



# SAMESYSTEM

## INVESTMENT CASE



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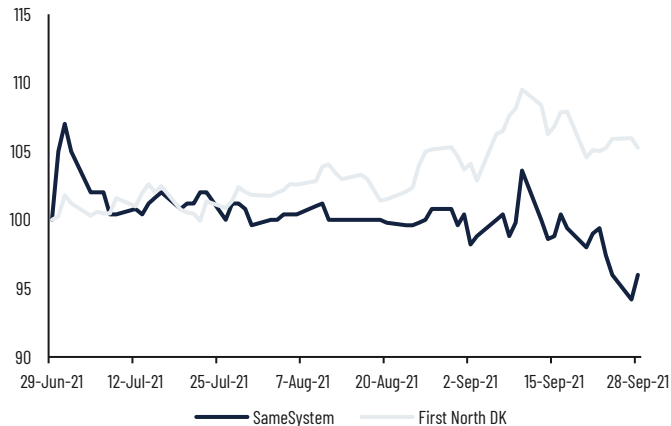
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## SAMESYSTEM

SameSystem is a Software-as-a-Service (SaaS) company that offers a workforce management solution (WFM). The company was listed on First North Premier in June 2021.

Ticker: SAME  
Share price (DKK): 4.80  
Market capitalization (DKK): 322,133,280



### KEY FINANCIALS (DKKm)

	2020	2021E	2022E	2023E
ARR	30.0	41.8	60.0	85.0
EBITDA	9.2	N/A	N/A	N/A

## INVESTMENT CASE

- SameSystem is a leading European SaaS company within workforce management (WFM) for store-based retailers and foodservice providers. **The AI-powered solution optimizes performance by bringing omnichannel into the workforce management context, ensuring people with the right competencies, at the right place and time, and by digitalizing administrative tasks, saving time on back-office administration.** As a result, clients see an improved consumer experience, increased sales, and lower costs in the most expensive part of the sales channel.
- SameSystem taps into a relatively immature **DKK 25.2bn valued market within the European retail and foodservice industry with a CAGR of 11.2% towards 2026.** The market is driven by large trends; **i)** retailers need to increase efficiency due to pressure from online providers, **ii)** COVID-19 has pushed the digital agenda even further and **iii)** new technology enables traditional retailers to use AI and machine learning for prediction.
- **SameSystem has a strong foothold in Europe with 776 customers across 21 European countries** as of 30 June 2021. Customers include large well-known retailers such as BESTSELLER, Hugo Boss, Pandora, Normal, Matas, and IKEA.
- **A scalable business model** is demonstrated by already being profitable in the past two years. Combined with a sticky SaaS platform and short payback time of acquiring new customers, SameSystem has a great opportunity to invest in future growth and expand presence in Europe.
- **High future growth rates** are supported by **i)** a large part of the proceeds from the IPO is invested in scaling up the sales organization and marketing efforts and **ii)** SameSystem offers a more focused one-stop solution for retailers and foodservice providers than large competitors.
- With ARR multiples of 8.4x ARR (June 2021A) and 7.7x ARR (September 2021E) combined with an expected ARR growth rate of approx. 40%, **SameSystem trades to a high discount relatively to both the US and Danish SaaS sector and more comparable larger peers.**

### KEY INVESTMENT REASONS

- Proven business case with solid footprint in Europe and many customers including well-known retailers
- Competitive and margin pressure from online shopping force retailers to invest in digital solutions and optimize operation
- Valuation discount is not explained by growth rate and SaaS metrics

### KEY INVESTMENT RISKS

- New entries from large vendors may increase the competition within workforce management software solutions
- High exposure to a cyclical customer base could lead to higher fluctuations in investment cycles
- Declining number of physical retailers over time

## DISCLAIMER

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## SELECTED RISK FACTORS AFFECTING THE INVESTMENT CASE AND LOCK-UP AGREEMENTS

**Nasdaq First North Premier Growth Market:** Potential investors must be aware of the significant risks related to investing in companies listed on Nasdaq First North Premier Growth Market.

**Share price development:** The market price of the SameSystem share may vary negatively depending on several factors including financial results varying from expectations, economic downturns, changes in expectations, changes in geopolitical conditions, and the risk of declining global stock markets.

**Business model risks:** SameSystem generates approx. 35% of the total ARR from the 20 largest customers as of 2019/2020. Thus, losing one of its top ten customers will have a medium impact on the company's ARR of between 1.5% to 4% and affect future ARR and financial results. In 2019/2020, SameSystem's ARR churn was 3.1% corresponding to a theoretical customer lifetime of more than 30 years. If the churn rate increases substantially, the total ARR will be negatively affected due to a shorter customer lifetime.

**Industry risks:** SameSystem's management assesses that the competition within the workforce management software industry will increase due to changes in technology and/or entry of new competitors. However, SameSystem has built the solution over several years, and the company assesses that a team of 20-30 developers with extensive industry knowledge should use at least 3-4 years before a similar solution is developed.

