

1 January–30 June Half-year Report 2020

Results presentation

CEO
Mikael Nylund

CFO
Teppo Talvinko

GOFORE

14 August 2020

Presenting



Mikael Nylund

CEO



Teppo Talvinko

CFO

Highlights of H1/2020

NET SALES
37.4 MEUR
(33.5 MEUR)

Growth 12%

EBITA, ADJUSTED
5.8 MEUR
(5.0 MEUR)

Growth 14%

EBITA, ADJUSTED
15.5%
(14.9%)

Employees
610
(559)

Growth 9%

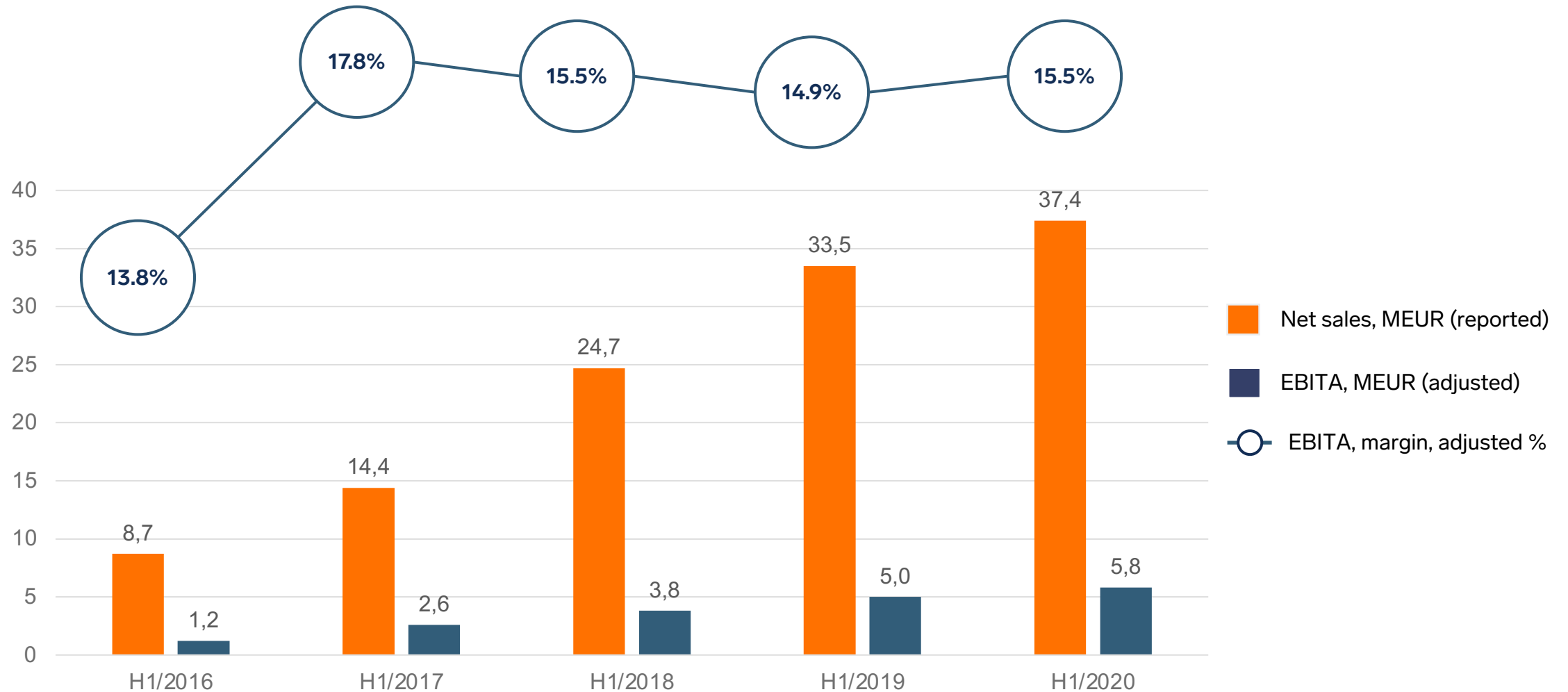
Coronavirus outbreak



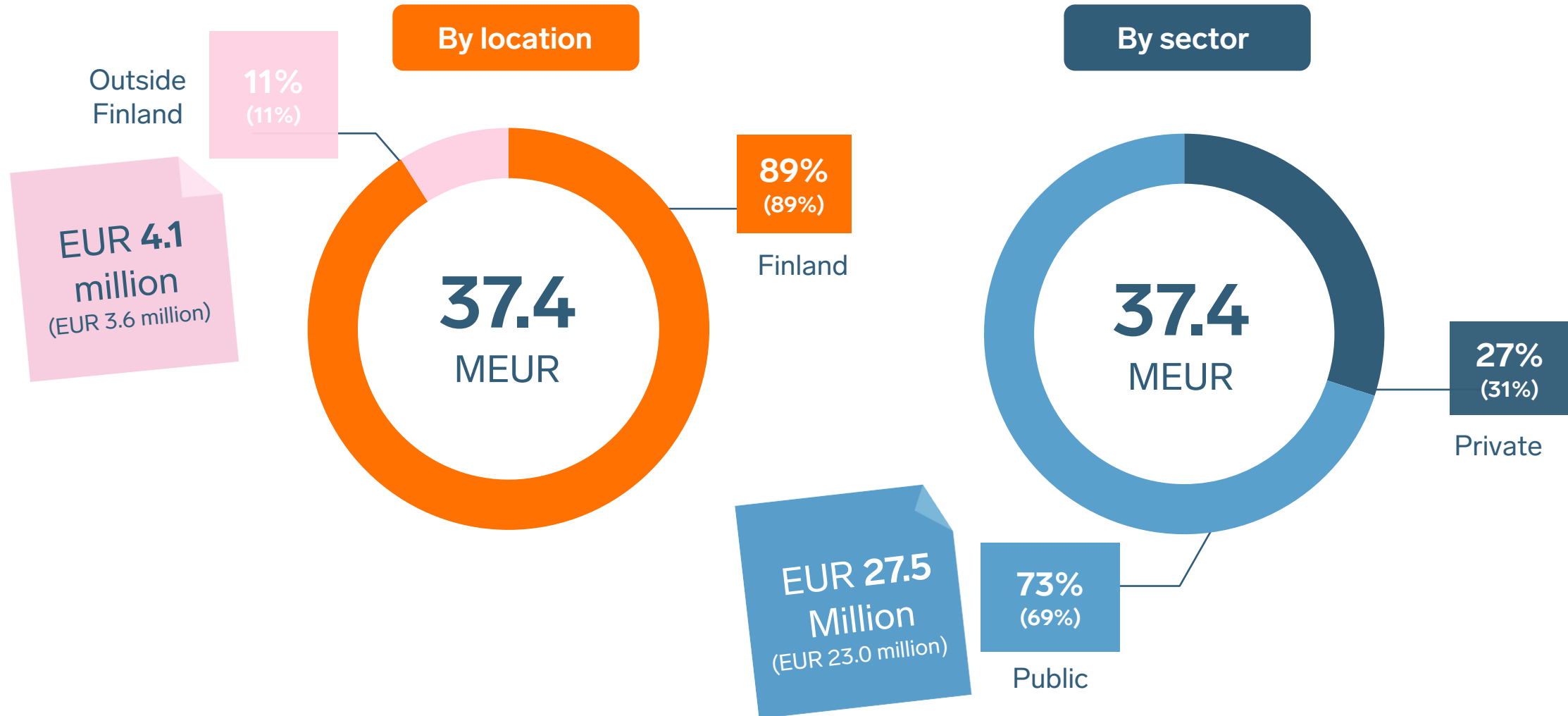
- The coronavirus pandemic has caused uncertainties in the operating environment.
- It did not adversely affect the company's business during the first half of 2020, and customer demand has been at the expected level.
- There is continuing uncertainty about the pandemic and its market impact. Outlook for second half of 2020 is exceptionally unpredictable.
- In the longer term, the pandemic is expected to accelerate digitalization bearing in mind that public and private sector customers' ability to invest in digital transformation depends on the development of the economy.

