site with operations coordinated using Powerproject
- Reduced on-site deliveries by **40%** to cut the project's carbon footprint
- **Halved** the number of on-site staff for a cost-efficient, socially distanced operation
- Delivered a 7,000-square-metre, five-storey building on schedule in just **118** weeks
- **Expanded** project management remit to coordinate the off-site construction supply chain
- **Dynamically communicated** project progress to build a transparent, trusted working relationship with the contractors and the university



ELECO®

 Powerproject®

STRENGTHEN

Real-time progress, Hansen Yuncken, Australia



HANSEN YUNCKEN

- Hansen Yuncken's latest project management innovation - a custom-made analytics dashboard driven by **Powerproject BI** (Business Intelligence)
- Real-time analytics dashboards enhance company performance and capture attention of the wider business industry
- Hansen Yuncken plan to implement five-dimensional project management, using 5D BIM to add cost information to the progress model, so all regional teams can monitor cash flow alongside time management
- Take advantage of our unique capabilities to better serve specific customer segments' needs
- Apply the experience of our best of breed applications to our next generation solutions.
- Build and monetise our strong customer relationships.



GROWTH

Ongoing technology development and adoption

- Virtual showroom
- Artificial Intelligence tool
- Personalised product choice
- Integrated ecommerce



**Lay out
your tilo floor.**

 Take picture



Your rooms

choose from your
existing rooms

→ [show overview](#)



Summary and Outlook

2021 – a transformational year

**Excellent
progress on
strategic journey**

**Proven product
portfolio**

**Transitioning to
SaaS**

**An expanding
and loyal
customer base**

**Strong recurring
revenue and
customer retention**

**Confident in the
outlook for 2022**

Thank you

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ELECO®