**Operational risks:** SameSystem's expansion strategy is dependent on key personnel. Both Sales Director Mikael Christensen (joined in March 2019) and CEO Henrik Peter Salicath (joined in April 2021) have 12 months competition clauses. Also, SameSystem is exposed to risks related to cybersecurity issues similar to any cloud-based SaaS provider, which can affect the reputation negatively. However, SameSystem has implemented several initiatives to reduce the risk of cyberattacks and data breaches.

**Liquidity risks:** SameSystem is in a growth phase focusing on increasing the presence in Europe. Going forward, this implies that SameSystem does not expect to achieve a positive EBITDA before 2024. New capital of DKK 60m from the IPO is expected to provide sufficient liquidity to execute on the expansion strategy, however, there is a risk that SameSystem may be required to raise additional capital to finance its continued expansion strategy.

**Financial risks:** SameSystem's customers are located across 21 European countries with customers being invoiced in DKK, EUR, NOK, and SEK. Since DKK is pegged to EUR, exchange rate fluctuations are primarily related to NOK and SEK. Currently, SameSystem does not hedge the currency risks.

**Sale of shares by major shareholders:** Large sale of shares by major shareholders or members from the Board of Directors and management team may affect the company's ability to raise additional capital in the future.

**Lock-up agreements:** Major shareholders and owners of shares before the IPO in June entered into lock-up agreements. Only Tobias Byrial Ritlov and Lucas Byrial Ritlov from the executive management and management team owned shares in SameSystem and are under lock-up. All shareholders with lock-up agreements are Ritlov ApS (owned by co-founder and consultant to the CEO, Henrik Byrial Ritlov), Tobias Byrial Ritlov, Lucas Byrial Ritlov, Same System Invest ApS (owned by Jess Glad Frandsen) and Ingerslev ApS (owned by Søren Elmann Ingerslev).

The lock-up obligation is released in five equal-sized instalments starting 12 months after the first day of trading (30 June 2021) and released every 3 months afterwards. This means that shares under lock-up are fully released 24 months after 30 June 2021. Pre-subscribed shares or shares bought in connection with the offering or later are not locked-up.

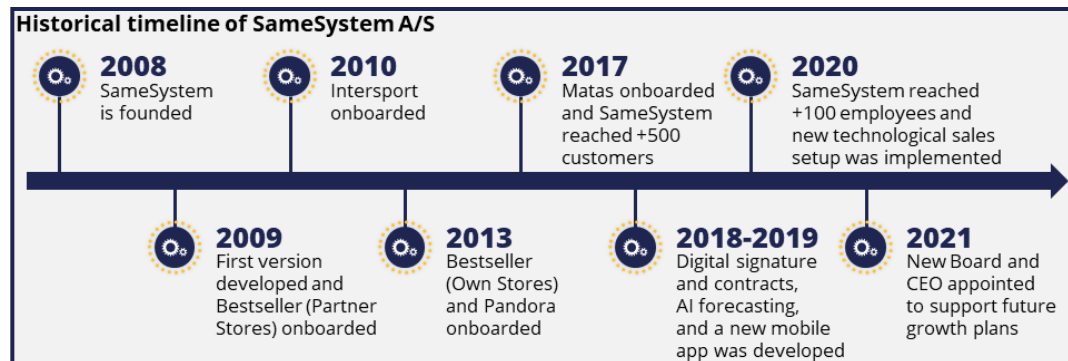
## SAMESYSTEM - IN BRIEF

**SameSystem's workforce management software solution is applied by leading European retailers, and SameSystem is now ready to expand further in Europe**

**Overview:** SameSystem is a Software-as-a-Service (SaaS) company headquartered in Copenhagen with 121 employees as of 30 June 2021. The company was founded in 2008 by the two former retailers, Henrik Ritlov and Jesper Djursø, who developed a solution to optimize the workforce management in the retail industry. Now, the software solution is also offered to foodservice providers such as restaurants and bars.

SameSystem's SaaS platform offers a complete data-driven SaaS workforce management (WFM) software solution with flow planning, scheduling, time and attendance tracking, automatic payroll & Point-of-Sales integration, digital contract management, budgeting and forecasting based on AI and machine learning.

