

# Gofore Plc Financial Statements Release

## Results presentation

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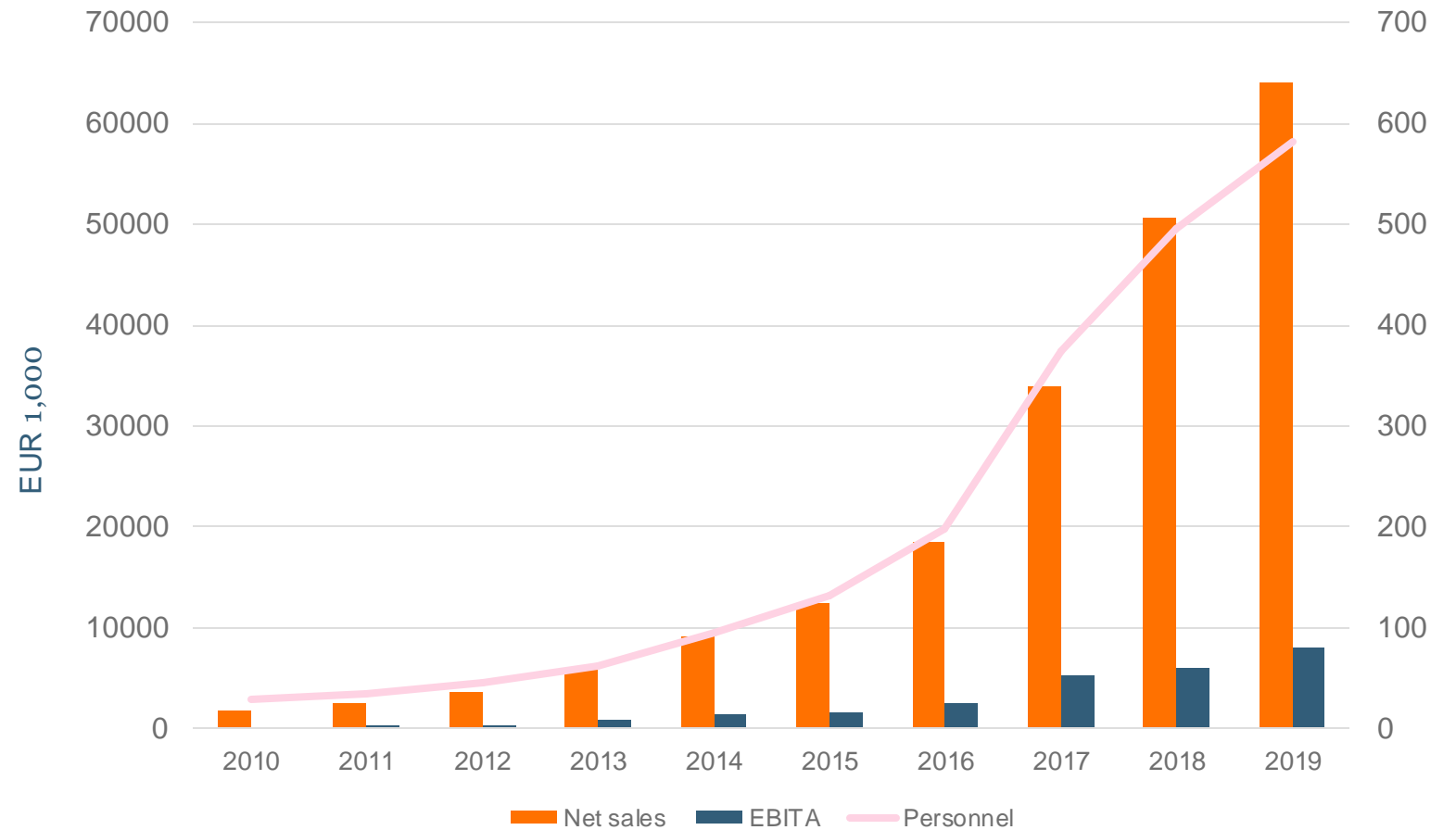


