



# HALF-YEAR REPORT

1 Jan–30 Jun

**2019**

CEO Timur Kärki  
CFO Petteri Venola

**GOFORE**

# AGENDA

---

1

H1/2019  
highlights

2

Financial  
review

3

Direction,  
strategy

4

Looking  
forward



## H1/2019 HIGHLIGHTS

NET SALES  
EUR 33.5  
MILLION

NET SALES  
GROWTH  
35.5%

EBITA  
EUR 4.97  
MILLION

EBITA  
GROWTH  
30%



# GROWTH EXPLAINED



**ORGANIC GROWTH**  
**EUR 3.8 million (16%)**



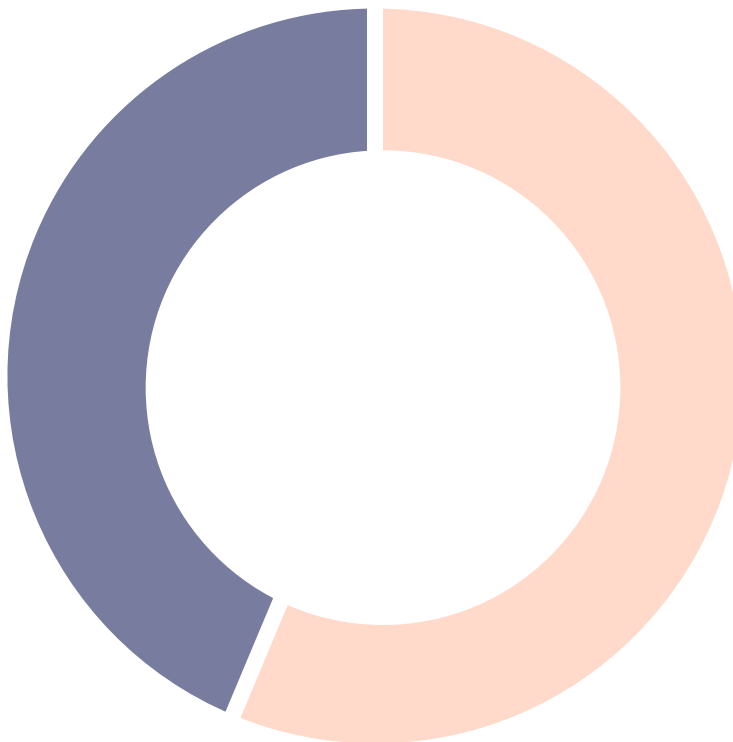
Increase in personnel  
by recruitments



Increase in  
customer prices



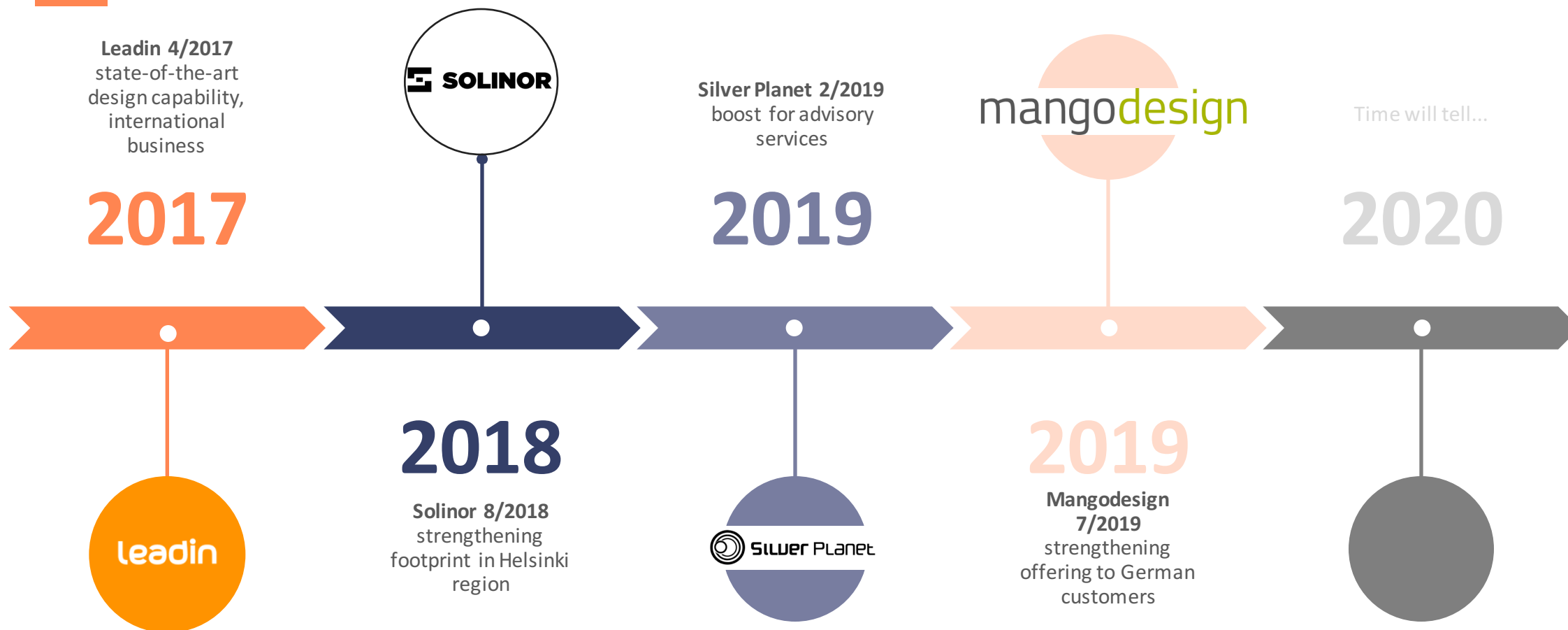
Growth of  
subcontracting



**ACQUISITIONS & OTHER**  
**EUR 4.9 million**



# OUR M&A TIMELINE



# SILVER PLANET ACQUISITION IN FEBRUARY

A digital transformation consulting company with a history of fast growth.

Strengthens our advisory services and brings excellence and knowhow in digitalisation related management consultancy.

After Silver Planet acquisition, we are a key player at the digitalisation advisory services in Finland.

Financially strong company. 2018 net sales EUR 7.2 million, EBIT 25%. 2019 still growing profitably.

Silver Planet is continuing with its own brand and migration to parent company is not yet scheduled.



SILVER Planet



# MANGODESIGN ACQUISITION IN JUNE

A German internationally recognized design agency (officially named mangodesign Finke-Anlauff & Anlauff GbR).

Employs 12 design professionals at its office in Braunschweig, Germany.

Has operated successfully for 25 years. Net sales in 2018 were EUR 544,000.

Allows for an integrated service offering in the German market: user experience consultancy, user interface design, visual design and industrial design combined with modern software development services based on agile practices.