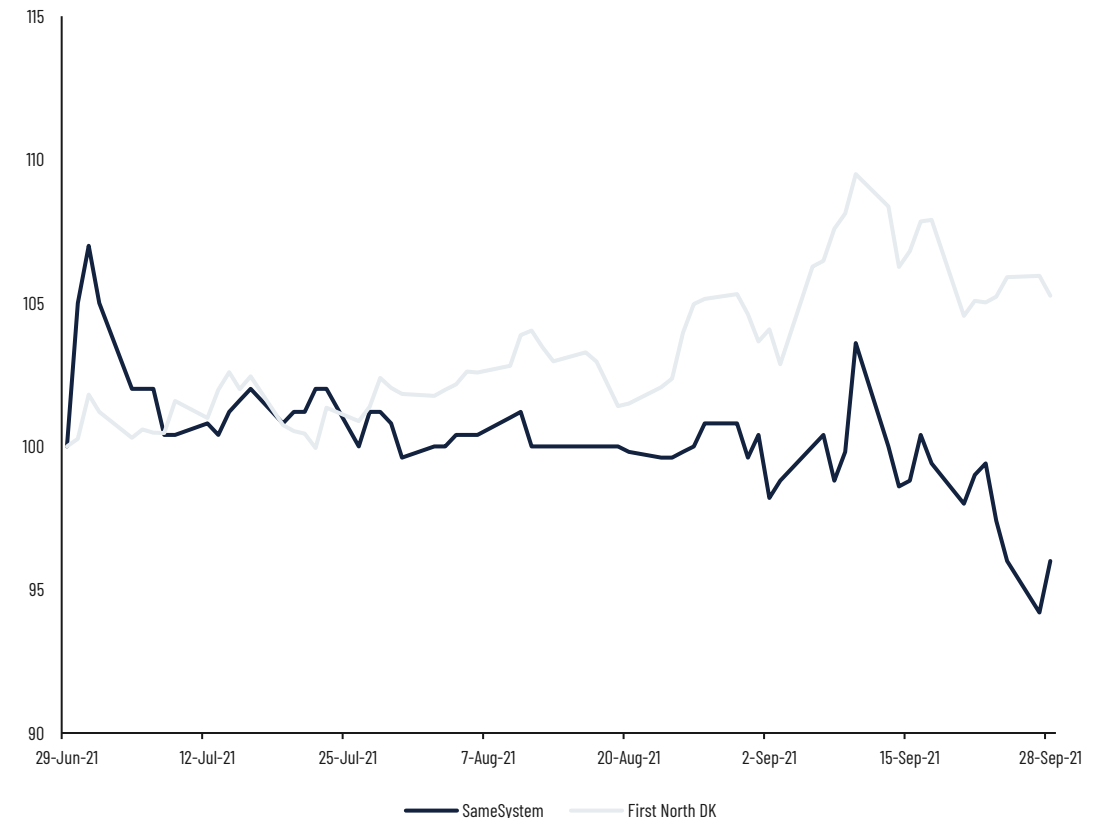
**Customers:** As of 30 June 2021, 776 customers across 21 European countries are using SameSystem's workforce management software. Customers include large well-known retailers such as BESTSELLER, Pandora, Normal, Matas, Hugo Boss, IKEA, and Bunnpris. The solution fits to both small local retailers and larger blue-chip retailers.



Historical timeline of SameSystem  
Source: SameSystem's prospectus

**Share information:** SameSystem was listed on Nasdaq First North Premier in Copenhagen in with an offer price per share of DKK 5.00. In total, the company and existing shareholders sold shares for DKK 75m including DKK 60m in new capital to the company before costs. As of 28 September 2021, SameSystem's market value is DKK 322,133,280. The share trades at DKK 4.80.

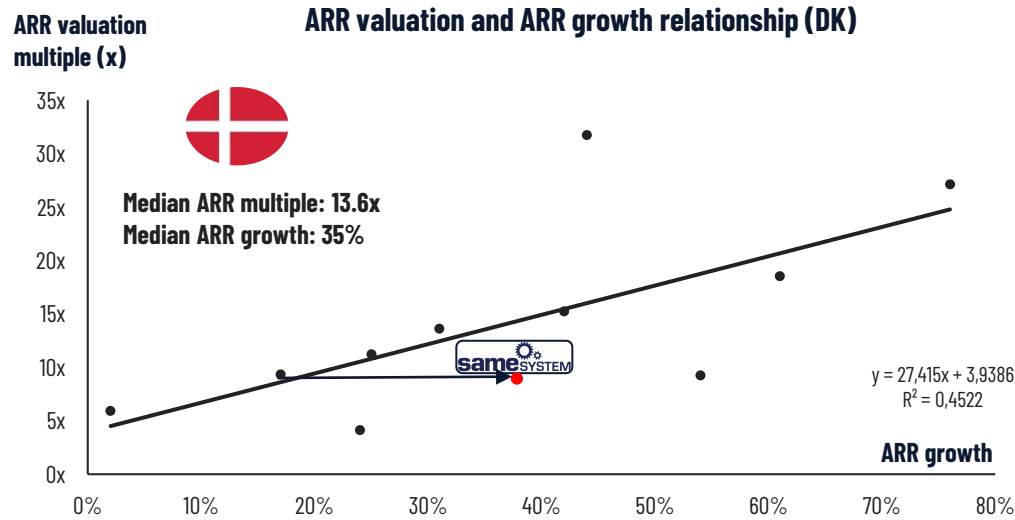
### Indexed share price development (Index 100 = offer price DKK 5.00)