**GOFORE**

19 February 2020



# 15th consecutive year of profitable growth



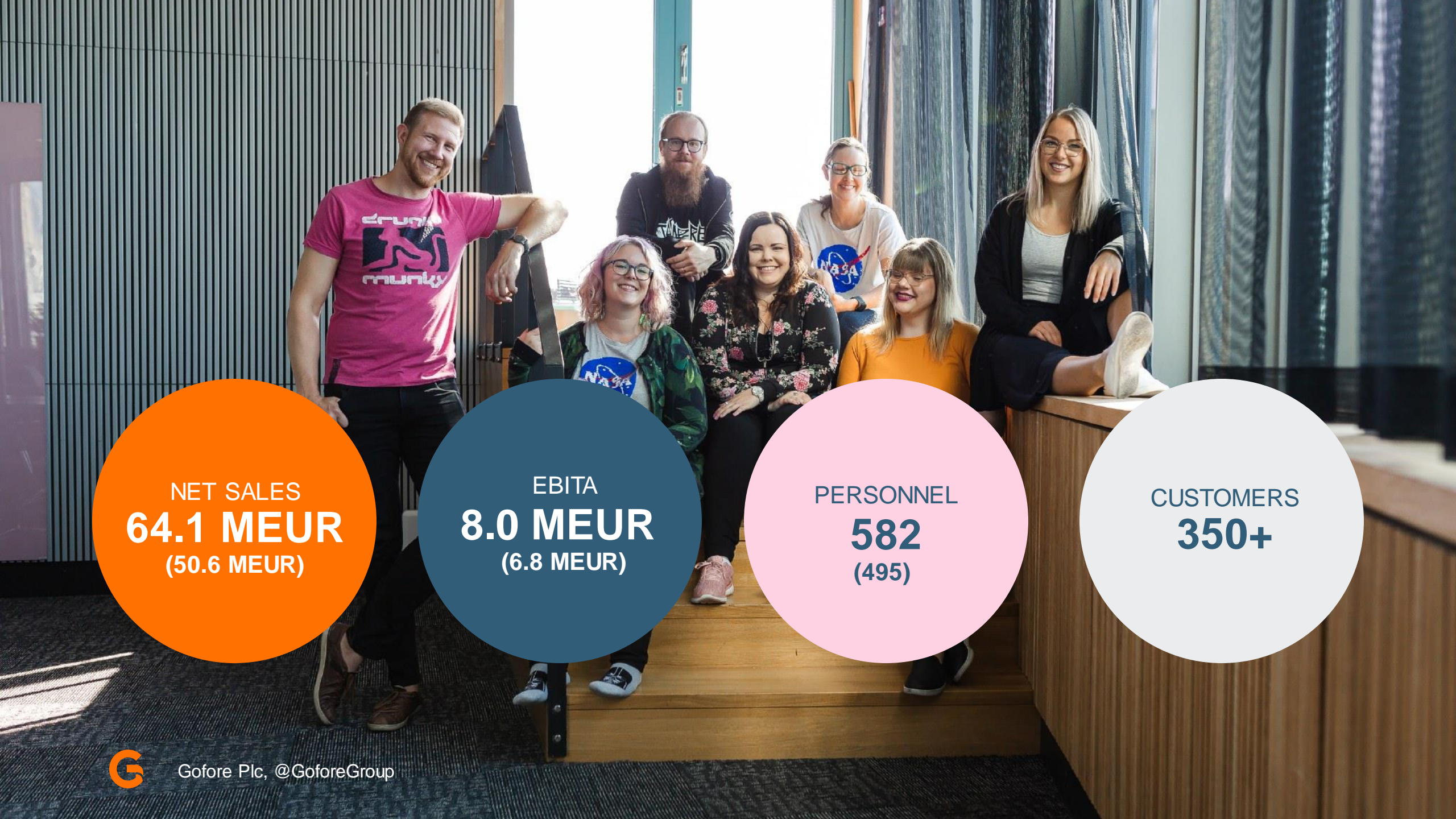
# 2019

## was a challenge

- **A few major customers reduced suddenly their orders** in the beginning of Q2/2019. This had an impact on net sales growth for the whole year.
- **The political environment** had an impact, when a new government was formed in Finland after the parliamentary elections. This hampered the development of the public sector business in H1/2019. The situation returned to normal in H2/2019.
- **Recruitment and organic growth** efforts didn't develop in the best way possible.
- **International business** in the UK developed negatively.