mangodesign



# AGENDA

---

1

H1/2019  
highlights

2

Financial  
review

3

Direction,  
strategy

4

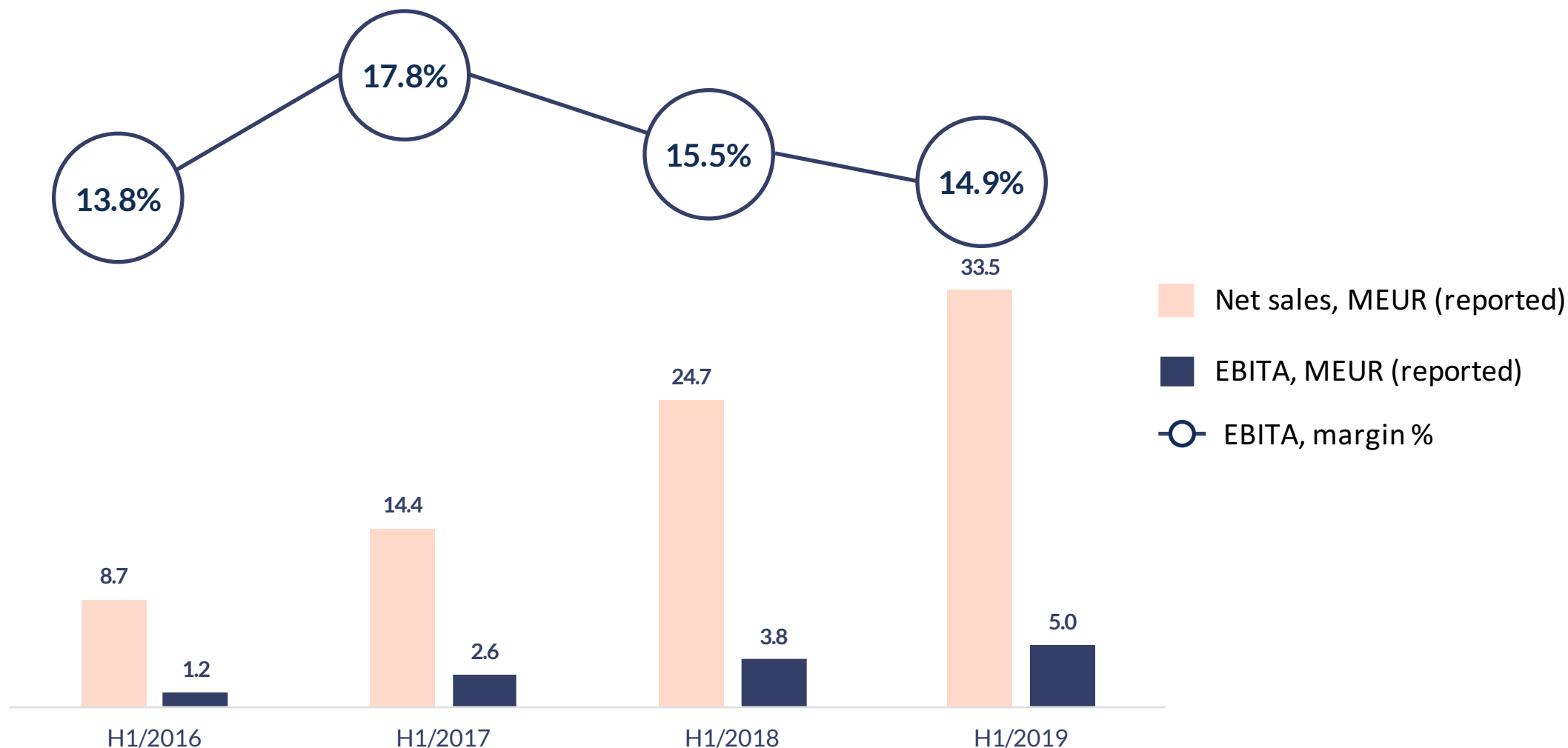
Looking  
forward



## FINANCIAL REVIEW



# NET SALES AND PROFITABILITY (H1/2016-2019)

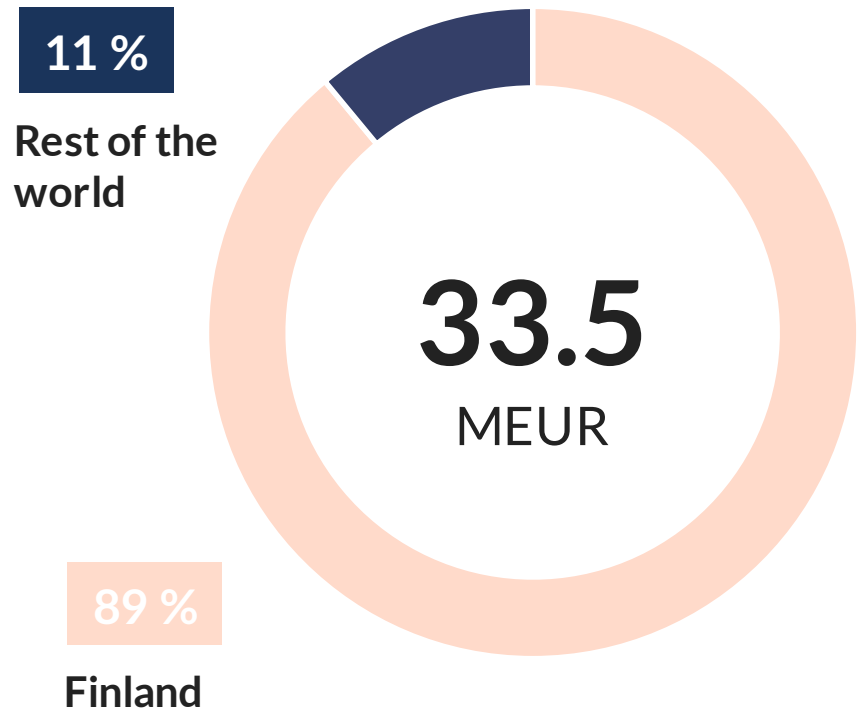


EBITA is operating profit before goodwill amortisation. 2016 and 2017 EBITA equals operating profit (EBIT). In 2018 and 2019, EBITA is operating profit (EBIT) plus goodwill amortisation.