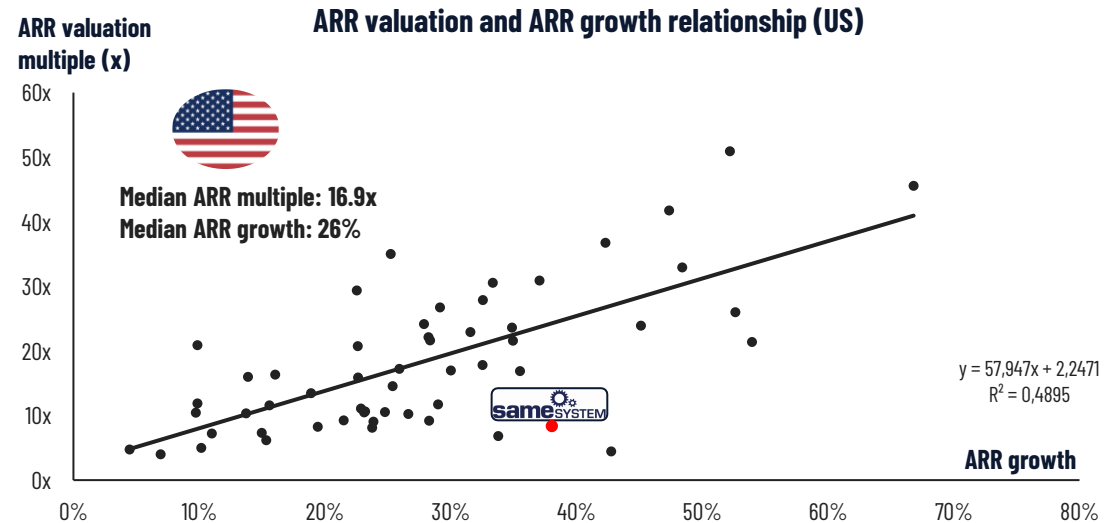
## VALUATION PERSPECTIVES

**SameSystem trades to a high discount relatively to both the US and Danish SaaS sector and more comparable larger peers**

SaaS companies are traded to high valuations due to the investors' appetite for recurring revenue with high predictability and visibility. The starting point for valuation of SaaS companies is *The SaaS Capital Index* (+60 US-listed SaaS companies) and the *SaaS HCA Index DK* (13 Danish-listed SaaS companies with ARR data). **As of 31 August 2021, the median ARR valuation multiple is 16.9x ARR in United States and 13.6x in Denmark.** The relationship between ARR growth and ARR valuation is shown in the two charts below, i.e., historical ARR growth (LTM) is having a large effect on the valuation. Other factors such as company size and maturity, customers, technological level, investments in R&D, TAM and growth rate also affect the valuation which is included later in our assessment.



Plot of relationship between historical ARR growth rate and ARR valuation (The SaaS HCA Index, 31 August 2021). Three companies without ARR growth data are excluded. Source: HC Andersen Capital



Plot of relationship between historical ARR growth rate and ARR valuation (The SaaS Capital Index, 31 August 2021). Companies without ARR growth data are excluded. Source: SaaS Capital Index.

**SameSystem's ARR valuation multiple\***

	June 2021A	Sep 2021E	Sep 2022E	Sep 2023E
ARR valuation multiple	8.4x	7.7x	5.4x	3.8x

\*Based on market capitalization of DKK 322.1m and realized ARR in June and ARR guidance towards Sep 2023.

**Potential larger US peers**

	P/S (2021E)*	Revenue growth (2021E)
ServiceNow	20.8x	29%
Ceridian HCM Holding	16.7x	20%
Paylocity	16.4x	13%

