Digia Plc Business Review

January-September 2019

October 31, 2019

Business Review
January-March 2019
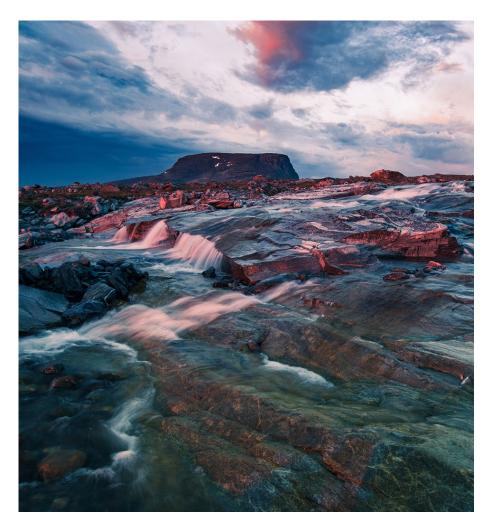
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Main points for profitable growth 1-9
Continuous added value for customers
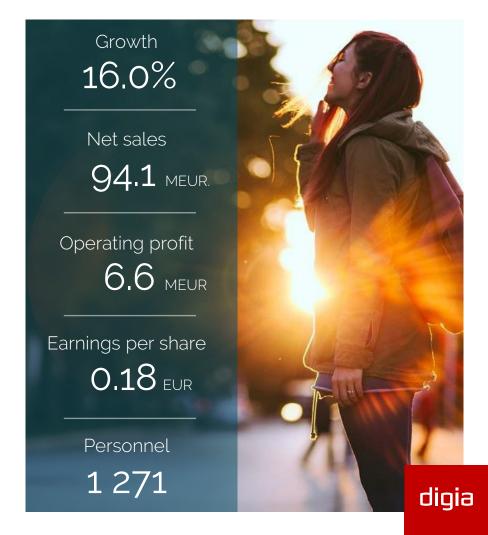
Growth in all Digia's service areas

Net sales + 16%
Operating profit + 31%

The rise of analytics

Building the future:
Accountor Enterprise Solutions
– acquisition and integration

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1-9/2019:
Net sales + 16.0%, operating profit 31.0%

- Net sales grew 16%, organic growth 8.3%

- Operating profit 6.6 MEUR, growth 31%
  - 1-9 operating profit percentage 7.1 (6.3)%
  - Q3 operating profit percentage 6.1 (6.1) %

- Digia's offering good and functioning
  - Growth in all service areas

- Acquisitions
  - 31.1.2019: Starcut Oy to bolster Digia Digital service area
  - 1.8.2019: Accountor Enterprise Solutions Oy to bolster Digia Business Platforms service area

Growth
16.0%

Net sales
94.1 MEUR.

Operating profit
6.6 MEUR

Earnings per share
0.18 EUR

Personnel
1 271

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Net sales grew 17%

- Net sales 29.5 (25.2) MEUR, organic growth 6.8%

- Growth of net sales was supported especially by
  - Strong growth in Analytics -business area
  - Integration and API solutions
  - Core business systems
    - Business systems based on Microsoft technologies

- Service and maintenance business:
  - 17.9 MEUR, growth 13%
- Project business:
  - 11.6 MEUR, growth 23%

Quarterly net sales

MEUR

Growth **17%**

35														
30														
25														
20														
15														
10														
5														
0														

21.4 22.4 18.9 23.7 22.2 24.4 20.5 27.4 26.9 28.9 25.2 31.2 31.9 32.8 29.5

Q1/16 Q2/16 Q3/16 Q4/16 Q1/17 Q2/17 Q3/17 Q4/17 Q1/18 Q2/18 Q3/18 Q4/18 Q1/19 Q2/19 Q3/19
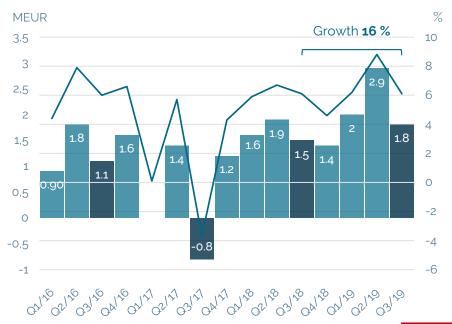
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Operating profit 1.8 MEUR, growth 16%

- Operating profit 1.8 (1.5) MEUR
- Operating margin 6.1% (6.1%) of net sales

- Overall improvement during summer holidays, AES integration kept busy

- Earnings per share grew 18% and was 0.042 EUR (0.036)