Net sales and profitability

H1/2016-2020

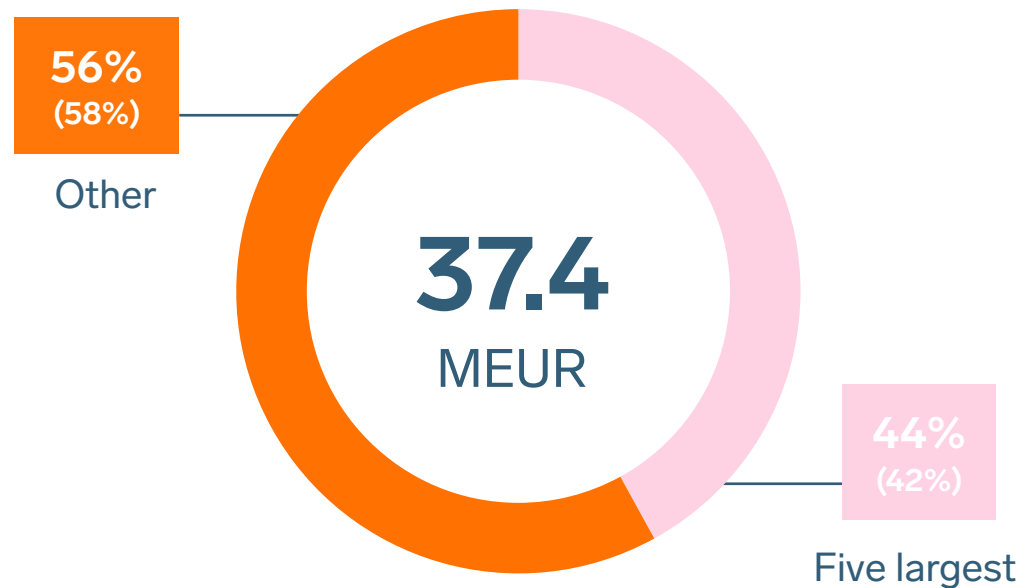


Net sales distribution H1/2020

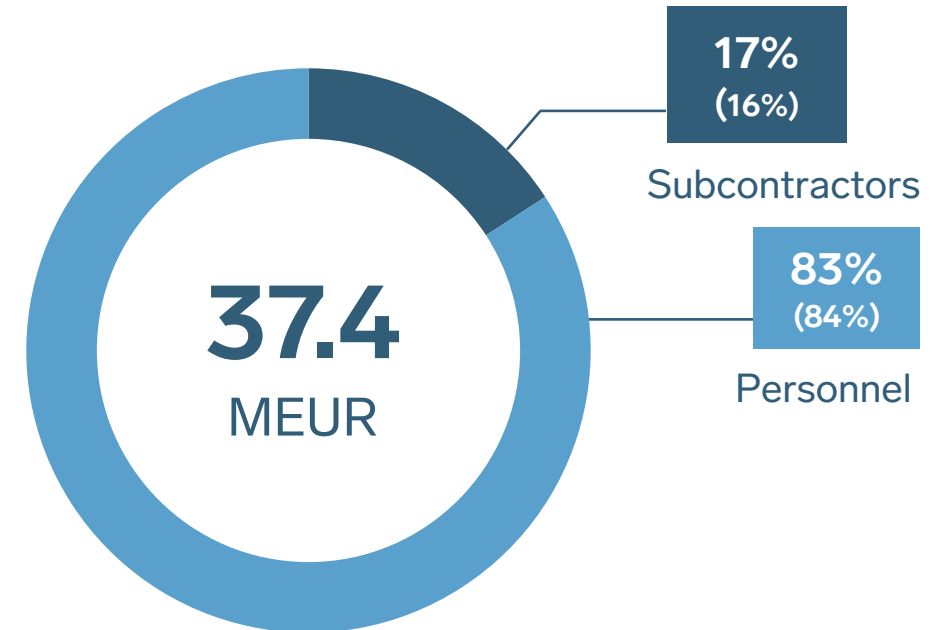


Net sales distribution H1/2020

By clientele



Subcontracting



Quarterly development

| Group (consolidated) | Q1/2020 | Q2/2020 | Q3/2020 | Q4/2020 |
|---------------------------|---------|---------|---------|---------|
| Net sales, MEUR | 18.8 | 18.6 | | |
| EBITA, MEUR, adjusted | 3.3 | 2.5 | | |
| EBITA-%, adjusted | 17.3% | 13.8% | | |
| Group (consolidated) | Q1/2019 | Q2/2019 | Q3/2019 | Q4/2019 |
| Net sales, MEUR | 16.7 | 16.8 | 13.3 | 17.3 |
| EBITA, MEUR, adjusted | 2.9 | 2.1 | 1.2 | 1.8 |
| EBITA-%, adjusted | 17.2% | 12.6% | 9.2% | 10.5% |
| Growth-% | Q1/2020 | Q2/2020 | Q3/2020 | Q4/2020 |
| Net sales, growth-% | 12.8% | 10.6% | | |
| EBITA, adjusted, growth-% | 13.9% | 20.8% | | |

Key figures

| In thousands of EUR, unless otherwise stated | 1-6/2020 | 1-6/2019 | 2019 ¹ |
|---|----------|----------|-------------------|
| Net sales | 37,376 | 33,453 | 64,066 |
| Growth of net sales, % | 11.7 | 35.5 | 26.7 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 5,203 | 5,063 | 8,214 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) margin, % | 13.9 | 15.1 | 12.8 |
| Operating profit before amortisation of goodwill (EBITA), adjusted ² | 5,810 | 4,973 | 8,020 |
| Operating profit before amortisation of goodwill (EBITA) | 5,092 | 4,973 | 8,020 |
