

Interim Report 1-3/2014

30 April 2014, Juha Varelius, CEO



Summary for reporting period

SERVICE &
SOFTWARE



Summary for 1-3/2014

Digia Group

	1-3/2014	1-3/2013	Change %
Net sales	23,958	23,513	1.9 %
Operating profit	-280	-473	40.7 %
Profitability (EBIT-%)	-1.2	-2.0	
Earnings per share	-0.02	-0.02	

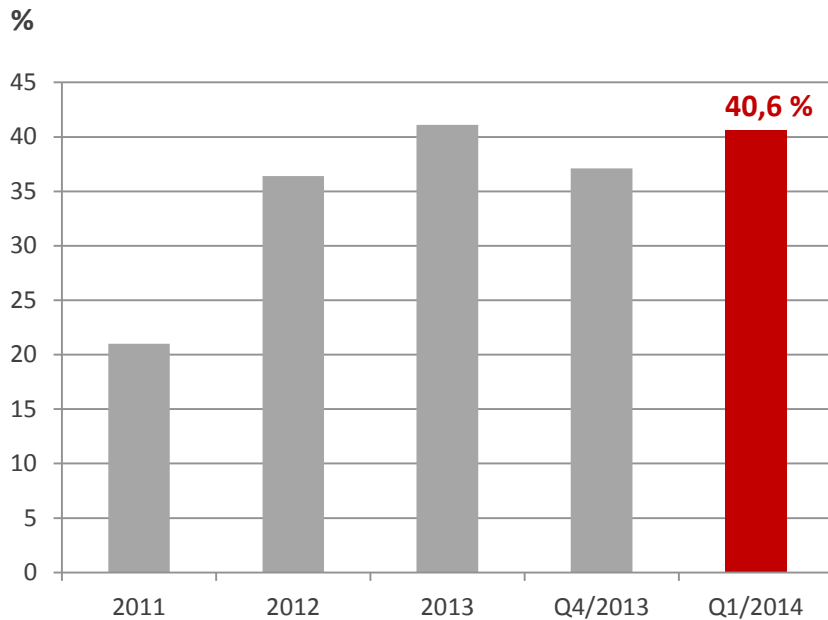
Segment information

NET SALES 1000 EUR	1-3/2014	1-3/2013	Change%	2013
Domestic	19,181	19,557	-1.9 %	79,850
Qt	4, 777	3, 955	20.8 %	19,891

OPERATING PROFIT * 1000 EUR	1-3/2014	1-3/2013	Change%	2013
Domestic	646	447	44.5 %	5,395
Qt	-926	-920	-0.7 %	-846

* BEFORE EXTRAORDINARY
ITEMS

OPERATING PROFIT 1000 EUR	1-3/2014	1-3/2013	Change%	2013
Domestic	646	447	44.5 %	-1,976
Qt	-926	-920	-0.7 %	-846



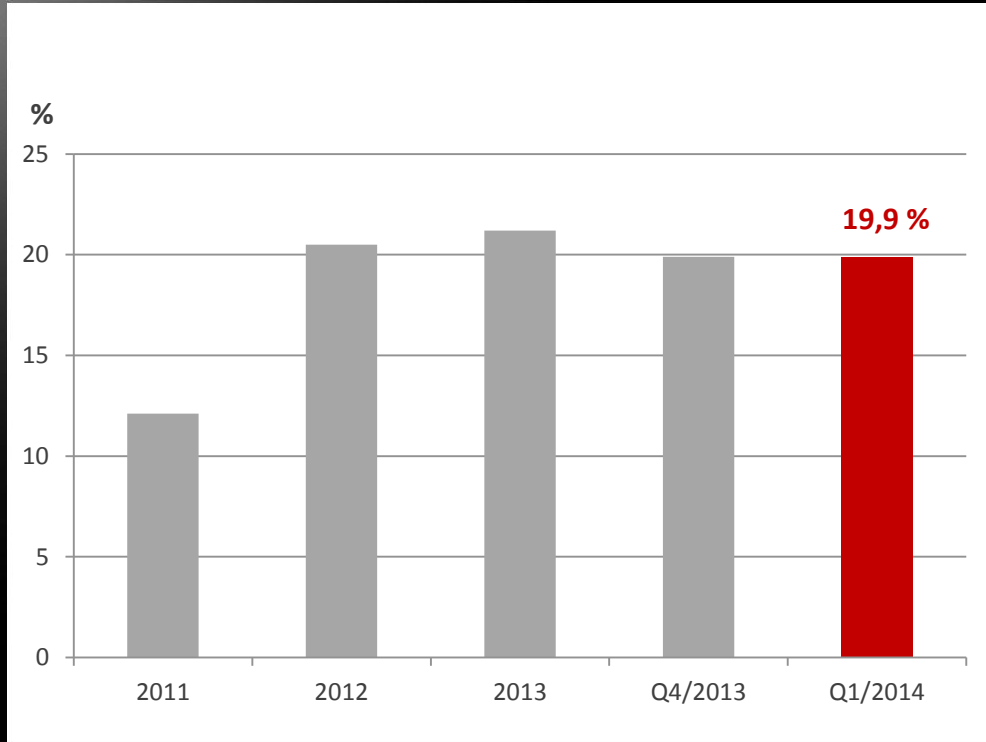
Product business

9.7 MEUR (Q1/2013:

8.8) growth **10.2 %**

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International business
4.8 MEUR (Q1/2013:
4.4) growth **9.1 %**