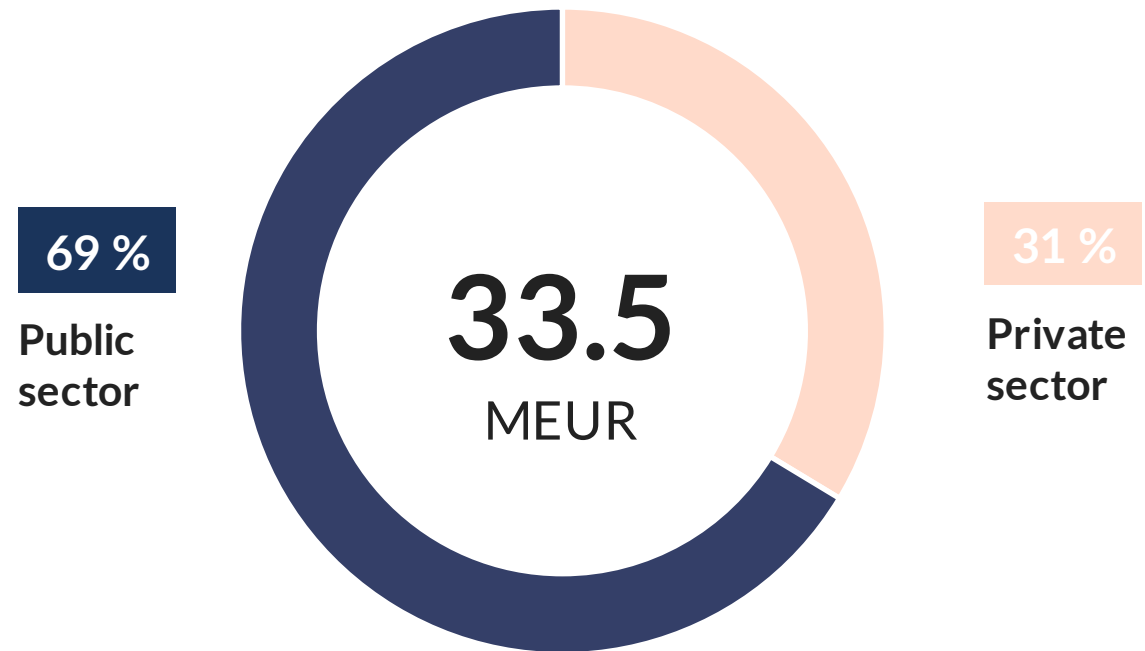


# NET SALES DEVELOPMENT IN H1/2019

By location

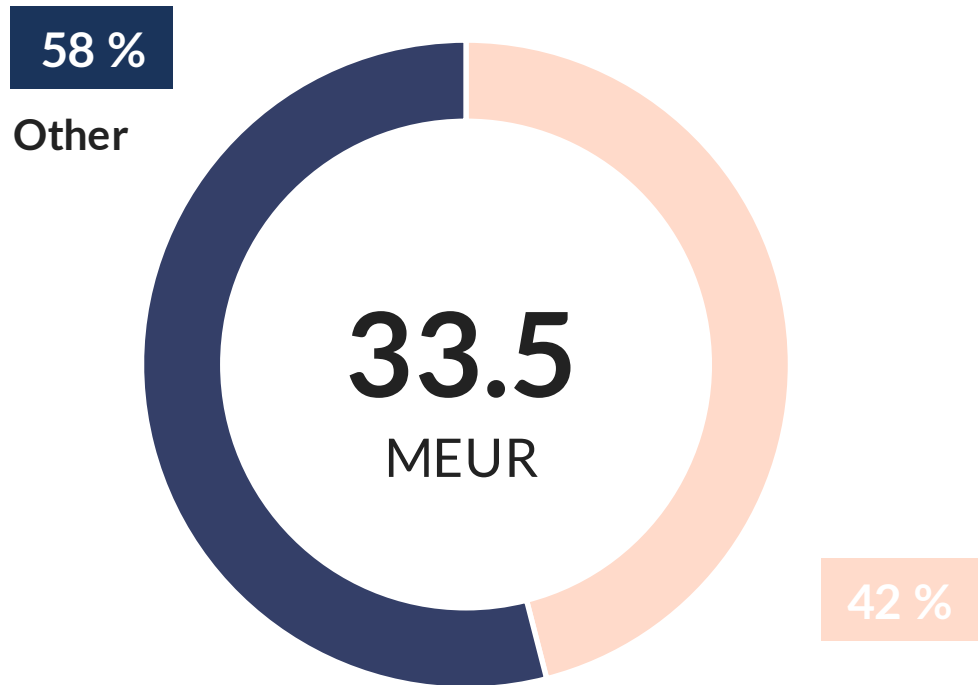


By sector



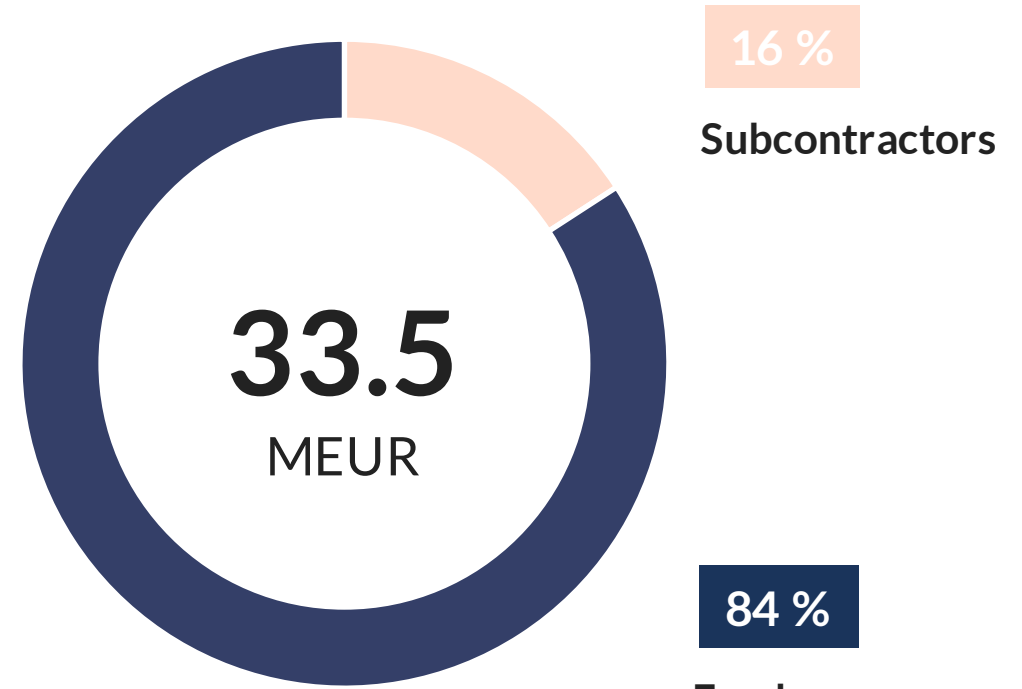
# NET SALES DEVELOPMENT IN H1/2019

By customers



Five largest

Subcontracting



Employees

# Key figures

In EUR 1,000, unless otherwise stated

	1-6/2019 <sup>2</sup>	1-6/2018	2018 <sup>1</sup>
Net sales	33,453	24,691	50,581
Growth of net sales, %	35.5	71.9	49.0
EBITDA	5,063	3,915	6,964
EBITDA margin, %	15.1	15.9	13.8
Operating profit before amortisation of goodwill (EBITA)	4,973	3,817	6,797
Operating profit before amortisation of goodwill (EBITA) margin, %	14.9	15.5	13.4
Operating profit (EBIT)	4,126	3,532	6,095
Operating profit (EBIT) margin, %	12.3	14.3	12.0
Profit for the period	3,092	2,752	4,732
Adjusted profit for the period <sup>3</sup>	3,938	3,037	5,434

Unless mentioned otherwise, the comparisons in this half-year report are presented in relation to the comparable period in 2018.