NET SALES  
**64.1 MEUR**  
(50.6 MEUR)

EBITA  
**8.0 MEUR**  
(6.8 MEUR)

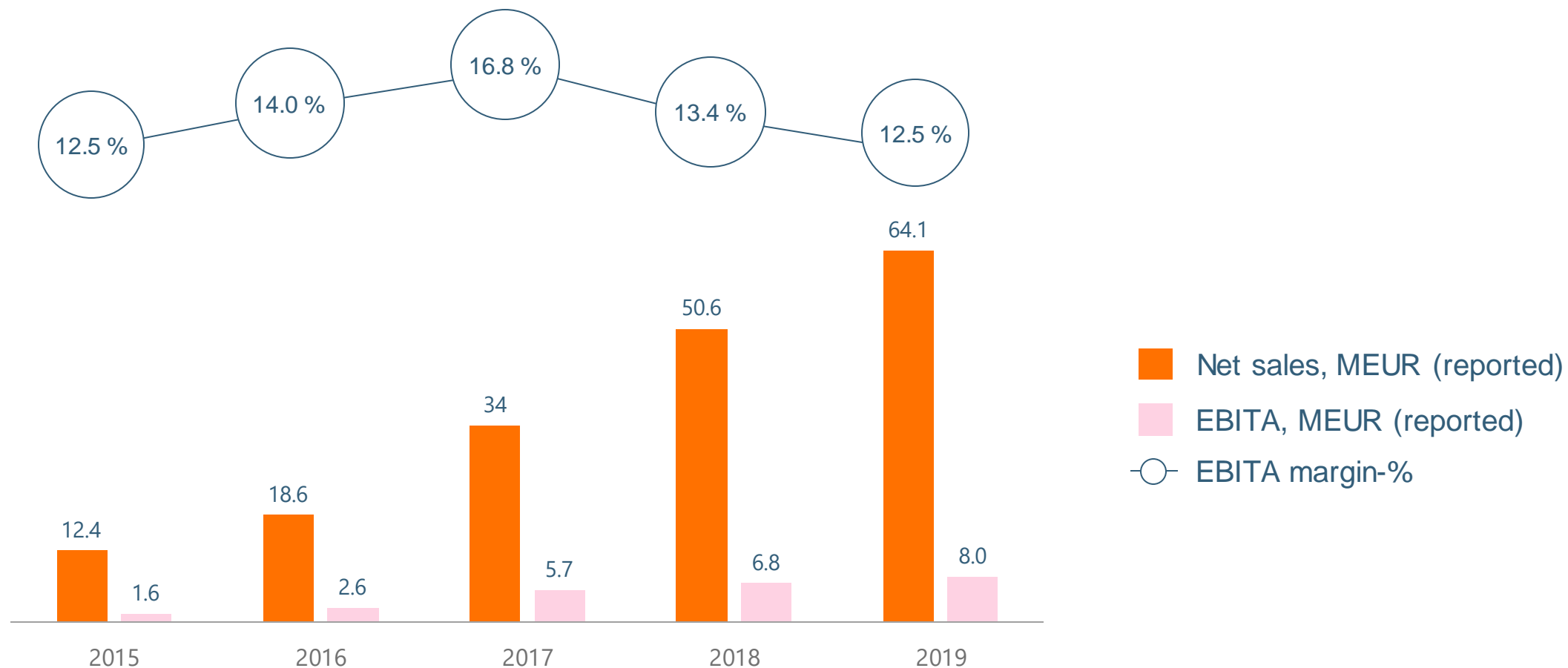
PERSONNEL  
**582**  
(495)

