

”Net sales and operating profit increase on the back of Qt’s vigorous growth.”

Digia Plc, Interim Report Q1/2015

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digia

Summary for reporting period

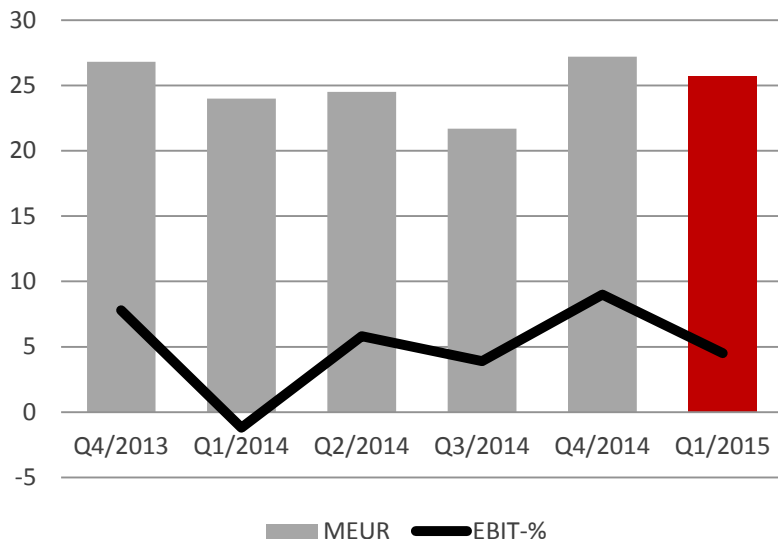
Summary for Q1/2015

- Digia's consolidated net sales grew and totalled 25.7 MEUR.
 - Up 7.1 per cent from the same period a year earlier.
- Operating profit before extraordinary items grew and totalled 1.1 (-0.3) MEUR.
- Net sales and operating profit increased on the back of Qt's vigorous growth.
- Qt's net sales grew 30.9 per cent from the same period a year earlier.

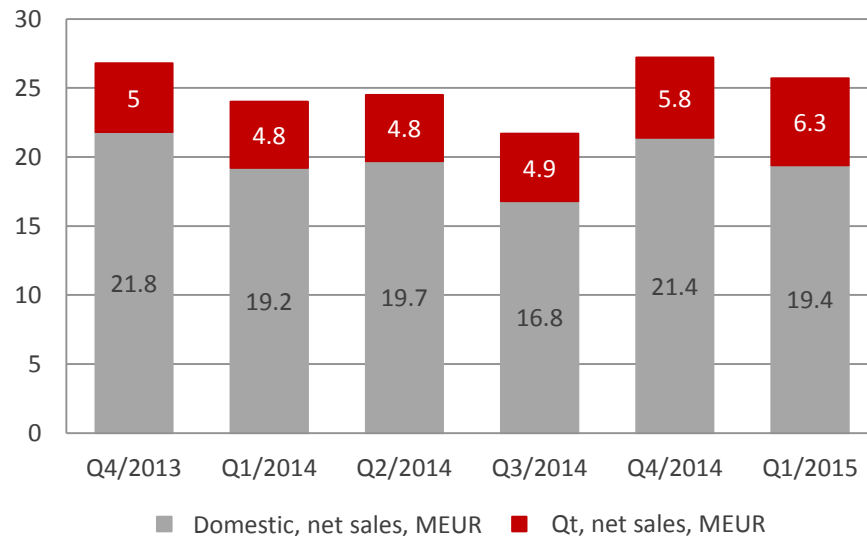
	1-3/ 2015	1-3/ 2014	Change %	FY 2014
Net sales, MEUR	25.7	24.0	7.1	97.4
Operating profit before extraordinary items , MEUR	1.1	-0.3		4.5
Operating profit after extraordinary items , MEUR	0.7	-0.3		4.3
Profitability (EBIT-%) before extraordinary items , %	4.5	-1.2		4.6
Profitability (EBIT-%) after extraordinary items , %	2.7	-1.2		4.4
Earnings per share before extraordinary items , EUR	0.04	-0.02		0.14
Earnings per share after extraordinary items , EUR	0.01	-0.02		0.14

Group key figures Q1/2015

Net sales and EBIT-%



Distribution of net sales



Domestic markets



DEVELOPING
SERVICES



UTILIZING
INFORMATION



STEERING
OPERATIONS

Domestic markets

- **Demand for integration services grew and significant new orders were received, maintaining a good level of net sales and profitability.**
 - Investments to enhance delivery capacity continued.
 - Investments in the development of product and business models for site optimisation put a strain on profitability throughout the business area.
- **There were favourable developments in the ERP and MES business area during the review period.**
 - Extremely good trends were seen in solutions based on Microsoft technologies, but the ERP business in this area experienced typical fluctuations in project deliveries.
 - However, business was good for ERP operations based on Digia's own software.
- **Demand for services based on financial-sector software has remained at a good level, and Digia managed to acquire many new customers in Sweden.**
- **Customers' cost pressures affected the pricing of service business, and thereby net sales and operational profitability.**
 - Demand for services strengthened towards the end of the review period.