<sup>1</sup> The Solinor Oy figures are combined with the Gofore Group figures starting on 1 September 2018. In order to prepare for the possible transition to IFRS and when the Finnish Accounting Standards (FAS) makes it possible, the company has decided to deal with the cloud capacity resale as netted as of 1 January 2019. If this accounting principle had been followed in 2018, the company, according to its own estimate, would have reported net sales of approximately EUR 1.0 million lower, as well as materials and services approximately EUR 1.0 million lower.

<sup>2</sup> The Silver Planet Oy figures are combined with the Gofore Group figures starting on 15 February 2019.

<sup>3</sup> The adjusted profit for the financial period refers to the profit for the financial period to which amortisation of goodwill and the non-recurring funding expenses from listing have been added.



# Key figures (continued)

In EUR 1,000, unless otherwise stated

	1-6/2019 <sup>2</sup>	1-6/2018	2018 <sup>1</sup>
Earnings per share (EPS), undiluted, euros	0.23	0.21	0.36
Adjusted earnings per share (adjusted EPS), undiluted, euros	0.29	0.23	0.41
Number of outstanding shares at the end of the period <sup>3</sup>	13,989,784	12,948,800	13,116,982
Equity ratio, %	60.1	60.2	63.8
Net gearing, %	-27.2	-31.1	-53.58
Return on equity (ROE), % <sup>4</sup>	23.8	30.2	23.8
Return on investment (ROI), % <sup>4</sup>	25.8	31.4	24.9
Average overall capacity, FTE <sup>5</sup>	500	373	405
Average subcontracting, FTE <sup>6</sup>	59	46	46
Number of employees at the end of the period	559	423	495

Unless mentioned otherwise, the comparisons in this half-year report are presented in relation to the comparable period in 2018.

<sup>1</sup> The Salinor Oy figures are combined with the Gofore Group figures starting on 1 September 2018.

In order to prepare for the possible transition to IFRS and when the Finnish Accounting Standards (FAS) makes it possible, the company has decided to deal with the cloud capacity resale as netted as of 1 January 2019. If this accounting principle had been followed in 2018, the company, according to its own estimate, would have reported net sales of approximately EUR 1.0 million lower, as well as materials and services approximately EUR 1.0 million lower.