| Operating profit before amortisation of goodwill (EBITA), margin, % | 13.6 | 14.9 | 12.5 |
| Operating profit (EBIT) | 4,034 | 4,126 | 6,116 |
| Operating profit (EBIT) margin, % | 10.8 | 12.3 | 9.5 |
| Profit for the period | 2,763 | 3,092 | 4,445 |

¹ Silver Planet Oy figures are combined with the Gofore Group figures from 15 February 2019 and the figures for mangodesign Finke-Anlauff & Anlauff GbR:n from 1 July 2019.

² EBITA is operating profit before amortization of goodwill. Adjusted EBITA refers to operating profit before amortization of goodwill (adjusted EBITA) excluding adjusted items. These items refer to the non-recurring expense of the UK subsidiary's divestment and related provisions, amounting to EUR 0.7 million during the review period.

Key figures

| In thousands of EUR, unless otherwise stated | 1-6/2020 | 1-6/2019 | 2019 |
|--|------------|------------|------------|
| Earnings per share (EPS), undiluted, euros | 0.20 | 0.23 | 0.33 |
| Number of outstanding shares at the end of the period ³ | 13,978,943 | 13,989,784 | 14,012,628 |
| Equity ratio, % | 62.5 | 60.1 | 64.6 |
| Net gearing, % | -48.0 | -27.2 | -51.0 |
| Return on equity (ROE), % ³ | 18.1 | 23.8 | 16.6 |
| Return on investment (ROI), % ³ | 21.9 | 25.8 | 18.7 |
| Average overall capacity, FTE | 567 | 500 | 517 |
| Average subcontracting, FTE | 71 | 59 | 54 |
| Number of employees at the end of the review period | 610 | 559 | 582 |

³ Annualised.