CUSTOMERS  
**350+**



Gofore Plc, @GoforeGroup

# Net sales and profitability 2015–2019



# Quarterly development

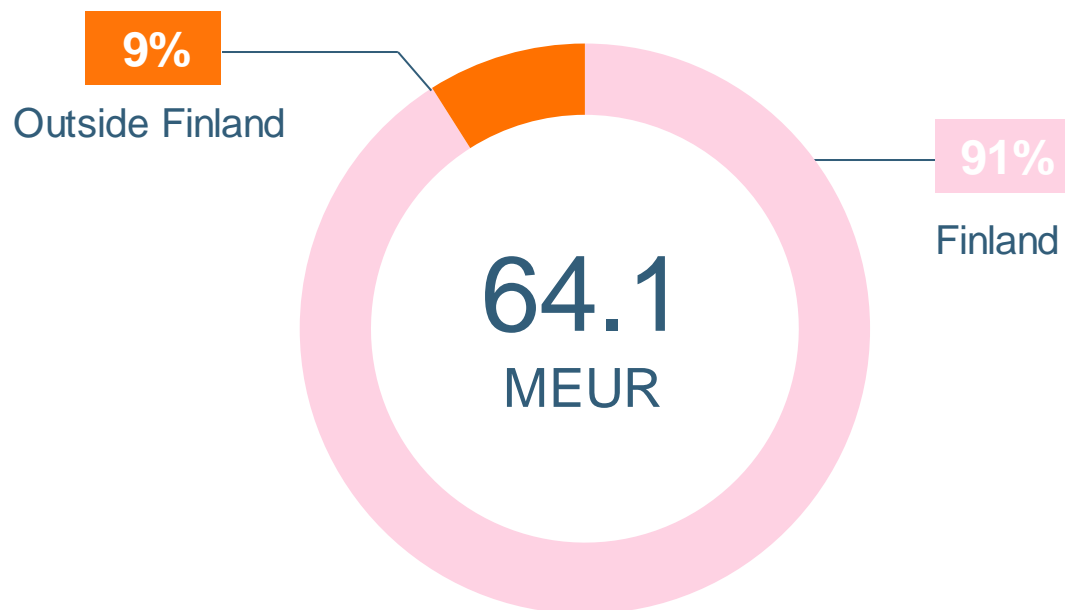
Group (consolidated)	2019	Q1/2019	Q2/2019	Q3/2019	Q4/2019
Net sales, MEUR	64.1	16.7	16.8	13.3	17.3
EBITA, MEUR	8.0	2.9	2.1	1.2	1.8
EBITA-%	12.5	17.2	12.6	9.2	10.5
Group (consolidated)	2018	Q1/2018	Q2/2018	Q3/2018	Q4/2018
Net sales	50.6	12.1	12.5	11.5	14.4
EBITA, MEUR	6.8	1.7	2.1	1.5	1.4
EBITA-%	13.4	14.1	16.8	13.3	10.0
Growth-%	2019	Q1/2019	Q2/2019	Q3/2019	Q4/2019
Net sales, growth-%	26.7	37.0	34.1	16.3	19.8
EBITA, growth-%	18.0	67.2	0.2	-19	25.7