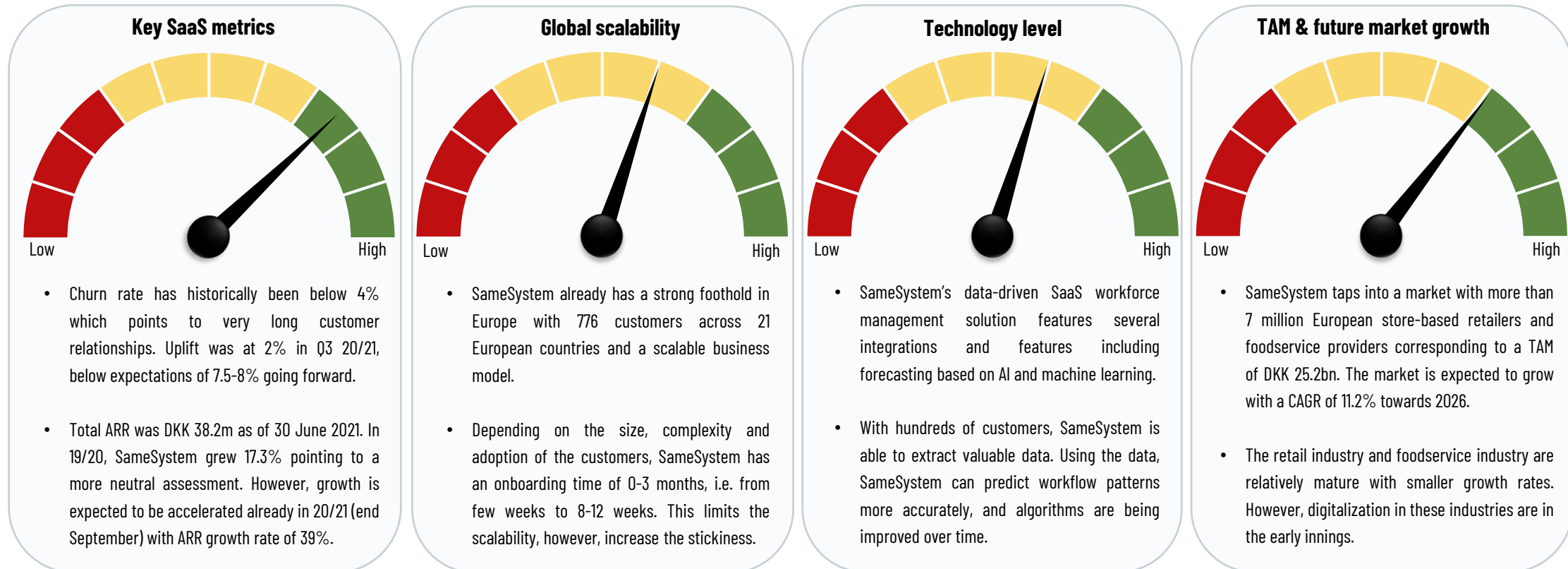
\*Price/Sales (P/S) is used as a proxy for P/ARR. Source: MarketScreener

## SaaS ASSESSMENT OF SAMESYSTEM

### How does SameSystem stack up with other companies in the SaaS sector?

The SaaS business model and market potential vary across companies and industries besides growth rates. Therefore, it is helpful to score the company on some of the most important general criteria for the SaaS industry to determine whether a company should trade with a discount/premium to other SaaS companies. We have pointed out four criteria to assess SameSystem or any other SaaS company as shown in the speedometres below. A medium/neutral rating points to pricing on par with the SaaS sector.

The assessment criteria are **1) Key SaaS metrics**, i.e. SameSystem's ARR growth, churn rate, upselling etc., **2) Global scalability**, i.e. how scalable the business model is across borders and in terms of onboarding time etc., **3) Technology level**, i.e. how advanced the software is and whether it is inimitable, and **4) Total addressable market (TAM) and future market growth**, i.e. how big is the market and future growth rates.



## KEY SaaS METRICS AND FINANCIALS

**High stickiness, low customer acquisition costs and historical profitability equal compelling investment case for acquiring new customers**

**Key SaaS metrics and financials:** SameSystem has historically been profitable with a net profit of DKK 2.05m in 2018/2019 and DKK 3.24m in 2019/2020. EBITDA margin was 30% in 2019/2020. Important for investors to understand is that SameSystem plans to invest in growth, i.e. scale up the organization and initiate more sales and marketing activities to penetrate the European market. Thus, SameSystem does not expect to be profitable in the coming years due to the planned expansion strategy. The expansion strategy focusing on growth is supported by an ARR churn rate of 3.1% in 2019/2020 which demonstrates the high stickiness of the platform with theoretical customer lifetime of about 30 years. Taking the payback period of less than 12 months for acquiring new customers into perspective, SameSystem should invest heavily in acquiring new customers as planned.

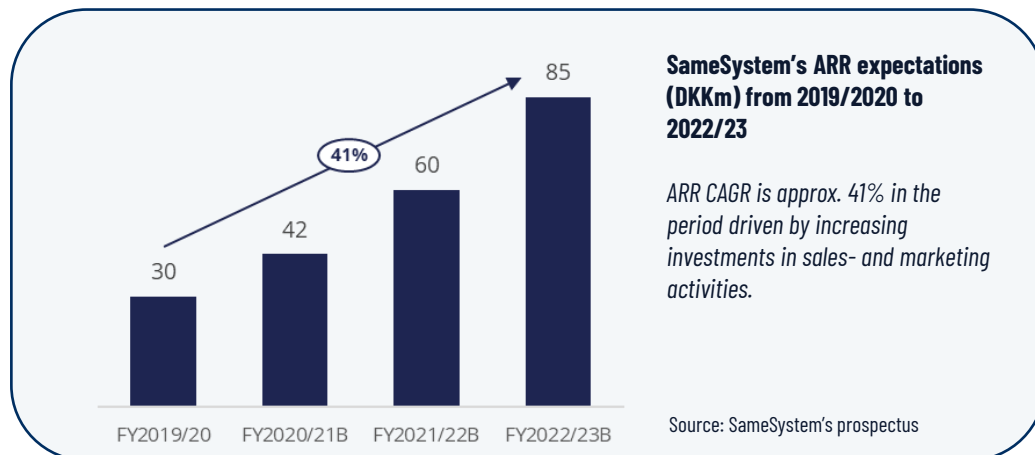
Going forward, SameSystem expects to increase the total ARR to DKK 85m by the end of financial year 22/23 (end September 2023). This corresponds to a ARR CAGR of approx. 41% from FY 2019/2020 to FY 2022/2023. Uplift from existing customers is expected to constitute of 7.5-8.0% including a price increase of 2.5%. In SameSystem's own guidance, the ARR churn rate is expected to be about 4% which is close to the historical performance.