Quarterly net sales and operating margin

MEUR

Growth **16 %**

%

3,5

10

3

8

2,5

6

2

4

1,5

2

1

0

0,5

-2

0

-4

-0,5

-6

-1

Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18	Q1/19	Q2/19	Q3/19
0.90	1.8	1.1	1.6		1.4	-0.8	1.2	1.6	1.9	1.5	1.4	2	2.9	1.8

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Key figures 30 September 2019

- Return on equity (ROE) 13.1% (10.4%)

- Return on investment (ROI) 12.5% (10.8%)

- Interest bearing liabilities 28.7 (18.0) MEUR

- Net gearing 56.7% (38.5%)

- Equity ratio 45.9% (52.8%)

- Total shareholder's equity 50.7 (46.7) MEUR

- Balance sheet total 111.8 (89.3) MEUR

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Digia Q3 – highlights

Growth and offering

- AES acquisition, integration continues during Q4

- Dell Boomi reseller & Partner of the Year

Customers

Responsibility

- Digiarvoa 2019 competition

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Digia's added value for customers
Intelligent functional entity and continuous development

Customer need

| Customer and employee experience | Data utilisation | Continuity and development |

Digia's offering

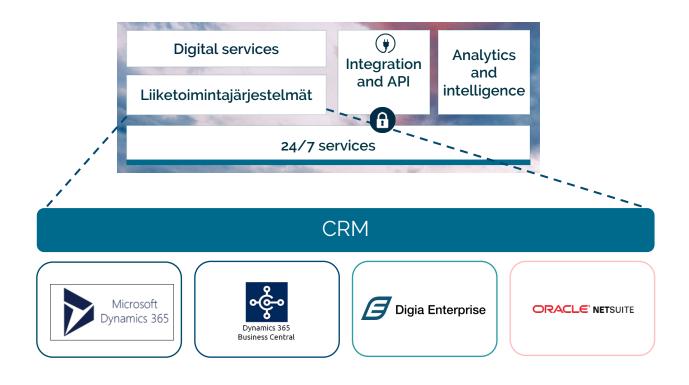Digital services

Business systems

Integration and API

Analytics and intelligence

24/7 services

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Pioneer in cloud integrations

- Gartner positions Boomi as a Leader for six consecutive years

- EMEA Partner of the Year honor in Boomi World Partner Summit event

- First Boomi reseller in the Nordics

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Etra

Controlled and persistent digitalisation

From isolated system solutions towards building intelligent entities:

- Base is formed by Digia's ERP solution which grows and develops together with the business
- Several mobile solutions for both internal and customer use
- E-commerce which in case of biggest customers is connected to purchasing systems through API's
- Through online services, customers are able to see their purchase history regardless of how the products have been ordered

ETRA
Your Industrial Partner

2019
B2B e-commerce

2018
Mobile solution for shelving service

2016
Store and customer order app

2014
ERP implementation in the Baltics

2013
Handheld device solution for warehouse

2011
QlikView reporting

2010
Central warehouse solution

2007
Digia Enterprise ERP

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This is how the world will develop

Digital projects

Separate projects

⌄

Digital business and platforms

Considering the big picture, implementing in phases

Business criticality

⌄

Intelligent ecosystems

Working through networks – intelligently

Cloud is platform for operating and development

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Digiarvoa 2019 competition

Winner: Finnish Red Cross
"Kukaan ei jää ilman apua"

- The winner was announced 24th September
- We were looking for a top idea or project that creates value digitally, related especially to the following themes:
  - platforms and ecosystems
  - valuable data
  - inspiring customer experiences
- We received over 90 ideas
- We support the winning idea or project to the sum of EUR 100,000.

DIGIARVOA 2019

Etsimme huippuluokan digiarvoa tuottavaa ideaa tai hanketta. Tuemme kilpailun voittajaa 100 000 euron arvoisella panostuksella.

Lue lisää ja osallistu! ▶

Digia on ohjelmisto- ja palveluyritys, joka auttaa asiakkaitaan uudistumaan verkottuvassa maailmassa. Rakennamme yhteispelillä maailmaa, jossa digitaalisuus toimii ja tuntuu. digia.com

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OUR
WORLD
VIEW

Using digital platforms and networks for operations will become more common.

At Digia, we believe in a world in which value is created in ecosystems through smart data management.

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Profit guidance for 2019

- Digia's net sales will continue to grow and operating profit in euros will emprove compared to 2018.

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