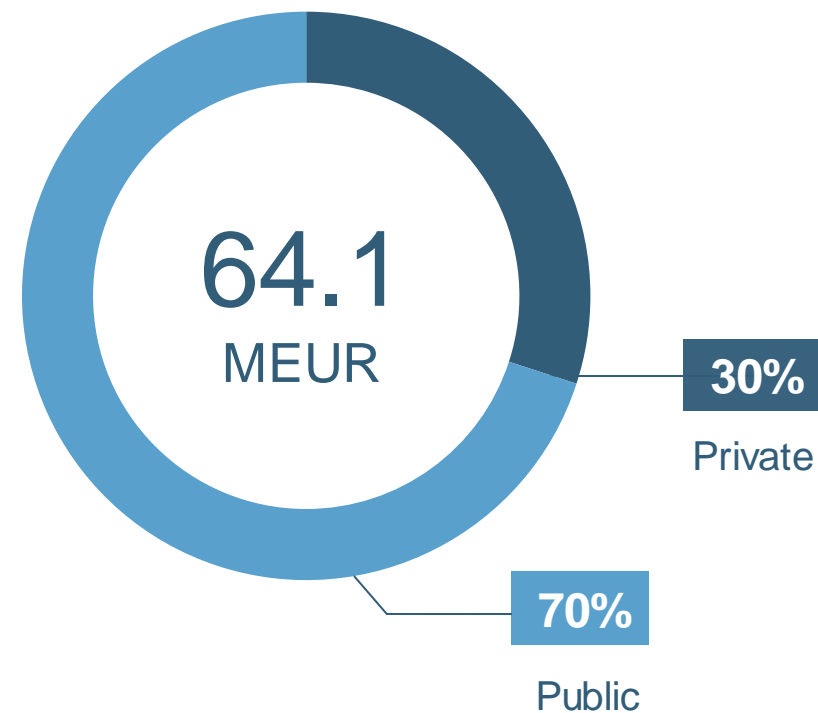
# Net sales distribution

## 2019

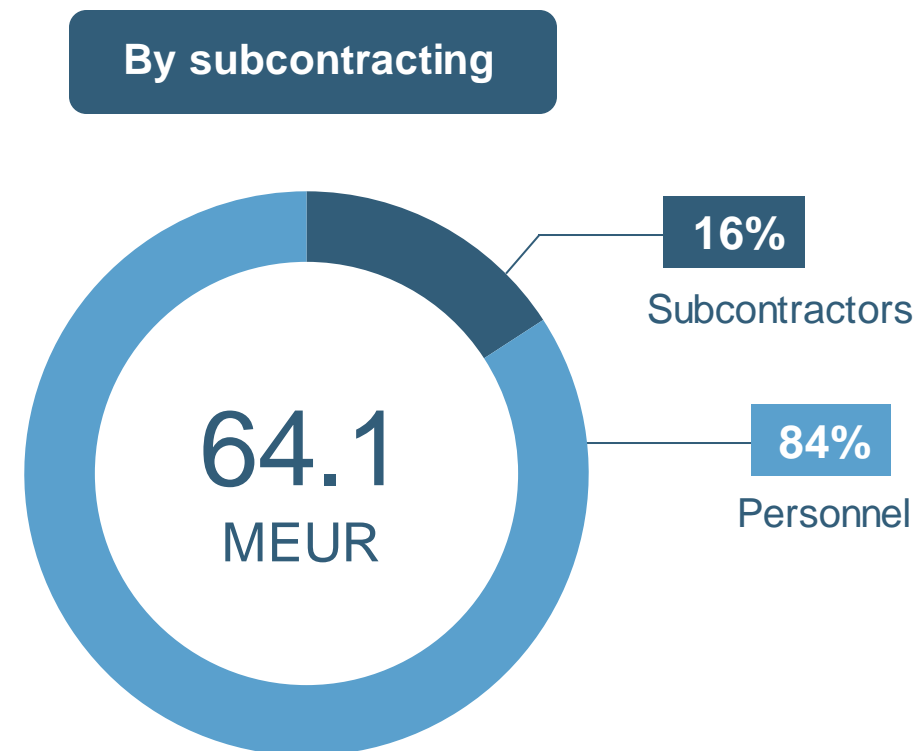
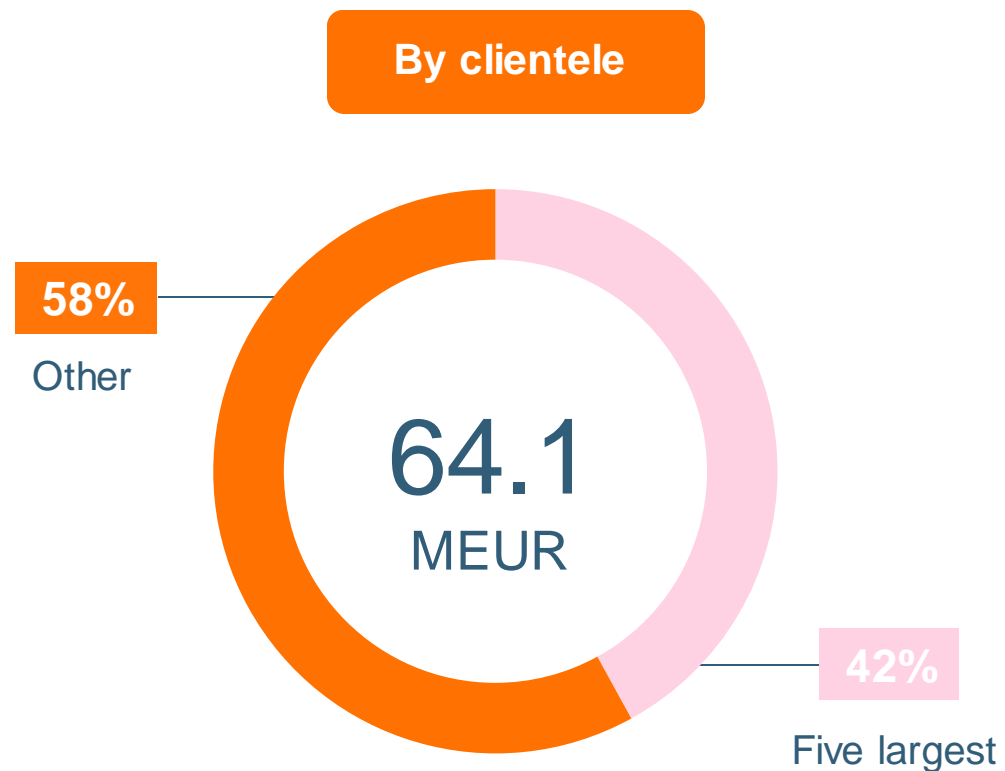
By location