**Q3 2020/2021:** In the third quarter of 20/21 covering the period 1 April – 30 June 2021, SameSystem has been positively affected by the fact that COVID-19 restrictions has loosened up in Europe, and consumers have increased their spending in physical retail stores and restaurants. As a result, retailers and foodservice providers have invested in their store networks again.

In addition, SameSystem emphasized to maintain the high level of support for customers, especially in COVID-19 affected markets, which has maintained the churn rate at low levels.

Looking into the numbers, SameSystem had a low churn rate of 3.3% which also indicate the high stickiness of SameSystem's solution. Total ARR reached DKK 38.2m as of 30 June. In the third quarter, SameSystem experienced an uplift from existing customers of 2.0%, and the SaaS company ended up gaining 77 new customers. This implies that SameSystem has 776 customers as of 30 June 2021, i.e. a solid footprint in Europe. ARR guidance of DKK 41.8m at the end of the financial year (end September 2021) was maintained corresponding to a growth (y-o-y) of 39%.

### SameSystem's ARR guidance towards September 2023



### SameSystem's key SaaS metrics





## SOLUTIONS, VALUE PROPOSITION AND GO-TO-MARKET STRATEGY

### **SameSystem's workforce management software solution is validated by large European retailers, and SameSystem has a proven three-steps go-to-market strategy**

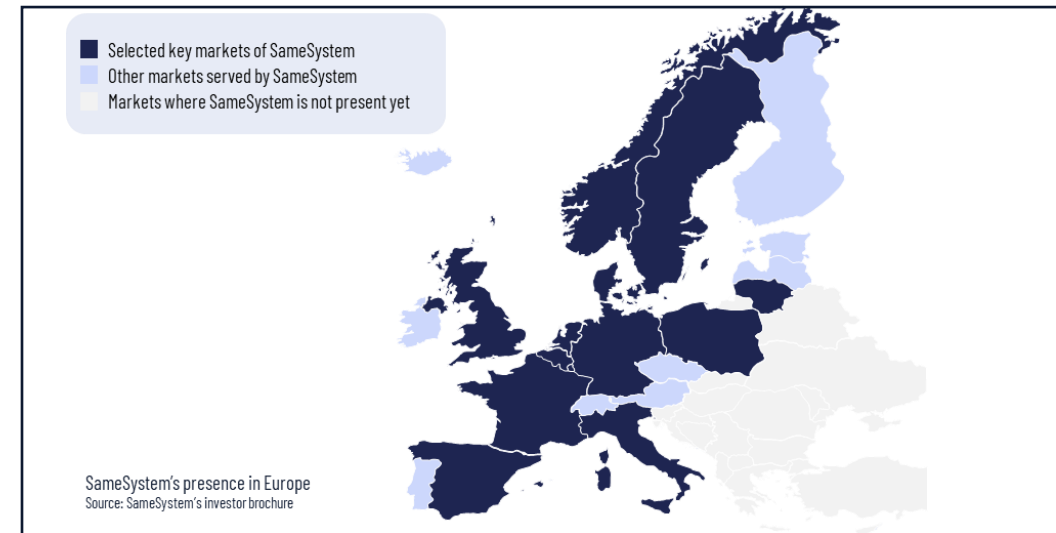
**Solution:** SameSystem provides its platform in three solutions depending on how extensive the customer wants to adopt the software solution; **1)** the basic solution includes staff planning, communication features and desktop time registration, **2)** the advanced solution is more comprehensive with digital contracts, forecasting and automatic payroll, and **3)** the full solution provides a complete package that features AI and BI dashboards.

**Value proposition:** SameSystem's easy-to-use tools reduce administrative tasks and are freeing up resources that store-based retailers and foodservice providers can use on sales efforts. Using SameSystem, employees and management have a structured overview of updated schedules, KPIs, communication flows etc. with the app-based platform which increase the employee satisfaction and provide a detailed overview for the managers.