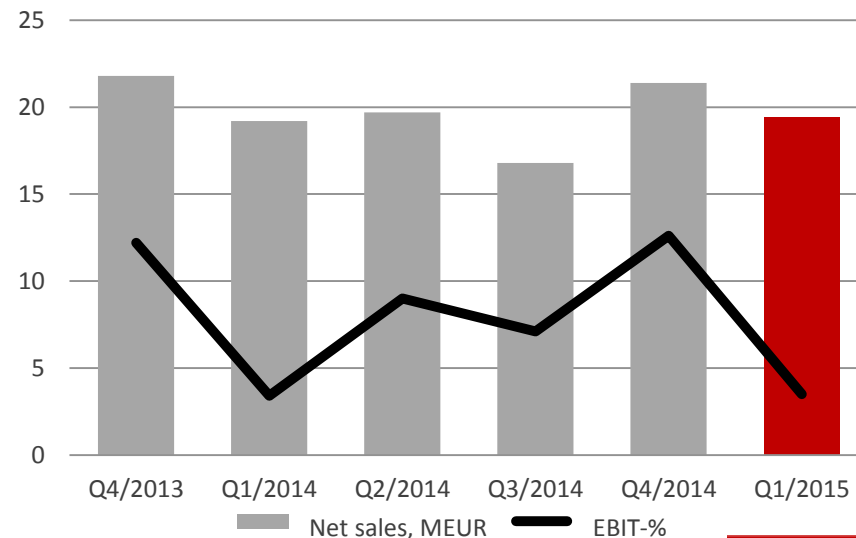
Domestic segment Q1/2015

- Net sales 19.4 (19.2) MEUR, up 1.1 per cent
- Operating profit before extraordinary items grew slightly and totalled 0.7 (0.6) MEUR.
- Profitability (EBIT-%) was 3.5 (3.4) per cent.

Share of the Group's net sales

75.5%

Net sales and EBIT-%



FY 2014

Net sales: 77.0 MEUR

Operating profit before extraordinary items: 6.3 MEUR



The Qt
Company



Qt's international market

- The Qt segment continued to grow vigorously during the review period. Its operating profit also improved on the back of net sales growth, and the business became profitable.
- At the beginning of the review period, the Qt business was hived off into a separate corporate entity named as The Qt Company.
- The new website launched for the Qt segment – www.qt.io – has been well received and visitor numbers are increasing as expected.
 - At the end of the period, the website was attracting about 1.6 million visits per month.
 - This website plays an extremely important role in managing the Qt ecosystem, and Digia will continue to make substantial developments to this channel.
- Development measures in sales were carried out in Asia in particular. A new office was opened in Shanghai.

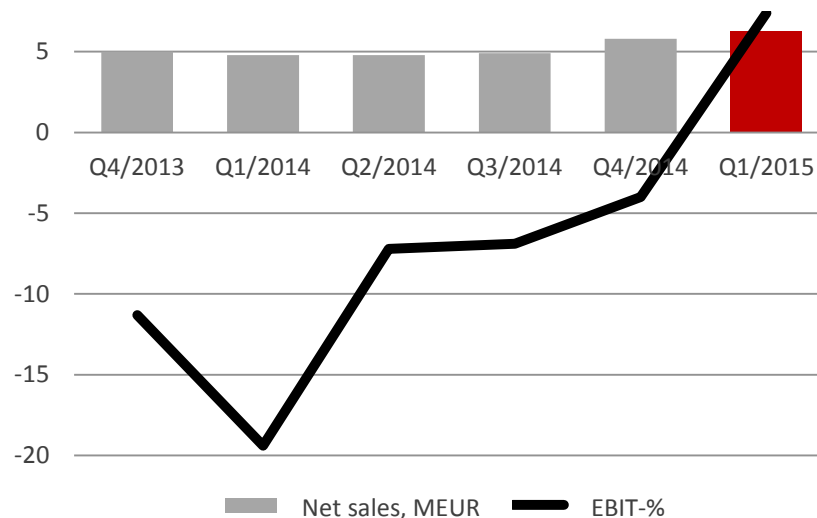
Qt segment Q1/2015

- Net sales 6.3 (4.8) MEUR, up 30.9 per cent.
- Operating profit before extraordinary items grew and totalled 0.5 (-0.9) MEUR.
- Profitability (EBIT-%) 7.4 (-19.4) per cent.