By sector



# Net sales distribution 2019





# Key figures

In thousands of EUR, unless otherwise stated	7-12/2019	7-12/2018	2019	2018
Net sales	30,613	25,891	64,066	50,581
Growth of net sales, %	18.2	32.2	26.7	49.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3,151	3,049	8,214	6,964
Earnings before interest, taxes, depreciation and amortisation (EBITDA) margin, %	10.3	11.8	12.8	13.8
Operating profit before amortisation of goodwill (EBITA)	3,047	2,980	8,020	6,797
Operating profit before amortisation of goodwill (EBITA) margin, %	10.0	11.5	12.5	13.4
Operating profit (EBIT)	1,990	2,563	6,116	6,095
Operating profit (EBIT) margin, %	6.5	9.9	9.5	12.0
Profit for the period	1,354	1,980	4,445	4,732
Adjusted profit for the period <sup>2</sup>	2,411	2,397	6,349	5,434



# Key figures

In thousands of EUR, unless otherwise stated	7-12/2019	7-12/2018	2019	2018
Earnings per share (EPS), undiluted, euros	0.10	0.15	0.33	0.36
Adjusted earnings per share (adjusted EPS), undiluted, euros	0.18	0.18	0.47	0.42
Number of outstanding shares at the end of the period <sup>3</sup>	14,012,628	13,116,982	14,012 628	13,116,982
Equity ratio, %	64.6	63.8	64.6	63.8
Net gearing, %	-51.0	-51,2	-51.0	-51.2
Return on equity (ROE), % <sup>3</sup>	10.1	19.9	16.6	23.8
Return on investment (ROI), % <sup>3</sup>	12.0	49.8	18.7	24.9
Average overall capacity, FTE <sup>4</sup>	533	438	517	405
Average subcontracting, FTE <sup>5</sup>	48	47	54	46
Number of employees at the end of the review period	582	495	582	495



A photograph of three people (two men and one woman) sitting at a wooden table, laughing and looking at each other. The man on the left has a beard and glasses, wearing a dark shirt. The woman in the middle has long red hair and is wearing a blue and white polka-dot shirt. The man on the right has a beard and glasses, wearing a blue and white plaid shirt. On the table are a glass of water and a white mug with a cartoon duck. The background is a solid orange wall. In the top left corner, there are geometric shapes in orange and blue. An orange overlay covers the bottom left portion of the image, containing text.

# Dividend proposal

The Board of Directors  
proposes a dividend of  
**EUR 0.23 (EUR 0.19)**  
per share for the  
financial year ending in  
31 December 2019.