Gofore is a growing and profitable
digitalisation consultancy

Pioneering an ethical, digital future



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



LEAD

**Advisory services for digital
transformation**



CREATE

**Tailored software design and
development services**



QENTINEL FINLAND

**Quality assurance services for
the connected IT**

Our aim is to be



Growing and profitable



**Constantly
evolving**

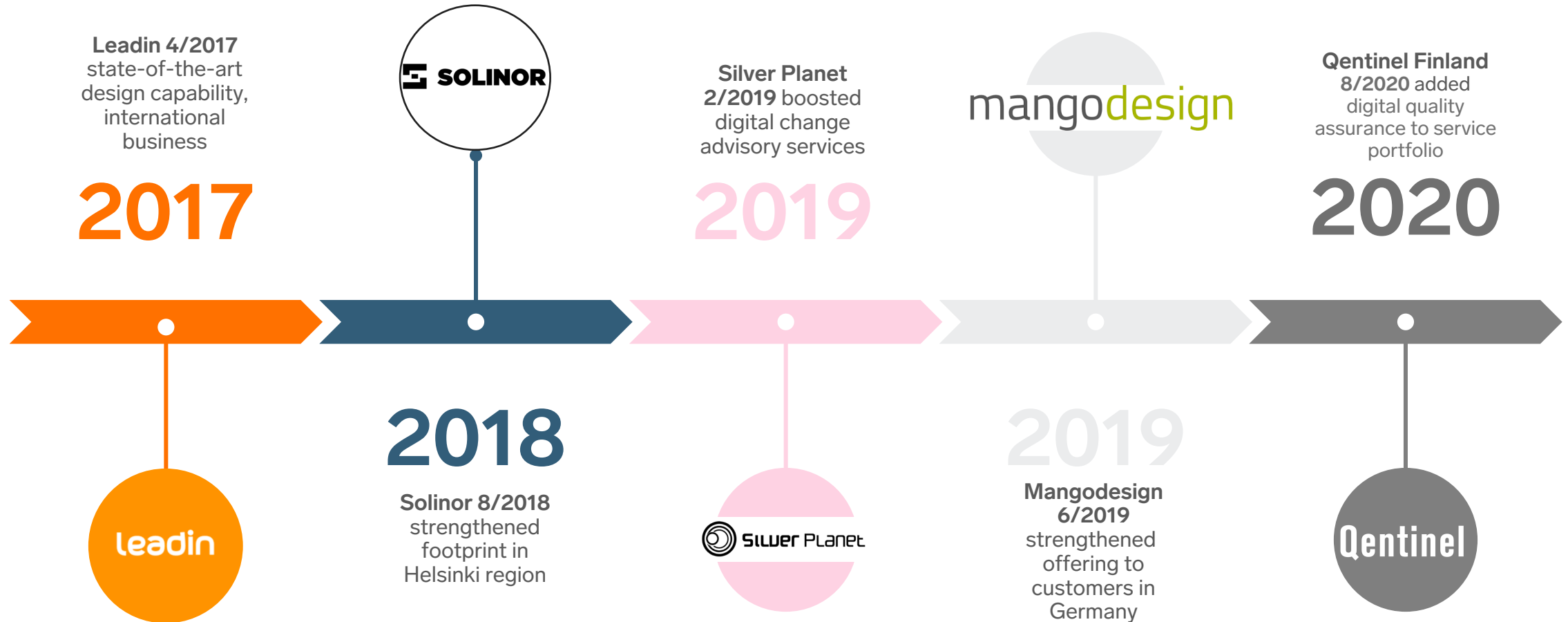


**Impactful and
responsible**



International

M&A's as part of growth





Acquisition of Qentinel Finland Oy

- Qentinel Finland is a professional IT services provider specialising in software quality assurance and testing automation; approximately 100 employees.
- Complements Gofore's service offering with digital quality assurance services.
- The debt-free purchase price: EUR 8.9 million. Additional purchase price to total EUR 1–2 million.
- Net sales impact is estimated to be EUR 4 million in 2020.
- Estimated completion on 1 September 2020.



Acquisition announced on 10 August 2020.