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Markets and outlook

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Markets and Digia's business:

Domestic

- Strong focus on growth in the business comprising integration, analytics and workforce management. Demand for services good, but profitability negatively affected by growth investments and increasing price competition.
- Demand for ERP systems good (sector-specific differences). Sales cycles long, order book and bid volumes healthy.
- Market uncertainty most clearly reflected in the business for tailored solutions and services. Demand for services relatively good, customers' decision-making processes lengthened and many projects broken down into smaller orders.



Future prospects: Domestic

- Finnish IT market expected to remain at roughly the previous year's level in 2014.
- The aim is to raise profitability to good level, and to achieve organic growth at least equivalent to general market development. Business acquisitions supporting strategy possible.
- Demand expected to remain good in all domestic business areas. Income from operations and operational profitability expected to improve.
- Further investments in Qt business continue to hold back whole company's profitability.



New customers Q1

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RENEWED

OPERATING MODEL
FOR WAREHOUSE
LOGISTICS

ELECTRONIC
INTERFACES WITH
PARTNERS AND
CUSTOMERS

MORE EFFICIENT
WAREHOUSING



ERP system + financial management

*Myllyn Paras Oy
manufactures, sells and
markets flour, flakes,
grits, pastas, frozen
doughs and frozen
baked goods.*

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FAST
DELIVERIES TO
RESELLERS

EFFICIENT PRODUCTION,
EFFICIENT PURCHASING

FORECASTS, LIFECYCLE
INFORMATION,
AUTOMATION



ERP system

*Lillbacka Powerco Oy is
the world's leading
manufacturer of
crimping machines.*

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ALL
FEEDBACK IN
ONE PLACE

EFFICIENT REPORTING
AND ANALYTICS

CUSTOMER EXPERIENCE
MANAGEMENT,
CUSTOMER
SATISFACTION



Customer feedback system

*Raisio Plc is an
international specialist
in plant-based
nutrition.*

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International software business
Growth **20.8%**

Qt: summary for 1-3/2014

- Business progressed well, like-for-like net sales grew by **20.8 %** compared to Q1/2013. Demand and bid volumes both good.
- Business made a loss during the period; significant, target-oriented investments aimed at developing the business.
- Network of distributors expanded to Korea. Efforts made to strengthen sales to large enterprises customer segment and European sales.



Qt: market trends

- Great growth potential in embedded systems market
 - Tremendous interest in touch-based UIs
 - Qt's position strong, thanks to Qt Enterprise Embedded offering
- Software market centralizing on the *Internet of Things* and connected devices strategies
 - Qt caters for the need for fluid UIs, shorter time to market, performance and investment security
- Strong Qt ecosystem
 - 10K daily download rate continues
 - Qt 5.3 just around the corner



1 Million downloads of Qt 5.2 since its release in December 2013



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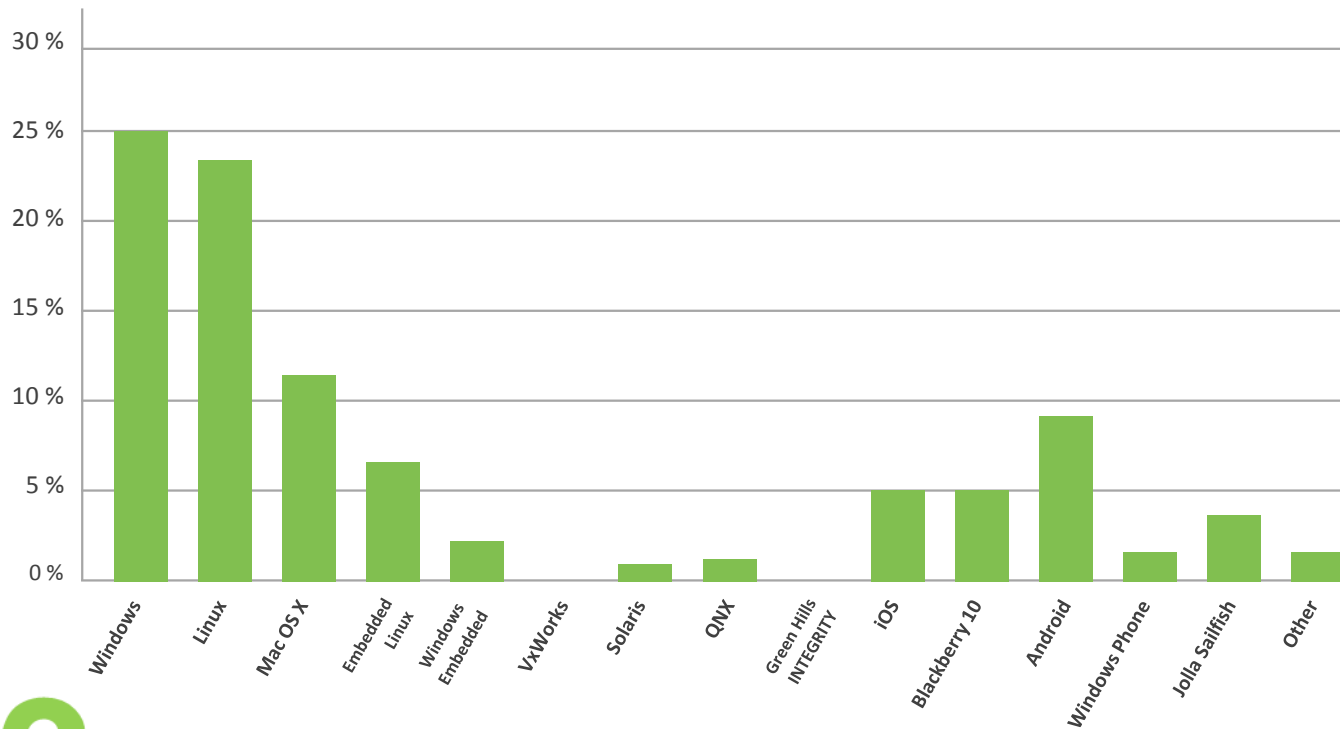
Qt: future prospects