We're a company of the future  
and we **aim to be:**

**01**

Growing and  
profitable

**02**

Constantly  
renewing

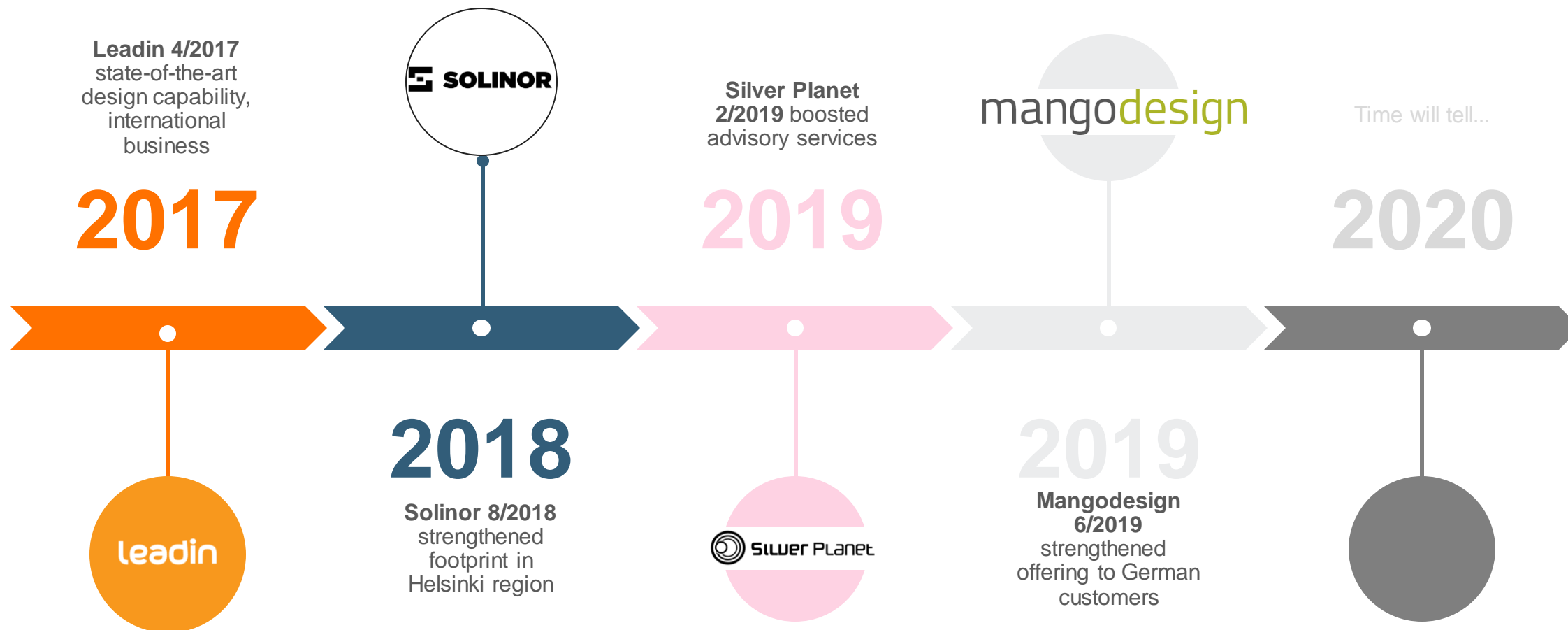
**03**

Impactful and  
responsible

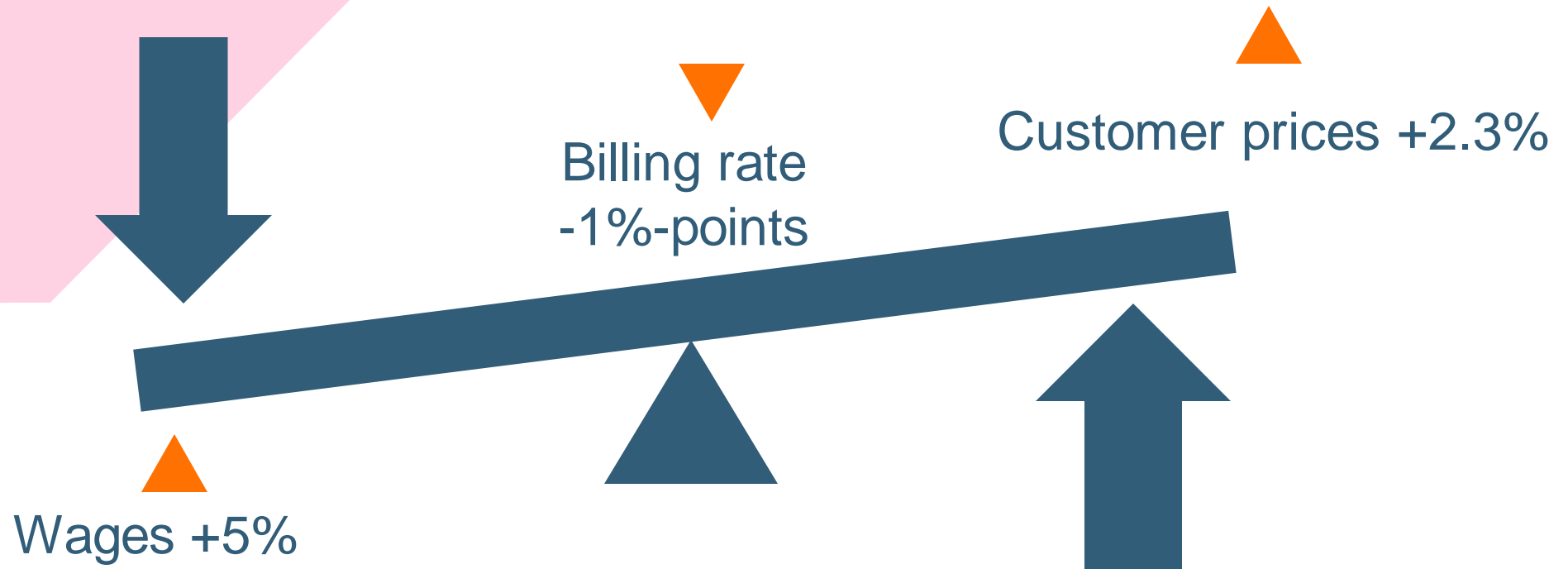
**04**

International

# M&A timeline



# Profitability simplified 2019







## Pace of change is escalating

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

## Constantly renewing

- One vital element behind Gofore's long-lasting growth has been the ability to constantly renew.
- Modern and in-depth know-how gives our customers the edge over their competition. Highly skilled employees attract other highly skilled employees.
- The **Capability Accelerator** project explores ways to continually upgrade the capabilities of this company and thereby its service offering.
- Exploring new ways of management and structures to accommodate greater size and international business.



# Impactful, responsible

- We have always been a value-based and responsible company. We are devoted to radiate good things around us.
- We want our services and expertise to have a **positive impact on our customers and through our customers on society and the world around us.**
- In 2019, we formed policies and structures for responsibility management.
- In 2020, we will stand out with a clearer message – **we will publish our Code of Ethics and our Corporate Responsibility report.**



Creating  
positive  
impact

# International



- Net sales from international markets were approximately EUR 5.5 million in 2019.
- **Mangodesign was added** to German operations with 12 new experts in design in 2019.
- **UK subsidiary's business divested** in the beginning of 2020 due to weak market outlook and unprofitable operations.
- We want to **serve globally operating** customers and grow with them. Operations in Germany, Italy, Spain and Estonia support that aim.
- Further leveraging our X-road technology expertise and other expertise to enable **digital society development outside our core market.**