<sup>2</sup> The Silver Planet Oy figures are combined with the Gofore Group figures starting on 15 February 2019.

<sup>3</sup> The adjusted profit for the financial period refers to the profit for the financial period to which amortisation of goodwill and the non-recurring funding expenses from listing have been added.

<sup>4</sup> Annualised.

<sup>5</sup> The Overall capacity, FTE (Full Time Equivalent) figure shows the overall capacity of the group's personnel, converted into a value corresponding to the number of full-time employees. The figure includes the entire personnel, regardless of their role. The figure is not affected by annual leave, time-off in lieu of overtime, sick leave, or other short-term absences. Part-time agreements and other long-term deviations from normal working hours reduce the amount of overall capacity in comparison with the total number of employees.

<sup>6</sup> The Subcontracting, FTE (Full Time Equivalent) figure shows the overall amount of subcontracting used in invoiceable work, converted into a value corresponding to the number of full-time employees.

# AGENDA

---

1

H1/2019  
highlights

2

Financial  
review

3

**Direction,  
strategy**

4

Looking  
forward



## DIRECTION, STRATEGY

# PACE OF CHANGE IS ESCALATING

---

- Exponential development of technology
- New innovations, thriving platform economies
- Climate change and increasing awareness of its impact



## FOR DIGITAL TRANSFORMATION AND ACHIEVING SUCCESS, WE OFFER:

Business design and  
change consulting

Digital services design  
and development

Maintenance and  
companionship



# SOME OF OUR EXPERT SERVICES

**Program and  
Project  
Management**

**Service Design**

**Web  
Development**

**UX Design**

**Cloud &  
DevOps**

**Agile  
Transformation  
& Lean**

**Architecture  
Consulting**

**Backend  
Development**

**Business Design**

**Continuous  
Services**

**Data and AI**

**Digital  
Transformation  
Advisory**

**Integration  
Solutions**

**Mobile  
Development**

**Culture  
Transformation**



# **WE'RE A COMPANY OF THE FUTURE AND WE AIM TO BE:**

**01**

**GROWING AND  
PROFITABLE**

**02**

**CONSTANTLY  
RENEWING**

**03**

**IMPACTFUL  
AND  
RESPONSIBLE**

**04**

**INTERNATIONAL**



# WORKING TOWARDS PEOPLE CENTRIC, DATA-DRIVEN CULTURE

- Purpose, shared values, sense of communality and enthusiasm.
- Open and rich communications culture throughout the organisation, boosted by technology.
- Self organised, flat organisation.
- Data collection and analysis, transparency, AI and the robots.





# WE AIM TO LEAVE NO TRACE AND MAKE A POSITIVE IMPACT

- Our actions create impact for our customers and society. We thrive to create value for our people, our customers, and the surrounding world.
- Technology revolutionises the way we live, work, make decisions and act on a daily basis. Together with our customers, we have the possibility to build better future for the planet and people.