- Customer satisfaction of 99.3% demonstrates the value that SameSystem creates for customers every day. This is secured by a free of charge support and with a response time of less than 20 seconds. Hence, the Customer Success and Support team are a vital part of SameSystem which also is shown in the low churn rate of 3-4%.
- SameSystem grows with their customers, i.e. SameSystem has high upselling potential on e.g. digital signature services in more stores, restaurants, cafés or bars within a customer's organization.
- Integrations to more than 50 providers of complementary software solutions enable that SameSystem works smoothly with all necessary software systems, i.e. ERP systems, salary systems, digital signature, HR solutions, etc. The integrations ensure that both store staff and the HR department for store-based retailers save time due to automatic real-time data, GDPR issues with contracts are solved, and human errors from manual processes are eliminated.

**Go-to-market strategy:** SameSystem has a proven three-steps go-to-market strategy; **1)** following customer's request to expand the collaboration with the customer, **2)** direct sales from HQ in Denmark or with limited local employees and **3)** fully local establishment when the market is evaluated as a key market for SameSystem.

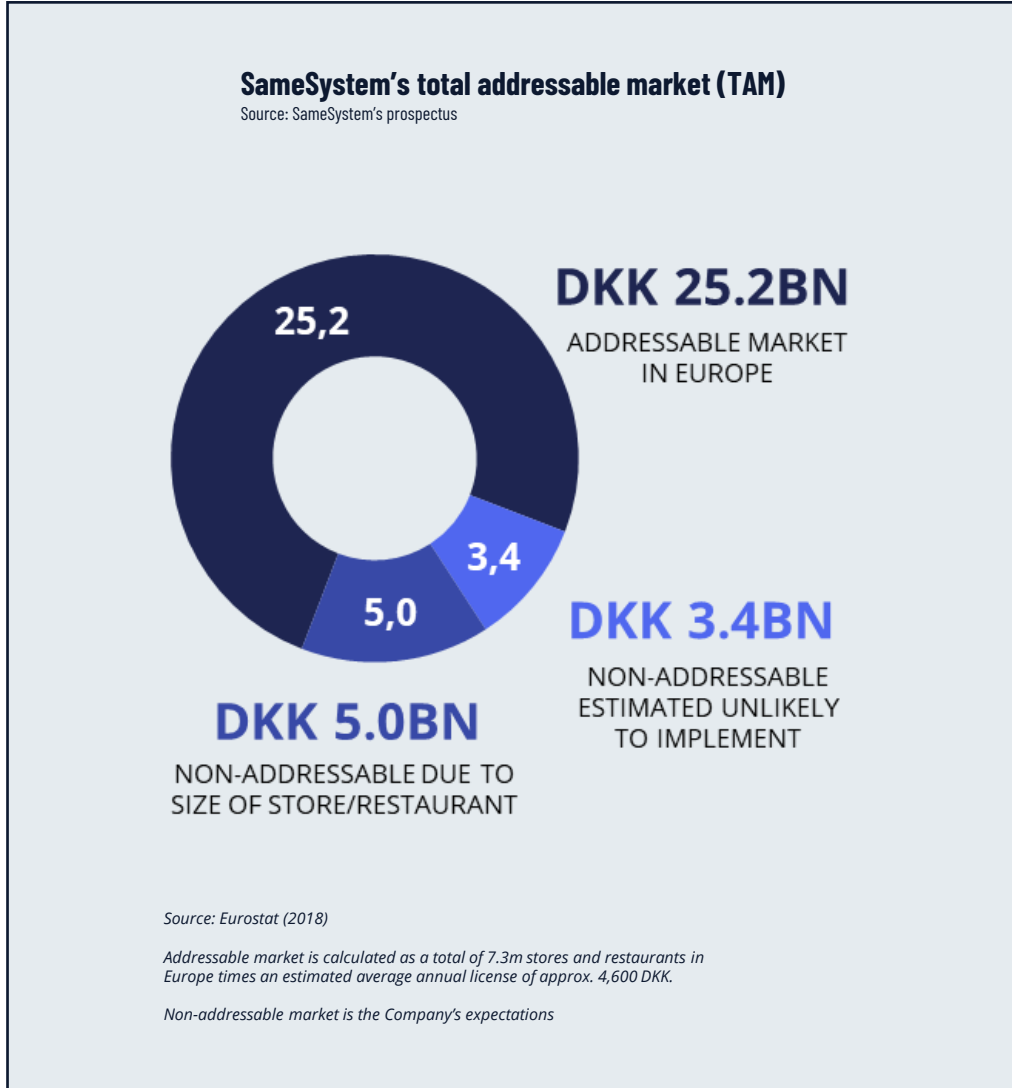
SameSystem has identified 13 European key markets which comprise of more than 3.5 million enterprises within the store-based retail- and foodservice industry. The enterprises are attracted by SameSystem's digital lead inbound efforts such as improved search engine optimization, advertising on social media platforms and agreements with a best-in-test lead research specialist. Moreover, SameSystem expects to scale up the organization by increasing the number of employees in local commercial hubs from currently 48 employees to 107 employees in 2023.