Share of the Group's net sales

24.5%

Net sales and EBIT-%

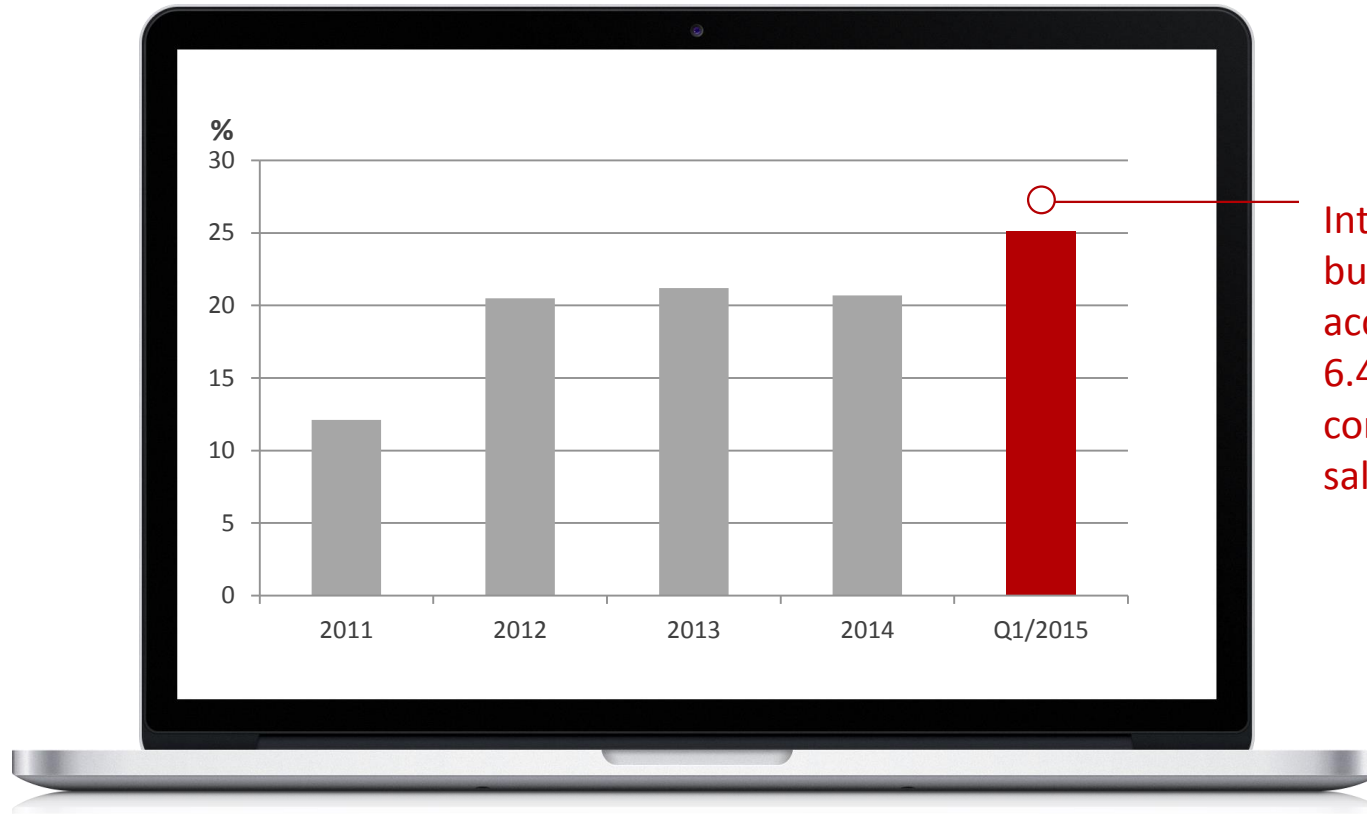


FY 2014