# AGENDA

---

1

H1/2019  
highlights

2

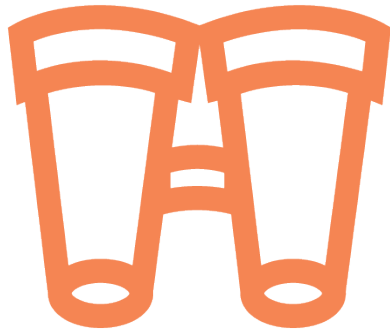
Financial  
review

3

Direction,  
strategy

4

Looking  
forward



LOOKING  
FORWARD

# LONG-TERM FINANCIAL TARGET

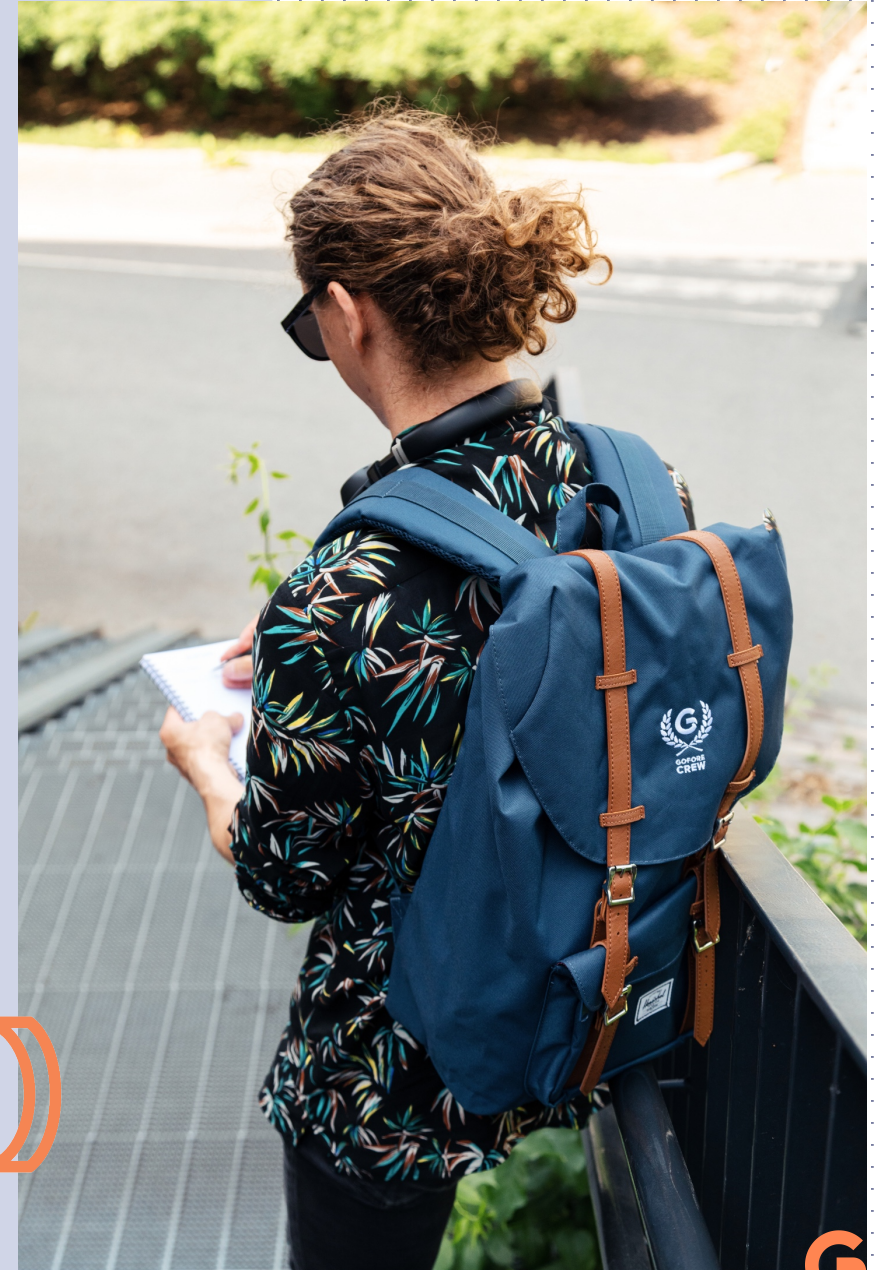
Gofore is pursuing net sales growth exceeding the growth of the target market, estimated to be an annual 15–25% in the next few years, and an EBITA margin of 15%.



# OUTLOOK FOR 2019

According to the guidance revised on 10 July, 2019 net sales are estimated to be EUR 67–72 million for the 2019 financial year.

①





SHH...

WE INNOVATE, IMPROVE  
AND INCITE CHANGE  
IN OUR SOCIETY,  
OUR WORKPLACES,  
AND THE WAY WE  
WORK.

**GOFORE**

[InvestorRelations@gofore.com](mailto:InvestorRelations@gofore.com)