Strategic fit in combined offering

World-class quality in digital services



LEAD

Advisory services
for digital
transformation



CREATE

Tailored software
design and
development services



QENTINEL FINLAND

Quality assurance
services for the
connected IT



The inter-connected world relies on **high quality software** – more than ever before

Design, development, and testing operate in a fast, integrated flow – **integrated teams are in high demand**

Complexity and demand for speed are constantly rising – **automation is the only solution**

Rationale

Qentinel Finland is a high performing company with a **good track record of growth and profitability**

Combined service portfolio drives **deeper co-operation with key customers**

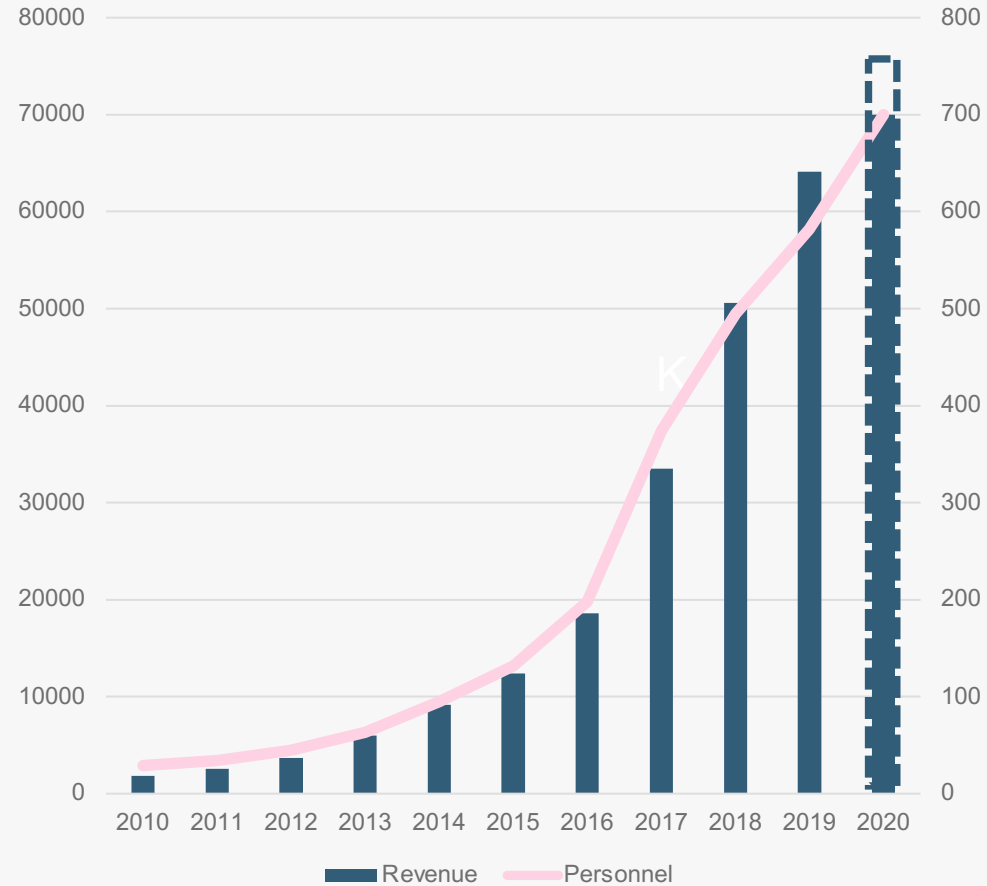
Improved ability to act as a **principal provider in large scale software projects**

Compatible and well-aligned company cultures



Part of Gofore Group

- As part of Gofore Group, Qentinel Finland will **continue to operate as an independent company**
- Hand-over and integration with Gofore Group services during 2020



700+
Employees

10
offices
Around Europe

70-76 M€
Revenue Guidance for 2020
August 10

Adjusted guidance 2020

Gofore estimates that for the full year 2020, its net sales will be in the range of EUR 70-76 million (EUR 64.1 million).

Adjusted EBITA is estimated to grow in 2020 from 2019 (EUR 8.0 million).



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%.



Thank you!

InvestorRelations@gofore.com