Net sales: 20.4 MEUR

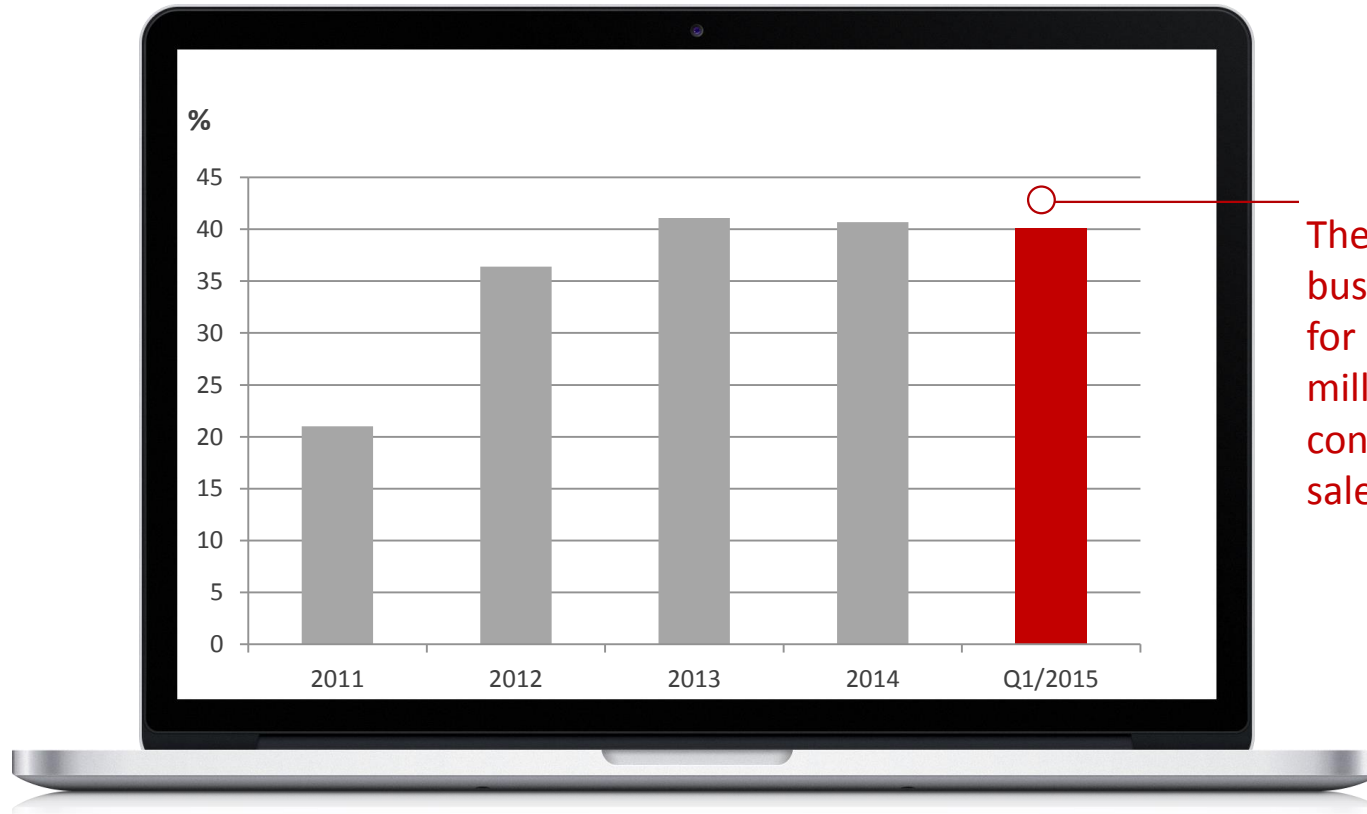
Operating profit before extraordinary items: -1.9 MEUR