## MARKET AND COMPETITION

**SameSystem's total addressable market (TAM) is estimated to a value of DKK 25.2bn and taps into an early-stage digital transformation in retail and foodservice industry**



**Market:** Workforce management (WFM) refers to the process of improving and optimizing an organization using budgeting, planning, tracking of time, payroll management, digital contract management, and forecasting of number of employees and customers based on AI and machine learning. This market has increased due to structural changes such as 1) higher wages and lower productivity in physical stores and 2) more online shopping putting pressure on retailers.

Focusing on retailers and the foodservice industry, SameSystem estimates that the total addressable market (TAM) is DKK 25.2bn calculated as 7.3m European store-based retailers and foodservice providers times an estimated average annual license of approx. DKK 4,600 (Eurostat, 2018). Unfolding the numbers, there are estimated to be 5.0m store-based retailers and 2.3m foodservice providers across key European markets. In another market report by Mordor Intelligence, the European workforce management solutions market for retail and foodservice is expected to grow with a CAGR of 11.2% towards 2026. Obviously, not all retailers are investing in workforce management solutions, however, a Gartner market report estimates that the software spending within the retail industry is growing with a CAGR of approx. 8% towards 2022.

**Competition:** The competitive landscape is highly fragmented with no dominant European market leader. Management estimates that approx. 80% of the market players currently has no WFM solution implemented, i.e. the market is relatively immature. SameSystem's main competitors are Quinyx, Planday and Timeplan, however, SameSystem differentiates itself by focusing on the retail industry and recently also the foodservice industry with a fixed price independent of the number of features and users. Additionally, SameSystem has deep integrations to other software and local compliance in Europe. Thus, SameSystem aims to be the market-leading workforce management solution for store-based retailers and foodservice providers. According to SameSystem's management, new entrants in the workforce management software industry will have to use at least 3-4 years with a team of 20-30 developers to built up a solution similar to SameSystem's software solution.

## MANAGEMENT TEAM AND MEMBERS OF THE BOARD OF DIRECTORS

*Experienced management team within retail and tech and board members with knowledge from listed companies*

**Henrik Peter Salicath**  
CEO



**Tobias Byrial Ritlov**  
Product Development Director



**Mikael Christensen**  
Sales Director



**Jesper Karbæk Ryskin**  
Marketing and Communications Director



**Søren Elmann Ingerslev**  
Chairman



**Thomas á Porta**  
Board member



**Hans Henrik Hoffmeyer**  
Board member



**Birgitte Nielsen**  
Board member



**Robert Kaminski**  
CFO



**Jacob Rasmussen**  
Customer Success Director



**Tenna Skovgaard Bosold**  
Global People & Culture Director



**Lucas Louis Ritlov**  
Deputy Sales Director



The founder and largest shareholder, Henrik Byrial Ritlov, stepped down from his position as CEO in March 2021. However, he is expected to work as consultant for the new CEO, Henrik Peter Salicath, until April 2022. Henrik Peter Salicath joined SameSystem in April 2021, and he has extensive experience from tech companies working in global and well-known tech enterprises such as Microsoft, Columbus, and Tectura.

Henrik Byrial Ritlov's two sons have important positions in the management team, i.e. Tobias Byrial Ritlov is Product Development Director, and Lucas Louis Ritlov is Deputy Sales Director. CFO Robert Kaminski joined SameSystem in July 2021. He has experience from positions in Grant Thornton, DSV and PwC. Other management team members are Sales Director Mikael Christensen, Marketing & Communications Director Jesper Karbæk Ryskin, Customer Success Director Jacob Rasmussen, and Global People & Culture Director Tenna Skovgaard Bosold.

SameSystem's Board of Directors consists of four members with experience in listed companies. All four board members; Søren Elmann Ingerslev, Thomas á Porta, Hans Henrik Hoffmeyer and Birgitte Nielsen, pre-subscribed shares in connection with the IPO for between DKK 250k and DKK 300k.

Chairman Søren Elmann Ingerslev, who is Partner at Elmann Advokatpartnerselskab. He also holds other management and board positions including being chairman in the First North listed SaaS company, Konsolidator.

Board member Thomas á Porta has extensive experience with scaling software companies. He is also CEO at Formpipe Software.

Board member Hans Henrik Hoffmeyer is co-founder and COO of Coinify ApS and has experience from top-tier global IT companies, large-scale IPOs and fintech companies.

Board member Birgitte Nielsen is a professional board member after working in top positions for e.g. FLSmidth. Today, she is also board member in Matas, Coloplast, KIRK Kapital, De Forenede Ejendomsselskaber and Haldor Topsøe.



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