**For digital change  
and achieving success, we offer**



**Business design and  
change consulting**



**Digital services design  
and development**



**Maintenance and  
companionship**



Gofore Plc, @GoforeGroup



# 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 & AI



Digital  
Transformation  
Advisory



Integration  
Solutions



Mobile  
Development



Renewal Capability



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# Outlook 2020

Gofore's net sales and comparable adjusted EBITA will grow compared to 2019. Adjusted EBITA means EBITA, adjusted for non-recurring items.



# Long-term financial targets

Gofore is pursuing net sales growth exceeding the growth of the target market and an operating profit before goodwill amortisation (EBITA) margin of 15%.

The company estimates that the target market will continue to exceed economic and ICT service sector growth in the next few years, but the growth will not exceed 10%.

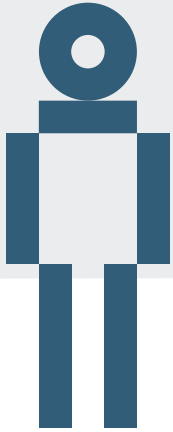


An orange geometric shape, resembling a stylized 'G' or a folded corner, is positioned to the left of the main text box.

The purpose of this company is  
**to radiate good things around it!**



## Strong value base



1

Gofore is a good workplace for everyone.

2

Gofore thrives on its customers' success.



And clear **mission**



**Our mission is to change the world for the better.**

We build a better future through digital change and renewal of work culture.



# We are **an exceptional** company and a great investment – why to invest?

We have a proven track record of profitable growth.

We have a solid strategy, with clear business model and no side steps.

We are exceptionally transparent, which makes it easy to follow our growth and risks.

We are constantly renewing ourselves.

We have a strong culture as a basis for the success.

We are natively sustainable company. The company with a soul.

Creating  
**positive  
impact**

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