International business, net sales



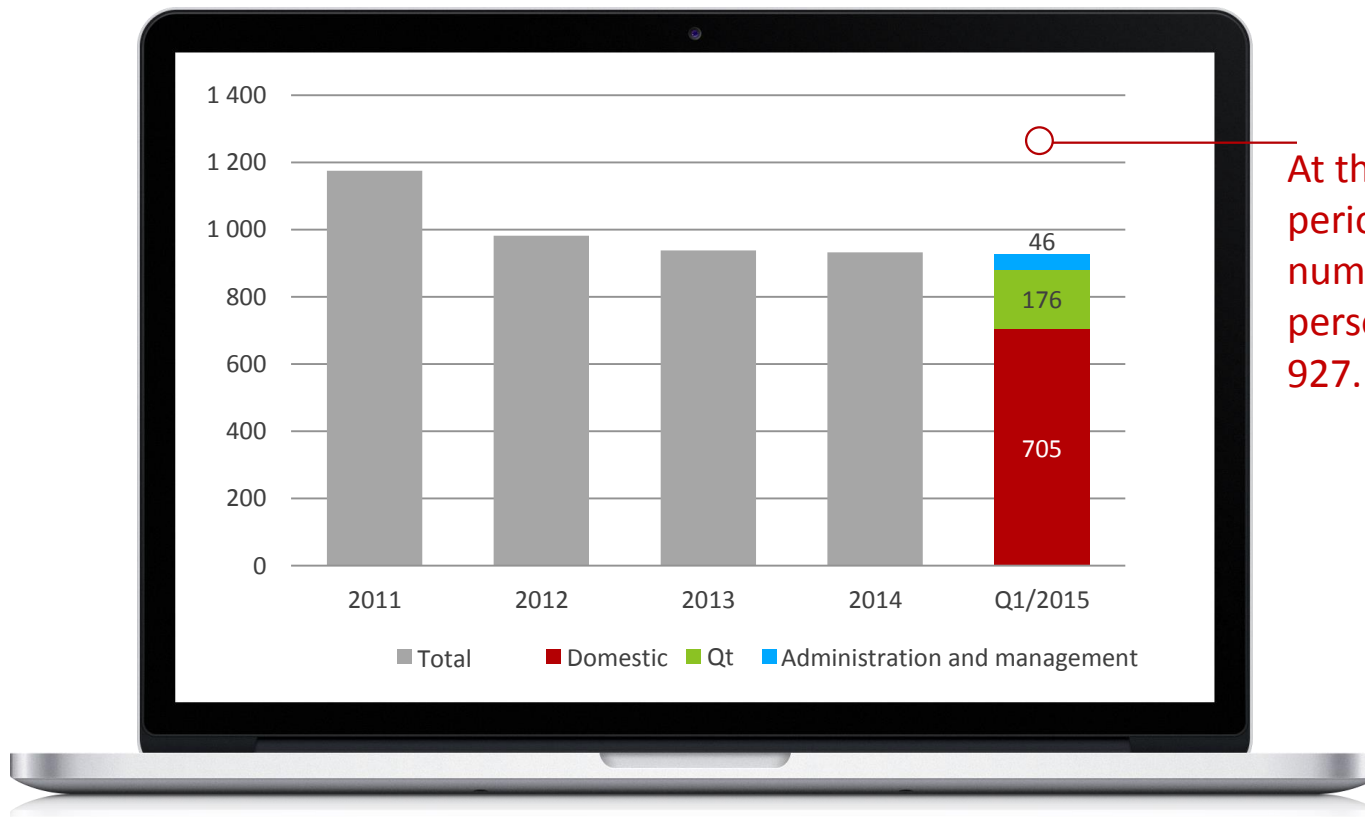
International business accounted for EUR 6.4 (4.8) million of consolidated net sales.

Product business, net sales



The product business accounted for EUR 10.3 (9.7) million of consolidated net sales.

Personnel



The background of the slide is a detailed photograph of a rock face, showing various textures, cracks, and mineral deposits in shades of grey, blue, and brown. A semi-transparent grid of squares is overlaid on the image, with some squares appearing darker than others, creating a digital or pixelated effect.

Outlook

Outlook: Domestic

- Digia will continue its efforts to gain a deeper understanding of its customers and to develop a sales and service portfolio that will offer more competitive services and solutions for boosting the efficiency of its customers' operations.
- Digia expects overall demand to remain moderate in the domestic segment, with slight year-on-year growth forecast for its 2015 net sales in domestic segment.
- The profitability of domestic operations is expected to improve as the review period progresses, reaching at least a moderately satisfactory level for 2015 as a whole.

Outlook: Qt

- The Qt segment will be placing a strong focus on sales development, thereby creating the potential for further growth.
- The company will continue to introduce changes to open source code licensing in forthcoming versions of its Qt software. These changes seek to promote licence sales to commercial players.
- The Qt order book is satisfactory in relation to the time of year and general market situation, and the company also expects to see continued growth in demand in the major customer segment.
 - However, contract turnaround times in these markets are very long, typically around 6–18 months, which can cause significant fluctuation in quarterly net sales and in profitability in particular.
- Business development efforts will focus especially on embedded systems in automotive, digital TV and DTV receivers. Areas targeted in product development include value-added features and tools required for building embedded systems.
- Digia expects a clear year-on-year increase in the net sales of the Qt segment in 2015, and the full-year operating result is expected to be in the black.

Thank you!

Next in IR calendar:

Q2 result 14 August 2015

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TOGETHER.

One step ahead.



digia