- Net sales from Qt business expected to grow markedly in 2014 compared to 2013.
- Significant investments in Qt business and Qt technology will continue. Sales network, especially in Asia, to be reinforced.
- Further investments in the business will continue to hold back profitability. The aim is that income from the Qt business should cover its expenses in the future.



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Cross-platform development framework



3

Is the average # of OSs
TARGETED BY Qt Users



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jolla

MAGNETI
MARELLI

BlackBerry.

THALES



ABB

Panasonic

navico

HIGH END SYSTEMS



DAZ 3D



Some of our customers

95%

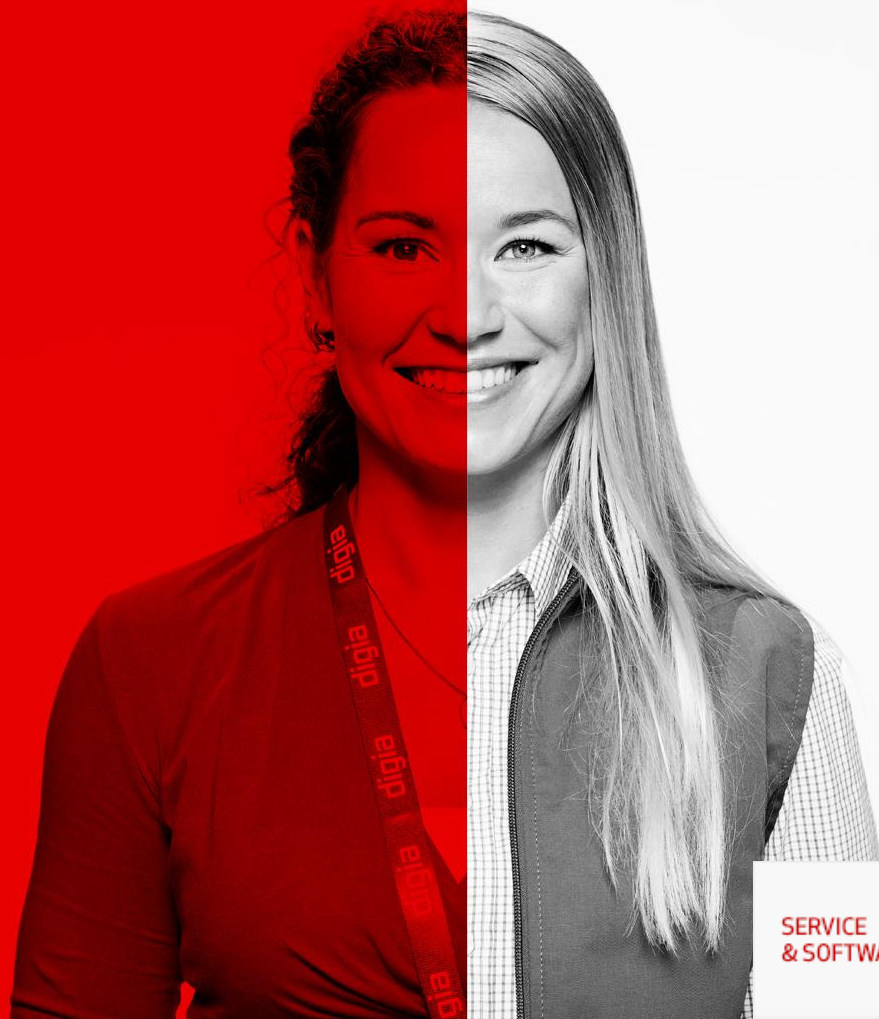
Qt users are
satisfied

or
Very Satisfied
with Qt



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TOGETHER.
Everyday value



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Thank you!

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